COVER SHEET

1 4 7 2 1 2

SEC Registration Number

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

(Company's Full Name)

ICTSI ADMINISTRATION BUILDING, MANILA INTERNATIONAL CONTAINER TERMINAL, SOUTH ACCESS ROAD, MANILA

(Business Address: No. Street City/Town/Province)

Arlyn L. McDonald

(Contact Person)

8245-4101

(Company Telephone Number)

1 2 **3 1**

Month *Day*

(Fiscal Year)

S E C 17 Q

(Form Type)

0 4 Every 3rd Thursday

Month *Day*

(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

Total Amount of Borrowings

1,347
as at June 30, 2026

Total No. of Stockholders

Domestic	Foreign
US$2,159.8M	**US$1,205.7M**

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **June 30, 2026**

2. Commission identification number: **147212**

3. BIR Tax Identification No. **000-323-228**

4. Exact name of issuer as specified in its charter:
INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.

5. Province, Country or other jurisdiction of incorporation or organization: **Philippines**

6. Industry Classification Code: ___________________ (SEC Use Only)

7. Address of issuer's principal office: **ICTSI Administration Building, Manila International Container Terminal, South Access Road, Manila** Postal Code: **1012**

8. Registrant's telephone number, including area code: **(632) 8245-4101**

9. Former name, former address, and former fiscal year: **Not applicable**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA.

Title of Each Class	Number of stocks outstanding as at June 30, 2026
Common	**2,019,242,695**

11. Are any or all of the Securities listed on a Stock Exchange?
Yes [x] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Philippine Stock Exchange **Common stocks**

12. Indicate by check mark whether the issuer:

a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder, and Sections 25 and 177 of the Revised Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports).
Yes [x] No [ ]

(b) has been subject to such filing for the past 90 days. Yes [x] No [ ]

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

The consolidated balance sheet as at December 31, 2025 and the interim condensed consolidated financial statements as at June 30, 2026 and for the three and six months ended June 30, 2025 and 2026 and the related notes to interim condensed consolidated financial statements of International Container Terminal Services, Inc. and Subsidiaries (collectively referred to as “the Group”) are filed as part of this Form 17-Q.

International Container Terminal Services, Inc. and Subsidiaries

Interim Condensed Consolidated Financial Statements

As at June 30, 2026
(with Comparative Figures as at December 31, 2025)
and for the Three and Six Months Ended June 30, 2025 and 2026

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

As at June 30, 2026

(With Comparative Figures as at December 31, 2025)

(In Thousands)

	December 31, 2025 *(Audited)*	**June 30, 2026** *(Unaudited)*
ASSETS		
Noncurrent Assets		
Intangibles (Notes 1 and 5)	US$2,552,768	**US$3,497,654**
Property and equipment (Notes 1 and 6)	2,486,014	**2,809,127**
Right-of-use assets (Notes 1 and 7)	945,147	**1,748,540**
Investments in and advances to joint ventures and an associate (Note 13)	237,449	**243,104**
Deferred tax assets	357,530	**366,271**
Other noncurrent assets (Notes 1, 8 and 16)	965,737	**322,559**
Total Noncurrent Assets	7,544,645	**8,987,255**
Current Assets		
Cash and cash equivalents (Note 9)	1,098,830	**855,081**
Receivables	225,694	**260,918**
Spare parts and supplies (Note 1)	68,809	**90,256**
Prepaid expenses and other current assets (Note 16)	139,121	**174,332**
Total Current Assets	1,532,454	**1,380,587**
	US$9,077,099	**US$10,367,842**
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Capital stock:		
Preferred stock	US$236	**US$236**
Common stock	67,330	**67,330**
Additional paid-in capital (Note 12)	590,096	**585,785**
Preferred stock held by a subsidiary	(72,492)	**(72,492)**
Treasury stock (Note 12)	(130,917)	**(140,887)**
Excess of consideration over the carrying value of non-controlling interests acquired or disposed (Note 1)	(183,563)	**(186,116)**
Retained earnings (Note 12)	1,760,167	**1,724,041**
Perpetual capital securities (Note 12)	295,142	**–**
Other comprehensive loss - net (Notes 12 and 16)	(203,724)	**(130,048)**
Total equity attributable to equity holders of the parent	2,122,275	**1,847,849**
Equity Attributable to Non-controlling Interests (Note 1)	358,910	**608,280**
Total Equity	2,481,185	**2,456,129**
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 10)	2,889,182	**3,306,218**
Concession rights payable - net of current portion	765,098	**764,524**
Lease liabilities - net of current portion (Note 1)	1,539,585	**2,373,347**
Deferred tax liabilities (Note 1)	288,833	**528,215**
Other noncurrent liabilities (Note 16)	34,071	**27,732**
Total Noncurrent Liabilities	5,516,769	**7,000,036**
Current Liabilities		
Accounts payable and other current liabilities (Notes 11 and 16)	628,625	**699,144**
Current portion of long-term debt (Note 10)	262,206	**59,256**
Current portion of concession rights payable	15,373	**16,103**
Current portion of lease liabilities	56,771	**53,748**
Income tax payable	116,170	**83,426**
Total Current Liabilities	1,079,145	**911,677**
Total Liabilities	6,595,914	**7,911,713**
	US$9,077,099	**US$10,367,842**

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In Thousands, Except Per Share Data)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2026**	2025	**2026**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
INCOME				
Gross revenues from port operations (Notes 1 and 4)	US$764,628	**US$958,726**	US$1,510,048	**US$1,919,837**
Interest income (Note 9)	10,412	**10,610**	28,794	**25,602**
Foreign exchange gain	5,069	**3,005**	11,537	**16,980**
Equity in net income of joint ventures	497	**–**	459	**–**
Other income	3,721	**3,989**	7,361	**7,035**
	784,327	**976,330**	1,558,199	**1,969,454**
EXPENSES				
Port authorities' share in gross revenues	69,617	**77,490**	137,785	**158,928**
Manpower costs	101,562	**146,164**	196,353	**290,792**
Equipment and facilities-related expenses	48,838	**69,217**	95,823	**130,259**
Administrative and other operating expenses	43,667	**52,151**	89,551	**108,290**
Depreciation and amortization	80,998	**104,261**	158,405	**211,485**
Interest expense and financing charges on borrowings (Note 10)	38,092	**40,996**	77,459	**80,061**
Interest expense on lease liabilities	34,663	**42,876**	70,330	**85,264**
Interest expense on concession rights payable	15,698	**16,302**	31,505	**32,574**
Foreign exchange loss	4,353	**4,868**	10,444	**9,008**
Equity in net loss of joint ventures	–	**1,734**	–	**1,504**
Other expenses (Note 1)	5,693	**1,686**	10,347	**22,961**
	443,181	**557,745**	878,002	**1,131,126**
CONSTRUCTION REVENUE (EXPENSE)				
Construction revenue	52,391	**39,595**	95,519	**64,023**
Construction expense	(52,391)	**(39,595)**	(95,519)	**(64,023)**
	–	**–**	–	**–**
INCOME BEFORE INCOME TAX	341,146	**418,585**	680,197	**838,328**
PROVISION FOR INCOME TAX				
Current	78,184	**65,685**	154,163	**164,944**
Deferred	(63)	**26,203**	1,973	**31,999**
	78,121	**91,888**	156,136	**196,943**
NET INCOME	US$263,025	**US$326,697**	US$524,061	**US$641,385**
Attributable To				
Equity holders of the parent	US$244,305	**US$296,413**	US$483,841	**US$589,983**
Non-controlling interests	18,720	**30,284**	40,220	**51,402**
	US$263,025	**US$326,697**	US$524,061	**US$641,385**
Earnings Per Share (Note 14)				
Basic	US$0.119	**US$0.146**	US$0.236	**US$0.290**
Diluted	0.119	**0.146**	0.235	**0.289**

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025 *(Unaudited)*	**2026** *(Unaudited)*	2025 *(Unaudited)*	**2026** *(Unaudited)*
NET INCOME FOR THE PERIOD	US$263,025	**US$326,697**	US$524,061	**US$641,385**
OTHER COMPREHENSIVE INCOME				
Items to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations' financial statements	79,733	**55,484**	103,545	**59,529**
Net change in unrealized mark-to-market values of derivatives (Note 16)	(6,718)	**14,016**	(21,266)	**21,202**
Share in other comprehensive income (loss) of joint ventures	–	**(58)**	60	**113**
Income tax relating to components of other comprehensive income	1,688	**(3,444)**	5,339	**(4,482)**
	74,703	**65,998**	87,678	**76,362**
Items not to be reclassified to profit or loss in subsequent periods				
Net unrealized mark-to-market gain (loss) on financial assets at fair value through other comprehensive income (FVOCI)	(196)	**(212)**	126	**(699)**
Remeasurement gain (loss) on defined benefit plans - net of tax	(76)	**2**	(31)	**2**
	(272)	**(210)**	95	**(697)**
	74,431	**65,788**	87,773	**75,665**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	US$337,456	**US$392,485**	US$611,834	**US$717,050**
Attributable To				
Equity holders of the parent	US$305,024	**US$348,178**	US$554,444	**US$663,659**
Non-controlling interests	32,432	**44,307**	57,390	**53,391**
	US$337,456	**US$392,485**	US$611,834	**US$717,050**

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2025 and 2026

(In Thousands)

	Attributable to Equity Holders of the Parent											
	Preferred Stock	Common Stock	Additional Paid-in Capital (Note 12)	Preferred Stock Held by a Subsidiary	Treasury Stock (Note 12)	Excess of Consideration Over the Carrying Value of Non-controlling Interests Acquired or Disposed (Note 1)	Retained Earnings (Note 12)	Perpetual Capital Securities (Note 12)	Other Compre-hensive Loss - net (Notes 12 and 16)	Total	Non-controlling Interests	Total Equity
Balance at December 31, 2024	US$236	US$67,330	US$584,458	(US$72,492)	(US$78,946)	(US$169,923)	US$1,226,425	US$295,142	(US$282,557)	US$1,569,673	US$334,454	US$1,904,127
Net income for the period	–	–	–	–	–	–	483,841	–	–	483,841	40,220	524,061
Other comprehensive income for the period	–	–	–	–	–	–	–	–	70,603	70,603	17,170	87,773
Total comprehensive income for the period	–	–	–	–	–	–	483,841	–	70,603	554,444	57,390	611,834
Share-based payments	–	–	5,641	–		–	–	–	–	5,641	–	5,641
Issuance of treasury stock	–	–	(6,990)	–	6,990	–	–	–	–	–	–	–
Acquisition of treasury stock	–	–	–	–	(57,901)	–	–	–	–	(57,901)	–	(57,901)
Cash dividends	–	–	–	–	–	–	(500,506)	–	–	(500,506)	(48,498)	(549,004)
Distributions on perpetual capital securities	–	–	–	–	–	–	(7,450)	–	–	(7,450)	–	(7,450)
Acquisition of FII Inhaúma (Note 1.3)	–	–	–	–	–	–	–	–	–	–	92,774	92,774
Recognition of put option liability (Note 1.3)	–	–	–	–	–	(23,479)	–	–	–	(23,479)	(99,573)	(123,052)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	1,244	1,244
Disposal of FVOCI equity investments	–	–	–	–	–	–	1,008	–	–	1,008	–	1,008
Balance at June 30, 2025 *(Unaudited)*	US$236	US$67,330	US$583,109	(US$72,492)	(US$129,857)	(US$193,402)	US$1,203,318	US$295,142	(US$211,954)	US$1,541,430	US$337,791	US$1,879,221
Balance at December 31, 2025	**US$236**	**US$67,330**	**US$590,096**	**(US$72,492)**	**(US$130,917)**	**(US$183,563)**	**US$1,760,167**	**US$295,142**	**(US$203,724)**	**US$2,122,275**	**US$358,910**	**US$2,481,185**
Net income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**589,983**	**–**	**–**	**589,983**	**51,402**	**641,385**
Other comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**73,676**	**73,676**	**1,989**	**75,665**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**589,983**	**–**	**73,676**	**663,659**	**53,391**	**717,050**
Redemption of perpetual capital securities, including distributions	**–**	**–**	**–**	**–**	**–**	**–**	**(10,308)**	**(295,142)**	**–**	**(305,450)**	**–**	**(305,450)**
Share-based payments	**–**	**–**	**6,919**	**–**	**–**	**–**	**–**	**–**	**–**	**6,919**	**–**	**6,919**
Issuance of treasury stock	**–**	**–**	**(11,230)**	**–**	**11,230**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Acquisition of treasury stock	**–**	**–**	**–**	**–**	**(21,200)**	**–**	**–**	**–**	**–**	**(21,200)**	**–**	**(21,200)**
Disposal of subsidiaries (Note 1.2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(102,420)**	**(102,420)**
Acquisition of subsidiaries (Note 1.3)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**370,007**	**370,007**
Acquisition of non-controlling interest	**–**	**–**	**–**	**–**	**–**	**(164)**	**–**	**–**	**–**	**(164)**	**(113)**	**(277)**
Cash dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(615,801)**	**–**	**–**	**(615,801)**	**(68,098)**	**(683,899)**
Effect of remeasurement of put option liability (Note 1.3)	**–**	**–**	**–**	**–**	**–**	**(2,389)**	**–**	**–**	**–**	**(2,389)**	**(3,397)**	**(5,786)**
Balance at June 30, 2026 *(Unaudited)*	**US$236**	**US$67,330**	**US$585,785**	**(US$72,492)**	**(US$140,887)**	**(US$186,116)**	**US$1,724,041**	**US$–**	**(US$130,048)**	**US$1,847,849**	**US$608,280**	**US$2,456,129**

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

	For the Six Months Ended June 30	
	2025	**2026**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	US$680,197	**US$838,328**
Adjustments for:		
Depreciation and amortization	158,405	**211,485**
Interest expense on:		
Borrowings (Note 10)	77,459	**80,061**
Lease liabilities	70,330	**85,264**
Concession rights payable	31,505	**32,574**
Interest income	(28,794)	**(25,602)**
Share-based payments (Note 12)	5,435	**6,281**
Net unrealized foreign exchange loss (gain)	3,526	**(4,788)**
Equity in net loss (income) of joint ventures	(459)	**1,504**
Loss (gain) on disposal of:		
A subsidiary (Note 1.2)	–	**14,704**
Property and equipment	(172)	**(22)**
Others	(320)	**–**
Operating income before changes in working capital	997,112	**1,239,789**
Increase in:		
Receivables	(14,767)	**(43,475)**
Spare parts and supplies	(2,397)	**(16,842)**
Prepaid expenses and other current assets	(11,700)	**(20,482)**
Increase (decrease) in:		
Accounts payable and other current liabilities	(8,995)	**53,234**
Retirement liabilities	2,538	**3,180**
Cash generated from operations	961,791	**1,215,404**
Income taxes paid	(153,161)	**(192,852)**
Net cash provided by operating activities	808,630	**1,022,552**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 6)	(144,832)	**(208,029)**
Intangible assets (Note 5)	(70,325)	**(72,171)**
Subsidiaries and business, net of cash acquired (Note 1.3)	(79,184)	**(8,595)**
Payments of concession rights	(11,538)	**(11,620)**
Interest received	24,538	**21,476**
Proceeds from:		
Sale of a subsidiary, net of cash held (Note 1.2)	–	**60,255**
Sale of property and equipment	361	**480**
Sale of FVOCI equity investments	1,008	**–**
Cash received from government grant (Note 6)	–	**5,533**
Decrease (increase) in:		
Advances to contractors and suppliers	(16,818)	**(52,049)**
Investment in and advances to joint ventures and an associate	(1,935)	**(1,939)**
Other noncurrent assets	(29,935)	**(10,670)**
Short-term investments	148,268	–
Net cash used in investing activities	(180,392)	**(277,329)**

(Forward)

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

	For the Six Months Ended June 30	
	2025	**2026**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Long-term borrowings	US$167,947	**US$462,841**
Capital contribution from non-controlling interest	1,244	**–**
Payments of:		
Dividends (Note 12)	(536,741)	**(664,587)**
Long-term borrowings	(14,387)	**(251,611)**
Short-term borrowings	(175,769)	**–**
Interest on lease liabilities and concession rights payable	(100,486)	**(116,488)**
Interest and financing charges on borrowings	(65,164)	**(72,141)**
Lease liabilities	(24,211)	**(30,494)**
Redemption of perpetual capital securities (Note 12)	–	**(298,000)**
Distributions on perpetual capital securities	(7,450)	**(7,450)**
Purchase of treasury stock (Note 12)	(57,901)	**(21,200)**
Decrease in other noncurrent liabilities (Note 1.3)	(863)	**(469)**
Net cash used in financing activities	(813,781)	**(999,599)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	29,317	**10,627**
NET DECREASE IN CASH AND CASH EQUIVALENTS	(156,226)	**(243,749)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,109,073	**1,098,830**
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 9)	US$952,847	**US$855,081**

See accompanying Notes to Interim Condensed Consolidated Financial Statements

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

1.1 General

International Container Terminal Services, Inc. (ICTSI or the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 24, 1987. The registered office address of the Parent Company is ICTSI Administration Building, MICT South Access Road, Manila. The Parent Company offered its common stock at a price of ₱6.70 per share in its initial public offering and became listed and traded at the PSE starting on March 23, 1992. As at June 30, 2026, the Parent Company had 2,019,242,695 common stocks outstanding held by 1,347 stockholders.

