FAB أبوظبي الأول للأوراق المالية SECURITIES

Earnings Call Insight | 2Q26

UAE Equity Research | Sector: Industrials | Market: ADX

Abu Dhabi Ports Company PJSC

Current Price	Target Price	Upside/Downside (%)	Rating
AED 5.10	AED 7.35	+44%	BUY

2Q26 Net Profit higher than our estimate

- ADPORTS revenue increased 46.8% YOY to AED 7,084 Mn in 2Q26, driven by strong growth across the Maritime & Shipping, EC&FZ and Logistics clusters, partially offset by the decline in the Ports segment.
- Maritime & Shipping revenue grew from AED 2,360 Mn in 2Q25 to AED 3,815 Mn in 2Q26, supported by strong growth across Shipping, Agency, Offshore & Subsea, Drydocking & Shipbuilding and Noatum Automotive, partly offset by lower revenue from Marine Services.
- EC&FZ revenue increased from AED 555 Mn in 2Q25 to AED 1,289 Mn in 2Q26, primarily driven by the AED 650 Mn warehouse sale in KEZAD Abu Dhabi to Aldar, along with higher warehouse revenue, staff accommodation activity and land leasing. Excluding the warehouse transaction, revenue grew 15% YOY.
- Logistics revenue increased from AED 1,130 Mn in 2Q25 to AED 1,472 Mn in 2Q26, supported by stronger activity across the UAE and GCC, alongside growth in Project Logistics and Warehousing, partly offset by lower UAE polymer volumes.
- Ports revenue declined 17.1% YOY to AED 609 Mn in 2Q26, as lower container and general cargo volumes at UAE ports weighed on performance amid the regional disruption, partly offset by stronger international container operations.
- ADPORTS total EBITDA increased 48.6% YOY to AED 1,737 Mn in 2Q26, with EBITDA margin improving by 31 bps YOY to 24.5% in 2Q26.
- Maritime EBITDA increased from AED 575 Mn in 2Q25 to AED 1,029 Mn in 2Q26, with EBITDA margin improving to 27.0% in 2Q26 from 24.4% in 2Q25.
- EC&FZ EBITDA increased from AED 331 Mn in 2Q25 to AED 659 Mn in 2Q26, while EBITDA margin declined to 51.1% in 2Q26 from 59.6% in 2Q25.
- Ports EBITDA declined 23.0% YOY to AED 234 Mn in 2Q26, with EBITDA margin declining to 38.4% in 2Q26 from 41.3% in 2Q25.
- Logistics EBITDA increased to AED 94 Mn in 2Q26 from AED 37 Mn in 2Q25, with EBITDA margin improving to 6.4% in 2Q26 from 3.3% in 2Q25.
- ADPORTS Operating profit increased 40.7% YOY to AED 1,022 Mn in 2Q26, although operating margin declined by 62 bps YOY to 14.4% in 2Q26.
- Finance costs declined 15.0% YOY to AED 219 Mn in 2Q26, while finance income increased 47.9% YOY to AED 39 Mn in 2Q26.
- Income tax charges declined 14.7% YOY to AED 63 Mn in 2Q26, and profit attributable to NCI holders increased from AED 124 Mn in 2Q25 to AED 239 Mn in 2Q26.
- ADPORTS net profit attributable to equity shareholders sharply increased from AED 321 Mn in 2Q25 to AED 597 Mn in 2Q26. The increase was primarily driven by higher revenue growth, increase in other income, finance income, higher share of profit from associate, coupled with lower finance costs and tax expenses. This was partially offset by higher direct costs, G&A and S&M expenses, impairment of trade receivables, impairments losses on non-financial assets and higher share to non-controlling interest holders.

Earnings Call Summary

- Fujairah capacity has more than doubled since the regional disruption through additional land and yard infrastructure, although further expansion remains constrained by quay length, depth and turning-circle limitations.

