



# Stolt-Nielsen Limited | Pareto Conference Investor Presentation

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September 15, 2022

**Stolt-Nielsen** 

# Forward-Looking Statements

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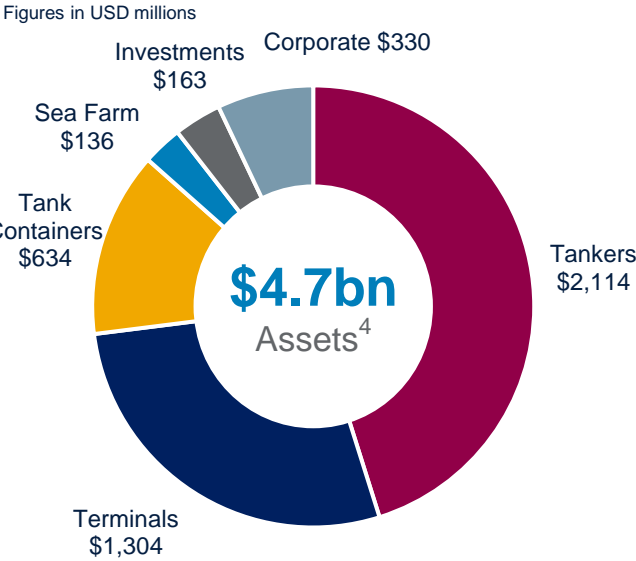
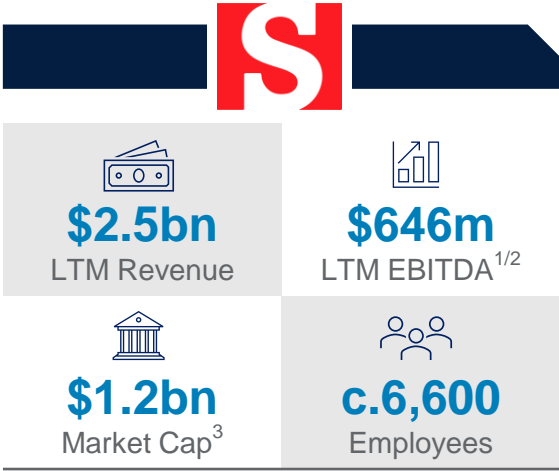
Included in this presentation are various “forward-looking statements”, including statements regarding the intent, opinion, belief or current expectations of the Company or its management with respect to, among other things, (i) goals and strategies, (ii) plans for new development, (iii) marketing plans, (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 are not limited to, the matters described in the section “Principal Risks” (p. 60 et seq.) in the most recent annual report available at [www.stolt-nielsen.com](http://www.stolt-nielsen.com).



# Stolt-Nielsen at a Glance

World's leading liquid chemical logistics provider

LOGISTICS BUSINESSES			AQUACULTURE	
Stolt Tankers	Stolthaven Terminals	Stolt Tank Containers	Stolt Sea Farm	Investments
				
<ul style="list-style-type: none"><li>Leading global provider of transportation services for bulk-liquid chemicals, edible oils, acids, biofuels and CPP</li></ul>	<ul style="list-style-type: none"><li>Global provider of storage services for bulk-liquid chemicals, edible oils, acids, biofuels and CPP</li></ul>	<ul style="list-style-type: none"><li>Leading global provider of tank container door-to-door transportation services for bulk-liquid chemicals and food-grade products</li></ul>	<ul style="list-style-type: none"><li>Leading global land-based aquaculture company focused on the production of turbot and sole</li><li>14 land-based, flow through and RAS farms across five countries</li></ul>	<ul style="list-style-type: none"><li>Invests in industries where Stolt-Nielsen can leverage its knowledge and experience</li><li>Stolt-Nielsen Gas Ltd invests in opportunities in LNG supply, shipping, storage and distribution</li></ul>
<b>Key Highlights</b> <ul style="list-style-type: none"><li>~160 deep-sea, coastal and inland parcel tankers</li><li>&gt;3m total deadweight tonnes</li></ul>	<b>Key Highlights</b> <ul style="list-style-type: none"><li>~5.0m cbm total storage capacity (including JVs)</li><li>10 wholly-owned terminals</li><li>4 joint venture terminals</li></ul>	<b>Key Highlights</b> <ul style="list-style-type: none"><li>~43,500 tank containers in the fleet</li><li>~140,000 shipments</li><li>22 depots and hubs</li></ul>	<b>Key Highlights</b> <ul style="list-style-type: none"><li>5,700 tonnes turbot production capacity</li><li>1,570 tonnes sole production capacity</li></ul>	<b>Key Highlights</b> <ul style="list-style-type: none"><li>47.2% stake in Avenir LNG</li><li>2.5% stake in Golar LNG</li><li>2.5% stake in Cool Company Ltd ("CoolCo")</li><li>7.6% stake in Odjell ASE</li><li>9.8% stake in Ganesh Benzoplast</li></ul>



