Q2 2019 – Roadshow Presentation

Royal Vopak

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 message Capital Markets Day

- Confidence in short-term performance delivery and managing long-term value
  - Global well-diversified portfolio
  - Strong competitive position
  - Clear and robust financial framework
- Strategy execution 2017-2019 is well on track

External developments 2017-2019

Structural business drivers influenced by two global trends

Storage demand drivers

- Structural demand drivers for storage of vital products, driven by growth in population and global energy consumption
- Increasing global imbalances resulting from concentration of supply and demand

Energy transition

- Facilitate the introduction of lighter, cleaner fuels
- Pursue potential infrastructure solutions for a low-carbon energy future

Competition

- Competitive landscape changed as a result of new storage capacity worldwide
- Vopak strategic capabilities of more importance

Digital transformation

- Real-time data and transparent processes are required by customers
- Connectivity with external parties

Business environment update

Diversified portfolio, well positioned for future opportunities

Chemicals

Focus on operational delivery

- Growing global demand for chemicals
- Continued positive investment climate petrochemical industry

Oil products

On track for IMO 2020 transition

- Oil hubs: solid long-term demand drivers despite short-term weakness
- Fuel oil: on track for IMO 2020
- Import-distribution markets: Solid growth in markets with structural deficits

Gases

Steady cash flows

- Strong growing demand in LPG for residential and petrochemical markets
- Strong growth in LNG imports in Asia (including China)

Vegoils & biofuels

Reap the benefit of current market

- Strong European biofuels market despite dependency to changes in government policies
- Good global vegoil demand

Vopak at a glance

At end HY1 2019

Number of terminals

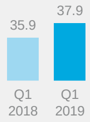
69

Number of countries

24

Storage capacity
In million cbm

36.9



Market capitalization
In EUR billions

5.2

Number of employees
In FTE

5,565

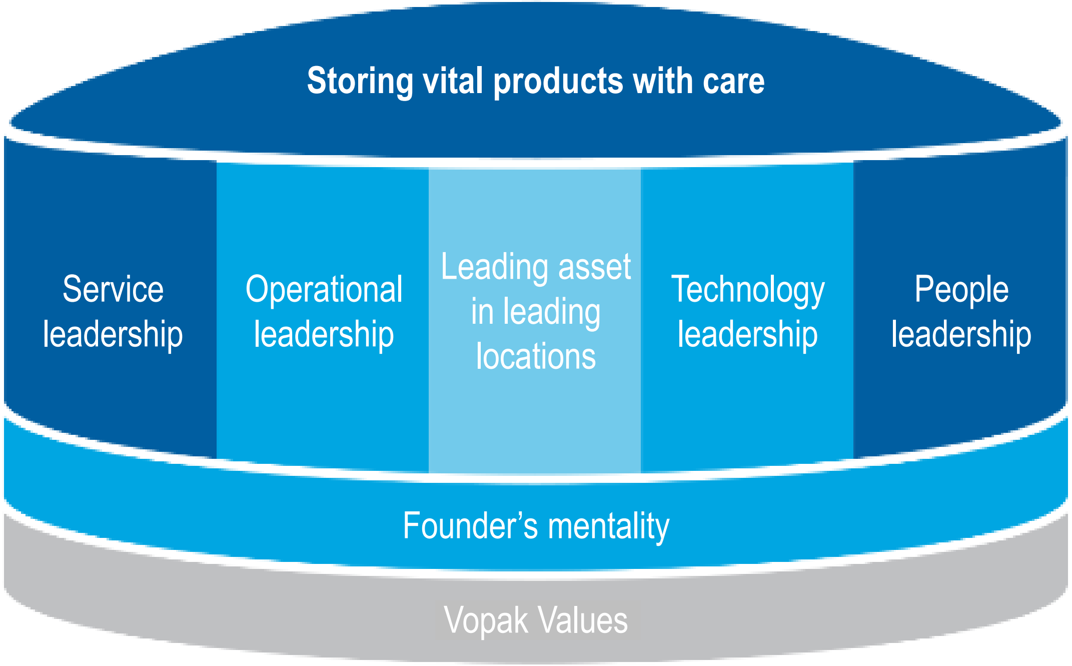
84% 16%

Total injury rate (TIR)
In 200,000 hours worked own personnel and contractors

0.43

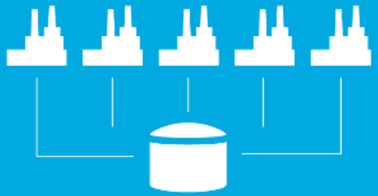
Robust Vopak strategy

Leadership in 5 pillars with clear strategy execution



Strategic terminal types

Industrial terminals



Vopak has more than 40 years of experience with industrial terminals. These often large terminals exclusively support chemical clusters in the Americas, Europe, Middle East and Asia. We also operate terminals that have significant long-term pipeline connections and serve global and regional plants. We provide a centralized fit-for-purpose solution and deliver value to customers and local authorities through economies of scale.

LNG, LPG and chemical gases

Demand for gas is increasing, driven by petrochemical and plastics production, for gas-fired power plants and for transportation purposes. This led Vopak to increase its focus on facilitating growth in global gas markets. By introducing infrastructure and logistic solutions for cleaner and efficient fuels like LPG and LNG, Vopak is contributing to the energy transition. We own and operate LPG storage terminals for example in the Netherlands, China and Singapore. Vopak operates LNG facilities in Mexico, the Netherlands and Pakistan.

Chemical terminals

The strong growth of global chemicals demand is leading to an increased need for chemical storage capacity. Vopak has a strong presence in key chemical hub locations, including Antwerp, Rotterdam, Singapore and Houston and operates a global chemical distribution network. Besides our growth opportunities in chemicals, we are continuously searching for opportunities to improve our competitive position by further optimization of our infrastructure to service customers better.

Oil terminals

Oil import, distribution and hub terminals remain an important part of our business. Oil hub terminals are strategically located along major shipping routes, where many suppliers, customers and traders are active and where efficient supply chain solutions are of utmost importance. Our oil hubs are located in Rotterdam, Fujairah and the Singapore Strait. GDP and population growth drive the consumption of energy products. Vopak plays an important role in the import and distribution of energy products in major oil markets with structural deficits.

Portfolio transformation

Shift towards gases and industrial terminals and focus on the 'East of Suez'

2014-2016 Period

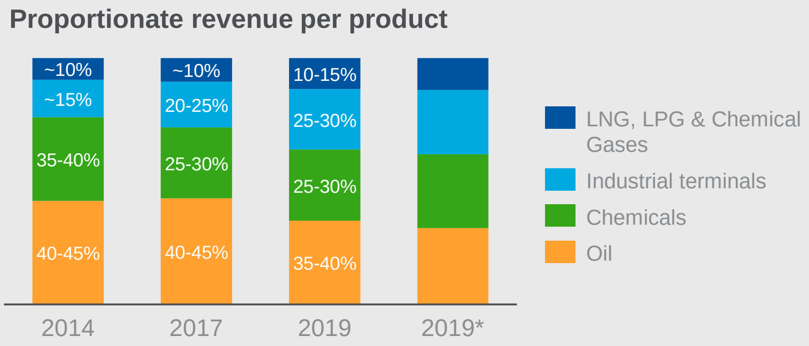
Reshaping the portfolio

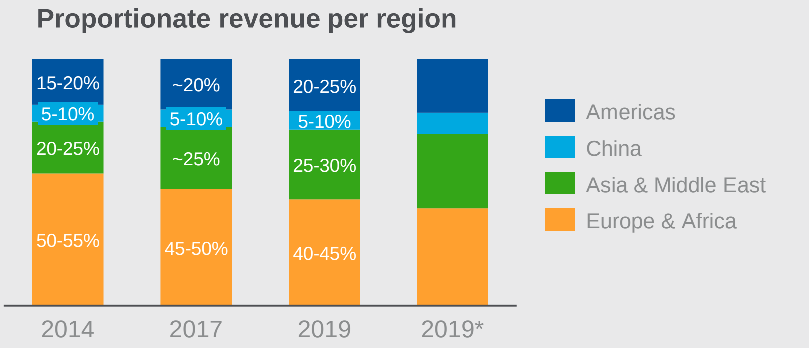
- Divestment of 19 terminals
- Focus on 4 strategic terminal types

2017-2019 Period

Portfolio management & delivering growth

- Major announcements of new projects adding toward 2019
- Strategic review and testing of market value of 4 assets





* Excluding terminal held for sale

Note: keeping all market conditionals equal and only taking announced projects into account

Digital transformation

Improve safety performance, better service for our customers and more efficient use of our assets resulting in lower costs

