



**Royal Vopak**  
18 August 2017  
Analyst presentation

# Half Year 2017 Results



# 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.



Chairman of the Executive Board  
and CEO of Royal Vopak

**Eelco  
Hoekstra**



# Key figures HY1 2017

Terminal network  
In million cbm

+7% vs. HY1 16

**35.9**

Revenues\*  
In EUR million

-2% vs. HY1 16

**669**

Occupancy rate\*  
In percent

-3pp vs. HY1 16

**91**

EBITDA\*\*  
In EUR million

-6% vs. HY1 16

**394**

\*Revenue and occupancy figures include subsidiaries only

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



# Product-market developments HY1 2017

## Different developments per geographic region

### Crude oil & oil products



- Structural flows crude oil
- Healthy demand gasoline and middle distillates
- Fuel oil market challenging

### Vegoils & biofuels



- Positive vegoils market in the Netherlands and Americas
- Legislation and trade policies on biofuels and feedstock flow

### Chemicals & gases



- Underlying demand chemicals strong
- Positive investment climate petrochemical industry
- Certain chemical markets in ARA not as good as anticipated
- LPG growing in demand

### LNG



- Global LNG supply and demand expected to increase
- Demand growing mostly in Asia
- European LNG market modest growth so far this year

# Events and topics in HY1

## Growth projects

Successful FID new projects and announcement of feasibility study

- Total capacity announced new growth projects H1Y: 387,000 cbm
- Intention to expand Pengerang in Malaysia with 430,000 cbm for CPP
- Further expansion Alemoa terminal in Brazil with 44,900 cbm

## Cost competitiveness

In line with the 2017-2019 strategic direction we want to strengthen our competitive position

- Capital investments, operating costs, service offering
- Efficiency program to save at least EUR 25 million by 2019 well underway
- Continue focusing on safety and sustainability performance

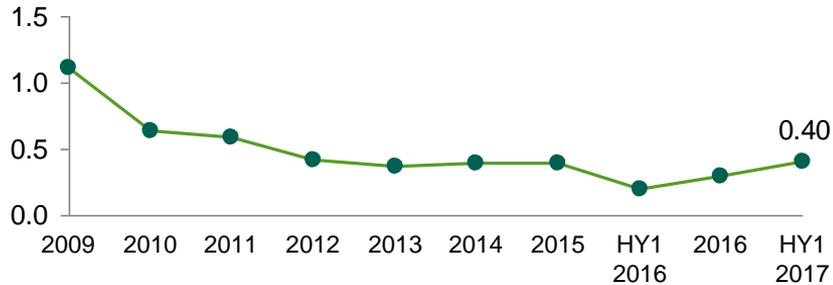


# Safety performance



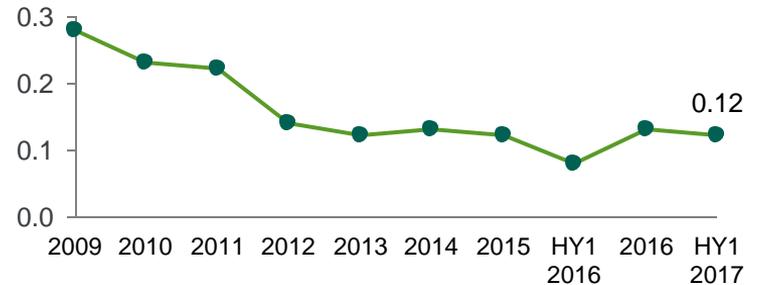
## Total Injury Rate (TIR)

Total injuries per 200,000 hours worked by own employees and contractors



## Lost Time Injury Rate (LTIR)

Total injuries leading to lost time per 200,000 hours worked by own employees and contractors



## Total Injury Count (TIC)

Total injuries of own employees and contractors



## Process Safety Events Rate (PSER)

Tier 1 and Tier 2 incidents per 200,000 hours worked by own employees and contractors (excluding greenfield projects)



# Summary key messages



## PERFORMANCE HY1 2017

- Results in **the Netherlands** are below expectations, results for **EMEA, Asia and LNG** are in line with outlook, while the **Americas** results are above expectations
- EBITDA -excl. exceptional items- amounts to **EUR 394.1 million**, adjusted for the divestments early 2016, the pro forma EBITDA decreased by 4%

## STRATEGIC PRIORITIES 2017-2019

- Announcement of **new growth projects** supporting of Vopak's long-term capital disciplined growth strategy
- Strengthening Vopak's competitive position by improving our **cost competitiveness**
- **Efficiency program** to reduce Vopak's future cost base with at least EUR 25 million by 2019 is well underway; decisions are taken towards further streamlining of the divisional structure



