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17 April 2019

# Vopak Interim Update Q1 2019 Results – Analyst Presentation

Gerard Paulides - CFO of Royal Vopak



# Forward-looking statement



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

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

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

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

# Key messages



strategic direction

Capture  
growth

Spend EUR 750m  
on **sustaining and  
service capex**

Invest EUR 100m  
in **technology &  
innovation**

Drive further  
**productivity**

Q1 2019 key messages

## ‘Strong financial performance in Q1, next step taken in delivery of Vopak’s strategy’

- Pro forma Q1 **EBITDA of EUR 202 million** is EUR 12 million higher than prior year as a result of currency effects and joint venture contribution
- Industrial terminal PT2SB in Malaysia commissioned second phase of **718,000 cbm** of capacity and greenfield terminal in Panama started operations of the first phase of **120,000 cbm**
- The agreement to sell 4 terminals, marks the completion of the strategic review and is a next step in the **delivery of Vopak’s strategy** and the alignment of our portfolio based on long-term market developments

# Development key figures

Strong financial performance in Q1 2019



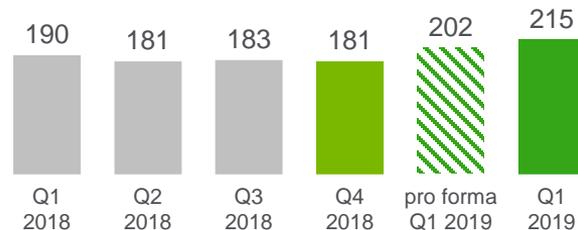
## Occupancy rate\*

In percent



## EBITDA\*\*

In EUR million



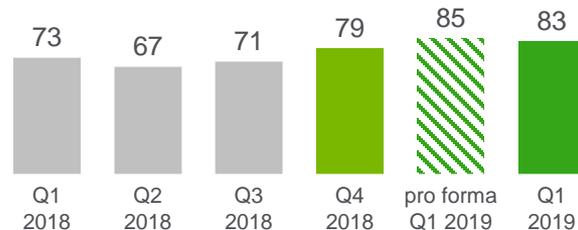
## ROCE\*\*

In percent



## Net profit\*\*\*

In EUR million



\* Occupancy rate figures include subsidiaries only

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

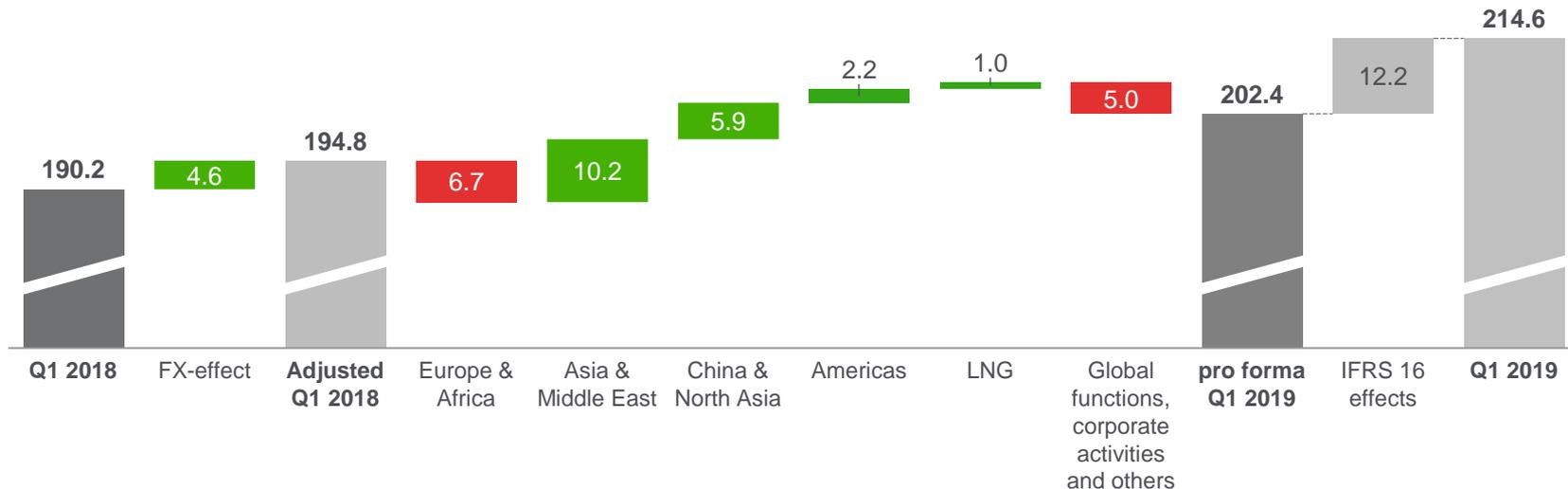
ROCE definition has been applied consistently for all periods presented

