

# THIRD-QUARTER 2023 RESULTS

OCTOBER 5, 2023



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. 57 et seq.) in the most recent annual report available at [www.stolt-nielsen.com](http://www.stolt-nielsen.com).

# Presenters

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**Udo Lange**  
Chief Executive Officer



**Jens F. Grüner-Hegge**  
Chief Financial Officer



**Alex Ng**  
Vice President,  
Corporate Development  
and Strategy

# Agenda | 3Q23 Results

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1. CEO Introduction
2. Group Highlights
3. Division Highlights
4. Financial Highlights
5. Closing Remarks



# My Background

- Born in Landshut, Germany
- PhD in Strategy and Organisation of Logistics Providers from Duisburg University, Germany
- Roles in consulting and logistics
- SVP Performance Management, DHL Global Forwarding
- SVP Operations, Lufthansa Sky Chefs
- FedEx C-level roles
  - COO, FedEx Trade Networks
  - CEO, FedEx Logistics
  - President, Healthcare, Logistics and American International FedEx Express
- Freightos (CRGO), Board Member
- Harvard, AMP Alumni
- CEO, Stolt-Nielsen



# Why Stolt-Nielsen is a Great Fit

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- Global operations
- Strong market positions and financial performance
- Logistics and aquaculture portfolio
- Strong culture and leadership



- 12 years running global businesses
- Eight years running multi-divisions
- Passion for logistics and food businesses
- Culture focused on people, service, profit
- Strategy and execution focus

# Stolt-Nielsen is Capitalising on Attractive Markets

**FY22**

## Robust Financial Performance...

EBITDA

**\$ 715.3m**

EBITDA Margin (%)

**25.8%**

ROCE<sup>(1)</sup>

**10.4%**

Conversion Ratio<sup>(2)</sup>

**70.1%**

DIVIDENDS PAID

**~\$ 1.0bn**

Since 2005

## ...in Ongoing Supportive Markets



- Rates at a new, higher equilibrium
- Expectation of a firm tanker market into 2024 and beyond



- Steady performance across a balanced portfolio of storage terminals



- Margins are bottoming – focus on driving shipment volumes



- Seasonally strong quarter and high prices

# A Bright Future Ahead

Diversified Portfolio
(% of Total Assets FY22)

 (45%)	 (28%)	 (13%)	 (3%)
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Market Leading Positions

# 1 (deadweight tonnage) <sup>(1)</sup>	# 6 (cbm storage capacity) <sup>(2)</sup>	# 1 (tank operators fleet size) <sup>(3)</sup>	# 1 (European volumes) <sup>(4)</sup>
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Serving Significant End-Markets

 \$ 380bn (global chemical supply chain costs 2021) <sup>(5)</sup>	 \$ 111bn (European fish and seafood market value 2023) <sup>(6)</sup>
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Delivering Superior Results for Our Customers

 Stolthaven Singapore 2023, 2022, 2021 SEA S4TAR Award	 Stolt Tankers - 2022 GoalZERO Safety Award	 Stolt Tank Containers - 2022 Award for exceptional service	 Stolt Sea Farm – 2023 Superior Taste Award (Fresh turbot)
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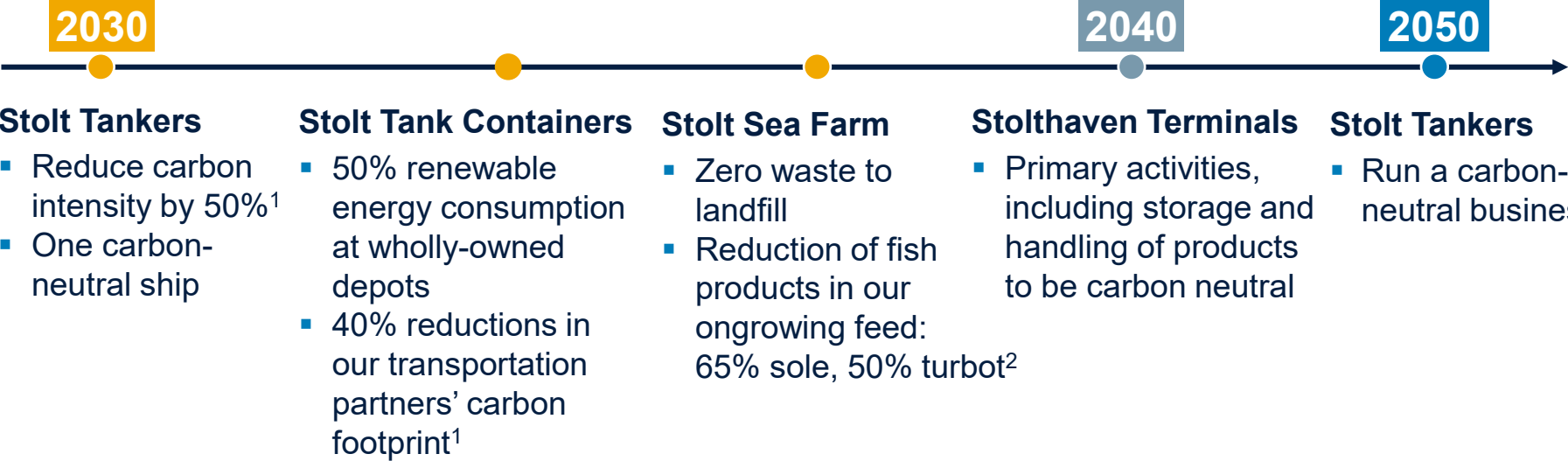
1. Stainless steel ships >19k DWT (CKB Fleet List, July 2023), 2. Global storage terminals which can hold both chemicals and CPP (Tankterminals.com), 3. Global tank operators' fleet (ITCO Global Tank Container Fleet Survey 2023), 4. European farmed and wild catch volumes for turbot and sole (FAO 2023), 5. Assuming 8-10% of global chemical sales (CEFIC 2023 and EPCA 2004), 6. European fish & seafood sales 2023 (Statista)

# Committed to Our ESG Ambitions

## HEALTH AND SAFETY

Our ambition is to achieve zero harm across all operations

## ENVIRONMENT



## OUR COMMITMENT

United Nations Global Compact Signatory



Stolt-Nielsen focuses on three SDGs:



## ECOVADIS RATINGS

Stolt Tankers



Stolthaven Terminals



Stolt Tank Containers



1. Relative to 2008 levels  
2. Relative to 2020 levels



## Group Highlights

Stolt-Nielsen 

# 3Q23 SNL Highlights | Positive Performance Across all Divisions

**3Q23** vs. 3Q22 vs Adjusted 2Q23

## OPERATING REVENUE

**\$ 694.4m** ▼

\$ 744.0m (-6.7%)

\$ 721.9m (-3.8%)

## EBITDA

**\$ 201.2m** ▲

\$ 184.4m (+9.1%)

