Analyst conference call on the interim results January to June 2024

Hamburg, 14 August 2024

HHLA

Content

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HHLA benefits from temporary effects and European network expansion in first half 2024

EBIT guidance for 2024 confirmed

Market environment

- China’s pronounced economic weakness, geopolitical tensions, the military conflict in the Middle East and the ongoing war in Ukraine continued to dampen economic recovery
- High degree of volatility due to the military conflict in the Red Sea and the subsequent route changes, leading to many deviations in the schedules of shipping liner services

Major achievements

- Hamburg terminals: First AGVs for testing area at CTB and new IT system implemented
- Acquisition of 51% stake in Austrian intermodal service provider Roland Spedition closed in Q2
- Metrans pushes expansion of intermodal capacities and extends terminal area in Dunajská Streda
- Sustainable innovation: HHLA put the first two electrically powered trucks into operation to decarbonize the last mile and open up the first hydrogen filling station for port vehicles at CTT

Financial performance

- Container throughput up by 2.2 %; container transport rose by 1.8 %
- Revenue gain of 4.9 % supported by temporary higher storage fees
- Positive EBIT supported by temporary higher storage fees and earnings safeguarding measures
- EPS of € 0.12

Port Logistics subgroup

1 – 6 | 2024

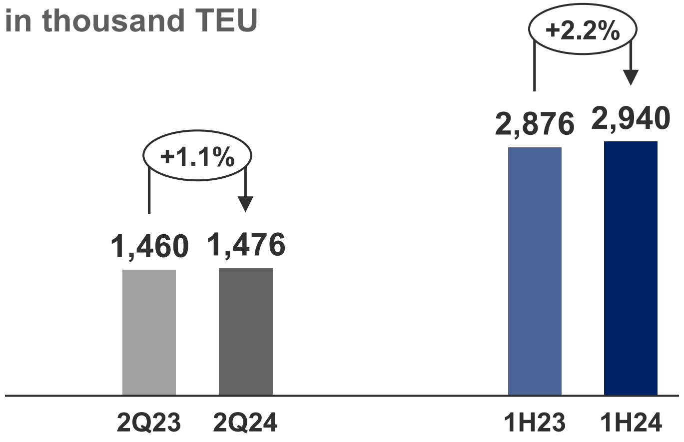
Throughput **2,940 k TEU** 2.2 %	Transport **833 k TEU** 1.8 %
Revenue **€ 742.5 m** 4.9 %	EBIT **€ 51.7 m** 27.5 %
EBIT margin **7.0 %** 1.3 pp	Profit after tax and minorities **€ 8.9 m** 231.5 %
ROCE **4.6 %** 0.7 pp	Operating cash flow **€ 92.6 m** – 8.8 %

EBIT benefits from temporary higher storage fees and earnings safeguarding meassures

