



# Industrial Port Operator

Oct 2018



# Table of Contents

---

## Section

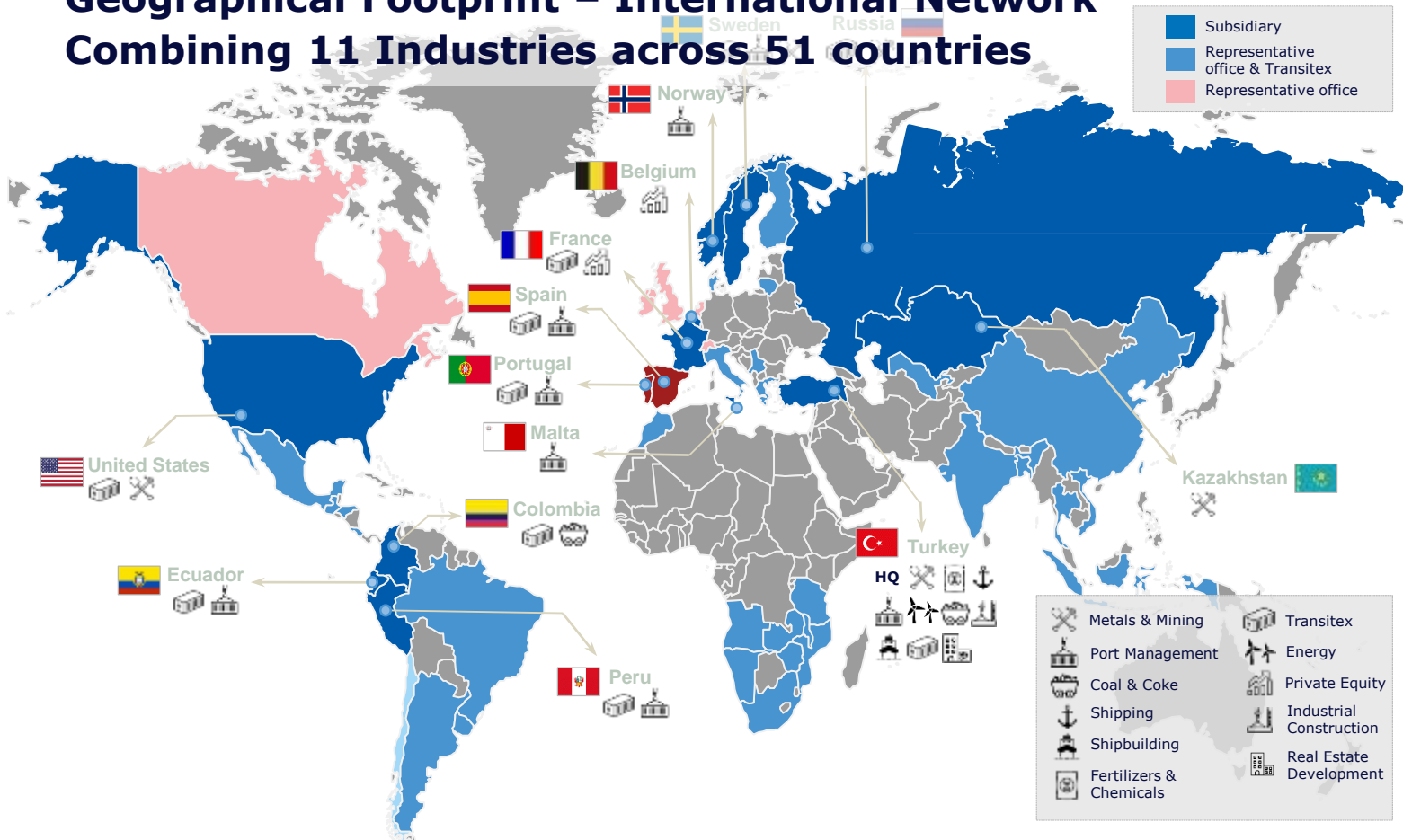
---

<b>1</b>	<b>YILDIRIM Group Overview</b>	<b>2</b>
<b>2</b>	<b>YILPORT Holding Overview</b>	<b>6</b>
<b>3</b>	<b>YILPORT's Business Approach</b>	<b>10</b>
<b>4</b>	<b>Case Study – YILPORT Puerto Bolivar</b>	<b>22</b>

## Section 1: YILDIRIM Group Overview

# Overview of YILDIRIM Holding

## Geographical Footprint – International Network Combining 11 Industries across 51 countries



Active Sectors	11
Countries Present	51
Employees	>13,000
Revenue	\$2.0bn
Total Assets	\$5.5bn
Total Investments Since 2004	\$4.7bn

*Leveraging on its wide spectrum of industrial operations in Turkey, YILDIRIM Group has developed a truly international footprint in the Metal & Mining, Coal & Coke, Port Management sectors as well as global investment placement capacity to boost further growth*

# Overview of YILDIRIM Holding

## Main Facts of the Group

### Metals & Mining

**#1** (TURKEY) Market Share

Product	Market Share
Cr Ore Producer	25%
Hard Lumpy Marketable Cr Ore Exporter	30%
High Quality HC FeCr Producer	100%

<b>#2</b> (WORLD) HC FeCr Producer	<b>#4</b> (WORLD) Chromium Industry
---------------------------------------	--



### Port Operation Management & Container Terminal Operating

**#1** (TURKEY) Market Share

Category	Market Share
State-of-the-Art Container Terminal Operator in Turkey	10%
The Most Effective & Productive Container Terminal Operating Company in Turkey	#1

International Container Terminal Operator (2017)\* **#12** (WORLD)

### Fertilizers & Chemicals

**CAN & Ammonia #1** (TURKEY) Market Share

Product	Market Share
CAN Producer	35%
CAN Exporter	90%
Ammonia Exporter	100%

### Coal & Coke

**#1** (TURKEY) MarketShare

Coke Importer	29%
---------------	-----

**#2** (TURKEY)

Sized Coal Importer	16%
---------------------	-----

### Energy

**#5** (TURKEY) by 2025

**5 GW**

Projects to build for Energy Production

*Deeply rooted as a Turkish industrial conglomerate, YILDIRIM group has a dominant domestic market position in the top 5 industries where it operates, with an uprising worldwide leadership position in the Metal & Mining and Port Management sectors*

\*Source: Drewry – Global Container Terminal Operators – Annual Review and Forecast Report 2018

# Overview of YILDIRIM Holding

## Key Milestones – 45 Years of Continuous Growth Trajectory



### 1963 - 2000

- 1963** Establishment of Garip YILDIRIM & Sons Co.
- 1980** International trade started in commodities
- 1993** Entry into coal & coke
- 1994** Entry into fertilizers & chemicals
- 2000** Entry into maritime