\$ 224.6m<sup>(1)</sup> (-10.4%)

## OPERATING PROFIT

**\$ 127.5m** ▲

\$ 111.9m (+13.9%)

\$ 155.1m<sup>(1)</sup> (-17.8%)

## NET PROFIT

**\$ 90.1m** ▲

\$ 74.7m (+20.6%)

\$ 113.3m<sup>(1)</sup> (-20.5%)

## FREE CASH FLOW<sup>(2)</sup>

**\$ 207.0m** ▲

\$ 140.4m (+47.4%)

\$ 116.0m (+78.4%)

## NET DEBT TO EBITDA

**2.6x** ▲

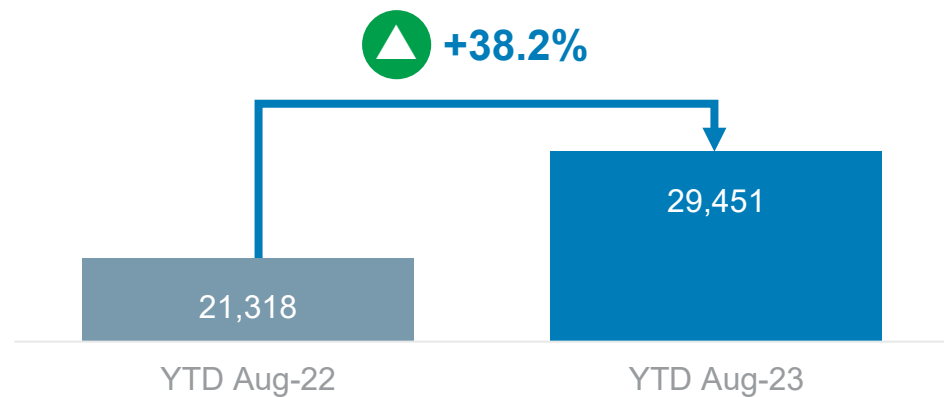
3.1x (-0.4x)

2.4x (-0.3x)

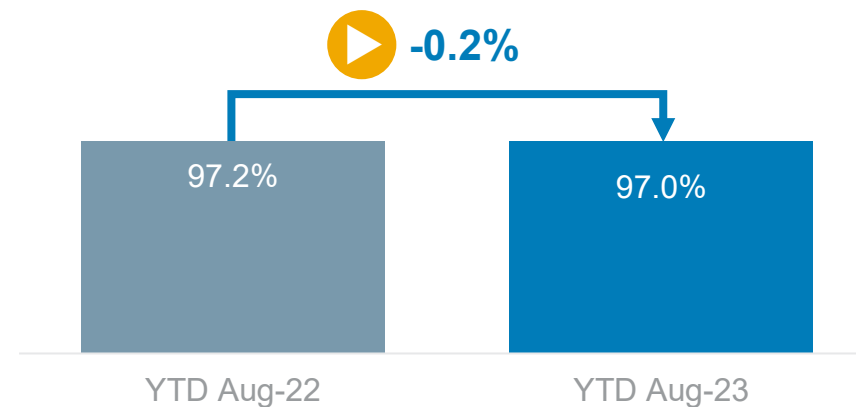
# YTD 2023 Performance Drivers



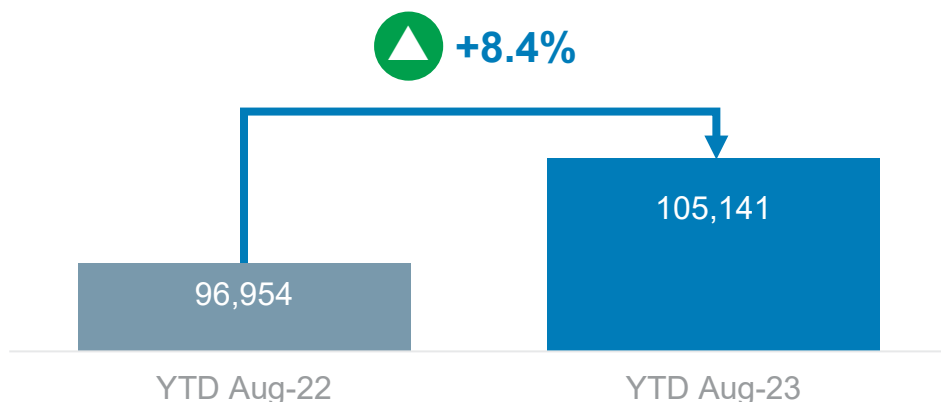
## SIR / OPERATING DAY<sup>(1)</sup> (US\$)



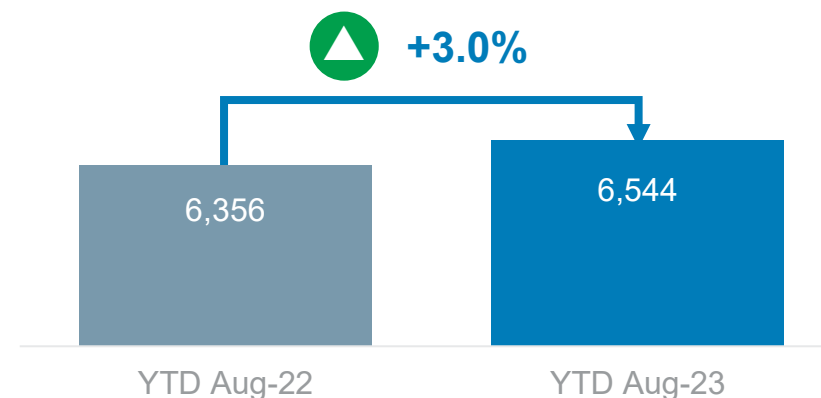
## UTILISATION<sup>(2)</sup> (%)



