



# Port of Thessaloniki

## Analyst Day

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&

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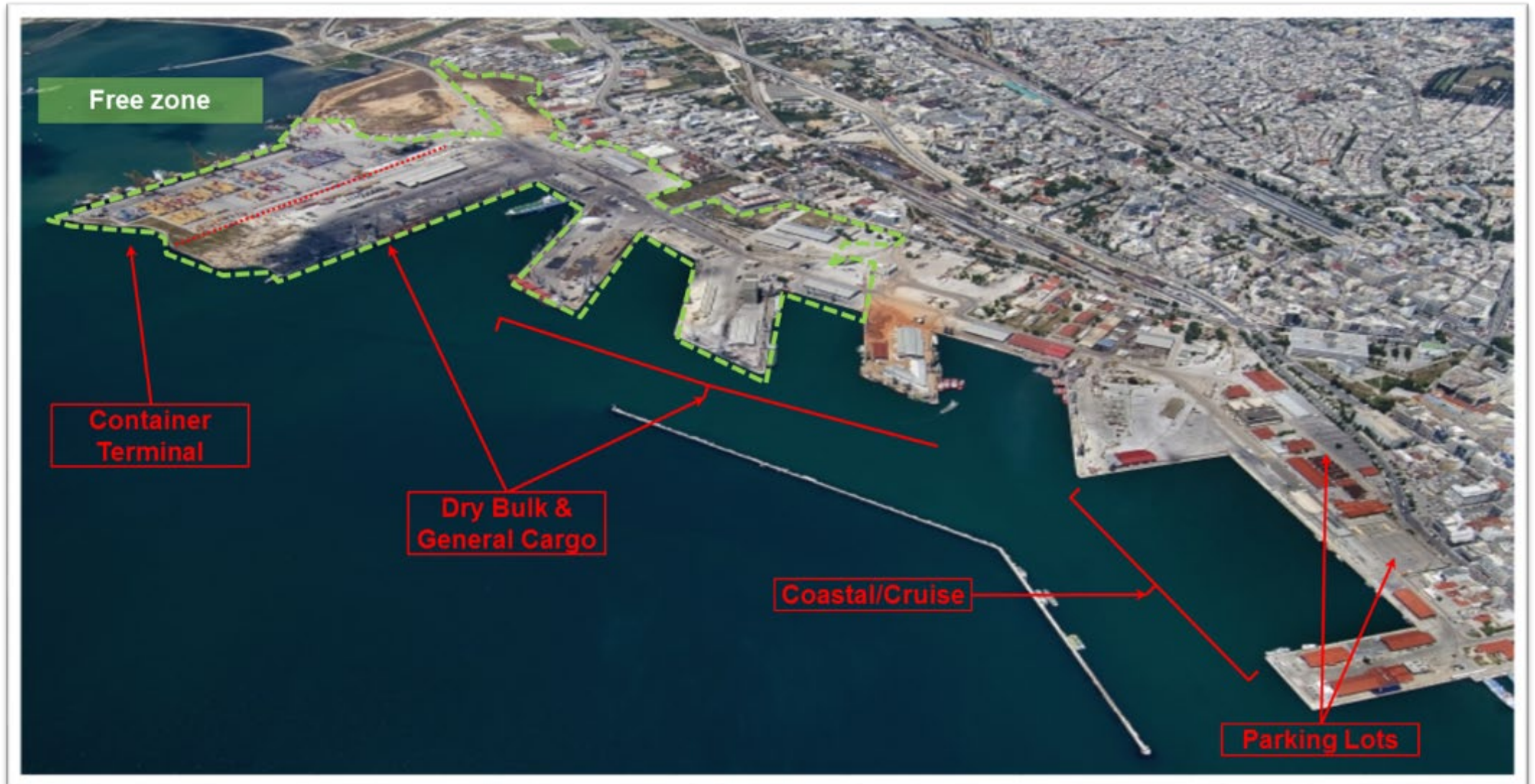
**One Hub**

**New Horizons**

A new era for Thessaloniki, Greece &  
South-East Europe

Thessaloniki 3.6.2020

# Port of Thessaloniki - Overview





# Port of Thessaloniki - Summary Data

- The Gateway Port to the Balkans and South-Eastern Europe
- Strategically located close to the major Trans-European motorway and railway networks
- Direct access to the Southeastern European Countries
- Operating Free Zone, according to EU Customs Code
- Handling of containers and conventional cargo, as well as serving passenger traffic, cruise shipping & exploitation of all areas

