

# FINANCIAL REVIEW

## YEAR TO DATE MARCH 31, 2021

Kent A. Britton | Chief Financial Officer



May 12, 2021 Audit Committee

# TABLE OF CONTENTS

- I. Executive Summary
- II. Summary Year-to-Date Results
- III. Key Historical Trends
- IV. Crude and Refined Products Update

Appendix: Detailed Financial Information

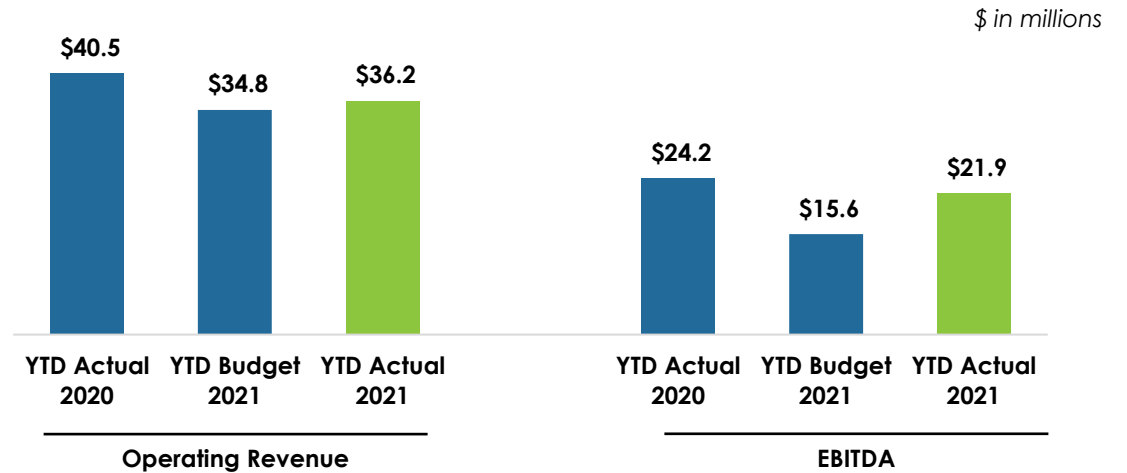


# EXECUTIVE SUMMARY

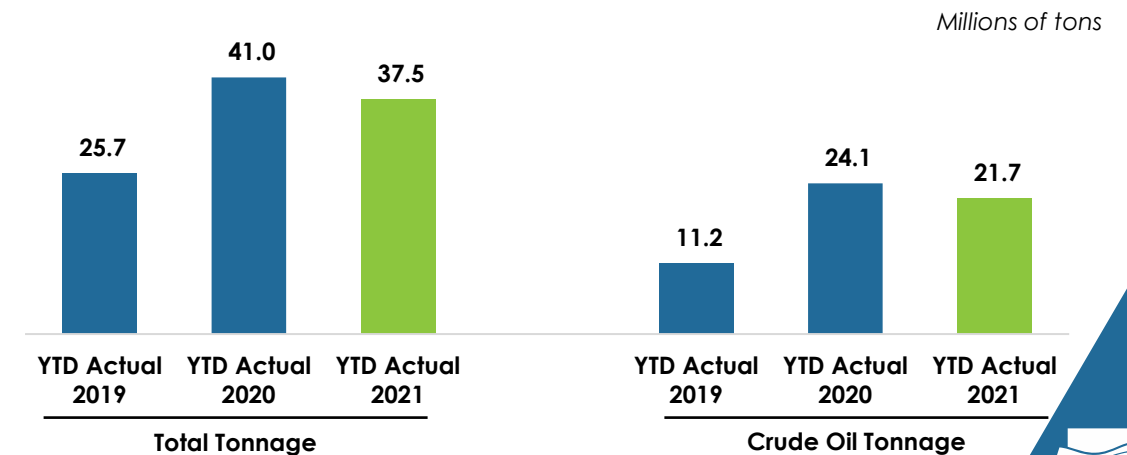
## Key Year to Date Highlights

- Q1 Tonnage down 9% from the prior year, but slightly ahead of budget.
- Q1 EBITDA exceeds Budget (up 41%) but below same period Prior Year (down 9%).
  - Revenue 4% ahead of Budget, and 11% below 2020.
  - Operating Expenses, excluding depreciation lower than budget (25%) and 12% lower than prior year due to lower maintenance, professional services and employee costs.
- 2021 Q1 Inbound rail car movements are significantly ahead of 2020, while outbounds are below 2020 – overall increase of almost double the total railcars for Q1 2020
- 2021 Capital Spending in the first quarter significantly below budget and prior year.

