

Storing vital products with care



18 April 2018

Vopak Interim Update Q1 2018 results – Analyst Presentation

Gerard Paulides - CFO of Royal Vopak



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.

Key messages



strategic direction
2017-2019

Capture
growth

Spend maximum
EUR 750m on
**sustaining and
service capex**

Invest EUR 100m
in **technology
& innovation**

Drive further
productivity

Q1 2018 Performance

- EBITDA of EUR 190 million, adjusted for currency translation effects of EUR 13 million, EBITDA was comparable to last year
- Occupancy rate of 87% explained by lower rented capacity at the oil hub terminals caused by a less favorable oil market structure. Other product-market segments showed stable demand for storage services
- Return On Capital Employed (ROCE) of 12.3%
- Investment decision taken to expand wholly-owned Botlek terminal in Rotterdam with a capacity of 63,000 cbm for styrene and other chemical products

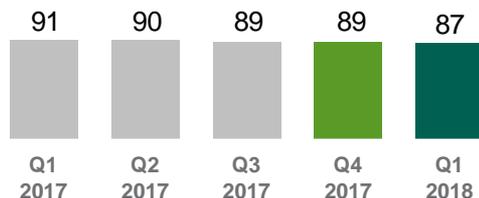
Development key figures



Solid financial performance in Q1 2018, although with lower occupancy

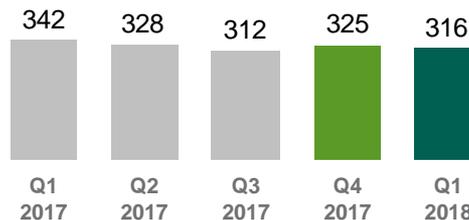
Occupancy rate*

In percent



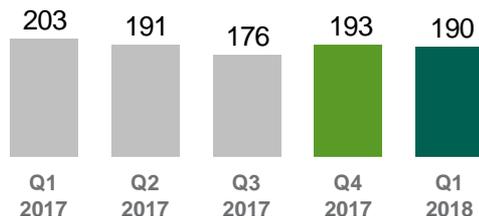
Revenues*

In EUR million



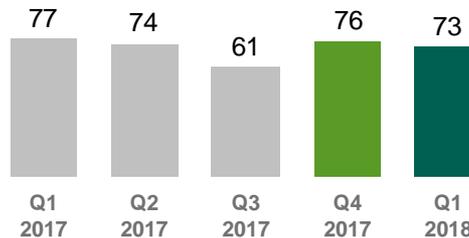
EBITDA**

In EUR million



Net profit***

In EUR million



* Occupancy rate and revenues figures include subsidiaries only

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

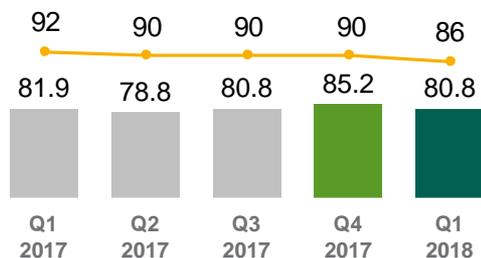
*** Attributable to holders of ordinary shares excluding exceptional items

