Analyst conference on the 2018 financial year results

Hamburg, 27 March 2019

GATEWAY TO THE FUTURE

Agenda

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Angela Titzrath, CEO

02 **Financial performance 2018**

Dr. Roland Lappin, CFO

03 **Business forecast 2019**

Angela Titzrath, CEO

04 **Questions & answers**

Angela Titzrath, CEO
Dr. Roland Lappin, CFO

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Summary of major achievements in 2018

Performance confirms strategy

HHLA with moderate revenue increase and a strong operating result fully in line with its guidance for 2018 in a weakening business environment

Strategically important acquisition of biggest terminal operator in Estonia, Transiidikeskuse (now: HHLA TK Estonia), closed and integration progressing

Takeover of remaining stake in METRANS, integration of POLZUG into the METRANS group completed, reorganisation of Polish business successful

Cash flows impacted by payments for M&A activities

Dividend proposal increased by 19.4 % to € 0.80 for 2018 (for 2017: € 0.67) per listed class A share

Business environment 2018

World economy on a sound level but with slight loss of momentum

GDP World	**+ 3.7 %**
GDP China	**+ 6.6 %**
GDP Russia	**+ 1.7 %**
World trade	**+ 4.0 %**

Macroeconomic environment 2018

- Global economic growth slightly weaker in 2018 than in the previous year
- China slightly exceeded its growth target of 6.5 %, growing at its slowest rate in nearly three decades
- Russia continued to recover but is still affected by EU sanctions
- CEE development weaker than 2017, still on a robust growth path at 3.8 %
- World trade volumes reflected lack of economic stimulus with 1.3 pp below 2018

Source: IMF – World Economic Outlook Update, January 2019

World throughput	**+ 4.7 %**
Europe throughput	**+ 5.0 %**
NW Europe throughput	**+ 2.5 %**
Scandinavia & Baltics	**+ 10.7 %**

Sector development 2018

- World throughput with a decline of 1.6 pp on a solid level
- Europe with a sound development only 0.7 pp under previous year
- Volume growth in North West Europe nearly halved compared to 2017
- Scandinavia & Baltics gain further momentum and report highest growth rate within Europe again, but unable to offset the weaker trends in the other regions

Source: Drewry Maritime Research, Container Forecaster, December 2018

Financial highlights 2018 of Port Logistics subgroup

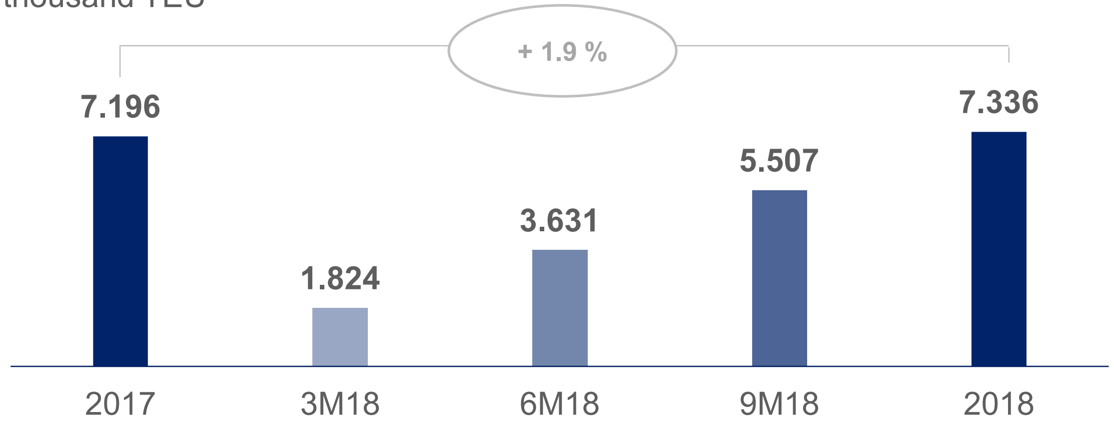
Revenue	EBIT	EBIT margin
€ 1,258.5 million	**€ 188.4 million**	**15.0 %**
+ 3.1 %	+ 20.3 %	+ 2.2 pp

