

# FINANCIAL REVIEW

## YEAR TO DATE SEPTEMBER 30, 2022

Kent A. Britton | Chief Financial Officer



October 25, 2022 Commission

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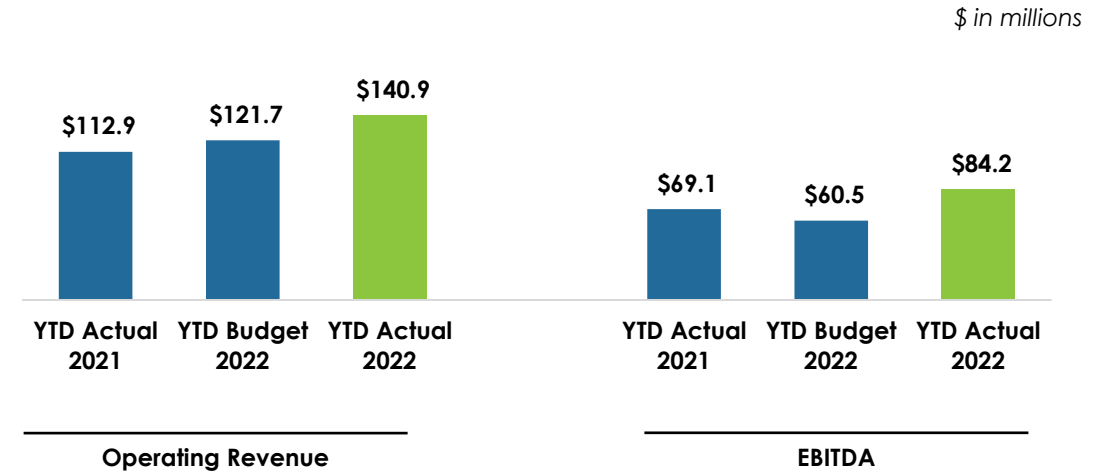


# EXECUTIVE SUMMARY

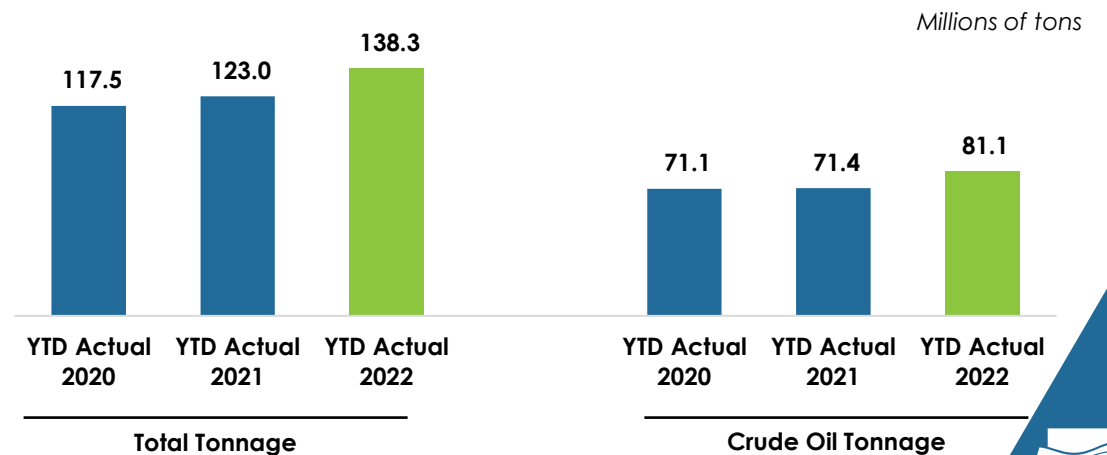
## Key Year to Date Highlights

- Year to date Tonnage up 12.5% from the prior year.
  - 3<sup>rd</sup> Quarter of 2022 was the highest quarterly tonnage in the Port's history.
  - July and August 2022 tonnage were the highest and second highest monthly tonnages in the Port's history.
- Year to date EBITDA exceeds Budget by 39% and above the same period Prior Year by 22%.
  - Revenue 16% ahead of Budget, and 25% ahead of 2021.
  - 3<sup>rd</sup> Quarter Operating Revenue and EBITDA were the highest in the Port's history
  - Operating Expenses, excluding depreciation, are 7% lower than budget due to lower employee services costs and maintenance; and 29% 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 37%.
- 2022 Capital Spending below budget and prior Year.

