

The HHLA share

Key figures

in €, class A shares, Xetra	2018	2017
Closing price	17.33	23.67
Performance in %	- 26.8	33.7
Highest price	24.36	28.23
Lowest price	17.08	16.80
Average daily trading volume	82,330	117,313
Dividend per class A share ¹	0.80	0.67
Dividend yield as of 31.12. in %	4.6	2.8
Number of listed class A shares in thousand	70,048.8	70,048.8
Market capitalisation as of 31.12. in € million	1,213.9	1,658.1
Price-earnings-ratio as of 31.12.	11.8	23.2
Earnings per share	1.47	1.02

¹ Dividend proposal for 2018

Indices affected by political and trade conflict

The world's stock markets were primarily affected by three topics in 2018: the trade war triggered by the US in the first quarter with China and the EU, the unresolved Brexit issue and the discussions between Brussels and Rome vis-à-vis the Italian budget.

While Germany's benchmark DAX index started the year at a new all-time high in anticipation of a strong reporting period, it already dropped below the 12,000 points mark in March due to the US Federal Reserve's tighter monetary policy.

The intensifying trade dispute between the US and China, as well as increasing uncertainty with regard to Brexit, pushed the DAX into a downward trajectory which, following a brief respite in early summer, gathered pace towards the end of the year and finished with a downward-facing year-end rally.

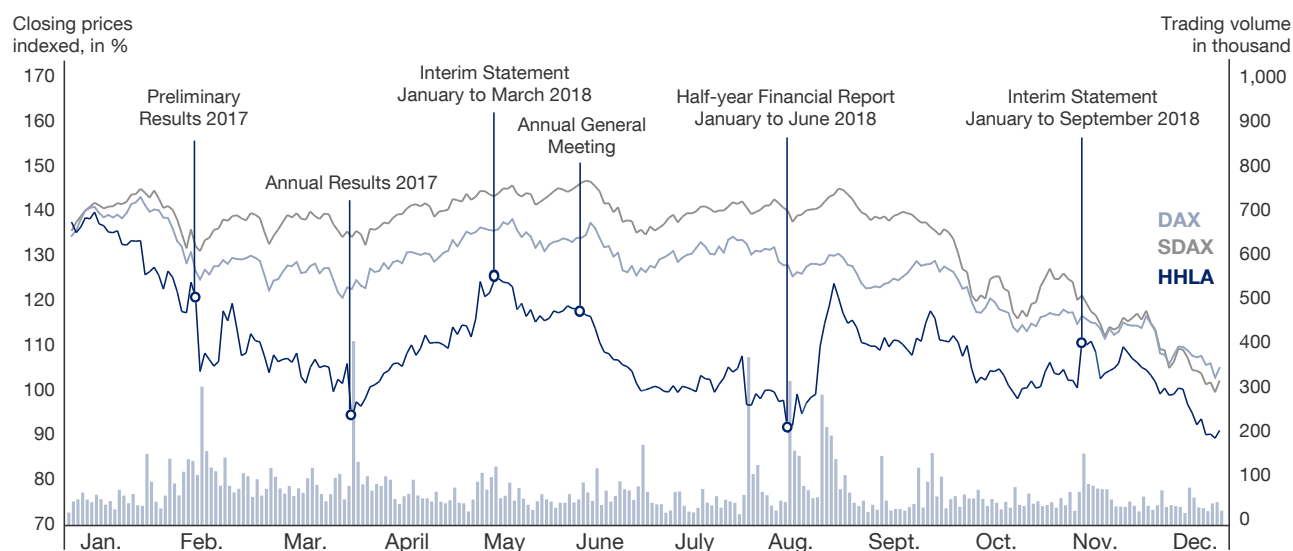
As a result, the DAX finished the year at 10,558.96 points on 28 December, 18.3 % lower than the previous year. The SDAX performed slightly worse, falling by 20.0 % to close at 9,509.15 points.

HHLA share price falls in declining market

The HHLA share was unable to escape the strong fluctuations on the capital market in 2018. After a positive start to the year with a high of € 24.36 on 9 January, the share reacted very sensitively to every new development in the trade conflict. The publication of figures constantly in line with expectations was also unable to offset this sentiment, resulting in some strong fluctuations in the share price with significantly higher trading volumes. Even the approval of the dredging of the river Elbe could only provide temporary relief.

Caught up in the general market sell-off towards the end of the year, the HHLA share dropped to a year-low of € 17.08 on 27 December. On the last trading day of the year, 28 December, the HHLA share rallied slightly to end the year at € 17.33 – and thus 26.8 % below the previous year's closing figure.

Share price development 2018



Source: Datastream

Annual General Meeting

The Annual General Meeting of HHLA was held at the Hamburg Messehallen convention centre on 12 June 2018. The Executive Board's invitation was accepted by just under 670 shareholders and guests, representing approximately 82 % of nominal capital.

In her upbeat speech to the shareholders, the Chairwoman of HHLA's Executive Board stressed that HHLA was built on strong foundations with great opportunities to strengthen the future viability and creative strength of the company, despite the changing macroeconomic environment. HHLA was well prepared for the challenges of the future, she concluded.

The shareholders formally approved the actions of HHLA's Executive Board and Supervisory Board for the 2017 financial year with 99.3 % and 99.2 % of the votes cast, respectively. The Annual General Meeting appointed Dr. Isabella Niklas, Managing Director of HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, and Dr. Torsten Sevecke, State Secretary at the Hamburg Ministry for the Economy, Transport and Innovation, as new members of the Supervisory Board.

