

HAMBURGER HAFEN UND LOGISTIK AG

**Analyst conference call on the
half-year financial report 2018**

Hamburg, 14 August 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
Dr. Roland Lappin, CFO |

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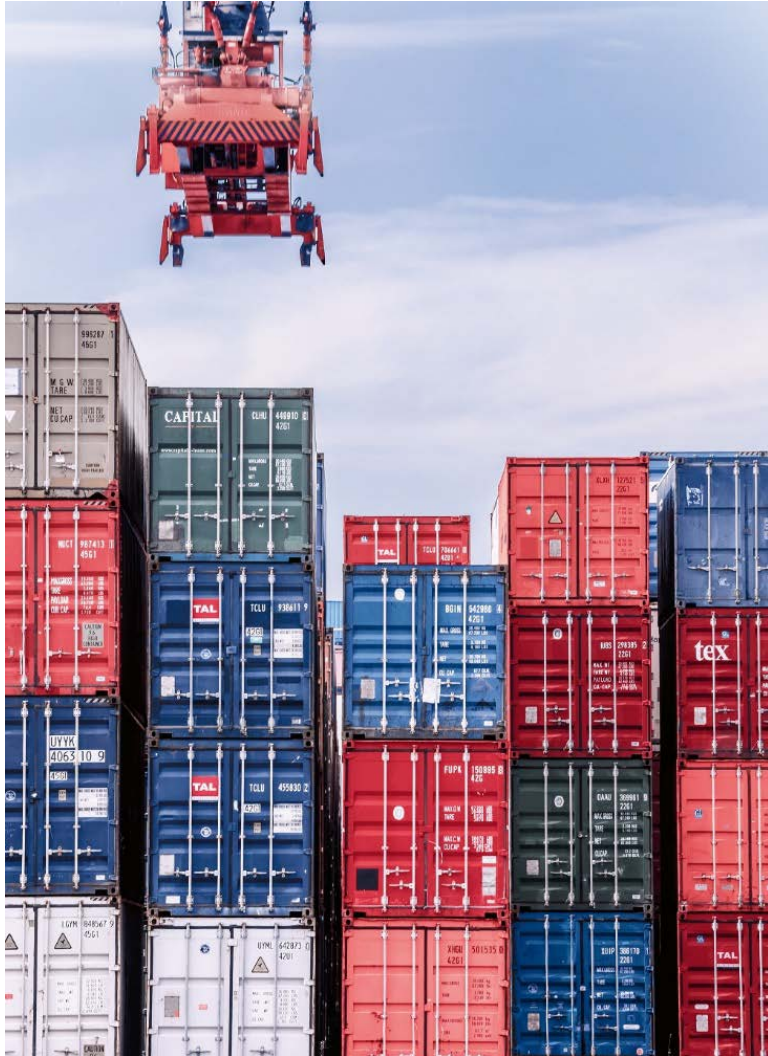
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Summary of major achievements in the first half of 2018

Improvement of business results



Half-year result fully in line with expectation for 2018 financial year

HHLA Port Logistics with slight increases in revenue and operating result

Strategically important acquisition of biggest terminal operator in Estonia Transiidikeskuse (TK) closed and integration started

Cash flow from investing activities affected by payment for M&A activities

Cash flow from financing activities reduced by payment for the acquisition of all remaining minority shares in METRANS, corresponding to approx. 10 %

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

Slight slowdown in economic growth; rise in container throughput in Q2 after model update by Drewry

Expectations for FY 2018

GDP World
+ 3.9 %

World trade
+ 4.8 %

GDP China
+ 6.6 %

GDP Russia
+ 1.7 %

Macroeconomic environment

- Global economy with a slight slowdown over the course of 1H18 (Q1: - 0.8 %); but climate indicators keep assuming a strong stimulation for the financial year 2018¹
- China: GDP growth on a stable level (Q2: 6.7 % / Q1: 6.8 %) ²
- Russia: Upward trend continues at a less dynamic level¹
- Ukraine: Recovery burdened by sluggish reform projects³
- World trade slightly below previous years' level and market expectations¹

Sources: 1 IMF –World Economic Outlook, Update July 2018; 2 National Bureau of Statistics of China – Press Release (16.07.2018); 3 World Bank – Ukraine Economic Update April 2018

Expectations for Q2 2018

World throughput
+ 6.5 %

China throughput
+ 4.8 %

NW Europe
+ 6.1 %

Scan. & Baltics
+ 12.9 %

Sector development

The significant rise in Q2 container throughput development is based partly on the revised Drewry survey model for container handling. Drewry does not calculate impacts from global trade tensions.