\*\*\* Attributable to holders of ordinary shares excluding exceptional items

# Q1 2019 vs Q1 2018 EBITDA



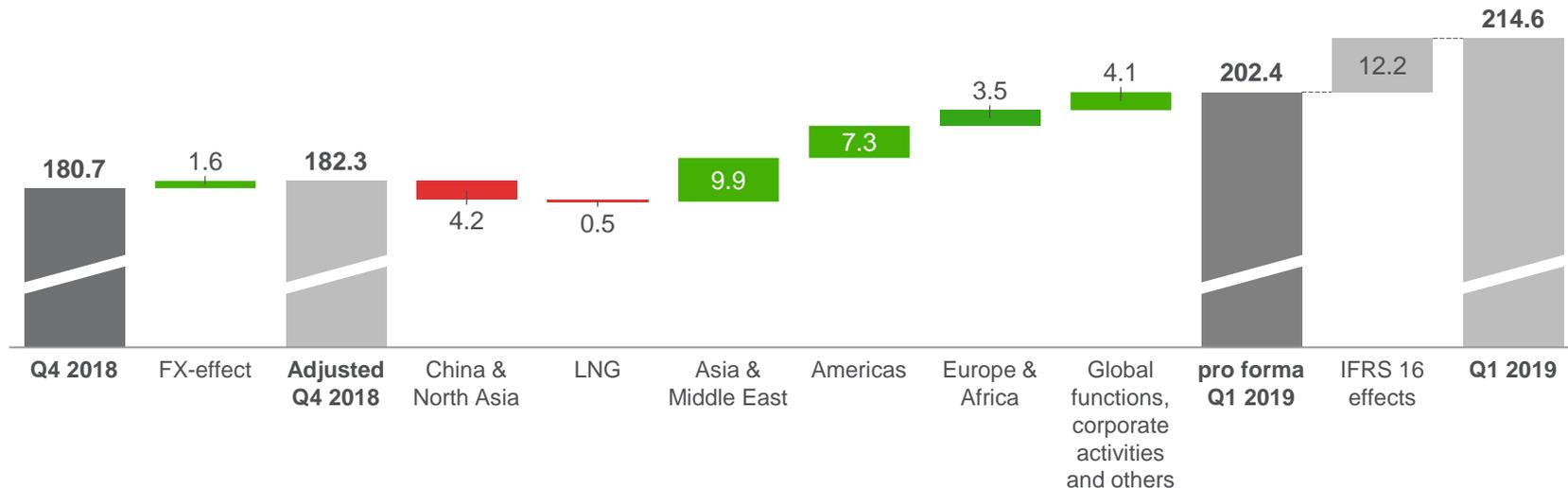
Pro forma EBITDA increased by EUR 12 million, mainly from contributions from joint ventures



# Q1 2019 vs Q4 2018 EBITDA



Strong performance in Asia & Middle East and Americas supported pro forma EBITDA improvement

