



Stolt-Nielsen Limited | Third-Quarter 2022 Results

Niels G. Stolt-Nielsen — Chief Executive Officer
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October 6, 2022

Stolt-Nielsen 

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

Agenda | 3Q22 Results

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



3Q22 Highlights | Net Profit Improved Further

3Q22 vs. 2Q22

OPERATING REVENUE

\$ 744.0m ▲

\$ 689.1m

EBITDA

\$ 184.4m ▲

\$ 176.4m

OPERATING PROFIT

\$ 111.9m ▶

\$ 111.9m

NET PROFIT

\$ 74.7m ▲

\$ 58.6m

FREE CASH FLOW*

\$140.4m ▲

\$ 86.1m

NET DEBT TO EBITDA

3.09x ▼

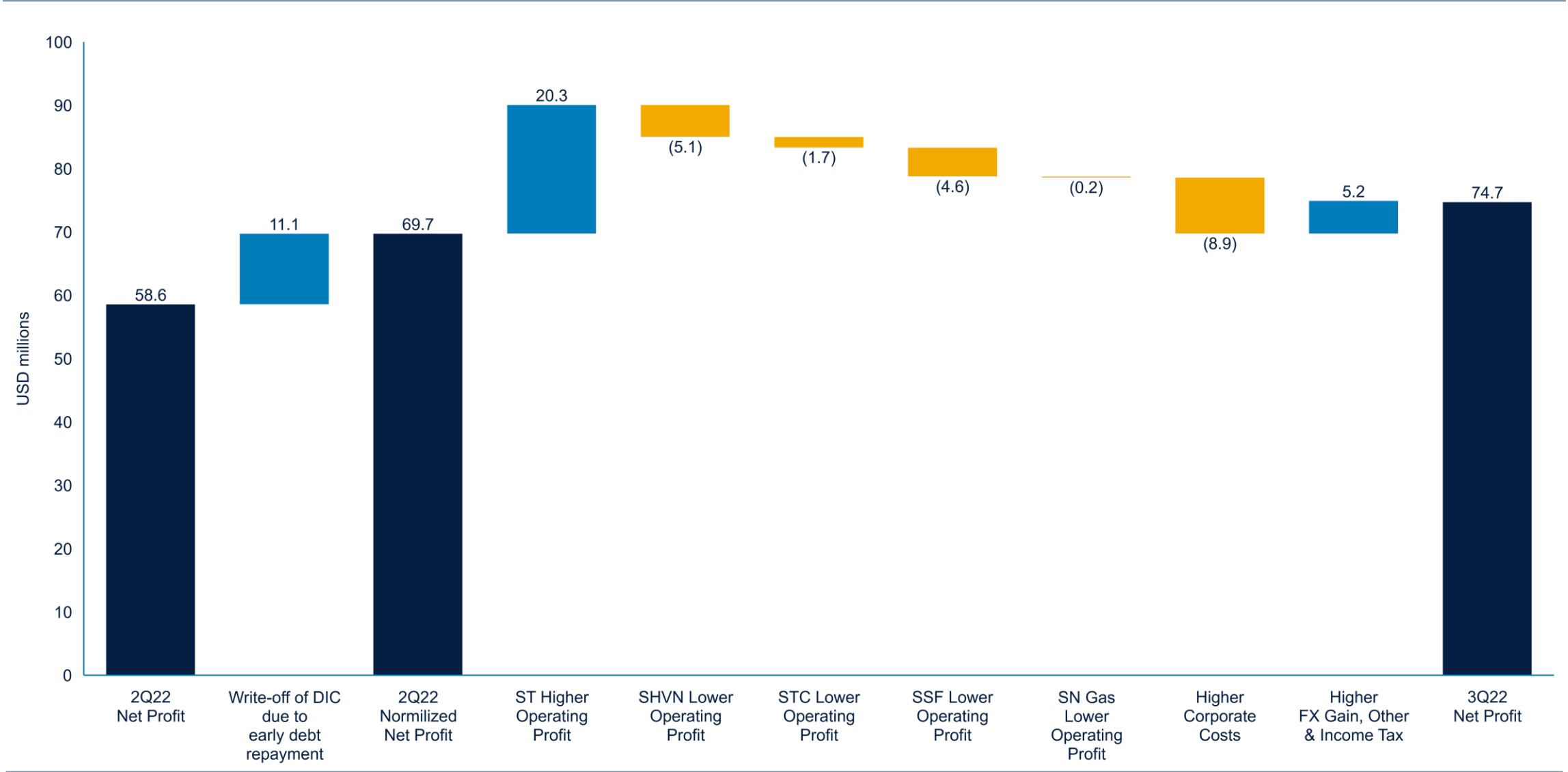
3.44x

- **Net Profit of \$74.7m**, up from \$58.6m in 2Q22
- **EBITDA** of \$184.4m, up from \$176.4m mainly driven by:
 - Improved results at **Stolt Tankers** due to higher spot rates;
 - Lower results in **Stolthaven Terminals** as a result of one-offs on maintenance and facility costs;
 - Marginally lower results at **Stolt Tank Containers**, as higher shipments and demurrage revenue were offset by lower margins;
 - Excluding FV, operating results at **Stolt Sea Farm** improved, driven by higher sales prices for turbot and sole; and
 - Higher cost at **Corporate** due to higher benefits accrual;
- **Free Cash Flow** increased to \$140.4m, up from \$86.1m, as a result of higher cash from operations, lower working capital, lower interest expense payments and \$20m in dividends from JVs
- **\$568.5m** available **liquidity** at quarter-end, up from \$449.7m in previous quarter, ahead of scheduled repayment of \$175m bond

*Cash from operations less cash used for investing activities



Net Profit | Solid Performance Across All Businesses





Stolt Tankers 

Stolt Tankers | Higher Spot Rates



3Q22

2Q22

OPERATING REVENUE

\$ 404.7m ▲

\$ 365.4m

EBITDA

\$ 101.2m ▲

\$ 79.9m

OPERATING PROFIT

\$ 61.1m ▲

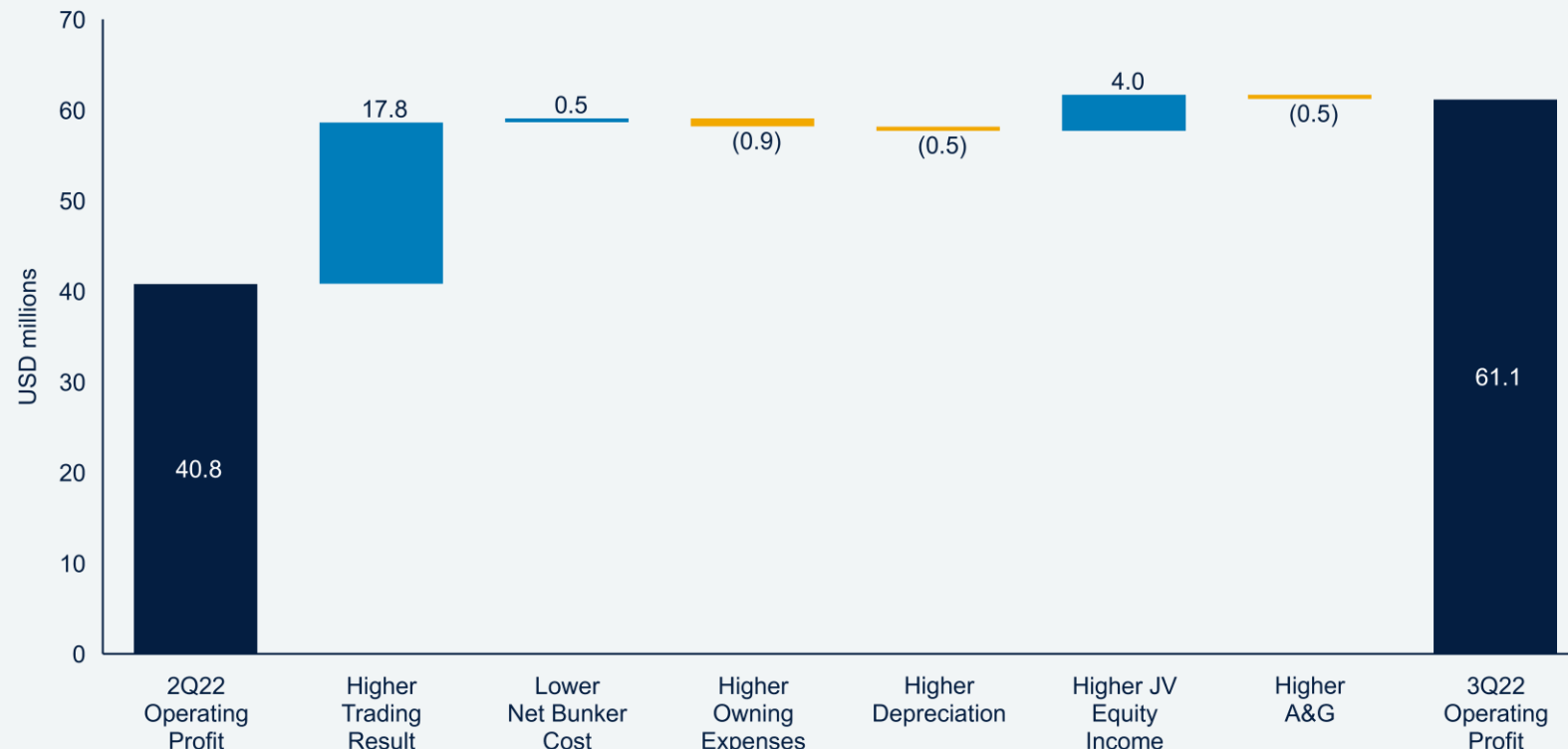
\$ 40.8m

OPERATING DAYS (deep sea)

