Annual Investor Update

Year ended 31 December 2023

Issued: 13 May 2024

Agenda

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ABP Overview

Executive Summary

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Overview

- Associated British Ports (ABP) is the **UK's leading and best-connected port** owner and operator, with a **network of 21 port locations**
- ABP's ports include **Immingham, the UK's largest port by tonnage**, and **Southampton,** the nation's third largest container port, and the **UK's number one port for cruise**
- The group's other activities include a **rail terminal** (Hams Hall Rail Freight Terminal), **port maintenance dredging** (UK Dredging) and **marine and hydrographic consultancy** (ABPmer). Each port also offers a well established community of port service providers

Image: Port of Southampton

Key Investment Highlights

Critical UK Infrastructure	UK Ports play an essential role in the UK economy, handling c. 95% of international trade
UK's Leading Port Group	UK's largest port group with 21% of international seaborne trade
Geographical Advantage	21 port locations across the UK positioned on **key global trade routes** and well developed road and rail links to hinterland locations
Diverse Sector Mix	**Highly diversified** cargo, sectors and customer base provides resilience
Contracts	**Long dated inflation linked customer contracts** with minimum volume guarantees and fixed revenue arrangements
Financial Strength	FY 2023 Group **Consolidated EBITDA increased** by 10.9%YoY (2022:12.7%)
Financing	**Diversified** long-term debt funding through secured, covenanted financing structure
Sustainability	Public commitment to achieve **Net Zero** GHG emissions from ABP's operations **by 2040**
Credit Ratings	Publicly listed debt investment grade ratings with **Fitch A- (Stable)** and **Moody's Baa2 (Stable)**

Sponsor Overview

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ABP is owned by five pension and sovereign wealth investors which share our long-term perspective, fully support our growth strategy and continued investment in the business

	Overview	AUM	Relevant Investments	Ownership
CPP Investments	Canada Pension Plan Investment Board is a professional investment management organisation that invests funds on behalf of its 22 million contributors and beneficiaries	CAD591bn as at December 2023	Ports America Group Aéroports de Paris WestConnex Pacific National	**33.9%** Since Jul-15
OMERS	OMERS is the Ontario Municipal Employees Retirement System with over 600,000 members.	CAD128.6bn as at December 2023	London City Airport Port of Melbourne VTG	**30.0%** Since Jul-06
GIC	Cheyne Walk Investment Pte Ltd is a unit of GIC, an investment company set up in 1981 to manage Singapore's foreign exchange reserves with over US$100bn of assets in more than 40 countries worldwide	Estimated at USD770bn as of 2023	Genesee & Wyoming	**20.0%** Since Jul-06
WHI WREN HOUSE INFRASTRUCTURE	Wren House Infrastructure acts as the global direct infrastructure investment vehicle of the Kuwait Investment Authority (KIA). The KIA is the oldest sovereign wealth fund in the world and manages certain assets and funds on behalf of the State of Kuwait	USD923bn as of 2023 (KIA)	London City Airport SeaCube Container Leasing Direct ChassisLink	**10.0%** Since Jul-15
Hermes Infrastructure	Hermes Infrastructure is part of Federated Hermes.	USD758bn as at December 2023 (Federated Hermes)	Scandlines Eurostar	**6.1%** Since Jul-15

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2023 Business Performance and Outlook

2023 Key Figures

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Strong financial performance has been driven by higher cruise calls and passengers in Southampton and an increase in ferry passengers in the Humber. Vehicle units in the Humber were also strong offsetting lower vehicle units through Southampton.

Revenues from lower volumes in dry bulk sectors largely protected by minimum volume guarantees. Reduced coal volumes reflect a normalisation following the surge in electricity generation coal imports in 2022. ABP have also benefited from higher storage fees as unused coal has remained at our ports. Lower handling of dry bulks has also seen reduced labour and energy costs.

Lower energy prices have impacted both revenue and costs but has had a net positive impact on results.

ABP has continued to deliver on our investment programme to progress the group's strategic objectives with a particular focus on growth areas that support the UK's clean energy transition. The Group acquired Solent Gateway Limited which was brought within the debt-ring fence in October 2023. ABP also completed a number of strategic land purchases, acquiring land located close to our ports in Immingham, Southampton and Lowestoft.

Volumes	Covenant Ratios	Financials
48.5Mt (-7.4%) 52.4Mt (-6.9%) **Bulk Cargo Tonnage**	**2.55x** 2.39x **Interest Coverage**	**730m** (+7.6%) 678m (+14.5%) **Revenue (GBP)**
3.1m (+2.9%) 3.0m (-1.1%) **Unitised Cargo (units)**	**6.29x** 6.53x **Leverage***	**388m** (+10.9%) 350m (+12.7%) **Consolidated EBITDA* (GBP)**
3,609.5k (+39%) 2,592.2k (+240%) **Passengers**		**53%** (+1.6%) 52% (-1.0%) **Consolidated EBITDA margin***

FY2023 (vs FY2022)
FY2022 (vs FY2021)

** post-exceptional costs (as per covenant ratios)*

Source: ABPA Holdings Annual Report and Accounts, Investor Report and Company Information

