



2Q 2019 Investors' Briefing Presentation

August 13, 2019

Highlights

Strong Financial and Operational Performance

Volume
+7%

Revenues
+14%

EBITDA
+19%

Net income*
+42%

- Exceptional volume and revenue growth despite global headwinds
- Benign Cash Opex increase drove higher EBITDA margins and superb EBITDA growth
- Lower financing cost and better performance from SPIA magnified net income growth
- Acquisitions to drive future growth and further diversify asset base
- Positive updates on Sudan project



AGENDA



Recent Financial
Performance

2 Liquidity and Capital
Resources

3 Other Matters

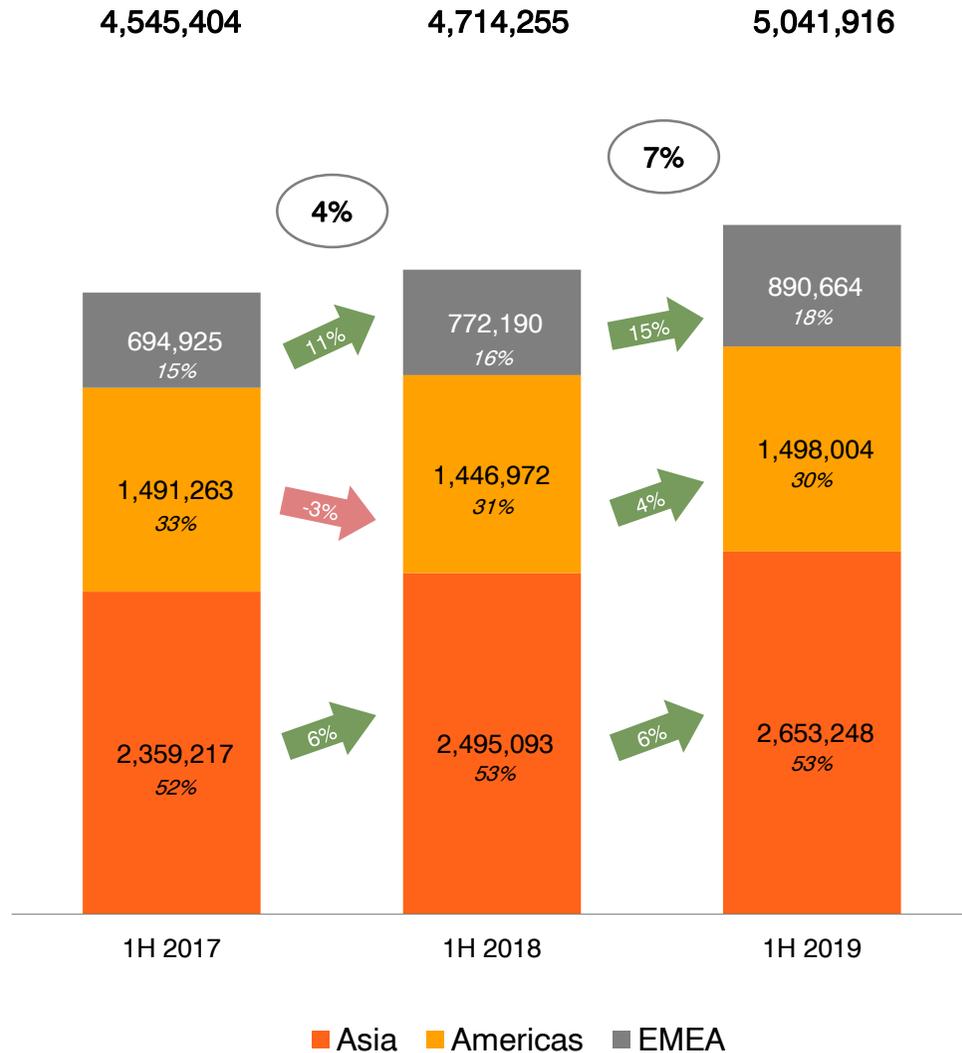
4 Questions and Answers

5 Appendix

Volume

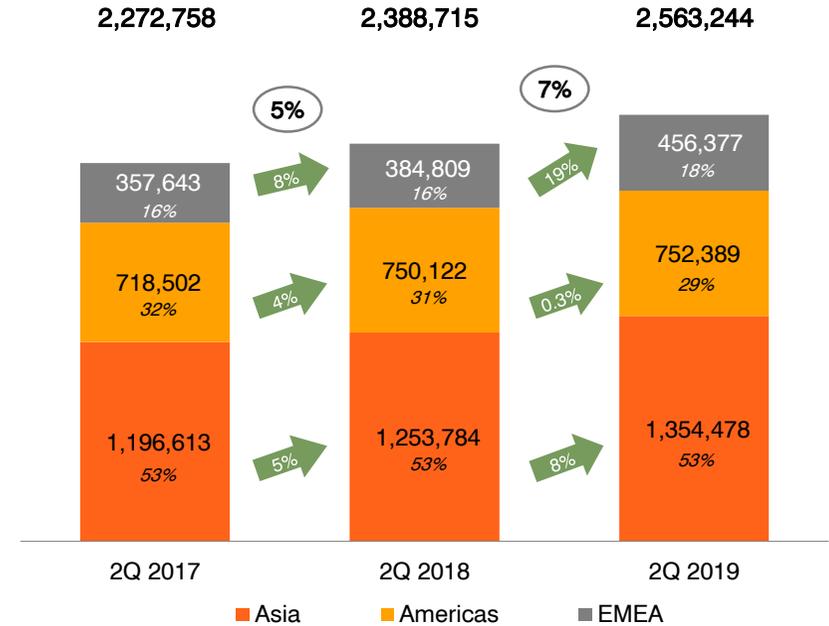
First Half

(in TEU)



Second Quarter

(in TEU)

