

# 1Q 2017 INVESTOR BRIEFING PRESENTATION

May 9, 2017





# AGENDA

**1** Recent Financial Performance

2 Liquidity and Capital Resources

3 Other Matters

4 Questions and Answers

# Volume

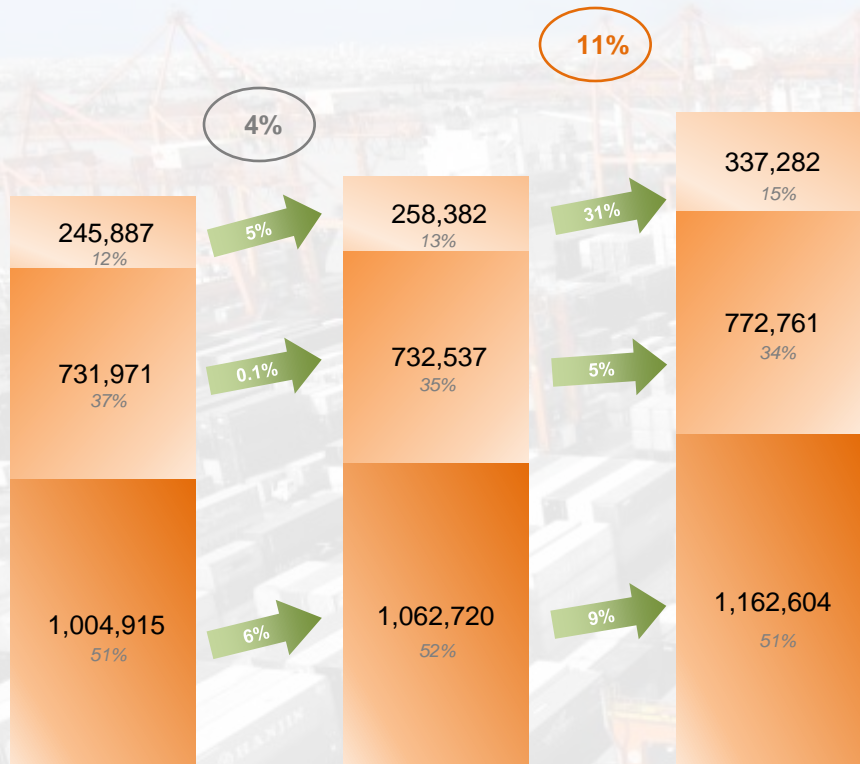
(in TEU)

## First Quarter

1,982,773

2,053,639

2,272,647



- 1Q 2017 vs 1Q 2016 consolidated volume up **11%**; Organic volume growth at **10%**
- Volume growth was due to improving global trade activities particularly in the emerging markets; continuing ramp-up at ICTSI Iraq; and the contribution of the new terminal in Matadi, DRC.

