



**GLOBAL PORTS  
HOLDING**

# **GPH: Leading Cruise Port Operator with Excellent Growth Opportunities**

March | 2017

Copyright © 2017 Global Ports Holding



# Today's Presenters



**Emre Sayin**  
CEO

- Has 20 years of C-Level experience in global businesses
- Managed the consumer business at Turkcell, business development at Vimpelcom Group, marketing at Microsoft Turkey and brand experience at Verizon
- Worked for Microsoft Turkey, Unilever, Kodak, Vimpelcom and Verizon
- Holds a postgraduate degree in Systems Engineering at Rutgers and Princeton Universities



**Arpak Demircan**  
CBDO

- Recently appointed as CBDO in 2016
- Previously held Deputy CEO role at Global Ports Holding between 2010 and 2016
- Former VP of Business Development at Global Investment Holdings
- Serves on the Board with significant industry experience
- Holds an MBA degree with a concentration in Finance from United States International University-San Diego, California



**Stephen Xuereb**  
COO

- Appointed as COO of Global Ports Holding in August 2016
- Over 20 years senior management experience, 14 of which in the cruise industry
- Served as CEO & CFO of Valletta Cruise Port
- Experience in the audit and financial advisory sectors as well as in the retail, property and hospitality industries
- Fellow of the Chartered Institute of Accountants and a Henley MBA graduate



**Jan Fomferra**  
Head of  
Corporate Finance

- Serves as Head of Corporate Finance at GPH
- Holds Master's degree from ESCP Europe
- Previously led the Structured Finance activities of Fresenius VAMED Germany
- Various positions at IEG in Berlin, Barclays Capital Investment Banking Division and Deutsche Bahn

# GPH: Leading Cruise Port Operator with Excellent Growth Opportunities



## Global Ports Holding: Overview and Strategy

*Who we are, and what and how we are striving to achieve*

3



## Infrastructure with Excellent Growth Potential

*How our business as a provider of essential infrastructure is best positioned to capture the industry's supportive dynamics*

12



## Efficient Network Operations to Drive Organic Growth

*How we are optimising our existing platform*

20



## Significant Opportunities to Grow Through Acquisitions

*How we are growing our platform*

30



## Resilient Financial Profile

*How our business translates into a compelling financial profile*

35



## Conclusion and Q&A

40

## Appendix

# Highly Profitable Infrastructure Business with Excellent Growth Opportunities



## Growth

Unique Acquisition Opportunities in a Fragmented Industry

Sole cruise port consolidator

Preferred partner to all stakeholders

Organic Growth thanks to Port Network

Highly supportive industry dynamics

Ongoing network optimisation

Compelling retail/ancillary services potential

Entrenched essential infrastructure provider

Attractive concession framework

Robust commercial operations

## Resilience

Resilient Infrastructure Characteristics

Superior Growth Profile

13% Revenue CAGR<sup>1</sup>

Strong Profitability

70% Segmental EBITDA Margin<sup>2</sup>

Visible and Resilient

Cash Flow Generation

105% Occupancy Rate<sup>3</sup>

High Cash Conversion

88% Cash Conversion<sup>4</sup>

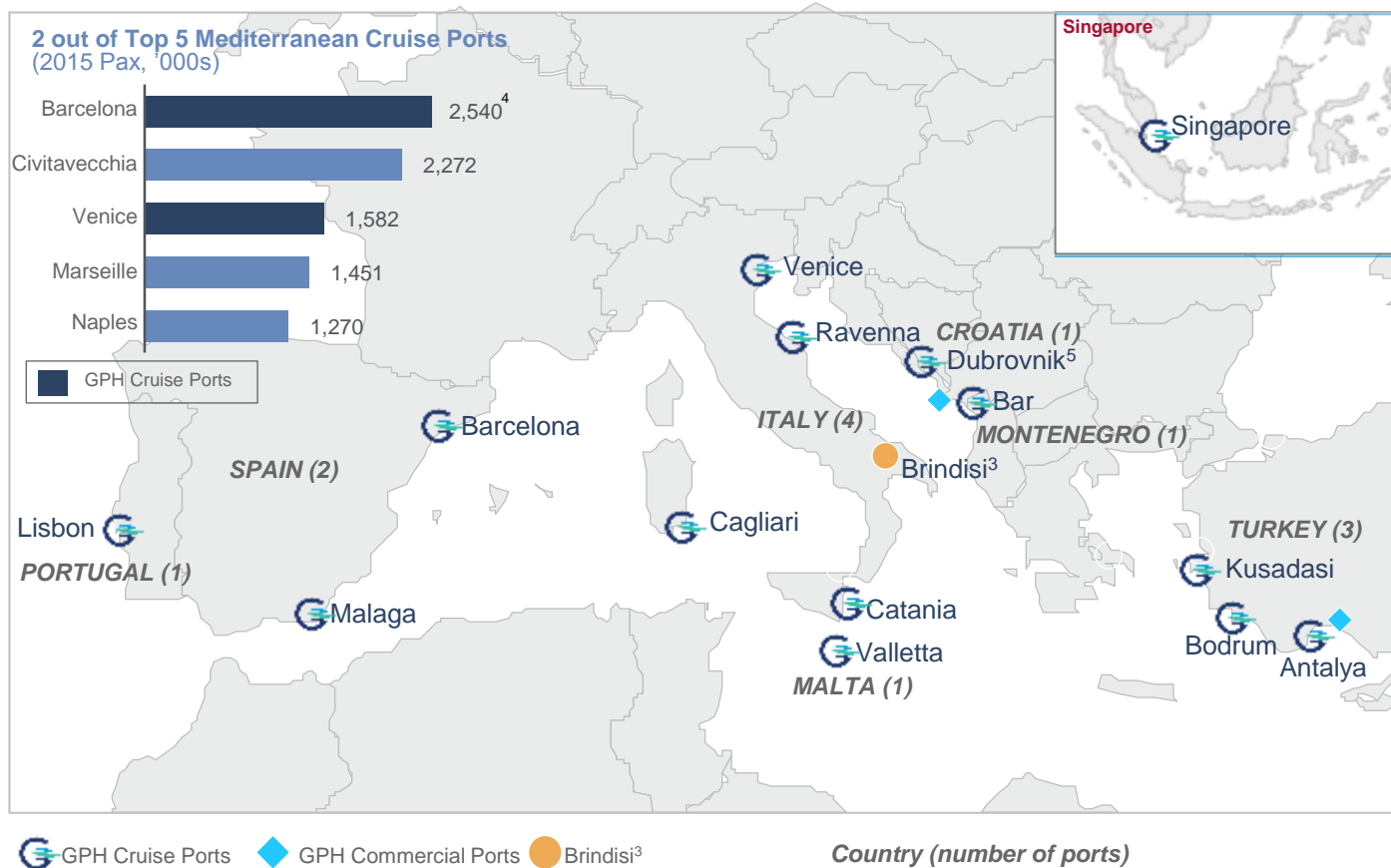
Notes: 1. Calculated based on revenue growth between 2014 and 2016. 2. Segmental EBITDA calculated as operating profit plus depreciation and amortization and excluding non-recurring items on a segmental basis and calculated based on 2016 numbers. 3. Refers to the ratio of utilised cruise capacity over total available capacity, historical average occupancy rates of Carnival and Royal Caribbean cruise lines between 2001 and 2015. 4. Cash conversion calculated as (Segmental EBITDA-Capex) / Segmental EBITDA; Capex excluding acquisitions.



# World's Largest Independent Cruise Port Operator<sup>1</sup>

## Ports: Location Overview

### Dominant Position in the Mediterranean Cruise Port Landscape



## Key Characteristics

### - International Cruise Port Operator:

- 8 countries, 14 locations
- Recently added: Venice, Ravenna, Catania, Cagliari
- Dubrovnik<sup>5</sup> expected to be added in 2017

### - Strategic intention to grow in the Caribbean and Asia (first foothold in Singapore)

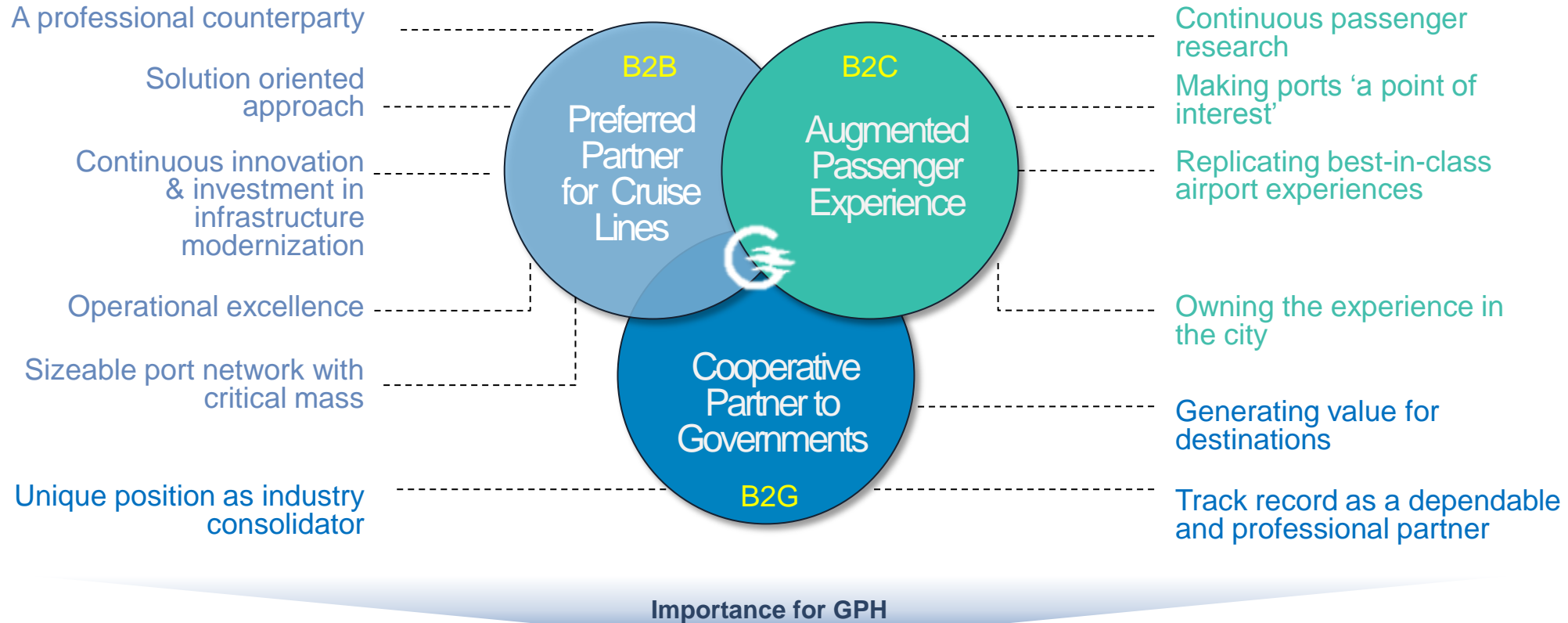
### - Commercial Port Operator in Montenegro and Turkey

Source: Company Information.

Notes: 1. Based on 2015 annual passenger numbers and number of ports operated. 2. Represents the signing date. 3. GPH holds 25% stake in the company which is currently negotiating Brindisi concession agreement with the Port Authority as the winner of the tender. 4. Including all the 6 piers of the city while GPH operates 5 of them. 5. Concession awarded, currently awaiting for agreement on the final terms of the concession agreement and signing.



# The Preferred Partner for All Stakeholders



<p><b>B2B</b></p>	<ul style="list-style-type: none"> <li>• Key GPH customers / main source of revenue</li> <li>• Potential source of port assets</li> </ul>	<p><b>B2C</b></p>	<ul style="list-style-type: none"> <li>• Significant upside potential for total revenue yield</li> <li>• Importance of positive passenger experience in ports for cruise lines</li> </ul>	<p><b>B2G</b></p>	<ul style="list-style-type: none"> <li>• Concession counterparties for GPH ports concessions</li> <li>• Key source of potential port acquisitions</li> </ul>
-------------------	---	-------------------	---	-------------------	--



# Building a Truly Global Network of Branded Cruise Ports

## Today

- Mediterranean Focused
- Portfolio of Ports
- Emerging Brand



## Vision

- Truly Global
- Network of Ports
- Global Brand

### Strategy

I

Build on highly differentiated value proposition and ongoing roll-out of branded best practice service

II

Drive yield enhancement through focused implementation of attractive B2C and B2B revenue opportunities

III

Continue cruise terminal platform expansion through targeted, disciplined acquisitions