## Year-to-Date Operating Revenue and EBITDA\*



## Year-to-Date Tonnage



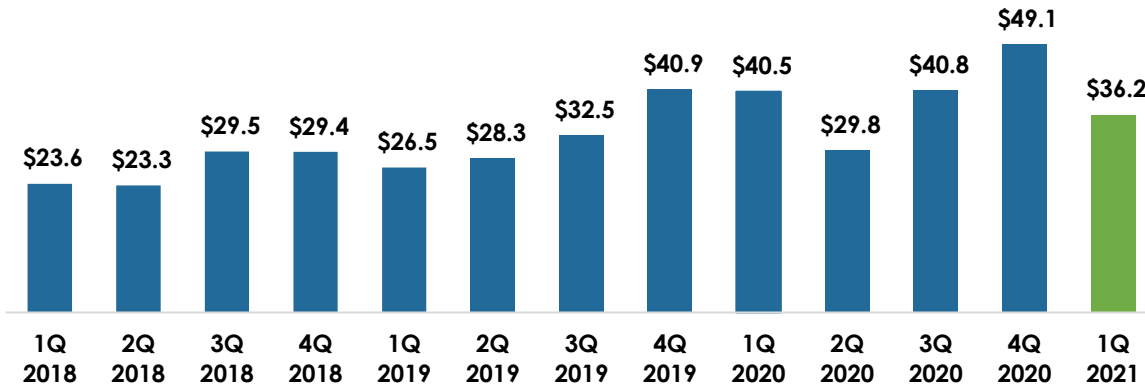
\* EBITDA equals operating revenues less operating expenses (excluding depreciation)