# 1H22 Highlights | Firing On All Cylinders

## 1H22 vs. 1H21

OPERATING REVENUE

**\$ 1,295.3m**

\$ 1,007.1m



EBITDA

**\$ 334.9m**

\$ 225.9m



OPERATING PROFIT

**\$ 203.7m**

\$ 77.4m



NET PROFIT

**\$ 110.9m**

\$ 10.3m



FREE CASH FLOW\*

**\$ 252.5m**

\$ 34.1m



NET DEBT TO EBITDA

**3.44x**

4.84x

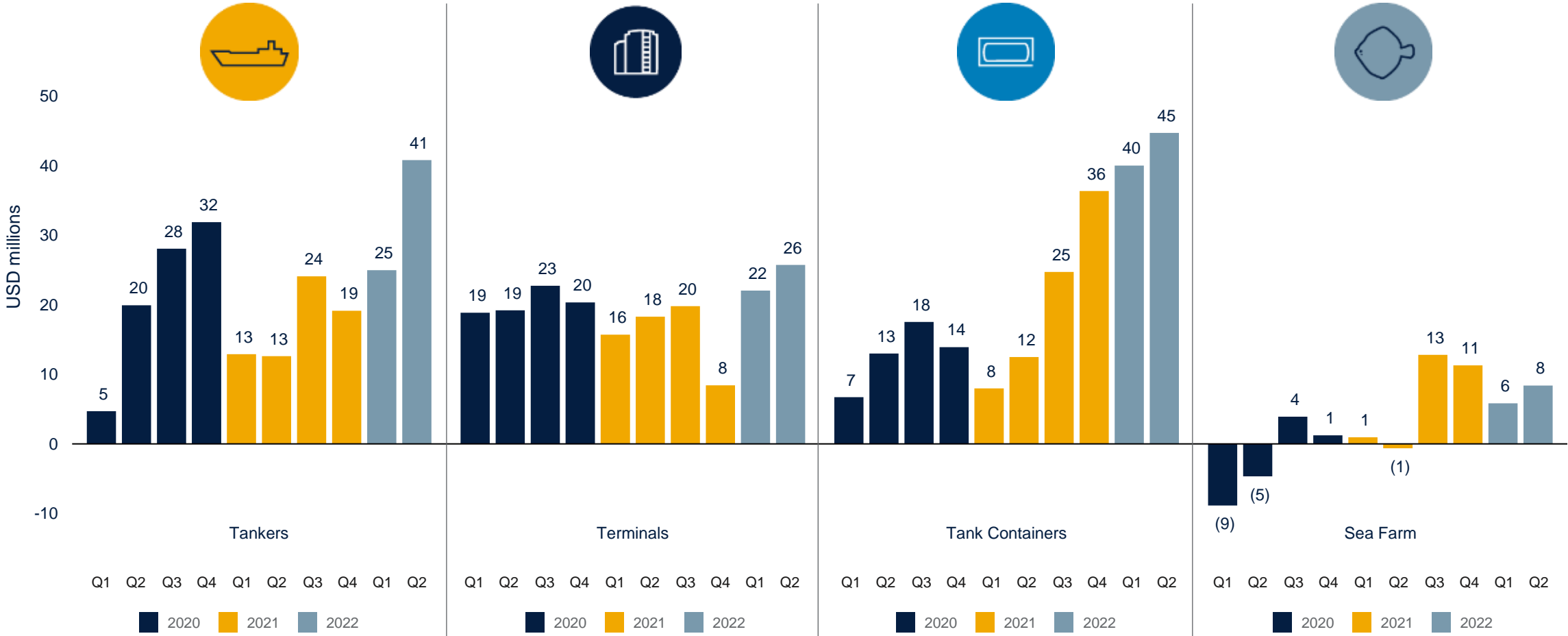


\*Cash from operations less cash used for investing activities

- **Net profit of \$110.9m**, up from \$10.3m in 1H22
- **EBITDA** of \$334.9m, up from \$225.9m driven by
  - **Stolt Tankers** higher spot volumes and freight rates
  - **Stolthaven Terminals** higher utilisation and throughput volume
  - **Stolt Tank Containers** increased transportation rates and higher demurrage revenue
  - **Stolt Sea Farm** improved prices and volumes of both turbot and sole vs 2021
- Higher free cash flow due to strong results in all divisions for 2022 vs 2021
- Dividend of \$0.50 paid on May 11, 2022. Total \$1.00/share paid for 2021
- **\$450m available liquidity** at end 2Q22
- Acquired three 33,600 DWT chemical tankers, fleet > 3m DWT

