FINANCIAL REVIEW
YEAR TO DATE SEPTEMBER 30, 2021

Kent A. Britton | Chief Financial Officer

PORT CORPUS CHRISTI®

November 16, 2021 Commission Meeting

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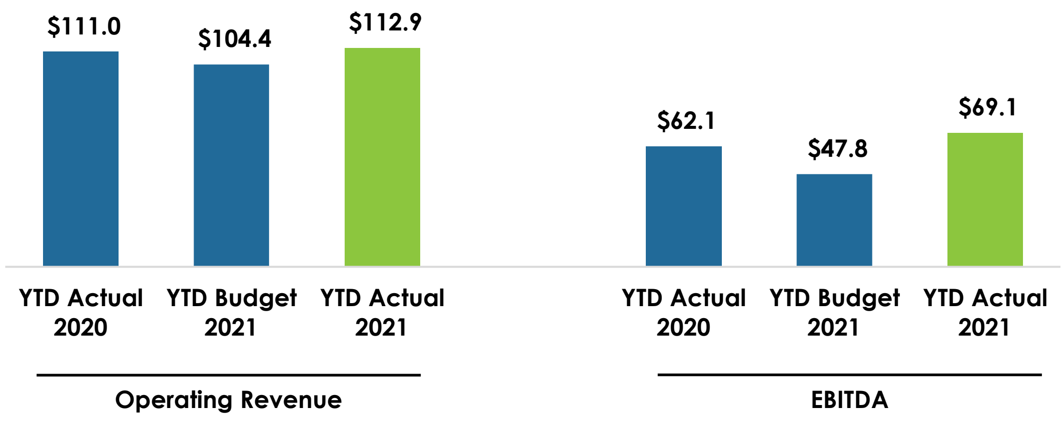
EXECUTIVE SUMMARY

Key Year to Date Highlights

- YTD Tonnage up 5% from the prior year, and ahead of budget.
  - Second and Third Quarter of 2021 have been the highest and second highest tonnage in the Port's history
- YTD EBITDA exceeds Budget by 45% and the same period Prior Year by 11%.
  - Revenue 8% ahead of Budget, and 2% of 2020.
  - Operating Expenses, excluding depreciation, are 23% lower than budget and 10% lower than prior year due to lower maintenance, professional services and employee costs.
- 2021 Inbound rail car movements are significantly ahead of 2020, while outbounds are below 2020 – overall increase.
- 2021 Capital Spending below budget and above prior Year.

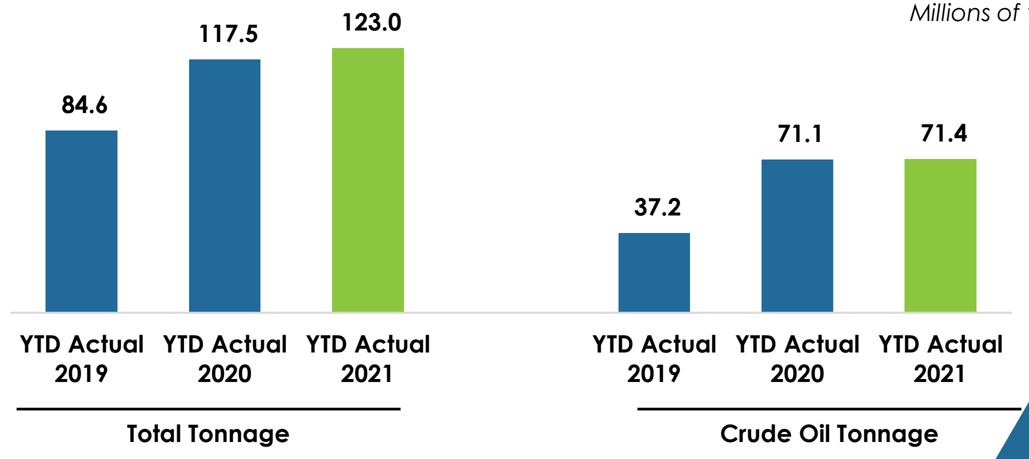
Year-to-Date Operating Revenue and EBITDA*

