

FINANCIAL REVIEW

YEAR TO DATE JUNE 30, 2022

Kent A. Britton | Chief Financial Officer



PORT CORPUS CHRISTI®

August 16, 2022 Commission

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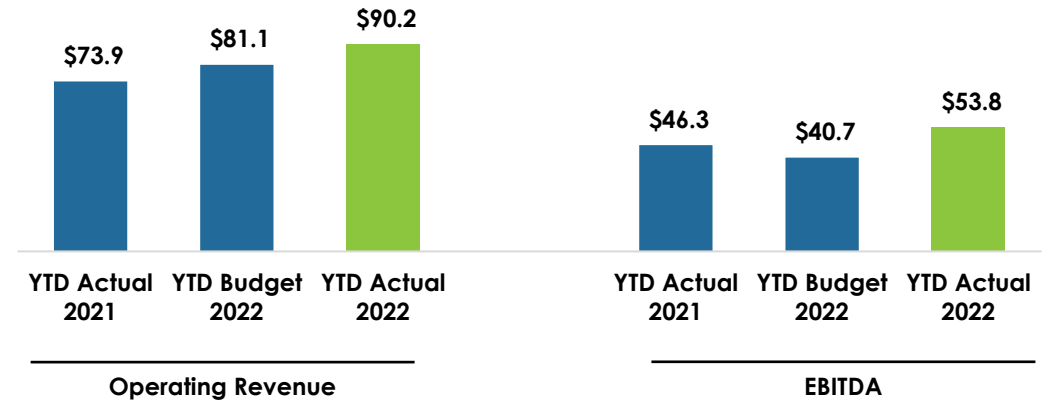
EXECUTIVE SUMMARY

Key Year to Date Highlights

- Year to date Tonnage up 12% from the prior year.
 - 2nd Quarter of 2022 was the highest quarterly tonnage in the Port's history.
 - June 2022 tonnage was second highest monthly tonnage in the Port's history.
- Year to date EBITDA exceeds Budget by 32% and above the same period Prior Year by 16.3%.
 - Revenue 11% ahead of Budget, and 22% ahead of 2021.
 - Operating Expenses, excluding depreciation, are 10% lower than budget due to lower employee services costs and maintenance; and 31.7% higher than prior year due to higher maintenance, professional services and contracted services.
- 2022 Inbound rail car movements are significantly below 2021, while outbounds are slightly higher than 2021 – overall decrease of 44%.
- 2022 Capital Spending below budget and prior Year.

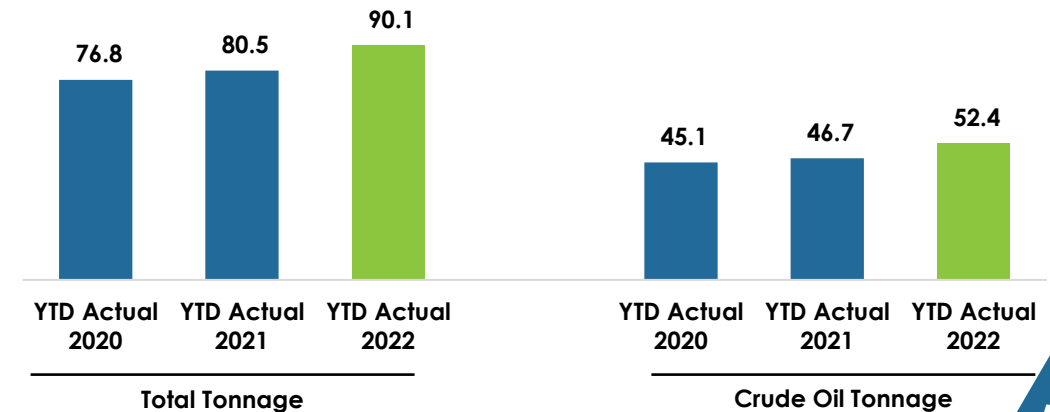
Year-to-Date Operating Revenue and EBITDA*