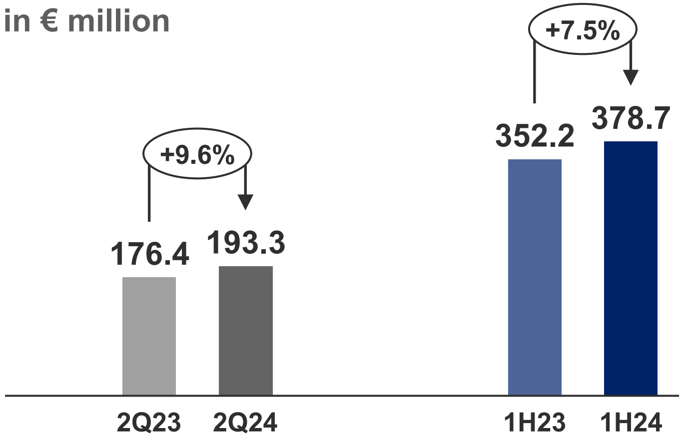
Container

Throughput volume momentum slows due to cyclical slowdown in Q2

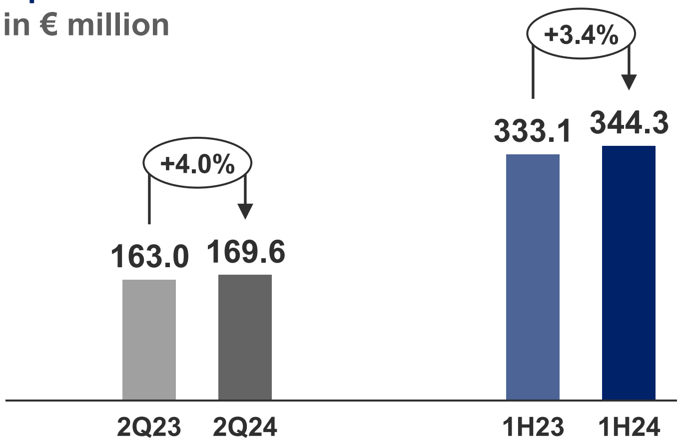
Container throughput
in thousand TEU



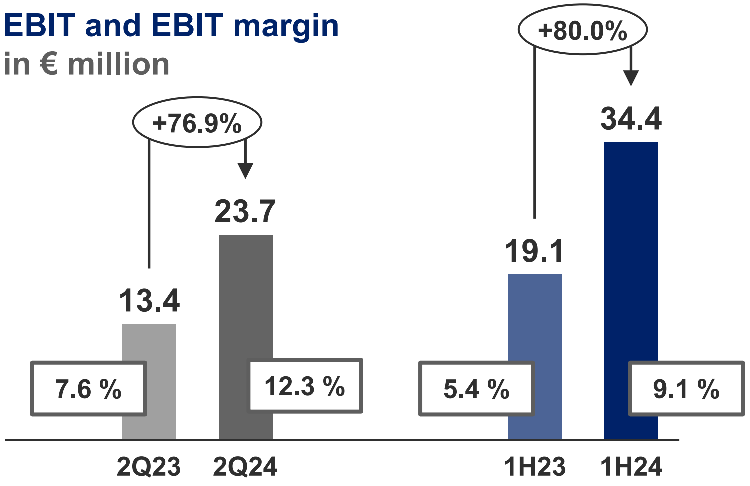
Revenue
in € million



OpEx
in € million



EBIT and EBIT margin
in € million



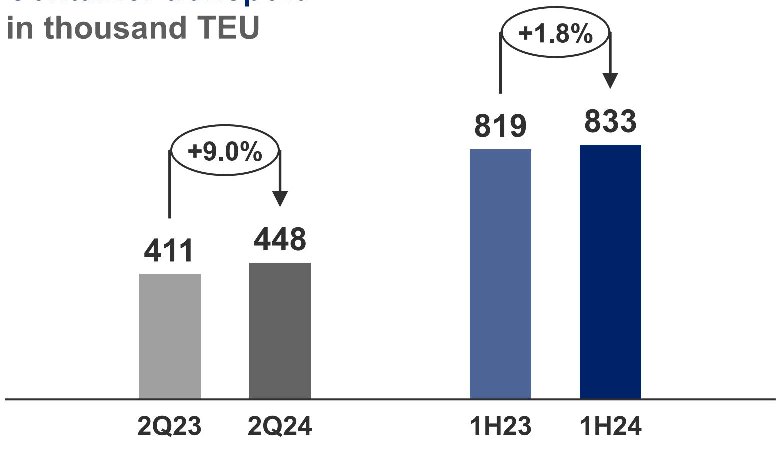
- Overall volume trend driven by
  - Hamburg volumes up by 1.7 %; mainly driven by volume increase in South, Central and North America; Far and Middle East shipping region continues to decline
  - feeder ratio moderately up at 18.7 % (previous year: 18.4 %) due to increased volumes from / to Sweden, Poland, Lithuania and within Germany
  - internationals up 13.5 % due to strong growth at multifunctional terminal in Tallinn, Estonia
- Significant rise in revenue mainly driven by temporary higher storage fees and momentum of international terminals
- OpEx increase of 3.4 % impacted by
  - rise in personnel and energy expenses and lower other operating income
  - opposing effects from earnings safeguarding measures, i.e. reduction of expenses for external maintenance services, consulting and insurance and partial reversal of a restructuring provision and a strong reduction in depreciation and amortization expenses due to remeasurement of economic life of certain assets
- EBIT benefits from favourable revenue mix