7,018 ▼

7,104

Operating Profit Variance

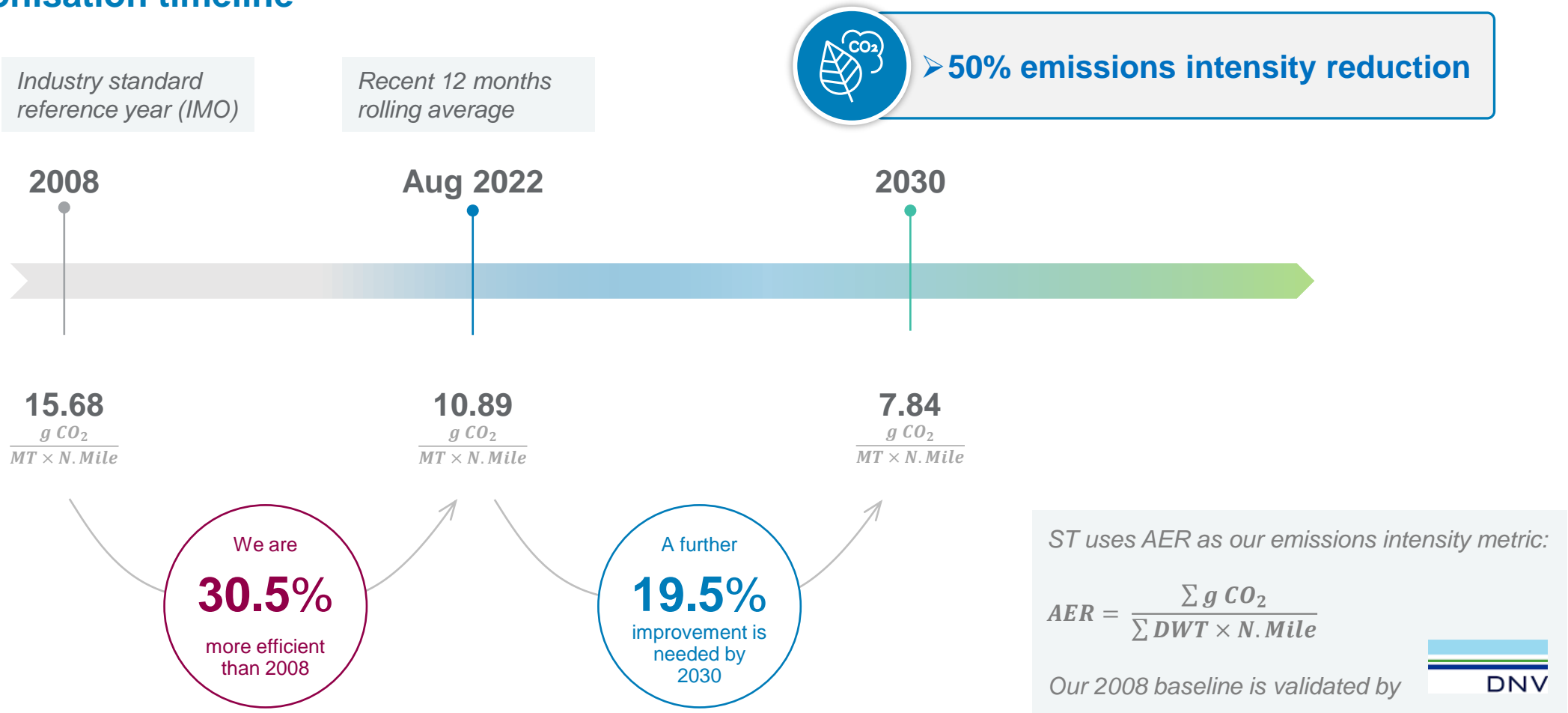


- Increased **trading results** driven by an increase in **Spot rates by 38.2%**
- **COA** volumes improved. Rates renewals up by 11.4% during quarter
 - COA renewals have so far had limited impact due to small volumes renewed
- **Lower net bunker cost** driven by higher bunker surcharge revenue
- **Higher owning expenses** as a result of higher inflation, offset by a strong USD
- **Strong performance** by regional fleets
- Improved **Equity Income** from all JVs in line with strong trading results



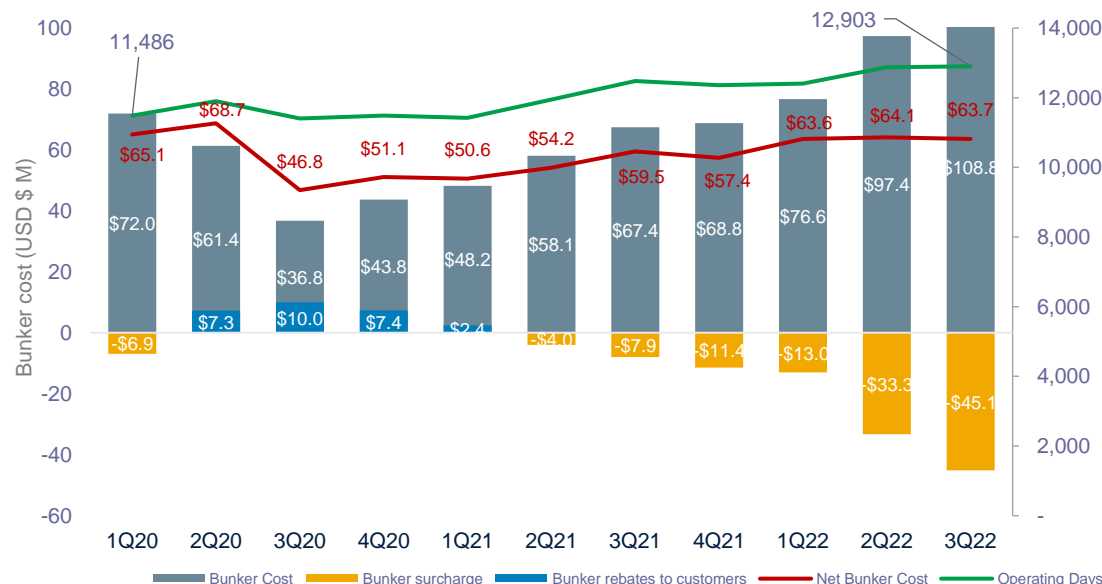
ESG | Stolt Tankers – Our Decarbonisation Ambition

Decarbonisation timeline



STJS SIR Supported by Higher Spot Rates and COA Bunker Surcharge Clauses

Bunker Cost (deep sea and regional fleets)

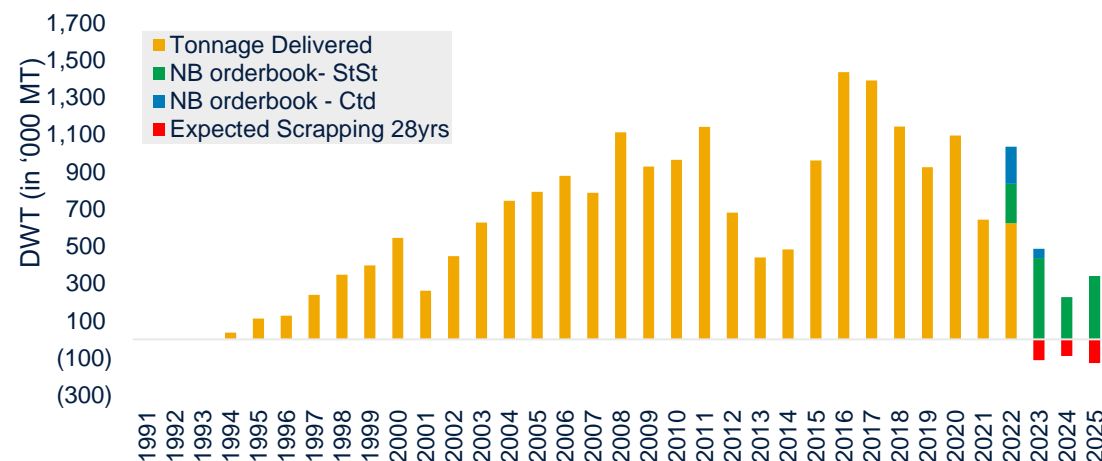


Average price of IFO/VLSF (\$ per tonne)

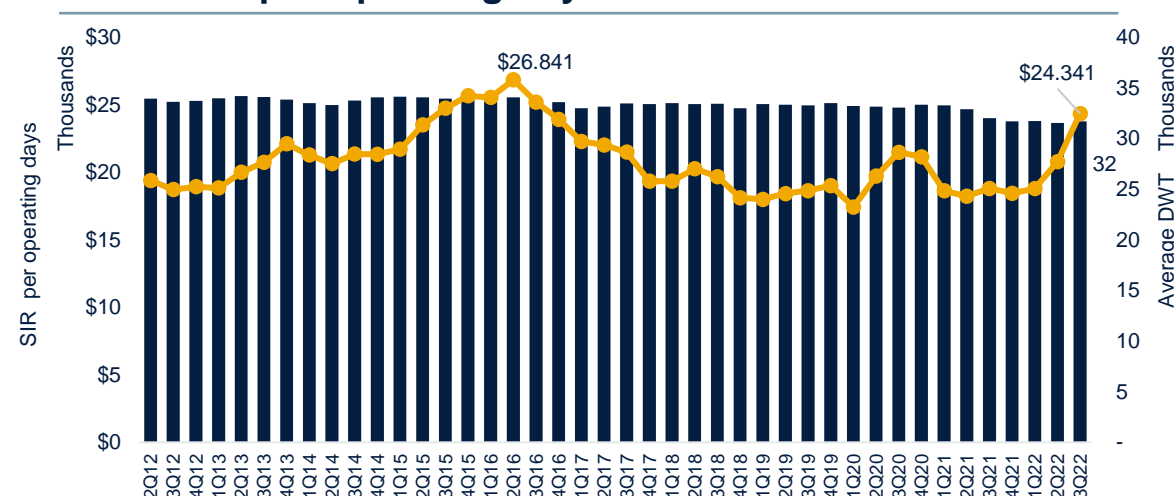
	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Consumed	\$370	\$461	\$496	\$530	\$580	\$748	\$864
Purchased	\$417	\$479	\$506	\$561	\$605	\$827	\$865

- 98.5% of COAs have a bunker clause
- YTD the COA bunker clauses have covered 64.3% of bunker cost movement

Orderbook is 7.2%, out of which StSt tonnage accounts for 6%...



