



Stolt Tank Containers



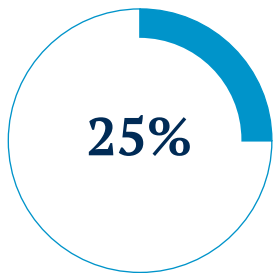
Performance

(US \$ millions)	2023	2022	2021
Operating revenue	700	895	662
Operating profit ¹	117	173	82

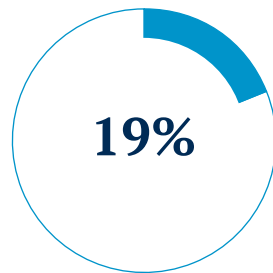
1. Excludes MSC Flaminia legal provision of \$155.0 million.

Percentage of group total

of total operating revenue



of total operating profit²



2. Excluding Stolt-Nielsen Gas, Corporate and Other loss of \$42.9 million and MSC Flaminia legal provision of \$155.0 million.

Markets

- We are a leading provider of logistics and transportation services for door-to-door shipments of bulk-liquids.
- Our fleet totals 50,900 tank containers, the largest in the industry. Our 21 full-service depots and refurbishing facilities give us direct control over tank handling, cleaning and maintenance. This ensures our fleet and cargo handling operations consistently meet the highest standards for quality, reliability, safety and environmental protection.

Strategy

Stolt Tank Containers (STC) helps customers minimise costs and increase efficiency across their supply chains. Our strategy focuses on improving customer centricity; maintaining the best fleet, depot and vendor networks; and attracting and retaining the best talent.

We are also contributing to a sustainable future by actively reducing the environmental footprint of our own operations and by helping our customers embrace more sustainable modes of transport. We are also investing in sustainable solutions at our depots including wastewater treatment and water recycling facilities.

2023 in review

In the two years since I took the reins of STC, we have been operating in a tough environment, yet the team has pulled together to deliver strong results. I would like to say a huge thank you to all our people for their energy and hard work during this particularly volatile year. They have focused on implementing the first phase of our strategy, achieving far more than I could have predicted. And our people find working with us rewarding too. Our happy and engaged workforce was reflected in another great year for our Employee Engagement Survey results (score of 89%).

I am proud of the fact that we stayed committed to our strategy of growing the company and closed the year with a positive result. We reached an impressive online booking milestone during the year which means the majority of our business can now be conducted digitally. We also grew our key accounts, optimised procurement, streamlined our depot operations and continued to enhance our customer focus. Strengthening our partnerships with key customers has laid the foundations to improve our services further. We are moving to a more sustainable future, prioritising reducing our carbon footprint at depots where we have implemented green energy, designed and implemented solutions to make tank



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cleaning less energy-intensive, and placed emphasis on circularity.

STC's full year operating loss was \$37.8 million, compared with \$172.7 million profit in 2022. This includes a loss provision of \$155.0 million (net profit impact of \$115.0 million) related to the *MSC Flaminia* incident in 2012. Transportation revenue decreased 25.5% to \$699.5 million having increased 30.8% in the prior year. Transportation revenue was down as rates decreased, although this was slightly offset by an increase in overall volumes. Demurrage revenue decreased in 2023 versus 2022 as supply chain bottlenecks eased and tanks on demurrage declined in the second half of the year. Operating costs were down by 25% as ocean and inland freight costs were also lower during the year. Following the historical highs of the past few years, freight carrier rates have returned to pre-Covid levels.

The container and logistics market remained competitive in 2023. Softer market demand increased competition and put pressure on margins, so we worked on increasing our volumes. To support this, we added 3,900 tanks to our fleet, which increased in size to 50,900 (8.4%). Our team kept our competitive edge by providing best-in-class digital tools and service to our customers. Our focus moving forward is to optimise the way we manage costs and improve efficiencies.

In 2023, we placed even more emphasis on safety and safety culture at all levels of the organisation, both in terms of caring for each other and our customers. We established new baselines for our safety performance to include all contractors and their workable hours. During the the year our safety performance progressed, we recorded two lost time incidents (LTIs), an improvement on last year. Read more on page 44.

We produced 13% lower Scope 1 and 33% lower Scope 2 emissions at our own depots compared to last year, demonstrating our steadfast commitment to moving towards a sustainable future. We installed solar panel systems in depots, switched to green electricity or less carbon-intensive heating for cleaning and heating, and gained efficiencies in tank cleaning. We also introduced emissions estimates to our online booking system to help our customers manage the carbon footprint of transporting their products with us. Through our sustainability focus, I am extremely proud that in January 2024, we achieved our first gold rating from EcoVadis. You can read more about our environmental performance on pages 51 and 52.

Outlook

A softer market in 2024 is expected to influence our revenue and earnings. But we will benefit from ongoing growth and investments in digital infrastructure. We are starting to run higher volumes with more efficiency due to our scalable platform and expect this trend to continue.

No one can predict how long the situation in the Red Sea will last, and our team will continue to work closely with our customers to minimise the impact on their supply chains. Although transit times for certain trade lanes are significantly longer as ships are sailing around the Cape of Good Hope, freight services are now more predictable which helps with planning and inventory management.

Although the short-term outlook is challenging, all that we have achieved in 2023 has laid the foundations for us to deliver another successful year in 2024 with results returning to pre-Covid levels. Working as one team, we can achieve even more for customers and make sure our offering is sustainable in the longer term. We will also look to build on our existing synergies with the company's other liquid logistics businesses to serve customers better. Safety remains our priority and we will continue our efforts to ensure that all employees, in our offices and depots, are always safe and the products that we carry are handled safely.

Hans Augusteijn

President
Stolt Tank Containers