The € 23.6 million decline in **income taxes** stemmed mainly from the reduced operating result.

The company's **annual net profit** amounted to € 10.9 million in the reporting period (previous year: € 75.8 million). The A division accounted for € 4.9 million of this net profit (previous year: € 66.6 million) and the S division for € 6.0 million (previous year: € 9.2 million).

Forecast and actual figures

in € million	Actual 2019	Forecast 2020	**Actual 2020**
Net profit	75.8	strongly declining	10.9

The forecast for the development of annual net profit materialised as expected and was further impacted by expenses for restructuring measures in the Container segment.

Assets

Balance sheet structure

in € million	**31.12.2020**	31.12.2019
Assets		
Intangible assets and property, plant and equipment	32.5	32.4
Financial assets	441.7	444.5
Other assets	741.2	718.5
Balance sheet total	**1,215.4**	**1,195.4**
Equity and liabilities		
Equity	474.6	492.2
Pension provisions	334.8	330.1
Other liabilities	406.0	373.1
Balance sheet total	**1,215.4**	**1,195.4**
Equity ratio in %	39.0	41.2
Intensity of investments in %	2.7	2.7

The carrying amounts of **intangible assets** and **property, plant and equipment** totalled € 32.5 million at the end of the reporting period (previous year: € 32.4 million). Capital expenditure amounted to € 4.9 million in the reporting period (previous year: € 6.9 million). Capital expenditure focused mainly on expanding the IT landscape.

Financial assets decreased in total by € 2.8 million to € 441.7 million.

Equity declined by € 17.6 million compared to year-end 2019. The decline is mainly attributable to the dividend distribution of € 54.7 million. There was an opposing effect from the increase in capital of € 25.2 million from the distribution of a scrip dividend.

Development in pension provisions

in € thousand	**2020**	2019
Carrying amount on 1 January	**330,110**	**323,888**
Expense recognised in profit and loss	23,826	25,301
Pension payments	- 19,175	- 19,079
Carrying amount on 31 December	**334,761**	**330,110**

HHLA AG uses the projected unit credit method to value entitlements associated with existing **pension obligations**. Future obligations are projected based on past service and possible future service prior to the insured event occurring. Anticipated future pension and pay increases are also taken into account. An average market interest rate for the past ten years of 2.30 % set by Deutsche Bundesbank was applied for the reporting year (previous year: 2.71 %).

In accordance with Section 253 (2) sentence 2 HGB, a remaining term of 15 years is used as a basis for provisions. Pension provisions amounted to € 334.8 million at the end of the reporting period (previous year: € 330.1 million).

Financial position

Liquidity analysis

in € million	**2020**	2019
Financial funds as of 1 January	**431.4**	**416.1**
Cash flow from operating activities	67.0	103.7
Cash flow from investing activities	- 2.2	- 26.7
Cash flow from financing activities	- 29.5	- 61.7
Financial funds as of 31 December	**466.7**	**431.4**
of which receivables from subsidiaries	291.9	224.1
of which cash and cash equivalents	174.8	207.3

Cash flow from operating activities totalled € 67.0 million in the reporting period (previous year: € 103.7 million). It was dominated by the operating result and the income received from equity investments. Cash flow was completely sufficient to fund capital expenditure in the reporting period.

In connection with existing cash pooling agreements, **financial funds** comprised receivables from subsidiaries of € 291.9 million (previous year: € 224.1 million), cash and cash equivalents in the form of bank balances totalling € 92.8 million (previous year: € 112.3 million) – of which € 40.0 million (previous year: € 45.0 million) was short-term bank deposits – and clearing receivables of € 82.0 million (previous year: € 95.0 million) due from HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (HGV). The S division of HHLA AG participates in the cash