$ in millions



Year-to-Date Tonnage

Millions of tons



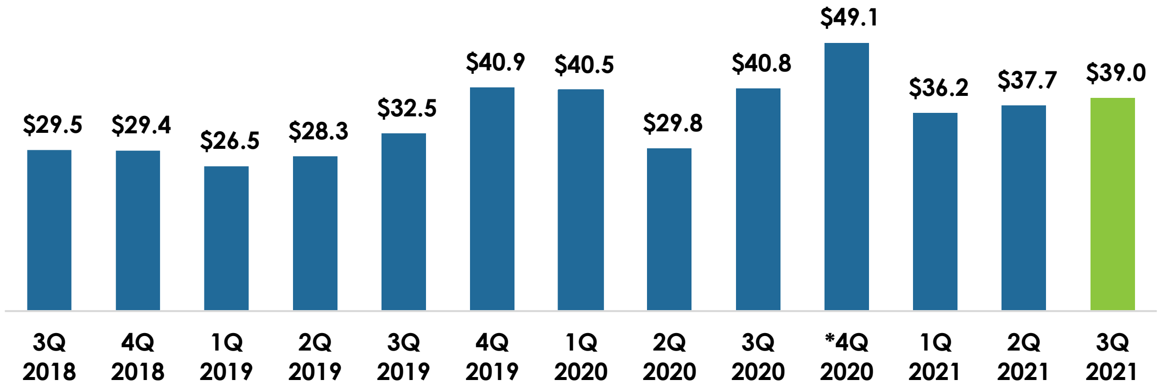
* EBITDA equals operating revenues less operating expenses (excluding depreciation)

KEY HISTORICAL TRENDS

Operating Revenue

$ in millions

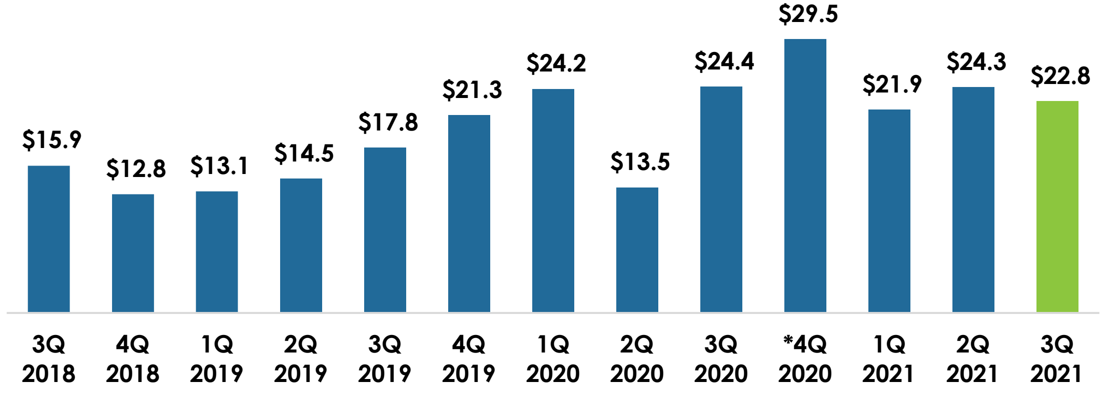
*Q4 2020 Op Rev includes a one-time benefit of $13.8M for cost sharing on dredging GCGV



