Global Ports Holding Plc

Trading Statement for the three months to 30 June 2023

Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, today issues a trading update for the period from 1 April to 30 June 2023.

Key Financials & KPIs[1]	3 months ended 30 June 2023	3 months ended 30 June 2022	YoY Change (%)
Passengers (m PAX)[2]	3.1	1.7	76%
Total Revenue ($m)	53.4	45.7	17%
Adjusted Revenue ($m)[3]	**43.3**	**27.1**	**60%**
Segmental EBITDA ($m)[4]	30.2	17.1	76%
Adjusted EBITDA ($m)[5]	**28.6**	**15.4**	86%
Segmental EBITDA Margin (%)	*69.7%*	*63.2%*	
Adjusted EBITDA Margin (%)	*66.0%*	*56.7%*	
	30 June 2023	**31 March 2023**	
Gross Debt (IFRS)	665.7	672.4	-1%
Gross Debt ex IFRS 16 Finance Lease	**604.8**	**612.3**	**-1%**
Net Debt ex IFRS 16 Finance Lease	**540.8**	**494.0**	**9%**
Cash and Cash Equivalents	64.0	118.3	-46%

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 equity consolidated ports, the pro-rata Net Profit of equity-accounted associates La Goulette, Lisbon, Singapore, and Venice, and the contribution from management agreements.
5. Adjusted EBITDA calculated as Segmental EBITDA less unallocated (holding company) expenses.
6. Passenger numbers refer to consolidated and managed portfolio consolidation perimeter, hence it excludes equity accounted associate ports La Goulette, Lisbon, Singapore and Venice.

Key Financials and KPIs

- Cruise passenger volumes for the 3M period ending 30 June 2023 were 3.1m rising 76% compared to the comparable period last year and were 17% ahead of the 2019 levels (adjusted for Nassau and Antigua passengers prior to GPH handover).
- Occupancy levels returned faster than expected to pre-pandemic levels, with an occupancy rate across our ports in June 2023 of 108%.
- Adjusted revenue rose 60% to USD 43.3m, reflecting the strong growth in passenger volumes.
- Total consolidated revenues, including the impact of IFRIC-12 Construction revenues, were USD 53.4m compared to USD 45.7m in the comparable period.
- Segmental EBITDA rose strongly to USD 30.2m from USD 17.2m in the comparable period.
- Adjusted EBITDA was USD 28.6m a significant increase on the USD 15.4m in the comparable period.

Mehmet Kutman, Co-Founder, Chief Executive Officer and Chairman, said:

"GPH has had a strong start to the 2024 financial year, and I am delighted with the trading performance across our port network.

I am excited about the prospects for considerable further organic growth from our current port network, and the current strong pipeline of opportunities to grow the number of ports in our network."

Record performance

Trading across all regions has been positive. Those ports that had a more muted summer 2022 season have, as expected, experienced a pick-up in trading and our call reservations point towards continued strong performance for the remainder of the fiscal year to March 2024.

At the start of the quarter, Nassau Cruise Port successfully refinanced its local bond, resulting in a reduction in the fixed coupon to 6.0% (from 8.0%) and a reduction in the annual interest payment by USD 2.0 million despite an increase in the nominal outstanding amount to USD 145 million (from USD 134.4 million). The maturity date of 2040 remains unchanged, as does the principal repayment schedule, which is ten equal annual payments from June 2031. The bond remains non-recourse to GPH or any other Group entity.

At the start of the quarter, GPH agreed to extend its concession agreement for Ege Port, Kusadasi, extending this concession from July 2033 to 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 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 has issued further warrants to Sixth Street, representing an additional 2.0% of GPH's fully diluted share capital.

After the end of the quarter, we signed a 30-year concession with a 10-year extension option for Saint 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. GPH will also invest in transforming the retail experience, continuing our commitment to driving significant economic benefits for the local population, this investment will include an exciting new space for local vendors.

Regional Breakdown	**3 months ended 30-Jun-23**	**3 months ended 30-Jun-22**	**YoY Change (%)**
Americas			
Adjusted Revenue ($m)	12.1	7.2	*69%*
Segmental EBITDA ($m)	**7.9**	**4.3**	***84%***
EBITDA Margin (%)	65.2%	60.0%	
Passengers (m)	1.16	0.78	*48%*
West Med & Atlantic			
Adjusted Revenue ($m)	10.9	6.2	*77%*
Segmental EBITDA ($m)	**9.0**	**3.8**	*139%*
EBITDA Margin (%)	82.5%	61.0%	
Passengers (m)	1.06	0.47	*123%*
Central Med			
Adjusted Revenue ($m)	6.3	4.1	*55%*
Segmental EBITDA ($m)	**3.4**	**2.3**	*49%*
EBITDA Margin (%)	54.4%	56.5%	
Passengers (m)	0.49	0.26	*91%*
East Med & Adriatic			
Adjusted Revenue ($m)	10.3	6.9	*49%*
Segmental EBITDA ($m)	**8.3**	**5.6**	***47%***
EBITDA Margin (%)	80.5%	81.6%	
Passengers (m)	0.39	0.24	*59%*
Other			
Adjusted Revenue ($m)	3.6	2.8	*29%*
Segmental EBITDA ($m)	**1.5**	**1.1**	*34%*
EBITDA Margin (%)	41.9%	40.5%	

Unallocated (HoldCo)			
Adjusted EBITDA ($m)	**(1.6)**	**(1.8)**	*-9%*
Group			
Adjusted Revenue ($m)	43.3	27.1	*60%*
Adjusted EBITDA ($m)	**28.6**	**15.4**	*86%*
EBITDA Margin (%)	66.0%	56.7%	
Passengers (m)	3.10	1.76	*76%*

Balance Sheet

At 30 June 2023, IFRS gross debt was USD 665.7m (Ex IFRS-16 Finance Leases Gross Debt: USD 604.8m), largely unchanged compared to gross debt at 31 March 2023 of USD 672.4m (Ex IFRS-16 Finance Leases Gross Debt: USD 612.3m).

Net debt Ex IFRS-16 finance leases rose to USD 540.8m from USD 494.0m as at 31 March 2023. At the end of June 2023, GPH had cash and cash equivalents of USD 64.0m, a reduction from USD 118.3m at 31 March 2023.

The main driver for the increase in net debt and decrease in cash was the USD c38m upfront concession fee paid for the extension at Ege Port and the continued investment activity in Nassau Cruise Port with USD c7m of capex and a significant reduction in trade payables of USD c7m, primarily related to contractor payments in Nassau.

Outlook

GPH provided a detailed outlook statement, including our 2024 expectations for passenger volumes in our full-year results for the Reporting Period ended 31 March 2023, released on 10 July 2023.

The faster recovery in occupancy rates has resulted in the run rate for passenger volumes for the 2024 Reporting Period (12 months to 31 March 2024) currently being ahead of this guidance.

The outlook for the cruise industry remains positive. Long-established demand and supply trends have re-established themselves as key drivers of growth in the industry. By the end of 2027, passenger volumes are expected to be 45% higher than pre-Covid levels.

This strong level of industry growth means there is a need for significant levels of investment in cruise port infrastructure in order to meet the needs of both the growing number of cruise ships and the growing size of cruise ships as well as the increased demand from passengers for an improved cruise port experience.

This growth is creating exciting opportunities for cruise ports but also presents potential risks, as cruise ports will face substantial challenges to meet the demands and needs of the industry. GPH's significant experience and know-how in port and destination development and global cruise port operations, honed from our experience worldwide, means we are well-positioned to play a primary role in both this investment and industry growth in the years ahead.

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