



# Stolt-Nielsen Limited

Second-Quarter 2016  
Results Presentation

July 7, 2016

# Forward-Looking Statements

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Included in this presentation are various “forward-looking statements”, including statements regarding the intent, opinion, belief or current expectations of the Company or its management with respect to, among other things, (i) goals and strategies, (ii) plans for new development, (iii) marketing plans, the Company’s target market, (iv) evaluation of the Company’s markets, competition and competitive positions, and (v) trends which may be expressed or implied by financial or other information or statements contained herein. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other facts that may cause the actual results, performance and outcomes to be materially different for any future results, performance or outcomes expressed or implied by such forward-looking statements. These factors include in particular, but not limited to, the matters described in the section “Principal Risks” (p46 et seq.) in the most recent annual report available at [www.stolt-nielsen.com](http://www.stolt-nielsen.com).

# Company Representatives

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Niels G. Stolt-Nielsen  
CEO  
Stolt-Nielsen Limited

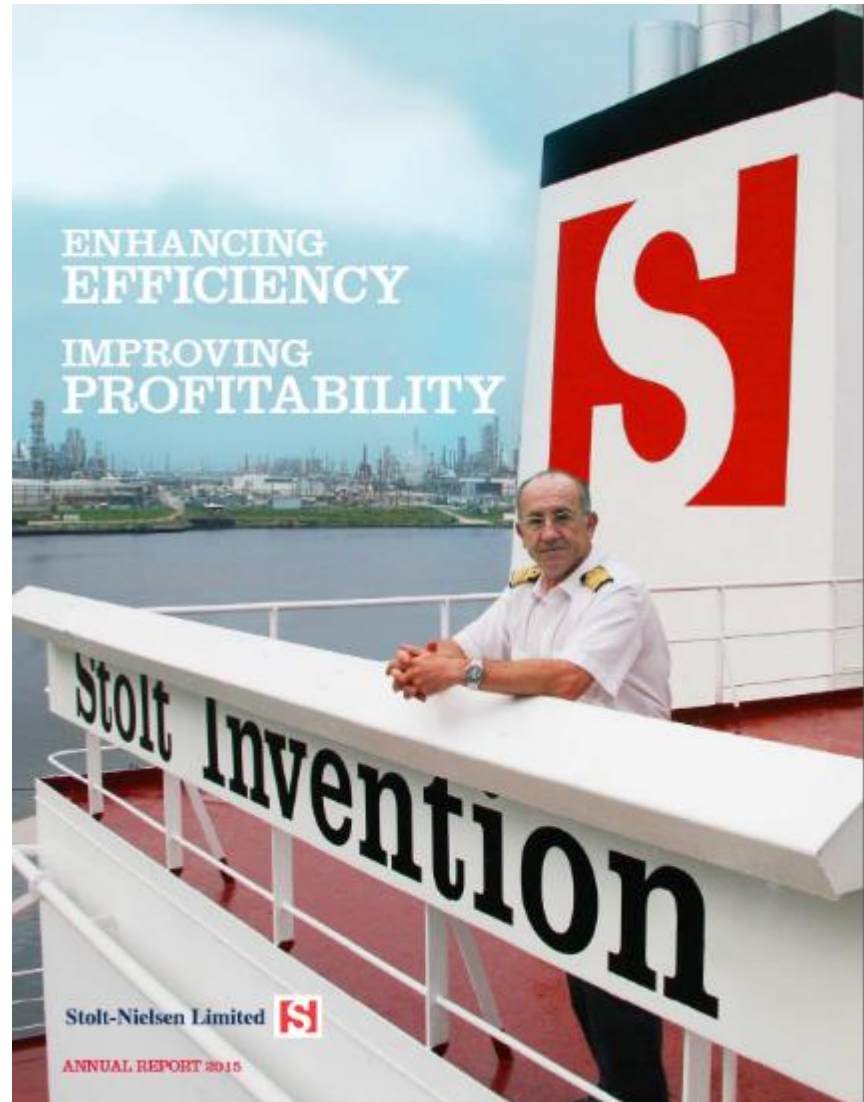


Jan Chr. Engelhardt  
CFO  
Stolt-Nielsen Limited

# Agenda

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- SNL 2Q16 Highlights
  - Stolt Tankers
  - Stolthaven Terminals
  - Stolt Tank Containers
  - Stolt Sea Farm
  - Stolt-Nielsen Gas
- Financials
- Q&A



# Second-Quarter 2016 Highlights

## Operating

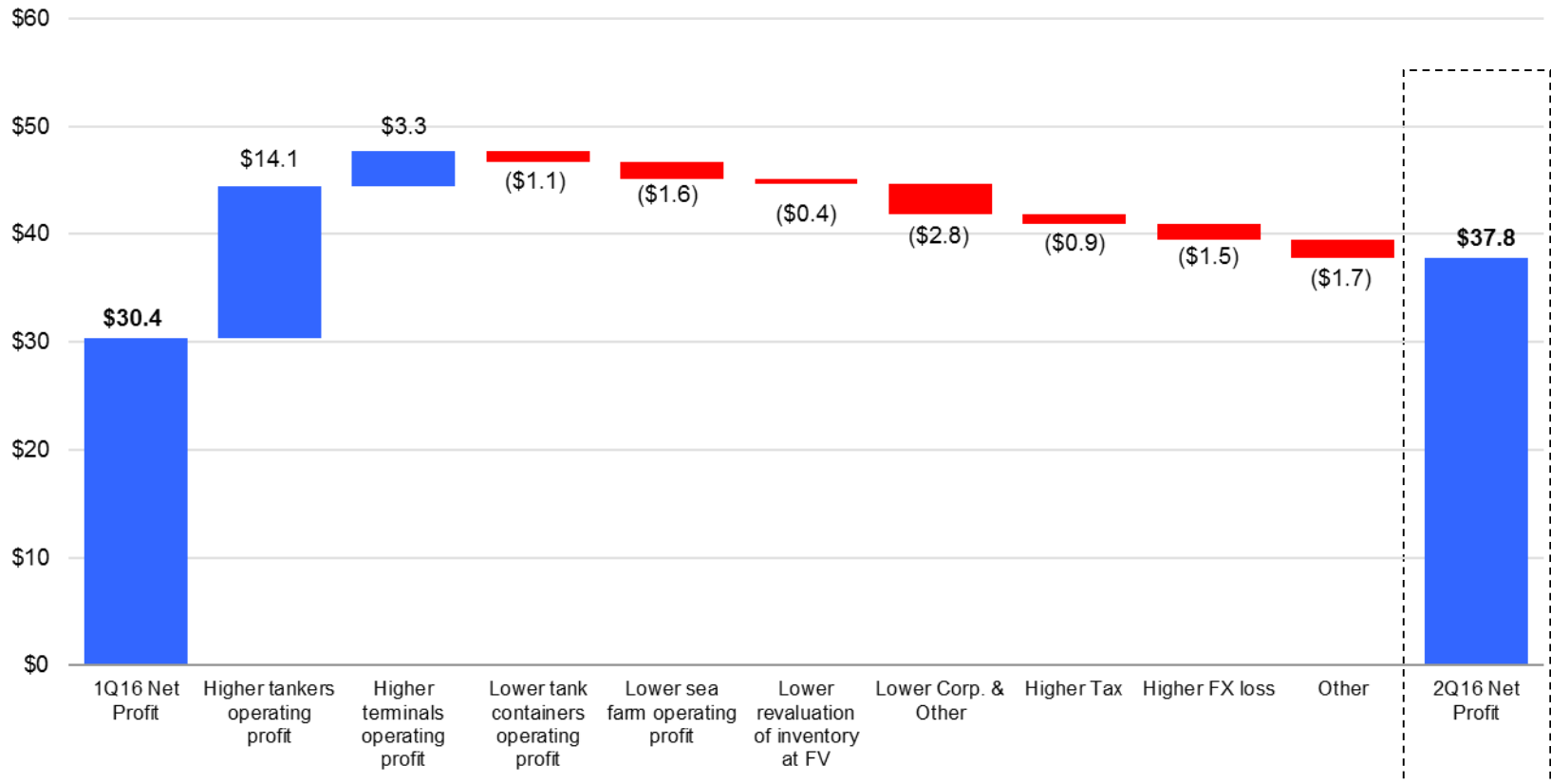
- Stolt Tankers operating profit of \$45.3M, up from \$31.2M, mainly due to strong COA volumes and gain on bunker hedges
- Stolthaven Terminals operating profit of \$13.8M, up from \$10.5M, due to improved utilisation and the result of business optimisation programme
- Stolt Tank Containers reported an operating profit of \$10.7 million, down from \$11.8 million, as an increase in shipments was offset by narrowing margins and lower results from joint ventures
- Stolt Sea Farm operating profit of \$3.4M, down from \$5.5M, due to a seasonally strong first quarter. Accounting for inventories at fair value had a positive impact of \$3.0M, compared with \$3.4M in previous quarter
- Corporate and Other reported operating loss of \$3.9M, compared with operating loss of \$1.2M in 1Q16 due to higher equity loss on investments in associates

## Financial

(Unaudited)	Quarter			Six Months	
	<u>2Q16</u>	<u>1Q16</u>	<u>2Q16</u>	<u>2016</u>	<u>2015</u>
Revenue	<b>\$478.9</b>	\$464.0	\$500.7	\$942.8	\$988.4
Operating Profit	<b>69.3</b>	57.8	71.3	127.1	142.8
<b>Net Profit (attributable to SNL equity holders)</b>	<b>37.8</b>	30.4	42.5	68.2	81.2
EPS Diluted	<b>0.68</b>	0.55	0.76	1.24	1.44
Weighted average number of shares outstanding diluted	<b>55.3</b>	55.1	56.2	55.0	56.3

