



JANUARY 29-30 • TAMPA FL

SHIFTING TRADE

Market Snapshot: Containers

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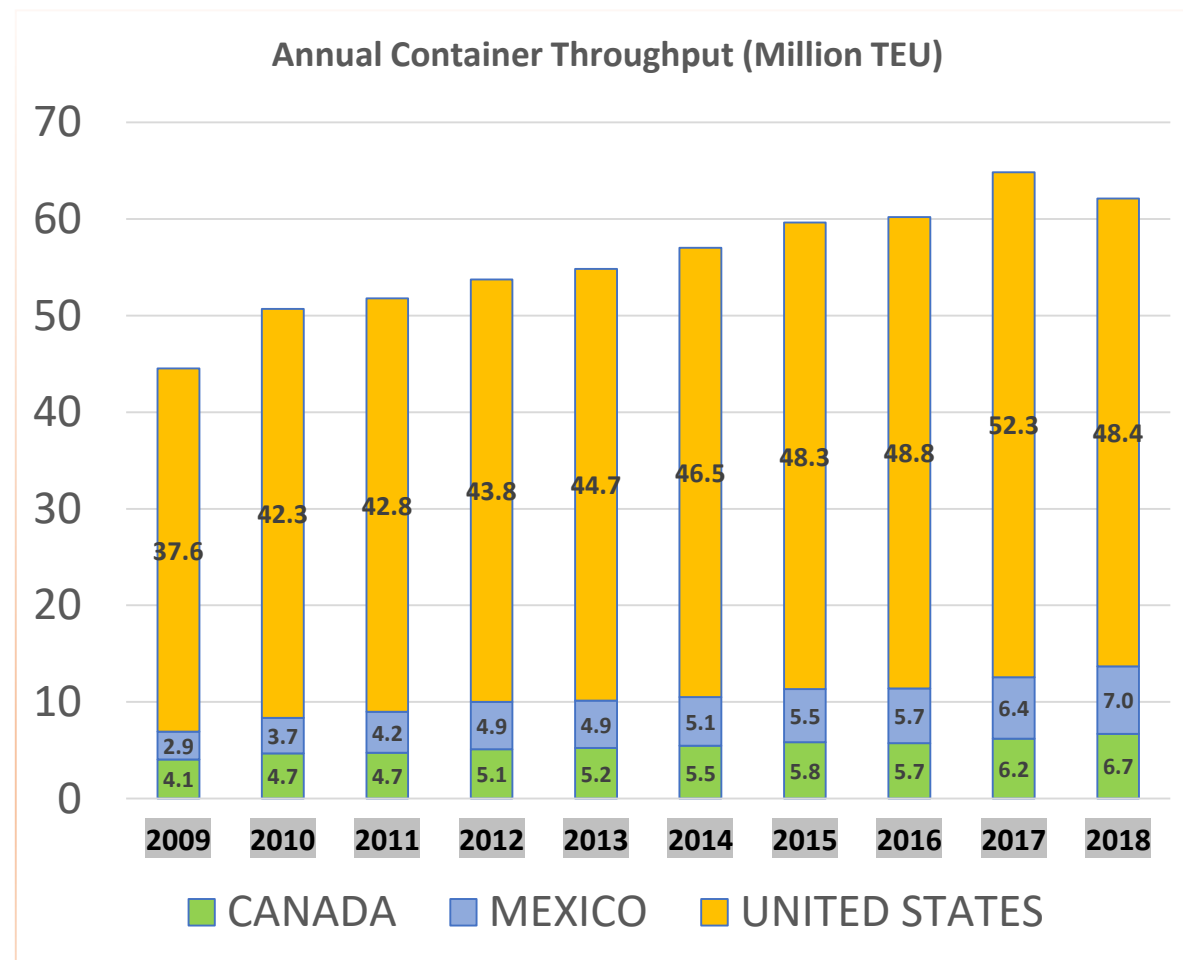
North American Containers Market (2009 – 2018)

- North America market grew 40% from 45M to 62M, with Mexico leading the growth



| | Total growth (2009 - 2018) | years CAGR |
|---------------|----------------------------|------------|
| CANADA | 65.3% | 5.7% |
| MEXICO | 142.8% | 10.4% |
| UNITED STATES | 28.8% | 2.9% |
| NORTH AMERICA | 39.5% | 3.8% |