Vice-Chairman of the  
Executive Board and CFO  
of Royal Vopak

**Jack  
De Kreij**

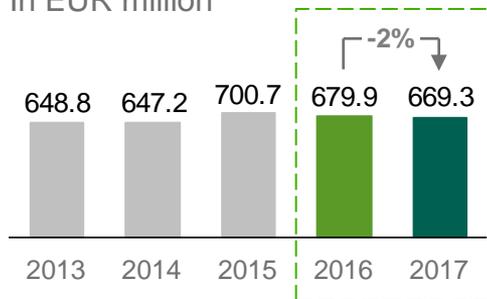


# HY1 2017 Key figures



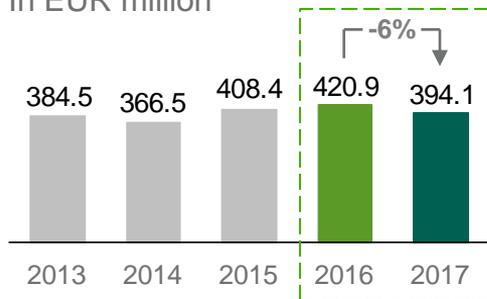
## Revenues\*

In EUR million



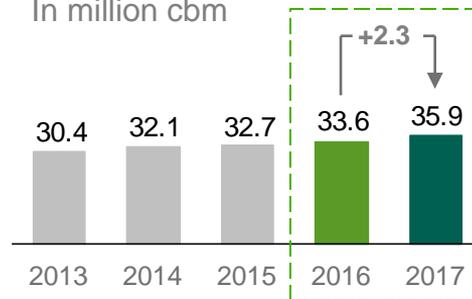
## EBITDA\*\*

In EUR million



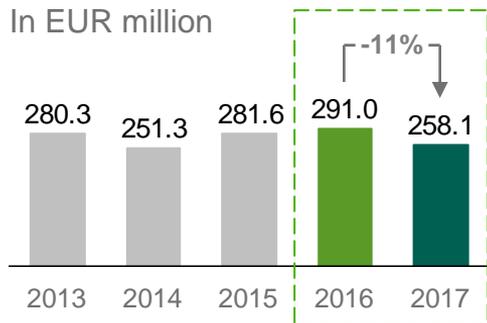
## Terminal network

In million cbm



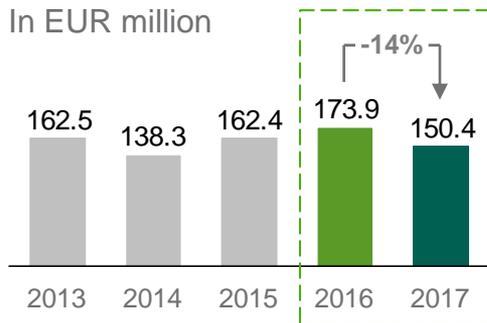
## EBIT\*\*

In EUR million



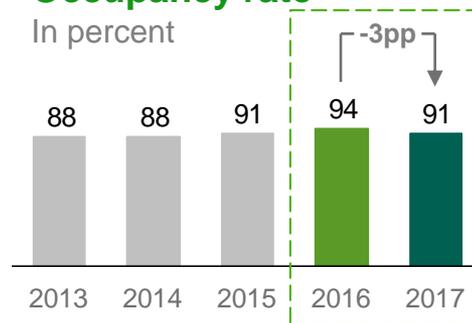
## Net profit\*\*\*

In EUR million



## Occupancy rate\*

In percent

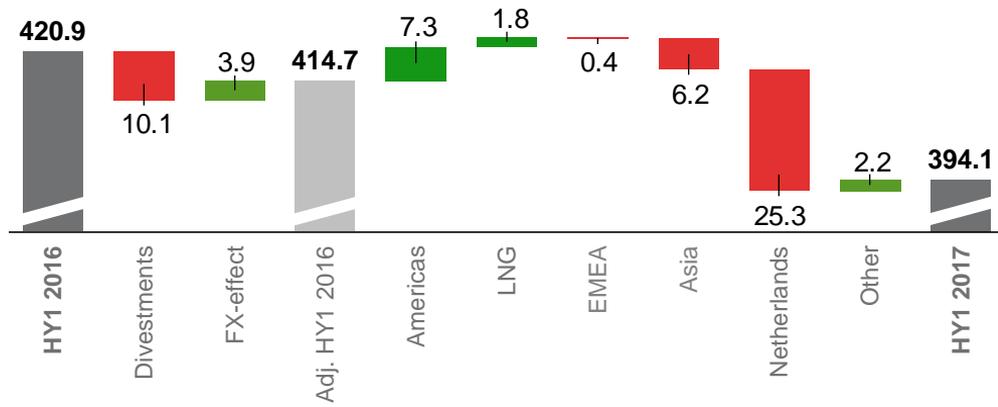


\* Revenue and occupancy figures include subsidiaries only

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

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

# HY1 2017 EBITDA analysis



EBITDA -excluding exceptional items- decreased to EUR 394.1 million, adjusted for the divestments early 2016, the pro forma EBITDA decreased by 4%

Figures in EUR million; including net result from joint ventures and associates; excluding exceptional items

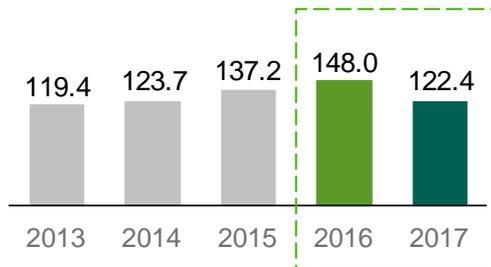


# HY1 2017 Segmented EBITDA



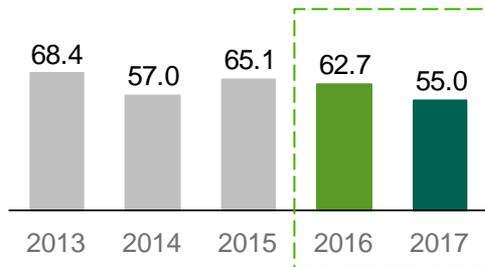
## Netherlands

In EUR million



## EMEA

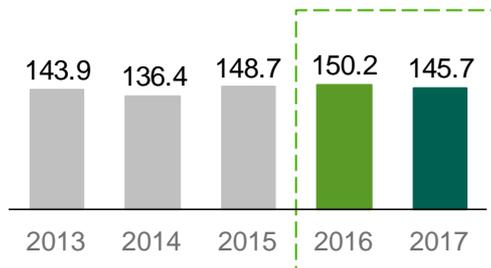
In EUR million



Results in the Netherlands are below expectations, the results for EMEA, Asia and LNG are in line with outlook, while the Americas results are above expectations