\$ in millions



Year-to-Date Tonnage

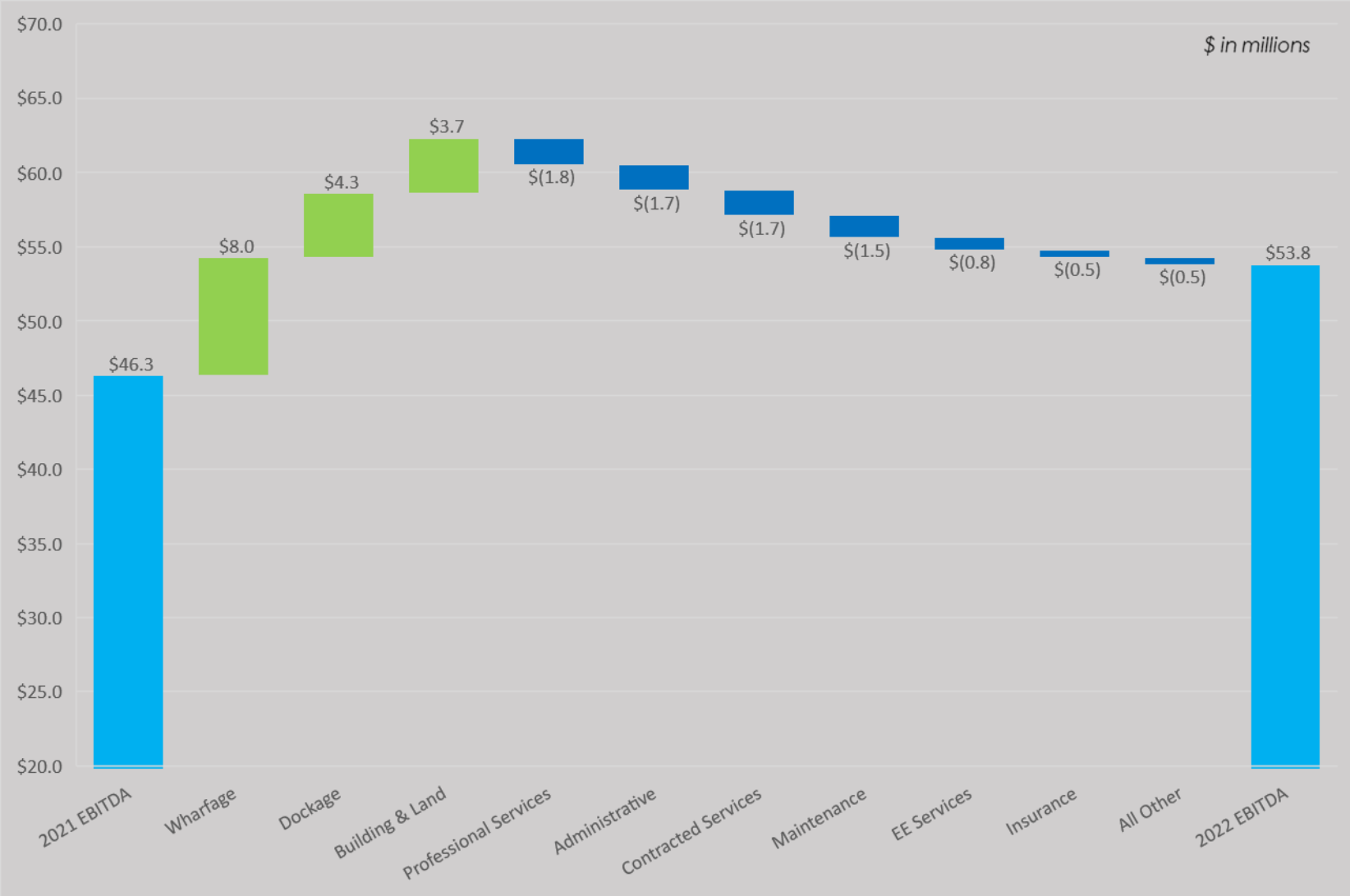
Millions of tons



