

9 November 2017

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This announcement is to update equity investors that Global Ports Holding Plc's ("GPH Plc" or "Group") 100% subsidiary Global Liman İşletmeleri A.Ş. ("Global Liman") has released its IFRS financials for the nine month period ending 30.09.2017 in line with the reporting obligations of Global Liman's outstanding Eurobond. Global Liman's financials represent the Group's operational performance. All numbers reported in this announcement are Global Liman's IFRS financials for the period ending 30.09.2017, except where indicated otherwise. GPH Plc reports its IFRS financials semi-annually for the periods ending 30<sup>th</sup> June and 31<sup>st</sup> December. Please note that there is no material difference between GPH Plc and GPH AS in terms of operational performance for 9M 2017, because GPH Plc has no other operating activities other than through its 100% shareholding in Global Liman.

## Global Ports Holding Plc 9M 2017 Trading Statement

Strong volume growth in both Commercial and Cruise segments continues in 9M-2017, offset by ongoing negative passenger growth trend at Turkish Cruise ports

### Key Financials & KPI Highlights

	9M 2017	9M 2016	YoY Change	Q3 2017	Q3 2016	YoY Change
Passengers (mn PAX) <sup>3</sup>	3.1	2.7	15.1%	1.6	1.4	16.1%
General & Bulk Cargo ('000 tons)	1,203.7	1,106.4	8.8%	395.8	352.7	12.2%
Throughput ('000 TEU)	182.2	161.8	12.6%	59.7	56.8	5.1%
Revenue (USD m)	87.9	90.3	-2.6%	38.2	37.5	1.6%
Cruise Revenue (USD m) <sup>1</sup>	38.3	42.4	-9.7%	19.8	20.4	-3.0%
Commercial Revenue (USD m)	49.7	47.9	3.6%	18.4	17.2	7.1%
Segmental EBITDA (USD m) <sup>2</sup>	60.1	60.9	-1.2%	27.9	26.2	6.7%
Segmental EBITDA Margin	68.4%	67.4%	+100bps	73.2%	69.7%	+350bps
Cruise EBITDA (USD m)	25.0	27.7	-9.6%	14.9	14.0	6.2%
Cruise Margin	65.5%	65.4%	+10bps	75.5%	68.9%	+660bps
Commercial EBITDA (USD mn)	35.1	33.2	5.8%	13.0	12.1	7.3%
Commercial Margin	70.7%	69.2%	+150bps	70.8%	70.7%	+10bps
Consolidated EBITDA (USD mn)	57.4	57.4	0.1%	27.5	24.9	10.6%
Consolidated EBITDA Margin	65.4%	63.5%	+180bps	72.1%	66.2%	+580bps
Profit / (Loss) for the period (USD m)	2.5	7.7	-67.2%	9.2	7.3	26.1%

<sup>1</sup> Cruise revenues include sum of all cruise ports excluding Venice, La Spezia, Lisbon and Singapore (equity accounted investee entities).

<sup>2</sup> Segmental EBITDA indicate only operational companies; excludes GPH HoldCo expenses and exceptional and other non-cash income and expenses.

<sup>3</sup> Passenger numbers refer to controlled operations, hence excluding equity pick-up entities Venice, Lisbon and Singapore.

# Global Ports Holding PLC 9M 2017 Trading Statement

## Financial and Operational Highlights

- Strong cruise passenger number growth along with solid growth in commercial port volumes continues; offset by ongoing weakness in consumer sentiment towards higher margin Turkish cruise ports and lower project cargo volumes
  - Overall Segmental EBITDA is broadly flat at USD 60.1m on a 9 month basis (-1.2% or USD -0.8m). This represents a strong increase in EBITDA performance during Q3 2017, with EBITDA growth of USD 1.8m (+6.7%) compared to the same period last year (vs. decline of USD 2.5m (-7.2%) in H1 2017). Cruise and Commercial segments contributed equally to EBITDA growth in Q3 2017.
  - Despite the ongoing weakness in sentiment for Turkish cruise ports, Cruise Segmental EBITDA grew 6.2% in Q3 2017, bringing the 9M 2017 figure to USD 25.0m.
  - Solid increase in Commercial Segmental EBITDA of 5.8% to USD 35.1m
- Profit after tax for 9-month period of USD 2.5m (USD 3.0m for GPH Plc), which includes USD 22.8m amortization expense in relation to Port Operation Rights.
- Strong operating cash flow of USD 33.1m for the 9 month period (2016 9 month period: USD 38.9m).
- Net Debt<sup>1</sup> / EBITDA<sup>2</sup> of GPH Plc at 3.0x (Global Liman at 3.7x in line with financial policy)

