

# HAMBURGER HAFEN UND LOGISTIK AG

Analyst Conference Call on the  
Interim Results January to June 2017

Hamburg, 14 August 2017



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# Agenda

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- Summary of Major Achievements in 6M 2017

Angela Titzrath, CEO

- Business Update and Financials 6M 2017

Angela Titzrath, CEO  
Dr. Roland Lappin, CFO

- Outlook 2017

Angela Titzrath, CEO

- Questions & Answers

Angela Titzrath, CEO  
Dr. Roland Lappin, CFO

# Summary of Major Achievements in 6M 2017

Summary 6M 2017

## Positive financial development



HHLA generates revenue increase and a strong operating result.

The company benefited from worldwide positive economic developments, and not least, from its own service capability.

The quality and reliability of our systems convinced the new alliances and led to market share gains within the port of Hamburg.

HHLA's customers are the driving force of our growth in the port of Hamburg.

Following the positive development in the container segment, the Executive Board is specifying its forecast for the 2017 financial year.

HHLA continues to expand the core business and to develop new strategic options to strengthen future viability.



## Container throughput on an unexpected high level in 1H2017



### Macroeconomic development

- Global economy: Despite a slight slowdown in growth dynamics climate indicators assume still a moderate increase for global economy in 1H17 <sup>1</sup>
- China: Continued stable GDP growth of 6.9 % expected in 1H17 <sup>1</sup>
- Russia: Economic recovery on a moderate level <sup>2</sup>
- Ukraine: Loss of momentum to 2.5 % in 1Q17 <sup>3</sup>; comparable level for 1H17 expected
- World trade: Growth rate of 1.8 % in 1Q17 <sup>1</sup>

Sources: <sup>1</sup> IMF – World Economic Outlook Update July 2017; <sup>2</sup> Reuters – Press Release (17.07.2017);  
<sup>3</sup> World Bank – Russia Monthly Economic Developments June 2017; <sup>3</sup> NBU – Press release 22.06.2017

### Sector development

- Global container throughput: Ahead of initial expectation with an upswing of 5.1 % in 1Q17; 4.0 % expected for 2Q17
- China: Container throughput growth outperforms expectations with 6.3 % in 1Q17; estimates for 2Q17 at 5.2 %
- North-West Europe: Clear upturn of 5.3 % in 1Q17; expectations for 2Q17 at 2.2 %
- Scandinavia/Baltic region: With 8.8 % in 1Q17 also much stronger than initial estimates; for 2Q17 an increase of 7.4 % is anticipated