### 2004 - 2008

- 2004** Acquisitions in Turkey
- 2005** Consolidation in port operations
- 2006** Establishment of the holding structure
- 2007** Expansion in metals & mining  
Entry into shipbuilding
- 2008** The first international acquisition

### 2010 - 2017

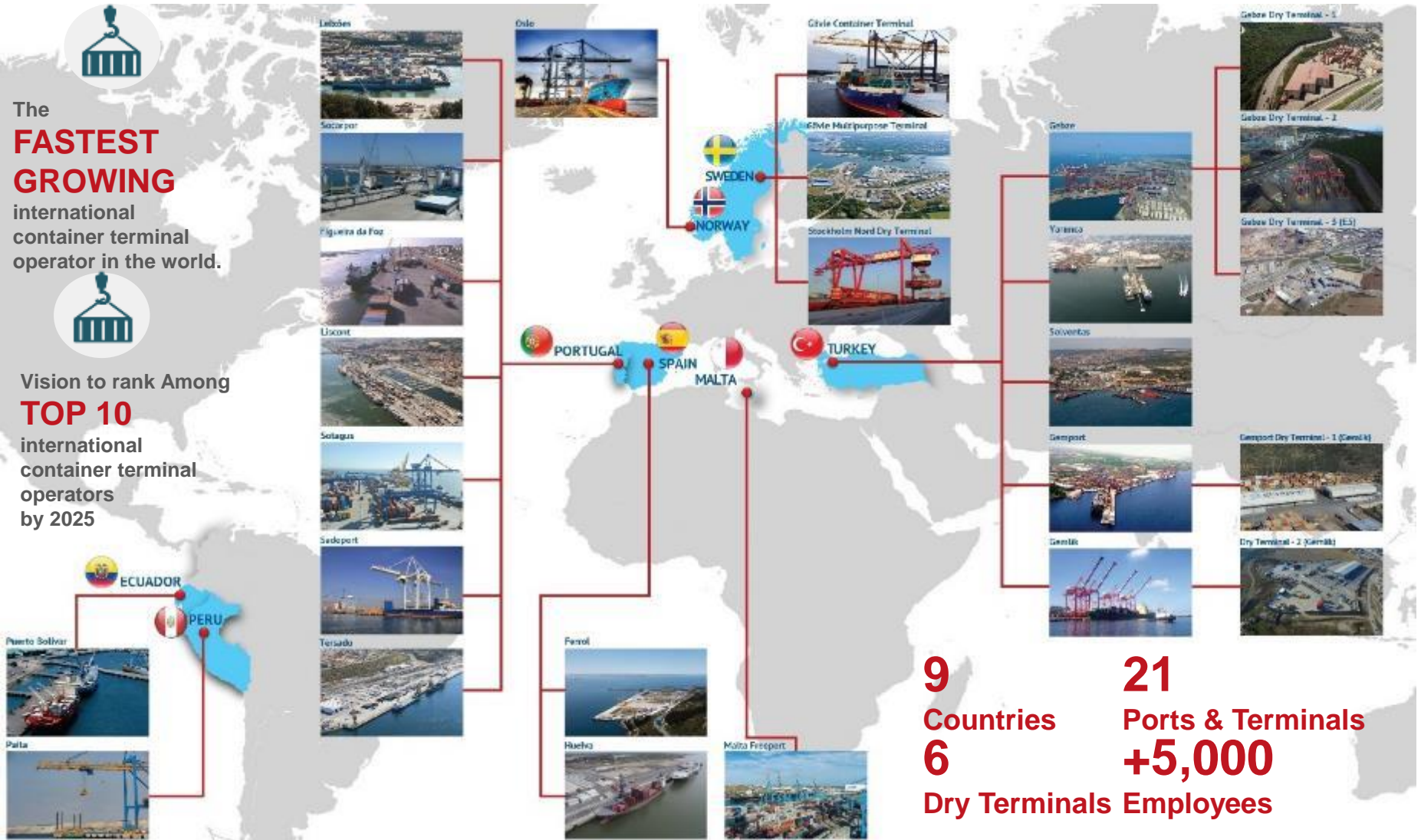
- 2011** First major financial investment  
Expansion of financial investments portfolio, port operations & logistics, construction
- 2012** Entry into energy, logistics
- 2013** Expansion in metals & mining, energy
- 2014** Expansion in port operations, shipping, coal & coke, metals & mining, fertilizers & chemicals and energy
- 2015** Tertir Acquisition
- 2016** Solventas, BSG and Bearmet acquisitions .  
awarded operations in Puerto Bolivar
- 2018** MOU signed for GULPORT Mississippi  
Awarded for Berth Operation of Quetzal, Guatemala  
Proceeding in concession tender process for Taranto

*The group has gone through three phases of development: (i) initial focus on domestic operations of original sectors until 2000; (ii) rapid expansion into new sectors during the next five years; (iii) and strong international expansions over the last decade.*

## Section 2: YILPORT Holding Overview



# YILPORT HOLDING OVERVIEW



The **FASTEST GROWING** international container terminal operator in the world.

Vision to rank Among **TOP 10** international container terminal operators by 2025

**9** Countries  
**6** Dry Terminals  
**21** Ports & Terminals  
**+5,000** Employees



# YILPORT HOLDING MILESTONES



**'Mission is to rank among top 10 port operators by 2025'**

**2004 – 2005**

Acquisition of Sedef Port and Alemdar Port  
YILPORT Container Terminal and Port Operations Inc. established  
YILPORT Gebze terminal opened



**2011**

New Terminal Investment  
Malta Freeport



**2012**

YILPORT Holding established  
New Terminal Acquisitions  
Gempport & Rotaport



**2014**

New Terminal Acquisitions  
Gävle CT, Stockholm Nord  
Combi Terminal and Oslo CT.



