



International
Container Terminal
Services, Inc.

EXCELLENCE UNCONTAINED

Nov 7, 2018

3Q 2018 INVESTOR BRIEFING PRESENTATION

AGENDA

1 Recent Financial Performance

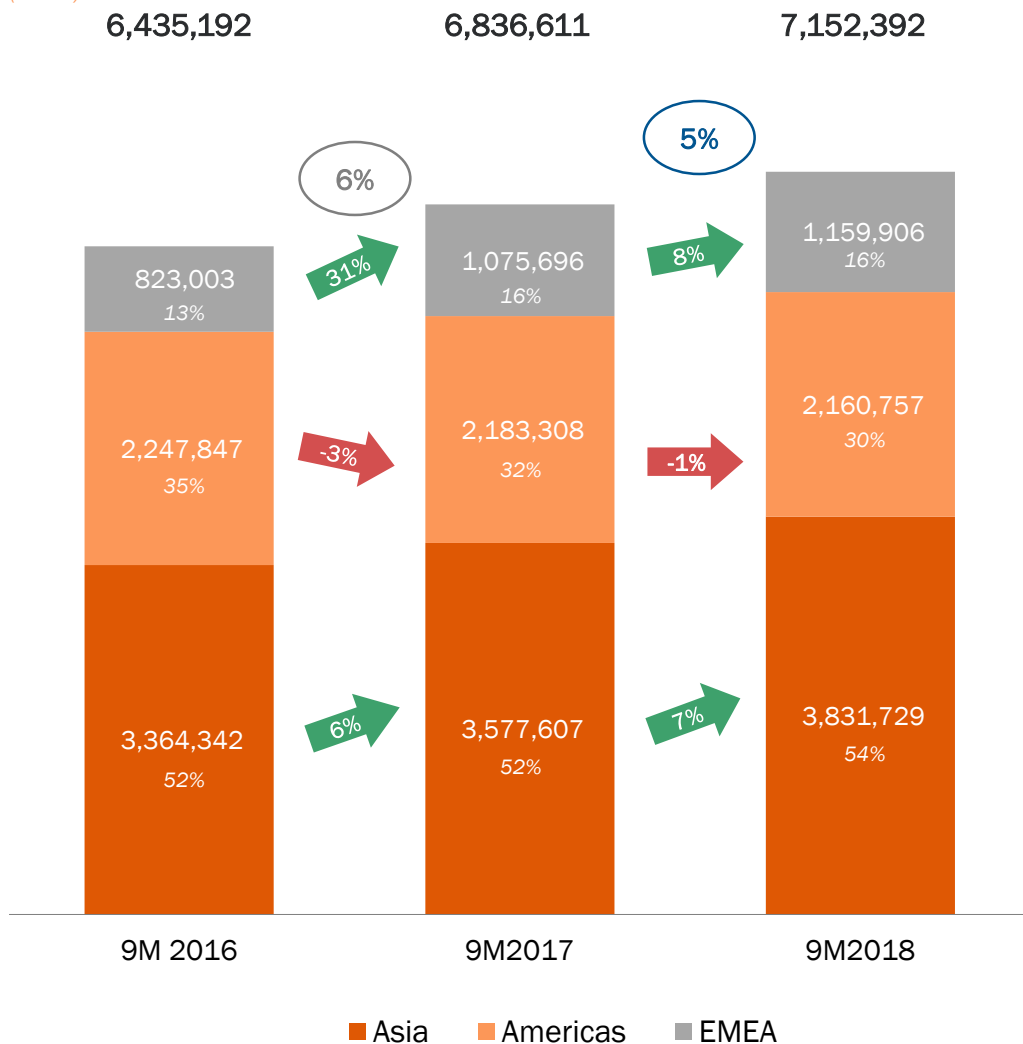
2 Liquidity and Capital Resources

3 Other Matters

4 Questions and Answers

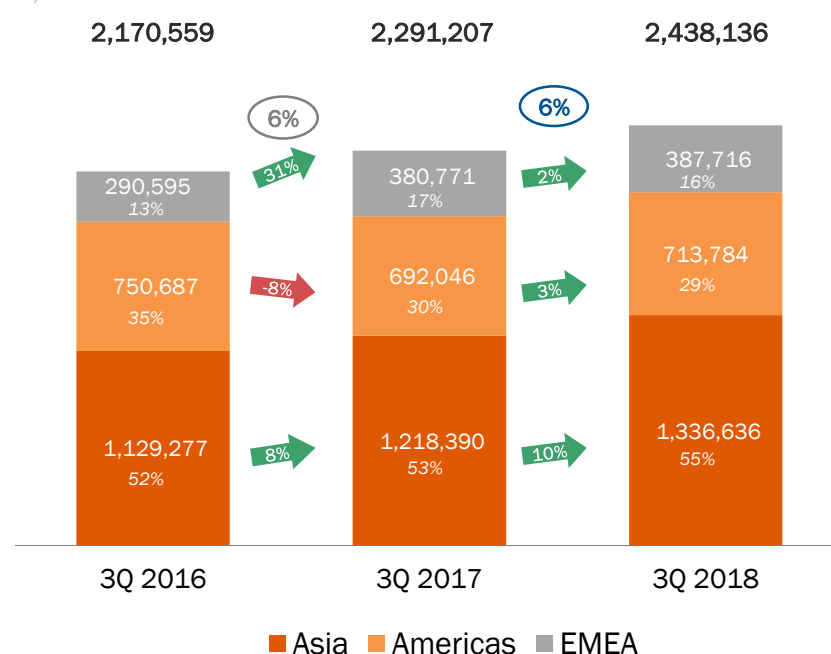
Nine months

(in TEU)



