



# TRADING UPDATE

YTD Q3 2015 RESULTS

**ROYAL VOPAK**

6 NOVEMBER 2015 – ANALYST PRESENTATION

## FORWARD-LOOKING STATEMENTS

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This presentation contains ‘forward-looking statements’, based on currently available plans and forecasts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and Vopak cannot guarantee the accuracy and completeness of forward-looking statements.

These risks and uncertainties include, but are not limited to, factors affecting the realization of ambitions and financial expectations, developments regarding the potential capital raising, exceptional income and expense items, operational developments and trading conditions, economic, political and foreign exchange developments and changes to IFRS reporting rules.

Vopak’s EBITDA outlook does not represent a forecast or any expectation of future results or financial performance.

Statements of a forward-looking nature issued by the company must always be assessed in the context of the events, risks and uncertainties of the markets and environments in which Vopak operates. These factors could lead to actual results being materially different from those expected, and Vopak does not undertake to publicly update or revise any of these forward-looking statements.



**JACK DE KREIJ**

**VICE-CHAIRMAN & CFO**

**ROYAL VOPAK**

**6 NOVEMBER 2015 – ANALYST PRESENTATION**

## KEY TOPICS

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1. Update strategic priorities
2. Business highlights year-to-date
3. Key figures third quarter
4. Selective growth
5. Subsequent event
6. Outlook & closing summary
7. Questions & answers

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Strategic priorities for 2016	Status YTD Q3 2015
<b>Free Cash Flow focus</b>	<ul style="list-style-type: none"> <li>▪ EUR 548.9 million (2014: 557.3 million)*</li> </ul>
<b>Divestment program &amp; de-risking</b>	<ul style="list-style-type: none"> <li>▪ 9 terminals (1.7 million cbm)</li> <li>▪ 2 plots of land</li> <li>▪ EUR 297 million** total net cash proceeds</li> </ul>
<b>Reducing the sustaining and improvement capex</b>	<ul style="list-style-type: none"> <li>▪ On track in reducing from EUR 800 million to approximately EUR 700 million for the period HY2 2014 – 2016</li> </ul>
<b>Cost base emphasis</b>	<ul style="list-style-type: none"> <li>▪ Cost base reduction supporting the steady EBIT(DA) margin development</li> </ul>
<b>EBITDA*** exceeding EUR 768 million</b>	<ul style="list-style-type: none"> <li>▪ We expect to realize this in 2015</li> </ul>

\*Cash flows from operating activities (gross); \*\*Excluding cash outflows for tax; \*\*\*EBITDA excluding exceptional items

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***Our performance is aligned***

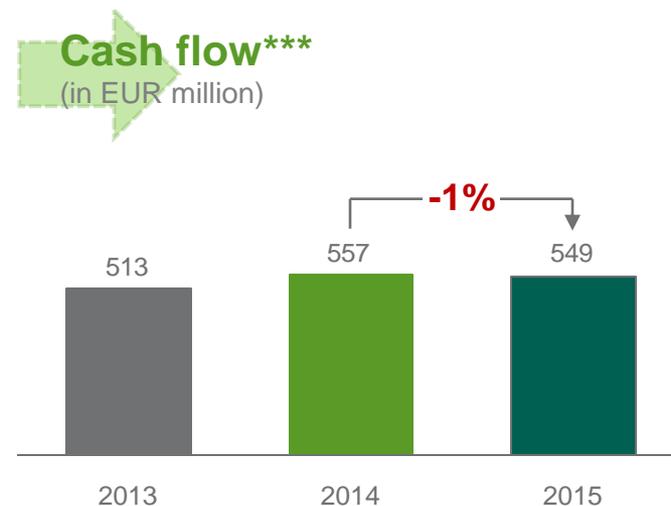
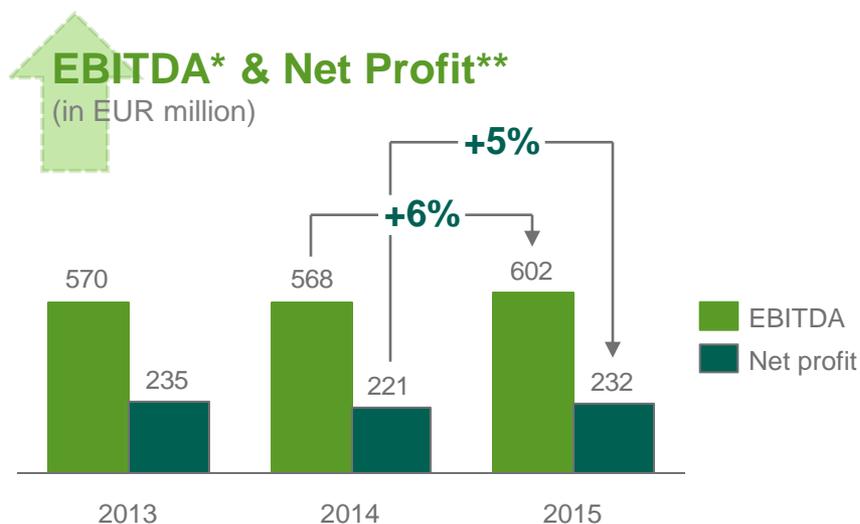
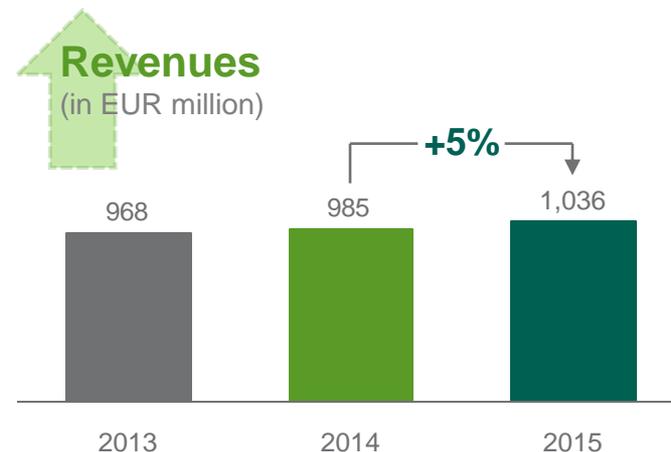
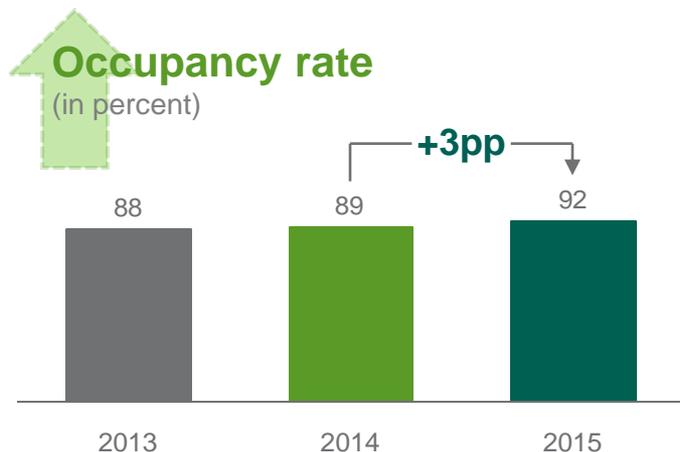
*with the expected business developments for the second half of 2015 and the outlook as disclosed in our HY1 reporting.*

***Vopak succeeded to improve its commercial occupancy***

*reflecting a healthy demand for storage, even though we faced continued challenging economic and business developments at specific terminals in China and Singapore.*



