



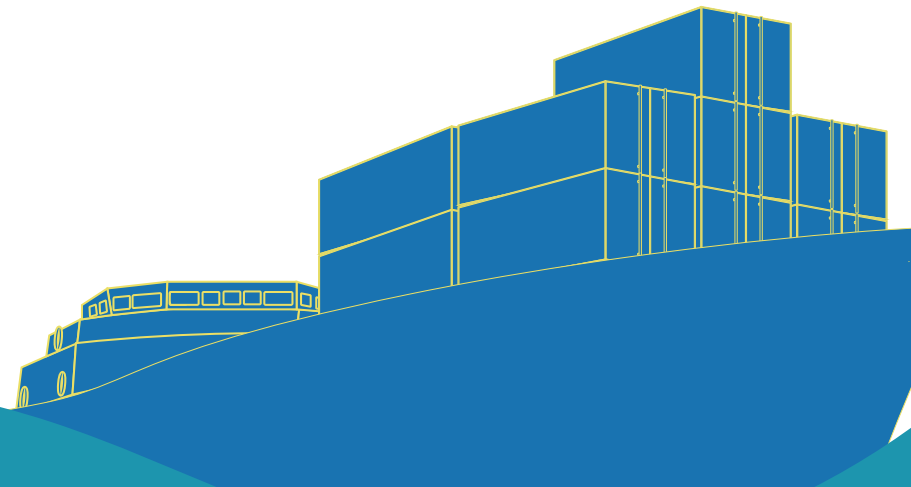
**Puerto de Huelva**

Autoridad Portuaria de Huelva

Annual Report 2023

04

# SUSTAINABILITY REPORT



# 02 ECONOMIC DIMENSION

## 2.1 Economic policy

A basic line of economic policy has been financial self-sufficiency in terms of investment in the construction of port infrastructure. Without resorting to debt and with its own resources, the HPA has efficiently developed port works that demand or demand forecasts have made advisable to carry out.

The policy of reducing prices has been continued in order to favour our competitiveness and that of our customers, by means of correction coefficients and bonuses.

## 2.2 Economic and financial situation

In a context of Spanish GDP growth of 2.5% marked by a situation that is still inflationary, although more moderate than in 2022 due to successive rises in interest rates, the activity of the Huelva Port in 2023 has been marked mainly by major advance and growth in its Public Domain management activity, reaching the record figure of 4.1 million square metres of public port space granted and authorised to a total of approximately 300 companies.

The total amount invoiced was EUR 46.23 million at the end of the year, thus decreasing by -9% compared to the amount invoiced in 2022. However, it should be clarified that this percentage is distorted due to the extraordinary land sale operation of the Aqualón shopping centre to the company IBEMETEX, which took place between April and December 2022. The

exceptional amount invoiced for the disposal of this important asset amounted to 4.60 million euros, which, subtracted from the final turnover figure for that year, gives an almost negligible decrease in the amounts invoiced in 2023, of around -0.01%.

We can therefore say that the revenue figure for 2023, once the effect of the sale of Aqualón has been cancelled out, is practically identical to the amounts in the financial year 2022.

Although in the total calculation there was hardly any variation between the amounts invoiced in 2022 and those in 2023, there were significant variations in some types of income.

In particular, the Occupancy Rate from concessions had a positive evolution with

respect to the previous year, which grew by 2.33% with respect to 2022 due to the major increase in concession management, thanks to which record figures have been achieved in terms of granted/licensed surface area.

The ship tax (T1) associated with vessel calls and stays in port also reported a higher income for the port than the previous year. Despite the fact that the number of vessels calling at the Huelva Port was 2.7% lower, as was the size of the vessels, which was reduced by 7.14%, the revenue per T1 grew by 5%, thus reporting a higher revenue in absolute value of more than 500,000 euros. This growth is mainly due to the increase in the dwell times of vessels at some quays such as the Petroleros or DECAL quays, as well as the long periods of anchorage in zone II of large vessels that were detected during the first half of the year.