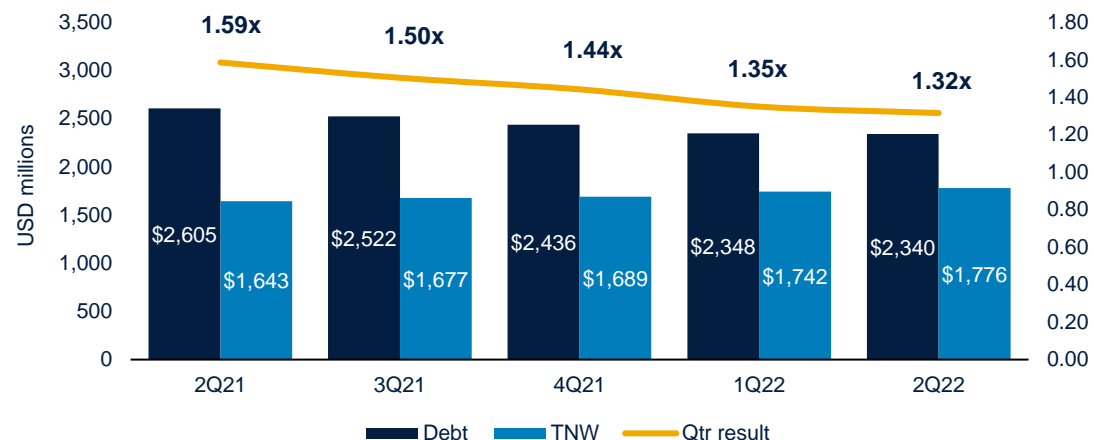
# Resilient and Diversified Businesses

## Operating Profit by Business

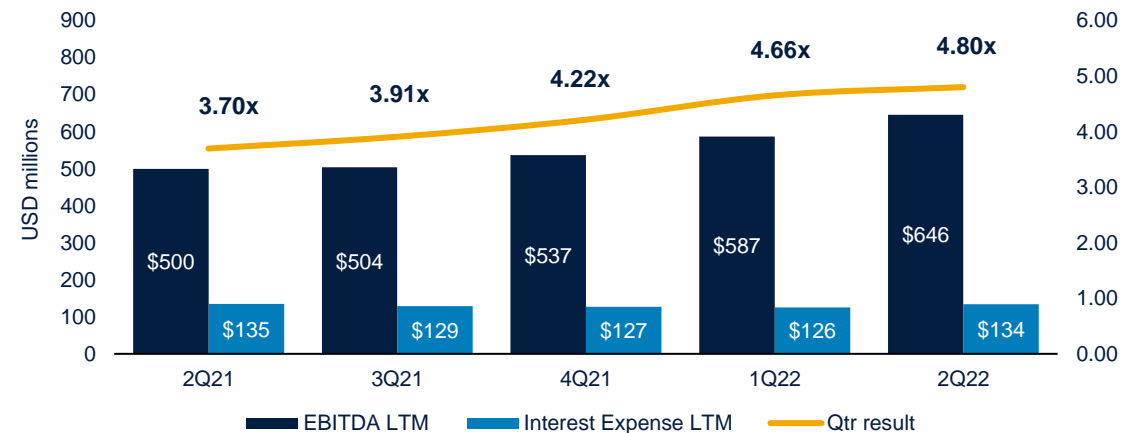


# Financial KPIs | Steady and Healthy