



Fourth-Quarter 2018 Results

January 31, 2019

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, the Company’s target market, (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. 61 et seq.) in the most recent annual report available at www.stolt-nielsen.com.

Stolt-Nielsen Limited Representatives



- **Niels G. Stolt-Nielsen**
Chief Executive Officer
- **Jens F. Grüner-Hegge**
Chief Financial Officer

Agenda

- SNL 4Q18 Highlights
 - Stolt Tankers
 - Stolthaven Terminals
 - Stolt Tank Containers
 - Stolt Sea Farm
 - Stolt-Nielsen Gas
- Financials
- Q&A



Fourth-Quarter 2018 Highlights

Operating

- Stolt Tankers reported an operating profit of \$7.7m, down from \$21.4m, mainly reflecting lower freight revenue combined with higher bunker fuel costs, and a \$4.1m loss on bunker hedges, compared with a \$1.3m gain in the prior period.
- Stolthaven Terminals reported an operating profit of \$11.7m, down from \$18.6m, reflecting \$6.1m in impairments and a \$1.7m decrease in equity income from joint ventures.
- Stolt Tank Containers reported an operating profit of \$18.1m, up from \$17.7m. Operating profit rose, despite lower revenue, mainly because of actions to manage costs as markets softened.
- Stolt Sea Farm's operating profit before the fair-value adjustment of inventories was \$0.9m versus \$2.1m, mainly reflecting lower turbot volume. The fair-value adjustment for the quarter was \$2.4m, up from a negative \$1.7m in the prior quarter.
- Avenir LNG Limited: Successfully established a joint venture with two strategic founding partners to pursue small-scale LNG logistics. Listed on the N-OTC, ticker "AVENIR".
- Corporate and Other reported an operating loss of \$11.9m, compared with a loss of \$3.4m in the prior quarter, mainly reflecting a \$5.9m write-off of assets at Stolt Bitumen Services.

Financial

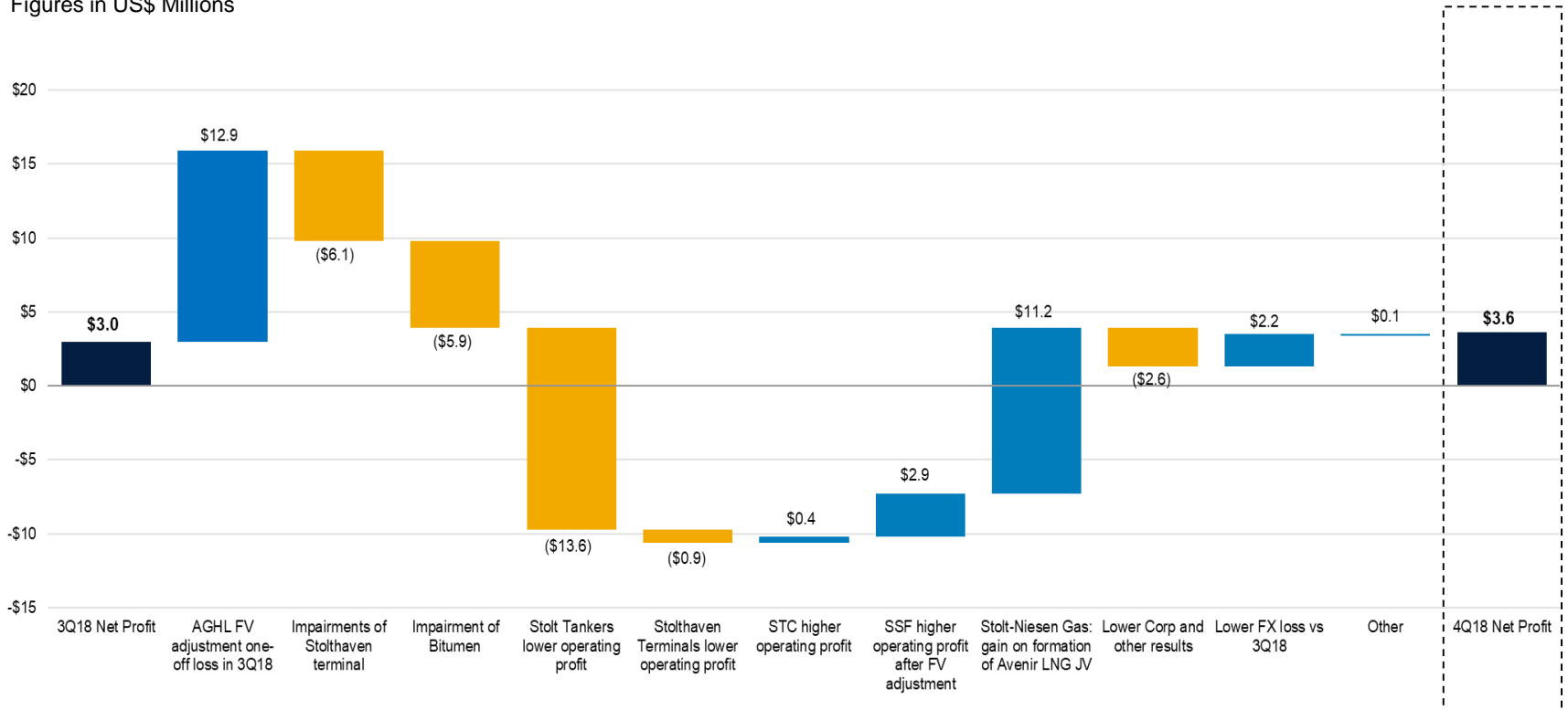
In US\$ Millions, except per share data
(unaudited)

	Quarter			YTD	
	<u>4Q18</u>	<u>3Q18</u>	<u>4Q17</u>	<u>2018</u>	<u>2017</u>
Revenue	\$526.1	\$543.1	\$506.8	\$2,125.5	\$1,997.1
Operating Profit	28.9	54.8	38.3	187.1	194.4
Net Profit (attributable to SNL equity holders)	3.6	3.0	1.1	54.9	50.3
EPS Diluted	0.06	0.05	0.02	0.89	0.81
Weighted average number of shares outstanding, diluted	60.9	61.0	61.9	61.3	61.9



