



Striving for Efficiency

Restructuring programme in the Container segment

by Jens Hansen, COO

Hamburg, 14 December 2021

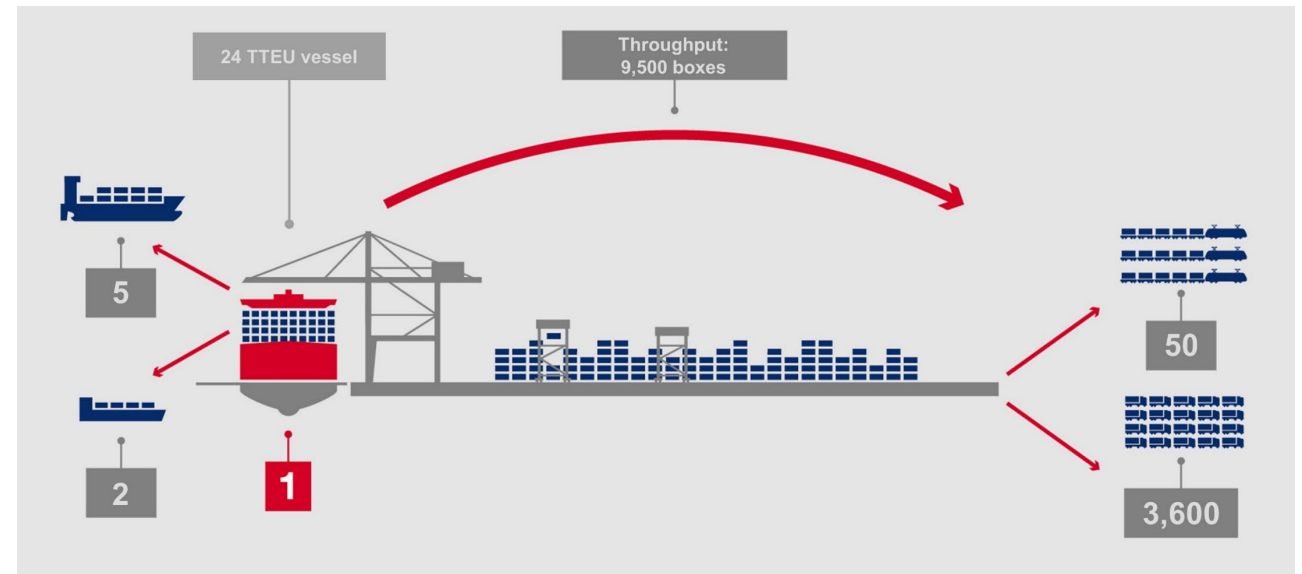
Capital Markets Day 2021

Where are we today?

Meeting the challenges and ensuring the future viability of our terminals in Hamburg

- Requirements for terminals will increase also in the future in terms of:
 - Increasing demands on productivity per operating hour
 - Higher yard peak loads (inbound and outbound)
- Negotiation power of the top container carriers (organisation in alliances)
- Vessel sizes have increased substantially over the last years, causing peak loads at the container terminals
- Throughput in Hamburg at a stable level over the last years; in Antwerp and Rotterdam, throughput is constantly increasing
 - Market share gains by Antwerp and Rotterdam largely in transshipment
- Gdansk is also becoming more important as a hub for the Baltic Sea, with direct calls
- All market players are currently seeking to expand and optimize their hinterland network
- Lower Terminal Handling Charges (THCs) at the Polish ports, Rotterdam and Antwerp

Mega carriers led to challenging peak load conditions



We set up the CTX program to ensure the future viability of our terminals in Hamburg!



What do we want to achieve?

In addition to performance, we keep an eye on our costs while being sustainable and geared to growth

CTX | HHLA Container Terminals 2025

Together, we are creating a future-proof and sustainable container business for HHLA in Hamburg, which handles ships of all sizes quickly and efficiently. It stands out for its outstanding hinterland connection. In this way we will become **first choice for our customers again**.

COSTS

We aim to reduce our costs.

- **Cost reduction** of \geq € 120 million p.a.

PERFORMANCE

We aim to increase our performance.

- **Increase performance** 30+ Boxes/CBh
- **HHLA synergies** to be used to the maximum

RELIABILITY

We guarantee our customers high reliability.

- Ensure **volume-flexible 24/7/360 handling** with high customer orientation
- Internal **high-performance service providers** offer competitive services

SUSTAINABILITY

We are committed to sustainability.