STJS - SIR per Operating Day



Market Highlights | Strong Spot Market and COA Renewals Into Q4

- Chemical Tanker market recovering after a long period of soft tanker markets
- Record freight levels on spot fixtures across multiple trade lanes
 - Upturn in the market coincides with the peak contract renewal season during the fourth quarter
 - Targeting meaningful rate renewals and a tightening in terms
- Positive momentum continuing to build across all major chemical trade routes and we expect further improvements in the fourth quarter with the impact from improved contract renewals
- Regional Fleets continue to deliver strong results and outlook remains positive across all regions
- Conflict in Ukraine and mobilisation causes uncertainty around crew deployment

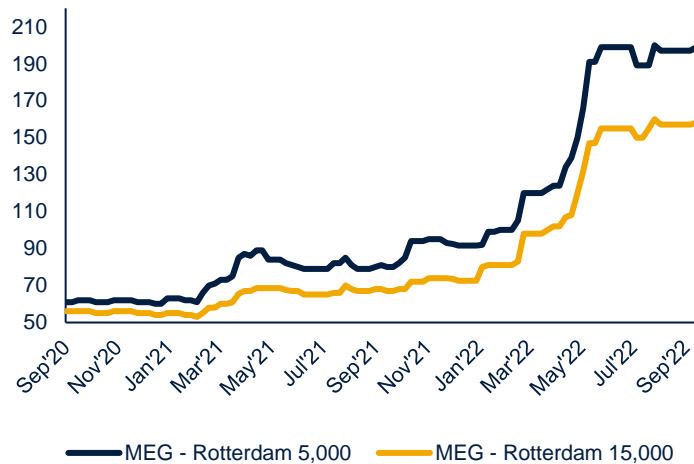
Stolt Tankers biggest Deep-sea fleet in Group's history

Total fleet: **164 vessels**
(83 deep-sea)

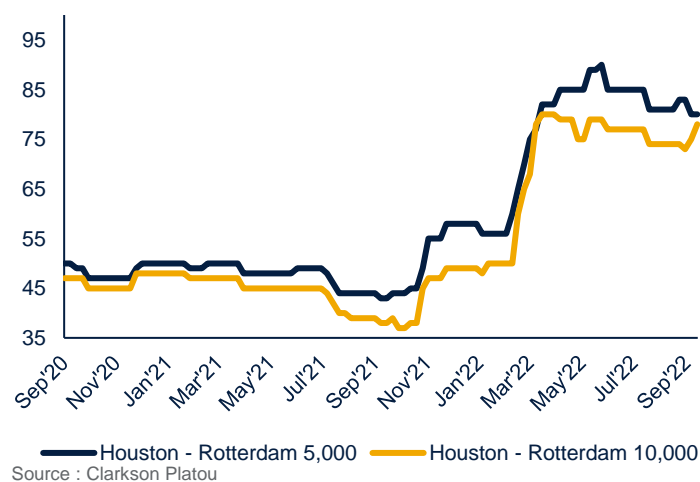
Total dwt: **3.03m dwt**

Sept'22

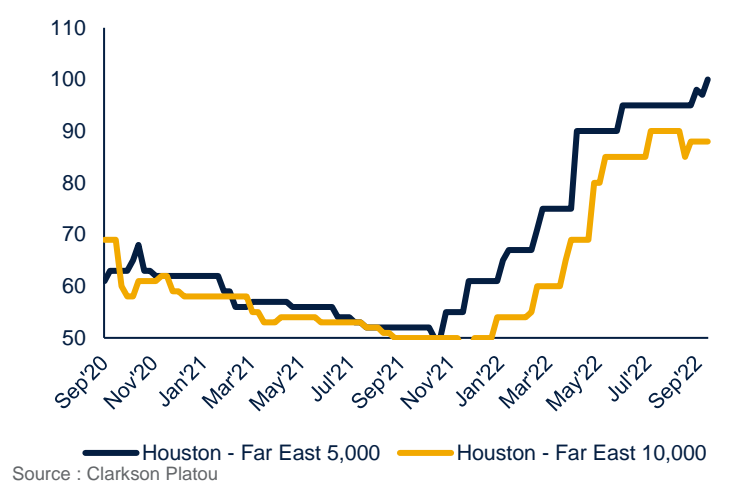
Middle East Gulf to Europe, Chemicals Index



Transatlantic Eastbound, Chemicals Index



Transpacific, Chemicals Index



Strengthening Market Outlook and Impact to Earnings

Outlook Remains Favourable

KEY DRIVERS

Robust Tanker Markets

- Conflict in Ukraine has rebalanced global crude and product trade flows
- Product tanker market is performing well with MR earnings +\$30k/day removing swing tonnage
- Chemical tanker spot rates are at multi-year highs surpassing 2016 levels

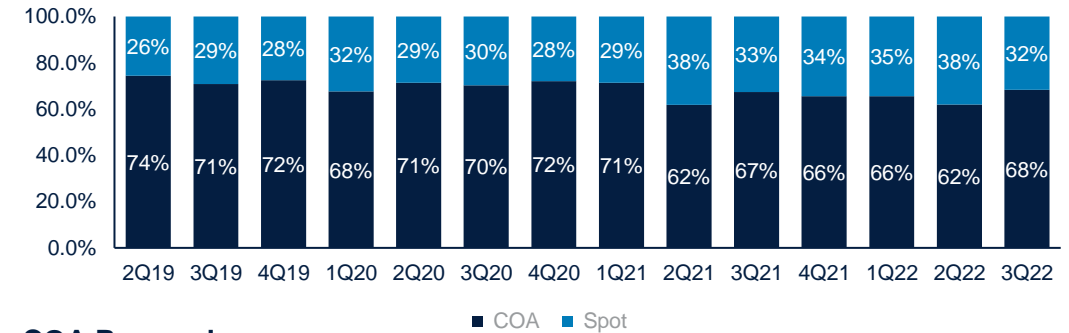
Robust Fundamentals

- Underlying chemical trade/demand growth expected to remain stable (3-4% YoY growth) with chemical volumes typically resilient to economic downturns
- Minimal fleet growth (SS orderbook at ~6%), underpins supply backdrop in 2023/2024
- Favourable crude and product trade flow outlook suggests limited swing tonnage participation

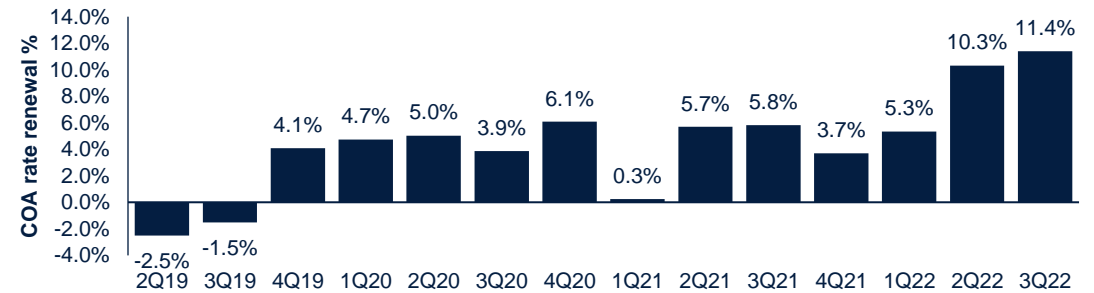
Macro Downside Risk

- Inflation has risen sharply and remains elevated
- Limited capacity within oil & gas and tight labour markets
- High inflation and rising interest rates could curb spending on goods and services
- Risk of recession in certain markets is now material

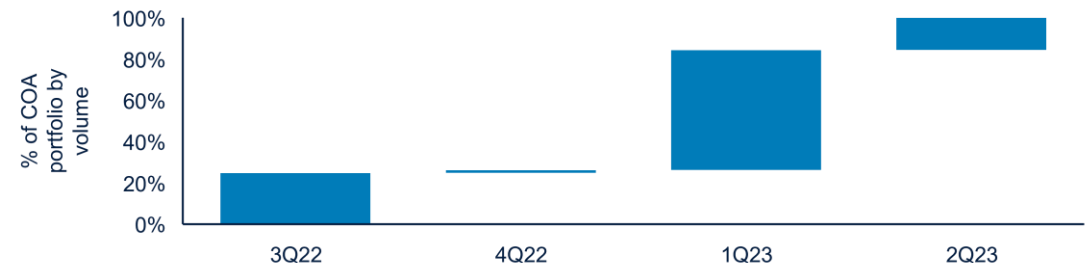
COA Portfolio Mix – Balancing stability and upcycle participation