**2015**

Acquisition of  
TERTIR Group



**2016**

New Terminals Acquisitions  
Gävle BSG, Solventas and  
Puerto Bolivar



**2017**

Bolivar operations started  
Yilport Nordic Logistics  
established



**2018**

MoU signed for  
GULFPORT Mississippi  
New Terminal Quetzal Guatemala

## Section 3: YILPORT's Business Approach

## Business Approach

### “YILPORT Holding” on the way to success



# 1- ONE PORT OPERATOR - YILPORT Business Model



**End-to-end Service Provider Thanks to its Fully Integrated Business Model with State-of-the-art Technology**

<p><b>1 Container</b></p> <ul style="list-style-type: none"> <li>Vessel Operations</li> <li>CFS</li> <li>Reefer services</li> <li>IMO services</li> </ul>	<p><b>5 Tugboat &amp; Pilotage</b></p> <ul style="list-style-type: none"> <li>Manoeuvrings</li> <li>Tugboat</li> <li>Pilotage</li> </ul>
<p><b>2 General &amp; Bulk</b></p> <ul style="list-style-type: none"> <li>Vessel operations</li> <li>General &amp; Bulk</li> <li>Project cargo</li> <li>Lashing</li> <li>Blending</li> <li>Fumigation</li> </ul>	<p><b>6 Combi &amp; Inland</b></p> <ul style="list-style-type: none"> <li>Mty Depot (sweeping, repair, washing, etc.)</li> <li>Storage</li> <li>Marble yards</li> </ul>
<p><b>3 Ro-Ro</b></p> <ul style="list-style-type: none"> <li>Storage area</li> <li>Vessel operations</li> <li>Inspection</li> <li>PDI</li> <li>Touch-up</li> </ul>	<p><b>7 Logistics &amp; Forwarding</b></p> <ul style="list-style-type: none"> <li>Freight forwarding</li> <li>Trucking</li> <li>Rail</li> <li>Feeder</li> </ul>
<p><b>4 Liquid</b></p> <ul style="list-style-type: none"> <li>Vessel operation</li> <li>Liquid to container</li> <li>Container to tank</li> <li>Blending and marketing</li> </ul>	<p><b>8 Government Rail Project</b></p> <p>To increase the connectivity and expand hinterland, in 2022 will be operational</p>

**Prestigious Equipment Suppliers**



**Innovative System to Centralize Operations**

- Navis Sparcs N4 Terminal Operating System
- Remote Operation, Auto Gate and Crane OCR System
- Appointment System
- Customer Access Portal
- Global Logistic Center (GLC)

➤ YILPORT's business model integrates the entire value chain covering freight forwarding, stevedoring, shipping agency, land transport, rail transport, warehousing and other value added services, our target to implement this business model to the ports



# YILPORT HOLDING

## ONE STOP SHOP SOLUTION: 3 Main Sales Channels



### Global Network - Head Office Sales and Marketing

#### Vessel Operators

##### Shipping Lines

- MSC
- CMA CGM
- Maersk
- Hapag Lloyd
- Cosco
- Evergreen
- ONE Alliance

#### Hopper Barge Operators

- Marad
- Seacor AMH

#### Targeted Customers

### HINTERLAND - Terminal Sales Team

#### Rail – Road – Logistics

#### Cargo Owners

### Local - TERMINAL Services

#### Terminal Services

- Agencies
- Key Accounts
- Forwarders
- CFS Customers
- Mty Depot Customers

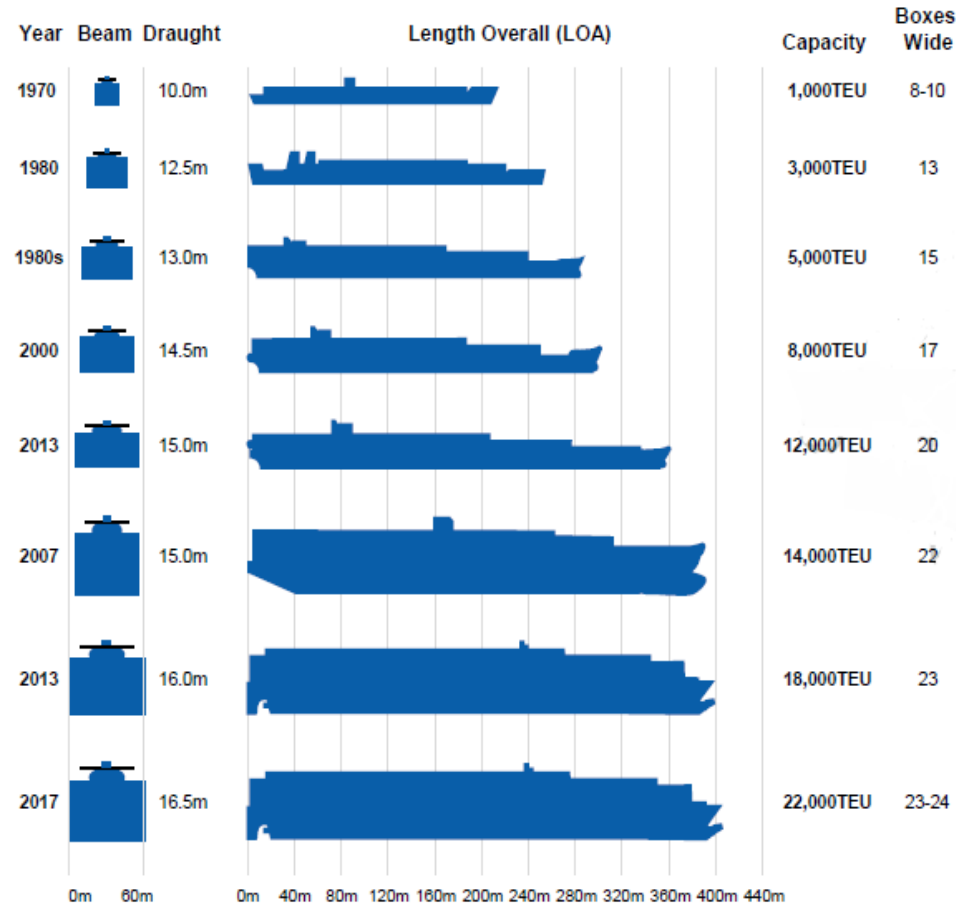


YILPORT's Global network strength supported by the Head Office Sales and Marketing which enables to achieve strong relationship with the clients

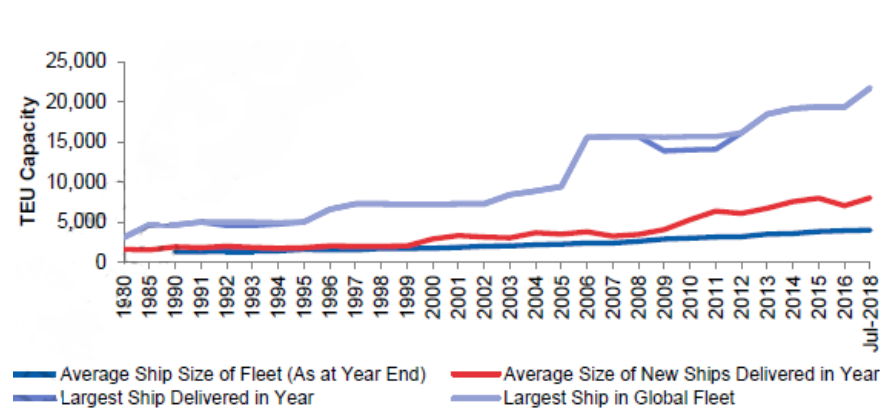
## 2- DEEP SEA TERMINAL: Vessel Size Trends

On all routes, ocean carriers are phasing in bigger ships, with ultra large container vessels loading 20,000TEU and above becoming increasingly.