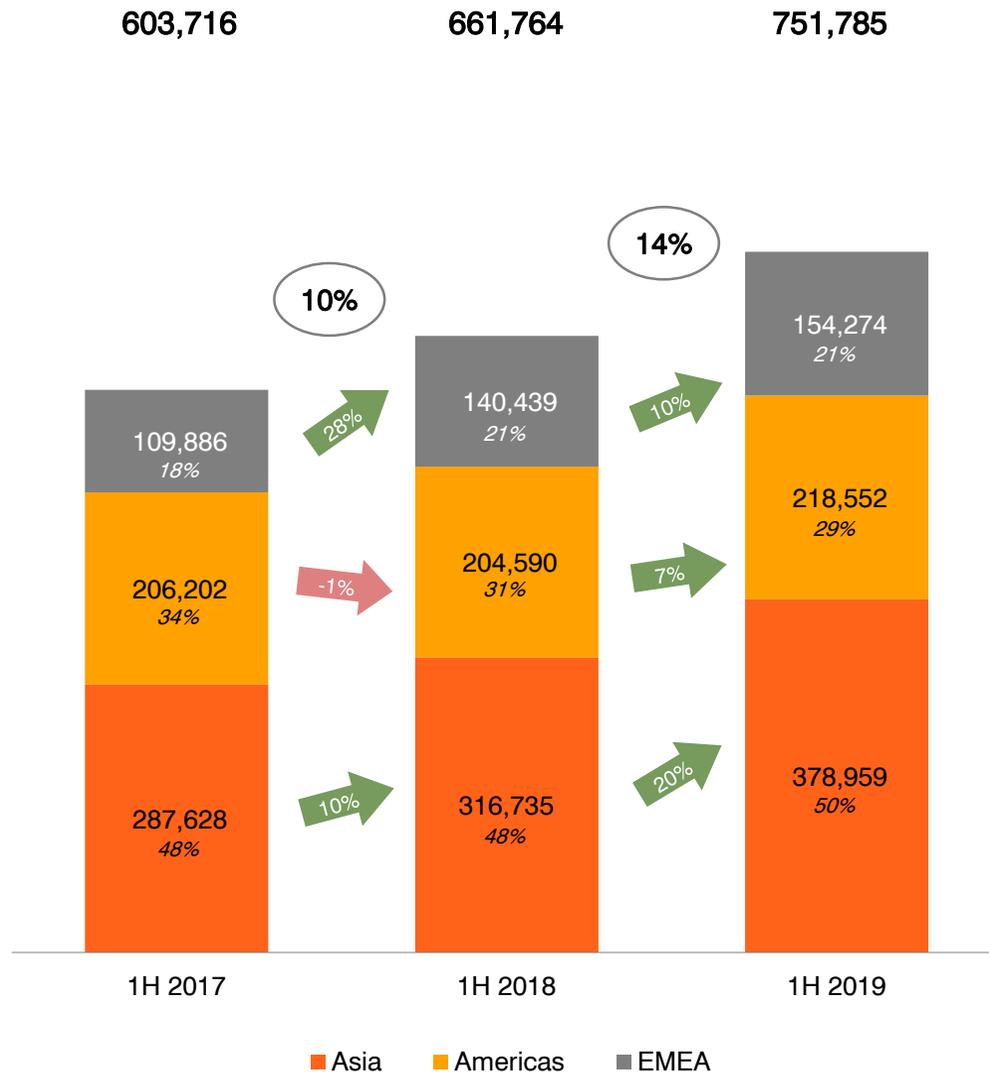


- 1H 2019 vs 1H 2018 consolidated volume up 7%; Organic volume grew 6%
- Volume growth was mainly due continuing ramp-up at VICT and CMSA; improvement in trade activities at SBITC, IDRC and AGCT; new shipping lines and services at BCT; and the new terminals in PNG

Revenues

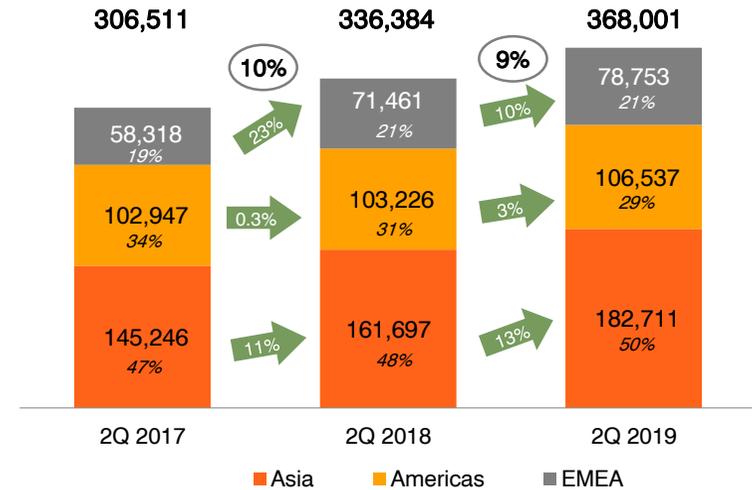
First Half

(in US\$'000)



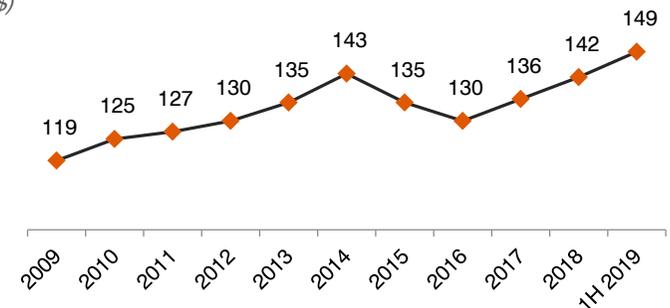
Second Quarter

(in US\$'000)



Yield:TEU

(in US\$)



- Consolidated revenues 14% higher in 1H 2019 vs 1H 2018
Organic revenues increased 12%
- Consolidated 1H 2019 yield to TEU at US\$149

Consolidated P&L Highlights

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

	1H 2018*	1H 2019	% Change
Volume (In TEU)	4,714,255	5,041,916	7%
Gross Revenues from Port Operations	661,764	751,785	14%
Cash Operating Expenses	221,177	232,043	5%
EBITDA	356,062	424,399	19%
EBIT	246,553	309,174	25%
Financing Charges and Other Expenses	60,008	59,623	-1%
Net Income	103,904	146,070	41%
Net Income Attributable to Equity Holders	90,242	128,470	42%
Fully Diluted EPS	0.029	0.048	65%

- Volume up 7% mainly due to continuing ramp-up at VICT and CMSA; improvement in trade activities at SBITC, IDRC and AGCT; new shipping lines and services at BCT; and the new terminals in PNG. Organic volume growth at 6%.