# KEY HISTORICAL TRENDS

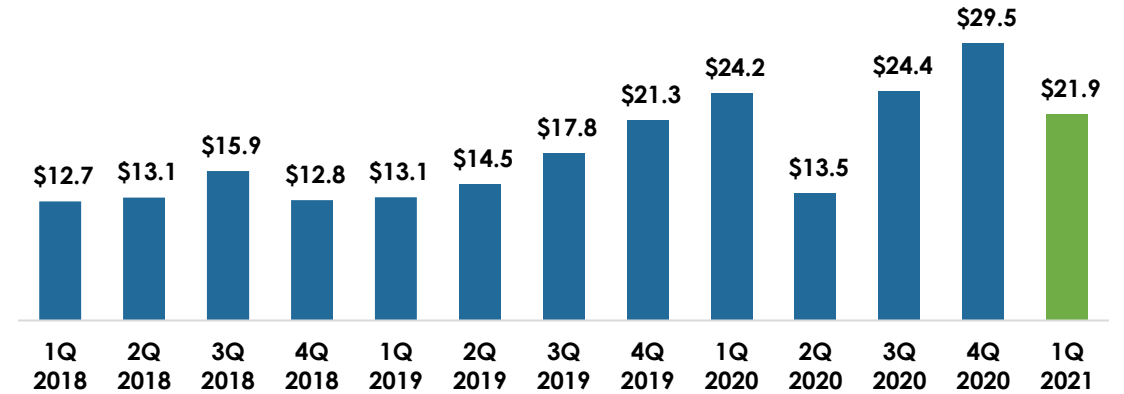
## Operating Revenue

\$ in millions



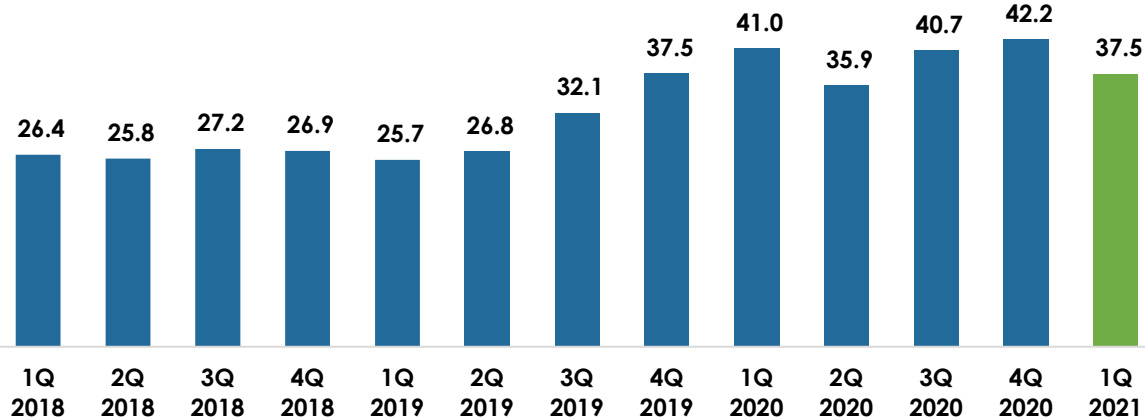
## EBITDA\*

\$ in millions



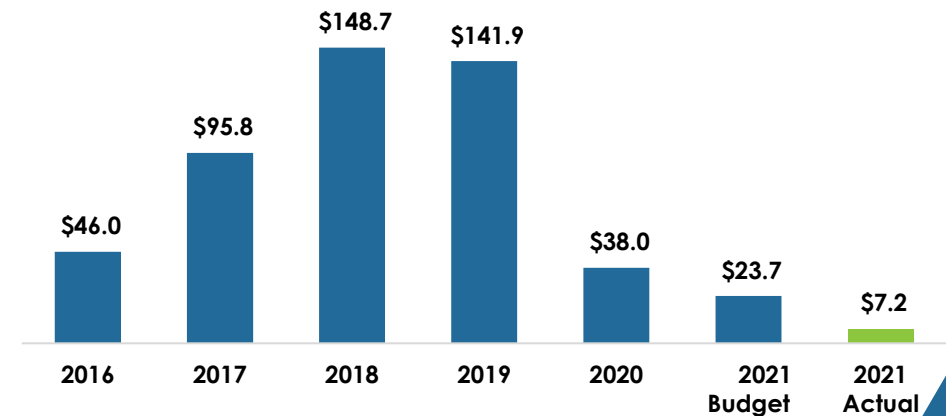
## Total Tonnage

Millions of tons



## Capital Expenditures

\$ in millions



\* EBITDA equals operating revenues less operating expenses (excluding depreciation)

