

FMU 2015

22 APRIL 2015 FMU PRESENTATION

# Financial Market Update

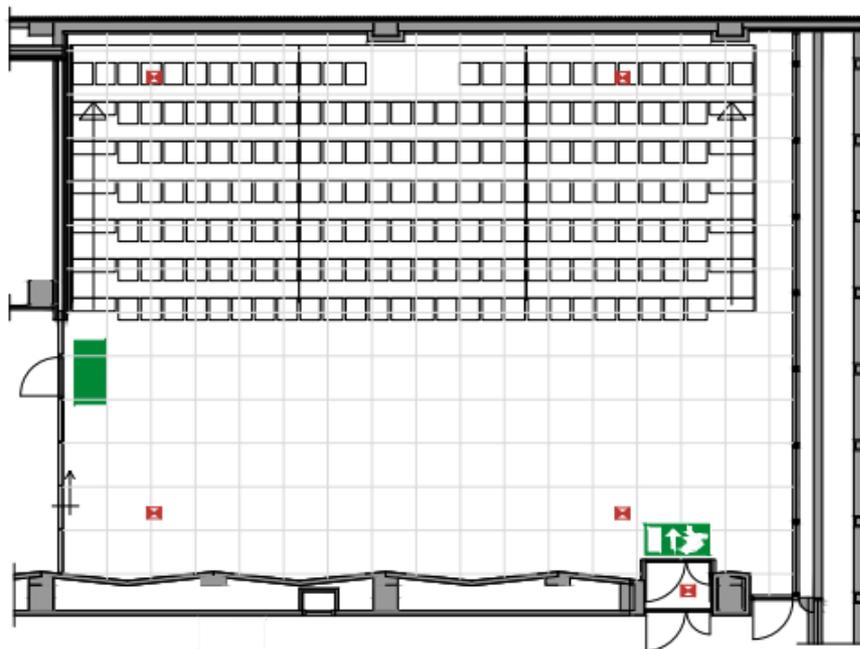


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F +31 (0)10 4332237

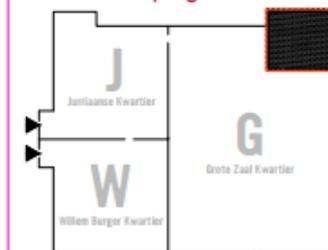
**Eduard Flipse Zaal**

**Schaal 1:100**

**Legenda**



**1e verdieping**



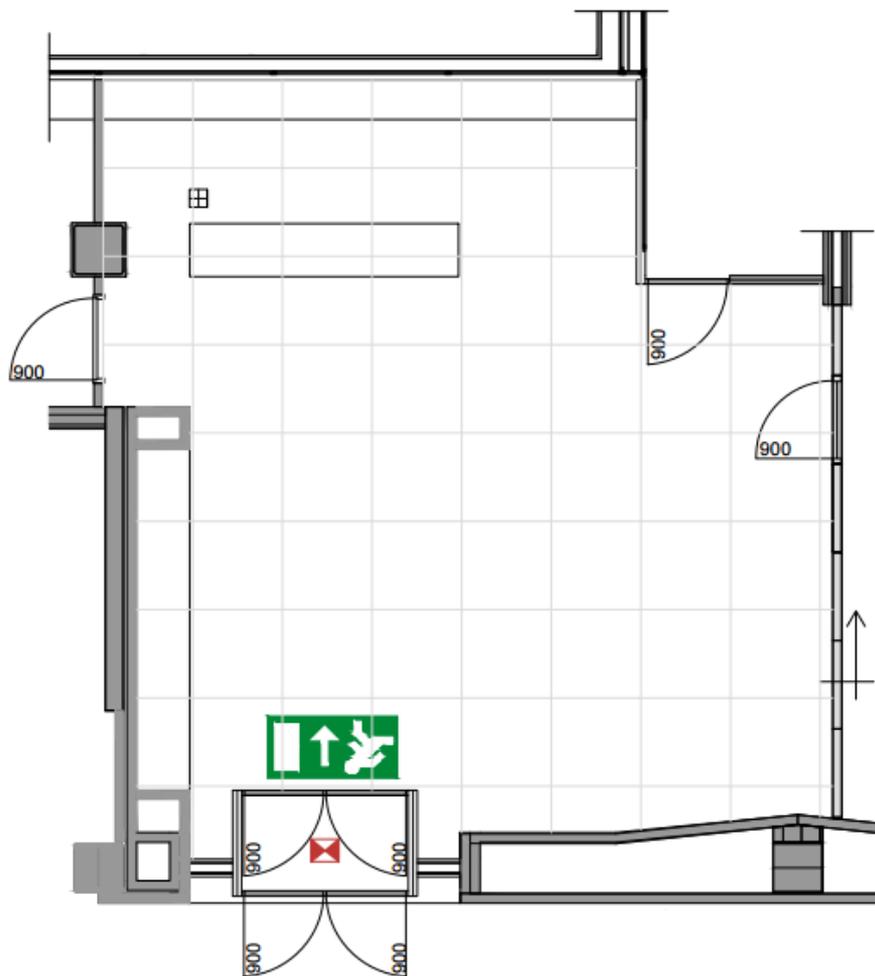
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**Eduard Flipse Foyer**  
Schaal 1:50

