

# HAMBURGER HAFEN UND LOGISTIK AG

## Capital Markets Day 2017

Angela Titzrath, CEO

Dr. Roland Lappin, CFO

Peter Kiss, Member of the Board METRANS

Prague, 22 November 2017



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# Agenda

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- **CEO perspectives on HHLA's Intermodal activities**

**Angela Titzrath**  
**CEO**

- Rail transport in the hinterland – Today's focus on METRANS

Peter Kiss  
Member of the Board METRANS

- Financial development of HHLA's Intermodal activities

Dr. Roland Lappin  
CFO

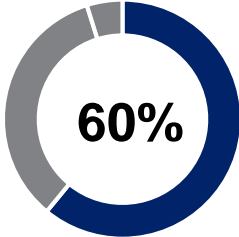
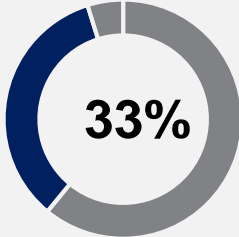
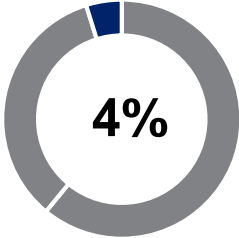
- Questions & Answers

Angela Titzrath  
Dr. Roland Lappin  
Peter Kiss

# HHLA's Group Segments

CEO perspectives on  
HHLA's Intermodal activities

Intermodal has been established as a core pillar of HHLA's business model

Performance in 9M17 in € million	Container	Intermodal	Logistics
<b>Share of revenue</b> <small>on subgroup level incl. Holding/Others</small>	 60%	 33%	 4%
<b>Revenue</b>	563.6	311.8	37.4
<b>EBIT</b>	105.2	55.4	1.3
<b>EBIT margin</b>	18.7%	17.8%	3.3%

- Strong network based on HHLA's group's advantageous location in the Hamburg metropolitan region
- Intermodal facilities connect growing European markets, including Eastern Europe
- Above-average market share and attractive competitive position
- Modern assets, infrastructure and leadership
- Technological market leader in rail Intermodal business
- Cost leadership in Intermodal rail services
- Strong financial performance

# Focus Areas for Profitable Growth in the Group

CEO perspectives on  
HHLA's Intermodal activities

1

**HHLA governance  
and processes**



2

**Customer structure and  
demand volumes**



3

**Technological and  
digital excellence**



4

**Thriving success of the  
Intermodal segment**



# 1 Governance And Processes

Leaner governance and optimized processes will improve efficiency and financial performance

## Objectives

- Simplify the organisation and optimize processes
- ➔ Fast and effective use of existing resources, experiences and ideas

## Guiding principles

- Leaner reporting lines; reduced hierarchies
- Increased transparency, accountability and compensation linked to performance
- Adjustments of committee positions

## Immediate measures

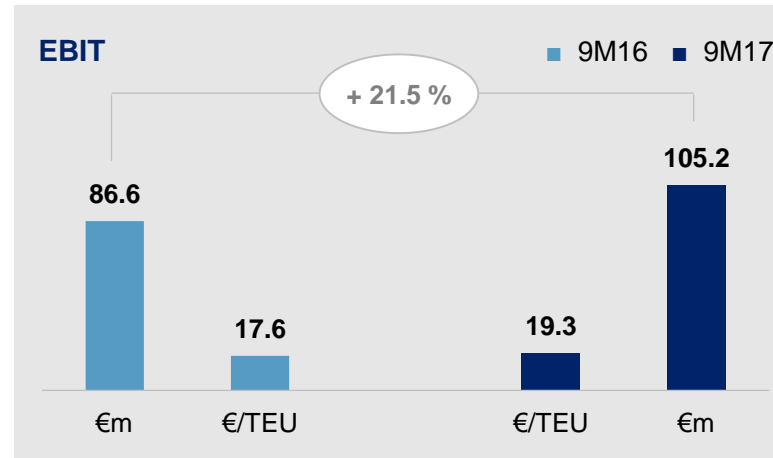
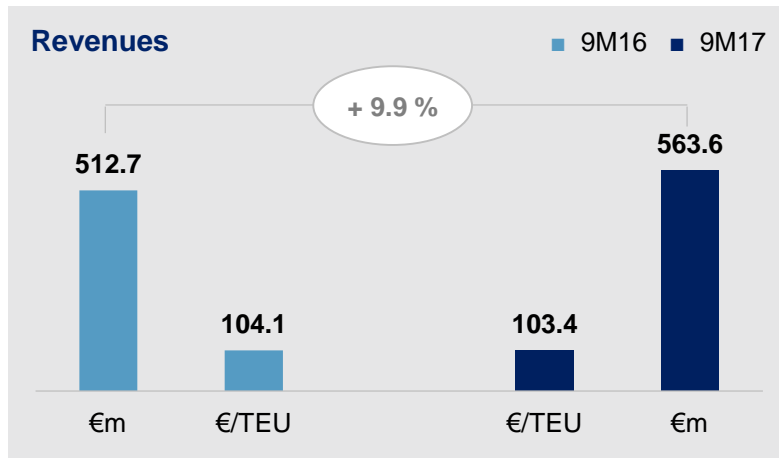
Streamlining hierarchies in the Container and Intermodal segments as well as in Holding/Others

- New management at Container Terminal Burchardkai
- Consolidated positions
- Management structure at METRANS

## 2 Segment Development in 9M17

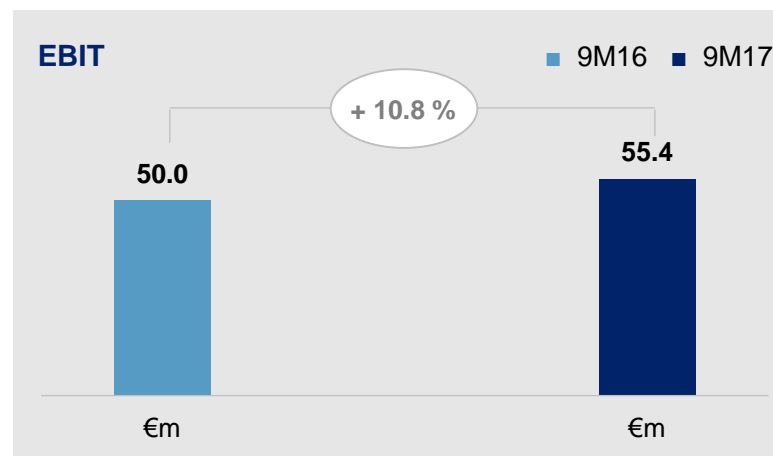
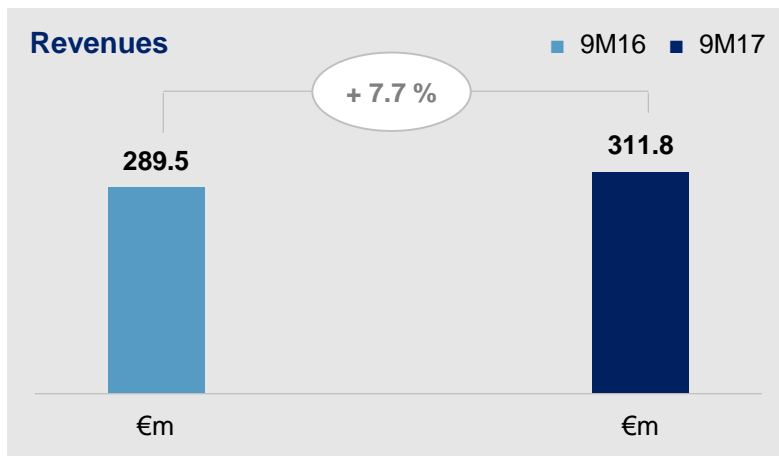
Container segment: EBIT and revenue up – Intermodal segment: superior EBIT-level sustained