- CY 2018 marked the first year of negative growth for United States



Source: AAPA



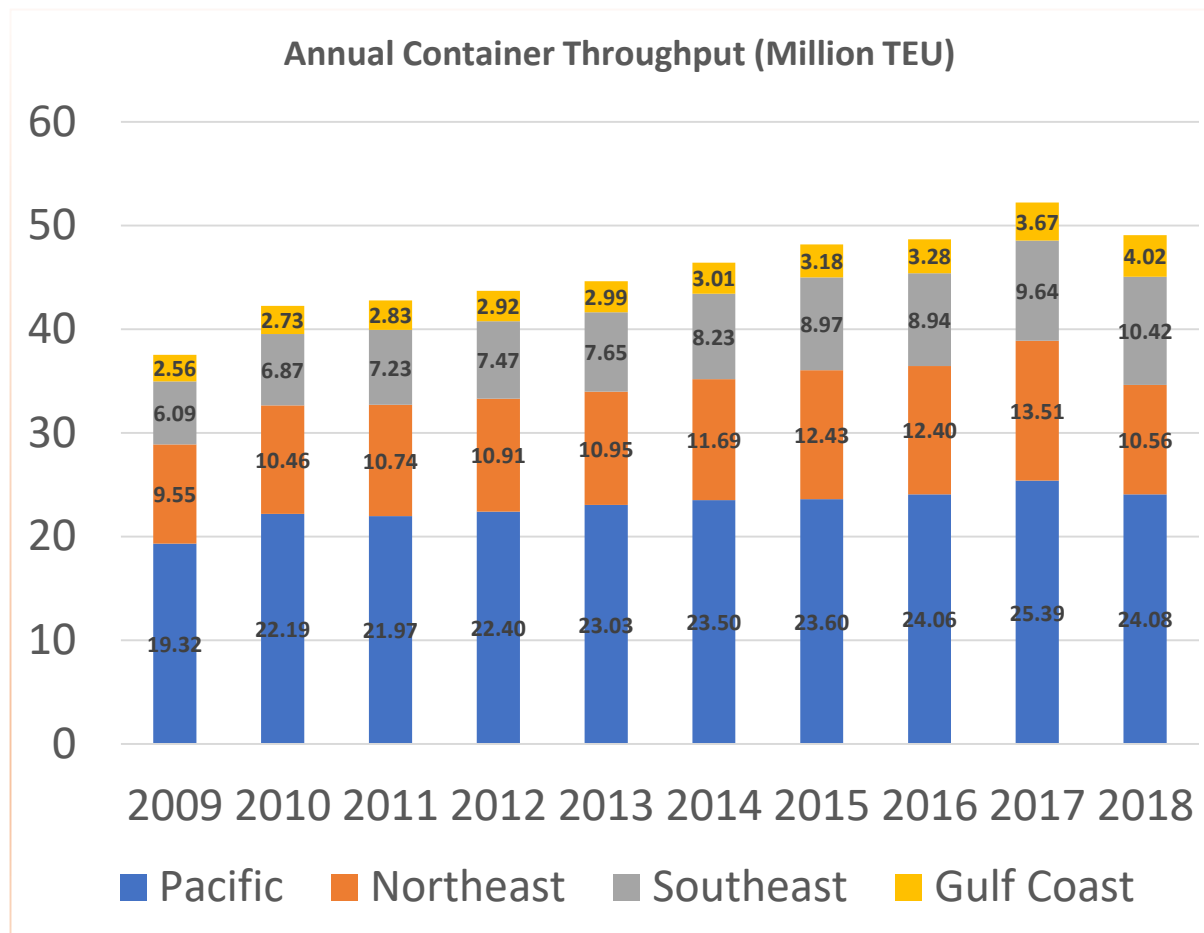
United States Containers Market (2009 – 2018)

- United States market grew 29% from 38M to 49M, with Southeast Ports leading the growth



| | Total growth (2009 - 2018) | 10-years CAGR |
|------------|----------------------------|---------------|
| Pacific | 24.7% | 2.5% |
| Northeast | 10.5% | 1.1% |
| Southeast | 71.0% | 6.1% |
| Gulf Coast | 57.0% | 5.1% |

- In CY 2018, Southeast and Gulf market grew despite negative growth in the Pacific and Northeast



Source: AAPA



U.S. Southeast + Gulf Container Market (2010 – 2019)

Southeast + Gulf Market demand grew at 5.4% CAGR since 2010

- Handled ~15.5M TEU in CY2019
- Added 6M TEU in 10 years since beginning of 2010

2029 Market Forecast between:

- 21M TEU: based on 3.3% CAGR
- 26M TEU: based on 5.4% CAGR

| | Estimated Study Area Population | | | Ports Throughput | |
|-----------|---------------------------------|-------------|-------------|------------------|---------------|
| | Coastal | Non-Coastal | Total | TEU/year | TEU/1M People |
| Year 2010 | 80,310,739 | 41,854,895 | 122,165,634 | 9,341,240 | 76,464 |
| Year 2018 | 88,522,771 | 42,836,329 | 131,359,100 | 14,142,663 | 107,664 |
| % Growth | 10.2% | 2.3% | 7.5% | 51.4% | 41% |

Source: U.S. Census Data, Port Websites and News Articles

Market Definition

Coastal: North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas

Non-Coastal: Oklahoma, Missouri, Illinois, Indiana, Kentucky, Tennessee, New Mexico and **growing...**

