

MAY 2023



**SOUTH
CAROLINA
PORTS**

**BARBARA MELVIN
PRESIDENT & CEO**

STRATEGIC PRIORITIES & PERFORMANCE METRICS

STRATEGIC PRIORITIES



**SOUTH
CAROLINA
PORTS**



Advance Operational Excellence



Grow and Anchor Our Cargo Base



Deliver Critical Infrastructure



**Care For Our Port Team Members and Maritime
Community Teammates**

INVESTING IN CAPACITY & GROWING SHARE

- More than \$3B of capital investment in 15 years
- Advanced manufacturing successes continue in South Carolina - EV, Solar
- Retail successes continue providing international and domestic opportunities for growth
- Transload opportunities provide strong examples to grow intermodal market shares
- The Southeast will continue to grow at 2x the US port market



\$63.4 B
ANNUAL ECONOMIC IMPACT

1 IN 10
JOBS SUPPORTED

\$1.1 B
ANNUAL TAX REVENUE



ECONOMIC IMPACT

UPSTATE \$32.8 Billion (51.8%) Total Jobs: 116,561
MIDLANDS \$15.5 Billion (24.6%) Total Jobs: 55,346
LOWCOUNTRY \$7.8 Billion (12.3%) Total Jobs: 27,781
PEE DEE \$7.1 Billion (11.3%) Total Jobs: 25,275

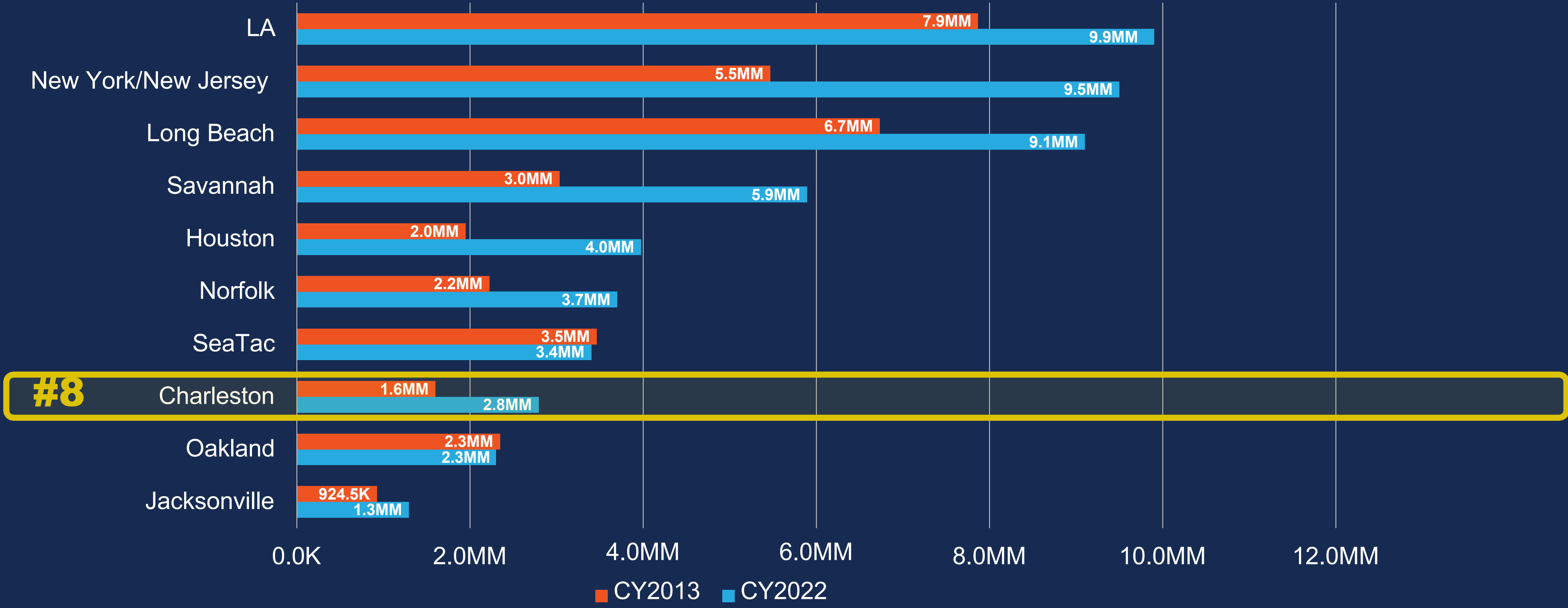
Source: USC Darla Moore School of Business, 2019 Economic Impact Study

PORT-DEPENDENT BUSINESSES
with recent SC Investments

ADVANCE OPERATIONAL EXCELLENCE

2022 TOP 10 US PORTS

TEU 10-YEAR PERIOD COMPARISON



Source: AAPA & individual port websites
 2022 Jacksonville reports on FY starting Oct 1

2022 TOP 10 US PORTS



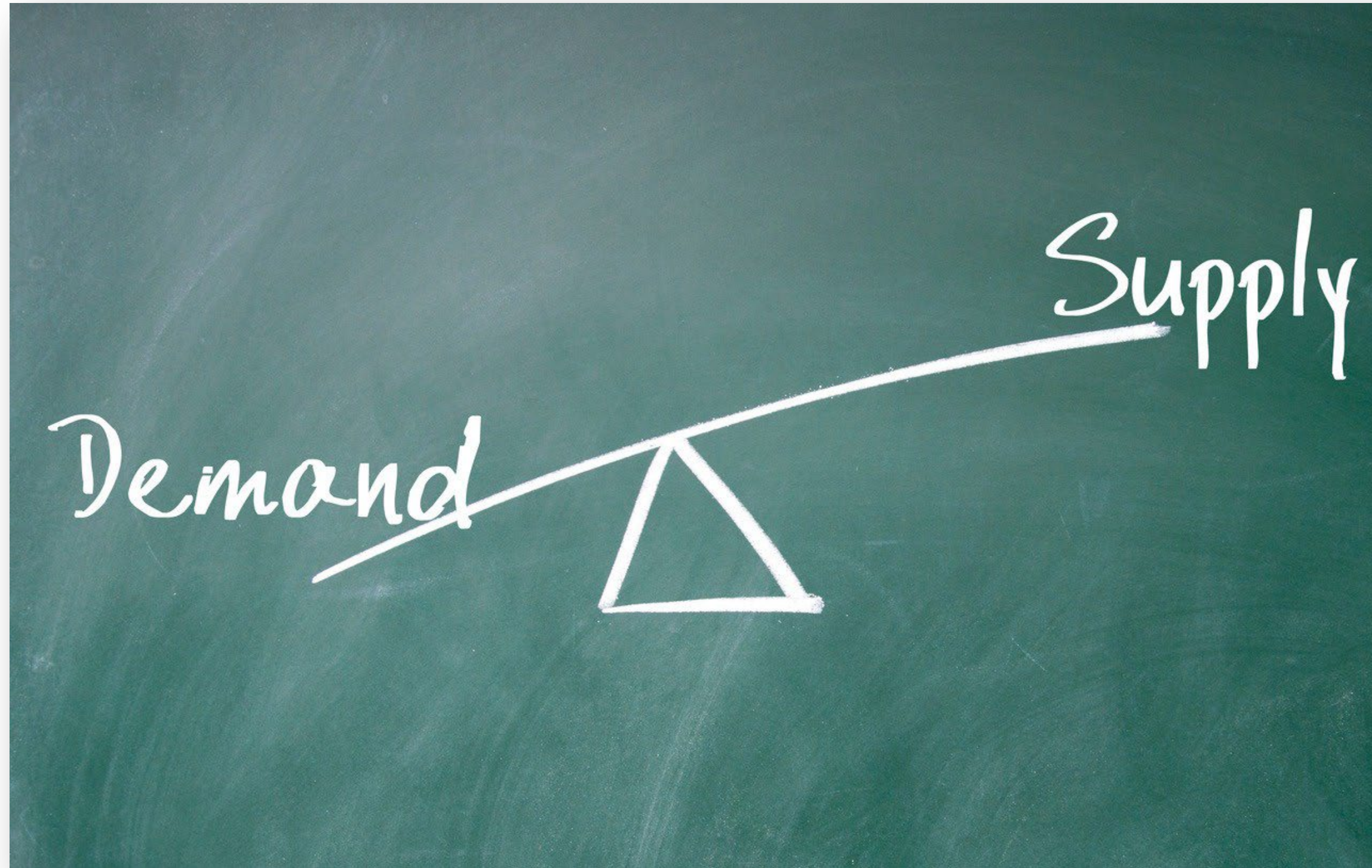
Over the past 5 years, TEUs grew +11% over the South Atlantic, +13% North Atlantic, and +33% Gulf while the West Coast shrank -4%.

