PT2SB - Pengerang, Malaysia

Clear and robust financial framework

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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.

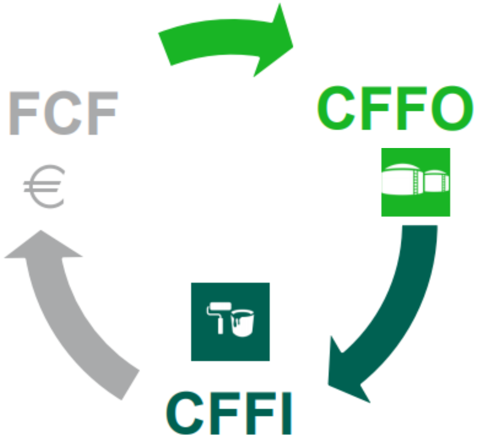
Key messages

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

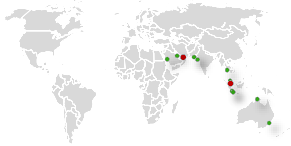
Free Cash Flow (FCF) = CFFO-CFFI
Cash flow from operations minus the cash flow from investments

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

Well-balanced global portfolio

Strong resilient cash flow generation

Oil products	Chemical products	Industrial terminals	LNG, LPG & Chemical Gases	
0-5 years	0-5 years	5-20 years	10-20 years	Typical contract duration per product / terminal category
40-45%	25-30%	20-25%	~10%	*Share of proportionate revenues 2017**

Europe & Africa	Asia & Middle East	China & North Asia	Americas	LNG	
					
EUR 327 million	EUR 280 million	EUR 23 million	EUR 130 million	EUR 33 million	2017 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

Significant capacity to be delivered in 2019

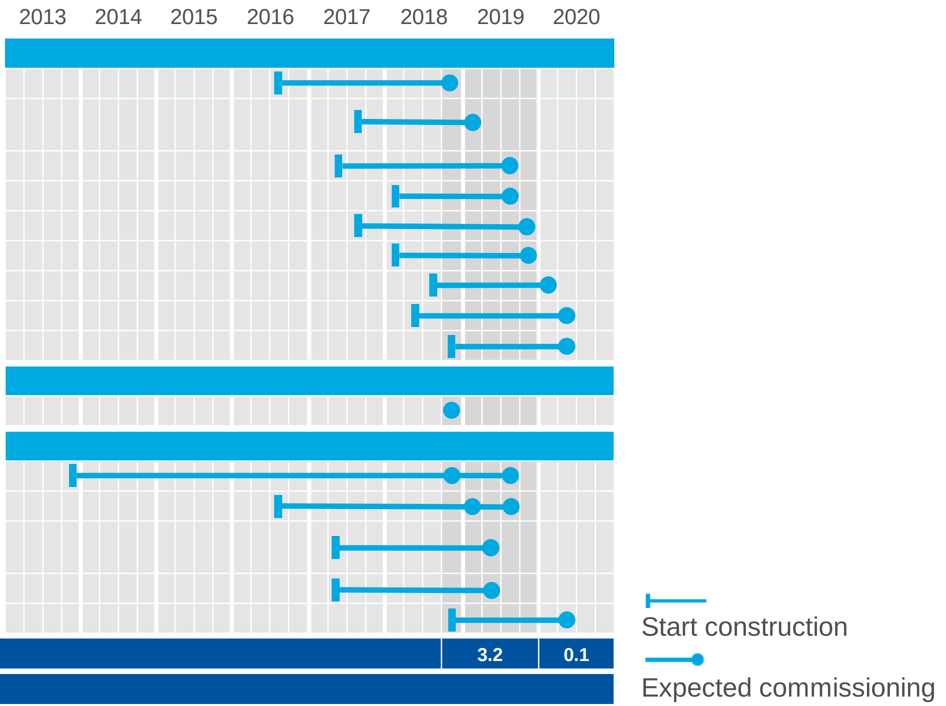
EUR 950 million investments in 2017-2019 to further grow operational cash flow generation