COA Renewals



COA Profile Maturity - Winter renewal period to underpin 2023 outlook





Stolthaven
Santos
Celebrates



Stolthaven Terminals



Stolthaven Terminals | Results Flat when Excluding One-offs



3Q22

Q22

OPERATING REVENUE

\$ 70.8m ▲

\$ 69.2m

EBITDA

\$ 37.4m ▼

\$ 39.9m

OPERATING PROFIT

\$ 20.7m ▼

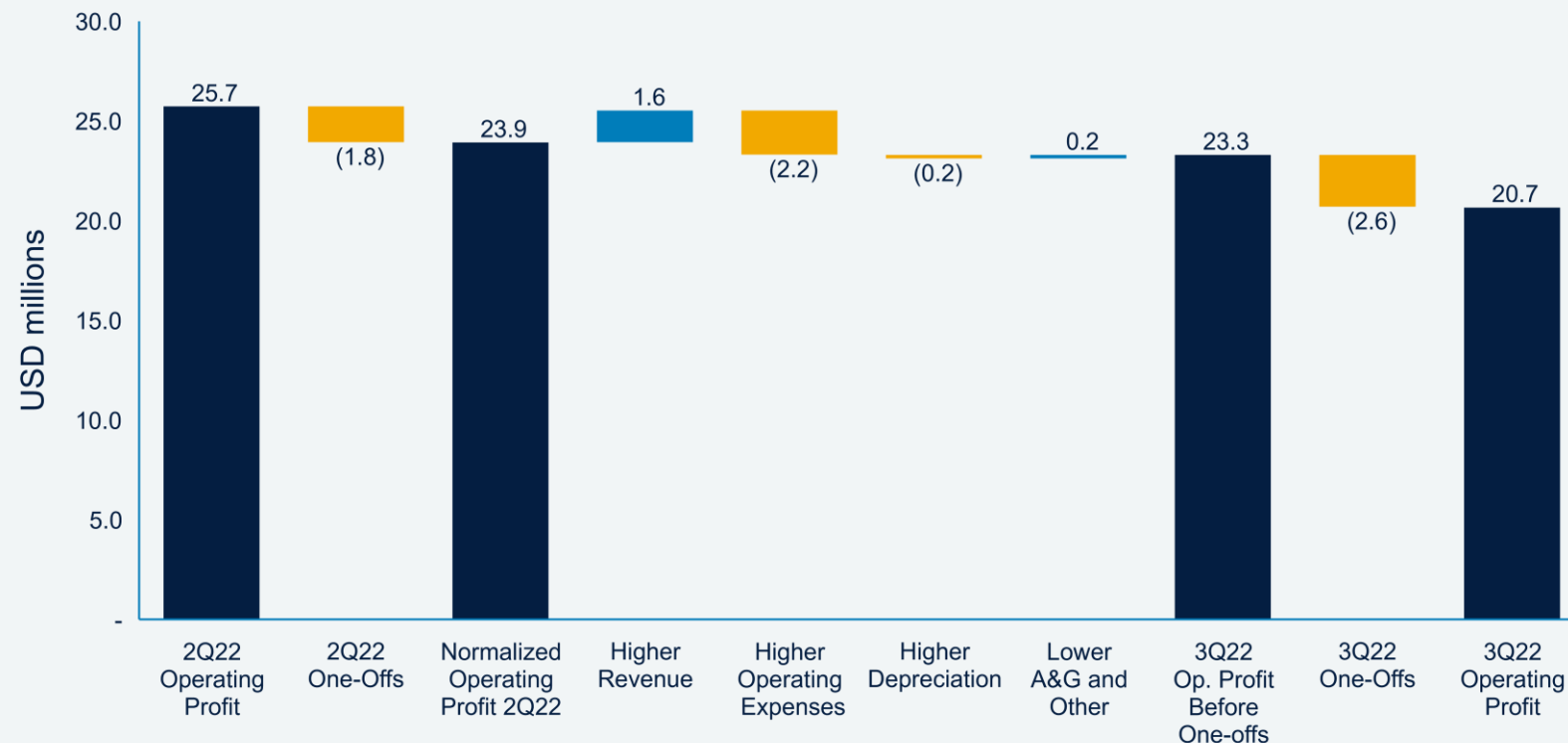
\$ 25.7m

UTILISATION (wholly owned terminals)

98.1% ▲

97.2%

Operating Profit Variance



- 2Q22 One-offs included insurance no-claims bonus and insurance gains and gain on sale of a terminal in Australia
- Higher revenue** due to higher utilisation and throughput volume and increased storage rates
- Higher operating expenses** due to higher utility costs, and maintenance cost expenses
- Excluding one-offs, operating profit was in line with the prior quarter
- 3Q22 one-offs included a write-off related to an IT project and repairs to the jetty at the Dagenham Terminal

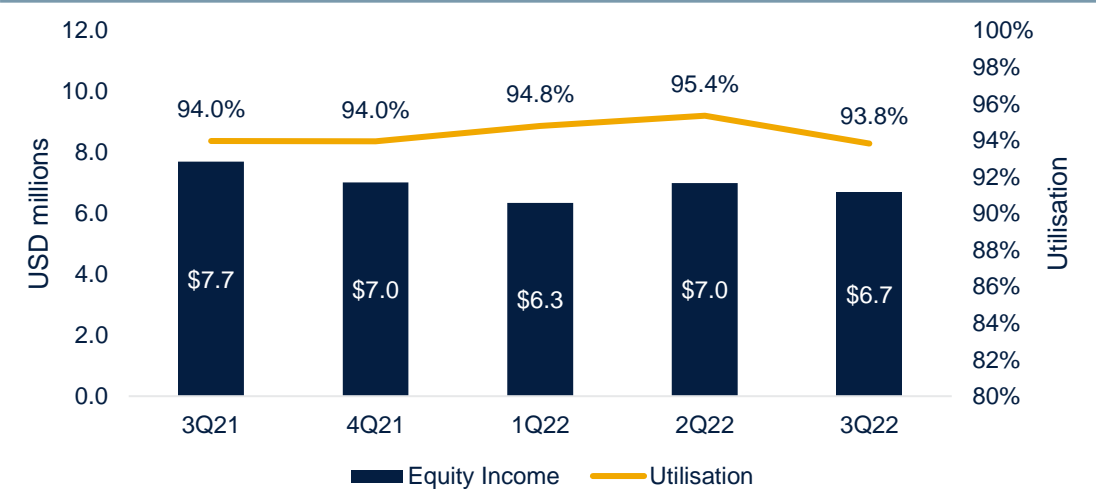


Market Highlights | Demand for Chemicals Holding Steady

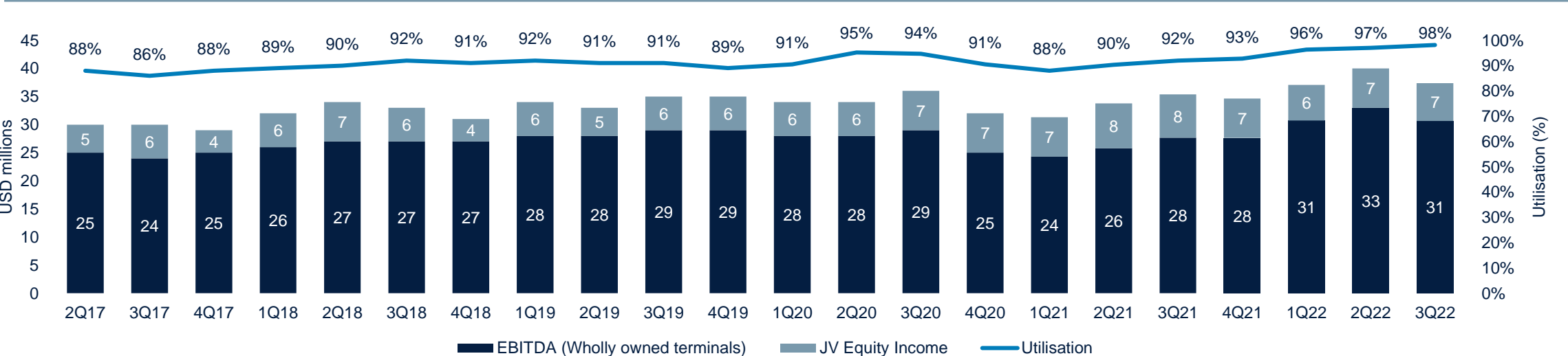


- **US terminals:** higher utilisation and throughput with increased demand in the US Gulf
- **European terminals:** Utilisation was stable during the quarter
- **Asia terminals:** Chemical market continues to be weak, partly due to supply chain disruptions and Covid lockdowns, and lower consumer sentiment
- Supply chain issues continue to impact volumes in certain markets, as we see weakness in Europe and China

Equity Income/Utilisation (Joint Ventures)



EBITDA /Utilisation (wholly-owned terminals)





