

2023 Mid-Year Update Workshop

*Strategic Plan
Financial Update and Forecast
Market and Commercial Trends*



Port of Vancouver USA

Today's Presentation

- Review of Key Areas of Progress of Strategic Plan in the First Half of 2023
- Mid-Year Financial Update
- Financial Forecast for 2024
- Market and Commercial Trends





Community Goals Mid-Year Progress

- In-Person Connections to the Community
 - Tours
 - Events
 - Port Lecture Series
 - T1 Progress and Use of Space
- Outreach





Economic Development Goals Mid-Year Progress

- I-5 Replacement Bridge
- Advocacy for Freight Mobility
- Identification of Bridge Design Impacts to T1
- River Cruises
- Tenant Outreach





Environmental Goals Mid-Year Progress

- Climate Action Plan
 - Fleet Electrification
 - Renewable Diesel
 - Renewable Energy
- Water Quality
 - Stormwater Treatment Project





Organizational Goals Mid-Year Progress

- Staffing
- Diversity, Equity, and Inclusion





- Workforce Development





Marine/Commercial Goals Mid-Year Progress

- Infrastructure Investments
- Berth 7 – Facility Improvements/Innovation
- Berths 8 & 9 – Facility Improvements/Expansion
- Berth 17
- Foreign Trade Zone (FTZ) – 2 Wind Original Equipment Manufacturers (OEMs) for Canadian Cargo



