INTERMODAL *ADAPTS*

IANA
INTERMODAL ASSOCIATION OF NORTH AMERICA

Intermodal Analyzed

March 30th 2021, 2:00 PM ET

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Housekeeping

- Audience will be muted
- A question & answer session will follow the presentation
- Submit questions by clicking the Q&A icon at the bottom of your screen
- A recording of this webinar, including the slides, will be available in the near future

IANA
INTERMODAL ASSOCIATION OF NORTH AMERICA™

Today’s Presenter

Larry Gross

President & Founder

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Hello!

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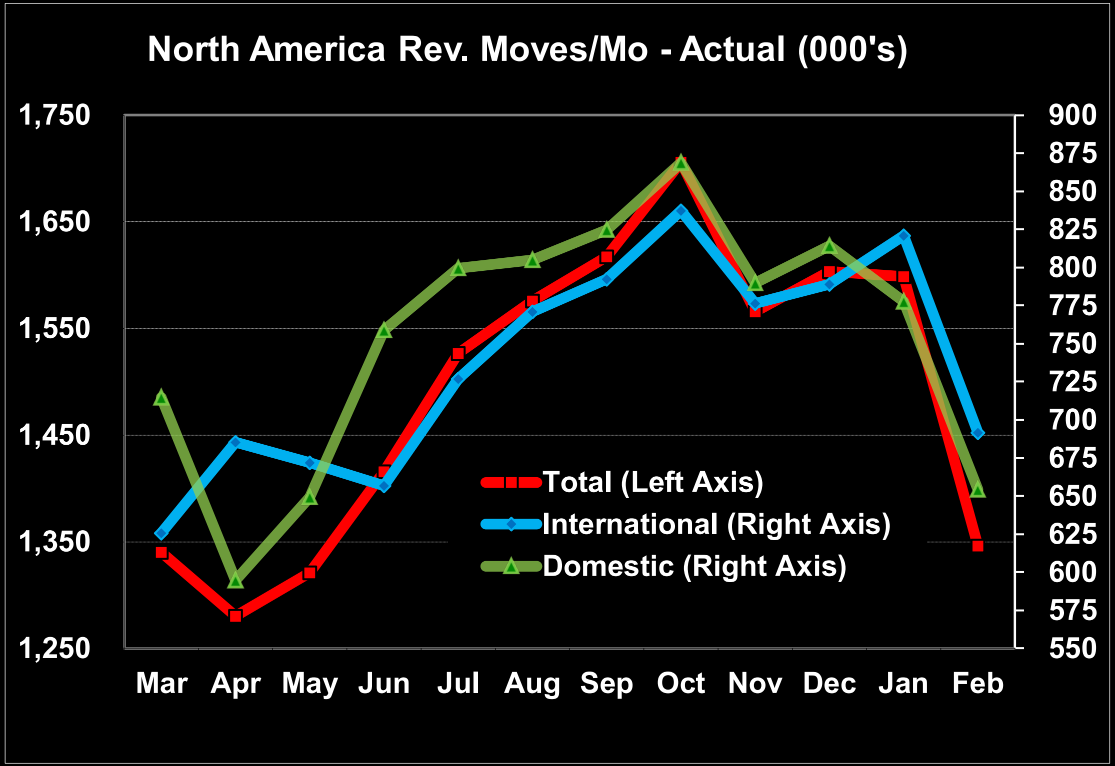
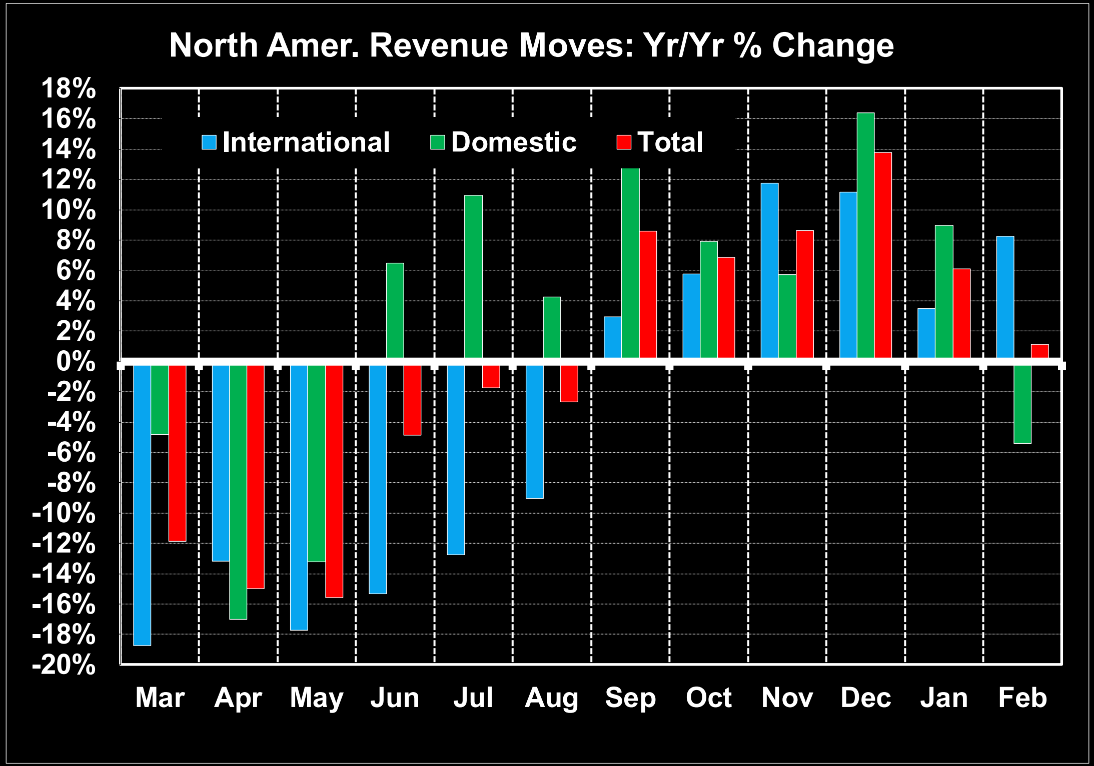
INTERMODAL ANALYZED

Intermodal Association of North America

March 30, 2021

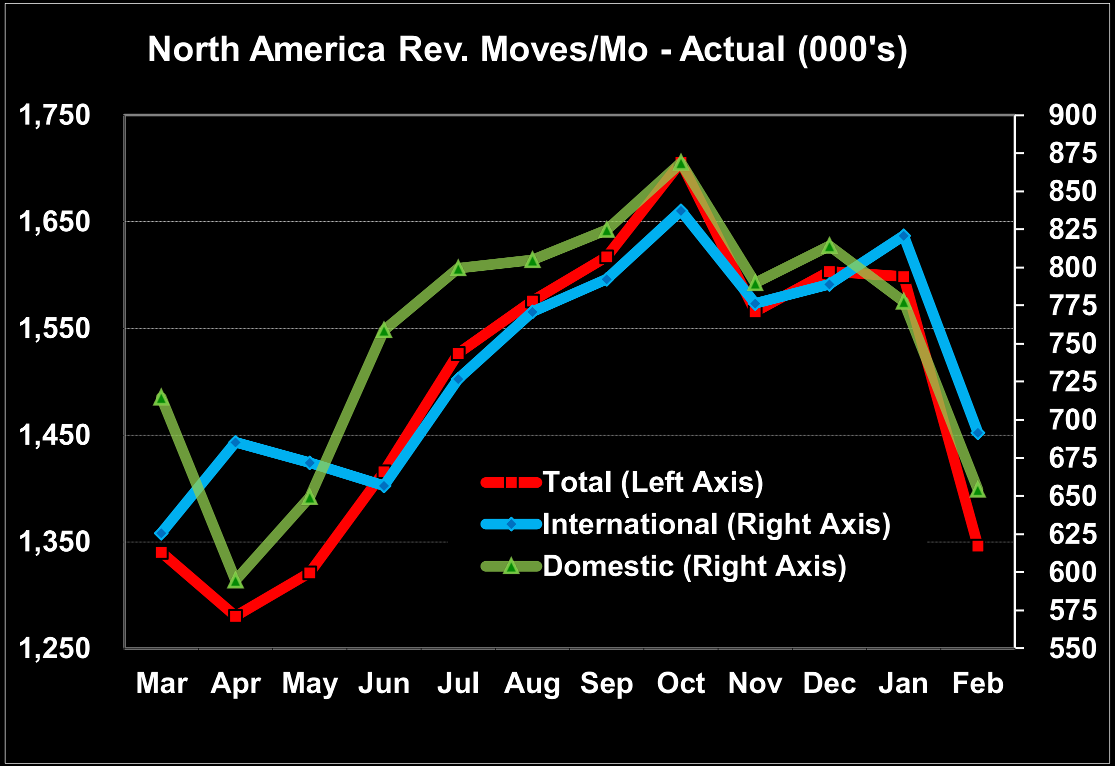
THE HEADLINE: FEBRUARY WAS A ROUGH MONTH