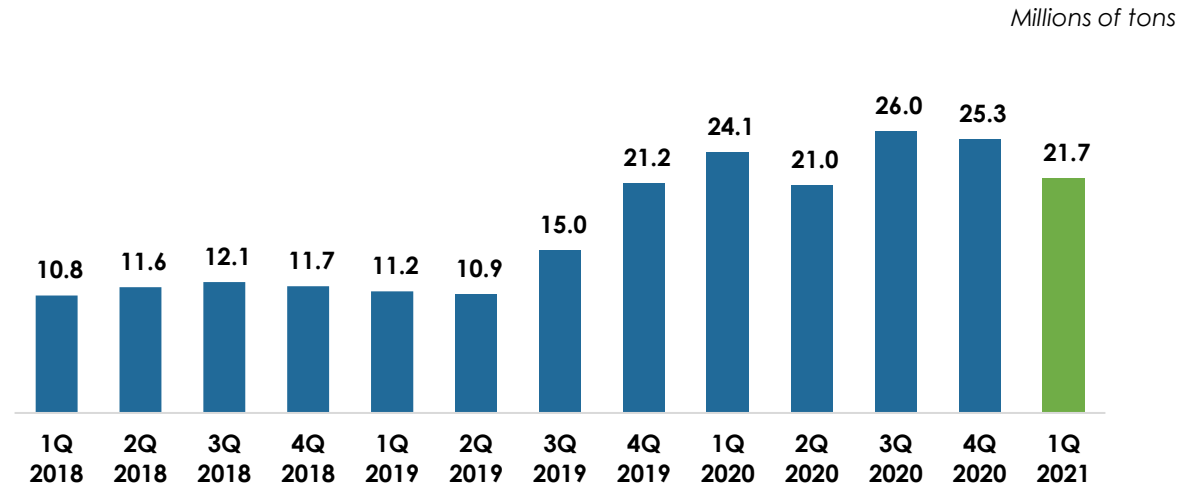


# CRUDE AND REFINED PRODUCTS UPDATE

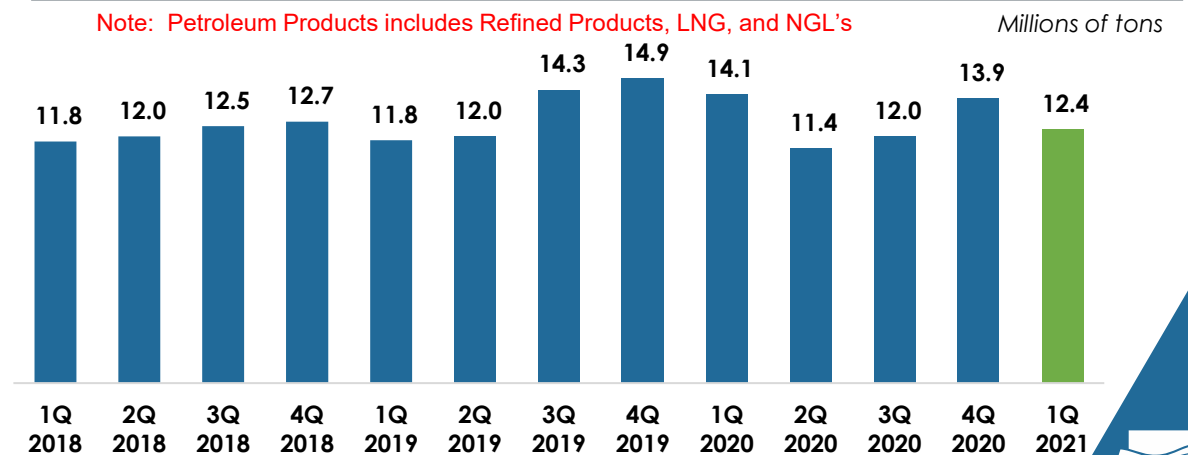
## Crude / Refined Products Highlights

- Crude oil tonnage dipped significantly in Q1 due to the February winter storm coupled with a high number of fog days in February in March.
  - February crude oil tonnage of 5.9 million tons was lowest since prior to startup of three new crude pipelines in August 2019
- Petroleum products also saw a decline in Q1 due to the freeze and the related damage to the local refineries
  - Record levels of LNG shipments in January and March helped offset the decline in finished petroleum products

## Crude Oil Tonnage per Quarter



## Petroleum Products Tonnage per Quarter



# **APPENDIX: DETAILED FINANCIAL INFORMATION**



# EXPANDED OPERATIONAL METRICS DETAIL

	YTD 2021 Actual	YTD 2020 Actual	% Variance vs Prior Year	YTD 2021 Budget	Variance vs Budget
<b>Statement of Net Position Items (\$ in millions)</b>					
Assets	\$1,139.1	\$1,114.2	2.2%		
Cash & Investments	281.0	262.1	7.2%		
Accounts Receivable	17.8	29.7	(40.1%)		
Restricted Assets	77.6	71.4	8.6%		
Liabilities	398.8	419.6	(5.0%)		
<b>Net Position</b>	<b>\$740.7</b>	<b>\$698.9</b>	<b>6.0%</b>		
<b>Revenue and Expense Items (\$ in millions)</b>					
Operating Revenues*	\$36.2	\$40.5	(10.5%)	\$34.8	4.1%
Operating Expenses	(14.3)	(16.3)	(12.2%)	(19.3)	(25.7%)
<b>EBITDA</b>	<b>\$21.9</b>	<b>\$24.2</b>	<b>(9.3%)</b>	<b>\$15.6</b>	<b>40.9%</b>
Depreciation	(4.5)	(3.7)	21.3%	(5.2)	(13.9%)
<b>Net Operating Income (Loss)</b>	<b>\$17.4</b>	<b>\$20.5</b>	<b>(14.9%)</b>	<b>\$10.3</b>	<b>68.7%</b>
Non-Operating Revenue/Expenses	(2.9)	(1.7)	75.7%	(2.4)	23.3%
<b>Net Income</b>	<b>\$14.5</b>	<b>\$18.8</b>	<b>(22.9%)</b>	<b>\$8.0</b>	<b>82.1%</b>
<b>Capital Projects</b>	<b>\$7.2</b>	<b>\$13.8</b>	<b>(48.0%)</b>	<b>\$23.7</b>	<b>(69.7%)</b>
<b>Operational Items</b>					
Tonnage (millions)	37.5	41.0	(8.5%)		
Ships	522	561	(7.0%)		
Barges	1,166	1,290	(9.6%)		
Barges and Ships	1,688	1,851	(8.8%)		
Railcars	16,974	8,923	90.2%		

\*Q1 2020 GCGV cap recovery has been removed for presentation.