- Centralized cyber security program to protect our systems
- Significant reduction in response time to cyber attacks

- Replacing and modernizing our company-wide IT and OT systems
- Developed own software for core processes and standardize non-core processes

- Connecting our assets to generate real-time data with smart sensoring
- Digitizing our maintenance

- Create digital platforms around smart terminals enabling efficient and reliable information sharing
- Engage in new ventures related to technology & innovation

Value creation - sustainability

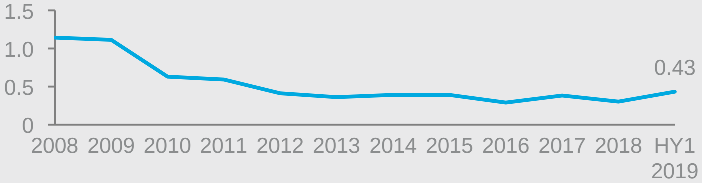
Safety and sustainability developments

Safety

- Leading safety performance in storage industry

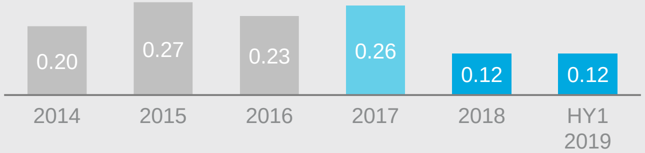
Personnel Safety (TIR)

Total injuries per 200,000 hours worked



Process Safety (PSER)

Tier 1 and Tier 2 incidents per 200,000 hours worked



Sustainability

- UN Sustainability Development Goals (SDGs)

- Task-force on Climate-related Financial Disclosures

TCFD

- Investing in emission-reducing methods

UN Sustainable Development Goals (SDG)

We embrace the selected SDGs to create a focus on where we can contribute to society

	Description	Ambitions / targets
7 AFFORDABLE AND CLEAN ENERGY	We facilitate the energy transition by creating reliable access to energy and cleaner fuels and by exploring ways to develop storage and handling solutions for a low-carbon future. We aim to reduce our own footprint and improve our energy efficiency.	**Daily:** Reducing our environmental footprint **For the short to medium term:** facilitating, where possible, the introduction of lighter, less polluting fuels **To 2050:** Developing infrastructure solutions for a sustainable, low-carbon future
8 DECENT WORK AND ECONOMIC GROWTH	In storing vital products today and tomorrow, safety is our first and foremost priority. This includes ensuring a safe and secure working environment for all people working at and for Vopak.	**For the short to medium term:** zero fatalities and a reduced Total Injury Rate and improve the diversity of our management positions (gender and nationalities)
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	We develop, maintain and operate reliable, sustainable terminal infrastructure in ports around the world. We adopt and invest in environmentally sound technologies and processes. We explore the introduction of more sustainable technologies and processes and work on the digital transformation of our company.	**For the short to medium term:** Being the industry leader in the areas of: • Setting the standard in the field of sustainability, service delivery and efficiency • Designing and engineering of new assets • Project management for the development of new assets • Commissioning of new assets • Operating and maintaining assets throughout the network
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We strive for environmentally sound management of the products we store and handle, and we work hard to minimize any negative impact on the environment, in particular by reducing releases to air, water and soil.	**For the short to medium term:** Reducing our Process Safety Event Rate and releases of harmful products to the environment and no (uncontained) spills

Benchmark scores

Ratings based on Environmental, Social and Governance

MSCI ESG Ratings

- Rating: AAA (Scale: CCC to AAA)

Dow Jones Sustainability

- Rating: 56 (Scale: 0 to 100 / industry average: 38)

FTSE4Good

- Rating: 3.7 (scale: 0 to 5)

ISS

- Rating (scale: 10 high risk to 1 low risk)
  - Governance: 1
  - Environmental: 1
  - Social: 2

GRESB

- Rating: becoming available later this year

Strategy execution well on track

Strategic direction is set towards growth and productivity improvements

Capture growth	▪ 14 expansion projects announced in last years ▪ New projects in Canada, Malaysia, Indonesia, Singapore, South Africa, Brazil, Pakistan and the Netherlands
Spend EUR 750 million on sustaining and service improvement capex	▪ Sustaining and service improvement capex budget include investments in our fuel oil network
Invest EUR 100 million in new technology, innovation programs and replacing IT systems	▪ Global roll-out of Terminal Management Software started ▪ Cybersecurity controls implemented
Drive further productivity and reduce the cost base with at least EUR 25 million by 2019	▪ Efficiency program delivered at Q2 2018 and subsequently increased to EUR 40 million by 2019

Key messages

strategic direction

Capture
growth

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

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

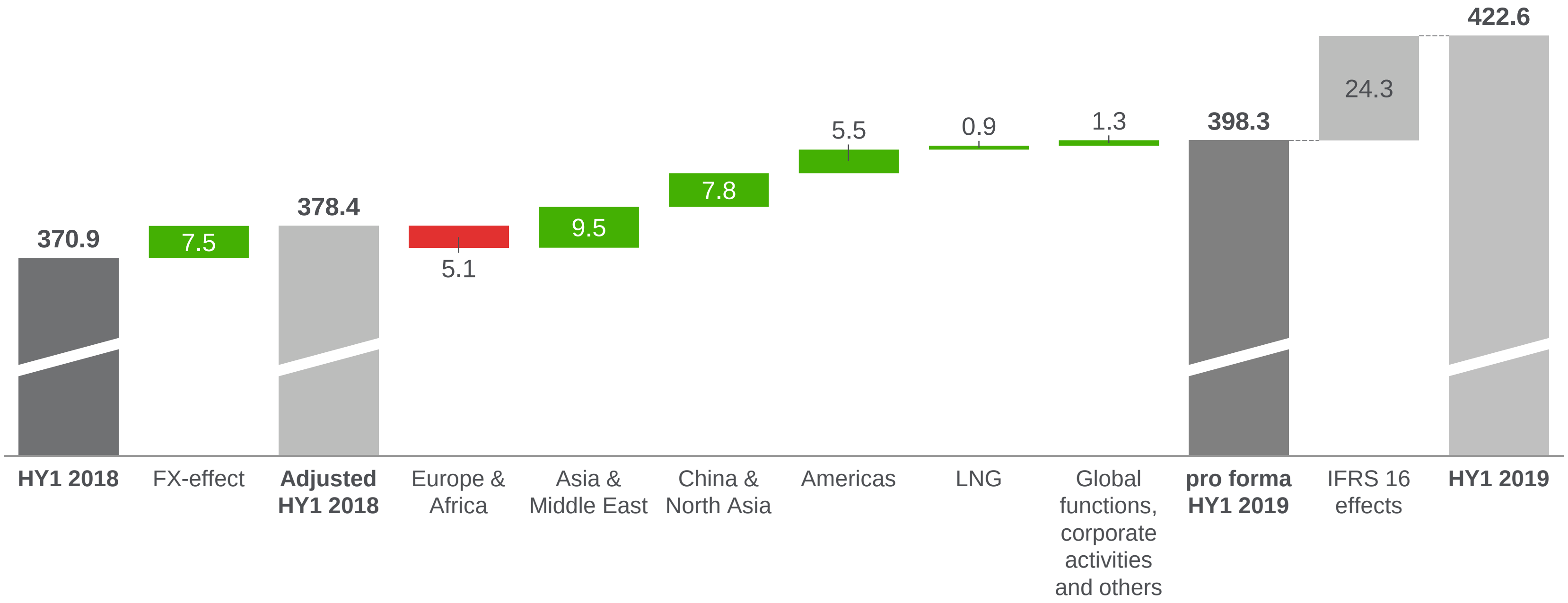
Drive further
productivity

HY1 2019 key messages

- EBITDA of **EUR 423 million**, including positive IFRS 16 effects, positive currency translation effects and good performance from joint ventures and associates
- Earnings Per Share (EPS) significantly increased to **EUR 1.35**
- **Resilient CFFO** with **momentum in growth investments** (CFFI)
- Vopak will **continue to invest in growth** of its global terminal portfolio in 2020 and beyond