IV

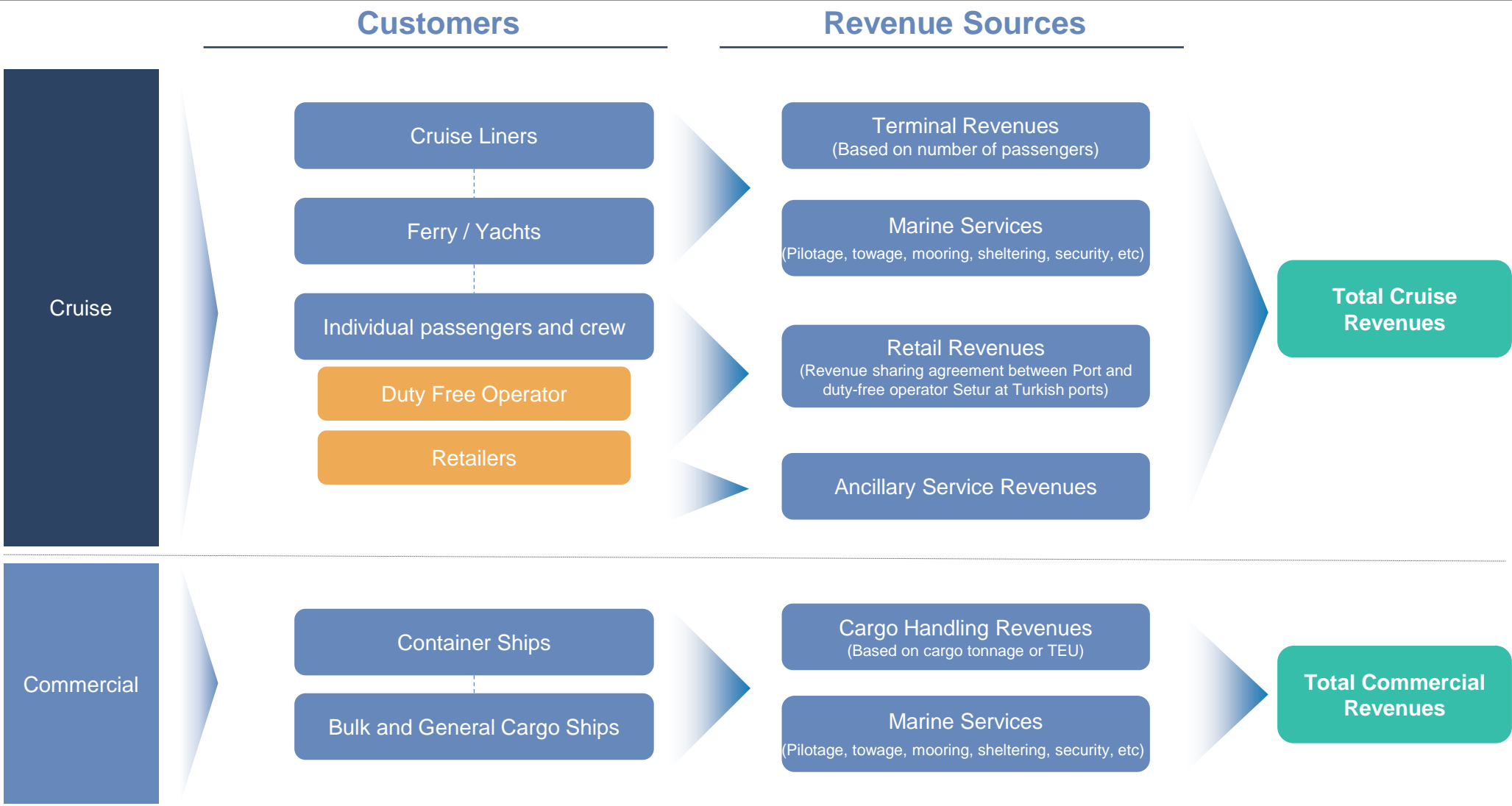
Continue diversification and expansion of cargo volumes through numerous operational initiatives

V

Maintain high cash flow conversion



# Multiple Revenue Streams from Cruise and Commercial

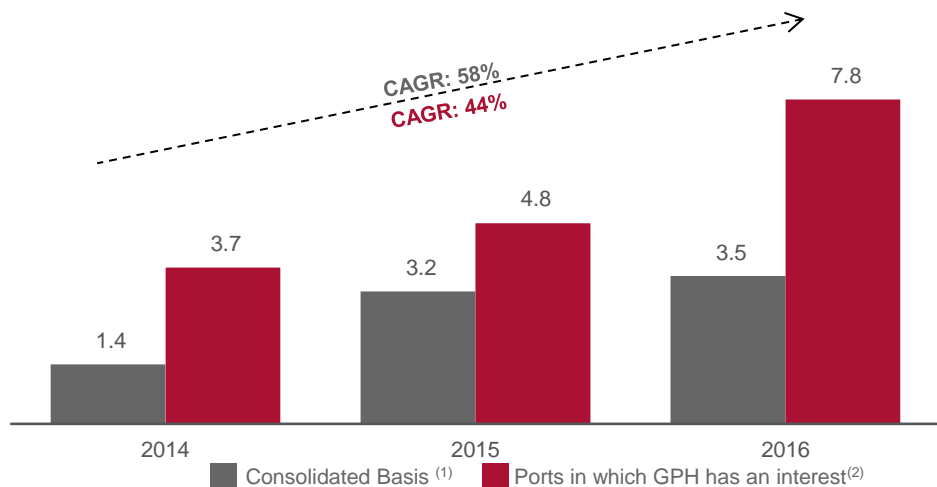




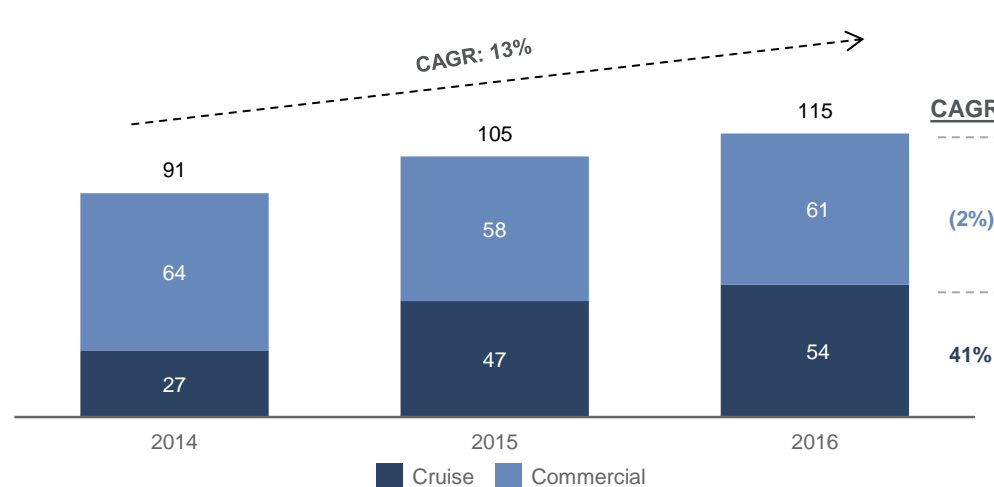
# Resilient Financial Profile with High Margins and Strong Cash Conversion



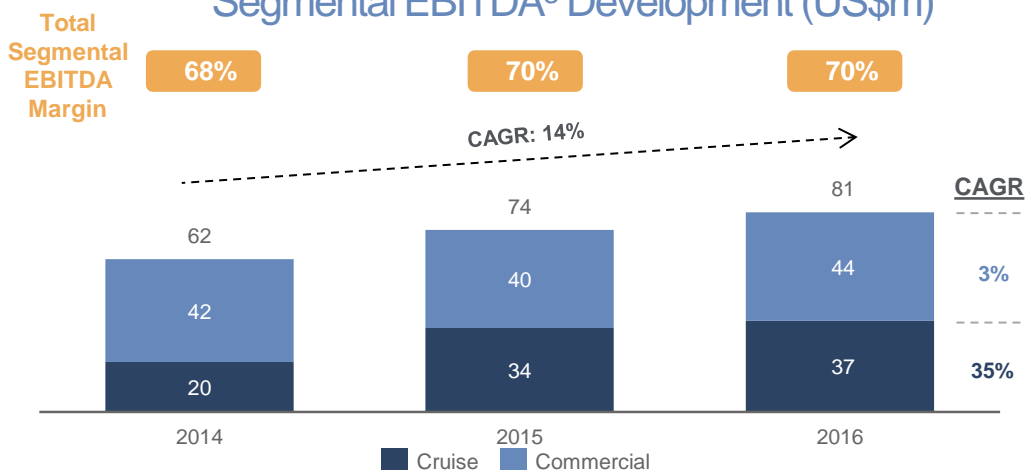
Passenger Growth (m)



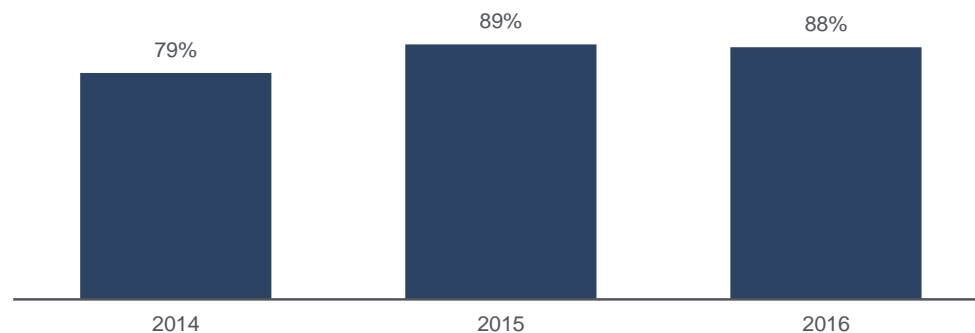
Revenue Development (US\$m)



Segmental EBITDA<sup>3</sup> Development (US\$m)



Cash Conversion<sup>4</sup> Development (%)



Source: Company Information. Notes: 1. Consistent with consolidated revenues excluding minority-owned ports and adjusted pro-rata by date of acquisition. 2. Including minority-owned ports as well as not adjusted pro-rata by date of acquisition. 3. Segmental EBITDA calculated as operating profit plus depreciation and amortisation, excluding non-operational and HQ expenses. 4. Cash conversion calculated as (Segmental EBITDA-Capex) / Segmental EBITDA; Capex excluding acquisitions and non-operational & HQ segment.

# GPH Senior Management: The Right Mix of Professional Experience with Extensive International Track Record



**Emre Sayin**  
CEO

- Has 20 years of C-Level experience in global businesses
- Managed the consumer business at Turkcell, business development at Vimpelcom Group, marketing at Microsoft Turkey and brand experience at Verizon
- Holds a postgraduate degree in Systems Engineering at Rutgers and Princeton Universities



**Stephen Xuereb**  
COO

- Appointed as COO of Global Ports Holding in August 2016
- Over 20 years senior management experience, 14 of which in the cruise industry
- Served as CEO and CFO of Valletta Cruise Port
- Experience in the audit and financial advisory sectors as well as in the retail, property and hospitality industries
- Fellow of the Chartered Institute of Accountants and a Henley MBA graduate



**Arpak Demircan**  
CBDO

- Appointed as CBDO in 2016
- Previously held Deputy CEO role at Global Ports Holding between 2010 and 2016
- Former VP of Business Development at Global Investment Holdings
- Serves on the Board with significant industry experience
- Holds an MBA degree with a concentration in Finance from United States International University-San Diego, California



**Ferdağ Ildır**  
CFO

- Appointed Chief Financial Officer of Global Ports Holding in 2010
- Former CFO of Kuşadası Cruise Port, Bodrum Cruise Port and Port Akdeniz – Antalya.
- Worked for Teba Group, Arthur Andersen and Ernst and Young
- Holds a BSc degree in Economics from Dokuz Eylül University



**Jan Fomferra**  
Head of  
Corporate Finance

- Serves as Head of Corporate Finance at GPH
- Previously led the Structured Finance activities of Fresenius VAMED Germany and held various positions at IEG in Berlin, Barclays Capital Investment Banking Division and Deutsche Bahn
- Holds Master's degree from ESCP Europe



**Carla Salvado**  
Director of Cruise  
Marketing

- Appointed Director of Cruise Marketing at Global Ports Holding in 2016, 15 years of experience in the Cruise Industry
- Joined Barcelona Port Authority in 2006 as Cruise Manager, in 2010 was appointed as Marketing & Cruise Director
- Holds a BSc degree in Economics and Business Sciences from Pompeu Fabra University, completed the PMD at ESADE and attended the Value Innovation Program at INSEAD

# GPH: Leading Cruise Port Operator with Excellent Growth Opportunities



## Global Ports Holding: Overview and Strategy

*Who we are, and what and how we are striving to achieve*

3



## Infrastructure with Excellent Growth Potential

*How our business as a provider of essential infrastructure is best positioned to capture the industry's supportive dynamics*

12



## Efficient Network Operations to Drive Organic Growth

*How we are optimising our existing platform*

20



## Significant Opportunities to Grow Through Acquisitions

*How we are growing our platform*

30



## Resilient Financial Profile

*How our business translates into a compelling financial profile*

35



## Conclusion and Q&A

40

## Appendix



# Serving an Attractive US\$36bn<sup>1</sup> Growth Industry

## Large and Resilient Industry



### Large, resilient industry with attractive growth profile

- Worldwide cruise market size of c. \$36bn<sup>1</sup>
- Over 23m cruise passengers carried worldwide of which 6.6m cruise passengers carried in Europe
- 315 vessels worldwide as of 2016
- Average market capacity per vessel per annum: 73,546 (2015 Pax)
- Resilient market demand growth trajectory of 4.8% in 2007-2015
- Relatively stable passenger numbers during the 2007-2008 crisis

## Massification & Concentration



### Trend: Larger cruise vessels in quest for lower unit costs

#### 1 Massification

Cruise ships are getting larger and larger with increasing overall capacity as well as price/pax between 2000-2015

- Market Capacity Growth (2000-2015): 61%
  - Growth (2016-2020E): c. 40%
- Price Growth (2000-2015): 215%

#### 2 Concentration

Top 4 corporations control 85% of the market based on capacity

- Carnival Corporation(44%), Royal Caribbean Cruises(25%), Norwegian Cruise Line(9%) and MSC Cruises(7%)

## Unique Characteristics



### Fundamentally supply-driven

Annual passenger growth shows strong consumer interest in cruising

Demand outstripping supply: Newly built ships and added capacity can be filled continually

### Following push strategy

Demand in the cruise business created through;

- Pricing
- Branding
- Segmenting

Source: Cruise Industry News 2016–2017 State of the Industry Annual Report; and Cruise Market Watch 2015.

