ICTSI sets $330-M capital expenditures for this year

PHOTO shows Manila International Container Terminal, ICTSI's flagship operations. FROM WWW.ICTSI.COM

By Lorenz S. Marasigan @lorenzmarasigan

INTERNATIONAL Container Terminal Services Inc. (ICTSI) is increasing its capital expenditures for 2022 to $330 million from $165 million last year to fund expansion projects for its ports in the Philippines as well as in other territories.

The company said the amount will be used to pay for concession upfront fees for its port in Madagascar, the ongoing expansion of its port in the Democratic Republic of Congo as well as in Australia and in Mexico.

The amount will also be used to finance the expansion of Berth 8 of the Manila International Container Terminal and for the purchase of equipment as well as for the maintenance of its ports.

ICTSI saw profits ballooning by 321 percent to $428.57 million in 2021 from $101.76 million the year prior. Its revenues rose by 24 percent to $1.87 billion from $1.51 billion on the back of a 10-percent increase in consolidated volume to 11.16 million twenty-foot equivalent units (TEUs) from 10.19 million TEUs the previous year.

While ICTSI remains hopeful heading into 2022 that the worst of the Covid-19 crisis has passed, ICTSI Chairman Enrique K. Razon Jr. said, the company is "aware of the potential social, political and economic impact arising as a result of the disconcerting events unfolding in Ukraine and as such are monitoring the situation closely."

"We are a resilient business and our performance over the last year reflects the actions we've taken to create long-term value for all our stakeholders. I extend my thanks to all of the ICTSI colleagues who have helped us achieve these positive outcomes for the business," Razon said in a statement.

The company reported last month that its Subic port has been added to the Mediterranean Shipping Company's (MSC) expanded Seahorse Service, linking Northern and Central Luzon to global markets.

ICSTI said Subic Bay International Terminals now provides the region "a reliable link to global markets especially Europe and the United States" through the inclusion of the port to the rotation of the Seahorse Service.

"Industries including agriculture, automotive, electronics, construction and garments can take advantage of the service's connection to major transshipment hubs like Singapore, Vung Tau and Tanjung Pelepas, as well as the seamless connectivity to MSC's global ocean liner network, to ship their products worldwide," ICTSI's statement read.


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ICTSI income surges to $429M

ICTSI income surges to $429M

LISTED port operator International Container Terminal Services, Inc. (ICTSI) saw its attributable net income for 2021 surge to $428.6 million from $101.8 million a year earlier, mainly due to higher operating income.

The company's gross revenues from port operations increased 23.9% to $1.9 billion in 2021 from $1.5 billion previously, it said in a media release on Thursday. Its expenses were reduced 4.7% to $1.1 billion from $1.2 billion in 2020.

It said last year's net income attributable to equity holders was 321% higher "mainly due to higher operating income and nonrecurring charges in 2020; partially offset by increase in depreciation and amortization resulting from the new terminals; higher interest on loans, concession rights payable, and lease liabilities; additional impairment charges on other nonfinancial assets; and charges associated with the prepayment of loan facilities at Victoria International Container Terminal."

The company's equity in net loss of joint ventures was down to zero in 2021 from a $12.27-million loss in 2020 mainly due to its share in higher net income in Manila North Harbour Port, Inc. and lower net loss at Sociedad Puerto Industrial Aguadulce S.A. in 2021.

It handled consolidated volume of 11,163,473 twenty-foot equivalent units (TEUs) in 2021, higher by 10% compared with the 10,193,384 TEUs handled in 2020 primarily due to volume growth and improvement in trade activities as economies recover from the impact of the pandemic and lockdown restrictions.

The company also noted that it has no exposure to investments in Ukraine or Russia, which recently launched a military attack on the former.

"The scale and duration of these developments and event remain uncertain as of March 1, 2022. It is not possible to estimate the overall impact of the outbreak and war's near-term and longer effects, and could have a material impact on the group's financial results for the rest of 2022 and even periods thereafter," it added.

ICTSI shares closed 4.59% higher at P228 each on Thursday. — **Arjay L. Balinbin**


SEC lays down rules on disqualification

RE policies seen to pull down power rates, carbon footprint

ICTSI sets $330M capex

NTERNATIONAL Container Terminal Service Inc. (ICTSI) looks to spend $330 million this year to fund various projects.