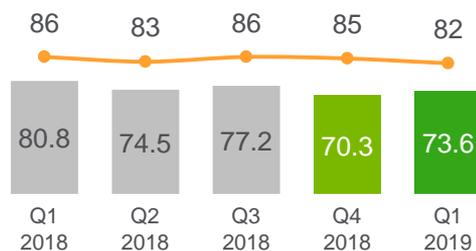


# Divisional segmentation

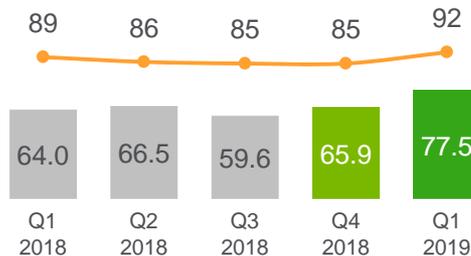
Europe & Africa executes strategy and Asia & Middle East set for growth



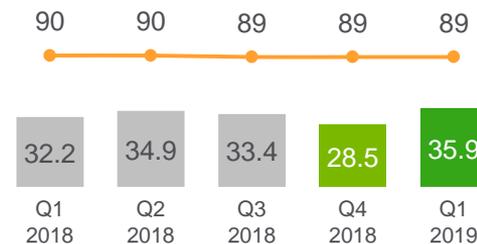
## Europe & Africa



## Asia & Middle East



## Americas



## China & North Asia



## LNG



— Occupancy rate (in percent) for subsidiaries only, with the exception of LNG

■ (pro forma) EBITDA (in EUR million) excluding exceptional items and including net result from JVs & associates and currency effects

# EUR 1 billion growth investments

Shift towards industrial terminals, chemical and gas terminals



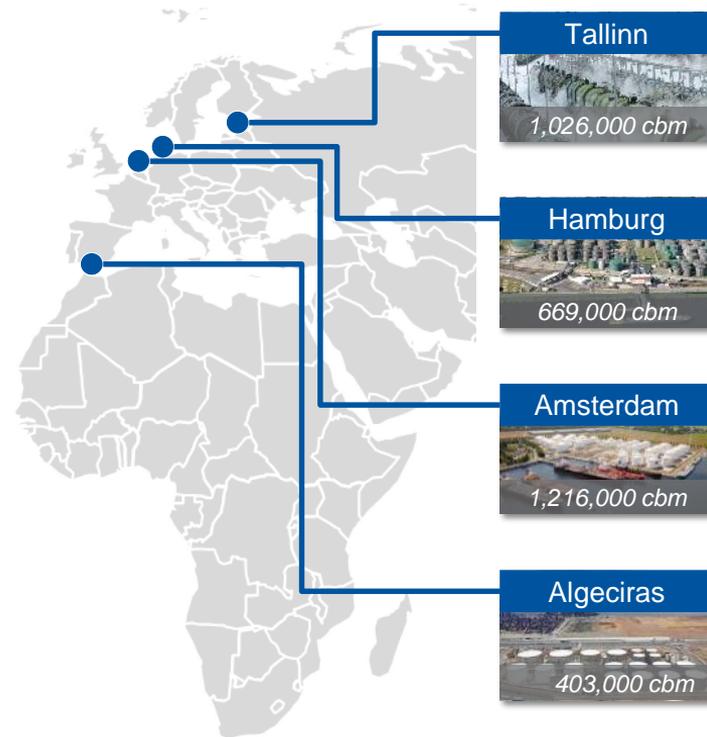
- LNG, LPG and chemical gases
- Industrial
- Chemicals
- Oil

