# Global Ports Holding Plc

## Trading Statement for the nine months to 31 December 2023

Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, today issues a trading update for the nine-month period from 1 April to 31 December 2023.

| **Key Financials & KPIs**[1] | **9 months ended 31-Dec-23** | **9 months ended 31-Dec-22** | **YoY Change (%)** | **3 months ended 31-Dec-23 (Q3)** | **3 months ended 31-Dec-22 (Q3)** | **YoY Change (%)** |
|---|---|---|---|---|---|---|
| Passengers (m)[2] | 10.2 | 6.8 | *51%* | 3.5 | 2.4 | *44%* |
| Total Revenue ($m) | 151.2 | 173.9 | *-13%* | 46.0 | 55.6 | *-18%* |
| **Adjusted Revenue ($m)[3]** | **135.8** | **92.2** | ***47%*** | **39.9** | **28.1** | ***42%*** |
| **Segmental EBITDA ($m)[4]** | **92.9** | **63.9** | ***45%*** | **25.4** | **19.9** | ***28%*** |
| **Adjusted EBITDA ($m)[5]** | **87.7** | **59.1** | ***48%*** | **23.5** | **18.7** | ***26%*** |
| *Segmental EBITDA Margin (%)* | *68.4%* | *69.3%* | | *63.6%* | *70.7%* | |
| *Adjusted EBITDA Margin (%)* | *64.6%* | *64.2%* | | *59.0%* | *66.7%* | |

| | **31-Dec-23** | **31-Mar-23** | |
|---|---|---|---|
| Gross Debt IFRS ($m) | 746.7 | 672.4 | *11%* |
| **Gross Debt ex IFRS 16 Leases ($m)** | **682.6** | **612.3** | ***11%*** |
| **Net Debt ex IFRS 16 Leases ($m)** | **581.5** | **494.0** | ***18%*** |
| Cash and Cash Equivalents ($m) | 101.2 | 118.3 | *-14%* |

### Notes

1. *All $ refers to United States Dollar unless otherwise stated*
2. *Passenger numbers refer to consolidated and managed portfolio consolidation perimeter; hence it excludes equity accounted ports La Goulette, Lisbon, Singapore and Venice.*
3. *Adjusted Revenue is calculated as total revenue excluding IFRIC-12 construction revenue*
4. *Segmental EBITDA includes the EBITDA from all consolidated ports and the contribution from management agreements, plus the pro-rata Net Profit of equity-accounted associates La Goulette, Lisbon, Singapore and Venice*
5. *Adjusted EBITDA calculated as Segmental EBITDA less unallocated (holding company) expenses*
6. *Differences may arise due to rounding*

### Key Financials and KPIs

- Cruise calls rose 20% from 2,676 to 3,564 for the 9M period ending 31 Dec 2023, and 28% from 1,027 to 1,312 in the 3M period to 31 Dec 2023
- Cruise passenger volumes growth was stronger, rising 51% for the 9M period ending 31 Dec 2023 compared to the 2022 9M Reporting Period, and 44% in the third quarter to 31 Dec 2023. The stronger growth in passenger volumes compared with the growth rates of cruise calls was driven by the significant increase in occupancy levels, which are now above 100% across our network
- Adjusted Revenue for the 9M period rose 47% to USD 135.8 million, with Q3 Adjusted Revenue rising 42% mainly driven by the higher passenger volumes. Total Revenue, including IFRIC-12 construction revenues, declined 13% to USD 151.2 million. This decrease reflects the impact of lower construction activities at Nassau Cruise Port where the major construction works came to an end during the period
- Segmental EBITDA for the 9M period of USD 92.9 million, a 45% increase on the USD 63.9 million for the same period last year
- Adjusted EBITDA for the 9M period was USD 87.7 million, a 48% increase on the USD 59.1 million for the same period last year
- Net Debt ex IFRS 16 Leases rose 18% to USD 581.5 million, and cash and cash equivalents fell 14% to USD 101.2 million, inorganic growth investments.

