Global Ports Holding PLC (GPH)
Trading Statement for the nine months to 31 December 2022

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Global Ports Holding Plc

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Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, today issues a trading update for the nine-month period from 1 April to 31 December 2022.

Key Financials & KPIs[1]	9 months ended 31-Dec-22	9 months ended 31-Dec-21	YoY Change (%)	3 months ended 31-Dec-22 (Q3)	3 months ended 31-Dec-21 (Q3)
Passengers (m)[2]	6.8	1.5	*338%*	2.4	1.0
Total Revenue ($m)	173.9	107.2	*62%*	55.6	46.2
Adjusted Revenue ($m)[3]	**92.2**	**28.2**	***227%***	**28.1**	**13.4**
Segmental EBITDA ($m)[4]	**63.9**	**8.1**	***691%***	**19.9**	**5.9**
Adjusted EBITDA ($m)[5]	**59.1**	**4.4**	***1253%***	**18.7**	**4.9**
Segmental EBITDA Margin (%)	*69.3%*	*28.6%*		*70.9%*	*44.2%*
Adjusted EBITDA Margin (%)	*64.2%*	*15.5%*		*66.8%*	*36.2%*

	31-Dec-22	31-Mar-22	
Gross Debt IFRS ($m)	614.4	598.6	*2.6%*
Gross Debt ex IFRS 16 Lease ($m)	**554.4**	**534.7**	***3.7%***
Net Debt ex IFRS 16 Lease ($m)	**490.3**	**435.0**	***12.7%***
Cash and Cash Equivalents ($m)	64.0	99.7	*-35.8%*

Notes

1. *All $ refers to United States Dollar unless otherwise stated*
2. *Passenger numbers refer to consolidated and managed portfolio consolidation perimeter; hence it excludes equity accounted ports La Goulette, Lisbon, Singapore and Venice.*
3. *Adjusted revenue is calculated as total revenue excluding IFRIC-12 construction revenue*
4. *Segmental EBITDA includes the EBITDA from all equity consolidated ports and the pro-rata Net Profit of equity-accounted associates La Goulette, Lisbon, Singapore and Venice and the contribution from management agreements*
5. *Adjusted EBITDA calculated as Segmental EBITDA less unallocated (holding company) expenses*

Key Highlights

- The strong trading in the first half of the fiscal year continued in the third quarter as the cruise market continued to recover post the pandemic
- GPH welcomed 2.4 million cruise passengers in the 3M period ended 31 December 2022, a new GPH record for this quarter, with 6.8m passengers welcomed in the 9M period
- Adjusted Revenue for the 9M period rose 227% to USD 92.2m, with Q3 Adjusted Revenue rising 109%
- Segmental EBITDA for the 9M period of USD 63.9m compared to USD 8.1m for the same period last year
- Adjusted EBITDA for the 9M period was USD 59.1 compared to USD 4.4m for the same period last year
- Given the strong performance of the Group and the continued growth in the number of ports in the network, financial reporting has been restructured. GPH will now report by geographic segment, which better matches the organisational structure of the business. As part of this restructure, Port of Adria, GPH's only commercial port, will no longer be reported separately, reflecting the strategic focus on cruise operations
- After the period end GPH announced that the signing of a 15-year concession for Alicante Cruise Port

Business Review

Regional Breakdown	9 months ended 31-Dec-22	9 months ended 31-Dec-21	YoY Change (%)
Americas			
Adjusted Revenue ($m)	24.7	7.8	*217%*
Segmental EBITDA ($m)	**17.6**	**1.0**	***1660%***
EBITDA Margin (%)	71%	13%	
Passengers (m)	2.8	0.8	*250%*
West Med & Atlantic			
Adjusted Revenue ($m)	23.3	5.5	*324%*
Segmental EBITDA ($m)	**14.4**	**3.7**	*289%*
EBITDA Margin (%)	62%	68%	
Passengers (m)	**2.1**	**0.5**	***320%***
Central Med			

