

Interim management report

Economic environment

Macroeconomic development

Global economic activity fell dramatically during the first half of the year as a result of the coronavirus pandemic. According to the latest estimates of the International Monetary Fund (IMF), the economic impact was even more severe than initially expected. While the downturn reached historic proportions in the advanced economies during the first half-year, the effects were not quite so dramatic in the emerging and developing nations due to China's development. The Chinese economy has already pulled out of recession: following a decline of 6.8 % in the first quarter, the Statistical Office in Beijing reported a return to economic growth of 3.2 % for the second quarter. By contrast, the coronavirus is still spreading in other emerging markets such as Brazil and Russia, whose economies have not yet reached their lowest point. The global economic downturn also led to a drastic fall in oil prices, causing oil producers to curb production massively. The World Bank still forecasts growth in Russian gross domestic product (GDP) of 1.6 % for the first quarter of 2020, whereby the full impact is only likely to be felt in the growth rate for the second quarter. The effects of the pandemic are also reflected in global trade: according to IMF estimates, global trade volumes shrank by 3.5 % in the first quarter of 2020.

The measures to contain the pandemic led to the biggest drop in economic activity in the eurozone since it was established. Although most measures only came into force in March, Eurostat estimates that the year-on-year decrease in GDP in the first three months of 2020 already reached 3.1 %. Early indicators released by the Kiel Institute for the World Economy (IfW) signal a double-digit decline of over 13 %. Outside the eurozone, the economic downturn in Central and Eastern Europe in the first quarter of 2020 was less pronounced. This was particularly true in Poland and Hungary with quarter-on-quarter decreases of just 0.4 %. In comparison to the previous year, economic growth slowed to 1.7 % in Poland and to 2.0 % in Hungary. By contrast, GDP in the Czech Republic shrank by 3.3 % quarter-on-quarter and by 2.0 % compared to the first three months of 2019. In Germany, the coronavirus pandemic marks the biggest slump in economic output since the founding of the Federal Republic. In the first quarter of 2020, economic activity shrank by 2.3 % year-on-year. The IfW forecasts an even more drastic decrease in GDP of around 12 % for the second quarter. Sentiment indicators, however, suggest that the crisis has already reached its lowest point. This is also reflected in German exports. Although exports in the period January to May 2020 were down year-on-year by 14.1 % and imports by 10.3 %, there were month-on-month increases in exports (+9.0 %) and imports (+3.5 %) in May.

Sector development

As expected by the experts of the market research institute Drewry, global container throughput decreased markedly in the first half of 2020 as a result of the coronavirus pandemic. Even though the decline in throughput of 2.7 % in the first quarter – measured by container throughput at ports worldwide – was not as drastic as its experts forecast in March, Drewry anticipates a slump in global container throughput of 16.2 % for the second quarter.

Development of container throughput by region

in %	Q2 20	Q1 20
World	- 16.2	- 2.7
Europe as a whole	- 21.3	- 2.8
North-West Europe	- 16.7	- 2.9
Scandinavia and the Baltic region	- 33.3	- 2.4
Western Mediterranean	- 22.6	- 3.4
Eastern Mediterranean and the Black Sea	- 24.1	- 2.3

Source: Drewry Maritime Research, July 2020

The shipping region Europe has been particularly hard hit by the crisis. After forecasting a moderate decrease in volumes at the European ports of 4.1 % for the second quarter in March 2020, Drewry's experts now expect a massive decline of 21.3 %. The shipping regions of North-West Europe, Scandinavia and the Baltic region are also likely to perform much worse in the second quarter than recent forecasts had predicted.

Container throughput in Rotterdam of 7.0 million TEU in the reporting period was 7.0 % down on the first half of 2019. In Antwerp, however, 0.4 % more containers passed over the quayside in the first six months. 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 2.0 million TEU – down 4.4 % on the previous year. The JadeWeserPort in Wilhelmshaven reported throughput of 106 thousand TEU for the first quarter of 2020, which corresponds to a year-on-year decrease of 48.3 % or almost half its handling volume. At 3,058 thousand TEU, throughput at the three container terminals in Hamburg was well below the prior-year level (by 12.0 %) in the first six months of 2020.