■ Asia    ■ Americas    ■ EMEA

# Revenue

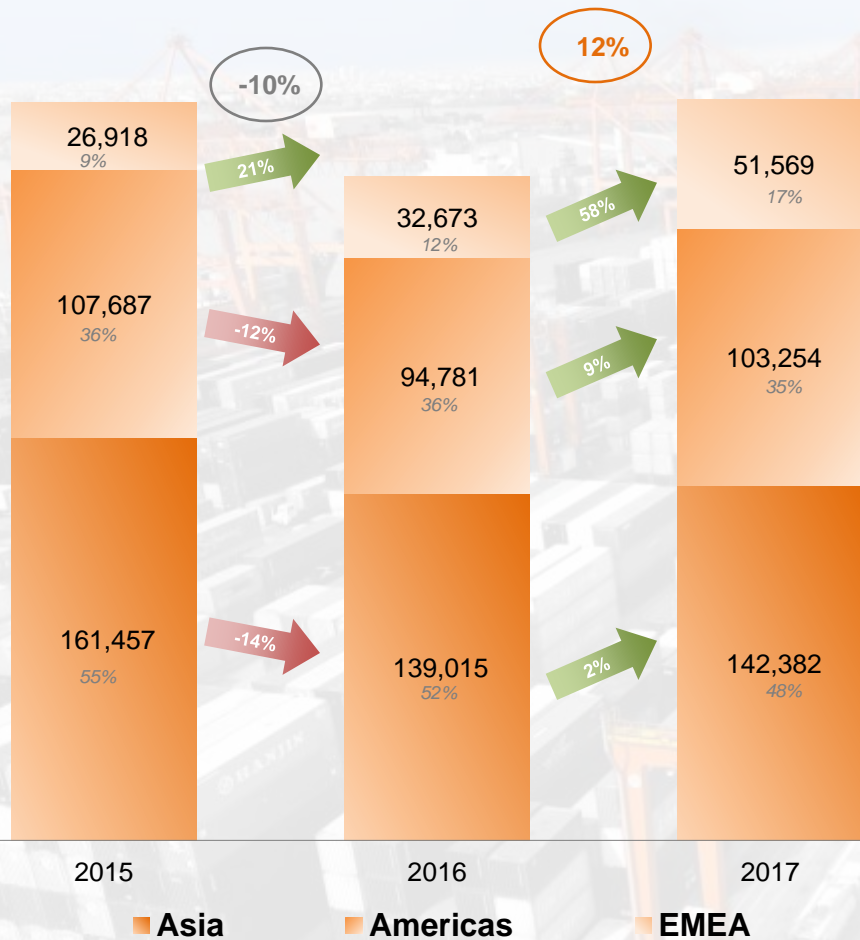
(in US\$ '000)

## First Quarter

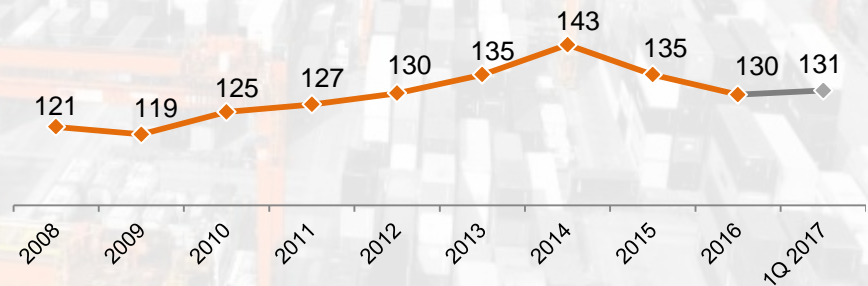
296,062

266,469

297,205



### Yield:TEU (in US\$)



- Consolidated revenues **12%** higher in 1Q 2017 vs 1Q 2016; Organic revenue growth at **8%**
- Consolidated 1Q 2017 yield to TEU at **US\$131** vs US\$130 in FY2016

# Consolidated P&L Highlights

(in US\$ '000, except Volume & EPS)