- Revenues increased 14% mainly due to volume growth and tariff adjustments for certain services at multiple terminals; new contracts with shipping lines and services; and the contribution from the Company's new terminals in PNG; Organic revenue growth at 12%

- Cash Opex 5% higher mainly due to higher volume; government-mandated and contracted salary rate adjustments at certain terminals; increase in IT-related and business dev't expenses; and the cost contribution of the new terminals in PNG

- EBITDA increased 19% mainly due to strong revenues partially tapered by the higher operating expenses driven by volume growth.

- EBITDA margin increased from 54% to 56%

- Financing charges and other expenses down 1% primarily due to the prepayment of the CMSA project finance loan in May 2018 and lower borrowing cost tapered by the new loan drawdowns

- Net income attributable to equity holders up 42% mainly due to strong operating income contribution at BGT, VICT, IDRC and SBITC; the continuing ramp-up at the new terminals in PNG; and a decrease in equity in net loss at SPIA

Consolidated P&L Highlights

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

	2Q 2018*	2Q 2019	% Change
Volume (In TEU)	2,388,715	2,563,244	7%
Gross Revenues from Port Operations	336,384	368,001	9%
Cash Operating Expenses	115,578	120,015	4%
EBITDA	178,523	201,856	13%
EBIT	123,644	144,023	16%
Financing Charges and Other Expenses	28,935	31,301	8%
Net Income	56,207	64,565	15%
Net Income Attributable to Equity Holders	49,358	56,067	14%
Fully Diluted EPS	0.016	0.020	22%

- Volume up 7% mainly due to continuing ramp-up at VICT and CMSA; improvement in trade activities at SBITC, IDRC and AGCT; new shipping lines and services at BCT; and the new terminal at Motukea, PNG; Organic volume growth at 7%.
- Revenues increased 9% mainly due to volume growth and tariff adjustments for certain services at multiple terminals; new contracts with shipping lines and services; and the contribution from the Company's new terminal at Motukea, PNG; Organic revenue growth at 9%
- Cash Opex 4% higher mainly due to higher volume; government-mandated and contracted salary rate adjustments at certain terminals; increase in business dev't expenses; and the cost contribution of the new terminals in PNG
- EBITDA increased 13% mainly due to strong revenues partially tapered by the higher operating expenses driven by volume growth.
- EBITDA margin increased from 53% to 55%
- Financing charges and other expenses up 8% primarily due to the higher interest expense due to additional loan drawdown in 2Q19, amortization of debt issue cost and lower capitalized borrowing cost
- Net income attributable to equity holders up 14% year due to the strong operating income and decrease in equity in net loss at SPIA, partially tapered by increase in interest expense from new term loans and a non-recurring pre-termination gain from the interest rate swap at CMSA in 2018.

Financing Charges & Other Expenses

(In US\$ '000)

	1H 2018	1H 2019	% Change	
Financing Charges & Other Expenses	60,008	59,623	-1%	
<ul style="list-style-type: none"> Interest Expense on Loans/Bonds Capitalized Borrowing Cost Amortization of Debt Issue Cost Other Expenses 	51,787 (1,386) 3,296 6,311	51,090 (1,331) 3,980 5,884	-1% 4% 21% -7%	<ul style="list-style-type: none"> Lower due to prepayment of the CMSA project finance loan in May 2018 and lower borrowing cost tapered by the new loan drawdowns
Average Outstanding Debt Balance	1,467,847	1,712,864	17%	<ul style="list-style-type: none"> Higher due to the EUR260M loan drawdown in January 2019 and US\$300M term loan facility at ICTSI Global Finance B.V. in April 2019 tapered by the loan prepayment at CMSA
Average Remaining Tenor	5.7 yrs	4.8 yrs		
Average Cost of Debt (post CIT)	5.0% p.a.	4.2% p.a.		

Recurring Net Income

	1H 2018	1H 2019	% Change	2Q 2018	2Q 2019	% Change
Net Income Attributable to Equity Holders	90,242	128,470	42%	49,358	56,067	14%
<i>Non-recurring item:</i>						
<i>MTM gain on derivative of CMSA</i>	(2,752)	-		(2,752)	-	
Recurring Net Income Attributable to Equity Holders	87,490	128,470	47%	46,606	56,067	20%

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

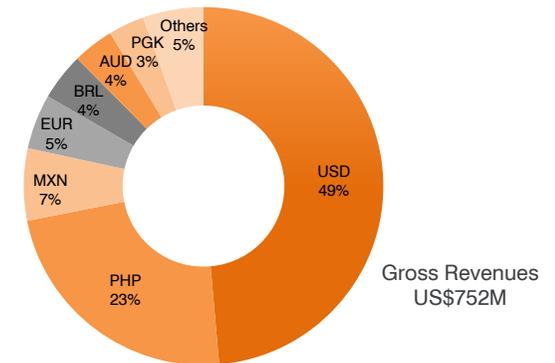
Subsidiaries	USD	EUR	Local Currency
MICT	40%		60% PHP
PTMTS			100% IDR
YICT			100% CNY
OJA	73%		27% IDR
PICT	81%		19% PKR
SBITC/ISI	54%		46% PHP
SCIPSI			100% PHP
DIPSSCOR			100% PHP
HIPS			100% PHP
MICTSI			100% PHP
BIPI			100% PHP
LGICT	21%		79% PHP
VICT			100% AUD
SPICTL/MITL			100% PGK
BCT	71%	8%	21% PLN
MICTSL		100%	
BICT	100%		
AGCT		78%	22% HRK
BGT	81%		19% IQD
IDRC	100%		
TSSA			100% BRL
CGSA	100%		
OPC	100%		
CMSA	37%		63% MXN
TECPLATA	100%		