The amount will cover the payment of the concession extension upfront fees at Madagascar International Container Terminal Services Ltd. (MICTSL) in Madagascar; and finance the ongoing expansion at IDRC in Matadi, Democratic Republic of Congo; expansion projects at VICT in Melbourne, Australia and Contecon Manzanillo S.A. de C.V. (CMSA) in Manzanillo, Mexico and of berth 8 at the Manila International Container Terminal (MICT); equipment acquisitions and upgrades; and for various maintenance requirements.

The company reported a profit of $428.83 million last year, up 321 percent from last year's $101.85 million.

Revenues reached $1.87 billion, up 24 percent from $1.5 billion, as the company facilitated the movements of 11.16 million twenty-equivalent units (TEU) cargos last year, up 10 percent.

Earnings before interest tax depreciation and amortization (EBITDA) was at $1.14 billion, up 30 percent.

"Higher volume growth and improvement in trade activities as economies have started to recover have enabled throughput to increase by 10 percent, with EBITDA pushed higher from new terminal contributions," said Enrique K. Razon, Jr., ICTSI chairman.

"Whilst we are hopeful heading into 2022 that the worst of the COVID-19 crisis is behind us, we are mindful that these results were achieved during a global pandemic which countries are recovering at different rates from. However, we are aware of the potential social, political and economic impact arising as a result of the disconcerting events unfolding in Ukraine and as such are monitoring the situation closely," Razon added.


Business

PLDT obtains P50-b bids to buy its 6,000 cell sites

ICTSI's net profit increased by 57% to $443m in 2021

INTERNATIONAL Container Terminal Services Inc. said Thursday net income jumped 57 percent in 2021 from a year ago, on higher volume growth and improved trade activities.

The port operator said net income amounted to $442.83 million last year, up from $282.07 million in 2020 as revenue from port operations went up by 24 percent to $1.87 billion from $1.51 billion.

"I'm pleased to report a strong set of results for 2021. Higher volume growth and improvement in trade activities as economies have started to recover have enabled throughput to increase by 10 percent, with EBITDA [earnings before interest, taxes, depreciation and amortization] pushed higher from new terminal contributions," said ICTSI chairman and president Enrique Razon Jr.

"Whilst we are hopeful heading into 2022 that the worst of the COVID-19 crisis is behind us, we are mindful that these results were achieved during a global pandemic which countries are recovering at different rates from. However, we are aware of the potential social, political and economic impact arising as a result of the disconcerting events unfolding in Ukraine and as such are monitoring the situation closely," Razon said.

ICTSI handled consolidated volume of 11,163,473 twenty-foot equivalent units in 2021, higher by 10 percent than the 10,193,384 TEUs handled in 2020 primarily due to volume growth and improvement in trade activities as economies recover from the impact of the COVID-19 pandemic and lockdown restrictions; and new contracts with shipping lines and services at certain terminals.

Darwin G. Amojelar

ICTSI profit surges but invasion vexes

Notwithstanding our financial results, it was a great achievement in 2021 to have vaccinated over 90 percent of our workforce and supported host communities and partner governments' coronavirus response efforts

BY RAFFY AYENG
@tribunephl_raf

As most businesses suffered declines in earnings due to the world health crisis last year, the net income of the Enrique Razon-led global port operator International Container Terminal Services Inc. (ICTSI) has surged three folds to $428.57 million in 2021, or 321 percent higher, from $101.76 million a year ago.

"Higher volume growth and improvement in trade activities were recorded as economies have started to recover that enabled throughput to increase by 10 percent, with earnings before income tax, depreciation and amortization (EBITDA) pushed higher from new terminal contributions," ICTSI chairperson and president Enrique K. Razon Jr. said in a statement.

Revenues from port operations posted an increase to $1.87 billion, 24 percent higher compared to the $1.51 billion reported last year, based on audited consolidated financial results for 2021.

"Notwithstanding our financial results, it was a great achievement in 2021 to have vaccinated over 90 percent of our workforce and supported host communities and partner governments' coronavirus response efforts," Razon said.

"Whilst we are hopeful heading into 2022 that the worst of the Covid-19 crisis is behind us, we are mindful that these results were achieved during a global pandemic which countries are recovering at different rates from. However, we are aware of the potential social, political and economic impact arising as a result of the disconcerting events unfolding in Ukraine and as such are monitoring the situation closely," he added.

Operating income rises

The surge in ICTSI's net profit was due to higher operating income and non-recurring charges in 2020, partially offset by an increase in depreciation and amortization resulting from the new terminals, higher interest on loans, concession rights payables and lease liabilities; additional impairment charges on other non-financial assets and charges associated with the prepayment of loan facilities at Victoria International Container Terminal.