The interim condensed consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors (the Board) on August 3, 2026.

1.2 Port Operations

ICTSI and subsidiaries (collectively referred to as "the Group") entered into various concessions of port operations which include development, management, and operation of container terminals and related facilities around the world. To date, the Group is involved in 34 terminal operations, including concessions and port development projects, in 19 countries worldwide. There are 10 terminal operations in the Philippines (including an inland container terminal, a barge terminal and combined terminal operations in Subic), five (5) in Brazil (including an intermodal rail ramp terminal and two (2) Customs-bonded facility), two (2) each in Papua New Guinea (PNG) and Indonesia, one (1) each in Ecuador, Poland, Georgia, Madagascar, Croatia, Honduras, Mexico, Iraq, Argentina, Democratic Republic (DR) of Congo, Colombia, Australia, Cameroon, Nigeria and South Africa.

Concessions for port operations entered into, acquired, extended and disposed during the last two years are summarized below:

Acquisition and Extension of Concessions
Melbourne, Australia. In February 2026, Victoria International Container Terminal (VICT) and Port of Melbourne Operations Pty Ltd. signed an extension of its contract to operate and manage the Webb Dock East terminal located in the Port of Melbourne for another twenty-six (26) years extending the contract expiry from 2040 to 2066. All conditions precedent and required regulatory approvals for the extension have been satisfied on June 25, 2026. The extension resulted in the recognition of additional right-of-use assets and lease liabilities both amounting to AUD787.1 million (US$552.9 million) as of June 30, 2026.

Port of Durban, South Africa. In December 2025, Transnet SOC Ltd. (Transnet), a South African Government State-owned Company, signed an agreement with ICTSI for a 25-year joint venture to operate and further develop Durban Container Terminal Pier 2 (DCT2) at the Port of Durban. The Group took over the operations of Durban Gateway Terminal (Pty) Ltd. (DGT), the company that operates DCT2, on January 1, 2026.

Zambales, Philippines. On October 3, 2025, Subic Bay International Terminals Corp. and ICTSI Subic Inc., subsidiaries of ICTSI, have been granted an extension of their respective concessions by the Subic Bay Metropolitan Authority. These extensions allow the continued operation and management of New Container Terminals 1 and 2 (NCT-1 and NCT-2) in Subic Bay Freeport Zone, Zambales until 2058.

Batu Ampar Container Terminal, Indonesia. On July 31, 2025, ICTSI, through its 75% owned subsidiary, PT Batu Ampar Container Terminal (BACT), signed an agreement with PT Batam Terminal Petikamas (BTP), a subsidiary of an Indonesian Government State-owned Entity (SOE), to operate and develop Batu Ampar Container Terminal (Batam Terminal) in Batam Island, Indonesia for 30 years. On September 1, 2025, BACT took over the operations of Batam Terminal.

Port of Kribi, Cameroon. In January 2025, the Port Authority of Kribi agreed to extend the concession agreement for the development, operation and maintenance activities of the multipurpose terminal at the Port of Kribi by Kribi Multipurpose Terminal (KMT) for another five (5) years. The amended agreement will expire in 2050.

South Cotabato, Philippines. On February 20, 2006, the Philippine Ports Authority (PPA) granted South Cotabato Integrated Port Services, Inc. (SCIPSI) a ten-year contract for the exclusive management and operation of arrastre, stevedoring, and other cargo handling services, except porterage, at Makar Wharf, Port of General Santos, General Santos City in the Philippines that expired on February 19, 2016. Thereafter, the PPA granted SCIPSI a series of Hold-over-Authority (HOA) on a temporary basis over the cargo handling services at Makar Wharf, Port of General Santos. The HOA may be pre-terminated upon the award of a new contract by the PPA or revoked for a reason by the PPA. As at August 3, 2026, SCIPSI continues to operate the terminal.

Disposal of Concessions

Yantai, China. On March 23, 2026, ICTSI through its wholly owned subsidiary, ICTSI (Hong Kong) Ltd., signed an Equity Interest Transfer Agreement with Yantai Port Holdings Company Limited (Yantai Port Holdings) in connection with the sale of its 51% equity interest in Yantai International Container Terminal Ltd. (YICTL), subject to certain conditions. The conditions precedent were met and the transaction was closed on March 31, 2026. The consideration for the sale consists of: (1) agreed transfer price amounting to RMB773.2 million (US$112.2 million); and (2) share in YICTL interim profit of RMB26.2 million (US$3.8 million), totaling RMB799.4 million (US$116.0 million). Cash held by YICTL at the time of sale amounted to US$55.7 million, resulting to net proceeds of US$60.3 million presented in the 2026 statement of cash flows. The sale resulted to a loss amounting to US$14.7 million.

The loss on sale of US$14.7 million is primarily attributable to the reclassification of cumulative translation adjustment (CTA) to profit and loss amounting to US$13.3 million, representing mainly foreign exchange differences arising from the translation of the subsidiary's financial statements, which had been previously recognized in other comprehensive income.

The total assets, liabilities and gross revenue of YICT constitute less than 5% of the Group's consolidated balances.

1.3 Acquisition of Subsidiaries and Businesses

Durban Gateway Terminal (Pty) Ltd (DGT). In December 2025, ICTSI, through its wholly-owned subsidiary, ICTSI EMEA FZCO, acquired 50% less one share of ownership in DGT for US$618.0 million, subject to closing conditions. The closing conditions were satisfied on January 1, 2026, which is the same date that ICTSI took over formal management and operation of DGT, the company that operates DCT2. Concurrently, ICTSI was given the right to appoint three of the five members of the Board of Directors of DGT. In addition, Transnet recognized that ICTSI has the right to direct relevant operational and financial activities of DGT to affect performance, governance and returns to the shareholders.

DGT holds a sub-lease agreement with Transnet Port Terminals, a division of Transnet, which provides the former with an exclusive right to operate DCT2 from January 1, 2026 to December 31, 2050.

With ICTSI acquiring control over DGT through majority representation in the Board of Directors, the transaction is accounted for using the acquisition method under PFRS 3, *Business Combinations*.

The provisional fair values of the identifiable assets and liabilities of DGT on January 1, 2026, the date of acquisition, were as follows (amounts in thousands):

Assets	
Intangible assets	US$743,447
Right-of-use assets	244,948
Property and equipment	178,703
Other noncurrent assets	3,402
Spare parts and supplies	11,919
	US$1,182,419
Liabilities	
Lease liabilities	US$241,787
Deferred tax liabilities	200,731
	US$442,518
Total identifiable net assets at fair value	US$739,901
Noncontrolling interests	(369,958)
The Group's share in identifiable net assets	369,943
Goodwill arising on acquisition	248,057
Purchase consideration satisfied in cash*	US$618,000

** Paid in advance on December 30, 2025*

The net assets were based on a provisional assessment of their fair values while the Group has sought an independent valuation for the fixed assets and identifiable intangible assets. Adjustments to these provisional fair values shall be made within 12 months from the acquisition date, as allowed under PFRS 3.

The provisional goodwill recognized is primarily attributable to expected synergies arising from the acquisition. The intangible assets, except goodwill, are to be amortized over 25 years, the term of the sub-lease agreement.

Since January 1, 2026, DGT has contributed US$145.6 million of gross revenues and US$5.8 million net income attributable to equity holders of the Parent.

The acquisition was settled through the application of deposits amounting to US$618.0 million, which was paid on December 30, 2025. No cash outflow was made in relation to the acquisition in 2026.

FII Inhaúma ("the Fund"). In April 2025, ICTSI, through its wholly owned subsidiary, ICTSI Americas B.V. ("IABV"), acquired 47% ownership interest in the Fund for BRL459.8 million (US$79.2 million). The Fund owns a marine property in Brazil and leases it out to ICTSI Rio Brasil Terminal 1 S.A. ("ICTSI Rio Brazil"), another wholly owned subsidiary of ICTSI, for at least 30 years. The remaining 53% interest in the Fund is subject to a combination of put and call options. The Fund's non-controlling interests have been granted a put option to sell their 53% holdings in totality to ICTSI. The put is exercisable starting from 2026. On the other hand, IABV has been granted a call option to buy the remaining 53% ownership stake of the Fund in totality. The call is exercisable beginning 2036. IABV intends to exercise the call if the non-controlling interests fail to exercise the put. The call enables the Group to manage the return derived from the marine property by the time the aforementioned lease agreement ends (e.g., managing its re-leasing or sale). With this, the Group determined that it has obtained control of the Fund and consequently, accounted for the acquisition as acquisition of a group of assets. The Fund's assets and liabilities at the date of acquisition were as follows (amounts in thousands):

Assets	
Property and equipment	US$175,537
Prepaid expenses and other current assets	2,919
	US$178,456
Liabilities	
Long-term debt	US$6,476
Other current liabilities	22
	US$6,498
Total identifiable net assets	US$171,958
Noncontrolling interests at 53% proportionate share	(92,774)
Purchase consideration satisfied in cash	US$79,184

Upon consolidation of the Fund:

- the Group derecognized the right-of-use asset and lease liability relating to the lease and recognized the marine property amounting to US$171.8 million as part of the Group's property and equipment;
- the Group eliminated 51% of the US$6.5 million long-term debt corresponding to the portion payable to IABV. Since then, the carrying value of the debt decreased to US$0.9 million as of June 30, 2026 after recognition of interest and loan repayments.

In July 2025, IABV purchased additional 26% ownership interest in the Fund for BRL254.5 million (US$45.7 million). This brought the Group's total ownership stake in the Fund to 73%. The excess of the carrying value of the acquired 26% non-controlling interest over the said purchase price amounting to US$1.1 million has been taken to the Parent Company's equity.

The remaining noncontrolling interests, representing 27% of the Fund, retain the put option granted at acquisition. The present value of the put option's strike price recognized as a current liability has increased to US$75.2 million as at June 30, 2026 from US$65.2 million as at December 31, 2025. The value of the call option is not material.

IRB Logistica. In June 2026, the Group settled the remaining purchase consideration amounting to BRL45.0 million (US$8.7 million) related to IRB Logistica's 2024 acquisition.

Other acquisitions have no material impact to the interim consolidated financial statements.

2. Basis of Preparation and Statement of Compliance

2.1 Basis of Preparation

The interim condensed consolidated financial statements as at June 30, 2026 and for the six months ended June 30, 2025 and 2026 have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments which have been measured at fair value. The interim condensed consolidated financial statements are presented in United States dollar (US dollar, USD or US$), the Parent Company's functional currency. All values are rounded to the nearest thousand US dollar unit, except when otherwise indicated. Any discrepancies in the tables between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

2.2 Statement of Compliance

The interim condensed consolidated financial statements for the six months ended June 30, 2026 have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the interim condensed consolidated financial statements do not include all the information and disclosures required in the audited annual consolidated financial statements, and should be read in conjunction with the Group's audited annual consolidated financial statements as at and for the year ended December 31, 2025.

For presentation purposes, investment property, and current and noncurrent portion of derivative assets and derivative liabilities, which were presented as separate line items in the annual audited consolidated financial statements as at December 31, 2025, have been included in Other Noncurrent Assets, Other Current Liabilities and Other Noncurrent Liabilities, as applicable, in the condensed interim financial statements as of June 30, 2026. The reclassification was made due to the immateriality of these balances and has no impact on total consolidated assets, liabilities, equity, or profit or loss.

3. Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as at and for the year ended December 31, 2025, except for the adoption of the following new accounting pronouncements starting January 1, 2026. The Group has not early adopted any accounting pronouncement that has been issued but is not yet effective. Unless otherwise indicated, the adoption of the amended standards does not have an impact on the interim condensed consolidated financial statements of the Group.

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

  The amendments:
  - Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognized on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date
  - Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed

- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at FVOCI

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

  The amendments:
  - Clarify the application of the 'own-use' requirements for in-scope contracts
  - Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
  - Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

- Annual Improvements to PFRS Accounting Standards (Volume 11)

  The amendments include clarifications, simplifications, corrections or changes to improve consistency in PFRS 1, *First-time Adoption of International Financial Reporting Standards*, PFRS 7, *Financial Instruments: Disclosure and its accompanying Guidance on implementing PFRS 7*, PFRS 9, *Financial Instruments*, PFRS 10, *Consolidated Financial Statements* and PAS 7, *Statements of Cash Flows*.