### Container segment



- Revenues almost in line with volume development
- EBIT margin increased to 18.7 % accordingly (9M16: 16.9 %)

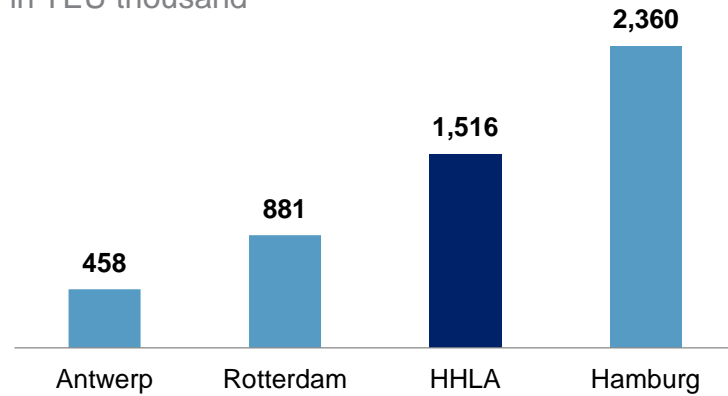
### Intermodal segment



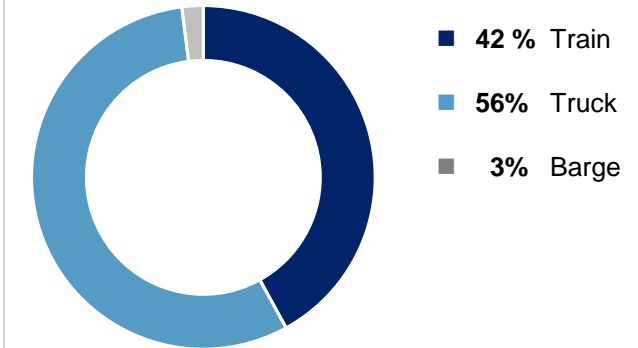
- Revenues increased slightly above transport growth despite a slightly lower rail share of 76.5 % (9M16: 77.5 %) as a result of longer transport distances
- EBIT margin maintained at an outstanding level of 17.8 % (9M16: 17.3 %)

## 2 Customer Structure and Demand Volumes

**Rail freight traffic in 2016**  
in TEU thousand



**Modal split in container hinterland traffic in 2015/16**



- “Green Infrastructure” – Hamburg is the rail port of Europe
- Over 135 rail operators use the infrastructure at the Port of Hamburg
- Over 200 goods trains arrive or depart from the Port of Hamburg every day
- Approximately 1,000 container rail connections are on offer every week with high departure frequencies
- Hamburg–Munich: 62x week, Rotterdam–Munich: 4x week
- Over 5x as many train departures from Hamburg to Austria every week than from Antwerp



# 3 Technology

Driving technological and digital excellence to increase HHLA's productivity



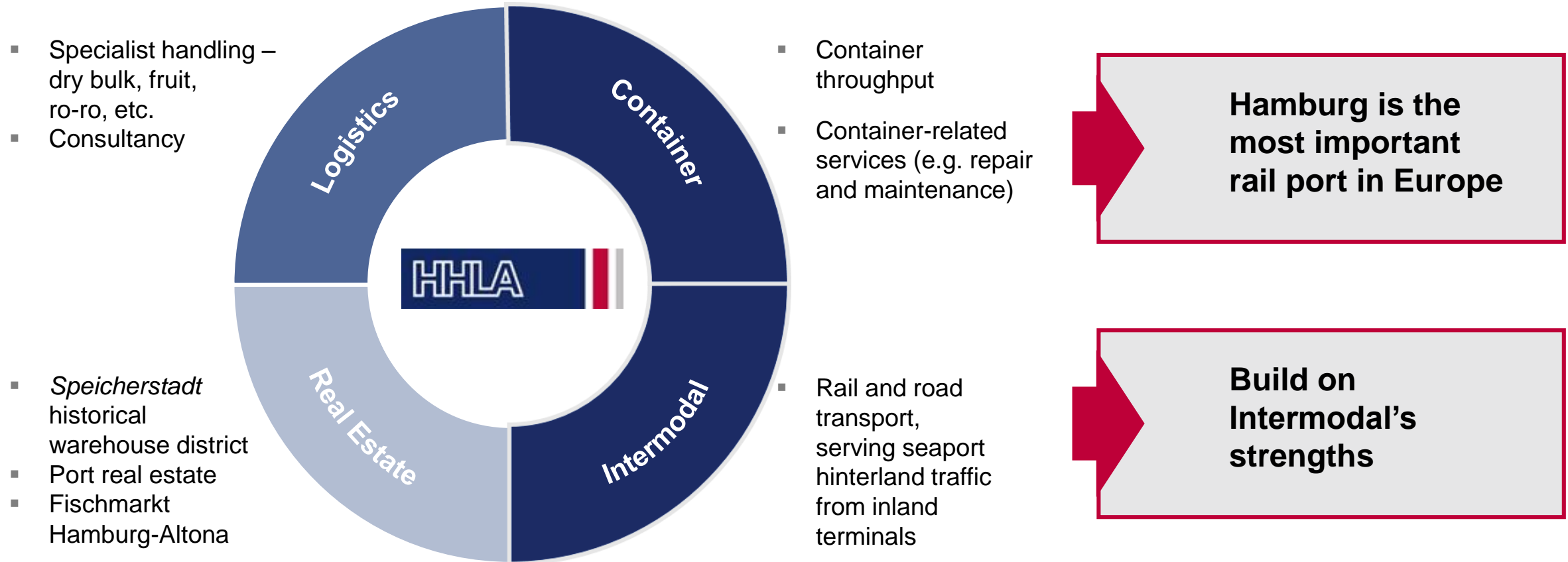
## Technology – selected examples

- New automatic block storage at the Container Terminal Burchardkai
- Battery-powered AGVs at the Container Terminal Altenwerder

## Digitalisation – selected examples

- Rail: Slot management developed further
- “Fuhre 4.0”
- Use of tablet PCs for deck signallers
- Participation in the next commercial accelerator programme

# HHLA is Further Developing, Connecting and Operating Logistics Network Hubs



# The HHLA On-dock Rail Terminals



**HHLA**

**CTA**

- 9 sidings over 700 m long
- 4 RMGs (half-automated)