SNL: 3Q18 to 4Q18 Net Profit Variance

Figures in US\$ Millions

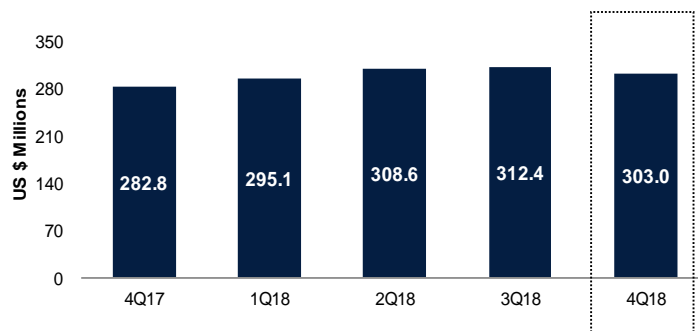


Note: Net Profit attributable to equity holders of SNL

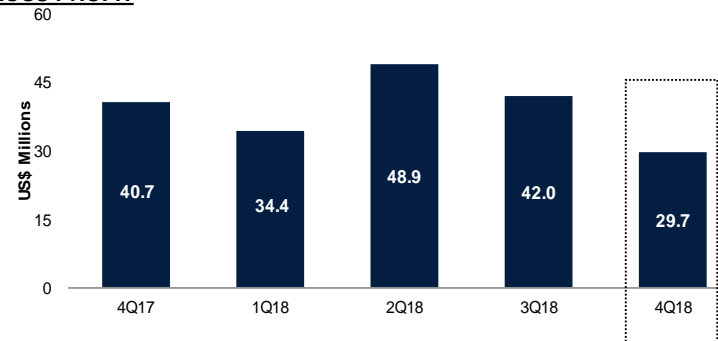


Stolt Tankers – Challenging Market Conditions

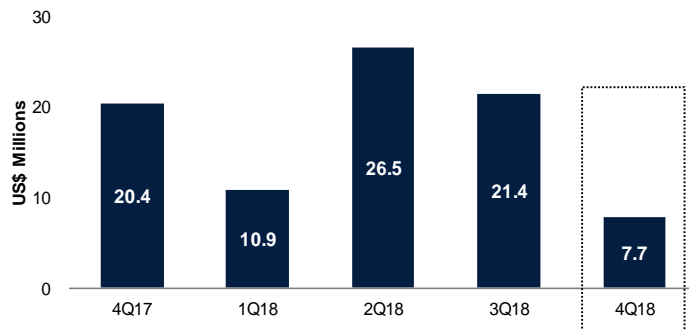
REVENUE



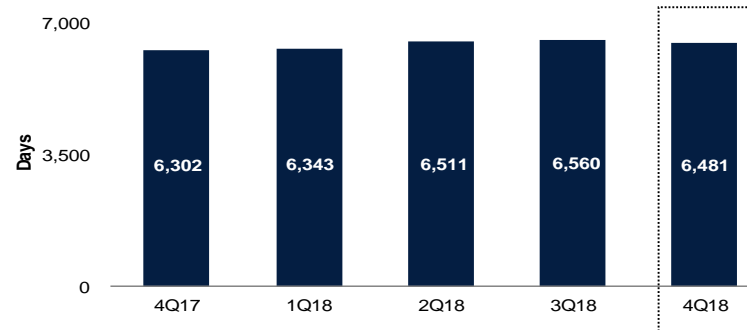
GROSS PROFIT



OPERATING PROFIT



STJS – OPERATING DAYS

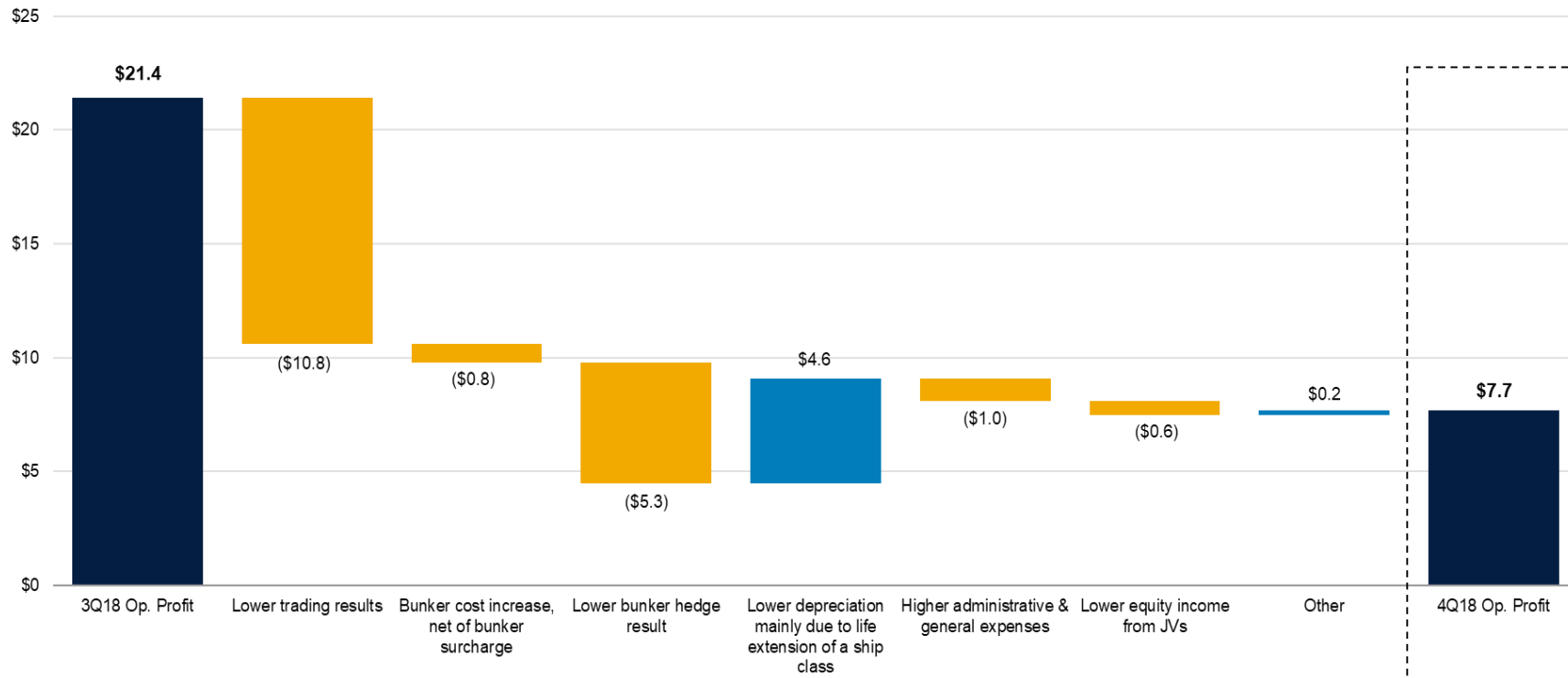


- Deepsea volume in 4Q18 was flat compared with previous quarter, while revenue decreased by 2.4% against 3Q18.
- Overall rates were down 3.1% versus prior quarter.
- COA freight rate renewals in the quarter were down on average by 2.5%, compared with a COA rate renewal decrease of 3.9% in the previous quarter.



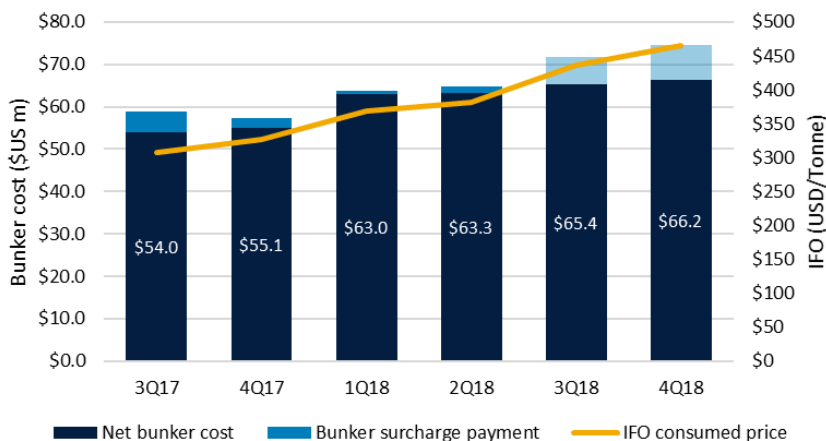
Tankers: 3Q18 to 4Q18 Operating Profit Variance

Figures in US\$ Millions



Stolt Tankers: Bunker Costs

Figures in US\$ Million



Source: Stolt-Nielsen

Note: Excludes bunker hedge results

- Average price of IFO consumed increased to \$465/tonne in 4Q18 from \$437/tonne in 3Q18.
- COA bunker surcharge clauses covered on average 62% of total volume in 4Q18.
- The 4Q loss on bunker hedges resulted from a drop in bunker prices towards the end of the quarter caused by the large drop in global crude prices.