# SNL: 1Q16 to 2Q16 Net Profit Variance

Figures in USD Millions

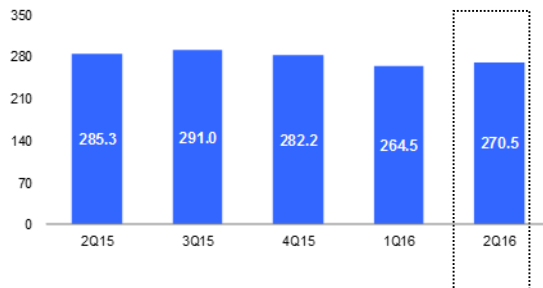


Note: Net Profit attributable to SNL equity holders

# Stolt Tankers

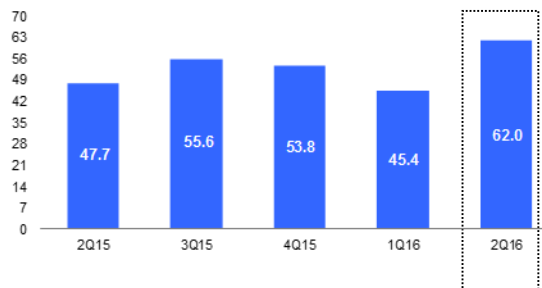
\$US Millions

REVENUE



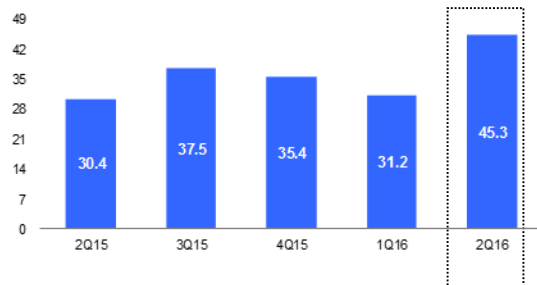
\$US Millions

GROSS PROFIT



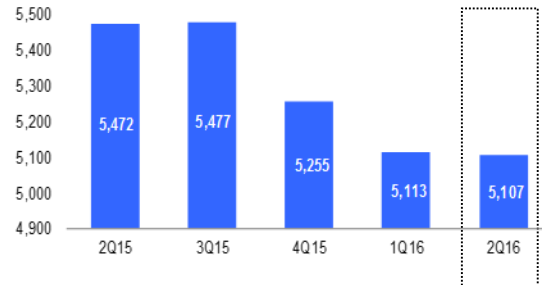
\$US Millions

OPERATING PROFIT/(LOSS)



Days

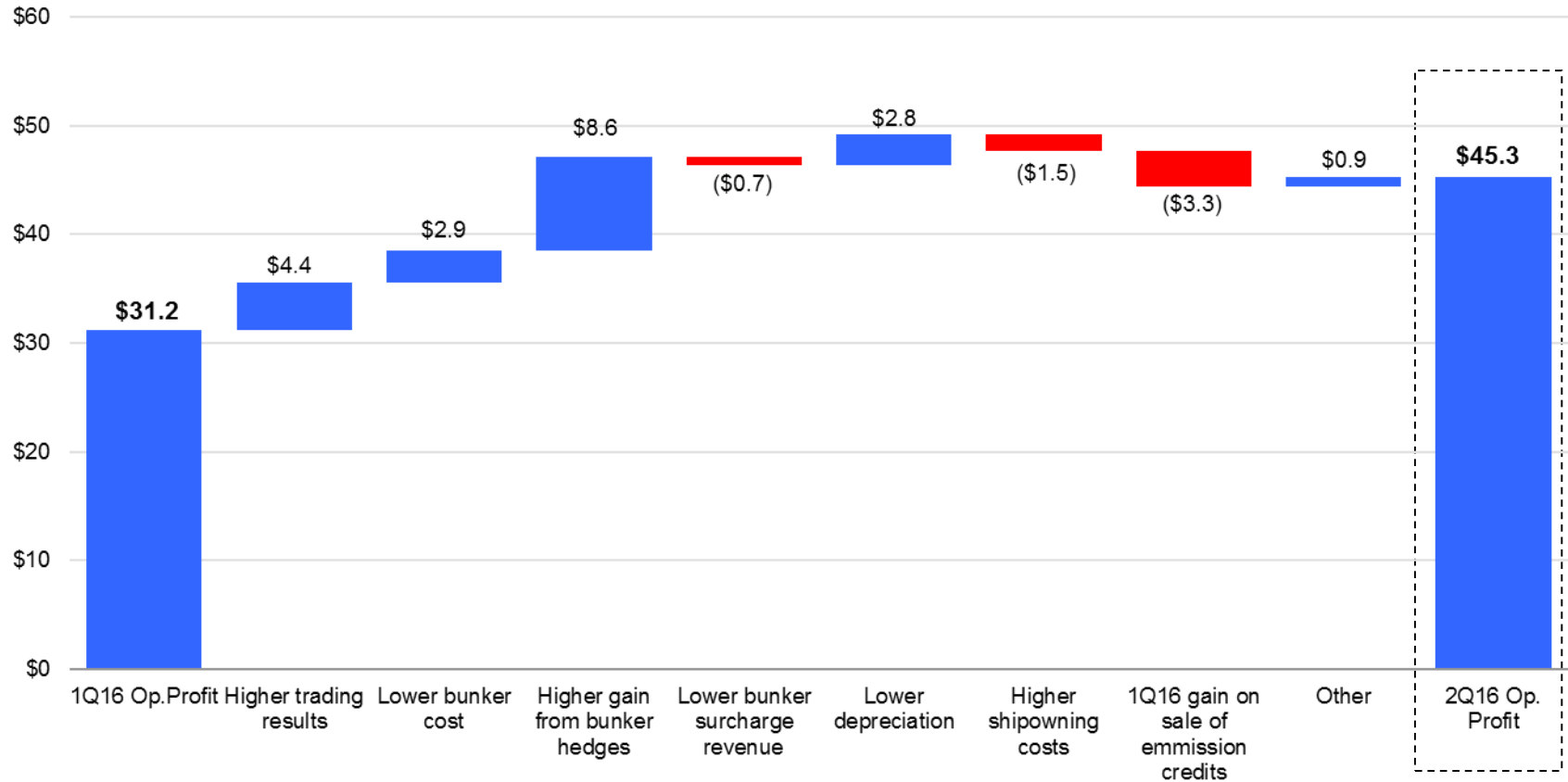
STJS - OPERATING DAYS



- Deep-sea revenue increased by 2.6% from previous quarter, mainly due to strong COA volume
- Average COA rates decreased by 3% due to cargo mix; spot rates increased 7.0% compared with the prior quarter
- COA renewals annual rate during the quarter were on average up by 6.8%
- Two ships were recycled during 2Q16

# Stolt Tankers: 1Q16 to 2Q16 Operating Profit Variance

Figures in USD Millions





# Stolt Tankers: Bunker Costs

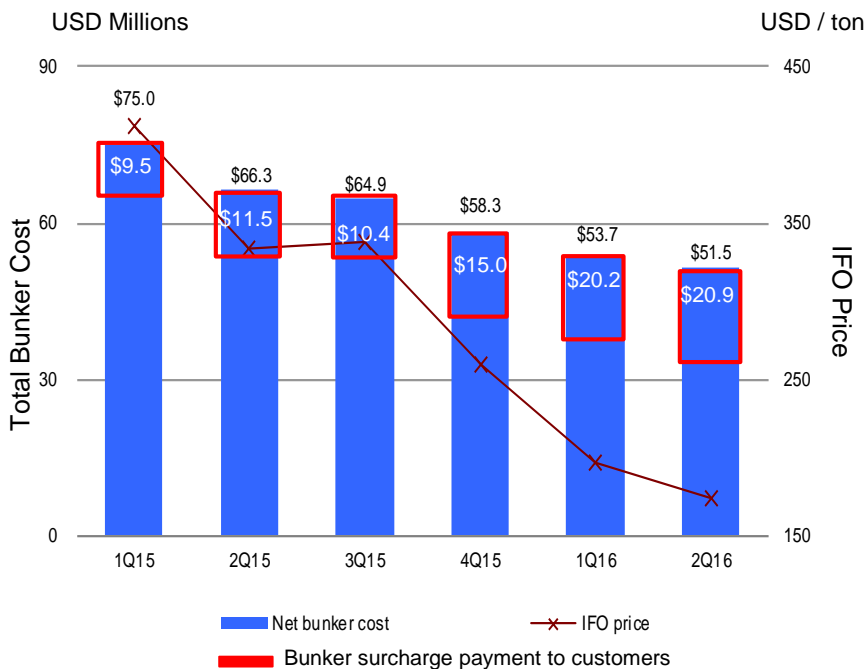
- Bunker cost net of bunker surcharge, but excluding bunker hedges, decreased by \$2.2M from 1Q16
- Average price of IFO consumed decreased to \$174/ton from \$195/ton in 1Q16
- Average price of IFO purchased increased to \$194/ton from \$169/ton in 1Q16
- COA bunker surcharge clauses covered on average approximately 80% of total volume in 2Q16 due to high COA volume

## Bunker Hedges:

- Realised gain of \$0.5M compared to a realised loss of \$0.3M prior quarter
- Unrealised gain of \$6.1M compared to a loss of \$1.7M in previous quarter