**Biggest container  
rail terminal  
in Europe**

**HHLA**

**CTB**

- 8 sidings over 700 m long
- 4 RMGs

**HHLA**

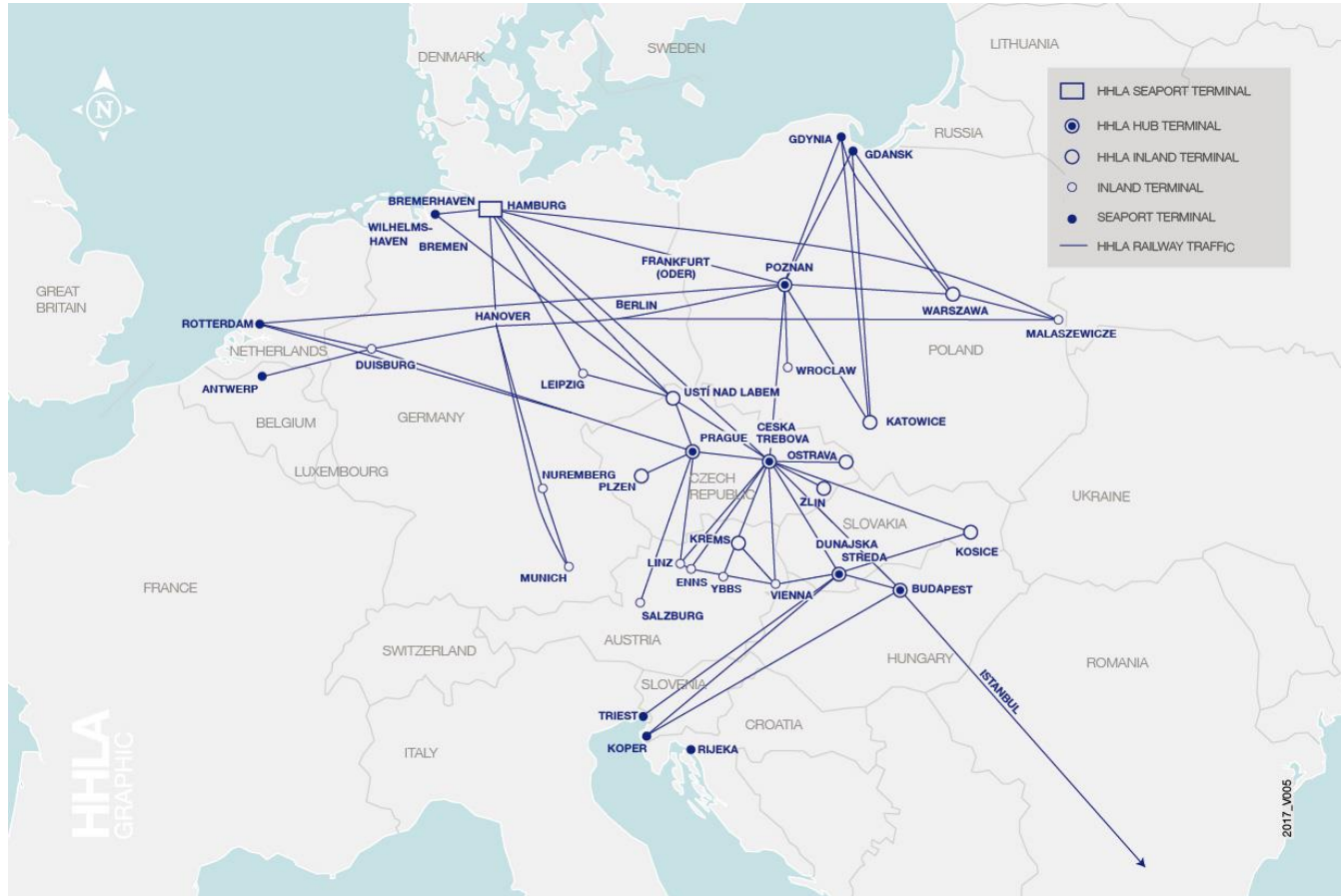
**CTT**

- 5 sidings over 700 m long
- 3 RMGs

# The HHLA Rail Subsidiaries Network

CEO perspectives on  
HHLA's Intermodal activities

Approximately 450 regular rail connections per week

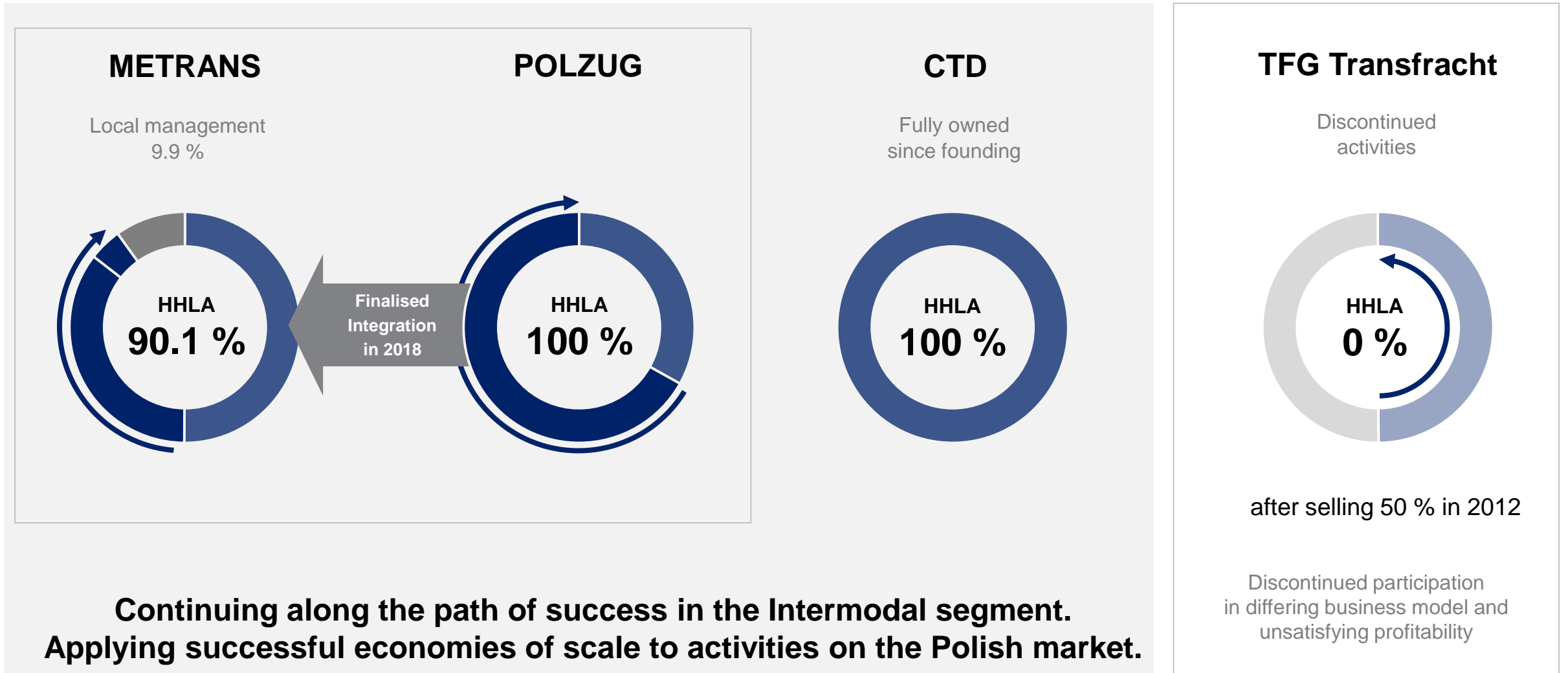


## Selected Metrans Connections

From/to		Trains per week
Hamburg	Prague	43
Hamburg	Ceska Trebova	42
Bremerhaven	Prague	10
Bremerhaven	Ceska Trebova	14
Rotterdam	Prague	10
Koper	Dunajska Streda	28
Koper	Budapest	28
Prague	Ceska Trebova	28
Prague	Plzen	12
Prague	Salzburg	10
Ceska Trebova	Dunajska Streda	42
Ceska Trebova	Zlin	14
Ceska Trebova	Ostrava	12
Dunajska Streda	Kosice	12
Hamburg	Nuremberg	16
Hamburg	Munich	16
Hamburg	Leipzig	11