## SHIPMENTS (#)

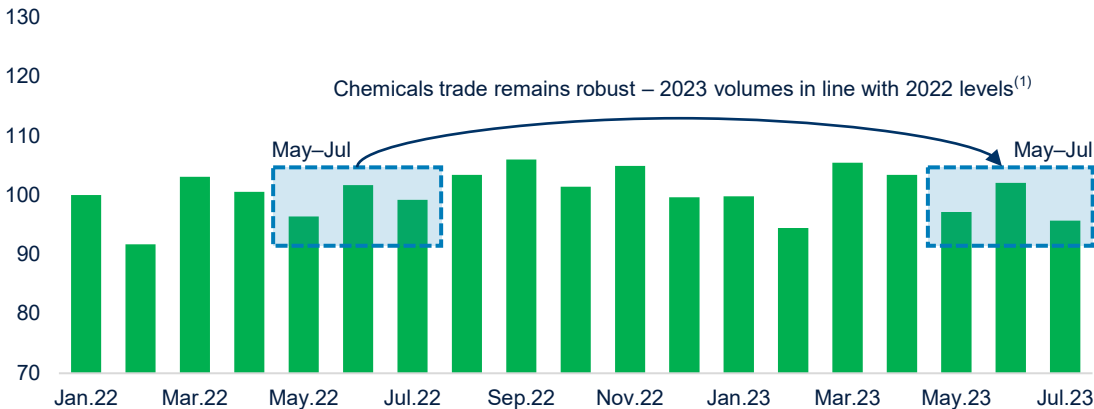


## VOLUMES SOLD<sup>(3)</sup> (MT)

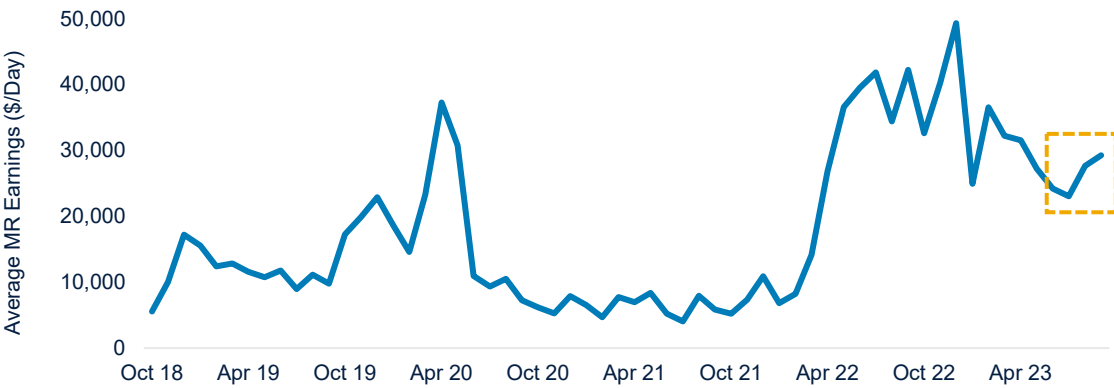


# Market Outlook | Recovery Aided by Favourable Supply-Side Dynamics

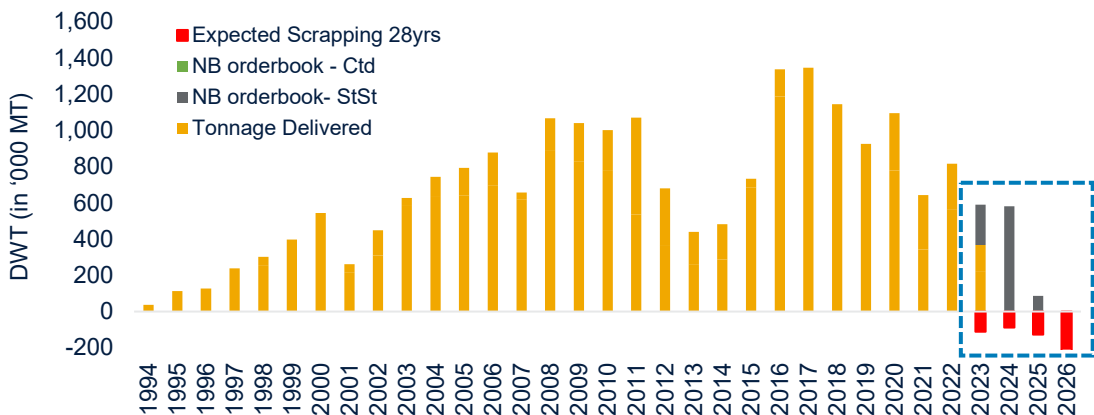
## ROBUST DEMAND – SEABORNE CHEMICALS TRADE



## MR RATES REBOUND – LIMITING SWING TONNAGE



## HISTORICALLY LOW NEWBUILD ORDERBOOK (~4.4%)



## YARD AVAILABILITY – LONG LEAD TIMES (3+ YEARS)

	2023		2024		2025		2026		2027		2028		2029	
Period	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
Chemical Tankers (25k+)														
Crude Tankers (Suez/VLCC)														
Product Tankers (MR)														
Other Shipping (LPG, LNG, Containership, Bulker)														

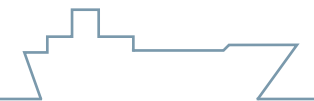
Source: Clarksons Platou, BRS, Industry Sources

1. Global Seaborne Chemicals Trade Volume Index (Re-based Jan 2022 = 100) based on baskets of seaborne trade flows (reflecting global chemical, LNG and LPG trade)



## Segment Highlights

# Stolt Tankers | Another Strong Quarter



**3Q23** vs. 3Q22 vs. 2Q23

## OPERATING REVENUE

**\$ 422.3m** ▲

\$ 404.7m (+4.3%)

\$ 430.8m (-2.0%)

## EBITDA

**\$ 124.3m** ▲

\$ 101.2m (+22.9%)

\$ 136.5m (-8.9%)

## HIGHLIGHTS

- Lower revenues as spot rates came off recent highs
  - Spot rates declined in Q3 vs Q2 but remained above COA rates
  - Volumes increased by 3.9%
- Regional fleets continue to deliver strong results
- Spot markets are stabilising, supported by improving rates in adjacent markets
- COAs renewed in 3Q23 were up 11.9%, albeit small volumes
- Small orderbook supports positive long-term fundamentals

## OPERATING PROFIT

**\$ 87.3m** ▲

\$ 61.1m (+42.7%)

\$ 96.8m (-9.9%)

## OPERATING DAYS (Deepsea)

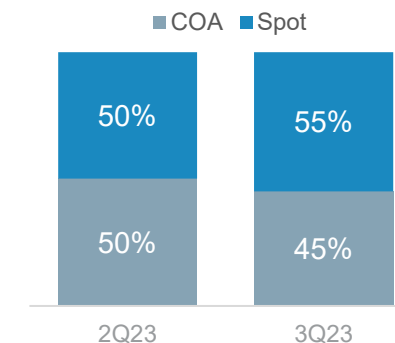
**7,402** ▲

7,018 (+5.5%)

7,225 (+2.4%)