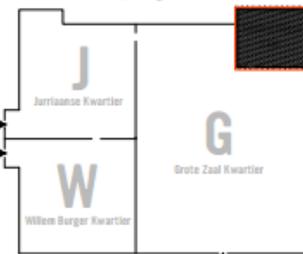
**Legenda**

 Nooduitgang

 Armatuur aange-  
sloten op nood-  
stroomvoorziening



**1e verdieping**

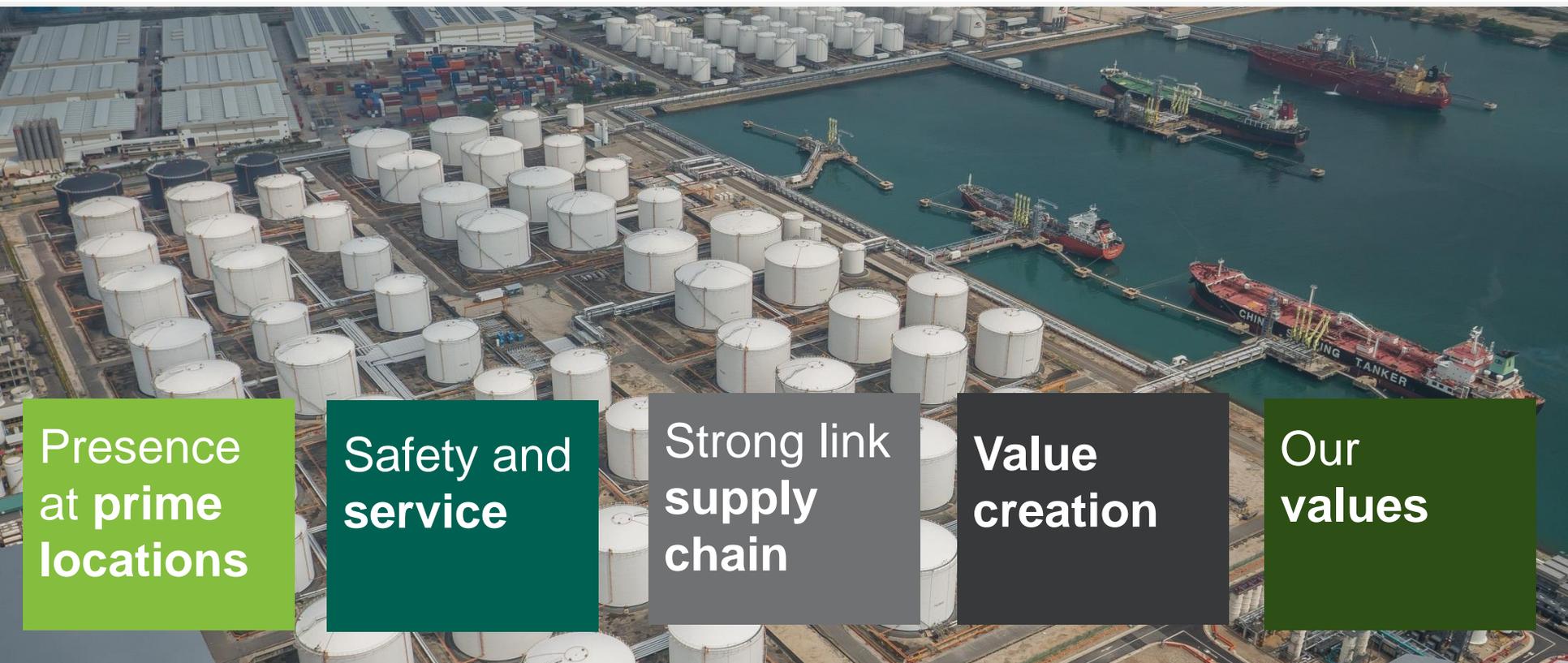




# Summary 2014 ●



# Vopak's ambition



Presence  
at prime  
locations

Safety and  
service

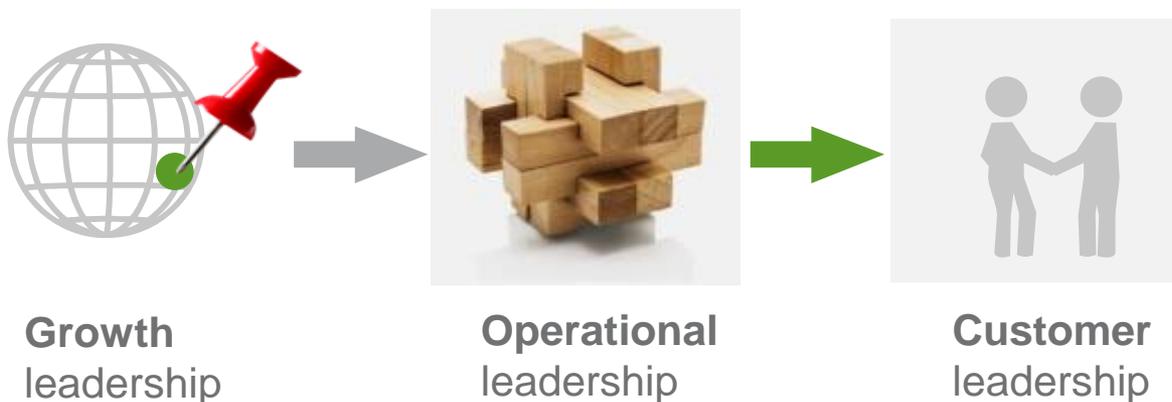
Strong link  
supply  
chain

Value  
creation

Our  
values

**Solid leadership position in the global independent tank storage market**

# Our strategic framework



## Our Sustainability Foundation

Excellent People | Environmental Care | Health and Safety | Responsible Partner

# Strategy execution

Strategic  
Growth

4

categories

Divestment  
Program

15

terminals

Reduce \*  
Capex

100

EUR million

Reduce \*  
Cost base

30

EUR million

\* Up to and including 2016

# Product developments 2014



**Oil** production exceeds demand resulting in price reduction. Lower oil prices and interest rates, contango decreases cost of holding stock

Customer interest increased to take positions.

**Chemicals:** North America is investing in petrochemicals benefiting from prolonged advantaged feedstock positions

Rationalization and consolidation of production capacity in Europe and North East Asia as a result of higher cost and lagging demand

Production growth in China and Middle-East continues

**Biofuels** demand is stable in mature markets and growing in non-OECD countries. Duties limit flows into EU. Intra EU at stable levels

**Vegoils** demand grew steadily due to growth in population and wealth level

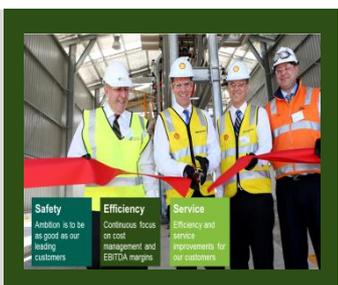
**LNG** trade grew with more short-term contracts and a larger diversity of players

Asian and European LNG prices decreased yet small price differentials across regions remained  
Arbitration has closed

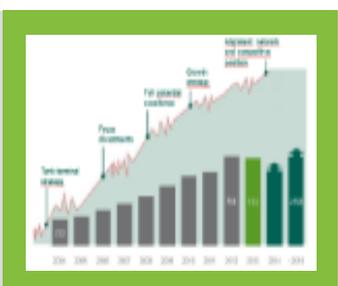
# Summary 2014



- We are grateful towards our employees, customers and all stakeholders for their continued trust in our company
- Our dedicated staff has delivered solid results under dynamic business circumstances



- We will continue with the execution of our strategy, focus on further aligning of our network and on improving our safe service delivery



- We aim for increasing free cash flow generation supporting the value creation ambitions

# Portfolio of terminals



Hub terminals



Industrial terminals



Distribution terminals



Gases

# Hub terminals



# What is a hub?

## Resilient fundamentals for hubs serving a physical market



# Vopak well established at hub locations

## 21 terminals in different product markets with 19 million cbm

### ARA region

All product groups

**13 terminals**

11 million cbm

### Strait of Hormuz

Oil products

**1 terminal**

2.1 million cbm

### US Gulf Coast

Chemicals & oil

**1 terminal**

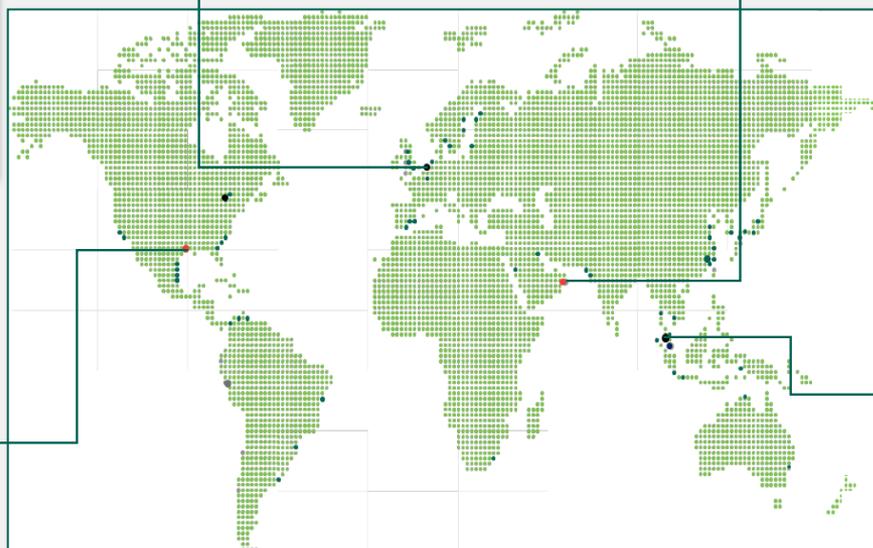
1.1 million cbm

### Singapore Straits

All product groups

**6 terminals**

5.0 million cbm



### All hub locations will maintain their importance

- Combination of several demand drivers
- Growing imbalances and changing flows
- Impact US and Middle East developments significant

