

Storing vital products with care



1/2 YEAR REPORT 2019



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About Royal Vopak

Royal Vopak is the world's leading independent tank storage company. We store vital products with care. With over 400 years of history and a focus on sustainability, we ensure safe, clean and efficient storage and handling of bulk liquid products and gases for our customers. By doing so, we enable the delivery of products that are vital to our economy and daily lives, ranging from chemicals, oils, gases and LNG to biofuels and vegoils. We are determined to develop key infrastructure solutions for the world's changing energy systems, while simultaneously investing in digitalization and innovation. Vopak is listed on the Euronext Amsterdam and is headquartered in Rotterdam, the Netherlands. Including our joint ventures and associates, we employ an international workforce of over 5,500 people. As of 31 July 2019, Vopak operates a global network of 69 terminals in 24 countries located at strategic locations along major trade routes, with a combined storage capacity of 36.9 million cbm.

Forward-looking statements

This document 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.

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.

Financial calendar

04 November 2019	Publication of 2019 third-quarter interim update
12 February 2020	Publication of 2019 annual results
21 April 2020	Publication of 2020 first-quarter interim update
21 April 2020	Annual General Meeting
23 April 2020	Ex-dividend quotation
24 April 2020	Dividend record date
29 April 2020	Dividend payment date

This press release contains inside information as meant in clause 7 of the Market Abuse Regulation.

Key events HY1 2019

Q2 2019	pro forma Q2 2019 ¹	Q1 2019	Q2 2018	In EUR millions	HY1 2019	pro forma HY1 2019 ¹	HY1 2018	HY1 '19-'18
316.8	316.8	324.6	309.9	Revenues	641.4	641.4	626.1	2%
Results -excluding exceptional items-								
208.0	195.9	214.6	180.7	Group operating profit before depreciation and amortization (EBITDA)	422.6	398.3	370.9	14%
137.4	132.7	137.0	113.8	Group operating profit (EBIT)	274.4	266.5	236.7	16%
89.6	89.5	83.3	67.2	Net profit attributable to holders of ordinary shares	172.9	174.7	140.2	23%
0.70	0.70	0.65	0.53	Earnings per ordinary share (in EUR)	1.35	1.37	1.10	23%
Results -including exceptional items-								
224.4	212.3	215.7	176.9	Group operating profit before depreciation and amortization (EBITDA)	440.1	415.8	367.1	20%
153.8	149.1	138.1	110.0	Group operating profit (EBIT)	291.9	284.0	232.9	25%
106.0	105.9	84.4	64.4	Net profit attributable to holders of ordinary shares	190.4	192.2	137.4	39%
0.83	0.83	0.66	0.51	Earnings per ordinary share (in EUR)	1.49	1.51	1.08	38%
192.9	183.5	158.8	196.6	Cash flow from operating activities (gross)	351.7	325.1	341.0	
-151.8	-151.8	-180.0	-126.9	Cash flow from investing activities (including derivatives)	-331.8	-331.8	-198.3	
Additional performance measures								
84%		86%	85%	Occupancy rate subsidiaries	85%		86%	
36.9		37.9	36.0	Storage capacity end of period (in million cbm)	36.9		36.0	
12.5%	12.5%	12.6%	11.5%	Return on Capital Employed (ROCE) ²	12.6%	12.6%	11.9%	
4,246.5	4,246.5	4,250.7	3,977.2	Average capital employed ²	4,246.5	4,246.5	3,977.2	
2,618.4	2,053.4	2,454.1	1,661.8	Net interest-bearing debt	2,618.4	2,053.4	1,661.8	
2.99	2.99	2.58	2.18	Senior net debt : EBITDA (frozen GAAP)	2.99	2.99	2.18	

1 Pro forma excludes the IFRS 16 effects to allow comparison with the results of prior year.

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

Highlights for HY1 2019 -excluding exceptional items:-

- EBITDA of EUR 423 million (HY1 2018: EUR 371 million) increased by EUR 52 million, including positive IFRS 16 effects of EUR 24 million, positive currency translation effects of EUR 8 million and good performance from joint ventures and associates.
- Occupancy rate of 85% (HY1 2018: 86%) reflects planned temporary conversion activities related to IMO 2020 readiness and ongoing market conditions at oil hub terminals, whereas other market segments remained solid.
- EBIT of EUR 274 million (HY1 2018: EUR 237 million) increased by EUR 37 million, including positive IFRS 16 effects of EUR 8 million, positive currency translation effects of EUR 6 million, EUR 9 million lower depreciation from terminals currently classified as held for sale and good performance from joint ventures and associates.
- Vopak's cost efficiency program to support margin development and reduce the future cost base is well on track.
- Return On Capital Employed (ROCE) of 12.6% (HY1 2018: 11.9%).
- Net profit attributable to holders of ordinary shares of EUR 173 million (HY1 2018: EUR 140 million) resulting in earnings per ordinary share (EPS) of EUR 1.35 (HY1 2018: EUR 1.10).

- Early 2019, the associate industrial terminal PT2SB in Malaysia commissioned its capacity, bringing its total capacity to 1,496,000 cbm.
- The Ridley Island Propane Export Terminal (RIPET), located in Prince Rupert, British Columbia in Canada, was commissioned in Q2 2019.

- Early April, Vopak divested its ownership in the terminal in Tallinn in Estonia and reached an agreement on the sale of the terminals in Algeciras, Amsterdam and Hamburg in line with the strategy to reshape the portfolio.

Exceptional items HY1 2019:

- The completion of the divestment of Vopak's 50% share in the Estonian terminal Vopak E.O.S. resulted in an exceptional gain of EUR 16.4 million in the second quarter of 2019.
- There were no other material exceptional items.

Subsequent events:

- On 31 July 2019, Vopak announced that it will expand its Deer Park chemical terminal in the port of Houston in the US. This expansion of 33,000 cbm is expected to be commissioned in Q2 2021.
- On 31 July 2019, Vopak announced that it will expand its terminal in Sydney in Australia with 105,000 cbm to cater to the storage demand for clean petroleum products and aviation fuels. The capacity is expected to be commissioned in Q2 2021.
- On 31 July 2019, Vopak announced that it acquired a 10.7% equity share in Hydrogenious LOHC Technologies GmbH, of which the principal activity is to develop an innovative technology to allow for safe and cost-effective logistics of hydrogen. The combination of Vopak's terminal network with the Liquid Organic Hydrogen Carrier (LOHC) technology has the potential to create a breakthrough in the storage and transportation of renewable energies.

Looking ahead:

- Vopak's expansion program will add in total 3.2 million cbm in 2018 and 2019, of which 2.1 million cbm was commissioned up to the end of June 2019.
- Growth investments amount to approximately EUR 1 billion for the period 2017-2019.
- Fuel oil capacity conversions for the IMO 2020 bunker fuel regulations are progressing well and will support new market requirements as from Q4 2019.
- Vopak will continue to invest in growth of its global terminal portfolio in 2020 and beyond.

Royal Vopak Chief Executive Officer Eelco Hoekstra comments:

- Solid financial performance and significant increase in earnings per share.
- Vopak's strategy delivery is well on track.

"The first half of 2019 was important as we have taken further steps in the delivery of our strategy and the alignment of our portfolio based on long-term market developments.

We have taken significant new capacity into operations to meet new customers demand. Together with our partners we fully commissioned the industrial terminal PT2SB in Malaysia and celebrated the opening of the LPG export terminal RIPET in Canada. In addition, we expanded our share in the LNG import terminal in Pakistan. At present, we have delivered 2.1 million cbm of our 3.2 million cbm expansion program towards the end of 2019. Fuel oil capacity conversions for the IMO 2020 bunker fuel regulations are progressing well and will support new market requirements as from Q4 2019.

The divestment of some of our European assets will, after completion, shift our portfolio further towards industrial, chemical and gas terminals. We aim to grow our portfolio in line with market developments and expect our growth investment momentum in 2019 to continue in 2020. Looking further ahead, we continue to explore opportunities in new energies and have today announced our first investment to facilitate the development of hydrogen logistics.

Our digital transformation is progressing well with the global roll-out of our cloud-based digital terminal management system and we have made excellent progress with our new business development projects."

Key figures

	HY1 2019	pro forma ¹ HY1 2019	HY1 2018	HY1 '19-'18
Sustainability				
Total Injury Rate (TIR) per 200.000 hours worked own personnel and contractors	0.43		0.35	
Lost Time Injury Rate (LTIR) per 200.000 hours worked own personnel and contractors	0.26		0.15	
Process Safety Events Rate (PSER) per 200.000 hours worked own personnel and contractors	0.12		0.07	
Results (in EUR millions)				
Revenues	641.4	641.4	626.1	2%
Group operating profit before depreciation and amortization (EBITDA)	440.1	415.8	367.1	20%
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	422.6	398.3	370.9	14%
Group operating profit (EBIT)	291.9	284.0	232.9	25%
Group operating profit (EBIT) -excluding exceptional items-	274.4	266.5	236.7	16%
Net profit attributable to holders of ordinary shares	190.4	192.2	137.4	39%
Net profit attributable to holders of ordinary shares -excluding exceptional items-	172.9	174.7	140.2	23%
Cash flows from operating activities (gross)	351.7	325.1	341.0	3%
Capital employed (in EUR millions)				
Cash flows from investing activities (including derivatives)	-331.8		-198.3	
Average capital employed	4,246.5	4,246.5	3,977.2	
Capital and financing (in EUR millions)				
Equity attributable to owners of parent	2,632.9		2,502.4	
Net interest-bearing debt	2,618.4	2,053.4	1,661.8	
Ratios (excluding exceptional items)				
Return On Capital Employed (ROCE)	12.6%	12.6%	11.9%	
Return On Equity (ROE)	13.2%	13.2%	10.8%	
EBITDA margin excluding result of joint ventures and associates	52.9%	49.0%	49.7%	
Senior net debt : EBITDA	2.99	2.99	2.18	
Interest cover (EBITDA : net finance costs)	9.1	9.1	6.8	

	HY1 2019	pro forma ¹ HY1 2019	HY1 2018	HY1 '19-'18
Key figures per ordinary share (in EUR)				
Basic earnings	1.49	1.51	1.08	38%
Basic earnings -excluding exceptional items-	1.35	1.37	1.10	23%
Diluted earnings	1.49	1.51	1.08	38%
Diluted earnings -excluding exceptional items-	1.35	1.37	1.10	23%
Company data				
Number of employees end of period subsidiaries (in FTE)	3,798		3,721	
Number of employees end of period joint ventures and associates (in FTE)	1,767		2,061	
Storage capacity end of period subsidiaries (in million cbm)	19.7		19.6	
Storage capacity end of period joint ventures and associates (in million cbm)	13.3		12.6	
Storage capacity end of period operatorships (in million cbm)	3.9		3.8	
Occupancy rate subsidiaries (average rented storage capacity in %)	85%		86%	
Information on proportionate basis²				
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	479.4	452.9	410.7	
Occupancy rate subsidiaries. joint ventures and associates	84%		84%	
Net interest-bearing debt	3,443.0	2,776.7	2,592.4	
Number of shares outstanding				
Basic weighted average	127,650,561		127,653,140	
Weighted average including dilutive effect	127,774,168		127,817,940	
Total including treasury shares end of period	127,835,430		127,835,430	
Treasury shares end of period	209,984		170,597	
Exchange rates (per EUR 1.00)				
Average US dollar	1.13		1.21	
US dollar end of period	1.14		1.16	
Average Singapore dollar	1.54		1.61	
Singapore dollar end of period	1.54		1.58	

1 Pro forma excludes the IFRS 16 effects to allow comparison of the results to prior year.

2 Vopak provides Non-IFRS proportionate financial information, for further details reference is made to Enclosure 1.

Business and other highlights

HY1 2019 events:

- On 23 January 2019, Vopak acquired an additional share of 15% in the associate Engro Elengy Terminal, bringing the total share in this joint venture to 44%. This LNG import facility consists of an LNG jetty and high-pressure gas pipeline and holds a 15 year Floating Storage and Regasification Unit (FSRU) time charter.
- On 25 January 2019, Vopak acquired an additional 35% share in Vopak Terminal Ningbo, bringing the total share in this chemicals terminal to 85%.
- On 13 February 2019, Vopak announced that it will expand its terminal in Vietnam with 20,000 cbm for the storage and handling of chemicals.
- On 13 February 2019, Vopak announced the expansion of its terminal in Veracruz in Mexico with 110,000 cbm for the storage and handling of clean petroleum products.
- On 13 February 2019, Vopak together with its partners Whitehelm Capital and Groningen Seaports announced their intention to jointly invest in a 27 MW solar park.
- On 3 April 2019, Vopak completed the divestment of its 50% share in the Estonian terminal Vopak E.O.S.
- On 5 April 2019, Vopak reached an agreement with First State Investments on the sale of the terminals in Algeciras, Amsterdam and Hamburg, subject to certain customary closing conditions. The transaction value of the terminals is EUR 723 million and the total expected exceptional gain before taxation will be around EUR 200 million, to be recorded upon completion, expected in the second half of 2019. These terminals were classified as held for sale as from 31 March 2019.
- Mid-April 2019, the Ridley Island Propane Export Terminal (RIPET), located in Prince Rupert, British Columbia in Canada was commissioned. The facility, which is a joint venture with Altagas, is designed to ship 1.2 million tonnes of propane per annum, with approximately 96,000 cubic meters of storage capacity.

