



KINGSTON WHARVES LIMITED

AUDITED GROUP RESULTS
FOR THE YEAR ENDED
DECEMBER 31, 2022



Chairman's Statement

The Board of Directors of Kingston Wharves Limited (KWL) is pleased to present the audited group results for the twelve months ended December 31, 2022.

KWL recorded revenues of J\$9.5 billion, an increase of 9% over the corresponding period in 2021. Net profits attributable to shareholders reflected a decrease of 16% or J\$502 million, moving from J\$3.2 billion at the end of 2021 to J\$2.7 billion at the end of 2022. Earnings per stock unit decreased to \$1.89 from \$2.24 in 2021. Excluding foreign exchange gains or losses, net profit before taxes increased 1.6% relative to the prior year.

Kingston Wharves holds a strong cash position that is denominated primarily in United States dollars. Our cash holdings broadly align with the currency in which the costs associated with our long term capital investment plan are denominated. In general, over the years, the enterprise has booked a foreign exchange gain in connection with these holdings. In 2022, the appreciation of the Jamaican dollar, relative to the US dollar, led to an exchange loss at the reporting date of \$177 million; whereas in the prior year the business booked an exchange gain of \$432 million (representing a year-on-year adverse swing of \$609 million).

KWL declared dividends during the year of \$958 million. The dividend per stock unit of \$0.67 in 2022 was 12% higher than the dividend per stock unit in 2021.

Terminal Operations

The annual operating revenue for KWL's Terminal Operations Division amounted to \$7.6 billion, a year-on-year increase of 12%. Operating profit before foreign exchange (FX) loss for the Terminal Operations was \$2.5 billion or 13% above the prior year. The Terminal Operations Division continues to make a significant contribution to the company's results, accounting for over 70% of revenues and profits.

KWL handled increased volumes of a number of cargo types in 2022 and experienced a particularly strong year in its transshipment business.

Logistics

KWL's Logistics Services Division contributed \$3.0 billion in revenue compared to prior year's revenue of \$2.8 billion, an increase of 7%. This division accounted for 28% of revenue for 2022. Operating profit before FX loss of \$848 million for the Logistics Services Division was down 22% relative to 2021.

The reduction in divisional operating profits was partly impacted by a charge of \$85 million associated with our demolition of a building to increase port storage capacity and operating flexibility. The Division also experienced inflationary increases in operating costs, and a reallocation of administrative expenses which were previously accounted for in the terminal segment. KW Logistics has positioned itself to lead on the full suite of logistics services. Our agile warehousing and logistics solutions enable us to deliver customised services to manufacturers, retailers and distributors across a range of industries. We provide order fulfilment, order picking and packing, warehousing, inventory management, freight transportation and distribution, among other services, all within a Special Economic Zone. We continue to make capital investments to improve the functionality of our logistics space and the efficiency of our services.

Outlook

Coming out of a two-year pandemic, the global economy again faced disruptive events including the Russia-Ukraine War which created geo-political instability, fuelled inflation and affected business and consumer confidence. The high cost of energy and increase in the price of critical inputs required for terminal and logistics operations were among the resulting factors that affected the demand for some of our services and the overall cost of operations. Kingston Wharves' results for December 2022 demonstrate the team's ability to effectively manage these economic challenges and to restore revenue and profit growth as conditions normalise.

Accordingly, we continue to develop our infrastructure and digital architecture through a structured program of berth redevelopment and off dock warehouse construction aimed at relocating cargo storage facilities (and in turn increasing the available yard space on our terminal).

The Berth 7 redevelopment project is progressing well, and destined to deliver modernised berthing capacity, efficiency, and enhanced experience to shipping lines that call our terminal. Specifically, the project will see the expansion of the main berthing area to simultaneously service two post panamax vessels. This development will boost our competitiveness and strengthen our offering as a key gateway in the Caribbean. As a leading motor vehicle transshipment hub and auto logistics provider, we are expanding storage and short-stay maintenance facilities for automobiles.

Our terminal functions will be further optimised by the implementation of a state-of-the-art terminal operating system that will improve efficiency in the loading and unloading of vessels; gate operations and the clearance of commercial and personal shipments.

E-commerce is also a major component of our customer engagement and our ability to execute efficient cargo delivery. Kingston Wharves is a pioneer in online cargo clearance in the shipping industry, underpinned by a suite of e-payment options housed in a single online portal for customer convenience. We have partnered with Jamaica Customs Agency to introduce a Contactless Cargo pilot initiative to encourage customers to do business online, rather than attend the wharf to access services.