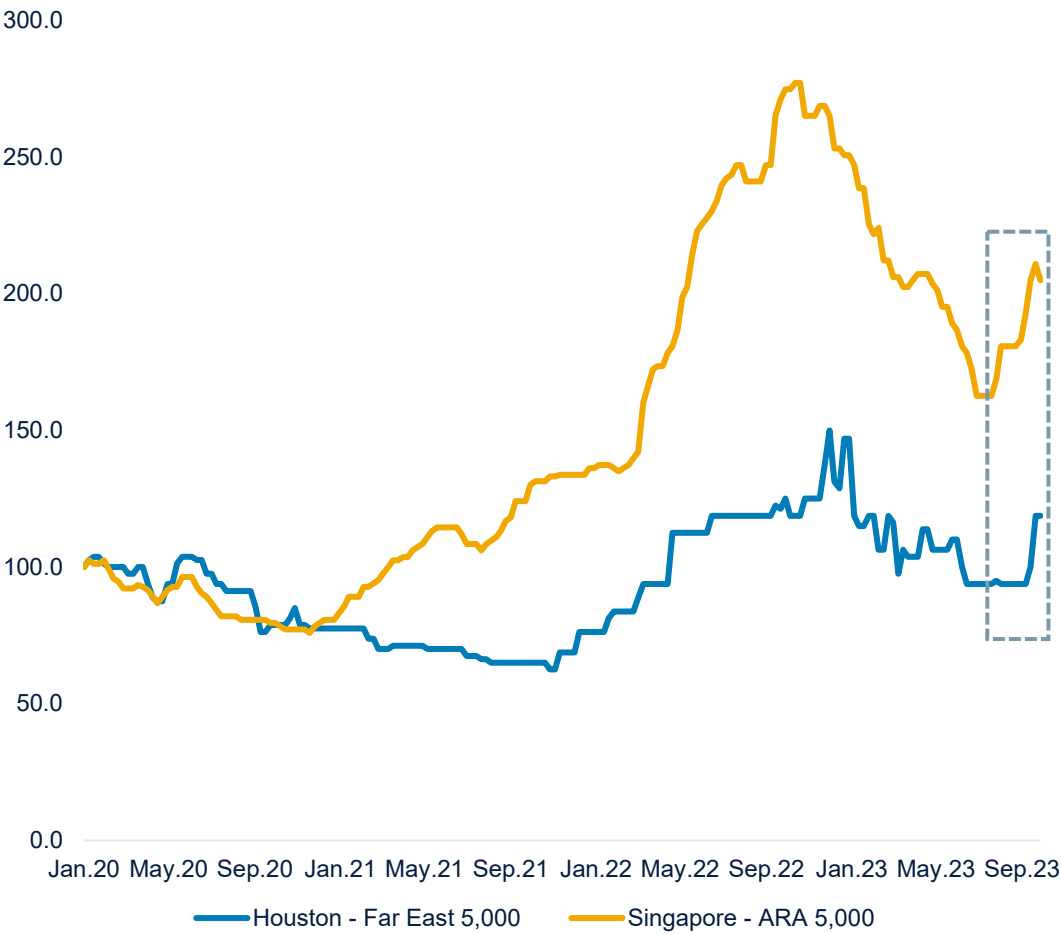
## VOLUMES and RATES 3Q23 vs 2Q23

	COA	SPOT
Volumes	-6.9% ▼	+14.8% ▲
Rates	+4.8% ▲	-14.3% ▼



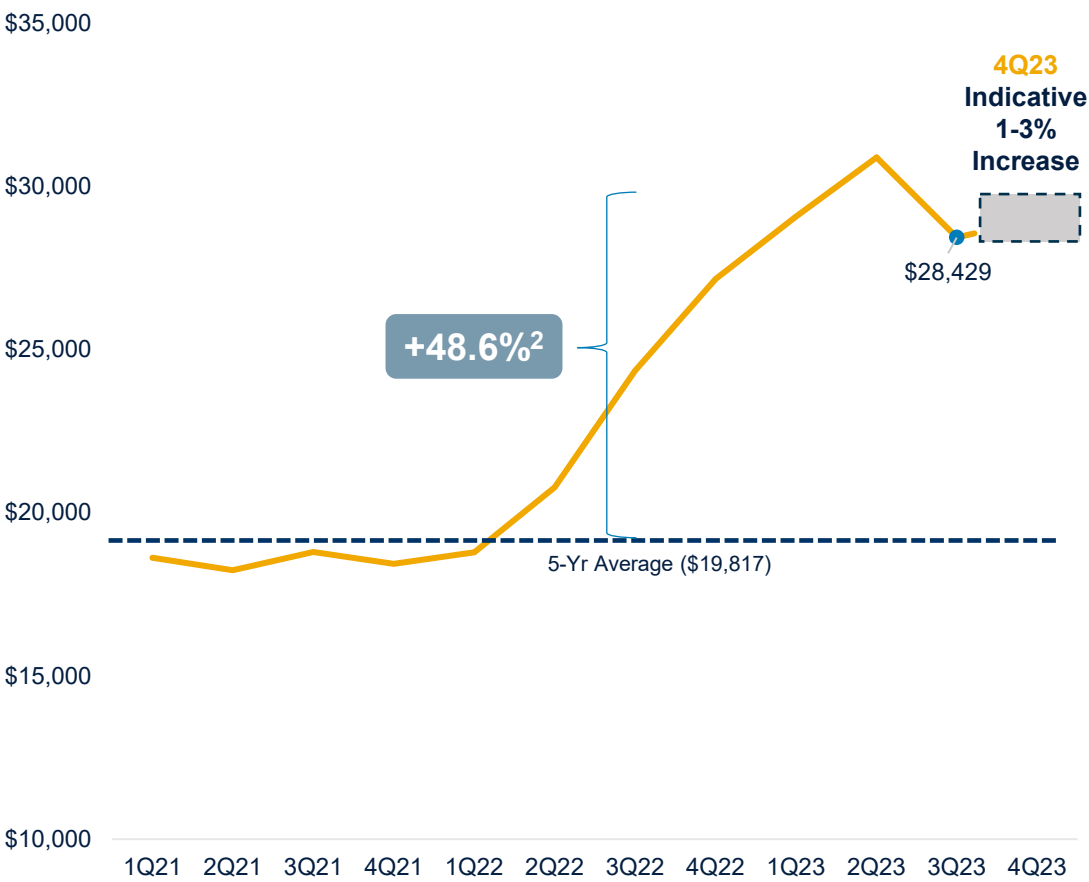
# SIR / Operating Day | Rates Stabilising Above Historical Levels

## DEEPSEA CHEMICAL INDEX\*



\*Source : Clarkson Platou

## SIR / OPERATING DAY



1. Sailed-in revenue per day is calculated as voyage revenue less voyage related expenses and trading overhead expense, divided by total operating days during the period. Note that the Sailed-in revenue excludes any gains on time-chartered ships and fees earned from managing the STJS pool  
2. Difference between 5-Yr average SIR/Operating Day (2018-2022) and average SIR/Operating Day YTD 2023