## Port Characteristics and Equipment at a glance

### Quay Length



- 6.200 meters (6 piers)  
Container 550m  
Conventional 4200m

### Depth



- 9 to 12 meters

### Quay Cranes



- 4 STS
- 2 MHC + **1 New by mid June**
- 28 cranes for Bulk & Break Bulk

### Port Area



- 155 Ha  
Container 31.7 ha  
Conventional 90 ha

### Yard Equipment



- 24 Straddle Carriers
- 2 Reach Stackers
- 4 Empty Handlers
- 1 RMG

### Port Capacity



- Container 500,000 TEUs
- Conventional : 5.000.000 Tons



# Port of Thessaloniki - Business Units

## Container Operations



- Most important port in Greece for export cargo
- Natural gateway serving the Southern Balkan market (North Macedonia & Bulgaria)



- Currently limited to medium-small container vessels due to draft limitations (12mts)
- 449K TEUs in 2019

## Conventional Operations



- 14 dedicated berths capable of handling all kinds of Bulk and Break Bulk



- Total quay length of 3.750mts
- All berths linked by rail
- 670.000m<sup>2</sup> of outdoor storage space & 45.000m<sup>2</sup> of covered warehouses (including reefer area)
- 4,5mil. tonnes handled in 2019

## Passengers



- Upcoming destination for cruise ships
- Broad array of facilities (bunkers, slops etc.)
- Located close to major tourist destinations



- Fully compliant with International Ship and Port Facility Security code (ISPS)

## Exploitation of Spaces

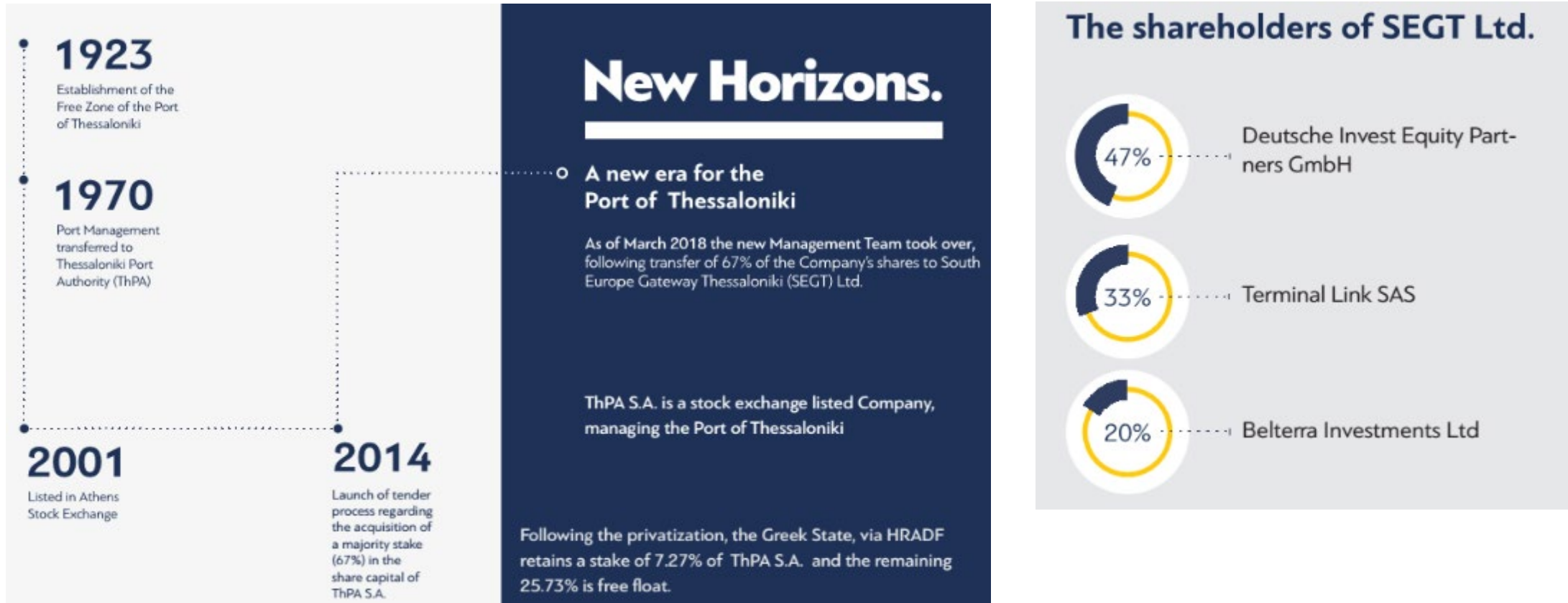


- Parking lots provide around 600 parking spaces in Pier 1 and 2, respectively
- Leasing of renovated warehouse venues for events,, conferences and leisure activities, rendering it a prime area for the city





# Port of Thessaloniki - History Milestones



- Shareholder Terminal Link (JV between CMA CGM & China Merchants Port) operates as the technical partner.
- As part of the Mandatory Investments of the consortium, **€ 180mil.** will be invested in the expansion of the Port, with special focus on the Container Terminal. During period 1/2019 - 4/2020, over € 15mil. were invested in CapEx, mainly for machinery and special loading/unloading vehicles & equipment.
- Deadline for new investments is defined in 2025, but Port's Management aims at completing the Investment Plan sooner.



