HHLA key figures

in € million	HHLA Group 1–6 | 2019	1–6 | 2018	Change
Revenue and earnings			
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	72.9	68.8	5.9 %
Profit after tax and minority interests	54.7	52.4	4.5 %
Cash flow statement and investments			
Cash flow from operating activities	173.1	95.9	80.5 %
Investments	110.9	44.2	150.8 %
Performance data			
Container throughput in thousand TEU	3,770	3,631	3.8 %
Container transport in thousand TEU	782	713	9.6 %

in € million	30.06.2019	31.12.2018	Change
Balance sheet			
Balance sheet total	2,592.0	1,972.9	31.4 %
Equity	534.4	614.8	- 13.1 %
Equity ratio in %	20.6	31.2	- 10.6 pp
Employees			
Number of employees	6,063	5,937	2.1 %

	Port Logistics subgroup[1, 2]			Real Estate subgroup[1, 3]		
in € million	1–6 | 2019	1–6 | 2018	Change	1–6 | 2019	1–6 | 2018	Change
Revenue	677.5	617.1	9.8 %	19.9	19.3	3.5 %
EBITDA	180.7	146.8	23.1 %	12.2	10.9	12.1 %
EBITDA margin in %	26.7	23.8	2.9 pp	61.2	56.5	4.7 pp
EBIT	105.6	91.4	15.6 %	8.5	8.4	1.3 %
EBIT margin in %	15.6	14.8	0.8 pp	42.7	43.6	- 0.9 pp
Profit after tax and minority interests	49.8	47.3	5.4 %	4.9	5.1	- 3.9 %
Earnings per share in €[4]	0.71	0.68	5.4 %	1.80	1.87	- 3.9 %

1 Before consolidation between subgroups
2 Listed class A shares
3 Non-listed class S shares
4 Basic and diluted

To our shareholders

The HHLA share

Stock market data

31.12.2018 – 30.06.2019	HHLA	SDAX	DAX
Change	34.1 %	19.7 %	17.4 %
Closing 31.12.2018	17.33	9,509	10,559
Closing 30.06.2019	23.24	11,378	12,399
High	23.24	11,753	12,413
Low	17.33	9,357	10,417

Playing catch-up under the sword of Damocles

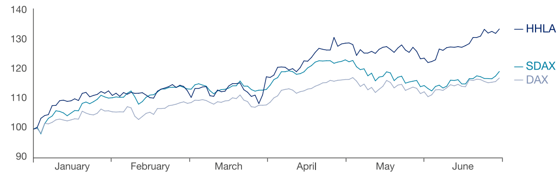
After a weak year for the stock exchange in 2018, the German benchmark index started the year with significant gains and only saw a brief pause in the first half of February when several companies posted figures that were worse than the market expected. The DAX briefly dipped below 11,000 points but quickly resumed its upward trend. In late March, the DAX gathered further momentum – following positive economic reports from China and the USA – and broke through the 200-day line so important to chartists in early April. The index rose by almost 800 points to its year-high so far of 12,413 points. In May, strong company results shored up the stock exchanges while market sentiment was being dampened by the ongoing and increasingly intense trade dispute between the USA and China. Following the announcement of strict counter-measures from Beijing, the DAX temporarily slid below 12,000 points. In the first half of June, the markets calmed and the German benchmark index moved sideways at around 12,000 points. In mid-June, hopes of economic support from the central banks gave the DAX a renewed boost. Positive signs in the tariff dispute between the USA and China spurred the stock markets further. As a result, the DAX closed the first six months at 12,399 points and thus gained a total of 17.4 %. The SDAX performed even with a plus of 19.7 % and closed at 11,378 points on 28 June 2019.

HHLA share beats German benchmark indices

At the start of the year, the HHLA share was already outstripping the strong performance of the benchmark indices. The preliminary figures for the 2018 financial year published on 7 February supported the recovery. Following the publication of the audited figures for the 2018 financial year, the HHLA share price established itself above the € 20-mark. In April, the considerable interest displayed by the capital market was not only reflected in the share's positive price trajectory but also in increased trading volumes. From the second quarter onwards, the HHLA share once again outperformed the benchmark indices and rose to a preliminary year-high of € 22.48 in early May. Over the course of the month, the HHLA share was unable to escape the strong fluctuations on the market and largely developed in line with the benchmark indices. However, the share was able to maintain its lead on the DAX and SDAX. Market expectations for the first quarter were confirmed with the publication of the quarterly figures on 14 May. The positive growth of the Intermodal segment, in particular, was highlighted by capital market participants. HHLA's Annual General Meeting was held on 18 June and attended by approximately 700 shareholders and guests. Approximately 85 % of nominal capital was represented (previous year: 82 %). The shareholders formally approved the actions of HHLA's Executive Board and Supervisory Board for the 2018 financial year with 99.1 % and 97.9 % of the votes cast, respectively. The resolutions proposed by the Supervisory Board and Executive Board were adopted with large majorities, including the payment of a dividend of € 0.80 (previous year: € 0.67) per listed Class A share. This corresponds to a year-on-year dividend increase of 19.4 %. Meanwhile, the usual dip in share price following the payment of dividends failed to materialise. The HHLA share made significant gains in the second half of June and finished at a year-high of € 23.24. The share price therefore rose by 34.1 % compared to year-end 2018. For more information on the share price performance and on the HHLA share, please visit https://hhla.de/en/investor-relations.html