- Global container throughput turned out surprisingly strong (Q2: 6.5 % / Q1: 6.1 %)
- China still an important driver but in Q2 slightly below expectation (Q2: 4.8 % / Q1: 5.3 %)
- North West European ports with strong upward trend in Q2 (Q2: 6.1 % / Q1: 3.3 %)
- Scandinavia & Baltics outperformed European shipping regions (Q2: 12.9 % / Q1: 14.3 %) with a double-digit growth rate and especially good performance in the Russian Baltic ports

Source: Drewry Maritime Research – Container Forecaster 2Q 2018, June 2018

Financial highlights 1H18 of Port Logistics subgroup

Revenue and EBIT increased slightly compared to the very good previous year

Revenue

€617.1 million

+ 1.6 %

EBIT

€91.4 million

+ 0.8 %

EBIT margin

14.8 %

- 0.1 pp

Profit after tax
and minorities

€47.3 million

- 1.6 %

ROCE

15.3 %

- 0.3 pp

Operating cash flow

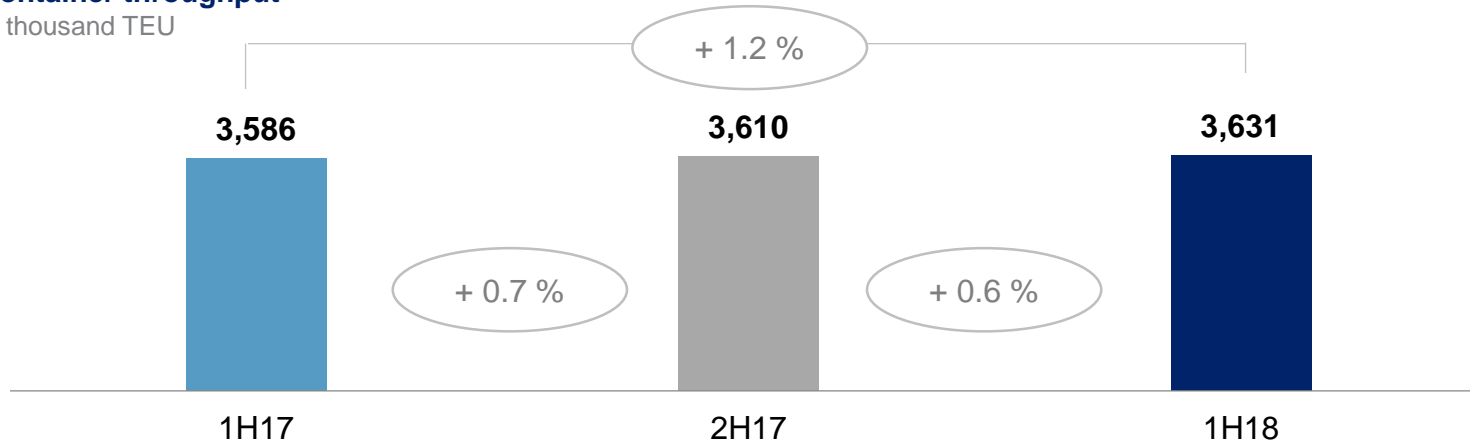
€87.4 million

- 37.2 %

Throughput and transport development

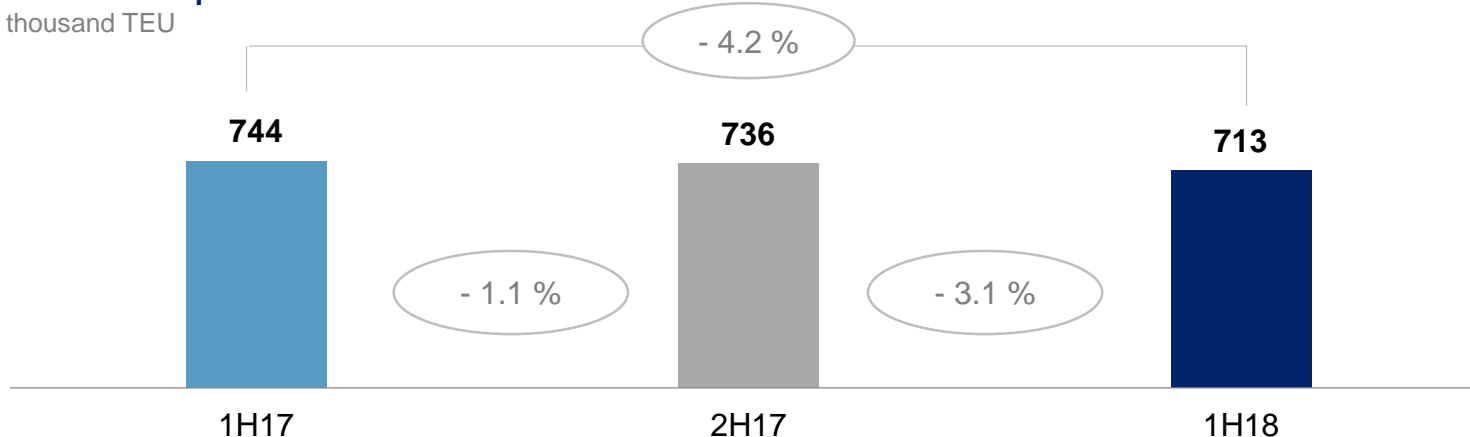
Container throughput slightly rising while container transport is declining as expected

