



中遠海運港口有限公司  
COSCO SHIPPING Ports Limited

The Ports for **ALL**

## 3Q2018 RESULTS



29 October 2018

# 3Q2018 Financials



# Non-subsidiaries dragged down 3Q2018 Results

US\$'mn	Reported			Like-for-like (Exclude newly acquired projects and projects under construction etc.)		
	3Q2018	3Q2017	Change	3Q2018	3Q2017	Change
Revenue	<b>253.0</b>	155.6	+62.6%	<b>174.0</b> <sup>(1)</sup>	155.6	+11.8%
Cost of sales	<b>177.2</b>	98.8	+79.3%	<b>110.9</b> <sup>(1)</sup>	98.8	+12.3%
Gross Profit	<b>75.8</b>	56.7	+33.5%	<b>63.1</b> <sup>(1)</sup>	56.7	+11.1%
GP margin %	<b>29.9%</b>	36.5%		<b>36.2%</b>	36.5%	
Share of profits from JV & Associates	<b>69.4</b>	70.0	-0.8%	<b>69.4</b>	70.0	-0.8%
EBITDA	<b>156.8</b>	131.1	19.6%	<b>139.8</b> <sup>(2)</sup>	131.7	6.2%
EBITDA margin%	<b>62.0%</b>	84.3%		<b>80.3%</b>	84.6%	
Net Profit	<b>75.1</b>	67.2	+11.8%	<b>74.0</b> <sup>(2)</sup>	67.8 <sup>(2)</sup>	+9.1%
NP margin%	<b>29.7%</b>	43.2%		<b>42.5%</b>	43.6%	
EPS (US cents)	<b>2.46</b>	2.20	+11.8%			

	3Q2018	3Q2017	Change	3Q2018	3Q2017	Change
	Total Throughput (TEU)			Terminal Profits (US\$' 000)		
			%			%
Subsidiaries	<b>5,793,569</b>	4,355,405	+33.0	22,508	17,945	+25.4
Non-subsidiaries	<b>25,018,126</b>	23,389,369	+7.0	69,271	69,842	-0.8

(1) Exclude Noatum, Zeebrugge, Nantong and Wuhan

(2) Exclude Noatum, Zeebrugge, Nantong, Wuhan and Abu Dhabi

# 9-month 2018 Financial Performance

US\$'mn	Reported			Like-for-like (Exclude newly acquired projects and projects under construction etc.)		
	9 months 2018	9 months 2017	Change	9 months 2018	9 months 2017	Change
Revenue	<b>748.4</b>	431.3	+73.5%	<b>518.2<sup>(b)</sup></b>	431.3	+20.1%
Cost of sales	<b>515.2</b>	276.1	+86.6%	<b>322.4<sup>(b)</sup></b>	276.1	+16.8%
Gross Profit	<b>233.2</b>	155.3	+50.2%	<b>195.8<sup>(b)</sup></b>	155.3	+26.1%
Share of profits from JV & Associates	<b>221.4</b>	167.5	+32.1%	<b>149.3<sup>(c)</sup></b>	136.2 <sup>(c)</sup>	+9.6%
EBITDA	<b>496.6</b>	664.5	-25.3%	<b>370.9<sup>(d)</sup></b>	312.5 <sup>(e)</sup>	+18.7%
EBITDA margin%	<b>66.4%</b>	154.0%		<b>71.6%</b>	72.4%	
Net Profit (attributable to equity holders)	<b>244.1</b>	451.9	-46.0%	<b>174.3<sup>(d)</sup></b>	136.9 <sup>(e)</sup>	+27.3%
NP margin%	<b>32.6%</b>	104.8%		<b>33.6%</b>	31.7%	
EPS (US cents)	<b>7.98</b>	14.96	-46.7%			
Adjusted EBITDA	<b>496.6</b>	342.1 <sup>(a)</sup>	+45.2%			
Adjusted Net Profit	<b>244.1</b>	166.5 <sup>(a)</sup>	+46.6%			
Adjusted EPS (US cents)	<b>7.98</b>	5.51 <sup>(a)</sup>	+44.8%			

Note:

