



Stolt-Nielsen Limited | Second-Quarter 2023 Results

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

July 6, 2023



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, (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. 57 et seq.) in the most recent annual report available at www.stolt-nielsen.com.

Agenda | 2Q23 Results

1. Stolt-Nielsen Limited
2. Stolt Tankers
3. Stolthaven Terminals
4. Stolt Tank Containers
5. Stolt Sea Farm
6. Stolt Investments
7. Financials
8. Q&A



2Q23 Highlights | Loss Provision of \$155m

2Q23 vs. 1Q23

OPERATING REVENUE

\$ 721.9m ▲

\$ 708.7m

EBITDA

\$ 79.6m ▼

\$ 213.2m

OPERATING PROFIT

\$ 10.1m ▼

\$ 142.1m

NET PROFIT

\$ 8.3m ▼

\$ 99.8m

FREE CASH FLOW*

\$ 116.0m ▼

\$ 133.1m

NET DEBT TO EBITDA

2.91x ▲

2.57x

*Cash from operations less cash used for investing activities

- **Net Profit of \$8.3m**, down from \$99.8m in 1Q23 as a result of recording a \$155.0m loss provision (\$115.0m net of tax) related to the 2012 incident on board the *MSC Flaminia*
- **Excluding one-offs, EBITDA** of \$224.6m, up from \$213.2m due to:
 - **Stolt Tankers:** Higher spot volumes and contract freight rates
 - **Stolthaven Terminals:** Higher throughput volume and improved results from joint ventures
 - **Stolt Tank Containers:** Lower transportation margins, but higher number of shipments
 - **Stolt Sea Farm:** Increased sales volume offset by higher operating costs as a result of higher inflation
- **Free Cash Flow decreased** to \$116.0m, down from \$133.1m following the acquisition of two second hand ships during the quarter
- **2022 final dividend** of \$1.25/share paid on May 10, 2023
- **\$423.4m** available liquidity of as of May 31, 2023

2Q23 Highlights | Excluding Provision - Strong Results for Stolt Tankers

2Q23 vs. 1Q23

OPERATING REVENUE

\$ 721.9m ▲

\$ 708.7m

EBITDA

\$ 224.6m ▲

\$ 213.2m

OPERATING PROFIT

\$ 155.1m ▲

\$ 142.1m

NET PROFIT

\$ 113.3m ▲

\$ 99.8m

FREE CASH FLOW*

\$ 116.0m ▼

\$ 133.1m

NET DEBT TO EBITDA

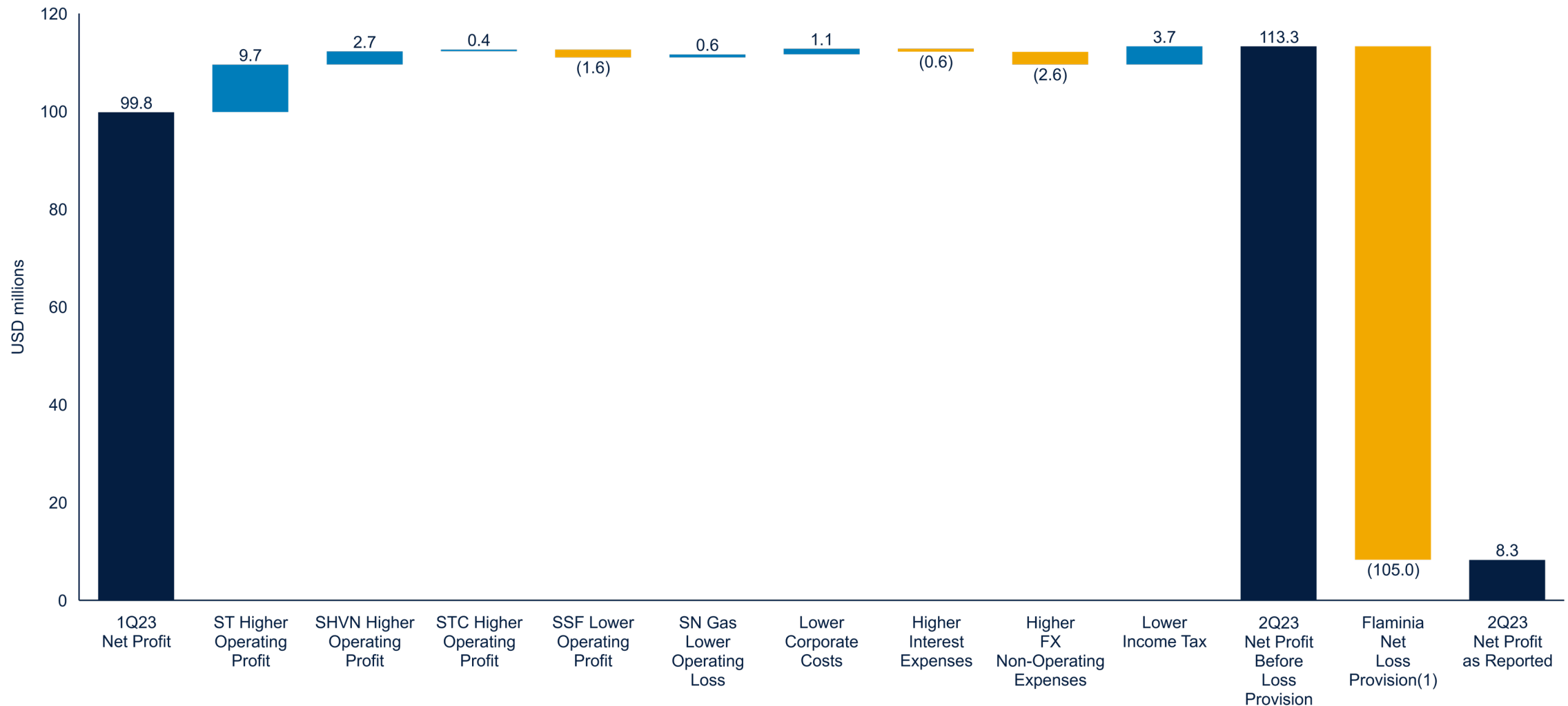
2.40x ▲

2.57x

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*Cash from operations less cash used for investing activities

