

NetRoadshow Event Transcript

Transcript Only- Ad Ports 2025 Results Conference Call

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Fahad Shaikh (Moderator)

Good morning and good afternoon, everyone. Welcome to AD Ports Group's Fourth Quarter 2025 Results Call. My name is Fahad Shaikh, and I will be your host for the call.

Representing AD Ports Group, from the management team, we have Mr. Martin Aarup, Group's Chief Financial Officer; Mr. Ross Thompson, Group Chief Strategy and Growth Officer; and Mr. Marc Hammoud, VP, Investor Relations. Now I would like to hand over the call to Marc to take the call forward. Thank you.

Marc Hammoud (VP, Investor Relations)

Thank you, Fahad. Thank you, EFG Hermes for hosting this call. Good morning and good afternoon, everyone. Welcome to our earnings call for the Q4 and full year 2025 earnings. I will, as usual, kick off the presentation and then hand over to Ross and Martin for the strategy and financial part of the presentation.

In terms of key messages, I think the main one is that we reached free cash flow positive ahead of guidance, and the guidance was for 2026. In 2025, we combined performance with stabilized balance sheet. We had the best year on record in terms of net profit, which reached over AED 2 billion.

And the key messages are: one, the macro environment, which remains supportive in the UAE. The GDP in Abu Dhabi rose 7.7% in Q3 2025, driven by a 7.6% growth in non-oil sectors, which accounted for 54% of the total economy. We signed a total of 29 CEPAs in the UAE, 14 of them were implemented. And in Q4, Chile came into force.

The non-oil foreign trade in the UAE reached AED 3.8 trillion in 2025, very close to the AED 4 trillion target that was set for 2031. So a good 6-year ahead of target. When it comes to the company results, we had, as I said, a record net profit performance that was driven by a 20% growth in revenue to AED 20.76 billion. And even when you look at like-for-like growth, revenue reached 13% growth.

EBITDA, 12% year-on-year growth to AED 5.07 billion and 7% on a like-for-like basis, implying an EBITDA margin of 24.4%. Total net profit, I touched on it, over AED 2 billion, implying a 17% year-on-year growth, which shows a record performance since the listing.

As you probably followed in Q4, it was an eventful quarter, especially in terms of asset monetization. We had the sale of a 4.6 square kilometer land plot in KEZAD Abu Dhabi to Mira Developments for AED 2.5 billion. We also had the sale of 2 warehouses in KEZAD Abu Dhabi to Aldar for AED 570 million, and we divested the 9.77% stake we had in NMDC for AED 1.6 billion.

We will continue to optimize our asset portfolio with a focus on mixed use land, built-up assets and financial investments, aiming at recycling capital, optimizing the balance sheet structure and unlocking hidden value. On the balance sheet front, net leverage was stable at 4.1x at the end of 2025 and down from 4.4x in Q3 2025 despite the deferred profits associated to a higher CapEx spend in the second half of the year.

We continue to enjoy a strong liquidity position with AED 2.7 billion in cash and about AED 5 billion of undrawn bank facilities. Still no major upcoming debt maturity in 2026 and no changes in our investment grades from Fitch and Moody's.

For those who didn't attend the Q3 session, we simplified our corporate structure with now 4 core clusters reporting. We have the -- still the same vertically integrated model around the 4 core clusters: Ports, Economic City & Free Zone, Maritime & Shipping and Logistics. We have embedded global IT and InfoSec as well as Maqta Technologies under the corporate segment, and we decentralized digital services into the 4 core clusters to better support growth, efficiency and performance.

And finally, I would highlight the resilience of our shipping business despite all the challenges we had in 2025, and the outlook is more of the same. In 2025, the group's container feeder shipping volumes sold 38% year-on-year with rates softening by a mere 7% on average. In 2026, market outcomes are expected to be shaped by the trajectory of the Red Sea disruptions, the evolution of trade policies and the industry's ability to absorb new capacity without eroding rate discipline.

Equity story, it echoes a lot of the messages I've just mentioned. What I would emphasize on is that the pivot to free cash flow positive was reached, again, ahead of guidance, 2026 guidance and will continue to be positive going forward, i.e., we will continue to generate free cash flow positive in 2026 and beyond. And to reinforce that point, we set a net leverage target of 3.5x in the medium term.

Two points to mention on that slide. One is that, as you probably saw, ADQ was absorbed by L'imad and the assets under ADQ were transferred to L'imad. So our ownership is reflecting that now. So 75% of the company is owned by L'imad. And as you can see in Q4 last year, given all the company's developments, we have foreign institutional investors quite reengaged into the equity story.

On that slide, it's to show that we remain a growth story. You can see in terms of revenue and EBITDA, the 4-year CAGR is impressive, and we finally have the stock performance catching up with that financial performance. We almost closed the year flat in 2025 in terms of stock price performance, and we're still up close to 50% since listing. You can also see that the average daily traded value has increased substantially in Q4 to about \$4.1 billion.

So to my earlier point, this is how we're going to continue to report going forward around the 4 core clusters. And you can see that the revenue and EBITDA distribution hasn't drastically changed. We still have the Maritime & Shipping being the biggest contributor and about 52% of the EBITDA coming from infrastructure assets, i.e., Ports and Economic Cities.

This is the same picture or the same distribution by cluster of total assets and CapEx. Martin will speak more about it, but we had a temporary increase in CapEx in the Maritime & Shipping for specific reason that he'll elaborate on.

This is our global map and operations. As you can see, there's been a densification of our operation in existing markets. I think that's the best way to qualify 2025, we haven't really expanded in terms of geographies, but we densified and consolidated our presence in our key countries and regions around key trade corridors or countries that have a strong trade link to the UAE. And those regions again are obviously the Middle East, Africa, the Med region, Central Asia, Southeast Asia.

In our business, scale matters, and we continue to gain scale in Ports, in Economic City and Free Zone and Maritime & Shipping and Logistics will catch up with that scale in the years to come. Ross, over to you for the market update. You're on mute, Ross.

