



**3Q 2019
Investors' Briefing**

Strong Financial and Operational Performance

Volume
+6%

Revenues
+10%

EBITDA
+14%

EBITDA Margin
56%

Net income
attributable to
equity holders
+29%

- Positive YTD volume and revenue growth despite global headwinds
- Higher EBITDA Margin due to higher revenues and diligent cost management
- Improved operating performance from VICT, SPIA & MNHPI enhanced net income growth
- Acquisitions expected to be immediately earnings accretive

Agenda



01 Recent Financial Performance

02 Liquidity and Capital Resources

03 Other Matters

04 Questions and Answers

05 Appendix

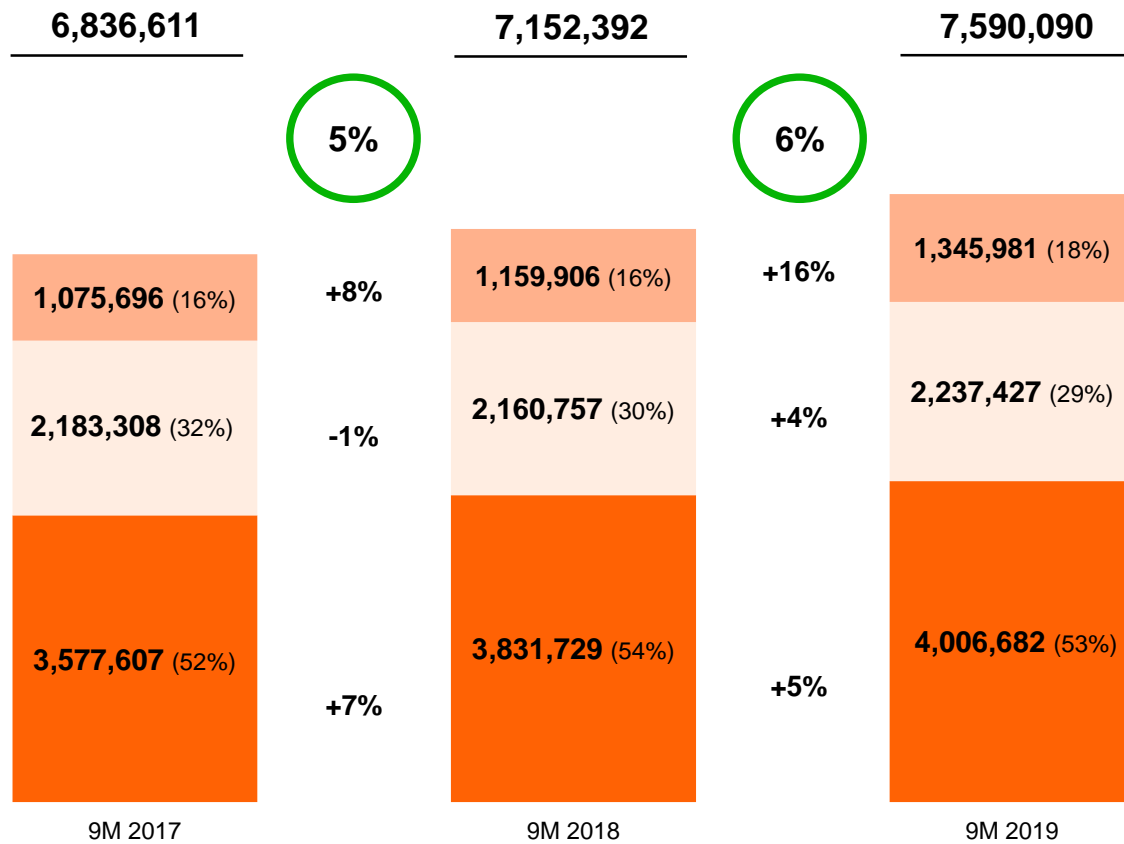
01

Recent Financial Performance

Volume

Nine Months

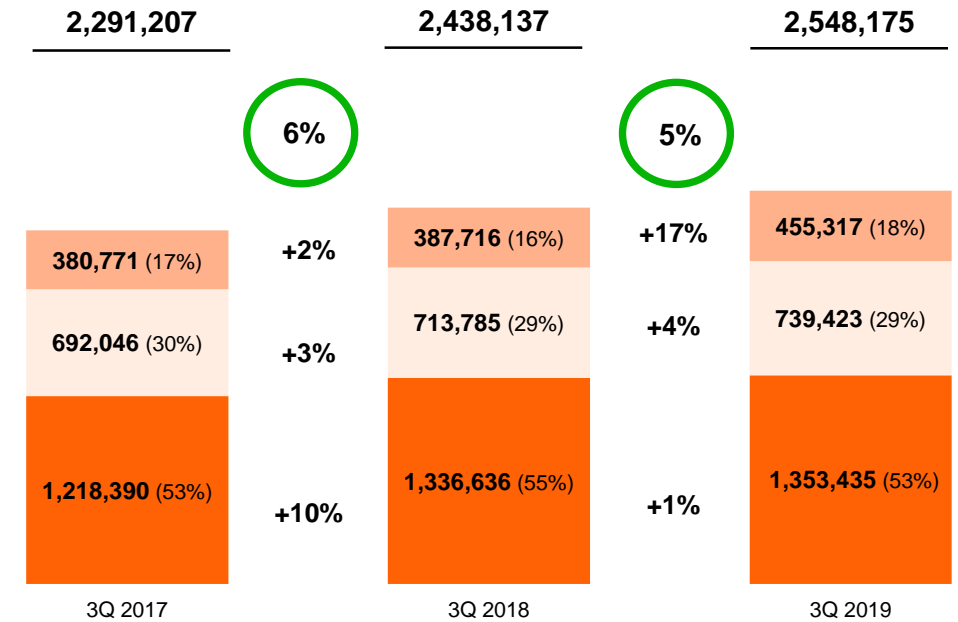
(in TEU)



● Asia ● Americas ● EMEA

Third Quarter

(in TEU)



● Asia ● Americas ● EMEA

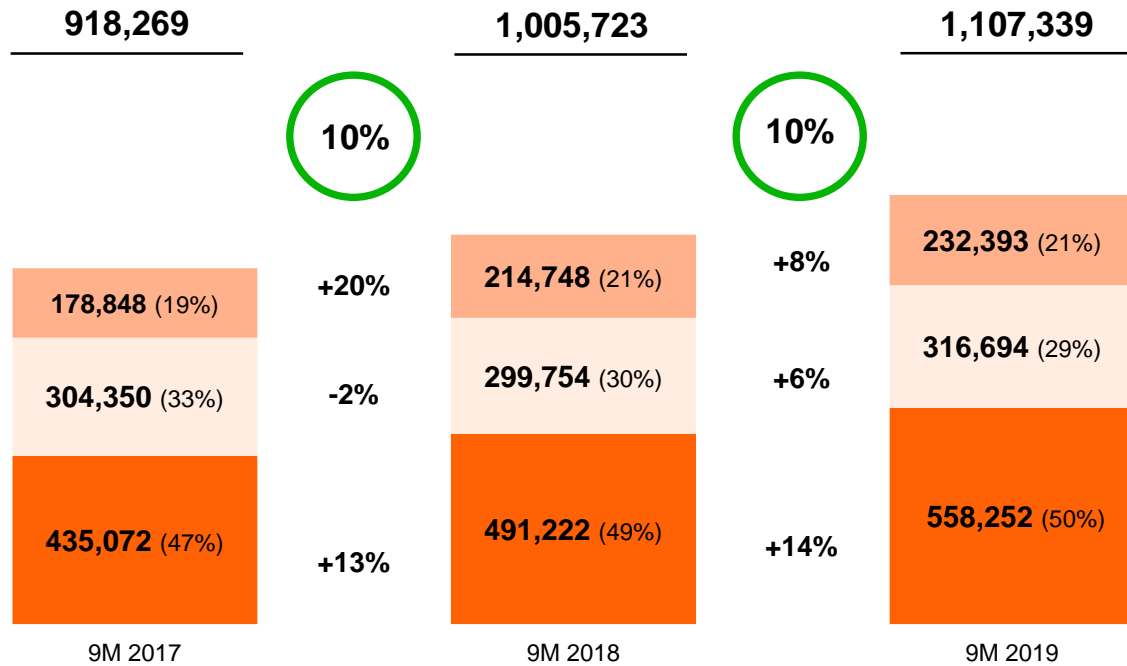
- 9M 2019 vs 9M 2018 consolidated volume up 6%; Organic volume grew 6%
- Volume growth was mainly due continuing ramp-up at new terminals in PNG; improvement in trade activities in Subic, IDRC and ICTSI Iraq; and new contracts with shipping lines and services at VICT, BCT, AGCT and CMSA

Revenues



Nine Months

(in US\$'000)

