

Port Authority of Guam



Honorable Lou Leon Guerrero, Governor of Guam

Honorable Josh Tenorio, Lt. Governor of Guam

Board of Directors: **Dorothy P. Harris**, Chairperson

Conchita S.N. Taitano, Vice-Chairperson

Fe Valencia-Ovalles, Board Secretary

Mark B.C. Mendiola, Board Member



Essential Infrastructure. Proven Resilience. Strategic Growth.

Presenters:

Rory J. Respicio
General Manager

Jose B. Guevara, III
Chief Financial Officer

Invest Guam Symposium 2026

Port Authority of Guam

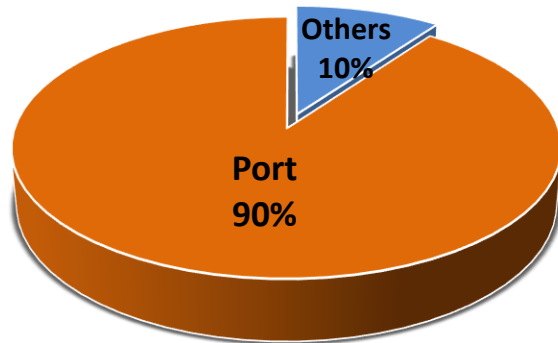


The Port Authority of Guam (Port) operates the **only commercial seaport** in the Territory and, as the **primary seaport in Micronesia**, serves as a **transshipment hub** for the entire Western Pacific region.



Why the Port Matters

- Sole commercial seaport serving Guam and the region
- Handles over 90% of all Guam goods
- Essential infrastructure supporting daily life, commerce, and national defense
- Strong Federal Alignment
- Positioned for growth through a disciplined capital investment program

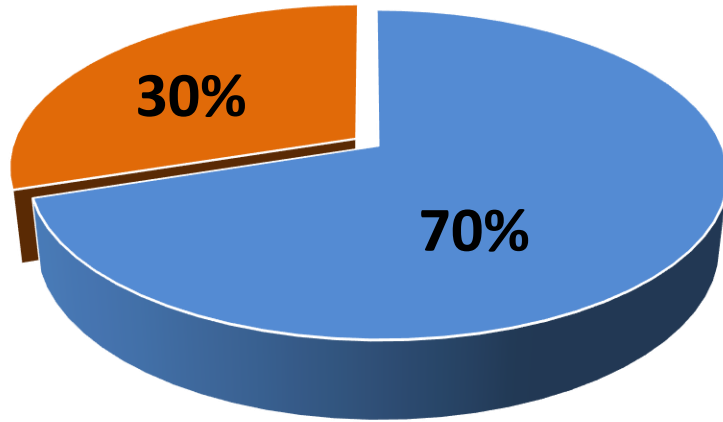


Strategic Importance



- Approximately 30% of cargo supports U.S. military operations
- No alternative commercial port on island – sole critical gateway
- Continuous 24/7 operations
- Plays a vital role in regional logistics and national security

■ Local ■ Military



Operating Environment



- Strategically located in the U.S. Indo-Pacific defense corridor
- Military buildup driving long-term cargo and infrastructure demand
 - \$3B invested to date; >\$7B approved and planned for future military construction
- Import-dependent economy creates stable, recurring cargo volumes
- Construction and population growth support incremental demand