Cash Expense Currency by Subsidiary

Subsidiaries	USD	EUR	Local Currency
MICT	27%		73% PHP
PTMTS			100% IDR
YICT			100% CNY
OJA	9%		91% IDR
PICT	20%		80% PKR
SBITC/ISI	34%		66% PHP
SCIPSI			100% PHP
DIPSSCOR			100% PHP
HIPS			100% PHP
MICTSI			100% PHP
BIPI	1%		99% PHP
LGICT			100% PHP
VICT			100% AUD
SPICTL/MITL			100% PGK
BCT	7%	1%	92% PLN
MICTSL	3%	36%	61% MGA
BICT	13%		87% GEL
AGCT		8%	92% HRK
BGT	16%		84% IQD
IDRC	97%		3% CDF
TSSA			100% BRL
CGSA	100%		
OPC	52%		48% HNL
CMSA	3%		97% MXN
TECPLATA	19%		81% ARS

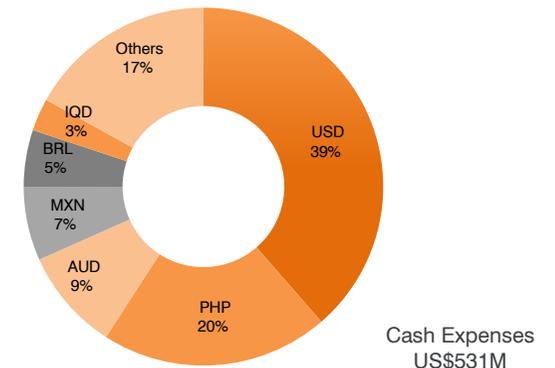
US\$ Revenues from Port Operations

(1H 2019 Revenue Breakdown by Currency)



Expenses favorably Matching Revenues

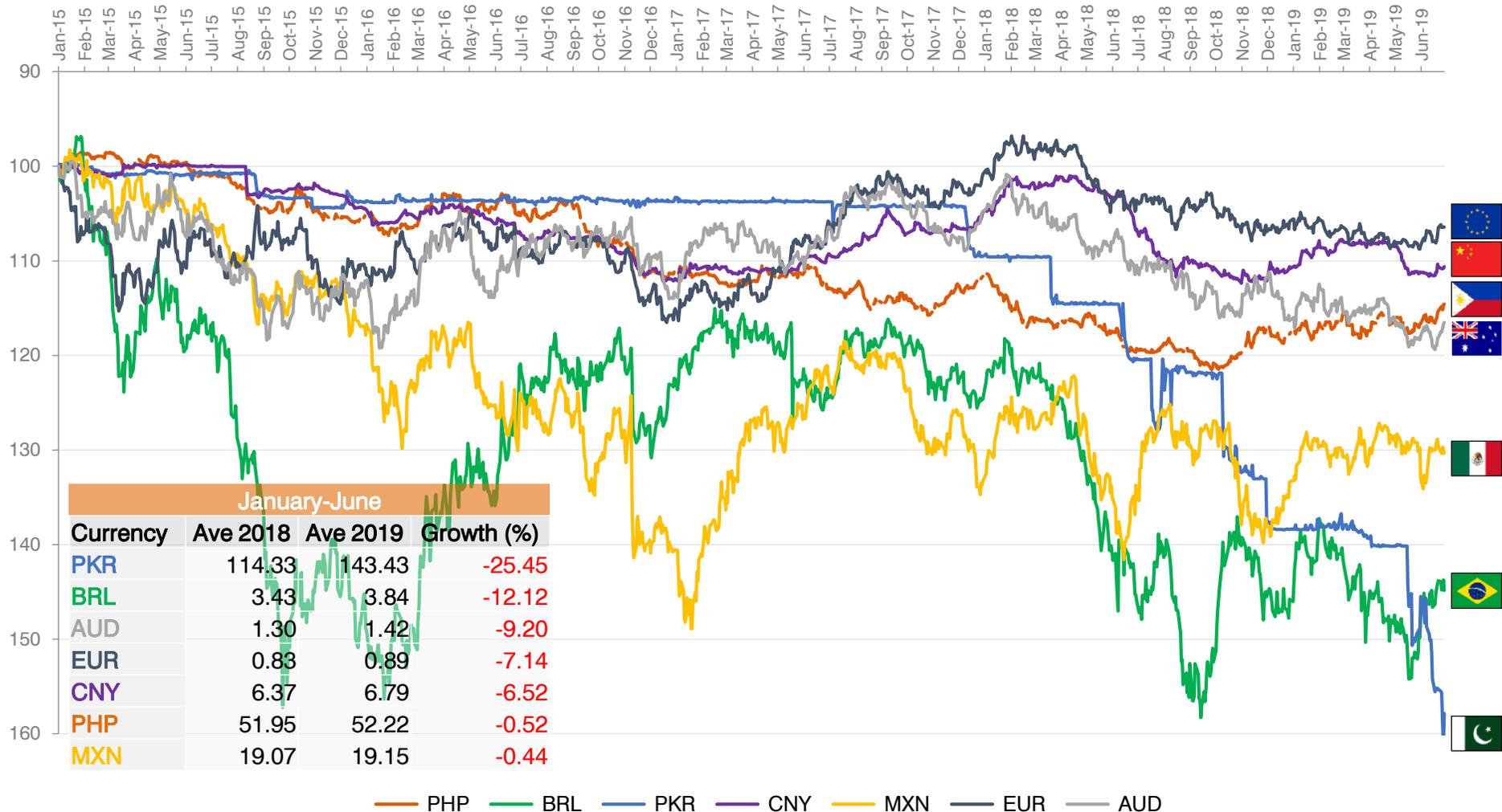
(1H 2019 Expenses Breakdown by Currency)