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



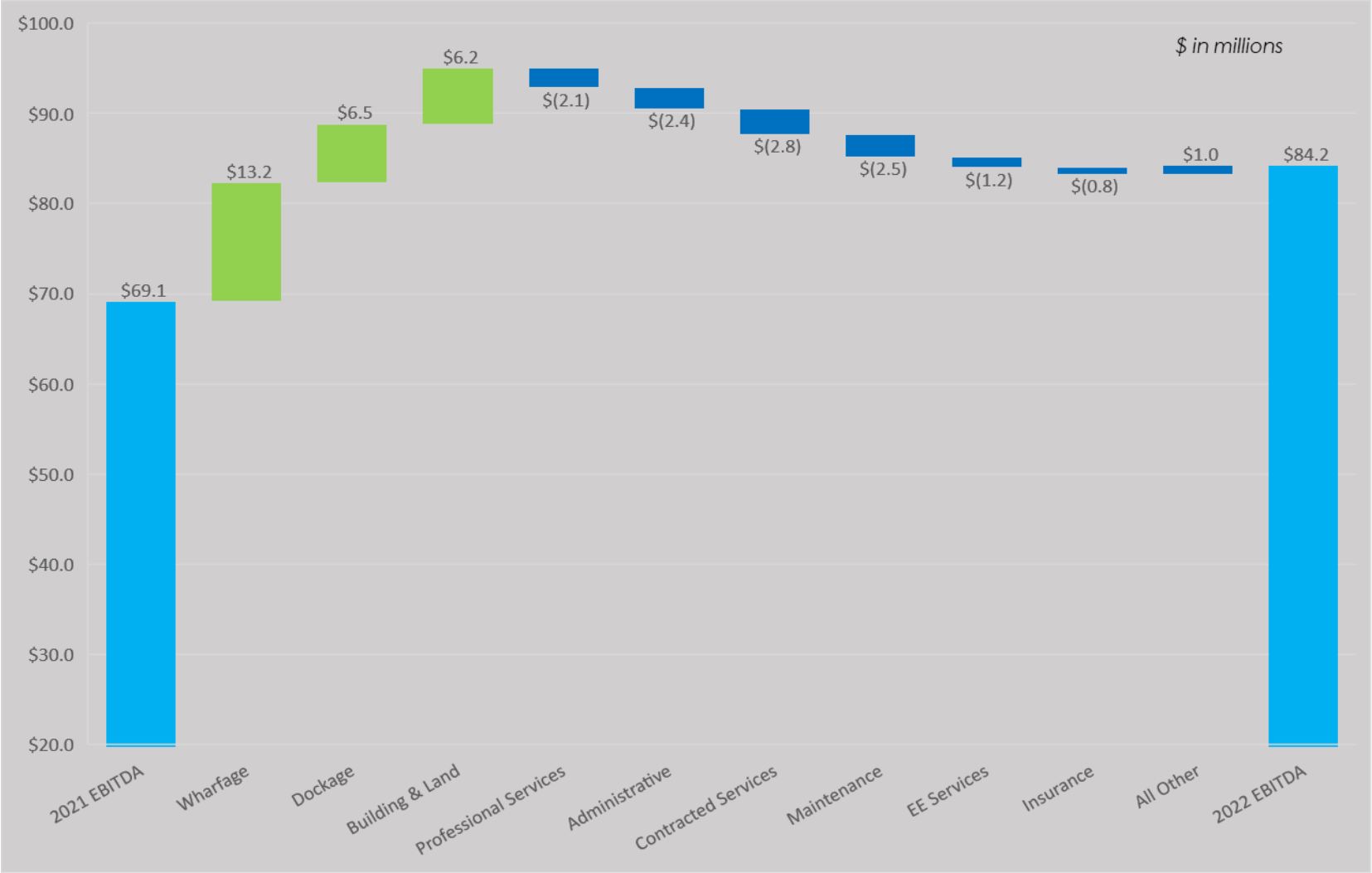
## Year-to-Date Tonnage



