

# STOLT-NIELSEN LIMITED INVESTOR PRESENTATION

PARETO SECURITIES ENERGY CONFERENCE  
SEPTEMBER 2024



**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 factors 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. 32 et seq.) in the most recent annual report available at [www.stolt-nielsen.com](http://www.stolt-nielsen.com).

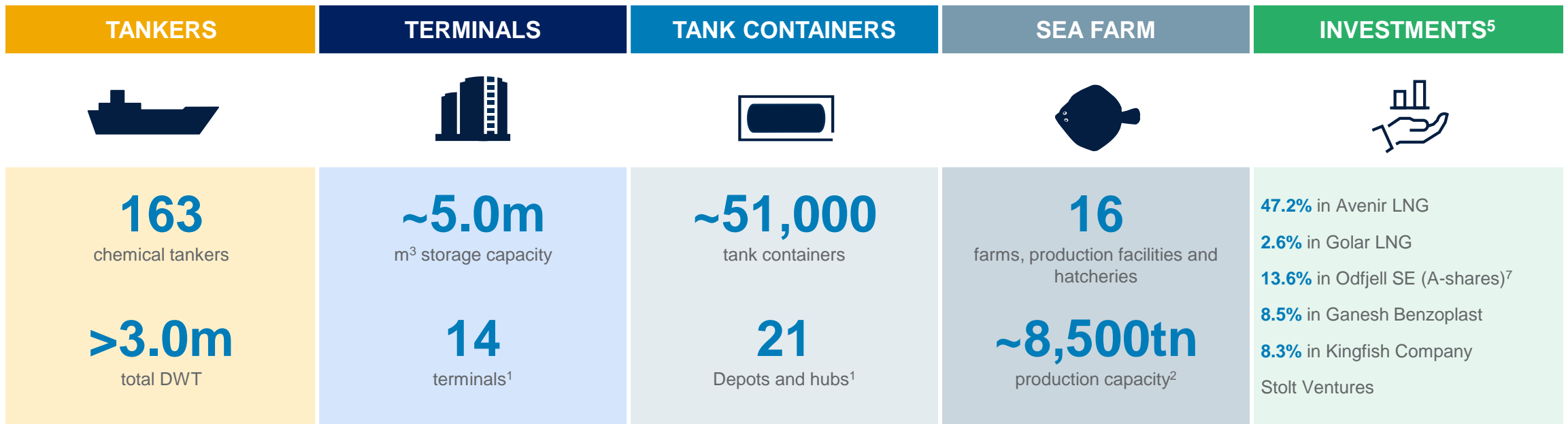
# SNL at a Glance: A Leading Liquid Logistics and Aquaculture Provider



## LIQUID LOGISTICS SUPPLY CHAIN SOLUTIONS

## AQUACULTURE

## INVESTMENTS



# 1H24 SNL Highlights

## Adjusted 2Q24 YTD vs. Adjusted 2Q23 YTD

### OPERATING REVENUE

**\$ 1,448.5m** ▲  
\$ 1,430.6m (+1.3%)

### EBITDA<sup>1</sup>

**\$ 419.2m** ▼  
\$ 437.8m (-4.3%)

### OPERATING PROFIT<sup>1</sup>

**\$ 268.9m** ▼  
\$ 297.1m (-9.5%)

### NET PROFIT<sup>1</sup>

**\$ 204.1m** ▼  
\$ 213.1m (-4.2%)

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

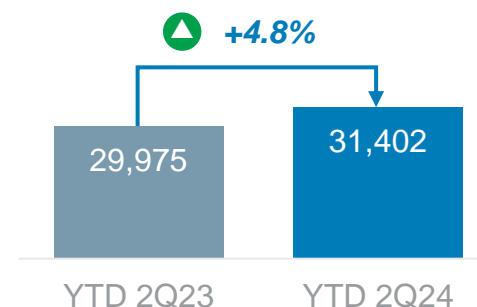
**\$ 202.4m** ▼  
\$ 249.1m (-18.8%)

### NET DEBT TO EBITDA

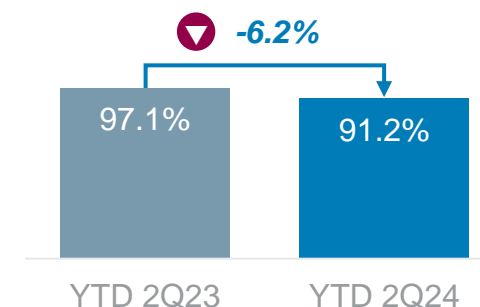
**2.36x** ▼  
2.40x (-0.04x)

## PERFORMANCE DRIVERS

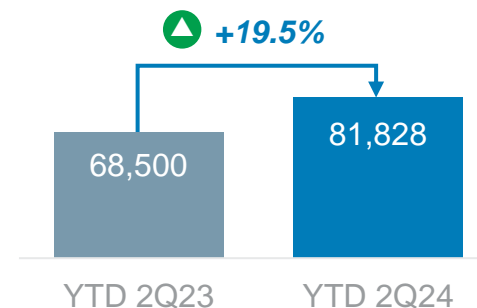
### TCE / OP. DAY<sup>3</sup> (US \$)



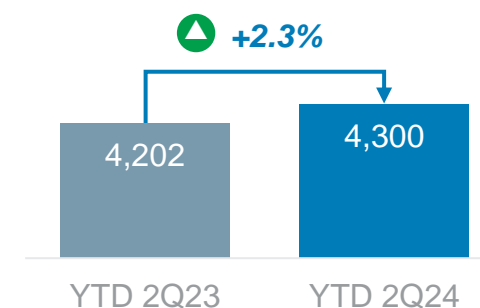
### UTILISATION<sup>4</sup> (%)