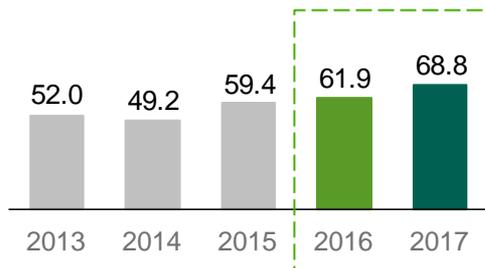
## Asia

In EUR million



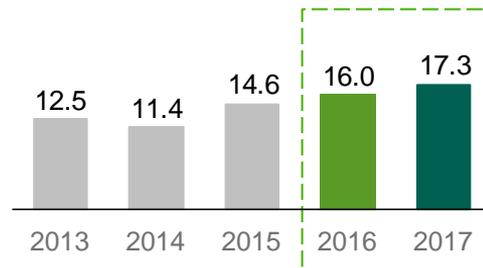
## Americas

In EUR million

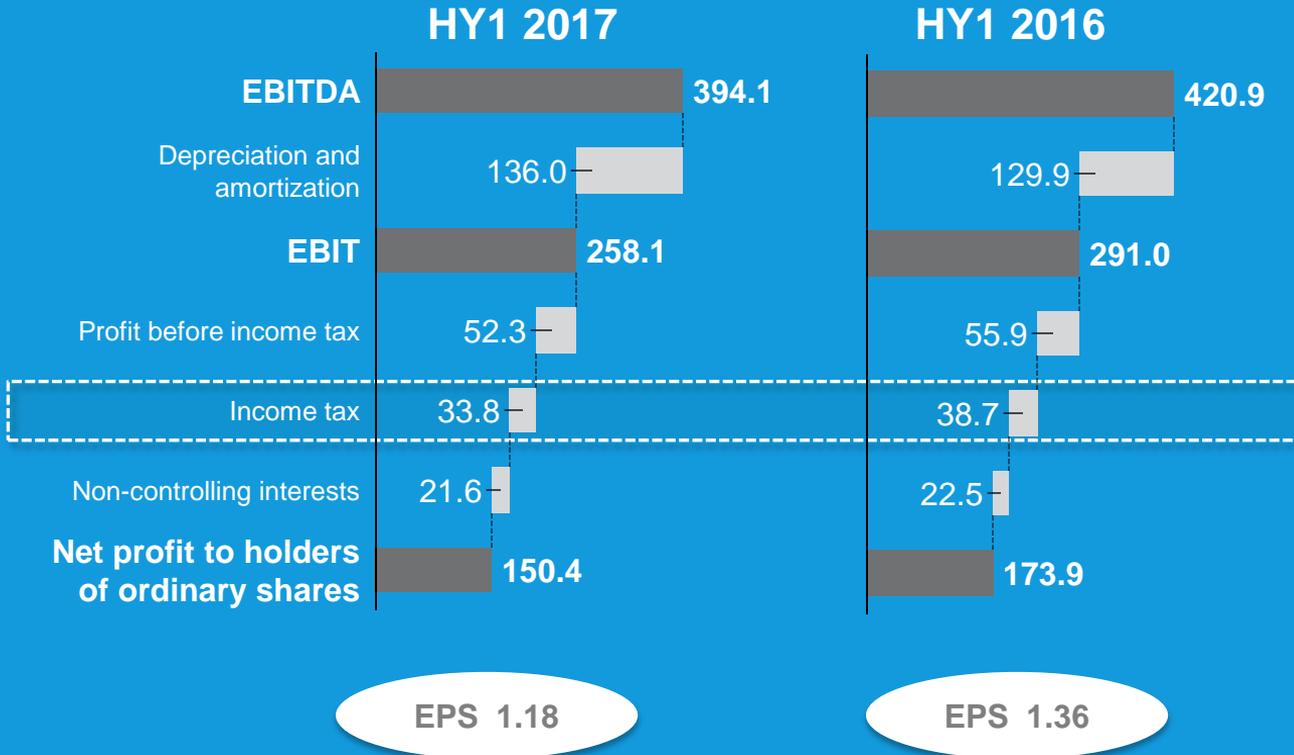


## LNG

In EUR million



# EBIT to Net profit analysis



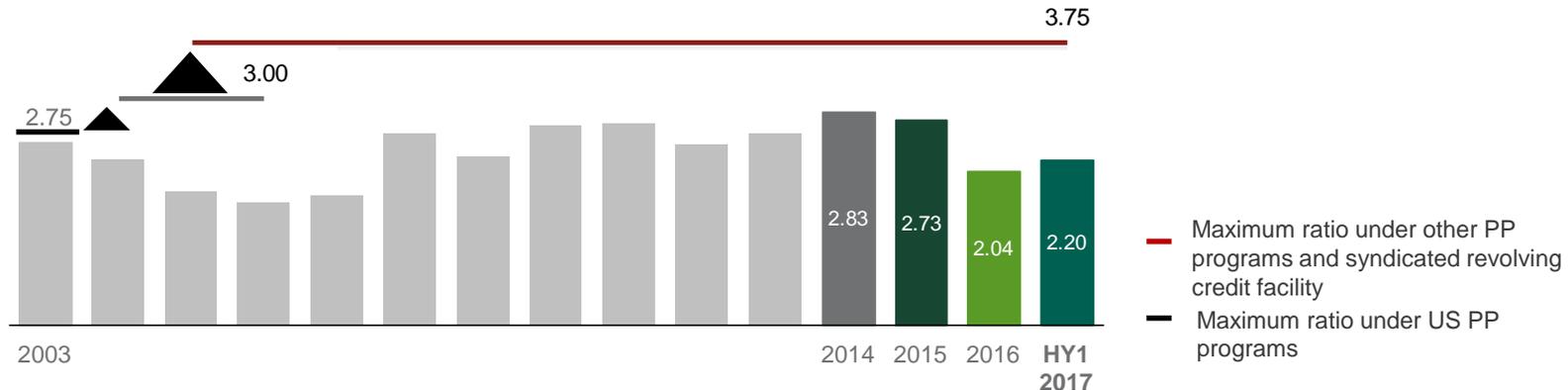
**Income tax HY1 2017:**  
Lower compared to the previous year as a result of different mix of profitable income

# Financial flexibility



The solid operational cash flow generation, strong balance sheet and sufficient financial flexibility, provides an excellent platform to continue our long-term focused capital disciplined growth journey

## Senior net debt : EBITDA ratio



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;