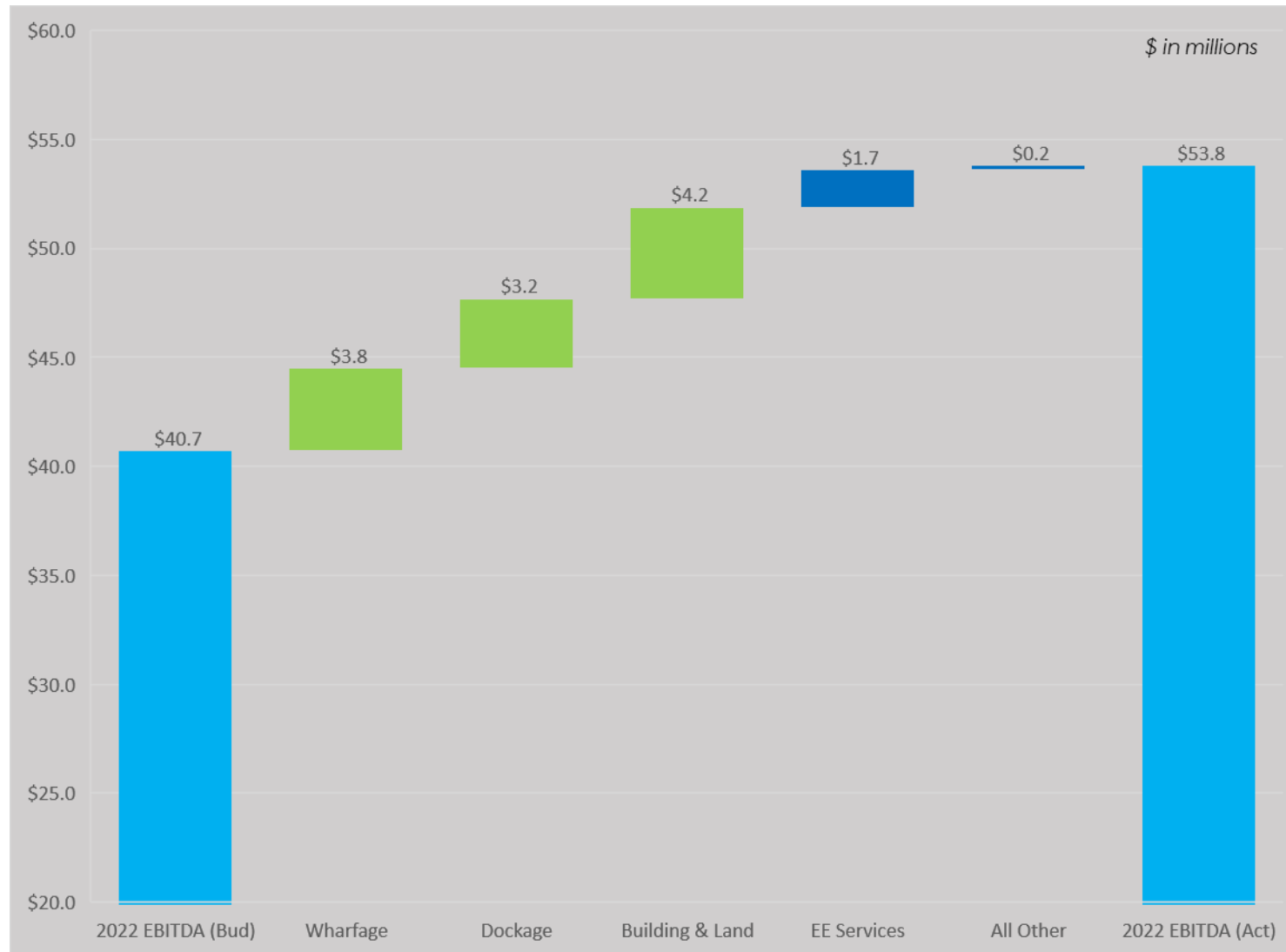
* EBITDA equals operating revenues less operating expenses (excluding depreciation)



