

# ICTSI's income in Jan-Sept surges on global recovery

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**P**ORT giant International Container Terminal Services Inc. (ICTSI) saw profits widening by almost half in January to September, thanks to the global economic recovery.

In absolute terms, ICTSI booked a net income attributable to equity holders of \$465.1 million, a 47-percent increase from \$316.4 million the year prior "primarily due to higher operating income, net foreign exchange gain, equity share in net profit of joint ventures, and interest income; partially tapered by increase in interest on loans, lease liabilities and concession rights payable, and depreciation and amortization charges."

Gross revenues from port operations for the nine-month period was 20 percent higher at \$1.64 billion com-

pared to the \$1.37 billion reported in the same period in 2021 mainly due to volume growth and market recovery from the impact of the pandemic; favorable container mix; tariff adjustments at certain terminals; new contracts with shipping lines and services; and higher revenues from ancillary services; among others.

ICTSI handled a consolidated volume of 8,856,303 twenty-foot equivalent units (TEUs) in the January to September, 7 percent more than the 8,266,621 TEUs handled in the same period in 2021.

"We have delivered seven consecutive quarters of double-digit consolidated revenue growth which has helped offset inflationary pressure with our excellent performance being driven by volume growth, cost control and operating discipline," ICTSI Chairman Enrique K. Razon said.

Consolidated cash operating expenses during the period was 14 percent higher at \$438.1 million compared to \$383.2 million in the same period in 2021, while consolidated financing charges and other expenses went up by 24 percent to \$130.8 million from \$105.5 million the year prior.

Capital expenditures (capex) for the nine months amounted to \$281.3 million. These were used to expand ports in the Phil-

ippines, Australia, the Democratic Republic of the Congo, Mexico, and the acquisition of land in the Philippines and in Brazil for new projects.

ICTSI has set a \$330-million capex for 2022.

"We remain mindful of the macro-economic environment and the potential impact this may have on our business but remain confident that we are well-positioned to navigate these headwinds through our agility, diversified portfolio and strong balance sheet. Our highly disciplined and talented team continues to work resolutely for the benefit of our stakeholders—all the time guided by our purpose, to make ports around the world a driver for positive and sustainable growth," Razon said.



# ICTSI income up 43% to \$171M as volume and trade grow

LISTED port operator International Container Terminal Services (ICTSI) saw its third-quarter net income attributable to equity holders increase 42.6% to \$170.7 million from \$119.7 million previously.

The increase was mainly due to volume growth, improved trade activities, new shipping lines and services at certain terminals, and the contribution of Manila North Harbour Port, Inc., the company said in its latest financial report.

Total revenues from port operations reached \$576.7 million, up 19.6% from \$482.4 million in the same period last year. Expenses for the period increased 11.1% to \$310.7 million from \$279.6 million previously.

ICTSI is involved in 34 terminal concessions and port development projects in 20 countries worldwide. It has nine terminal operations in the Philippines, including an inland container terminal, a barge terminal, and combined terminal operations in Subic.

The company's consolidated earnings before interest, taxes, depreciation and amortization rose by 23.2% to \$365.9 million from \$296.9 million in 2021 "mainly due to higher revenues, partially tapered by the increase in cash operating expenses."

The volume handled by ICTSI grew by 10.6% to 3.10 million twenty-foot equivalent units (TEUs) for the period

from 2.81 million TEUs in the same period in 2021.

For the nine months ended Sept. 30, the company saw its net income attributable to equity holders increase by 47% to \$465.1 million from \$316.4 million previously.

Revenues from port operations climbed 20.1% to \$1.64 billion from \$1.37 billion last year.

ICTSI handled 8.86 million TEUs for the nine-month period, up 7.1% from 8.27 million TEUs handled in the same period last year.

"The group is exposed to a number of trends, events, and uncertainties which can affect its recurring revenues and profits," ICTSI noted.

"These include levels of general economic activity and containerized trade volume in countries where it operates, as well as certain cost items, such as labor, fuel, and power," the company said.

ICTSI operates in several jurisdictions other than the Philippines and collects revenues in various currencies.

"Continued appreciation of the US dollar relative to other major currencies, particularly the Philippine peso, Mexican peso, Australian dollars Brazilian reais, and the Euro, may adversely affect the group's reported levels of revenues and profits," ICTSI said.

ICTSI shares closed 6.86% higher at P190 apiece on Monday. — **Arjay L. Balinbin**

# ICTSI posts \$465.1-million net income, up 47% in 9 months

By EMMIE V. ABADILLA

International Container Terminal Services, Inc. (ICTSI) posted US\$1.64 billion revenues from its port operations for the first nine months of 2022, up 20 percent versus the same period last year and netted US\$465.1 million earnings, 47 percent more, due to higher operating income, net foreign exchange gain, equity share in net profit of joint ventures, and interest income.

ICTSI's Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) were US\$1.04 billion, up 25 percent.