Stolt Tank Containers 

Stolt Tank Containers | Higher Transportation and Repositioning Costs



3Q22

2Q22

OPERATING REVENUE

\$ 242.9m ▲

\$ 228.0m

EBITDA

\$ 53.8m ▼

\$ 56.0m

OPERATING PROFIT

\$ 43.1m ▼

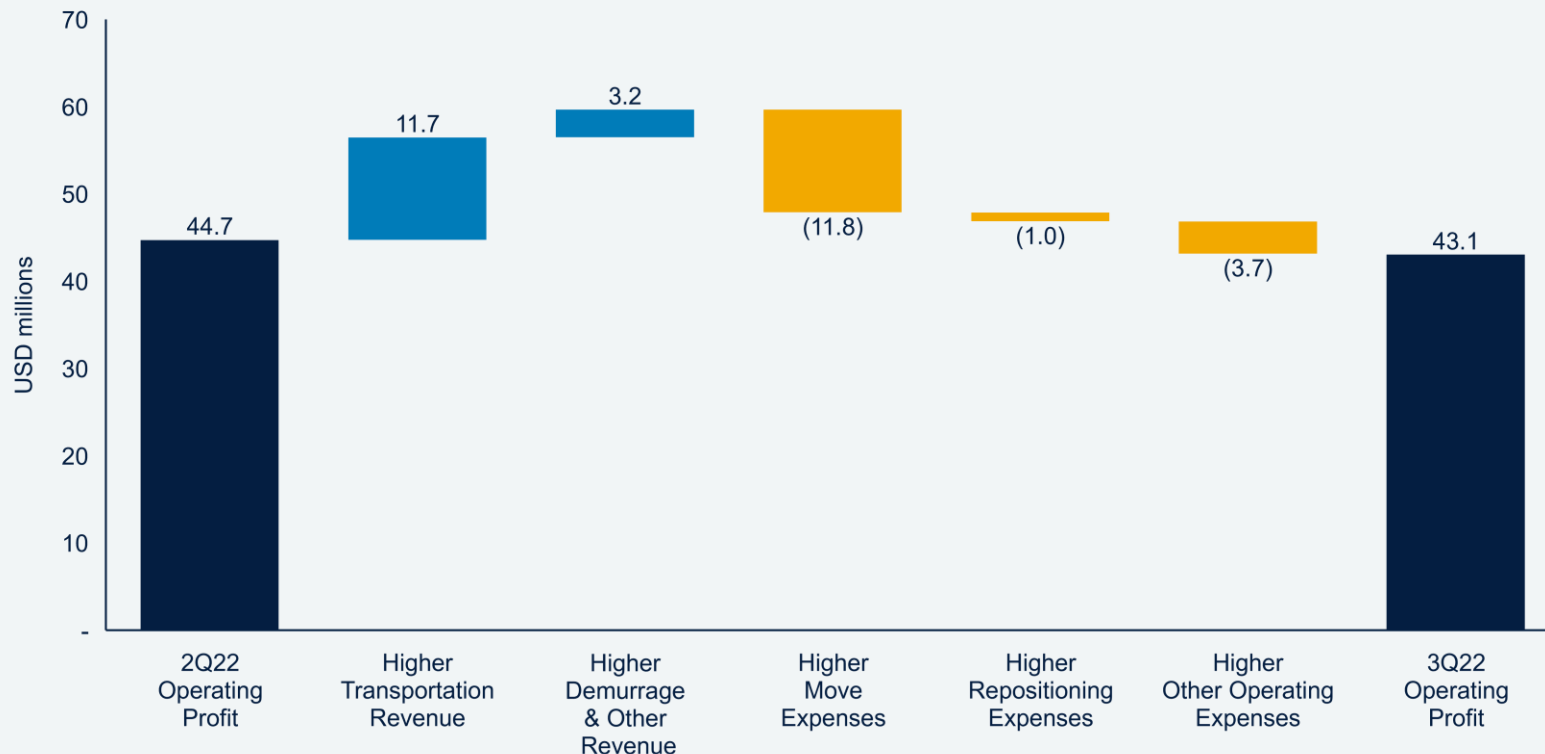
\$ 44.7m

UTILISATION

68.4% ▼

69.8%

Operating Profit Variance



- **Transportation revenue** increased by 6.9% driven by 4.8% higher shipments and 2% higher transportation rates
- **Demurrage revenue** increased by 13.1% as a result of logistics bottlenecks and customers holding onto tanks longer
- **Utilisation** was marginally down to 68.4% as new containers are integrated into the fleet
- **Shipments** were 33,900 in 3Q22, up from 32,360 in 2Q22
- **Higher move expenses** as a result of freight rate increases, coupled with the 4.8% increase in shipments.
- **Higher Other Operating** expenses as we continue to see delays at ports and lack of ship and trucking capacity



Market Outlook | Shipments Increasing but Margins Under Pressure

Demand outlook

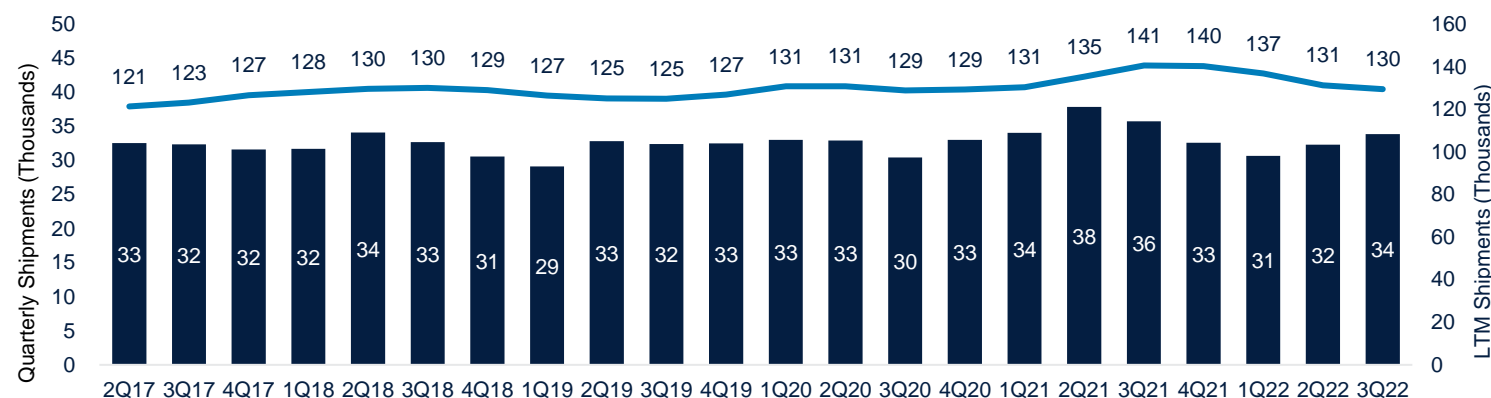
- Demand is holding steady overall
- Margins under pressure in regions where liner space is opening up
- Shipments are improving, but limited by logistics bottlenecks and shoreside delays
- Container liner freight costs coming down

Transportation costs outlook

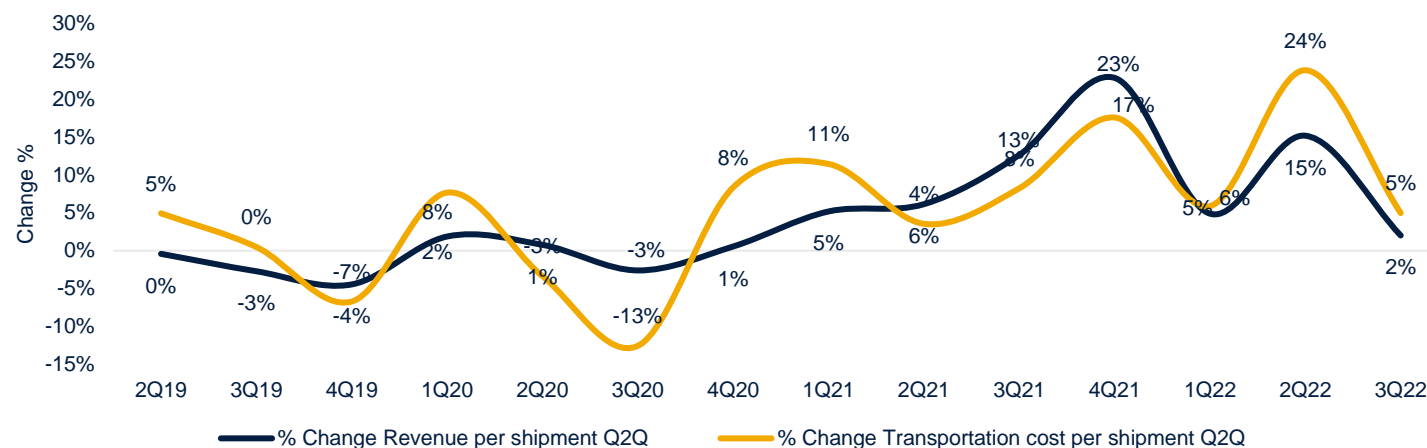
- **Containership capacity** limitations are easing as general dry-container shipment volumes are down, resulting in lower freight costs
- Slow down in shipping will impact demurrage revenue and margins as tank capacity is freed up across the markets.
- Liner capacity: **Containership orderbook*** has increased from 8.3% in November 2020 to 27.9% in September 2022 but deliveries will not hit the market until 2023 onwards

*Clarkson

Shipments impacted by supply chain bottlenecks



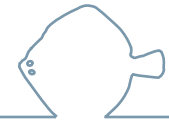
New ocean freight rates increased transportation cost per shipment...