* Projects already under construction end of 2016

Capacity commissioning developments

Expansion program with high commercial coverage to be delivered in 2019

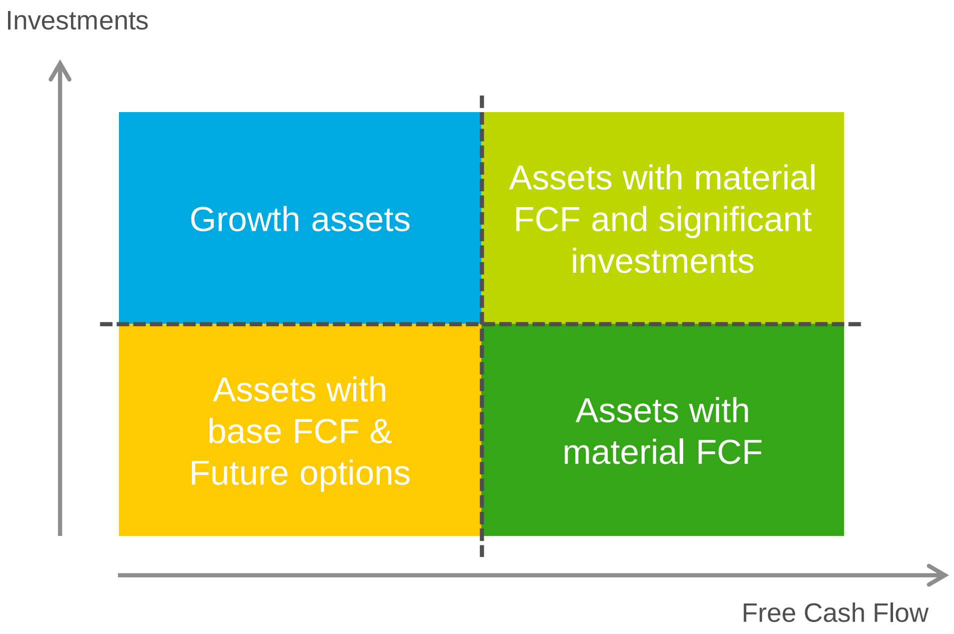
Country	Terminal	Vopak's ownership	Products	Capacity (cbm)
Existing terminals				
United States	Deer Park	100%	Chemicals	138,000
Malaysia	Pengerang Independent Terminals (PITSB)	44.1%	Oil products	430,000
Brazil	Alemoa	100%	Chemicals	106,000
Singapore	Sebarok	69.5%	Oil products	67,000
South Africa	Durban	70%	Oil products	130,000
Indonesia	Jakarta	49%	Oil products	100,000
Indonesia	Merak	95%	Chemicals	50,000
Netherlands	Botlek	100%	Chemicals	63,000
Netherlands	Vlissingen	100%	LPG	9,200
Acquisitions				
Pakistan	Elengy terminal Pakistan	29%	LNG	151,000
New terminals				
Malaysia	PT2SB (Pengerang)	29.7%	Industrial terminal	1,496,000
Panama	Panama Atlantic	100%	Oil products	360,000
Canada	Ridley Island Propane Export terminal	30%	LPG	96,000
South Africa	Lesedi	70%	Oil products	100,000
South Africa	Richards Bay	70%	LPG	15,000
Net change for the period up to and including 2020				**3.3 million cbm**
Total storage capacity up to and including 2020				**39.3 million cbm**



Note: 'storage capacity' is defined as the total available storage capacity (jointly) operated by Vopak at the end of the reporting period, being storage capacity for subsidiaries, joint ventures, associates (with the exception of Maasvlakte Olie Terminal in the Netherlands, which is based on the attributable capacity), and other (equity) interests and operatorships, and including currently out of service capacity due to maintenance and inspection programs