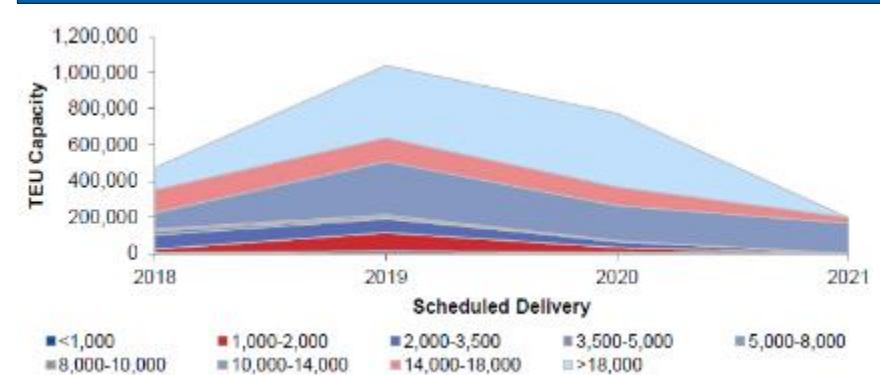
### Features of a Different Vessels – Development Towards Larger Capacity Vessel



### Vessel Size Development



### Order Book by Vessel Size





## 2- DEEP SEA TERMINAL: Panama Canal & Alliances

### Panama Canal EXPANSION



In the past PANAMA Canal could carry up to 5,000 TEU. After the expansion of the canal, the PostPanamax vessels **“NEOPANAMAX”** are able to transit through the Canal, **with up to 13,000/14,000 TEU**

### Merging as Alliances

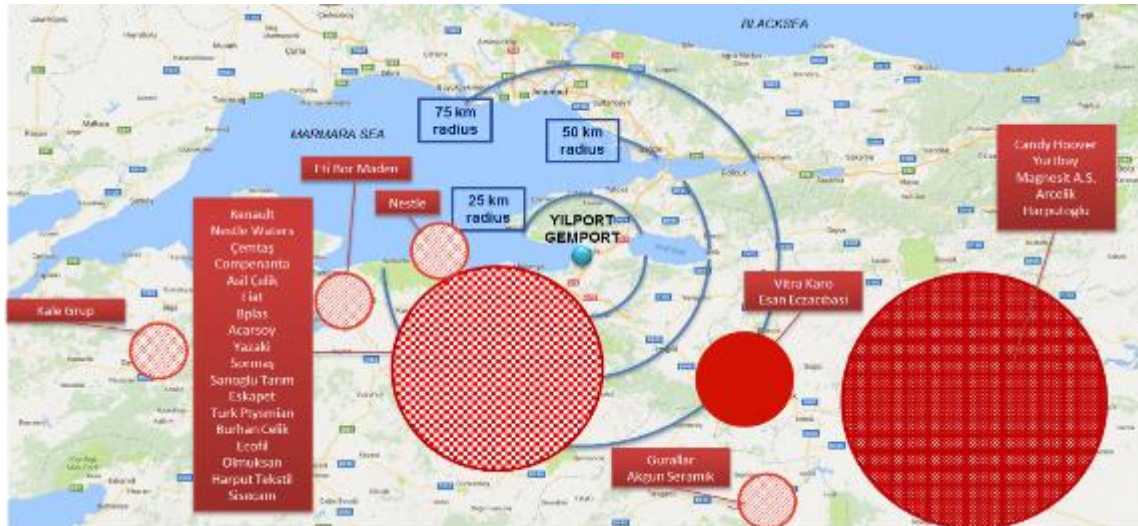
25 main container shipping companies was presenting in 2000, only 15 remain in 2017

Top 10 Shipping Companies cooperate under 3 alliances collectively represent app. 80% of the global maritime container transfer market



### 3- TEAMING UP at LOGISTIC PLATFORMS

#### Industrial Port Concept



#### Bursa of Turkey

- ✓ Bursa is the one of the biggest industrial city in Turkey.
- ✓ The main and biggest automotive and textile player in industry are located within 15km from Gemlik Terminal.



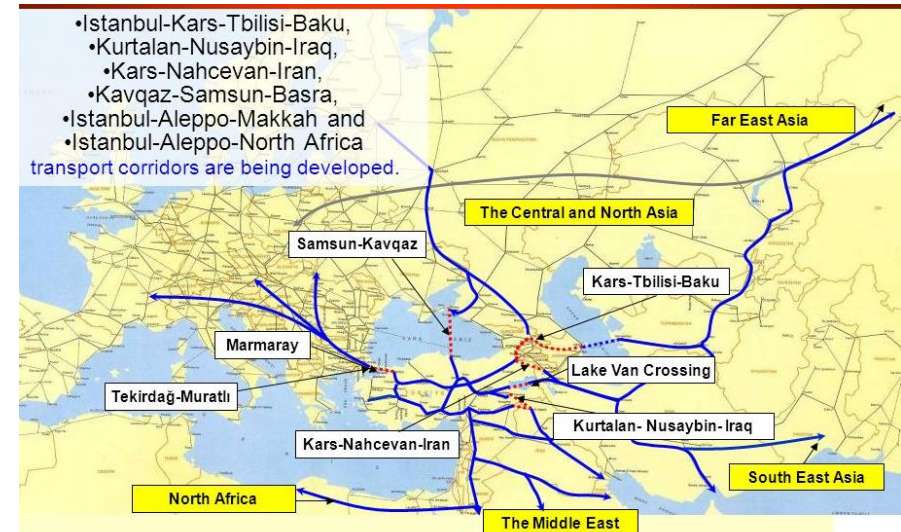
- ✓ Perfect location for Gateway cargo which attract liners and industrial companies to the ports.
- ✓ Supporting regional economy in Global trade
- ✓ Easy access to local and global shipping network

# 4- CONNECTIVITY: Middle East

## China's One Belt, One Road



- Middle East strategic location is always keeps the region on the main trade lanes



After the completion of the rail projects in Turkey, the Silk Road will gain more importance and Europe, Asia, esp. the Middle East, and the Central and Far East Asia will be inter-connected by rail.

