

# HAMBURGER HAFEN UND LOGISTIK AG

**Analyst conference call on the  
interim results January to March 2018**

Hamburg, 15 May 2018



# Agenda

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|----------------------------------|--|
| ■ Summary of major achievements  | Angela Titzrath, CEO                           |
| ■ Business update and financials | Dr. Roland Lappin, CFO                         |
| ■ Outlook 2018                   | Angela Titzrath, CEO                           |
| ■ Questions & answers            | Angela Titzrath, CEO<br>Dr. Roland Lappin, CFO |

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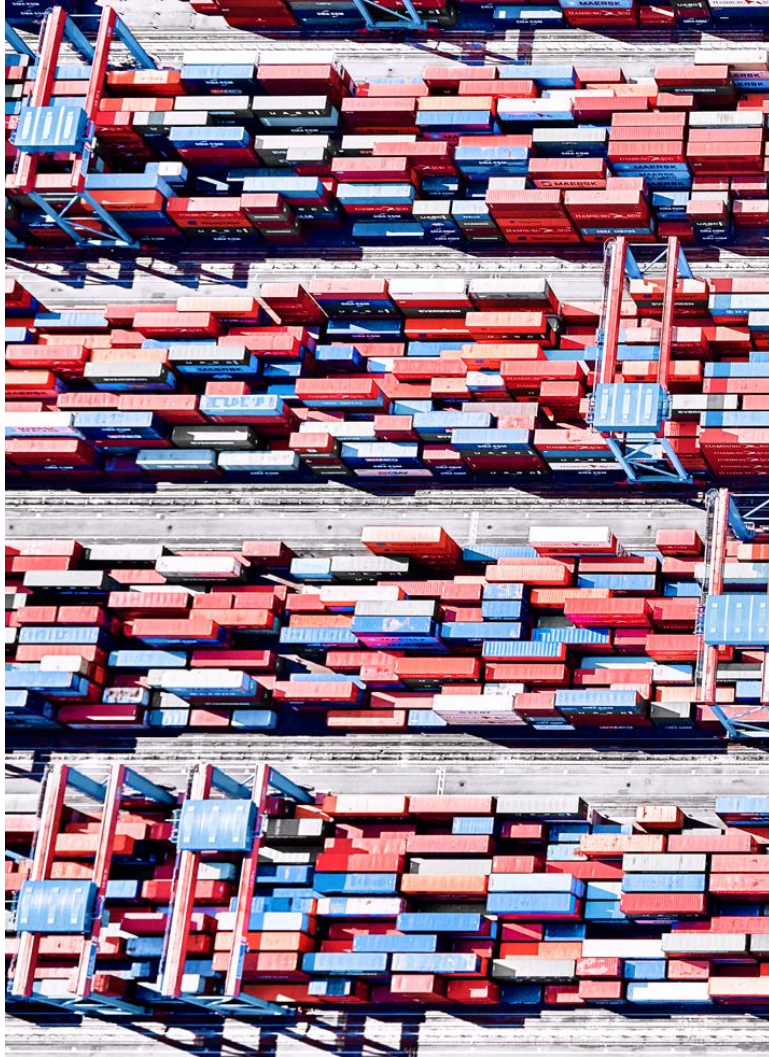
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# Summary of major achievements in Q1 2018

## Positive financial development successfully continued



Start into the financial year 2018 supports full year expectations

HHLA with slight revenue increase and significant rise in operating result

Strategically important acquisition of biggest terminal operator in Estonia signed

Takeover of remaining stake in METRANS and largely completed integration of POLZUG into the METRANS group

Cash flow from financing activities reduced by payment of takeover price for remaining stake in METRANS

Guidance confirmed: For 2018 HHLA expects a stable business development with a significant increase in operating result

## No changes: Sustainable positive GDP development supports container throughput growth

### Expectation for FY 2018

GDP World  
**+ 3.7 %**

World trade  
**+ 4.7 %**

GDP China  
**+ 6.8 %**

GDP Russia  
**+ 1.8 %**

### Macroeconomic environment

- Despite a slight slowdown towards year end 2017 climate indicators keep assuming a strong stimulation for global economy in Q1 2018<sup>1</sup> and FY 2018
- China: Stable GDP growth of 6.8 % expected in Q1 2018<sup>2</sup>, in line with FY expectations
- Russia: Upward trend still dampened by sanctions<sup>3</sup>
- Ukraine: Recovery burdened by sluggish reform projects and the unresolved conflict<sup>4</sup>
- World trade expected to gain further momentum and outpace growth of world GDP<sup>1</sup>