CAGR BY REGION FY2013-2022

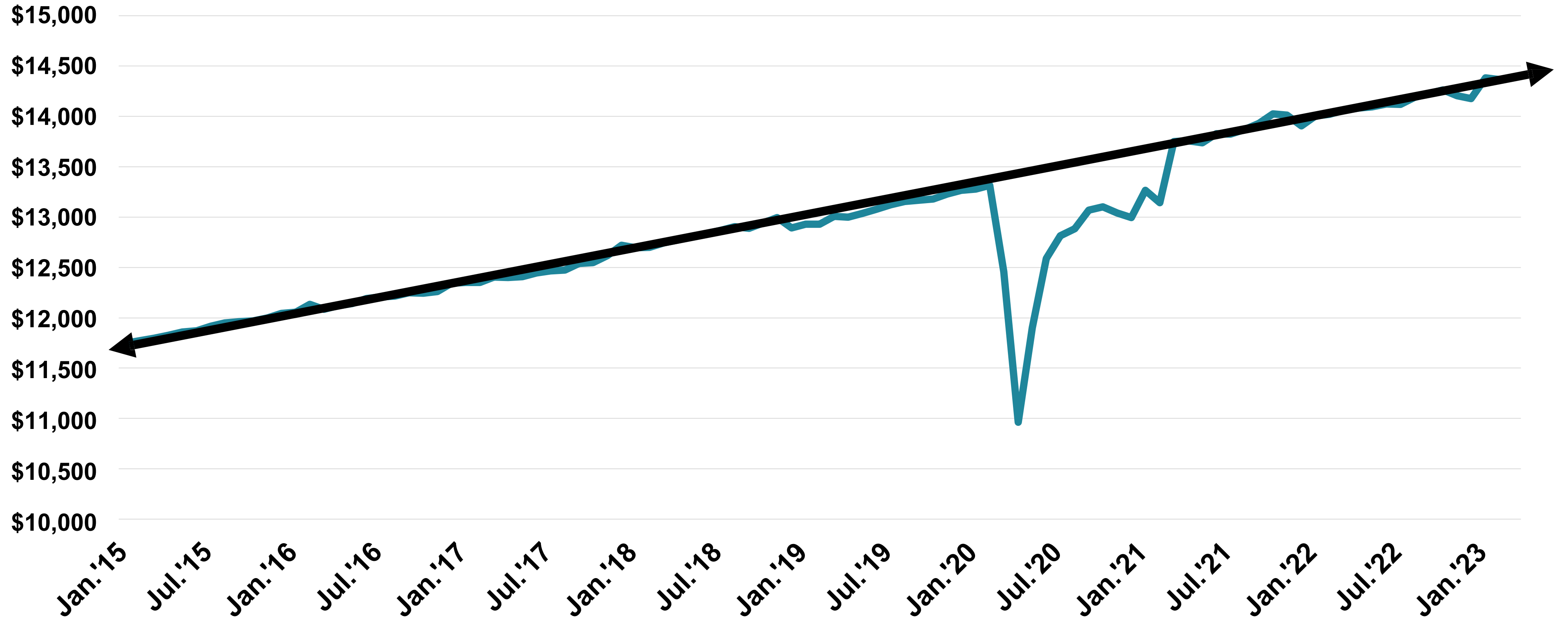
GULF COAST	8.2%
Houston	8.2%
EAST COAST	6.4%
Savannah	7.7%
Charleston	6.4%
New York / New Jersey	6.3%
Norfolk	5.8%
Jacksonville*	3.8%
WEST COAST	2.1%
Long Beach	3.4%
Los Angeles	2.6%
SeaTac	-0.2%
Oakland	-0.2%

Source: AAPA & individual port websites
*2022 Jacksonville reports on FY starting Oct 1

THE YEAR OF READJUSTMENT



REAL TOTAL U.S. CONSUMER SPENDING



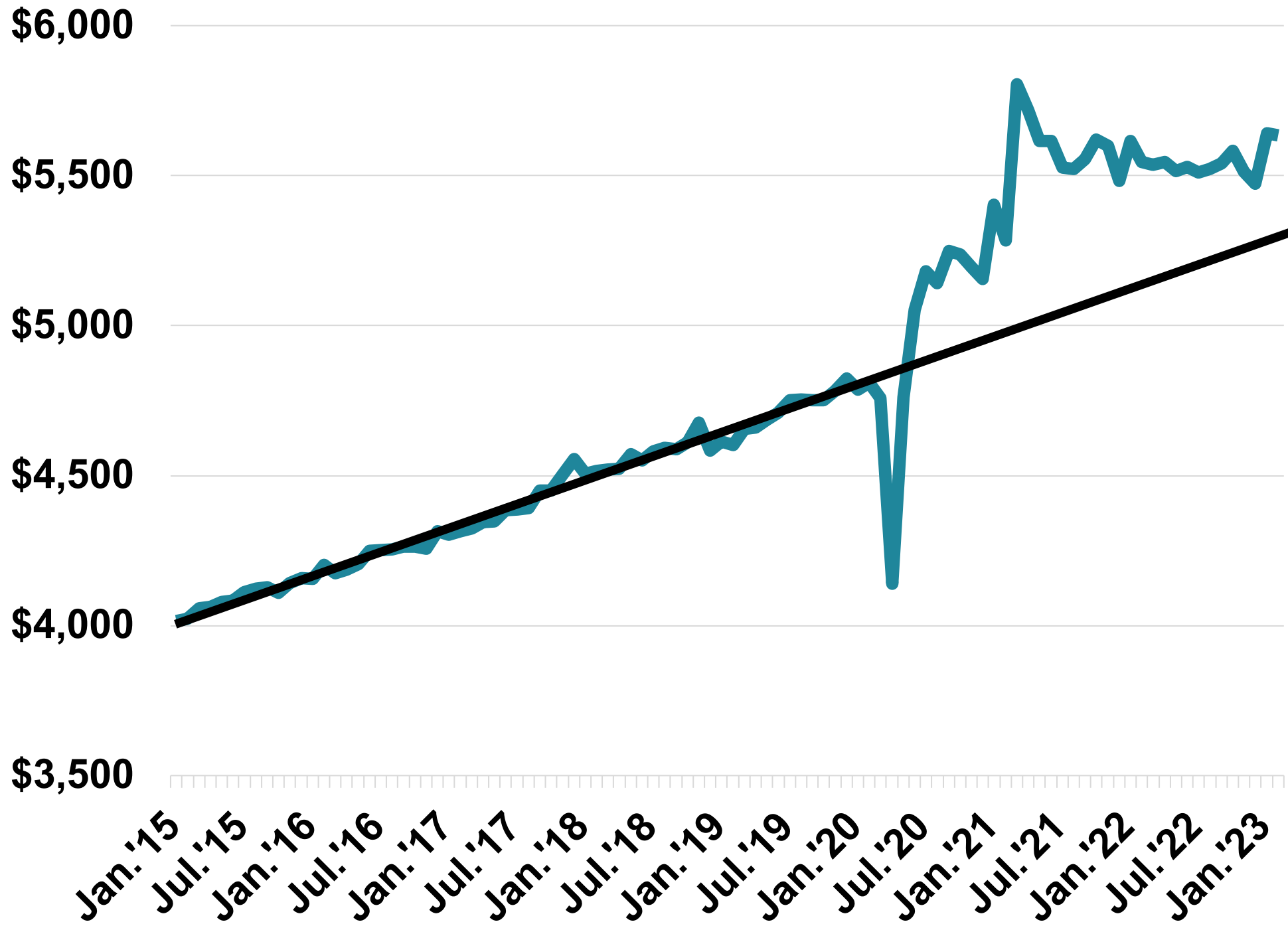
Source: U.S. Bureau of Economic Analysis, in billions