Balanced portfolio approach

Growth opportunities, New Business Development and value creating M&A

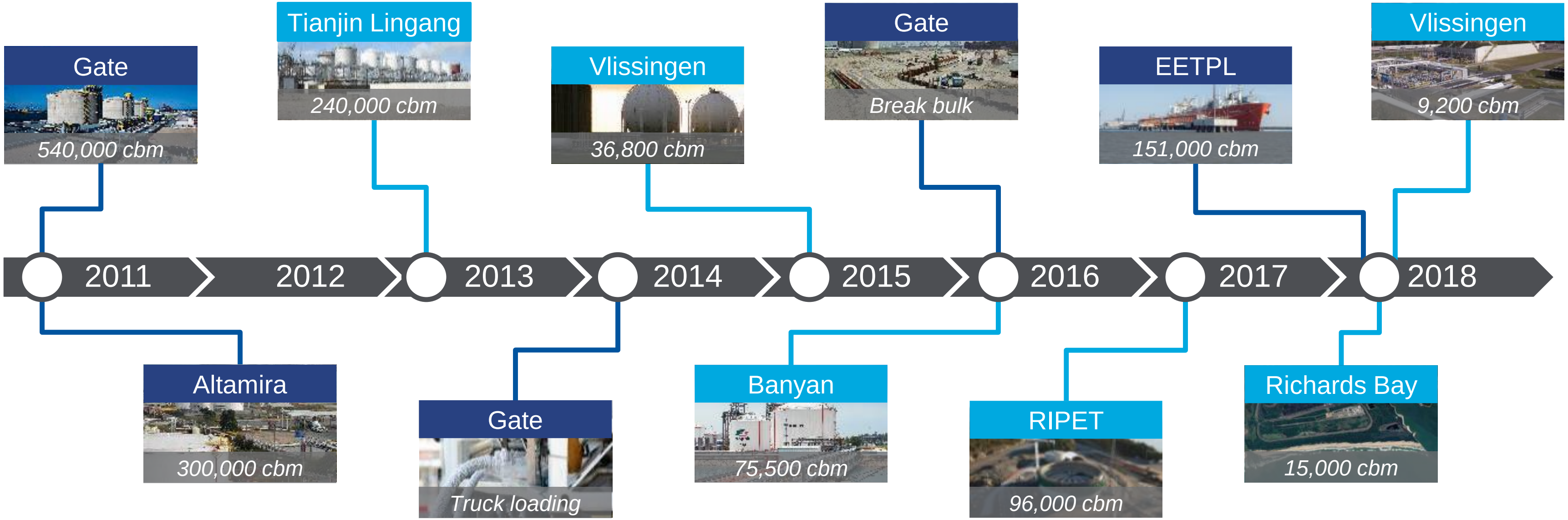


Portfolio management

1. Strategic fit
2. Do-ability
3. Valuation
4. Financial metrics

Significant projects in LNG and LPG

Delivery of LNG and LPG growth projects in line with strategy

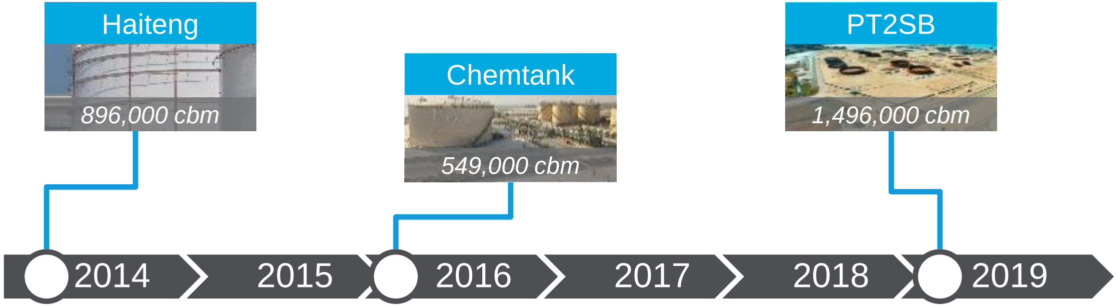


- Target 1-3 new LNG, LPG & Chemical Gases terminal opportunities in 2019-2020

LNG project
LPG project

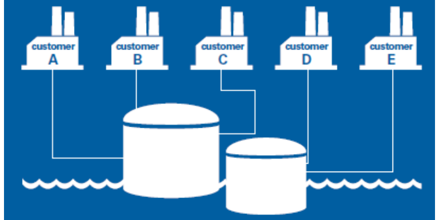
Leading operator of industrial terminals

Capture industrial opportunities



- Target 1-3 new industrial terminal opportunities in 2019-2020
- Focus on Americas and Asia