Source: IANA ETSO, GTC Analysis

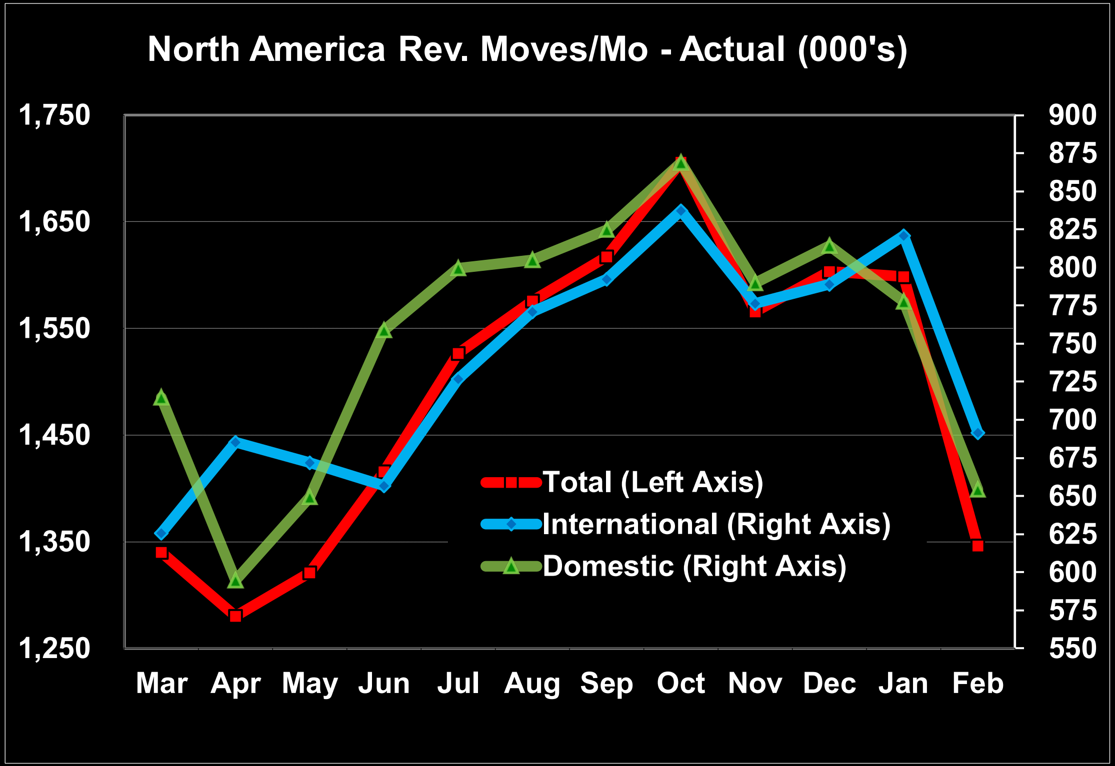
ALL INTERMODAL PRODUCT LINES WERE AFFECTED

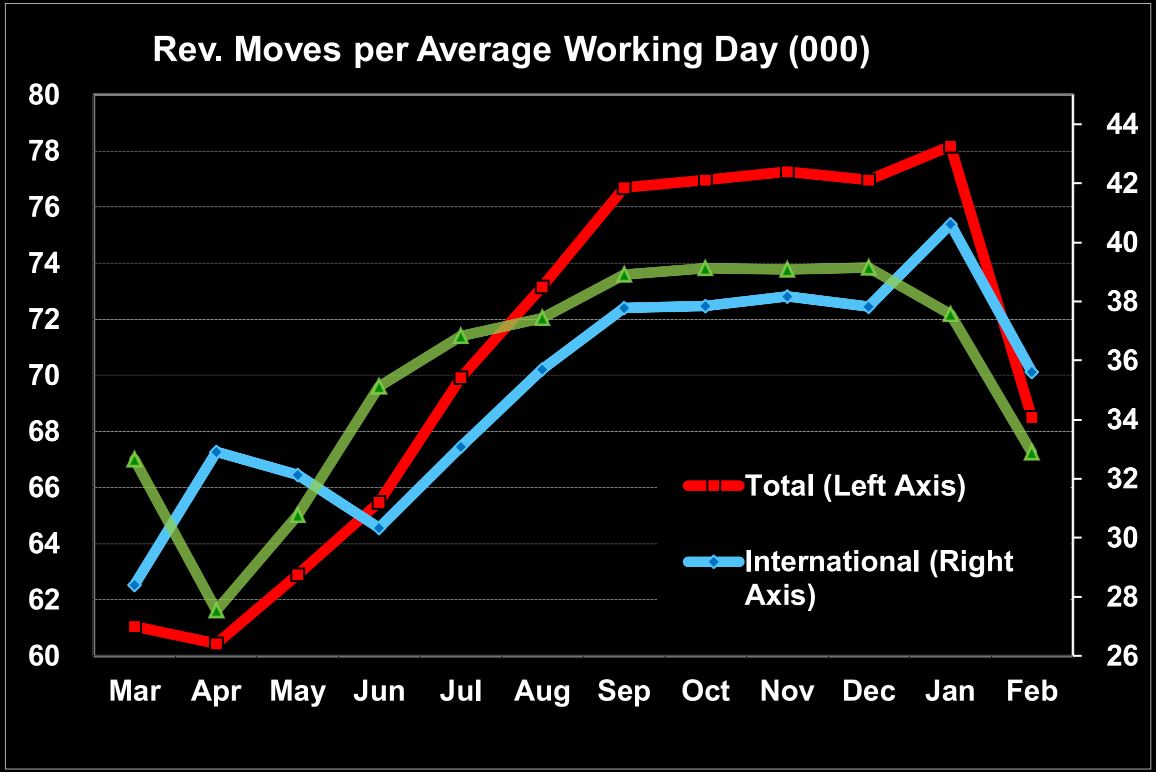


February 2021	M/M	Y/Y
International	**-15.8%**	**+8.3%**
Short Trailer	*-7.9%*	*+12.2%*
53' Trailer	*-14.4%*	*+10.4%*
Total Trailer	-12.7%	+10.9%
Private Domestic Container	*-17.9%*	*-8.1%*
Rail Domestic Container	*-12.2%*	*-6.7%*
Total Domestic Container	-16.3%	-7.7%
Domestic	**-15.8%**	**-5.4%**
Grand Total	**-15.8%**	**+1.1%**

Source: IANA ETSO, GTC Analysis

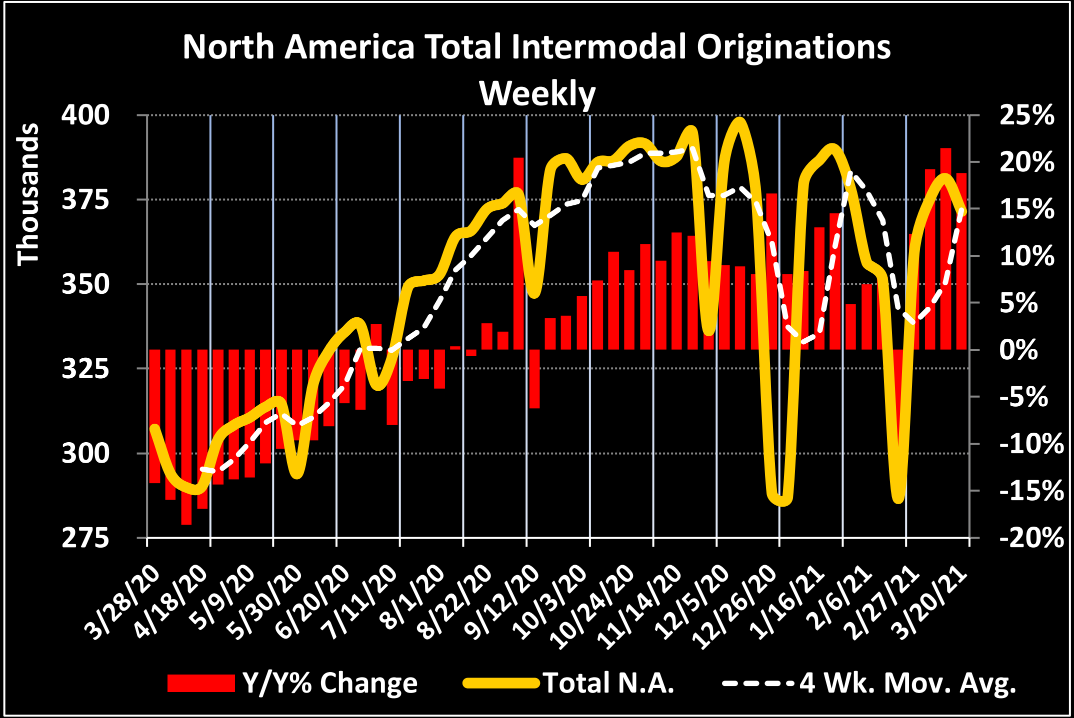
REVENUE MOVES PER DAY SHOWS OPERATIONAL WEATHER ISSUES