## Remaining Hedges:

- 2016 - 42,000 tons at \$174/tons
- 2017 - 72,000 tons at \$211/tons

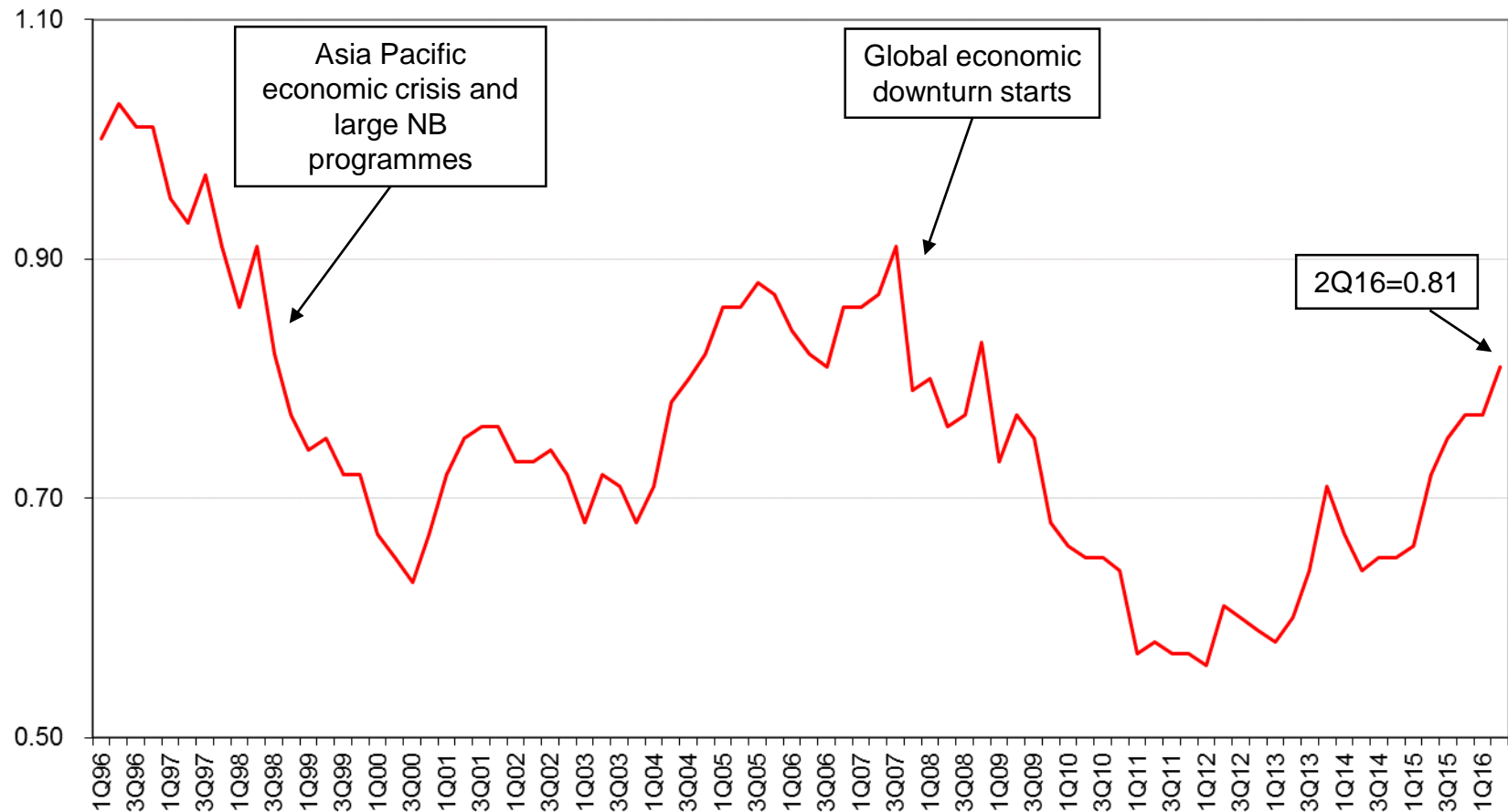


Source: Stolt-Nielsen

Note: Excludes bunker hedge results



# Stolt Tankers Joint Service Sailed-in T/C Index

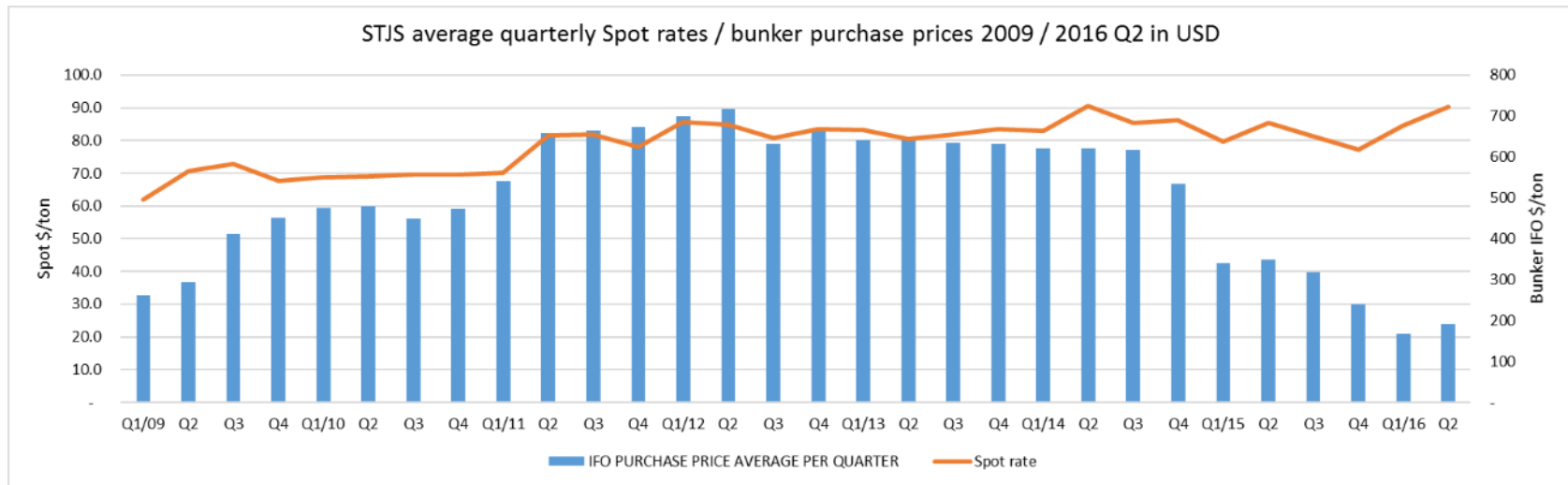


Index as published through 2013, based on SIR STJS member-ships + net result outside T/C ships, base is 1Q96 + adjusting for inflation based on U.S. Consumer Price Index (CPI)

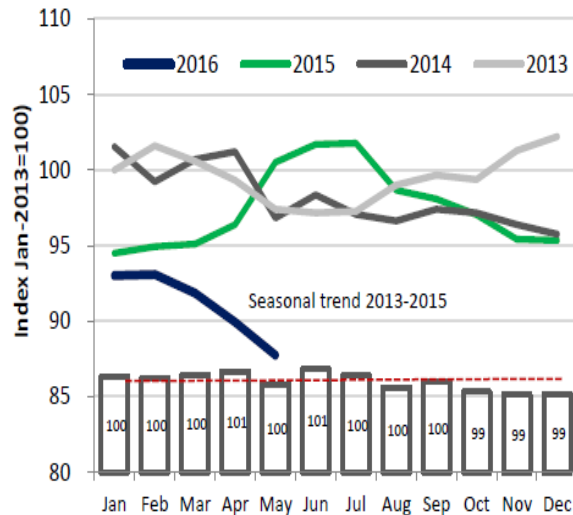
Source: Stolt-Nielsen and the Bureau of Labor Statistics (U.S. CPI)



# Spot Market and Bunker Prices

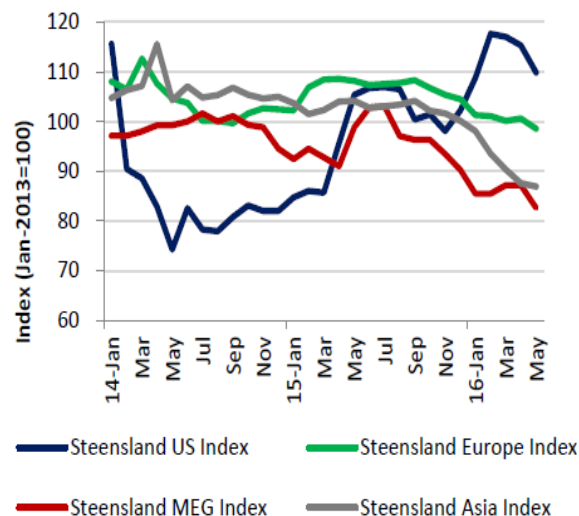


STEENSLAND GLOBAL CHEMICAL TANKER SPOT FREIGHT INDEX

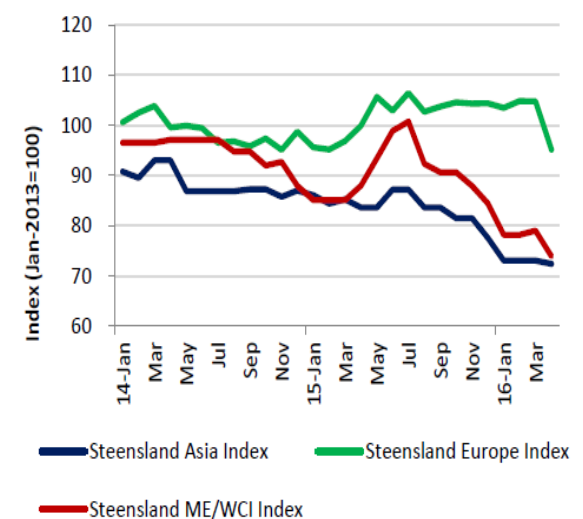


Source: Steensland

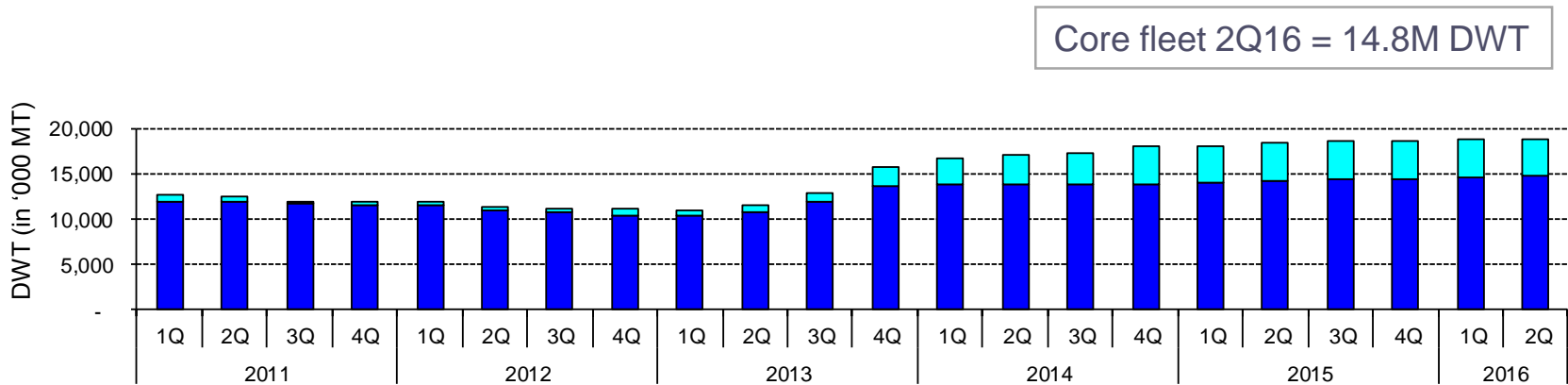
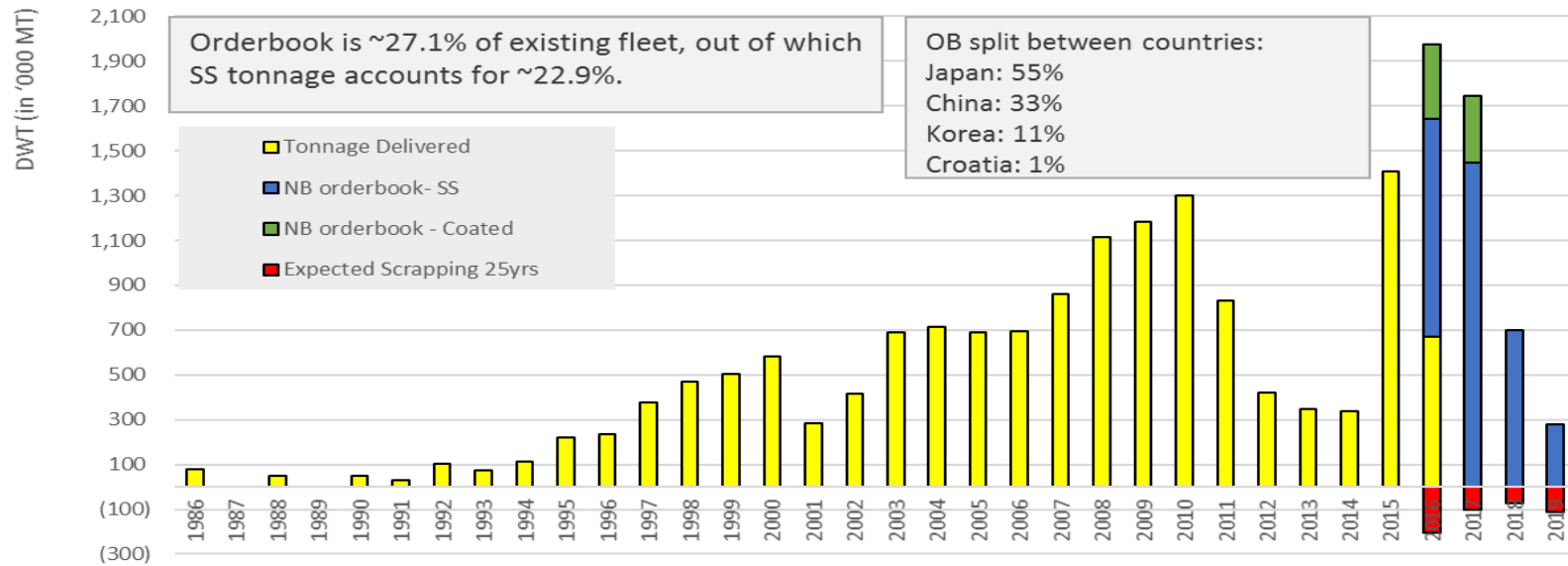
STEENSLAND LONGHAUL SPOT FREIGHT RATE INDEXES