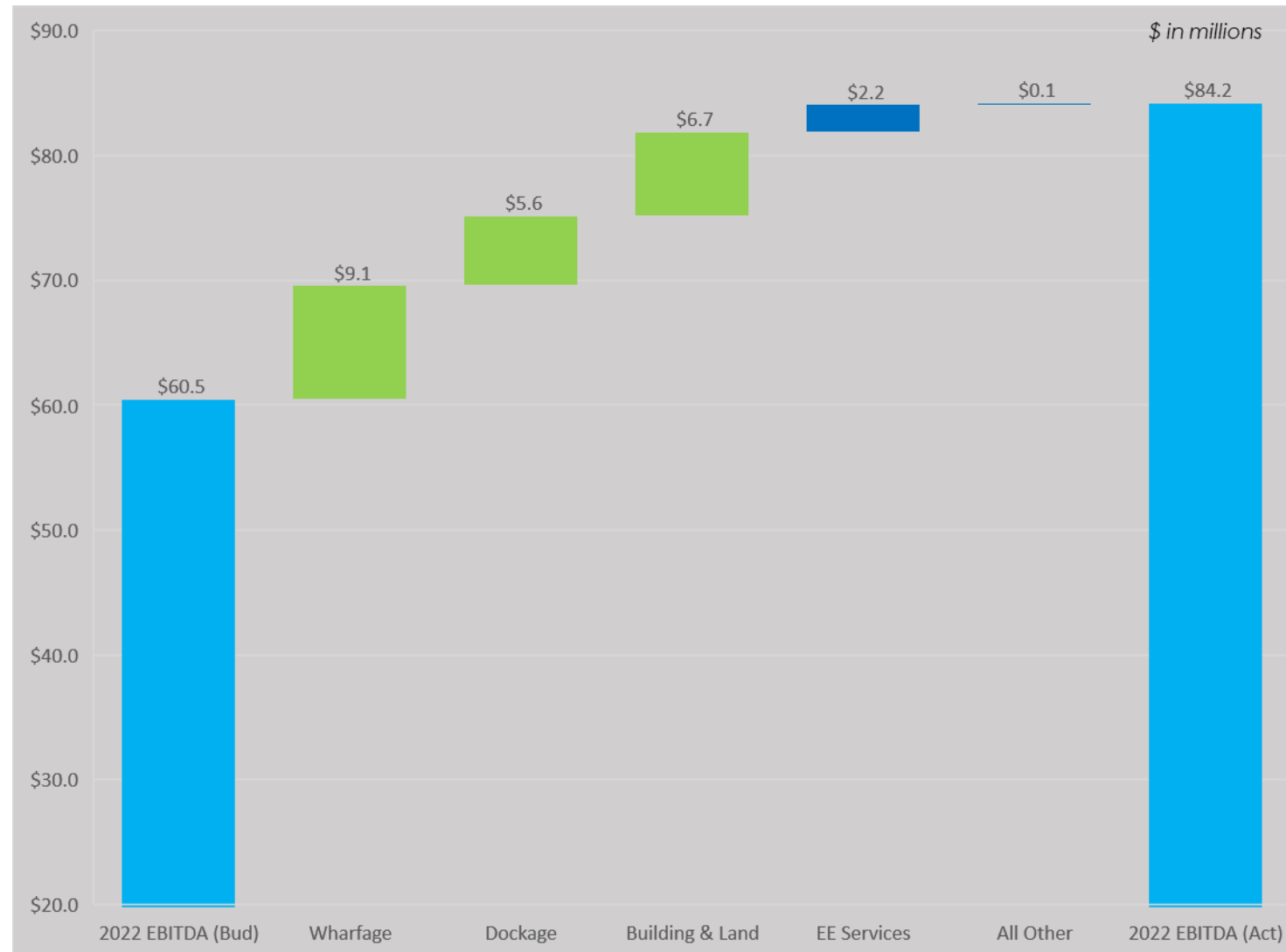
\* EBITDA equals operating revenues less operating expenses (excluding depreciation)



