




5th Neltume Ports Alignment Meeting



Stevedoring: Our Core Operational Business

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Agenda

- Context
- Stevedoring in the world
- Stevedoring in Neltume Ports
- Ultraport
- Future of Stevedoring



Context

Growth in demand and capacity

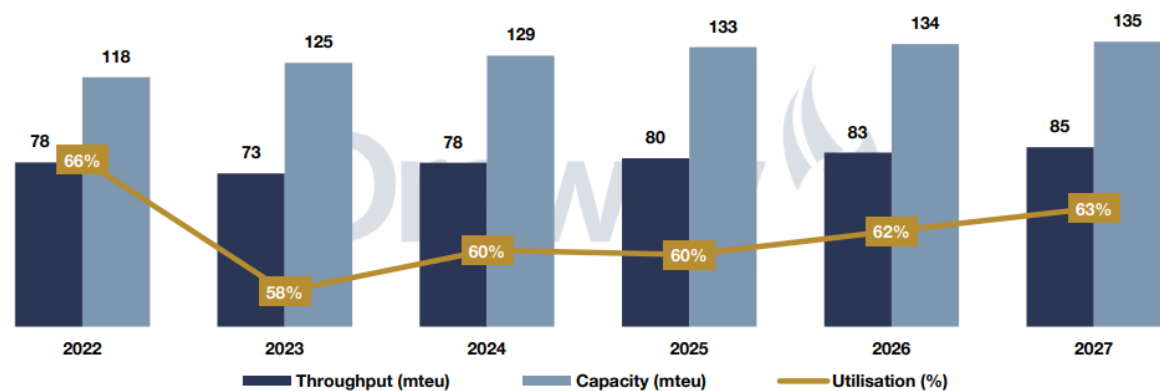
North America

Demand
1.8% ↗
CAGR 2022-27

Capacity
2.7% ↗
CAGR 2022-27

Utilisation Trend
2022 | 66% ↘
2027 | 63%

Market forecast



*Source: Drewry 2023

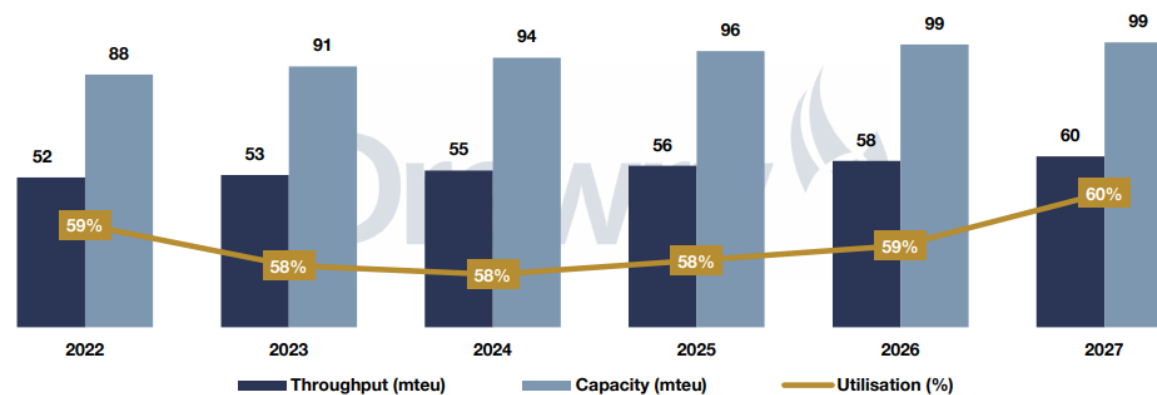
Latin America

Demand
2.7% ↗
CAGR 2022-27

Capacity
2.4% ↗
CAGR 2022-27

Utilisation Trend
2022 | 59% →
2027 | 60%

Market forecast



*Source: Drewry 2023

2,6%

Forecast port capacity growth in the world
2022-2026 (CAGR)

69%

Forecast terminal utilization by 2027 in the world

Context

External factors that affect demand and capacity of the terminals

External Factors

Climate Change

- Increase of the sea temperature leads to higher frequency of storm surges and other climatic phenomena.



- Downtime

Labor Challenges

- Requirements of the new generations:
 - Less working hours per week.
 - Problems to keep talent.
 - Higher salaries.
 - Distraction due to excessive use of technology.



