

# Press Release



## Interim Update YTD Q3 2019

Rotterdam, the Netherlands, 4 November 2019

	pro forma				YTD Q3	pro forma	YTD Q3	YTD Q3	YTD Q3
Q3 2019	Q3 2019 *	Q2 2019	Q3 2018	In EUR millions	2019	2019 *	2018	'19-'18	
312.4	312.4	316.8	311.4	Revenues	953.8	953.8	937.5	2%	
<b>Results -excluding exceptional items-</b>									
202.4	190.3	208.0	182.7	Group operating profit before depreciation and amortization (EBITDA)	625.0	588.6	553.6	13%	
132.6	128.1	137.4	116.0	Group operating profit (EBIT)	407.0	394.6	352.7	15%	
91.1	91.5	89.6	70.5	Net profit attributable to holders of ordinary shares	264.0	266.2	210.7	25%	
0.72	0.72	0.70	0.55	Earnings per ordinary share (in EUR)	2.07	2.09	1.65	25%	
<b>Results -including exceptional items-</b>									
393.7	381.6	224.4	204.7	Group operating profit before depreciation and amortization (EBITDA)	833.8	797.4	571.8	46%	
323.9	319.4	153.8	138.0	Group operating profit (EBIT)	615.8	603.4	370.9	66%	
280.6	281.0	106.0	36.7	Net profit attributable to holders of ordinary shares	471.0	473.2	174.1	171%	
2.20	2.20	0.83	0.28	Earnings per ordinary share (in EUR)	3.69	3.71	1.36	171%	
185.7	170.7	192.9	155.6	Cash Flow from operating activities (gross)	537.4	495.8	496.6		
225.0	225.0	-151.8	-160.1	Cash flows from investing and divesting activities (including derivatives)	-106.8	-106.8	-358.4		
<b>Additional performance measures</b>									
231.8	218.4	239.3	204.4	Proportional EBITDA -excluding exceptional items-	711.2	671.3	615.1	16%	
82%		84%	86%	Occupancy rate subsidiaries	84%		86%		
35.5		36.9	36.7	Storage capacity end of period (in million cbm)	35.5		36.7		
12.0%	12.0%	12.5%	11.8%	Return on Capital Employed (ROCE)**	12.4%	12.4%	11.9%		
4,252.2	4,252.2	4,246.5	3,935.9	Average capital employed**	4,246.1	4,246.1	3,961.8		
2,319.6	1,754.6	2,618.4	1,676.3	Net interest-bearing debt	2,319.6	1,754.6	1,676.3		
2.81	2.81	2.99	2.22	Senior net debt : EBITDA (frozen GAAP)	2.81	2.81	2.22		

\* 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 YTD Q3 2019 -excluding exceptional items:-

- EBITDA of EUR 625 million (YTD Q3 2018: EUR 554 million) increased by EUR 71 million, reflecting good aggregate business performance of EUR 23 million, positive currency translation effects of EUR 12 million and positive IFRS 16 effects of EUR 36 million.
- Occupancy rate of 84% (YTD Q3 2018: 86%) reflects planned temporary conversion activities related to IMO 2020 readiness and ongoing market conditions at oil hub terminals, whereas other market segments remained solid.
- EBIT of EUR 407 million (YTD Q3 2018: EUR 353 million) increased by EUR 54 million, including good performance from new assets, partly offset by hub terminals in Europe and Singapore, positive currency translation effects of EUR 9 million, lower depreciation from terminals classified as held for sale of EUR 20 million and positive IFRS 16 effects of EUR 12 million.
- Return On Capital Employed (ROCE) of 12.4% (YTD Q3 2018: 11.9%).
- Significant increase in net profit attributable to holders of ordinary shares to EUR 264 million (YTD Q3 2018: EUR 211 million) resulting in earnings per ordinary share (EPS) of EUR 2.07 (YTD Q3 2018: EUR 1.65).

