



1Q 2019 Investor Presentation

May 2019



AGENDA



Recent Financial
Performance

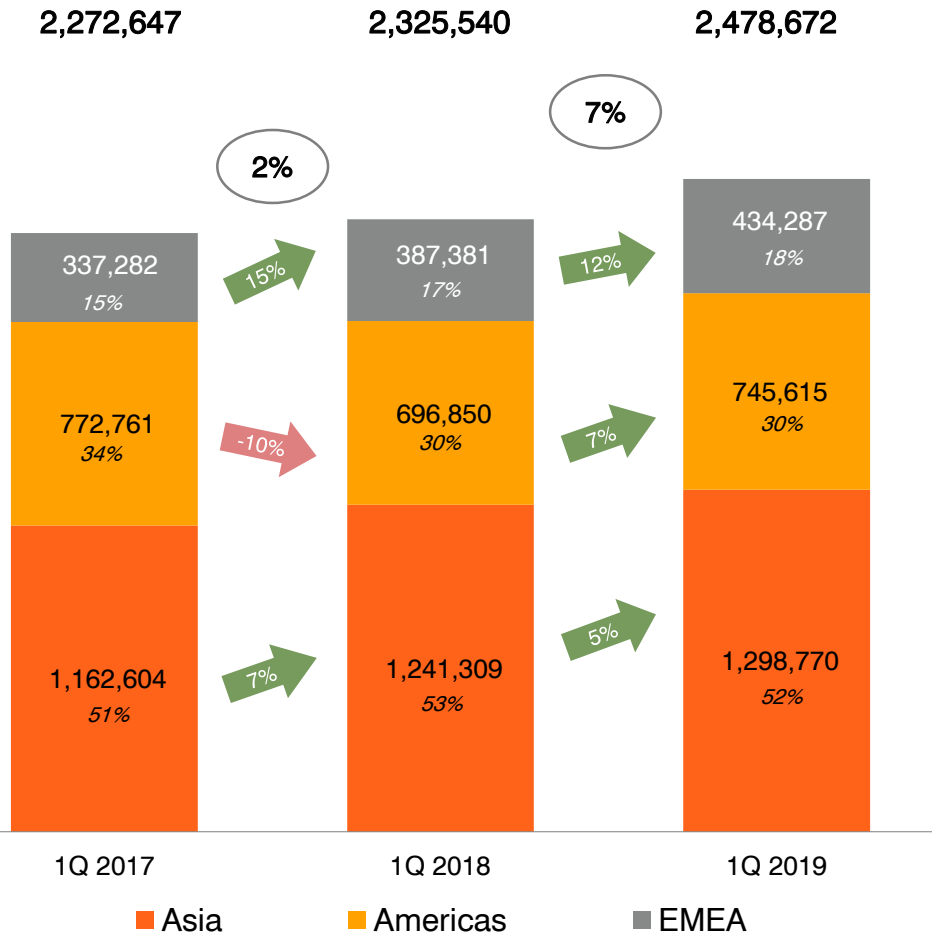
2 Liquidity and Capital
Resources

3 Other Matters

4 Questions and Answers

Volume

First Quarter
(in TEU)



- 1Q 2019 vs 1Q 2018 consolidated volume up 7%; Organic volume grew 5%
- Volume growth was due to improvement in trade activities at most of the Company's terminal locations, new shipping lines and services and continuous volume ramp-up at certain terminals.

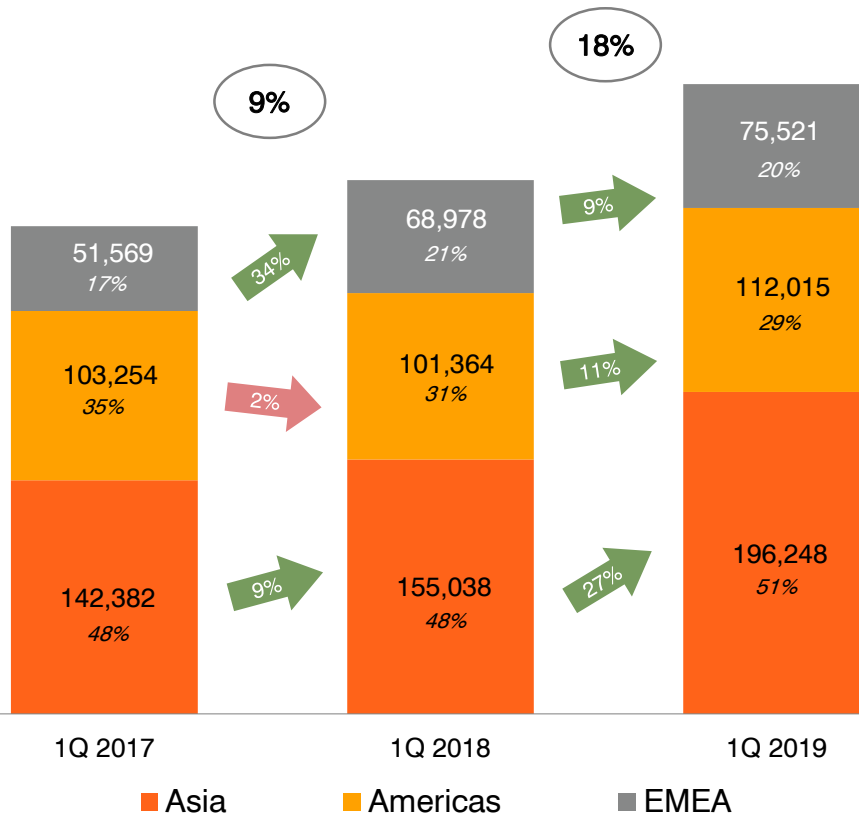
Revenues

First Quarter
(in US\$'000)

