

**we are
locals**

2023 Business Report





being local means: understanding

From Hamburg to Auckland to Hong Kong – we are at home everywhere we operate, across the globe. To us, local means knowing the people and understanding the cultures we work in. Even though we are all different, we speak the same language.

Because we are locals ourselves, we find better and more flexible solutions for our customers, and are always available as a reliable port of call.

As locals, we greet each other not as colleagues, but as friends – at all our locations. When have such things ever been more important?

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from left to right:
Felix Wenzel,
Jan van Tienhoven,
Andreas Schrön

» In a difficult environment we have strengthened the foundations for our future growth.«

Dear readers, business partners and customers,

The past year brought more obstacles than we could have anticipated. The energy crisis in Europe, China's sluggish economy and the wars in Ukraine and the Middle East had a tangible impact on economic activity. For our industry and therefore also for the Group, this meant a significant drop in volume. Transport capacities increased. Competition was already intense and intensified further.

Our Group performed very well once again in this climate. We would like to thank our more than 2,000 employees, who work hard every day around the world to meet the needs of our customers. We are confident that our customers know and appreciate that they receive high-quality support from a family-run company rather than standard service.

“We are locals.” This promise is not only about our offices, which enable us to be more responsive and faster to act. For us, this also means being part of our local business partners' everyday lives. If things are not going well for them, then we support them. It is



Felix Wenzel,
Managing Partner of
the Group holding
company in Hamburg

not about just taking a few steps together, but the entire journey. After all, success is like trust: it cannot be built in a day. You develop it over time.

Let's take a closer look at the past year and the first few months of 2024. What steps have we taken to provide our customers with even better support in the future?

have further strengthened our base in North and South America. Alongside America, Asia is also a key growth market for us. New teams at the Hanoi (Vietnam) and Zhongshan (South China) locations have also joined our development efforts on the continent. We have expanded our European network with locations in Zurich (Switzerland) and Vienna (Austria).

The integration of the freight forwarder Fratelli Gambetta, which was acquired in 2022, was successfully completed in the 2023 financial year. Our import and

We want to be close to our customers. We also want to continue to grow. To achieve this, we have continued to expand our regional presence. With new offices in Atlanta (USA) and Guayaquil (Ecuador), we

» **We do everything we can to minimise our carbon footprint in our customers' supply chains.**«

export teams work together closely and commercial processes are running smoothly. As part of the increased activities at the Genoa site, we invested once again in warehouse logistics at the beginning of 2023 and expanded the space at the site by a fifth to over 3,400 square metres.

Providing storage space is an increasingly important service for our customers. It gives them greater flexibility and therefore greater security. Melbourne, Australia, has developed into a very important storage location. We will be moving to new, larger premises with 11,000 square metres of storage space in the

middle of this year. In the future, we will use solar panels to supply around 45% of the energy required for warehouse logistics in Australia. This is how we are promoting the use of sustainable energy.

Our customers know that sustainability is very important to us. They can calculate the emissions for different transport options using the carbon footprint calculator and make their decisions based on this. Last year, we took the first steps towards implementing a sustainability strategy. This year, this will be followed up with a materiality analysis. We want to get to know the needs of our stakeholders even better with their help.

The EU's Corporate Sustainability Reporting Directive (CSRD) not only gives us clear guidelines for our future reporting, but also for our conduct with regard to environmental, social and governance issues. As a family-run company, these expectations are not unusual for us. Nevertheless, this entails a not inconsiderable amount of work. We anticipate that this will generate new ideas for our further development.

Digitalisation is also a strong driving force behind our development. We have been investing heavily in our IT for years – both in terms of staff and funding. With visible success. Our processes are becoming more efficient. Our transport operations are becoming more economical. Our data security continues to improve.

Above all, however, our customers are benefiting from improved services. Our standardised transport management system, which we are currently rolling out internationally, is allowing us to develop even better logistics solutions.

Another new feature is the option for our customers to track their air and sea freight shipments in real time in a new Global Tracking Portal. When tracking full container and partial container shipments by sea freight, the Global Tracking Portal can also calculate the ship's estimated arrival date in advance. This allows our customers to plan much better.

Jan van Tienhoven,
Managing Partner of
the Group holding
company in Hamburg

What will this year have in store? The general economic climate has only seen marginal changes, meaning that we – like everyone else – must continue to work with what we can see. This will have no impact on our long-term strategy. We want to grow. We have the economic strength to do this, as well as the skills. We are close to our customers. We have the business fitness. And we have excellent networks in the markets.

In economic terms, we have returned to a normal economic trajectory after a brief period of exceptional economic activity. As usual, you will find the exact figures for the previous year on the following pages. For this year, we expect that we will be able to achieve the same results as last year if the necessary efforts are made. To do this, on the one hand we will need to tighten our belts. This means, for example, that we will make cost savings where we are currently unable to acquire more customers. At the same time, we will continue to invest in expanding our markets, including through acquisitions if the opportunity arises.



Andreas Schrön,
Chief Financial
Officer at the
Group holding company

On behalf of our entire team around the world, we would like to thank you, our business partners and customers, for continuing to support us in this endeavour. Our success is the result of your trust. We will do everything we can to continue to honour this.

Yours faithfully,

**Felix Wenzel, Jan van Tienhoven
and Andreas Schrön**

Moin Jens! Kia ora Vanessa!

Why local market proximity is so important to our company.



Hi, I'm
Vanessa Burns from
a. hartrodt Auckland.
Everyone who lives and
works here knows how
important mobility is for
people and the economy.
Step into my world.



Volcanoes, sails, premium wine: Welcome to my Auckland!

Watch Lord of the Rings all you like – you can only truly understand New Zealand by living here. I have dedicated a large part of my professional life to international freight forwarding.

Since January 2023, as Managing Director I have had the special task of expanding our new business with a focus on the food & beverage sector in my home town, the “City of Sails”. Our second office is in Christchurch, almost 800 km away as the crow flies. With only two locations, one of our main tasks is to

further establish brand awareness of a. hartrodt. This allows us to tap into new, diverse markets, and increase our resilience and risk distribution. This demands a comprehensive understanding of local cultures, regulations and consumer behaviours, enabling us to tailor our products and services accordingly.

An example of this is the New Zealand wine industry. The long growing season and cool maritime climate make ideal conditions for grape growing, producing some of the world’s most distinctive and premium quality wines. The winegrowers here are passionate about their work and go to great lengths to make good things even better. We put just as much love into our relationships with customers and, of course, into transporting such sensitive freight, where everything – from storage to temperature – has to be just right. The wine growers here want their hauliers to be there for them in person. Our extensive knowledge and strong presence across all regions ensures the timely delivery of premium wines to the other side of the world.



Wine growing:
From Hawkes Bay to Marlborough – we operate in all the major wine regions in New Zealand.



Wine bottling:
Precise bottling techniques preserve the quality and flavour of top wines.



Under- stood!

The things that go without saying when
you work together.



**Hi, I'm Francesco Lanzone
from Hong Kong.**
Let me tell you how we manage
to create harmony between
different cultures – and foster
a vibrant sense of cooperation.

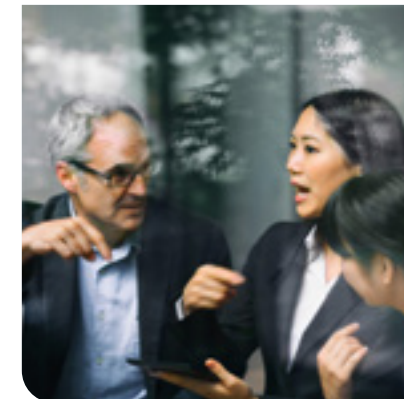


Discipline vs. cordiality? In Hong Kong we balance the two.