# Port of Thessaloniki – An integrated approach

Management's strategic approach aims to:

- Modernize,
- Develop,
- Transform,

Port of Thessaloniki into the major shipping and logistics hub in South-East Europe

**5 Country capitals within a range of 700 Km** from the Port, rendering it the natural Gateway for the Balkans market:

BELGRADE	630 km
BUCHAREST	680 km
SKOPJE	230 km
SOFIA	290 km
TIRANA	390 km

## Thessaloniki: A New Hub for South- East Europe



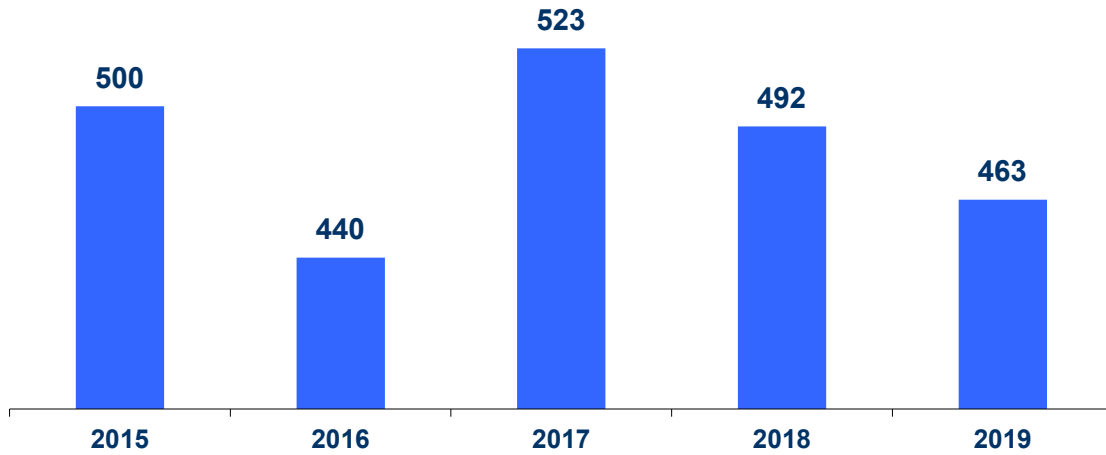
➤ **Currently servicing** hinterland of ~ 20 Million people

