

Global Ports Holding Plc

9 Month 2018 Trading Statement

Global Ports Holding announces record 9 month results, full year expectations unchanged

Global Ports Holding Plc ("GPH" or the "Group"), the world's largest independent cruise port operator, today announces its unaudited results for the nine months ending 30 September 2018.

<u>Key Financials & KPI Highlights</u>	9M 2018	9M 2018	9M 2017	YoY Change	Q3 2018	Q3 2018	Q3 2017	Yoy Change
	Reported	Constant currency ⁶				Constant currency ⁶		
Total Revenue (\$m)²	94.5	91.0	87.9	7.5%	37.9	37.6	38.2	-0.9%
Cruise Revenue (\$m) ⁴	41.4	38.5	38.2	8.3%	19.0	18.6	19.8	-3.9%
Commercial Revenue (\$m)	53.0	52.5	49.7	6.7%	18.8	19.0	18.4	2.5%
Segmental EBITDA (\$m)³	71.0	68.7	60.1	18.2%	30.7	30.3	27.9	10.1%
Cruise EBITDA (\$m) ⁵	29.4	27.4	25.0	17.8%	14.7	14.3	14.9	-1.0%
Commercial EBITDA (\$m)	41.6	41.4	35.1	18.4%	16.0	16.1	13.0	22.5%
Consolidated EBITDA (\$m)	65.9	63.6	57.4	14.8%	29.8	29.4	27.5	8.3%
Segmental EBITDA Margin	75.2%	75.5%	68.4%		81.1%	80.7%	73.2%	
Cruise Margin	71.1%	71.1%	65.5%		77.5%	76.7%	75.5%	
Commercial Margin	78.4%	78.8%	70.7%		84.8%	84.7%	70.8%	
Consolidated EBITDA Margin	69.7%	69.9%	65.4%		78.6%	78.2%	72.1%	
Underlying profit for the period (\$m)	24.1		30.0	-19.8%	11.7		18.7	-37.4%
Profit/(Loss) for the period (\$m)	(0.1)		3.0	n/a	3.5		9.7	-63.9%
Passengers (m PAX) ¹	3.1		3.1	-0.4%	1.5		1.6	-6.8%
General & Bulk Cargo ('000 tons)	1,166		1,203	-3.1%	371		396	-6.2%
Container Throughput ('000 TEU)	182.3		182.2	0.0%	59.0		59.7	-1.1%

Overview

Group – Positive performance in 2018 continues

- Total consolidated revenues were \$94.5m for the 9M period up 7.5% yoy (3.5% ccy)
 - Q3 revenues were down 0.9% yoy at \$37.9m (-1.6% ccy)
- Segmental EBITDA for the 9M period up 18.2% at \$71.0m (14.4% ccy)
 - Q3 Segmental EBITDA up 10.1% at \$30.7m (8.7% ccy)
- Consolidated EBITDA of \$65.9m for the 9M period up 14.8% (10.8% ccy)
 - Q3 consolidated EBITDA up 8.3% at \$29.8m (6.9% ccy)
- Loss for the 9 month period of \$0.1 million (9M 2017: profit of \$3.0m) was mainly due to \$24.1m of amortisation expense in relation to port operation rights (9M 2017 \$22.8m), offset by the absence of IPO project expenses in the current period (9M 2017: \$4.4m)
- Underlying profit for the 9 month period of \$24.1m decreased by \$5.9m compared to same period prior year, the change in underlying profit is driven by increase in EBITDA and higher income from Equity accounted investees, which were more than offset by (i) lower interest income from financial investments, (ii) higher project expenses for M&A projects and (iii) a net foreign exchange loss. Main reason for the latter was a non-cash foreign exchange loss related to hedge ineffectiveness incurred mainly during Q3 2018
- Strong operating cash flow of \$50.0m in the 9 month period (9M 2017: \$33.1m)
- Net Debt/EBITDA of 3.0x (FY 2017: 3.1x, 9M 2017: 3.0x), Net Debt \$250.3 (FY 2017: \$228m). Gross Debt of \$361.9m (FY 2017: \$341.7m). Leverage ratio as per GPH's Eurobond 4.0x (FY 2017: 4.5x)

Cruise – Strong 9M results

- Passenger volumes for the 9 months fell 0.4% yoy, with Q3 volumes falling 6.8% yoy, driven primarily by an anticipated drop in passenger numbers at Malaga and additional unseasonal weather related cancellations at Valletta
- Cruise Revenue and EBITDA for the 9 months were up 8.3% and 17.8% respectively, to \$41.4m and \$29.4m (0.7% and 9.5% ccy)
 - Q3 Cruise Revenue and EBITDA fell by 3.9% and -1.0%, to \$19.0m and \$14.7m respectively, primarily driven by the -6.8% movement in passenger numbers in the quarter (-6.0% and -4.2% ccy)
- During the Q3 period GPH signed the concession agreement for Zadar Gazenica cruise port and GPH took over the operations at both Zadar and Havana.