Third Quarter

(in TEU)

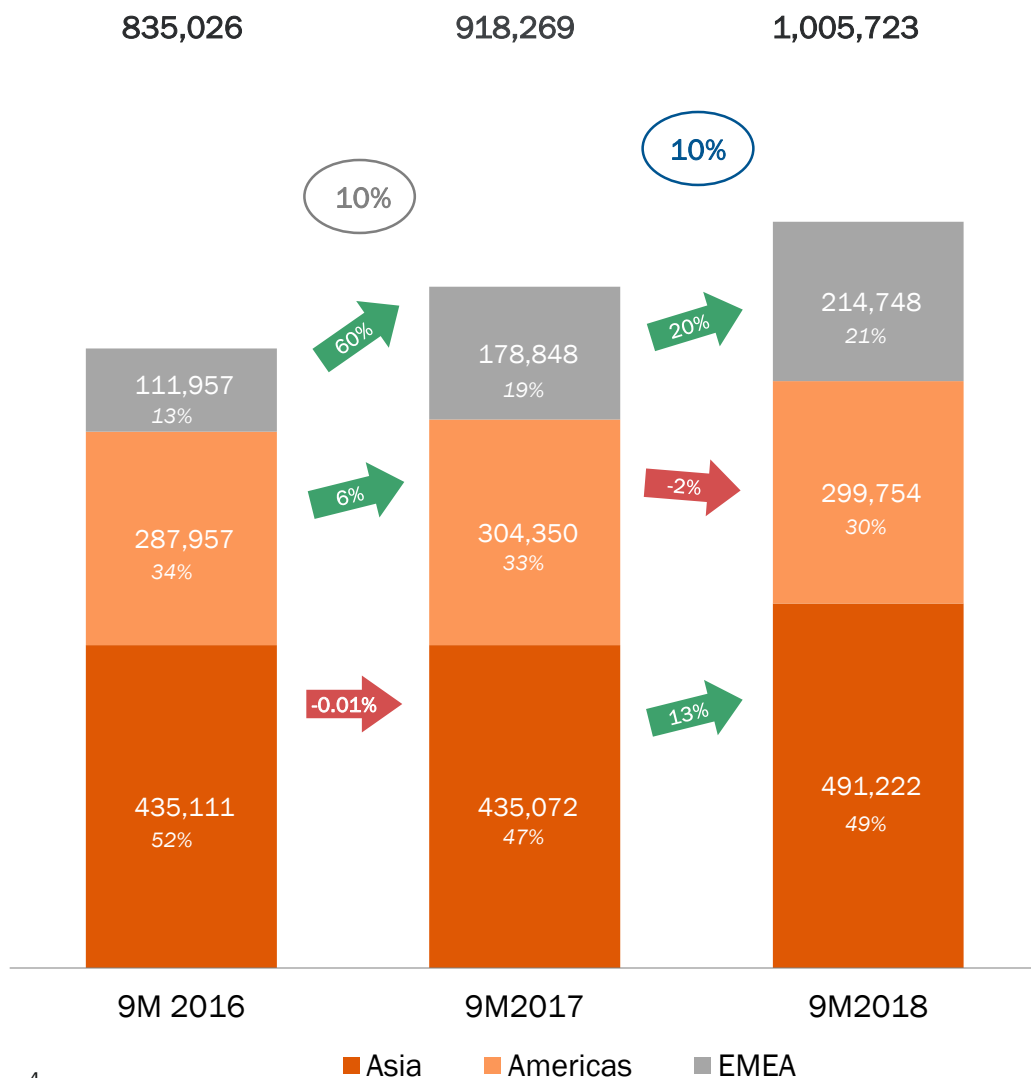


- 9M 2018 vs 9M 2017 consolidated volume up 5%; Organic volume grew 2%
- Volume growth was due to improvement in trade activities at most of the Company's terminal locations and the contribution of new terminals – VICT, SPICTL and MITL

Revenues

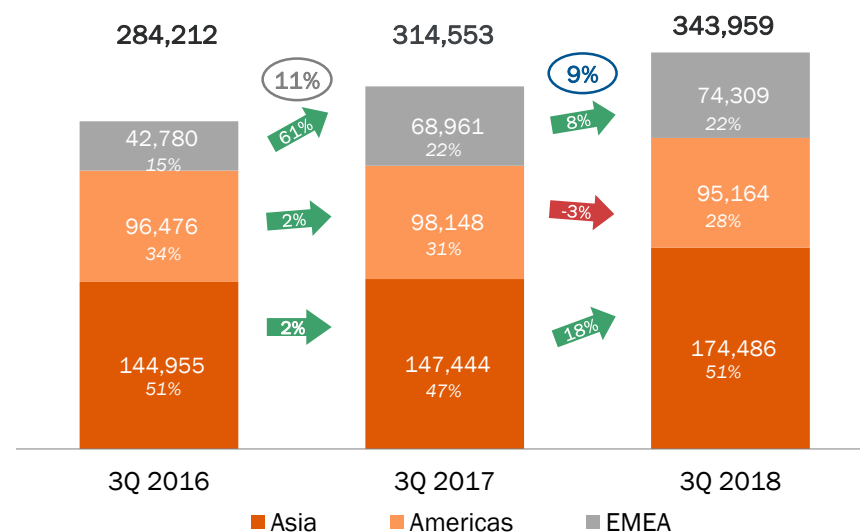
Nine months

(in US\$ '000)