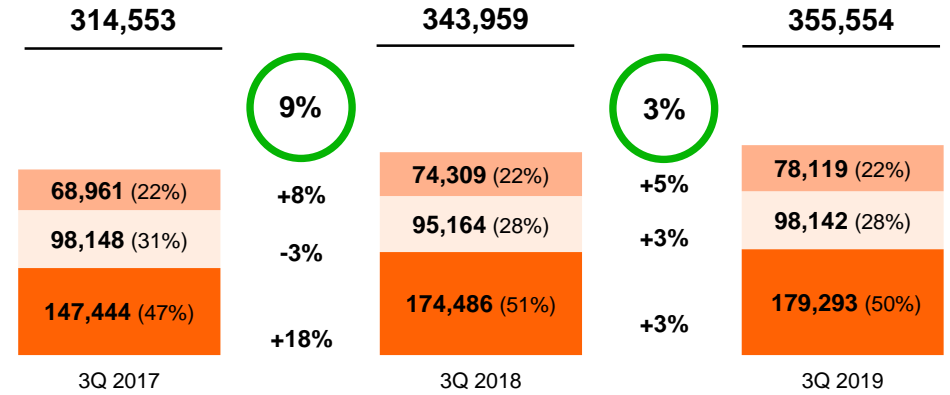


● Asia ● Americas ● EMEA

- Consolidated revenues 10% higher in 9M 2019 vs 9M2018 Organic revenues increased 9%
- Consolidated 9M 2019 yield to TEU at US\$146

Third Quarter

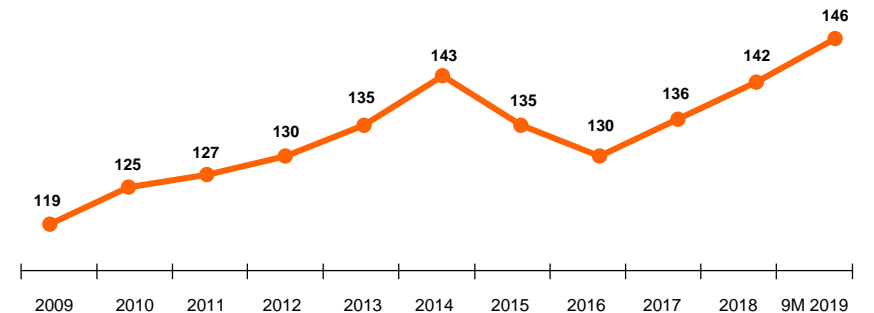
(in US\$ '000)



● Asia ● Americas ● EMEA

Yield:TEU

(in US\$)



Consolidated P&L Highlights



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

	9M 2018	9M 2019	% Change	
Volume (in TEU)	7,152,392	7,590,090	+6% ▼	Volume up 6% mainly due continuing ramp-up at new terminals in PNG; improvement in trade activities at SBITC, IDRC and ICTSI Iraq; and new contracts with shipping lines and services at VICT, BCT, AGCT and CMSA. Organic volume growth at 6%
Gross Revenues from Port Operations	1,005,723	1,107,339	+10% ▼	Revenues increased 10% mainly due to volume growth, tariff adjustments at certain terminals; new contracts with shipping lines and services; increase in revenues from storage and ancillary services; and the contribution from the new terminals in PNG; Organic revenue growth at 9%
Cash Operating Expenses	331,568	341,649	+3% ▼	Cash Opex 3% higher mainly due to higher volume; government-mandated and contracted salary rate adjustments at certain terminals; and the full nine months cost contribution of the new terminals in PNG
EBITDA	546,406	624,318	+14% ▼	EBITDA increased 14% mainly due to strong revenue growth and minimal cash operating expense increase EBITDA margin increased from 54% to 56%
EBIT	381,297	451,302	+18% ▼	
Financing Charges and Other Expenses	89,166	95,199	+7% ▼	Financing charges and other expenses up 7% primarily due to the acceleration of debt issue cost associated with the partial prepayment of Euro-denominated term loan in July 2019
Net Income	163,845	204,969	+25% ▼	
Net Income Attributable to Equity Holders	142,889	184,858	+29% ▼	Net income attributable to equity holders up 29% mainly due to strong operating income contribution at IDRC, ICTSI Iraq, CMSA, MICT, and SBITC; new contracts with shipping lines and services at VICT; the continuing ramp-up at the new terminals in PNG; and a decrease in equity net loss at SPIA
Fully Diluted EPS	0.047	0.069	+48% ▼	

Consolidated P&L Highlights



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

	3Q 2018	3Q 2019	% Change	
Volume (in TEU)	2,438,137	2,548,175	+5% ▼	Volume up 5% primarily due to improvement in trade activities; new shipping lines and services; and continuous volume ramp-up at certain terminals. Organic volume growth at 5%
Gross Revenues from Port Operations	343,959	355,554	+3% ▼	Revenues increased 3% mainly due to volume growth; tariff adjustments at certain terminals; new contracts with shipping lines and services; and increase in revenues from ancillary services. Organic revenue growth at 3%
Cash Operating Expenses	110,391	109,606	-1% ▲	Cash Opex decreased 1% mainly due to continuous monitoring of cost optimization measures and favorable translation impact of PKR-, AUD- and BRL- based expenses at PICT, VICT and TSSA, respectively; partially tapered by government-mandated and contracted salary rate adjustments at certain terminals.
EBITDA	190,344	199,919	+5% ▼	EBITDA increased 5% primarily due to strong revenues complimented by decrease in cash operating expenses. EBITDA margin increased from 55% to 56%
EBIT	134,744	142,128	+5% ▼	
Financing Charges and Other Expenses	29,158	35,576	+22% ▼	Financing charges and other expenses up 22% primarily due to the acceleration of debt issue cost associated with the partial prepayment of Euro-denominated term loan in July 2019
Net Income	59,941	58,898	-2% ▲	
Net Income Attributable to Equity Holders	52,647	56,388	+7% ▼	Net income attributable to equity holders up 7% mainly due to strong operating income combined with the decrease in equity net loss at SPIA
Fully Diluted EPS	0.018	0.022	+21% ▼	