I believe that our strong foundation, solid investments and robust strategic plan will continue to act as a platform for growth and profitability. I thank the team at Kingston Wharves for its commitment throughout the year; our Board for its oversight and our customers and shareholders for their continued confidence in KWL.

Jeffrey Hall
Chairman

KINGSTON WHARVES LIMITED

TOP TEN SHAREHOLDERS AT DECEMBER 31, 2022

NAMES	SHAREHOLDING	% OF CAPITAL
JAMAICA PRODUCERS GROUP LTD	601,184,005	42.03
S.B.D. LLC	300,689,810	21.02
KINGSTON PORTWORKERS SUPERANNUATION FUND	123,844,292	8.66
SAJE LOGISTICS INFRASTRUCTURE LIMITED	113,169,157	7.91
MARITIME & TRANSPORT SERVICES LTD	68,125,418	4.76
SAGICOR POOLED EQUITY FUND	37,859,889	2.65
LANNAMAN & MORRIS (SHIPPING) LTD	28,845,258	2.02
GUARDIAN LIFE LIMITED	21,844,844	1.53
PANJAM INVESTMENT LIMITED	11,064,715	0.77
NCB INSURANCE CO LTD. - A/C WT 181	9,000,000	0.63
	1,315,627,388	91.99
	JCSD	3,764
	MAIN REGISTER	1,212
NO. OF SHAREHOLDERS AT DECEMBER 31, 2022	TOTAL	4,976

KINGSTON WHARVES LIMITED

DIRECTORS' SHAREHOLDINGS AT DECEMBER 31, 2022

NAMES	SHAREHOLDING	CONNECTED PARTIES	SHAREHOLDING	TOTAL
DIRECTORS				
BRUCE BRECHEISEN	NIL	S.B.D. LLC	300,689,810	300,689,810
KIM CLARKE	NIL	MARITIME & TRANSPORT SERVICES LTD. SAJE LOGISTICS INFRASTRUCTURE LIMITED A.E. PARNELL COMPANY LIMITED	68,125,418 113,169,157 4,277,776	185,572,351
JEFFREY HALL	NIL	JAMAICA PRODUCERS GROUP LIMITED SAJE LOGISTICS INFRASTRUCTURE LIMITED	601,184,005 113,169,157	714,353,162
MARSHALL HALL	NIL	JAMAICA PRODUCERS GROUP LIMITED	601,184,005	601,184,005
ROGER HINDS	NIL	TRANSOCEAN SHIPPING LIMITED SAJE LOGISTICS INFRASTRUCTURE LIMITED	1,481,481 113,169,157	114,650,638
CHARLES JOHNSTON	57,160	JAMAICA FRUIT & SHIPPING LIMITED JAMAICA PRODUCERS GROUP LIMITED SAJE LOGISTICS INFRASTRUCTURE LIMITED	381,068 601,184,005 113,169,157	714,791,390
CHARMAINE MARAGH	NIL	LANNAMAN & MORRIS SHIPPING LTD.	28,845,258	28,845,258
KATHLEEN MOSS	2,000	JAMAICA PRODUCERS GROUP LIMITED PANJAM INVESTMENT LIMITED	601,184,005 11,064,715	612,250,720
ROBERT SCAVONE	NIL			NIL
GRANTLEY STEPHENSON	194,981	SAJE LOGISTICS INFRASTRUCTURE LIMITED	113,169,157	113,364,138
DORIAN VALDES	NIL			NIL
MARK WILLIAMS	267,888			267,888

KINGSTON WHARVES LIMITED**SENIOR MANAGERS' SHAREHOLDINGS AT DECEMBER 31, 2022**

NAMES	SHAREHOLDING	CONNECTED PARTIES	SHAREHOLDING	TOTAL
VALRIE CAMPBELL	35,723	-	-	35,723
LANCELOT GREEN	3,900	-	-	3,900
FRANCES MIGHTY-HUTCHINSON	NIL	-	-	NIL
CLOVER MOODIE	76,000	-	-	76,000
STEPHAN MORRISON	NIL	-	-	NIL
CAPTAIN GEORGE REYNOLDS	NIL	-	-	NIL
DENISE WALCOTT-SAMUELS	NIL	-	-	NIL