Directly associated with the increase in the price of the F106 tariff for Environmental Management of Operations (former Dock Cleaning), this item also grew in 2023 by up to 40.6%, providing a higher income in absolute value of more than 200,000 euros. This new tariff was approved and applied to the loading and unloading of goods only during the second half of 2022 and therefore its application in



the full financial year 2023 has incorporated a higher revenue for HPA.

Given that during 2023 the levels of tendering and certification of works were higher than in previous years, the amounts invoiced for "Construction Management" have also contributed to a higher income with a growth

of 38% and a higher amount of up to 255,000 euros.

Finally, the income corresponding to "Legal interest on tariffs" increased in 2023, incorporating almost 245,000 euros more in the invoicing. Again, the sale to IBEMETEX of the Aqualón shopping centre, and the payment by

the buyer of the total interest accrued for the multiple non-payments generated prior to this sale, have caused this figure to be so high, and its comparison with 2022 to be really insignificant.

In contrast, other revenue items showed decreases in amount compared to 2022, thus reducing the positive effect of the previous rates. This is the case of the "Activity rate" for concessions, which shows a drop of 7.74%, with a loss of more than 440,000 euros in income compared to the previous year. This decrease is due to the lower movement of goods at some of the particular facilities located in the service area at the end of the 2022 financial year. Since the activity tax is settled on the basis of the tonnes moved in the previous year, this decrease in tonnes at facilities such as the DECAL wharf (848,000 tonnes less in 2022) or the Reina Sofía wharf (326,500 tonnes less in 2022) has led to a lower income from this item.

At the end of the year, revenue from T6 "Transit zone usage fee" was equally negative, falling in absolute value by almost 46,000 euros in 2023, as did revenue from the "F101 Dock surface usage fee".

The latter dropped by 23% when compared to 2022, resulting in a lower income of approximately



-187,000 euros in absolute value. In both cases the origin of the decrease is to be found in settlements drawn for very long occupations of pipelines on the first and second quay lines at the beginning of the financial year 2022, which were subsequently cancelled in February 2023. This exceptional impact on quay occupancies resulted in high amounts invoiced during 2022 that were cancelled after one year, so this revenue comparison between years is distorted.

Dredging-related services in general also saw lower demand in 2023 and therefore the

revenues they generate were also reduced when compared to 2022. Both the tariff "F119 Dredging Service", which did not produce any income last year, and "F111 Use of dredging areas", with a decrease of 82%, represented a loss of income for the HPA of around 276,000 euros in 2023.

Within the non-tariff revenues generated by items other than the fees and tariffs themselves, "Miscellaneous services" and "Occupations outside the service area" also fell by 53.4% and 27.4% respectively, which has led to a reduction in turnover of more than 380,000 euros. This

significant drop in revenue is due, in the case of miscellaneous services, to the high amounts invoiced in 2022 corresponding to IBI arrears that were already up to date in 2023.

The decrease in "occupations outside the service area" is also due to exceptional circumstances, which is none other than the sale of the land of the Aqualón shopping centre in 2022 and therefore the definitive disappearance of the amounts paid for this item until then.

In addition to the aforementioned income, financial income includes income generated by treasury positions, although it also includes interest on arrears, deferred payments, deferrals and loans. With regard to the first item, the increase in interest rates on the markets and the liability war with financial institutions led to an average return on cash of 3.26%, with a total income of 4.33 million euros, compared to 0.18 million euros in 2022.

With regard to the budget, the net amount of turnover was -5.02% over the planned amount, with a decrease in port dues of -2.80%.

Operating expenses, including depreciation and amortisation, amounted to 45.95 million euros, compared to 42.80 million euros in 2022,

representing an increase of 7.35%, due to both the 5.04% increase in personnel expenses due to salary reviews and the incorporation of new staff, 9.71% in other operating expenses, mainly due to the recovery of insolvencies that were collected in 2022 and 6.27% in depreciation and amortisation expenses due to the incorporation of new assets from the execution of the investment plan.