Proven Resilience



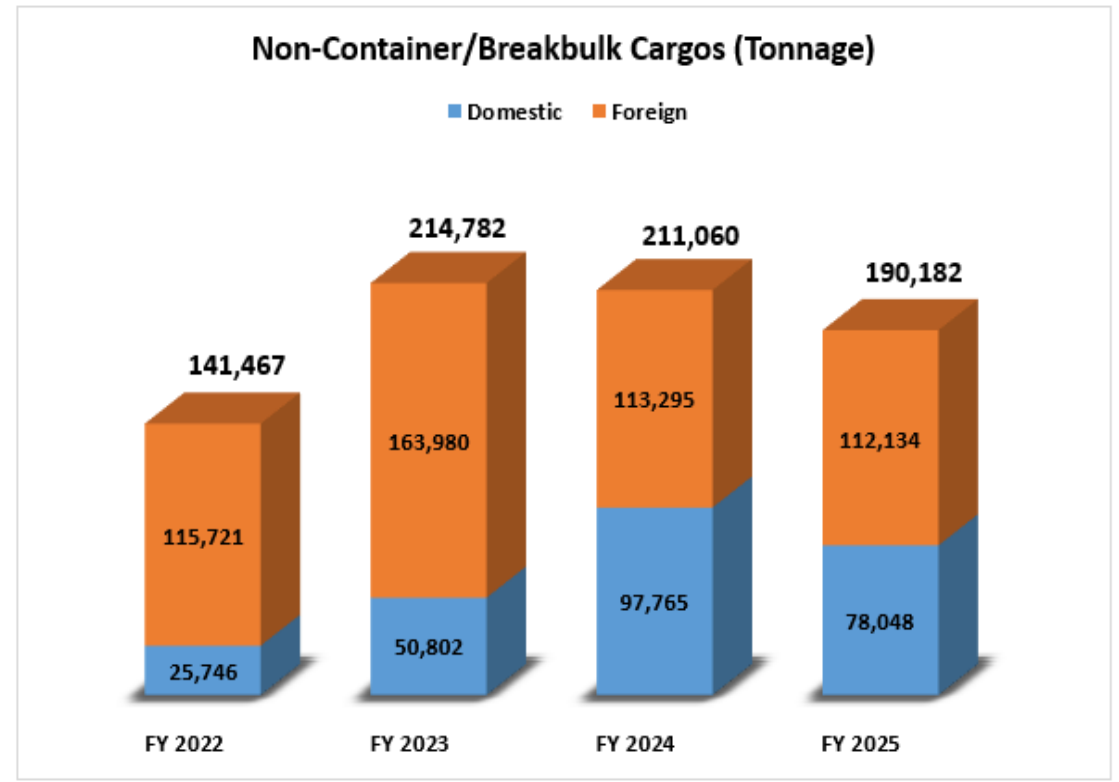
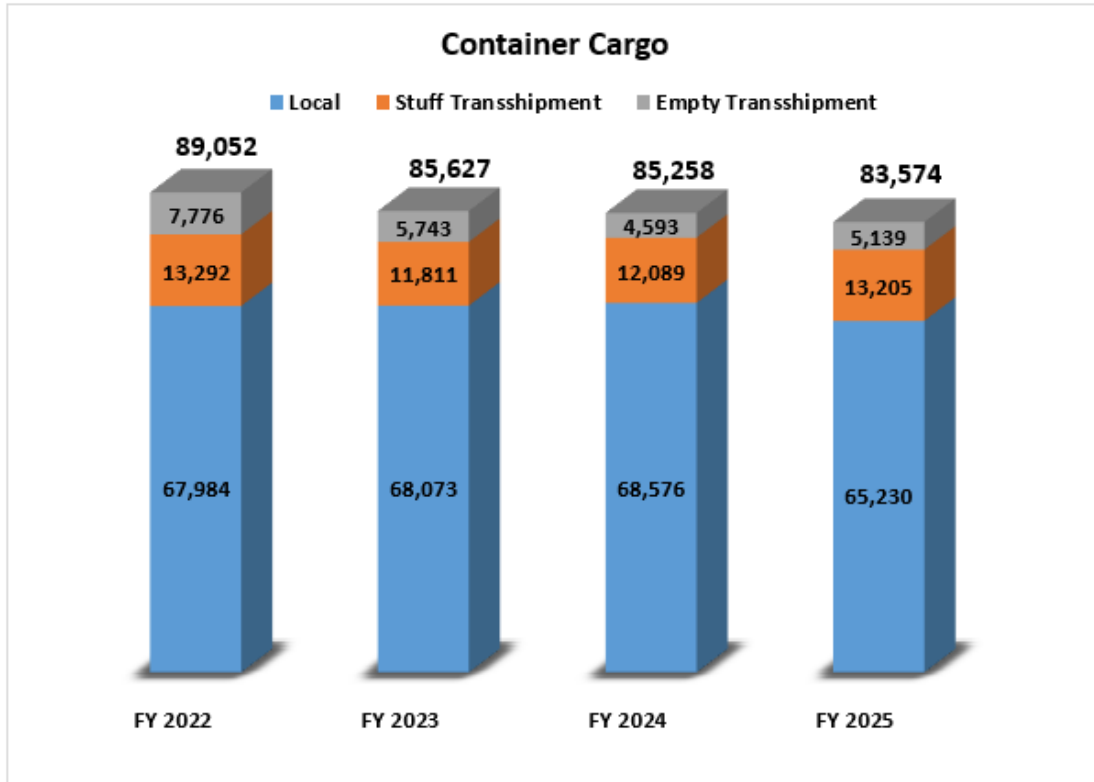
- **COVID-19 Pandemic (2020–2022):**
Sustained uninterrupted port operations, ensuring continuous cargo flow as Guam’s primary supply chain lifeline
- **Typhoon Mawar (May 2023):**
Reopened within 3 days, rapidly restoring cargo and fuel operations
- **Typhoon Sinlaku (April 2026):**
Resumed cargo operations within 1 day of COR 4, followed by full inbound vessel operations within 3 days.



