

# Global Ports Holding Plc

## Trading Statement for the six months to 30 September 2022

Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, today issues a trading update for the period for the six months to 30 September 2022.

<b>Key Financials &amp; KPI Highlights<sup>1</sup></b>	<b>6 months ended 30-Sept-22</b>	<b>6 months ended 30-Sept-21</b>	<b>YoY Change</b>	<b>3 Months ended 30-Sep-22</b>	<b>3 Months ended 30-Sep-21</b>	<b>YoY Change</b>
<b>Total Revenue (\$m)</b>	<b>118.3</b>	<b>61.1</b>	<b>94%</b>	<b>72.6</b>	<b>43.9</b>	<b>66%</b>
<b>Adjusted Revenue (\$m)<sup>2</sup></b>	<b>64.1</b>	<b>14.8</b>	<b>334%</b>	<b>37.0</b>	<b>10.0</b>	<b>271%</b>
<i>Ex-IFRIC 12 Cruise Revenue (\$m)<sup>3</sup></i>	<i>60.0</i>	<i>10.3</i>	<i>482%</i>	<i>35.0</i>	<i>7.8</i>	<i>348%</i>
<i>Commercial Revenue (\$m)</i>	<i>4.1</i>	<i>4.4</i>	<i>-8%</i>	<i>2.0</i>	<i>2.1</i>	<i>-7%</i>
<b>Segmental EBITDA (\$m)<sup>4</sup></b>	<b>44.0</b>	<b>2.1</b>	<b>n/m</b>	<b>26.9</b>	<b>2.9</b>	<b>816%</b>
<i>Cruise EBITDA (\$m)<sup>5</sup></i>	<i>42.3</i>	<i>0.3</i>	<i>n/m</i>	<i>26.0</i>	<i>2.0</i>	<i>n/m</i>
<i>Commercial EBITDA (\$m)</i>	<i>1.7</i>	<i>1.8</i>	<i>-6%</i>	<i>0.9</i>	<i>0.8</i>	<i>11%</i>
<b>Adjusted EBITDA (\$m)<sup>6</sup></b>	<b>40.4</b>	<b>(0.5)</b>	<b>n/m</b>	<b>25.0</b>	<b>1.5</b>	<b>n/m</b>
<b>Segmental EBITDA Margin (%)</b>	<b>68.6%</b>	<b>14.5%</b>		<b>72.6%</b>	<b>29.4%</b>	
<i>Cruise EBITDA Margin (%)</i>	<i>70.4%</i>	<i>3.0%</i>		<i>74.2%</i>	<i>25.7%</i>	
<i>Commercial EBITDA Margin (%)</i>	<i>41.6%</i>	<i>41.0%</i>		<i>45.4%</i>	<i>38.3%</i>	
<b>Adjusted EBITDA Margin (%)</b>	<b>63.0%</b>	<b>-3.3%</b>		<b>67.5%</b>	<b>15.2%</b>	
	<b>30-Sep-22</b>	<b>31-Mar-22</b>				
Gross Debt (IFRS) (\$m)	599.0	598.6				
Gross Debt ex IFRS 16 Finance Lease (\$m)	541.7	534.7				
Net Debt ex IFRS 16 Finance Lease (\$m)	462.2	435.0				
Cash and Cash Equivalents (\$m)	79.5	99.7				
<b>KPIs</b>						
Passengers (m PAX) <sup>7</sup>	4.35	0.56	673%	2.59	0.50	415%

### Notes

- All \$ refers to United States Dollar unless otherwise stated
- Adjusted Revenue is calculated as total revenue excluding IFRIC-12 construction revenue for Nassau Cruise Port
- Adjusted Cruise Revenue is the sum of revenues of consolidated and managed cruise port portfolio excluding IFRIC-12 construction revenue of Nassau Cruise Port
- Segmental EBITDA is calculated as income/(loss) before tax after adding back: interest; depreciation; amortisation; unallocated expenses; and specific adjusting items
- EBITDA allocated to the Cruise segment is the sum of EBITDA of consolidated cruise ports and pro-rata Net Profit of equity accounted associates and the contribution from management agreements
- Adjusted EBITDA calculated as Segmental EBITDA less unallocated (holding company) expenses / Central Costs
- 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 rose 673% for the 6M period ending 30 Sept 2022 compared to the 2022 H1 Reporting Period and were down just 14% compared to the same period in 2019. In the second quarter to 30 Sept 2022, cruise passenger volumes were in line with the same period in 2019, rising by close to 50% compared to Q1 2023
- This strong growth in passenger volumes was mainly driven by the further easing of travel restrictions during the second quarter, higher cruise fleet deployment and a continued increase in occupancy levels, as well as the impact of seasonality. Occupancy levels continue to remain below pre-pandemic levels but have significantly and continuously risen since calendar year 2021