Divisional segmentation

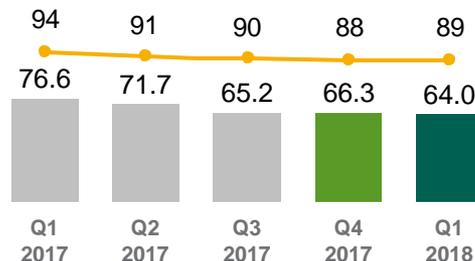


Europe & Africa stable, Asia & ME market weakness / FX, Americas also FX

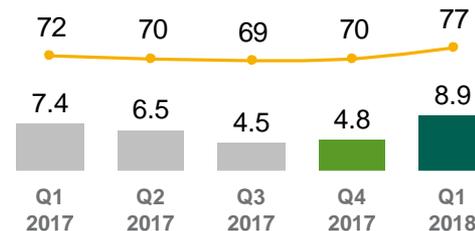
Europe & Africa



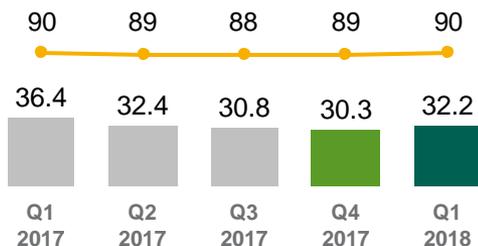
Asia & Middle East



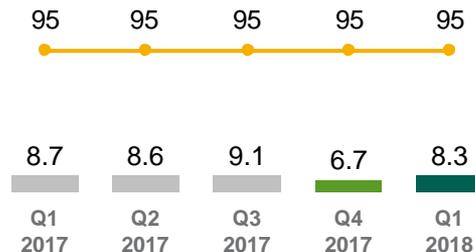
China & North Asia



Americas



LNG



— Occupancy rate (in percent) for subsidiaries only, with the exception of LNG

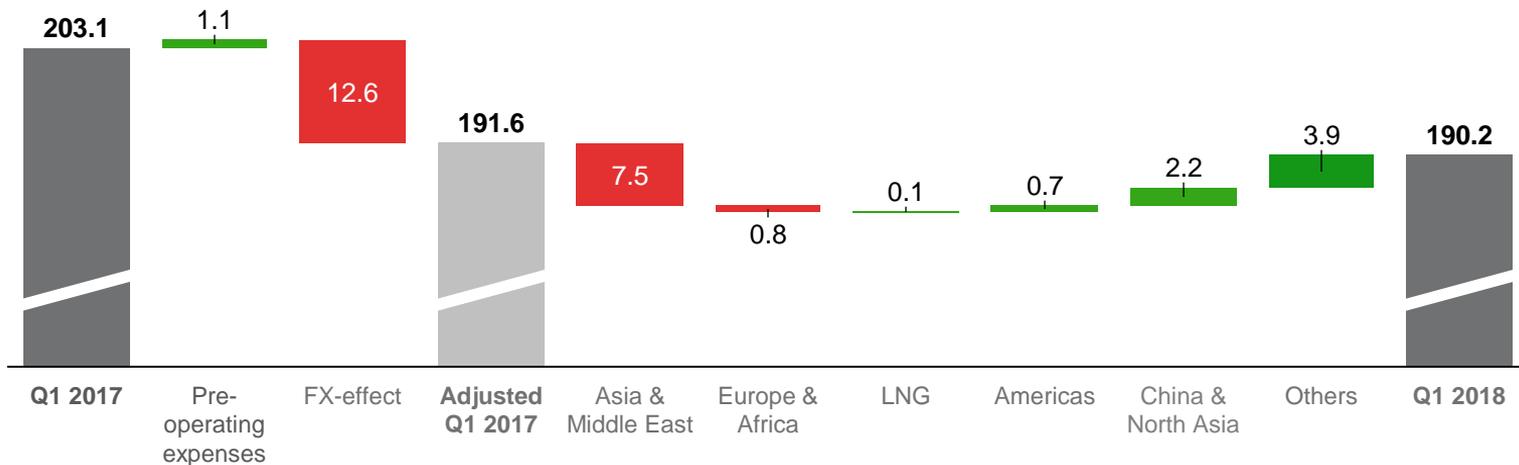
■ EBITDA (in EUR million) including net result from JVs and associates excluding exceptional items

The segmentation has been updated following the change in the divisional structure effective per January 2018. Comparative figures have been revised to reflect this change in segmentation. Additional updated historical segment information is available on the reports and presentations section on the Vopak website

