



02 MAR, 2024

IGTSI EXPANDING PORTS WITH \$450-M CAPEX

Philippine Daily Inquirer, Philippines

ICTSI EXPANDING PORTS WITH \$450-M CAPEX

By Tyrone Jasper C. Piad
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Global port operator International Container Terminal Services Inc. (ICTSI) is allocating as much as \$450 million (about P25 billion) this year to fund the expansion of its terminals abroad and in the Philippines and the development of the recently acquired Iloilo Commercial Port Complex (ICPC).

In a disclosure on Friday, the Razon-led company said the capital expenditure (capex) guidance for this year, bigger than \$336.32 million in 2023, would go to its port projects,

such as in Brazil and Mexico.

ICTSI is currently constructing a multipurpose terminal in Indonesia, which is set to begin operations by September. The project includes a 300-meter quay line, breakwater and superheavy lift breakbulk deck.

It has also allotted a budget for the Iloilo port after clinching in January a 25-year concession deal to develop and operate the gateway facilitating trade in Western Visayas.

The ICPC has 627 meters of operational quay length and 20 hectares of land for container and general cargo storage, warehousing and other car-

go-handling activities. It serves the province of Iloilo and Panay Island in Western Visayas.

"[This year] is set to be ripe with opportunities as we continue to invest in new and existing terminals," ICTSI chair and president Enrique Razon said.

The global port operator, which has terminals in six continents, saw its consolidated cargo volume grow by 4 percent to 12.75 million 20-foot equivalent units last year. ICTSI attributed busier cargo movements to its operations at Manila North Harbor Port, which is among the country's busiest sea terminals. [INQ](#)



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SUMMARIES

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ICTSI net income drops to \$511.5M

Manila Times, Philippines

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RAZON-LED International Container Terminal Services Inc. (ICTSI) on Friday said its net income fell by 17 percent to \$511.53 million last year from \$618.46 million in 2022.

ICTSI said the profit drop was due to a number of factors, including the non-recurring and non-cash impairment of goodwill attributed to the acquisition of Pakistan International Container Terminal (PICT) in Karachi and other non-current assets.

Increases in depreciation and amortization, interests on loans, lease liabilities and concession rights payable, and equity share in the net loss of joint ventures were said to have also weighed on the bottom line.

Excluding the impairment of goodwill attributed to PICT and other non-current assets, net income attributable to equity holders would have grown 7 percent to \$676.83 million.

"While the geopolitical backdrop remains complex, 2024 is set to be ripe with opportunities as we continue to invest in new and existing terminals," ICTSI Chairman and President Enrique Razon said in a statement.

"We have a stronger platform than ever to grow, to drive market share and continue our successful track record as a responsible business that creates long-term sustainable value for all its stakeholders," he added.

Gross revenues from port operations grew 6 percent to \$2.39 billion from \$2.24 billion in 2022.

The port operator handled a consolidated volume of about 12.75 million twenty-foot equivalent units (TEUs) in 2023, up 4 percent compared to the number of TEUs handled the year before.

Consolidated cash operating expenses rose 8 percent to \$662.70 million compared to \$612.12 million in 2022.

Capital expenditures in 2023, excluding capitalized borrowing costs, amounted to \$336.32 million.

These were mainly for expansion projects at the Manila International Container Terminal and other similar projects in Mexico, Australia, the Democratic Republic of Congo, Brazil, Nigeria, and East Java, Indonesia.

Estimated capital expenditures for 2024, which includes \$60 million of capex carried forward from 2023, is about \$450 million, the port operator said.

The 2024 capex budget will be utilized mainly to complete ongoing expansion projects and also to pay the last tranche of concession extension-related expenditures in Madagascar.

It will also be used to develop a recently acquired terminal in Iloilo; equipment acquisitions and upgrades; and for capital maintenance requirements.

ICTSI shares ended down P5.80, or 2.01 percent, at P283.20 each on Friday amid a 0.36-percent drop for the benchmark Philippine Stock Exchange index.

ED PAOLO SALTING



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Manila Times, Philippines

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Manila Standard Today, Philippines

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INTERNATIONAL Container Terminal Services Inc. (ICTSI) on Friday reported a 17-percent drop in 2023 net income to \$511.53 million from \$618.46 million in 2022.