Besides this, revenues from port operations posted an increase to $1.87 billion, 24 percent higher compared to the $1.51 billion reported last year, based on audited consolidated financial results for 2021.

ICTSI's EBITDA have also recorded a surge of $1.14 billion, from last year's $876.83 million.

In addition, equity in a net loss of joint ventures was practically reduced to zero in 2021 from a $12.27 million loss in 2020 mainly due to ICTSI's share in Manila North Harbour Port Inc. that posted a higher net income and the lower net loss of Sociedad Puerto Industrial Aguadulce S.A. in 2021.

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ICTSI profit soars 321% to $428.57 M in 2021

By EMMIE V. ABADILLA

International Container Terminal Services, Inc. (ICTSI) hauled in US$1.87 billion revenues from port operations in 2021, 24 percent higher versus the preceding year, and earned US$428.57 million earnings, up 321 percent.

"Higher volume growth and improvement in trade activities as economies have started to recover have enabled throughput to increase by 10 percent, with Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) pushed higher from new terminal contributions," according to Enrique K. Razon, Jr., ICTSI Chairman and President.

"Whilst we are hopeful heading into 2022 that the worst of the Covid-19 crisis is behind us, we are mindful that these results were achieved during a global pandemic which countries are recovering at different rates from," he maintained.

"However, we are aware of the potential social, political and economic impact arising as a result of the disconcerting events unfolding in Ukraine and as such are monitoring the situation closely."

Furthermore, "We are a resilient business and our performance over the last year reflects the actions we've taken to create long-term value for all our stakeholders."

ICTSI's EBITDA rose 30 percent to US$1.14 billion last year due to higher revenues and the contribution of new terminals, ICTSI Nigeria Ltd. (ICTSNL) and Manila Harbor Center Port Services, Inc. (MHCPSI).

Excluding the contribution of new terminals, EBITDA would have increased by 27 percent.

On the other hand, the 321 percent increase on ICTSI's US$428.57 million net income was due to higher operating income and non-recurring charges in 2020, partially off-set by increase in depreciation and amortization resulting from the new terminals; higher interest on loans, concession rights payable, and lease liabilities; additional impairment charges on other non-financial assets; and charges associated with the prepayment of loan facilities at Victoria International Container Terminal (VICT).

In addition, equity in net loss of joint ventures was practically reduced to zero in 2021 from a US$12.27 million loss in 2020 mainly due to the ICTSI's share in higher net income in Manila North Harbour Port, Inc. (MNHPI) and lower net loss at Sociedad Puerto Industrial Aguadulce S.A. (SPIA) in 2021.

ICTSI handled consolidated volume of 11,163,473 twenty-foot equivalent units (TEUs) in 2021, higher by 10 percent as volume and trade grew in the wake of economies recovering from the pandemic and lockdown restrictions.

Excluding the contribution of the company's new terminal operations, ICTSNL in Nigeria, consolidated volume would have increased by nine percent in 2021.

Gross revenues from port operations grew by 24 percent in 2021 to US$1.87 billion as volume grew and trade activities improved at most terminals.

The port operator also posted higher revenues from ancillary services and hauled in contributions from new terminals - ICTSNL in Nigeria, Manila Harbor Center Port Services, Inc. (MHCPSI), Kribi Multipurpose Terminal (KMT) in Cameroon, and IRB Logistica in Rio de Janeiro, Brazil.

On the other hand, consolidated cash operating expenses increased 15 percent to $523.33 million due to increase in prices and consumption of fuel and power and higher contracted services driven by volume growth.

Also, there was additional cost associated with the new terminals in ICTSNL, MHCPSI, KMT and IRB Logistica; and unfavorable foreign exchange effect of Australian Dollars (AUD)-, Mexican Peso (MXN)- and Chinese Renminbi (RMB)- based expenses in Melbourne, Manzanillo and Yantai.

But this was offset by continuous cost optimization measure and favorable foreign exchange effect of Iraqi Dinar (IQD)-based expenses at ICTSI Iraq and Brazilian Reais (BRL)-based expenses at ICTSI Rio and Tecon Suape S.A. (TSSA).

Consolidated financing charges and other expenses decreased 47 percent to $170.54 million due to lower impairment charges on non-financial assets and non-recurring charges associated with the prepayment of loan facilities at VICT totaling $16.74 million, compared to the impairment charges on concession rights of TECPLATA and other nonfinancial assets in 2020 of $180.31 million.

