



## The Future of Liquid Bulk in Port of Santos

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# Overview

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## Recovery of confidence: 30 biddings & concession renewal, over US\$ 4.2 Bi in committed investments for infrastructure projects since 2019



### Airports



### Railway



### Highway



### Port terminals



**Down  
payment**

~US\$ 1.1 Bi <sup>(1)</sup>

~US\$ 700 MM

(33.14% discount rate  
over US\$ 1.72 max tariff  
/ 62% discount rate over  
US\$ 1.47 max tariff)

~US\$ 200.8 MM

**Scope**

12 airports

1 railway (North-South  
Brazilian connection)  
1 concession renewal

BR-364/365 (437 km) BR-101/SC  
(220.4 km)

14 port terminals<sup>(2)</sup>

**Expected  
CapEx**

~US\$ 900 MM

~US\$ 2.2 Bi

~US\$ 850 MM

~US\$ 262.5 MM

(1) Considers variable grant to be paid during the 30 years of concession (USD 480MM); (2) VIX30; AI01; AE10; AE11; STS20; STS13A; BEL02A; BEL02B; BEL04; BEL08; BEL 09; VDC12; PAR01; CDC (Fish Quay)



## Port of Santos's location





## Port of Santos's natural hinterland



**75** Million People  
**67%** of Brazil's GDP  
**56%** of the Brazilian Trade Balance (\$)



### SHARE IN TRADE VOLUME (2019)

**SANTOS**  
**28%**

**US\$ 111.8 bi**  
**BRAZIL US\$ 401.3 bi FOB**

**2<sup>nd</sup> to 5<sup>th</sup>**  
**24%**

**Paranaguá - PR**  
7.0% - US\$ 29.3 bi

**São Luís - MA**  
6.0% - US\$ 22.7 bi

**Vitória - ES**  
6.0% - US\$ 22.6 bi

**Rio Grande - RS**  
5.0% - US\$ 20.6 bi

**OTHERS**

**US\$ 194.1 bi**





## Port of Santos's main infrastructure



Terminals<sup>1</sup>  
**Total: 53**



Berths  
**Total: 64**



Pier length  
**Total: 16 km**



Pipelines: 55 km  
Railways: 100 km  
Roadway<sup>2</sup>: 20km



Channel depth: 15 m  
Channel length: 25 km

1. 39 leased terminals, 6 private terminals (TUPs) and 8 retroport terminals

2. Approximately + 200km Anchieta-Imigrantes system that connects the port of Santos to São Paulo



## Terminals and troughputs



		DYN. CAPACITY (2019)	THROUGHPUT (2019)	THROUGHPUT (1 <sup>st</sup> Semester 2020)
	CONTAINERS	5.3 MM (TEU)	4.17 MM (TEU)	2.0 MM (TEU)
	BREAK BULK	5.5 MM (ton)	4.8 MM (ton)	2.7 MM (ton)
	LIQUID BULK	17.4 MM (ton)	16.9 MM (ton)	8.9 MM (ton)
	SOLID BULK	79.7 MM (ton)	65.7 MM (ton)	36.9 MM (ton)
	VEHICLES	300 k (units)	198.6 k (units)	66.6 k (units)
	PASSENGERS	1 exclusive berth	620 k (passengers)	396 k (passengers)

