# The HHLA share

## Key figures

| in €, class A shares, Xetra | **2020** | 2019 |
|---|---|---|
| Closing price | 18.44 | 24.54 |
| Performance in % | - 24.9 | 41.6 |
| Highest price | 24.54 | 25.26 |
| Lowest price | 10.37 | 17.33 |
| Average daily trading volume | 97,331 | 51,649 |
| Dividend per class A share[1] | 0.45 | 0.70 |
| Dividend yield as of 31 December in % | 2.4 | 2.9 |
| Number of listed class A shares in thousand | 71,700.2 | 70,048.8 |
| Market capitalisation as of 31 December in € million | 1,291.7 | 1,719.0 |
| Price-earnings-ratio as of 31 December | 36.9 | 18.3 |
| Earnings per share | 0.50 | 1.34 |

1 Dividend proposal for 2020

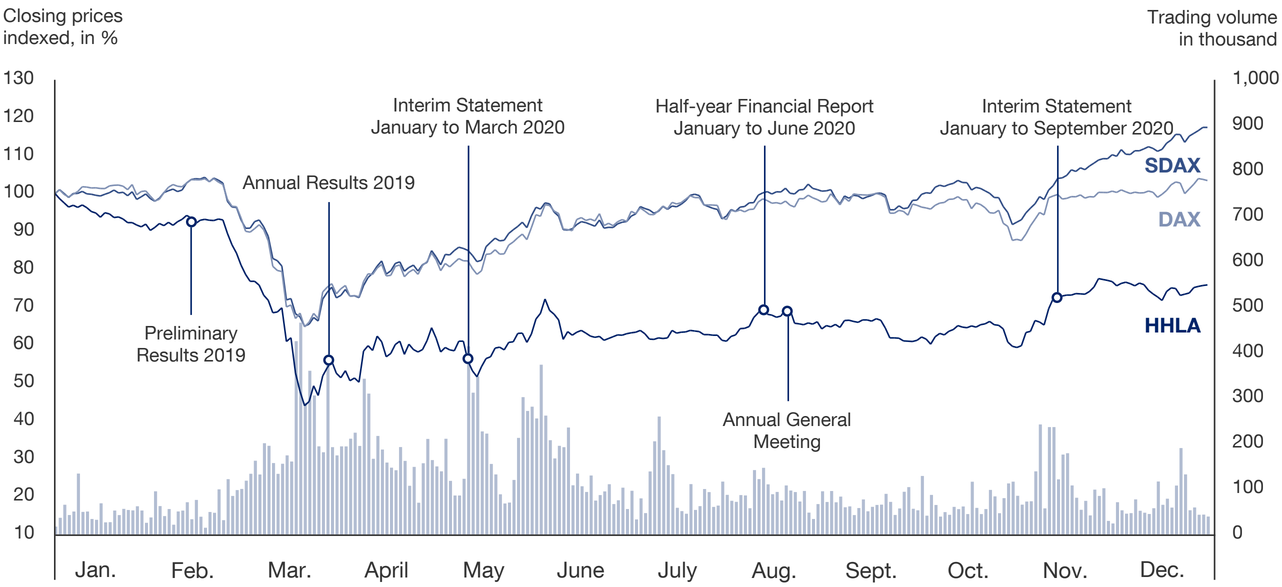
## Markets dominated by coronavirus

In 2020, market trading was fundamentally shaped by the development of the coronavirus pandemic. Following a new all-time high of almost 13,800 points for the German benchmark index in mid-February, stock markets around the world suffered historic collapses in March as a result of the global coronavirus pandemic. In mid-March, the DAX fell to almost 8,200 points in intraday trading. By the beginning of the second quarter, however, the markets were already starting to recover. In addition to the measures put in place by the major central banks, the economic rescue packages announced by several governments helped raise hopes of limiting the pandemic's economic impact. However, any positive news – for example regarding infection rates – was frequently offset by devastating economic data. In such an environment, investors were highly unsettled. Despite this highly volatile environment, the benchmark indices continued to gain ground during the third quarter. By the end of the quarter, the DAX had recaptured the psychologically important 13,000-point mark. In the course of the fourth quarter, uncertainties surrounding a further coronavirus lockdown, a possible hard Brexit and the outcome of the US presidential election slowed this upward trend. Despite increasingly positive news, such as the earlier than expected availability of coronavirus vaccines, the markets remained tense. The DAX only started gaining momentum again at the end of the year, when it almost reached a new record high. On 30 December 2020, the German stock market barometer closed at 13,719 points, up 3.5 % on the previous year. The SDAX performed even better over the same period, with an increase of 18.0 % to 14,765 points.

