AD Ports Group Q3-24 Results Call

Tuesday, 12 November 2024

Ahmed: Hello. Good morning and good evening, ladies and gentlemen. This is Ahmed Hazem speaking from EFG MS Research and we'd like to welcome you all today for the AD Ports Third Quarter 2024 Results Conference call. With us on the line is Mr. Martin Aarup, CFO of AD Ports Group and Mr. Marc Hammoud, VP of Investor Relations.

I'd like to start off by thanking the AD Ports team for the call and congratulating them on the on the results and the nice surprise we saw this morning in finally turning FCF positive.

Without further delay, I'd like to hand over the call to Marc.

Marc: Thank you, Hazem. Thank you EFG Hermes for hosting our Q3 2024 Earnings Call. Good morning, good afternoon, everyone. Thank you for attending our call. First, I'd like to apologize that Ross Thompson, Chief Strategy Officer, won't be attending the call. It will be myself and Mr. Martin Aarup, CFO.

Without further ado, we'll kick it off. Key messages of the quarter. Ahmed mentioned the main one, which is a free cash flow to the firm positive for the quarter on continued EBITDA growth acceleration, higher cash conversion and lower cap expense. So, the quarter is, or was, characterized by strong growth, financial performance, strengthened balance sheet and improved cash flow generation.

The top down story continues to be and is increasingly supportive. The latest, if you had to cite, the latest projection from the World Bank, 3.3% GDP growth for this year accelerating to 4.1% in 2025. We've seen further SEPAS agreement signed in July with Morocco, in September with Australia, in October with Malaysia, Jordan and Vietnam.

We also had, a couple of weeks ago, a new strategy to double cumulative FDIs to 1.3 trillion dirham by 2031 amid economic diversification push in the UAE. Record financial performance in Q3. Revenue increasing by 60% year-on-year, to 4.65 billion, 28% on a like-for-like basis. For EBITDA, 124% increase to 1.21 billion, 63% on the like-for-like basis. Both of them, revenue and EBITDA, adjusted for the vessel trading activities in Q3 last year. Total net profit increasing 11% year-on-year to 445 million dirham, and that's including or after the introduction of income tax in the UAE.

The highly visible and resilient revenue streams, despite the business diversification and international expansion continues. We have 40% of the 9-month 2024 top line, which is classified as long term or sticky.

In terms of capex, the capex spending continues to be disciplined, and a higher allocation was to the infrastructure business. For the quarter, we spent 808 million, bringing the total year-to-date out late to 3.3 billion. Capex for the full year is likely to reach 4.5 billion, in line with the 5-year capex plan of 12 billion to 15 billion, with front loaded capex.

On the balance sheet front, as you may have seen, we refinanced some of our debt and we've had so far 75 bps rate cuts in the US, which have been applied also in the UE, given the peg to the dollar, which gives us basically a stronger liquidity position on the back of this debt refinancing with lower spreads and a longer or extended maturity.

Leverage has also improved in Q3, down from 3.6x in Q2 to 3.5x. Worth noting that out of the 17.9 billion debt that we have, about 14 billion is floating, which would obviously benefit from the 75 bps rate cuts that we've had so far this year.

Red Sea disruptions, which again have had a positive impact on the business, are now likely to continue up until the end of the year and into 2025. We have now 8 services in the Red Sea. We added 1 with 17 container vessels deployed in that region versus 13 last quarter. So, we continue to increase our exposure and about 30% of our container shipping volumes were conducted in the Red Sea in the 9 month 2024.

Resilient, broad story that continues, first point, and building on what I just said, I can't stress enough how we aligned with the government priorities and economic diversification, and the fact that they want to develop an industrial manufacturing hub in Abu Dhabi, and that obviously is benefiting our business. We are key enabler and the key beneficiary of that strategy. Triple Play growth. You could see it in the financial performance, reported financial performance, but also like-for-like financial performance. It's a mix of a ramp up of existing assets, the additional capex, organic capex that we spend and an M&A layer on top of that.