Q1 2018 vs Q1 2017 EBITDA



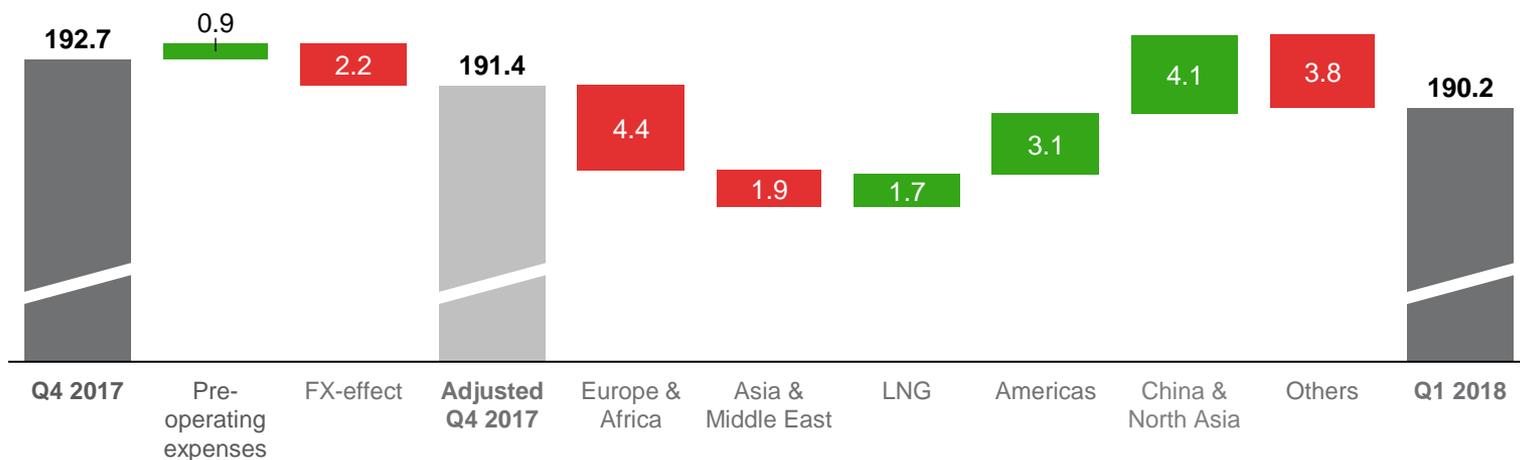
Adjusted for currency translation effects of EUR 13 million, EBITDA was comparable to Q1 of last year



Q1 2018 vs Q4 2017 EBITDA



Oil weakness continued with impact on the oil hub locations, good performance in the Americas and China & North Asia

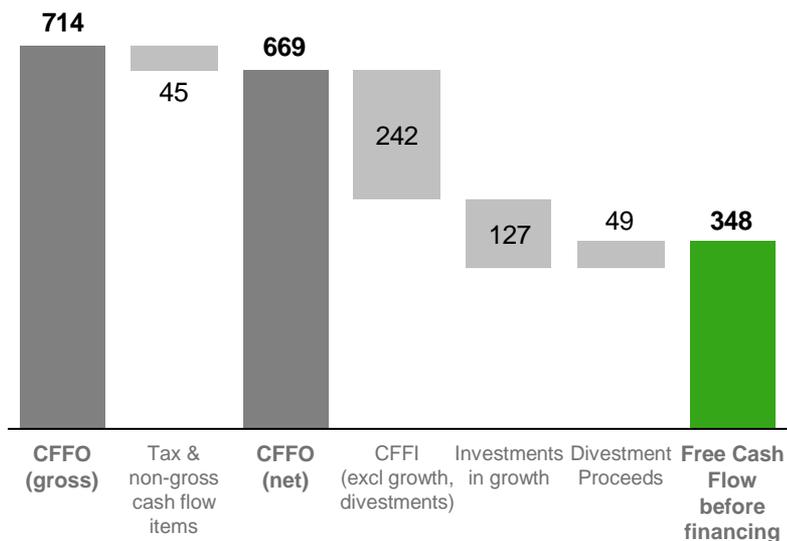


Cash flow overview

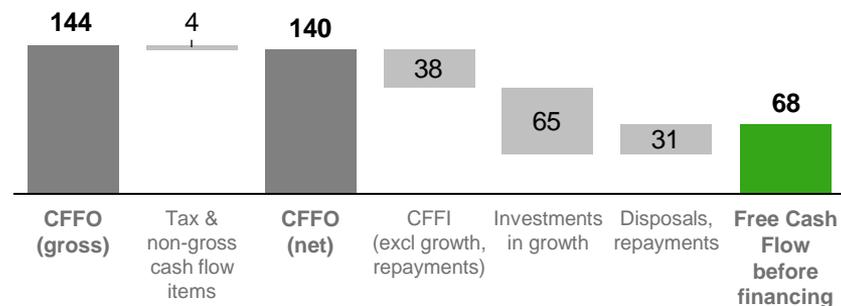
CFFI momentum towards 2019



Full year 2017



Q1 2018



Q1 2018 events



IAS 19 Defined contribution plan

- Early 2018, Vopak reached agreement regarding a new pension plan, aimed to qualify as a defined contribution plan under IAS 19, formally implemented during 2018