Course of business and economic situation

Key figures

in € million	1–6 2020	1–6 2019	Change
Revenue	628.4	693.7	- 9.4 %
EBITDA	140.1	192.9	- 27.4 %
EBITDA margin in %	22.3	27.8	- 5.5 pp
EBIT	55.5	114.3	- 51.5 %
EBIT margin in %	8.8	16.5	- 7.7 pp
Profit after tax and minority interests	14.1	54.7	- 74.2 %
ROCE in %	5.4	11.3	- 5.9 pp

Significant events and transactions

The coronavirus pandemic had a significant impact on HHLA's financial performance in the first half of the financial year. Having said this, it has not resulted in any material effects on the recognition or measurement of the Group's assets and liabilities as of 30 June 2020.

Within the Port Logistics and Real Estate subgroups, both the key economic indicators for the first six months of 2020 and HHLA's actual economic performance were largely in line with the performance forecast in the 2019 combined management report. 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. **Earnings position, financial position**

Earnings position

The development of HHLA's performance data in the first half of 2020 was severely affected by the global coronavirus pandemic. **Container throughput** decreased markedly by 11.3 % year-on-year to 3,345 thousand TEU (previous year: 3,770 thousand TEU). The decline began in the middle of the first quarter, gathered considerable pace over the previous course of the year and was most noticeable at the container terminals in Hamburg. Throughput at the international terminals was only slightly below the prior-year level, although there were strong regional variations in the first half-year. **Container transport** decreased significantly by 8.2 % to 718 thousand TEU (previous year: 782 thousand TEU). Road transport was more heavily affected by the decrease than rail transport.

The 9.4 % decrease in the HHLA Group's **revenue** to € 628.4 million (previous year: € 693.7 million) during the reporting period was roughly on a par with the fall in performance data. All operating segments were significantly affected by the decrease in revenue.

In its Container, Intermodal and Logistics segments, the listed Port Logistics subgroup generated revenue of € 614.2 million in the reporting period (previous year: € 677.5 million). The non-listed Real Estate subgroup posted revenue of € 18.0 million (previous year: € 19.9 million). This decrease at both subgroups was largely in line with the trend for the Group as a whole.

Changes in inventories of € 0.6 million (previous year: € 0.0 million) had no noticeable effect on consolidated profit. **Own work capitalised** amounted to € 2.2 million (previous year: € 3.3 million).

Other operating income totalled € 22.3 million (previous year: € 19.0 million). One liability from a contingent consideration agreed as part of the acquisition of Bionic Production GmbH was derecognised in profit and loss as a result of a new agreement with the seller. This amount had a significant effect on the increase in other operating income.

Operating expenses decreased by 0.6 % to € 598.0 million (previous year: € 601.6 million). This much lower decrease as compared to the performance data and revenue was due to the development of union wage rates, as well as an increase in headcount in the second half of 2019, increased depreciation and amortisation and higher other operating expenses.

The **cost of materials** was reduced by 7.8 % to € 186.1 million during the reporting period (previous year: € 201.7 million). The decrease was not quite as marked as the decline in revenue since energy costs could not be decreased. As a result, the cost of materials ratio increased slightly to 29.6 % (previous year: 29.1 %).

There was a minor year-on-year increase of 0.1 % in **personnel expenses** to € 260.0 million (previous year: € 259.9 million). The strong increase in the personnel expense ratio to 41.4 % (previous year: 37.5 %) was partly due to wage increases in the previous year and to the decrease in revenue with an increase in headcount as a result of the expansion of business activities in rail transport.

Other operating expenses rose considerably by 9.7 % to € 67.3 million in the reporting period (previous year: € 61.4 million). The ratio of expenses to revenue rose from 8.9 % in the previous year to 10.7 %. This was caused by a rise in maintenance costs in the Container segment and increased expenses for consultancy and services.

As a result of reduced volumes, the **operating result before depreciation and amortisation (EBITDA)** fell by 27.4 % to € 140.1 million (previous year: € 192.9 million). The EBITDA margin declined to 22.3 % in the reporting period (previous year: 27.8 %).

