Interim management report

Economic environment

Macroeconomic development

In light of the ongoing trade dispute between the USA and China, the global economy remained subdued in the first half of 2019. While economic activity in the advanced economies proved surprisingly firm following a weak second half of 2018, the growth dynamic in emerging markets remained below expectations for the first half of 2019. Global trade also reflected the tensions on the markets: according to estimates of the International Monetary Fund (IMF), global trade growth in the first quarter of 2019 was around 0.5 percentage points slower than in the same period last year. This weaker growth was particularly evident in the emerging Asian markets.

The Chinese economy slowed slightly in the second quarter but remained steady with a overall growth of 6.3 % for the first half-year. In Russia, the pace of economic recovery slowed slightly during the first six months. After a weak March, economic growth started to pick up again in April. World Bank estimates put Russia's gross domestic product (GDP) growth at around 0.5 % for the first quarter of 2019.

Following a weak second half to 2018, economic indicators for the eurozone point to a recovery for the first half of 2019, but this will continue to be tempered by Brexit uncertainties. According to Eurostat, economic activity in the first quarter is estimated to have grown by 1.2 %. Outside of the eurozone, the Central and Eastern European markets, most notably Romania and Hungary, displayed highly dynamic growth of 5.1 % and 5.2 %, respectively, in the first quarter of 2019. In Poland, growth tailed off slightly as compared with 2018, but GDP still increased by 4.7 % in the first three months of 2019. Economic output in the Czech Republic consolidated at a stable 2.6 % in the first quarter of 2019.

Weighed down by fears that the current trade disputes might affect German exports, economic growth began to slow in Germany over the course of the year. In the first quarter of 2019, German GDP rose by just 0.4 %. According to the Kiel Institute for the World Economy (IfW), there are signs that GDP may even decrease in the second quarter.

Despite this difficult environment, growth in German foreign trade remained stable. In the period between January and May 2019, export growth of 2.4 % was slightly below the prior-year level. Imports, however, significantly improved on the same period last year with growth of 4.5 %.

Sector development

As anticipated by the market research institute Drewry, growth in global container throughput weakened markedly in the first half of 2019. Although throughput growth of 2.0 % in the first quarter – measured by container throughput in ports around the world – was better than experts had predicted in March, the figure was well below both the same quarter last year and throughput volume in 2018. However, Drewry expects that this will be the worst quarter for 2019 and forecasts a 3.0 % increase in global container throughput for the second quarter.

Development of container throughput by region

in %	Q2 | 19	Q1 | 19
World	3.0	2.0
Europe as a whole	2.3	1.8
North-West Europe	3.2	3.8
Scandinavia and the Baltic region	1.5	2.7
Western Mediterranean	2.1	3.0
Eastern Mediterranean and the Black Sea	1.2	- 3.1

Source: Drewry Maritime Research, July 2019

By contrast, the Europe shipping region has significantly benefited from the ongoing trade dispute between the USA and China. After forecasting in March 2019 that volumes at the European ports would fall by 2.2 % in the first quarter, Drewry's experts now anticipate a slight increase for the first three months of 2019. This upward trend is likely to become even firmer in the second quarter. The shipping regions of North-West Europe and Scandinavia and the Baltic region performed much better in the first quarter than recent forecasts had predicted. In the second quarter, growth slowed slightly but still remained at a stable level.

Container throughput in Rotterdam of 7.5 million TEU in the reporting period was 6.4 % up on the first half of 2018. In Antwerp, 5.8 million TEU passed over the quayside in the first six months of the year, resulting in throughput growth of 4.9 %. At the time of reporting, no half-year data was available for the German ports along the North Range. In the first five months of the year, throughput at the Bremen ports amounted to 2.1 million TEU – down 7.7 % on the previous year. The JadeWeserPort in Wilhelmshaven reported throughput of 205 TTEU for the first quarter of 2019, an increase of 28.6 % in volume handled as compared with the same period last year. Throughput at HHLA's Hamburg container terminals amounted to 3.5 million TEU in the first six months, corresponding to a slight increase of 0.1 %.

