Global Ports Holding PLC (GPH)
Trading Statement for the six months to 30 September 2023

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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 interim period six months to 30 September 2023.

Key Financials & KPI Highlights[1,6]	6 months ended 30-Sept-23	6 months ended 30-Sept-22	YoY Change	3 Months ended 30-Sept-23	3 Months ended 30-Sept-22	YoY Change
Passengers (m PAX)[2]	6.7	4.4	*54%*	3.6	2.6	*39%*
Total Revenue ($m)	105.6	118.3	*-11%*	52.2	72.6	*-28%*
Adjusted Revenue ($m)[3]	**95.9**	**64.1**	***50%***	**52.6**	**37.0**	***42%***
Segmental EBITDA ($m)[4]	67.6	44.0	*54%*	37.4	26.9	*39%*
Adjusted EBITDA ($m)[5]	**64.1**	**40.4**	***59%***	**35.6**	**25.0**	***42%***
Segmental EBITDA Margin (%)	*70.4%*	*68.7%*		*71.0%*	*72.7%*	
Adjusted EBITDA Margin (%)	*66.9%*	*63.0%*		*67.6%*	*67.7%*	
	30-Sept-23	**31-Mar-23**				
Gross Debt (IFRS) ($m)	736.5	672.4	10%			
Gross Debt ex IFRS 16 Leases ($m)	**676.7**	**612.3**	**11%**			
Net Debt ex IFRS 16 Leases ($m)	**558.3**	**494.0**	**13%**			
Cash and Cash Equivalents ($m)	118.4	118.3	0%			

Notes

1. All $ refers to United States Dollar unless otherwise stated
2. Passenger numbers refer to consolidated and managed cruise port portfolio, hence it excludes equity accounted associates 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 contribution from management agreements, plus the pro-rata Net Profit of equity-accounted associates La Goulette, Lisbon, Singapore and Venice
5. Adjusted EBITDA calculated as Segmental EBITDA less unallocated (holding company) expenses
6. Difference may arise due to rounding

Key Financials and KPIs

- Cruise passenger volumes rose 54% for the 6M period ending 30 Sept 2023 compared to the 2023 H1 Reporting Period. In the second quarter to 30 Sept 2023, cruise passenger volumes increased by 39% compared to Q1 ending 30 June 2023
- Cruise calls increased by 15% compared to H1 2023, which indicates that the main driver of the YoY growth in passenger volumes was the significant increase in occupancy levels, which have now returned to above 100% across our network
- Adjusted Revenue was USD 95.9 million, an increase of 50% on the USD 64.1m in the 2023 H1 Reporting Period. This growth was driven by the higher number of cruise calls and passenger volumes across all our regions
- Total consolidated revenues, including IFRIC-12 construction revenues, were USD 105.6m compared to USD 118.3m in the 2023 H1 Reporting Period. This decrease reflects the impact of lower construction activities at Nassau Cruise Port where the major construction works have come to an end during the interim period
- Segmental EBITDA for the 6M period was USD 67.6m compared to USD 44.0m in the 2023 H1 Reporting Period. Adjusted EBITDA was USD 64.1m compared to USD 40.4m in the 2023 H1 Reporting Period

Operating Highlights

The strong trading experienced in the first quarter to 30 June 2023, continued throughout the second quarter of our fiscal year 2024. Our cruise ports, after a relatively quiet summer 2022, experienced a significant pick-up in activity throughout the summer 2023 cruise season, which can be seen in the particularly strong growth rates in passenger, revenue and EBITDA in our West Med & Atlantic and Central Med Regions during the first half.

We completed our transformational investment into Nassau Cruise Port during the interim reporting period. Our investment has created a world leading cruise port that has set a new standard for investment into cruise port infrastructure globally. During the reporting period we also started operations at Prince Rupert Cruise Port, Canada, which is included in the Americas Segmental financials for the first time.

Ege Port extension

At the start of the interim reporting period, GPH agreed to extend its concession agreement for Ege Port, Kusadasi, adding 19 years to this concession which now ends in July 2052. As part of the agreement, Ege Port paid an upfront concession fee of TRY 725.4 million (USD 38 million at the prevailing exchange rate at the time of payment). In addition, Ege Port has committed to invest an amount equivalent to 10% of the upfront concession fee within the next five years to improve and enhance the cruise port and retail facilities at the port, and will pay a variable concession fee equal to 5% of its gross revenues during the extension period starting after July 2033.

A capital increase at Ege Port funded the upfront concession fee. This capital increase was provided by GPH only. As a result, GPH's equity stake in Ege Port has increased to 90.5% (from 72.5%).