Container throughput
in thousand TEU



- Slight increase in container throughput mainly driven by Far East volumes rising by 4.1 %
- Decrease in lower-margin feeder volumes by 4.8 %; feeder ratio 23.6 % (-1.4 pp)
- HHLA terminals in Hamburg recorded a rise of 0.9 %
- HHLA terminal in Odessa strongly up by 8.3 %

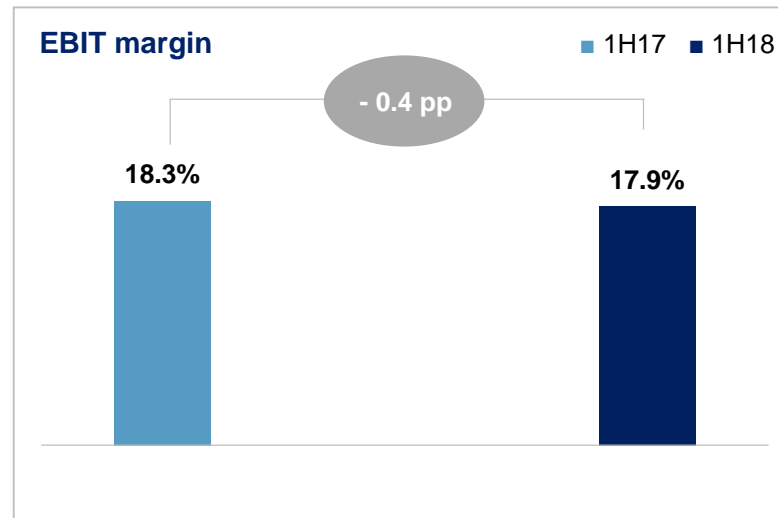
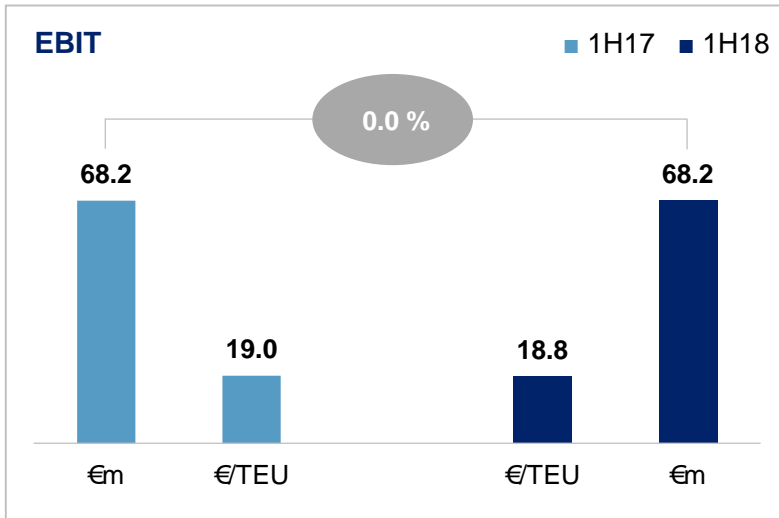
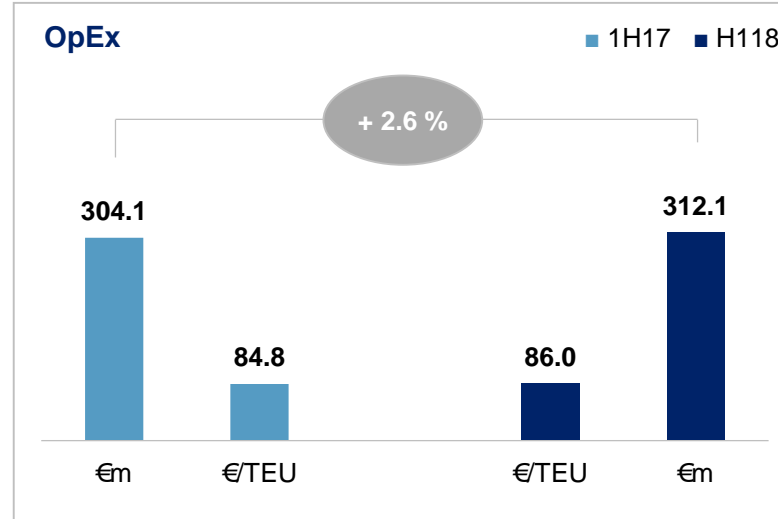
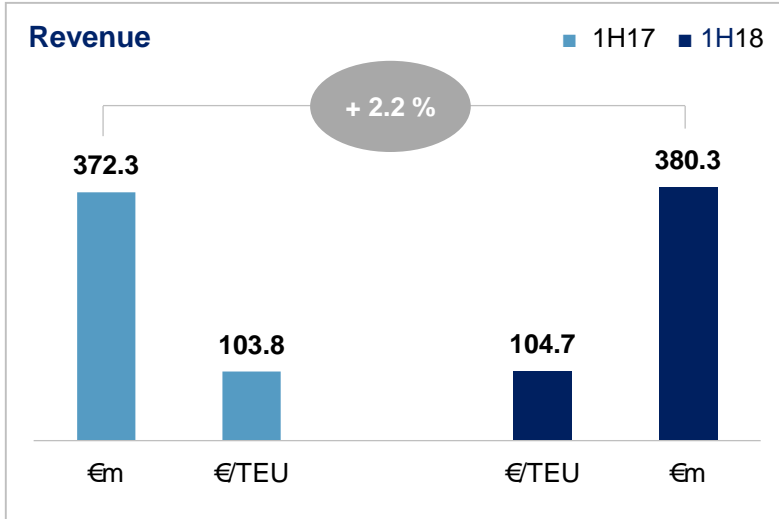
Container transport
in thousand TEU