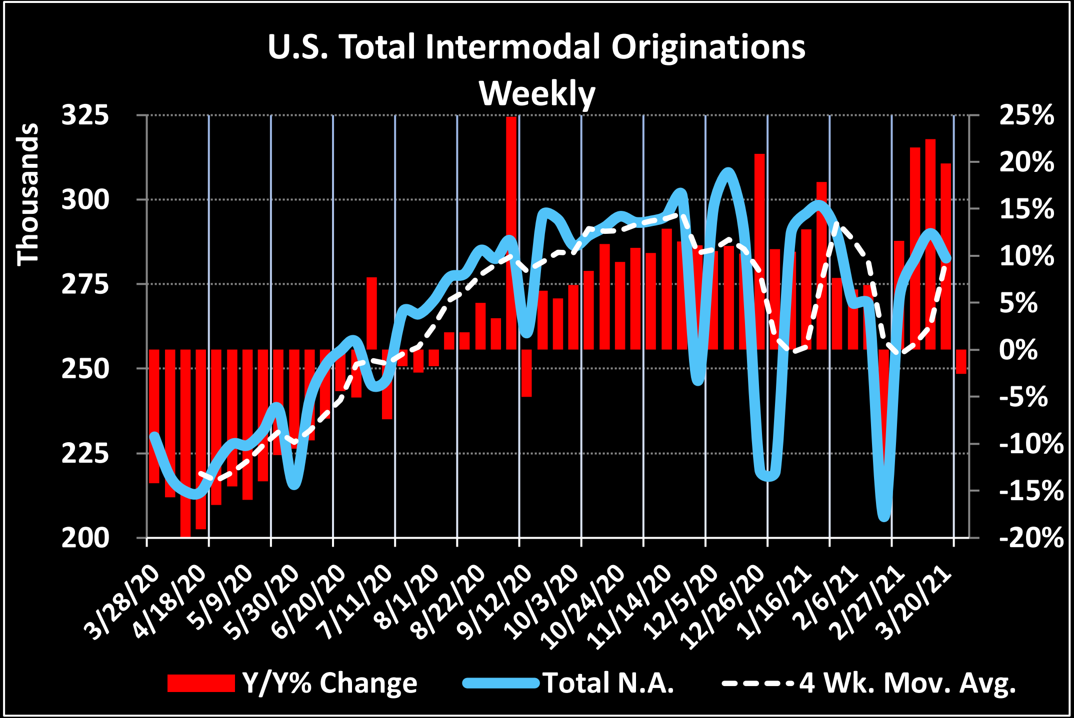




Source: IANA ETSO, GTC Analysis

INTERMODAL HAS RECOVERED FROM THE POLAR VORTEX. UNDERLYING TREND IS STILL A DECLINE



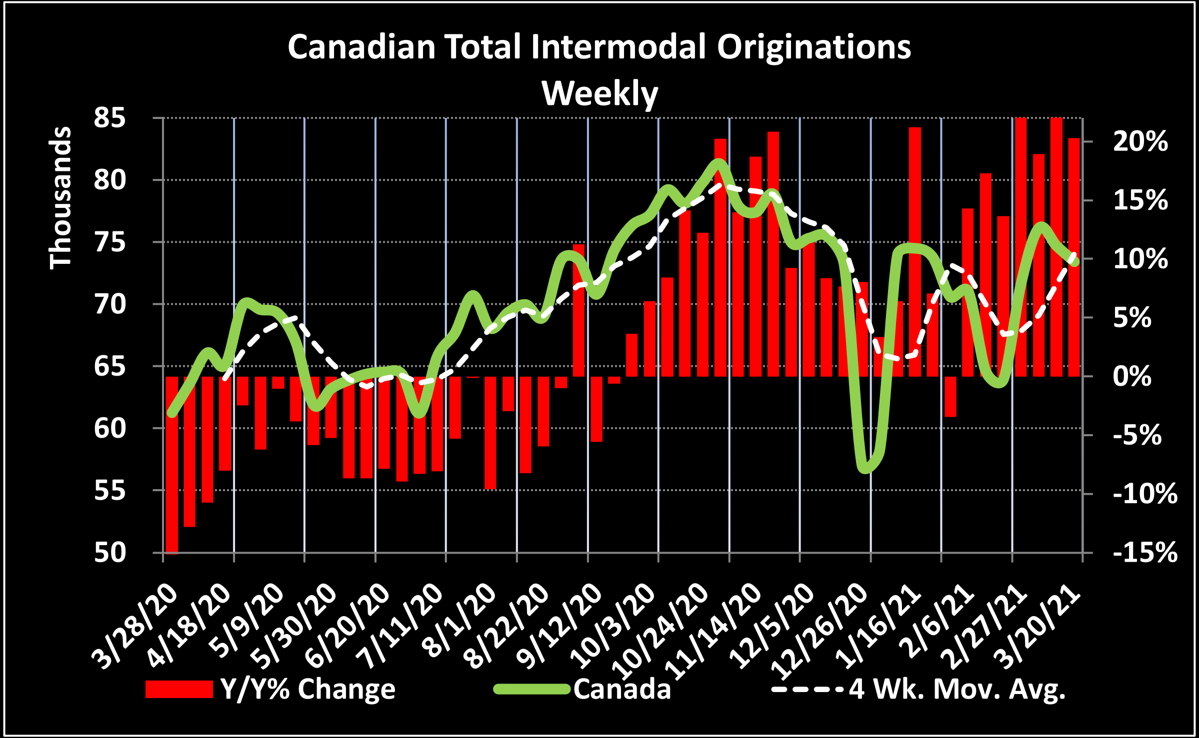


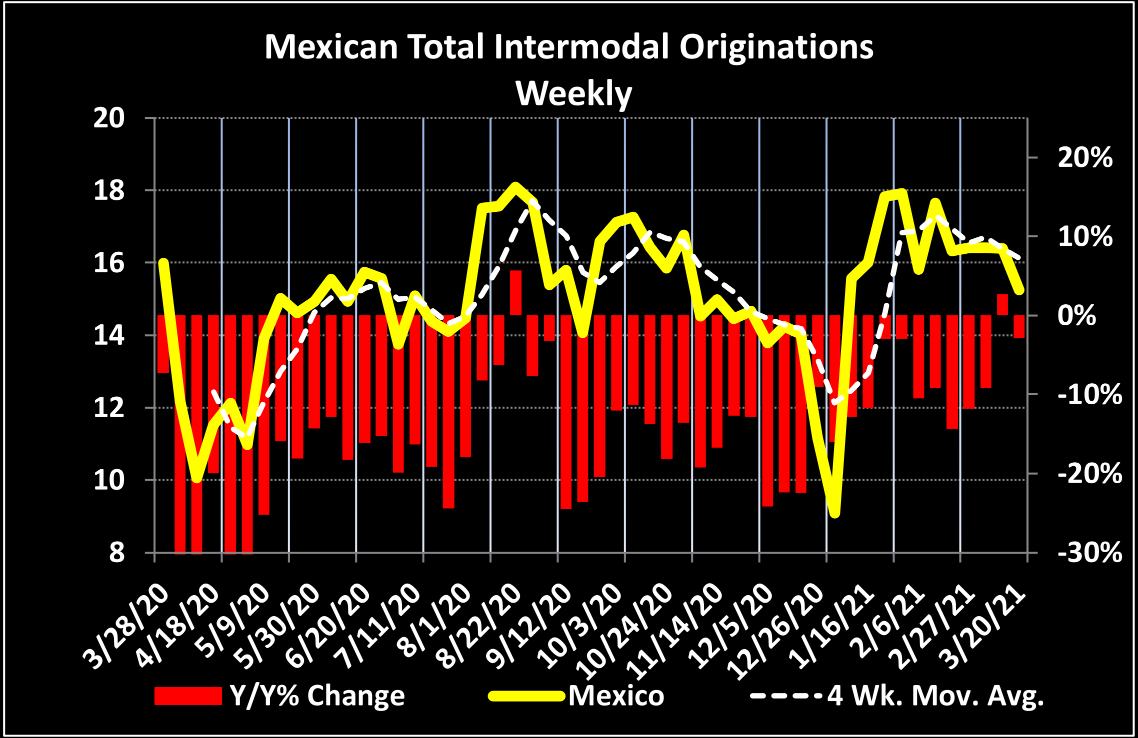
- Last Week: +18.8% Y/Y (+7.0% vs. 2019)
- Last 4 Weeks: +17.9% Y/Y (+4.8% vs. 2019)