EBITDA*

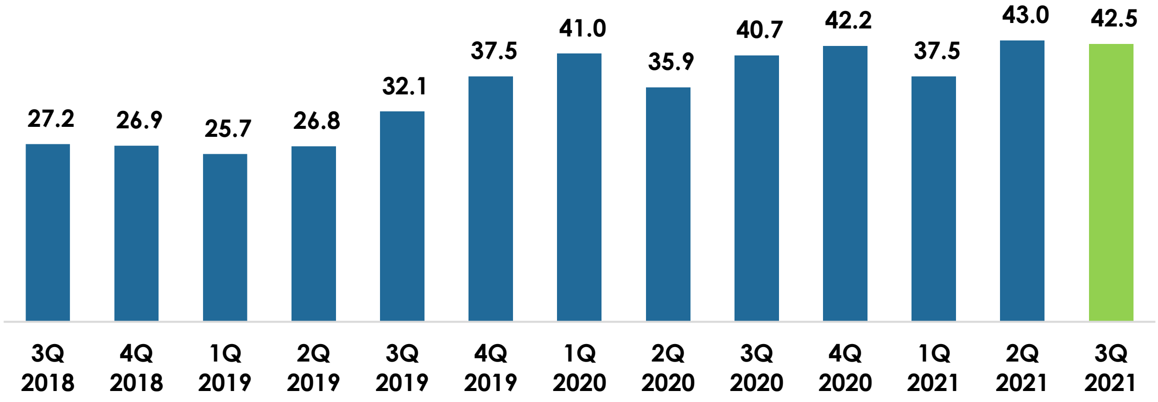
$ in millions

*Q4 2020 EBITDA includes a one-time benefit of $13.8M for cost sharing on GCGV



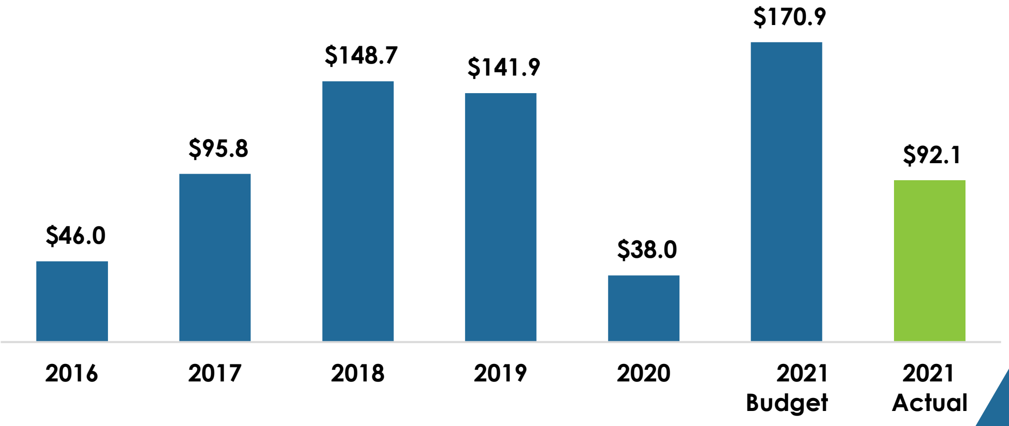
Total Tonnage

Millions of tons



Capital Expenditures

$ in millions



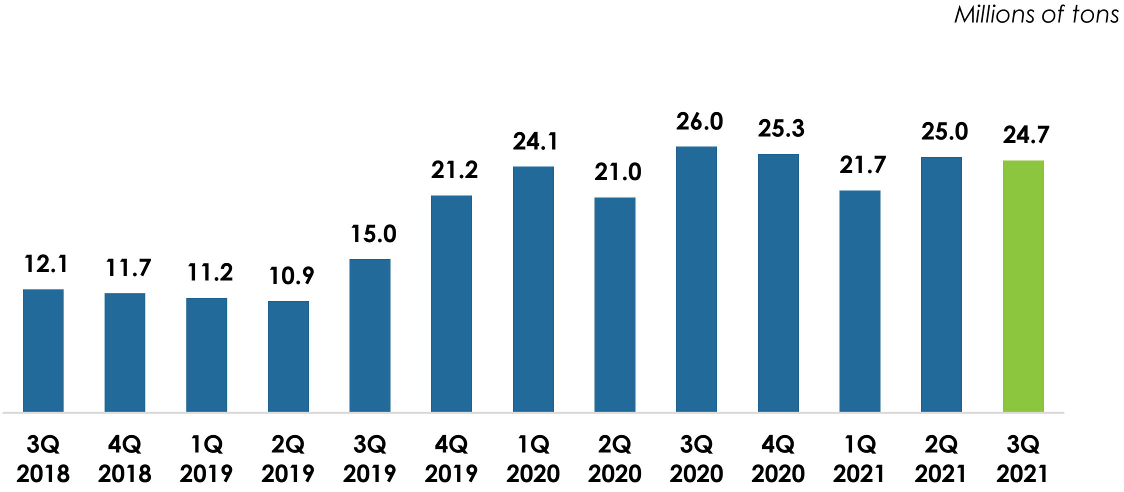
* EBITDA equals operating revenues less operating expenses (excluding depreciation)

