



ICTSI profit up 9% in January-March

By LORENZ S. MARASIGAN

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INTERNATIONAL Container Terminal Services Inc. (ICTSI) saw profits rising by almost a tenth in the first quarter, owing to the strong performance of its operations in various parts of the world.

In a statement attached to its disclosure to the local bourse, ICTSI reported that its net income attributable to equity holders reached \$154.61 million, a 9-percent increase from \$142.28 million the year prior. This was driven by a higher operating income and lower pandemic-related expenses.

Revenues from port operations rose by 8 percent to \$572.25 million from \$528.27 million, as it grew its throughput by 9 percent to 3.10 million twenty-foot equivalent units (TEUs)

from 2.83 million in 2022.

Consolidated cash operating expenses for the quarter reached \$163.14 million, a 19-percent increase from \$137.11 million, as it had to spend more on equipment, facilities, and government-mandated salary adjustments, among others.

This was partially tapered by continuous cost optimization measures implemented, as well as favorable foreign exchange in Pakistan and the Philippines.

Consolidated financing charges and other expenses for the first quarter declined by 6 percent to \$40.78 million from \$43.50 million.

"These results have been driven by our diversified portfolio and continued focus on margins, and they have been achieved against a challenging macro-economic and geopolitical backdrop,"

said ICTSI Chairman and President Enrique K. Razon Jr.

"Looking ahead, while we remain cautious of continued uncertainty, ICTSI is a strong and agile business differentiated by our strategy in origin and destination gateway terminals as well as an experienced team with a sharp focus on operational discipline, which positions us well for future growth."

ICTSI has allotted \$400 million in capital expenditures for 2023. So far, it has spent \$87.69 million in the first quarter, investing in projects, such as the expansion of ports and the acquisition of new equipment for its ports.

The company operates 33 terminals in 20 countries across six continents and continues to pursue container terminal opportunities around the world.



ICTSI income up 8.7%, cites diversified portfolio

INTERNATIONAL Container Terminal Services, Inc. (ICTSI) posted an 8.7% increase in first-quarter attributable net income to \$154.61 million as revenues grew despite challenging times, it said on Monday.

"These results have been driven by our diversified portfolio and continued focus on margins, and they have been achieved against a challenging macroeconomic and geopolitical backdrop," ICTSI Chairman and President Enrique K. Razon, Jr. said in a statement.

The company also attributed the higher income to "higher operating income [and] lower coronavirus 2019 related expenses."

During the quarter, it recorded \$572.25 million in gross revenues from operations, which is 8.3% higher than the \$528.27 million it posted in 2022.

Gross revenues increased due to tariff adjustments, volume growth, and higher revenues at certain terminals, and the appreciation of Mexican peso-based revenues, among others.

Expenses amounted to \$387.53 million, 12.8% higher than the \$343.43 million incurred last year.

ICTSI has also recorded an increase in the consolidated volume it handled at 3.1 million twenty-foot equivalent units or TEUs, up by 9% from 2.83 million in the previous year.

"The increase in volume was primarily due to the contribution of Manila North Harbour Port, Inc. (MNHPI) in Manila, Philippines that was consolidated starting September 2022 and the

volume growth and new shipping lines and services at certain terminals," the company said.

However, consolidated volume was tapered by the cessation of cargo handling at PT Makassar Terminal Services (PT MTS) and Davao Integrated Port and Stevedoring Services Corp. (DIPSSCOR).

ICTSI added that it was also affected by the decline in trade activities at its Pakistan International Container Terminal and Victoria International Container Terminal.

It said excluding MNHPI, DIPSSCOR, which ceased operations on June 30, 2022, and PT MTS, which stopped operating on Jan. 31, 2023, consolidated volume would have decreased by 1% in 2023.

In the first quarter, the company's capital expenditures (capex) amounted to \$87.69 million, which were used for ongoing expansions at its ports and for the acquisition of ports in Mexico, Australia, the Philippines and Congo.

