

# Storing vital products with care



5 November 2018

## Vopak Interim Update Q3 2018 Results – Analyst Presentation

Gerard Paulides - CFO of Royal Vopak



# Forward-looking statement



This presentation contains ‘forward-looking statements’, based on currently available plans and forecasts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and Vopak cannot guarantee the accuracy and completeness of forward-looking statements.

These risks and uncertainties include, but are not limited to, factors affecting the realization of ambitions and financial expectations, developments regarding the potential capital raising, exceptional income and expense items, operational developments and trading conditions, economic, political and foreign exchange developments and changes to IFRS reporting rules.

Vopak’s outlook does not represent a forecast or any expectation of future results or financial performance.

Statements of a forward-looking nature issued by the company must always be assessed in the context of the events, risks and uncertainties of the markets and environments in which Vopak operates. These factors could lead to actual results being materially different from those expected, and Vopak does not undertake to publicly update or revise any of these forward-looking statements.

# Key messages



Strategic Direction  
2017-2019

Capture  
growth

Spend EUR 750m  
on **sustaining and  
service capex**

Invest EUR 100m  
in **technology &  
innovation**

Drive further  
**productivity**

YTD Q3 2018 Performance

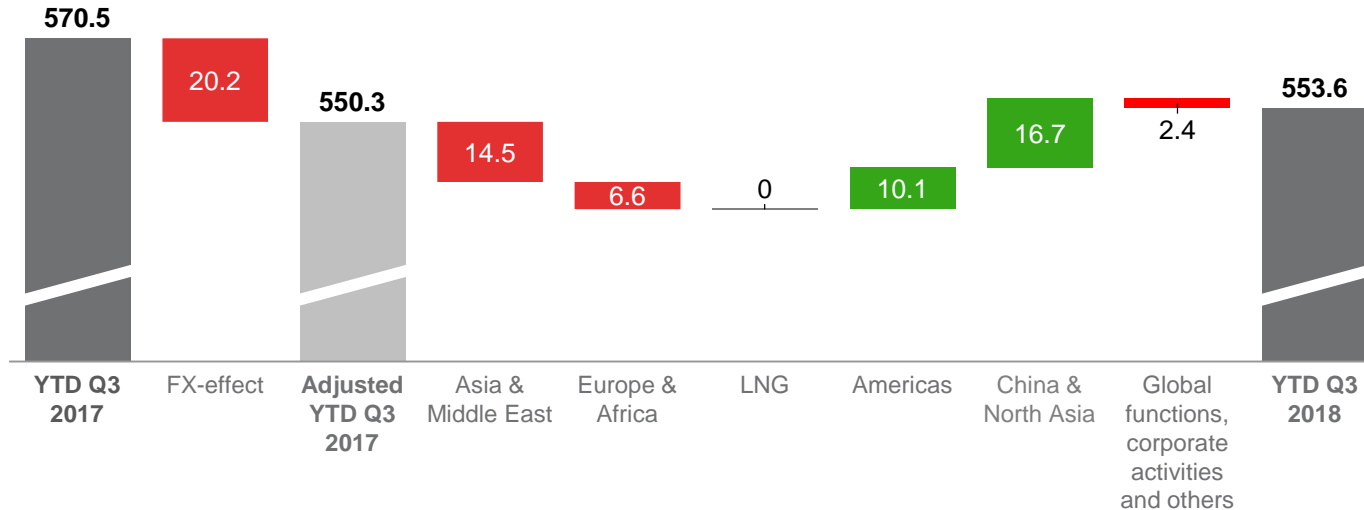
**‘Vopak delivers solid performance and commissioned first phase of new industrial terminal in Pengerang, Malaysia’**

- YTD Q3 EBITDA of **EUR 554 million**, adjusted for adverse currency translation effects of EUR 20 million, EBITDA was EUR 3 million higher than prior year
- **Resilient CFFO** with **investment momentum** (CFFI) towards 2019
- Industrial terminal **PT2SB** in Malaysia commissioned initial 700,000 cbm of capacity
- Investment decisions taken to further expand Vopak’s global **LPG and chemical gases** network in South Africa and the Netherlands
- Vopak hosts **Capital Markets Day** in Houston on 27 November