Improvement

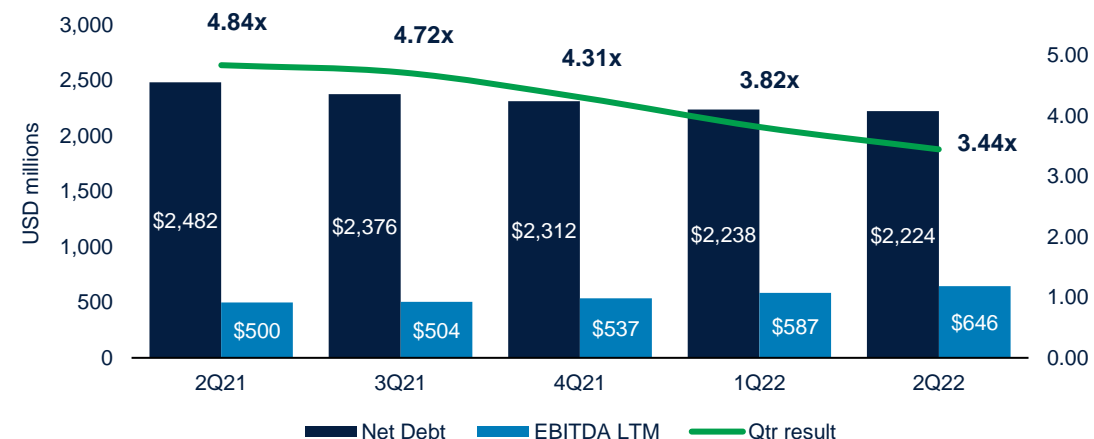
Debt to Tangible Net Worth | Maximum 2.00:1.00



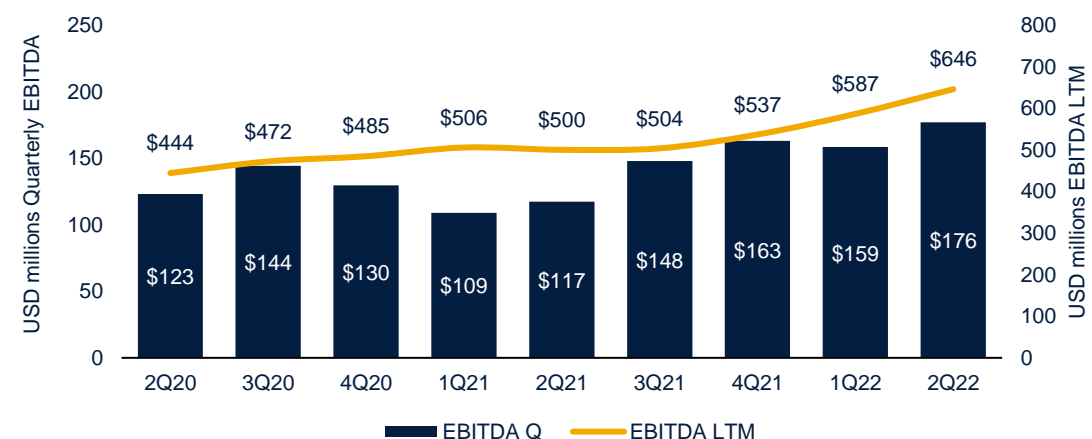
EBITDA to Interest Expense (LTM\*) | Minimum 2.00:1.00