Source: Drewry Maritime Research – Container Forecaster Q2/2017, July 2017

# Significant Growth in Revenue and Strong Results

Business Update and Financials

## Financial Highlights 6M 2017 of Port Logistics subgroup

Revenue

**607.3 million**

+ 8.9 %

EBIT

**€ 90.6 million**

+ 54.3 %\*

EBIT margin

**14.9 %**

+ 4.4 pp\*

Profit after tax  
and minorities

**€ 48.1 million**

+ 125.9 %\*

ROCE

**15.6 %**

+ 5.4 pp\*

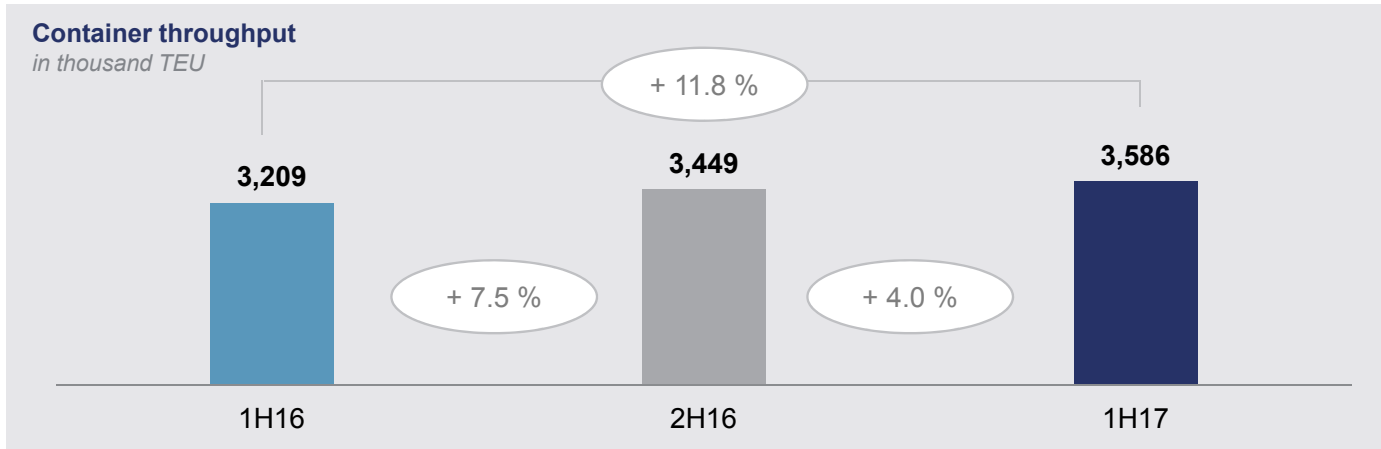
Operating Cash Flow

**€ 139.2 million**

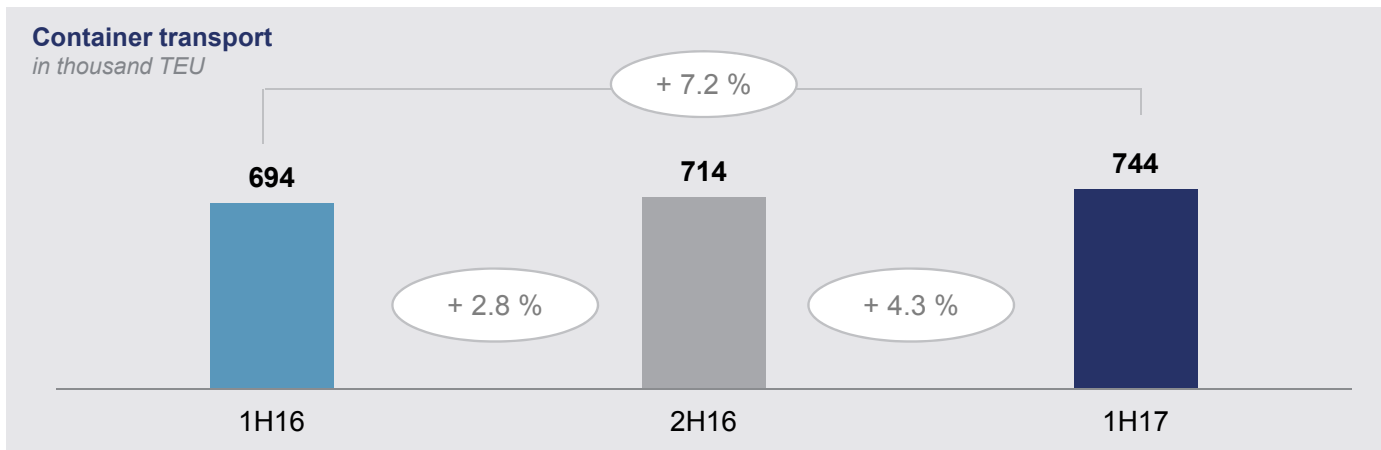
+ 33.8 %

# Throughput and Transport Development

Strong increase in container throughput as well as in container transport