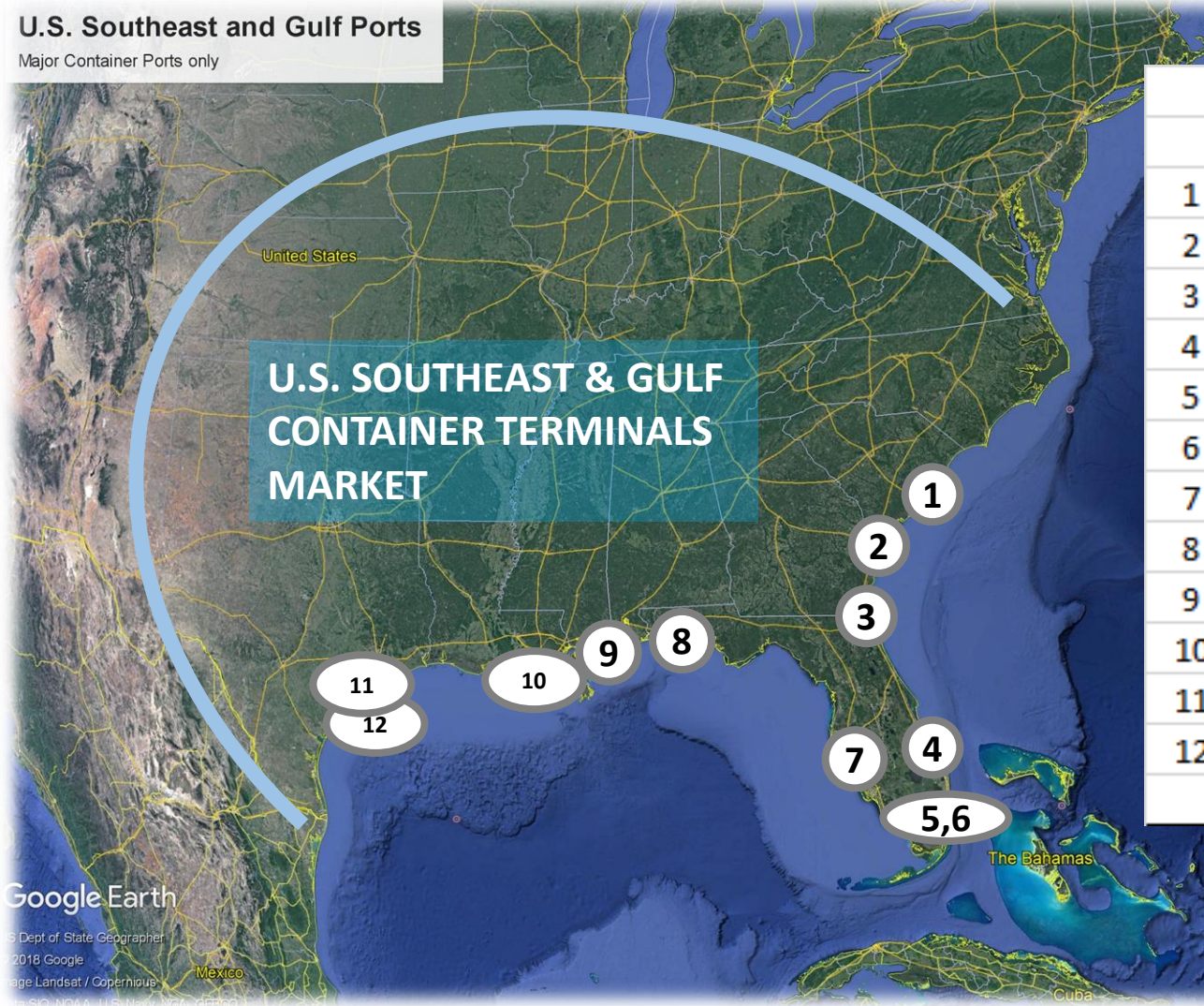




CY2019 Market Size was ~15.5M TEU, 2/3rd of it Handled by 3 Ports

U.S. Southeast and Gulf Ports

Major Container Ports only



| | | 2019 Throughput (TEU) | Market Share |
|----|-----------------|--------------------------|--------------|
| 1 | Charleston | 2,440,000 | 16% |
| 2 | Savannah | 4,623,646 | 30% |
| 3 | Jacksonville | 1,338,429 | 9% |
| 4 | West Palm Beach | 279,900 | 2% |
| 5 | Port Everglades | 1,050,000 | 7% |
| 6 | Port Miami | 1,120,000 | 7% |
| 7 | Tampa | 105,663 | 1% |
| 8 | Mobile | 416,960 | 3% |
| 9 | Gulfport | 199,245 | 1% |
| 10 | New Orleans | 648,538 | 4% |
| 11 | Houston | 2,987,291 | 19% |
| 12 | Freeport | 111,128 | 1% |
| | | 15,320,800 | 100% |

Source: Port Websites + News Articles + AECOM Research

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When the Market grows, Most Ports grow... Some more than others