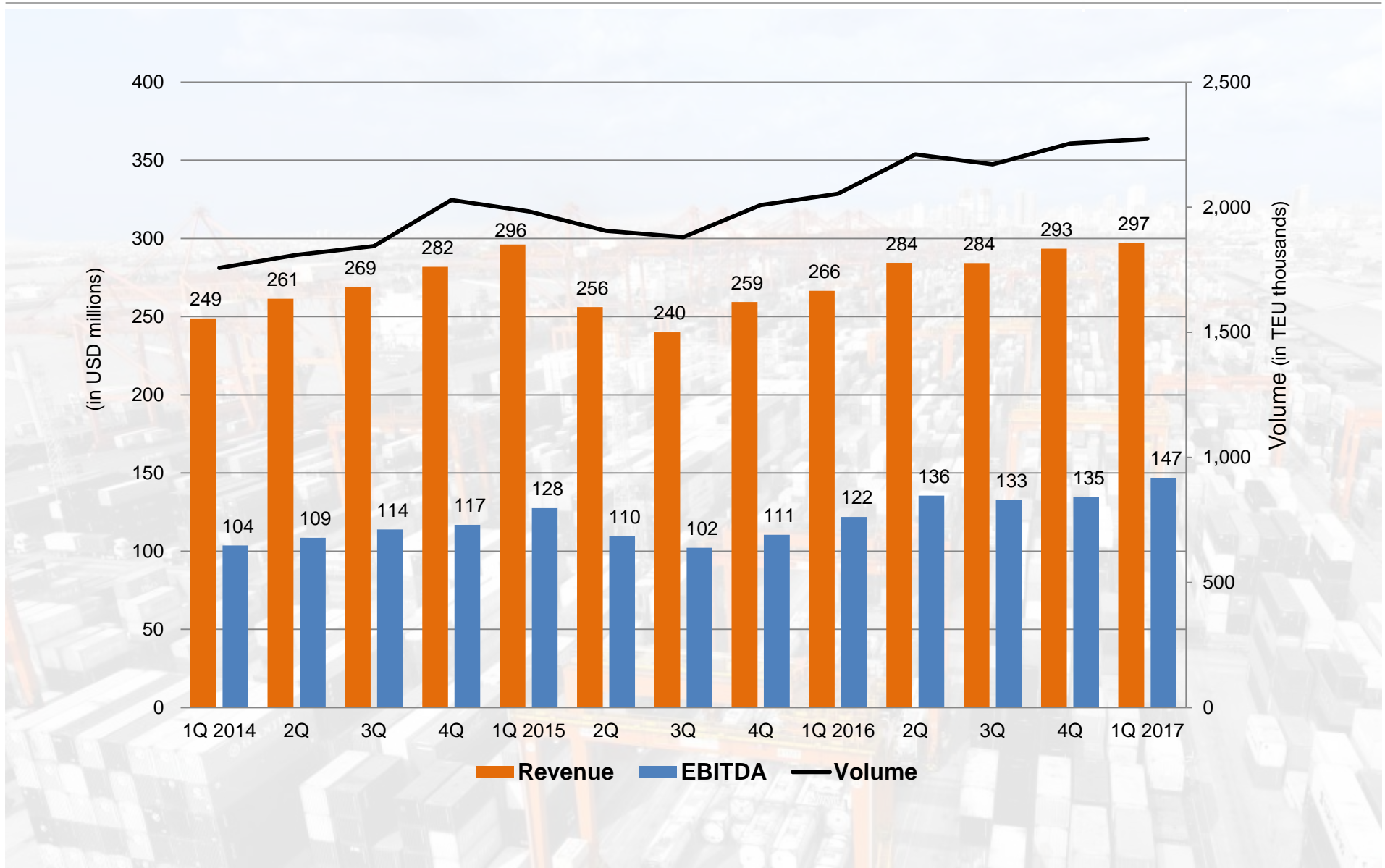
	1Q 2016	1Q 2017	% change	
<b>Volume</b> (in TEU)	2,053,639	2,272,647	11%	Volume up 11% due to improving global trade particularly in the emerging markets; continuing ramp-up at ICTSI Iraq; and the new terminal in Matadi, DRC; Organic volume growth at 10%
<b>Gross Revenues from Port Operations</b>	266,469	297,205	12%	Revenues increased 12% mainly due to volume growth; tariff rate adjustments at certain terminals; new contracts with shipping lines and services; and contribution of the new terminal in Matadi, DRC; Organic revenue growth at 8%
<b>Cash Operating Expenses</b>	101,512	103,917	2%	Cash Opex 2% higher due to the increase in variable manpower costs and higher fuel consumption as a result of the higher volume; increase in fuel and power unit costs; unfavorable translation impact of the BRL and cost contribution of the new terminals
<b>EBITDA</b>	121,937	146,988	21%	EBITDA increased 21% mainly due to strong volume and revenue growth; cost optimization measures implemented; and positive contribution of the new terminal in DRC
<b>EBIT</b>	85,585	108,091	26%	EBITDA margin improved to <b>49%</b> from 46%
<b>Financing charges and other expenses</b>	20,944	26,214	25%	Financing charges and other expenses up 25% mainly due to higher average loan balance and one-time charges associated with the cost optimization initiatives, tapered by higher capitalized borrowing cost
<b>Net Income</b>	45,054	57,584	28%	
<b>Net Income Attributable to Equity Holders</b>	42,176	51,740	23%	Net income up 23% due to the strong operating income, tapered by higher depreciation, interest and financing charges; and start up cost of the new terminals.
<b>Fully Diluted EPS</b>	0.014	0.020	43%	