<sup>1</sup> Calculated as loans and borrowings including finance lease obligations less cash and cash equivalents less other short term investments

<sup>2</sup> Consolidated EBITDA is calculated as Segmental EBITDA less unallocated expenses

## Outlook & current trading

Trading has been pleasing and in Q4 where we have seen a continuation of the trends reported at our interim results. With the exception of Turkish cruise ports, there has been a strong growth in passenger numbers, as well as commercial volume growth since the end of Q3.

Two effects outside our control may impact the Group's full-year 2017 results.

Firstly, contracted project cargo at Port of Adria, which is less predictable by nature, has not been realized yet and some of the anticipated revenue may now be delayed into next year (we currently estimate that this could have an EBITDA impact of USD 1.3m) in this financial year).

Secondly, with respect to Dubrovnik, despite the fact that GPH and its joint venture partner have accommodated the amendments requested to the project by the new local government, the authorities have still not signed the final Concession Agreement. We currently do not have clarity on when a final Concession Agreement will be signed and therefore we now do not expect any EBITDA contribution from the port for 2017. The new award winning terminal in Lisbon is now

## **Global Ports Holding PLC 9M 2017 Trading Statement**

fully operational, and is expected to increase both passenger numbers and ancillary revenues at the port.

The remainder of the ports continue to trade in line with our expectations of single digit growth in segmental EBITDA.

Accordingly, for the 2017 full year, Segmental EBITDA is expected to be broadly flat compared to FY16, with the potential for a single-digit growth should the Adria project cargo volume be realized this year.

### **Emre Sayin, Chief Executive Officer said;**

“We continue to see strong overall volume growth in both our Cruise and Commercial segments, stable EBITDA margins and strong operating cashflows, in spite of the continued impact of the regional geopolitical climate on our Turkish Cruise Ports.

Development on our pipeline of international cruise ports continues to progress. The Port of Lisbon is now fully operational and demonstrates how collaboration with the national government, the mayor's office and other local partners can deliver an award-winning cruise terminal that will bring economic benefits to the local population.

In Dubrovnik, despite extensive efforts to agree final contractual terms with the Port Authority, we have entered an amicable period of resolution to try to resolve the issues raised by the new administration.

Elsewhere, progress is also being made on a number of target acquisitions in the Caribbean and Asia, as set out at IPO. In particular, we have made strong progress in Cuba having built a very positive relationship with the government in Havana and I am very optimistic about our plans there. We remain focused on expanding our global footprint from its existing concentration in the Mediterranean, and we will update the market accordingly.”

**Mr. Emre SAYIN, Chief Executive Officer and the senior management of Global Ports Holding PLC will hold a conference call with equity investors and analysts to discuss these interim results on 9 November 2017 at 9:00 UK time (GMT). Below are the details for the conference call.**

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*Certain data in this announcement, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented and the percentages in tables changes in this announcement may vary slightly from the actual arithmetic total or percentages as calculated from the rounded data.*

# Global Ports Holding PLC 9M 2017 Trading Statement

## 9M 2017 Financial Performance Overview

### Cruise Segment's Operating Performance

Passenger (m)	9M 2017	9M 2016	YoY Change	Q3 2017	Q3 2016	YoY Change
Creuers	1.78	1.72	3.8%	0.89	0.87	2.3%
Valletta	0.58	0.49	17.7%	0.27	0.23	14.7%
Ege Port	0.17	0.35	-51.7%	0.11	0.18	-40.7%
Other Cruise Ports	0.58	0.14	306.0%	0.31	0.08	308.4%
<b>Total Cruise Ports</b>	<b>3.10</b>	<b>2.70</b>	<b>15.1%</b>	<b>1.57</b>	<b>1.35</b>	<b>16.1%</b>