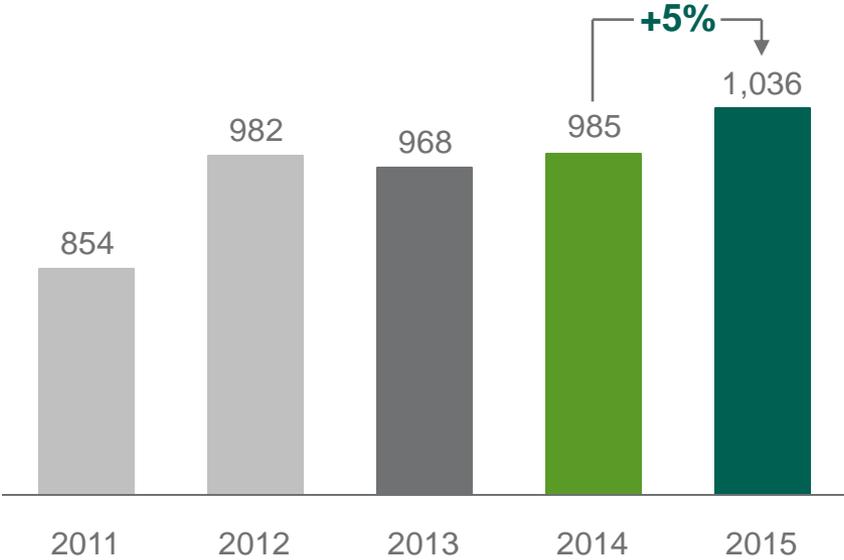
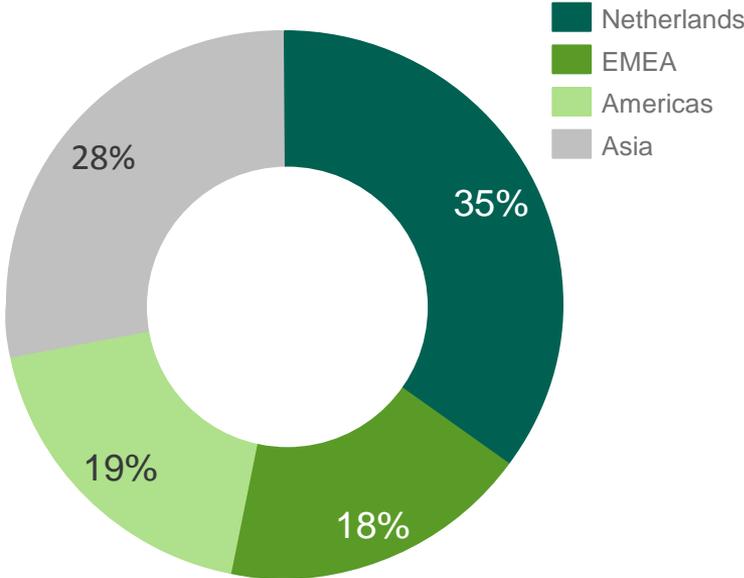
# YTD Q3 2015 BUSINESS HIGHLIGHTS



\*Excluding exceptional items; including net result from joint ventures and associates; \*\* Net profit attributable to holders of ordinary shares -excluding exceptional items-  
\*\*\*Cash flows from operating activities (gross).

# YTD Q3 2015 REVENUES BY GEOGRAPHY

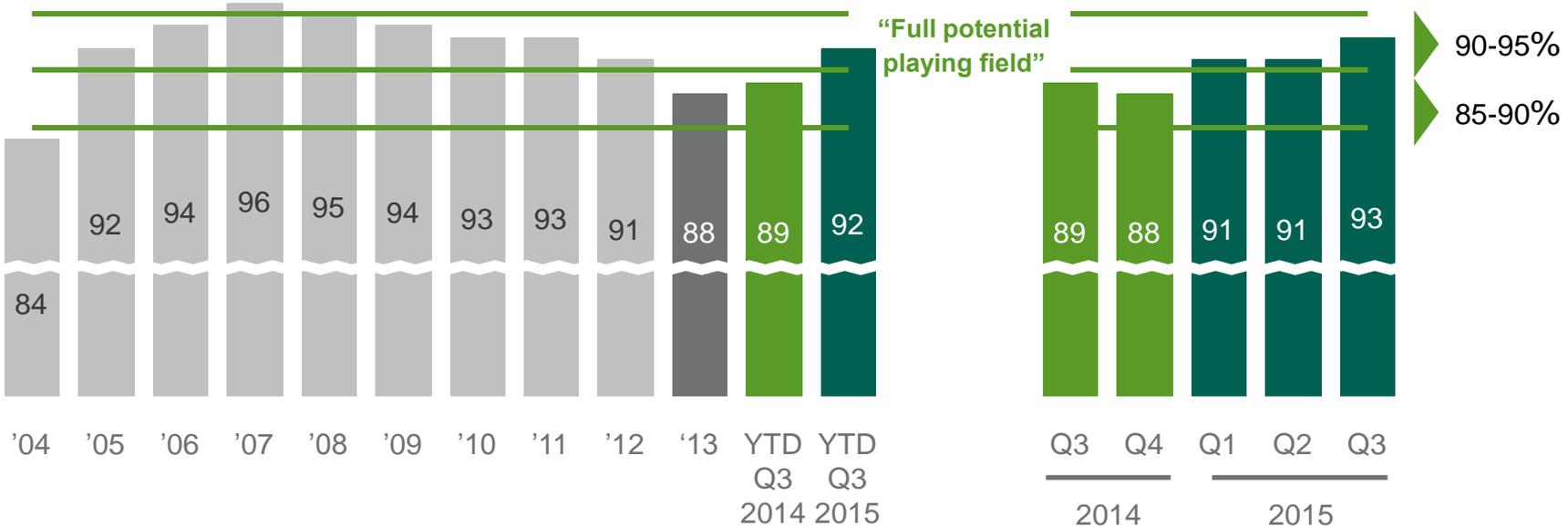
↑ EUR 1,036 million (+5%)



- Favourable foreign currency effect due to our well-diversified, global portfolio
- Driven by a higher average occupancy rate as a result of a healthy demand for storage, supported by the positive market sentiment for oil products