Cargo Performance



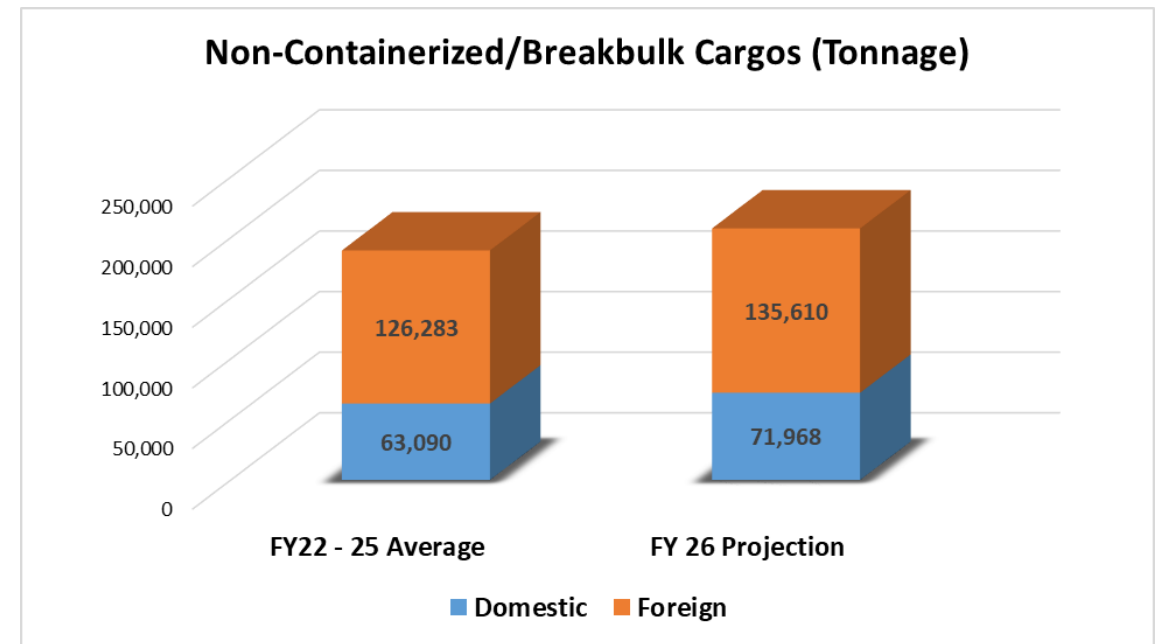
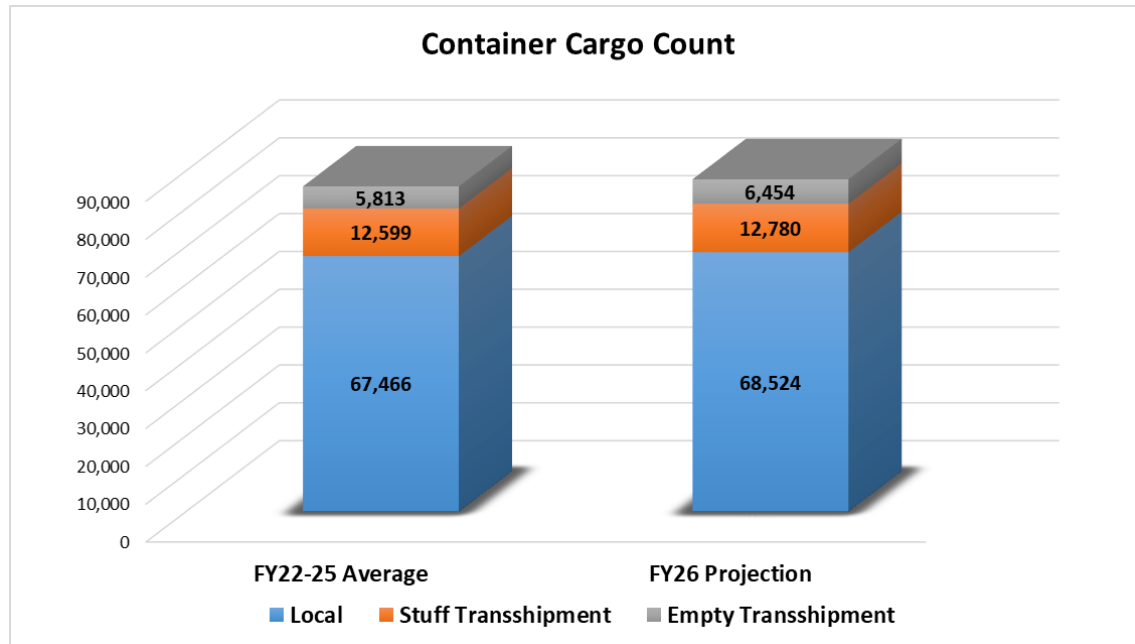
- Container volumes remain stable, providing a consistent demand base
- Breakbulk cargo increased significantly from FY2022 levels, reflecting construction and infrastructure activity