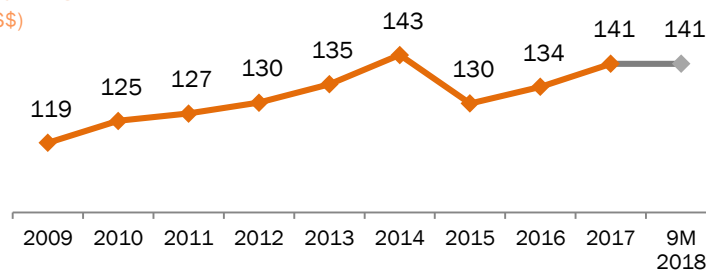
Third Quarter

(in US\$ '000)



Yield:TEU

(in US\$)



- Consolidated revenues 10% higher in 9M 2018 vs 9M 2017; Organic revenue increased 5%
- Consolidated 9M 2018 yield to TEU at US\$141

Consolidated P&L Highlights



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

	9M 2017	9M 2018	% Change	
Volume (In TEU)	6,836,611	7,152,392	5%	<ul style="list-style-type: none"> Volume up 5% due to improving global trade particularly in the emerging markets; continuing volume growth at most terminals and the continuing ramp-up at the new terminals in Lae and Motukea in PNG and Melbourne, Australia; Organic volume growth at 2%.
Gross Revenues from Port Operations	918,269	1,005,723	10%	<ul style="list-style-type: none"> Revenues increased 10% mainly due to volume growth; new contracts with shipping lines and services; and contribution of the new terminals in PNG and Australia; Organic revenue growth at 5%
Cash Operating Expenses	343,431	398,018	16%	<ul style="list-style-type: none"> Cash Opex 16% higher due to cost contribution of the new terminals, higher volume, and higher fuel price and higher repair and maintenance at certain terminals
EBITDA	434,857	462,081	6%	<ul style="list-style-type: none"> EBITDA increased 6% mainly due to strong revenues and positive contribution of SPICTL and MITL, tapered by higher fixed port lease expense at VICT
EBIT	305,584	318,074	4%	<ul style="list-style-type: none"> EBITDA margin decreased from 47% to 46% mainly due to the additional operating expenses from the new terminals
Financing Charges and Other Expenses	86,913	89,166	3%	<ul style="list-style-type: none"> Financing charges and other expenses up 3% primarily due to lower capitalized borrowing cost on qualifying assets
Net Income	168,135	174,243	4%	
Net Income Attributable to Equity Holders	149,316	153,287	3%	<ul style="list-style-type: none"> Net income attributable to equity holders up 3% due to strong 3Q2018 operating performance
Fully Diluted EPS	0.058	0.052	-11%	<ul style="list-style-type: none"> EPS down 11% mainly due to additional distributions to holders of senior guaranteed perpetual capital securities issued in January 2018

Consolidated P&L Highlights

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

	3Q 2017	3Q 2018	% Change	
Volume (In TEU)	2,291,207	2,438,136	6%	<ul style="list-style-type: none"> Volume up 6% due to improving global trade particularly in the emerging markets; continuing volume growth at most terminals; and the continuing ramp-up at the new terminals in Lae and Motukea in PNG and Melbourne, Australia; Organic volume growth at 4%.
Gross Revenues from Port Operations	314,553	343,959	9%	<ul style="list-style-type: none"> Revenues increased 9% mainly due to volume growth; new contracts with shipping lines and services; and contribution of the new terminals in PNG and Australia; Organic revenue growth at 5%
Cash Operating Expenses	121,716	132,062	9%	<ul style="list-style-type: none"> Cash Opex 9% higher due to cost contribution of the new terminals, higher volume, higher fuel price and higher repairs and maintenance at certain terminals; higher professional fees and information technology related expenses
EBITDA	145,145	162,552	12%	<ul style="list-style-type: none"> EBITDA increased 12% mainly due to strong revenues and positive contribution of SPICTL and MITL, tapered by higher fixed port lease expense at VICT
EBIT	99,157	113,778	15%	<ul style="list-style-type: none"> EBITDA margin increased from 46% to 47% mainly due to the positive contribution of new terminals in Lae and Motukea in PNG, partially tapered by the higher fixed port lease expense at VICT
Financing Charges and Other Expenses	27,867	29,158	5%	<ul style="list-style-type: none"> Financing charges and other expenses up 5% primarily due to lower capitalized borrowing cost on qualifying assets
Net Income	53,018	62,915	19%	
Net Income Attributable to Equity Holders	45,680	55,621	22%	<ul style="list-style-type: none"> Net income attributable to equity holders up 22% due to strong operating performance
Fully Diluted EPS	0.017	0.019	11%	<ul style="list-style-type: none"> EPS up 11% due to strong operational results despite the additional distributions to holders of senior guaranteed perpetual capital securities issued in January 2018

