

21 February 2019

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# Agility Earnings Call Presentation

Full Year 2018 Results



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# Agenda



- 1 Financial Highlights
- 2 Business Segments
- 3 Agility's Outlook
- 4 Q & A



## Agility Highlights

- Solid group performance in 2018 despite market challenges
- Double digit EBITDA growth for the third year in a row
- Exploring different avenues to maximize value for its shareholders
- Board of directors recommendation of 15% cash dividends and 15% bonus shares<sup>1</sup>

## GIL

- GIL outperformed the market in both air and ocean volumes
- GIL continues to invest in its global operating platform, digital transformation strategy and its digital logistics platform
- GIL has an ongoing effort to drive margin improvements in its contract logistics business and new investments were made in 2018 to support that initiative

## Infrastructure

- Positive results in 2018 aligned with the roadmap set for each company
- Constant focus to improve efficiency, expand customers base and geographic reach
- Agility continues to invest in this group and looks for opportunities to unlock the value for shareholders

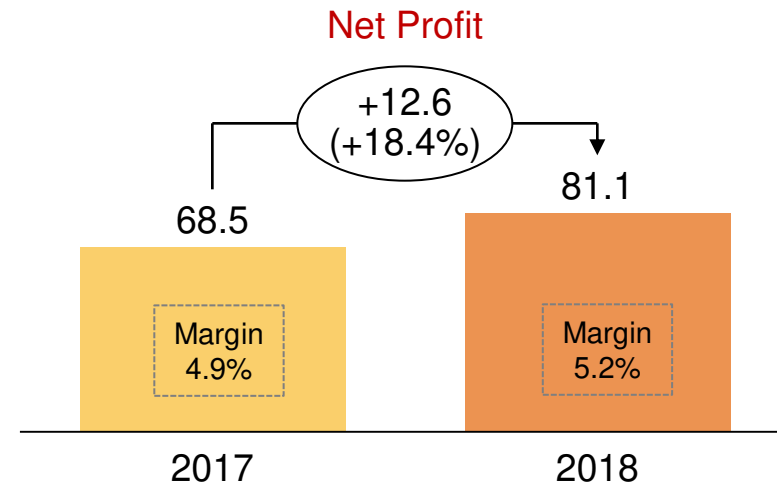
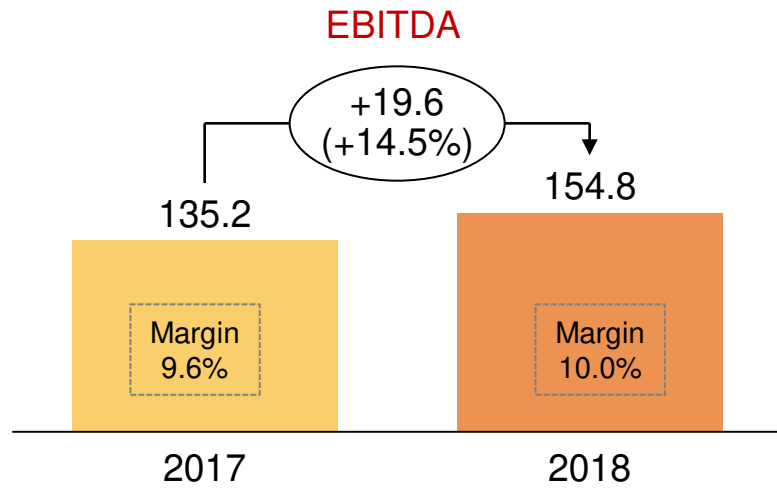
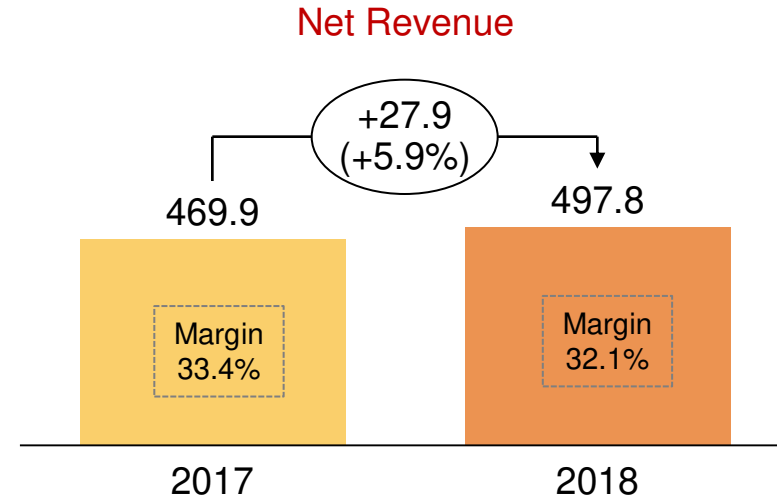
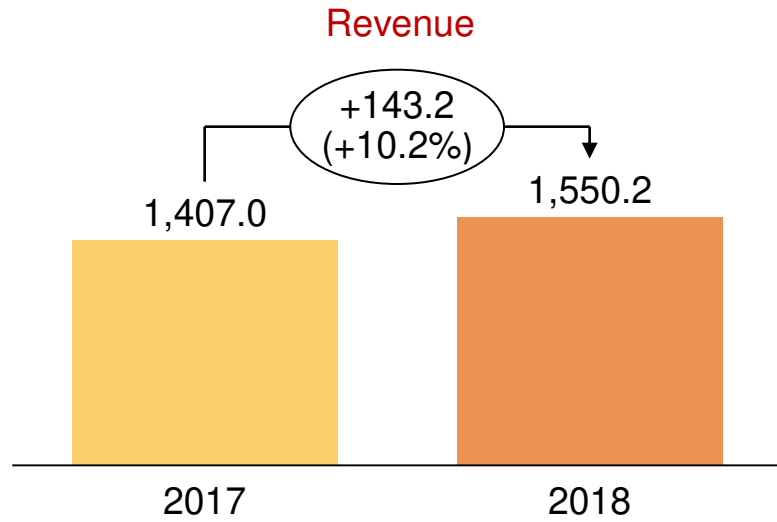
<sup>1</sup>Subject to the approval of the General Assembly