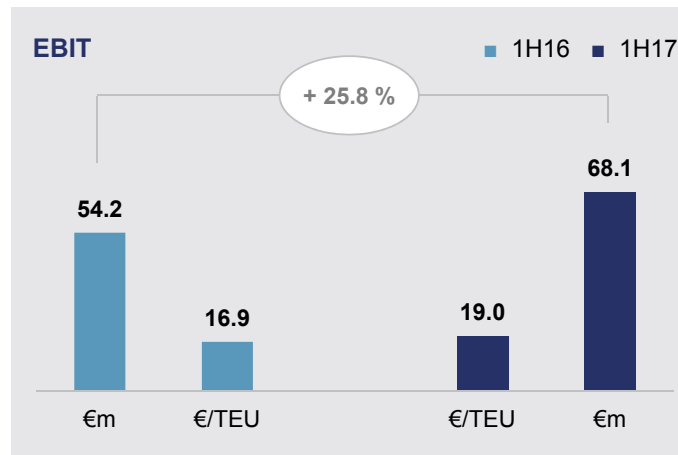
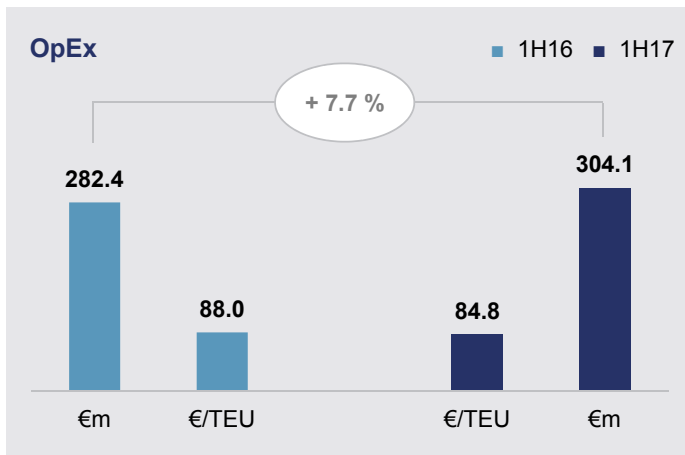
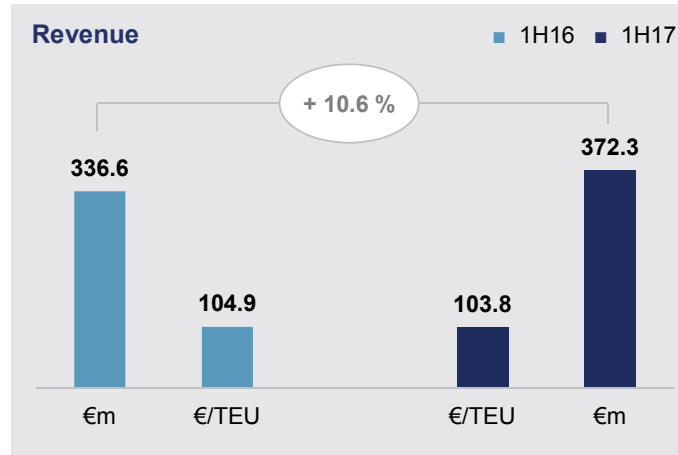
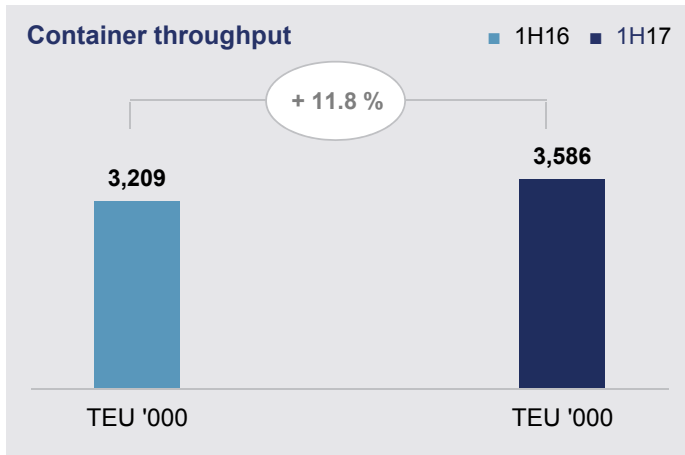
- Ongoing positive throughput development
- Throughput growth mainly driven by a recovery of far east volumes (+ 16.1 % y-o-y) and a substantial increase in feeder volumes (+ 22.4 % y-o-y)
- Market share gains in the port of Hamburg due to the realignment of container shipping alliances
- Hamburg: + 11.8 % / Odessa: + 10.1 %



- Substantial growth of transport volume continued
- Growth was driven by rail transportation (+ 5.9 % y-o-y) as well as by road transportation (+ 11.8 % y-o-y) due to stronger container volume in the Hamburg area

