



Third-Quarter 2018 Results Presentation

October 4, 2018



Forward-Looking Statements

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 are not limited to, the matters described in the section “Principal Risks” (p. 61 et seq.) in the most recent annual report available at www.stolt-nielsen.com.

Stolt-Nielsen Limited Representatives



- **Niels G. Stolt-Nielsen**
Chief Executive Officer
- **Jens F. Grüner-Hegge**
Chief Financial Officer



Agenda

- SNL 3Q18 Highlights
 - Stolt Tankers
 - Stolthaven Terminals
 - Stolt Tank Containers
 - Stolt Sea Farm
 - Stolt-Nielsen Gas
- Financials
- Q&A



Third-Quarter 2018 Highlights

Operating

- SNL net profit of \$3.0m after one-time loss of \$12.9m resulting from an accounting reclassification related to the investment in Avance Gas Holdings Limited, compared with \$9.5m in the prior quarter, which included one-time impairment losses of \$11.8m
- Stolt Tankers reported an operating profit of \$21.4m, down from \$26.5m last quarter, mainly reflecting reduced gains on bunker hedges and an increase in bunker costs net of surcharges
- Stolthaven Terminals reported an operating profit of \$18.6m, flat compared to the second when excluding a one-off benefit of \$1.6m in 2Q related to an early contract termination
- Stolt Tank Containers reported an operating profit of \$17.7m, down from \$18.8m, reflecting seasonal declines in the number of shipments
- Stolt Sea Farm's operating profit before the fair value adjustment of inventories was \$2.1m, compared with \$2.4m in the first quarter, reflecting reduced margins
- Corporate and Other reported an operating loss of \$3.3m compared to a loss of \$20.9m in the prior quarter, which included an \$11.8m impairment of two bitumen ships

Financial

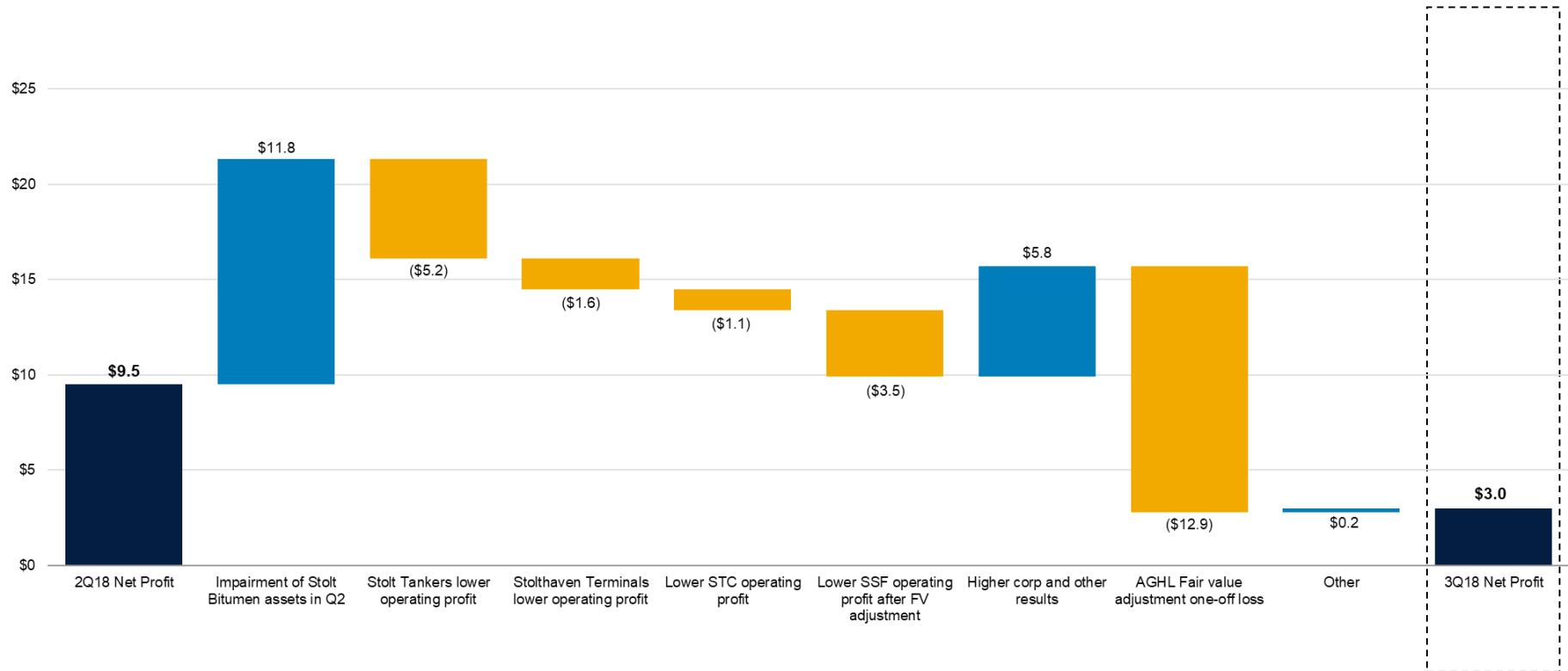
In \$US Millions, except per share data
(unaudited)

	Quarter			YTD	
	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>	<u>2018</u>	<u>2017</u>
Revenue	\$543.1	\$541.0	\$513.8	\$1,599.4	\$1,490.2
Operating Profit	54.8	48.5	56.0	158.2	156.1
Net Profit (attributable to SNL equity holders)	3.0	9.5	18.5	51.3	49.2
EPS Diluted	0.05	0.15	0.30	0.83	0.80
Weighted average number of shares outstanding, diluted	61.0	61.6	61.9	61.5	61.9