Recurring Net Income

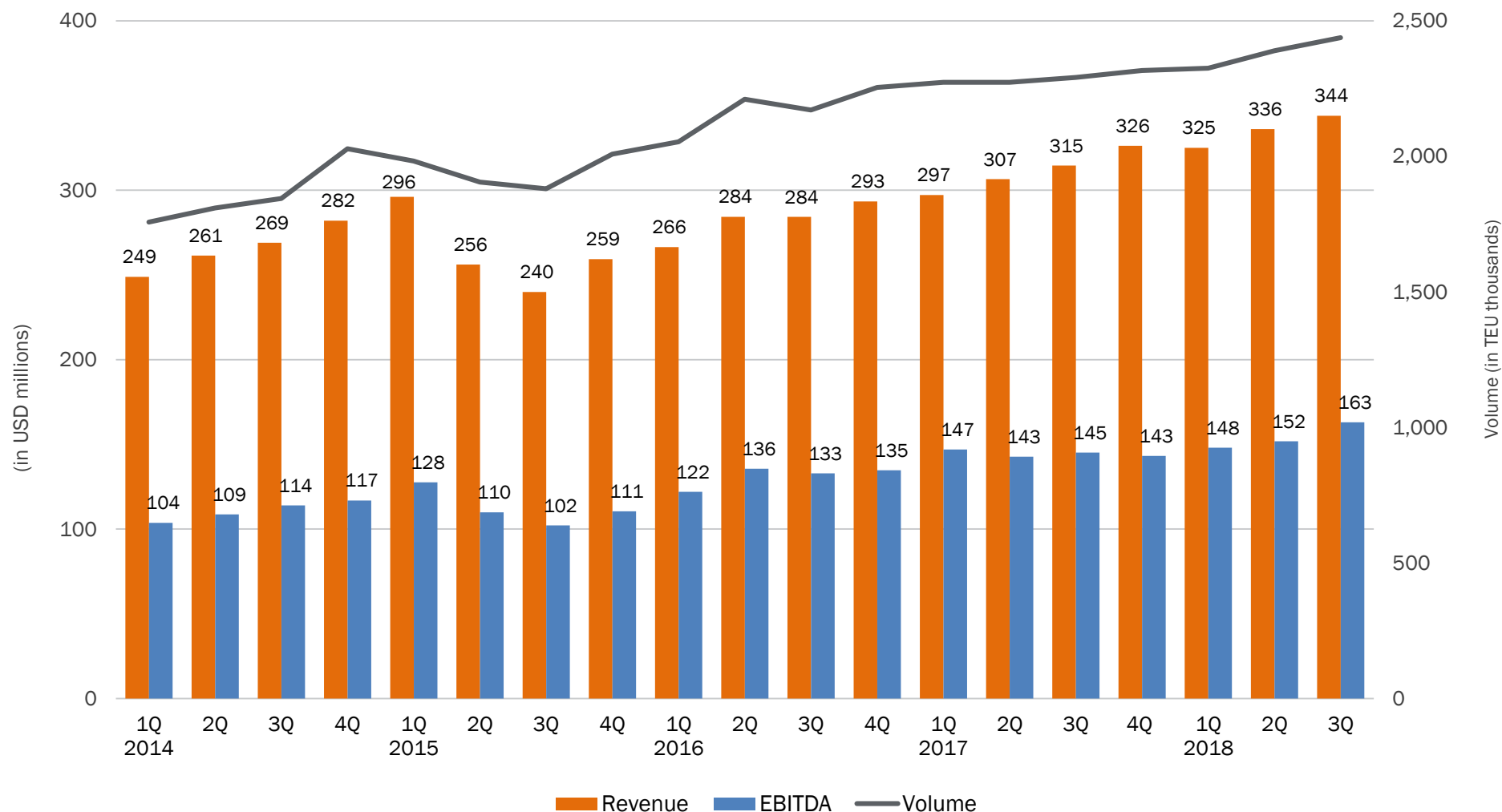
	9M 2017	9M 2018	% Change
Net Income Attributable to Equity Holders	149,316	153,287	3%
Non-recurring item:			
Gain on the termination of the LICTSLE sub-concession agreement	(7,500)	-	
MTM gain on derivative of CMSA	-	(2,752)	
Recurring Net Income Attributable to Equity Holders	141,816	150,535	6%

Financing Charges & Other Expenses

(In US\$ '000)

	9M 2017	9M 2018	% Change	
Financing Charges & Other Expenses	86,912	89,166	3%	
• Interest Expense on Loans/Bonds	77,971	77,015	-1%	• Lower interest expense due to lower loan balance
• Capitalized Borrowing Cost	(8,604)	(1,934)	-78%	• Lower capitalized borrowing cost on qualifying assets
• Amortization of Debt Issue Cost	5,574	4,827	-13%	
• Other Expenses	11,971	9,258	-23%	
Average Outstanding Debt Balance	1,497,725	1,424,022	-5%	• Average loan balance 5% lower due to the pre-payment of CMSA's project finance facility
Average Remaining Tenor	6.8 yrs	5.4 yrs		
Average Cost of Debt <i>(post CIT)</i>	4.9% p.a.	5.1% p.a.		

Historical Volume, Revenue & EBITDA



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

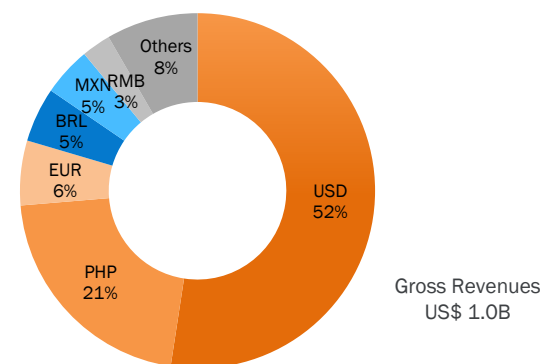
	Subsidiaries	USD	EUR	Local Currency
Asia	MICT	44%		56% PHP
	PTMTS			100% IDR
	YICT			100% RMB
	OJA	69%		31% IDR
	PICT	76%		24% PKR
	SBITC/ISI	55%		45% PHP
	SCIPSI			100% PHP
	DIPSSCOR			100% PHP
	HIPS			100% PHP
	MICTSI			100% PHP
	BIPI			100% PHP
	LGICT	30%		70% PHP
	VICT			100% AUD
EMEA	SPICTL/MITL			100% PGK
	BCT	68%	3%	29% PLN
	MICTSL		100%	
	BICT	100%		
	AGCT		80%	20% HRK
	BGT	84%		16% IQD
Americas	IDRC	100%		
	TSSA			100% BRL
	CGSA	100%		
	OPC	100%		
	CMSA	50%		50% MXN