Demand Forecast



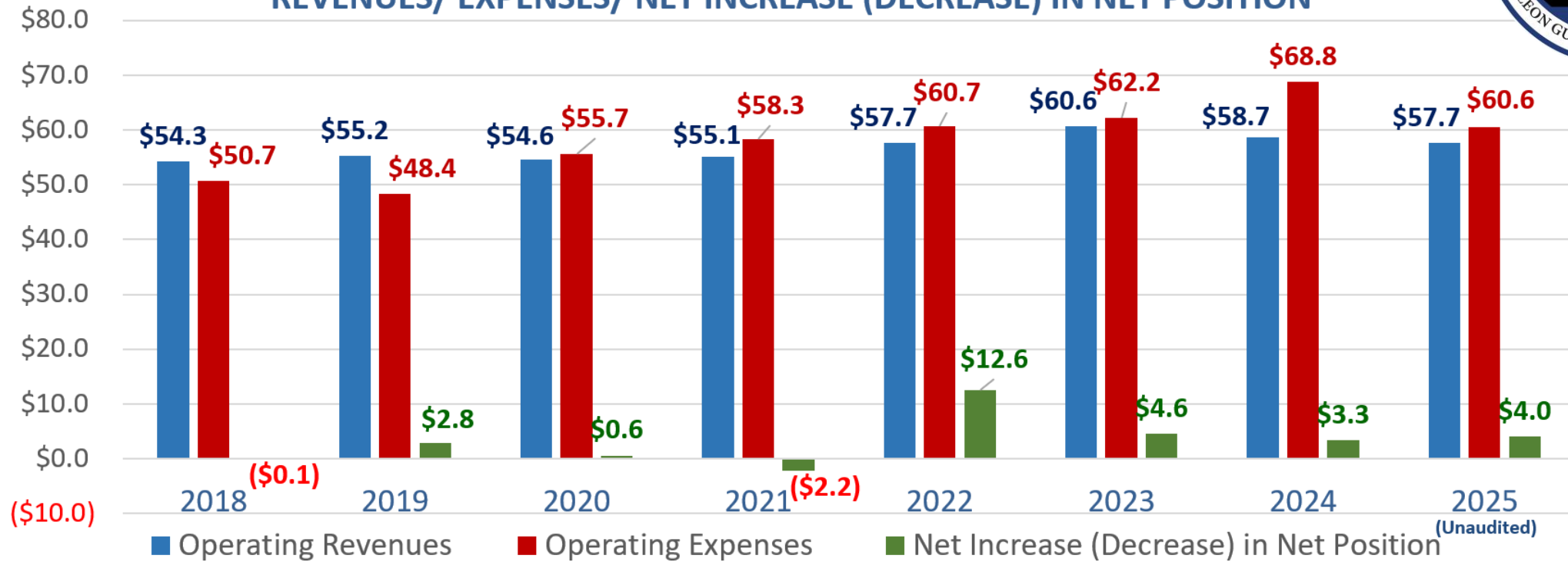
- Stable container volumes provide a consistent baseline of demand
- Breakbulk cargo growth driven by military and construction activity
- Projected increases reflect ongoing infrastructure and defense investment
- Independent forecasts support long-term demand visibility