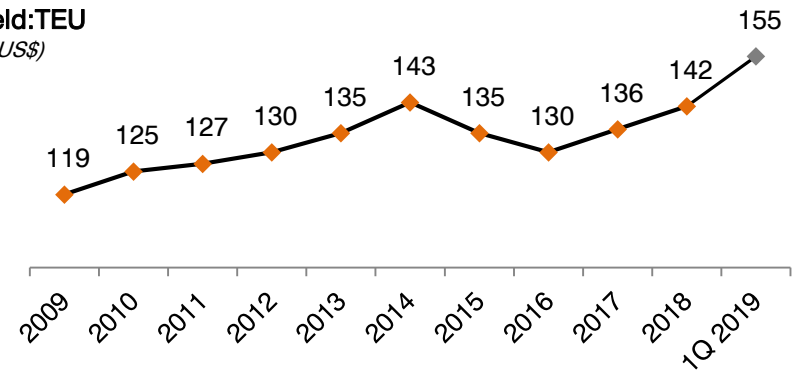
297,205

325,380

383,784



Yield:TEU
(in US\$)



- Consolidated revenues 18% higher in 1Q 2019 vs 1Q 2018
Organic revenues increased 15%
- Consolidated 1Q 2019 yield to TEU at US\$155

Consolidated P&L Highlights

(In US\$ 000, except Volume & EPS)

	1Q 2018*	1Q 2019	% Change
Volume (In TEU)	2,325,540	2,478,672	7%
Gross Revenues from Port Operations	325,380	383,784	18%
Cash Operating Expenses	106,221	112,028	5%
EBITDA	177,539	222,543	25%
EBIT	122,909	165,151	34%
Financing Charges and Other Expenses	31,073	28,322	-9%
Net Income	47,697	81,505	71%
Net Income Attributable to Equity Holders	40,884	72,403	77%
Fully Diluted EPS	0.0126	0.0278	120%

- Volume up 7% due to improvement in trade activities, new shipping lines and services and continuous volume ramp-up at certain terminals; Organic volume growth at 5%.
- Revenues increased 18% mainly due to volume growth; tariff adjustments at certain terminals; new contracts with shipping lines and services; increased in revenues from non-containerized cargoes, storage and ancillary services; and the contribution from the new terminals in Lae and Motukea in PNG; Organic revenue growth at 15%
- Cash Opex 5% higher mainly due to government-mandated and contracted salary rate adjustments at certain terminals; increase in information technology-related expenses; and full quarter cost contribution of the two terminals in PNG.
- EBITDA increased 25% mainly due to strong revenues partially tapered by the higher operating expenses driven by volume growth
- EBITDA margin increased from 55% to 58%
- Financing charges and other expenses down 9% primarily due to the lower interest expense resulting from the prepayment of the CMSA project finance loan in May 2018.
- Net income attributable to equity holders up 77% year due to the strong operating income highlighted by operational improvements at VICT, lower financing charges, and a significant improvement in the operations at SPIA

Financing Charges & Other Expenses

(In US\$ '000)

	1Q 2018	1Q 2019	% Change	
Financing Charges & Other Expenses	31,073	28,322	-9%	
• Interest Expense on Loans/Bonds	26,468	24,664	-7%	• Lower due to prepayment of the CMSA project finance loan in May 2018
• Capitalized Borrowing Cost	(271)	(665)	145%	
• Amortization of Debt Issue Cost	1,754	1,764	1%	
• Other Expenses	3,122	2,559	-18%	
Average Outstanding Debt Balance	1,516,765	1,601,501	6%	• Higher due to the EUR260M loan drawdown in January 2019 tapered by the loan prepayment at CMSA
Average Remaining Tenor	6.3 yrs	4.7 yrs		
Average Cost of Debt (post CIT)	4.9% p.a.	4.4% p.a.		

Proactive FX Risk Management

ICTSI's revenue and cash expenses are favorably matched, which provides a natural currency hedge that mitigates against volatility attributable to FX movements.

Revenue Currency by Subsidiary

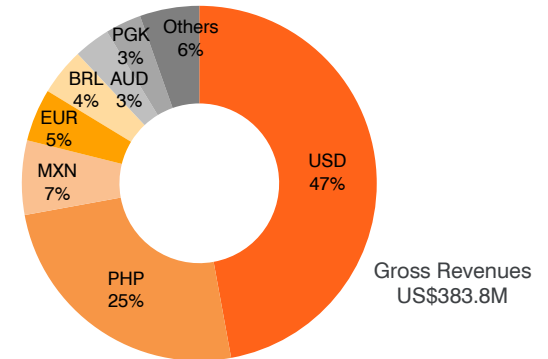
Subsidiaries	USD	EUR	Local Currency
MICT	37%		63% PHP
PTMTS			100% IDR
YICT			100% RMB
OJA	73%		27% IDR
PICT	81%		19% PKR
SBITC/ISI	48%		52% PHP
SCIPSI			100% PHP
DIPSSCOR			100% PHP
HIPS			100% PHP
MICTSI			100% PHP
BIPI			100% PHP
LGICT	15%		85% PHP
VICT			100% AUD
SPICTL/MITL			100% PGK
BCT	70%	8%	22% PLN
MICTSL		100%	
BICT	100%		
AGCT		77%	23% HRK
BGT	80%		20% IQD
IDRC	100%		
TSSA			100% BRL
CGSA	100%		
OPC	100%		
CMSA	35%		65% MXN
TECLATA	100%		