\* Fully or partly commissioned

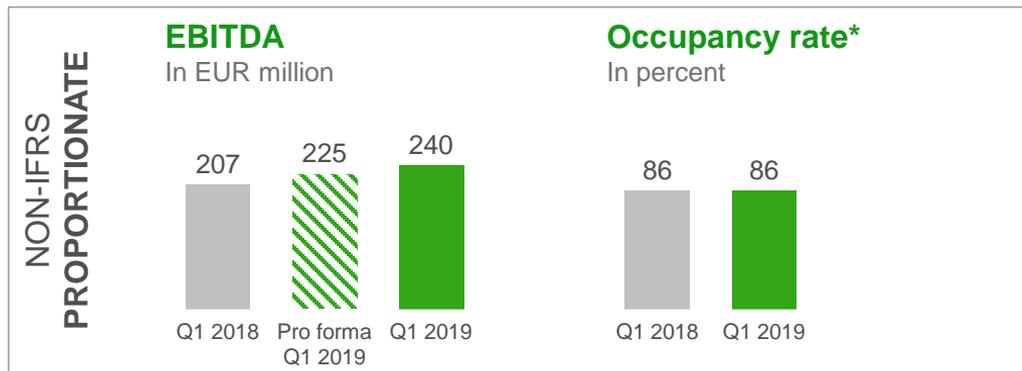
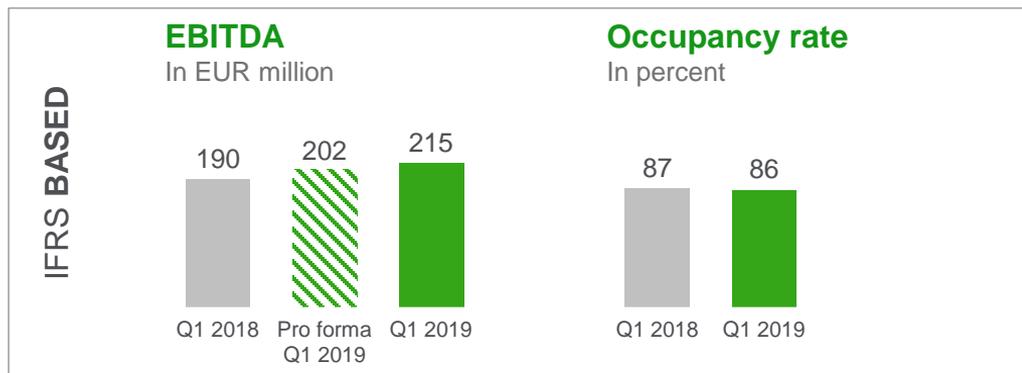
# Portfolio transformation

## Divestments

- On 3 April 2019, Vopak divested its 50% ownership in **Vopak E.O.S.** in Tallinn, Estonia
  - Realized gain of **EUR 16.8 million**
- On 5 April 2019, Vopak reached agreement on the sale of its terminals in **Algeciras, Amsterdam and Hamburg**
  - Expected gain around **EUR 200 million**
  - Cash inflow of approximately **EUR 670 million**
  - Multiple of more than 10x EBITDA and accretive to the ROCE for Vopak
  - Transaction is expected to complete in the second half year of 2019



# Non-IFRS proportionate information



Non-IFRS proportionate information provides transparency in Vopak's **underlying performance** and **free cash flow generating capacity**

Excluding exceptional items

\* Proportionate occupancy rate excluding fully impaired joint venture terminals in Estonia and Hainan

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Q1 2019 key messages

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# Looking ahead



- Vopak's expansion program will add 3.2 million cbm in 2018 and 2019. At the end of Q1 2019, 1.9 million cbm was commissioned and 1.3 million cbm is expected to be delivered in the remainder of 2019
- The sale of Algeciras, Amsterdam and Hamburg, with a combined capacity of 2.3 million cbm, is expected to be completed in the second half of 2019
- Growth investments amount to approximately EUR 1 billion for the period 2017-2019
- Vopak is well positioned to grow its global terminal portfolio in line with long-term market developments and targets 1 to 3 industrial terminal opportunities and 1 to 3 gas investment opportunities in 2019-2020



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Vopak Q1 2019  
interim update

## Questions & Answers



## For more information please contact:

### Investor Relations contact:

Laurens de Graaf, Head of Investor Relations

Telephone: +31 (0)10 400 2776

e-mail: [investor.relations@vopak.com](mailto:investor.relations@vopak.com)

### Media contact:

Liesbeth Lans, Manager External Communications

Telephone: +31 (0)10 400 2777

e-mail: [global.communication@vopak.com](mailto:global.communication@vopak.com)

### Royal Vopak

Westerlaan 10

3016 CK Rotterdam

The Netherlands

[www.vopak.com](http://www.vopak.com)