Corporate governance events:

At the Annual General Meeting held 17 April 2019, Mrs. Nicoletta Giadrossi was appointed as a member of the Supervisory Board for a term of 4 years.

Other accounting topics - application of new lease accounting standard:

On 1 January 2019, Vopak started to apply IFRS 16 'Leases'. In order to allow comparison of the 2019 results with previous years, Vopak provides on a voluntary basis 'pro forma excluding IFRS 16 effects results', where the cash expenditures for the period for the former operating leases are recognized as operating expenses while the depreciation on the leased assets and the interest expenses on the lease liabilities are eliminated, resulting in an accounting treatment similar (but not equal) to the lease accounting treatment in previous years.

For an overview of the (estimated) effects of the initial application of IFRS 16 'Leases' as per 2019, reference is made to note 9.10 of the [2018 Consolidated Financial Statements](#) in the annual report 2018.

More details on the effects of the initial application of this new standard as per 1 January 2019 can be found in the Interim Condensed Consolidated Financial Statements included in this report.

Financial review

Operating results

Revenues

In the first half year of 2019, Vopak's revenues amounted to EUR 641.4 million, which was EUR 15.3 million (2%) higher than the first six months of 2018 (EUR 626.1 million). Excluding the positive currency translation effect of EUR 10.8 million, the increase amounted to EUR 4.5 million, reflecting higher revenues from chemicals and gas primarily in the Americas and China & North Asia division and lower rented capacity and pricing effects at the oil hub terminals in the Netherlands and Singapore caused by a relatively high out of service capacity due to IMO2020 conversion projects.

The average occupancy rate for Vopak's subsidiaries (i.e. excluding joint ventures and associates) for the first six months of 2019 was 85% compared to 86% in the first half year of 2018. The Netherlands and Singapore had relatively high out of service capacity due to IMO2020 conversion projects. Excluding the impact of these planned temporary conversion activities, the occupancy rate was 87% reflecting current market conditions at oil hub terminals in the Netherlands and Singapore whereas other market segments remained solid.

In the first half of 2019, Vopak's worldwide storage capacity increased by 0.9 million cbm, mainly from commissioning of capacity at our industrial terminal in Pengerang in Malaysia and the commissioning of the Ridley Island Propane Export Terminal in Canada. Due to the divestment of the fuel oil terminal in Tallinn in Estonia, the net decrease of storage capacity was 0.1 million cbm resulting in an overall capacity of 36.9 million cbm at the end of June 2019 (end of June 2018: 36.0 million cbm).

Expenses

Operating expenses -excluding exceptional items- decreased by EUR 17.2 million (5%) to EUR 307.8 million (HY1 2018: EUR 325.0 million). Excluding the negative currency translation effect of EUR 4.7 million, the decrease amounted to EUR 21.9 million. This decrease in expenses is to a large extent due to the reclassification of lease expenses following the application of IFRS 16 of EUR 25.5 million.

Depreciation and amortization charges amounted to EUR 148.2 million, which was EUR 14.0 million (10%) higher than prior year (EUR 134.2 million). Excluding the negative currency translation effect of EUR 1.6 million, the increase amounted to EUR 12.4 million. This increase related primarily to the application of IFRS 16 for the amount of EUR 16.4 million, higher depreciation and amortization expenses due to commissioned capacity, largely offset by downward effects of the held for sale classification of the terminals in Amsterdam, Hamburg and Algeciras.

Result of joint ventures and associates

The net result of joint ventures and associates -excluding exceptional items-, included in the reported EBIT(DA) increased by EUR 26.5 million (53%) to EUR 76.9 million (HY1 2018: EUR 50.4 million). Excluding the positive currency translation effect of EUR 1.5 million, the increase amounted to EUR 25.0 million. This increase was mainly due to the full period contribution of our industrial terminal in Haiteng in China that restarted operations in June 2018 and the industrial terminal in Pengerang in Malaysia that was fully commissioned in the first half of 2019. Furthermore, the Engro Elengy LNG Terminal that was acquired in December 2018 contributed for the full period.

Group operating profit (before depreciation and amortization)

Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items- and including the net result of joint ventures and associates, increased by EUR 51.7 million (14%) to EUR 422.6 million (HY1 2018: EUR 370.9 million). Excluding the positive currency translation effect of EUR 7.5 million, the increase amounted to EUR 44.2 million. This increase was mainly caused by a higher result of joint ventures and associates of EUR 25.0 million and the effects of the application of IFRS 16 of EUR 24.3 million.

Group operating profit (EBIT) -excluding exceptional items- amounted to EUR 274.4 million; an increase of EUR 37.7 million (16%) compared to EUR 236.7 million in the same period of 2018. Excluding the positive currency translation effect of EUR 5.8 million, the increase amounted to EUR 31.9 million.

ROCE -excluding exceptional items- of 12.6% compared to 11.9% in the first half year of 2018, reflected higher EBIT.

Exceptional items

On 3 April 2019, Vopak completed the divestment of its 50% share in the Estonian terminal Vopak E.O.S. resulting in an exceptional gain of EUR 16.4 million. This divestment was the outcome of the earlier announced strategic review.

The other exceptional item of EUR 1.1 million related to a gain realized as part of the acquisition of additional shares in Vopak Terminal Ningbo (step-acquisition).

Including exceptional items, group operating profit amounted to EUR 440.1 million in HY1 2019, which is an increase of EUR 73.0 million (20%), compared to EUR 367.1 million in the same period of 2018.

Net profit attributable to holders of ordinary shares

In the first six-month period of 2019 the net profit attributable to holders of ordinary shares -excluding exceptional items- increased by EUR 32.7 million (23%) to EUR 172.9 million from EUR 140.2 million in the same period of 2018, including a negative effect of EUR 1.8 million resulting from the initial application of IFRS 16.

Net profit attributable to holders of ordinary shares -including exceptional items- amounted to EUR 190.4 million, an increase of EUR 53.0 million (39%) compared to EUR 137.4 million in the first half of 2018.

Earnings per ordinary share -excluding exceptional items- increased by 23% to EUR 1.35 (HY1 2018: EUR 1.10). The weighted average number of outstanding ordinary shares was 127,774,168 for HY1 2019 (HY1 2018: 127,817,940). Including exceptional items, the earnings per ordinary share increased by 38% to EUR 1.49 (HY1 2018: EUR 1.08).

Cash flows from operating activities

Cash flows from operating activities (gross) for the first half year of 2019 of EUR 351.7 million were 3% higher compared to prior year (HY1 2018 EUR 341.0 million). This increase was mainly caused by the effects of applying IFRS 16, where EUR 26.6 million of lease payments are now classified as financing cash flows instead of operating cash flows. In addition, the dividends received from joint ventures and associates were EUR 7.2 million lower than the same period in 2018.

Strategic investments and divestments

Cash flows from investing

The cash flow from investing activities for the first half year of 2019 amounted to a net cash outflow of EUR 331.8 million (HY1 2018: net cash outflow of EUR 198.3 million) reflecting growth investments in Canada, South Africa, Mexico, Brazil, Panama and the Netherlands as well as an acquisition in LNG. Total investments amounted to EUR 339.5 million (HY1 2018: EUR 228.1 million), of which EUR 267.7 million was invested in property, plant and equipment (HY1 2018: EUR 196.9 million). Investments in joint ventures and associates, including acquisitions, amounted to EUR 57.7 million (HY1 2018: EUR 20.7 million).

Vopak continued to strengthen its global network of terminals, pursuing its long-term growth strategy, and invested EUR 212.2 million in the expansion of existing terminals and the construction of new terminals in the first half of 2019 (HY1 2018: EUR 118.7 million). Total growth investments amount to approximately EUR 1 billion for the period 2017-2019.

As part of the strategic direction for the period 2017-2019, Vopak has decided to invest approximately EUR 100 million in the period 2017-2019 in new technology and innovation programs as well as replacing its IT systems. In the first half of 2019, EUR 12.0 million was invested in IT projects (HY1 2018: EUR 9.3 million).

Vopak's sustaining and service improvement capex budget of EUR 750 million for the period 2017-2019 includes the investment of EUR 40 million in our fuel oil network to convert the desired storage capacity. The service, maintenance and compliance capex for the first half year of 2019 amounted to EUR 113.2 million (HY1 2018: EUR 98.9 million).

Acquisitions

In January 2019, Vopak acquired an additional share of 15% in the associate Engro Elengy Terminal in Pakistan, bringing the total share in this joint venture to 44%. This LNG import facility consists of an LNG jetty and high-pressure gas pipeline and holds a 15-year Floating Storage and Regasification Unit (FSRU) time charter.

In January 2019, Vopak also acquired an additional 35% share in Vopak Terminal Ningbo, bringing the total share in this chemicals terminal to 85%. By means of this transaction, Vopak obtained control over the terminal and the interest held in the terminal was at that date classified as a subsidiary.

Divestments

During the first half of 2019, Vopak completed the divestment of its 50% share in the Estonian terminal Vopak E.O.S. Total cash flows from divested activities for the first half year of 2019 amounted to EUR 10.2 million (HY1 2018: no divestments).

Capital Structure

Equity

The equity attributable to holders of ordinary shares decreased by EUR 49.9 million to EUR 2,632.9 million (31 December 2018: EUR 2,682.8 million). The decrease mainly resulted from the addition of the net profit for the period of EUR 190.4 million, largely offset by the dividend payments in cash of EUR 140.5 million (EUR 1.10 per ordinary share with a nominal value of EUR 0.50) and the downward effect of the initial application of IFRS 16 as per 1 January 2019 of EUR 81.4 million.

Total net debt

The net interest-bearing debt increased with EUR 793.4 million to EUR 2,618.4 million (31 December 2018: EUR 1,825.0 million), reflecting IFRS 16 lease accounting effects of EUR 565.0 million and increased levels of cash flow from investing reflecting growth investments in Canada, South Africa, Mexico, Brazil, Panama and the Netherlands as well as an acquisition in LNG.

The Senior Net Debt : EBITDA ratio was 2.99 as at 30 June 2019 (31 December 2018: 2.49), well below the maximum agreed ratios in the covenants with the lenders.

Net finance costs

In the first half of 2019, the Group's net finance costs -excluding exceptional items- amounted to EUR 43.1 million (HY1 2018: EUR 38.7 million). This increase of EUR 4.4 million was mainly caused by interest cost recorded on the lease liabilities that were recognized as per 1 January 2019 as per IFRS 16 for the amount of EUR 10.3 million and lower interest income, partly offset by higher capitalized interest for the amount of EUR 7.1 million.

The average interest rate over the reporting period, including the effect of hedge accounting, was 3.3% (HY1 2018: 4.3%). The fixed-to-floating ratio of the long-term interest-bearing loans, including interest rate swaps, amounted to 74% versus 26% at 30 June 2019.

Cash flows from financing activities

The cash inflow from financing activities amounted to EUR 23.8 million (HY1 2018: outflow of EUR 144.7 million). This increase in the cash inflows from financing activities of EUR 168.5 million was for a large part the result of the increase in the net debt in the first half of 2019 required to fund the growth projects.

Income taxes

Income tax expense -excluding exceptional items- for the first half year of 2019 amounted to EUR 39.7 million, which is almost equal to the EUR 39.8 million of prior year. The effective tax rate -excluding exceptional items- for the first half year of 2019 was 17.2% compared to 20.1% in HY1 2018. This decrease is primarily caused by changes in the weighted average statutory tax rate and the higher results from joint ventures and associates in 2019. In both periods the tax effect on exceptional items for group companies was immaterial.

Income tax expense -including exceptional items- for the first half year of 2019 amounted to EUR 39.7 million, which is 0.9 million higher than the EUR 38.8 million in the same period of 2018. The effective tax rate -including exceptional items for the first half year of 2019 was 16.0% compared to 20.0% in HY1 2018.

Joint ventures and associates

Joint ventures and associates are an important part of the Group for which equity accounting is applied. In Enclosure 1 in this first half year report the effects of non-IFRS proportionate consolidation on the statement of financial position and statement of income of the Group are presented.

Risks and risk management

Vopak's enterprise risk management program, which is coordinated by the Global Risk Committee, provides the Executive Board with a comprehensive detailed understanding of the Group's principal risks and uncertainties, their development and the actions taken by management to mitigate these risks and uncertainties.

As part of the company's regular periodic risk management assessment, the Global Risk Committee has coordinated and monitored the risk management process during the first half of 2019. The outcome and conclusions of this process have been reported to and discussed with the Executive Board and subsequently discussed with the Audit Committee of the Supervisory Board. From this process, no substantial new developments have been observed that materially change the risk appetite and the risks identified to those reported in our 2018 Annual Report.