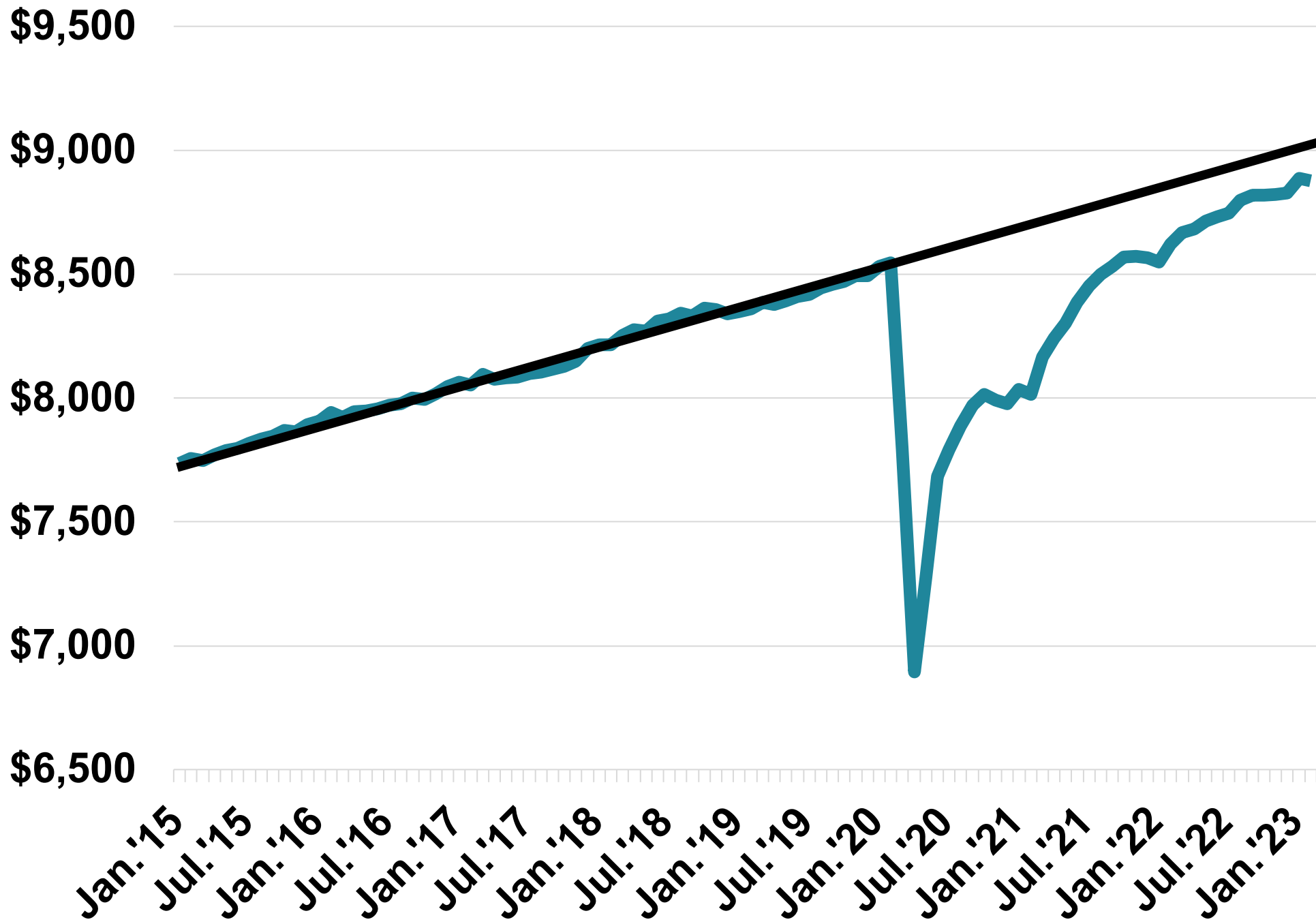
Darla Moore
School of Business

REAL U.S. CONSUMER SPENDING

Goods



Services

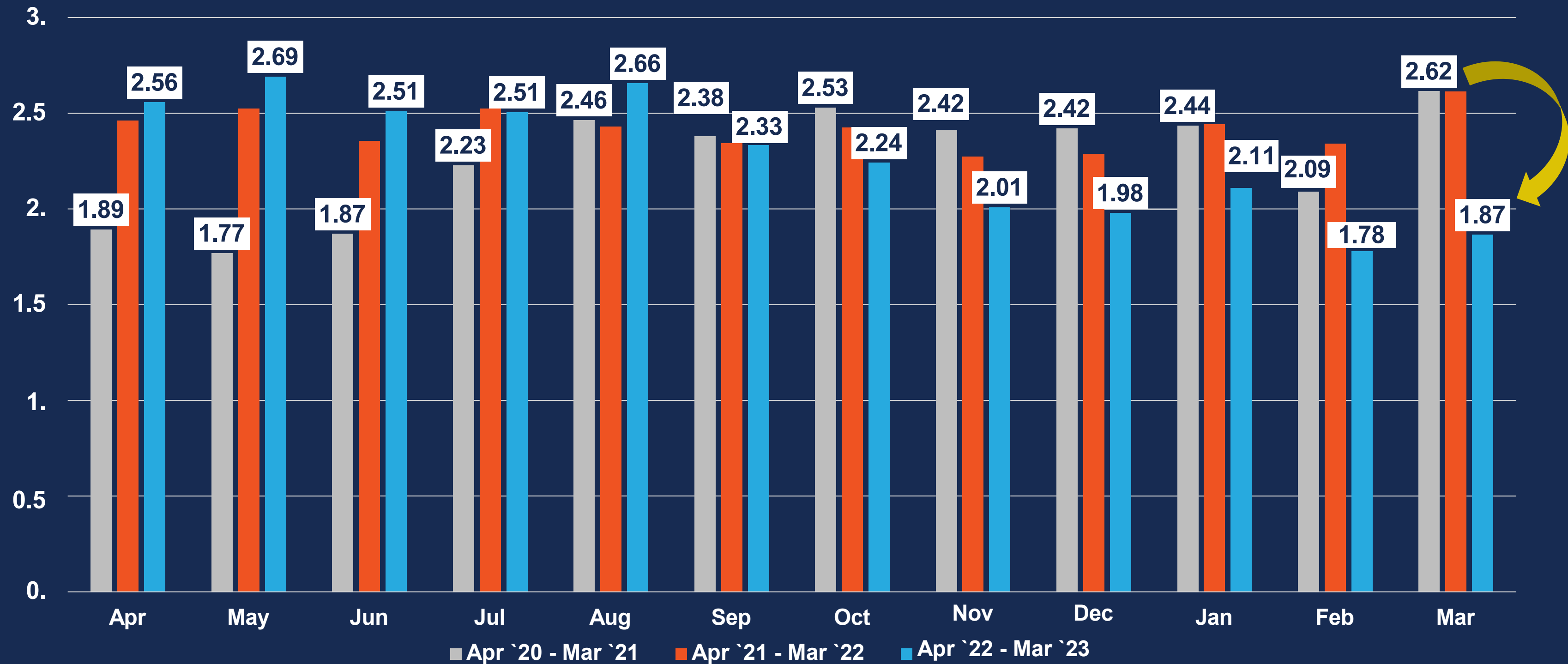


Source: U.S. Bureau of Economic Analysis, in billions

3 YEAR US IMPORT TEU VOLUME

IN MILLIONS / APR 2020 – MAR 2023

28.7% decrease
March 2021 to March 2023



Source: JOC PIERS / IHS MARKIT

KEY INDICATORS BY FISCAL YEAR

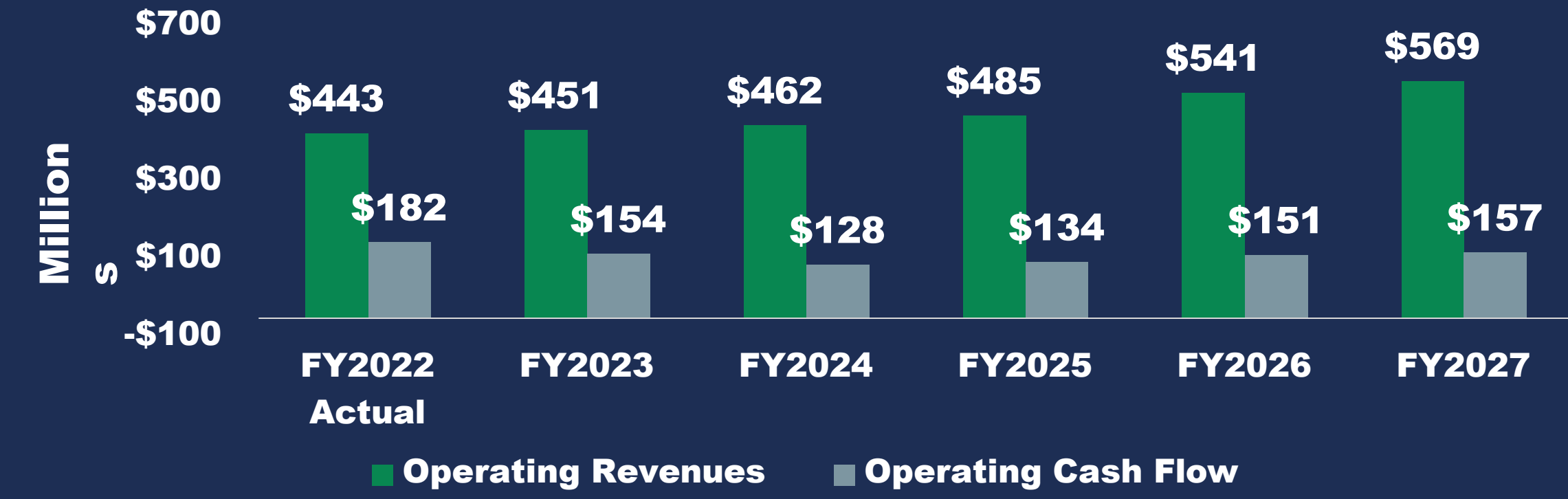