Third point in the equity story, again, the resilience, the stability of our revenue and income streams, and that's on the back of the landlord business model in the ports cluster in the UAE and the economic city and free zone, but also the long-term partners, contracts and leases we have, in other clusters. A strengthened balance sheet, as I mentioned, the stronger liquidity position. You can see it is demonstrated by the 2.5 billion in cash and 1 billion in unused bank facilities that we have as of Q3 2024. As I said, we extended that maturity to 2026, and beyond, and the leverage has come down to 3.5 times.

Nothing changed on the shareholding structure, 75% owned by ADQ, and not much changes as well on the foreign ownership and the institutional participation stable at 9%.

So, the stock performance is clearly not reflecting the strong fundamentals that we've delivered so far In 2024. We underperformed the ADX performance. The stock is down 18% year-to-date, versus minus 2%. Having said that, we're still up 60% since listing, and our liquidity has been stable at $2.3 million ADTV.

The five vertically integrated clusters, again, not a big change from the sixth month. We have the maritime and shipping constituting 43% of the EBITDA, about 45% coming from the infra business and a smaller logistic and digital with about 13% together contribution to EBITDA.

In terms of capital intensity, you can see ports, economic, cities and free zone and maritime and shipping is where we've been spending the capex and where the assets are concentrated. Logistics and digital are asset light, or asset lighter, let's say.

A snapshot on where we stand in terms of scale of operations. On the port side, about 10 million to use in terms of port container capacity. Volumes over the past 12 months have reached close to 6 million to use and going up. General cargo has passed the 50 million tons mark, and row volumes have been also increasing to 1.4 million. Maritime side, we have 80 vessels, shipping vessels, 25 container feeder services, and we reached a 1.9 million Tus transported on our container vessels. That's one TU every 11 seconds based on the Q3 numbers.

On the economic city and free zone, not much changes. We signed 0.7 square kilometer in Q3, taking the total to 70 square kilometer as of now, as of Q3, and KSAT community bed capacity at 139,000.

Logistics volumes of polymers handled over the past 12 months, 4.7 million air freight volumes of 33 north of 33,000 tons, and ocean freight volumes of 380, 7000 to use.

This is the map showing our presence by cluster by region. Again, it's clear that the focus, apart from the green dots, which represent our global logistic platform and presence, but the rest of our operations remain, remain concentrated on the Middle East engine subcontinent, Africa, the Med region and Southeast Asia.

Market Update, you can see on the container side that global trade is doing well. I think, in our regions, and what I mean by our region is Sub-Saharan Africa, Indian subcontinent and Middle East, there's been an address impact, generally speaking, from the Red Sea disruptions, but you can see in our numbers and operational numbers that a report group has been shrugging off those challenges and has been performing better than the overall market in the container given our exposure to the Red Sea, which again represent almost a third of the volumes in the container shipping business.

On the right side, there's been a softening in August and September. If you show this graph extending to October, you will see the same trend of softening. But over the past two weeks, we've been seeing, again, the rates strengthening again as we approach the lunar calendar in China. So, pre-stocking potentially strikes in the US and the end of your season.

On the bulk side, not much volatility, as it's largely contracted. So, you can see a big change in trends. It remains the same. And on the power trade, two things are worth mentioning. One is there is subdued demand in Europe when it comes to the car industry, and there are EV related trade tensions waging on the volume growth, and you can see it in the graph. And on the grain trade, you can see that weather, let's say, challenges between drought and flooding, pretty much globally, has been affecting also the trade pattern.

An update on projects and transactions. I think 2024 has been a focus on securing more port assets or concessions and integrating no atom and GFS. You can see that in Q3 we continue to expand our ecosystem in Egypt. That's the only transaction notable for the quarter, by adding maritime services and the acquisition of a 70% stake in Safina shipping services.

This is a new slide to show you the international footprint we have in terms of Port terminals, and as you can see, it's primarily in Pakistan, in Africa. The presence in Spain is through no atom obviously, and nothing has changed on that front. But we remain concentrated in the regions that we've been communicating on, which are primarily the Middle East, engines of continent Africa, Southeast Asia and the Mediterranean region.