Transport volumes with positive impact from DACH region and acquisition

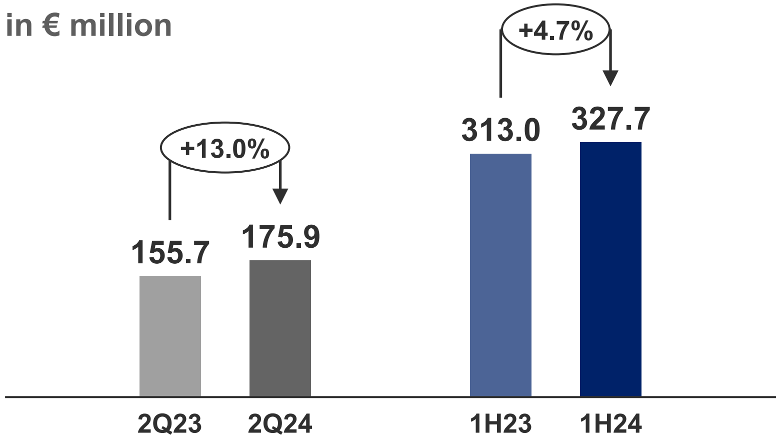
EBIT burdened by change in cargo mix, tariff increases and the expansion of rail transport business

Intermodal

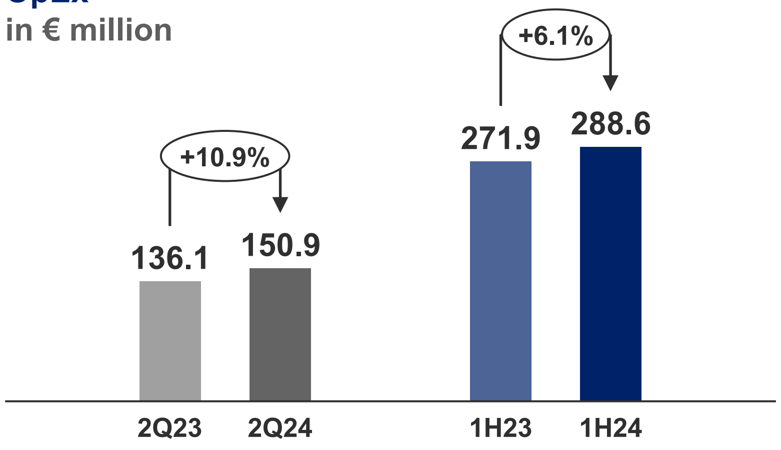
Container transport
in thousand TEU



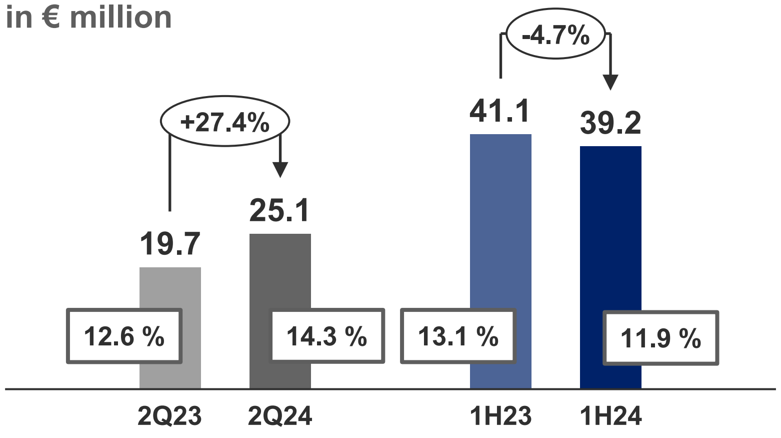
Revenue
in € million



OpEx
in € million



EBIT and EBIT margin
in € million



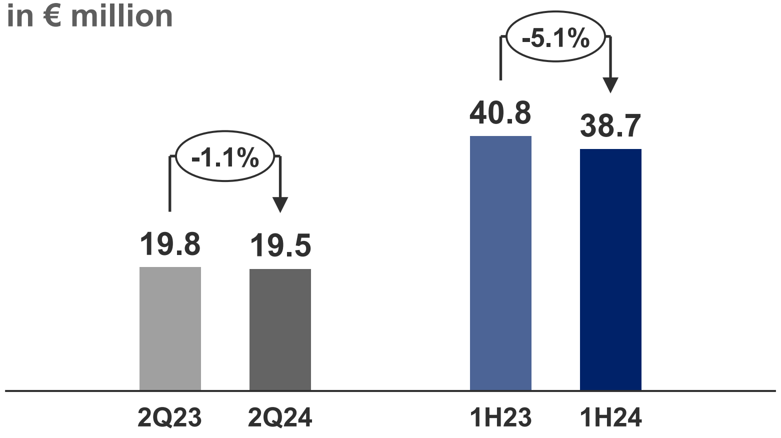
- Transport volumes slightly up by 1.8 %