# Container Segment

EBIT and revenue up due to substantially higher throughput volume

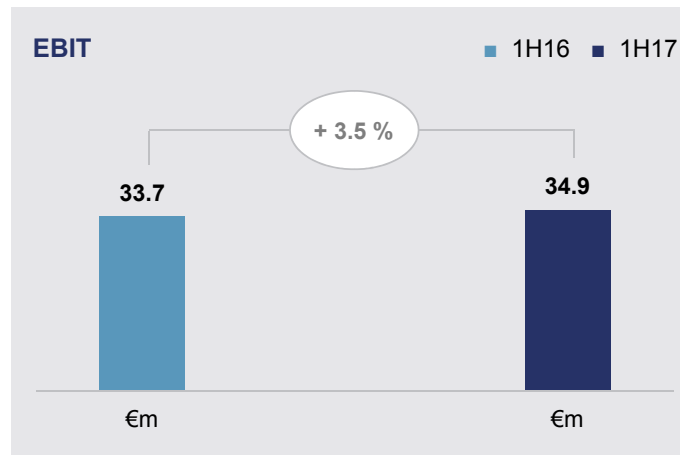
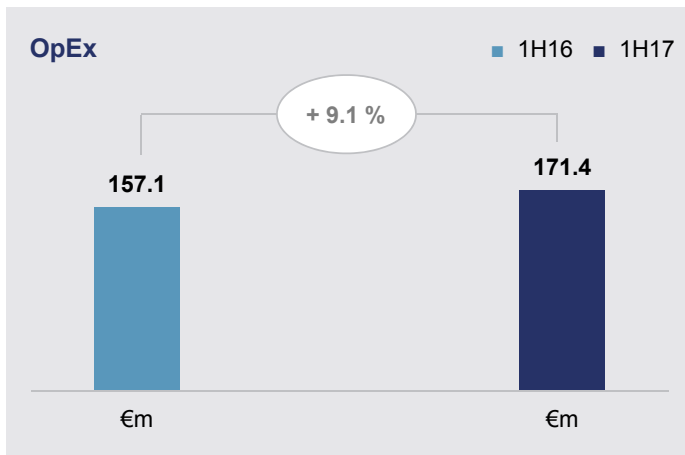
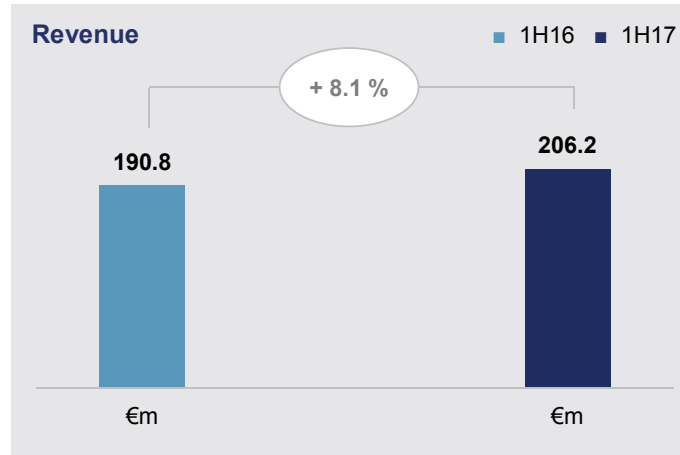
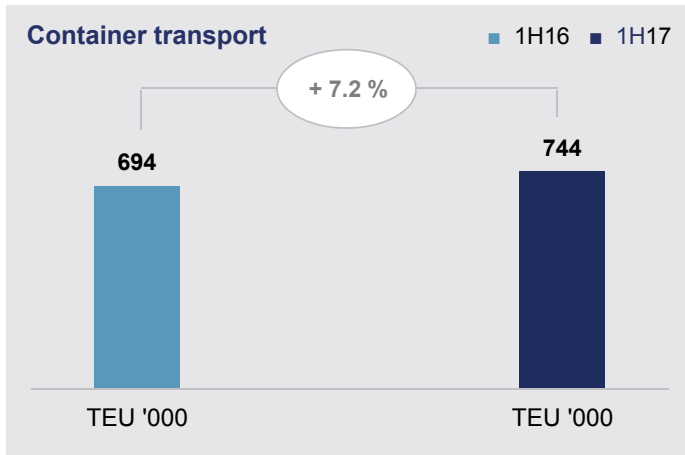


- Revenue almost in line with volume development
- Revenue per TEU driven by temporarily increased storage fees, but a higher feeder ratio of 25.0 % (1H16: 22.9 %) diluted the metric accordingly
- Development of operational expenditure (incl. D&A) well below volume and revenue growth
- Peak load conditions limited P&L-effective economies of scale
- Nevertheless, the operating result outperformed volume and revenue growth and increased substantially y-o-y
- EBIT margin increased to 18.3 % accordingly (1H16: 16.1 %)