Cash Expense Currency by Subsidiary

Subsidiaries	USD	EUR	Local Currency
MICT	27%		73% PHP
PTMTS			100% IDR
YICT			100% RMB
OJA	7%		93% IDR
PICT	21%		79% PKR
SBITC/ISI	27%		73% PHP
SCIPSI			100% PHP
DIPSSCOR			100% PHP
HIPS			100% PHP
MICTSI			100% PHP
BIPI	3%		97% PHP
LGICT			100% PHP
VICT	17%		83% AUD
SPICTL/MITL	39%		61% PGK
BCT	8%	1%	91% PLN
MICTSL	2%	42%	56% MGA
BICT	23%		77% GEL
AGCT		9%	91% HRK
BGT	17%		83% IQD
IDRC	97%		3% CDF
TSSA			100% BRL
CGSA	100%		
OPC	56%		44% HNL
CMSA	6%		94% MXN
TECLATA	6%		94% ARS

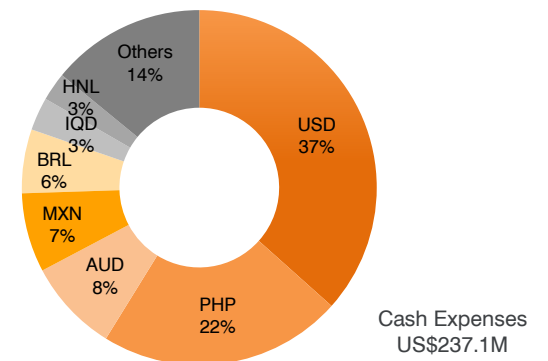
US\$ Revenues from Port Operations

(1Q 2019 Revenue Breakdown by Currency)



Expenses favorably Matching Revenues

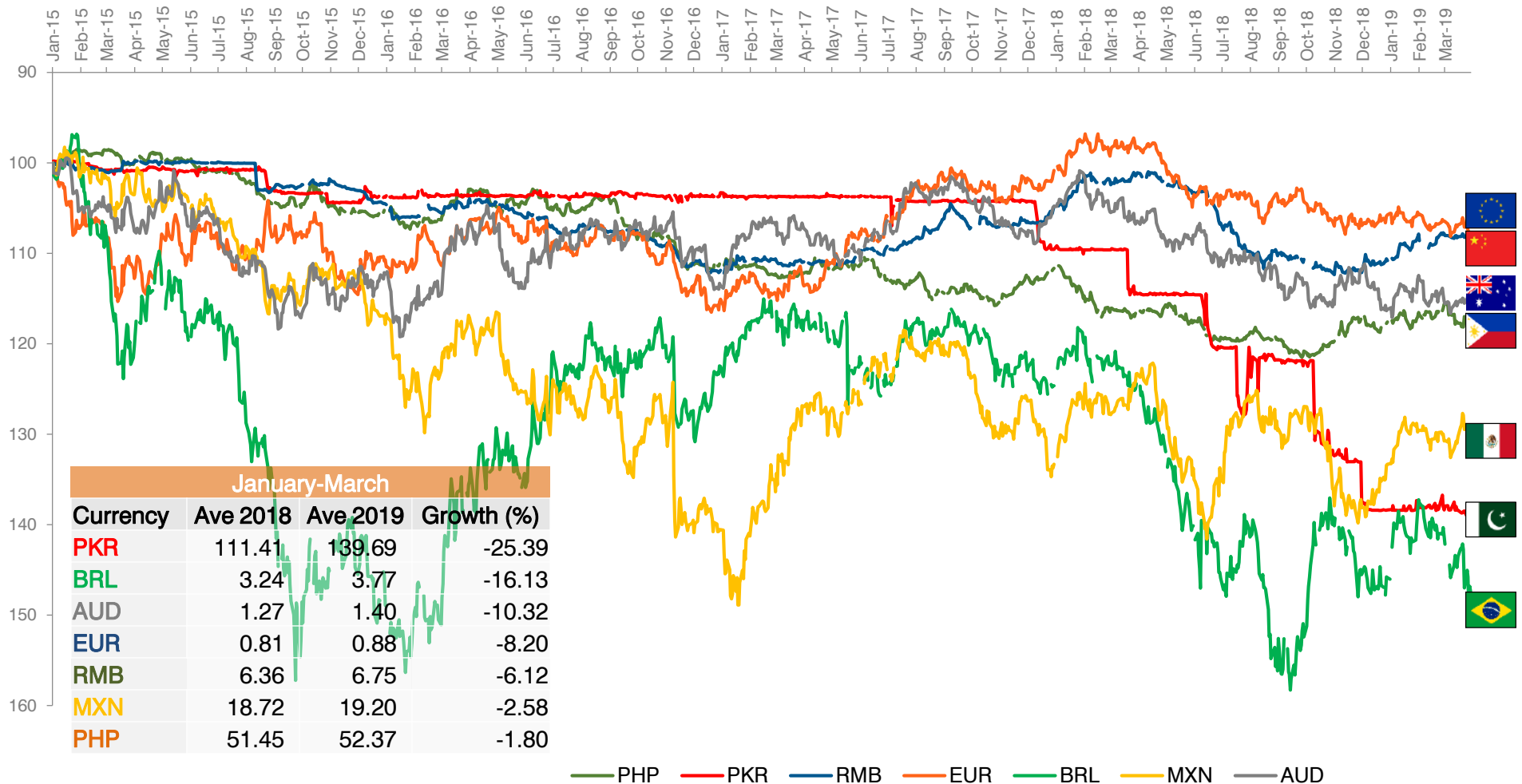
(1Q 2019 Expenses Breakdown by Currency)