# Stolthaven Terminals | Steady Improvement



**3Q23** vs. 3Q22 vs. 2Q23

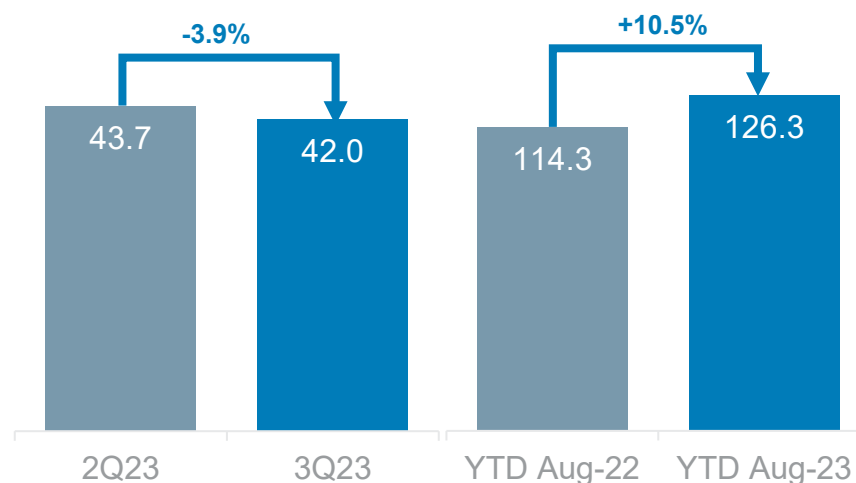
## OPERATING REVENUE

**\$ 74.7m** ▲

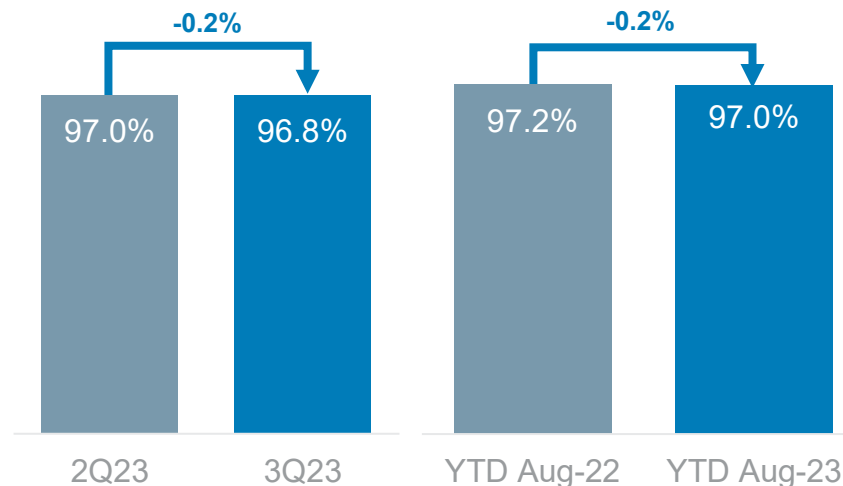
\$ 70.8m (+5.5%)

\$ 74.3m (+0.5%)

## EBITDA (US\$ millions)



## UTILISATION<sup>(1)</sup>



## OPERATING PROFIT

**\$ 26.0m** ▲

\$ 20.7m (+25.6%)

\$ 27.8m (-6.5%)

## HIGHLIGHTS

- Robust utilisation and throughput seen across all terminals during the quarter
- Small reduction in EBITDA due to fewer positive one-offs and seasonally lower heating revenues
- Steady and resilient business model and cash flow



# Stolt Tank Containers | More Shipments, but at Lower Rates

**3Q23** vs. 3Q22 vs. Adjusted 2Q23<sup>(1)</sup>

OPERATING REVENUE

**\$ 166.4m** ▼

\$ 242.9m (-31.5%)

\$ 189.3m (-12.1%)

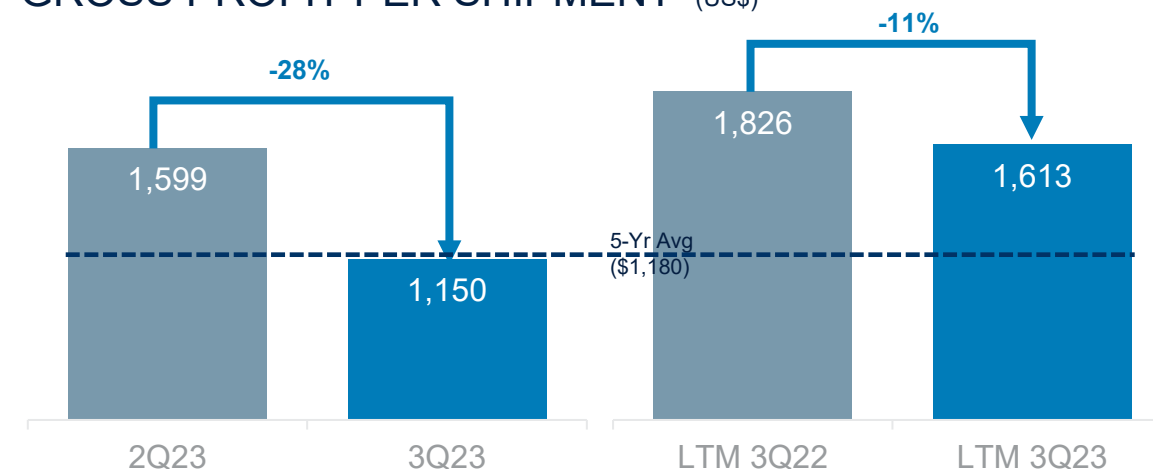
EBITDA

**\$ 36.8m** ▼

\$ 53.8m (-31.6%)

\$ 48.9m<sup>1</sup> (-24.7%)

GROSS PROFIT PER SHIPMENT<sup>2</sup> (US\$)



OPERATING PROFIT

**\$ 23.9m** ▼

\$ 43.1m (-44.5%)

\$ 39.7m<sup>1</sup> (-39.8%)

SHIPMENTS

**36,641** ▲

33,900 (8.1%)

35,667 (2.7%)

## HIGHLIGHTS

- Increase in shipment volumes partially offsets lower margins
- Middle East, South America and Intra-Asia markets continue to show firm demand
- Demurrage revenues expected to decrease as supply chain congestion eases
- Transportation rates are stabilising, expected to impact 2024

# Stolt Sea Farm | Strong Increase in Sales



**3Q23** vs. 3Q22 vs. 2Q23

## OPERATING REVENUE

**\$ 31.0m** ▲

\$ 25.3m (+22.5%)

\$ 27.6m (+12.3%)

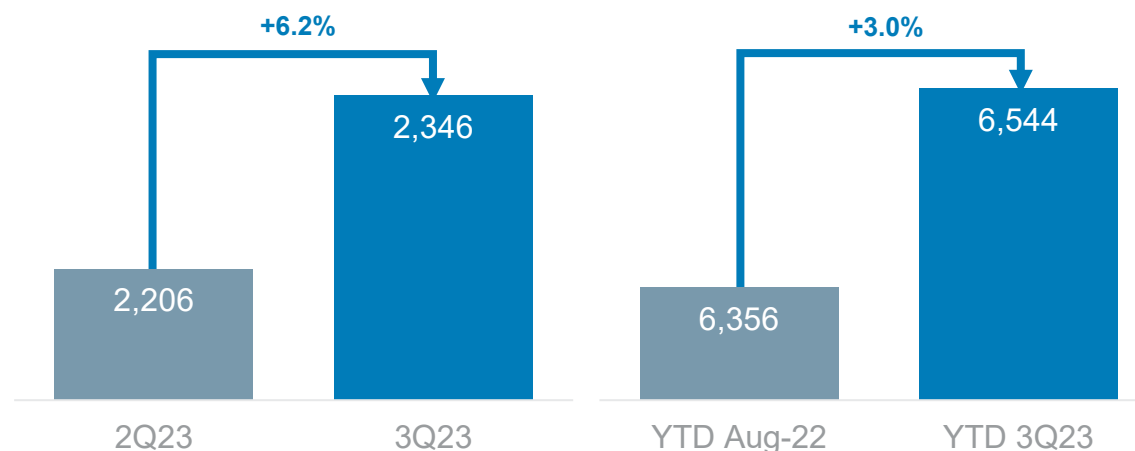
## EBITDA (Excl. FV Adj.)

