

Press Release



Vopak reports on HY1 2021 financial results

Rotterdam, the Netherlands, 28 July 2021

Q2 2021	Q1 2021	Q2 2020	in EUR millions		HY1 2021	HY1 2020
303.1	300.1	292.4		Revenues	603.2	589.3
Results -excluding exceptional items-						
206.2	200.4	202.4		Group operating profit before depreciation and amortization (EBITDA)	406.6	402.6
124.6	121.3	129.8		Group operating profit (EBIT)	245.9	256.8
76.1	73.1	83.4		Net profit attributable to holders of ordinary shares	149.2	166.1
0.61	0.58	0.66		Earnings per ordinary share (in EUR)	1.19	1.31
Results -including exceptional items-						
136.5	200.4	235.4		Group operating profit before depreciation and amortization (EBITDA)	336.9	433.9
54.9	121.3	162.8		Group operating profit (EBIT)	176.2	288.1
6.4	73.1	116.4		Net profit attributable to holders of ordinary shares	79.5	197.4
0.05	0.58	0.91		Earnings per ordinary share (in EUR)	0.63	1.55
141.5	124.0	264.7		Cash flows from operating activities (gross)	265.5	407.4
-153.3	-138.6	-171.4		Cash flows from investing activities (including derivatives)	- 291.9	- 141.6
Additional performance measures						
249.5	245.6	245.6		Proportional EBITDA -excluding exceptional items-	495.1	486.6
22.3	22.2	21.4		Proportional capacity end of period (in million cbm)	22.3	21.4
88%	89%	90%		Proportional occupancy rate	88%	88%
35.9	35.7	34.4		Storage capacity end of period (in million cbm)	35.9	34.4
87%	88%	88%		Subsidiary occupancy rate	87%	86%
10.6%	10.3%	12.1%		Return on capital employed (ROCE)	10.5%	11.8%
4,644.8	4,478.3	4,105.2		Average capital employed	4,552.8	4,190.1
2,927.2	2,723.6	2,450.4		Net interest-bearing debt	2,927.2	2,450.4
2.86	2.60	2.81		Senior net debt : EBITDA	2.86	2.81
3.09	2.82	2.81		Total net debt : EBITDA	3.09	2.81

Highlights for HY1 2021 -excluding exceptional items:-

- EBITDA of EUR 407 million (HY1 2020: EUR 403 million). Adjusted for EUR 15 million negative currency translation effects, EBITDA increased by EUR 19 million (5%). Growth project contribution in the first half 2021 is driving positive EBITDA performance in soft business conditions.
- Proportional occupancy rate of 88% (HY1 2020: 88%) unchanged reflecting positive movements in the Netherlands, Belgium and Singapore offset by Fujairah, Panama and Indonesia.
- Cost efficiency measures are tracking well and the cost level for HY1 2021 amounted to EUR 298 million (HY1 2020: 295 million) including cost for growth projects and business development efforts.
- EBIT of EUR 246 million (HY1 2020: EUR 257 million), adjusted for negative currency translation effects, EBIT increased by EUR 1 million. Depreciation charges were higher in HY1 2021 compared to HY1 2020 mainly due to higher depreciation for new capacity delivered as well as due to sustaining capex investments.
- Return on capital employed (ROCE) of 10.5% (HY1 2020: 11.8%).
- Net profit attributable to holders of ordinary shares of EUR 149 million (HY1 2020: EUR 166 million) reflecting less capitalized interest in HY1 2021.
- Earnings per ordinary share (EPS) of EUR 1.19 (HY1 2020: EUR 1.31).
- The Senior net debt: EBITDA ratio is 2.86 at the end of HY1 2021.

Q2 2021 events:

- In the second quarter of 2021, the greenfield industrial terminal in Qinzhou, China, with an initial capacity of 290,000 cbm started operations.
- On 22 June 2021, Vopak announced that it has been awarded by Huizhou QuanMei Petrochemical Terminal Co., Ltd., a contract for storage and services of a liquid products terminal in China. The planned terminal will be constructed and operated as part of ExxonMobil's proposed Huizhou

chemical complex project. Vopak will have ownership of 30% of the 560,000 cbm terminal, including the pipelines to connect the terminal to the jetty and EMHCC plant.

- After ten years of continuous LNG operations, Gate terminal in Rotterdam, the Netherlands, started on 15 June 2021 its major maintenance turnaround to ensure the best in class service for its customers, which was successfully completed as planned on 10 July 2021. In addition, Gate terminal will invest in a send-out capacity increase of 0.5 BCM per annum to a total of 12.5 BCM per annum. The additional capacity is planned to become available as of 1 October 2024.

Exceptional items HY1 2021:

- An incremental impairment was recognized for the Vopak Bahia las Minas terminal in Panama for an amount of EUR 69.7 million. This impairment is the result of a further deteriorating business environment and lower occupancy rates in the first half of 2021.