Ross Thompson (Group Chief Strategy & Growth Officer)

Yes. Thanks, Marc. Good morning, good evening, everyone. And please go to the next slide. Yes, I think the year in general had a pretty consistent feel, quite volatile with a lot of geopolitical issues and a lot of challenges in the global supply chain. Largely, I think that volumes have been very, very stable, particularly in terms of the container volumes which are expected to continue its growth trajectory around 3% to 5% within 2026.

However, commodities and bulks are expected to grow slightly above that, around about 4% to 5% at the lower end and 6% to 7% at the upper end. So Abu Dhabi Ports being a very broad provider of logistics services, not just in containers, but in bulk and general cargo and automotive means that we hit all the key markets that are strong in growth. I think we also have seen freight rates have normalized. They're actually starting to soften towards the end of the year in the major trades, particularly the transpacific, Asia, Europe.

Having said that, for us, we're mostly -- our container operations are mostly in the interregional trades, which haven't been as adversely affected as the deep sea trades. So we continue to monitor container freight rates. We expect them to soften into the first quarter, but largely speaking, not to the degree of the major trades.

Port congestion remains pretty stable around the region and particularly our core markets. Carrier capacity, that's what's driving a lot of the freight rates, the supply and demand

dynamics in the larger scales as the global lines bring on a significant amount of new tonnage into the market. And we're seeing financing for global infrastructure decline purely on the basis of there isn't the opportunities in 2025 that there has been throughout the past years.

Next, please, Marc. So I guess the question is, what is the -- what is the consequences and what is the response of the company for that. So we've kind of brought down here what are the real macroeconomic factors that affect the industry and the company and really what is the response and has been the response to those challenges, which have brought about many opportunities for the companies, I have to say.

So global fleet and oversupply in the shipping sector, what that really has an impact on is the freight rate. And the freight rate is at risk of not only normalizing, but also coming down. But for us, what we do in our Maritime business is we look for long-term contracts, long-term back charters, long-term contracts, and we spread our risk by being in many sectors of the shipping environment.

So at least 60% of all of our Maritime business is on what we call long-term contracted business. And that protects us largely from any of the volatility that we have in the industry. Industrial FDI and onshoring momentum, I think this has been the case, particularly since COVID, but it's also accelerated because of global geopolitical issues, trade tariff issues that are coming from the U.S.

A lot of governments and a lot of businesses are trying to nearshore their supply chains. And that's hugely -- a huge opportunity for the group, particularly with our significant land mass here in the UAE, the UAE being relatively stable and a very good area to serve the East-West trades. It's an area that's industrializing. It has very competitive utility costs for manufacturing, particularly gas, electricity prices.

They benchmark extremely competitive in the global scale. And typically, the utility prices are around about 35% of the cost input of any manufacturing base. And therefore, if you look at the location, you look at the ease of doing business, you look at the access to the market surrounding us and where we're geographically located to serve many markets and you look at utility pricing, this is a really attractive region or Abu Dhabi is a very, very attractive area to invest in at the moment.

And we have very strong demand for our land, very strong demand for industrial usage for - - in KEZAD. And therefore, this has been a great opportunity for the company and will remain very strong in the near term, and we're predicting '26 to be equally as strong as 2025 has been.

We covered freight rate volatility, but I'll just touch on the geopolitical and disruption of trade. I think the naive thing to think is that this is a new phenomenon. It's not. I think trade tariffs have been around since the 1600s and shifting trade patterns, geopolitical issues have always been part of global supply chains.

They are, of course, very, very high profile and drive a lot of impact in the market at the moment. The point for the company is the way it's set up in its 5 cluster model is that it's very well positioned to act quickly, to act agile and to position its service businesses, particularly the Maritime sector and the Logistics business to shifting trade patterns.

We also look to reinforce Khalifa Port as a very resilient, secure regional hub. And we like to look at how we can use Khalifa Port and the volumes in certain trades to reroute to store, to put natural breaks into supply chains or even to accelerate supply chains by being able to redistribute from our key hubs.

Next slide, please, Marc. Yes, I think this is just a summary of what we've taken away. I think looking forward, we don't see any change. I think that you're going to see a continuation of geopolitics, particularly in the emerging market sectors, particularly in the Middle East region being prevalent. I think you're still going to see tariffs shifting depending on what the U.S. does and what its perceived allies or potential followers do.

And you're still going to see nearshoring green corridors impacting where supply chains locate. So more of the same as we move forward. And again, the group has taken -- is very well positioned to deal with this. It's actually taken a lot of opportunity from the market because of the agile nature of the company, because it can move very fast to changes because we're always looking to forecast the market.

I think one thing that hasn't really been touched on, and I should touch on it, is investment into AI. I think we continue to invest significantly into AI. Just as a stat, we have 200 Agentic agents deployed within the business.

We are looking to take out a significant amount of cost through optimization of our operations, optimization of our headcount through process management with the deployment in AI. AI will change our industry and Abu Dhabi Ports Group will be a significant investor and at the forefront of that change by deploying AI through our business globally.

Next, please, Marc. Okay. I think one of the key changes in 2025 was that we started to monetize some of our asset base. The company sat on an extraordinary value of assets around the globe and particularly here in Abu Dhabi.

Some are noncore to us and some are a change of policy where we need to bring in the private sector to develop our areas of KEZAD, which is not necessarily our core strength. And I think the land sales in KEZAD were a great demonstrator of this, where we had the Mir Group side, land sale 4 square kilometers. We announced Danu on another 1 square kilometer where they will come in and develop mixed use.

The private sector will come in and develop mixed-use, KEZAD Town Centre master plan, which is 11 square kilometers of mixed use, which is housing, low-rise, high-rise, leisure facilities that we need in an economic zone that is the size of 500 square kilometers. So where the company is really geared around its expertise is in building and unlocking industrial usage land. Now we're bringing the private sector in on more of a real estate play to develop out the sectors where we're not core to Abu Dhabi Port.

