



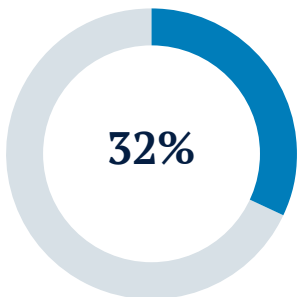
## Stolt Tank Containers

### Performance

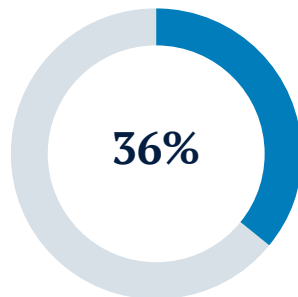
(US \$ millions)	2022	2021	2020
Operating revenue	895	662	521
Operating profit	173	82	51

### Percentage of group total

of total operating revenue



of total operating profit<sup>1</sup>



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of \$39.1 million.



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### Markets

- We are a leading provider of logistics and transportation services for door-to-door shipments of bulk-liquid chemicals and food-grade products.
- Our fleet totals 47,000 tank containers, the largest in the industry. Our 21 full-service depots and refurbishing facilities give us direct control over tank handling, cleaning and maintenance – ensuring our fleet and cargo handling operations consistently meet the highest standards for quality, reliability, safety and environmental protection.

### Strategy

Stolt Tank Containers (STC) helps customers minimise costs and increase efficiency across their supply chains. Our five-year strategy focuses on boosting customer centricity; maintaining the best fleet, depot and vendor networks; and attracting and retaining the best talent.

We are also contributing to a sustainable future by actively reducing the environmental footprint of our own operations and by helping our customers embrace more sustainable modes of transport. We are also investing in sustainable solutions at our depots including wastewater treatment and water recycling facilities.

**2022 in review**

STC's 40<sup>th</sup> anniversary was marked by unique market conditions and strong performance. As customers faced the implications of supply chain constraints, rising inflation, the war in Ukraine and Covid-19 lockdowns in China, we were able to keep their liquid cargoes moving. We were successful in securing space on ships in a very tight market, ensuring our customers' products could reach their end customers. I am proud that no STC customer ran out of stock or had to close production because of us. This accomplishment is testament to our agile and dedicated team, fleet size, customer centricity, industry relationships and digital capabilities. As STC celebrated its 40-year anniversary, we again demonstrated the reliability we are known for.

STC's full-year operating profit was \$172.7 million, compared with \$81.6 million in 2021. Transportation revenue increased 30.8% to \$679.8 million, and demurrage revenue increased 63.6% to \$119.8 million as customers held on to tanks longer for storing back-up stock due to supply chain disruptions. Higher operating revenue was offset by a 68.6% increase in ocean freight costs, reflecting higher liner rates driven by tight capacity. Overall volumes decreased due to lack of space on ships and other supply chain congestion.

The 2022 market environment demonstrated the importance of our market-leading scale in terms of tank availability and supply chain options, incorporating both vessel and trucking capacity. Our fleet increased by 8.4% to 47,000 tanks this year and having a truly global set-up with long-standing partner relationships helped us meet customer requirements in a rapidly changing environment.

Our ongoing digital transformation strategy also contributed to our agility and reliability. This year more than half of our business was conducted through our digital platform. Digitalisation also formed a major element of our training activity as we helped staff improve their digital skills. This training complemented ongoing learning and development, which included new opportunities for staff to participate in exchanges where they worked in different offices and project teams. We also increased communication on safety issues and extended training on dangerous goods safety based on feedback from previous employee engagement surveys. These activities helped us to reduce our Total Recordable Case Frequency (TRCF) from 6.7 in 2021, to 4.8 in 2022. (Read more about our safety achievements on page 24.) This year's employee survey showed that engagement is in the top quartile – well above the logistics industry norm.

In 2023, we progressed efforts to reduce our environmental impact and I am proud that we renewed our EcoVadis silver rating with significant improvement in environmental scores, putting us in the top 16% of our industry. You can read about STC's 2023 environmental initiatives on page 31.

**Outlook**

2022 was an exceptional year due to the unprecedented container shipping market, a year that is very unlikely ever to be repeated. However, we are well-positioned for the coming year. Europe's rising energy costs and China's Covid-19 situation will likely result in softer demand in the first half of the year. However, we anticipate that volumes will increase as the year progresses.

Our ambition is to continue to grow by capitalising on medium- and long-term opportunities, despite anticipated pressure on margins. As supply chains ease, our ongoing digitalisation efforts will boost our efficiency and make the business more competitive. Collaboration will remain key to success – with customers, partners and our sister businesses – particularly when it comes to offering more sustainable supply chain options.

**Hans Augusteijn**

President,  
Stolt Tank Containers