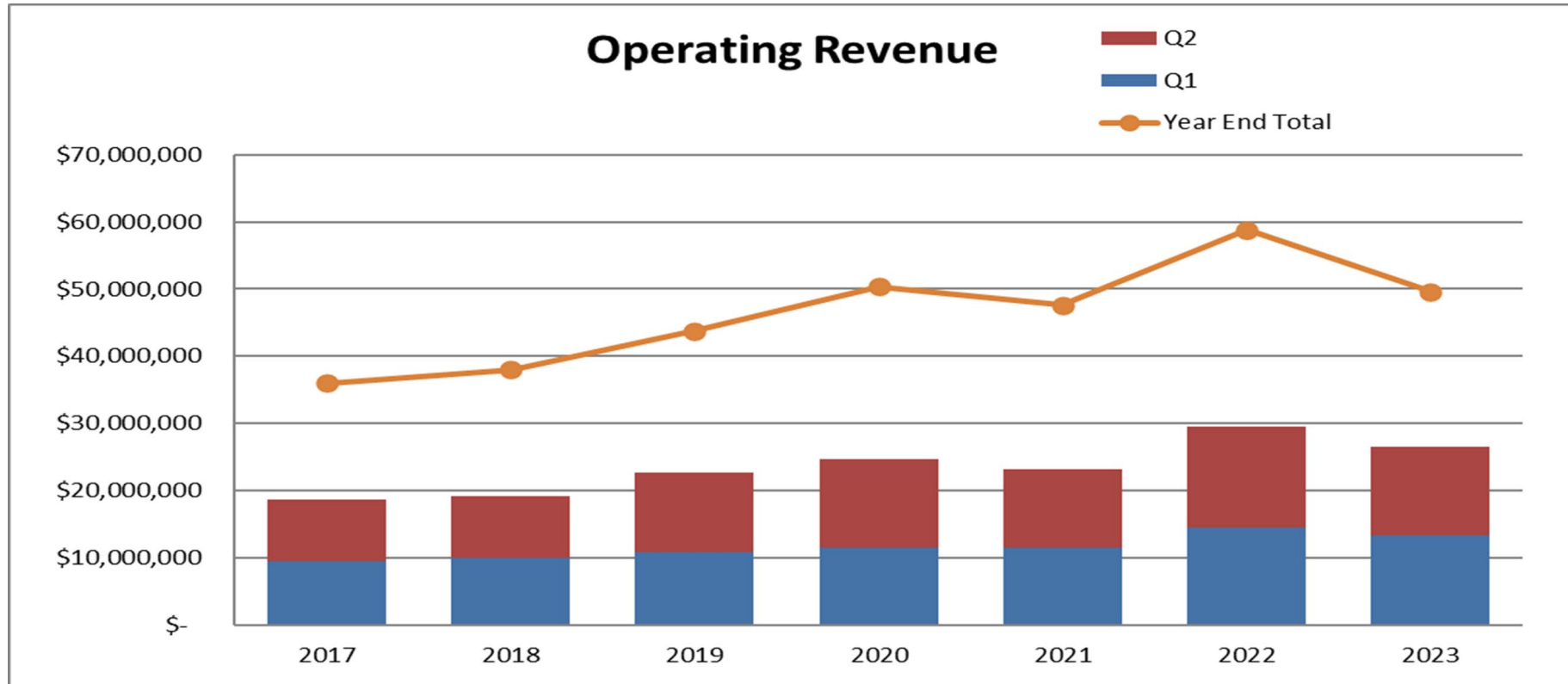


Financial Goals Mid-Year Progress

- Diverse Set of Financial Tools
- Strong Oversight and Continual Tracking of Market Trends and Interest Rates
- Pro-Active Planning and Forecasting
- Maintenance of Assets – Building Assessments