➤ **Future** hinterland: Reach of additional ~ 45 Million people

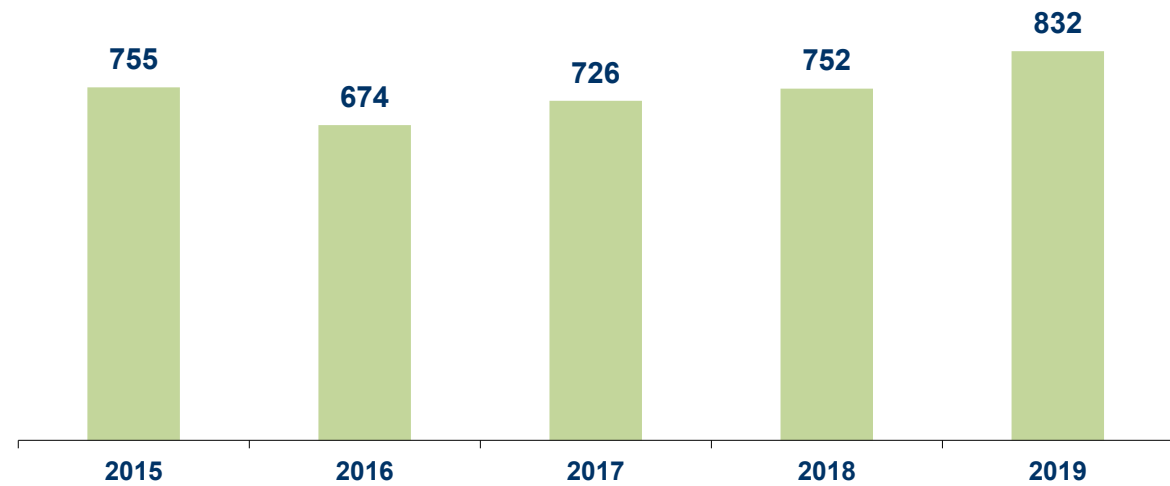


# Port of Thessaloniki: Marine Traffic 2015-2019

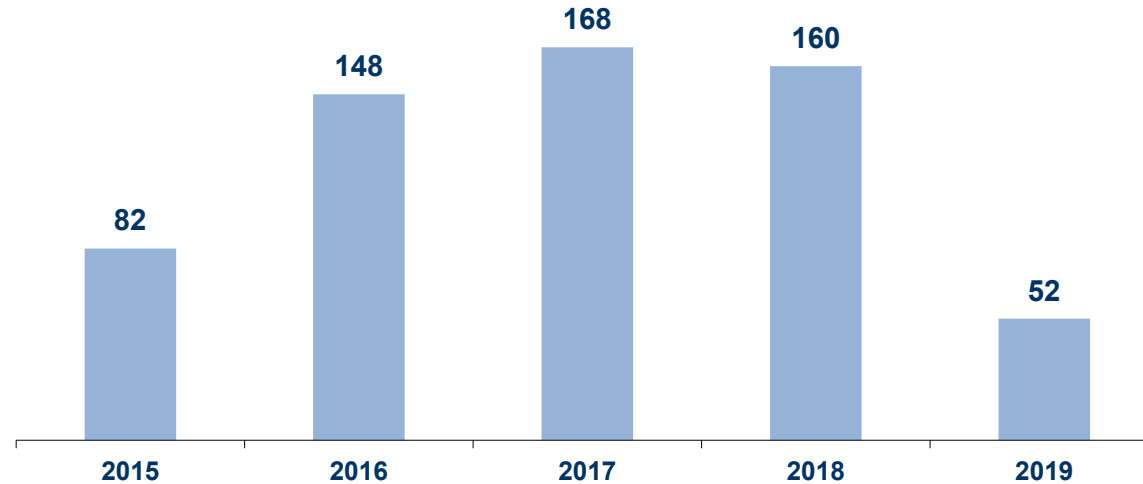
### Container Ships Marine Traffic



### Conventional Cargo Marine Traffic



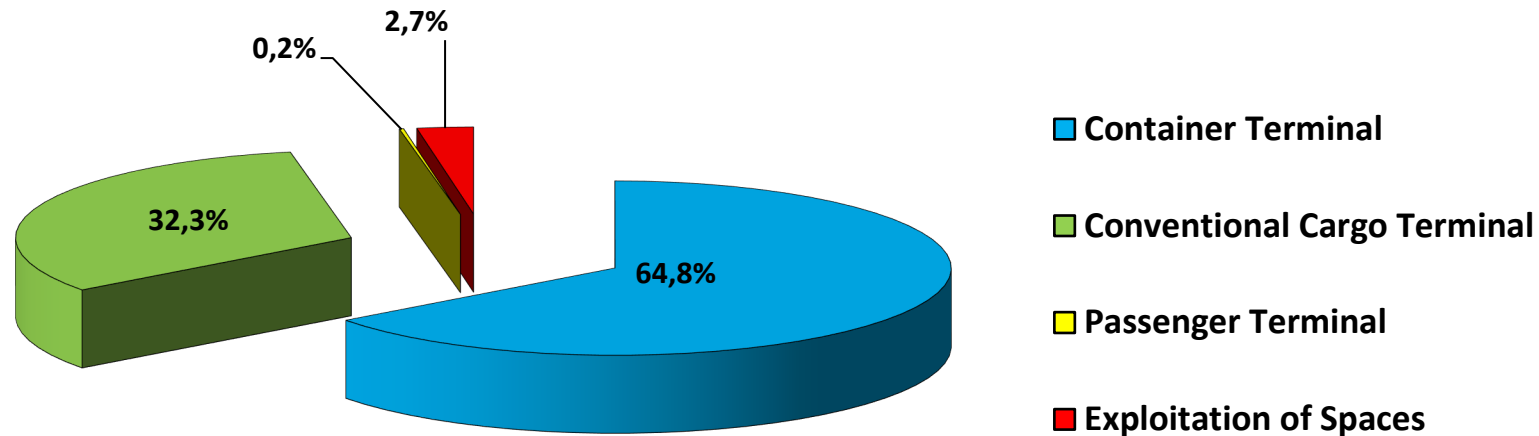
### Passenger Ships Marine Traffic





# Port of Thessaloniki: Operational Segment Analysis

Operational Segment	Revenues in 000's	%
Container Terminal	44.681 €	64,8%
Conventional Cargo Terminal	22.286 €	32,3%
Passenger Terminal	143 €	0,2%
Exploitation of Spaces	1.871 €	2,7%
<b>Total</b>	<b>68.981 €</b>	<b>100,0%</b>