Looking forward, we have no indication that there will be material changes in this respect that would adversely affect our business over the second half of 2019.

Reference is made to the [2018 Annual Report](#), which describes in detail our risk management framework and the main risks per pillar of the Group's strategy that could adversely affect the achievement of the company's strategic objectives and our (future) operating results, cash flows and financial position.

Product market developments

Geopolitical and trade tensions impacted the global economic outlook in the first half of 2019. After a positive 18 months period, the global economy started to lose some momentum as from Q4 2018 through the first half of this year. Global activity shows a persistent softness amid geopolitical tensions which is now impacting business optimism. The service sector activity has been resilient enough and consumer spending is supported by steady labor market conditions across major economies, creating a solid basis for Vopak's services in 2019.

Chemicals

US chemical manufacturers continue to take advantage of the cheap shale-ethane feedstock. With the first wave of ethane crackers nearing completion, a second wave of petrochemical projects is taking shape.

In Asia, economic activity is gradually decelerating but remains robust, with output in many countries expanding at 6-7% (including China, India and Vietnam). Chinese consumption growth of polymers is driven by strong demand for necessities and packaging for goods that are sold online. So far, the trade war has had limited impact on Vopak's business in China since limited feed products arrive from the US. Lower prices of chemicals and trade tensions led to changes in trade flows which has had a positive impact on the performance of our chemical hub in Singapore.

In the Eurozone, the outlook remains weak, mainly driven by trade conflicts, weak dynamics of the economy, ongoing uncertainty on Brexit and weaker performance of the automotive sector.

Oil

We continue to see the oil market is heavily impacted by the geopolitical climate and trade tensions. The developments mainly affected the supply side of the oil market, for example with the US sanctions on oil exports from Venezuela and Iran. However, the last few months have also brought up concerns that the geopolitical tensions could deteriorate economic growth leading to a slow down in oil demand.

Global demand growth has slowed down to 1.2 mb/d while the shift toward Asia and petrochemicals continues. Transport fuels demand continues to shift to non-OECD countries while Asia remains the main growing naphtha region linked to a healthy petrochemicals market. In preparation for IMO2020, market players in bunker fuels are clearly starting to position themselves and interest for storing key components for blending 0.5% marine fuel ramped up around the world.

Biofuels and vegoils

Trade tariffs in China have pushed the US ethanol export volumes towards India and other markets in Asia. The trade between Brazil and the US continues to be the largest, however with slightly lower volumes than last year as Brazil continues to focus on its internal market. The lifting of tariffs on US ethanol by the EU led to more Ethanol flows to the EU. At the same time, European plants continued to run close to maximum capacity driven by robust domestic demand growth. The vegoils market continues to be strong in several locations in the Americas, especially in Mexico.

LPG and Chemical gases

Global LPG supply continued to rise from the US with renewed investments in NGL (natural gas liquids) fractionation and export capacity. LPG exports from the US increased by 20% in the first half of 2019 as compared to the first half of 2018. However, with China's 25% tariff remaining in place on US LPG since August 2018, these export flows are diverted to other locations, and also heading to India for the first time. Meanwhile, China's LPG import shortfall from the US have been replaced with Middle East cargoes.

Demand growth for LPG is largely dependent on its increasing use as a chemical feedstock in propane dehydrogenation (PDH) plants which are being constructed throughout the world, with the majority planned for China. However, increased uncertainty and trade war effects have caused a delay in expansion projects which has slowed down demand growth in China. Meanwhile, demand continues to grow strong from the residential sector, especially from emerging markets such as India, driven by the government's push to encourage clean cooking fuels.

LNG

Global LNG trade grew strongly in the first half of 2019. Growth has been largely supported by additions in supply. Besides Australia, the Atlantic Basin exporters Russia and the US are mainly responsible for these increased volumes. Relative weak Northeast Asian demand, particularly in Japan and South Korea, left the residual markets of Northwest Europe to absorb the excess volumes of LNG, with prices reacting accordingly. LNG spot prices in both the Pacific and Atlantic Basin dropped sharply over the first six months of 2019.

Structural growth in demand mainly comes from Asian countries such as China, Pakistan, Bangladesh and Thailand absorbing additional volumes. Demand in the Middle East dropped sharply as domestic gas production limited the need for LNG imports, particularly in Egypt. Europe absorbed excess supply volumes leading to increased volumes sent into the grid while re-export volumes declined.

Sustainability review

Vopak stores vital products with care. Our work enables people to meet basic needs. Today, the vital products we store are chemicals, oil, gases, biofuels and edible oils; in future, we may well store products like hydrogen and CO₂. While the products in our tanks are crucial to people's daily lives and the economy, they can endanger their health and the environment if stored or handled inappropriately. This comes with a huge responsibility; our role is to ensure safe, clean and efficient storage. Our commitment to care extends to all our stakeholders, including our own people, our customers and the communities in which we operate. In our view, sustainability is about caring for people, planet and profit. This means keeping our company relevant, healthy and fit for the future. Our choices today must contribute to our long-term relevance in society and the well-being and development of future generations.

We strive to be a responsible member of the communities in which we operate, a company that our employees and contractors are proud to work for. This is why we commit to maximizing operational safety. We work hard to reduce our environmental footprint and minimize any negative impact of our operations on people's safety, health and wellbeing. We invest in training, talent development and a diverse and inclusive workforce. To contribute to a more sustainable economy, we explore ways to facilitate the introduction of more sustainable technologies, processes and products and facilitate the energy transition.

Safety performance

Regrettably, a fatal incident occurred with a subcontractor during construction work at our PITSB terminal in Pengerang (Malaysia) in March 2019.

	Total Injury Rate		Lost Time Injury Rate		Process Safety Event Rate	
	HY1 2019	HY1 2018	HY1 2019	HY1 2018	HY1 2019	HY1 2018
Europe & Africa	1.30	1.21	0.81	0.55	0.42	0.26
Asia & Middle East	0.19	0.11	0.14	0.05	0.08	0.04
China & North Asia	–	0.40	–	0.20	–	–
Americas	0.21	0.13	0.05	–	–	–
LNG	–	–	–	–	–	–
Global HQ	–	–	–	–	–	–
Total Vopak	0.43	0.35	0.26	0.15	0.12	0.07

Total Injury Rate (per 200,000 working hours) increased to 0.43 (HY1 2018: 0.35). The combined absolute number of total injuries (between own employees and contractors) in the first half of 2019 increased to 40 (HY1 2018: 31).

The Lost Time Injuries increased to 24 (HY1 2018: 13) resulting in an increased Lost Time Injury Rate (per 200,000 working hours) for own employees and contractors of 0.26 (HY1 2018: 0.15). Process Safety Events increased to 11 (HY1 2018: 5).

Environmental releases to soil and water

	HY1 2019			HY1 2018		
	Contained	Uncontained	Total	Contained	Uncontained	Total
Total number of reportable spills	20	9	29	22	7	29
Total amount of reportable spills (metric tons)	109	9	118	135	44	179

Five of the uncontained spills were into surface and sewage water, with a total of four metric tons of product being spilled. In total, 92% of the metric tons spilled during HY1 2019 (2018: 75%) was contained. All spills were remediated immediately.

Terminal portfolio and storage capacity developments

	End HY1 2018	Net Change HY2 2018	End 2018	Net Change HY1 2019	End HY1 2019	Under development	Divestments	End 2021
Subsidiaries	19.6	–	19.6	0.1	19.7	1.0	-2.3	18.4
Joint ventures and associates	12.6	0.9	13.5	-0.2	13.3	0.6	–	13.9
Operatorships	3.8	0.1	3.9	–	3.9	–	–	3.9
Total capacity	36.0	1.0	37.0	-0.1	36.9	1.6	-2.3	36.2

Since year-end 2018, we commissioned 0.9 million cbm. Combined with the divestment of the fuel oil terminal in Tallinn in Estonia, our worldwide storage capacity amounted to 36.9 million cbm at the end of HY1 2019.

Storage capacity development

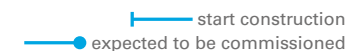
Country	Terminal	Vopak's ownership	Products	Capacity (cbm)	Commissioned
Storage capacity per 31 December 2018				37.0	
New and existing terminals					
Panama	Panama Atlantic	100%	Oil products	120,000	Q1 2019
Malaysia	PT2SB (Pengerang)	26.5%	Industrial terminal	753,000	Q1 2019 -Q2 2019
Canada	Ridley Island Propane Export Terminal	30%	LPG	96,000	Q2 2019
Various	Net change at various terminals including decommissioning		Various	-50,000	
Acquisitions					
China	Vopak Terminal Ningbo	85% ¹	Chemicals		Q1 2019
Pakistan	Elengy Terminal Pakistan	44% ²	LNG		Q1 2019
Divestments					
Estonia	Vopak E.O.S.	50%	Oil products	-1,026,000	Q2 2019
Net change for the period as per 31 December 2018				-0.1 million cbm	
Total Storage capacity per 30 June 2019				36.9 million cbm	

- 1 In January 2019, Vopak acquired an additional 35% equity share in the terminal bringing the total share in equity to 85% and effectively obtaining control. The storage capacity of this terminal was already part of the capacity of the Vopak network.
- 2 In January 2019 Vopak expanded its share in this associate terminal with 15%, bringing the total equity participation to 44%. The storage capacity of this terminal was already part of the capacity of the Vopak network.

Note: 'Storage capacity' is defined as the total available storage capacity (jointly) operated by the Group 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.

Announced storage capacity developments

Country	Terminal	Vopak's ownership	Products	Capacity (cbm)	2016	2017	2018	2019	2020	2021	2022
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							



Once completed, projects currently under development will add 1.6 million cbm of storage capacity to our global network (on a 100% basis) in the period up to and including 2021.

Results HY1 2019 by division

Europe & Africa

	HY1 2019	pro forma HY1 2019	HY1 2018	HY1 '19-'18
Revenues	305.7	305.7	312.1	-2%
<i>Results -excluding exceptional items-</i>				
Group operating profit before depreciation and amortization (EBITDA)	159.5	149.7	155.3	3%
Group operating profit (EBIT)	84.1	80.2	79.2	6%
<i>Results -including exceptional items-</i>				
Group operating profit before depreciation and amortization (EBITDA)	175.9	166.1	152.5	15%
Group operating profit (EBIT)	100.5	96.6	76.4	32%
Average capital employed	1,798.2	1,798.2	1,844.1	
Occupancy rate subsidiaries	83%		84%	
Storage capacity end of period (in million cbm)	12.6		13.7	

Revenues of the Europe & Africa division amounted to EUR 305.7 million for the first half year of 2019, a decrease of EUR 6.4 million (2%) compared to the same period prior year (EUR 312.1 million). The currency translation effect was immaterial. The decrease was for the larger part the result of relatively high out of service capacity at our Rotterdam terminals due to planned temporary IMO 2020 conversion projects.

The average occupancy rate for the division was 83% versus 84% in HY1 2018 and reflected the planned conversion activity in the Netherlands related to IMO2020 fuel oil readiness.

Group operating profit -excluding exceptional items- increased by EUR 4.9 million (6%) to EUR 84.1 million (HY1 2018: EUR 79.2 million). This increase was to a large extent caused by lower depreciation and amortization expenses related to the held for sale classification of the terminals in Amsterdam, Hamburg and Algeciras that were announced to be divested, while the lower revenues to a large extent offset this effect.

Additional capacity of 0.3 million cbm in total is currently under construction.

Asia & Middle East

	HY1 2019	pro forma HY1 2019	HY1 2018	HY1 '19-'18
Revenues	161.0	161.0	156.6	3%
<i>Results -excluding exceptional items-</i>				
Group operating profit before depreciation and amortization (EBITDA)	153.3	144.5	130.5	17%
Group operating profit (EBIT)	121.5	118.5	104.7	16%
<i>Results -including exceptional items-</i>				
Group operating profit before depreciation and amortization (EBITDA)	153.3	144.5	130.5	17%
Group operating profit (EBIT)	121.5	118.5	104.7	16%
Average capital employed	1,192.5	1,192.5	1,034.7	
Occupancy rate subsidiaries	86%		88%	
Storage capacity end of period (in million cbm)	14.9		13.4	

Revenues of the Asia & Middle East division increased by EUR 4.4 million (3%) to EUR 161.0 million (HY1 2018 EUR 156.6 million). Excluding the positive currency translation effect of EUR 5.3 million, the revenues decreased by EUR 0.9 million. This was the result of higher revenues from the chemical terminals, offset by relatively high out of service capacity in the last quarter at our Singapore terminals due to planned temporary IMO 2020 conversion projects.

The average occupancy rate for the division was 86% versus 88% in HY1 2018 and reflect the planned conversion activity in Singapore related to IMO2020 fuel oil readiness.

Group operating profit -excluding exceptional items- increased by EUR 16.8 million (16%) to EUR 121.5 million (HY1 2018: EUR 104.7 million). Excluding a positive currency translation effect of EUR 3.5 million, the increase amounted to EUR 13.3 million. This was mainly caused by the higher revenues and an increase in the results from joint ventures and associates of EUR 17.5 million, related to the industrial terminal PT2SB in Malaysia and the oil hub terminal in Fujairah. Furthermore, in 2018 settlements of legal and commercial positions made a positive contribution of EUR 9.9 million, which are not present in 2019.