- Adjusted Revenue was USD 64.1m, an increase of 334% on the USD 14.8m in the 2022 H1 Reporting Period. This growth was driven by the impact of higher passenger volumes on our cruise operations
- Total consolidated revenues, including IFRIC-12 Construction revenues at Nassau Cruise Port, were USD 118.3m compared to USD 61.1m in the 2022 H1 Reporting Period
- Segmental EBITDA for the 6M period was USD 44.0m compared to USD 2.1m in the 2022 H1 Reporting Period. Adjusted EBITDA was USD 40.4m compared to a loss of USD 0.5m in the 2022 H1 Reporting Period
- Cruise revenue for the 6M period was USD 60.0m, an 482% increase from the USD 10.3m in the 2022 H1 Reporting Period
- Cruise EBITDA was USD 42.3m vs USD 0.3m in the 2022 H1 Reporting Period. The Cruise EBITDA margin was in excess of 70%, which is in line with the levels reached for pre-pandemic FY 2019
- Q2 2023 Cruise Revenue and Cruise EBITDA rose 40% and 59% respectively, compared to Q1 2023, reflecting the impact of the easing of travel restrictions and the continued improvement in fleet deployments and occupancy rates
- With about a third of the Group's EBITDA denominated in Euros in the Reporting Period, there was a negative translation effect due to USD appreciation to the Euro. On a constant currency basis for the 6M period ending 30 September 2023, Cruise revenue would have been USD 64.3m, and Cruise EBITDA would have reached USD 44.9m
- Total Commercial revenues fell 8% to USD 4.1m for the period vs USD 4.4m in the 2022 H1 Reporting Period
- Commercial EBITDA was USD 1.7m compared to 1.8m in the 2022 H1 Reporting Period

### **Cruise EBITDA exceeds the pre-Covid peak**

The Covid pandemic had a significant impact on our cruise operations. As this impact recedes, our investment in growth that occurred prior to the start of the pandemic and continued throughout the pandemic is now starting to be seen in our reported financials.

Despite the impact of Covid, GPH's cruise operations have been transformed since 2019. In H1 2023, our cruise operations generated as much EBITDA as was generated in the pre-pandemic FY 2019. In the six months to the end of September 2022, GPH has reported Cruise EBITDA of USD 42.3m, in constant currency Cruise EBITDA would have been USD 44.9m. This performance compares to the pre-Covid record Cruise EBITDA performance of USD 44.4m in the 12 months to December 2019.

The Reporting Period to March 2023 will see GPH report Cruise EBITDA significantly ahead of its previous high.

This growth results from the success of our strategy to carefully grow the number of ports in our network. Since the start of the pandemic, we have signed eight cruise port concessions, started cruise operations at a ninth port and recently signed a memorandum of understanding for a new port in the Caribbean.

- Memorandum of understanding in St Lucia for a 30-year concession with a 10-year extension option
- Signed 30-year concession for San Juan Cruise Port, Puerto Rico
- Expanded into the Canary Islands, signing concessions for three cruise ports (40-year concession for Las Palmas de Gran Canaria, 20-year concessions for Arrecife (Lanzarote) and Puerto del Rosario (Fuerteventura))
- Began cruise operations at Vigo, Spain
- Signed a 12-year concession for Tarragona Cruise Port, Spain
- Signed a 4-year renewable concession for Crotona Cruise Port, Italy
- Signed a 20-year concession for Taranto Cruise Port, Italy
- Signed a 20-year lease to manage cruise operations at Kalundborg Cruise Port, Denmark

In addition to this phenomenal success, since the onset of the pandemic, we have completed the marine expansion investment into Antigua Cruise Port, and the USD 250m investment into Nassau Cruise Port is expected to be completed by summer 2023. Both ports joined the network shortly before Covid, and only now can they start to deliver the level of financial performance they are capable of.

### **Balance Sheet**

At 30 September 2022, IFRS gross debt was USD 599.0m (Ex IFRS-16 Finance Leases Gross Debt: USD 541.7m), compared to gross debt at 31 March 2022 of USD 598.6m (Ex IFRS-16 Finance Leases Gross Debt: USD 534.7m). Net debt Ex IFRS-16 finance leases were USD 462.2m compared to USD 435.0m as at 31 March 2022. At the end of September 2022, GPH had cash and cash equivalents of USD 79.1m, compared to USD 99.7m at 31 March 2022 and USD 84.1m at 30 June 2022. The main driver for the increase in net debt and decrease in cash is the continued investment activity in Nassau Cruise Port.

### **Outlook**

The cruise industry continues to recover strongly from the Covid pandemic. The vast majority of the global cruise fleet is now sailing, and while the cruise line's plans to manage their recovery from the pandemic means some itineraries remain different from pre-Covid patterns, in general, it is just occupancy rates that are left to recover to pre-Covid levels.

Currently, occupancy rates in the Caribbean cruise market are generally at or close to 100%, with occupancy levels in the European cruise market lagging those experienced in the Caribbean. Occupancy rates in the European cruise market are expected to return to pre-pandemic levels by summer 2023.

The global economic outlook has materially weakened in recent months. However, with booking volumes across the industry comfortably within historical ranges, the outlook for the cruise industry in calendar year 2023 and beyond remains positive. Typically, the longer lead time on bookings has provided significant protection to the cruise industry during periods of macro stress, with passenger volumes rarely negatively impacted.

With the industry continuing to recover, GPH continues to expect to report record Cruise EBITDA for the Reporting Period to March 2023 before delivering significant growth in Cruise and Adjusted EBITDA for the Reporting Period to end March 2024.

GPH will release interim financial results for the six months to 30 September 2022 in the first half of December 2022.

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