# METRANS to Fully Take Over POLZUG Group in 2018

CEO perspectives on  
HHLA's Intermodal activities



# Agenda

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- CEO perspectives on HHLA's Intermodal activities

Angela Titzrath  
CEO

- **Rail transport in the hinterland – Today's focus on METRANS**

**Peter Kiss**  
**Member of the Board METRANS**

- Financial development of HHLA's Intermodal activities


Dr. Roland Lappin  
CFO

- Questions & Answers

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# The METRANS Success Story

## Milestones of METRANS



<b>1991</b>	Start of regular traffic based on single railcars and one hub terminal in Prague
<b>1992</b>	First block train with connection Hamburg – Prague
<b>1995</b>	HHLA acquires first 25 % of shares in METRANS
<b>1998</b>	HHLA acquires further 25 % / DB Cargo owns 34 % of shares
<b>2004</b>	Production start of METRANS first own prototype railway wagons
<b>2007</b>	Opening of a hub terminal in Dunajska Streda and further inland terminals in Plzen, Czech Republic, and Kosice, Slovakia
<b>2010</b>	First own traction by shuttle train Rotterdam – Prague
<b>2011</b>	Start of own traction in Slovakia and Hungary with own rail companies Acquisition of 100% shares of a German railway company Opening of the container inland terminal in Ostrava, Czech Republic
<b>2012</b>	Acquisition of 80% shares of an Austrian railway company Opening of the own inland terminal in Krems, Austria
<b>2013</b>	Production start of new type of 1,300 wagons – designed by METRANS Opening of the container terminal in Ceska Trebova
<b>2014</b>	Starting to build up a fleet of multi-system locomotives Opening of the inland terminal in Usti nad Labem, Czech Republic
<b>2017</b>	Opening of the own hub terminal in Budapest, Hungary
<b>2018</b>	Merger of METRANS and Metrans Polonia (former Polzug)

## MORE THAN 25 YEARS OF

→ **Innovation**

→ **Growth**

→ **Synergies**

**Annual transport volume  
beyond 1 million TEU**

# Value Drivers: Differentiating Know-how

Our know-how is your profit

Rail transport in the hinterland –  
Today's focus on METRANS

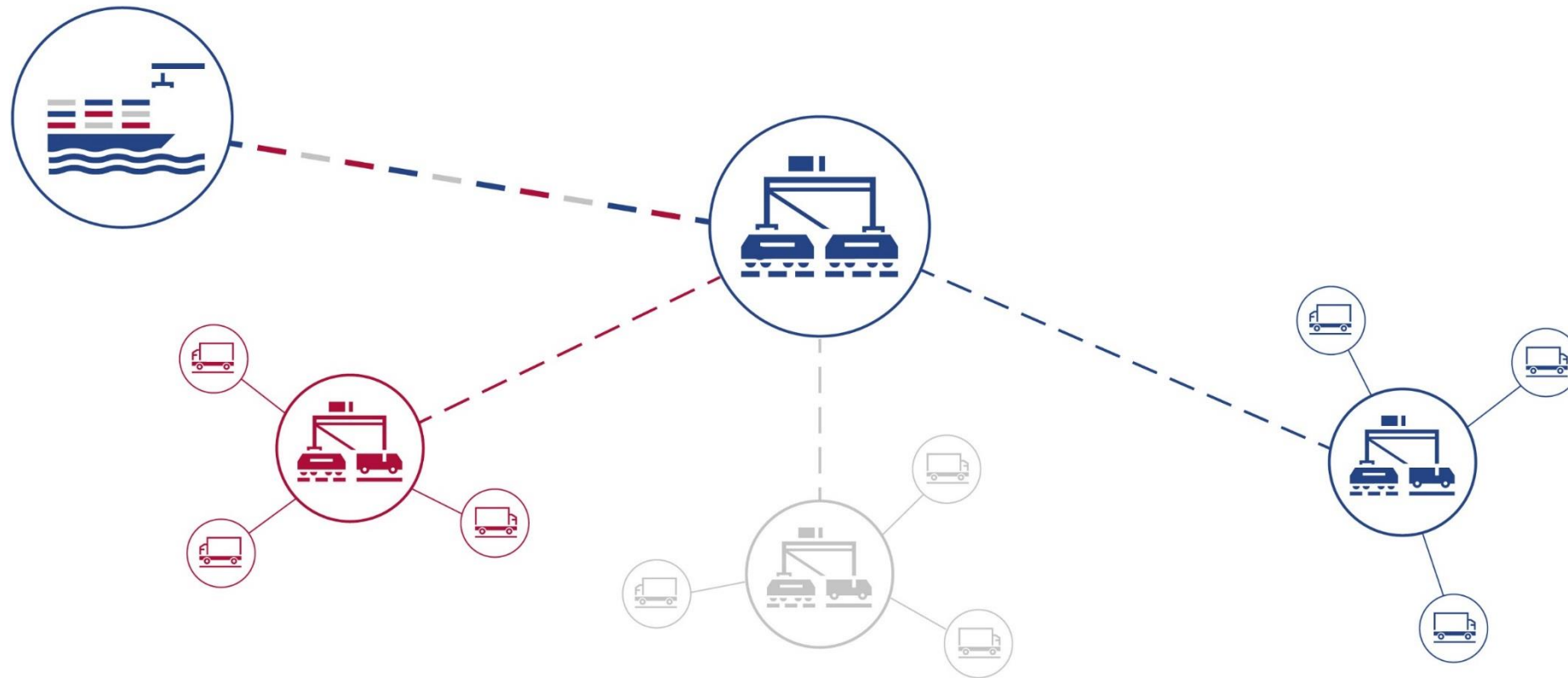


- Experienced management with entrepreneurial passion and incentive structures
- Engaged and locally well connected sales force
- Innovative design of transport system and terminal layout that is customized on the special needs of container transportation
- State-of-the-art equipment with added value as a result of own inventions and design



