

Press Release



Vopak reports on 2019 financial results

Rotterdam, the Netherlands, 12 February 2020

Q4 2019	Pro forma Q4 2019 *	Q3 2019	Q4 2018	In EUR millions	2019	Pro forma 2019 *	2018	Δ
298.8	298.8	312.4	317.0	Revenues	1,252.6	1,252.6	1,254.5	0%
Results -excluding exceptional items-								
204.8	196.2	202.4	180.7	Group operating profit before depreciation and amortization (EBITDA)	829.8	784.8	734.3	13%
132.1	131.8	132.6	110.6	Group operating profit (EBIT)	539.1	526.4	463.3	16%
93.8	97.9	91.1	78.8	Net profit attributable to holders of ordinary shares	357.8	364.1	289.5	24%
0.73	0.76	0.72	0.62	Earnings per ordinary share (in EUR)	2.80	2.85	2.27	23%
Results -including exceptional items-								
204.7	196.3	393.7	183.0	Group operating profit before depreciation and amortization (EBITDA)	1,038.5	993.7	754.8	38%
132.0	131.9	323.9	110.8	Group operating profit (EBIT)	747.8	735.3	481.7	55%
100.0	104.2	280.6	80.4	Net profit attributable to holders of ordinary shares	571.0	577.4	254.5	124%
0.78	0.81	2.20	0.63	Earnings per ordinary share (in EUR)	4.47	4.52	1.99	125%
172.3		185.7	190.4	Cash Flow from operating activities (gross)	709.7		687.0	
- 149.3		225.0	- 231.0	Cash Flow from investing activities (including derivatives)	- 256.1		- 589.4	
Additional performance measures								
269.5	258.4	231.8	206.5	Proportional EBITDA -excluding exceptional items-	980.7	929.7	821.6	19%
84%		82%	85%	Occupancy rate subsidiaries	84%		86%	
34.4		35.5	37.0	Storage capacity end of period (in million cbm)	34.4		37.0	
12.5%	12.5%	12.0%	10.8%	Return on Capital Employed (ROCE)**	12.4%	12.4%	11.6%	
4,223.8	4,223.8	4,252.2	4,095.5	Average capital employed**	4,247.3	4,247.3	4,005.7	
2,335.3	1,770.4	2,319.6	1,825.0	Net interest-bearing debt	2,335.3	1,770.4	1,825.0	
2.75	2.75	2.81	2.49	Senior net debt : EBITDA (frozen GAAP)	2.75	2.75	2.49	

* Pro forma excludes the IFRS 16 effects to allow comparison with the results of prior year

**ROCE and Average capital employed definition has been applied consistently for all periods presented and is not affected by the application of IFRS 16

Highlights for full year and Q4 2019 -excluding exceptional items-

- Full year EBITDA of EUR 830 million (2018: EUR 734 million) increased by EUR 96 million, reflecting good aggregate business (including new assets) performance of EUR 37 million, positive currency translation effects of EUR 14 million and positive IFRS 16 effects of EUR 45 million.
- Occupancy rate of 84% (2018: 86%) reflected IMO 2020 capacity conversions during the year and ongoing market conditions at oil hub terminals.
- Full year EBIT of EUR 539 million (2018: EUR 463 million) increased by EUR 76 million, including good performance from new assets, partly offset by hub terminals in Europe and Singapore, positive currency translation effects of EUR 11 million, lower depreciation (from terminals classified as held for sale) of EUR 22 million and positive IFRS 16 effects of EUR 13 million.
- Return on Capital Employed increased to 12.4% (2018: 11.6%).
- Significant increase in net profit attributable to holders of ordinary shares (24%) to EUR 358 million (2018: EUR 290 million), resulting in earnings per ordinary share of EUR 2.80 (2018: EUR 2.27).
- The efficiency program to reduce Vopak's cost base is delivered; the cost level for 2019 amounted to EUR 633 million.
- Q4 EBITDA of EUR 205 million (Q3 2019: EUR 202 million) reflected positive effects from settlements, good performance from converted IMO 2020 capacity and contributions from growth projects, replacing the EBITDA from terminals divested in September.
- Q4 occupancy rate of 84% (Q3 2019: 82%) trended upwards following contracted IMO 2020 capacity coming into operations whereas adverse market conditions at oil hub terminals continued.
- In the fourth quarter, new capacity was delivered from growth projects in Brazil, Mexico, Panama and Singapore.

Vopak announces a share buyback program to return EUR 100 million to shareholders following the completion of the divestment of the terminals in Algeciras, Amsterdam and Hamburg.

A dividend of EUR 1.15 (2018: EUR 1.10) per ordinary share, payable in cash, an increase of 5%, will be proposed during the Annual General Meeting on 21 April 2020.

Exceptional items 2019:

- Total exceptional gains included in net profit amounted to EUR 213 million (2018: exceptional losses of EUR 35 million). This mainly comprised the aggregate divestment gains of terminals in Amsterdam, Hamburg, Tallinn and Hainan, a tax provision recognized in a joint venture in the Asia & Middle East division and an impairment recognized for the terminal in Quebec City in Canada.

For a full overview of the exceptional items, reference is made to Enclosure 4g.

Subsequent events:

- In January 2020, the associate industrial terminal PT2SB in Malaysia repaid part of its preference share capital, which resulted in a cash inflow of EUR 85 million for Vopak in the first quarter of 2020.
- On 31 January 2020, Vopak completed the earlier announced divestment of its 100% shareholding in the terminal in Algeciras, Spain generating a cash inflow of EUR 135 million in the first quarter of 2020.
- On 12 February 2020, Vopak announced the expansion of the Vopak Shanghai - Caojing Terminal with 65,000 cbm for chemical gas products. This industrial terminal serves the chemical plants that are located in the Shanghai Chemicals Industry Park (SCIP) and its adjacent areas. The additional storage capacity has been fully rented out under long-term contracts and is expected to be commissioned in the second half of 2022.

Other accounting topics - application of new lease accounting standard:

On 1 January 2019, Vopak started to apply IFRS 16 'Leases'. In order to allow comparison of the 2019 results with previous years, Vopak provided 'pro forma excluding IFRS 16 effects results', where the cash expenditures for the period for the former operating leases are recognized as operating expenses while the depreciation on the right of use assets and the interest expenses on the lease liabilities are eliminated, resulting in an accounting treatment similar (but not equal) to the lease accounting treatment in previous years.

More details on the effects of the initial application of this new standard as per 1 January 2019 can be found in the [Annual Report 2019](#).

CEO statement

Eelco Hoekstra, Chairman of the Executive Board and CEO of Royal Vopak commented:

- **Strong EBITDA and significant increase in earnings per share**
- **Continued growth investments and EUR 100 million share buyback program**
- **Portfolio well-positioned for future opportunities**

Performance

2019 was a successful year for Vopak. We executed our strategy, realized strong EBITDA and significantly increased earnings per share.

Over the years 2017-2019, we have been transforming our portfolio through EUR 700 million divestments and EUR 1 billion investments in new growth projects. We successfully divested almost 5 million cbm of oil capacity, mainly in Europe, and bolstered our hub positions. We prepared our oil hub terminals for IMO 2020 and expanded storage capacity in future growth markets. In 2019, we expanded our LNG business in Pakistan and Colombia and started the construction of new industrial terminals in China and the US. Our portfolio is well-positioned for future developments. As part of our new energies focus, we made our first investments in hydrogen and solar.

Delivery of our digital strategy has progressed well. We continued the roll-out of our new cloud-based system for our terminals, as part of broader efforts to develop our digital architecture. Growing Vopak's digital capabilities and using data are key to our short-term performance and long-term value creation, as well as to our position as the leading independent tank storage company.

Looking ahead

We continue the course we set in previous years. We focus on performance and value.

Our financial framework and priorities for cash are unchanged. We will use the majority of cash from recent strategic divestments to grow our portfolio. We propose to increase our annual dividend by 5% over 2019 and announce today a EUR 100 million share buyback program to increase our distribution to shareholders. The share buyback program is complementary to our continued investments in growth, sustaining, service improvement and IT capex.

- *We aim to grow EBITDA over time with new contributions from growth projects and IMO 2020 converted capacity and replace the EBITDA from divested terminals, subject to general market conditions.*
- *In the period 2020-2022, Vopak may invest EUR 750 million to EUR 850 million in sustaining and service improvement capex, subject to additional discretionary decisions, policy changes and regulatory environment.*
- *To complete the Vopak's digital terminal management system build and roll-out, Vopak expects to spend annually EUR 30 million to EUR 50 million in IT capex over the period 2020-2022.*
- *We continue with further strengthening our cost culture and expect to compensate for annual inflation in our cost performance.*
- *We will continue to look for attractive ventures in new energies and innovative technologies.*
- *Growth investment for 2020 could amount to EUR 300 million to EUR 500 million.*

For 2020 and beyond, we will keep storing vital products with care to make a meaningful contribution to a more sustainable society, enabled by our financial performance.