Adjusted Revenue ($m)	12.8	5.7	*125%*
Segmental EBITDA ($m)	**7.3**	**2.7**	*170%*
EBITDA Margin (%)	57%	47%	
Passengers (m)	**0.9**	**0.3**	***200%***
East Med & Adriatic			
Adjusted Revenue ($m)	22.7	2.0	*1035%*
Segmental EBITDA ($m)	**19**	**0.4**	***4650%***
EBITDA Margin (%)	84%	20%	
Passengers (m)	**0.9**	**0.0**	***n/a***
Other			
Adjusted Revenue ($m)	8.7	7.2	*21%*
Segmental EBITDA ($m)	**5.5**	**0.2**	*2650%*
EBITDA Margin (%)	64%	3%	
Passengers (m)	**0.0**	**0.0**	***n/a***
Unallocated (HoldCo)			
Adjusted EBITDA ($m)	**(4.7)**	**(3.7)**	*27%*
Group			
Adjusted Revenue ($m)	**92.2**	**28.2**	*227%*
Adjusted EBITDA ($m)	**59.1**	**4.4**	*1243%*
EBITDA Margin (%)	64%	12%	
Passengers (m)	**6.8**	**1.5**	***353%***

Americas

GPH's cruise operations in the Americas in the 9M period include GPH's two Caribbean ports, Nassau and Antigua and will include Prince Rupert, Canada when cruise operations begin there shortly. Trading in the Americas improved strongly in the 9M period, with passenger volumes of 2.8m compared to just 768k in the comparable period last year.

Nassau Cruise Port benefitted from its proximity to the key home ports in Florida and the cruise lines' continued desire to operate a higher volume than normal of short cruises in this area at the expense of longer itineraries to other parts of the Caribbean. As a result, Nassau Cruise Port welcomed 2.6m passengers in 2022, up from just 687k passengers in the comparable period last year.

Nassau Cruise Port, on some days, is now hosting six cruise ships simultaneously, utilising the new berthing that was created as part of our significant investment into the port. On 27 February 2023, the port welcomed record of 28,554 passengers in a single day.

During the 9M period, we continued to invest in the transformation of Nassau Cruise Port, and as GPH's investment into the port nears completion, the vision for this port is becoming a reality. GPH management believes this port will stand as a testament to GPH's cruise port and destination development capabilities and as a global blueprint for future cruise port investment.

Due to the major US cruise lines focussing on short cruises close to the Southern US home ports throughout the Winter 2022/23 cruise season, passenger volumes at Southern Caribbean cruise ports were negatively impacted.

For GPH, this meant Antigua Cruise Port’s cruise operations, which still experienced a significant increase year-on-year, grew at a slower pace than that experienced by Nassau Cruise Port. Cruise passenger volumes at Antigua Cruise Port of 224k in the 9M period were up strongly from 81k in the comparable period last year but significantly below the 348k passengers that called at Antigua Cruise Port in the same comparable period in 2019.

Our Americas operations achieved a milestone in the year with the signing of our first cruise port concession in North America. The signing of a 10-year concession, with a 10-year extension option for Prince Rupert Cruise Port in British Columbia, Canada, is an important step in our continued growth.

Prince Rupert Cruise Port is located at the heart of the British Columbian cruise market, just 40 miles from Alaska, one of the largest cruise markets in the world, and ideally placed for cruise itineraries to and from the key homeports in the region: Seattle and Vancouver.

Prince Rupert Cruise Port is expected to welcome nearly 80,000 passengers over the 2023 summer cruise season. The port has the infrastructure and capability to handle larger ships, and GPH expects to drive a significant increase in passenger volumes in the years ahead.

Further significant expansion in the Americas is expected in 2023.