STEENSLAND INTRA REGIONAL SPOT FREIGHT RATES INDEXES



# Chemical Tanker Fleet and Orderbook – 2Q16

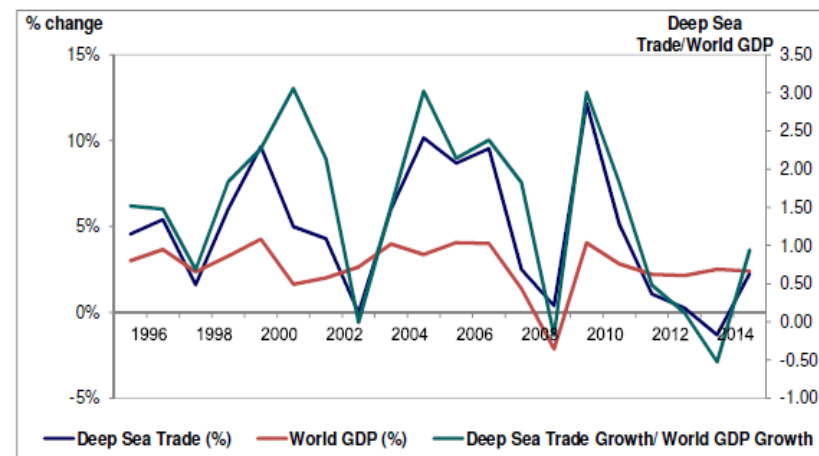
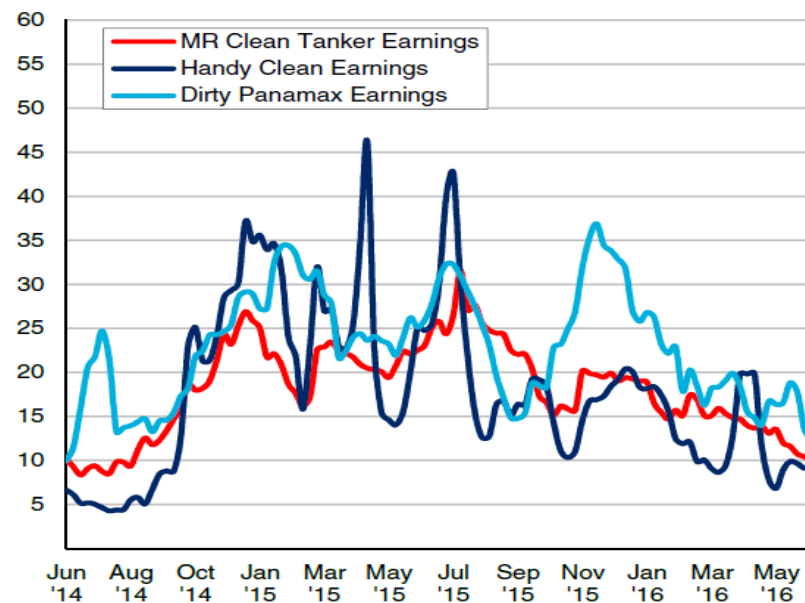


Source: Stolt-Nielsen and Drewry, as of June 1, 2016

# Outlook

- Global spot market indices have been declining since 1Q16
- While spot rates out of the US have been relatively strong we have seen weakness out of other areas (Europe, Middle East, Asia)
- The MR market has fallen from \$30,000 per day in mid 2015 to current levels of ~\$10,000 per day, and not lending any support to the chemical markets
- The large orderbook will put a lid on freight rates, though cancellations and delays are likely
- World Trade Organisation predicts that trade growth in 2016 will remain sluggish and unchanged at 2.8% after the increase registered in 2015; risks to the forecast are on the downside due to sharper slowing of Chinese economy

Product Tanker Spot Earnings (\$,000's/day)



# 38,000 DWT Newbuildings



Name	Expected Delivery
<i>Stolt Pride</i>	3Q16
<i>Stolt Sincerity</i>	4Q16
<i>Stolt Integrity</i>	4Q16
<i>Stolt Tenacity</i>	1Q17
<i>Stolt Loyalty</i>	2Q17
<i>Stolt Excellence</i>	2Q17

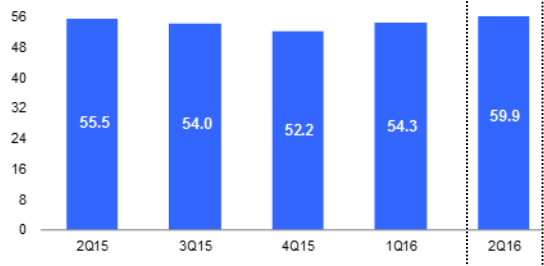




# Stolthaven Terminals

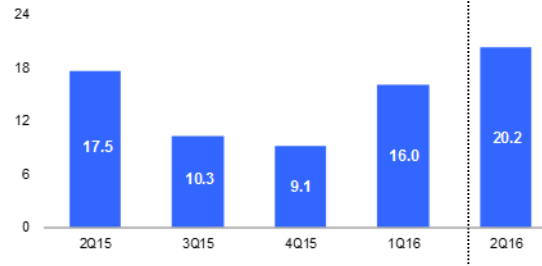
\$US Millions

## REVENUE



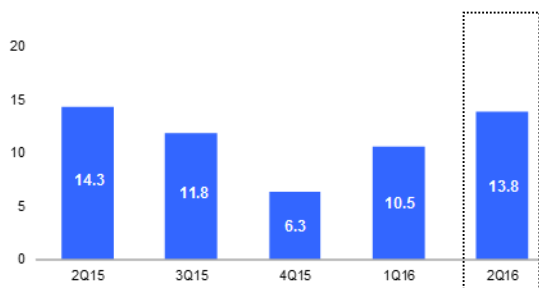
\$US Millions

## GROSS PROFIT



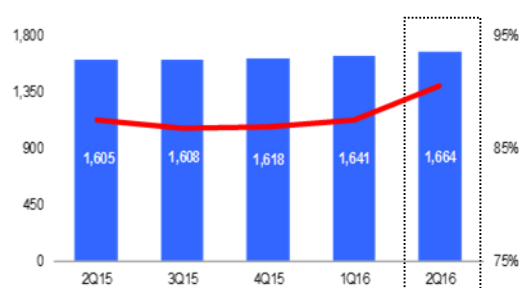
\$US Millions

## OPERATING PROFIT<sup>a)</sup>



Thousand cubic metres - (owned terminals)

## AVERAGE CAPACITY - UTILISATION

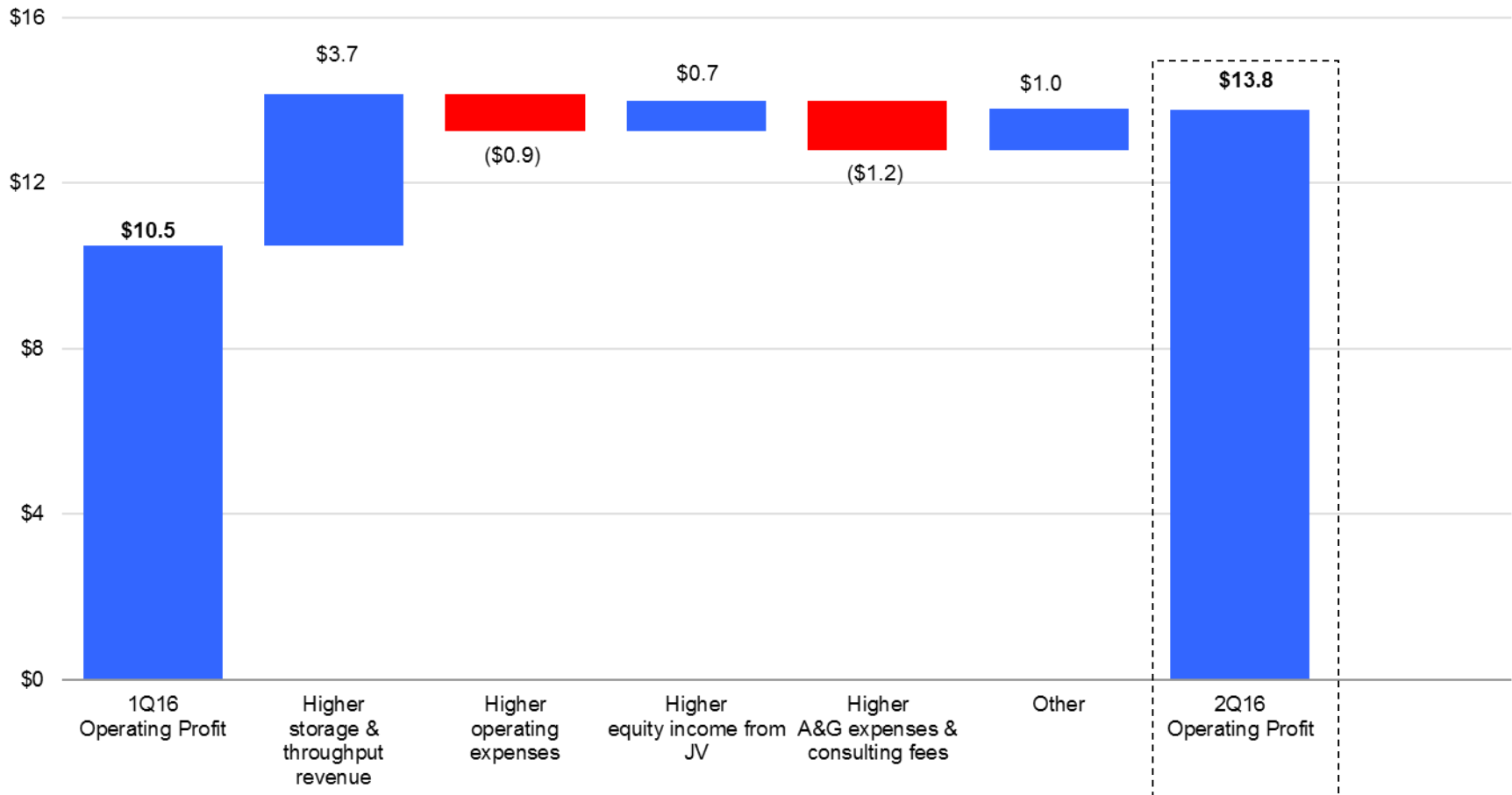


- Revenue increased in line with higher utilisation and throughput at most of our owned terminals
- Overall utilisation increased to 90.5% from 87.5%
- Joint venture equity income increased to \$5.3M from \$4.5M
- Cost savings initiatives are slowly starting to have an impact (cost per cubic metre)

a) 2Q15 excludes \$0.8M from impairment of goodwill in NZ; 3Q15 excludes \$4.3M from impairment of goodwill and \$1.1M accelerated depreciation, both in Australasia; 4Q15 excludes \$3.7M charges from one-off events

