



Analyst conference call on the interim results January to March 2021

Hamburg, 12 May 2021

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01 At a glance

Angela Titzrath, CEO

02 Financial performance 1-3 | 2021

Dr. Roland Lappin, CFO

03 Guidance 2021

Angela Titzrath, CEO

04 Questions & answers

Angela Titzrath, CEO

Dr. Roland Lappin, CFO

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HHLA achieved a promising start to 2021 in line with full-year guidance

Strong EBIT based on increase in storage fees and favourable development of transport volumes



Major achievements

- Multi-function terminal in Trieste went into operation
- HHLA kept production running despite pandemic-related restrictions
- Health & safety of employees maintained continuously
- Automation of block storage at CTB to boost efficiency continued



Market environment

- Persisting imbalances in trade flows due to a lack of empty containers and shipping space as a result of catch-up effects
- Delays in sailing schedules led to high pressure on terminals and hinterland transport systems



Results

- Container throughput impacted by the loss of a Far East service in May 2020 whereas container transport grew strongly, esp. continental rail transportation
- EBIT benefitted from rise in revenue quality
- ROCE met the medium- and long-term target of 8.5 %

Key figures for 1-3 | 2021

Throughput
1,677k TEU
– 6.6 %

Transport
418k TEU
+ 10.7 %

Revenue
€ 342.0 m
+ 4.4 %

EBIT
€ 43.3 m
+ 33.4 %

EBIT margin
12.7 %
+ 2.8 pp

Profit after tax
and minorities
€ 19.6 m
+ 155.5 %

ROCE
9.0 %
+ 2.1 pp

Operating cash flow
€ 63.5 m
– 13.6 %

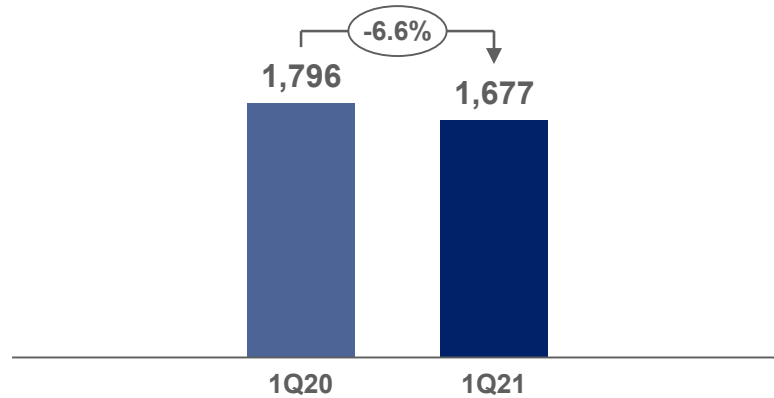


Container

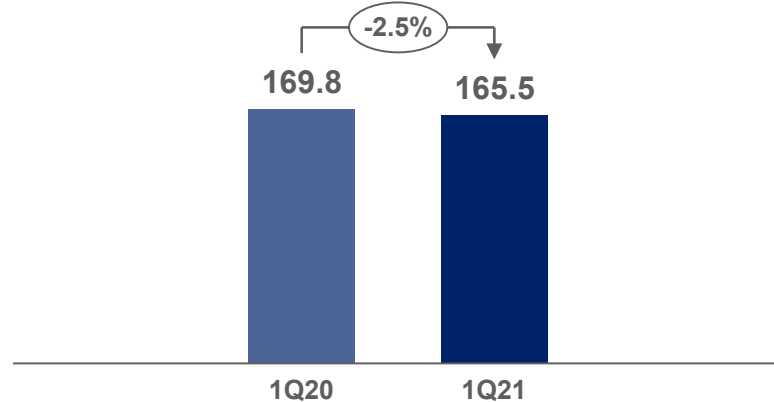
Strong EBIT development mainly driven by increase in storage fees