  - rail transport increased by 4.0 % to 719 k TEU; particularly due to strong rise in volumes from DACH region as well as acquisition of Roland Spedition GmbH in Q2
  - road transport down 10.0 % to 115 k TEU
- Revenue increase of 4.7 % mainly due to
  - routine price adjustments
  - higher rail transport share of 86.2 %
- EBIT down by 4.7 %, burdened by change in cargo mix, union age rate increases and the expansion of rail transport operations

Top and bottom declined despite strong growth in leasing activities

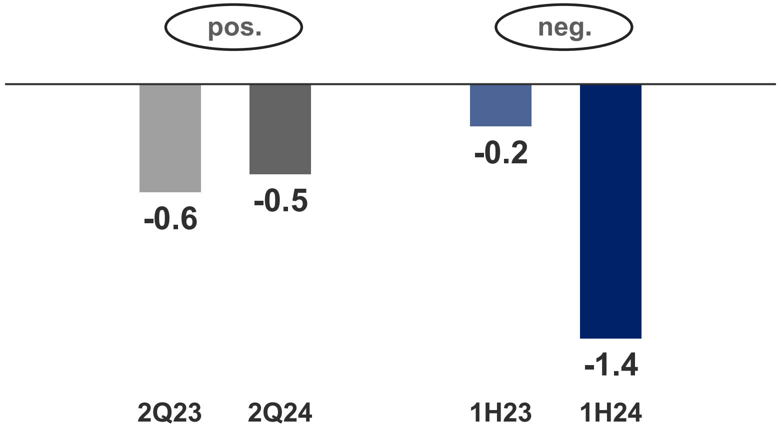
At-equity earnings benefited from good results in bulk handling