Depreciation and amortisation increased significantly by 7.7 % to € 84.6 million (previous year: € 78.6 million) in connection with a value adjustment for goodwill of Bionic Production GmbH and the expansion of rail transport; its ratio to revenue rose to 13.5 % (previous year: 11.3 %).

There was a strong decrease in the **operating result (EBIT)** of € 58.8 million, or 51.5 %, to € 55.5 million during the reporting period (previous year: € 114.3 million). The **EBIT margin** amounted to 8.8 % (previous year: 16.5 %). In the Port Logistics subgroup, EBIT fell by 53.5 % to € 49.1 million (previous year: € 105.6 million). In the Real Estate subgroup, EBIT decreased by 27.8 % to € 6.1 million (previous year: € 8.5 million).

Net expenses from the **financial result** increased by € 2.2 million, or 13.9 %, to € 17.7 million (previous year: € 15.5 million). The main reason for this is the lower earnings from associates accounted for using the equity method.

At 30.9 %, the Group's **effective tax rate** was higher than in the previous year (previous year: 26.3 %).

Profit after tax decreased by 64.2 %, from € 72.9 million to € 26.1 million. **Profit after tax and minority interests** was significantly lower than in the previous year at € 14.1 million (previous year: € 54.7 million). **Earnings per share** amounted to € 0.19 (previous year: € 0.75). The listed Port Logistics subgroup achieved earnings per share of € 0.15 (previous year: € 0.71). Earnings per share of the non-listed Real Estate subgroup were also down year-on-year to € 1.27 (previous year: € 1.80). The **return on capital employed (ROCE)** amounted to 5.4 % (previous year: 11.3 %).

Financial position

Balance sheet analysis

Compared with year-end 2019, the HHLA Group's **balance sheet total** grew by a total of € 21.8 million to € 2,631.8 million as of 30 June 2020 (31 December 2019: € 2,610.0 million).

Balance sheet structure

in € million	30.06.2020	31.12.2019
Assets		
Non-current assets	2,117.9	2,124.3
Current assets	513.9	485.7
	2,631.8	2,610.0
Equity and liabilities		
Equity	589.7	578.9
Non-current liabilities	1,719.7	1,749.8
Current liabilities	322.4	281.3
	2,631.8	2,610.0

On the assets side of the balance sheet, **non-current assets** decreased by € 6.4 million to € 2,117.9 million, primarily due to the decrease in property, plant and equipment (31 December 2019: € 2,124.3 million). **Current assets** increased by € 28.2 million to € 513.9 million (31 December 2019: € 485.7 million). This was largely due to the increase in cash, cash equivalents and short-term deposits of € 45.0 million and the decrease in trade receivables of € 18.9 million.

On the liabilities side, **equity** rose by € 10.8 million to € 589.7 million compared to the year-end figure for 2019 (31 December 2019: € 578.9 million). This increase stemmed largely from the positive result for the reporting period of € 26.1 million. Interest rate adjustments to pension provisions and the difference from foreign currency translation had an opposing effect. The equity ratio increased slightly to 22.4 % (31 December 2019: 22.2 %).

Non-current liabilities fell by € 30.1 million to € 1,719.7 million (31 December 2019: € 1,749.8 million). This decrease is primarily due to the decline in non-current financial liabilities of € 31.2 million and the decrease in liabilities to related parties. The increase in pension provisions had an opposing effect. **Current liabilities** increased by € 41.1 million to € 322.4 million, primarily as a result of the increase in other liabilities, trade liabilities and current liabilities to related parties (31 December 2019: € 281.3 million).

Investment analysis

Capital expenditure in the reporting period totalled € 89.0 million and was thus 19.7 % below the prior-year figure (previous year: € 110.9 million). Property, plant and equipment accounted for € 85.5 million (previous year: € 106.1 million) of capital expenditure and intangible assets for € 3.5 million (previous year: € 4.8 million). The majority of capital expenditure was for expansion work.

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. Follow-

ing 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).

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.