US CONTAINER PORT UPDATE

February 9, 2022

SOUTH CAROLINA PORTS

Jim Newsome, President & CEO

2021 TOP 10 US PORTS

TEUs IN MILLIONS

CAGR 2010-2021

TOP 10 US PORTS HANDLE 85% OF US PORT VOLUME.

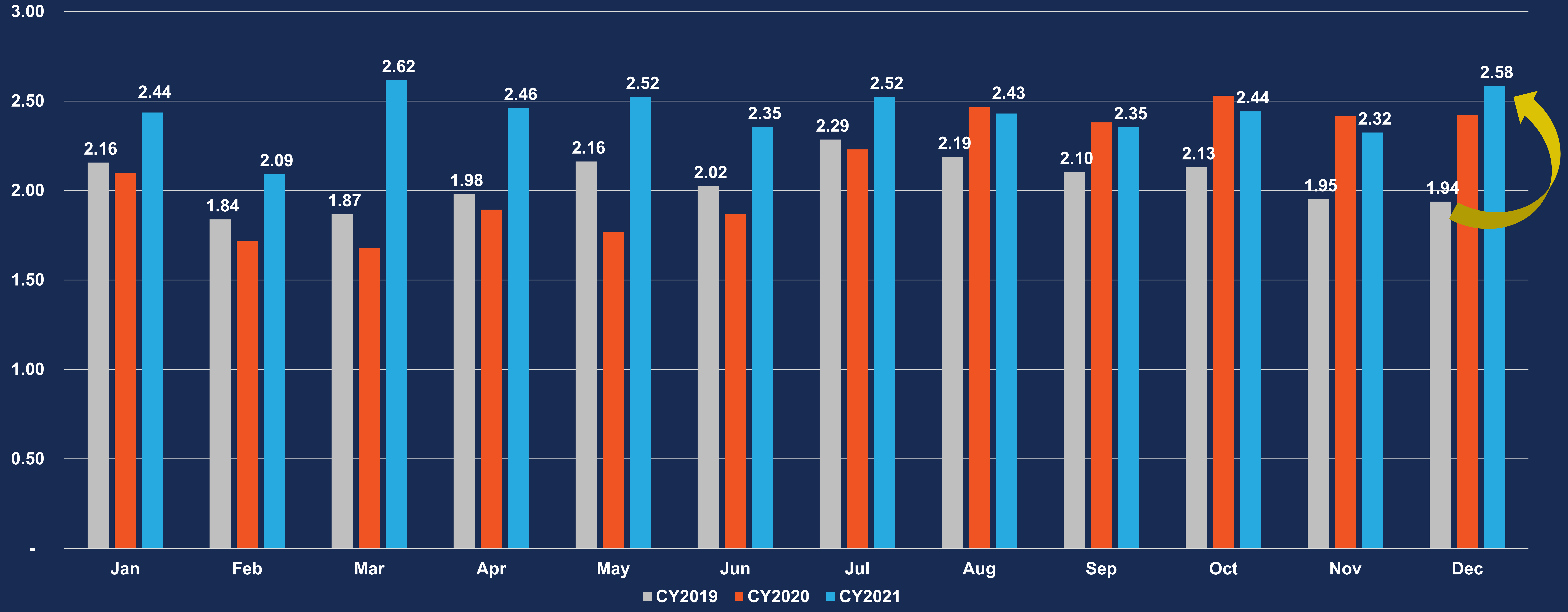
US CAGR
3.43%

Source: AAPA & individual port websites
2021 Jacksonville reports on FY starting Oct 1