### SHIPMENTS (#)

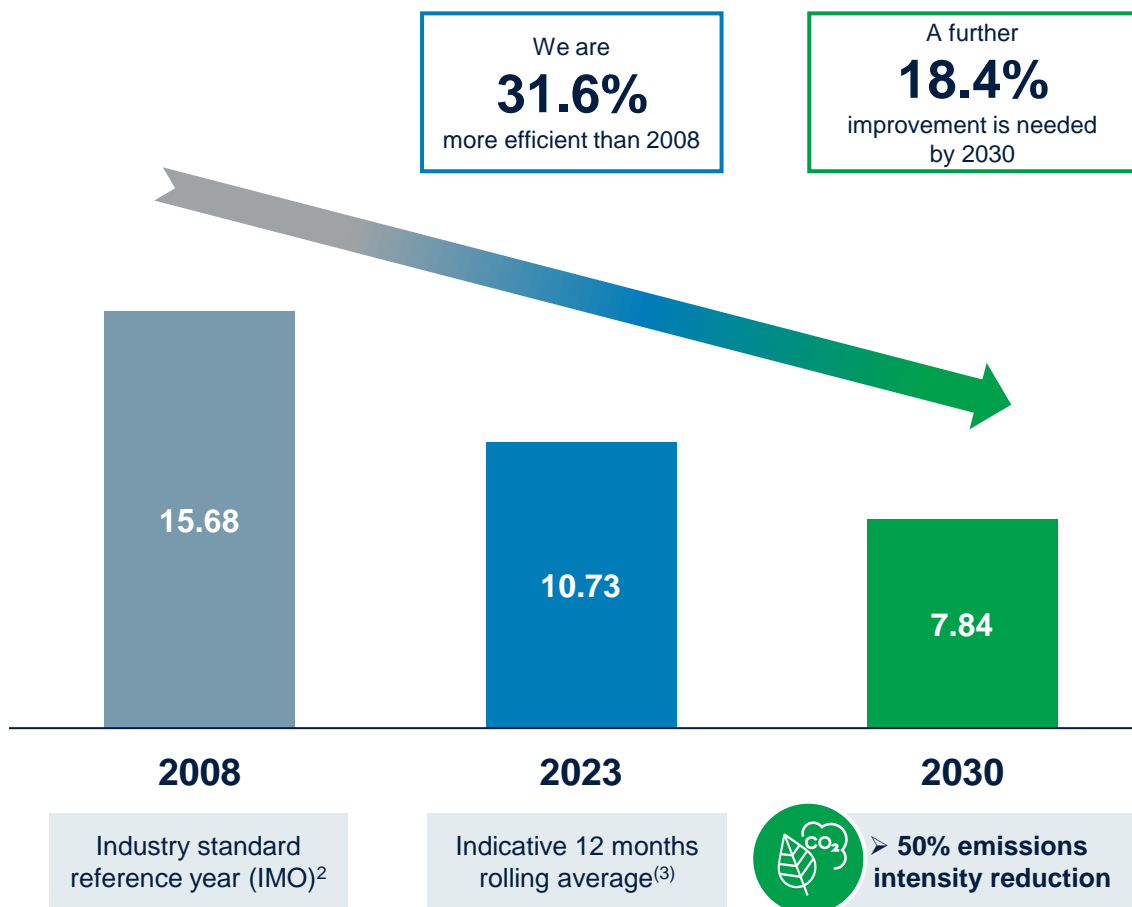


### VOLUMES SOLD<sup>5</sup> (MT)



# Significant Progress on Our Environmental Ambitions

## STOLT TANKERS CARBON INTENSITY (AER)<sup>1</sup>



## SUSTAINABILITY HIGHLIGHTS

- Two newbuilding orders totalling 12 stainless-steel ships, designed to maximise efficiency and include shore power and methanol readiness
- First chemical tanker company to apply innovative graphene coating to the hull and propellers of its ships
- EU-ETS implementation complete
- On track to be CSRD compliant

## ECOVADIS RATINGS





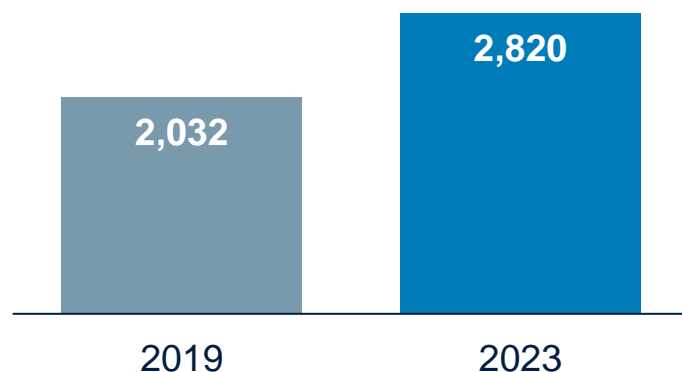
# The Case for Investing



# Stolt-Nielsen is Delivering on Years of Focused Strategy

## REVENUE (US \$ m)

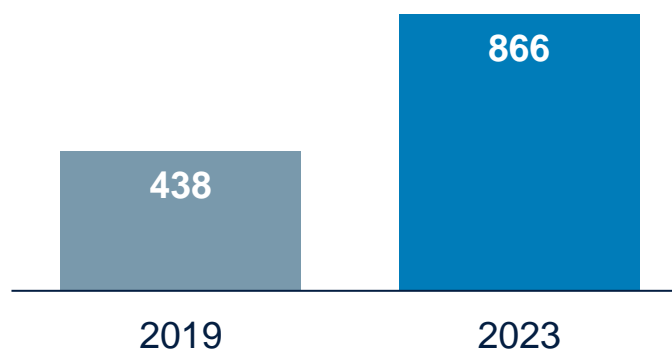
Robust revenue growth as SNL has capitalised on tightening freight markets...



▲ **8.5%**  
CAGR 2019-2023

## PROFITABILITY (EBITDA US \$ m)<sup>1</sup>

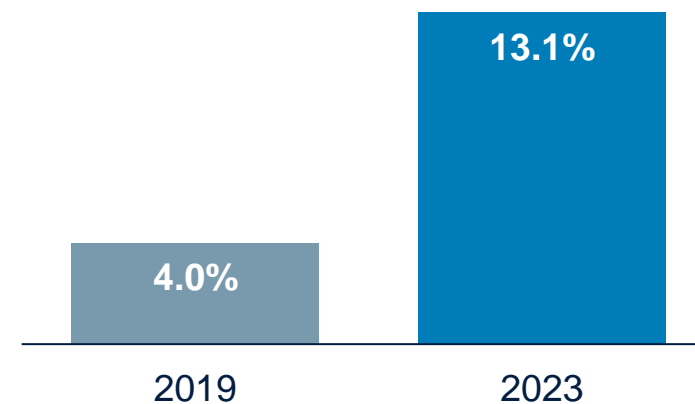
... becoming a more profitable organisation in the process...