We wanted to show that there's some overlaps with what the government is doing outside the UAE when it comes to CEPAs that have been signed so far. So, six of them have been signed and implemented, and you can see them in green on this map, with another 14 SEPAS agreed on or signed over the past few months. So, you can also see that the pace of signing and implementation has accelerated. And as a reminder, the UAE has for objective to sign a total of 26, and as AD Ports group, we've been trying to leverage on those CEPAs because they translate into increased trade flows and stronger economic ties between the countries. You can see our presence in the line countries, the Congo, Brazil, where there's a signed SEPA now. You can see it in in Pakistan, where there's a SEPA under negotiation going on. You can see it in Jordan, whether another SEPA has been signed, and we obviously look at the countries present in the regions that we focus on, engine subcontinent, and you can see a certain number of countries that are in Southeast Asia where we still, we still don't have a presence, a gap in in our operations.

DCF said we wanted to highlight some of the key contracts that we signed, again, focusing on the industries that we've been highlighting, building materials for Aziz developers and the energy sector for both abundant solar panels and Apex engineering industries, which are both catering to the energy sector. One is green energy; the other one is the oil and gas sector.

And last night, as far as I'm concerned, before I pass it on to Martin, this is the contribution of M&A into our Q3 results. You can see it represented 20% of the top line, 27% of the EBITDA, and it's mostly coming from GFS, which had a very good performance in Q3 and since the beginning of the year, to a large extent.

And that's it for me. I'll pass it on to Martin for the operational and financial performance. Over to you, Martin.

Martin

Thank you, Marc. Next slide. So yes, as Marc said, Q3 was financially another strong quarter for us, and basically with stable growth now for the third consecutive quarter in a row. The revenue increased 10% year-on-year to 4.66 billion, and was up 28% on a like-for-like basis, when you're just for the M&A effect and also the vessel trading activities that Marc mentioned that we did in Q3 of 2023

The bidder for the quarter increased 60% year-on-year to 1.2 1 billion, and that was up 63% year-on-year when, again, adjusting for the M&A effect and vessel trading activity. So very strong growth year-on-year, also in the underlying business. The total net profit reached 445 million in Q3 and that was up 11% year-on-year and impacted by a negative one of 40 million accounting charge related to the debt financing that mentioned, which we did in Q3. Again, when we look at the year-to-date numbers, it should be mentioned here that we have the

	year-to-date total net profit of 1.29 billion and look at that comparison year-on-year, the 2024 figures includes a 130 million new charts related to the UAE tax.
	Next slide. So, in terms of operational KPI in our ports cluster, the general cargo volumes were up 26% year-on-year, supported by the addition of Karachi bulk terminal that we started earlier this year. The UAE volumes were resilient, particularly due to strong lay by and high yield steel cargo. Our container volumes increased 24% year-on-year, with 22% year-on-year growth in Khalifa port accounting for 87% of our total container throughput. And what is also worthwhile mentioning here in Q3 is that that Khalifa port utilization reached an all-time high of 76% in Q3 for the container side of the business. The overall mix in Q3 was unchanged compared to Q2, with 54% transshipment and 46% O and D cargo. For the rover volumes at river port, it grew by 53% year-on-year and, again, that was supported by the Red Sea situations, whereas the European auto industry and trade tension led to a declining volumes in Spain.
	Next slide. In our economic cities, we inked 0.7 square kilometers of net new land leases in Q3, bringing the year-to-date 2.7 square kilometers. And close to 70% of all land leases are now industrial or manufacturing related. The guidance that we have given before, in terms of remains unchanged, and that's basically net new land leases in the range of 3.5 to 4 square kilometers per year. For our warehouses, overall utilization remained high at 92% in Q3, and that's in spite of actually us adding some new capacity in Q3 related to one of the build to shoot warehouses. What is also important to notice when it comes on with regards to the warehouses and the high utilization is that we have 250,000 square meters of additional warehouse capacity that is currently under construction and is on track to be commissioned by end of 2025.
	Next slide. For our visa communities, utilization continued to increase with ramp up of the new facilities, and stood at 64% by end of Q3 but based on –
Ahmed	Hello Marc, can you hear us? I can't hear Martin anymore.
Marc	I can hear you, but I can't hear Martin either. Let me text him. Sorry for this.
Martin	Can you hear me now?
Marc	Yes, you're back.
Martin	I think somebody didn't like what I said and accidentally muted me, but they have regretted that action. So, I'm back in business. I don't know where you lost me, but anyway, I think we had the right slide.
Ahmed	Yes, at the beginning of this slide we lost.
Martin	Okay. So, what I just wanted to mention here is that the key set communities utilization that continue to increase as we ramp up our new facilities, and by the end of Q3 we had an

occupancy of 64% and based on a bed capacity of 139,000 beds that we manage. The gas volumes were slightly up year-on-year, but down versus Q2 due to seasonality.