I can barely believe it, but I recently celebrated my 25th anniversary at a. hartrodt – a quarter of a century with the company! I was seconded to Hong Kong in September 2000 as an in-house specialist for one of our biggest global customers. And yes, I was born in Italy – but I still like to call myself a local.

In all my years in Hong Kong, I have absorbed quite a bit of local culture, habits and lifestyle. This has helped me (and still does today) understand the needs of our local colleagues and identify their motivation factors. This is of great importance to us, as all our services are the result of team effort. Of course, there are major differences in the way people work together in different countries. Hong Kong work culture relies on traditional values like discipline and

strict adherence to working procedures. In comparison to Europe, Hong Kong still has a strong hierarchical structure, with different levels of contribution expected from seniors and juniors. The key to finding common ground is dialogue. This enables us to bring people from different nationalities together in the same working group, and by introducing digital platforms we make more knowledge available and facilitate cross functional teams to work together.

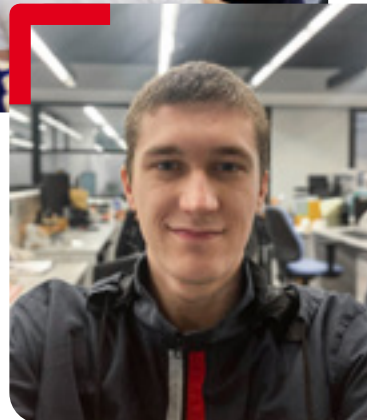


Tradition meets modernity in Hong Kong. Some seemingly irreconcilable things have to be brought into harmony, not only in urban design, but also in the international business world.

The fact that we recently received ISO 9001:2015 certification demonstrates how well the different areas of expertise and cultures at our site mesh together. This is great proof of the professionalism of our teams in Hong Kong, and demonstrates that we have a strong quality management system in place. This is something we had to celebrate – with good food and Italian espresso.



Traditional food markets with their colourful hustle and bustle and culinary diversity are typical of the Chinese metropolis. The lively atmosphere invites you not only to experience the local culture visually, but also to taste it.



Nimenhã, my name is Maximilian Wolf and I worked at the Hong Kong office for two years while I was completing my training. During this time, I learnt much more than just Cantonese.

Learning from each other: a German trainee in China

Hong Kong is a very busy and fast-moving place. It's somewhere that adapts better to changes than most of the other places I've been to. New technologies like the blockchain and AI have been very quickly adopted by industries where they're useful.

The first thing I noticed when I came to Hong Kong two years ago was how hard-working the employees were. There was little small talk going on; everybody was very focused on their work. Over time, the closer we got, the more conversations we had – as far as my Cantonese and their English allowed. I was also surprised at how hierarchical the workplaces in Hong Kong were. Supervisor instructions are followed very closely and very quickly. It is also rare to talk back to supervisors. In Germany, I had professional arguments with my supervisors regularly. In that respect, I decided not to fully take on the local work culture and keep my German ways. I think it's very important to talk to the supervisor when you think something should be done differently. Though now I talk back a lot more softly and passively – and the feedback I've received has been very positive.

An upside of the strict hierarchy is a very high level of organisation. The managers have perfect control over the processes and there is a high degree of standardisation. This is probably another reason for the high efficiency of Hong Kong companies. I'm now taking all this knowledge with me back to Germany – and speaking a little more softly can't hurt.



Let's speed things up!

How we embrace an accelerating world.



Moin, Moin, I'm Jan Nassauer from the IT Business Consulting Team in my native Hamburg. You can reach everything from here – especially via digital channels.

IT in Hamburg: digital fluency with a North German accent.

Hamburg is seen as the gateway to the world – and when you look out over Hamburg harbour from the Landungsbrücken jetties you immediately sense this. Processes are becoming ever faster, more technical and more digital.

Our customers want to know exactly where their cargo is at any given time – whether it is being transported by land, sea or air – and if everything is going according to plan. In the IT Business Consulting team, I help to ensure that our freight forwarding business is fit for the future. When implementing new IT solutions, our team is the bridge between our core business and the IT department. Our main task is to understand our customers' needs and translate them into digital solutions. I just really enjoy being in contact with people all over the world every day and actively helping to shape the digitalisation of our company.



I could theoretically do my job at any of our locations. However, like many other vital elements of our business, IT is centralised in Hamburg. It is a great benefit to be able to communicate directly with the other IT teams on-site, and to optimise things quickly and directly for our customers. We have a great team and our CIO's door is always open. This means that efficient solutions are often found very quickly and we can provide a secure and stable service for our customers worldwide.

When our colleagues visit us from abroad, they shouldn't miss out on long walks along the Elbe and around the Alster Lake (even if you need an umbrella most of the time). And of course a harbour boat tour is a must.

The Port of Hamburg – a hub for goods from all over the world. Efficiency and accuracy are paramount in port operations and are supported by IT & logistics processes.



Germany's maritime metropolis





Sustainability

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We make a positive impact

Sustainability is not just a buzzword to us. It is a future element of our corporate strategy. We want to integrate ecological, social and economic responsibility into our daily activities so we can make a positive impact on the environment and society.

This is reflected in our many initiatives and efforts to minimise our environmental footprint, improve the quality of life of our employees and the communities in which we operate, and maintain the highest ethical standards.

By embedding environmental, social and governance (ESG) considerations into our business strategy, we are securing our long-term economic success and fulfilling our overall social responsibility as a globally active company. ESG helps to minimise risks, maximise opportunities and meet our stakeholders' expectations.

H2/2024

Getting started with CSRD preparations

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»We want to create lasting value that not only benefits our customers, but also generations to come.«

Our strategic approach to the topic

Our sustainability strategy is based on a structured approach that is underpinned by ISO 14001 certification for environmental management systems. This ensures that we constantly work to reduce our impact on the environment and encourage sustainable business practices. We have created dedicated roles such as QHSE Manager to monitor and drive forward the implementation of our sustainability goals.

How we identify material topics

We carry out regular stakeholder and risk assessments within our Group. Through internal and external audits, we ensure that the measures we have put in place are in line with the requirements and are constantly being improved. In preparation for the new requirements of the Corporate Sustainability Reporting Directive (CSRD) we intend to carry out a materiality assessment in 2024.

How we are preparing for our journey

We have laid out clear goals and measures for our journey into a sustainable future. This includes championing environmentally friendly technologies, investing in the training and development of our employees and collaborating with international environmental organisations such as Eden Reforestation Projects. Annual assessments and certifications by external companies help us to continuously improve and increase our environmental performance.



Environmental:

We use the latest technologies and efficient transport solutions to reduce our carbon emissions. Our ISO 14001 certified environmental management systems help us to achieve and continuously improve our environmental goals.



Social:

We place great value on offering our employees a fair and safe working environment. We invest in training and education, and get involved in social projects in order to increase the quality of life in the communities we serve.



Governance:

Transparency and integrity are of the utmost importance to us. We follow a clear governance strategy that ensures we adhere to ethical business practices and thus fulfil all legal and regulatory requirements.



Environmental: We help customers make environmentally friendly decisions

We want to make our transport routes as environmentally friendly as possible. To do this, we are championing modern technologies and implementing a smart supply chain management system. We use environmentally friendly drive technologies and alternative modes of transport that are just as efficient as their predecessors, but which have a much lower environmental footprint.