Additional capacity of 0.8 million cbm in total is currently under construction.

China & North Asia

	HY1 2019	pro forma HY1 2019	HY1 2018	HY1 '19-'18
Revenues	20.3	20.3	17.0	19%
<i>Results -excluding exceptional items-</i>				
Group operating profit before depreciation and amortization (EBITDA)	29.2	28.8	20.8	40%
Group operating profit (EBIT)	23.4	23.4	16.4	43%
<i>Results -including exceptional items-</i>				
Group operating profit before depreciation and amortization (EBITDA)	30.3	29.9	20.8	46%
Group operating profit (EBIT)	24.5	24.5	16.4	49%
Average capital employed	389.1	389.1	379.8	
Occupancy rate subsidiaries	81%		78%	
Storage capacity end of period (in million cbm)	4.2		4.2	

In the China & North Asia division, the revenues for the first half year of 2019 increased by EUR 3.3 million (19%) to EUR 20.3 million (HY1 2018: EUR 17.0 million). Excluding the positive currency translation effect of EUR 0.2 million, the revenues increased by EUR 3.1 million compared to prior year, mainly caused by the contribution of the Ningbo terminal that was acquired early 2019.

The average occupancy rate for the division was 81% versus 78% in HY1 2018.

Group operating profit -excluding exceptional items- increased by EUR 7.0 million (43%) to EUR 23.4 million (HY1 2018: EUR 16.4 million). Excluding the positive currency translation effect of EUR 0.1 million, the increase amounted to EUR 6.9 million. This increase was mainly caused by the higher revenues and the higher results from joint ventures and associates, of which our industrial terminal in Haiteng that restarted operations in June 2018 was the largest contributor.

There is no material capacity expansion currently under construction.

Americas

	HY1 2019	pro forma HY1 2019	HY1 2018	HY1 '19-'18
Revenues	152.6	152.6	139.9	9%
<i>Results -excluding exceptional items-</i>				
Group operating profit before depreciation and amortization (EBITDA)	79.8	75.5	67.1	19%
Group operating profit (EBIT)	52.3	51.2	45.2	16%
<i>Results -including exceptional items-</i>				
Group operating profit before depreciation and amortization (EBITDA)	79.8	75.5	67.1	19%
Group operating profit (EBIT)	52.3	51.2	45.2	16%
Average capital employed	584.3	584.3	480.3	
Occupancy rate subsidiaries	90%		90%	
Storage capacity end of period (in million cbm)	4.1		3.9	

In the Americas division, the revenues in the first half year of 2019 of EUR 152.6 million were EUR 12.7 million (9%) higher than the revenues of the same period prior year (HY1 2018: EUR 139.9 million). Excluding the positive currency translation effect of EUR 6.3 million, the increase amounted to EUR 6.4 million. This increase mainly related to the commissioned capacity in Houston in the US.

The average occupancy rate for the division of 90% was equal to the first half of prior year.

Group operating profit -excluding exceptional items- increased by EUR 7.1 million (16%) to EUR 52.3 million (HY1 2018: EUR 45.2 million) despite the negative cost and revenue effects resulting from the fire incident at the neighboring ITC terminal in Deer Park in March. Excluding the positive currency translation effect of EUR 2.0 million, the increase amounted to EUR 5.1 million. This increase was primarily caused by higher revenues and the commissioning of our LPG export terminal RIPET in Canada.

Additional capacity of 0.5 million cbm in total is currently under construction.

LNG

	HY1 2019	pro forma HY1 2019	HY1 2018	HY1 '19-'18
<i>Results -excluding exceptional items-</i>				
Group operating profit before depreciation and amortization (EBITDA)	19.1	19.3	17.9	7%
Group operating profit (EBIT)	19.1	19.3	17.9	7%
<i>Results -including exceptional items-</i>				
Group operating profit before depreciation and amortization (EBITDA)	19.1	19.3	17.9	7%
Group operating profit (EBIT)	19.1	19.3	17.9	7%
Average capital employed	250.6	250.6	199.4	
Storage capacity end of period (in million cbm)	1.0		0.8	

The LNG activities consist of the joint venture results of Gate Terminal (the Netherlands), Altamira LNG Terminal (Mexico) and Engro Elengy Terminal (Pakistan) and costs related to our LNG business development and divisional activities. Group operating profit -excluding exceptional items- from global LNG activities amounted to EUR 19.1 million, which is EUR 1.2 million (7%) higher compared to prior year (HY1 2018: EUR 17.9 million). This net increase after development cost was mainly due to the contribution of the Engro Elengy Terminal that was acquired in December 2018.

There is currently no additional capacity under construction.

Global functions, corporate activities and others

The global operating costs of EUR 26.0 million are in line with prior year (HY1 2018: EUR 26.7 million).

Statement by the Executive Board

In accordance with the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht), section 5:25d, paragraph 2 sub c, the Executive Board confirms that, to the best of its knowledge:

- the interim consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with IAS 34 (Interim Financial Reporting) as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of Koninklijke Vopak N.V. and its consolidated companies (jointly referred to as the 'Group'); and
- the interim management report for the six months ended 30 June 2019 gives a true and fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act.

Rotterdam, 30 July 2019

The Executive Board

Eelco Hoekstra (Chairman of the Executive Board and CEO)

Frits Eulderink (Member of the Executive Board and COO)

Gerard Paulides (Member of the Executive Board and CFO)

Auditor's involvement

The content of this report has not been audited or reviewed by an external auditor.

Interim Financial Statements

Interim Consolidated Financial Statements

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Consolidated Statement of Comprehensive Income
Consolidated Statement of Financial Position
Consolidated Statement of Changes in Equity
Consolidated Statement of Cash Flows
Segmentation

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Interim Consolidated Financial Statements

Consolidated Statement of Income

In EUR millions	Note	HY1 2019	HY1 2018
Revenues	5	641.4	626.1
Other operating income		29.9	19.4
Total operating income		671.3	645.5
Personnel expenses		167.9	168.7
Depreciation and amortization	6, 7	148.2	134.2
Other operating expenses		140.2	160.1
Total operating expenses		456.3	463.0
Operating profit		215.0	182.5
Result joint ventures and associates using the equity method	8.1	76.9	50.4
Group operating profit		291.9	232.9
Interest and dividend income		4.2	6.9
Finance costs		-47.3	-45.6
Net finance costs		-43.1	-38.7
Profit before income tax		248.8	194.2
Income tax		-39.7	-38.8
Net profit		209.1	155.4
Non-controlling interests		-18.7	-18.0
Net profit holders of ordinary shares		190.4	137.4
Basic earnings per ordinary share in EUR)		1.49	1.08
Diluted earnings per ordinary share (in EUR)		1.49	1.08

Consolidated Statement of Comprehensive Income

In EUR millions	HY1 2019	HY1 2018
Net profit	209.1	155.4
Exchange differences on translation of foreign operations	23.9	17.2
Net investment hedges	-5.0	-16.0
Use of exchange rate differences on translation of foreign operations and use of net investment hedges	-7.4	-
Effective portion of changes in fair value of cash flow hedges	0.3	1.2
Use of effective portion of cash flow hedges to statement of income	-1.1	-0.9
Share in other comprehensive income of joint ventures and associates	-19.8	2.5
Other comprehensive income that may be reclassified to statement of income in subsequent periods	-9.1	4.0
Fair value change other investments	0.1	9.2
Remeasurement of defined benefit plans	-5.1	5.2
Other comprehensive income that will not be reclassified to statement of income in subsequent periods	-5.0	14.4
Other comprehensive income, net of tax	-14.1	18.4
Total comprehensive income	195.0	173.8
<i>Attributable to:</i>		
Holders of ordinary shares	174.3	154.6
Non-controlling interests	20.7	19.2
Total comprehensive income	195.0	173.8

Note: All amounts are net of tax.

Consolidated Statement of Financial Position

In EUR millions	Note	30-Jun-2019	31-Dec-2018	In EUR millions	Note	30-Jun-2019	31-Dec-2018
ASSETS				EQUITY			
Intangible assets	6	156.8	155.9	- Issued capital		63.9	63.9
Property, Plant & Equipment - owned assets	6	3,416.0	3,714.8	- Share premium		194.4	194.4
Property, Plant & Equipment - leased assets	6, 7	510.2	21.5	- Treasury shares		-8.9	-7.3
- Joint ventures and associates		1,120.0	1,081.7	- Other reserves		-135.4	-124.5
- Finance lease receivable		28.0	27.9	- Retained earnings		2,518.9	2,556.3
- Loans granted		76.3	25.1	Equity attributable to owners of parent	9	2,632.9	2,682.8
- Other financial assets		11.3	11.2	Non-controlling interests		155.3	161.5
Financial assets	6	1,235.6	1,145.9	Total equity		2,788.2	2,844.3
Deferred taxes		15.6	7.6	LIABILITIES			
Derivative financial instruments		12.1	23.4	Interest-bearing loans	10	1,735.5	1,731.1
Other non-current assets		6.3	23.8	Interest-bearing loans - lease liabilities	7, 10	536.2	-
Total non-current assets		5,352.6	5,092.9	Derivative financial instruments		23.9	19.5
Trade and other receivables		234.1	288.9	Pensions and other employee benefits		44.1	49.4
Prepayments		60.5	27.2	Deferred taxes		184.6	207.7
Derivative financial instruments		41.3	28.4	Provisions		23.6	32.0
Pensions and other employee benefits		9.5	-	Other non-current liabilities		20.7	20.5
Cash and cash equivalents	10	92.5	77.5	Total non-current liabilities		2,568.6	2,060.2
Assets held for sale		625.3	-	Bank overdrafts and short-term borrowings	10	285.3	81.9
Total current assets		1,063.2	422.0	Interest-bearing loans	10	125.1	89.5
Total assets		6,415.8	5,514.9	Interest-bearing loans - lease liabilities	7, 10	28.8	-
				Derivative financial instruments		29.9	22.6
				Trade and other payables		333.6	338.6
				Taxes payable		43.9	47.0
				Pensions and other employee benefits		14.4	1.3
				Provisions		20.8	29.5
				Liabilities related to assets held for sale		177.2	-
				Total current liabilities		1,059.0	610.4
				Total liabilities		3,627.6	2,670.6
				Total equity and liabilities		6,415.8	5,514.9

Consolidated Statement of Changes in Equity

In EUR millions	Equity attributable to owners of parent					Total	Non-controlling interests	Total equity
	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings			
Balance at 31 December 2017	63.9	194.4	-8.0	-189.3	2,419.0	2,480.0	155.9	2,635.9
Net profit	–	–	–	–	137.4	137.4	18.0	155.4
Other comprehensive income, net of tax	–	–	–	12.0	5.2	17.2	1.2	18.4
Total comprehensive income	–	–	–	12.0	142.6	154.6	19.2	173.8
Dividend paid in cash	–	–	–	–	-134.0	-134.0	-25.9	-159.9
Measurement of equity-settled share-based payment arrangements	–	–	–	–	1.8	1.8	–	1.8
Settlement of equity-settled share-based payment arrangements	–	–	0.7	–	-0.7	–	–	–
Total transactions with owners	–	–	0.7	–	-132.9	-132.2	-25.9	-158.1
Balance at 30 June 2018	63.9	194.4	-7.3	-177.3	2,428.7	2,502.4	149.2	2,651.6
Balance at 31 December 2018	63.9	194.4	-7.3	-124.4	2,556.3	2,682.9	161.5	2,844.4
Initial application IFRS 16	–	–	–	–	-81.4	-81.4	-9.5	-90.9
Balance at 1 January 2019	63.9	194.4	-7.3	-124.4	2,474.9	2,601.5	152.0	2,753.5
Net profit	–	–	–	–	190.4	190.4	18.7	209.1
Other comprehensive income, net of tax	–	–	–	-11.0	-5.1	-16.1	2.0	-14.1
Total comprehensive income	–	–	–	-11.0	185.3	174.3	20.7	195.0
Acquisitions	–	–	–	–	–	–	1.9	1.9
Dividend paid in cash	–	–	–	–	-140.5	-140.5	-19.3	-159.8
Purchase treasury shares	–	–	-2.6	–	–	-2.6	–	-2.6
Measurement of equity-settled share-based payment arrangements	–	–	–	–	0.2	0.2	–	0.2
Settlement of equity-settled share-based payment arrangements	–	–	1.0	–	-1.0	–	–	–
Total transactions with owners	–	–	-1.6	–	-141.3	-142.9	-17.4	-160.3
Balance at 30 June 2019	63.9	194.4	-8.9	-135.4	2,518.9	2,632.9	155.3	2,788.2

