

Key figures

in € million	HHLA Group		
	1–6 2020	1–6 2019	Change
Revenue and earnings			
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	26.1	72.9	- 64.2 %
Profit after tax and minority interests	14.1	54.7	- 74.2 %
Cash flow statement and investments			
Cash flow from operating activities	159.8	173.1	- 7.7 %
Investments	89.0	110.9	- 19.7 %
Performance data			
Container throughput in thousand TEU	3,345	3,770	- 11.3 %
Container transport in thousand TEU	718	782	- 8.2 %

in € million	30.06.2020	31.12.2019	Change
Balance sheet			
Balance sheet total	2,631.8	2,610.0	0.8 %
Equity	589.7	578.9	1.9 %
Equity ratio in %	22.4	22.2	0.2 pp
Employees			
Number of employees	6,252	6,296	- 0.7 %

in € million	Port Logistics subgroup ^{1,2}			Real Estate subgroup ^{1,3}		
	1–6 2020	1–6 2019	Change	1–6 2020	1–6 2019	Change
Revenue	614.2	677.5	- 9.3 %	18.0	19.9	- 9.5 %
EBITDA	130.4	180.7	- 27.8 %	9.7	12.2	- 20.8 %
EBITDA margin in %	21.2	26.7	- 5.5 pp	53.5	61.2	- 7.7 pp
EBIT	49.1	105.6	- 53.5 %	6.1	8.5	- 27.8 %
EBIT margin in %	8.0	15.6	- 7.6 pp	34.0	42.7	- 8.7 pp
Profit after tax and minority interests	10.7	49.8	- 78.6 %	3.4	4.9	- 29.3 %
Earnings per share in € ⁴	0.15	0.71	- 78.6 %	1.27	1.80	- 29.3 %

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

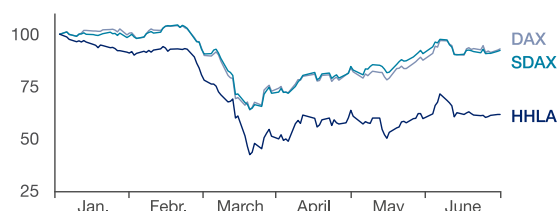
31.12.2019 – 30.06.2020	HHLA	SDAX	DAX
Change	- 38.5 %	- 7.8 %	- 7.1 %
Closing 31.12.2019	24.54	12,512	13,249
Closing 30.06.2020	15.08	11,536	12,311
High	24.54	13,067	13,789
Low	10.37	7,996	8,442

Markets dominated by coronavirus

In the first half of 2020, market trading was fundamentally shaped by the development of the coronavirus pandemic. Following a new all-time high of almost 13,800 points for the German benchmark index in mid-February, stock markets around the world suffered historic collapses in March as a result of the global coronavirus pandemic. In mid-March, the DAX fell to almost 8,200 points during intraday trading. By April, however, the markets were already starting to recover. In addition to the measures put in place by the major central banks, the economic rescue packages of several governments raised hopes that the economic impact of the pandemic could be held in check. However, any positive news – for example regarding reinfection rates – was frequently offset by devastating economic data. In such an environment, investors were highly unsettled. Despite the cautiously positive trend of the second quarter, the indices were always accompanied by a high degree of market anxiety. From June onwards, the DAX stabilised above the 12,000-point mark and closed at 12,311 on 30 June 2020. It was therefore 7.1 % down in the first half-year.

Share price development January to June 2020

Closing prices indexed in %



Source: Datastream

HHLA share under pressure as logistics stock

The HHLA share also suffered from the tremendous turmoil on the financial markets in the opening quarter of 2020, registering a historic low of € 10.37 in mid-March. The dividend proposal published in late March as part of financial reporting for 2019 was positively received by the market. As a result, the share price recovered slightly in April despite the negative

outlook for the 2020 financial year. Shortly before the figures for the first quarter of 2020 were published in mid-May, the share price recovery lost some of its momentum. As expected by the market, the results for the first three months were negative. The guidance for 2020 was confirmed. Although the HHLA share reflected the general market recovery from mid-May onwards, it failed to benefit from the upward trend to the same degree as the benchmark indices. The share price stabilised at around € 15 as of mid-June. At the end of the first half-year, the share was quoted at € 15.08 and was thus 38.5 % down on the start of the year. For more information on the share price performance and on the HHLA share, please visit hhl.de/en/investors