EBITDA 2022 VS. 2021



EBITDA 2022 ACTUAL VS. BUDGET

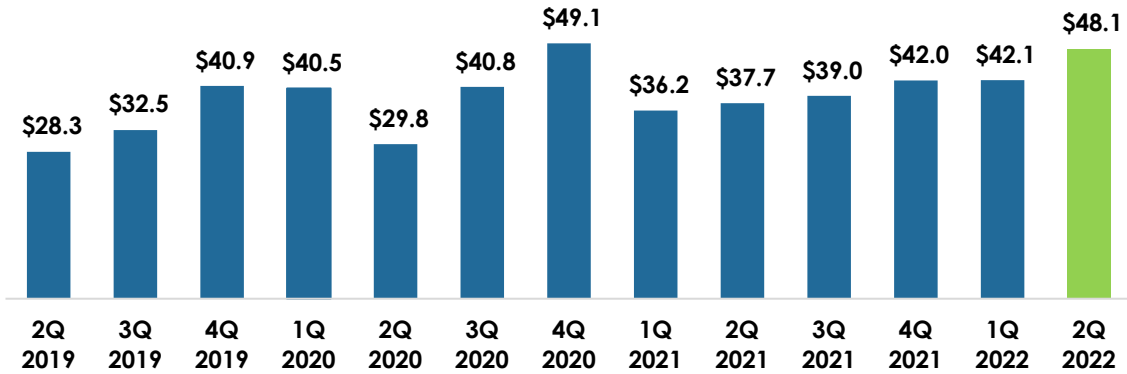


KEY HISTORICAL TRENDS

Operating Revenue

\$ in millions

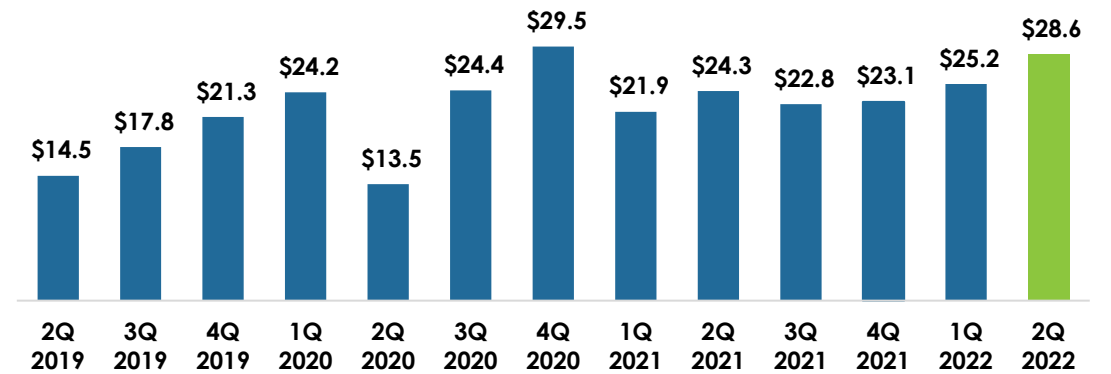
Q4 2020 Op Rev includes a one-time benefit of \$13.8M for cost sharing on dredging GCGV



EBITDA*

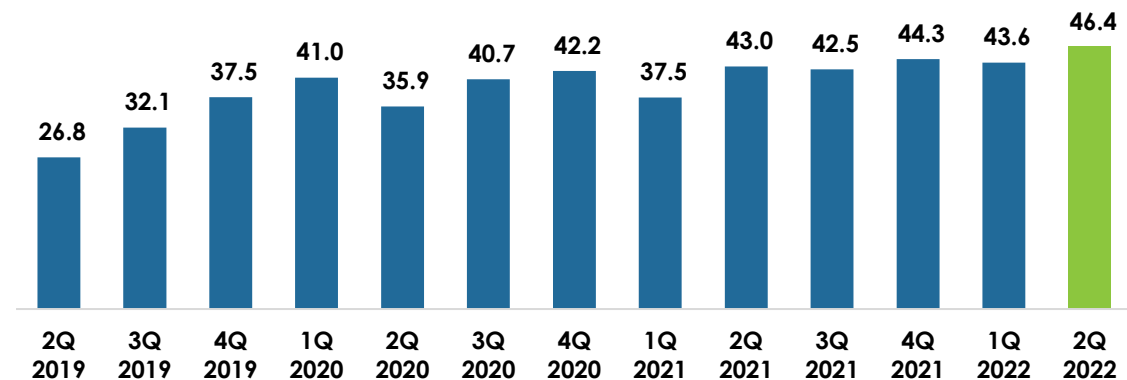
\$ in millions

Q4 2020 Op Rev includes a one-time benefit of \$13.8M for cost sharing on dredging GCGV