OPERATING REVENUE

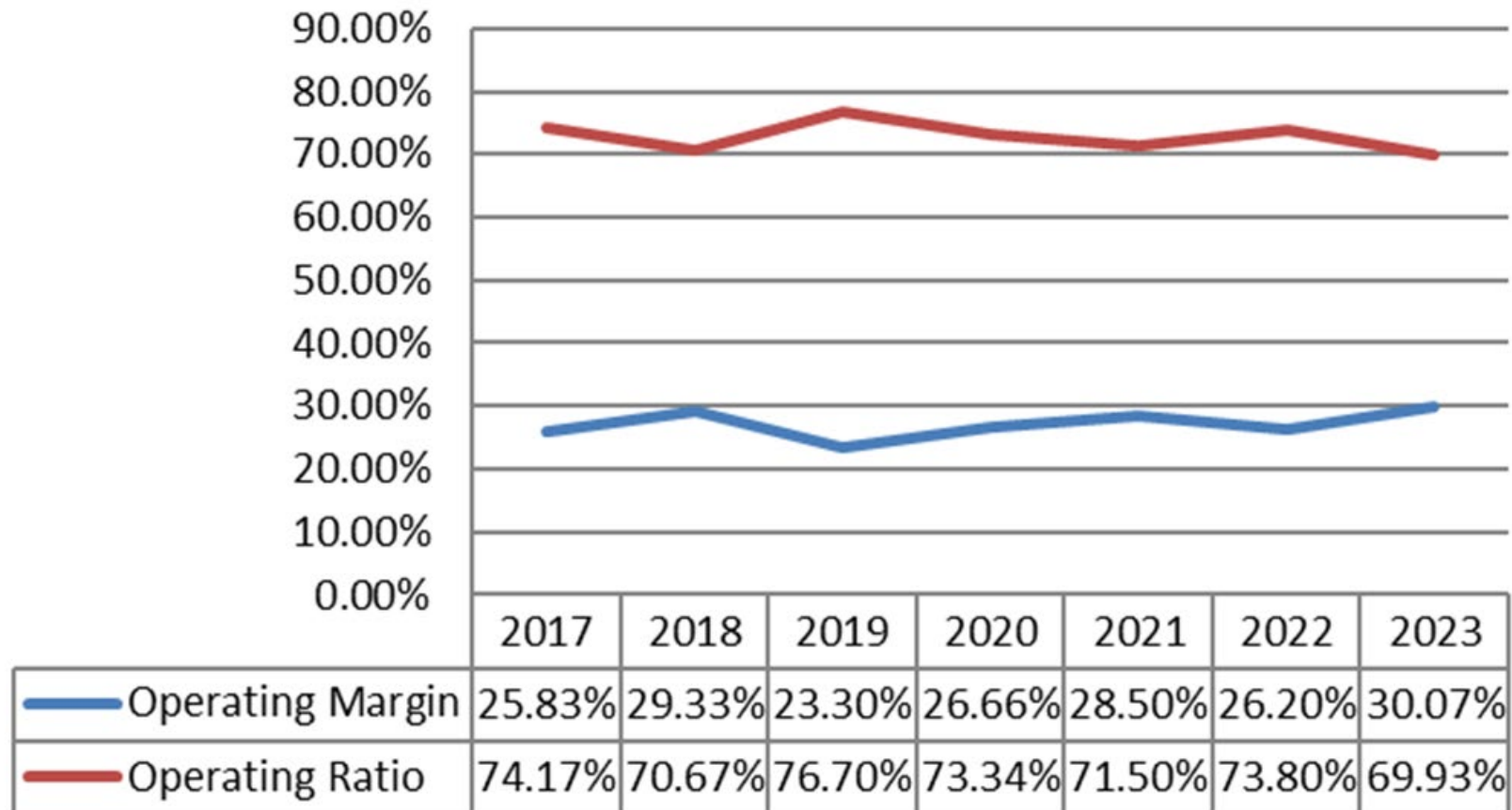


	2017	2018	2019	2020	2021	2022	2023
Q1	\$ 9,570,745	\$ 10,028,420	\$ 10,828,233	11,444,861	11,567,858	14,421,090	13,407,577
Q2	\$ 9,100,229	\$ 9,071,393	\$ 11,806,663	13,172,629	11,674,470	15,140,353	13,065,314
YTD Total	\$ 18,670,974	\$ 19,099,813	\$ 22,634,897	24,617,490	23,242,328	29,561,443	26,472,891
Year End Total	\$ 36,018,976	\$ 37,997,110	\$ 43,784,366	50,359,632	47,643,841	58,830,048	49,600,115
							Budget

