DP WORLD

Media Statement

DP WORLD

2018 ANNUAL RESULTS

Profit*

$1.27B 5.1%

Revenue

$5.6B 20%

Adjusted EBITDA[1] growth

13.7%

EBITDA margin

49.7%

Cash from operating activities

$2.2B

Total capital expenditure

$908M

$2.5bn investment in acquisitions including

- Continental Warehousing Corporation (CWC) in INDIA
- Cosmos Agencia Marítima in PERU
- The Unifeeder Group in DENMARK

*Profit attributable to owners of the Company

[1] National Investment and Infrastructure Fund

DP WORLD ANNOUNCES ROBUST FINANCIAL RESULTS

Reported revenue growth of 20% in 2018

Dubai, United Arab Emirates, 14 March 2019: Global trade enabler DP World today announces strong financial results for the year ended 31 December 2018. On a reported basis, revenue grew 19.8% and adjusted EBITDA increased 13.7% with adjusted EBITDA margin of 49.7%, delivering profit attributable to owners of the Company, before separately disclosed items[1], of $1,270 million, up 5.1%, and EPS of 153.0 US cents. On a like-for-like basis, revenue grew 4.2%, adjusted EBITDA increased by 6.6% with adjusted EBITDA margin of 54.1%, and earnings attributable to owners of the Company increased 7.6%.

Results before separately disclosed items unless otherwise stated	2018	2017	As Reported % change	Like-for-like at constant currency % change[2]
USD million				
Gross throughput[3] (TEU '000)	71,419	70,079	1.9%	2.9%
Consolidated throughput[4] (TEU '000)	36,760	36,476	0.8%	1.4%
Revenue	5,646	4,715	19.8%	4.2%
Share of profit from equity-accounted investees	165	124	33.6%	17.3%
Adjusted EBITDA[5]	2,808	2,469	13.7%	6.6%
Adjusted EBITDA margin[6]	49.7%	52.4%	-	54.1%[7]
Profit for the period	1,333	1,363	-2.2%	1.8%
Profit for the period attributable to owners of the Company before separately disclosed items	1,270	1,209	5.1%	7.6%
Profit for the period attributable to owners of the Company after separately disclosed items	1,297	1,177	10.2%	-
Basic earnings per share attributable to owners of the Company (US cents)	153.0	145.6	5.1%	7.6%
Ordinary dividend per share (US Cents)	43.0	41.0	4.9%	-

Results Highlights

- **Revenue of $5,646 million**
  - Revenue growth of 19.8% driven by acquisition of Drydocks World, Dubai Maritime City (DMC), Cosmos Agencia Maritima, Continental Warehousing Corporation (CWC) and Santos consolidation
  - Like-for-like revenue increased by 4.2% driven by a 6.3% increase in total containerized revenue.

- **Adjusted EBITDA of $2,808 million and adjusted EBITDA margin of 49.7%**
  - Adjusted EBITDA grew 13.7% and achieved an EBITDA margin for the full year of 49.7%. Like-for-like adjusted EBITDA margin was at 54.1%.

- **Profit for the period attributable to owners of the Company of $1,270 million**
  - Strong adjusted EBITDA growth resulted in a 5.1% increase in profit attributable to owners of the Company before separately disclosed items on a reported basis and 7.6% growth on a like-for-like basis at constant currency.

- **Strong cash generation and robust balance sheet**
  - Cash from operating activities was $2,161 million.
  - Free cash flow (post cash tax maintenance capital expenditure and pre-dividends) amounted to $1,811 million.
  - Leverage (Net Debt to adjusted EBITDA) at 2.8 times.

- **Total dividend per share increased by 4.9% to 43 US cents**
  - Ordinary dividend increased by 4.9% to 43 US cents to reflect earnings growth in 2018.

- **Disciplined investment in high quality long-term assets to drive long-term profitable growth, and create long-term value for shareholders**
  - Capital expenditure of $908 million invested across the portfolio during the year, below the Group's guidance of approximately $1,400 million in 2018.
  - In 2018, gross global capacity was at 90.8 million TEU. Consolidated capacity was at 49.7 million TEU
  - The acquisitions of Drydocks, DMC, CWC, Cosmos Agencia and Unifeeder are performing in line with expectations and we have seen increased contribution to our revenue line.
  - We expect capital expenditure in 2019 to be up to $1.4 billion with investment planned mainly into UAE, Posorja (Ecuador), Berbera (Somaliland), Dakar (Senegal) and Sokhna (Egypt).

- **Continued investment in Ports and Logistics**
  - DP World continued to invest in solution providers and acquired the integrated multimodal logistics player Continental Warehousing Corporation (CWC) in India, Cosmos Agencia Marítima in Peru, and the Unifeeder Group in Denmark, which operates the largest container common user feeder and growing shortsea network in Europe. We have also announced the acquisition of the pan-European logistics business, P&O Ferries.[8]
  - Aside from our investments in solution providers, we won a 30-year concession for the management and development of a greenfield port project at Banana in the Democratic Republic of the Congo. We announced the acquisition of two ports in Chile[8], which will allow us to serve cargo owners at five major gateway terminals in the west coast of South America. We have also consolidated our position once again in Australia[8], where there is an opportunity to expand beyond the ports into logistics.

- **Global trade to grow but outlook remains uncertain**
  - Global trade continued to grow despite trade dispute and geopolitical challenges.
  - We continue to focus on maintaining our disciplined approach to investment to ensure we remain the trade partner of choice as well as strengthening our product offering to play a wider role in the global supply chain as a trade enabler.
  - Looking ahead into 2019, we expect to continue to deliver growth and see increased contributions from our new investments.

DP World Group Chairman and CEO, Sultan Ahmed Bin Sulayem, commented:

"DP World is pleased to report like-for-like earnings growth of 7.6% in 2018 and attributable earnings of $1,270 million. Adjusted EBITDA grew 13.7% to $2,808 million with margins at 49.7% on a reported basis and 54.1% on a like-for-like basis. This robust performance has been delivered in an uncertain trade environment, once again highlighting the resilience of our portfolio.

We have made good progress in delivering on our strategy of strengthening our portfolio to become a global solution provider and trade enabler with approximately $2.5[9] billion worth of acquisitions announced in the year. These acquisitions offer strong growth opportunities and enhance DP World's presence in the global supply chain as we continue to diversify our revenue base and look at opportunities to connect directly with the owners of cargo and aggregators of demand.

Going forward, we aim to integrate our new acquisitions and drive synergies across the portfolio with the objective of removing inefficiencies in global trade, improving the quality of our earnings and driving returns.

The Board of DP World recommends increasing the dividend by 5% to $ 365.9 million at 43 US cents per share, which is in line with past policy of maintaining a payout ratio of approximately 30%. The Board is confident of the Company's ability to continue to generate cash and support our future growth whilst maintaining a consistent dividend payout.

Current year has started with trading in line with expectations and whilst the near-term outlook remains uncertain with the trade war and geopolitical headwinds, we expect our portfolio to remain resilient and see increased contributions from our recent acquisitions and investments."

-ENDS-

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