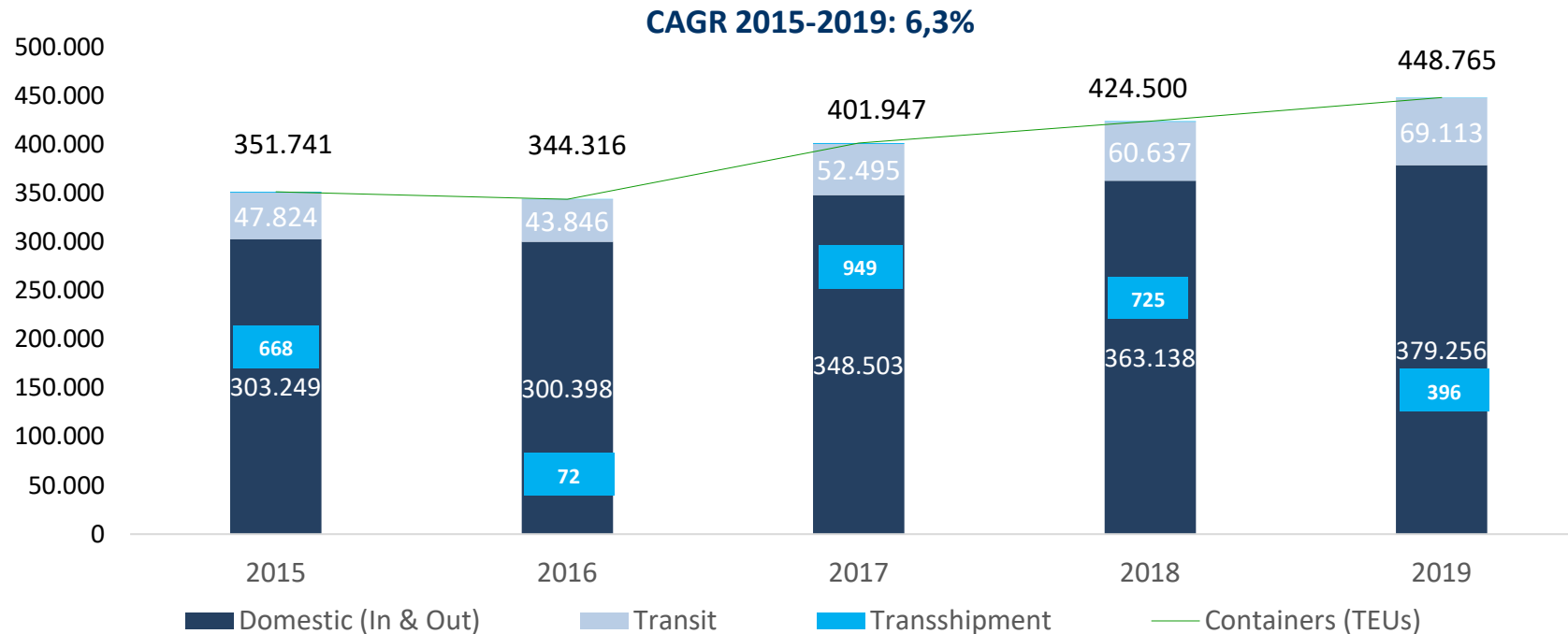






# Port of Thessaloniki: Container Terminal Throughput 2015-2019

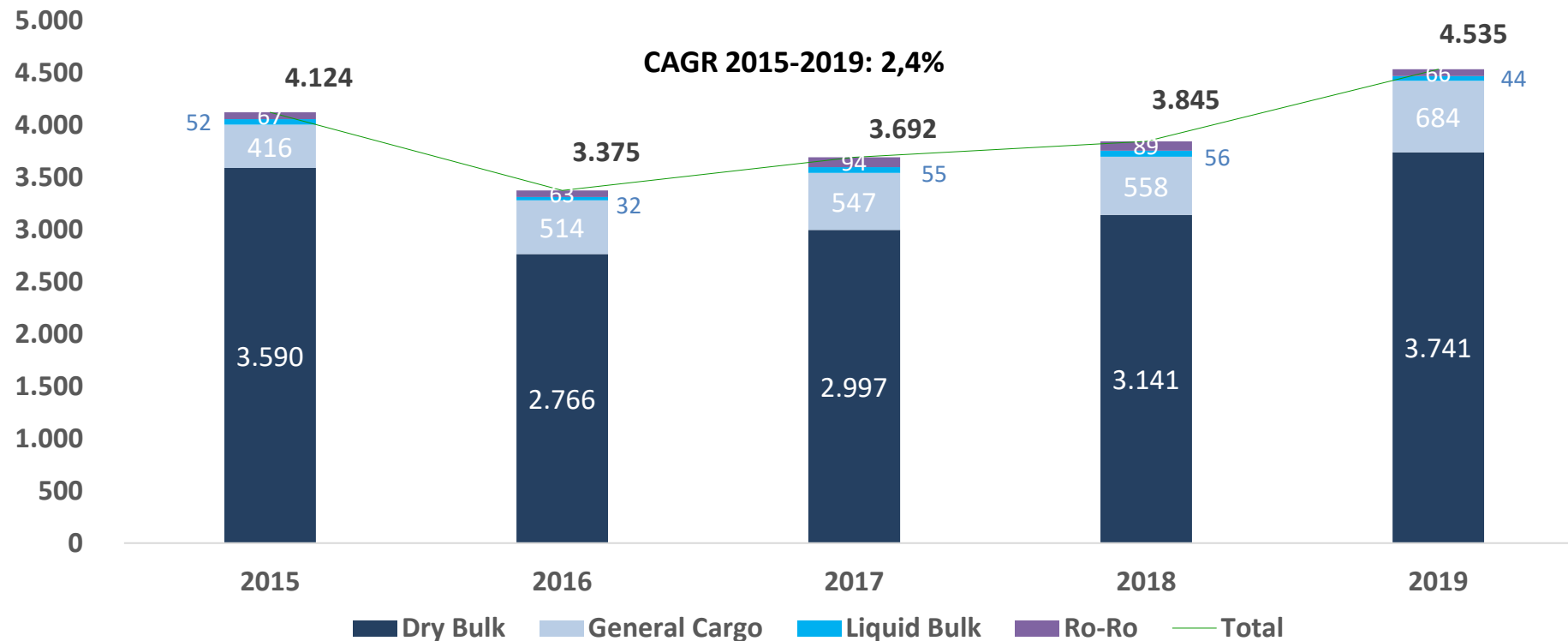
In TEU's	2015	2016	% Change	2017	% Change	2018	% Change	2019	% Change
<b>Domestic (In &amp; Out)</b>	303.249	300.398	-0,9%	348.503	16,0%	363.138	4,2%	379.256	<b>4,4%</b>
<b>Transit</b>	47.824	43.846	-8,3%	52.495	19,7%	60.637	15,5%	69.113	<b>14,0%</b>
<b>Transshipment</b>	668	72	-89,2%	949	1218,1%	725	-23,6%	396	<b>-45,4%</b>
<b>Containers (Total)</b>	<b>351.741</b>	<b>344.316</b>	<b>-2,1%</b>	<b>401.947</b>	<b>16,7%</b>	<b>424.500</b>	<b>5,6%</b>	<b>448.765</b>	<b>5,7%</b>





