

Chief Executive Officer's Review



“I am delighted to report that we have enjoyed a year of record-breaking achievements in 2024.”

Udo Lange, Chief Executive Officer

In my first full year at Stolt-Nielsen, we have delivered an exceptional financial performance, despite fluctuating market conditions. Although Stolt Tank Containers (STC) has faced headwinds, capacity constraints due to macro conditions have benefitted Stolt Tankers, while storage rates in Stolthaven Terminals have been strong. At Stolt Sea Farm (SSF) we have seen good demand for our seafood, allowing for strong price development.

At the same time, we have more clearly defined and energised our purpose, which resonates with our customers and our people, and we have devised a refreshed strategy to propel the Company into the future.

Trusted, global pioneers

Stolt-Nielsen was born out of the innovation and vision of its founder Jacob Stolt-Nielsen, and this is not only a key element of our heritage, but also remains a cornerstone of our culture today. We have an entrepreneurial spirit and this is balanced with discipline and focus, respect for each other and a mindset governed by safety.

In liquid logistics, our purpose is to move today's products for tomorrow's possibilities. We are the only company with leading market positions in tankers, terminals and tank containers, which means we have a unique bulk liquid logistics business, rather than simply being a shipping company. In land-based aquaculture, we prioritise animal welfare, sustainability, exceptional taste and quality to ensure that future generations continue to enjoy wonderful seafood.

Financial performance

Net profit for 2024 was \$394.8 million, compared with \$296.7 million in 2023. (Excluding the impact of a provision related to the *MSC Flaminia* claim, 2023 net profit would have been \$411.7 million). Cash flow from operations decreased from \$721.4 million¹ in 2023 to \$411.6 million² in 2024. Earnings per share were \$7.38 in 2024, compared with \$5.54 in 2023. Net debt increased from \$1,761.3 million³ in

2023 to \$1,852.0 million for 2024. Shareholders' equity was \$2,152.3 million at year end, compared with \$1,906.1 million in 2023, bringing debt to tangible net worth down to 0.94 compared to 1.00 a year ago.

Strategic ambition

The Company has several fundamental success drivers in place – we have an exceptional track record and are market leaders – and this is coupled with a strong and conservatively managed balance sheet. Our success is down to our diverse portfolio, and the skills and dedication of our people, working together to deliver our strategy: we aspire to be 'Simply the Best' for our customers, people and shareholders. With strong performance in these three dimensions, this framework guides us to continuously improve and innovate.

These ambitions are connected through aligning ways of working across our liquid logistics operations, and in our approach to people excellence, digitalisation and sustainability, which cut across the whole organisation.

Customer excellence

I am really excited about bringing the liquid logistics elements of our business closer together, enabling us to offer integrated customer solutions with improved service delivery and efficiencies. We aspire to be a strategic partner for our customers, leveraging our long-standing relationships and industry-leading logistics solutions to better fulfil their business needs. More than 70% of our largest customers purchase more than one service from us, illustrating the opportunity to create more customer value by leveraging our unique portfolio, scale and capabilities.

These efforts are already yielding results. Our net promoter score was 41 in 2024 from a survey of 456 customers. Our customers truly value our quality and reliability, particularly through these uncertain and complex times. However, it is our flexibility that truly differentiates us. We are the only global player with deep-sea, regional and local fleets that link

1. Excludes cash inflow during the year of \$133.0 million relating to *MSC Flaminia* insurance proceeds.
 2. Includes cash outflow during the year of \$290.0 million relating to the *MSC Flaminia* legal claim.
 3. Excludes cash of \$133.0 million relating to *MSC Flaminia* insurance proceeds.

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into terminals and combine with a worldwide tank container network, enabling end-to-end bulk liquid supply chain solutions.

People excellence

We have more than 7,000 people in 30 countries. It is their commitment to safety and their dedication and passion which deliver our performance.

Employee feedback is essential to becoming the best employer in our industries, retaining talent and ensuring continued success. We maintained a high sustainable engagement score of 86% in our annual survey this year (2023: 86%).