Sources: 1 IMF – World Economic Outlook April 2018; 2 National Bureau of Statistics of China – Press Release (19.04.2018);  
3 World Bank – Russia Monthly Economic Developments March 2018; 4 World Bank – Ukraine Economic Update April 2018

### Expectation for Q1 2018

World throughput  
**+ 4.6 %**

China throughput  
**+ 5.8 %**

NW Europe  
**+ 3.2 %**

Scan. & Baltics  
**+ 5.5 %**

### Sector development

- After strong catch-up effects in 2017, global container throughput supposed to lose some growth dynamics in Q1 2018; still a sound rise of 4.6 % expected; on track for FY estimate of 4.5 % rise
- China remains important driver at 5.8% rise in throughput in Q1 2018; in line with FY estimate
- For NW European ports a stabilisation at 3.2 % is anticipated for Q1 2018 and FY 2018
- Scan. & Baltics with the highest growth rate in Europe, still below FY expectation of 6.0%

Source: Drewry Maritime Research – Container Forecaster 1Q 2018, April 2018

# Financial highlights Q1 18 of Port Logistics subgroup

Business update and financials

Positive start in the financial year 2018

Revenue

**€ 307.3 million**

+ 3.3 %

EBIT

**€ 44.2 million**

+ 5.9 %

EBIT margin

**14.4 %**

+ 0.4 pp

Profit after tax  
and minorities

**€ 21.6 million**

- 3.9 %

ROCE

**15.3 %**

+ 0.9 pp

Operating cash flow

**€ 50.3 million**

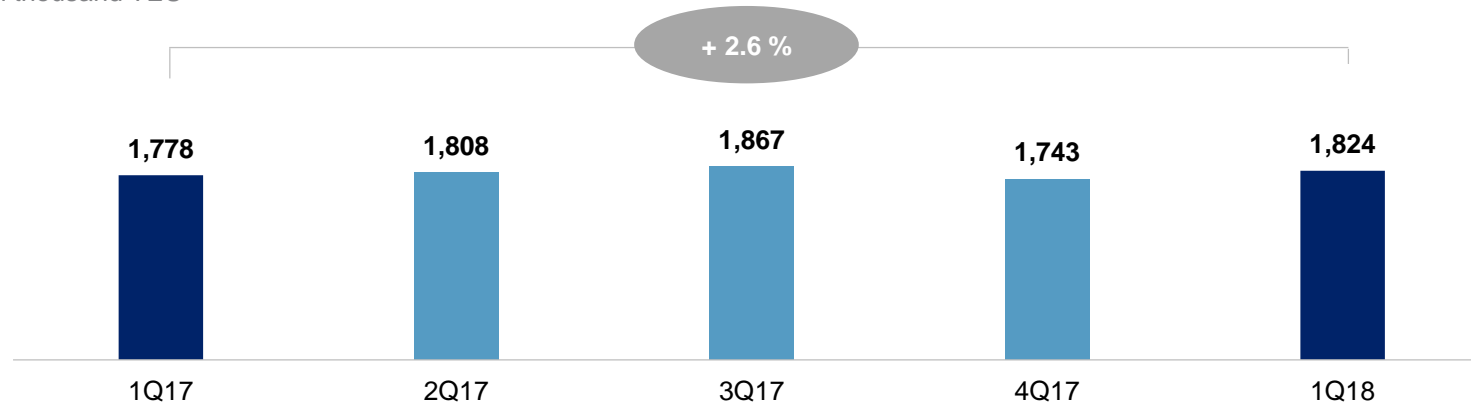
- 38.2 %

# Throughput and transport development

Container throughput slightly rising while container transport is declining as expected

