

AD Ports Group delivers a record Net Profit in Q3 2022 with 77% growth YoY

- Q3 Revenue grew by 53% YoY to AED 1,466 million driven by the Maritime and EC&FZ clusters
- Q3 EBITDA surged 52% YoY to AED 594 million, implying an EBITDA margin of 40.5%
- Q3 Net Profit jumped 77% YoY to AED 334 million
- Organic CapEx remained high, with AED 1.6 billion spent in Q3 and AED 4.2 billion for 9M 2022 as per plan
- Ports Cluster container volumes grew 31% YoY for Q3 (+28% YoY for 9M 2022), on the back of increased capacity and higher utilization rate of 54% for Q3
- Net additions of new land leases of 0.4 sq km in Q3 (4.2 sq km for 9M 2022)
- SAFEEN Feeders container volumes increased 34% YoY in Q3 (+27% for 9M 2022)
- Maritime Cluster Q3 2022 revenue was up +408% YoY to AED 676 million, driven by new business segments and service offering, new acquisitions Divetech, ASCL, SAFEEN Surveys and Subsea Services, and Transmar, as well as higher freight rates
- Game-changing acquisition of Global Feeder Shipping (GFS) will position AD Ports Group as the largest pure feeder operator in the region and the 3rd largest globally, by container capacity with an expected c.60% EPS accretion on a full-year basis in 2023

Abu Dhabi, UAE - 15 November 2022: AD Ports Group today announced its financial results for the third quarter of 2022.

The Group's revenue grew 53% YoY to AED 1,466 million in Q3 2022 (+35% YoY growth to AED 3,755 million for 9M 2022), driven by strong growth in its Maritime Cluster and a robust performance of its Economic Cities & Free Zones (EC&FZ) Cluster. Ports Cluster revenue grew 18% YoY on a like-for-like basis when adjusted for the positive effect of a one-off sand supply contract in 2021.

EBITDA increased 52% YoY to AED 594 million in Q3 2022 (+42% YoY growth to AED 1,650 million for 9M 2022), implying an EBITDA margin of 40.5% in Q3 2022 and 43.9% for 9M 2022. The Group's EBITDA performance should continue to be supported by higher operating leverage in the Ports and EC&FZ Clusters going forward.



Net Profit soared 77% YoY to reach AED 334 million in Q3 2022 (+58% YoY growth to AED 941 million for 9M 2022).

Earnings per share increased 27% YoY to 0.19 for 9M 2022.

AD Ports Group continued to press ahead with its ambitious organic revenue generating CapEx programme, with spending of AED 1.6 billion in Q3 2022 and AED 4.2 billion for 9M 2022.

Operating Cash Flow amounted to AED 1.3 billion for 9M 2022, implying a cash conversion of 76% while Free Cash Flow remained negative at AED -2.6 billion due to the large ongoing revenue generating growth CapEx investments. AD Ports Group maintains a solid financial position and robust balance sheet, with significant capital resources available for both organic and inorganic growth.

Operationally, Ports Cluster container volumes grew 31% YoY in Q3 2022 (+28% YoY for 9M 2022), driven by increased capacity after the expansion of ADT and CSP Abu Dhabi Terminals in 2021.

One of the key highlights of the period was the announcement of the acquisition of an 80% equity stake in Dubai-based Global Feeder Shipping (GFS), a global container shipping company, for AED 2.9 billion (USD 800 million), implying a 100% Enterprise Value of AED 3.7 billion (USD 1.0 billion). GFS is the third largest feeder shipping business globally, with operated capacity of 72,500 TEUs, a total of 26 vessels, and 9,000 owned and 31,000 operated containers across its feeder and NVOCC businesses. It operates a comprehensive service network of 20 services across the GCC, Red Sea, Indian Subcontinent and Southeast Asia.

Upon completion, the acquisition, which is the company's largest by AD Ports Group to date, is set to position AD Ports Group as the largest pure feeder operator in the region and the third largest globally by container capacity, which will be close to 100,000 TEUs. GFS provides a complementary asset base and portfolio of services that will boost AD Ports Group's regional and global footprint.

The company expects the GFS acquisition to be c.60% EPS accretive on a full-year basis in 2023.

In September, AD Ports Group also completed the acquisition of a 70% stake in International Associated Cargo Carrier (IACC) in Egypt, which fully owns Transmar and TCI, for an enterprise value of AED 514 million (USD 140 million).