Net Profit | Strong Operating Results Offset By Loss Provision





Stolt Tankers 

Stolt Tankers | Higher Spot Volumes and COA Rates Driving Earnings

2Q23
1Q23

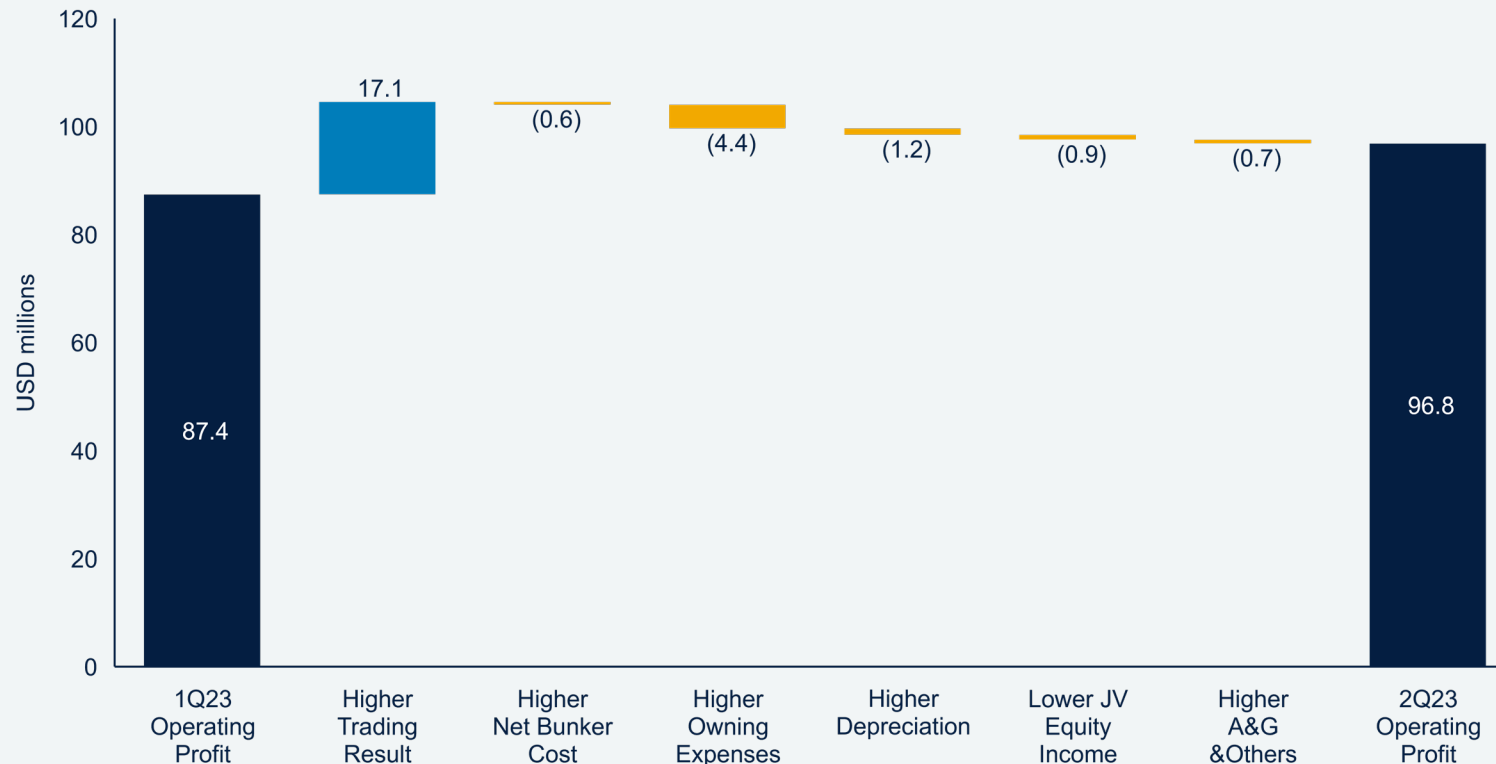
OPERATING REVENUE
\$ 430.8m ▲
\$ 415.5m

EBITDA
\$ 136.5m ▲
\$ 125.0m

OPERATING PROFIT
\$ 96.8m ▲
\$ 87.1m

OPERATING DAYS (deepsea)
7,225 ▲
7,185

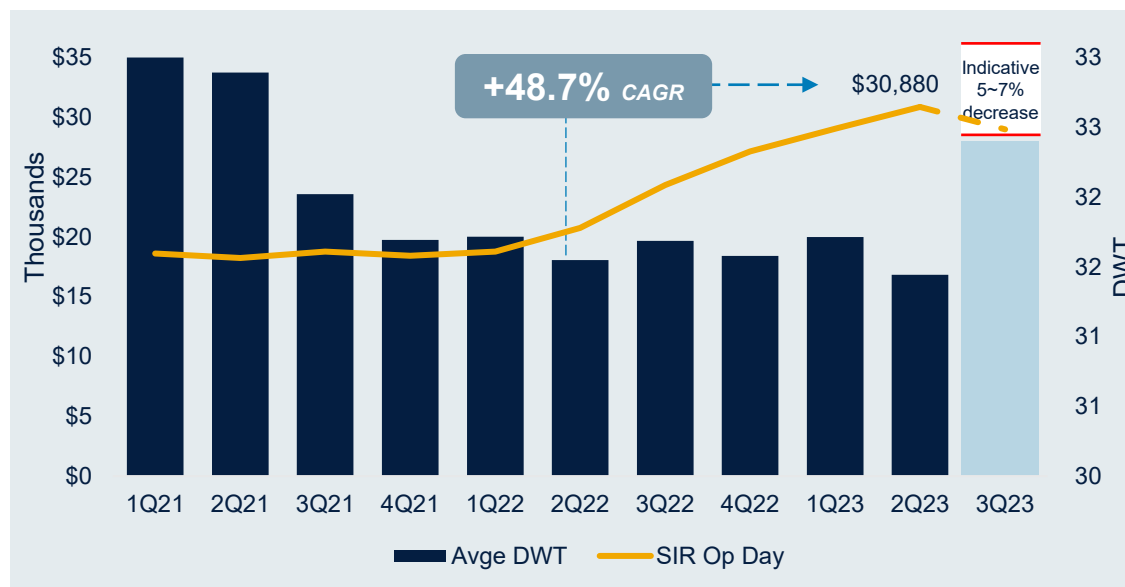
Operating Profit Variance



- **Increased trading results** as spot volumes improved 16.9%, while COA volumes fell 9.7%; COA rates were up 9.4%, and spot rates were down 5.5%
- **Higher net bunker cost** driven by lower bunker surcharges as bunker prices decreased
- **Higher owning expenses** mainly due to addition of tonnage
- **Higher depreciation** due to dry docking of ships
- **Lower JV Equity Income** in line with softening demand in regional Asia Pacific JV

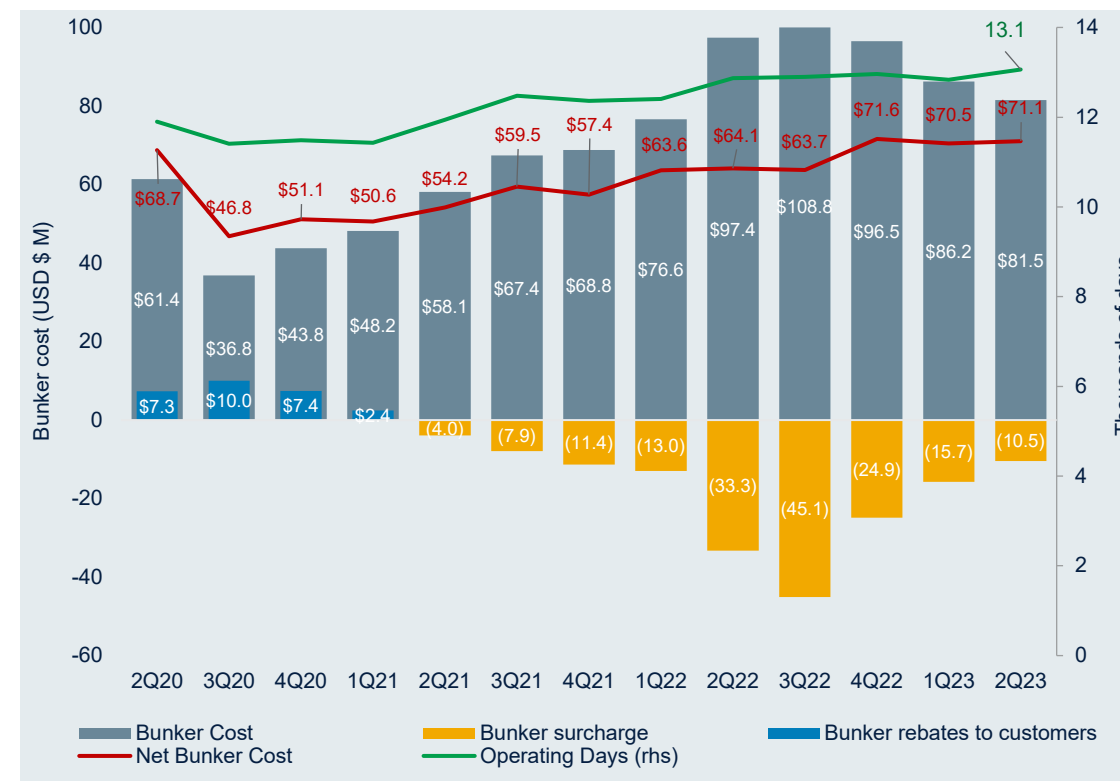
Higher SIR – Strong Spot Volume and COA Rates Development

Strong SIR / Day development, expected to soften in 3Q23



- Improved SIR / operating day driven by higher spot volumes and COA rates
- Spot / COA volume mix in 2Q23 was 49.8% / 50.2%
- A \$1,000 / day change in SIR is approximately a \$6.0m change in net income per quarter
- COAs were renewed in 2Q23 at an average rate increase of 55.8% but at lower volumes
- Indicative expectation for SIR / operating day to decrease 5% to 7% in 3Q23 based on the lower spot rates in 2Q and expected lower demand from Europe and Asia

Bunker Cost (deepsea and regional fleets)