Those land sales were valued at around about AED 3.31 billion. It is the intention of the company to maintain a policy of bringing in the private sector as we go forward. You would have also seen our model that we've started to monetize warehouses, and we sold a number of warehouses. The first completed transaction was to Aldar for AED 570 million, and Mira Group was the second at AED 295 million.

Now this is a policy of the company to bring to market warehouses -- to commercialize those warehouses by bringing in leases and then to monetize those assets to reinvest in the business and bring in more -- to invest in more assets in KEZAD over the long term. It's not our business to run and manage warehouses at the corporate level, but it is our business to unlock, construct and bring these assets to market.

Very, very strong demand from the market for these. We ran two processes -- they were very well attended, very competitive. And again, it is a policy of the company that we will look to look at how many of those warehouses we bring to the market, and we need to balance that with reoccurring revenue streams for the company. So you will see a policy of more warehouses being brought to the market for sale.

And I think the last was to dispose of noncore financial holdings. We sold our stake in NMDC, just under 10%, 7% for AED 1.6 billion. We've held that shareholding for some time. It is a significant supplier to Abu Dhabi Ports Group, but it was deemed as a financial investment and at the right time to monetize those investments for the company to delever its business and also to reinvest those profits in infrastructure, of which we have a significant high demand to unlock the next areas in KEZAD and to expand Khalifa Port.

Next slide, please, Marc. Yes, I think some progress with the international projects. Much was made in 2025. I think the first 3 quarters were well noted. But in quarter 4, we signed the LNG and LPG terminals hub at Khalifa Port. This is a significant deal for us. It brings in

50-year revenues, a very stable, high value for the company, a new product sector that opens up for Abu Dhabi Ports and Khalifa Port in particular.

Our partnership with CMA continues to grow. We acquired a 20% stake in Latakia in Syria for around AED 81 million. The 20% stake really because there's no port infrastructure available -- or new port infrastructure available in Syria market in the Arabic region that has very, very high potential. We, therefore, needed a foothold, and we needed a foothold to secure berthing rights for our shipping company, which has high demand to add Syria to its network. So that's why we took a minority stake.

It's not normal for the company. Our intention is always to take a controlling stake, at least control and operate. But where there's monopolistic plays that we simply can't get into core markets that we need to be in, we are open to these minority stakes. We announced the expansion of Cemex in Khalifa Port, the expansion of just under 1 million TEUs will take the overall capacity to 2.7 million.

This is CMA's terminal. The terminal is doing -- volume-wise is doing extremely well. It's ahead of schedule, ahead of time, and it was called for by the concession holder, a joint venture between CMA and Abu Dhabi Ports because of strong commercial demand.

We also completed the acquisition of 19.3% stake in Alexandria Container Company. This is Egypt. This is a first-stage investment for us. Alexandria is key to us going forward. It will become a significant hub port in the future, and we see this as a really long-term foothold in the Mediterranean market for us.

And lastly, we signed logistics operations in Tajikistan and Pakistan, a joint venture with AVESTO. And this is to really unlock using Pakistan as a significant hub, not just for Pakistani cargo, but also into Central Asian economies and both for imports and exports. Pakistan is a very strategic investment by Abu Dhabi Ports and has been a very financially successful one and somewhere we will continue to invest in the future years.

Next slide, Marc, please. We always put this slide in, but just to put -- the external M&A is largely still having a negligible impact on the contribution in 2025. This is really because we're at the naissance of Luanda Terminal and UGR. These were the major contributors. But these are young investments.

Luanda, our ownership around about 80%. The purchase consideration was AED 250 million. We consolidated from the 1st of February. The effect was 11 months, but we're really just taking over operations. The real impact of revenue comes -- and EBITDA will come in 2026.

Also with us starting the UGR service, this is our service that is aimed at finished vehicles. This has been a significant contributor to the maritime cluster side. It's been a huge success. We have been full. The vessels that we've put on, the capacity has been taken up almost immediately.

The revenue effect in 2025 was AED 787 million with an EBITDA contribution of AED 137 million. We will continue to grow this business. We have extremely strong market demand and customer demand to add services and provide more network coverage in this market sector.

Next slide, Marc. Noatum Ports continues to expand. I think this gives you a flavor of our port network around the world. We now have 23 international terminals. I think we've touched on the new ones, which was in Egypt, where we have 4 terminals now, which is the 19% stake or 19.3% stake in Alexandria, giving us a significant container port, but also allowing us to expand into multipurpose and general cargo.

Congo-Brazzaville was our second -- alongside Angola, our second major investment in Africa. These 2 terminals are highly demanded. We concluded the sale of 49% of Congo-Brazzaville to the CMA Group. We have interest to expand that terminal, and we have significant demand to expand that terminal almost immediately even while we're building out Phase 1. The view may be that we may accelerate into Phase 2 purely based on market demand for the services.

Angola came into operation, but still is relatively young. Syria and Tanzania, these are both minority investments or minority interest. Again, we invested in minority stakes in these 2 terminals. They are very important terminals for the regions that they operate in, but they are monopolistic.

There wasn't available to us to be able to take a terminal on ourselves, and therefore, we need to secure both in capacity for our line and also have a foothold in these markets. So these are strategic insertions into key markets in given areas.

Spain, we have 12 terminals. I think this has been well documented. Kazakhstan, this is our grain terminal. And Pakistan, we have 2 terminals, which is the container terminal and the multipurpose terminal that we completed in Karachi this year. So growing footprint. We expect this to grow slightly more in the future, but something that's given us a significant footprint in our trading partners.

Next slide, Marc. I think last slide for me, but the UAE government has been very active in signing free trade agreements and CEPAs around the globe. This benefits the company

hugely because once the CEPA is signed, what tends to happen is investment plus trade starts to move.