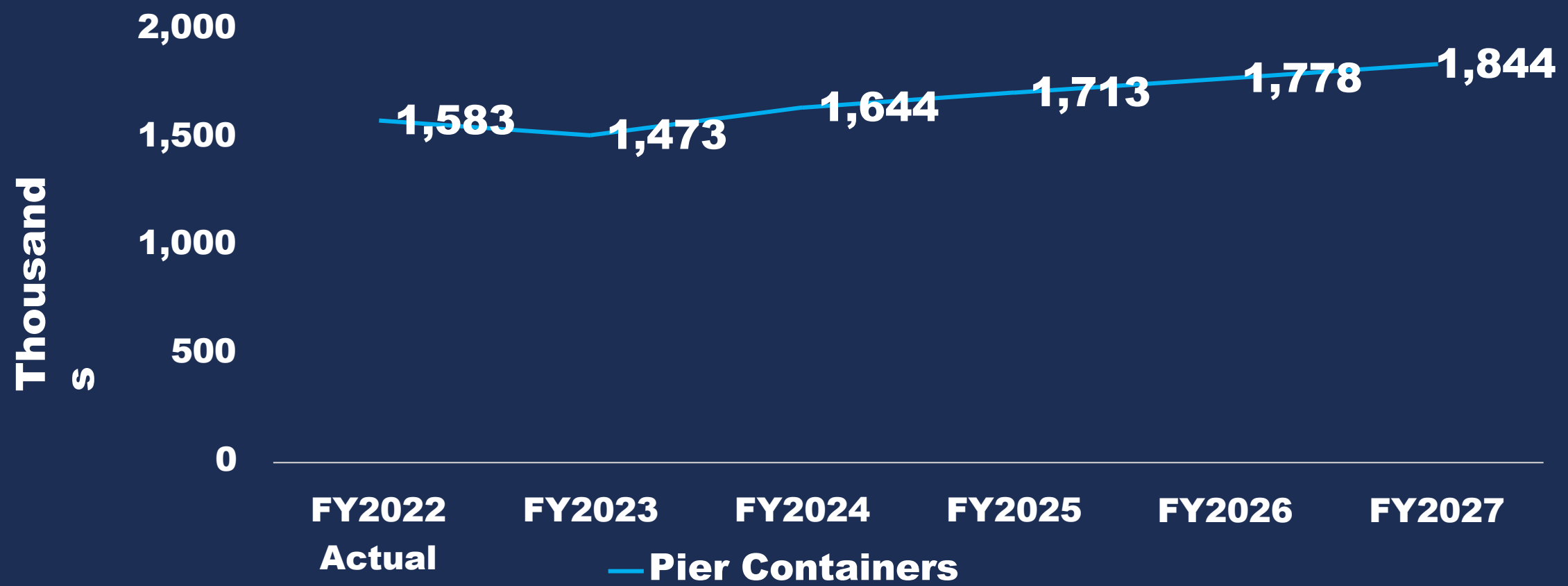
	FY2019	FY2020	FY2021	FY2022	FY2023 PROJECTION
PIER CONTAINER VOLUME (IN 000s)	1,364	1,317	1,419	1,583	1,473
TEUS (IN 000s)	2,393	2,325	2,549	2,853	2,655
OPERATING REVENUES (IN MILLIONS)	\$288.3	\$292.3	\$312.8	\$443.1	\$451.0
OPERATING CASH FLOW FINAL POST-INCENTIVE (IN MILLIONS)	\$91.6	\$94.8	\$114.2	\$181.2	\$153.9
RETURN ON CAPITAL EMPLOYED	2%	1%	2%	4%	3%