4. Segment Information

The table below presents financial information on geographical segments as at December 31, 2025 (audited) and as at June 30, 2026 (unaudited) and for the six months ended June 30, 2025 (unaudited) and 2026 (unaudited) (amounts are in thousands, except volume data):

	For the Three Months Ended June 30, 2025				**For the Three Months Ended June 30, 2026**			
	Asia	EMEA	Americas	Consolidated	**Asia**	**EMEA**	**Americas**	**Consolidated**
Volume [a]	1,883,641	657,385	976,136	3,517,162	**1,927,689**	**954,832**	**1,148,336**	**4,030,857**
Gross revenues	US$331,975	US$142,017	US$290,636	US$764,628	**US$377,391**	**US$203,389**	**US$377,946**	**US$958,726**
Capital expenditures [b]	45,299	17,965	35,486	98,750	**77,503**	**49,884**	**78,619**	**206,006**

	For the Six Months Ended June 30, 2025				**For the Six Months Ended June 30, 2026**			
	Asia	EMEA	Americas	Consolidated	**Asia**	**EMEA**	**Americas**	**Consolidated**
Volume [a]	3,674,372	1,357,609	1,957,094	6,989,075	**3,946,490**	**1,940,168**	**2,229,100**	**8,115,758**
Gross revenues	US$651,879	US$285,372	US$572,797	US$1,510,048	**US$753,258**	**US$415,620**	**US$750,959**	**US$1,919,837**
Capital expenditures [b]	102,039	50,941	78,995	231,975	**132,498**	**62,899**	**131,319**	**326,716**

	As at December 31, 2025				**As at June 30, 2026**			
	Asia	EMEA	Americas	Consolidated	**Asia**	**EMEA**	**Americas**	**Consolidated**
Segment assets [c]	US$5,103,369	US$1,120,988	US$2,495,212	US$8,719,569	**US$4,797,705**	**US$2,630,042**	**US$2,573,824**	**US$10,001,571**
Segment liabilities [d]	4,629,396	328,228	1,233,287	6,190,911	**5,393,181**	**601,917**	**1,304,974**	**7,300,072**

[a] *Measured in TEUs.*

[b] *Capital expenditures include amount disbursed for the acquisition of port facilities and equipment classified as intangibles under IFRIC 12 amounting to US$70.3 million and US$72.2 million in 2025 and 2026, respectively, property and equipment (including those acquired under business combination) amounting to US$144.8 million and US$208.0 million in 2025 and 2026, respectively, as shown in the consolidated statements of cash flows, and advances to contractors and suppliers amounting to US$16.8 million and US$52.0 million in 2025 and 2026, respectively. These amounts have been reduced by cash receipts from government grants amounting to nil in 2025 and US$5.5 million in 2026.*

[c] *Segment assets do not include deferred tax assets as shown in the consolidated balance sheets.*

[d] *Segment liabilities do not include income tax payable and deferred tax liabilities as shown in the consolidated balance sheets.*

The following table shows the computation of earnings before interest, taxes, depreciation, and amortization (EBITDA) as derived from the interim consolidated net income attributable to equity holders of the parent for the three and six months ended June 30:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2026**	2025	**2026**
Net income attributable to equity holders of the parent	US$244,305	**US$296,413**	US$483,841	**US$589,983**
Non-controlling interests	18,720	**30,284**	40,220	**51,402**
Provision for income tax	78,121	**91,888**	156,136	**196,943**
Income before income tax	341,146	**418,585**	680,197	**838,328**
Add (deduct):				
Depreciation and amortization	80,998	**104,261**	158,405	**211,485**
Interest and other expenses [a]	98,499	**108,462**	200,085	**231,372**
Interest and other income [b]	(19,699)	**(17,604)**	(48,151)	**(49,617)**
EBITDA [c]	US$500,944	**US$613,704**	US$990,536	**US$1,231,568**

[a] Interest and other expenses include the following as shown in the interim condensed consolidated statements of income: interest expense and financing charges on borrowings; interest expense on concession rights payable and lease liabilities; equity in net loss of joint ventures; foreign exchange loss; and other expenses.

[b] Interest and other income include the following as shown in the interim condensed consolidated statements of income: interest income; foreign exchange gain; equity in net income of joint ventures; and other income.

[c] EBITDA is not a uniform or legally defined financial measure. EBITDA is presented because the Group believes it is an important measure of its performance and liquidity. EBITDA is also frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in the industry.

The Group EBITDA figures are not; however, readily comparable with other companies' EBITDA figures as these may be calculated differently thus, must be read in conjunction with related additional explanations. EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under PFRS Accounting Standards. Some of the limitations concerning EBITDA are:

- *EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;*
- *EBITDA does not reflect changes in, or cash requirements for working capital needs;*
- *EBITDA does not reflect fixed (and in-substance fixed) port fees and lease payments that are capitalized as concession assets under IFRIC 12 and right-of-use assets under PFRS 16;*
- *EBITDA does not reflect the interest expense, or cash requirements necessary to service interest or principal debt payments;*
- *Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and*
- *Other companies in the industry may calculate EBITDA differently, which may limit its usefulness as a comparative measure.*

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to the Group to invest in the growth of the business. The Group compensates for these limitations by relying primarily on PFRS Accounting Standards results and uses EBITDA only as supplementary information.

5. Intangibles

Concession Rights

Additions to concession rights amounting to US$825.4 million during the six months ended June 30, 2026 primarily relates to the valuation of concession rights held upon acquisition of DGT, and construction of various civil works, and acquisitions of port facilities and equipment in Manila International Container Terminal (MICT), Operadora Portuaria Centroamericana (OPC), and Manila North Harbour Port, Inc. (MNHPI); partially tapered by the deconsolidation of YICT.

Capitalized borrowing costs amounted to nil and US$0.7 million during the three months ended June 30, 2025 and 2026, and nil and US$1.3 million for the six months ended June 30, 2025 and 2026.

Amortization of concession rights amounted to US$34.9 million and US$43.5 million for the three months ended June 30, 2025 and 2026, respectively; and US$69.1 million and US$87.7 million for the six months ended June 30, 2025 and 2026, respectively.

Goodwill
On January 1, 2026, the Group recognized provisional goodwill amounting to US$248.1 million attributable to the expected synergies from the acquisition of DGT (see Note 1.3).

6. Property and Equipment

Additions to property and equipment amounting to US$409.4 million during the six months ended June 30, 2026 primarily due to the consolidation of DGT, and construction of various civil works, and acquisition of terminal equipment in various ports, mainly in Contecon Manzanillo S.A. (CMSA), South Luzon Container Terminal under Bauan International Port, Inc. (BIPI), Baltic Container Terminal Ltd. (BCT), ICTSI Rio Brasil Terminal 1 S.A. (ICTSI Rio) MICT, ICTSI DR Congo S.A. (IDRC), and VICT; partially tapered by the deconsolidation of YICT. The Group received government grant amounting to US$5.5 million during 2026 for purchasing certain port equipment.

Capitalized borrowing costs amounted to US$0.4 million and US$3.7 million for the three months ended June 30, 2025 and 2026, respectively; and US$1.3 million and US$6.4 million for the six months ended June 30, 2025 and 2026, respectively.

Depreciation of property and equipment amounted to US$27.5 million and US$37.7 million for the three months ended June 30, 2025 and 2026, respectively; and US$52.7 million and US$77.3 million for the six months ended June 30, 2025 and 2026, respectively.

7. Right-of-use Assets

Additions to right-of-use assets amounting to US$809.3 million during the six months ended June 30, 2026 were primarily due to the accounting impact of extension of port-related lease agreement at VICT with additional 26 years, port-related sub-lease agreement held by DGT, and remeasurement of lease payments at certain terminals.

Amortization of right-of-use assets amounted to US$16.8 million and US$22.0 million for the three months ended June 30, 2025 and 2026, respectively; and US$33.5 million and US$43.0 million for the six months ended June 30, 2025 and 2026, respectively.

8. Other Noncurrent Assets

This account includes advances to contractors and suppliers, input tax, deposits for future investments, derivative assets, restricted cash, and financial assets at FVOCI, among others. This account decreased primarily due to the deposit made on December 30, 2025 for the acquisition of DGT, which was consolidated on January 1, 2026 upon meeting closing conditions; partially tapered by higher advances to contractors and suppliers for capital expenditures.

9. Cash and Cash Equivalents

For the purpose of interim condensed consolidated statements of cash flows, cash and cash equivalents as at June 30 are comprised of the following:

	2025 (Unaudited)	**2026 (Unaudited)**
Cash on hand and in banks	US$603,780	**US$507,961**
Cash equivalents	349,067	**347,120**
	US$952,847	**US$855,081**

10. Long-term Debt

10.1 Outstanding Balances and Maturities of Long-term Debt

	Company	Maturity	December 31, 2025 (Audited)	**June 30, 2026** (Unaudited)
Senior Notes				
Unsecured fixed interest USD bond	ICTSI	2030	US$395,763	**US$396,182**
Secured fixed interest USD bond	ICTSI Treasury B.V.	2031	293,725	**294,205**
Fixed Interest US Dollar and Foreign Currency-denominated Term Loans and Securities				
Unsecured USD term loan	ICTSI	2027-2034	1,401,837	**1,795,315**
Secured AUD bond	VICT	2039	265,109	**269,682**
Secured HKD term loan	ICTSI Global Finance B.V. (IGFBV)	2027	101,351	**100,969**
Secured USD term loans	Contecon Guayaquil, S.A.	2027	2,740	**2,055**
Secured USD term loan	IGFBV	2026	239,821	**–**
Other BRL term loan	FII Inhaúma	2027	1,395	**877**
Floating Interest US Dollar and Foreign Currency-denominated Term Loans and Securities				
Unsecured USD term loan	ICTSI	2028-2034	US$297,766	**US$362,398**
Secured IDR term loan	BACT	2030	76,324	**71,134**
Secured IDR term loan	PT East Java Development	2029	51,769	**54,369**
Secured PGK term loan	South Pacific International Container Terminal Ltd.	2026-2030	17,196	**13,823**
Secured PGK term loan	Motukea International Terminal Ltd.	2026-2030	5,440	**4,465**
Secured NGN term loan	International Container Terminal Services Nigeria Ltd.	2028	1,152	**–**
Total			3,151,388	**3,365,474**
Less current portion			262,206	**59,256**
Long-term debt, net of current portion			US$2,889,182	**US$3,306,218**

ICTSI. On April 27, 2026, ICTSI availed of US$450.0 million from the US$740.0 million eight-year term loan facility agreement signed on April 16, 2026, with an interest rate based on the three-month Secured Overnight Financing Rate (SOFR) plus an agreed-upon margin.

IGFBV. On April 29, 2026, IGFBV repaid the US$240.0 million loan availed on April 29, 2019.

10.2 Loan Covenants

The loans from local and foreign banks impose certain restrictions with respect to corporate reorganization, disposition of all or a substantial portion of ICTSI's and subsidiaries' assets, acquisitions of futures or certain class of stocks, and extending loans to others, except in the ordinary course of business. ICTSI is also required to comply with a specified financial ratio relating to its debt to EBITDA of up to 4 times when incurring additional debt.

There was no material change in the covenants related to the Group's long-term debt. As at June 30, 2026, ICTSI and subsidiaries were in compliance with their loan covenants.

11. Accounts Payable and Other Current Liabilities

This account includes trade payables, output and other taxes payable, accruals for interest, salaries and benefits, and other expenses, customers' deposits, provisions for claims and losses, dividends payable, and current portion of derivative liabilities, among others. This account increased mainly due to higher operating expenses; revenue-driven increase in output and other taxes; and increase in dividends payable.

12. Equity

12.1 Capital Stock and Treasury Shares

The Parent Company offered its common shares at a price of ₱6.70 per share in its initial public offering and became listed and traded at the PSE starting on March 23, 1992.

As of December 31, 2025 and June 30, 2026, the Parent Company had 1,335 and 1,347 stockholders on record, respectively.

The details and movements of ICTSI's capital stock and treasury shares were as follows:

	Number of Shares			
	Authorized		Issued and Subscribed	
	December 31, 2025 *(Audited)*	**June 30, 2026** *(Unaudited)*	December 31, 2025 *(Audited)*	**June 30, 2026** *(Unaudited)*
Preferred A Shares - nonvoting, non-cumulative, ₱1.00 par value				
Beginning balances	993,000,000	**993,000,000**	3,800,000	**3,800,000**
Conversion to Preferred C Shares	–	**(25,000,000)**	–	**–**
Cancellation of unissued shares	–	**(964,200,000)**	–	**–**
Ending balances	993,000,000	**3,800,000**	3,800,000	**3,800,000**
Preferred B Shares - voting, non-cumulative, ₱0.01 par value	700,000,000	**700,000,000**	700,000,000	**700,000,000**
Preferred C Shares - nonvoting, non-cumulative, ₱1.00 par value				
Beginning balances	–	**–**	–	**–**
Conversion from Preferred A Shares	–	**25,000,000**	–	**–**
Ending balances	–	**25,000,000**	–	**–**
Common Stock - ₱1.00 par value	4,227,397,381	**4,227,397,381**	2,045,177,671	**2,045,177,671**

	Number of Shares	
	December 31, 2025 *(Audited)*	**June 30, 2026** *(Unaudited)*
Treasury Shares		
Balance at beginning of year	(17,962,468)	**(26,349,409)**
Acquisitions during the year	(10,280,040)	**(1,836,250)**
Issuances for share-based payments	1,893,099	**2,250,683**
Balance at end of year	(26,349,409)	**(25,934,976)**

	Amounts Issued and Subscribed	
	December 31, 2025 *(Audited)*	**June 30, 2026** *(Unaudited)*
Preferred Stock	US$236,222	**US$236,222**
Common Stock	US$67,781,529	**US$67,781,529**
Subscription Receivable	(451,341)	**(451,341)**
	US$67,330,188	**US$67,330,188**

Preferred Shares

The Preferred A shares, which were subscribed by ICTHI, are nonvoting, entitled to dividend at rates to be fixed by the Board, non-cumulative, convertible to common shares under such terms to be provided by the Board, redeemable at such price and terms determined by the Board and have preference over common shares in the distribution of the assets of the Parent Company. As at year-end, the Board has not fixed the dividend rate and terms of conversion of Preferred A shares.

The Preferred B shares were issued to Achillion Holdings, Inc. (Achillion). Preferred B shares have the following features: voting; issued only to Philippine Nationals; not convertible into common shares; earn no dividend and redeemable at the option of the Board. Achillion is a Philippine corporation owned and controlled by ICTSI's Chairman and President and controlling stockholder, Mr. Enrique K. Razon, Jr. The ICTSI contract with PPA on the operation, management and development of the MICT requires the Razon Group to retain control of ICTSI.

The Preferred C Shares have a par value of ₱1.00 and are non-voting, non-cumulative, non-participating, without preemptive rights, redeemable under terms to be determined by the Board, and convertible to common shares.

The Securities and Exchange Commission approved the amendment of the Articles of Incorporation for the above changes in preferred shares on June 4, 2026.

12.2 Chief Executive Officer Stock Option Plan (CSOP)

On March 16, 2026, the Board approved the establishment of a Chief Executive Officer Stock Option Plan (CSOP) to align the CEO's performance with the Company's strategic objectives. The CSOP grants the CEO the option to subscribe to Preferred C Shares. On July 15, 2026, the Board granted the CEO with an option to subscribe to up to 22,014,925 Preferred C Shares at a subscription price of ₱137.00 per share, exercisable within one (1) year from the grant date. As of August 3, 2026, the option has not yet been exercised.

12.3 Stock Incentive Plan (SIP)

Stock awards, including Dividend Re-investment Plan (DRIP) stocks, granted by the Stock Incentive Committee to officers and employees of the Group during the six months ended June 30:

Grant Date	Number of Stocks Granted	Fair Value per Share at Grant Date
March 3, 2025	1,957,959	US$5.87 (₱340.00)
March 28, 2025	179,196	US$6.41 (₱368.00)
March 2, 2026	1,171,521	US$11.68 (₱680.00)
March 27, 2026	97,147	US$11.45 (₱690.00)

Share-based payment expense amounted to US$2.9 million and US$3.3 million for the three months ended June 30, 2025 and 2026, respectively; and US$5.4 million and US$6.3 million for the six months ended June 30, 2025 and 2026, respectively.

2,250,683 treasury stocks were issued to certain officers and employees on March 3, 2026 (2025: 1,893,099 treasury stocks) upon vesting of stock awards.