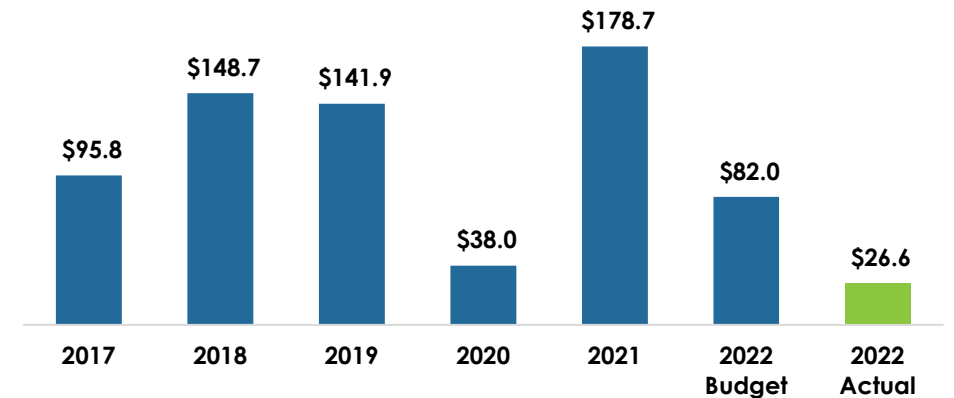
Total Tonnage

Millions of tons



Capital Expenditures

\$ in millions



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

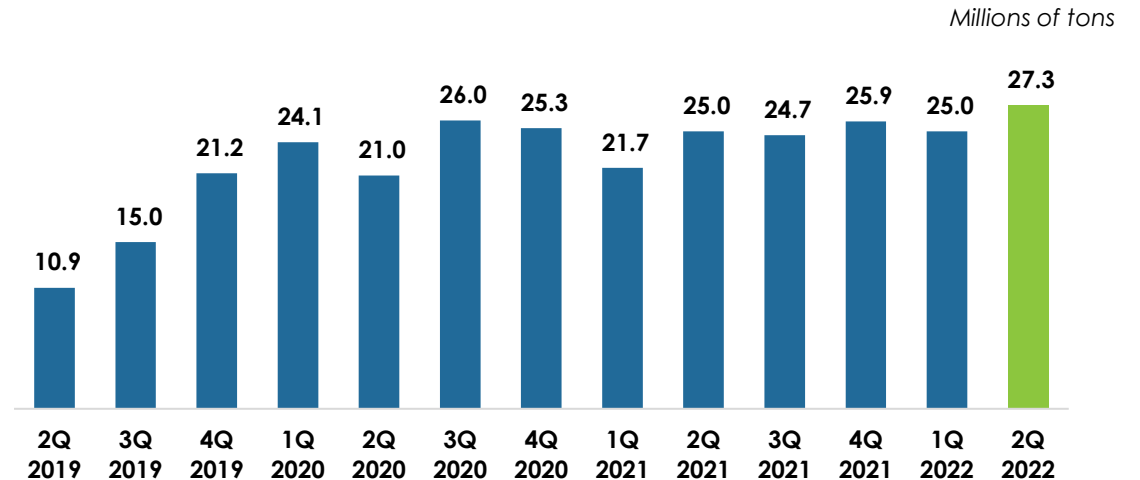


CRUDE AND REFINED PRODUCTS UPDATE

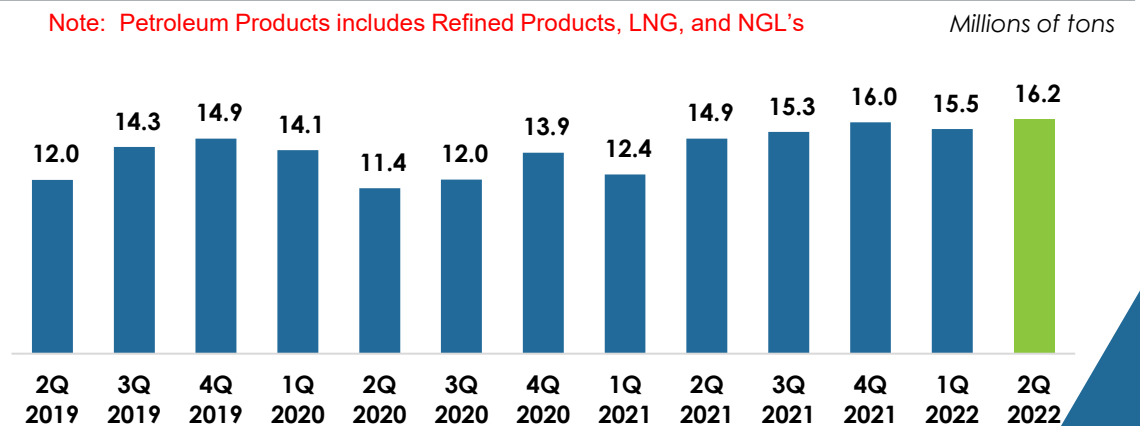
Crude / Refined Products Highlights

- Both crude oil and petroleum products set new all time quarterly highs in the second quarter
 - Crude exports have reached 1.9 million barrels per day for the year to date, compared to 1.6 mbpd for the same period last year
 - Strong rebound from prior year by one of our large refinery customers has led to increased inbound crude and higher outbound refined products
 - LNG shipments out of La Quinta are 11% higher than the same period in the prior year

Crude Oil Tonnage per Quarter



Petroleum Products Tonnage per Quarter



APPENDIX: DETAILED FINANCIAL INFORMATION



EXPANDED OPERATIONAL METRICS DETAIL

	YTD 2022 Actual	YTD 2021 Actual	% Variance vs Prior Year	YTD 2022 Budget	Variance vs Budget
Statement of Net Position Items (\$ in millions)					
Assets	\$1,309.6	\$1,149.7	13.9%		
Cash & Investments	278.7	273.2	2.0%		
Accounts Receivable	20.7	18.2	13.6%		
Restricted Assets	47.9	27.1	76.9%		
Liabilities	380.7	392.5	(3.0%)		
Net Position	\$932.3	\$757.7	23.0%		
Revenue and Expense Items (\$ in millions)					
Operating Revenues	\$90.2	\$73.9	22.0%	\$81.1	11.1%
Operating Expenses	(36.4)	(27.6)	31.7%	(40.4)	(10.0%)
EBITDA	\$53.8	\$46.3	16.3%	\$40.7	32.1%
Depreciation	(11.2)	(9.0)	23.9%	(9.4)	19.2%
Net Operating Income (Loss)	\$42.7	\$37.3	14.5%	\$31.4	36.0%
Non-Operating Revenue/Expense	(0.8)	(4.8)	(83.8%)	(5.8)	(86.7%)
