

COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

(Business Address: No. Street City/Town/Province)

Jose Joel M. Sebastian

(Contact Person)

(+632) 8245 4101

(Company Telephone Number)

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Month Day
(Fiscal Year)

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(Form Type)

0	4	Every 3 rd Thursday
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<i>Month</i>	<i>Day</i>
	(Annual Meeting)

	N/A
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(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

	N/A
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Amended Articles Number/Section

Total Amount of Borrowings
(as of March 31, 2020)

1,363
as of March 31, 2020

Total No. of Stockholders

US\$689.0M

Domestic

US\$1,143.8M

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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Securities and Exchange Commission
Current Report Under Section 17 of the Securities Regulation Code ("SRC")
and SRC Rule 17.2 (c) Thereunder
SEC FORM 17-C

1. **May 7, 2020**
Date of Report
2. SEC Identification Number: **147212**
3. BIR Tax Identification No.: **000-323-228**
4. **International Container Terminal Services, Inc.**
Name of issuer as specified in the charter
5. **Philippines**
Country of Incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **ICTSI Administration Building, MICT South Access Road, Manila 1012**
Address of Principal Office
8. **+(632) 8245 4101**
Registrant's Telephone Number
9. **Not Applicable**
Former name or former address
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Titles of Each Class

Common shares

**Number of Shares Outstanding and
Amount of Debt Outstanding**

2,002,391,699

(Current Outstanding Common shares)

11. Item number reported herein: Item 9 – Other Events
-

**ICTSI 1Q2020 Reduction in Net Income Reflects Impact of COVID-19;
Down 18% to US\$59.6M**

- Throughput slightly grew 1% to 2.5 million TEUs
- Revenues decreased 2% to US\$375.8 million
- EBITDA declined 5% to US\$212.2 million

Enrique K. Razon, Jr., ICTSI Chairman and President said: "For many people around the world, livelihoods have been severely impacted by the outbreak of COVID-19. This pandemic is having, and will continue to have devastating effects on our societies and it will take a significant amount of combined effort from organizations, governments and individuals to bring back some degree of normality. We have witnessed extraordinary efforts from our frontline workers, particularly those in healthcare, emergency services and our very own people who ensure medical supplies, food

and other basic necessities reach communities across the world. On behalf of the Board, I want to express my deepest gratitude and respect. Our hearts go out to everyone who is suffering at this time.”

“During the first quarter, we took immediate action and our response to COVID-19 focused on four key areas: protecting our people, continuing to provide excellent services to our customers, living by our deeply embedded values of caring for host communities and ensuring ICTSI continues to be financially strong. The effect of the virus was felt in the latter part of the first quarter and our volumes compared to the previous year were largely flat. Regions are at different stages of the viral outbreak which is reflected in our portfolio performance; Asia delivered lower volumes compared to previous year while EMEA and AMERICA segments both still registered positive volume growth for the quarter. However, the latter two regions showed signs of weakness in March.”

“We have taken significant measures which include reducing our cost base and capital expenditure while seeking ways to increase our market share in certain markets. We continue to monitor the situation carefully so we can adapt our responses. ICTSI is an agile business and able to act swiftly to ensure the business remains robust during these uncertain times.”

International Container Terminal Services, Inc. (ICTSI) today reported unaudited consolidated financial results for the quarter ended March 31, 2020 posting revenue from port operations of US\$375.8 million, a decrease of two percent over the US\$383.8 million reported for the same period last year; Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of US\$212.2 million, five percent lower than the US\$222.5 million generated in the first quarter of 2019; and net income attributable to equity holders of US\$59.6 million, 18 percent less than the US\$72.4 million earned in the same period last year due to the lower operating income, increase in interest on concession rights payable and COVID-19 related expenses; partially tapered by decrease in equity in net loss of joint ventures and an associate. Equity in net loss of joint ventures and an associate decreased by 10 percent to US\$5.5 million in the first quarter of 2020 from US\$6.1 million for the same period in 2019 due to the increase in the Company’s share in the net income of Manila North Harbour Port, Inc. (MNHPI) from 34.83 percent to 50 percent in April 2019 and a decrease in the Company’s share in net loss at Sociedad Puerto Industrial Aguadulce S.A. (SPIA), its joint venture container terminal project with PSA International Pte Ltd. (PSA) in Buenaventura, Colombia.

