

# **EUROKAI GmbH & Co. KGaA**

## **Interim Report as per thend of the Third Quarter 2019**

To all our shareholders:

In the first three quarters of 2019 the terminals in the EUROKAI Group handled 8.9 million TEUs (previous year: 8.8 million TEUs), thus recording a rise in handling volumes of 1.4% in total. Handling volumes declined in Italy by -6.9%, due to the downward trend of business in Cagliari, and rose in Germany by 1.5%, due in particular to the upward trend in handling at the Hamburg terminal. Handling volumes at the other terminals rose significantly by 9.7%, due to the upward trend in handling in Tangier.

Despite a decline in the stakeholding result, the Group result rose significantly compared with the same period of the previous year, viz. due in particular to the profit from the sale, which took place in April 2019, of the shares in Medcenter Container Terminal of Gioia Tauro held indirectly by Contship Italia.

At the end of September 2019 the list price of EUROKAI preference shares stood at EUR 32.20 (previous year: EUR 34.20).

### The trend in handling and earnings

The following table lists the handling statistics for the container terminals in the EUROKAI Group. For comparability reasons, these statistics no longer include the handling volumes of Medcenter Container Terminal S.p.A. of Gioia Tauro, since the shares in this company held indirectly by Contship Italia were sold in full in April 2019.

Terminal	Jan. - Sept. 2019 (in TEUs)	Jan. - Sept. 2018 (in TEUs)	Change
Hamburg	1,615,973	1,220,653	+32.4%
Bremerhaven	3,736,020	4,094,999	-8.8%
Wilhelmshaven	498,542	447,328	+ 11.4%
<b>Total Germany</b>	<b>5,850,535</b>	<b>5,762,980</b>	<b>+1.5%</b>
Cagliari	53,520	164,386	-67.4%
La Spezia	986,537	1,008,855	-2.2%
Salerno	273,706	249,231	+9.8%
Ravenna	138,553	137,681	+0.6%
<b>Total Italy</b>	<b>1,452,316</b>	<b>1,560,153</b>	<b>-6.9%</b>
Tangier (Morocco)	1,164,434	1,010,869	+15.2%
Limassol (Cyprus)	302,901	293,587	+ 3.2%
Lisbon (Portugal)	107,899	118,339	-8.8%
Ust-Luga (Russia)	47,106	56,687	-16.9%
<b>Total other</b>	<b>1,622,340</b>	<b>1,479,482</b>	<b>9.7%</b>
<b>Total EUROKAI</b>	<b>8,925,191</b>	<b>8,802,615</b>	<b>1.4%</b>

Each of the figures comprises total handling at the container terminals in question. Of these, only the handling volumes at the fully consolidated terminals in La Spezia and Cagliari contribute to Group revenues.

### **CONTSHIP Italia segment:**

Handling volumes for the CONTSHIP Italia Group in the first nine months of the 2019 business year were a total of -6.9% down on those of the same period in the previous year, standing at 1.5 million TEUs (previous year: 1.6 million TEUs). The decline in handling volumes is due principally to the fall in business in Cagliari (-67.4%). The main customer there was Hapag-Lloyd AG (Hapag-Lloyd), which is part of the "THE Alliance" consortium, which has been restructured and which in consequence has altered its scheduled services. This has led to a loss of handling to Cagliari's detriment, where the last "THE Alliance" vessel was handled in June 2019, leading in the third quarter of 2019 to only very low handling activity in Cagliari.

Against this backdrop, following intensive negotiations with the government in Sardinia, the central government in Rome and the trade unions, it was possible as of 2 September 2019 to agree the transfer of 207 employees to the Italian employment compensation fund ("cassa integrazione straordinaria per chiusura"). Meanwhile it has been decided to close down the operation in Cagliari.

Although a slight decrease in handling in La Spezia, the accumulated result for the CONTSHIP Italia segment as per end of September 2019, despite further accrued losses at the transshipment terminal in Cagliari, rose significantly compared with the previous year in operational terms, but especially due to the profit from the sale of the shares in Medcenter Container Terminal S.p.A.

### **EUROGATE segment:**

Handling volumes for the EUROGATE Group at the German terminals of Hamburg, Bremerhaven and Wilhelmshaven rose slightly in the period under review by a total of 1.5% compared with the same period of the previous year, to stand at 5.9 million TEUs (previous year: 5.8 million TEUs).

While handling volume at the Hamburg terminal rose in the period under review compared with the same period of the previous year by 32.4%, the Bremerhaven terminal, due to the loss of the Transatlantic services of the "THE Alliance", posted a fall in handling of -8.8% from the beginning of 2019.

While the two joint ventures operating at the Bremerhaven terminal, North Sea Terminal Bremerhaven GmbH & Co. (+6.3%) und MSC Gate Bremerhaven GmbH & Co. KG (+0.8%), posted growth in handling, the fall in handling at EUROGATE Container Terminal Bremerhaven GmbH stood at -58.6%.

At the Wilhelmshaven terminal handling volumes rose by 11.4% as per the end of the third quarter of 2019 compared with the same period of the previous year.

Handling volumes at EUROGATE Tangier, Morocco (+15.2%) and EUROGATE Container Terminal Limassol, Cyprus (+3.2%), continued to show a satisfactory rise. The Ust-Luga Container Terminal in Russia (-16.9%) and LISCONT, Portugal (-8.8%), continued to post falling handling volumes. In Ust-Luga, however, since the end of 2018 coal handling has also been undertaken along with container handling. This is leading there to significant and positive effects on the result.

The handling-related deterioration of result in Bremerhaven could not be completely counterbalanced by the improved result at the Hamburg terminal. This being so, the result for the EUROGATE segment in the third quarter of 2019 was down on the same period of the previous year.

### **Outlook**

Based on the significantly improved result for the CONTSHIP Italia segment, in accordance with the original forecast, and despite the weaker results which must continue to be expected from the EUROGATE segment, a considerably improved net Group profit for 2019 overall is expected for the EUOKAI Group compared with the previous year.

The improvement in result is due mainly to the sale of the shares held indirectly in Medcenter Container Terminal S.p.A. of Gioia Tauro.

### **Risks to the continued existence of the business**

Apart from the risks already set out in the Management Report as of 31 December 2018, no additional risks can be identified which would require report.

## **Addendum**

There have been no other transactions of particular importance which were nor already set out in the Management Report as of 31 December 2018 or in the Half Yearly Financial Report of 2019 or which are a part of this Interim Report.

Hamburg, 13 November 2019

The Personally Liable General Partner

### **Kurt F.W.A. Eckelmann GmbH**

Thomas H. Eckelmann

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### **EUROKAI Preference shares – key statistics:**

ISIN: DE 000 570653 5  
Current list price (12 November 2019): EUR 32.40  
52-week high: EUR 38.80  
52-week low: EUR 29.00  
Share capital: EUR 13,468,494.00, of which preferred capital: EUR 6,708,494.00