Volume recovery masked by loss of Far East service in Q2/2020

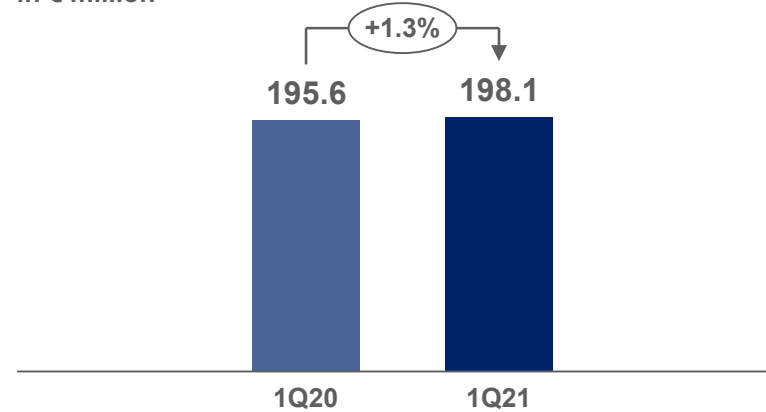
Container throughput
in thousand TEU



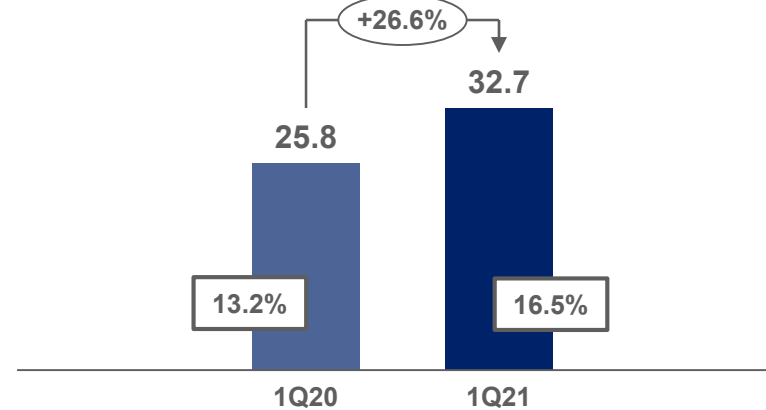
OpEx
in € million



Revenue
in € million



EBIT and EBIT margin
in € million



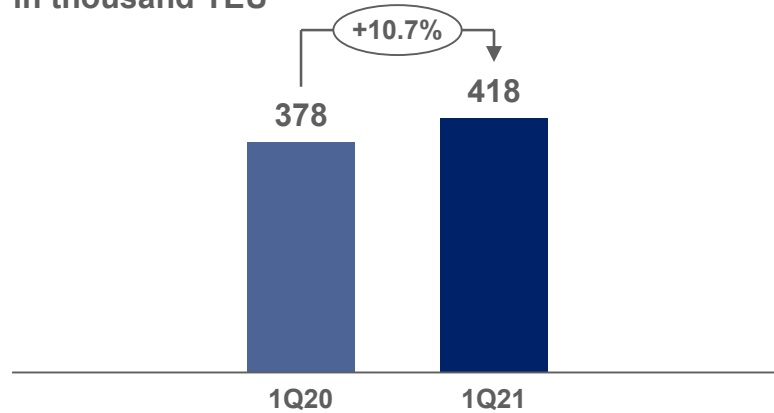
- Container throughput down by 6.6 % (Hamburg down by 7.2 %; Internationals down by 0.3 %)
- Decline in throughput due to loss of a Far East service in May 2020
- Increase in revenue quality offset decline in volume; average revenue per TEU + 8.5 % y-o-y mainly attributable to
 - advantageous modal split with high share of hinterland volumes
 - temporary increase in storage fees due to longer dwell times as a result of ongoing delays in shipping schedules
- OpEx decreased due to volume-related adjustments; i.e. use of external personnel)
- EBIT up strongly mainly due to improved revenue quality compared to previous year
- Favourable EBIT margin of 16.5%



