DISCIPLINED CAPITAL ALLOCATION
STRATEGIC CONSIDERATIONS

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Proud Vopak employees showing the completed Fuel 2 project in Durban
FORWARD LOOKING STATEMENTS

The presentations contain ‘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.

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SUMMARY

KEY TOPICS

- Key message 2 July 2014
- Status strategic priorities 2014-2016
- Position today and opportunities for disciplined selective growth
- Strategic considerations for disciplined capital allocation
Vopak publishes today the outcome of the business review announced at the Capital Markets Day held in December 2013 and referred to in the Q1 2014 Trading Update. The business review focused on the status and timing of all projects under consideration, the further alignment of Vopak’s global network, and areas to increase efficiency:

- Vopak will **sharpen its focus on increasing free cash flow generation** throughout the company and on improving its capital efficiency, supporting **cash flow return and EPS objectives**.
- The expected proceeds from identified divestment opportunities and cash flow improvements will be used for **selective growth opportunities** and to support a consistent continuation of our dividend policy.
- The tank storage market has been adversely affected by substantial incremental supply of storage capacity, as well as by legislative and geopolitical developments. Therefore the **timing of new profitable projects has become less apparent**.
- We will create more value from our core assets and core capabilities and generate a long-term robust free cash flow against a **balanced risk-return profile** for our stakeholders and shareholders.
Changing energy and petrochemical landscape
- Continuing economic shift from West to East
- Oil price developments

Tank storage market has been characterized by
- A substantial increase of storage capacity
- Legislative developments
- Geopolitical developments

Timing of new profitable expansion projects
- Less apparent

‘Defined criteria for our network aspirations’
‘Sharpening our network to cater for today’s and tomorrow’s flows’
‘Strengthen its competitive position’
STATUS PRIORITIES 2014 - 2016
EXECUTION ON TRACK

Strategic Growth
4 terminal types

Divestment Program
15 terminals (approx.)

Reduce Sustaining capex
100 EUR million

Reduce Cost base
30 EUR million

- Enhance capital and organizational efficiency
- Sharpen focus on free cash flow generation
- Reduce sustaining & improvement capex program and cost base
VALUE CREATION
CONTINUED FOCUS ON CASH FLOW

NOTE: Bar sizes for illustration purposes

Capital Markets Days 2016
Note: the 2003 figures are based on Dutch GAAP. In addition, due to the retrospective application of the Revised IAS 19, Equity and Liabilities for 2012 have been restated.

* Excluding exceptional items; attributable to holders of ordinary shares; and also adjusted for 1:2 share split effectuated 17 May 2010

Value drivers

- Occupancy rate development
- Margin management
- Capacity Expansions

EPS* 2003-2015
In EUR
**POSITION TODAY AND OPPORTUNITIES**  
FOR DISCIPLINED SELECTIVE GROWTH

### Trends
- Energy
- Manufacturing
- Food & Agriculture

### End Markets
- Hub Terminals
- Distribution Terminals
- Gas Terminals
- Industrial Terminals

### Network
- Organization
  - Organizational efficiency and focus on leadership
- Financial performance
  - Sustainable cash flow generation and a strong balance sheet
Vopak reiterates its expectation to exceed a 90% occupancy rate level in 2016.

Our diversified portfolio both geographically and in different product groups (oil, chemicals and gas), healthy contract coverage and strong supply chain positions support a continuation of healthy occupancy rates of our global terminal network.
DISCIPLINED CAPITAL ALLOCATION
STRATEGIC CONSIDERATIONS

Disciplined selective growth opportunities
- Vopak is well-positioned

Ordinary dividend
- Barring exceptional circumstances, the intention is to pay an annual cash dividend of 25-50% of the net profit

Capital optimization
- Create extra financial flexibility to support future growth
- Debt reduction
- Additional one-off yearly to be determined shareholder distribution
VALUE CREATION
DISCIPLINED CAPITAL ALLOCATION

Total investments
In EUR million

- 2005-2007: 901
- 2008-2010: 1,899
- 2011-2013: 2,012
- 2014-2016: ~1,700
- Beyond 2016: ...???

“timing of new profitable projects has become less apparent”
SHAREHOLDER DISTRIBUTION
RETURNED EUR 1 BILLION TO SHAREHOLDERS*

Total dividend **
In million EUR

Dividend per share**
In EUR

Barring exceptional circumstances, the intention is to pay an annual cash dividend of 25-50% of the net profit

* In the period 2003-2015
**Excluding exceptional items; attributable to holders of ordinary shares
NOTE: the 2003 figures are based on Dutch GAAP.
For certain projects in joint ventures, additional limited guarantees have been provided, affecting the Senior net debt : EBITDA;
‘Vopak is well-positioned to capture profitable selective growth opportunities’

‘Vopak is continuously assessing the realization and timing of project portfolio opportunities’

What level of financial flexibility is needed going forward?

Net debt : EBITDA ratio scenario’s

- 1.5-2.0
- 2.0-2.5
- 2.5-3.0

Strategic considerations

Credit rating
Timing of new projects
Option value
SUCCEFULLY RENEWED
EUR 1 BILLION REVOLVING CREDIT FACILITY

“We remain focused on ensuring flexible access to various capital markets and funding sources to support Vopak’s capital disciplined growth strategy”
Debt repayment schedule

In EUR million

- RCF flexibility
- RCF drawn
- US PP
- Asian PP
- Subordinated US PP
- Other

EXTERNAL FINANCING
BALANCED MATURITY PROFILE
SHAREHOLDER DISTRIBUTION
WHEN FCF > TIMING OF NEW GROWTH PROJECTS

Share buy backs
- What would be the rationale for reducing the floating stock %?

Long-term focused peak-shaving of supplement liquidity/headroom

When and how much additional shareholder distribution can take place depends on:
- Timing of new growth projects
- Required financial flexibility

Net debt : EBITDA ratio scenario’s

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<th>Scenario</th>
<th>Credit rating</th>
<th>Timing of new projects</th>
<th>Option value</th>
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KEY TAKE AWAYS

- Strategic priorities 2014 on track
- Vopak well-positioned to continue its value creation journey through selective disciplined growth / capital allocation
- Scenario’s for capital allocation currently under review
- In case of supplement liquidity / headroom, one-off extraordinary dividend to be considered