

Press Release



Vopak reports on Q3 2021 financial results
Rotterdam, the Netherlands, 12 November 2021

Q3 2021	Q2 2021	Q3 2020	in EUR millions	YTD Q3 2021	YTD Q3 2020
309.5	303.1	297.0	Revenues	912.7	886.3
Results -excluding exceptional items-					
212.5	206.2	200.1	Group operating profit before depreciation and amortization (EBITDA)	619.1	602.7
128.4	124.6	126.6	Group operating profit (EBIT)	374.3	383.4
81.0	76.1	82.9	Net profit attributable to holders of ordinary shares	230.2	249.0
0.65	0.61	0.65	Earnings per ordinary share (in EUR)	1.84	1.96
Results -including exceptional items-					
203.1	136.5	195.7	Group operating profit before depreciation and amortization (EBITDA)	540.0	629.6
119.0	54.9	122.2	Group operating profit (EBIT)	295.2	410.3
71.6	6.4	79.5	Net profit attributable to holders of ordinary shares	151.1	276.9
0.57	0.05	0.63	Earnings per ordinary share (in EUR)	1.20	2.18
167.7	169.0	143.6	Cash flows from operating activities (gross excluding derivatives)	478.2	494.8
168.6	141.5	146.0	Cash flows from operating activities (gross)	434.1	553.4
- 161.9	- 153.3	- 125.4	Cash flows from investing activities (including derivatives)	- 453.8	- 267.0
Additional performance measures					
259.0	249.5	241.3	Proportional EBITDA -excluding exceptional items-	754.1	727.9
22.5	22.3	21.5	Proportional capacity end of period (in million cbm)	22.5	21.5
88%	88%	92%	Proportional occupancy rate	88%	90%
36.1	35.9	34.6	Storage capacity end of period (in million cbm)	36.1	34.6
87%	87%	91%	Subsidiary occupancy rate	87%	88%
10.4%	10.6%	12.0%	Return on capital employed (ROCE)	10.4%	11.8%
4,801.4	4,644.8	4,052.0	Average capital employed	4,642.4	4,146.7
2,979.4	2,927.2	2,447.6	Net interest-bearing debt	2,979.4	2,447.6
2.93	2.86	2.71	Senior net debt : EBITDA	2.93	2.71
3.16	3.09	2.71	Total net debt : EBITDA	3.16	2.71

Highlights for YTD Q3 2021 -excluding exceptional items-:

- EBITDA of EUR 619 million (YTD Q3 2020: EUR 603 million) in soft business conditions. Adjusted for EUR 13 million negative currency translation effects, EBITDA increased by EUR 29 million (5%).
- Growth project contribution of EUR 35 million and efficiency are driving positive EBITDA performance.
- Proportional occupancy rate of 88% (YTD Q3 2020: 90%).
- Cost efficiency measures are tracking well and the cost level for YTD 3Q 2021 amounted to EUR 448 million (YTD Q3 2020: EUR 441 million) including cost for delivered growth projects and new business development efforts.
- EBIT of EUR 374 million (YTD Q3 2020: EUR 383 million), reflecting higher depreciation mainly related to new capacity delivered.
- Return on capital employed (ROCE) of 10.4% (YTD Q3 2020: 11.8%).
- Net profit attributable to holders of ordinary shares of EUR 230 million (YTD Q3 2020: EUR 249 million), reflecting lower capitalized interest YTD 2021 and higher debt.
- Cash Flow From Operations (excluding derivatives) of EUR 478 million compared to last year EUR 495 million reflects positive business momentum which was more than offset by an increase in working capital of EUR 44 million. Excluding derivatives impact and working capital movements, CFFO increased by EUR 27 million (5% YoY).
- Earnings per ordinary share (EPS) of EUR 1.84 (YTD Q3 2020: EUR 1.96).
- The senior net debt: EBITDA ratio is 2.93 at the end of Q3 2021.

Portfolio items:

- Vopak is investigating the strategic options for its terminals in Australia located in Sydney and Darwin with a total capacity of 545,000 cbm.
- Growth momentum continued with the delivery of new capacity of 57,000 cbm during Q3 at Antwerp Linkeroever and Rotterdam Botlek.
- Vopak announced the opening of a new Vopak industrial terminal in the U.S. Gulf Coast with a total capacity of 144,000 cbm tankage and includes pipelines connecting the terminal to the petrochemical complex of Gulf Coast Growth Ventures, a joint venture by ExxonMobil and SABIC.