# FY 2018 Group financial performance

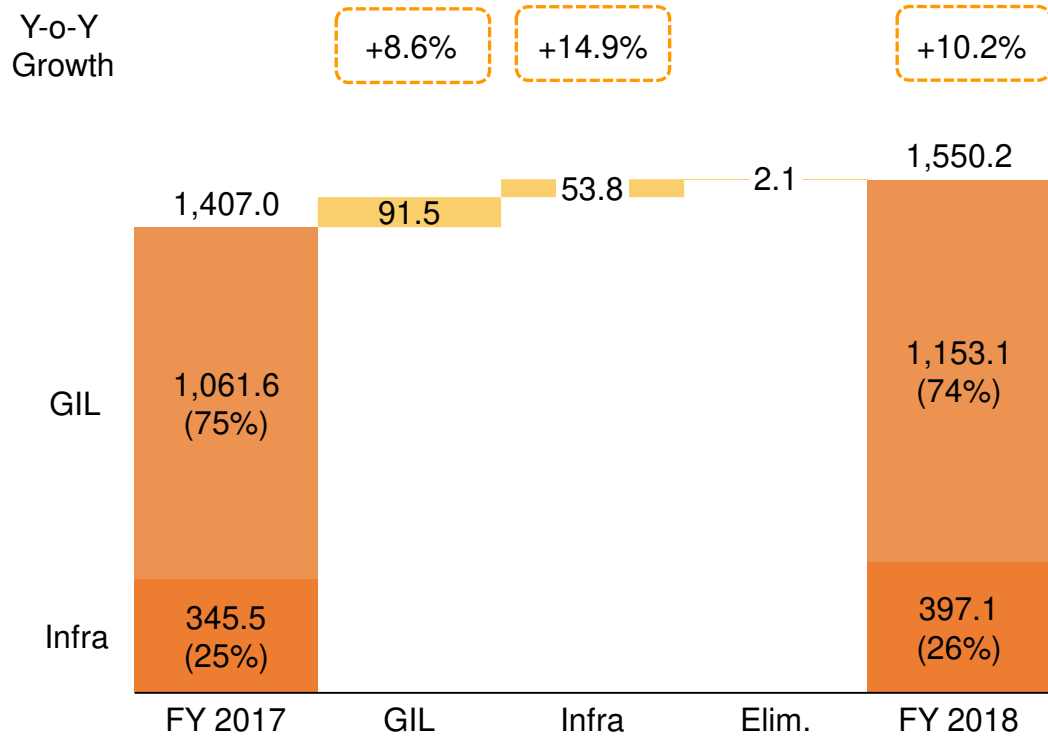
KD Mn



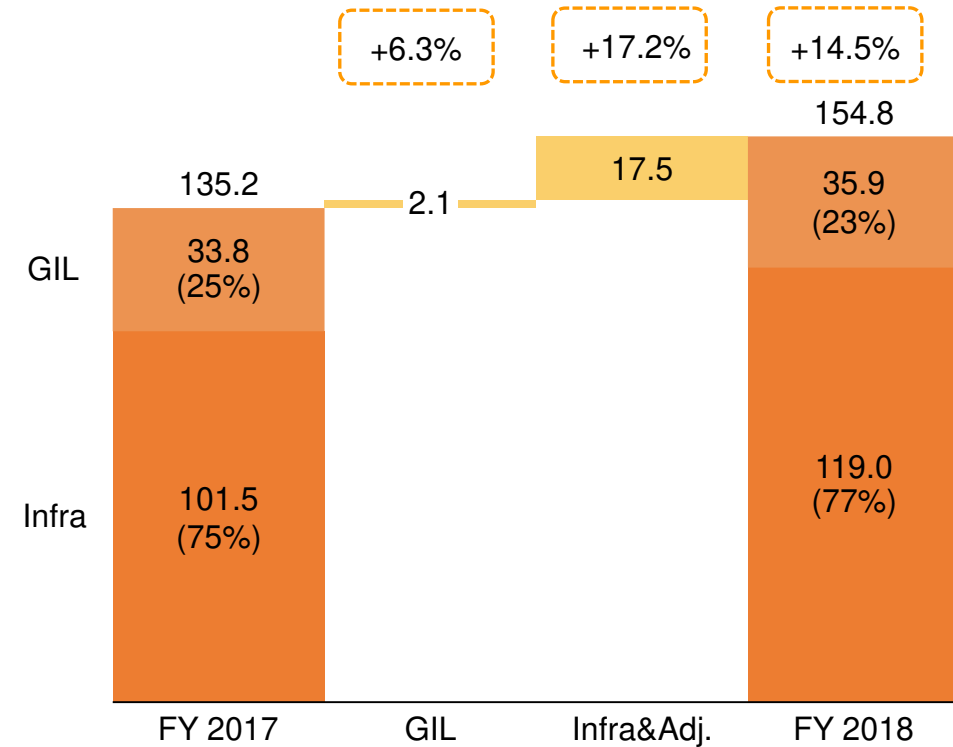
Another year of healthy growth



Revenue contribution by Business Group



EBITDA contribution by Business Group



• Eliminations are Inter-company revenue

Maintaining a strong balance sheet

Balance sheet	FY 2018	FY 2017	Variance	%
Current assets	584.8	530.5	54.3	10.2%
Non-Current assets	1,258.3	1,198.5	59.9	5.0%
<b>Total assets</b>	<b>1,843.2</b>	<b>1,728.9</b>	<b>114.2</b>	<b>6.6%</b>
Current liabilities	506.5	553.3	(46.8)	(8.5%)
Non-current liabilities	270.5	152.1	118.4	77.9%
<b>Total liabilities</b>	<b>776.9</b>	<b>705.3</b>	<b>71.6</b>	<b>10.1%</b>
Non-controlling Interest	52.7	49.8	2.9	5.8%
<b>Shareholders' equity</b>	<b>1,013.5</b>	<b>973.8</b>	<b>39.7</b>	<b>4.1%</b>
<b>Highlights</b>				
Net Cash (Debt)	(135.1)	(93.2)		
ND / EBITDA	0.9X	0.7X		