**\$ 9.1m** ▲

\$ 7.8m (+16.6%)

\$ 6.8m (+33.8%)

## VOLUMES SOLD<sup>(1)</sup> (MT)



## OPERATING PROFIT

(Excl. FV Adj.)

**\$ 6.1m** ▶

\$ 6.1m (0.0%)

\$ 4.4m (+38.6%)

## TURBOT PRICES

(+2.9%) vs. 2Q23

(-6.2%) vs. 3Q22

## SOLE PRICES

(+10.9%) vs. 2Q23

(+20.3%) vs. 3Q22

## HIGHLIGHTS

- Seasonally strong quarter demand for both species during the summer
- Prices – for sole in particular – at high levels
- Strong production growth across all our farms. Focus on expanding our sales channels and geographic reach





## Financial Highlights

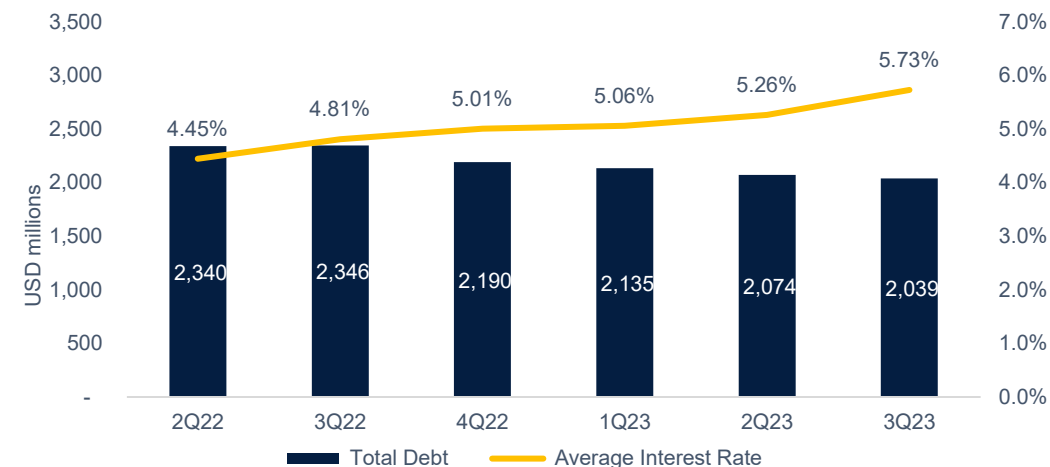
# Summary Income Statement

Figures in USD million	Quarter		
	3Q23	2Q23	3Q22
<b>Operating Revenue</b>	<b>\$694.4</b>	<b>\$721.9</b>	<b>\$744.0</b>
<b>Operating Expenses</b>	<b>(438.4)</b>	<b>(445.8)</b>	<b>(504.8)</b>
Legal claims provision	-	(155.0)	-
Depreciation and amortisation	(73.8)	(71.5)	(72.4)
Share of profit of joint ventures and associates	13.2	17.7	14.1
Administrative and general expenses	(69.0)	(58.2)	(67.2)
Gain (Loss) on sale of assets	3.1	0.7	(0.2)
Other operating income, net	(2.0)	0.2	(1.7)
<b>Operating Profit (as reported)</b>	<b>\$127.5</b>	<b>\$10.1</b>	<b>\$111.9</b>
Net interest expense	(27.7)	(29.2)	(29.4)
FX loss, net	(0.9)	(1.2)	(1.4)
Income Tax Expense (Expense) Benefit	(12.7)	28.7	(7.7)
Other	4.0	-	1.4
<b>Net Profit</b>	<b>\$90.1</b>	<b>\$8.3</b>	<b>\$74.7</b>
<b>EBITDA</b>	<b>\$201.2</b>	<b>\$79.6</b>	<b>\$184.4</b>

## HIGHLIGHTS

- **Revenue** decreased mainly due to lower rates in Stolt Tank Containers and softer spot rates in Stolt Tankers
- **Operating expenses** decreased as a result of lower ocean and freight costs in Stolt Tank Containers
- Lower **equity income** from JVs reflecting reduction in deep-sea trading results and lower profit from terminal JVs
- Higher **A&G** in the quarter as a result of higher profit sharing
- \$3m gain on sale of a ship
- Taxes up due to prior quarter tax credit on loss provision