# The Hub and Shuttle System

Every port is linked with a network of hubs and inland terminals

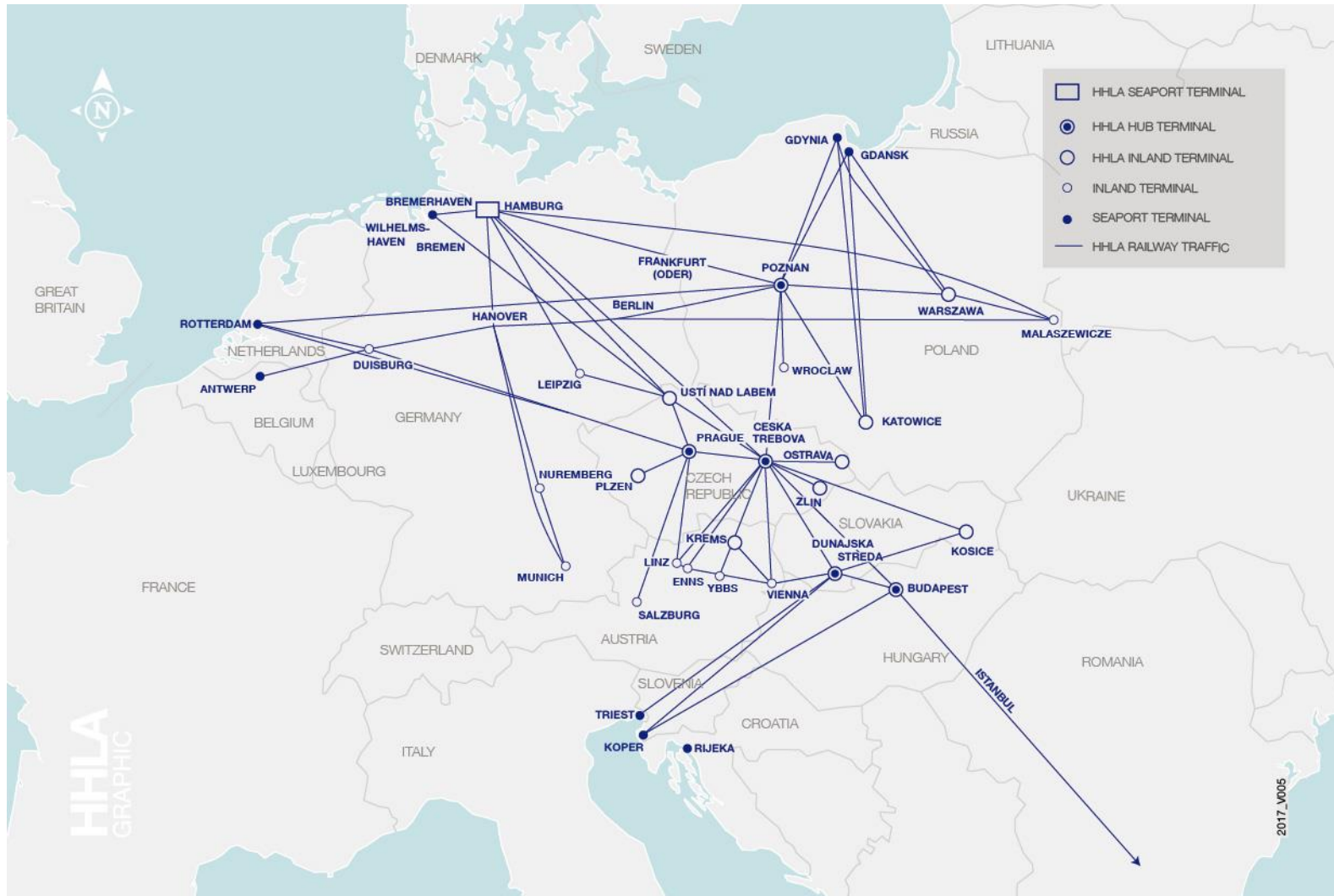


**System success derives from a transport design that involves hinterland hubs and shuttle trains plus comprehensive monitoring of the transport and logistics chain between the seaport and the hinterland customer**

# Value Drivers: Network

Rail transport in the hinterland –  
Today's focus on METRANS

Coverage and high capacity utilisation matter as important prerequisite for growth going forward



- Four hub terminals in the Czech Republic, Slovakia and Hungary
- Six inland terminals in the Czech Republic, Slovakia and Austria
- Around 450 regular train connections per week
- Independent services in the D-A-CH region since 2012
- 2018: Integration of METRANS Polonia (former POLZUG)
- Further targets: Increasing the frequency of existing connections / providing new profitable connections on demand

# Value Drivers: Service Excellence (1/2)

Rail transport in the hinterland –  
Today's focus on METTRANS

Availability and reliability is key

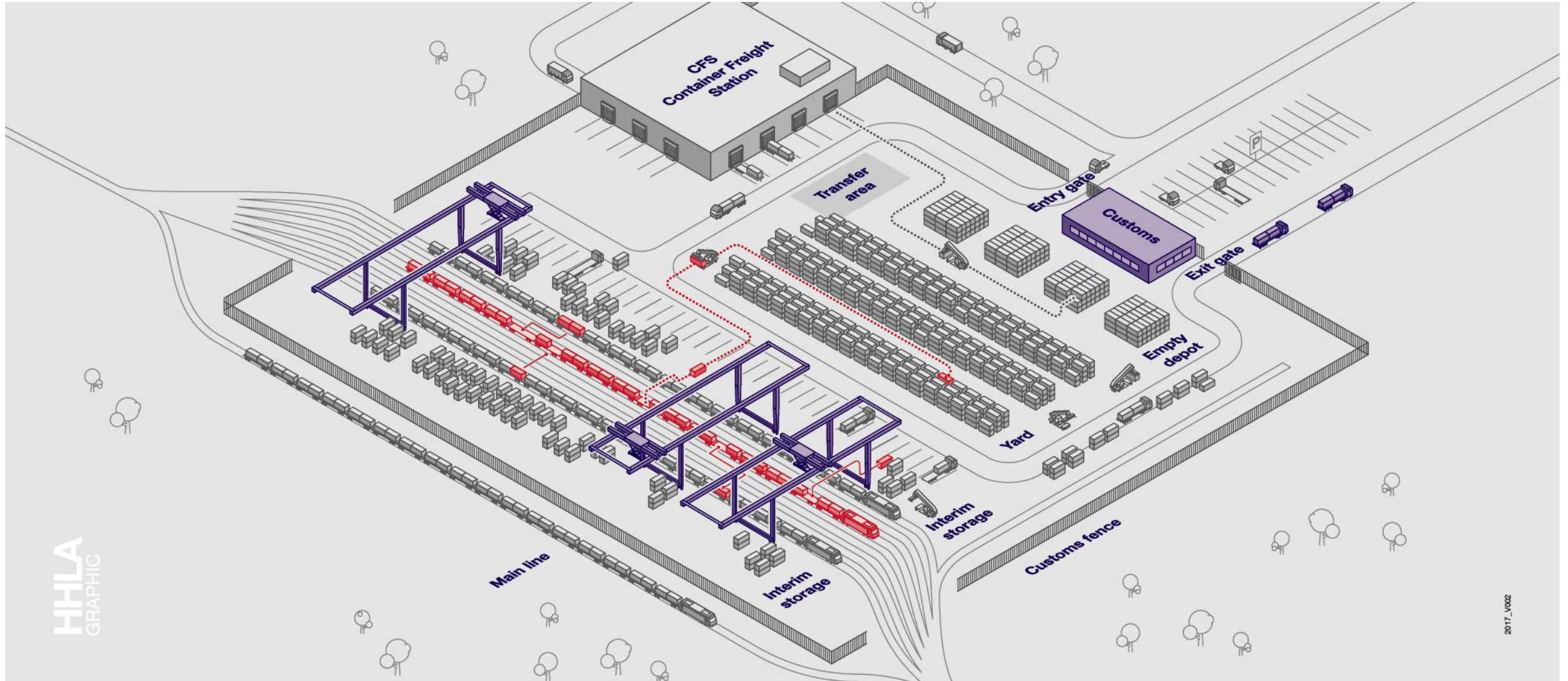


- Highly efficient terminal layout, e.g. 12 trains can be handled at the same time in Prague terminal
- CEE terminals operate 24/7/365
- Inland hub terminals offer high level of value added service like repair services for containers and on-site customs services
- Offices in the ports of Hamburg, Bremerhaven, Koper and Istanbul

# Value Drivers: Service Excellence (2/2)

Rail transport in the hinterland –  
Today's focus on METTRANS

## Intelligent terminal layout



HHLA  
GRAPHIC

2017\_V002

# Value Drivers: Equipment (1/3)

## Development of own waggon design for customized container transportation



- More than own 2,500 wagons
- Own design and development of light-weighted wagons with modern braking system
- Optimal distribution
  - 92 containers fit on the standard maximum length of 610 m in CEE
  - 108 containers fit on the standard maximum length of 720 m in WE
- Overall weight of the container flat wagon is approximately 30 % lighter than the normal equipment in Europe