# Financing Charges & Other Expenses

(in US\$ '000s)

	1Q 2016	1Q 2017	% change	
<b>Financing charges &amp; other expenses</b>	<b>20,944</b>	<b>26,214</b>	25%	
<i>Interest Expense on Loans/Bonds</i>	21,526	26,737	24%	<i>Higher interest expense due to higher debt level</i>
<i>Capitalized Borrowing Cost</i>	(4,465)	(6,213)	39%	<i>Capitalized borrowing cost increased mainly due to additional drawdown in VICT Project Finance loan</i>
<i>Amortization of Debt Issue Cost</i>	1,285	2,069	61%	
<i>Other Expenses</i>	2,598	3,621	39%	<i>Other expenses increased due to one-time charges associated with the cost optimization initiatives</i>
<b>Average Outstanding Debt Balance</b>	<b>1,139,440</b>	<b>1,459,677</b>	28%	<i>Average Outstanding Debt Balance higher mainly due to the drawdown from the RCF and Project finance loans of CMSA and VICT</i>

# Historical Volume, Revenue and EBITDA

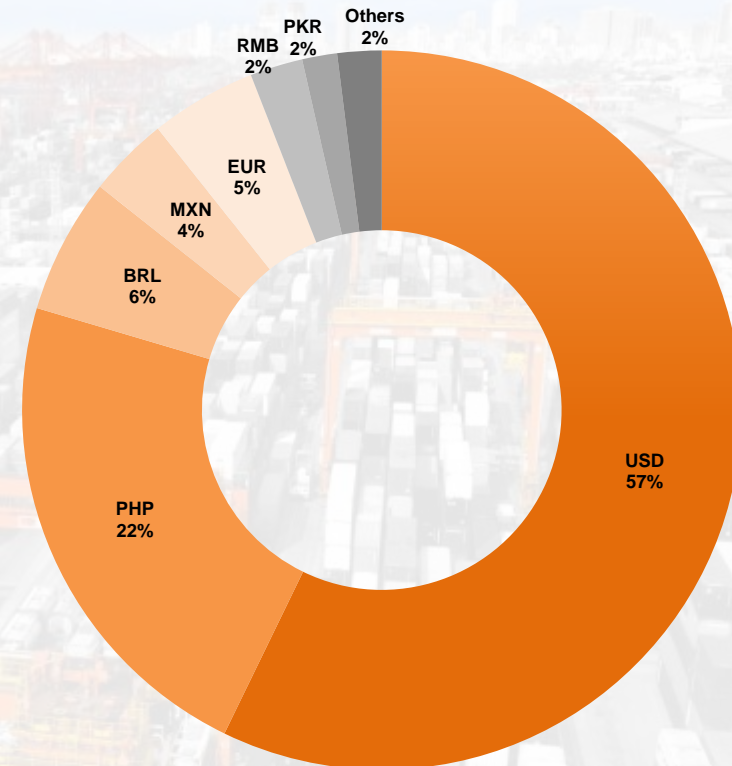


# 1Q 2017 Revenue Profile by Currency

## Revenue Currency by Subsidiary

Subsidiaries	USD/EUR	Local Currency
MICT	42% USD	58% PHP
BCT	76% USD; 1% EUR	23% PLN
TSSA		100% BRL
MICTSL	100% EUR	
PT MTS		100% IDR
YICT		100% RMB
CGSA	100% USD	
OPC	100% USD	
BICT	100% USD	
AGCT	86% EUR	14% HRK
PT OJA/JASA	64% USD	36% IDR
PICT	81% USD	19% PKR
CMSA	53% USD	47% MXN
ICTSI Iraq	91% USD	9% IQD
IDRC	100% USD	