# Enhancing market leadership

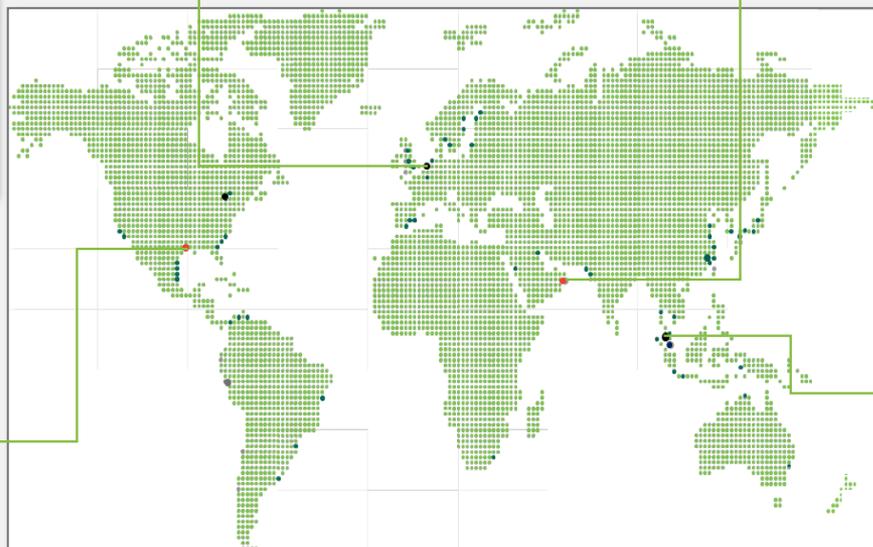
## Expansion and improvement at hub locations (2012-2014)

### ARA region

- Midex expansion
- Westpoort phase 2/3
- Westpoort service improvement
- Vlissingen gas storage
- Eurotank 185/190
- LBBR

### Fujairah

- Phase 6 CCP
- Phase 7 Crude
- OTB pipeline connections



### US Gulf

- Rail track expansion
- Acquired land position

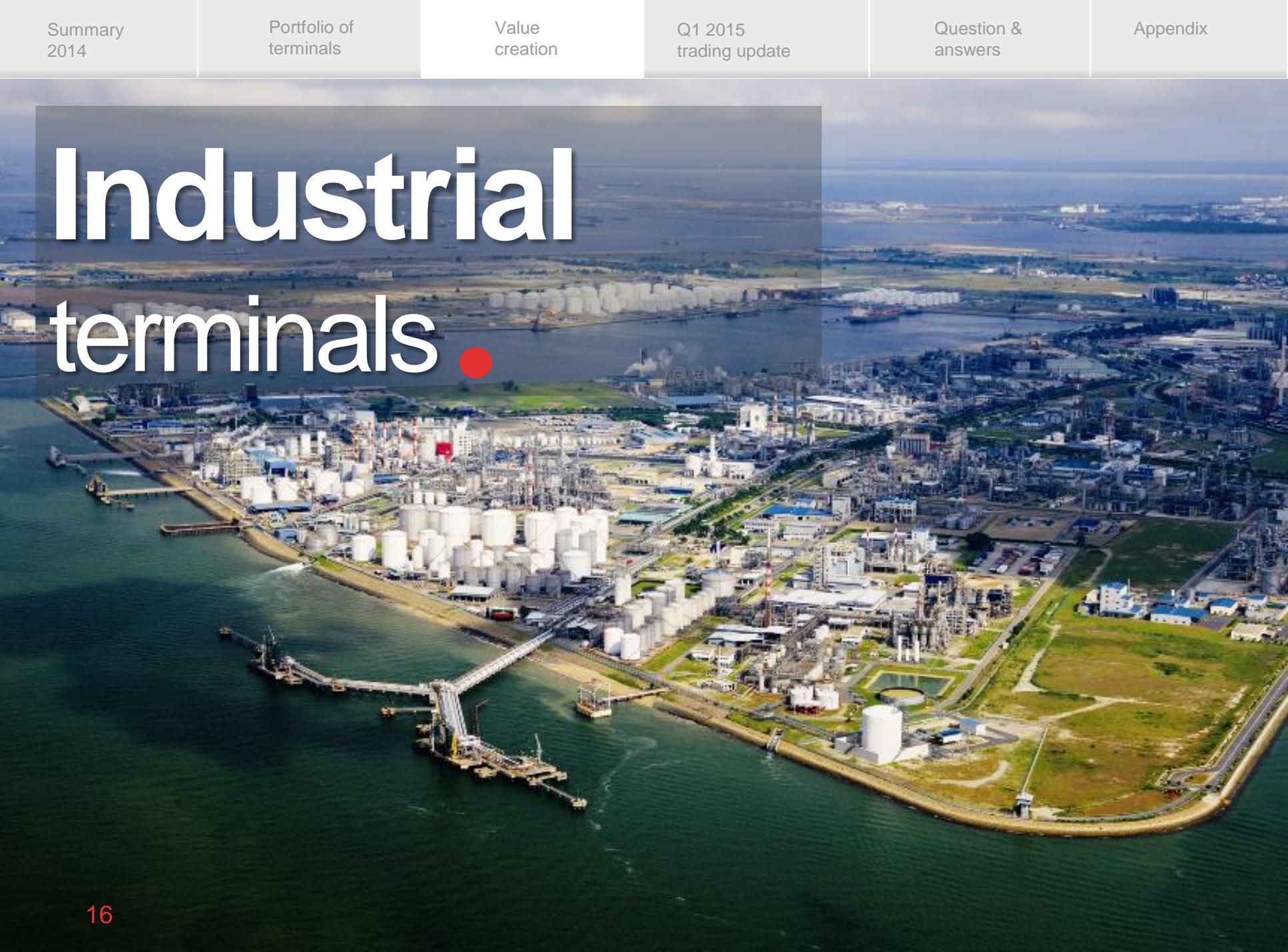
### Singapore Straits

- Banyan Chemicals and Base oils
- Penjuru phase 3 Oil
- Singapore Ammonia
- Pengerang phase 1a-1c Refined products
- Banyan LPG