▲ **18.6%**  
CAGR 2019-2023

## RETURNS (Adjusted Return on Capital Employed)<sup>1</sup>

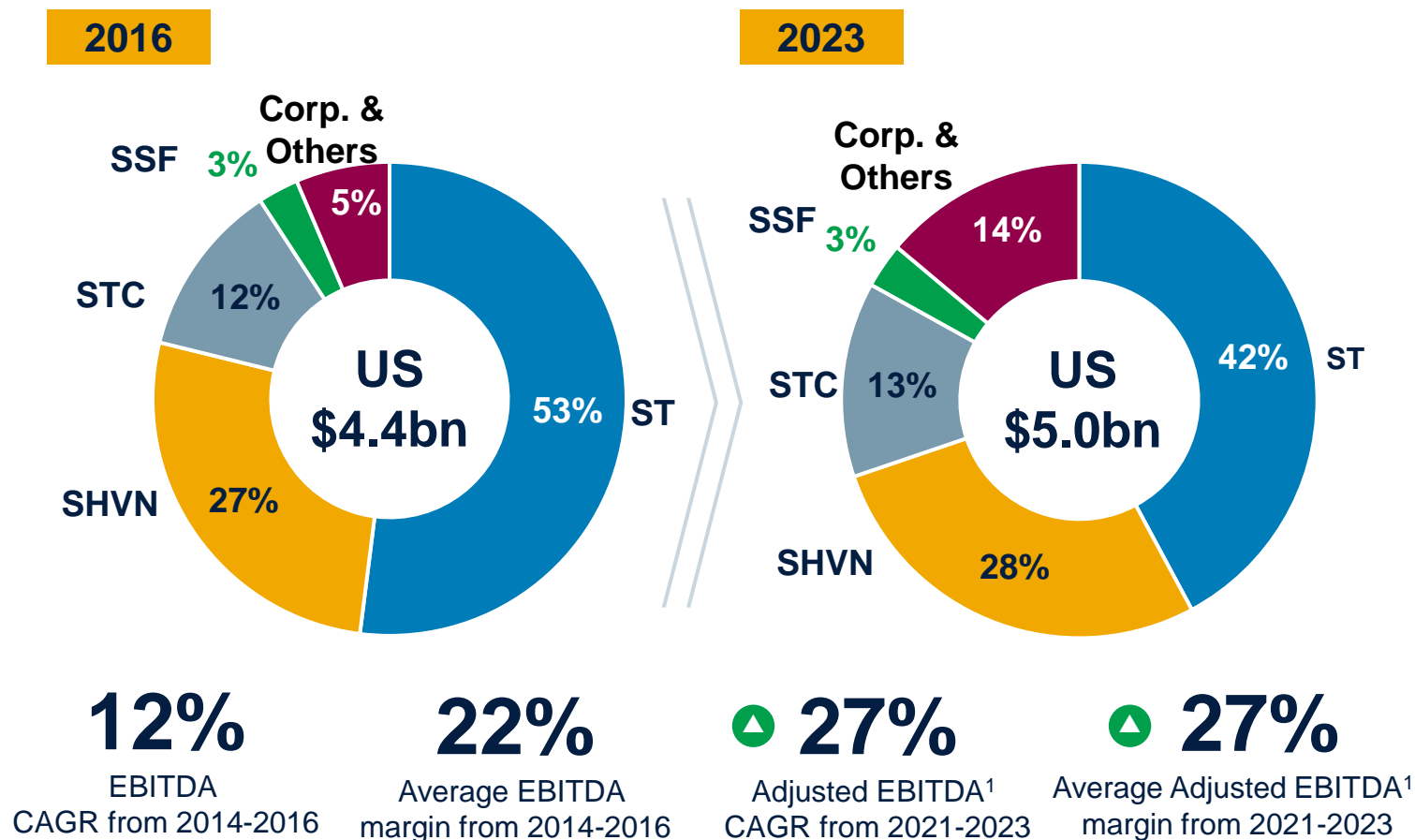
... with an unrelenting focus on continuous operational improvement



▲ **34.5%**  
CAGR 2019-2023

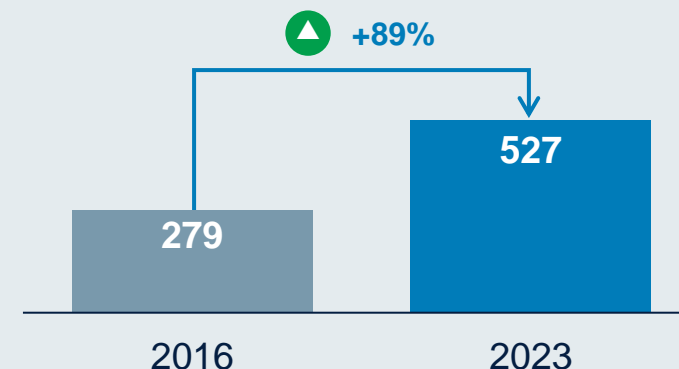
# 1 Our Portfolio Gets Stronger

## STOLT-NIELSEN SEGMENT ASSETS

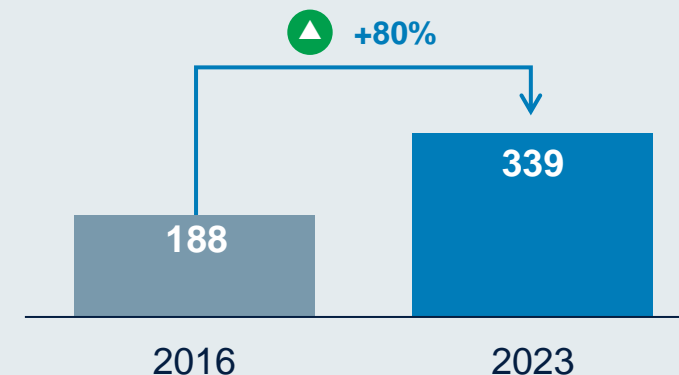


## ADJUSTED EBITDA DEVELOPMENT (US \$m)

### STOLT TANKERS



### NON-TANKERS BUSINESSES





# Evolving Importance of Supply Chain Solutions in our Favour

**LEGACY THINKING...**



**...IMPACT OF A VUCA<sup>1</sup> WORLD...**

**GEOPOLITICS**  
**ENERGY TRANSITION**  
**TRADE BARRIERS**  
**REGULATION**  
**DIGITALISATION**  
**BLACK-SWAN EVENTS**