(a) exclude one-off item from QPI transaction

(b) exclude Noatum, Zeebrugge, Nantong & Wuhan

(c) exclude QPI

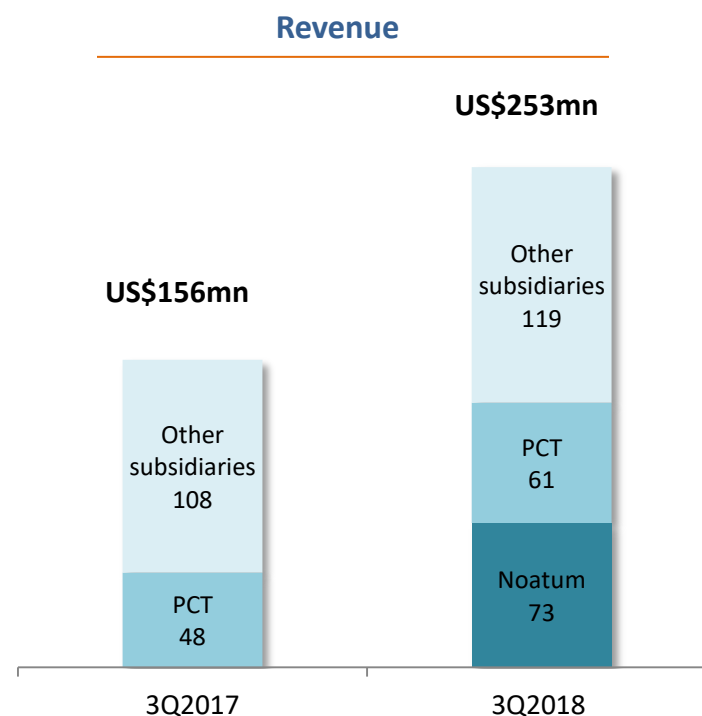
(d) exclude QPI, Noatum, Zeebrugge, Nantong, Wuhan & Abu Dhabi

(e) exclude one-off item, Zeebrugge & QPI

# Revenue Growth Remained Strong in 3Q

TEU	3Q2018	3Q2017	yoy%
Total throughput	<b>30,811,695</b>	27,744,774	+11.1
Total throughput (organic)	<b>29,802,429*</b>	27,744,774	+7.4
Throughput from subsidiaries	<b>5,793,569</b>	4,355,405	+33.0
Throughput from non-subsidiaries	<b>25,018,126</b>	23,389,369	+7.0
Equity throughput	<b>9,599,513</b>	8,617,545	+11.4
Equity throughput (organic)	<b>9,116,858*</b>	8,617,545	+5.8
Equity throughput from subsidiaries	<b>3,658,455</b>	2,796,114	+30.8
Equity throughput from non-subsidiaries	<b>5,941,058</b>	5,821,431	+2.1