12.4 Cash Dividends Declared on Common Stock

	2025	**2026**
Date of Board approval	March 6, 2025	**March 4, 2026**
Cash dividends per share	US$0.247 (₱14.16)	**US$0.305 (₱17.85)**
Record date	March 20, 2025	**March 19, 2026**
Payment date	March 28, 2025	**March 27, 2026**

12.5 Components of Other Comprehensive Loss

	Cumulative Translation Adjustments	Unrealized Mark-to-Market Gain (Loss) on Derivatives	Business Combination Revaluation Reserve	Unrealized Mark-to-Market Gain on Financial Assets at FVOCI	Share of Other Comprehensive Income (Loss) of Joint Ventures and Associates	Remeasurement Loss on Defined Benefit Plans	Total Comprehensive Income (Loss)
Balance at January 1, 2025	(US$294,118)	US$10,238	US$610	US$3,228	US$1,303	(US$3,818)	(US$282,557)
Translation differences arising from translation of foreign operations' financial statements	86,375	–	–	–	–	–	86,375
Remeasurement gain on defined benefit plans	–	–	–	–	–	(31)	(31)
Net change in unrealized mark-to-market values of derivatives	–	(21,266)	–	–	–	–	(21,266)
Share in other comprehensive income of joint ventures	–	–	–	–	60	–	60
Net unrealized mark-to-market gain on financial assets at FVOCI	–	–	–	126	–	–	126
Income tax relating to components of other comprehensive income	–	5,339	–	–	–	–	5,339
Balance at June 30, 2025	(US$207,743)	(US$5,689)	US$610	US$3,354	US$1,363	(US$3,849)	(US$211,954)

	Cumulative Translation Adjustments	**Unrealized Mark-to-Market Gain (Loss) on Derivatives**	**Business Combination Revaluation Reserve**	**Unrealized Mark-to-Market Gain on Financial Assets at FVOCI**	**Share of Other Comprehensive Income of Joint Ventures and Associates**	**Remeasurement Loss on Defined Benefit Plans**	**Total Comprehensive Income (Loss)**
Balance at January 1, 2026	**(US$199,665)**	**(US$6,228)**	**US$610**	**US$4,723**	**US$1,198**	**(US$4,362)**	**(US$203,724)**
Translation differences arising from translation of foreign operations' financial statements	**57,540**	**–**	**–**	**–**	**–**	**–**	**57,540**
Remeasurement gain on defined benefit plans	**–**	**–**	**–**	**–**	**–**	**2**	**2**
Net change in unrealized mark-to-market values of derivatives	**–**	**21,202**	**–**	**–**	**–**	**–**	**21,202**
Share in other comprehensive income of joint ventures	**–**	**–**	**–**	**–**	**113**	**–**	**113**
Net unrealized mark-to-market loss on financial assets at FVOCI	**–**	**–**	**–**	**(699)**	**–**	**–**	**(699)**
Income tax relating to components of other comprehensive income	**–**	**(4,482)**	**–**	**–**	**–**	**–**	**(4,482)**
Balance at June 30, 2026	**(US$142,125)**	**US$10,492**	**US$610**	**US$4,024**	**US$1,311**	**(US$4,360)**	**(US$130,048)**

12.6 Perpetual Capital Securities

On May 5, 2026, ICTSI, through its subsidiary, Royal Capital B.V. (RCBV), redeemed the US$298.0 million 5.0 percent Senior Guaranteed Perpetual Capital Securities (Securities) at a price equal to the principal plus accrued distributions of US$7.5 million.

13. Related Party Transactions

			2025			**2026**		
Related Party	Relationship	Nature of Transaction	Transaction Amount for Three Months Ended June 30 (i)	Transaction Amount for Six Months Ended June 30 (ii)	Outstanding Receivable (Payable) Balance as at December 31	**Transaction Amount for the Three Months Ended June 30(i)**	**Transaction Amount for the Six Months Ended June 30(i)**	**Outstanding Receivable (Payable) Balance as at June 30**
SPIA Spain S.L.								
Sociedad Puerto Industrial Aguadulce SA (SPIA)	Joint venture	Interest-bearing loans (iii)	US$2.50	US$5.42	US$173.11	**US$2.91**	**US$5.68**	**US$178.21**
YICTL								
Yantai Port Holdings (YPH)	Non-controlling shareholder	Trade transactions (iv)	0.64	1.33	(0.09)	–	**0.74**	–
Yantai Port Container Terminal Ltd. (YPHT)	Common shareholder	Outsourced services(v)	1.44	2.90	0.62	–	**1.68**	–
Yantai Port Group (YPG)	Common shareholder	Trade transactions (iii)	0.08	0.15	(0.01)	–	**0.08**	–
SCIPSI								
Asian Terminals, Inc.	Non-controlling shareholder	Management fees	0.03	0.07	(0.02)	**0.02**	**0.05**	**(0.01)**
AGCT								
Luka Rijeka D.D. (Luka Rijeka)	Non-controlling shareholder	Provision of services (vi)	0.01	0.01	–	**0.01**	**0.03**	–
Laguna Gateway Inland Container Terminal, Inc. (LGICT)								
NCT Transnational Corp.	Non-controlling shareholder	Maintenance and repairs	0.02	0.05	(0.02)	**0.02**	**0.05**	**(0.02)**
ICTSI DR Congo S.A.								
Ledya SARL	Non-controlling shareholder	Management fees	0.90	1.80	–	**0.90**	**1.80**	–

(Forward)

(i) Amount of transactions do not include payments, collections and foreign exchange movements.
(ii) Amount of transactions do not include payments, collections and foreign exchange movements.
(iii) On October 1, 2018, IEBV assigned to SPIA Spain S.L. all its outstanding interest-bearing loans, including interest converted into interest-bearing loan, and interest receivable from SPIA as of the same date, amounting to US$321.1 million and US$9.6 million, respectively. The funds were used by SPIA to finance the construction of its terminal and its start-up operations in Colombia.
(iv) Trade transactions include utilities, rental and other transactions paid by YICT to YPH and YPG.
(v) YPHT outsources its domestic container terminal business to YICT.
(vi) AGCT has entered into agreements with Luka Rijeka, a non-controlling shareholder, for the latter's provision of services such as equipment maintenance, power and fuel and supply of manpower, among others. Total expenses incurred by AGCT in relation to these agreements were recognized and presented in the consolidated statement of income as part of Manpower costs, Equipment and facilities-related expenses and Administrative and other operating expenses.

Related Party	Relationship	Nature of Transaction	2025 Transaction Amount for Three Months Ended June 30 [i]	2025 Transaction Amount for Six Months Ended June 30 [ii]	2025 Outstanding Receivable (Payable) Balance as at December 31	**2026 Transaction Amount for the Three Months Ended June 30[i]**	**2026 Transaction Amount for the Six Months Ended June 30[i]**	**2026 Outstanding Receivable (Payable) Balance as at June 30**
Parent Company								
Prime Metro BMD Corporation	Common shareholder	Purchase of services [vii]	14.46	17.24	(6.19)	**18.71**	**29.05**	**1.32**
		Sublease [viii]	–	–	(0.07)	**–**	**–**	**(0.07)**
Prime Metro Power Holdings Corporation	Common shareholder	Reimbursement of operating expenses and sublease [viii]	–	–	0.06	**–**	**–**	**0.05**
Falconer Aircraft Management, Inc. (FAMI)	Joint Venture	Reimbursement of operating expenses	0.02	0.04	0.53	**0.60**	**1.07**	**0.26**
		Management fees	0.10	0.65	(0.48)	**0.67**	**1.10**	**(0.25)**
Aviation Concepts Terminal Services Inc (ACTSI)	Joint Venture	Lease of asset [ix]	0.18	0.36	(14.09)	**0.16**	**0.33**	**(13.45)**
ICTSI Ltd.								
FAMI	Joint Venture	Working capital advances	US$0.08	US$0.18	US$0.54	**US$0.07**	**US$0.82**	**US$1.37**
ACTSI	Joint Venture	Interest-bearing loans [x]	–	0.13	10.84	**0.08**	**0.16**	**11.01**
		Working capital advances	–	–	1.88	**0.96**	**0.96**	**2.84**
DGT								
Transnet	Common shareholder	Reimbursement of operating expenses [xi]	–	–	–	**38.25**	**71.28**	**(16.44)**

The outstanding balances arising from these related party transactions are current and generally collectible/payable upon demand.

14. Earnings Per Share Computation

The table below shows the computation of basic and diluted earnings per share for the six months ended June 30 (amounts are in thousands, except for the number of stocks and earnings per share data):

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025 *(Unaudited)*	**2026** *(Unaudited)*	2025 *(Unaudited)*	**2026** *(Unaudited)*
Net income attributable to equity holders of the parent, as presented in the unaudited interim condensed consolidated statements of income	US$244,305	**US$296,413**	US$483,841	**US$589,983**
Adjustment for the effect of cumulative distribution on subordinated perpetual capital securities	(3,725)	**(1,449)**	(7,450)	**(5,174)**
Net income attributable to equity holders of the parent, as adjusted (a)	US$240,580	**US$294,964**	US$476,391	**US$584,809**
Common stocks issued at beginning of year	2,045,177,671	**2,045,177,671**	2,045,177,671	**2,045,177,671**
Weighted treasury stocks	(23,992,132)	**(25,879,968)**	(23,992,132)	**(25,879,968)**
Weighted average stocks outstanding (b)	2,021,185,539	**2,019,297,703**	2,021,185,539	**2,019,297,703**
Effect of dilutive stock awards	4,838,444	**3,856,429**	4,838,444	**3,856,429**
Weighted average stocks outstanding adjusted for potential common stocks (c)	2,026,023,983	**2,023,154,132**	2,026,023,983	**2,023,154,132**
Basic earnings per share (a÷b)	US$0.119	**US$0.146**	US$0.236	**US$0.290**
Diluted earnings per share (a÷c)	US$0.119	**US$0.146**	US$0.235	**US$0.289**

(vii) ICTSI has entered into contracts with Prime Metro BMD Corporation for the construction, dredging works, and repairs and maintenance of port facilities.
(viii) ICTSI has entered into contracts with Prime Metro BMD Corporation, Prime Metro Power Holdings Corporation and Prime Metroline Infrastructure Holdings Corporation for the sublease of office space.
(ix) On November 29, 2024, ICTSI and ACTSI entered into an agreement for the lease of transportation equipment with a term of 10 years.
(x) These loans were obtained through a series of issuances with terms ranging from five to 12 years from their respective issuance dates, and bear fixed interest rates.
(xi) These transactions represent reimbursement of expenses incurred by Transnet on behalf of DGT such as manpower costs, software licenses and utilities.

15. **Contingencies**

Due to the nature of the Group's business, it is involved in various legal proceedings, both as plaintiff and defendant, from time to time. Management and its legal counsels believe that the Group has substantial legal and factual bases for its position and is of the opinion that losses arising from the existing legal actions and proceedings, if any, will not have a material adverse impact on the Group's interim condensed consolidated financial position and results of operations.

16. **Financial Instruments**

16.1 Fair Values

Set out below is a comparison of carrying amounts and fair values of the Group's financial instruments by category, whose fair value is different from its carrying amount (amount in thousands):

	December 31, 2025		**June 30, 2026**	
	Carrying Amount	Fair Value	**Carrying Amount**	**Fair Value**
Financial Liabilities				
Long-term debt	US$3,151,388	US$3,113,358	**US$3,365,474**	**US$3,318,457**
Concession rights payable	780,471	751,378	**780,627**	**709,615**

Carrying values of cash and cash equivalents, receivables, accounts payable and other current liabilities, put option liability, and loans payable approximate their fair values due to their short-term maturities.

For variable interest-bearing loans repriced monthly or quarterly, their carrying amounts approximate fair value due to the regular repricing of interest rates.

The fair values of the US dollar-denominated notes and US dollar-denominated medium-term notes are based on quoted prices.

The fair values of other liabilities were estimated at the present value of all future cash flows discounted using the applicable rates for similar types of liabilities ranging from 3.66 percent to 14.73 percent as at December 31, 2025 and 3.69 percent to 16.27 percent as at June 30, 2026.

The fair values of derivative assets and liabilities are calculated using valuation techniques with inputs and assumptions that are based on market observable data and conditions.

16.2 Fair Value Hierarchy

The following tables below present the fair value hierarchy of the Group's financial instruments (amount in thousands):

	December 31, 2025			
	Amount	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Derivative assets	US$4,341	US$–	US$4,341	US$–
Financial assets at FVOCI	5,863	5,863	–	–
Liabilities measured at fair value:				
Derivative liabilities	12,599	–	12,599	–
Liabilities for which fair values are disclosed:				
Long-term debt	3,113,358	688,216	–	2,425,142
Concession rights payable	751,378	–	–	751,378

	June 30, 2026			
	Amount	**Quoted prices in active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measured at fair value:				
Derivative assets	**US$15,495**	**US$–**	**US$15,495**	**US$–**
Financial assets at FVOCI	**5,163**	**–**	**5,163**	**–**
Liabilities measured at fair value:				
Derivative liabilities	**2,551**	**–**	**2,551**	**–**
Liabilities for which fair values are disclosed:				
Long-term debt	**3,318,457**	**680,175**	**–**	**2,638,282**
Concession rights payable	**709,615**	**–**	**–**	**709,615**

In 2025 and 2026, there were no transfers between *Level 1* and *Level 2* fair value measurements and no transfers into and out of *Level 3* fair value measurements.

16.3 Hedge Accounting

Cross-Currency Swaps. On March 18, 2025, ICTSI settled all the cross-currency swaps used to hedge the foreign exchange exposure arising from the JPY24.5 billion short-term loan facility. The derivatives had a fair value of US$7.2 million and were in a liability position immediately prior to settlement. Both the cumulative foreign exchange loss on the loan amounting to US$1.0 million, net of US$0.3 million deferred tax, and the effective portion of the cumulative change in the fair value of the derivatives amounting to US$1.0 million, net of US$0.3 million deferred tax, were reclassified to profit or loss upon settlement of the swaps.

17. **Other Matters**

Impacts of the Macroeconomic and Geopolitical Environment
The Group's financials could be influenced by the effects of the broader macroeconomic, regulatory and geopolitical environment. Fluctuation of US dollar relative to other currencies and rising inflation may affect the Group's reported levels of revenues and profits. Geopolitical conflicts can have major economic impact on the affected regions.

Given the evolving nature of these factors, the extent and duration remain uncertain to date. The Group continues to closely monitor these developments and implement appropriate measures, where necessary, to mitigate potential adverse effects.

18. Events after the Balance Sheet Date

Renewal of Management, Operation and Development Contract of MICT
In July 2026, ICTSI signed a renewal of its concession contract with the Philippine Ports Authority (PPA) for the exclusive management, operation and development of MICT in the Port of Manila, for another 25 years extending the concession expiry from May 2038 to May 2063. This renewal increases the remaining life of its concession to a total of approximately 37 years.

Acquisition of Companhia Regional de Armazéns Gerais e Entreposto Aduaneira (CRAGEA)
In June 2026, ICTSI, through its wholly owned subsidiary IRB Holding Ltda., has acquired 100% interest in CRAGEA for a purchase price of BRL315.1 million (US$61.2 million), a company located in São Paulo, Brazil, that provides general and bonded warehousing, and multimodal logistics services. All conditions precedent have been satisfied on July 8, 2026.

Acquisition of ATU12 and ATU18 Port Terminal Concessions
In July 2026, ICTSI, through its wholly owned subsidiary ICTSI Americas B.V., entered into a Stock Purchase and Sale Agreement with SIMPAR S.A. and CS Brasil Holding e Locação S.A. to acquire 100% of the shares of HSIM Participações e Holding Ltda. ("HSIM"), for a purchase consideration of BRL650.0 million (approximately US$130.0 million), subject to the fulfillment of closing conditions, including applicable regulatory approvals. The agreement also provides for a potential earn-out payment of BRL100.0 million upon the achievement of certain milestones within 18 months following closing.

HSIM owns 100% of ATU12 Arrendatária Portuária SPE S.A. and ATU18 Arrendatária Portuária SPE S.A., which hold the rights to operate the ATU12 and ATU18 terminals, respectively, at Aratu Port in the State of Bahia, Brazil.

ATU12 and ATU18 are adjacent dry bulk port terminals that primarily handle the import and export of agricultural products. The terminals operate under long-term public lease agreements and have recently completed a modernization and expansion program, positioning them to support the region's growing agricultural trade and increasing cargo volumes.

The acquisition is expected to expand the Group's presence in Brazil and strengthen its participation in the country's agricultural logistics sector. As of August 3, 2026, the closing conditions have not yet been satisfied.