# Intermodal Segment

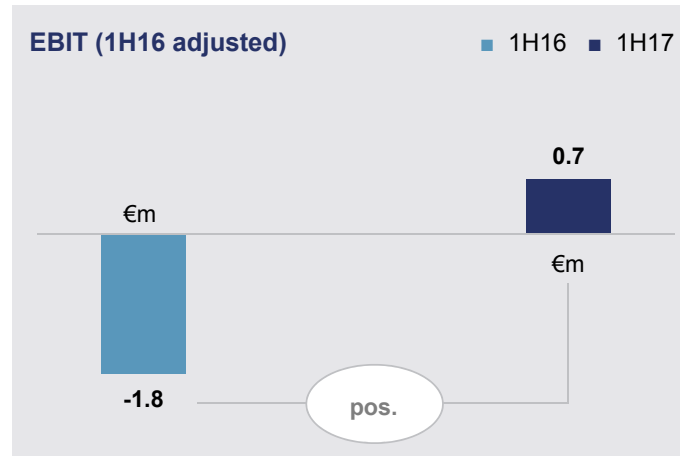
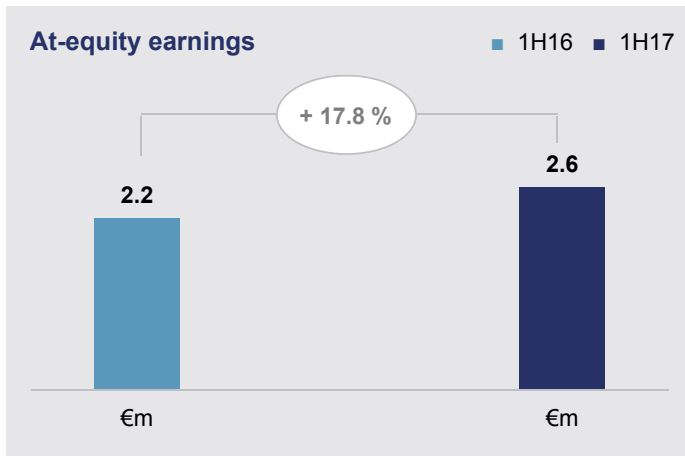
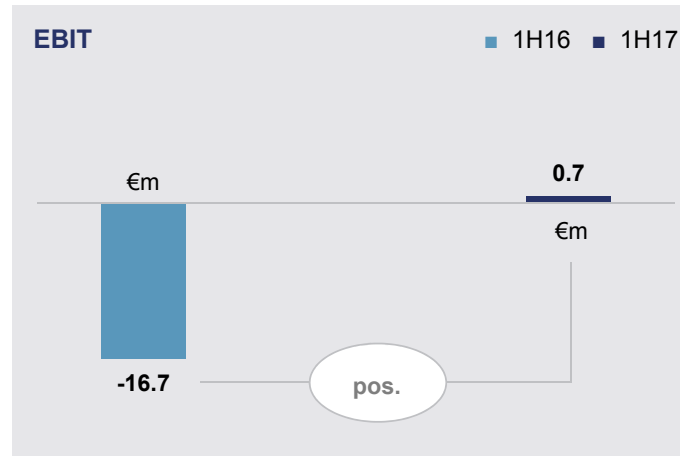
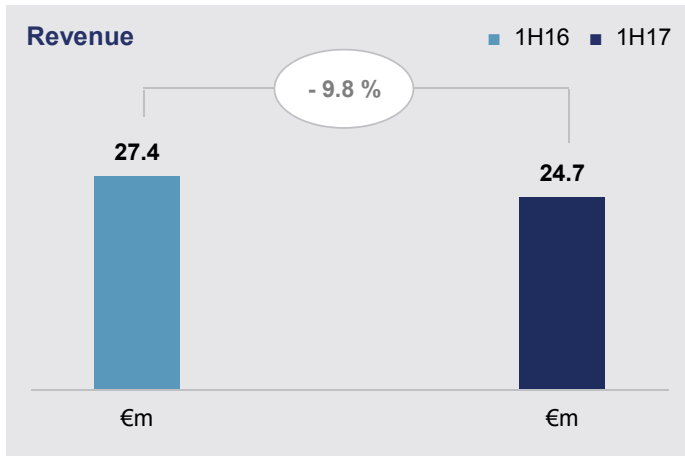
Superior EBIT-level sustained, although impacted by cyclical maintenance and changed transport mix