# EBITDA 2022 VS. 2021



# EBITDA 2022 ACTUAL VS. BUDGET

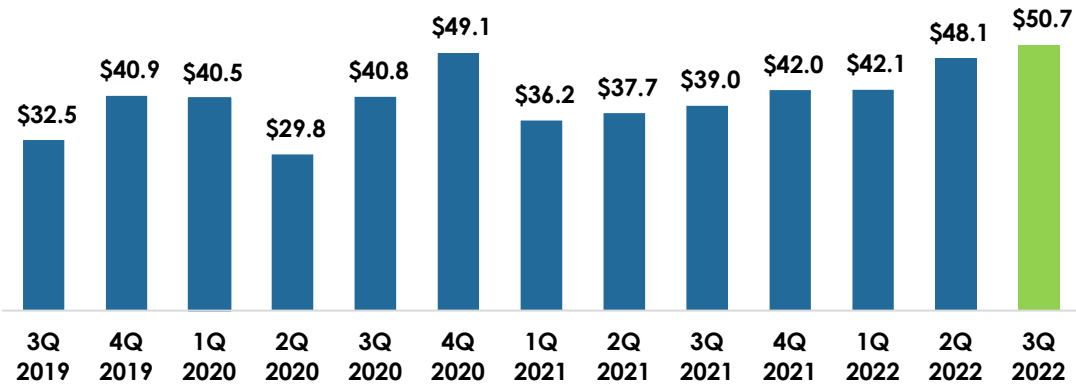


# KEY HISTORICAL TRENDS

## Operating Revenue

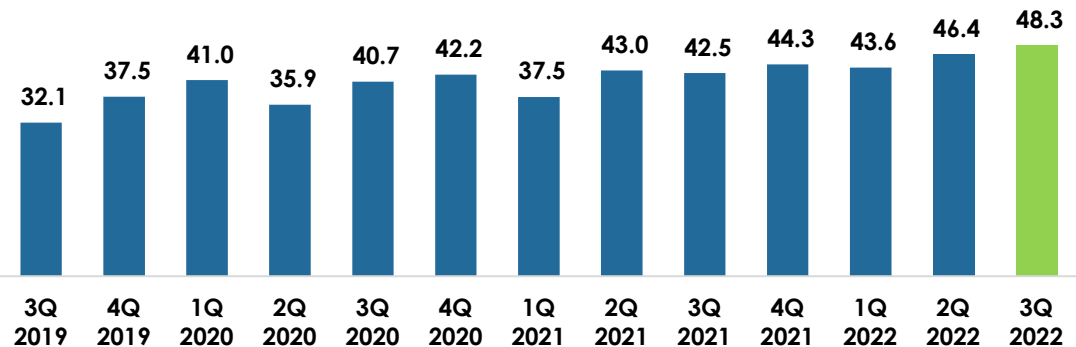
\$ in millions

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



## Total Tonnage

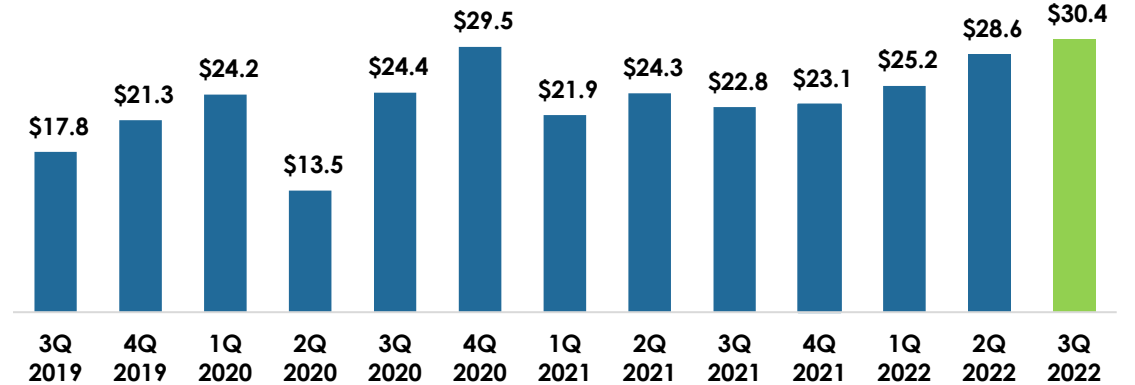
Millions of tons



## EBITDA\*

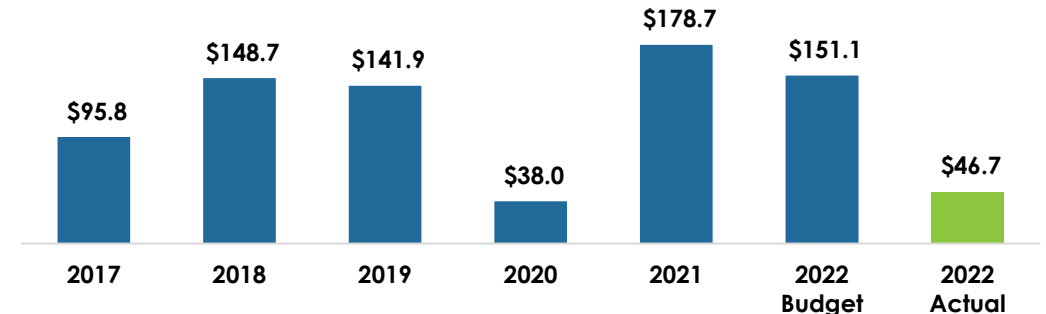
\$ in millions

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



## Capital Expenditures

\$ in millions



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

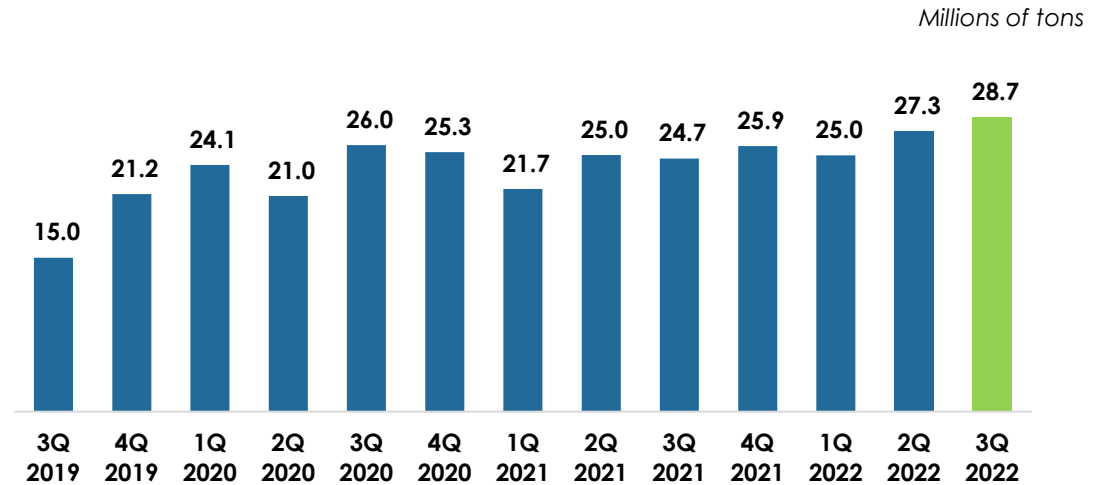


# CRUDE AND REFINED PRODUCTS UPDATE

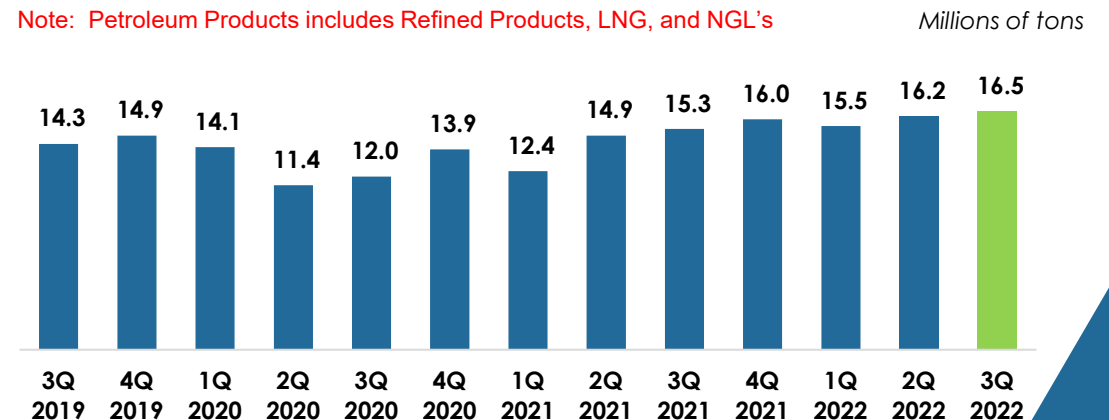
## Crude / Refined Products Highlights

- Both crude oil and petroleum products set new all time quarterly highs in the third quarter
  - Crude exports have reached 1.9 million barrels per day for the year to date, compared to 1.7 mbpd for the same period last year
  - Overall refined product shipments are 22% higher than same period in 2021, let by strong rebound by one of main refinery customers
  - LNG shipments out of La Quinta are 7% 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