# Terminals: 1Q16 to 2Q16 Operating Profit Variance

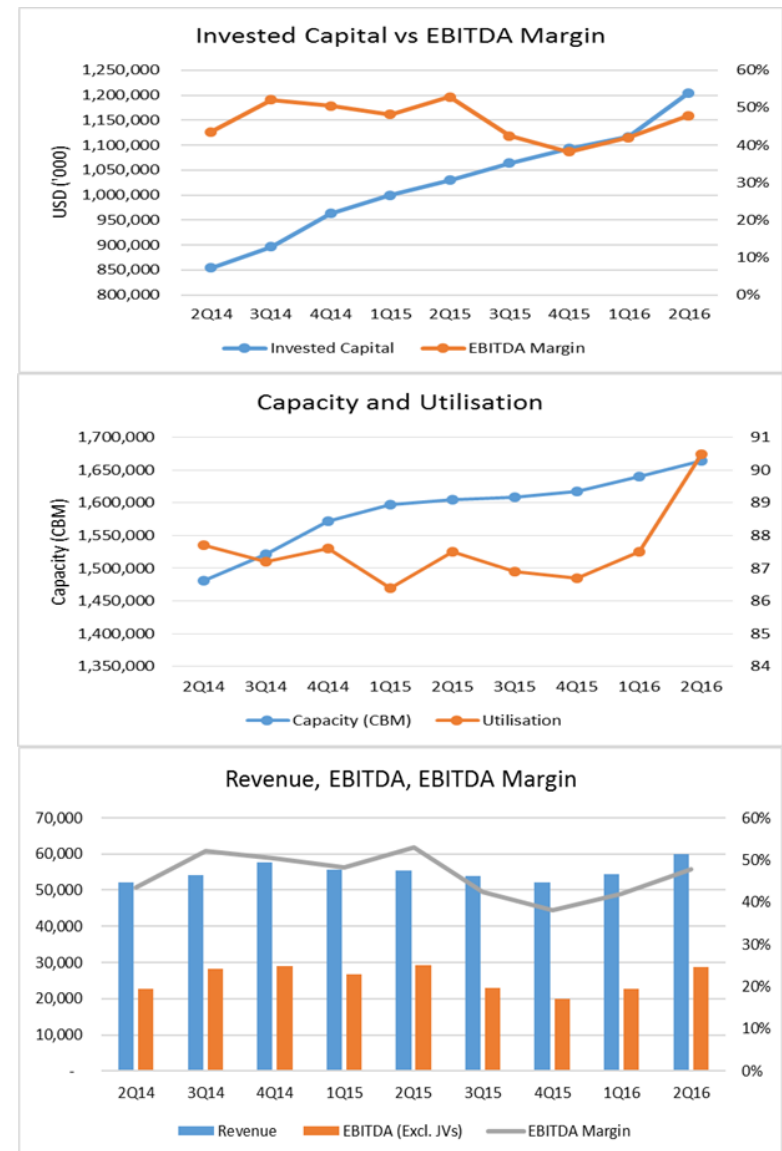
Figures in USD Millions





# Stolthaven Owned Terminals

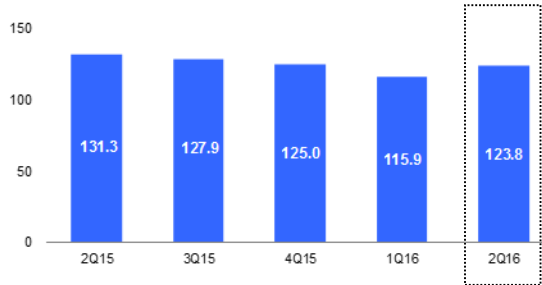
- Added 9,500 cbm at Singapore and 36,000 cbm at Newcastle with further expansions ongoing, which will add an additional 65,000 cbm over the next 12 months
- Average leased capacity improved at all owned terminals; biggest improvement in New Orleans and Houston
- Stolthaven Houston continues its business optimisation programme
- The underlying demand for storage is strong; we expect improved performance as we resolve the issues encountered in recent years, but this will take time