Item 2. Management's Discussion and Analysis or Plan of Operations

The following discussion and analysis relate to the consolidated financial position and results of operations of ICTSI and its subsidiaries (collectively known as "ICTSI Group") and should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements and related notes as at and for the six months ended June 30, 2026. References to "ICTSI", "the Company", and "Parent Company" pertain to ICTSI Parent Company, whereas references to "the Group" pertain to ICTSI and its subsidiaries.

2.1 Overview

ICTSI is a leading developer, manager and operator of common user origin and destination container terminals serving the global container shipping industry. ICTSI operates in six continents and continues to pursue container terminal opportunities around the world. It also handles general cargoes and provides a number of ancillary services such as storage, container packing and unpacking, inspection, weighing, and services for refrigerated containers or reefers. As at August 3, 2026, the Group is involved in 34 terminal operations, including concessions and port development projects in 19 countries worldwide. There are 10 terminal operations in the Philippines (including an inland container terminal, a barge terminal and combined terminal operations in Subic), five (5) in Brazil (including an intermodal rail ramp terminal and two (2) Customs-bonded facility), two (2) each in Papua New Guinea (PNG) and Indonesia; and one (1) each in Ecuador, Poland, Georgia, Madagascar, Croatia, Honduras, Mexico, Iraq, Argentina, Democratic Republic (DR) of Congo, Colombia, Australia, Cameroon, Nigeria and South Africa.

ICTSI was established in 1987 in connection with the privatization of Manila International Container Terminal (MICT) in the Port of Manila, and has built upon the experience gained in rehabilitating, developing and operating MICT to establish an extensive international network of efficient and sustainable origin and destination gateway terminals in locations with supportive demographics, a favorable competitive environment and scope for operational improvements. International acquisitions throughout Asia, Europe, Middle East and Africa (EMEA), and Americas substantially contributed to the growth in the Group's volume, revenues, earnings before interest, taxes, depreciation and amortization (EBITDA), and net income. ICTSI's business strategy is to continue to develop its existing portfolio of terminals, proactively seek acquisition opportunities that meet its investment criteria while delivering returns to the shareholders.

The Group operates principally in one industry segment which is cargo handling and related services. ICTSI has organized its business into three (3) geographical segments:

- Asia
  - Manila - Manila International Container Terminal, Port of Manila, Philippines (MICT); Manila North Harbour Port, Inc., North Harbor, Manila, Philippines (MNHPI); and Manila Multipurpose Terminal, Manila, Philippines (MMT)
  - Zambales - Subic Bay International Terminal Corp., Subic Bay Freeport Zone, Olongapo City, Philippines (SBITC/ICTSI Subic)
  - Misamis Oriental - Mindanao Container Terminal, Phividec Industrial Estate, Tagaloan, Philippines (MCT)
  - Iloilo - Visayas Container Terminal, Iloilo Commercial Port Complex, Philippines (VCT)
  - General Santos - South Cotabato Integrated Port Services, Inc., Port of General Santos, Philippines (SCIPSI)
  - Batangas - Bauan International Port, Inc., Bauan, Philippines (BIPI)
  - Laguna - Laguna Gateway Inland Container Terminal, Calamba City, Laguna, Philippines (LGICT)
  - Cavite - Cavite Gateway Terminal, Tanza, Cavite, Philippines (CGT)
  - Australia - Victoria International Container Terminal Ltd., Webb Dock East, Port of Melbourne, Australia (VICT)

- Papua New Guinea - Motukea International Terminal Ltd., Port of Motukea, Papua New Guinea (MITL) and South Pacific International Container Terminal Ltd., Port of Lae, Papua New Guinea (SPICTL)
- Indonesia - Batu Ampar Container Terminal (BACT), Batam (*commenced September 1, 2025*) and East Java Multipurpose Terminal, Tanjung Pakis Lamongan Public Terminal, East Java (EJMT)
- China - Yantai International Container Terminals Ltd., Port of Yantai, Shandong Province, China (YICT; *until March 31, 2026*)

- EMEA
  - South Africa - Durban Gateway Terminal, Durban Container Terminal Pier 2, Port of Durban, South Africa (DGT; *commenced January 1, 2026*)
  - DR Congo - ICTSI D.R. Congo S.A., Matadi Gateway Terminal, Mbengu, Matadi, Democratic Republic of Congo (MGT)
  - Iraq - Basra Gateway Terminal, Port of Umm Qasr, Iraq (BGT)
  - Madagascar - Madagascar International Container Terminal Services Ltd., Port of Toamasina, Toamasina, Madagascar (MICTSL)
  - Poland - Baltic Container Terminal Ltd., Gdynia, Poland (BCT)
  - Croatia - Adriatic Gate Container Terminal, Rijeka, Croatia (AGCT)
  - Nigeria - Onne Multipurpose Terminal, Port of Onne, Rivers State, Nigeria (OMT)
  - Georgia - Batumi International Container Terminal LLC, Port of Batumi, Batumi, Georgia (BICTL)
  - Cameroon - Kribi Multipurpose Terminal, Kribi, Cameroon (KMT)

- Americas
  - Mexico - Contecon Manzanillo S.A. de C.V., Port of Manzanillo, Manzanillo, Mexico (CMSA)
  - Honduras - Operadora Portuaria Centroamericana, SA de CV, Puerto Cortés, Republic of Honduras (OPC)
  - Ecuador - Contecon Guayaquil S.A., Port of Guayaquil, Guayaquil, Ecuador (CGSA)
  - Brazil - Tecon Suape, S.A., Suape, Brazil, Terminal de Contêineres (TSSA); Rio Brasil Terminal, Port of Rio de Janeiro City, Brazil (ICTSI Rio); iTracker, Floriano Intermodal Terminal, Barra Mansa, Rio de Janeiro State, Brazil (IRB Logistica); CLIA Pouso Alegre, Minas Gerais, Brazil; and Companhia Regional de Armazéns Gerais e Entrepostos Aduaneiros, São Paulo, Brazil (CRAGEA)
  - Argentina - TecPlata S.A., Port of La Plata, Buenos Aires Province, Argentina (TecPlata)
  - Colombia - Sociedad Puerto Industrial de Aguadulce S.A., Port of Buenaventura, Buenaventura, Colombia (SPIA; *a joint venture*)

2.2 Results of Operations and Key Performance Indicators

2.2.1 Results of Operations

The following table shows a summary of the results of operations for the six months ended June 30, 2026 as compared with the same periods in 2025 as derived from the accompanying unaudited interim condensed consolidated financial statements.

Table 2.1 Interim Condensed Consolidated Statements of Income

	For the Three Months Ended June 30			For the Six Months Ended June 30		
(In thousands, except % change data)	2025	**2026**	% Change	2025	**2026**	% Change
Gross revenues from port operations	US$764,628	**US$958,726**	25.4	US$1,510,048	**US$1,919,837**	27.1
Revenues from port operations, net of port authorities' share	695,011	**881,236**	26.8	1,372,263	**1,760,909**	28.3
Total income (net revenues, interest and other income)	714,710	**898,840**	25.8	1,420,414	**1,810,526**	27.5
Total expenses (operating, financing and other expenses)	373,564	**480,255**	28.6	740,217	**972,198**	31.3
EBITDA[1]	500,944	**613,704**	22.5	990,536	**1,231,568**	24.3
EBIT[2]	419,946	**509,443**	21.3	832,131	**1,020,083**	22.6
Net income attributable to equity holders of the parent	244,305	**296,413**	21.3	483,841	**589,983**	21.9
Earnings per share						
Basic	US$0.119	**US$0.146**	22.7	US$0.236	**US$0.290**	22.9
Diluted	0.119	**0.146**	22.7	0.235	**0.289**	23.0

[1] EBITDA is not a uniform or legally defined financial measure. It generally represents earnings before interest, taxes, depreciation and amortization. EBITDA is presented because the Group believes it is an important measure of its performance and liquidity. EBITDA is also frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry.

The Group's EBITDA figures are not, however, readily comparable with other companies' EBITDA figures as they are calculated differently and thus, must be read in conjunction with related additional explanations. EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under PFRS Accounting Standards. Some of the limitations concerning EBITDA are:

- EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for working capital needs;
- EBITDA does not reflect fixed (and in-substance fixed) port fees and lease payments that are accounted as concession assets under Philippine Interpretation IFRIC 12, *Service Concession Arrangements* and right-of-use assets under PFRS 16, *Leases*;
- EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest and distributions on perpetual securities or principal debt payments and perpetual security redemptions;
- Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in the industry may calculate EBITDA differently, which may limit its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to the Group to invest in the growth of the business. The Group compensates for these limitations by relying primarily on the PFRS Accounting Standards results and uses EBITDA only as supplementary information.

[2] EBIT or Earnings Before Interest and Taxes, is calculated by taking net revenues from port operations and deducting cash operating expenses, and depreciation and amortization.

The following table presents the computation of EBITDA as derived from the Group's unaudited interim condensed consolidated statements of income for the three and six months ended June 30, 2026 as compared with the same period in 2025:

Table 2.2 EBITDA Computation

	For the Three Months Ended June 30			For the Six Months Ended June 30		
(In thousands, except % change data)	2025	**2026**	% Change	2025	**2026**	% Change
Net income attributable to equity holders of the parent	US$244,305	**US$296,413**	21.3	US$483,841	**US$589,983**	21.9
Non-controlling interests	18,720	**30,284**	61.8	40,220	**51,402**	27.8
Provision for income tax	78,121	**91,888**	17.6	156,136	**196,943**	26.1
Income before income tax	341,146	**418,585**	22.7	680,197	**838,328**	23.2
Add (deduct):						
Depreciation and amortization	80,998	**104,261**	28.7	158,405	**211,485**	33.5
Interest and other expenses	98,499	**108,462**	10.1	200,085	**231,372**	15.6
Interest and other income	(19,699)	**(17,604)**	(10.6)	(48,151)	**(49,617)**	3.0
EBITDA	US$500,944	**US$613,704**	22.5	US$990,536	**US$1,231,568**	24.3

2.2.2 Key Performance Indicators

Table 2.3 Key Performance Indicators

	For the Six Months Ended June 30	
	2025	**2026**
Gross moves per hour per crane	14.6 - 27.7	**13.4 - 27.4**
Crane availability	77.4% - 98.4%	**76.2% - 98.3%**
Berth utilization	38.6% - 92.6%	**31.4% - 86.0%**
TEU volume growth	10.7%	**16.1%**
Gross revenue growth	14.3%	**27.1%**

The gross moves per hour per crane is a measure of crane productivity while working on vessels during discharging or loading operations. The crane availability relates to the efficiency of the maintenance of the crane. Berth utilization is a measure of how long the berth is utilized for a given period and this indicator measures the efficiency of the operations and the productivity on the vessel.

2.3 Comparison of Operating Results for the Quarters Ended June 30, 2025 and 2026

2.3.1 TEU Volume

The below table presents the volume (in TEU) handled by the Group for the quarters ended June 30, 2025 and 2026:

Table 2.4 Volume

	For the Three Months Ended June 30		
	2025	**2026**	% Change
Asia	1,883,641	**1,927,689**	2.3
Americas	976,136	**1,148,336**	17.6
EMEA	657,385	**954,832**	45.2
	3,517,162	**4,030,857**	14.6

The Group's consolidated volume increased by 14.6 percent to 4,030,857 TEUs for the quarter ended June 30, 2026 from 3,517,162 TEUs for the same period in 2025 mainly due to the volume contribution of DGT and BACT which took over port operations of DCT Pier 2 in Port of Durban, South Africa and Batam, Indonesia on January 1, 2026 and September 1, 2025, respectively, and improvement in trade activities in Americas and Asia; partially offset by volume decreases in EMEA due to geopolitical conflict in the Middle East, and deconsolidation of YICT. Excluding impact of new (DGT and BACT) and discontinued (YICT) operations, consolidated volume would have increased by 1.2 percent for the quarter ended June 30, 2026.

Volume from the Asia operations, consisting of terminals in the Philippines, Australia, China, Papua New Guinea and Indonesia, increased by 2.3 percent to 1,927,689 TEUs for the quarter ended

June 30, 2026 from 1,883,641 TEUs for the same period in 2025 mainly due to the volume contribution of BACT, and improvement in trade activities across all operating terminals in Asia Pacific; partially tapered by the deconsolidation of YICT. Excluding impact of new and discontinued operations, volume from the Asia segment would have increased by 2.9 percent for the quarter ended June 30, 2026. The Asia operations captured 53.6 percent and 47.8 percent of the consolidated volume for the quarters ended June 30, 2025 and 2026, respectively.

Volume from the Americas segment, consisting of terminals in Mexico, Ecuador, Brazil, Honduras and Argentina, increased by 17.6 percent to 1,148,336 TEUs for the quarter ended June 30, 2026 from 976,136 TEUs for the same period in 2025 mainly due to the improvement in trade activities in majority of terminals in Americas, largely from CMSA and CGSA, with new services. The Americas operations accounted for 27.7 percent and 28.5 percent of the consolidated volume for the quarters ended June 30, 2025 and 2026, respectively.

Volume from the EMEA segment, consisting of terminals in South Africa, Iraq, DR Congo, Poland, Georgia, Croatia, Madagascar and Nigeria increased by 45.2 percent to 954,832 TEUs for the quarter ended June 30, 2026 from 657,385 TEUs for the same period in 2025 mainly due to the volume contribution of DGT; partially tapered by volume decreases largely at BGT, due to full quarter impact of geopolitical conflict in the Middle East. Excluding volume contribution of DGT, volume from the EMEA segment would have decreased by 27.4 percent for the quarter ended June 30, 2026. The EMEA operations stood at 18.7 percent and 23.7 percent of the consolidated volume for the quarters ended June 30, 2025 and 2026, respectively.

2.3.2 Total Income

Total income consists of: (1) Revenues from port operations, net of port authorities' share in gross revenues; (2) Interest income; (3) Foreign exchange gain; (4) Equity in net income of joint ventures; and (5) Other income.

The table below illustrates the consolidated total income for the three months ended June 30, 2025 and 2026:

Table 2.5 Total Income

	For the Three Months Ended June 30		
(In thousands, except % change data)	2025	**2026**	% Change
Gross revenues from port operations	US$764,628	**US$958,726**	25.4
Port authorities' share in gross revenues	69,617	**77,490**	11.3
Net revenues	695,011	**881,236**	26.8
Interest income	10,412	**10,610**	1.9
Foreign exchange gain	5,069	**3,005**	(40.7)
Equity in net income of joint ventures	497	–	(100.0)
Other income	3,721	**3,989**	7.2
Total income	US$714,710	**US$898,840**	25.8

For the quarter ended June 30, 2026, net revenues stood at 98.0 percent of the total consolidated income whereas interest income, foreign exchange gain, and other income accounted for 1.2 percent, 0.3 percent and 0.5 percent, respectively. For the same period in 2025, net revenues stood at 97.2 percent of the total consolidated income whereas interest income, foreign exchange gain, equity in net income of joint ventures, and other income accounted for 1.5 percent, 0.7 percent, 0.1 percent and 0.5 percent, respectively.

2.3.2.1 Gross Revenues from Port Operations

Gross revenues from port operations include fees received for cargo handling, wharfage, berthing, storage, and special services.