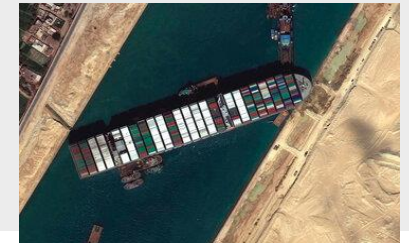
Logistical issues

- Bottlenecks due to:



- Truck transportation

- Maritime transport



Stevedoring in the world

Challenges in transportation and operation

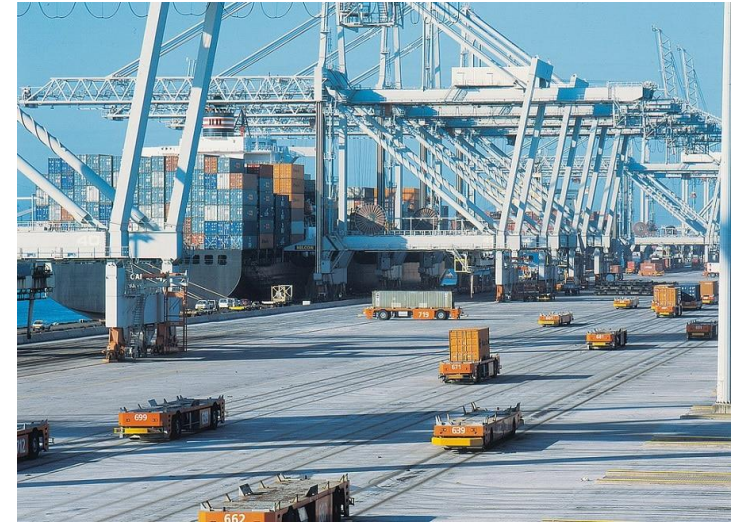
Cargo concentration

- Difficult to handle large vessels
- More volume in less time



Terminal Automation

- More profitable terminals
- Easier terminals to operate
- Low labor-intensive terminals



Challenges that stevedoring must handle

Stevedoring in the world

Main challenge of the industry

People in Stevedoring

Core of the business and its greatest challenge



Shift system of the industry



Perception of temporary employee role



Safe working environment



Talent management to support growth

Stevedoring in the world

Challenges in the Stevedoring Industry

Safety is an industry-wide challenge

PEOPLE

Employee Retention
Labor intensive industry with low education
Needs to invest to develop the workforce
Labor with an important unionized rate
Middle manager role



OPERATIONS

Multipurpose ports
Diversity of Load
Suitable Equipment



STEVEDORING

CHANGING INDUSTRY

Ports with a highest utilization
More accidents due to technological distractions
Development of a safety culture
Competitive and more efficient industry culture



SUSTAINABILITY

Legal and regulatory
Impact of port operations in cities
Noise and spills
Community-friendly operations



Stevedoring in Neltume Ports

Business Model



60%

40%



Stevedoring Companies

Stevedoring Contract

- Operation contract that covers the whole terminal or a part of it.
- No responsibility of the administration or development of the port.

Stevedoring Contract with partial area leases

- Operation permission in public port that covers the whole terminal or a part of it.
- Responsibility only for the leased areas.
- Limited capacity to develop a more efficient operation.

Business Model

Focus on port operation
 Know-how of the operation
 Replicate Know-how in other operations
 Equipment and asset management
 Labor union management

Concessions

- Terminal control through a long-term lease contract.
- Contract term (10 -30 years) and canon payments are previously established.
- Government regulated tariffs.

Private Ports

- Perpetual right of operation.
- Responsible of its development and equipment.
- Limited capacity to develop a more efficient operation.