Trade Volume and Composition

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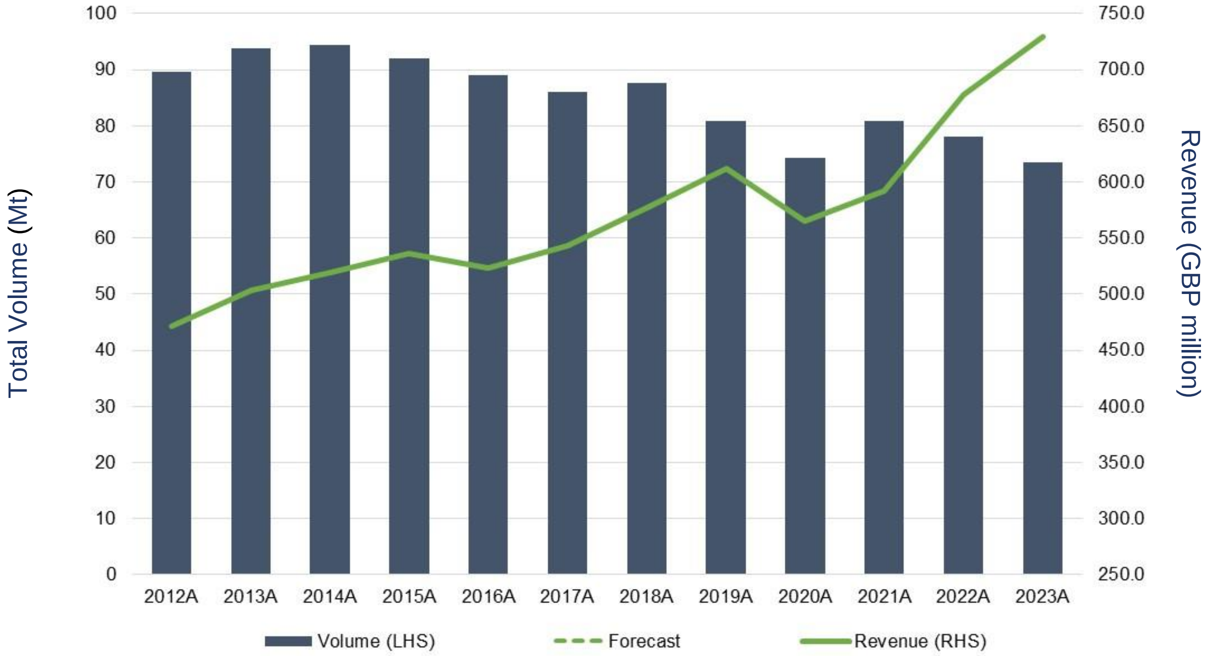
Trade volumes (excluding Ferry & Cruise passengers)

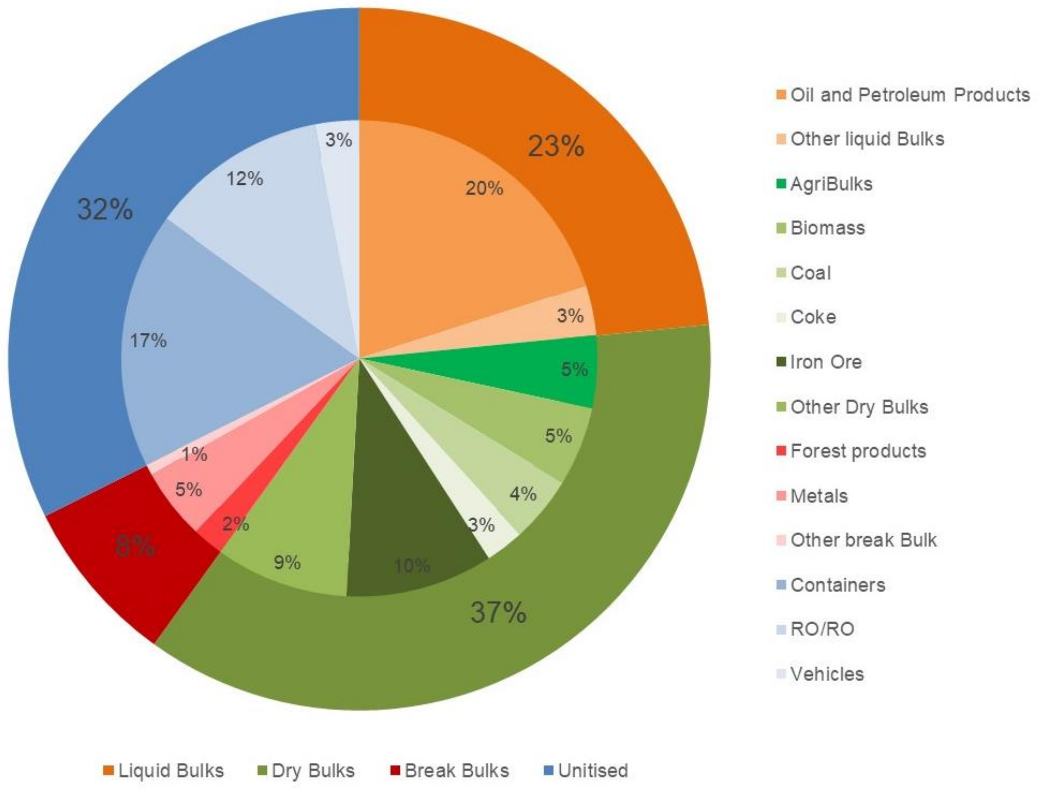
- ABP revenue is highly resilient to changes in volumes underpinned by a diverse portfolio of sectors and a strategy that captures new revenue streams in growth areas that represent high value but lower absolute volumes.
- The decrease in volumes over 2013 – 2019 reflected the anticipated significant decrease in electricity generation coal volumes. Volumes in 2020 were disrupted by Covid; Oil & Petroleum and Iron Ore volumes represent majority of the volume decline since 2021.