Diluted earnings per share for the first nine months of 2022 were 63 percent higher at US\$0.215 compared to US\$0.132 in the same period in 2021.

ICTSI handled consolidated volume of 8,856,303 twenty-foot equivalent units (TEUs) in the first nine months of 2022, up seven percent.

The increase in volume was primarily due to volume growth and

improvement in trade activities as economies continue to recover from the impact of the Covid-19 pandemic and lockdown restrictions.

New shipping lines and services at certain terminals, as well as Manila North Harbour Port, Inc. (MNHPI) and International Container Terminal Services Nigeria Ltd. (ICTSNL), the company's new terminal in Port of Onne, Nigeria, also contributed.

"We have delivered seven consecutive quarters of double-digit consolidated revenue growth which has helped offset inflationary pressure with our excellent performance being driven by volume growth, cost control and operating discipline," says Enrique K. Razon, Jr., ICTSI Chairman and President.

"We remain mindful of the macro-economic environment and the potential impact this may have on our business but remain confident that we are well-positioned to navigate these headwinds through our agility, diversified portfolio and strong balance sheet," he elaborated.

"Our highly disciplined and talented team continues to work resolutely for the benefit of our stakeholders – all the time guided by our purpose, to make ports around the world a driver

for positive and sustainable growth."

Excluding the consolidation of MNHPI, ICTSNL, and Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR) in Davao, Philippines, which was terminated last June 30, 2022, consolidated volume would have increased by six percent.

Gross revenues from port operations for the first nine months of 2022 was 20 percent higher at US\$1.64 billion due to volume growth and market recovery from the impact of the pandemic. Consolidated cash operating expenses was 14 percent higher at US\$438.1 million due to the cost contribution of MNHPI, the new businesses, mainly MHCPSI, ICTSNL and IRB Logistica; the increase in equipment and facilities-related expenses, mainly fuel; government-mandated and contracted salary rate adjustments, including benefits; contracted services in relation to volume; and the unfavorable foreign exchange impact of the Brazilian Reals (BRL)-based expenses at ICTSI Rio and Tecon Suape S.A. (TSSA) in Brazil.

Consolidated EBITDA increased 25 percent to US\$1.038 billion due to higher revenues, partially tapered by the increase in cash operating expenses.



# ICTSI net up 20% to P79.5B

BY RUELLE ALBERT D. CASTRO

INTERNATIONAL Container Terminal Services Inc. (ICTSI) said it grew its profit to P26.98 billion in the first nine months of the year, up 47 percent from last year's \$316.4 million.

Revenues reached P95.12 billion, a 20 percent increase from the P79.46 billion posted last year.

For this quarter alone, revenues hit P33.45 billion, up 20 percent from P27.98 billion, with profit at P9.9 billion, up 43 percent from the P6.94 billion in 2021.

"We have delivered seven consecutive quarters of double-digit consolidated revenue growth which has helped offset inflationary pressure with our excellent performance being driven by volume

growth, cost control and operating discipline," said Enrique Razon, Jr., ICTSI president.

ICTSI handled a total of 8.86 million twenty-foot equivalent units (TEUs) of cargo containers for the first nine months of 2022, seven percent higher than

the 8.27 million TEUs handled in 2021.

ICTSI said the volume growth is a result of "improvement in trade activities as economies continue to recover from the impact of the COVID-19 pandemic and lockdown restrictions; and new shipping lines and services at certain terminals."

For the third quarter alone, volume was at 3.1 million TEU, up 11 percent from 2.81 million TEU in 2021.

"We remain mindful of the macro-economic environment and the potential impact this may have on our business but remain confident that we are well-positioned to navigate these headwinds through our agility, diversified portfolio and strong balance sheet. Our highly disciplined and talented team continues to work resolutely for the benefit of our stakeholders – all the time guided by our purpose, to make ports around the world a driver for positive and sustainable growth," he added.

Razon said ICTSI spent P16.32 billion as capital expenditures for the period, mainly for ongoing expansion projects at Manila International Container Terminal (MICT) in the Philippines, VICT in Melbourne, Australia, ICTSI

DR Congo S.A. (IDRC) in Matadi, Democratic Republic of Congo, Contecon Manzanillo S.A. de C.V. (CMSA) in Manzanillo, Mexico, and the acquisition of land in the Philippines and in Brazil for new projects.

"The group's capital expenditure budget for 2022 is approximately P19.14 billion. This will be utilized mainly for the payment of the concession extension upfront fees at Madagascar International Container Terminal Services Ltd. (MICTSL); ongoing expansion at the Company's terminals in Democratic Republic of Congo, Australia, Mexico and Philippines; equipment acquisitions and upgrades; and for various maintenance requirements," Razon said.



## ICTSI's net income grew 47% to \$465.1m in the first nine months

**By Darwin G. Amojelar**

INTERNATIONAL Container Terminal Services Inc. said Monday net income climbed by 47 percent in the first nine months from a year ago on higher volume growth and the market recovery from the impact of the pandemic.