Eden Reforestation Projects is a non-profit NGO that works in developing countries to restore natural landscapes destroyed by deforestation.

Transport management system ensures efficient transport operations

Our modern transport management system enables us to efficiently plan and perform our transport operations worldwide. This saves time and distances, and therefore energy.

We have introduced a **carbon footprint calculator** to help make our customers more aware of the issue of climate change. Customers can use this tool to quickly and easily calculate the carbon footprint of their planned shipments, and compare this with alternative solutions. This helps them to make more environmentally friendly decisions, and improve their own footprints. For shipments that have already been carried out, they also receive a transparent assessment of the environmental friendliness of the entire transport chain.

It is not possible to avoid all carbon emissions in our day-to-day operations. We therefore partner with organisations like Eden Reforestation Projects in order to offset some of our environmental impact. These partnerships help to restore forests and therefore to protect the environment in a sustainable way.

Environmental management and ISO 14001: certifications provide an important benchmark

Environmental management is an integral part of a. hartrodt's corporate strategy. We are proud to be ISO 14001 certified. This is a globally recognised standard for environmental management systems (EMS). This certification verifies the work we do to continually improve our environmental performance and our compliance with all relevant environmental legislation.

Our ISO 14001 certification reflects our systematic approach to reducing our impact on the environment. With this certification, we have made a commitment to using resources efficiently, minimising waste and continuously improving our environmental performance. This certification also ensures that we do not simply meet the legal requirements, but also go above and beyond to integrate sustainable business practices in all areas of our company.

Regular internal and external audits ensure that our environmental management system works efficiently and meets all the criteria of the ISO 14001 standard. These audits help us to identify weak points and implement measures for improvement, which all contribute to sustainable governance.

ISO 14001 on site

Germany:

All our branches are ISO 14001 certified. We constantly invest in further training for our employees and in optimising our processes.

Vietnam:

Our operational office in Ho Chi Minh City has been ISO 14001 certified since 2023. The teams are regularly given training on environmental issues and the use of energy-efficient technologies. We are planning to expand our use of electric vehicles and alternative energies.

Poland:

Our five Polish branches have been ISO 14001 certified since 2019. Our focus here is on reducing carbon emissions through the use of modern trucks and efficiently planned routes. Our Polish sites carry out regular internal audits.

Social: We focus on people

People are at the heart of what we do as a Group: as part of our team, as customers, as members of society. Our employees are our greatest capital. Their knowledge, experience and dedication are what make it possible to deliver our service pledge to our customers.

Our actions are based on the values of a family-run company

As a family-run company, we place great value on integrity, trust and respect. These values are deeply anchored within our corporate culture and guide us in all our business decisions. Our culture of reliability is the basis on which strong bonds can grow, both within the Group and further afield. This increases our stability and guides us towards long-term success.

An attractive employer

We want to be an attractive employer to those who work for us, and keep their talents within the company long-term. In return, we offer competitive salaries, extensive social benefits and an open corporate culture. Flexible working models and a good work-life balance are key elements of what we offer. This is how we ensure and increase the satisfaction and dedication of our employees. We also offer opportunities for professional development and international career prospects.

In increasingly competitive labour markets, we are devoting greater attention to recruiting and training our employees. In Malaysia, we run a training academy for operations and sales. We regularly hold small group sessions here to prepare young employees from the various companies to work with customers on a daily basis. We offer regular training to employees from across the a. hartrodt organisation at our Hamburg headquarters, mainly focusing on finance.

We work closely with vocational schools, technical colleges and universities to get young people interested in careers in logistics, not only in Germany but in many other countries.

Diversity makes us stronger

Diversity, equality and inclusion (DEI) are central components of our corporate culture. We believe that diverse teams lead to better results as they bring different perspectives and innovative solutions to the table. Our commitment to diversity is reflected in our recruitment processes and in our support for employee groups from different backgrounds. This contributes to a positive working culture and strengthens our competitiveness.



CHANGES IN THE EMPLOYEE FIGURES (FTE)

	Group	Americas	Europe	Africa	Asia	Oceania
2019	2,063	269	747	34	831	184
2020	1,971	247	728	29	797	170
2021	1,950	246	733	25	781	166
2022	2,004	241	762	27	805	169
2023	2,073	237	803	31	825	177

Governance: We build trust

We strive to achieve sustainable success by acting responsibly. We depend on our employees’ keen instincts when it comes to appropriate conduct in day-to-day business. We have also established clear guidelines and regulations within our Group that ensure that all corporate activities are in line with the high ethical standards and legal requirements. This corporate policy includes compliance with laws and regulations, upholding integrity and transparency as well as responsibility towards customers, partners and the environment.

Code of Conduct

The Code of Conduct of a. hartrodt sets out the expectations for employee behaviour and serves as a guideline for ethical conduct. The Code includes compliance with human rights, labour standards and environmental protection guidelines.

The Group also expects its suppliers to comply with similar principles. This is how we ensure that all of the company’s partners work in line with the same high standards.

Security guidelines for the confidential handling of customer data

We take the protection of customer data very seriously. We have implemented comprehensive security guidelines to ensure the confidentiality, integrity and availability of this data. This includes the use of modern security technologies and regular employee training. The secure handling of customer data is a central component of our corporate policy and serves to maintain and strengthen customer trust.

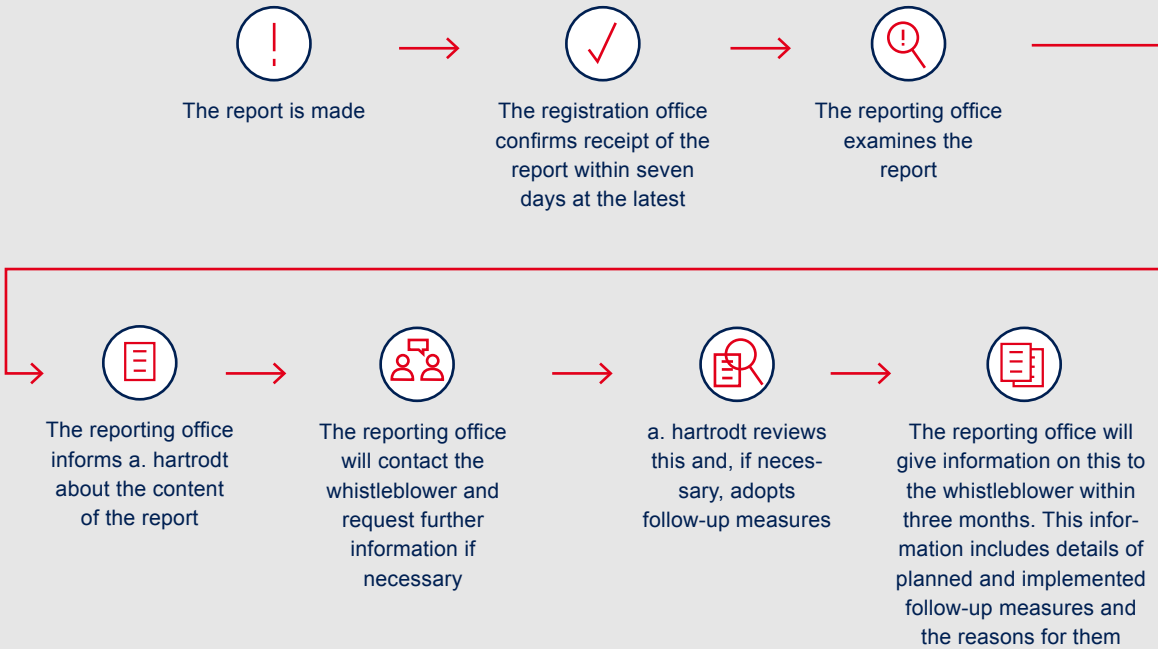
We take compliance very seriously

a. hartrodt has set up a whistleblower system that allows employees to anonymously report breaches of the Code of Conduct and other illegal activity. This system ensures that all reports are treated confidentially. It is intended to help promote an open and transparent working environment in which employees feel safe to report grievances without fear of reprisal.