Note: Total Cash Expense includes Cash Opex, Port Fees, Realized FX losses, Interest Cost, Perp Distribution, IFRIC Interest, Other "cash" expenses and Income tax paid

FX Movement

FX Movement since January 2015 and bottom line effect on ICTSI's margins.

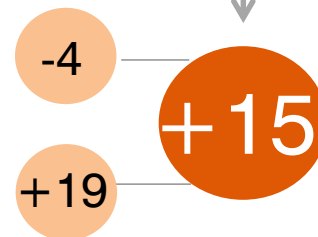


Yield/TEU Comparison

	1Q 2018	1Q 2019	% change
 Volume (TEU '000)	2,326	2,479	7%
 Revenues (US\$ millions)	325	384	18%
 Yield/TEU (US\$)	140	155	11%
EBITDA (US\$ millions)	178	223	25%
EBITDA Margin	55%	58%	

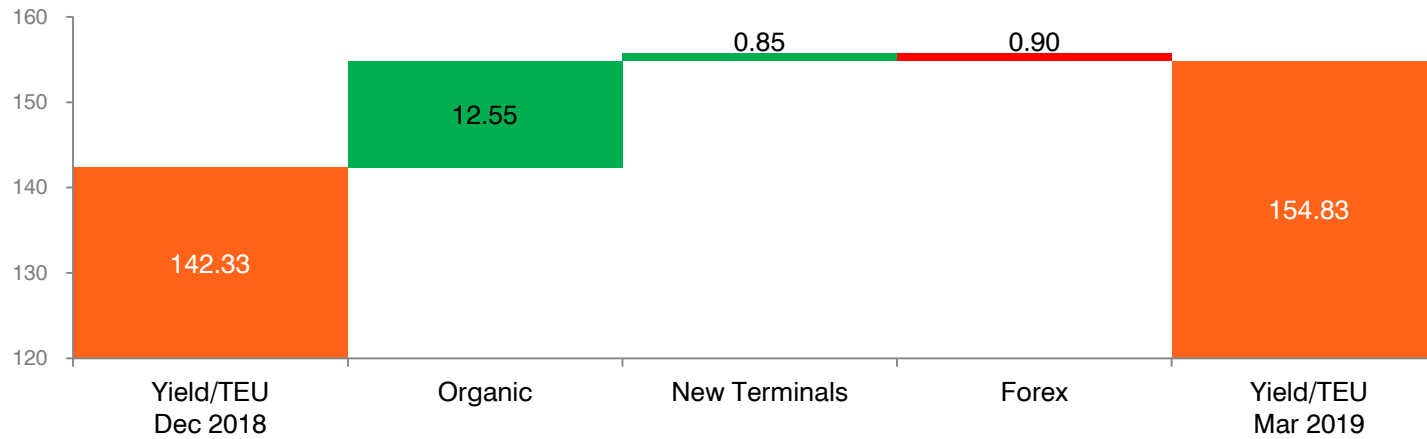
FX Negative impact of PHP, AUD, BRL and EUR:

Increase revenues from general cargoes, storage and ancillary services, favorable container mix; tariff adjustments;