Financial Performance



REVENUES/ EXPENSES/ NET INCREASE (DECREASE) IN NET POSITION

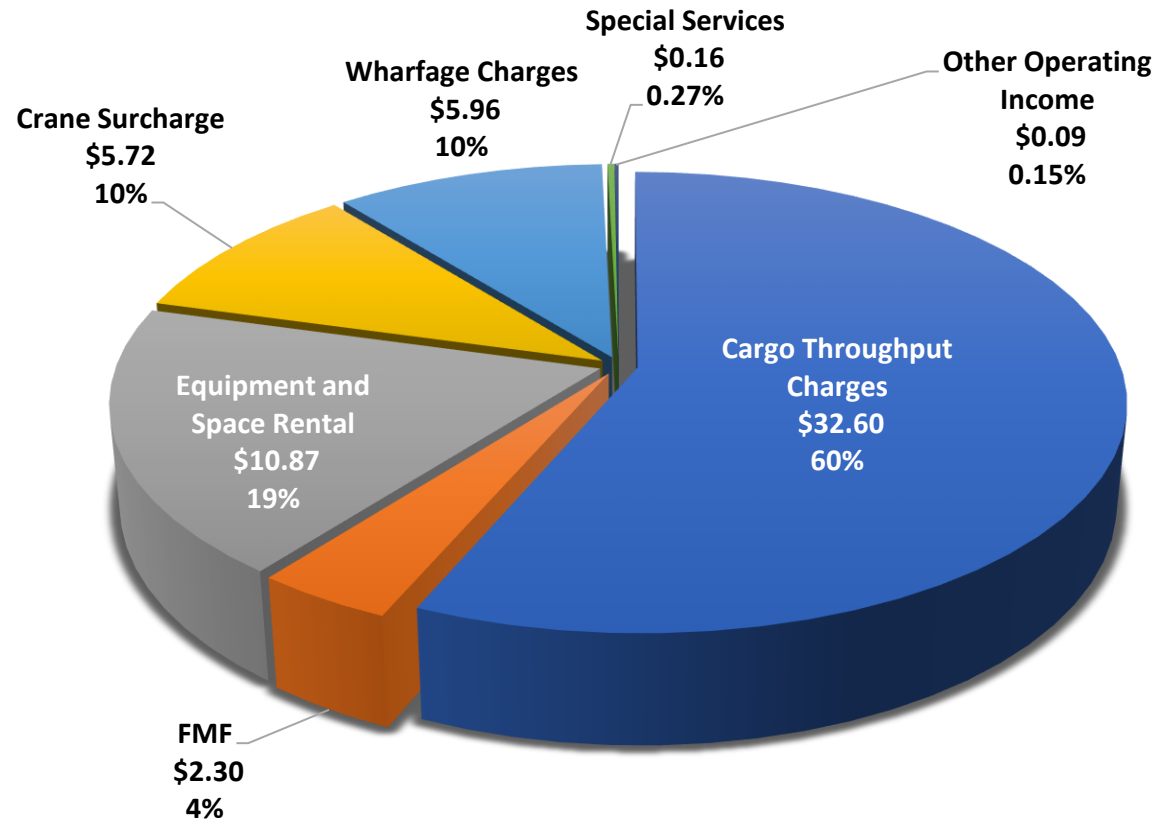


- In FY2022, the Port received \$15M from the American Rescue Plan Act Funds

Revenue Structure



FY 2025 Operating Revenues (In millions)



- Cargo throughput charges drive the majority of revenues (~60%)
- Diversified revenue streams including leases, wharfage, and surcharges
- Rate-based structure allows for alignment with operating and capital needs
- Revenues tied to essential cargo activity support stability and predictability