Logistics

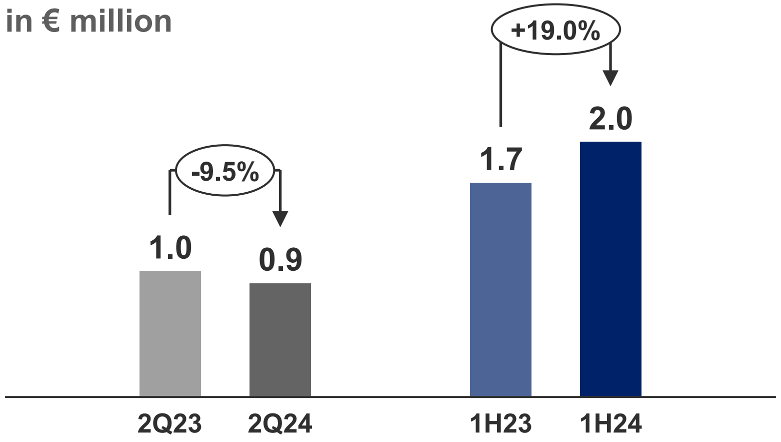
Revenue
in € million



EBIT
in € million



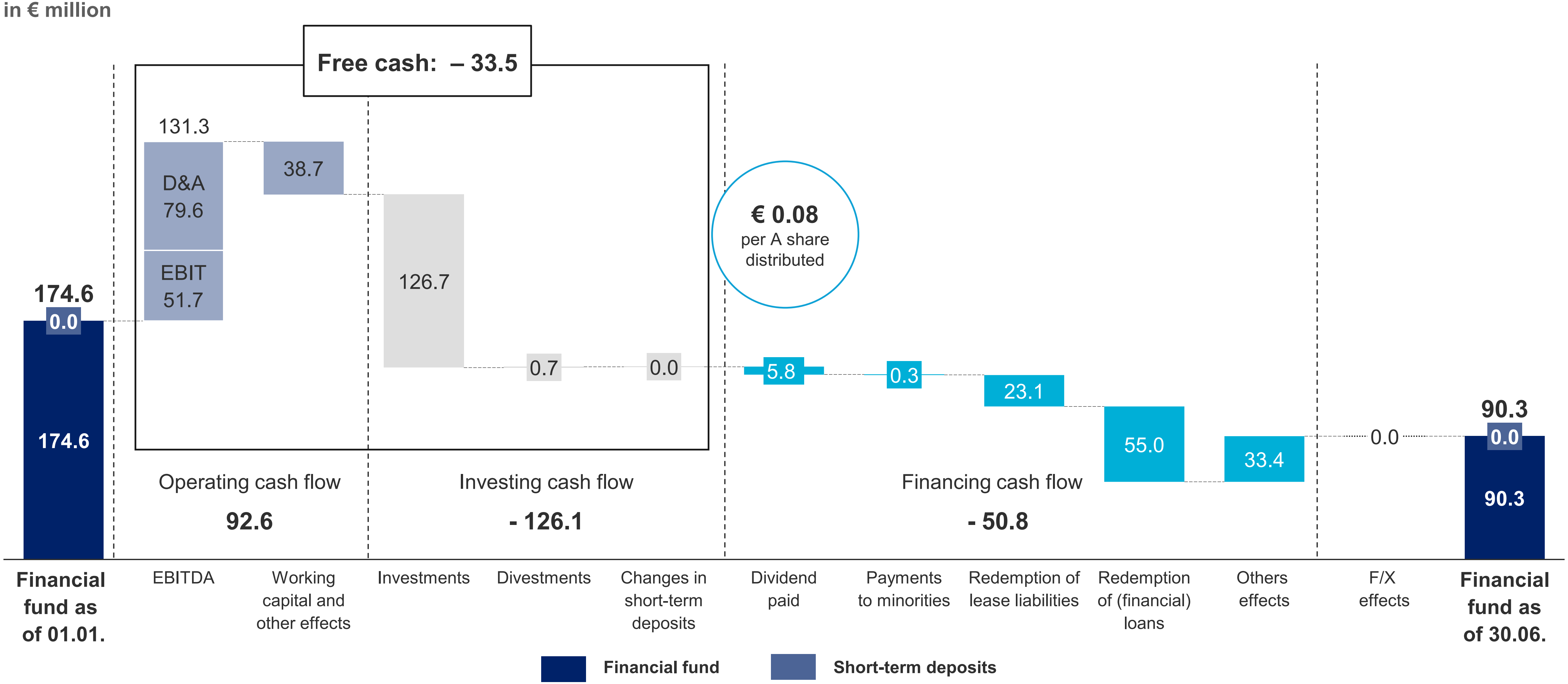
At-equity earnings
in € million



- Significant decrease in revenue from consolidated companies mainly due to strong decline in vehicle logistics despite strong growth of leasing activities for the intermodal sector
- EBIT negative at € – 1.4 m
  - positive earnings contribution from leasing activities for the intermodal sector
  - vehicle logistics recorded a strong decline compared to exceptionally profitable previous year
- Upswing in at-equity earnings mainly driven by bulk handling