This was partially offset by higher interest and financing charges on borrowings due to the issuance of $400 million and $300 million senior notes in June 2020 and November 2021 plus the consolidation of the outstanding loan of the group's new terminal in the Philippines, MHCPSI.

Capital expenditures, excluding capitalized borrowing costs, in 2021 amounted to$165.00 million.

These were mainly for ongoing expansions at Manila International Container Terminal (MICT), acquisition of port facilities and equipment at ICTSNL in Nigeria, other expansionary works at the Company's terminals in Democratic Republic of Congo, Australia and Mexico as well as infrastructure and equipment upgrades in Ecuador.

ICTSI's earmarked $330 million for its capital expenditure in 2022 to pay concession extension upfront fees at Madagascar International Container Terminal Services Ltd. (MICTSL) as well as fund the ongoing expansion at IDRC in Matadi, Democratic Republic of Congo, that of VICT in Melbourne, Australia and Contecon Manzanillo S.A. de C.V. (CMSA) in Manzanillo, Mexico which are both operating at very high utilization levels.

The Berth 8 expansion project at MICT in Manila plus equipment acquisition, maintenance and upgrades are included in the capex.

ICTSI looks past pandemic with '21 earnings jump

But outlook hazy with Russian invasion of Ukraine

By Miguel R. Camus
@miguelrcamusINQ

STRONG PERFORMANCE A vessel uploads cargo at the MICT in Manila. Enrique Razon Jr.'s global ports empire reported a profits surge of over 300 percent last year as economies reopened around the world. —PHOTO COURTESY OF ICTSI

Billionaire Enrique Razon Jr.'s International Container Terminal Services Inc. (ICTSI) is ready to move on from the COVID-19 pandemic with the recovery of earnings and volume last year even as the business outlook remains clouded by the Russia-Ukraine conflict.

ICTSI said profits in 2021 surged 321 percent to $428.57 million in 2021 due to higher operating income and the absence of one-time charges. Excluding these charges, the company's recurring net income ended the year higher by 57 percent to $442.83 million.

"Whilst we are hopeful heading into 2022 that the worst of the COVID-19 crisis is behind us, we are mindful that these results were achieved during a global pandemic which countries are recovering at different rates from," Razon said in a statement.

"However, we are aware of the potential social, political and economic impact arising as a result of the disconcerting events unfolding in Ukraine and, as such, are monitoring the situation closely," he added.

ICTSI saw port revenues jump 24 percent to $1.87 billion last year on higher volumes, tariff adjustments and the contribution of new terminals and expansion in Nigeria, the Philippines, Cameroon and Brazil.

The company's volume, a measured by twenty-foot equivalent units (TEUs), rose 10 percent to 11.16 million TEUs. Meanwhile, cash operating expenses in 2021 rose 15 to $523.33 million.

ICTSI is budgeting $330 million for capital spending in 2022 to pay concession fees and expand its terminals.

This will include the payment of "concession extension upfront fees" at Madagascar International Container Terminal Services Ltd., the ongoing expansion of ports in Congo, Australia and Mexico, the Berth 8 expansion project at the Manila International Container Terminal (MICT), equipment acquisitions and upgrades and for maintenance requirements.

The company is increasing spending this year from $165 million in 2021.

Spending last year was used to expand MICT, the acquisition of port facilities and equipment at International Container Terminal Services Nigeria Ltd., and "other expansionary works" in Congo, Australia and Mexico and infrastructure and equipment upgrades in Ecuador. INQ


Knowledge, understanding, wisdom

PLDT eyes over P50 B from sale of cell towers

What's in a logo

ICTSI doubles capex to $330 M this year

ABS-CBN launches high speed home internet connections

ICTSI doubles capex to $330 M this year

International Container Terminal Services Inc. (ICTSI) is doubling its capital spending this year to continue expansion of projects globally, as trade activities continue to recover.

ICTSI said it is earmarking a capital expenditures budget of $330 million this year, double from 2021's $165 million capex.

The company will use this year's capex mainly for the payment of the concession extension upfront fees at its international container terminal in Madagascar, as well as for expansion projects in Australia, Democratic Republic of Congo, Mexico, and at its flagship Manila International Container Terminal.

ICTSI saw its net income surge by 321 percent to $428.57 million last year from $101.76 million in 2020, as trade activities and volume improved.

EBITDA grew 30 percent year-on-year to $1.14 billion primarily due to higher revenues and the contribution of new terminals.