CRUDE AND REFINED PRODUCTS UPDATE

Crude / Refined Products Highlights

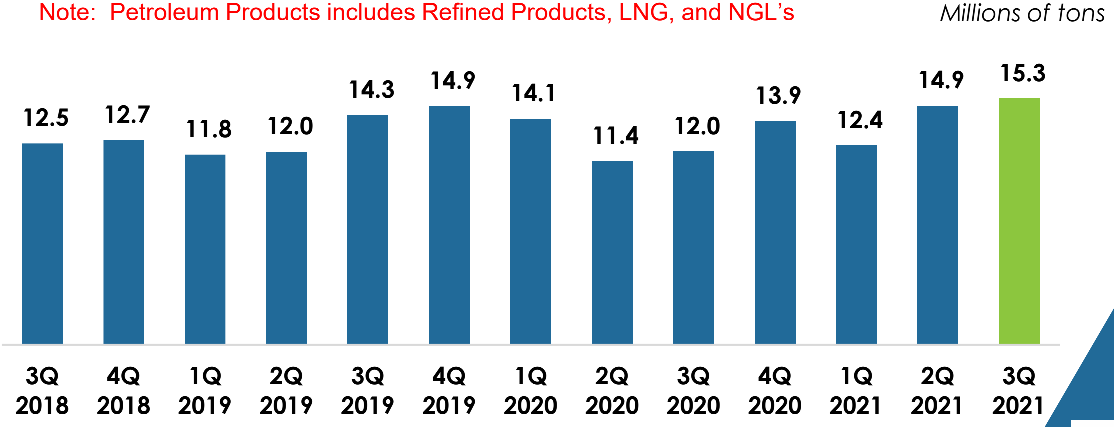
- Crude oil tonnage in the first nine months of 2021 is now slightly ahead of first nine months of 2020, though slightly below the rates we saw in Q3/Q4 of 2020
  - Total movements of crude into and out of the inner harbor have declined in 2021, but have been more than overcome by stronger performance from the outer harbors
- Petroleum products set a second straight quarterly record in Q3 2021 based on strong LNG exports from La Quinta, which more than offset continued depressed output from the Inner Harbor

Crude Oil Tonnage per Quarter



Petroleum Products Tonnage per Quarter

Note: Petroleum Products includes Refined Products, LNG, and NGL's



APPENDIX:
DETAILED FINANCIAL INFORMATION

EXPANDED OPERATIONAL METRICS DETAIL

	YTD 2021 Actual	YTD 2020 Actual	% Variance vs Prior Year	YTD 2021 Budget	Variance vs Budget
Statement of Net Position Items ($ in millions)					
Assets	$1,169.3	$1,130.2	*3.5%*		
Cash & Investments	286.6	264.1	*8.5%*		
Accounts Receivable	18.0	23.2	*(22.5%)*		
Restricted Assets	27.1	75.7	*(64.3%)*		
Liabilities	395.6	406.8	*(2.7%)*		
Net Position	**$774.0**	**$727.7**	***6.4%***		
Revenue and Expense Items ($ in millions)					
Operating Revenues*	$112.9	$111.0	*1.7%*	$104.4	*8.1%*
Operating Expenses	(43.8)	(48.9)	*(10.4%)*	(56.6)	*(22.6%)*
EBITDA	**$69.1**	**$62.1**	***11.2%***	**$47.8**	***44.5%***
Depreciation	(13.4)	(11.5)	*16.9%*	(15.7)	*(14.6%)*
Net Operating Income (Loss)	**$55.7**	**$50.6**	***9.9%***	**$32.1**	***73.4%***
Non-Operating Revenue/Expenses	(7.7)	(3.9)	*95.3%*	(7.1)	*8.5%*
Net Income	**$48.0**	**$46.7**	***2.7%***	**$25.0**	***91.7%***
Capital Projects	**$92.1**	**$37.4**	***146.6%***	**$170.9**	***(46.1%)***
Operational Items					
Tonnage (millions)	123.0	117.5	*4.6%*		
Ships	1,656	1,632	*1.5%*		
Barges	3,515	3,606	*(2.5%)*		
Barges and Ships	5,171	5,238	*(1.3%)*		
Railcars	36,223	27,144	*33.4%*		