And us as a company, our job in this or our role in this is to really come behind the CEPAs and make sure that the infrastructure and the services, the maritime network and the logistics network is available to these countries and trading partners that we've signed with in order to cater for increased flows of trade.

And as you see between 2022 and 2025, '29 CEPAs have been signed around the world. We understand more are coming, but this is a really, really significant impact to the company and one that we build our future strategies around. With that, I hand over to Martin.

Martin Aarup (Group Chief Financial Officer)

Thank you, Ross. Good afternoon, everyone. Next slide, Marc. As was highlighted, 2025 was a record year for the group, delivered against the backdrop of evolving global trade patterns and geopolitical uncertainty. Despite these challenges, we achieved strong growth across revenue, profitability and cash flow while continuing to invest in long-term sustainable growth that underpin our strategy.

For full year 2025, the group revenue reached AED 20.8 billion, representing a 20% year-on-year growth. EBITDA increased to AED 5.1 billion, up 12% year-on-year, while net profit reached AED 2.1 billion, an increase of 17% year-on-year. This marks the best year on record for Abu Dhabi Ports Group, crossing the key milestones of AED 20 billion in revenue, AED 5 billion in EBITDA and AED 2 billion in net profit.

Q4 was also strong, and we kept momentum. Revenue grew 30% year-on-year to AED 6 billion, EBITDA up 31% to AED 1.6 billion and net profit grew 18% to AED 584 million. Performance reflects strong operational execution across all clusters, except logistics and great momentum on our monetization and capital recycling program.

Next slide. In the ports cluster, general cargo volumes increased 6% year-on-year, supported by strong growth in project cargo, lay-by cargo and paper pulp volumes in the UAE. Internationally, Egypt and Pakistan delivered strong volume growth and the launch of operations in Angola further supported overall performance, offsetting lower volumes in Spain.

Container volumes increased 23% year-on-year, reaching 7.7 million TEUs for the year, and this was driven primarily by the ramp-up of the new CMA terminal, Khalifa Port, which commenced operation at the beginning of 2025. Despite the addition of 1.8 million TEUs of new capacity, utilization at Khalifa Port remained stable at 69%, demonstrating disciplined capacity management. Our international container operations throughput was also strong

with Pakistan up 28% year-on-year, Egypt up 15% and Spain up 42%. No changes to the overall transshipment and O&D mix.

Next slide. Moving to Economic Cities. Net land leases increased by 3.3 square kilometers with 4 key new long-term leases signed during the quarter, mainly in building materials and F&B industries. Industrial and manufacturing projects now account for approximately 67% of total land leases, reinforcing the long-term infrastructure-led nature of this business.

Warehouse leases grew 16% year-on-year with utilization remaining high at 91% despite lower capacity following the divestment of 2 warehouses. Specialized industrial hubs, including Metal Park, Food Hub, AgTech Park and Autohub continue to progress well and remain on track to come online in phases from 2026 onwards.

Next slide. Demand for staff accommodation remains strong. Sidara Group bed leases increased 40% year-on-year with utilization reaching a record 94% based on a total capacity of 139,000 beds. Gas volumes increased 7% year-on-year, supported by steady demand growth with our gas network now reaching 106 kilometers by the end of 2025. Overall, Economic Cities continue to demonstrate strong demand fundamentals and very attractive margins.

Next slide. In Maritime & Shipping, we expanded our feeder services to 29 routes, connecting 86 ports across 36 countries. Container feeder shipping volumes grew 38% year-on-year, reaching 3.35 million TEUs in 2025. Growth was driven by fleet expansion, efficient vessel planning and route optimization.

The fleet expanded to 62 vessels, completing nearly 1,000 voyages during the year. Nominal capacity increased 28% year-on-year to 160,000 TEUs. Geographically, volumes were supported by strong demand from the Gulf, Indian subcontinent, Europe and Africa with 4 new services launched in West Africa during the year.

Next slide. 2025 was also a pivotal year for our portfolio diversification within Maritime. The launch of UGR added Ro-Ro shipping capabilities with services connecting 58 ports across 18 countries. During the year, UGR transported 173,000 CEUs, so -- equivalent units and 674,000 cubic meters of high and heavy cargo.

Across the cluster, total vessel count increased to more than 300 vessels, while the offshore and subsea fleet was rationalized through the disposal of smaller low-return assets. Marine Services benefited from increased dry docking activity and higher vessel traffic in the UAE.

Next slide. In the logistics cluster, performance was mixed. The polymer volumes remained stable despite planned maintenance shutdowns at Borouge plant at the beginning of 2025. Airfreight volumes increased 18% year-on-year, reflecting a structural shift from ocean to

air freight, particularly for high-value time-sensitive goods such as electronics, pharmaceuticals and e-commerce. Ocean freight volumes remained broadly stable despite challenging global market conditions, supported by geographical expansion and a broader customer base.

Next slide. Turning to revenue by cluster. The Maritime & Shipping cluster delivered 33% year-on-year revenue growth, reaching AED 10.7 billion, driven by dry docking, marine services, shipping as well as the contribution from Noatum Maritime and base effect of the new Ro-Ro JV UGR.

The Economic Cities cluster grew 45% year-on-year to AED 2.9 billion, supported by warehouse sales and strong growth in recurring warehouse land and staff accommodation revenues. The port cluster delivered 21% growth. Key revenue drivers for the cluster were international container operations and UAE bulk and general cargo operations as well as higher concession fee revenues. Logistics revenue declined 6% year-on-year, reflecting the softer market environment and effects from portfolio reclassifications.

Next slide. From a geographic perspective, more than 65% of the group revenue still comes from UAE with balance 35% coming from international operations, primarily Spain, Pakistan and Egypt. As mentioned by Ross, M&A activity contributed AED 1.15 billion or 6% of group revenue with UGR being the main contributor. Overall, the M&A impact in 2025 was limited and selective, consistent with our disciplined capital allocation approach.