# OCCUPANCY RATE DEVELOPMENTS

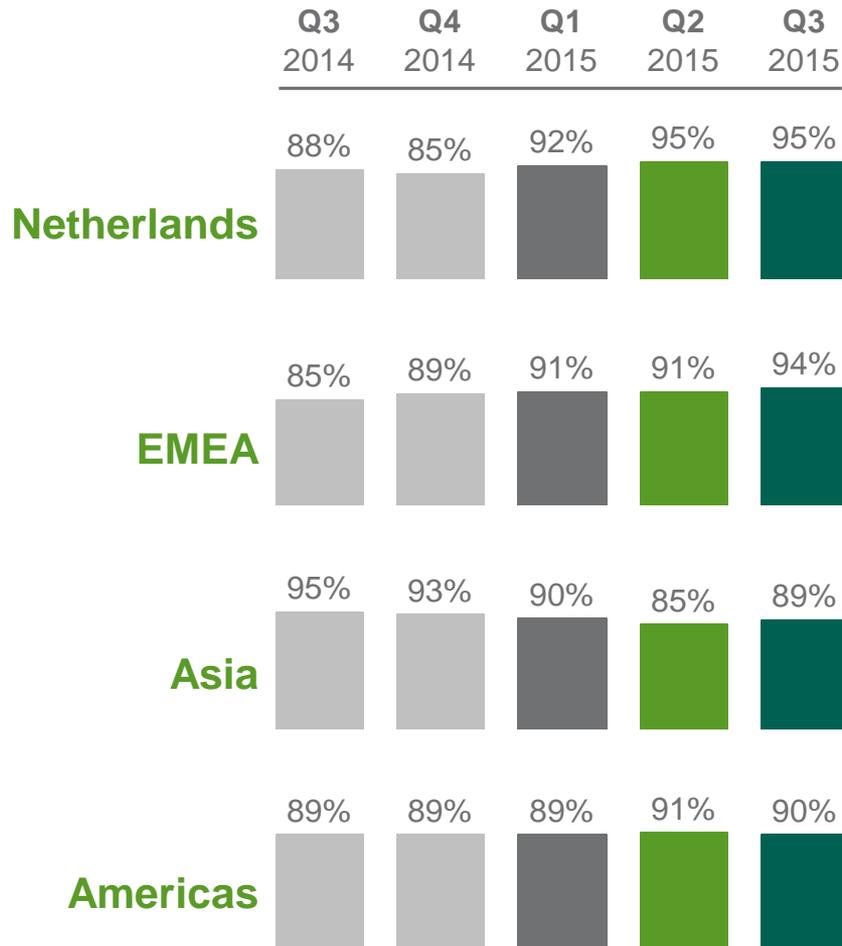
**92% commercial occupancy (+3pp)**



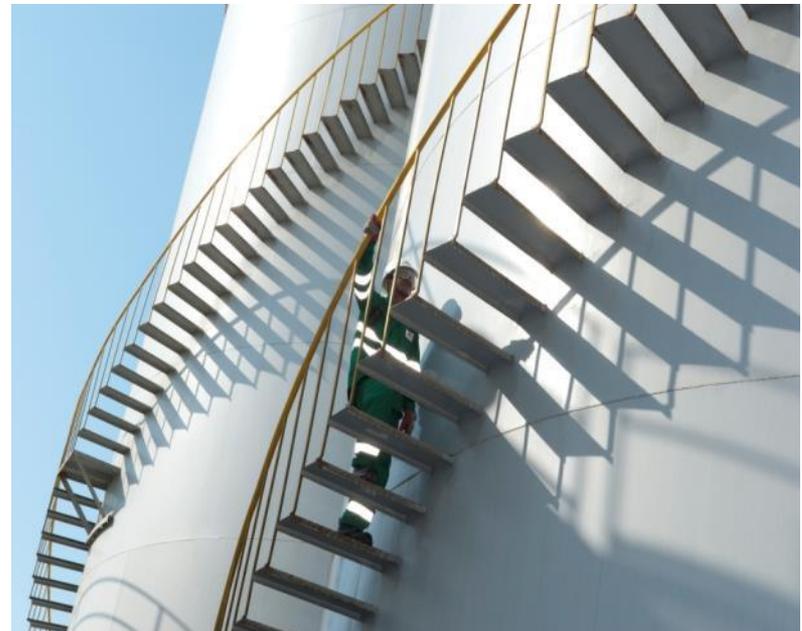
- **Healthy demand for storage in the majority of our terminals in all divisions even though faced with continued challenging economic and business developments in China and Singapore**
- **Effectively managing changes of flows in certain product-market combinations**

Note: Subsidiaries only.

# OCCUPANCY RATE DEVELOPMENTS PER DIVISION



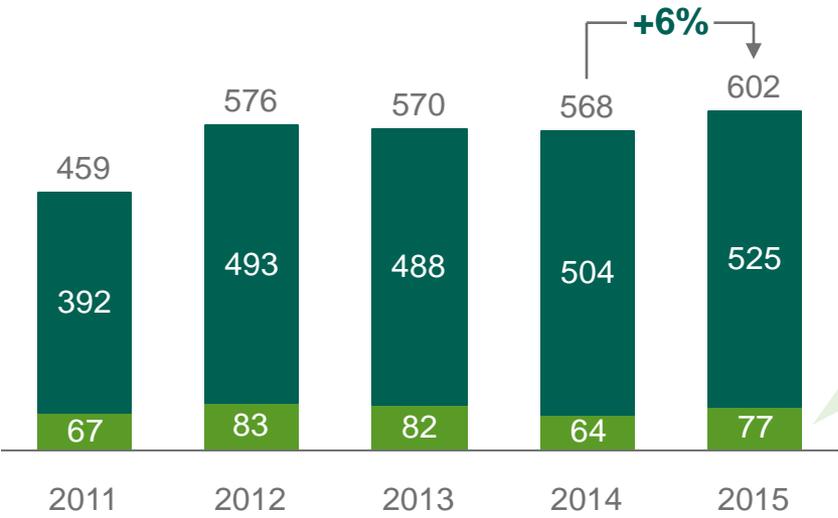
- Netherlands and EMEA operate in the full potential playing field
- Americas continue to show stable performance
- Improved occupancy rate Asia



Note: occupancy rates in percentages and include subsidiaries only.

# YTD Q3 2015 EBITDA DEVELOPMENT

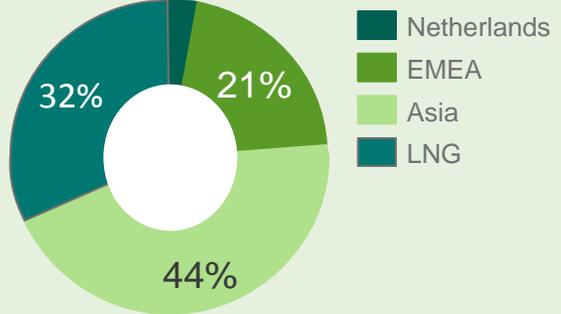
↑ EUR 602 million (+6%)