**...LOGISTICS TODAY**



**C-SUITE FOCUS**



**PLANNING**



**VISIBILITY**



**RESILIENCE/  
FLEXIBILITY**

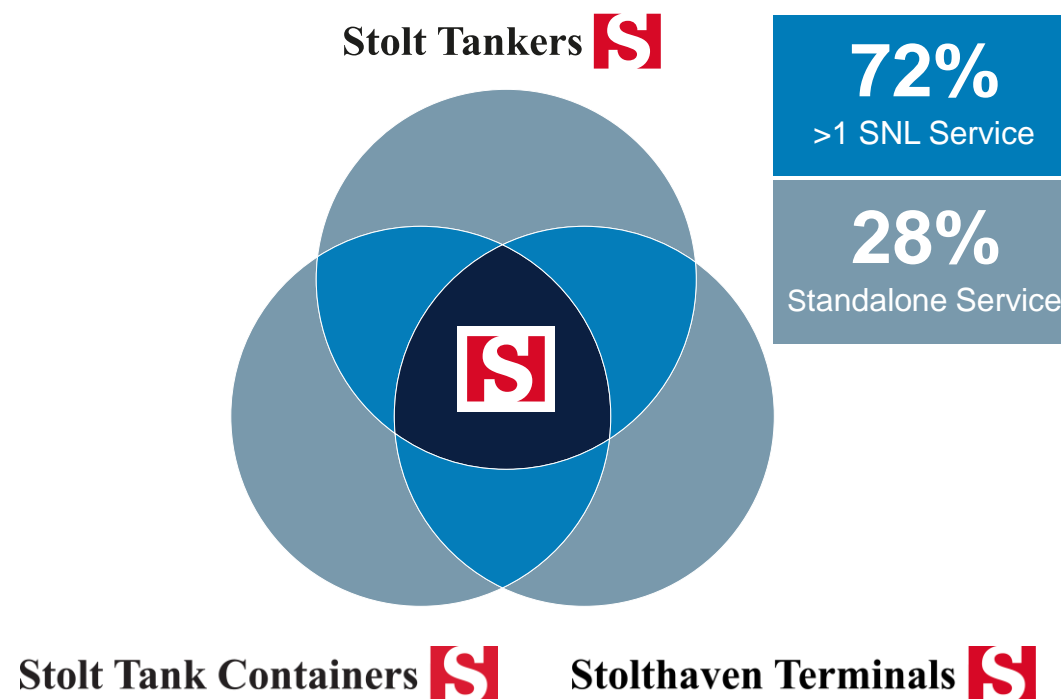
# Stolt-Nielsen is a Leading Strategic Partner in Liquid Logistics

## LEADING DRY GOODS INTEGRATED LOGISTICS PLAYERS



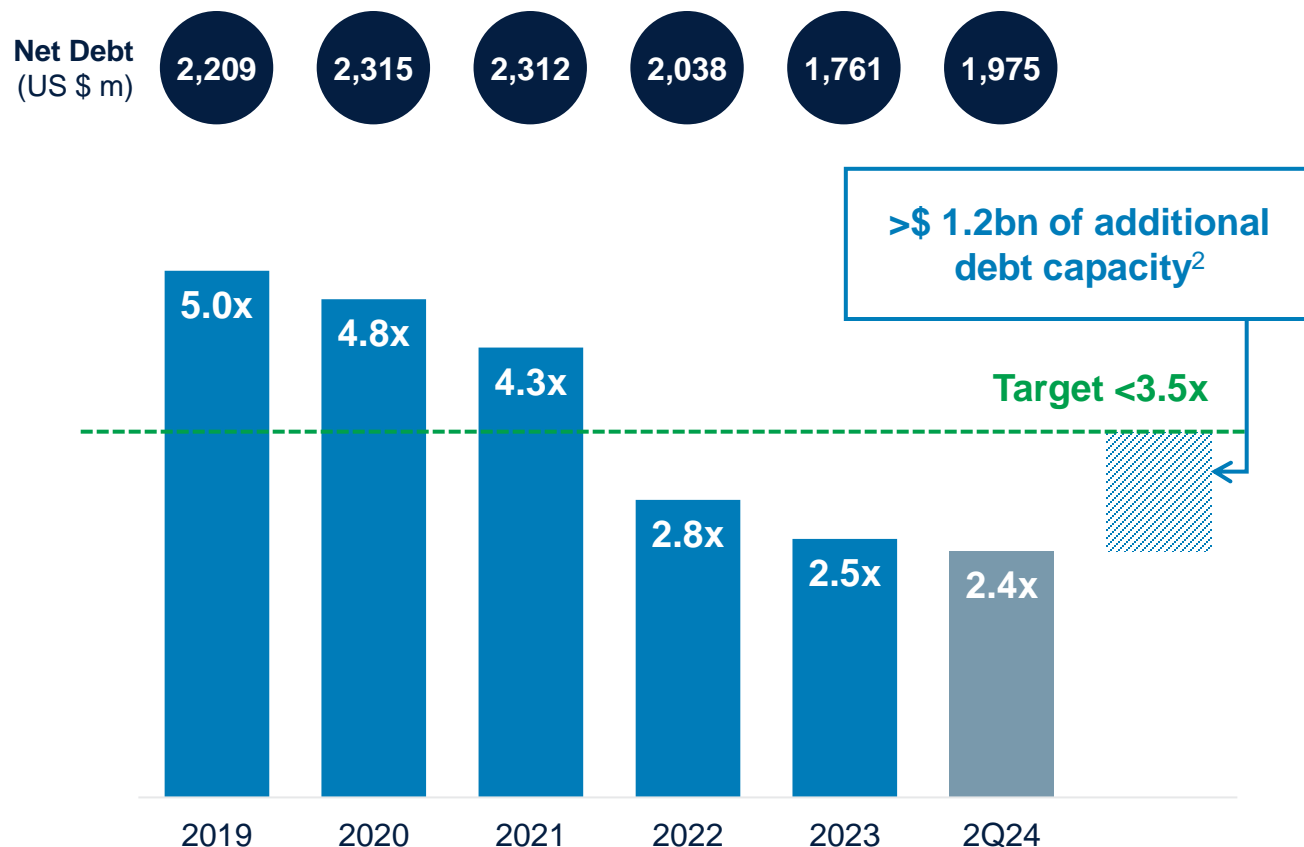
## >70% OF OUR TOP 50 CUSTOMERS USE MORE THAN ONE OF OUR LIQUID LOGISTICS SERVICES

