

AD Ports Group Announces Record Financial Results for Full-Year 2022 Reporting 41% Revenue Growth to AED 5.5 billion with Net Profit Soaring 53% to AED 1.3 billion

Abu Dhabi, UAE - February 15, 2023: AD Ports Group (ADX: ADPORTS), a global premier facilitator of logistics, industry and trade, today announced its financial results for the 12 months ended December 31, 2022, reporting strong operational and financial performance, with revenue growth of 41% year-on-year to AED 5.5 billion (+23% year-on-year to AED 4.8 billion organically).

The Group's strong results were driven by the performance of its Maritime and Ports Clusters as well as acquisitions and new partnerships.

- EBITDA increased to AED 2.2 billion in 2022, +37% YoY (+24% YoY to AED 546 million in Q4 2022). Organically, EBITDA grew by 27% YoY to AED 2.0 billion
- EBITDA margin stood at 39.8% in 2022 (31.0% in Q4 2022)
- Total Net Profit reached AED 1.3 billion in 2022, +53% YoY (+42% YoY to AED 365 million in Q4 2022)
- Earnings per share (EPS) increased to AED 0.26 for the full year in 2022, up from AED 0.22 in 2021
- Operating cash flow amounted to AED 1.6 billion in 2022, implying a cash conversion of 74%
- AED 5.6 billion was spent on organic growth-oriented CapEx in 2022, as the Group continued to press ahead with its organic capital investment plans
- Free cash flow remained negative at AED 4.5 billion due to the front-loaded nature of the ongoing CapEx program, but also due to acquisitions / investments

Operationally, in the Ports Cluster, container throughput grew to 4.33 million TEUs (twenty-foot equivalent units) in 2022, +28% year-on-year (+27% year-on-year to 1.17 million TEUs in Q4 2022) as utilisation of the two existing container terminals continued to improve (51% in 2022 vs. 40% in 2021 and 55% in Q4 2022 vs. 43% in Q4 2021).

On a like-for-like (LFL) basis, general cargo volumes increased by 3% to reach 31.7 million tonnes in 2022, compared with 44.6 million tonnes in 2021, which included a one-off sand supply project of 14.7 million tonnes.

Ro-Ro and Cruise Passenger volumes also rebounded strongly on the back of the abated effect of the COVID-19 pandemic.

In the EC&FZ Cluster, 4.2 sq.km. of new leases (net) were signed in 2022.



In the Maritime Cluster, all operational indicators - vessel fleet, port calls, container feeding volumes, transshipment volumes, marine services activities - recorded strong growth.

In the Logistics Cluster, the key highlight in Q4 2022 was the acquisition announcement of 100% ownership of Noatum, a logistics services provider with presence in 26 countries across five continents, for an Enterprise Value of EUR 660 million. The value and earnings accretive acquisition, will, upon completion, significantly broaden AD Ports Group's global footprint and position it among the leading logistics and freight forwarding companies in the world.

Another key highlight in Q4 2022 was the acquisition announcement of an 80% equity stake in Dubai-based Global Feeder Shipping (GFS), a global container shipping company, for an Enterprise Value of AED 2.9 billion (USD 800 million). GFS is the third largest feeder shipping business globally, operating a comprehensive service network of 20 services across the GCC, Red Sea, Indian Subcontinent and Southeast Asia. Upon completion, the acquisition, 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.

In September 2022, 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).

In total, the Group inked seven M&A transactions in 2022 totalling AED 5.9 billion, with GFS, Noatum, and Eskan Al Jamae yet to be completed.

In terms of financial performance, EC&FZ Cluster recorded revenue increase of 6% year-on-year to reach AED 1,658 million in 2022, benefitting from previously signed land leases, higher utilities revenues, strong momentum in warehouses revenues, as well as positive revenue effect of previous contingent asset related to leases out of Razeen worker residential cities for COVID-19 isolation and quarantine purposes.

Overall revenue for the Ports Cluster grew by 7% year-on-year to AED 1,135 million, backed by a healthy product mix as well as revenues from the acquisition of TCI, one of the two entities under IACC, Egypt. Double-digit growth in concession fees and leases as well as the strong rebound in the Ro-Ro and Cruise businesses more than offset the decline in General Cargo revenues, which significantly benefited from the sand supply contract in 2021. On a like-for-like (LFL) basis, Ports Cluster revenue grew by 21% year-on-year, when adjusted for both the sand supply project and the TCI acquisition.

The transformative impact of the company's acquisition strategy can be seen most clearly in the exponential increase in the contribution of the Maritime Cluster to the Group's revenue (largest revenue contributor with 37% of total revenue and second largest EBITDA contributor with 24% of total EBITDA). The Maritime Cluster's revenue growth of 256% year-on-year in 2022 to AED 2,161 million (+282% year-on-year in Q4 2022) was driven by a wider service offering and increased activity in new business segments, including feeding, chartering, transshipment, and



offshore services. The Maritime Cluster added four new companies to its portfolio in 2022: Divetech Marine Engineering Services, Alligator Shipping Container Line, Transmar, one of the two entities part of IACC-Egypt, and SAFEEN Surveys and Subsea Services. These new businesses contributed to revenue and EBITDA with AED 689 million and AED 150 million in 2022, respectively, and are expected to continue to support the Cluster's growth going forward.

The Logistics Cluster registered a 12% year-on-year revenue decline to AED 532 million in 2022 mainly due to the reduction in the vaccine business with the easing of the COVID-19 pandemic, the revision of a contract with a key client from a short-term asset heavy to a longer-term asset light model, as well as temporary lower volumes due to the non-availability of empty containers for exports.