In 2023, the company estimated its capex to be approximately

\$400 million, which will be used for ongoing expansions, the second tranche of its concession extension-related expenditures in Madagascar, yard expansion in Nigeria, and equipment acquisitions and upgrades, among others.

ICTSI, a manager and operator of origin and destination ports, operates around 33 terminals in 20 countries across six continents.

On Monday, shares in ICTSI went down by three pesos or 1.41% to P210 each. — **Justine Irish D. Tabile**



■ ICTSI reports \$154.6-M net profit in Q1, up 9%

International Container Terminal Services, Inc. (ICTSI) posted 1st quarter 2023 revenues of US\$572.25 million, up eight percent from the same period last year and netted US\$154.61 million earnings, nine percent more in the comparative duration, due to higher operating income and lower COVID-19 related expenses. "I am pleased to report on a strong first quarter of the year which saw ICTSI delivering an increase in throughput of nine percent to 3.10 million TEUs and EBITDA of US\$354.20 million up five percent against the previous year," Enrique K. Razon, Jr., ICTSI Chairman and President stated. "These results have been driven by our diversified portfolio and continued focus on margins, and they have been achieved against a challenging macroeconomic and geopolitical backdrop," he noted. "Looking ahead, whilst we remain cautious of continued uncertainty, ICTSI is a strong and agile business differentiated by our strategy in origin and destination gateway terminals as well as an experienced team with a sharp focus on operational discipline, which positions us well for future growth," Razon maintained. ICTSI handled consolidated volume of 3,102,105 twenty-foot equivalent units (TEUs) in the first quarter of 2023, nine percent more than the 2,833,001 TEUs handled in the same period in 2022. The increase in volume was primarily due to the contribution of Manila North Harbour Port, Inc. (MNHPI) in Manila, volume growth and new shipping lines and services at certain terminals, tapered by the cessation of cargo handling operations at PT Makassar Terminal Services (PT MTS) in Makassar, Indonesia and Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR) and decline in trade activities at certain terminals, among other things. Capital expenditures, excluding capitalized borrowing costs, amounted to US\$87.69 million for the first quarter of 2023. (Emmie V. Abadilla)



INCOME RESULTS

ICTSI profit at \$154.61M

INTERNATIONAL Container Terminal Services Inc. said it grew its first quarter profit by 9 percent to \$154.61 million from \$141.84 million last year. Revenues grew 8 percent to \$572.25 million from P529.86 million.

ICTSI said it facilitated 3.1 million twenty-equivalent unit (TEU) containers for the period, up 9 percent from 2.83 million in 2022, the growth of which was attributed mostly to Manila North Harbour Port Inc. (MNHPI) in Manila.

Earnings before interest tax depreciation and amortization grew 5 percent to P354.2 million.



ICTSI's profit grew by 9% to \$154.61m in 1st quarter

INTERNATIONAL Container Terminal Services Inc. said Monday net income grew by 9 percent in the first quarter on the back of higher operating income.

The port operator said net income amounted to \$154.61 million from January to March, higher than \$142.28 million it booked in the same period last year.

Revenue from port operations reached \$572.25 million, an increase of 8 percent from \$528.27 million reported a year earlier.

"These results have been driven by our diversified portfolio and continued focus on margins, and they have been achieved against a challenging macroeconomic and geopolitical backdrop," said ICTSI chairman and president Enrique Razon Jr.

"Looking ahead, whilst we remain cautious of continued uncertainty, ICTSI is a strong and agile business differentiated by our strategy in origin and destination gateway terminals as well as an experienced team with a sharp focus on operational discipline, which positions us well for future growth," he said. **Darwin G. Amojelar**



ICTSI profit up 9% in Q1

INTERNATIONAL Container Terminal Services Inc. (ICTSI) on Monday said its net profit grew by 9 percent in the first quarter of the year on the back of higher operating income.