In August 2022, GPH signed a 30-year concession agreement for San Juan Cruise Port, Puerto Rico and in October 2022 a Memorandum of Understanding was signed for a 30-year concession, with a 10-year extension option, for the cruise port of St Lucia.

San Juan Cruise Port is a strategically important port in the Caribbean cruise market for both Eastern Caribbean and Southern Caribbean itineraries and handled 2.2m passenger movements in 2019. On completion, expected later in 2023, it will become the third-largest cruise port in GPH's global network.

The successful execution of the concession agreement for St Lucia is expected in the first half of calendar year 2023. As part of the agreement GPH will invest in a material upgrade of the cruise port facilities, including the expansion of the existing berths. In calendar year 2019, St Lucia welcomed c.790k passengers and this is expected to rise to over 1m in the medium term.

West Med & Atlantic

GPH's West Med & Atlantic region includes our Spanish ports Barcelona, Fuerteventura, Lanzarote, Las Palmas, Malaga, Tarragona and Vigo and Kalundborg, Denmark, as well as the equity pick-up contribution from Lisbon and Singapore.

In 2022, the West Med & Atlantic region welcomed 2.1m passengers, excluding the third quarter contribution from the new ports in the Canary Islands, passenger volumes were 1.9m. This compares favourably to just 465k passengers in the comparable period last year and 2.7m passengers in 2019.

Cruise activity in the West Med & Atlantic region improved during the 9M reporting period. Call volumes, particularly at Barcelona, the largest port in the West Med & Atlantic reporting segment, were strong and, by the end of 2022, close to 2019 levels.

However, initially passenger volumes were negatively impacted by the uncertainty around the omicron variant during the important 2022 booking season and the lower onboard capacity limits set by the cruise lines as they ramped up operations. In the 3M period to the end of June 2022, call volumes at Barcelona were 1% higher and passenger volumes were 40% lower than in comparable period in 2019.

As the period progresses onboard restrictions eased and booking patterns and occupancy began to normalise. In the 3M period to 31 December 2022, Barcelona’s call volumes were 1% higher than in 2019 but passenger volumes were just 12% lower than in 2019 as passenger numbers recovered.

The West Med & Atlantic network grew its cruise port footprint further during the reporting period. Adding three new ports when GPH’s 80:20 joint venture with a local partner signed three concessions in the Canary Islands: Las Palmas Cruise Port (40 years), Lanzarote Cruise Port (20 years) and

Fuerteventura Cruise Port (20-years). These three cruise ports handled 1.5 million cruise passenger movements in 2019.

As part of the agreements, the joint venture will invest approximately EUR 40 million into constructing a new cruise terminal in Las Palmas and modular terminal facilities in Lanzarote and Fuerteventura.

Central Med

Our Central Med region includes Valletta Cruise Port, Malta as well as GPH's four Italian ports (Cagliari, Catania, Crotone and Taranto) and the equity pick-up contribution from La Goulette, Tunisia and Venice Cruise Port, Italy. Trading in this region was similar to that experienced in the West Med & Atlantic region, with cruise calls rising strongly compared to prior year but with lower than-normal occupancy levels. Although like with the Central Med, occupancy levels rose as the period progressed.

The Central Med region, driven by Valletta Cruise Port, GPH's largest port in this region, welcomed 929k passengers in the 9M Reporting Period, a significant increase from the 293k passengers welcomed in the comparable period but considerably lower than the 1.3m welcomed in 2019.

East Med & Adriatic

GPH's East Med & Adriatic operations include the flagship Turkish port Ege, Port Kusadasi, as well as Bodrum, Turkey and Zadar, Croatia. In this region, the impact on passenger volumes of lower than-normal occupancy levels was outshone by the significant increase in cruise calls compared to the same period last year and 2019.

Passenger numbers in the East Med & Adriatic region were 884k, a significant increase from the 18k welcomed last year and the 579k in 2019. This strong recovery was driven by the trading at our Turkish ports.