Industrial terminals

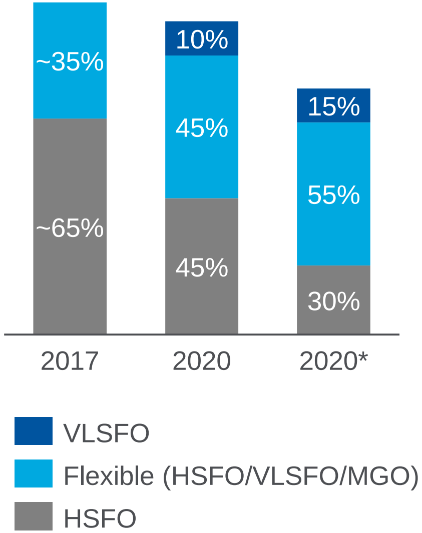


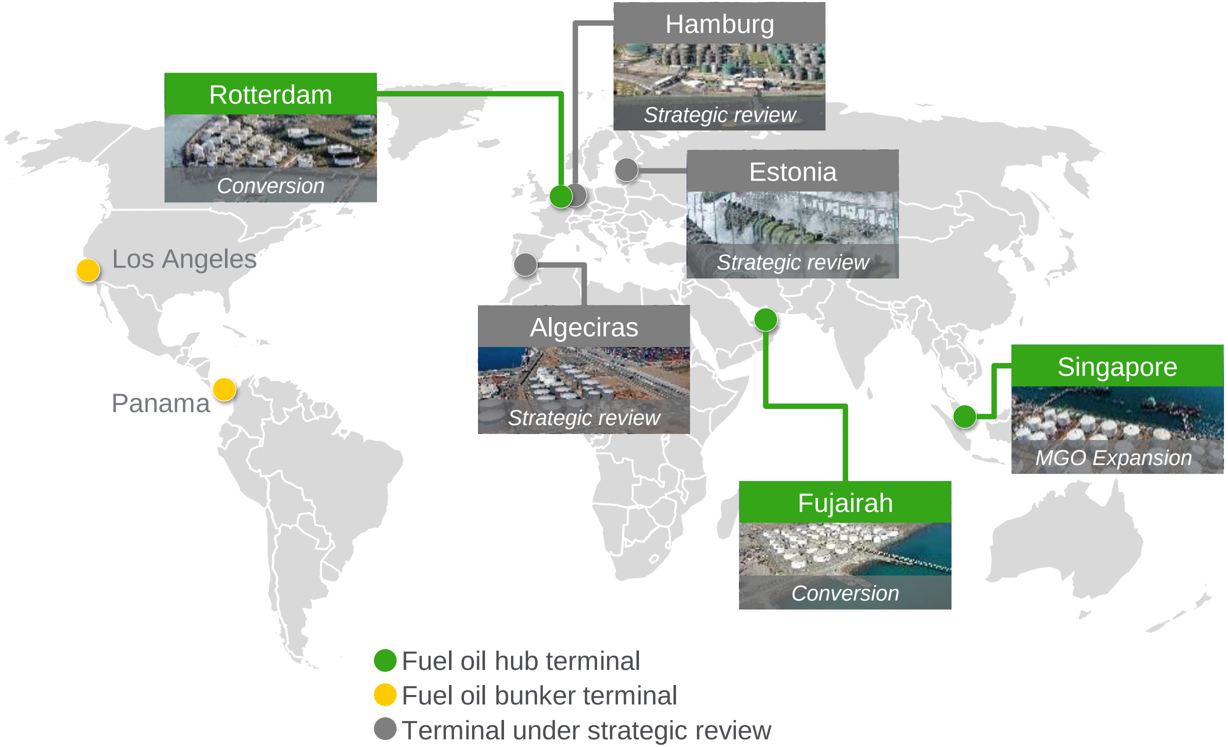
Vopak has more than 40 years of experience in industrial terminalling and is the leading independent operator of industrial terminals. These often large terminals exclusively support chemical clusters in the Americas, Europe, Middle East and Asia. Vopak also operates terminals that have significant pipeline connections with long-term contracts that 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.