<b>Statement of Net Position Items (\$ in millions)</b>					
Assets	\$1,336.8	\$1,169.3	14.3%		
Cash & Investments	292.8	286.6	2.2%		
Accounts Receivable	21.9	18.0	21.7%		
Restricted Assets	47.9	27.1	76.9%		
Liabilities	384.5	395.6	(2.8%)		
<b>Net Position</b>	<b>\$955.7</b>	<b>\$774.0</b>	<b>23.5%</b>		
<b>Revenue and Expense Items (\$ in millions)</b>					
Operating Revenues	\$140.9	\$112.9	24.7%	\$121.7	15.7%
Operating Expenses	(56.7)	(43.8)	29.4%	(61.2)	(7.4%)
<b>EBITDA</b>	<b>\$84.2</b>	<b>\$69.1</b>	<b>21.8%</b>	<b>\$60.5</b>	<b>39.2%</b>
Depreciation	(17.1)	(13.4)	27.5%	(14.0)	21.9%
<b>Net Operating Income (Loss)</b>	<b>\$67.1</b>	<b>\$55.7</b>	<b>20.5%</b>	<b>\$46.5</b>	<b>44.4%</b>
Non-Operating Revenue/Expense	(2.8)	(7.7)	(63.6%)	(8.8)	(68.1%)
<b>Net Income</b>	<b>\$64.3</b>	<b>\$48.0</b>	<b>33.9%</b>	<b>\$37.7</b>	<b>70.5%</b>
<b>Capital Projects</b>	<b>\$46.7</b>	<b>\$92.1</b>	<b>(49.4%)</b>	<b>\$151.1</b>	<b>(69.1%)</b>
<b>Operational Items</b>					
Tonnage (millions)	138.3	123.0	12.5%		
Ships	1,783	1,656	7.7%		
Barges	3,960	3,515	12.7%		
Barges and Ships	5,743	5,171	11.1%		
Railcars	22,908	36,223	(36.8%)		