The port operator led by businessman Enrique Razon Jr. blamed the decline in net income last year to the non-recurring and non-cash impairment of goodwill attributed to the acquisition of Pakistan International Container Terminal (PICT) in Karachi, Pakistan and other non-current assets; increases in depreciation and amortization, interests on loans, lease liabilities and concession rights pay-

able; and equity share in net loss of joint ventures.

It said that excluding the impairment of goodwill attributed to PICT and other non-current assets, net income attributable to equity holders would have grown 7 percent to \$676.83 million.

“While the geopolitical backdrop remains complex, 2024 is set to be ripe with opportunities as we continue to invest in new and existing terminals,” said Razon, ICTSI chairman and president.

“We have a stronger platform than ever to grow, to drive market share and continue our successful track

record as a responsible business that creates long term sustainable value for all its stakeholders,” he said.

ICTSI’s gross revenues from port operations last year rose six percent to \$2.39 billion from \$2.24 billion reported in 2022.

The port operator handled consolidated volume of 12,749,214 twenty-foot equivalent units (TEUs) in 2023, or 4 percent more than 12,216,190 TEUs it registered in 2022.

Consolidated cash operating expenses in 2023 was 8 percent higher at \$662.70 million than \$612.12 million in 2022. **Darwin G. Amojelar**



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and ...



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ICTSI on expansion mode; raises capex to \$450 M

The Philippine Star, Philippines

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ICTSI on expansion mode; raises capex to \$450 M

By ELIJAH FELICE ROSALES

International Terminal Services Container Inc. (ICTSI) has raised its capital expenditures to \$450 million this year to pursue new expansion projects.

The amount is 34 percent higher than the \$336.32 million capex it set aside in 2023, confident in its growth prospects despite global risks.

ICTSI is poised to complete the development of the East Java Multipurpose Terminal in Indonesia.

Further, the company is expanding the capacities of its facilities,

particularly in the Philippines, Democratic Republic of Congo and Mexico.

In January, ICTSI secured the 25-year concession to operate and maintain the Iloilo Commercial Port Complex, committing to spend nearly P11 billion for the project.

Broken down, ICTSI will invest P5.81 billion to upgrade the port and P4.72 billion to pay the concession.

ICTSI chairman and president Enrique Razon Jr. said the company would explore opportunities for expansion even as it faces economic risks arising from geopolitical con-



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ICTSI on expansion mode; raises capex to \$450 M

The Philippine Star, Philippines

flicts abroad.

“While the geopolitical backdrop remains complex, 2024 is set to be ripe with opportunities, as we continue to invest in new and existing terminals,” Razon said.

“We have a stronger platform than ever to grow, drive market share and continue our successful track record as a responsible business that creates long-term sustainable value for shareholders,” he added.

Razon also pins his trust on ICTSI to bounce back this year from the 17 percent drop in profit to \$511.53 million recorded last year. The company attributed the

decline in net income primarily to the impairment cost incurred in the acquisition of Pakistan International Container Terminal (PICT) in Karachi, Pakistan.

Excluding the impairment of goodwill attributed to PICT and other non-current assets, net income attributable to equity holders would have grown seven percent to \$676.83 million last year.

ICTSI grew its revenue by seven percent to \$2.39 billion last year, from \$2.24 billion in 2022, gaining from tariff hikes and volume growth.

The company facilitated a total

of 12.75 million TEUs last year, as trade picked up pace from the pandemic slowdown.

Meanwhile, expenses jumped by eight percent to \$662.7 million, reflecting the increasing cost of business globally with demand outpacing supply in the pandemic aftermath.

The company’s share price closed at P283.2 per share, down by 2.01 percent.

ICTSI serves as one of the largest logistics players in the world, operating in six continents with the intent of further expanding its network of terminals.



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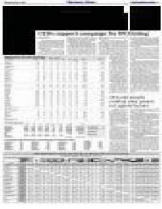
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ICTSI net income down 17percent

Manila Bulletin, Philippines

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ICTSI net income down 17%

By KHRISCIELLE E. YALAO

The International Container Terminal Services Inc. (ICTSI)'s net income attributed to equity holders in 2023 was down 17 percent to \$511.53 million from \$618.46 million in 2022 mainly due to non-cash impairment charges.