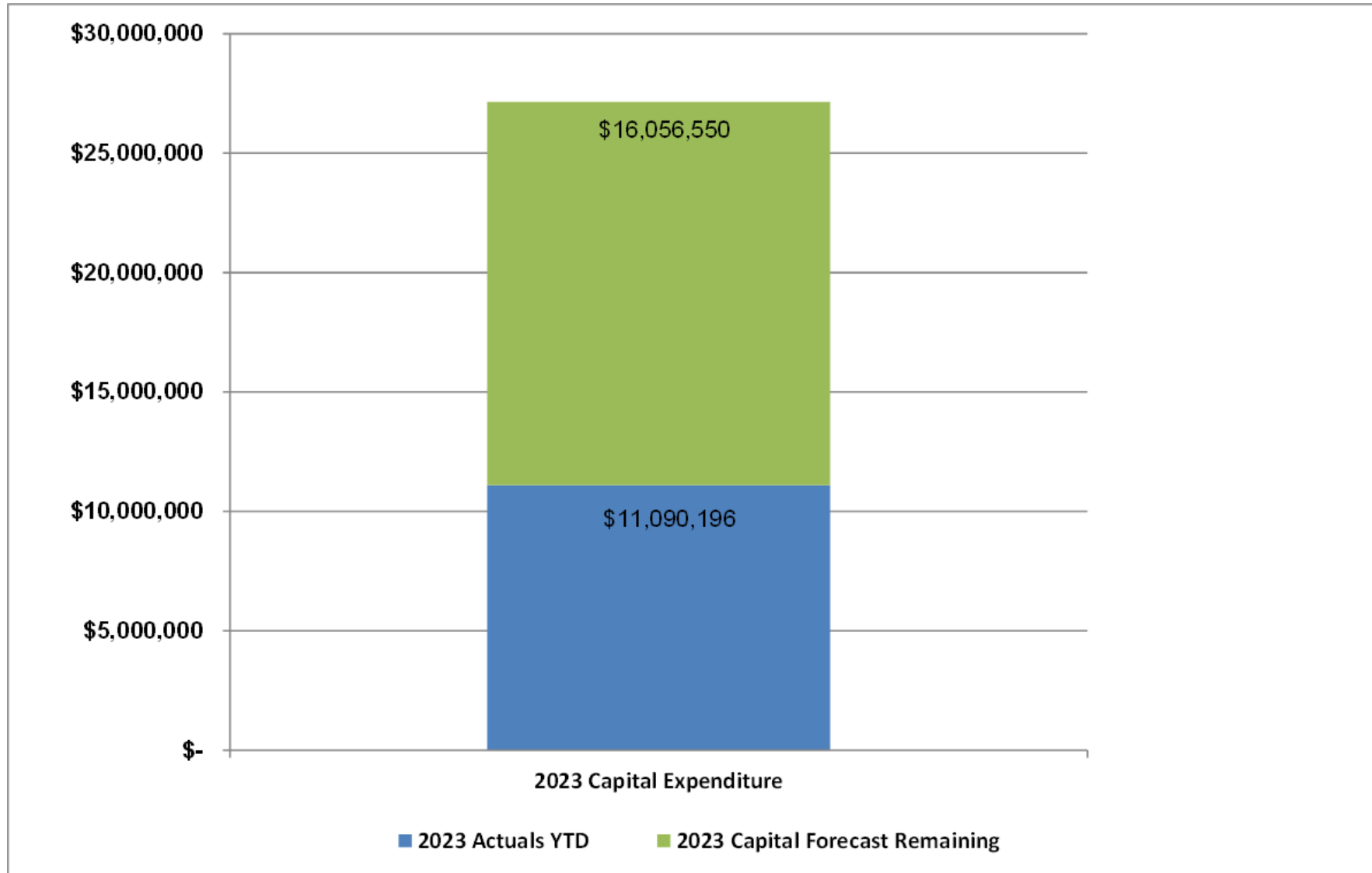


POV KEY PERFORMANCE INDICATORS

Operating Activity Indicators

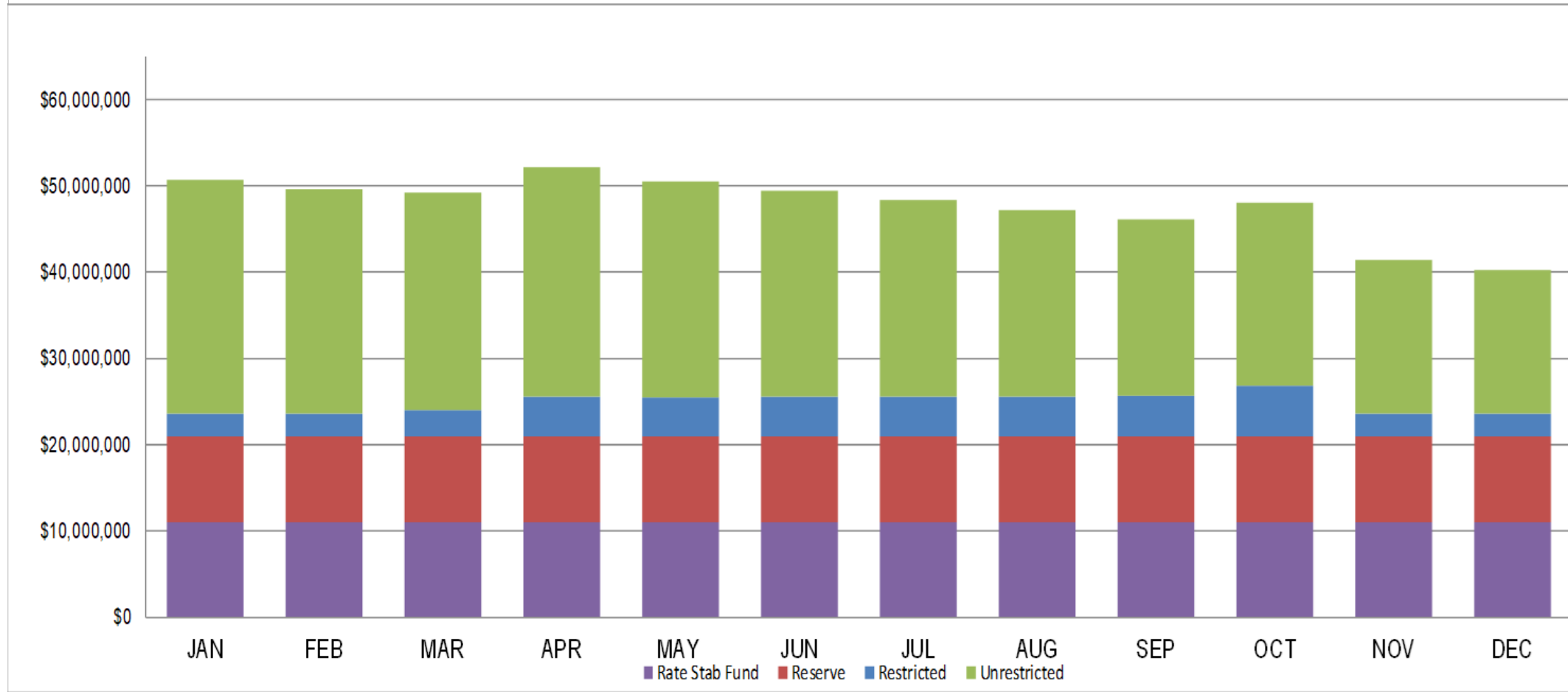


2023 CAPITAL PROGRAM



2023 CASH PLAN – PER PLAN

2023 BUDGET CASH PLAN

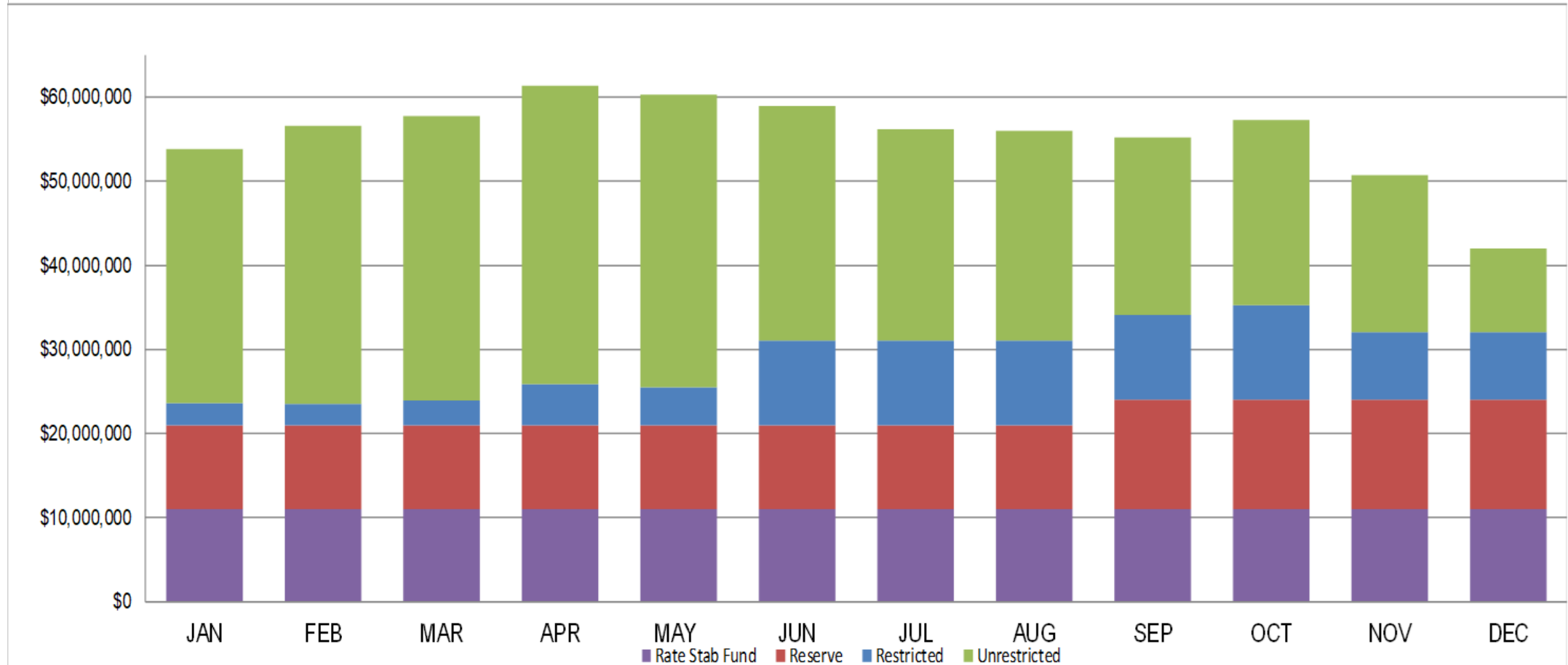


	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Restricted	\$ 2,615,723	\$ 2,650,253	\$ 2,981,141	\$ 4,582,945	\$ 4,475,849	\$ 4,527,398	\$ 4,554,612	\$ 4,577,263	\$ 4,641,028	\$ 5,834,142	\$ 2,583,379	\$ 2,601,174
Rate Stab Fund	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
Reserve	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Unrestricted	\$ 27,075,762	\$ 25,937,388	\$ 25,270,001	\$ 26,622,401	\$ 25,020,796	\$ 23,909,471	\$ 22,759,471	\$ 21,602,221	\$ 20,510,310	\$ 21,213,205	\$ 17,800,943	\$ 16,635,974
Total Cash	\$ 50,691,485	\$ 49,587,641	\$ 49,251,142	\$ 52,205,346	\$ 50,496,645	\$ 49,436,869	\$ 48,314,083	\$ 47,179,484	\$ 46,151,339	\$ 48,047,347	\$ 41,384,322	\$ 40,237,148