Commercial – robust performance continues

- General & Bulk Cargo volumes for the 9 months were -3.1% and TEU Throughput was flat
 - In Q3 General & Bulk Cargo Volumes were -6.2% and TEU Throughput was -1.1% yoy
- Commercial Revenue and EBITDA for the 9 months were up 6.7% and 18.4% respectively, to \$53.0m and \$41.6m (5.5% and 17.8% ccy)
 - Q3 Revenue and EBITDA were up 2.5% and 22.5% respectively, to \$18.9m and \$16.0m
- Container volumes were down -1.1% in Q3, reflecting continued subdued marble volumes at Port Akdeniz with Q3 marble volumes -2.9% yoy, albeit a modest improvement on the -3.7% delivered in H1 2018, offset by good growth in other containers
- Q3 General & Bulk cargo volumes fell by 6.2%, with strong growth in Coal volumes at Port Akdeniz offset by continued weakness in cement and lower steel coil volumes at Port Adria
- Both ports handled project cargo in the period, with Port Akdeniz benefitting from a new support services contract that will provide some benefit in Q4 and potentially into Q1 2018

Outlook & current trading

Overall the positive trading trends highlighted at the interim results have continued into Q3, with the group delivering strong results for the 9 month period. Our Cruise business has performed inline with our expectations in the quarter, despite the impact of abnormal seasonal weather at some of our ports, while our Commercial business has performed well in the period. Our full year expectations of high single digit organic growth in constant currency Consolidated EBITDA remains unchanged.

Emre Sayin, Chief Executive Officer said;

“Our strong trading in the first half of the year has continued into Q3, driven by the steady performance of our cruise ports and the encouraging performance of our commercial ports. After a challenging 2017, we are pleased that the business is on track to deliver a strong level of organic growth for the full year.

There has been progress in our inorganic growth strategy for the Cruise segment, with concessions for Havana and Zadar signed so far this year, and an MoU recently signed in relation to port operations in Antigua and Barbuda.

In our Commercial business, strong EBITDA growth at Port Akdeniz in Q3 has been particularly pleasing.

Trading since the period end at both our cruise and commercial ports has continued in line with our expectations and our full year expectations remain unchanged.”

A conference call for equity investors will be held at 9am today and a conference call for bond investors will be held at 2pm today. Please contact martinb@globalportsholding.com for dial in details.

Notes

1. Passenger numbers refer to consolidation perimeter, hence excluding equity accounted associate ports Venice, Lisbon and Singapore
2. All \$ refers to USD unless otherwise stated
3. Segmental EBITDA figures indicate only operational port companies; excludes GPH HQ expenses
4. Revenue allocated to cruise segment equals sum of revenues of consolidated cruise ports excluding equity accounted associate ports Venice, Lisbon and Singapore
5. EBITDA allocated to cruise segment includes sum of EBITDA of consolidated cruise ports and pro-rata Net Profit of equity accounted associate ports Venice, Lisbon and Singapore
6. Performance at constant currency calculated by translating € earnings from our consolidated cruise ports for the current period into \$ at the average exchange rates used over the same period in the prior year.

Notes to Editors

GPH is the world's largest cruise port operator with an established presence in the Mediterranean, Caribbean, Atlantic and Asia-Pacific regions. GPH was established in 2004 as an international port operator with a diversified portfolio of cruise and commercial ports. As an independent cruise port operator, the group holds a unique position in the cruise port landscape, positioning itself as the world's leading cruise port brand, with an integrated platform of cruise ports serving cruise liners, ferries, yachts and mega-yachts. As the world's sole cruise ports consolidator, GPH's portfolio consists of investments in 14 cruise ports and two commercial ports in 9 countries and continues to grow steadily. GPH provides services for more than 7.0 million passengers reaching an annual market share of 23% in the Mediterranean. The group also offers commercial port operations which specialize in container, bulk and general cargo handling.

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