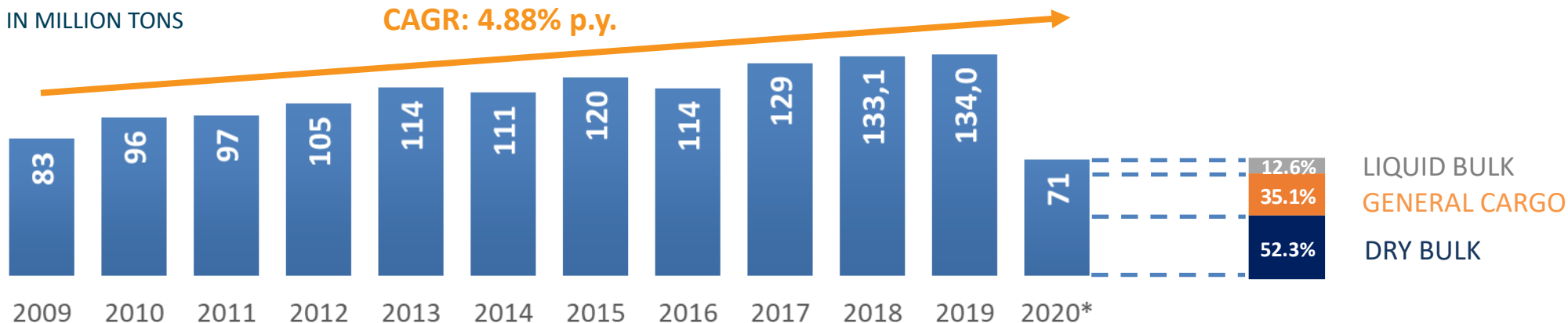


## Annual growth (CAGR): throughputs in Santos reached 134MM ton (2019), growth of 5% p.y. since 2009



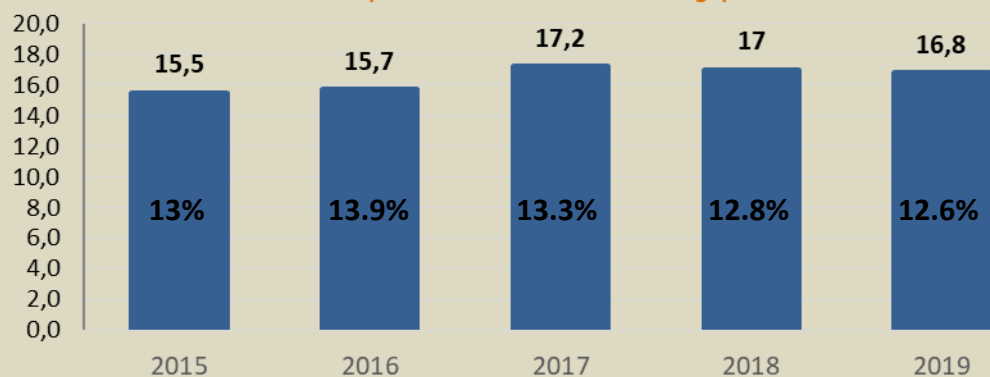
IN MILLION TONS

CAGR: 4.88% p.y.



IN MILLION TONS

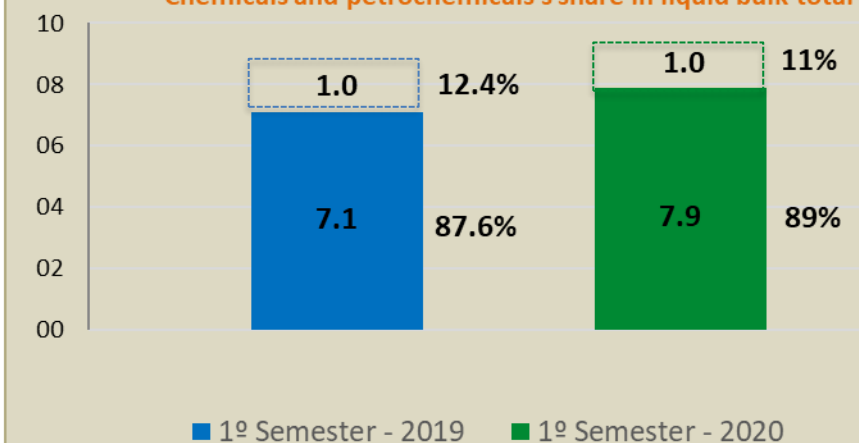
Liquid bulk's share in total throughput



Only chemicals  
and petrochemicals

IN MILLION TONS

Chemicals and petrochemicals's share in liquid bulk total



(\*) Until June





## **Pandemic did not reduce cargo handling in Port of Santos, which in July broke the historical handling record, with 13.5 MM tons**



### **SPA's main actions for protection of the port community:**

- Modernization of the Port of Santos Contingency Plan for public health events and creation of a crisis committee;
- 1st port in Brazil to enact practical drill on attendance to ships with suspected coronavirus infection;
- Collection of data from the port community and in loco enforcement of the Sanitary Authority's regulations;
- Substitution of the presential docking order meeting for a digital process;
- Mandatory supply of sanitary stations for every quay operation;
- Reinforcement of signage in public areas.

### **SPA's main actions for protection of its employees:**

- Implementation of home office for maximum possible number of workers (mandatory for those in risk groups);
- Acquisition of PPEs and definition of distancing rules for employees while in the company;
- Increase in cleaning frequency and on the offer of alcohol gel;
- Communication and information actions, as well as training of promoters in work posts.