Global fuel oil network

EUR 40 million investments to be fully ready to support new market requirements in 2020

Fuel Oil capacity





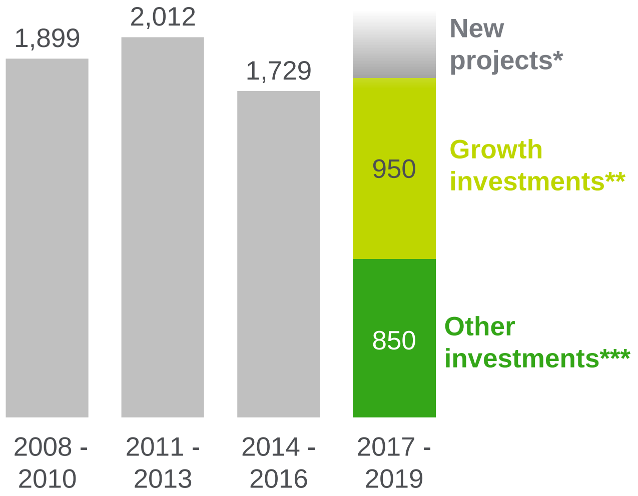
* Fuel oil capacity excluding terminals under strategic review

Cash flow from investments

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

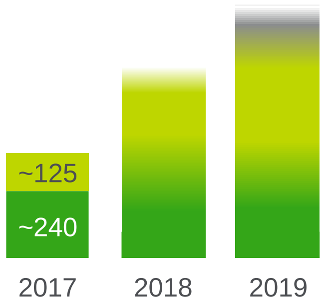
Investments 2008-2019

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

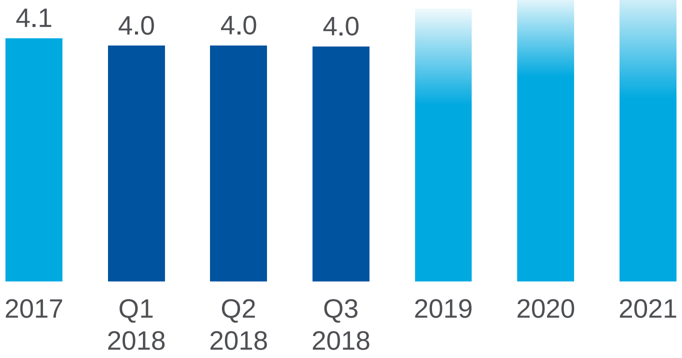
** Growth capex at subsidiaries and equity injections for JV's and associates for among others all project announced until 27 November 2018, subject to currency changes

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

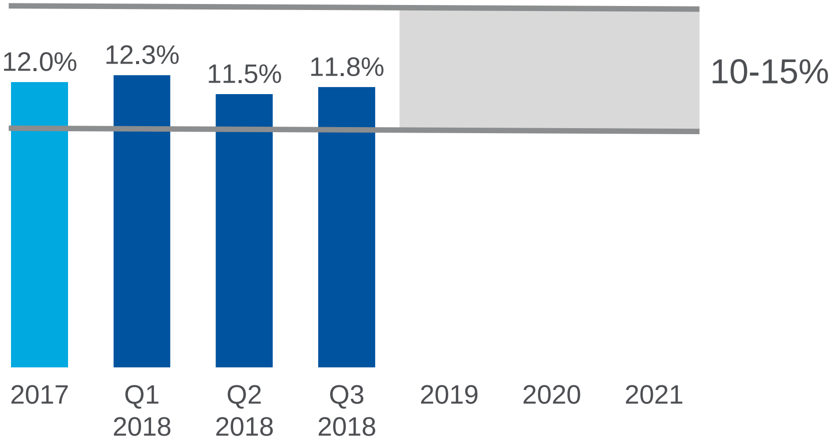
Maintain a return on capital

Expected ROCE between 10% and 15%

Capital employed
In EUR billion



Return on capital employed
In percent



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

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 1.6 billion, remaining maturity ~7 years, average interest 3.8%