- **Economically sustainable value creation** in the container segment
- **Sustainable** and socially responsible fair **employment conditions**
- On track for **climate neutrality** in **2040**

How we want to transform: top projects

As well as investing in the future viability of the terminals, we are optimising our processes & exploiting synergies



Organisation

- Centralisation of planning and administration functions
- Set-up container operations with partly flexible allocation of workforce across terminals and integrated steering model
- Bundling of technical services including maintenance & repair



Automation

- Automation of horizontal transport and extension of storage crane systems at CTB
- Remote control / automation of railroad crane at CTA
- Automation of ship-to-shore cranes at CTA



Process optimisation and digitalisation

- Standardization and digitalisation in administrative and control functions enabled through N4
- New truck and train operations to enhance handling efficiencies
- AI-supported yard optimisation by forecasting dwell times and final destinations of containers

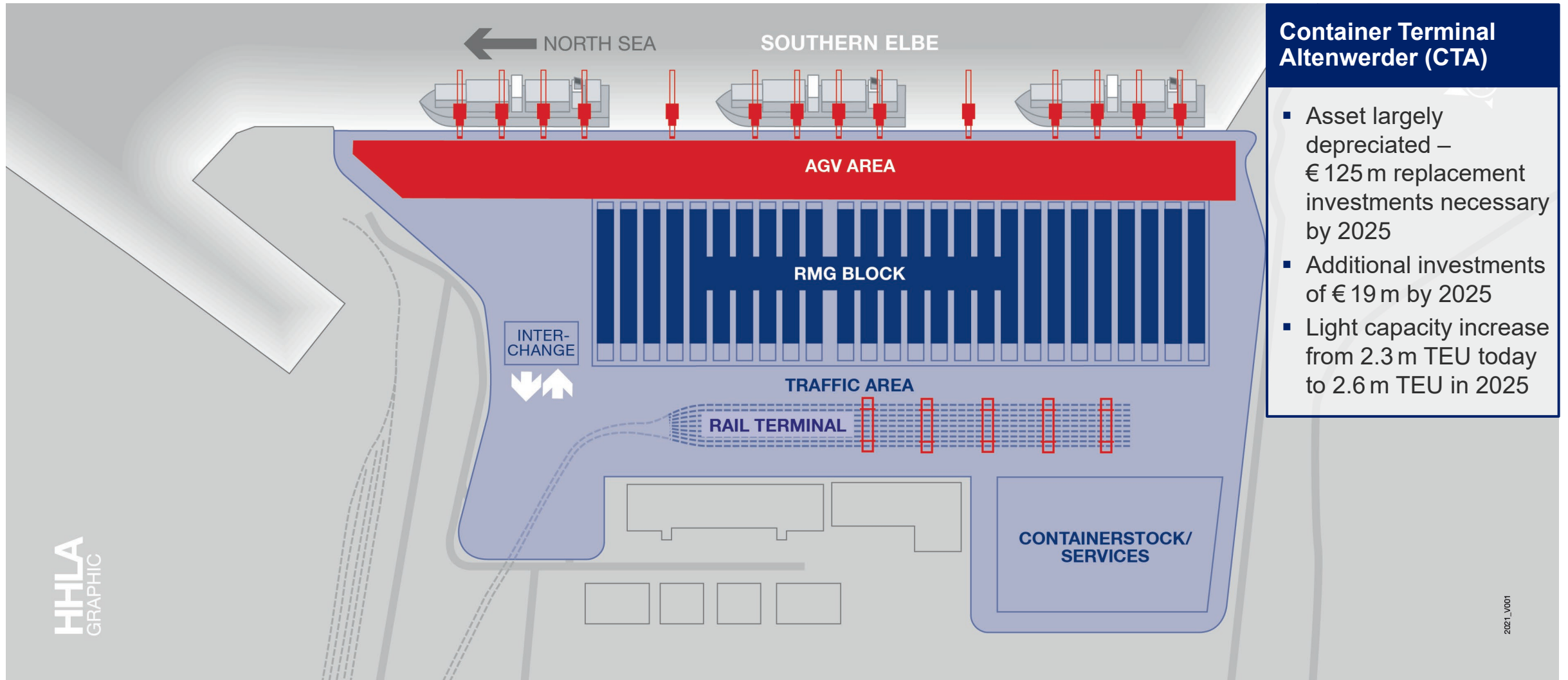


Cost optimisation

- Peak shaving to reduce energy costs
- Cross-terminal asset management
- Optimisation of internal and external services