# Value Drivers: Equipment (2/3)

Own locomotives enhance the production quality and improve cost efficiency



- Metrans owns 30 TRAXX F140 MS locomotives from Bombardier
- Model boasts 7,616 hp and pulls trains weighing up to 2,200 tones
- Multi-system locomotive can be deployed in seven different electricity grids used all over Europe since it can be operated using both alternating and direct current
- No locomotive changes at each border saves time and costs and ensures a high degree of reliability

# Value Drivers: Equipment (3/3)

Rail transport in the hinterland –  
Today's focus on METRANS

Own shunting locomotives with state-of-the-art technology



- Next innovation driver: shunting locomotives with hybrid technology
- Reduction of fuel consumption by up to 50 %

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- CEO perspectives on HHLA's Intermodal activities

Angela Titzrath,  
CEO

- Rail transport in the hinterland – Today's focus on METRANS

Peter Kiss,  
Member of the Board METRANS

- **Financial development of HHLA's Intermodal activities**

**Dr. Roland Lappin,  
CFO**

- Questions & Answers

Angela Titzrath  
Dr. Roland Lappin  
Peter Kiss



# Significant Growth in Revenue and Strong Results

Financial development  
of HHLA's Intermodal activities

Current Financial Highlights of the Intermodal segment (9M17)

Revenue

**€ 311.8 million**

+ 7.7 %

EBIT

**€ 55.4 million**

+ 10.8 %

EBIT margin

**17.8 %**

+ 0.5 %

Segment assets

**€ 386.9 million**

ROCE

**14.3 %**

Capex

**€ 20.5 million**

# Track Record of Consistent Volume Growth

Financial development  
of HHLA's Intermodal activities

Transport volume rose significantly in the past decade

**CAGR**  
2007\* – 2017(9M)\*\*

**6.9 %**

**CAGR**  
2012 – 2017(9M)\*\*

**7.1 %**

**CAGR**  
9M16 – 9M17

**6.8 %**

## Container transport

in thousand TEU



\* 2007-2011 pro forma: applying the current ownership structure

\*\* annualized

- 2012 realignment of shareholder structure aiming at full operational control going forward
- Average annual growth rate of approx. 7% in the last decade
- Well positioned to capture future growth in CEE

Outlook 2017

**Moderate increase  
on previous year  
(2016: 1.4m TEU)**

# Revenue Growth Above Volume Development

Financial development  
of HHLA's Intermodal activities

Share of total subgroup's revenue steadily enhanced

**CAGR**  
2007\* – 2017(9M)\*\*

**6.5 %**

**CAGR**  
2012 – 2017(9M)\*\*

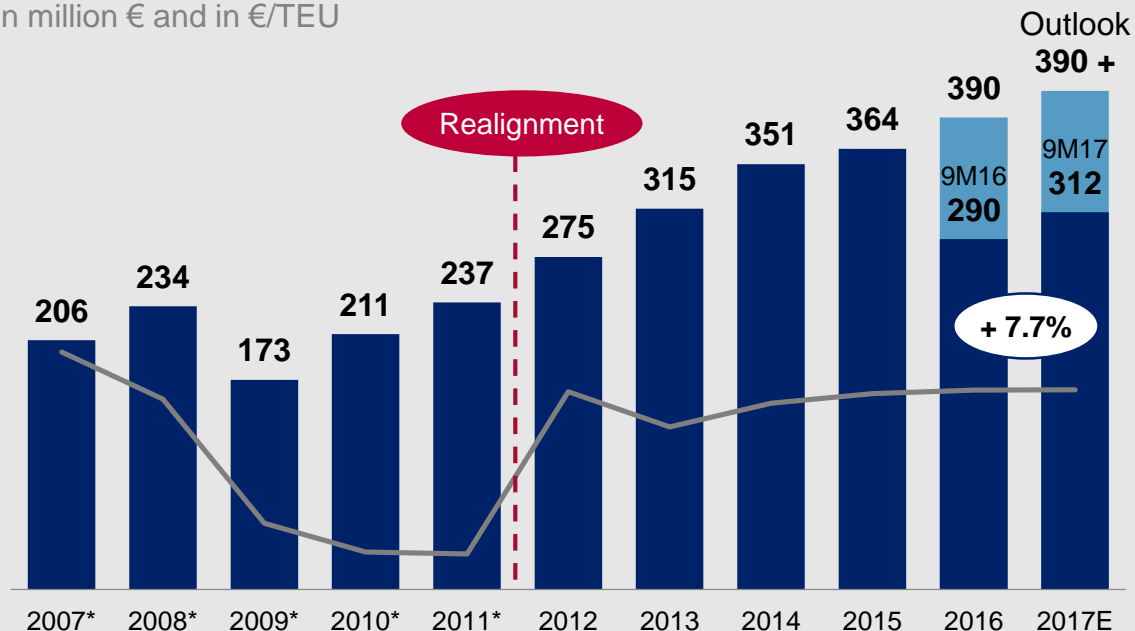
**7.0 %**

**CAGR**  
9M16 – 9M17

**7.7 %**

## Revenue & average revenue per TEU

in million € and in €/TEU



**20%**  
Subgroup  
Rev's

**22%**  
Subgroup  
Rev's

**35%**  
Subgroup  
Rev's

\* 2007-2011 pro forma: applying the current ownership structure  
\*\* annualized

— Revenue per TEU

- Revenues mainly driven by the number of transported containers, handling and transport fees as well as by rail traffic with longer transport distances
- Average revenues increased significantly after realignment in 2012

Outlook 2017

**Moderate increase  
on previous year**

**(2016: € 390 million)**

# EBIT More Than Doubled since Realignment

Strategic decision to invest in own assets is a prerequisite to boost utilization and efficiency

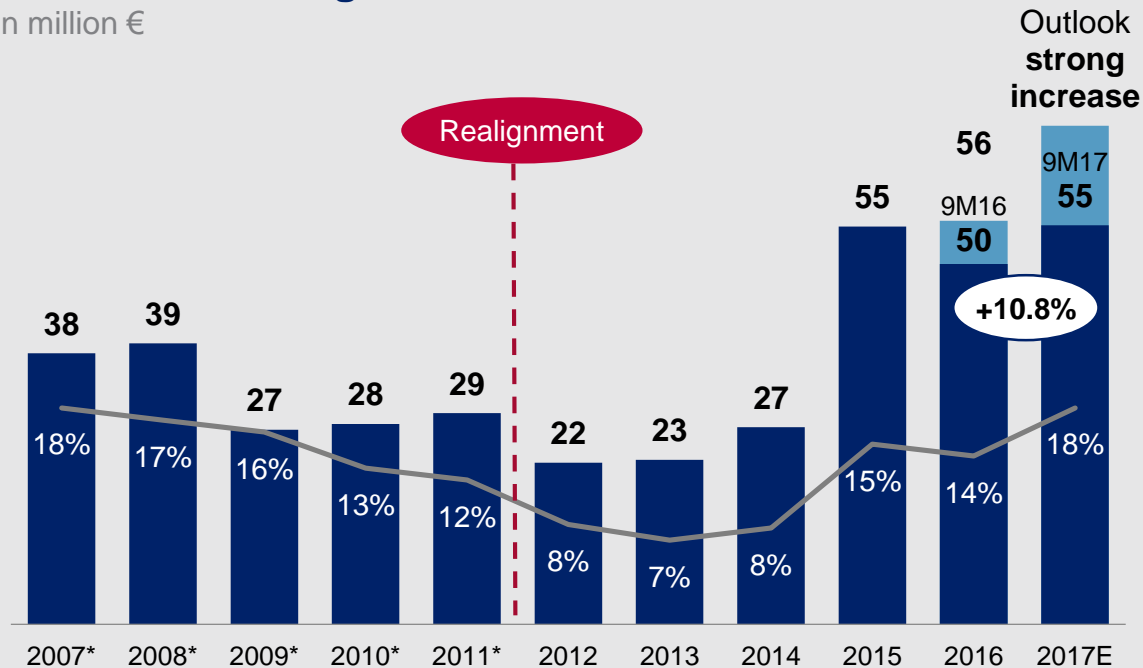
**CAGR**  
2007\* – 2017(9M)\*\*  
**5.7 %**