Next slide. The group EBITDA reached AED 5.1 billion, up 12% year-on-year, with performance led by the infrastructure businesses. Ports and Economic Cities delivered strong double-digit growth and margin expansion when adjusted for effect of warehouse capital recycling.

Maritime & Shipping EBITDA grew 24% year-on-year, although margins were temporarily impacted by a higher number of vessels undergoing dry docking during the year. Logistics EBITDA declined due to challenging market environment, start-up costs in new geographies, one-off commercial settlements and a lower contribution from Aramex.

Next slide. EBITDA margin for the group stood at 24.4% in 2025. Margin expansion in Ports and Economic Cities was partially offset by temporary pressure in Maritime & Shipping and Logistics. Importantly, we maintain our medium-term EBITDA margin guidance of 25% to 30%, supported by the growing contribution of our infrastructure portfolio, particularly Ports and Economic Cities.

Next slide. Our balance sheet remains strong. At the end of 2025, cash stood at AED 2.7 billion with AED 4.9 billion in undrawn facilities. Net leverage remained stable at 4.1x

EBITDA. Our medium-term leverage target is to pivot towards 3.5x, which will be supported by continued EBITDA growth, disciplined CapEx as well as selective asset monetization and capital recycling initiatives. During the year, our credit profile was further strengthened with upgrade from Fitch from A+ to AA-.

Next slide. Then the CapEx reached AED 2 billion in Q4 with DKK 5.5 billion spent for the full year 2025. This resulted in an increase in CapEx intensity in 2025 to 27%, up from 20% in 2024. The CapEx spend for the second half of 2025 was unusual with a temporary spike in Maritime & Shipping CapEx due to favorable market circumstances.

We acquired new tankers for our long-term contracted business in the Caspian Sea, new Ro-Ro vessels for our newly integrated automotive offering and new container shipping vessels for the recently won feeder services from Maersk in West Africa. P&L effect of those investments will largely come in 2026.

Other CapEx was predominantly in Ports and Economic Cities. Looking ahead in the coming 5 years, more than 75% of the CapEx has been allocated to infrastructure assets in Ports and Economic Cities. The majority of investments are directed towards expansion of Khalifa Port and announced international greenfield and brownfield projects as well as Economic Cities infrastructure for unlocking more land, ongoing build-out of specialized industrial hubs and new warehouses.

We have increased the guidance for 2026 to 2027 to around AED 4.5 billion to AED 5 billion of organic CapEx annually on the back of recently announced new projects in Khalifa Port, among others, from Nimex, new brownfield terminal in Douala, Cameroon and new brownfield multipurpose terminal in Jordan. The additional CapEx will be covered by an increase in operating cash flow and our ongoing monetization and capital restructuring initiatives.

Next slide. The operating cash flow performance was very strong, both in Q4 and for the full year 2025, supported by double-digit growth in our core operations and our monetization and capital recycling initiatives. Cash conversion reached 100% for the year or 81% adjusted for the asset monetization and capital recycling.

Despite the elevated CapEx, free cash flow overall turned positive ahead of guidance, both for the quarter and for the full year. We expect this to remain positive going forward, albeit with some fluctuations between the individual quarters.

Next slide. Next slide, please. So we have updated our medium-term guidance based on actual performance for 2025 and the recently announced new projects. Between 2025 and

2030, we expect to deliver a revenue CAGR higher than 10% and EBITDA CAGR in the range of 10% to 15% and a PBT CAGR above 15%.

Annual CapEx will, as mentioned, be in the range of AED 4.5 billion to AED 5 billion during 2026 and 2027 with the new projects recently announced. Again, this includes only the existing and already approved projects and acquisitions, excluding effect from asset monetization and capital restructuring initiatives as well as the acquisitions that we have made in Alexandria and hence, also the upcoming MTO for Alexandria. Over to you, Marc. You're on mute, Marc.

Marc Hammoud (VP, Investor Relations)

Sorry. Thank you, Martin. Thank you, Ross. I guess we can open the floor to Q&A. Fahad, please.

Fahad Shaikh (Moderator)

Thank you, Marc. So we will now open up for questions. Please, if you have a question, you can either raise your hand or you can also type in the question in the chat box. The first question we have is from Graham Hunt. If you could please unmute yourself and go ahead with your question. Thank you. Graham, if you could please unmute yourself and go ahead with the question. Graham, we can't hear you.

Graham Hunt (Analyst)

Can you hear me now?

Fahad Shaikh (Moderator)

Yes.

Graham Hunt (Analyst)

Sorry, apologies. My apologies, technical issues on my side. I'll be quick. Just -- I have 2 questions, and then I might jump back in the queue. Could you -- just on the asset monetization, could you just give us any more sense of what you have available today within the books? Or how -- what scale of hidden value you think we could see released in 2026 or 2027, both on the land side, as you say, bringing in commercial operators and also on the built-up asset side?

And then second question, just on your tender for Alexandria Container, maybe just a bit more commentary around the strategic thinking there and what you're thinking in that

region more specifically in terms of your overall position and why that's such an important strategic position and region for AD Ports. Thank you.

Martin Aarup (Group Chief Financial Officer)

Maybe I can start answering the first question and then hand over to Ross. In terms of the monetization and the capital recycling program that we have, we are basically looking at 4 areas. One is the mixed-use land sales, where we have sold 5.6 square kilometers out of a designated area for KEZAD Town Center of 16 square kilometers.

So that means that we are pursuing another 11 square kilometers, again, subject to demand. And I think that should cover us in the foreseeable future. Obviously, more land can be designated as mixed use if the demand remains strong. But so far, we are targeting to sell the 16 square kilometers that we have designated in KEZAD Town Centers.

For the warehouses related to the capital restructuring, we have completed, as you know, Noatum sale last year. We have sold a free zone 3 warehouse to Mira this year. We have currently 500,000 square meters of new warehouses coming on stream in in 2026, and we will continue to look at recycling the capital when it comes to warehouses when we have basically constructed and ramped up some of these assets.