STATEMENT OF NET POSITION DETAIL

$ in millions	9/30/2021 Actual	12/31/2020 Actual	*$ Change vs Prior Year*	*% Variance vs Prior Year*	9/30/2020 Actual	*$ Change vs Year Ago*	*Variance vs Year Ago*
Line Item							
Assets							
Cash & Investments	$286.6	$260.2	*$26.4*	*10.1%*	$264.1	*$22.4*	*8.5%*
Accounts Receivable	18.0	26.0	*(8.0)*	*(30.8%)*	23.2	*(5.2)*	*(22.5%)*
Restricted Assets	27.1	78.1	*(51.0)*	*(65.3%)*	75.7	*(48.7)*	*(64.3%)*
PP&E, net	833.1	754.4	*78.7*	*10.4%*	762.4	*70.8*	*9.3%*
Other Assets	4.5	4.0	*0.5*	*13.0%*	4.8	*(0.3)*	*(5.4%)*
Total Assets	**$1,169.3**	**$1,122.6**	***$46.6***	***4.2%***	**$1,130.2**	***$39.1***	***3.5%***
Deferred Outflows - Pension	2.6	2.6	–	–	5.3	*(2.7)*	*(51.0%)*
Total Deferred Outflows	**$2.6**	**$2.6**	**–**	**–**	**$5.3**	***($2.7)***	***(51.0%)***
Current Liabilities	11.6	12.1	*(0.5)*	*(4.0%)*	14.6	*(3.1)*	*(20.9%)*
Unearned Income	65.1	66.7	*(1.5)*	*(2.3%)*	64.1	*1.0*	*1.6%*
Long-term Debt	312.9	313.5	*(0.7)*	*(0.2%)*	320.4	*(7.5)*	*(2.3%)*
Other Liabilities	6.0	4.6	*1.5*	*32.0%*	7.6	*(1.6)*	*(21.0%)*
Total Liabilities	**$395.6**	**$396.9**	***($1.2)***	***(0.3%)***	**$406.8**	***($11.2)***	***(2.7%)***
Deferred Inflows - Pension	2.1	2.1	–	*nm*	0.9	*1.2*	*138.7%*
Total Deferred Inflows	**$2.1**	**$2.1**	**–**	**–**	**$0.9**	***$1.2***	***138.7%***
Investment in Net Assets	514.2	485.5	*28.7*	*5.9%*	486.5	*27.7*	*5.7%*
Restricted Net Position	27.7	27.7	*0.0*	*0.0%*	24.8	*2.9*	*11.9%*
Unrestricted Net Position	232.1	213.0	*19.1*	*9.0%*	216.5	*15.6*	*7.2%*
Total Net Position	**$774.0**	**$726.2**	***$47.8***	***6.6%***	**$727.7**	***$46.3***	***6.4%***