| Segmental Financials & KPIs | 9 months ended 31-Dec-23 | 9 months ended 31-Dec-22 | YoY Change (%) | 3 months ended 31-Dec-23 | 3 months ended 31- Dec-22 | YoY Change (%) |
|---|---|---|---|---|---|---|
| **Americas** | | | | | | |
| Adjusted Revenue ($m) | 37.9 | 24.7 | *53%* | 15.1 | 9.9 | *52%* |
| **Segmental EBITDA ($m)** | **24.1** | **17.6** | ***37%*** | **9.8** | **8.1** | ***21%*** |
| *Segmental EBITDA Margin (%)* | *64%* | *69%* | | *65%* | *81%* | |
| Passengers (m) | 3.7 | 2.8 | *31%* | 1.5 | 1.2 | *22%* |
| Revenue per passenger ($) | 10.3 | 8.7 | *17%* | 10.3 | 8.3 | *24%* |
| **West Med & Atlantic** | | | | | | |
| Adjusted Revenue ($m) | 34.8 | 23.3 | *49%* | 10.7 | 7.2 | *49%* |
| **Segmental EBITDA ($m)** | **28.3** | **16.6** | ***71%*** | **8.4** | **5.3** | ***57%*** |
| *Segmental EBITDA Margin (%)* | *81%* | *74%* | | *79%* | *75%* | |
| **Passengers (m)** | **3.6** | **2.1** | ***73%*** | **1.4** | 0.8 | ***72%*** |
| Revenue per passenger ($) | 9.7 | 11.2 | *-14%* | 7.6 | 8.8 | *-13%* |
| **Central Med** | | | | | | |
| Adjusted Revenue ($m) | 19.5 | 12.8 | *53%* | 4.1 | 2.8 | *47%* |
| **Segmental EBITDA ($m)** | **10.1** | **7.3** | *38%* | 1.8 | 1.1 | *57%* |
| *Segmental EBITDA Margin (%)* | *52%* | *57%* | | *44%* | *41%* | |
| **Passengers (m)** | **1.6** | **0.9** | ***71%*** | **0.3** | **0.2** | ***67%*** |
| Revenue per passenger ($) | 12.3 | 13.7 | *-10%* | 12.5 | 14.2 | *-12%* |
| **East Med & Adriatic** | | | | | | |
| Adjusted Revenue ($m) | 32.0 | 22.7 | *41%* | 6.7 | 5.3 | *26%* |
| **Segmental EBITDA ($m)** | **26.3** | **19.0** | ***38%*** | **4.9** | **4.3** | ***14%*** |
| *Segmental EBITDA Margin (%)* | *82%* | *84%* | | *73%* | *81%* | |
| **Passengers (m)** | **1.3** | **0.9** | ***42%*** | **0.3** | **0.2** | ***44%*** |
| Revenue per passenger ($) | 25.4 | 25.7 | *-1%* | 25.4 | 29.1 | *-13%* |
| **Other** | | | | | | |
| Adjusted Revenue ($m) | 11.6 | 8.7 | *33%* | 3.3 | 2.9 | *16%* |
| **Segmental EBITDA ($m)** | **4.1** | **3.3** | *25%* | 0.5 | 0.9 | *-49%* |
| *EBITDA Margin (%)* | *37%* | *38%* | | *14%* | *33%* | |
| **Passengers (m)** | **0.0** | **0.0** | ***n.m.*** | ***0.0*** | ***0.0*** | ***n.m.*** |
| **Unallocated (HoldCo)** | | | | | | |
| **Adjusted EBITDA ($m)** | **(5.3)** | **(4.7)** | *12%* | (1.8) | (1.1) | *69%* |
| **Group** | | | | | | |
| Adjusted Revenue ($m) | **135.8** | **92.2** | *47%* | 39.9 | 28.1 | *42%* |
| **Adjusted EBITDA ($m)** | **87.7** | **59.1** | *48%* | 23.5 | 18.7 | *26%* |
| *Adjusted EBITDA Margin (%)* | *65%* | *64%* | | *59%* | *67%* | |
| **Passengers (m)** | **10.2** | **6.8** | ***51%*** | **3.5** | **2.4** | ***44%*** |
| Revenue per passenger ($) | 13.3 | 13.6 | *-2%* | 11.5 | 11.7 | *-1%* |

## Americas

GPH's cruise operations in the Americas for the 9M Reporting Period includes GPH's two Caribbean ports, Nassau and Antigua, as well as Prince Rupert, Canada. The San Juan Cruise Port, Puerto Rico transaction reached financial closing in the fourth quarter.