US IMPORT TEU VOLUME
IN MILLIONS / JAN 2019 – DEC 2021

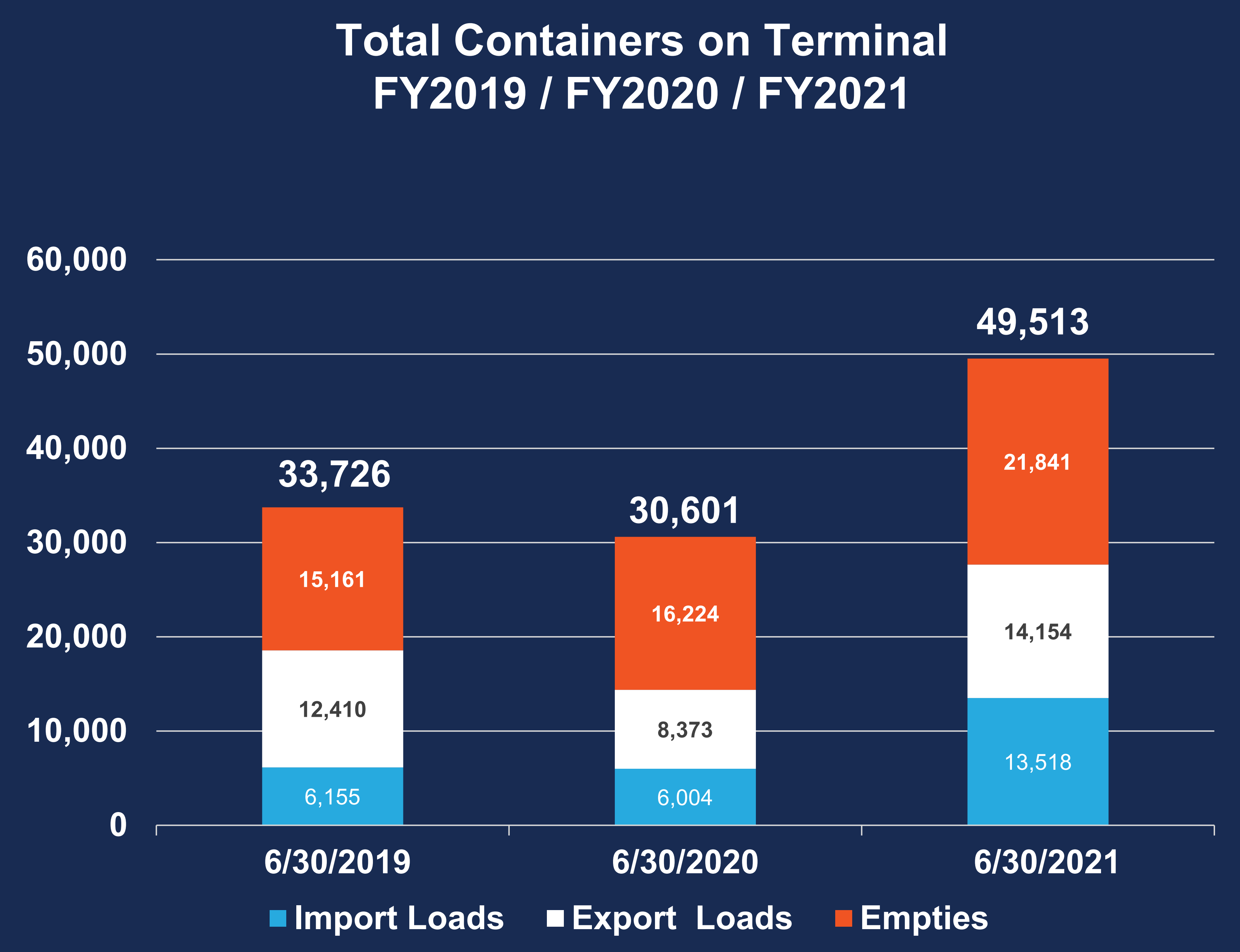
33% increase

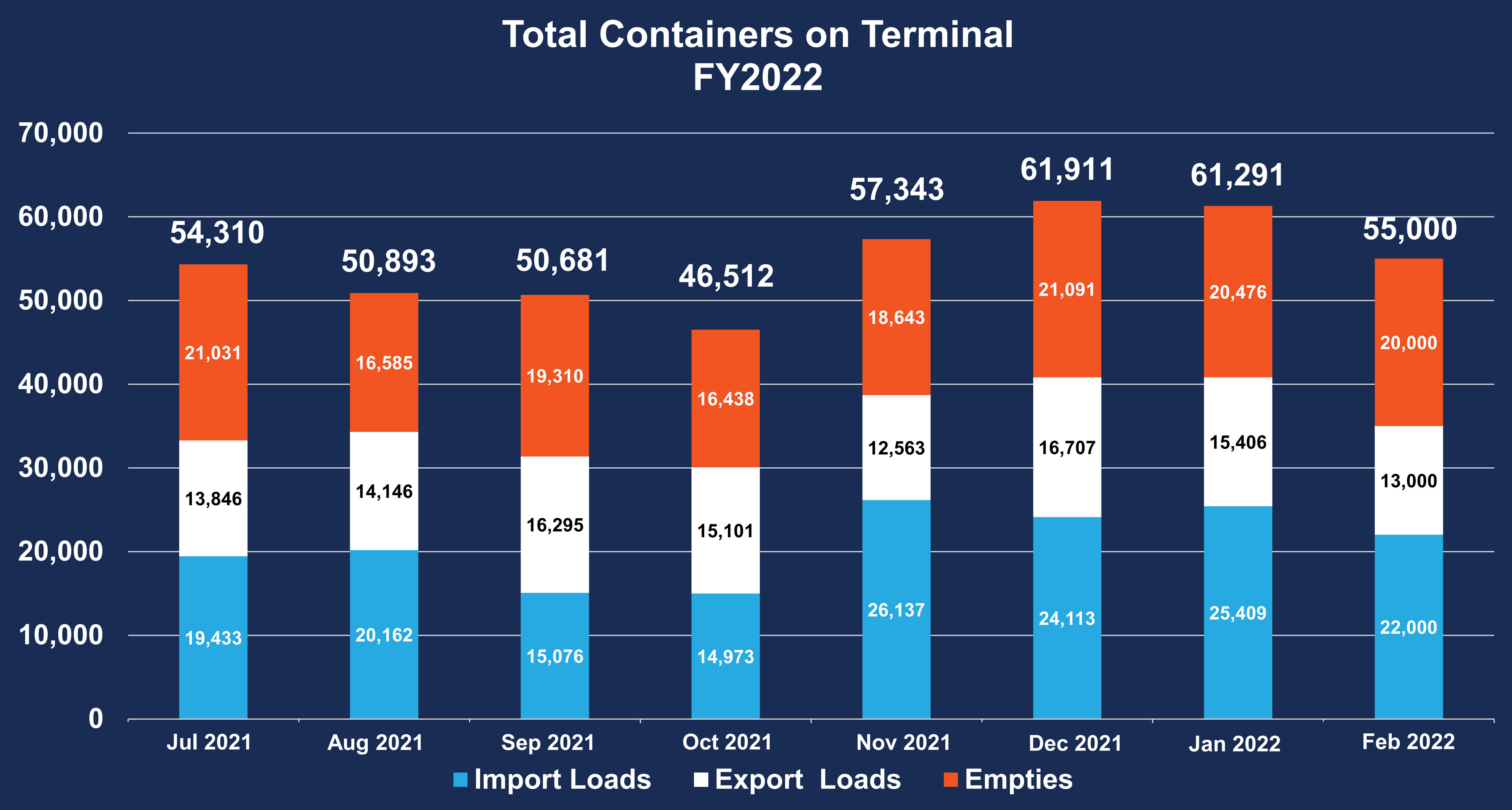
December 2019 to December 2021



Source: JOC PIERS / IHS MARKIT

CONTAINER INVENTORY ON TERMINAL
IN CHARLESTON





46.8% increase
FY2019 to FY2021

11.1% increase