- Strong growth in total cruise passengers of 15.1%
  - 2.9% organic growth across the portfolio (taking into account pro-forma effect for Italian port acquisitions which are consolidated for the first time in 2017) despite continuing challenges in the Turkish ports
  - Continued above-market average passenger growth across GPH's European cruise ports
  - Ege Ports showed a decline in negative growth rate due to the more favourable base effect of Q3 2017 (negative passenger growth rate during H1-2017 was 63.4% vs 40.7% in Q3 2017 year-on-year).
  - There has been no major impact to the volume of Barcelona cruise passengers as a result of the current political issues in Spain
  - Despite the overall positive volume trend in passengers, revenues and segmental EBITDA from cruise operations have declined by 9.7% and 9.6% respectively, due to a lower share of higher-yielding Turkish ports not fully offset by European ports
  - Despite the weakness in Turkey, cruise EBITDA registered positive growth (6.2%) in Q3 2017 compared to the same period last year; this means that the EBITDA decline in Turkey was fully offset by an increasing share of more profitable turnaround passengers at GPH's European cruise ports, on an aggregated basis

## Global Ports Holding PLC 9M 2017 Trading Statement

### Cruise M&A Pipeline

#### Dubrovnik

Despite the fact that GPH and its joint venture partner have accommodated the amendments requested to the project by the new local government, the authorities have still not signed the final Concession Agreement within the specified period.

The consortium partners are currently pursuing an amicable resolution process, with the hope of resolving the situation.

#### Lisbon

A new, state-of the art terminal in Lisbon Cruise Port has been developed by GPH and its partners, and has been operational. The opening of its new, terminal is expected to increase both passenger numbers and ancillary revenues at the Port of Lisbon.

The terminal building, which has already won a number of awards, will be inaugurated on the 10<sup>th</sup> November 2017, followed by a EUR 22m investment and two year construction process. GPH, which built and operates Lisbon Cruise Port, has worked closely with the Portuguese national government, the mayor's office and other local partners throughout the development.

In line with GPH's growth strategy, GPH continues to progress with its M&A pipeline, and the Group will provide further updates as appropriate.

### Commercial Segment's Operating Performance

	9M 2017	9M 2016	YoY Change	Q3 2017	Q3 2016	YoY Change
<b>Port Akdeniz- Antalya</b>						
General & Bulk Cargo ('000)	1,079.5	1,040.5	3.7%	341.3	331.9	2.8%
Throughput ('000 TEU)	145.9	129.3	12.9%	47.9	46.8	2.3%
<b>Port of Adria</b>						
General & Bulk Cargo ('000)	124.2	65.9	88.5%	54.5	20.8	162.2%
Throughput ('000 TEU)	36.3	32.5	11.6%	11.8	10.0	18.0%
<b>Total</b>						
General & Bulk Cargo ('000)	1,203.7	1,106.4	8.8%	395.8	352.7	12.2%
Throughput ('000 TEU)	182.2	161.8	12.6%	59.7	56.8	5.1%

## Global Ports Holding PLC 9M 2017 Trading Statement

- Commercial revenues were USD 49.7mn in 9M 2017, up 3.6% year-on-year
- Strong growth in container volumes (up 12.6% YoY), along with a 8.8% increase in general & bulk cargo.
  - Primarily driven by a strong increase in marble exports at Port Akdeniz
  - Rising cement exports at Port Akdeniz and general cargo increase in Port of Adria, particularly steel coils
  - Container yields declined by 2.4%, while general & bulk cargo yields went down by 10.3% during 9M 2017
    - On general & bulk cargo front, lower project cargo volume which has less visibility by nature as well as change in product mix led to a decline in yields
  - An agreement has been signed with regards to project cargo in the Port of Adria, however, handling period is not clear at the present time.
- Commercial EBITDA increase driven by Port Akdeniz
  - Strong growth in Antalya's EBITDA margin due to operational improvement, increase in high-margin TEU business and a favorable currency environment in Turkey
  - Lower EBITDA in Port of Adria attributable to lower project cargo, which has less visibility by nature