## DEBT IN DECLINE BUT INTEREST RATES RISING



# Financials | Capital Expenditures

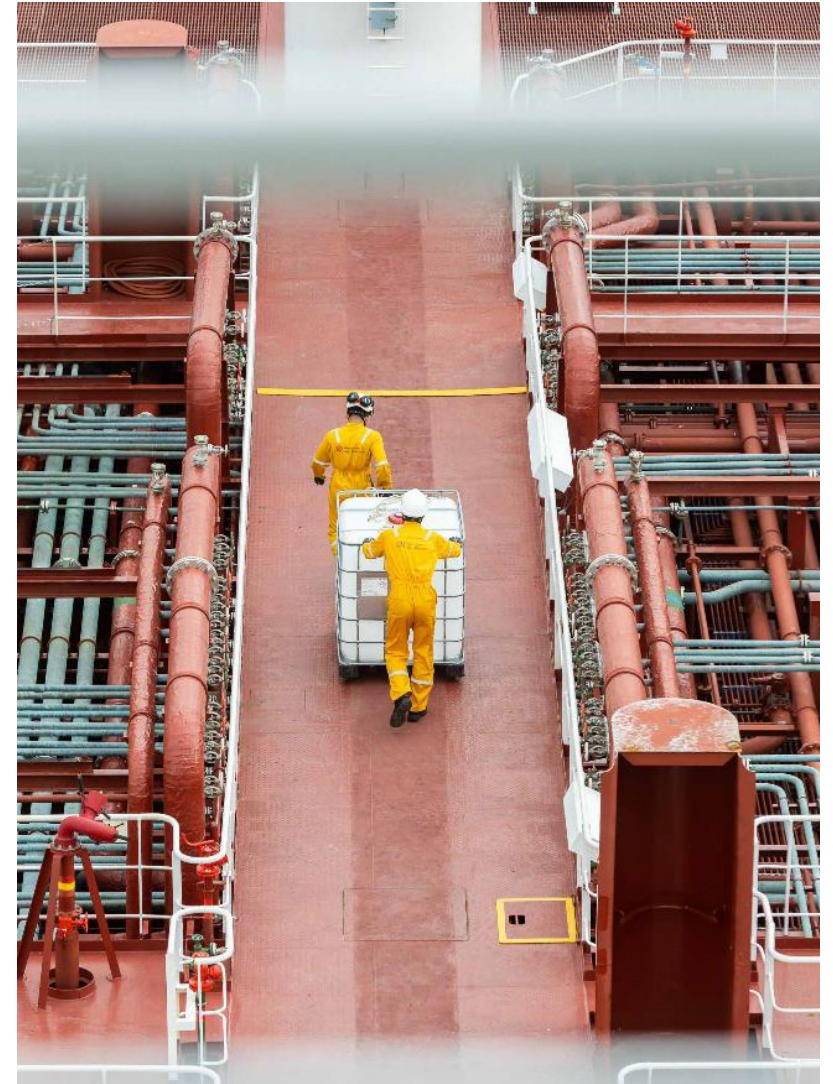
*Figures in USD millions*

	Actuals 1Q23	Actuals 2Q23	Actuals 3Q23	Remaining 2023	Forecast 2024
<b>Stolt Tankers</b>	7	55	8	20	12
<b>Stolthaven Terminals</b>	17	19	16	33	173
<b>Stolt Tank Containers</b>	16	4	8	49	14
<b>Stolt Sea Farm</b>	7	2	4	10	55
<b>SNL Corporate &amp; Other</b>	-	2	-	19	-
<b>Total</b>	<b>\$47</b>	<b>\$82</b>	<b>\$36</b>	<b>\$131</b>	<b>\$254</b>

Stolt Tankers: Capex excludes drydocking

## HIGHLIGHTS

- **Stolthaven Terminals:** investments in maintenance projects and Dagenham jetty



# Financials | SNL Cash Flow and Liquidity Position

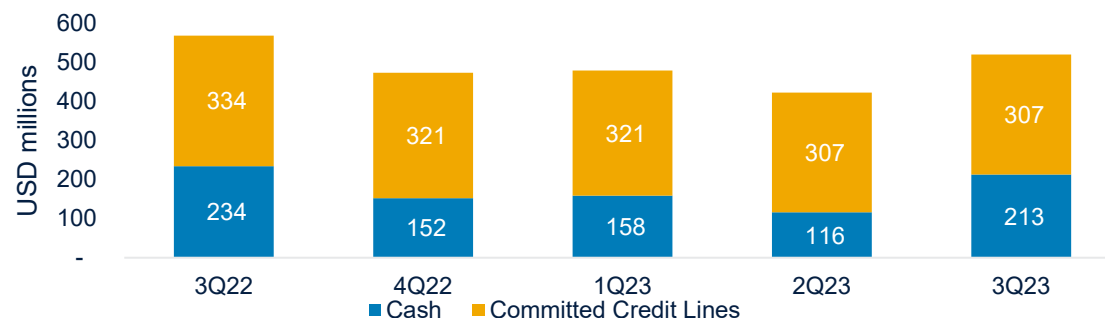
Figures in USD million

	3Q23	2Q23	3Q22
<b>Cash generated by operating activities</b>	<b>\$249.9</b>	<b>\$207.7</b>	<b>\$205.4</b>
Interest Paid	(30.3)	(24.2)	(24.8)
Debt issuance cost	(2.1)	-	(1.0)
Interest received	0.0	(0.0)	1.1
Income taxes paid	(3.4)	(6.6)	(1.1)
<b>Net cash generated by operating activities</b>	<b>214.1</b>	<b>176.9</b>	<b>179.6</b>
Capital expenditures and intangible assets	(47.6)	(92.0)	(61.9)
Investments in & repayment of advances to JVs	(4.0)	(1.2)	(6.0)
(Purchase)/Sale of Shares	(0.0)	(0.2)	-
Sale of assets	3.3	1.1	1.3
Other	(0.9)	0.6	1.5
<b>Net cash used in investing activities</b>	<b>(\$49.2)</b>	<b>(\$91.7)</b>	<b>(\$65.0)</b>
Proceeds from issuance of long term debt	221.4	-	45.8
Decrease in loans payable to banks	-	-	-
Repayment of long-term debt	(268.8)	(49.5)	(30.1)
Principal payment on capital lease	(12.9)	(13.5)	(10.6)
Dividend and other	-	(66.7)	-
<b>Net cash used in by financing activities</b>	<b>(\$60.3)</b>	<b>(\$129.7)</b>	<b>\$5.1</b>
Effect of FX change on cash	(7.5)	1.9	(0.8)
<b>Total Cash Flow</b>	<b>\$97.2</b>	<b>(\$42.7)</b>	<b>\$118.8</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>\$115.6</b>	<b>\$158.4</b>	<b>\$115.6</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$212.9</b>	<b>\$115.6</b>	<b>\$234.4</b>

## HIGHLIGHTS

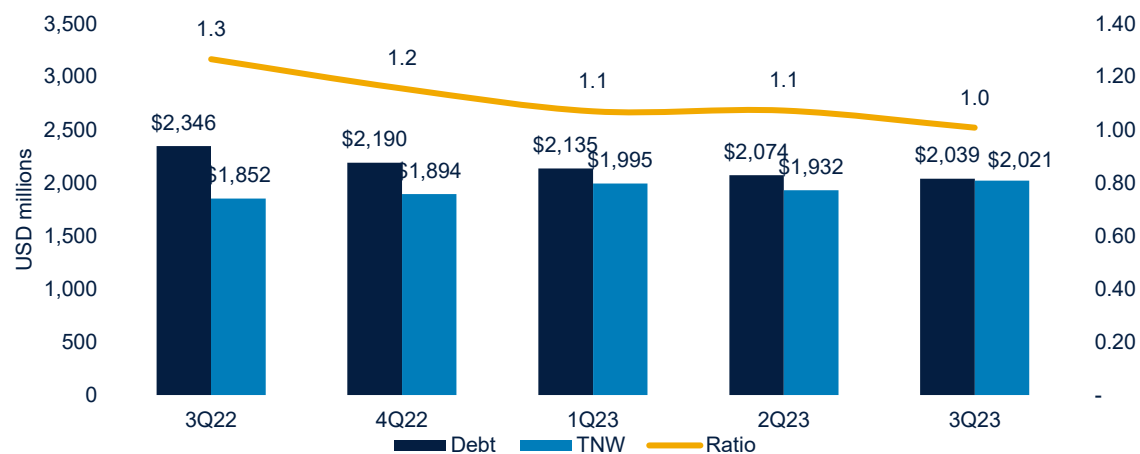
- Cash from operating activities increased due to improved performance and a lower decrease in working capital
- Interest paid increased due to higher interest rates and semi-annual interest payments made in 3Q23
- CAPEX and drydock payments of \$47.6m
- Proceeds of S\$280m from the term loan secured by the terminal in Singapore and \$14m from the financing of the *Stolt Ludwigshafen*, both completed in June
- Repayment of \$132m on the 2023 NOK bonds and \$127m on the previous Singapore terminal loan