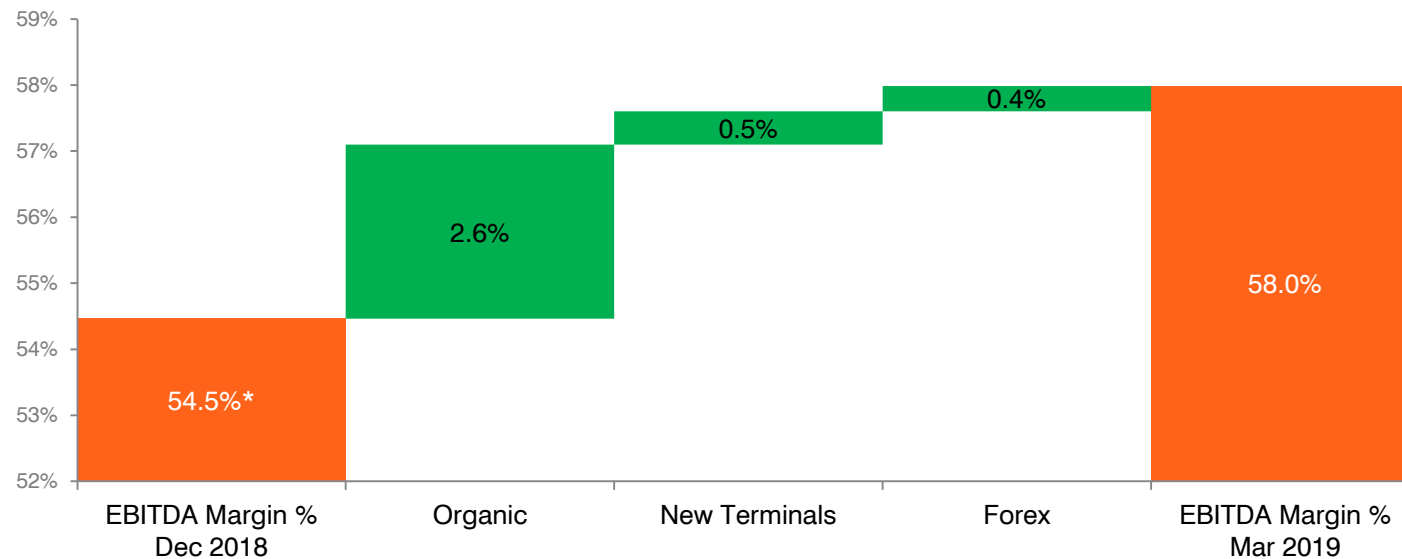


Yield/TEU and EBITDA Margin

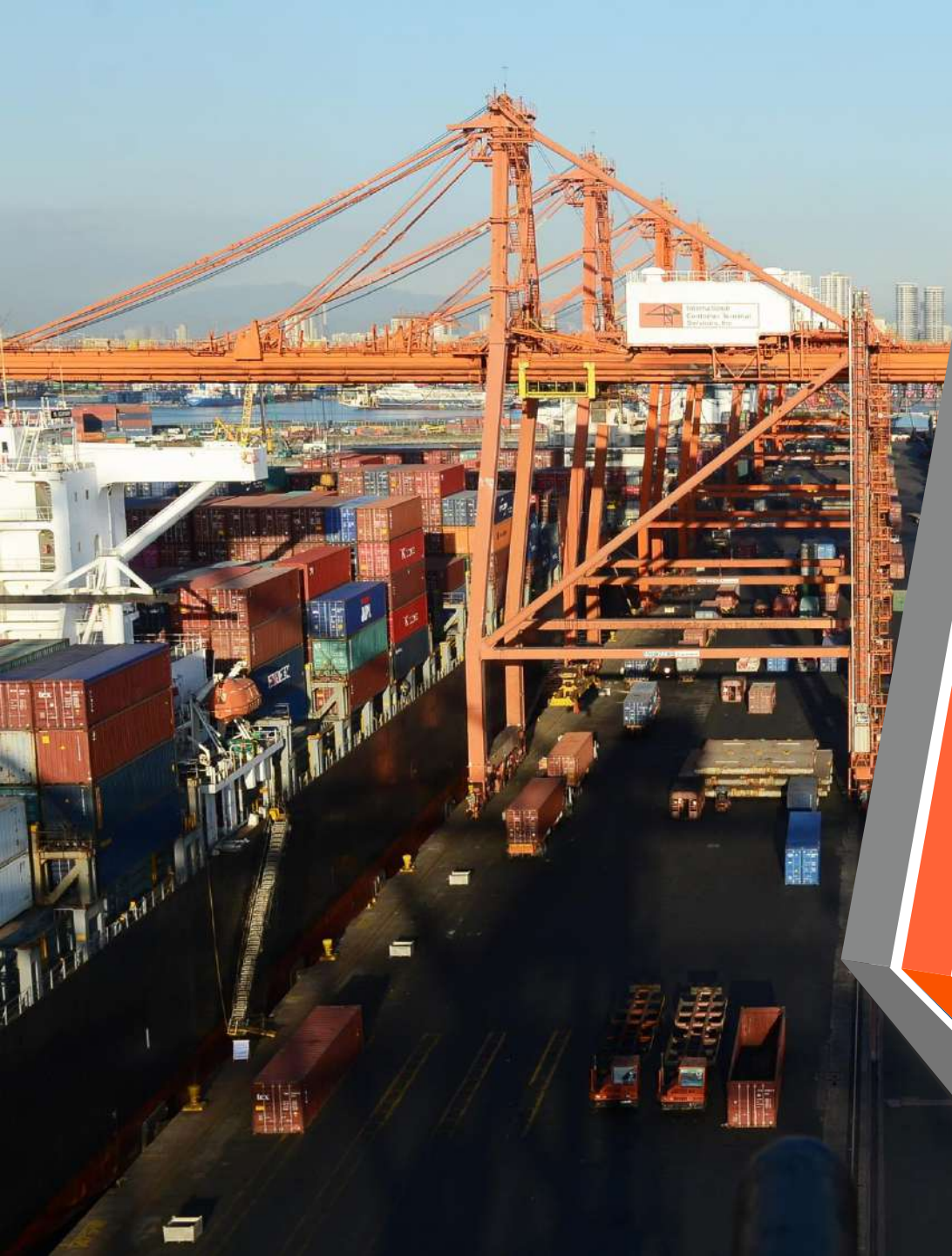
Yield/TEU Evolution



EBITDA Margin Evolution



**as Restated*



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1 Recent Financial Performance