# Port of Thessaloniki: Conventional Cargo Throughput 2015-2019

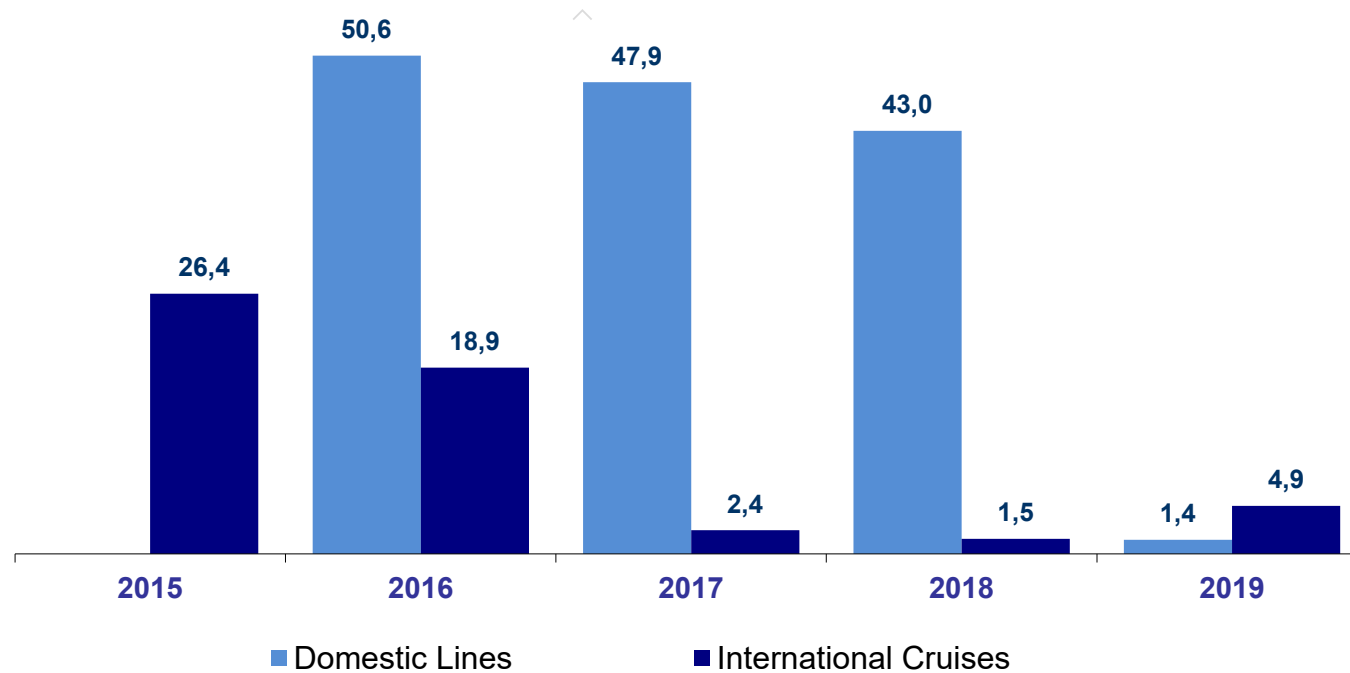
In 000's tons	2015	2016	% Change	2017	% Change	2018	% Change	2019	% Change
<b>Dry Bulk</b>	3.590	2.766	-23,0%	2.997	8,4%	3.141	4,8%	3.741	19,1%
<b>General Cargo</b>	416	514	23,6%	547	6,4%	558	2,0%	684	22,6%
<b>Liquid Bulk</b>	52	32	-38,5%	55	71,9%	56	1,8%	44	-21,4%
<b>Ro-Ro</b>	67	63	-6,0%	94	49,2%	89	-5,3%	66	-25,8%
<b>Total</b>	<b>4.124</b>	<b>3.375</b>	<b>-18,2%</b>	<b>3.692</b>	<b>9,4%</b>	<b>3.845</b>	<b>4,1%</b>	<b>4.535</b>	<b>17,9%</b>