## Container throughput

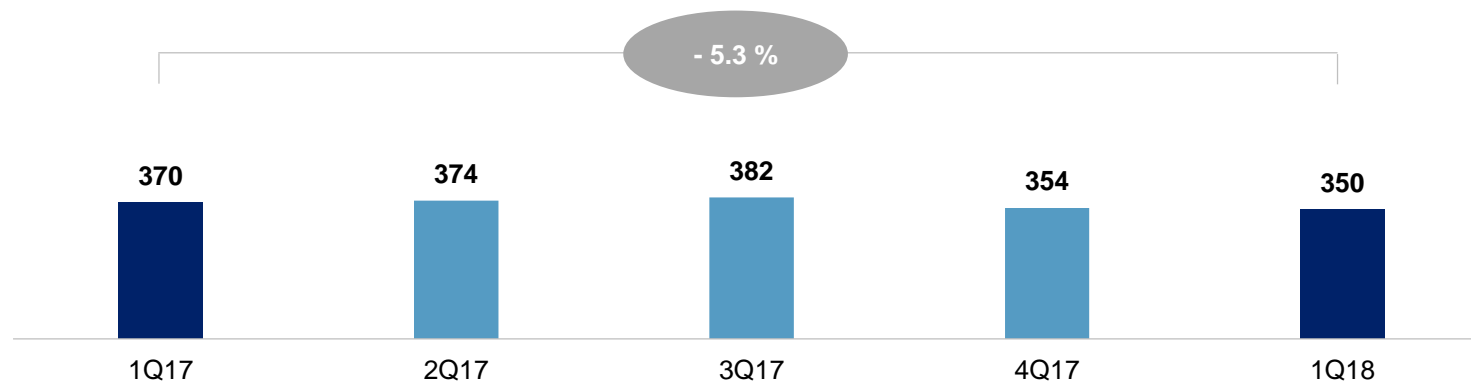
in thousand TEU



- Slight increase in container throughput mainly driven by Far East volumes rising by 8.9 % y-o-y
- Decrease in lower-margin feeder volumes by 5.4 %; accordingly feeder ratio went down 1.9 pp to 23.1 %
