

## Vopak reports on HY1 2020 financial results

Q2 2020	Q1 2020	Q2 2019	In EUR millions	HY1 2020	HY1 2019	HY1 '20-'19
292.4	296.9	316.8	Revenues	589.3	641.4	-8%
<b>Results -excluding exceptional items-</b>						
202.4	200.2	208.0	Group operating profit before depreciation and amortization (EBITDA)	402.6	422.6	-5%
129.8	127.0	137.4	Group operating profit (EBIT)	256.8	274.4	-6%
83.4	82.7	89.6	Net profit attributable to holders of ordinary shares	166.1	172.9	-4%
0.66	0.65	0.70	Earnings per ordinary share (in EUR)	1.31	1.35	-3%
<b>Results -including exceptional items-</b>						
235.4	198.5	224.4	Group operating profit before depreciation and amortization (EBITDA)	433.9	440.1	-1%
162.8	125.3	153.8	Group operating profit (EBIT)	288.1	291.9	-1%
116.4	81.0	106.0	Net profit attributable to holders of ordinary shares	197.4	190.4	4%
0.91	0.64	0.83	Earnings per ordinary share (in EUR)	1.55	1.49	4%
264.7	142.7	192.9	Cash flows from operating activities (gross)	407.4	351.7	
-171.4	29.8	-151.8	Cash flows from investing activities (including derivatives)	-141.6	-331.8	
<b>Additional performance measures</b>						
34.4	34.3	36.9	Storage capacity end of period (in million cbm)	34.4	36.9	
88%	84%	84%	Occupancy rate subsidiaries	86%	85%	1pp
90%	86%	84%	Proportional occupancy rate	88%	84%	4pp
245.6	241.0	239.3	Proportional EBITDA -excluding exceptional items-	486.6	479.4	2%
12.1%	11.5%	12.5%	Return on capital employed (ROCE)	11.8%	12.6%	
4,105.2	4,252.0	4,246.5	Average capital employed	4,190.1	4,246.5	
2,450.4	2,321.9	2,618.4	Net interest-bearing debt	2,450.4	2,618.4	
2.81	2.65	2.99	Senior net debt : EBITDA (for debt covenant)	2.81	2.99	

### Highlights for HY1 2020 -excluding exceptional items:-

- EBITDA of EUR 403 million (HY1 2019: EUR 423 million pre-divestments). Adjusted for EUR 3 million negative currency translation effects and the impact of the divestments of the terminals in Algeciras, Amsterdam and Hamburg (EUR 35 million decrease), EBITDA increased by EUR 18 million (4%), reflecting resilient business performance including the effect of contango oil markets, IMO 2020 converted capacity and reduced chemicals throughput.
- Occupancy rate subsidiaries of 86% (HY1 2019: 85%) reflects support from contango developments in the oil markets in Q2, whereas storage demand in other market segments remained robust. Planned inspection and maintenance out-of-service capacity at subsidiaries was 1.4 million cbm in Q2 2020.
- Proportional occupancy rate of 88% (HY1 2019: 84%) included good performance of joint venture oil terminals and continued strong performance of our joint venture gas and industrial terminals.
- In response to COVID-19 conditions, cost control measures were implemented to manage and reduce Vopak's cost base; the cost level for HY1 2020 amounted to EUR 295 million and as a result we now aim to be at some EUR 600 million for the year.
- EBIT of EUR 257 million (HY1 2019: EUR 274 million pre-divestments).
- Return on capital employed (ROCE) of 11.8% (HY1 2019: 12.6%).
- Net profit attributable to holders of ordinary shares of EUR 166 million (HY1 2019: EUR 173 million) resulting in earnings per ordinary share (EPS) of EUR 1.31 (HY1 2019: EUR 1.35).
- Vopak's balance sheet is robust with a senior net debt to EBITDA ratio of 2.81 at the end of HY1 2020. The balance sheet flexibility was further strengthened with the successful completion of the USD 350 million and EUR 150 million US Private Placement Notes Program in July 2020.
- Share buyback program to return EUR 100 million to shareholders is progressing with 55% completed at the end of HY1 2020.
- First half year portfolio developments were the delivery of 275,000 cbm of new capacity from growth projects in Malaysia, Panama and Vietnam and the completion of the divestment of the terminal in Algeciras, Spain.

### Impact of COVID-19 pandemic:

The pandemic spread of COVID-19 (Coronavirus) has a significant impact on all people and organizations around the world. Our main focus is on the health of the people working for our company in all locations and to limit the spread of the Coronavirus, to manage the impact on our business and to assess the impact on the economy and society. Therefore we have put global and local measures into place to protect our employees, their families and our operations based on information provided by the World Health Organization, national and local health authorities. To date, we have observed a limited impact on our operations. All our 66 terminals are operational and there have been no significant disruptions to business continuity.