### Vopak enhances its market position at hub locations

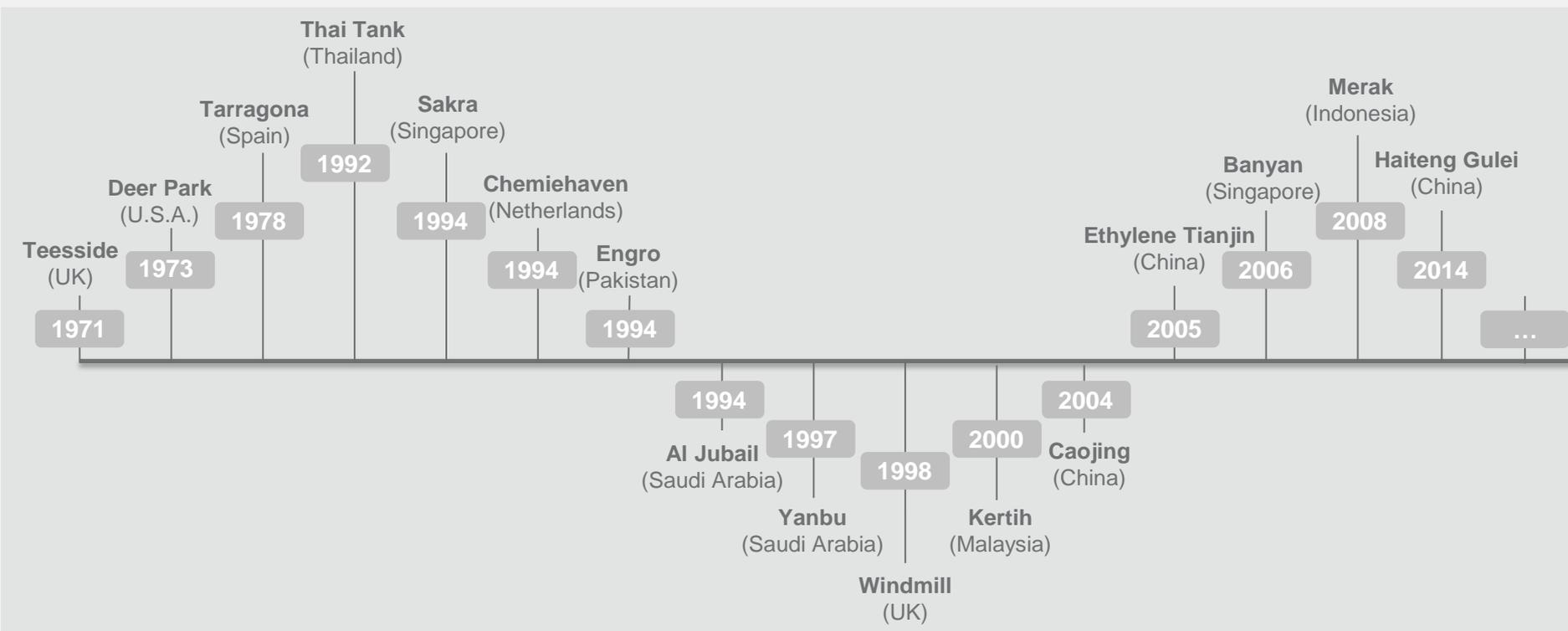
- Capital disciplined improvements and expansion investments
- Land available for further selective growth

# Industrial terminals



# Experience with industrial terminals

## First industrial terminal dates back to 1973



We are the leading independent operator of industrial terminals

# The case of the industrial terminal

## Industrial terminals have a robust risk return profile

**1****Efficient and fit-for-purpose capital expenditure**

- Build customer-tailored infrastructure (design optimization)

**2****Economies of scale and competitive cost position**

- Sharing resources and common facilities

**3****Supply chain**

- Increased efficiency via pooling of feedstock / comingled storage – lower operational costs