U.S. Southeast and Gulf Ports

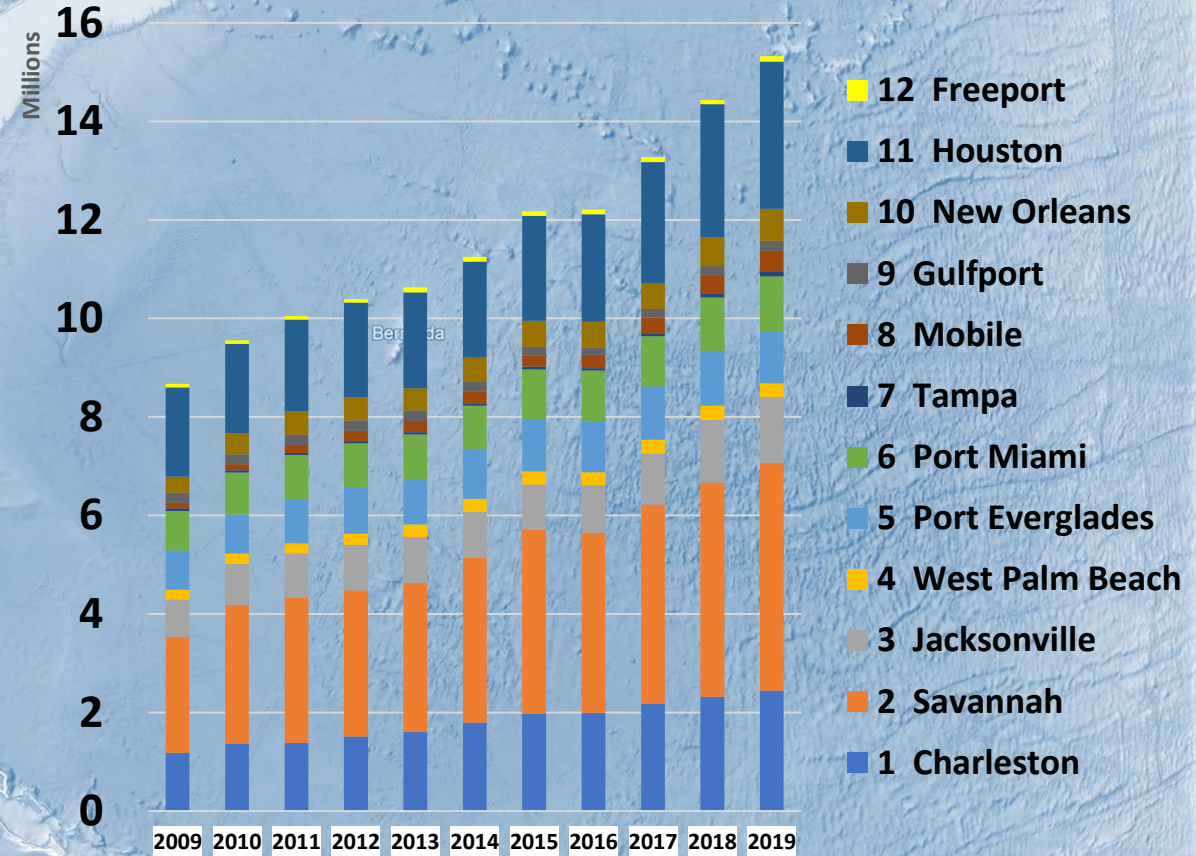
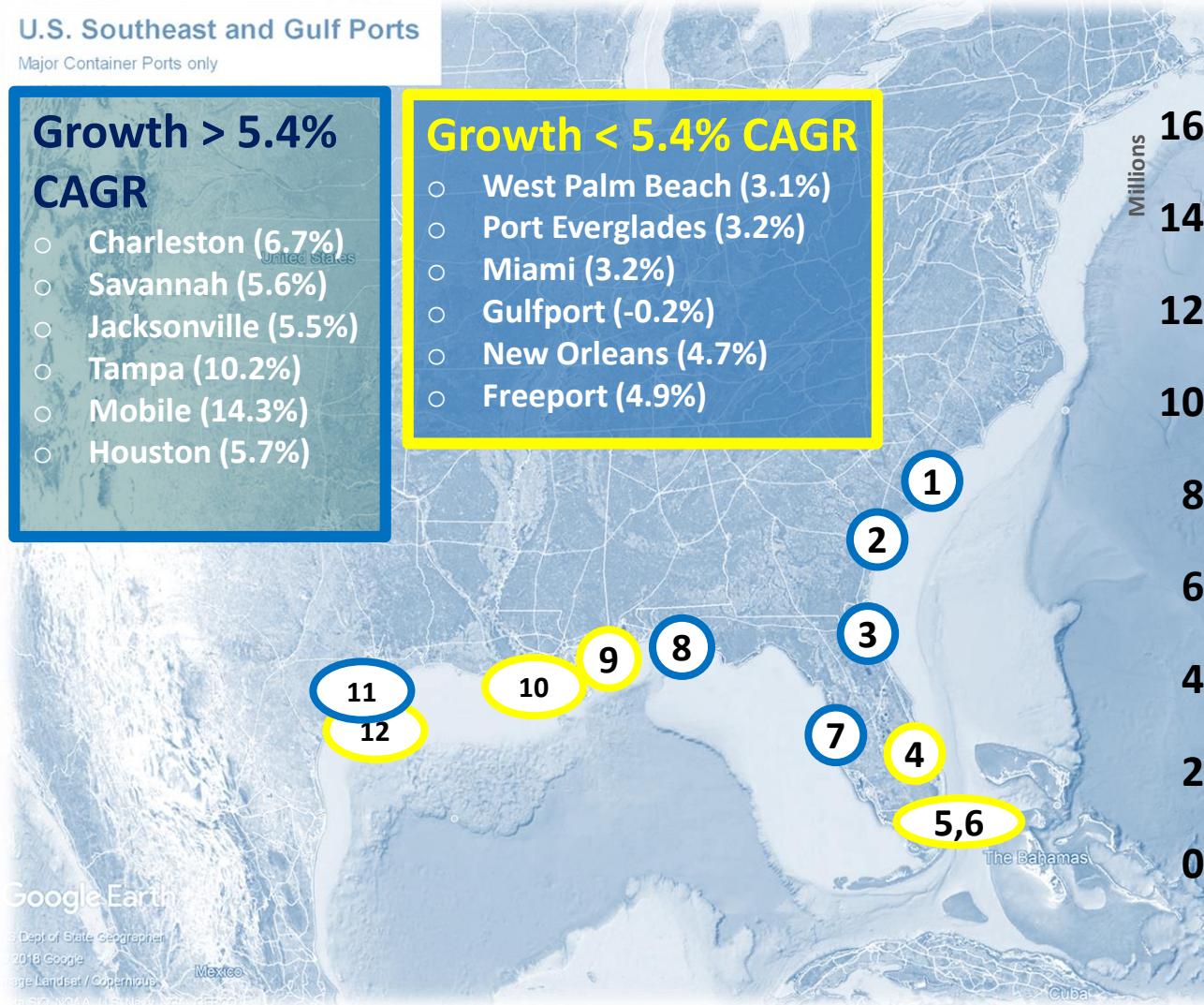
Major Container Ports only

Growth > 5.4% CAGR

- Charleston (6.7%)
- Savannah (5.6%)
- Jacksonville (5.5%)
- Tampa (10.2%)
- Mobile (14.3%)
- Houston (5.7%)

Growth < 5.4% CAGR

- West Palm Beach (3.1%)
- Port Everglades (3.2%)
- Miami (3.2%)
- Gulfport (-0.2%)
- New Orleans (4.7%)
- Freeport (4.9%)