Long-term Revenue CAGR = 4.0%
Volume CAGR = - 1.8%



Commodity Composition (excl. Ferry & Cruise)[1]

- The mix of import and export cargo remains diverse, including general and containerised cargo, liquid bulk, dry bulk and vehicles
- The composition of both container and non-container volumes remain highly diversified across product and underlying demand drivers

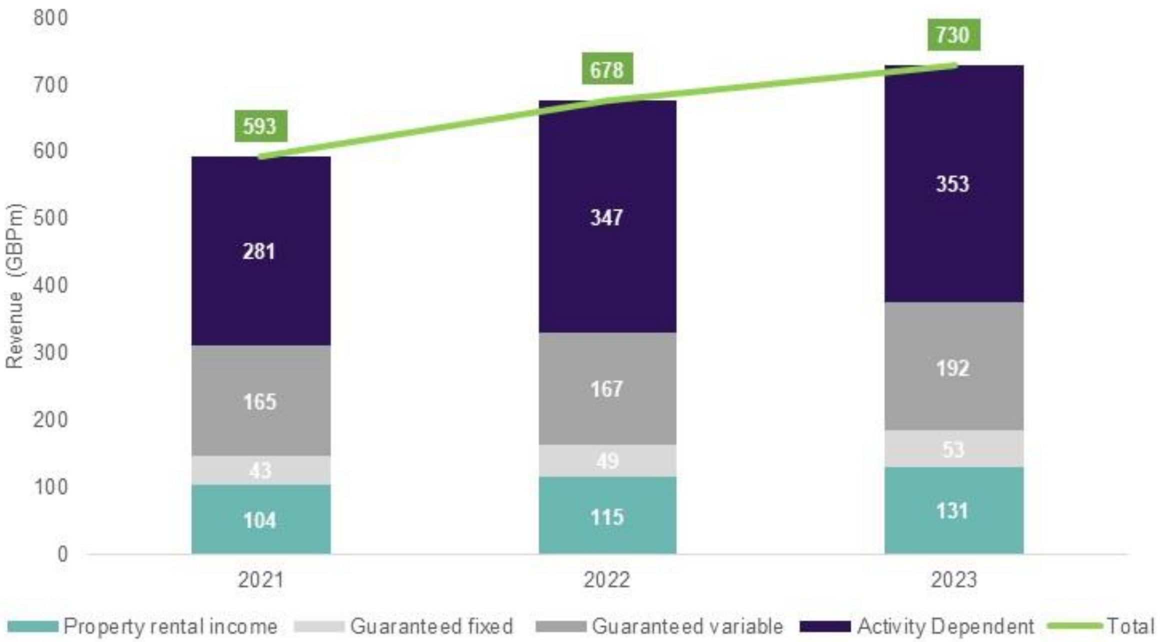


(1) 2021 -2023 Average. Unitised cargo included as reported on a tonnage basis.
Source: ABPA Holdings Annual Report and Accounts, Investor Reports and company information

Resilient Revenue Base

ABP is primarily a landlord port owner, undertaking handling activities only in certain operations. The landlord model delivers higher EBITDA margins and lower operational risk with a substantial share of ABPs' revenues from contracts that generate a guaranteed level of revenue irrespective of traffic or volumes.

ABP is also the statutory harbour and river authority for most of its ports. Consequently, ABP has significant statutory revenue from pilotage & conservancy services.



Revenue	Description	Proportion of 2023 Revenue
Property rental income	Lease of land and buildings	18%
Guaranteed Fixed	Fixed contractual fees including capacity facility fees and service charges	7%
Guaranteed Variable	Minimum volume guaranteed revenue	26%
Statutory Authority Revenue	Pilotage & conservancy charges made by ABP as harbour authority	9%
Vessel and Commodity Revenue	Includes contracted revenue over minimum guaranteed levels	20%
ABP Cargo Operations	Includes revenue from storage, equipment rental, commodity processing, freight forwarding and warehouse management	9%
Utilities	Electricity, water and fuel supplied to port customers	5%
UKD and ABPmer	Dredging and consultancy work for third parties	2%
Other Revenue	Other revenue including marina charges and licence fees	3%

Fixed and guaranteed revenues as a share of total revenue increased to 51.6% due to inflation linked contracts and new contracts associated with long-term port investment.

Outlook for 2024

- ABP’s business plan forecasts a 6.1% increase in Consolidated EBITDA (as defined in the lender covenants) to GBP411.4m.
- Growth in 2024 is driven by a combination of contract price escalation, delivery of EBITDA generating capex projects and new business revenue offsetting the loss of remaining coal revenue and non-recurring revenue amounts.
- No Electricity Supply Industry coal vessels are assumed in 2024 which results in a loss of c.GBP6m EBITDA compared to 2023.
- Volume growth under existing contracts has a limited impact on revenue and EBITDA due to customer contracts having minimum volume guarantees. Increases in contractual price escalation drives revenue growth from existing contracts in 2024.
- Container and RoRo unit growth reflects new EBITDA generating capex projects and continued recovery in these sectors. Vehicle volumes are expected to see some growth in 2024 and reflects the impact of new business coming through Solent Gateway.
- Inflationary cost pressures are budgeted to add GBP14m to operating costs in 2024. EBITDAB margin (EBITDA before bonus) is forecast to remain stable at 56.8%.
- Total Capex planned for 2024 is c.GBP185m; EBITDA generating and enabling capex of GBP140m; maintenance capex of GBP45m.
- New volumes and revenue from capital investment forecast to contribute c. GBP15m of EBITDA in 2024.

Outlook including covenant forecasts

- ABP's latest 5 year business plan was approved by the Board in November 2023 and is the basis of the 3 year financial covenant forecasts set out in the Investor Report published in April 2024.
- Shareholder distributions phased to reach target leverage of 6.75x in 2025.

					Investor Report Forecast		
Financial Outlook	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Adjusted Consolidated EBITDA[1] (£m)	286.8	311.9	344.3	381.1	381.2	410.1	438.2
Net Interest Payable (£m)	146.4	143.3	143.9	149.7	162.5	177.5	196.7
Ratio of Adjusted Consolidated EBITDA to Net Interest Payable	1.96x	2.18x	2.39x	2.55x	2.35x	2.31x	2.23x
Consolidated Net Borrowings (£m)	1,982.7	2,100.3	2,282.1	2,436.8	2,674.3	2,965.9	3,149.0
Consolidated EBITDA (£m)	288.8	310.2	349.5	387.6	411.4	439.4	466.5
Ratio of Consolidated Net Borrowings to Consolidated EBITDA	6.87x	6.77x	6.53x	6.29x	6.50x	6.75x	6.75x
Forecast from April 2023 Investor Report - Consolidated EBITDA (£m)				*367.9*	*388.2*	*412.2*	

Source: ABPA Holdings Company Accounts and Investor Reports
[1]Adjusted Consolidated EBITDA is after adjustments for current tax (in 2021 tax was a credit).

