

## Press Release



The Netherlands, 11 November 2022

### Vopak reports improved EBITDA of EUR 227 million in Q3 2022 and raises its full-year 2022 EBITDA outlook to around EUR 890 million

#### Key highlights

- **Improved** financial performance supported by business conditions and currency gains. 2022 outlook for EBITDA and proportional operating cash return increased.
- **Growing** our footprint in industrial terminals in China and increased send-out capacity in Gate LNG terminal in Rotterdam.
- **Accelerating in new energies** by repurposing oil capacity in Los Angeles to sustainable aviation fuel and renewable diesel and taking a share in the electricity storage company Elestor.

#### FINANCIAL HIGHLIGHTS

Q3 2022	Q2 2022	Q3 2021 (restated)	in EUR millions	YTD Q3 2022	YTD Q3 2021 (restated)
349.6	338.0	309.5	Revenues	1,011.7	912.7
<b>Results -excluding exceptional items-</b>					
226.9	219.4	210.8	Group operating profit / (loss) before depreciation and amortization (EBITDA)	659.4	614.1
140.3	130.9	127.9	Group operating profit / (loss) (EBIT)	397.0	372.9
77.7	53.5	80.6	Net profit / (loss) attributable to holders of ordinary shares	205.9	229.2
0.62	0.42	0.65	Earnings per ordinary share (in EUR)	1.64	1.83
<b>Results -including exceptional items-</b>					
229.7	-245.0	201.4	Group operating profit / (loss) before depreciation and amortization (EBITDA)	197.8	535.0
143.1	-333.5	118.5	Group operating profit / (loss) (EBIT)	- 64.6	293.8
80.5	-410.5	71.2	Net profit / (loss) attributable to holders of ordinary shares	- 255.3	150.1
0.64	-3.28	0.57	Earnings per ordinary share (in EUR)	-2.04	1.20
197.9	214.0	166.0	Cash flows from operating activities (gross excluding derivatives)	581.0	473.1
191.3	189.4	166.9	Cash flows from operating activities (gross)	530.9	429.0
- 117.9	- 176.0	- 160.2	Cash flows from investing activities (including derivatives)	- 388.7	- 448.7
<b>Additional performance measures</b>					
277.4	267.1	257.3	Proportional EBITDA -excluding exceptional items-	798.2	749.0
22.2	22.3	22.5	Proportional capacity end of period (in million cbm)	22.2	22.5
89%	87%	88%	Proportional occupancy rate	87%	88%
36.6	36.7	36.1	Storage capacity end of period (in million cbm)	36.6	36.1
88%	87%	87%	Subsidiary occupancy rate	86%	87%
11.2%	11.1%	11.0%	Proportional operating cash return	11.3%	11.1%
10.4%	9.3%	10.4%	Return on capital employed (ROCE)	9.6%	10.4%
5,344.3	5,538.7	4,783.4	Average capital employed	5,443.4	4,624.4
3,278.7	3,211.4	2,979.4	Net interest-bearing debt	3,278.7	2,979.4
2.82	2.86	2.93	Senior net debt : EBITDA	2.82	2.93
3.02	3.06	3.16	Total net debt : EBITDA	3.02	3.16

The prior periods related to financial year 2021 have been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements.

Proportional operating cash return is defined as proportional operating cash flow over average proportional capital employed and reflects the increased importance of free cash flow and joint ventures in our portfolio.

**Royal Vopak Chief Executive Officer Dick Richelle, comments on the results:**

*“Our strong third quarter performance demonstrates that our well diversified infrastructure portfolio uniquely positions Vopak to serve our customers amidst highly uncertain times. The deployment of growth capex towards our strategic priorities is going well, with growth in industrial and gas terminals and acceleration towards new energies. Our improved financial performance and solid strategy execution allows us to update our outlook for FY 2022, by increasing our expectation for EBITDA and proportional operating cash return.”*

**Financial Highlights for YTD Q3 2022 - excluding exceptional items**

**Revenue** increased to EUR 1 billion, driven by a favorable chemical and gas market environment, positive currency translation effects and growth project contribution.

**Proportional occupancy rate** YTD Q3 2022 was 87% (YTD Q3 2021: 88%). Proportional occupancy improved to 89% in Q3 2022 from Q2 2022 (87%) driven mainly by performance in Asia and Middle East, New Energy and LNG and Americas.

**Costs** increased by EUR 69 million to EUR 522 million (YTD Q3 2021 453 million) mainly due to surging energy prices (EUR 31 million), currency translation effects (EUR 22 million), personnel expenses (EUR 14 million) and cost of growth projects and business development.

**EBITDA** increased to EUR 659 million (YTD Q3 2021 614 million) supported by business conditions, currency translation effects (EUR 44 million) and growth projects' contribution (EUR 20 million) which were partly offset by higher costs.