2023 CASH PLAN – PER FORECAST

2023 FORECAST CASH PLAN



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Restricted	\$ 2,673,066	\$ 2,571,892	\$ 2,964,906	\$ 4,909,350	\$ 4,474,281	\$ 10,027,816	\$ 10,018,315	\$ 10,040,966	\$ 10,104,732	\$ 11,297,846	\$ 8,047,083	\$ 8,028,272
Rate Stab Fund	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
Reserve	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 13,000,000	\$ 13,000,000	\$ 13,000,000	\$ 13,000,000
Unrestricted	\$ 30,167,409	\$ 32,988,599	\$ 33,756,192	\$ 35,505,815	\$ 34,836,534	\$ 27,887,388	\$ 25,141,612	\$ 24,962,031	\$ 21,149,791	\$ 21,982,355	\$ 18,699,763	\$ 9,997,811
Total Cash	\$ 53,840,475	\$ 56,560,491	\$ 57,721,098	\$ 61,415,165	\$ 60,310,815	\$ 58,915,204	\$ 56,159,927	\$ 56,002,998	\$ 55,254,523	\$ 57,280,201	\$ 50,746,846	\$ 42,026,083



INVESTMENT SUMMARY

Investment Strategy for Cash

- \$5-7M: Key Bank – 4.5%
- \$10-13M: Government Securities – $\geq 5.0\%$
- Remaining Funds: Local Government Investment Pool (LGIP) - Currently $> 5.25\%$

Objectives for Government Securities

- Adhere to POV's Investment Policy
- Maintain \$10-13M balance
- Ladder maturity of investments
- Seek investments of 5% or greater that have limited call provisions



YEAR-TO-DATE KEY HIGHLIGHTS

Mid-Year 2023 vs. Mid-Year 2022

Decreased Volumes Overall tonnage in the first half of 2023 decreased by 16% or 621,324 mt compared with the same period last year. This decrease is in alignment with the 2023 budget.

Decreased Revenue First half 2023 Operating Revenues decreased by 10% or \$3.09M compared with the same period last year mainly due to decreased sorghum, wheat, steel, sodium hydroxide, windmills commodities, wharfage, loading/unloading operations, equipment rental, crane operations, storage, handling, service & facilities, security sales and services.