Investing in ABP

Capital Expenditure

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Overview

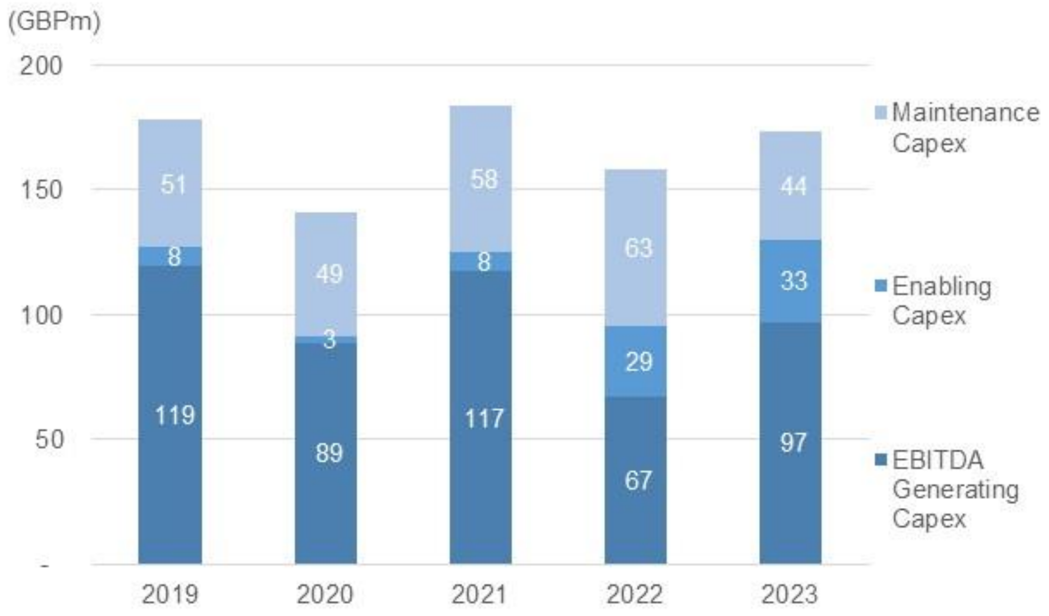
EBITDA generating capex schemes are where ABP secures new revenue streams with customers that are directly linked to the investment. These projects are subject to customer needs and opportunities. Main spend in 2023 related to dredging for the Grimsby River Terminal, development of IERRT (new Stena RoRo terminal), IGET (Air Products green hydrogen terminal), expansion of a Southampton container rail terminal and a new bulk shed in Newport for an agribulk customer.

Enabling capex does not have a specific customer to underwrite the investment but supports ABP in securing new revenue streams. In 2023, GBP33m was spent on enabling capex which included new cranes, terminal resurfacing in the Humber and channel dredging in Southampton.

New GBP4.2m mobile harbour crane at the Port of Hull

GBP16.5m Southampton rail terminal expansion for Solent Stevedores

Gross Capital Expenditure (2019 – 2023)



Maintenance capex relates to improvement or replacement of existing assets and facilities which underpin existing revenues. In 2023 expenditure included silo refurbishments, new firefighting foam, pilot boats, berthing improvements, quayside paving and road resurfacing, electrical network renewal and new engines for patrol boats to extend their working life.

In addition to the spend shown on the chart, ABP receives grant and customer contributions towards capital investment reducing ABP’s net capex spend. GBP18m of grant and contributions were received in 2023 (2022: GBP26m).

Source: Company Reporting

Land Acquisitions

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Stallingborough Interchange; a freehold 227.5-acre site two miles from the Port of Immingham and six miles from the Port of Grimsby.

Former Leisure World site in Southampton; a 13.35-acre site directly adjacent to the port boundary.

1.5-acre site in Lowestoft adjacent to Town Quay. Provides excellent sea and road connectivity.

Major Projects in Progress

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Immingham Eastern RoRo Terminal (IERRT)

- ABP and Stena Line entered into a 50 year agreement to jointly develop a new freight terminal at the Port of Immingham.
- At the start of 2022, Stena Line relocated their Rotterdam freight service to the Port of Immingham utilising existing infrastructure and facilities at the port and new investment in an interim terminal solution in the inner dock.
- The next stage see further investment which will see the relocation of Stena Line's remaining freight operations to the Port of Immingham. ABP is constructing a new purpose built terminal facility and jetty.

Immingham Green Energy Terminal (IGET)

- Joint investment by ABP and Air Products announced in August 2022 underpinned by a long-term contract.
- ABP has committed GBP45m to construct a new jetty at the Port of Immingham to receive green ammonia. Air Products lease land and access to the jetty to build a facility to convert the green ammonia back to hydrogen.
- First large scale facility green hydrogen production facility in the UK importing from production locations operated by Air Products and partners.
- In addition to handling green ammonia, the jetty is designed to accommodate other cargoes connected to the energy transition, including the import of liquified carbon dioxide from carbon capture for storage projects for sequestration in the North Sea. ABP is working with Harbour Energy and BP as part of the Viking CCS project.

Floating Offshore Wind at Port Talbot

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ABP's vision for Port Talbot is for it to be a hub for Floating Offshore Wind in the UK supporting manufacturing, construction, assembly and turbine integration.

In March 2024, the Department for Energy Security and Net Zero announced that ABP's Port Talbot project is one of two locations selected for the Floating Offshore Wind Manufacturing Investment Scheme (FLOWMIS). FLOWMIS is a GBP160m grant funding scheme to support the delivery of port infrastructure to facilitate floating offshore wind.

An integrated steelworks was established in Port Talbot in the 1950s. The deep water harbour and tidal basin was created in the 1960s. Port Talbot is one of only a few harbours in the UK capable of handling cape-size vessels of up to 170,000 dwt. Port Talbot has over 68ha of brownfield development land available.