Consolidated Statement of Cash Flows

In EUR millions	HY1 2019	HY1 2018	In EUR millions	HY1 2019	HY1 2018
Cash flows from operating activities (gross)	351.7	341.0			
Interest received	0.5	3.1			
Dividend received	1.7	0.9			
Income tax paid	-33.1	-32.1			
Cash flows from operating activities (net)	320.8	312.9			
<i>Investments:</i>					
Intangible assets	-12.0	-9.3			
Property, plant and equipment - growth capex	-154.5	-98.0			
Property, plant and equipment - service, maintenance and compliance capex	-113.2	-98.9			
Joint ventures and associates	-41.6	-20.7			
Loans granted	-1.9	-1.1			
Other non-current assets	-0.2	-0.1			
Acquisitions of subsidiaries including goodwill	1.5	-			
Acquisitions of joint ventures and associates	-17.6	-			
Total investments	-339.5	-228.1			
<i>Disposals and repayments:</i>					
Property, plant and equipment	0.7	0.2			
Joint ventures and associates	10.2	23.9			
Loans granted	-	8.8			
Finance lease receivable	2.4	2.4			
Total disposals and repayments	13.3	35.3			
Cash flows from investing activities (excluding derivatives)	-326.2	-192.8			
Settlement of derivatives (net investment hedges)	-5.6	-5.5			
Cash flows from investing activities (including derivatives)	-331.8	-198.3			
			<i>Financing:</i>		
			Repayment of interest-bearing loans	-98.2	-6.4
			Proceeds from interest-bearing loans	144.0	25.5
			Cash payment lease liability	-26.6	-
			Finance costs paid	-48.4	-34.8
			Settlement of derivative financial instruments	18.4	0.9
			Dividend paid in cash	-140.5	-134.0
			Dividend paid to non-controlling interests	-19.3	-25.9
			Purchase treasury shares	-2.6	-
			Proceeds and repayments in short-term financing	197.0	30.0
			Cash flows from financing activities	23.8	-144.7
			Net cash flows	12.8	-30.1
			Exchange rate differences	0.3	-0.5
			Net change in cash and cash equivalents due to assets held for sale	-4.5	-
			Net change in cash and cash equivalents (including bank overdrafts)	8.6	-30.6
			Net cash and cash equivalents (including bank overdrafts) at 1 January	54.6	102.9
			Net cash and cash equivalents (including bank overdrafts) at 30 June	63.2	72.3

Segmentation

Statement of Income

In EUR millions	Revenues		Result of joint ventures and associates			EBITDA			Group operating profit (EBIT)		
	HY1 2019	HY1 2018	HY1 2019	pro forma HY1 2019	HY1 2018	HY1 2019	pro forma HY1 2019	HY1 2018	HY1 2019	pro forma HY1 2019	HY1 2018
Europe & Africa	305.7	312.1	1.2	1.2	1.4	159.5	149.7	155.3	84.1	80.2	79.2
<i>of which Netherlands</i>	218.3	222.4	0.3	0.3	0.7	117.4	110.9	115.6	63.5	61.4	61.9
Asia & Middle East	161.0	156.6	34.8	35.8	17.3	153.3	144.5	130.5	121.5	118.5	104.7
<i>of which Singapore</i>	125.0	121.1	0.3	0.3	0.4	93.5	86.7	85.2	70.0	67.1	66.3
China & North Asia	20.3	17.0	17.2	17.2	12.5	29.2	28.8	20.8	23.4	23.4	16.4
Americas	152.6	139.9	2.1	2.1	0.6	79.8	75.5	67.1	52.3	51.2	45.2
<i>of which United States</i>	94.8	83.4	0.4	0.4	0.3	50.8	48.1	40.6	36.0	35.2	29.0
LNG	–	–	21.7	21.9	18.6	19.1	19.3	17.9	19.1	19.3	17.9
Global functions, corporate activities and others	1.8	0.5	-0.1	-0.1	–	-18.3	-19.5	-20.7	-26.0	-26.1	-26.7
Total excluding exceptional items	641.4	626.1	76.9	78.1	50.4	422.6	398.3	370.9	274.4	266.5	236.7
<i>Exceptional items¹:</i>											
Europe & Africa									16.4	16.4	-2.8
Asia & Middle East									–	–	–
China & North Asia									1.1	1.1	–
Americas									–	–	–
LNG									–	–	–
Global functions, corporate activities and others									–	–	-1.0
Total including exceptional items									291.9	284.0	232.9
Reconciliation consolidated net profit											
Group operating profit (EBIT)									291.9	284.0	232.9
Net finance costs									-43.1	-32.8	-38.7
Profit before income tax									248.8	251.2	194.2
Income tax									-39.7	-40.0	-38.8
Net profit									209.1	211.2	155.4

1 Exceptional items are disclosed in note 4.

Note: EBITDA and Group operating profit of the divisions includes the net-effects of the company-wide cost allocations. Costs that cannot be allocated to the divisions are part of the 'Global functions, corporate activities and others'. The actual allocated costs can differ per reporting period.

Occupancy rate subsidiaries

In EUR millions	HY1 2019	HY1 2018
Europe & Africa	83%	84%
Asia & Middle East	86%	88%
China & North Asia	81%	78%
Americas	90%	90%
Vopak	85%	86%

Statement of financial position

In EUR millions	Assets of subsidiaries		Joint ventures and associates		Total assets		Total liabilities	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Europe & Africa	2,638.5	2,308.5	18.7	19.8	2,657.2	2,328.3	571.8	270.9
<i>of which Netherlands</i>	1,731.9	1,536.3	1.7	2.2	1,733.6	1,538.5	324.8	118.9
Asia & Middle East	1,218.0	904.3	455.7	449.5	1,673.7	1,353.8	572.3	249.2
<i>of which Singapore</i>	845.4	632.9	1.6	1.2	847.0	634.1	444.1	210.0
China & North Asia	192.7	174.3	264.6	263.7	457.3	438.0	29.6	24.3
Americas	999.3	870.6	128.9	101.5	1,128.2	972.1	246.1	200.5
<i>of which United States</i>	380.2	357.7	47.9	46.4	428.1	404.1	129.0	111.3
LNG	1.3	3.2	251.7	246.7	253.0	249.9	4.1	1.4
Global functions, corporate activities and others	246.0	172.3	0.4	0.5	246.4	172.8	2,203.8	1,924.3
Total	5,295.8	4,433.2	1,120.0	1,081.7	6,415.8	5,514.9	3,627.7	2,670.6

Notes to the Interim Consolidated Financial Statements

1. General

Koninklijke Vopak N.V. ('Vopak') is a listed company registered in the Netherlands with activities in 24 countries. These interim consolidated financial statements for the first half year of 2019 contain the figures of the company and its subsidiaries (jointly referred to as the 'Group'), as well as the interests of the Group in joint ventures and associates.

The Executive Board approved these interim consolidated financial statements on 30 July 2019.

1.1. Basis of preparation

These interim consolidated financial statements for the six months period ended 30 June 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not contain all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited financial statements included in the [2018 Annual Report](#), which have been prepared in accordance with IFRS as adopted by the European Union.

1.2. New standards, interpretations and amendments adopted by the Group

The applied accounting principles adopted in the preparation of the interim consolidated financial statements are consistent with those described in Vopak's 2018 Annual Report, except for the following:

IFRS 16 - Leases

The Group applied IFRS 16 'Leases' as per 1 January 2019. It resulted in a situation where almost all leases are recognized on the balance sheet, as the distinction between operating and finance leases was removed for lessees. Under the new standard, a lease asset (the right to use the leased item) and a financial lease liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The application of IFRS 16 has no economic and/or cash impact on the Group. The new standard does impact the classification of expenditures and cash flows, while at the same time it also impacts the timing of recognition of expenses and their classification in the income statement. Expenses related to leases previously classified as operating leases are for the larger part presented as *Depreciation and amortization* (part of Group operating profit) and *Finance costs*. Furthermore, payments related to leases previously classified as operating leases are for the largest part presented under *Cash flows from financing activities* instead of *Cash flows from operating activities*.

Lessor accounting under IFRS 16 is substantially unchanged from current accounting. It has been concluded that in most cases the services that Vopak provides to its customers do not contain a lease due to the absence of an identified asset. As the definition of a lease under IFRS 16 is substantially the same as under the previous lease standard IAS 17, this conclusion is the same under both standards. As such, Vopak does not act as a lessor for most contracts in line with the previous accounting treatment.

The effects on the Statement of Financial Position of applying this new standard as per 1 January 2019 and the effects on the Statement of Cash Flows for the period are disclosed in the table below:

In EUR millions	1-Jan-2019
Assets:	
Property, plant and equipment	593.4
Joint ventures and associates	-25.8
Non-current assets	-17.6
Deferred tax assets	0.5
Total Assets	550.5
Liabilities:	
Lease liabilities	-654.5
Deferred tax liabilities	13.1
Total Liabilities	-641.4
Equity:	
Retained earnings	81.4
Non-controlling interest	9.5
Total Equity	90.9
Statement of Cash flows:	
Operating cash flows	26.6
Financing cash flows	-26.6
Total Cash flows for the period	0.0

IFRS 16 has a material effect on the financial results and financial position, as the Group has a large portfolio of long-term land leases and leases of other non-current assets. The application of IFRS 16 has no effect on the debt covenants of the Group as the related ratios are based on the accounting policies that were applicable on the date of entering into the debt agreements ('frozen GAAP'). For an overview of the (estimated) effects of the initial application of IFRS 16 'Leases' as per 2019, reference is made to note 9.10 of the [2018 Consolidated Financial Statements](#) in the annual report 2018.

In addition, in order to allow comparison of the 2019 results with previous years Vopak provides on a voluntary basis '*pro forma excluding IFRS 16 effects results*', where the cash expenditures for the period for the former operating leases are recognized as operating expenses while the depreciation on the 'leased assets' and the interest expenses on the lease liabilities are eliminated, resulting in an accounting treatment similar (but not equal) to the lease accounting treatment in previous years. The pro forma results are disclosed in the segmentation and in the Interim Management Report earlier in this report.

In applying IFRS 16, the Group has elected to apply the modified retrospective approach where the cumulative effect of adopting IFRS 16 was recognized as an adjustment to the opening balance of retained earnings on 1 January 2019. The comparative information was not restated. For the largest land lease contracts, the carrying amount of the 'leased assets' (leased assets) were calculated as if IFRS 16 had been applied since the commencement date, while applying the incremental borrowing as at 1 January 2019. For all other lease contracts the carrying value of the 'leased assets' was determined at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments that were recognized in the consolidated balance sheet immediately before the date of initial application. Furthermore, the Group has elected to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Group has therefore not applied the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

The Group has elected to make use of the exemptions on lease contracts for which the lease terms end within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value (e.g. computers, printing and photocopying machines, furniture and communication equipment).

The table below provides a reconciliation between the operating lease commitments as disclosed in note 9.6 of the [2018 Annual Report](#) and the lease liability that was recognized in the Consolidated statement of financial position of the Group at 1 January 2019, the date of initial application of IFRS 16.

In EUR millions	1-Jan-2019
Operating lease commitments disclosed as at 31 December 2018	992.8
Short-term leases ¹	-3.2
Low-value leases	-2.6
Effect of discounting by using the incremental borrowing rate	-332.5
Finance lease liabilities recognized as at 31 December 2018	23.1
Lease liability recognized as at 1 January 2019	677.6

¹ The short-term leases contain an amount of EUR 3.1 million related to expired lease contracts which are in the process of being renegotiated.

The weighted average incremental borrowing rate applied to the lease liabilities (including those classified as held for sale) recognized at the end of the first half year of 2019 was 3.6%. The remaining weighted average lease term was 27.1 year at 30 June 2019.

More information on the leases of the Group can be found in note 7.

The group did not implement any other new standards, amendments to existing standards or new IFRIC interpretations that materially impact the consolidated financial statements of the Group for the financial year 2019.

1.3. New standards not yet adopted by the Group

There are no new standards, amendments to existing standards or new IFRIC interpretations that are not yet effective that are expected to have a material impact on the Group.

1.4. Critical accounting estimates and judgments

The preparation of the interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, the significant estimates and judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2018, except for the following:

(a) Taxes

Taxes on income in the interim consolidated financial statements are accrued using the weighted average tax rates that would be applicable to the expected annual profit before income tax.

(b) Recoverable value of non-current assets

The carrying amount of goodwill is tested for impairment annually in the fourth quarter unless there is a reason to do so more frequently. All other non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts of those assets may not be recoverable.

There were no impairments recognized in the first half year of 2019.

For value in use, the assessment is based on estimates of future expected cash flows (value in use) made on the basis of the budget for the coming year and two subsequent plan years, which form the basis for the 15-year period discounted cash flow model. Key assumptions applied are the expected occupancy, the estimated storage rate per cbm (for revenues not covered by long-term contracts), sustaining capex expenditures, expected growth rates and the estimated terminal value after the 15-year period, together with the applied discount rates. Fair value less cost of disposal is primarily based either on comparable market-multiples and/or (indicative non-) binding bids or discounted cash flow models from the perspective of a willing buyer in an orderly transaction.