- Hamburg recorded a rise of 2.2%
- Odessa strongly up by 13.7 %

## Container transport

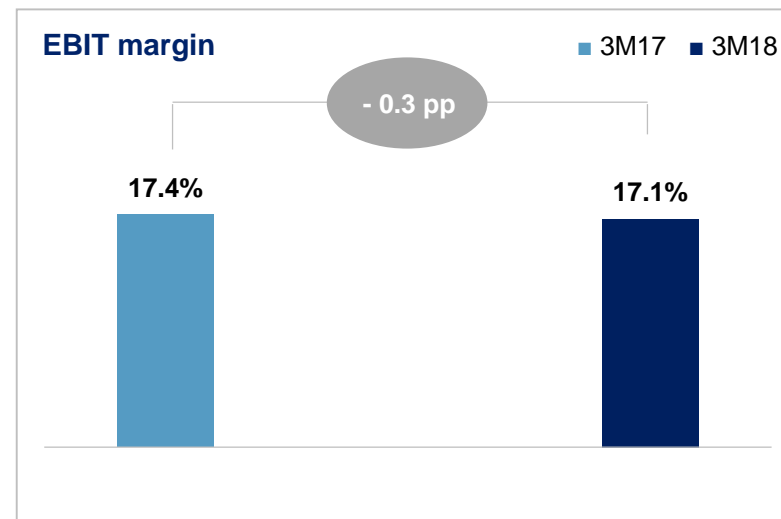
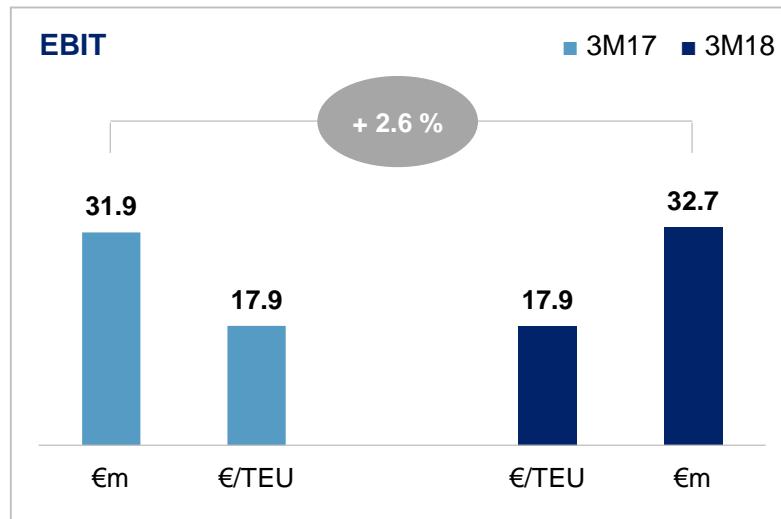
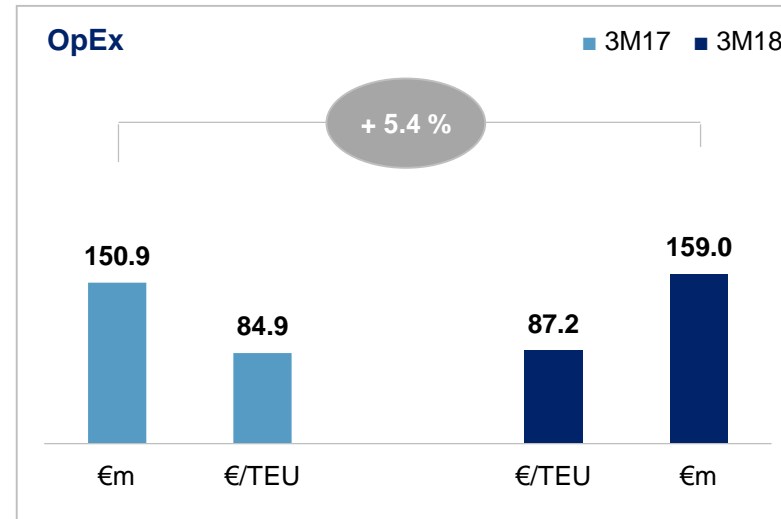
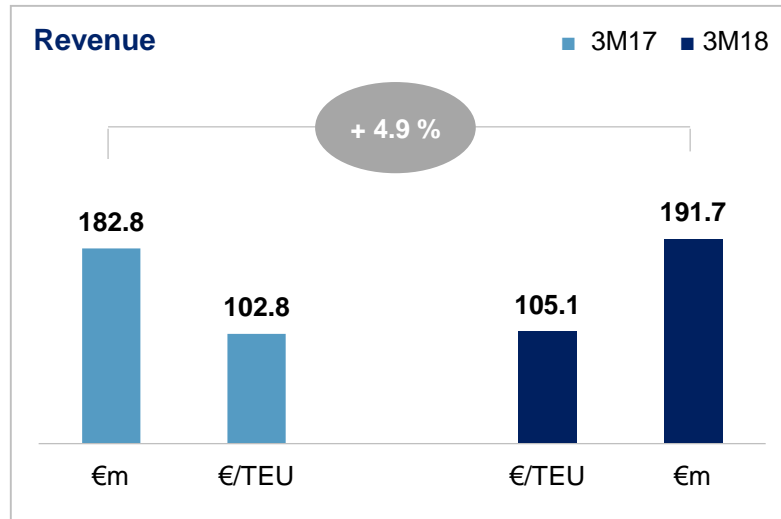
in thousand TEU