Course of business and economic situation

Key figures

in € million	1–6 | 2019	1–6 | 2018	Change
Revenue	693.7	633.0	9.6 %
EBITDA	192.9	157.7	22.3 %
EBITDA margin in %	27.8	24.9	2.9 pp
EBIT	114.3	99.9	14.4 %
EBIT margin in %	16.5	15.8	0.7 pp
Profit after tax and minority interests	54.7	52.4	4.5 %
ROCE in %	13.1	14.7	- 1.6 pp

Notes on the reporting

The initial mandatory application of the new IFRS 16 lease standard as of 1 January 2019 has resulted in major changes to the accounting of the HHLA Group as a lessee. The new IFRS 16 regulations resulted in a € 571.2 million increase in the balance sheet total as of 1 January 2019. In addition to the capitalisation of rights of use amounting to € 542.8 million, deferred tax assets amounting to € 28.4 million resulted from the initial application. On the liabilities side, this is opposed by adjustments to revenue reserves (decrease of € 58.5 million due to the recognition of cumulative effects from initial application of the standard) and, significantly, by the recognition of lease liabilities (increase of € 637.4 million). The operating result (EBIT) increased year-on-year as a result of the necessary changes in recognition in profit and loss amounting to approximately € 7.1 million. In the cash flow statement, there was a shift between cash flow from operating activities and cash flow from financing activities. While cash flow from operating activities increased, capital outflows from financing activities also rose because higher redemptions of lease liabilities had to be accounted for.

A decrease in the interest rate used to calculate pension obligations led to an additional increase in pension provisions along with a corresponding reduction in equity. There were no other particular events or transactions during the reporting period, either in HHLA's operating environment or within the Group, that had a significant impact on its results of operations, net assets and financial position. Both the key economic indicators reported for the first half of 2019 and HHLA's actual economic performance were largely in line with the performance forecast in the 2018 Annual Report. Results of operations, Net assets and financial position

There is normally no long-term order backlog for handling and transport services, and thus no use is made of this particular reporting figure.

Earnings position

The economic development of HHLA in the first half of 2019 was encouraging. HHLA recorded a moderate increase in **container throughput** of 3.8 % to 3,770 thousand TEU (previous year: 3,631 thousand TEU). This growth was primarily due to the incorporation of the container terminal in Tallinn into the HHLA consolidated group as of the second half of 2018.

Container transport increased significantly by 9.6 % to 782 thousand TEU (previous year: 713 thousand TEU). Both rail and road transport contributed to this growth.

The HHLA Group's **revenue** rose markedly by 9.6 % to € 693.7 million during the reporting period (previous year: € 633.0 million). Revenue generated by the container terminals and in container transport outstripped the growth in volume described above. The Logistics segment also achieved strong revenue growth. In its Container, Intermodal and Logistics segments, the listed Port Logistics subgroup generated revenue of € 677.5 million in the reporting period (previous year: € 617.1 million). This increase almost matched the trend for the Group as a whole. The non-listed Real Estate subgroup posted moderate revenue growth of 3.5 % to € 19.9 million (previous year: € 19.3 million).

As in the previous year, **changes in inventories** had no noticeable impact on consolidated profit. **Own work capitalised** amounted to € 3.3 million (previous year: € 3.0 million).

Other operating income amounted to € 19.0 million (previous year: € 21.2 million).

With an increase of 7.9 % to € 601.6 million (previous year: € 557.7 million), **operating expenses** rose more slowly than revenue. While the application of IFRS 16 had a positive effect on the cost structure, the year-on-year increase resulted from the growth in volume, the integration of HHLA TK Estonia and the conversion of the company pension scheme.

The **cost of materials** rose by 12.9 % in the reporting period to € 201.7 million (previous year: € 178.7 million). The increase in the cost of materials ratio to 29.1 % (previous year: 28.2 %) was partly due to strong volume growth in the material-intensive Intermodal segment.

Personnel expenses increased in line with revenue growth by 9.4 % year-on-year to € 259.9 million (previous year: € 237.6 million). The personnel expense ratio remained unchanged at 37.5 %. A reduction in the personnel expense ratio in view of increasing volumes was prevented by a temporary increase in personnel at the Container Terminal Tollerort in connection with the launch of the new N4 terminal software, as well as by the conversion of the company pension scheme.

Other operating expenses decreased markedly in the reporting period by 26.6 % to € 61.4 million (previous year: € 83.7 million), primarily as a result of the initial application of IFRS 16. The ratio of expenses to revenue decreased from 13.2 % in the previous year to 8.9 %.

As a result, there was a strong increase in the **operating result before depreciation and amortisation (EBITDA)** of 22.3 % to € 192.9 million (previous year: € 157.7 million). The EBITDA margin increased to 27.8 % in the reporting period (previous year: 24.9 %).