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

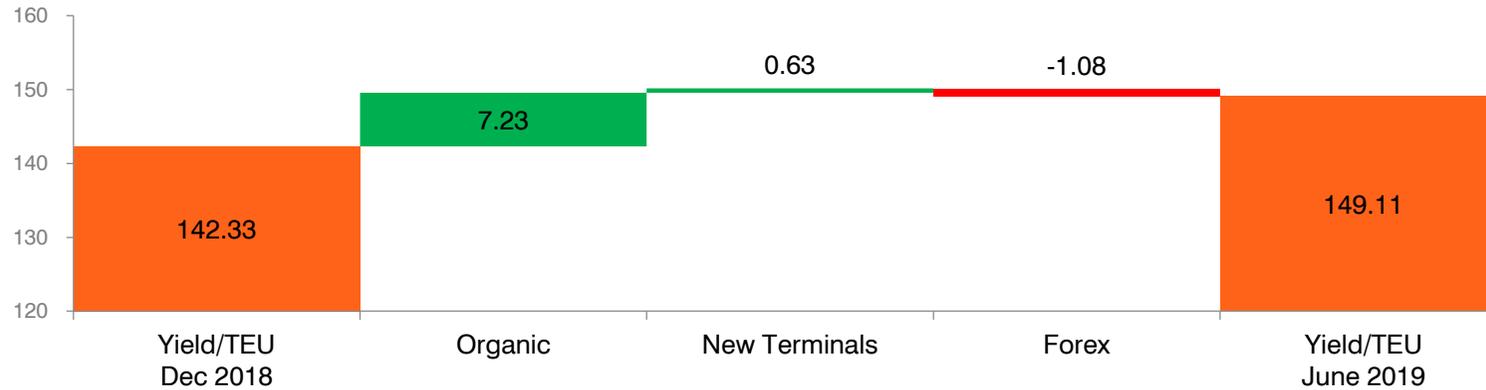
FX Movement

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

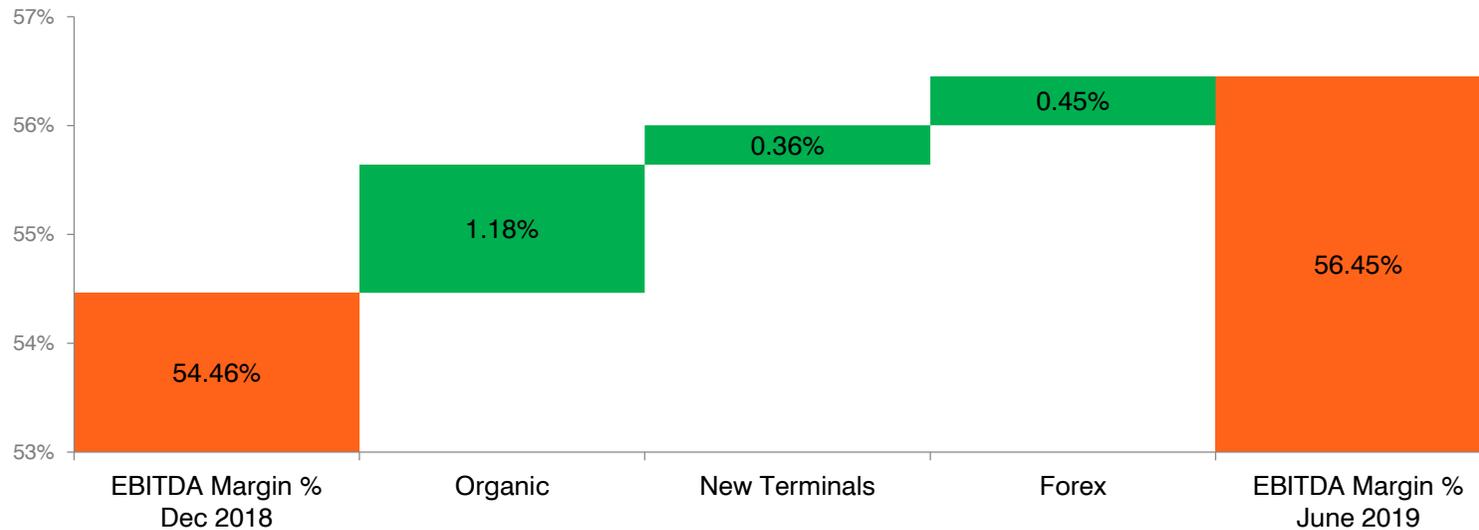


Yield/TEU and EBITDA Margin

Yield/TEU Evolution



EBITDA Margin Evolution

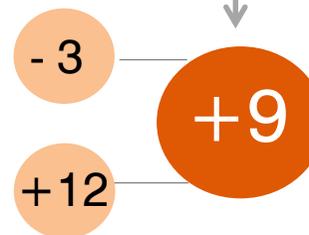


Yield/TEU Comparison

	1H 2018	1H 2019	% change
 Volume (TEU '000)	4,714	5,042	7%
 Revenues (US\$ millions)	662	752	14%
 Yield/TEU (US\$)	140	149	6%
EBITDA (US\$ millions)	356	424	19%
EBITDA Margin	54%	56%	

FX : Negative impact of EUR, BRL and AUD

Increase revenues from storage and ancillary services; tariff adjustments and non-containerized cargoes





AGENDA

1 Recent Financial Performance



Liquidity and Capital Resources

3 Other Matters

4 Questions and Answers

5 Appendix

Balance Sheet Summary

<i>(In US\$ millions)</i>	Dec 31, 2018⁽¹⁾	June 30, 2019
Intangible and Property and Equipment	3,344	3,387
Lease Assets	523	509
Cash and Cash Equivalents	447	296
Other Current and Non-current Assets	1,002	1,524
Total Assets	5,316	5,715
Total Short-term and Long-term Debt	1,307	1,868
Concession Rights Payable	541	532
Lease Liabilities	1,132	1,153
Other Current and Non-current Liabilities	431	501
Total Liabilities	3,410	4,055
Total Equity	1,906	1,660