Net Income	\$41.9	\$32.4	29.0%	\$25.5	64.0%
Capital Projects	\$26.6	\$80.9	(67.1%)	\$28.6	(6.7%)
Operational Items					
Tonnage (millions)	90.1	80.5	11.9%		
Ships	1,191	1,092	9.1%		
Barges	2,482	2,305	7.7%		
Barges and Ships	3,673	3,397	8.1%		
Railcars	16,806	30,001	(44.0%)		



STATEMENT OF NET POSITION DETAIL

\$ in millions	6/30/2022	12/31/2021	\$ Change	% Variance	6/30/2021	\$ Change	Variance
Line Item	Actual	Actual	vs Prior Year	vs Prior Year	Actual	vs Year Ago	vs Year Ago
Assets							
Cash & Investments	\$278.7	\$256.9	\$21.8	8.5%	\$273.2	\$5.5	2.0%
Accounts Receivable	20.7	18.6	2.1	11.3%	18.2	2.5	13.6%
Restricted Assets	47.9	47.9	0.0	0.0%	27.1	20.8	76.9%
PP&E, net	957.4	909.4	48.0	5.3%	826.3	131.1	15.9%
Other Assets	4.9	3.7	1.2	33.4%	4.9	0.0	0.3%
Total Assets	\$1,309.6	\$1,236.5	\$73.1	5.9%	\$1,149.7	\$159.9	13.9%
Deferred Outflows - Pension	5.6	5.6	–	–	2.6	3.0	116.2%
Total Deferred Outflows	\$5.6	\$5.6	–	–	\$2.6	\$3.0	116.2%
Liabilities							
Current Liabilities	11.3	14.5	(3.2)	(21.8%)	9.3	2.0	22.0%
Unearned Income	58.4	60.2	(1.8)	(3.0%)	64.0	(5.6)	(8.8%)
Long-term Debt	303.7	304.1	(0.4)	(0.1%)	313.1	(9.4)	(3.0%)
Other Liabilities	7.4	5.7	1.7	30.1%	6.1	1.3	20.6%
Total Liabilities	\$380.7	\$384.4	(\$3.6)	(0.9%)	\$392.5	(\$11.7)	(3.0%)
Deferred Inflows - Pension	2.2	2.2	–	nm	2.1	0.1	2.4%
Total Deferred Inflows	\$2.2	\$2.2	–	–	\$2.1	\$0.1	2.4%
Investment in Net Assets	648.0	599.4	48.6	8.1%	507.1	140.9	27.8%
Restricted Net Position	28.5	28.5	0.0	0.0%	27.7	0.8	2.9%
Unrestricted Net Position	255.8	227.6	28.2	12.4%	223.0	32.8	14.7%
Total Net Position	\$932.3	\$855.5	\$76.8	9.0%	\$757.7	\$174.6	23.0%