- Poor railway infrastructure compare to developed regions such as Mid-North Europe, U.S., Russia, China
- Regional view on logistics – beyond the borders needs regional peace and strategies

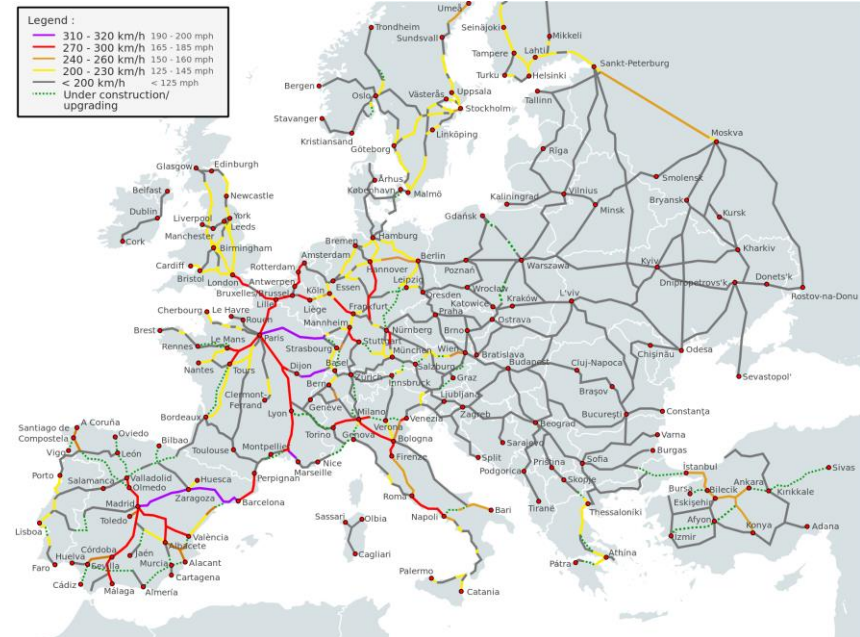


# 4- CONNECTIVITY: Rail Performance in 2035

## Tonnage of Trailer-on-Flatcar and Container-on-Flatcar Rail Intermodal Moves, 2012



## European rail network



- Different modes of transportation are frequently used in combination to move cargo. The classic forms of rail intermodal transportation are trailer-on-flatcar and container-on-flatcar, and these services are spread throughout the United States. The largest concentrations are on routes between Pacific Coast ports and Chicago, southern California and Texas, and Chicago and New York.

✓ European rail network and connectivity with a regional view mainly on the North Europe helps the development of the regional economy.

\*Source: Bureau of Transportation Statistics

## 4- CONNECTIVITY: U.S. Average Daily Long-Haul Truck Traffic



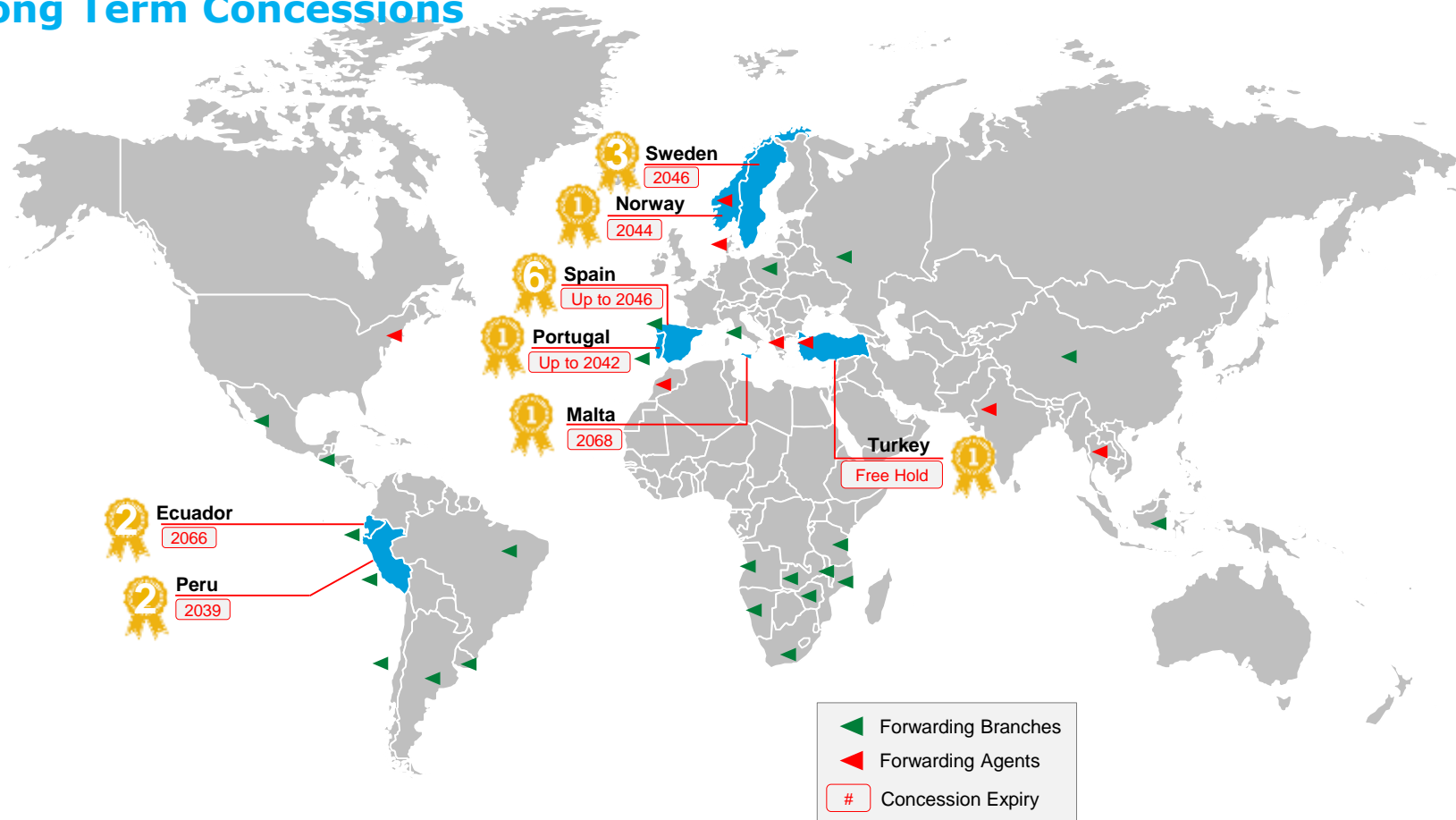
- Long-haul freight truck traffic on the National Highway System is projected to increase dramatically. Projected data indicate that truck travel may increase from 282 million miles per day in 2012 to 488 million miles per day by 2045.

✓ In a recent study made by Hapag Lloyd, also confirmed by CMA-CGM, long haul truck availability is one of major concern for liners.