# **Opportunities on the Liquid Bulk sector**

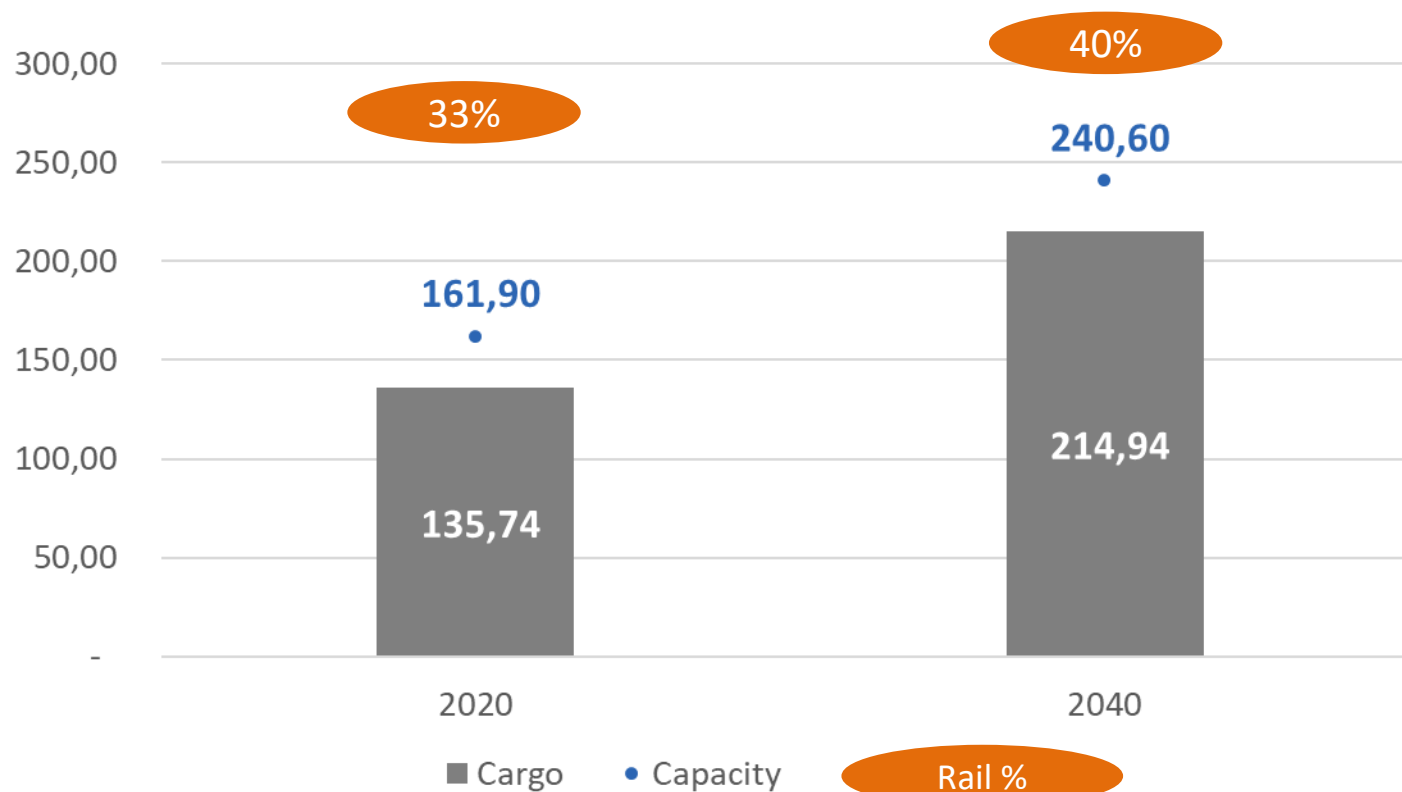
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## Government approved Port of Santos new Zoning and Development Plan, set to raise capacity in ~50% until 2040, to 240.6 million tons