# Storage capacity developments

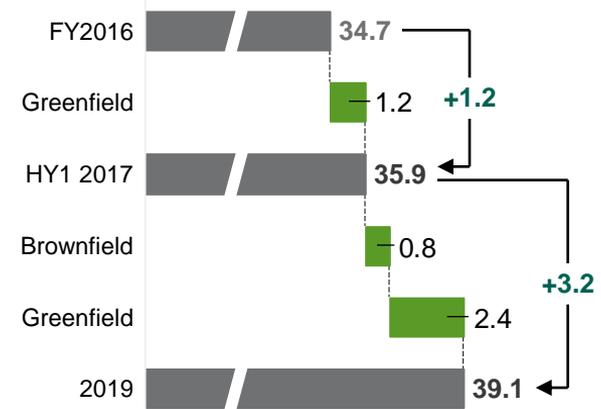


The timely completion of the current projects under construction, of which, most are backed by commercial storage contracts will contribute to the aimed for EBITDA growth and positive EPS development in the 2017-2019 period

Announced storage capacity developments for the period up to and including 2019					
Country	Terminal	Vopak's ownership	Products	Capacity (cbm)	Expected
<b>Existing terminals</b>					
China	Caojing	50%	Chemicals	24,000	Q3 2017-Q4 2017
United States	Deer Park	100%	Chemicals	138,000	Q1 2019
Malaysia	Pengerang Independent Terminals (PITSB)	44%	Oil products	430,000	Q1 2019
Brazil	Alemoa	100%	Chemicals	106,000	Q2 2019
South Africa	Durban	70%	Oil products	130,000	Q2 2019
<b>New terminals</b>					
Saudi Arabia	Chemtank Jubail	25%	Chemicals	145,000	Q3 2017-Q4 2017
Canada	Ridley Island Propane Export Terminal	30%	LPG	96,000	Q1 2019
Panama	Panama Atlantic	100%	Oil products	360,000	Q2 2019
South Africa	Lesedi	70%	Oil products	100,000	Q2 2019
Malaysia	PT2SB (Pengerang)	29.7%	Chemicals/oil products/LPG	1,650,000	Q2 2019-Q3 2019
<b>Net change for the period up to and including 2019:</b>				<b>3.2 million cbm</b>	
<b>Total Storage capacity up to and including 2019</b>				<b>39.1 million cbm</b>	