SNL: 2Q18 to 3Q18 Net Profit Variance

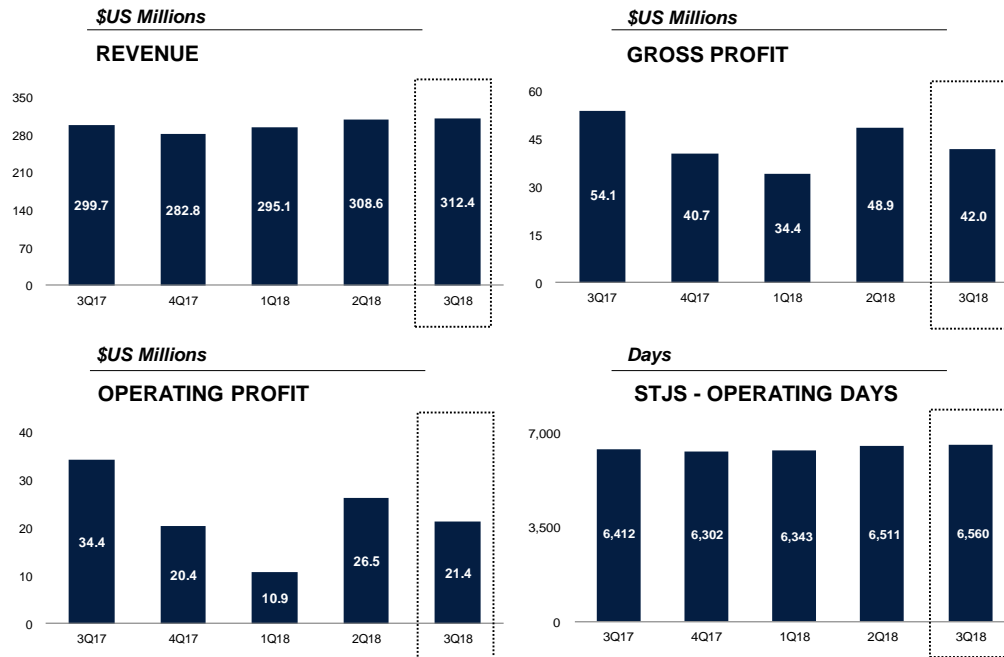
Figures in \$US Millions



Note: Net Profit attributable to equity holders of SNL



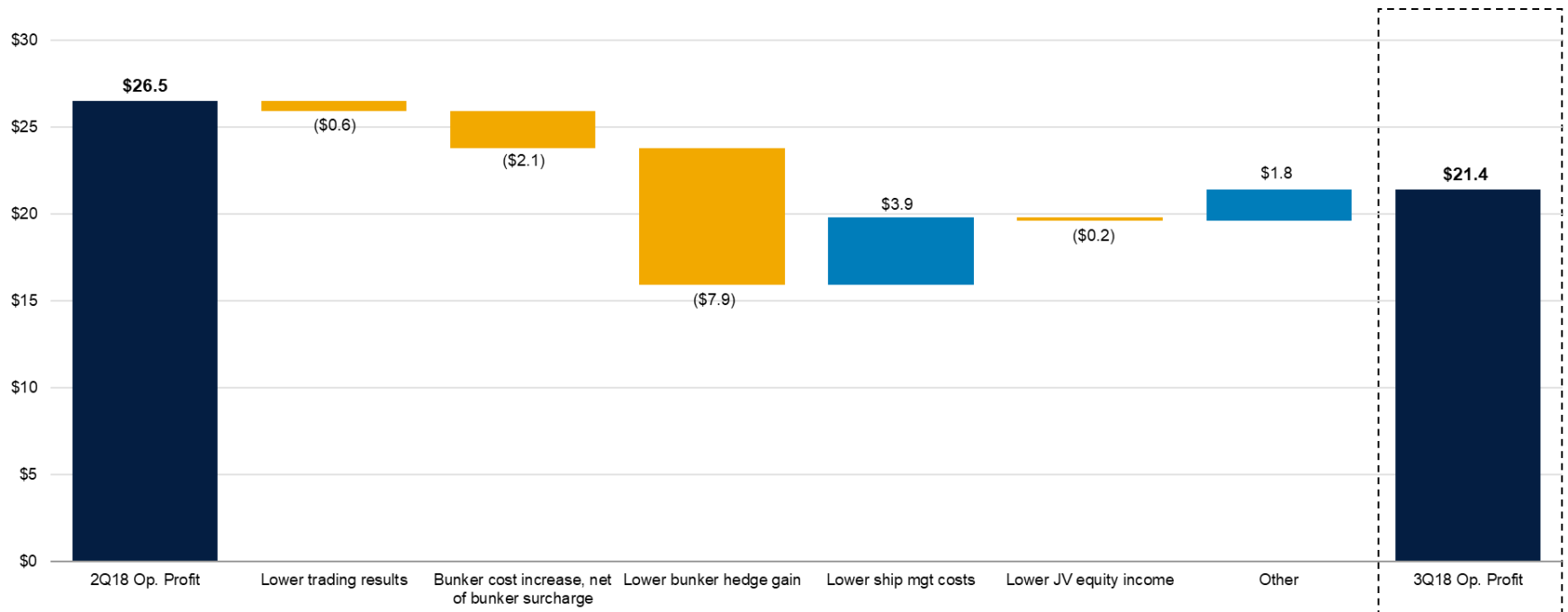
Stolt Tankers – Challenging Market Conditions



- Total volume increased by 1.6%, driven by an increase in operating days and higher COA volume
- Deep-sea revenue for the quarter increased by 1.4%, reflecting an increase in bunker surcharges; regional fleet revenue was flat
- Deep-sea COA rates were down 1.6%; spot rates were up 1.8%; average unchanged
- COA freight rate renewals in the quarter were down on average by 3.9%, compared with a COA rate renewal decrease of 3.8% in the previous quarter

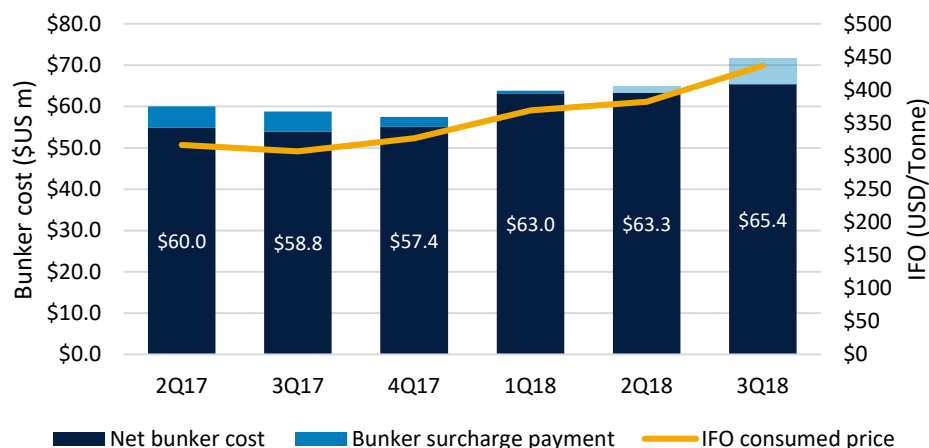
Tankers: 2Q18 to 3Q18 Operating Profit Variance

Figures in \$US Millions



Stolt Tankers: Bunker Costs

Figures in \$US Million



Source: Stolt-Nielsen

Note: Excludes bunker hedge results

Period	Realised G/(L)	Unrealised G/(L)	Total Hedge G/(L)
FY17	7.4	6.1	13.5
1Q18	2.8	(3.1)	(0.3)
2Q18	3.0	6.3	9.3
3Q18	4.4	(3.1)	1.3

Future Swaps	Volume (MT)	Weighted av. price
2018	32,000	263.0
2019	48,000	260.8
Options	Volume (MT)	Weighted av. price
2018	5,000	315.0

- Average price of IFO consumed increased to \$437/tonne in 3Q18 from \$383/tonne in 2Q18
- COA bunker surcharge clauses covered on average 64% of total volume in 3Q18
- Current mark-to-market price of bunker hedges is on average \$412/tonne

STJS Quarterly Bunker Price Sensitivity

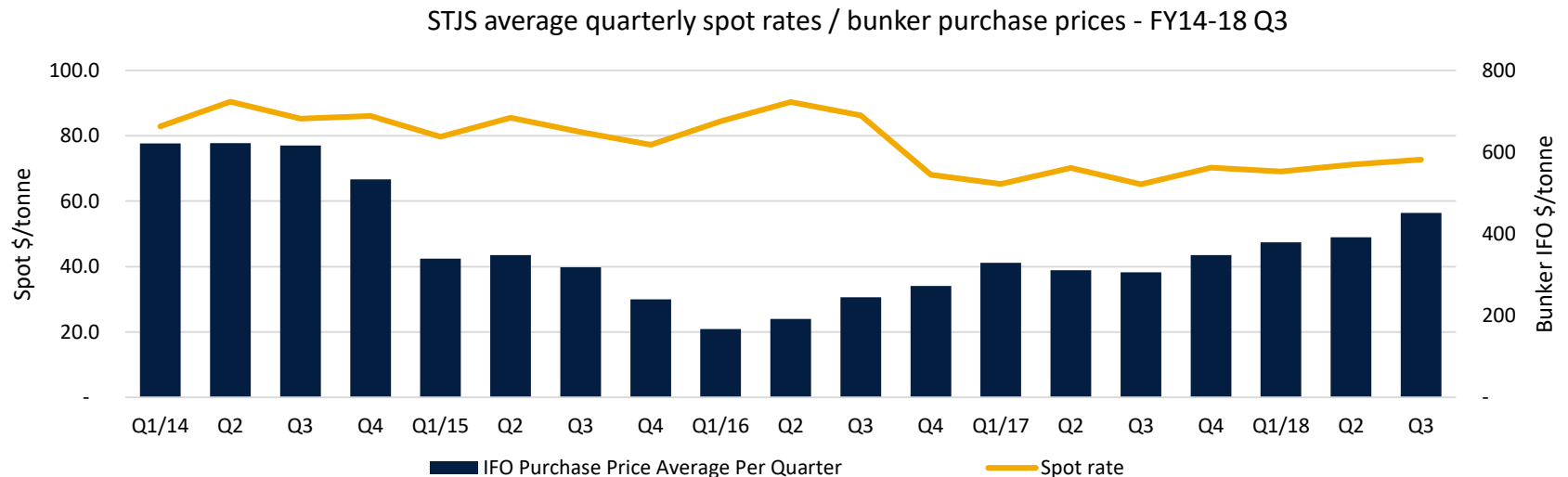
Net Impact on P&L excl hedges

IFO Quarterly volume	112,767 tonnes	
IFO average price 3Q18	\$437 per tonne	
Base price + 5%	\$459 per tonne	(\$1.5)
Base price + 10%	\$481 per tonne	(\$3.0)
Base price + \$100	\$537 per tonne	(\$6.5)