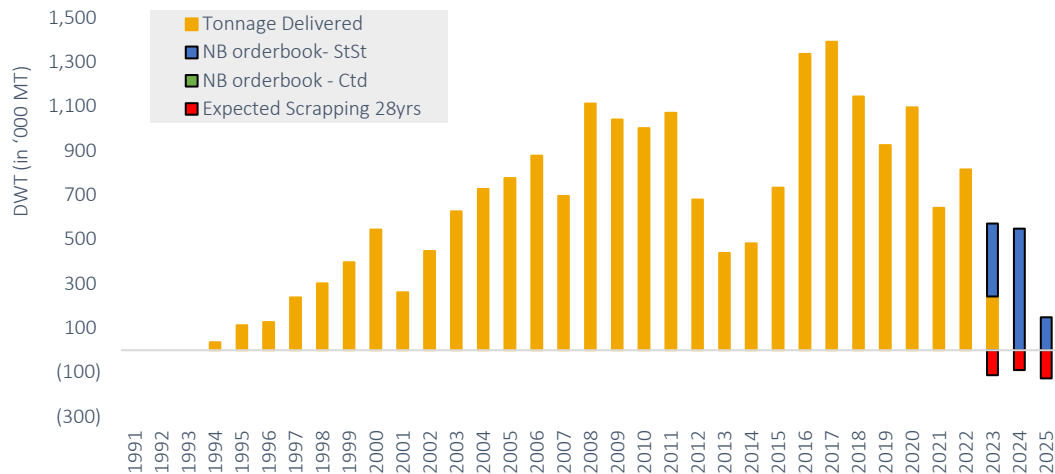


- The total volume covered by a bunker clauses was 53.3% YTD
- Bunker surcharge revenue was down by \$5.3m as prices dropped and our COA ratio decreased
- Cost of bunkers consumed was down by only \$4.7m resulting in a net increase in bunker cost of \$0.6m

Market Highlights | Near Term Weakness But Solid Fundamentals

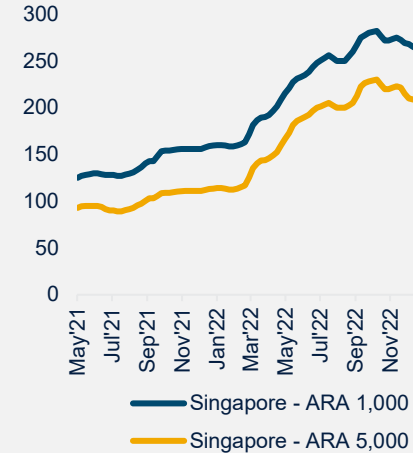
- Second quarter saw a decrease in spot rates, but they remain above COA rates
- Chemical tankers rates have softened as a result of lower demand
- Volatility in energy markets has increased movement of swing tonnage
- The small orderbook supports a positive long-term outlook
- Regional fleets continue to deliver strong results in most regions

Orderbook is unchanged at ~5.1%

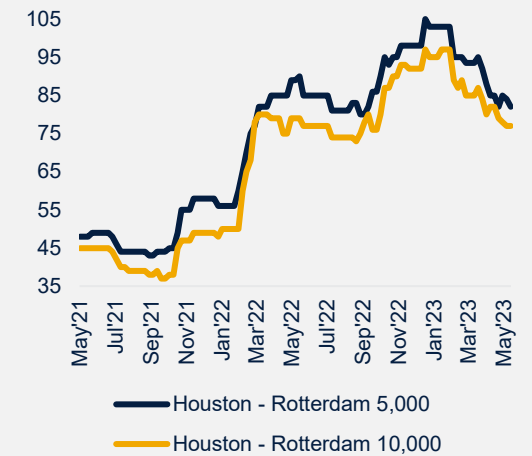


Chemical Index*

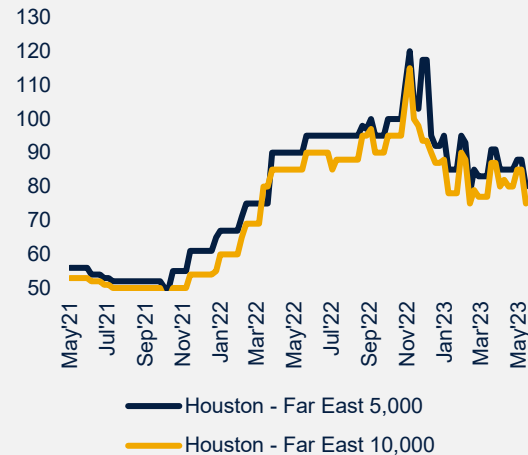
Homebound Return



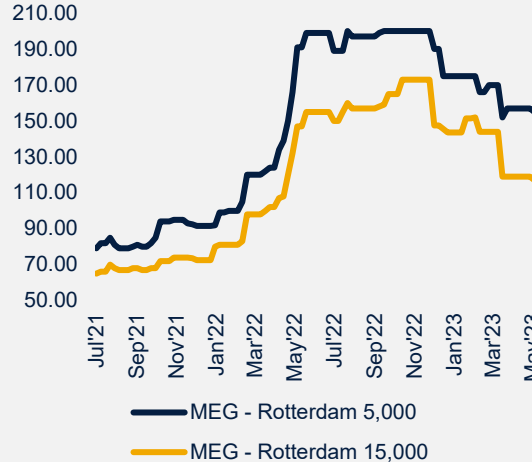
Transatlantic Eastbound



Transpacific



Gulf West



*Source : Clarkson Platou

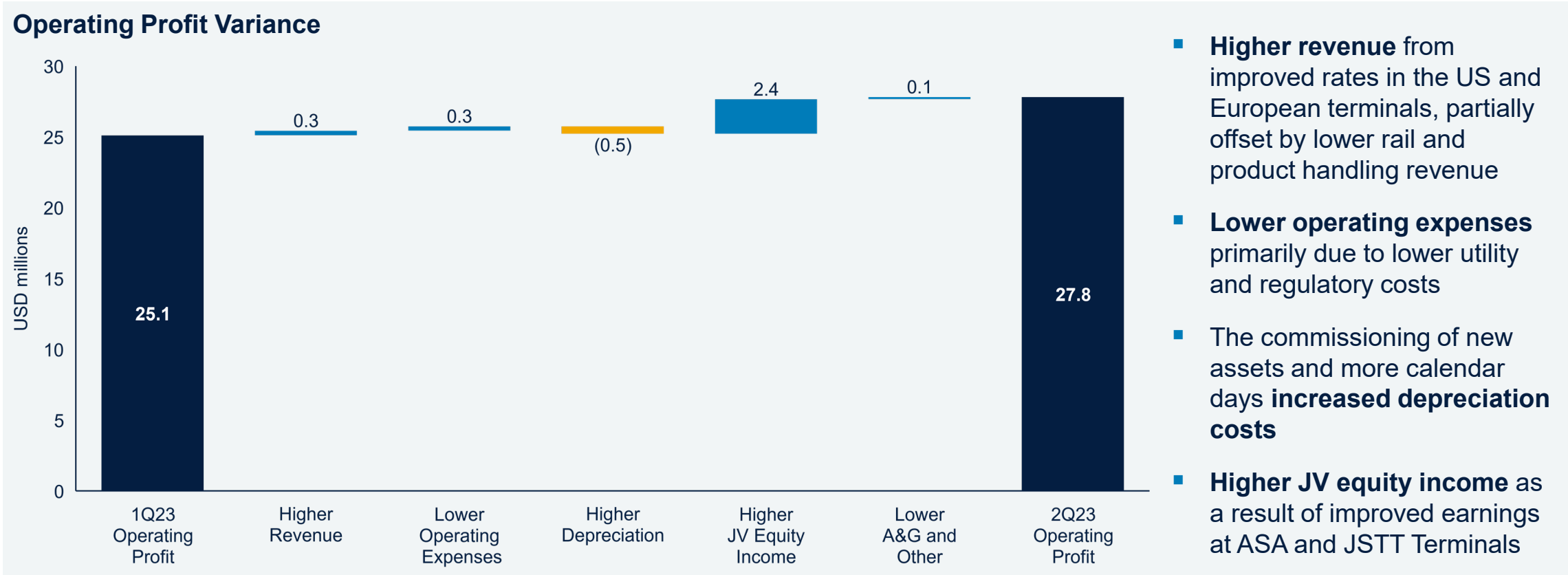


Stolthaven Terminals 

Stolthaven Terminals | Steady Improvement



2Q23 1Q23	OPERATING REVENUE	EBITDA	OPERATING PROFIT	UTILISATION (wholly-owned terminals)
	\$ 74.3m ▲ \$ 74.0m	\$ 43.7m ▲ \$ 40.6m	\$ 27.8m ▲ \$ 25.1m	97.0% ▼ 97.3%