Profit after tax and minorities	ROCE	Operating cash flow
€ 102.9 million	**15.5 %**	**€ 214.8 million**
+ 44.5 %	+ 1.9 pp	- 17.0 %

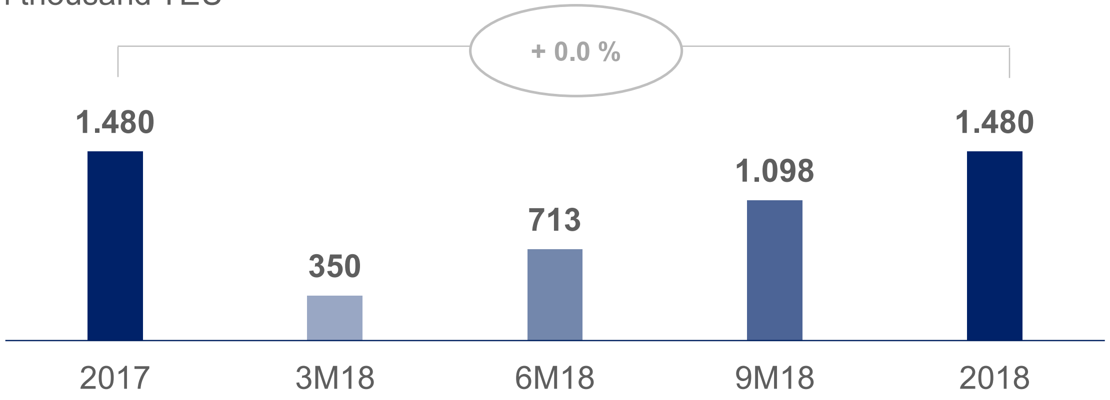
Throughput and transport development 2018

Strong previous year's level reached again

Container throughput
in thousand TEU



Container transport
in thousand TEU



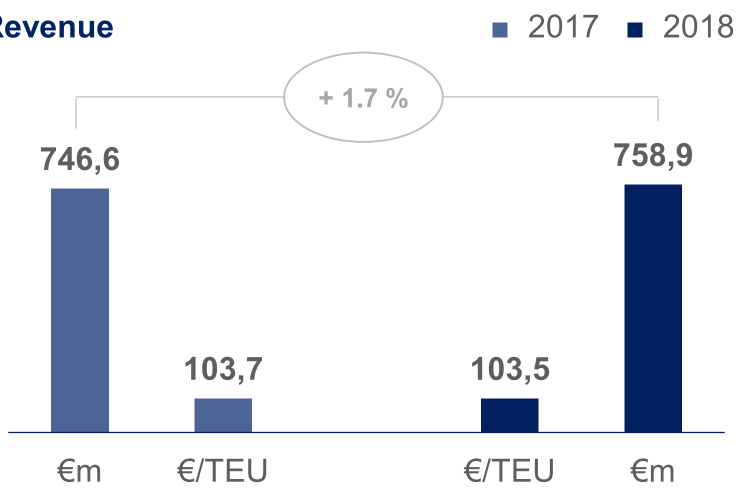
- Hamburg terminals nearly matched the strong previous year's level (- 0.3 %)
  - Far East volumes continued to grow by 4.6 %
  - decrease in lower-margin feeder volumes of 2.3 % led to a feeder ratio of 24.0 % (previous year: 24.5 %)
- International terminals up after first-time consolidation of HHLA TK Estonia

- Transport volume remained at high level of previous year despite reorganisation of Polish activities
- Growth driven by
  - rail transportation (+ 2.5 % y-o-y)
  - above-average rise in traffic between North Range ports, Adriatic ports and CEE hinterland