Capex according to plan led to negative free cash flow

Focus on expanding own transport capacities for Intermodal business and efficiency at HH container terminals



Guidance for 2024 slightly adapted

EBIT expectation confirmed

Research estimates for 2024

GDP development

World	+ 3.2 %	→
China	+ 5.0 %	↗
Eurozone	+ 0.9 %	↗
CEE	+ 3.2 %	↗
World trade	+ 3.1 %	↗

Sources: IMF, 07/2024

Throughput development

World	+ 4.1 %	↗
China	+ 2.9 %	↗
Europe	+ 4.5 %	↗
NW Europe	+ 4.5 %	↗
Scandinavia & Baltics	+ 3.7 %	↗

Sources: Drewry Maritime Research, 06/2024

Constraints of the guidance

This forecast is subject to a high degree of uncertainty due to ongoing economic developments. This applies to the development of the geopolitical situation and its effects on inflation and economic sanctions. No impairment need was assumed for the container terminal in Ukraine (CTO).

Guidance for the Port Logistics subgroup 2024

	2023	Guidance for 2024	
Container throughput	5,917 k TEU	**moderate increase** (previously: significant increase)	↘
Container transport	1,602 k TEU	**significant increase** (previously: moderate increase)	↗
Revenue	€ 1,408.9 m	**significant increase** (previously: moderate increase)	↗
		Container: significant increase	→
		Intermodal: strong increase (previously: moderate increase)	↗
EBIT	€ 92.9 m	**in the range of € 70 to 100 million**	→
		Container: strong increase (previously: strong decrease)	↗
		Intermodal: strong increase	→
Capital expenditure	€ 292.8 m	**in the range of € 360 to 410 million***	→
Liquidity	€ 174.6 m	**sufficient to meet payment obligations at all times**	→
Dividend per A class share	€ 0.08	**commitment to pay out 50 to 70 % of net profit after minority interests**	→

Level of intensity: slight < moderate < significant < strong

* HHLA considered the scalability of its investments and is able to adjust these to future economic developments in order to safeguard the financial stability of the Group

Revised medium-term ambition

EBIT ambition postponed from 2025 to financial year 2027 at the earliest

Medium-term targets* reflecting growth and efficiency improvements

→	2027	**EBIT** of around € 400 m
→	2027	**Total investments** of ~ € 1.6 bn from 2021 onwards
2025	✓	**ROCE** above cost of capital
2025	✓	Keeping **net debt / EBITDA** in investment grade territory
2025	✓	**Dividend policy** to distribute 50-70 % of net profit

Postponed mainly due to market conditions since 2021, i.e. pandemic, war in Ukraine and military conflict in the Red Sea

All confirmed for 2027

Long-term targets to reconcile economic success with environmental and social responsibility

- **Strengthening of the market and competitive position**
- **Promotion and expansion of climate-neutral logistic chain**
- **Development of new business activities**

Non-financial targets show environmental and social responsibility approach

- **Reduction of CO_2 emissions by 50% by 2030** (base year 2018)
- **Climate neutral by 2040**

* as of August 2024; reflects consideration for Port Logistic subgroup on a stand-alone basis; based on assumptions and estimates incl. successful implementation of the efficiency programme

Q&A

Recording will be available at

https://hhla.de/en/investors/publications/reports/conference-call

Financial calendar and contact

Financial calendar 2024

21 March 2024
Annual Report 2022
Analyst conference call

15 May 2024
Interim Statement
Analyst conference call

13 June 2024
Virtual Annual General Meeting

14 August 2024
Half-year Financial Report
Analyst conference call

14 November 2024
Interim Statement
Analyst conference call

Half-year Financial Report 2024

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