- Container transport temporarily affected by the planned realignment of polish rail traffic as expected
- Rail transportation down 4.5 % y-o-y against extraordinarily strong Q1 17
- Road-bound transportation fell by 7.8% y-o-y affected by less transfers in the Hamburg area

# Container segment

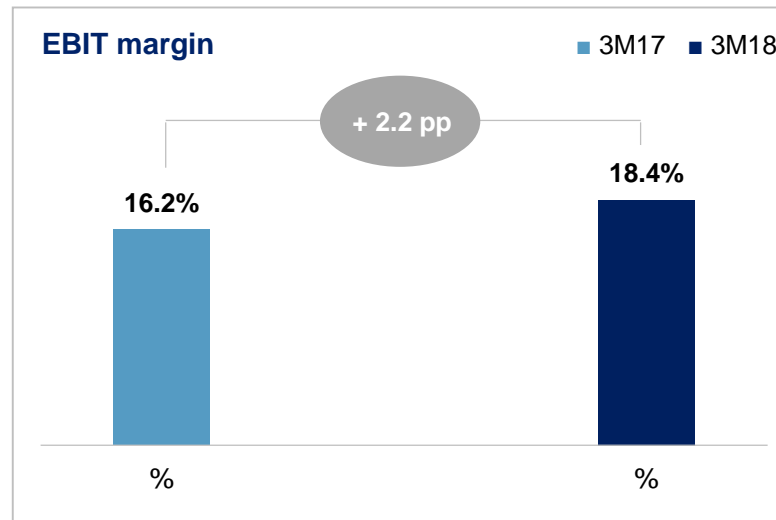
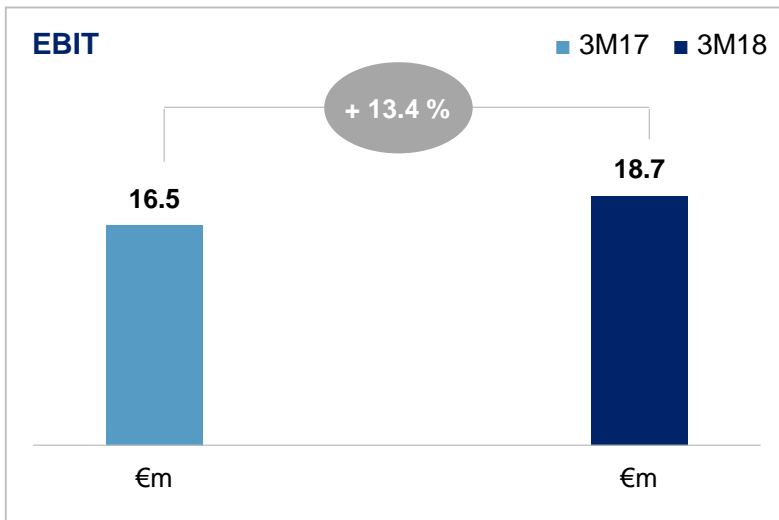
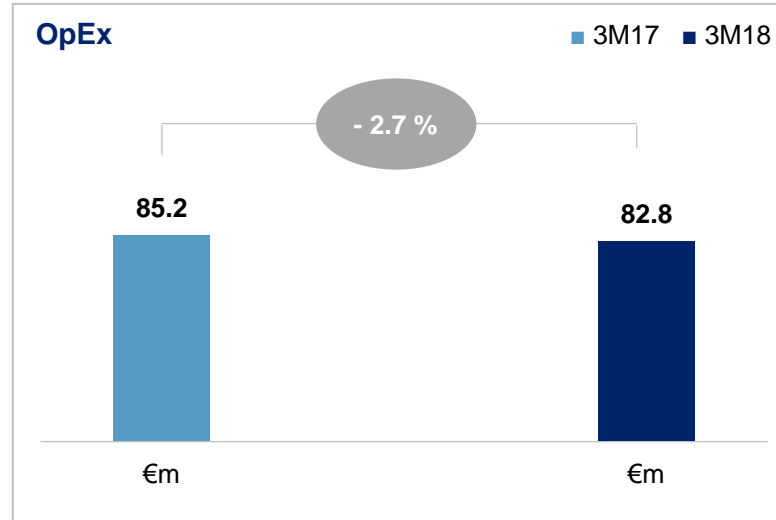
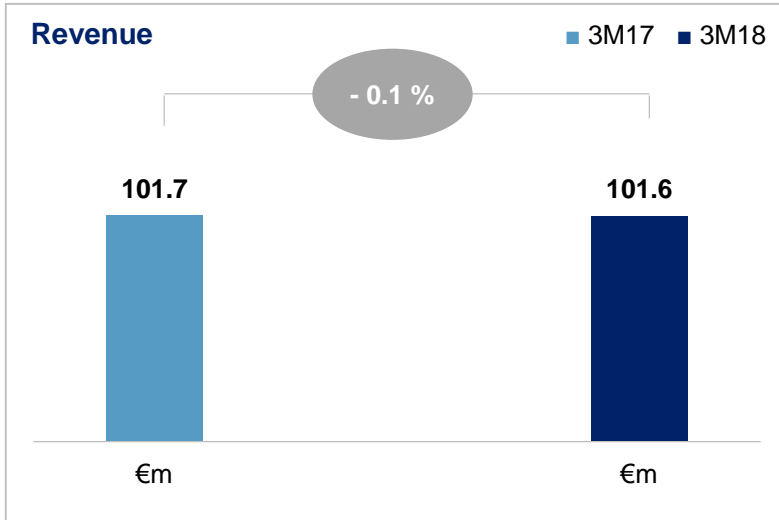
## Revenue exceeds container throughput growth, EBIT in line



- Revenue increase stronger than rise in throughput, mainly due to
  - significantly rising Far East volumes
  - decrease in lower-margin feeder volumes,
  - temporarily higher storage fees and
  - adjustments of individual handling rates
- OpEx rise as a result of
  - fluctuations in capacity utilisation within the Hamburg facilities due to ship delays and
  - resulting necessary use of additional resources
- EBIT increase in line with volume development
- EBIT margin almost on previous year's level