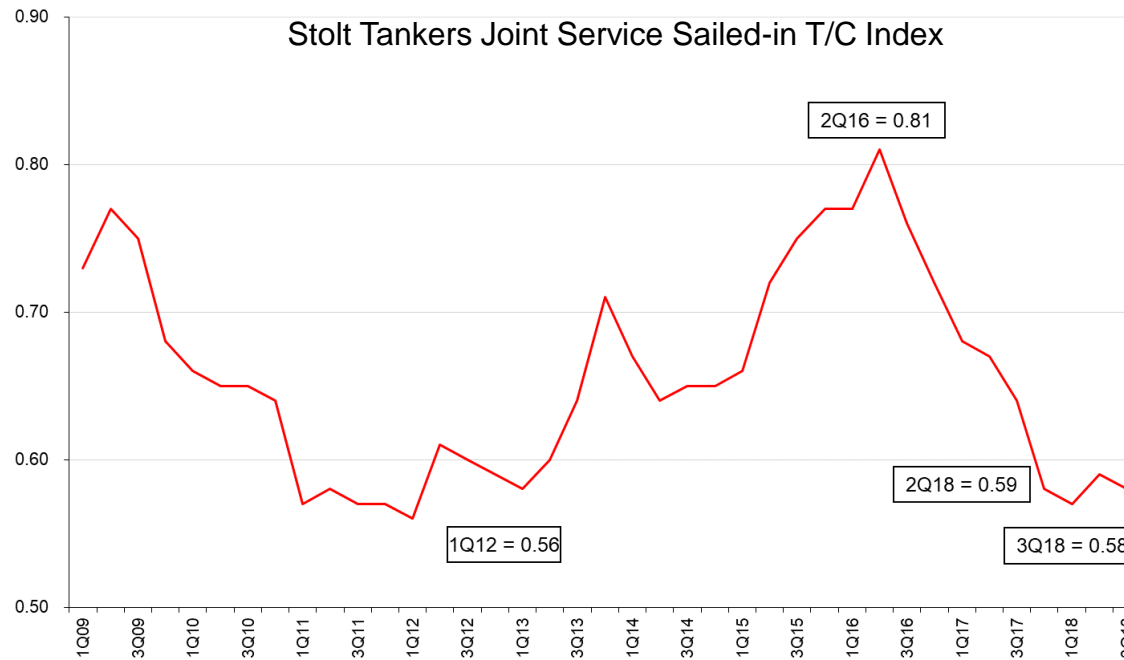


2020: Low Sulphur Fuel Change

- On January 1, 2020, all ships will have to consume low-sulphur fuel (0.5%, down from 3.5% today)
- Fuel options are either 0.1% MGO or new 0.5% fuels (not on the market today; new fuels are unpriced and may give operating problems)
- Ships can fit scrubbers to remove sulphur, but only 5% of world fleet will do so (suitability, capital constraints, unprofitable shipping industry, yard capacity)
- Cost increase for Stolt is \$150 million @ \$300pmt MGO/IFO spread
- Cost increase unsustainable for the industry without pass-through to customers
- Container lines are passing through all costs starting 1/1/2019
- Stolt also needs to pass all costs through, starting Q4 2019



Spot Rate vs. Bunker and TC Index Sensitivity



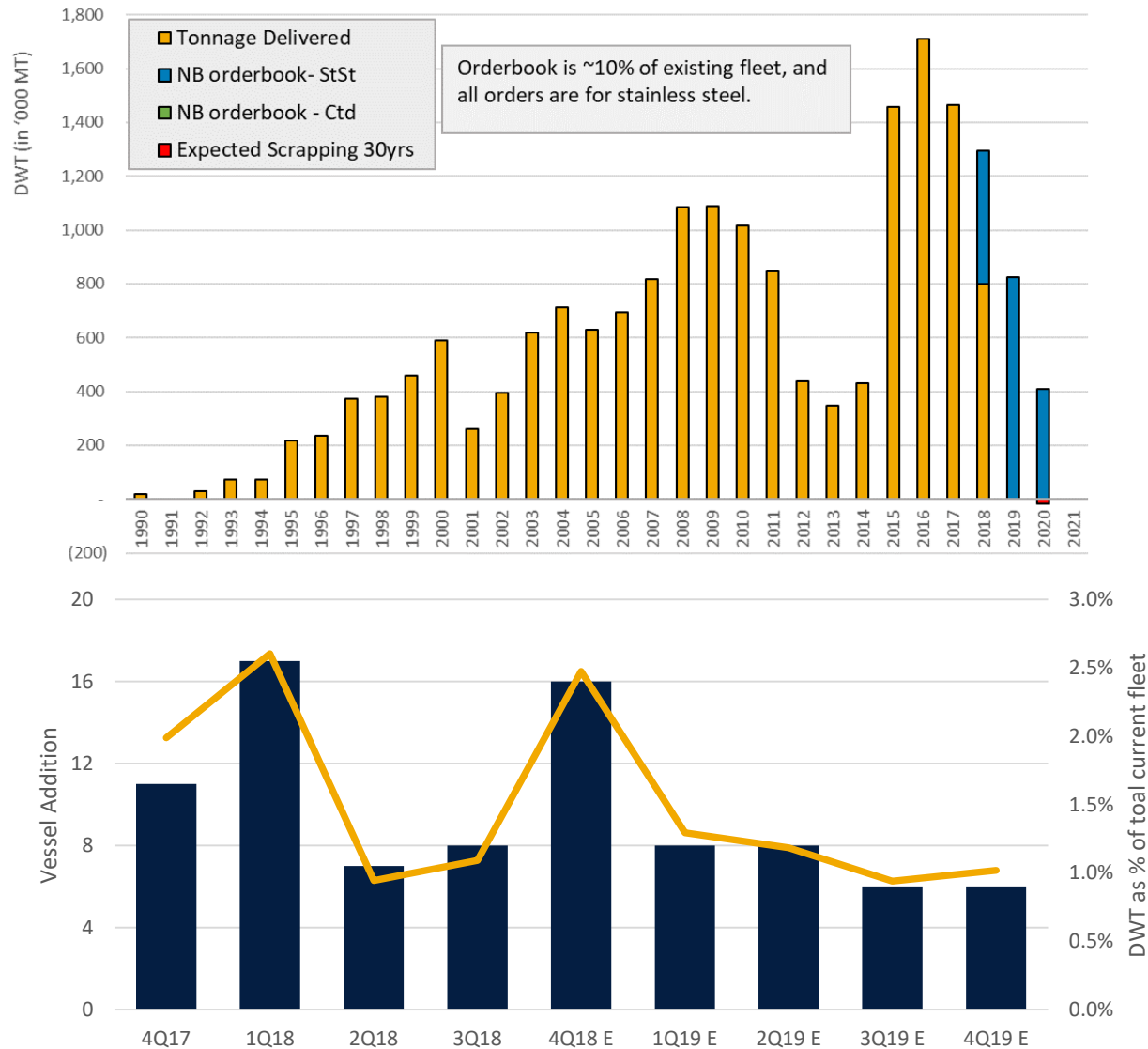
Source: Stolt-Nielsen and the Bureau of Labor Statistics (U.S. CPI)

STJS Sailed-in T/C Index Sensitivity

		Net Impact on P&L per quarter
Sailed-in T/C Index 3Q18	0.58	\$0.0
Sailed-in T/C Index + 5%	0.61	\$5.9
Sailed-in T/C Index + 10%	0.64	\$11.9
Sailed-in T/C Index + 15%	0.67	\$17.8

- Rising bunker prices are putting pressure on sailed-in revenue

Chemical Tanker Fleet and Orderbook – 3Q18



Source: Stolt-Nielsen and Drewry, as of September 1, 2018

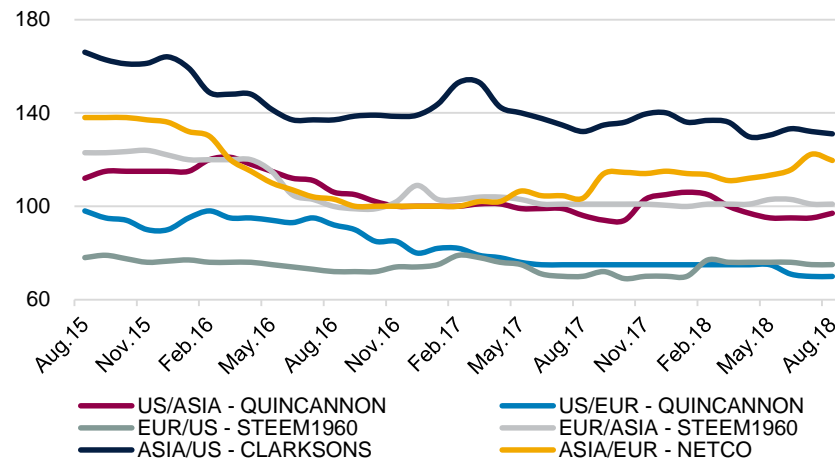
Competitor criteria: i) ship size between 15,000 and 50,000 dwt ii) average segregation size 3,000 dwt