HY1 2019 vs HY1 2018 **EBITDA**

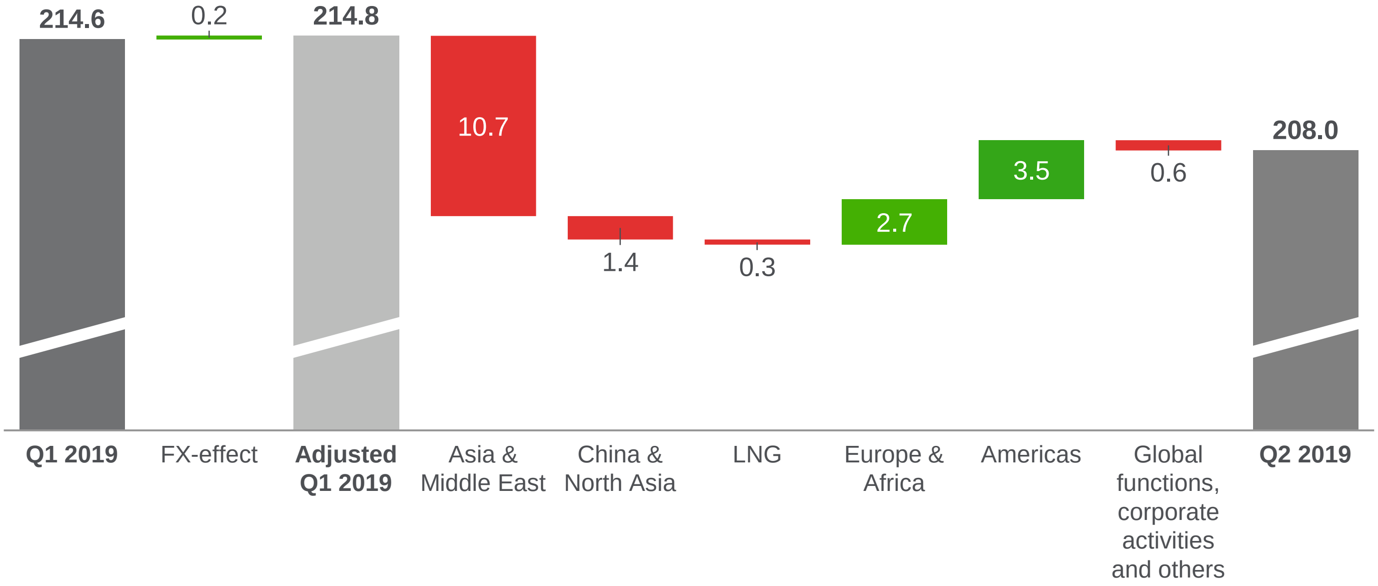
Pro forma EBITDA increased by EUR 27 million, mainly from good contributions from joint ventures



Figures in EUR million, excluding exceptional items including net result from joint ventures and associates

Q2 2019 vs Q1 2019 **EBITDA**

Q2 reflects planned temporary conversion activities related to IMO 2020

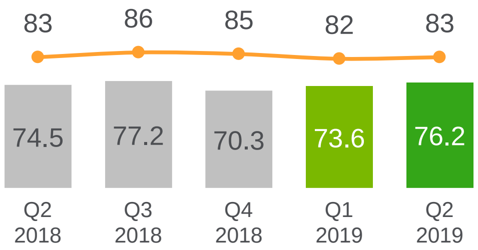


Figures in EUR million, excluding exceptional items including net result from joint ventures and associates

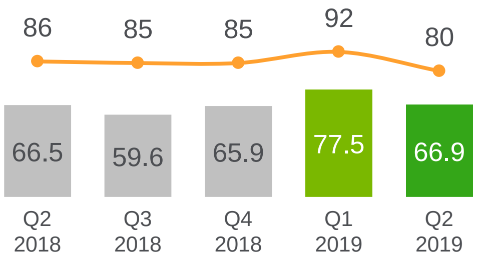
Divisional segmentation

Europe & Africa and Asia & Middle East reflect temporary IMO conversion; Americas and LNG benefit from strong chemical and gas markets

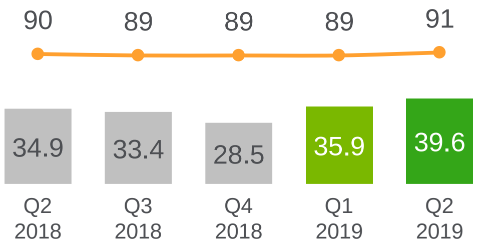
Europe & Africa



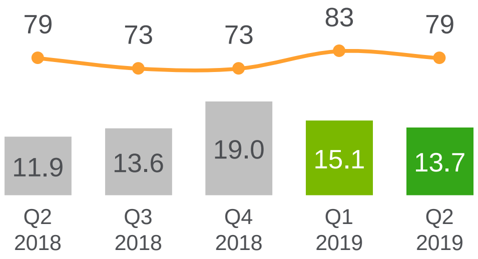
Asia & Middle East



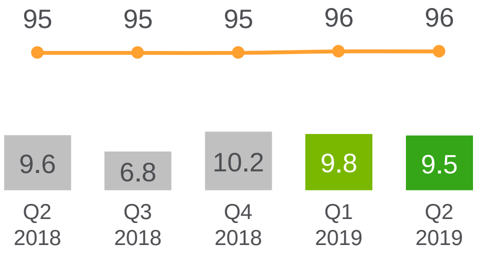
Americas



China & North Asia



LNG



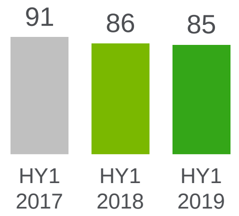
Occupancy rate (in percent) for subsidiaries only, with the exception of LNG

(pro forma) EBITDA (in EUR million) excluding exceptional items and including net result from JVs & associates and currency effects

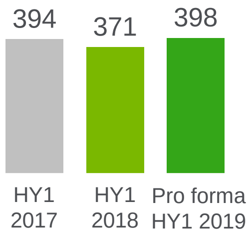
Non-IFRS **proportionate** information

IFRS BASED

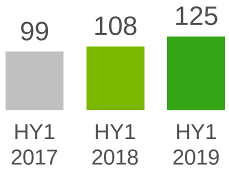
Occupancy rate
In percent



EBITDA
In EUR million

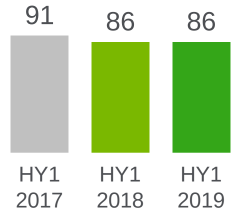


Maintenance, Service & IT Capex
In EUR million

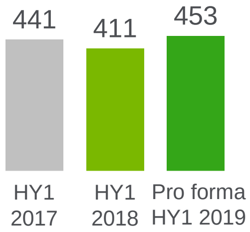


NON-IFRS PROPORTIONATE

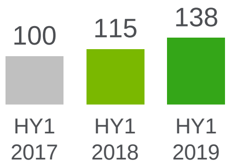
Occupancy rate*
In percent



EBITDA
In EUR million



Maintenance, Service & IT Capex
In EUR million



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

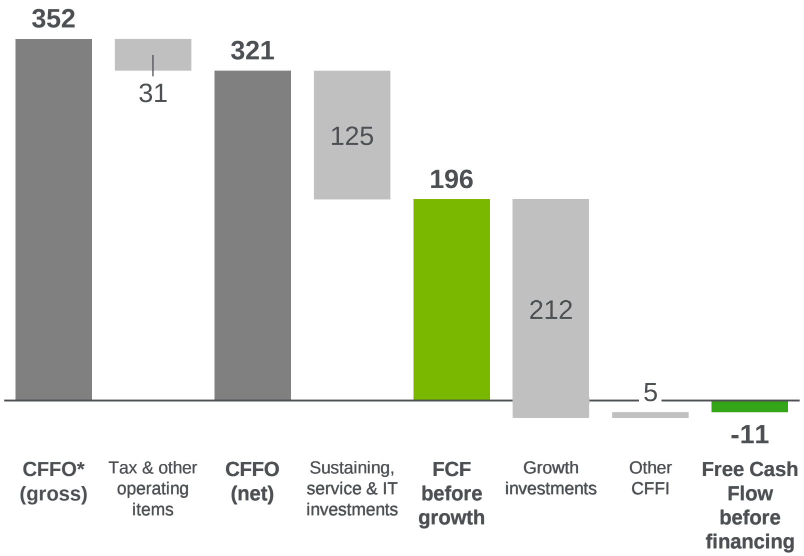
Excluding exceptional items
* Proportionate occupancy rate excluding divested joint venture in Estonia and fully impaired joint venture in Hainan