**4****Long-term contracts**

- Stability and guarantee of business

**5****Joint venture structure**

- Lasting commitment from the joint venture partner

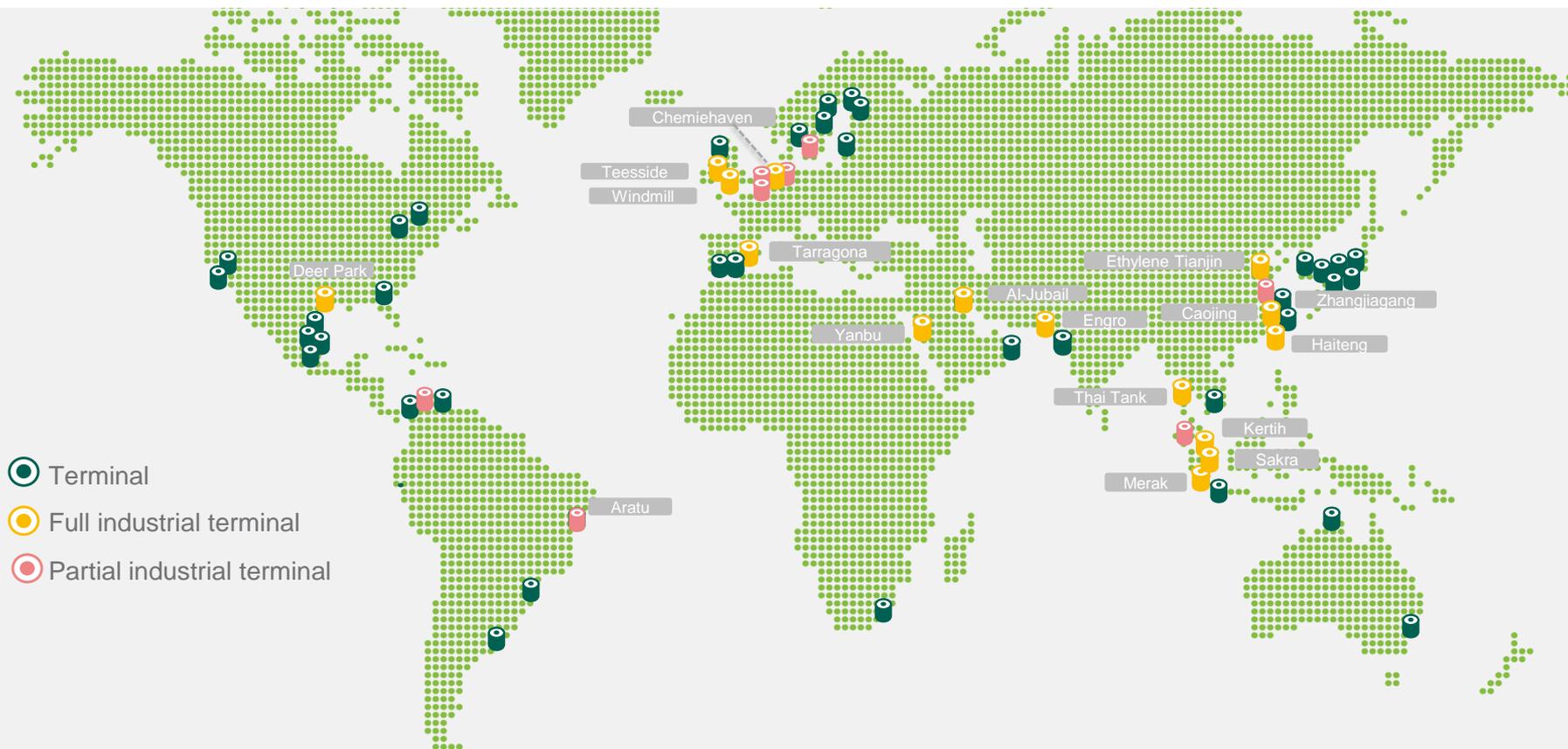
**6****Doing things ‘the Vopak way’**

- In charge of operations, Vopak standards

**7****High barriers to entry for competitors & newcomers**

# Scale of integration industrial terminals

## Full industrial terminals concentrated in Asia and China

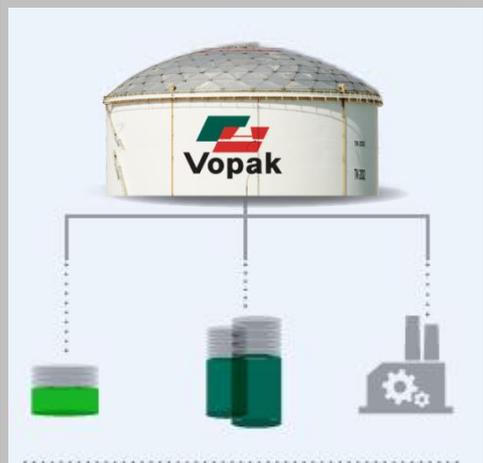


# Distribution terminals •



# Vopak operates distribution terminals

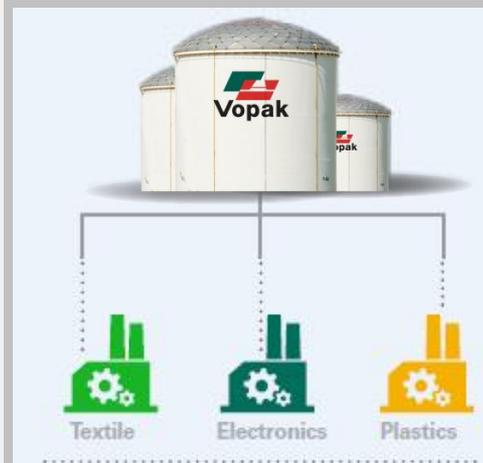
## Hub



Example: Vopak Terminal Europoort (NL)

- Import, distribution and export at a global meeting point for trade.

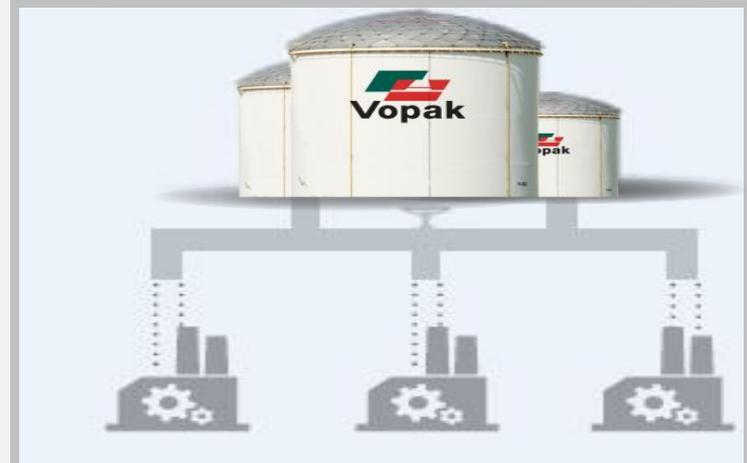
## Import / export



Example: Vopak Terminal London (UK)

- Imports and exports for end-users in a specific region.
- Net short markets with a sustainable business case and flexible infrastructure

## Industrial

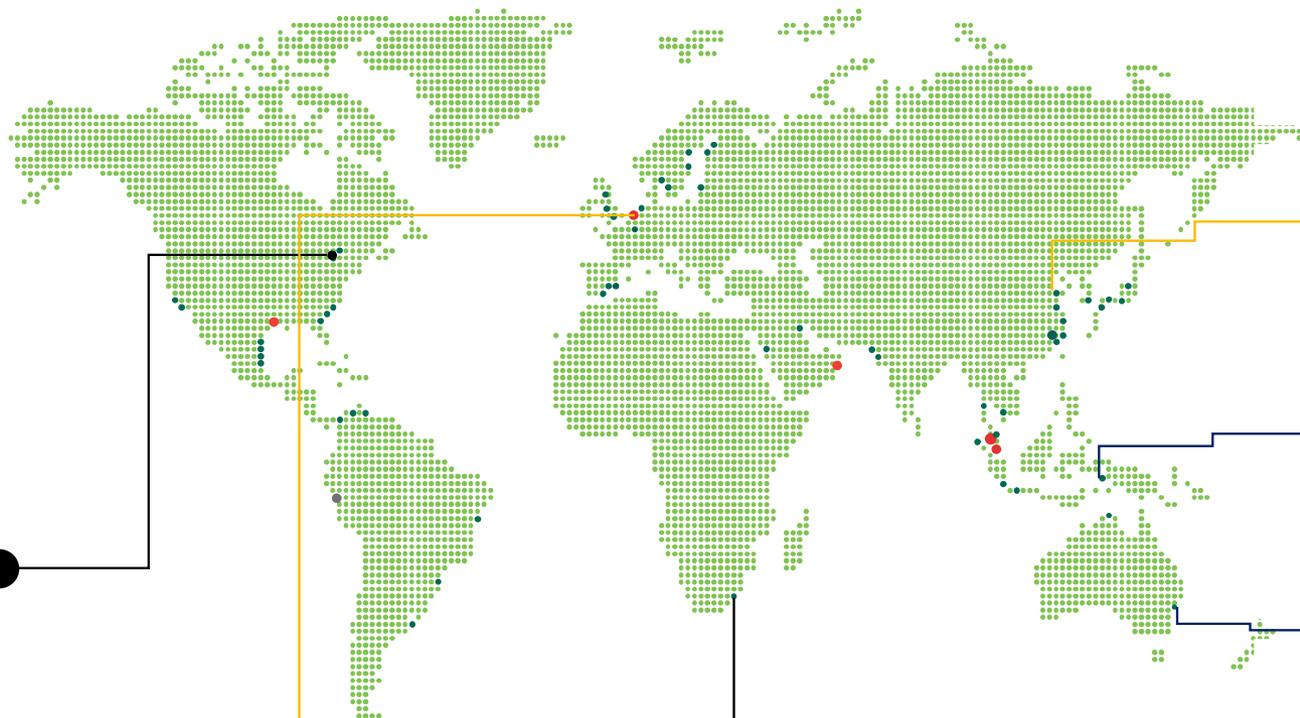


Example: Vopak Terminal Sakra (Singapore)

- Logistical center integrated via pipelines serving petrochemical facilities within an industrial complex.

# Major import and distribution terminals

- Oil
- Chemicals
- Industrial
- Gasses
- Divestments



Canterm  
Canada



ARA  
Antwerp



Zhangjiagang  
China



Jakarta  
Indonesia



Sydney  
Australia



Durban  
South Africa

Note: This is only a selection of projects.