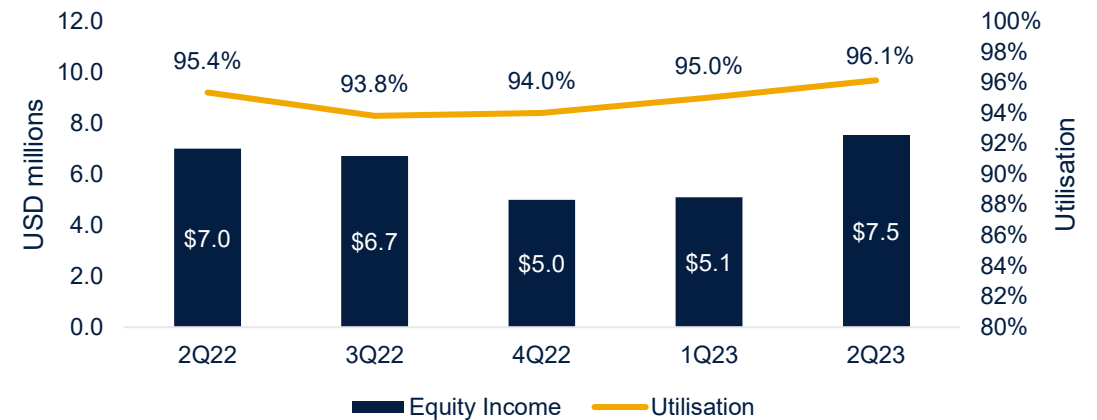


Market Highlights | Concerns of Slowdown in Chemical Production

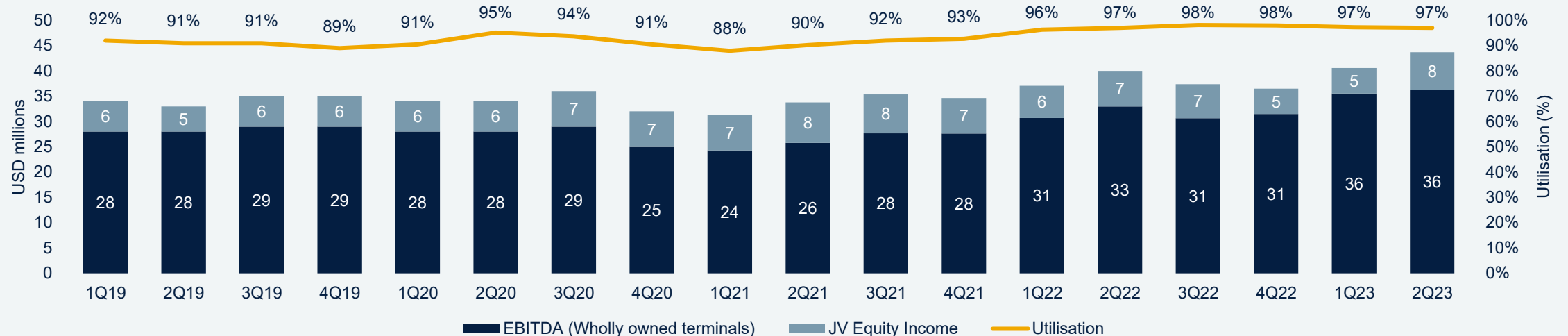


- Robust utilisation and throughput seen across all terminals during the second quarter
- Uncertainty seen by chemical producers across all major regions
- Expectations of an uptick in Chinese consumption have yet to manifest – analysts point towards end 2023 / early 2024
- Steady and resilient business model and cash flow

Joint Ventures - Equity Income/Utilisation



Wholly-owned Terminals - EBITDA /Utilisation





Stolt Tank Containers 

Stolt Tank Containers | More Shipments but at Lower Rates



2Q23
 2Q23 (Excluding Loss Provision)
 1Q23

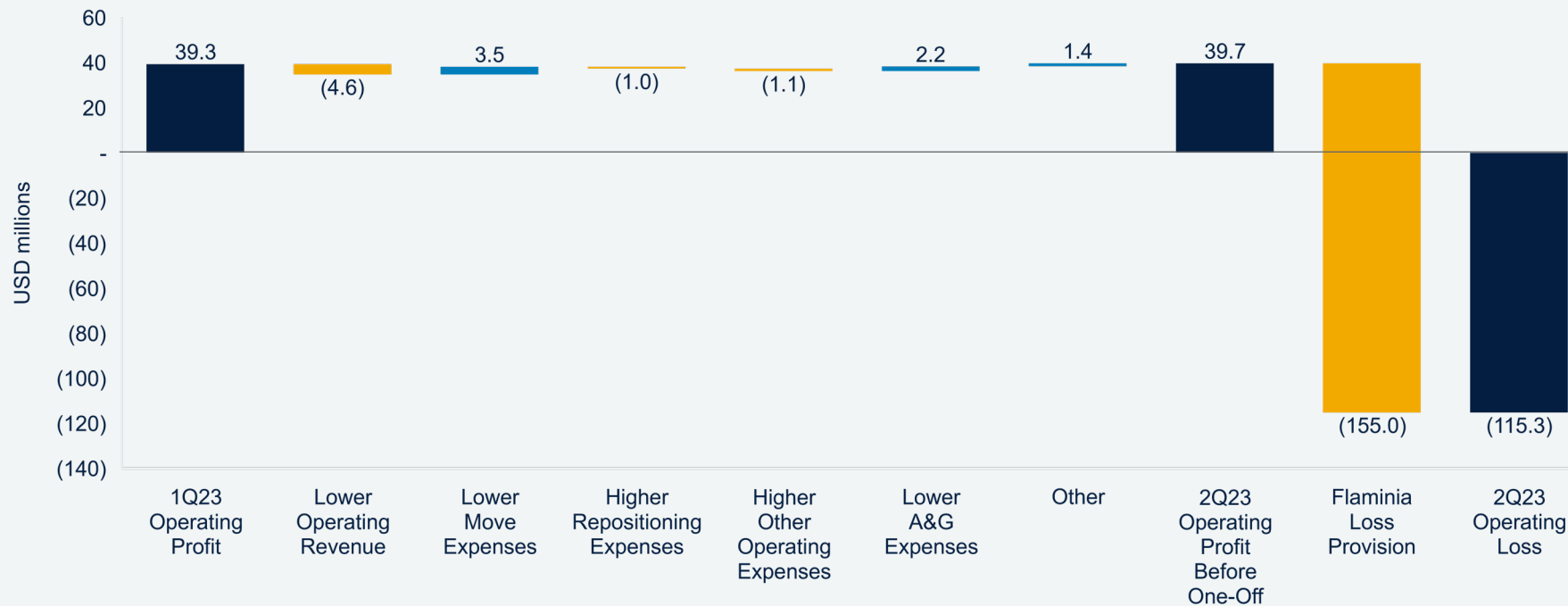
OPERATING REVENUE
\$ 189.3m ▼
 \$ 193.9m

EBITDA
\$ (106.1)m ▼
 \$ 48.9m
 \$ 50.8m

OPERATING LOSS
\$ (115.3)m ▼
 \$ 39.7m
 \$ 39.3m

UTILISATION
66.8% ▲
 64.7%

Operating Profit Variance



- **\$155m MSC Flaminia loss provision** recorded at STC
- **Operating revenue** decreased by 2.4% driven by lower transportation rates and lower demurrage revenue
- **Lower move expenses** as a result of a 21.6% decrease in ocean freight rates, partially offset by increases in inland freights and higher cleaning costs
- **Higher repositioning expenses** due to more repositioning shipments
- **Improved JV results** and higher gain on sale of assets

Market Outlook | More Competitive Markets



Demand outlook

- European and North American markets showing signs of weakening demand
- South America market remains strong
- Middle East and Intra-Asia markets expected to continue to grow
- Demurrage levels to decrease as supply chain congestion eases