Regulatory Strength



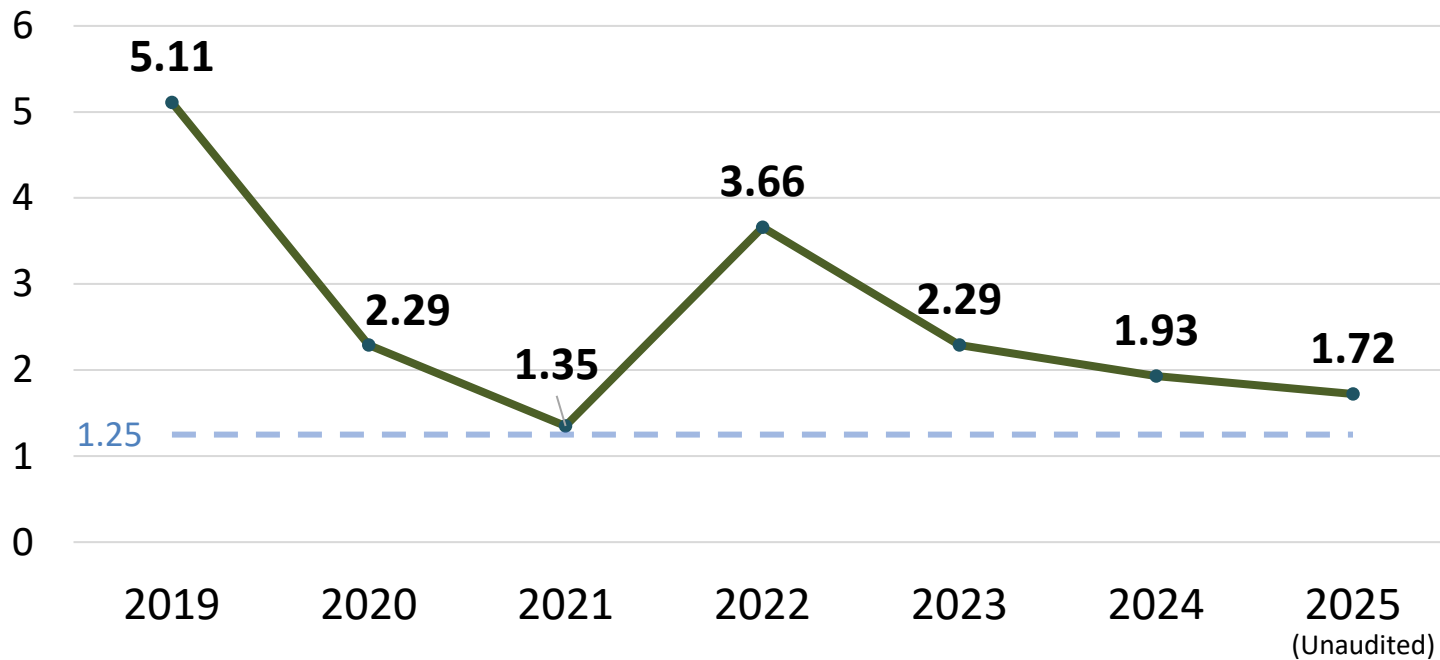
- Independent oversight by the Guam Public Utilities Commission (PUC)
- Full approval of all tariff adjustment petitions submitted by the Port
- Demonstrated ability to align rates with operating and capital needs
- Regulatory framework supports revenue stability and cost recovery
- Provides flexibility to maintain debt service coverage and financial metrics



Debt & Coverage



Debt Service Coverage Ratio



- Maintains DSCR above covenant levels, with demonstrated recovery and stabilization post-pandemic
- Strong alignment of revenues, expenses, and debt obligations
- Financial performance supports sustainable debt capacity
- Positioned to support future capital financing while maintaining coverage

Capital Program



\$471M Strategic Infrastructure Investment

Core Operations (\$136M)

- STS Gantry Cranes - \$75M
- Wharf Rehabilitation - \$26M
- Crane Rail System - \$35M

Capacity Expansion (\$168M)

- Golf Pier Replacement - \$84M
- F1 Pier Replacement - \$84M

Resilience & Modernization (\$167M)

- Fuel Tank Facility - \$155M
- Cybersecurity / TOS - \$12M

Funding Sources

Federal Grants

Port / Internal Funds

Bonds

P3 / Partnerships

Phased execution and diversified funding minimize operational disruption and financial risk

Funding Strategy



- Diversified funding approach reduces reliance on debt (federal grants, internal funds, bonds, and partnerships)
- Debt deployed selectively for core, revenue-supporting assets
- Grants prioritized for large and non-revenue-generating projects
- Phased financing aligned with project execution and cash flow
- Revenue base is not dependent on completion of capital projects



Risks & Mitigation

- **Cargo variability** → Stable demand supported by essential supply chain role
- **Capital execution risk** → Phased upgrades with minimal operational disruption
- **Workforce risk** → Safety, training, and continuity planning
- **Financial risk** → Disciplined cost management and diversified funding
- **Natural disasters** → Resilient operations and infrastructure investments



Closing

- Essential infrastructure with monopoly position
- Stable, demand-driven revenue profile
- Proven operational resilience
- Disciplined financial management and strong coverage
- Positioned for long-term growth through strategic investment