# Gas markets ●



# LNG market forecasted to gain momentum

- **Global gas market is expected to increase by around 30% by 2030**
- **LNG is expected to increase its share of the global gas market**
- **LNG production is rapidly increasing and will drive growth**
- **Further globalization of the gas business through flexible supplies**
- **New LNG markets (small scale market potential following environmental controls)**
- **Gas price differentials (US, Europe, Asia) will narrow but not disappear**

# Vopak can provide value to customers

1

## Hinterland downstream

- Primarily regasification

2

## Small scale

- Regional distribution (break-bulk services and small-scale terminals)
- LNG as a fuel (bunkering and truck loading services)

3

## Value chain optimization

- Trading (short-term contract)
- Supply chain enhancement (point-to-point deliveries)
- Seasonal contango

4

## Other services

- Strategic storage
- Production satellite
- Cool down
- Ship to ship
- (Small-scale) liquefaction

# Value creation.



Hub terminals



Gases



Distribution terminals



Industrial terminals

# Value creation



Clear strategic focus



Capital disciplined growth



Free cash flow and return on investment focus



Entrepreneurial risk-return weighing



Balancing contract duration, first mover advantage and option value



Leveraging on network synergies

**Balanced risk-return profile of a well diversified portfolio of strategically located assets providing essential infrastructure services**

# Value creation in action

## Terminal portfolio

Capital disciplined allocation

## Business operations

Know-how capitalization

## Organization

Alignment

**1** Optimizing the CAPITAL ALLOCATION

- Terminal portfolio criteria
- Divestments of 15 terminals
- Optimizing capex programs

**2** Improving the RETURN PROFILE

- Focus on free cash flow
- Cost reduction

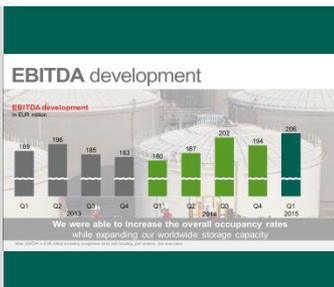
**3** Further Optimizing THE RISK PROFILE

- Contract duration management
- Effective execution of Terminal Master Plans

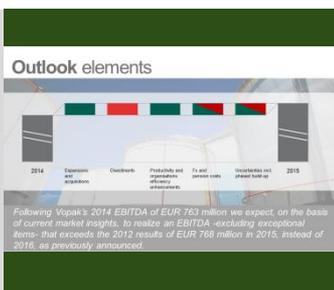
# Q1 2015 trading update ●



# Key topics



- In Q1 2015, we delivered improved financial results against a background of a competitive and dynamic business environment



- In line with our previous outlook and based on current market insights, Vopak expects to realize an EBITDA -excluding exceptional items- in excess of EUR 768 million in 2015



- We are on track in executing our updated strategy as announced on July 2<sup>nd</sup> 2014

# Q1 2015 summary

## EBITDA\*

In EUR million



## EBIT\*

In EUR million



## Net profit\*\*

In EUR million



## Occupancy rate\*\*\*

In percent

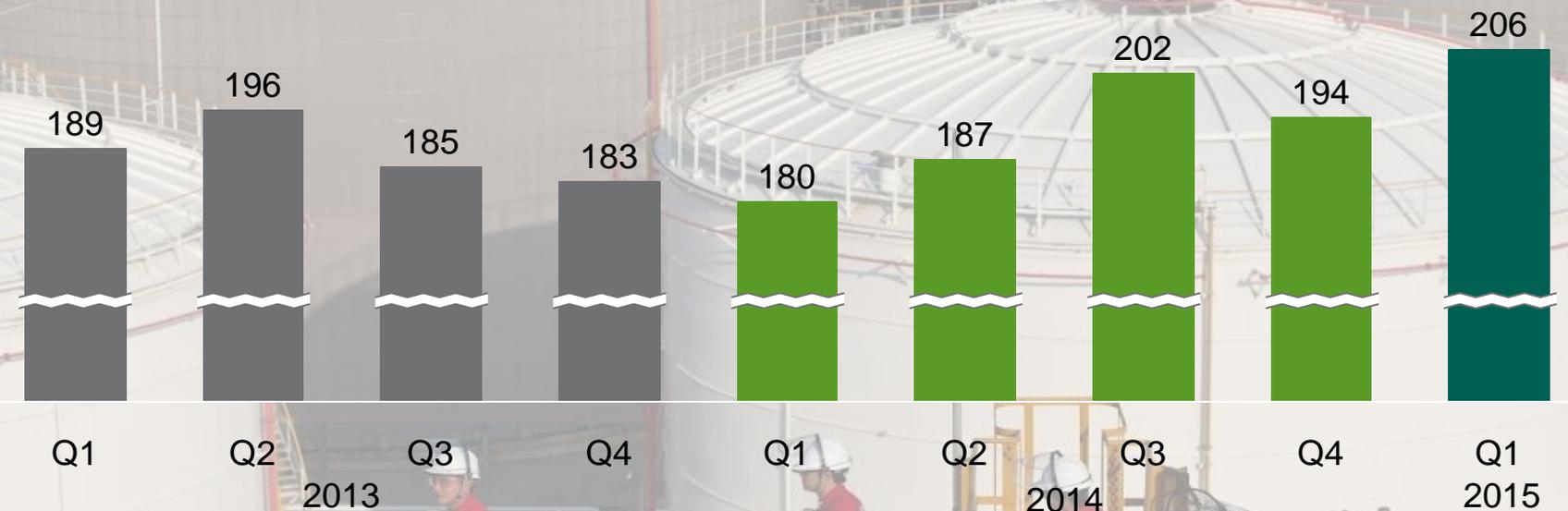


\* Excluding exceptional items; including net result from joint ventures and associates; \*\* Net profit attributable to holders of ordinary shares -excluding exceptional items- ;  
\*\*\* Subsidiaries only.

# EBITDA development

## EBITDA development

In EUR million

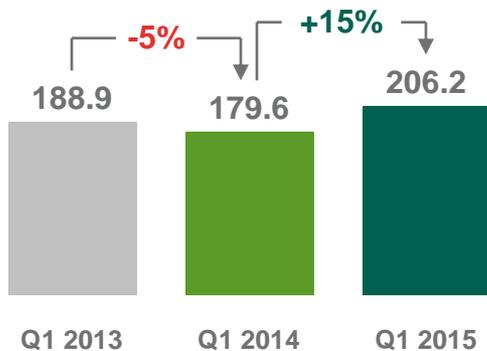


**While expanding our worldwide storage capacity we were able to increase the overall occupancy rates**

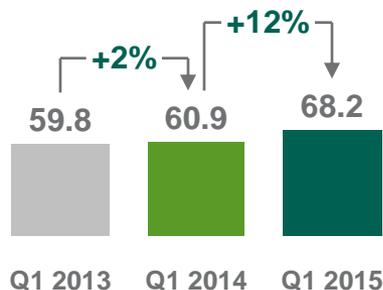
Note: EBITDA in EUR million excluding exceptional items and including joint ventures and associates.