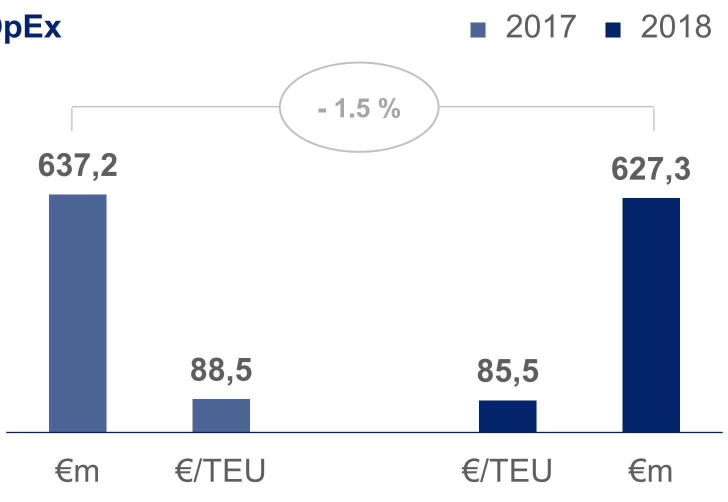
Container segment

EBIT improved strongly as prior year's expenses did not repeat

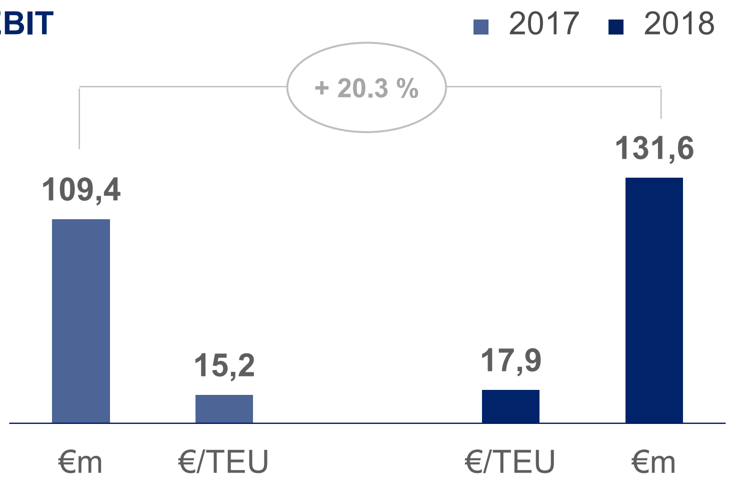
Revenue



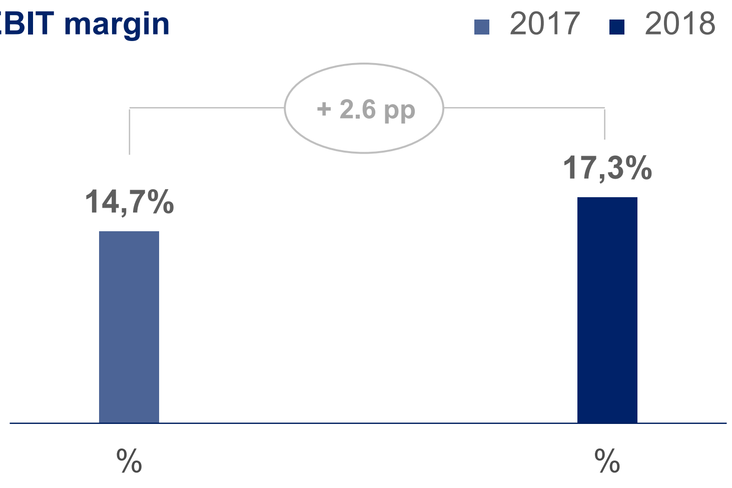
OpEx



EBIT



EBIT margin

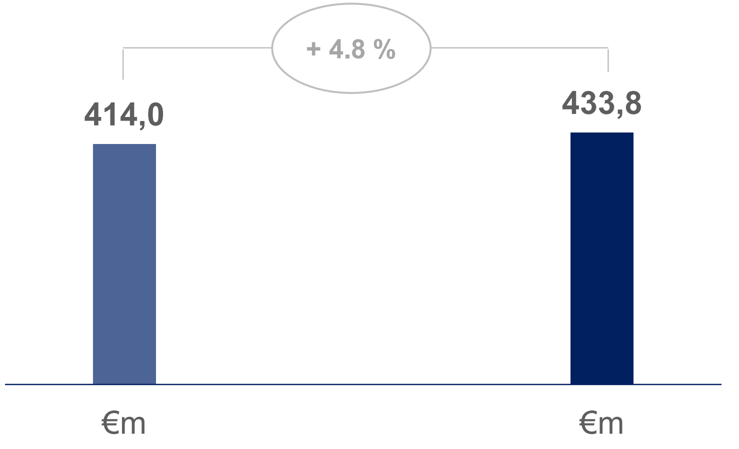


- Revenue virtually in line with volume rise
- Average revenue per TEU almost unchanged, impacted by
  - normalised storage fees,
  - competitive pressure at international terminals
  - slightly lower feeder ratio of 24.0 % (previous year: 24.5 %)