Next slide, please. In our maritime and shipping cluster, we operated 25 container feeder services in Q3, with a fleet of 48 vessels and connecting 75 ports across 27 countries. The container volumes for the feedering [ph] increased 11% quarter on quarter versus Q2, so also a healthy growth there. Around 30% of our feeder volumes across eight services came from the Red Sea in Q3.

Next slide. As in previous quarters, we continue to focus on creating a balanced, synergistic portfolio of maritime businesses and with different market cycles to limit the business performance volatility. As of end of Q3, our total vessel fleet is now 257, including 29 Balkan rovo vessels, and we have 108 vessels fully deployed in our offshore and subsea segment.

Next slide. So, in logistics, the polymers volumes was up 1% year-on-year, and slightly down versus Q2 again due to seasonality. Air freight volumes was up 14% year-on-year, and that that was driven by strong demand, particularly for E-commerce and high tech components, and also benefiting from the ongoing disruption on the ocean freight side. The ocean freight was up 1% modestly year-on-year, but with healthy rate increases.

Next slide. The maritime top line, that decreased 11% year-on-year, again, when adjusting for the vessel trading activities that we did in Q3 of 2023 it was up by 96%. All the subsegments within maritime, so shipping, offshore and subsea and marine services performed well, and all contributed to the growth. No vessel trading revenue was booked in Q3 of 2024. The economic cities recorded revenue growth of 16% year-on-year, and that was mainly driven by warehouse leases, increased utilization in case of communities that we discussed, and steady growth trajectory for land leases. The ports cluster revenue grew by 24% year-on-year, and 18% on a like-for-like basis.

The strong performance in ports during the quarter came from the general cargo container concession fees in the UAE, including commencement of the fixed concession fees from the new CMA terminal and an international container operations in Spain and Pakistan. The logistics cluster also delivered strong revenue performance, with 48% growth year-on-year, driven by growth across majority of the segments, particularly ocean and air freight, together with the acquisition of Cesar auto logistics, which has been consolidated from 1st of February of this year,

When adjusting for M&A, logistics cluster revenue were up by 42% year-on-year on a like-for-like basis, so also very strong underlying growth. The Digital cluster revenue grew by 62% year-on-year, 262 million in Q3, and that was driven by internal digital transformation, and also the acquisition effect of Dubai technologies.

Next slide. In terms of geographical revenue distribution, 65% of our revenue came from the UAE in Q3, which is similar to Q2, and followed by 20% from Europe. Again, here, it should be noted that we are currently counting all maritime assets as UAE based, although majority is operating in international borders. Almost 4.6 billion, or 36% of year-to-date revenue came from M&A activities spread across all clusters, with logistics and maritime accounting for the vast majority.

Next slide. The Q3 EBITDA was, as mentioned, up by 60% year-on-year, and 13% up versus Q2. When normalizing for the vessel trading activities in Q3 of 2023, and the M&A effect, like-for-like increase was 63%. Very strong growth in maritime cluster, with 93% year-on-year and 200% on a like-for-like basis, with all segments showing healthy growth. Economic cities was up by 10% year-on-year, in line with the revenue growth that we talked about in the previous slide. Ports cluster, up by 6%, but 24% year-on-year. When adjusting for the 39 million gain on sale that we had of BCDs in Spain recorded in Q3 of 2023, the logistics cluster EBITDA grew 38% year-on-year and 32% when excluding the effect from the SASE logistics acquisition that we did earlier in the year. And lastly, the digital cluster was up by 3% on higher application fees, largely offsetting the revenue increase.