## Storage capacity developments

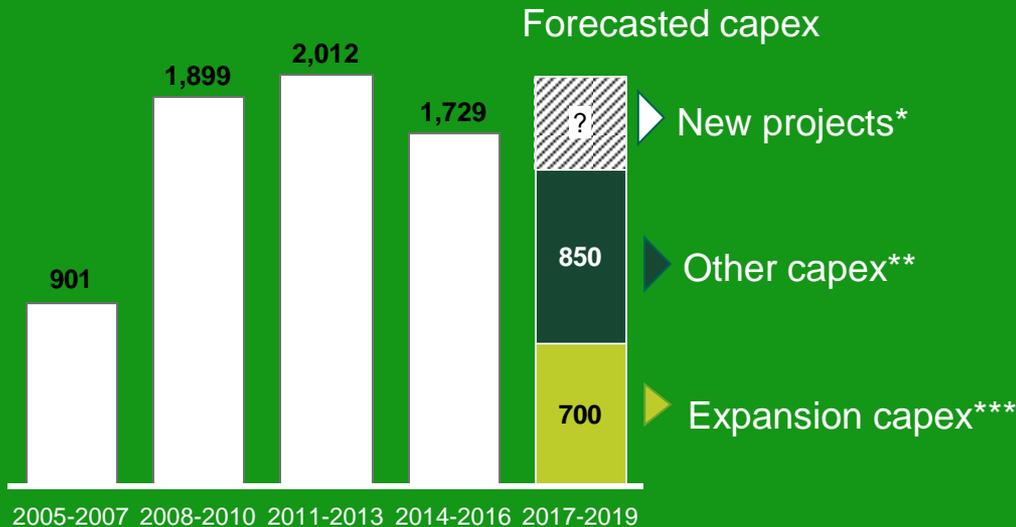
In million cbm



# Capital commitments

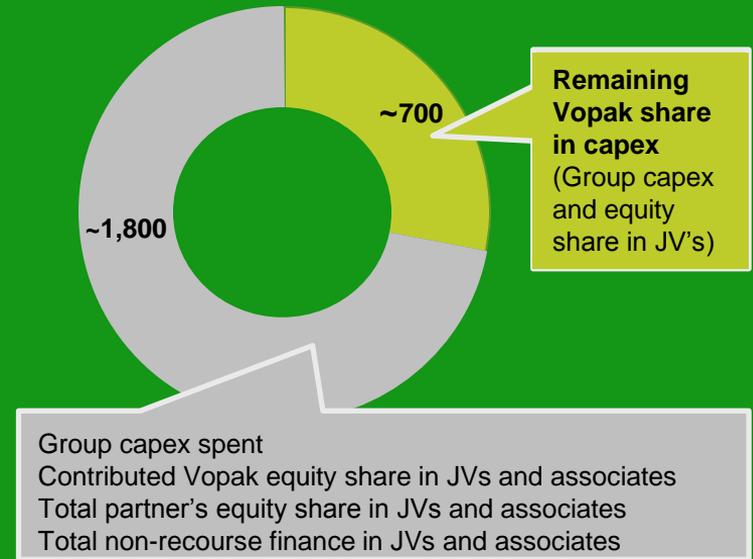


**Total investments 2005-2019**  
In EUR million



**Expansion capex\*\*\***

In EUR million; 100% = EUR ~2,500 million

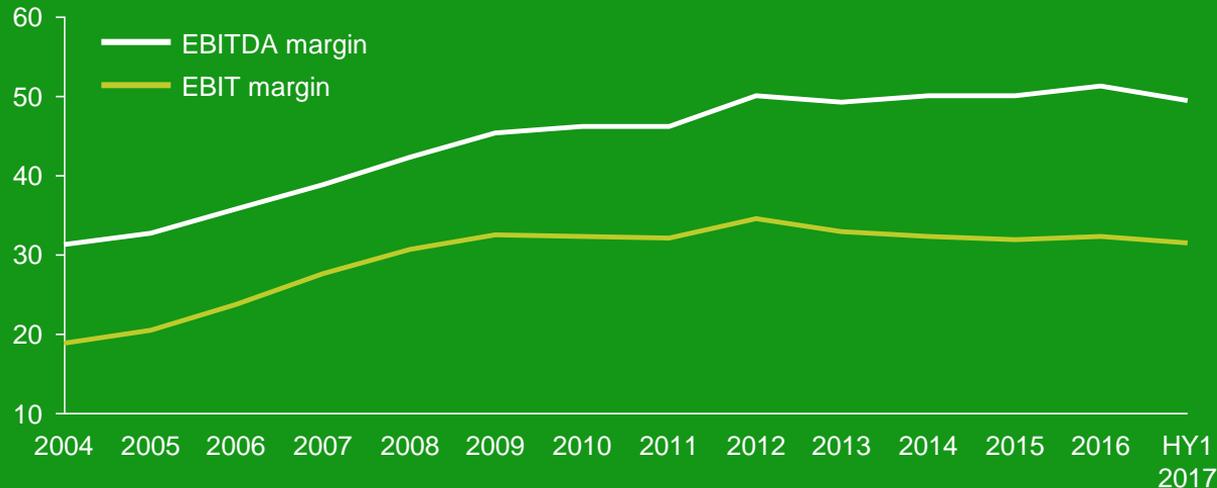


Note: Includes all project announcements year-to-date. New announcements might increase future expansion capex  
 \* For illustration purposes only  
 \*\* Forecasted service, maintenance, compliance and IT capex up to and including 2019  
 \*\*\* Total approved expansion capex related to 3.2 million cbm under development

# Margin development

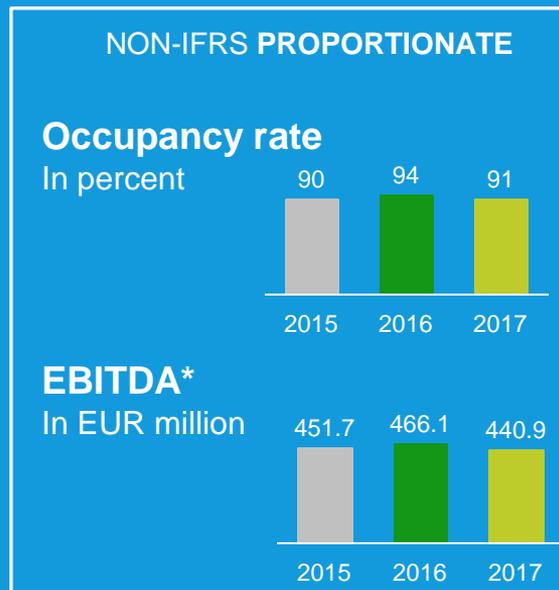
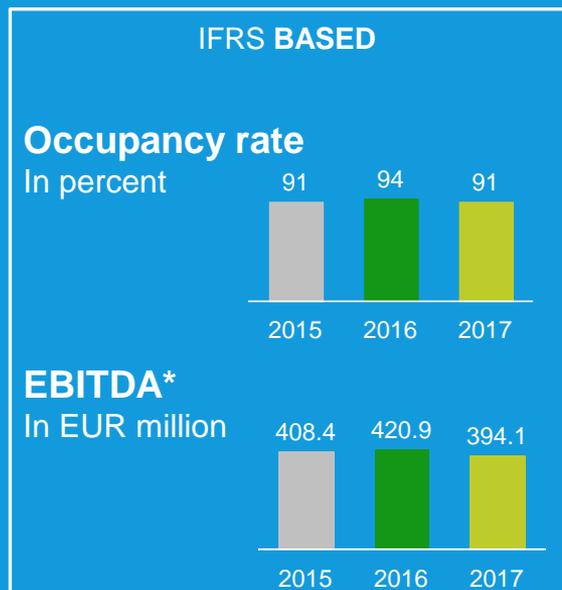


Efficiency program to reduce Vopak's future cost base with at least EUR 25 million by 2019 is well underway



\*EBIT(DA) margins excluding exceptional items and excluding net result from joint ventures and associates

# HY1 2017 Non-IFRS proportionate information



Note: In the non-IFRS proportionate financial information -excluding exceptional items-, the JVs and associates and the subsidiaries with non-controlling interests are consolidated based on the economic ownership interests of the Group in these entities.

\* EBITDA in EUR million excluding exceptional items

# Non-IFRS Proportionate Free Cash Flow

Proportionate consolidated	HY1 2017	HY1 2016
<b>EBITDA</b>	440.9	466.1
Service, maintenance, compliance and IT capex	-100.3	-113.1
Finance costs	-70.4	-75.4
Income tax	-48.0	-51.3
<b>Free Cash Flow</b> -excluding expansion capex-	<b>222.2</b>	<b>226.3</b>

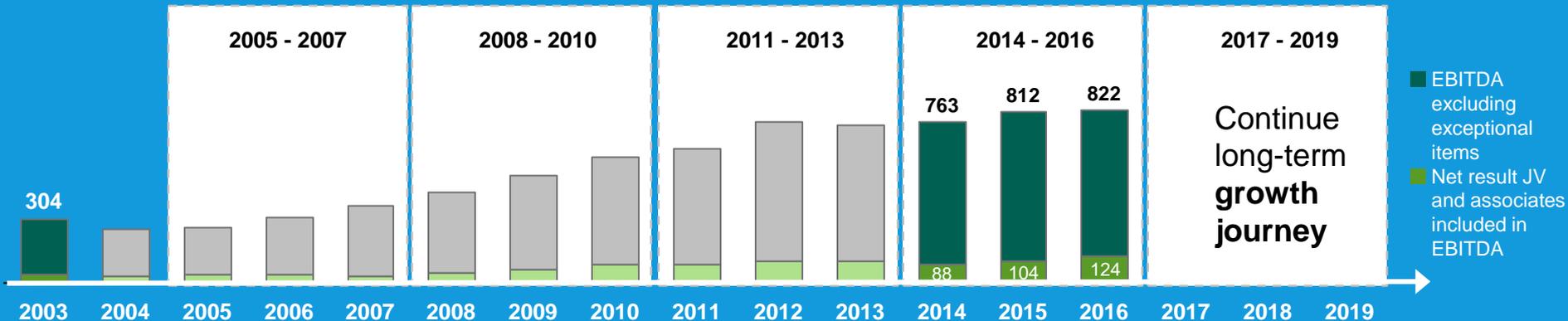
Proportionate Free Cash Flow -excluding expansion capex-  
is in line with previous year