## Upcoming events:

### Ex-dividend quotation

23 April 2019

### Dividend record date

24 April 2019

### Dividend payment date

26 April 2019

### Publication of 2019 half-year results

31 July 2019

### Publication of Q3 2019 interim update

4 November 2019

**Royal Vopak**

17 April 2019

Analyst presentation

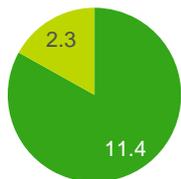
**Vopak Q1 2019**  
interim update



# Europe & Africa developments

## Storage capacity

In million cbm

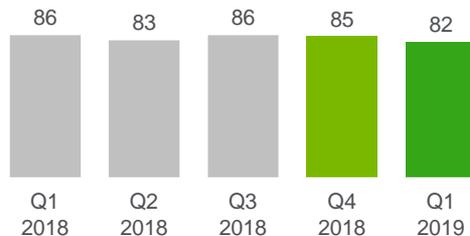


Total Q1 2019  
13.7 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

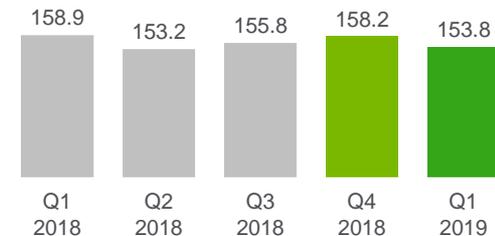
## Occupancy rate\*

In percent



## Revenues\*

In EUR million



## 19 Terminals (6 countries)



## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



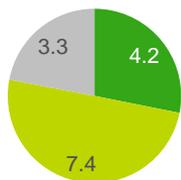
\* Subsidiaries only

\*\* Pro forma EBIT(DA) - including net result from joint ventures and associates and excluding exceptional items

# Asia & Middle East developments

## Storage capacity

In million cbm

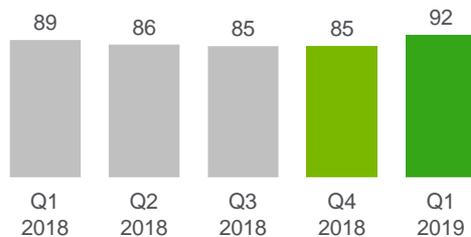


Total Q1 2019  
14.9 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

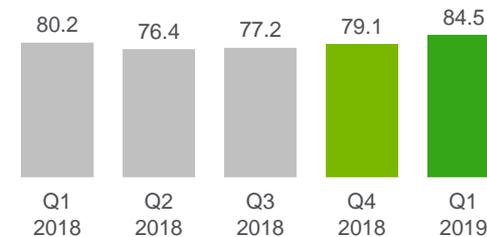
## Occupancy rate\*

In percent



## Revenues\*

In EUR million

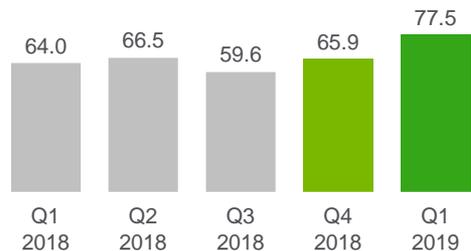


## 19 Terminals (9 countries)



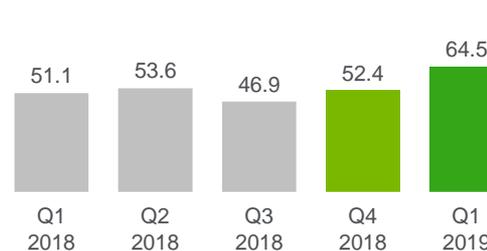
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



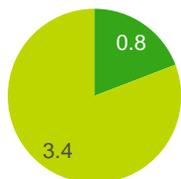
\* Subsidiaries only

\*\* Pro forma EBIT(DA) - including net result from joint ventures and associates and excluding exceptional items