Depreciation and amortisation increased primarily as a result of the initial application of IFRS 16 by 36.0 % to € 78.6 million (previous year: € 57.8 million), while the share of revenue increased to 11.3 % (previous year: 9.1 %).

There was a strong increase in the **operating result (EBIT)** of € 14.4 million or 14.4 % to € 114.3 million during the reporting period (previous year: € 99.9 million). The effects of the initial application of IFRS 16 amounted to € 7.1 million. The EBIT margin amounted to 16.5 % (previous year: 15.8 %). In the Port Logistics subgroup, EBIT rose by 15.6 % to € 105.6 million (previous year: € 91.4 million). The Real Estate subgroup achieved EBIT growth of 1.3 % to € 8.5 million (previous year: € 8.4 million).

Net expenses from the **financial result** increased by € 7.9 million or 105.3 % to € 15.5 million (previous year: € 7.6 million). This was largely due to the changes in lease accounting from the initial application of IFRS 16.

At 26.3 %, the Group's **effective tax rate** was slightly higher than in the previous year (25.5 %).

Profit after tax and minority interests was up on the previous year at € 54.7 million (previous year: € 52.4 million). Earnings per share amounted to € 0.75 (previous year: € 0.72). The listed Port Logistics subgroup achieved earnings per share of € 0.71 (previous year: € 0.68). Earnings per share of the non-listed Real Estate subgroup were down on the prior-year figure at € 1.80 (previous year: € 1.87). Return on capital employed (ROCE) reached 13.1 % (previous year: 14.7 %).

Financial position

Balance sheet analysis

Compared with year-end 2018, the HHLA Group's **balance sheet total** grew by a total of € 619.0 million to € 2,592.0 million as of 30 June 2019 (31 December 2018: € 1,972.9 million).

Balance sheet structure

in € million	**30.06.2019**	31.12.2018
Assets		
Non-current assets	2,078.0	1,446.9
Current assets	514.0	526.0
	2,592.0	**1,972.9**
Equity and liabilities		
Equity	534.4	614.8
Non-current liabilities	1,790.2	1,114.7
Current liabilities	267.4	243.4
	2,592.0	**1,972.9**

On the assets side of the balance sheet, **non-current assets** rose by € 631.1 million to € 2,078.0 million (31 December 2018: € 1,446.9 million). This was primarily due to effects from the initial application of IFRS 16 amounting to € 571.2 million (primarily attributable to rights of use of € 542.8 million and deferred taxes of € 28.4 million). **Current assets** fell by € 12.0 million to € 514.0 million (31 December 2018: € 526.0 million). This was largely attributable to the decrease in cash, cash equivalents and short-term deposits of € 13.9 million.

On the liabilities side, **equity** fell by € 80.4 million to € 534.4 million compared to the year-end figure (31 December 2018: € 614.8 million). The decrease was largely due to the effects of the initial application of IFRS 16 amounting to € 58.5 million, as well as the payout of dividends amounting to € 62.7 million and interest rate adjustments to pension provisions. Profit for the period under review of € 72.9 million had an opposing effect. The equity ratio decreased to 20.6 % (31 December 2018: 31.2 %).

Non-current liabilities rose by € 675.5 million to € 1,790.2 million (31 December 2018: € 1,114.7 million). This increase is largely due to the effects of the initial application of IFRS 16 amounting to € 589.4 million. Primarily as a result of the interest rate adjustments, pension provisions increased by € 58.1 million compared to 31 December 2018. **Current liabilities** rose by € 24.0 million to € 267.4 million (31 December 2018: € 243.4 million), also primarily due to effects from the initial application of IFRS 16 amounting to € 40.3 million, as well as to an increase in other liabilities. Opposing effects reduced current financial liabilities.

Investment analysis

Capital expenditure in the reporting period totalled € 110.9 million, well above the prior-year figure of € 44.2 million. The main reason for this increase was the capitalisation of a concession agreement for a terminal facility. Property, plant and equipment accounted for € 106.1 million (previous year: € 37.8 million) of capital expenditure, while investments in intangible assets made up € 4.8 million (previous year: € 6.4 million). The majority of capital expenditure was for expansion work.

Liquidity analysis

Cash flow from operating activities rose by € 77.2 million to € 173.1 million as of 30 June 2019 (previous year: € 95.9 million). This was due to the comparatively low increase in trade receivables and current financial assets as compared with the same period in the previous year, as well as the higher increase in trade liabilities and other liabilities. Increased depreciation and amortisation as a result of the initial application of IFRS 16 and the improvement in EBIT also led to an increase in operating cash flow.