- Healthy balance sheet, with ability to leverage future growth
- Constant support and commitment to its stakeholders:
  - 1) Shareholders
  - 2) Banks
  - 3) Internal Businesses

# Statement of Cash Flows

## KD Mn



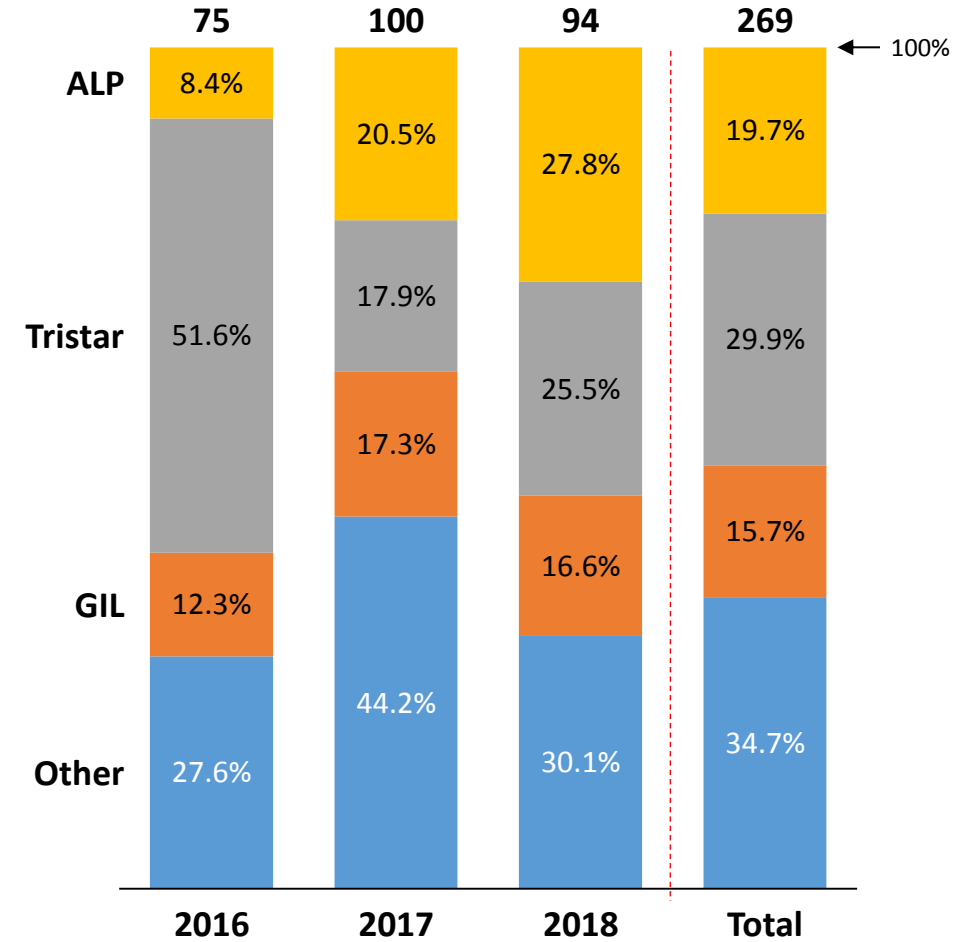
Investing in the business to capture profitable growth opportunities

Cash Flow Statement	FY 2018	FY 2017 <sup>1</sup>	Variance	%
Cash from Operating activities before changes in working capital	156.8	129.3	27.5	21.3%
Changes in working capital	(36.3)	(17.0)	(19.4)	114%
Other Items	(22.7)	(47.6)	24.9	52.3%
<b>Net Cash flow from operating activities</b>	<b>97.7</b>	<b>64.7</b>	<b>33.0</b>	<b>51%</b>
CAPEX	(94.0)	(100.3)	6.3	6.3%
Other items	1.3	11.3	(10.0)	(88.5%)
<b>Net Cash flow from investing activities</b>	<b>(92.7)</b>	<b>(89.0)</b>	<b>(3.7)</b>	<b>(4.1%)</b>
<b>Free Cash Flow</b>	<b>5.0</b>	<b>(24.3)</b>	<b>29.4</b>	<b>120.7%</b>