# China & North Asia developments

## Storage capacity

In million cbm

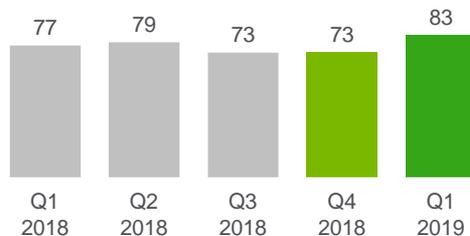


Total Q1 2019  
4.2 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

## Occupancy rate\*

In percent



## Revenues\*

In EUR million



## 9 Terminals (3 countries)



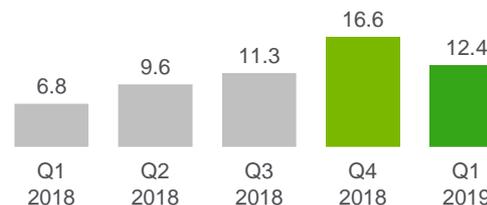
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



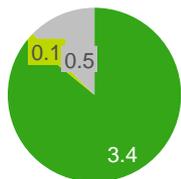
\* Subsidiaries only

\*\* Pro forma EBIT(DA) - including net result from joint ventures and associates and excluding exceptional items

# Americas developments

## Storage capacity

In million cbm

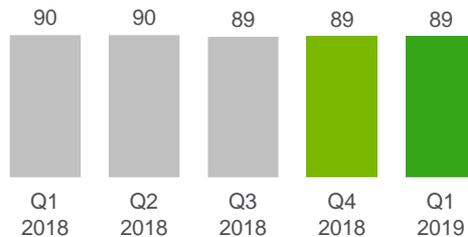


Total Q1 2019  
4.0 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

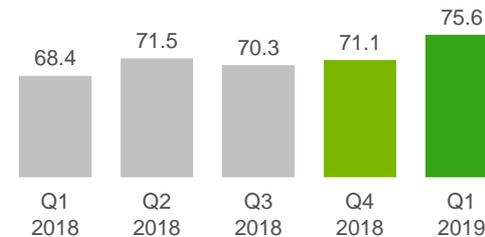
## Occupancy rate\*

In percent



## Revenues\*

In EUR million

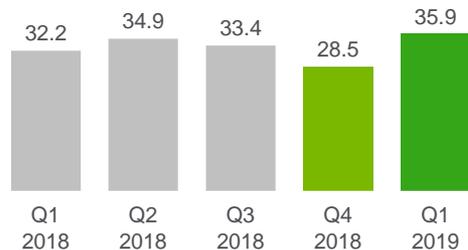


## 18 Terminals (6 countries)



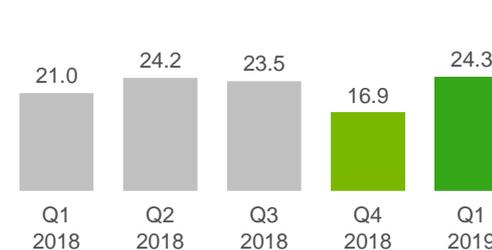
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



\* Subsidiaries only

\*\* Pro forma EBIT(DA) - including net result from joint ventures and associates and excluding exceptional items