HHLA Container Terminal Altenwerder

CTA Terminal Layout 2025

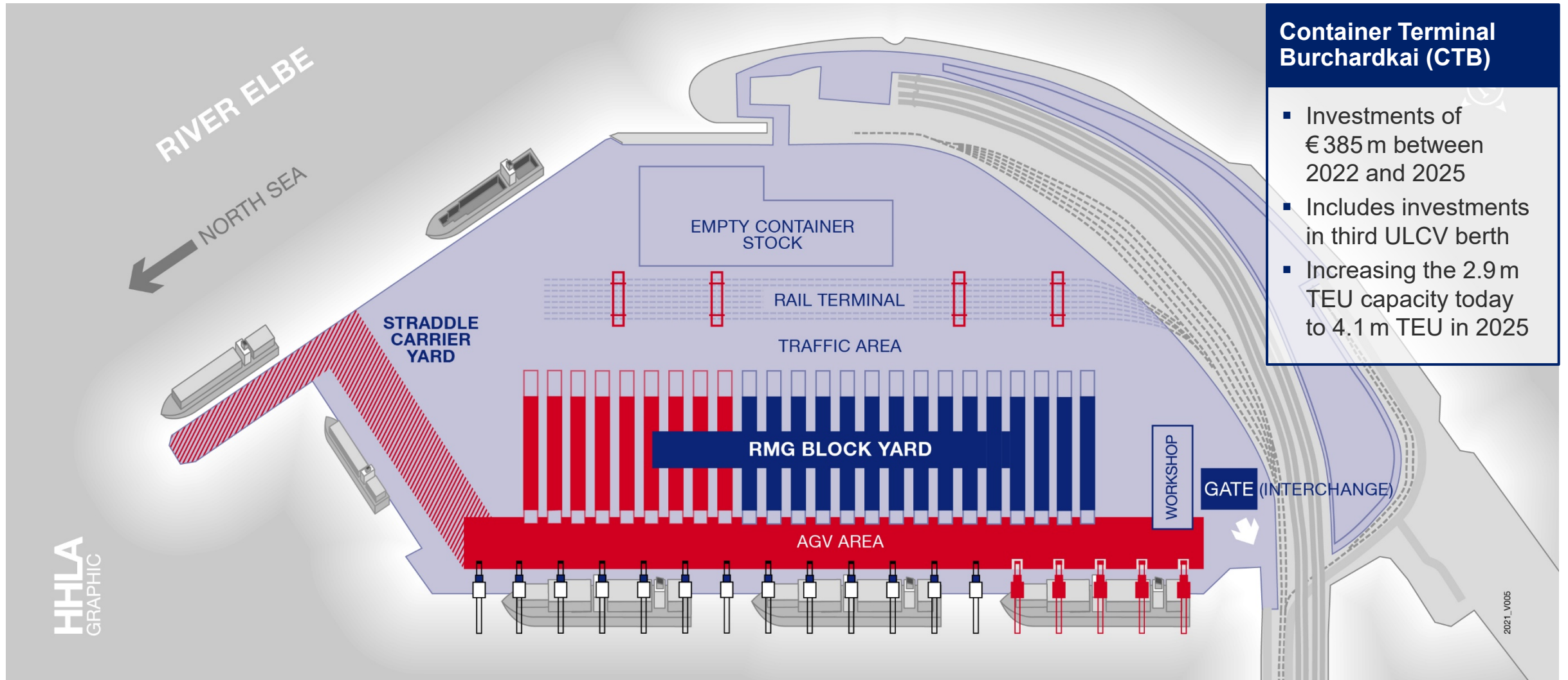


Container Terminal Altenwerder (CTA)

- Asset largely depreciated – € 125 m replacement investments necessary by 2025
- Additional investments of € 19 m by 2025
- Light capacity increase from 2.3 m TEU today to 2.6 m TEU in 2025