- Revenue increased even above transport growth despite a slightly lower rail share of 76.3 % (1H16: 77.3 %) as a result of longer transport distances
- Opex (incl. D&A) impacted by cyclical maintenance works, an uneven mix of import and export volumes and changes in the transport mix
- Superior EBIT-level sustained despite additional opex
- EBIT margin maintained at an outstanding level of 16.9 % (1H16: 17.6 %)

# Logistics Segment

## EBIT improved after termination of project and contract logistics

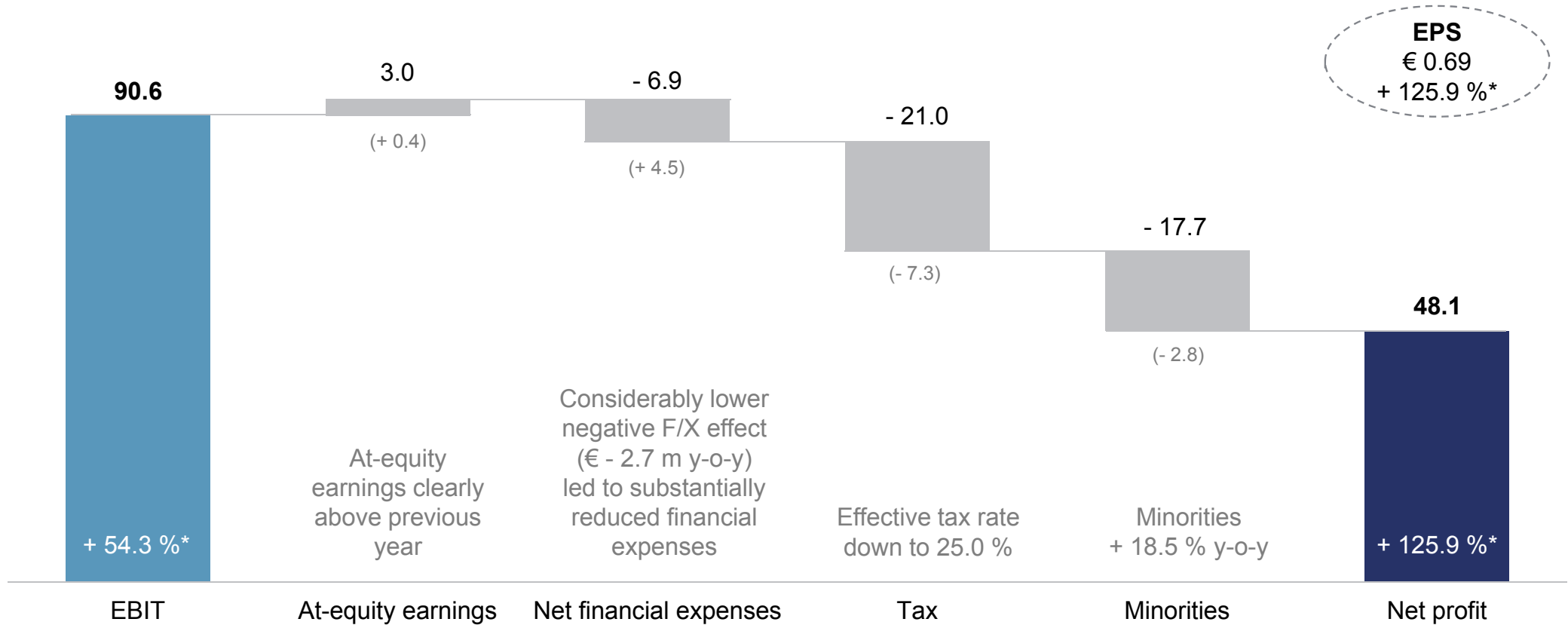


- Subdued business development in the first three months was followed by an upturn in the second quarter
- Revenue declined mainly due to the termination of project and contract logistics
- But the termination led to an improved operating result (EBIT) of the Logistics segment
- Prior-years EBIT include one-off expenses of € 14.9 million for the restructuring of project and contract logistics
- At-equity earnings increased substantially mainly due to a positive development of bulk cargo handling

# Earnings Bridge

Net profit increased substantially, but y-o-y comparison affected due to one-off expenses in 1H16

in € million, figures of Port Logistics subgroup  
(change vs. 1H16)