## LIQUIDITY

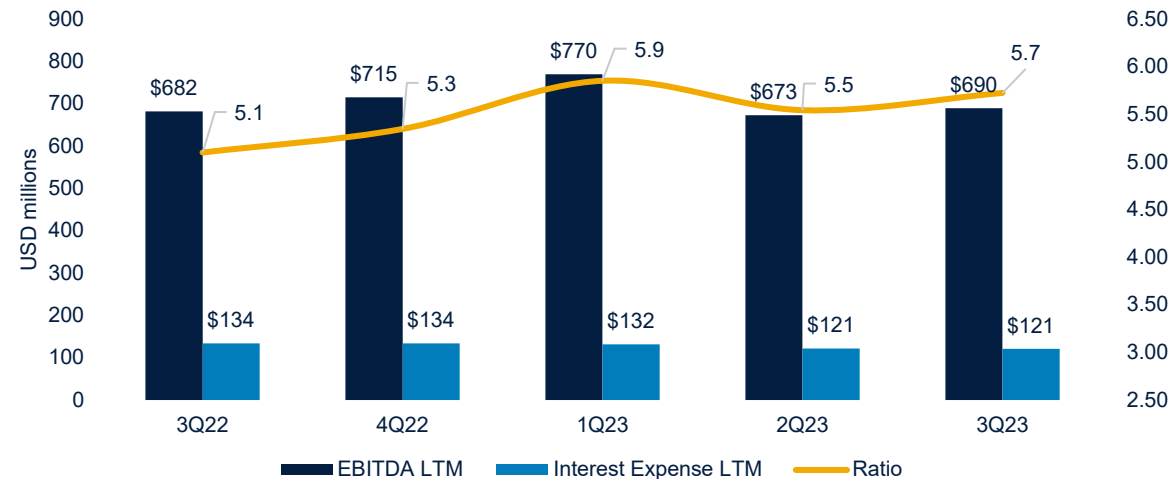


# Financial KPIs with Significant Headroom

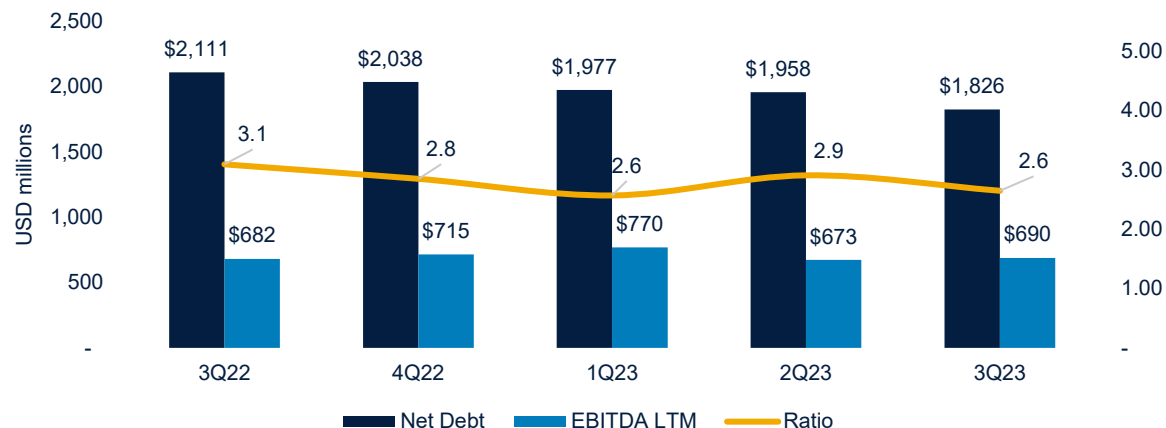
## DEBT TO TANGIBLE NET WORTH (MAXIMUM 2.25:1.00)



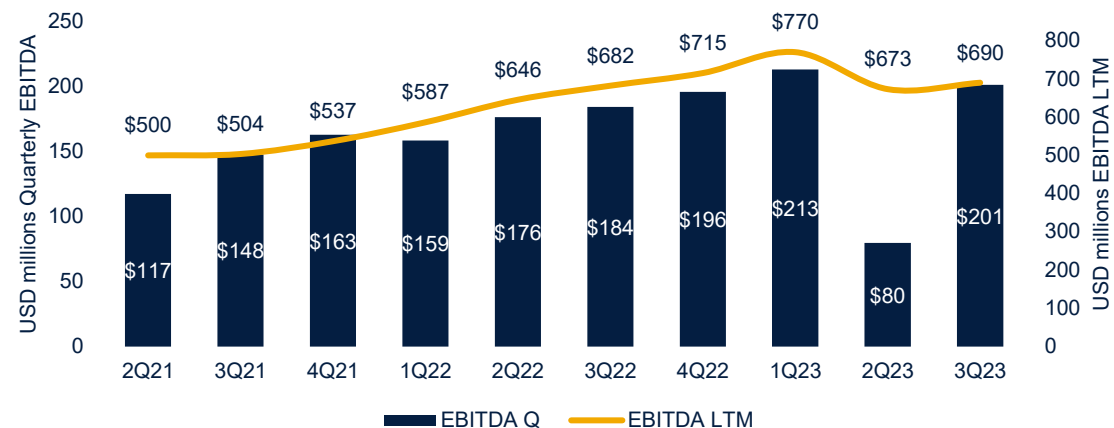
## EBITDA TO INTEREST EXPENSE (LTM) (MINIMUM 2.00:1.00)



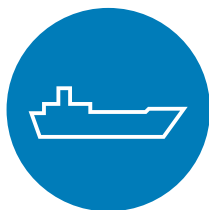
## NET DEBT to EBITDA (LTM)



## EBITDA DEVELOPMENT



# Concluding Remarks



## STOLT TANKERS IPO



- Positive tanker performance and supportive fundamentals



- Soft IPO Market

- IPO unlikely for foreseeable future



## DELIVERING VALUE



- Robust outlook, strong strategies and outstanding leadership



- Unique position across liquid logistics



- Leading land-based aquaculture

- Focus on strategy development and execution



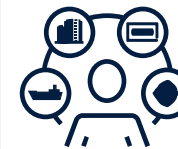
## FINANCIAL STRENGTH



- \$2.25/sh paid for 2022



- Attractive diversified portfolio



- Not just a 'tanker company' but a liquid logistics leader

- 2024 guidance to be provided
- Capital Markets Day in 2024



Q&A

Stolt-Nielsen 