Decreased Expense First half 2023 Operating Expenses decreased by 15% or \$3.30M compared with the same period last year mainly due to decreased Terminal labor/Facility expenses.

Forecast Increased Net Income First half 2023 actual \$7.96M compared with budget \$3.49M, Year-end forecast \$10-11M compared with budget \$6.97M.



Looking Ahead to 2023-2024

Financial/Budget Tools

- TIF Legislation
- Legislative Funding Requests
- Grants
- Debt Issuance



Market and Commercial Trends



Renewable Electricity Production & Raw Material Demand

The passage of the Inflation Reduction Act in the United States, combined with incentives from prior legislation, will further supplement the domestic expansion of green technologies. Other nations have instituted means to lower carbon emissions too. This fundamental shift in how energy is produced and dispatched will create dramatic change in raw material demand – type and amount.

Raw Material Needs by Electricity Generation Type

Metric Tons per TWh

	Wind	Solar	Coal	Gas	Nuclear	Hydro
Concrete & Cement	8,000	4,050	870	400	760	14,000
Iron & Steel	1,920	7,900	310	170	165	67
Copper	23	850	1	0	3	1
Aluminum	35	680	3	1	0	0
Glass*	92	2,700	0	0	0	0
Silicon	0	57	0	0	0	0
Total Metals	1,978	9,480	314	171	168	67

Data Source: Department of Energy, World Nuclear Association

*Soda ash a component of glass production is handled on the Columbia River

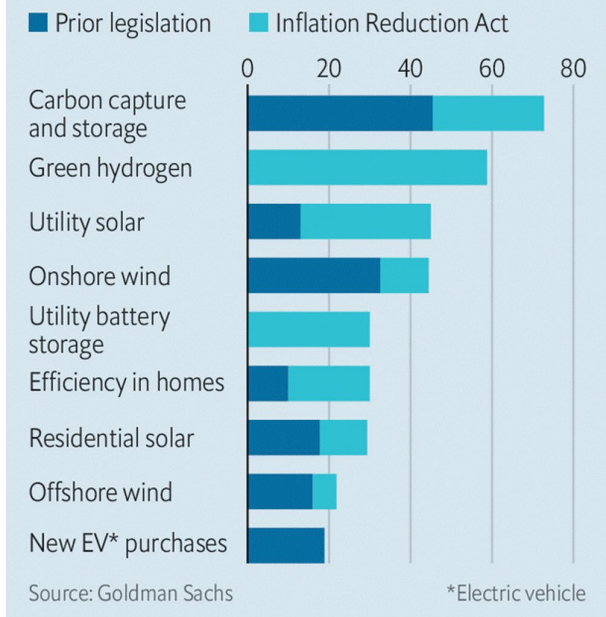
Commodities handled by Port of Vancouver.

“...we’re going to have a material shortage. For us to do the green transition...with the technologies we know solar, wind, EVs...we need 3 times as much copper and 10 times as much nickel and 18 times as much graphite...we need to look within the constraints of what we actually have and might be able to build-out in the next 10 to 20 years.”

– Peter Zeihan, Demographer & Geopolitical Strategist, March 8, 2023

Gifts from Uncle Sam

United States, tax credits and other incentives for selected clean technologies
As % of average total cost, 2022