The items in other operating expenses, alongside the effect of "losses, impairment and variation of provisions for commercial operations" caused by to the recovery of a major debt from the sale of the land of the Aqualon shopping centre in 2022 mentioned above, included an increase in expenditure on repairs and conservation of 364,692.97 euros, or 6.26%, caused by emergency actions to attend to the damage caused by the storm Bernard in the service area of the port. However technical assistance expenses were significantly reduced by 219,459.79 euros, and supplies and

During 2023, the levels of bidding and work certification were higher than in previous years.

consumption by -766,663.68 euros, due to a drop in the price of electricity.

With respect to the approved budget, the personnel expenses item was -2.99% lower than planned, representing a decreased expenditure of -319,059.79 euros, while the other operating expenses item was -20.39% lower, with a lower expenditure of -4,591,079.84 euros, due to the non-execution of maintenance works such as the repair of the South wharf, the repair of the Tinto bridge joints and the absence of dredging caused by a lack of administrative authorisation.

It is important to note that the inter-port compensation fund contributed 1,382,000.00 euros, while the fund received was 286,000.00 euros, resulting in a net contribution of 1,096,000.00 euros, which is added to the operating expenses section.

Profit before tax amounted to EUR 10.15 million in 2023, compared to EUR 14.57 million in 2022. The effect of corporate income tax was positive due to the activation of deduction rights, increasing the final result for the year by 1.7 million euros, resulting in a final profit for the year of 11.93 million euros, compared to 14.38 million euros in the previous year,

where no rights were recorded for non-applied deductions.

The target annual return, which excludes income and expenses that distort the result, including corporate income tax, is 2.50%, higher than the previous year, which was 2.33%, with the average asset having increased due to the incorporation of the works carried out under the Investment Plan.

In particular, the immediate cash ratio to cover current liabilities is 1.81, with a recommended range of 0.5 to 1, where available cash is sufficient to cover short-term liabilities, but no more than is necessary to avoid idle resources. This ratio was higher in 2023, as more of the available cash was held in current account due to higher remuneration, although the available cash was placed in more profitable financial products, requiring somewhat less availability, which is valued on the cash forecasts.

In 2023, when resources from operations amounted to EUR 25.00 million and the applications were reduced by the lower acquisition of long-term financial products compared to 2022, there was an increase in the Working Capital Fund of EUR 21.43 million, giving a total of EUR 135.54 million.

The ratio of operating expenses to operating income in 2023 was 88.76%. This value tends towards high values in the coming years from the need to amortise new investments, and so we refer to the fact that the EBITA will maintain similar levels throughout the years included in the Business Plan, guaranteeing financial stability.

On the other hand, the balance sheet offers a very solid picture in financial and equity terms. Fixed assets are financed entirely from equity

The usual cash ratios show that there is ample capacity to meet debts.

and there is no long or short-term debt other than that deriving from the normal operation of the Entity.

On the liabilities side, equity represents 95.86% of the total, and given that the working capital is very comfortable, the entity is meeting its payment commitments without any problems. In this respect, it should be remembered that the average payment period to suppliers of 30 days established in the Law against late payment is complied with, having stood at 14.12 days in 2023.

## Return on assets (E\_01)

In accordance with the definition in article 157 of RDL 2/2011, the return on assets, expressed as a percentage of the profit or loss for the year compared to average total assets, is as follows:

	2021	2022	2023
Adjusted result for the year (€)	14,098,089	10,370,322	11,294,269
Total assets (s/art.157 RDL 2/2011) (€)	423,145,792	445,928,648	452,568,893
Ratio (%)	3.33%	2.33%	2.50%

## EBITDA evolution (E\_02)

The evolution of EBITDA expressed in euros of the total tonnes moved, for the ratio of EBITDA compared to tonnes moved and the percentage change in EBITDA compared to the previous year is as follows:

	2021	2022	2023
EBIDTA (€) *	24,935,288	21,121,192	18,888,080
% change in EBIDTA *	10.51%	5.24%	-10.57%
Tonnes moved	30,685,994	32,145,663	30,085,963
Ratio EBIDTA/Tm	0.81	0.66	0.63

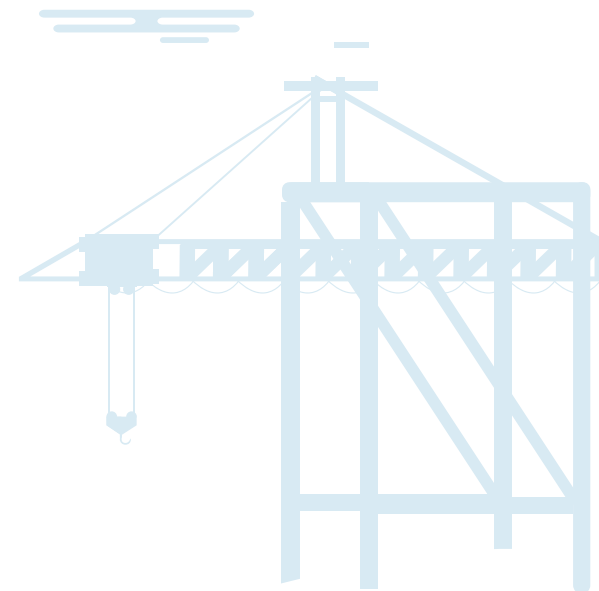
\* As of 1 January 2022, grants from European funds will not be taken into account.

\* Data without subsidies from European funds has been used to calculate the change in EBITDA compared to the previous year.

## Debt service (E\_03)

**F**ixed assets are financed entirely from equity and there is no long or short-term debt other than that deriving from the normal operation of the Entity. All potential default contingencies are adequately provisioned for. With regard to liabilities, the only comment to be made is that the Entity is meeting its payment commitments normally and that the existing debts are those deriving from the normal functioning of the activity. In short, there is no indebtedness and the debt service is zero.

	2021	2022	2023
Debt repayments	0	0	0
Interest on debt	0	0	0
Sum	0	0	0
Cash flow (€)	23,471,016	21,106,415	25,007,333
Ratio (%)	0,00%	0,00%	0,00%





## Inactive assets (E\_04)

Inactive assets, defined as land and natural assets with no activity over the last three years that can be put to economic, social or environmental value, are:

	2021	2022	2023
Land with no activity	42,403,104	42,403,104	38,869,065
Total assets (s/art.157 RDL 2/2011) (€)	423,145,792	445,928,648	452,568,893
Ratio (%)	10.02%	9.51%	8.59%

## Changes in operating income and expenditure (E\_05)

The evolution over the last few years of operating expenses in relation to operating income is as follows:

	2021	2022	2023
Operating expenditure (€)	42,820,246	43,243,221	45,910,468
Operating income (€)	52,183,167	57,403,359	51,721,859
Ratio (%)	82.06%	75.33%	88.76%