Liquidity and Capital Resources

3 Other Matters

4 Questions and Answers

Balance Sheet Summary

<i>(In US\$ millions)</i>	Dec 31, 2018⁽¹⁾	Mar 31, 2019
Intangible and Property and Equipment	3,344	3,365
Lease Assets	523	517
Cash and Cash Equivalents	447	295
Other Current and Non-current Assets	1,002	1,508
Total Assets	5,316	5,685
Total Short-term and Long-term Debt	1,307	1,567
Concession Rights Payable	541	537
Lease Liabilities	1,132	1,143
Other Current and Non-current Liabilities	431	441
Total Liabilities	3,410	3,688
Total Equity	1,906	1,997

Financial Ratios

Gearing: Debt/SHE	0.69	0.78
Current Ratio: Current Assets/Current Liabilities	1.51	1.19
Debt Cover Ratio: Debt/EBITDA (per covenant)	2.16 ⁽²⁾	2.29 ⁽²⁾
DSCR: EBITDA/(Interest + Scheduled Principal Payments)	3.42 ⁽²⁾	4.90 ⁽²⁾

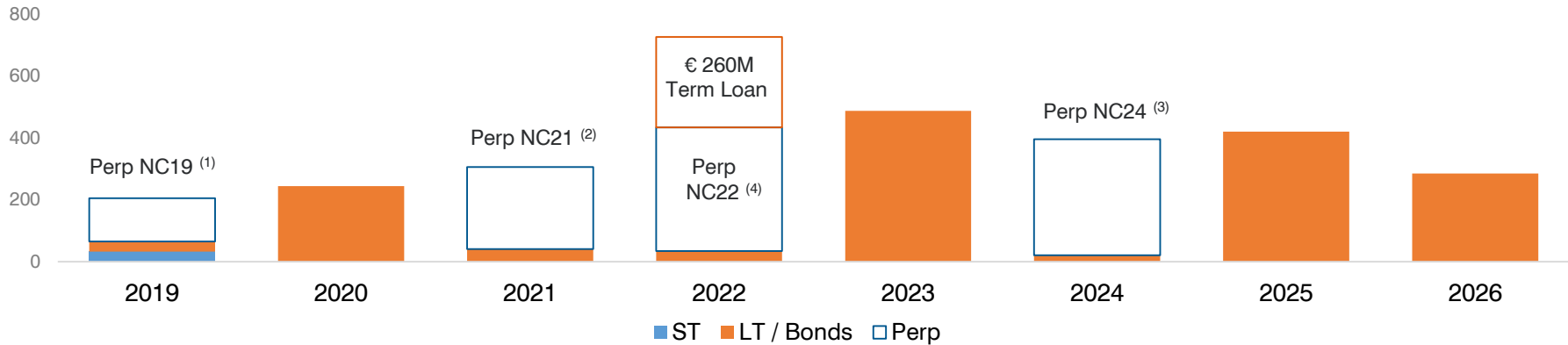
Note: (1) December 31, 2018 as Restated

(2) Based on Audited 2018 Figures

Principal Redemption Profile

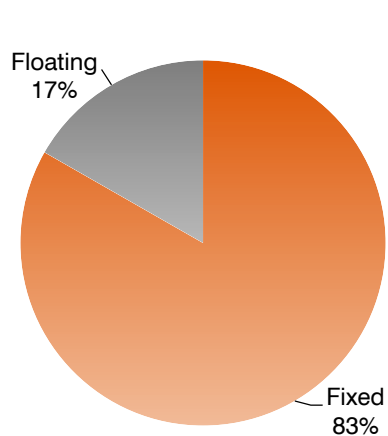
Principal Redemption Profile Proforma as of Apr 30, 2019

(US\$ millions)



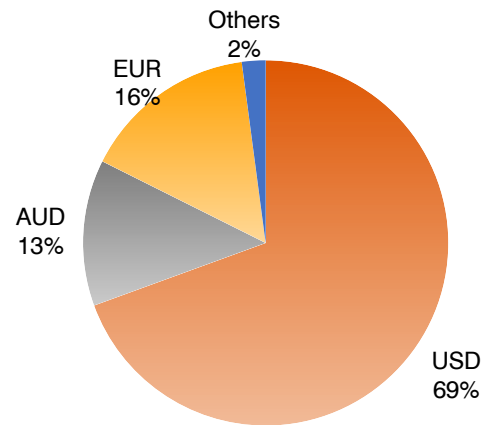
Debt Breakdown (5) by Rate

(as of April 30, 2019)



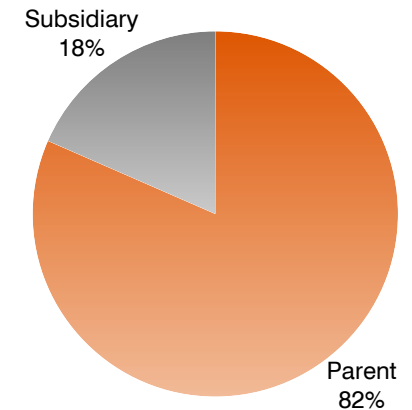
Debt Breakdown (5) by Currency

(as of April 30, 2019)



Debt Breakdown (5) in Parent & Subsidiary

(as of April 30, 2019)

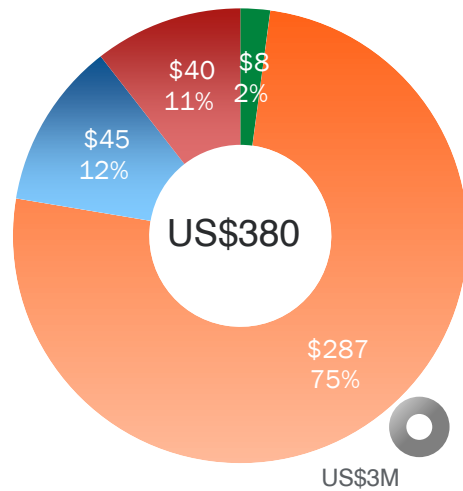


Note: (1) Callable in 2019 with rate reset in 2019 and 250-bp step-up in 2024; (2) Callable in 2021 with rate reset and 250-bp step-up in 2021; (3) Callable in 2024 with rate reset and 250-bp step-up in 2024; (4) Callable in 2022; (5) Perpetual Securities are not included in the Debt breakdown.