Cash flow overview

Investment momentum driven by growth project phasing towards 2019

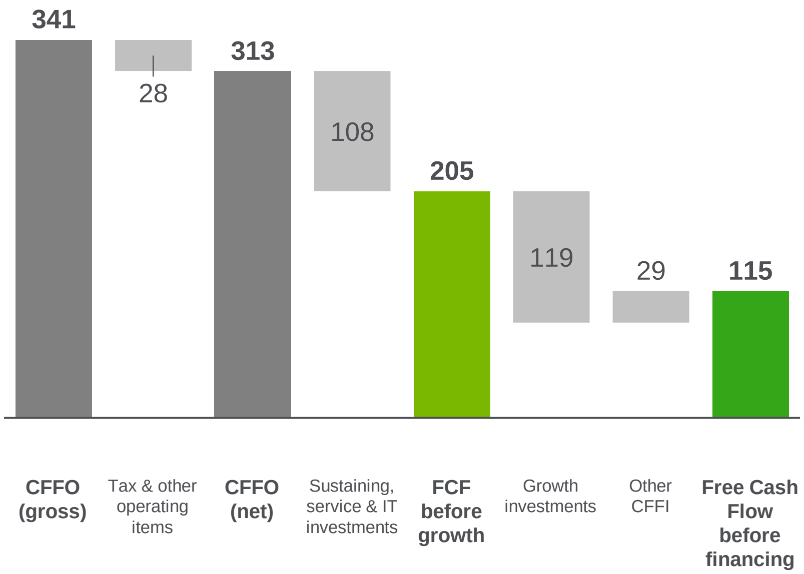
HY1 2019

In EUR million



HY1 2018

In EUR million



* IFRS 16 classifies lease payments mostly as financing cash flows versus operating cash flows in prior years

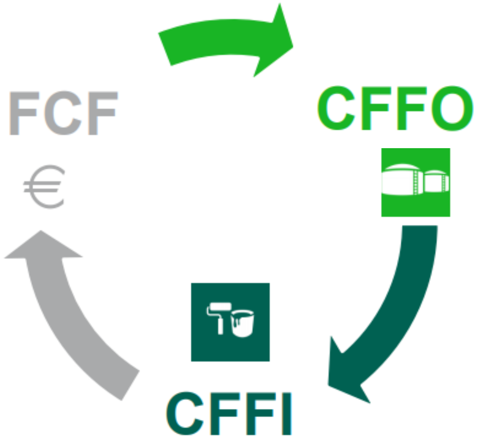
Overview financial framework

Performance delivery and managing value

- Clear financial framework to support strategy
  - Balanced portfolio management with focus on strong operational cash flow generation with a disciplined capital investment approach
  - Aimed towards a strong investment case
    - Return on capital employed (ROCE) between 10% and 15%
    - Long term net debt to EBITDA ratio between 2.5 and 3.0
    - Annual stable to rising cash dividend in balance with a management view on a payout ratio range of 25-75% of net profit

Financial framework

Focus on cash flow generation to create shareholder value



Cash Flow From Operations (CFFO)

Consolidated terminals: EBITDA -/- tax + asset disposals

Joint ventures: dividends received + shareholder loans repaid

Cash Flow From Investments (CFFI)

Consolidated terminals: sustaining + service + IT + growth capex

Joint ventures: equity injection + shareholder loans granted

Free Cash Flow (FCF) = CFFO-CFFI

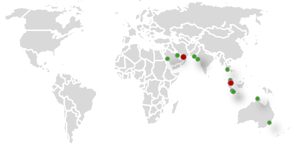
Cash flow from operations minus the cash flow from investments

1. Debt servicing
2. Growth opportunities
3. Shareholder dividend
4. Capital optimization

Well-balanced global portfolio

Strong resilient cash flow generation

Industrial terminals	LNG, LPG & chemical gases	Chemical terminals	Oil terminals	
5-20 years	10-20 years	0-5 years	0-5 years	Typical contract duration per product / terminal category
20-25%	~10%	25-30%	~40%	*Share of proportionate revenues 2018**

Europe & Africa	Asia & Middle East	China & North Asia	Americas	LNG	
					
EUR 303 million	EUR 256 million	EUR 53 million	EUR 129 million	EUR 35 million	2018 EBITDA**

*Joint ventures, associates and subsidiaries with non-controlling interests are consolidated based on the economic ownership interests of the Group in these entities.

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

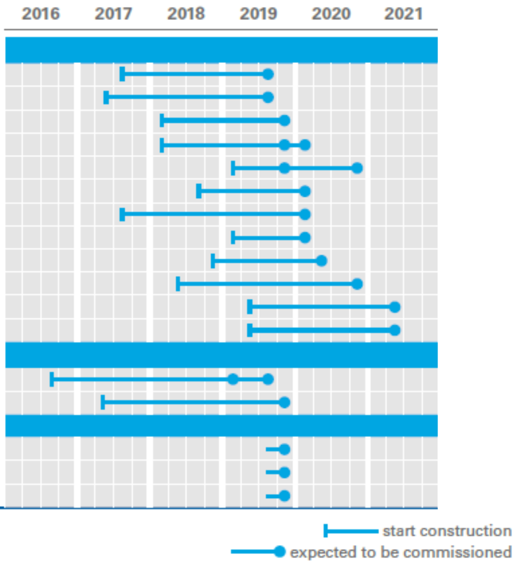
EUR 1 billion growth investments

Shift towards industrial terminals, chemical and gas terminals

* Fully or partly commissioned in 2019

Project timelines

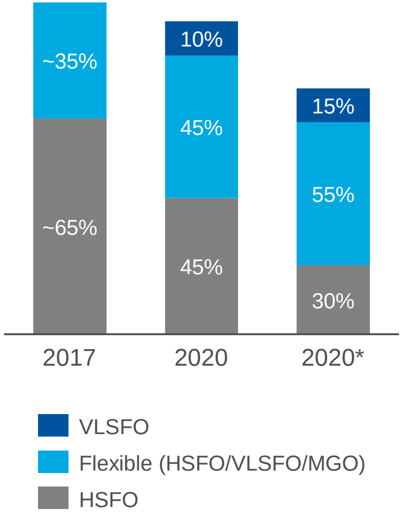
Country	Terminal	Vopak's ownership	Products	Capacity (cbm)
Existing terminals				
Malaysia	Pengerang Independent Terminals (PITSB)	44.1%	Oil products	430,000
Brazil	Alemoa	100%	Chemicals	106,000
Singapore	Sebarok	69.5%	Oil products	67,000
Indonesia	Jakarta	49%	Oil products	100,000
Mexico	Veracruz	100%	Oil products	110,000
Indonesia	Merak	95%	Chemicals	50,000
South Africa	Durban	70%	Oil products	130,000
Vietnam	Vopak Vietnam	100%	Chemicals	20,000
Netherlands	Vlissingen	100%	LPG & Chemical gases	9,200
Netherlands	Rotterdam Botlek	100%	Chemicals	63,000
Australia	Sydney	100%	Oil products	105,000
United States	Deer Park	100%	Chemicals	33,000
New terminals				
Panama	Panama Atlantic	100%	Oil products	240,000
South Africa	Lesedi	70%	Oil products	100,000
Divestments				
Netherlands	Amsterdam	100%	Oil Products	-1,216,000
Germany	Hamburg	100%	Oil Products	-669,000
Spain	Algeciras	80%	Oil Products	-403,000