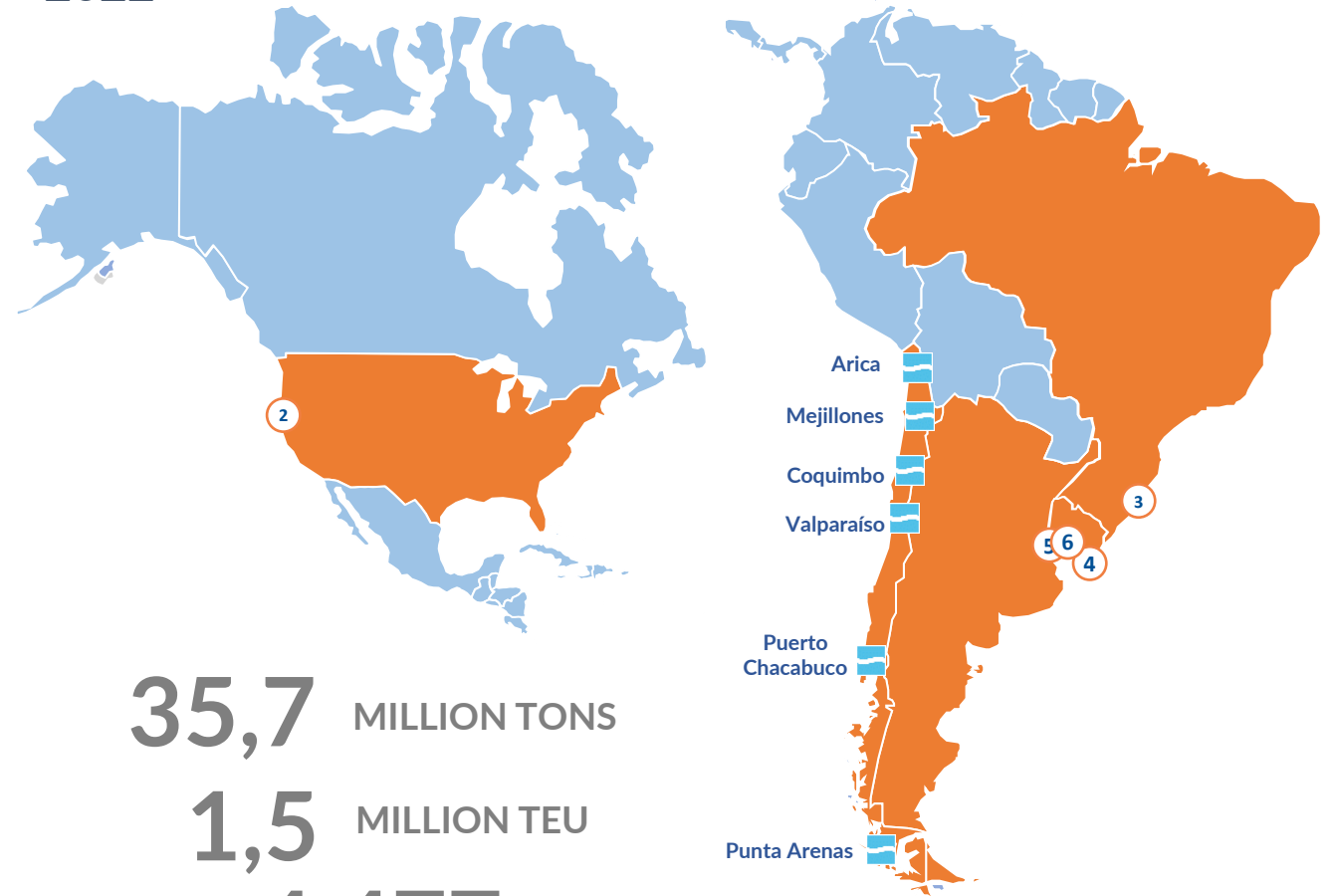
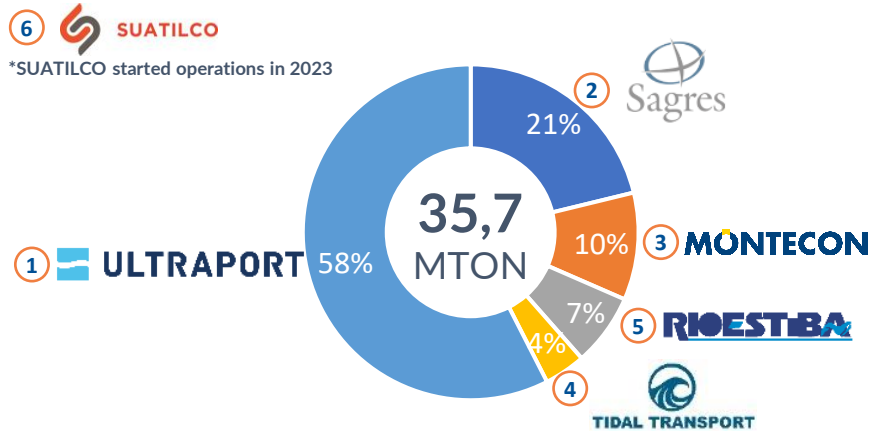
Business Model