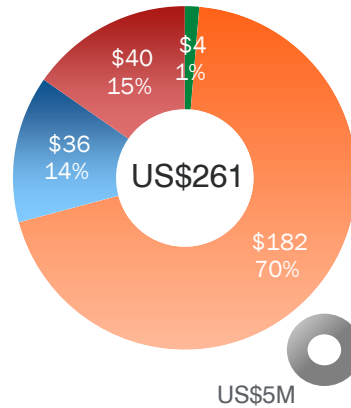
Capital Expenditures

(In US\$ millions)

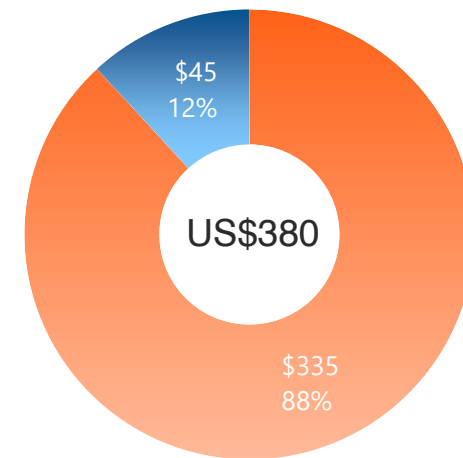
2018B



2018A



2019B



■ Greenfield
 ■ Expansionary
 ■ Maintenance
 ■ New Projects
 ○ Investment (SPIA)

2018 CAPEX mainly for:
GREENFIELD: Australia
EXPANSIONARY: Manila, Honduras, Mexico & Iraq
NEW: Papua New Guinea & Cavite

2019 CAPEX mainly for:
EXPANSIONARY: Manila, Honduras, Mexico & Iraq



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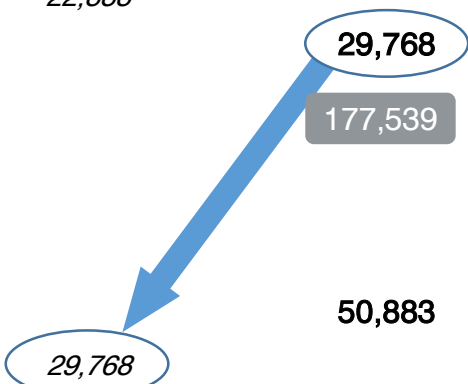
4 Questions and Answers

Entities with PFRS 16 Impact

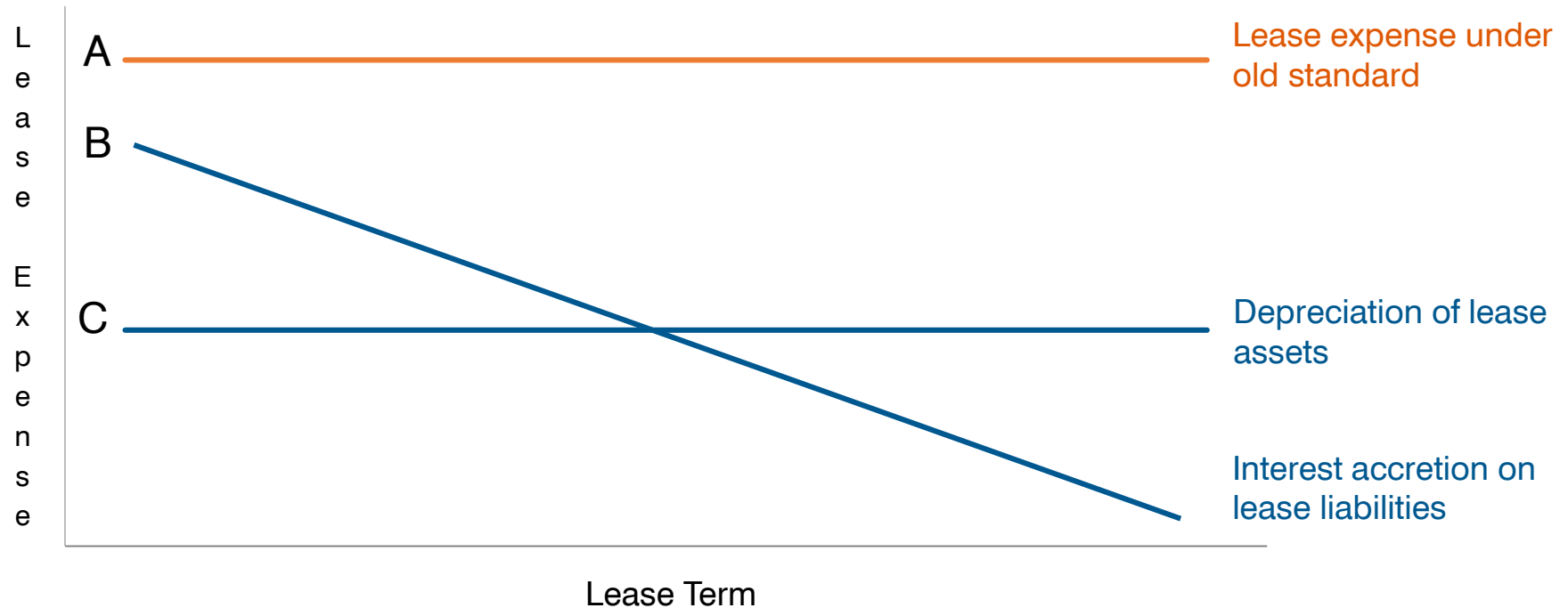
	Lease Term (in years)	End of Lease Term
Victoria International Container Terminal Ltd. (VICT) - <i>Australia</i>	26	2040
Contecon Mazanillo S.A. (CMSA) - <i>Mexico</i>	34	2044
Tecon Suape S.A. (TSSA) - <i>Brazil</i>	30	2031
Baltic Container Terminal (BCT) - <i>Poland</i>	20	2023
Mindanao International Container Terminal Services, Inc. (MICTSI) – <i>Philippines</i>	25	2033
Batumi International Container Terminal (BICTL) - <i>Georgia</i>	48	2055
Tecplata S.A. – <i>Argentina</i>	20	2029
Terminal Maritima de Tuxpan (TMT) - <i>Mexico</i>	5	2020

