

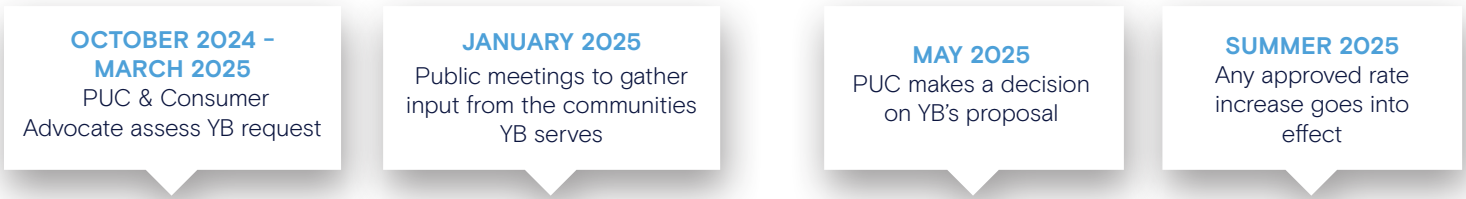


HAWAII'S ONLY STATE-REGULATED WATER CARRIER FOR PROPERTY.

Young Brothers (YB) is responsible for all cargo moved between the Hawaiian Islands and is regulated by the Hawai'i Public Utilities Commission (PUC). The objective of oversight is to ensure our island communities receive dependable interisland shipping services at a fair price while also ensuring customer rates cover the cost of providing the service. Unlike federally-regulated maritime companies like Matson and Pasha, who have more flexibility in rate or schedule changes, Young Brothers must obtain PUC approval for any rate changes.



PUC PROCESS FOR CONSIDERING RATE INCREASE



DRIVERS OF RATE REQUEST

The primary drivers of Young Brothers' need to raise additional revenue are a substantial increase in operating expenses, cargo volume not returning to pre-pandemic levels, and strategic investments to modernize our fleet and harbor infrastructure and ensure reliable service.



- 11.6% Rate Base Growth
- 31.8% Revenue Shortfall
- 52.8% Operating Expense Growth
- 3.8% Misc. Expenses

PROPOSED RATES FOR 2025

YB is requesting approval to increase revenue by \$26.3 million to cover significant increases in the cost of service, support critical investments to upgrade equipment and infrastructure, and sustain the vital interisland shipping service that connects the state's island communities.

- + 20% average rate increase for the majority of cargo
- + 20-35% increase for more efficient lines of service that require less cargo handling
- + 35-45% services requiring additional or special handling

ADDITIONAL CHANGES

- The cost to ship a container will increase by 20%, with the exception of containers shipped to and from Hilo, which will increase by 35%.
- The price to ship a car and roll-on-roll-off cargo is increasing by 30%.
- Palletized cargo rates will increase by 30% for dry cargo and 40% for refrigerated freight.
- Less-than-container-load rates are increasing by 35% and less-than-pallet rates are increasing by 45%.

ESTIMATED IMPACT

- Increased cost to ship a car: \$82-92
- Increased cost to ship a 20' container to/from any port other than Hilo: \$136

YOUNG BROTHERS. YOUNG BROTHERS SERVES ALL OF HAWAI'I.

Hawai'i imports more than 80% of our food and goods from the mainland and overseas, and nearly all of it arrives at the port of Honolulu. That means getting goods from O'ahu to the Neighbor Islands is not a luxury—it's essential to our way of life. As the state's only regulated water carrier for property, YB's sailing schedule is set by the Public Utilities Commission and we serve all of the major islands – regardless of whether we make a profit.

BY THE NUMBERS

- 400+ local jobs
- 383,522 cargo handling labor hours
- 100% of the time at least one YB tug and barge is on the move
- 12 round-trip sailings per week = 1,252 sailings in 2024
- 131,151 nautical miles
- 18,871 sailing hours

MAINTAINING YOUNG BROTHERS INVESTMENTS

With over 1,250 sailings each year between the Hawaiian Islands, tugs, barges, containers, lifts, generators and other equipment experience significant wear and tear due to usage and from the highly corrosive saltwater.

Since 2020, YB has spent more than \$120 million – an average of \$26 million per year – to preserve and maintain the company's facilities, vessel fleet, and shoreside equipment.

INVESTING IN HAWAI'I'S FUTURE

Between September 2020 and December 2024, Young Brothers will have invested more than \$120 million in utility infrastructure to improve the safety, reliability, and efficiency of service. However, Young Brothers cannot recover the investments unless and until the PUC approves the 2025 rate request and new rates go into effect.



Mount-class tugs \$25 MILLION



Kalohi and Nāulu barges \$49 MILLION



New containers, reefers, chassis, platforms, and flat racks for customers to ship their cargo \$8 MILLION



Electric vehicles and freight handling equipment in our shoreside fleet \$14 MILLION



Lāna'i harbor infrastructure upgrade \$1.5 MILLION

EMPLOYING A HIGHLY-SKILLED, LOCAL WORKFORCE

Young Brothers depends on more than 400 team members across the islands to safely, efficiently, and reliably move the cargo between the communities that we serve.

NUMBER OF EMPLOYEES BY PORT

Nāwiliwili: 30	Honolulu: 274*	Kaunakakai: 7	Kaunapali: 25
Kahului: 41	Kawaihae: 25	Hilo: 33	

* Includes Foss Honolulu