### Growth projects

- In September 2019, the fourth LNG import terminal was added to the Vopak LNG portfolio by the acquisition of SPEC in Cartagena, Colombia.
- In September 2019 the greenfield terminal Vopak Terminal Panama Atlantic commissioned an additional 80,000 cbm of capacity bringing the total capacity to 200,000 cbm.
- At the end of September 2019, Pengerang Independent Terminals (PITSB) in Malaysia commissioned 215,000 cbm of capacity.

### Exceptional items Q3 2019:

- On 30 September 2019, Vopak completed the earlier announced divestment of its terminals in Amsterdam and Hamburg. The total recognized exceptional gain after taxation was EUR 192.0 million.
- In the third quarter of 2019, Vopak recognized an impairment of EUR 2.5 million related to the cancellation of (part of) an IT project as a result of portfolio developments.

### **Looking ahead:**

- Most of the fuel oil capacity conversions for the IMO 2020 bunker fuel regulations have been delivered and will support revenues as from Q4 2019.
- Our efficiency program to support margin development and reduce Vopak's future cost base is expected to be delivered and the targeted cost level of EUR 676 million for 2019, as communicated in Q2 2018 and subject to currency exchange movements, is expected to be outperformed.
- Growth investments amount to approximately EUR 1 billion for the period 2017-2019.
- Vopak will continue to invest in the growth of its global terminal portfolio in 2020 and beyond with growth investment for 2020 that could be in the range of EUR 300 million to EUR 500 million, subject to developments in the business environment.

### **Subsequent events:**

- 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. Vopak has an agreement with First State Investments for the sale of 100% of the shares in Vopak Terminal Algeciras. The completion of this transaction is subject to customary closing conditions.  
The total transaction value of the terminals in Amsterdam, Hamburg and Algeciras is EUR 723 million, including a contingent consideration of EUR 15 million, which is subject to certain revenue conditions. After the completion of the divestment of Algeciras, the transaction will have generated a net pre-tax cash inflow for Vopak of approximately EUR 670 million and a total expected exceptional gain before taxation of around EUR 200 million.
- On 4 November 2019, Vopak announces that it will expand Vopak Terminal Linkeroever in the Port of Antwerp in Belgium with 50,000 cbm for chemical products. The Port of Antwerp is one of the main industrial clusters in Western Europe. The additional storage capacity is expected to be commissioned mid 2021.
- On 4 November 2019, Vopak announces that it will expand Vopak Terminal Altamira in Mexico with 40,000 cbm for chemical products. The expansion will facilitate the growing import of chemical products in Mexico and is expected to be commissioned in the second half of 2021.
- On 4 November 2019, Vopak announces 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, together with its partners Shanghai Huayi Group Investment Co and Guangxi Qinzhou Linhai Industrial Investment Co. This industrial terminal, in which Vopak will hold a 51% share, will have an initial capacity of 290,000 cbm and is expected to be commissioned mid 2021.

### **Q3 2019 events:**

- On 31 July 2019, Vopak announced that it will expand its Deer Park chemical 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.
- On 12 September, Vopak announced the acquisition of a 49% shareholding in Sociedad Portuaria el Cayao (SPEC) in Cartagena, Colombia. SPEC is the only LNG import facility in Colombia, with a capacity of 170,000 cbm and has been in operation since 2016.
- On 30 September 2019, Vopak completed the divestment of the terminals in Amsterdam and Hamburg. The total agreed transaction value of the terminals in Amsterdam and Hamburg was around EUR 600 million, including a contingent consideration of EUR 15 million which is subject to certain revenue conditions. The transaction generated a cash inflow of approximately EUR 555 million.

### **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 provides '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 [Half Year Report 2019](#) published on 31 July 2019.