### TOP 50 CUSTOMERS – 2023<sup>1</sup>



# Strong Balance Sheet: Significant Financial Flexibility to Support Growth

## REDUCING LEVERAGE<sup>1</sup> AND NET DEBT



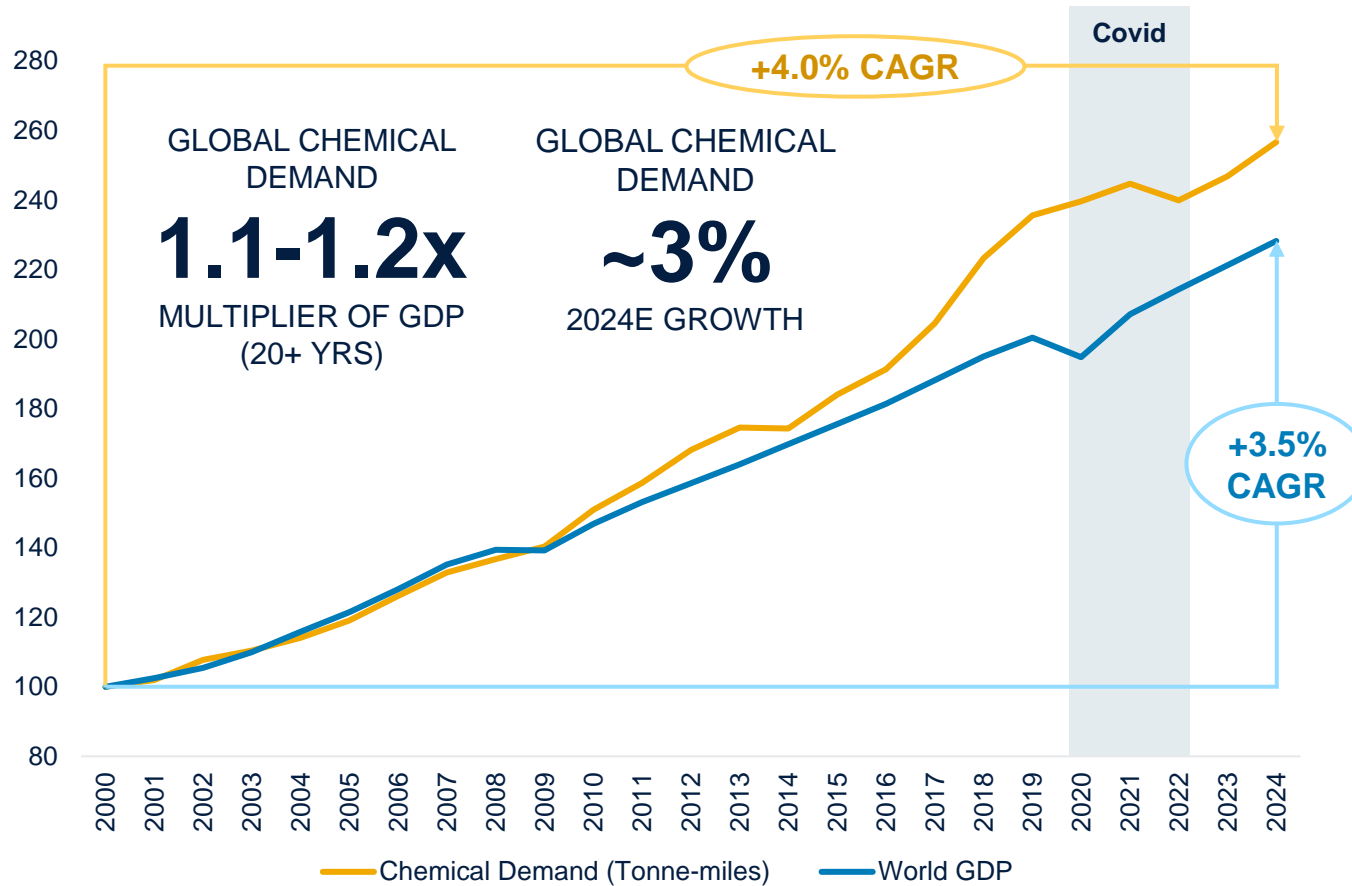
- Conservative balance sheet management

- Disciplined capital allocation strategy balancing growth, debt service and dividends

- Significant capacity for attractive shareholder returns

# Strong Market Fundamentals

## DEMAND FUNDAMENTALS (INDEX 2000 = 100)



## SUPPLY FUNDAMENTALS

### STOLT TANKERS

- ~2% net fleet growth expected in 2024-26E<sup>1</sup>
- Strong MR markets limiting swing tonnage

### STOLT HAVEN TERMINALS

- Terminals close to effective capacity
- Chemical terminals well positioned for 'new energy' storage at higher margins

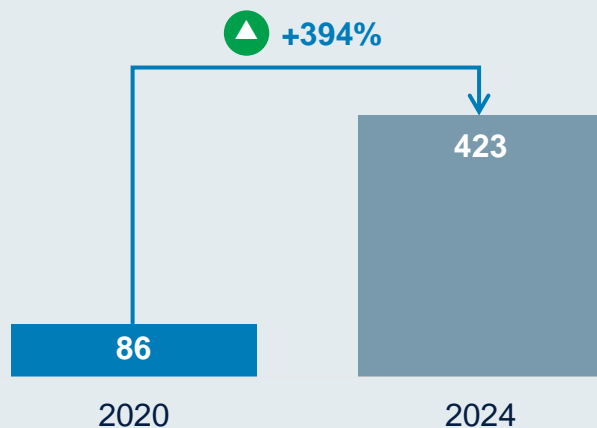
### STOLT TANK CONTAINERS

- Limited near-term ISO tank ordering expected
- STC scale advantage – capability to capture volumes without adding fixed costs