Acquisition & development of Solent Gateway

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ASSOCIATED
BRITISH PORTS
Ready for
Tomorrow

Our contribution to a Sustainable Society

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Ready for Tomorrow

Sustainable Ports

Enabling the UK's Clean Energy Transition

ABP's Sustainable Ports: 5 key themes

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Net Zero

Our operations generate greenhouse gas (GHG) emissions from the fuel and electricity consumed by our vessels, equipment, vehicles, and facilities. We have a role to play in both reducing our own fuel and power consumption – and therefore emissions – and in enabling the UK's energy transition to limit the impacts of climate change.

Air quality

Air quality is important as it affects not only our employees and customers, but also the local communities surrounding our ports. Therefore, we have a responsibility, together with the shipping lines and inland-logistics providers using our ports, to outperform national ambient air quality objectives.

Biodiversity

Our port estate includes terrestrial and marine habitats for flora and fauna, which should be protected – and enhanced where possible. So we will seek to drive a net positive biodiversity impact from our development projects and day-to-day operations, which we will be able to measure and value.

Waste

Our operations generate different types of waste. Partnering with our employees, we want to limit the amount of waste created, ensure we segregate and recycle as much of it as possible, and minimise the amount that ends up being incinerated or in landfills.

Water

Water is an increasingly scarce resource that is vital for all of us, so we aim to look after it. We want to improve our water monitoring, reduce our consumption, and reuse it where possible.

Our path to Net Zero

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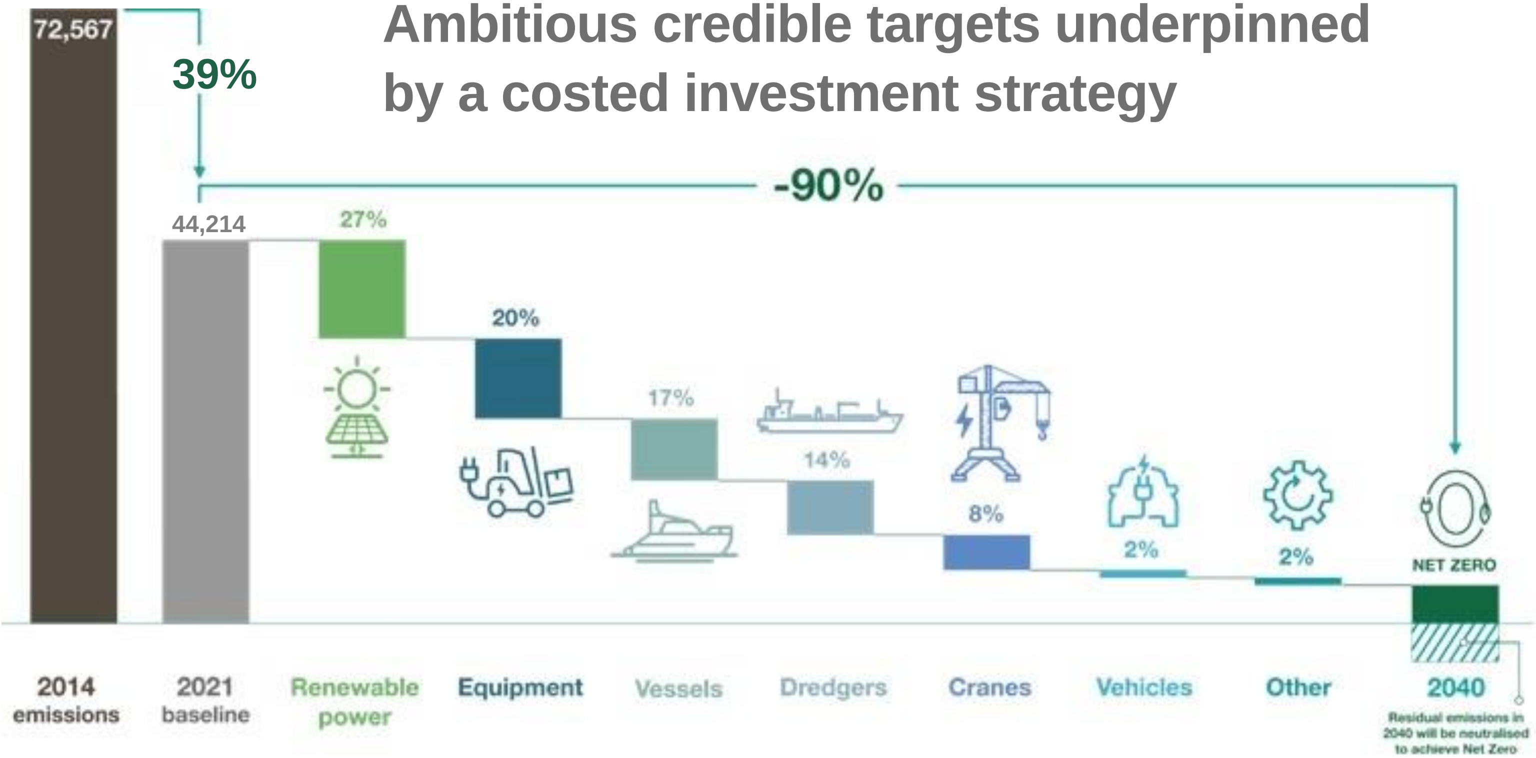
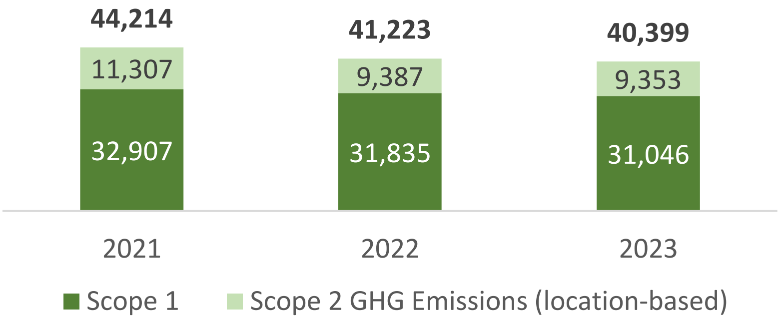
Ambitious credible targets underpinned by a costed investment strategy



