



KINGSTON WHARVES LIMITED **Interim Report** **to Stockholders**

**Unaudited Group Results for the
9 months Ended 30 September 2023**



Chairman's Statement

For the nine-month period ended September 30, 2023, KWL achieved consolidated revenues of \$7.0 billion, a 0.6% or \$44 million increase over the corresponding period in 2022. Net profit attributable to shareholders of \$2.2 billion increased by 9% or \$190 million relative to the prior year. Earnings per share for the quarter was 65.76 cents compared to 57.37 cents in the prior year.

Terminal Operations

The Terminal Division generated operating revenue of \$5.2 billion for the nine-month period, a decrease of 7% over the corresponding period of the prior year. Divisional operating profits decreased by 14% from \$1.9 billion in the prior year to \$1.7 billion.

The Terminal Operations Division is the larger segment of the Group, contributing over 65% of revenues. The results in this division were affected by a significant general decline in global shipping volumes that included Jamaica and the Caribbean region. In the case of Kingston Wharves, this was partially offset by increases in bulk and breakbulk cargo.

Logistics Services

The KWL Logistics Services Division generated revenues of \$2.5 billion for the nine-month period, an increase of 18% or \$380 million over the prior year. Operating profits for the division rose by 45% compared to 2022, reaching \$832 million from \$572 million. This growth was driven by augmented earnings from warehouse operations.

KWL has positioned itself to lead on the receipt, warehousing and delivery of logistics cargo for both domestic and regional markets. This segment benefits from ongoing

investment in personnel, modern purpose built logistics facilities, scanning and security systems, and integrated information technology platforms for cargo tracking, inventory control, and handling.

Outlook

Kingston Wharves remains confident that key investments in plant, digital infrastructure and human resources have positioned the company for growth. The US\$30 million Berth 7 Redevelopment Project will attain practical completion and commissioned in Q4 of 2023. The redevelopment of Berth 7 has re-operationalised a critical area of berthing space, bringing it in line with previously modernised docks. With the addition of this newly re-developed facility, KWL will now have capacity to host multiple panamax-size vessels simultaneously. The berth redevelopment also supports KWL's plan to optimise the container and motor vehicle yard capacity and terminal operation.

Logistics is a growing segment of our business. The first phase of our Integrated Logistics Complex at Ashenheim Road in Kingston is set to come on stream by Q2 of 2024. The dry-ambient warehouse complex, an investment of US\$25 million, will boost KWL's nearshoring capacity. It will offer regional and global distributors the advantage of proximity to an 800 million-consumer market in the Americas, access to multi-modal transport routes, state-of-the art amenities and the benefits of a Special Economic Zone operation.

I take this opportunity to thank the Board, the KWL team and all our stakeholders for their continued support.

Jeffrey Hall
Chairman