This up-front concession fee and related expenses were financed by partial utilisation of the USD 75 million growth facility provided by Sixth Street shortly before the end of the fiscal year 2023. As part of this additional USD 38.9 million drawdown, GPH issued further warrants to Sixth Street, representing an additional 2.0% of GPH's fully diluted share capital.

St Lucia concession

During the interim reporting period we signed a 30-year concession with a 10-year extension option for Saint Lucia Cruise Port. As part of this concession, GPH will invest in a material expansion and upgrade of the cruise port facilities. This investment will allow the port to handle the largest cruise ships in the global cruise fleet, increasing the port's capacity. In the 12 months to 31 March 2023, St Lucia welcomed c590k passengers (2019 calendar year c790k), the completion of the extended pier and upgrading the facilities are expected to lead to a rise in passenger volumes to over 1m in the medium term. GPH will also invest in transforming the retail experience, continuing our commitment to driving significant economic benefits for the local population, this investment will include an exciting new space for local vendors.

Bremerhaven concession

We were also awarded a 10-year port concession agreement, with a potential 5-year extension option, by bremenports on behalf of the city of Bremen regarding the operations at Bremerhaven Cruise Port. The cruise facilities at the port are currently undergoing a multimillion-euro investment by the local authorities, which once completed will expand and renew the port facilities. In 2022, Bremerhaven Cruise Port welcomed over 230k passengers, with over 90% of these being homeport passengers. The location of the port means it is ideally located for Scandinavian and Baltic Sea itineraries. GPH will take over operations of the port in the first quarter of calendar year 2025.

Increase in ownership at Barcelona and Malaga Cruise Ports

Shortly after the end of the interim reporting period, GPH purchased from the minority shareholder its 38% holding in Barcelona Port Investments S.L. (BPI), taking GPH's holding in BPI to 100%. The transaction terms are confidential, however, the purchase price is below USD 20 million.

As a result of this transaction, GPH's indirect holding in Creuers De Port de Barcelona S.A (Creuers) has increased to 100%, which increases GPH's interest in both Barcelona Cruise Port and Malaga Cruise Port to 100% from 62%. In addition, GPH's effective interest in SATS-Creuers Cruise Services PTE. LTD (Singapore Cruise Port) rises to 40% from 24.8% and the effective interest in Lisbon Cruise Port LD (Lisbon Cruise Port) rises from 46.2% to 50%.

Segmental Financials & KPIs	**6 months ended 30-Sept-23**	**6 months ended 30-Sept-22**	***YoY Change***	**3 Months ended 30-Sept-23**	**3 Months ended 30-Sept-22**	***YoY Change***
Americas						
Passengers (m)	**2.2**	**1.6**	***37%***	**1.1**	**0.9**	***26%***
Adjusted Revenue ($m)	22.8	14.8	*54%*	10.7	7.6	*40%*
Segmental EBITDA ($m)	**14.3**	**9.5**	***50%***	**6.4**	**5.2**	***22%***
EBITDA Margin (%)	*62.8%*	*64.6%*		*60.1%*	*68.9%*	
West Med & Atlantic						
Passengers (m)	**2.2**	**1.3**	***74%***	**1.1**	**0.8**	***44%***
Adjusted Revenue ($m)	24.2	16.1	*50%*	13.2	10.0	*33%*
Segmental EBITDA ($m)	**20.0**	**11.3**	*77%*	**10.9**	**7.5**	***46%***
EBITDA Margin (%)	*82.6%*	*69.7%*		*82.6%*	*75.1%*	
Central Med						
Passengers (m)	**1.2**	**0.7**	***71%***	**0.8**	**0.5**	***61%***
Adjusted Revenue ($m)	15.4	10.0	*55%*	9.1	5.9	*55%*
Segmental EBITDA ($m)	**8.3**	**6.1**	***35%***	**4.8**	**3.8**	***26%***
EBITDA Margin (%)	*53.6%*	*61.5%*		*53.1%*	*65.1%*	
East Med & Adriatic						
Passengers (m)	**1.0**	**0.7**	***41%***	**0.6**	**0.5**	***32%***
Adjusted Revenue ($m)	25.3	17.4	*45%*	15.0	10.5	*43%*
Segmental EBITDA ($m)	**21.4**	**14.7**	***45%***	**13.1**	**9.1**	***44%***
EBITDA Margin (%)	*84.6%*	*84.7%*		*87.4%*	*86.7%*	
Other						
Adjusted Revenue ($m)	8.3	5.8	*42%*	4.7	3.1	*54%*
Segmental EBITDA ($m)	**3.7**	**2.4**	***54%***	**2.2**	**1.2**	***73%***
EBITDA Margin (%)	*44.0%*	*40.5%*		45.6%	40.6%	
Unallocated (HoldCo)	**(3.4)**	**(3.6)**	***-5%***	**(1.8)**	**(1.8)**	***(1)%***
Group						
Passengers (m)	**6.7**	**4.4**	***54%***	**3.6**	**2.6**	***39%***
Adjusted Revenue ($m)	**95.9**	**64.1**	***50%***	**52.6**	**39.1**	***41%***
Adjusted EBITDA ($m)	**64.1**	**40.4**	***59%***	**35.6**	**25.0**	***42%***
EBITDA Margin (%)	*66.9%*	*63.0%*		*67.6%*	*64.0%*	