2 **Growth opportunities**
Value accretive growth

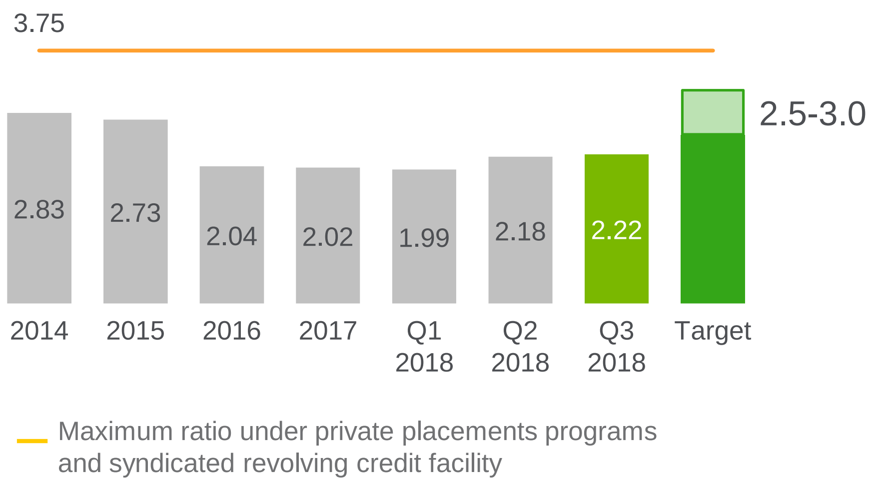
3 **Shareholder dividend**
Annual stable to rising cash dividend in balance with a management view on a payout ratio range of 25-75% of the net profit

4 **Capital optimization**
Efficient and robust capital structure

Robust balance sheet

Target leverage of 2.5 to 3.0 times net debt to EBITDA

Net debt to EBITDA ratio



Net debt to EBITDA ratio scenarios

2.0-2.5	2.5-3.0	3.0-3.5

Strategic considerations

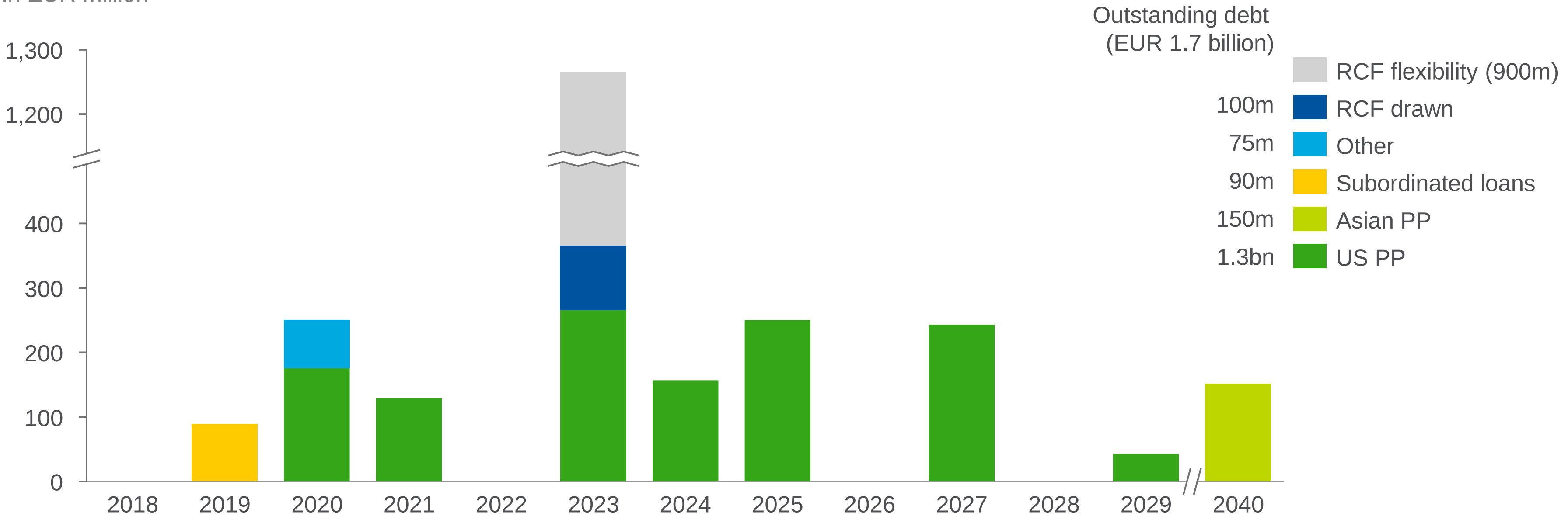
- Timing of growth opportunities
- Shareholder distributions