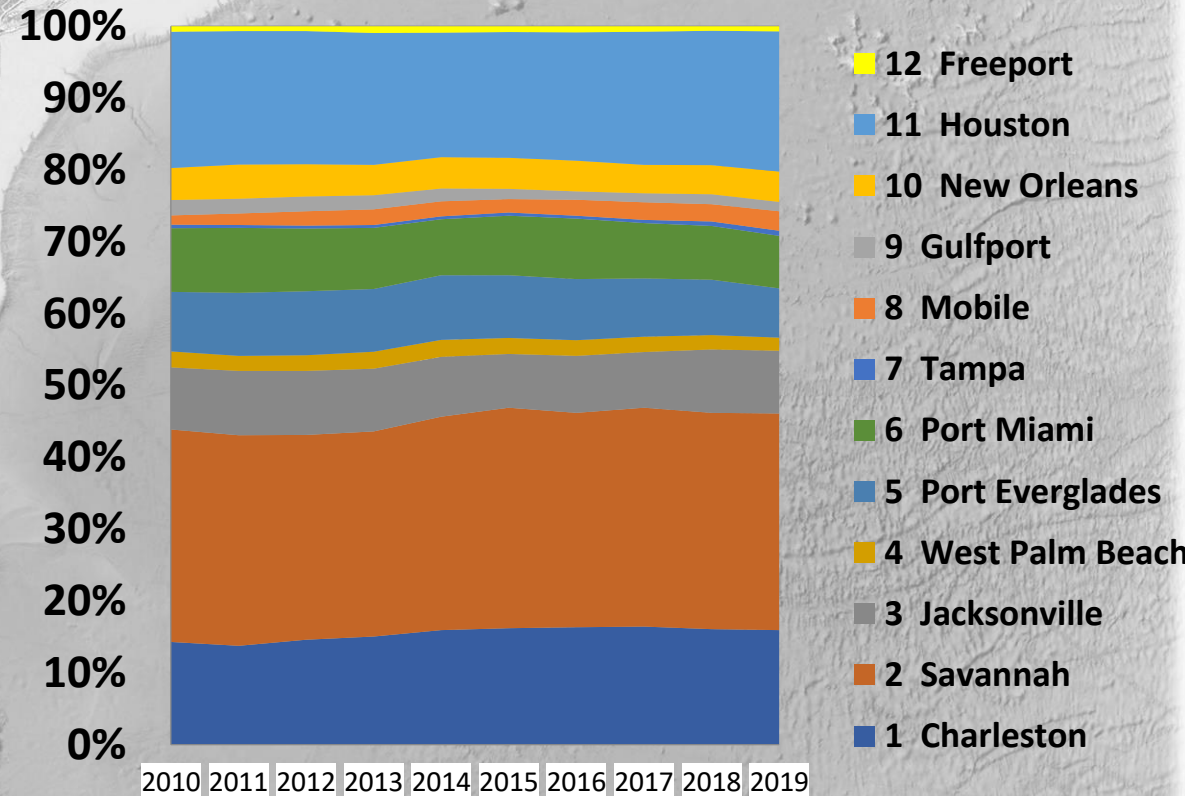
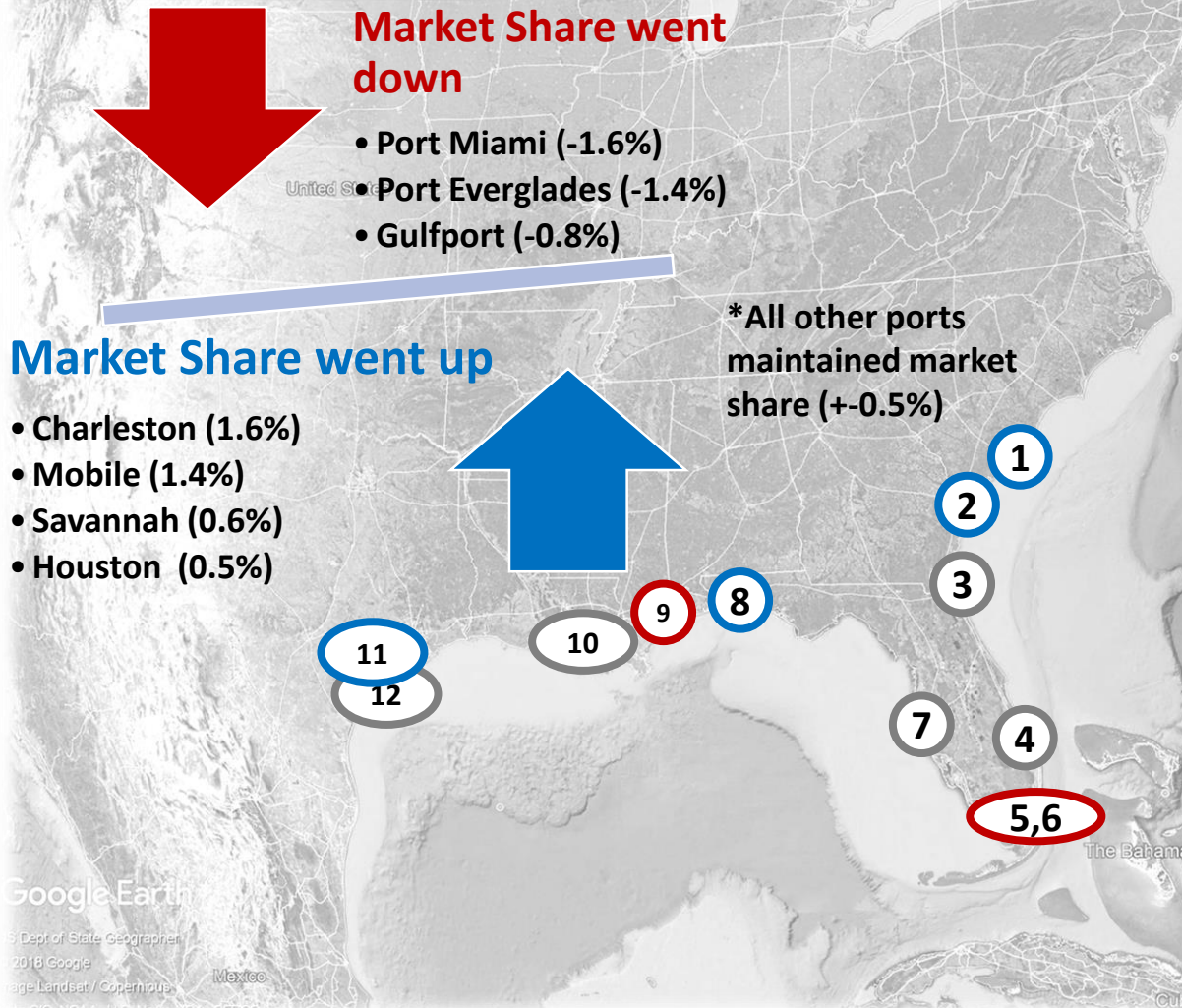