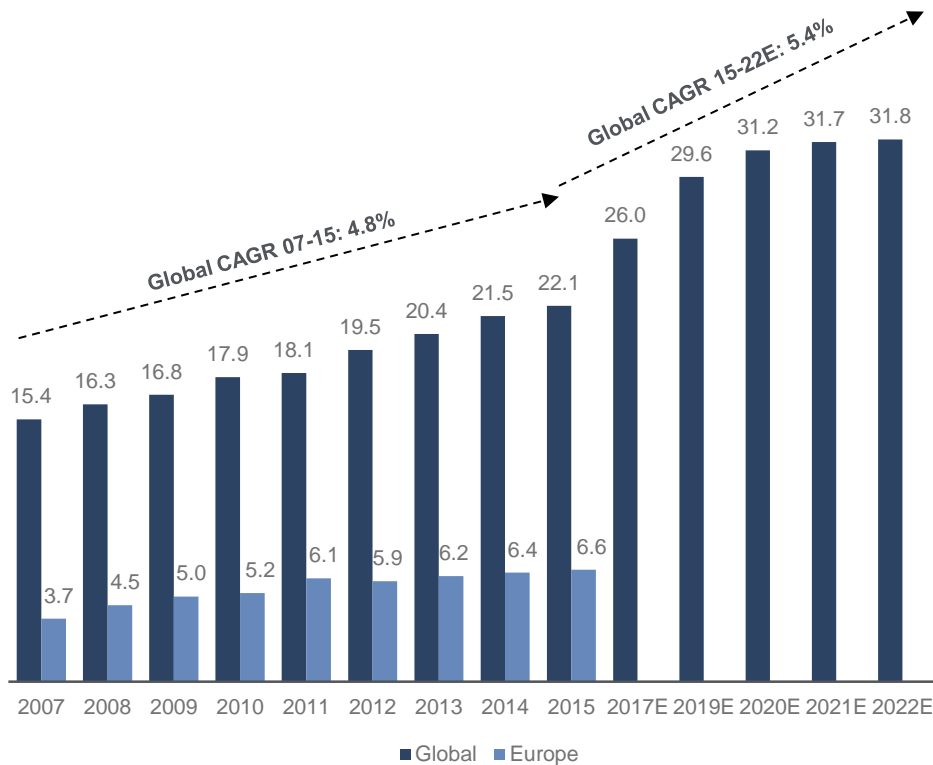
Note: 1. Estimated using aggregated revenues of cruise lines.



# Large Industry with Robust Growth Given Low Market Penetration

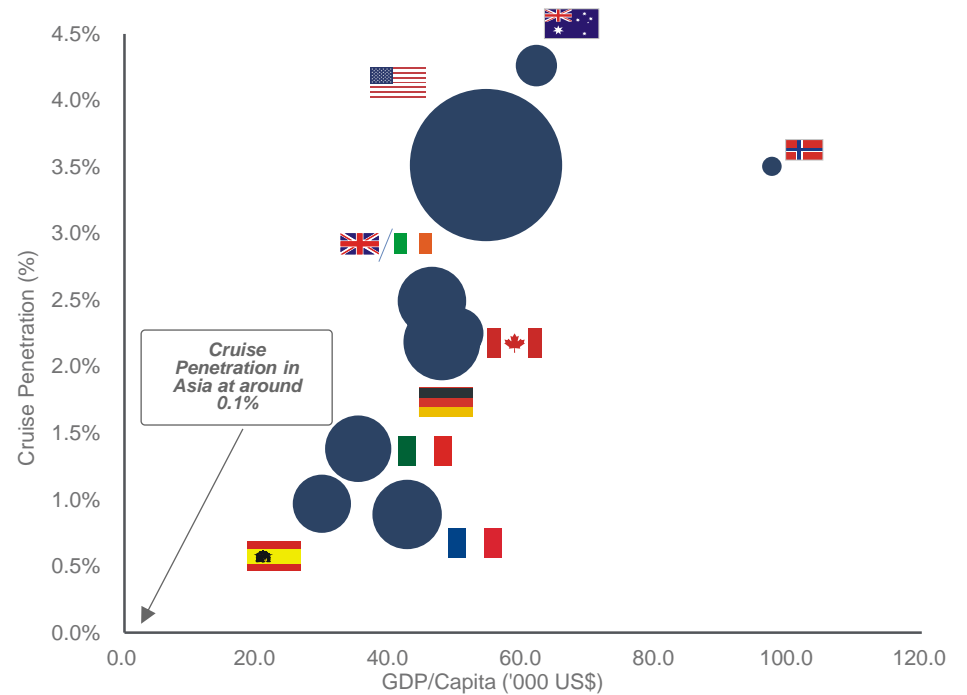
## Strong Expansion in the Past Expected to Continue in the Future

Cruise Market Development: Passengers (m)



## Low Penetration Suggests Significant Headroom for Growth

Cruise Penetration (Cruise Pax / Population) vs. GDP/Capita<sup>1</sup> 2015



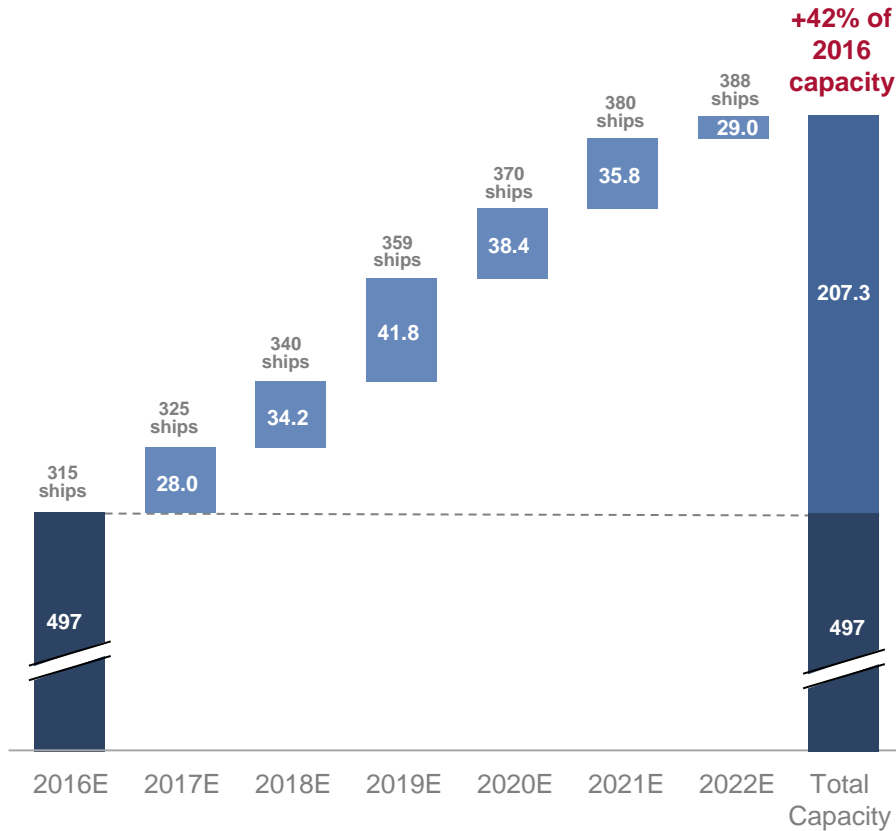
Source: EIU, Econstats, Cruise Industry News 2016-2017 State of the Industry Annual Report, World Bank Indicators, CLIA, ECC, ICCA.  
 1. Bubble size indicates population size. Cruise Penetration = Cruise Pax / Population.  
 Copyright © 2017 Global Ports Holding



# High Visibility of Capacity and Industry Expansion

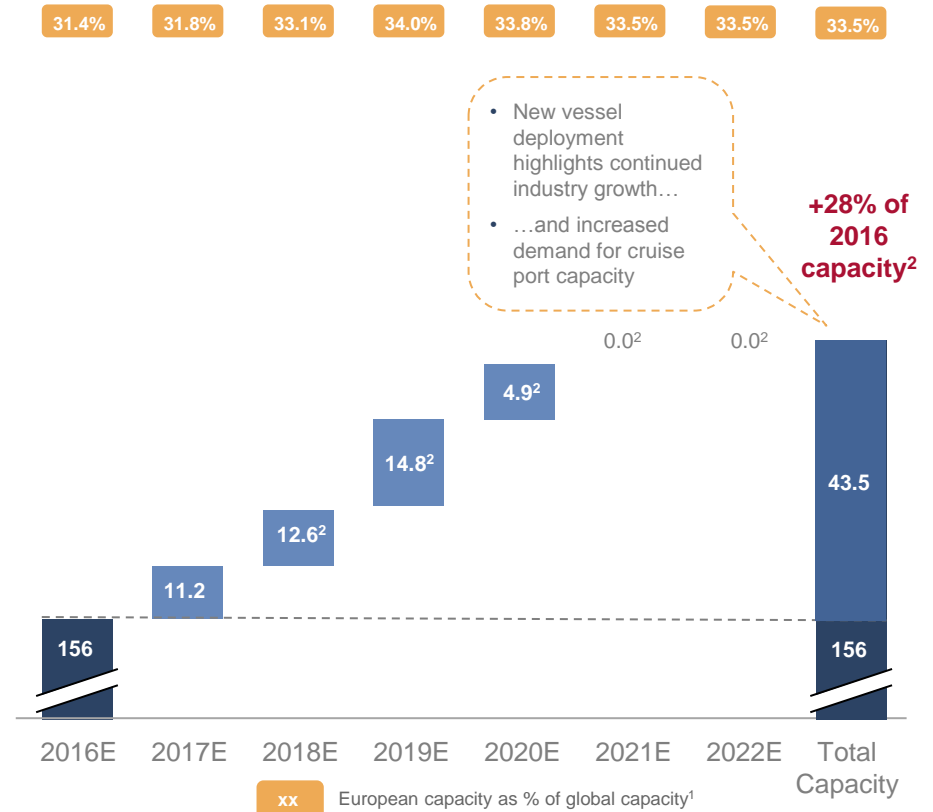
## Highly Visible Industry Expansion...

Global Order Book Total Ship Capacity '000 PAX



## ...with GPH's Core Markets Set to be Prime Beneficiaries

European Order Book Total Ship Capacity '000 PAX



Source: Seatrade Insider, Cruise Industry News 2016-2017 State of the Industry Annual Report, Industry data, EIU, CLIA UK & Ireland, CLIA Europe, Cruise Market Watch 2016, Association of Mediterranean Cruise Ports, Wall Street research.  
 Note: 1. Excludes order book vessels not yet assigned to a region. 2. Management expects that 35-45% of the order book vessels not yet assigned to a region will be allocated to European order book. This would lead European Order Book growth of 52-59% of 2016 capacity.  
 Copyright © 2017 Global Ports Holding

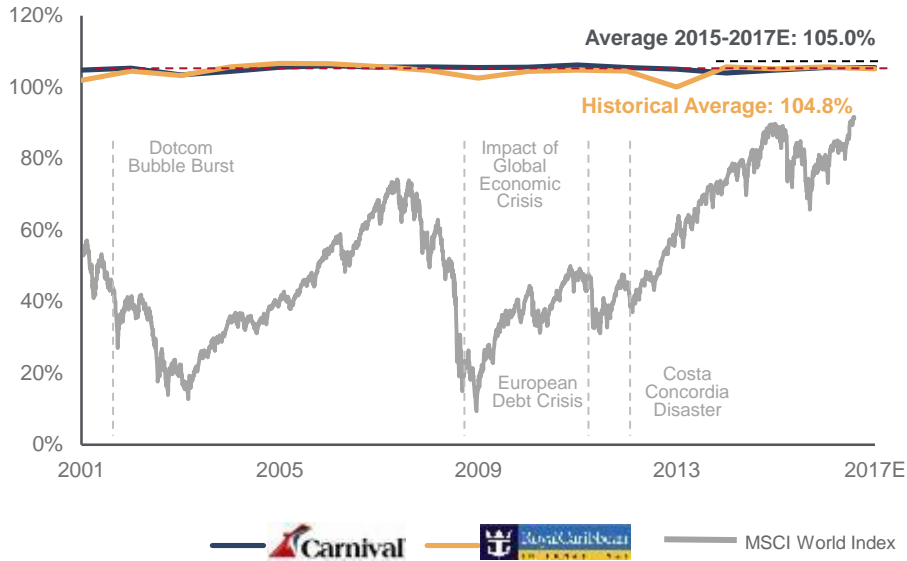
# Highly Resilient Key Revenue Driver: Vessel Occupancy

## Stable Through the Cycles



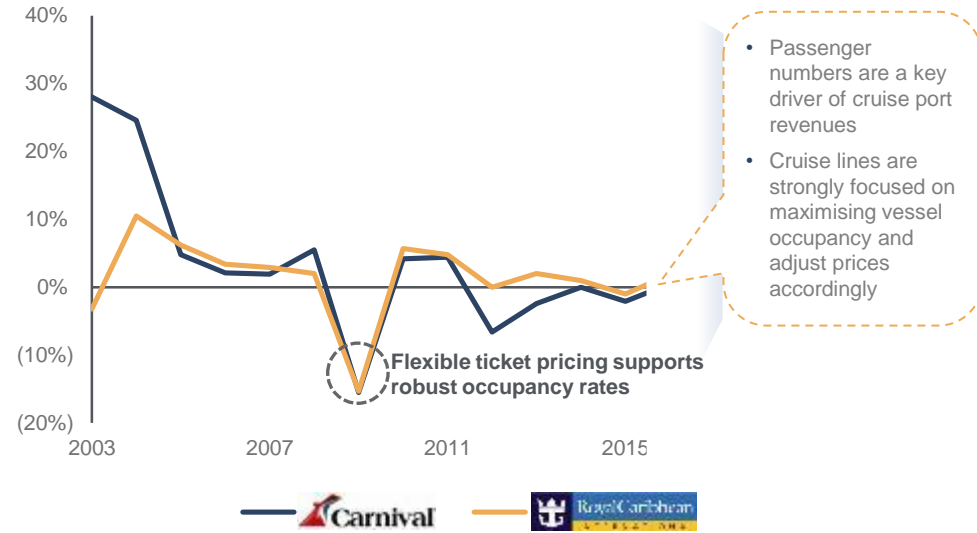
### Robust Occupancy Rates...