# JVs & associates developments

## Net result JVs and associates\*

In EUR million



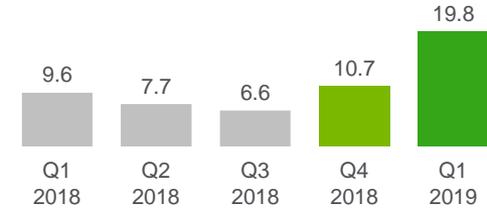
## Europe & Africa\*

In EUR million



## Asia & Middle East\*

In EUR million



## China & North Asia\*

In EUR million



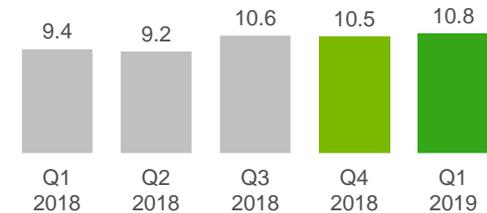
## Americas\*

In EUR million



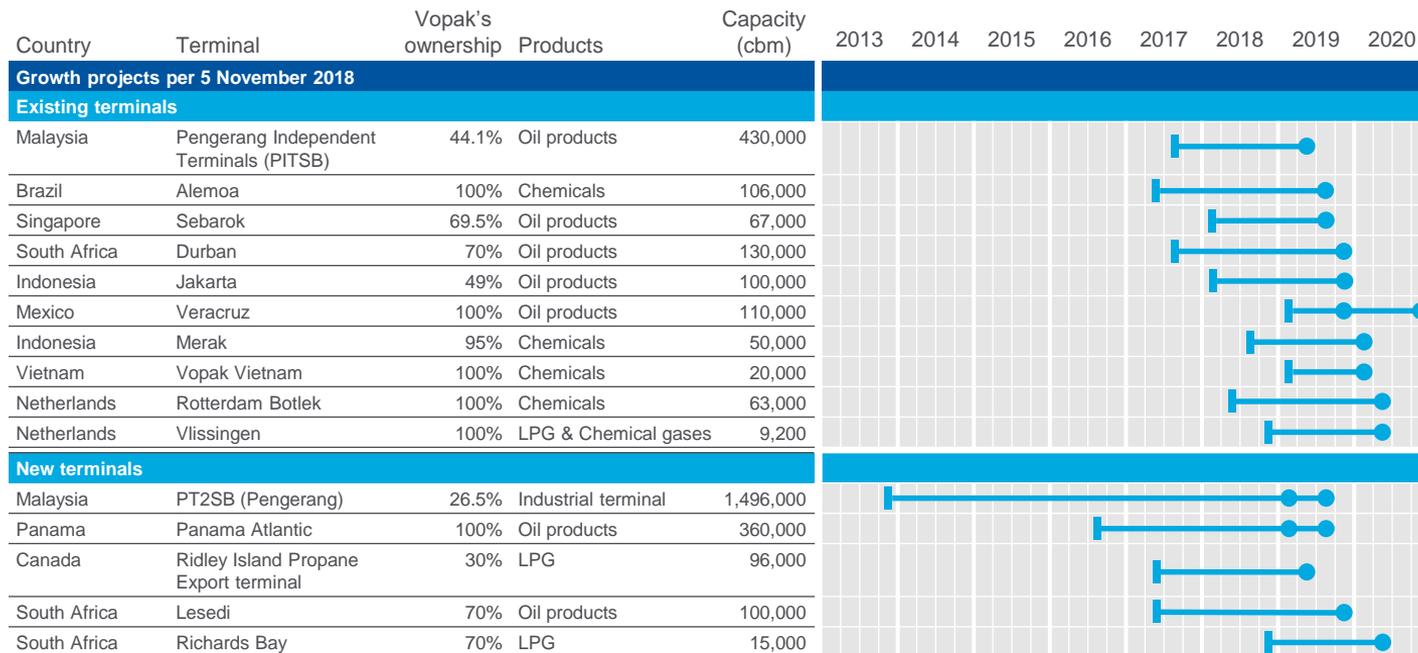
## LNG\*

In EUR million



\* Excluding exceptional items

# Project timelines



# IFRS 16 Leases

## IFRS 16 Leases

- No commercial impact
- Accounting change only, no net cash impact
- No economic impact on the business and how we manage it
- Modified retrospective method
- Pro forma -excluding IFRS 16- figures presented for comparison purposes

## Impact Vopak

<u>Key figures</u>	<u>In EUR million</u>
EBITDA	<b>40 – 50</b>
Net profit	<b>0 – (10)</b>
IFRS 16 Lease liabilities	<b>~675</b>
Return on Capital Employed (ROCE)	reported on consistent basis
Net debt to EBITDA ratio	<b>'Frozen GAAP'</b>

### Cash Flows

Cash flows from operating activities	<b>45 – 55</b>
Cash flows from financing activities	<b>(45) – (55)</b>
Total cash flows	<b>No impact</b>