Q3 2021 events:

- Gate LNG terminal successfully managed its maintenance turnaround program, and plans to invest in a further regasification capacity expansion of 1.0 bcm per year. Together with the earlier announced investments to increase the capacity by 0.5 bcm per year this will result in a total capacity of 13.5 bcm per year. The 12.5% additional send-out capacity is planned to become available as of 1 October 2024.
- Opening Vopak Solar Park Eemshaven (25 MW), which is a joint venture between Vopak, Groningen Seaports, and Whitehelm Capital. Vopak switched completely to green electricity for its Dutch terminal activities.
- During Q3 Vopak commissioned ammonia operations in the Vopak Moda Houston terminal.
- An overall positive valuation effect in [Vopak Ventures](#) of EUR 39 million was recorded in other comprehensive income in equity (on the balance sheet) at the end of Q3.

Exceptional items Q3 2021:

- After a strategic review, Vopak decided to discontinue its active participation in the German LNG project leading to an exceptional loss of EUR 11.1 million. We remain optimistic in other LNG growth projects, such as Hong Kong, which are progressing well.
- An exceptional gain of EUR 2.2 million was recognized in the result of joint ventures and associates relating to a partial release of a tax provision that was recognized in a joint venture terminal within the Asia & Middle East division at the end of 2019.

Subsequent events:

- On 20 October 2021, the Supervisory Board of Royal Vopak announced the upcoming succession of Eelco Hoekstra after having served 11 years as Chairman of the Executive Board and CEO of Royal Vopak. The Supervisory Board will nominate Dick Richelle to become Chairman of the Executive Board and take over as CEO as per 1 January 2022. The nomination is subject to the approval of the General Shareholders Meeting. An Extraordinary General Meeting is scheduled on Friday 17 December 2021. For further details, reference is made to the following page on Vopak's website: [Shareholders' Meetings](#).

Looking ahead:

- In 2021, reported EBITDA contributions from 2020 and 2021 growth projects are expected to be at the higher end of the EUR 30 million to EUR 50 million range, subject to market conditions and currency exchange movements.
- In 2023, reported EBITDA contribution from 2020, and currently approved growth projects, is expected to be in the range of EUR 110 million to EUR 125 million, subject to market conditions and currency exchange movements. Additional projects will further contribute to reported EBITDA.
- Cost management continues and we expect to manage the 2021 cost base including additional cost for new growth projects below EUR 615 million, subject to currency exchange movements.
- In 2021, growth investment is expected to be around EUR 275 million below our previously announced range of EUR 300 million to EUR 350 million. The allocation of these investments will be through existing committed projects, new business development and pre-FID (Final Investment Decision) feasibility studies in new energies including hydrogen and based on the assumption that the Aegis Vopak transaction will close early 2022.

- For the period 2020-2022, Vopak indicated to spend EUR 750 million to EUR 850 million for sustaining and service improvement capex, subject to additional discretionary decisions, policy changes and regulatory environment. For 2021, Vopak expects to reach around EUR 290 million in sustaining and service capex, based on current views on exchange rates.
- As part of the strategic direction for the period 2020-2022, Vopak indicated to invest annually EUR 30 million to EUR 50 million in IT capex to complete Vopak's digital terminal management system. For 2021, Vopak expects to be at the high end of the range in IT capex and we expect this program to be completed by the end of 2023. Today around 60% of our Joint Ventures have committed to our new in-house terminal management system which is ahead of plan. MyService, reflects the ability to improve service delivery and operational efficiency.
- The majority of growth investments will be allocated towards industrial, gas and new energies infrastructures. Our positive views on chemicals have not changed. New growth investments in oil infrastructure are expected to be reduced and will mostly be targeted towards strengthening our leading hub positions.

Impact of Covid-19 pandemic in 2021:

The pandemic spread of Covid-19 (Coronavirus) remains an impactful event on all people and organizations around the world. Our first priority in the Covid-19 response is to protect the health and well-being of our people, their families and the communities in which we operate. We remain focused in these circumstances 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.

The pandemic brings more uncertainty with respect to general operating and market conditions as well as volatility in currency exchange movements and the estimates remain subject to future events. We expect to continue to manage our performance in line with our business plans.