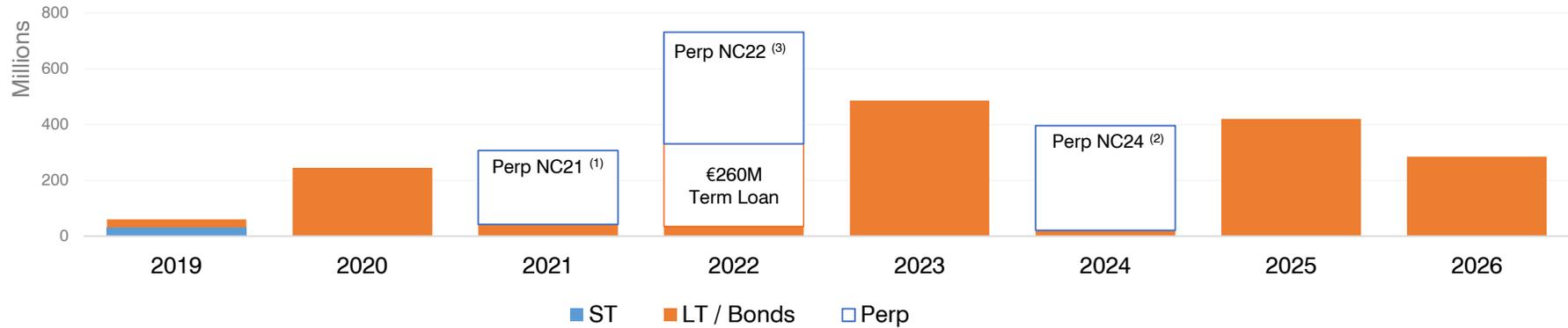
Financial Ratios

Gearing: Debt/SHE	0.69	1.13
Current Ratio: Current Assets/Current Liabilities	1.51	0.79
Debt Cover Ratio: Debt/EBITDA (per covenant)	2.16 ⁽²⁾	2.52 ⁽²⁾
DSCR: EBITDA/(Interest + Scheduled Principal Payments)	3.42 ⁽²⁾	5.08 ⁽²⁾

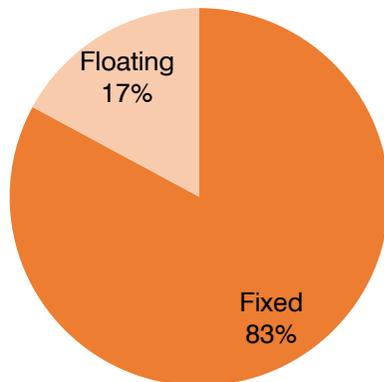
Note: (1) December 31, 2018 as Restated
 (2) Based on Audited 2018 Figures

Principal Redemption Profile

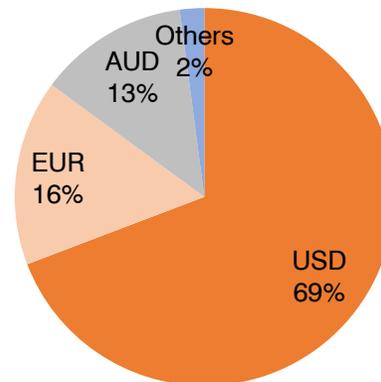
As of June 30, 2019
(US\$ millions)



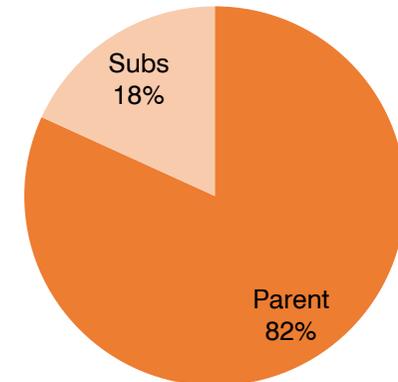
Debt Breakdown by Rate



Debt Breakdown by Currency



Debt Breakdown in Parent & Subsidiary

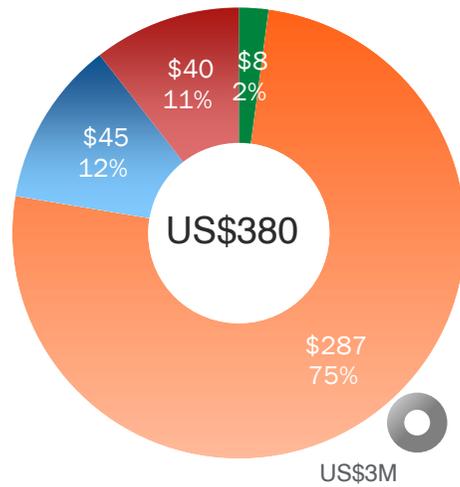


Note: (1) Callable in 2021 with rate reset and 250-bp step-up in 2021; (2) Callable in 2024 with rate reset and 250-bp step-up in 2024; (3) Callable in 2022; (4) Perpetual Securities are not included in the Debt breakdown.

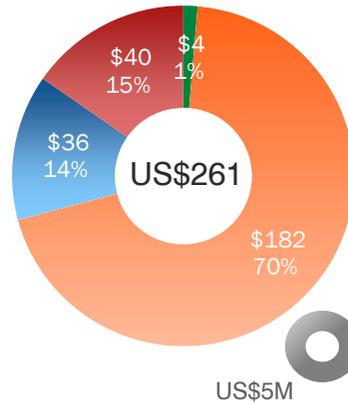
Capital Expenditures

(In US\$ millions)

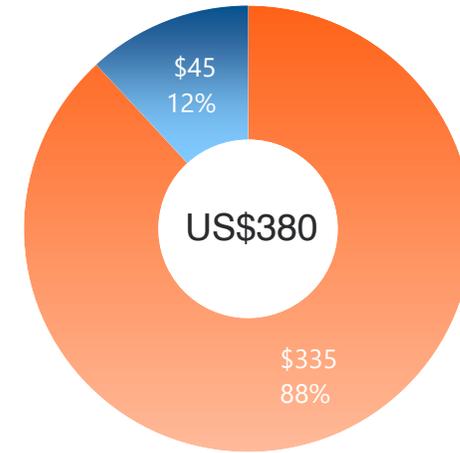
2018B



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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Our Role in Society

A leading developer, manager, and operator of international container ports in Asia Pacific, the Americas, Europe, the Middle East, and Africa, ICTSI supports the efforts of societies and nations towards accomplishing the Sustainable Development Goals.

