DP WORLD

Media Statement

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DP WORLD ANNOUNCES STRONG FINANCIAL RESULTS

Earnings grow by 27% in First Half of 2019

Bin Sulayem: DP World's excellent performance during economic uncertainty and geopolitical challenges bears testament to the company's resilience and sound growth strategy, motivating us to reiterate our commitment to the development of innovative new products and services for a dynamic market

Dubai, United Arab Emirates, 22 Aug 2019: DP World Group Chairman and CEO, Sultan Ahmed Bin Sulayem credited the company's strategy of developing innovative new products and services and prudent management for DP World's impressive half-year results. Bin Sulayem added that DP World's excellent performance against the backdrop of challenging global economic conditions is a testament to the company's resilience, sound growth strategy and the diversification of its global investment portfolio across energy, maritime and sustainable mobility amongst others.

The statement was made as global trade enabler DP World PLC announced strong financial results today for the six months ending 30 June 2019 with reported adjusted EBITDA and attributable earnings growth of 21.9% and 26.8% respectively.

"Our half-year financial results have been in line with our expectations, Mr Bin Sulayem said. He highlighted that DP World continues to be guided by deep market understanding, innovation and operational excellence across 45 countries worldwide. Despite uncertainty from the trade war and challenging regional geopolitical realities, DP World has been able to deliver and excel a broadly impressive performance in the first half of 2019.

Results before separately disclosed items[1] unless otherwise stated	1H2019	1H2018	As reported % change	Like-for-like at constant currency % change[2]
USD million				
Gross throughput[3](TEU '000)	35,811	35,620	0.5%	0.5%
Consolidated throughput [4](TEU '000)	19,495	18,576	4.9%	(1.7%)
Revenue	3,463	2,626	31.9%	10.8%
Share of profit from equity-accounted investees	86	88	(1.6%)	(3.3%)
Adjusted EBITDA[5]	1,611	1,322	21.9%	9.9%
Adjusted EBITDA margin[6]	46.5%	50.3%	-	51.4%[7]
Profit for the period	753	629	19.9%	19.0%
Profit for the period attributable to owners of the Company	753	593	26.8%	22.2%
Profit for the period attributable to owners of the Company after separately disclosed items	681	642	6.1%	-
Basic earnings per share attributable to owners of the Company (US cents)	90.7	71.5	26.8%	22.2%
Basic earnings per share attributable to owners of the Company after separately disclosed items (US cents)	82.1	77.3	6.1%	-

Results Highlights

- **Revenue of $3,463 million (Revenue growth of 31.9% on reported and 10.8% on a like-for-like basis)**
  - Revenue growth of 31.9% supported by acquisitions and growth in non-containerized revenue.
  - Like-for-like revenue increased by 10.8% driven by growth in non-container revenue.
- **Adjusted EBITDA of $1,611 million and adjusted EBITDA margin of 46.5%**
  - Adjusted EBITDA grew 21.9%, and EBITDA margin for the half-year stood at 46.5%. Like-for-like adjusted EBITDA increased by 9.9% with a margin of 51.4%.
  - EBITDA margin declined due to a change in the mix with the consolidation of lower margin Logistics and Maritime services businesses.
- **Profit for the period attributable to owners of the Company increased by 26.8% to $753 million**
  - Profit attributable to owners of the Company before separately disclosed items rose 26.8% on a reported basis and grew 22.2% on a like-for-like basis.
- **Strong Cash Generation and Robust Balance Sheet**
  - Cash from operating activities remains strong at $1,046 million in 1H2019.
  - Leverage (Net debt to annualised adjusted EBITDA) increased to 3.0 times (Pre-IFRS16) from 2.8 times at FY2018. On a post-IFRS16 basis, net leverage stands at 3.7 times.
  - DP World credit rating was kept at BBB+ by Fitch with a stable outlook citing the resilient and diversified nature of the portfolio.
- **Bond Transaction Executed at Record Levels**
  - Raised $1.3bn through the issuance of long-term bonds at record low rates.
  - Further strengthens the balance sheet and offers financial flexibility.

- **Continued Investment Across the Portfolio**
  - Ports & Terminals investments include two new assets in Chile, Fraser Surrey Docks8 (Canada) and consolidation of assets in Australia.
  - Logistics & Maritime investment include acquisition of Pan-European logistics platform of P&O Ferries and marine logistics operator, Topaz Marine & Energy8.
  - Capital expenditure of $636 million invested across the existing portfolio during the first half of the year.
  - Capital expenditure guidance for 2019 remains unchanged at up to $1.4 billion with investments planned into UAE, Posorja (Ecuador), Berbera (Somaliland), Sokhna (Egypt) and London Gateway (UK).
  - Posorja8, the only deep-water port in Ecuador with a capacity of 750k TEU opened on time and budget.
- **Acquisitions performing in line with expectations and logistics solutions offering now established**
  - Unifeeder is delivering in line with expectations and continuing to benefit from structural changes in the market.
  - DP World now a significant operator of inland logistics in India, offering end-to-end solutions.
- **Global trade continues to grow, but the outlook is uncertain**
  - The container trade grew by low single digits in the first half of 2019, but concerns around the trade war continue to weigh on the outlook.
  - We continue to focus on delivering operational excellence and maintaining our disciplined approach to investment to ensure we remain the trade partner of choice.

Sultan Ahmed Bin Sulayem, Group Chairman and CEO, DP World, added: "DP World is pleased to report like-for-like earnings growth of 22% in the first half of 2019 and attributable earnings of $753 million. This strong financial performance has been delivered in an uncertain trade environment, once again highlighting the strength of our portfolio.

We have continued to make progress on our strategy to become a trade enabler and solutions provider as we look to participate across a wider part of the supply chain. We have invested significantly across our Ports, Logistics & Maritime Services businesses. The aim is to connect directly with customers to offer logistics solutions and remove inefficiencies in the supply chain to accelerate trade. We are seeing positive signs of progress in our new businesses that give us encouragement for the future.

"Our balance sheet remains strong, and we continue to generate high levels of cash flow, which gives us the ability to invest in the future growth of our current portfolio. Going forward, we aim to integrate our new acquisitions and deliver synergies with the objective of providing smart end-to-end solutions, which will improve the quality of our earnings and drive returns.

"While the near-term trade outlook remains uncertain with global trade disputes and regional geopolitics causing uncertainty to the container market, the strong financial performance of the first six months also leaves us well placed to deliver full-year results slightly ahead of market expectations."

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