

Vopak reports on HY1 2019

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pro forma				pro forma				HY1
Q2 2019	Q2 2019*	Q1 2019	Q2 2018	In EUR millions	HY1 2019	HY1 2019*	HY1 2018	'19-'18
316.8	316.8	324.6	309.9	Revenues	641.4	641.4	626.1	2%
Results -excluding exceptional items-								
208.0	195.9	214.6	180.7	Group operating profit before depreciation and amortization (EBITDA)	422.6	398.3	370.9	14%
137.4	132.7	137.0	113.8	Group operating profit (EBIT)	274.4	266.5	236.7	16%
89.6	89.5	83.3	67.2	Net profit attributable to holders of ordinary shares	172.9	174.7	140.2	23%
0.70	0.70	0.65	0.53	Earnings per ordinary share (in EUR)	1.35	1.37	1.10	23%
Results -including exceptional items-								
224.4	212.3	215.7	176.9	Group operating profit before depreciation and amortization (EBITDA)	440.1	415.8	367.1	20%
153.8	149.1	138.1	110.0	Group operating profit (EBIT)	291.9	284.0	232.9	25%
106.0	105.9	84.4	64.4	Net profit attributable to holders of ordinary shares	190.4	192.2	137.4	39%
0.83	0.83	0.66	0.51	Earnings per ordinary share (in EUR)	1.49	1.51	1.08	38%
192.9	183.5	158.8	196.6	Cash flow from operating activities (gross)	351.7	325.1	341.0	
-151.8	-151.8	-180.0	-126.9	Cash flow from investing activities (including derivatives)	-331.8	-331.8	-198.3	
Additional performance measures								
84%		86%	85%	Occupancy rate subsidiaries	85%		86%	
36.9		37.9	36.0	Storage capacity end of period (in million cbm)	36.9		36.0	
12.5%	12.5%	12.6%	11.5%	Return on Capital Employed (ROCE)**	12.6%	12.6%	11.9%	
4,246.5	4,246.5	4,250.7	3,977.2	Average capital employed**	4,246.5	4,246.5	3,977.2	
2,618.4	2,053.4	2,454.1	1,661.8	Net interest-bearing debt	2,618.4	2,053.4	1,661.8	
2.99	2.99	2.58	2.18	Senior net debt : EBITDA	2.99	2.99	2.18	

* Pro forma excludes the IFRS 16 effects to allow comparison of the results to 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 HY1 2019 -excluding exceptional items-:

- EBITDA of EUR 423 million (HY1 2018: EUR 371 million) increased by EUR 52 million, including positive IFRS 16 effects of EUR 24 million, positive currency translation effects of EUR 8 million and good performance from joint ventures and associates.
- Occupancy rate of 85% (HY1 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 274 million (HY1 2018: EUR 237 million) increased by EUR 37 million, including positive IFRS 16 effects of EUR 8 million, positive currency translation effects of EUR 6 million, EUR 9 million lower depreciation from terminals currently classified as held for sale and good performance from joint ventures and associates.
- Vopak's cost efficiency program to support margin development and reduce the future cost base is well on track.
- Return On Capital Employed (ROCE) of 12.6% (HY1 2018: 11.9%).
- Net profit attributable to holders of ordinary shares of EUR 173 million (HY1 2018: EUR 140 million) resulting in earnings per ordinary share (EPS) of EUR 1.35 (HY1 2018: EUR 1.10).
- Early 2019, the associate industrial terminal PT2SB in Malaysia commissioned its capacity, bringing its total capacity to 1,496,000 cbm.
- The Ridley Island Propane Export Terminal (RIPET), located in Prince Rupert, British Columbia in Canada, was commissioned in Q2 2019.
- Early April, Vopak divested its ownership in the terminal in Tallinn in Estonia and reached an agreement on the sale of the terminals in Algeciras, Amsterdam and Hamburg in line with the strategy to reshape the portfolio.

Exceptional items HY1 2019:

- The completion of the divestment of Vopak's 50% share in the Estonian terminal Vopak E.O.S. resulted in an exceptional gain of EUR 16.4 million in the second quarter of 2019.
- There were no other material exceptional items.

Subsequent events:

- On 31 July 2019, Vopak announced that it will expand its Deer Park chemical terminal in the port of Houston in the US. This expansion of 33,000 cbm is expected to be commissioned in Q2 2021.
- 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. The capacity is expected to be commissioned in Q2 2021.
- 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.

Looking ahead:

- Vopak's expansion program will add in total 3.2 million cbm in 2018 and 2019, of which 2.1 million cbm was commissioned up to the

end of June 2019.

- ┆ Growth investments amount to approximately EUR 1 billion for the period 2017-2019.
- ┆ Fuel oil capacity conversions for the IMO 2020 bunker fuel regulations are progressing well and will support new market requirements as from Q4 2019.
- ┆ Vopak will continue to invest in growth of its global terminal portfolio in 2020 and beyond.

Royal Vopak Chief Executive Officer Eelco Hoekstra comments:

- ┆ **Solid financial performance and significant increase in earnings per share**
- ┆ **Vopak's strategy delivery is well on track**

"The first half of 2019 was important as we have taken further steps in the delivery of our strategy and the alignment of our portfolio based on long-term market developments.

We have taken significant new capacity into operations to meet new customers demand. Together with our partners we fully commissioned the industrial terminal PT2SB in Malaysia and celebrated the opening of the LPG export terminal RIPET in Canada. In addition, we expanded our share in the LNG import terminal in Pakistan. At present, we have delivered 2.1 million cbm of our 3.2 million cbm expansion program towards the end of 2019. Fuel oil capacity conversions for the IMO 2020 bunker fuel regulations are progressing well and will support new market requirements as from Q4 2019.

The divestment of some of our European assets will, after completion, shift our portfolio further towards industrial, chemical and gas terminals. We aim to grow our portfolio in line with market developments and expect our growth investment momentum in 2019 to continue in 2020. Looking further ahead, we continue to explore opportunities in new energies and have today announced our first investment to facilitate the development of hydrogen logistics.

Our digital transformation is progressing well with the global roll-out of our cloud-based digital terminal management system and we have made excellent progress with our new business development projects."

[Link to video of CEO and CFO commenting on Vopak's HY1 2019 results](#)

The analyst' presentation will be given via an on-demand audio webcast on Vopak's corporate website <https://www.vopak.com/half-year-results-2019>, starting at 10:00 am CEST on 31 July 2019.

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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 31 July 2019, Vopak operates a global network of 69 terminals in 24 countries located at strategic locations along major trade routes, with a combined storage capacity of 36.9 million cbm.

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

Attachment

- ┆ [Vopak half year report 2019](#)