Carnival and Royal Caribbean Occupancy (2001 – 2017E)



### ...Supported by Flexible Ticket Pricing

Carnival and Royal Caribbean Ticket Price Development (per APCD<sup>1</sup>, 2003 – 2017E)



Cruiseliners typically fill their ships, so port operators benefit from the full capacity



# Strong Infrastructure Characteristics

## Solid, Long-dated and Commercially Supportive Concession Framework

Port	Concession Expiry	Extension Potential	No Future Capex Obligation?	Tariff Discretion?	Comments
Antalya	2028	2047 (Ongoing process)	✓	✓	• As the Council of State has done it in Ege Ports case, it is expected it will reverse the lower court's judgement to extend the concession until 2047 (currently 2028). Subsequently, management expects that the lower court will decide in favour of Ortadogu Antalya in a new decision
Ege	2033	2052 (Ongoing process)	✓	✓	• Council of State reversed a lower court's judgement in a case to extend the concession until 2052 (currently 2033). Subsequently, management expects that the lower court will decide in favour of Ege Ports in a new decision
Bodrum	2019	2056 (Ongoing process)	✓	✓	• Initial court decided in favor of Bodrum Port case to extend the concession until 2056 (currently 2019). The appeal is pending before the Supreme Court
Barcelona	2030 (Adossat) 2026 (WTC)	2053 (Adossat) 2050 (WTC)	✓	✓ <sup>2</sup>	• Recent Spanish legislation provides for extension of port concessions up to 49 years in return for CAPEX commitment or upfront payment
Malaga	2038 (Levante) 2041 (Palmeral)	2058 (Levante) 2061 (Palmeral)	✓	✓ <sup>2</sup>	• Recent Spanish legislation provides for extension of port concessions up to 49 years in return for CAPEX commitment or upfront payment. In addition to the extension under legislation, provision under concession agreement for 10+5 year extensions
Singapore	2022	2033	✓	✓ <sup>2</sup>	• The concession can be extended for 5+5 years by mutual agreement of parties
Lisbon	2049	-	2017	✓ <sup>1,2</sup>	• Committed Capex is expected to be fully deployed by the end of 2017
Adria-Bar	2043	-	2017	✓ <sup>2</sup>	• Committed Capex is expected to be fully deployed by the end of 2017
Valletta	2066	-	✓	✓ <sup>2</sup>	• N/A
Ravenna	2020	-	✓	✓ <sup>2</sup>	• N/A
Venice	2024	2060	✓	✓ <sup>2</sup>	• Consortium is currently in the advance stage of discussions with Ministry of Transport for extending Venice Cruise Port concession for a minimum of 35 years, in return for building a new cruise terminal at Chioggia or Montesyndial, in addition to existing berths of Porto di Venezia for large ships
Cagliari	2027	-	✓	✓ <sup>2</sup>	• Application for 10 year extension currently under review by the Port Authority
Catania	2026	-	✓	✓ <sup>2</sup>	• N/A
Dubrovnik <sup>4</sup>	2056	-	2019	✓ <sup>3</sup>	• Committed Capex is expected to be fully deployed by the end of 2019

■ Cruise Ports    ■ Mainly Commercial Port with Some Minor Cruise Activities

Source: Company information. Notes: 1. Obtained approval for a 10% tariff increase in 2015, 20% tariff increase for 2016. 2. Tariff change subject to relevant authorities' approval. 3. Subject to a maximum cap (which is expected to significantly exceed the current tariff levels). 4. Concession awarded, currently awaiting for agreement on the final terms of the concession agreement and signing.





## High Barriers for New Entrants

**Key strategic geographic locations in Europe already captured by GPH**



**Coastal development limits construction of new ports**

**High investment requirements and long construction lead times**



**Long license and regulatory approval processes for new entrants**

**Material financial and scale advantage as sole consolidator in cruise ports**



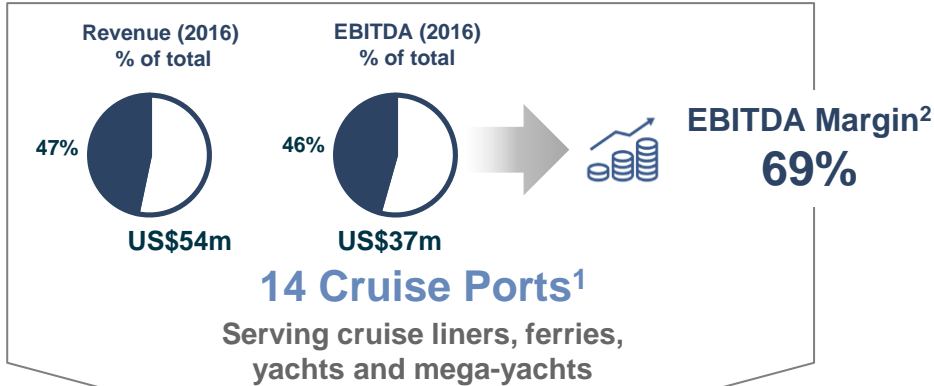
**Competitive edge for concession renewal based on regulatory protection for incumbents**



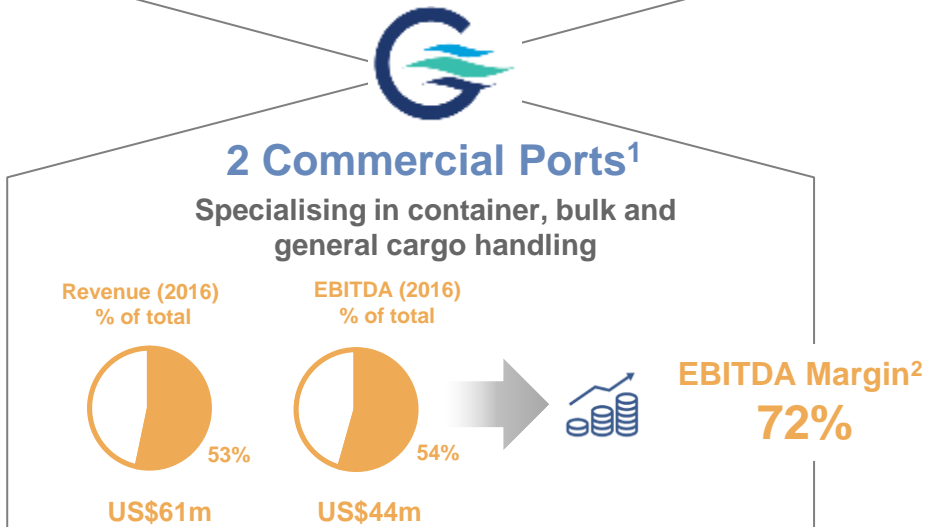
# Well Diversified Business

## Diversification by Type

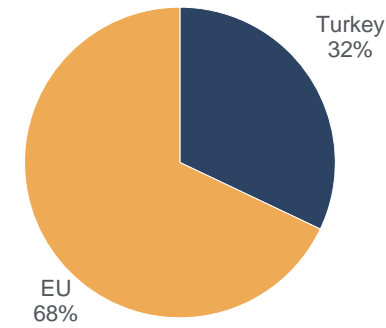
Cruise Ports



Commercial Ports

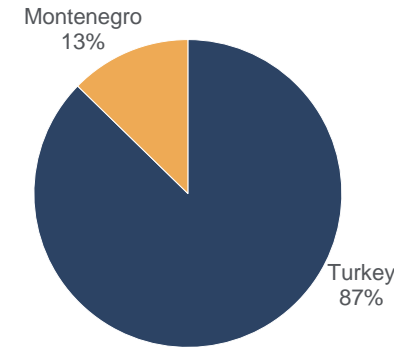


## Cruise Ports' Revenue Share by Countries



Total Revenue (2016)  
**US\$54m**

## Commercial Ports' Revenue Share by Countries



Total Revenue (2016)  
**US\$61m**

**Only 12.2% of Turkish volumes relate to Turkish GDP<sup>3</sup>**

Source: Company Information.

1. Port Akdeniz-Antalya and Port of Adria-Bar, while predominantly commercial ports, also have cruise operations. 2. EBITDA calculated as operating profit plus depreciation and amortisation, excluding non-operational and HQ expenses. 3. Share of full TEU unloaded (imports) in 2016.



# Robust Commercial Business



Source: Company Information, Turkish Statistical Institute.

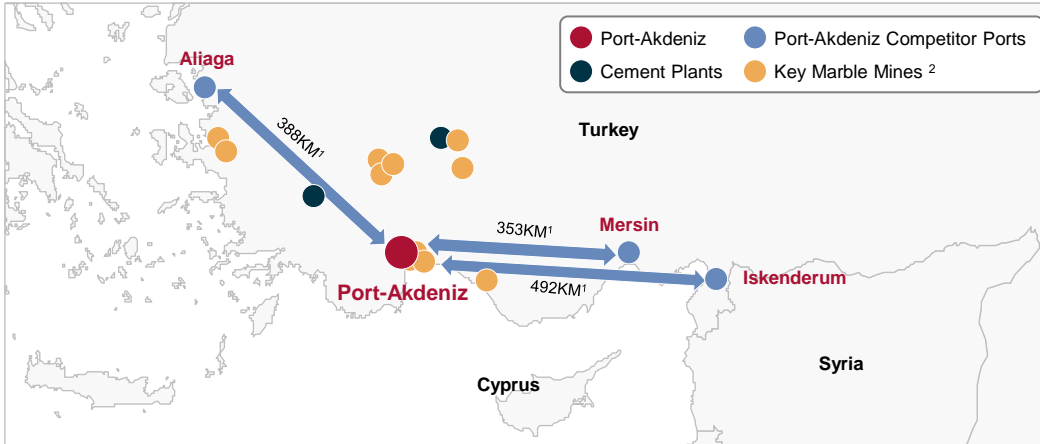
1. Share of full TEU unloaded (imports) in 2016. 2. Refers to EUR and USD.



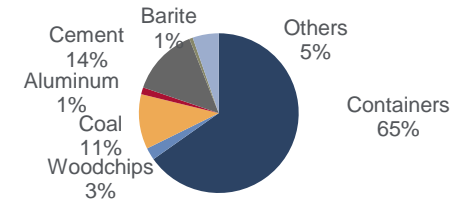
# Strategically Located Commercial Ports with Captive Hinterland

## Strategically Located Commercial Port Operations

### Port of Akdeniz (Turkey)

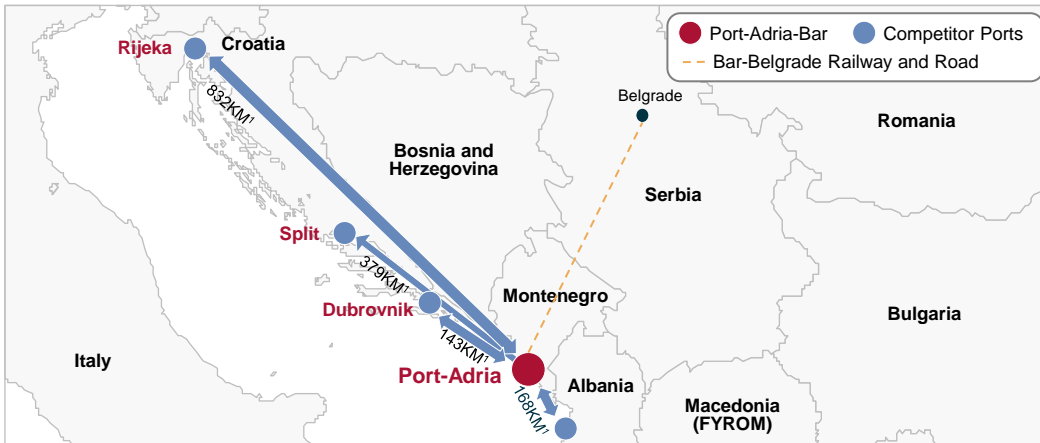


Cargo Mix<sup>3</sup> (by Volume) YE 2016

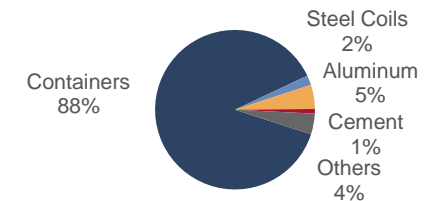


- Strategically located on the Southern coast of Turkey with lack of direct competition
- High speed rail link to expand catchment area
- Akdeniz is currently focused on diversifying its cargo base

### Port of Adria-Bar (Montenegro)



Cargo Mix<sup>3</sup> (by Volume) YE 2016



- Located within a Free Zone regime with significant benefits
- Important link for regional intermodal transport to inland capitals
- Benefits from local steel, aluminium exports and automotive manufacturing

Source: Company information.

1. Point to point distance on land. 2. Over 200 marble mines are operating in the hinterland. 3. Dry bulk, general cargo and container volumes; Metric tons. Includes contribution from container handling, converted from TEU to tons at a ratio of 1:14.38.