# YTD Q3 2018 vs YTD Q3 2017 EBITDA



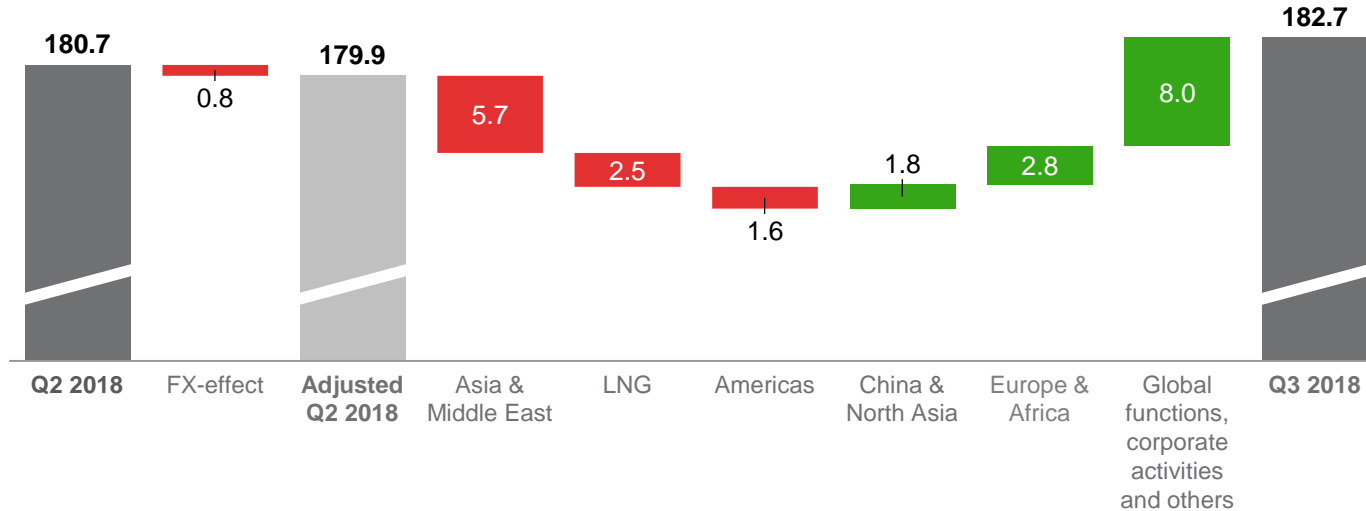
Adjusted for adverse currency translation effects EBITDA was EUR 3 million higher than prior year



# Q3 2018 vs Q2 2018 EBITDA



Q3 2018 performance normalized; Q2 2018 included a EUR 10 million positive one-off item in Asia & Middle East and EUR 6 million one-off costs items

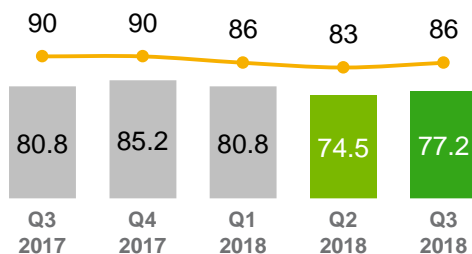


# Divisional segmentation

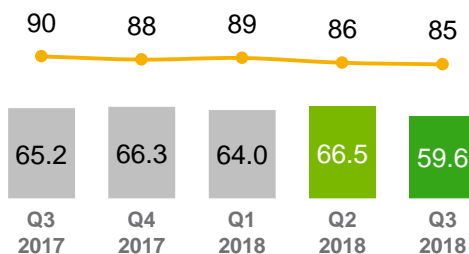


Europe & Africa and Asia & Middle East impacted by oil hub weakness;  
Americas and China & North Asia benefit from strong chemical and gas markets

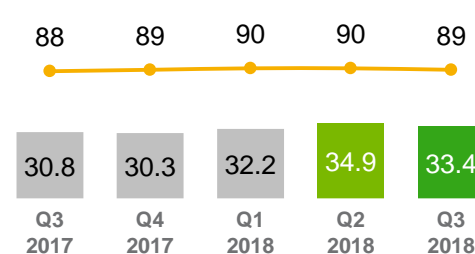
## Europe & Africa



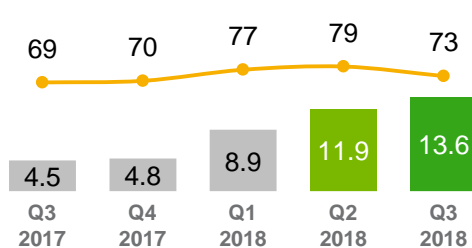
## Asia & Middle East



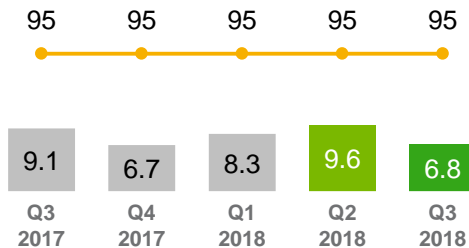
## Americas



## China & North Asia



## LNG



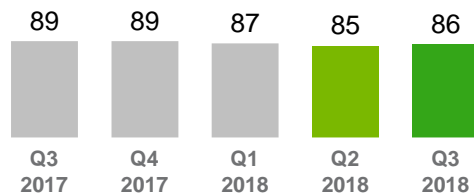
Occupancy rate (in percent) for subsidiaries only, with the exception of LNG  
 EBITDA (in EUR million) excluding exceptional items and including net result from JVs & associates and currency effects

# Development key figures

Solid financial performance, although occupancy rate at the lower end of the cycle