- Strong demand in West Africa could support faster capacity additions, with Congo-Brazzaville able to accelerate Phase 2 and 3 and Angola also seeing demand above currently available capacity.
- Warehouse utilisation remains at c. 91-92%, with around 500K SQM of additional capacity expected later in 2026, creating scope for further revenue growth as facilities ramp up.
- ADPORTS indicated no plans of warehouse sales in near term, as priorities shift toward integrating acquisitions, strengthening operations and improving cash generation.
- Container feeder rates remained strong into July and fleet deployment is expected to remain flexible between owned and chartered vessels based on market conditions.
- MBS is expected to contribute c. AED 1 Bn of revenue going into 2027, while strengthening ADPORTS European logistics presence through Germany and Frankfurt's air-cargo hub.
- ADPORTS expects additional government grants if the disruption continues, although these would primarily reimburse costs incurred for government directed resilience measures.
- The Company noted that cargo continues to move through the Red Sea, with Safaga currently serving as a soft-launch relay point and expected to become operational in 2H26, potentially supporting future East–West cargo flows, although the situation remains highly volatile and ADPORTS has yet to see a material impact on volumes.
- ADPORTS plans to focus next 6-12 months on completing and integrating announced acquisitions and capturing synergies, limiting the immediate emphasis on additional M&A.
- Maritime & Shipping remained the strongest earnings contributor, with Gulf/Indian Subcontinent container rates up 96% YOY and Red Sea rates up 37% YOY, more than offsetting lower feeder volumes.
- ADPORTS is operating six trains daily between Fujairah and Khalifa Port, while road and rail links through Khor Fakkan and other corridors support alternative cargo movements.
- Gulf cargo volumes have recovered to around 30% of pre-conflict levels over the latest two months, with month-on-month improvement indicating a gradual recovery from the disruption.
- CLI's existing terminals handle c.17.5 Mn Tonnes, generating around USD 173 Mn revenue and USD 101 Mn EBITDA based on 2025 figures, with planned capacity expansion potential toward 20 Mn Tonnes.
- The Company noted that the international ports in Egypt, Pakistan, Spain and Angola provided diversification against weaker UAE volumes, while West African terminals are seeing demand above existing available capacity.
- EC&FZ continues to benefit from industrial demand, with two-thirds of new land leases linked to industrial and manufacturing projects and the 2026 leasing target maintained at 3.5-4.0 sq km.
- ADPORTS expects Comprehensive Economic Partnership Agreements to support trade flows and cargo growth by improving market access and strengthening connectivity between the UAE and key trading partners, providing a longer-term tailwind for Ports and Logistics.
- The Company increased its ownership in GFS from 51% to 81%, viewing the acquisition as strategically and financially attractive as it strengthens control over the feeder network, reduces reliance on third-party charters, supports vessel additions and greater flexibility during disruptions, and further integrates the Group's ports and maritime network.
- ADPORTS continues to recycle capital through selective asset sales, with recent warehouse transactions generating AED 1.5 Bn, while proceeds are being redirected toward growth investments and strengthening the balance sheet.
- ADPORTS reaffirmed its 2025-30 targets of more than 10% revenue CAGR, 10-15% EBITDA CAGR and more than 15% net profit CAGR, with EBITDA margins targeted at 25-30%. Organic capex guidance remains at AED 4.5-5.0 Bn annually for 2026-2027, with more than 75% of 2026-30 capex directed toward Ports and EC&FZ infrastructure.

ADPORTS – P&L

AED Mn	2Q25	1Q26	2Q26	2Q26F	Var	YOY Ch	QOQ Ch
Revenue	4,826	5,750	7,084	5,787	22.4%	46.8%	23.2%
EBITDA	**1,169**	**1,516**	**1,737**	**1,506**	**15.4%**	**48.6%**	**14.6%**
Profit before tax	**519**	**729**	**899**	**675**	**33.1%**	**NM**	**23.3%**
Income tax expense	-74	-76	-63	-70	-10.3%	-14.7%	-16.9%
Net profit for the period	**445**	**653**	**836**	**605**	**38.1%**	**NM**	**28.0%**
NCI	124	156	239	152	57.3%	NM	53.5%
Profit attributable to equity holders	**321**	**497**	**597**	**453**	**31.7%**	**NM**	**20.0%**

FABS estimate & Co Data

Management Guidance:

	H1 2026 Performance	2025-30 Guidance
Growth - Revenue 5Y CAGR	AED 12.83 bn +36%	>10%
Growth - EBITDA 5Y CAGR	AED 3.25 bn +41%	10-15%
Growth - Net Profit 5Y CAGR	AED 1.49bn +64%	>15%
Profitability - EBITDA Margin	25.3%	25-30%
	H1 2026 Performance	**FY 2026-27**
CapEx - Organic	AED 2.80 bn*	AED 4.5-5bn p.a.

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Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

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