Investing activities led to cash outflows of € 90.2 million (previous year: € 84.8 million). This was largely due to payments for short-term deposits. Furthermore, payments for investments in property, plant and equipment were also higher than in the previous year. Payments for company acquisitions in the previous year had an opposing effect due to the acquisition of all shares in HHLA TK Estonia AS, Tallinn, Estonia.

Cash flow from financing activities was € 12.5 million lower than in the previous year. This was primarily due to payments for the acquisition of all minority interests in METRANS a.s. in Prague, Czech Republic, in the previous year. By contrast, the initial application of IFRS 16 resulted in higher payments for the redemption of lease liabilities in the reporting period. No payments were received from the take-up of loans in the reporting period as compared with the same period last year.

Financial funds totalled € 210.1 million as of 30 June 2019 (30 June 2018: € 127.4 million). Including all short-term deposits, the Group's available liquidity at the end of the first half of 2019 amounted to € 260.1 million (30 June 2018: € 127.4 million).

Liquidity analysis

in € million	1–6 | 2019	1–6 | 2018
Financial funds as of 01.01.	**254.0**	**255.5**
Cash flow from operating activities	173.1	95.9
Cash flow from investing activities	- 90.2	- 84.8
Free cash flow	**82.9**	**11.1**
Cash flow from financing activities	- 127.6	- 140.1
Change in financial funds	- 43.9	- 128.1
Financial funds as of 30.06.	**210.1**	**127.4**
Short-term deposits	50.0	0.0
Available liquidity	260.1	127.4

Segment performance

Container segment

Key figures

in € million	1–6 | 2019	1–6 | 2018	Change
Revenue	401.7	380.3	5.6 %
EBITDA	120.5	106.9	12.7 %
EBITDA margin in %	30.0	28.1	1.9 pp
EBIT	71.8	68.2	5.3 %
EBIT margin in %	17.9	17.9	0.0 pp
Container throughput in thousand TEU	3,770	3,631	3.8 %

During the first half of 2019, the **throughput volume** at **HHLA's container terminals** increased moderately by 3.8 % to 3,770 thousand standard containers (TEU) (previous year: 3,631 thousand TEU). The three **Hamburg container terminals** showed a sideways trend with a marginal year-on-year increase in throughput volume of +0.1 % to 3,476 thousand TEU (previous year: 3,473 thousand TEU). The changes in service structure (addition of several services to North America, disposal of a Far East service) were overall slightly positive. Asian routes were virtually on a par with the previous year. Feeder traffic in the Baltic region continued to develop heterogeneously across the various routes and decreased slightly overall. The proportion of seaborne handling by feeders was therefore down slightly by 0.7 percentage points to 22.9 % (previous year: 23.6 %).

Throughput at the **international container terminals** in Odessa and Tallinn amounted to 293 thousand TEU in the reporting period (previous year: 158 thousand TEU). However, the prior-year figures are only comparable to a limited extent, as the container terminal in Tallinn was only incorporated into HHLA's consolidated group as of the second half of 2018.

Due to the increase in volume of 3.8 % combined with an improvement in average revenue in the first six months compared to 2018, **revenue** increased by 5.6 % to € 401.7 million (previous year: € 380.3 million). The average revenue per container handled at the quayside rose by 1.7 % year-on-year. This was caused by contractual rate adjustments as well as an increase in the rail share.

EBIT costs were influenced by the costs of HHLA TK Estonia, consolidated since the second half of 2018 and thus not included in the prior-year figures. Further increases in personnel costs were also recorded at HHLA sites. In addition to temporary increases in staffing at the Container Terminal Tollerort as a result of the launch of the new N4 terminal software, this was primarily due to the conversion of the company pension scheme. The initial application of IFRS 16 led to a slight improvement. EBIT costs rose overall by 5.7 %.

The **operating result (EBIT)** increased by € 3.6 million or 5.3 % year-on-year to € 71.8 million (previous year: € 68.2 million). Of this increase, € 5.2 million is attributable to the application of IFRS 16. The EBIT margin remained unchanged at 17.9 %.

HHLA continued to invest in the future viability and environmental sustainability of its sites in the first half of the year, during which the expansion of the container rail terminal at the Container Terminal Burchardkai was completed. With a new total of ten tracks and four rail gantry cranes, the terminal now offers even more capacity for environmentally friendly transportation. The replacement of diesel-powered automatic goods vehicles (AGVs) with battery-powered AGVs at the Container Terminal Altenwerder (CTA) is progressing according to schedule. The certification of the CTA as a “climate-neutral company” by the TÜV certification authority confirms the efficacy of the measures taken.