Table 2.6 Gross Revenues from Port Operations

	For the Three Months Ended June 30		
(In thousands, except % change data)	2025	**2026**	% Change
Asia	US$331,975	**US$377,391**	13.7
Americas	290,636	**377,946**	30.0
EMEA	142,017	**203,389**	43.2
	US$764,628	**US$958,726**	25.4

The Group's consolidated gross revenues from port operations increased by 25.4 percent to US$958.7 million for the quarter ended June 30, 2026 from US$764.6 million for the same period in 2025 mainly due to volume growth with favorable container mix, higher revenues from ancillary services, and tariff adjustments at certain terminals; revenue contribution of DGT and BACT; and favorable translation impact mainly from the appreciation of Mexican Peso (MXN)- and Australian Dollar (AUD)-based revenues at CMSA and VICT, respectively, and Brazilian Real (BRL)-based revenues at TSSA and ICTSI Rio; partially tapered by volume-driven decrease at BGT, deconsolidation of YICT, and unfavorable translation impact mainly from the depreciation of Philippine Peso (PHP)-based revenues at Philippine terminals. Excluding impact of new (DGT and BACT) and discontinued (YICT) operations, consolidated revenue would have increased by 16.0 percent for the quarter ended June 30, 2026.

Gross revenues from the Asia segment increased by 13.7 percent to US$377.4 million for the quarter ended June 30, 2026 from US$332.0 million for the same period in 2025 mainly due to higher revenues from ancillary services, volume growth with favorable container mix, and tariff adjustments at certain terminals; and full quarter impact of revenue contribution of BACT; partially tapered by the deconsolidation of YICT, and net unfavorable translation impact of foreign currency-denominated revenues against US dollar. Excluding impact of new and discontinued operations, gross revenues of Asia segment would have increased by 15.5 percent for the quarter ended June 30, 2026. The Asia operations captured 43.4 percent and 39.4 percent of the consolidated gross revenues for the quarters ended June 30, 2025 and 2026, respectively.

Gross revenues from the Americas segment increased by 30.0 percent to US$377.9 million for the quarter ended June 30, 2026 from US$290.6 million for the same period in 2025 mainly due to volume growth with favorable container mix, higher revenues from ancillary services, and tariff adjustments at certain terminals; and favorable translation impact of foreign currency-denominated revenues against US dollar. The Americas operations accounted for 38.0 percent and 39.4 percent of the consolidated gross revenues for the quarters ended June 30, 2025 and 2026, respectively.

Gross revenues from the EMEA operations increased by 43.2 percent to US$203.4 million for the quarter ended June 30, 2026 from US$142.0 million for the same period in 2025 mainly due to the revenue contribution of DGT; higher revenue from ancillary services, growth in general cargo activities, and tariff adjustments at certain terminals; partially tapered by volume-driven decrease at BGT, due to full quarter impact of geopolitical conflict in the Middle East. Excluding revenue contribution of DGT, revenue from the EMEA segment would have decreased by 11.4 percent for the quarter ended June 30, 2026. The EMEA operations stood at 18.6 percent and 21.2 percent of the consolidated gross revenues for the quarters ended June 30, 2025 and 2026, respectively.

2.3.2.2 Port Authorities' Share in Gross Revenues

Port authorities' share in gross revenues, which represents the variable fees paid to Port Authorities at certain terminals, other than minimum guaranteed variable fees that were capitalized as part of concession rights and right-of-use assets, and are amortized on a straight-line basis over the term of the concession, increased by 11.3 percent to US$77.5 million for the quarter ended June 30, 2026 from US$69.6 million for the same period in 2025 as a result of higher revenues at these terminals.

2.3.2.3 Foreign Exchange Gain, Equity in Net Income of Joint Ventures, and Other Income

Foreign exchange gain decreased by 40.7 percent to US$3.0 million for the quarter ended June 30, 2026 from US$5.1 million for the same period in 2025 mainly due to the unfavorable translation impact of certain currencies against US dollar.

Equity in net income of joint ventures amounted to nil for the quarter ended June 30, 2026 mainly due to net loss position at SPIA.

Other income increased by 7.2 percent to US$4.0 million for the quarter ended June 30, 2026 from US$3.7 million for the same period in 2025. Other income includes the Group's rental, gain from disposals and claims, dividend income, and sundry income accounts.

2.3.3 Total Expenses

The table below shows the breakdown of total expenses for the three months ended June 30, 2025 and 2026.

Table 2.7 Total Expenses

	For the Three Months Ended June 30		
(In thousands, except % change data)	2025	**2026**	% Change
Manpower costs	US$101,562	**US$146,164**	43.9
Equipment and facilities-related expenses	48,838	**69,217**	41.7
Administrative and other operating expenses	43,667	**52,151**	19.4
Total cash operating expenses	194,067	**267,532**	37.9
Depreciation and amortization	80,998	**104,261**	28.7
Interest expense and financing charges on borrowings	38,092	**40,996**	7.6
Interest expense on lease liabilities	34,663	**42,876**	23.7
Interest expense on concession rights payable	15,698	**16,302**	3.8
Equity in net loss of joint ventures	–	**1,734**	100.0
Foreign exchange loss and others	10,046	**6,554**	(34.8)
Total expenses	US$373,564	**US$480,255**	28.6

Total cash operating expenses of the Group increased by 37.9 percent to US$267.5 million for the quarter ended June 30, 2026 from US$194.1 million for the same period in 2025 mainly due to the costs contribution of DGT; volume and revenue-driven increase in operating expenses, including increases related to the growth in revenue generating ancillary services, and fuel price increases due to geopolitical crisis in the Middle East; increase in government-mandated and contracted salary rate adjustments, including benefits; and unfavorable foreign exchange effect of BRL-based expenses at TSSA and ICTSI Rio; MXN- and AUD-based expenses at CMSA and VICT, respectively; partially tapered by continuous cost optimization measures implemented, and favorable foreign exchange effect of PHP-based expenses at Philippine terminals. Excluding impact of new (DGT and BACT) and discontinued (YICT) operations, consolidated cash operating expenses would have increased by 17.6 percent for the quarter ended June 30, 2026.

Expense accounts for the quarter ended June 30, 2026 with variances of plus or minus 5.0 percent against June 30, 2025 balances are discussed, as follows:

2.3.3.1 Manpower Costs

Manpower costs increased by 43.9 percent to US$146.2 million for the quarter ended June 30, 2026 from US$101.6 million for the same period in 2025 primarily due to the costs contribution of DGT; government-mandated and contracted salary rate adjustments, including benefits, with revenue-driven increase in contracted services at certain terminals; and net unfavorable translation impact of foreign currency-denominated manpower costs against US dollar. Excluding the impact of new and discontinued operations, consolidated manpower costs would have increased by 19.4 percent for the quarter ended June 30, 2026.

Manpower costs accounted for 52.3 percent and 54.6 percent of consolidated cash operating expenses for the quarters ended June 30, 2025 and 2026, respectively.

2.3.3.2 Equipment and Facilities-related Expenses

Equipment and facilities-related expenses consist mainly of repairs and maintenance costs of port equipment and facilities, power and light, tools expenses, equipment rentals, and fuel.

Equipment and facilities-related expenses increased by 41.7 percent to US$69.2 million for the quarter ended June 30, 2026 from US$48.8 million for the same period in 2025 mainly due to the costs contribution of DGT, fuel price increases due to geopolitical crisis in the Middle East, volume and revenue-driven increase in equipment rentals and outsourced services, with net unfavorable translation impact of foreign currency-denominated equipment and facilities-related expenses against US dollar. Excluding the impact of new and discontinued operations, consolidated equipment and facilities-related expenses would have increased by 22.0 percent for the quarter ended June 30, 2026.

Equipment and facilities-related expenses represented 25.2 percent and 25.9 percent of consolidated cash operating expenses for the quarters ended June 30, 2025 and 2026, respectively.

2.3.3.3 Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 19.4 percent to US$52.2 million for the quarter ended June 30, 2026 from US$43.7 million for the same period in 2025 mainly due to the costs contribution of DGT, revenue-related taxes and licenses, and volume-driven IT costs; partially tapered by the general impact of continuous cost optimization measures implemented. Excluding the impact of new and discontinued operations, consolidated administrative and other operating expenses would have increased by 8.5 percent for the quarter ended June 30, 2026.

Administrative and other operating expenses represented 22.5 percent and 19.5 percent of consolidated cash operating expenses for the quarters ended June 30, 2025 and 2026, respectively.

2.3.3.4 Depreciation and amortization

Depreciation and amortization increased by 28.7 percent to US$104.3 million for the quarter ended June 30, 2026 from US$81.0 million for the same period in 2025 primarily due to the costs contribution of DGT; commissioning of various port equipment and facilities; and increase in right-of-use asset as a result of remeasurement of lease liabilities at certain terminals. Excluding the impact of new and discontinued operations, depreciation and amortization would have increased by 12.1 percent for the quarter ended June 30, 2026.

2.3.3.5 Interest expense and financing charges on borrowings

Interest expense and financing charges on borrowings increased by 7.6 percent to US$41.0 million for the quarter ended June 30, 2026 from US$38.1 million for the same period in 2025 mainly driven by higher interest due to availment of new loans, including cost contribution of BACT. Excluding the cost contribution of BACT, interest expense and financing charges on borrowings would have increased by 4.8 percent for the quarter ended June 30, 2026.

2.3.3.6 Interest expense on lease liabilities

Interest expense on lease liabilities increased by 23.7 percent to US$42.9 million for the quarter ended June 30, 2026 from US$34.7 million for the same period in 2025 primarily due to the costs contribution of DGT, and remeasurement of lease liabilities at certain terminals. Excluding the impact of new operations, interest expense on lease liabilities would have increased by 6.4 percent for the quarter ended June 30, 2026.

2.3.3.7 Equity in Net Loss of Joint Ventures

Equity in net loss of joint ventures amounted to US$1.7 million for the quarter ended June 30, 2026 mainly due to the net loss position at SPIA.

2.3.3.8 Foreign Exchange Loss and Others

Foreign exchange loss and others decreased by 34.8 percent to US$6.6 million for the quarter ended June 30, 2026 from US$10.0 million for the same period in 2025 mainly due to the impact of continuous cost optimization measures implemented.

2.3.4 EBITDA and EBIT

Consolidated EBITDA increased by 22.5 percent to US$613.7 million for the quarter ended June 30, 2026 from US$500.9 million for the same period in 2025, mainly due to higher revenues partially tapered by the increase in cash operating expenses. EBITDA margin stood at 64.0 percent for the quarter ended June 30, 2026 from 65.5 percent for the same period in 2025. Excluding the impact of new and discontinued operations, EBITDA would have increased by 16.1 percent whereas EBITDA margin would have increased to 65.8 percent for the quarter ended June 30, 2026.

Meanwhile, consolidated EBIT increased by 21.3 percent to US$509.4 million for the quarter ended June 30, 2026 from US$419.9 million for the same period in 2025 mainly due to higher EBITDA partially tapered by the increase in depreciation and amortization charges. EBIT margin stood at 53.1 percent for the quarter ended June 30, 2026 from 54.9 percent for the same period in 2025. Excluding the impact of new and discontinued operations, EBIT would have increased by 16.9 percent whereas EBIT margin would have increased to 55.8 percent for the quarter ended June 30, 2026.

2.3.5 Income Before Income Tax and Provision for Income Tax

Consolidated income before income tax increased by 22.7 percent to US$418.6 million for the quarter ended June 30, 2026 from US$341.1 million for the same period in 2025 primarily due to higher operating income. Excluding the impact of new and discontinued operations, consolidated income before income tax would have increased by 19.6 percent for the quarter ended June 30, 2026.

The ratio of consolidated income before income tax to consolidated gross revenues stood at 44.6 percent and 43.7 percent for the quarter ended June 30, 2025 and 2026, respectively.

Consolidated provision for income tax increased by 17.6 percent to US$91.9 million for the quarter ended June 30, 2026 from US$78.1 million for the same period in 2025 due to higher taxable income. Effective income tax rate for the quarter ended June 30, 2025 and 2026 stood at 22.9 percent and 22.0 percent, respectively.

2.3.6 Net Income

Consolidated net income increased by 24.2 percent to US$326.7 million for the quarter ended June 30, 2026 from US$263.0 million for the same period in 2025. The ratio of consolidated net income to gross revenues from port operations stood at 34.4 percent and 34.1 percent for the quarters ended June 30, 2025 and 2026, respectively. Excluding the impact of new and discontinued operations, consolidated net income would have increased by 21.3 percent for the quarter ended June 30, 2026.

Consolidated net income attributable to equity holders increased by 21.3 percent to US$296.4 million for the quarter ended June 30, 2026 from US$244.3 million for the same period in 2025. Excluding the impact of new and discontinued operations, consolidated net income attributable to equity holders would have increased by 19.6 percent for the quarter ended June 30, 2026.

Basic earnings per share amounted to US$0.119 and US$0.146 for the quarters ended June 30, 2025 and 2026, respectively. Diluted earnings per share amounted to US$0.119 and US$0.146 for the quarters ended June 30, 2025 and 2026, respectively.

2.4 Comparison of Operating Results for the Six Months Ended June 30, 2025 and 2026

2.4.1 TEU Volume

The below table presents the volume (in TEU) handled by the Group for the six months ended June 30, 2025 and 2026:

Table 2.8 Volume

	For the Six Months Ended June 30		
	2025	**2026**	% Change
Asia	3,674,372	**3,946,490**	7.4
Americas	1,957,094	**2,229,100**	13.9
EMEA	1,357,609	**1,940,168**	42.9
	6,989,075	**8,115,758**	16.1

The Group's consolidated volume increased by 16.1 percent to 8,115,758 TEUs for the six months ended June 30, 2026 from 6,989,075 TEUs for the same period in 2025 mainly due to the volume contribution of DGT and BACT which took over port operations of DCT Pier 2 in Port of Durban, South Africa and Batam, Indonesia on January 1, 2026 and September 1, 2025, respectively; and improvement in trade activities in Americas and Asia; partially offset by volume decreases in EMEA due to geopolitical conflict in the Middle East, and deconsolidation of YICT. Excluding impact of new (DGT and BACT) and discontinued (YICT) operations, consolidated volume would have increased by 1.2 percent for the six months ended June 30, 2026.

Volume from the Asia segment increased by 7.4 percent to 3,946,490 TEUs for the six months ended June 30, 2026 from 3,674,372 TEUs for the same period in 2025 mainly due to the volume contribution of BACT, and improvement in trade activities across all operating terminals in Asia Pacific; partially tapered by the deconsolidation of YICT. Excluding impact of new and discontinued operations, volume from the Asia segment would have increased by 4.1 percent for the six months ended June 30, 2026. The Asia operations captured 52.6 percent and 48.6 percent of the consolidated volume for the six months ended June 30, 2025 and 2026, respectively.

Volume from the Americas segment increased by 13.9 percent to 2,229,100 TEUs for the six months ended June 30, 2026 from 1,957,094 TEUs for the same period in 2025 mainly due to the improvement in trade activities in majority of terminals in Americas, largely from CGSA and CMSA, with new services. The Americas operations accounted for 28.0 percent and 27.5 percent of the consolidated volume for the six months ended June 30, 2025 and 2026, respectively.

Volume from the EMEA segment increased by 42.9 percent to 1,940,168 TEUs for the six months ended June 30, 2026 from 1,357,609 TEUs for the same period in 2025 mainly due to the volume contribution of DGT; partially tapered by volume decreases largely at BGT, due to geopolitical conflict in the Middle East, and AGCT. Excluding volume contribution of DGT, volume from the EMEA segment would have decreased by 24.6 percent for the six months ended June 30, 2026. The EMEA operations stood at 19.4 percent and 23.9 percent of the consolidated volume for the six months ended June 30, 2025 and 2026, respectively.