Financing Charges & Other Expenses



	9M 2018	9M 2019	% Change	
<i>(In US\$' 000)</i>				
Financing Charges & Other Expenses	89,166	95,199	+7% ▼	Higher due to the acceleration of debt issue cost associated with the partial prepayment of Euro-denominated term loan in July 2019.
<ul style="list-style-type: none"> ▪ Interest Expense on Loans/Bonds ▪ Capitalized Borrowing Cost ▪ Amortization of Debt Issue Cost ▪ Other Expenses 	<p>77,015</p> <p>(1,934)</p> <p>4,827</p> <p>9,258</p>	<p>77,923</p> <p>(1,596)</p> <p>5,444</p> <p>13,428</p>	<p>+1% ▼</p> <p>+17% ▼</p> <p>+13% ▼</p> <p>+45% ▼</p>	
Average Outstanding Debt Balance	1,424,022	1,696,205	+17% ▼	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 prepayment of the CMSA and Euro-loan
Average Remaining Tenor	5.4 yrs	4.7 yrs		
Average Cost of Debt (post CIT)	5.1% p.a.	4.5% p.a.		

Recurring Net Income



(In US\$ 000)

	9M 2018	9M 2019	% Change
Net Income Attributable to Equity Holders	142,889	184,858	+29% ▼
Non-recurring item:			
▪ Less: MTM Gain on derivative of CMSA	(2,752)	—	
▪ Add: Acceleration of DIC associated with the partial prepayment of Euro term loan	—	2,678	
Recurring Net Income Attributable to Equity Holders	140,137	187,536	+34% ▼

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

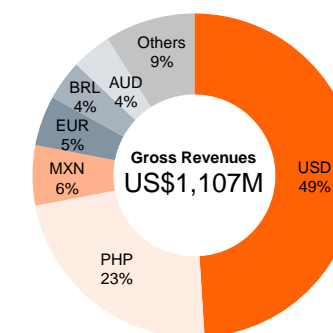
	Subsidiaries	USD	EUR	Local Currency
Asia	MICT	41%		51% PHP
	PTMTS			100% IDR
	YICT			100% CNY
	OJA	73%		27% IDR
	PICT	81%		19% PKR
	SBITC/ISI	55%		45% PHP
	SCIPSI			100% PHP
	DIPSSCOR			100% PHP
	HIPS			100% PHP
	MICTSI			100% PHP
	BIPI			100% PHP
	LGICT	2%		98% PHP
	VICT			100% AUD
	SPICTL/MITL			100% PGK
EMEA	BCT	71%	9%	20% PLN
	MICTSL		100%	
	BICT	100%		
	AGCT		78%	22% HRK
	BGT	82%		18% IQD
	IDRC	100%		
Americas	TSSA			100% BRL
	CGSA	100%		
	OPC	100%		
	CMSA	38%		62% MXN
	TECPLATA	100%		

Cash Expense Currency by Subsidiary

	Subsidiaries	USD	EUR	Local Currency
Asia	MICT	29%		71% PHP
	PTMTS			100% IDR
	YICT			100% CNY
	OJA	10%		90% IDR
	PICT	20%		80% PKR
	SBITC/ISI	25%		75% 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
EMEA	BCT	8%		92% PLN
	MICTSL	3%	37%	60% MGA
	BICT	14%		86% GEL
	AGCT		8%	92% HRK
	BGT	17%		83% IQD
	IDRC	96%		4% CDF
Americas	TSSA			100% BRL
	CGSA	100%		
	OPC	53%		47% HNL
	CMSA	6%		94% MXN
	TECPLATA	5%		95% ARS

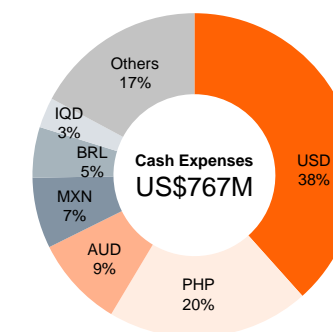
US\$ Revenues from Port Operations

(9M 2019 Revenue Breakdown by Currency)