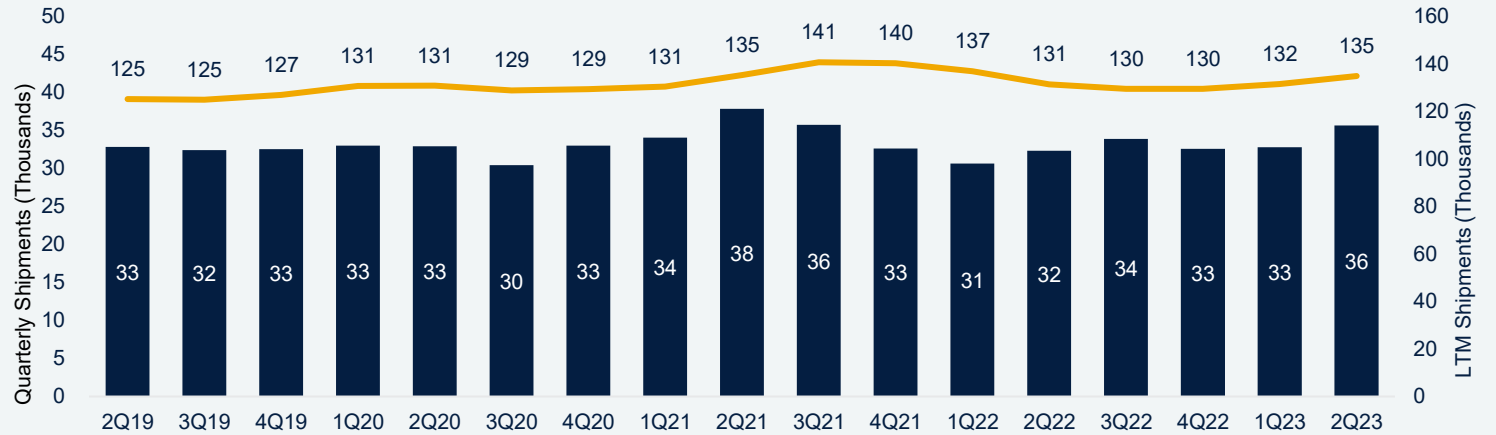
Transportation costs outlook

- Ocean freight rate decreases continue across all markets as more containership capacity is added
- Inland freight costs expected to increase

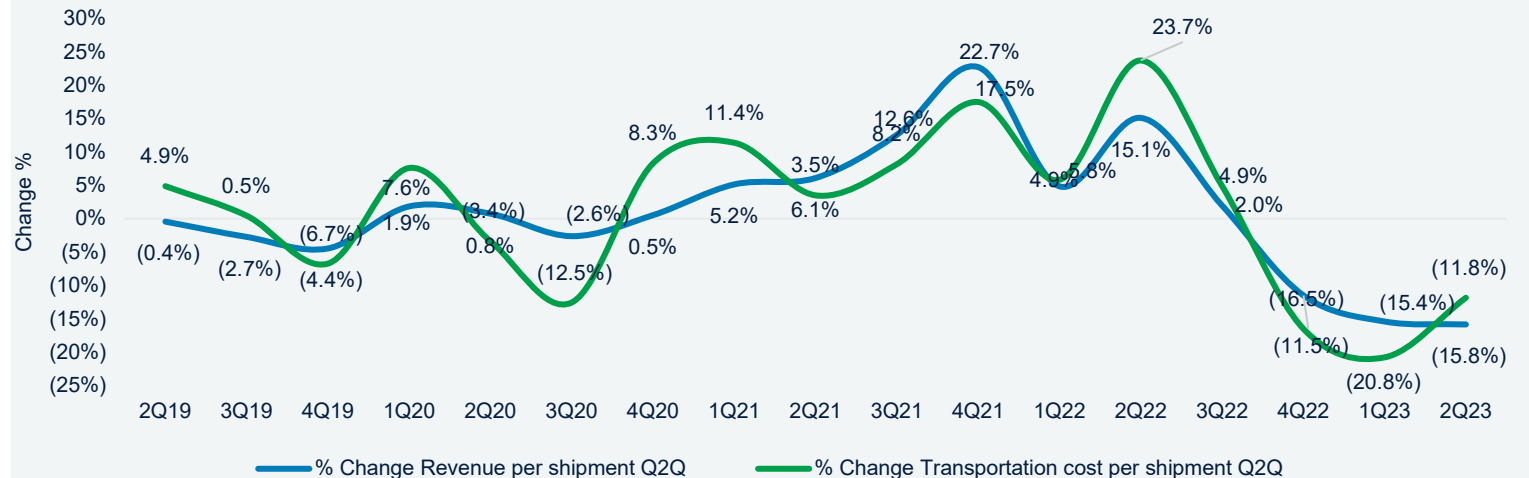
Outlook

- Margin deterioration expected to continue in 3Q
- Focus on shipments growth

Shipments increasing



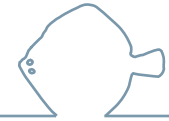
Pressure on Margins





Stolt Sea Farm 

Stolt Sea Farm | Strong Increase In Sales



2Q23
1Q23

OPERATING REVENUE

\$ 27.6m ▲
\$ 25.2m

EBITDA (Excl. FV Adj.)

\$ 6.8m ▼
\$ 7.2m

OPERATING PROFIT (Excl. FV Adj.)