SCPA FY2023 YTD VOLUME RESULTS

FOR PERIOD ENDING MARCH 31, 2023

Statistics	FY2023	FY2023 Plan	FY2022
Pier Containers	1,085,458	1,185,033	1,186,228
Charleston Breakbulk Tons	627,205	630,180	642,914
Inland Port Greer - Rail Moves	103,570	112,119	112,063
Inland Port Dillon - Rail Moves	26,928	23,238	20,331
Passengers	212,866	227,072	46,053
Vehicles	140,159	167,364	167,527

OPERATING REVENUES, CASH FLOW & VOLUME PROJECTIONS FY2022 ACT – FY2027 PROJECTED



PIER CONTAINERS

- **FY2023**
 - has been adjusted downward based on current year trends.
- **Forecast for FY2024 – FY2027**
 - is based on the forecast developed in May 2022.
 - This is currently being revisited and will be updated this month as a part of the budget process.

OPERATING REVENUES & CASH FLOW

- **FY2024 & FY2025**
 - Demurrage and storage are slated to decrease while chassis revenues are slated to increase.
 - Additional chassis lease expense projected for temporary leases in FY2024 & FY2025.
- **FY2026 & FY2027**
 - NBIF & Barge Program are projected to start in FY2026. Revenues & projected cash flow are shown in graph.

SC PORTS CAPACITY IS WELL PLANNED

FOR THE FUTURE

**WANDO WELCH
TERMINAL**

2022

TEUs in millions

2.4

2033

TEUs in millions

2.4

2040

TEUs in millions

2.4

**HUGH K. LEATHERMAN
TERMINAL**

0.7

2.4

2.4

**NORTH CHARLESTON
TERMINAL**

0.5

0.5

2.4

TOTAL

3.6
MILLION
TEUs

5.3
MILLION
TEUs

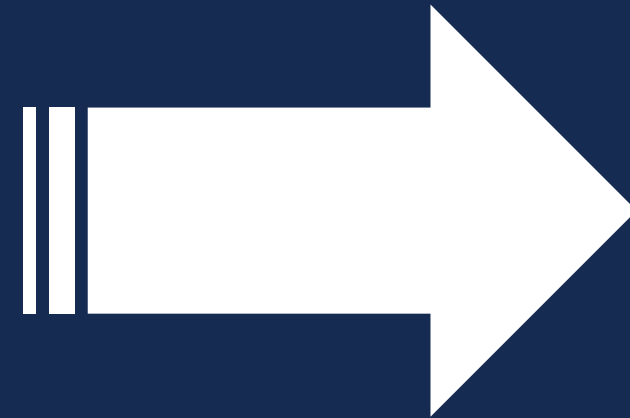
7.2
MILLION
TEUs

GROW & ANCHOR OUR CARGO BASE

TRANSITION REQUIRED FROM MANUFACTURING TO RETAIL

MANUFACTURING

11%
of US GDP



RETAIL GOODS CONSUMPTION

35%
of US GDP

Doubled our volume
based on advanced
manufacturing

Important to stay focused
on that segment

Growth must come from
retail distribution

Out of step with other
major ports

No time like the
present

Ships go where there is
cargo

TOP RETAILERS CHOOSING CHARLESTON



Image by Walmart, February 2022

#1 U.S. IMPORTER



- 3 Million square-foot DC opened in 2022.
- Dedicated dotcom facility.
- Sam's Club DC.
- Transformational volume.



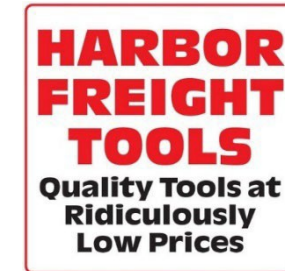
Dockzilla transload facility just outside HLT

#2 U.S. IMPORTER



- Innovative facility opened in 2022.
- Swift transload from container to 53-foot dry van.
- Delivered solution in just 6 months.

MAJOR IMPORTERS EXPANDING



GE APPLIANCES
a Haier company



RIDGEVILLE EXPORT TRANSLOAD

- Acquired 1,000+ acres in '18
- Walmart opened 3MM SF DC in Apr '22
- Up to 100,000 imports annually
- Infrastructure improvements underway
- 142 acres for export transload
- Top transload site in the southeast



THE IMPORTANCE OF EXPORT COMMODITIES

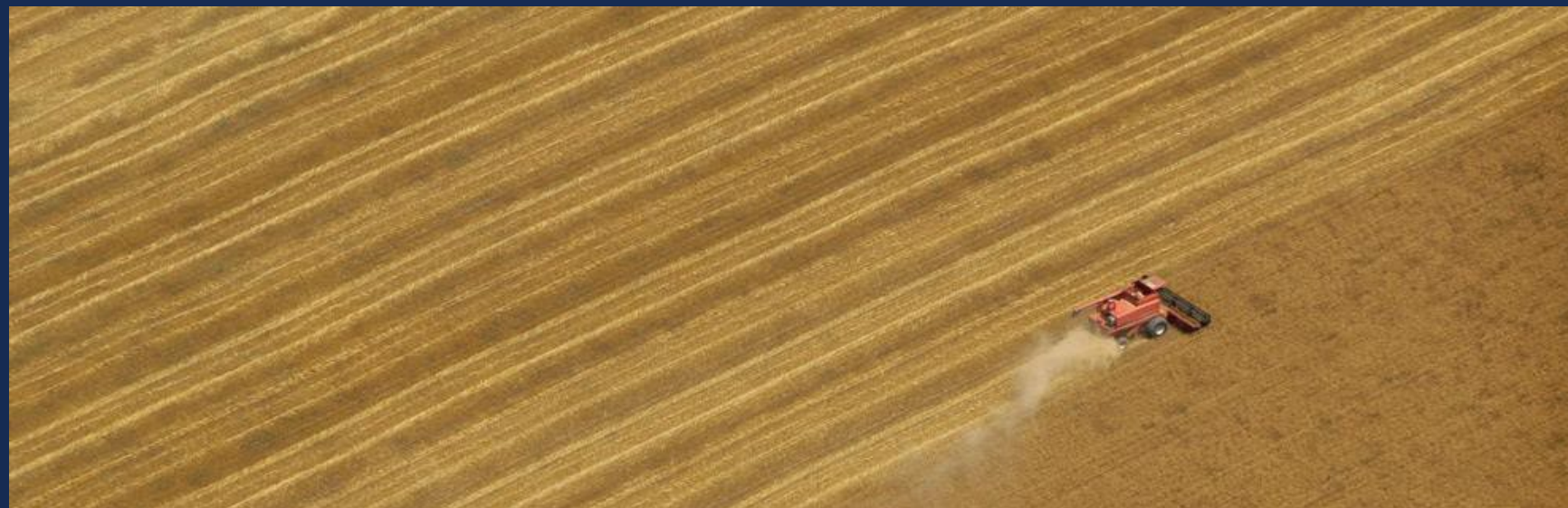
Forest Products

A major regional industry. Variety of products including KLB, printing paper, wood pulp, logs, lumber etc. South Carolina Ports #1 export commodity. Over 140,000 TEU in CY22.