Fair payment terms

a. hartrodt offers payment terms that are tailored to the needs of customers. Compared to our competitors, a. hartrodt stands out with its flexibility and customer-focused solutions. The company reserves the right to charge interest on late payments and will ensure that payment terms are fair and transparent.

Whistleblower system



0

Compliance cases

Business performance

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28.12%

Group gross profit margin

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Overview

After two unusually successful years, our Group performed at a more “normal” level again in 2023. The disruptions in the logistics chains continued to ease, causing transport prices to fall significantly. Revenue fell by 41.1% and EBIT by 77.2%. Consolidated net profit returned to the level seen in 2020.

Volumes declined markedly and were in line with the declines in orders of our customers seen due to economic impacts. A positive aspect is that customer losses remained negligible. This was made possible by the fact that, in line with our brand as a quality

freight forwarder, we were in a position to offer our customers particularly high-quality service with our excellent team. We offered them logistical solutions to their problems, which they were happy with.

Our Group remains well financed and has significant liquidity reserves. The financing structure has been improved, putting the Group in a position that can still be described as good overall. We have made further targeted investments to systematically enhance our corporate structure and thus improved the conditions for our targeted growth.

FIGURES	in kEUR				
	2023	2022	2021	2020	2019
Sales	516,978	877,616	742,077	474,460	462,195
Cost of sales	371,621	696,185	593,595	362,365	349,061
of sales (%)	71.88	79.33	79.99	76.37	75.52
Gross forward profit ¹⁾	145,357	181,431	148,482	112,095	113,134
Group gross profit margin (%)	28.12	20.67	20.01	23.63	24.48
Operational result (EBIT) ²⁾	11,504	50,379	34,186	9,960	7,508
of sales (%)	2.23	5.74	4.50	2.10	1.62
Group annual result (before minorities)	5,569	37,070	26,001	4,815	4,027
Investments ³⁾	20,644	6,856	7,815	7,507	9,718
Depreciation and amortisation ³⁾	5,500	4,291	4,159	3,683	3,374
Total assets	195,328	246,134	221,397	150,788	141,395
Equity ratio (%)	36.40	35.13	28.24	28.23	30.26
Return on equity (%)	7.83	42.87	41.59	11.31	9.41
Personnel incl. trainees	2,073	2,004	1,950	1,971	2,063
Revenue per full-time employee	249	438	381	241	224
Expense per full-time employee	46	49	43	38	36

¹⁾ Sales minus cost of sales
²⁾ Result before depreciation and amortisation of current assets, income from investments, net interest income and income tax
³⁾ Without financial investment, without additions to basis of consolidation

The company

Tailor-made global transport logistics services

a. hartrodt is a global transport and logistics group based in Hamburg, Germany. With more than 2,000 employees at a total of 128 locations, we primarily undertake air and sea freight assignments for our customers around the globe.

The scope of the transport logistics services spans the entire range of shipping tasks in the supply chain: from transport planning and processing to customs clearance and document management. We also offer our customers appropriate storage spaces and logistics areas. This helps us to optimise the wide range of handling and scheduling tasks.

We have customers from a wide range of different industries, and treat every single one individually. Over the years, we have built up special expertise in the automotive, food & beverage, health care, industrial goods, machinery and oil & gas industries.

Stronger focus on the regions we work in

We support our customers in their markets. Our aim is to be as familiar as possible with unique regional characteristics. This enables us to optimise our service to our customers' needs. This is also reflected in how we organise ourselves. We provide our services on the basis of our global network of 95 regionally based subsidiaries and associated companies in 47 trading nations. The individual companies organise local export and import shipments for general cargo, full containers and conventional cargo. Land transport, warehousing and distribution services are closely linked with sea freight forwarding.

Management holding company assumes central control activities

The strategic management of the Group is carried out by the parent company a. hartrodt (GmbH & Co) KG, which has its registered office in Hamburg. It holds, directly and indirectly, all shares in the Group's associated companies and investments and is responsible as the management holding company for all central administration and management functions, such as marketing, strategic sales and finances.

The holding company is also responsible for IT as a key area of expertise for boosting our competitiveness. IT services such as the creation of special interfaces and customised data as a service are an important part of our forwarding services, which we are continuously working to develop further.

Internationally, we manage our Group from eleven regions: North America, Latin America, Oceania, North/East Asia, Southeast Asia, Southern Europe, the Indian subcontinent, French-speaking Europe, Africa, Germany/Scandinavia and Eastern Europe. Our regional teams will be supported by staff units in the following areas: Sales, Procurement and Business Process Management.

Corporate governance

The Group is led by Jan van Tienhoven and Felix Wenzel, the Managing Directors, and Andreas Schrön, CFO of the Group holding company.

The Group is managed on the basis of traditional key performance indicators. On the earnings side, these are sales, net income after taxes and operating/free cash flow. We also use the key figures of gross forward benefit, sales margin, net income margin, gross forward benefit/FTE and shipments/FTE.



2,073
employees



95
subsidiaries and associated
companies
in 47 trading nations



40,340
square metres of storage space
at 23 locations



The market

Global economy: recovery continues at a slower pace in 2023

In 2023, growth in global gross domestic product (GDP) fell slightly by 0.3 percentage points to 3.2%. In absolute terms, however, economic activity remained below the pre-pandemic years. The long-term consequences of the pandemic, geopolitical tensions and factors such as the efforts to manage inflation with rapidly rising interest rates and tighter monetary policy measures were major obstacles to a more comprehensive economic recovery.

GROWTH OF GDP IN KEY REGIONS

in %

	2019	2020	2021	2022	2023
USA	2.3	-3.5	5.7	2.1	2.5
Eurozone	1.2	-6.6	7.4	8.3	0.4
Germany	0.6	-4.8	2.9	1.8	-0.3
India	4.23	-8	9	6.8	7.8
South Africa	0.15	-7	4.9	2	0.6 ¹⁾
China	6.1	2.3	8.1	3	3.2

¹⁾ Source: statista

After the central banks reacted to the sharp rise in inflation in 2022 by raising key interest rates in quick succession and reducing the money supply, the interest rate level slowly moved back towards a normal corridor. One effect of the historically sharp rise in interest rates was the enormous pressure that this put

on the real estate industry. As inflation eased in 2023, this was one area in which interest rate cuts were expected to rise. The fiscal policy packages put together by politicians have so far acted as an economic driver and are likely to continue to do so.

Employment levels continued to rise in several countries as unemployment rates fell. Stable to growing end consumer demand is the main driver of this trend. There continued to be great disparities between different countries here due to the structural differences between individual national economies.

A key driver in the transport industry, China is currently battling a wide range of problems. The country is currently focusing on its domestic market and working to manage the real estate bubble. Last year, numerous foreign investors pulled out, which was also linked to the relocation of production sites to other countries. This had a negative impact on demand, and thus transport volumes.