**CAGR**  
2012 – 2017(9M)\*\*  
**20.7 %**

**CAGR**  
9M16 – 9M17  
**10.8 %**

## EBIT & EBIT margin

in million €



**12%**  
Subgroup  
EBIT

**15%**  
Subgroup  
EBIT

**38%**  
Subgroup  
EBIT

\* 2007-2011 pro forma: applying the current ownership structure  
\*\* annualized

- Since realignment the operating result (EBIT) more than doubled compared to prior years and significantly outperformed volume and revenue growth
- Strategic decision to invest in own assets is a prerequisite to boost utilization and efficiency

Outlook 2017  
**Strong increase  
on previous year**  
(2016: € 56 million)

# Focussed Capex for Higher Value Added

Financial development  
of HHLA's Intermodal activities

Approx. € 253 million investment in own assets since 2012

**13** Hub and inland terminals  
in the hinterland



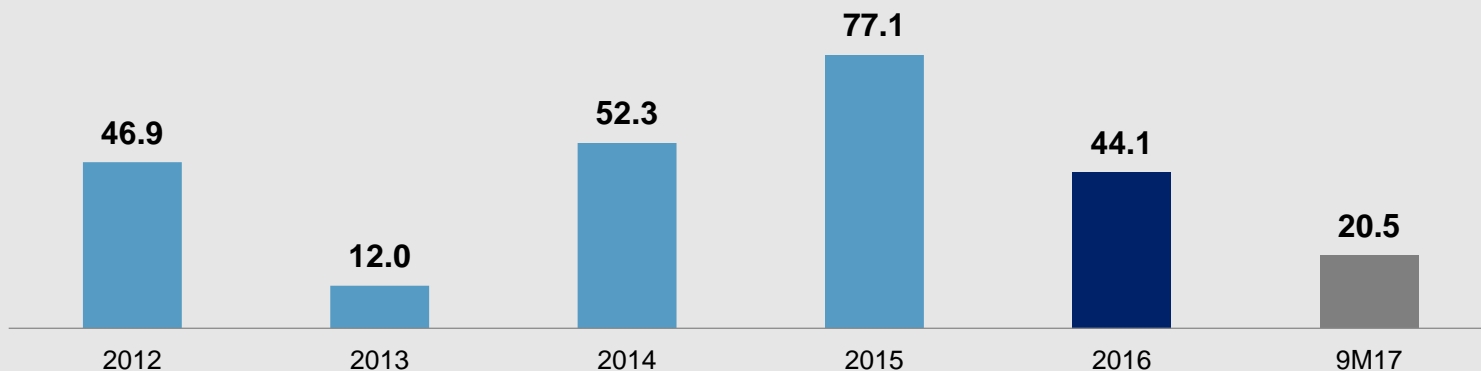
**60** Multi-system locomotives  
and shunting engines



**2,500** Own designed  
light-weighted wagons



**Investments**  
in € million



- Focus of investments in 2017 on commissioning the inland terminal in Budapest as well as the purchase of locomotives and wagons in line with transport volume development

# Strong Return on Capital Employed

Intermodal assets increased by more than € 100 million since 2012

## Segment Assets

2017(9M)

**€ 387 m**

## ROCE

2017(9M)

**14.3 %**

## Value Added

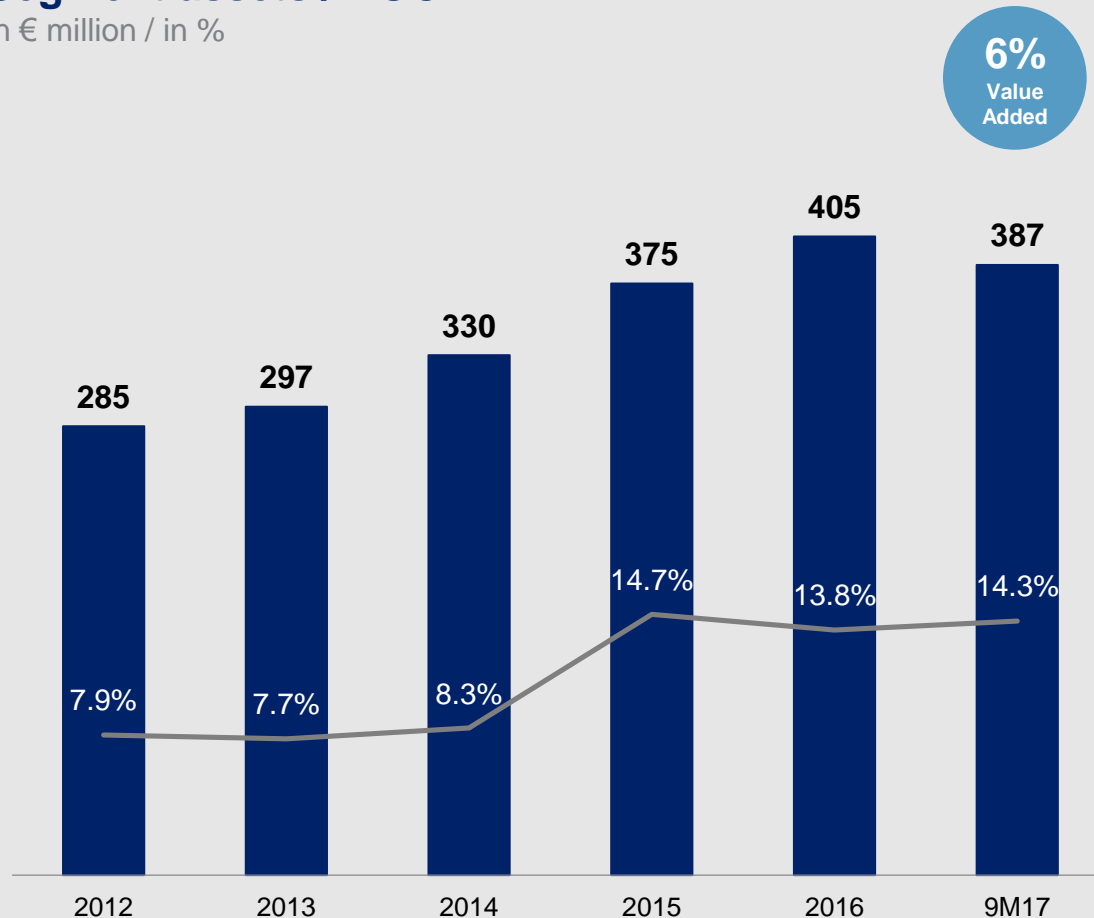
2017(9M)

**€ 22 m**

by applying WACC of 8.5 %

## Segment assets / ROCE

in € million / in %



- Strong asset base since realignment allowing for reliable, fast and “green” intermodal logistics
- Strong ROCE performance with a CEE and D-A-CH exposure

Mid-term target

**Enhanced shareholder value by higher value added**

# Agenda

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- Business Environment and Development of HHLA's Intermodal Activities

Angela Titzrath, CEO

- Rail Transport in the Hinterland on the Example of METRANS

Peter Kiss,  
Member of the Board METRANS

- Financial Development

Dr. Roland Lappin, CFO

- **Questions & Answers**

**Angela Titzrath, CEO**  
**Dr. Roland Lappin, CFO**  
**Peter Kiss,**  
**Member of the Board METRANS**

# HAMBURGER HAFEN UND LOGISTIK AG

Thank you for your attention!