STATEMENT OF REVENUE AND EXPENSE DETAIL- QTD

	Quarter-to-Date			Variance			
	2021		Budget	vs Q2 2021		vs Q3 Budget	
	Q3	Q2	Q3	$ Change	% Variance	$ Change	% Variance
Summary: Statement of Revenues & Expenses ($ in millions)							
Wharfage	$21.9	$20.7	$17.8	$1.2	5.7%	$4.1	22.9%
Dockage	5.5	4.9	4.4	0.6	12.4%	1.0	22.9%
Security	3.6	3.6	3.1	0.1	1.4%	0.5	16.0%
Other Shipping Services*	2.2	(0.1)	2.6	2.3	(4,225.3%)	(0.4)	(15.1%)
Dredging	0.6	2.5	1.5	(1.9)	100.0%	(0.8)	100.0%
Building and Land Rental	5.3	6.1	5.4	(0.9)	(14.0%)	(0.2)	(2.9%)
Total Operating Revenues	**$39.0**	**$37.7**	**$34.8**	**$1.4**	**3.6%**	**$4.2**	**12.1%**
Employee Services	7.8	6.1	8.0	1.7	28.0%	(0.2)	(2.2%)
Maintenance	2.1	1.9	4.0	0.2	10.9%	(2.0)	(48.7%)
Utilities / Telephone	0.3	0.3	0.4	0.1	23.3%	(0.0)	(5.9%)
Insurance	0.7	0.7	0.1	0.0	1.3%	0.6	685.2%
Professional / Contracted Services	3.3	2.9	3.7	0.4	13.9%	(0.4)	(11.8%)
Operator / Event Expenses	0.2	0.2	0.3	0.0	15.3%	(0.1)	(26.8%)
Admin / Trade Dvlp / Other	1.8	1.3	2.8	0.5	36.1%	(1.0)	(36.4%)
Depreciation	4.4	4.5	5.2	(0.1)	(1.5%)	(0.8)	(15.6%)
Total Operating Expenses	**$20.6**	**$17.8**	**$24.5**	**$2.8**	**15.8%**	**($3.9)**	**(15.8%)**
Net Operating Income (Loss)	**$18.4**	**$19.9**	**$10.3**	**($1.4)**	**(7.3%)**	**$8.1**	**78.3%**
Interest Income	0.3	0.3	0.5	(0.0)	(5.7%)	(0.2)	(42.6%)
Other Revenue	0.3	1.3	0.0	(1.0)	nm	0.3	nm
Gain (Loss) on Disposals	–	–	–	–	nm	–	nm
Interest / Bond Expense	(3.2)	(3.2)	(3.2)	0.0	(0.0%)	0.0	(0.2%)
Other Expense	(0.3)	–	(0.0)	(0.3)	nm	(0.3)	nm
Hillcrest Revenues / (Expenses)	(0.0)	(0.3)	0.3	0.3	nm	(0.3)	nm
Other Revenue / (Expenses)	**($2.9)**	**($1.9)**	**($2.4)**	**($0.9)**	**49.4%**	**($0.5)**	**21.2%**
Net Income (Loss)	**$15.5**	**$17.9**	**$8.0**	**($2.4)**	**(13.3%)**	**$7.6**	**95.1%**