- Last Week: +19.8% Y/Y (+8.5% vs. 2019)
- Last 4 Weeks: +18.8% Y/Y (+4.8% vs. 2019)

Source: AAR, GTC Analysis

CANADA'S PEAK HAS BEEN MORE TYPICAL MEXICO CONTINUES TO STRUGGLE



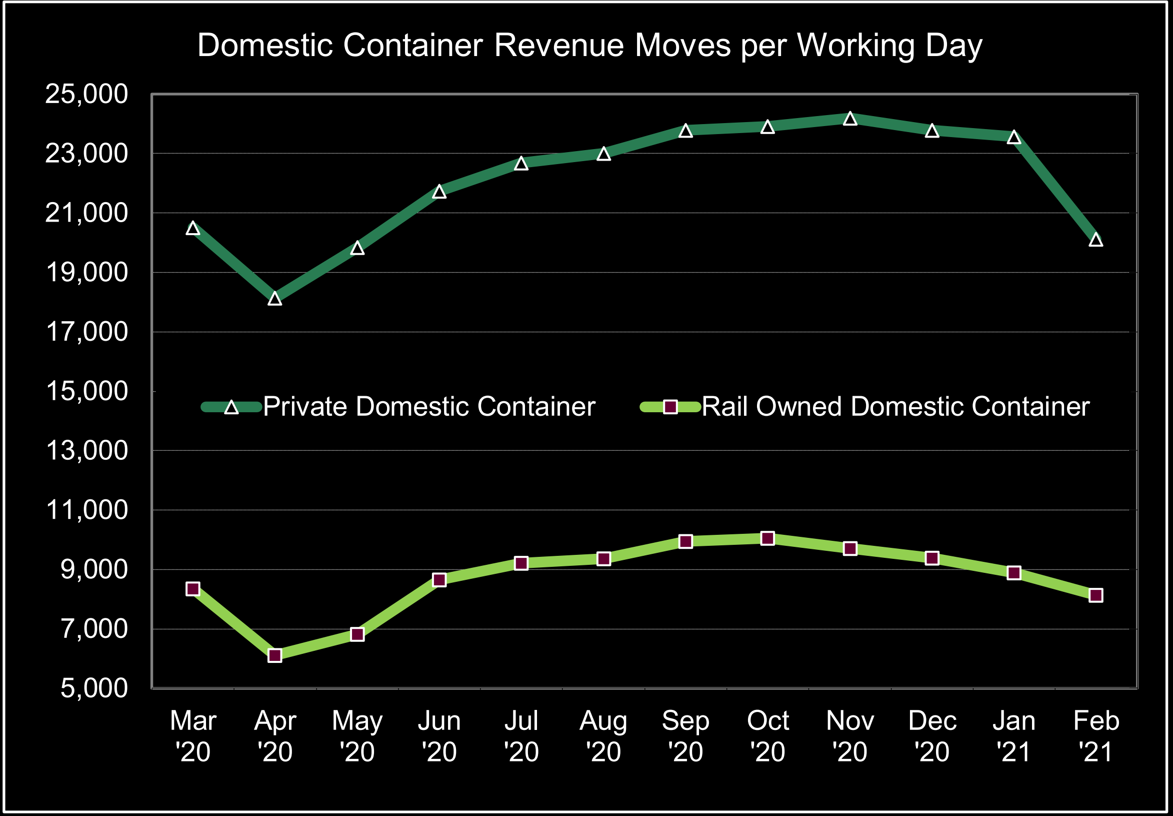


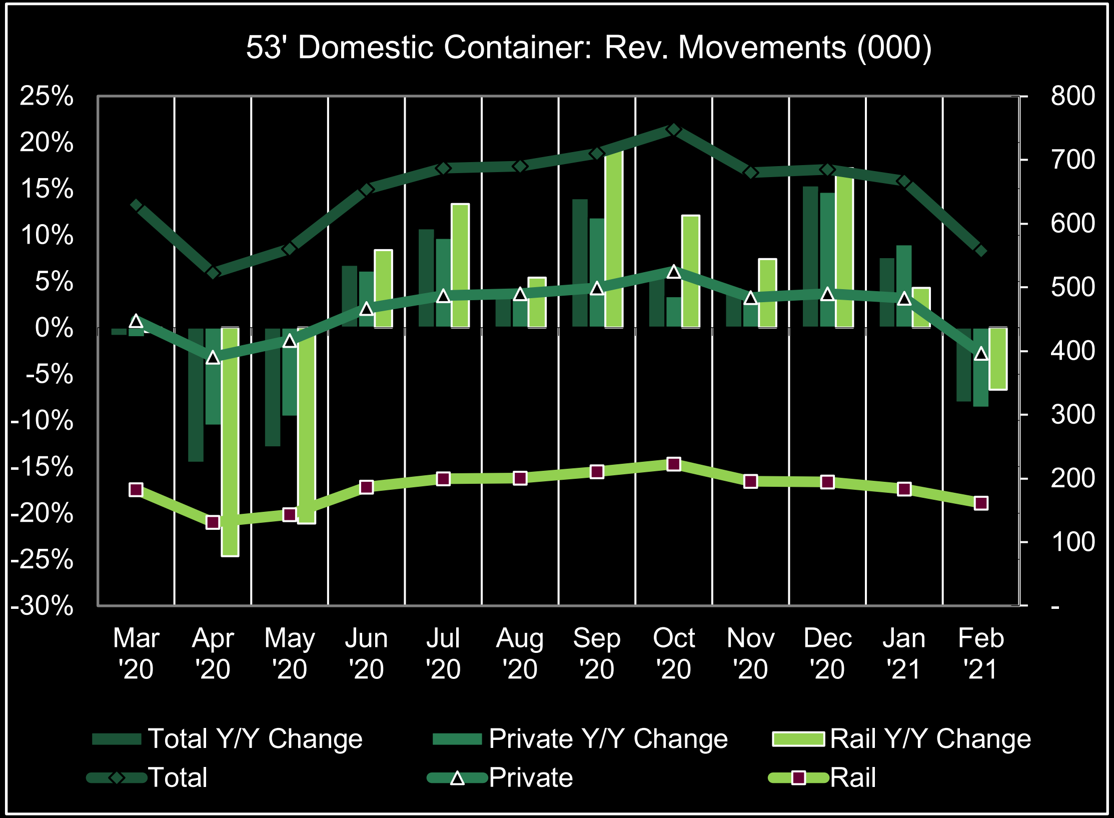
- Last Week: +20.3% Y/Y *(+5.0% vs. 2019)*
- Last 4 Weeks: +21.3% Y/Y *(+8.8% vs. 2019)*

- Last Week: -6.9% Y/Y *(-7.6 vs. 2019)*
- Last 4 Weeks: -5.7% Y/Y *(-9.8% vs. 2019)*