Intermodal segment

Key figures

in € million	1–6 | 2019	1–6 | 2018	Change
Revenue	244.1	208.0	17.4 %
EBITDA	70.2	51.5	36.2 %
EBITDA margin in %	28.7	24.8	3.9 pp
EBIT	50.8	38.6	31.6 %
EBIT margin in %	20.8	18.6	2.2 pp
Container transport in thousand TEU	782	713	9.6 %

In the first half of 2019, HHLA’s transport companies achieved strong growth in the highly competitive market for container traffic in the hinterland of major seaports. **Transport volumes** rose by 9.6 % to 782 thousand standard containers (TEU) (previous year: 713 thousand TEU). This trend was driven by growth in both rail and road transport. Compared with the previous year, rail transport increased by 9.3 % to 610 thousand TEU (previous year: 558 thousand TEU). There was above-average growth not only in traffic between the north German seaports, but also in traffic between the Adriatic ports and the Central and Eastern European hinterland. Polish traffic also increased significantly following the successful consolidation in the previous year. In a market environment that remains difficult, road transport grew by 10.8 % to 172 thousand TEU due to the strong increase in delivery volumes (previous year: 155 thousand TEU).

At € 244.1 million, **revenue** was up 17.4 % on the prior-year figure (previous year: € 208.0 million) and thus performed much better than transport volume. In addition to price adjustments, this strong increase in revenue was due in particular to longer transport distances, while the rail share was largely unchanged from the previous year.

The **operating result (EBIT)** rose by 31.6 % to € 50.8 million in the reporting period (previous year: € 38.6 million). This marked increase is primarily due to the positive trend in volume and revenue. Additionally, lower route prices in Germany made it possible to increase further the capacity utilisation of train systems. The application of IFRS 16 did not have a major influence on the positive EBIT trend.

Logistics segment

Key figures

in € million	1–6 | 2019	1–6 | 2018	Change
Revenue	29.7	25.2	18.1 %
EBITDA	4.4	3.3	35.1 %
EBITDA margin in %	14.9	13.0	1.9 pp
EBIT	1.7	1.0	66.4 %
EBIT margin in %	5.9	4.2	1.7 pp
At-equity earnings	2.1	2.3	- 7.9 %

The consolidated companies of the Logistics segment reported highly encouraging **revenue** growth in the first half of 2019. At € 29.7 million, the prior-year figure was exceeded by 18.1 % (previous year: € 25.2 million). This was due in particular to strong volume growth in the vehicle logistics division and the positive order situation in consultancy.

At € 1.7 million, the Logistics segment’s **operating result (EBIT)** far outstripped the prior-year figure (previous year: € 1.0 million). The application of IFRS 16 had no significant effect on the development of the operating result.

At-equity earnings of € 2.1 million in the first half of 2019 were 7.9 % down on the prior-year figure (previous year: € 2.3 million). This was largely due to a burden on earnings from bulk materials handling resulting from the initial application of IFRS 16.

Real Estate segment

Key figures

in € million	1–6 | 2019	1–6 | 2018	Change
Revenue	19.9	19.3	3.5 %
EBITDA	12.2	10.9	12.1 %
EBITDA margin in %	61.2	56.5	4.7 pp
EBIT	8.5	8.4	1.3 %
EBIT margin in %	42.7	43.6	- 0.9 pp

The positive trend of the Hamburg office space market continued in the first half of 2019. According to Grossmann & Berger's latest market report, 310,000 m² of office space was let – 24 % more than the previous year's figure of 250,000 m². One major reason for the marked increase in turnover is the high proportion of own-use. The vacancy rate decreased year-on-year by 0.9 percentage points to 3.0 %.

HHLA's properties in the Speicherstadt historical warehouse district and the fish market area reported a positive trend in the first six months of 2019. Although **revenue** in the previous year was already based on virtual full occupancy in both quarters, there was further moderate year-on-year growth of 3.5 % to € 19.9 million (previous year: € 19.3 million).

The increase in planned maintenance work was offset by revenue growth from properties in the Speicherstadt historical warehouse district. The slight 1.3 % rise in the **operating result (EBIT)** to € 8.5 million (previous year: € 8.4 million) is mainly due to the application of IFRS 16.