Industry environment: freight rates fall from a very high level

The disruptions to the logistics chains were resolved in the first quarter of 2023. At the same time, market participants reduced their accumulated and therefore high inventories. Overall, this caused freight rates to fall. Those who had agreed high rates with their customers on the basis of existing contracts from the

previous year were still able to realise windfall profits in the first two quarters of 2023. Lower terms were agreed for new contracts.

In the air freight industry, the rates had already begun to fall at the end of 2022. This continued into 2023. We saw a similar trend in sea freight, where volumes had still been rising in 2022 but also fell in 2023. Following the unusually high rates in 2022, freight rates evened back out to pre-pandemic levels in 2023.

Economic report

Sales down significantly, gross profit margin up

Sales fell by 41.1% compared to the previous year to €516,978k. This figure is well below the record level reported in 2022. This was due to the significant drop in freight rates, which had been expected, and declining shipment volumes. The tonnage transported by our Group was 2,847,427 tonnes. That is 17.3% less than in the previous year.

Cost of sales fell 46.6% to €371,621k compared to 2022. Group gross profit therefore fell much less sharply than sales, down 19.9% to €145,357k. Accordingly, the gross profit margin improved from 20.7% to 28.1%, mainly due to rising prices.

DEVELOPMENT OF SALES AND GROUP GROSS PROFIT

in kEUR

	2021	2022	2023
Sales	742,077	877,616	516,978
Cost of sales	593,595	696,185	371,621
Group gross profit	148,482	181,431	145,357
Margin	20.0%	20.7%	28.1%

From a regional perspective, Europe remains the strongest source of income for us – followed by Asia, the region that is of great strategic importance to us. The American market and the Oceania region also regularly make key contributions. Our presence across the globe is rounded off with Africa and we can therefore react flexibly to any potential market changes. There were no relevant changes in relative contributions to revenue year-on-year.



DEVELOPMENT OF SALES BY REGION¹ in kEUR

	2021	2022	2023
Americas	116,853	146,094	92,144
Europe	466,344	542,831	330,136
Africa	10,792	15,649	12,529
Asia	276,338	286,804	162,361
Oceania	101,410	136,051	71,864
Group	971,737	1,127,429	669,034

¹ Before consolidation

In terms of business fields, sea freight revenue fell more sharply last year (-46.9%) than air freight (-33.1%). Warehousing business fell by -16.9%. Truck transport showed a slightly positive trend of +1.4%. Other business, mainly trading income, fell by -6.4% at a low level.

DEVELOPMENT OF REVENUE BY BUSINESS FIELD in kEUR

	2021	2022	2023
Sea freight	485,450	584,934	310,415
Air freight	224,937	251,562	168,245
Trucking	16,948	21,500	21,797
Warehousing	12,178	17,560	14,593
Other	2,564	2,060	1,928
Group	742,077	877,616	516,978

In 2023, the number of orders fell by 9.4% in total. Most of the declines were in the single-digit percentage range, except for truck transport at -23%. In this area, structural changes led the companies AH Peru and AH Deutschland to record a strong decline in shipment volumes.

DEVELOPMENT OF ORDERS BY BUSINESS FIELD in kEUR

	2021	2022	2023
Sea freight	246,768	247,793	224,594
Air freight	237,707	234,458	215,610
Trucking	37,804	43,734	33,641
Warehousing	69,703	95,151	88,867
Other	163	149	135
Group	592,145	621,285	562,847

Result: figures return to normal

After two years of extraordinarily high income, the figures for 2023 are back to a normal level. Earnings before interest and taxes (EBIT) came to €11,504k, which is equivalent to an EBIT margin of 2.1% (previous year: 5.7%). Consolidated net income before minority interests fell by 85.0% to €5,569k. The company reported consolidated retained earnings of €55,455k, a decrease of 12.1%.

DEVELOPMENT OF KEY EARNINGS FIGURES in kEUR

	2021	2022	2023
Operational result (EBIT) ¹	34,186	50,379	11,504
Earnings before taxes (EBT) ²	33,585	49,641	11,376
Consolidated net income (before minorities)	26,001	37,070	5,569
Consolidated retained earnings	43,601	63,104	55,455

¹ Result before depreciation and amortisation of current assets, income from investments, net interest income and income tax

² Result before depreciation and amortisation of current assets and income tax

The main changes in the expense items were as follows: personnel expenses fell slightly by 2.8% compared to the previous year to €95,569k, mainly due to lower bonus and profit-sharing payments. Amortisation and depreciation of intangible assets and property, plant and equipment rose by 28.2% to €5,500k due to investments. Other operating expenses declined by 9.3% to €48,749k. Here, lower currency expenses were offset by lower currency income. Consulting costs, expenses for maintenance, IT software and travelling increased.

Other operating income fell by 29.9% to €16,681k. The main item here is income from foreign currencies, which fell by 43.0% to €11,308k due to the fall in freight rates.

Interest expenses increased by 46.9% to €1,943k, mainly due to higher interest rates. Interest expense is attributable to both short-term and medium-term financing. Interest income increased from €386k to €1,649k due to the rise in interest rates, which accounts for a large part of the interest expense.

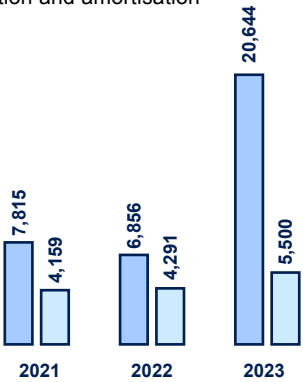
Investments: conditions for growth improved

Parallel to the further expansion of the organisation (new national subsidiaries, opening of new branches of existing subsidiaries), we are investing considerable sums in IT infrastructure and IT services. At the same time, we are building up the necessary specialised team of staff. We again spent considerable funds in 2023. Investments increased by €13,788k year-on-year to €20,644k. This corresponds to a threefold increase.



DEVELOPMENT OF INVESTMENTS AND DEPRECIATION AND AMORTISATION in kEUR

Investments
Depreciation and amortisation



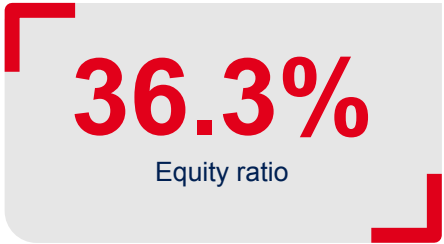
One of the company’s central investment projects is the introduction of integrated logistics and forwarding software. We expect the introduction to bring efficiency benefits, cost savings and application benefits for our employees. We have also invested in company holdings in the logistics and forwarding industry. Fratelli Gambetta s.r.l. (Italy) and a. hartrodt Slovakia s.r.o. (Slovakia) were included in the consolidated group of companies for the first time in the reporting year. The inactive company a. hartrodt russia Ltd. (Russia) was deconsolidated in 2023.

In the past, the a. hartrodt Group planned strategically and acquired real estate for its own use. These basic investments serve to stabilise our business model. We will continue to pursue this strategy whenever we see an opportunity for such an investment in the market in question. The aim here is to build an additional cash flow stream for the Group and its shareholders.

Net assets and financial position: strong equity base, good financial headroom

33.3% (previous year: 19.9%) of assets are non-current and 66.7% (previous year: 80.1%) are current. The rise in non-current assets is down to the numerous real estate investments. Trade receivables fell sharply due to the decline in freight rates.

As of 31 December 2023, equity was €71,093k (previous year: €86,477k). This equals an equity ratio of 36.3% (previous year: 35.1%). This means that equity exceeds non-current assets and is testimony to the Group’s financial stability.