So if the market is favorable for a capital recycling, we'll continue to do that for selected warehouse assets. We also continue to again optimize our vessels portfolio. So we have sold a number of vessels last year, 2 sizable vessels, 1 in Q3 last year and one in Q4, and we'll continue to do that going forward in terms of managing our vessel portfolio best possible.

And then the fourth point and element in terms of our monetization program is to look at noncore assets, particularly our financial investments we have offloaded in MDC, and we'll continue to look at other financial investments or noncore assets that we have in our books, and that will continue throughout the year 2026, 2027. For the second question, I will hand over to Ross on Alexandria.

Ross Thompson (Group Chief Strategy & Growth Officer)

Yes. First thing to say about Alexandria is it's a fantastic port. It's very historic. It's the largest imported sea volumes in Egypt. And it has all of the ingredients to make a gateway port into a real regional hub port. Firstly, it's the only port in Egypt that's rail linked and rail linked to the rest of the country, so for great distribution.

It has expansion space, not just for containers, but for general cargo, for bulk, for liquid. It needs a service network, a real maritime network to be built off of it. But all the ingredients there for it to be a real Southern Med hub port. It needs to be brought together, a little bit

how we built out and we looked at how we built out Khalifa Port, how we're building out Pakistan.

But the introduction of industrial zones, they have industrial land surrounding the port, the introduction of logistics, inland logistics, the introduction of a maritime network will significantly augment this port that's already doing a huge volume and is very profitable. So location-wise, footprint-wise, this port has boundless opportunities for us. So a very strategic investment by the group.

And if you look at it from our point of view, this gives us assets in Egypt -- in both sides of Egypt and the 2 economies. So in the Red Sea side with Safaga and one on the Med side with Alexandria. And for us, in a key market in the region and a market that can really serve a wider audience than it does today.

So from all of the sort of dynamics that you look at, this is a port that can significantly grow its geographic footprint and its usage over the next few years. And that's what Abu Dhabi Ports with its 5 clusters is extremely good at. And so our intention is to increase regional trade, utilize the hinterland, invest and create more density in markets that are linked to Alexandria. So very, very important for us from a point of view of growth in the Mediterranean.

Graham Hunt (Analyst)

Thanks.

Fahad Shaikh (Moderator)

Thank you. The next question we have is from Ankush Kathuria. If you could please unmute yourself and go ahead with your question.

Ankush Kathuria (Analyst)

Hi. Am I audible?

Fahad Shaikh (Moderator)

Yes.

Ankush Kathuria (Analyst)

Thank you. Thank you for taking my question. My question is with regards to the ports sub growth. So in 2025, we have seen a significant margin expansion in ports EBITDA. Now can you give us some flavor what is -- like is it sustainable given the kind of new capacity ramp-

ups and since you have acquired the international terminal, so how sustainable is this margin? Thank you.

Martin Aarup (Group Chief Financial Officer)

Yes, it is sustainable. So what is driving the margin expansion is predominantly the scale benefits we have been talking about in the last couple of years, particularly Khalifa Port in terms of the scale and the operating leverage that are in the business. That is what you're seeing now really coming through in terms of the financials.

In terms of the sustainability, when we look at the individual assets, it's certainly sustainable. So there will be no changes. Where you will potentially see slight changes within the ports, the overall EBITDA margin is related to the mix because as and when we have more international assets coming on stream, obviously, the relative size and the relative margins for each of these businesses will drive where the consolidated EBITDA margin lands. But based on the current visibility that we have and the plans that we have in terms of the expansion over the next couple of years, that is certainly sustainable.

Ross Thompson (Group Chief Strategy & Growth Officer)

Yes. Maybe I can also answer a little bit on that. You have to remember this group will invest as much into Khalifa Port and its continued expansion as it is investing internationally. And if you look at the expansion that will occur in Khalifa Port over the next 24 months, this is really where our high margin is driven by.

And I could tell you in December, we had record margins in Khalifa Port. Khalifa Port alone is a higher margin than the consolidated average. But in December last year, Khalifa Port reached 70% in terms of operating margin. So the more that we expand Khalifa Port and balance that within our international, then it is extremely sustainable for us.

Ankush Kathuria (Analyst)

Thank you. Thank you for this.

Fahad Shaikh (Moderator)

Thank you. The next question we have is from Mohammed Almasri. If you could please unmute yourself and go ahead.

Mohammed Almasri (Analyst)

Hi. Thank you for the presentation. I just have 2 questions, please. The first one is regarding Alexandria Containers, regarding the offer. Since you're buying from a related party, can we

say is it more of a routine approval from the regulator in Egypt? Or is there a security clearance requirements? That's the first question. The other question is, is there an expected date to close the transaction? Thank you.

Martin Aarup (Group Chief Financial Officer)

The transaction to Alexandra will -- sorry, the transaction for the MTO, the intention there is still subject to all the regulatory clearances and the indirect related party nature that you're alluding to is not influencing anything in terms of the process. In terms of closing, that is -- currently, we have it around mid this year. But again, time lines can either be slightly earlier or slightly later depends on the required regulatory rules.

Mohammed Almasri (Analyst)

Thank you.

Fahad Shaikh (Moderator)

Perfect. Thank you. The next question we have is from Sylvia Richards. If you could please unmute yourself and go ahead.

Sylvia Richards (Analyst)

Hi. Thank you for the presentation, for taking my question. I have one question, which is given that full year cash flow is now positive, is it too early to think about introducing a dividend policy?

Martin Aarup (Group Chief Financial Officer)

Yes, it's a good question. No, I don't think -- it's never too early. Again, it's not a surprise where we currently stand. We have, again, since our listing, been guiding for this turning point that we're reaching now, slightly ahead of the guidance that we have previously given. We've also been very, very clear about that we are -- the core of our business is infrastructure.