Net Debt to EBITDA (LTM\*)



EBITDA Development\*\*



**Mission:** “to provide growing long-term cash flow to our shareholders”

STRATEGIES		
	Sustainable and expanding <b>EBITDA</b>	
	<b>Invest</b> in organic growth, greenfield development and acquisitions	
	Manage <b>ESG</b> in a proactive and forward-looking manner	
	<b>Net Debt/EBITDA</b> < 3.5x	
	Maintain corporate structure	
		Stolt Tankers <b>IPO</b> to facilitate consolidation and growth 
		<b>Grow</b> in the terminal market 
		<b>Grow</b> in the tank container market 
		<b>Grow</b> in the aquaculture market 
		<b>Invest</b> in LNG 
		Develop <b>new businesses</b> in parallel industries 

# Environmental Sustainability Ambition

## Our commitment

*"We are committed to making the UN Global Compact and its principles **part of the strategy, culture and day-to-day operations of our company**, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals."*

Stolt-Nielsen Limited commitment letter to the  
UN Secretary-General – Niels G. Stolt-Nielsen



## Our focus areas

### Taking urgent action to combat climate change and its impacts.



- Decarbonizing, reducing green-house gas (CO<sub>2</sub>) emissions
- Reduction of other emissions
- Replacing fossil fuels with sustainable alternatives