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Market Shifting towards Ports with Faster & Extended Reach to Customers with Capacity to Expand

U.S. Southeast and Gulf Ports
Major Container Ports only



Source: AECOM



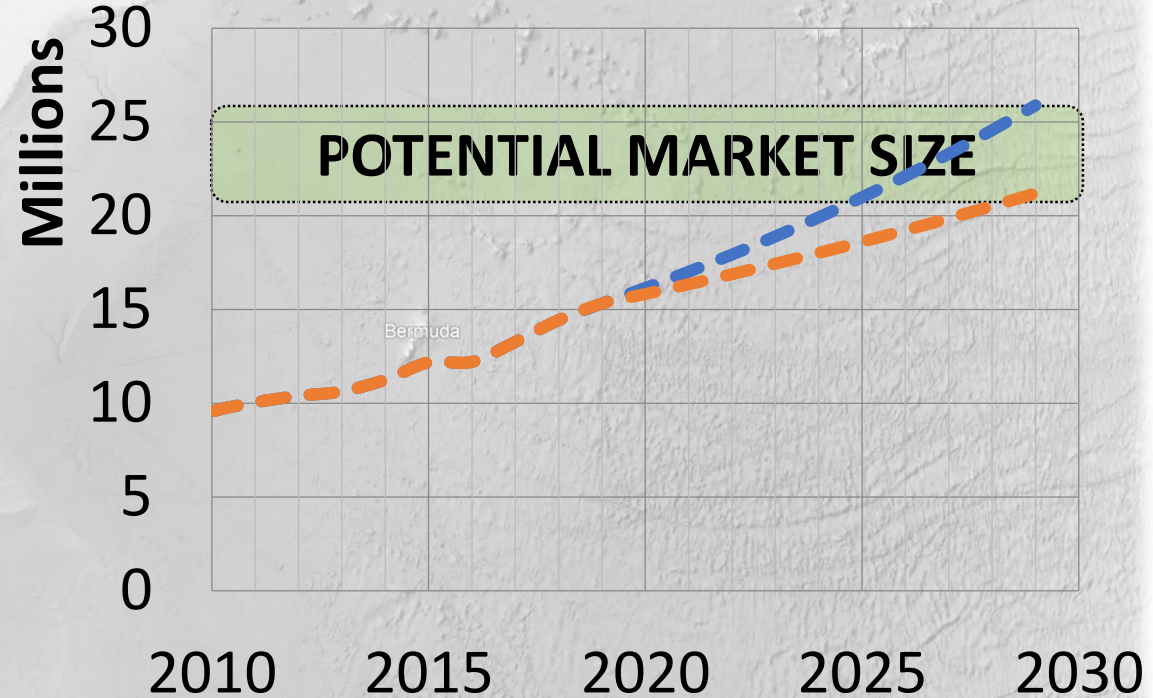
Year 2029: Potential 21M to 26M Annual TEU Market

U.S. Southeast and Gulf Ports

Major Container Ports only

- Additional 6M to 11M TEU Demand
- High Demand @ 5.4% CAGR of 26M*
- Avg Demand @ 3.3% CAGR of 21M* accounts for
 - Similar population growth
 - 140,000 TEU / 1M Population (National Avg)

— Demand @ 5.4% CAGR — Demand @ 3.3% CAGR



Source: AECOM

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Image Lands: * Mexico

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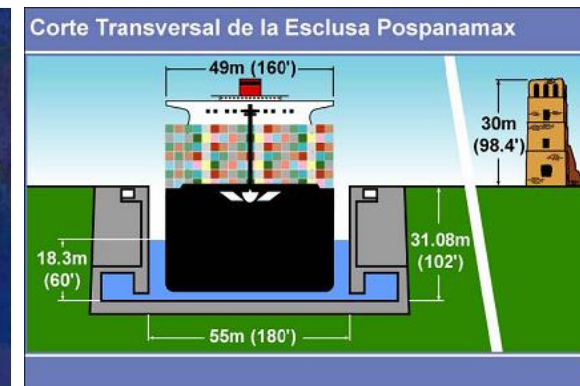
Disclaimer: this forecast should not be used for financing or construction of any Project

Cuba

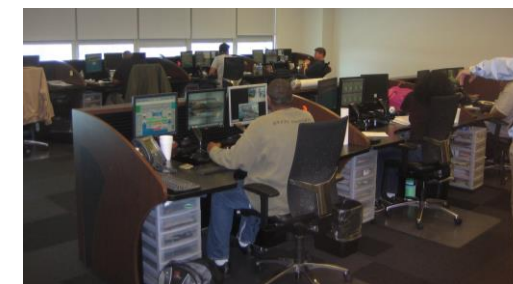


Three Biggest Milestones for the Container Industry (2010 – 2019)

- The Panama Canal Expansion
 - Shifted Port throughput from West to East
 - Direct all-water service to Southeast & Gulf
 - Allows transit of large LNG vessels to Asia



- POLA/LB Clean Air Action Plan



- Adoption of Full Automation and Electrification

- 2014, PANYJ, GCT (ASC + manual shuttles)
- 2015, POLB, LBCT (ASC + Autostrads)
- 2016, POLA, Trapac Terminal (ASC + AGVs)
- Electric RTGs (Savannah, Miami, Charleston?)