\*Source: Bureau of Transportation Statistics

## 5- LONG PERSPECTIVE & LONG CONCESSION:

Leading **International Port Operator** with a Diversified Portfolio Geared Towards **Freeholds** and **Long Term Concessions**



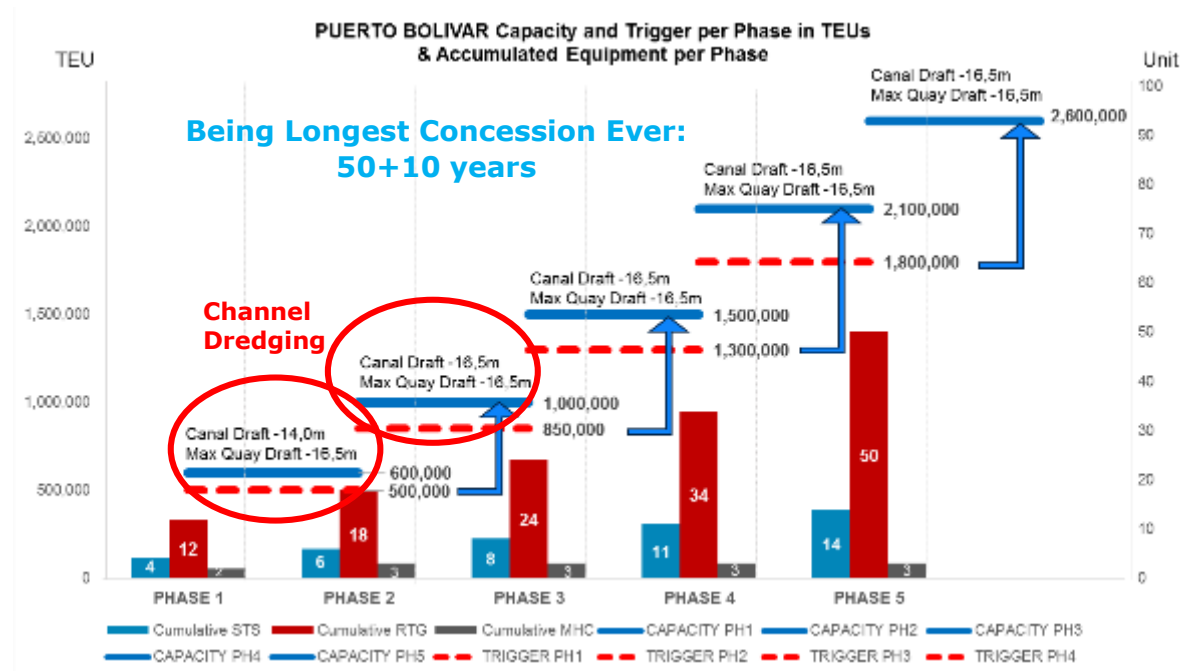


# 5- LONG PERSPECTIVE & LONG CONCESSION: PUERTO BOLIVAR

## Structural Win-Win Concession Mechanism

### Capex Guarantee: Volume Triggered Investment:

- ✓ Total investment amount is \$750 million and it is divided into 5 phases.
- ✓ Each phase starts when the throughput amount reaches trigger level.
- ✓ The investment is demand triggered but not compulsory if there is not enough trade volume.
- ✓ The investment has to adapt to service levels, not to item's list



## Case Study

### Why Shipping Lines Should Call YILPORT PUERTO BOLIVAR?



## Unique Location in the Region

### Strategic Advantage

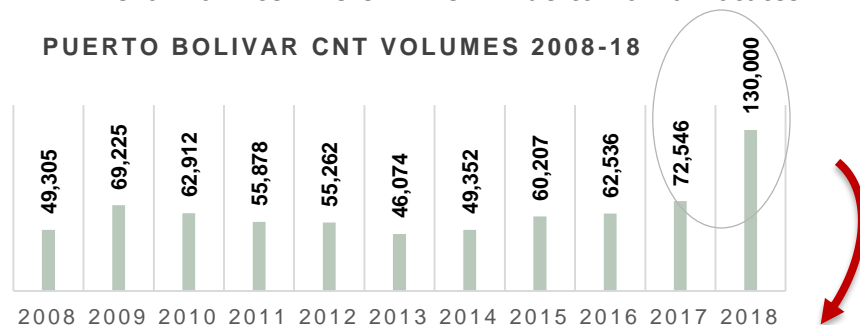
- Large Hinterland to Peruvian Market & Banana and Shrimps of Ecuador.

Distances	Km	Hours
Guayaquil	195	02H45
Manta	390	05H24
Quito	478	07H00
Cuenca	166	02H21
Loja	217	03H04
Tumbes	101	01H25
Piura	390	05H27

### Proximity to Banana Farms

- 41%** of the major banana suppliers concentrated primarily in El Oro Province where YILPORT Puerto Bolivar locates.

PUERTO BOLIVAR CNT VOLUMES 2008-18



**79%** total growth in 2018 compared the previous year

### Cuenca as Import and Minerals Market

- It is the **third** most important market of Ecuador
- The top 10 importers from Cuenca represent 63% of the total importers of Azuay.
- Distance between Cuenca – YILPORT Puerto Bolívar :

**166 km / 2 hours 21 min**



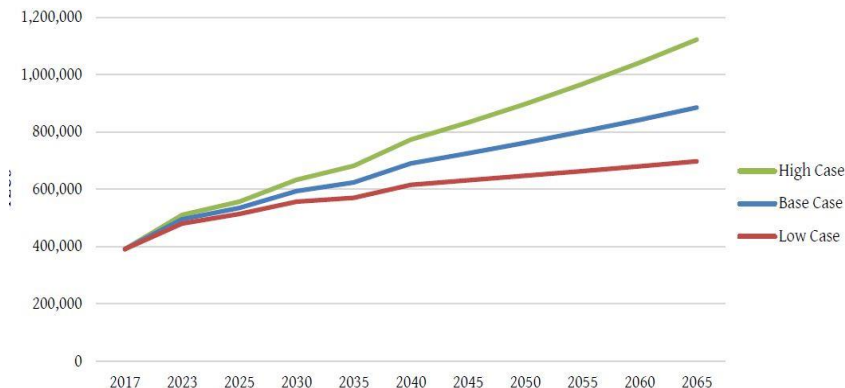
### Easy Channel Access

- The shortest channel in the region.
- Distance to Channel:** 4.5 miles
- 30 minutes** of sailing without any interruption 24 hrs/365 days.