Virtual Annual General Meeting

The Annual General Meeting originally planned for 10 June was postponed until 20 August 2020. In order to protect the health of the shareholders and HHLA employees in light of the coronavirus pandemic, the Annual General Meeting will take place virtually this year, without the need for physical attendance by the shareholders or their proxies. This decision is based on the Act to Mitigate the Consequences of the COVID-19 Pandemic, passed on 28 March 2020. The Executive Board will recommend to the Annual General Meeting a dividend of € 0.70 (previous year: € 0.80) per listed class A share. This corresponds to a year-on-year dividend decrease of 12.5 %. This recommendation enables HHLA to remain faithful to the dividend policy it has followed since its initial public offering in 2007, which stipulates a distribution of 50 to 70 % of the net profit. HHLA is also offering shareholders a choice of how to receive their dividend (scrip dividend). Beneficiaries can opt to receive the dividend in cash as usual or in the form of additional shares, thus increasing their stake in the company. For more information about the Annual General Meeting and the scrip dividend, please visit www.hhl.de/agm

Dialogue with capital market actively maintained

The Investor Relations department continued its proactive communication activities in the first half of 2020 and held a large number of discussions with analysts and investors. From March onwards, technical solutions such as video calls or virtual conferencing were used more frequently in order to maintain the close dialogue with capital markets. Discussions focused on the effects of the coronavirus pandemic, e.g. the utilisation of terminals, the handling of planned investments and potential cost-cutting measures. As of 30 June 2020, a dozen financial analysts covered the development of the HHLA share. The level of research coverage thus remained at a good level for an SDAX share. Five of these analysts recommend buying and five holding the HHLA share. Two recommend selling.

Ladies and gentlemen,

We can already justifiably say that 2020 is a historic year. The coronavirus pandemic poses an unprecedented challenge for people, companies and entire countries. And the response to this threat has also been unique in human history.

It starts with every single one of us in our role as private individuals and employees. Together, we can hold the virus in check by observing social distancing rules and maintaining good hygiene. By strictly complying with these rules and displaying both responsibility and tremendous flexibility, our staff are helping to ensure that HHLA remains fully operational.

The same goes for us as a company. Together, we experienced an extensive lockdown of social and economic activity during the second quarter. The resulting impact on the economy is now clearly reflected in our results. Revenue, EBITDA and EBIT all fell strongly during the second quarter. Despite the strains placed on us by the pandemic, we still have sufficient liquidity to meet our payment obligations.

HHLA stands by its promises to shareholders. In spite of a challenging financial year, we still intend to share the success of the previous year with our shareholders.

We have responded to this development by making prudent cost reductions and displaying restraint in our capital expenditure. As a terminal operator and rail logistics company – and thus part of the nation's critical infrastructure – we have ensured the reliable handling of goods at our terminals in Hamburg, Odessa and Tallinn at all times. Despite reduced transport volumes, our trains have reliably criss-crossed Europe with great frequency. We have thus consistently upheld our responsibility to maintain supply routes in Germany and Europe.

By implementing the necessary measures, governments are also doing their part to soften the economic blow, to support companies and consumers and to boost the economy. Hopes of a V-shaped recovery however have turned out to be overly optimistic: economic research institutes are forecasting a more gradual recovery over the second half of 2020 – a scenario that we also regard as more realistic for HHLA.

Besides all the challenges the year has presented us with so far, we have continued to work on securing HHLA's future viability. Over the past few months, the company has become even more digital. As one of the first ports worldwide, we have developed solutions for our Hamburg container terminals that



use machine learning to predict the dwell time of containers at the terminal. We will use these and other technologies to optimise our processes and boost efficiency.

HHLA stands by its promises to shareholders. In spite of a challenging financial year, we still intend to share the success of the previous year with our shareholders. Rather than receiving the usual cash payment of the proposed dividend for our record year 2019, shareholders can opt to receive class A shares in the company instead. In times of zero or negative interest, we want to use this innovative model for dividend distribution to give our shareholders the opportunity to quickly and easily reinvest their capital in the company. The decision to receive the dividend in the form of shares helps preserve HHLA's liquidity and thus provides additional scope for us as a company to drive HHLA's successful development. Our largest shareholder, the Free and Hanseatic City of Hamburg, supports this proposal. I hope that the Annual General Meeting on 20 August will also follow this joint proposal of the Executive Board and Supervisory Board.

You can rest assured that we will do everything necessary in this current situation to steer HHLA safely through these turbulent waters. Our eyes are firmly trained on the compass, which is set to sustainability, efficiency and growth.

Yours,

Angela Titzrath
Chairwoman of the Executive Board