# STATEMENT OF NET POSITION DETAIL

\$ in millions	9/30/2022	12/31/2021	\$ Change	% Variance	9/30/2021	\$ Change	Variance
Line Item	Actual	Actual	vs Prior Year	vs Prior Year	Actual	vs Year Ago	vs Year Ago
<b>Assets</b>							
Cash & Investments	\$292.8	\$256.9	\$35.9	14.0%	\$286.6	\$6.3	2.2%
Accounts Receivable	21.9	18.6	3.3	17.7%	18.0	3.9	21.7%
Restricted Assets	47.9	47.9	0.0	0.0%	27.1	20.8	76.9%
PP&E, net	970.0	909.4	60.5	6.7%	833.1	136.8	16.4%
Other Assets	4.2	3.7	0.6	15.5%	4.5	(0.3)	(5.8%)
<b>Total Assets</b>	<b>\$1,336.8</b>	<b>\$1,236.5</b>	<b>\$100.3</b>	<b>8.1%</b>	<b>\$1,169.3</b>	<b>\$167.6</b>	<b>14.3%</b>
Deferred Outflows - Pension	5.6	5.6	–	–	2.6	3.0	116.2%
<b>Total Deferred Outflows</b>	<b>\$5.6</b>	<b>\$5.6</b>	<b>–</b>	<b>–</b>	<b>\$2.6</b>	<b>\$3.0</b>	<b>116.2%</b>
<b>Liabilities</b>							
Current Liabilities	15.6	14.5	1.2	8.1%	11.6	4.0	34.9%
Unearned Income	58.0	60.2	(2.2)	(3.6%)	65.1	(7.2)	(11.0%)
Long-term Debt	303.5	304.1	(0.6)	(0.2%)	312.9	(9.4)	(3.0%)
Other Liabilities	7.4	5.7	1.8	31.0%	6.0	1.4	22.7%
<b>Total Liabilities</b>	<b>\$384.5</b>	<b>\$384.4</b>	<b>\$0.2</b>	<b>0.0%</b>	<b>\$395.6</b>	<b>(\$11.1)</b>	<b>(2.8%)</b>
Deferred Inflows - Pension	2.2	2.2	–	nm	2.1	0.1	2.4%
<b>Total Deferred Inflows</b>	<b>\$2.2</b>	<b>\$2.2</b>	<b>–</b>	<b>–</b>	<b>\$2.1</b>	<b>\$0.1</b>	<b>2.4%</b>
Investment in Net Assets	660.9	599.4	61.5	10.3%	514.2	146.6	28.5%
Restricted Net Position	28.5	28.5	0.0	0.0%	27.7	0.8	2.9%
Unrestricted Net Position	266.3	227.6	38.7	17.0%	232.1	34.2	14.7%
<b>Total Net Position</b>	<b>\$955.7</b>	<b>\$855.5</b>	<b>\$100.1</b>	<b>11.7%</b>	<b>\$774.0</b>	<b>\$181.6</b>	<b>23.5%</b>