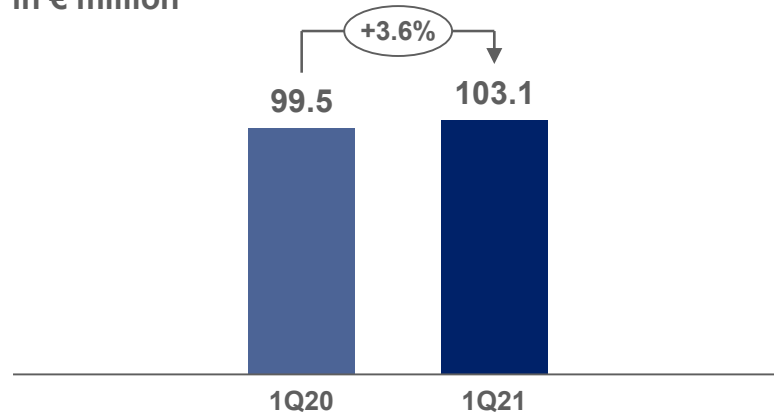
Intermodal

Encouraging volume development led to strong EBIT growth

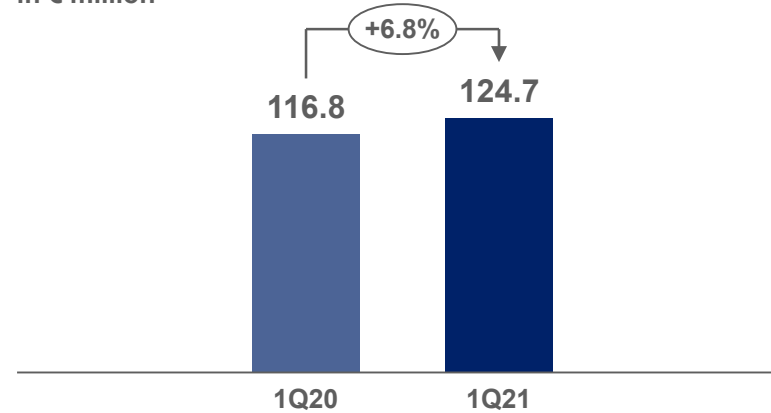
Container transport in thousand TEU



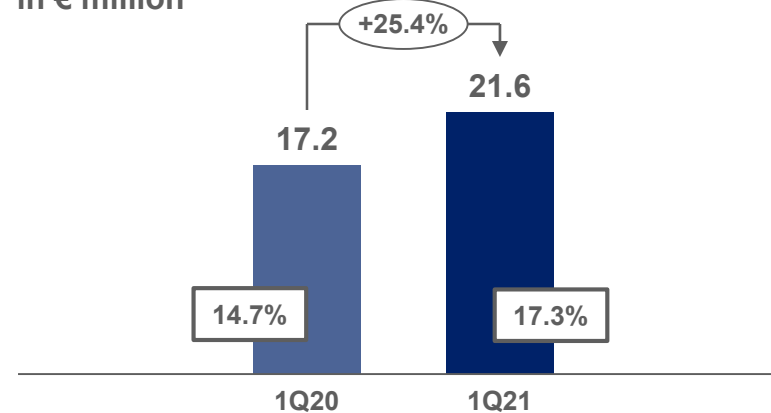
OpEx in € million



Revenue in € million



EBIT and EBIT margin in € million



- Strong rise in transport volumes more pronounced in rail transport than road transportation (+ 12.1% vs. + 5.4 %)
- Rail share up to 80.4 % (+1.0 pp)
- Rise in rail volumes mainly driven by an increase in continental traffic
- Revenue up significantly but lagged behind volume growth as average revenue per TEU fell due to a change in structure of cargo flows
- EBIT up strongly by 25.4 %
- Favourable EBIT margin of 17.3 % (+2.6 pp)

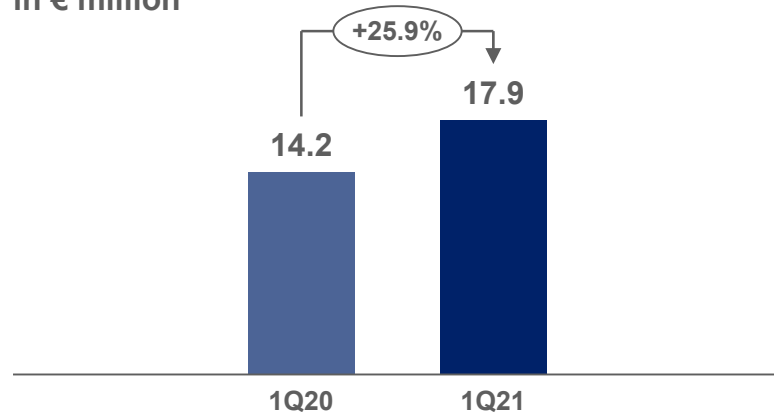


Logistics

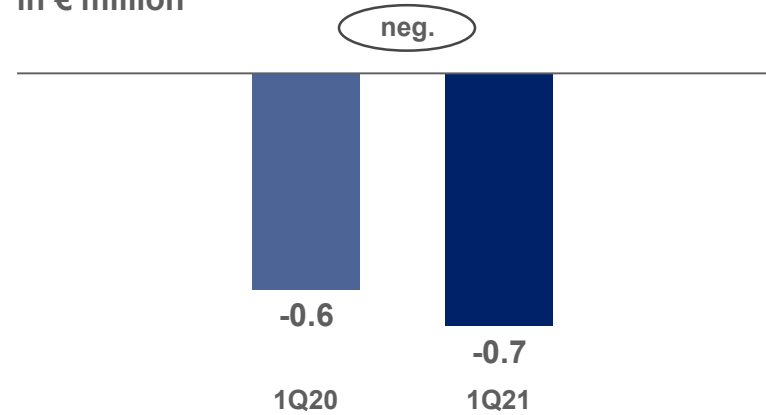
Revenue increase supported by first-time consolidation of iSAM