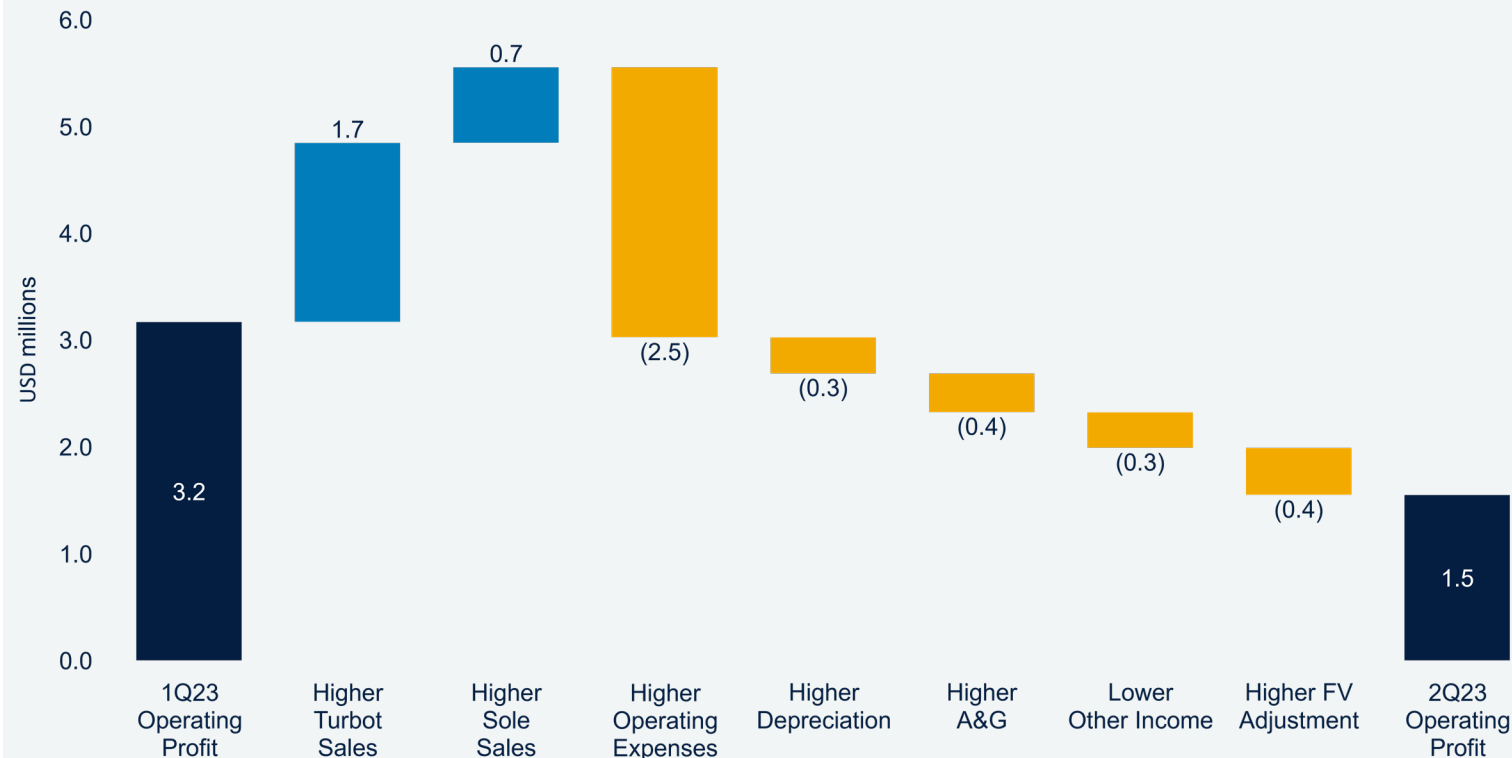
\$ 4.4m ▼
\$ 5.6m

VOLUMES (metric tonnes)**

2,207mt ▲
1,995mt

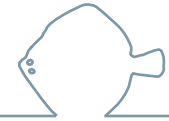
**Includes turbot and sole

Operating Profit Variance



- **Sales volumes of turbot** were up by 11.4% but prices decreased on average by 2.5%
- **Sales volumes of sole** were up by 7.6% and prices increased on average by 0.9%
- **Operating expenses** increased as a result of higher volume for turbot, and higher energy and feed cost during the quarter
- **Fair value adjustment** of biomass was a \$2.9m loss compared with a \$2.4m loss in the prior quarter, reflecting volume and prices impact on inventory levels for turbot

Stolt Sea Farm | Demand For Premium Fish Keeps Growing



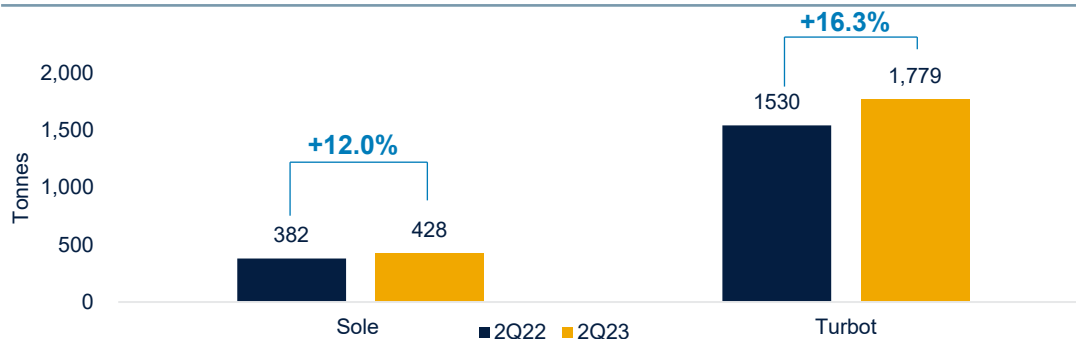
Outlook

- Demand for both species has picked up after a slow January/February
- Strong summer season expected for both species
 - Customers are anticipating strong demand for tourism in Southern Europe and early signs of inflation softening
- Prices in sole to remain robust
- In turbot summer season expected to see improved demand and continued robust production into the autumn.
 - Focus on expanding sales channels and geographical reach

Strong improvements in production at existing sites

- Sole modules continue to show strong performance
 - Tocha and Cervo modules – originally planned for production capacity of 374 tonnes, now operating at 440 tonnes per annum
- Turbot operations show strong production improvements due to continued improvements in broodstock, farming and feed

Tonnes sold YoY increased by 14.3%

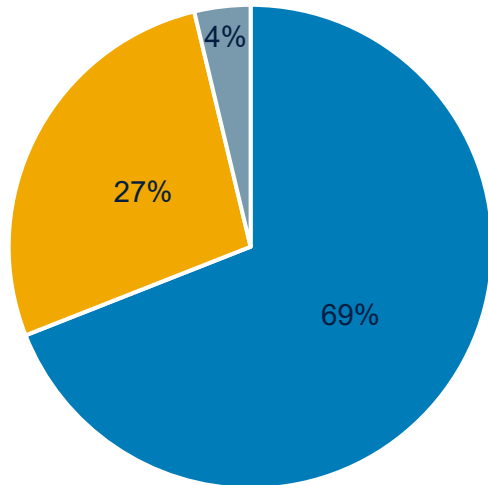


Stolt Sea Farm – Cervo Facilities

Stolt-Nielsen Investments | Leveraging Our Industrial Knowledge and Expertise

2Q23 Asset Allocation¹

■ LNG ■ Bulk-liquid logistics ■ Aquaculture



2Q23 Portfolio Value¹

\$ 194.2m

Book value of investments

Current Investments



**Avenir
LNG**

Fully integrated global energy company dedicated to small-scale LNG

47.2%
Stake



**Golar
LNG**

Designs, builds, owns and operates marine infrastructure for the liquefaction and regasification of LNG

2.5%
Stake



Odfjell SE²

Seaborne transportation and storage of chemicals and other specialty bulk-liquids

8.3%
Stake



**Ganesh
Benzoplast**

Independent liquid storage tank provider specialising in the storage and handling of liquid chemicals

9.4%
Stake



**The
Kingfish
Company**

A market leader in land-based RAS farming of amberjack yellowtail

8.3%
Stake

Stolt Ventures

Stolt Ventures

- Established in 2022 with the aim of investing in sustainable technologies that will contribute to decarbonisation and support our core operations
- Two investments made in 2Q23
 - Signal: a SaaS platform looking at crew behaviour onboard vessels in the context of fuel efficiency and CO2 emissions reduction
 - GIT: a provider of graphene-based sustainable anti-fouling marine coating for vessel hulls and propellers

signal





Financials

Financials | SNL Net Profit

<i>Figures in USD million</i>	Quarter			Half-Year	
	2Q23	1Q23	2Q22	HY23	HY22
Operating Revenue	\$721.9	\$708.7	\$689.1	\$1,430.6	\$1,295.3
Operating Expenses	(445.8)	(443.1)	(460.2)	(888.9)	(863.2)
Legal claims provision	(155.0)	-	-	(155.0)	-
Depreciation and amortisation	(71.5)	(69.3)	(70.3)	(140.7)	(138.6)
Share of profit of joint ventures and associates	17.7	15.0	10.7	32.7	24.5
Administrative and general expenses	(58.2)	(69.5)	(60.2)	(127.7)	(118.8)
Gain (Loss) on sale of assets	0.7	(0.4)	1.0	0.3	1.8
Other operating income, net	0.2	0.7	1.8	0.9	2.7
Operating Profit (as reported)	\$10.1	\$142.1	\$111.9	\$152.1	\$203.7
Net interest expense	(29.2)	(28.6)	(28.9)	(57.8)	(59.9)
Loss on early extinguishment of debt	-	-	(11.1)	-	(11.1)
FX loss, net	(1.2)	(1.6)	(3.6)	(2.8)	(5.7)
Tax Credit	28.7	(15.1)	(8.5)	13.6	(16.2)
Other	0.0	3.0	(1.1)	3.0	0.2
Net Profit	\$8.3	\$99.8	\$58.6	\$108.1	\$110.9
EBITDA	\$79.6	\$213.2	\$176.4	\$292.8	\$334.9

Review

- **Increase in operating revenue** due to higher spot volumes and COA freight rate in Stolt Tankers, partially offset by lower revenue in Stolt Tank Containers
- **Lower administrative and general expenses** due to reduced profit sharing
- **Increase of interest expenses** as average rates increased to 5.26% from 5.06%
- **Income tax credit** as a result of recording a deferred tax credit against the \$155m loss provision at Stolt Tank Containers



Financials | Capital Expenditures

	Actuals 1Q23	Actuals 2Q23	Remaining 2023	Forecast 2024
<i>Figures in USD millions</i>				
Stolt Tankers	7	55	36	8
Stolthaven Terminals	17	19	62	162
Stolt Tank Containers	16	4	73	3
Stolt Sea Farm	7	2	13	8
SNL Corporate & Other	-	2	10	-
Total	\$47	\$82	\$194	\$181

Stolt Tankers: Capex excludes drydocking

2Q23 Highlights

- Stolthaven Terminals:** investments in maintenance projects and Dagenham jetty
- Stolt Tankers:** Purchase of *Stolt Condor* and *Stolt Tucan* and delivery of *Stolt Ludwigshafen*