# Macroeconomic and Sector Outlook

Macroeconomic forecast remains stable – throughput expectation for 2017 revised upwards

GDP World  
**+ 3.5 %**

World trade  
**+ 4.0 %**

GDP China  
**+ 6.7 %**

GDP Russia  
**+ 1.4 %**

## Macroeconomic outlook

- Global economic growth has gained momentum despite growing political uncertainties; IMF adjusted global GDP outlook by 0.1 pp (vs. Dec. 2016)
- World trade growth prospect above GDP growth for the first time since 2013
- After a strong 1H17; IMF increased expectations for Chinese GDP by 0.7 pp
- After 2 years of recession, Russian economy is expected to return to positive GDP development in 2017 (+ 2.4 pp vs. Dec. 2016)

Source: IMF – World Economic Outlook Update July 2017 (Comparison always vs. Dec. 2016)

World throughput  
**+ 4.1 %**

Asia throughput  
**+ 4.5 %**

NW Europe  
**+ 3.1 %**

Scan. & Baltics  
**+ 8.3 %**

## Sector outlook

- Drewry revised its outlook significantly vs. forecast given in December 2016
- World throughput up by 2.0 pp
- Asia throughput more than doubled vs. Dec. 2016 (up by 2.5 pp)
- North West Europe up by 1.9 pp to 3.1 %
- Expectations for Scandinavia & Baltics 2017 almost trebled (+ 5.1 pp to 8.3 %)

Source: Drewry Maritime Research – Container Forecaster Q2/2017, July 2017 (Comparison always vs. Dec. 2016)

# Outlook 2017

Outlook 2017

## Adapted due to positive earnings development in the Container segment in 1H17

in € million	2016	30 March 2017 reporting date	5 May 2017 date of ad hoc announcement	14 August 2017 reporting date	Adaption vs. May
Container throughput in thousand TEU	6,658	on previous year's level	significant increase	significant increase	→
Container transport in thousand TEU	1,408	moderate increase	moderate increase	moderate increase	→
Revenue	1,146.0	on previous year's level	moderate increase	moderate increase	→
EBIT	147.6	between € 115m and € 145m <u>excl.</u> possible one-off expenses of up to € 15m	in the upper half of a range between € 125m and € 155m <u>excl.</u> possible one-off expenses of up to € 15m	in a range between € 135m and € 155m <u>incl.</u> possible one-off expenses of up to € 15m	→
thereof Container	117.8	between € 65m and € 95m <u>excl.</u> possible one-off expenses of up to € 15m	in the upper half of a range between € 75m and € 105m <u>excl.</u> possible one-off expenses of up to € 15m	in a range between € 85m and € 105m <u>incl.</u> possible one-off expenses of up to € 15m	→
thereof Intermodal	55.9	strong increase	strong increase	strong increase	→
thereof Logistics	- 1.7	positive	positive	positive	→
Capital expenditure	136.9	in the region of € 160m*	in the region of € 160m*	in the region of € 160m*	→



# EBIT Outlook 2017

Outlook 2017

## Update on major assumptions

EBIT forecast range 2017e  
in € million



2017e

\* Including possible one-off expenses of up to € 15 million for the reorganisation of the Container segment

### Container segment



€ 85 – 105 million\*

#### Lower revenues and additional costs in 2H17 expected

- Normalisation of storage fees assumed, as reshuffling of new liner services have almost completed
- Tariff increase (approx. + 3 %) will lead to higher personnel costs
- Additional costs as a result of enhanced peak load conditions expected
- Implementation of a new Terminal Operating System (TOS)
- Maintenance requirements (due to life-cycle extensions) still in place
- Capitalisation of new handling equipment for ULCV's will lead to higher depreciation in 2H17

### Intermodal segment



strong increase

### Logistics segment



positive

# Financial Calendar / IR Contact

## Financial Calendar

30 March 2017	Annual Report 2016 Press Conference / Analyst Conference Call
12 May 2017	Interim Statement January - March 2017 Analyst Conference Call
21 June 2017	Annual General Meeting (AGM)
14 August 2017	Half-Year Financial Report January - June 2017 Analyst Conference Call
14 November 2017	Interim Statement January - September 2017 Analyst Conference Call

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## Online Half-Year Financial Report 2017



<http://report.hhla.de>

**Interim Statement January to June 2017**  
<http://report.hhla.de/half-year-financial-report-2017/>