EBIT burdened by planned start-up losses of new activities

Revenue
in € million



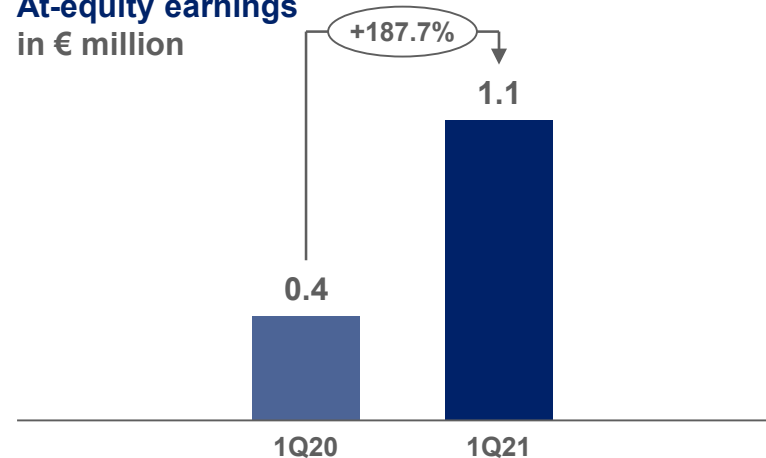
EBIT
in € million



- Revenue from consolidated companies increased mainly due to
 - first-time consolidation of automation specialist iSAM
 - strong increase in vehicle logistics
- EBIT impacted by temporary increases in start-up losses of new activities
- At-equity earnings recorded a strong overall increase, in particular due to favourable development of bulk cargo