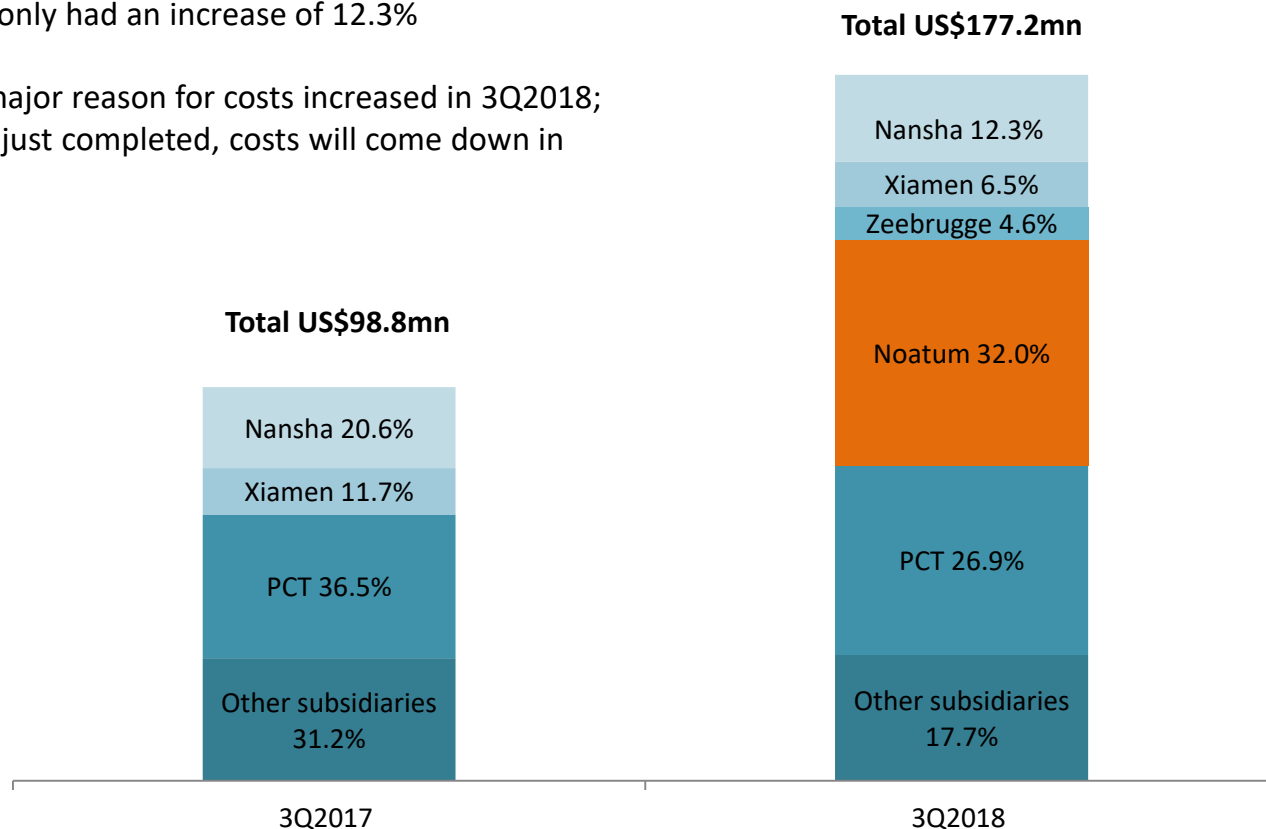
\* Excluded NPH and Nantong



- Strong throughput growth of subsidiaries mainly back by volume support from Ocean Alliance and parent company

# Newly acquired added costs – Costs of Sales

- On a like-for-like basis, ie exclude Noatum and Zeebrugge, costs of sales only had an increase of 12.3%
- Noatum is a major reason for costs increased in 3Q2018; given that it's just completed, costs will come down in FY2019

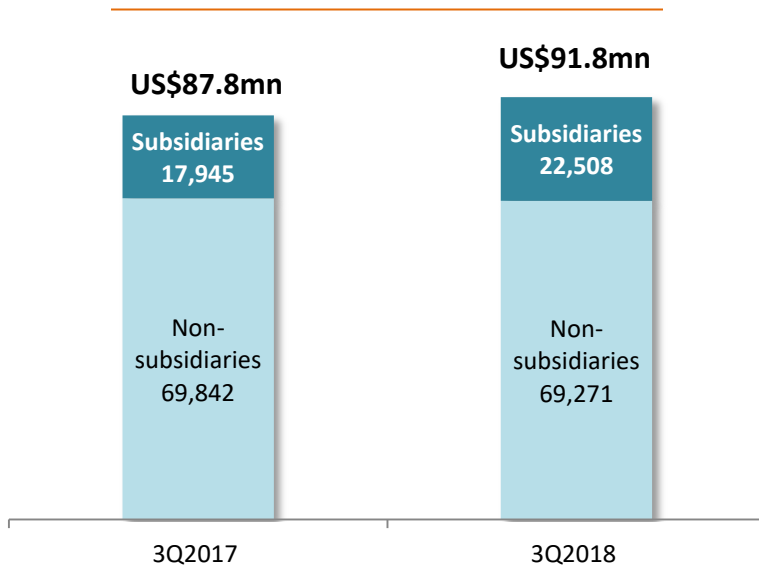


**Note:**

Acquisitions of Noatum (51%) and Zeebrugge (additional 76%) completed in Oct and Nov 2017 respectively

# Growth in profits mainly from subsidiaries

## Terminal Profits



- Terminal profits of total subsidiaries had an increase of 25.4%yoy in 3Q2018
- Non-subsidiaries dropped 0.8%yoy

## Top 10 Terminal Contributors

	3Q2018		3Q2017
QPI	**	QPI	20.4%
Yantian	17.2%	Yantian	17.6%
<b>Piraeus</b>	<b>7.6%</b>	Shanghai Pudong	7.2%
Kumport	6.1%	<b>Piraeus Terminal</b>	<b>6.9%</b>
Shanghai Pudong	5.7%	Shanghai Mingdong	6.4%
<b>Quanzhou Pacific</b>	<b>4.3%</b>	Kumport	5.7%
<b>Guangzhou Nansha</b>	<b>3.9%</b>	<b>Guangzhou Nansha</b>	<b>5.1%</b>
<b>Xiamen Oceagate</b>	<b>3.7%</b>	Ningbo Yuandong	2.8%
<b>Noatum Terminal</b>	<b>3.6%</b>	<b>Xiamen Oceagate</b>	<b>2.4%</b>
Shanghai Mingdong	3.5%	COSCO-HIT	2.2%
<b>total</b>	<b>&lt; 77%</b>		<b>76.7%</b>