# GPH: Leading Cruise Port Operator with Excellent Growth Opportunities



## Global Ports Holding: Overview and Strategy

*Who we are, and what and how we are striving to achieve*

3



## Infrastructure with Excellent Growth Potential

*How our business as a provider of essential infrastructure is best positioned to capture the industry's supportive dynamics*

12



## Efficient Network Operations to Drive Organic Growth

*How we are optimising our existing platform*

20



## Significant Opportunities to Grow Through Acquisitions

*How we are growing our platform*

30



## Resilient Financial Profile

*How our business translates into a compelling financial profile*

35



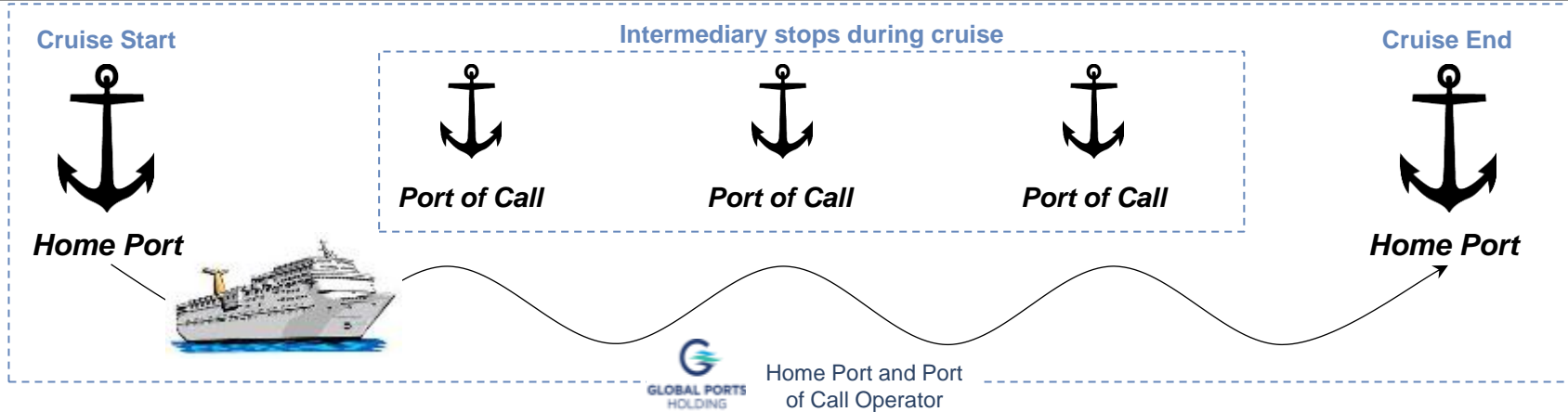
## Conclusion and Q&A

40

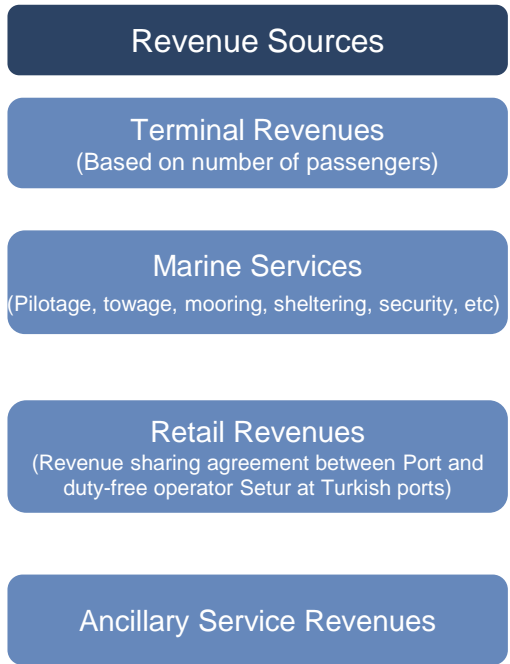
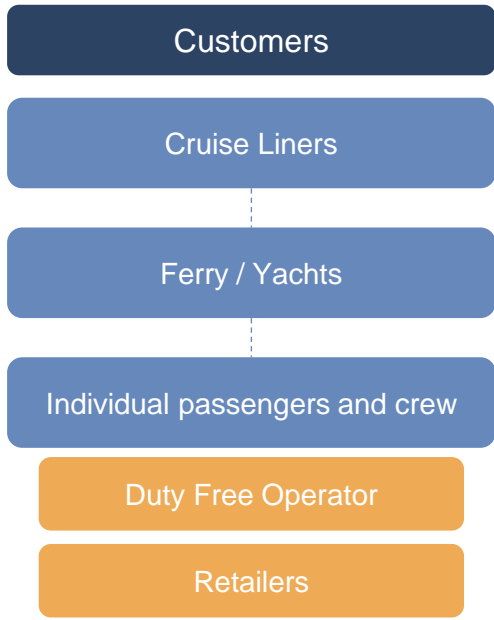
## Appendix



# Cruise Port Operations: Compelling Business Model with Attractive Revenue Streams



Revenue Drivers



- Cruise ports mainly generate revenue from liners by charging landing fees, linked to the number of passengers
- Port costs do not represent significant cost item for cruise liners, so there is typically zero demand elasticity with respect to changes in tariffs
- Homeports have attractive incremental revenue opportunities for ancillary services such as luggage handling, etc.

# Operational Excellence: Optimizing the Portfolio and Driving Organic Growth



Developing Ancillary Revenues



Sharing Best Practice



Creating Network Synergies



Building Economies of Scale

Leading to

Optimised integrated cruise network



# GPH B2B Business Model:

## Understanding Cruise Line Needs Drives New Products and Services







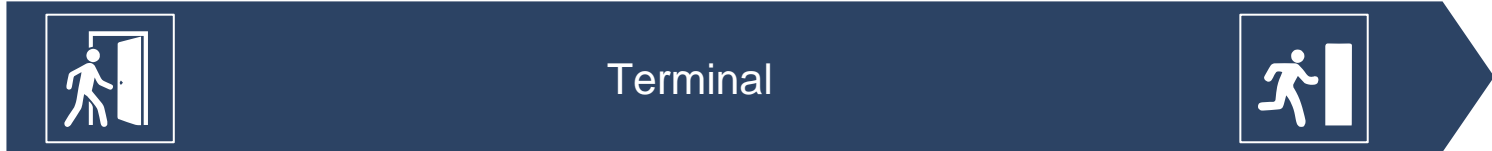
# GPH B2C Business Model:

## Understanding Passenger Needs Drives New Products and Services

### GPH Port



### Old B2C model

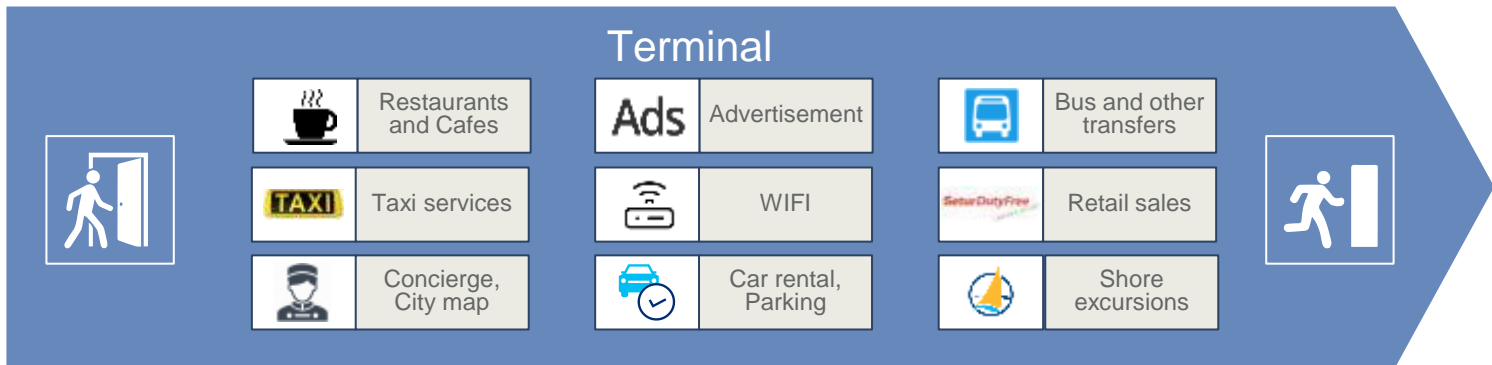


### GPH B2C Approach

### GPH Port



### New B2C Products & Services



Passenger research & understanding

Value Creation via Products & Service Development

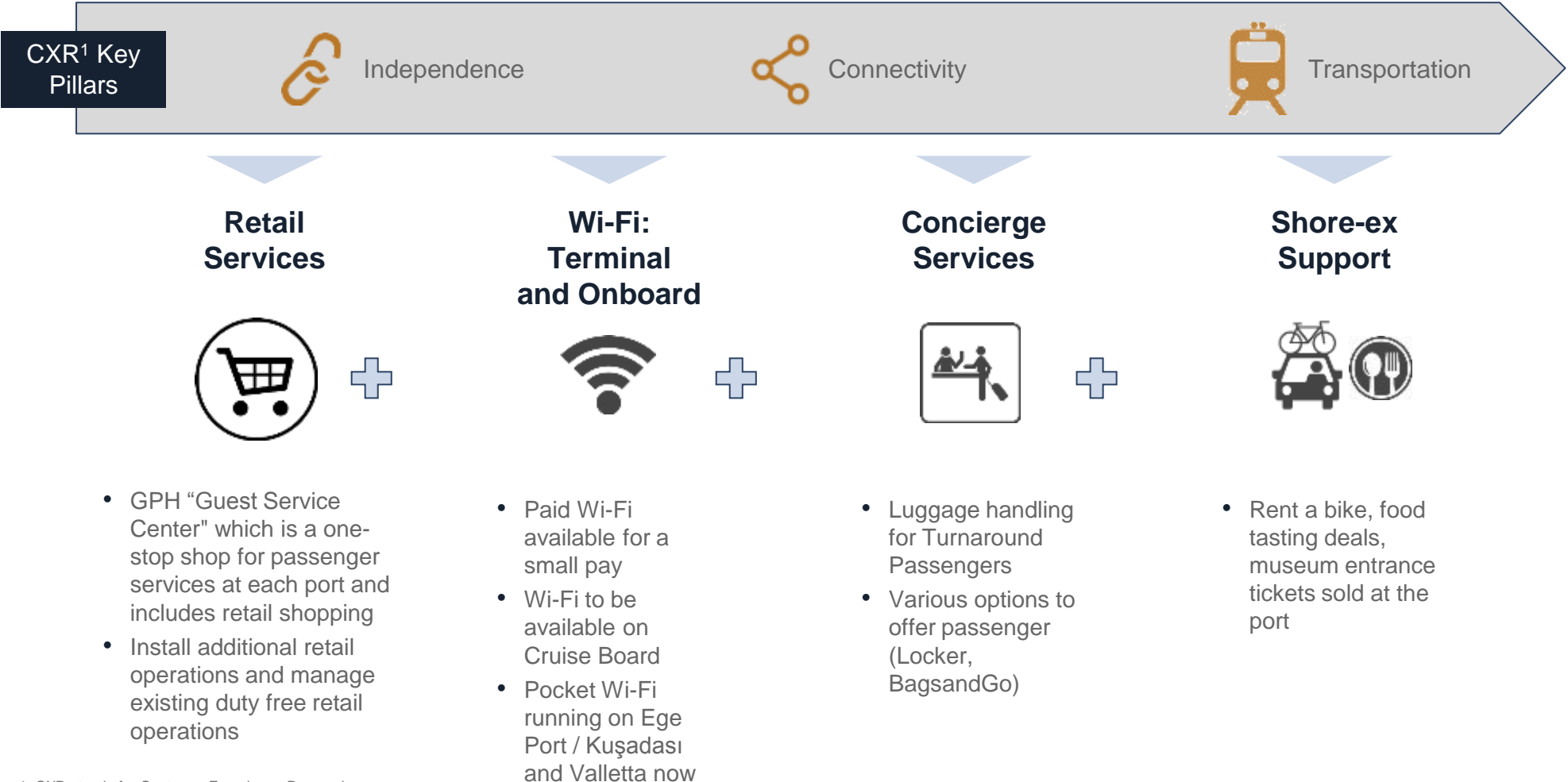
B2C Offerings

# GPH B2C Business Model:

## 3 Key Pillars Are Positioned as Bases for the New Service and Products



For Tailored Solutions: Get to Know the Customer



1. CXR stands for Customer Experience Research.  
Copyright © 2017 Global Ports Holding



# Operational Excellence Driving Results: Selected Highlights

PAX Growth (2014-2016) | Barcelona



16%

Effect of consolidated marketing efforts

Ancillary Revenue Growth (2016) | Lisbon



206%

Effect of advertising, water supply and heavy machinery services

Retail Growth (2014-2016) | Valletta



19%

Effect of redesigned best practice travel retail venue

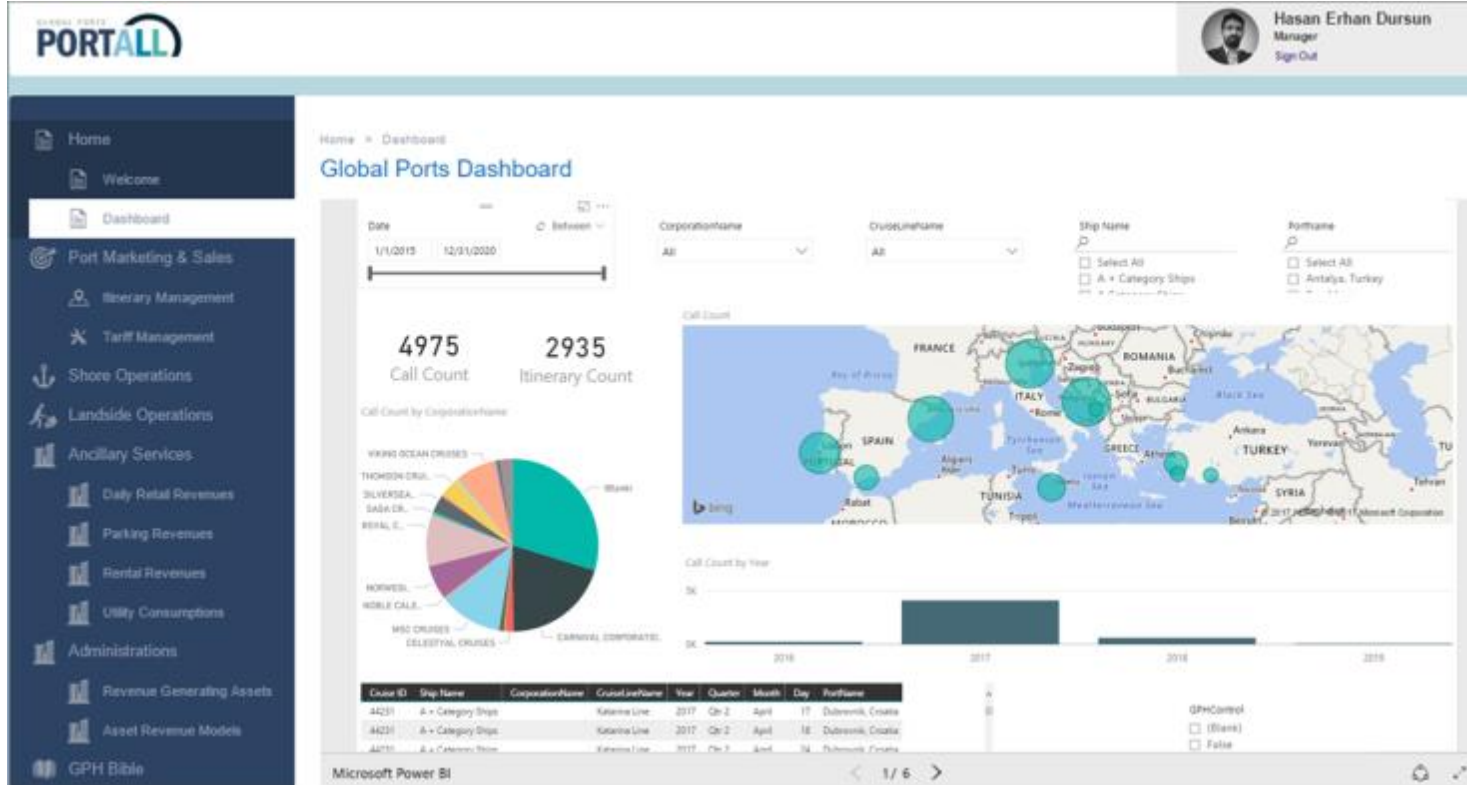
Revenue Growth (2010-2015) | Kuşadası



25%

Effect of increased revenue in marine services as well as steady call growth

# Driving Best Practice through Innovation: PortALL - the First and Only Proprietary Cruise Port Operating System (“CPOS”)



## Key Highlights of PortALL

- Comprehensive and consolidated view of market (with itineraries, ships, cruise lines and ports' specifications)
- Enhanced operational flexibility and responsiveness
- Central management of tariffs and revenue projections
- Integration to Local Finance Systems

### What is the value added?

Real time itinerary data

Key metrics to monitor facility and terminal operations

Real-time KPI management

Central management of pricing



# Best Practice Codifying and Sharing: Implementing Industry-Leading Standards Throughout the Network



## Finance, G&A & Procurement



- Strategy, Business and Financial Planning
- Financial and Operational Reporting Guidelines
- Internal Control Systems, Accounting
- Personnel and Payroll, Travel and Entertainment
- Centralized Procurement Guidelines



## Operations & Security



- Standard Operating Procedures
- **GPH Security Code**
- Contingency Plan
- Waste Management Plan, Response Plan
- Supply Services (Water, Fiberoptic etc.)