Cash Expense Currency by Subsidiary

	Subsidiaries	USD	EUR	Local Currency
Asia	MICT	33%		67% PHP
	PTMTS			100% IDR
	YICT			100% RMB
	OJA	9%		91% IDR
	PICT	18%		82% PKR
	SBITC/ISI	40%		60% PHP
	SCIPSI			100% PHP
	DIPSSCOR			100% PHP
	HIPS			100% PHP
	MICTSI			100% PHP
	BIPI	1%		99% PHP
	LGICT			100% PHP
	VICT	16%		84% AUD
EMEA	SPICTL			100% PGK
	BCT	31%	1%	68% PLN
	MICTSL	2%	43%	55% MGA
	BICT			100% GEL
	AGCT		9%	91% HRK
	BGT	18%		82% IQD
Americas	IDRC	96%		4% CDF
	TSSA			100% BRL
	CGSA	100%		
	OPC	52%		48% HNL
	CMSA	7%		93% MXN
	TECPLATA	5%		95% ARS

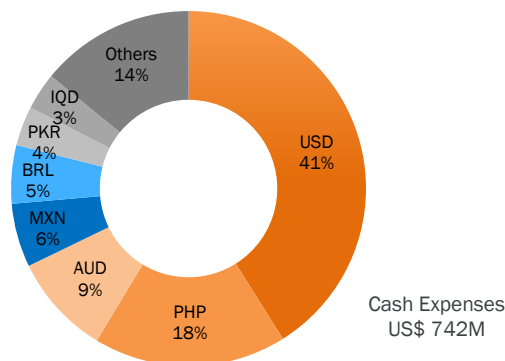
US\$ Revenues from Port Operations

(9M 2018 Revenue Breakdown by Currency)



Expenses favorably Matching Revenues

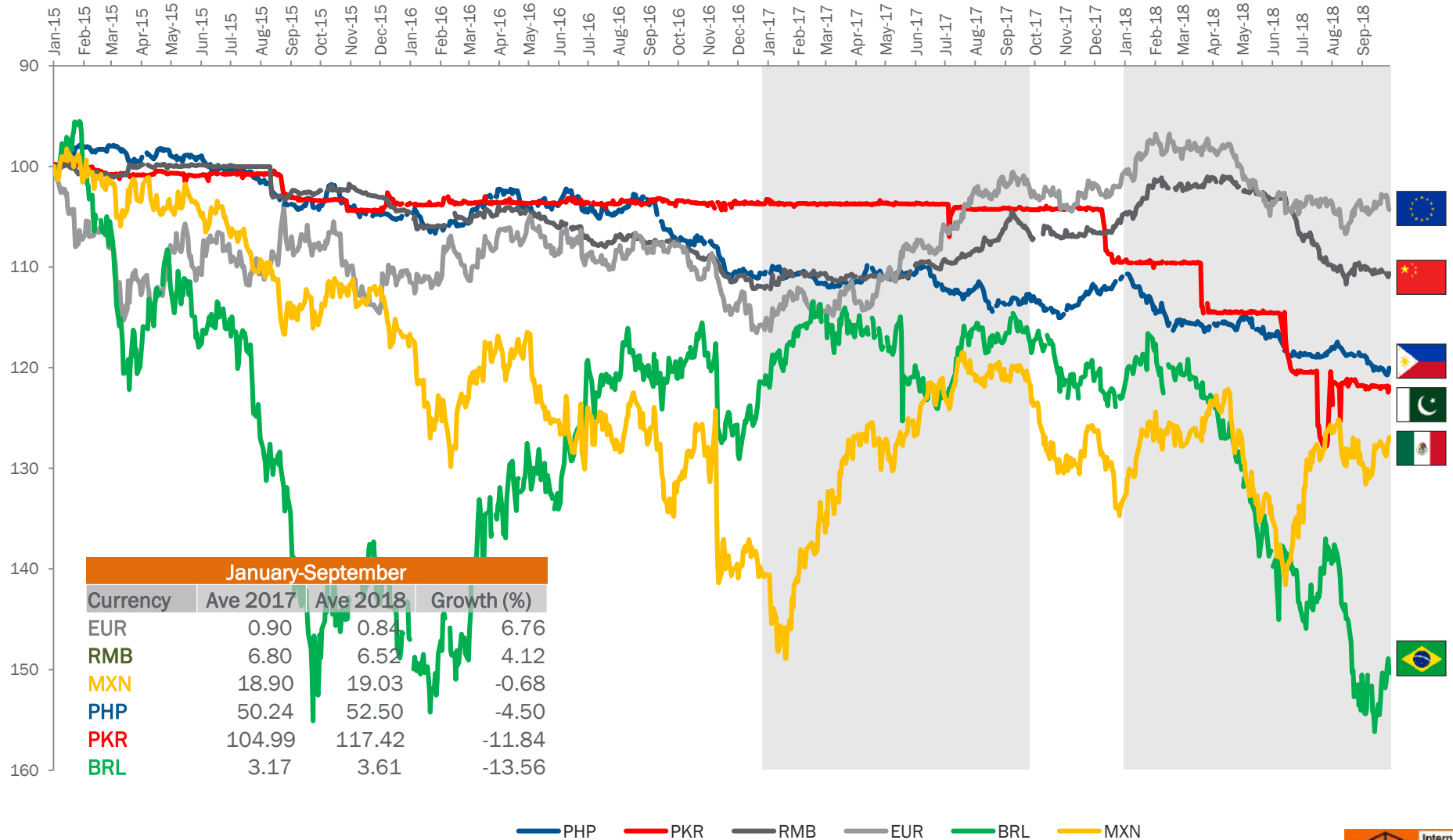
(9M 2018 Expenses Breakdown by Currency)







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.