We will pay dividend eventually. And the triggering points to go into those detailed discussions is once we become free cash flow positive, which we are reaching now. So no, I don't think it's too early. But obviously, there is a calibration money can only be spent once, and there is a calibrations between deleveraging, continued growth and then capital repatriation to the shareholders that we need to discuss with our Board in terms of where that landing will be.

One thing that we have made clear also is that when we start to pay dividend, we want it to be meaningful and we want it to be sustainable. And so it's indeed topical. But for the right time, that is still to be decided.

Fahad Shaikh (Moderator)

Thank you. The next question we have is from Ahmed Banihani. If you could please go ahead.

Ahmed Banihani (Analyst)

Hi. Thank you for the presentation and taking my question. I have one -- a few questions related to the agreement with the CMA CGM Group. If you could clarify the proposed funding mix for the AED 420 million CapEx, including the extent of internal accruals, project level debt or shareholder equity? And also, if you could clarify whether the CapEx for this expansion will be front-loaded or phased evenly over the project time line up to early 2028.

Also, following the Phase 2 capacity addition, how long does the management expect it will take for the utilization to ramp up to optimal levels? The other question related to the Danube, how does the company intend to utilize the proceeds from the AED 840 million land sales agreement with Danube sales? Specifically, what portion will be used for debt reduction compared to the other strategic purposes? Thank you.

Martin Aarup (Group Chief Financial Officer)

For the second question on the Danube, the proceeds is again over a period of time, but that will go to initially deleveraging our balance sheet and for growth in the business. The first question is that -- were you talking about the CMA partnership in Syria? Or are you talking about the CMA terminal in Khalifa Port?

Ahmed Banihani (Analyst)

Yes, it's related to expanded terminal at Khalifa Port.

Martin Aarup (Group Chief Financial Officer)

Okay. Can you just repeat the question for that one again, please?

Ahmed Banihani (Analyst)

Yes, no problem. Like related to the -- like if you could clarify the proposed funding mix for the AED 420 million CapEx, including the extent of internal accruals, project level debt or shareholder equity contribution? And also related -- the CapEx for this expansion will be front-loaded or phased evenly over the time till early 2028? And also for the following

Phase 2 capacity addition, how long does the company expect it will take for utilization to ramp up to optimal levels?

Martin Aarup (Group Chief Financial Officer)

Okay. The -- just -- I'm still not entirely clear on the question. But the first part -- so Phase 1 came operational last year, right, and has been ramping up. What we have announced is the expansion, which is currently ongoing. Again, the overall ownership of Abu Dhabi Ports Group in the CMA terminal is only 30%.

And on the project level and the JV level, the targeted debt equity is roughly 70% financed by debt. Obviously, in terms of the ramp-up, I mean, we announced the expansion 1 year within the current operation. So demand is very, very strong. There will be a gradual ramp-up, especially on Phase 2 over the coming years. In terms of the CapEx, those are not typically front-loaded or it's relatively evenly for Phase 2 spread over the next couple of years.

Fahad Shaikh (Moderator)

Great. Thank you. The next question we have is from Shahrukh Nawaz. If you could please unmute yourself and go ahead. Thank you.

Shahrukh Nawaz (Analyst)

Hi. First of all, congratulations for a good set of results. I have 3 questions. First is, can you quantify the expected annual revenue contribution, let's say, with regard to the KEZAD from the deal of Jindal SAW and the Haldiram land lease agreement once they are functional? Also the tenure of these land lease agreements?

Second is in the first half of 2026, are you planning to monetize any of your asset in terms of land sale or any other thing? And the third question is considering the recent global tension, do you feel there will be any impact on your shipping rates?

Martin Aarup (Group Chief Financial Officer)

For the second question, in terms of -- we have already announced -- so the news was announced in -- did we do that in December or January, I cannot remember. And we have -- sorry, January. Okay. So that's already in the first half. We have also announced the sale of the Free Zone 3 warehouse end of January.

And again, as mentioned earlier, the -- our monetization and capital recycling program will continue, but again, subject to market demand. So yes, we would expect to see additional things being announced during the first half of this year.

When it comes to the first question, which is about the land lease, the land leases are structured in such a way that you would not see any effect from these in the next 1, 1.5 years. So from signing, we only start revenue recognition 1 to 1.5 years into a new land lease with cash flow impact only happening normally 2 years from the signing. So you would not see any impact from that in 2026. The third question was on the rates, which Ross should cover, please.

Fahad Shaikh (Moderator)

Perfect. Thank you. If we can move on to the next question, which is from Anna Andrianova. If you could please unmute yourself and go ahead.

Ross Thompson (Group Chief Strategy & Growth Officer)

Within the region. that we're planning for. But I think from a perspective of geopolitics, I don't think it's going to have much impact on the rates.

Shahrukh Nawaz (Analyst)

Okay. Thank you.

Fahad Shaikh (Moderator)

Perfect. Thank you, Ross. Anna, if you can please unmute yourself and go ahead with your question.

Anna Andrianova (Analyst)

Yes. Good afternoon, gentlemen. Thank you for the presentation One question from our side. I think you had a CEPA map on the slide earlier somewhere in the presentation, and there were some logistics agreements and points highlighted across Americas, I think, on the map. My question is, can we expect the group to expand into the Western Hemisphere, for example, into LatAm in the future? And if yes, is going truly global among your strategic priorities overall for the group in the medium term? Thank you.

Ross Thompson (Group Chief Strategy & Growth Officer)

Yes, well spotted. Yes, it does. I think we -- I explained in the presentation that really the CEPAs drive trade. They drive trade and investment. And where there is trade, the group's tagline is that we are trade enablers. And where there is demand and we can enable that trade, we will align our asset investment and our Maritime and our Logistics services along that.

And I think you have to look at it from a top-down view, what's important to Abu Dhabi and the leadership here and what trade is moving between those economies, right? And I think if you look at Latin America and the UAE being part of the BRICS trading block and the economic trade agreements are being signed, it would be extremely logical for a group the size and scale of Abu Dhabi Ports to invest along these corridors where it makes financial sense and where it's possible.