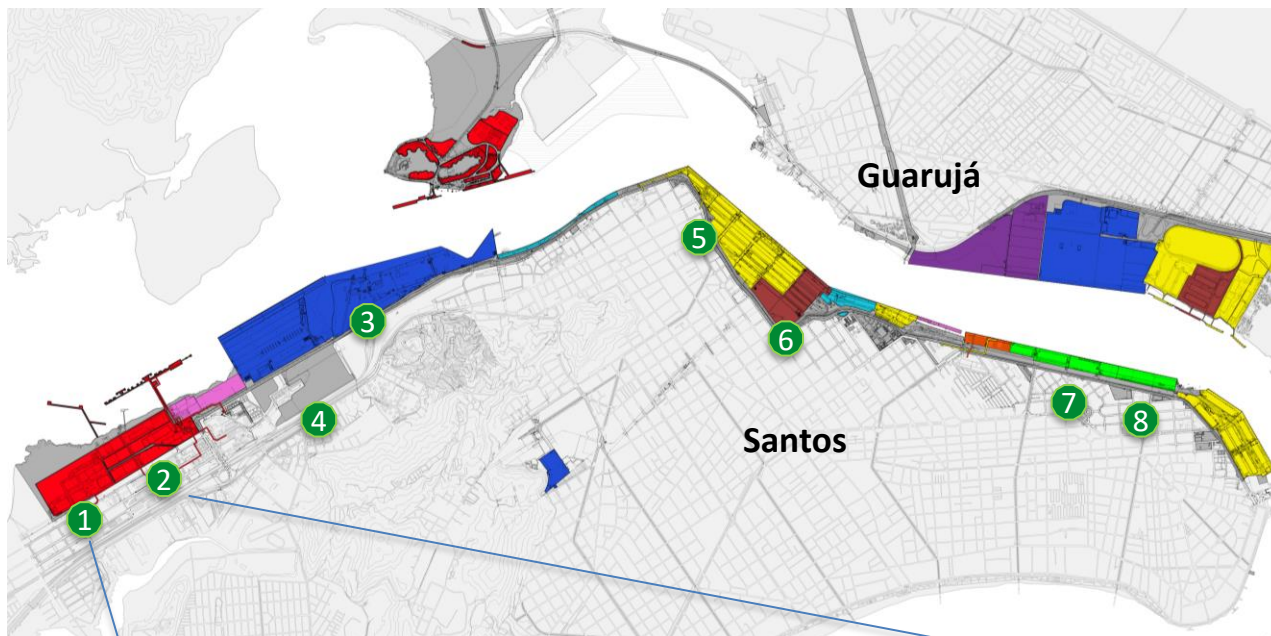
Demand and capacity projection (MILLION TONS)



- Designed to contemplate 100% of the hinterland's projected cargo
- Consolidation of areas towards cargo clusters
- Rail system's increase in participation on the overall numbers



Estimated R\$ 9.7 bi in investments needed within 5 – 10 years, split between terminals with ongoing contracts, 8 new area leases and highway and railway accesses



### Expected investments in 8 new auctions & accesses (R\$)

	Total	7,185,512,000
1	STS 08A – operational in 2024 <sup>(4)</sup>	1,196,014,000
2	STS 08 – operational in 2024 <sup>(4)</sup>	209,618,000
3;4;5;6	New area leases, estimated operational until 2024 <sup>(3)</sup>	3,400,000,000
7	STS 14 – operational in 2023 <sup>(4)</sup>	186,886,000
8	STS 14A – operational in 2023 <sup>(4)</sup>	192,994,000
	Highway and railway accesses	2,000,000,000



#### STS 08\* (Liquid Bulk)

Area: 137,319 m<sup>2</sup>  
Capex: R\$ 209,618,000  
Contract term: 25 years  
Fixed rate: R\$ (Million) 1.5/month  
Variable rate: R\$ 9.35/ton  
Auction: 4<sup>th</sup> Quarter



#### STS 08A\* (Liquid Bulk)

Area: 305,688 m<sup>2</sup>  
Capex: R\$ 1,196,014,000  
Contract term: 25 years  
Fixed rate: R\$ (Million) 3.2/month  
Variable rate: R\$ 7.13/ton  
Auction: 4<sup>th</sup> Quarter