- Opex (ex € 25m expenses), EBIT and EBIT margin increased:
  - expenses of € 25 million in 2017 did not repeat
  - personnel expenses rose due to higher number of employees from HHLA TK and tariff increases
  - energy costs went up

Intermodal segment

Superior EBIT-level, margin progressed

Revenue



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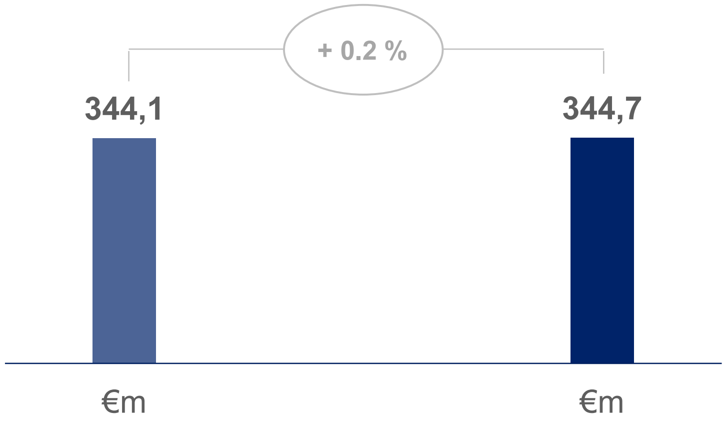
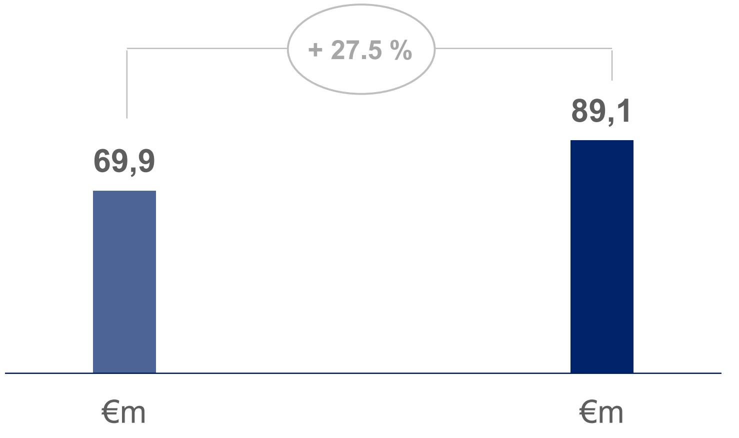
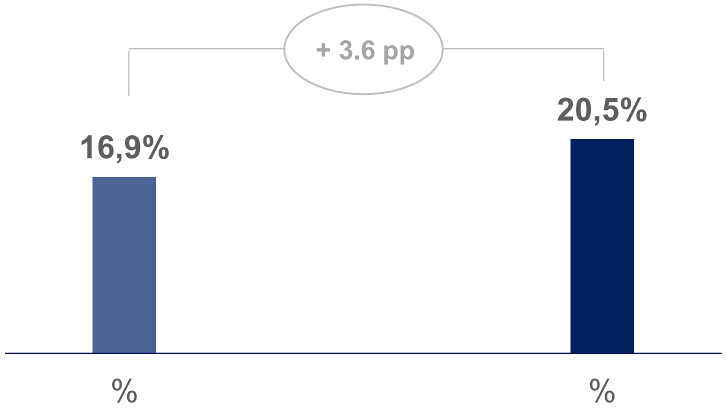