During the 9M period, we completed our expansion investment in Nassau Cruise Port, creating a world-leading facility that has set a new standard for cruise port infrastructure globally. During the Reporting Period, we also started operations at Prince Rupert Cruise Port, Canada, which is included in the Americas Segment for the first time. Prince Rupert contributed a low single digit percentage of the total Americas EBITDA in the 9M Reporting Period.

Trading in the Americas continued to improve in the 9M period, with passenger volumes of 3.7 million compared to 2.8 million in the comparable period last year and just 768k in the comparable period two years ago. Adjusted revenue in the Americas rose 49% to USD 37.9 million, with Segmental EBITDA rising 37% to USD 24.1 million. Nassau Cruise Port continued to perform strongly and Antigua Cruise Port, which tends to be a winter destination, started to experience the expected pick up in trading.

Revenue yield per passenger rose 17% to USD 10.3, reflecting the positive impact of the completion of the upland portion of our investment in Nassau on ancillary revenue as well as the impact of tariff increases (inflation pass-through).

### San Juan Cruise Port

Shortly after the end of the third quarter, on 14 February 2024, San Juan Cruise Port (SJCP) reached financial close on the public-private partnership agreement for San Juan Cruise Port and took over cruise operations. The successful long-term project financing was achieved through the issuance, by SJCP, of bonds totalling USD 187 million. The bonds have received an investment grade rating of BBB- from S&P. The Series A tax-exempt bonds (USD 110 million) will fully amortize over 21 years, with a weighted average duration of c19 years. The Series B private placement bonds (USD 77 million) will fully amortize over 15 years, with a weighted average duration of c12 years.

San Juan Cruise Port is a popular transit port and homeport. However, the cruise port infrastructure needs significant investment to ensure continued operations over GPH’s 30-year concession term and to meet the needs of the modern and fast-growing cruise industry. Under the terms of the concession agreement, SJCP paid the Puerto Rico Ports Authority upfront fees of USD 77 million. During the initial investment phase, SJCP will invest approximately USD 100 million, primarily focused on critical infrastructure and upgrades to the terminal buildings and the walkway in front of the Old San Juan piers. In addition, the investment includes transaction expenses, reserve accounts customary for a project-financing of this nature and other incidental uses of proceeds. A second investment phase will commence, subject to certain pre-agreed criteria.

### St Lucia Cruise Port

During the 9M reporting period we signed a 30-year concession with a 10-year extension option for St Lucia Cruise Port. As part of this concession, GPH will invest in a material expansion and upgrade of the cruise port facilities. This investment will allow the port to handle the largest cruise ships in the global cruise fleet, increasing the port's capacity. In the 12 months to 31 March 2023, St Lucia welcomed c590k passengers (2019 calendar year c790k). The completion of the extended pier and upgrading of the facilities are expected to lead to a rise in passenger volumes to over 1 million p.a. in the medium-term. The successful commencement of the concession remains subject to a number of final conditions being satisfied. The handover and management of St Lucia Cruise Port is expected to occur shortly.

## West Med & Atlantic

GPH's West Med & Atlantic region includes our Spanish ports Barcelona, Fuerteventura, Lanzarote, Las Palmas, Malaga, Tarragona and Vigo, plus Kalundborg, Denmark, as well as the equity pick-up contribution from Lisbon and Singapore.

