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COMMISSION

AGENDA MEMORANDUM Item No. 11a

BRIEFING ITEM Date of Meeting August 8, 2023

DATE: July 21, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Dan Thomas, Chief Financial Officer

Michael Tong, Director, Corporate Budget

SUBJECT: Q2 2023 Financial Performance Briefing

EXECUTIVE SUMMARY

The purpose of this presentation is to provide a status report of the Q2 2023 financial performance results.

BACKGROUND

The Port's overall operating revenues for Q2 2023 were \$462.0 million, which is \$8.3 million above budget and \$99.7 million higher than the same period last year. Excluding Aeronautical revenues, which are based on cost recovery and revenue sharing formulas, other Airport Non-Aero revenues were \$145.4 million, \$7.8 million over budget mainly due to higher revenues from Public Parking (\$4.4M), Rental Cars (\$2.1M), Airport Commercial Properties (\$1.6M), and Clubs & Lounges (\$1.0M); partially offset by lower revenues from ADR & Terminal Leased Space (\$1.9M).

Non-Airport revenues were \$4.9M over budget mainly due to higher NWSA Distributable Revenue (\$4.7M) and Cruise (\$2.3M); partially offset by lower revenues from Conference & Event Center (\$2.1M) and Grain (\$1.3M).

Total operating expenses for the first half of 2023 were \$264.7 million, which is \$15.7 million below budget and \$43.4 million higher than 2022. The favorable budget variance was largely due to delay in Outside Services spending, Travel & Other Employee Expenses, and Third Party Management Operating Expense.

Net operating income before depreciation was \$197.3 million, which is \$23.9 million above budget and \$55.8 million higher than the same period last year.

The presentation outline is as follows:

1. Portwide Operating Results
2. Aviation Division Operating Results

Template revised April 12, 2018.

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3. Maritime Division Operating Results

4. Economic Development Division Operating Results

5. Central Services Operating Results

ATTACHMENTS TO THIS BRIEFING

(1) Q2 2023 Financial and Performance Report

(2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

Template revised September 22, 2016.