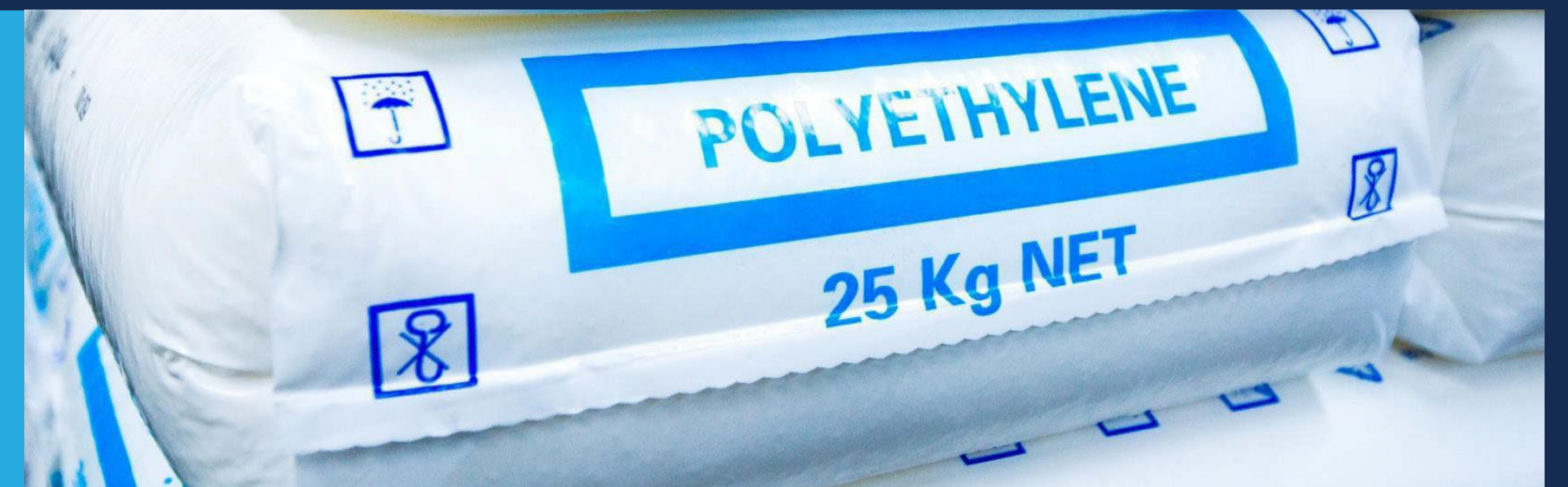
Ag Products

A diversified market including DDGs, corn, grains, soybeans, cotton, and others. Solid relationships with key shippers. This business is moving today and growing.



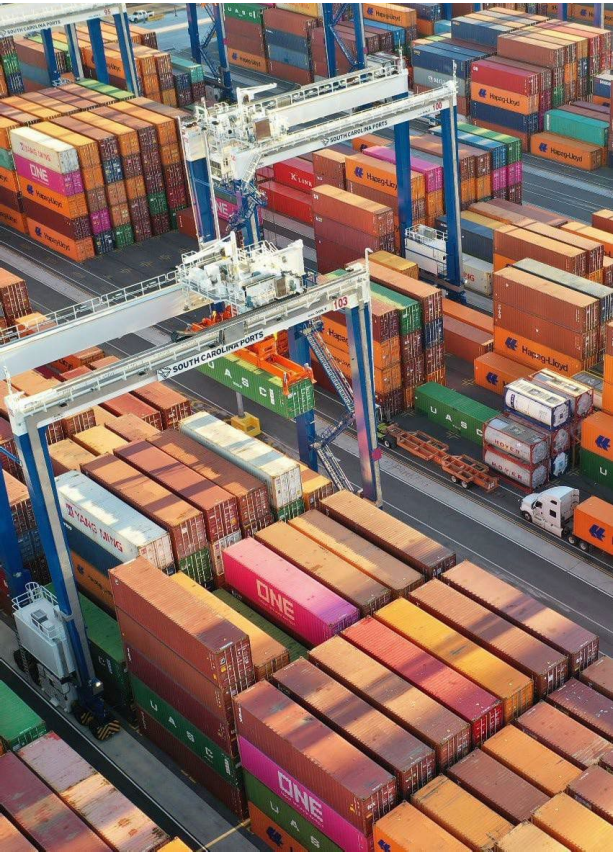
Resin/Plastics

Fast becoming USEC resin pivot point. Already handling 1,000 rail cars/month of export transload. Solid relationships with key shippers. A proven artery with high growth potential.



DELIVER CRITICAL INFRASTRUCTURE

MAJOR CAPITAL INITIATIVES



Wando Terminal Refurbishment



Leatherman Terminal Phase 1



Harbor Deepening – 52 ft



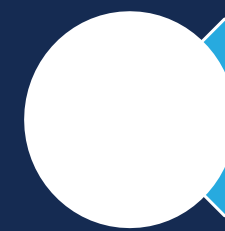
Inland Ports



SMART Pool™ Chassis Program



Navy Base Intermodal Facility / Wando Barge



Leatherman Terminal Phases 2 / 3

INLAND PORT GREER

- 1,000,000+ CONTAINERS IN <10 YEARS
- Powerful alternative to ATL & CLT
- Diversified the Greer cargo base
- BMW now only 19% of imports, 30% of total
- Attracted new import DCs, leading brands
- More coming, spec space in the pipeline
- Growing exports with major shippers



INLAND PORT DILLON

**TOP
COMMODITIES**



**TOP
CUSTOMERS**



DESIGN, BIDDING, PERMITTING, MISC. COSTS & CONSTRUCTION MANAGEMENT/CEI

Overall Design of the Project Components are nearing completion and work is transitioning from Design into Active Construction

Design activities for all major components of the NBIF project:

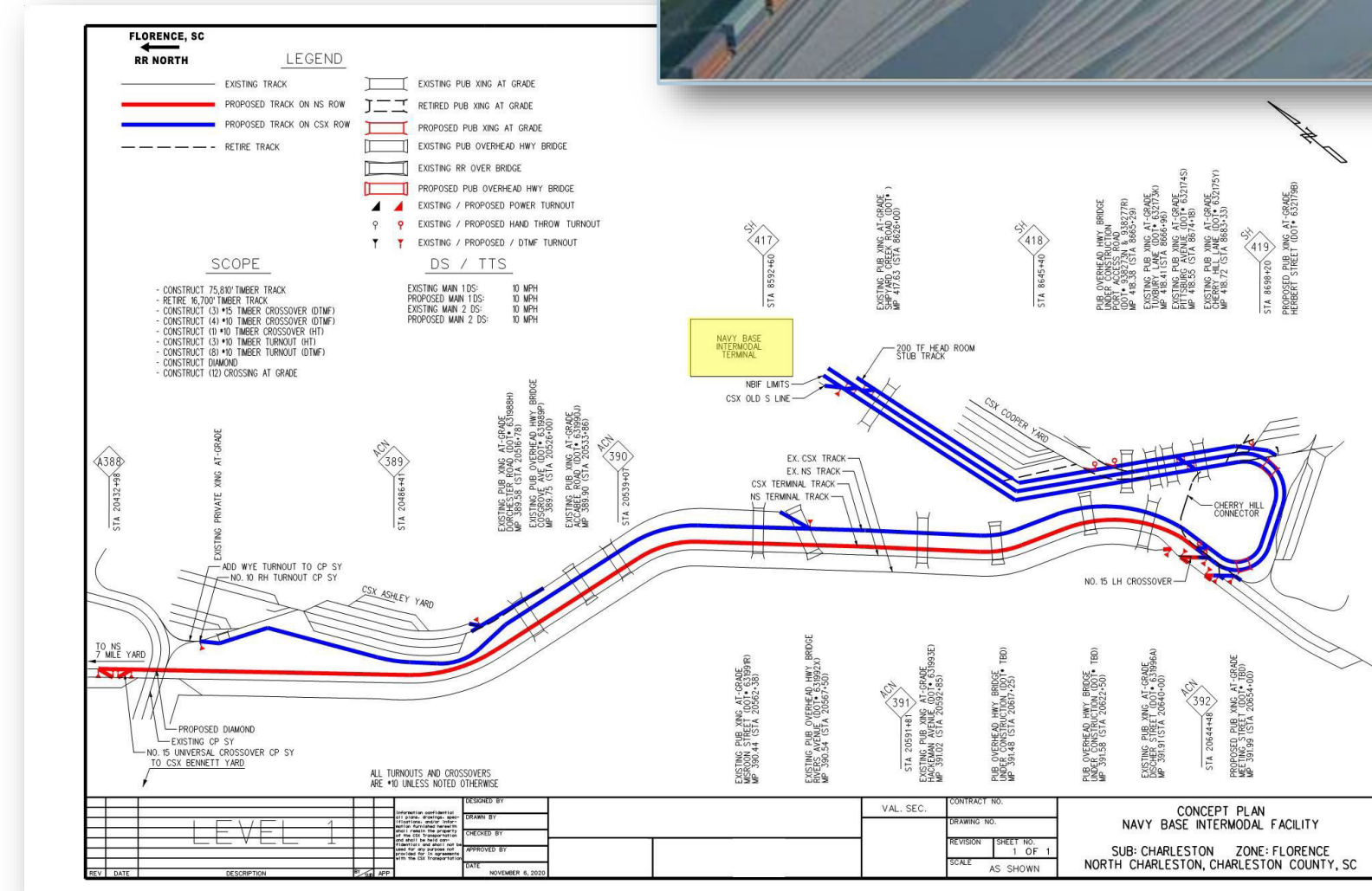
- Intermodal Yard and Buildings - **Complete**
- Cosgrove-McMillan Overpass – **Complete**
- North Hobson/Bainbridge Extension – **Complete**
- Drayage Road – At 90% design level - **Bid Q1- 2024**

Design activities for Southern Connection for Class 1 Railroads components of the NBIF project has begun.

- Thomas & Hutton Designing Off-site Rail Improvements
- Engineering Agreements Executed with CSX and NS Railroads

Construction Engineering & Inspection Services have been selected and awarded.

- NBIF Projects CE&I Contract – HDR selected, and contract issued
- NBIF (Rail Yard) – Engineer of Record – TranSystems Corporation
- NBIF (Roadways) – Engineer of Record – CDM Smith



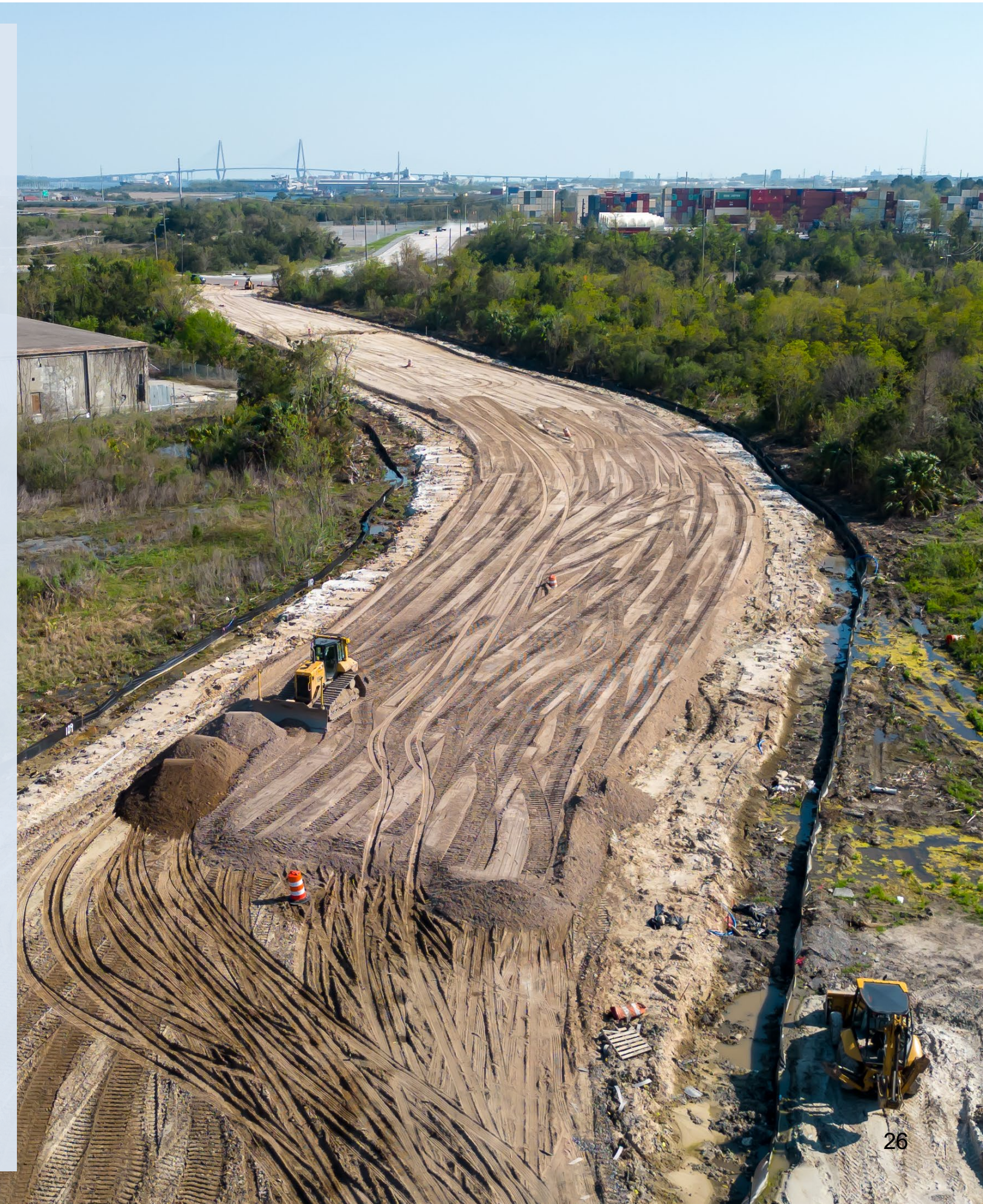
NAVY BASE INTERMODAL FACILITY AND BARGE PROJECT

MAJOR NBIF PROJECT COMPONENTS

- NBIF – Contracts awarded and construction underway, Estimated Completion Date Q4-FY2025
- Roadwork (Cosgrove-McMillan Overpass, North Hobson Avenue) – Contracts awarded, Estimated Completion Date Q4-FY2025
- Rail Mounted Gantry Cranes – Equipment Contract underway – Estimated Completion Date Q4-FY2025
- Drayage Road connecting HLT to NBIF – Design complete, construction bid Q1-FY2024
- Southern Rail Connection – Complete Design and Bid Q1-FY2024, Award Notice to Proceed Q2-FY2024