In a disclosure to the Philippine Stock Exchange (PSE) on March 1, ICTSI attributed the non-recurring and non-cash impairment of goodwill was attributed to the acquisition of Pakistan International Container Terminal (PICT) in Karachi, Pakistan.

The firm also cited "increase in depreciation and amortization, interests on loans, lease liabilities and concession rights payable, and equity share in net loss of joint ventures" as contributors to the loss.

Diluted earnings per share decreased by 17 percent to \$0.237 in 2023 from \$0.287 in 2022.

Without the impairment, the recurring net income of the firm would have increased by seven percent to

\$676.83 million last year compared to 2022.

Despite this, the net income was tapered by higher operating income and interest earned from short-term investments and deposits, along with lower Covid-19-related costs.

Revenues from port operations in 2023 increased by six percent at \$2.39 billion from \$2.24 billion in 2022 due to the "contribution of the Manila

North Harbour Port, Inc. (MNHPI), tariff adjustments, volume growth, and higher revenues from ancillary services and general cargo business at some terminals."

The impact of the Mexican Peso (MXN)- and Iraqi Dinar (IQD)- based revenues at Contecon Manzanillo S.A. (CMSA) in Mexico and ICTSI Iraq, respectively, and Brazilian Reais (BRL)-based revenues at Tecon Suape

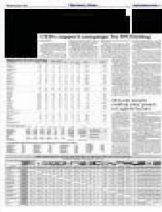
S.A. (TSSA) and ICTSI Rio in Brazil also positively contributed to the revenue output.

The expiration of the ICTSI's concession contract at PICT, slowdown of trade in Victoria International Container Terminal (VICT) in Melbourne, Australia; and unfavorable translation impact of Philippine Peso- and Australian Dollars-based revenues at Philippine terminals and VICT re-

spectively hindered the revenues to rise further.

The 2023 EBITDA also rose by seven percent at \$1.51 billion from \$1.41 billion in 2022 due to higher revenues offset by more cash operating expenses.

"I am proud of the Group's performance in 2023; the efforts of ICTSI's colleagues around the world have resulted in revenues increasing by six percent to \$2.39 billion and record EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of \$1.51 billion," said ICTSI Chairman and President Enrique K. Razon.



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Weak global trade hits ICTSI bottomline

The Daily Tribune, Philippines

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In a report to the bourse, ICTSI disclosed that it booked \$511.53 million attributable net income in 2023, which was 17 percent lower than the recorded \$618.46 million a year ago.

Razon-led global port operator International Container Terminal Services Inc., or ICTSI, suffered a double-digit decline in its 2023 profit as lingering global market uncertainties took a toll on its operations.

Despite the headwinds, no less than ICTSI chairman and president Enrique K. Razon Jr. said that the company remains optimistic about charting a better growth path this year.

In a report to the bourse, ICTSI disclosed that it booked \$511.53 million attributable net income in 2023, which was 17 percent lower than the recorded \$618.46 million a year ago.

Notably, excluding the impairment of goodwill attributed to Pakistan International Container Terminal, net income attributable to equity holders would have grown six percent to \$676.83 million.

In contrast, its revenues from global port operations last year improved by 6 percent to \$2.39 billion from \$2.24 billion in the year before.

Year of opportunity

“While the geopolitical backdrop remains complex, 2024 is set to be ripe with opportunities as we continue to invest in new and existing terminals,” Razon said.

“We have a stronger platform than ever to grow, to drive market share, and continue our successful track record as a responsible business that creates long-term sustainable value for all its stakeholders,” he added.

ICTSI handled a consolidated volume of 12,749,214 twenty-foot equivalent units, or TEUs, in 2023, up by 4 percent from the 12,216,190 TEUs handled in 2022.

Last year, the company spent \$336.32 million to fund ongoing expansions. This year, the company expects that spending may reach \$450 million to sustain growth momentum.

Among others, the estimated capital expenditure will be utilized to fund the ongoing expansion in Brazil, Indonesia, Mexico, the Democratic Republic of Congo and the Philippines. It will also bankroll the development of the recently acquired terminal in Iloilo province.



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