### Conserving and sustainably using the oceans, seas and marine resources.

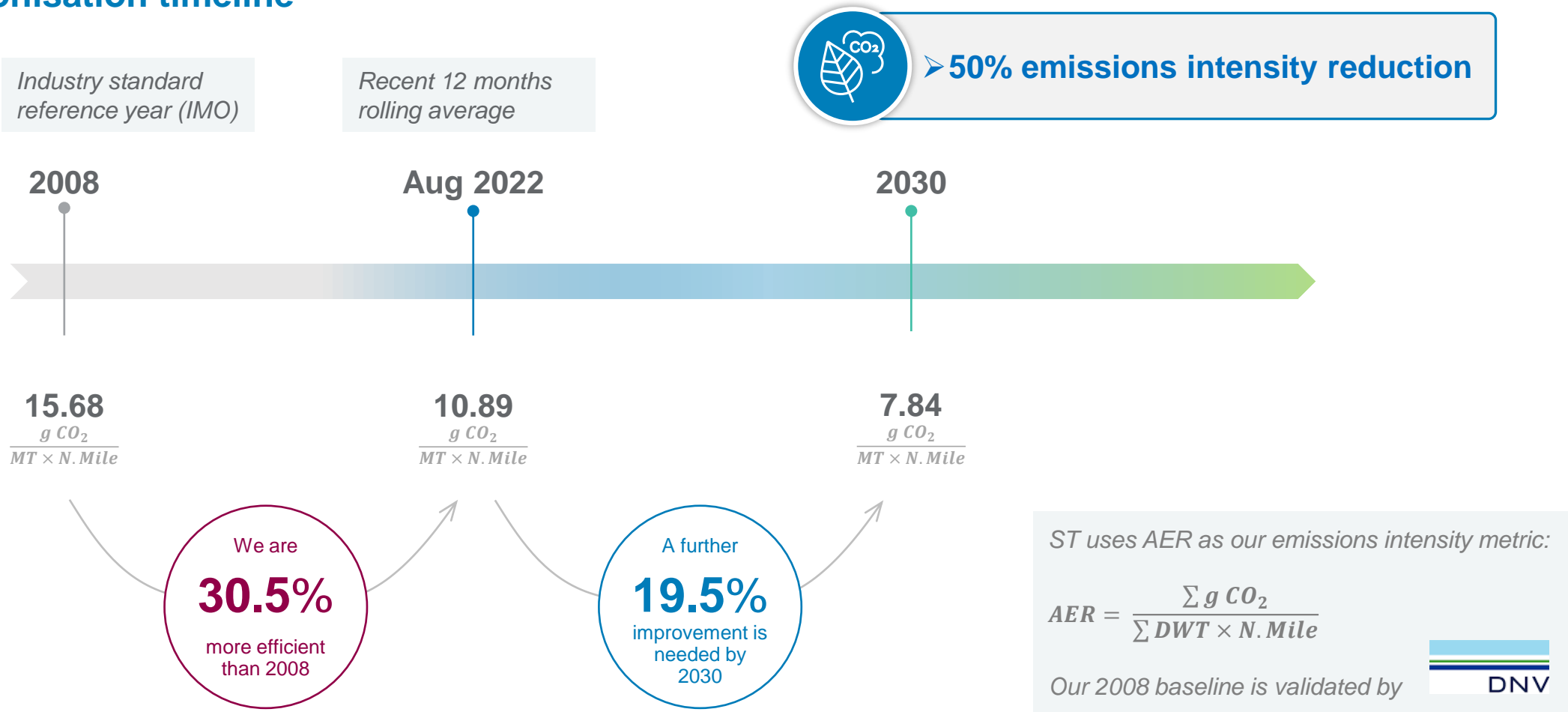


- Reducing our waste generated
- Maintaining zero spills overboard
- Protecting marine ecosystems