# YILPORT Puerto Bolivar Creates the Future in Ecuador

- ❑ Hinterland of Puerto Bolivar will grow slightly faster than the average as a result of increased investments in shrimp farming, higher yield from bananas and mining activities.
- ❑ By 2035 most banana exports are expected to be converted into containerized transport which will turn YILPORT Puerto Bolivar as the first choice.
- ❑ YILPORT Puerto Bolivar’s share of total banana exports is expected to grow to **22.5%** of Ecuador’s containerized exports in 2023 and to 40% of Ecuador’s export market by the end of the concession period.



Projected Puerto Bolivar Banana Exports

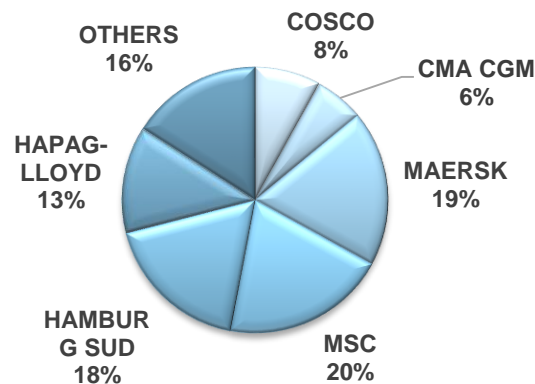
- ❑ YILPORT Puerto Bolivar’s deep-water port will allow shipping lines to provide scheduled low cost services utilizing the larger vessels that can transit the expanded Panama Canal.
- ❑ The services can include direct calls from large container vessels used for direct services to the US East Coast or Europe or some smaller vessels used to reach Gulf Coast ports or that act as feeder vessels to transshipment ports in Panama or elsewhere.
- ❑ These vessels to call YILPORT Puerto Bolivar **will be larger than those that can serve Guayaquil.**



# YILPORT Puerto Bolivar: The First Option for Larger Vessels

## Where does Shipping Lines Stand in Ecuador Market?

- Shipping Lines currently serves Ecuador mainly via feeder over Callao and Buenaventura, with vessels of about 3,500 TEU capacity.
- Vessels with 10,000 TEU capacity and draft requirement of 13 m call at Buenaventura to connect with the smaller feeder into Ecuador.



**Go Big in Ecuador with YILPORT Puerto Bolivar**

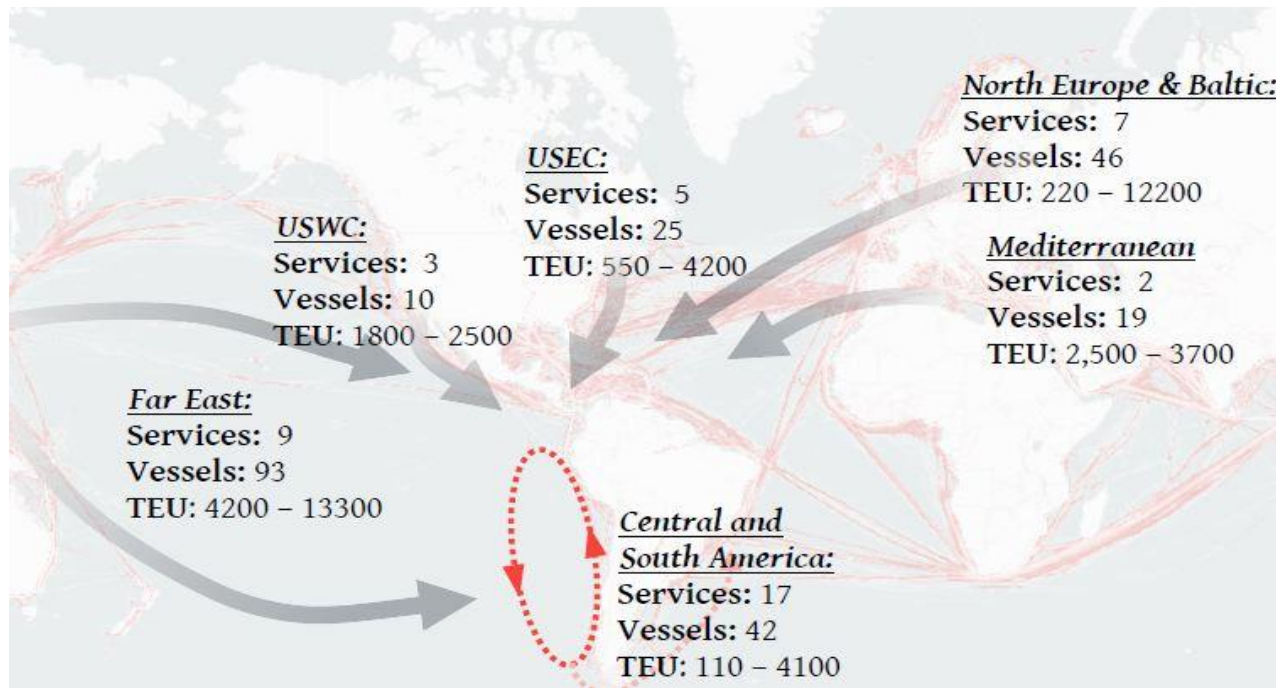
**Direct calls to YILPORT Puerto Bolivar with larger vessels without any need to feeders on Guayaquil.**

ROUTE	SHIPPING LINE	TEU (MAX)	COL BUE	ECUADOR			PERU				
				ESM	GUA	BOL	PAI	CAL	PIS	MAT	ILO
Far East	MSC / CMA CGM / COSCO / HMM	13000									
	CMA CGM / Hapag-Lloyd / Hamburg Süd / Maersk	9900									
	Maersk	9600									
	CMA CGM / Hapag-Lloyd / Hamburg Süd / Evergreen / COSCO / Yang Ming	9000									
	Evergreen / COSCO / Yang Ming	9000									
	NYK / MOL / K Line	6800									
	Evergreen / COSCO / PIL / Wan Hai / Yang	5300									
	Maersk / Hamburg Sud	7000									
	Maersk	5000									
Europe and Mediterranean / Oceania	MSC	12000									
	CMA CGM / Hapag-Lloyd / Hamburg Süd / CMA CGM / Hapag-Lloyd / Hamburg Süd (C)	10500									
	Maersk	3600									
	Maersk	3200									
	Maersk	2500									
	MSC	4100									
US East Coast & US Gulf /	CMA CGM / Seatrade / Marfret / on ANZ-U	2500									
	Hamburg Süd / Hapag-Lloyd / CGNI (HS)	4200									
US West Coast	Hamburg Süd / Maersk	3600									
	Hamburg Süd / CMA CGM	1800									
	Dole	1500									
	Maersk	2500									
Central and South Am	Maersk	2500									
	MSC	4100									
	Aliança / Hamburg Süd / Hapag-Lloyd (CS)	3600									
	MSC	3600									
	Maersk	2500									
	MSC	2400									
	Hamburg Süd	2300									
	CMA CGM	1800									
	Evergreen / COSCO	1700									
	Hapag-Lloyd	1500									
	APL / X-Press Feeders	1300									
	Hamburg Süd / CMA CGM / Hapag-Lloyd	1300									
	CNP	1100									
	Ultramar / Transmares	690									
SAAS	290										

# Services and Regular Vessels on WCSA Trade

## WCSA Services

- 17 different shipping line services call ports in Ecuador. The average size is about 3,080 TEU and the largest vessels reaching over 9,900 TEU.
- There are about 43 main container services and 235 vessels regularly calling at ports on the WCSA. Currently, the largest vessels are operating from Far East with capacity of up to 13,300 TEU.