Business and other highlights

2019 events:

- On 23 January 2019, Vopak acquired an additional share of 15% in the associate Engro Elengy Terminal in Pakistan, bringing the total Vopak share to 44%. This LNG import facility consists of a jetty and pipeline and holds a 15 year Floating Storage and Regasification Unit (FSRU) time charter.
- On 25 January 2019, Vopak acquired an additional 35% share in Vopak Terminal Ningbo, bringing the total share in this chemicals terminal to 85%. By means of this transaction Vopak obtained control over the terminal and the interest held in the terminal was at that date classified as a subsidiary and no longer as a joint venture.
- On 13 February 2019, Vopak announced its investment in a new solar energy park adjacent to its terminal at Eemshaven in northern Netherlands. The investment is made jointly with partners Whitehelm Capital and Groningen Seaports.
- On 13 February 2019, Vopak announced that it will expand its terminal in Vietnam with 20,000 cbm for the storage and handling of chemicals.
- On 13 February 2019, Vopak announced that it will expand its terminal in Veracruz in Mexico with 110,000 cbm for the storage and handling of clean petroleum products.
- In March 2019 greenfield terminal Bahia Las Minas in Panama commissioned an initial capacity of 120,000 cbm. Throughout 2019 another 200,000 cbm was commissioned.
- On 3 April 2019, Vopak divested its 50% share in the Estonian oil terminal Vopak E.O.S. This divestment was the outcome of the earlier announced strategic review.
- In Q2 2019, the opening of the Ridley Island Propane Export Terminal (RIPET), located in Prince Rupert, British Columbia in Canada, was celebrated, adding 96,000 cbm of LPG storage capacity.
- On 31 July 2019, Vopak announced that it will expand its Deer Park chemicals terminal in the port of Houston in the US with 33,000 cbm.
- On 31 July 2019, Vopak announced that it will expand its terminal in Sydney in Australia with 105,000 cbm to cater to the storage demand for clean petroleum products and aviation fuels.
- On 31 July 2019, Vopak announced that it acquired a 10.7% equity share in Hydrogenious LOHC Technologies GmbH, of which the principal activity is to develop an innovative technology to allow for safe and cost-effective logistics of hydrogen. The combination of Vopak's terminal network with the Liquid Organic Hydrogen Carrier (LOHC) technology has the potential to create a breakthrough in the storage and transportation of renewable energies.
- On 12 September 2019, the fourth LNG import terminal was added to the Vopak LNG portfolio by the acquisition of the associate terminal SPEC in Cartagena, Colombia.
- On 30 September 2019, Vopak divested its oil terminals in Amsterdam and Hamburg.
- On 9 October 2019, Vopak announced that it acquired, from the minority shareholder in Vopak Terminal Algeciras, the remaining 20% of the shares of the terminal. Early 2020, Vopak completed the divestment of its 100% equity share in Vopak Terminal Algeciras in Spain.
- On 4 November 2019, Vopak announced that it will expand Vopak Terminal Linkeroever in the Port of Antwerp in Belgium with 50,000 cbm for chemical products.
- On 4 November 2019, Vopak announced that it will expand Vopak Terminal Altamira in Mexico with 40,000 cbm for chemical products.
- On 4 November 2019, Vopak announced that it will develop a joint venture industrial terminal to provide storage and handling services for the chemical manufacturing plants in the Qinzhou Chemical Park in southwest China. This industrial terminal, in which Vopak will hold a 51% share, will have an initial capacity of 290,000 cbm.
- On 22 November 2019, it was announced that Vopak was selected by Gulf Coast Growth Ventures (GCGV), the petrochemical joint venture between ExxonMobil and SABIC, to design, build, own and operate a 130.000 cbm new industrial terminal in Corpus Christi in the United States.
- On 20 December 2019, Vopak divested its 49% equity share in the joint venture oil terminal Vopak SDIC Yangpu Terminal in Hainan, China, resulting in an exceptional gain of EUR 25.3 million.

Financial performance

Operating results

Revenues

In 2019, Vopak generated revenues of EUR 1,252.6 million, comparable to EUR 1,254.5 million in 2018. Excluding the positive currency translation effect of EUR 20.2 million, the decrease amounted to EUR 22.1 million. This decrease was primarily caused by the divestments of the terminals in Amsterdam and Hamburg.

The effect of newly commissioned capacity in the US and Panama, was largely offset by lower rented capacity and pricing effects at the oil hub terminals in Rotterdam and Singapore caused by IMO2020 conversion projects and a less favorable storage market for oil.

The average occupancy rate for Vopak's subsidiaries (excluding joint ventures and associates) for 2019 of 84% was below the 86% in 2018. This movement was for a large part attributable to the oil hub terminals in Rotterdam and Singapore.

Vopak's worldwide storage capacity decreased with 2.6 million cbm from 37.0 million cbm per the end of 2018 to 34.4 million cbm per the end of 2019 reflecting divestments of 4.3 million cbm and new capacity of 1.7 million cbm.

Expenses

Personnel expenses

In 2019, personnel expenses -excluding exceptional items- amounted to EUR 346.0 million, an increase of EUR 9.7 million (3%) compared to EUR 336.3 million in 2018. Excluding the negative currency translation effect of EUR 4.3 million, the increase amounted to EUR 5.4 million and can mainly be attributed to the increased number of FTEs due to business development and construction projects and the efforts as part of our digital transformation and its related IT/OT and innovation projects. At the same time higher costs for the incentive plans contributed to the increase. This effect was offset by the effects of the divestment of the terminals in Amsterdam and Hamburg.

During 2019, Vopak employed, in FTEs, an average of 4,345 employees (2018: 4,063), excluding joint ventures and associates. This comprises 3,768 own employees (2018: 3,710) and 577 temporary employees (2018: 353).

An exceptional loss of EUR 1.0 million was recognized in 2019 (2018: exceptional gain of EUR 19.1 million). This was mainly the result of a provision recorded because of uncertainty with respect to renewal of an expiring land lease contract for our terminal in Quebec City in Canada.

Including exceptional items, total personnel expenses for 2019 amounted to EUR 347.0 million compared to EUR 317.2 million in 2018.

Other operating expenses

In 2019, other operating expenses -excluding exceptional items- amounted to EUR 286.7 million, which represents a decrease of EUR 43.0 million (-13%) compared to EUR 329.7 million in 2018. Excluding the negative currency translation effect of EUR 4.6 million, the positive IFRS 16 effect of EUR 49.9 million and the positive effects of the divestments of EUR 9.0 million, the increase amounted to EUR 11.3 million. This increase can mostly be related to new capacity, IT and business development projects.

An exceptional loss of EUR 1.5 million in 2019 (2018: exceptional loss of EUR 0.9 million) is mainly related to an environmental provision recognized because of uncertainty with respect to renewal of an expiring land lease contract for our terminal in Quebec City in Canada.

The Group's other operating expenses -including exceptional items- for 2019 amounted to EUR 288.2 million compared to EUR 330.6 million in 2018.

Result joint ventures and associates

In 2019, the result of joint ventures and associates -excluding exceptional items- amounted to EUR 176.5 million, an increase of EUR 62.6 million (55%) compared to EUR 113.9 million in 2018. Excluding the positive currency translation effect of EUR 3.1 million and the negative IFRS 16 effect of EUR 4.9 million, the increase amounted to EUR 64.4 million.

This increase was mainly due to good performance at the joint ventures and associates of the Asia & Middle East division and the commissioning of the industrial terminal PT2SB in Pengerang, Malaysia and the Ridley Island Propane Export Terminal in Canada in the first half of 2019, together with the positive impact of the customer settlements at Vopak Terminal Haiteng.

In 2019, an exceptional loss of EUR 14.7 million (2018: no exceptional items) was recognized in the result of joint ventures and associates relating to a tax provision that was recognized in a joint venture terminal in the Asia & Middle East division.

The Group's result of joint ventures and associates -including exceptional items- for 2019 amounted to EUR 161.8 million compared to EUR 113.9 million in 2018.

Group operating profit before depreciation and amortization

Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items- and including the net result of joint ventures and associates for 2019, amounted to EUR 829.8 million, which is EUR 95.5 million (13%) higher compared to EUR 734.3 million in 2018. Excluding the positive currency translation effect of EUR 14.4 million and the positive IFRS 16 effect of EUR 45.0 million, the increase amounted to EUR 36.1 million. Better results and newly commissioned capacity for the joint ventures and associates compensated the lower revenues mainly as a result of the divestments of the terminals in Amsterdam and Hamburg and lower capacity rented caused by IMO2020 conversion projects and a less favorable market for oil storage.

Including exceptional items, Group operating profit before depreciation and amortization (EBITDA) for 2019 amounted to EUR 1,038.5 million compared to EUR 754.8 million in prior year.

ROCE -excluding exceptional items- of 12.4% compared to 11.6% in 2018 reflected higher EBIT and lower average invested capital.

Cash flows from operating activities and working capital

Cash flow from operating activities (gross) amounted to EUR 709.7 million in 2019 (2018: EUR 687.0 million). Excluding the presentation effect of the reclassification of most of the lease payments from operating cash flows to financing cash flows due to IFRS 16 of EUR 53.1 million, cash flow from operating activities (gross) amounted to EUR 656.6 million. This decrease of EUR 30.4 million was mainly related to lower results from subsidiaries among others due to the divestments, whilst the dividends received from joint ventures and associates increased with EUR 10.2 million.