### Highlights

Conversion ratio (OCF/EBITDA)	63.1 %	47.9%
CAPEX as % of Revenue	6.1%	7.1%

<sup>1</sup>2017 Cash flows include the settlement with US government



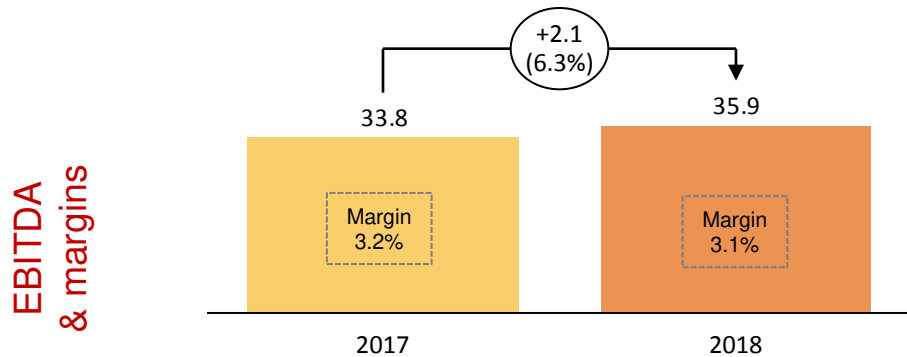
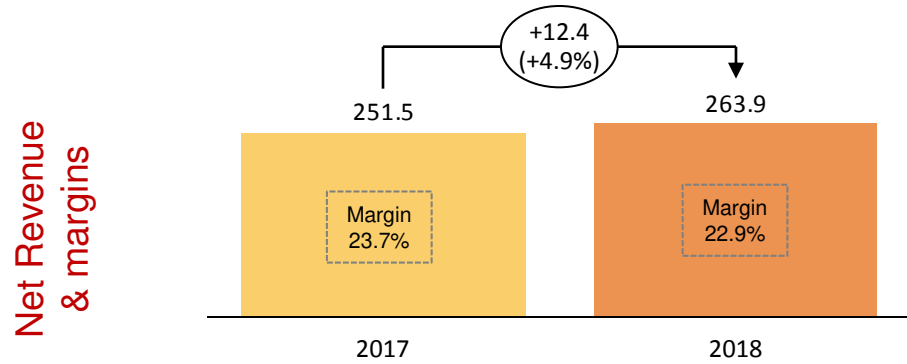
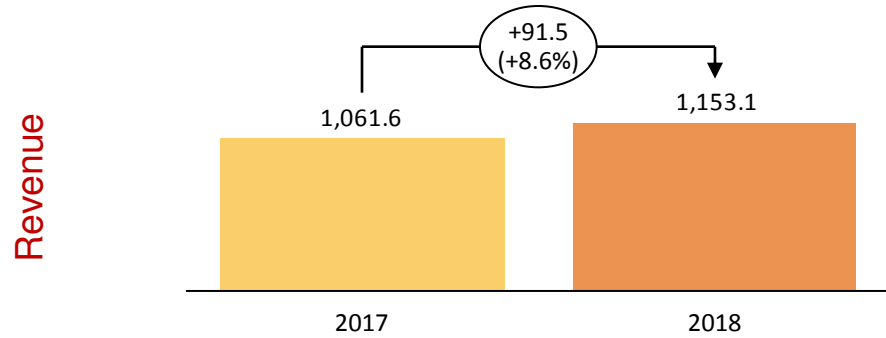