Share price development January to June 2019

Closing prices indexed in %



Source: Datastream

Dialogue with capital market actively maintained

The Investor Relations department continued its proactive communication activities in the first half of 2019 and held a large number of discussions with analysts and investors. HHLA was also represented at various conferences in Europe and the USA. In addition to the strategic realignment and associated investment programme, discussions focused in particular on the Intermodal segment and the status of the dredging project. In the first half of the year, 16 financial analysts covered the HHLA share, meaning that the level of research coverage remained high for an SDAX share. Of the 16 analysts, 15 recommend buying or holding the HHLA share.

Angela Titzrath
Chairwoman of the Executive Board

Ladies and gentlemen,

We received great appreciation for our work at this year's Annual General Meeting on 18 June. I would like to take this opportunity to thank everyone most warmly, also on behalf of my colleagues on the Executive Board. Particularly in times of uncertainty, the trust of our shareholders in the actions of the Executive Board is something we hold in high regard. Our future-oriented work was also praised recently by prominent representatives from the world of politics. During her visit to the Container Terminal Altenwerder in May, German Chancellor Angela Merkel cited the Port of Hamburg as a successful example of how mobility and global trade could be designed with the environment in mind. Chinese Vice President Wang Qishan, who visited the Container Terminal Tollerort a few days after the German chancellor, was also impressed by HHLA's performance.

> **The topic of sustainability is also an integral element of our successful business development. We are aware of our social responsibility with regard to climate protection and have already taken numerous steps.**

While we are delighted with the recognition for our achievements, we are still aware of our strategic goal of continuing HHLA's successful development. In the first half of the year, we succeeded once again in achieving this goal, as you can read in this report. Container throughput remained at the same high level as last year. The HHLA transport companies achieved significant growth, both in terms of road and rail transport. As a result, we believe that we will safely reach the targets forecast for the 2019 financial year. At the same time, we are keeping a close eye in particular on political developments and their impact on global markets and transport flows. With the recent escalations in the conflict between the USA and Iran, a further flashpoint has emerged which is also affecting the international trade route through the Strait of Hormuz. Although this has not yet had any direct impact on our business, every escalating conflict represents an additional uncertainty factor.

In such unstable environments, it is particularly important not to lose sight of our aims but to adjust our strategy where necessary to the new circumstances. HHLA will therefore continue to work on the consistent implementation of its strategic goals in order to strengthen the company's creative power and future viability. This involves, for example, continuously modernising our facilities. The dismantling of three container gantry cranes at the Container Terminal Burchardkai started in July. New gantry cranes will be built in their place, allowing mega-ships to be processed at an additional berth. We are still firmly committed to the digital projects we have already launched and are searching for further opportunities to drive forward the digital transformation at HHLA.

The topic of sustainability is integral to our successful business growth. We listened carefully when the representative of the "Fridays for Future" climate change movement addressed his expectations to us during his speech held at our Annual General Meeting. We are aware of our social responsibility for greater climate protection and have already done a lot of work in this area – also long before the youth-led Friday protests became a wake-up call for politicians. Our objective is for the entire HHLA Group to be climate-neutral. The Container Terminal Altenwerder is the first of its kind in the world to reduce its CO_2 emissions to practically zero. With HHLA Pure, we will soon be offering a product that can guarantee the carbon-neutral handling of our customers' goods and also their carbon-neutral onward transport by our rail subsidiary Metrans. We are delighted to have already found pilot clients for this environmentally friendly product. We are all aware that we must make more concerted efforts in order to preserve our natural resources. However, this means finding a balance between economic growth, climate protection and business success. And this will necessitate further innovations and investments in clean technologies and services. As the gateway to the future, HHLA wants to do its bit for climate protection.

Yours,

A. Titzrath

Angela Titzrath
Chairwoman of the Executive Board