Strategic investments and divestments

Cash flows from investing activities

In 2019 cash flows from investing activities amounted to a net cash outflow of EUR 256.1 million (2018: net cash outflow of EUR 589.4 million). Total investments amounted to EUR 806.7 million (2018: EUR 614.1 million), of which EUR 589.7 million was invested in property, plant and equipment (2018: EUR 504.0 million). Investments in joint ventures and associates, including acquisitions, amounted to EUR 180.4 million (2018: EUR 81.8 million).

Vopak continued to strengthen its global network of terminals, pursuing its long-term growth strategy, and invested EUR 499.8 million in the expansion of existing terminals and the construction of new terminals in 2019 (2018: EUR 341.0 million). For a few projects, we experienced construction and permitting delays, most noticeably South African projects Lesedi and Durban.

As part of the strategic direction for the period 2017-2019, Vopak indicated to invest approximately EUR 100 million in the period 2017-2019 in new technology and innovation programs as well as replacing its IT systems. In 2019 EUR 37.6 million (2018: EUR 28.3 million) was invested in IT projects.

Vopak indicated a budget of EUR 750 million for sustaining and service improvement capex for the period 2017-2019. Sustaining and service improvement capex for 2019 amounted to EUR 262.1 million (2018: EUR 237.3 million).

Divestments

In 2019, Vopak divested its 100% equity share in Amsterdam and Hamburg. In addition Vopak completed the divestment of its 50% share in the Estonian joint venture Vopak E.O.S. and its 49% share in the joint venture Vopak SDIC Yangpu Terminal in Hainan, China. The total divested capacity amounted to 4.3 million cbm. The total cash inflow for 2019 from these divestments was EUR 549.9 million. During 2018 no divestments occurred.

Related to the Yangpu divestment, Vopak is entitled to receive an additional amount of approximately EUR 30 million. The settlement of this additional consideration is uncertain and subject to ongoing discussion and resolution in 2020 between the parties involved and therefore has not been recognized at year-end 2019.

Depreciation and amortization

Depreciation and amortization expenses -excluding exceptional items- amounted to EUR 290.7 million in 2019, an increase of EUR 19.7 million (7%) compared to EUR 271.0 million in prior year. Of these total expenses, EUR 15.4 million (2018: EUR 15.9 million) related to amortization of intangible assets.

Excluding the increase due to negative currency translation effect of EUR 3.2 million and the negative effect of IFRS 16 of EUR 32.3 million, depreciation and amortization decreased with EUR 15.8 million. This decrease is mainly driven by the cessation of depreciation as per the end of March 2019 for the terminals in Algeciras, Amsterdam and Hamburg as these terminals were classified as held for sale.

Impairments

In 2019, impairments were recognized for the amount of EUR 17.2 million (2018: reversal of impairment gain of EUR 2.3 million), of which EUR 14.7 million is related to the Quebec City terminal in Canada. This terminal is facing uncertainty in relation to renewal of the lease concession. In addition, EUR 2.5 million was recognized in relation to the cancellation of (part of) an IT project as a result of portfolio developments. Impairments are classified as exceptional items.

Capital structure

Equity

The equity attributable to holders of ordinary shares increased by EUR 364.5 million to EUR 3,047.3 million (31 December 2018: EUR 2,682.8 million). This increase resulted mainly from the addition of the net profit for the year of EUR 571.0 million and the Other comprehensive income of EUR 13.1 million, partially offset by the dividend payments in cash of EUR 140.5 million and a reduction due to the initial application of IFRS 16 of EUR 85.1 million.

Net debt

The net interest-bearing debt decreased to EUR 1,770.4 million compared to EUR 1,825.0 million at year-end 2018. Excluding the upward currency translation effect of EUR 38.6 million, the decrease amounted to EUR 93.2 million mainly reflecting increased investments and divestments.

Net repayments of interest-bearing loans and short-term borrowings during 2019 amounted to EUR 38.6 million. The Revolving Credit Facility of EUR 1 billion was utilized for the amount of EUR 100 million as at year-end 2019 (2018: EUR 200 million).

As at 31 December 2019, an equivalent of EUR 1,467.2 million (2018: EUR 1,521.4 million) was drawn under private placement programs with an average remaining term of 6.3 years (2018: 7.3 years) in addition to EUR 66.2 million (SGD 100 million) funded by banks at the level of Vopak Terminals Singapore, with an average remaining term of 0.7 years.

The Senior net debt : EBITDA ratio amounted to 2.75 at year-end 2019 compared to 2.49 at year-end 2018. This is mainly the impact of divestments and capital expenditures during the year.

Net finance costs

In 2019, the Group's net finance costs -excluding exceptional items- amounted to EUR 87.5 million, an increase of EUR 5.1 million (6%) compared to EUR 82.4 million in 2018. Excluding the negative effect of IFRS 16 of EUR 20.4 million the net finance costs decreased with EUR 15.3 million to EUR 67.1 million as more interest was capitalized in connection with the construction projects.

The Group's net finance costs -including exceptional items- amounted to EUR 85.7 million (2018: EUR 132.6 million). 2018 included an exceptional loss of EUR 50.2 million related to the recycling of historical unrealized currency translation losses from equity to the income statement resulting from the deconsolidation of Vopak Venezuela. In 2019 an exceptional gain of EUR 1.8 million was recognized related to a release of an historic constructive obligation upon divestment of the joint venture terminal Vopak SDIC Yangpu terminal in China.

The average interest rate over the reporting period was 4.1% (2018: 4.1%). The fixed-to-floating ratio of the long-term interest-bearing loans, including interest rate swaps, amounted to 85% versus 15% at year-end 2019, compared to 86% versus 14% in prior year.

Cash flows from financing activities

Cash flows from financing activities amounted to a net cash outflow of EUR 355.3 million (2018: net cash outflow of EUR 97.5 million). Excluding the accounting effect of IFRS 16 of EUR 53.1 million, the cash flows from financing activities amounted to EUR 302.2 million. This amount consisted mainly of dividend payments of EUR 179.3 million to ordinary shareholders and non-controlling interests, interest payments of EUR 89.5 million and the net repayments of borrowings of EUR 38.6 million.

Income taxes

Income tax expenses -excluding exceptional items- amounted to EUR 61.0 million in 2019, an increase of EUR 5.6 million (10%) compared to EUR 55.4 million in 2018. The effective tax rate -excluding exceptional items- was 13.5% compared to 14.5% in 2018. The main drivers behind the overall decrease in the effective tax rate was a lower average statutory tax rate and higher results from joint ventures and associates which fall under the participation exemption.

Income tax expenses -including exceptional items- amounted to EUR 58.3 million in 2019, a decrease of EUR 0.3 million compared to EUR 58.6 million in 2018. The effective tax rate -including exceptional items- was 8.8% compared to 16.8% in 2018. This decrease was mainly due to increased results from our joint ventures and associates and gains from divestments for which the participation exemption applied.

Net profit attributable to holders of ordinary shares

Net profit attributable to holders of ordinary shares -excluding exceptional items- amounted to EUR 357.8 million, an increase of EUR 68.3 million (24%) compared to EUR 289.5 million in 2018. Earnings per ordinary share -excluding exceptional items- amounted to EUR 2.80 in 2019, which was 23% higher compared to EUR 2.27 in 2018.

Net profit attributable to holders of ordinary shares -including exceptional items- amounted to EUR 571.0 million compared to EUR 254.5 million in 2018. Earnings per ordinary share -including exceptional items- amounted to EUR 4.47 (2018: EUR 1.99).

Joint ventures and associates

Joint ventures and associates are an important part of the Group, for which equity accounting is applied. In Enclosure 5 to this report the effects of non-IFRS proportionate consolidation on the statement of financial position and statement of income of the Group are presented.

Dividend proposal

A dividend of EUR 1.15 per ordinary share (2018: EUR 1.10), payable in cash, will be proposed to the Annual General Meeting of 21 April 2020. Excluding exceptional items, the payout ratio will amount to 41% of earnings per ordinary share (2018: 48%).

Vopak's dividend policy targets to pay an annual stable to rising cash dividend in balance with a management view on a payout ratio range of 25-75% of the net profit excluding exceptional items attributable to holders of ordinary shares and subject to market circumstances. The net profit excluding exceptional items that forms the basis for dividends to be declared may be adjusted for instance for the financial effects of one-off events, changes in accounting policies, acquisitions and divestments.

Sustainability review

With our commitment to storing vital products with care, we are helping society to meet the needs of both a growing population and society's wider goals. These goals include providing access to affordable, acceptable, sustainable and reliable energy and chemicals, and facilitating the introduction of cleaner, low-carbon fuels; improving air quality; and contributing to a safe, healthy and inclusive work environment for our employees and contractors. In line with these ambitions, we have embraced four United Nations Sustainable Development Goals (SDGs) that connect to the heart of our activities.