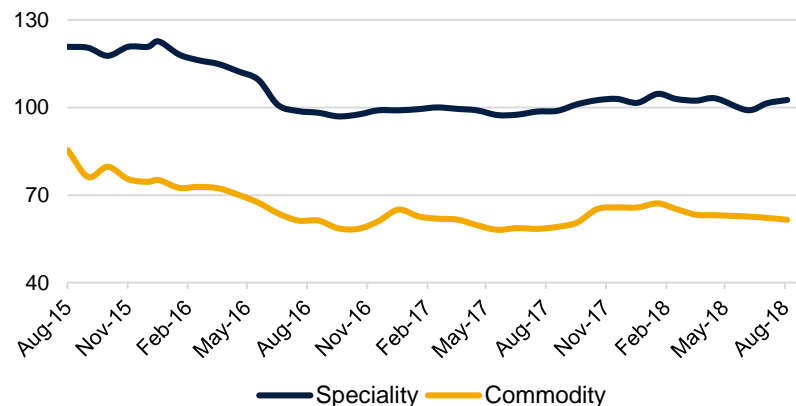
Market Development

- Most markets remain subdued as tonnage deliveries continue to outstrip demand growth
- Strong COA competition continued, with unpredictable spot market volumes leading to extended waiting times to find cargo in July/August for spot market operators
- Outlook remains stable for fundamental petrochemical shipment demand
- Growing risk of adverse impact from the new tariffs on chemical products
- The MR market remains weak, negatively impacting chemical markets
- Higher fuel prices and excess newbuilding tonnage will limit gains in the year ahead
- Although we believe that the market has bottomed out, we do not expect a meaningful recovery to start until later 2019

SPECIALTY 1,000 MT



SPECIALTY (1,000 MT) VS COMMODITY (5,000 MT)



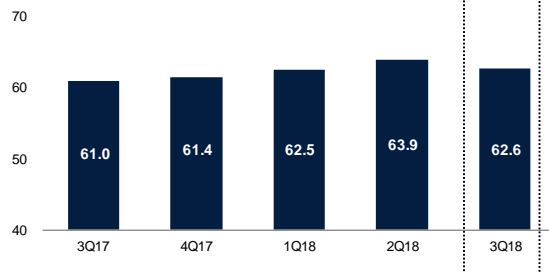
Source: Quincannon Associates, Clarksons Platou, Steem1960, Netco Chartering



Stolthaven Terminals – Steadily Improving

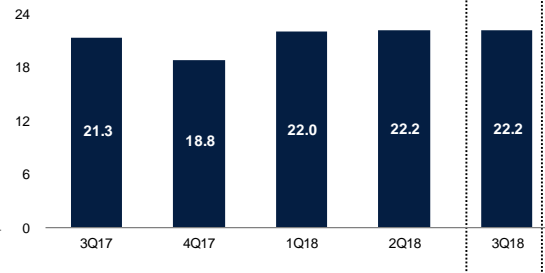
\$US Millions

REVENUE



\$US Millions

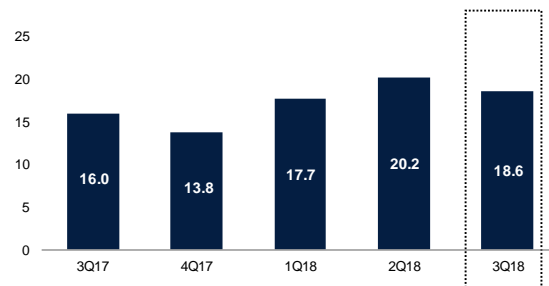
GROSS PROFIT



Note: \$8.4M Impairment of NZ terminal in 4Q17

\$US Millions

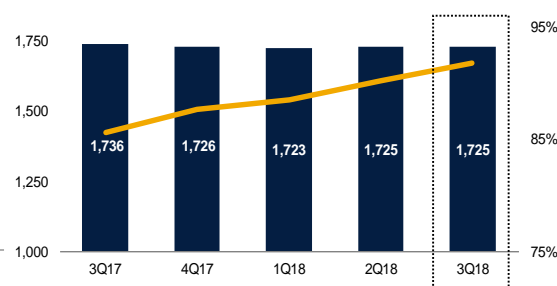
OPERATING PROFIT



Note: Excludes \$8.4M impairment of NZ terminal in 4Q17, \$8.2M tax liability reversal in JV 1Q18

Thousand cubic metres - (owned terminals)

AVERAGE CAPACITY - UTILISATION

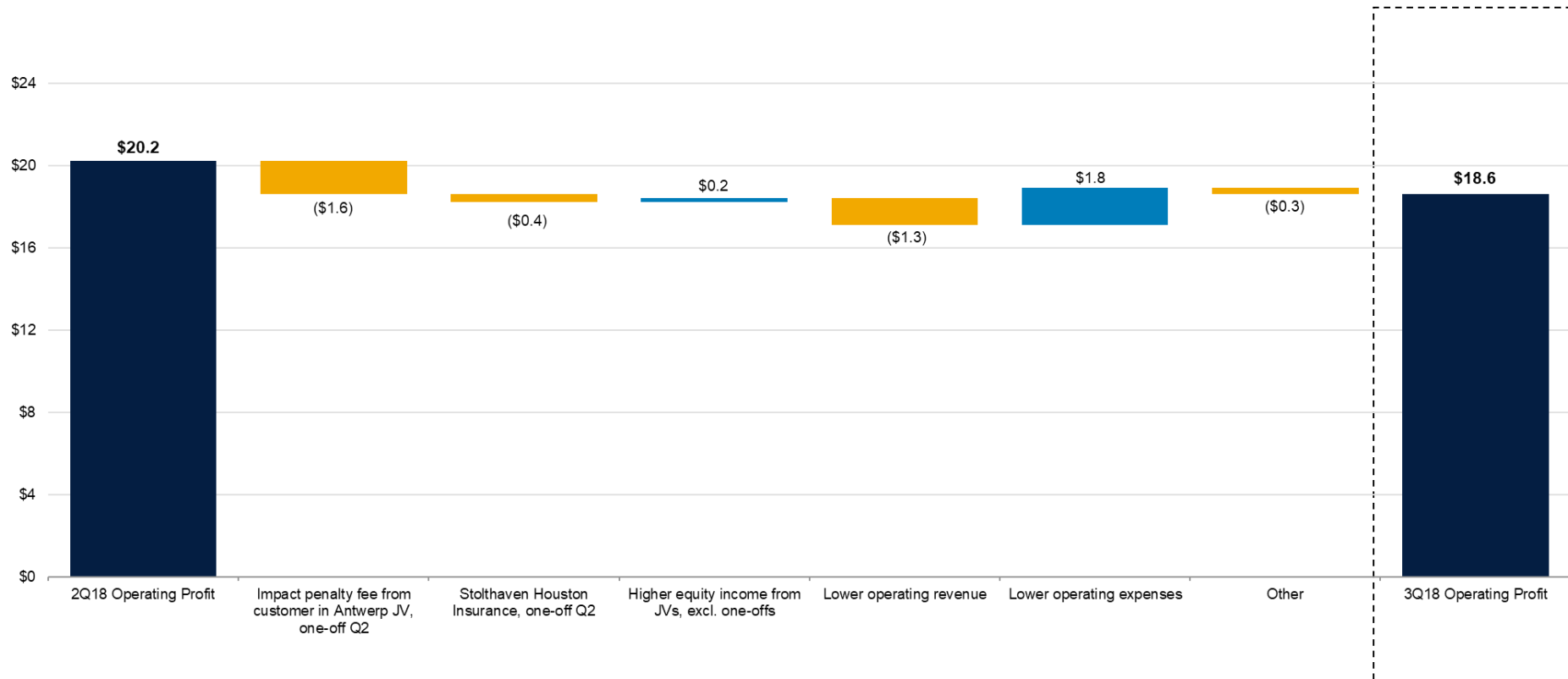


- Revenue decreased by \$1.3m from last quarter driven primarily by a decline in utility revenue
- Utilisation for wholly owned terminals increased to 91.7% from 90.2% due primarily to increased leased spot business in Singapore
- Utilisation, including JV terminals, decreased to 90.2% from 92.2% last quarter, due to lower utilisation at Oiltanking Stolthaven Antwerp
- Operating profit decreased by \$1.6m from last quarter, driven primarily by a drop in JV equity income of \$1.5m, as the previous quarter included a one-off gain at Oiltanking Stolthaven Antwerp N.V.