# STATEMENT OF REVENUE AND EXPENSE DETAIL- QTD

	Quarter-to-Date			Variance			
	2022		Budget	vs Q2 2022		vs Q3 Budget	
	Q3	Q2	Q3	\$ Change	% Variance	\$ Change	% Variance
<b>Summary: Statement of Revenues &amp; Expenses (\$ in millions)</b>							
Wharfage	\$27.2	\$25.3	\$21.9	\$1.8	7.3%	\$5.3	24.3%
Dockage	7.6	6.8	5.2	0.8	12.2%	2.4	47.0%
Security	4.5	4.2	3.6	0.3	6.4%	0.9	23.8%
Other Shipping Services	3.7	2.8	3.7	0.8	29.9%	0.0	0.1%
Dredging	(0.0)	0.7	1.1	(0.7)	(100.0%)	(1.1)	(100.0%)
Building and Land Rental	7.7	8.3	5.2	(0.5)	(6.5%)	2.6	49.3%
<b>Total Operating Revenues</b>	<b>\$50.7</b>	<b>\$48.1</b>	<b>\$40.6</b>	<b>\$2.6</b>	<b>5.4%</b>	<b>\$10.1</b>	<b>24.9%</b>
Employee Services	8.0	7.0	8.5	1.1	15.3%	(0.5)	(5.5%)
Maintenance	3.1	2.8	3.1	0.3	12.2%	(0.0)	(0.5%)
Utilities / Telephone	0.5	0.4	0.4	0.1	11.8%	0.1	19.5%
Insurance	1.0	0.9	0.1	0.2	19.5%	0.9	1,083.5%
Professional / Contracted Services	4.8	5.4	5.1	(0.6)	(11.5%)	(0.3)	(5.1%)
Operator / Event Expenses	0.3	0.3	0.4	(0.1)	(18.9%)	(0.1)	(23.2%)
Admin / Trade Dvlp / Other	2.6	2.7	3.3	(0.1)	(3.3%)	(0.7)	(21.0%)
Depreciation	6.0	5.9	4.7	0.1	1.7%	1.3	27.3%
<b>Total Operating Expenses</b>	<b>\$26.3</b>	<b>\$25.3</b>	<b>\$25.5</b>	<b>\$0.9</b>	<b>3.7%</b>	<b>\$0.8</b>	<b>3.1%</b>
<b>Net Operating Income (Loss)</b>	<b>\$24.4</b>	<b>\$22.8</b>	<b>\$15.1</b>	<b>\$1.6</b>	<b>7.2%</b>	<b>\$9.3</b>	<b>61.9%</b>
Interest Income (Loss)	1.0	0.6	0.3	0.4	71.0%	0.7	283.2%
Other Revenue	0.2	0.1	-	0.1	60.8%	0.2	nm
Gain (Loss) on Disposals	-	2.8	-	(2.8)	nm	-	nm
Interest / Bond Expense	(3.2)	(3.1)	(3.2)	(0.0)	0.9%	0.0	(0.4%)
Other Expense	-	(0.0)	-	0.0	nm	-	nm
Hillcrest Revenues / (Expenses)	-	-	-	-	nm	-	nm
<b>Other Revenue / (Expenses)</b>	<b>(\$2.0)</b>	<b>\$0.3</b>	<b>(\$2.9)</b>	<b>(\$2.4)</b>	<b>(685.7%)</b>	<b>\$0.9</b>	<b>(31.0%)</b>
<b>Net Income (Loss)</b>	<b>\$22.4</b>	<b>\$23.1</b>	<b>\$12.2</b>	<b>(\$0.7)</b>	<b>(3.1%)</b>	<b>\$10.2</b>	<b>84.2%</b>