The transformative impact of the company's acquisitions strategy can be seen most clearly in the enhanced performance of the Group's Maritime Cluster, which saw a 241%



YoY increase in revenue to AED 1.3 billion in the first nine months of the year. This was in part driven by increased activity in new business segments and service offerings, including feederling, chartering, transshipment, and offshore services, and accelerated by the contribution of the recent acquisitions, including Divetech, ASCL, SAFEEN Surveys and Subsea Services, and Transmar, which accounted for 27% of the total 9M 2022 Maritime Cluster revenue.

Captain Mohamed Juma Al Shamisi, Managing Director and Group CEO, AD Ports Group, said: “These remarkable results demonstrate the effectiveness and impact of our ambitious growth strategy, as we seek new opportunities even in challenging global market conditions. As ever, we are grateful to our wise leadership for their steadfast support for our initiatives at home in the UAE and around the world.

We have pursued joint ventures and acquisitions that have built supply chain density along major routes, accelerating trade and building resilience for customers around the world. These new ventures have played a key role in expanding our service offering, enabling us to support customers at every stage of their business journey, and delivering exponential growth in our maritime business in particular.”

Martin Aarup, Group Chief Financial Officer, AD Ports Group, said: “We have a strong balance sheet, a firm bedrock of long-term recurring revenue for our Ports and EC&FZ businesses, and we see a positive correlation between the fundamentals of the Abu Dhabi economy and the success of our business. Our alignment with the emirate’s long-term industrial and manufacturing strategies, the country’s National Food Security Strategy 2051, and the long-term strategy to diversify the economy and boost non-oil exports all auger well for our business in the future.”

Ross Thompson, Group Chief Strategy and Growth Officer, AD Ports Group, said: “Globally, we can see signs of economic recession and a slowing of international trade, but our operations are thriving in markets and along routes that still show tremendous capacity for growth, particularly in the MENA region, along the Red Sea coast, and the Indian subcontinent.

We are successfully executing a three-stage growth strategy with clear objectives and outcomes, consolidating our position as the leader in logistics and trade services in Abu Dhabi and the UAE; executing customer-led regional expansion along critical trade routes and through focused service launches; and expanding globally across major maritime and inland supply chains. We can offer confident medium-term visibility that will see positive strong revenue, EBITDA and profit growth for the next five years.”



Summarised Consolidated Financial Results

AED m	Q3 2021	Q2 2022	Q3 2022	Q3 2022 vs. Q3 2021	9M 2021	9M 2022	9M 2022 vs. 9M 2021	FY 2021
Revenue	959	1,242	1,466	53%	2,791	3,755	35%	3,910
EBITDA ¹⁾	391	532	594	52%	1,161	1,650	42%	1,601
EBITDA Margin %	40.8%	42.8%	40.5%	-28 bps	41.6%	43.9%	+235bps	41%
Net Profit	189	300	334	77%	596	941	58%	853
Attributable to the owners of the company	187	298	314	68%	590	917	55%	846
Non-controlling interests	2	2	20	-	6	24	-	8
EPS (AED) ²⁾	0.04	0.06	0.06	68%	0.12	0.18	55%	0.17
Total Assets	26,234	35,684	36,658	10,423	26,234	36,658	10,423	28,149
Total Liabilities	16,483	16,786	17,375	892	16,483	17,375	892	17,458
Total Equity	9,752	18,898	19,283	9,531	9,752	19,283	9,531	10,691
Cash Flow from Operations	257	473	730	473	595	1,254	659	787
CapEx	(916)	(1,602)	(1,629)	(712)	(2,011)	(4,198)	(2,188)	(3,124)
Cash Flow from Investments	(215)	(806)	(1,016)	(800)	(1,291)	(4,687)	(3,396)	(2,390)
Free Cash Flow (FCFF)	42	(333)	(285)	(327)	(696)	(3,434)	(2,738)	(1,603)
Net Debt ³⁾	3,314	1,828	3,422	108	3,314	3,422	108	3,676
Net Debt / EBITDA (x) ³⁾	2.1	0.9	1.6	(0.6)	2.1	1.6	(0.6)	2.3
Return on Capital Employed (%) ⁴⁾	5.0%	5.1%	5.3%	+30 bps	5.0%	4.9%	-6 bps	4.9%

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 current number of ordinary shares of 5,090 million

3) Net debt is calculated as borrowings (including bank overdrafts) excluding payables to ZIF project companies less cash and bank balances

4) ROCE is calculate as net profit before funding cost divided by invested capital employed 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.

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