2.4.2 Total Income

Table 2.9 Total Income

	For the Six Months Ended June 30		
(In thousands, except % change data)	2025	**2026**	% Change
Gross revenues from port operations	US$1,510,048	**US$1,919,837**	27.1
Port authorities' share in gross revenues	137,785	**158,928**	15.3
Net revenues	1,372,263	**1,760,909**	28.3
Interest income	28,794	**25,602**	(11.1)
Foreign exchange gain	11,537	**16,980**	47.2
Equity in net income of joint ventures	459	–	(100.0)
Other income	7,361	**7,035**	(4.4)
Total income	US$1,420,414	**US$1,810,526**	27.5

For the six months ended June 30, 2026, net revenues stood at 97.3 percent of the total consolidated income whereas interest income, foreign exchange gain, and other income accounted for 1.4 percent, 0.9 percent and 0.4 percent, respectively. For the same period in 2025, net revenues accounted for 96.6 percent of the total consolidated income whereas interest income, foreign exchange gain, equity in net income of joint ventures, and other income represented 2.0 percent, 0.8 percent, 0.1 percent and 0.5 percent, respectively.

2.4.2.1 Gross Revenues from Port Operations

Table 2.10 Gross Revenues from Port Operations

	For the Six Months Ended June 30		
(In thousands, except % change data)	2025	**2026**	% Change
Asia	US$651,879	**US$753,258**	15.6
Americas	572,797	**750,959**	31.1
EMEA	285,372	**415,620**	45.6
	US$1,510,048	**US$1,919,837**	27.1

The Group's consolidated gross revenues from port operations increased by 27.1 percent to US$1,919.8 million for the six months ended June 30, 2026 from US$1,510.0 million for the same period in 2025 mainly due to volume growth with favorable container mix, higher revenues from ancillary services, and tariff adjustments at certain terminals; revenue contribution of DGT and BACT; and favorable translation impact mainly from the appreciation of MXN- and AUD-based revenues at CMSA and VICT, respectively, and BRL-based revenues at TSSA and ICTSI Rio; partially tapered by volume-driven decrease at BGT, deconsolidation of YICT, and unfavorable translation impact mainly from the depreciation of PHP-based revenues at Philippine terminals. Excluding impact of new (DGT and BACT) and discontinued (YICT) operations, consolidated revenue would have increased by 17.6 percent for the six months ended June 30, 2026.

Gross revenues from the Asia segment increased by 15.6 percent to US$753.3 million for the six months ended June 30, 2026 from US$651.9 million for the same period in 2025 mainly due to higher revenues from ancillary services, and tariff adjustments at certain Philippine terminals; and volume growth with favorable container mix and tariff adjustments at certain Asia Pacific terminals, including revenue contribution of BACT; partially tapered by the deconsolidation of YICT, and net unfavorable translation impact of foreign currency-denominated revenues against US dollar. Excluding impact of new and discontinued operations, gross revenues of Asia segment would have increased by 15.7 percent for the six months ended June 30, 2026. The Asia operations captured 43.2 percent and 39.2 percent of the consolidated gross revenues for the six months ended June 30, 2025 and 2026, respectively.

Gross revenues from the Americas segment increased by 31.1 percent to US$751.0 million for the six months ended June 30, 2026 from US$572.8 million for the same period in 2025 mainly due to volume growth with favorable container mix, higher revenues from ancillary services, and tariff adjustments at certain terminals; and favorable translation impact of foreign currency-denominated revenues against US dollar. The Americas operations accounted for 37.9 percent and 39.1 percent of the consolidated gross revenues for the six months ended June 30, 2025 and 2026, respectively.

Gross revenues from the EMEA operations increased by 45.6 percent to US$415.6 million for the six months ended June 30, 2026 from US$285.4 million for the same period in 2025 mainly due to the revenue contribution of DGT; higher revenue from ancillary services, growth in general cargo activities, and tariff adjustments at certain terminals; partially tapered by volume-driven decrease at BGT. Excluding revenue contribution of DGT, revenue from the EMEA segment would have decreased by 5.4 percent for the six months ended June 30, 2026. The EMEA operations stood at 18.9 percent and 21.7 percent of the consolidated gross revenues for the six months ended June 30, 2025 and 2026, respectively.

2.4.2.2 Port Authorities' Share in Gross Revenues

Port authorities' share in gross revenues, which represents the variable fees paid to Port Authorities at certain terminals, other than minimum guaranteed variable fees that were capitalized as part of concession rights and right-of-use assets, and are amortized on a straight-line basis over the term of the concession, increased by 15.3 percent to US$158.9 million for the six months ended June 30, 2026 from US$137.8 million for the same period in 2025 as a result of higher revenues at these terminals.

2.4.2.3 Interest Income, Foreign Exchange Gain, Equity in Net Income of Joint Ventures, and Other Income

Interest income decreased by 11.1 percent to US$25.6 million for the six months ended June 30, 2026 from US$28.8 million for the same period in 2025 mainly due to the lower average balance of short-term investments and bank deposits.

Foreign exchange gain increased by 47.2 percent to US$17.0 million for the six months ended June 30, 2026 from US$11.5 million for the same period in 2025 mainly due to the favorable translation impact of certain currencies against US dollar.

Equity in net income of joint ventures amounted to nil for the six months ended June 30, 2026 mainly due to net loss position at SPIA.

2.4.3 Total Expenses

The table below shows the breakdown of total expenses for the six months ended June 30, 2025 and 2026:

Table 2.11 Total Expenses

	For the Six Months Ended June 30		
(In thousands, except % change data)	2025	**2026**	% Change
Manpower costs	US$196,353	**US$290,792**	48.1
Equipment and facilities-related expenses	95,823	**130,259**	35.9
Administrative and other expenses	89,551	**108,290**	20.9
Total cash operating expenses	381,727	**529,341**	38.7
Depreciation and amortization	158,405	**211,485**	33.5
Interest expense and financing charges on borrowings	77,459	**80,061**	3.4
Interest expense on lease liabilities	70,330	**85,264**	21.2
Interest expense on concession rights payable	31,505	**32,574**	3.4
Equity in net loss of joint ventures	–	**1,504**	100.0
Foreign exchange loss and others	20,791	**31,969**	53.8
Total expenses	US$740,217	**US$972,198**	31.3

The Group's cash operating expenses increased by 38.7 percent to US$529.3 million for the six months ended June 30, 2026 from US$381.7 million for the same period in 2025 mainly due to the costs contribution of DGT; volume and revenue-driven increase in operating expenses, including increases related to the growth in revenue generating ancillary services, and fuel price increases due to geopolitical crisis in the Middle East; increase in government-mandated and contracted salary rate adjustments, including benefits; and unfavorable foreign exchange effect of BRL-based expenses at TSSA and ICTSI Rio; MXN- and AUD-based expenses at CMSA and VICT, respectively; partially tapered by continuous cost optimization measures implemented, and favorable foreign exchange effect of PHP-based expenses at Philippine terminals. Excluding impact of new (DGT and BACT) and discontinued (YICT) operations, consolidated cash operating expenses would have increased by 16.8 percent for the six months ended June 30, 2026.

Expense accounts for the six months ended June 30, 2026 with variances of plus or minus 5.0 percent against June 30, 2025 balances are discussed, as follows:

2.4.3.1 Manpower Costs

Manpower costs increased by 48.1 percent to US$290.8 million for the six months ended June 30, 2026 from US$196.4 million for the same period in 2025 primarily due to the costs contribution of DGT; government-mandated and contracted salary rate adjustments, including benefits, with revenue-driven increase in contracted services at certain terminals; and net unfavorable translation impact of foreign currency-denominated manpower costs against US dollar. Excluding the impact of new and discontinued operations, consolidated manpower costs would have increased by 21.3 percent for the six months ended June 30, 2026.

Manpower costs accounted for 51.4 percent and 54.9 percent of consolidated cash operating expenses for the six months ended June 30, 2025 and 2026, respectively.

2.4.3.2 Equipment and Facilities-related Expenses

Equipment and facilities-related expenses increased by 35.9 percent to US$130.3 million for the six months ended June 30, 2026 from US$95.8 million for the same period in 2025 mainly due to the costs contribution of DGT; fuel price increases due to geopolitical crisis in the Middle East; volume and revenue-driven increase in equipment rentals and outsourced services; and net unfavorable translation impact of foreign currency-denominated equipment and facilities-related expenses against US dollar. Excluding the impact of new and discontinued operations, consolidated equipment and facilities-related expenses would have increased by 14.7 percent for the six months ended June 30, 2026.

Equipment and facilities-related expenses stood at 25.1 percent and 24.6 percent of consolidated cash operating expenses for the six months ended June 30, 2025 and 2026, respectively.

2.4.3.3 Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 20.9 percent to US$108.3 million for the six months ended June 30, 2026 from US$89.6 million for same period in 2025 mainly due to the costs contribution of DGT, revenue-related taxes and licenses, volume-driven IT costs, dues and subscription and insurance expense; partially tapered by general impact of continuous cost optimization measures implemented. Excluding the impact of new and discontinued operations, consolidated administrative and other operating expenses would have increased by 9.3 percent for the six months ended June 30, 2026.

Administrative and other operating expenses accounted for 23.5 percent and 20.5 percent of consolidated cash operating expenses for the six months ended June 30, 2025 and 2026, respectively.

2.4.3.4 Depreciation and amortization

Depreciation and amortization increased by 33.5 percent to US$211.5 million for the six months ended June 30, 2026 from US$158.4 million for the same period in 2025 primarily due to the costs contribution of DGT; commissioning of various port equipment and facilities; and increase in right-of-use asset as a result of remeasurement of lease liabilities at certain terminals. Excluding the impact of new and discontinued operations, depreciation and amortization would have increased by 14.0 percent for the six months ended June 30, 2026.

2.4.3.5 Interest expense on lease liabilities

Interest expense on lease liabilities increased by 21.2 percent to US$85.3 million for the six months ended June 30, 2026 from US$70.3 million for the same period in 2025 primarily due to the costs contribution of DGT, and remeasurement of lease liabilities at certain terminals. Excluding the impact of new operations, interest expense on lease liabilities would have increased by 4.1 percent for the six months ended June 30, 2026.

2.4.3.6 Equity in Net Loss of Joint Ventures

Equity in net loss of joint ventures amounted to US$1.5 million for the six months ended June 30, 2026 mainly due to the net loss position at SPIA.

2.4.3.7 Foreign Exchange Loss and Others

Foreign exchange loss and others increased by 53.8 percent to US$32.0 million for the six months ended June 30, 2026 from US$20.8 million for the same period in 2025 mainly due to the US$14.7 million non-recurring loss on sale of YICT, primarily attributable to the reclassification of cumulative translation adjustment (CTA) to profit and loss amounting to US$13.3 million, representing mainly foreign exchange differences arising from the translation of the subsidiary's financial statements, which had been previously recognized in other comprehensive income.

2.4.4 EBITDA and EBIT

Consolidated EBITDA increased by 24.3 percent to US$1,231.6 million for the six months ended June 30, 2026 from US$990.5 million for the same period in 2025, mainly due to higher revenues partially tapered by the increase in cash operating expenses. EBITDA margin stood at 64.1 percent for the six months ended June 30, 2026 from 65.6 percent for the same period in 2025. Excluding the impact of new and discontinued operations, EBITDA would have increased by 18.2 percent whereas EBITDA margin would have increased to 66.2 percent for the six months ended June 30, 2026.

Meanwhile, consolidated EBIT increased by 22.6 percent to US$1,020.1 million for the six months ended June 30, 2026 from US$832.1 million for the same period in 2025 mainly due to higher EBITDA partially tapered by the increase in depreciation and amortization charges. EBIT margin stood at 53.1 percent for the six months ended June 30, 2026 from 55.1 percent for the same period in 2025. Excluding the impact of new and discontinued operations, EBIT would have increased by 18.9 percent whereas EBIT margin would have increased to 56.3 percent for the six months ended June 30, 2026.

2.4.5 Income Before Income Tax and Provision for Income Tax

Consolidated income before income tax increased by 23.2 percent to US$838.3 million for the six months ended June 30, 2026 from US$680.2 million for the same period in 2025 primarily due to higher operating income partially tapered by nonrecurring loss on sale of YICT. Excluding the impact of nonrecurring loss, and new and discontinued operations, consolidated income before income tax would still increased by 23.2 percent for the six months ended June 30, 2026.

The ratio of consolidated income before income tax to consolidated gross revenues stood at 45.0 percent and 43.7 percent for the six months ended June 30, 2025 and 2026, respectively.

Consolidated provision for income tax increased by 26.1 percent to US$196.9 million for the six months ended June 30, 2026 from US$156.1 million for the same period in 2025 due to higher taxable income. Effective income tax rate for the six months ended June 30, 2025 and 2026 stood at 23.0 percent and 23.5 percent, respectively. Increase in the provision for income tax and effective income tax rate from prior period is due to higher taxable income at certain terminals operating in jurisdictions with high tax rates, including impact of DGT.

2.4.6 Net Income

Consolidated net income increased by 22.4 percent to US$641.4 million for the six months ended June 30, 2026 from US$524.1 million for the same period in 2025. The ratio of consolidated net income to gross revenues from port operations stood at 34.7 percent and 33.4 percent for the six months ended June 30, 2025 and 2026, respectively. Excluding the impact of nonrecurring loss, and new and discontinued operations, consolidated net income would have increased by 23.2 percent for the six months ended June 30, 2026.

Consolidated net income attributable to equity holders increased by 21.9 percent to US$590.0 million for the six months ended June 30, 2026 from US$483.8 million for the same period in 2025. Excluding the impact of nonrecurring loss, and new and discontinued operations, consolidated net income attributable to equity holders would have increased by 23.8 percent for the six months ended June 30, 2026.

Basic earnings per share increased to US$0.290 in 2026 from US$0.236 in 2025. Diluted earnings per share increased to US$0.289 in 2026 from US$0.235 in 2025.

2.5 Trends, Events or Uncertainties Affecting Recurring Revenues and Profits

The Group is exposed to a number of trends, events, and uncertainties which can affect its recurring revenues and profits. These include levels of general economic activity and containerized trade volume in countries where it operates, as well as certain cost items, such as labor, fuel and power. In addition, the Group operates in a number of jurisdictions other than the Philippines and collects revenues in various currencies. Fluctuation of the US dollar relative to other major currencies may adversely affect the Group's reported levels of revenues and profits.

For further details please refer to Note 17, *Other Matters* to the Unaudited Interim Condensed Consolidated Financial Statements.

2.6 Financial Position

Table 2.12 Interim Condensed Consolidated Balance Sheets

(In thousands, except % change data)	December 31, 2025 *(Audited)*	**June 30, 2026** *(Unaudited)*	% Change
Total assets	US$9,077,099	**US$10,367,842**	14.2
Current assets	1,532,454	**1,380,587**	(9.9)
Total equity	2,481,185	**2,456,129**	(1.0)
Total equity attributable to equity holders of the parent	2,122,275	**1,847,849**	(12.9)
Total interest-bearing debt*	3,151,388	**3,365,474**	6.8
Total liabilities	6,595,914	**7,911,713**	19.9
Current liabilities	1,079,145	**911,677**	(15.5)
Current assets/total assets	16.9%	**13.3%**	
Current ratio	1.42	**1.51**	
Debt-equity ratio[1]	1.27	**1.37**	

**Includes current and non-current portion of long-term debt*

[1] Debt includes interest-bearing debt. Equity means Total Equity as shown in the consolidated balance sheets.

Total assets increased by 14.2 percent to US$10.4 billion as at June 30, 2026 from US$9.1 billion as at December 31, 2025 primarily due to the consolidation of DGT effective January 1, 2026, and accounting impact of extension of port-related lease agreement at VICT resulting in higher right-of-use assets.

Current assets decreased by 9.9 percent to US$1.4 billion as at June 30, 2026 from US$1.5 billion as at December 31, 2025 mainly due to the reduction in cash and cash equivalents for payments of dividends, perpetual capital securities and capital expenditures, interests on lease liabilities, concession rights payable, and loans; partially tapered by the cash generated from operations, and net availment of loans.