Receivables and other assets fell by 32.7% from €125,475k to €84,415k. This decline is mainly due to the further decline in transport prices in the 2023 financial year. Provisions fell from €28,872k to €18,946k. Trade payables fell from €52,823k to €44,996k due to lower volumes and payments.

The consolidated balance sheet total for the a. hartrodt Group fell mainly due to the decrease in trade receivables from €246,134k to €195,328k (-20.6%). The consolidated balance sheet total increased by a total of around €1.2 million due to the initial consolation of subsidiaries in the financial year.

Cash flow from operating activities came to €23,808k (previous year: €56,054k). Cash flow from investing activities of €-23,226k (previous year: €-7,554k) mainly results from investments in real estate assets (€17,742k), equity investments (€2,616k) and replacement purchases. Taking into account cash flow from financing activities of €-23,550k due to the repayment of bank loans, this results in a cash-effective change in cash and cash equivalents of €-22,968k (excl. exchange rate-related changes in cash and cash equivalents).

The higher available liquidity was used to reduce liabilities to banks from €26,980k to €13,378k. The net financial position (bank loans and overdrafts less credit) came to €+27,803k (previous year: €+40,209k). Gearing came to -0.39 (net financial position proportional to equity; previous year: -0.47) and is therefore at a very good level. Overall, our Group therefore has good financial room for manoeuvre.

DEVELOPMENT OF CASH FLOW POSITIONS in kEUR

	2022	2023
Cash flow from operating activities	56,054	23,808
Cash flow from investing activities	-7,554	-23,226
Cash flow from financing activities	-6,764	-23,550
Cash-effective changes in cash funds	41,736	-22,968
Changes in cash funds from cash exchange rate movements and changes in the scope of consolidation	218	-1,288
Cash funds at the beginning of the period	21,872	63,826
Cash funds at the end of the period	63,826	39,570



Opportunities and risks

Risk management: a vital component in all management processes

The aim of the a. hartrodt Group’s financial and risk management strategy is to safeguard the company’s success against financial risks of any kind. An automated reporting system as part of a management information system that maps products, customers, suppliers, profit centres, locations, divisions, investments and liquidity makes it possible to monitor all significant economic and financial risks. Active quality management processes are carried out in numerous countries and, where possible, the local a. hartrodt subsidiaries are AEO (Approved Economic Operator) certified. A Corporate Compliance Policy has been established and implemented globally.

All internal processes in both operational and financial areas have been set out in this Corporate Compliance Policy. A Tax Compliance Guideline has also been implemented. We regularly test all our risk management tools and update them where necessary.

Risks: solidly hedged

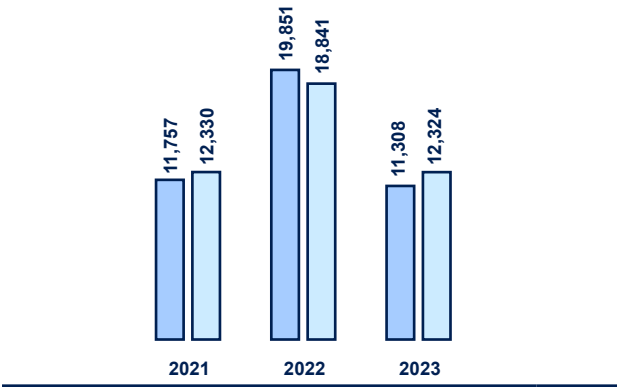
We have hedged against damage in transit as comprehensively as possible by taking out corresponding insurance policies. We also attach great importance to seamless insurance protection at our subsidiaries. While we manage the transport insurance centrally, damage events are handled via a specialised service provider.

To avoid bad debt, we operate active debtor management. Our Treasury department manages, monitors and coordinates working capital management measures with our subsidiaries.

We hedge currency risks by means of offsetting cash flows in foreign currencies. Our Group currencies are USD and EUR. By hedging as far as possible through cash flow offsetting in these two currencies, we save considerable currency exchange costs and accounting effort.

EXCHANGE RATE in kEUR

- Income from exchange rate differences
- Expenditure from exchange rate differences



The Group observes a conservative risk policy in the management of financial positions. With our ever more clearly structured financial and treasury system, we have been able to continuously improve our financial structures and to set up the Group’s financing in such a way that the day-to-day business is financed from the company’s own funds.

The rising demands that the logistics sector faces in terms of transmitting data to authorities and other economic participants are placing ever greater requirements on security, which is difficult to guarantee. There are internal work instructions for all these areas and for compliance with data protection law.

The trade and financial policy risks as well as the unstable economic policy situation represent a considerable risk that must be managed. We are trying to counter this through positive growth and diversification in our products and markets.

Opportunities: strengthening our position as a quality leader

Even under the current conditions under discussion (deglobalisation, decarbonisation, political bloc formation), we believe that our strategy of flexible adaptation will open up opportunities for us. With our widespread network in Asia, South America, North America, Oceania and Europe, we are well positioned regionally. And by enhancing our range of customer-orientated products we are well prepared for the changes to

come. By expanding our network and diversifying our services we are strengthening the business performance of the entire group of companies. We are also strengthening our position as a global service provider by offering an appropriate range of services to meet the stricter requirements in the areas of security, customs and quarantine.

We will make further advancements in our core products of sea and air freight in order to utilise the opportunities presented by the markets and to drive our growth strategy forward. The area of purely scheduled international overland transport will be expanded in all our regions, as this business segment fits in with our low-asset strategy and has already generated adequate results for the company.

We will also invest further in the product of warehousing in connection with our core products in order to make the most of the opportunities available. We also consider our own office and warehousing real estate investments to be a good addition to our business model, which we intend to step up in the future.



Outlook

The environment in the transport and logistics industry remains challenging

Overall, our Group expects 2024 to be a challenging year. The declining shipment volumes up to the first quarter, the falling freight rates with their impact on margins and gross profit and, at the same time, the significant increase in costs over the years must be managed.

In the eurozone there are small hints of a recovery in the real economy, which could become more sustainable if interest rates are cut. There are also some initial signs of recovery from China. The government is making efforts to stimulate the economy. In the US, consumption picked up in spring 2024, while prices showed the first signs of falling. For the last 28 months – since its high in December 2021 – the US Leading Economic Indicator has shown a downward trend. This is the third longest period of decline in its history. There is no sign of a turnaround in this trend as yet, but it is not expected to continue for too much longer.

2024 is an important year politically, with elections taking place in numerous countries across the globe. In particular, the result of the US election will have great economic impacts. Election years generally stimulate economies. The particularly strong fiscal policy investment and subsidy packages that have been implemented to date are not yet coming to an

end. This also props up the economy. The central banks have so far managed to quickly overcome crisis flare-ups. This should also be possible in 2024.

2024 remains challenging, small increase in revenue expected

So far we have been able to adapt flexibly to changing circumstances, and are confident that we can continue to do so successfully. However, unforeseeable geopolitical events can also very quickly lead to more negative performance. We are also preparing for this scenario.

Following a weak year in 2023, we are taking a slightly more positive view of our customers' volume trends in 2024. Margins in the freight forwarding business are likely to remain tight. As expected, the figures for the first two months of the year were negative. The two following months saw a significant improvement in revenue and Group gross profit. Following the disruptions to the logistics chains via the Suez Canal and the Panama Canal, freight rates have recently risen again.

Predictability in the markets is limited. Competition in the industry is intense. We are therefore unable to provide a solid forecast for 2024 as a whole. Overall, we expect the earnings trend in 2024 to be very challenging. We therefore expect earnings to be down on the previous year, with a slight upturn in revenue. Nevertheless, we are confident about the future, as

we know we can rely on the dedication of our employees across the globe.