■ EBITDA\* ■ Net result JVs

**27 joint ventures & 3 associates**  
(11.7 million cbm = 34% of total capacity)

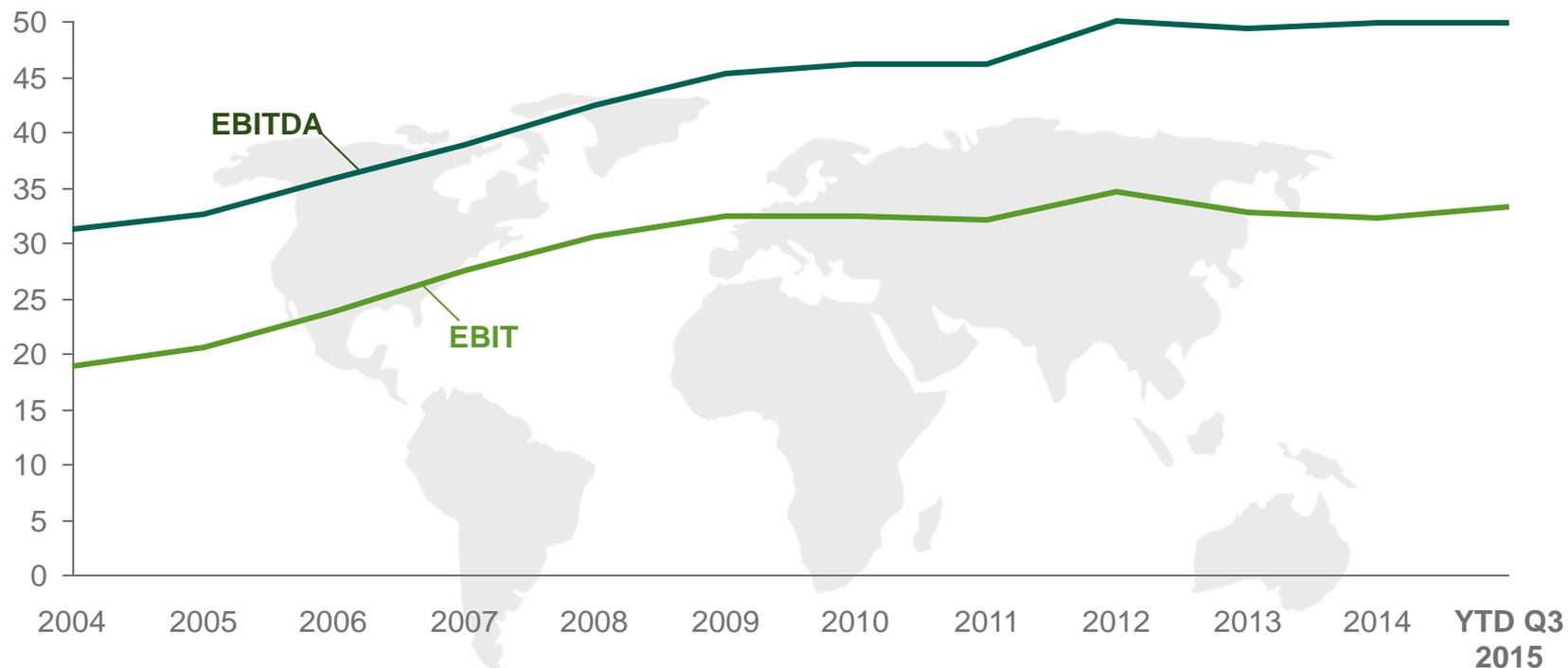
Net result (EUR 77 million) by division:



- Aligned with the expected business developments
- Characterized by continuous slow growth in advanced economies and persisting contango while dynamics in emerging-markets further weakened

\*Group operating profit before depreciation and amortization (EBITDA) –excluding exceptional items– excluding net result joint ventures

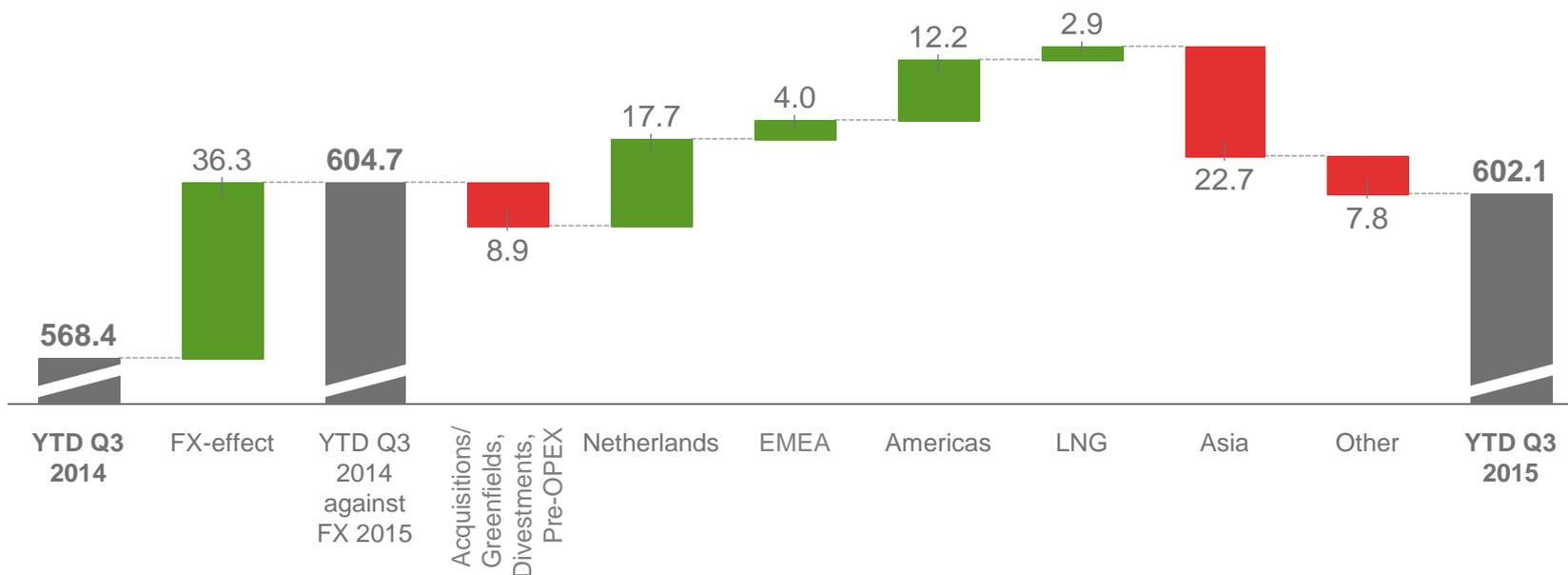
# EBIT(DA) MARGIN DEVELOPMENT



- Strategic priorities are supporting the steady margin developments
- Vopak continues to be well-positioned in order to increase cash flow generation and meet EPS improvement objectives

Note: Figures In percent, excluding exceptional items; excluding net result from joint ventures and associates.

# YTD Q3 2015 EBITDA ANALYSIS



- Excluding FX, strong performance Netherlands, EMEA and Americas balanced out by the lower contribution from Asia
- Financial effects of the realized divestments and initial negative contribution from new projects
- Other (operating) costs mainly increased due to higher pension expenses

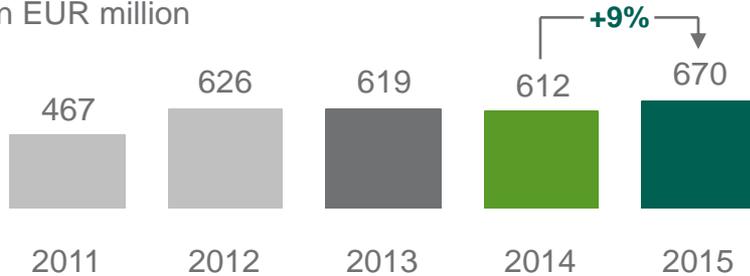


Note: EBITDA in EUR million, excluding exceptional items; including net result from joint ventures and associates.

# YTD Q3 2015 NON-IFRS PROPORTIONAL INFORMATION

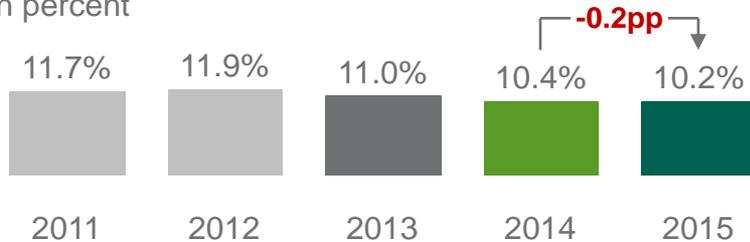
## Proportionate EBITDA\*

In EUR million



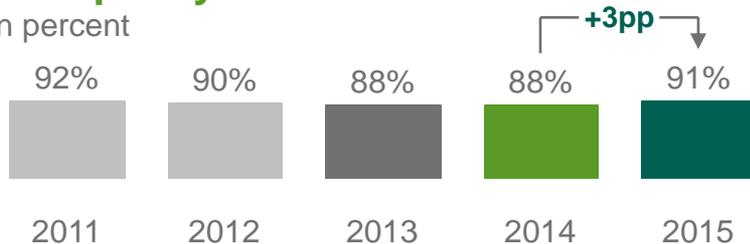
## Cash Flow Return on Gross Assets\*\*

In percent



## Occupancy rate

In percent



- Large greenfields commissioned
- Balanced risk-return profile
- CFROGA (after tax) exceeding 10%



\* EBITDA in EUR million excluding exceptional items; \*\* CFROGA is defined as EBITDA minus the statutory income tax charge on EBIT divided by the average historical investment (gross assets).