# Stolt Tank Containers

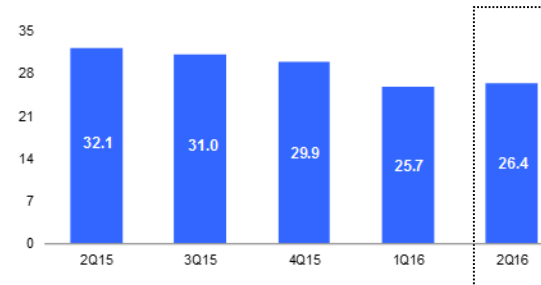
\$US Millions

## REVENUE



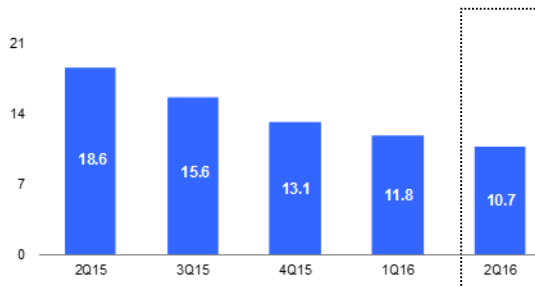
\$US Millions

## GROSS PROFIT

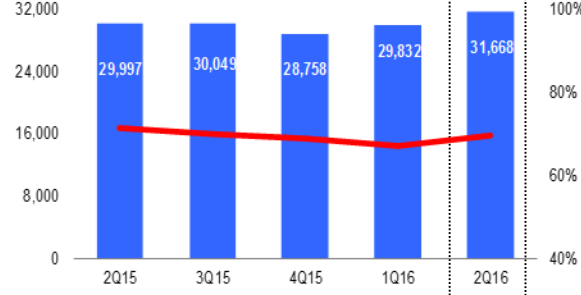


\$US Millions

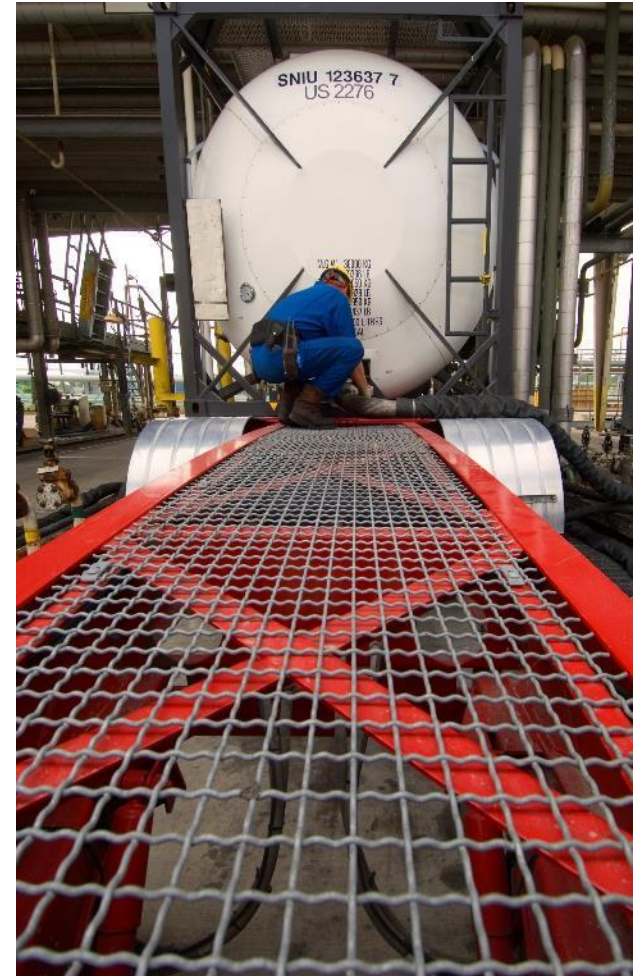
## OPERATING PROFIT



## SHIPMENTS - UTILISATION

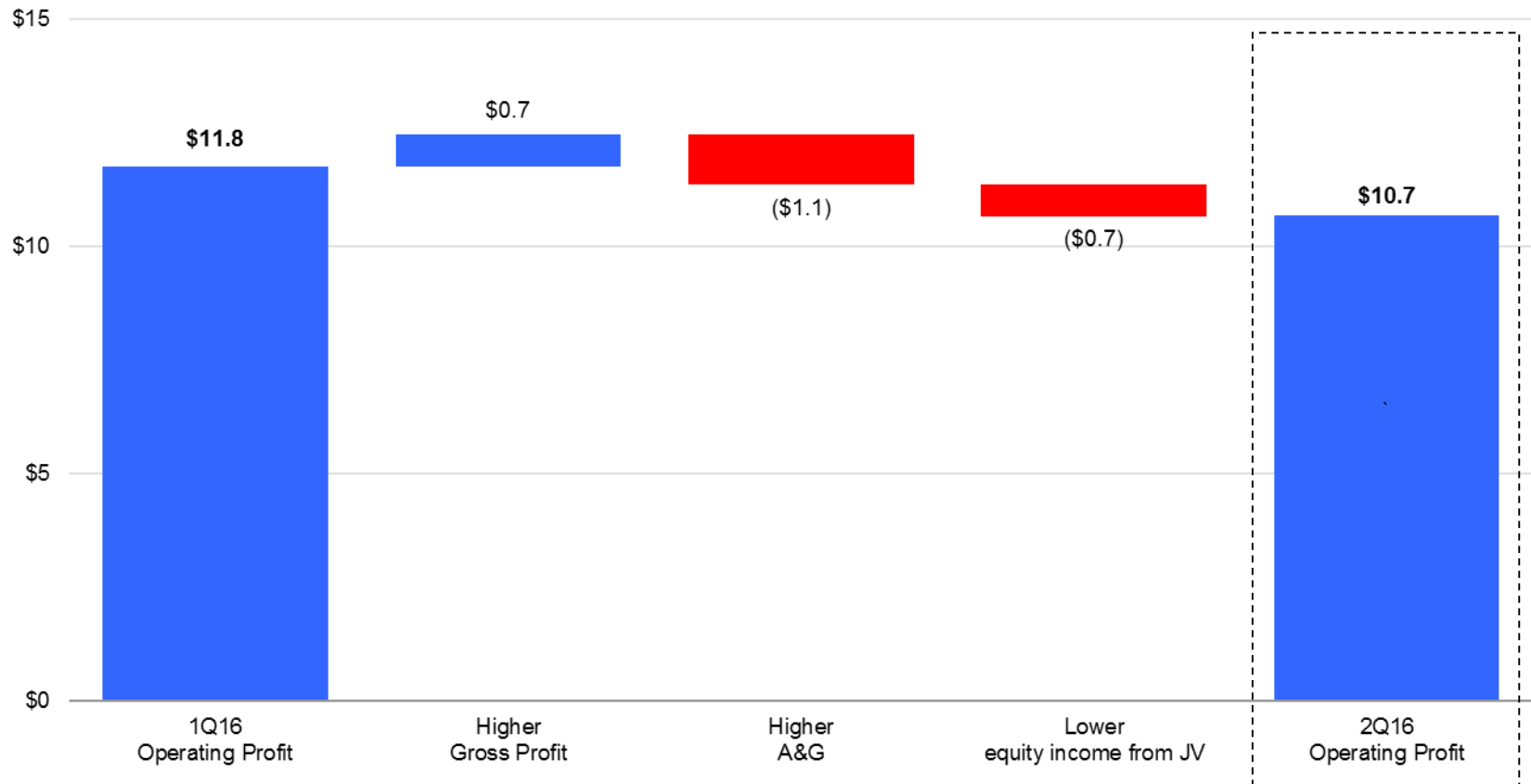


- Revenue driven by growth in shipments
- Operating profit down due to narrowing margins following strong competition



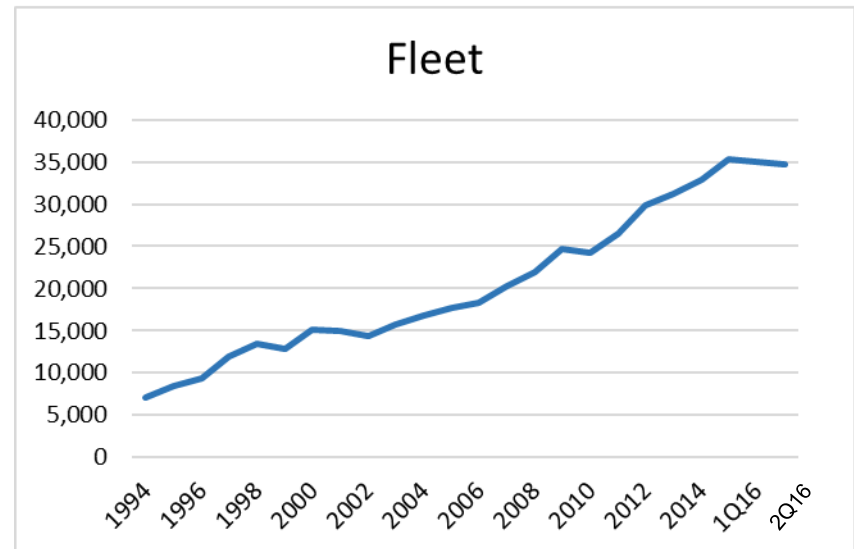
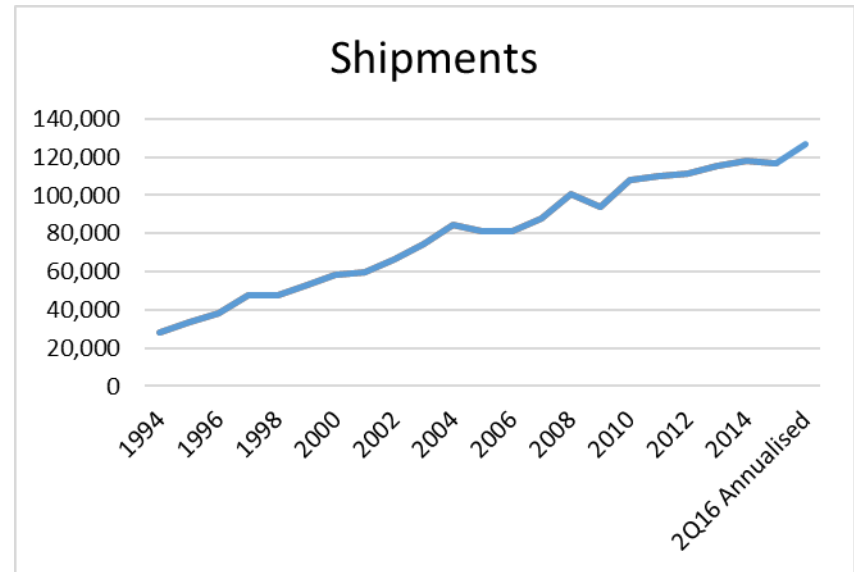
# STC: 1Q16 to 2Q16 Operating Profit Variance

Figures in USD Millions

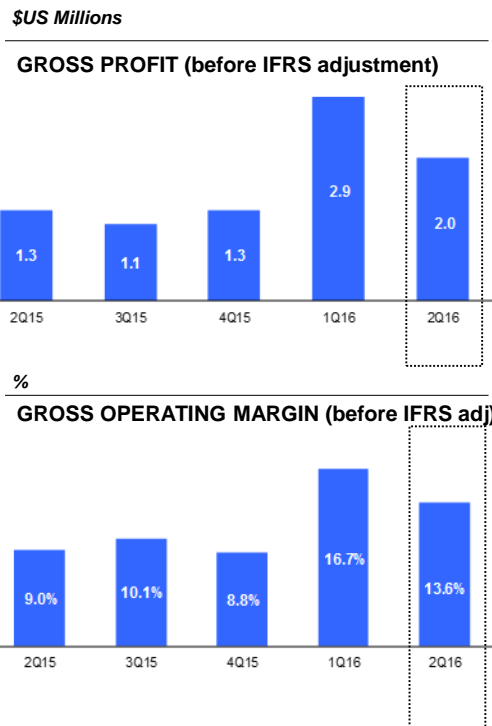
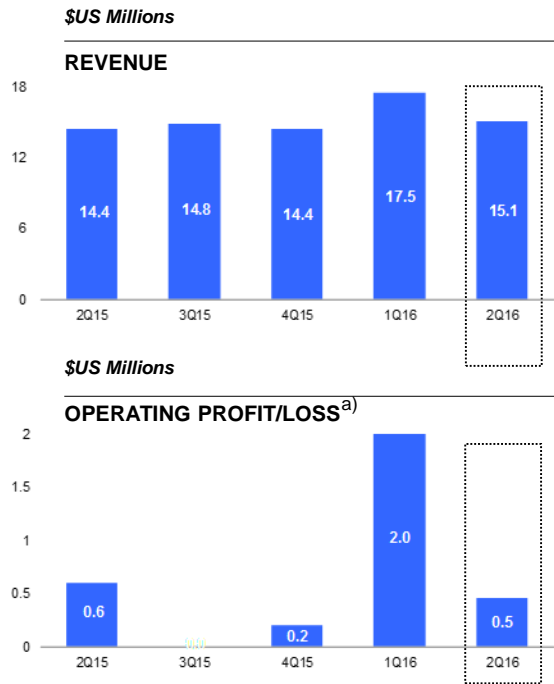


# Stolt Tank Containers Market Situation

- Continued strong competition is putting pressure on rates and margins
- We continue to take an aggressive view on pricing to drive utilisation up and increase turns per tank
- Newbuilding order almost complete; returned a few leased tanks resulting in a small reduction in fleet size
- We will continue to develop our depot network in strategic locations in order to support global operations



# Stolt Sea Farm



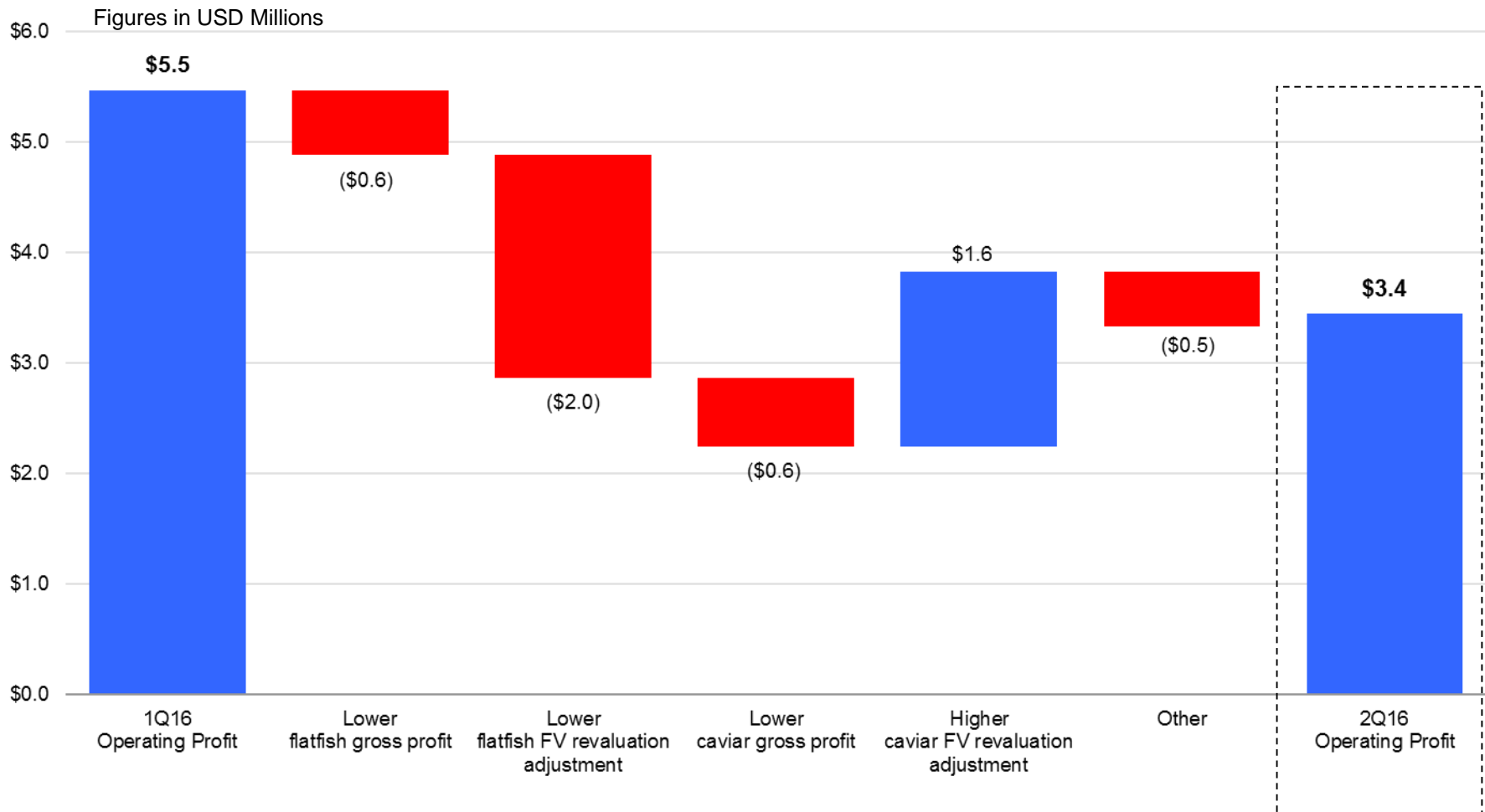
a) Excludes the accounting for inventories at fair value