# Looking ahead



*'Supported by solid operational cash flow generation, a strong balance sheet and sufficient financial flexibility, Vopak will continue its capital disciplined long-term growth journey, while maintaining on average a Cash Flow Return On Gross Assets after tax (CFROGA) between 9-11% for the total portfolio in the period 2017-2019'*



# Outlook 2017



For 2017, we expect to realize an average occupancy rate of **around 90%** (2016: 93%). Taking into account the lower occupancy rates, additional costs related to investments in growth and technology, the missing contribution from the divested terminals early 2016 and the foreign exchange developments in 2017, we expect that the **2017 EBITDA will be 5-10% lower** than the 2016 EBITDA (EUR 822 million)



The world's leading independent tank storage company building on an impressive history of more than 400 years

**Questions  
& answers.**



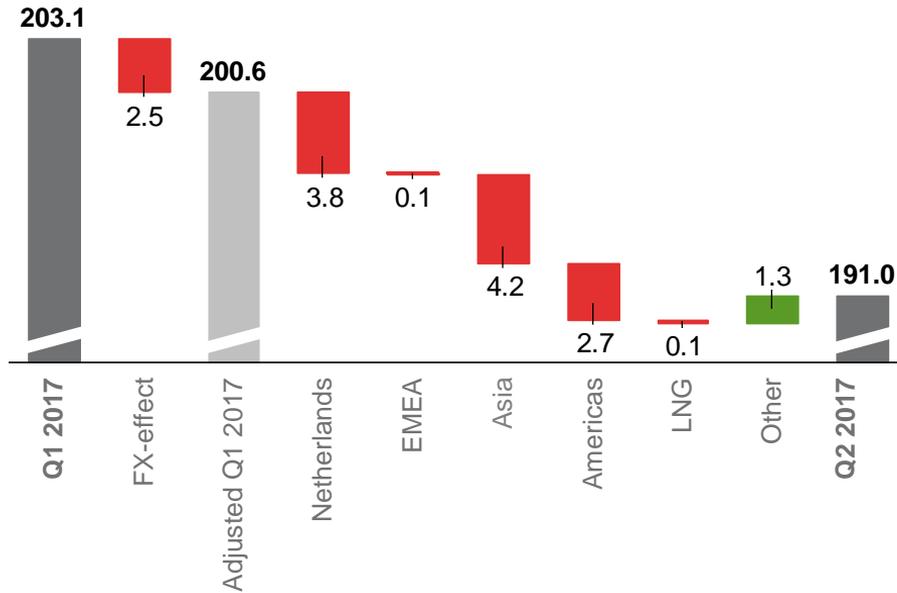


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# Half year 2017 appendix



# Q2 2017 EBITDA analysis



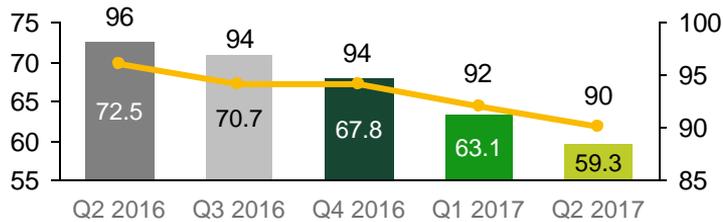
**Note:** Figures in EUR million, excluding exceptional items; including net result from joint ventures and associates.



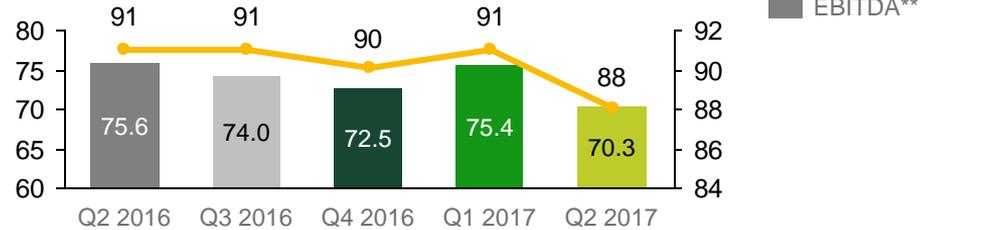
# Segmented information



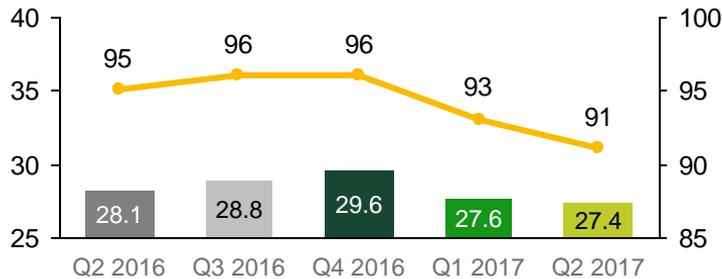
## Netherlands



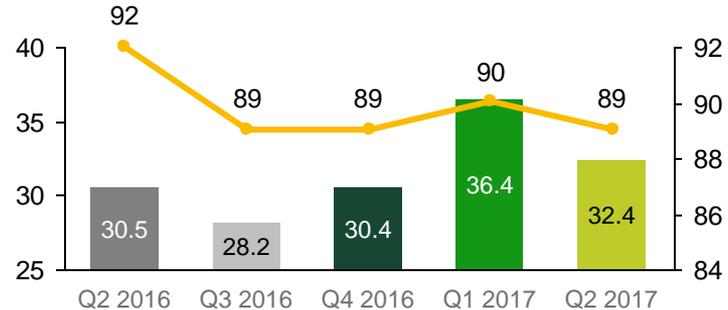
## Asia



## EMEA



## Americas



\*Occupancy rate in percent for Subsidiaries only

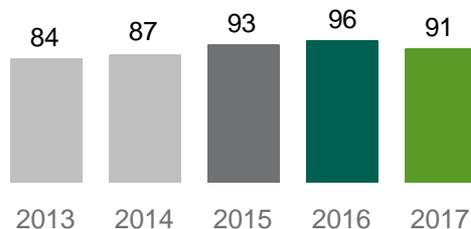
\*\*In EUR million, excluding exceptional items; Including net result from joint ventures and associates;

