

Global health crisis cuts profits of ICTSI

INTERNATIONAL Container Terminal Services Inc. (ICTSI) saw its profits declining by 12 percent to \$113.4 million in the first half, from \$128.5 million a year ago, due to the global health crisis.

Enrique K. Razon, the company's chairman, also reported that his group's revenue fell 4 percent to \$724.3 million, from \$751.8 million, as Covid-19 continued to affect the global supply chain. The group handled 7.78 million twenty-foot equivalent units in the said period, a 5-percent decline from 5.04 million TEUs the year prior.

Its consolidated cash operating expenses in the first six months of 2020 was 4 percent lower at \$222.8 million compared to \$232.0 million the year before, as it implemented cost-reduction measures to cushion the impact of the pandemic.

"Our primary focus and central to our decision making since the start of the Covid-19 outbreak has been, and remains, the safety and wellbeing of our employees, customers, and our stakeholders," Razon said.

"We took immediate action to preserve cash and reduced our capital expenditure in what has been a period of significantly reduced economic and international trade activity, brought about by protracted lockdown periods for many countries around the world."

ICTSI has reduced its capital expenditure program for 2020 to approximately \$160 million, which will be utilized to complete its ongoing expansion projects.

"These prudent measures taken early on, our diversified portfolio and maintaining a very high level of service to our clients has helped cushioned the impact from the pandemic and generated a resilient and better than expected performance," Razon said. *Lorenz S. Marasigan*



ICTSI net profit down 4% to \$54 million

RAZON-LED International Container Terminal Services, Inc. (ICTSI) saw its second-quarter net income attributable to equity holders decline by 4% to \$53.8 million due to lower operating income, increase in interest on concession rights payable, and expenses related to the coronavirus pandemic.

The second-quarter net income is 9.7% lower than the previous quarter's \$59.6 million.

In a regulatory filing on Thursday, the listed firm said the decrease was "partially tapered by a reduction in net loss at its greenfield terminal in Melbourne, Australia, and lower equity in net loss of joint ventures."

The global port developer and operator saw its gross revenues decline by 5% to \$348.5 million from \$368 million. The amount is 7.3% lower than the \$375.8 million earned in the first three months of the year.

ICTSI said trade activities declined during the period due to the impact of the coronavirus pandemic and government-imposed lockdowns. —

Arjay L. Balinbin

FULL STORY



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ICTSI net profit dips 12% to \$113.4 M in H1

By JAMES A. LOYOLA

International Container Terminal Services, Inc. (ICTSI) reported yesterday unaudited consolidated reported a 12 percent dip in attributable net income to US\$113.4 million in the first half of 2020 from the US\$128.5 million earned in the same period last year.

In a disclosure to the Philippine Stock Exchange, the firm said this is due to lower operating income and the increase in interest on concession rights payable and COVID-19-related expenses.

These were partially offset by a reduction in net loss at its greenfield terminal in Melbourne, Australia and lower equity in net loss of joint ventures.

ICTSI reported that its revenue from port operations declined 4 percent to US\$724.3 million from the US\$751.8 million reported for the same period last year.

Equity in net loss of joint ventures decreased by 22 percent to US\$9.7 million in the first half of 2020 from US\$12.4 million for the same period in 2019 mainly due to the 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.

"Our primary focus and central to our decision making since the start of the COVID-19 outbreak has been, and remains, the safety and well-being of our employees, customers, and our stakeholders," said ICTSI Chairman Enrique K. Razon Jr.

He added that, "We took immediate action to preserve cash and reduced our capital expenditure in what has been a period of significantly reduced economic and international trade activity, brought about by protracted lockdown periods for many countries around the world."

"These prudent measures taken early on, our diversified portfolio and maintaining a very high level of service to our clients has helped cushioned the impact from the pandemic and generated a resilient and better than expected performance," Razon said.

He noted that, "COVID-19 is now the major challenge for most businesses globally and we expect the second half of the year will continue to be challenging and marked with uncertainties. However, ICTSI is well-positioned to navigate through these uncertain times, underpinned by our 32 terminals diversely located around the world, the resilience of our business model, agility and a strong capital structure."

ICTSI handled consolidated volume of 4,799,765 twenty-foot equivalent units (TEUs) for the first six months of 2020, five percent less than the 5,041,916 TEUs handled in the same period in 2019.

The decrease in volume was primarily due to the decline in trade activities which resulted from the impact of the COVID-19 pandemic on global trade and lockdown restrictions.

Excluding the contribution of the new terminal in Rio de Janeiro, Brazil, ICTSI Rio, consolidated organic volume would have decreased six percent in the first half of 2020.



ICTSI's earnings hit \$62.5m in Q2

PORT operator International Container Terminal Services Inc. said Thursday net income fell 3 percent in the second quarter from a year ago on weak global trade brought about by the COVID-19 pandemic.

The company led by port magnate Enrique Razon posted a net income of \$62.5 million from April to June, down from \$64 million in the same period last year.

ICTSI's net income reached \$113.4 million in the first half, also down by 12 percent from \$128.5 million a year earlier. ICTSI blamed the decline in net income to the lower operating income, increase in interest on concession rights payable and COVID-19 related expenses.

Gross revenues in the first half softened by 4 percent to \$724.3 million from \$751.8 million in the same period last year as trade activities declined because of the pandemic and lockdown restrictions.

ICTSI handled consolidated volume of 4,799,765 twenty-foot equivalent units in the first six months, 5 percent less than 5,041,916 TEUs it handled in the same period in 2019.

Darwin G. Amojelar



ICTSI maneuvers through flaks

ICTSI reported lower operating income, increase in interest on concession rights payable and COVID-19 related expenses

Global port manager International Container Terminal Services Inc. (ICTSI) reported a modest 12 percent slide in net income in the first half to \$113.4 million from \$128.5 million a year ago.

For the second quarter, net income was at \$53.8 million, four percent less than the \$56.1 million recorded in the same period last year.

In the most recent three months, revenues from port operations decreased five percent from \$368 million to \$348.5 million; earnings before income tax, depreciation and amortization (EBITDA) was also one percent higher at \$204.2 million from \$201.9 million.

ICTSI reported lower operating income, increase in interest on concession rights payable and coronavirus disease 2019 (COVID-19) related expenses.

A reduction in net loss at its greenfield terminal in Melbourne, Australia and lower equity in net loss of joint ventures augmented earnings during the period.

Virus affects earnings

Revenue from port operations was \$724.3 million, a decrease of four percent from the \$751.8 million reported for the same period

last year. Net income attributable to equity holders reached \$113.4 million, 12 percent less than the \$128.5 million earned in the same period last year.

Equity in net loss of joint ventures decreased by 22 percent to \$9.7 million in the first half of 2020 from \$12.4 million for the same period in 2019 mainly as a result of the 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.

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VOLUME of cargos handled by ICTSI was down five percent at 4,799,765 twenty-foot equivalent units for the first six months.