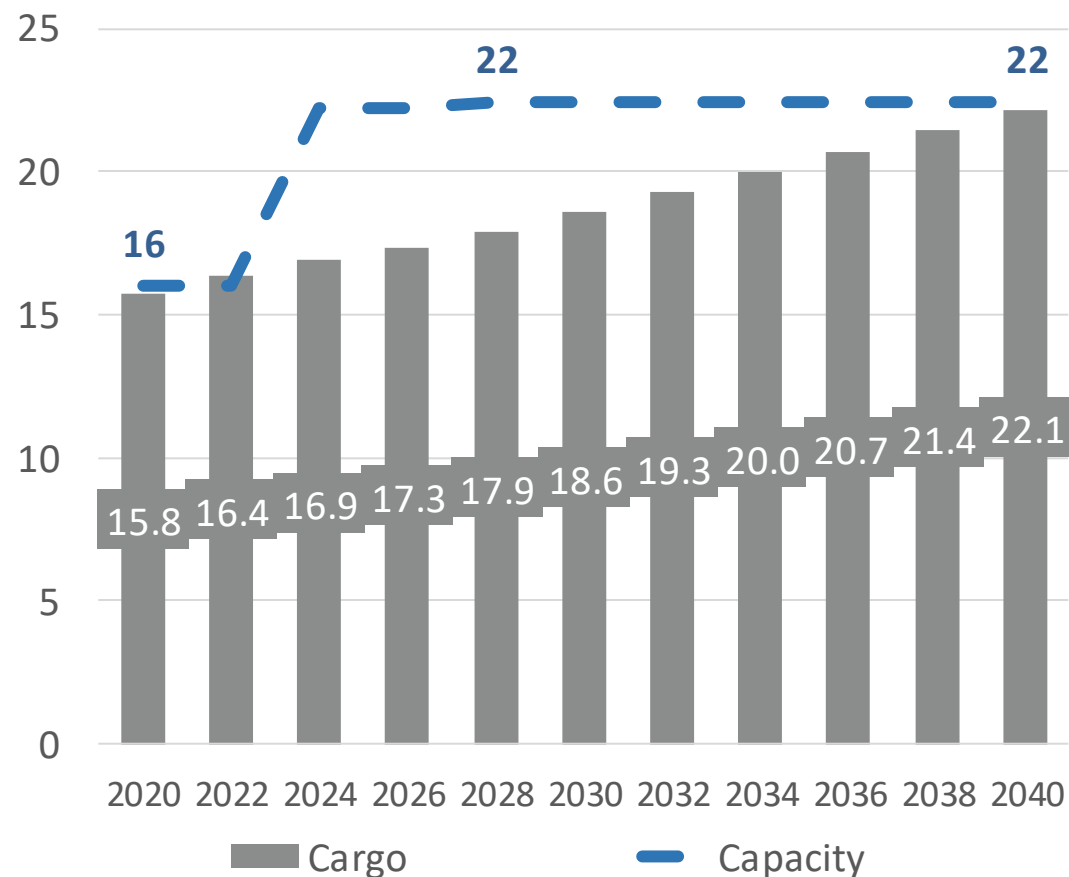


## Liquid bulk

Auctions of areas in **Alemoa** and terminal on **Barnabé Island** should mitigate the capacity deficit



Liquid bulk forecast (IN MILLION TONS)



- **STS 08's auction** will allow implementation of two extra berths and additional storage in Alemoa
- **Capacity improvement on Barnabé Island:** engineering works planned in contract (1 extra berth). Implementation of up to **2 berths** and additional tanking storage.