Expenses favourably Matching Revenues

(9M 2019 Revenue Breakdown by Currency)

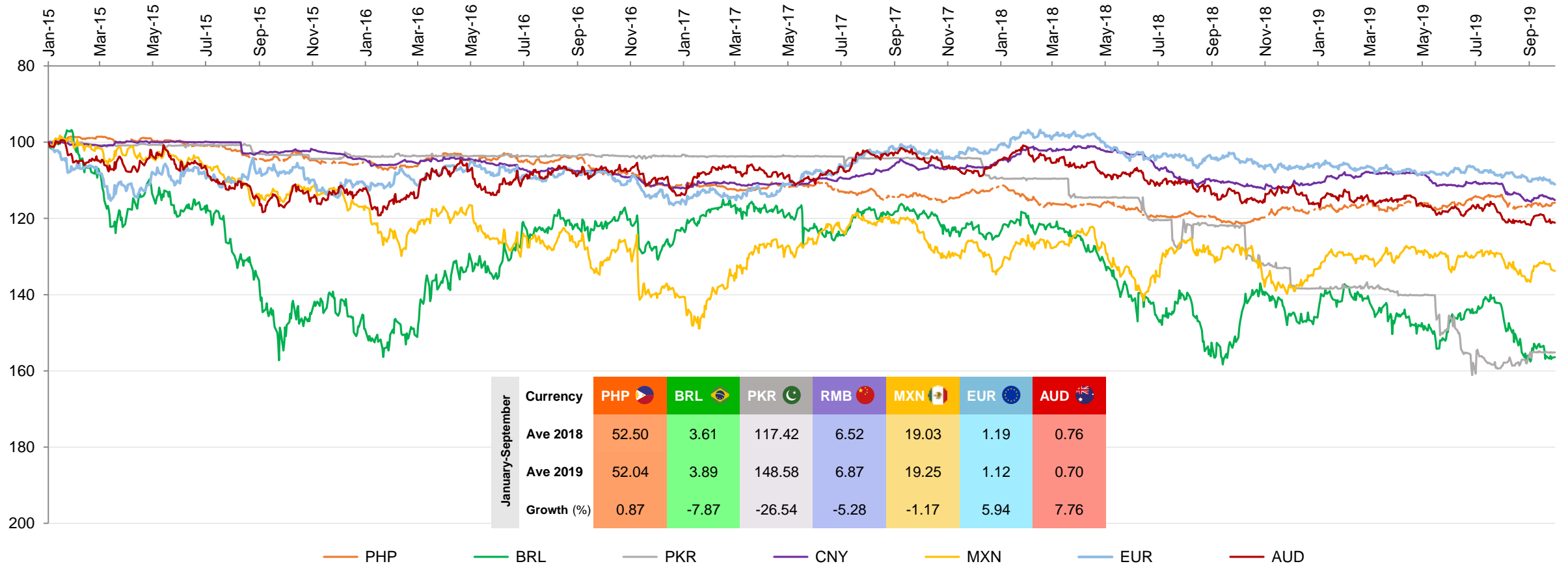


Note: Total Cash Expense includes Cash Opex, Port Fees, Realized FX losses, Interest Cost, Perp Distribution, IFRIC Interest, Other "cash" expenses and Income tax paid

FX Movement



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



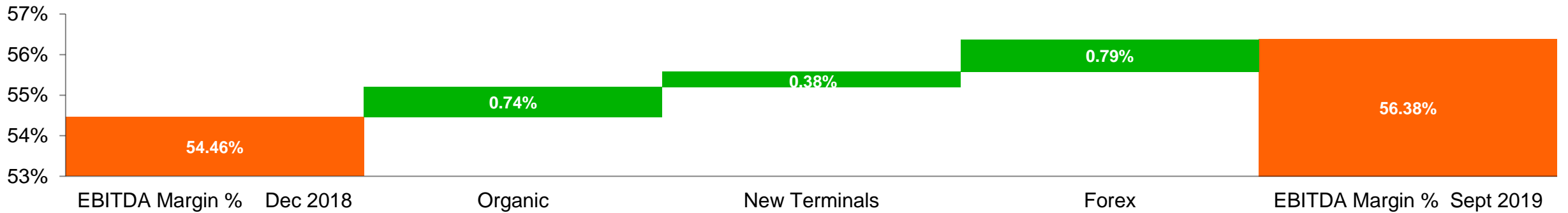
Yield/TEU and EBITDA Margin



Yield/TEU Evolution



EDBITA Margin Evolution

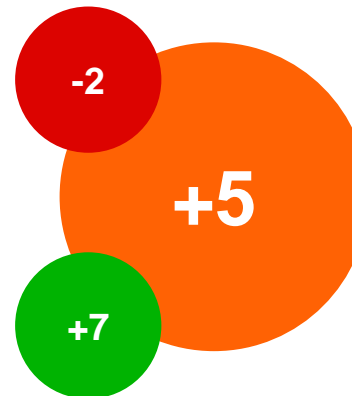


Yield/TEU Comparison

	9M 2018	9M 2019	% Change
Volume (TEU '000)	7,152	7,590	+6% ▼
Revenues (US\$ millions)	1,006	1,107	+10% ▼
Yield/TEU (US\$)	141	146	+4% ▼
EBITDA (US\$ millions)	546	624	+14% ▼
EBITA Margin	54%	56%	