# HY1 Netherlands developments



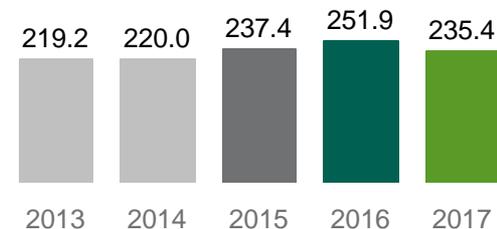
## Occupancy rate\*

In percent



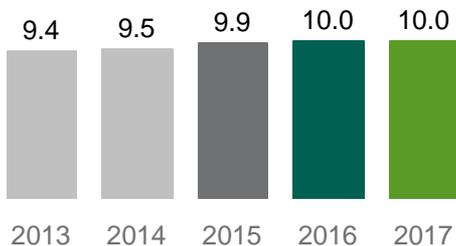
## Revenues\*

In EUR million



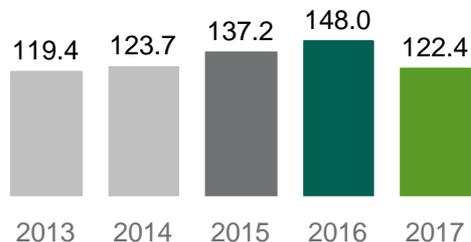
## Storage capacity

In million cbm



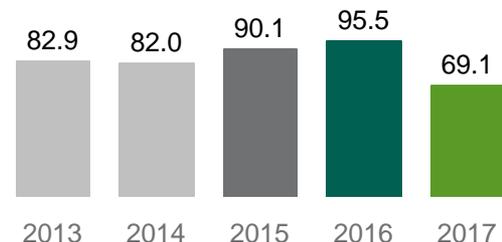
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



\* Subsidiaries only;

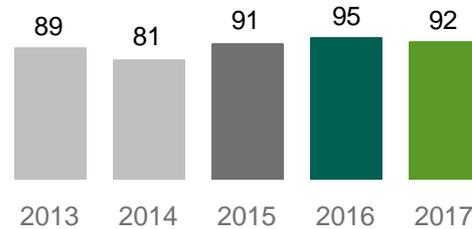
\*\*EBITDA including net result from joint ventures and associates; excluding exceptional items;

# HY1 EMEA developments



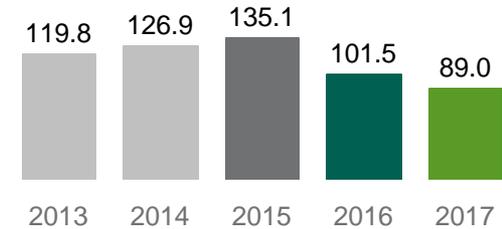
## Occupancy rate\*

In percent



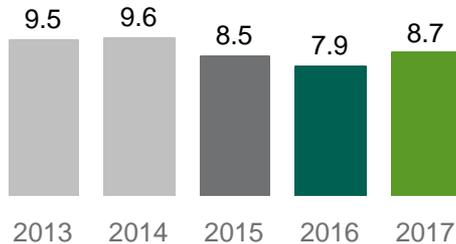
## Revenues\*

In EUR million



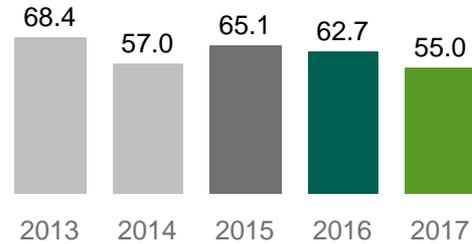
## Storage capacity

In million cbm



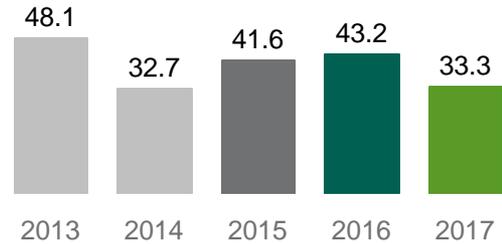
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



\* Subsidiaries only;

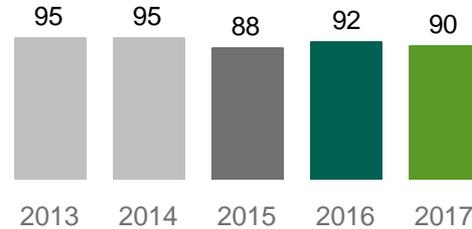
\*\*EBITDA including net result from joint ventures and associates; excluding exceptional items;