Funding secured

Balanced maturity profile to realize strategic objectives

Debt repayment schedule

In EUR million

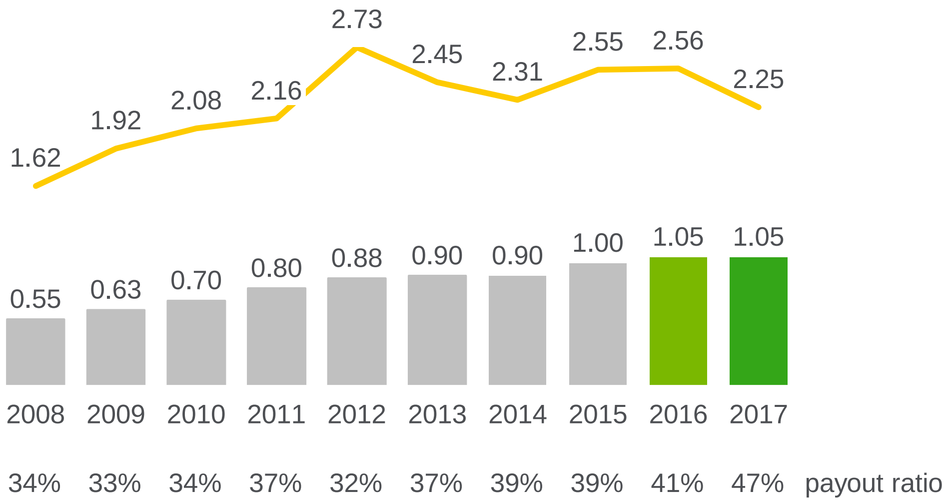


Shareholder distribution

Updated dividend policy

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

Key messages

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IFRS 16 Leases

No changes in economics, only changes in accounting (reporting)

IFRS 16 Leases

- **No changes in economics and cash flows** only in accounting (reporting)
- IFRS implementation is substantially completed and Vopak is ready to apply IFRS 16 starting per **1 January 2019**
- Vopak does normally not act as a **lessor**
- Vopak, as **lessee**, has a sizeable portfolio of long-term land leases and leases of other non-current assets
- Material land leases are in the process of being renewed and will later be included in the lease liability
- Net debt to EBITDA ratio calculation is based on ‘Frozen GAAP’ and are not impacted by IFRS 16

Indicative impact Vopak[1]

Key figures

EBITDA	**40 – 50** ⬆
Net profit	**0 – (10)** ⬇
IFRS 16 Lease liabilities	**+ 750 – 800**
Return on Capital Employed (ROCE)	reported on adjusted 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**

1. Actual financial impact will change due to sensitivities and assumptions applied; Impact presented is based on modified retrospective approach where lease assets equal lease liabilities. Vopak is finalizing its assessment whether it can measure the assets of its largest contracts as if the standard had been applied since historical commencement date. This may lower the amount of the lease assets and subsequently the depreciation expenses. Comparative figures are not required to be restated. Vopak intends to voluntarily disclose like-for-like comparative figures