- Container transport temporarily affected by the planned realignment of polish rail traffic as expected
- Rail transportation slightly down by 1.7 % to 558 thousand TEU
- Road-bound transportation fell by 12.0 % to 155 thousand TEU affected by less transfers in the Hamburg area

Container segment

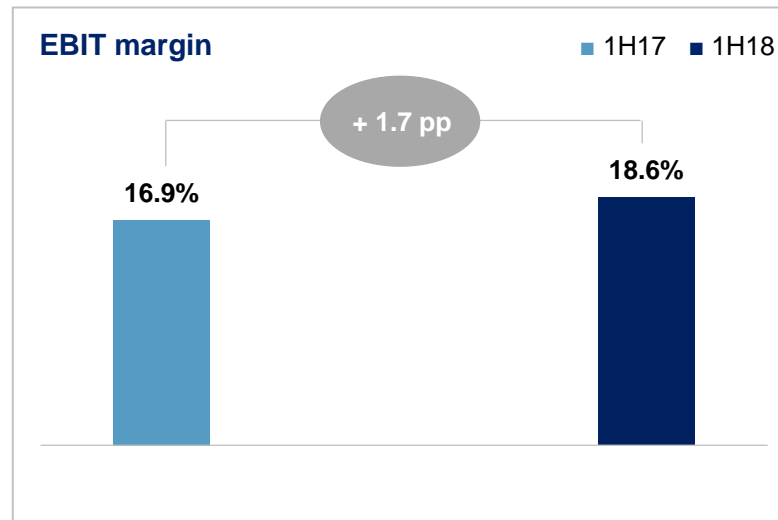
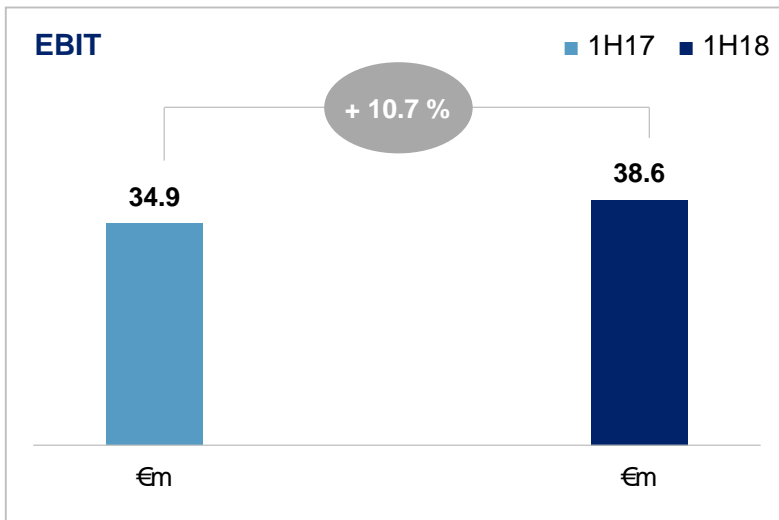
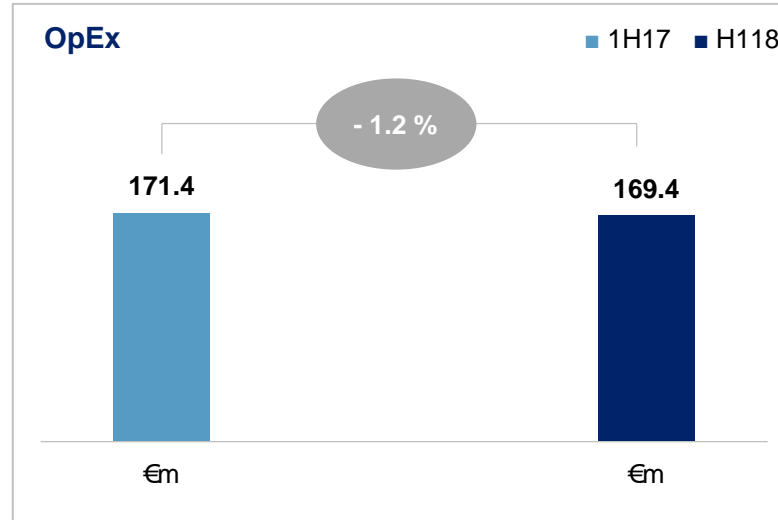
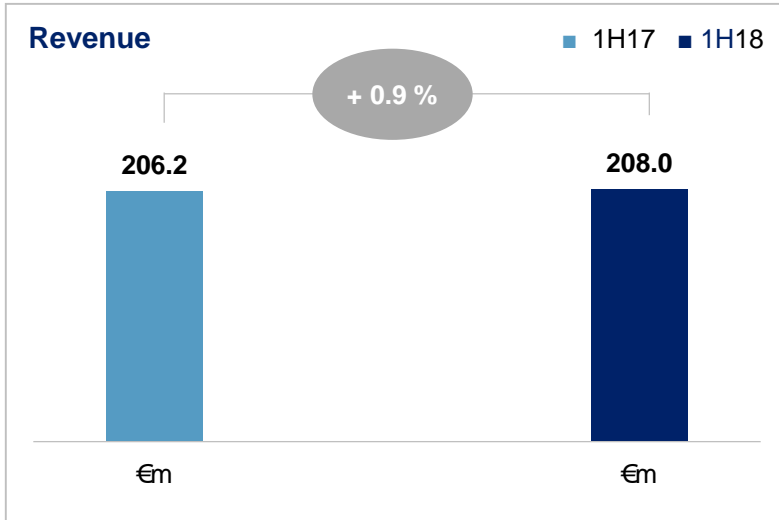
Revenue exceeds container throughput growth – EBIT in line with previous year



- Revenue increase slightly stronger than rise in throughput, impacted by
 - increase of rail-related cargo,
 - decrease in lower-margin feeder volumes and
 - slightly lower storage fees as a result of improved schedule reliability of overseas services
- OpEx rise as a result of
 - Fluctuating and uneven capacity utilisation within the Hamburg operating facilities due to ship delays and
 - resulting necessary use of additional resources
- EBIT on previous year's level
- EBIT margin almost on previous year's level