US\$ mn	3Q2018	3Q2017	Change
Net Profit	75.1	67.2	11.8%
Terminal Profits	91.8	87.8	4.5%

# Financial Position Remains Healthy

US\$m	30 Sept 2018	30 June 2018	30 Sept 2017
Total Debt	2,368	2,307	1,953
Average cost of debt	3.38%	3.41%	3.19%
Cash on hand (excluding restricted cash)	678	573	801
Net debt to equity	29.5%	29.4%	20.7%
Interest coverage	6.76x	6.91x	7.44x <sup>(1)</sup>
Net debt to annualized EBITDA	2.55x	2.54x	2.53x <sup>(1)</sup>
Net asset	5,726	5,881	5,568
Total assets	8,900	9,014	8,193

Note:

(1) exclude one-off item from QPI transaction



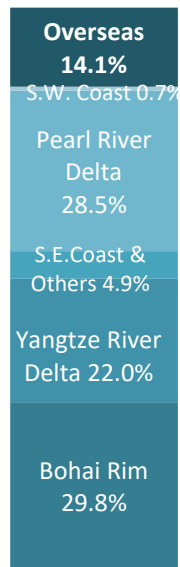
# Operation Reviews



# Geographical Analysis

## Terminal Profits

US\$87.8mn



3Q2017

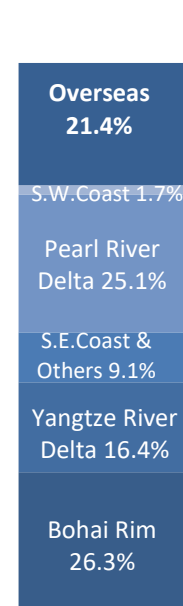
US\$91.8mn



3Q2018

## Equity Throughput

8,617,545 TEU



3Q2017

9,599,513 TEU



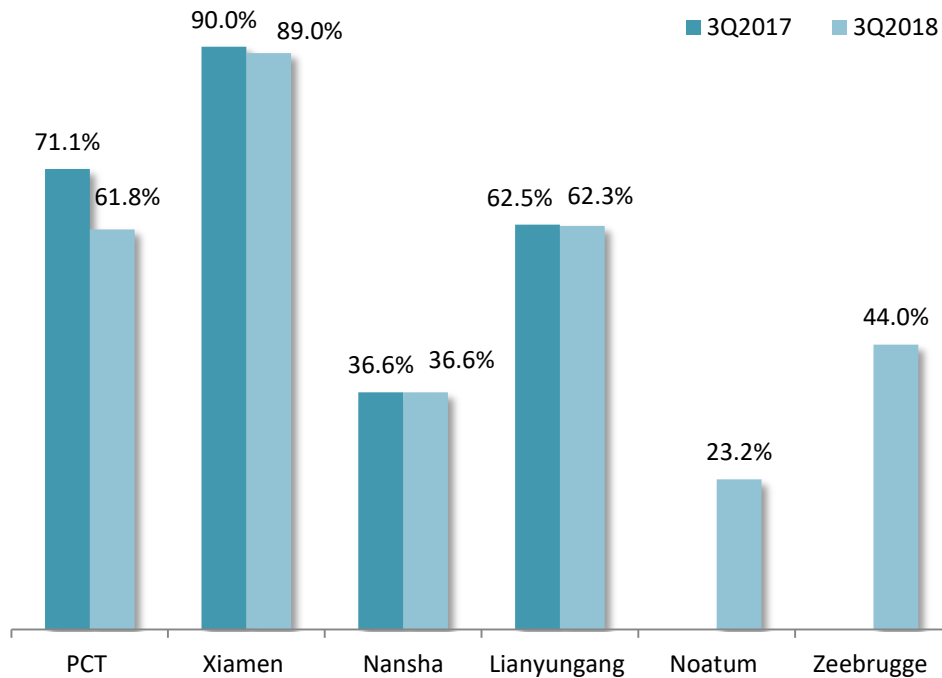
3Q2018

**More Synergies  
Bigger Growth**

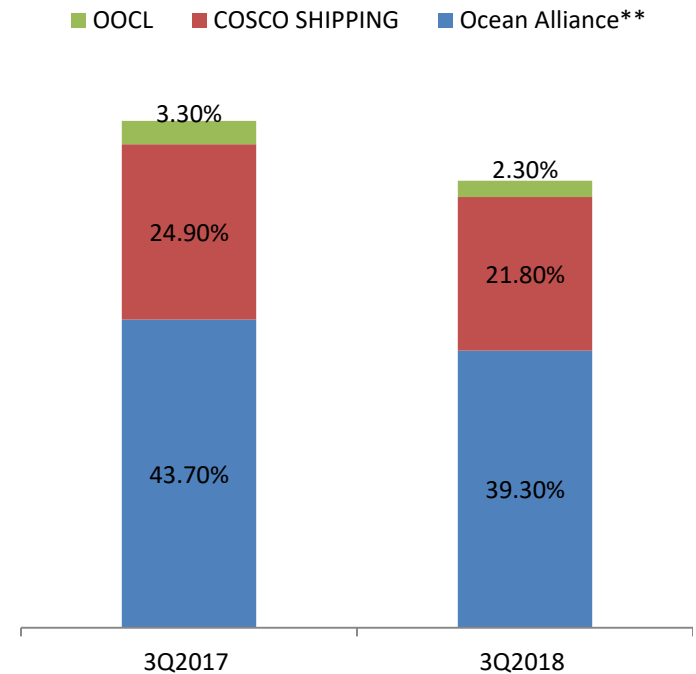


# Strong Synergies with Ocean Alliance

Throughput from Ocean Alliance as % of total throughput  
(6 Subsidiaries)