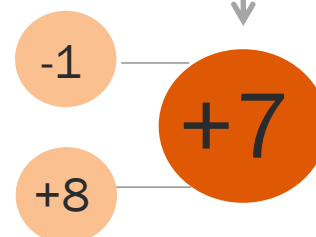


Yield/TEU Comparison

	9M 2017	9M 2018	% change
 Volume (TEU '000)	6,837	7,152	5%
 Revenues (US\$ million)	918	1,006	10%
 Yield/TEU (US\$)	134	141	5%
 EBITDA (US\$ millions)	435	462	6%
EBITDA Margin	47%	46%	

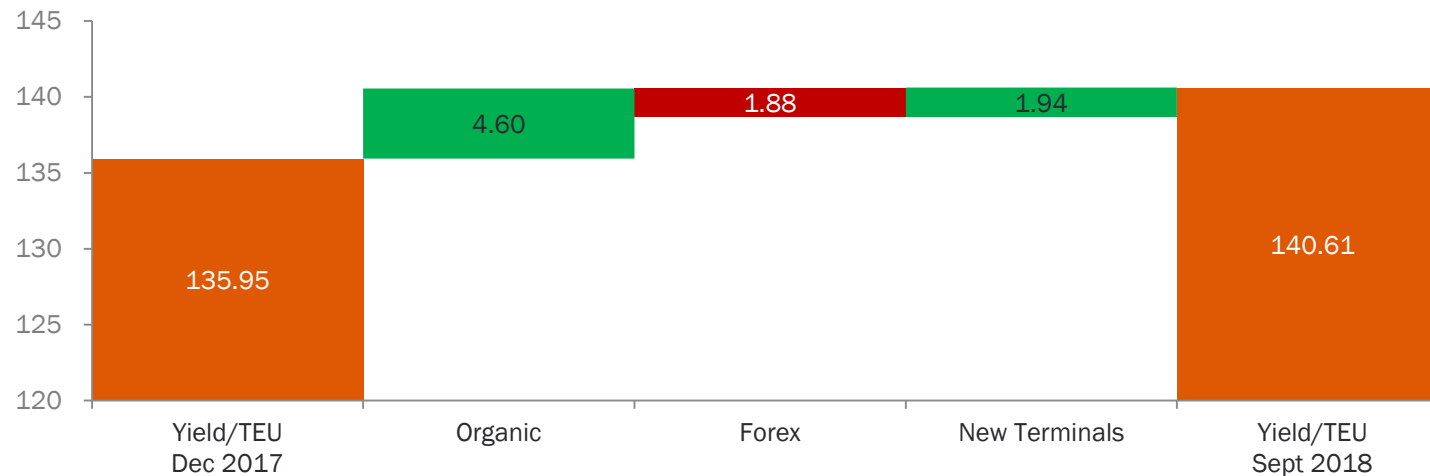
FX : Negative impact of PHP and BRL tapered by positive impact of EUR and RMB

Higher revenues from storage and ancillary services at certain terminals, increase in non-containerized revenues and contribution of new terminals, SPICTL, MITL & VICT

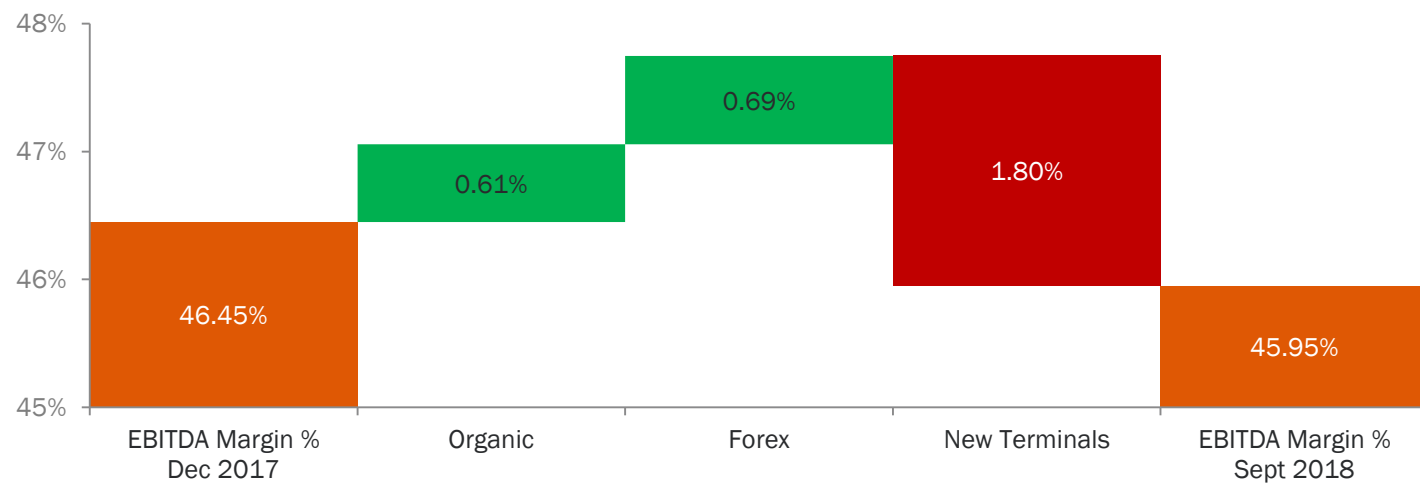


Yield/TEU and EBITDA Evolution

Yield/TEU Evolution



Evolution of EBITDA Margin



An aerial photograph of a busy port. A large container ship is docked at a pier, with its deck covered in stacks of colorful shipping containers. Several orange gantry cranes are positioned along the pier. In the background, a city with dense buildings and a body of water are visible under a clear blue sky.