Intermodal segment

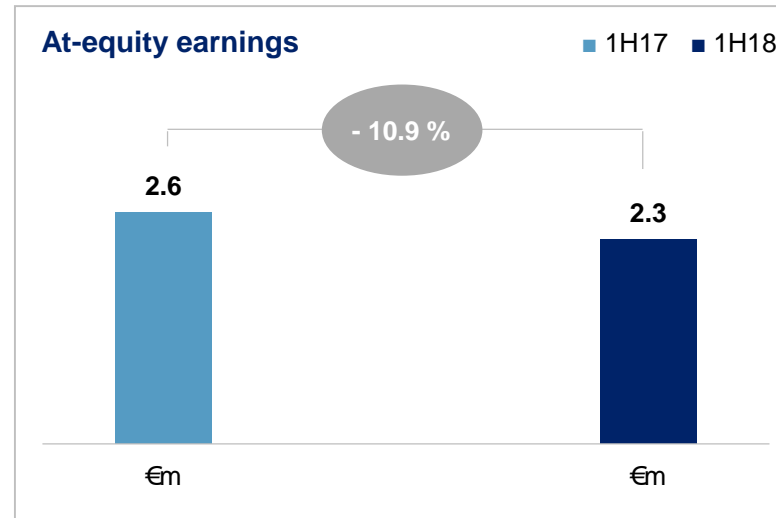
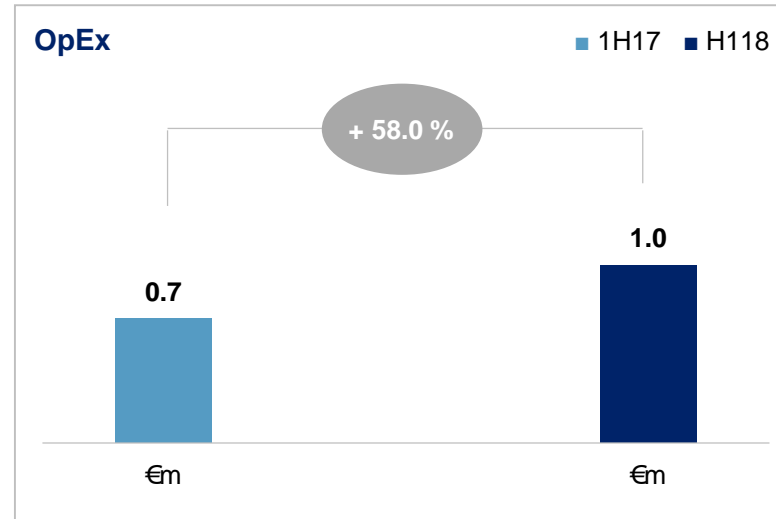
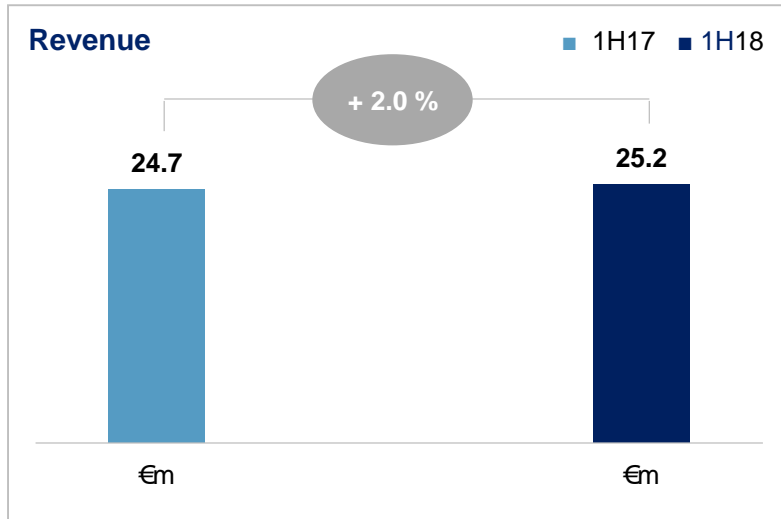
Revenue stable on previous year's level – EBIT with double-digit growth



- Revenue almost in line with previous year and significantly better than transport volume as a result of
 - slightly increased share of rail transportation and
 - longer transport distances
- Strong EBIT increase due to
 - declining material costs
 - positive change in the mix of transport relations
 - efficiency gains in the network due to the terminal in Budapest
- Outstanding EBIT margin level sustained

