Business forecast

Outlook macroeconomy and sector

As the economic impact of the coronavirus pandemic in the first half of 2020 turned out to be much more severe than expected in April, the International Monetary Fund (IMF) once again downgraded its outlook for 2020 in July. The experts now expect the global economy to shrink by 4.9 % (previously: - 3.0 %). For the first time, it appears that the negative trend is likely to affect all regions around the world. In the industrialised countries, an economic slump of 8.0 % is feared for 2020 (previously: - 6.1 %). For the emerging economies, the organisation downgraded its outlook to a decline of 3.0 % (previously: - 1.0 %). Only China is still expected to achieve growth, albeit at a significantly reduced rate of 1.0 % (previously: 1.2 %). According to the IMF, the economies of all other regions of significance to HHLA will shrink in 2020. For example, the organisation forecasts an economic downturn of 6.6 % for Russia (previously: - 5.5 %). For Central and Eastern Europe, a slump of 5.8 % is expected (previously: - 5.2 %). The IMF currently anticipates a downturn in global trade of 11.9 % for 2020 (previously: - 11.0 %). Its experts had already downgraded their outlook by - 13.9 percentage points in April.

In its latest report, the market research institute Drewry has also drastically reduced its figures for 2020 compared to its most recent sector outlook in March. The expected decline in global container throughput was downgraded significantly to 7.3 % (previously: - 0.5 %). For the European shipping region, Drewry's experts anticipate an even more dramatic fall in throughput of 9.7 % for 2020 (previously: - 0.8 %). The most significant decline in Europe is expected for Scandinavia and the Baltic region with 17.2 % (previously: - 0.2 %). The forecast for the Eastern Mediterranean/Black Sea region has been downgraded to a 10.0 % decline (previously: - 0.6 %). For the Western Mediterranean region, the decrease in container throughput is now expected to reach 10.4 % (previously: - 2.1 %) and for the North-West European shipping region 7.7 % (previously: - 0.5 %).

Expected Group performance

The economic development of HHLA in the first half of 2020 was in line with expectations. The disclosures made in the 2019 combined management report regarding the expected course of business in 2020 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 2019 combined management report continue to apply, unless otherwise indicated in this report.

The impact of the coronavirus pandemic is reflected in the volume and earnings forecasts for the current financial year. Significant events and transactions As a result of the ongoing pandemic, these forecasts are subject to considerable uncertainty; corresponding risks regarding the future development of volumes and earnings are therefore relevant for the HHLA Group.

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.