The Razon-led port operator said net income amounted to \$154.61 million (approximately P8.5 billion), up from \$142.28 million a year earlier.

Revenue from port operations reached \$572.25 million (P3.15 billion), an increase of 8 percent from the \$528.27 million reported last year.

"These results have been driven by our diversified portfolio and continued focus on margins, and they have been achieved against a challenging macroeconomic and geopolitical backdrop," ICTSI Chairman and President Enrique Razon Jr. said.

"Looking ahead, whilst we remain cautious of continued uncertainty, ICTSI is a strong and agile business differentiated by our strategy in origin and destination gateway terminals as well as an experienced team with a sharp focus on operational discipline, which positions us well for future growth," he added.

ICTSI handled a consolidated volume of 3,102,105 twenty-foot equivalent units (TEUs), 9 percent more than the 2,833,001 TEUs in

2022.

Consolidated cash operating expenses for the quarter was 19 percent higher at \$163.14 million from \$137.11 million while capital expenditures (capex), excluding capitalized borrowing costs, stood at \$87.69 million.

These came from ongoing expansions and acquisition of equipment at CMSA in Manzanillo, Mexico; VICT in Melbourne, Australia; the Manila International Container Terminal (MICT) in the Philippines; and ICTSI DR Congo S.A. (IDRC) in Matadi, Democratic Republic of Congo.

The estimated capex for 2023 is about \$400 million, mainly for the ongoing expansion at the company's terminals in Australia, Mexico, the Philippines and the Democratic Republic of Congo.

ICTSI currently operates 33 terminals in 20 countries across six continents.

The firm's share price fell by 1.41 percent or P3 to P210 on Monday amid a 1.27-percent drop for the benchmark Philippine Stock Exchange index.

TMT



MORE SHIPMENTS

BUSY GLOBAL TRADE HELPS ICTSI TO REGISTER PROFIT GROWTH OF 9%

International Container Terminal Services Inc. (ICTSI) ended the first quarter with a 9-percent growth in profits as it handled more cargo shipments amid growing trading activities here and across the world.

The Razon-led port operator, in a statement on Monday, disclosed that its net income attributable to equity holders grew to \$154.61 million in the first three months from P142.28 million in the same period last year.

Revenues climbed 8 percent to \$572.25 million while earnings before interest, tax, depreciation and amortization rose 5 percent to \$354.2 million.

"These results have been driven by our diversified portfolio and continued focus on margins, and they have been achieved against a challenging macroeconomic and geopolitical backdrop," ICTSI chair and president Enrique Razon Jr. said.

Consolidated volume of cargo shipments totaled 3.1 million twenty-foot equivalent units, showing a 9-percent growth.

ICTSI attributed the bigger volume to cargo movements at Manila North Harbor Port Inc. and new shipping lines and services at certain terminals.

It spent \$87.69 million for capital expenditures during the period. These went into ongoing expansion and equipment purchases.

ICTSI has set a spending guidance of \$400 million for 2023.

"Looking ahead, whilst we remain cautious of continued uncertainty, ICTSI is a strong and agile business differentiated by our strategy in origin and destination gateway terminals as well as an experienced team with a sharp focus on operational discipline, which positions us well for future growth," Razon said.

—TYRONE JASPER C. PIAD INQ



ICTSI 1Q 2023 Net Income up 9% to US\$154.61M

ENRIQUE K. Razon, Jr., ICTSI Chairman and President said: "I am pleased to report on a strong first quarter of the year which saw ICTSI delivering an increase in throughput of nine percent to 3.10 million TEUs, revenue of US\$572.25 million up eight percent and EBITDA of US\$354.20 million up five percent against the previous year. Pleasingly our net income rose by nine percent to US\$154.61 million."

"These results have been driven by our diversified portfolio and continued focus on margins, and they have been achieved against a challenging macroeconomic and geopolitical backdrop. Looking ahead, whilst we remain cautious of continued uncertainty, ICTSI is a strong and agile business differentiated by our strategy in origin and destination gateway terminals as well as an experienced team with a sharp focus on operational discipline, which positions us well for future growth."