Sometimes the fair value less the cost of disposal is based on (non-binding) preliminary offers received (level 3 fair value). Although such offers are conditional/preliminary, management always assesses if the offers received are representative of fair value. Please note that in determining the recoverable value of a terminal, management has to make certain judgments and estimates regarding the value in use or fair value less cost of disposal. A change in these judgments and estimates at a later date may result in future (reversal of) impairments.

(c) Non-current assets held for sale / disposal groups

On 5 April 2019, Vopak reached an agreement with First State Investments on the sale of the terminals in Algeciras, Amsterdam and Hamburg, subject to certain customary closing conditions. The transaction value of the terminals is EUR 723 million and the total expected exceptional gain before taxation will be around EUR 200 million, to be recorded upon completion, expected in the second half of 2019. These terminals were classified as held for sale as at 31 March 2019.

(d) Changes in judgments and estimates with regards to legal cases and other provisions

There were no material changes in the facts and circumstances after year-end 2018 regarding certain legal cases and other provisions, other than disclosed in note 11.

2. Acquisitions, divestments and newly established entities

During the first half of 2019, there were no material changes in the composition of the Vopak Group, apart from the following:

- On 23 January 2019, Vopak acquired an additional share of 15% in the associate Engro Elengy Terminal (LNG Division), bringing the total share in this entity to 44%. This LNG import facility consists of an LNG jetty and high-pressure gas pipeline and holds a 15-year Floating Storage and Regasification Unit (FSRU) time charter.
- On 25 January 2019, Vopak acquired an additional 35% share in Vopak Terminal Ningbo (China & North Asia division), bringing the total share in this chemicals terminal to 85%. By means of this transaction, Vopak obtained control over the terminal and the interest held in the terminal was at that date classified as a subsidiary.
- On 3 April 2019, Vopak completed the divestment of its 50% share in the Estonian terminal Vopak E.O.S. (Europe & Africa division).

For a list of the principal subsidiaries, we refer to note 9.11 of the 2018 Annual Report.

3. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in Section 6 Financial risk management of the 2018 Annual Report.

The interim consolidated financial statements do not contain all financial risk management information and disclosures required in the annual financial statements.

3.1. Financial instruments

Set out below is an overview of carrying amounts and fair values of financial instruments held by the Group as at 30 June 2019.

In EUR millions	HY1 2019	
	Carrying amount	Fair value
Currency derivatives	57.7	57.7
Interest rate derivatives	-58.1	-58.1
Interest rate derivatives	11.3	11.3
Financial instruments at fair value	10.9	10.9
Loans granted	76.3	76.3
Finance lease receivable	28.0	28.0
Trade and other receivables	234.1	234.1
Cash and cash equivalents	92.5	92.5
Loans and receivables	430.9	430.9
US Private Placements	-1,283.2	-1,426.9
JPY Private Placement	-163.2	-167.6
Bank loans	-71.4	-73.9
Credit facility and other long-term loans	-342.8	-344.0
Bank overdrafts and short-term borrowings	-285.3	-285.3
Trade creditors	-31.9	-31.9
Other creditors	-84.6	-84.6
Other financial liabilities	-2,262.4	-2,414.2
Net at amortized cost	-1,831.5	-1,983.3
Standby credit facility		722.0
Standby bank loans		96.6
Unrecognized financial instruments		818.6

Where available, fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1). In the absence of such information, other observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices), are used to estimate fair values (level 2). Level 3 is based on valuation techniques for which the lowest input that is significant to the fair value measurement is unobservable.

During the six-month period ended 30 June 2019, almost all fair values of financial instruments measured at fair value in the statement of financial position are level 2 fair values. There are no material level 1 or level 3 financial instruments. Therefore, there were no material transfers between level 1 and level 2 fair value measurements and no material transfers into or out of level 3 fair value measurement.

The disclosed fair value of the Private Placements, revolving credit facility and other long-term bank loans are measured by discounting the future cash flows using observable market interest information (level 2) as no similar instrument is available due to the specific profile of the instruments.

The fair value of interest rate swaps, cross currency interest rate swaps and forward exchange contracts are determined by discounting the future cash flows using the applicable period-end yield curve (level 2).

There were no changes in valuation techniques used during the periods.

3.2. Liquidity risk

The Group's net interest bearing debt (including lease liabilities) position at 30 June 2019 amounted to EUR 2,618.4 million (31 December 2018: EUR 1,825.0 million).

The Senior net debt : EBITDA ratio increased to 2.99 compared to 2.49 per year-end 2018, which is well below the maximum agreed ratios in the covenants with the lenders.

The available credit facilities of the group are listed in the table below:

In EUR millions	Maturity	30-Jun-19			31-Dec-2018		
		Total facility ¹	Used	Unused	Total facility ¹	Used	Unused
Royal Vopak - Revolving credit facility	< 5 years	1,000.0	330.0	670.0	1,000.0	200.0	800.0
VTS - Revolving credit facility	< 3 years	65.0	13.0	52.0	63.9	5.1	58.8
Total committed facilities		1,065.0	343.0	722.0	1,063.9	205.1	858.8
Royal Vopak - Bank loan facility	< 1 year	330.0	256.0	74.0	230.0	59.5	170.5
Total uncommitted facilities		330.0	256.0	74.0	230.0	59.5	170.5
Total facilities		1,395.0	599.0	796.0	1,293.9	264.6	1,029.3

¹ At nominal value.

4. Exceptional items

In EUR millions	HY1 2019	HY1 2018
Step-acquisition 35% Ningbo	1.1	-
Gain on sale of Vopak E.O.S.	16.7	-
Expenses related with sale of Vopak E.O.S.	-0.3	-
Dutch Pension Fund	-	-3.8
Total before income tax	17.5	-3.8
Income tax	-	1.0
Total effect on net profit	17.5	-2.8

The items in the statement of income include items related to events that are exceptional by nature from a management perspective. For the definition of exceptional items applied by the company, reference is made to the Glossary of the Annual Report 2018. The material exceptional items are disclosed separately in the notes when relevant in order to increase transparency.

First half year 2019:

On 3 April 2019, Vopak completed the divestment of its 50% share in the Estonian terminal Vopak E.O.S. (Europe & Africa division) resulting in an exceptional gain of EUR 16.4 million (including transaction expenses), which was fully recognized in EBITDA in the second quarter of 2019. This divestment was the outcome of the earlier announced strategic review.

The step-acquisition from 50% to 85% of Vopak Terminal Ningbo (China & North Asia division) by means of which the Group obtained control over the entity, resulted in a minor exceptional item of EUR 1.1 million.

First half year 2018:

The exceptional loss of EUR 3.8 million recognized in the first half of 2018 was part of the total net exceptional gain for 2018 of EUR 19.1 million related to the third quarter settlement of the defined benefits pension plan in the Netherlands. The EUR 3.8 million was the difference between the IFRS defined benefits costs and the actual defined contribution cash outflows for the period that were agreed effective per 1 January 2018.

Reconciliation of IFRS figures to income statement -excluding exceptional items-

In EUR millions	HY1 2019			pro forma HY1 2019	HY1 2018
	IFRS figures	Exceptional items	Excluding exceptional items	Excluding exceptional items	Excluding exceptional items
Revenues	641.4	–	641.4	641.4	626.1
Other operating income	29.9	17.8	12.1	12.1	19.4
Total operating income	671.3	17.8	653.5	653.5	645.5
Personnel expenses	-167.9	-0.2	-167.7	-167.7	-164.9
Other operating expenses	-140.2	-0.1	-140.1	-165.6	-160.1
Result joint ventures and associates	76.9	–	76.9	78.1	50.4
Group operating profit before depreciation and amortization (EBITDA)	440.1	17.5	422.6	398.3	370.9
Depreciation and amortization	-148.2	–	-148.2	-131.8	-134.2
Group operating profit	291.9	17.5	274.4	266.5	236.7
Interest and dividend income	4.2	–	4.2	4.2	6.9
Finance costs	-47.3	–	-47.3	-37.0	-45.6
Net finance costs	-43.1	–	-43.1	-32.8	-38.7
Profit before income tax	248.8	17.5	231.3	233.7	198.0
Income tax	-39.7	–	-39.7	-40.0	-39.8
Net profit	209.1	17.5	191.6	193.7	158.2
Non-controlling interests	-18.7	–	-18.7	-19.0	-18.0
Net profit holders of ordinary shares	190.4	17.5	172.9	174.7	140.2
Basic earnings per ordinary share (in EUR)	1.49		1.35	1.37	1.10
Diluted earnings per ordinary share (in EUR)	1.49		1.35	1.37	1.10

5. Revenues

The table below provides an overview of the revenue per type of service that the Group provides to its customers.

In EUR millions	HY1 2019	HY1 2018
Storage services	506.1	496.8
Product movements	55.1	49.2
Storage and handling related services	54.7	54.6
Other services	25.5	25.5
Revenues	641.4	626.1

The table below provides an overview of the revenues per product type per reportable segment (product-market combinations).

In EUR millions	Oil Products		Chemical Products		Vegoils & Biofuels		Gas Products		Other Services		Total	
	HY1 2019	HY1 2018	HY1 2019	HY1 2018	HY1 2019	HY1 2018	HY1 2019	HY1 2018	HY1 2019	HY1 2018	HY1 2019	HY1 2018
Europe & Africa	157.3	163.3	90.3	88.8	32.8	34.6	15.6	16.4	9.6	9.0	305.6	312.1
Asia & Middle East	73.7	76.4	72.8	67.2	1.8	1.3	4.7	4.4	8.1	7.3	161.1	156.6
China & North Asia	0.2	0.9	20.0	15.9	–	–	0.1	0.2	–	–	20.3	17.0
Americas	46.9	41.3	81.9	70.9	17.8	18.4	–	–	6.0	9.3	152.6	139.9
Other	–	–	–	–	–	–	–	–	1.8	0.5	1.8	0.5
Total	278.1	281.9	265.0	242.8	52.4	54.3	20.4	21.0	25.5	26.1	641.4	626.1

6. Intangible assets, property, plant & equipment and financial assets

In EUR millions	Intangible assets	Property, plant and equipment - owned assets	Property, plant and equipment - leased assets	Financial assets
Carrying amount at 31 December 2018	155.9	3,714.8	21.5	1,145.9
Acquisitions	0.5	6.8	–	17.6
Additions	13.3	278.7	1.5	27.9
Disposals	–	-0.7	–	–
Transfer to held for sale	-7.2	-485.7	-95.5	-6.7
Depreciation and amortization	-7.7	-123.6	-16.9	–
Share in result joint ventures and associates	–	–	–	76.9
Dividends received	–	–	–	-42.6
Loans granted	–	–	–	49.9
Fair value change	–	–	–	0.1
Finance lease interest income	–	–	–	2.6
Initial application IFRS16	–	–	593.4	-25.8
Remeasurement	–	–	1.7	–
Repayments	–	–	–	-2.4
Other comprehensive income	–	–	–	-19.4
Exchange rate differences	2.0	25.7	4.5	11.6
Carrying amount at 30 June 2019	156.8	3,416.0	510.2	1,235.6

Total investments in property, plant and equipment (including capitalized interest) during the first half year of 2019 were EUR 278.7 million (HY1 2018: EUR 202.2 million), of which EUR 166.8 million (HY1 2018: EUR 103.5 million) was invested in the expansion of existing terminals and the construction of new terminals.

7. Leases

Set out below, are the carrying amounts of the Group's leased (right of use) assets and lease liabilities and the movements during the period.

In EUR millions	Land	Buildings	Tankstorage Terminals	Machinery & Equipment	Total PPE	Lease Liabilities
Opening balance at 1 January 2019 (former finance leases)	5.4	-	15.7	0.4	21.5	-23.1
<i>Movements:</i>						
Initial Application IFRS 16	548.3	28.2	8.4	8.5	593.4	-654.5
Additions	0.4	0.4	-	0.7	1.5	-1.5
Depreciation	-12.3	-2.4	-0.4	-1.8	-16.9	
Remeasurement	1.5	0.1	0.2	-0.1	1.7	-1.7
Unwinding interest	-	-	-	-	-	-11.3
Payment IFRS 16	-	-	-	-	-	26.6
Divestments / reclassification to assets held for sale	-77.6	-	-17.3	-0.6	-95.5	104.9
Exchange rate differences	4.4	0.1	-	-	4.5	-4.4
Carrying amount at 30 June 2019	470.1	26.4	6.6	7.1	510.2	-565.0

The total cash outflows for leases amounted to EUR 32.3 million (HY1 2018: EUR 33.5 million).

Set out below are the amounts recognized in the income statement during the period:

In EUR millions	HY1 2019
Depreciation expenses of leased assets	-16.9
Interest expenses on lease liabilities	-11.3
Lease expenses - low value assets lease expenses	-0.6
Lease expenses - short-term leases expenses	-3.9
Lease expenses - variable lease payments expenses	-1.2
Carrying amount at 30 June 2019	-33.9

Lease payments associated with short-term leases and low-value leases are recognized as an expense on a straight-line basis over the lease term.