## HHLA share under pressure as logistics stock

The HHLA share also reflected the tremendous turmoil on the financial markets in 2020, registering a historic low of € 10.37 in mid-March. The dividend proposal published in late March as part of financial reporting for 2019 was positively received by the market. As a result, the share price recovered slightly despite the negative outlook for the 2020 financial year. Although the HHLA share reflected the general market recovery over the course of the year, it failed to benefit from the upward

## Share price development 2020




Source: Datastream

trend to the same degree as the benchmark indices. On publication of the nine-month figures, the share continued to gain ground amid upbeat market sentiment, but was unable to reach its year-opening price. On the last trading day of the year, the HHLA share stood at € 18.44 and was thus 24.9 % down on the previous year's closing figure.

### Basic data HHLA class A share

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

## Virtual Annual General Meeting

Due to government regulations regarding large gatherings, the Annual General Meeting originally planned for 10 June with physical attendance was postponed until 20 August 2020 and held virtually.

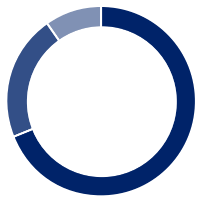
The shareholders formally approved the actions of HHLA's Executive Board and Supervisory Board for the 2019 financial year and elected Andreas Rieckhof, State Secretary of the Ministry for Economics and Innovation of the Free and Hanseatic City of Hamburg, as a new member of the Supervisory Board. The proposal of the Supervisory Board and Executive Board to reduce the dividend per listed class A share to € 0.70 (previous year: € 0.80) was also approved. This corresponds to a year-on-year dividend reduction of 12.5 %. To provide HHLA with additional scope to drive its further development, the shareholders also accepted the proposal for the innovative concept of a scrip dividend. This gives shareholders the option of receiving their dividend in cash or in shares. HHLA distributed dividends to its class A shareholders totalling € 49.0 million (previous year: € 56.0 million). This corresponded to a payout ratio of approximately 52 % of the Port Logistics subgroup's net profit after minority interests for the year, thus remaining within the dividend payout range of 50 to 70 % targeted since the initial public offering. Due to the subscription period, the dividend was paid into shareholders' security accounts on 15 September 2020 – either in cash or in shares. A total of 73 % of shareholders opted to have their dividend paid out in the form of shares. The subscription price was € 15.239. Based on its closing price of € 16.80 on the day of the Annual General Meeting, the HHLA share achieved a dividend yield of 4.2 %, putting it in the top ten of the SDAX.

## Shareholder base still widely spread

HHLA's shareholder base remained largely stable in 2020. In terms of the listed class A shares, the Free and Hanseatic City of Hamburg remained the company's largest shareholder with an increased stake of 69.0 % (previously: 68.4 %).

### Shareholder structure

as of 31.12.2020



**69 %** Free and Hanseatic City of Hamburg
**21 %** Institutional investors
**10 %** Private investors

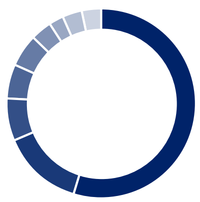
As of 31 December 2020, the free float portion amounted to 31.0 %. According to the voting rights notifications submitted to HHLA at the end of 2020, no single investor held more than 3 % of the remaining free float shares at this time. Among daily traded shares, ownership shifted in favour of private investors as of the reporting date. Although institutional investors continued to hold the majority of free float shares at year-end, accounting for 20.9 % of all shares (previous year: 23.2 %), the proportion of nominal capital held by private investors increased to 10.1 % (previous year: 8.4 %).