STATEMENT OF REVENUE AND EXPENSE DETAIL- QTD

	Quarter-to-Date			Variance			
	2022		Budget	vs Q1 2022		vs Q2 Budget	
	Q2	Q1	Q2	\$ Change	% Variance	\$ Change	% Variance
Summary: Statement of Revenues & Expenses (\$ in millions)							
Wharfage	\$25.3	\$22.2	\$21.9	\$3.2	14.3%	\$3.5	15.9%
Dockage	6.8	6.8	5.2	0.0	0.4%	1.6	31.0%
Security	4.2	3.9	3.6	0.3	6.9%	0.6	16.3%
Other Shipping Services	2.8	2.7	3.7	0.1	3.4%	(0.8)	(23.0%)
Dredging	0.7	0.2	1.1	0.5	217.1%	(0.4)	(36.0%)
Building and Land Rental	8.3	6.2	5.2	2.0	32.3%	3.1	59.7%
Total Operating Revenues	\$48.1	\$42.1	\$40.6	\$6.0	14.4%	\$7.5	18.6%
Employee Services	7.0	7.1	7.3	(0.1)	(1.8%)	(0.3)	(4.5%)
Maintenance	2.8	1.8	3.1	1.0	54.5%	(0.4)	(11.3%)
Utilities / Telephone	0.4	0.3	0.4	0.1	39.8%	0.0	6.9%
Insurance	0.9	1.0	0.1	(0.1)	(9.9%)	0.8	890.9%
Professional / Contracted Services	5.4	4.0	5.1	1.5	37.1%	0.4	7.2%
Operator / Event Expenses	0.3	0.3	0.4	0.0	16.7%	(0.0)	(5.4%)
Admin / Trade Dvlp / Other	2.7	2.5	3.3	0.2	7.3%	(0.6)	(18.3%)
Depreciation	5.9	5.3	4.7	0.6	10.6%	1.2	25.2%
Total Operating Expenses	\$25.3	\$22.2	\$24.3	\$3.1	14.1%	\$1.0	4.3%
Net Operating Income (Loss)	\$22.8	\$19.9	\$16.3	\$2.9	14.6%	\$6.5	39.8%
Interest Income (Loss)	0.6	1.9	0.2	(1.3)	(70.3%)	0.3	124.2%
Other Revenue	0.1	0.1	-	0.0	29.4%	0.1	nm
Gain (Loss) on Disposals	2.8	-	-	2.8	nm	2.8	nm
Interest / Bond Expense	(3.1)	(3.1)	(3.2)	(0.0)	1.1%	0.0	(1.2%)
Other Expense	(0.0)	-	-	(0.0)	nm	(0.0)	nm
Hillcrest Revenues / (Expenses)	-	-	-	-	nm	-	nm
Other Revenue / (Expenses)	\$0.3	(\$1.1)	(\$2.9)	\$1.5	(130.7%)	\$3.3	(111.8%)
Net Income (Loss)	\$23.1	\$18.8	\$13.4	\$4.4	23.3%	\$9.8	72.9%