Revenue from port operations last year stood at $1.87 billion, 24 percent higher compared to the $1.51 billion recorded the previous year, due to volume growth and improvement in trade activities at most terminals.

"Higher volume growth and improvement in trade activities, as economies have started to recover, have enabled throughput to increase by 10 percent, with EBITDA pushed higher from new terminal contributions," ICTSI chairman and president Enrique Razon said.

In 2021, ICTSI handled consolidated volume of 11.16 million twenty-foot equivalent units (TEUs), up by 10 percent from the 10.19 million TEUs handled in 2020, primarily on the back of volume growth and improvement in trade activities as economies started to recover from the impact of the COVID-19 pandemic and lockdown restrictions.

"We are a resilient business and our performance over the last year reflects the actions we've taken to create long-term value for all our stakeholders," Razon said.

"Whilst we are hopeful heading into 2022 that the worst of the COVID-19 crisis is behind us, we are mindful that these results were achieved during a global pandemic from which countries are recovering at different rates. However, we are aware of the potential social, political, and economic impact arising as a result of the disconcerting events unfolding in Ukraine, and as such are monitoring the situation closely," he said.

– Richmond Mercurio

ICTSI's net income up 321% to $428.57M in 2021

INTERNATIONAL Container Terminal Services Inc. (ICTSI) posted a 321-percent increase in net income to $428.57 million in 2021, which showed its resiliency and financial strength.

ICTSI Chairman and President Enrique Razon Jr. said the positive business outcome was achieved during the pandemic while countries were recovering at different rates. For this year, they are carefully monitoring the developments abroad, particularly the Russia-Ukraine crisis.

"We are a resilient business and our performance over the last year reflects the actions we've taken to create long-term value for all our stakeholders. We are aware of the potential social, political, and economic impact arising as a result of the disconcerting events unfolding in Ukraine and as such are monitoring the situation closely," he said

The net income attributable to equity holders of $428.57 million was 321 percent higher than the $101.76 million earned in 2020, mainly due to higher operating income and non-recurring charges in 2020.

Revenues grew 24 percent to $1.87 billion from $1.51 billion reported in 2020. The earnings before interest, taxes, depreciation and amortization (ebitda) rose 30 percent to $1.14 billion. The throughput increased 10 percent to 11.16 million 20-foot equivalent units (TEUs) in 2021, higher by 10 percent compared to the 10.193 million TEUs handled in 2020 primarily due to volume growth and improvement in trade activities as economies recover from the impact of the Covid-19 pandemic.

"Higher volume growth and improvement in trade activities as economies have started to recover have enabled throughput to increase by 10 percent, with ebitda pushed higher from new terminal contributions," he said.

The volume growth was also attributed to favorable container mix, tariff adjustments at certain terminals, new contracts with shipping lines and services, and higher revenues from ancillary services. The contribution of new terminals such as ICTSNL in Rivers State, Nigeria, Manila Harbor Center Port Services, Inc. (MHCPSI) in Manila, Kribi Multipurpose Terminal (KMT) in Kribi, Cameroon, and IRB Logistica in Rio de Janeiro, Brazil as well as the net

■ **Enrique Razon Jr., ICTSI chairman and president** PHOTO FROM ICTSI

favorable impact of foreign exchange at certain terminals also helped increase the throughput. Excluding the contribution of new terminals in Nigeria, the Philippines, Cameroon and Brazil, consolidated gross revenues would have increased by 21 percent in 2021.

Capital expenditures, excluding capitalized borrowing costs in 2021 amounted to $165.00 million, mainly for the expansions of Manila International Container Terminal (MICT), acquisition of port facilities and equipment at ICTSNL in Nigeria, other expansionary works at the terminals in the Democratic Republic of Congo, Australia and Mexico and infrastructure and equipment upgrades in Ecuador.

The capital expenditure budget for 2022 is approximately $330 million which will be utilized mainly for the payment of the concession extension upfront fees at Madagascar International Container Terminal Services Ltd. (MICTSL) in Madagascar; ongoing expansion at IDRC in Matadi, Democratic Republic of Congo; expansion projects at VICT in Melbourne, Australia and Contecon Manzanillo S.A. de C.V. (CMSA) in Manzanillo, Mexico which is both operating at very high utilization levels. ICTSI is constructing Berth 8 at MICT in Manila. It undergoes equipment acquisitions and upgrades and various maintenance requirements.

Razon said aside from port developments, it was a great achievement to have vaccinated over 90 percent of their workforce and supported host communities and partner governments in the coronavirus response efforts.

GENIVI VERDEJO