Global Ports Holding Plc

Q1 2018 Trading Statement

Q1 2018 results in line with management expectations, outlook for full year unchanged

Global Ports Holding Plc ("GPH Plc" or "Group"), the world's largest independent cruise port operator, today issues a trading update for the period from 1 January to 31 March 2018.

Operational results are inline with expectations and management are pleased with trading year to date. Due to the seasonal nature of the business, the first quarter of the year is always the quietest trading period in particular for the cruise but also the commercial divisions of GPH Plc. Therefore Q1 trading trends do not inform the trend for the full year.

Key Financials & KPI Highlights

	Q1 2017	Q1 2018	YoY Change
Passengers ('000 PAX)[1]	314.8	334.6	6.3%
General & Bulk Cargo ('000 tons)	485.2	480.7	(0.9%)
Container Throughput ('000 TEU)	48.8	51.1	4.7%
Total Revenue ($m)[2]	**18.2**	**20.6**	**13.1%**
Segmental EBITDA ($m)[3]	**11.4**	**13.0**	**13.9%**
Segmental EBITDA Margin	62.6%	63.1%	50bps
Cruise Revenue ($m)[4]	4.5	5.2	16.5%
Cruise EBITDA ($m)[5]	**1.6**	**2.3**	**40.3%**
Cruise Margin	36.2%	43.7%	+740bps
Commercial Revenue ($m)	13.8	15.4	12.0%
Commercial EBITDA ($m)	**9.8**	**10.7**	**9.6%**
Commercial Margin	71.1%	69.6%	-153bps
Consolidated EBITDA ($m)	**10.3**	**11.4**	**10.2%**
Consolidated EBITDA Margin	56.6%	55.1%	-145bps
Profit/(Loss) for the period ($m)	(5.0)	(9.6)[6]	n.m.
Underlying Profit/(Loss) for the period ($m)[7]	**2.9**	**(1.5)**	**n.m.**

Operational review

- Total consolidated revenues were $20.6m in the quarter, up 13.1% yoy.
- Total segmental EBITDA was $13.0m in the quarter, a 13.9% yoy increase, delivering a 63.1% EBITDA margin for the period, a 50bps increase on Q1 2017.
- Loss after tax for the period of $9.6m (2017: -$5.0m) was impacted in Q1 2018 by non-cash FX and a non-cash tax item.

[1] Passenger numbers refer to consolidation perimeter, hence excluding equity pick-up entities Venice, Lisbon and Singapore
[2] All $ refers to USD unless otherwise stated
[3] Segmental EBITDA figures indicate only operational companies; excludes GPH solo expenses
[4] Revenue allocated to cruise segment equals sum of revenues of consolidated cruise ports excluding equity pick-up entities 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 pick-up entities Venice, Lisbon and Singapore
[6] Loss after tax for the period of $9.6m (2017: -$5.0m), includes $8.1m amortisation expense in relation to port operation rights (Q1 2017 $7.4m). Q1 2018 loss was impacted by a $2.5m foreign exchange loss related to hedge ineffectiveness and there was no deferred tax benefit in the period (Q1 2017: £0.7m)
[7] Underlying loss for period is after adding back amortisation of port operating right intangibles of $8.1m

Outlook & current trading

The Group has delivered a good performance in Q1 and trading since the period end has been in line with management expectations we therefore remain confident of delivering on our expectations of mid to high single digit percentage growth in EBITDA for the full year.

Emre Sayin, Chief Executive Officer said;

"The first quarter is a seasonally low period for the group, nevertheless trading has been positive, with strong cruise passenger volumes and continued positive momentum in volumes at our commercial ports. I am particularly pleased that we have made progress with our inorganic cruise growth strategy through the award of the port operating rights at Zadar cruise port.

Trading at both our cruise and commercial ports have continued to perform in line with our expectations as we head into the Summer season."

Cruise

Passengers ('000 PAX)	Q1 2017	Q1 2018	Pax Change('000)
Creuers (Barcelona/Malaga)	207.1	246.4	39.3
Valletta	85.5	69.8	(15.6)
Ege Port	3.7	2.8	(0.9)
Other Cruise Ports	18.5	15.6	(2.9)
Total Cruise Ports	**314.8**	**334.6**	**19.8**

- Total cruise revenue rose by 16.5% yoy to $5.2m for the period (Q1 2017: $4.5m).
  - Passenger volumes rose 6.3% yoy to 335k, primarily driven by growth in the number of calls at our Spanish ports.
  - The strong revenue growth was driven by the higher than average yields achieved at our Spanish ports.
  - Our Turkish ports performed in line with our expectations in the period. While general tourism numbers to Turkey for 2018 are reported to be increasing yoy, we continue to be cautious for 2018.
- Cruise EBITDA was $2.3m in the period, up 40.3% on yoy (Q1 2017: $1.6m), underlying Cruise EBITDA was in line with our expectations for the period.
  - The strong EBITDA growth was primarily the result of the strong performance from Singapore, an equity pick up port which does not contribute to revenue. Excluding equity pick up ports Cruise EBITDA grew 2.9% yoy.
- During the period we were very pleased to win a tender for the operating rights of Zadar cruise port in Croatia for a duration of 20 years. This contract remains subject to entering into a final concession agreement with the Port of Zadar Authority.