Stolt Sea Farm 

Stolt Sea Farm | Turbot Steady; Sole Volumes and Prices Up



3Q22

2Q22

OPERATING REVENUE

\$ 25.3m ▼

\$ 26.1m

EBITDA (Excl. FV Adj.)

\$ 7.8m ▲

\$ 7.2m

OPERATING PROFIT (Excl. FV Adj.)

\$ 6.1m ▲

\$ 4.7m

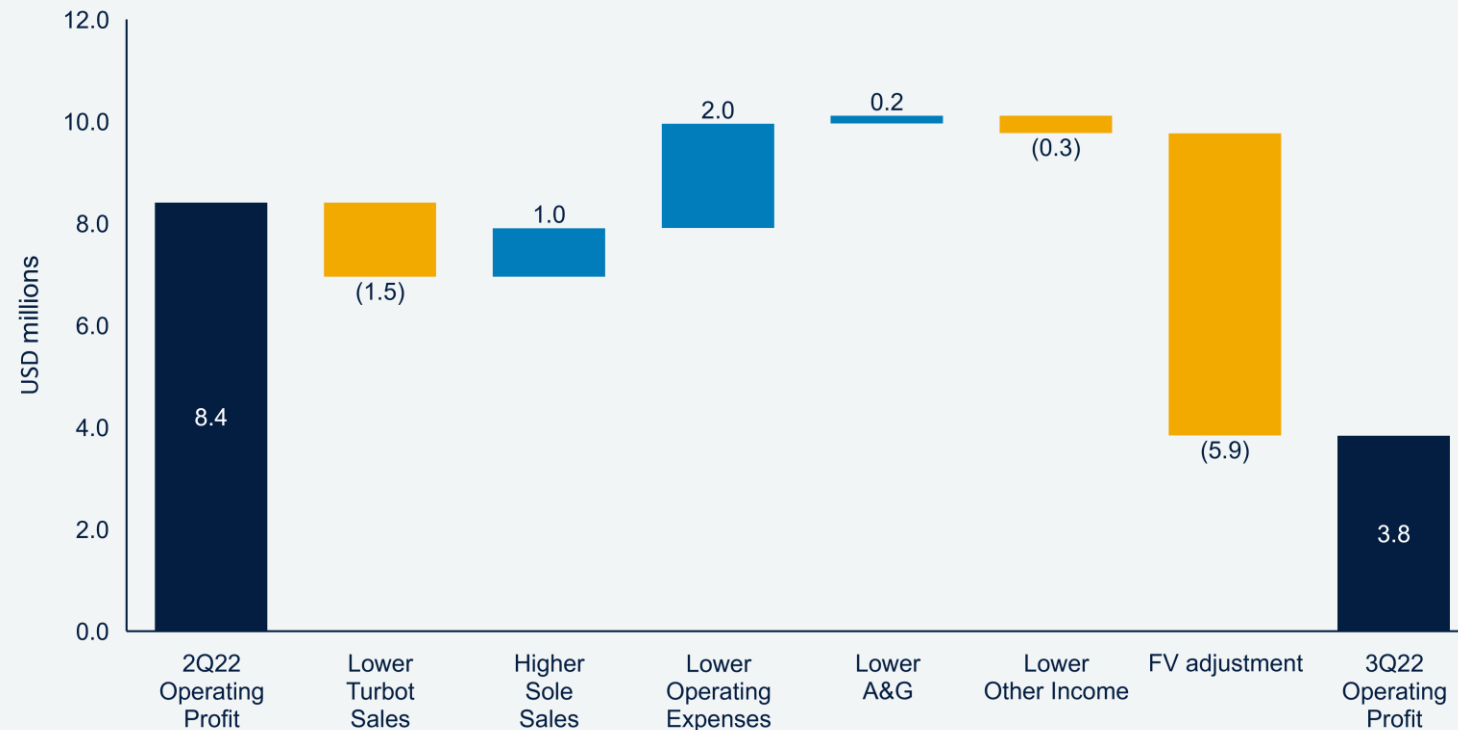
VOLUMES (metric tonnes)**

2,010mt ▼

2,086mt

**Includes own turbot, traded turbot and sole

Operating Profit Variance



- **Sales volumes of Turbot** were down by 7.5% as traded volume dropped but prices increased on average by 7.2%. Sales of own turbot were up by 1.2%
- **Sole volumes sold** increased by 13.5% boosted by strong production results at the new RAS farms, and prices were up on average by 8.1%
- **Lower operating expenses** as a result of lower traded volume for turbot and flat operating expenses per kg of owned turbot
- **Sole operating expenses per kg decreased** by 2.7% as a result of lower farming and packaging costs
- **Fair value adjustment** of biomass was a \$2.2m loss compared with a \$3.7m gain in the prior quarter, reflecting volume and prices impact on inventory levels





Outlook

- 4Q22 Turbot sales expected to be lower due to seasonality
- Sole sales expected to remain strong in 4Q22. At the same time SSF will increase production output. New Farms (RAS) continue to perform above the expectations
- Utilities cost expected to increase substantially from January 2023
- On September 28, 2022, Stolt-Nielsen agreed to invest EUR 7.5m in The Kingfish Company NV, a market leader in land-based RAS farming of Amberjack Yellowtail, and to underwrite a further EUR 2.5m of a subsequent rights issue. The investment is subject to relevant resolutions at an EGM on October 14, 2022
 - Strategic investment which can leverage SSF's RAS experience and best practices to create value
 - Provides an opportunity to gain exposure to a new high value species

Stolt Sea Farm a Leading Producer Of Turbot and Sole

Turbot



Product / Brands

- Fresh whole fish, VAP and frozen
- Prodemar™ & King Turbot™

Market size¹

- ~16,500 tonnes in Europe
- 64% of which is farmed (10,600 tonnes)

Revenue split (2021)

- USD 91m
- 84% of SSF revenue

Capacity (current)

- 5,700 tonnes

Sole









- Fresh whole fish, VAP and frozen
- Prodemar™ & King Sole™

- ~52,500 tonne global market
- 3% of which is farmed (1,700 tonnes)

- USD17m
- 16% of SSF revenues

- 1,570 tonnes
- 780 tonnes completed in 2020

Stolt-Nielsen Investments – Leveraging Our Industrial Knowledge and Expertise

SNL Investments	Current Investments					
<ul style="list-style-type: none"> Creating value for our stakeholders in industries where Stolt-Nielsen can leverage its knowledge and experience We have investments within LNG, bulk-liquid logistics, distribution and land-based aquaculture Value of investments as of Oct.05.22: \$202m 	Avenir LNG	Golar LNG	CoolCo	Odfjell SE	Ganesh Benzoplast	Kingfish Company
						
	<ul style="list-style-type: none"> A fully integrated global energy company dedicated to small-scale LNG 	<ul style="list-style-type: none"> Golar LNG designs, builds, owns, and operates marine infrastructure for the liquefaction and regasification of LNG 	<ul style="list-style-type: none"> Technical and commercial management of 8x modern Tri-Fuel LNG carriers 	<ul style="list-style-type: none"> Global operator specialising in worldwide seaborne transportation and storage of chemicals and other specialty bulk liquids 	<ul style="list-style-type: none"> Independent liquid storage tank provider specialised in the storage and handling of liquid chemicals 	<ul style="list-style-type: none"> A market leader in land-based RAS farming of Amberjack Yellowtail
	Description 47.2% stake in Avenir LNG	Description 2.5% stake in Golar LNG	Description 2.5% stake in Cool Company Ltd ("CoolCo")	Description 7.6% stake in Odfjell SE	Description 9.8% stake in Ganesh Benzoplast	Description Agreement to invest EUR 7.5m and underwrite a further EUR 2.5m of a subsequent rights issue The investment is subject to relevant resolutions at an EGM on October 14 th 2022



Financials

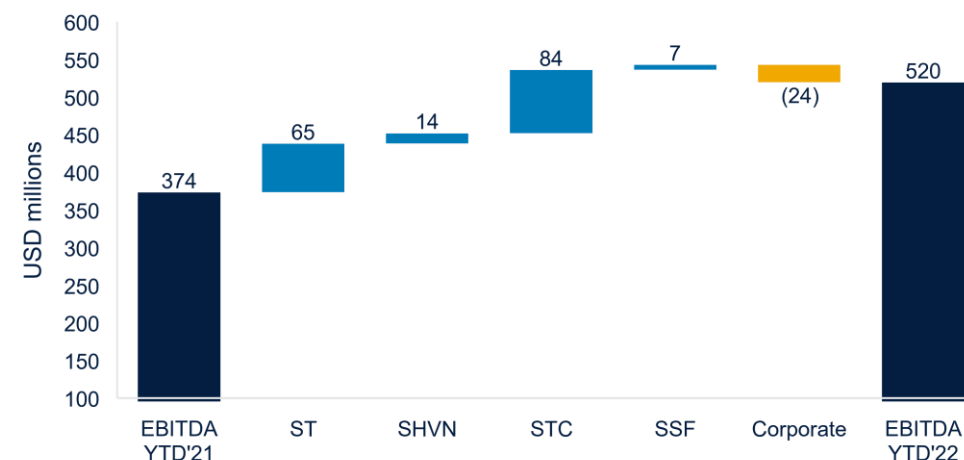
SNL Net Profit | Financials

Figures in USD million	Quarter			Year-to-date	
	3Q22	2Q22	3Q21	2022	2021
Operating Revenue	\$744.0	\$689.1	\$580.9	\$2,039.3	\$1,588.0
Operating Expenses	(504.8)	(460.2)	(385.7)	(\$1,368.0)	(\$1,080.6)
Depreciation and amortisation	(72.4)	(70.3)	(75.6)	(211.0)	(222.3)
Share of profit of joint ventures and associates	14.1	10.7	11.8	38.6	30.6
Administrative and general expenses	(67.2)	(60.2)	(55.5)	(186.0)	(163.4)
(Loss) Gain on sale of assets	(0.2)	1.0	2.9	1.6	3.2
Other Operating (Loss) income	(1.7)	1.8	0.6	1.0	1.3
Operating Profit (as reported)	\$111.9	\$111.9	\$79.4	\$315.5	\$156.7
Net interest expense	(29.4)	(28.9)	(30.4)	(89.2)	(94.5)
Loss on early extinguishment of debt	0.0	(11.1)	0.0	(11.1)	0.0
FX (loss), net	(1.4)	(3.6)	(2.7)	(7.2)	(0.6)
Income tax expense	(7.7)	(8.5)	(11.2)	(23.9)	(16.2)
Other	1.4	(1.1)	(1.6)	1.5	(1.6)
Net Profit	\$74.7	\$58.6	\$33.5	\$185.6	\$43.8
EBITDA	\$184.4	\$176.4	\$147.8	\$519.3	\$373.7