**EBIT** increased to EUR 397 million (YTD Q3 2021 EUR 373 million), adjusted for EUR 32 million positive currency translation effects, EBIT decreased by EUR 8 million. Depreciation charges were higher compared to the same period last year mainly due to an increase in commissioned growth assets.

**Growth investments** in YTD Q3 2022 were EUR 270 million (YTD Q3 2021 226 million), reflecting the completion of the acquisition of our joint venture in India with Aegis in Q2 2022. Proportional growth investments in YTD Q3 2022 was EUR 299 million. Operating capex,

which includes sustaining and IT capex, in YTD Q3 2022 was EUR 194 million (YTD Q3 2021 217 million) while proportional operating capex was EUR 211 million (YTD Q3 2021 245 million).

**Cash flow from operating activities** increased by EUR 108 million to EUR 581 million, driven by good operational performance and dividend receipts from joint ventures and associates which increased by EUR 109 million compared to YTD Q3 2021.

**Proportional Operating Cash flow** in YTD Q3 2022 was EUR 514 million. Proportional operating cash return in YTD Q3 2022 of 11.3% vs 11.1% in YTD Q3 2021 driven by positive proportional EBITDA performance and lower operating capex during YTD Q3 2022.

**Net profit attributable to holders of ordinary shares** of EUR 206 million (YTD Q3 2021: EUR 229 million). Tax charges increased as a result of the write off of the deferred tax assets in the Netherlands in Q2 2022.

**The senior net debt : EBITDA ratio** is 2.82 at the end of YTD Q3 2022, within our previously communicated ambition to keep senior net debt to EBITDA ratio in the range of around 2.5-3.0x. Average interest rate on total debt at the end of Q3 2022 was 2.9%. Interest coverage ratio at the end of Q3 2022 stood at 8.6x, well above the agreed level of 3.5x.

During Q3 2022, there was an update on the recognized exceptional gain realized upon divestment (100%) of two Canadian entities of EUR 2.8 million, bringing the total gain to EUR 8.5 million.

## Strategic update

The deployment of growth capex towards our strategic priorities is going well with growth in industrial and gas and an acceleration towards new energies. A summary of the progress during Q3 2022:

Growth projects					
Name, Country	Share	Capacity	COD*	Strategic pillar	Equity Investment
Existing terminals	%	cbm			EUR million
Eurotank, Belgium	100%	41,000	Q4 2024	Improve: Transform	70
Caojing, China	50%	110,000	Q1 2025	Grow: Industrial	-
Los Angeles, United States	100%	148,000	Q2/Q3 2023	Accelerate: New energies & sustainable feedstocks	30

\*Commercial operation date

The investment amount in EUR is excluding capitalized interest

### Improve financial performance

**In Belgium**, we are refurbishing our Eurotank terminal by rebuilding 41k cbm. With this investment we solidify our position as the leading chemical terminal infrastructure provider in the Port of Antwerp. This investment enables Vopak to strengthen its service offering and facilitate continuous chemical imports.

The total investment is around EUR 70 million and contributes positively to the cash return of the terminal.

**In the Netherlands**, Vopak entered into an agreement to sell 100% of Vopak Agencies to Wilhelmsen Port Services. The transaction is subject to customary conditions and is expected to close by the end of the year.

### Grow in industrial and gas

**In China**, Vopak will expand its industrial terminal capacity with 110k cbm in Caojing. This expansion will further solidify Vopak's industrial footprint in China.

The construction of the new capacity will start in early 2023 and is expected to be commissioned by Q1 2025 based on a long-term industrial contract.

**In the Netherlands**, Gate LNG terminal in Rotterdam, a joint venture of Vopak and Gasunie, announced that it is launching an Open Season to gauge market interest in an additional 4 BCM per year of capacity. During 2022, Gate LNG terminal has substantially expanded its send-out capacity.

### New energies & sustainable feedstocks

**In the United States**, we will repurpose 22 oil storage tanks in Los Angeles (148k cbm) to sustainable aviation fuel and renewable diesel. The total investment is approximately EUR 30 million, with above company-average operating cash return.

**In the Netherlands**, Vopak invested in the electricity storage company Elestor, reaching an ownership of 5.18%. Vopak and Elestor have the joint ambition to scale up electricity storage capacity of flow batteries to industrial scale.