Next slide. Margin evolution has been, again, led by the change in mix with higher contribution from logistics and maritime clusters, essential connectivity components for our ecosystem strategies to continue growing the trade flows into our infrastructure assets. You have seen that margins have, again, been stable throughout this quarter, slightly increasing with the stability in the business mix overall. EBITDA margins stood at 26% in Q3 versus 25.6% in Q2. That's in line with the guidance that we have previously given in terms of 25% to 30% in the midterm.

Next slide. So, on the balance sheet side, total assets grew 22% year-on-year to 63.7 billion in Q3, whilst the total equity increased 21% year-on-year to 28 billion. We had limited increase in our total net debt versus Q2 and, again, as Marc mentioned, the stronger bidder performance resulted in an improving net debt to a bidder ratio to 3.5, as of Q3, versus 3.6 in Q2. In September 2024, we strengthened our liquidity position by refinancing the bridge facility that we had of 8.2 billion with two new facilities totaling 10.2 billion dirhams, lowering the spreads and extending the maturities to 2026 and beyond. Currently, the earliest debt maturity we have is now in 2026. Our guidance remains unchanged to maintain an investment grade credit rating on a standalone basis.

Next slide. So, for the capex in Q3, just reached north of 800 million, 31% lower than Q2. Majority of the Q3 spent was for the new CMA terminal Khalifa port, which is scheduled to commence operation next month, and also infrastructure works for Khalifa port and KSAT, plus some minor batch acquisitions. Again, this is in line with the front loaded capex program that we have of 12 to 15 billion for the period 2024 to 2028. Majority of future capex relates to port expansions in Egypt, Pakistan, Congo and Angola as part of the recent concessions that we have signed, and as well as the continued buildout of KSAT. Feed optimization and expansion will also be done on a selective basis. The capital intensity continued to soften as per plan and stood at 26% year-to-date.

Next slide. On the cash flow side, one of the highlights here for Q3, the Operating cash flow was extremely strong, coming in at 1.2 billion in Q3, which equate to a cash conversion of almost 100%. Combined with the lower capex in Q3 versus Q2, we ended up with a positive free cash flow of 307 million for the quarter, for the first time. So, a significant milestone for us.

Next slide. With regards to our medium term guidance, no changes versus what we provided in mid-February, due to the basic fact of the recent acquisition, some of the average growth will be frontloaded, which is also what you can see in the year-to-date financials. Additional we are factoring in normalization of rate C in our forecast, and that is mainly impacting our container feedering business going forward. Again, this is based on currently announced transactions for Q4, I would like to highlight that that subsequent closing of Q3,NMDC declared dividend of 2.37 dirhams per share to its shareholders and Abu Dhabi ports is entitled to an amount of 195 million, which will have a one-off positive P and L effect in Q4 at a bidder level, and a positive cash impact and investment cash flow level as well.

That's the update on the financial performance for Q3. Back to you, Marc.

Marc — Yes, thank you, Martin. It's time for Q&A, so let's open the floor for questions.

Ahmed — So as a reminder for everyone, you can use the raise hand function and we can unmute your mic, or you can send your questions in the Q&A box. We have one hand raised from Graham Hunt. Graham, please unmute locally and ask your question.

Graham, we're not able to hear you if you're if you're trying to ask the question. So, in the meantime, just a reminder for everyone, you can use the raise hand function or send your questions in the Q&A box.

Maybe I can get the questions rolling before we move to the Q&A box. So, Martin and Marc, I have a question on the special dividend that NMDC group basically paid. Have you already received the payment? And what's your plan after you've received that payment? Do you expect to deliver the balance sheet or pay some debt, or do you want to basically pay some dividends back to shareholders?

Marc — Yeah, thank you for the question. This is the second dividend that we received from an MDC this year. So, we also received 60 million in Q1 of this year. Obviously, the big dividend that is coming in now is related to the proceeds from the listing of one of their subsidiaries, NMDC energy. We are expecting to receive the dividend. So, we have not received it yet. We expect to receive it within November.

And again, it's a decent amount, but it's, again, not something that rocks the boat, so it will go into the general pool and initially be used to deliver the balance sheet.