In 2017, our Turkish ports suffered a sharp drop in passenger numbers due to geo-political issues. In early calendar year 2020, bookings from the cruise lines indicated that Ege Port would report a strong recovery in passenger volume numbers. Unfortunately, the onset of the Covid-19 pandemic meant this expected recovery did not materialise. Despite the lower-than-normal occupancy levels across the industry in the 9M reporting period, the pent-up demand to return to cruising to Turkish ports drove the strong performance in the East Med & Adriatic region.

Other

Our Other reporting segment includes our commercial port Port of Adria, Montenegro, our management agreement for Ha Long Cruise Port, Vietnam and the contribution from our port services businesses.

We are focused on growing port services at GPH-operated ports and third-party-operated ports. These services primarily target enhancing cruise passengers' overall experience in the port and destination and include destination and shoreside services, crew services, and area & terminal management.

Port of Adria's future within GPH remains under review by the GPH board.

Balance Sheet

At 31 December 2023, IFRS Gross Debt was USD 614.4m (Ex-IFRS-16 Finance Leases Gross Debt: USD 554.4m), virtually constant compared to the Dross 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 was USD 490.3m compared to USD 435.0m as at 31 March 2022. At 31 December 2022, GPH had cash and cash equivalents of USD 64.0m, compared to USD 99.7m at 31 March 2022. The main driver of the increase in net debt and decrease in cash is the ongoing investment into Nassau Cruise Port, which is now nearing completion.

Operating cash flow of USD 43.0m reflected the growth in EBITDA. Net capital expenditure was USD 61.2m, including the impact of advances, with the vast majority of it spent on our continued investment into the transformation of Nassau Cruise Port.

Outlook

The outlook for the cruise industry is very positive. The major cruise lines have reported a record-breaking 2023 wave season, the global cruise fleet is now fully deployed and occupancy rates, which returned to pre-Covid 19 levels in some markets during 2022, are expected to be at pre-Covid 19 levels across the global cruise fleet by summer 2023.

Longer-term, the outlook for the cruise industry continues to be positive as well. The passenger capacity of the industry is forecasted to grow by 45% by 2027, from 2019 levels. There are 75 cruise ships currently in the cruise ship order book and due for delivery by 2027.

This growth in the number of ships and the size of ships means that many cruise ports will need to invest in their infrastructure in order to be able to accommodate the new larger ships. There is no better example of this type of investment than GPH's significant investments into Antigua Cruise Port and Nassau Cruise Port. Despite the impact of the Covid-19 pandemic on GPH and the cruise industry, our investment to increase the capacity of these ports and transform the passenger experience has largely continued as planned over the last two years; this demonstrates the commitment of GPH and our partners to our ports and destinations.

The combination of capacity growth and strong passenger demand reflects the strength of the industry and the success of the industry's segmentation strategy. The need globally for significant investment into cruise port assets and GPH's experience and know-how in cruise port operations and port and destination development means GPH has a distinct competitive advantage when bidding for new cruise port concessions. Our inorganic growth strategy is expected to deliver further significant progress in the year ahead.

With operations expected to begin at Alicante Cruise Port shortly, as well as San Juan and St Lucia expected to join the network in calendar year 2023, GPH targets to end 2023 with 29 cruise ports.

Our strategic ambition to grow the number of cruise ports in the network remains a key focus for the board and management. Despite the unprecedented nature of the Covid-19 crisis and its significant impact on our business, we have continued to grow the number of cruise ports in our network. We look forward to welcoming more ports into our network in the year ahead.

After the end of the reporting period we announced that in light of the continued emergence of significant and exciting opportunities in our cruise business we were undertaking a strategic review of the Group's current capital and financing structure. The review is ongoing and a further announcement will be made as appropriate.

For the 12M period to 31 March 2023, given the strength of current trading, we now expect to report Adjusted EBITDA in excess of USD 65m. Outlook for the 2024 financial year will be provided at time of the announcement of full year results.

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