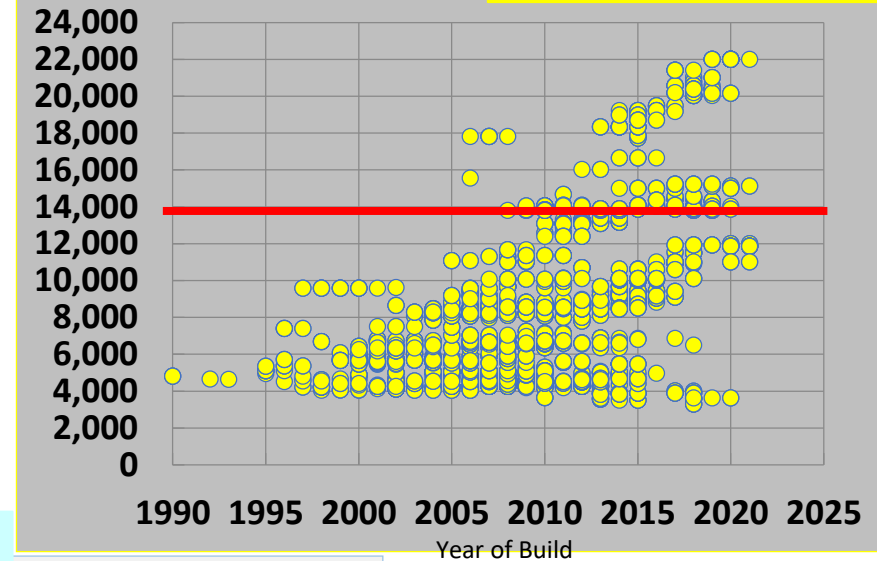




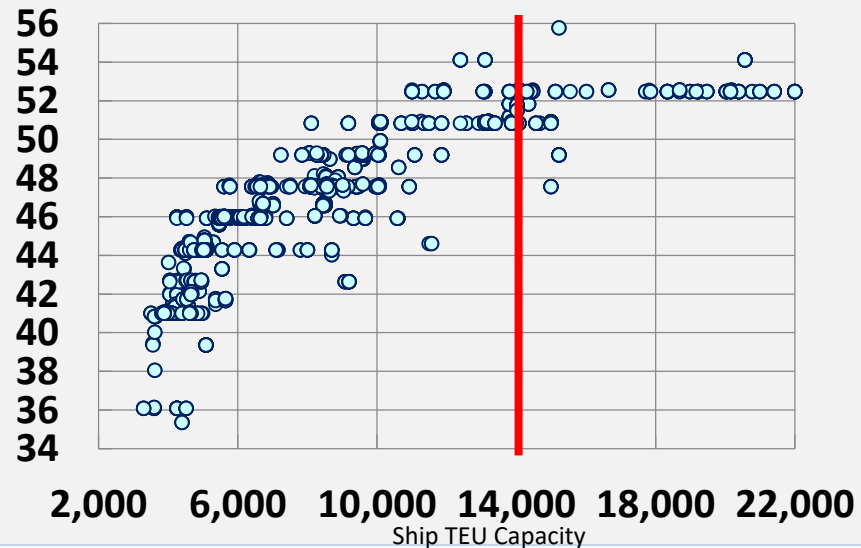
Three Biggest Challenges Facing the Container Industry

1. Big ships
2. Aging Infrastructure
3. Climate Change, Sea-Level Rise
4. Inland Connectivity
5. Rising Labor Cost
6. Automation & Electrification
7. Environmental Permitting
8. Shipping lines M&A
9. Supply of truck drivers
10. Railroads targeting markets
11. Issues with Chassis pool
12. Many....more...

Year of Build vs. TEU Capacity

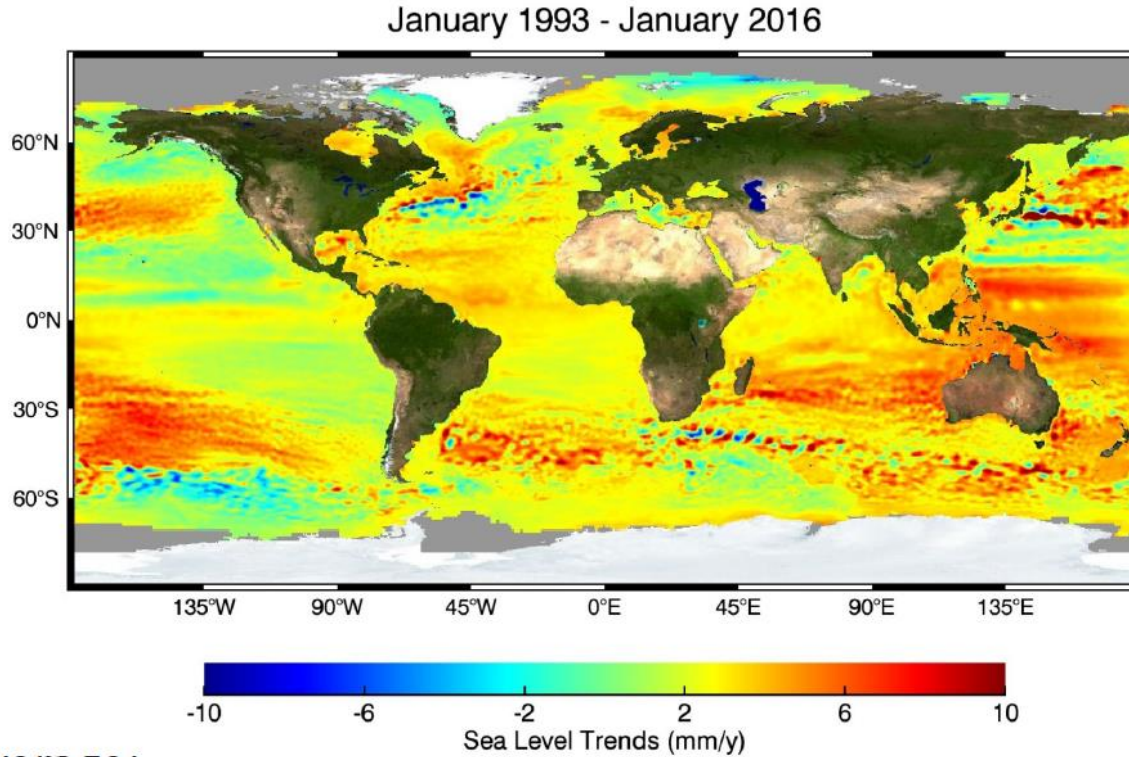


TEU Capacity vs. Fully Loaded Draft (ft)