FX: Negative impact of EUR, BRL and AUD

Increase in revenues from storage and ancillary services and tariff adjustments at certain terminals



02

Liquidity and Capital Resources

Balance Sheet Summary



(In US\$ millions)

	Dec 31, 2018 ⁽¹⁾	Sep 30, 2019
Intangible and Property and Equipment	3,344	3,353
Lease Assets	523	488
Cash and Cash Equivalents	447	309
Other Current and Non-current Assets	1,002	1,299
Total Assets	5,316	5,449
Total Short-term and Long-term Debt	1,307	1,613
Concession Rights Payable	541	527
Lease Liabilities	1,132	1,124
Other Current and Non-current Liabilities	431	501
Total Liabilities	3,410	3,765
Total Equity	1,906	1,684

Financial Ratios

	Dec 31, 2018 ⁽¹⁾	Sep 30, 2019
Gearing: Debt/SHE	0.69	0.96
Current Ratio: Current Assets/Current Liabilities	1.51	0.83
Debt Cover Ratio: Debt/EBITDA (per covenant)	2.16 ⁽²⁾	2.11 ⁽²⁾
DSCR: EBITDA/(Interest + Scheduled Principal Payments)	3.42 ⁽²⁾	4.70 ⁽²⁾

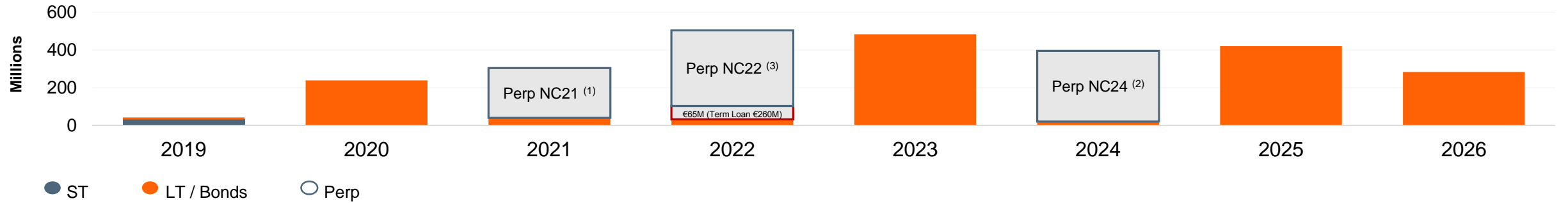
Note

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

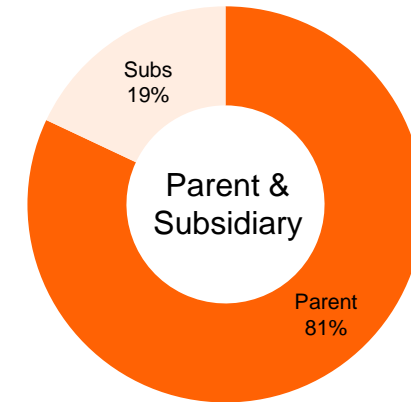
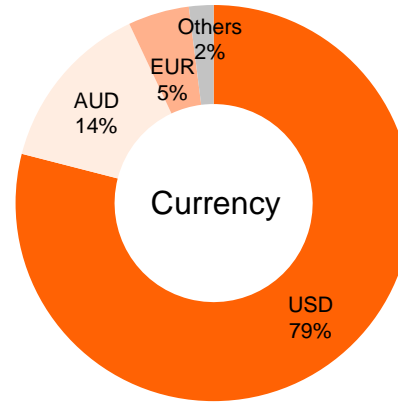
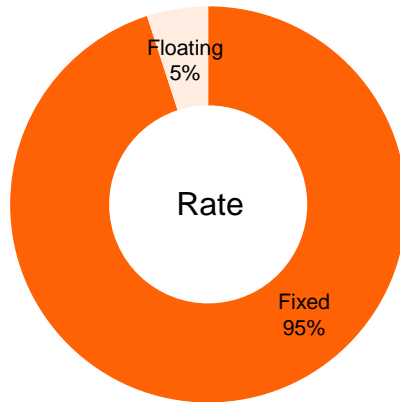
Principal Redemption Profile