Figures in US\$ Million

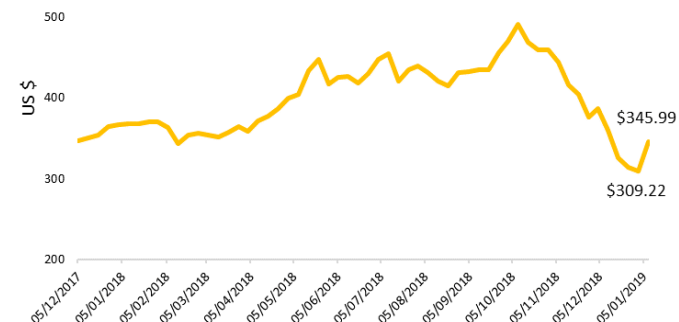
Period	Realised G/(L)	Unrealised G/(L)	Total Hedge G/(L)
FY17	7.4	6.1	13.5
1Q18	2.8	(3.1)	(0.3)
2Q18	3.0	6.3	9.3
3Q18	4.4	(3.1)	1.3
4Q18	4.2	(8.2)	(4.1)
FY18	14.4	(8.1)	6.2

Future swaps	Volume (MT)	Average Fair Market Value (US \$)
2019	80,000	316.9

STJS Quarterly Bunker Price Sensitivity

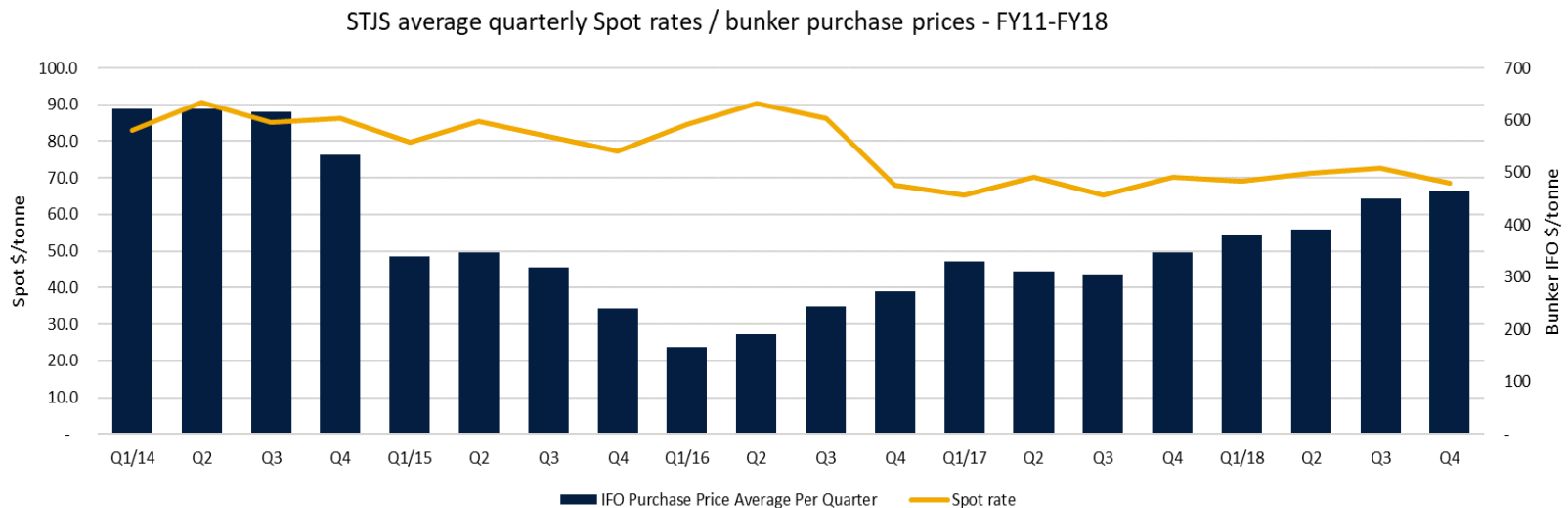
IFO Quarterly volume	112,496 tonnes	
IFO average price 4Q18	\$465 per tonne	
Base price + 5%	\$488 per tonne	(\$1.7)
Base price + 10%	\$512 per tonne	(\$3.3)
Base price + \$100	\$565 per tonne	(\$6.9)

BUNKER COST (DEC 2017 – JAN 2019)