# Intermodal segment

Revenue stable on previous year's level – EBIT with double-digit growth

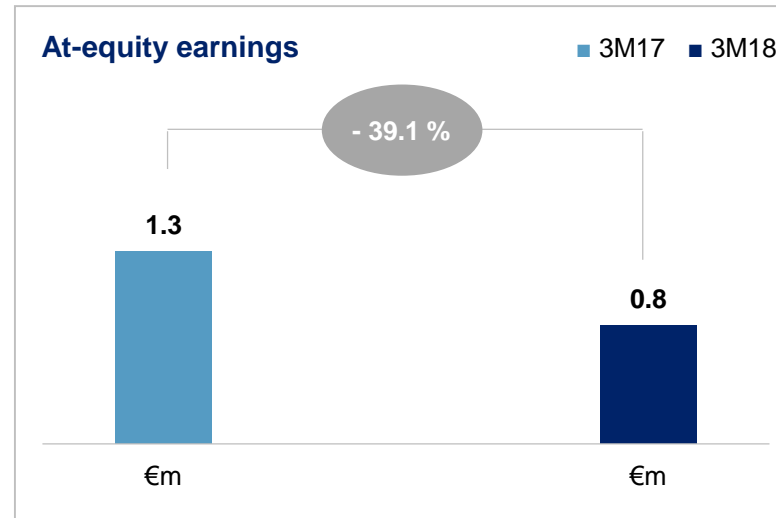
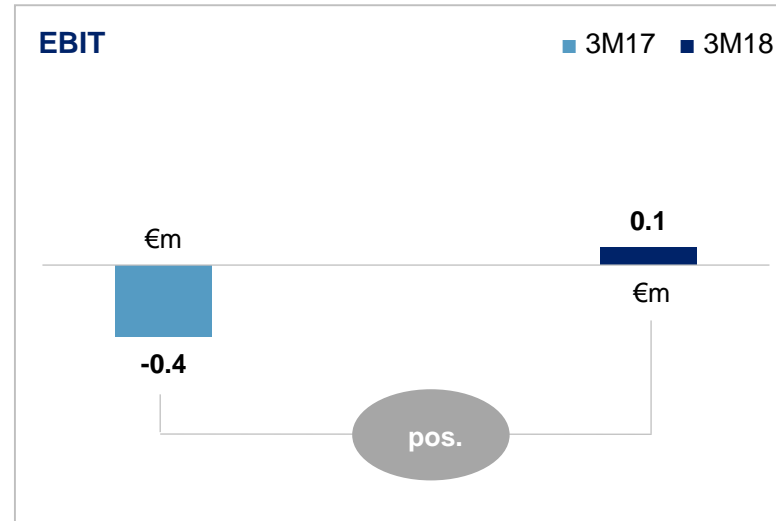
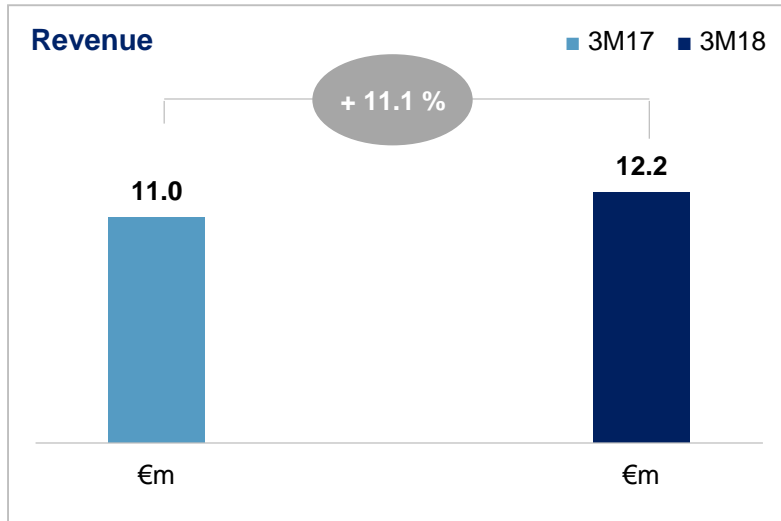


- Revenue almost in line with previous year despite significantly lower transport volume as a result of
  - higher share of rail transportation and
  - longer transport distances
- Strong EBIT increase due to:
  - Declining material costs
  - Stable ratio between import and export volumes
  - Positive change in the mix of transport relations
  - Efficiency gains in the network due to the terminal in Budapest
- Outstanding EBIT margin level