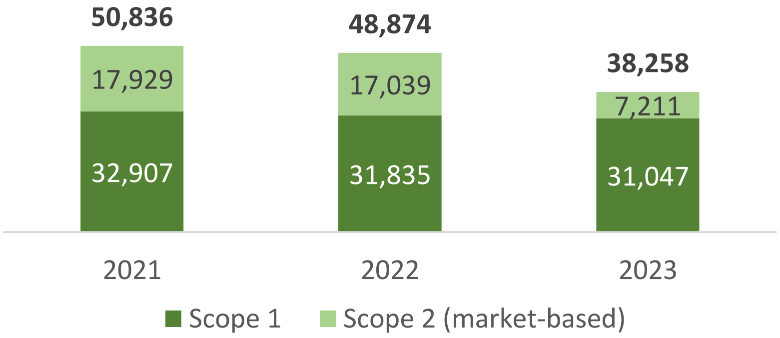
ABP's primary Scope 1 and Scope 2 Net Zero scenario revolves around replacing our assets with zero-carbon alternatives and purchasing or generating our own renewable power. ABP have made the conscious decision not to incorporate use of offsets or biodiesel in our primary scenario.

ABP has recently completed third party assurance of our Scope 1 and Scope 2 GHG emission data for the last 3 years. This has led to an update of the 2021 baseline. The target to reduce Scope 1 and 2 GHG emissions by 90% from the 2021 baseline remains unchanged.

ABP Total GHG Emissions (tCO_{2e}) (location-based method)



ABP Total GHG Emissions (tCO_{2e}) (market-based method)



Our ports play a key role in UK Net Zero

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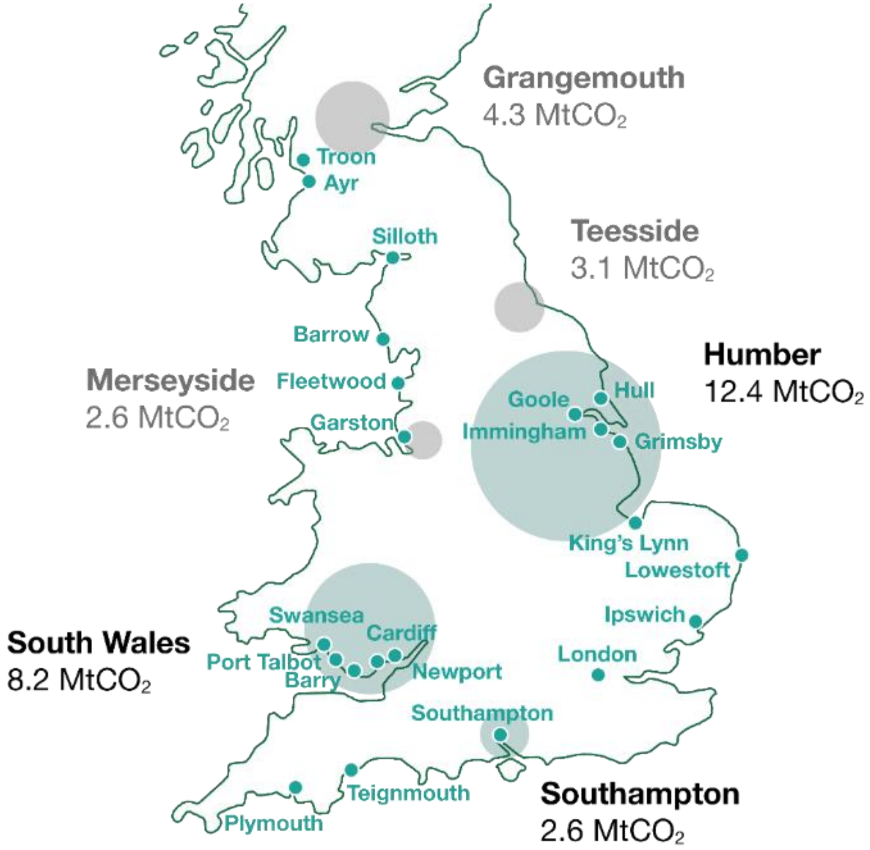
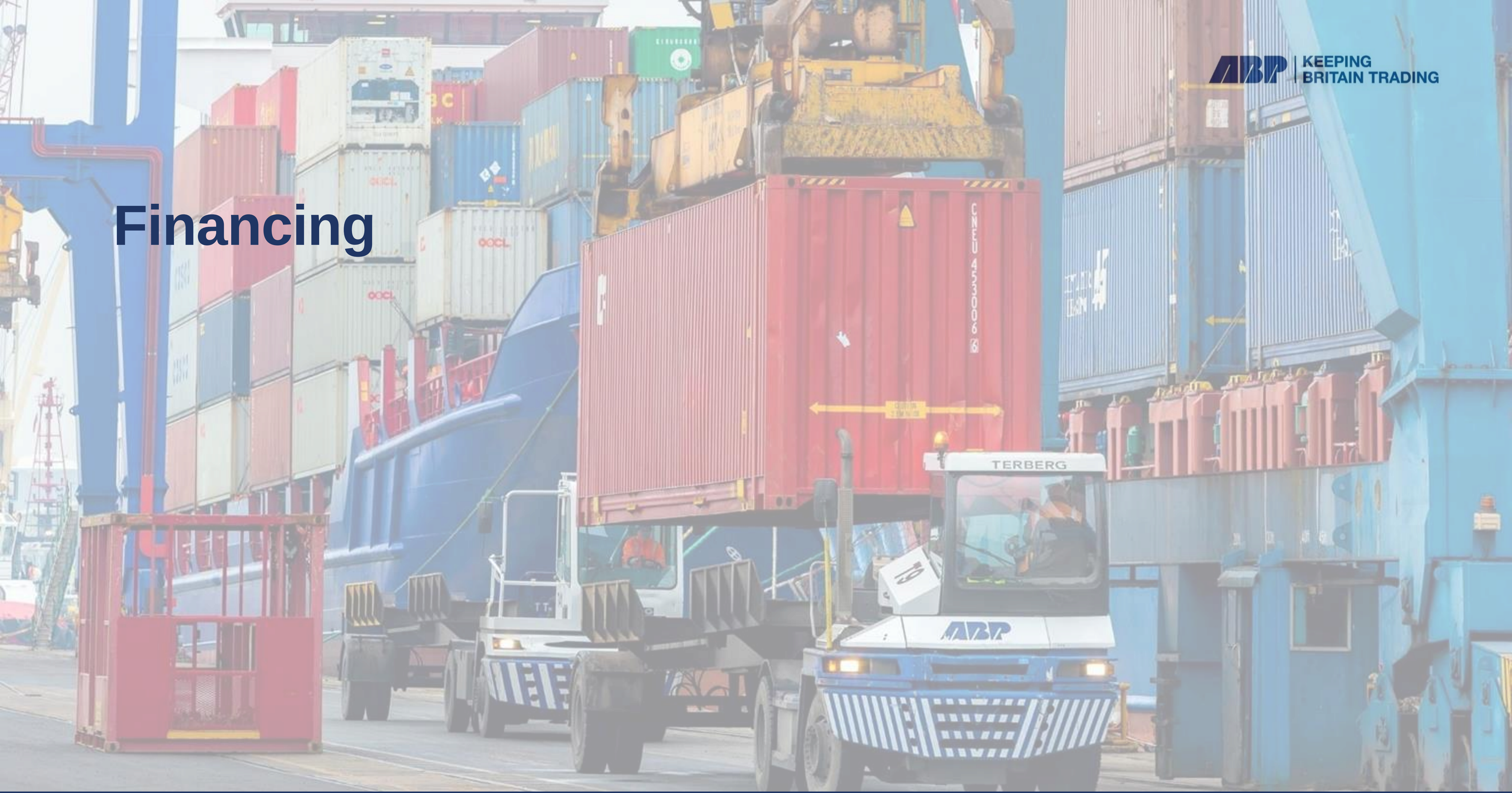
- Offshore Wind
- New nuclear
- Hydrogen
- Green steel
- CCUS for heavy industry
- Biomass
- Decarbonisation of shipping
- Switch to EVs