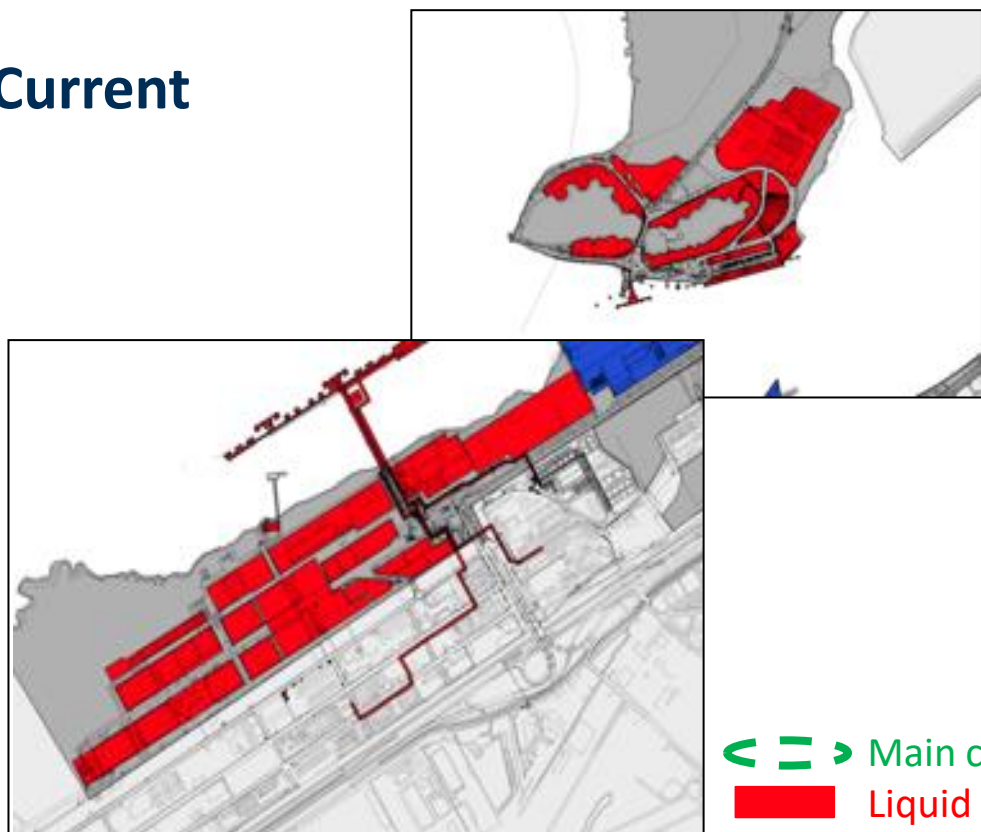




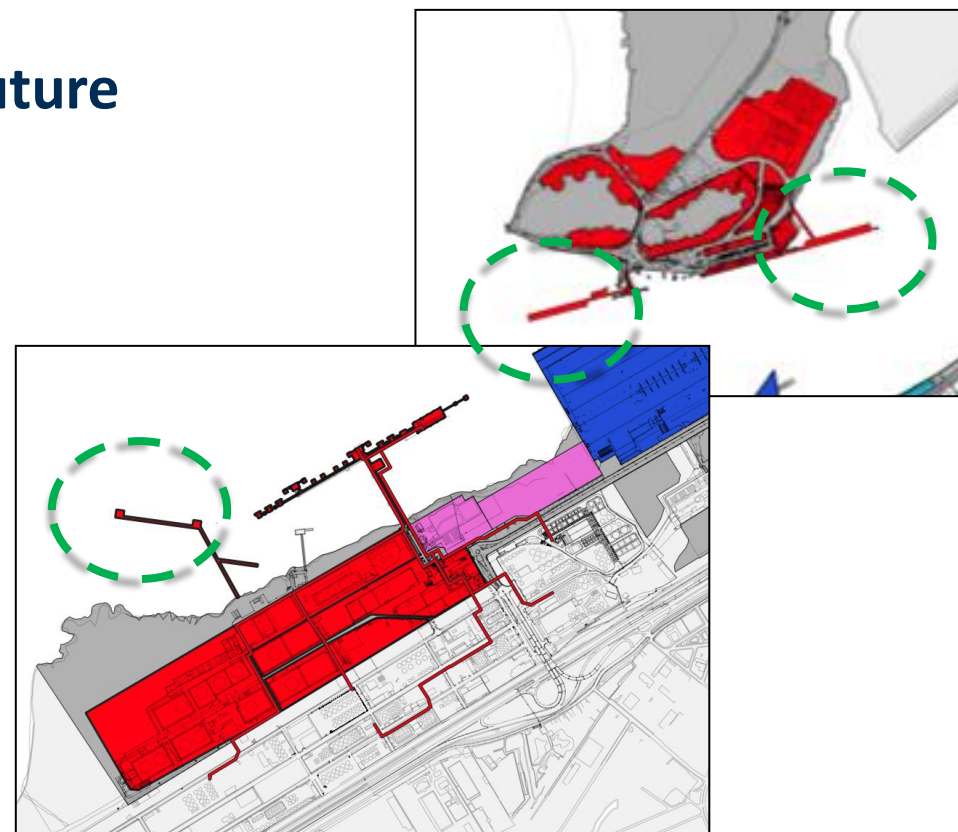
## Areas for liquid bulk operation in new PDZ



Current



Future



Current capacity: 16 MM t

+ 40%

Future capacity: 22.4 MM t



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