# Q1 2015 EBITDA per division

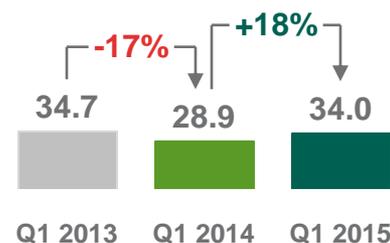
## EBITDA\*



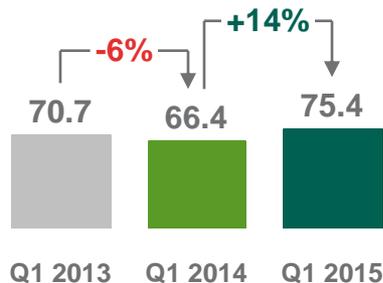
## Netherlands



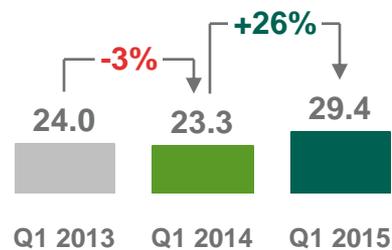
## EMEA



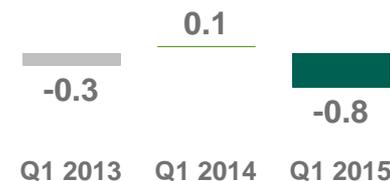
## Asia



## Americas



## Non-allocated

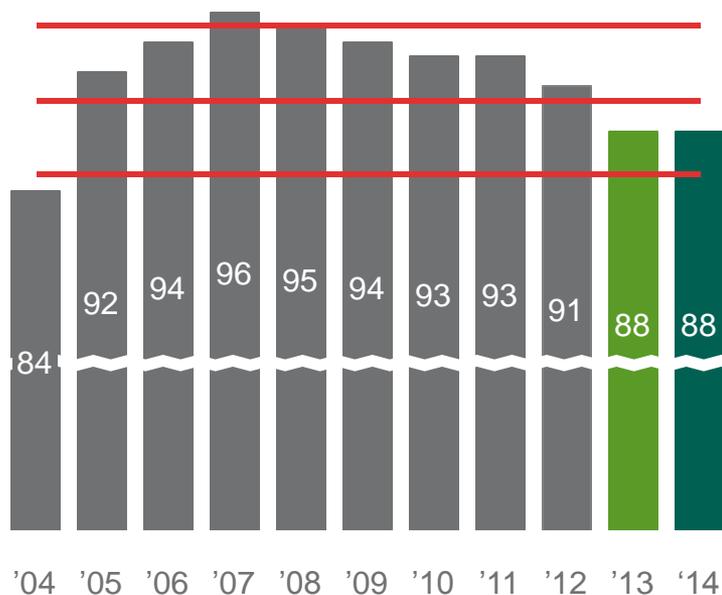


Note: EBITDA in EUR million excluding exceptional items and including net result of joint ventures and associates.

# Occupancy rate developments

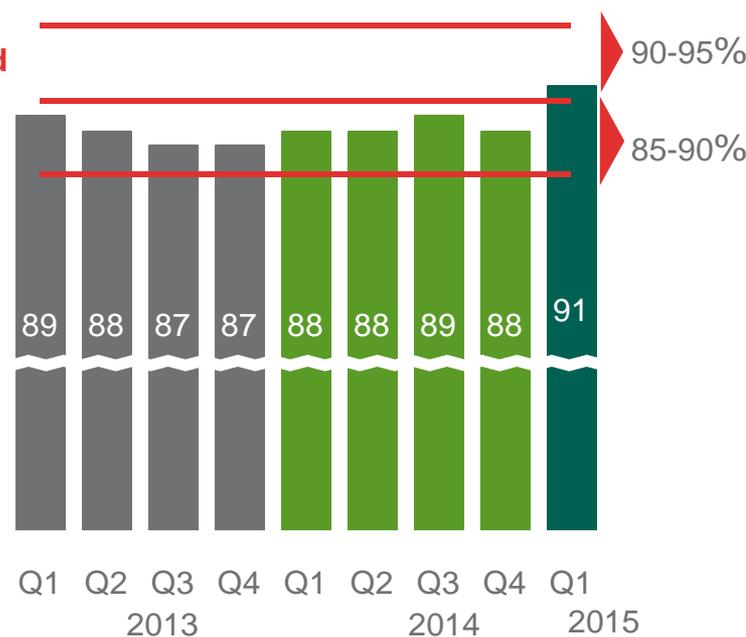
## Occupancy rate

In percent



Full potential playing field

Current playing field



90-95%

85-90%

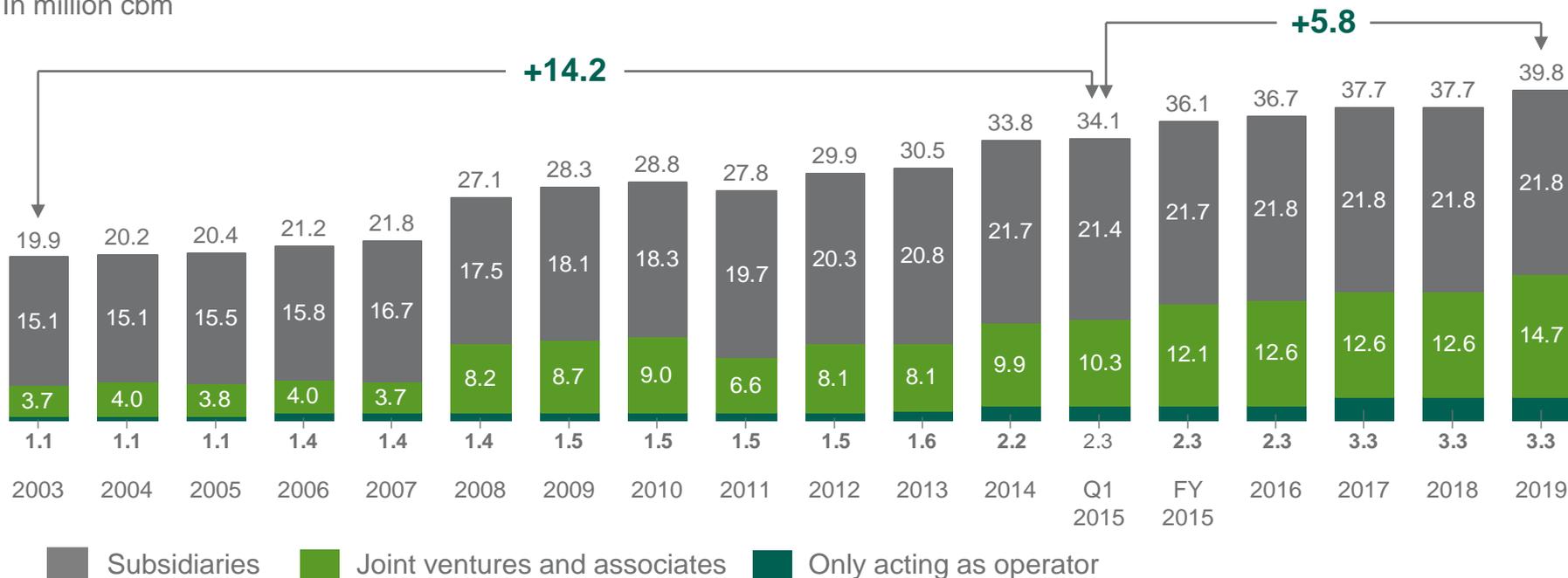
Challenging competitive and dynamic business environment remains

Note: Subsidiaries only.