# Logistics segment

## Positive EBIT development

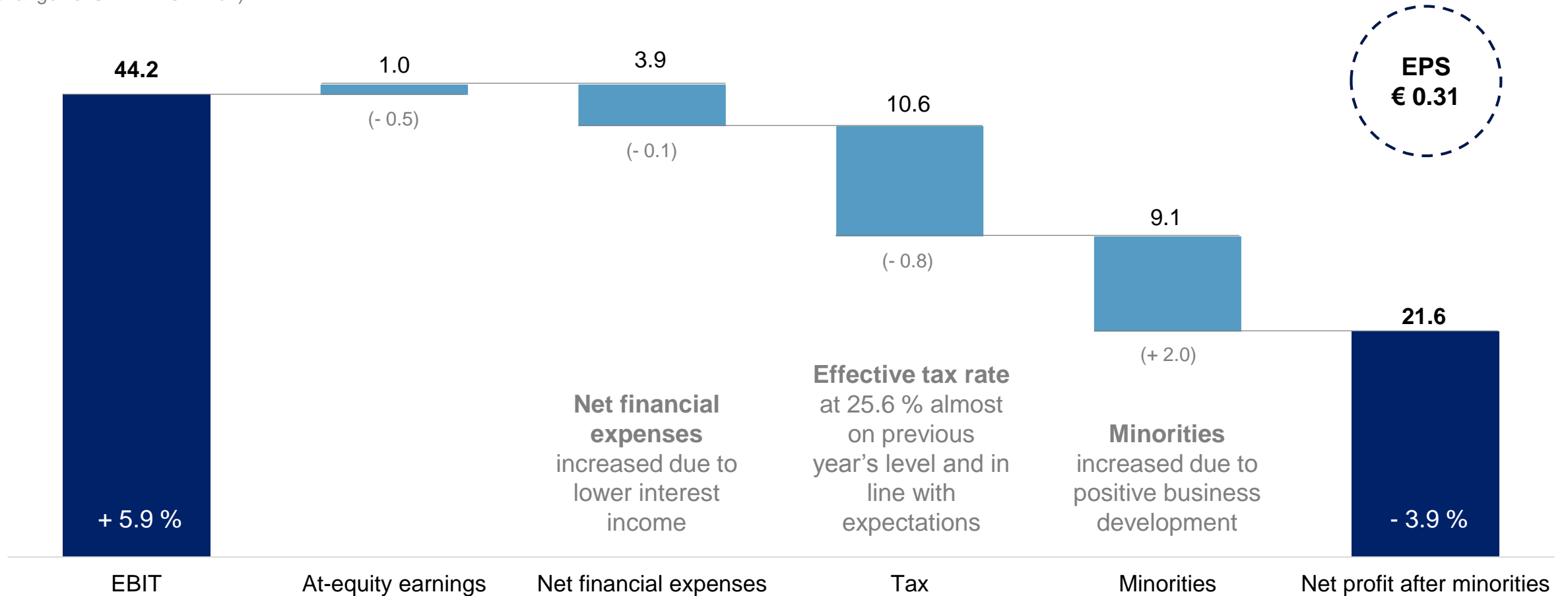


- Revenue growth mainly driven by strong volume development in vehicle logistics
- Segment turned EBIT positive again especially attributable to consulting activities
- At-equity earnings down since both bulk cargo handling and fruit logistics were unable to match previous years volumes

# Earnings bridge

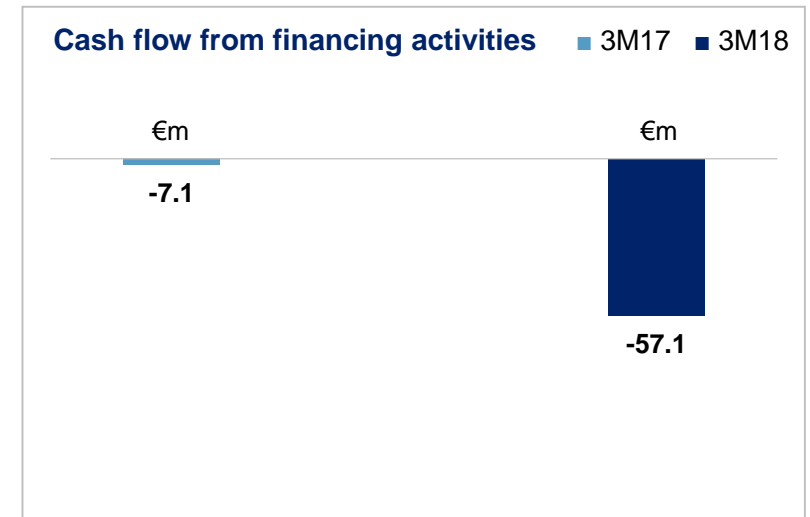
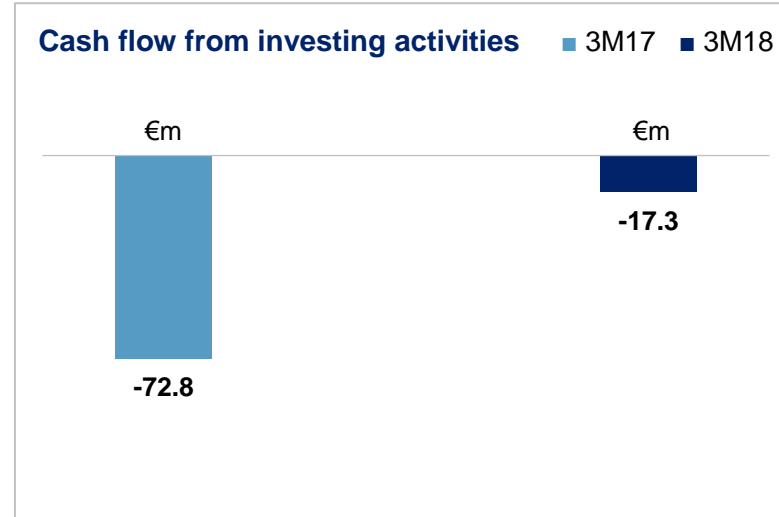
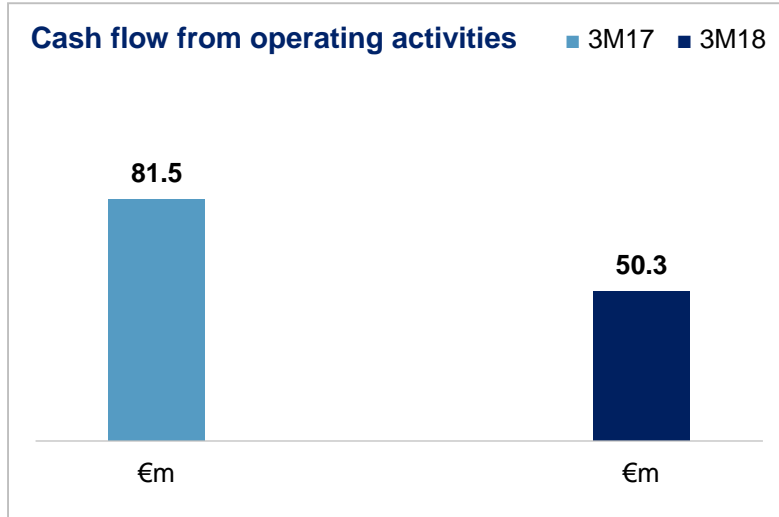
## Net profit decreased due to temporarily higher minorities

