The acquisition by the METRANS Group of locomotives, container wagons and maintenance equipment, as well as the procurement of container gantry cranes, storage cranes and large-scale equipment for horizontal transport at the HHLA container terminals in the Port of Hamburg, and the development of the Hamburg Speicherstadt historical warehouse district accounted for a major share of capital expenditure in the first half of 2020.

Liquidity analysis

Cash flow from operating activities declined by € 13.3 million to € 159.8 million as of 30 June 2020 (previous year: € 173.1 million). This was primarily due to the decrease in EBIT. This was offset by a decrease (previous year: increase) in trade receivables and other assets, as well as lower tax payments than in the same period last year.

Investing activities led to a net cash outflow of € 77.2 million (previous year: € 90.2 million). This was largely due to payments for short-term deposits in the prior-year period. There was an opposing effect from the year-on-year increase in payments for investments in property, plant and equipment.

Cash flow from financing activities of € 38.4 million was € 89.2 million below the prior-year figure of € 127.6 million. This was primarily due to payments in the previous year for the dividend to shareholders of the parent company and for the settlement obligation to a minority shareholder.

Financial funds totalled € 251.1 million as of 30 June 2020 (30 June 2019: € 210.1 million). Including all short-term deposits, the Group's available liquidity at the end of the first half of 2020 amounted to € 296.1 million (30 June 2019: € 260.1 million).

Liquidity analysis

in € million	**1–6 | 2020**	1–6 | 2019
Financial funds as of 01.01.	**208.0**	**254.0**
Cash flow from operating activities	159.8	173.1
Cash flow from investing activities	- 77.2	- 90.2
Free cash flow	**82.6**	**82.9**
Cash flow from financing activities	- 38.4	- 127.6
Change in financial funds	43.0	- 43.9
Financial funds as of 30.06.	**251.1**	**210.1**
Short-term deposits	45.0	50.0
Available liquidity	296.1	260.1

Segment performance

Container segment

Key figures

in € million	**1–6 | 2020**	1–6 | 2019	Change
Revenue	363.4	401.7	- 9.6 %
EBITDA	84.2	120.5	- 30.1 %
EBITDA margin in %	23.2	30.0	- 6.8 pp
EBIT	36.8	71.8	- 48.7 %
EBIT margin in %	10.1	17.9	- 7.8 pp
Container throughput in thousand TEU	3,345	3,770	- 11.3 %

During the first six months of 2020, the **throughput volume** at **HHLA's container terminals** decreased by 11.3 % to 3,345 thousand standard containers (TEU) (previous year: 3,770 thousand TEU).

At 3,058 thousand TEU, throughput volume at the three **Hamburg container terminals**, was down 12.0 % on the same period last year (previous year: 3,476 thousand TEU). This was mainly due to blank sailings as a result of the coronavirus pandemic. These blank sailings led to a significant decline in cargo volumes from the Far East. Feeder traffic with the Baltic region decreased markedly and could not be offset by growth in the German and British shipping regions. There was a corresponding decline in the proportion of seaborne handling by feeders of 2.3 percentage points to 20.6 % (previous year: 22.9 %).

The **international container terminals** in Odessa and Tallinn recorded a slight decrease in throughput volume of 2.4 % to 286 thousand TEU (previous year: 293 thousand TEU). The decreases in volume primarily due to the coronavirus pandemic could not be offset by the additional traffic in the first quarter.

Revenue decreased year-on-year by 9.6 % to € 363.4 million in the first half of 2020 (previous year: € 401.7 million). This was primarily due to the decreases in volume caused by the coronavirus pandemic. Average revenue per container handled at the quayside rose by 1.9 % year-on-year. This resulted from an advantageous modal split with a high proportion of hinterland volumes and a temporary increase in storage fees due to longer dwell times brought about by weather-related delays and blank sailings caused by the pandemic.

EBIT costs decreased by 1.0 % year-on-year during the reporting period. Lower material and personnel expenses, partly caused by the reductions in volume, were offset by increased maintenance and service costs. The personnel savings resulted mainly from using less external staff due to the decrease in volumes.

As a result of falling volumes, the **operating result (EBIT)** declined by € 35.0 million, or 48.7 %, year-on-year to € 36.8 million (previous year: € 71.8 million). The EBIT margin decreased by 7.8 percentage points to 10.1 %.

HHLA continued to pursue its long-term modernisation and expansion programme in the first half of 2020 in order to further boost capacity and productivity at its terminals. HHLA Container Terminal Burchardkai (CTB) put an additional large container gantry crane into operation, with two more arriving in early May. The terminal also made progress with the expansion of its block storage system. The other HHLA terminals in Germany and abroad also invested in site expansion and new equipment in order to push ahead with the automation of their handling processes. Moreover, HHLA made further progress with the implementation of its sustainability strategy. For example, the Container Terminal Altenwerder (CTA) continued its switch to battery-powered vehicles for operations at the terminal.

Intermodal segment

Key figures

in € million	1–6 | 2020	1–6 | 2019	Change
Revenue	223.2	244.1	- 8.5 %
EBITDA	56.1	70.2	- 20.0 %
EBITDA margin in %	25.1	28.7	- 3.6 pp
EBIT	34.5	50.8	- 32.0 %
EBIT margin in %	15.5	20.8	- 5.3 pp
Container transport in thousand TEU	718	782	- 8.2 %

In the highly competitive market for container traffic in the hinterland of major seaports, HHLA's transport companies recorded significantly lower volumes in the first half of 2020. **Container transport** decreased by 8.2 % to 718 thousand standard containers (TEU) (previous year: 782 thousand TEU). The decrease in road transport was much more marked than that of rail transport. Rail transport declined year-on-year by 6.9 % to 568 thousand TEU (previous year: 610 thousand TEU). The significant – and for certain routes dramatic – fall in maritime traffic from both the North German and Adriatic seaports were partially offset by strong growth in continental traffic. The downward trend of the previous quarters continued for road transport. Largely due to weak growth in the Hamburg region and a persistently challenging market environment, road transport volumes fell by 13.0 % year-on-year to 149 thousand TEU (previous year: 172 thousand TEU).