Industrial decarbonisation is critical to the UK achieving Net Zero



Financing



Diverse funding sources and maturities

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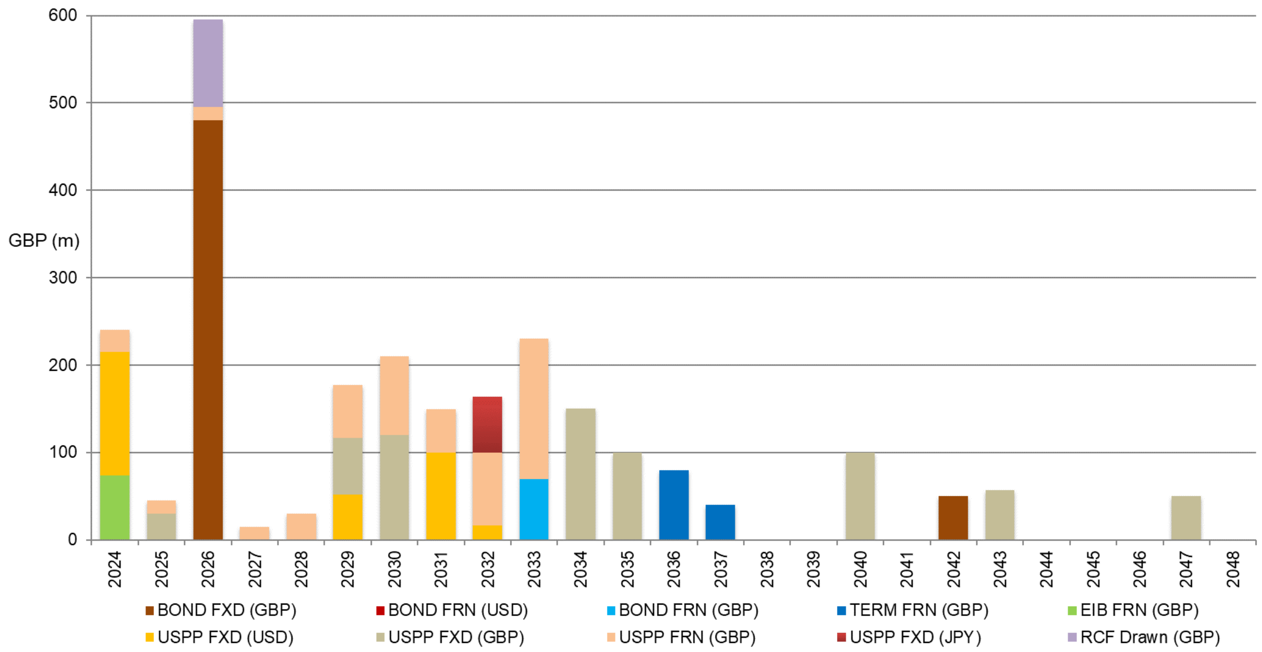
Recent Financing

- In 2023, ABP raised GBP456.5m of long-term debt, sourcing fixed and floating rate debt including USD issuance fully swapped back to GBP.
- In January 2024, ABP returned to the Private Placement market and raised a further GBP350.4m of new long-term floating rate debt.
- New financing continues to be driven by a mixture of refinancing existing debt maturities and business growth.