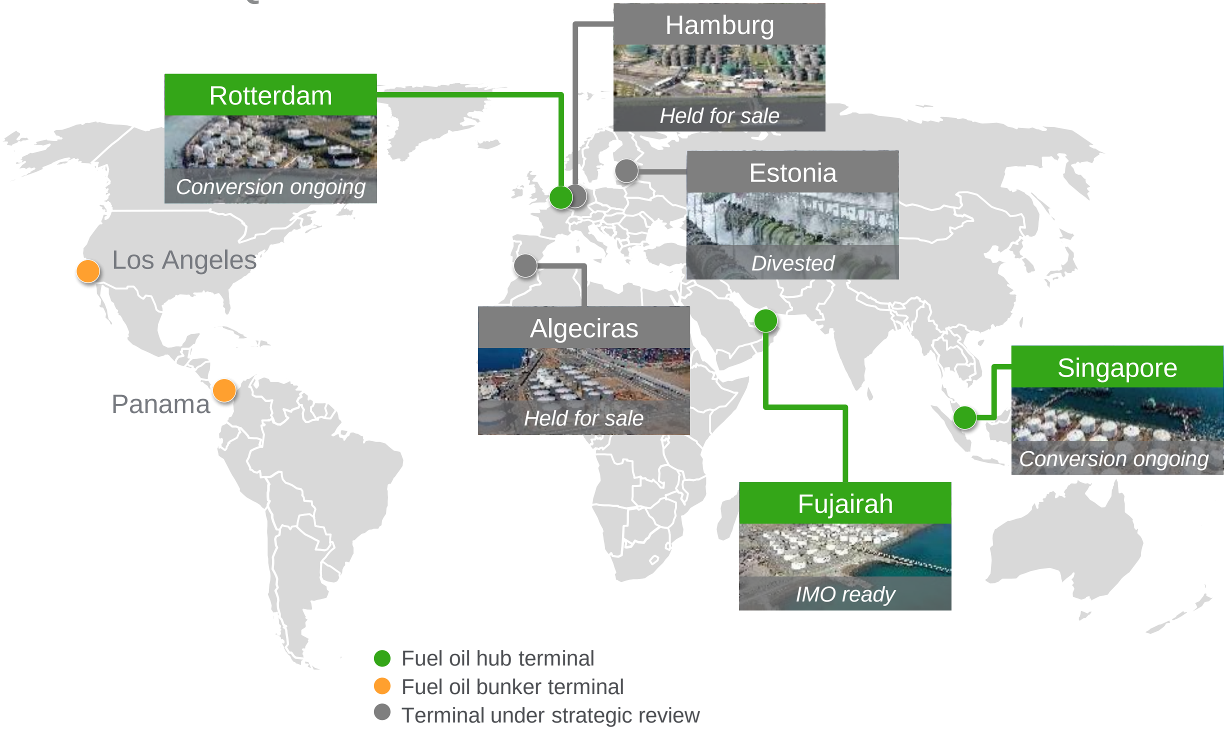


Global fuel oil network

Fuel oil capacity conversions for the IMO 2020 bunker fuels will support new market requirements as from Q4 2019

Fuel Oil capacity





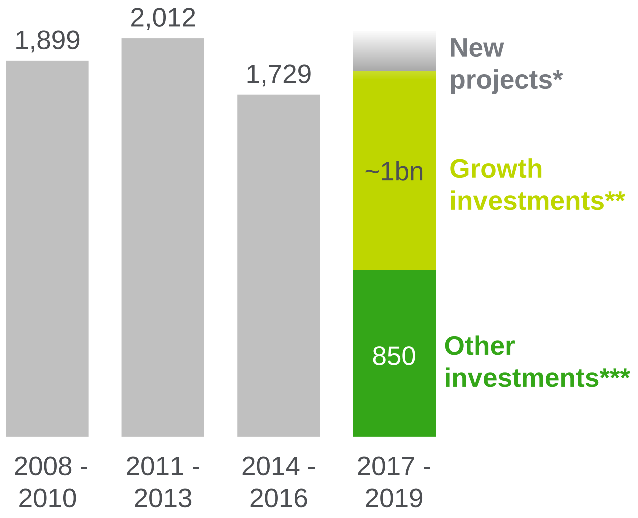
* Fuel oil capacity excluding divested terminals and terminals held for sale.

Investment phasing

Balanced approach for growth, sustaining, service improvement and IT investments

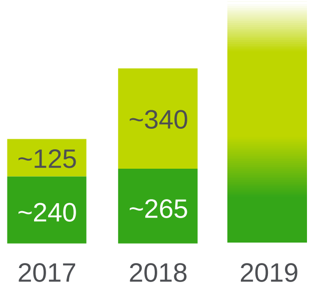
Investments 2008-2019

In EUR million



Investments 2017-2019

In EUR million



Investments

- Growth investments with clear return criteria based on future cash flow and risk profile
- Sustaining and service improvement investments influenced by (environmental) legislation and portfolio developments
- IT investments for rolling out digital systems and create value by digital opportunities

* For illustration purposes only, new announcements might increase future growth investments

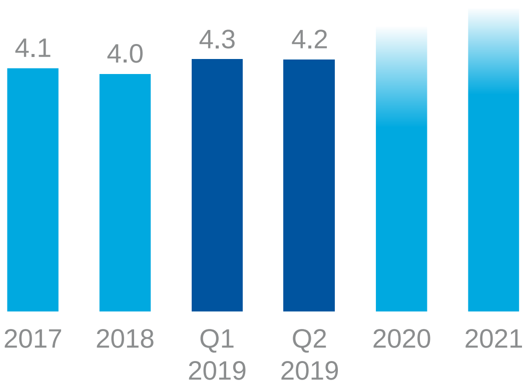
** Growth capex at subsidiaries and equity injections for JV's and associates

*** Sustaining, service improvement and IT capex including investments in fuel oil network

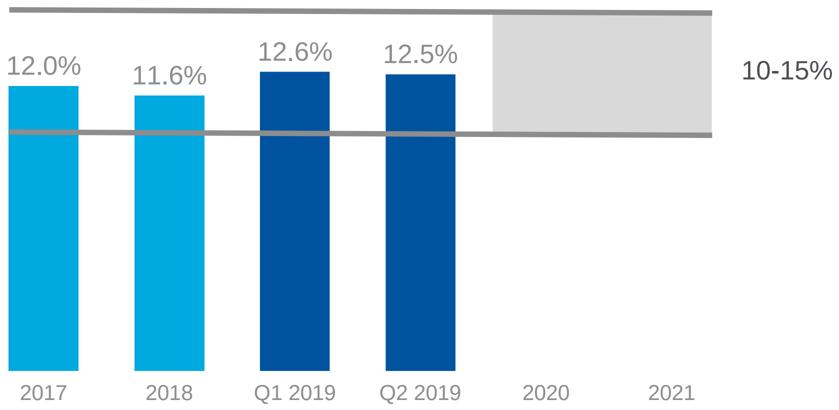
Maintain a return on capital

Expected ROCE between 10% and 15%

Average capital employed
In EUR billion*



Return on capital employed
In percent



- Disciplined capital for sustaining, service improvement and IT capex
- Value accretive growth opportunities

*Average capital employed definition has been applied consistently for all periods presented and is not affected by the application of IFRS 16.

Priorities for cash

Balanced approach between allocating capital to growth opportunities, an efficient and robust capital structure and distributions to shareholders

1. **Debt servicing**
   EUR 2.1 billion, remaining average maturity ~6 years, average interest 3.3%
2. **Growth opportunities**
   Value accretive growth
3. **Shareholder dividend**
   Annual stable to rising cash dividend in balance with a management view on a payout ratio range of 25-75% of the net profit
4. **Capital optimization**
   Efficient and robust capital structure

Capital structure

Financial flexibility to support growth

Ordinary shares

Listed on Euronext
Market capitalization:
EUR ~5.2 billion
(at end Q2 2019)

Private placement program

EUR 1.5 billion equivalent
Mainly USD and also JPY, GBP, CAD & EUR

Syndicated Revolving Credit Facility

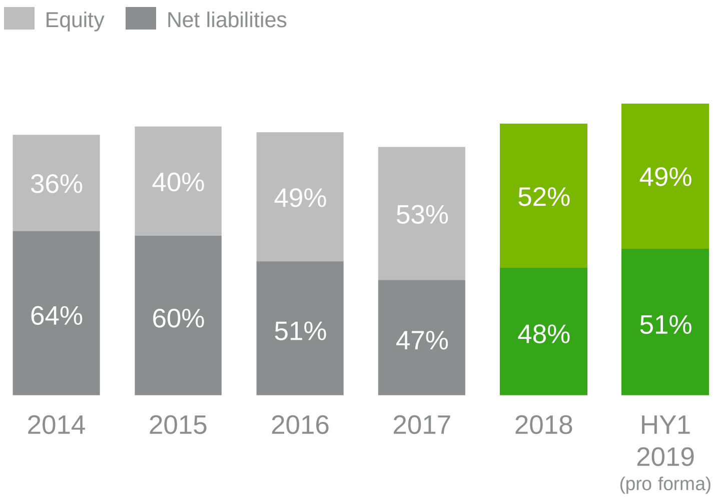
EUR 1.0 billion
15 participating banks
duration until June 2023

Financial flexibility

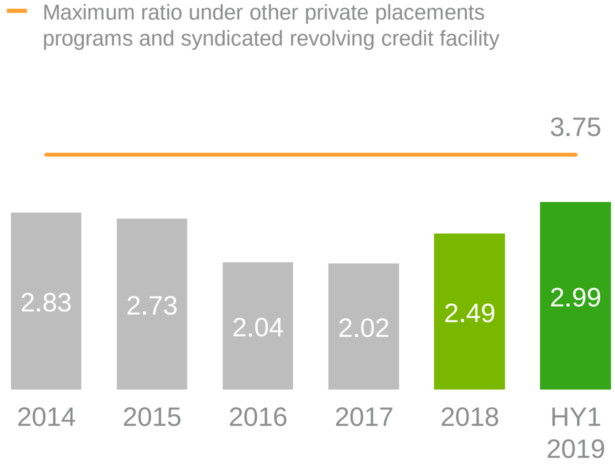
The solid operational cash flow generation, strong balance sheet and sufficient financial flexibility, provides an excellent platform to continue our capital disciplined growth journey