8. Joint ventures and associates

Vopak holds interests in 26 (31 December 2018: 28) unlisted joint ventures and 8 (31 December 2018: 8) unlisted associates. Although the Group conducts a large part of its activities by means of these joint ventures and associates, none of these entities are currently individually material for the Group.

The nature of, and changes in, the risks associated with its interests in joint ventures and associates is primarily linked to the region and/or the nature of the activities. For the disclosure of the nature, extent and financial effects of our joint ventures and associates we make a distinction in the activities of the divisions Europe & Africa (limited number of oil and chemical terminals), Asia & Middle East, (all types of storage terminals, except LNG), LNG (terminals for LNG with long-term contracts), and China & North Asia (mainly industrial terminals). The joint ventures and associates of the Americas division are currently mainly gas terminals.

For an overview of the principal joint ventures and associates, we refer to note 9.11 of the 2018 Annual Report.

8.1. Movements in Vopak's share of total comprehensive income and the carrying amount of joint ventures and associates

Vopak's share in the total comprehensive income and the net assets of our joint ventures and associates is as follows:

In EUR millions	Joint ventures		Associates		Total	
	2019	2018	2019	2018	2019	2018
Vopak's share in net assets	700.7	655.1	309.0	243.2	1,009.7	898.3
Goodwill on acquisition	66.1	64.4	5.9	6.0	72.0	70.4
Initial application IFRS 16	-25.7	-	-0.1	-	-25.8	-
Carrying amount at 1 January	741.1	719.5	314.8	249.2	1,055.9	968.7
Share in profit or loss	52.8	48.4	24.1	2.0	76.9	50.4
Other comprehensive income	-3.6	5.2	-15.8	-2.3	-19.4	2.9
Total comprehensive income	49.2	53.6	8.3	-0.3	57.5	53.3
Dividends received	-42.6	-49.4	-	-0.4	-42.6	-49.8
Investments	6.1	5.4	21.8	15.2	27.9	20.6
Acquisitions	-	-	17.6	-	17.6	-
Redemption share capital	-	-	-	-23.9	-	-23.9
Step-acquisition	-6.7	-	-	-	-6.7	-
Exchange differences	6.3	13.3	4.1	4.4	10.4	17.7
Carrying amount at 30 June	753.4	742.4	366.6	244.2	1,120.0	986.6
Vopak's share in net assets	686.9	676.7	360.9	238.2	1,047.8	914.9
Goodwill on acquisition	66.5	65.7	5.7	6.0	72.2	71.7
Carrying amount at 30 June	753.4	742.4	366.6	244.2	1,120.0	986.6

8.2. Other arrangements in respect of joint ventures and associates

The Group has the following commitments and contingencies with regards to its joint ventures and associates:

In EUR millions	Joint ventures		Associates		Total	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Commitments to provide debt or equity funding	68.9	21.9	46.6	33.0	115.5	54.9
Guarantees and securities provided	105.9	104.5	22.6	57.0	128.5	161.5

The notional amount of guarantees and securities provided on behalf of participating interests in joint ventures and associates, included in the calculation of the bank covenant ratios, of EUR 85.5 million at 30 June 2019 was almost equal to the amount of EUR 86.6 million at 31 December 2018. Of this amount HY 2019: nil (31 December 2018: nil) was recognized in the statement of financial position.

8.3. Summarized statement of financial position of joint ventures and associates on a 100% basis

In EUR millions	Joint ventures										Associates	
	Asia & Middle East		China & North Asia		LNG		Others		Total		Total	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Non-current assets	1,286.3	1,096.4	660.8	670.2	1,206.7	1,044.9	262.3	241.8	3,416.1	3,053.3	2,403.4	2,157.0
Cash and cash equivalents	56.7	68.1	70.0	100.5	34.9	66.5	6.9	17.7	168.5	252.8	185.5	210.4
Other current assets	143.2	102.8	48.7	32.8	39.7	15.3	11.6	16.3	243.2	167.2	172.1	135.8
Total assets	1,486.2	1,267.3	779.5	803.5	1,281.3	1,126.7	280.8	275.8	3,827.8	3,473.3	2,761.0	2,503.2
Financial non-current liabilities	403.2	240.8	298.9	306.3	749.5	570.9	53.9	33.1	1,505.5	1,151.1	1,192.3	1,168.3
Other non-current liabilities	24.3	25.7	10.1	10.7	200.7	193.7	4.3	4.2	239.4	234.3	134.2	69.9
Financial current liabilities	41.0	52.3	12.2	12.1	60.8	71.3	7.3	12.2	121.3	147.9	67.6	65.4
Other current liabilities	323.8	259.6	39.2	48.7	33.3	23.3	15.7	27.1	412.0	358.7	134.5	123.6
Total liabilities	792.3	578.4	360.4	377.8	1,044.3	859.2	81.2	76.6	2,278.2	1,892.0	1,528.6	1,427.2
Net assets	693.9	688.9	419.1	425.7	237.0	267.5	199.6	199.2	1,549.6	1,581.3	1,232.4	1,076.0
Vopak's share of net assets	282.9	278.0	206.8	210.1	129.4	145.3	67.8	67.3	686.9	700.7	360.9	309.0
Goodwill on acquisition	5.5	5.5	0.5	0.5	60.5	60.1	–	–	66.5	66.1	5.7	5.9
Vopak's carrying amount of net assets	288.4	283.5	207.3	210.6	189.9	205.4	67.8	67.3	753.4	766.8	366.6	314.9

8.4. Summarized statement of total comprehensive income of joint ventures and associates on a 100% basis

In EUR millions	Joint ventures										Associates	
	Asia & Middle East		China & North Asia		LNG		Others		Total		Total	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Revenues	140.0	122.2	74.2	75.6	115.8	110.6	24.2	31.9	354.2	340.3	237.8	76.2
Operating expenses	-38.4	-41.0	-20.1	-21.6	-20.1	-21.5	-14.6	-22.4	-93.2	-106.5	-67.6	-28.9
Depreciation, amortization and impairment	-33.2	-28.6	-18.8	-18.2	-27.4	-22.6	-4.9	-4.0	-84.3	-73.4	-45.1	-25.9
Operating profit (EBIT)	68.4	52.6	35.3	35.8	68.3	66.5	4.7	5.5	176.7	160.4	125.1	21.4
Net finance costs	-9.5	-6.7	3.3	2.7	-20.2	-18.5	0.6	-0.4	-25.8	-22.9	-32.3	-8.9
Income tax	-11.9	-9.1	-11.1	-10.9	-13.3	-13.4	-0.8	-0.8	-37.1	-34.2	-8.0	-2.6
Net profit	47.0	36.8	27.5	27.6	34.8	34.6	4.5	4.3	113.8	103.3	84.8	9.9
Other comprehensive income	-0.3	5.1	-	-0.5	-6.8	6.0	-	-	-7.1	10.6	-59.7	-7.7
Total comprehensive income	46.7	41.9	27.5	27.1	28.0	40.6	4.5	4.3	106.7	113.9	25.1	2.2
Vopak's share of net profit	18.6	14.8	13.3	13.3	18.9	18.6	2.0	1.7	52.8	48.4	24.1	2.0
Vopak's share of other comprehensive income	-0.2	2.1	-	-	-3.5	3.1	0.1	-	-3.6	5.2	-15.8	-2.3
Vopak's share of total comprehensive income	18.4	16.9	13.3	13.3	15.4	21.7	2.1	1.7	49.2	53.6	8.3	-0.3

The information above reflects the amounts present in the financial statements of the joint ventures and associates adjusted for differences in accounting policies between the group and the joint ventures and associates and, when applicable, the effects of the purchase price allocation performed by the Group with regards to the acquisition of the joint venture or associate.

9. Issued capital, share premium and treasury shares

Movements in the number of shares, the issued capital and the share premium were as follows:

	Numbers			Amounts in EUR millions			
	Issued ordinary shares	Financing preference shares	Total shares	Treasury shares	Issued capital	Share premium	Treasury shares
Balance at 31 December 2017	127,835,430	-	127,835,430	-190,000	63.9	194.4	-8.0
Purchase treasury shares	-	-	-	19,403	-	-	0.7
Balance at 30 June 2018	127,835,430	-	127,835,430	-170,597	63.9	194.4	-7.3
Balance at 31 December 2018	127,835,430	-	127,835,430	-170,597	63.9	194.4	-7.3
Purchase treasury shares	-	-	-	-65,370	-	-	-2.6
Vested under equity-settled share-based payment arrangement	-	-	-	25,983	-	-	1.0
Balance at 30 June 2019	127,835,430	-	127,835,430	-209,984	63.9	194.4	-8.9

A dividend of EUR 1.10 per ordinary share (HY1 2018: EUR 1.05 per ordinary share) with a nominal value of EUR 0.50, or EUR 140.5 million in total (HY1 2018: EUR 134.0 million), was paid in cash on 26 April 2019.

Share-based payments arrangements:

During the first half year of 2019, 25,983 (2018: 19,403) shares were transferred to employees in relation to the settlement of Long-Term Incentive Plans. In 2019 a new Long-Term Incentive Plan, for the period 2019-2021, will be granted to the Executive Board and senior management.

10. Borrowings

10.1 Net debt reconciliation

The movements in the net interest-bearing debt were as follows:

In EUR millions	Cash and cash equivalents	Short-term borrowings	Interest-bearing loans	Net interest-bearing debt	Interest-bearing loans - lease liabilities	Total interest-bearing debt
Carrying amount at 31 December 2017	102.9	-80.0	-1,556.8	-1,533.9	-	-1,533.9
Cash flows	-30.1	-30.0	-19.1	-79.2	-	-79.2
Other non-cash movements	-	-	-0.6	-0.6	-	-0.6
Exchange rate differences	-0.5	-	-47.6	-48.1	-	-48.1
Carrying amount at 30 June 2018	72.3	-110.0	-1,624.1	-1,661.8	-	-1,661.8
Carrying amount at 31 December 2018	54.6	-59.0	-1,820.6	-1,825.0	-	-1,825.0
Cash flows	12.8	-197.0	-45.8	-230.0	26.6	-203.4
Other non-cash movements / held for sale	-4.5	-	22.6	18.1	-586.4	-568.3
Exchange rate differences	0.3	-	-16.8	-16.5	-5.2	-21.7
Carrying amount at 30 June 2019	63.2	-256.0	-1,860.6	-2,053.4	-565.0	-2,618.4
Current assets	92.5	-	-	92.5	-	92.5
Non-current liabilities	-	-	-1,735.5	-1,735.5	-536.2	-2,271.7
Current liabilities	-29.3	-256.0	-125.1	-410.4	-28.8	-439.2
Carrying amount at 30 June 2019	63.2	-256.0	-1,860.6	-2,053.4	-565.0	-2,618.4

During the first half year of 2019, EUR 98.2 million (HY1 2018: EUR 6.4 million) of debt repayments took place. For the remainder of 2019, no material repayments on long-term loans are scheduled.

10.2 Average remaining maturities and main covenant ratios

In EUR millions	Interest-bearing loans					Bank loans	Total
	USPPs	Asian PPs	VTS Bankloan	RCFs	Other		
Non-current	1,273.8	158.4	63.9	205.1	29.9	–	1,731.1
Current	89.2	–	–	–	0.3	59.0	148.5
Carrying amount at 31 December 2018	1,363.0	158.4	63.9	205.1	30.2	59.0	1,879.6
Average remaining terms (in years)	5.2	22.0	1.7	4.4	32.0	–	6.6
Non-current	1,283.2	163.2	65.0	341.8	7.4	–	1,860.6
Current	–	–	–	–	–	256.0	256.0
Carrying amount at 30 June 2019	1,283.2	163.2	65.0	341.8	7.4	256.0	2,116.6
Average remaining terms (in years)	5.0	21.5	1.2	3.8	3.5	–	
Required ratios							
Senior net debt : EBITDA (maximum)	3.75	3.75	3.75	3.75	3.75	3.75	
Interest cover (minimum) ¹	3.50	3.50	3.50	3.50	3.50	3.50	

¹ Interest cover is the ratio of the EBITDA and the net finance costs.

10.3 Financial ratios reconciliation

In EUR millions	HY1 2019	HY1 2018
EBITDA past 12 months	827.8	670.3
-/- Result joint ventures and associates	140.4	100.3
Gross dividend received from joint ventures and associates	72.7	98.8
-/- IFRS 16 Adjustment in operating expenses for former operating leases	25.5	-
-/- Exceptional items	41.8	-69.6
-/- Divestments full year adjustment	-	-
EBITDA for ratio calculation	692.8	738.4
Net interest-bearing debt	-2,618.4	-1,661.8
-/- IFRS 16 Adjustment in lease liabilities for former operating leases	-565.0	-
Derivative financial instruments (currency)	59.6	52.9
Credit replacement guarantees	-85.5	-91.4
-/- Subordinated loans	-	-89.8
Cash and cash equivalents held for sale	4.5	-
Senior net debt for ratio calculation	-2,074.8	-1,610.5
Financial ratios		
Senior net debt : EBITDA	2.99	2.18
Interest cover	9.1	6.8

The Senior net debt : EBITDA ratio was 2.99 as at 30 June 2019 (31 December 2018: 2.49), well below the maximum agreed ratios in the covenants with the lenders.