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Balance Sheet Summary

(In US\$ Million)



	2016	2017	9M 2018
Intangible and Property and Equipment	3,102	3,203	3,307
Cash and Cash Equivalents	325	279	412
Other Current and Non-current Assets	756	888	925
Total Assets	4,183	4,371	4,643
Total Short-term and Long-term Debt	1,381	1,494	1,302
Concession Rights Payable	491	480	546
Other Current and Non-current Liabilities	545	524	555
Total Liabilities	2,417	2,498	2,403
Total Equity	1,766	1,873	2,240

Financial Ratios

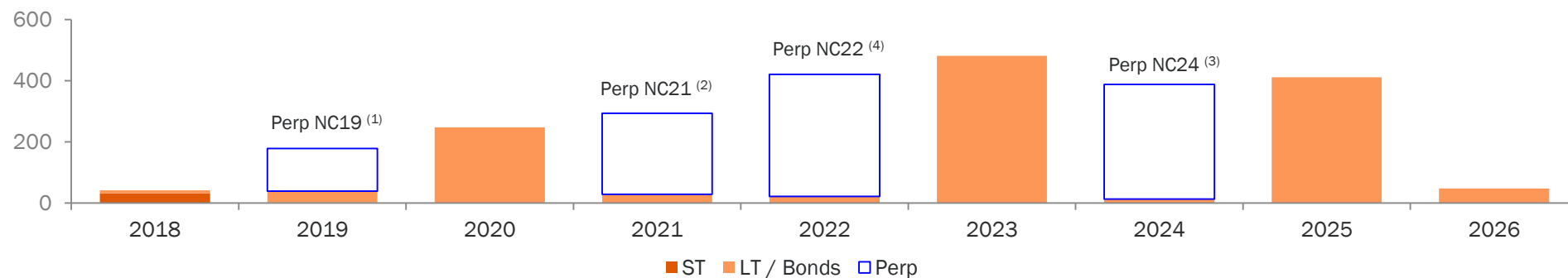
Gearing: Debt/SHE	0.78	0.80	0.58
Debt Cover Ratio: Debt/EBITDA (<i>per covenant</i>)	2.31	2.21	2.19
Current Ratio: Current Assets/Current Liabilities	1.18	1.25	1.67
DSCR: EBITDA/(Interest + Scheduled Principal Payments)	1.83	3.11	3.28

Note: (1) Current Ratio is calculated as Current Assets/ Current Liabilities (2) DSCR is calculated as EBITDA/ (Interest + Scheduled Principal Payments)

Principal Redemption Profile

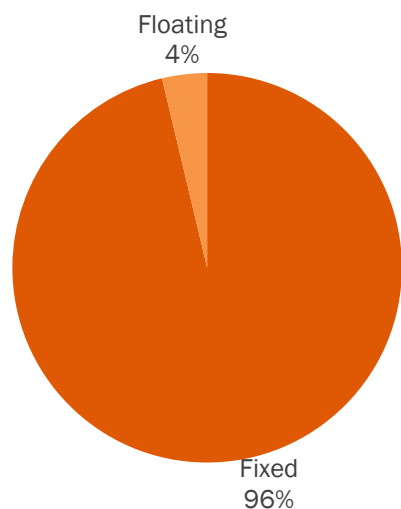
Principal Redemption Profile as of September 30, 2018

(US\$m)



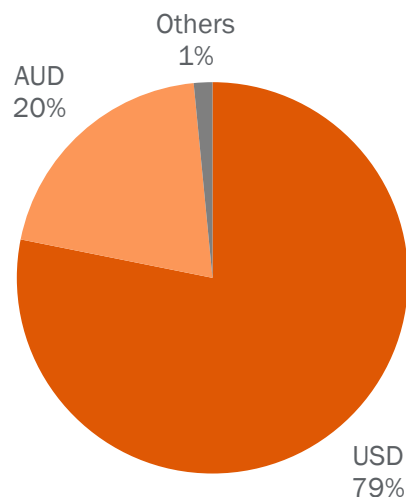
Debt Breakdown by Rate

(As of Sept 30, 2018)



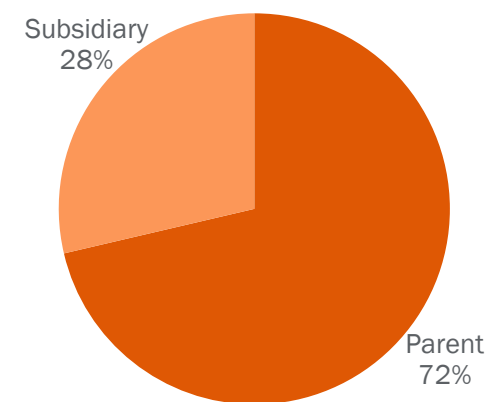
Debt Breakdown by Currency

(As of Sept 30, 2018)