# Selective growth opportunities

## Storage capacity

In million cbm

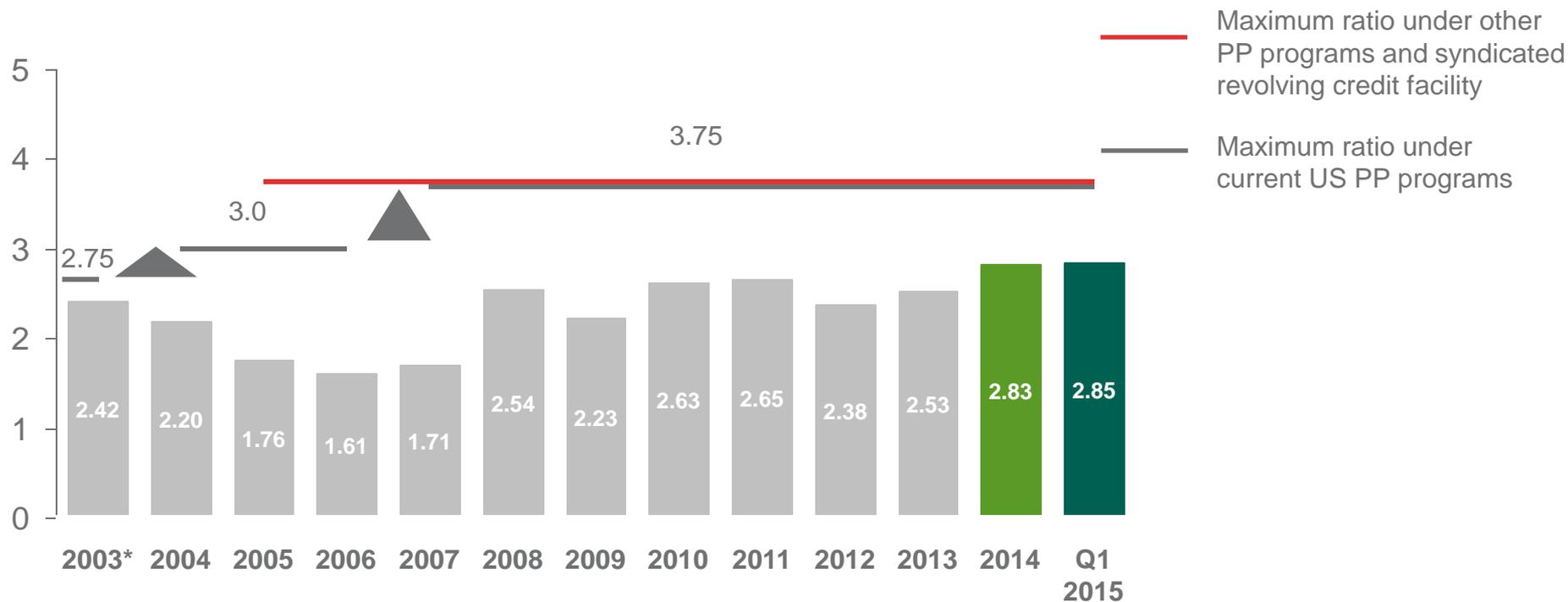


Vopak well positioned to further improve risk-return profile

Note: Including only announced projects under development estimated to be commissioned for the period 2015-2019 and excluding the to be realized divestments as announced in the business review 2014.

# Selective capital disciplined growth

## Senior net debt : EBITDA ratio



For certain projects in joint ventures, additional limited guarantees have been provided, affecting the Senior net debt : EBITDA; \* Based on Dutch GAAP.

# Vopak's capital structure

## Ordinary shares



Listed on Euronext  
Market capitalization:  
EUR 6.6 billion as per  
April 2015

## Private placement program\*



USD: 2.0 billion  
SGD: 225 million and  
JPY: 20 billion  
Average remaining  
duration ~ 8 years

## Syndicated revolving credit facility\*



EUR 1.0 billion  
15 banks participating  
Duration until  
2 February 2018  
Eur 250 million drawn

## Equity(-like)\*



**Subordinated loans**  
Subordinated USPP  
loans: USD 101.8  
million

**Preference shares**  
Cancelled as per  
1 January 2015  
EUR 44 million

\* As per 31 March 2015

# Outlook assumptions

~X% Share of EBITDA\*

## Oil products



~50%

~0 - 5 years

Contract  
duration

2014

Different demand  
drivers

2015

Different demand  
drivers

## Chemicals



~20%

~1 - 5 years

Steady

Steady

## Industrial terminals & other pipeline connected infra



15% - 20%

~5 - 15 years

Solid

Solid

## Biofuels & veg oils



7.5% - 10%

~0 - 3 years

Mixed

Mixed

## LNG



2.5% - 5%

~10 - 20 years

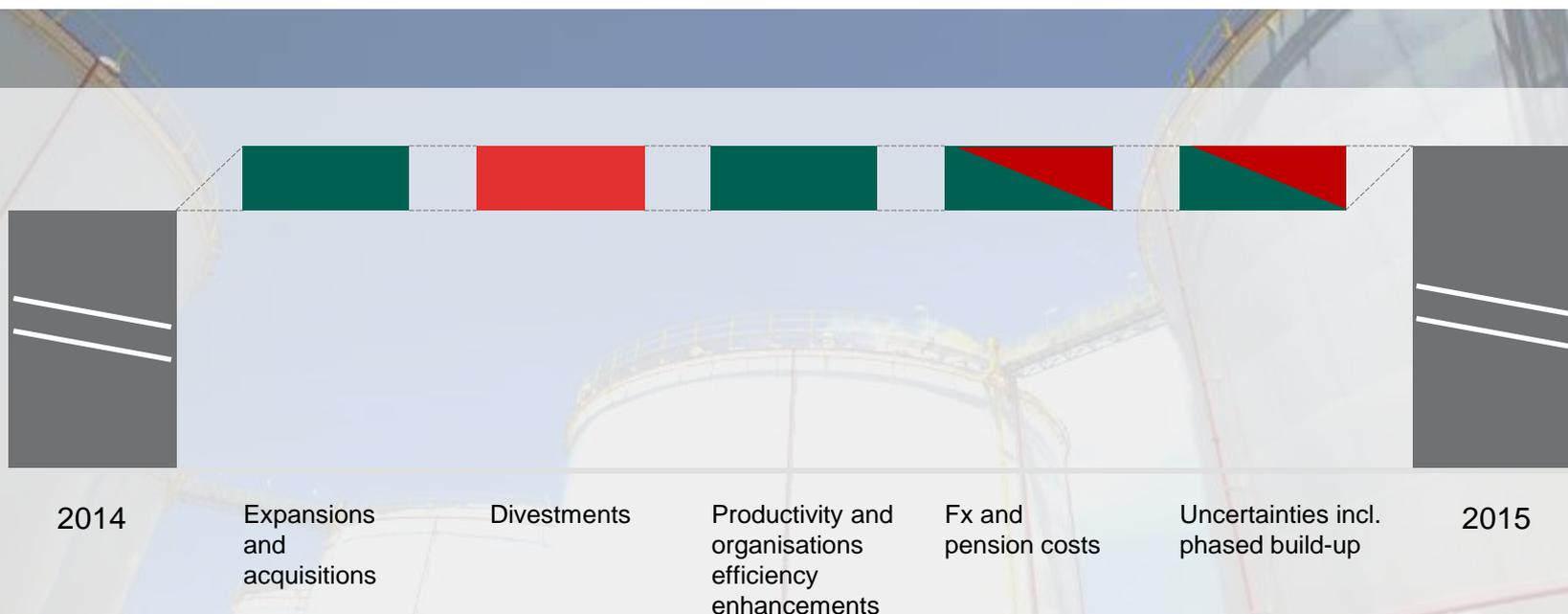
Solid

Solid

- Major Hubs supporting intercontinental product flows
- Import/distr. in major markets with structural deficits
- Other infra

Note: Width of the boxes does not represent actual percentages; company estimates; \* Excluding exceptional items ;including net result from joint ventures and associates.

# Outlook elements



*In line with our previous outlook and based on current market insights, Vopak expects to realize an EBITDA -excluding exceptional items- in excess of EUR 768 million in 2015.*

# Questions answers ●



” We have built  
our company  
over 400 years on  
trust and reliability