As of Sep 30, 2019

(US\$ millions)



Debt Breakdown⁽⁴⁾



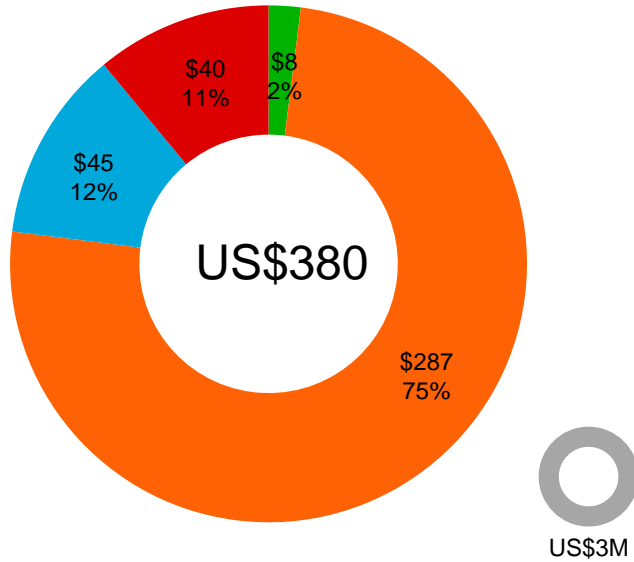
Note

- (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

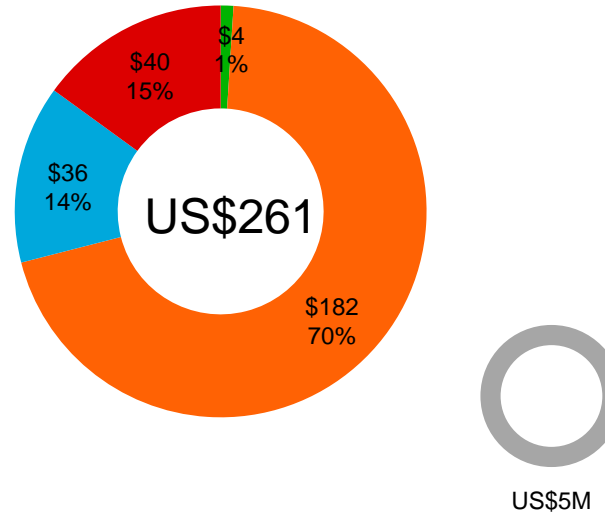
Capital Expenditures

(In US\$ millions)

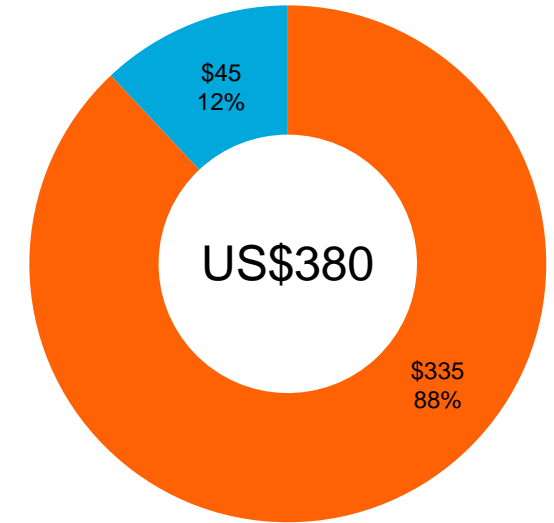
2018B



2018A



2019B



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

03

Other Matters

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 copped the OAS Maritime Award of the Americas for Waste Management and Environmental Conservation.



1 NO POVERTY

LIVELIHOOD & FINANCIAL LITERACY

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.

TRAINEES SKILLS TRAINING
121

SMALL BUSINESS ORIENTATION
37

FINANCIAL LITERACY
49



7 AFFORDABLE AND CLEAN ENERGY

SOLAR-POWERED GENERATOR

CHINA | Yantai 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.

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

ECUADOR | 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 Lenin 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

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

ECUADOR | 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 PEACE, JUSTICE AND STRONG INSTITUTIONS



5 GENDER EQUALITY

PORT'S 1ST FEMALE DIRECTOR

PAKISTAN | 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

Recent Events



2019	Nov	Federal jury verdict in Portland, Oregon, USA rendered in favor of ICTSI Oregon Inc. with a total sum of \$93,635,000 in a case it filed against the International Longshore and Warehouse Union (ILWU) and ILWU Local 8 for unlawful labor practices
	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
	Jul	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
	Jun	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	