# Stolt Tankers – Our Decarbonisation Ambition

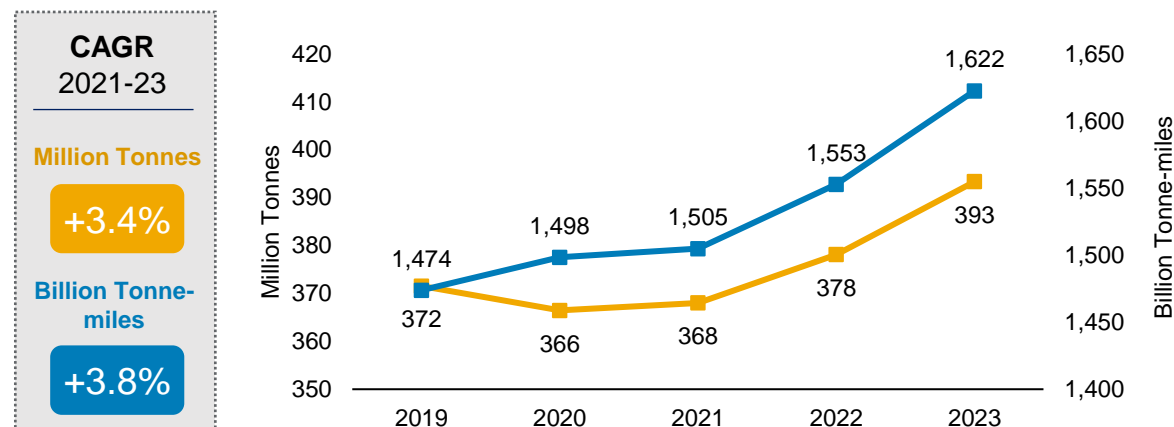
## Decarbonisation timeline



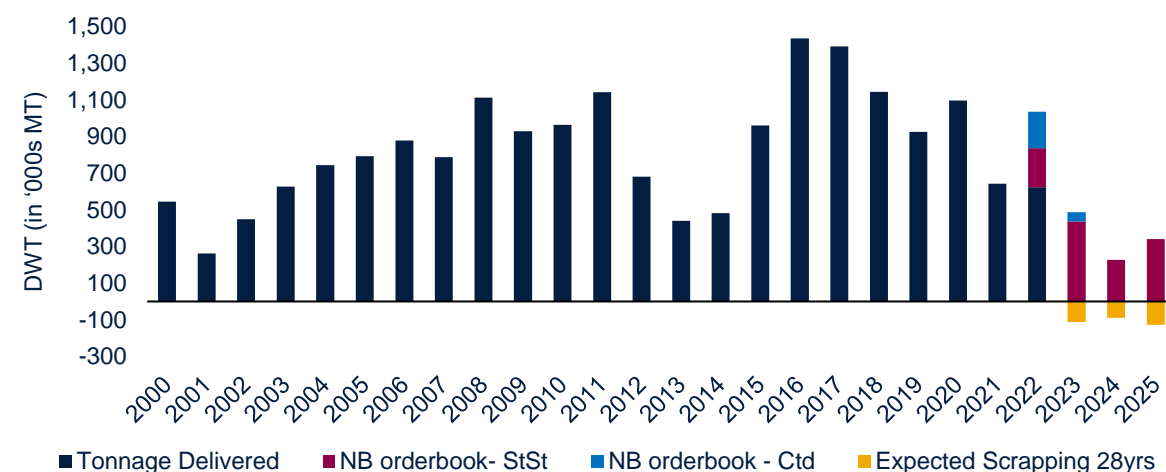
# Chemical Markets Outlook | Probability of Global Slowdown is Increasing, However Chemical Logistics Fundamentals Remain Supportive

- **Expectations of slower growth in 2022-2023** – hampered by high inflation, slowing real GDP growth and rapidly tightening monetary policy
- However, the **fundamentals of the chemical logistics market remain supportive**
- **Global chemical production expected to grow +3.5% in 2022** (2021: +6.1%), slower than in 2021 but still above pre-pandemic averages
  - Main drivers are a rebound in US demand (following weather-related outages in 2021) and strong growth in Middle East capacity
- **Tonne-mile demand expected to grow +3.8% in 2022 and 2023**
  - Changing trade flows to Europe and Asia due to the Ukraine-Russia conflict and import of feedstocks to support European production
- From a supply side, the **chemical tanker orderbook remains at historically low levels**
  - Newbuild SS chemical tankers ordered today have earliest delivery ~end 2025, providing further support to the supply / demand balance

## World Seaborne Chemicals Trade | Annual % Change



## Orderbook is at 7.2%, out of which StSt tonnage accounts for 6.0%



# Market Highlights | Strong Spot Market Driving Future Earnings

- Changing product flows and limited supply have resulted in higher MR spot rates – swing tonnage is moving out of chemicals
- Positive momentum continuing to build across all major chemical trade routes
- Regional Fleet: SNAPS, SNICS, SNITS showing strong performance
- ST recovering from a long period of soft tanker markets with low freight levels and erosion of contract terms
  - Improving freight rates during 2Q – positive impacted expected in 3Q
  - Tightening terms and conditions on contract renewals and spot fixtures – **4Q will have significant volume of contracts being renewed, which will positively impact earnings 1Q23 onwards**

## Expanding the fleet with...

On May 6, 2022

Announcement of signed agreement to acquire three ships 33,600 DWT Stainless steel chemical tankers