International Container Terminal Services, Inc. (ICTSI) today reported unaudited consolidated financial results for the quarter ended March 31, 2023 posting revenue from port operations of US\$572.25 million, an increase of eight percent from the US\$528.27 million reported last year; Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of US\$354.20 million, five percent higher than the

US\$337.85 million generated in the first quarter of 2022; and net income attributable to equity holders of US\$154.61 million, nine percent more than the US\$142.28 million earned in the same period last year primarily due to higher operating income; lower COVID-19 related expenses; partially tapered by increase in depreciation and amortization expenses, higher interest and financing charges on loans, lease liabilities and concession rights payable, and equity share in net loss of joint ventures. Diluted earnings per share increased 12 percent to US\$0.072 from US\$0.065 in the first quarter of 2022.

ICTSI handled consolidated volume of 3,102,105 twenty-foot equivalent units (TEUs) in the first quarter of 2023, nine percent more than the 2,833,001 TEUs handled in the same period in 2022. The increase in volume was primarily due to the contribution of Manila North Harbour Port, Inc. (MNHPI) in Manila, Philippines that was consolidated starting September 2022; volume growth and new shipping lines and services at certain terminals; tapered by the cessation of cargo handling operations at PT Makassar Terminal Services (PT MTS) in Makassar, Indonesia and Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR) in Davao, Philippines; and decline in trade activities at certain terminals, particularly at Pakistan International Container Terminal (PICT) in Karachi, Pakistan as the country suc-

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cumbs to a severe economic crisis and at Victoria International Container Terminal (VICT) in Melbourne, Australia where container trade volume in the Port of Melbourne contracted in the first quarter of 2023 due to weakening domestic demand amid rising inflation. Excluding MNHPI, DIPSSCOR which ceased operations on June 30, 2022, and PT MTS which ceased operations on January 31, 2023, consolidated volume would have decreased by one percent in 2023.

Gross revenues from port operations for the quarter ended March 31, 2023 was eight percent higher at US\$572.25 million compared to the US\$528.27 million reported in the same period in 2022 mainly due to tariff adjustments, volume growth and higher revenues from ancillary services at certain terminals; contribution of MNHPI; and favorable translation impact mainly from the appreciation of Mexican Peso (MXN)-based revenues at Contecon Manzanillo S.A. (CMSA) in Manzanillo, Mexico. This was partially tapered by lower revenues from ancillary services at CMSA and decline in trade activities at VICT and PICT. In addition, the Company also experienced an unfavorable translation impact of the depreciation of Philippine Peso (PHP)-, Australian Dollars (AUD)- and Pakistani Rupee (PKR)- based revenues at the terminals in the Philippines, Aus-

tralia and Pakistan, respectively. Excluding MNHPI, the new terminal and businesses, and the discontinued operations at DIPSSCOR, Hijo International Port Services (HIPS) and PT MTS, consolidated gross revenues would have increased by four percent in 2023.

Consolidated cash operating expenses for the quarter ended March 31, 2023 was 19 percent higher at US\$163.14 million compared to US\$137.11 million for the same period in 2022. The increase in cash operating expenses was driven by increase in equipment and facilities-related expenses, mainly fuel and repairs; government-mandated and contracted salary rate adjustments; costs contribution of MNHPI and of new businesses at IRB Logistica; other revenue generating activities; and unfavorable foreign exchange effect of Mexican Peso (MXN)-based expenses at CMSA. This was partially tapered by continuous cost optimization measures implemented; favorable foreign exchange effect mainly of Pakistani Rupee (PKR)- and Philippine Peso (PHP)- based expenses at the terminals in Pakistan, and the Philippines, respectively; and the termination of cargo handling operations at PT MTS and DIPSSCOR. Excluding the cost contribution of MNHPI, and new and discontinued terminals, consolidated cash operating expenses would have increased by 14 percent.