Trading in this region improved significantly compared to the comparable period last year. Passenger volumes rose 73% to 3.6 million. Adjusted Revenue rose 49% to USD 34.8 million, and Adjusted EBITDA rose 71% to USD 28.3 million. The primary driver of this improvement was the absence of Covid-related restrictions either at the point of departure or during the key booking season, factors that negatively impacted passenger volumes and occupancy rates in the comparable period.

Revenue per passenger fell 14% to USD 9.7. This was largely due to the port mix with a higher relative share of the recently completed Canary Island ports, which currently have a comparatively lower yield, and the relationship between significantly higher passenger volumes and non-passenger-volume-related revenues.

### Increase in ownership at Barcelona and Malaga Cruise Ports

At the start of the third quarter, GPH purchased the remaining 38% of Barcelona Port Investments S.L. (BPI) that it didn't already own from the minority shareholder, taking GPH's holding in BPI to 100%. The transaction terms are confidential. However, the purchase price is below USD 20 million.

As a result of this transaction, GPH's indirect holding in Creuers De Port de Barcelona S.A (Creuers) has increased to 100%, which increases GPH's interest in both Barcelona Cruise Port and Malaga Cruise Port to 100% from 62%. In addition, GPH's effective interest in SATS-Creuers Cruise Services PTE. LTD (Singapore Cruise Port) rises to 40% from 24.8% and the effective interest in Lisbon Cruise Port LD (Lisbon Cruise Port) rises from 46.2% to 50%.

Barcelona Port Authority recently announced plans to allow Royal Caribbean to construct a dedicated, private terminal at Barcelona Cruise Port with one berth. Once complete, this terminal is expected to be the primary terminal for Royal Caribbean's cruise operations in Barcelona. Current expectations are for the construction to be completed by summer 2027 at the earliest. The financial impact on GPH at this point is not expected to be material.

### Bremerhaven concession

During the Reporting period we signed a 10-year port concession agreement, with a potential 5-year extension option for Bremerhaven Cruise Port. The cruise facilities at the port are currently undergoing a multimillion-Euro investment by the local authorities, which, once completed, will expand and renew the port facilities. In 2022, Bremerhaven Cruise Port welcomed over 230k passengers, with over 90% of these being homeport passengers. The location of the port means it is ideally located for Scandinavian and Baltic Sea itineraries. In accordance with the terms of the concession, GPH will take over port operations in the first quarter of calendar year 2025.

### Liverpool Cruise and Casablanca Cruise Port

Shortly after the end of the 9M period in April 2024, GPH signed a 50-year agreement to operate cruise services at Liverpool Cruise Port. Liverpool Cruise Port has the potential for significant growth in passenger volumes. However, the port is currently unable to satisfy demand during the peak season due to berthing and infrastructure restrictions.

In 2023, Liverpool Cruise Port welcomed 102 cruise ships and over 186k passengers. This is expected to increase to over 200k passengers in 2024 and exceed 300k per annum once potential infrastructure works are completed. Liverpool Cruise Port is well-positioned to participate in the growing Northern European cruise region, in particular the British and Irish markets. It has good airport connectivity, with two international airports within an hour's drive, providing significant potential to act as a gateway to the Northern European and Round Britain Cruise Markets for American and European passengers, as well as being well-positioned to act as a home port for the domestic passenger market.

On the 5 April 2024, GPH announced that following a public tender process, a majority-owned consortium between GPH (51%), local shareholder Steya (40%) and Ocean Infrastructures Management from Spain (9%) had been awarded preferred bidder status for a 15-year concession agreement to operate the Casablanca Cruise Port. The GPH-led consortium and the local port authority are now working towards agreeing on the terms of the concession agreement.

The cruise port facilities in Casablanca recently underwent a EUR 60 million investment in the cruise port infrastructure, which included the construction of a new cruise pier, brand-new cruise terminal and maritime station to international standards, thereby significantly increasing the port's capacity.

The port is now capable of handling ships up to 350 m long and has the capacity for over 400k passengers per annum. Casablanca Cruise Port is expected to welcome c150k transit passengers in 2024, rising to c180k passengers in 2025. Located on the Northwest coast of Africa, Casablanca is a key stopover port for Canary Island and West Mediterranean cruises, as well as crossing sailings between Europe and the Caribbean.