Outlook remains positive

We see very good growth opportunities for our Group in the medium term. We are in a stable economic position and can utilise market opportunities at any time. With our quality-orientated business model, we are satisfying the requirements of a growing number of customers. Individual (and decentralised) support from the local regions serves to increase customer satisfaction and increases the chances of growth in a highly competitive market. We are therefore confident that we will see a particularly large share of this when general demand picks up again.

Consolidated financial statement

36.3%

Equity ratio

→ Page 22

CONSOLIDATED INCOME STATEMENT

in kEUR

	2023	2022
Sales	516,978	877,616
Cost of sales	371,621	696,185
	145,357	181,431
Internally produced and capitalised assets	0	1,975
Other operating income	16,681	23,811
Personnel expenses		
a) Wages and salaries	80,994	84,103
b) Social security, pensions and other benefit expenses	14,575	14,198
	95,569	98,301
Amortisation, depreciation and write-downs on intangible assets and property, plant and equipment	5,500	4,291
Other operating expenses	48,749	53,760
	12,220	50,865
Income from investments	116	137
Income from associated companies	52	87
Other interest and similar income	1,649	385
Write-downs on financial fixed assets	2	24
Interest and similar expenses	1,943	1,323
	-128	-738
Taxes on income	5,807	12,571
Net income after taxes	6,285	37,556
Other taxes	716	486
Result of the year	5,569	37,070
Minority interests	-314	-1,819
Retained earnings carried forward	63,104	43,601
Transfers from reserves	6,724	2,000
Increase in capital	-3,000	-2,000
Transfers to reserves	0	-4,724
Transfer to shareholders' account	-16,628	-11,024
Consolidated retained earnings	55,455	63,104



CONSOLIDATED BALANCE SHEET

in kEUR

ASSETS

FIXED ASSETS

I. Intangible assets

Purchased concessions, industrial property and similar rights and assets, and licences in such	7,916	9,398
Goodwill	2,931	1,650
Advance payments	130	0

II. Property, plant and equipment

Land, similar rights and buildings including on leasehold land	42,535	25,769
Technical equipment and machinery	1,289	1,178
Other equipment, factory and office equipment	6,912	7,760
Advance payments and construction in progress	420	0

III. Financial assets

Shares in affiliated companies	225	732
Shares in associated companies	1,970	1,922
Loans due from affiliated companies	110	0
Investments	31	30
Pension reinsurance	2	2
Other loans	600	479

CURRENT ASSETS

I. Inventories/goods

II. Receivables and other assets

Trade receivables	74,431	115,469
Accounts due from affiliated companies	17	68
Receivables from associated companies	331	207
Other assets	9,636	9,731

III. Cash on hand, cheques and bank balances

DEFERRED INCOME

DEFERRED TAX ASSETS

	31 December 2023	31 December 2022
	7,916	9,398
	2,931	1,650
	130	0
	10,977	11,048
	42,535	25,769
	1,289	1,178
	6,912	7,760
	420	0
	51,156	34,707
	225	732
	1,970	1,922
	110	0
	31	30
	2	2
	600	479
	2,938	3,165
	65,071	48,920
	225	350
	74,431	115,469
	17	68
	331	207
	9,636	9,731
	84,415	125,475
	41,181	67,189
	125,821	193,014
	2,612	2,290
	1,824	1,910
	195,328	246,134

EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

I. Capital contributions of partner with unlimited liability

II. Paid-in capital of limited partners

III. Statutory reserve

IV. Consolidated retained earnings

V. Currency differences

VI. Minority interests

NEGATIVE DIFFERENCE FROM CAPITAL CONSOLIDATION

PROVISIONS

Provisions for pensions and similar obligations

Tax provisions

Other provisions

ACCOUNTS PAYABLE

Bank loans and overdrafts

Customer advances

Trade payables

Accounts due to affiliated companies

Payables to partners

Other payables

DEFERRED INCOME

	31 December 2023	31 December 2022
	180	147
	16,120	13,153
	0	6,724
	55,455	63,104
	-2,374	-266
	1,712	3,615
	71,093	86,477
	418	437
	304	310
	2,525	5,797
	16,117	22,765
	18,946	28,872
	13,378	26,980
	769	424
	44,996	52,823
	19	26
	25,367	18,012
	20,325	32,062
	104,854	130,327
	17	21
	195,328	246,134



CONSOLIDATED STATEMENT OF CASH FLOWS

in kEUR

	2023	2022		2023	2022
Result of the year	5,569	37,070	Repayment of loans	-11,819	-12,535
Amortisation and depreciation on fixed assets	5,500	4,291	Proceeds from borrowing financial credits	115	12,299
Write-downs on financial fixed assets	2	24	Increase from capital paid by minority shareholders and partners	8	3
Increase in provisions	-6,770	4,727	Interest paid	-988	-828
Other non-cash income and expense, (net)	2,507	1,932	Payments to shareholders (dividends, other profit distribution, capital distribution)	-9,822	-4,807
Increase/decrease in inventories, accounts receivable and other assets which are not referring to investing or financing activities	40,145	9,253	Dividends paid to minority shareholders and partners	-1,044	-896
Increase/decrease of accounts payables (trade) and other liabilities before distribution of profits which are not referring to investing or financing activities	-18,893	-4,991	Cash flow from financing activities	-23,550	-6,764
Profit on disposals of property, plant and equipment	-167	-15	Cash-effective changes in cash funds	-22,968	41,736
Interest expense	1,537	1,053	Changes in cash funds from cash exchange rate movements	-1,759	218
Other income from investments	-168	-224	Changes in cash funds due to change in the scope of consolidation	471	0
Expense from taxes on income	5,807	12,571	Cash funds at the beginning of the period	63,826	21,872
Payment for taxes on income	-11,261	-9,637	Cash funds at the end of the period	39,570	63,826
Cash flow from operating activities	23,808	56,054	Composition of funds for financing purposes		
Proceeds from disposals of intangible assets	0	7	Cash on hand, cheques and bank balances	41,181	67,189
Investments in intangible assets	-235	-3,195	Anytime due liabilities due to banks	1,611	3,363
Proceeds from disposals of property, plant and equipment	459	443		39,570	63,826
Investments in property, plant and equipment	-20,409	-3,661			
Proceeds from disposals of financial fixed assets	28	67			
Investments in financial fixed assets	-608	-993			
Investments in the acquisition of minority interests	-2,616	-386			
Dividends received	155	164			
Cash flow from investing activities	-23,226	-7,554			