ICTSI handled consolidated volume of 2,508,986 twenty-foot equivalent units (TEUs) for the quarter ended March 31, 2020, one percent more than the 2,478,672 TEUs handled in the same period in 2019. The slight increase in volume was primarily due to the contribution of a new terminal in Rio de Janeiro in Brazil and new services at certain terminals; tapered by decline in trade activities due to the impact of COVID-19 pandemic on global trade. Excluding the contribution of ICTSI Rio, consolidated organic volume would have decreased by one percent in the first quarter of 2020.

Gross revenues from port operations for the quarter-ended March 31, 2020 decreased by two percent to US\$375.8 million from the US\$383.8 million reported in the same period in 2019 as trade activities declined due to the impact of COVID-19 pandemic and lockdown restrictions; and lower revenues from storage; partially tapered by the contribution of the new terminal in Rio de Janeiro, Brazil; tariff adjustments and new services at certain terminals. Excluding the contribution of ICTSI Rio, consolidated organic gross revenues would have decreased by five percent in the first quarter of 2020.

Consolidated cash operating expenses in the first quarter of 2020 was six percent higher at US\$119.0 million compared to US\$112.0 million in the same period in 2019. The increase in cash operating expenses was mainly due to the contribution of a new terminal in Rio de Janeiro, Brazil; government-mandated and contracted salary rate adjustments at certain terminals; increase in information technology-related expenses; and unfavorable translation impact of Philippine Peso (PHP)-based expenses at the various terminals in the Philippines. The increase was partially tapered by continuous cost optimization measures; and favorable translation impact of Brazilian Reals (BRL) based expenses in Suape, Brazil; Australian Dollar (AUD) based expenses in Melbourne, Australia; Mexican Peso (MXN) based expenses in Manzanillo, Mexico; and Pakistan Rupee (PKR) based expenses in Karachi, Pakistan.

Consolidated EBITDA for the first quarter of 2020 decreased five percent to US\$212.2 million from US\$222.5 million in 2019 mainly due to lower operating revenues, partially tapered by the positive contribution of a new terminal in Rio de Janeiro, Brazil. Consequently, EBITDA margin decreased to 56 percent in the first quarter of 2020 from 58 percent in the same period in 2019.

Consolidated financing charges and other expenses for the quarter increased 17 percent from US\$28.3 million in 2019 to US\$33.2 million in 2020 primarily due to COVID19-related expenses and the absence of capitalized borrowing cost related to the Phase 2 expansion project in Basra, Iraq in 2019.

Capital expenditures, excluding capitalized borrowing costs, amounted to US\$59.7 million for the first quarter of 2020. The capital expenditures for the first three months of 2020 were mainly for the ongoing expansions at Manila International Container Terminal (MICT) in Manila, Philippines; Contecon Manzanillo S.A. (CMSA) in Mexico; and ICTSI DR Congo (IDRC) in Matadi, Democratic Republic of Congo. Amid the ongoing impact of the COVID-19 pandemic on global trade, the Group has reduced its capital expenditure plan for the rest of the year to approximately US\$100 million, which will be utilized mainly to complete the ongoing expansion projects.

ICTSI is a leading global developer, manager and operator of container terminals in the 50,000 to three million TEU/year range. ICTSI operates in six continents and continues to pursue container terminal opportunities around the world.

ICTSI and Subsidiaries

Financial Highlights

YoY Comparison

For the quarter ended March 31

<i>(In million USD, except Earnings per share data)</i>		1Q 2019		1Q 2020	% Change
Gross Revenues	USD	383.8	USD	375.8	-2%
EBITDA		222.5		212.2	-5%
Net Income		81.5		68.8	-16%
Net Income Attributable to Equity Holders		72.4		59.6	-18%
Earnings per share					
Basic		0.028		0.023	-19%
Diluted		0.028		0.023	-19%

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.

By:



ARTHUR QUINTIN R. TABUENA
Director - Treasury and Investor Relations