Seek new customers
 Infrastructure development
 Communication management with authorities

Stevedoring in Neltume Ports

6 Stevedoring Companies in America

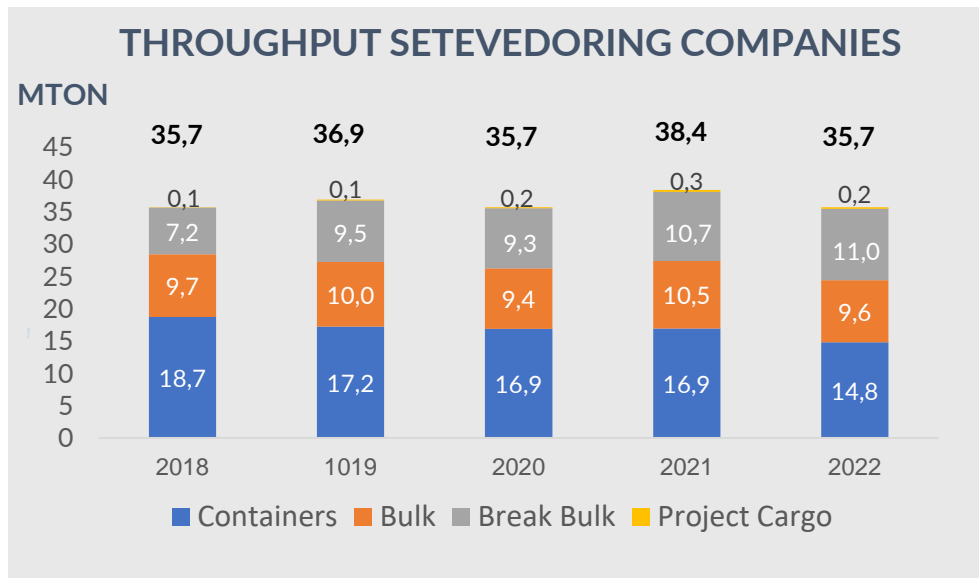
THROUGHPUT STEVEDORING BUSINESS UNITS 2022



35,7 MILLION TONS

1,5 MILLION TEU

4.477 PEOPLE*



*Considers Fix and Temporary Employees



ULTRAPORT is a leading port operating company in Chile, with more than 40 years of experience in port terminal operations, stevedoring and consolidation and deconsolidation of different types of cargo.



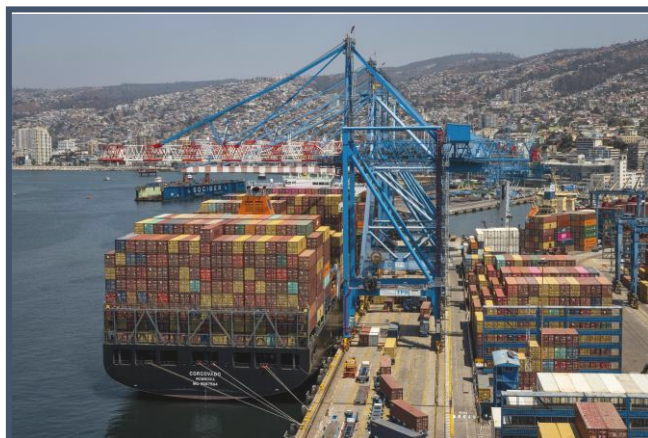
Add value
 ULTRAPORT offers an agile and flexible business model, orientated to terminal operations and safety