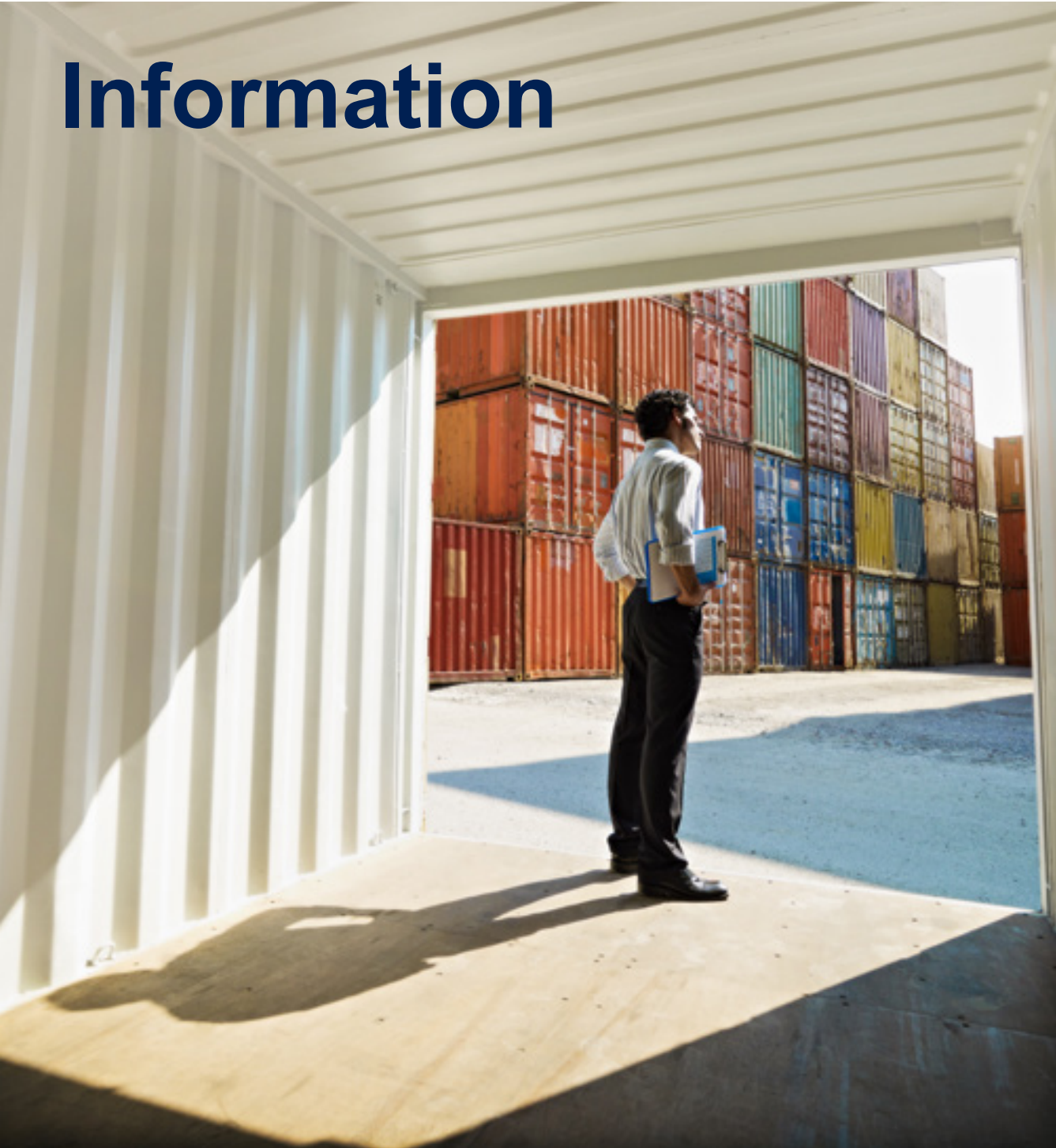


Auditor's report

The consolidated financial statements of a. hartrodt (GmbH & Co) KG for 2023 in the legally required form have been subject to an audit with an unqualified audit opinion and will be published in the company register.



Information



We are at home where our customers are at home. We are locals

Sectors



Food & beverage



Oil & gas



Industry & trade

Products



Air freight



Sea freight



Land transport



Project logistics



Warehouse logistics



a. hartrodt global

Americas
237 employees
approx. €92 million
in revenue*
20 locations

Europe
803 employees
approx. €330 million
in revenue*
40 locations

Asia
825 employees
approx. €162 million
in revenue*
59 locations

Africa
31 employees
approx. €12.5 million
in revenue*
2 locations

Oceania
177 employees
approx. €72 million
in revenue*
7 locations



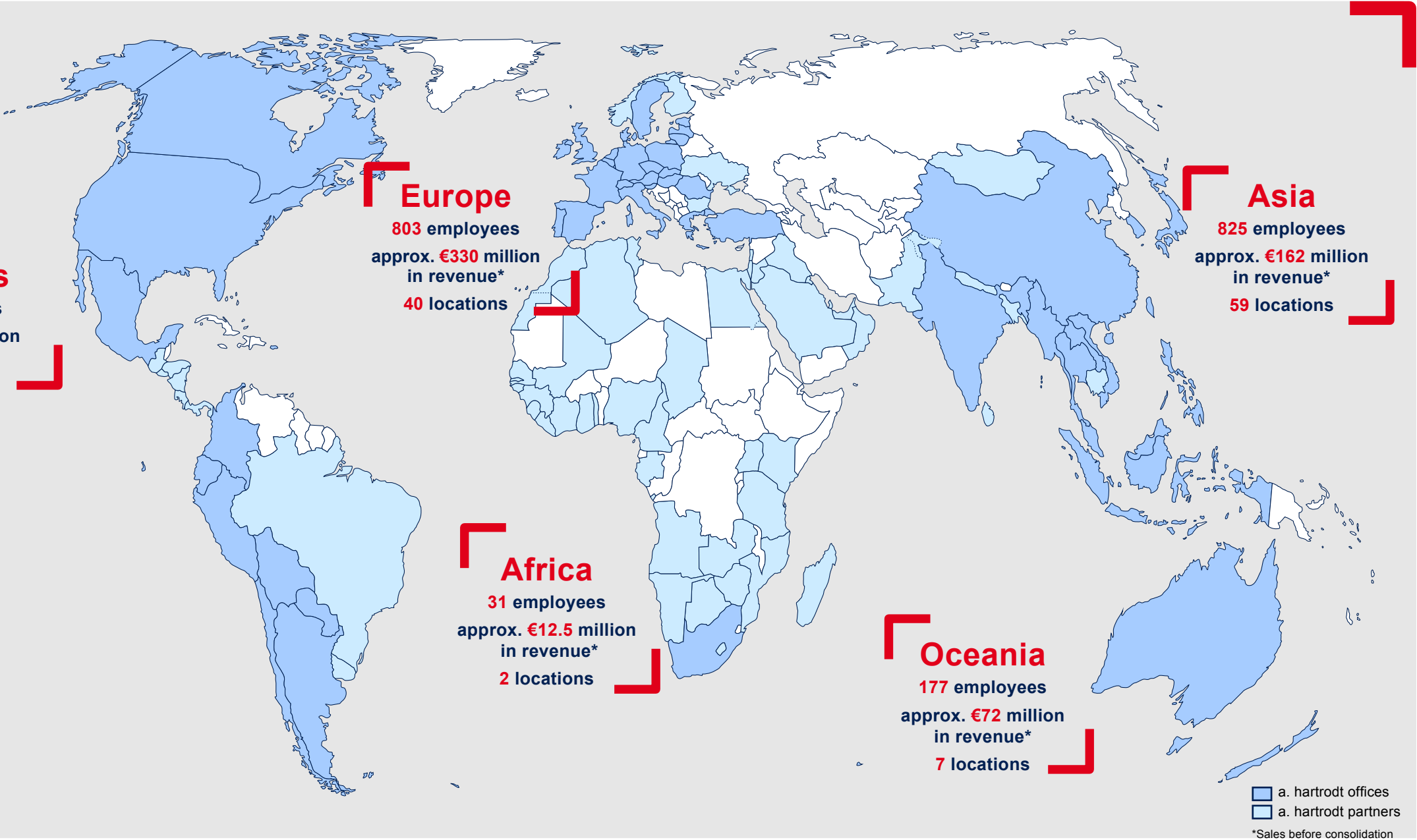
224,594
Orders



33,641
Orders



215,610
Orders



Management structure



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