6 CLEAN WATER AND SANITATION



WATER FOR IP COMMUNITY

PHILIPPINES | The ICTSI Foundation's highly commended Water System Project for the Aeta Community—located in Tarlac, part of the industrial hinterland of the ICTSI Subic port—fills a critical gap. Previously, residents walked an hour daily to the nearest river to fetch water.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



PORT EXCELLENCE & SUSTAINABILITY

HONDURAS | Puerto Cortes became the only port in Central America to achieve key ISO certifications. The port also copied the OAS Maritime Award for the Americas for Waste Management and Environmental Conservation.



1 NO POVERTY



LIVELIHOOD & FINANCIAL LITERACY

TRAINEES
SKILLS TRAINING
121
SMALL BUSINESS ORIENTATION
37
FINANCIAL LITERACY
49

PHILIPPINES | Parola is the host community of ICTSI's flagship port, the Manila International Container Terminal (MICT). Through the Parola Inter-Agency Network (PIAN), the MICT sponsored Livelihood Skills Training for residents. The Department of Trade and Industry provided entrepreneurship training, while a financial literacy course covered budgeting and saving.



SOLAR-POWERED GENERATOR

CHINA | Vantai International Container Terminal commissioned its first solar-powered generator unit for the maintenance workshop, supporting corporate sustainability and China's push to conserve energy and reduce emissions.

19 CLIMATE ACTION

2 ZERO HUNGER



FEEDING PROGRAM

PHILIPPINES | MICT, through PIAN, ran the *Batang Parola, Batang Masigla* Program. The children's weight and health were monitored monthly, and parents were trained in Nutrition Education.

COMPLETE MEALS FOR MALNOURISHED CHILDREN

5 DAYS / WEEK FOR 120 DAYS

8 DECENT WORK AND ECONOMIC GROWTH



PORTS FOR GROWTH

EQUADOR | Contecon Guayaquil is the country's first and only port that can handle two mega vessels simultaneously. The terminal supports trade, especially in bananas, a top export. President Lenín Moreno lauded ICTSI's role in Ecuador's economic, industrial, and commercial growth.



14 LIFE BELOW WATER



COASTAL CLEANUP

MEXICO | Working with the University of Colima, Contecon Manzanillo sponsored the first *Maritime Clean* event.

3 GOOD HEALTH AND WELL-BEING



PORT TOURS PUSH HEALTH & SAFETY

MEXICO | Family Visits to Contecon Manzanillo promoted the Company's health and safety initiatives. Recreational activities stressed security and accident prevention.

HEPATITIS B PROGRAM
ICTSI GLOBAL | The ICTSI HBV Workplace Policy and Program promotes a healthier workplace, addresses the stigma attached to Hepatitis B, and protects employees' confidentiality and anti-discrimination rights.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



UPGRADES & INNOVATION BOOST CAPACITY

CROATIA | Landside, the Adriatic Gate Container Terminal's expanded rail and intermodal yard will have two high-capacity rail mounted cranes. Waterside, innovative maintenance dredging has increased draft alongside, boosting cargo intake capacity for large vessels in the Port of Rijeka.

15 LIFE ON LAND



MANGROVES & NATIVE FORESTS

EQUADOR | Contecon Guayaquil sponsored the preservation of mangroves and native forests to help cut carbon emissions and conserve natural forests.

4 QUALITY EDUCATION



HELPING LEARNERS

PAPUA NEW GUINEA | Baruni Primary School, located in Motukea International Terminal's (MIT) host community, received an educational grant that includes desks and chairs, which solves the long-running problem of students sitting on dusty floors for lack of chairs.

300 CHAIRS
150 DESKS

10 REDUCED INEQUALITIES



HISTORIC PUBLIC-PRIVATE-PEOPLE PARTNERSHIPS

PAPUA NEW GUINEA | The tripartite partnership between ICTSI's PNG units—MIT and South Pacific International Container Terminal (SPICT)—and the PNG port authorities, and landowner groups, creates jobs and provides the landowner groups an opportunity to have an equity participation in the terminal operating companies.



16 PLACE, JUSTICE AND STRONG INSTITUTIONS



PLACING JUSTICE AND STRONG INSTITUTIONS



5 GENDER EQUALITY



PORT'S 1ST FEMALE DIRECTOR

PAKISTANI | A multi-awarded Corporate Employer, Pakistan International Container Terminal in the Port of Karachi appointed its first female Director to the Board, and to the Audit Committee—reflecting the port's commitment to Corporate Governance and gender diversity.



MORE WOMEN IN PORT JOBS
HONDURAS | Puerto Cortes terminal offers men and women the same global standard of training in port equipment handling.

11 SUSTAINABLE CITIES AND COMMUNITIES



MORE LIVABLE COMMUNITIES

PHILIPPINES | The Parola Solid Waste Management Program is a project of the ICTSI Foundation, in partnership with Department of Environment and Natural Resources, Department of Social Welfare and Development, the Parola community, and Philippine Business for Social Progress. It advocates for a more livable, garbage-free community, with innovative waste management projects for livelihood, sanitation, recycling, and more.

17 PARTNERSHIPS FOR THE GOALS



LINKAGES FOR GOOD GLOBAL CITIZENSHIP

WITHIN ICTSI | Promoting Corporate Stewardship, ICTSI encourages the sharing of knowledge, technology, best practices, and

Recent Events

2019	Aug	ICTSI received a letter from the Sudanese Ministry of Finance & Economic Planning confirming the remittance of EUR195.2 million as partial repayment of the EUR410 million upfront fee in accordance with a refund bond, and that the balance will be repaid as soon as possible. ICTSI continues to reserve its rights under the Concession Agreement.
		Motukea International Terminal Limited (MITL) entered into agreements with the local Tatana and Baruni communities for the latter to acquire a 30% stake of MITL, in line with the Terminal Operating Agreement entered by ICTSI and the PNG Ports Authority.
	July	ICTSI Americas B.V, signed a Share Purchase Agreement with Boreal Empreendimentos e Participações S.A. to acquire one hundred per cent (100%) of the shares of Libra Terminal Rio S.A. located in the port of Rio de Janeiro City, Federative Republic of Brazil. Transfer of the facilities to ICTSI expected to take place late 2019, once all conditions precedent and required regulatory approvals have been obtained.
	June	ICTSI declared preferred bidder for the concession to develop, operate and manage the Multi-Purpose Terminal of the Port of Kribi in Cameroon.
	May	Complied with the last of the Conditions Precedent (CPs) needed prior to the transfer a further 15.17% 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
		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 was paid 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