**In the Netherlands, Singapore and the United States**, we are preparing for business opportunities in green ammonia.

## Outlook

Vopak updates its outlook for FY 2022 as summarized below:

### Outlook summary

	Updated outlook As per Q3 2022	Previous outlook As per HY1 2022	Timeframe
EBITDA (excl. exceptional items)	~ EUR 890 million	EUR 830-850 million	FY 2022
Costs	~ EUR 710 million	~ EUR 690 million	FY 2022
Growth investments	~ EUR 300 million	below EUR 300 million	FY 2022
Sustaining & service capex	EUR 800-830 million	higher end of the range EUR 750-850 million	2020-2022
IT capex	~ EUR 30 million	maximum of EUR 45 million	FY 2022
Proportional Operating cash return	minimum of 10.5%	~ 9.5%	FY 2022

**EBITDA (excluding exceptional items)** outlook for FY 2022 is updated to around EUR 890 million from the previously announced range of EUR 830 million to EUR 850 million. The revised guidance factors in volatility in the energy market, inflation and pressure from utility prices and remains subject to market conditions and currency exchange.

**Cost** outlook for FY 2022 is updated to around EUR 710 million from around EUR 690 million previously communicated as a result of surging energy and utility prices, and currency exchange.

**Consolidated growth investments** outlook for FY 2022 is expected to be around EUR 300 million. The allocation of these investments will be through existing committed and new business development projects.

**Sustaining and service improvement capex** in the period 2020-2022 is expected to be in the range of EUR 800 million to EUR 830 million.

**IT Capex** outlook for FY 2022 is updated to around EUR 30 million from a maximum of EUR 45 million as previously announced.

**Proportional operating cash return** is expected to be a minimum of 10.5% by year end 2022 instead of around 9.5% as previously communicated. Vopak aims to review its ambition on proportional operating cash return with publication of FY 2022 results.

**Frits Eulderink - COO** is taking an unpaid extended period of leave to travel in Q1 of 2023. This leave was planned in advance. During this period the COO will be available as needed.

#### Impact of the Russia-Ukraine war in 2022:

Vopak is monitoring this tragic situation closely and is fully committed to adhere to relevant sanctions laws and regulations. As governments try to ensure energy security and affordability, Vopak follows applicable government regulations with regard to energy imports from Russia.

The Russia-Ukraine war and the international sanction regimes make the market situation volatile and uncertain. Direct impact is assessed to be mainly in Vopak's Europort

terminal and to be limited on Vopak's group level. There is, however, an indirect exposure through factors such as utility prices, inflation, market conditions and exchange rates.

#### Impact of Covid-19 pandemic in 2022:

The pandemic spread of Covid-19 remains an impactful event in several regions around the world, such as China. Our first priority in the Covid-19 response continues to be to protect the health and well-being of our people, their families and the communities in which we operate.







## Financial calendar

15 February 2023	Publication of 2022 annual results
26 April 2023	Publication of 2023 first-quarter interim update
26 April 2023	Annual General Meeting
28 July 2023	Publication of 2023 half year results
27 October 2023	Publication of 2023 third-quarter interim update

## Disclaimer

Any statement, presentation or other information contained herein that relates to future events, goals or conditions is, or should be considered, a forward-looking statement. Although Vopak believes these forward-looking statements are reasonable, based on the information available to Vopak on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on these forward-looking statements. Vopak's outlook does not represent a forecast or any expectation of future results or financial performance. The actual future results, timing and scope of a forward-looking statement may vary subject to (amongst others) changes in laws and regulations including international treaties, political and foreign exchange developments, technical and/or operational capabilities and developments, environmental and physical risks, (energy) resources reasonably available for our operations, developments regarding the potential capital raising, exceptional income and expense items, changes in the overall economy and market in which we operate, including actions of competitors, preferences of customers, society and/or the overall mixture of services we provide and products we store and handle.

Vopak does not undertake to publicly update or revise any of these forward-looking statements.

## About Royal Vopak

Royal Vopak is the world's leading independent tank storage company. We store vital products with care. Products for everyday life. The energy that allows people to cook, heat or cool their homes and for transportation. The chemicals that enable companies to manufacture millions of useful products. The edible oils to prepare food. We take pride in improving access to cleaner energy and feedstocks for a growing world population, ensuring safe, clean and efficient storage and handling of bulk liquid products and gases at strategic locations around the world. We are excited to help shape a sustainable future by developing infrastructure solutions for new vital products, focusing on zero- and low-carbon hydrogen, ammonia, CO<sub>2</sub>, long duration energy storage and sustainable feedstocks. We have a track record of over 400 years in navigating change and are continuously investing in innovation. On sustainability, we are ambitious and performance driven, with a balanced roadmap that reflects key topics that matter most to our stakeholders and where we can have a positive impact for people, planet and profit and the United Nations Sustainable Development Goals.

Vopak is listed on the Euronext Amsterdam and is headquartered in Rotterdam, the Netherlands. For more information, please visit [www.vopak.com](http://www.vopak.com)

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The analysts' presentation will be given via an on-demand audio webcast on [Vopak's corporate website](#), starting at 10:00 AM CET on 11 November 2022.

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