STATEMENT OF REVENUE AND EXPENSE DETAIL- YTD

	9/30 Year-to-Date			Variance			
	2021		2020	vs Budget		vs Prior Year	
	Actual	Budget	Actual	$ Change	% Variance	$ Change	% Variance
Summary: Statement of Revenues & Expenses ($ in millions)							
Wharfage	$61.4	$53.3	$57.3	$8.0	*15.0%*	$4.1	*7.2%*
Dockage	14.7	13.3	13.3	1.3	*10.1%*	1.4	*10.2%*
Security	10.4	9.3	9.7	1.0	*11.0%*	0.6	*6.6%*
Other Shipping Services*	7.4	7.8	8.3	(0.4)	*(5.7%)*	(1.0)	*(11.8%)*
Dredging	3.1	4.4	8.2	(1.2)	*100.0%*	(5.1)	*100.0%*
Building and Land Rental	16.0	16.3	14.2	(0.2)	*(1.5%)*	1.9	*13.1%*
Total Operating Revenues	**$112.9**	**$104.4**	**$111.0**	**$8.5**	***8.1%***	**$1.9**	***1.7%***
Employee Services	21.0	22.8	21.1	(1.7)	*(7.7%)*	(0.0)	*(0.2%)*
Maintenance	5.1	12.1	6.8	(6.9)	*(57.6%)*	(1.7)	*(25.3%)*
Utilities / Telephone	0.9	1.1	0.9	(0.2)	*(17.5%)*	(0.0)	*(1.2%)*
Insurance	2.0	2.2	1.8	(0.1)	*(6.1%)*	0.2	*11.9%*
Professional / Contracted Services	9.1	11.2	12.5	(2.1)	*(18.4%)*	(3.4)	*(26.9%)*
Operator / Event Expenses	0.4	0.8	0.6	(0.3)	*(42.3%)*	(0.2)	*(30.8%)*
Admin / Trade Dvlp / Other	5.2	6.6	5.1	(1.4)	*(21.4%)*	0.1	*1.6%*
Depreciation	13.4	15.7	11.5	(2.3)	*(14.6%)*	1.9	*16.9%*
Total Operating Expenses	**$57.2**	**$72.3**	**$60.4**	**($15.1)**	***(20.9%)***	**($3.1)**	***(5.2%)***
Net Operating Income (Loss)	**$55.7**	**$32.1**	**$50.6**	**$23.6**	***73.4%***	**$5.0**	***9.9%***
Interest Income	0.8	1.5	3.2	(0.7)	*(48.4%)*	(2.4)	*(75.6%)*
Other Revenue	1.7	0.0	0.6	1.7	*nm*	1.1	*194.8%*
Gain (Loss) on Disposals	–	–	(0.9)	–	*nm*	0.9	*nm*
Interest / Bond Expense	(9.5)	(9.5)	(9.6)	0.0	*(0.2%)*	0.2	*(1.6%)*
Other Expense	(0.3)	(0.0)	–	(0.3)	*nm*	(0.3)	*nm*
Hillcrest Revenues / (Expenses)	(0.4)	0.9	2.9	(1.3)	*(139.1%)*	(3.2)	*nm*
Other Revenue / (Expenses)	**($7.7)**	**($7.1)**	**($3.9)**	**($0.6)**	***8.5%***	**($3.7)**	***95.3%***
Net Income (Loss)	**$48.0**	**$25.0**	**$46.7**	**$23.0**	***91.7%***	**$1.3**	***2.7%***

TONNAGE, SHIP & BARGE, AND RAILCAR DETAIL

Millions of Tons	3Q 2021 Actual	3Q 2020 Actual	*Variance vs. Prior Quarter* Tons	*Variance vs. Prior Quarter* %	YTD 2021 Actual	YTD 2020 Actual	*Variance vs. Prior YTD Period* Tons	*Variance vs. Prior YTD Period* %
Tonnage								
Petroleum	14.8	11.5	3.4	29.4%	41.0	36.2	4.8	13.4%
Crude Oil	24.6	26.0	(1.3)	(5.2%)	71.3	70.8	0.5	0.7%
Dry Bulk	1.8	1.7	0.1	5.6%	5.2	5.8	(0.6)	(10.9%)
Bulk Grain	0.4	0.7	(0.3)	(46.2%)	3.0	2.5	0.5	20.1%
Chemical	0.6	0.7	(0.1)	(14.0%)	1.8	1.8	(0.0)	(1.0%)
Liquid Bulk	0.1	0.0	0.1	378.7%	0.3	0.2	0.1	28.4%
Break Bulk	0.1	0.1	0.0	1.0%	0.4	0.3	0.1	53.5%
Total Tonnage	**42.5**	**40.7**	**1.8**	**4.4%**	**123.0**	**117.5**	**5.4**	**4.6%**
Ship and Barge Movements								
Ships	564	566	(2)	(0.4%)	1,656	1,632	24	1.5%
Barges	1,210	1,189	21	1.8%	3,515	3,606	(91)	(2.5%)
Total Ships and Barges	**1,774**	**1,755**	**19**	**1.1%**	**5,171**	**5,238**	**(67)**	**(1.3%)**
Railcars								
Inbound	2,794	2,639	155	5.9%	27,116	16,252	10,864	66.8%
Outbound	3,428	3,382	46	1.4%	9,107	10,892	(1,785)	(16.4%)
Total Railcars	**6,222**	**6,021**	**201**	**3.3%**	**36,223**	**27,144**	**9,079**	**33.4%**

THANK YOU