

## **AD Ports Group Builds on Full Year 2022 Momentum Delivering Year-on-Year Revenue Growth of 73% to AED 1,817 million in Q1 2023**

- Q1 2023 Revenue grew by 73% year-on-year (YoY) to AED 1,817 million driven by the Maritime, Economic Cities & Free Zones, and Ports Clusters as well as acquisitions completed in 2022 and Q1 2023; +35% YoY on a like-for-like basis
- Q1 2023 EBITDA surged 33% YoY to AED 699 million, implying an EBITDA margin of 38.5%; +14% YoY on a like-for-like basis
- Q1 2023 Total Net Profit increased 18% YoY to AED 363 million

**Abu Dhabi, UAE – 15 May 2023:** AD Ports Group today announced another strong set of financial and operational results for the first quarter of 2023, in continuation of full year 2022 strong delivery.

The Group's revenue grew 73% YoY to AED 1,817 million in Q1 2023, driven by the robust performance of its Maritime, Economic Cities & Free Zones, and Ports Clusters as well as the acquisitions made in 2022 and Q1 2023 – Transmar & TCI in Egypt as well as Divetech, ASCL, SAFEEN Subsea, and Al Eskan Al Jamae (EAJ) in Abu Dhabi.

EBITDA increased 33% YoY to AED 699 million in Q1 2023 driven by the Maritime and Ports Clusters as well as acquisitions, implying an EBITDA margin of 38.5% for the quarter, in line with the short-term guidance of 35-40%.

Total Net Profit soared 18% YoY to AED 363 million in Q1 2023.

The Maritime Cluster reported revenue growth of 259% YoY to AED 915 million in Q1 2023, on a combination of capacity increases, wider service offerings and increased activity in new business segments. Contribution from new acquisitions - Divetech, ASCL, Safeen Subsea and Transmar - accounted for 30% of total Q1 2023 Maritime Cluster revenue. Key business segments driving growth in the Maritime Cluster were marine, feeder (container and bulk), and offshore services.

The Economic Cities & Free Zones Cluster reported top-line growth of 13% YoY to AED 429 million in Q1 2023, driven by previously signed leases, higher utilities revenues, and the merger with EAJ, whose contribution amounted to around AED 73 million.

The Economic Cities & Free Zones Cluster leased an additional 1.4 sq km of land in Q1 2023, on track to achieve the 3.5-4.0 sq km annual guidance and reported an increase in warehouse leases of 46% YoY.

The Ports Cluster reported revenue growth of 24% YoY to AED 314 million in Q1 2023. Ports Cluster container volumes grew 18% YoY in Q1 2023, driven



by the gradual recovery from COVID-19 and supply chain disruptions as well as higher container utilisation rates (51% in Q1 2023 vs. 43% in Q1 2022) as partner shipping lines are gradually shifting their regional volumes to Khalifa Port in line with their contractual obligations. The Ports Cluster also achieved 32% YoY growth in Ro-Ro volumes, 361% YoY growth in cruise passengers, and 40% YoY growth in general cargo volumes.

The Logistics Cluster contributed AED 139 million to the Group's revenue in Q1 2023, declining 3% YoY, as its performance was impacted by the temporary maintenance shutdown of a strategic customer's production plant and the end of the COVID-19 vaccine business.

The Digital Cluster contributed AED 101 million to the Group's top line in Q1 2023, relatively stable, as its performance was impacted by lower demand for internal IT services.

AD Ports Group continued to press ahead with its ambitious revenue-generating CapEx programme to diversify its income as per plan, spending AED 1.02 billion in Q1 2023.

On the balance sheet front, AD Ports Group maintained a healthy financial position and leverage, with Net Debt to EBITDA ratio standing at 2.1x at the end of the Q1 2023 and limited debt servicing obligations in the short term.

As for cash flows, the Group generated Net Operating Cash Flows of AED 335 million in Q1 2023, significantly up YoY. The heavy and front-loaded CapEx program continued to weigh on Free Cash Flows as per plan, resulting in a negative Free Cash Flow of AED 544 million during Q1 2023.

One of the key highlights since the beginning of the year was the announcement of the acquisition of 100% ownership of TTEK, a developer of border control solutions and customs systems, in addition to the completion of the merger with EAJ in Abu Dhabi.