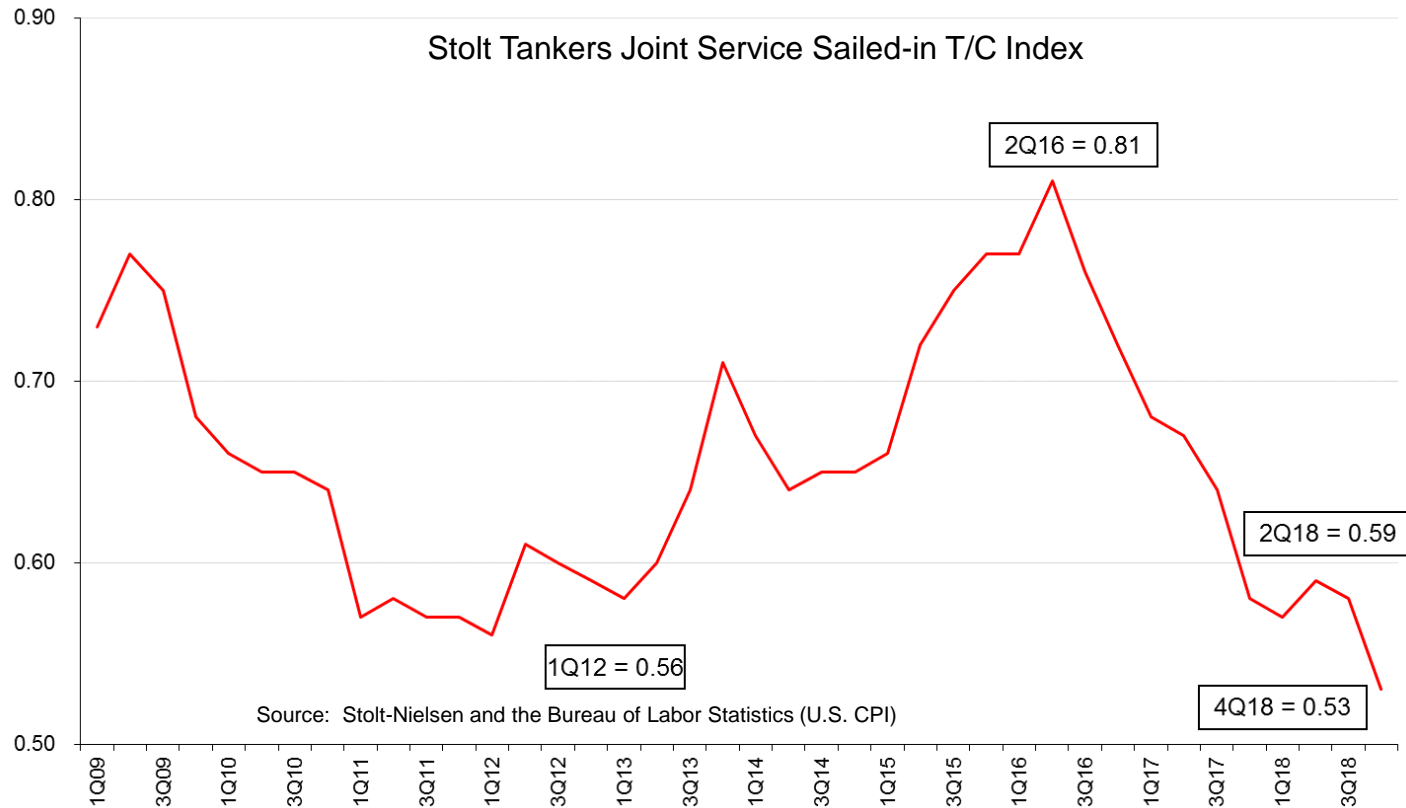


2020: Low Sulphur Fuel Regulations

- Effective January 1, 2020, all ships must consume low-sulphur fuel (0.5%, down from 3.5% today).
- Fuel options are either 0.1% MGO or new 0.5% fuels (we are testing some today; they are priced at “MGO less discount”, not “IFO plus premium”; availability, quality and cost premium after 1/1/2020 are unknown).
- Customers have begun to accept indices with compensation for the extra fuel costs incurred, but most negotiations will occur in 2019. We cannot compromise on this point.
- Through a combination of reduced fuel consumption with best-in-class newbuildings, highly flexible onboard fuel systems and operational measures we can minimize the extra costs our customers must bear.
- The cost increase from IMO 2020 will be significant and unsustainable for the industry without pass-through to customers.



ST Joint Service Sailed-in TC Index and Sensitivity

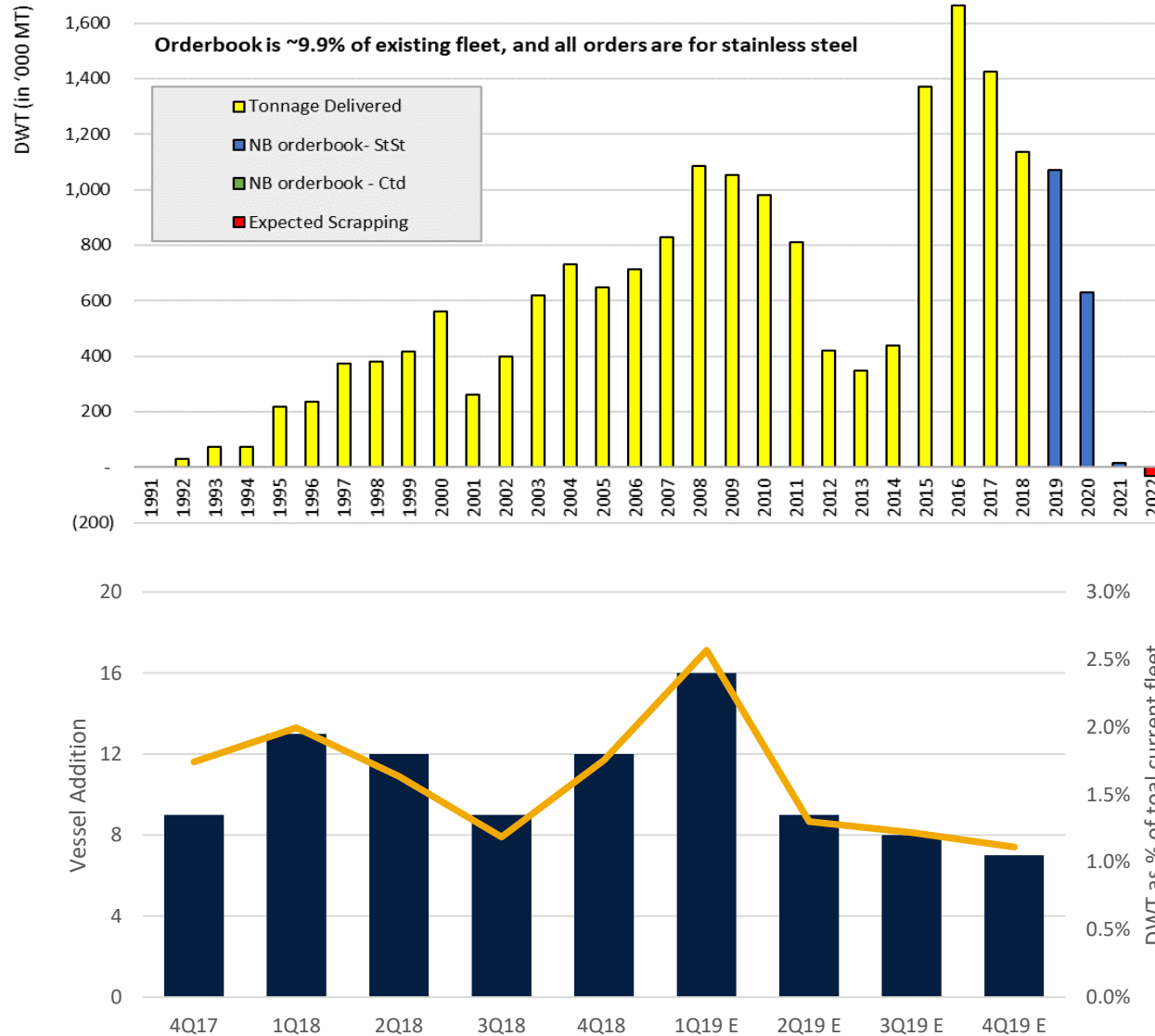


Index based on SIR STJS ships + net result outside T/C ships, base is 1Q96 + adjusting for inflation based on US Consumer Price Index (CPI)

STJS Sailed-in T/C Index Sensitivity		Net Impact on P&L per quarter
Sailed-in T/C Index 4Q18	0.53	\$0.0
Sailed-in T/C Index + 5%	0.56	\$4.4
Sailed-in T/C Index + 10%	0.58	\$9.8
Sailed-in T/C Index + 15%	0.61	\$16.5



Chemical Tanker Fleet and Orderbook – 4Q18



Source: Stolt-Nielsen and Drewry, as of January 1, 2019

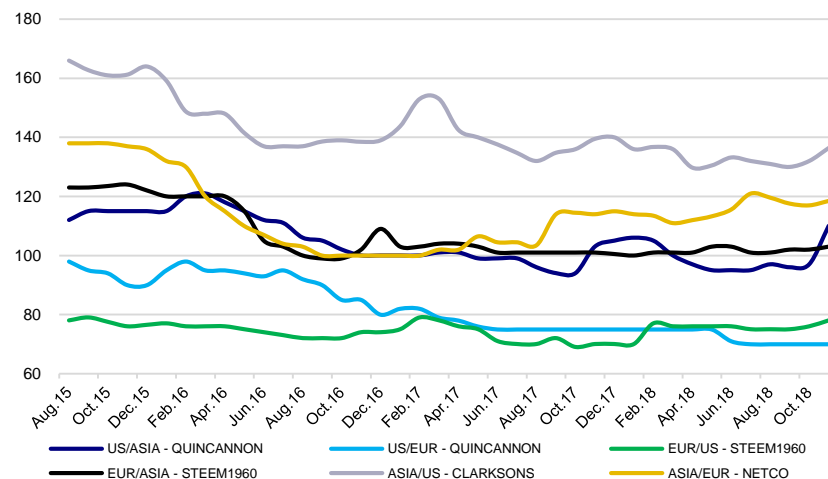
Competitor criteria: i) IMO 2 ships between 15,000 and 50,000 dwt, ii) average segregation size less than 3,000 mt, iii) excludes non-core coated ships