Source: AAR, GTC Analysis

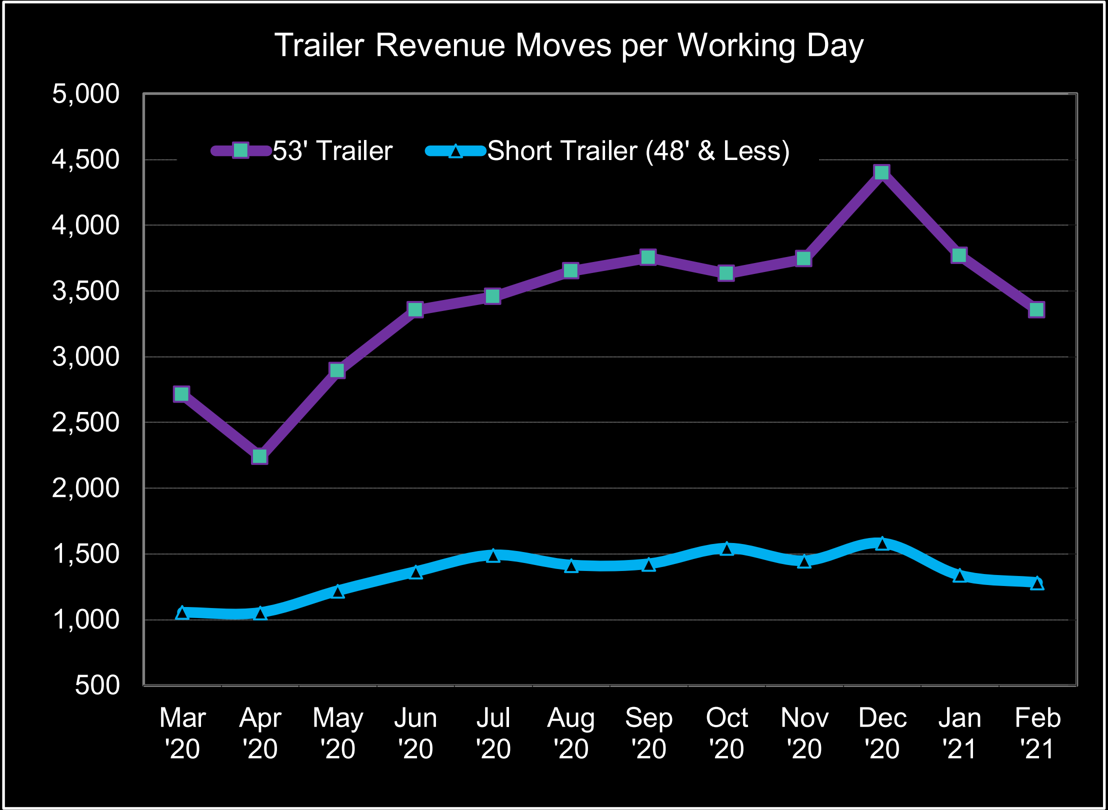
DOMESTIC CONTAINER HAD A WEAK FEBRUARY

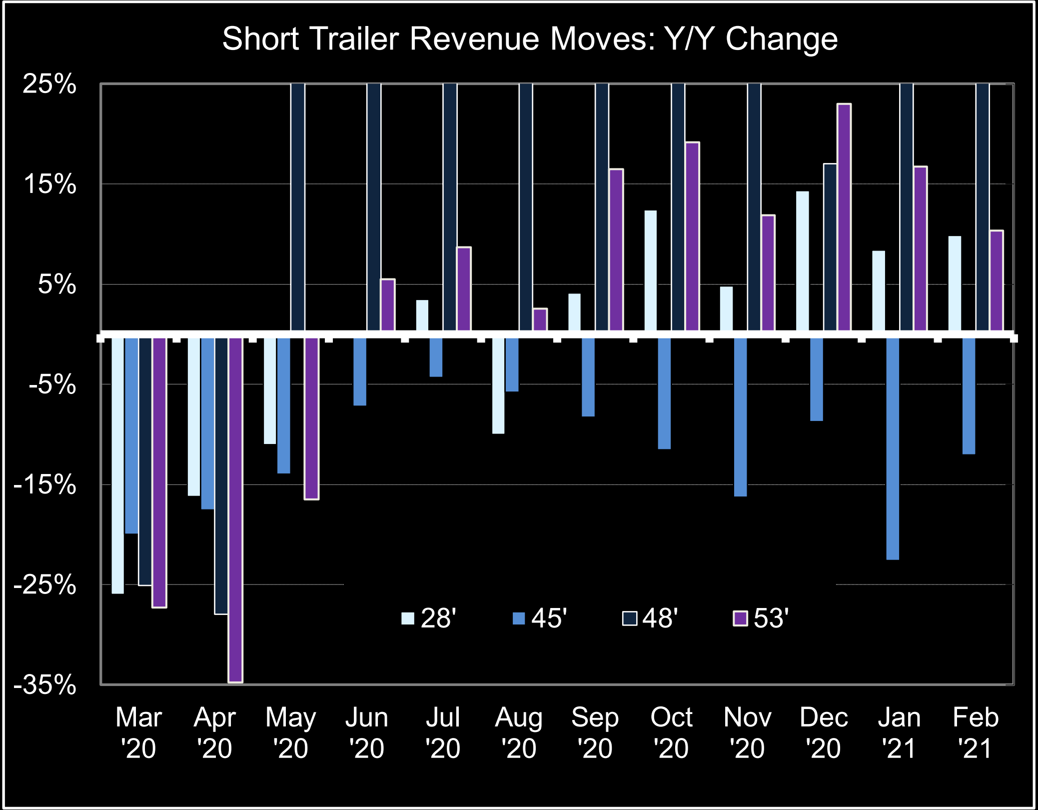




Source: IANA ETSO, GTC Analysis

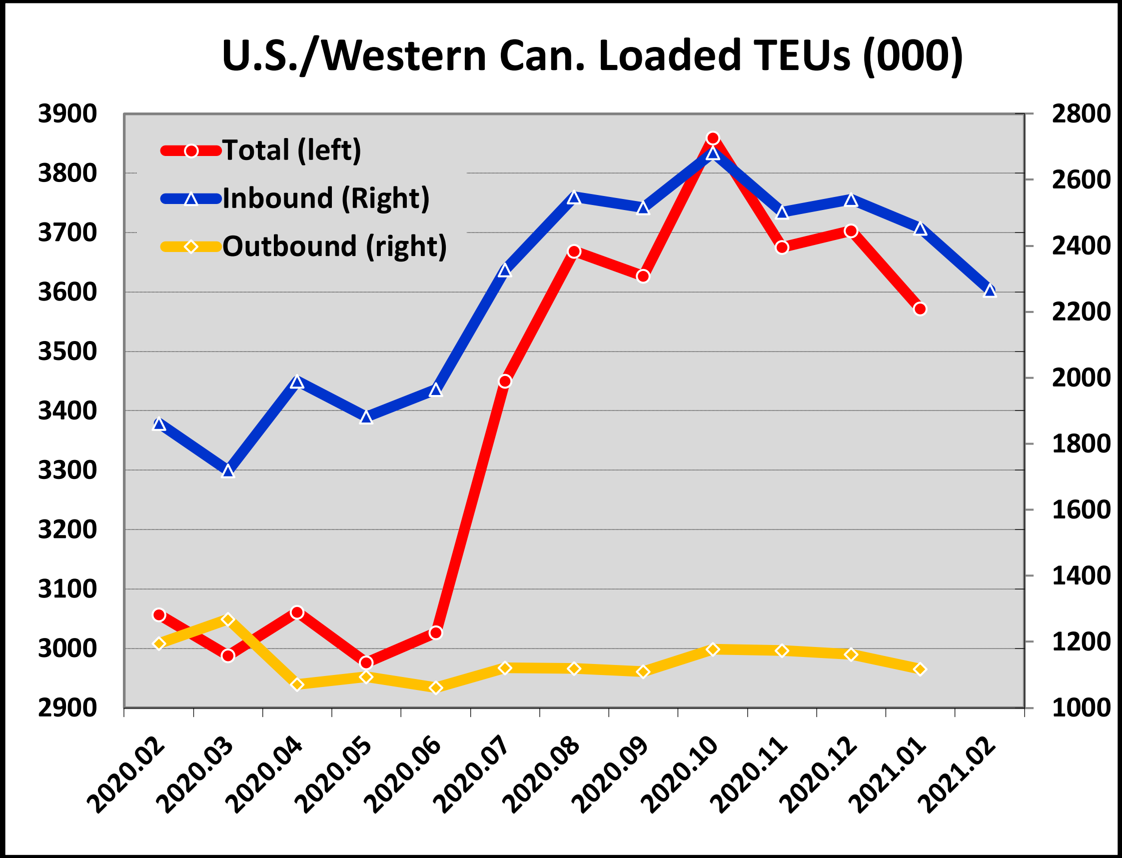