Financials | SNL Cash Flow and Liquidity Position

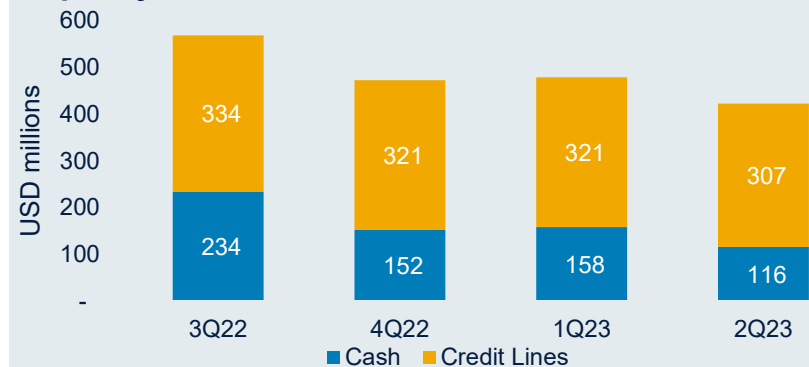
Figures in USD million

	2Q23	1Q23	2Q22	HY23	HY22
Cash generated by operating activities	\$207.7	\$176.8	\$154.6	\$384.4	\$354.1
Interest Paid	(24.2)	(28.3)	(36.4)	(52.5)	(62.4)
Debt issuance cost	-	(0.8)	(1.2)	(0.8)	(6.0)
Interest received	(0.1)	4.0	0.4	3.9	1.3
Income taxes paid	(6.6)	(2.2)	(6.2)	(8.8)	(11.0)
Net cash generated by operating activities	176.8	149.4	111.1	326.3	275.9
Capital expenditures and intangible assets	(92.0)	(54.4)	(49.0)	(146.4)	(73.4)
Investments in & repayment of advances to JVs	(1.2)	(1.1)	-	(2.3)	(0.2)
Sale / (Purchase) of Shares	(0.2)	11.7	(20.7)	11.5	(30.7)
Sale of assets	1.1	0.1	1.2	1.2	2.5
Other	0.6	(0.1)	(0.1)	0.5	0.2
Net cash used in investing activities	(\$91.7)	(\$43.7)	(\$68.5)	(\$135.4)	(\$101.6)
Proceeds from issuance of long term debt	-	-	308.5	-	308.5
Decrease in loans payable to banks	-	-	-	-	(40.0)
Repayment of long-term debt	(49.5)	(32.9)	(305.7)	(82.4)	(367.3)
Principal payment on capital lease	(13.5)	(13.2)	(13.3)	(26.8)	(24.5)
Dividend and other	(66.7)	(53.6)	(26.8)	(120.3)	(53.6)
Net cash used in by financing activities	(\$129.7)	(\$99.7)	(\$37.2)	(\$229.5)	(\$176.9)
Effect of FX change on cash	1.9	0.2	(4.1)	2.1	(5.7)
Total Cash Flow	(\$42.8)	\$6.3	\$1.3	(\$36.5)	(\$8.3)
Cash and cash equivalents at beginning of period	\$158.4	\$152.1	\$114.3	\$152.1	\$123.9
Cash and cash equivalents at end of period	\$115.6	\$158.4	\$115.6	\$115.6	\$115.6

Highlights

- Cash from operating activities increased due to improved performance offset by an increase in working capital
- Interest paid decreased due to semi-annual interest payments made in 1Q23
- CAPEX includes the purchase of *Stolt Condor* and *Stolt Tucan*, drydock payments and terminal expansions
- Dividend payment of \$1.25 per share on May 10

Liquidity available

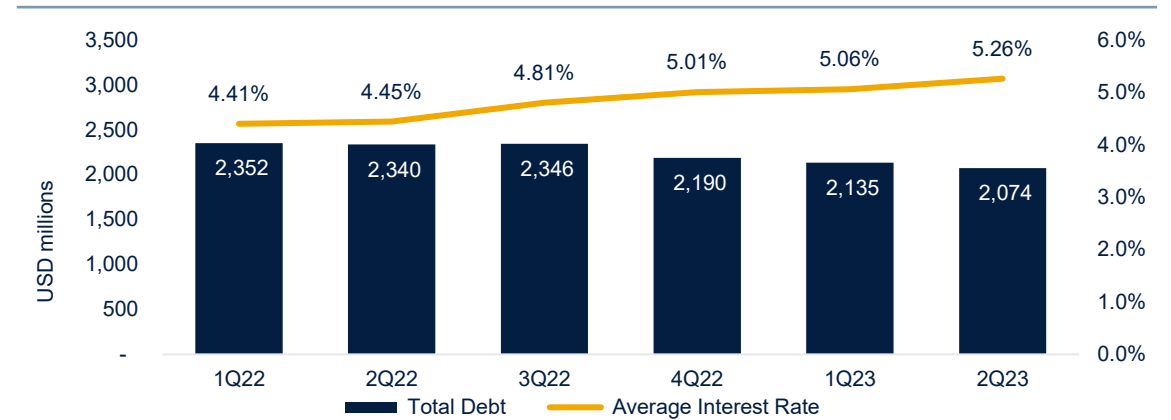


Credit Lines : Committed lines

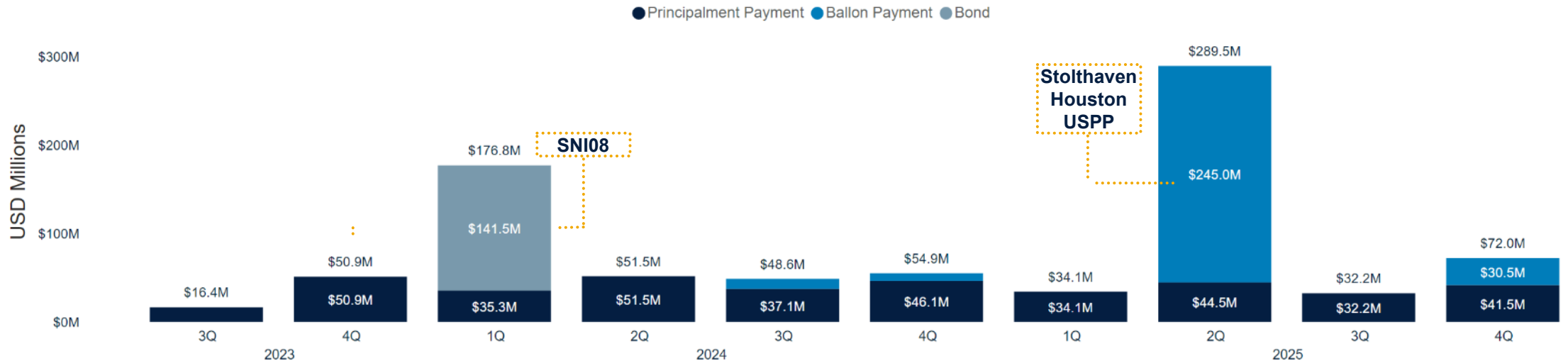
Debt Profile | Focus On Extending Maturities

- On June 16, Stolt refinanced the loan secured by the terminal in Singapore (ending in May 2024) with a new seven-year, S\$280 million term loan
- On June 29, Stolt received the proceeds for the financing of *Stolt Ludwigshafen*, an innovative new tanker that can operate at extreme low-water levels in the river Rhine
- On June 29, Stolt repaid SNI09 (\$132.0m) using available cash-on-hand
- Readily available liquidity as of June 30 after the bond repayment was \$351.4m