The settlement of the pension liability is expected to result in a material exceptional gain during 2018

Growth projects

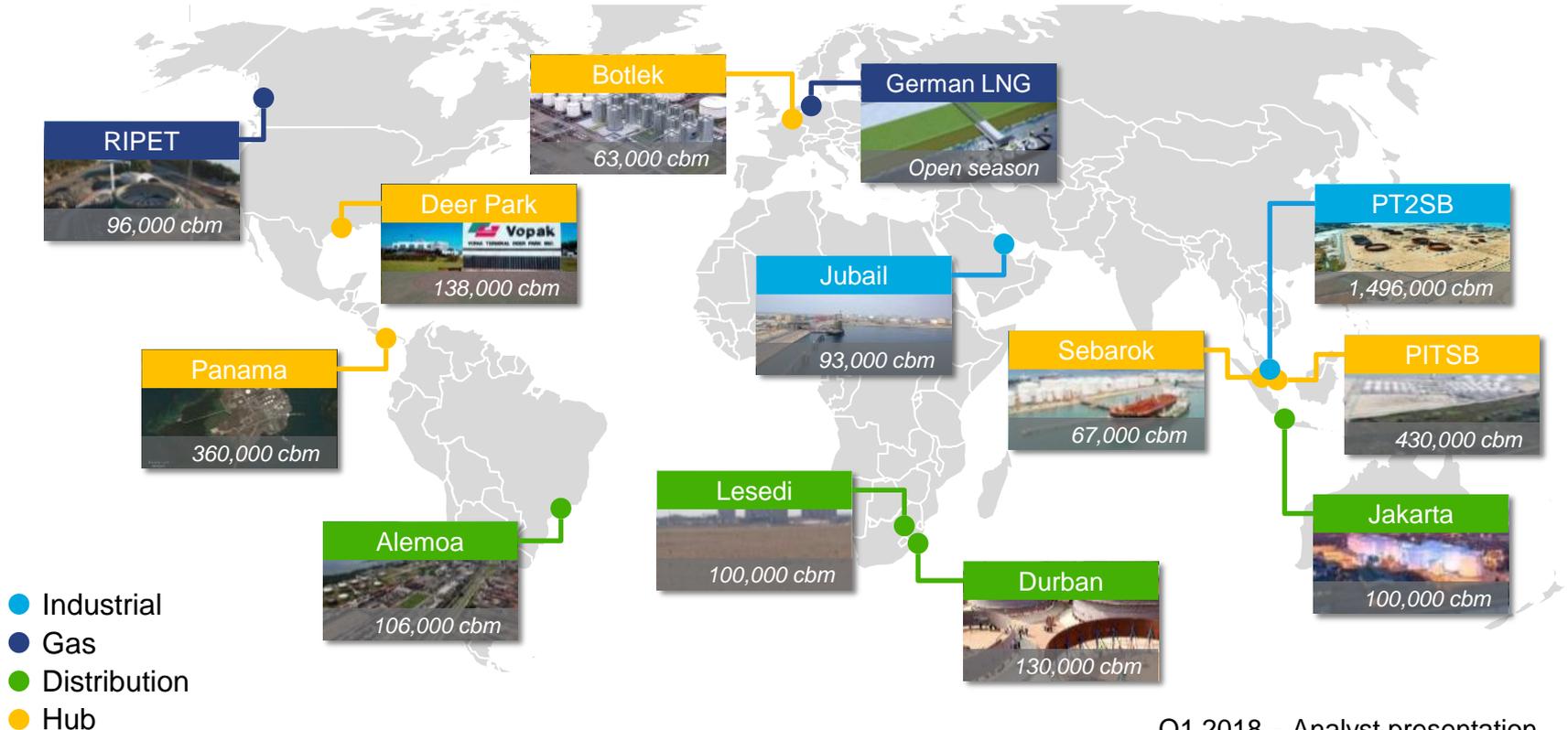
- Vopak will expand its wholly-owned Botlek terminal, located in the Port of Rotterdam, the Netherlands

