

# **SUMMARY OF THE BUSINESS PLAN FOR 2023 AND ESTIMATE OF THE BUSINESS PERFORMANCE IN 2022 OF LUKA KOPER, D. D., AND LUKA KOPER GROUP**

Luka Koper GROUP  
and Luka Koper, d. d.

# 1 Forecast of business performance for 2022

Despite difficult circumstances, the Luka Koper Group achieved very good business results in 2022. On the basis of the results achieved in January – August 2022 and harsh economic conditions, mainly related to the continuation of the war in Ukraine and situation in energy markets, reflected mostly in increases of energy prices and high inflation, in September 2022, the Luka Koper drew up the revised 2022 business plan, on the basis of which the comparisons are drawn up hereinafter.

Compared to the previous year, Luka Koper recorded growth of the throughput in all commodities groups. By the end of the year, the maritime throughput should achieve 22.9 million tons, which is 10 percent ahead on the achieved throughput in 2021 and which is at the 2022 planned level. The throughput will be higher in two strategic commodities groups, containers and cars, despite irregular vessels' arrivals, occasional interruptions of supply chains and despite unpredictable developments on global markets. In 2022, the timber containerisation trend continues in the commodity group of general cargoes. The throughput of liquid cargo in 2022 was marked by modest recovery of the jet fuel throughput. Higher throughput of dry bulk cargoes was primarily attributable to the throughput of the road salt and additional quantities of coal. Based on the results achieved in 2022 and forecasts till the end of the year, the Luka Koper Group estimates that net sales of the Luka Koper Group in 2022 amounted to EUR 302.9 million, which was 33 percent or EUR 74.4 million ahead on 2021 and at 2022 planned level. In comparison with 2021, the increase was recorded mostly in storage charges, as result of dwell times in warehouses due to the current global logistics market conditions. With a gradual normalisation of situation, the growth of the above-mentioned revenue is expected to slow down by the end of the year 2022. In addition to the price growth for services, the higher net sales revenue was attributable to the increased volume of throughput of all commodities groups and increased volume of additional services. Earnings before interest and tax (EBIT) in 2022 will achieve EUR 70.7 million, which is 125 percent or EUR 39.3 million year-on increase and 1 percent or EUR 1 million ahead on the planned, net profit or loss will achieve EUR 64.9 million, which is 104 percent or EUR 33.1 million ahead on 2021 and 2 percent or EUR 1.4 million ahead on the planned 2022 net profit or loss.

The estimates of business performance for the period until the end of 2022 do not take into account the impacts of management's estimates regarding the valuation of assets and liabilities made at the time of the preparation of the audited financial statements (provisions, impairments).

## 2 Estimate of business performance in 2023

The institutions IMF<sup>1</sup>, OECD<sup>2</sup> and UMAR<sup>3</sup> forecast harsh economic conditions for 2023. The Russian invasion in Ukraine destabilised the world economy and led to a severe energy crisis in Europe, which resulted in a sharp rise of the cost of living, from energy to food prices. Since the global growth due to tightened financial conditions in most of the regions, Russian invasion in Ukraine and long-term COVID pandemic has been slowing down, IMF forecasts GDP growth in the amount of EUR 0.5 percent in 2023 for Eurozone, for Slovenia 1.7 percent. UMAR forecasts 3.9 percent inflation rate for Slovenia in 2023, growth in food and services prices will remain relatively high, whereas the energy prices are expected to be lower than in 2022. However, there are significant risks with the latter. In 2023, the economic growth of Slovenia should reach 1.4 percent due to energy risks, expected decrease in foreign demand and lower domestic consumption.

Nevertheless, in 2023, Luka Koper, d. d., and the Luka Koper Group expect the maritime throughput in the amount of 23.3 million tons, which is 2 percent increase in comparison with 2022. The throughput growth is expected in all commodities groups, excluding liquid cargoes, since the throughput of the jet fuel is still low.

In 2023, the maritime container throughput should achieve 1,089,000 container units TEU, which is 5 percent ahead on 2022. Thus, the Port of Koper will hold the leadership among the Adriatic ports.

In 2023, the car transshipment should amount to 760,000 vehicles, which is 1 percent ahead on 2022, since in the current uncertain times, the automotive market has been facing occasional interruptions in supply chains, congestion of vessels' and storage capacities as well as unpredictable socio-political developments in the world.

In 2023, higher net revenue sales from the increased volume of the core throughput and additional services and rising prices, whilst the net revenue from sales will be lower by 4 percent due to lower planned revenue from storage. Higher net revenue from storage charges in 2022 were attributable to longer dwell times of goods in warehouses due to global logistic market situation. In the third quarter of 2022, the latter were slightly lower in comparison with the second quarter of 2022 due to the global logistic market conditions. This trend is expected to continue also in 2023.