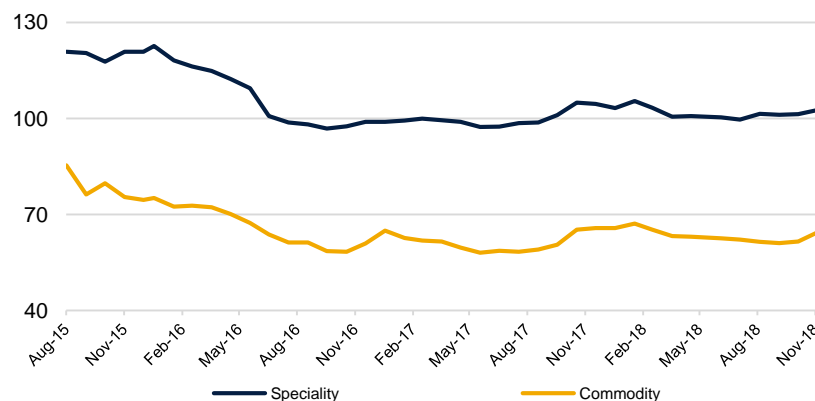
Stolt Tankers Market Development

- We see demand growing 4% p.a. based on GDP growth forecasts, though possible tariffs brings downside risk.
- Core chemical deep-sea fleet growth will slow from ~6% in 2017-2019 to 2% or less in 2020-2021 as NB deliveries are completed. If NB orders remain moderate, then the oversupply may be absorbed faster leading to improved freight markets into 2019 and beyond.
- Due to market adjacency, tanker markets tend to be correlated. CPP market rates are much higher since November (MRs reaching 3-4 times the daily earnings of 3Q/4Q18). While longevity of that recovery is uncertain, chemical markets have been positively impacted as swing ships move out of chemicals. Increased refining capacity in US Gulf should positively impact exports.
- Lower fuel prices will improve margins above and beyond market improvements.

SPECIALTY (1,000 MT)



SPECIALTY (1,000 MT) VS COMMODITY (5,000 MT)