# YILPORT Puerto Bolivar Terminal Advantages

## The Only Deepsea Terminal of Ecuador

- ❑ The deepest Terminal in Ecuador with its low-tide 14.50m draft.
- ❑ Able to handle vessels up to 14.000 TEU



## The Lowest Channel Due

YILPORT Puerto Bolivar;

- ❑ Below 9 Mts: **0,10 USD/GT**
- ❑ 9 Mts+ : **0,20 USD/GT**

### ❑ Posorja

0,38 USD/GT

### ❑ Guayaquil

Current: 0,18 USD/GT ( Draft: 9.50m)

Dredging Phase 1: 0.39 USD/GT (2020)

Dredging Phase 2: 0,62 USD/GT (Draft:12.5m)



## Cost-effective and Efficient Solutions for Reefer M&R

- ❑ 56.000 m2 for maintenance and repair area inside the terminal.
- ❑ Low cost on reefer m&r with weekly 300 container capacity.



## Under-shed Area for Banana Inspections

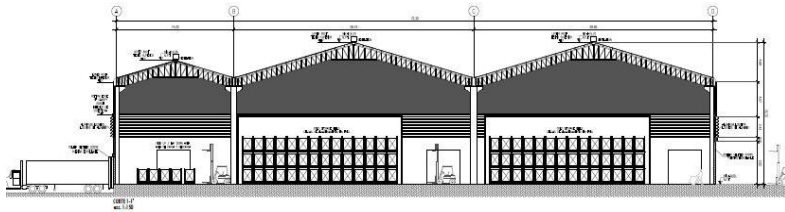
- ❑ A dust-free and water proof new yard with sun protection.
- ❑ 7/24 security with cameras
- ❑ 10.560 m2 area only dedicated to banana inspections



## Development Projects

### Cold Storage Facility (Chill Warehouse)

- ❑ Specific temperatures for the storage of perishable goods i.e. fruits and vegetables.
- ❑ The facility will be one of the major parts of our modernization plans offering convenience, logistical support and expedited delivery times.
- ❑ Capacity: 500.000 cbm



### New Equipmet Investment

- ❑ 2 Mobile Harbour Cranes
- ❑ 6 STS Cranes
- ❑ 12 RTG Cranes
- ❑ Auxiliary Equipment
- ❑ 1 Tugboat



Immediate start just after concession given, 4 years for the execution of the investments. (2020)

### Shrimp Inspection Area

- ❑ 2 Super freezer containers will be dedicated to the shrimps to be inspected.
- ❑ The operations will be held in a closed (under shed) area.



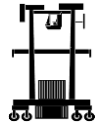
### Construction of New Berths #6 and #7

- ❑ As a part of modernization project Berth 6, which will be dedicated to container operations, will be completed in Phase 4.
- ❑ Length: 315 m
- ❑ Draft: -16m



# One of the Major Investments: Acquisition of STS & RTG Cranes

## 1st Delivery



**2 units of 62m out-reach STS** (for 22row): on T5 and 14,000TEU vessel.



**6 units RTG**

**1st SHIPMENT:**  
**DECEMBER 2019**

## 2nd Delivery



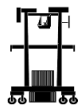
**2 units of 67m out-reach STS** (for 24row) : on expansion terminal T6 & 7 and 20,000TEU vessel. (designed for biggest vessels)



**6 units RTG**

**2nd SHIPMENT:**  
**APRIL 2020**

## 3rd Delivery



**2 units of 67m out-reach STS** (for 24row) : on expansion terminal T6 & 7 and 20,000TEU vessel. (designed for biggest vessels)



**6 units RTG**

**3rd SHIPMENT:**  
**APRIL 2020**



### Other Equipment Investments

- 36 UNITS TERMINAL TRACTOR
- TERMINAL TRACTOR TRAILER
- 1 UNIT TUG-BOAT
- 2 UNITS REACHSTACKER
- 2 UNITS EMPTY CONTAINER HANDLER



# Go Bigger with YILPORT Puerto Bolivar- Dredging Project

## Access Channel

Length: 8.5 km  
MLSV: 13.30m  
MLS: 15 m  
MHWS: 16.20m

Ready to handle vessels up to

**14.000 TEU**

Capacity Increase to **2.6M TEU** after the 5 phase Investment Project

Area	Length	MLWS (Mean Low Water Spring)	MLS (Mean Sea Level / meters)	MHWS (Mean High Water Spring/meters)	Before YILPORT
Berth 4	180	12.80 m	14.50 m	15.70 m	8 m
Berth 3	180	12.80 m	14.50 m	15.70 m	8 m
Berth 1-2	125 (each)	9.10 m	10.80 m	12 m	8 m

#5 is only dedicated to Container operations  
Length: 300m  
MLSV: 14.50m  
MLS: 16.20m  
MHWS: 17.20m

## FIVE-BASE INVESTMENT PLAN

### Phase 1

**600.000 TEU**  
+ 2 MHC  
+ 4 STS  
+ 12 RTG  
+ Aux. Equip.  
+ 1 Tug-boat

### Phase 2

**1.000.000 TEU**  
+ 2 STS  
+ 6 RTG  
+ Aux. Equip  
+ 1 MHC

### Phase 3

**1.500.000 TEU**  
+ 2 STS  
+ 6 RTG  
+ Aux. Equip.

### Phase 4

**2.100.000 TEU**  
+ 3 STS  
+ 10 RTG  
+ Aux. equipment

### Phase 5

**2.600.000 TEU**  
+ 3 STS  
+ 16 RTG  
+ Aux. equipment



## CURRENT CAPACITY

Container: 450,000 TEU  
General Cargo: 3,600,000 Ton  
Ro-Ro: 50,000 CEU  
Reefer Plugs: 900  
Current Equipment: 2 MHC, 5 RS, 25 TT



PRIVILEGE  
BECOMES  
STANDARD

ONE-STOP  
SHOP

# GAME CHANGER IN PORT OPERATIONS AND MANAGEMENT



INDUSTRIAL  
PORT  
OPERATOR