TRAILER VOLUME WAS STILL POSITIVE Y/Y

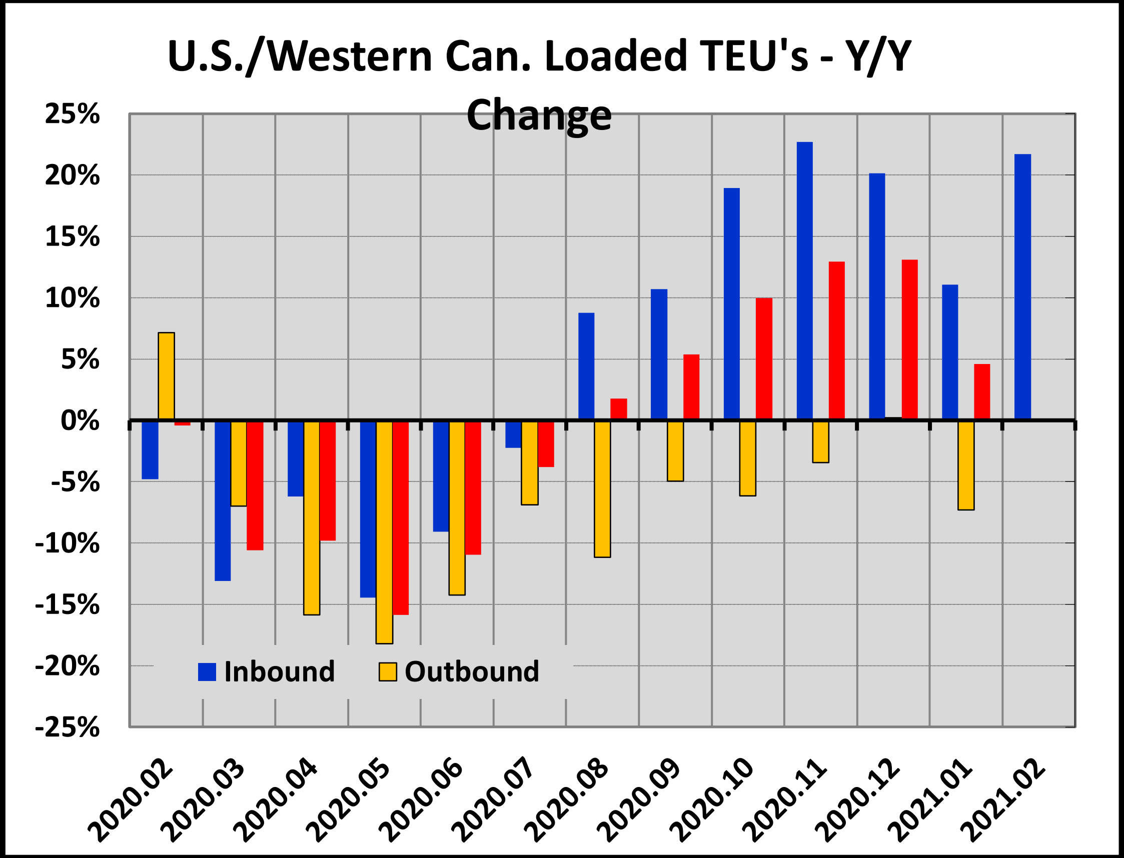




Source: IANA ETSO, GTC Analysis

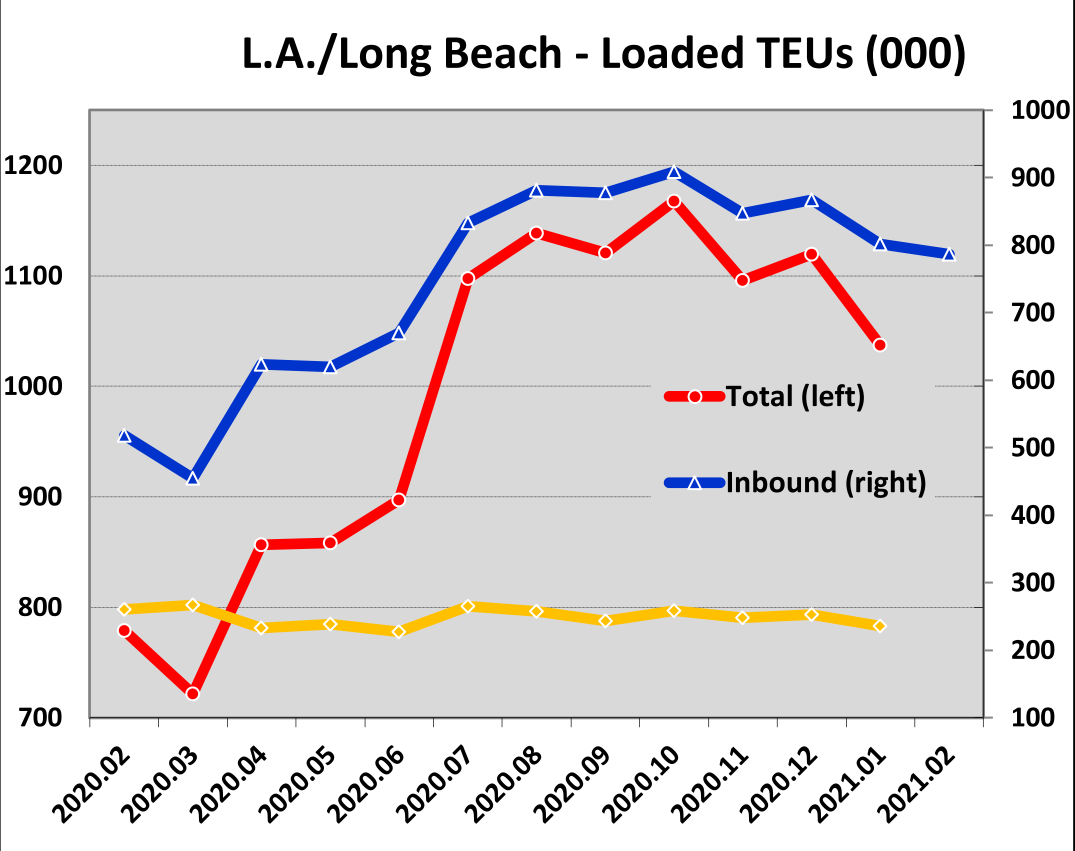
IMPORTS ARE DECLINING
LOWER DEMAND OR OPERATIONAL BOTTLENECKS?