EBIT



EBIT margin

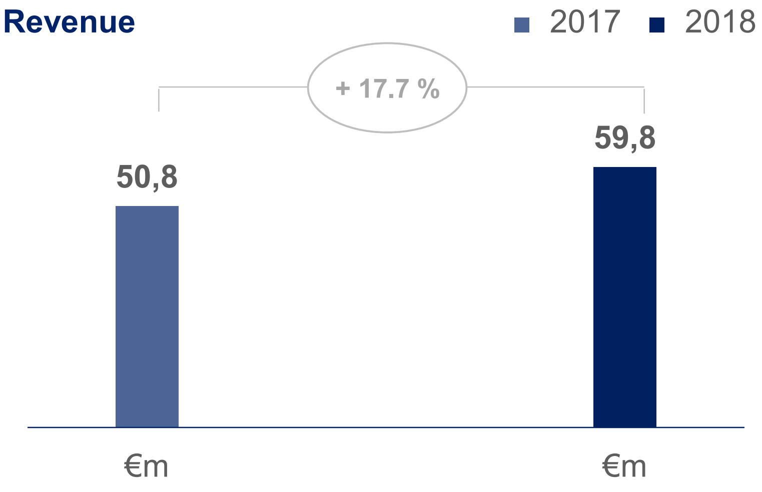


- Revenue growth clearly exceeded transport volume development
- Strong EBIT increase due to:
  - better average revenue,
  - changes in the mix of transport relations,
  - lower D&A due to adjustment of useful lives of wagons
  - Improved efficiency from terminal Budapest
- Superior EBIT level expanded
- EBIT margin progression: outstanding level of 20.5 %