# HY1 Asia developments



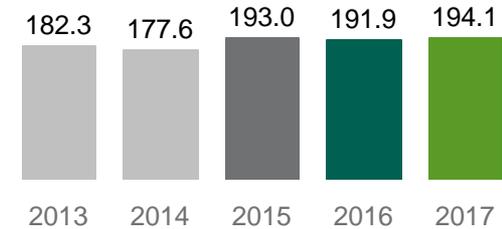
## Occupancy rate\*

In percent



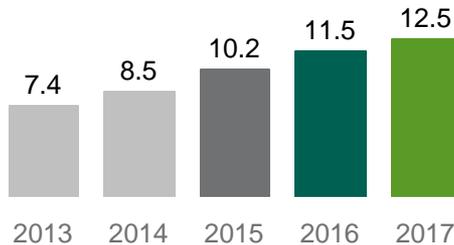
## Revenues\*

In EUR million



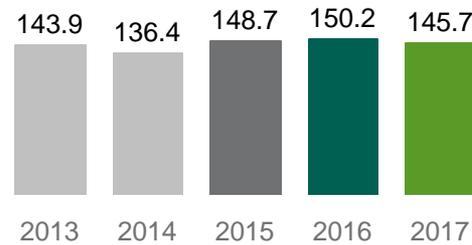
## Storage capacity

In million cbm



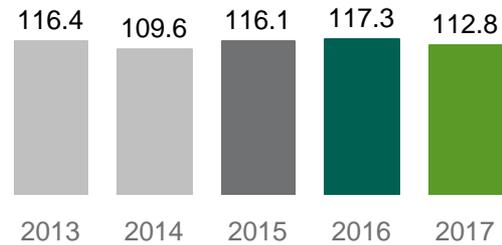
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



\* Subsidiaries only;

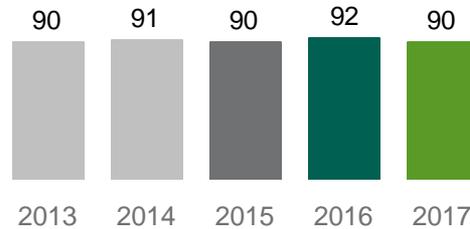
\*\*EBITDA including net result from joint ventures and associates; excluding exceptional items;

# HY1 Americas developments



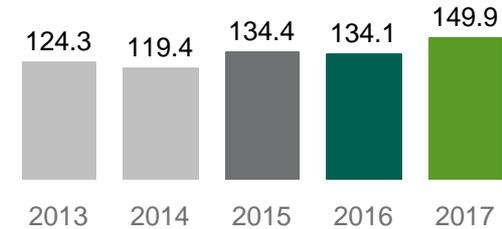
## Occupancy rate\*

In percent



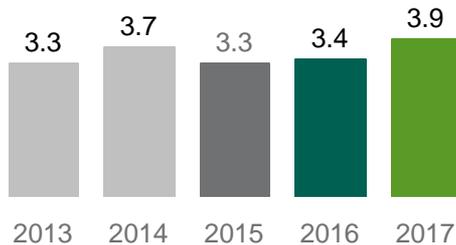
## Revenues\*

In EUR million



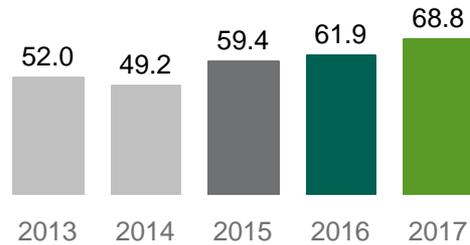
## Storage capacity

In million cbm



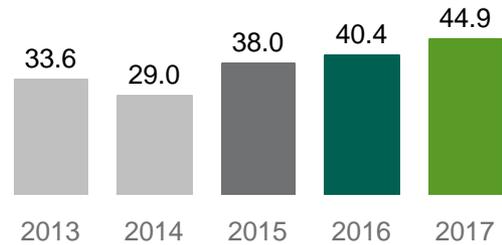
## EBITDA\*\*

In EUR million



## EBIT\*\*

In EUR million



\* Subsidiaries only;

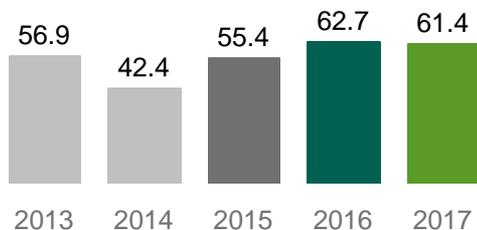
\*\*EBITDA including net result from joint ventures and associates; excluding exceptional items;

# HY1 JVs and associates developments



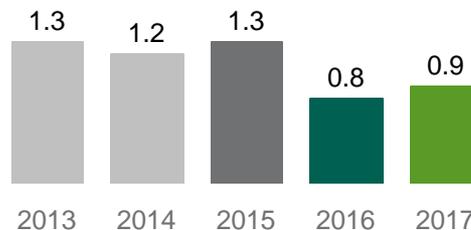
## Net result JVs and associates\*

In EUR million



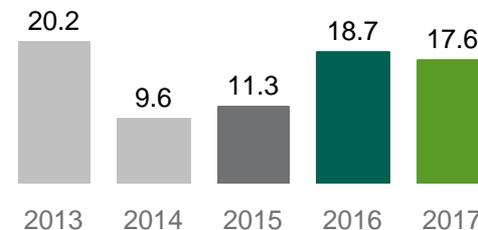
## Netherlands\*

In EUR million



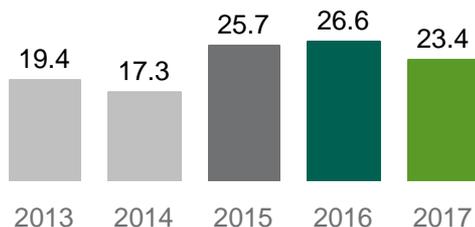
## EMEA\*

In EUR million



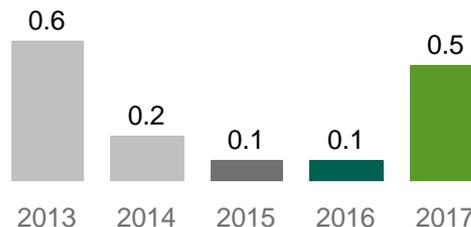
## Asia\*

In EUR million



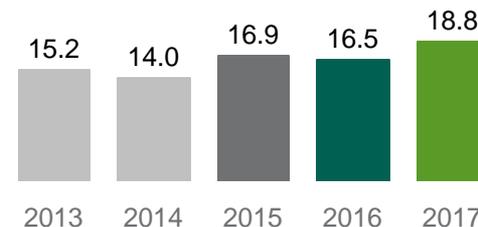
## Americas\*

In EUR million



## LNG\*

In EUR million



\* excluding exceptional items;



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**Half year 2017  
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