Equity and net liabilities

In percent



Senior net debt* : EBITDA ratio

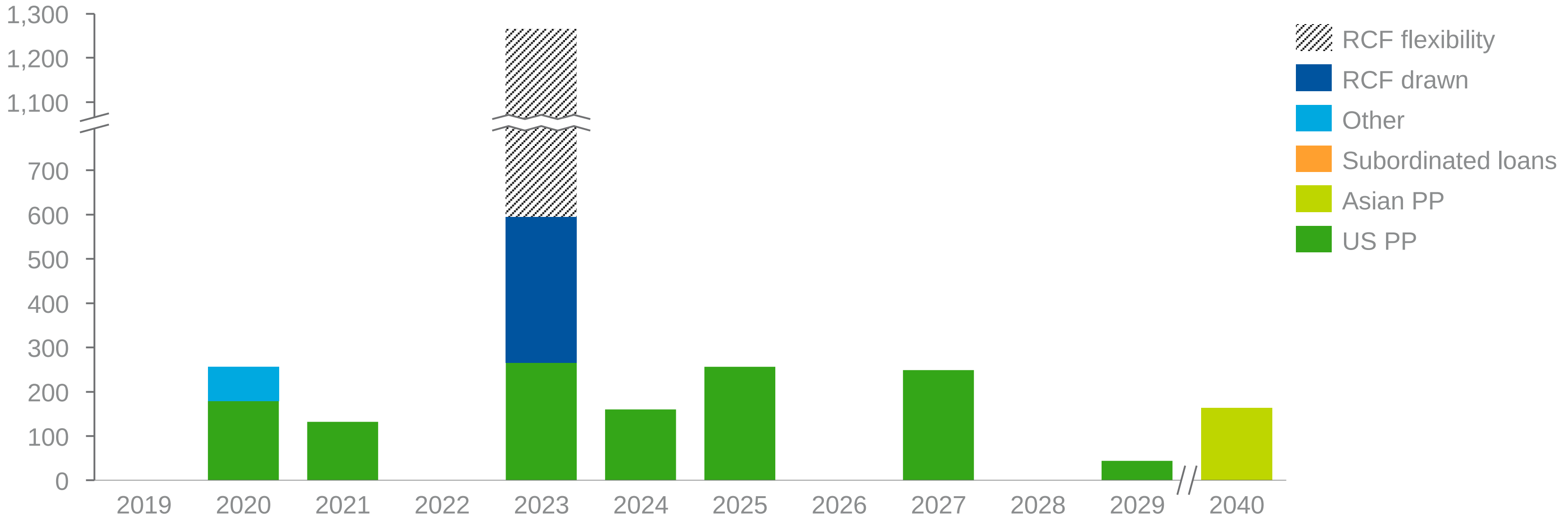


*For certain joint ventures, limited guarantees are provided, affecting the Senior net debt

Debt repayment schedule

Debt repayment schedule

In EUR million



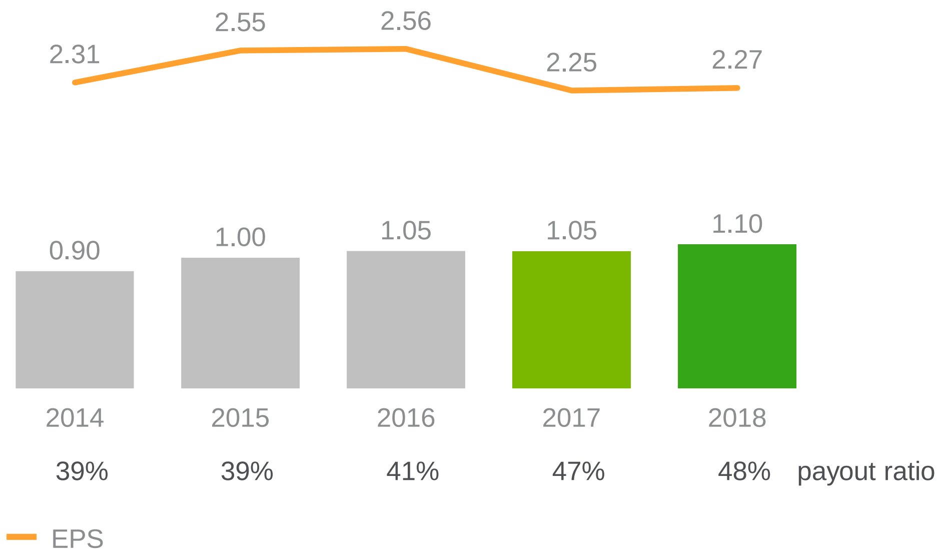
As per 30 June 2019

Increase in dividend to EUR 1.10 per share

Continued rising cash dividends

Dividend and EPS*

In EUR



Dividend policy:

Annual stable to rising cash dividend in balance with a management view on a payout ratio of 25-75% of net profit and subject to market circumstances

*Excluding exceptional items; attributable to holders of ordinary shares

IFRS 16 Leases

IFRS 16 Leases

- No commercial impact
- Accounting change only, no net cash impact
- No economic impact on the business and how we manage it
- Modified retrospective method
- Pro forma -excluding IFRS 16- figures presented for comparison purposes

Impact Vopak 2019

Key figures	In EUR million
EBITDA	**40 – 50**
Net profit	**0 – (10)**
IFRS 16 Lease liabilities (jan 1st)	**~675**
Return on Capital Employed (ROCE)	reported on consistent basis
Net debt to EBITDA ratio	**‘Frozen GAAP’**
Cash Flows	
Cash flows from operating activities	**45 – 55**
Cash flows from financing activities	**(45) – (55)**
Total cash flows	**No impact**

Q2 2019 Roadshow Presentation

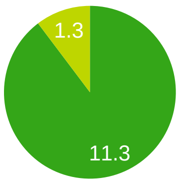
Appendix

Vopak

Europe & Africa developments

Vopak

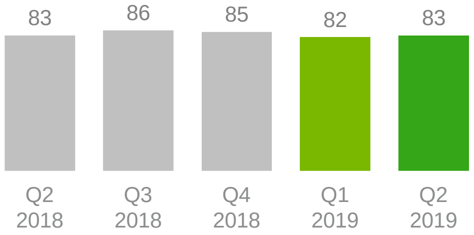
Storage capacity
In million cbm



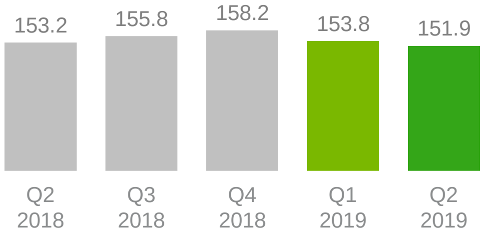
Total Q2 2019
12.6 million cbm

- Subsidiaries
- Joint ventures & associates

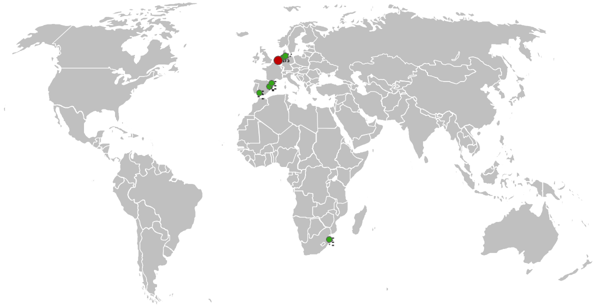
Occupancy rate*
In percent



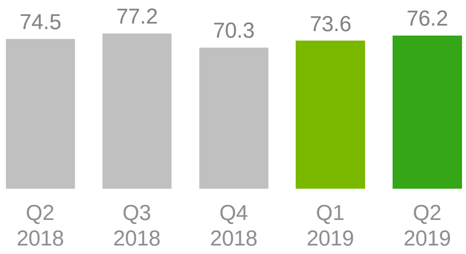
Revenues*
In EUR million



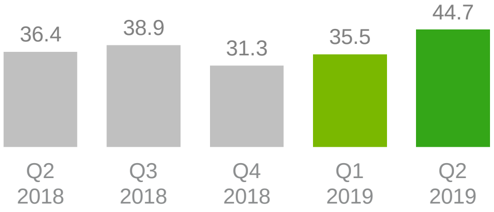
18 Terminals (5 countries)