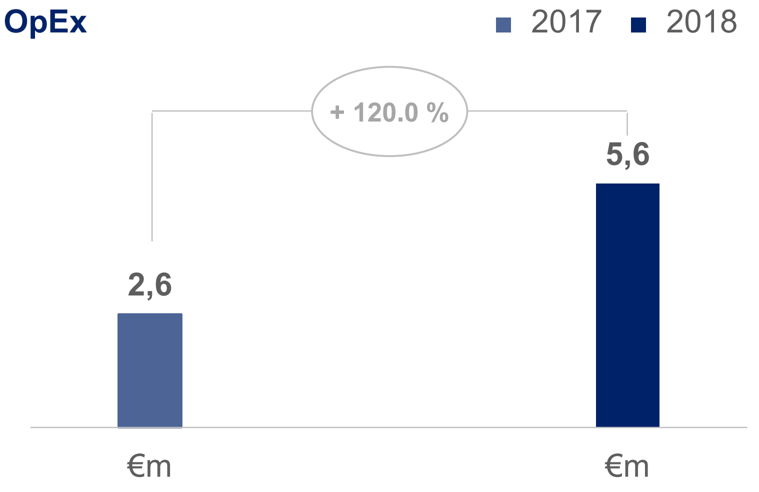
Logistics segment

Positive development after year of transition

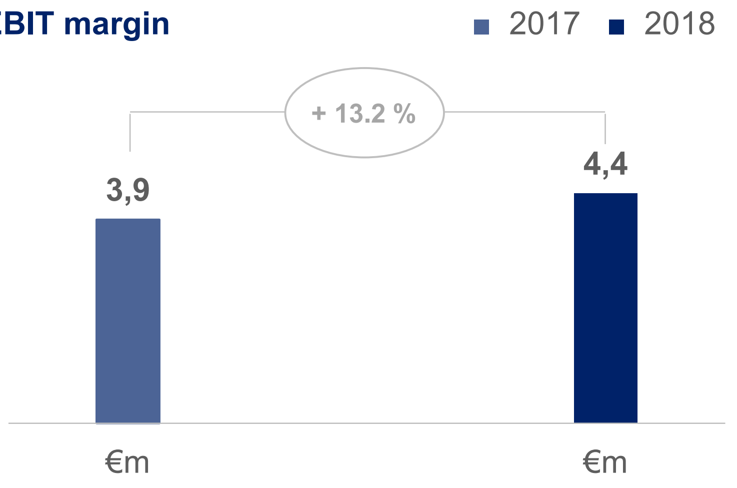
Revenue



OpEx



EBIT margin

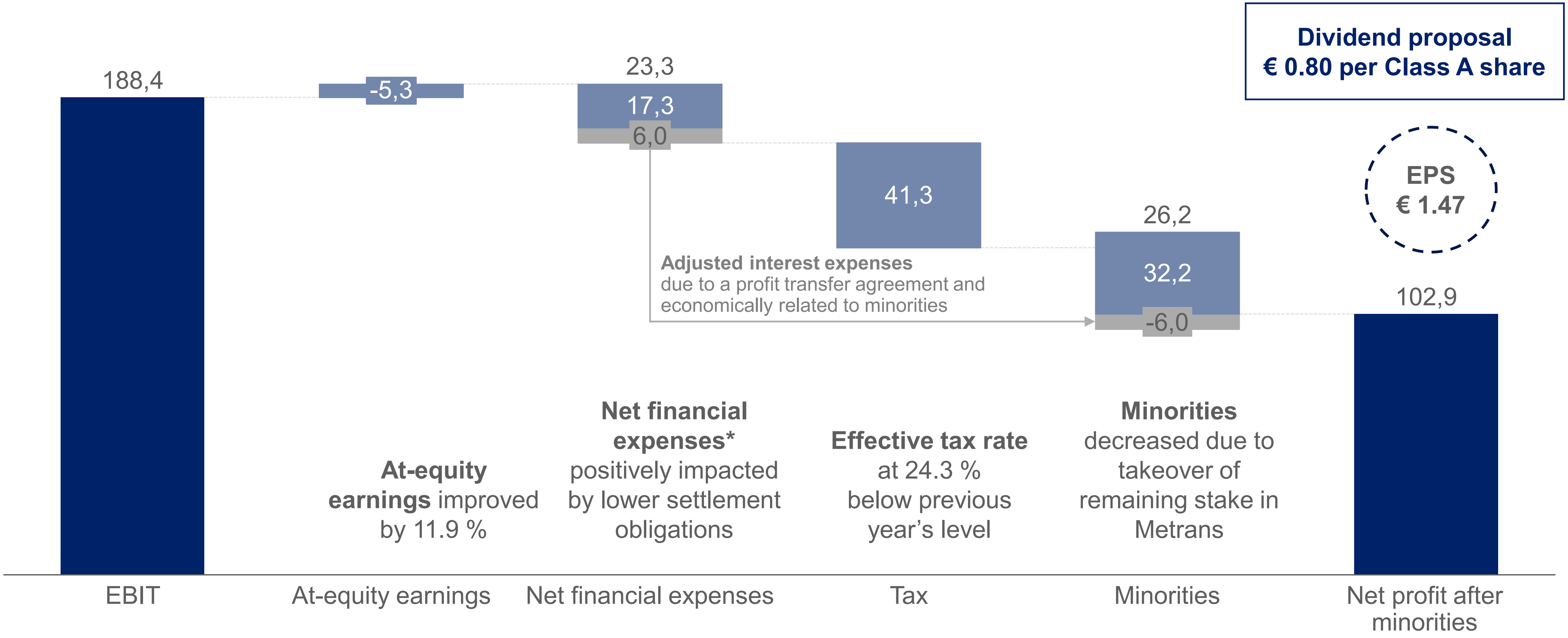


- Strong increase in revenue especially in Q4, mainly from temporary additional business in vehicle logistics
- EBIT rose even more strongly, impacted by:
  - Results improvements in vehicle logistics and consulting
  - Losses in the newly consolidated division airborne logistics services
- At-equity earnings increased substantially mainly due to a positive development of bulk cargo handling