# Delivering Exceptional Value for Our Shareholders, Customers and People

## SHAREHOLDERS

### SHARE PRICE GROWTH (NOK)<sup>1</sup>



### CASH RETURNS

**US \$ 1.2bn**  
Dividends since 2005

**US \$ 2.50**  
2023 DPS

## CUSTOMERS

### NET PROMOTER SCORE<sup>2</sup>



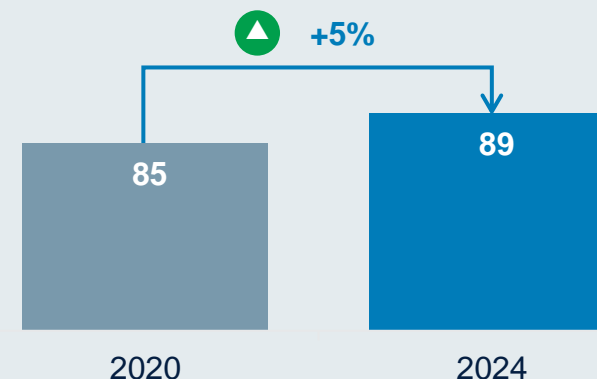
2024 Customer Survey, n = 340

### CUSTOMER & INDUSTRY AWARDS



## PEOPLE

### SUSTAINABLE EMPLOYEE ENGAGEMENT



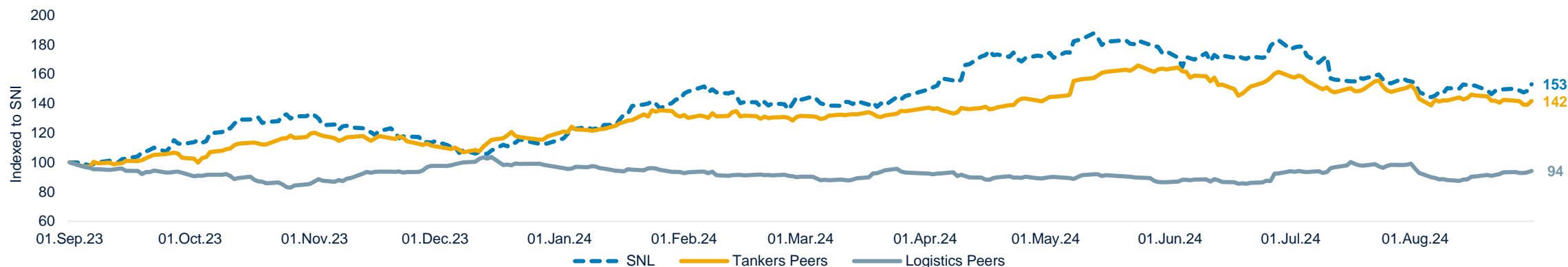
### OUTPERFORMING OUR PEERS

**16 of 19**  
Categories above Logistics Norm

**12 of 19**  
Categories above High-Performance Norm

# Stolt-Nielsen is Outperforming Tankers and Logistics Peers

## INDEXED SHARE PRICE DEVELOPMENT SINCE SEPTEMBER 2023<sup>1</sup>



### TANKERS PEERS<sup>1</sup>

**~4.0-7.0x**  
EV/EBITDA

**~6.0-10.0x**  
P/E

### STOLT-NIELSEN

**~5.0x**  
EV/EBITDA

**~8.5x**  
P/E

### ASSET HEAVY LOGISTICS<sup>3</sup>

**~6.0-10.0x**  
EV/EBITDA

**~13.0-17.5x**  
P/E

### ASSET LIGHT LOGISTICS<sup>4</sup>

**~8.5-12.5x**  
EV/EBITDA

**~19.0-23.5x**  
P/E



## 6 Concluding Remarks



### CONTINUED STRONG EARNINGS EXPECTED IN 2H24



- Favourable chemical tanker fundamentals supporting strong TCE



- Contract optimisation ramp up in 2H24; full impact expected into 2025



- Focus now on improving margins



- Balancing high prices and strong production volumes



### CASH FLOWS FOR GROWTH AND RETURNS



- Balance sheet strength: new BBB-rated \$450m USPP supporting strong liquidity position



- Investing for long-term growth
  - ~\$450m growth capex invested 2021-23
  - ~\$600-700m planned growth capex 2024-26<sup>1</sup>

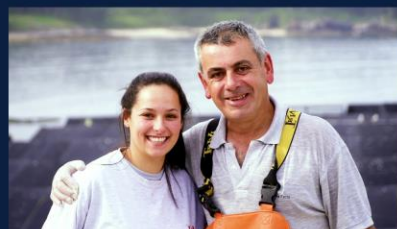
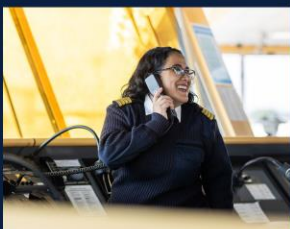


- Cash flow generation for growth and dividends
  - Earnings Per Share CAGR 108% (2019-23)<sup>2</sup>
  - \$1.2bn dividends paid since 2005

LASER-FOCUSED ON IMPLEMENTING OUR SIMPLY THE BEST STRATEGY









# Financials: Summary Income Statement

Figures in USD millions	Quarter		
	2Q24	2Q23	1Q24
<b>Operating Revenue</b>	<b>\$741.1</b>	<b>\$721.9</b>	<b>\$707.3</b>
<b>Operating Expenses</b>	<b>(473.8)</b>	<b>(445.8)</b>	<b>(453.0)</b>
Legal claims provision	0.0	(155.0)	0.0
Depreciation and amortisation	(74.0)	(71.5)	(72.5)
Share of profit of joint ventures and associates	19.4	17.7	17.5
Administrative and general expenses	(78.0)	(58.2)	(68.1)
Gain/(loss) on sale of assets	2.0	0.7	0.4
Other operating income (expense), net	0.1	0.2	0.4
<b>Operating Profit (as reported)</b>	<b>\$136.8</b>	<b>\$10.1</b>	<b>\$132.1</b>
Net interest expense	(27.4)	(29.2)	(25.4)
FX loss, net	(0.6)	(1.2)	0.2
Other	0.7	0.0	5.9
Income tax expense	(9.3)	28.7	(8.8)
<b>Net Profit</b>	<b>\$100.2</b>	<b>\$8.3</b>	<b>\$104.0</b>
<b>EBITDA</b>	<b>\$208.9</b>	<b>\$79.6</b>	<b>\$210.3</b>