## Revenue Breakdown by Currency



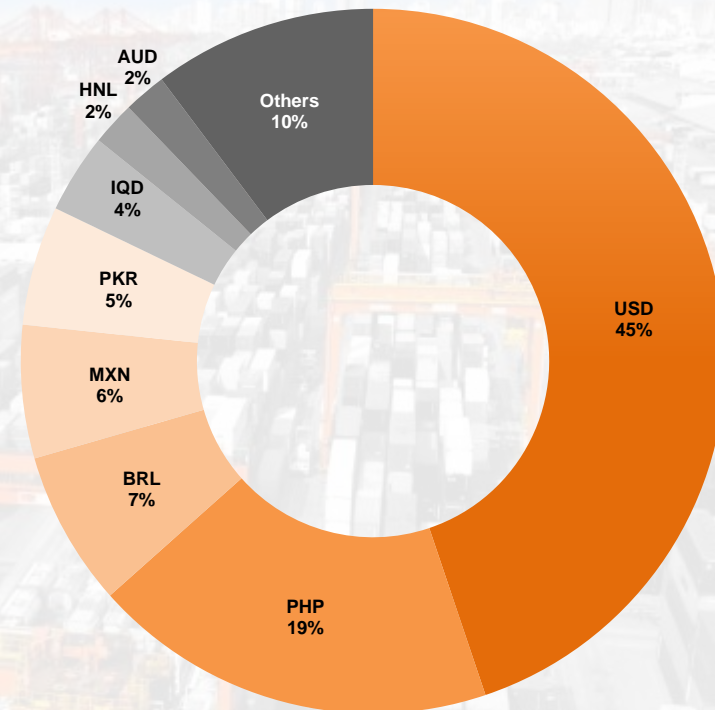


# 1Q 2017 Cash Expense Profile by Currency

## Cash Expense Currency by Subsidiary

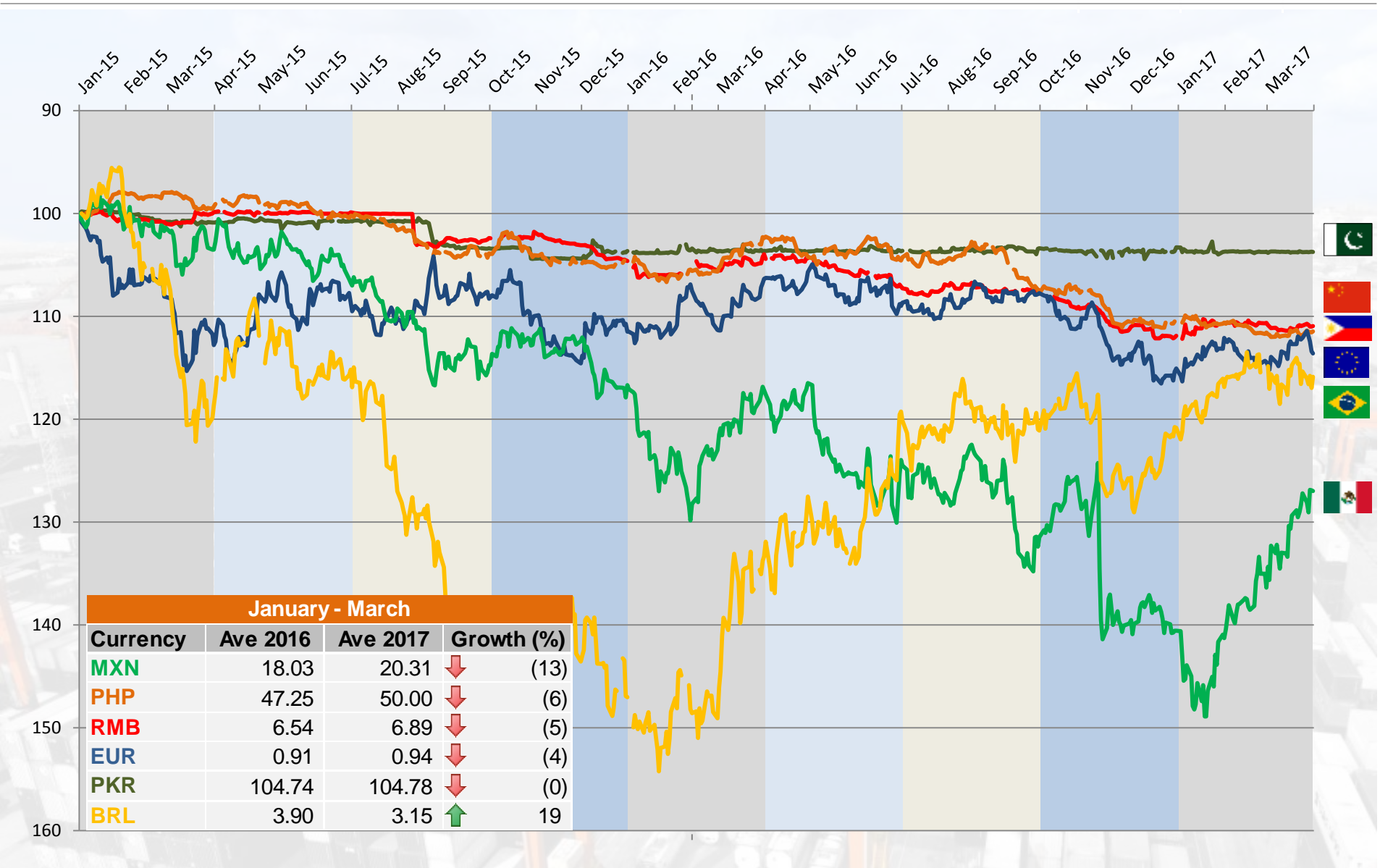
Subsidiaries	USD/EUR	Local Currency
MICT	35% USD	65% PHP
BCT	37% USD	63% PLN
TSSA		100% BRL
MICTSL	3% USD; 49% EUR	48% MGA
PTMTS		100% IDR
YICT		100% RMB
CGSA	100% USD	
OPC	69% USD	31% HNL
BICT	22% USD	78% GEL
AGCT	13% EUR	87% HRK
PT OJA/JASA	20% USD	80% IDR
PICT	19% USD	81% PKR
CMSA		100% MXN
ICTSI Iraq	16% USD	84% IQD
IDRC	98% USD	2% CDF