Balance Sheet

At 30 September 2023, IFRS gross debt was USD 736.5m (Ex IFRS-16 Finance Leases Gross Debt: USD 676.7m), compared to gross debt at 31 March 2023 of USD 672.4m (Ex IFRS-16 Finance Leases Gross Debt: USD 612.3m). Net debt Ex IFRS-16 finance leases of USD 558.3m compared to USD 494.0m as at 31 March 2023. At the end of September 2023, GPH had cash and cash equivalents of USD 118.4m, compared to USD 118.3m at 31 March 2023 and USD 64.0m at 30 June 2023.

In July 2023, GPH issued 5,144,445 new ordinary shares at 206.5 pence each to its largest shareholder, Global Yatirim Holding A.S. ("GIH"), in satisfaction of USD 13.8 million of GPH's debt owed to GIH under a facility agreement.

At the end of the H1 2024 interim period GPH issued USD 330 million of secured private placement notes ("Notes") to insurance companies and long-term asset managers at a fixed coupon of 7.87%. The Notes received an investment grade credit rating from two rating agencies and will fully amortize over 17 years, with a weighted average maturity of c13 years. Over 90% of GPH's gross debt is now fixed and close to 90% of GPH's gross debt is made up of the investment grade rated Notes and the ring-fenced project financed issuance for Nassau Cruise Port.

The majority of the proceeds were used to repay in full the outstanding senior secured loan from Sixth Street (including the portion drawn at the end of fiscal year 2023 for the Ege Port extension), plus early repayment fees and accrued interest. The balance of proceeds from the Notes will primarily be used to fund further Caribbean expansion and the payment of transaction costs.

This financing generates material savings of cash interest expenses and creates a stable, long-term funding base for the Group. Further, it secures the financing of our growth pipeline.

The main driver for the change in Gross Debt is the refinancing of Sixth Street loan with the Notes. The USD 330 million Notes includes reserves and cash expected to be deployed as equity contribution for near-term growth projects, hence outstanding debt has increased compared to the Sixth Street loan with approximately USD 255 million of nominal outstanding.

This excess refinancing amount also impacted the outstanding cash (less transaction costs and early prepayment fees). Besides the refinancing, the other major impact to cash was the aforementioned extension of Ege Port concession for c. USD 38 million at the start of the interim period whereas the drawdown of the debt to finance this extension was completed shortly before the end of the fiscal year 2023.

Outlook

Fiscal years 2024 and 2025 Outlook

GPH provided a detailed outlook statement, including our 2024 expectations for passenger volumes in the announcement of our full-year results for the Reporting Period ended 31 March 2023, released on 10 July 2023.

Our current expectations for passenger volumes for the 2024 Reporting Period (12 months to 31 March 2024) is ahead of this guidance, driven primarily by the faster than expected recovery in occupancy rates in the first half.

This outperformance in occupancy and the continued strong trading means that we now expect to welcome at least 12.5m passengers across our consolidated and managed ports in the 12 months to 31 March 2024, compared to an initial expectation of 11.8 million.

In calendar year 2024 available berths across the global cruise fleet are expected to reach all-time highs, propelling the industry to exciting new record highs. The major cruise lines have reported strong booking trends for summer 2024 and they "see no signs of demand slowing".

Long-term outlook

The long-term outlook for the cruise industry remains positive.

Long-established demand and supply trends have re-established themselves as key drivers of growth in the industry, with passenger volumes by the end of 2027, expected to be 45% higher than pre-Covid levels.

This strong level of industry growth means there is a need for significant levels of investment in cruise port infrastructure in order to meet the needs of both the growing number of cruise ships and the growing size of cruise ships as well as the increased demand from passengers for an improved cruise port experience.

This growth is creating exciting opportunities for cruise ports but also presents potential risks, as cruise ports will face substantial challenges to meet the demands and needs of the evolving industry. GPH's significant experience and know-how in port and destination development and global cruise port operations, honed from our experience worldwide, means we are well-positioned to play a primary role in both the investment and industry growth in the years ahead.

GPH will release interim financial results for the six months to 30 September 2023 in mid-December 2023.

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