# STATEMENT OF NET POSITION DETAIL

*\$ in millions*

Line Item	3/31/2021 Actual	12/31/2020 Actual	\$ Change vs Prior Year	% Variance vs Prior Year	3/31/2020 Actual	\$ Change vs Year Ago	Variance vs Year Ago
<b>Assets</b>							
Cash & Investments	\$281.0	\$260.2	\$20.8	8.0%	\$262.1	\$18.9	7.2%
Accounts Receivable	17.8	26.0	(8.2)	(31.5%)	29.7	(11.9)	(40.1%)
Restricted Assets	77.6	78.1	(0.5)	(0.6%)	71.4	6.1	8.6%
PP&E, net	757.1	754.4	2.7	0.4%	747.8	9.4	1.3%
Other Assets	5.7	4.0	1.7	42.2%	3.2	2.5	76.4%
<b>Total Assets</b>	<b>\$1,139.1</b>	<b>\$1,122.6</b>	<b>\$16.5</b>	<b>1.5%</b>	<b>\$1,114.2</b>	<b>\$24.9</b>	<b>2.2%</b>
Deferred Outflows - Pension	2.6	2.6	0.0	0.0%	5.3	(2.7)	(51.0%)
<b>Total Deferred Outflows</b>	<b>\$2.6</b>	<b>\$2.6</b>	<b>\$0.0</b>	<b>0.0%</b>	<b>\$5.3</b>	<b>(\$2.7)</b>	<b>(51.0%)</b>
Current Liabilities	15.4	12.1	3.4	27.9%	21.4	(6.0)	(28.0%)
Unearned Income	64.2	66.7	(2.5)	(3.8%)	70.0	(5.8)	(8.3%)
Long-term Debt	313.3	313.5	(0.2)	(0.1%)	320.8	(7.5)	(2.3%)
Other Liabilities	5.9	4.6	1.3	29.3%	7.3	(1.4)	(19.5%)
<b>Total Liabilities</b>	<b>\$398.8</b>	<b>\$396.9</b>	<b>\$2.0</b>	<b>0.5%</b>	<b>\$419.6</b>	<b>(\$20.8)</b>	<b>(5.0%)</b>
Deferred Inflows - Pension	2.1	2.1	–	nm	0.8	1.3	164.5%
<b>Total Deferred Inflows</b>	<b>\$2.1</b>	<b>\$2.1</b>	<b>–</b>	<b>–</b>	<b>\$0.8</b>	<b>\$1.3</b>	<b>164.5%</b>
Investment in Net Assets	488.0	485.5	2.5	0.5%	460.6	27.4	5.9%
Restricted Net Position	27.7	27.7	0.0	0.0%	24.8	2.9	11.9%
Unrestricted Net Position	225.0	213.0	12.0	5.6%	213.5	11.5	5.4%
<b>Total Net Position</b>	<b>\$740.7</b>	<b>\$726.2</b>	<b>\$14.5</b>	<b>2.0%</b>	<b>\$698.9</b>	<b>\$41.8</b>	<b>6.0%</b>