The port operator said net profit reached \$465.1 million from January to September, up from \$316.4 million in the same period last year.

ICTSI said in the third quarter, net income went up by 43 percent to \$170.7 million from last year's \$119.7 million.

Gross revenues from port operations in the nine-month period increased 20 percent to \$1.64 billion from \$1.37 billion reported in the same period in 2021.

Revenues in the third quarter also went up by 20 percent from \$482.4 million to \$576.7 million.

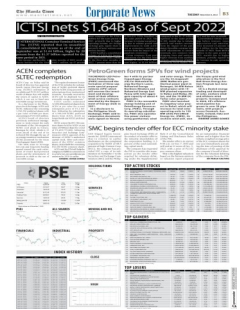
"We have delivered seven consecutive quarters of double-digit consolidated revenue growth which has helped offset inflationary pressure with our excellent performance being driven by volume growth, cost control and operating discipline," ICTSI chairman and president Enrique Razon Jr. said.

"We remain mindful of the macroeconomic environment and the potential impact this may have on our business but remain confident that we are well-positioned to navigate these headwinds through our agility, diversified portfolio and strong balance sheet," he said.

"Our highly disciplined and talented team continues to work resolutely for the benefit of our stakeholders – all the time guided by our purpose, to make ports around the world a driver for positive and sustainable growth," Razon said.

ICTSI handled consolidated volume of 8,856,303 twenty-foot equivalent units in the first nine months, or 7 percent more than 8,266,621 TEUs it handled in the same period in 2021.





# ICTSI nets \$1.64B as of Sept 2022

BY ED PAOLO SALTING

**I**NTERNATIONAL Container Terminal Services Inc. (ICTSI) reported that its unaudited consolidated net income as of the end of September was at \$1.64 billion, higher by 20 percent from the \$1.37 billion reported for the same period in 2021.

Net income attributable to equity holders for the first nine months of 2022 stood at \$465.1 million, up 47 percent more compared to the \$316.4 million for the same period in 2021, primarily due to higher operating income, net foreign exchange gain, equity share in net profit of joint ventures and interest income.

ICTSI handled a consolidated volume of 8,856,303 twenty-

foot equivalent units (TEUs) in the first nine months of 2022, 7 percent more than the 8,266,621 TEUs handled in the same period in 2021. The increase in volume was primarily due to volume growth and improvement in trade activities as economies continue to recover from the impact of the pandemic restrictions.

Gross revenues from port operations for the first nine

months of 2022 was 20 percent higher, at \$1.64 billion, compared to the \$1.37 billion reported in the same period in 2021, mainly due to volume growth and market recovery from the impact of the pandemic; favorable container mix; tariff adjustments at certain terminals; new contracts with shipping lines and services; higher revenues from ancillary services; contribution of MNH-

PI (Manila North Harbor Port Inc.) and the new terminals.

Consolidated Ebitda (earnings before interest, taxes, depreciation and amortization) increased 25 percent to \$1.4 trillion for the first nine months of 2022, from \$829.4 million in the same period in 2021, mainly due to higher revenues, partially tapered by the increase in cash operating expenses.





# ICTSI moves past crisis with \$1.6-B gain

We remain mindful of the macro-economic environment and the potential impact this may have on our business

BY MARIA ROMERO

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Global port operator International Container Terminal Services Inc. has emerged from the pandemic cocoon as it reported its unaudited revenues for the first nine months reached \$1.64 billion, higher by 20 percent from the \$1.37 billion a year ago. In a stock report on Monday, the company attributed the topline improvement to its higher operating income, net foreign exchange gains, equity share in net profit of joint ventures, and a jump in interest income. ICTSI chairperson and president Enrique K. Razon Jr. attributed the healthy three-quarter figures to its diverse businesses that pushed its earnings before interest, taxes, depreciation, and amortization 25 percent higher at \$1.04 billion from a year ago.

## Countering headwinds

“We remain mindful of the macro-economic environment and the potential impact this may have on our business but remain confident

that we are well-positioned to navigate these headwinds through our agility, diversified portfolio, and strong balance sheet,” he added.

ICTSI said gross revenues from port operations rose during the period due to volume growth and the market recovery from the pandemic.

The company, likewise, reported that it booked a \$465.1 million net income attributable to equity holders, which was 47 percent higher than the recorded \$316.4 million during the same period last year.

ICTSI handled a consolidated volume of 8,856,303 twenty-foot equivalent units during the first three quarters, seven percent more than the 8,266,621 TEUs handled last year. As of 30 September, the company has so far spent \$281.3 million in capital expenditures, excluding capitalized borrowing costs. Operating globally on six continents, ICTSI is a leader in the development, management, and operation of container terminals in the 50,000 to 3.5 million TEU/year range.





PHOTOGRAPH COURTESY OF ICTSI

ICTSI's flagship Manila International Container Terminal is one of ten ports in the Asia-Pacific Economic Cooperation region that received the Green Port Award System recently. The program recognizes the port's high adherence to environmental standards.