STATEMENT OF REVENUE AND EXPENSE DETAIL- YTD

	6/30 Year-to-Date			Variance			
	2022		2021	vs Budget		vs Prior Year	
	Actual	Budget	Actual	\$ Change	% Variance	\$ Change	% Variance
Summary: Statement of Revenues & Expenses (\$ in millions)							
Wharfage	\$47.5	\$43.7	\$39.5	\$3.8	8.6%	\$8.0	20.2%
Dockage	13.6	10.4	9.2	3.2	30.8%	4.4	47.2%
Security	8.2	7.2	6.7	0.9	12.6%	1.4	20.8%
Other Shipping Services*	5.6	7.4	5.1	(1.8)	(24.2%)	0.4	8.4%
Dredging	0.9	2.1	2.5	(1.2)	100.0%	(1.6)	100.0%
Building and Land Rental	14.5	10.3	10.8	4.2	40.2%	3.7	34.8%
Total Operating Revenues	\$90.2	\$81.1	\$73.9	\$9.0	11.1%	\$16.3	22.0%
Employee Services	14.1	15.8	13.2	(1.7)	(11.0%)	0.9	6.6%
Maintenance	4.5	6.2	3.1	(1.7)	(27.0%)	1.5	48.5%
Utilities / Telephone	0.7	0.8	0.6	(0.1)	(8.3%)	0.2	28.2%
Insurance	1.8	1.8	1.3	0.0	2.6%	0.5	39.9%
Professional / Contracted Services	9.4	10.1	5.8	(0.7)	(7.3%)	3.5	60.2%
Operator / Event Expenses	0.6	0.7	0.3	(0.1)	(12.2%)	0.4	151.0%
Admin / Trade Dvlp / Other	5.2	5.0	3.4	0.2	4.2%	1.8	53.7%
Depreciation	11.2	9.4	9.0	1.8	19.2%	2.2	23.9%
Total Operating Expenses	\$47.5	\$49.8	\$36.6	(\$2.2)	(4.5%)	\$10.9	29.8%
Net Operating Income (Loss)	\$42.7	\$31.4	\$37.3	\$11.3	36.0%	\$5.4	14.5%
Interest Income (Loss)	2.4	0.5	0.5	1.9	388.9%	2.0	401.7%
Other Revenue	0.2	-	1.4	0.2	nm	(1.2)	(84.9%)
Gain (Loss) on Disposals	2.8	-	-	2.8	nm	2.8	nm
Interest / Bond Expense	(6.2)	(6.3)	(6.3)	0.1	(1.8%)	0.1	(1.6%)
Other Expense	(0.0)	-	-	(0.0)	nm	(0.0)	nm
Hillcrest Revenues / (Expenses)	-	-	(0.3)	-	nm	0.3	nm
Other Revenue / (Expenses)	(\$0.8)	(\$5.8)	(\$4.8)	\$5.1	(86.7%)	\$4.0	(83.8%)
Net Income (Loss)	\$41.9	\$25.5	\$32.4	\$16.3	64.0%	\$9.4	29.0%



TONNAGE, SHIP & BARGE, AND RAILCAR DETAIL

Millions of Tons	2Q 2022	2Q 2021	Variance vs. Prior Quarter		YTD 2022	YTD 2021	Variance vs. Prior YTD Period	
	Actual	Actual	Tons	%	Actual	Actual	Tons	%
Tonnage								
Petroleum	15.5	14.3	1.2	8.4%	30.4	26.2	4.2	16.2%
Crude Oil	27.3	25.0	2.3	9.3%	52.3	46.7	5.6	12.0%
Dry Bulk	2.1	1.7	0.4	24.8%	4.1	3.4	0.8	22.9%
Bulk Grain	0.6	1.1	(0.5)	(45.6%)	1.5	2.6	(1.1)	(41.9%)
Chemical	0.9	0.7	0.2	24.2%	1.5	1.2	0.3	23.1%
Liquid Bulk	0.0	0.1	(0.1)	(72.3%)	0.1	0.1	(0.1)	(41.2%)
Break Bulk	0.1	0.2	(0.1)	(71.9%)	0.1	0.3	(0.2)	(57.2%)
Total Tonnage	46.4	43.0	3.4	8.0%	90.1	80.5	9.6	11.9%
Ship and Barge Movements								
Ships	621	570	51	8.9%	1,191	1,092	99	9.1%
Barges	1,362	1,139	223	19.6%	2,482	2,305	177	7.7%
Total Ships and Barges	1,983	1,709	274	16.0%	3,673	3,397	276	8.1%
Railcars								
Inbound	4,545	9,812	(5,267)	(53.7%)	10,977	24,322	(13,345)	(54.9%)
Outbound	2,733	3,215	(482)	(15.0%)	5,829	5,679	150	2.6%
Total Railcars	7,278	13,027	(5,749)	(44.1%)	16,806	30,001	(13,195)	(44.0%)



THANK YOU