Highlights

- Increase in operating revenue due to strong spot market in Tankers, higher freight revenue and increased shipments in STC.
- Operating expenses increased as a result of higher bunker costs in Tankers, higher freight cost in STC, and the FV adjustment loss at SSF of \$2.2m F vs. \$3.7 gain in the prior quarter.
- Higher Equity Income due to strong results in ST JVs
- A&G increased by \$7.0m due to \$5.6m additional profit sharing accruals

Strong growth in EBITDA from YoY...



Capital Expenditures

Figures in USD millions

	Actuals			Remaining	Forecast
	1Q22	2Q22	3Q22	2022	2023
Stolt Tankers	2	10	25	55	11
Stolthaven Terminals	11	18	22	36	94
Stolt Tank Containers	5	13	8	16	43
Stolt Sea Farm	1	-	2	6	10
SNL Corporate & Other	2	3	0	22	-
Total	\$21	\$44	\$57	\$135	\$124

- **Stolt Tankers** installments on a barge under construction with expected delivery 1Q23 and one second-hand ships in the quarter
- **Stolthaven Terminals** investments of \$10m on maintenance projects, \$4m in safety and environmental projects and \$4m on Dagenham jetty
- **Stolt Tank Containers** : \$1.2m invested in new tank containers in 3Q and \$1.5m investment in cleaning facilities and new wastewater treatment plant in Houston



SNL Cash Flow and Liquidity Position

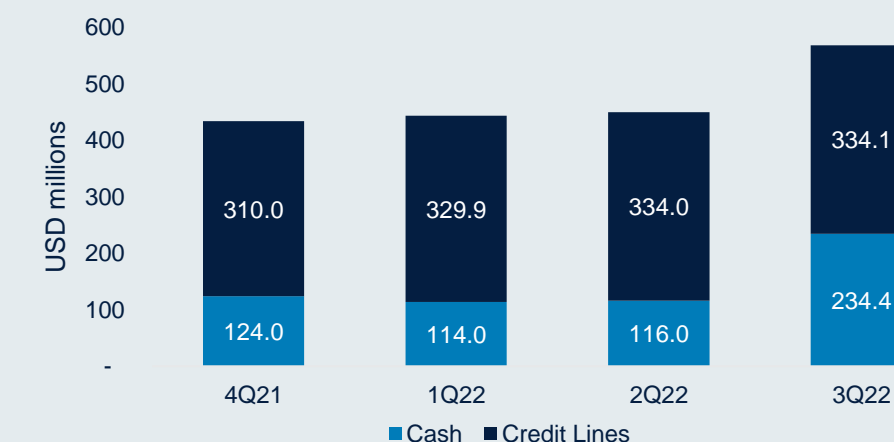
Figures in USD million

	3Q22	2Q22	3Q21	YTD22	YTD 21
Cash generated by operating activities	\$205.4	\$154.6	\$149.8	\$559.5	\$335.2
Interest Paid	(24.8)	(36.4)	(23.4)	(87.3)	(84.9)
Debt issuance cost	(1.0)	(1.2)	(0.5)	(7.0)	(3.2)
Interest received	1.1	0.4	0.6	2.3	1.7
Income taxes (paid)	(1.1)	(6.2)	(1.2)	(12.1)	0.0
Net cash generated by operating activities	179.6	111.1	125.3	455.4	248.9
Capital expenditures and intangible assets	(61.9)	(49.0)	(30.2)	(135.3)	(161.7)
Investments in & repayment of advances to JVs	(6.0)	-	1.9	(6.2)	(16.5)
Purchase of Shares	-	(20.7)	-	(30.7)	(3.0)
Sale of assets	1.3	1.2	10.2	3.9	11.4
Other	1.5	(0.1)	(1.9)	1.8	0.1
Net cash used in investing activities	(\$65.0)	(\$68.5)	(\$20.0)	(\$166.6)	(\$169.7)
Proceeds from issuance of long term debt	45.8	308.5	-	354.3	212.8
(Decrease) in loans payable to banks	-	-	(34.5)	(40.0)	(9.0)
Repayment of long-term debt	(30.1)	(305.7)	(30.6)	(397.4)	(262.7)
Principal payment on capital lease	(10.6)	(13.3)	(10.5)	(35.2)	(31.0)
Dividend and other	-	(26.8)	(1.2)	(53.6)	(28.0)
Net cash provided (used in) by financing activities	\$5.1	(\$37.2)	(\$76.8)	(\$171.8)	(\$118.0)
Effect of FX change on cash	(0.8)	(4.1)	(5.0)	(6.5)	(2.9)
Total Cash Flow	\$118.8	\$1.3	\$23.5	\$110.5	(\$41.7)
Cash and cash equivalents at beginning of period	\$115.6	\$114.3	\$122.3	\$123.9	\$187.8
Cash and cash equivalents at end of period	\$234.4	\$115.6	\$145.8	\$234.4	\$145.8

Highlights

- Increase in cash from operating activities due to higher results from Stolt Tankers, a \$20m dividends payments from JVs and working capital inflows
- Interest paid decreased as 2Q22 included break cost from the early refinancing of a loan facility
- CAPEX and drydock payments of \$61.9m split between tankers (\$30m), terminals (\$22m), STC (\$8m)
- New debt includes a \$66.0m secured term loan with Danish Ship Finance