## Expense Breakdown by Currency



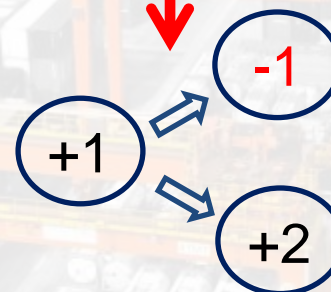
Note: Total Cash Expense includes Cash Opex, Port Fees, Debt Service (including perpetual securities), and Income tax paid

# FX Movement since January 2015



# 1Q 2017 Yield/TEU Analysis

	1Q 2016	1Q 2017	% Change
Volume (TEU '000s)	2,054	2,273	11%
Revenues (US\$ millions)	266	297	12%
Yield/TEU (US\$)	130	131	1%
EBITDA (US\$ millions)	122	147	21%
EBITDA Margin	46%	49%	



FX : Negative impact of the translation of PHP and MXN revenues, tapered by the appreciation of the BRL

Tariff increase in certain terminals and the high yield/TEU of the new terminal in DRC



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# Balance Sheet Summary

(in US\$ millions)

	<u>2015</u>	<u>2016</u>	<u>1Q2017</u>
<i>Intangible and Property and equipment</i>	2,864	3,102	3,142
<i>Cash and cash equivalents</i>	354	325	272
<i>Other current and noncurrent assets</i>	613	755	751
<b>Total Assets</b>	<b>3,831</b>	<b>4,182</b>	<b>4,166</b>
<i>Total Short-term and Long-term debt</i>	1,083	1,381	1,404
<i>Concession rights payable</i>	512	491	487
<i>Other current and noncurrent liabilities</i>	410	544	443
<b>Total Liabilities</b>	<b>2,005</b>	<b>2,416</b>	<b>2,334</b>
<b>Total Equity</b>	<b>1,826</b>	<b>1,766</b>	<b>1,831</b>
<b>Gearing:</b> Debt/SHE	0.59	0.78	0.77
<b>Debt Cover Ratio:</b> Debt/EBITDA (per covenant)	2.57	2.31	2.23
<b>Current Ratio:</b> Current Assets/Current Liabilities	1.78	1.18	1.31
<b>DSCR:</b> EBITDA/(Interest + Scheduled Principal Payments)	2.33	1.83	1.91