Vopak's strategy is robust and unchanged. An effective control and governance structure to respond to the impact of the global pandemic,

with continued decision-making to support business execution and well-being of people, has been put in place. Operational and financial performance, cash flows and our financial position have not been significantly affected. Our financial results reflect our resilient business performance. Timing of some growth projects execution is affected by generic local lockdown measures in various countries.

Our focus in these circumstances is on the short-term delivery and protection of long-term value. Vopak plays an important role within society by storing vital products with care. We are doing our utmost during the COVID-19 pandemic to continue to fulfill this role in all our locations around the world.

Although the pandemic brings a lot of uncertainty and the estimates remain subject to future events, we expect to continue to manage our performance in line with our original business plan and unchanged strategy.

#### **Exceptional items HY1 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. The recognized exceptional loss before taxation was EUR 1.7 million. This completed the divestment program of the terminals in Algeciras, Amsterdam and Hamburg with a total exceptional gain of EUR 200 million recognized in the periods 2019 and Q1 2020.
- | In Q2 2020, Vopak recognized a EUR 33 million exceptional gain for the remaining consideration relating to the December 2019 divestment of its 49% equity share in the joint venture Vopak SDIC Yangpu Terminal in Hainan, China. Of this amount, EUR 16.3 million is expected to be received in the second half of 2020.

#### **Subsequent events:**

- | On 22 July 2020, Vopak announced to have signed agreements for a new debt issuance of over USD 500 million equivalent in the US Private Placement (USPP) market consisting of senior tranches with a total value of USD 150 million and EUR 150 million and subordinated tranches with a total value of USD 200 million.
- | In July 2020, Vopak Terminals Singapore completed its refinancing by entering into a new financing of SGD 300 million (approximately EUR 190 million), consisting of a term loan and a revolving credit facility.

#### **Looking ahead:**

- | We aim to grow EBITDA over time with new contributions from growth projects, further cost and revenue management to replace the EBITDA from divested terminals, subject to general market conditions and currency exchange movements.
- | We will continue to invest in growth of our global terminal portfolio with growth investment for 2020 that could amount up to EUR 500 million.
- | Cost management continues in 2020 to compensate at least for annual inflation and operating expenses will be further managed this year with the aim to be at some EUR 600 million in 2020.
- | We are prepared to respond to different economic scenarios focused on revenues, costs and cash flows to deliver performance and protect long-term value.

#### **Royal Vopak Chief Executive Officer Eelco Hoekstra comments:**

- | **Prudent COVID-19 response - all 66 terminals operational**
- | **Good financial performance and improved occupancy rates**
- | **Continue to invest in 2020 and 2021 with confidence**

*"In the first half of 2020, we delivered good financial performance in a more volatile business environment.*

*We captured opportunities in our oil storage portfolio, resulting in improved occupancy rates. At the same time, we experienced reduced throughput for chemicals in particular in Houston and Singapore. We initiated a further response in cost management to protect earnings. Relative to our original plan, we missed some contributions due to delays in growth projects and out of service capacity as construction work was restricted in the second quarter. The value of these growth projects are not affected.*

*I am proud of all people working for Vopak and appreciate their extraordinary efforts and commitment to safely serve our customers and society by storing vital products with care during the COVID-19 pandemic. We remain focused on ensuring the health, safety and well-being of our employees and to keep our company performing well.*

*Vopak's strategy remains unchanged and has proven to be robust. The delivery of our strategy has progressed well in 2020 and we continue to invest in 2020 and 2021 with confidence. Complementary to our investments in growth, service and IT capex, we continue executing our share buyback program to increase distribution to shareholders.*

*To meet new customer demand and support our portfolio transformation we have taken new capacity into operations in Malaysia, Panama and Vietnam and completed the divestment program of some of our European assets. This year, we announced the construction of a new chemical gases terminal in the US and capacity expansion for an industrial terminal in China, both fully rented out under long-term contracts with reputable customers. We are further upgrading our chemical terminals in the port of Rotterdam and Antwerp to continuously improve our service capabilities.*

*Good progress has also been made with the development of our LNG and industrial terminal portfolio.*

*Our digital transformation is progressing well. The roll-out of our new cloud-based system for our terminals has continued in an efficient virtual manner.*

*We remain focused on short-term delivery and protecting long-term value by executing our strategy. Vopak plays an important role within society by storing vital products with care. We are proud to fulfill this role and are keen to grasp opportunities to deliver on our strategy in the current dynamic market circumstances."*

[Link to video of CEO and CFO commenting on Vopak's HY1 2020 results](#)

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 9:00 am CEST on 29 July 2020.

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

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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 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 29 July 2020, Vopak operates a global network of 66 terminals in 23 countries located at strategic locations along major trade routes, with a combined storage capacity of 34.4 million cbm.

**Attachment**

| [2020-07-29 Vopak half year report 2020](#)