In 2019, together with our stakeholders, we conducted a materiality assessment to define our material social, environmental and economic topics. Safety for employees, contractors, communities and the environment remain our main priority. More information can be found in our 2019 Annual Report.

People

	Total Injury Rate		Lost Time Injury Rate		Process Safety Event Rate	
	2019	2018	2019	2018	2019	2018
Europe & Africa	0.95	0.97	0.58	0.43	0.44	0.34
Asia & Middle East	0.14	0.12	0.06	0.04	0.10	0.09
China & North Asia	0.08	0.18	0.04	0.09	0.09	–
Americas	0.26	0.17	0.08	0.03	0.05	0.06
LNG	–	0.29	–	0.29	0.30	–
Global HQ	–	–	–	–	–	–
Total Vopak	0.34	0.30	0.18	0.12	0.16	0.12

In March 2019, regrettably, a contractor lost his life during construction work as a result of a tragic incident at our joint venture PITSB terminal in Malaysia.

Despite continuous efforts to improve safety, we were not able to deliver on our promises with regard to personal safety. We are committed to improving safety in 2020 with our 'Trust and Verify' program. This program will further increase safety processes, awareness throughout the organization and foster a culture of personal accountability throughout the company, helping us prevent severe incidents and ensuring a safe working environment.

We also stepped up our efforts to strengthen customer service and create an inclusive environment with a more diverse workforce. Developing new skills, particularly in Information Technology and data, remains a priority for the company. In 2019, we further strengthened customer satisfaction, increasing our NPS to 65, up from 61 in 2018.

Planet

We will continue to seek opportunities to reduce our environmental footprint. Emissions of Volatile Organic Compounds (VOCs) constitute the most significant environmental risk from our operations. In 2018, we announced a EUR 40 million investment program to reduce the social impact from our VOC emissions by 20%. Since then, we have made good progress resulting in a reduction in societal impact of 6% compared to 2016.

During our Annual Climate Day we stress tested our strategy and asset portfolio in order to align these as to assure we are well-placed to respond to risks and opportunities arising from the transitional and physical effects of climate change.

Terminal portfolio and storage capacity developments

	End 2018	Net change		End 2019	Under		End 2022
		2018	Divestment		development	Divestment	
Subsidiaries	19.6	0.5	- 1.9	18.2	0.8	- 0.4	18.6
Joint ventures and associates	13.5	1.2	- 2.4	12.3	0.7	-	13.0
Operatorships	3.9	-	-	3.9	-	-	3.9
Total capacity	37.0	1.7	- 4.3	34.4	1.5	- 0.4	35.5

During 2019, we added 1.8 million cbm of new growth capacity to our network. In the first half of 2019, the associate industrial terminal PT2SB in Malaysia commissioned 753,000 cbm of additional capacity bringing its total capacity to 1,496,000 cbm. Our joint venture PITSB in Malaysia commissioned 215,000 cbm in the third quarter of 2019. Furthermore our greenfield terminal Bahia Las Minas in Panama commissioned capacity of 320,000 cbm throughout 2019. The remainder of the additional capacity added to our portfolio were related to growth projects in Canada, Brazil, Singapore and Mexico and the acquisition of a 49% shareholding in the LNG terminal SPEC in Colombia.

In total our worldwide capacity amounted to 34.4 million cbm as at year-end 2019. The net decrease of 2.6 million cbm was primarily the result of the divestment of oil terminals in Amsterdam, Hamburg, Hainan and Tallinn following our strategy to shift our portfolio of terminals, moving towards lighter fuels, gas and chemicals, and growing our activities to serve large industrial complexes.

Growth projects currently under development will add over 1.5 million cbm of additional storage capacity to our global network (on a 100% basis).

For more details on the capacity developments reference is made to Enclosure 2.

Annual report 2019 and financial statements

The Annual Report 2019 and financial statements, prepared by the Executive Board and approved by the Supervisory Board and to be presented to the Annual General Meeting of 21 April 2020 for adoption, are published on Vopak's website (<http://www.vopak.com/investors/reports-and-presentation>).

Home member state

Vopak announces that the Netherlands is its Home Member State for the purposes of the EU Transparency Directive.

Forward-looking statements

This document 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.

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.

Financial calendar

21 April 2020	Publication of 2020 first-quarter interim update
21 April 2020	Annual General Meeting
23 April 2020	Ex-dividend quotation
24 April 2020	Dividend record date
29 April 2020	Dividend payment date
10 June 2020	Capital Markets Day
29 July 2020	Publication of 2020 half-year results
06 November 2020	Publication of 2020 third-quarter interim update
17 February 2021	Publication of 2020 annual results

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 systems, while simultaneously investing in digitalization and innovation. Vopak is listed on the Euronext Amsterdam and is headquartered in Rotterdam, the Netherlands. Including our joint ventures and associates, we employ an international workforce of over 5,500 people. As of 11 February 2020, Vopak operates 66 terminals in 23 countries with a combined storage capacity of 34.0 million cbm, with currently 1.5 million cbm under development. For more information, please visit vopak.com.

For more information please contact:

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The analyst presentation will be given via an on-demand audio webcast on Vopak's corporate website www.vopak.com, starting at 11:00 am CET on 12 February 2020.

Auditor's involvement

This press release and enclosure 4 are based on the 2019 financial statements. The financial statements are published in accordance with statutory provisions. The auditor has issued an unqualified auditor's report on the Financial Statements.

This press release contains inside information as meant in clause 7 of the Market Abuse Regulation.

Enclosures:

1. Key figures
2. Growth perspective
3. Notes to the results by division
4. Consolidated financial statements
 - a. Consolidated Statement of Income
 - b. Consolidated Statement of Comprehensive Income
 - c. Consolidated Statement of Financial Position
 - d. Consolidated Statement of Changes in Equity
 - e. Consolidated Statement of Cash Flows
 - f. Segmentation
 - g. Overview of exceptional items
5. Non-IFRS proportionate financial information
6. Vopak key results fourth quarter

Enclosure 1: Key figures

	2019	Pro forma 2019	2018	Δ
Sustainability				
Total Injury Rate (TIR) per 200,000 hours worked for own employees and contractors	0.34		0.30	
Lost Time Injury Rate (LTIR) per 200,000 hours worked for own employees and contractors	0.18		0.12	
Process Safety Events Rate (PSER) per 200,000 hours worked for own employees and contractors	0.16		0.12	
Results (in EUR millions)				
Revenues	1,252.6	1,252.6	1,254.5	0%
Group operating profit before depreciation and amortization (EBITDA)	1,038.5	993.7	754.8	38%
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	829.8	784.8	734.3	13%
Group operating profit (EBIT)	747.8	735.3	481.7	55%
Group operating profit (EBIT) -excluding exceptional items-	539.1	526.4	463.3	16%
Net profit attributable to holders of ordinary shares	571.0	577.4	254.5	124%
Net profit attributable to holders of ordinary shares -excluding exceptional items-	357.8	364.1	289.5	24%
Cash flows from operating activities (gross)	709.7	656.6	687.0	3%
Capital employed (in EUR millions)				
Cash flows from investing activities (including derivatives)	- 256.1		- 589.4	
Average capital employed	4,247.3	4,247.3	4,005.7	
Capital and financing (in EUR millions)				
Equity attributable to owners of parent	3,047.3		2,682.8	
Interest-bearing debt	2,335.3	1,770.4	1,825.0	
Ratios (excluding exceptional items)				
Return On Capital Employed (ROCE)	12.4%	12.4%	11.6%	0.8pp
Return On Equity (ROE)	12.5%	12.5%	11.2%	1.3pp
EBITDA margin excluding result of joint ventures and associates	50.8%	48.2%	48.2%	2.6pp
Senior net debt : EBITDA	2.75	2.75	2.49	
Interest cover (EBITDA : net finance costs)	10.4	10.4	8.5	
Key figures per ordinary share (in EUR)				
Basic earnings	4.47	4.52	1.99	125%
Basic earnings -excluding exceptional items-	2.80	2.85	2.27	23%
Diluted earnings	4.46	4.52	1.99	124%
Diluted earnings -excluding exceptional items-	2.80	2.85	2.27	23%
(Proposed) dividend	1.15		1.10	5%
Company data				
Number of employees end of period subsidiaries (in FTE)	3,722		3,663	
Number of employees end of period joint ventures and associates (in FTE)	1,837		2,070	
Total number of employees end of period (in FTE)	5,559		5,732	
Storage capacity end of period subsidiaries (in million cbm)	18.2		19.6	
Storage capacity end of period joint ventures and associates (in million cbm)	12.3		13.5	
Storage capacity end of period operatorships (in million cbm)	3.9		3.9	
Occupancy rate subsidiaries (average rented storage capacity in %)	84%		86%	
Original contracts duration > 3 years (in % of revenues)	44%		51%	
Original contracts duration > 1 year (in % of revenues)	80%		85%	
Information on proportionate basis				
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	980.7	929.7	821.6	19%
Occupancy rate subsidiaries, joint ventures and associates	84%		84%	
Interest-bearing debt	3,280.2	2,356.0	2,592.4	
Number of shares outstanding				
Basic weighted average	127,637,900		127,659,039	
Weighted average including dilutive effect	127,983,107		127,782,646	
Total including treasury shares end of period	127,835,430		127,835,430	
Treasury shares end of period	209,984		170,597	
Exchange rates (per EUR 1.00)				
Average US dollar	1.12		1.18	
US dollar end of period	1.12		1.14	
Average Singapore dollar	1.53		1.59	
Singapore dollar end of period	1.51		1.56	