EBITDA**
In EUR million



EBIT**
In EUR million

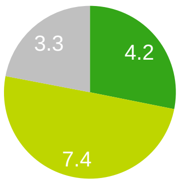


* Subsidiaries only

** Pro forma EBIT(DA) for 2019 only - including net result from joint ventures and associates and excluding exceptional items

Asia & Middle East developments

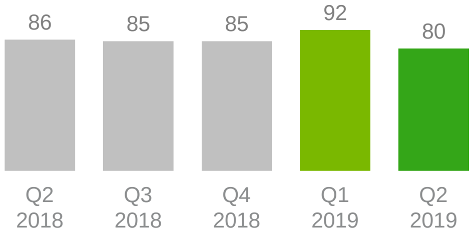
Storage capacity
In million cbm



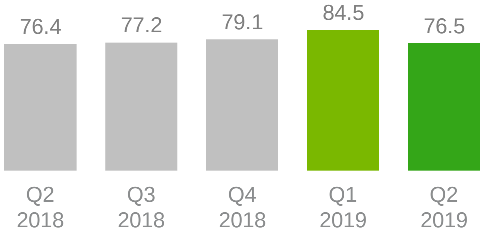
Total Q2 2019
14.9 million cbm

Subsidiaries
Joint ventures & associates
Operatorship

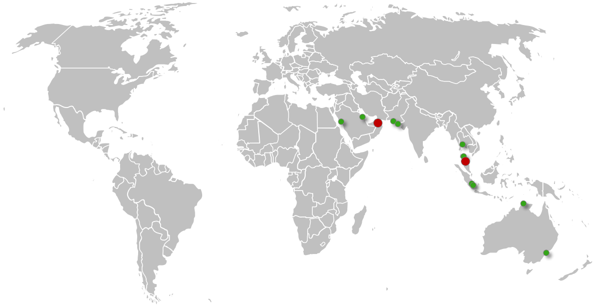
Occupancy rate*
In percent



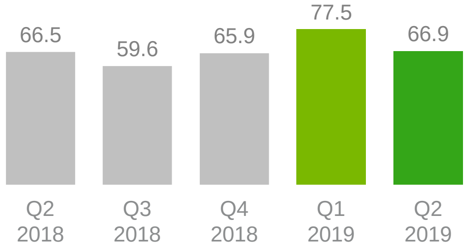
Revenues*
In EUR million



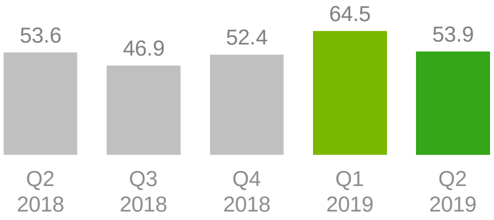
19 Terminals (9 countries)



EBITDA**
In EUR million



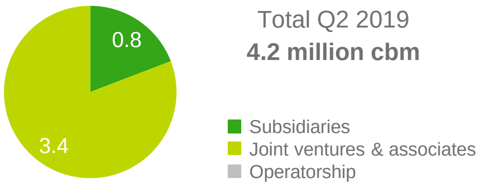
EBIT**
In EUR million



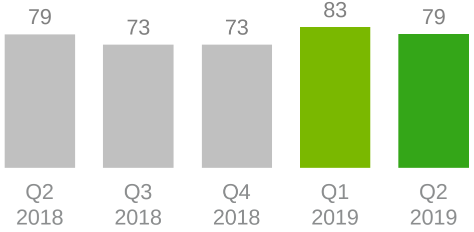
* Subsidiaries only
** Pro forma EBIT(DA) for 2019 only - including net result from joint ventures and associates and excluding exceptional items

China & North Asia developments

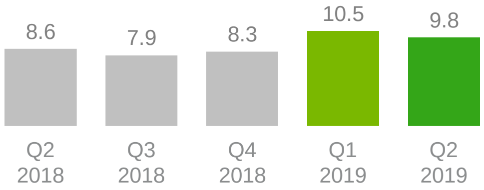
Storage capacity
In million cbm



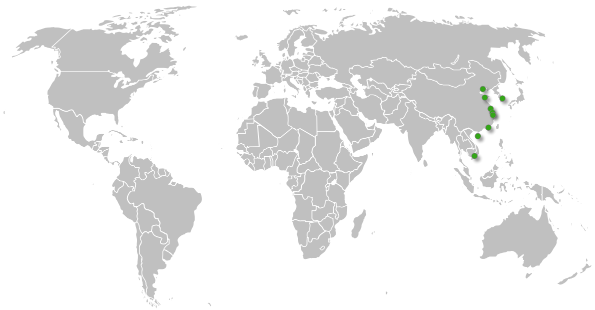
Occupancy rate*
In percent



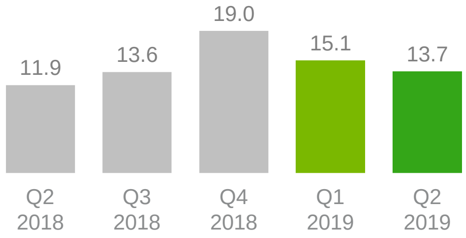
Revenues*
In EUR million



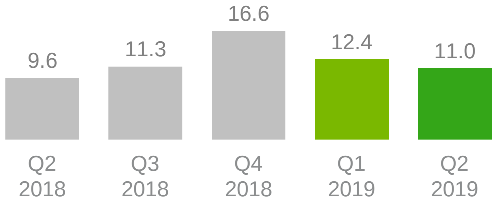
9 Terminals (3 countries)



EBITDA**
In EUR million



EBIT**
In EUR million

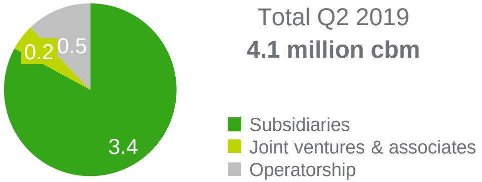


* Subsidiaries only

** Pro forma EBIT(DA) for 2019 only - including net result from joint ventures and associates and excluding exceptional items

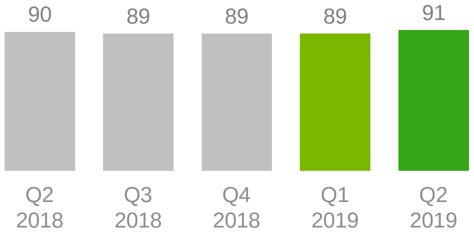
Americas developments

Storage capacity
In million cbm

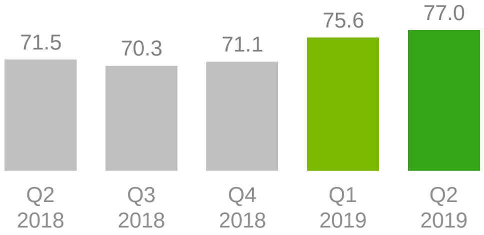


19 Terminals (6 countries)

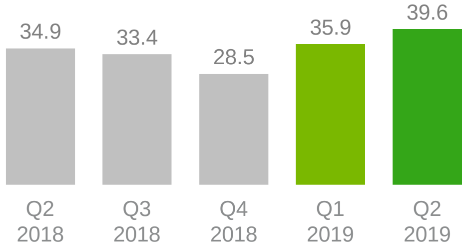
Occupancy rate*
In percent



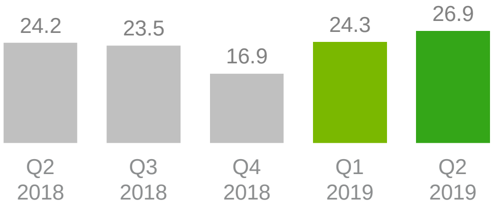
Revenues*
In EUR million



EBITDA**
In EUR million



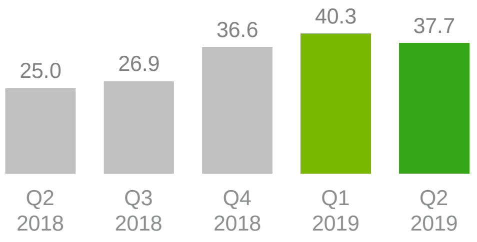
EBIT**
In EUR million



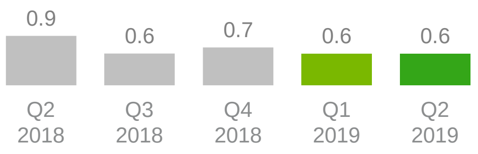
* Subsidiaries only
** Pro forma EBIT(DA) for 2019 only - including net result from joint ventures and associates and excluding exceptional items