Liquidity available



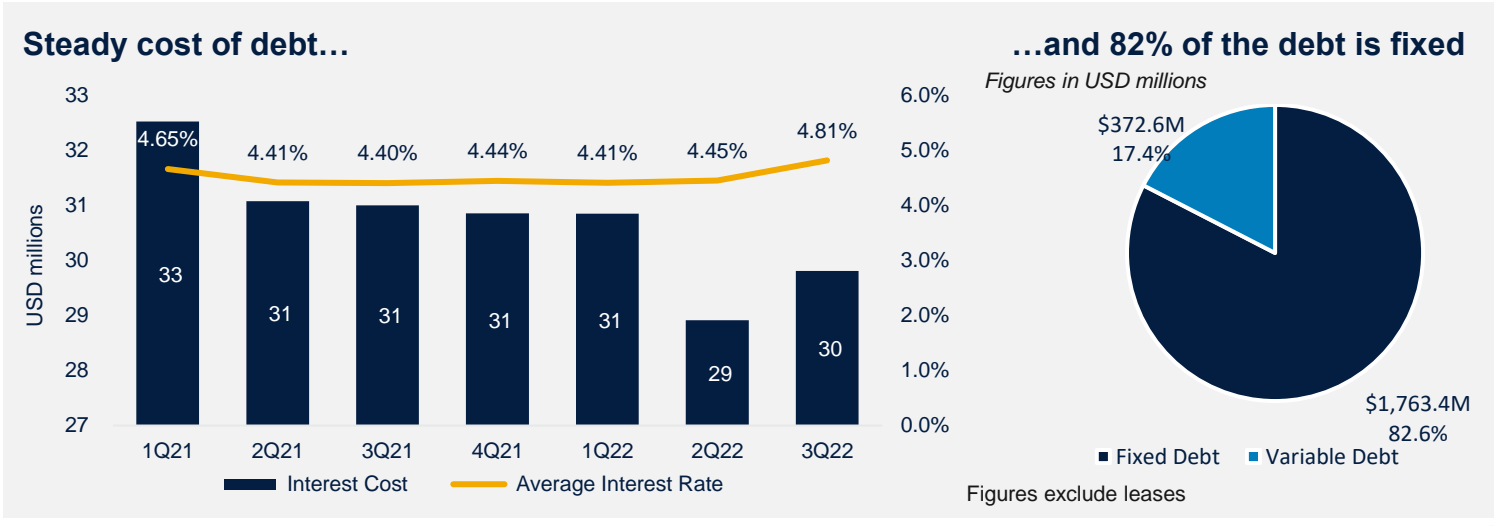
Credit Lines : Committed lines



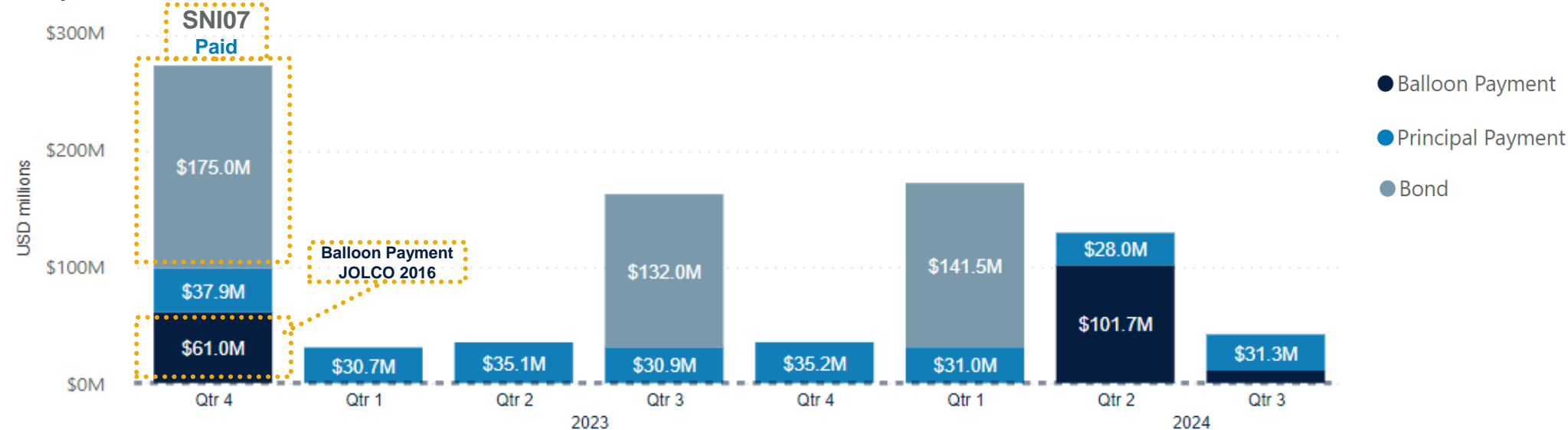
Debt Profile

Highlights

- Average interest cost increased during the quarter as result of higher variable interest rates
- On September 22, SNI07 was repaid at maturity

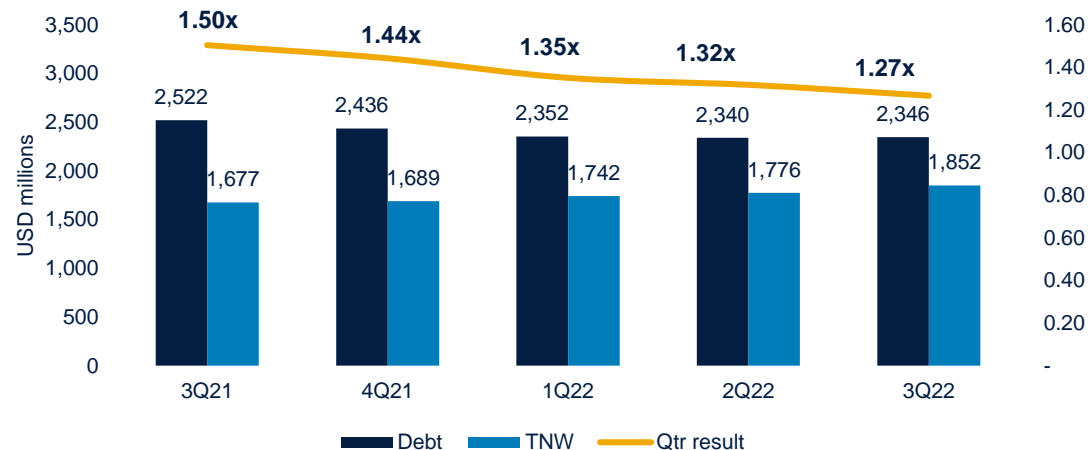


Maturity Profile 2022 -2023



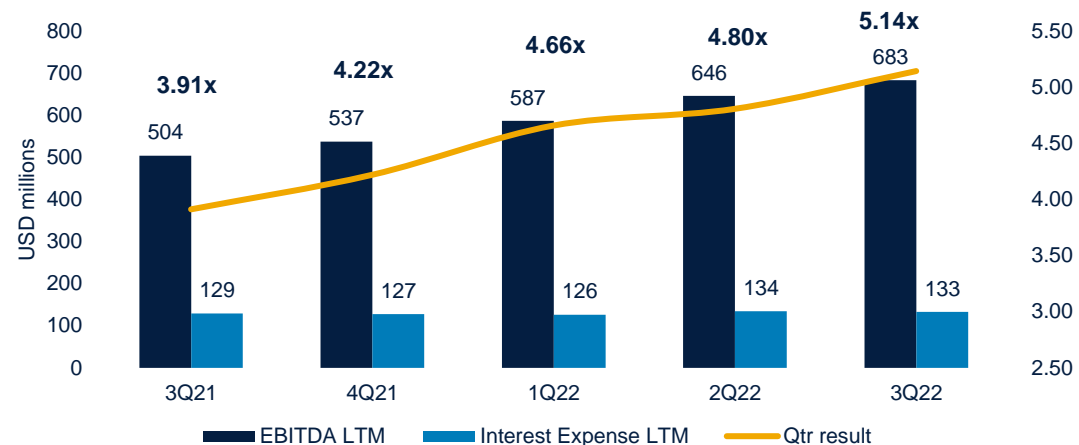
Financial KPIs | Steady Improvement

Debt to Tangible Net Worth (maximum 2.00:1.00)

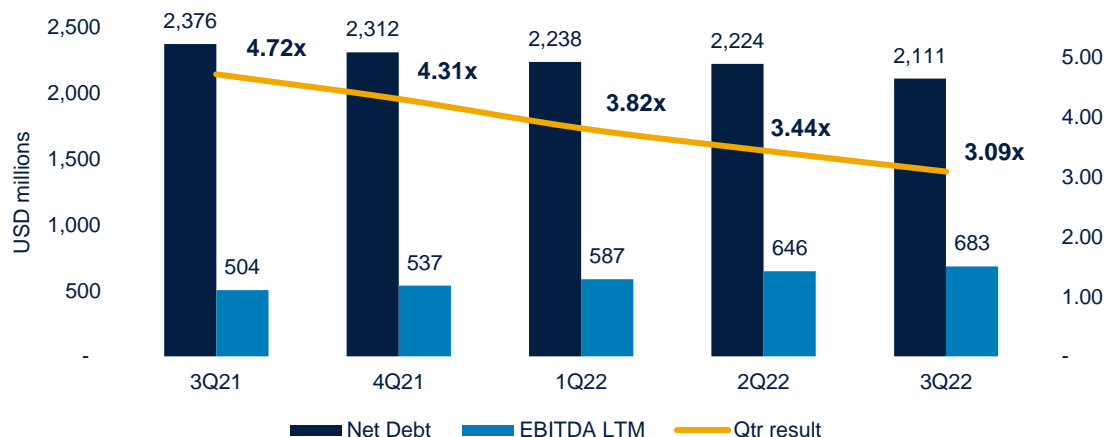


EBITDA to Interest Expense (LTM*) (minimum 2.00:1.00)

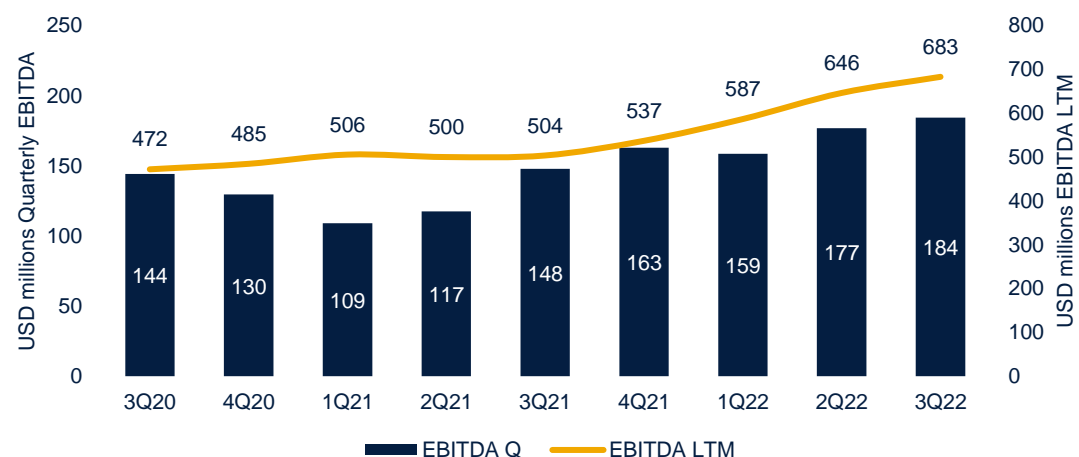
*Last twelve months



Net Debt to EBITDA (LTM*)



EBITDA Development**



Key Messages

- Performance across our businesses is robust:
 - Improved quarterly net profit driven by solid tank container results and improved tanker results
 - LTM EBITDA 35% higher Y-o-Y at \$683m
 - Net Debt / LTM EBITDA at 3.1x
 - Favourable chemical tanker market fundamentals – further upside potential from upcoming contract renewals in a tight market.
 - Tank Containers shipments increasing but margins under pressure
 - Stolthaven Terminals and Stolt Sea Farm produced a solid performance and have a steady outlook
- Solid outlook for 4Q22 – focus on generating cashflows for a robust balance sheet, shareholder distributions and growth





Q&A

Stolt-Nielsen 