## 2.3 Level and structure of investments

### Evolution of public investment (E\_06)

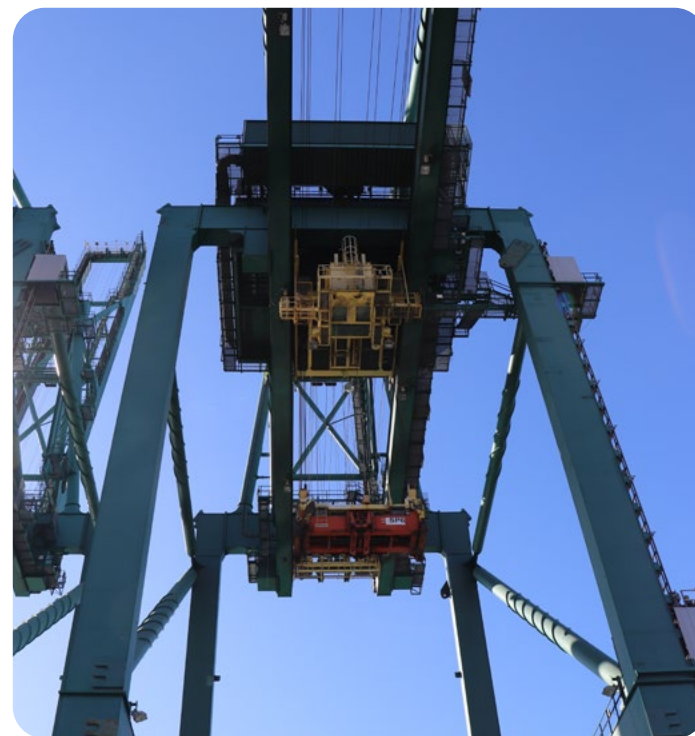
The evolution of public investment by the Port Authority over the last few years, in relation to cash flow, is as follows:

	2021	2022	2023
Total public investment (€)	28,986,443	24,440,491	32,960,919
Cash-flow (€)	23,471,016	21,106,415	25,007,333
Ratio (%)	123.50%	115.80%	131.81%

### Development of external investment (E\_07)

The evolution of external investment compared to public investment by the Port Authority in recent years is as follows:

	2021	2022	2023
Private investment (€)	47,589,000	99,548,000	76,502,000
Public investment (€)	28,986,443	24,440,491	32,960,919
Ratio (%)	164.18	407.31	232.10



### Evaluation of asset renewal (E\_08)

The evolution of the ratio of annual investment volume to average net assets in recent years:

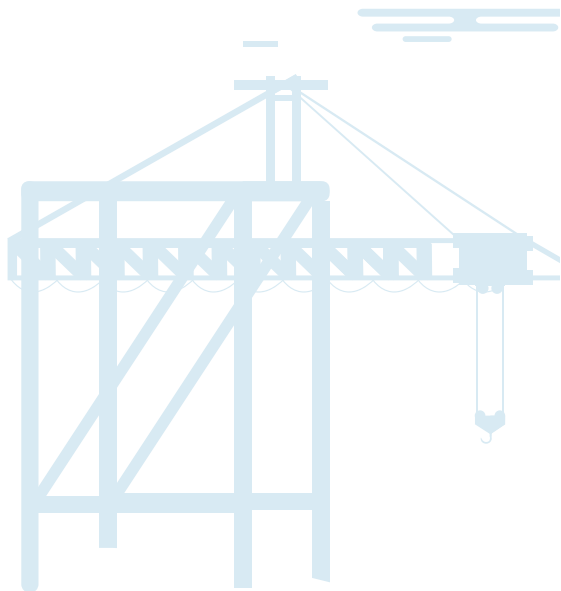
	2021	2022	2023
Public investment (€)	28,986,443	24,440,491	32,960,919
Average net assets (€)	423,145,792	445,928,648	452,568,893
Ratio (%)	6.85%	5.48%	7.28%

## 2.4 Business and services

### Evolution of income from occupancy and activity rates (E\_09)

The evolution, over the last few years, of income by occupancy and activity rates, as well as the percentage of each of them with respect to net turnover, is as follows:

	2021	2022	2023
Turnover	437,47,672	44,182,848	44,513,724
Occupancy rate	10,183,484	10,273,520	10,513,193
Ratio (%)	23.28%	23.25%	23.62%
Activity rate	5,040,999	5,724,503	5,281,414
Ratio (%)	11.52%	12.96%	11.86%



### Evolution of tonnes moved per square metre of commercial surface area (E\_10)

In recent years the evolution of tonnes moved per square metre of land service area characterised as being for commercial use, is:

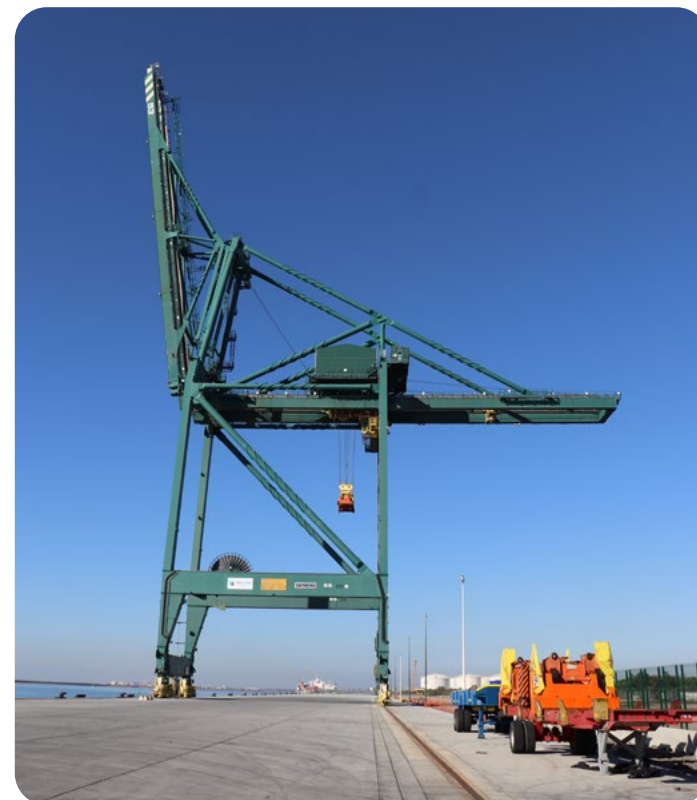
	2021	2022	2023
Tonnes moved	30,685,994	32,145,663	30,085,963
Commercial area m <sup>2</sup>	5,246,600	5,246,600	5,246,600
Tm/m <sup>2</sup>	5.85	6.13	5.73

### Evolution of tonnes moved per linear metre of active quayside (E\_11)

The evolution of tonnes moved per linear metre of active quay over the last few years is as follows:

	2021	2022	2023
Tonnes moved	30,685,994	32,145,663	30,085,963
Linear metre of active quay	7.413	7.413	7.413
Tm/m	4,139.48	4,336.39	4,058.54

It should be borne in mind that a significant part of the Huelva Port's traffic (around 28.2%), is carried through a monobuoy (8,478,594 tonnes of crude oil in 2023).



## Value generated and productivity

### Evolution of net turnover per employee (E\_12)

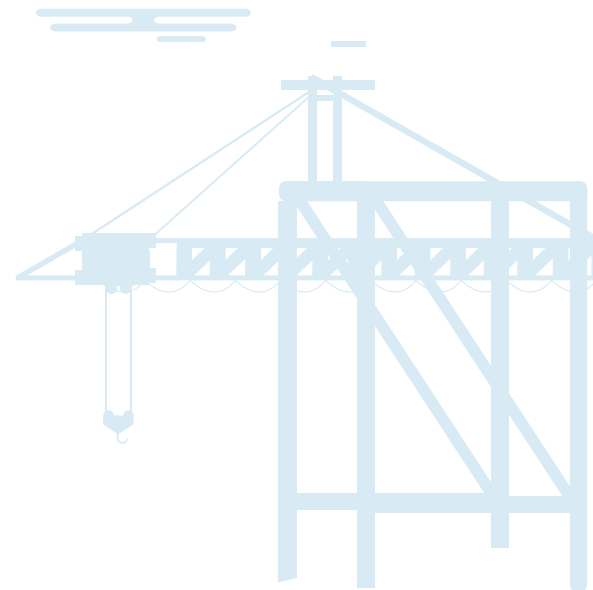
In recent years, the evolution of net turnover per employee (average annual headcount) has been:

	2021	2022	2023
Turnover (€)	43,747,672	44,182,848	44,513,724
Average annual headcount	206	205	207
INCEN/n. nº. employee	212,367.34	215,526.09	215,042.14