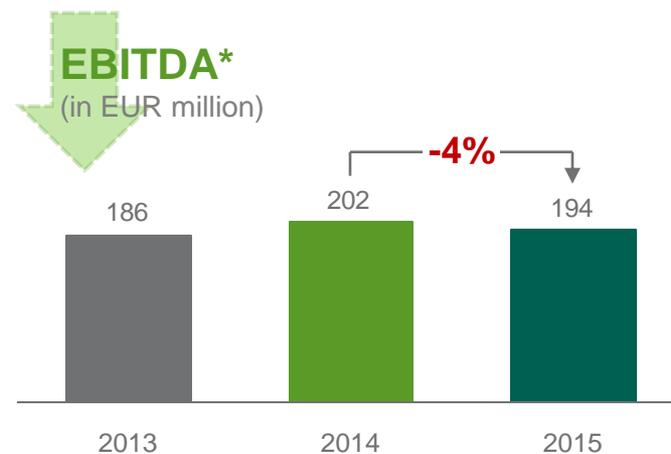
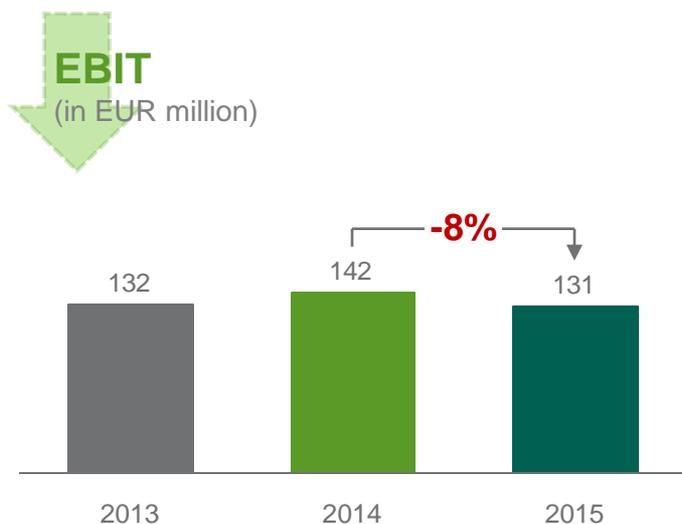
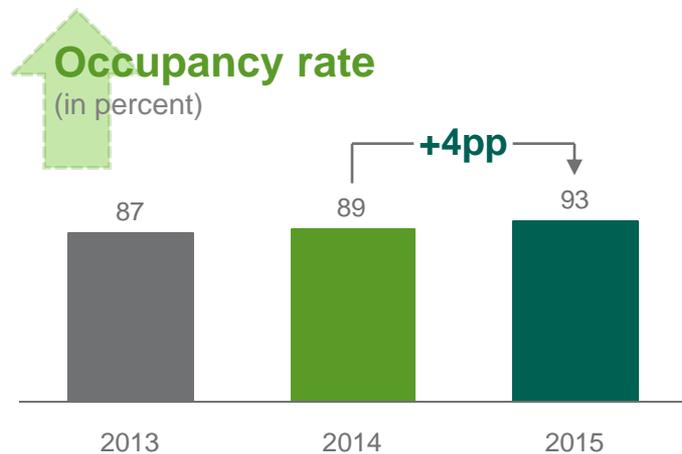
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# Q3 2015 KEY FIGURES



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

# ASIA DYNAMICS IN PERSPECTIVE



- **Improved occupancy rate, from 85% in Q2 to 89% in Q3, in 2015\***
- **Oil products – solid drivers in an uncertain world**
  - **High utilization rates refineries** and increased crude demand for strategic storage and teapot refiners
  - **Diesel surplus** in Asian markets
  - **Additional capacity added** in the greater Singapore region currently absorbed by cyclical factors
- **Chemicals – shifting gears in the economic model**
  - **Production volumes and imports still high** due to lower feedstock costs and internal consumption demand
  - **Production in North China substituting** some growth of imports affecting Singapore as well
  - **Additional capacity** by competition results in more options for customers

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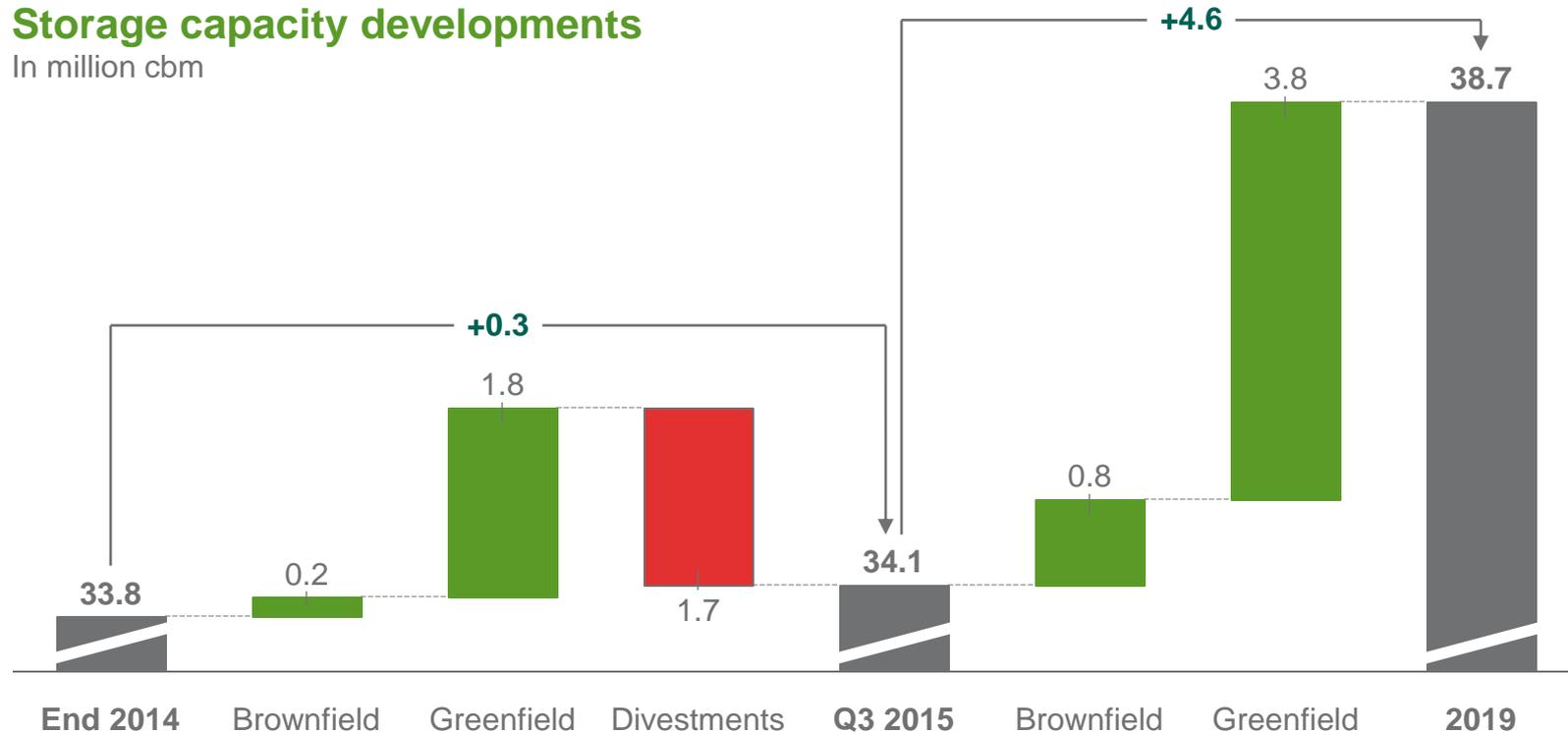