June 2021 to Feb 2022

- 15+ days import dwell / 8,500 containers -

- 20 vessels at anchor as of February 8 -

CURRENT APPROXIMATE SHIPS AT ANCHOR

LA / LB	89
OAKLAND	15
HOUSTON	8
SAVANNAH	3
CHARLESTON	20
NORFOLK	16
BALTIMORE	2
PHILADELPHIA	2
NY / NJ	8

- represents 1.5 million TEU of standing capacity at US anchorages -

FACTORS FOR CONSIDERATION

- Record import volumes tax a rigid supply chain

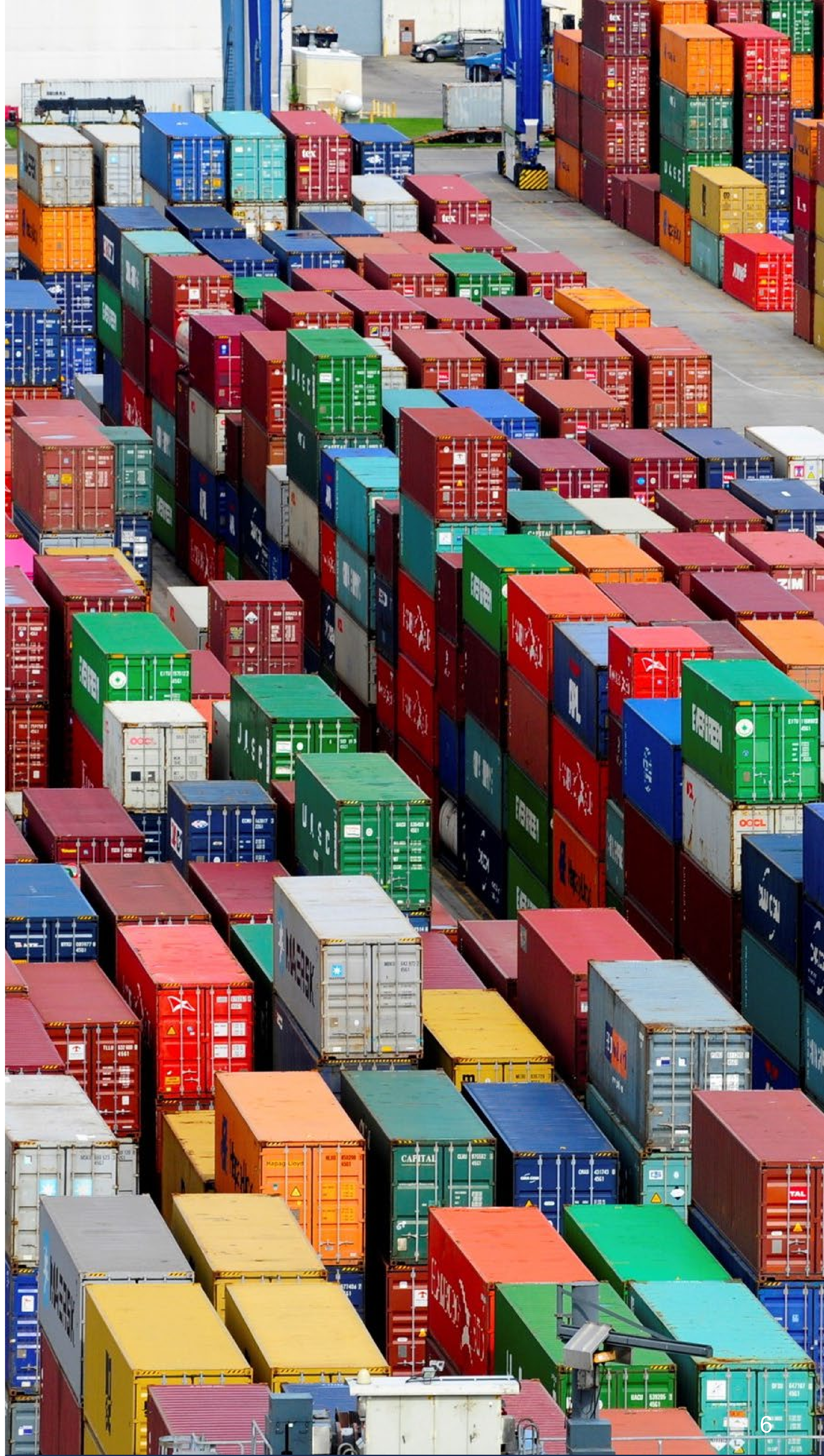
- Most short-term solutions (24-hour gates) are not overly helpful

- Overall lack of ability to take delivery of import containers

  → Warehouse space and workforce
  → Container truck / drayage capacity
  → Chassis