# Port of Thessaloniki: Passenger Traffic (Domestic-International Cruises 2014-2019)

In 000's	2015	2016	2017	2018	2019
Domestic Lines		50,6	47,9	43,0	1,4
International Cruises	26,4	18,9	2,4	1,5	4,9





# Port of Thessaloniki: Financial Position 2015-2019

🏗️ Increase in volume throughput in Containers +5,7%, from 424k TEUS in 2018 to 449k TEUS in 2019

🏗️ Increase in handling of Conventional Cargo by > +19%, from 3,76mil. tons in 2018, to € 4,47 mil. tons in 2019

🏗️ Steady growth in turnover > +17,8% growth in 2019 due to increased sales in Containers +17,8%, Conventional Cargo +17,9% & Space Exploitation +26%

🏗️ Gross profits increased significantly, whereas EBITDA and PAT were affected primarily by the new management structure and IFRS 16 (full year effect)

In € mil.	01.01 - 31.12.15	01.01 - 31.12.16	01.01 - 31.12.17	01.01-31.12.18 Restated	01.01 – 31.12.19
<b>Turnover</b>	<b>50,9</b>	<b>48,1</b>	<b>54,2</b>	<b>58,5</b>	<b>69,0</b>
<b>Cost of Sales</b>	-26,5	-25,9	-32,4	-31,1	-36,8
<b>Gross Profits</b>	<b>24,3</b>	<b>22,2</b>	<b>21,8</b>	<b>27,5</b>	<b>32,2</b>
as % of turnover	47,8%	46,1%	40,2%	46,9%	46,7%
<b>Earnings Before Interest (financing and investment results) and Taxes (EBIT)</b>	23,1	20,0	11,3	24,0	23,8
as % of turnover	45,4%	41,6%	20,9%	41,0%	34,4%
<b>Profits before tax</b>	24,5	21,1	12,5	23,7	23,0
<b>Profits after tax</b>	<b>17,9</b>	<b>14,1</b>	<b>7,2</b>	<b>16,4</b>	<b>16,5</b>
as % of turnover	35,2%	29,3%	13,4%	28,0%	23,9%
<b>Earnings Before Interest (financing and investment results), Taxes, Depreciation and Amortization (EBITDA)</b>	<b>26,9</b>	<b>23,9</b>	<b>18,8</b>	<b>29,0</b>	<b>29,7</b>
as % of turnover	52,8%	49,7%	34,8%	49,5%	43,1%



# Port of Thessaloniki: Current Shareholding Structure & Share Price Data



- Share Market Price @ 31.12.2019 = 27,6 €
- B.V. (Book Value @ 31.12.2019) per share = **16 €**
- P/E (Share market Price to Net EPS @31.12.2019) = **16,9**
- P/BV (Share market price to Book Value per share)= **1,73**