ULTRAPORT

Main Services and Customers

Ultraport operate different types of terminals



Containers → 11,1 MTon



Bulk → 7,3 MTon

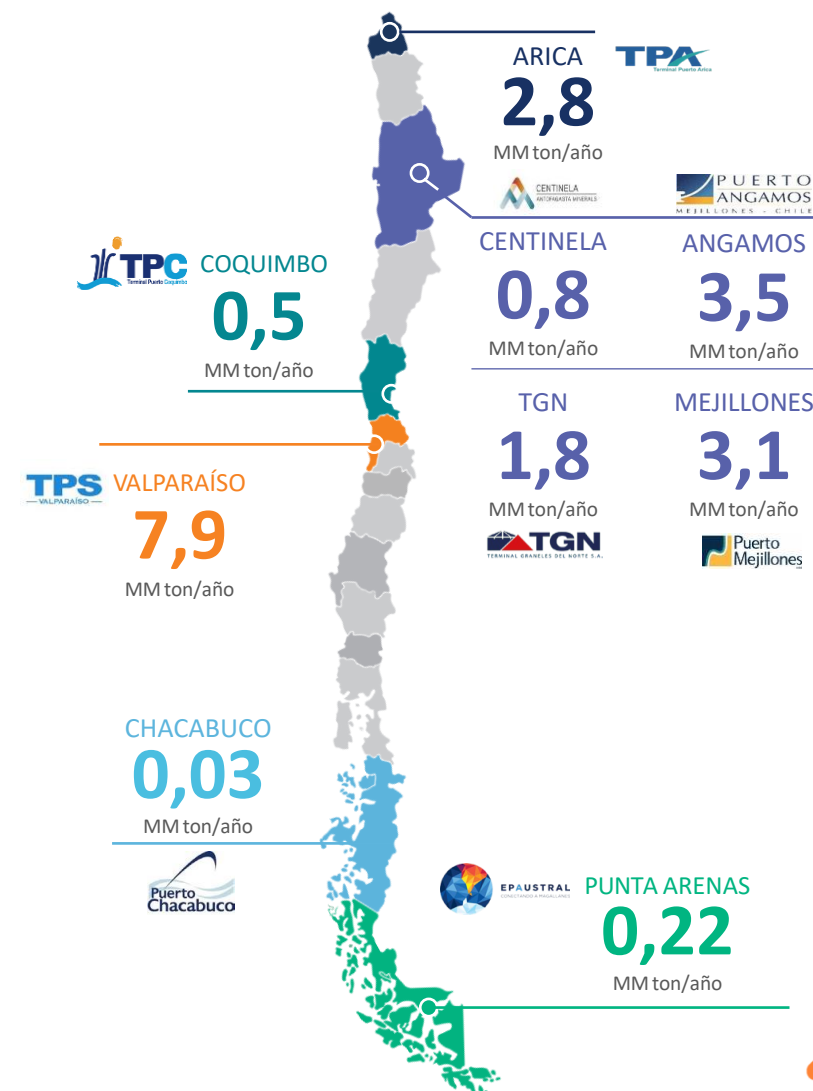


Break Bulk → 2,1 MTon



Project cargo → 0,15 MTon

FIGURES OF ULTRAPORT IN 2022



Fixed Employees

EMPLOYEES

Temporary Employees

35%

3.151

65%



1.113 Fixed employees

83% men / **17%** women

34% <35 years / **44%** 35 – 50 years / **22%** >50 years

82% Unionized → 8 Labor Unions

16% Administrative / **19%** Managers and supervisors

2.038 Temp employees

44% CPPT / **56%** temporary

49% <35 years / **34%** 35 a 50 years / **17%** >50 years

72% Unionized → 23 Labor Unions


+400 Women in the last two years



273
Equipment

39,6 MM USD
Assets in mobile equipment

 **74**
Forklift

 **73**
Open Trailer

 **32**
Reach Stackers

 **18**
Front Loader

 **2**
Bulldozer

 **4**
TOP LIFTER

 **2**
Mini Front Loader

 **2**
Sweeper

 **2**
Fuel & Cistern Truck

 **63**
Truck

 **1**
Excavator

Where are we?

Working to achieve Operational Safety Excellence

PEOPLE

Develop and capture talent with training programs



Positive relations with labor unions

Strengthening our culture of excellence and safety

SUSTAINABILITY

Developing community-friendly operations



Manage changes in legal and regulatory of the cities where we operate



ULTRAPORT

OPERATIONS

Asset Management



Equipment management and maintenance



Review, standardize process and upgrade process

Handling of new types of cargo

Future of Stevedoring

How do we view the future of the stevedoring in Neltume Ports?

- ✓ **Operational Excellence** will continue to be a goal and a permanent learning process.
- ✓ Terminals in the future will operate in a more automatized way but **people** will still be crucial to port operations.
- ✓ Stevedoring companies will continue to be a **source of talent to generate new leadership**.

Our Goal?

Be the best at what we do,
be a world-class operator





NELTUME PORTS

Empowering Trade