Subsequent events:

- On 12 July 2021, Vopak announced that it has joined forces with Aegis in India with the aim to grow together in the LPG and chemicals storage and handling business. The new joint venture Aegis Vopak Terminals Ltd will operate a network of 8 terminals with a total capacity of around 960 thousand cbm. The transaction is expected to close early 2022, subject to customary closing conditions. The enterprise value for Vopak's shareholding in the joint ventures will amount to EUR 185 million plus EUR 15 million, depending on the fulfilment of certain Conditions Precedent. Post financing Vopak's net consideration amounts to EUR 100 million plus EUR 15 million depending on the fulfilment of certain conditions.

In addition to the net consideration at closing of a total EUR 115 million, Vopak and Aegis have agreed the payment of a minimum EUR 18 million and up to a maximum of EUR 40 million payable to Aegis via a financial instrument.

Revenues of the joint venture are forecasted to grow with a CAGR of around 6% in the first 5 years. LPG revenues will be about 75% of the total revenues of the joint venture. On the back of the forecasted revenue growth, the joint venture is expected to increase EBITDA in line with revenue growth towards 2026 driven by growth of LPG demand and imports of liquid chemicals in India. In addition, the joint venture has a pipeline of growth projects, both brownfield and greenfield.

Portfolio items:

- Early July 2021, Vopak Terminal Corpus Christi, in the United States, completed cold commissioning and is ready to receive first products as planned later this year to service the industrial complex of Gulf Coast Growth Ventures, LLC.

Other developments:

- A collaboration between Gasunie, Vopak and Gate terminal, is investigating the development of an independent hub terminal for liquid CO₂ on the Maasvlakte in the port of Rotterdam, the Netherlands. Such infrastructure is important in the context of the Dutch government climate agreement. The independent hub terminal will be able to receive and deliver liquid CO₂ via ships and will be connected to the depleted gas fields in the North Sea. This will make the necessary infrastructure available to all market parties, including parties that do not have a direct connection to a CO₂ pipeline. In addition, the terminal can be an important catalyst in the creation of a market for the reuse of CO₂ as a raw material.
- [Vopak Ventures](#) has made more than 10 investments in start-ups and scale ups over the past two years in the field of operational excellence and asset management, sustainability and new energy as well as digital and platforms. This includes positions in hydrogen equipment and solar. Our newest added venture Xycle aims to build a plant in the Netherlands with the goal of converting plastic waste into high quality feedstock.

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 at the low end of the range 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 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.
- 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.

Royal Vopak Chief Executive Officer Eelco Hoekstra comments:

Performance

"In the first half of 2021, combined strategic delivery and financial performance was good, driven by contributions from the growth projects and cost efficiency, notwithstanding weak markets. We continued transforming our portfolio for the future and invested more than EUR 146 million in growth.

Covid-19 pandemic continues to impact the industries we serve and the disruptions in supply and demand of products indirectly impacted performance. The tank storage industry experienced lower earnings as it continues to face supply tightness leading to a lower requirement for excess storage of products. During these challenging times, we were able to safely serve and support our customers at all our locations around the world. We are positive on the speed of the shift of our portfolio to industrial and

gas infrastructure which supports the acceleration in the field of new energies and feedstocks. We are pursuing various options to actively contribute towards hydrogen and ammonia logistics, and new infrastructure solutions for CO2 and flow batteries.

We had success in the first half of 2021 in India, China and the United States. We are joining forces with Aegis to create one of the largest independent tank storage companies for LPG and chemicals in India. Good progress was made in our China and North Asia division with the start of operation in the industrial terminal in Qin Zhou, China. In addition, we were awarded an industrial contract for storage and services of a liquid products terminal to be constructed and operated as part of ExxonMobil's proposed Huizhou chemical complex project. In the United States, we expect the commissioning of our ammonia operations of the Vopak Moda Houston terminal in Q3 and the integration of industrial terminals of Dow with Blackrock as partner is progressing well.

We continued the roll-out of our cloud-based system for our terminals, as part of broader efforts to develop our digital architecture to innovate infrastructure and logistic chains. Our digital strategy aims to innovate and will allow us to have more access to data in all aspects of our business.

Looking ahead

We have gained momentum in 2021 in capturing opportunities to serve large-scale industrial clusters and will continue transforming our portfolio and position our company in leading locations towards more sustainable forms of energy and feedstocks.

Our ambition is to be a safety and sustainability leader by focusing on care for people, planet and profit. We continue to seek opportunities towards our ambition to be climate neutral by 2050 at the latest. Our main contribution to a more sustainable world is to actively innovate infrastructure which will contribute to the introduction of the new vital products of the future."

[Link to video of CEO and CFO commenting on Vopak's HY1 2021 results](#)

Financial calendar

12 November 2021	Publication of 2021 third-quarter interim update
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

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 CEST on 28 July 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.