



RATING RELEASE

24 June 2022

PLIPDECO's ratings remain good

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the assigned ratings of *CariA+* (Foreign and Local Currency Ratings) on the regional rating scale and *ttA+* on the Trinidad and Tobago (T&T) national scale to Point Lisas Industrial Port Development Corporation Limited (PLIPDECO or the Company). These ratings include a single notch up for the likelihood of support if needed from its majority shareholder, the Government of the Republic of Trinidad and Tobago (GORTT). The ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in the Caribbean is **good**.

PLIPDECO's ratings reflect its strong market position in port operations and industrial real estate management in T&T, which is further enhanced by a diversified product offering. The Company's reliable earnings stream on the industrial estate, which is attributable to a stable tenant base, notwithstanding a high rental concentration, also supports the credit ratings. Financial performance remains comfortable, supported by adequate capitalization and strong debt protection metrics. These rating strengths are tempered by the prevailing global and domestic economic conditions which may present downside risks to profitability and growth.

CariCRIS has also maintained the outlook on the ratings as **stable**. The stable outlook is based on our expectation that PLIPDECO will continue to display good financial performance over the next 12 to 15 months, supported by global and domestic economic recovery and the resultant uptick in trade, despite ongoing supply chain challenges and the general uncertainty associated with coronavirus (COVID-19). The Company's ongoing cost optimization initiatives are also expected to further sustain its profitability metrics. Moreover, PLIPDECO is expected to remain well-capitalized and comfortably service its debt obligations.

Rating Sensitivity Factors:

Factors that could, individually or collectively, lead to an improvement of the rating and/or outlook:

- A greater than 8% y-o-y improvement in revenue for 2 consecutive years
- An improvement in profits by 40% for 2 consecutive years excluding the effects of revaluation gain

Factors that could, individually or collectively, lead to a lowering of the rating and/or outlook:

- A material decline of 10% in revenue and profits in 2021
- Current ratio of <1x for a sustained period of 12-18 months
- Any material Company event that can result in default/breaches of covenants

About the company:

Point Lisas Industrial Port Development Corporation (PLIPDECO) was established in 1966. The Government of the Republic of Trinidad & Tobago (GoRTT) is its majority shareholder with 51%, with the other 49% being widely held by various institutional and individual investors as a listed public entity.

PLIPDECO's two core activities are: 1) port management and operations, including cargo handling services, and 2) industrial real estate management.

Port Operations

PLIPDECO's port operations entail handling a wide range of cargo including dry and liquid bulk, containerized and conventional general cargo¹ and breakbulk, servicing both the business sector and individuals. The port consists of 6 general cargo and container berths. It covers an area of approximately 23.33 hectares and has a 10-year average annualized throughput of 182,046 twenty-foot equivalent units (TEUs)² and 328,151 metric tonnes of breakbulk cargo per year³.

¹ Includes non-oil bulk cargo and equipment.

² An inexact unit of cargo capacity often used to describe the capacity of container ships and container terminals. It is based on the volume of a 20-foot-long (6.1m) intermodal container, a standard-sized metal box which can be easily transferred between different modes of transportation, such as ships, trains and trucks.

³ For the 10-year period, 2012 to 2021.

Industrial Real Estate Management

PLIPDECO is also the owner and landlord of the 862.6-hectare Point Lisas Industrial Estate. It comprises 102 tenants that include petrochemical companies, steel plants, manufacturing, and service companies.

For more information on PLIPDECO's ratings, please visit www.caricris.com or contact:

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