Logistics segment

Positive EBIT development

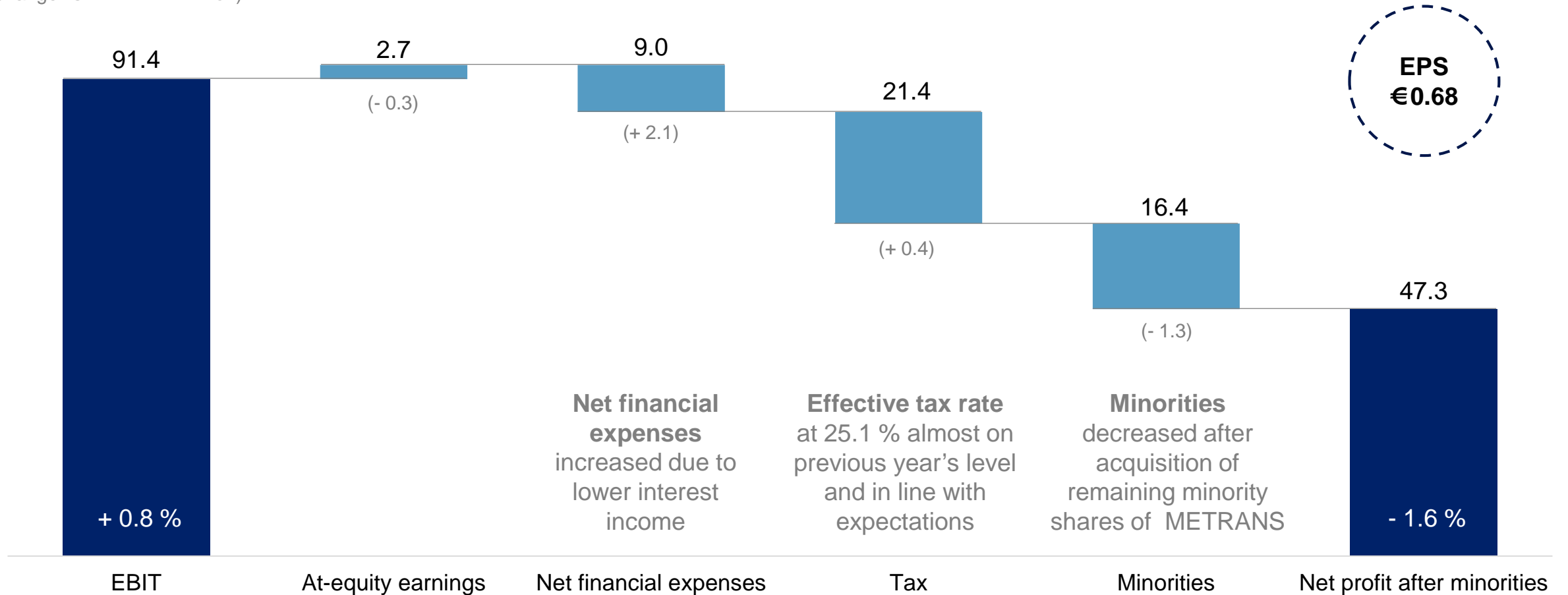


- Revenue growth mainly driven by strong volume development in vehicle logistics
- Positive EBIT contribution increased, especially attributable to vehicle logistics
- At-equity earnings: affected by a challenging market environment but earnings contribution remained positive

