

Business Review continued



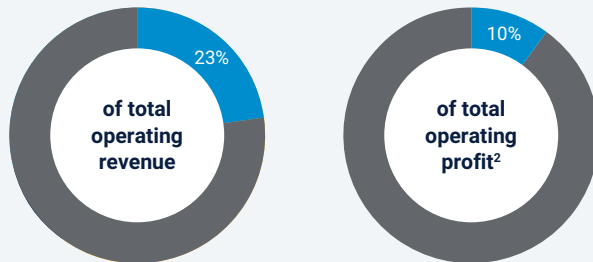
Stolt Tank Containers



Performance

(US \$ million)	2024	2023	2022
Operating revenue	652	700	895
Operating profit	59	117 ¹	173

Percentage of group total



1. Excludes *MSC Flaminia* legal provision of \$155.0 million.

2. Excluding Stolt-Nielsen Gas, and Corporate and Other loss of \$50.1 million.

Who we are

Stolt Tank Containers (STC) is a leading provider of bespoke logistics and transportation services for door-to-door shipments of bulk liquids. In addition to the safe handling and shipment of products, our 21 full-service depots and refurbishing facilities ensure our fleet and cargo handling operations consistently meet the highest standards for quality, reliability and environmental protection.

Strategy

With more than 51,000 tank containers, STC operates the world's largest fleet of ISO tanks, and ships to more than 100 countries. Customers benefit from our global reach and market-leading scale, enabling increasing efficiency and reliability across their supply chains. This, coupled with decades of expertise and knowledge of our customers' operations, enables us to deliver reliable, flexible logistics solutions for customers.

We also contribute to a sustainable future by reducing our environmental footprint, investing in sustainable solutions at our depots and helping our customers embrace more sustainable modes of transport.

2024 in review

During 2024, our people focused on strategy execution, enhancing our platform, improving customer excellence and leveraging our scale for growth. I thank them for their commitment to keeping customers' products moving and improving our service during another challenging year. We increased our volumes 9% in a market that grew only 3%, demonstrating our customers' trust in us to safely deliver their products. We also focused on safety, resulting in a significant improvement in our safety performance.

Creating shareholder value

STC's full-year operating profit was \$59.0 million, compared with a \$37.8 million loss in 2023. The loss in 2023 included a provision of \$155.0 million related to the *MSC Flaminia* (excluding the impact of the provision, operating profit for 2023 was \$117.2 million).

Although we saw a record number of shipments (155,000 versus 142,500 in 2023), this was offset by lower margins and demurrage, driven by weaker market conditions as rates returned to pre-Covid levels and customers closely managed their inventories. During the second half of the year, space constraints on container ships from Asia positively impacted margins. Transportation revenue remained relatively flat as the impact of volume growth was offset by lower rates, having decreased 7.7% from the prior year. Lower ocean freight and trucking costs also had a positive effect on results. As we grew our business, we were able to reduce our cost per tank shipped by 1.1%.

Customers

We continued to develop relationships with customers, enhancing our digital capabilities to offer streamlined, efficient solutions that integrate seamlessly with their operations. Most of our customers book digitally, so to make working with us more integrated and even easier we added new digital and AI-enabled features such as predictive track and trace, online documentation and improved digital integrations.

As we enhance our digital offering, it is essential that we remain close to our customers, offering them tailored logistics solutions. Therefore, we have expanded our global reach to 39 offices so we can continue to offer high levels of personal service.

Business Review continued



“We increased our volumes 9% in a market that grew only 3%, demonstrating our customers’ trust in us to safely deliver their products.”

Throughout 2024, we achieved a high level of overall customer satisfaction, resulting in a customer net promoter score of 59, placing us in the top quartile in logistics and transportation companies. We maintained our service excellence despite challenges such as transit difficulties around the Red Sea and Panama Canal, port strikes affecting the US, and congestion from sudden changes in demand.

People

People are central to achieving our ambitions and I am proud to be leading such a diverse group of talented individuals spanning 34 nationalities. The experience that they bring is supported by the unique culture and values of Stolt-Nielsen and the way we share our knowledge.

The safety of our people and the products that we handle is our priority, so this year we held a global safety conference for all our safety, health, environment and quality experts to share ideas and develop a global culture to support behavioural change and standardise safety compliance.

I am proud that for 2024 our Lost Time Injury Frequency and Total Recordable Case Frequency both fell significantly (0.16 and 0.62 respectively), with 20 out of 21 depots reporting zero lost time incidents.

Read more on pages 38 and 42.

Sustainability

In March 2024, we received our first EcoVadis sustainability Gold rating, placing us in the top 5% of businesses in our industry. A great achievement!

To support customers’ sustainability goals, we provide an online transportation emissions reporting tool so that they can track their emissions and choose more sustainable modes of transport.

Read more about sustainability at STC on pages 44 and 49-50.

Outlook

We are focused on business growth as we build a healthy ROCE performance in volatile markets. As a leading operator with a scalable platform, we will continue to enhance our service offering to meet the demand for liquid logistics, working together with the other SNL logistics divisions. Leveraging our scale, we aim to provide customers with unrivalled global reach and deliver ongoing efficiencies through economies of scale. We will continue to review organic and inorganic growth opportunities.

We expect continued volatility in supply chains during 2025 due to the macroeconomic climate, and we expect demand growth to remain relatively modest. However, there are opportunities as customers convert from bottles, drums and flexibags to ISO tanks, and look to increase operational flexibility by splitting larger parcels into smaller loads. The global ISO tank fleet is expected to grow in 2025, albeit at slower rates than in previous years, which will gradually reduce the oversupply in some markets.

At STC, we will leverage the strong foundations we have already built, supporting us to handle increasing demand as we maintain our service offering and market position.

Hans Augusteijn

President
Stolt Tank Containers