Employees

Employees

by segments	30.06.2019	31.12.2018	Change
Container	3,104	3,134	- 1.0 %
Intermodal	2,155	2,002	7.6 %
Logistics	149	141	5.7 %
Holding/Others[1]	572	580	- 1.4 %
Real Estate[2]	83	80	3.8 %
HHLA Group	**6,063**	**5,937**	**2.1 %**

1 Exclusive employees assigned to the Real Estate subgroup

2 Including employees from Holding/Other who are assigned to the Real Estate subgroup

At the end of the first half of 2019, HHLA employed a total of 6,063 people. Compared with the figure as of 31 December 2018, the number of employees rose by 126.

Employees by segment

Due to the expansion of services and the increase in vertical integration, headcount in the Intermodal segment rose by a further 153 employees to 2,155. Meanwhile, in the Container segment, the number of staff decreased by 30 to 3,104. In the Logistics segment, the number of employees rose by 8 to 149. By contrast, the number of staff employed in the strategic management holding segment Holding/Other – excluding staff assigned to the Real Estate subgroup – decreased by 8. Overall, headcount of the Port Logistics subgroup increased by 123, or 2.1 %. In the Real Estate segment, the number of employees rose by 3 to 83 – including staff in the Holding/Other segment assigned to the Real Estate segment.

Employees by region

In geographical terms, the workforce was concentrated mainly in Germany in the first half of 2019, with 3,475 staff members (31 December 2018: 3,489), the majority of whom worked in Hamburg. This corresponds to a share of 57.3 % (31 December 2018: 58.8 %). Due mainly to the expansion of services and the increase in vertical integration in the Intermodal segment, the number of staff employed abroad increased by 140 or 5.7 % to 2,588 in the first half of 2019 (31 December 2018: 2,448). As a result, headcount at the Intermodal companies in the Czech Republic, Slovakia, Slovenia and Hungary rose by 120 or 7.7 % to 1,678 (31 December 2018: 1,558). The number of staff employed by the subsidiaries in Austria, Poland, Georgia and Estonia increased by 20 or 4.7 % to 449 (31 December 2018: 429). In Ukraine, headcount remained unchanged at 461 (31 December 2018: 461).

Business forecast

Outlook macroeconomy and sector

In its July outlook for 2019, the International Monetary Fund (IMF) largely stood by the forecasts it made at the start of the year. The IMF continues to expect moderately positive economic growth of 3.2 % on the whole for 2019. The organisation only made a minor correction of 0.4 percentage points to its January forecast for the emerging economies, where it anticipates robust growth of 4.1 %. The IMF's outlook for Russia was somewhat gloomier and it downgraded its growth forecast for 2019 by 0.4 percentage points to 1.2 %. As a result of further escalations in the trade dispute between the USA and China, the IMF also lowered its April 2019 outlook for global trade growth by 0.9 percentage points to 2.5 %. In April, the panel of experts had already downgraded its outlook by 0.6 percentage points.

The market research institute Drewry has made noticeable adjustments to its sector outlook for certain shipping regions, compared to the beginning of the year In view of the ongoing political uncertainty and trade conflicts, for example, it has significantly reduced its growth forecasts for global container throughput from 4.1 % to 3.0 %. The outlook for throughput in the European shipping regions, however, has brightened: the experts now anticipate throughput growth in Europe of 2.6 % for 2019 (previously: 2.2 %). The outlook for Scandinavia and the Baltic region was upgraded considerably from 2.4 % at the beginning of the year to 4.2 %. For the Western Mediterranean region, experts now assume an increase in container throughput of 2.0 % (previously: 1.2 %). The outlook for the North-West European ports and the Eastern Mediterranean/ Black Sea region has remained largely unchanged, however, with increases of 3.3 % (previously: 3.2 %) and 1.2 % (previously: 1.1 %), respectively.

Expected Group performance

The economic development of HHLA in the first half of 2019 was in line with expectations. The disclosures made in the 2018 Annual Report regarding the expected course of business in 2019 therefore continue to apply.

Risk and opportunity report

With regard to the HHLA Group's risk and opportunity position, the statements made in the Management Report section of the 2018 Annual Report continue to apply – unless otherwise indicated in this report – with the exception of the risk assessment of pension obligations. Risks from pension obligations have been significantly reduced as any increase in pension provisions from the recognition of further entitlements beyond the previous regulations no longer constitutes a risk. The court found in HHLA's favour.

The risks identified still do not threaten the ongoing existence of the Group. As far as the future is concerned, there are also no discernible risks at present that could jeopardise the continued existence of the company.