### Solid Balance Sheet

- Net debt of GPH Plc was USD 230.0m as of 30.09.2017, while Net Debt to EBITDA ratio was 3.0x, in line with the financial policy communicated during the IPO process.
- Net debt of Global Liman at 30.09.2017 stood at USD281.8mn as opposed to USD283.8mn at 2016 YE . Global Liman's net debt excludes net IPO primary proceeds of USD 73mn.
- Consolidated Leverage Ratio as per the Global Liman Eurobond is 4.8x versus a covenant of 5.0x.
- GPH Plc has paid an interim dividend of USD 17.5m on 29 September 2017.
- Capital Expenditure for 9M 2017 was USD12.4m, primarily to fund the modernisation programme at Port of Adria (investment in equipment and machinery), and renovation works for Ege Port's shopping mall, both completed in H1 2017.

# Global Ports Holding PLC 9M 2017 Trading Statement

## APPENDIX

### Summary Income Statement

	Global Liman			GPH PLC
	9M 2017	9M 2016	YoY Change	9M 2017
<i>USD m</i>				
<b>Consolidated statement of comprehensive income data</b>				
<b>Revenue</b>	<b>87.9</b>	<b>90.3</b>	<b>-2.6%</b>	<b>87.9</b>
Operating Expenses	(66.1)	(65.6)	<b>0.9%</b>	(66.1)
Depreciation and Amortization	(31.0)	(30.6)	<b>1.4%</b>	(31.0)
Other Operating Income	0.9	0.5	<b>67.8%</b>	0.9
Other Operating Expense	(5.1)	(3.6)	<b>39.9%</b>	(5.1)
<b>Operating profit</b>	<b>17.6</b>	<b>21.6</b>	<b>-18.7%</b>	<b>17.6</b>
Finance Income	13.6	7.9	<b>71.8%</b>	14.1
Finance Expenses	(27.9)	(24.1)	<b>15.7%</b>	(27.9)
<b>Profit before income tax</b>	<b>4.6</b>	<b>6.1</b>	<b>-24.3%</b>	<b>5.0</b>
Income tax expense	(2.1)	1.7	<b>n.m.</b>	(2.1)
<b>Profit for the year</b>	<b>2.5</b>	<b>7.7</b>	<b>-67.2%</b>	<b>3.0</b>
<b>Other financial data (USD m actual)</b>				
<b>EBITDA</b>	<b>57.4</b>	<b>57.4</b>	<b>0.1%</b>	<b>57.4</b>
<i>EBITDA margin</i>	65.4%	63.5%	+180bps	65.4%

### Summary Balance Sheet

	Global Liman		GPH PLC
	30.09.2017	2016	30.09.2017
<i>USD m</i>			
<b>Consolidated statement of financial position data (USD m)</b>			
Cash and cash equivalents	63.3	44.3	115.1
Total current assets	112.7	111.9	164.6
<b>Total assets</b>	<b>723.6</b>	<b>700.4</b>	<b>775.5</b>
<b>Total debt (including obligations under financing leases)</b>	<b>359.7</b>	<b>342.7</b>	<b>359.7</b>
<b>Net debt<sup>1</sup> (including obligations under financing leases)</b>	<b>281.8</b>	<b>283.8</b>	<b>230.0</b>
<b>Total equity</b>	<b>219.3</b>	<b>222.5</b>	<b>274.4</b>
of which retained earnings	17.2	43.6	137.0

<sup>1</sup> Calculated as loans and borrowings including finance lease obligations less cash and cash equivalents less other short term investments



## Global Ports Holding PLC 9M 2017 Trading Statement

### Summary Cash Flow Statement

<i>USD m</i>	Global Liman		GPH PLC
	9M 2017	9M 2016	9M 2017
<b>Consolidated cash flow statement data (USD millions)</b>			
Net cash provided by operating activities	33.1	38.9	33.1
Net cash (used in) / produced from investing activities	(9.2)	(13.2)	(9.2)
Net cash (used in) / produced from financing activities	(7.6)	(55.3)	43.7