In 2023, Luka Koper, d. d., and the Luka Koper Group will achieve 52 resp. 51 percent lower earnings before interest and tax (EBIT) and by 50 percent lower profit or loss as estimated for 2022, mostly from lower net revenue sales, lower revenue from storage and lower other revenue. Higher inflationary pressures will be reflected in the cost growth, but despite that the operating result of Luka Koper, d. d., in 2023 is planned in the amount of EUR 33.4 million, which is comparable to the year 2022, excluding the impact of the revenue from storage.

Luka Koper, d. d., and the Luka Koper have drawn up 2023 investment plan 2023, by which they will pursue the objectives from the strategic plan. Key investment projects in 2023 will be linked to the increase of the Container terminal capacities, construction of additional open storage areas for car transshipment, increase of storage capacities for general cargoes, construction of a new truck terminal and purchase of the equipment. In 2023, the Luka Koper Group will allocate EUR 14.5 million for sustainable development projects, which is EUR 14.5 million, this representing 24.7 percent of total planned investments.

---

<sup>1</sup> IMF – International Monetary Fund

<sup>2</sup> OECD – Organisation for Economic Co-operation and Development

<sup>3</sup> UMAR – Institute of Macroeconomic Analysis and Development

### 3 Key performance indicators of Luka Koper, d. d., and the Luka Koper Group in 2023

Items	Luka Koper, d. d.			Luka Koper Group		
	ESTIMATE 2022	PLAN 2023	Index 2023/2022	ESTIMATE 2022	PLAN 2023	Index 2023/2022
Net sales (in EUR)	300,139,543	287,440,777	96	302,861,154	290,071,036	96
Earnings before interest and taxes (EBIT) (in EUR) <sup>4</sup>	69,186,553	33,439,720	48	70,664,110	34,543,649	49
Earnings before interest, taxes, depreciation and amortisation (EBITDA) (in EUR) <sup>5</sup>	100,001,316	66,283,553	66	102,402,609	68,204,522	67
Net profit or loss (in EUR)	63,172,805	31,296,435	50	64,853,233	32,312,492	50
Added value (in EUR) <sup>6</sup>	196,285,232	171,971,638	88	206,018,136	181,876,073	88
Investment expenditure (in EUR) <sup>7</sup>	51,371,895	57,390,573	112	52,045,355	58,853,168	113
Maritime throughput (in tons)	22,870,331	23,333,878	102	22,870,331	23,333,878	102
Number of employees	1,703	1,754	103	1,867	1,917	103

Indicators	ESTIMATE 2022	PLAN 2023	Index 2023/2022	ESTIMATE 2022	PLAN 2023	Index 2023/2022
Return on sales (ROS) <sup>8</sup>	23.1%	11.6%	50	23.3%	11.9%	51
Return on equity (ROE) <sup>9</sup>	14.0%	6.7%	48	13.4%	6.4%	48
Return on assets (ROA) <sup>10</sup>	10.2%	4.7%	46	9.8%	4.6%	47
EBITDA margin <sup>11</sup>	33.3%	23.1%	69	33.8%	23.5%	70
EBITDA margin from market activity <sup>12</sup>	34.4%	24.1%	70	34.9%	24.6%	70
Financial liabilities/equity	13.6%	23.4%	172	12.6%	21.7%	171
Net financial debt/EBITDA <sup>13</sup>	0.2	1.4	700	-0.1	1.0	-

Items	ESTIMATE 31.12.2022	PLAN 31.12.2023	Index 2023/2022	ESTIMATE 31.12.2022	PLAN 31.12.2023	Index 2023/2022
Assets (in EUR)	643,700,563	687,353,233	107	682,808,997	726,942,645	106
Equity (in EUR)	468,129,715	471,426,149	101	504,584,204	508,896,695	101
Financial liabilities (in EUR)	63,796,044	110,317,094	173	63,770,629	110,291,679	173

<sup>4</sup> Earnings before interest and taxes (EBIT) = difference between operating income and operating costs.

<sup>5</sup> Earnings before interest, taxes, depreciation and amortisation (EBITDA) = earnings before interest and taxes (EBIT) + depreciation/amortisation.

<sup>6</sup> Added value = net sales + capitalised own products and own services + other revenue – costs of goods, material, services – other operating expenses excluding revaluation operating expenses.

<sup>7</sup> Without taking into account advances paid for the equipment

<sup>8</sup> Return on sales (ROS) = Earnings before interest and taxes (EBIT) / net sales.

<sup>9</sup> Return on equity (ROE) = net income / shareholder equity.

<sup>10</sup> Return on assets (ROA) = net income / average assets.

<sup>11</sup> EBITDA margin = Earnings before interest, tax, depreciation and amortisation (EBITDA) / net sales.

<sup>12</sup> EBITDA margin from the market activity = Earnings before interest, tax, depreciation and amortisation (EBITDA) / net sales from the market activity.

<sup>13</sup> Net financial debt/EBITDA = (financial liabilities – cash and cash equivalents) / EBITDA.