# SELECTIVE GROWTH OPPORTUNITIES



## Storage capacity developments

In million cbm



**Effective and sound strategic orientation supported by disciplined capital allocation**

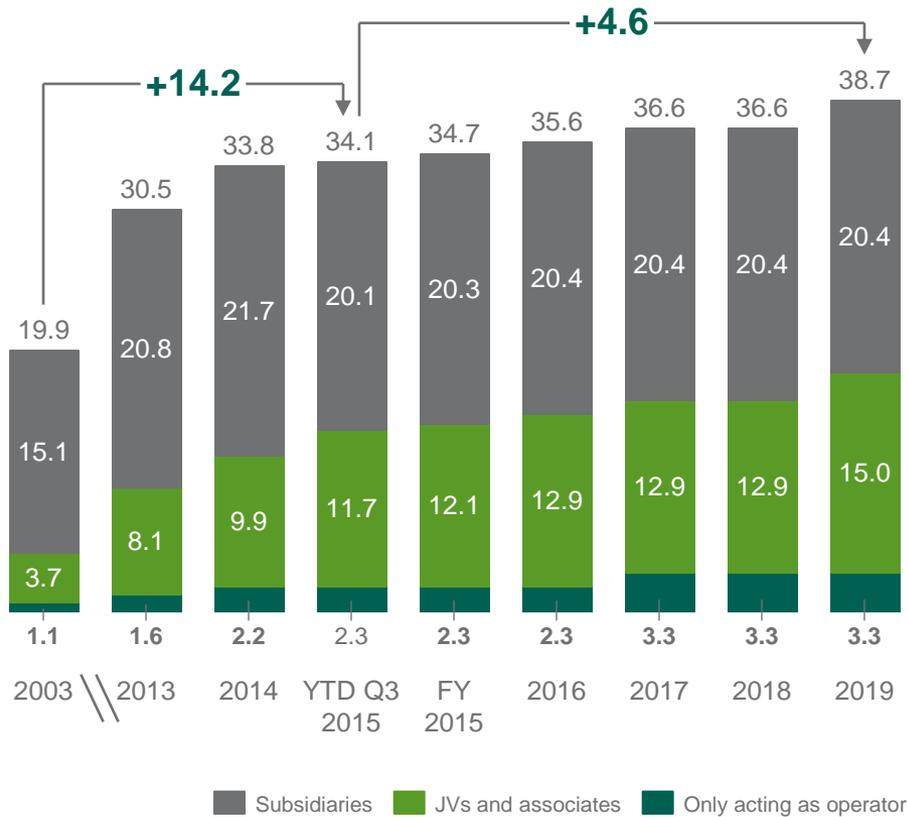
Note: Including only projects under development estimated to be commissioned for the period FY 2014-2019

# SELECTIVE GROWTH OPPORTUNITIES



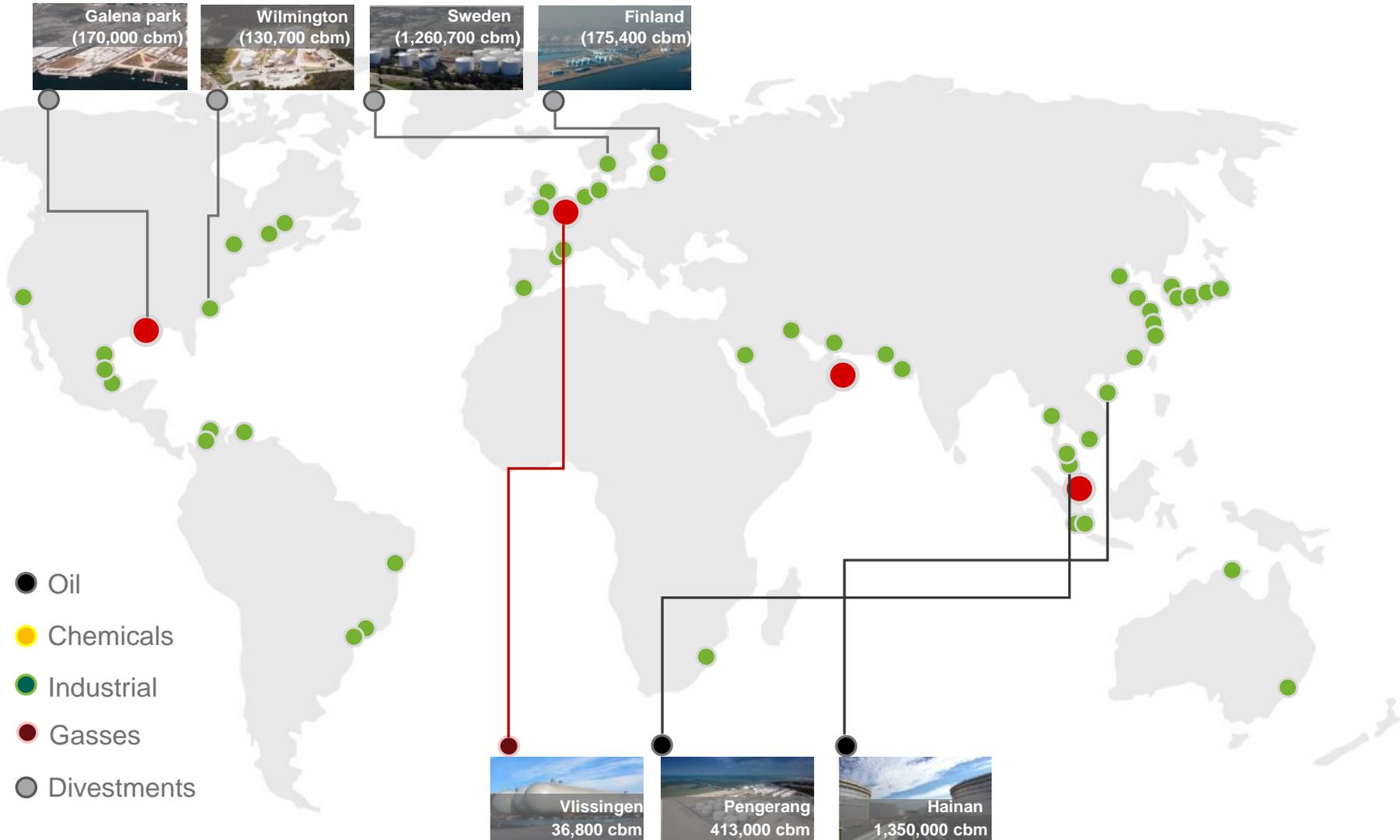
## Storage capacity developments

In million cbm



Note: Including only announced projects under development estimated to be commissioned for the period Q3 2015 – 2019 and the announced divestment.

