

Vopak provides update on long-term market developments and EBITDA ambition

Rotterdam, the Netherlands, 10 December 2013

Today, Royal Vopak will host its annual Capital Markets Day at the NYSE Euronext Amsterdam in the Netherlands. Members of the Executive Board and other Senior Executives will update the financial community on selected topics regarding strategic and financial developments and the relevant dynamics of the international energy and chemical markets in which Vopak operates.

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- Vopak remains well positioned to further expand its global terminal network based on long-term intercontinental trade trends
- Vopak will maintain its capital-disciplined growth strategy and focus on further alignment of its terminal network
- For 2013, Vopak expects to realize an EBITDA -excluding exceptional items- of around EUR 750 million within its previously communicated EBITDA outlook range of between EUR 730-780 million
- Also for 2014, Vopak deems the market circumstances challenging to exceed the EBITDA record of financial year 2012 (EUR 768 million)
- Since the timing of new profitable expansion projects has become less apparent, it has become unlikely that Vopak will reach the EBITDA ambition of EUR 1 billion already in 2016
- We will diligently review the status and timing of all new projects under consideration and provide a further update on this EBITDA ambition in the second half year of 2014

Following in-depth analyses of various scenarios and global trends in the energy and chemical markets, including U.S. shale developments, expected Asian growth paths, developments in Africa, LNG as a transport fuel, and potential further rationalization in the refinery and petrochemical sector, Vopak reconfirms its capital disciplined growth strategy based on positive long-term developments. With a global terminal network of around 35 million cbm in 2015, Vopak is well positioned to leverage on these long-term market developments and accordingly to further align its global terminal network. At the same time, Vopak currently faces several challenges, such as the testing economic climate and a highly competitive storage market environment for certain product-market combinations, particularly in Europe. While keeping a strong focus on further improving its service delivery and competitive position, Vopak will ensure that operations will be executed in the safest, most sustainable and efficient manner for its customers.

For the full year 2013, Vopak expects to realize an EBITDA -excluding exceptional items- of around EUR 750 million within its previously communicated EBITDA outlook range of between EUR 730-780 million.

Looking ahead, we expect a continuation of a more regional divergence of our business climate. In Europe, we anticipate a continuing testing economic climate and a highly competitive market environment in certain product-market combinations. For Americas, we see positive market developments and various opportunities in the U.S. Gulf Coast area, characterized by a competitive investment environment. In Asia and the Middle East, we foresee a continuing healthy demand for our storage services throughout our existing terminal network, providing interesting opportunities to further expand our position.

For 2014, Vopak continues its undiminished focus on executing successfully its disciplined growth strategy whilst striving for further efficiency improvements. However like in 2013, as we have no indication that significant positive general market changes will occur, Vopak deems it challenging to exceed the EBITDA record of financial year 2012 (EUR 768 million) in 2014. This also takes into account, amongst others, the negative EBITDA impact of recent divestments and the implications of a phased introduction of new storage capacity expansions, including a forecasted delay in positive contribution from certain new joint venture terminal projects in our Asia division. The increased depreciation is expected to weigh on EPS development.

Based on current projects under construction and potential opportunities for further expansion of Vopak's network of terminals, it remains our ambition to further grow our financial results and realize an EBITDA -excluding exceptional items- of EUR 1 billion. In order to achieve this ambition, among other factors, the identification and successful and timely execution of additional profitable expansion projects, our continued ability to manage our cost base, and a continuation of the operational efficiency at our existing terminals are required.

Following a thorough analysis of these strategic value drivers, it has become unlikely that Vopak will reach the EBITDA ambition of EUR 1 billion already in 2016 as previously communicated, since amongst others following our capital disciplined growth strategy no major growth projects have been approved during the last 1.5 years. Furthermore, potential additional to be approved capacity expansions are only expected to provide meaningful EBITDA contributions beyond 2016, due to project development periods of new storage capacity.

Our strategic direction is well defined and supported by a focused execution, but the current reality is that the timing of new profitable expansion projects has become less apparent. We will diligently review the status and timing of all new projects under consideration and provide a further update on this EBITDA ambition in the second half year of 2014.

All Vopak Capital Markets Day presentations will be available on Vopak's website ([Capital Markets Day presentations](#)) at approximately 7:00 AM CET on 10 December 2013.

Profile

Royal Vopak is the world's largest independent liquid bulk tank storage service provider by capacity, specializing in the storage and handling of oil products, liquid chemicals and gasses. The company operates 82 terminals with a combined storage capacity of more than 30 million cubic meters in 31 countries. Vopak's terminals are strategically located for users along the major shipping routes. The majority of its customers are companies operating in the chemical and oil industries, for which Vopak stores a large variety of products destined for a wider range of industries.

For more information

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