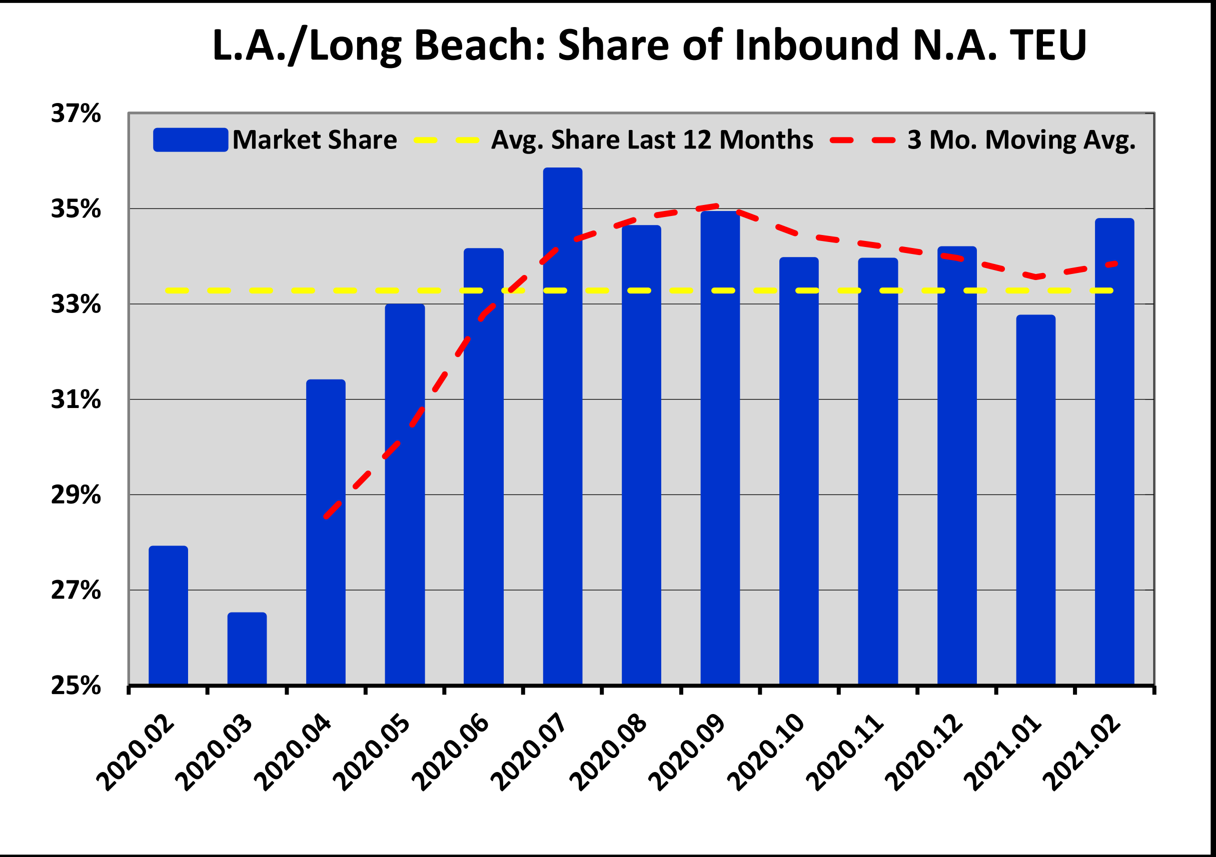




Source: Port Reports, IHS PIERS, GTC Analysis

DESPITE PERSISTENT VESSEL BACKLOG, L.A./LONG BEACH IMPORTS HAVE BEEN TRENDING DOWNWARD





Source: Port Reports, IHS PIERS, GTC Analysis

Y/Y IMPORT CHANGES ARE PAINTING AN OVERLY OPTIMISTIC PICTURE

February Import TEUs	M/M	Y/Y 2020	Y/Y 2019
U.S./West Can.	**-7.6%**	**+21.7%**	**+15.9%**
LA/LB	-1.9%	+51.7%	+20.8%
Nor Cal	+3.7%	+26.2%	+14.7%
PNW	-10.7%	+11.7%	+4.6%
W. Can	-12.7%	+8.6%	+12.4%
Northeast	-9.7%	+8.8%	+8.7%
Southeast	-12.4%	+8.3%	20.3%
Gulf	-12.5%	+13.0%	+21.0%

January Export TEUs	M/M	Y/Y 2020	Y/Y 2019
U.S./West Can.	**-3.9%**	**-7.3%**	**-5.4%**
LA/LB	-6.8%	-8.3%	-10.2%
Nor Cal	-8.2%	-11.3%	-8.2%
PNW	-10.3%	-10.9%	-18.1%
W. Can	-10.4%	+9.0%	-11.7%
Northeast	-+1.2%	-4.1%	+4.3%
Southeast	-1.1%	-7.2%	-7.1%
Gulf	-2.7%	-16.7%	+5.1%

Source: Port Reports, IHS PIERS, GTC Analysis

OTHER PORT REGIONS HAVE HAD BIGGER INCREASES THAN SOUTHERN CALIFORNIA

February Import TEUs	M/M	Y/Y 2020	Y/Y 2019
U.S./West Can.	**-7.6%**	**+21.7%**	**+15.9%**
LA/LB	-1.9%	+51.7%	+20.8%
Nor Cal	+3.7%	+26.2%	+14.7%
PNW	-10.7%	+11.7%	+4.6%
W. Can	-12.7%	+8.6%	+12.4%
Northeast	-9.7%	+8.8%	+8.7%
Southeast	-12.4%	+8.3%	20.3%
Gulf	-12.5%	+13.0%	+21.0%

Sept '20 - Feb '21 Import TEUs	One Year Prior	Two Years Prior
U.S./West Can.	**+17.3%**	**+11.6%**
LA/LB	+24.4%	+9.9%
Nor Cal	+7.0%	+4.0%
PNW	+10.8%	-7.7%
W. Can	+13.2%	+9.1%
Northeast	+14.8%	+14.6%
Southeast	+14.3%	+14.9%
Gulf	+17.4%	+25.4%

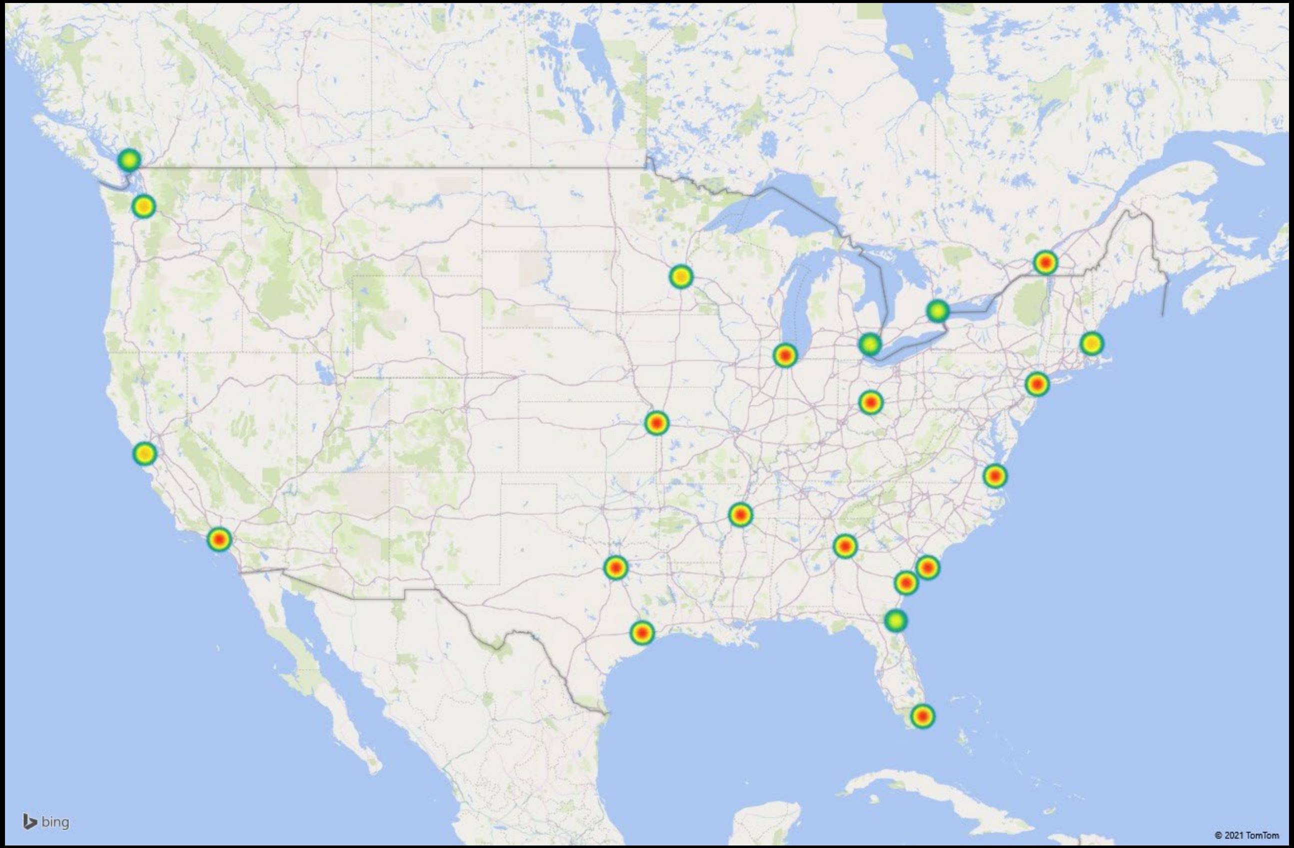
Source: Port Reports, IHS PIERS, GTC Analysis

NEWLY ADDED COVERAGE OF MEXICO PORTS

Source: Government of Mexico

	2020 Q4 Import TEUs (000)	2020 Q4 Export TEUs (000)	Y/Y % Change Import	Y/Y % Change Import
Manzanillo	359.5	205.7	+10.2%	+10.8%
Lazaro Cardenas	130.9	42.5	-9.0%	-19.2%
Veracruz	104.5	75.0	-21.3%	-1.8%
Altamira	80.9	93.4	+4.0%	+8.5%
Ensenada	45.1	23.3	+12.1%	+5.6%
Mex Gulf Other	7.0	28.7	-29.1%	+25.8%
Mex Pacific Other	6.2	9.4	+7.4%	-7.0%
Total Mexico	**734.3**	**478.0**	**-0.3%**	**+4.9%**