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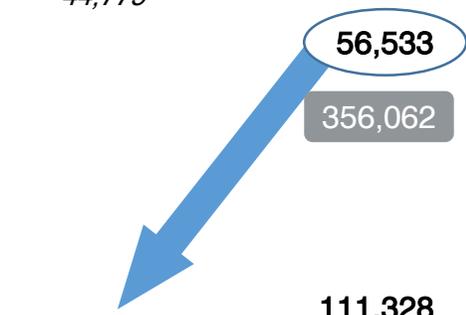
Appendix

Entities with PFRS 16 Impact

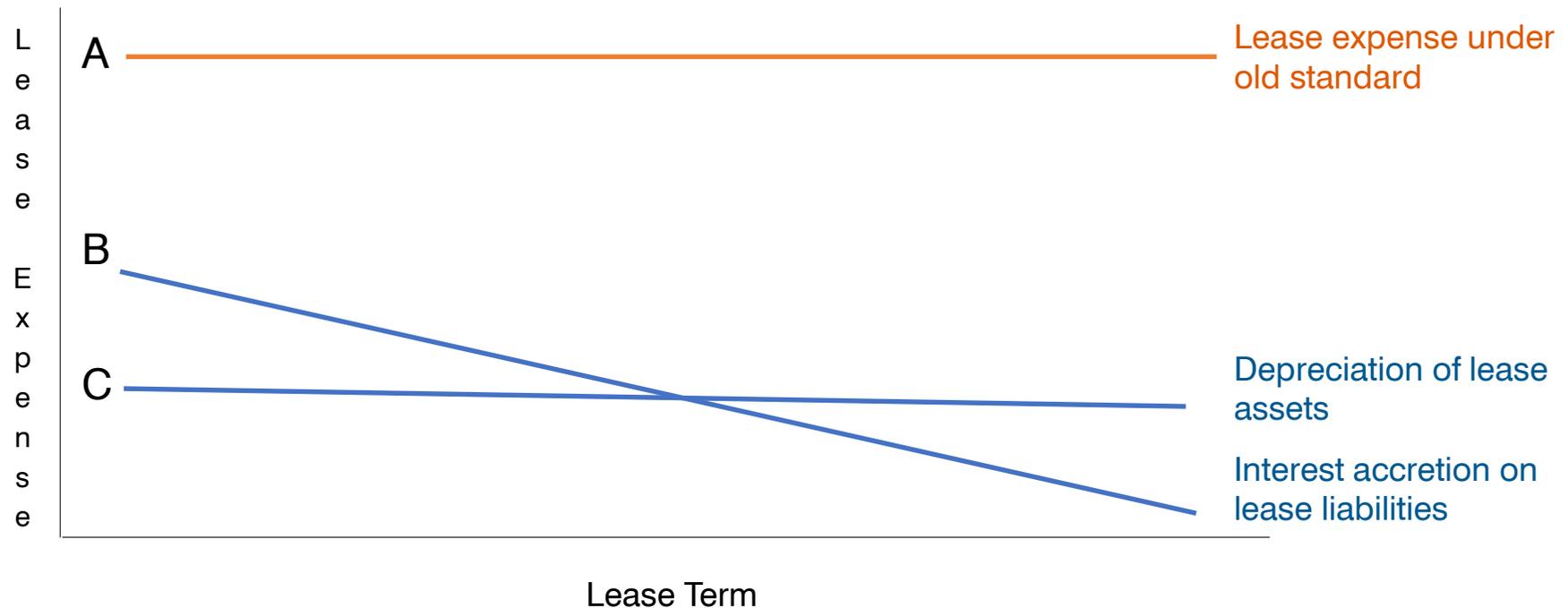
	Lease Term (in years)	End of Lease Term
Victoria International Container Terminal Ltd. (VICT) - <i>Australia</i>	26	2040
Contecon Mazanillo S.A. (CMSA) - <i>Mexico</i>	34	2044
Tecon Suape S.A. (TSSA) - <i>Brazil</i>	30	2031
Baltic Container Terminal (BCT) - <i>Poland</i>	20	2023
Mindanao International 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 1H 2018 P&L

<i>(In US\$ '000)</i>		June 30, 2018
EBITDA – Pre PFRS 16		299,529
<i>Port Authorities' Share in Gross Revenues</i>	11,754	
<i>Equipment and Facilities – related expenses</i>	44,779	
Fixed and Guaranteed Port Fees		56,533
EBITDA – Post PFRS 16		356,062
NET INCOME – Pre PFRS 16		111,328
<i>Fixed and Guaranteed Port Fees</i>	56,533	
<i>Depreciation of right-of-use asset</i>	(14,276)	
<i>Interest expense on lease liability</i>	(53,131)	
<i>Tax impact</i>	3,450	
NET IMPACT OF PFRS 16 ADOPTION		(7,424)
NET INCOME – Post PFRS 16		103,904



Impact of PFRS 16 (1H 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 1H 2018 Cash Flows

<i>(In US\$ '000)</i>	June 30, 2018 (Audited)	<i>PFRS 16 adjustments</i>	June 30, 2018 (Restated)
Net cash flows from operating activities	298,946	25,559	324,505
Net cash flows from investing activities	(168,461)	-	(168,461)
Net cash flows from financing activities	1,575	(25,559)	(23,984)
Effect of Exchange Rate on Cash and Cash Equivalents	(9,949)	-	(9,949)
Net Increase (Decrease) in Cash and Cash Equivalents	122,111	-	122,111
Cash and Cash Equivalents, beginning of period	279,427		279,427
Cash and Cash Equivalents, end of period	401,538		401,538



**International
Container Terminal
Services, Inc.**

Thank you