Commercial

	Q1 2017	Q1 2018	YoY Change
Port Akdeniz-Antalya			
General & Bulk Cargo ('000)	464.3	425.9	-8.3%
Throughput ('000 TEU)	38.0	39.3	3.9%
Port Adria			
General & Bulk Cargo ('000)	20.9	54.8	167.9%
Throughput ('000 TEU)	11.0	11.8	7.2%
Total General & Bulk Cargo ('000)	485.2	480.7	-0.9%
Total Throughput ('000 TEU)	48.8	51.1	4.7%

- Total commercial revenues rose by 12.0% yoy to $15.4m for the period (Q1 2017: $13.8m), with revenue growth reported at both Antalya and Adria.
- Container volumes were up 4.7% yoy, with good growth at both our ports.
- General & bulk cargo volumes fell a modest (0.9%) yoy.
  - Port Akdeniz- Antalya's -8.3% drop in General & bulk cargo volumes was primarily driven by lower levels of cement exports and coal imports in the period. However, the overall declines were modest and we expect cement volumes to pick up over the balance of the year, with the improvement in coal volumes likely towards the second half.
  - Port Adria's growth was driven by the handling of 5,416 tonnes of project cargo (wind turbines) in the period as well as an increase in volumes of Coils, Slab Timber and MDF which helped drive the strong volume growth.
  - Port Adria is expected to handle further project cargo over the remainder of the year.

Balance Sheet

At 31st March 2018 net debt was $232.1m (Year end 2017: $227.5m) with the modest increase since year end primarily due to additional interest accruals related to our Eurobond and the fact Q1 is a low point in the Mediterranean cruise season. The group's Net Debt/EBITDA ratio was 3.0x times as at 31st March 2018.

Capital expenditure during the period was just $1.2m, a significant decrease on the $6.7m incurred in Q1 2017. The yoy decrease was driven by the fact that last year we completed the modernisation program at Port of Adria and renovation works in Ege Port's shopping mall in Q1 and there were no such projects in Q1 2018.

Gross debt at period end was $336m, the Leverage Ratio as per GPH's Eurobond (excluding Unrestricted Subsidiaries) was 4.3x at 31st March 2018, comfortably below the covenant of 5.0x.

Investor Conference Calls

A conference call for equity investors and analysts will be held at 9:00am today, with a separate call for bond holders held at 2.00pm. Please call +44 (0) 20 7404 5959 in advance of the call(s) to receive joining details.

APPENDIX

Summary Income Statement

	Q1 2017*	Q1 2018
Revenue	**18.2**	**20.6**
Operating Expenses	(15.9)	(18.1)
Depreciation and Amortization	(10.1)	(11.4)
Other Operating Income	0.6	0.8
Other Operating Expense	(4.0)	(6.2)
Operating profit	**(1.1)**	**(2.9)**
Finance Income	5.6	4.7
Finance Expenses	(10.7)	(12.6)
Loss before income tax	**(5.7)**	**(9.6)**
Income tax expense	0.7	0.0
Loss for the period	**(5.0)**	**(9.6)**
Other financial data		
Consolidated EBITDA	**10.3**	**11.4**
Consolidated EBITDA margin	6.6%	55.3%
Underlying Profit	**2.9**	**(1.5)**

Summary Balance Sheet ($m)

	FY 2017	Q1 2018
Cash and cash equivalents	99.4	103.2
Total current assets	141.1	129.9
Total assets	**751.6**	**743.8**
Total debt (including obligations under financing leases)	**341.7**	**335.5**
Net debt (including obligations under financing leases)	**227.5**	**232.1**
Total equity	264.7	262.3
of which retained earnings	143.1	135.1

Summary Cash Flow Statement ($m)

	Q1 2017*	Q1 2018
Net cash provided by operating activities	6.1	9.2
Net cash (used in) / produced from investing activities	(5.9)	12.9
Net cash (used in) / produced from financing activities	(4.4)	(17.3)

*Refers to Global Liman, which was effectively the group pre IPO in May 2017.

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