### EBITDA evolution per employee (E\_13)

Over the last three years, the evolution of EBITDA per employee (average annual Average annual headcount)

	2021	2022	2023
EBIDTA (€)	24,935,288	21,121,192	18,888,080
Plantilla media anual	206	205	207
INCEN/n. nº. employee	121,045.09	103,030.20	91,246.76



## 2.5 Economic and social impact

The Port is, without doubt, an important factor in the socio-economic development of the province of Huelva, with an outstanding contribution to employment and gross added value. To give continuity to the work that the Port Authority has been carrying out to ascertain the impact of port activity on its hinterland, a tender was issued in 2021 for technical assistance to prepare impact studies of the Huelva Port on a biennial basis. The measurement of the economic impact of the Huelva Port carried out in 2023 has as its object of study the year 2022, which can be considered as the year of final recovery after COVID-19, and in which a movement of tonnes was recorded that indicates a return to a phase of growth. All this has happened in spite of the difficulties caused by high energy prices and the increase in logistics and raw material costs for many of the companies related to the Huelva Port.

The results of this study showed that the activity of the Huelva Port constitutes the essential logistical support for the main economic sectors of the province.

The study applies a methodology based on the 2016 Input-Output Framework of the Institute of Statistics and Cartography of Andalusia, which estimates the total impacts on gross value added (GVA) and employment, broken down into direct, indirect and induced effects, as well as the contribution to the provincial and regional economy.

The Port is an important factor in the socioeconomic development of the province of Huelva, its contribution to employment and its gross added value being notable.

The port ecosystem included in the impact assessment is made up of 206 companies and entities, 79 of which form part of port industry, while 127 companies are involved in dependent industries.

All the impact studies can be consulted at the Huelva Port website.

### Estimated number of direct and indirect jobs and employment generated by the port community (E\_14)

The number of attributable jobs is **67,013**, of which:

	Jobs		
	Non-investment activity	Impact of investment	Total Jobs
Direct	1,087	-	1,087
Indirect	1,080	907	1,987
Generated	2,314	459	2,773
<b>Total port industry</b>	<b>4,481</b>	<b>1,366</b>	<b>5,847</b>
Direct	2,642	-	2,642
Indirect	37,938	7,047	44,985
Generated	11,124	2,415	13,539
<b>Total dependent industry</b>	<b>51,704</b>	<b>9,462</b>	<b>61,166</b>
Direct	3,729	-	3,729
Indirect	39,018	7,954	46,972
Generated	13,438	2,874	16,312
<b>Total impact</b>	<b>56,185</b>	<b>10,828</b>	<b>67,013</b>

This represents 2.0% of employment in Andalusia and 30.9% of employment in the province of Huelva.



## Estimated gross value added of the port community (E\_15)

The contribution to the GVA amounts to 4,844,140,000 euros, which means a **contribution to the Andalusian GVA of 2.8%** and 43.5% of the provincial GVA, distributed according to the following proportion:

	GVA (Thousands of €)		
	Non-investment activity	Impact of the investment	Total GVA
Direct	91,200	-	91,200
Indirect	53,000	46,600	99,600
Generated	58,100	22,310	80,410
<b>Total port industry</b>	<b>202,300</b>	<b>68,910</b>	<b>271,210</b>
Direct	1,323,670	-	1,323,670
Indirect	2,246,500	343,390	2,589,890
Generated	541,750	117,620	659,370
<b>Total dependent industry</b>	<b>4,111,920</b>	<b>461,010</b>	<b>4,572,930</b>
Direct	1,414,870	-	1,414,870
Indirect	2,299,500	390,990	2,689,490
Generated	599,850	139,930	739,780
<b>Total impact</b>	<b>4,314,220</b>	<b>529,920</b>	<b>4,844,140</b>

# 2.8%

contributed to the Andalusian GVA

# 43.5%

of the provincial GVA