The Group is now focusing on completing the previously announced acquisitions of 100% of Noatum, a logistics services provider with a presence in 26 countries across five continents, and 80% equity stake in Dubai-based Global Feeder Shipping (GFS), a global container shipping company. These acquisitions will broaden AD Ports Group's global footprint and scale up its logistics and freight forwarding business internationally and turn the company into the largest pure feeder operator in the region and the third largest globally by container capacity, which will be close to 100,000 TEUs. AD Ports Group currently expects closing of the Noatum acquisition no later than Q2 2023 and GFS acquisition no later than Q3 2023.



**Captain Mohamed Juma Al Shamisi, Managing Director and Group CEO, AD Ports Group,** said: "I am thrilled to announce that our successful momentum from 2022 has carried through the first quarter of 2023, with strong financial and operational results. Our investment in organic growth is bearing fruit, and the strategic M&A activity we undertook has provided a further boost to our growth.

The Group's performance across its five clusters demonstrates our strong business resilience with over 70% of Q1 2023 revenue being long-term, sticky and recurring business.

As we press ahead with our 5-year CapEx plan (2023-27) of around AED 15 billion, and further expand our capabilities and market presence with the support of our wise leadership, we expect our growth trajectory to continue, especially since the macro outlook for the UAE and the region remains positive."

**Martin Aarup, Group Chief Financial Officer, AD Ports Group,** said: "Our Q1 2023 financial results were robust with strong top-line growth and a stable, predictable revenue base. This solid performance combined with good visibility comes from our unique business model in our Ports and Economic Cities & Free Zones Clusters, coupled with long-term contracts, partners, and leases in the Maritime and Logistics Clusters. In addition, our strong balance sheet offers further flexibility for both organic and inorganic growth, enabling us to continue to consider business growth opportunities in the current challenging environment while maintaining our investment-grade credit rating. We are excited about the opportunities ahead and remain committed to delivering increasing value to our shareholders."

## Summarised Consolidated Financial Results

AED m	Q1 2022	Q4 2022	Q1 2023	Q1 2023 vs Q1 2022
Revenue	1,047	1,743	1,817	73%
EBITDA <sup>1)</sup>	524	525	699	33%
EBITDA Margin %	50.1%	30.1%	38.5%	-11.6%
Total Net Profit	306	344	363	18%
Attributable to the owners of the company	305	331	331	9%
Non-controlling interests	1	13	32	-
Reported EPS (AED) <sup>2)</sup>	0.07	0.07	0.07	-3%
Total Assets	34,085	38,512	43,316	9,231
Total Liabilities	16,314	18,877	21,078	4,763
Total Equity	17,770	19,635	22,238	4,468
Cash Flow from Operations	50	372	335	285
CapEx	(967)	(1,323)	(1,016)	(49)
Cash Flow from Investing Activities	(2,866)	(1,337)	(878)	1,987
Free Cash Flow (FCFF)	(2,816)	(965)	(544)	2,272
Net Debt <sup>3)</sup>	573	4,276	5,930	5,357
Net Debt / EBITDA (x) <sup>3)</sup>	0.3	2.0	2.1	1.8
Return on Average Capital Employed - RoACE (%) <sup>4)</sup>	5.3%	5.7%	5.3%	+1 bps



- 1) EBITDA is calculated by taking net profit and adding depreciation and amortization, finance costs, impairment of investment properties and subtracting government grants, fair value gain on pre-existing interest in a joint venture and finance income
- 2) Based on the weighted average number of shares for the period
- 3) Net debt is calculated as total borrowings (including bank overdrafts and bond issues), excluding payables to ZIF project companies, less cash, and bank balances
- 4) RoACE is calculated as net profit before funding cost divided by invested capital being the sum of total equity, borrowings, deferred government grant, lease liabilities, and amounts payable to project companies less cash

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### **About AD Ports Group:**

Established in 2006, AD Ports Group today serves as the region's premier facilitator of logistics, industry, and trade, as well as a bridge linking Abu Dhabi to the world. Listed on the Abu Dhabi Securities Exchange (ADX: ADPORTS), AD Ports Group's vertically integrated business approach has proven instrumental in driving the emirate's economic development over the past decade.

Operating several clusters covering Ports, Economic Cities & Free Zones, Maritime, Logistics, and Digital, AD Ports Group's portfolio comprises 10 ports and terminals, and more than 550 square kilometres of economic zones within KEZAD, the largest integrated trade, logistics, and industrial business grouping in the Middle East.

AD Ports Group is rated A+ by S&P and A+ Outlook Stable by Fitch.