With a significant 8.5 % year-on-year decline to € 223.2 million (previous year: € 244.1 million), the decrease in **revenue** was therefore slightly stronger than the decrease in transport volume. Despite a slight increase in the rail share of HHLA's total intermodal transportation from 78.0 % to 79.2 %, average revenue per TEU decreased as a result of the disproportionately strong decrease in freight flows with longer transport distances.

The **operating result (EBIT)** fell by 32.0 % to € 34.5 million in the reporting period (previous year: € 50.8 million). In addition to falling volumes and revenue, this marked decrease was mainly due to increased fluctuations in import and export cargo with a resulting fall in capacity utilisation of rail systems.

Logistics segment

Key figures

in € million	1–6 | 2020	1–6 | 2019	Change
Revenue	25.9	29.7	- 12.9 %
EBITDA	5.2	4.4	18.5 %
EBITDA margin in %	20.2	14.9	5.3 pp
EBIT	- 2.1	1.7	neg.
EBIT margin in %	- 8.2	5.9	neg.
At-equity earnings	0.8	2.1	- 60.8 %

The consolidated companies reported **revenue** of € 25.9 million in the first half-year, down 12.9 % on the prior-year figure (previous year: € 29.7 million). The vehicle logistics division recorded a significant decline in revenue as a result of falling volumes, while consultancy revenue was only slightly down on the previous year. Additive manufacturing technologies were not included in the previous year's figures.

The **operating result (EBIT)** in the first half of the year includes planned start-up losses in new growth areas. Vehicle logistics and consultancy were also down on the previous year. Following a positive result of € 1.7 million in the previous year, the Logistics segment posted a loss of € 2.1 million in the reporting period.

Revenues of those companies included in **at-equity earnings** decreased significantly in the reporting period. At-equity earnings of € 0.8 million were still positive in the first half-year but well below the prior-year level (previous year: € 2.1 million).

Real Estate segment

Key figures

in € million	1–6 | 2020	1–6 | 2019	Change
Revenue	18.0	19.9	- 9.5 %
EBITDA	9.7	12.2	- 20.8 %
EBITDA margin in %	53.5	61.2	- 7.7 pp
EBIT	6.1	8.5	- 27.8 %
EBIT margin in %	34.0	42.7	- 8.7 pp

In the first half of 2020, Hamburg's office rental market recorded a year-on-year decline in revenue as a result of the coronavirus lockdown. According to Grossmann & Berger's latest market report, 165,000 m² of office space was let – approximately 47 % less than the prior-year figure of 310,000 m². The market is expected to remain volatile for the rest of the year.

As a result of the increased availability of office space, the vacancy rate in Hamburg of 3.3 % was slightly up on last year's figure of 3.0 %. A further increase in vacancies is anticipated in the months ahead.

HHLA's properties in the Speicherstadt historical warehouse district and the fish market area were able to buck this negative market trend though with almost full occupancy.

Despite the high occupancy rate, however, **revenue** of € 18.0 million in the first half of 2020 was significantly below the prior-year level (previous year: € 19.9 million). The decline was primarily the result of a revenue correction for expected rent losses as a consequence of the coronavirus pandemic.

Largely due to these expected rent losses, there was therefore a significant year-on-year decline in the cumulative **operating result (EBIT)** of 27.8 % to € 6.1 million (previous year: € 8.5 million).

Employees

Employees

by segments	30.06.2020	31.12.2019	Change
Container	3,149	3,186	- 1.2 %
Intermodal	2,226	2,243	- 0.8 %
Logistics	179	167	7.2 %
Holding/Others	609	612	- 0.5 %
Real Estate	89	88	1.1 %
HHLA Group	**6,252**	**6,296**	**- 0.7 %**

At the end of the first half of 2020, HHLA employed a total of 6,252 people. Compared with the figure as of 31 December 2019, the number of employees decreased by 44.

Employees by segment

In the Container segment, the number of staff decreased by 37 to 3,149. In the Intermodal segment, headcount decreased by 17 to 2,226. In the Logistics segment, the number of employees rose by 12 to 179. Meanwhile, in the strategic management holding segment Holding/Other, the number decreased by 3. Overall, headcount in the Port Logistics subgroup decreased by 45, or 0.7 %. In the Real Estate segment, the number of employees rose by 1 to 89.

Employees by region

In geographical terms, the workforce was concentrated mainly in Germany in the first half of 2020, with 3,616 staff members (31 December 2019: 3,597), the majority of whom worked in Hamburg. This corresponds to a share of 57.8 % (31 December 2019: 57.1 %). The number of staff employed abroad fell by 63, or 2.3 %, to 2,636 in the first half of 2020 (31 December 2019: 2,699). Headcount at the Intermodal companies in the Czech Republic, Slovakia, Slovenia and Hungary decreased correspondingly by 31, or 1.8 %, to 1,721 (31 December 2019: 1,752). The number of staff employed by the subsidiaries in Austria, Poland, Georgia and Estonia declined by 31, or 6.4 %, to 456 (31 December 2019: 487). In Ukraine, the number of employees fell by 1 people to 459 (31 December 2019: 460).