Shareholders as of 5/2019	# of Shares	%
South Europe Gateway Thessaloniki Ltd	6.753.600	67,0%
Free Float	2.593.806	25,7%
Hellenic Republic Asset Development Fund	732.594	7,3%
<b>Total</b>	<b>10.080.000</b>	<b>100%</b>



# Developments of the Investment Plan

- Contract signed with Independent Engineer as required by the Concession Agreement on 11.01.2019
- Announcement of the 1<sup>st</sup> Investment Period on 19.03.2019
- Contract signed with Rogan & Hill International for the engineering studies and supervision works of the Pier 6 Expansion on 04.09.2019
- Contract signed for the development of studies related to Core Port and Non-Core Port Activities
- Contract signed for the procurement of a Mobile Harbor Crane by Liebherr with a price of ~ € 4mil in Oct. 2019. Expected to be fully operational within June 2020.
- Two STS cranes will be purchased within the next months; a total contract of ~ € 14-16mil.





# Port of Thessaloniki: Sound Financial Position & Expectations

- The Port maintains strong cash position to finance current CapEx & OpEx needs, in tandem with future Debt Financing. Debt free currently.
- Cash & cash equivalents in 12/2019 reached ~ € 99mil. (including term depos) compared to ~ € 91mil. in 2018, posting an increase of ~9%, despite the fact that the income tax rate is 24% and the income tax advance remains at 100%.
- Proposed dividend for FY 2019 is € 1,17/share, more than double compared to FY 2018 (€ 0,57/share).
- Port's future dividend policy aims to provide satisfactory dividend payouts, considering however the need to finance the largest part of its significant Investment Plan.
- Satisfactory profits at all lines are expected to continue the following years.
- Port retains a significant number of customers and suppliers. The credit risk to which the Company is exposed vis-à-vis its customers is limited, due to the wide dispersion of its clientele and its robust strategy, to receive advances (85%-95%), *before* the commencement of business, or Letters of Guarantee. Other financial risks (indicatively: price, FX, interest rates) are considered low as well.



# Port of Thessaloniki: Implementations of the new Management

- Restoring the level of service of the Port and strengthen further the leading role of Thessaloniki as prime facility for conventional cargo in the Eastern Mediterranean.
- Mandatory Investments for the expansion of Pier 6, in order to service New Panamax size vessels and attract mainliner services, move according to schedule and the new market conditions.
- Procurement of new - state of the art - equipment for loading-unloading services.
- Contribute to the effort of establishing Thessaloniki as a cruise destination.
- Restructuring of the functions of the Port and establishing a customer-oriented culture.
- **A.** New GLR/ΓΚΕ signed in 8/2019, **B.** New CLA/ΣΣΕ signed with ΟΦΕ in 12/'19, **C.** New CLA /ΣΣΕ signed with ΟΜΥΛΕ in 5/'20,
- Develop the so-called “beyond the Port” activities: integrate the Port of Thessaloniki in the supply chain logistics, by providing intermodal solutions to & from the main Balkan Countries.





# Port of Thessaloniki: Questions and Answers (Q&A) Session

- I. Earnings Analysis: Sales up by € 10,4mil., while both absolute and relative profitability were *primarily* affected by:**
- Management expenses: € 3,4mil., to support the development of the Company in the following years
  - higher accounting provisions & reversals in 2018 vs 2019: € 2,6mil.
  - IFRS 16: € 0,3mil. accounting interest charges & Right of Use (total charges 2019: € 1,7mil.)
  - additional depreciation charges in 2019 vs 2018 in CoS: € 1mil.
- II. Cash sources & uses: through, constant monitoring of all cost parameters, credit control & optimization of cash management (term depos only), in an environment of declining rates, the Port:**
- kept satisfactory CFs from operational activities at ~ € 21,3mil. in 2019 (vs € 21,8mil. in 2018),
  - implemented investments of € 11,5mil. in 2019, vs € 7,6mil. in 2018,
  - generated additional cash of € 8mil. in 2019, vs € 10,1mil. in 2018,
  - distributed at the same period higher dividends, € 5,75mil. in 2019, vs € 4,54mil. in 2018,
- III. Dividend Policy:** the Management will propose to the AGM of 30.6.2020 the dividend distribution of ~€ 11,8mil., that is, € 1,17/share for 2019 vs € 0,57/share for 2018, based on the additional cash generation within 2019. Total available cash and term depos @ 12/2019: € 99mil.
- IV. Covid-19 effect:** In Q2/'20 the CT & the CC traffic is expected to be reduced by 12% and 27% respectively, compared to Q2/'19.



Thank you!

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**New Horizons**

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South-East Europe

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