Total equity decreased by 1.0 percent to US$2.5 billion as at June 30, 2026 from US$2.5 billion as at December 31, 2025 primarily due to the redemption of perpetual capital securities, and declaration of cash dividends; partially tapered by the net income generated during the period, and increase in non-controlling interest from the acquisition of DGT.

Total liabilities increased by 19.9 percent to US$7.9 billion as at June 30, 2026 from US$6.6 billion as at December 31, 2025 primarily due to higher lease liability arising from the extension of port-related lease agreement at VICT; inclusion of port-related sublease agreement held by DGT, including deferred tax liability associated with the recognition of concession rights asset upon its acquisition; and net availment of loans.

Current liabilities decreased by 15.5 percent to US$0.9 billion as at June 30, 2026 from US$1.1 billion as at December 31, 2025 mainly due to the repayment of certain loans, and settlement of income tax liability outstanding as at December 31, 2025; partially tapered by increase in trade payables and accrued expenses, dividends payable, and revenue-driven output and other taxes.

2.6.1 Material Variances Affecting the Balance Sheet

Balance sheet accounts as at June 30, 2026 with variances of plus or minus 5.0 percent against December 31, 2025 balances are discussed, as follows:

Noncurrent Assets

1. Intangibles increased by 37.0 percent to US$3,497.7 million as at June 30, 2026 primarily related to the valuation of concession rights held upon acquisition of DGT, including recognition of goodwill; partially tapered by the deconsolidation of YICT, and amortization charges for the period.
2. Property and equipment increased by 13.0 percent to US$2,809.1 million as at June 30, 2026 mainly due to the consolidation of DGT; construction of various civil works, and acquisition of terminal equipment in various ports, with favorable impact on the translation of certain foreign operations' accounts; partially tapered by the deconsolidation of YICT, and depreciation charges for the period.
3. Right-of-use assets increased by 85.0 percent to US$1,748.5 million as at June 30, 2026 primarily due to the accounting impact of extension of port-related lease agreement at VICT with additional 26 years, port-related sub-lease agreement held by DGT, and remeasurement of lease payments at certain terminals.
4. Other noncurrent assets decreased by 66.6 percent to US$322.6 million as at June 30, 2026 primarily due to the deposit made on December 30, 2025 for the acquisition of DGT, which was consolidated on January 1, 2026 upon meeting closing conditions; partially tapered by higher advances to contractors and suppliers for capital expenditures.

Current Assets

5. Cash and cash equivalents decreased by 22.2 percent to US$855.1 million as at June 30, 2026 mainly due to the payments of dividends, perpetual capital securities, capital expenditures, and interests on lease liabilities, concession rights payable, and borrowings; partially tapered by the cash generated from operations, and net availment of loans.
6. Receivables increased by 15.6 percent to US$260.9 million as at June 30, 2026 primarily due to higher revenues from port operations.
7. Spare parts and supplies increased by 31.2 percent to US$90.3 million as at June 30, 2026 primarily due to the consolidation of DGT.
8. Prepaid expenses and other current assets increased by 25.3 percent to US$174.3 million as at June 30, 2026 mainly due to revenue-driven increase in prepaid local business taxes, and creditable withholding taxes; increase in debt service reserve account; and various prepayments subject for amortization.

Equity

9. Treasury stock increased by 7.6 percent to US$140.9 million as at June 30, 2026 mainly due to acquisition of 1.8 million of the Company's own shares of common stock; partially tapered by the issuance of treasury shares for vested stock awards under the employee stock incentive plan.
10. Other comprehensive loss - net decreased by 36.2 percent to US$130.0 million as at June 30, 2026 mainly due to the net favorable exchange differences on translation of foreign operations' accounts, including net favorable impact on market valuation of derivatives; and impact of deconsolidation of YICT.
11. Perpetual capital securities amounted to nil as at June 30, 2026 as a result of redemption on May 5, 2026.
12. Equity attributable to non-controlling interests increased by 69.5 percent to US$608.3 million as at June 30, 2026 mainly related to the minority share in DGT, and net income attributable to non-controlling interests for the period; partially tapered by the deconsolidation of YICT, and dividends declared during the year.

Noncurrent Liabilities

13. Noncurrent portion of long-term debt increased by 14.4 percent to US$3,306.2 million as at June 30, 2026 due to the availment of certain loan in April 2026; partially tapered by the reclassification of loans maturing within the next 12 months, from noncurrent to current.
14. Noncurrent portion of lease liabilities increased by 54.2 percent to US$2,373.3 million as at June 30, 2026 primarily due to the accounting impact of extension of port-related lease agreement at VICT with additional 26 years, port-related sub-lease agreement held by DGT, and remeasurement of lease payments at certain terminals.
15. Deferred tax liabilities increased by 82.9 percent to US$528.2 million primarily due to the acquisition of DGT.
16. Other noncurrent liabilities decreased by 18.6 percent to US$27.7 million mainly due to the favorable impact on market valuation of certain interest rate swaps; partially tapered by increase in accrued retirement benefits.

Current Liabilities

17. Accounts payable and other current liabilities increased by 11.2 percent to US$699.1 million mainly due to increase in liabilities from operating expenses, dividends payable, and revenue-driven output and other taxes.
18. Current portion of long-term debt decreased by 77.4 percent to US$59.3 million mainly due to the repayment of certain loan in April 2026.
19. Current portion of lease liabilities decreased by 5.3 percent to US$53.7 million primarily due to the accounting impact of extension of port-related lease agreement at VICT.
20. Income tax payable decreased by 28.2 percent to US$83.4 million mainly due to settlement of income tax liability outstanding as at December 31, 2025.

2.7 Liquidity and Capital Resources

This section discusses the Group's sources and uses of funds as well as its debt and equity capital profile.

2.7.1 Liquidity

The table below shows the Group's consolidated cash flows as at June 30, 2025 and 2026:

Table 2.13 Consolidated Cash Flows

	For the Six Months Ended June 30		
(In thousands, except % change data)	2025	**2026**	% Change
Net cash provided by operating activities	US$808,630	**US$1,022,552**	26.5
Net cash used in investing activities	(180,392)	**(277,329)**	(53.7)
Net cash used in financing activities	(813,781)	**(999,599)**	(22.8)
Effect of exchange rate changes on cash and cash equivalents	29,317	**10,627**	(63.8)
Net decrease in cash and cash equivalents	(156,226)	**(243,749)**	(56.0)
Cash and cash equivalents, beginning	1,109,073	**1,098,830**	(0.9)
Cash and cash equivalents, end	US$952,847	**US$855,081**	(10.3)

Consolidated cash and cash equivalents is lower by 10.3 percent to US$855.1 million as at June 30, 2026 from US$952.8 million for the same period in 2025, mainly due to higher net cash used in financing activities and investing activities; partially tapered by higher cash generated from operations.

Net cash provided by operating activities increased by 26.5 percent to US$1,022.6 million for the six months ended June 30, 2026 from US$808.6 million for the same period in 2025, primarily due to positive results of operations in 2026.

Net cash used in investing activities increased by 53.7 percent to US$277.3 million for the six months ended June 30, 2026 from US$180.4 million for the same period in 2025, mainly due to higher capital expenditures (excluding capitalized borrowing costs and government grant) spent for ongoing expansions, from US$232.0 million in 2025 to US$320.1 million in 2026; the maturity of short-term investments in 2025; tapered by the proceeds from sale of a subsidiary in 2026.

Net cash used in financing activities increased by 22.8 percent to US$999.6 million for the six months ended June 30, 2026 from US$813.8 million for the same period in 2025, mainly due to redemption of perpetual capital securities, and higher dividend payment in 2026; partially tapered by higher net availments of loans in 2026.

2.7.2 Capital Resources

The table below illustrates the Group's capital sources as at December 31, 2025 and June 30, 2026:

Table 2.14 Capital Sources

(In thousands, except % change data)	December 31, 2025 *(Audited)*	**June 30, 2026** *(Unaudited)*	% Change
Current portion of long-term debt	US$262,206	**US$59,256**	(77.4)
Long-term debt, net of current portion	2,889,182	**3,306,218**	14.4
Total short and long-term debt	3,151,388	**3,365,474**	6.8
Equity	2,481,185	**2,456,129**	(1.0)
	US$5,632,573	**US$5,821,603**	3.4

The Group's total debt and equity capital increased by 3.4 percent as at June 30, 2026 primarily due to net availment of long-term loans and net income generated during the period; partially tapered by the declaration of cash dividends, and the redemption of perpetual capital securities.

2.7.2.1 Debt Financing

The table below is a summary of long-term debt maturities, gross of unamortized debt issuance costs, of the Group as at June 30, 2026:

Table 2.15 Outstanding Long-Term Debt Maturities

	Amount
2026 [i]	US$12,226
2027	308,753
2028	456,562
2029	692,943
2030 onwards	1,920,226
Total	US$3,390,710

[i] *July 1, 2026 through December 31, 2026*

The average duration of the Group's long-term debt was extended by the availment of various long-term loans. As a result, 91% of the Group's long-term debt will mature in 2028 and beyond. Details of the Group's outstanding loans are disclosed in Note 10, *Long-term Debt* to the Unaudited Interim Condensed Consolidated Financial Statements.

2.7.2.2 Loan Covenants

The loans from local and foreign banks impose certain restrictions with respect to corporate reorganization, disposition of all or a substantial portion of ICTSI's and subsidiaries' assets, acquisitions of futures or stocks, and extending loans to others, except in the ordinary course of business. ICTSI is also required to comply with a specified financial ratio relating to their debt to EBITDA up to 4 times when incurring additional debt.

There was no material change in the covenants related to the Group's long-term debt. As at June 30, 2026, ICTSI and subsidiaries were in compliance with their loan covenants.

There were no other significant transactions pertaining to the Group's long-term debt as at June 30, 2026, except as discussed above.

2.7.2.3 Equity Financing

Perpetual Capital Securities

RCBV engaged in a series of financial transactions involving the issuance, redemption, and consolidation of Senior Guaranteed Perpetual Capital Securities ("Securities") with 5.0 percent interest rate. These Securities are unconditionally and irrevocably guaranteed by ICTSI and were used to refinance existing debts, fund capital expenditures, and support general corporate purposes.

On May 5, 2026, RCBV redeemed the US$298.0 million 5.0 percent Securities at a price equal to the principal plus accrued distributions of US$7.5 million.

2.8 Risks

ICTSI and its subsidiaries' geographically diverse operations expose the Group to various market risks, particularly foreign exchange risk, interest rate risk and liquidity risk, which movements may materially impact the financial results of the Group. With a view to managing these risks, the Group has incorporated a financial risk management function in its organization, particularly in the treasury operations.

2.8.1 Foreign Exchange Risk

The Group has geographically diverse operations and transacts in currencies other than its functional currency. Consequently, the Group is exposed to the risk of fluctuation of the exchange rates between the US dollar and other local currencies such as PHP, MXN, BRL, AUD, EUR and ZAR that may adversely affect its results of operations and financial position. The Group attempts to match its revenues and expenses whenever possible and, from time to time, engages in hedging activities.

The Group's non-US dollar currency-linked revenues was 59.3 percent and 67.0 percent of gross revenues for the periods ended June 30, 2025 and 2026, respectively. ICTSI incurs expenses in foreign currency for the operating and start-up requirements of its international subsidiaries. Concession fees payable to port authorities in certain countries are either denominated in or linked to the US dollar.

The table below provides the currency breakdown of the Group's revenue for the six months ended June 30, 2026:

Table 2.16 Revenue Currency Profile

Business Unit	USD/EUR Composition	Local Currency
MICT	42% USD	58% PHP
MNHPI		100% PHP
SBITC/ICTSI Subic	48% USD	52% PHP
MCT	46% USD	54% PHP
VCT	29% USD	71% PHP
SCIPSI		100% PHP
MMT	40% USD	60% PHP
BIPI	32% USD	68% PHP
LGICT	24% USD	76% PHP
CGT		100% PHP

(Forward)

Business Unit	USD/EUR Composition	Local Currency
VICT		100% AUD
PNG		100% PGK
BACT	19% USD	81% IDR
EJMT		100% IDR
YICT*		100% RMB
CMSA	16% USD	84% MXN
OPC	100% USD	
CGSA	100% USD	
TSSA		100% BRL
ICTSI Rio	29% USD	71% BRL
TecPlata	100% USD	
IRB Logistica		100% BRL
CLIA Pouso Alegre	48% USD	52% BRL
DGT		100% ZAR
MGT	100% USD	
BGT	43% USD	57% IQD
MICTSL	100% EUR	
BCT	72% USD/1% EUR	27% PLN
AGCT	100% EUR	
OMT	60% USD	40% NGN
BICTL	100% USD	
KMT	100% EUR	

** Deconsolidated on March 31, 2026*

2.8.2 Interest Rate Risk

The Group's exposure to market risk for changes in interest rates (cash flow interest rate risk) relates primarily to the Group's bank loans and is addressed by a periodic review of the Group's debt mix with the objective of reducing interest cost and maximizing available loan terms. The Group also enters into interest rate swap agreements in order to manage its exposure to interest rate fluctuations.

2.8.3 Liquidity Risk

The Group manages its liquidity profile to be able to finance its working capital and capital expenditure requirements through internally generated cash and proceeds from debt and/or equity. As part of the liquidity risk management, the Group maintains strict control of its cash and makes sure that excess cash held by subsidiaries are up streamed timely to the Parent Company. The Group also monitors the receivables and payables turnover to ensure that these are at optimal levels. In addition, it regularly evaluates its projected and actual cash flow information and continually assesses the conditions in the financial market to pursue fund raising initiatives. These initiatives may include accessing bank loans, project finance facilities and the debt capital markets.

ICTSI monitors and maintains a level of cash and cash equivalents and bank credit facilities deemed adequate to finance the Group's operations, ensure continuity of funding and to mitigate the effects of fluctuations in cash flows.

There are no other known trends, demands, commitments, events or uncertainties that will materially affect the Group's liquidity.

PART II – OTHER INFORMATION

There are no other information not previously reported in SEC Form 17-C that need to be reported in this section.

ANNEX 1

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
AND SUBSIDIARIES

SCHEDULE OF AGING OF RECEIVABLES
As at June 30, 2026
(Unaudited, in Thousands)

	Trade	Advances	Total
Under six months	US$216,346	US$27,182	US$243,528
Six months to one year	2,809	1,241	4,050
Over one year	6,047	7,293	13,340
	US$225,202	US$35,716	US$260,918

ANNEX 2

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS
As at and for the Six Months Ended June 30

	2025	**2026**
Liquidity ratios		
Current ratio [(a)]	1.04	**1.51**
Interest rate coverage ratio [(b)]	12.79	**15.38**
Solvency ratios		
Debt to equity ratio [(c)]	1.42	**1.37**
Asset to equity ratio [(d)]	4.19	**4.22**
Profitability ratio		
EBITDA margin [(e)]	65.6%	**64.1%**

[(a)] *Current assets over current liabilities*

[(b)] *EBITDA over interest expense and financing charges on borrowings*

[(c)] *Interest-bearing debts over total equity*

[(d)] *Total assets over total equity*

[(e)] *EBITDA over gross revenues from port operations*

ICTSI Group – Map of Subsidiaries

As of June 30, 2026

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code, this report is signed on behalf of the registrant, thereunto duly authorized, in the City of Manila on August 3, 2026.

Registrant: **INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.**

By:

[redacted]

Emilio Manuel V. Pascua
Senior Vice President, Chief Financial Officer and Chief Compliance Officer

August 3, 2026

[redacted]

Arlyn L. McDonald
Vice President, Global Financial Controller

August 3, 2026