## HR & Performance Evaluations



- Career Management
- Transfer & Promotion
- End of Employment Process, Working Standards
- Compensation & Talent Management
- Environment, Health & Safety Standards



## Marketing



- Positioning strategy / identification of brand attributes,
- Promotional activities
- Communication and Commercial action plans,
- PR & Stakeholders relationship guidelines
- Information provision schedule



## What do we achieve?

Standardised command and control abilities

Effective resource management

Uniform operational and security best practices

Coordinated marketing strategy

# Leveraging GPH's Unique Network Advantages to Drive Incremental Revenue Generation



## Ability to offer superior itinerary solutions to cruise line partners



### Potential Propositions

Instead of	Alternative GPH Ports
<b>Cruising at Sea</b>	<b>Cagliari</b>
<b>Santorini</b>	<b>Bodrum, Antalya</b>
<b>Messina</b>	<b>Catania</b>

### What is the value added?

#### Consolidated marketing efforts:

- Leverage GPH brand to drive traffic to developing ports
- Economies of scale in marketing through centralization

Effective relationship management with cruise companies through single point of contact

Bundle offers / tailored itinerary solutions for mutual gains

# GPH: Leading Cruise Port Operator with Excellent Growth Opportunities



## Global Ports Holding: Overview and Strategy

*Who we are, and what and how we are striving to achieve*

3



## Infrastructure with Excellent Growth Potential

*How our business as a provider of essential infrastructure is best positioned to capture the industry's supportive dynamics*

12



## Efficient Network Operations to Drive Organic Growth

*How we are optimising our existing platform*

20



## Significant Opportunities to Grow Through Acquisitions

*How we are growing our platform*

30



## Resilient Financial Profile

*How our business translates into a compelling financial profile*

35



## Conclusion and Q&A

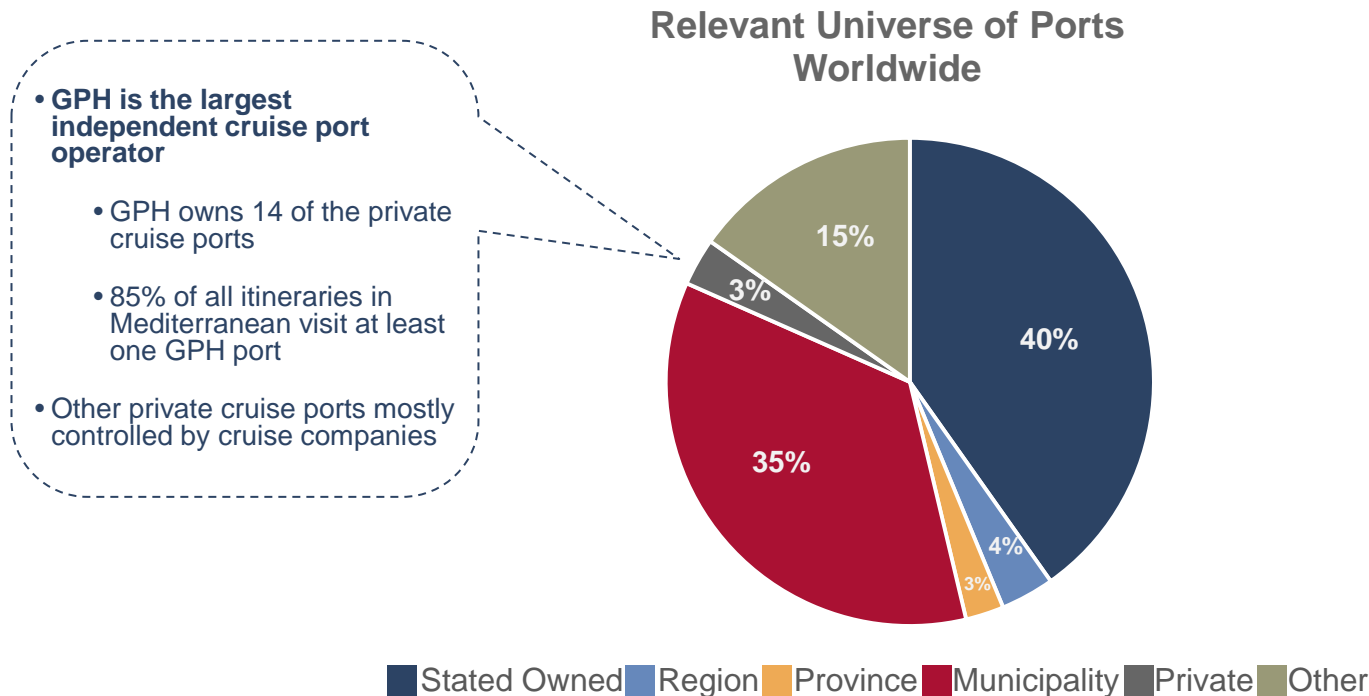
40

## Appendix

# Ports Typically Under-managed by Governmental Organizations with Little Commercial Focus



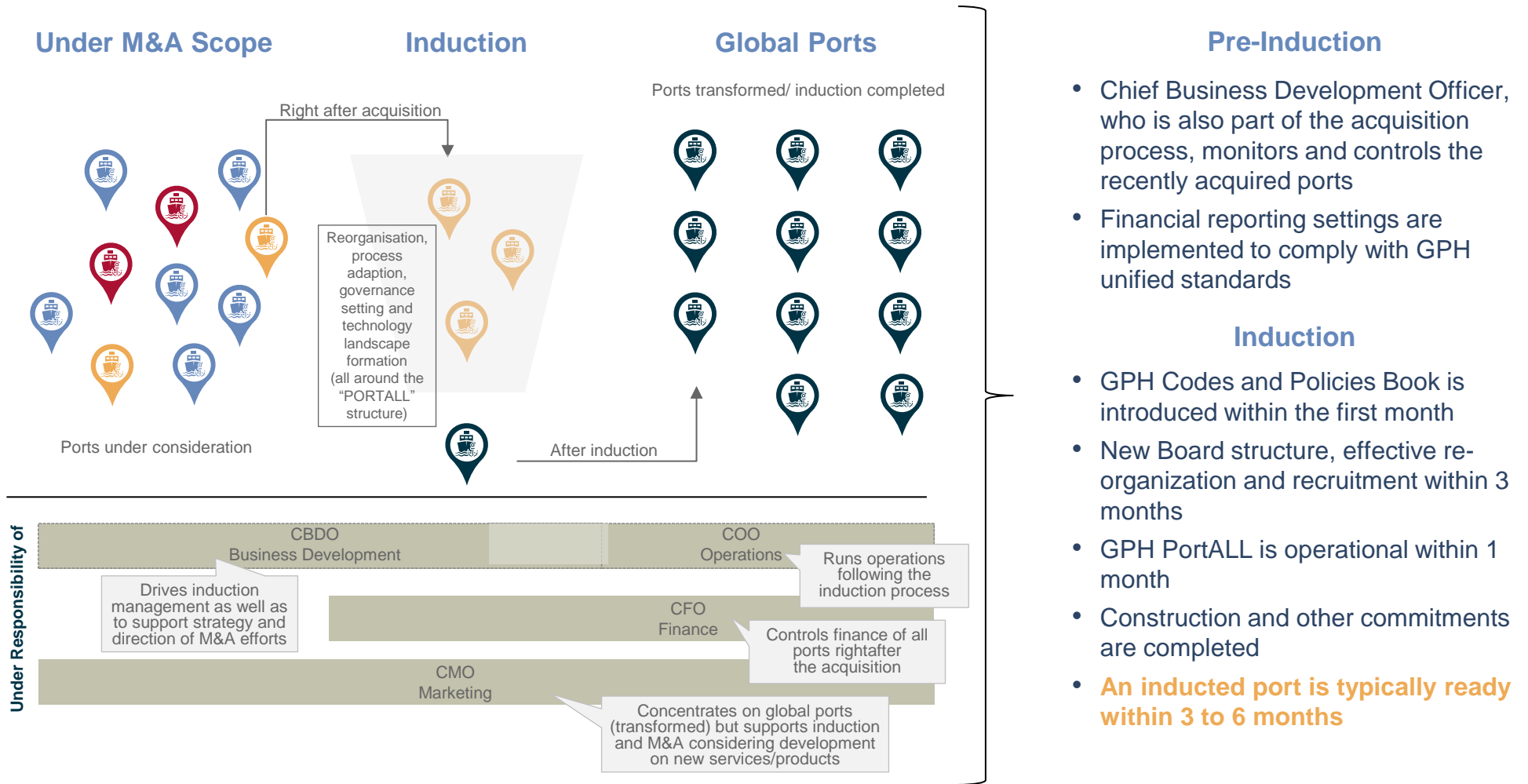
Distribution of Worldwide Cruise Ports by Ownership<sup>1</sup> (%)



1. Source: adapted from P. Verhoeven (2011) European Port Governance, European Seaports Organization (ESPO), Brussels. The great majority of European port authorities are publically owned, like in much of the rest of the world (Opsago Management Consulting Estimation).



# Established Solid Track Record of Implementing a Comprehensive Approach to Swiftly Bring New Ports up to Speed



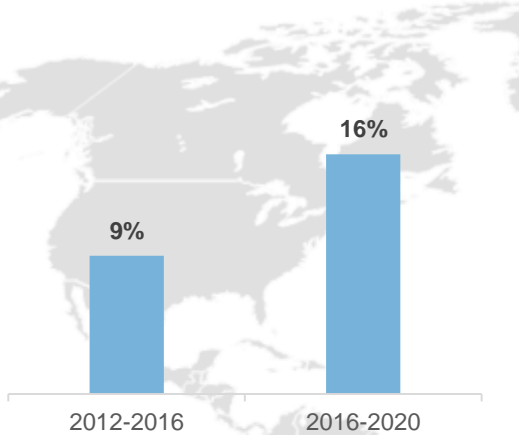
# Harnessing Global Opportunities: Targeting Expansion Mostly Outside of Europe



## Americas:

- 13.3M Pax
- 165 Ships
- 56.3% Market Share  
– of which 38.4% Caribbean/Bahamas

Regional Growth by Pax. Capacity

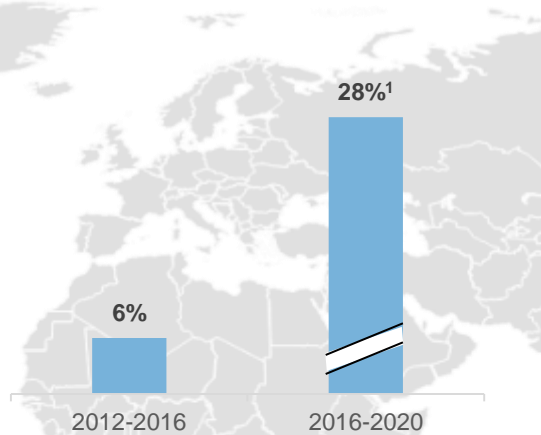


### Strategy

- Establish presence in largest cruise market
- Seeking one or more marquee ports to penetrate the market

## Europe:

- 6.3M Pax
- 110 Ships
- 26.8% Market Share  
– of which 16.1% Mediterranean

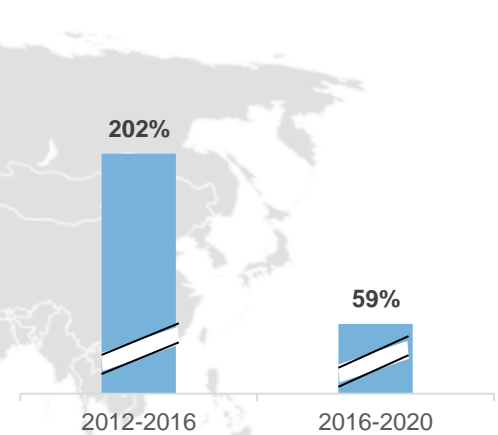


### Strategy

- GPH's stronghold (14 ports, 7.8M Pax.in 2016)
- Focus on marquee ports and expansion
- Regional shift from East to Mid/West Mediterranean