# REALIZED INVESTMENTS AND DIVESTMENTS IN 2015



# PROJECTS UNDER CONSTRUCTION

Country	Terminal	Vopak's ownership	Products	Capacity (cbm)	2013	2014	2015	2016	2017	2018	2019
<b>Existing terminals</b>											
South Africa	Durban	70%	Oil products	30.000			●				
Belgium	Antwerp (Eurotank)	100%	Chemicals	40.000			●				
Germany	Hamburg	100%	Oil products	65.000			●				
Singapore	Banyan	55.6%	LPG	75.800			●				
UAE	Fujairah	33.3%	Oil products	478.000			●				
South Africa	Durban	70%	Oil products	60.200				●			
Brazil	Alemoa	100%	Chemicals	51.000		●					
Various	Small expansions at various terminals		Various	19.600		●					
<b>New terminals</b>											
China	Dongguan	50%	Chemicals	153.000		●					
Saudi Arabia	Jubail 1a	25%	Chemicals	348.000			●				
Saudi Arabia	Jubail 1b	25%	Chemicals	220.000		●					
Singapore	Banyan Cavern Storage Services	n.a.1	Oil products	990.000			●				
Malaysia	(PT2SB) Pengerang	25%	Chemicals/oil products/LPG	2.100.000		●					
UK	Thames Oilport	100%	Oil products			●					

**Under construction in the period up to and including 2019: 4.6 million CBM**

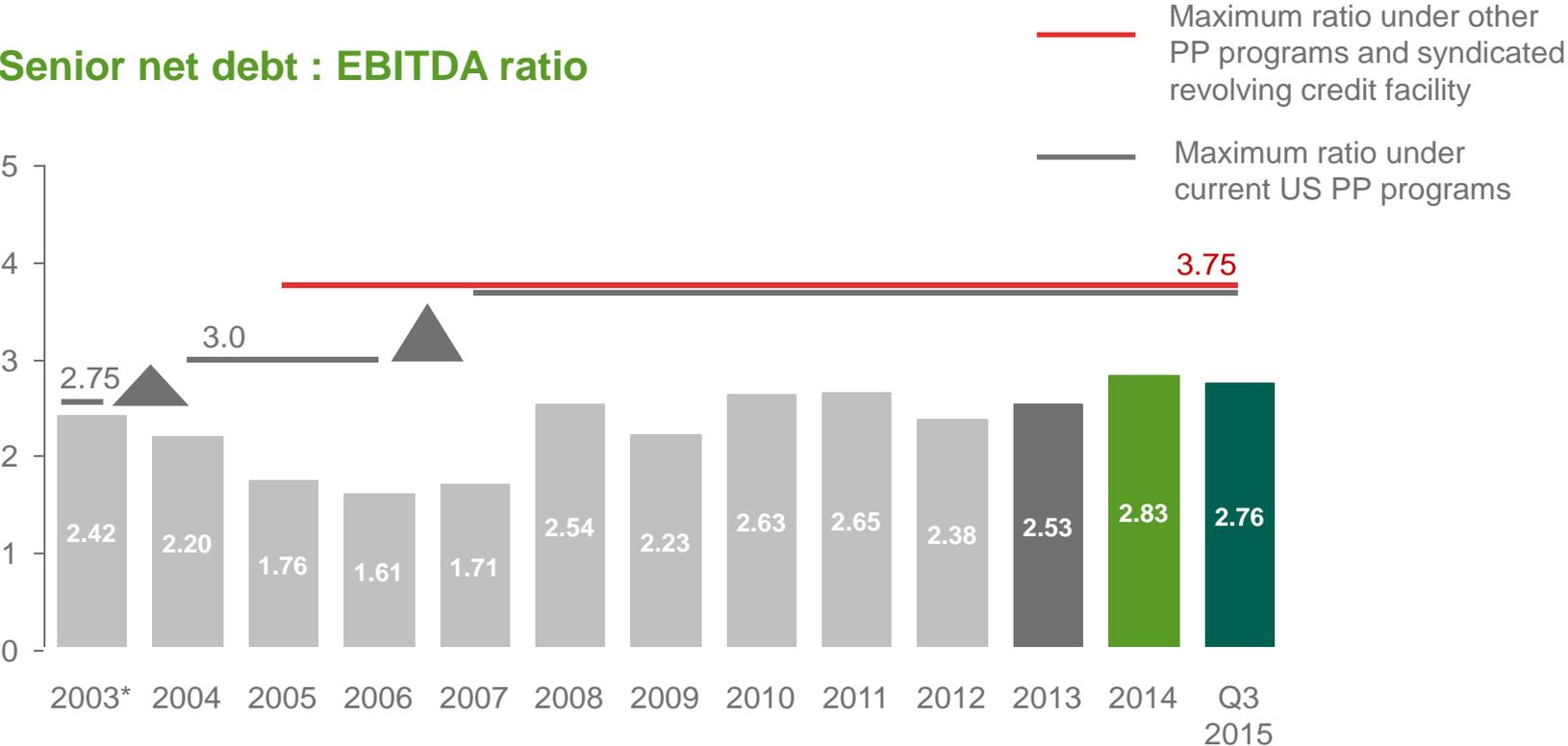
- | start construction
- expected to be commissioned

- **Projects under construction significantly pre-contracted and contributing from the start**
- **Balanced risk-return profile and return on investment focus**

Note: Including only projects under development estimated to be commissioned for the period Q3 2015-2019

# SELECTIVE CAPITAL DISCIPLINED GROWTH

## Senior net debt : EBITDA ratio



- Investment grade funding supported by a robust balance sheet
- Headroom provides flexibility to capture new opportunities

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

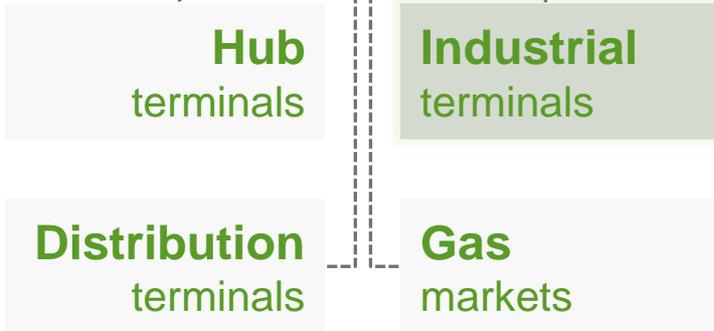
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# INVESTMENT PCQ2 FULLY ALIGNED TO STRATEGY



## New industrial terminal for world scale chemical complex in Saudi Arabia

- As per 30 November 2015
- USD 470 million total investment
- 348.000 cbm capacity\*
- 25% Ownership
- Storage agreement for 20 years