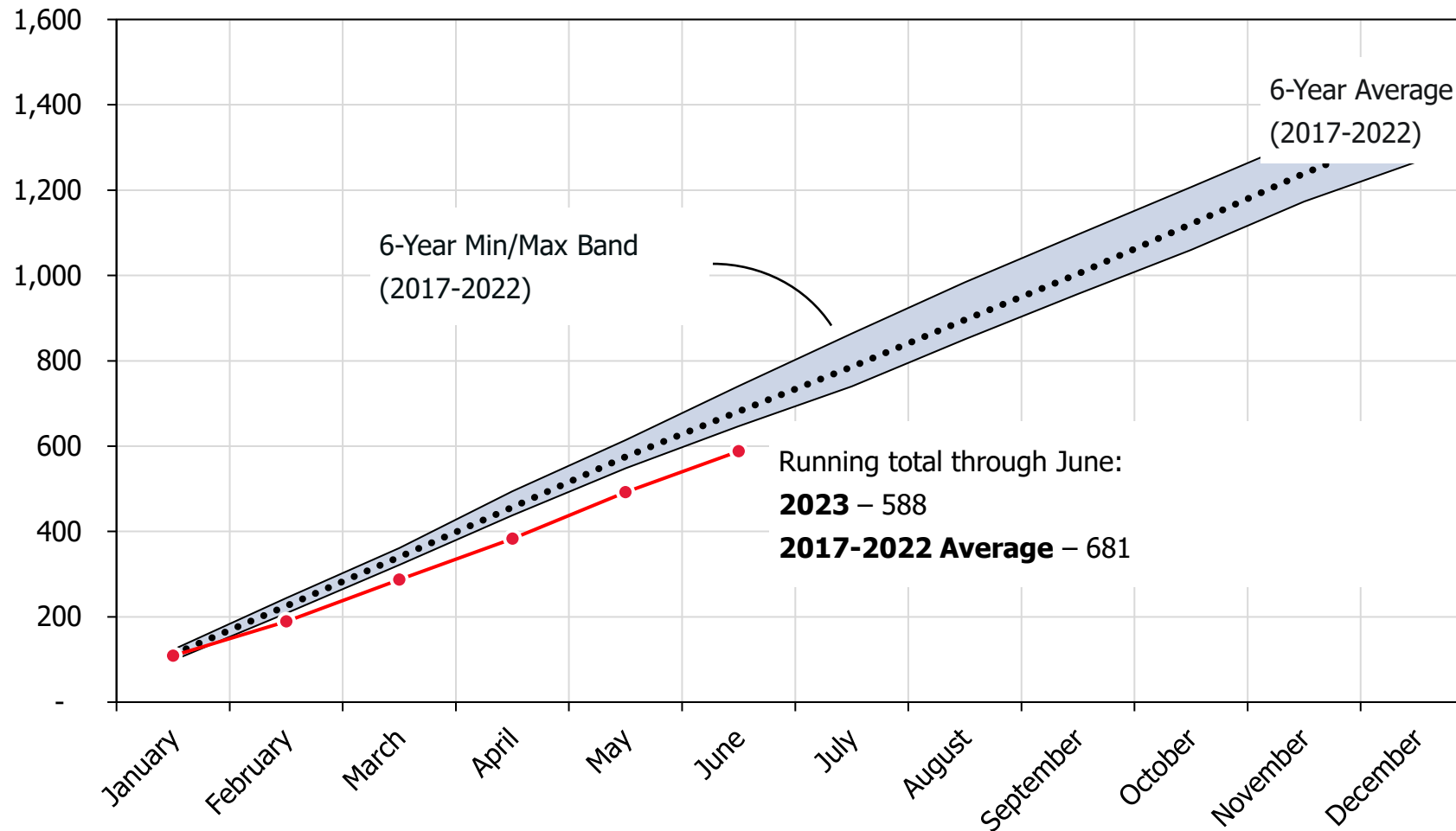


The Economist



Vessel Counts Year-to-Date Lowest in 6 Years

Columbia River Vessel Counts, Running Total



Looking Ahead

SECOND HALF 2023 & 2024

Softening Outlook

- Lower volumes seen across majority of business segments as inflation and interest rates create slowing demand
- A return to historical levels after three years of elevated volumes portends a slower growth period

POV Remains Well Positioned

- Subaru plans to produce 400,000 electric vehicles in its Japanese plants by 2028 as it tries to get 40 percent of its global sales from EVs by the end of the decade
- POV grows in conjunction with Subaru as the highest volume Subaru port in the US
- POV remains the largest & most diversified wind energy port on the US West Coast
- Infrastructure planning continues to adapt to accommodate ever larger wind components



Subaru Vehicles



Wind Energy



Thank You!