HHLA





# APPENDIX



# Key Figures: Multi-year Overview

## Intermodal segment

in € million	2012*	2013	2014	2015	2016	9M17
Container transport in thousand TEU	993	1,172	1,283	1,318	1,408	1,126
Revenues	274.8	314.5	351.5	364.0	390.1	311.8
Revenue per TEU	€ 276.7	€ 268.4	€ 274.0	€ 276.1	€ 277.1	€ 276.9
Operating expenses	234.0	270.7	303.7	285.2	310.5	237.9
EBITDA	40.8	43.9	47.8	78.8	79.6	73.9
EBITDA margin	14.8 %	13.9 %	13.6 %	21.7 %	20.4 %	23.7 %
Depreciation and Amortisation	18.8	21.0	20.5	23.7	23.8	18.4
EBIT	22.4	22.8	27.3	55.2	55.9	55.4
EBIT margin in %	8.3 %	7.3 %	7.8 %	15.2 %	14.3 %	17.8 %
Capex	46.9	12.0	52.3	77.1	44.1	20.5
Segment assets	284.6	297.0	329.6	375.2	405.0	386.9
ROCE	7.9 %	7.7 %	8.3 %	14.7 %	13.8 %	14.3 %
Employees	1,010	1,128	1,319	1,449	1,687	1,808

## Four hub terminals in the Czech Republic, Slovakia and Hungary (1/2)



### Hub terminal Prague, Czech Republic Since 1991

- Size: 420,000 m<sup>2</sup>
- Storage capacity: 15,000 TEU full and 10,000 TEU empty
- 7 sidings of 600 m, 2 sidings of 550 m, 6 sidings of 350 m
- 5 portal cranes, 6 reach stackers,
- 7 empty container stackers
- 4 shunters
- 12 trains can be handled at the same time
- Repair facility for containers
- On-site customs office
- Operates 24/7/365

### Hub terminal Dunajska Streda, Slovakia Since 1999

- Size: 280,000 m<sup>2</sup>
- Storage capacity: 25,000 TEU full and 15,000 TEU empty
- 5 sidings of 650 m, 4 sidings of 550 m
- 3 portal cranes, 4 reach stackers,
- 4 empty container stackers
- 9 trains can be handled at the same time
- Repair facility for containers
- On-site customs office
- Operates 24/7/365

## Four hub terminals in the Czech Republic, Slovakia and Hungary (2/2)



### Hub terminal Ceska Trebova, CZ Since 2013

- Size: 120,000 m<sup>2</sup>
- Storage capacity: 4,500 TEU full and 4,200 TEU empty
- 6 sidings of 700 m
- 3 portal cranes, 3 reach stackers
- 6 trains can be handled at the same time
- On-site customs office
- Repair facility for containers
- Operates 24/7/365

### Hub terminal Budapest, Hungary Since 2017

- Size: 140,000 m<sup>2</sup>
- Storage capacity: 12,500 TEU full and 7,500 TEU empty
- 6 sidings of 650 m, 2 sidings of 500 m
- 2 portal cranes, 4 reach stackers, 1 fork-lift
- 6 trains can be handled at the same time
- Repair facility for containers
- On-site customs office
- Operates 24/7/365

## Six inland terminals in the Czech Republic, Slovakia and Austria (1/2)

### **Inland terminal Zlin, Czech Republic** Since 1994

- Size: 68,600 m<sup>2</sup>
- Storage capacity: 14,000 TEU full and 10,000 TEU empty
- 2 sidings of 350 m, 3 sidings of 550 m, 2 sidings of 300 m, 1 siding of 400 m
- 7 reach stackers, 1 fork-lift
- Repair facility for containers
- On-site customs office
- Operates 24/7/365

### **Inland terminal Plzen, Czech Republic** Since 2007

- Size: 50,000 m<sup>2</sup>
- Storage capacity: 1,300 TEU full and 1,200 TEU empty
- 3 sidings of 400 m
- 2 portal cranes, 2 reach stackers
- On-site customs office
- Repair facility for containers
- Operates 24/7/365

### **Inland terminal Kosice, Slovakia** Since 2010

- Size: 70,000 m<sup>2</sup>
- Storage capacity: 3,000 TEU full and 3,000 TEU empty
- 2 sidings of 550 m
- 7 reach stackers, 1 fork-lift
- On-site customs office
- Repair facility for containers
- Operates 24/7/365

## Six inland terminals in the Czech Republic, Slovakia and Austria (2/2)

### Inland terminal Ostrava, Czech Republic Since 2011

- Size: 40,000 m<sup>2</sup>  
plus 60,000 m<sup>2</sup> depot
- Storage capacity: 1,200 TEU full and  
5,000 TEU empty
- 2 sidings of 250 m
- 1 portal crane, 2 reach stackers,  
2 empty container stackers
- On-site customs office
- Repair facility for containers
- Operates 24/7/365

### Inland terminal Krems, Austria Since 2012

- Size: 35,000 m<sup>2</sup>
- Storage capacity: 1,500 TEU full and  
2,000 TEU empty
- 4 sidings of 680 m
- 2 reach stackers,  
1 empty container stacker
- On-site customs office
- Repair facility for containers

### Inland terminal Usti nad Labem, CZ Since 2015

- Size: 15,000 m<sup>2</sup>
- Storage capacity: 1,500 TEU full and  
2,000 TEU empty
- 3 sidings of 120 m, 1 siding of 180 m,  
1 siding of 80 m
- 1 portal crane, 4 reach stackers
- On-site customs office
- Repair facility for containers
- Operates 24/7/365

# Network Overview

## Metrans Dyko Rail Repair Shop



- Established in 1940
- Acquired by Metrans in 2007
- Licensed to repair Siemens and
- Bombardier locomotives
- Repairs container wagons
- Repairs running gear for passenger carriages
- Repairs locomotives
- Repairs wheelsets

# Financial Calendar / IR Contact

## Financial Calendar

27 March 2018	Annual Report 2017 Press Conference / Analyst Conference Call
15 May 2018	Interim Statement January - March 2018 Analyst Conference Call
12 June 2018	Annual General Meeting (AGM)
14 August 2018	Half-Year Financial Report January - June 2018 Analyst Conference Call
13 November 2018	Interim Statement January - September 2018 Analyst Conference Call

## IR Contact

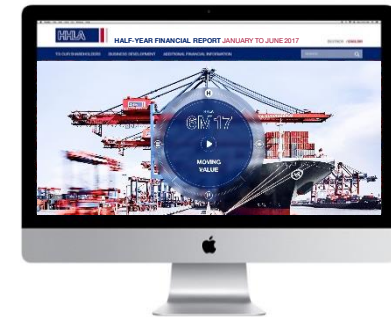
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## Online 9M17 Interim Statement



<http://report.hhla.de>