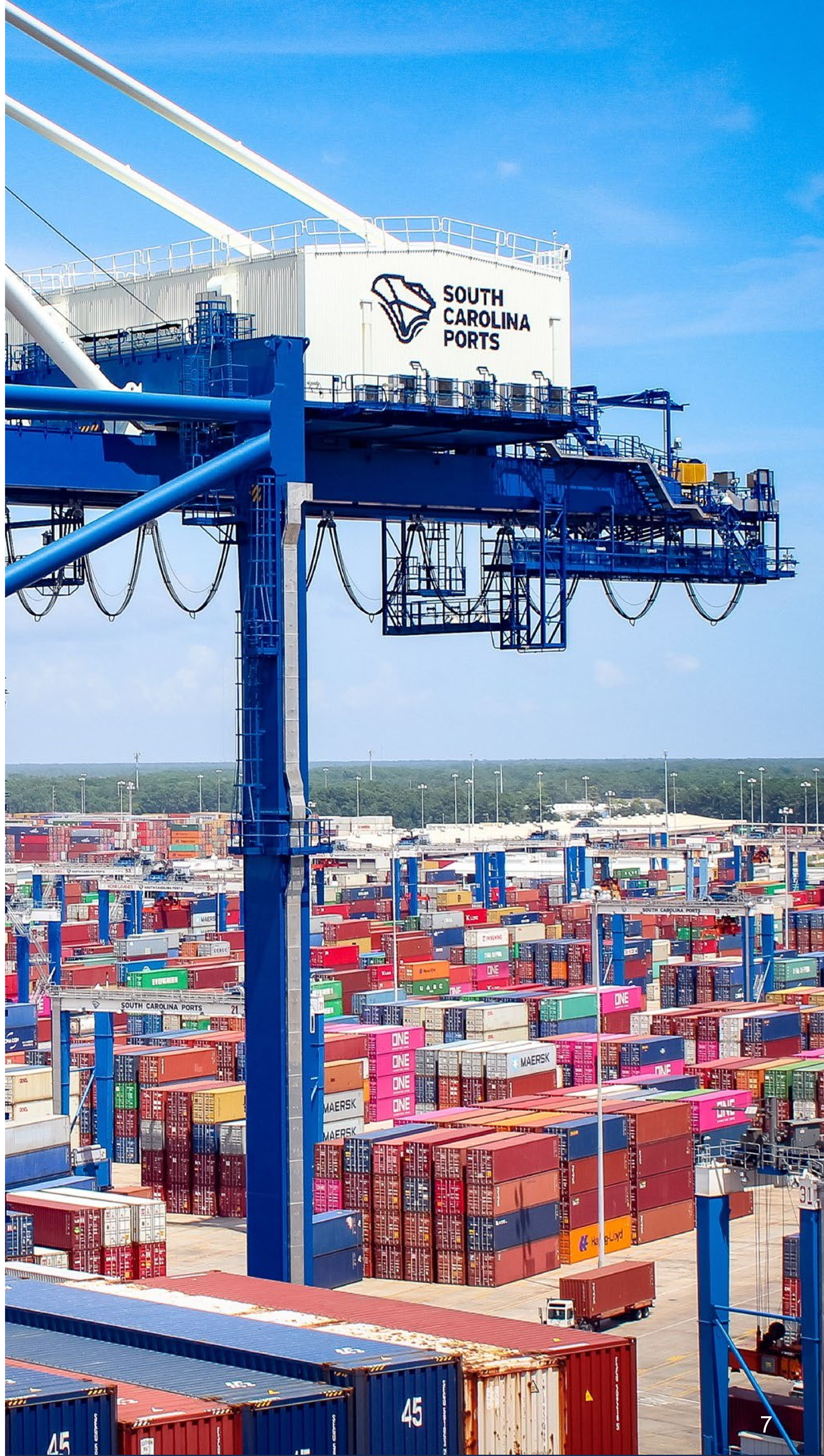
- Supply chain is a zero-sum game, action in one area adversely affects others

- Uncertainty as to ILWU Labor Contract expiring June 2022



CONCLUSION

- East Coast will see increased share of Asia cargo due to West Coast congestion and ILWU uncertainty
- Only immediate structural solution is when demand returns to more normal levels
- Some long-term fixes needed:
    - Container truck capacity → new models / more drivers
    - Chassis fleet upgrades → quantity / quality
    - Network of rail served inland ports to ground loaded containers/ get closer to demand
- Best guess return to some normalcy Q4.22
- Dependent on strength of consumption economy



SOUTH CAROLINA PORTS

THE WORLD CONNECTS HERE

THANK YOU