North America, for example, is a very mature market segment. Valuations are very high. assets are very difficult to come by. So does that happen overnight? I think it doesn't. It's a long-term play. But we have to be looking at markets that are a growing importance to supply this region and supply our country.

We have to look at markets where trade is growing and developing and where Abu Dhabi Ports can play a natural role. So one, I think it's extremely normal for a company like us to look at new markets and to internationalize. Two, I think it's smart to do that where it aligns with the overall vision of the Emirates.

And three, what we see historically when these CEPAs are signed is significant increase in trade and value of trade. And therefore, we want to enable that, and we want to be the ones that provide the services and earn the revenues that are available in those opportunities. So yes, these are key markets for us to look at and analyze. And when the right assets at the right value are available, we have the ability as a company to step in.

Anna Andrianova (Analyst)

Understood. Thank you.

Fahad Shaikh (Moderator)

Perfect. Thank you. The next question we have is from Graham Hunt. If you can please go ahead with your question.

Graham Hunt (Analyst)

Yes. Thank you for allowing the follow up. Maybe just 2 more, if that's okay. First one, just on guidance. So you're guiding to an increased level of CapEx for '26 and '27. But if I'm not mistaken, the profit growth guidance is broadly unchanged, although -- based on what I was looking at. Or I suppose your PBT has moved to above 15%.

So just thinking about how should we think about the capital intensity of the business going forward, given that step-up in CapEx guide, but EBITDA at least is still around that 10% to 15% level. Are we just now moving towards the higher end of that level? Or should we be

thinking about growth longer term that you're locking in today because of this capital?
Thanks.

Martin Aarup (Group Chief Financial Officer)

No. The -- we have actually, when you look at it, slightly increased also in terms of the guidance here. We're coming also from a higher base, obviously. So we have slightly increased in terms of the bottom line. The EBITDA is still largely within the same range, but we have come up with a number of new projects, which is driving the higher CapEx, particularly in '26 and '27.

But obviously, the return requirements for the CapEx that we deployed is unchanged. And therefore, the additional CapEx that we're deploying will also have an uplift in terms of the P&L over the -- particularly the long years of the 5-year planning horizon.

Graham Hunt (Analyst)

And then just a follow-up on capital structure. Can you just give us an update on your thinking there around your balance between long-term fixed debt and floating?

Martin Aarup (Group Chief Financial Officer)

Yes. So there's not been any particular movement in terms of our debt, slightly going down the net debt, but in terms of the mix between the fixed and floating. We still have a large temporary hybrid facility that will be converted into long-term bonds when it's opportune and potentially also this year here, starting some of that. So we will convert as and when the interest rate moderates the floating part of our debt profile into long-term fixed.

Graham Hunt (Analyst)

Okay. Thank you.

Fahad Shaikh (Moderator)

Perfect. Thank you. We just have 2 questions that have come in through the chat box. I'll just read them out. Does the company have clear visibility as to the synergies of M&A and JVs entered into by the company recently and going forward, apart from the capacity additions that come with it? More specifically, can the growth in bottom line directly attributable to a specific M&A or a JV be quantified?

Ross Thompson (Group Chief Strategy & Growth Officer)

That was a very long question. If I understand it rightly, it's how are we quantifying the synergies and the bottom line impact to either the concessions, the joint ventures or the M&As that we're taking on. Is that correct?

Fahad Shaikh (Moderator)

That's correct.

Ross Thompson (Group Chief Strategy & Growth Officer)

Okay. Yes. Look, we track these things, and it's part of our investment case. First of all, when we look at investing in either an M&A or we take on a port, we look for upsides that we can create. We plan for those upsides. We don't publicize those upsides, but they are part of the decision process and they're part of the discussion with the Board and any natural approval process that we would undertake.

We then track against those, how we're doing against them. But everything that we do as a group is to unlock value in our 4 core operating clusters. So if I give you the example that we touched upon earlier, you can take any one of the ports that we've taken on in 2025 or become operational, Pakistan, Angola, DRC, Latakia now.

Do we take those ports and just operate them as ports? No, the first thing that really happens is my line will call at those ports. So GFS, fine, at least one of my lines will call those ports, and I secure the berthing rights for those. So can I track how the interaction between Maritime and our Ports is? Yes, I can track that on a weekly and live basis almost the number of containers that is driven into those ports, how much is the increase that we do, how many services am I adding.

I can give you the example, for example, if you go back 2 years, we had 1 service that touched Egypt. Now I have 6 services running into Egypt on a regular basis. So we can directly link those things. The second thing that we will look is then to exploit logistics opportunities, either in the hinterland or through cargo routing. And again, we can track that on a very visible basis.

And then if there are opportunities to develop economic zones, of course, we would bring them. Same for M&A. What we're looking for is platforms and companies that we can add to our network that open up additional opportunities for our businesses, either existing opportunities or new opportunities that they can create.

So synergies are a significant point of where we look to add value in any M&A deal. And we can tangibly demonstrate it. We don't break it down that for this audience. But internally, we are tracking these things on a monthly basis. I hope that kind of answers the question.

Fahad Shaikh (Moderator)

Perfect. Thank you. There's a last question on the chat box. What is the expected revenue from the land lease agreement with Azizi Developments, both on an annual basis and per square meter? And over what time frame will it be realized?

Marc Hammoud (VP, Investor Relations)

We don't disclose individual land leases pricing for obvious reason, obvious commercial reasons.

Fahad Shaikh (Moderator)

Perfect. Thank you, Marc. At this time, we don't have any other questions. I would just like to maybe hand it back to management if there are any closing remarks.

Marc Hammoud (VP, Investor Relations)

Thank you, Fahad. Thank you all for attending the call and looking forward to interacting and engaging with you very soon. You can now disconnect. Thank you.

Fahad Shaikh (Moderator)

Thank you, everyone. Bye.