

Abu Dhabi Ports Company (ADPORTS)

Current Price
AED 5.20

Target Price
AED 7.00

Upside/Downside (%)
+35%

Rating
BUY

4Q25 Net Profit higher than our estimate

- ADPORTS total revenue increased 30.4% YOY to AED 5,946 Mn in 4Q25, owing to solid growth across the Ports, EC&FZ and Maritime & Shipping clusters partially offset by decline in revenue from Logistics segment in 4Q25. On a like-for-like (LFL basis), excluding the impact of M&A contribution, ADPORTS revenue grew 13% YOY in 2025.
- Ports segment revenue grew 12.3% YOY to AED 710 Mn in 4Q25 and 9% YOY on a LFL basis. EC&FZ segment revenue rose from AED 530 Mn in 4Q24 to AED 1,186 Mn in 4Q25, driven by sales of two warehouses to Aldar Properties for AED 570 Mn in 4Q25.
- The Maritime & Shipping segment revenue increased significantly by 39.8% YOY to AED 3,014 Mn in 4Q25. The segment benefited from solid revenue expansion across Marine Services, Offshore and Subsea, Maritime Transshipment, and Drydocking & Shipbuilding activities.
- Logistics cluster revenue declined 15.7% YOY to AED 1,058 Mn in 4Q25, mainly due to revenue contraction from Ocean Freight, Air Freight and Project Logistics segments partially offset by rise in revenue from Warehouses and Polymers segment.
- The Company's total EBITDA increased 31.1% YOY to AED 1,557 Mn in 4Q25 and EBITDA margin increased by 14 bps YOY to 26.2% in 4Q25.
- EC&FZ EBITDA grew from AED 326 Mn in 4Q24 to AED 527 Mn in 4Q25, whereas EBITDA margin declined from 61.5% in 4Q24 to 44.4% in 4Q25.
- Maritime EBITDA increased from AED 434 Mn in 4Q24 to AED 854 Mn in 4Q25, with EBITDA margin increasing to 28.3% in 4Q25 from 20.1% in 4Q24.
- Ports segment recorded EBITDA growth of 34.2% YOY to AED 388 Mn in 4Q25, with an EBITDA margin of 54.6% in 4Q25, compared to 45.7% in 4Q24.
- Logistics segment experienced a decline in EBITDA from AED 76 Mn in 4Q24 to AED 20 Mn in 4Q25, and EBITDA margin declined from 6.1% in 4Q24 to 1.9% in 4Q25.
- Profit before tax grew 3.3% YOY to AED 597 Mn in 4Q25. Tax charges decreased from AED 84 Mn in 4Q24 to AED 13 Mn in 4Q25. Thus, the profit after tax and before NCI increased 18.3% YOY to AED 584 Mn in 4Q25.
- Profit share attributable to NCI holders increased 2.3% YOY to AED 113 Mn in 4Q25.
- Net profit attributable to equity shareholders increased 22.9% YOY to AED 471 Mn in 4Q25, higher than our estimate of AED 427 Mn. This increase was mainly due to an increase in revenue coupled with lower tax charges, partially offset by an increase in profit attributable to NCI.

Earnings Call Summary

- ADPORTS expanded its logistics footprint by establishing a 51% owned JV with AVESTO Group in Tajikistan and another 51% owned JV with CEL Supply Chain in Pakistan in 4Q25.
- The Company reported a 23% YOY increase in general cargo volumes to 7,685k TEUs in 2025, driven by higher project cargo, lay-by cargo, and paper pulp volumes in the UAE.
- The Company generated over 65% of its revenue from the UAE in 2025, with the remaining 35% from international operations, primarily Spain, Pakistan, and Egypt, while M&A activity contributed AED 1.2 Bn, revenue in 2025.
- ADPORTS recorded strong asset monetization in 4Q25, through land sales, by completing the sale of a 4.6 sq km land parcel in KEZAD Abu Dhabi to Mira Developments, generating significant value from non-

core land assets. The Company also sold two warehouse assets in KEZAD Abu Dhabi to Aldar for AED 570 Mn in 4Q25, further advancing its asset monetization program.