Earnings bridge o the Port Logistics subgroup

Net profit increased substantially due mainly to improved operating result and lower minorities

in € million / change vs. 2017



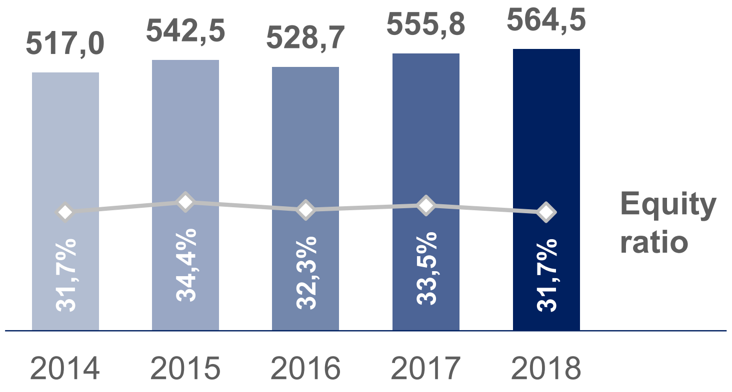
* Adjusted by € 6.0m (interest expenses) economically related to minorities

Financial stability

Focus on profitability and shareholder participation

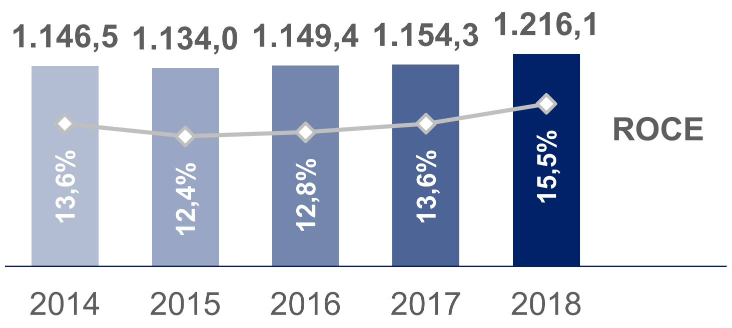
Equity development / Equity ratio

in € million



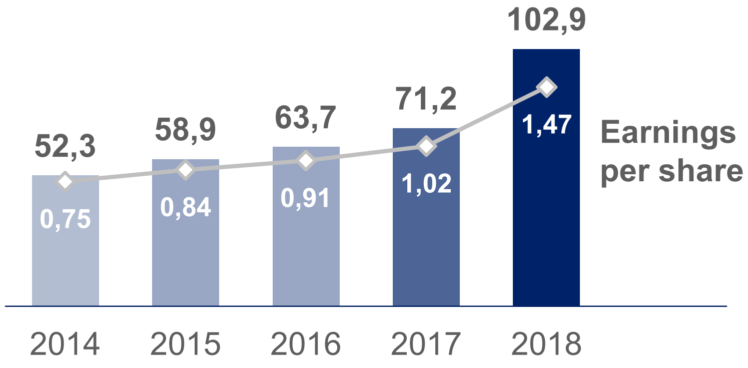
Ø Capital employed / ROCE

in € million



Profit after tax and minorities / EPS

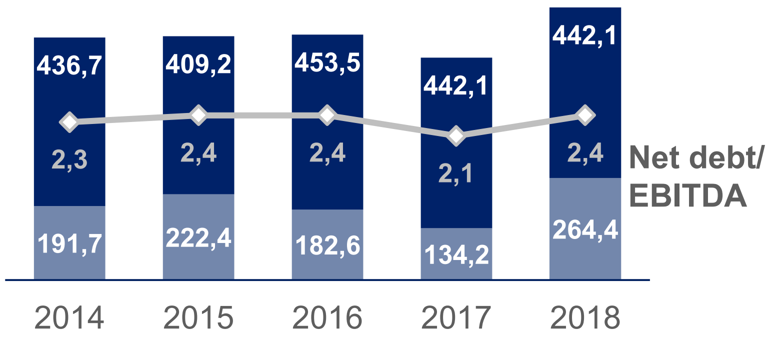
in € million / in €



Net debt

in € million

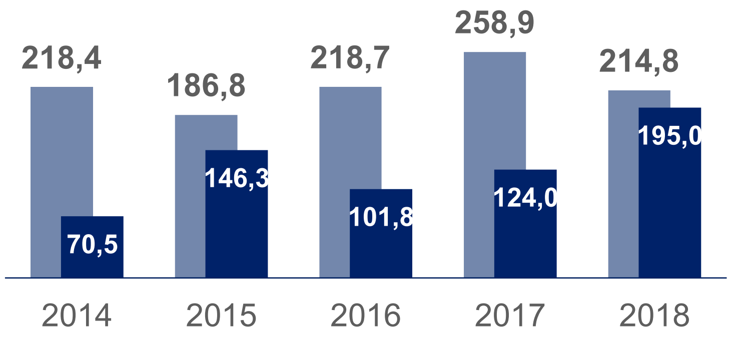
- Net financial debt
- Pension provisions



Self-funded investments

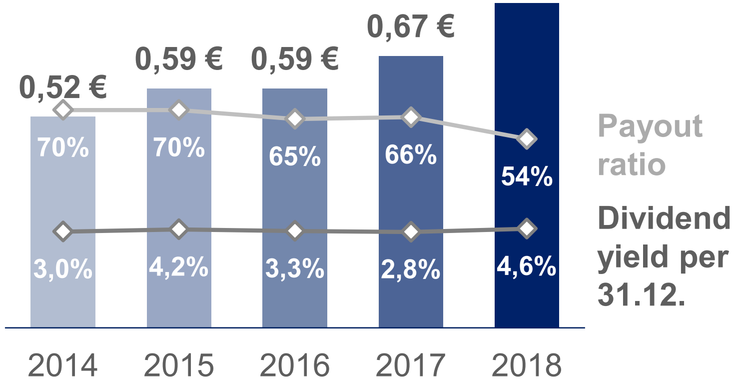
in € million

- Operating cash flow
- Investing cash flow (without proceeds for short-term deposits)



Dividend development

2018: Dividend proposal



Outlook 2019

Macroeconomic environment

GDP World	**+ 3.5 %**
GDP China	**+ 6.2 %**
GDP Russia	**+ 1.6 %**
World trade	**+ 4.0 %**

World throughput	**+ 4.1 %**
Europe throughput	**+ 2.2 %**
NW Europe throughput	**+ 3.2 %**
Scandinavia & Baltics	**+ 2.4 %**

Macroeconomic outlook 2019

- Global economic output should be slightly below previous year again
- Despite subdued GDP growth, world trade prospects at a sound level
- IMF expects a sustained weakening of Chinese growth dynamics but still forecasts growth rise above 6 %
- Russian recovery supposed to continue on previous year's level

Source: IMF – World Economic Outlook Update, January 2019