Terminals: 2Q18 to 3Q18 Operating Profit Variance

Figures in \$US Millions

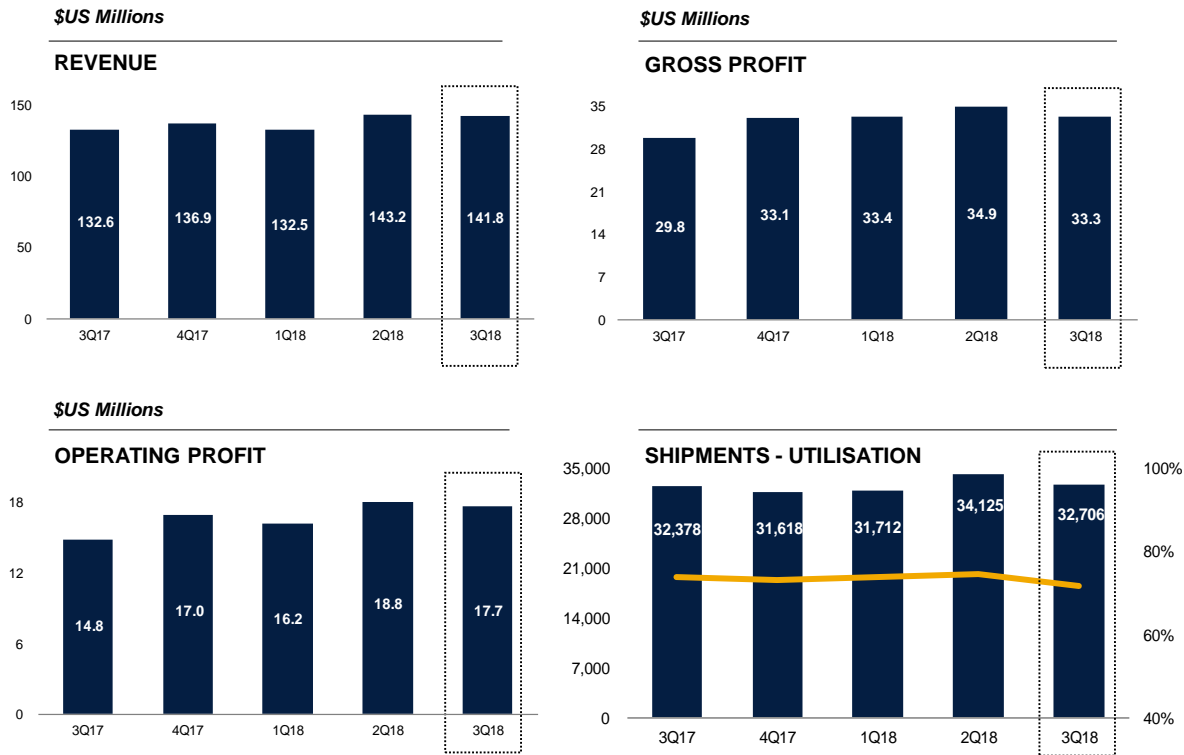


Stolthaven Terminals: Market Update & Key Initiatives

- Houston performing well, with increased revenue driven by higher utilisation rates, excess throughput and railcar activities; exports remain strong, but concerns growing over US/China tariffs
- Singapore market remains challenging, but we achieved a strong improvement in utilisation during the quarter having secured short-term spot business
- South Korean and Malaysian markets showing stable demand
- Europe remains stable for chemicals and weak for CPP, but potential impact of the US-China trade war is that some Chinese product may be moved to Europe, as evidenced by some recent inquiries in the market
- We continue to pursue the development of long-term contracts with potential pipeline-connected industrial customers
- Major capital projects, including Jetty #11 in Houston, expected to be completed by 1Q19, and expansion of Santos capacity remains on schedule



Stolt Tank Containers – Solid Performance

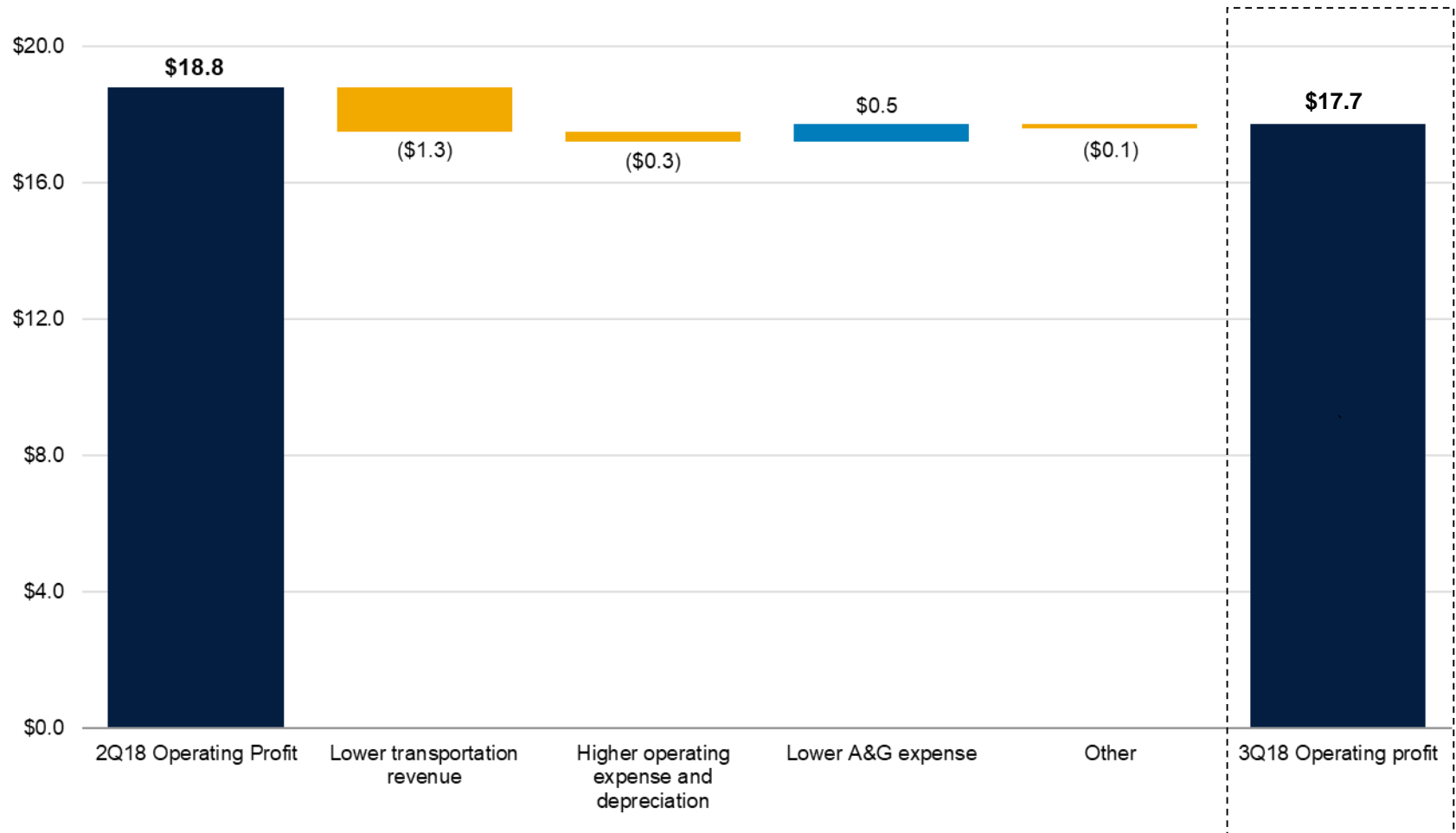


- Revenue decrease of 0.9% driven mainly by lower transportation revenues as a result of 4.2% fewer shipments in the quarter
- We continue to develop the global depot network to support the business
- Utilisation down to 71.6% from 74.6% reflecting the seasonally weaker summer market; margins stable