Impact of PFRS 16 on 1Q 2018 P&L

<i>(In US\$ '000)</i>		March 31, 2018
EBITDA – Pre PFRS 16		147,771
<i>Port Authorities' Share in Gross Revenues</i>	<i>6,879</i>	
<i>Equipment and Facilities – related expenses</i>	<i>22,888</i>	
Fixed and Guaranteed Port Fees		29,768
EBITDA – Post PFRS 16		177,539
NET INCOME – Pre PFRS 16		50,883
<i>Fixed and Guaranteed Port Fees</i>	<i>29,768</i>	
<i>Depreciation of right-of-use asset</i>	<i>(7,352)</i>	
<i>Interest expense on lease liability</i>	<i>(27,081)</i>	
<i>Tax impact</i>	<i>1,480</i>	
NET IMPACT OF PFRS 16 ADOPTION		(3,185)
NET INCOME – Post PFRS 16		47,697



Impact of PFRS 16 (1Q 2018 P&L)



A = Lease expense under old standard
B + C = Lease expense under new standard
(PFRS16)

Impact of PFRS 16 on 2018 Balance Sheet

<i>(In US\$ millions)</i>	Dec 31, 2018 (Audited)	<i>PFRS 16 adjustments</i>	Dec 31, 2018 (Restated)
Intangible and Property and Equipment	3,344	-	3,344
Lease Assets	-	+523	523
Cash and Cash Equivalents	447	-	447
Other Current and Non-current Assets	912	+90	1,002
Total Assets	4,703	+613	5,316
Total Short-term and Long-term Debt	1,307	-	1,307
Concession Rights Payable	541	-	541
Lease Liabilities	-	+1,132	1,132
Other Current and Non-current Liabilities	625	-194	431
Total Liabilities	2,474	+937	3,410
Total Equity	2,240	-324	1,906

Impact of PFRS 16 on 1Q 2018 Cash Flows

<i>(In US\$ '000)</i>	Mar 31, 2018 (Audited)	<i>PFRS 16 adjustments</i>	Mar 31, 2018 (Restated)
Net cash flows from operating activities	153,935	13,986	167,921
Net cash flows from investing activities	(87,095)	-	(87,095)
Net cash flows from financing activities	305,055	(13,986)	291,069
Effect of Exchange Rate on Cash and Cash Equivalents	(1,888)	-	(1,888)
Net Increase (Decrease) in Cash and Cash Equivalents	370,007	-	370,007
Cash and Cash Equivalents, beginning of period	279,427		279,427
Cash and Cash Equivalents, end of period	649,434		649,434

Recent Events

2019	May	Complied with the last of the Conditions Precedent (CPs) needed prior to the transfer a further 15.7% MNHPI shares to ICTSI; ICTSI's shareholdings in MNHPI has been increased from 34.83% to 50%
	Apr	ICTSI Global Finance B.V. availed of US\$300M Guaranteed Term Loan
	Apr	ICTSI declared a regular cash dividend in the amount of Php2.92 per share, alongside a special cash dividend in the amount of Php2.08 per share. The total dividend (regular and special) of Php5.00 per share is payable on May 7, 2019.
	Mar	ICTSI obtained approval of the transfer by the Philippine Competition Commission (PCC) regarding the acquisition of additional 15.17% of Manila North Harbour Port, Inc ("MNHPI") from Harbour Centre Port Terminal, Inc. Upon completion of this transaction, ICTSI shareholdings in MNHPI will increase from 34.83% to 50%
	Jan	ICTSI Middle East DMCC availed of a Euro260M Guaranteed Term Loan under its 2014 Loan Facility Program
		ICTSI signed the Concession Agreement to operate, manage and develop the South Port Container Terminal (SPCT) at the port of Sudan, Republic of Sudan



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Questions and Answers



**International
Container Terminal
Services, Inc.**

Thank you