11. Contingent assets and liabilities

The investment commitments undertaken for subsidiaries amounted to EUR 520.8 million at 30 June 2019 (31 December 2018: EUR 458.6 million). For more information, reference is made to the 'Terminal portfolio and storage capacity developments' section.

For an overview of the commitments to provide debt or equity funding for joint ventures and associates, and for guarantees and securities provided on behalf of participating interests in joint ventures and associates, we refer to note 8.2.

There are no other significant changes in the contingent assets liabilities per the end of June 2019 compared to the contingent liabilities disclosed in note 9.8 in the 2018 Annual report.

12. Related party disclosures

For the details on the nature of the Group's related parties, reference is made to section 7 in our 2018 Annual Report. No significant changes have occurred in the nature of our related party transactions.

There were no changes in arrangements with major shareholders in addition to the ones disclosed in the 2018 Annual Report. Besides the dividend distribution, no related party transactions have been entered into with the major shareholders during the first half of this year.

No related party transactions, which might reasonably affect any decisions of the users of these consolidated financial statements, were entered into during the first half year of 2019.

13. Subsequent events

- On 31 July 2019, Vopak announced that it will expand its Deer Park chemical terminal in the port of Houston in the US. This expansion of 33,000 cbm is expected to be commissioned in Q2 2021.
- On 31 July 2019, Vopak announced that it will expand its terminal in Sydney in Australia with 105,000 cbm to cater to the storage demand for clean petroleum products and aviation fuels. The capacity is expected to be commissioned in Q2 2021.
- On 31 July 2019, Vopak announced that it acquired a 10.7% equity share in Hydrogenious LOHC Technologies GmbH, of which the principal activity is to develop an innovative technology to allow for safe and cost-effective logistics of hydrogen. The combination of Vopak's terminal network with the Liquid Organic Hydrogen Carrier (LOHC) technology has the potential to create a breakthrough in the storage and transportation of renewable energies.

Enclosures

Enclosure 1. Non-IFRS proportionate financial information

Enclosure 2. Key results second quarter

Enclosure 3. Glossary

Enclosure 1. Non-IFRS proportionate financial information

Basis of preparation

Vopak provides non-IFRS proportionate financial information -excluding exceptional items- in response to requests by multiple investors to provide additional operational performance insights on a comparable basis for subsidiaries, joint ventures and associates. In this disclosure, the joint ventures and associates and the subsidiaries with non-controlling interests are consolidated based on the economic ownership interests of the Group in these entities.

In the tables in this section, we provide the proportionate financial information for the statement of income, the statement of financial position, and the segment information for each of our reportable segments. Where applicable, we show a reconciliation with our IFRS figures in order to create comparability with the proportionate information. Other information is based on the same principles as applied for the proportionate financial information.

Proportionate information

Statement of income

In EUR millions	HY1 2019				pro forma HY1 2019	HY1 2018			
	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated	Proportionate consolidated	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated
Revenues	641.4	–	185.6	827.0	827.0	626.1	–	130.3	756.4
Net operating expenses	-278.2	175	-51.9	-347.6	-374.1	-309.4	-3.8	-40.1	-345.7
Results of joint ventures and associates using the equity method	76.9	–	-76.9	–	–	50.4	–	-50.4	–
Group operating profit before depreciation and amortization (EBITDA)	440.1	175	56.8	479.4	452.9	367.1	-3.8	39.8	410.7
Depreciation and amortization	-148.2	–	-41.1	-189.3	-170.8	-134.2	–	-32.4	-166.6
Group operating profit (EBIT)	291.9	175	15.7	290.1	282.1	232.9	-3.8	7.4	244.1
Net finance costs	-43.1	–	-18.0	-61.1	-50.6	-38.7	–	-12.0	-50.7
Income tax	-39.7	–	-16.4	-56.1	-56.8	-38.8	1.0	-13.4	-53.2
Net profit	209.1	175	-18.7	172.9	174.7	155.4	-2.8	-18.0	140.2
Non-controlling interests	-18.7	–	18.7	–	–	-18.0	–	18.0	–
Net profit owners of parent	190.4	175	–	172.9	174.7	137.4	-2.8	–	140.2

Statement of financial position

In EUR millions	30-Jun-19			pro forma HY1 2019	31-Dec-18		
	IFRS figures	Effects proportionate consolidation	Proportionate consolidated	Proportionate consolidated	IFRS figures	Effects proportionate consolidation	Proportionate consolidated
Non-current assets (excl. joint ventures and associates)	4,232.6	1,915.7	6,148.3	5,493.0	4,011.2	1,804.6	5,815.8
Joint ventures and associates	1,120.0	-1,120.0	–	–	1,081.7	-1,081.7	–
Current assets	1,063.2	317.7	1,380.9	1,380.9	422.0	340.6	762.6
Total assets	6,415.8	1,113.4	7,529.2	6,873.9	5,514.9	1,063.5	6,578.4
Non-current liabilities	2,568.6	998.0	3,566.6	2,944.2	2,060.2	963.4	3,023.6
Current liabilities	1,059.0	270.7	1,329.7	1,285.8	610.4	261.6	872.0
Total liabilities	3,627.6	1,268.7	4,896.3	4,230.0	2,670.6	1,225.0	3,895.6
Equity attributable to owners of parent	2,632.9	–	2,632.9	2,643.9	2,682.8	–	2,682.8
Non-controlling interests	155.3	-155.3	–	–	161.5	-161.5	–
Total equity	2,788.2	-155.3	2,632.9	2,643.9	2,844.3	-161.5	2,682.8

Other information

	HY1 2019	pro forma HY1 2019	HY1 2018
EBITDA margin -excluding exceptional items-	57.2%	54.8%	53.1%
Occupancy rate subsidiaries, joint ventures and associates	84%		84%
Service, maintenance, compliance and IT capex (in EUR millions)	137.5		115.1

Segment information -excluding exceptional items-

In EUR millions	Revenues		EBITDA			Group operating profit (EBIT)		
	HY1 2019	HY1 2018	HY1 2019	pro forma HY1 2019	HY1 2018	HY1 2019	pro forma HY1 2019	HY1 2018
Europe & Africa	311.0	320.8	159.9	150.0	155.3	83.6	79.7	79.1
<i>of which Netherlands</i>	219.8	224.0	118.1	111.6	116.0	63.9	61.8	62.0
Asia & Middle East	214.6	181.3	160.4	150.8	127.0	113.7	110.1	91.6
<i>of which Singapore</i>	87.6	84.8	64.8	60.0	58.9	48.5	46.5	45.9
China & North Asia	64.0	54.3	45.9	45.1	35.8	29.3	29.4	20.8
Americas	154.7	141.2	79.3	75.0	66.8	51.7	50.6	44.8
<i>of which United States</i>	94.8	83.4	50.2	47.6	40.2	35.3	34.6	28.5
LNG	80.9	58.5	52.2	50.3	46.7	37.8	38.1	34.7
Global functions, corporate activities and others	1.8	0.3	-18.3	-18.3	-20.9	-26.0	-24.9	-26.9
Total excluding exceptional items	827.0	756.4	479.4	452.9	410.7	290.1	283.0	244.1

Net interest-bearing debt

In EUR millions	HY1 2019	pro forma HY1 2019	HY1 2018
Non-current portion of interest-bearing loans	3,138.3	2,515.9	2,583.7
Current portion of interest-bearing loans	224.2	180.3	168.6
Total interest-bearing loans	3,362.5	2,696.2	2,752.3
Short-term borrowings	262.9	262.9	67.0
Bank overdrafts	29.3	29.3	22.9
Cash and cash equivalents	-211.7	-211.7	-249.8
Net interest-bearing debt	3,443.0	2,776.7	2,592.4

Revenue per Product Type per Reporting Segment

In EUR millions	Oil Products		Chemical Products		Vegoils & Biofuels		Gas Products		Other Services		Total	
	HY1 2019	HY1 2018	HY1 2019	HY1 2018	HY1 2019	HY1 2018	HY1 2019	HY1 2018	HY1 2019	HY1 2018	HY1 2019	HY1 2018
Europe & Africa	157.4	167.0	93.6	92.1	33.2	34.8	15.6	16.4	11.2	10.6	311.0	320.9
Asia & Middle East	100.1	82.1	94.0	84.2	1.8	1.3	7.9	4.0	10.8	9.6	214.6	181.2
China & North Asia	1.5	1.8	56.1	52.1	-	-	6.2	0.2	0.2	0.3	64.0	54.4
Americas	46.9	41.3	82.8	72.1	17.8	18.4	1.2	-	6.0	9.3	154.7	141.1
LNG	-	-	-	-	-	-	80.9	58.5	-	-	80.9	58.5
General Services	-	-	-	-	-	-	-	-	1.8	0.3	1.8	0.3
Total	305.9	292.2	326.5	300.5	52.8	54.5	111.8	79.1	30.0	30.1	827.0	756.4

Enclosure 2. Key results second quarter

Statement of income

In EUR millions	Revenues			Result of joint ventures and associates				EBITDA				Group operating profit (EBIT)			
	Q2 2019	Q1 2019	Q2 2018	Q2 2019	pro forma Q2 2019	Q1 2019	Q1 2018	Q2 2019	pro forma Q2 2019	Q1 2019	Q1 2018	Q2 2019	pro forma Q2 2019	Q1 2019	Q1 2018
Europe & Africa	151.9	153.8	153.2	0.6	0.6	0.6	0.9	81.1	76.2	78.4	74.5	47.4	44.7	36.7	36.4
<i>of which Netherlands</i>	107.7	110.6	107.8	0.2	0.1	0.1	0.6	58.5	55.2	58.9	53.9	33.7	32.4	29.8	26.9
Asia & Middle East	76.5	84.5	76.4	15.5	16.0	19.3	7.7	71.4	66.9	81.9	66.5	55.5	53.9	66.0	53.6
<i>of which Singapore</i>	58.4	66.6	59.0	0.1	0.2	0.2	0.2	43.2	39.9	50.3	39.4	31.4	30.0	38.6	29.9
China & North Asia	9.8	10.5	8.6	8.4	8.4	8.8	6.9	13.9	13.7	15.3	11.9	11.0	11.0	12.4	9.6
Americas	77.0	75.6	71.5	1.8	1.7	0.3	0.3	41.7	39.6	38.1	34.9	27.4	26.9	24.9	24.2
<i>of which United States</i>	47.5	47.3	42.2	0.2	0.2	0.2	0.2	26.3	25.0	24.5	20.3	18.8	18.4	17.2	14.5
LNG	–	–	–	11.1	11.1	10.6	9.2	9.4	9.5	9.7	9.6	9.4	9.5	9.7	9.6
Global functions, corporate activities and others	1.6	0.2	0.2	-0.2	-0.1	0.1	–	-9.5	-10.0	-8.8	-16.7	-13.3	-13.3	-12.7	-19.6
Total excluding exceptional items	316.8	324.6	309.9	37.2	37.7	39.7	25.0	208.0	195.9	214.6	180.7	137.4	132.7	137.0	113.8
<i>Exceptional items:</i>															
Europe & Africa												16.4	16.4	–	-2.8
Asia & Middle East												–	–	–	–
China & North Asia												–	–	1.1	–
Americas												–	–	–	–
LNG												–	–	–	–
Global functions, corporate activities and others												–	–	–	-1.0
Total including exceptional items												153.8	149.1	138.1	110.0

Occupancy rate subsidiaries

In EUR millions	Q2 2019	Q1 2019	Q2 2018
Europe & Africa	83%	82%	83%
Asia & Middle East	80%	92%	86%
China & North Asia	79%	83%	79%
Americas	91%	89%	90%
Vopak	84%	86%	85%

Enclosure 3. Glossary

EBIT - Earnings Before Interest and Tax

Net income, before income taxes, and before net finance costs. This performance measure is used by the company to evaluate the operating performance of its operating entities.

EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization

Net income, before income taxes, before net finance cost, and before amortization and depreciation expenses. EBITDA is a rough accounting approximate of gross cash flows generated. This measure is used by the company to evaluate the financial performance of its operating entities.

Exceptional items

A limited set of events pre-defined by the company which are not reflective of the normal business of the company and which are exceptional by nature from a management perspective. These exceptional items include impairments, reversed impairments, additions to and releases from provisions for restructuring, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, any other provisions being formed or released and any significant change in estimates.

The Group does not apply a threshold for impairments, reversal of impairments, disposal of investments and discontinued operations. For the other items, the Group considers an event exceptional when the effect exceeds the threshold of EUR 10.0 million.

ROCE - Return On Capital Employed Before Interest and Tax

EBIT -excluding exceptional items- as a percentage of the average capital employed. This performance measure is used by the company to assess the profitability and the efficiency of its operations in relation to the capital that is employed.

ROE - Return On Equity After Interest and Tax

Net income -excluding exceptional items- as a percentage of the average equity employed. This performance measure is used by the company to assess the return that the company generates with the equity funds provided by its shareholders.