The expansion will add 63,000 cbm of stainless steel capacity for styrene and other chemical products to be commissioned in Q2 2020

Growth projects under development



Momentum towards 2019



Fuel Oil and bunkering network



Converting capacity to the desired flexibility and cubic meters to profitably serve the bunker market may be at capex levels less than EUR 40 million



IFRS 16 Leases



IFRS 16 Leases

- Applicable as from 1 January 2019
- Vopak has a portfolio of long-term land leases and leases of other non-current assets (a.o. jetties, buildings, trains, rail & pipeline connections)
- Annual Report 2017:
 - Operating lease expenses of EUR 66 million
 - Off-balance operating lease commitments of EUR 1,145 million

Impact for Vopak

- **No changes in economics,** only changes in accounting
- Effects on Vopak's key metrics*

| Metric | Effect |
|-----------------------------|---------------|
| <u>Performance:</u> | |
| EBITDA | significant |
| Net profit** | limited |
| <u>Cash flows:</u> | |
| Operational cash flows | significant |
| Financial cash flows | significant |
| Total cash flows | none = |
| <u>Covenants:</u> | |
| Senior Net debt : EBITDA*** | none = |

Further details are specified in Note 8.10 of the Annual Report 2017

* Comparative figures are not required to be restated. Vopak intends to voluntarily disclose historical pro-forma figures for 2018

** Initial decrease in net profit due to front-loading effect caused by application of the modified retrospective method

*** The Senior net debt : EBITDA for ratio calculation purposes is based on Frozen GAAP and not impacted by IFRS 16 Leases

Key messages



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2017-2019

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Looking ahead



- Financial performance in 2018 is expected to be influenced by **currency exchange movements** of primarily the USD and SGD, and the currently **less favorable oil market structure**, impacting occupancy rates and price levels in the hub locations
- Given the current 3.1 million cbm expansion program with high commercial coverage, in conjunction with the ongoing cost efficiency program, Vopak has the potential to significantly improve the 2019 EBITDA, subject to market conditions and currency exchange movements



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

**Questions
& answers.**



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18 April 2018

Analyst presentation

Q1 2018
Interim update

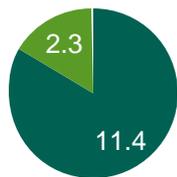


Europe & Africa developments



Storage capacity

In million cbm

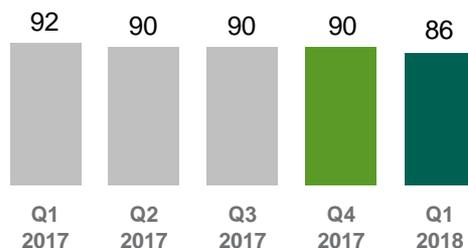


Total Q1 2018
13.7 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

Occupancy rate*

In percent



Revenues*

In EUR million

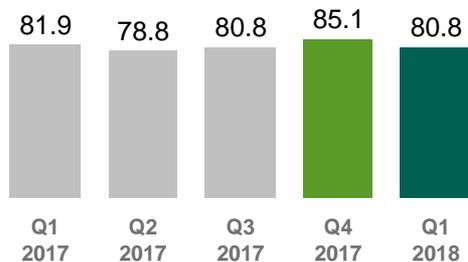


19 Terminals (6 countries)



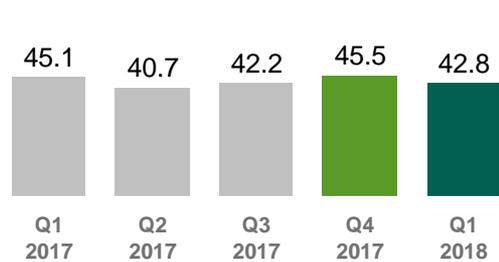
EBITDA**

In EUR million



EBIT**

In EUR million



* Subsidiaries only

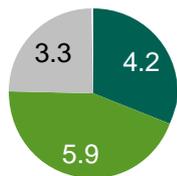
** EBIT(DA) including net result from joint ventures and associates and excluding exceptional items