STC: 2Q18 to 3Q18 Operating Profit Variance

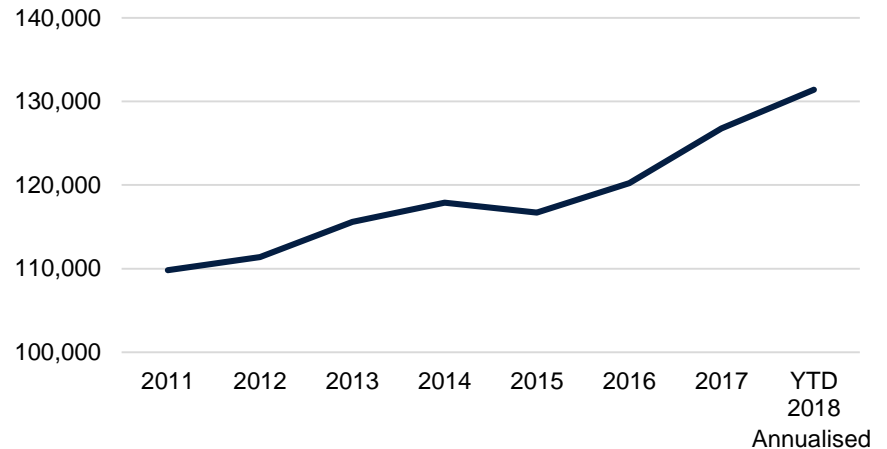
Figures in \$US Millions



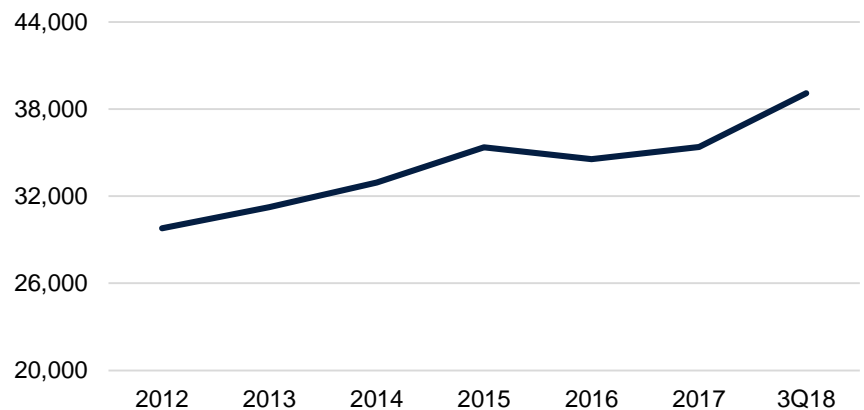
Stolt Tank Containers: Market Update and Key Initiatives

- Reduced seasonal demand in the quarter, driving down shipments by 4.2% and utilisation by 3.0%
- Operating revenues down 0.9% from prior quarter
- Focus on systems development and implementation of global platforms to increase efficiency and scale and improve margins
- Two depots under construction in Saudi Arabia aimed at improving turnaround times

Shipments



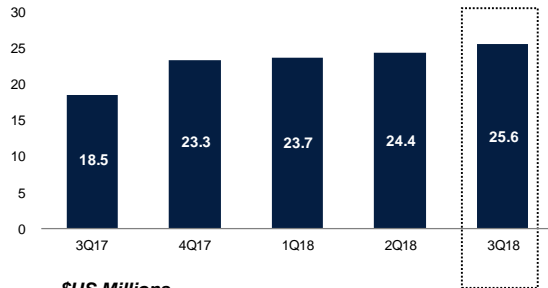
Fleet Development



Stolt Sea Farm – Growing Demand

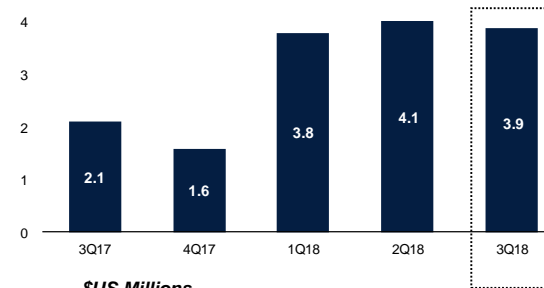
\$US Millions

REVENUE



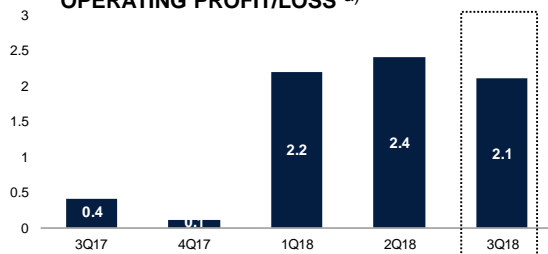
\$US Millions

GROSS PROFIT a)



\$US Millions

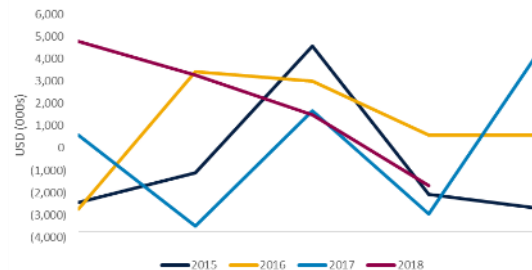
OPERATING PROFIT/LOSS a)



a) Excludes the accounting for inventories at fair value

\$US Millions

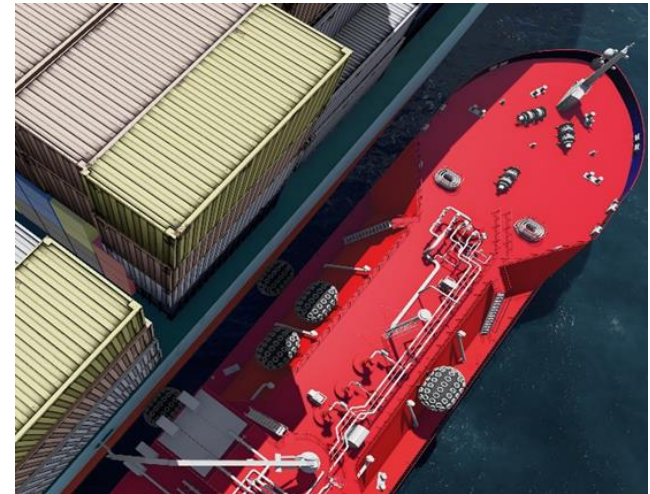
IFRS SEASONALITY



- Turbot volumes increased with a strong momentum in prices, driving turbot revenue up 5.5%
- Volume of sole sold remained flat; prices increased by 4.4%
- Caviar volume increased by 9.0%, but prices decreased by 20.4%
- Fair value adjustment of inventory had a negative impact of \$1.7m, down from a positive impact of \$1.5m in the prior quarter



Stolt-Nielsen Gas – Avenir LNG Ltd



- Avenir LNG's vision is to become a leading provider of small-scale LNG for the power, bunkering, trucking and industrials markets through supplying LNG using Avenir's LNG ships, storage terminals and containers
- Avenir LNG is a JV between Stolt-Nielsen LNG (50%), Golar LNG Ltd (25%) and Höegh LNG Holdings Ltd. (25%); partners have committed infuse up to \$182m in equity, plus \$10m to be raised with strategic investors followed by NOTC registration; including anticipated leverage Avenir has \$350m++ of total investment capacity
- Connect small-scale LNG needs with underutilised large-scale LNG infrastructure (FRSU/FLNG)
- Keppel Singmarine building four 7,500 cbm LNG carriers in Nantong, China; deliveries of first two vessel in Q3 & Q4 2019 and other two vessels Q3 & Q4 2020; in the process of ordering 2 + 2 x 20,000 cbm ships following FID taken on Sardinia