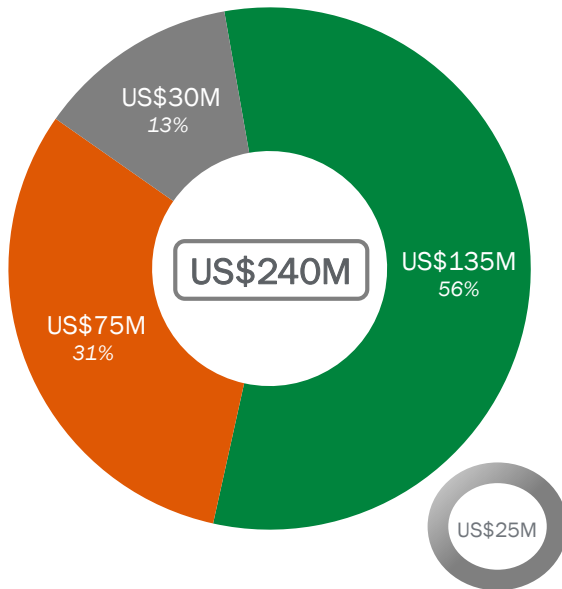
Debt Breakdown in Parent & Subsidiary

(As of Sept 30, 2018)



Capital Expenditures

2017B



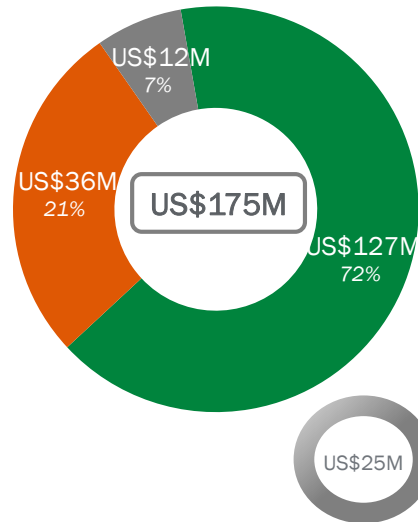
■ Greenfield ■ Expansionary ■ Maintenance

2017 CAPEX mainly for:

GREENFIELD: Australia, Iraq, DR Congo, Honduras & Cavite

EXPANSIONARY: Manila, Ecuador, China & Mexico

2017A



■ New Projects ● Investment (SPIA)

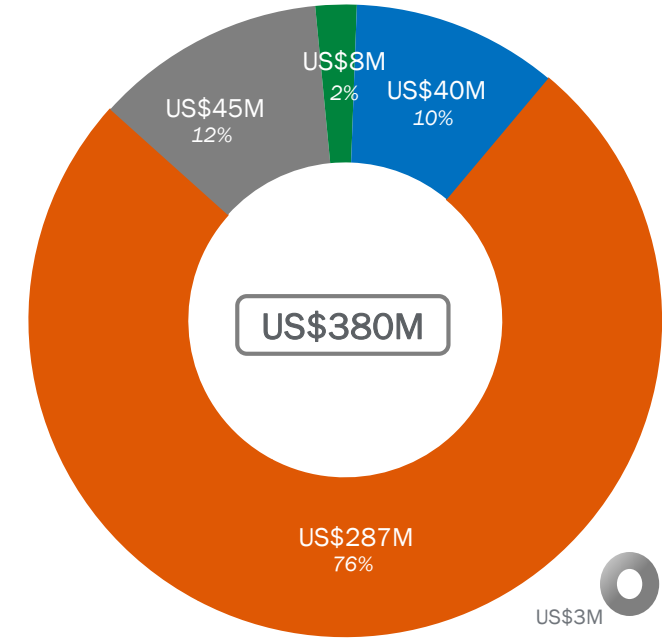
2018 CAPEX mainly for:

GREENFIELD: Australia

EXPANSIONARY: Manila, Honduras, Mexico & Iraq

NEW: Papua New Guinea & Cavite

2018B



The background of the slide is a photograph of a port. In the foreground, there are several large orange gantry cranes. Below them, a large number of colorful shipping containers (red, blue, green, yellow) are stacked. In the background, there are green hills and a body of water under a clear blue sky.

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2018	Sept	ICTSI acquired additional 15.17% of Manila North Harbour Port, Inc (“MNHPI”) from Harbour Centre Port Terminal, Inc., subject to certain conditions precedent; Upon completion of this transaction, ICTSI shareholdings in MNHPI will increase from 34.83% to 50%
	July	ICTSI declared Preferred Bidder to operate, manage and develop the South Port Container Terminal (“SPCT”) at the port of Port Sudan, Republic of the Sudan
	June	South Pacific International Container Terminal Limited (“SPICTL”) and Motukea International Terminal Limited (“MITL”) commenced full commercial operations
	May	ICTSI launched maiden Sustainability Report
	Feb	South Pacific International Container Terminal Limited (“SPICTL”) commenced partial commercial operations
	Jan	Issued US\$400M Senior Fixed-for-Life Perpetual Securities
2017	Nov	PT ICTSI Jasa Prima Tbk (IJP) signed a conditional share purchase agreement with PT Samudera Terminal Indonesia (STI) for the purchase of IJP’s interest in PT Perusahaan Bongkar Muat Olah Jasa Anda (OJA) , subject to certain conditions.
	Oct	ICTSI has signed expansion agreement for the second development phase of the Basra Gateway Terminal (BGT) in the North Port, Umm Qasr, Iraq
	Sep	Motukea International Terminal Limited (“MITL”) and South Pacific International Container Terminal Limited (“SPICTL”) signed 25-year Terminal Operating Agreements with PNG Ports Corporation Limited (“PNGPCL”) for the Operation, Management and Development of the international ports in Motukea and Lae, in Papua New Guinea
		ICTSI acquired 34.83% of Manila North Harbour Port, Inc (“MNHPI”) from Petron Corporation



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