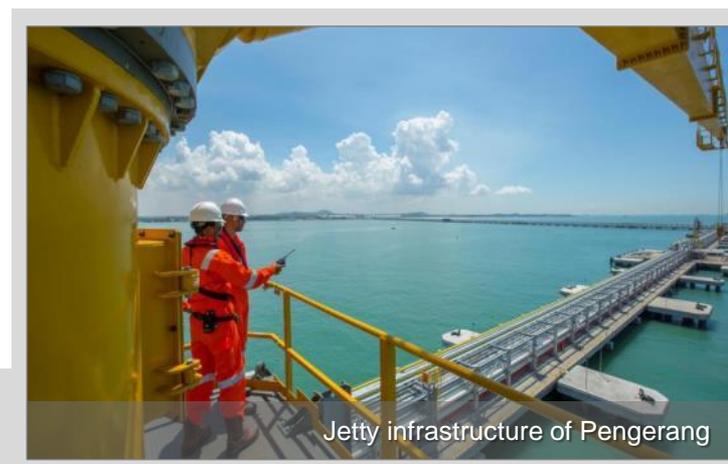


\*In addition to the 220.000 cbm currently under construction, expected to be commissioned in Q2 2016

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# 2015 OUTLOOK ASSUMPTIONS

Oil products	Chemical products	Industrial & pipeline connected	Vegoils & biofuels	Gas products
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*Share of EBITDA\**

45-50%	20-25%	20-25%	5-7.5%	2.5-5%
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*Contract duration*

~0 - 5 years	~1 - 5 years	~5 - 15 years	~0 - 3 years	~10 - 20 years
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2014	Different demand drivers	Steady	Solid	Mixed	Solid
2015	Different demand drivers	Steady	Solid	Mixed	Solid

- Robust demand for storage supported by imbalances, long-term contracts and effective supply-chain positioning

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

# 2015 EBITDA OUTLOOK



*We expect Q4 EBITDA -excluding exceptional items- to be in line with Q3 (EUR 194 million)*

## CLOSING SUMMARY

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- **Q3 performance fully aligned with HY1 reporting**
  - Characterized by continued slow growth in advanced economies while dynamics in emerging-markets further weakened and contango in the oil markets persisted.
  
- **Ability to absorb swing factors and market developments**
  - Healthy demand for storage in the majority of our terminals in all divisions
  - Continued challenging economic and business developments at specific terminals in China and Singapore
  
- **Continued focus on increasing free cash flow generation**
  - On track with the strategic priorities
  - Stable margin developments and positive financial indicators
  - Majority of the projects under construction significantly pre-contracted
  
- **Outlook 2015**
  - Financial effects of the realized divestments and the initial negative contribution from the start up of new terminals
  - Cautious on the supply and demand scenarios for specific terminals supporting the Chinese distribution market

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# APPENDIX

## DIVISIONAL RESULTS



# YTD Q3 2015 NETHERLANDS DEVELOPMENT

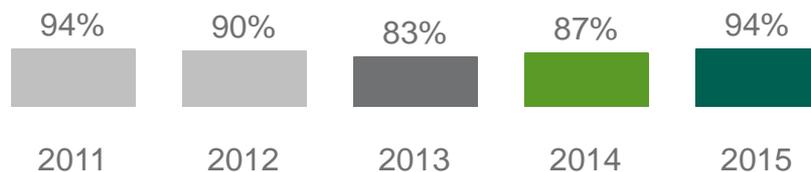
## EBITDA\*

In EUR million



## Occupancy rate\*\*

In percent



## Storage capacity

In million cbm



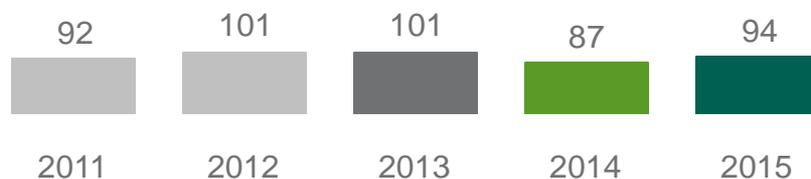
- High demand for storage in oil market
- Commissioning bullets Vlissingen

\* Including net result from joint ventures and associates; excluding exceptional items; \*\* Subsidiaries only.

# YTD Q3 2015 EMEA DEVELOPMENT

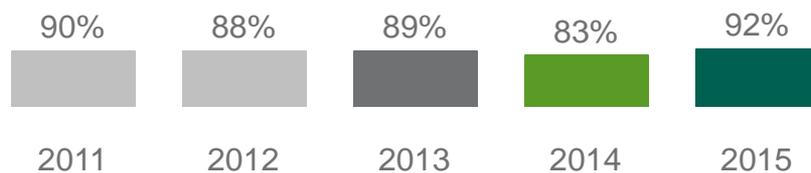
## EBITDA\*

In EUR million



## Occupancy rate\*\*

In percent



## Storage capacity

In million cbm



- Increased activity level in all products
- Divestments fully reflected

\* Including net result from joint ventures and associates; excluding exceptional items; \*\* Subsidiaries only.

# YTD Q3 2015 ASIA DEVELOPMENT

## EBITDA\*

In EUR million



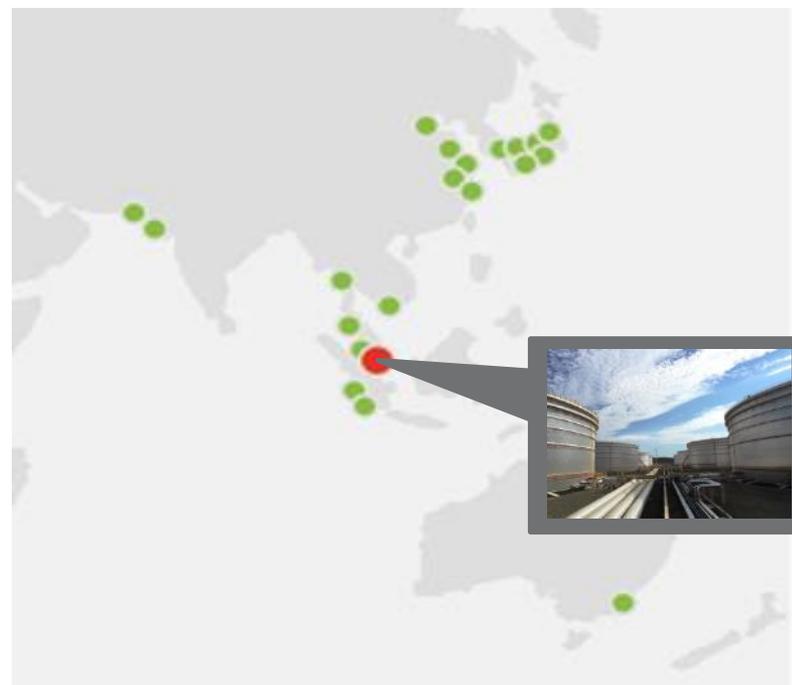
## Occupancy rate\*\*

In percent



## Storage capacity

In million cbm



- Positive FX effects
- Start-up costs fully reflected
- Demand and supply impact occupancy

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# YTD Q3 2015 AMERICAS DEVELOPMENT

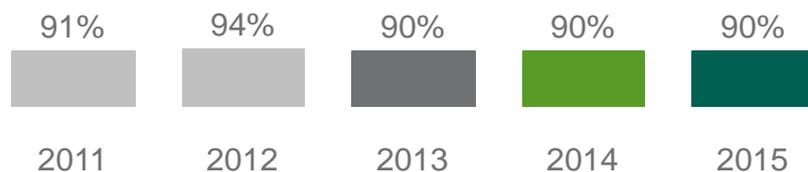
## EBITDA\*

In EUR million



## Occupancy rate\*\*

In percent



## Storage capacity

In million cbm



- High activity level in North Americas
- Brazil market continued to be volatile
- Divestments fully reflected

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