DRAYAGE DEMAND INDEX SHOWS SYSTEM IS IN DISTRESS

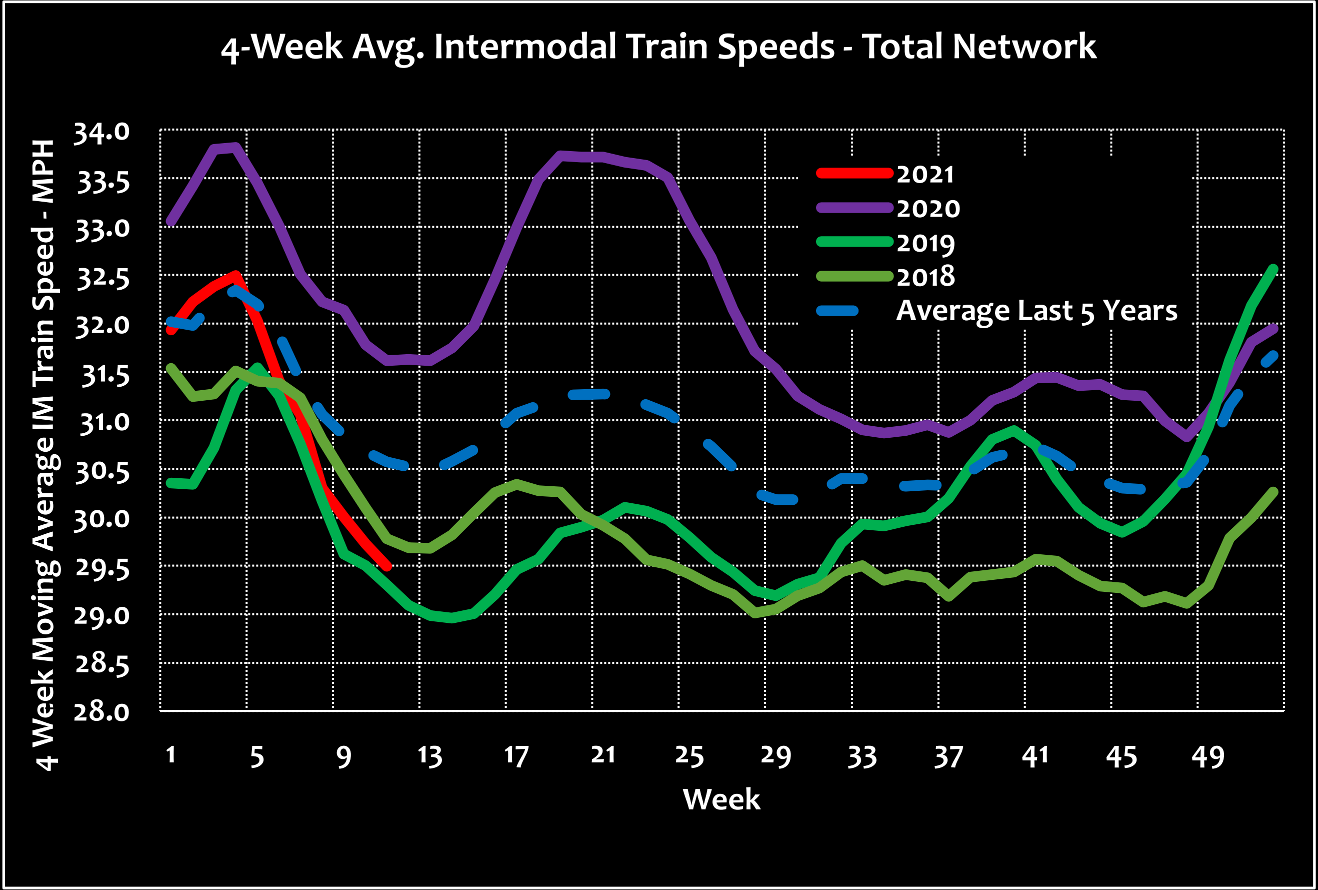


Source: Drayage.com, GTC Analysis

0 to 50	Blue	Loose
51 to 100	Green	Low Normal
101 to 150	Yellow	High Normal
150 to 200	Orange	Tight
Above 200	Red	Very Tight

- Overall reading of 304
- New York at 661
- Memphis & Savannah at about 500
- 15/21 metros 200+
- L.A. @ 230

INTERMODAL TRAIN SPEEDS HAVE PLUNGED



Source: STB EP 724 Rail Service Issues Reports, GTC Analysis

- Average speed mid-March: 29.5 mph
- 3.5%/1.1 mph slower than 5-year average
- 6.7%/2.1 mph worse than prior year
- *Close to the lowest speeds seen in the last ten years.*

POTENTIAL IMPACT OF THE EVER GIVEN

- Import TEUs arriving at East/Gulf Coast ports in 2020
- Top 15 ports represent 96% of all TEUs arriving
- Estimated 16% of this total directly affected
- Another 11% potentially affected by knock-on delays
- New York, Savannah, Norfolk, Charleston Jacksonville most directly exposed

2020 Import TEUs Arriving by Source Region

	INDIAN SUB CONTINENT	SOUTH EAST ASIA	SUBTOTAL	MED.	TOTAL
1 NEW YORK	9%	14%	**22%**	17%	**39%**
2 SAVANNAH	7%	14%	**20%**	10%	**30%**
3 HOUSTON	4%	3%	**6%**	13%	**19%**
4 NORFOLK	8%	14%	**22%**	12%	**34%**
5 CHARLESTON	6%	14%	**20%**	4%	**25%**
6 BALTIMORE	0%	3%	**3%**	14%	**17%**
7 MIAMI	0%	9%	**9%**	23%	**32%**
8 PHILADELPHIA	0%	0%	**0%**	1%	**1%**
9 JACKSONVILLE	1%	15%	**16%**	0%	**16%**
10 PT EVERGLADES	0%	0%	**0%**	0%	**0%**
11 MOBILE	0%	3%	**3%**	0%	**3%**
12 WILMINGTON DE	0%	0%	**0%**	0%	**0%**
13 NEW ORLEANS	0%	4%	**5%**	13%	**17%**
14 BOSTON	0%	1%	**1%**	2%	**3%**
15 CHESTER PA	0%	0%	**0%**	0%	**0%**
Grand Total	**5%**	**10%**	**16%**	**11%**	**27%**

Source: IHS MARKIT PIERS, GTC Analysis

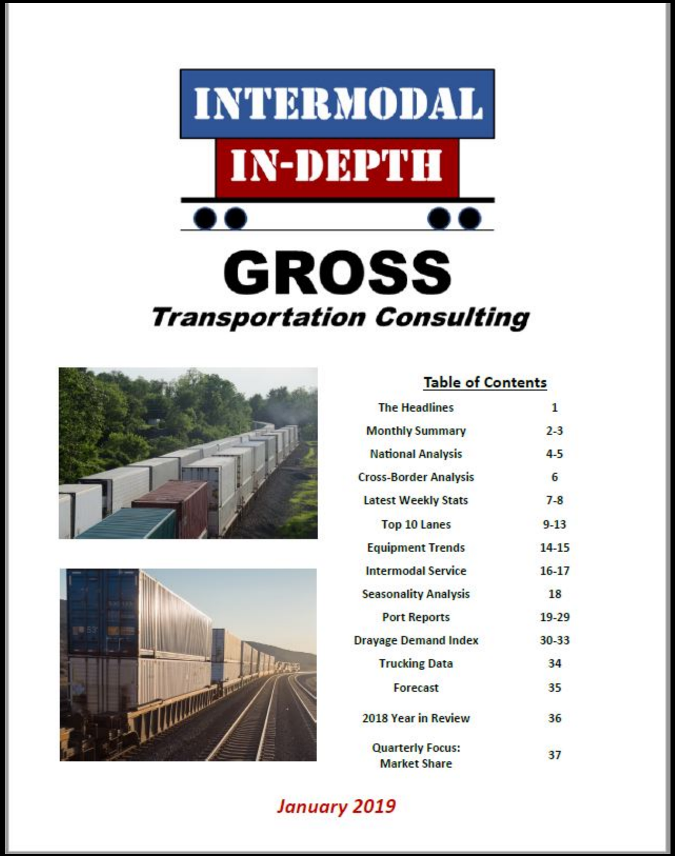
LOOKING FORWARD

- February weakness likely operational not market-based
- Expect a rebound in March
- Overall trend looks to be a return to “normalcy”
- IPI should continue strong in the near term due to vessel backlogs
- Limited impact from Suez blockage
- Pricing environment should remain favorable
- Truck capacity should become more available

THE SECOND HALF OF THE YEAR WILL BE MUCH MORE CHALLENGING

- Truck capacity will be added to meet rising demand
  - Drivers will be hard to find given abundant alternative employment opportunities but Covid-related training restrictions will ease.
  - Carriers will find a way to hire the drivers they need
  - Driver wages/contract prices will rise giving top cover to intermodal
- GDP growth will accelerate but…
  - Consumer spending (70% of GDP) will divert from goods to dearly missed services
  - Manufacturing won't fill all of the gap
- Import growth will slow
- Maximum Domestic container growth will be determined by the growth in the fleet.
  - *Per TTX for 2021: Privates +11%; Rail N/C; Total +7%*

INTERMODAL IN DEPTH



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Q&A

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