
LUKA KOPER GROUP

SUMMARY OF THE LUKA KOPER, D.D. AND LUKA KOPER GROUP BUSINESS PLAN FOR 2020 AND ESTIMATE OF BUSINESS PERFORMANCE IN 2019

ESTIMATE OF BUSINESS PERFORMANCE IN 2019

Net profit of the Luka Koper Group for 2019 is currently estimated at EUR 39.4 million, i.e. 3 percent above the planned level. Earnings before interest and taxes (EBIT) generated in 2019 are in line with the plan and are expected to total EUR 44.2 million.

According to the current estimate for 2019, the Luka Koper Group's net sales revenue will amount to 228.5 million euros, which is 1 percent more than in 2018 and 6 percent less than planned. Operating profit (EBIT) will be 37 percent lower in 2019 than the year before and net profit 34 percent lower. A lower result in 2019 compared to 2018 is a consequence of recognized revenues resulting from crane-damage compensation of 9.6 million euros registered in 2018, higher costs in 2019 related to the implementation of the action plan for the performance of the port services strategy, and the throughput fee that the company started paying in March this year in line with the Act on the Construction, Operation and Management of the Second Track of the Koper-Divača Railway Line.

The Luka Koper Group estimates that by the end of 2019, maritime throughput will amount to 23.4 million tons, which is 3 percent less than achieved in 2018 and 5 percent less than planned for 2019. There are several reasons for the decrease in throughput. On the one hand, there has been a cooling down of the global economy, and on the other, insecurities such as trade wars, Brexit and political unrest. Competition among neighbouring ports is increasing due to strategic partners entering the ownership or management structure of individual terminals or of already established infrastructure connections. Added to this are problems with regard to the railway connection between the Port of Koper and the hinterland in recent years, which was the reason why logistics companies established alternative connections.

FORECAST OF BUSINESS PERFORMANCE IN 2020

The Luka Koper Group has set ambitious market targets for 2020, despite the difficult conditions in the global market and increasing competition in the northern Adriatic and among the northern European ports. The Luka Koper Group will achieve an increase in net sales revenue of four percent in 2020 and an increase in maritime throughput of three percent. Growth will be recorded by all commodity groups except liquid cargoes. These goals will be achieved by increasing sales of the Port of Koper's services owing to increased and improved company and hinterland infrastructure capacities, vigorous commercial activity, and the reorganisation of work processes. In 2020, major investments will be made in increasing the capacity of the Car Terminal, such as a new ro-ro berth in Basin III, additional train tracks, and a parking garage. For the requirements of the most important commodity group, i.e. containers, the extension of the Container Terminal's quayside will be completed by the end of 2020, and work will continue (and will be completed in 2021) on the construction of storage areas on the extended Pier I.

KEY PERFORMANCE INDICATORS OF THE COMPANY LUKA KOPER D.D. AND THE LUKA KOPER GROUP IN 2020

(in EUR)	Luka Koper, d. d.			Luka Koper Group		
From the Income Statement	ESTIMATE 2019	PLAN 2020	INDEX 2020/ 2019	ESTIMATE 2019	PLAN 2020	INDEX 2020/ 2019
Net sales	224,799,719	234,251,224	104	228,531,367	237,951,284	104
Earnings before interest and taxes (EBIT)	42,341,310	32,370,744	76	44,213,547	33,185,152	75
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	71,574,339	61,771,478	86	74,214,782	63,382,155	85
Net profit or loss	37,632,448	30,788,420	82	39,380,718	31,712,176	81
Added value	143,529,548	141,435,127	99	152,036,443	149,714,942	98

From the Statement of Financial Position	ESTIMATE 31. 12. 2019	PLAN 31. 12. 2020	INDEX 2020/ 2019	ESTIMATE 31. 12. 2019	PLAN 31. 12. 2020	INDEX 2020/ 2019
Assets	573,917,422	585,593,284	102	593,897,241	605,618,235	102
Equity	381,848,420	400,316,839	105	414,212,764	433,604,940	105
Financial liabilities	108,873,187	103,352,013	95	92,885,100	87,363,925	94

Ratios (in %)	ESTIMATE 2019	PLAN 2020	INDEX 2020/ 2019	ESTIMATE 2019	PLAN 2020	INDEX 2020/ 2019
Return on sales (ROS)	18.8%	13.8%	73	19.3%	13.9%	72
Return on equity (ROE)	10.1%	7.9%	78	9.7%	7.5%	77
Return on assets (ROA)	6.7%	5.3%	80	6.8%	5.3%	78
EBITDA margin	31.8%	26.4%	83	32.5%	26.6%	82
EBITDA margin from market activity	33.0%	27.8%	84	33.7%	28.1%	83
Financial liabilities/equity	28.5%	25.8%	91	22.4%	20.1%	90
Net financial debt/EBITDA	0.6	1.5	278	0.2	1.1	587

(in EUR)	Luka Koper, d. d.			Luka Koper Group		
Investments	ESTIMATE 2019	PLAN 2020	INDEX 2020/ 2019	ESTIMATE 2019	PLAN 2020	INDEX 2020/ 2019
Investments in property, plant and equipment, investment property and intangible assets	37,286,890	86,298,045	231	38,127,989	87,589,345	230

Maritime throughput (in tons)	OCENA 2019	NAČRT 2020	INDEKS 2020/ 2019	OCENA 2019	NAČRT 2020	INDEKS 2020/ 2019
Maritime throughput	23,415,357	24,144,230	103	23,415,357	24,144,230	103

Number of employees	ESTIMATE 2019	PLAN 2020	INDEX 2020/ 2019	ESTIMATE 2019	PLAN 2020	INDEX 2020/ 2019
Number of employees	1,555	1,643	106	1,719	1,805	105