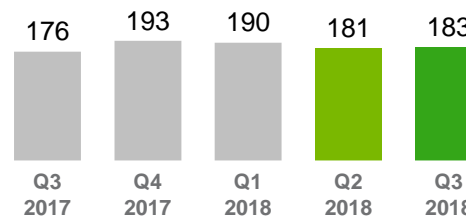
## Occupancy rate\*

In percent



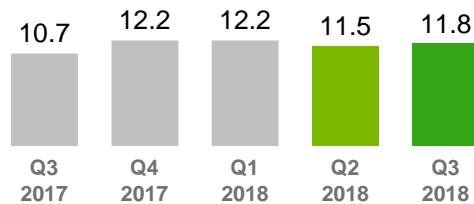
## EBITDA\*\*

In EUR million



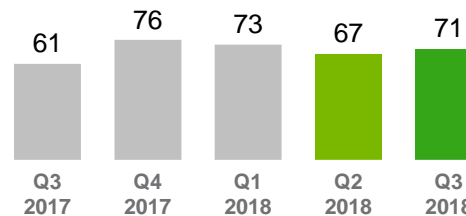
## ROCE\*\*

In percent



## Net profit\*\*\*

In EUR million



\* Occupancy rate and revenues figures include subsidiaries only

\*\* Including net result from joint ventures and associates excluding exceptional items

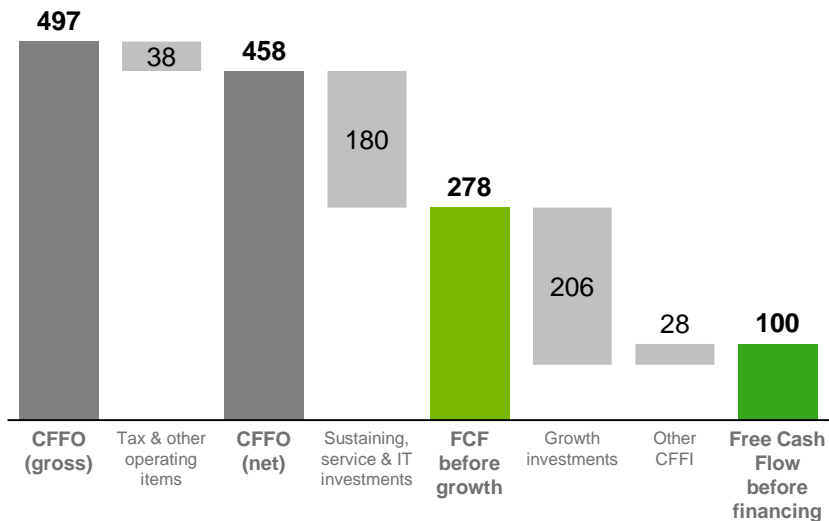
\*\*\* Attributable to holders of ordinary shares excluding exceptional items

# Cash flow overview

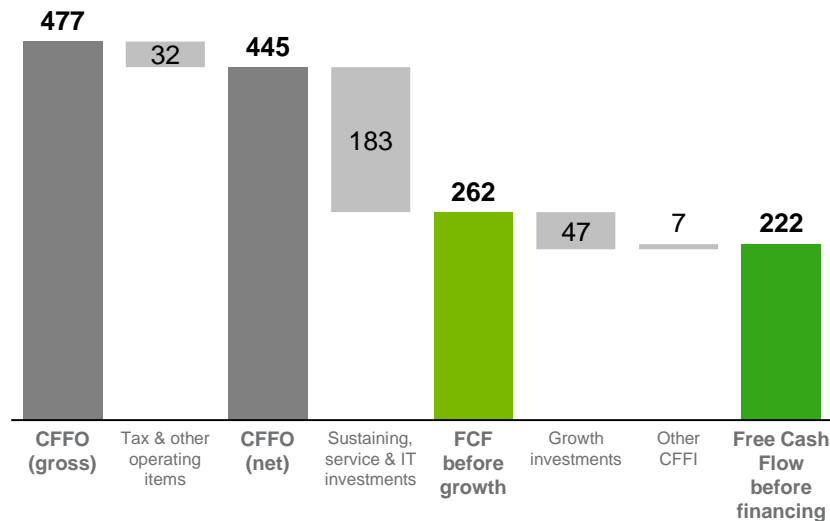


Investment momentum driven by growth project phasing towards 2019

## YTD Q3 2018



## YTD Q3 2017





# Q3 2018 exceptional items



## IAS 19 Defined contribution plan

- In July, Vopak formalized the agreement regarding a new pension plan that qualifies as a defined contribution plan under IAS 19
- The settlement of the pension liability resulted in an exceptional gain before tax of EUR 19.1 million

IAS19 pension provision	HY1	July	FY '18
<b>Defined Benefit Provision (opening)</b>	<b>54.2</b>	<b>56.6</b>	<b>54.2</b>
IFRS DB costs recognized in P&L	13.7	2.3	16.0
Employer cash contribution in P&L	-9.9	-1.7	-11.6
Change in actuarial assumptions (in OCI)	-1.4	-16.3	-17.7
Cash contribution Dutch pension plan		-18.0	-18.0
Gain on settlement		22.9	22.9
<b>Defined Benefit Provision (closing)</b>	<b>56.6</b>	<b>-</b>	<b>-</b>
<b>Exceptional item per period</b>	<b>-3.8</b>	<b>22.9</b>	<b>19.1</b>