Ahmed — Okay. Thank you very much. I think Graham has raised his hand again, so we'll give a chance for Graham to ask his questions. Graham, please ask your questions.

Okay, Graham, we still can't hear you, so we'll move to Nikhil Mishra, Nikhil, please unmute locally and ask your questions.

Participant

And taking the questions, a couple of them from my side. First of all, on CPI agreements, you mentioned you know that a report try to utilize the CPA agreements for further growth. So can you just give us some color on in terms of how do you intend to utilize these agreements whether -- what's the right strategy for you? Is it more towards both concession agreements, as we have seen sometime in the past, or are our acquisitions also part of this strategy to utilize the CPA agreements by the government?

And the second be very much, much, much more specific question. So, in the P&L statement, the minor, the noncontrolling interest has increased significantly, and it's both sequentially and compared to the last year. So, can you just give us some color where this high profitability, which subsidies are getting this high profitability, which is resulting in this high noncontrolling interest in P&L, and how should we look at that line item going forward? Thank you.

Marc

Sorry. Can you repeat the question because I was accidentally muted what was the question? Sorry about that.

Participant

Yes. So, two questions, please. First of all, on the SIPA agreements. How do you plan to utilize those means? How do you plan to, really you use those SIPA agreements for growth going forward? Is that through Port concessions, as we have seen sometimes in the past, or are acquisitions also part of that strategy? And second question is much more specific to the P&L. So noncontrolling interest in P&L has increased significantly. So which subsidiaries of yours are generating such high profitability, which is resulting in such high noncontrolling interest, and what should be the level of these, in terms of percentage of that's a net profit going forward that we should look at? Thank you.

Marc

Okay, thank you. Now, now I got it. Apologies for that. So, in terms of the first one, the first question related to the SIPA agreements, again, we are here to facilitate trade, and we are focusing on the key trade lanes in and out of Abu Dhabi, the same agreements. What is happening normally is that when these trade agreements are signed, is that enhances trade, and there will be an increase in terms of trade flows between UAE and the respective country, but it also opens up in terms of opportunities, again, to facilitate that trade that can take many different kinds of forms of opportunities. We're not forced to do anything, but obviously we are. We are there as a local champions to support the government in terms of these efforts as well. So, what we aim to do is, again, to create the density and stickiness across these key trade lanes, and we will, we will seek to go in and look at all opportunities on a commercial basis, and ideally go in with the entire ecosystem that we have, if possible, both in terms of asset intensive businesses and also asset light business to facilitate the trade.

When it comes to the noncontrolling interest in the P&L, the two main contributors in terms of the noncontrolling interest is key communities, where we have a 48% minority ownership, and the other one is GFS, which we acquired earlier this year, where we have a 49% minority interest. And particularly the big increase that you have seen the keys community is relatively stable and steadily growing, but the big increase that you have seen would be from GFS that was consolidated from earlier this year, and we have actually separately disclosed the financial performance of TFS in one of the slides here. And that's essentially the main driver for the noncontrolling interest. And what you would be able to see quarter on quarter, it's relatively