## HIGHLIGHTS (2Q24 vs 2Q23)

- Higher **revenue** driven by consolidation of SNAPS regional pool revenue, partly offset by lower deepsea revenues and lower demurrage revenue in STC
- Increase in **operating expenses** mainly due to higher time-charter expenses, bunker costs and ship management costs in Stolt Tankers, partly offset by lower port charges due to restricted transit of the Panama and Suez canals
- Increase in **equity income** driven by a \$4.0m improvement in Stolt Tankers, partly offset by losses from SNL's investment in Avenir LNG
- Volatility in **A&G** from 2Q23 through 2Q24 is driven by fluctuations in profit sharing accruals due to the *MSC Flaminia* provision and variations in net profit. Underlying A&G is relatively stable
- Large increase in **income tax charge** due to the *MSC Flaminia* one-off tax credit booked in 2Q23
- Excluding the *MSC Flaminia* provision, **net profit** decreased by \$23m mainly due to lower operating results in STC<sup>1</sup>



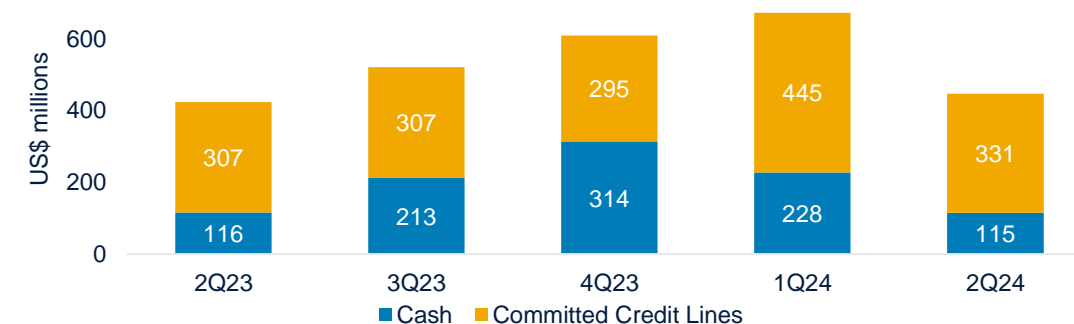
# Financials: Cash Flow and Liquidity Position

Figures in USD millions	Quarter		
	2Q24	2Q23	1Q24
<b>Cash generated from/(used in) operations</b>	<b>(\$64.1)</b>	<b>\$207.7</b>	<b>\$173.1</b>
Interest paid	(33.8)	(24.2)	(29.1)
Debt issuance costs	(1.1)	0.0	(0.4)
Interest received	0.0	(0.1)	5.7
Income taxes paid	(10.7)	(6.6)	(1.2)
<b>Net cash generated from/(used in) operations</b>	<b>(\$109.7)</b>	<b>\$176.8</b>	<b>\$148.1</b>
Capital expenditures and drydock payments	(42.2)	(92.0)	(79.3)
Investments in and repayment of advances to JVs	(63.9)	(1.2)	(5.1)
(Purchase)/sale of shares	0.0	(0.2)	(35.6)
Sale of assets	24.9	1.1	4.1
Other	(0.0)	0.6	0.5
<b>Net cash used in investing activities</b>	<b>(\$81.3)</b>	<b>(\$91.7)</b>	<b>(\$115.4)</b>
Proceeds from issuance of long-term debt	100.0	0.0	68.0
Repayment of long-term debt	(57.4)	(49.5)	(116.8)
Principal payment on capital lease	(13.6)	(13.5)	(17.0)
Dividend and other	(80.3)	(66.7)	(53.6)
<b>Net cash used in financing activities</b>	<b>(\$51.3)</b>	<b>(\$129.7)</b>	<b>(\$119.4)</b>
Effect of FX change on cash	(3.2)	1.9	0.8
<b>Total cash flow</b>	<b>(\$245.5)</b>	<b>(\$42.8)</b>	<b>(\$85.9)</b>
Cash and cash equivalents at beginning of period	\$360.6	\$158.4	\$446.5
<b>Cash and cash equivalents at end of period</b>	<b>\$115.1</b>	<b>\$115.6</b>	<b>\$360.6</b>

## HIGHLIGHTS (2Q24 vs 2Q23)

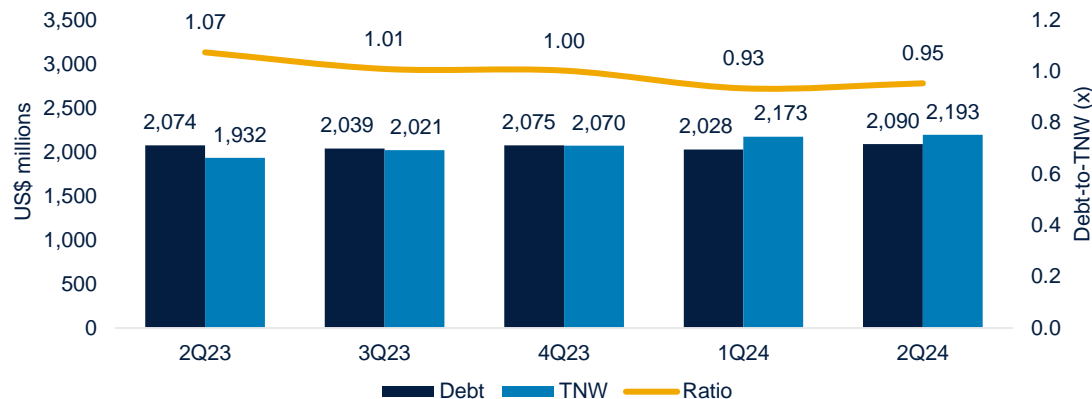
- Cash from **operating activities** decreased due to \$290m payment in April 2024 to settle the *MSC Flaminia* legal claim
- Lower **CAPEX** and drydock payments of \$50m mainly due to delivery of the *Stolt Condor* and *Stolt Tucan* in 2Q23, partly offset by higher terminal investments
- \$64m investments into JVs reflecting newbuilding deposits for NST (\$40m) and Avenir LNG (\$24m) joint ventures
- Higher **sale of assets** mainly reflecting sale of the *Stolt Facto*