Throughput from Ocean Alliance, COSCO SHIPPING and  
OOCL as % of total throughput\*



**Note:**

\* Total throughput of the subsidiaries that Ocean Alliance called

\*\* Include throughput from COSCO SHIPPING and OOCL

\*\* Acquisitions of Noatum (51%) and Zeebrugge (additional 76%) completed in Oct and Nov 2017

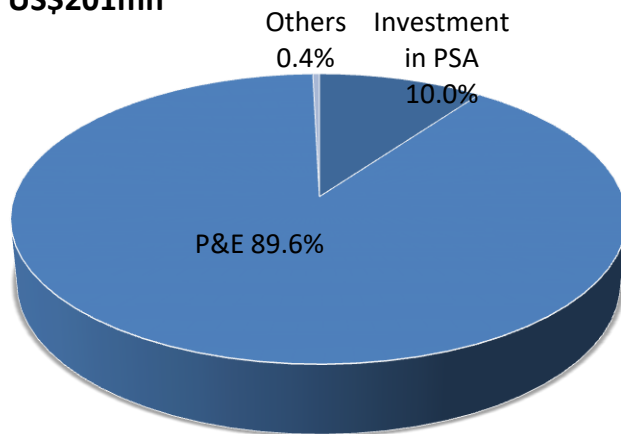
# Invest for Sustainable Growth



# CAPEX

## CAPEX Spent 9-mth 2018

Total: US\$201mn



- 4Q2018 CAPEX : < US\$550mn
- FY2019 CAPEX: < US\$1200mn

We will continue to seize development opportunities and prioritize our investments in those adding greater value to us

# FY2018 Guidance



# 2018 Full-year Guidance

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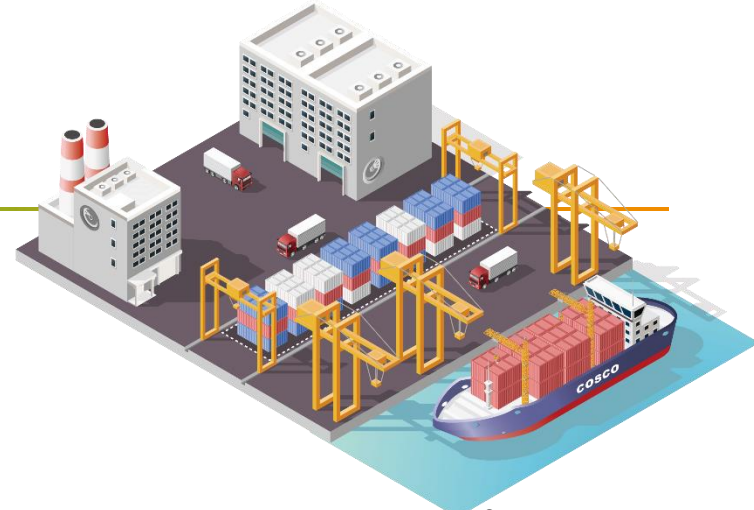
- Throughput for FY2018 to have low-double digit growth
- Growth in subsidiaries continue to outperform non-subsidiaries

## **Despite**

- Traditional low season in 4Q
- Sino-US trade tension started to impact imports and exports
- Geopolitical risk
- Depreciation of currency



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