BARGE

- HLT Wharf Extension and Electrical Contract – Bid Q2-FY2024, Award Notice to Proceed Q3-FY2024
- HLT 2 Rail Mounted Gantry Cranes – Order Q2-FY2024
- Barge Terminal Operations System
- WWT Wharf Extension – Complete Design and Bid Q1- FY2024, Award Notice to Proceed Q2-2024



TRUCKING APPRENTICESHIP PROGRAM

- SCPA is working with Trident Technical College and the South Carolina Trucking Association to formalize a Memorandum of Understanding (MOU) that would establish a South Carolina Trucking Apprenticeship Program to utilize 30 slots in the Federal pilot program
 - An eligible apprentice (18-20 years old) will be identified by Trident Tech and interviewed by SCPA, a private trucking company, and other stakeholders that may be identified to be included in the process
 - Apprentice would then enroll at Trident Tech and complete the required curriculum, and then complete on the job training hours in the SC Ports' Rapid Rail Program
 - Upon completion of the required probationary period, the Apprentice would then be hired by a private company with a requirement to drive in the SCPA Rapid Rail Program for an agreed upon timeframe (3 – 5 years)



EYE TO THE FUTURE

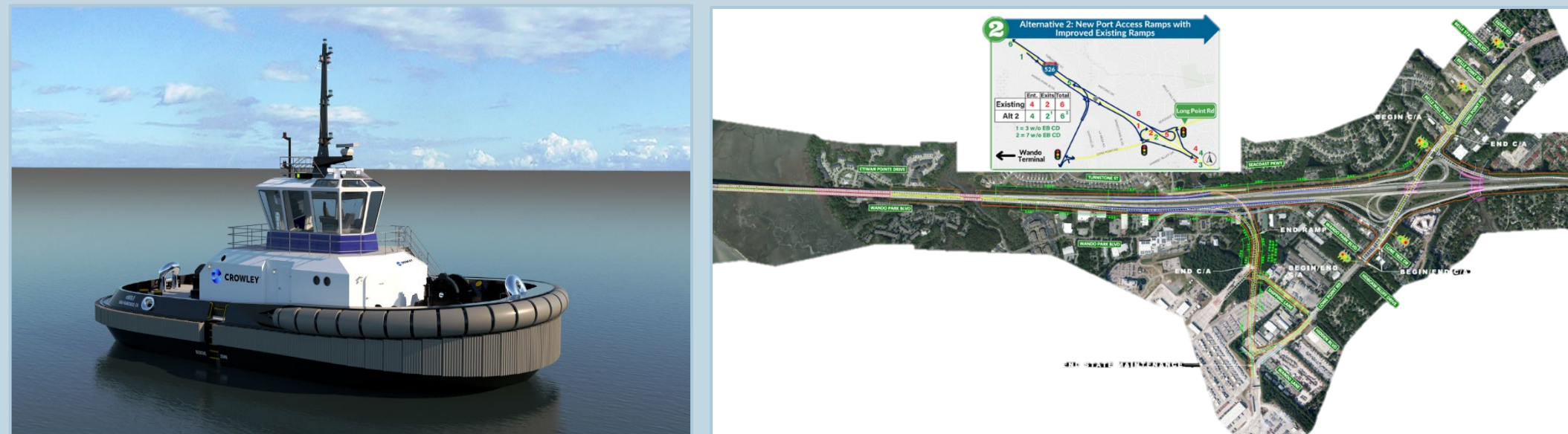
TERMINAL CAPACITY

- HLT Phase 2 & 3
- NCT Modernization
- Jasper Ocean Terminal



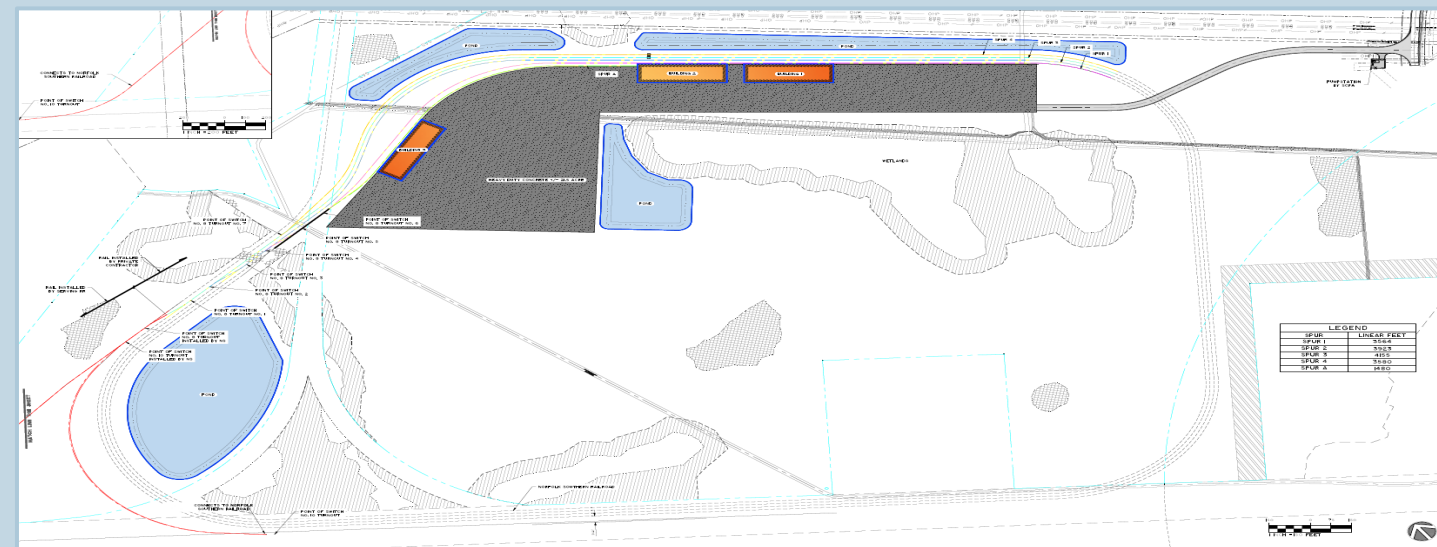
TRANSPORTATION IMPROVEMENTS

- 526/Long Point Rd. Interchange
- Barge Operation



IMPORT / EXPORT INFRASTRUCTURE

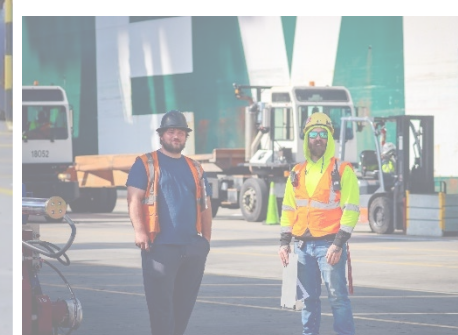
- Ridgeville Industrial Site



**CARE FOR OUR PORT TEAM MEMBERS
AND MARITIME COMMUNITY TEAMMATES**



CARE FOR OUR PORT TEAM MEMBERS AND MARITIME COMMUNITY TEAMMATES





**SOUTH
CAROLINA
PORTS**

THE WORLD CONNECTS HERE

THANK YOU