HHLA Container Terminal Burchardkai

CTB Terminal Layout 2025

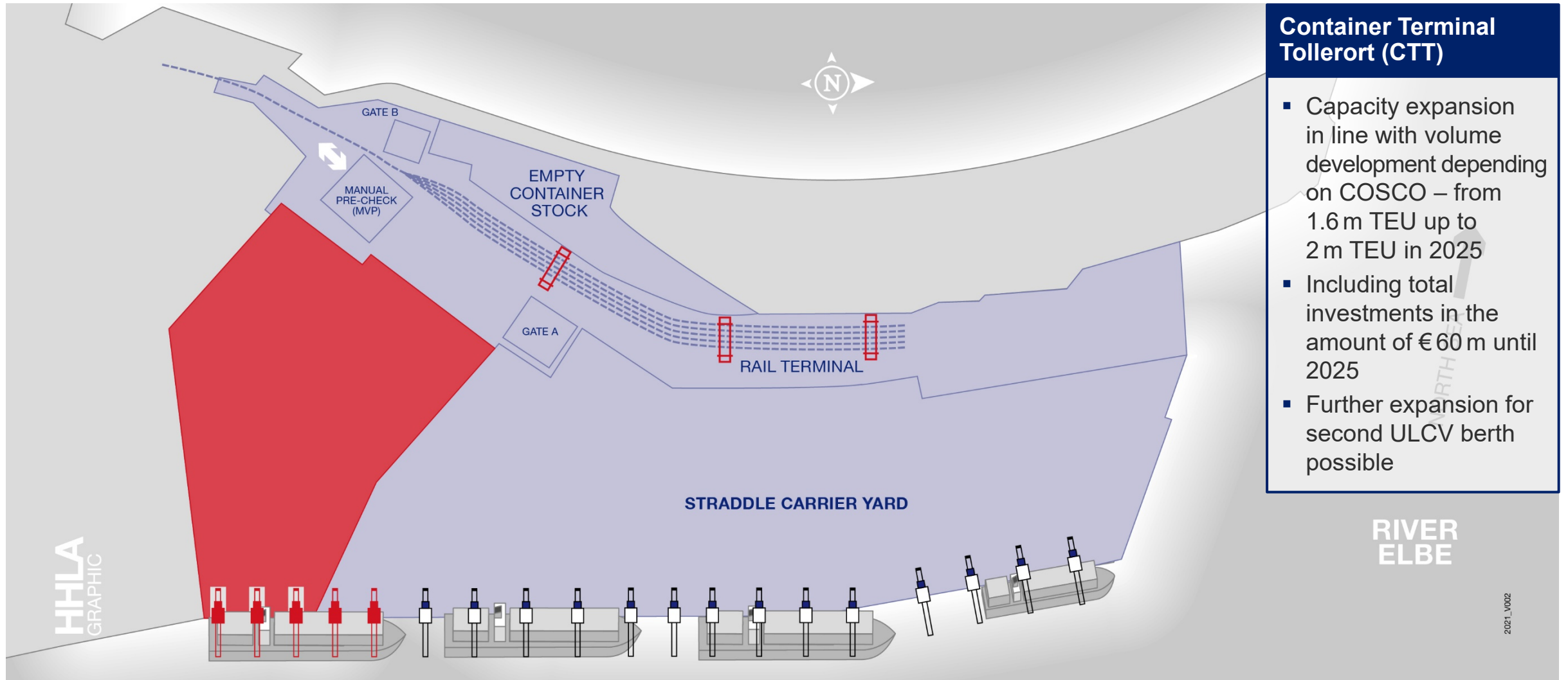


Container Terminal Burchardkai (CTB)

- Investments of € 385 m between 2022 and 2025
- Includes investments in third ULCV berth
- Increasing the 2.9 m TEU capacity today to 4.1 m TEU in 2025

HHLA Container Terminal Tollerort

CTT Terminal Layout 2025 ff.



HHLA
GRAPHIC

Backup

HHLA is ready for 24,000 TEU vessels

Measures for smooth container throughput on the waterside and in the hinterland



NTK: Nautische Terminal Koordination

- Coordination of arriving and departing vessels in the river Elbe already starting in the North Sea

FLZ: Feeder Logistik Zentrale

- Neutral platform and single point of contact for feeder vessel planning and terminal rotation coordination



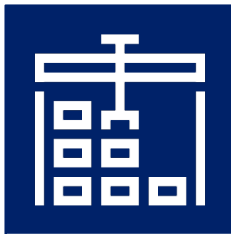
Rail handling: Project "RaMoNa"

- Introduction of RAngierMOdells NOrdhafen (*Shunting model Northern port*)
- Reduction of shunting, increase of efficiency and reduction of turnaround times in rail traffic



Truck handling: Project "Fuhre 4.0" incl. slot booking *Tightening of the system in 2021*

- Reduce handling and waiting times for HGVs and distribute them evenly throughout the day.
- Increasing the capacity and efficiency of existing infrastructure (public transport network, transshipment companies, technical equipment)



Terminal operation

- Implementation of a new terminal operating system from Navis
- Electrically operated storage blocks instead of sole use of VCs at CTB

Our value proposition

Not size, but performance!

Reliable high-performance for all ship sizes at the location with the best hinterland connection

We defend our market position with a competitive cost structure

→ **Improvement of overall cost structure through**

- (1) Centralisation
- (2) Process compression
- (3) Automation
- (4) Material cost reduction in energy, services, asset management, facility management

We employ an integrated approach with end-to-end handling and lean control processes

- **Peak capability**
Integrated handling processes can successfully handle peak loads, from increasing ULCS & delays, according to customer demands and commercial needs
- **Automation / digitalisation**
In order to ensure the necessary performance of terminal processes, equipment / personnel / material and service scheduling as well as the associated control and planning processes are well connected and optimised via automation / digitisation

We will significantly increase our performance

- **Performance management**
Realignment of control and guidance system enables more cost-efficient and stable/faster processes
- **Capacity expansion**
If capacity bottlenecks in the 400m ULCS area support conclusions about additional volume potential and all performance potentials have been exhausted, we are also considering extensive expansion investments in the berth area

We have the most powerful hinterland connection

- **Differentiation**
Hinterland connectivity is and remains one of our key competitive advantages
- **Speed and reliability**
We guarantee even greater reliability / plannability and speed of processing by using a high degree of automation

Mega carriers led to challenging peak load conditions

Example for the impact of a 24 TTEU vessel on all modes of transport and the block storage system