- A better supply balance allowed for higher turbot prices although volume was down following the seasonally strong first quarter
- Sole volume improved marginally, but growth remains lower than targeted in Iceland; prices were marginally down during the quarter
- Caviar prices increased during the quarter, but volume was down following the seasonally high first quarter
- FV adjustment of inventory at a gain of \$3.0M compared to a gain of \$3.4M in 1Q16



# SSF: 1Q16 to 2Q16 Operating Profit Variance



# LNG Investments

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- Build a global business of small-scale regional LNG distribution projects, focussing on terminals in strategic locations, serviced by a flexible fleet of ships, which are underwritten by a committed base load demand
- Develop an integrated model to include sourcing of LNG, shipping to small-scale terminals (10,000 cbm – 30,000 cbm) and distribution from the terminals via truck and ISO containers to the end user
- Exploring potential projects in the Mediterranean, Caribbean, South America, India, Indonesia, Africa and Canada
- Projects aimed at serving stranded-demand customers out of reach of conventional pipeline gas; off-take agreements are currently in the 10-15 year range with suitable counterparty credit





# Financials



Stolthaven Singapore



# Net Profit

Figures in USD Millions

	Quarter			Six Months	
	<u>2Q16</u>	<u>1Q16</u>	<u>2Q15</u>	<u>2016</u>	<u>2015</u>
<b>Operating Profit (before one offs)</b>	\$73.4	\$63.5	\$69.1	\$136.9	\$120.8
Tanker accelerated depreciation	(3.7)	(6.9)	-	(10.6)	-
Gain/ (Loss) on sale of assets	(0.4)	2.5	(1.5)	2.1	(1.5)
Restructuring expenses	-	-	0.7	-	0.7
US pension plan gain	-	-	-	-	19.8
Gains on AGHL transactions	-	-	3.0	-	3.0
Other	-	(1.3)	-	(1.3)	-
<b>Operating Profit (as reported)</b>	<b>\$69.3</b>	\$57.8	\$71.3	\$127.1	\$142.8
Net Interest Expense	(26.3)	(26.1)	(25.2)	(52.4)	(48.9)
FX Gain/(loss), net	(1.4)	0.1	1.0	(1.3)	0.9
Income Tax	(4.1)	(3.1)	(4.3)	(7.2)	(13.2)
Other	0.4	1.7	-	2.1	-
<b>Net Profit</b>	<b>\$38.0</b>	\$30.4	\$42.8	\$68.3	\$81.6
<b>EBITDA</b>	<b>\$123.6</b>	\$115.1	\$119.0	\$238.7	\$221.6

a) EBITDA before fair value of biological assets, insurance reimbursements and other one-time, non-cash items



# Balance Sheet

Figures in USD Millions

	<b><u>May.31.16</u></b>
Cash and cash equivalents	\$152
Receivables	214
Other current assets	147
<b>Total current assets</b>	<b>513</b>
Property, Plant and Equipment, deposits	2,760
Investment in and advances to JV and associates	482
Other non-current assets	217
<b>Total non-current assets</b>	<b>3,459</b>
<b>Total assets</b>	<b>\$3,972</b>
Current mat. of LT debt and fin. leases	323
Accounts payable and accruals	294
Other current liabilities	163
<b>Total current liabilities</b>	<b>\$780</b>
LT debt and finance leases	1,530
Other non-current liabilities	295
<b>Total non-current liabilities</b>	<b>1,826</b>
<b>Total liabilities</b>	<b>\$2,605</b>
<b>Shareholders equity</b>	<b>\$1,367</b>
<b>Total liabilities and SH equity</b>	<b>\$3,972</b>

Figures in USD Millions (Except ratios)

At the end of:

	<b><u>May 2016</u></b>
Debt	<b>\$1,853</b>
Tangible Net Worth (TNW)	<b>\$1,567</b>
Debt:TNW	<b>1.18:1</b>
EBITDA / Interest expense	<b>4.82:1</b>
Cash	<b>\$152</b>
Unused committed available credit lines	<b>\$417</b>

- 78.4% fixed / 21.6% variable interest rate at May 31, 2016
- Average interest rate of 4.89% at May 31, 2016
- 3Q16 interest expense expected to be approximately \$27M

## Cash movement since May.31:

Cash and unused credit line at May.31.16	\$569
Repayment of 2016 bond (SNI01)	(300)
New bond issuances	130
Cash and unused credit line	<b>\$399</b>

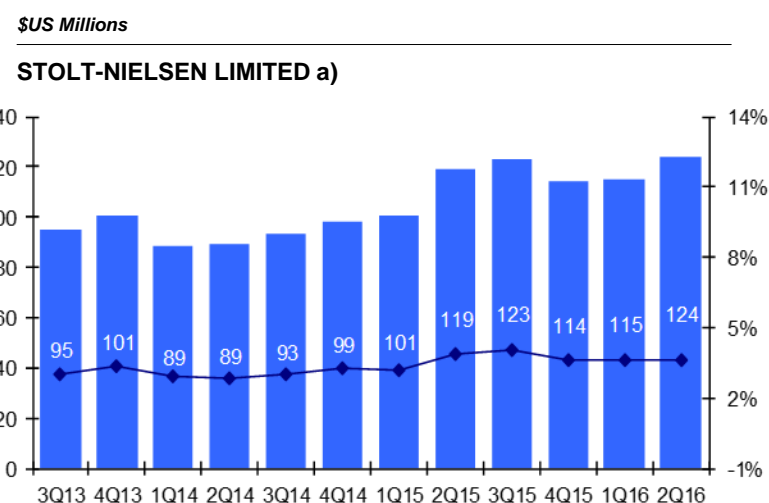
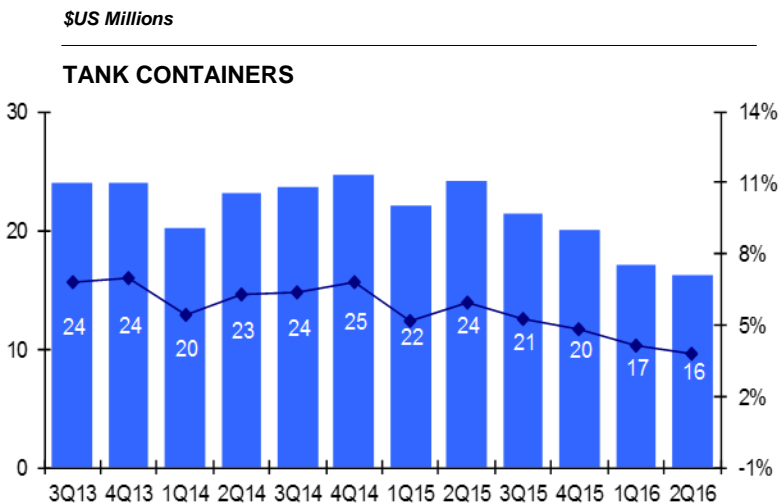
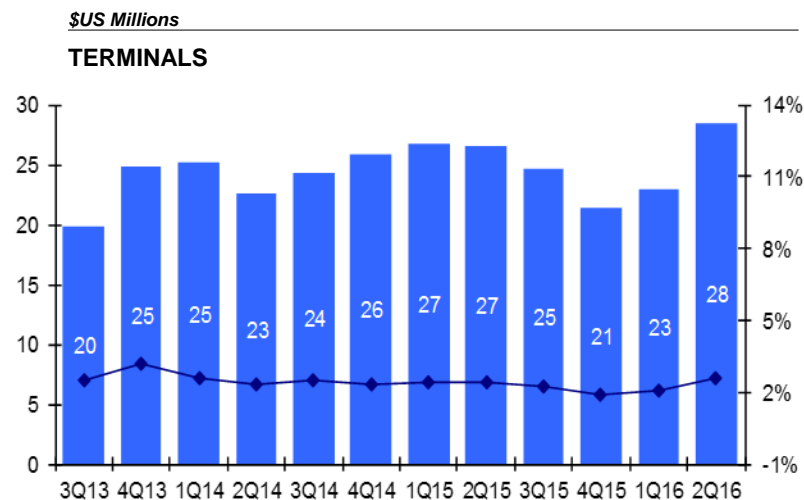
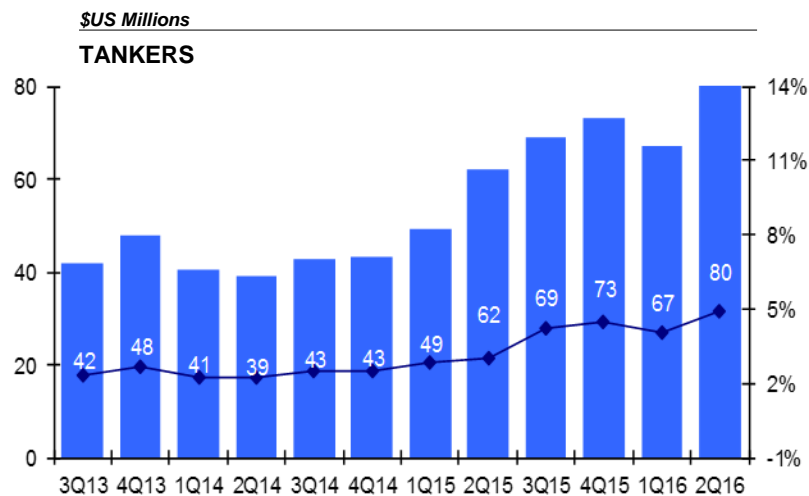
# Cash Flow

Figures in USD Millions

	<b>Quarter</b>		<b>Six months</b>
	<b><u>2Q16</u></b>	<b><u>1Q16</u></b>	<b><u>2016</u></b>
<b>Net income</b>	<b>\$38</b>	<b>\$30</b>	<b>\$68</b>
Depreciation, amortisation and non-cash items	42	47	89
Changes in working capital	(9)	(2)	(11)
Other receipts, net	11	2	12
<b>Net cash generated by operating activities</b>	<b>\$82</b>	<b>\$76</b>	<b>\$158</b>
Capital expenditures and intangible assets	(44)	(50)	(95)
Amounts from advances to affiliates	(0)	5	5
Sale of assets	9	8	17
Newbuilding deposits	(7)	(22)	(29)
<b>Net cash used in investing activities</b>	<b>(43)</b>	<b>(\$59)</b>	<b>(\$102)</b>
Increase/(decrease) in short-term bank loans	(23)	23	0
Proceeds from issuance of long term debt	206	14	220
Purchase of treasury shares	(2)	0	(2)
Repayment of long-term debt	(104)	(40)	(145)
Dividend and other	(27)	(28)	(55)
<b>Net cash (used in) provided by financing act.</b>	<b>50</b>	<b>(\$31)</b>	<b>\$19</b>
<b>Total Cash Flow</b>	<b>\$89</b>	<b>(\$14)</b>	<b>\$75</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>\$63</b>	<b>\$78</b>	<b>\$78</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$152</b>	<b>\$64</b>	<b>\$152</b>