## Asia Pacific/Australia:

- 4M Pax
- 40 Ships
- 16.9% Market Share  
– of which 13.5% Asia Pacific



### Strategy

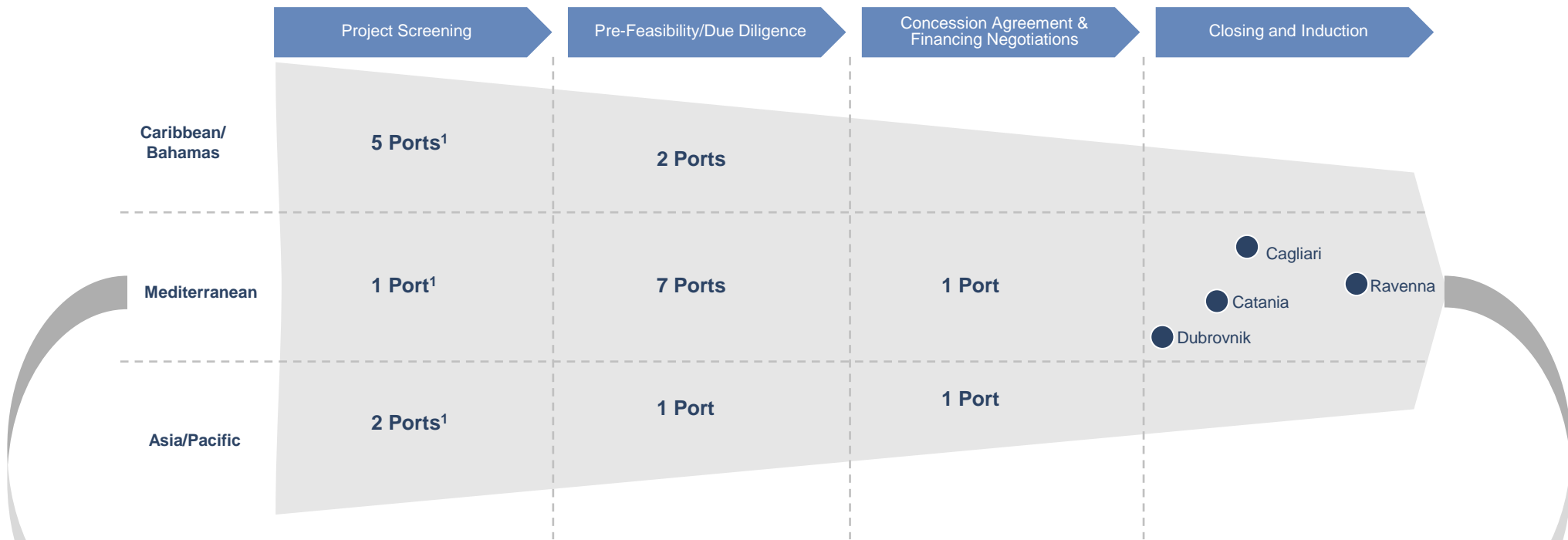
- First mover in fast growing market
- Established foothold in Asia (GPH Singapore – 0.5M Pax. In 2016 (2%))
- Seeking assets around main regional home ports (e.g. Singapore, Shanghai, Hong Kong etc.)

Source: Seatrade Insider, Cruise Industry News 2016-2017 State of the Industry Annual Report, Industry data, EIU, CLIA UK & Ireland, CLIA Europe, Cruise Market Watch 2015, Association of Mediterranean Cruise Ports, Wall Street research.. Note: 1. Management expects that 35-45% of the order book vessels not yet assigned to a region will be allocated to European order book. This would lead European Order Book growth of 52-59% of 2016 capacity.

# Strong Pipeline with Clearly Identified Opportunities to Deliver Sustained Inorganic Growth



## Project Funnel



## Structured Approach

- Opportunities initiated by GPH and/or recently by reverse inquiries from Governments
- Global structured approach to negotiating attractive tariff, investment and concession structures
- Clearly identified pipeline of acquisition growth opportunities
- Existing industry relationships support new lead generation and ongoing opportunity monitoring
- Only player with ability/appetite to consolidate
- «Recognized Brand Name» advantage
- Track record of opportunity identification and execution
- Swift and effective implementation of operational/service best practice

Note: 1 GPH has not commenced any discussions in connection with these acquisition targets.  
Copyright © 2017 Global Ports Holding

# GPH: Leading Cruise Port Operator with Excellent Growth Opportunities



## Global Ports Holding: Overview and Strategy

*Who we are, and what and how we are striving to achieve*

3



## Infrastructure with Excellent Growth Potential

*How our business as a provider of essential infrastructure is best positioned to capture the industry's supportive dynamics*

12



## Efficient Network Operations to Drive Organic Growth

*How we are optimising our existing platform*

20



## Significant Opportunities to Grow Through Acquisitions

*How we are growing our platform*

30



## Resilient Financial Profile

*How our business translates into a compelling financial profile*

35



## Conclusion and Q&A

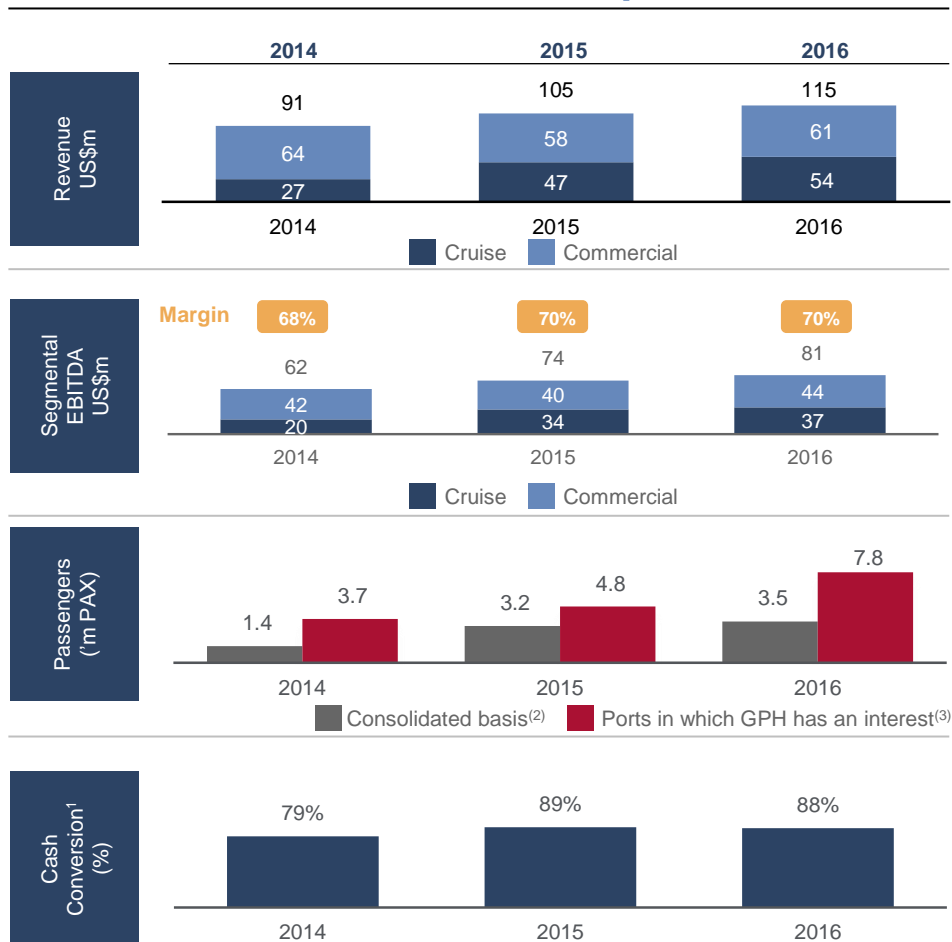
40

## Appendix



# Highly Resilient Financial Performance

## Performance Development



## 2016 Commentary

- Recent growth driven by acquisitions in cruise sector
- All revenue is generated in US Dollars or Euros

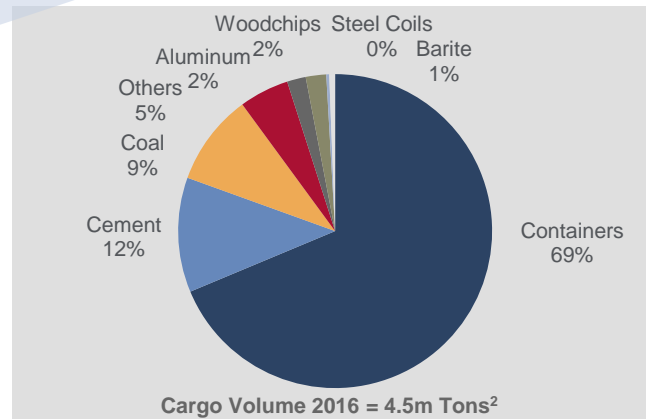
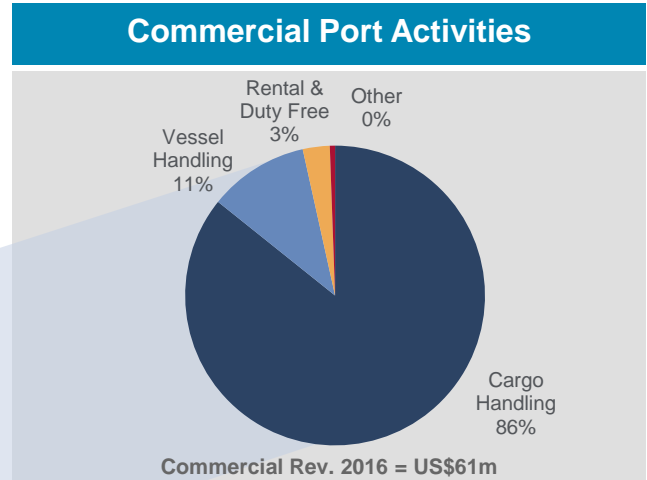
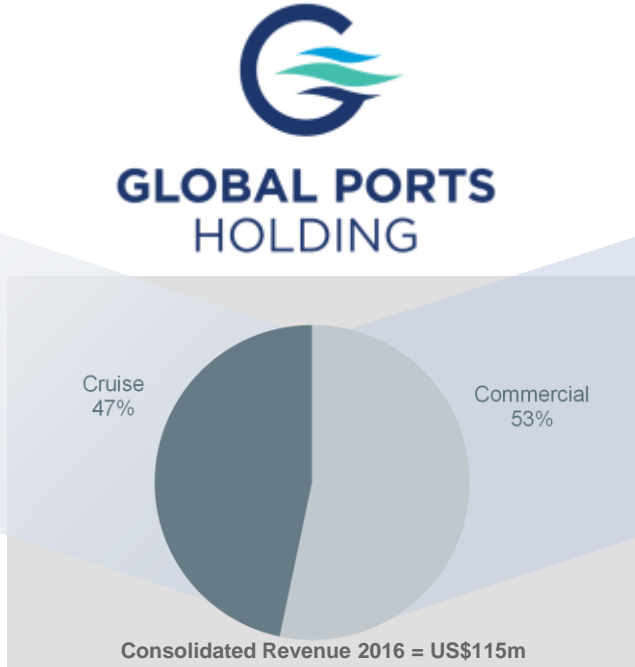
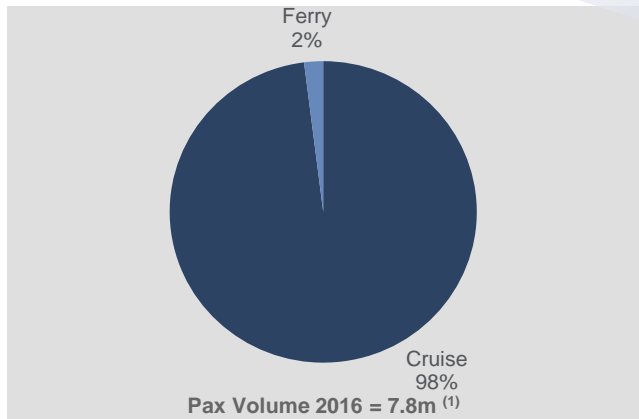
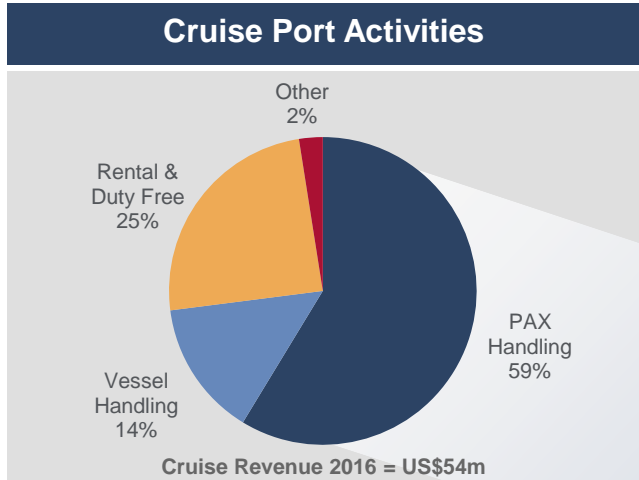
- High and consistent margins

- Strong growth driven by organic and inorganic growth
- Non-Turkey organic growth of 7.3% and Turkey organic growth of (20.7%) per annum between 2014 and 2016

- Strong cash generation driven by capex-light operating model

Notes: 1. Cash conversion calculated as (Segmental EBITDA-Capex) / Segmental EBITDA. Capex excluding acquisitions. 2. Consistent with consolidated revenues excluding minority-owned ports and adjusted pro-rata by date of acquisition. 3. Including minority-owned ports and not adjusted pro-rata by date of acquisition.

# Well Diversified Business Benefits from a Mix of Both Stable and High Growth Activities



Note: 1. Including minority-owned ports as well as not adjusted pro-rata by date of acquisition. 2. Dry bulk, general cargo and container volumes; Metric tons. Includes contribution from container handling, converted from TEU to tons at a ratio of 1:14.38.