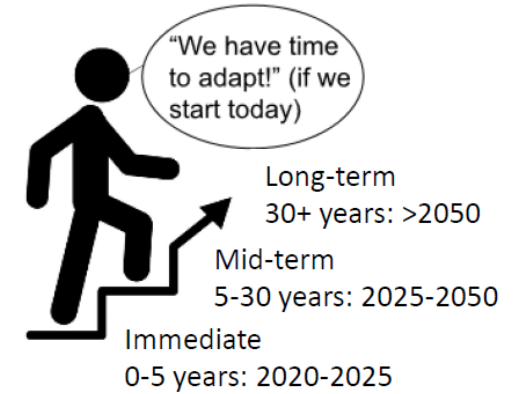


Three Biggest Challenges Facing the Container Industry, Climate Change & Sea Level Rise



Global average:

- Since 1870 (tide gages): +1.8mm/yr
- Since 1993 (satellite+ tide gages): +3.2 mm/yr –nearly 2x the previous rate



| | | | |
|--------------------------------------|--|---|---|
| | | | <p>Short Term →</p> <p>← Long Term</p> |
| Critical: Economic engines | Complex: Many stakeholders & asset types | Constrained: Little redundancy or ability to relocate | Short Planning Time Frame: 5-15 years |



Southeast + Gulf Market Added Approximately 4M TEU Capacity since 2010

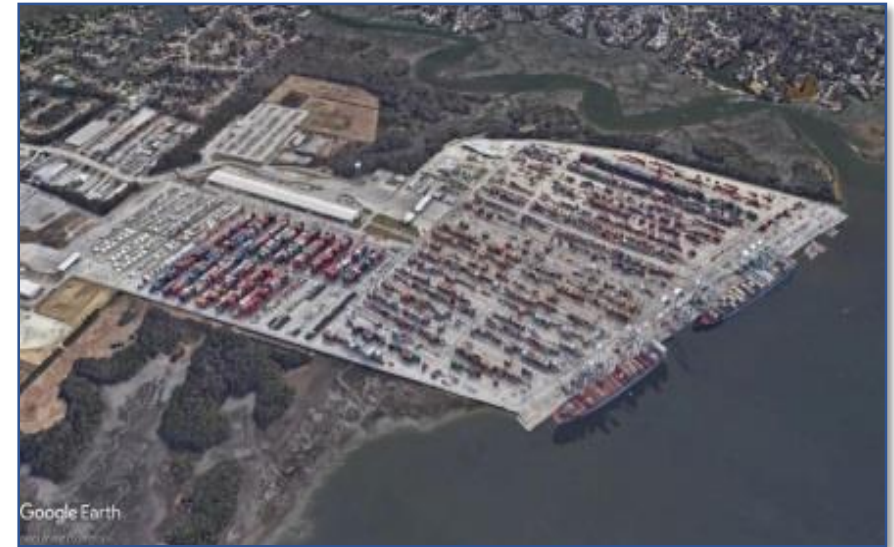
- Excessive capacity was available since the 2008 downturn
- Most of the capacity gain is incremental and AS-NEEDED basis
 - Charleston: added capacity at Wando Welch Terminal but converted Columbus Street Terminal
 - Savannah added 100+ acres of container yard and added 7+ new QCs and retrofitted berths
 - Jacksonville added 75+ acres and 4 QCs
 - Miami added 65+ acres and 1 QC
 - Mobile, new capacity became available
 - New Orleans added 45+ acres and upgraded the berth
 - Houston added 2000+ ft of Berth, 60+ acres of container yard and added new 8 QCs and retrofitted berths
 - Freeport, new capacity became available





9M TEU of New Container Terminal Capacity by 2029

- Up to 9M TEU of publicly known planned new capacity by 2029
 - Charleston HLT Terminal: 2.4M TEU
 - Savannah: Plans to expand to 8M TEU, additional 3M TEU
 - Jacksonville: New SSA Terminal, additional 600k TEU
 - Port Everglades Southport Turning Notch: 1M TEU
 - Port Miami conversion to RTGs: 200k TEU
 - Port of New Orleans Nashville Ave Upgrades: 700k TEU
 - Bayport Wharf Upgrades: 400k TEU
 - Port Canaveral: 200k TEU
 - Port Manatee: 200k TEU
 - Other Misc. 300k TEU



Additional Capacity Post 2029:

- Jasper County Terminal (SC+GA): 1500 Acres, 6+M TEU Capacity?



Concluding Remarks

- North America enjoyed a strong growth over last 10 years with Mexican and Canadian Ports growing faster than United States Ports
- CY 2018 marked the first year of negative growth for United States
- Southeast and Gulf Coast Container Ports market is growing faster than rest of the United States Ports
- Panama canal gate expansion opened new trade opportunities for the United States Ports
- Many Southeast and Gulf Coast ports racing to upgrade terminals to service container ships greater than 14000 TEU capacity
- Addressing Sea-level-rise and climate change is becoming more important for several Port facilities

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