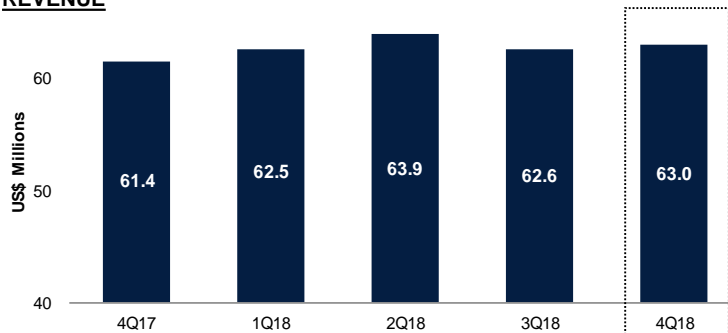


Source: Quincannon Associates, Clarkson's Platou, Steem1960, Netco Chartering

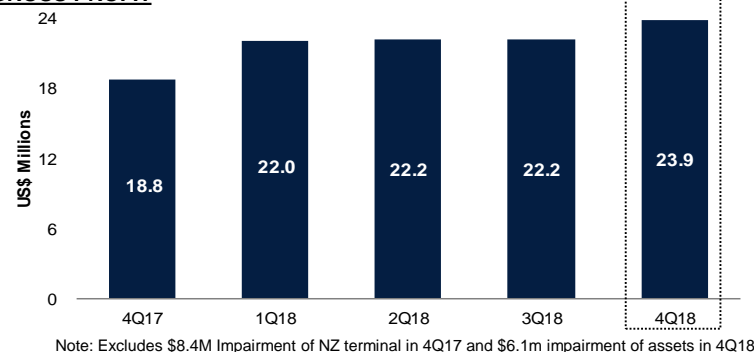


Stolthaven Terminals – Steady Results

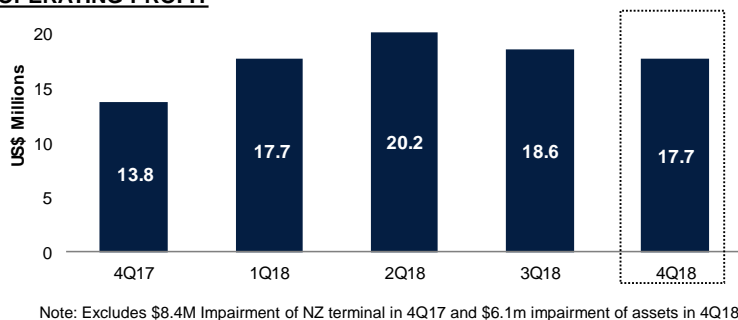
REVENUE



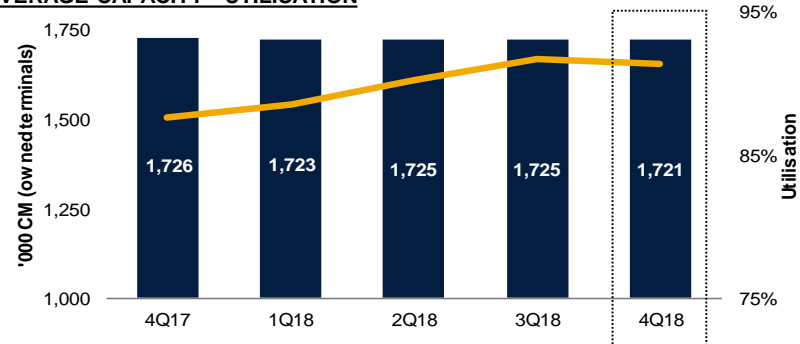
GROSS PROFIT



OPERATING PROFIT



AVERAGE CAPACITY - UTILISATION

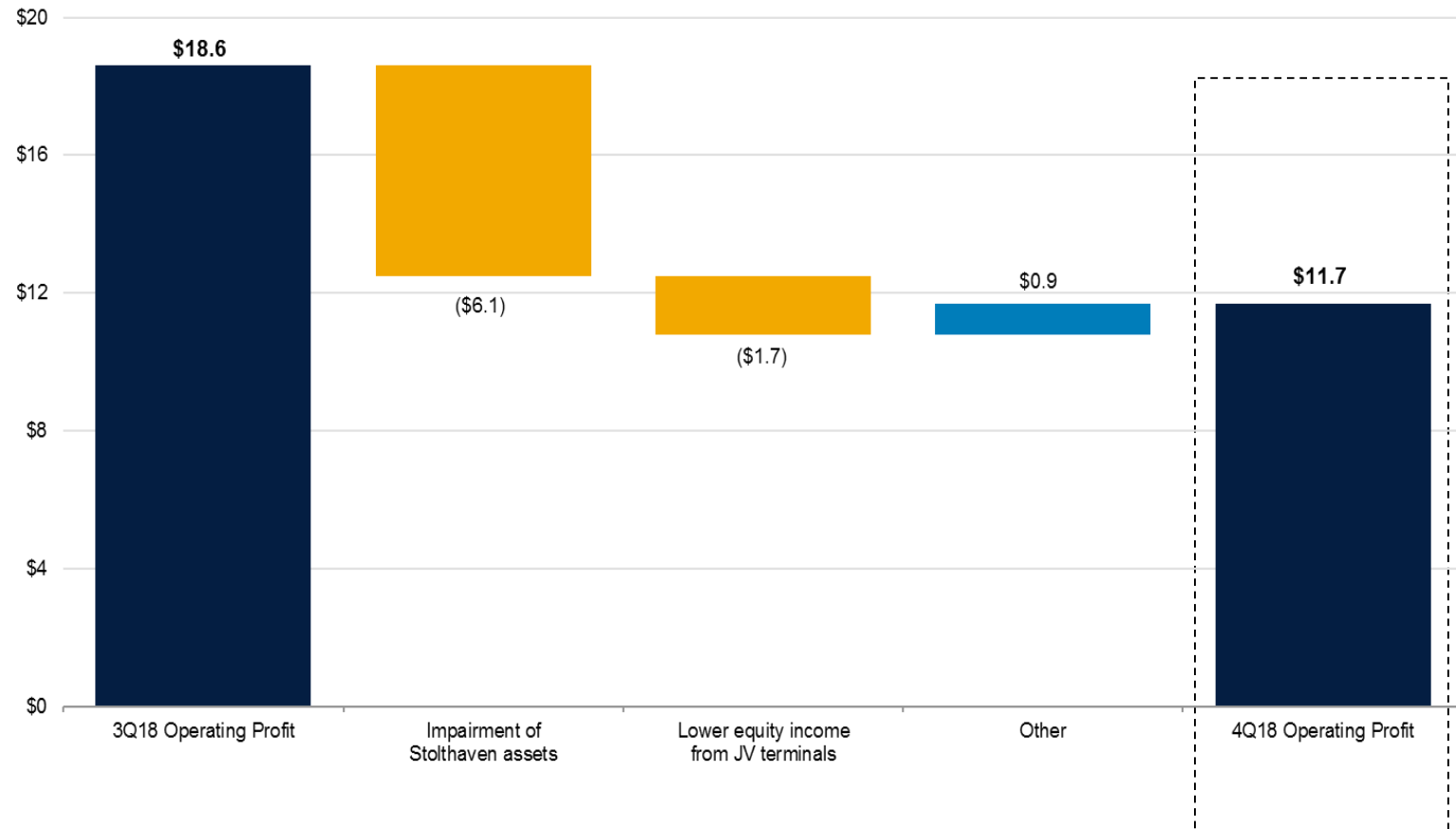


- Revenue and expense were flat compared to last quarter.
- Operating income, excluding impairment charges of \$6.1m, was marginally down by \$0.9m from third quarter, reflecting slightly lower JV equity income.
- Utilisation for wholly owned terminals was flat at 91.4% compared to previous quarter.



Terminals: 3Q18 to 4Q18 Operating Profit Variance

Figures in US\$ Millions



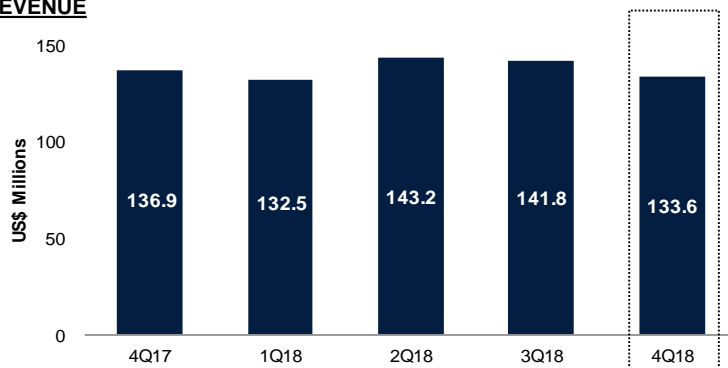
Stolthaven Terminals: Market Update & Key Initiatives

- Strong market fundamentals in the USA allowing for rate escalation at both Houston and New Orleans, although uncertainty remains on US trade policy and its potential impact on product flows.
- Singapore market remains challenging; currently working on several longer term opportunities.
- South Korean, Brazilian and Malaysian markets showing stable demand.
- Europe remains stable for chemicals. For CPP there has been an increase in inquiries, especially bunker fuel storage, which is related to the IMO2020 regulation.
- Major capital projects, including Jetty #11 in Houston, expected to be completed by 1Q19; Ulsan expansion (163,000 cbm) expected to be operational in 1Q19. Capacity expansion projects in New Orleans, Mount Maunganui and Santos remain on schedule.
- New Zealand and Australia are stable for chemicals; working on opportunities to increase utilisation and potential expansion.