Enclosure 2: Growth perspective

Storage capacity Development					
Country	Terminal	Vopak's ownership	Products	Capacity (cbm)	Commissioned
Storage capacity per 31 December 2018				37.0	
New and existing terminals					
Panama	Panama Atlantic	100%	Oil products	320,000	Q1 2019 - Q4 2019
Malaysia	PT2SB (Pengerang)	30% ¹	Industrial terminal	753,000	Q1 2019 - Q2 2019
Canada	Ridley Island Propane Export Terminal	30%	LPG	96,000	Q2 2019
Malaysia	Pengerang Independent Terminals (PITSB)	44.1%	Oil products	215,000	Q3 2019
Brazil	Alemoa	100%	Chemicals	106,000	Q4 2019
Singapore	Sebarok Terminal	69.5%	Oil products	67,000	Q4 2019
Mexico	Veracruz	100%	Oil products	31,000	Q4 2019
Various	Net change at various terminals including decommissioning		Various	- 76,485	
Acquisitions					
China	Vopak Terminal Ningbo	85% ²	Chemicals		Q1 2019
Pakistan	Elengy Terminal Pakistan	44% ³	LNG		Q1 2019
Colombia	Sociedad Portuaria el Cayao (SPEC)	49%	LNG	170,000	Q3 2019
Divestments					
Estonia	Vopak E.O.S.	50%	Oil products	- 1,026,000	Q2 2019
Netherlands	Amsterdam	100%	Oil Products	- 1,216,000	Q3 2019
Germany	Hamburg	100%	Oil Products	- 669,000	Q3 2019
China	Hainan - SDIC Yangpu Terminal	49%	Oil Products	- 1,339,000	Q4 2019
Net change for the period as per 31 December 2019				-2.6 million cbm	
Total Storage capacity per 31 December 2019				34.4 million cbm	
Announced storage capacity developments					
Country	Terminal	Vopak's ownership	Products	Capacity (cbm)	Expected
Existing terminals					
Malaysia	Pengerang Independent Terminals (PITSB)	44.1%	Oil products	215,000	Q1 2020
Vietnam	Vopak Vietnam	100%	Chemicals	20,000	Q1 2020
South Africa	Durban	70%	Oil products	130,000	Q2 2020
Indonesia	Jakarta	49%	Oil products	100,000	Q2 2020
Indonesia	Merak	95%	Chemicals	50,000	Q2 2020
Netherlands	Viissingen	100%	LPG & Chemical gases	9,200	Q2 2020
Netherlands	Rotterdam - Botlek	100%	Chemicals	63,000	Q4 2020
Mexico	Veracruz	100%	Oil products	79,000	Q4 2020
Australia	Sydney	100%	Oil products	105,000	Q2 2021
United States	Houston - Deer Park	100%	Chemicals	33,000	Q2 2021
Belgium	Antwerp - Linkeroever	100%	Chemicals	50,000	Q3 2021
Mexico	Altamira	100%	Chemicals	40,000	Q4 2021
China	Shanghai - Caojing Terminal	50%	Industrial Terminal	65,000	Q2 2022
New terminals					
Panama	Panama Atlantic	100%	Oil products	40,000	Q2 2020
South Africa	Lesedi	70%	Oil products	100,000	Q2 2020
China	Qinzhou	51%	Industrial Terminal	290,000	Q2 2021
United States	Corpus Christi	100%	Industrial Terminal	130,000	Q1 2022
Divestments					
Spain	Algeciras	100%	Oil Products	- 403,000	Q1 2020

1. Economic shareholding in PT2SB temporarily increased to 30%; legal ownership is 25%
2. In January 2019, Vopak acquired an additional 35% equity share in Vopak Terminal Ningbo bringing the total share in equity to 85% and effectively obtaining control. The storage capacity of this terminal was already part of the capacity of the Vopak network.
3. In January 2019, Vopak expanded its share in the associate terminal with 15% bringing the total equity participation to 44%. The storage capacity of this terminal was already part of the capacity of the Vopak network.

Note: 'Storage capacity' is defined as the total available storage capacity (jointly) operated by the Group at the end of the reporting period, being storage capacity for subsidiaries, joint ventures, associates (with the exception of Maasvlakte Olie Terminal in the Netherlands, which is based on the attributable capacity), and other (equity) interests and operatorships, and including currently out of service capacity due to maintenance and inspection programs.

Enclosure 3: Notes to the results per division

Europe & Africa

In EUR millions	2019	Pro Forma 2019	2018
Revenues	590.3	590.3	626.1
<i>Results -excluding exceptional items-</i>			
Group operating profit before depreciation and amortization (EBITDA)	299.9	281.6	302.8
Group operating profit (EBIT)	156.6	149.1	149.4
<i>Results -including exceptional items-</i>			
Group operating profit before depreciation and amortization (EBITDA)	518.2	499.9	317.0
Group operating profit (EBIT)	374.9	367.3	163.6
Average capital employed	1,867.2	1,867.2	1,830.1
Occupancy rate subsidiaries	83%		85%
Storage capacity end of period (in million cbm)	10.8		13.7

Revenues of the Europe & Africa division amounted to EUR 590.3 million in 2019, a decrease of EUR 35.8 million (-6%) compared to the same period prior year (EUR 626.1 million). The currency translation effect was immaterial. The decrease was to a large extent caused by the divestments of the terminals in Amsterdam and Hamburg, and by the oil hub terminals due to a less favourable market and out of service capacity including IMO2020 conversion projects.

The average occupancy rate for the division was 83% versus 85% in 2018.

Group operating profit -excluding exceptional items- increased by EUR 7.2 million (5%) to EUR 156.6 million (2018: EUR 149.4 million). Excluding the positive effect of IFRS 16 of EUR 7.5 million, group operating profit decreased with EUR 0.3 million to EUR 149.1 million. This was primarily caused by the lower revenues, largely offset by lower depreciation due to the held for sale classification of the terminals in Algeciras, Amsterdam and Hamburg since March 2019. Lower operating expenses due to the divestments of the Amsterdam and Hamburg terminals also contributed to a certain extent.

New capacity of 0.4 million cbm in total is currently under construction.

Asia & Middle East

In EUR millions	2019	Pro Forma 2019	2018
Revenues	305.0	305.0	312.9
<i>Results -excluding exceptional items-</i>			
Group operating profit before depreciation and amortization (EBITDA)	309.1	291.2	256.0
Group operating profit (EBIT)	245.8	239.5	204.0
<i>Results -including exceptional items-</i>			
Group operating profit before depreciation and amortization (EBITDA)	294.3	276.5	251.4
Group operating profit (EBIT)	231.0	224.8	199.4
Average capital employed	1,458.5	1,458.5	1,074.3
Occupancy rate subsidiaries	81%		86%
Storage capacity end of period (in million cbm)	15.1		14.1

Revenues of the Asia & Middle East division decreased by EUR 7.9 million (-3%) to EUR 305.0 million (2018: EUR 312.9 million). Excluding the positive currency translation effect of EUR 9.9 million, the decrease amounted to EUR 17.8 million. This was mainly related to the oil terminals in Singapore, caused by a less favorable market and IMO2020 conversion projects.

The average occupancy rate for the division was 81% versus 86% in 2018.

Group operating profit -excluding exceptional items- increased by EUR 41.8 million (20%) to EUR 245.8 million (2018: EUR 204.0 million). Excluding a positive currency translation effect of EUR 6.9 million and the positive effect of IFRS 16 of EUR 6.3 million, the increase amounted to EUR 28.6 million. This was primarily caused by better results from joint ventures with EUR 45.4 million. The largest contributor was the industrial terminal PT2SB in Pengerang, Malaysia, that was fully commissioned in the first half of 2019 and included various settlements related to commissioning of the terminal. The increase in operating profit was partly offset by the lower revenues.

New capacity of 0.5 million cbm in total is currently under construction.

China & North Asia

In EUR millions	2019	Pro Forma 2019	2018
Revenues	38.9	38.9	33.2
<i>Results -excluding exceptional items-</i>			
Group operating profit before depreciation and amortization (EBITDA)	62.4	61.7	53.4
Group operating profit (EBIT)	50.8	50.8	44.3
<i>Results -including exceptional items-</i>			
Group operating profit before depreciation and amortization (EBITDA)	87.0	86.3	58.2
Group operating profit (EBIT)	75.4	75.4	49.1
Average capital employed	404.0	404.0	378.4
Occupancy rate subsidiaries	75%		75%
Storage capacity end of period (in million cbm)	2.8		4.2

In the China & North Asia division, the revenues for 2019 increased by EUR 5.7 million (17%) to EUR 38.9 million (2018: EUR 33.2 million). The currency translation effect was immaterial. This increase was mainly caused by the full year contribution of Vopak Terminal Ningbo which became a subsidiary early in 2019.