## Deconsolidation Venezuela

- Vopak will continue to operate the company in line with Vopak standards
- The income statement includes the effect of recycling historical unrealized currency translation losses from equity to the income statement
- Neutral effect to total shareholders equity

Deconsolidation impact on Vopak equity	YTD Q3 2018
EBITDA (result from divestment / deconsolidation)	-0.9
Net finance costs (foreign currency exchange losses)	-50.1
<b>Net income</b>	<b>-51.0</b>
Other comprehensive income	50.1
<b>Total comprehensive income</b> <i>(attributable to holders of ordinary shares)</i>	<b>-0.9</b>

# Growth projects

## PT2SB starts operations

- Industrial terminal PT2SB in Pengerang, Malaysia, commissioned first phase with initial 700,000 cbm of capacity
- Remainder of the 1.5 million cbm of capacity will be commissioned, according to plan, before the end of Q3 2019

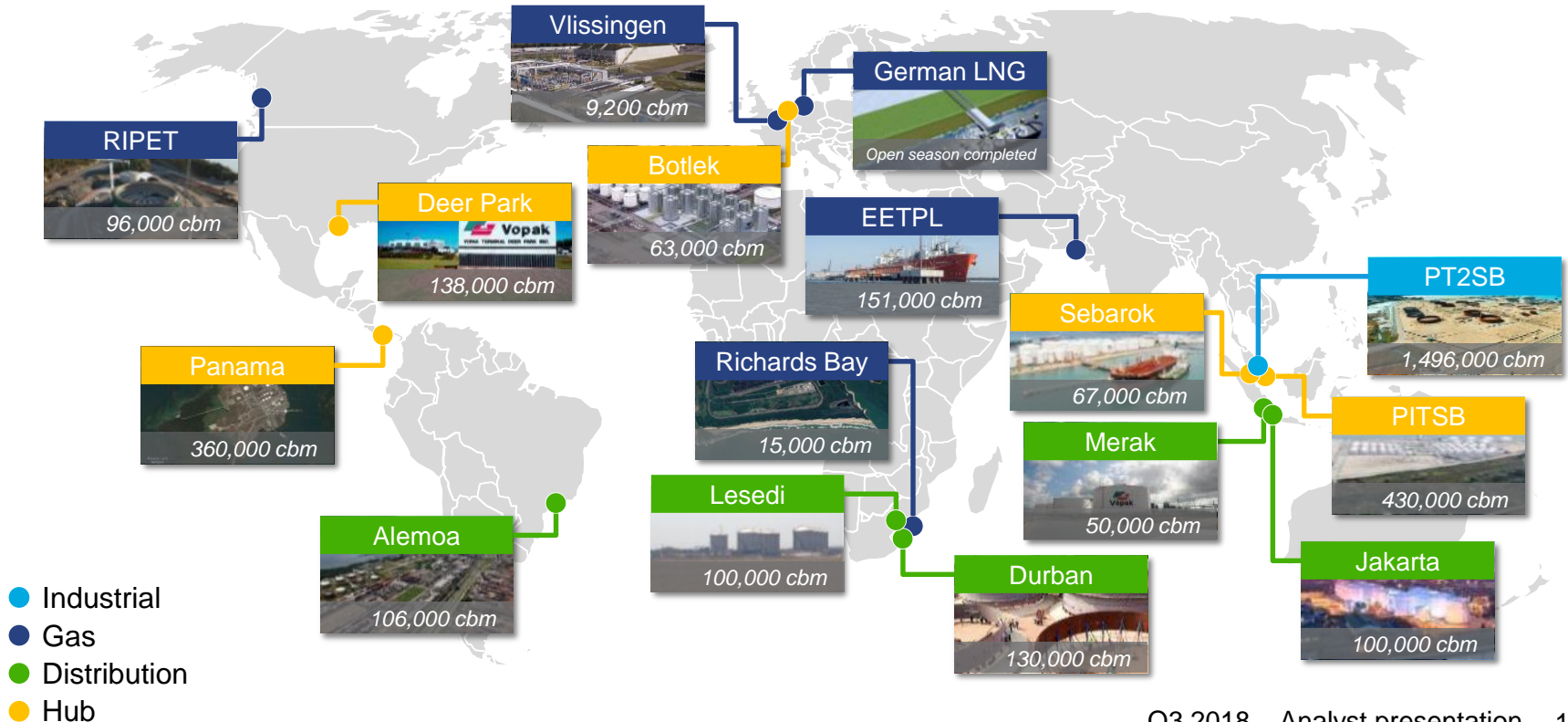


## LPG & chemical gases

- Vopak and its partner Reatile will invest in a new **LPG import and distribution terminal** with an initial capacity of **15,000 cbm** in Richards Bay, South Africa
- Vopak will expand its gas terminal in Vlissingen (the Netherlands) by **9,200 cbm** of capacity for **LPG and chemical gases** to serve the NWE gas market