ICTSI revenue grows 8% last year

Earnings before income tax, depreciation, and amortization or EBITDA rose five percent higher at \$354.2 million

BY RAFFY AYENG
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Global ports operator International Container Terminal Services Inc. reported a revenue growth of eight percent last year to \$572.25 million on a nine percent increase in throughput to 3.1 million twenty-foot equivalent units.

Earnings before income tax, depreciation, and amortization or EBITDA rose five percent higher at \$354.2 million.

"These results have been driven by our diversified portfolio and continued focus on margins, and they have been achieved against a challenging macroeconomic and geopolitical backdrop," Enrique K. Razon, Jr., ICTSI chairperson and president, said.

He added that looking ahead, while the nation remain cautious of continued uncertainty, "ICTSI is a strong and agile business differentiated by strategy in origin and destination gateway terminals as well as an experienced team with a sharp focus on operational discipline, which positions us well for future growth."

Manila port major contributor

The increase in volume was primarily due to the contribution of Manila North Harbour Port, Inc. in Manila which was consolidated starting September 2022; volume growth and new shipping lines and services at certain terminals; tapered by the cessation of cargo handling operations at PT Makassar Terminal Services in Makassar, Indonesia and Davao Integrated Port and Stevedoring Services Corporation or DIPSSCOR in Davao and decline in trade activities at certain terminals, particularly at Pakistan International Container Terminal in Karachi, Pakistan as the country succumbs to a severe economic crisis and at Victoria International Container Terminal in Melbourne, Australia where container trade volume in the Port of Melbourne contracted in the first quarter of 2023 due to weakening domestic demand amid rising inflation.

Excluding MNHPI, DIPSSCOR which ceased operations on June 30, 2022, and PT MTS which ceased operations on 31 January 2023, consolidated volume would have decreased by one percent in 2023.



ICTSI maintains winning streak in Q1

By **ELIJAH FELICE ROSALES**

Logistics giant International Container Terminal Services Inc. (ICTSI) booked another profitable quarter to start the year on a high note, leaning on the continued recovery of world trade to raise its earnings.

In its financial statement, ICTSI said its net income grew to \$154.61 million in the first quarter, up by nine percent from a year ago's \$142.28 million.

As expenses went up by 13 percent to \$387.53 million, revenue also increased by nine percent to \$593.68 million to offset the rise in operational costs.

During the period, ICTSI benefitted from the sustained recovery of trade activities, with mobility restrictions no longer hampering logistics. ICTSI recorded a 10-percent growth in cargo traffic

to 3.1 million TEUs from January to March.

In particular, ICTSI said cargo volume handled by the Manila North Harbor Port Inc. grew with the consolidation of its operations starting last year. Likewise, the port manager saw the return of several shipping lines in certain terminals, signaling the rebound of the logistics sector.

However, ICTSI admitted that some ports are suffering from economic risks and uncertainties, as countries deal with ballooning inflation caused by disruptions in the supply chain.

In Pakistan, for instance, ICTSI said the Pakistan International Container Terminal is feeling the impact of political unrest triggered by protests calling for inflation interventions.

In Australia, meanwhile, ICTSI sustained a decline in container

volume at the Port of Melbourne attributed to weakening domestic demand, with prices of goods and services going up.

Despite the challenges, the Razon-led firm invested \$87.69 million in capital expenditures in the first quarter. The capex was spent mostly on expansion projects that seek to improve the yard capacity of ICTSI terminals in the Philippines, Australia and Mexico.

For the year, ICTSI has allocated a budget of at least \$400 million for capex. The amount aims to cover the cost of expanding ICTSI facilities and the procurement of new equipment.

ICTSI chairman and president Enrique Razon Jr. vowed that the port manager would remain strong even as the supply chain faces inflationary risks in the pandemic aftermath.