# Business Segments

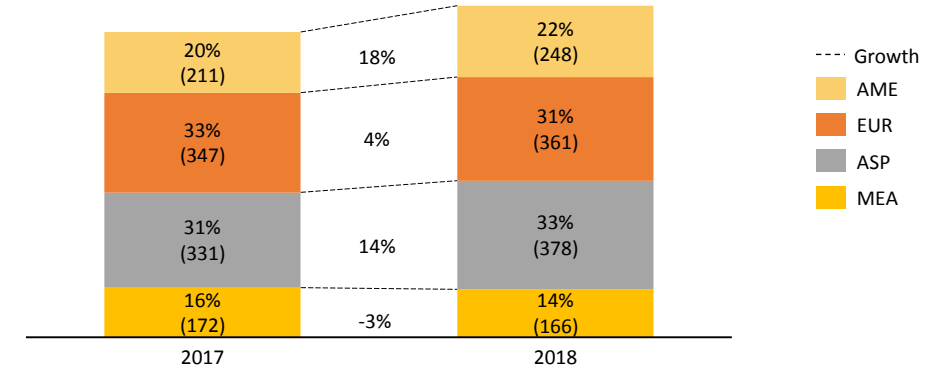
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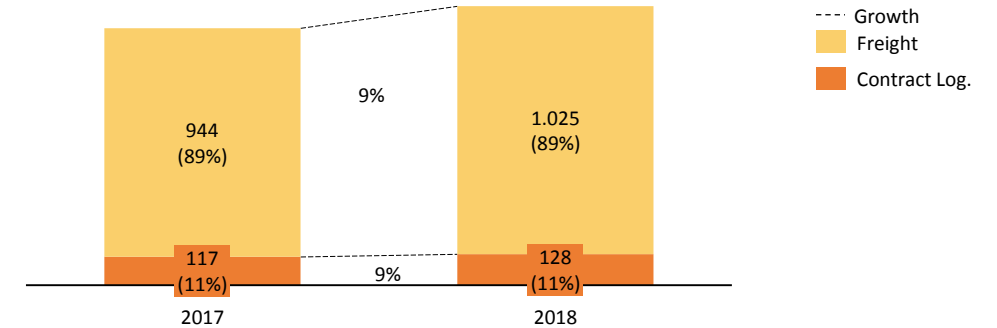
### Financial Highlights