Debt levels in decline but interest rates rising

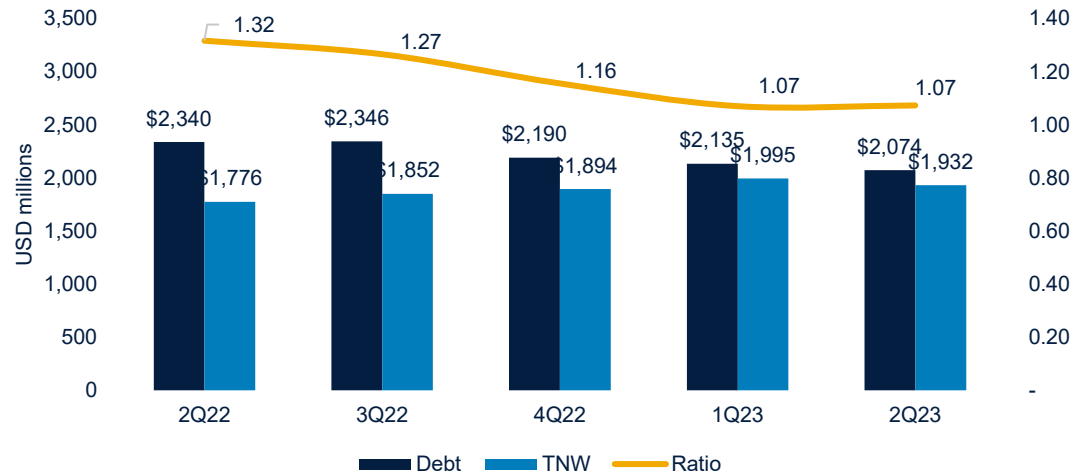


Maturity Profile as of end of June

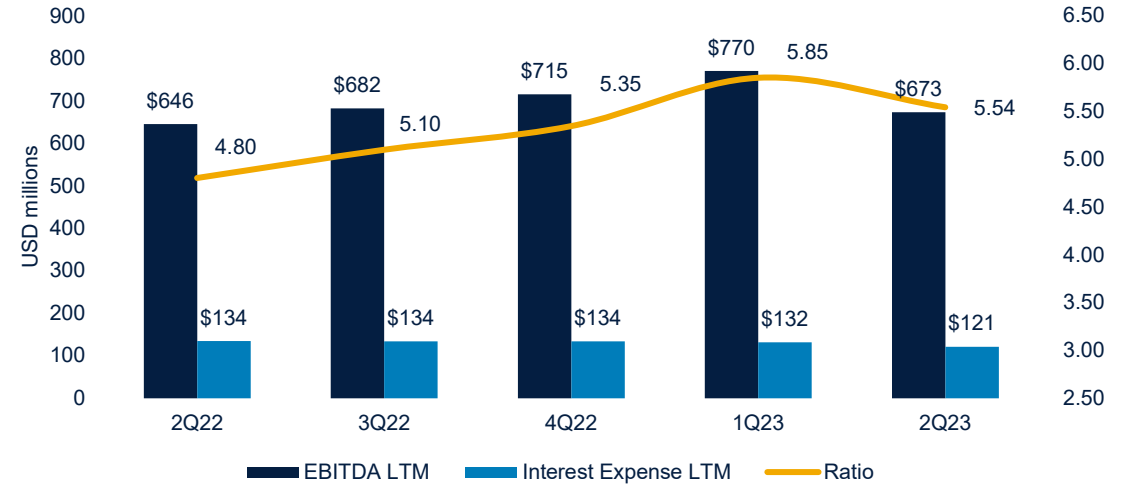


Financial KPIs with Significant Headroom

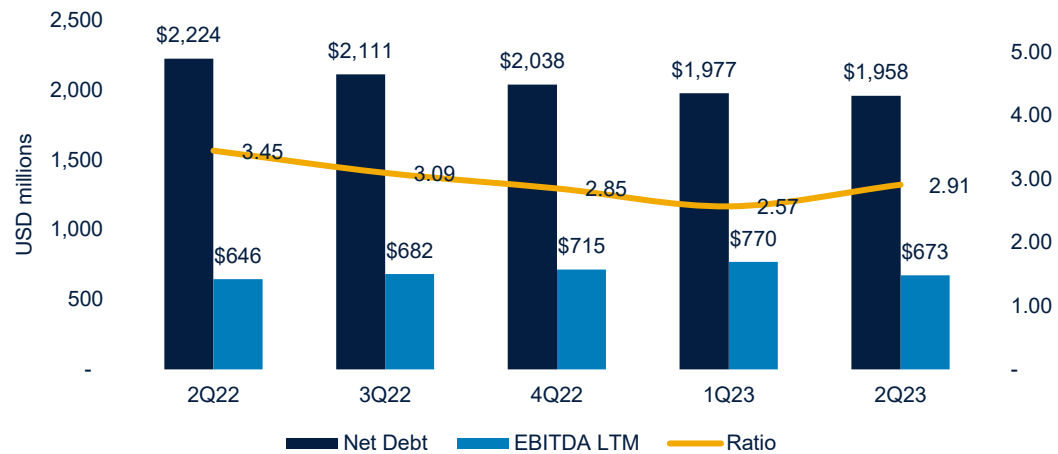
Debt to Tangible Net Worth (maximum 2.00:1.00)



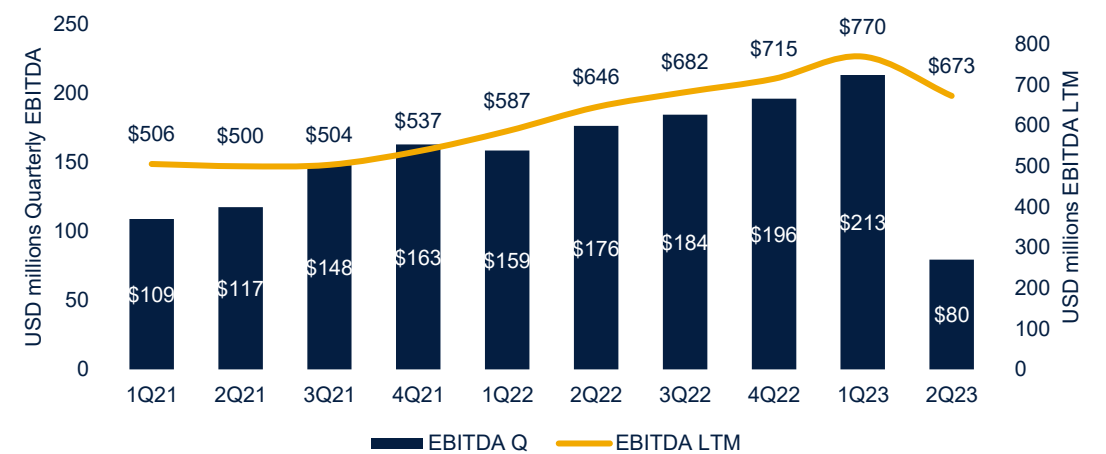
EBITDA to Interest Expense (LTM*) (minimum 2.00:1.00)



Net Debt to EBITDA (LTM*)

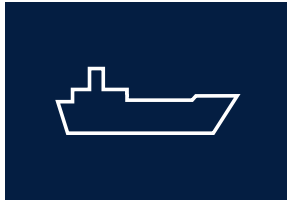


EBITDA Development

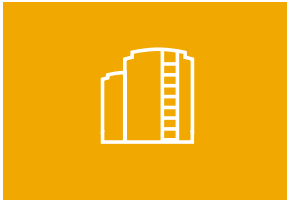


Key Messages

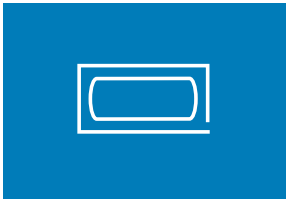
Strength in performance across all businesses...



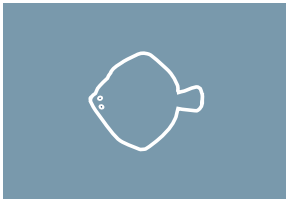
- **Stolt Tankers** – Record performance at Stolt Tankers with sailed-in revenue at \$30,880 per day for the quarter



- **Stolthaven Terminals** – continued high utilisation and a focus on rates has continued to drive profitability



- **Stolt Tank Containers** – Strong push for volumes has partially offset a reduction in margins



- **Stolt Sea Farm** – Good sales performance offset by higher operating costs

Outlook

Expectations of a slowdown in demand for goods is expected to create uncertainty into the second half of the year. Indicators point to:

- **Stolt Tankers:** Marginally softer chemical tanker market – though freight rates expected to remain at historically high levels.
 - Medium term outlook remains positive based on fundamentals of a historically low orderbook
- **Stolt Tank Containers:** leveraging scale and volume to mitigate expected pressure on margins and demurrage reverting to historical averages



Q&A

Stolt-Nielsen 