in € million, figures of Port Logistics subgroup  
(change vs. 3M17 in € million)



# Cash flow

## Financial funds sufficient to finance ongoing business



- Trade receivables increased significantly, Trade payables decreased slightly
- Increase in provisions of € 13.0 million relates to new pension capital plan, opposite effect in “change in other assets not attributable to investing or financing activities”

- In Q1 18 no payments for short-term deposits (Q1 2017: € 30.5 million)
- Investments in PPE and investment property below previous year’s high level; planned investments in gantry cranes, berth and traction to be made as intended

- Acquisition price for remaining stake in METRANS became cash-effective in Q1 18

**Financial funds as of 31 March 2018: € 221.0 million (31 March 2017: € 224.0 million)**

## Macroeconomic forecast remains stable – throughput expectation for 2018 with positive dynamics

GDP World  
**+ 3.9 %**

World trade  
**+ 5.1 %**

GDP China  
**+ 6.6 %**

GDP Russia  
**+ 1.7 %**

### Macroeconomic outlook 2018

- Global growth dynamics supposed to continue on a stable and sound level
- World trade assumed to grow stronger than lastly expected in January (forecast up 0.5 pp)
- IMF expects a slight weakening of Chinese growth dynamics but still with a growth rate 6.6 %
- Russian economy is expected to stabilize on previous year's level

Source: IMF – World Economic Outlook, April 2018

World throughput  
**+ 4.5 %**

China throughput  
**+ 5.8 %**

NW Europe  
**+ 3.2 %**

Scan. & Baltics  
**+ 6.0 %**

### Sector outlook 2018

- After a significant rise of world throughput in 2017, Drewry expects the pace of momentum to slow down in 2018 and forecast a growth rate of 4.5 %
- Muted Chinese volumes expected but still up by 5.8 % y-o-y
- Lower dynamics in North West Europe at 3.2 % expected
- Scandinavia & Baltics are expected to grow at a high level of 6.0 % y-o-y

Source: Drewry Maritime Research – Container Forecaster 1Q 2018, April 2018

# Outlook 2018 confirmed

Business forecast 2018

## Port Logistics subgroup

	2017	Guidance 2018
<b>Container throughput</b>	<b>7,196 thousand TEU</b>	<b>in the region of previous year</b>
<b>Container transport</b>	<b>1,480 thousand TEU</b>	<b>in the region of previous year</b>
<b>Revenues</b>	<b>€ 1,220.3 million</b>	<b>in the region of previous year</b>
<b>EBIT</b>	<b>€ 156.6 million</b>	<b>significant increase on previous year</b>
<b>Capital expenditure</b>	<b>€ 136.4 million</b>	<b>in the range of € 200 million *</b>

\* mainly attributable to the Port Logistics subgroup



# Financial calendar / IR contact

## Financial calendar 2018

28 March 2018	Annual report 2017 Analyst and investor conference
15 May 2018	Interim statement January - March 2018 Analyst and investor conference call
12 June 2018	Annual general meeting (AGM)
14 August 2018	Half-year financial report January - June 2018 Analyst and investor conference call
13 November 2018	Interim statement January - September 2018 Analyst and investor conference call

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## Online Annual Report



<http://report.hhla.de>



**Interim Statement January to March 2018**  
<http://report.hhla.de/interim-statement-q1-2018>