	stable, but slightly increasing with the increased performance of what GFS have delivered during the first nine months of this year.
Participant	And just a follow up. So, this GFS performance is all organic. There is no one that is there at the GFS level?
Marc	Yeah. So, it's all organic. But again, TFS was consolidated from 1st of February this year, but since then, it's just the organic business as usual in terms of what we acquired.
Participant	Oh, yes. Thank you very much. That's very clear.
Ahmed	Thank you. We'll take a couple of questions coming from the Q&A box. How does management see the shipping rates evolve into 2025? That's the first question. And then the second question, what is management's view on the sustainable long term EBITDA margin for the shipping sector?
Marc	In terms of the view on the shipping rates, we have explicitly included that in the earnings release in terms of our current view. Again, especially on the container feedering side of the shipping segment, the visibility in terms of when there will be a normalization is still not clear. So, there's no clarity in when that will happen. Our current base assumption is that nothing's going to change, at least for the remainder of the year, and we also see at least the beginning of next year, that the status quo will be maintained. After that, I think there's a lot of moving parts in terms of what will happen post the US election, but eventually, there will be some kind of normalization when container vessels and vessels in general, will be able to transit through Suez Canal again. But we don't see that in at least for the remainder of the year and also in the beginning of next year. In terms of sustainable margins, I think it was the question related to the shipping segment, but again, our shipping segment composed of different asset classes, again, that has different market cycles and also different exposures, because everything in our offshore and subsea, and also to a large extent, marine services, or offshore and subsea and bulk and rovo are on longer term contracts, whereas the marine services are linked to the activity in our ports. So, the main exposure that we are having is on the container feedering side. And if you look at the EBITDA margins there through the cycles combined for the operational part and the ship owning part, it will normally be in the range between 15% and 25% depending on where you are in the cycles. Currently We are slightly higher than that because of the situation in the Red Sea, but that will be the normal bands that the feedering business will operate in through the cycles.
Ahmed	Thank you. As a reminder for everyone, you can use the raise hand function, or you can send your questions in the Q&A box. We'll give another chance for Graham to ask his questions. Graham, please unmute locally and ask your question.
Marc	He actually sent me his question. He's got some mic issues. I'm going to read it out for the audience. How should we think about the new top down strategy to ramp up FDI by 2031? Is there anything AD Ports will be stepping up to support this initiative, and given foreign

	investment a piece to have sailed slightly as a percentage of the free float is increasingly liquidity? Sorry, is increasing liquidity something management is considering to attract new investors, and how might that be done? So, two parts of the question.
	I'll take the first one on FDI and let Martin address the liquidity question.
	On FDI, attracting more FDIs, we're seeing it. It's various initiatives that will continue to drive FDI. I mean, CEPA is one of them. When you sign a CEPA, you remove tariffs, you facilitate your customs procedure. Do you bring more transparency into trade flows? So the more you sign CEPAs, the more you increasing your chances to attract FDIs, g to g relationships. We mentioned that. that helps also attracting FDIs. What else? I mean we can mention sovereign wealth funds, investment in certain companies globally, pushing them to also have some manufacturing in the country. We've seen that, we know there are talks about some of those companies, global companies, pushed to establish presence, manufacturing presence in the UAE and in Abu Dhabi, More specifically. So, it's a concerted effort that the government is doing and involving Abu Dhabi in companies as well, including the sovereign wealth funds.
	So, I think that's one way to answer this question.
	Martin on, on the liquidity maybe,
Martin	Yes. So the question, what was the specific questions, whether you know it's something management is concerned about, or doing something, oh, yes.
Marc	So foreign investment appears to have scaled and, sorry, as a percentage of the free float so foreign ownership has been flat for the past six or nine months, if I'm not mistaken, and whether we considering a liquidity event to attract new investors, and how it might be done?
Martin	Yeah, good question. Obviously, spot on in terms of the foreign institutional Investors has been flat, just shy of 10% throughout this year. Here again, our effective free float is around 70% if you take the alcmarine [ph] out of the free float, and then we have a number of strategic investors as well. So yes, I mean, obviously you know one of the reasons, at least, that we see it in terms of where our share price currently is trading, versus also some of the target prices that the analysts have part of that relates also to the liquidity. Obviously, it's not something that we are in control of. We can control the fundamentals, and that's what we are spending their day on. But it's a bit of a curse for a lot of the companies that are listed on ADX, in terms of having the sufficient liquidity in the stock. And I think we are no different. For that, we would like to increase the liquidity on the stock because we believe it benefits all the different stakeholders, but it's not something that we indirectly control of. So, it's something that is on the agenda, but nothing specific. Again, what we want to achieve as a company is to eventually get into MSCI, the index, and that has been basically a target since we started out, but no specific plans as of yet, but it's something that we really hope to achieve in the foreseeable future.
Ahmed	Thank you, Martin and Marc. I don't see any more hands raised or questions in the Q&A box, so with that, Marc, maybe back to you.

Marc	All right. Thank you, Ahmed, thank you all for attending this call.
	We look forward to speaking with you soon. There are a few events to which we're going to participate, so we'll keep the dialog open with the investor community. Thank you, Ahmed, thank you EFG for hosting this call, and we'll speak soon. Thank you.
Ahmed	Our pleasure. Thank you everyone for joining. You may now disconnect.