At-equity earnings
in € million

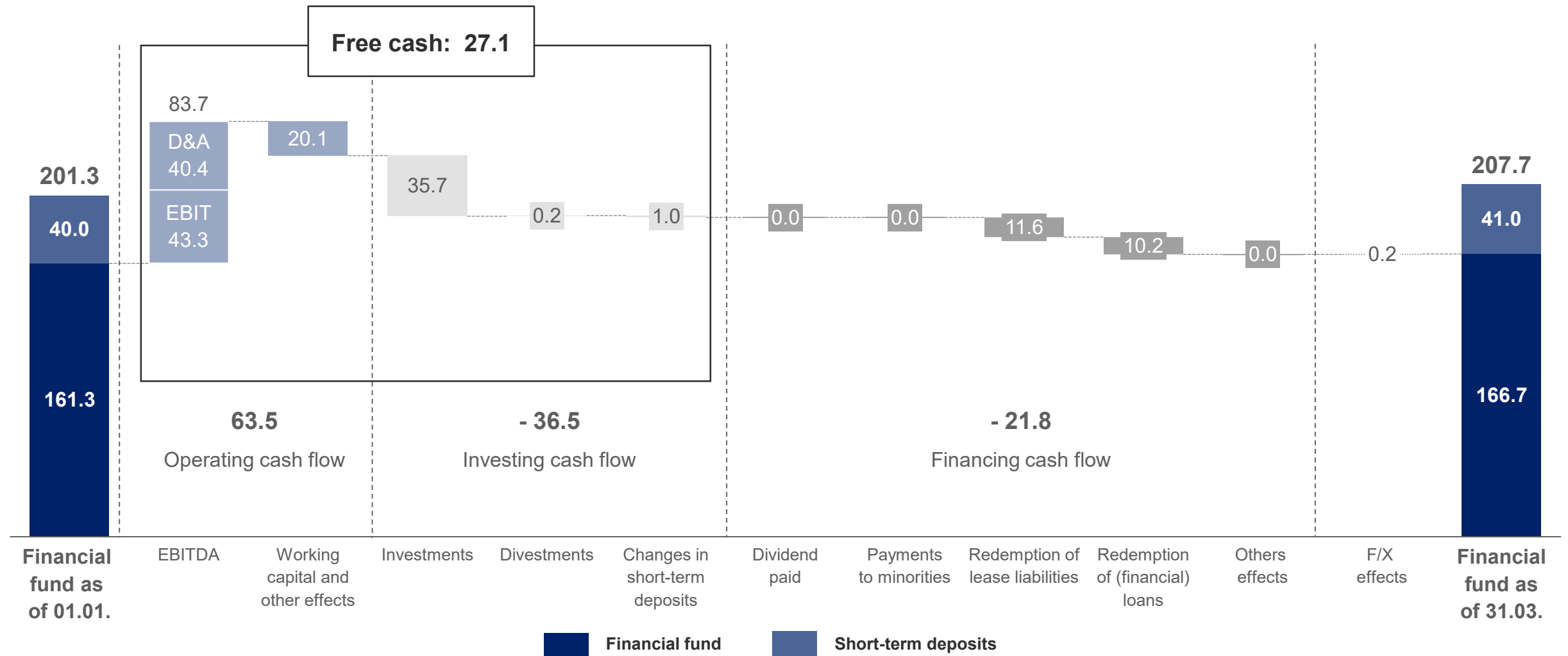




Comfortable liquidity position to meet payment obligations at all times

Cash flow development in line with business development

in € million





Port Logistics

Guidance 2021 unchanged

European throughput outlook has become much gloomier; still high unpredictability

Research estimates for 2021

GDP development

by IMF	January	March
World	+ 5.5 %	+ 6.0 %
China	+ 8.1 %	+ 8.4 %
Russia	+ 3.0 %	+ 3.8 %
CEE	+ 4.0 %	+ 4.4 %
World trade	+ 8.1 %	+ 8.4 %

Throughput development

by Drewry	December	March
World	+ 8.9 %	+ 8.7 %
China	+ 9.1 %	+ 12.4 %
Europe	+ 7.7 %	+ 4.0 %
NW Europe	+ 8.1 %	+ 0.3 %
Scan. & Baltics	+ 10.5 %	+ 4.1 %

Sources: IMF // Drewry Maritime Research

Constraints of guidance 2021

The forecast for the year is subject to considerable uncertainty.

This applies in particular to the intensity and timing of the economic recovery.

Guidance for the Port Logistics subgroup 2021

	2020	1-3 2021	Guidance for 2021
Container throughput	6,776 k TEU	1,677 k TEU	Moderate increase
Container transport	1,536 k TEU	418 k TEU	Moderate increase
Revenue	€ 1,269.3 m	€ 342.0 m	Moderate increase
EBIT	€ 110.3 m	€ 43.3 m	in the range of € 140 to 165 million
Capital expenditure	€ 178.7 m	€ 35.8 m	in the range of € 220 to 250 million
Liquidity	€ 201.3 m	€ 207.7 m	sufficient to meet payment obligations at all times
Dividend per A class share	€ 0.45	commitment to pay out 50 to 70 % of net profit after minority interests	

Q&A

Recording will be available at

<https://hhla.de/en/investors/publications/reports/conference-call>

Financial calendar and contact

Financial calendar 2021

25 March 2021

Annual Report 2020
Analyst conference call

12 May 2021

Interim Statement
Analyst conference call

10 June 2021

Virtual Annual General Meeting

12 August 2021

Half-year Financial Report
Analyst conference call

11 November 2021

Interim Statement
Analyst conference call



Interim Statement 1-3 | 2021

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Julia Hartmann // Head of IR

Phone: +49 40 3088 3397

E-mail: hartmann-j@hhla.de



Steffen Keim // Manager

Phone: +49 40 3088 3100

E-mail: keim@hhla.de



Ute Neumann // Manager

Phone: +49 40 3088 3613

E-mail: neumann-u@hhla.de

Back up

Several developments driving HHLA's transformation process

Advanced momentum through implementation of an efficiency programme in the Container segment

Structural sector developments

01 Ship size development

Increasing number of mega carriers demands more efficiency and operational flexibility as well as investments

02 Consolidation of shipping liners

Formation of alliances leads to increased price and performance pressure

03 Increasing degree of automation

Share of highly automated systems such as CTA is steadily increasing

04 Overcapacity in the North Range

Pressure on pricing due to fierce competition

05 Cooperation of port authorities

Consolidation of the port authorities in France, Belgium and the Netherlands to enhance efficiency

06 Dedicated terminals prevailed

Many shipping lines have established stakes in terminals, putting HHLA multi-user approach under pressure

Hamburg-specific topics

07 Nautical restrictions almost solved

Elbe dredging already completed; full approval anticipated for H2/2021

08 Infrastructure maintenance

Ongoing infrastructure maintenance and projects, i.e. replacement of Köhlbrandbrücke, are on track