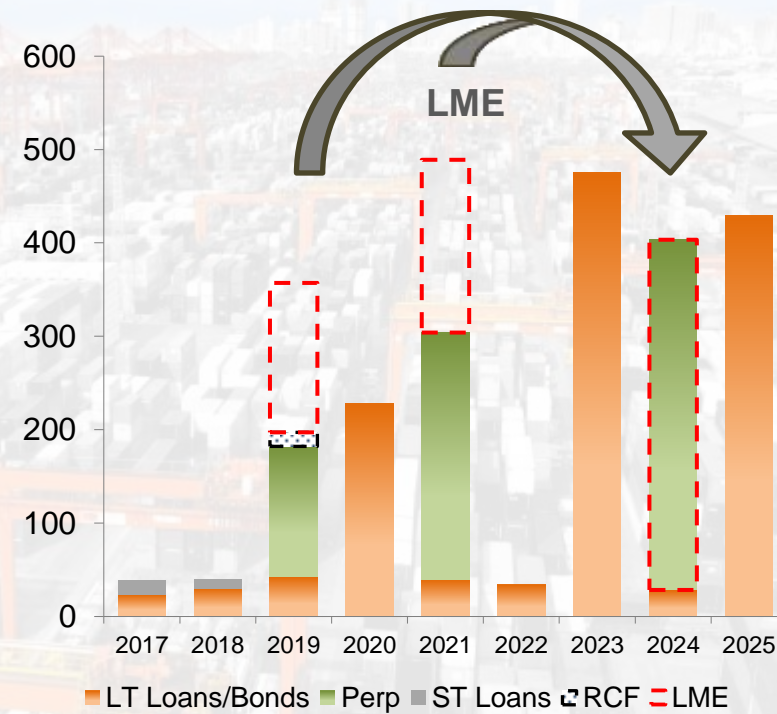
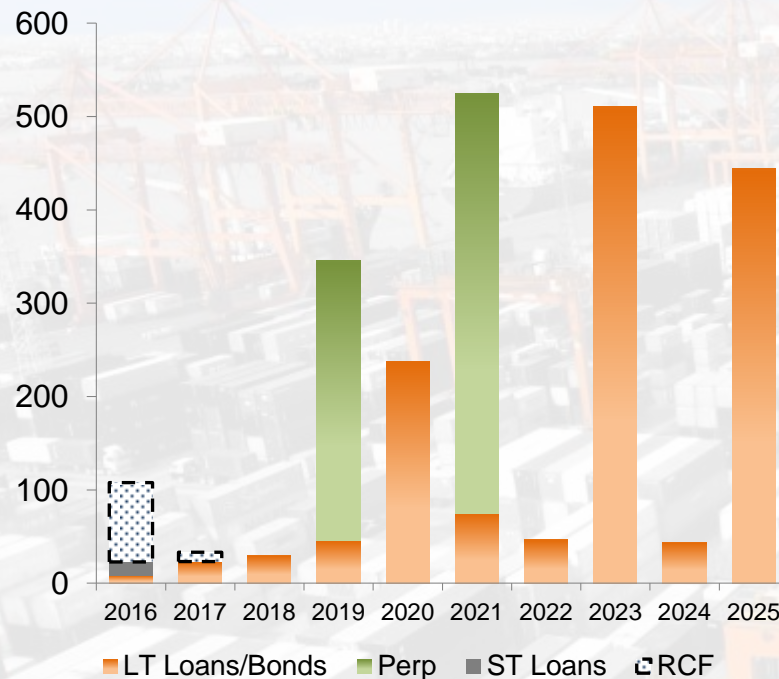
# Principal Redemption Profile

(in US\$ million)