Asia & Middle East developments



Storage capacity

In million cbm

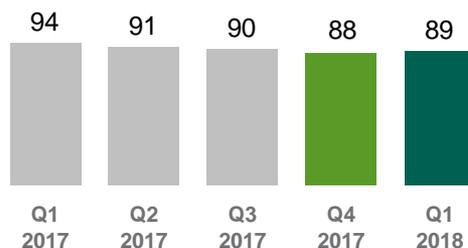


Total Q1 2018
13.4 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

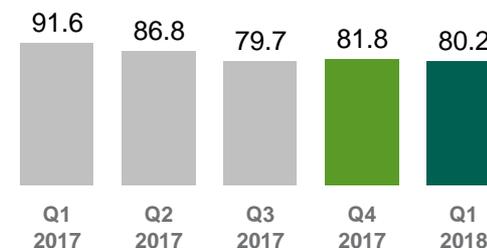
Occupancy rate*

In percent



Revenues*

In EUR million

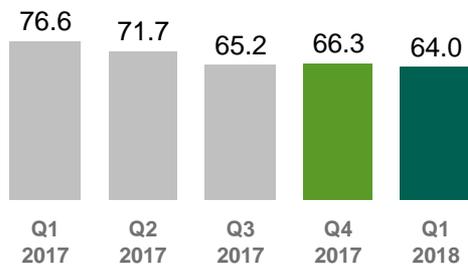


18 Terminals (9 countries)



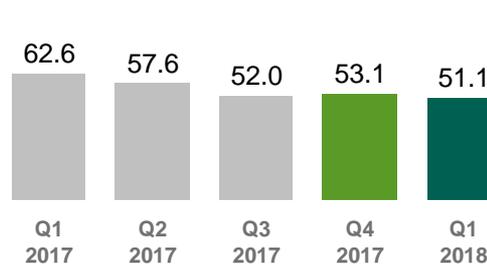
EBITDA**

In EUR million



EBIT**

In EUR million



* Subsidiaries only

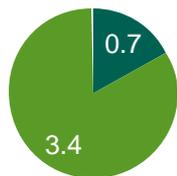
** EBIT(DA) including net result from joint ventures and associates and excluding exceptional items

China & North Asia developments



Storage capacity

In million cbm

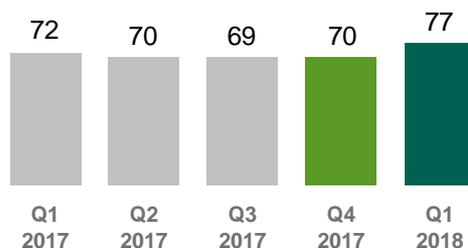


Total Q1 2018
4.1 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

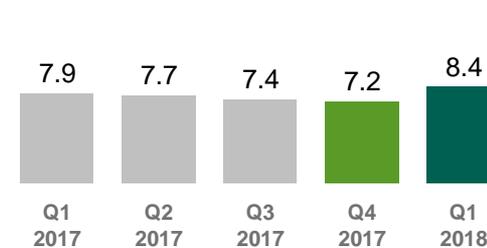
Occupancy rate*

In percent



Revenues*

In EUR million

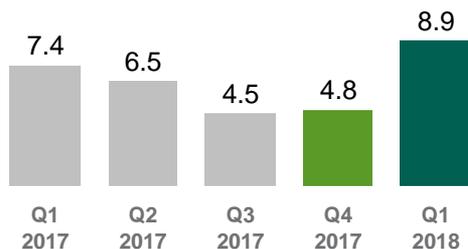


9 Terminals (3 countries)



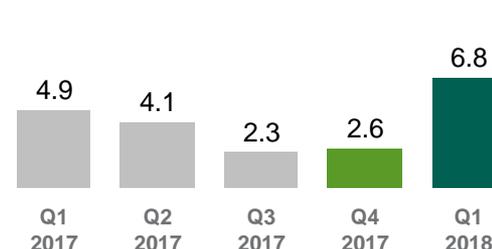
EBITDA**

In EUR million



EBIT**

In EUR million



* Subsidiaries only

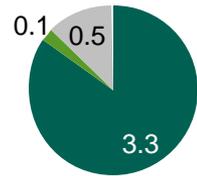
** EBIT(DA) including net result from joint ventures and associates and excluding exceptional items