The average occupancy rate for the division of 75% was equal to that of prior year.

Group operating profit -excluding exceptional items- increased by EUR 6.5 million (15%) to EUR 50.8 million (2018: EUR 44.3 million). The currency translation and the IFRS 16 effects were immaterial. The increase was mainly caused by higher results of joint ventures and associates, primarily due to the final customer settlements at the associate Vopak Terminal Haiteng in December 2019.

New capacity of 0.4 million cbm is currently under construction.

Americas

In EUR millions	2019	Pro Forma 2019	2018
Revenues	313.7	313.7	281.3
<i>Results -excluding exceptional items-</i>			
Group operating profit before depreciation and amortization (EBITDA)	165.2	156.7	129.0
Group operating profit (EBIT)	108.5	106.6	85.6
<i>Results -including exceptional items-</i>			
Group operating profit before depreciation and amortization (EBITDA)	148.4	140.0	128.1
Group operating profit (EBIT)	91.7	89.9	84.7
Average capital employed	707.8	707.8	477.9
Occupancy rate subsidiaries	91%		89%
Storage capacity end of period (in million cbm)	4.4		3.9

In the Americas division, the revenues in 2019 of EUR 313.7 million were EUR 32.4 million (12%) higher than the revenues of the same period prior year (2018: EUR 281.3 million). Excluding the positive currency translation effect of EUR 10.8 million, the revenues increased by EUR 21.6 million. This increase was mainly related to newly commissioned capacity in the US and Panama by the end of 2018 and throughout 2019 respectively.

The average occupancy rate for the division was 91% versus 89% in 2018.

Group operating profit -excluding exceptional items- increased by EUR 22.9 million (27%) to EUR 108.5 million (2018: EUR 85.6 million). Excluding the positive currency translation effect of EUR 3.5 million and the positive effect of IFRS 16 of EUR 1.9 million, the increase amounted to EUR 17.5 million. This increase was primarily caused by the higher revenues and the contribution of the newly commissioned associate Ridley Island Propane Export Terminal, partially offset by expenses primarily related to the newly commissioned capacity.

New capacity of 0.3 million cbm in total is currently under construction.

LNG

In EUR millions	2019	Pro Forma 2019	2018
<i>Results -excluding exceptional items-</i>			
Group operating profit before depreciation and amortization (EBITDA)	38.1	41.0	34.9
Group operating profit (EBIT)	38.1	41.0	34.9
<i>Results -including exceptional items-</i>			
Group operating profit before depreciation and amortization (EBITDA)	38.1	41.0	34.9
Group operating profit (EBIT)	38.1	41.0	34.9
Average capital employed	282.9	282.9	196.3
Storage capacity end of period (in million cbm)	1.2		1.0

The LNG division only comprises joint venture and associate terminals and therefore has no revenues recognized at subsidiaries.

Group operating profit -excluding exceptional items- from global LNG activities amounted to EUR 38.1 million, which is EUR 3.2 million (9%) higher than prior year (2018: EUR 34.9 million). This increase was primarily related to the contributions for the year of the acquired terminals in Pakistan and Colombia, while the application of IFRS 16 had a downward effect of EUR 2.9 million.

Global functions, corporate activities and others

The global operating costs increased by EUR 5.8 million (11%) to EUR 60.7 million (2018: EUR 54.9 million). The increase related to a large extent to higher costs in connection with business development, IT projects and higher personnel costs, together with the net effect of the cost allocations to and from divisions, which can differ per period.

Enclosure 4: Consolidated financial statements

4a - Consolidated Statement of Income

In EUR millions	2019	2018
Revenues	1,252.6	1,254.5
Other operating income	276.5	31.9
Total operating income	1,529.1	1,286.4
Personnel expenses	347.0	317.2
Depreciation and amortization	290.7	273.1
Impairment	17.2	- 2.3
Other operating expenses	288.2	330.6
Total operating expenses	943.1	918.6
Operating profit	586.0	367.8
Result joint ventures and associates	161.8	113.9
Group operating profit (EBIT)	747.8	481.7
Interest and dividend income	8.8	9.4
Finance costs	- 94.5	- 142.0
Net finance costs	- 85.7	- 132.6
Profit before income tax	662.1	349.1
Income tax	- 58.3	- 58.6
Net profit	603.8	290.5
Non-controlling interests	- 32.8	- 36.0
Net profit attributable to holders of ordinary shares	571.0	254.5
Basic earnings per ordinary share (in EUR)	4.47	1.99
Diluted earnings per ordinary share (in EUR)	4.46	1.99

4b - Consolidated Statement of Comprehensive Income

In EUR millions	2019	2018
Net profit	603.8	290.5
Exchange differences on translation of foreign operations	47.2	17.5
Net investment hedges	- 13.3	- 22.7
Effective portion of changes in fair value of cash flow hedges	10.0	14.0
Use of exchange rate differences on translation of foreign operations and use of net investment hedges	- 12.2	52.9
Use of effective portion of cash flow hedges to statement of income	- 2.6	- 2.1
Share in other comprehensive income of joint ventures and associates	- 14.9	- 2.1
Other comprehensive income that may be reclassified to statement of income in subsequent periods	14.2	57.5
Fair value change other investments	9.1	9.4
Remeasurement of defined benefit plans	- 5.5	15.5
Other comprehensive income that will not be reclassified to statement of income in subsequent periods	3.6	24.9
Other comprehensive income, net of tax	17.8	82.4
Total comprehensive income	621.6	372.9
<i>Attributable to:</i>		
Holders of ordinary shares	584.5	334.8
Non-controlling interests	37.1	38.1
Total comprehensive income	621.6	372.9

Items are disclosed net of tax.

4c - Consolidated Statement of Financial Position

In EUR millions	31-dec-19	31-dec-18
ASSETS		
Intangible assets	164.8	155.9
Property, Plant & Equipment - owned assets	3,640.8	3,736.3
Property, Plant & Equipment - leased assets	503.0	–
- <i>Joint ventures and associates</i>	1,272.8	1,081.7
- <i>Finance lease receivables</i>	28.5	27.9
- <i>Loans granted</i>	86.7	25.1
- <i>Other financial assets</i>	30.1	11.2
Financial assets	1,418.1	1,145.9
Deferred taxes	30.8	7.6
Derivative financial instruments	19.4	23.4
Other non-current assets	6.3	23.8
Total non-current assets	5,783.2	5,092.9
Trade and other receivables	296.1	288.9
Prepayments	27.3	27.2
Derivative financial instruments	28.5	28.4
Cash and cash equivalents	94.5	77.5
Assets held for sale	143.9	–
Total current assets	590.3	422.0
Total assets	6,373.5	5,514.9
EQUITY		
- <i>Issued capital</i>	63.9	63.9
- <i>Share premium</i>	194.4	194.4
- <i>Treasury shares</i>	- 8.9	- 7.3
- <i>Other reserves</i>	- 105.9	- 124.5
- <i>Retained earnings</i>	2,903.8	2,556.3
Equity attributable to owners of parent	3,047.3	2,682.8
Non-controlling interests	147.8	161.5
Total equity	3,195.1	2,844.3
LIABILITIES		
Interest-bearing loans	1,394.5	1,731.1
Lease liabilities	534.7	–
Derivative financial instruments	–	19.5
Pensions and other employee benefits	42.4	49.4
Deferred taxes	181.5	207.7
Provisions	35.9	32.0
Other non-current liabilities	20.8	20.5
Total non-current liabilities	2,209.8	2,060.2
Bank overdrafts and short-term borrowings	184.5	81.9
Interest-bearing loans	285.9	89.5
Lease liabilities	30.2	–
Derivative financial instruments	38.3	22.6
Trade and other payables	344.1	338.6
Taxes payable	42.1	47.0
Pensions and other employee benefits	1.3	1.3
Provisions	24.2	29.5
Liabilities related to assets held for sale	18.0	–
Total current liabilities	968.6	610.4
Total liabilities	3,178.4	2,670.6
Total equity and liabilities	6,373.5	5,514.9