# EBITDA



EBITDA

Quarterly EBITDA as a % to NAB

a) EBITDA before fair value of biological assets, insurance reimbursements and other one-time, non-cash items



# Administrative and General Expenses

Figures in USD Millions

	Quarter			Six Months		Updated Quarterly Guidance
	<u>2Q16</u>	<u>1Q16</u>	<u>2Q15</u>	<u>2016</u>	<u>2015</u>	
Stolt Tankers	<b>\$19.8</b>	\$19.7	\$19.8	<b>\$39.4</b>	\$40.8	\$20.7
Stolthaven Terminals	<b>11.6</b>	10.1	10.2	<b>21.7</b>	21.3	10.9
Stolt Tank Containers	<b>15.9</b>	14.9	13.8	<b>30.8</b>	28.5	15.0
Stolt Sea Farm	<b>1.5</b>	1.0	1.0	<b>2.5</b>	2.1	1.5
<u>SNL Corporate</u>						
Restructuring	-	-	0.7	<b>0.0</b>	0.7	-
SNL Corporate and Other	<b>0.8</b>	(1.3)	0.7	<b>(0.4)</b>	1.2	0.8
US pension curtailment	-	-	0.0	<b>0.0</b>	(19.8)	-
Profit Sharing / LTIP	<b>2.6</b>	4.2	3.7	<b>6.8</b>	6.7	3.5
<b>Total</b>	<b>\$52.3</b>	\$48.5	\$50.0	<b>\$100.8</b>	\$81.6	\$52.4



# Depreciation and Amortisation

Figures in USD Millions

	Quarter			Six Months		Updated Quarterly Guidance
	<u>2Q16</u>	<u>1Q16</u>	<u>2Q15</u>	<u>2016</u>	<u>2015</u>	
Stolt Tankers	\$35.3	\$38.1	\$31.6	\$73.3	\$62.7	\$36.0
Stolthaven Terminals	14.0	13.5	12.2	27.4	23.8	14.0
Stolt Tank Containers	6.0	5.7	5.5	11.7	10.7	6.0
Stolt Sea Farm	1.2	1.5	1.1	2.7	2.0	1.5
SNL Corporate	1.5	1.4	1.7	2.8	2.7	1.5
<b>Total</b>	<b>\$57.9</b>	<b>\$60.1</b>	<b>\$52.0</b>	<b>\$118.0</b>	<b>\$102.0</b>	<b>\$59.0</b>



# Share of Profit of JVs and Taxes

Figures in USD Millions

## Share of Profit of JVs

	Quarter			Six Months		Updated Quarterly Guidance
	<u>2Q16</u>	<u>1Q16</u>	<u>2Q15</u>	<u>2016</u>	<u>2015</u>	
Stolt Tankers	\$4.0	\$3.4	\$4.2	\$7.4	\$6.4	\$3.5
Stolthaven Terminals	5.3	4.5	6.7	9.8	13.3	4.4
Tank Containers	0.0	0.7	0.3	0.7	0.4	0.1
Corporate and Other	(0.5)	2.1	1.9	1.5	5.0	0.0
	<b>\$8.8</b>	<b>\$10.7</b>	<b>\$13.2</b>	<b>\$19.5</b>	<b>\$25.1</b>	<b>\$8.0</b>

## Taxes

	Quarter			Six Months	
	<u>2Q16</u>	<u>1Q16</u>	<u>2Q15</u>	<u>2016</u>	<u>2015</u>
Tankers, Terminals and T. Containers	\$1.8	\$1.2	\$4.1	\$3.0	\$8.0
Stolt Sea Farm	1.0	1.4	2.1	2.4	2.1
SNL Corporate	1.3	(0.5)	(2.0)	1.8	3.1
<b>Total Taxes</b>	<b>\$4.1</b>	<b>3.1</b>	<b>\$4.2</b>	<b>\$7.2</b>	<b>\$13.2</b>



# Capital Expenditures Programme

Figures in USD Millions

	Actual	Projections					Total
	YTD 2Q16	3Q-4Q16	2017	2018	2019	2020	
Stolt Tankers	\$48	\$252	\$134	\$19	\$5	\$7	\$417
Stolthaven Terminals	49	91	136	45	29	33	335
Stolt Tank Containers	18	32	2	-	-	-	34
Stolt Sea Farm	2	3	20	13	5	5	46
Stolt Bitumen Services	0	0	-	-	-	-	0
SNL Other	3	45	-	-	-	-	45
<b>Total</b>	<b>\$120</b>	<b>\$423</b>	<b>\$292</b>	<b>\$77</b>	<b>\$40</b>	<b>\$45</b>	<b>\$877</b>

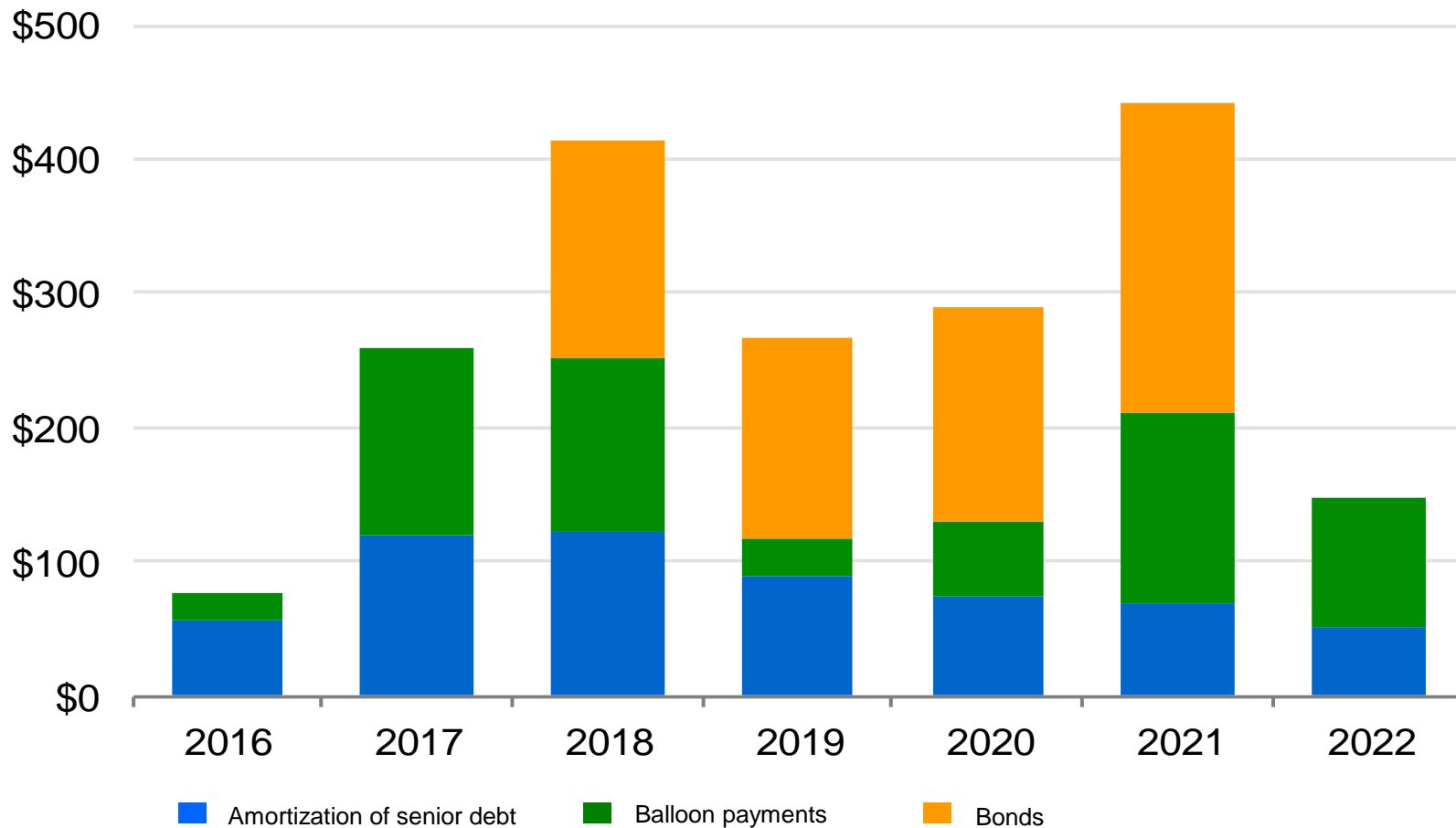
Capital Expenditures Programme includes business acquisitions, newbuilding deposits and does not include capitalised interest





# Debt Maturity Profile after Repayment of SNI01

Figures in USD Millions



## Notes:

1. 2016 includes only the remaining of the year
2. No drawdown under revolver as at quarter end
3. Bonds include tap issues closed on Jun.8.16
4. SNI01 \$300M was paid on Jun.22.16
5. Balloon payment of \$128.6M maturing in 2018 will be paid in September 2016 as we are refinancing our RCF



# Financing Update

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- \$131M sale leaseback transaction for 9,200 tank containers closed on May 20, 2016
- \$110M refinancing of *Stolt Groenland* and *Stolt Norland* (43,000 DWT) closed on May 20, 2016; drawdown first tranche on June 1 and second tranche at the end of July
- SNI raised \$129.7M in bonds by tapping existing maturities of SNI03, SNI04, SNI05 and SNI06 on June 8, 2016
- SNI01 was paid off on June 22, 2016
- Renewal of the Company's \$650M Revolving Credit Facility, target closing at end of September; positive response from banks
- Refinancing of two N43s and Singapore terminal financing expected to start August 2016



# Key Takeaways

- Continued strong performance with 2Q16 net profit of \$38.0M and EBITDA of \$126.6M
- 2Q16 annualized EPS of \$2.73; \*P/E ratio of 4.55; \*P/NAV of 0.50
- Current dividend yield of 8% basis \$1 per share and a share price of NOK 103
- Good liquidity position with approximately \$400M available as of end of June through our revolving credit line and cash on hand; capex is partly funded
- Solid performance in tankers; steady tank container results in a competitive market; a turnaround at Stolthaven Terminals has begun but will take time
- Our entry into the LNG space will leverage our experience in chemical logistics, targeting small scale LNG demand

\*Share price of SNL is as of Jul.04.16 of NOK 103/share





For more information please visit our website:  
[www.stolt-nielsen.com](http://www.stolt-nielsen.com)