### Regional Revenue Contribution



### Service Revenue



Air Freight volumes



Ocean Freight volume

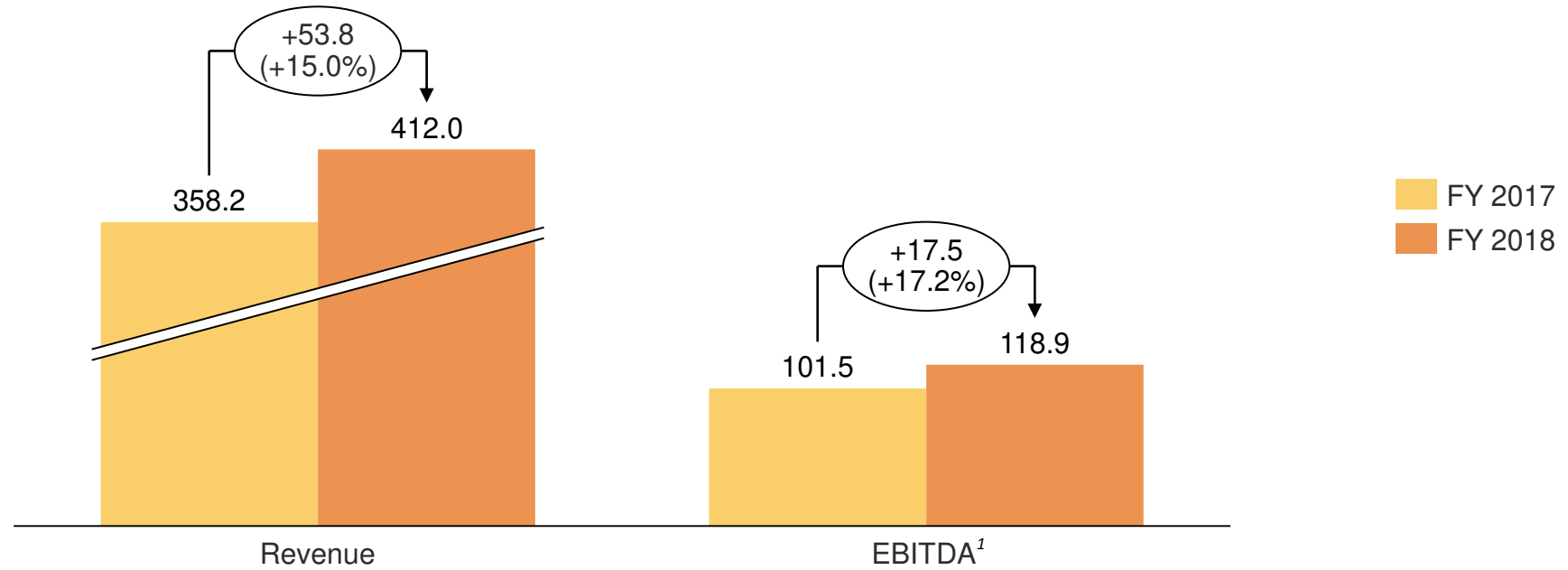


# Infrastructure Group financial performance – FY 2018

KD Mn



Solid performance across all key entities



## Revenue growth Y/Y



<sup>1</sup>Includes corporate

# Agility's Outlook

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EBITDA  
**\$ 800 Mln**

On Track to Achieve Target, Timeline Could Extend Beyond 2020

Growth aimed towards our 2020 Target

	Key Guidance given in 2016	FY 2018	2017 A	2016 A
Profitability	<b>EBITDA Growth</b> <i>Expect to grow at double digit rate</i>	15%	17%	15%
	<b>Operating Cash Growth</b> <i>To grow in line with EBITDA growth</i>	KD 98 Mn (+5%)	KD 93 Mn <sup>1</sup> (+15%)	KD 81 Mn (-23%)
Cash/Balance Sheet	<b>Free Cash Flow</b> <i>Limited due to Capex Program</i>	KD 5 Mln	KD 4 Mln <sup>1</sup>	KD 2 Mn
	<b>Net Debt</b> <i>Net Debt to Continue due to levered investments</i>	KD 135 Mn	KD 93 Mn	KD 45 Mn
	<b>Dividends</b> <i>Lower &amp; limited as we are investing for the future</i>	15 fils cash 15% Shares 27% Payout	15 fils cash 15% Shares 28% Payout	15 fils Cash 10% Shares 29% Payout

<sup>1</sup>Adjusted for US Government Settlement

## What has changed?

1. No distinction between Operating and finance leases going forward.
2. All Qualified Operating leases will be captured in the balance sheet
3. Right of use Asset and a corresponding lease obligation in the balance sheet.
4. Effective 1<sup>st</sup> Jan 2019. Adjustments will be reflected in the Q1-19 financials.