## Dialogue with capital market maintained

Rapid reaction times and an open dialogue with financial analysts and investors played an even more significant role in HHLA's investor relations activities in 2020, given the volatile industry environment. In order to serve the needs of both institutional and private investors, HHLA used a wide range of digital formats to maintain its dialogue with investors during the coronavirus lockdown. Furthermore, the Executive Board provided details on business developments during quarterly conference calls. There was considerable interest in the information provided and the opportunities offered for discussion.

### Regional distribution of institutional investors

as of 31.12.2020



**55 %** North America incl. Canada
**14 %** Scandinavia
**7 %** UK & Ireland
**6 %** Germany
**6 %** Benelux
**3 %** Switzerland
**3 %** France
**3 %** Rest of Europe
**3 %** Rest of the world

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 flags up issues of particular relevance to investors within the company. During the 2020 financial year, investors focused on the consequences of the coronavirus pandemic, e.g. the utilisation of terminals, the handling of planned investments and potential cost-cutting measures. Other key topics for the capital market were the progress in dredging the river Elbe – a crucial project for HHLA – and the automation of the HHLA Container Terminal Burchardkai (CTB).

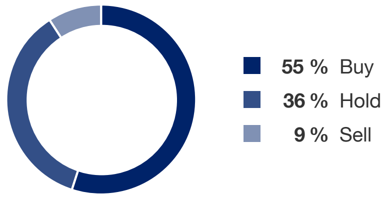
HHLA also provides a variety of digital channels, including its website, the HTML Annual Report and a dedicated investor portal, to inform potential and current investors about the HHLA share performance.

## HHLA share still of interest for analysts

Despite changes in the macroeconomic environment resulting from more stringent MiFID II regulations, the HHLA share continues to enjoy 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 in order to ensure a broad set of opinions.

### Recommendations by financial analysts

as of 31.12.2020




A total of eleven financial analysts covered HHLA's business development and issued reports and recommendations concerning the share. As of the reporting date, six analysts recommended buying the share. They particularly emphasised the successful Intermodal business and growth potential resulting from the forthcoming dredging of the navigation channel. Those analysts who recommended holding 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 was also tempered by increasingly fierce competition among North Range ports and the potential worsening of current trade conflicts. As of the reporting date, there was one recommendation to sell.

## Sustainability reporting and ratings

In addition to classic financial aspects, so-called non-financial or ESG (Environment, Social, Governance) figures play an increasingly important role in evaluating companies on the capital market. As a responsible company, HHLA has been reporting on its non-financial performance since 2011. In doing so, HHLA goes beyond the legally required disclosures of the non-financial report and issues a separate sustainability report, applying the internationally recognised reporting standards of the Global Reporting Initiative (GRI).

HHLA also champions the 17 Sustainable Development Goals (SDGs) adopted by the United Nations. Balanced Logistics

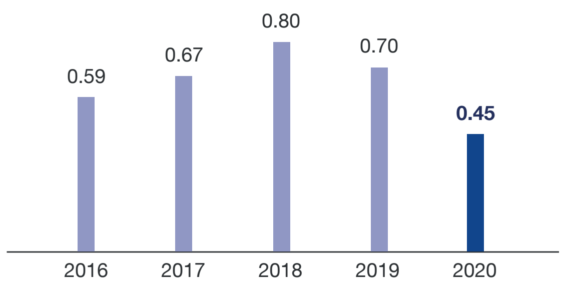
Based on this information, the company's sustainability credentials are regularly evaluated by ratings agencies, such as MSCI, ISS-oekom, S&P Global Ratings ESG, Gaia and the Carbon Disclosure Project (CDP).

## Dividend proposal for 2020

The Executive Board and the Supervisory Board will propose to the Annual General Meeting on June 10, 2021, a script dividend of € 0.45 per class A share entitled to dividends. During the determination, the result was adjusted by the change in the restructuring provision affecting net income in the amount of € 43 million. The resulting payout ratio is at the lower end of the payout corridor of 50 to 70 % of the net profit for the year after non-controlling interests. Shareholders will thus again have the option of choosing between cash dividends and subscription to new shares.

### Dividend per listed class A share

in €




2020: Dividend proposal