## Central Med

Our Central Med region includes Valletta Cruise Port, Malta as well as GPH's four Italian ports (Cagliari, Catania, Crotone and Taranto) and the equity pick-up contribution from La Goulette, Tunisia and Venice Cruise Port, Italy.

Trading in this region significantly improved in the 9M Reporting Period. Passenger volumes of 0.9 million were a 71% increase compared to the comparable period last year. Adjusted Revenue rose 53% to USD 19.5 million, and Adjusted EBITDA rose 38% to 10.1 million.

As with the West Med & Atlantic region, the primary driver of this improvement was the absence of Covid-related restrictions either at the point of departure or during the key booking season, factors that negatively impacted passenger volumes and occupancy rates in the comparable period.

Revenue per passenger fell 10% to USD 12.3, reflecting the mix and the relationship between significantly higher passenger volumes and non-passenger volume-related revenues.

### East Med & Adriatic

GPH's East Med & Adriatic operations include the flagship Turkish port Ege, Port Kusadasi, as well as Bodrum, Turkey and Zadar, Croatia.

Passenger volumes in this region rose to 1.3 million, a 42% increase compared to the comparable period, with this increase being primarily driven by strong trading at our Turkish ports. Adjusted revenue of USD 32.0 million increased 41% compared to the comparable period. Adjusted EBITDA rose 38% to USD 26.3 million.

Revenue yield per passenger was largely unchanged at USD 25.4.

#### Ege Port extension

At the start of the 9M reporting period, GPH agreed to extend its concession agreement for Ege Port, Kusadasi, adding 19 years to this concession, which now ends in July 2052. As part of the agreement, Ege Port paid an upfront concession fee of TRY 725.4 million (USD 38 million at the prevailing exchange rate at the time of payment). In addition, Ege Port has committed to invest an amount equivalent to 10% of the upfront concession fee within the next five years to improve and enhance the cruise port and retail facilities at the port, and will pay a variable concession fee equal to 5% of its gross revenues during the extension period only starting after July 2033.

A capital increase at Ege Port funded the upfront concession fee. This capital increase was provided by GPH only. As a result, GPH's equity stake in Ege Port has increased to 90.5% (from 72.5%).

This up-front concession fee and related expenses were financed by partial utilisation of the USD 75 million growth facility provided by Sixth Street shortly before the end of the fiscal year 2023. As part of this additional USD 38.9 million drawdown, GPH issued further warrants to Sixth Street, representing an additional 2.0% of GPH's fully diluted share capital.

### Other

Our Other reporting segment includes our commercial port Port of Adria, Montenegro, our management agreement for Ha Long Cruise Port, Vietnam and the contribution from our port services businesses.

Adjusted Revenue increased 33% to USD 11.6 million and Adjusted EBITDA rose 25% to USD 4.1 million. GPH remains focused on increasing port services at GPH-operated ports and third-party-operated ports. These services primarily target enhancing cruise passengers' overall experience in the port and destination and include destination and shoreside services, crew services, and area & terminal management.

Port of Adria's future within GPH remains under review by the GPH board.

## Balance Sheet

At 31 December 2023, IFRS Gross Debt was USD 746.7 million (Ex-IFRS-16 Finance Leases Gross Debt: USD 682.6 million), an 11% increase from the Gross Debt at 31 March 2023 of USD 672.4 million (Ex-IFRS-16 Leases Gross Debt: USD 612.3 million).

Net debt Ex-IFRS-16 Leases was USD 581.5 million compared to USD 494.0 million as at 31 March 2023. At 31 December 2023, GPH had cash and cash equivalents of USD 101.2 million, compared to USD 118.3 million at 31 March 2023.