Financials



Net Profit

Figures in \$US Millions

	Quarter			YTD	
	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>	<u>2018</u>	<u>2017</u>
Operating Profit (before one-offs)	\$54.6	\$61.0	\$55.8	\$162.3	\$162.4
Reversal of deferred tax liability at JV	-	-	-	8.2	-
Gain / (loss) on sale of assets	0.2	(0.7)	1.2	(0.5)	(1.4)
Jo Tankers integration costs	-	-	(0.1)	-	(1.6)
Impairment of Bitumen assets & accounts receivable	-	(11.8)	-	(11.8)	(0.6)
Other	-	-	(0.9)	-	(2.7)
Operating Profit (as reported)	\$54.8	\$48.5	\$56.0	\$158.2	\$156.1
Net Interest Expense	(33.0)	(33.9)	(32.3)	(101.5)	(95.7)
FX gain / (loss), net	(2.8)	-	(2.4)	(4.4)	(2.9)
Income tax	(4.0)	(5.0)	(3.1)	11.0	(8.9)
Other b)	(12.6)	-	0.1	(12.4)	0.7
Net Profit	\$2.3	\$9.6	\$18.3	\$50.9	\$49.3
Attributable to equity holders of SNL	3.0	9.5	18.4	51.3	49.3
Attributable to non-controlling interests	(0.7)	0.1	(0.1)	(0.5)	0.0
Net Profit	\$2.3	\$9.6	\$18.3	\$50.9	\$49.3
EBITDA a)	\$122.3	\$127.7	\$122.2	\$367.6	\$358.2

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

b) 3Q18 includes \$12.9m of AGHL fair value adjustment one-off



Balance Sheet

Figures in \$US Millions

	Period ended
	<u>Aug.31.18</u>
Cash and cash equivalents	\$85
Receivables	253
Other current assets	187
Total current assets	525
Property, plant and equipment, deposits	3,297
Investment in and advances to JV and associates	522
Other non-current assets	170
Total non-current assets	3,989
Total assets	\$4,514
Current mat. of LT debt and fin. leases	346
Accounts payable and ac. expenses	326
Other current liabilities	75
Total current liabilities	748
LT debt and finance leases	2,099
Other non-current liabilities	173
Total non-current liabilities	2,272
Total liabilities	\$3,020
Shareholders equity	\$1,494
Total liabilities and SH equity	\$4,514

Figures in \$US Millions (Except ratios)

At the end of:

	<u>August 2018</u>
Debt	\$2,446
Tangible Net Worth (TNW)	\$1,623
Debt:TNW	1.51:1
EBITDA / Interest expense	3.65:1
Cash	\$85
Unused committed available credit lines	\$216

- 70% fixed / 30% variable interest rate at August 31, 2018
- Average interest rate of 4.98% at August 31, 2018
- 4Q18 net interest expense expected to be approximately \$ 34m
- Net Debt / EBITDA: 4.76



Cash Flow

Figures in \$US Millions

	Quarter		Full Year
	3Q18	2Q18	2017
Net profit	\$2	\$10	\$50
Depreciation, amortisation and non-cash items	83	67	259
Adjustment to deferred tax	0	0	0
Changes in working capital	(5)	16	(10)
Other receipts, net	19	(2)	26
Net cash generated by operating activities	\$100	\$91	\$325
Capital expenditures and intangible assets	(42)	(31)	(364)
Amounts from/(advances to) affiliates	2	(5)	(14)
Sale of assets	1	7	16
Newbuilding deposits	0	0	(15)
Other acquisition	0	0	(3)
JOT final payment	0	0	(21)
Other	0	1	11
Net cash used in investing activities	(\$40)	(\$28)	(\$390)
Increase/(decrease) in short-term bank loans	7	9	(8)
Proceeds from issuance of long term debt	8	7	690
Increase/(decrease) in revolver	(20)	145	127
Repayment of long-term debt	(43)	(189)	(718)
Dividend, purchase of treasury shares and other	(4)	(22)	(55)
Net cash used in financing activities	(\$52)	(\$50)	\$36
Effect of exchange rates	(2)	(3)	(6)
Total Cash Flow	\$5	\$10	(\$35)
Cash and cash equivalents at beginning of period	\$80	\$70	\$93
Cash and cash equivalents at end of period	\$85	\$80	\$58

Cashflow Priorities:

Reduce Debt

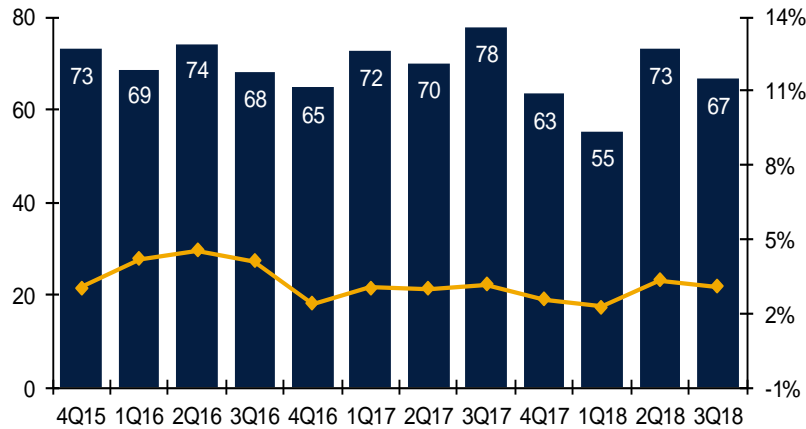
Review Capex

Reduce Operating Expenses

EBITDA

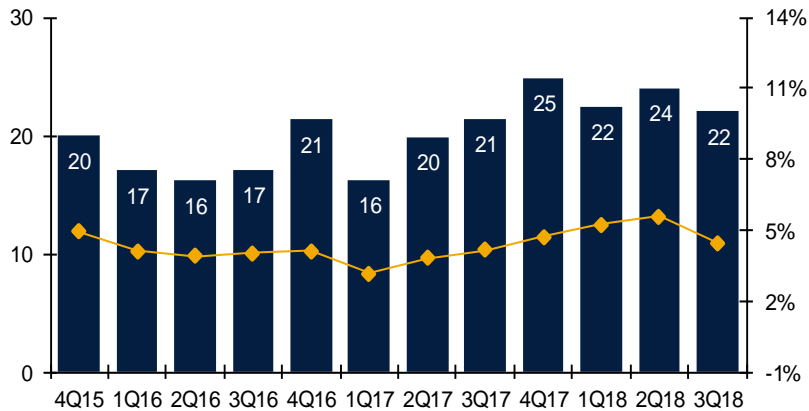
\$US Millions

TANKERS



\$US Millions

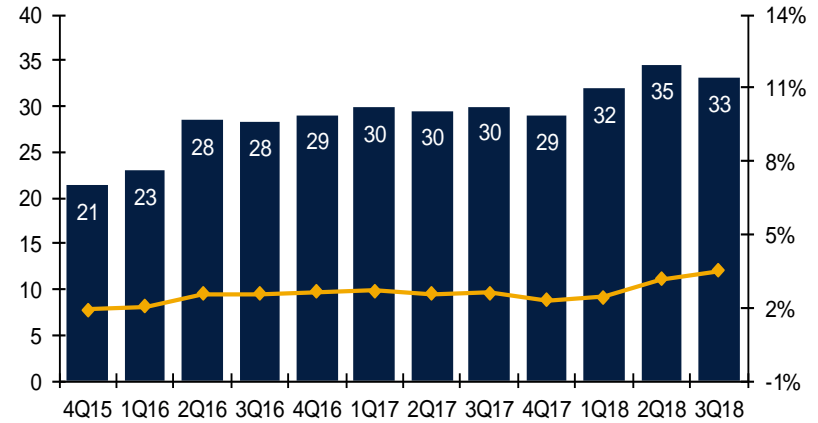
TANK CONTAINERS



EBITDA

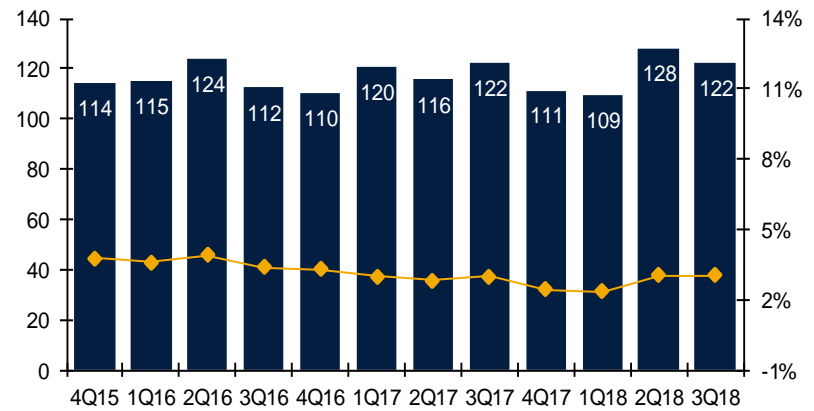
\$US Millions

TERMINALS



\$US Millions

STOLT-NIELSEN LIMITED



Quarterly EBITDA as a % of NAB

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



Administrative & General Expenses

Figures in \$US Millions

	Quarter			YTD		Updated Quarterly Guidance
	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>	<u>2018</u>	<u>2017</u>	
Stolt Tankers	\$21.5	\$22.4	\$22.1	\$67.7	\$67.1	\$21.8
Stolthaven Terminals	11.0	10.9	11.1	33.4	32.1	11.1
Stolt Tank Containers	16.3	16.8	15.8	50.6	47.4	16.7
Stolt Sea Farm	1.7	1.7	1.6	5.0	4.2	1.8
<u>SNL Corporate</u>						
SNL Corporate and Other	1.7	2.8	0.8	4.1	0.6	2.5
Costs relating to reorganisation	-	-	0.9	-	1.8	-
Profit Sharing / LTIP	-	2.9	2.3	5.9	7.1	1.0
Total	\$52.2	\$57.5	\$54.6	\$166.8	\$160.3	\$54.9



Depreciation and Amortisation

Figures in \$US Millions

	Quarter			YTD		Updated Quarterly Guidance
	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>	<u>2018</u>	<u>2017</u>	
Stolt Tankers	\$45.1	\$44.8	\$43.2	\$134.1	\$126.9	\$44.0
Stolthaven Terminals	14.5	14.4	14.0	42.9	40.6	15.0
Stolt Tank Containers	6.1	6.2	6.6	18.4	19.9	6.9
Stolt Sea Farm	1.5	1.5	1.7	4.5	4.3	1.5
SNL Corporate	1.4	1.4	1.3	4.1	4.3	1.4
Total	\$68.6	\$68.2	\$66.8	\$204.0	\$196.0	\$68.8
Impairment						
Corporate & other	-	11.8	-	\$11.8	-	-
	-	\$11.8	-	\$11.8	-	-

- The second quarter of 2018 included impairment of \$11.8 million relating to Bitumen ships



Share of Profit of JVs and Tax

Figures in \$US Millions

Share of Profit of JVs

	Quarter			YTD		Updated Quarterly Guidance
	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>	<u>2018</u>	<u>2017</u>	
Stolt Tankers	\$1.0	\$1.2	\$1.4	\$2.6	\$5.0	\$2.0
Stolthaven Terminals	5.8	7.3	5.7	27.4	15.15	4.8
Tank Containers	0.6	0.5	0.4	1.2	0.85	0.5
Corporate and Other	(0.5)	(1.9)	(2.8)	(3.3)	(8.0)	(0.3)
	<u>\$6.9</u>	<u>\$7.1</u>	<u>\$4.7</u>	<u>\$27.9</u>	<u>\$13.0</u>	<u>\$7.0</u>

Taxes

	Quarter			YTD	
	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>	<u>2018</u>	<u>2017</u>
Tankers, Terminals and T. Containers	\$3.6	\$4.3	\$1.9	(\$13.7)	\$6.0
Stolt Sea Farm	0.8	0.9	(0.6)	3.0	0
SNL Corporate	(0.5)	(0.2)	1.7	(0.2)	2.9
Total Taxes	<u>\$4.0</u>	<u>\$4.9</u>	<u>\$3.1</u>	<u>(\$10.9)</u>	<u>\$8.9</u>



Capital Expenditures Programme

Figures in \$US Millions

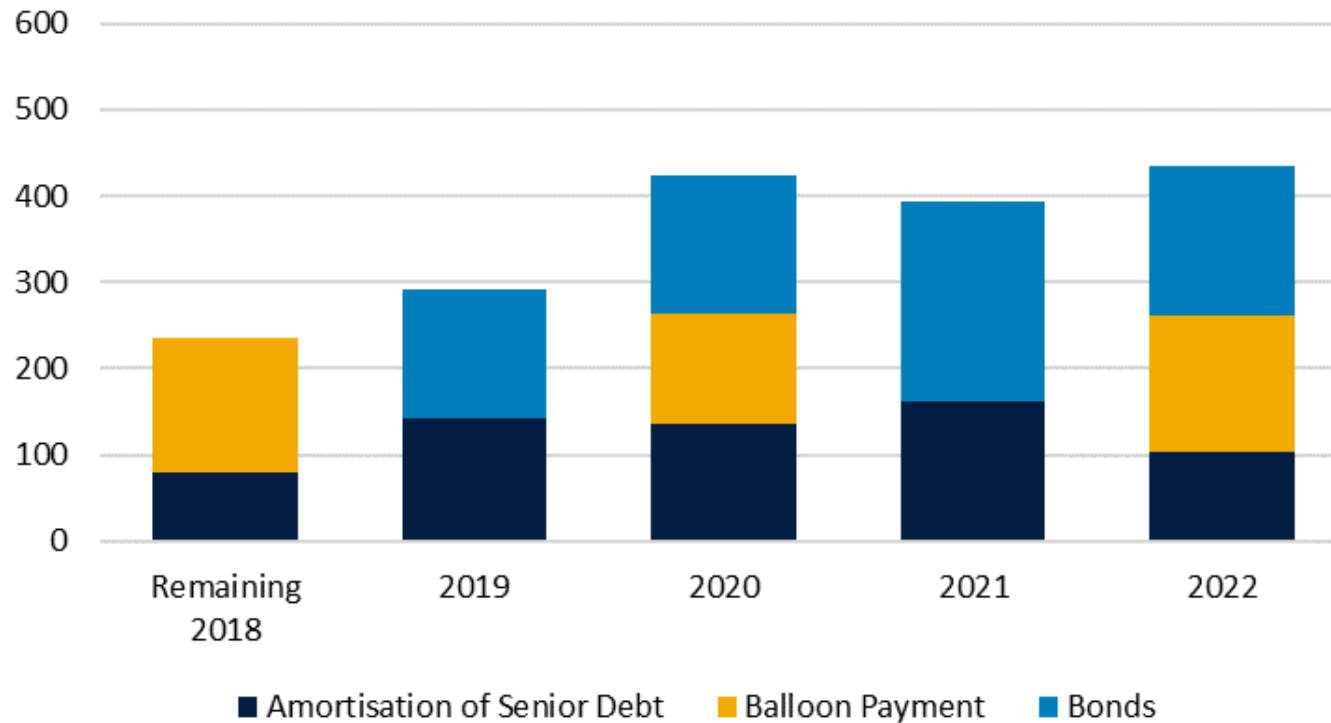
	Actual	Projections					Projected Total
	<u>YTD Q3</u>	<u>Remaining</u>					
	<u>2018</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Stolt Tankers	\$17	\$13	\$41	\$25	\$6	\$4	\$90
Stolthaven Terminals	58	38	71	32	17	30	187
Stolt Tank Containers	11	14	2	-	-	-	16
Stolt Sea Farm	5	6	24	5	5	7	48
Stolt-Nielsen Gas	8	-	66	-	-	-	66
SNL Other	3	-	-	-	-	-	-
Total	\$102	\$71	\$204	\$62	\$28	\$41	\$406

- Capital Expenditures Programme includes business acquisitions and newbuilding deposits; excludes capitalised interest



Debt Maturity Profile

Figures in \$US Millions



Note:

- \$355m drawn under the revolver as of August 31, 2018



Key Takeaways

- Established Avenir LNG Ltd, a JV with strong partners: Golar LNG Ltd and Höegh LNG Holdings Ltd; \$182 million of committed equity capital
- A net profit of \$15.3m in the quarter, excluding the \$12.9m one-off AGHL fair value adjustment loss
- Tanker market remains challenging, with excess tonnage and rising bunker prices
- Solid fundamentals at Stolthaven Terminals, with increased utilisation across the network
- Stable demand at Stolt Tank Containers
- Continued increases in turbot and sole prices helping to drive expansion at Sea Farm
- Strong earnings base from businesses ensures positive free cash flow and continued debt reduction
- SNL has access to competitive funding and good liquidity



For more information please visit our website:
www.stolt-nielsen.com