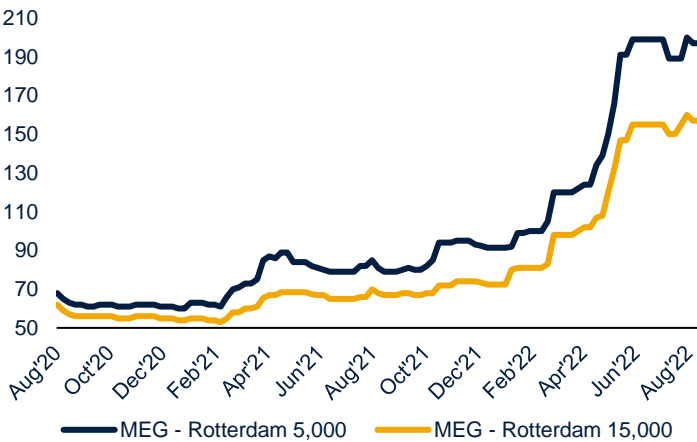
Delivery Expected: July-September

## Post-transaction ST Fleet...

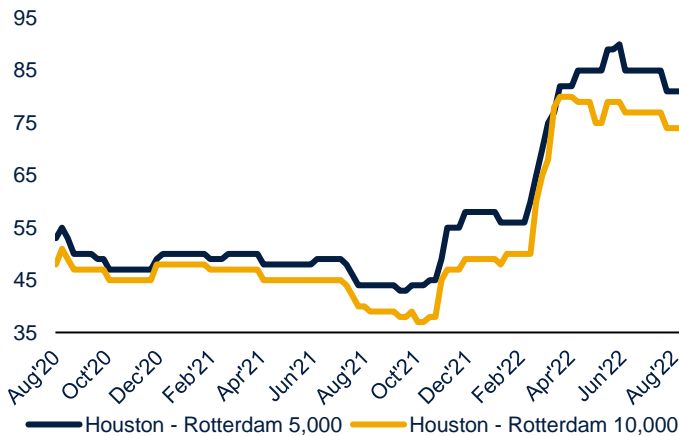
Total fleet: **163 vessels**  
(83 deep-sea)

Total dwt: **3.03m dwt**

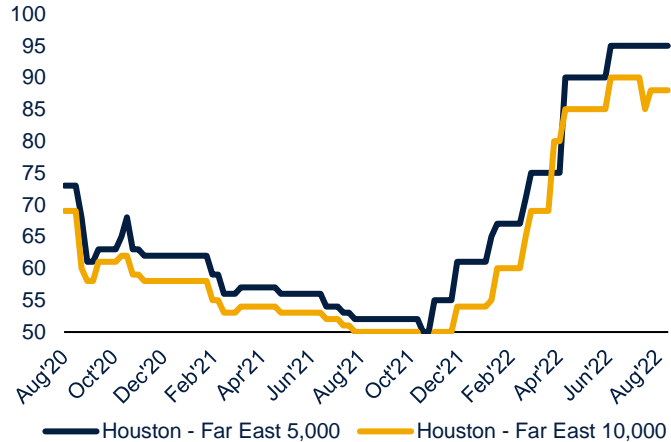
Middle East Gulf to Europe, Chemicals Index



Transatlantic Eastbound, Chemicals Index



Transpacific, Chemicals Index



# Focused on Delivering Cash Returns

- Objective is to **deliver steady cash returns to shareholders**
- Two key variables stipulated in the dividend policy determine the level of dividend:



- Our diversified operations and **stable capital structure** position us well to continue delivering value to shareholders

## Strong Historical Cash Returns

**>\$1.0bn**

Cumulative dividends returned to shareholders since 2000

**2005**

Dividends paid to SNL shareholders every year since 2005

5.1% average annual dividend yield achieved since 2005<sup>3</sup>

**\$1.00  
/share**

Dividend paid to SNL shareholders in 2021<sup>2</sup>

# Key Messages

## Strength in performance across all businesses...



- **Quarterly performance at multi-year highs** across STC, SHVN and SSF
- Businesses delivering on their strategies with supportive underlying markets



- **Chemical tanker market firming**
  - Swing tonnage focused on oil products
  - Orderbook at historical lows
- **Consolidation still required** to achieve long term sustainable earnings and serve our customers



- 2Q-22 LTM EBITDA 29% higher YoY at \$646m
- Net Debt / LTM EBITDA <3.5x

## ...However, macro drivers point towards risks



- **Inflation has risen sharply**
- Limited capacity within oil & gas, high commodity prices and tight labour markets



- **Consumer confidence is declining**
- High inflation and rising interest rates could curb spending on goods and services



- Ukraine / Russia war and China's 'Zero-Covid' strategy continue to disrupt trade flows
- Enhanced focus on energy and food security

**Solid outlook for 2H22 onwards – focus on generating cashflows for debt service, dividends and growth**





Q&A

Stolt-Nielsen 