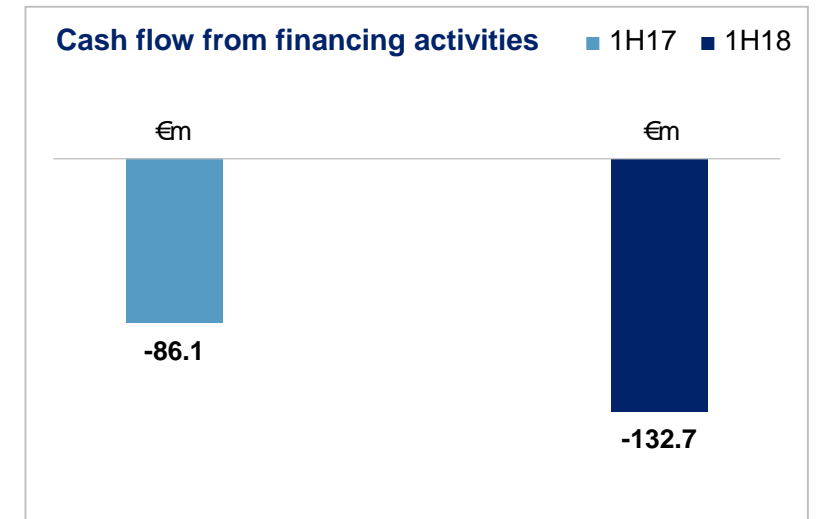
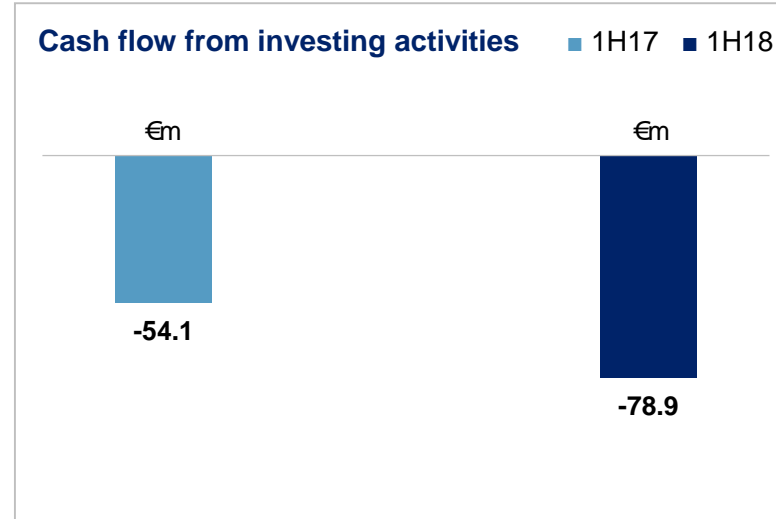
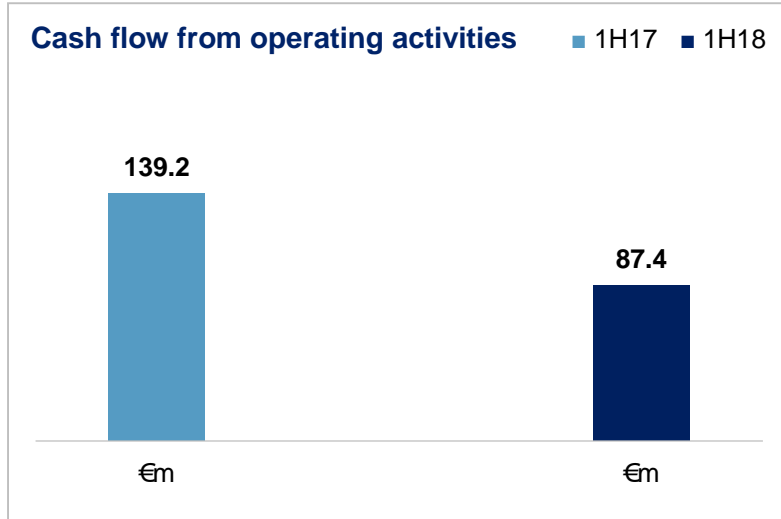
Earnings bridge

Net profit almost on the very high level of 1H17 – minorities down due to increased METRANS stake

in € million, figures of Port Logistics subgroup
(change vs. 1H17 in € million)



Financial funds sufficient to finance ongoing business



- Significant decline in operating cash flow primarily due to increased trade receivables and higher other financial receivables

- Main impact: settlement of TK acquisition

- M&A activities: settlement for remaining minority stake in METRANS (Q1 2018)
- Organic capex: outflow partly offset by debt funding

Financial funds as of 30 June 2018: €121.3 million (30 June 2017: €221.0 million)

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

GDP World
+ 3.9 %

World trade
+ 4.8 %

GDP China
+ 6.6 %

GDP Russia
+ 1.7 %

Macroeconomic outlook 2018

- Global GDP is supposed to continue on a stable and sound level
- World trade assumed to grow slightly slower than lastly expected in April (forecast down by 0.3 pp)
- IMF confirms estimates for Chinese GDP development at 6.6 %
- Subdued development leads to downgrade for Euro area by 0.2 pp to 2.2 %
- Russian economy is still expected to stabilise on previous year's level

Source: IMF – World Economic Outlook, July 2018

World throughput
+ 6.5 %

China throughput
+ 5.2 %

NW Europe
+ 4.6 %

Scan. & Baltics
+ 12.3 %

Sector outlook 2018

The significantly more optimistic outlook is based partly on the revised Drewry survey model for container handling. Drewry does not calculate impacts from global trade tensions.

- Drewry raised the global throughput estimates by 2.0 pp to 6.5 %
- Slowdown of Chinese volumes expected; downgrade by 0.6 pp to 5.2 %
- North West Europe supposed to grow stronger than initially expected; forecast revised upwards by 1.4 pp to 4.6 %
- Scandinavia & Baltics exceeded expectations; forecast doubled from 6.0 % to 12.3 %

Source: Drewry Maritime Research – Container Forecaster 2Q 2018, June 2018

Outlook 2018 confirmed

Business forecast 2018

Port Logistics subgroup

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

* 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>

Half-year financial report 2018
<http://report.hhla.de/half-year-financial-report-2018/>

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