During 2024, we strengthened our Senior Leadership Team (SLT), drawing on carefully managed succession plans. At Stolt Tankers, Bjarke Nissen, Chief Commercial Officer joined the SLT and Maren Schroeder was appointed President and Chief Operating Officer. Uday Mahajan also joined the SLT as Vice President of Continuous Improvement for SNL, while Claire Farrell was appointed Chief of Staff.

Members of our SLT have also taken on executive sponsor roles to foster cross-divisional success in key geographies. Hans Augusteijn was appointed Executive Sponsor for India, Guy Bessant for Asia and Bjarke Nissen for the Middle East. This drives closer collaboration to support our liquid logistics operations.

Our unrelenting focus on safety for people and protecting our planet saw us continue to drive improvements and strive to exceed industry standards. See pages 38-52.

Creating value

Ultimately, we are seeking to deliver shareholder value and I am delighted to report that we enjoyed a year of record breaking achievements in 2024.

Within Stolt Tankers, our flexibility to adapt to challenging market conditions has enabled the delivery of record average time charter earnings (TCE) per operating day of \$31,574. We have expanded at Stolthaven Terminals, with a new terminal underway in Taiwan and expansions in the US.

We have also seen record shipment volumes at STC, up 8.8% on last year and the team has pursued innovation in both digitalisation and the development of a scalable platform. At SSF we have invested in the expansion of our sole hatchery, and volumes from our new farms are surpassing expectations. This year, SNL increased its investment in Odfjell SE from 8.3% to 13.6% and, in February 2025, purchased an additional 48.8% of the shares in Avenir LNG, bringing our total shareholding to 95.8%.

Our operational successes translate into a strong financial performance. The financial performance in the year, and the outlook, are such that, subject to approval at the upcoming AGM, the Board has proposed to maintain the total dividend at a record high of US \$2.50. This demonstrates our commitment to providing long-term cash flow to shareholders.

Strong foundations

Our strategic pillars sit on strong foundations. The Company has significant financial flexibility, with a disciplined capital allocation strategy balancing growth, debt service and dividends, which has created comfortable headroom in leverage terms.

We continue to invest, not just in the expansion of our operations but also in future-proofing our ways of working, with digitalisation recognised as a key enabler of strategic growth. We have exciting plans underway to maximise synergies by aligning our businesses' digital strategies to achieve our aims across operational excellence, customer excellence and sustainability.

This year our sustainability efforts were recognised by EcoVadis, achieving Gold ratings for each of our logistics businesses. We have also laid the groundwork for compliance with the EU Corporate Sustainability Reporting Directive (CSRD) by reviewing our sustainability impact, risks and opportunities (IROs) to assess our most material sustainability matters and put in place the resources to capture and analyse the data required.

Market factors and risk

We operate in global markets, so geopolitics and macro-economic factors inevitably impact our business and performance.

We believe that the supply and demand fundamentals for our liquid logistics operations remain supportive for the foreseeable future. However, crude and product tanker markets continue to be volatile, driven by geopolitical uncertainties, causing potential impact from swing tonnage in our segment. Recent developments in the Red Sea, fleet sanctions and potential tariffs could impact trade flows, volumes and freight rates in either direction. We carefully evaluate the potential impact on our operations of material geopolitical and regulatory events, but we believe our scale, people and breadth of offering position us well.

Outlook

Despite these risks and uncertainties, I strongly believe that Stolt-Nielsen has firm foundations. These, coupled with our clearly defined strategy, will enable us to navigate through stormy waters and continue to deliver value for our shareholders, customers and people. I would like to thank our stakeholders for their support over the year – the immeasurable commitment and passion of our people, the dependability of our suppliers, and the trust our customers and shareholders continue to place in us and our strategy.

We are well positioned to achieve our goals. We will continue to live our purpose as trusted, global pioneers, as we aspire to be 'Simply the Best' for our customers, people and shareholders, through 2025 and beyond.



Udo Lange

Chief Executive Officer
Stolt-Nielsen Limited
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