Revenue of the Digital Cluster grew by 11% year-on-year to AED 400 million in 2022, driven by development progress of various technology-led solutions.

Captain Mohamed Juma Al Shamisi, Managing Director and Group CEO, AD Ports Group, said: "2022 was an exceptional year for AD Ports Group with strong results reflecting the effectiveness of our ambitious growth strategy, and the focus on delivering on our promises to our shareholders and stakeholders, thanks to the continuous support of our wise leadership.

"The Group's remarkable financial and operational performance was driven by our Maritime and Ports Clusters' results, coupled with strategic investments, new joint ventures, partnerships and acquisitions that enabled us to expand our geographic footprint, our services and offerings as well as enhance our position as a major player in global trade and logistics. For 2023, we will be focusing on maximising returns and generating portfolio synergies, while providing our customers with superior end to end supply chain outcomes."

Martin Aarup, Group Chief Financial Officer, AD Ports Group, said: "We are pleased to have achieved an exceptional performance during 2022 by continuing to press ahead with our ambitious organic revenue-generating CapEx program of around AED 15 billion over the next five years, with spending of AED 1.4 billion in Q4 2022 and AED 5.6 billion for the full year in 2022, and by accelerating the pace of M&A transactions, with seven of them completed or announced last year. With a Net Debt to EBITDA ratio of 1.9x at the end of 2022 (vs. 2.3x in 2021), AD Ports Group maintains a solid financial position and robust balance sheet, with significant capital resources still available for both organic and inorganic growth going forward. With the recent M&A transactions announced, we update our medium-term guidance (5Y organic CAGR between 2022 and 2027) to 25-30% for revenue and 20-25% for EBITDA."

Ross Thompson, Group Chief Strategy and Growth Officer, AD Ports Group, said: "2022 has been a banner year for AD Ports Group. Despite the global geo-political and economic headwinds, we continued to build on our foundation in Abu Dhabi by investing in creating assets, routes and expanding our service offerings. At the regional level, our ports and maritime expansion has been asset and network led. Our ambitious strategy, not only positioned us for

local and regional growth, but also expanded our reach globally with a key focus on our key trading regions, countries, and routes.”

AD Ports Group credit rating of A+ was reaffirmed by S&P and Fitch multiple times post-listing and post-acquisition announcements.

The Group’s shares began trading on the primary market of the Abu Dhabi Securities Exchange (ADX) on February 8, 2022, under the ticker symbol “ADPORTS”, returning over 80% in the first year of trading, which ranks the stock in the top three best performers among new listings in the region.

Sum m arised Consolidated Financial Results

AED m	Q 4 20 21	Q 3 20 22	Q 4 20 22	Q 4 20 22		20 22	
				vs.	20 21	20 22	vs.
				Q 4 20 21			20 21
Revenue	1,119	1,466	1,763	58%	3,910	5,518	41%
EBITDA ¹⁾	440	594	546	24%	1,601	2,196	37%
EBITDA Margin %	39.3%	40.5%	31.0%	-834 bps	40.9%	39.8%	-114 bps
Total Net Profit	258	334	365	42%	853	1,306	53%
Attributable to the owners of the company	256	314	353	38%	846	1,270	50%
Non-controlling interests	2	20	13	-	8	36	-
Reported EPS (AED) ²⁾	0.05	0.06	0.07	38%	0.22	0.26	16%
Total Assets	28,149	36,658	38,518	10,369	28,149	38,518	10,369
Total Liabilities	17,458	17,375	18,862	1,404	17,458	18,862	1,404
Total Equity	10,691	19,283	19,656	8,966	10,691	19,656	8,966
Cash Flow from Operations	192	730	382	191	787	1,636	849
CapEx	(1,113)	(1,629)	(1,422)	(309)	(3,124)	(5,620)	(2,496)
Cash Flow from Investing Activities	(1,099)	(1,016)	(1,449)	(350)	(2,390)	(6,136)	(3,746)
Free Cash Flow (FCFF)	(908)	(285)	(1,066)	(159)	(1,603)	(4,500)	(2,897)
Net Debt ³⁾	3,676	3,422	4,276	600	3,676	4,276	600
Net Debt / EBITDA (x) ³⁾	2.3	1.6	1.9	(0.3)	2.3	1.9	(0.3)
Return on Average Capital Employed - RoACE (%) ⁴⁾	5.2%	5.7%	5.8%	+66bps	5.2%	5.8%	+66bps

1) EBITDA is calculated by taking net profit and adding depreciation and amortization, finance costs, impairment of investments and subtracting government grants, fair value gain on pre-existing investments 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 ZFP project companies, less cash and bank balances

4) RoACE is calculated as net profit before financing cost divided by invested capital being the sum of total equity, borrowings, deferred government grants, lease liabilities and amounts payable to project companies less cash



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 under KEZAD Group, the largest integrated trade, logistics, and industrial business grouping in the Middle East.

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For Media information, please contact: Sana Maadad

Director, Corporate Communications - AD Ports Group

Sana.maadad@adports.ae

+971506250890

For Investor information, please contact: Marc Hammoud

Vice President, Investor Relations - AD Ports Group

marc.hammoud@adports.ae

+971 2 695 2790

Or



مجموعة موانئ أبوظبي
AD PORTS GROUP

AD Ports Group Media Office
email: media@adports.ae