JVs & associates developments

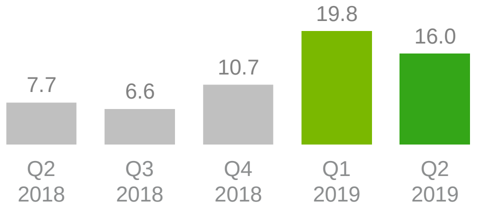
Net result JVs and associates*
In EUR million



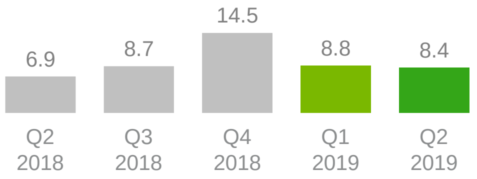
Europe & Africa*
In EUR million



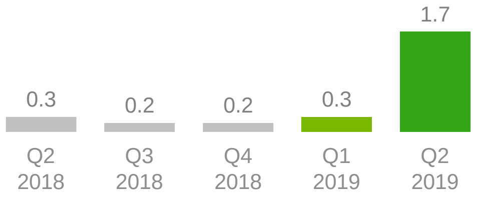
Asia & Middle East*
In EUR million



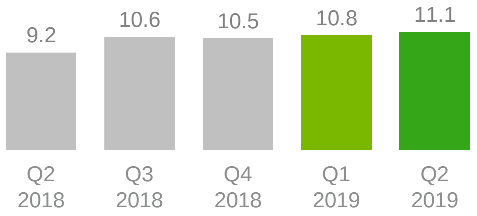
China & North Asia*
In EUR million



Americas*
In EUR million



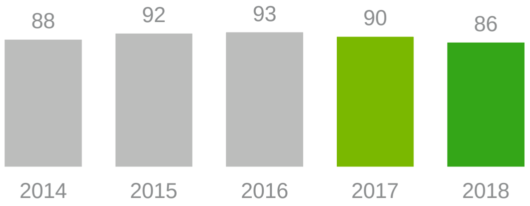
LNG*
In EUR million



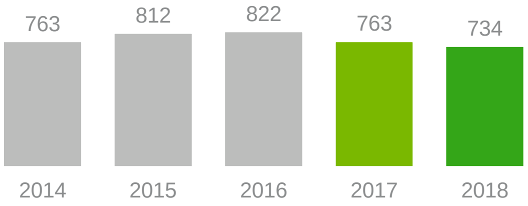
* Pro forma net result for 2019 only - excluding exceptional items

Key developments

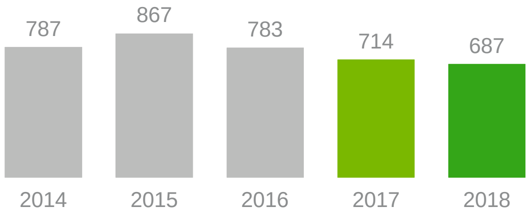
Occupancy rate*
In percent



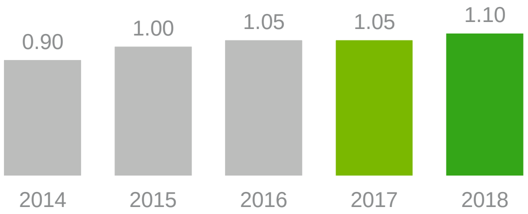
EBITDA development**
In EUR million



Cash flow from operating activities (gross)
In EUR million



Dividend
In EUR per ordinary share



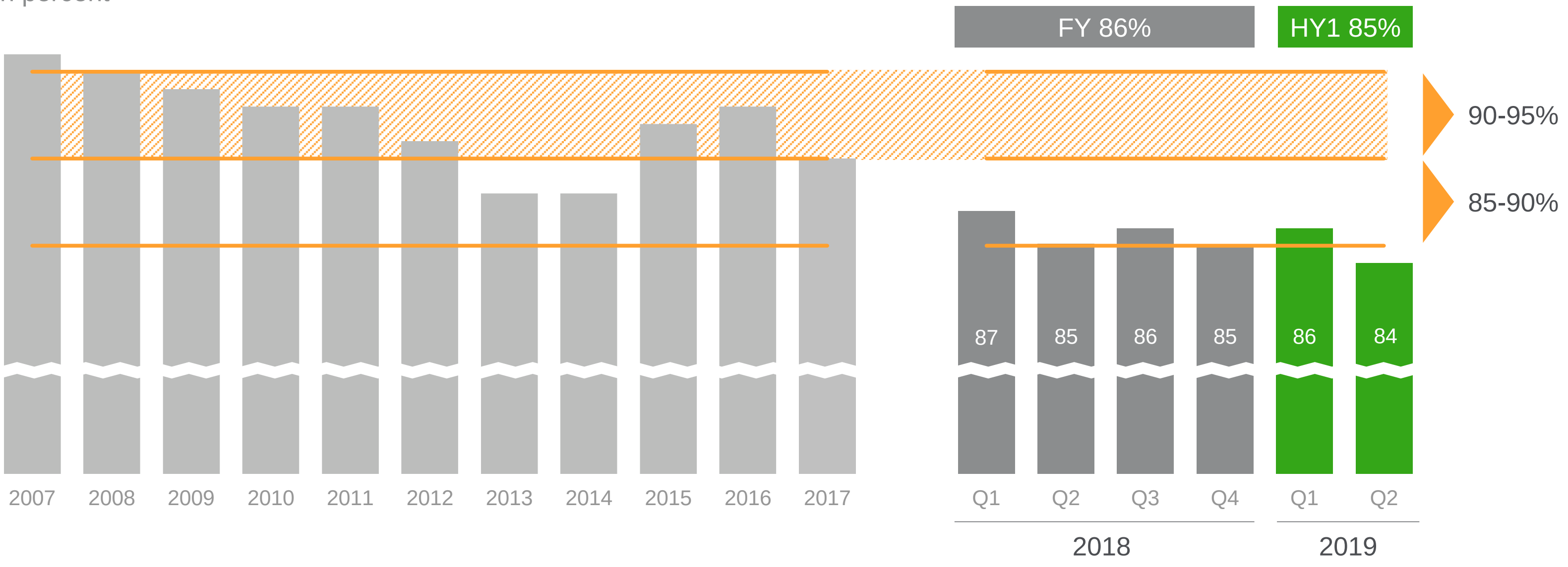
*Subsidiaries only / **Excluding exceptional items; including net result of joint ventures

Occupancy rate developments

Occupancy rate of 85% (HY1 2019) explained by high out-of-service capacity for temporary planned IMO 2020 conversion

Occupancy rate*

In percent



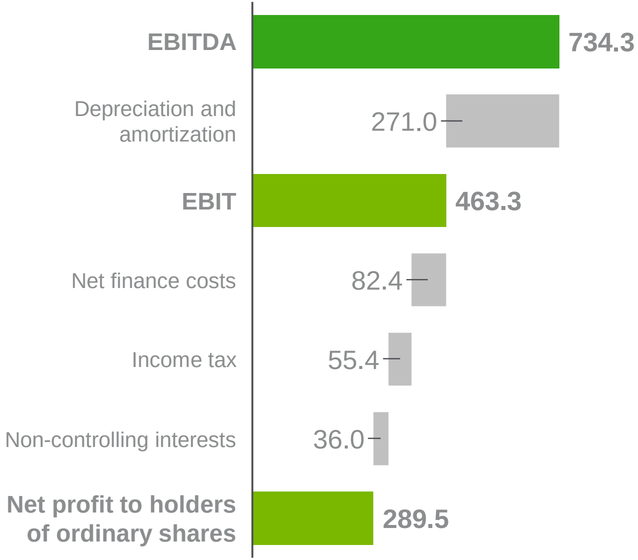
*Occupancy rate figures include subsidiaries only

EBITDA to **Net profit** overview

Increase in Earning per Share

2018

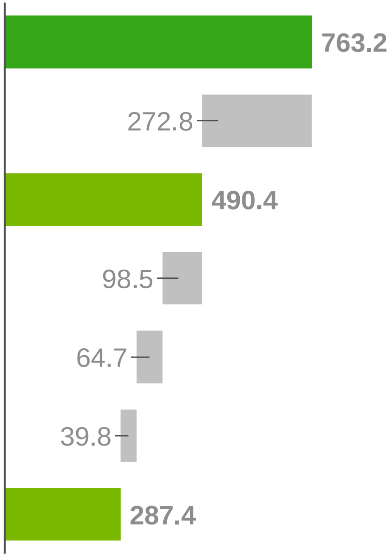
In EUR million*



EPS 2.27

2017

In EUR million*



EPS 2.25

*Excluding exceptional items including net result from joint ventures and associates