Year-to-date segment information

	IFRS																					
	Americas		of which United States		Asia & Middle East		of which Singapore		China & North Asia		Europe & Africa		of which Netherlands		LNG		Global functions and corporate activities		Total			
	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020		
In EUR millions																						
Revenues	239.9	241.8	135.1	138.4	209.5	218.2	160.4	169.5	32.8	30.8	424.7	391.1	317.0	304.5	-	5.8	4.4	912.7	886.3			
Other operating income	5.8	1.3	4.9	-	9.0	9.6	1.2	1.0	4.3	2.5	4.1	0.8	1.3	0.8	2.7	2.8	-0.1	25.8	17.2			
Operating expenses	-115.7	-110.1	-68.1	-64.3	-70.6	-72.2	-45.1	-47.2	-15.6	-15.5	-199.0	-195.7	-147.8	-146.9	-7.9	-6.9	-38.7	-441.0	-441.0			
Result joint ventures and associates	7.6	8.2	-0.2	0.3	60.7	69.5	0.3	0.5	24.9	23.6	3.1	2.5	0.5	0.6	31.9	36.3	-0.1	128.1	140.2			
EBITDA	137.6	141.2	71.7	74.4	208.6	225.1	116.8	123.8	46.4	41.4	232.9	198.7	171.0	159.0	26.7	32.2	-33.1	619.1	602.7			
Depreciation and amortization	-48.9	-47.2	-25.6	-25.1	-49.4	-47.5	-35.7	-34.2	-8.7	-8.5	-123.8	-104.1	-87.4	-79.3	-	-	-14.0	-244.8	-219.3			
EBIT excluding exceptional items	88.7	94.0	46.1	49.3	159.2	177.6	81.1	89.6	37.7	32.9	109.1	94.6	83.6	79.7	26.7	32.2	-47.1	374.3	383.4			
Exceptional items	-70.2	-4.4	-	-	2.2	-	-	-	-	33.0	-	-1.7	-	-	-11.1	-	-	-79.1	26.9			
EBIT including exceptional items	18.5	89.6	161.4	177.6	161.4	177.6	161.4	177.6	37.7	65.9	109.1	92.9	83.6	79.7	15.6	32.2	-47.1	295.2	410.3			
Reconciliation consolidated net profit																						
Net finance costs																		-76.7	-63.3			
Profit before income tax																		218.5	347.0			
Income tax																		-45.1	-46.4			
Net profit																		173.4	300.6			
Non-controlling interests																		-22.3	-23.7			
Net profit holders of ordinary shares																		151.1	276.9			
Occupancy rate subsidiaries	90%	92%			87%	87%			87%	87%	88%	87%						87%	88%			

Non-IFRS proportional

	Non-IFRS proportional																					
	Americas		of which United States		Asia & Middle East		of which Singapore		China & North Asia		Europe & Africa		of which Netherlands		LNG		Global functions and corporate activities		Total			
	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020	YTD Q3 2021	YTD Q3 2020		
In EUR millions																						
Revenues	294.9	251.4	181.4	138.4	308.8	326.2	112.9	118.9	96.7	90.2	426.0	397.9	319.2	306.7	117.3	124.4	5.8	1,249.5	1,194.5			
Other operating income	12.8	8.2	3.8	0.1	6.5	6.9	0.1	0.1	1.9	2.3	2.9	0.2	0.8	0.3	28.0	29.9	-0.1	52.0	47.5			
Operating expenses	-154.3	-119.4	-97.9	-65.1	-84.9	-89.8	-31.9	-33.2	-27.0	-28.2	-199.5	-197.4	-147.8	-146.8	-42.8	-39.1	-38.9	-547.4	-514.1			
EBITDA	153.4	140.2	87.3	73.4	230.4	243.3	81.1	85.7	71.6	64.3	229.4	200.7	172.2	160.2	102.5	115.2	-33.2	754.1	727.9			
Depreciation and amortization	-60.1	-47.5	-36.6	-25.4	-77.1	-72.7	-24.6	-23.6	-23.5	-21.0	-123.6	-106.0	-88.0	-79.8	-34.9	-36.0	-13.9	-333.1	-295.2			
EBIT excluding exceptional items	93.3	92.7	50.7	48.0	153.3	170.6	56.5	62.1	48.1	43.3	105.8	94.7	84.2	80.4	67.6	79.2	-47.1	421.0	432.7			
Exceptional items	-70.2	-4.4	-	-	-4.4	-	-	-	-	33.0	-	-1.7	-	-	-11.1	-	-	-81.3	26.9			
EBIT including exceptional items	23.1	88.3	50.7	43.6	153.3	170.6	56.5	62.1	48.1	48.1	105.8	93.0	84.2	80.4	56.5	79.2	-47.1	339.7	459.6			
Occupancy rate	90%	91%			87%	91%			87%	89%	88%	87%			97%	97%		88%	90%			
Net interest-bearing debt																		4,022.5	3,357.1			

Financial calendar

17 December 2021	Extraordinary General Meeting
16 February 2022	Publication of 2021 annual results
20 April 2022	Publication of 2022 first-quarter interim update
20 April 2022	Annual General Meeting
22 April 2022	Ex-dividend quotation
25 April 2022	Dividend record date
28 April 2022	Dividend payment date
27 July 2022	Publication of 2022 half-year results
11 November 2022	Publication of 2022 third-quarter interim update

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 and feedstock 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.

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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 12 November 2021.

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.