# STATEMENT OF REVENUE AND EXPENSE DETAIL- YTD

	9/30 Year-to-Date			Variance			
	2022		2021	vs Budget		vs Prior Year	
	Actual	Budget	Actual	\$ Change	% Variance	\$ Change	% Variance
<b>Summary: Statement of Revenues &amp; Expenses (\$ in millions)</b>							
Wharfage	\$74.7	\$65.6	\$61.4	\$9.1	13.9%	\$13.3	21.6%
Dockage	21.2	15.6	14.7	5.6	36.2%	6.5	44.4%
Security	12.6	10.9	10.4	1.8	16.3%	2.3	22.0%
Other Shipping Services*	9.3	11.0	7.4	(1.8)	(16.1%)	1.9	25.9%
Dredging	0.9	3.2	3.1	(2.3)	100.0%	(2.2)	100.0%
Building and Land Rental	22.2	15.5	16.0	6.7	43.2%	6.2	38.7%
<b>Total Operating Revenues</b>	<b>\$140.9</b>	<b>\$121.7</b>	<b>\$112.9</b>	<b>\$19.1</b>	<b>15.7%</b>	<b>\$27.9</b>	<b>24.7%</b>
Employee Services	22.1	24.4	21.0	(2.2)	(9.1%)	1.1	5.4%
Maintenance	7.6	9.3	5.1	(1.7)	(18.1%)	2.5	49.0%
Utilities / Telephone	1.2	1.2	0.9	0.0	1.0%	0.3	31.3%
Insurance	2.8	2.7	2.0	0.2	7.2%	0.8	40.8%
Professional / Contracted Services	14.2	15.2	9.1	(1.0)	(6.5%)	5.0	54.9%
Operator / Event Expenses	0.9	1.1	0.4	(0.2)	(15.8%)	0.5	108.0%
Admin / Trade Dvlp / Other	7.8	7.4	5.2	0.3	4.3%	2.6	50.7%
Depreciation	17.1	14.0	13.4	3.1	21.9%	3.7	27.5%
<b>Total Operating Expenses</b>	<b>\$73.8</b>	<b>\$75.3</b>	<b>\$57.2</b>	<b>(\$1.5)</b>	<b>(1.9%)</b>	<b>\$16.5</b>	<b>28.9%</b>
<b>Net Operating Income (Loss)</b>	<b>\$67.1</b>	<b>\$46.5</b>	<b>\$55.7</b>	<b>\$20.6</b>	<b>44.4%</b>	<b>\$11.4</b>	<b>20.5%</b>
Interest Income (Loss)	3.4	0.7	0.8	2.7	353.7%	2.6	339.6%
Other Revenue	0.4	–	1.7	0.4	nm	(1.3)	(76.6%)
Gain (Loss) on Disposals	2.8	–	–	2.8	nm	2.8	nm
Interest / Bond Expense	(9.4)	(9.5)	(9.5)	0.1	(1.3%)	0.1	(1.1%)
Other Expense	(0.0)	–	(0.3)	(0.0)	nm	0.2	nm
Hillcrest Revenues / (Expenses)	–	–	(0.4)	–	nm	0.4	nm
<b>Other Revenue / (Expenses)</b>	<b>(\$2.8)</b>	<b>(\$8.8)</b>	<b>(\$7.7)</b>	<b>\$6.0</b>	<b>(68.1%)</b>	<b>\$4.9</b>	<b>(63.6%)</b>
<b>Net Income (Loss)</b>	<b>\$64.3</b>	<b>\$37.7</b>	<b>\$48.0</b>	<b>\$26.6</b>	<b>70.5%</b>	<b>\$16.3</b>	<b>33.9%</b>



# TONNAGE, SHIP & BARGE, AND RAILCAR DETAIL

Millions of Tons	3Q 2022	3Q 2021	Variance vs. Prior Quarter		YTD 2022	YTD 2021	Variance vs. Prior YTD Period	
	Actual	Actual	Tons	%	Actual	Actual	Tons	%
<b>Tonnage</b>								
Petroleum	15.9	14.8	1.1	7.3%	46.4	41.0	5.3	13.0%
Crude Oil	28.7	24.6	4.1	16.5%	81.0	71.3	9.7	13.6%
Dry Bulk	2.4	1.8	0.6	34.2%	6.6	5.2	1.4	26.8%
Bulk Grain	0.3	0.4	(0.1)	(31.4%)	1.8	3.0	(1.2)	(40.5%)
Chemical	0.7	0.6	0.1	21.3%	2.2	1.8	0.4	22.5%
Liquid Bulk	0.1	0.1	0.0	30.6%	0.2	0.3	(0.0)	(9.7%)
Break Bulk	0.1	0.1	(0.0)	(18.1%)	0.2	0.4	(0.2)	(47.4%)
<b>Total Tonnage</b>	<b>48.3</b>	<b>42.5</b>	<b>5.8</b>	<b>13.6%</b>	<b>138.3</b>	<b>123.0</b>	<b>15.4</b>	<b>12.5%</b>
<b>Ship and Barge Movements</b>								
Ships	592	564	28	5.0%	1,783	1,656	127	7.7%
Barges	1,478	1,210	268	22.1%	3,960	3,515	445	12.7%
<b>Total Ships and Barges</b>	<b>2,070</b>	<b>1,774</b>	<b>296</b>	<b>16.7%</b>	<b>5,743</b>	<b>5,171</b>	<b>572</b>	<b>11.1%</b>
<b>Railcars</b>								
Inbound	708	2,794	(2,086)	(74.7%)	11,685	27,116	(15,431)	(56.9%)
Outbound	5,394	3,428	1,966	57.4%	11,223	9,107	2,116	23.2%
<b>Total Railcars</b>	<b>6,102</b>	<b>6,222</b>	<b>(120)</b>	<b>(1.9%)</b>	<b>22,908</b>	<b>36,223</b>	<b>(13,315)</b>	<b>(36.8%)</b>





# THANK YOU