ABPA Holdings Maturity Profile (Drawn Debt as at 31 December 2023)



Source (issuing currency)	Facility (GBPm)	Drawn (GBPm)
Revolving Credit Facilities (GBP)	350.0	100.0
Term Loans (GBP)	120.0	120.0
EIB Loans (GBP)	74.0	74.0
Bond (GBP)	600.2	600.2
USPP (GBP)	1,215.0	1,215.0
USPP (USD)	309.5	309.5
USPP (JPY)	63.6	63.6
Total	**2,732.3**	**2,482.3**

In addition, there are GBP177.5m of debt service reserve liquidity facilities also in place.

91% of floating rate debt hedged with interest rate swaps

Debt Basis	Drawn (GBPm)
Fixed Rate	1,101.9
Fixed Rate (swapped to GBP floating)	473.1
Floating Rate	907.3
Total	**2,482.3**

Source: Company Reporting as at 31 December 2023

Debt-linked derivative positions

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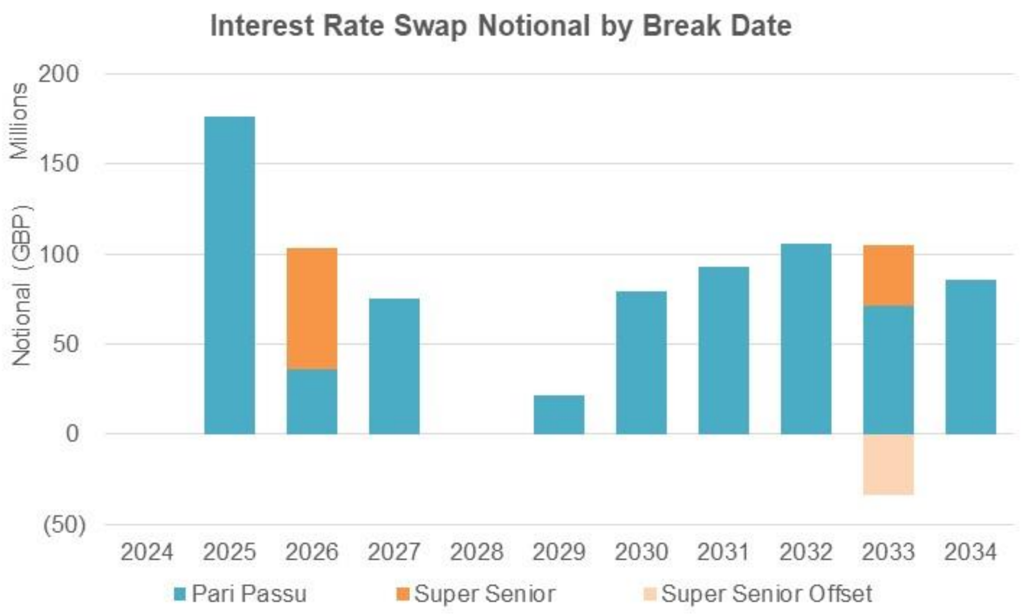
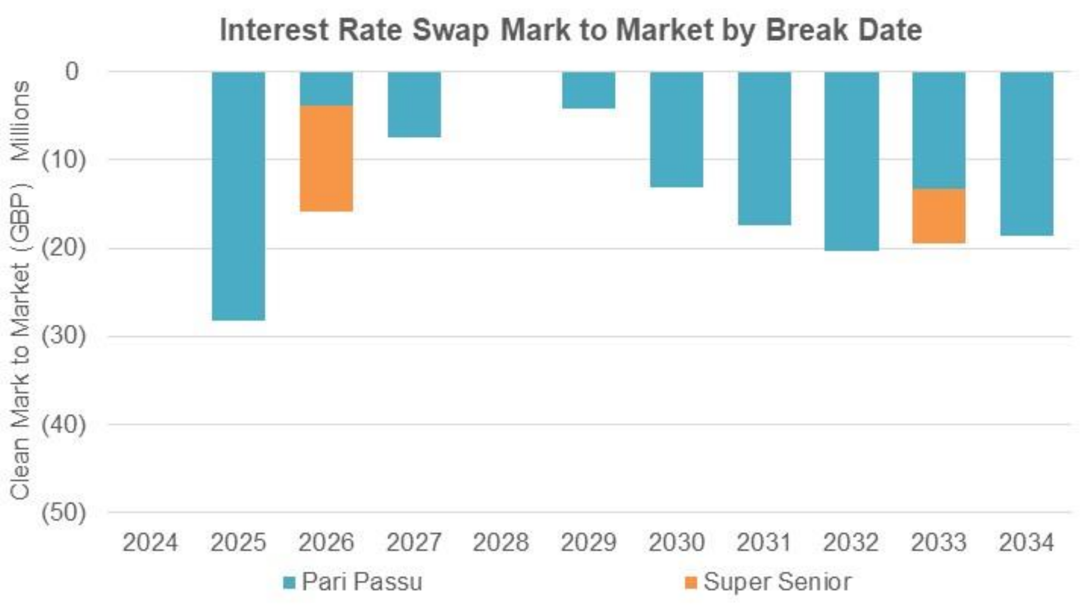
- ABP continues to prudently manage the interest rate swaps that contain mandatory breaks. During 2023, ABP took advantage of lower mark to markets to cancel a portion of interest rate swaps as well as utilising ABP's strong credit position to secure both long-term break extensions and the complete removal of mandatory breaks from the interest rate swaps.
- As at 31 December 2023, breaks had been removed from interest rate swaps with a notional of GBP1,389.1m and clean mark to market liability of 155.5m.

Trade Type	Notional (GBP m)	Mark to Market (GBP m)	Fair Value (GBP m)
Total Interest Rate Swaps	1,995.6	(293.9)	(259.2)
Total Cross Currency Swaps (in place to hedge foreign currency debt)	373.2	38.6	39.5
Total Derivative Position	2,368.7	(255.4)	(219.7)





Source: Company Information as at 31 December 2023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