

# Press Release



## Interim Update YTD Q3 2020

Rotterdam, the Netherlands, 6 November 2020

Q3 2020	Q2 2020	Q3 2019	in EUR millions	YTD Q3 2020	YTD Q3 2019	Pro forma YTD Q3 2019*
297.0	292.4	312.4	Revenues	886.3	953.8	858.4
<b>Results -excluding exceptional items-</b>						
200.1	202.4	202.4	Group operating profit before depreciation and amortization (EBITDA)	602.7	625.0	570.8
126.6	129.8	132.6	Group operating profit (EBIT)	383.4	407.0	
82.9	83.4	91.1	Net profit attributable to holders of ordinary shares	249.0	264.0	
0.65	0.66	0.72	Earnings per ordinary share (in EUR)	1.96	2.07	
<b>Results -including exceptional items-</b>						
195.7	235.4	393.7	Group operating profit before depreciation and amortization (EBITDA)	629.6	833.8	
122.2	162.8	323.9	Group operating profit (EBIT)	410.3	615.8	
79.5	116.4	280.6	Net profit attributable to holders of ordinary shares	276.9	471.0	
0.63	0.91	2.20	Earnings per ordinary share (in EUR)	2.18	3.69	
146.0	264.7	185.7	Cash flows from operating activities (gross)	553.4	537.4	
- 125.4	- 171.4	225.0	Cash flows from investing activities (including derivatives)	- 267.0	- 106.8	
<b>Additional performance measures</b>						
34.6	34.4	35.5	Storage capacity end of period (in million cbm)	34.6	35.5	
91%	88%	82%	Occupancy rate subsidiaries	88%	84%	
92%	90%	83%	Proportional occupancy rate	90%	84%	
241.3	245.6	231.8	Proportional EBITDA -excluding exceptional items-	727.9	711.2	
12.0%	12.1%	12.0%	Return on capital employed (ROCE)	11.8%	12.4%	
4,052.0	4,105.2	4,252.2	Average capital employed	4,146.7	4,246.1	
2,447.6	2,450.4	2,319.6	Net interest-bearing debt	2,447.6	2,319.6	
2.71	2.81	2.81	Senior net debt : EBITDA (for debt covenant)	2.71	2.81	

\* Pro forma YTD Q3 2019 excludes the contributions from the terminals that were divested since 2019

### Highlights for YTD Q3 2020 -excluding exceptional items-:

- EBITDA of EUR 603 million (YTD Q3 2019: EUR 625 million pre-divestments). Excluding EBITDA from divested terminals (EUR 54 million), EBITDA grew by EUR 32 million (6%), reflecting positive business performance and negative currency translation effects. Negative currency translation effects were EUR 11 million.
- Occupancy rate for subsidiaries of 88% (YTD Q3 2019: 84%) reflects strong storage demand from oil markets whereas storage demand in other market segments remained robust. Planned inspection and maintenance out-of-service capacity at subsidiaries, mainly at terminals in Rotterdam and Singapore, was 1.1 million cbm in Q3 2020 and decreased compared to Q2 2020.
- Proportional occupancy rate of 90% (YTD Q3 2019: 84%) reflected an improvement of oil terminals (including joint ventures) and continued strong performance of our joint venture gas and industrial terminals.
- Cost efficiency measures are progressing well and tracking below our revised target of EUR 600 million for the year.
- EBIT of EUR 383 million (YTD Q3 2019: EUR 407 million pre-divestments).
- Return on capital employed (ROCE) of 11.8% (YTD Q3 2019: 12.4%).
- Net profit attributable to holders of ordinary shares of EUR 249 million (YTD Q3 2019: EUR 264 million) resulting in earnings per ordinary share (EPS) of EUR 1.96 (YTD Q3 2019: EUR 2.07).
- Vopak's senior net debt to EBITDA ratio is 2.71 at the end of Q3 2020, within the target range.
- Growth momentum continued with the delivery of 169,000 cbm of new capacity at the end of Q3 at Durban - South Africa, Merak - Indonesia and Vlissingen - the Netherlands.

### **Exceptional items Q3 2020:**

- In September 2020, Vopak and BlackRock announced the acquisition of three industrial terminals from Dow on the U.S. Gulf Coast for the amount of USD 620 million. An exceptional item for the transaction related costs of EUR 4.4 million was recognized in Q3 2020.