4d - Consolidated Statement of Changes in Equity

In EUR millions	Equity attributable to owners of parent					Total	Non-controlling interests	Total equity
	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings			
Balance at 31 December 2017	63.9	194.4	- 8.0	- 189.3	2,419.0	2,480.0	155.9	2,635.9
Net profit	-	-	-	-	254.5	254.5	36.0	290.5
Other comprehensive income, net of tax	-	-	-	64.8	15.5	80.3	2.1	82.4
Total comprehensive income	-	-	-	64.8	270.0	334.8	38.1	372.9
Dividend paid in cash	-	-	-	-	- 134.0	- 134.0	- 37.6	- 171.6
Capital injection	-	-	-	-	-	-	5.1	5.1
Measurement of equity-settled share-based payment arrangements	-	-	-	-	2.0	2.0	-	2.0
Vested shares under equity-settled share-based payment arrangements	-	-	0.7	-	- 0.7	-	-	-
Total transactions with owners	-	-	0.7	-	- 132.7	- 132.0	- 32.5	- 164.5
Balance at 31 December 2018	63.9	194.4	- 7.3	- 124.5	2,556.3	2,682.8	161.5	2,844.3
Initial application IFRS 16	-	-	-	-	- 85.1	- 85.1	- 9.4	- 94.5
Balance at 1 January 2019	63.9	194.4	- 7.3	- 124.5	2,471.2	2,597.7	152.1	2,749.8
Net profit	-	-	-	-	571.0	571.0	32.8	603.8
Other comprehensive income, net of tax	-	-	-	18.6	- 5.5	13.1	4.7	17.8
Total comprehensive income	-	-	-	18.6	565.5	584.1	37.5	621.6
Dividend paid in cash	-	-	-	-	- 140.5	- 140.5	- 38.8	- 179.3
Capital injection	-	-	-	-	-	-	4.1	4.1
Transaction with Non-Controlling partner	-	-	-	-	-	-	- 9.0	- 9.0
Acquisition non-controlling interest subsidiaries	-	-	-	-	-	-	1.9	1.9
Purchase treasury shares	-	-	- 2.6	-	-	- 2.6	-	- 2.6
Measurement of equity-settled share-based payment arrangements	-	-	-	-	8.6	8.6	-	8.6
Vested shares under equity-settled share-based payment arrangements	-	-	1.0	-	- 1.0	-	-	-
Total transactions with owners	-	-	- 1.6	-	- 132.9	- 134.5	- 41.8	- 176.3
Balance at 31 December 2019	63.9	194.4	- 8.9	- 105.9	2,903.8	3,047.3	147.8	3,195.1

4e - Consolidated Statement of Cash Flows

In EUR millions	2019	2018
Cash flows from operating activities (gross)	709.7	687.0
Interest received	5.6	4.1
Dividend received	2.4	0.9
Income tax paid	- 71.2	- 52.4
Cash flows from operating activities (net)	646.5	639.6
<i>Investments:</i>		
Intangible assets	- 29.5	- 20.7
Property, plant and equipment - growth capex	- 319.4	- 259.2
Property, plant and equipment - sustaining, service improvement and IT capex	- 270.3	- 244.8
Joint ventures and associates	- 75.6	- 48.0
Loans granted	- 8.6	- 7.5
Other non-current assets	- 0.4	- 0.1
Acquisitions of subsidiaries, including goodwill	1.9	-
Acquisitions of joint ventures and associates	- 104.8	- 33.8
Total investments	- 806.7	- 614.1
<i>Disposals and repayments:</i>		
Intangible assets	0.1	-
Property, plant and equipment	4.0	0.8
Joint ventures and associates	28.6	23.9
Loans granted	2.0	8.9
Finance lease receivable	4.9	4.7
Assets held for sale/divestments	521.3	-
Total disposals and repayments	560.9	38.3
Cash flows from investing activities (excluding derivatives)	- 245.8	- 575.8
Settlement of derivatives (net investment hedges)	- 10.3	- 13.6
Cash flows from investing activities (including derivatives)	- 256.1	- 589.4
<i>Financing:</i>		
Repayment from interest-bearing loans	- 797.7	- 86.5
Proceeds from interest-bearing loans	640.1	286.5
Repayment lease liabilities	- 30.7	-
Interest expenses paid on lease liabilities	- 22.4	-
Finance costs paid	- 89.5	- 90.5
Settlement of derivative financial instruments	12.7	- 19.5
Dividend paid in cash	- 140.5	- 134.0
Dividend paid to non-controlling interests	- 38.8	- 37.6
Transactions with non-controlling interest	- 4.9	5.1
Purchase treasury shares	- 2.6	-
Proceeds and repayments in short-term financing	119.0	- 21.0
Cash flows from financing activities	- 355.3	- 97.5
Net cash flows	35.1	- 47.3
Exchange differences	0.8	- 0.6
Net change in cash and cash equivalents due to deconsolidation	-	- 0.4
Net change in cash and cash equivalents due to assets held for sale	- 2.5	-
Net change in cash and cash equivalents (including bank overdrafts)	33.4	- 48.3
Net cash and cash equivalents (including bank overdrafts) at 1 January	54.6	102.9
Net cash and cash equivalents (including bank overdrafts) at 31 December	88.0	54.6

4f - Segmentation

Statement of income

	Europe & Africa		of which Netherlands		Asia & Middle East		of which Singapore		China & North Asia		Americas		of which United States		LNG		Global functions, corporate activities and others		Total		
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
In EUR millions																					
Revenues	590.3	626.1	424.4	444.8	305.0	312.9	234.0	242.2	38.9	33.2	313.7	281.3	194.5	171.0	-	4.7	1.0	1,252.6	1,254.5		
Other operating income	5.8	3.1	3.6	1.9	19.3	21.5	9.8	1.1	3.8	3.6	0.5	0.1	0.1	0.1	3.8	3.5	0.2	0.1	33.4		
Operating expenses	-298.3	-329.1	-206.3	-216.8	-97.3	-113.0	-66.2	-74.2	-21.7	-19.1	-156.4	-153.4	-92.4	-89.3	-9.3	-8.3	-49.7	-43.1	-666.0		
Result joint ventures and associates	2.1	2.7	0.7	1.1	82.1	34.6	0.7	0.7	41.4	35.7	7.4	1.0	0.2	0.8	43.6	39.7	-0.1	0.2	176.5		
EBITDA	299.9	302.8	222.4	231.0	309.1	256.0	178.3	169.8	62.4	53.4	165.2	129.0	102.4	82.5	38.1	34.9	-44.9	-41.8	829.8		
Depreciation and amortization	-143.3	-153.4	-103.8	-108.9	-63.3	-52.0	-47.1	-38.5	-11.6	-9.1	-56.7	-43.4	-32.0	-23.1	-	-15.8	-13.1	-290.7	-271.0		
Total EBIT excluding exceptional items	156.6	149.4	118.6	122.1	245.8	204.0	131.2	137.3	50.8	44.3	108.5	85.6	70.4	59.4	38.1	34.9	-60.7	-54.9	539.1	463.3	
Exceptional items	218.3	14.2	-	-	-14.8	-4.6	-	-	24.6	4.8	-16.8	-0.9	-	-	-	-2.6	4.9	208.7	18.4		
Total EBIT including exceptional items	374.9	163.6	-	-	231.0	199.4	-	-	75.4	49.1	91.7	84.7	-	-	38.1	34.9	-63.3	-50.0	747.8	481.7	
Reconciliation consolidated net profit																					
Net finance costs																					
Profit before income tax																					
Income tax																					
Net profit																					
Occupancy rate subsidiaries																					
In percentage	83%	85%			81%	86%			75%	75%	91%	89%								84%	86%

Statement of income (PRO FORMA)

	Europe & Africa		of which Netherlands		Asia & Middle East		of which Singapore		China & North Asia		Americas		of which United States		LNG		Global functions, corporate activities and others		Total		
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
In EUR millions																					
Revenues	590.3	626.1	424.4	444.8	305.0	312.9	234.0	242.2	38.9	33.2	313.7	281.3	194.5	171.0	-	4.7	1.0	1,252.6	1,254.5		
Other operating income	5.8	3.1	3.6	1.9	19.3	21.5	9.8	1.1	3.8	3.6	0.5	0.1	0.1	0.1	3.8	3.5	0.2	0.1	33.4		
Operating expenses	-316.7	-329.1	-218.4	-216.8	-117.1	-113.0	-80.0	-74.2	-22.4	-19.1	-164.9	-153.4	-97.7	-89.3	-9.3	-8.3	-52.2	-43.1	-666.0		
Result joint ventures and associates	2.2	2.7	0.7	1.1	84.0	34.6	0.7	0.7	41.4	35.7	7.4	1.0	0.2	0.8	46.5	39.7	-0.1	0.2	181.4		
EBITDA	281.6	302.8	210.3	231.0	291.2	256.0	164.5	169.8	61.7	53.4	156.7	129.0	97.1	82.5	41.0	34.9	-47.4	-41.8	784.8		
Depreciation and amortization	-132.5	-153.4	-95.6	-108.9	-51.7	-52.0	-39.2	-38.5	-10.9	-9.1	-50.1	-43.4	-28.1	-23.1	-	-13.2	-13.1	-258.4	-271.0		
Total EBIT excluding exceptional items	149.1	149.4	114.7	122.1	239.5	204.0	126.3	137.3	50.8	44.3	106.6	85.6	69.0	59.4	41.0	34.9	-60.5	-54.9	526.4	463.3	
Exceptional items	218.2	14.2	-	-	-14.7	-4.6	-	-	24.6	4.8	-16.7	-0.9	-	-	-	-2.5	4.9	208.9	18.4		
Total EBIT including exceptional items	367.3	163.6	-	-	224.8	199.4	-	-	75.4	49.1	89.9	84.7	-	-	41.0	34.9	-63.1	-50.0	735.3	481.7	
Reconciliation consolidated net profit																					
Net finance costs																					
Profit before income tax																					
Income tax																					
Net profit																					
Occupancy rate subsidiaries																					
In percentage	83%	85%			81%	86%			75%	75%	91%	89%								84%	86%