# STATEMENT OF REVENUE AND EXPENSE DETAIL- YTD

	3/31 Year-to-Date			Variance			
	2021		2020	vs Budget		vs Prior Year	
	Actual	Budget	Actual	\$ Change	% Variance	\$ Change	% Variance
<b>Summary: Statement of Revenues &amp; Expenses (\$ in millions)</b>							
Wharfage	\$18.8	\$17.8	\$21.6	\$1.1	6.0%	(\$2.8)	(12.8%)
Dockage	4.4	4.4	5.0	(0.1)	(1.9%)	(0.6)	(12.3%)
Security	3.2	3.1	3.5	0.1	2.7%	(0.3)	(9.7%)
Other Shipping Services*	5.2	2.6	3.4	2.6	100.0%	1.8	55.2%
Dredging	–	1.5	2.5	(1.5)	100.0%	(2.5)	100.0%
Building and Land Rental	4.6	5.4	4.5	(0.8)	(14.6%)	0.1	2.6%
<b>Total Operating Revenues</b>	<b>\$36.2</b>	<b>\$34.8</b>	<b>\$40.5</b>	<b>\$1.4</b>	<b>4.1%</b>	<b>(\$4.2)</b>	<b>(10.5%)</b>
Employee Services	7.1	8.0	7.1	(0.8)	(10.4%)	(0.0)	(0.0%)
Maintenance	1.2	4.0	2.1	(2.8)	(70.3%)	(0.9)	(44.3%)
Utilities / Telephone	0.3	0.4	0.4	(0.1)	(22.9%)	(0.1)	(18.8%)
Insurance	0.6	0.7	0.5	(0.1)	(18.2%)	0.1	15.9%
Professional / Contracted Services	3.0	3.7	4.0	(0.8)	(21.0%)	(1.1)	(26.8%)
Operator / Event Expenses	0.1	0.3	0.4	(0.2)	(63.7%)	(0.3)	(73.9%)
Admin / Trade Dvlp / Other	2.1	2.2	1.8	(0.1)	(6.1%)	0.3	16.9%
Depreciation	4.5	5.2	3.7	(0.7)	(13.9%)	0.8	21.3%
<b>Total Operating Expenses</b>	<b>\$18.8</b>	<b>\$24.5</b>	<b>\$20.0</b>	<b>(\$5.7)</b>	<b>(23.2%)</b>	<b>(\$1.2)</b>	<b>(6.0%)</b>
<b>Net Operating Income (Loss)</b>	<b>\$17.4</b>	<b>\$10.3</b>	<b>\$20.5</b>	<b>\$7.1</b>	<b>68.7%</b>	<b>(\$3.1)</b>	<b>(14.9%)</b>
Interest Income	0.2	0.5	1.3	(0.3)	(63.4%)	(1.1)	(85.7%)
Other Revenue	0.1	0.0	0.2	0.1	nm	(0.1)	(44.8%)
Gain (Loss) on Disposals	–	–	–	–	nm	–	nm
Interest / Bond Expense	(3.2)	(3.2)	(3.2)	0.0	(0.2%)	0.0	(1.5%)
Other Expense	–	(0.0)	–	0.0	nm	–	nm
Hillcrest Revenues / (Expenses)	(0.0)	0.3	0.1	(0.3)	(103.2%)	(0.1)	nm
<b>Other Revenue / (Expenses)</b>	<b>(\$2.9)</b>	<b>(\$2.4)</b>	<b>(\$1.7)</b>	<b>(\$0.5)</b>	<b>23.3%</b>	<b>(\$1.3)</b>	<b>75.7%</b>
<b>Net Income (Loss)</b>	<b>\$14.5</b>	<b>\$8.0</b>	<b>\$18.8</b>	<b>\$6.5</b>	<b>82.1%</b>	<b>(\$4.3)</b>	<b>(22.9%)</b>

\*Q1 2020 GCGV cap recovery has been removed for presentation.



# TONNAGE, SHIP & BARGE, AND RAILCAR DETAIL

Millions of Tons	1Q 2021	1Q 2020	Variance vs. Prior Quarter		YTD 2021	YTD 2020	Variance vs. Prior YTD Period	
	Actual	Actual	Tons	%	Actual	Actual	Tons	%
<b>Tonnage</b>								
Petroleum	11.9	13.6	(0.1)	(12.2%)	11.9	13.6	(0.1)	(12.2%)
Crude Oil	21.7	24.0	(0.1)	(9.6%)	21.7	24.0	(0.1)	(9.6%)
Dry Bulk	1.7	2.1	(0.2)	(20.6%)	1.7	2.1	(0.2)	(20.6%)
Bulk Grain	1.5	0.6	1.7	168.5%	1.5	0.6	1.7	168.5%
Chemical	0.5	0.6	(0.1)	(8.9%)	0.5	0.6	(0.1)	(8.9%)
Liquid Bulk	0.1	0.1	(0.4)	(35.5%)	0.1	0.1	(0.4)	(35.5%)
Break Bulk	0.1	0.1	0.5	46.4%	0.1	0.1	0.5	46.4%
<b>Total Tonnage</b>	<b>37.5</b>	<b>41.0</b>	<b>(0.1)</b>	<b>(8.5%)</b>	<b>37.5</b>	<b>41.0</b>	<b>(0.1)</b>	<b>(8.5%)</b>
<b>Ship and Barge Movements</b>								
Ships	522	561	(39)	(7.0%)	522	561	(39)	(7.0%)
Barges	1,166	1,290	(124)	(9.6%)	1,166	1,290	(124)	(9.6%)
<b>Total Ships and Barges</b>	<b>1,688</b>	<b>1,851</b>	<b>(163)</b>	<b>(8.8%)</b>	<b>1,688</b>	<b>1,851</b>	<b>(163)</b>	<b>(8.8%)</b>
<b>Railcars</b>								
Inbound	14,510	3,739	10,771	288.1%	14,510	3,739	10,771	288.1%
Outbound	2,464	5,184	(2,720)	(52.5%)	2,464	5,184	(2,720)	(52.5%)
<b>Total Railcars</b>	<b>16,974</b>	<b>8,923</b>	<b>8,051</b>	<b>90.2%</b>	<b>16,974</b>	<b>8,923</b>	<b>8,051</b>	<b>90.2%</b>



**THANK YOU**