**Capital structure is well positioned to match the long-term nature of port concession contracts.**

as of September 30, 2016

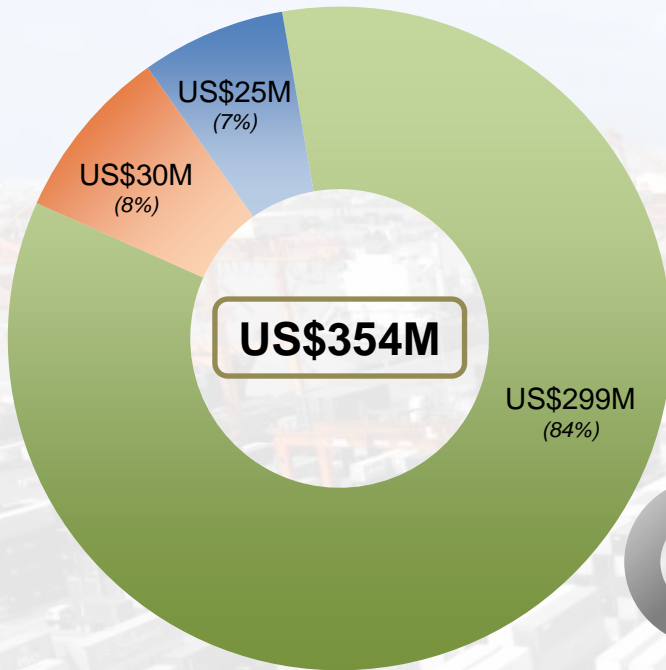
as of March 31, 2017



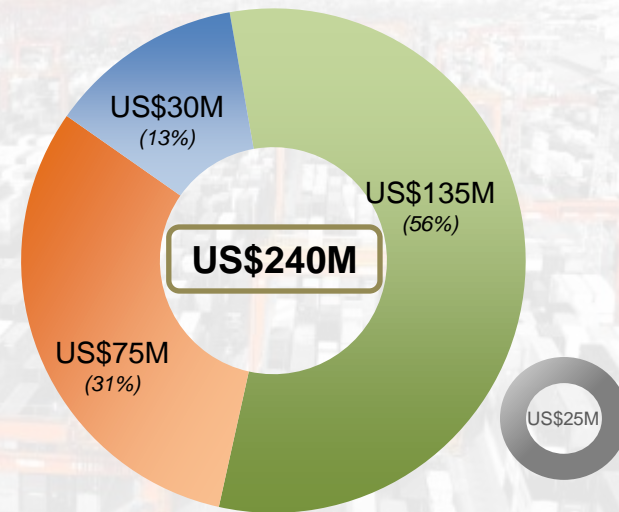
- Liability management exercise in October 2016 extended duration of US\$345 million perpetual securities from 2019 and 2021 to 2024, and reduced coupon from 6.25% and 5.5% to 4.875%.
- No significant maturity until 2020

# Capital Expenditures

2016A



2017B



■ Greenfield   ■ Expansionary   ■ Maintenance   ○ Investment (SPIA)

**2016 CAPEX** mainly for:  
 GREENFIELD: Australia, Iraq, DR Congo, Mexico & Honduras  
 EXPANSIONARY: Manila, Ecuador

**2017 CAPEX** mainly for:  
 GREENFIELD: Australia, Iraq, DR Congo, Honduras  
 EXPANSIONARY: Manila, Mexico



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# Recent Events

2017

Apr

**Cavite Gateway Terminal**, in partnership with the Philippine Department of Transportation, launched the country's first container roll-on roll-off barge terminal in Tanza, Cavite on April 21, 2017.

Mar

**ICTSI Oregon, Inc.**, and the Port of Portland have mutually agreed to terminate a 25-year lease agreement to operate the container facility at the Port's Terminal 6 effective March 31, 2017.

Feb

**New Muara Container Terminal Services's** Services Agreement with the Port Department to operate and maintain the Muara Container Terminal was not renewed and was ended effective February 21, 2017.

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International  
Container Terminal  
Services, Inc.

211

KALMAR



International  
Container Terminal  
Services, Inc.

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