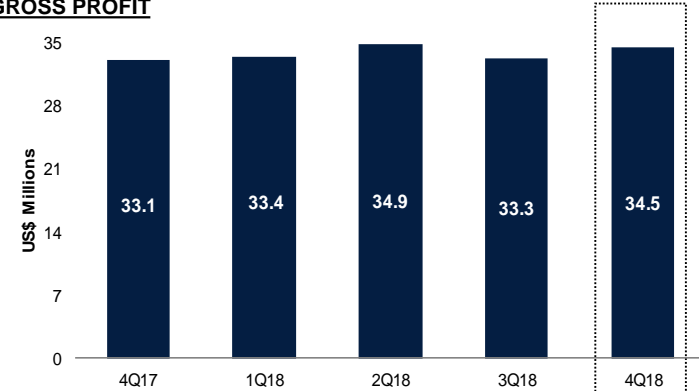


Stolt Tank Containers – Market Softened

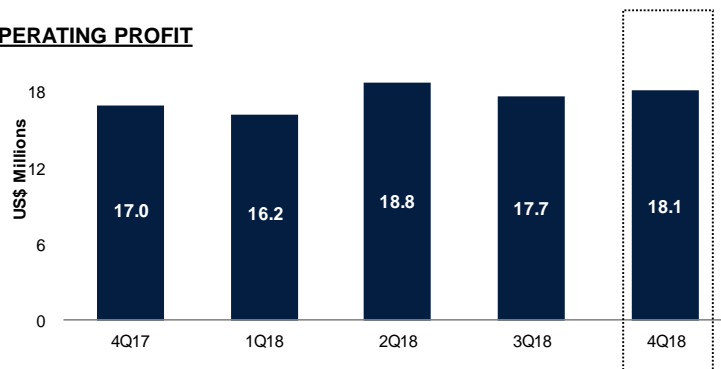
REVENUE



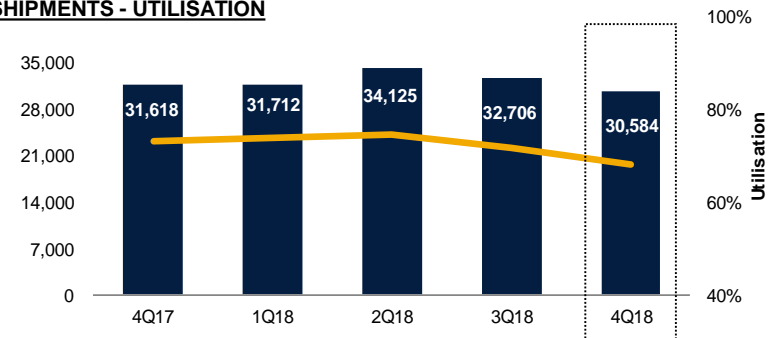
GROSS PROFIT



OPERATING PROFIT



SHIPMENTS - UTILISATION

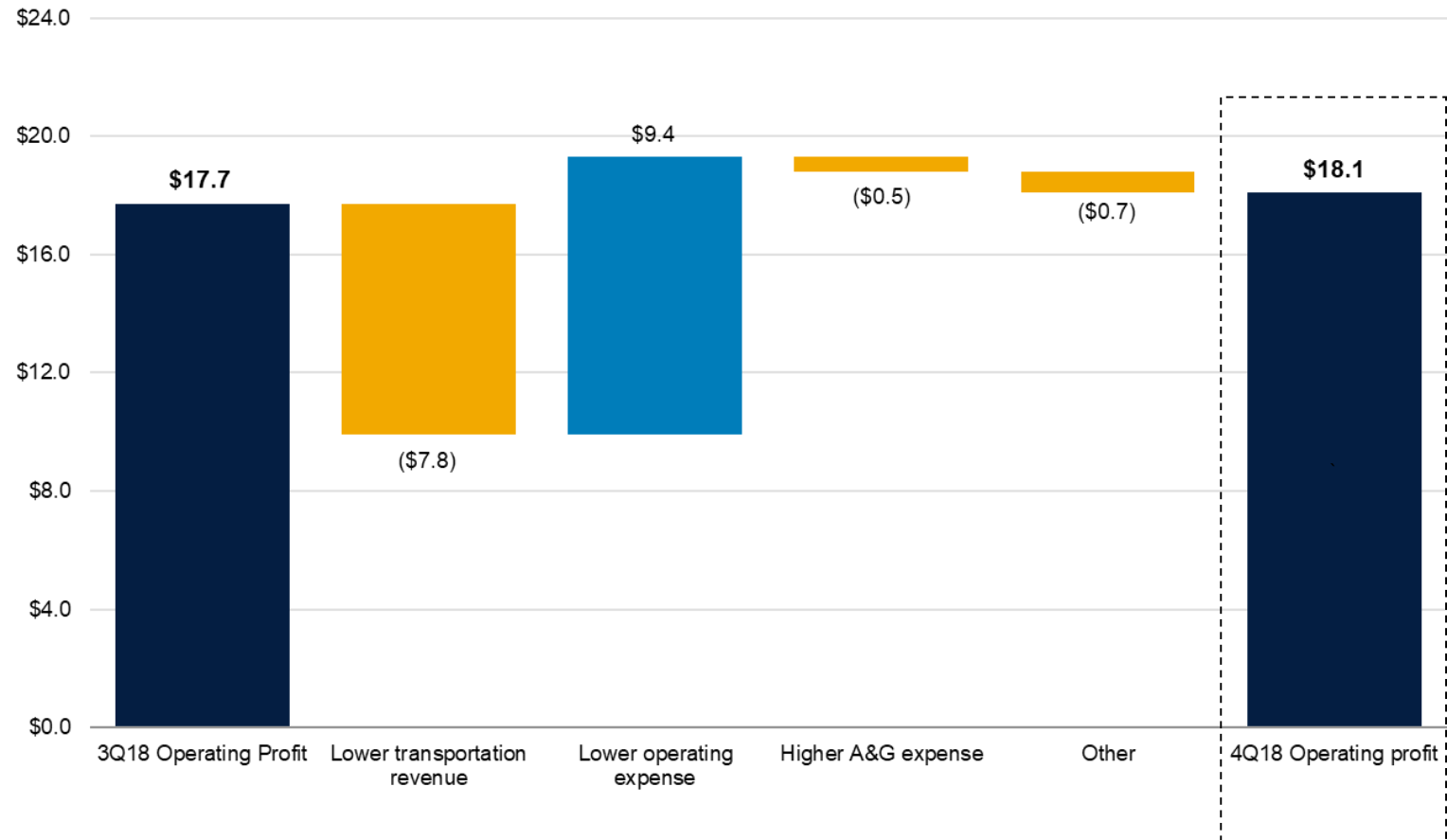


- Revenue decrease of 5.8% driven mainly by lower transportation revenues as a result of 6.5% fewer shipments in the quarter.
- Operating expense was reduced by 9.1% in the quarter reflecting lower shipment volumes and continuous improvements in operational efficiencies.
- Utilization down to 68.2% from 71.6%, reflecting a global slowdown due to economic uncertainty and year-end inventory reductions by customers.



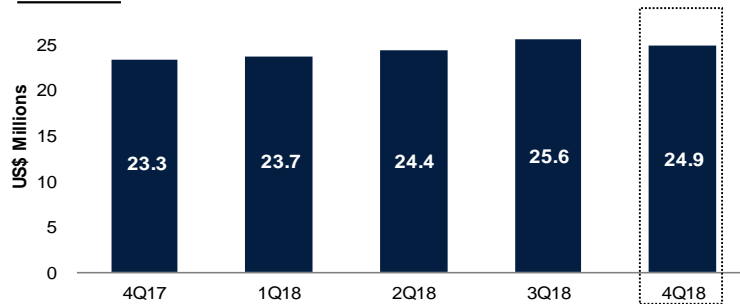
STC: 3Q18 to 4Q18 Operating Profit Variance