04

Questions and Answers

05

Appendix

Entities with PFRS 16 Impact



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

Impact of PFRS 16 on 9M 2018 P&L

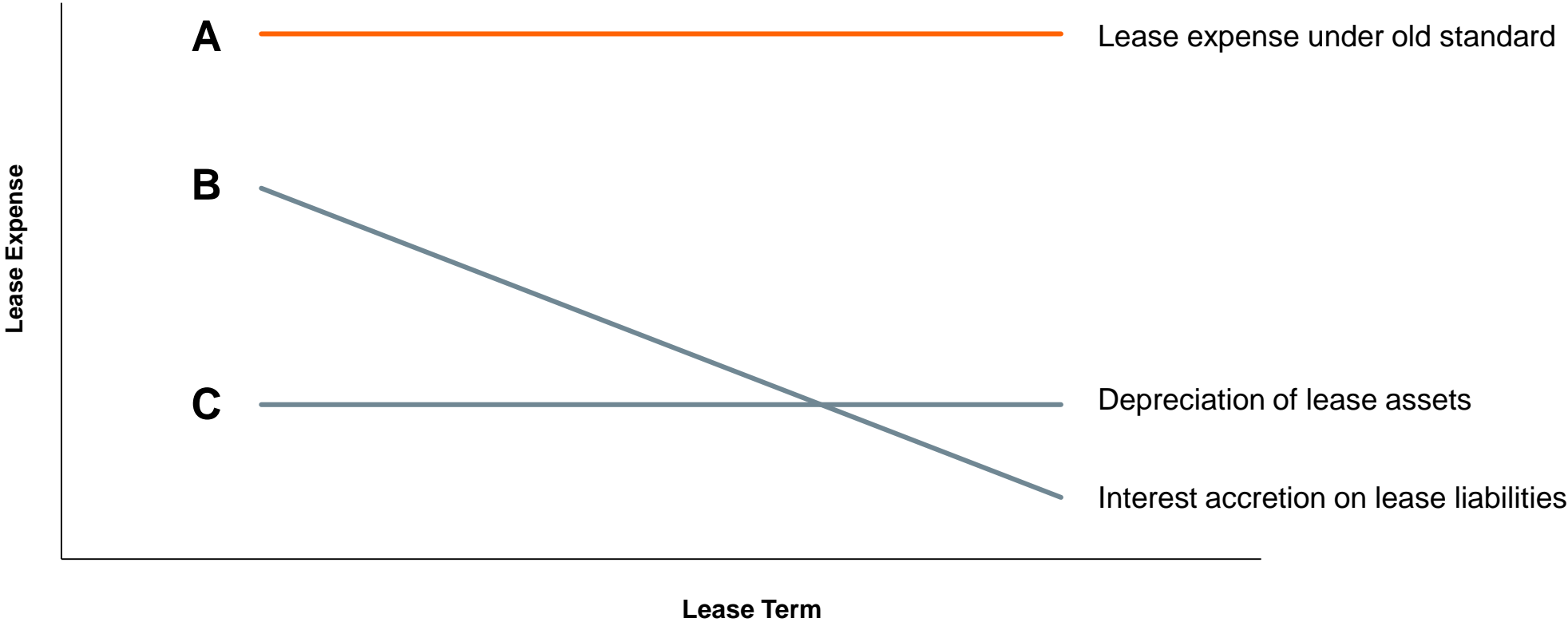


(In US\$ 000)

Sep 30, 2018

EBITDA – Pre PFRS 16		
▪ Port Authorities' Share in Gross Revenues	17,875	
▪ Equipment and Facilities – related expenses	66,450	
		462,081
Fixed and Guaranteed Port Fees		84,325
EBITDA – Post PFRS 16		546,406
Net Income – Pre PFRS 16		
▪ Fixed and Guaranteed Port Fees	84,325	
▪ Depreciation of right-of-use asset	(21,102)	
▪ Interest expense on lease liability	(78,455)	
▪ Tax impact	4,834	
		174,243
Net Impact of PFRS 16 Adoption		(10,398)
Net Income – Post PFRS 16		163,845

Impact of PFRS 16 (9M 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



(In US\$ millions)

	Dec 31, 2018 (Audited)	PFRS 16 adjustments	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	2,229	-324	1,906

Impact of PFRS 16 on 9M 2018 Cash Flows



(In US\$ '000)

	Sep 30, 2018 (Audited)	PFRS 16 adjustments	Sep 30, 2018 (Restated)
Net Cash Flows from Operating Activities	460,978	38,667	499,645
Net Cash Flows from Investing Activities	(257,919)	–	(257,919)
Net Cash Flows from Financing Activities	(55,116)	(38,667)	(93,783)
Effect of Exchange Rate on Cash and Cash Equivalents	(15,584)	–	(15,584)
Net Increase (Decrease) in Cash and Cash Equivalents	132,359	–	132,359
Cash and Cash Equivalents, beginning of period	279,427		279,427
Cash and Cash Equivalents, end of period	411,786		411,786



Thank you