The proposal to increase the dividend to € 0.67 (previous year: € 0.59) per listed class A share was also approved. HHLA thus distributed dividends totalling € 41.3 million. This corresponded to a payout ratio of approximately 66 % of the Port Logistics subgroup's net profit after minority interests for the year. The dividends were paid out to the shareholders on 15 June 2018. Based on its closing price of € 21.18 on the day of the Annual General Meeting, the HHLA share achieved a dividend yield of 3.2 %, putting it in the top 15 of the SDAX.

Basic data HHLA class A share

Type of shares	No-par-value registered shares
ISIN / SIC	DE000A0S8488 / A0S848
Symbol	HHFA
Stock exchanges	Frankfurt am Main, Hamburg
Segment	Prime Standard
Sector	Transport & Logistics
Index affiliation	SDAX
Bloomberg / Reuters	HHFA:GR / HHFGn.de

Shareholder base still widely spread

HHLA's shareholder base remained largely stable in 2018. In terms of the listed class A shares, the Free and Hanseatic City of Hamburg remained the company's largest shareholder with an unchanged stake of 68.4 %. The free float portion amounted to 31.6 %. According to the voting rights notifications submitted to HHLA as of the end of 2018, no single investor held more than 3 % of the remaining free float shares at this time.

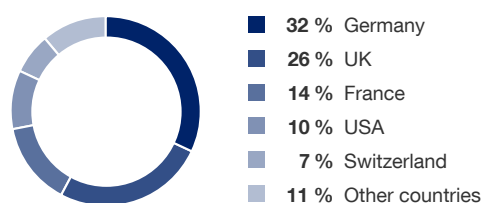
Among daily traded shares, ownership shifted in favour of private investors as of the reporting date. While institutional investors continued to hold the majority of free float shares at year-end, accounting for 22.9 % of all shares (previous year: 23.6 %), the proportion of nominal capital held by private investors increased to 8.7 % (previous year: 8.0 %). Overall, HHLA's share capital remained widely distributed among some 27,000 registered shareholders. In regional terms, the largest free float shareholders were based primarily in Germany, the US, the UK and other countries in continental Europe.

Dialogue with capital market maintained

Rapid reaction times, an ability to provide comprehensive information and an open dialogue with financial analysts and investors remained key to HHLA's investor relations activities in 2018, given the consistently volatile industry environment. In order to serve the needs of both institutional and private investors, HHLA attended a number of investor conferences in the key financial cities of Frankfurt and London, as well as various stock exchange events in Munich and Hamburg. These initiatives were supplemented by roadshows in major European cities and discussions at various events for private investors held throughout Germany. Investors were also invited to a large number of meetings at the company's headquarters in Hamburg. There was considerable interest in the opportunities offered for discussion. Furthermore, the Executive Board provided details on business developments during quarterly conference calls.

Contacts with investors

by regions in 2018



With its proactive approach to communications, the Investor Relations department maintains a close dialogue with shareholders and potential investors. In addition to informing interested members of the public, the team also responds to issues of particular relevance to investors. Following the positive ruling on the dredging of the river Elbe, HHLA's investors showed great interest throughout 2018 in the planned implementation of this important infrastructure project for HHLA. In the wake of new shipping alliances and the resulting schedule changes, there were also numerous enquiries about the shifts in volume which might ensue. Other key topics for the capital market were the effects of punitive tariffs being imposed, the development of the Intermodal business and the acquisition of the container terminal in Tallinn. HHLA has been offering a full

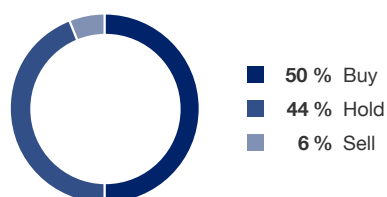
HTML version of its Annual Report in addition to existing online services such as the IR website and Twitter updates since 2016. Online reporting enables all stakeholders to navigate information interactively, search for content in a targeted manner and compile this information as desired.

HHLA share still of interest for analysts

Despite changes in the macroeconomic environment, particularly from more stringent MiFID II regulations, the HHLA share continues to enjoy broad and well-informed coverage by financial analysts. This gives potential investors the possibility to find out about HHLA's business model and environment through independent analyses. The Executive Board and Investor Relations department therefore remain in close contact with all financial analysts.

Recommendations by financial analysts

as of 31.12.2018



A total of 16 financial analysts covered HHLA's business development and issued reports and recommendations concerning the share. This means that the HHLA share has above-average coverage for an SDAX company. On the reporting date, 15 of the 16 analysts recommended the share as a buy or a hold.

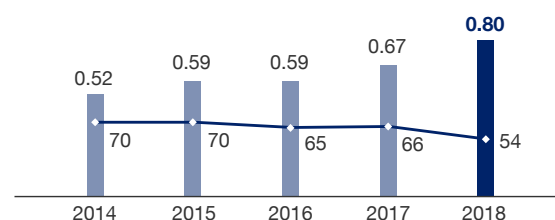
They particularly emphasise the successful Intermodal business and growth potential resulting from the forthcoming dredging of the navigation channel. Those analysts who recommend holding or selling the share primarily see risks arising from the fact that the river Elbe has still not been dredged, as well as the low level of cost flexibility. Analyst sentiment is also tempered by increasingly fierce competition among North Range ports and the potential worsening of current trade conflicts.

Higher dividend proposal

On the basis of the earnings achieved in 2018, the Executive Board and Supervisory Board will propose a dividend of € 0.80 per class A share at the Annual General Meeting to be held on 18 June 2019. A total of € 56.0 million would therefore be distributed (previous year: € 46.9 million). In an external comparison, the payout ratio would remain high at 54 %. HHLA therefore continues to pursue its dividend policy of distributing between 50 and 70 %, where possible, of the Port Logistics subgroup's relevant net profit for the year to its shareholders.

Dividends per listed class A share

in € / payout ratio in %



2018: Dividend proposal