HHLA's response: targets of the efficiency programme

Lean and sustainable organisational structure

Improved productivity in line with customer expectations

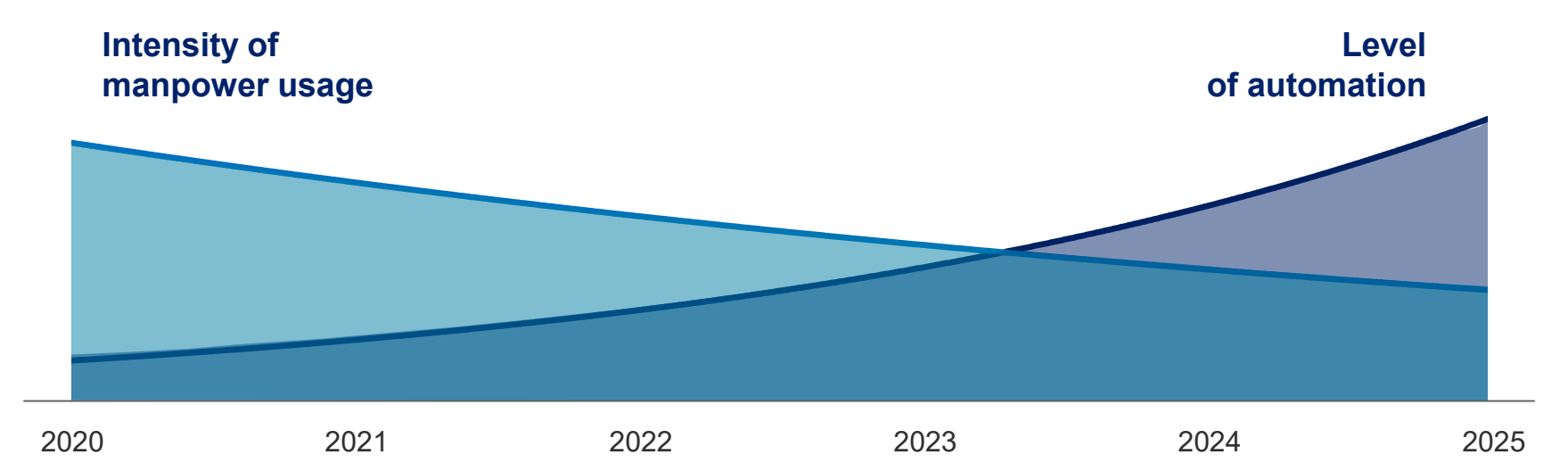
Expansion for mega carriers > 24,000 TEU

Laying groundwork for regaining market share

Reduction of emissions and energy consumption

Further automation at Hamburg terminals will lead to increased performance

... and support medium-term profitability target of the Port Logistic subgroup



2025 targets of the Port Logistics subgroup

EBIT 2025

€ 300 m

Capex 2021-2025

€ 1,050 m

Operational measures

- Roll-out of N4 terminal software on all terminals by end of 2022
- Stepwise expansion of automatic block storages at CTB from 12 in 2020 to 22 in 2024
- Construction of an AGV service centre and testing field at CTB by 2023
- Replacement of straddle carriers with Automated Guided Vehicles (AGVs) at CTB from 2024 onwards

Personnel measures

- Net provision of € 43 million in 2020 earmarked for socially responsible personnel measures
 - Main instrument: early retirement programme will have a positive P&L effect from 2023 onwards
 - Further instruments: flexi-time, reduction of overtime, education & training and re-qualification



Port Logistics

Focus on three profit sources to fuel our future success

Rationale for 2025


Container

- Increase efficiency at Hamburg terminals by further automation
 - Further area optimisation by taking up to 22 block storages into operation at CTB
 - Automation of horizontal transport from the quayside to yard via AGV
 - Further optimisation of the existing systems by using intelligent system control
- Growing EBIT contribution from international terminals

→ **Striving for efficiency**


Intermodal

- Expansion of rail terminals and hubs, i.e. Zalaegerszeg (Hungary)
- Expansion of hinterland rail network in Central and Eastern Europe by increasing frequency on existing connections and adding new connections, particularly in Southern and South-Eastern Europe
- Taking advantage of EU green deal

→ **Growing EBIT contribution**


Logistics

- Moderate increase expected from at-equity earnings
- Strong top-line growth from new ventures anticipated from 2021 onwards
- Positive EBIT contribution from new ventures expected for 2023 onwards
- Clear commitment to invest in new technologies along future transport streams

→ **Positioned for growth**