Americas developments



Storage capacity

In million cbm

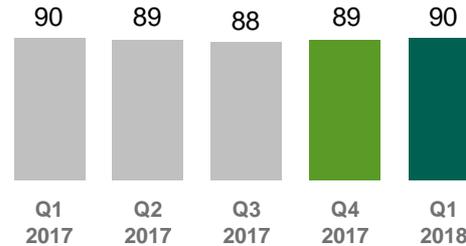


Total Q1 2018
3.9 million cbm

- Subsidiaries
- Joint ventures & associates
- Operatorship

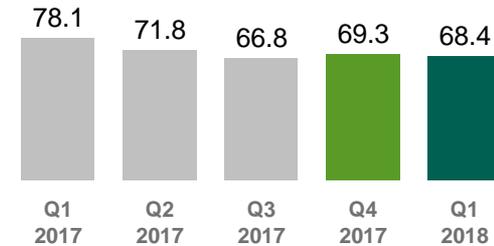
Occupancy rate*

In percent



Revenues*

In EUR million

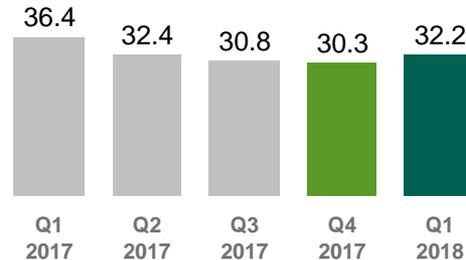


18 Terminals (7 countries)



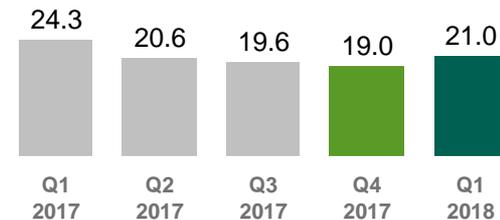
EBITDA**

In EUR million



EBIT**

In EUR million



* Subsidiaries only

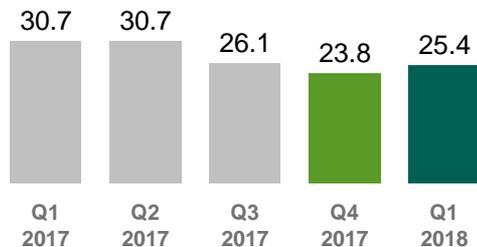
** EBIT(DA) including net result from joint ventures and associates and excluding exceptional items

JVs & associates developments



Net result JVs and associates*

In EUR million



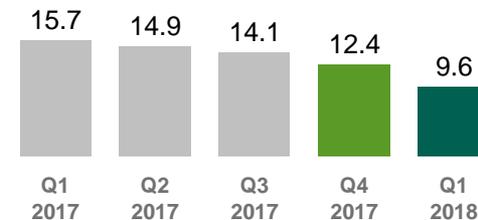
Europe & Africa*

In EUR million



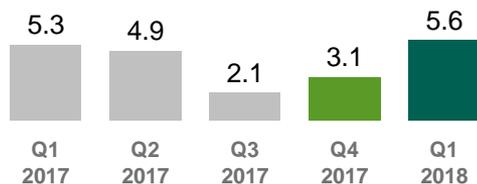
Asia & Middle East*

In EUR million



China & North Asia*

In EUR million



Americas*

In EUR million



LNG*

In EUR million



* Excluding exceptional items

EBITDA to Net profit overview



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

Well-balanced global portfolio



| | | | | | |
|-----------------------|----------|----------|----------|-----------|----------|
| Share of 2014 EBITDA* | ~50% | ~20% | 15 - 20% | 7.5 - 10% | 2.5 - 5% |
| Share of 2015 EBITDA* | 45 - 50% | 20 - 25% | 20 - 25% | 5 - 7.5% | 2.5 - 5% |
| Share of 2016 EBITDA* | 40 - 45% | 20 - 25% | 20 - 25% | 5 - 7.5% | 3 - 5% |
| Share of 2017 EBITDA* | 40 - 45% | ~25% | 20 - 25% | 5 - 7.5% | 3 - 5% |

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