- ADPORTS exited its 9.77% equity stake in NMDC as part of its financial investment optimization. The Company maintained its focus on ongoing portfolio optimization across mixed-use land, built-up assets, and financial investments to recycle capital, strengthen the balance sheet, and unlock hidden value.
- ADPORTS continues to pursue opportunistic warehouse monetisation by developing, leasing, and selectively divesting assets when market conditions are favorable, with around 500,000 sqm of new warehouse capacity scheduled to come on stream in 2026.
- The Company expects 2026 market outcomes to be shaped by the trajectory of Red Sea disruptions, evolving trade policies, and the industry's ability to absorb new capacity while maintaining rate discipline.
- ADPORTS operationally prioritized densifying and consolidating its footprint along key trade corridors, focusing on core regions including the Middle East, Africa, the Mediterranean, Central Asia, and Southeast Asia, where scale and integration supported by competitive advantage.
- The Company expects global container volumes to grow by 3-5% in 2026, with bulk and commodity segments projected to expand at a slightly faster pace.
- ADPORTS highlighted that the UAE's strategic location, competitive utility costs, and industrial infrastructure position Abu Dhabi as an attractive manufacturing hub, with strong demand for industrial land at KEZAD Abu Dhabi expected to continue into 2026, supported by onshoring momentum and FDI inflows.
- The Company confirmed that the Khalifa Port CMA CGM terminal expansion is funded at the project level under a c. 70% debt and 30% equity structure, with ADPORTS holding a 30% stake in the joint venture.
- The Company deployed over 200 AI agents across its operations and expects AI to drive cost optimization, process automation, and headcount efficiency over time, while remaining committed to leading digital transformation in the ports and logistics sector.
- The Company expects initial operations at its LNG and LPG terminal hubs at Khalifa Port to commence by mid-2028, with steady-state operations targeted by 2031 for LNG and 2033 for LPG. Furthermore, the Company entered into a third partnership with CMA CGM in Syria through the acquisition of a 20% stake in the Latakia International Container Terminal for AED 81 Mn in 4Q25.
- The Company is expanding container capacity at Khalifa Port by 0.9 Mn TEUs to reach 2.7 Mn TEUs, with completion scheduled for early 2028. Additionally, ADPORTS acquired a 19.3% stake in Alexandria Container & Cargo Handling Company in Egypt in 4Q25 and intends to launch a mandatory tender offer to secure majority ownership and control.
- The Company improved net leverage to 4.1x in 2025, despite elevated capex in 2H25, supported by strong cash generation and monetization proceeds. The Company also maintained robust liquidity with AED 2.7 Bn in cash balances and ample undrawn facilities. Additionally, ADPORTS has no major debt maturity in 2026.
- The Company returned to positive free cash flow ahead of guidance and expects to sustain this momentum beyond 2026, supported by a medium-term net leverage target of 3.5x.
- The Company's organic capex guidance for 2026-2027 has been increased to c. AED 4.5-5.0 Bn annually, reflecting newly announced projects. The Company plans to allocate over 75% of total capex over the next five years to infrastructure assets within ports and economic cities, with key investments centered on the expansion of Khalifa Port and announced international greenfield and brownfield developments.
- ADPORTS expects to deliver CAGR revenue above 10% during FY2025-30, supported by organic growth across core clusters, including existing operations and approved or announced projects and acquisitions.
- The Company guides for an EBITDA CAGR of 10-15% during FY2025-30, supported by Ports and EC&FZ growth offsetting lower-margin Maritime and Shipping activities, with EBITDA margins expected to remain in the 25-30% range and the Company targets a PBT CAGR of over 15% during FY2025-30, supported by EBITDA growth, operating leverage from capacity ramp-ups and utilization, and ongoing deleveraging.

- ADPORTS having returned to positive free cash flow, stated that dividend discussions are timely though no decision has yet been made, and any future policy will carefully balance deleveraging, growth investments, and shareholder returns, ensuring payouts are meaningful and sustainable rather than symbolic.

ADPORTS – P&L

AED Mn	4Q24	3Q25	4Q25	4Q25F	Var.	YOY Ch	QOQ Ch
Revenue	4,560	5,388	5,946	5,496	8.2%	30.4%	10.4%
EBITDA	1,188	1,204	1,557	1,348	15.5%	31.1%	29.3%
Profit before tax	578	595	597	652	-8.4%	3.3%	0.4%
Income tax expense	-84	1	-13	-116	-88.8%	-84.5%	NM
Net profit for the period	494	596	584	536	9.0%	18.3%	-2.0%
NCI	111	153	113	109	3.6%	2.3%	-25.8%
Profit attributable to equity holders	383	444	471	427	10.4%	22.9%	6.1%

FABS estimate & Co Data

Management Guidance:



Revenue 5Y CAGR

FY 2025-30
>10%

- Organic revenue growth will be driven by all four core clusters.
- Including existing operations and approved/announced projects and acquisitions.



EBITDA 5Y CAGR

FY 2025-30
10-15%

- Ports and EC&FZ to support overall margins while Maritime & Shipping and Logistics Clusters yield lower margins.
- EBITDA Margin to remain within 25-30% range.



PBT 5Y CAGR

FY 2025-30
>15%

- EBITDA performance together with operating leverage from capacity ramp-up/utilization as well as deleveraging.



CapEx

FY 2026-27
AED 4.5-5bn p.a.

- Main recipients by order of quantum: Ports, EC&FZ, and Maritime & Shipping.
- More than 75% of 2026-30 CapEx will be invested in infrastructure assets (Ports and EC&FZ).