	Europe & Africa		of which Netherlands		Asia & Middle East		of which Singapore		China & North Asia		Americas		of which United States		LNG		Global functions, corporate activities and others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
In EUR millions																				
Assets of subsidiaries	2,265.4	2,308.5	1,477.0	1,536.3	1,282.0	904.3	883.1	632.9	220.9	174.3	1,066.7	870.6	404.3	357.7	1.2	3.2	264.5	172.3	5,100.7	4,633.2
Joint ventures and associates	19.1	19.8	1.6	2.2	472.4	449.5	1.2	1.2	287.1	263.7	140.0	101.5	49.7	46.4	354.7	246.7	-0.5	0.5	1,272.8	1,081.7
Total assets	2,284.5	2,328.3	1,478.6	1,538.5	1,754.4	1,353.8	884.3	634.1	508.0	438.0	1,206.7	972.1	454.0	404.1	355.9	249.9	264.0	172.8	6,373.5	5,514.9
Total liabilities	412.8	270.9	258.3	118.9	616.5	249.2	487.7	210.0	36.1	24.3	252.3	200.5	126.4	111.3	1.8	1.4	1,858.9	1,924.3	3,178.4	2,670.6

4g - Overview of exceptional items

In EUR millions	2019	2018
Gains on assets held for sale/divestments	243.1	–
Personnel expenses	- 1.0	19.1
Impairments	- 17.2	- 4.6
Reversal impairments	–	6.9
Depreciation	–	- 2.1
Deconsolidation Venezuela	–	- 0.9
Other expenses	- 1.5	–
Operating profit	223.4	18.4
Exceptional items included in Result joint ventures and associates	- 14.7	–
Group operating profit	208.7	18.4
Finance costs	1.8	- 50.2
Profit before income tax	210.5	- 31.8
Income tax	2.7	- 3.2
Total effect on net profit	213.2	- 35.0

Enclosure 5: Non-IFRS proportionate financial information

Basis of preparation

Vopak provides non-IFRS proportionate financial information -excluding exceptional items- in response to requests by multiple investors to provide additional operational performance insights on a comparable basis for subsidiaries, joint ventures and associates. In this disclosure, the joint ventures and associates and the subsidiaries with non-controlling interests are consolidated based on the economic ownership interests of the Group in these entities.

In the tables in this section, we provide the proportionate financial information for the statement of income, the statement of financial position, and the segment information for each of our reportable segments. Where applicable, we show a reconciliation with our IFRS figures in order to create comparability with the proportionate information. Other information is based on the same principles as applied for the proportionate financial information.

Proportionate information

In EUR millions	2019				Pro forma	2018			
	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated	Proportionate consolidated	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated
Revenues	1,252.6	-	400.5	1,653.1	1,653.1	1,254.5	-	286.9	1,541.4
Net operating expenses	- 358.7	240.6	- 73.1	- 672.4	- 723.4	- 615.9	18.2	- 85.7	- 719.8
Results joint ventures and associates	161.8	- 14.7	- 176.5	-	-	113.9	-	- 113.9	-
Impairment	- 17.2	- 17.2	-	-	-	2.3	2.3	-	-
Group operating profit before depreciation and amortization (EBITDA)	1,038.5	208.7	150.9	980.7	929.7	754.8	20.5	87.3	821.6
Depreciation and amortization	- 290.7	-	- 99.3	- 390.0	- 341.9	- 273.1	- 2.1	- 68.1	- 339.1
Group operating profit (EBIT)	747.8	208.7	51.6	590.7	587.8	481.7	18.4	19.2	482.5
Net finance costs	- 85.7	1.8	- 41.7	- 129.2	- 93.7	- 132.6	- 50.2	- 25.2	- 107.6
Income tax	- 58.3	2.7	- 42.7	- 103.7	- 105.2	- 58.6	- 3.2	- 30.0	- 85.4
Net profit	603.8	213.2	- 32.8	357.8	388.9	290.5	- 35.0	- 36.0	289.5
Non-controlling interests	- 32.8	-	32.8	-	-	- 36.0	-	36.0	-
Net profit owners of parent	571.0	213.2	-	357.8	388.9	254.5	- 35.0	-	289.5

In EUR millions	31-dec-19				Pro forma	31-dec-18			
	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated	Proportionate consolidated	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated
Non-current assets (excl. joint ventures and associates)	4,510.4	-	2,222.2	6,732.6	5,961.3	4,011.2	-	1,804.6	5,815.8
Joint ventures and associates	1,272.8	-	- 1,272.8	-	-	1,081.7	-	- 1,081.7	-
Current assets	590.3	-	504.7	1,095.0	1,095.0	422.0	-	340.6	762.6
Total assets	6,373.5	-	1,454.1	7,827.6	7,056.3	5,514.9	-	1,063.5	6,578.4
Non-current liabilities	2,240.0	-	1,312.2	3,552.2	2,688.1	2,060.2	-	963.4	3,023.6
Current liabilities	938.4	-	289.7	1,228.1	1,168.0	610.4	-	261.6	872.0
Total liabilities	3,178.4	-	1,601.9	4,780.3	3,856.1	2,670.6	-	1,225.0	3,895.6
Equity attributable to owners of parent	3,047.3	-	-	3,047.3	3,200.2	2,682.8	-	-	2,682.8
Non-controlling interests	147.8	-	- 147.8	-	-	161.5	-	- 161.5	-
Total equity	3,195.1	-	- 147.8	3,047.3	3,200.2	2,844.3	-	- 161.5	2,682.8

Other information

	2019	Pro forma	2018
EBITDA margin -excluding exceptional items-	57.1%	56.3%	52.4%
Occupancy rate subsidiaries, joint ventures and associates	84%		84%
Sustaining, service improvement and IT capex (in EUR million)	321.7		279.6

Statement of income

	Europe & Africa		of which Netherlands		Asia & Middle East		of which Singapore		China & North Asia		Americas		of which United States		LNG		Global functions, corporate activities and others		Total		
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
In EUR millions																					
Revenues	601.6	642.1	427.4	448.0	433.4	372.7	164.1	169.7	127.9	122.7	322.4	284.4	194.5	171.0	163.1	118.5	4.7	1.0	1,653.1	1,541.4	
EBITDA	301.5	301.5	223.9	232.0	326.6	256.3	123.5	117.4	100.6	84.1	164.1	128.2	101.3	81.5	132.8	93.3	-44.9	-41.8	980.7	821.6	
Total EBIT excluding exceptional items	156.4	147.8	119.3	122.5	230.0	182.3	91.0	91.0	67.7	54.2	107.2	84.5	69.0	58.2	90.1	68.7	-60.7	-55.0	590.7	482.5	

Statement of income Pro Forma

	Europe & Africa		of which Netherlands		Asia & Middle East		of which Singapore		China & North Asia		Americas		of which United States		LNG		corporate activities and others		Total		
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
In EUR millions																					
Revenues	601.6	642.1	427.4	448.0	433.4	372.7	164.1	169.7	127.9	122.7	322.4	284.4	194.5	171.0	163.1	118.5	4.7	1.0	1,653.1	1,541.4	
EBITDA	282.7	301.5	211.5	232.0	307.1	256.3	113.8	117.4	99.0	84.1	155.5	128.2	96.0	81.5	128.5	93.3	-43.1	-41.8	929.7	821.6	
Total EBIT excluding exceptional items	148.8	147.8	115.3	122.5	223.2	182.3	86.9	91.0	67.7	54.2	105.3	84.5	67.7	58.2	99.1	68.7	-56.3	-55.0	587.8	482.5	

Revenue per Product Type per Reporting Segment

In EUR millions	Europe & Africa		Asia & Middle East		China & North Asia		Americas		LNG		Global functions, corporate activities and others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Chemical Products	189.4	185.4	194.7	174.8	103.5	117.3	167.2	147.5	-	-	-	-	654.8	625.0
Oil Products	296.6	332.3	199.2	165.7	3.0	4.4	99.4	83.2	-	-	-	-	598.2	585.6
Veg oils & Biofuels	62.3	69.9	3.2	2.6	-	-	32.5	35.9	-	-	-	-	98.0	108.4
Gas Products	32.1	32.7	17.3	8.5	20.9	0.4	5.6	-	163.0	118.5	-	-	238.9	160.1
Other	21.2	21.8	19.0	21.1	0.5	0.6	17.7	17.8	-	-	4.8	1.0	63.2	62.3
Total	601.6	642.1	433.4	372.7	127.9	122.7	322.4	284.4	163.0	118.5	4.8	1.0	1,653.1	1,541.4

In EUR millions	31-dec-19	Pro Forma 2019	31-dec-18
Non-current portion of interest-bearing loans	3,109.7	2,245.6	2,583.7
Current portion of interest-bearing loans	340.1	280.0	168.6
Total interest-bearing loans	3,449.8	2,525.6	2,752.3
Short-term borrowings	185.9	185.9	67.0
Bank overdrafts	6.5	6.5	22.9
Cash and cash equivalents	- 362.0	- 362.0	- 249.8
Net interest-bearing debt	3,280.2	2,356.0	2,592.4