## Impact on 2018 numbers if it was implemented

### **BALANCE SHEET**

Total Assets	~+5%
Total Liabilities	~+12%
Equity	No impact

### **P&L**

EBITDA	~+16%
EBIT	~+2%
Net Income to decrease	~ -2%

### **CASH FLOW**

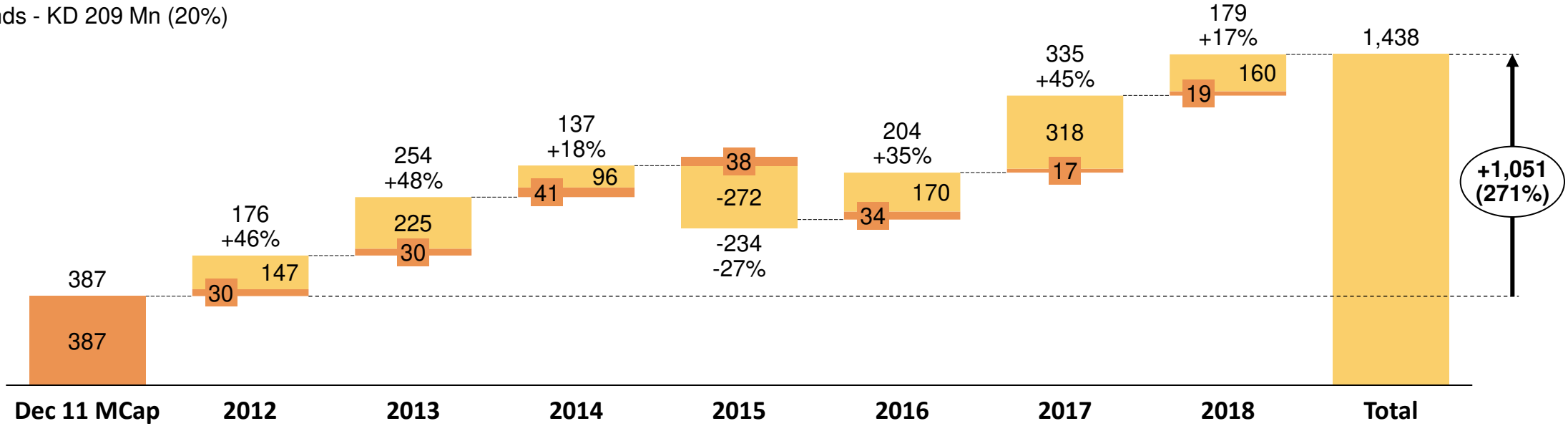
No Impact

# Agility Value Creation Trajectory

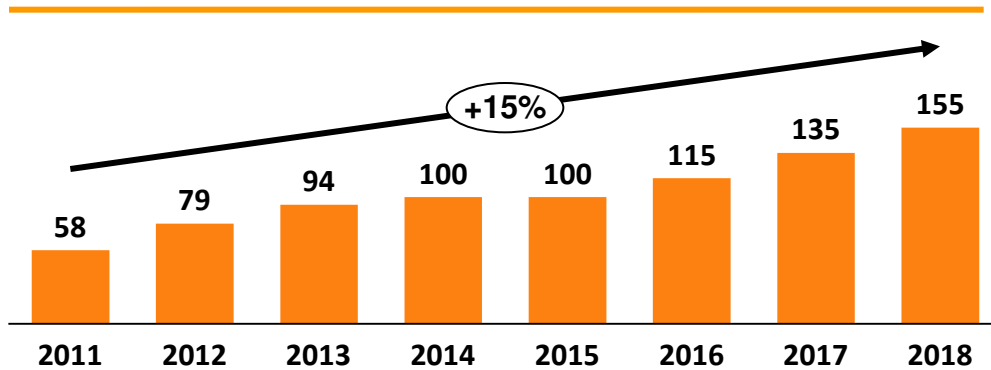


Created KD 1,051 Mn in value for our shareholders with 24% IRR since 2011

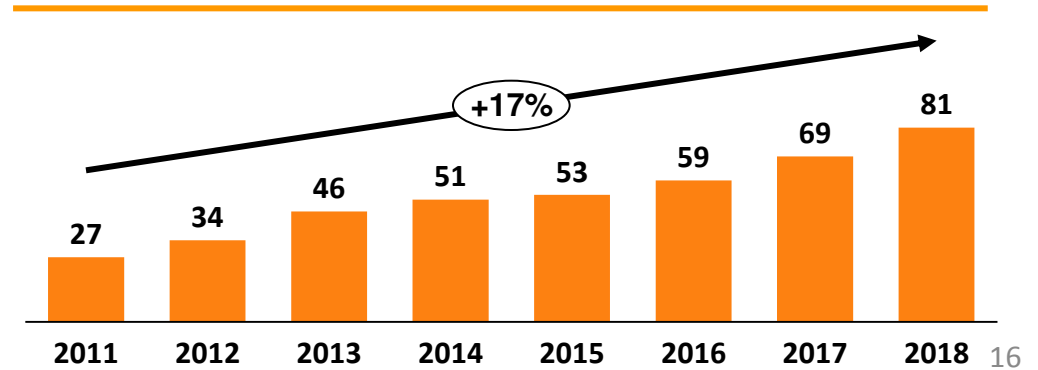
- Value Growth - 842 KD Mn (80%)
- Dividends - KD 209 Mn (20%)



EBITDA CAGR



Net Profit CAGR





# Q&A Session

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