## LIQUIDITY<sup>1</sup>

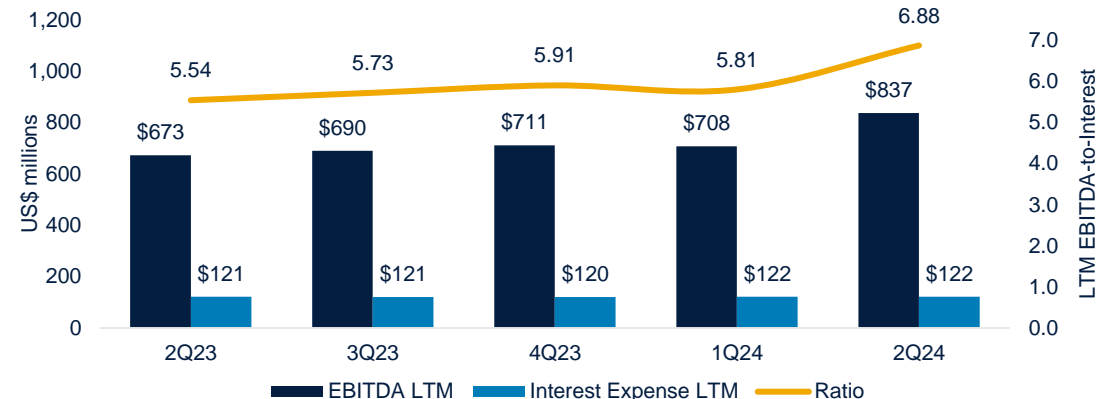


# Robust Financial KPIs with Significant Headroom

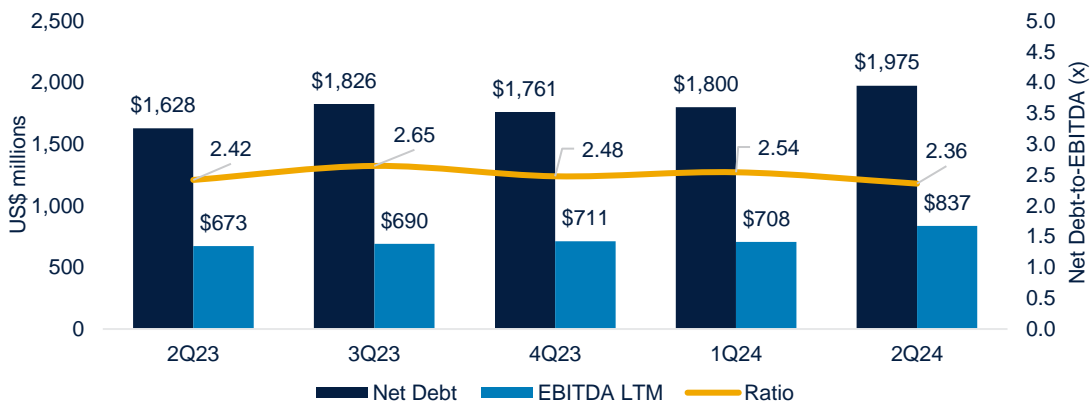
## DEBT TO TANGIBLE NET WORTH (MAXIMUM 2.25:1.00)



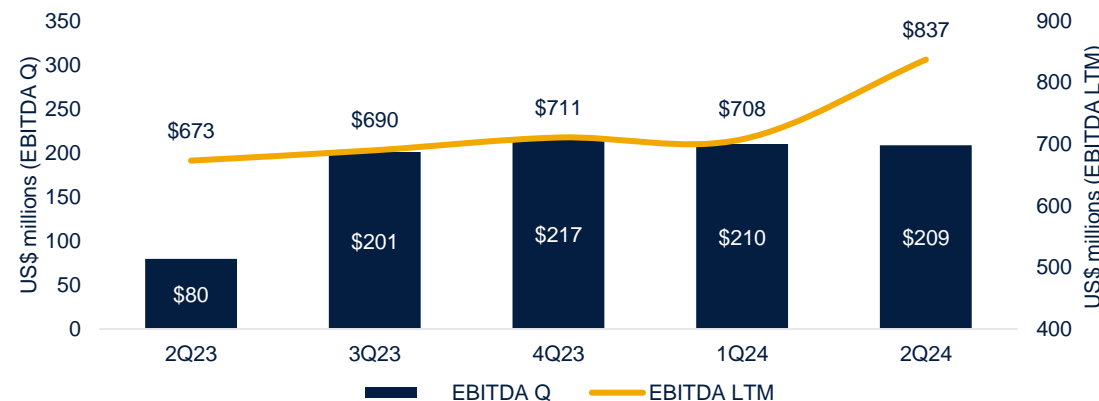
## EBITDA TO INTEREST EXPENSE (MINIMUM 2.00:1.00)



## NET DEBT to EBITDA<sup>1</sup>



## EBITDA DEVELOPMENT<sup>2</sup>



# Attractive Value Generation

## STRONG OPERATIONAL EXECUTION

*with favourable market fundamentals*



### STOLT TANKERS

- 2Q24 TCE 66% higher than 2018-2022 average (\$32,862 vs. \$19,817)
- TCE expected to reach historic high levels



### STOLTHAVEN TERMINALS

- 1H24 EBITDA up +5% year-on-year (\$88m to \$84m)
- Improved pricing and utilisation in 2H24 as we optimise our contract portfolio



### STOLT TANK CONTAINERS

- 1H24 volumes up +20% year-on-year (81,828 to 68,500)
- Shipment margins have likely bottomed; focus on volumes and reducing costs



### STOLT SEA FARM

- 1H24 EBITDA up +176% year-on-year (\$24m to \$9m)
- Balancing high prices and strong production

## A LEADING END-TO-END LOGISTICS PROVIDER

*serving significant end-markets*



### STOLT TANKERS

#1<sup>1</sup>



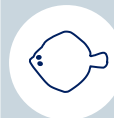
### STOLTHAVEN TERMINALS

#6<sup>2</sup>



### STOLT TANK CONTAINERS

#1<sup>3</sup>



### STOLT SEA FARM

#1<sup>4</sup>



### GLOBAL CHEMICAL SUPPLY CHAIN COSTS<sup>5</sup>

\$380bn