# Portfolio developments

Focus on 4 strategic terminal types



# Fuel Oil and bunkering network



Terminals will be fully ready to support new market requirements in 2020

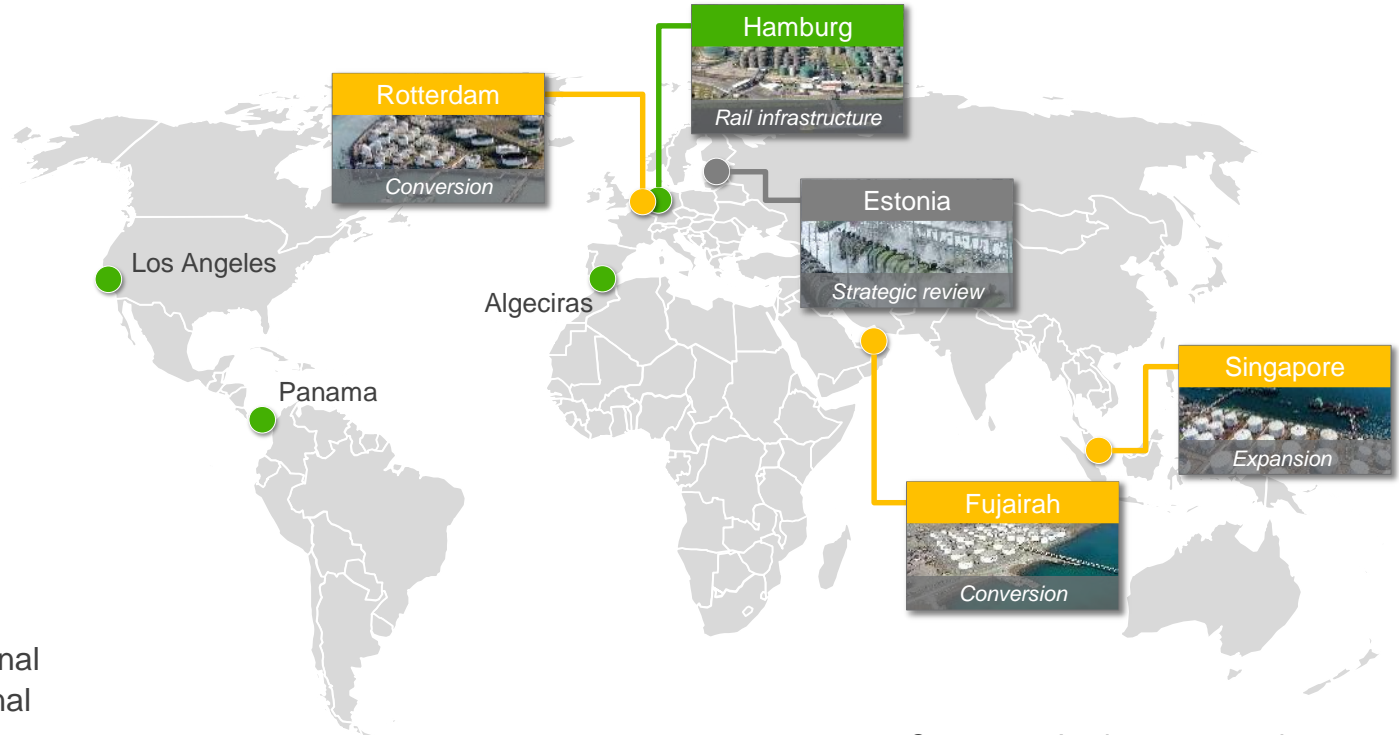
## Conversion:

- Rotterdam
- Fujairah
- Hamburg

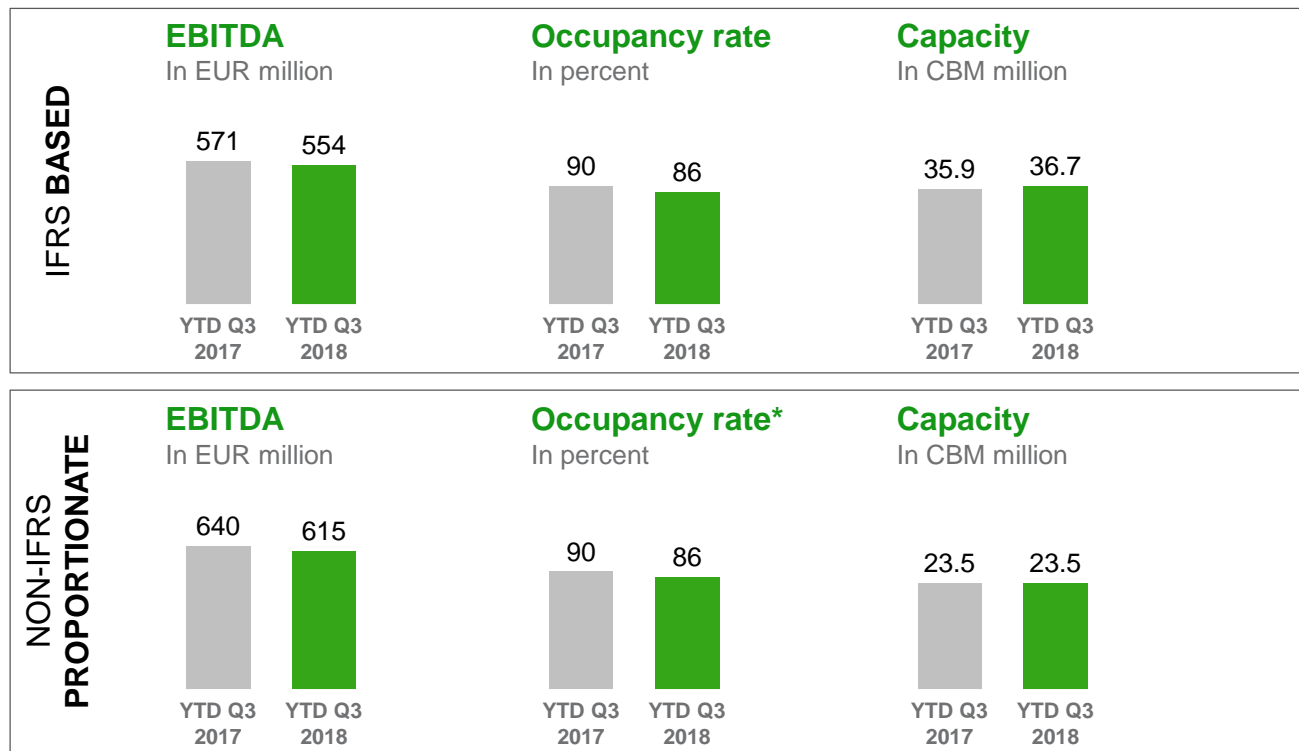
## Expansion:

- Singapore

- Fuel oil hub terminal
- Fuel oil bunker terminal
- Fuel oil export terminal



# Non-IFRS proportionate information



Non-IFRS proportionate information provides transparency in Vopak's underlying performance and **free cash flow generating** capacity

excluding exceptional items

\* Proportionate occupancy rate excluding fully impaired joint venture terminals in Estonia and Hainan

# Key messages



Strategic Direction  
2017-2019

Capture  
growth

Spend EUR 750m  
on **sustaining and  
service capex**

Invest EUR 100m  
in **technology &  
innovation**

Drive further  
**productivity**

YTD Q3 2018 Performance


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# Looking ahead



- The financial performance in 2018 is expected to be influenced by currency exchange movements of primarily the USD and the SGD, and changes in the oil market structure, impacting occupancy rates and price levels in the hub locations
- Given the 3.2 million cbm expansion program to be delivered in 2018 and 2019, with high commercial coverage, in conjunction with the cost efficiency program, Vopak has the potential to significantly improve the 2019 EBITDA, subject to market conditions and currency exchange movements
- Our efficiency program to support margin development and reduce Vopak's future cost base with at least EUR 25 million was delivered at Q2 2018 and subsequently increased to EUR 40 million to be delivered by the end of 2019



The world's leading independent  
tank storage company building  
on an impressive history of more  
than 400 years

## Questions & answers





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## Upcoming events:

### Capital Markets Day 2018

Houston, Texas, US  
27 November 2018

### Publication of 2018 annual results

13 February 2019

**Royal Vopak**

5 November 2018

Analyst presentation

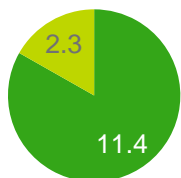
**Q3 2018**  
Interim update



# Europe & Africa developments

## Storage capacity

In million cbm

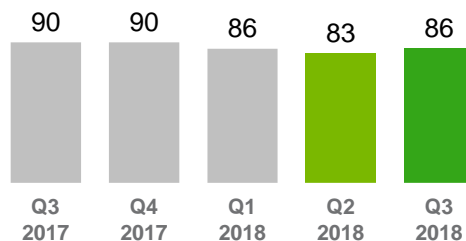


Total Q3 2018  
13.7 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

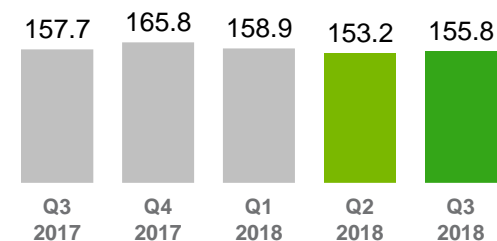
## Occupancy rate\*

In percent

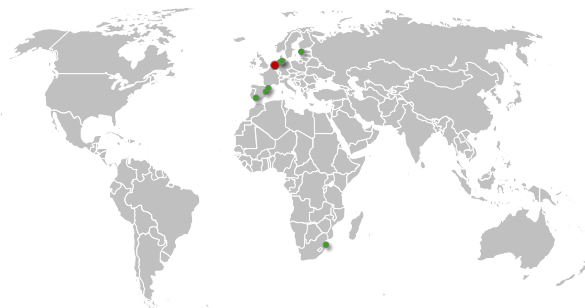


## Revenues\*

In EUR million

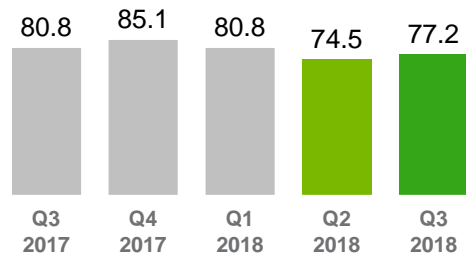


## 19 Terminals (6 countries)



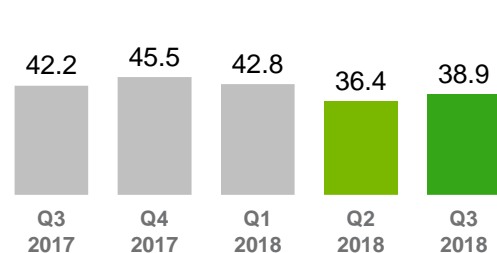
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



\* Subsidiaries only

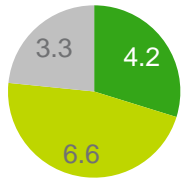
\*\* EBIT(DA) including net result from joint ventures and associates and excluding exceptional items

# Asia & Middle East developments



## Storage capacity

In million cbm

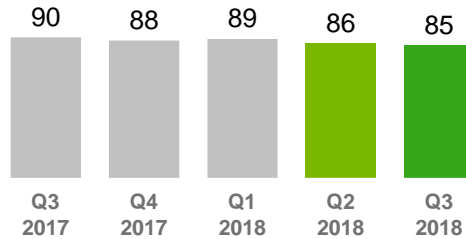


Total Q3 2018  
14.1 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

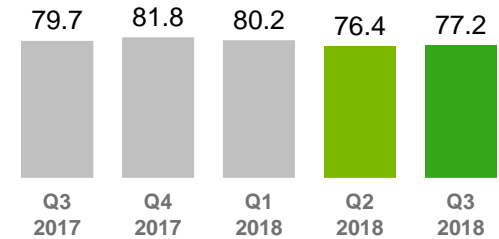
## Occupancy rate\*

In percent

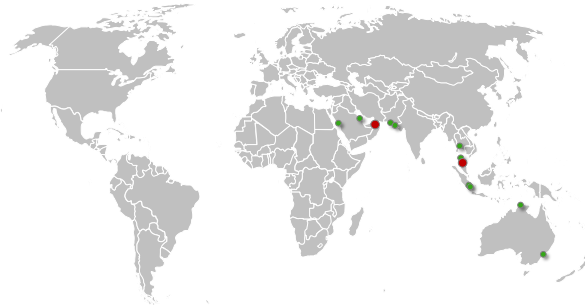


## Revenues\*

In EUR million

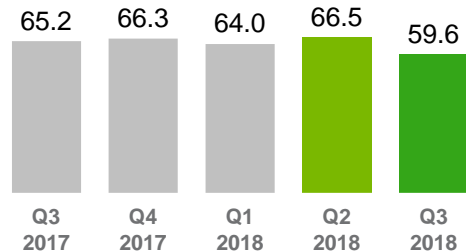


## 19 Terminals (9 countries)



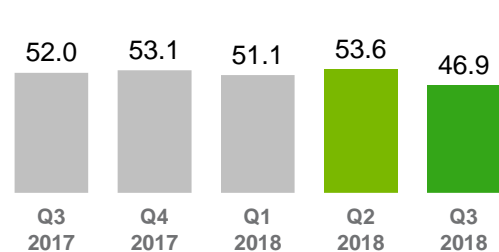
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



\* Subsidiaries only

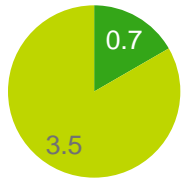
\*\* EBIT(DA) including net result from joint ventures and associates and excluding exceptional items

# China & North Asia developments



## Storage capacity

In million cbm

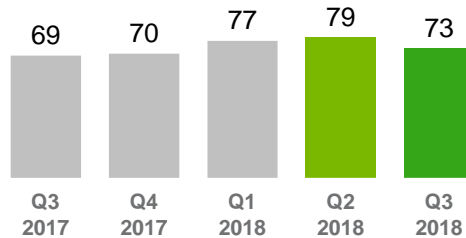


Total Q3 2018  
4.2 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

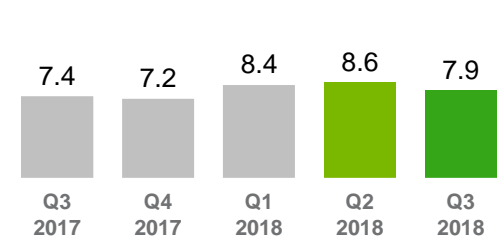
## Occupancy rate\*

In percent



## Revenues\*

In EUR million

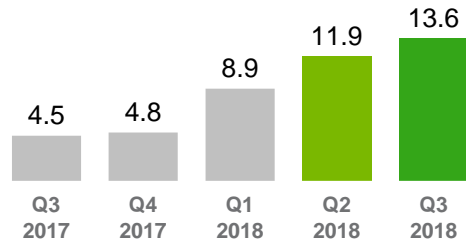


## 9 Terminals (3 countries)



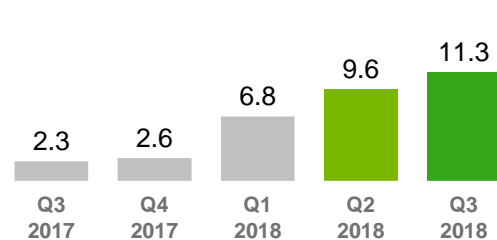
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



