



KINGSTON WHARVES LIMITED

AUDITED GROUP RESULTS
FOR THE YEAR ENDED
DECEMBER 31, 2021



Chairman's Statement

Kingston Wharves Limited produced strong financial results in 2021, and demonstrated the resilience of its business model during a period in which Jamaica and its trading partners continued to be affected by the COVID-19 pandemic.

For the twelve months ended December 31, 2021, KWL recorded revenues of J\$8.7 billion, an increase of 22% over the corresponding period in 2020. Profit before taxation increased from J\$2.7 billion in 2020 to J\$3.7 billion in 2021, representing a growth of 38%. Net profits attributable to shareholders reflected an increase of 43% or J\$958 million, moving from J\$2.2 billion at the end of 2020 to J\$3.2 billion at the end of 2021. Earnings per stock unit grew to \$2.24 from \$1.57 in 2020.

KWL declared dividends during the year of \$858 million. The dividend per stock unit of \$0.60 in 2021 was 19% higher than the dividend per stock unit in 2020.

Terminal Operations

The annual operating revenue for KWL's Terminal Operations Division amounted to \$6.8 billion, a year-on-year increase of 21%. Operating profit for the Terminal Operations Division was \$2.7 billion, an increase of 38% over the 2020 results. The Kingston Wharves terminal made a significant contribution to the company's results, with terminal services accounting for over two-thirds of Kingston Wharves' revenues and profits. The terminal maintained its position as a 24-hour, 365 day port services operation, and met its objective of providing efficient and reliable service to vessels using Kingston as a strategic gateway for the movement and handling of cargo in and out of the region. 2021 presented a range of challenges to the efficiency of port operations globally. Kingston Wharves is pleased to have been able to demonstrate our resilience as a

logistics hub and to have played a crucial role in sustaining the supply chains of Jamaican importers and exporters that rely on our facilities.

Logistics

KWL's Logistics Services Division contributed \$2.8 billion in revenue compared to prior year's revenue of \$2.3 billion, an increase of 23%. This division accounted for 31% of revenue for 2021. Operating profit of \$1.1 billion for the Logistics Services Division was up 31% relative to 2020. The Logistics Services Division maintained its position as a solid contributor to the profit of KWL, having grown consistently over the past several years in line with trends towards the development of e-commerce, increased attention to inventory control by businesses a general expectation of efficient service, and continuous improvement and modern professional standards by supply chain partners. We continue to deliver customized logistics solutions to local and international shippers while leveraging our logistics and inventory management capabilities, near port auto logistics facilities and digital initiatives.

Outlook

Kingston Wharves' results for December 2021 capped off a solid year that included a robust recovery from the previous year's performance, which was adversely impacted by the pandemic.

Capital investment in logistics and terminal infrastructure, along with major improvements to our digital architecture have streamlined our operations, enhanced customer service delivery and attracted new business. These ongoing investments also support the optimization of our diverse cargo-handling capabilities and Special Economic Zone designation. This uniquely positions KWL to provide supply chain solutions to global and regional manufacturers, distributors and exporters. With the seamless merger of terminal services and logistics services, KWL is well placed to meet the needs of businesses moving all cargo types and working in various industries.

In January 2022, we unveiled a US\$60 million infrastructure development plan to further strengthen our capacity as a nearshoring destination. The capital initiatives include the commissioning of a new model 8 Gottwald crane, the redevelopment of Berth 7 and the construction of a modular warehouse complex at Ashenhiem Road in Kingston. With the completion of these projects, KWL will have increased its logistics and warehousing capacity to approximately 650,000 square feet and, re-developed and expanded its deep water berths and boosted the business capability to handle super-post panamax vessels.



Kingston Wharves has also made significant investment in digital technology. We were pleased that this was recognized when we were awarded the 2021 Port Industry Award for Excellence for Technology and Innovation from the American Association of Port Authorities and the Organization of American States. We will expand our contactless cargo delivery to ensure that we foster a safer and more efficient way to do business.

I take this opportunity to thank the KWL team for their commitment throughout the year, and extend appreciation to our loyal customers and shareholders as well as the Board of Directors for its continued astute oversight of the affairs of the organization.

Jeffrey Hall - Chairman