



10 NOV, 2023

ICTSI's 9-month earnings up 5.7 percent

Manila Bulletin, Philippines

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The International Container Terminal Services Inc. (ICTSI) reported a 5.7 percent rise to \$536.22 million in its net income for the first nine months of 2023 from \$506.96 million in the same period last year.

In a disclosure to the Philippine Stock Exchange (PSE), it saw a four percent rise in its net income attributable to equity holders of \$484.54 million for the first nine months of 2023 from \$465.13 million in the same period last year due to "higher operating and interest incomes, plus lower Covid-19 related expenses."

The shipping firm explained that its net income was also "partially tapered by nonrecurring impairment of goodwill attributed to the Pakistan International Container Terminal (PICT) in the previous quarter and increases in depreciation and amortization, interest on loans, lease liabilities

and concession rights payable."

Without the impairment of the PICT, the net income attributable to equity holders would increased by six percent to \$495.15 million, it added.

Moreover, ICTSI posted a seven percent growth in revenues from port operations in the nine-month period this year to \$1.76 billion from last year's \$1.64 billion.

This is mainly driven by the "contribution of MNHPI and new businesses at IRB Logistica in Brazil; tariff adjustments, volume growth and higher revenues from ancillary services and general cargo business at certain terminals; and favorable translation impact mainly of Mexican Peso (MXN)- and Iraqi Dinar (IQD)- based revenues at Contecon Manzanillo S.A. (CMSA) and ICTSI Iraq, respectively, and Brazilian Reais (BRL)- based revenues at Tecon Suape S.A. (TSSA) and ICTSI Rio in Brazil."

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of \$1.11 billion also grew by seven percent compared to \$1.04 billion

reported last year.

Diluted earnings per share increased six percent to \$0.227 in 2023 from \$0.215 in 2022.

In terms of volume, the firm handled a consolidated volume of 9,451,912 twenty-foot equivalent units (TEUs) in the first nine months of this year, which is seven percent higher than the 8,856,303 TEUs handled in the same period in 2022.

Many factors contributed to this growth in volume, including the "operations of Manila North Harbour Port, Inc. (MNHPI) in Manila, Philippines that was consolidated in September 2022, and new services at certain terminals; the impact of the expiration of concession contract at PICT in Karachi, Pakistan; cessation of cargo handling operations at Makassar Terminal Services (MTS) in Makassar, Indonesia and Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR) in Davao, Philippines; and slowdown in trade activities at certain terminals."

A 12-percent incline in consoli-

dated cash operating expenses for the nine-month period this year was observed at \$489.14 million from \$438.13 million in 2022 due to the "costs contribution of MNHPI and of new businesses at IRB Logistica; government-mandated and contracted salary rate adjustments; increase in repairs and maintenance; volume-driven increase in contracted services; increases in professional fees, transportation and travel expenses mainly related to business development activities; and unfavorable foreign exchange effect mainly of MXN-based expenses at CMSA."

Furthermore, the ICTSI's capital expenditures (capex), excluding capitalized borrowing costs, was recorded at \$233.58 million for the first nine months of 2023, attributed to the ongoing expansions and acquisition of equipment at CMSA in Manzanillo, Mexico, Manila International Container Terminal (MICT) in the Philippines, VICT in Melbourne, Australia, and ICTSI DR Congo S.A. (IDRC) in Matadi, Democratic Republic of Congo.

Estimated capital expenditure for 2023 is at \$400 million, to be utilized for expansion projects for port terminals.



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### SUMMARIES

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