### **Looking ahead:**

- We aim to grow EBITDA over time with new contributions from growth projects and replace the EBITDA from recent 2019 and 2020 divested terminals, subject to market conditions and currency exchange movements.
- Cost management continues in 2020 and Vopak's cost base is currently tracking lower than the revised target of EUR 600 million for the year.
- For the remainder of the year, we will continue to invest in growth of our global terminal portfolio with growth investments for 2020 that are expected to be in the range of EUR 500 million to EUR 600 million including the Dow transaction.
- Vopak has the ambition to allocate some EUR 300 million to EUR 350 million to growth investments in 2021 through existing sanctioned projects, new business development and pre-FID feasibility studies in new energies including hydrogen.

For 2020 and beyond, we will keep storing vital products with care to make a meaningful contribution to society, enabled by our financial performance.

### **Subsequent events:**

- On 26 October 2020, Vopak announced the completion of its share buyback program to return EUR 100 million to shareholders as announced on 12 February 2020. As part of this program, a total of 2,094,844 ordinary shares were repurchased, at an average price of EUR 47.74 per share, in the period 13 February 2020 up to and including 23 October 2020.
- On 6 November 2020, Vopak announces that it will expand its Alemoa terminal in Brazil with 20,000 cbm for chemical products. The expansion will further strengthen the position of Vopak in the port of Santos, the biggest port in Latin America. Commissioning is expected to be in Q2 2023, subject to construction permit approval.

### **Q3 2020 events:**

- In July 2020, Vopak signed agreements for a new debt issuance of over USD 500 million equivalent in the US Private Placement (USPP) market consisting of senior tranches with a total value of USD 150 million and EUR 150 million and subordinated tranches with a total value of USD 200 million. Cash receipts are scheduled for Q4 2020.
- In July 2020, Vopak Terminals Singapore completed its refinancing by entering into a new financing agreement of SGD 300 million, consisting of a term loan and a revolving credit facility.
- In September 2020, Vopak and BlackRock (50/50) announced the acquisition of three industrial terminals from Dow on the U.S. Gulf Coast for the amount of USD 620 million. The new joint venture named Vopak Industrial Infrastructure Americas, LLC, which will have a diversified set of infrastructure assets, in three locations, with each situated alongside an active Dow production complex. The transaction is expected to close before year end 2020, subject to customary closing conditions.
- In Q3 2020, Vopak received the remaining consideration of EUR 16.3 million relating to the December 2019 divestment of its 49% equity share in the joint venture Vopak SDIC Yangpu Terminal in Hainan, China. In Q2 2020, Vopak already recognized an exceptional item for a total amount of EUR 33 million of which EUR 16.7 million was already received before Q3 2020.

**Corporate governance events:**

- On 1 October 2020, Vopak announced it will propose Richard Hookway as a member of the Supervisory Board during the Annual General Meeting to be held on 21 April 2021. As per the same date, and in accordance with the resignation schedule, Rien Zwitserloot will step down from the Supervisory Board as he has reached his maximum term.

**Impact of COVID-19 pandemic:**

The pandemic spread of COVID-19 (Coronavirus) has a significant impact on all people and organizations around the world. Our main focus is on the health of the people working at our terminals, offices or at home around the world and to limit the spread of the Coronavirus, to manage the impact on our business and to assess the impact on the economy and society. Therefore, we have put global and local measures into place to protect our employees, their families and our operations based on information provided by the World Health Organization, national and local health authorities. To date, we have observed a limited impact on our operations. All our 66 terminals are operational and there have been no significant disruptions to business continuity.

Vopak's strategy is robust and unchanged. An effective control and governance structure to respond to the impact of the global pandemic, with continued decision-making to support business execution and well-being of people, has been put in place. Operational and financial performance, cash flows and our financial position have not been significantly affected. Our financial results reflect our resilient business performance. Timing of growth projects execution is affected by generic local lockdown measures in various countries.

Our focus in these circumstances is on the short-term delivery and protection of long-term value. Vopak plays an important role within society by storing vital products with care. We are doing our utmost during the COVID-19 pandemic to continue to fulfill this role in all our work locations around the world.

Although the pandemic brings a lot of uncertainty and the estimates remain subject to future events, we expect to continue to manage our performance in line with our original business plans and unchanged strategy.





**Financial calendar**

17 February 2021	Publication of 2020 annual results and Annual Report
21 April 2021	Publication of Q1 2021 interim update
21 April 2021	Annual General Meeting
23 April 2021	Ex-dividend quotation
26 April 2021	Dividend record date
29 April 2021	Dividend payment date

**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. For more information, please visit [vopak.com](http://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 6 November 2020.

This press release contains inside information as meant in clause 7 of the Market Abuse Regulation. The content of this report has not been audited or reviewed by an external auditor.