Sector outlook 2019

- For world throughput, Drewry expects the pace of momentum to slow down further in 2019 and forecasts a growth rate of 4.1 % (- 0.6 pp)
- For European throughput a strong drop in volumes is anticipated (- 2.8 pp)
- North Range ports expected to recover after strong decline in 2018 (+ 0.6 pp)
- Scandinavia & Baltics volumes endangered by a marked decline (- 8.3 pp)

Source: Drewry Maritime Research, Container Forecaster, December 2018

Outlook 2019

Port Logistics subgroup

	2018	Guidance 2019
Container throughput	7,336 thousand TEU	Slight increase on previous year
Container transport	1,480 thousand TEU	Slight increase on previous year
Revenues	€ 1,258.5 million	Slight increase on previous year
EBIT	€ 188.4 million	Significant increase on previous year*
EBIT Container segment	€ 131.6 million	in the region of previous year
EBIT Intermodal segment	€ 89.1 million	Significant increase
Capital expenditure	€ 132.9 million	in the range of € 200 million**

* mainly due to changes in accounting policy for leasing (IFRS 16)
** mainly attributable to the Port Logistics subgroup

Financial calendar / IR contact

Financial calendar 2019

27 March 2019
Annual Report 2018
Analyst conference call

9 May 2019
Interim Statement January – March 2019
Analyst conference call

18 June 2019
Annual General Meeting (AGM)

14 August 2019
Half-year Financial Report January – June 2019
Analyst conference call

13 November 2019
Interim Statement January – September 2019
Analyst conference call

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Annual Report 2018

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