During the Q3-period since the end of September 2023 the Gross Debt remains largely unchanged. As of 30 September 2023 Gross Debt Ex-IFRS-16 Finance Leases stood at USD 679.5 million (vs. USD 682.6 million as of 31 December 2023). Net Debt increased during the 3M period due to the decline in Cash & cash equivalents (from USD 118.4 million as of 30 September 2023 to USD 101.2 million as of 31 December 2023) which was the result of outflow for CAPEX and the acquisition of the BPI stake exceeding operating cash flow generated during the period.

The main drivers of the changes in debt over the 9M period was the issuance of USD 330 million of secured private placement notes ("Notes") to insurance companies and long-term asset managers at a fixed coupon of 7.87% in September 2023. The Notes received an investment grade credit rating from two rating agencies and will fully amortize over 17 years, with a weighted average maturity of c13 years. Over 90% of GPH's gross debt is now fixed and close to 85% of GPH's gross debt is made up of the investment grade rated Notes and the ring-fenced project financed issuance for Nassau Cruise Port.

The majority of the proceeds from the Notes were used to repay in full the outstanding senior secured loan from Sixth Street (including the portion drawn at the end of fiscal year 2023 for the Ege Port extension), plus early repayment fees and accrued interest.

This financing generates material savings of cash interest expenses and creates a stable, long-term funding base for the Group. Further, it secures the financing of our growth pipeline.

The main driver for the change in Gross Debt is the fact that the USD 330 million Notes include reserves and cash expected to be deployed as equity contributions for near-term growth projects. Hence, outstanding debt has increased compared to the Sixth Street loan, which has approximately USD 255 million of nominal outstanding.

This excess refinancing amount also impacted the outstanding cash (less transaction costs and early prepayment fees). Besides the refinancing, the other major impacts to cash were the aforementioned extension of Ege Port concession for c. USD 38 million at the start of the reporting period whereas the drawdown of the debt to finance this extension was completed shortly before the end of the fiscal year 2023, as well as capital expenditure and investments picking up in the Q3 period mainly in the West Med region related to construction projects in Las Palmas and other Spanish ports recently added to the portfolio and the acquisition of the BPI minority interest.

Operating cash flow of USD 53.0 million reflected the growth in EBITDA, offset by the primarily the impact in the first half of an increase in trade receivables due to improved trading as the industry returned to normal trading patterns post Covid, compared to the lower-than-normal trading activity in the comparable period. All operations continue to operate on normal payment terms, so this impact should not be repeated next financial year. Additionally, there was a one-off effect in the Trade Payable due payment of invoices to the contractor in Nassau Cruise Port as the investment project was completed (impact of ca. USD 13 million).

Net capital expenditure including investments were USD 74.8 million, including the impact of advances, this primarily reflects the Ege Port extension, final investments in Nassau Cruise Port and construction activity in Spanish ports picking up during Q3 of the fiscal year 2024 as well as the purchase of the minority shareholding in BPI.

## Outlook

The global cruise industry has shown remarkable resilience following the challenges posed by the Covid-19 pandemic. Occupancy rates are now at pre-pandemic levels across the industry and bookings for the 2024 season are robust, with major cruise lines reporting strong booking volumes and prices.

While high inflation and rising interest rates globally have led to an uncertain economic outlook, the longer lead time on cruise bookings compared to land based tourism provides significant protection to the cruise industry during periods of macro stress, with passenger volumes rarely negatively impacted.

At GPH's ports year-to-date, we have experienced higher than originally expected passenger volumes, driven primarily by a faster recovery in occupancy rates across our port network. The majority of this impact was realised during the first six months of the Reporting Period.

Based on preliminary data, we anticipate passenger volumes for the 12 months to 31 March 2024 to be around 13.4 million across our consolidated and managed ports as of 30 September 2023, hence excluding any contribution from San Juan for half of February and March 2024, this compares favourably to our initial expectation of 11.8 million passengers at the beginning of the reporting period.

Our current traffic forecast expectations for consolidated and management ports for the 12 months to 31 March 2025 is 16 million. This excludes incremental passenger volumes once St Lucia Cruise Port and Casablanca join the network. The addition of these ports will take our total passenger volume across all ports in the GPH cruise port network, including equity accounted ports, to over to 20 million.

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