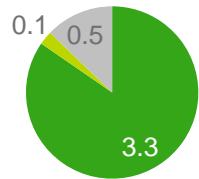
\* Subsidiaries only

\*\* EBIT(DA) including net result from joint ventures and associates and excluding exceptional items

# Americas developments

## Storage capacity

In million cbm

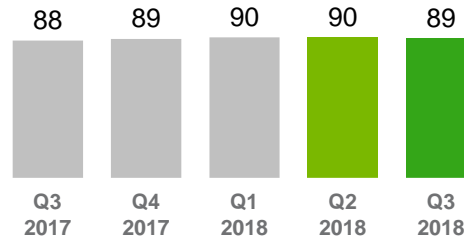


Total Q3 2018  
3.9 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

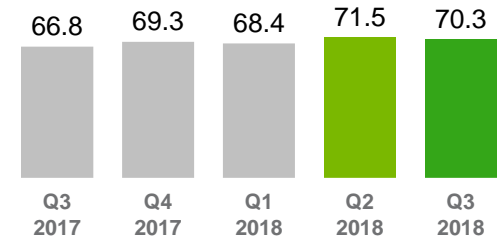
## Occupancy rate\*

In percent



## Revenues\*

In EUR million

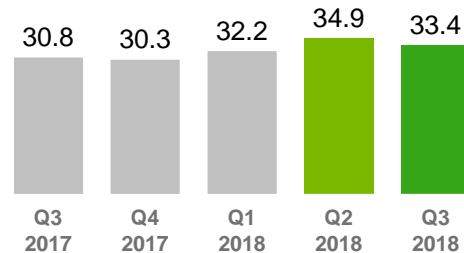


## 18 Terminals (7 countries)



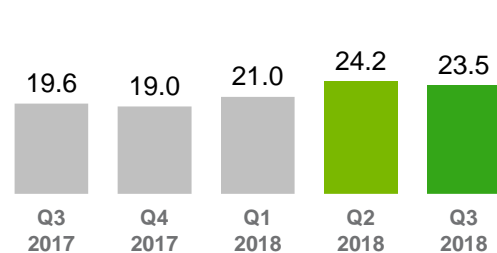
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



\* Subsidiaries only

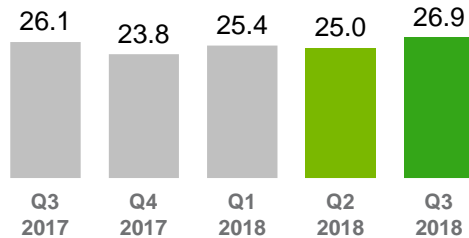
\*\* EBIT(DA) including net result from joint ventures and associates and excluding exceptional items

# JVs & associates developments



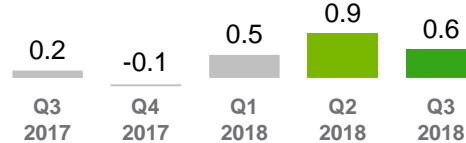
## Net result JVs and associates\*

In EUR million



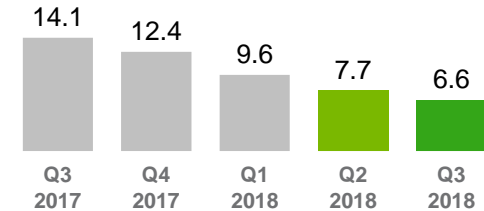
## Europe & Africa\*

In EUR million



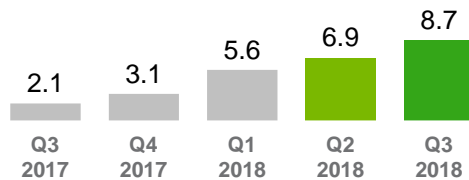
## Asia & Middle East\*

In EUR million



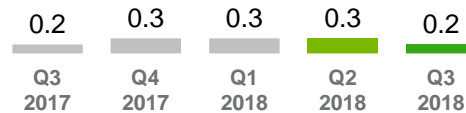
## China & North Asia\*

In EUR million



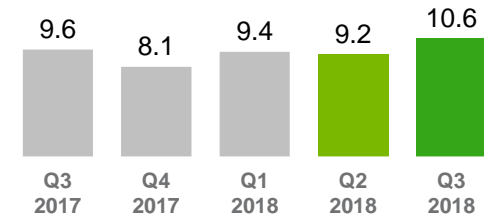
## Americas\*

In EUR million



## LNG\*

In EUR million



\* Excluding exceptional items

# EBITDA to Net profit overview