IFRS 16 Leases

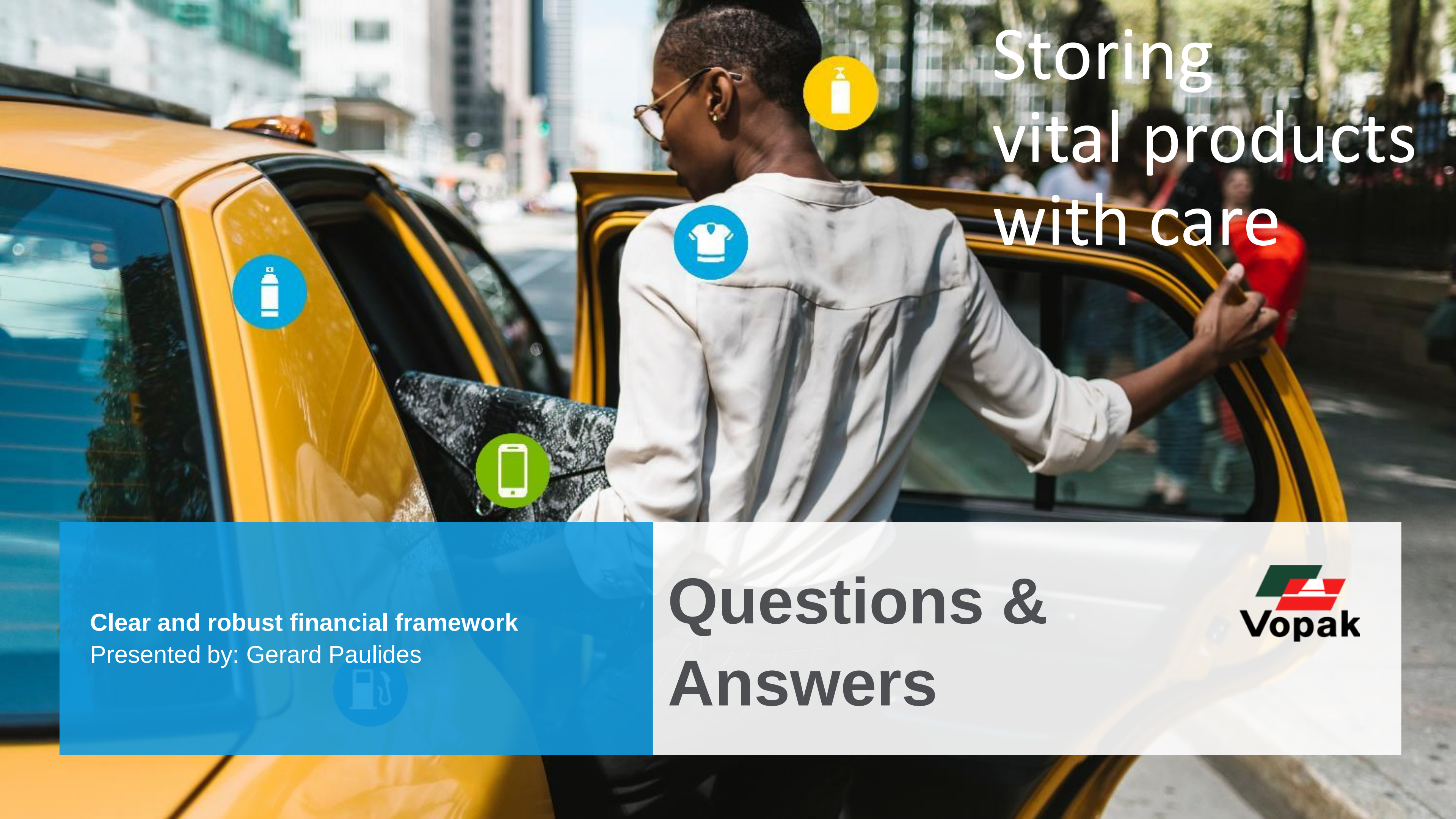
No changes in economics, only changes in accounting (reporting)

	Current situation		2019 (IFRS 16)[1]	
Balance sheet	Finance Leases	Operating Leases	All Leases	Indicative impact[2]
Total assets				750 – 800
Total liabilities	€€€		€€€	750 – 800
Off balance sheet lease commitments		€€€		
Income Statement				
Revenues				-
Operating costs[3]		Lease expenses		
Result Joint Ventures			Minor frontloading	
EBITDA				40 – 50
Depreciation/amortization	Amortization		Amortization	(35) – (45)
Operating profit				
Finance costs	Interest		interest	(10) – (20)
Net profit[4]				0 – (10)

Important sensitivities and assumptions

- Impact is based on the lease contract portfolio per August 2018 and will be updated before year end 2018
- Based on the foreign currency rates and discount rates per the end of August 2018. These rates will be updated at the end of 2018
- The Group is in the process of renegotiating a number of material land lease contracts. These leases are currently classified as short-term leases (in operating expenses) but will be on-balance when renewed
- New projects, acquisitions and divestments before year-end 2018 may have an effect on the numbers presented

1. Comparative figures are not required to be restated. Vopak intends to voluntarily disclose like-for-like comparative figures
2. Actual financial impact will change due to sensitivities and assumptions applied
3. Lease expenses relating to short-term contracts and low value assets and variable lease expenses will remain in the operating expenses
4. Impact depending on the transition approach to be applied. Vopak will apply the modified retrospective method, which allows the option for a different measurement for lease assets on a contract by contract basis.



Storing
vital products
with care

Questions & Answers

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