# Consistent Outperformance versus Comparable Industries

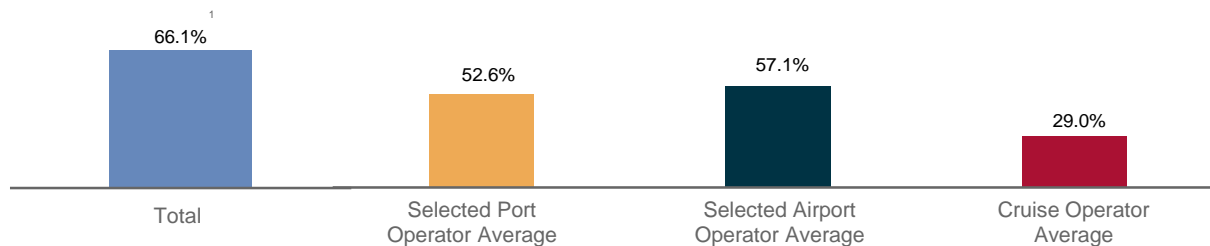


## 1 Growth Outperformance (Revenue Growth CAGR 14-16)



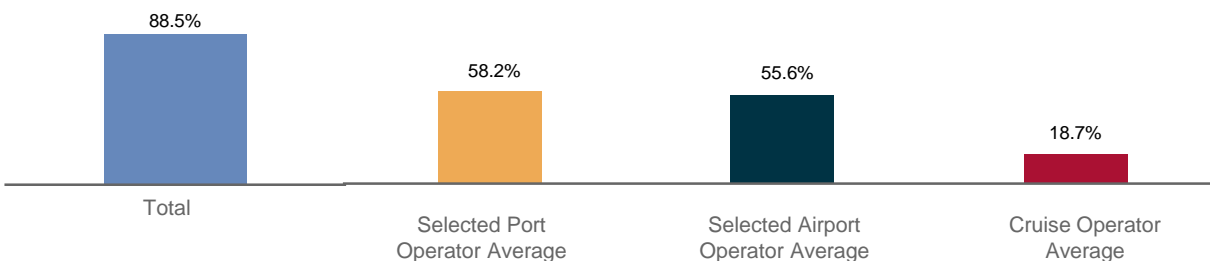
**Significant and consistent revenue growth outperformance**

## 2 Superior Margin (EBITDA Margin 2016)



**Margins materially superior to broad universe of comparables**

## 3 High Cash Conversion and Low Capex (Cash Conversion<sup>2</sup> 2016)



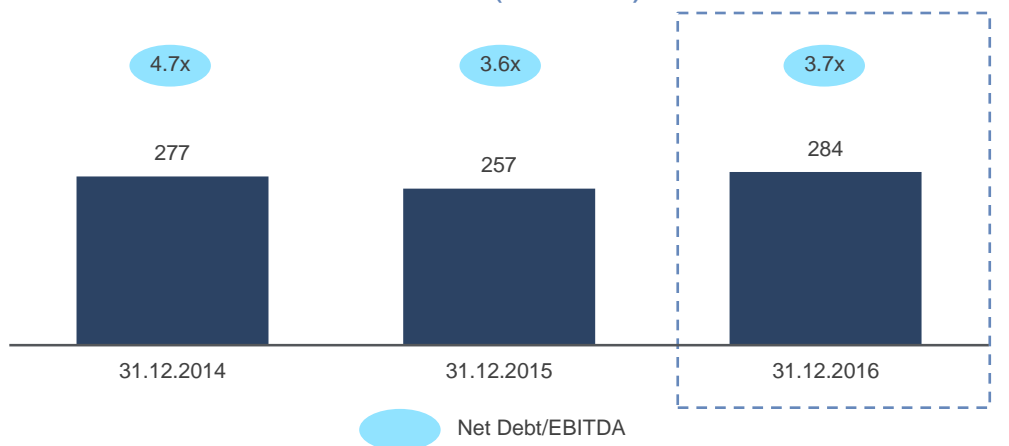
**Stronger cash generation based on Capex-light operating model**

Note: Information taken from public disclosures and selected peers 2016 figures are based on broker consensus as of 24 Feb. 2017. Peers are selected based on similarity of business model and financial profile to GPH. Selected Port Operators include SIPG, DP World, Adani port, ICTSI, Pipavav. Selected Airport Operators include: Airports of Thailand, Shanghai International Airport, Shenzhen Airport, Auckland International Airport, OMA. Cruise Operators include: Carnival Corp, Royal Caribbean Cruises, Norwegian Cruise Line. 1. Calculated using consolidated EBITDA. 2. Cash conversion calculated as (EBITDA-Capex) / EBITDA; Capex excluding acquisitions.



# Debt Profile

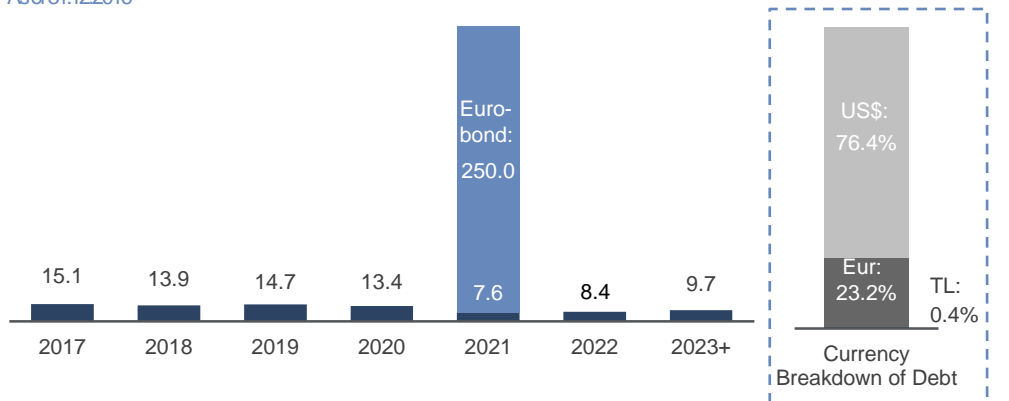
Net Debt<sup>1</sup> (US\$m)



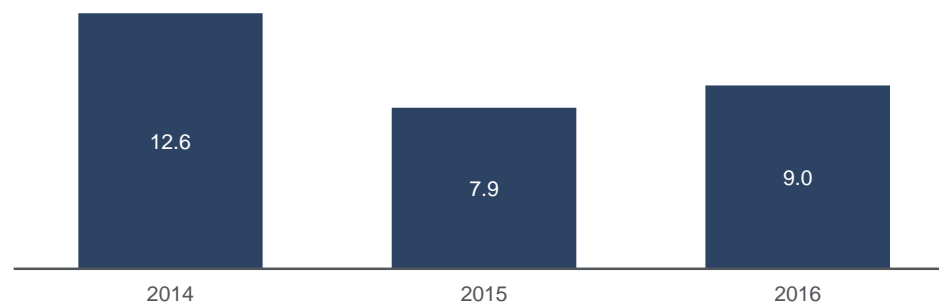
- Increase in net debt as of 31.12.2016 due to Eurobond interest accruals and dividend distribution in March 2016
- Net debt/EBITDA ratio decreased in 2016 as full-year earnings from 2014 and 2015 port acquisitions was taken into account
- 22.1% of the debt has a floating interest rate, while 77.9% has a fixed rate as at 31.12.2016
- Eurobond covenant contains certain covenants:
  - The consolidated gross leverage ratio would not exceed 5.0 to 1
- Low-to-minimal maintenance Capex for cruise port business

Scheduled Repayment<sup>2</sup> (US\$m)

As of 31.12.2016



CapEx (US\$m)



Note: 1. Calculated as loans and borrowings including finance lease obligations – cash and cash equivalents – other short term investments. 2. Excluding overdraft lines.



# GPH: Leading Cruise Port Operator with Excellent Growth Opportunities



## Global Ports Holding: Overview and Strategy

*Who we are, and what and how we are striving to achieve*

3



## Infrastructure with Excellent Growth Potential

*How our business as a provider of essential infrastructure is best positioned to capture the industry's supportive dynamics*

12



## Efficient Network Operations to Drive Organic Growth

*How we are optimising our existing platform*

20



## Significant Opportunities to Grow Through Acquisitions

*How we are growing our platform*

30



## Resilient Financial Profile

*How our business translates into a compelling financial profile*

35



## Conclusion and Q&A

40

## Appendix

# Highly Profitable Infrastructure Business with Excellent Growth Opportunities



**Growth**

Unique Acquisition Opportunities in a Fragmented Industry

Sole cruise port consolidator

Preferred partner to all stakeholders

Organic Growth thanks to Port Network

Highly supportive industry dynamics

Ongoing network optimisation

Compelling retail/ancillary services potential

Entrenched essential infrastructure provider

Attractive concession framework

Robust commercial operations

**Resilience**

Resilient Infrastructure Characteristics

**Superior Growth Profile**

13% Revenue CAGR<sup>1</sup>

**Strong Profitability**

70% Segmental EBITDA Margin<sup>2</sup>

**Visible and Resilient**

**Cash Flow Generation**

105% Occupancy Rate<sup>3</sup>

**High Cash Conversion**

88% Cash Conversion<sup>4</sup>

Notes: 1. Calculated based on revenue growth between 2014 and 2016. 2. Segmental EBITDA calculated as operating profit plus depreciation and amortization and excluding non-recurring items on a segmental basis and calculated based on 2016 numbers. 3. Refers to the ratio of utilised cruise capacity over total available capacity, historical average occupancy rates of Carnival and Royal Caribbean cruise lines between 2001 and 2015. 4. Cash conversion calculated as (Segmental EBITDA-Capex) / Segmental EBITDA; Capex excluding acquisitions.  
Copyright © 2017 Global Ports Holding

# GPH: Leading Cruise Port Operator with Excellent Growth Opportunities



## Global Ports Holding: Overview and Strategy

*Who we are, and what and how we are striving to achieve*

3



## Infrastructure with Excellent Growth Potential

*How our business as a provider of essential infrastructure is best positioned to capture the industry's supportive dynamics*

12



## Efficient Network Operations to Drive Organic Growth

*How we are optimising our existing platform*

20



## Significant Opportunities to Grow Through Acquisitions

*How we are growing our platform*

30



## Resilient Financial Profile

*How our business translates into a compelling financial profile*

35



## Conclusion and Q&A

40

## Appendix



# Recent key developments

## Reinforced Governance and Capital Structure

## EBRD Partnership

- In September 2015<sup>1</sup>, EBRD acquired a 10.84% stake in GPH for €53.4m (100% primary investment)
- Significant cash injection, supporting GPH balance sheet for planned acquisitions in ports across the countries where the EBRD invests
- Support in countries where the EBRD invests, namely acquisition and/or debt financing from EBRD
- Enhanced corporate governance (restructuring of BoD, new dividend policy, new disclosure)

## Successful Roll-out of Cruise Mediterranean Expansion

Valletta Cruise Port (VCP) Aquisition, Malta	Port of Dubrovnik, Croatia	Venice Port	Other Italian ports
<ul style="list-style-type: none"> <li>• Malta in a unique position in the West-Med and East-Med itineraries, with expected strong growth</li> <li>• Completed the acquisition of an indirect 55.6% stake in VCP in November 2015</li> <li>• 65 year concession from 2002; 2016E Pax of 0.75m</li> </ul>	<ul style="list-style-type: none"> <li>• Concession agreement signed in June 2016; Partnership with Bouygues, with GPH having a 90% stake after the final concession agreement to be signed in 2017</li> <li>• Concession expiry in 2056 to operate cruise port against building a new terminal, shopping gallery, multi-story parking lot and bus terminal</li> <li>• Committed Capex is expected to be fully deployed by the end of 2019</li> </ul>	<ul style="list-style-type: none"> <li>• Part of international consortium that acquired 48% stake in APVS, which in turn owns a 53% stake in Venezia Terminal Passeggeri S.p.A.; and 85.9% stake in FINPAX, which in turn owns 22.3% stake in VTP</li> <li>• Partnership with Costa Crociere, MSC Cruises and Royal Caribbean</li> <li>• Third biggest port in Europe after Barcelona and Civitavecchia</li> </ul>	<ul style="list-style-type: none"> <li>• Cagliari, November '16               <ul style="list-style-type: none"> <li>• Acquisition of 70.89% shares in Cagliari cruise port</li> </ul> </li> <li>• Catania, November '16               <ul style="list-style-type: none"> <li>• Acquisition of 62.2% shares in Catania cruise port, located in the prestigious location of the "Vecchia Dogana"</li> </ul> </li> <li>• Ravenna, September '16               <ul style="list-style-type: none"> <li>• Acquisition of 53.67% shares in Ravenna cruise port, attractively located destination near Venice and Bologna</li> </ul> </li> <li>• Brindisi               <ul style="list-style-type: none"> <li>• GPH holds 25% stake in the company which is currently negotiating Brindisi concession agreement with the Port Authority as the winner of the tender</li> </ul> </li> </ul>

Source: Company Information.

1. Represents the signing date. 2. Tender bidder has not been announced. Announcement of the winner is expected by March 2017.

Copyright © 2017 Global Ports Holding



# P&L and Other KPI's

	2014	2015	2016	CAGR (%) / Change (bps) 2014-2016
<b>Passengers (mn PAX): Consolidated Basis<sup>1</sup></b>	1.4	3.2	3.5	58%
<b>Passengers (mn PAX): Ports in which GPH has an interest<sup>2</sup></b>	3.7	4.8	7.8	44%
<b>General &amp; Bulk Cargo ('000 tons)</b>	1,874.0	1,461.0	1,401.4	(14%)
<b>Throughput ('000 TEU)</b>	228.5	217.5	213.9	(3%)
<b>Revenue (US\$m)</b>	90.7	105.5	114.9	13%
<b>Cruise Revenue (US\$m)</b>	27.0	47.0	53.6	41%
<b>Commercial Revenue (US\$m)</b>	63.7	58.5	61.2	(2%)
<b>Segmental EBITDA (US\$m)<sup>3</sup></b>	61.9	74.1	80.9	14%
<b>Segmental EBITDA Margin</b>	68.3%	70.3%	70.5%	+217bps
<b>Cruise EBITDA (US\$m)</b>	20.4	34.4	36.9	35%
<b>Cruise Margin</b>	75.5%	73.2%	68.8%	-672bps
<b>Commercial EBITDA (US\$m)</b>	41.5	39.7	44.0	3%
<b>Commercial Margin</b>	65.2%	67.9%	71.9%	+667bps
<b>Consolidated EBITDA (US\$m)</b>	58.8	71.2	75.9	14%
<b>Consolidated EBITDA Margin</b>	64.0%	67.5%	66.1%	+123bps

Source: Company Information.

1. Consistent with consolidated revenues excluding minority -owned ports and adjusted pro-rata by date of acquisition. 2 Including minority-owned ports as well as not adjusted pro-rata by date of acquisition.



# Organisational Structure





**GLOBAL PORTS**  
HOLDING