### **Segment financial information:**

Statement of income	Revenues		Result of joint ventures and associates			EBITDA			Group operating profit (EBIT)		
	YTD Q3 2019	YTD Q3 2018	YTD Q3 2019	pro forma YTD Q3 2019	YTD Q3 2018	YTD Q3 2019	pro forma YTD Q3 2019	YTD Q3 2018	YTD Q3 2019	pro forma YTD Q3 2019	YTD Q3 2018
In EUR millions											
Europe & Africa	458.4	467.9	1.5	1.6	2.0	237.1	222.5	232.5	127.6	121.1	118.1
of which Netherlands	327.1	332.8	0.5	0.5	0.8	176.0	166.3	173.5	97.2	93.9	92.6
Asia & Middle East	231.6	233.8	57.3	58.7	23.9	224.1	210.8	190.1	176.6	172.0	151.6
of which Singapore	177.8	181.1	0.5	0.5	0.6	130.2	120.0	128.2	95.0	90.6	99.9
China & North Asia	30.0	24.9	25.8	25.8	21.2	42.2	41.6	34.4	33.5	33.5	27.7
Americas	231.9	210.2	5.0	5.0	0.8	122.0	115.6	100.5	81.3	79.7	68.7
of which United States	143.6	126.6	0.6	0.6	0.5	77.3	73.3	62.7	54.5	53.4	46.1
LNG	-	-	33.6	33.9	29.2	29.7	30.0	24.7	29.7	30.0	24.7
Global functions, corporate activities and others	1.9	0.7	-0.1	-0.1	0.2	-30.1	-31.9	-28.6	-41.7	-41.7	-38.1
<b>Total excluding exceptional items</b>	<b>953.8</b>	<b>937.5</b>	<b>123.1</b>	<b>124.9</b>	<b>77.3</b>	<b>625.0</b>	<b>588.6</b>	<b>553.6</b>	<b>407.0</b>	<b>394.6</b>	<b>352.7</b>
<i>Exceptional items:</i>											
Europe & Africa									210.2	210.2	14.2
Asia & Middle East									-	-	-
China & North Asia									1.1	1.1	-
Americas									-	-	-0.9
LNG									-	-	-
Global functions, corporate activities and others									-2.5	-2.5	4.9
<b>Total including exceptional items</b>									<b>615.8</b>	<b>603.4</b>	<b>370.9</b>
Net finance costs									-63.8	-48.2	-107.9
Income tax									-55.9	-56.5	-61.6
<b>Net profit</b>									<b>496.1</b>	<b>498.7</b>	<b>201.4</b>
<i>Occupancy rate subsidiaries</i>											
In percentage											
Europe & Africa									YTD Q3 2019		YTD Q3 2018
Europe & Africa									83%		85%
Asia & Middle East									81%		87%
China & North Asia									78%		76%
Americas									91%		90%
<b>Vopak</b>									<b>84%</b>		<b>86%</b>

**Statement of income**

In EUR millions	Revenues			Result of joint ventures and associates				EBITDA				Group operating profit (EBIT)			
	Q3 2019	Q2 2019	Q3 2018	Q3 2019	pro forma Q3 2019	Q2 2019	Q3 2018	Q3 2019	pro forma Q3 2019	Q2 2019	Q3 2018	Q3 2019	pro forma Q3 2019	Q2 2019	Q3 2018
Europe & Africa	152.7	151.9	155.8	0.3	0.4	0.6	0.6	77.6	72.8	81.1	77.2	43.5	40.9	47.4	38.9
<i>of which Netherlands</i>	108.8	107.7	110.4	0.2	0.2	0.2	0.1	58.6	55.4	58.5	57.9	33.7	32.5	33.7	30.7
Asia & Middle East	70.6	76.5	77.2	22.5	22.9	15.5	6.6	70.8	66.3	71.4	59.6	55.1	53.5	55.5	46.9
<i>of which Singapore</i>	52.8	58.4	60.0	0.2	0.2	0.1	0.2	36.7	33.3	43.2	43.0	25.0	23.5	31.4	33.6
China & North Asia	9.7	9.8	7.9	8.6	8.6	8.4	8.7	13.0	12.8	13.9	13.6	10.1	10.1	11.0	11.3
Americas	79.3	77.0	70.3	2.9	2.9	1.8	0.2	42.2	40.1	41.7	33.4	29.0	28.5	27.4	23.5
<i>of which United States</i>	48.8	47.5	43.2	0.2	0.2	0.2	0.2	26.5	25.2	26.3	22.1	18.5	18.2	18.8	17.1
LNG	-	-	-	11.9	12.0	11.1	10.6	10.6	10.7	9.4	6.8	10.6	10.7	9.4	6.8
Global functions, corporate activities and others	0.1	1.6	0.2	-	-	-0.2	0.2	-11.8	-12.4	-9.5	-7.9	-15.7	-15.6	-13.3	-11.4
<b>Total excluding exceptional items</b>	<b>312.4</b>	<b>316.8</b>	<b>311.4</b>	<b>46.2</b>	<b>46.8</b>	<b>37.2</b>	<b>26.9</b>	<b>202.4</b>	<b>190.3</b>	<b>208.0</b>	<b>182.7</b>	<b>132.6</b>	<b>128.1</b>	<b>137.4</b>	<b>116.0</b>
<i>Exceptional items:</i>															
Europe & Africa												193.8	193.8	16.4	17.0
Asia & Middle East												-	-	-	-
China & North Asia												-	-	-	-
Americas												-	-	-	-0.9
LNG												-	-	-	-
Global functions, corporate activities and others												-2.5	-2.5	-	5.9
<b>Total including exceptional items</b>												<b>323.9</b>	<b>319.4</b>	<b>153.8</b>	<b>138.0</b>
Net finance costs												-20.7	-15.4	-19.4	-69.2
Income tax												-16.2	-16.5	-19.7	-22.8
<b>Net profit</b>												<b>287.0</b>	<b>287.5</b>	<b>114.7</b>	<b>46.0</b>

**Occupancy rate subsidiaries**

In percentage	Q3 2019	Q2 2019	Q3 2018
Europe & Africa	84%	83%	86%
Asia & Middle East	71%	80%	85%
China & North Asia	73%	79%	73%
Americas	92%	91%	89%
<b>Vopak</b>	<b>82%</b>	<b>84%</b>	<b>86%</b>

**Non-IFRS proportionate segment financial information:**

Segment information -excluding exceptional items-	Revenues		EBITDA			Group operating profit (EBIT)		
	YTD Q3 2019	YTD Q3 2018	YTD Q3 2019	pro forma YTD Q3 2019	YTD Q3 2018	YTD Q3 2019	pro forma YTD Q3 2019	YTD Q3 2018
In EUR millions								
Europe & Africa	464.8	480.6	237.3	222.4	232.0	126.7	120.4	117.4
<i>of which Netherlands</i>	329.4	335.2	177.0	167.3	174.3	97.7	94.4	92.9
Asia & Middle East	317.8	271.4	235.8	221.2	186.1	165.1	159.7	132.7
<i>of which Singapore</i>	124.7	126.8	90.2	82.9	88.6	65.8	62.8	69.2
China & North Asia	96.0	85.1	66.9	65.7	57.5	42.2	42.2	35.1
Americas	237.5	211.9	121.2	114.8	100.1	80.3	78.6	67.9
<i>of which United States</i>	143.6	126.6	76.4	72.4	61.9	53.5	52.4	45.2
LNG	122.5	88.6	80.1	77.3	68.0	58.3	58.8	49.9
Global functions, corporate activities and others	2.0	0.7	-30.1	-30.1	-28.6	-41.7	-39.9	-38.1
<b>Total excluding exceptional items</b>	<b>1,240.6</b>	<b>1,138.3</b>	<b>711.2</b>	<b>671.3</b>	<b>615.1</b>	<b>430.9</b>	<b>419.8</b>	<b>364.9</b>
Occupancy rate subsidiaries, joint ventures and associates						84%		84%
Net interest-bearing debt						3,241.0	2,573.5	2,495.6

## Financial calendar

12 February 2020	Publication of 2019 annual results
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
29 July 2020	Publication of 2020 half-year 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 4 November 2019, Vopak operates a global network of 68 terminals in 23 countries located at strategic locations along major trade routes, with a combined storage capacity of 35.5 million cbm.

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The analysts' presentation will be given via an on-demand audio webcast on Vopak's corporate website [www.vopak.com](http://www.vopak.com), starting at 10:00 AM CET on 4 November 2019.

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.