Figures in US\$ Millions

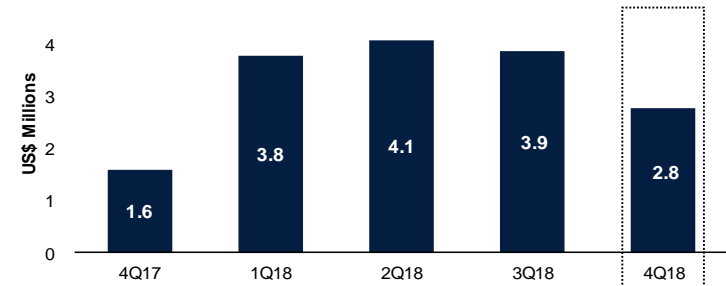


Stolt Sea Farm

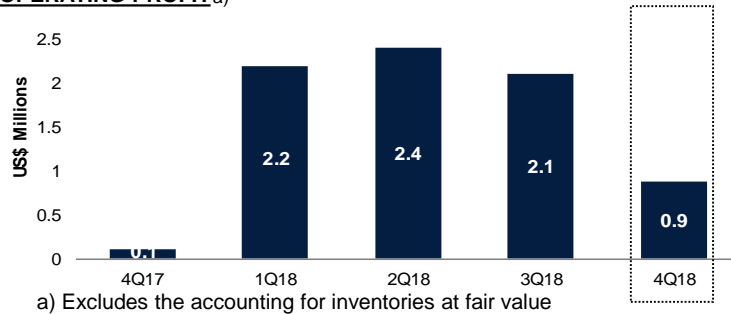
REVENUE



GROSS PROFIT ^{a)}



OPERATING PROFIT ^{a)}

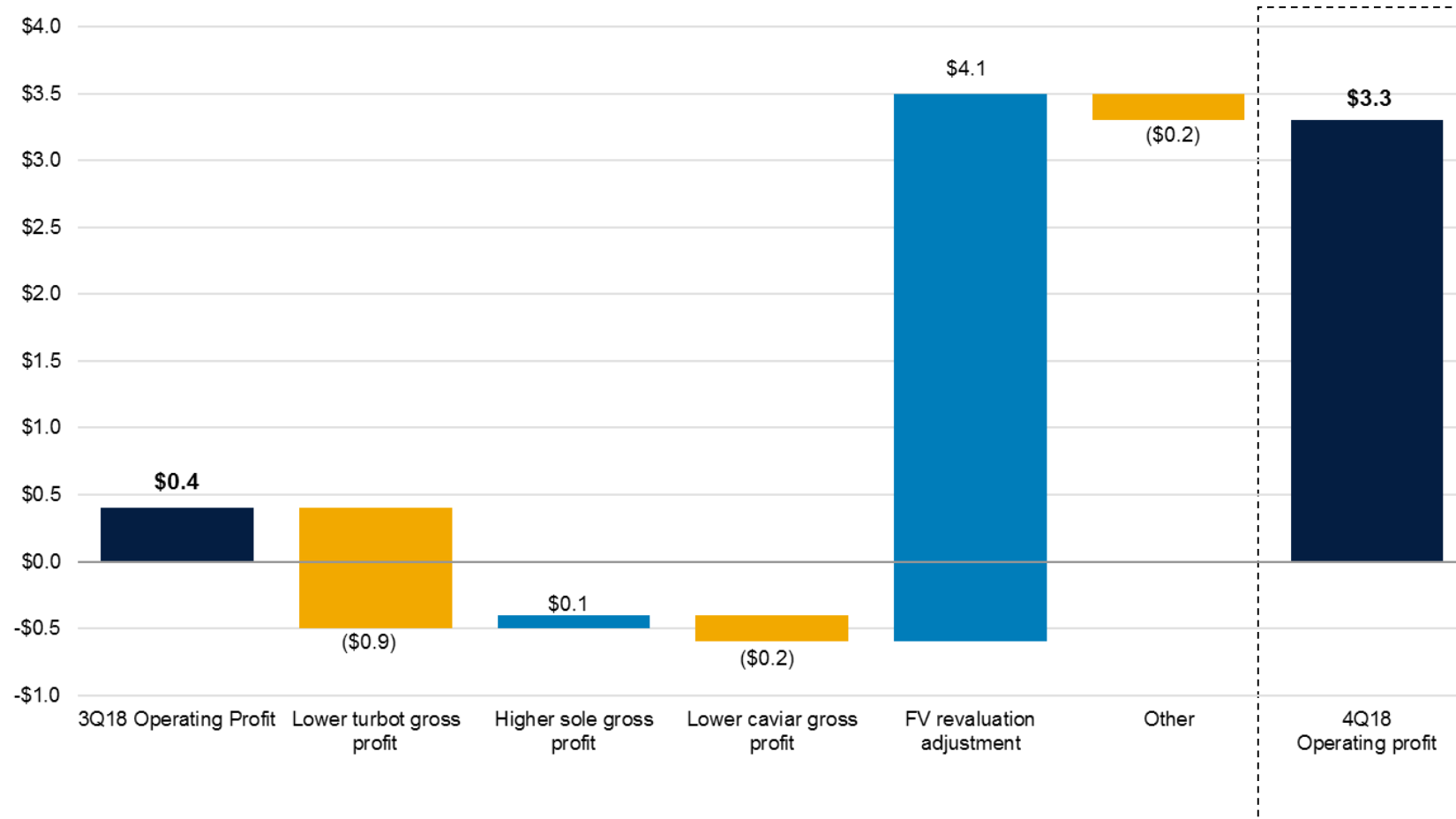


- Turbot volumes decreased compared to prior quarter, which was partially offset by the increase in average price; the price for turbot this quarter was highest since 3Q11.
- Both volume and price of sole sold during the quarter was higher than previous quarter.



SSF: 3Q18 to 4Q18 Operating Profit Variance

Figures in US\$ Millions



Stolt-Nielsen Gas – Avenir LNG Ltd

- SNL announced the formation of Avenir LNG, a joint venture with Golar and Höegh LNG, with a combined commitment to invest up to \$182.0m.
- The three partners contributed \$99.0m on October 1, 2018.
- On November 13, \$11.0 million was raised in a private placement and the shares were registered on the Norwegian OTC market.
- Stolt-Nielsen Gas holds 45.0% of the shares, Golar and Höegh LNG each hold 22.5%, and the remaining 10.0% of shares is held by institutional and professional investors.
- Having consolidated its small-scale LNG activities into Avenir, Stolt-Nielsen Gas is now an investment arm of SNL focusing on the gas segment, with holdings in Avenir, Avance Gas and Golar LNG. Avenir's results will now be reported as a joint venture.
- With the establishment of the Avenir LNG Limited joint venture in the fourth quarter, a gain of \$11.2 million was recognised by SNL due to the difference in the fair value of the consideration, compared with the carrying value of the assets disposed.



Financials



Net Profit

Figures in US\$ Millions

	Quarter			YTD	
	<u>4Q18</u>	<u>3Q18</u>	<u>4Q17</u>	<u>2018</u>	<u>2017</u>
Operating Profit (before one-offs)	\$41.7	\$54.6	\$45.5	\$206.6	\$204.9
Gain / (loss) on sale of assets	(0.8)	0.2	0.9	(1.3)	(0.5)
Impairment of Stolthaven and Bitumen	(12.0)	-	(15.3)	(26.4)	(16.8)
US DB pension plan & medical insurance changes	-	-	7.2	-	7.2
Reversal of deferred tax liability at JV	-	-	-	8.2	-
Other	-	-	-	-	(0.4)
Operating Profit (as reported)	\$28.9	\$54.8	\$38.3	\$187.1	\$194.4
Net Interest Expense	(33.7)	(33.0)	(34.5)	(135.2)	(130.2)
FX (loss)/ gain, net	(0.6)	(2.8)	0.2	(5.0)	(2.8)
Income tax	(3.2)	(4.0)	(3.4)	7.7	(12.2)
Other b)	11.8	(12.6)	0.3	(0.6)	1.0
Net Profit	\$3.2	\$2.3	\$0.9	\$54.0	\$50.1
Attributable to equity holders of SNL	3.6	3.0	1.1	54.9	50.3
Attributable to non-controlling interests	(0.4)	(0.7)	(0.2)	(0.9)	(0.2)
Net Profit	\$3.2	\$2.3	\$0.9	\$54.0	\$50.1
EBITDA a)	\$102.6	\$122.3	\$109.7	\$470.2	\$467.4

a) EBITDA before fair value of biological assets, insurance reimbursements and other one-time, non-cash items

b) 3Q18 includes \$12.9m of AGHL fair value adjustment one-off and 4Q18 includes one-off \$11.2m gain from formation of Avenir LNG Limited JV



Balance Sheet

Figures in US\$ Millions

	Period ended
	<u>Nov.30.18</u>
Cash and cash equivalents	\$65
Receivables	244
Other current assets	176
Total current assets	485
Property, plant and equipment, deposits	3,261
Investment in and advances to JV and associates	555
Other non-current assets	158
Total non-current assets	3,974
Total assets	\$4,458
Current mat. of LT debt and fin. leases	473
Accounts payable and acc. expenses	327
Other current liabilities	109
Total current liabilities	909
LT debt and finance leases	1,919
Other non-current liabilities	154
Total non-current liabilities	2,074
Total liabilities	\$2,982
Shareholders equity	\$1,476
Total liabilities and SH equity	\$4,458

Figures in US\$ Millions (Except ratios)

At the end of:

	<u>November 2018</u>
Debt	\$2,392
Tangible Net Worth (TNW)	\$1,615
Debt:TNW	1.48:1
EBITDA / Interest expense	3.34:1
Cash	\$65
Unused committed available credit lines	\$240

- 72% fixed / 28% variable interest rate at November 30, 2018
- Average interest rate of 5.00% at November 30, 2018
- 1Q19 net interest expense expected to be approximately \$34m
- Net Debt / EBITDA: 4.89



Cash Flow

Figures in US\$ Millions

	Quarter		Full Year
	4Q18	3Q18	2018
Net profit	\$3	\$2	\$54
Depreciation, amortisation and non-cash items	69	83	274
Adjustment to deferred tax	-	-	-
Changes in working capital	15	(5)	3
Other receipts, net	(5)	19	(3)
Net cash generated by operating activities	\$82	\$100	\$328
Capital expenditures and intangible assets	(46)	(42)	(149)
Amounts from/(advances to) affiliates	(0)	2	(6)
Sale of assets	3	1	12
Newbuilding deposits	-	-	(7)
Investment in Avenir LNG	(18)	-	(18)
Other	0	0	1
Net cash used in investing activities	(\$60)	(\$40)	(\$168)
Increase/(decrease) in short-term bank loans	(15)	7	-
Proceeds from issuance of long term debt	82	8	151
Increase/(decrease) in revolver	(15)	(20)	119
Repayment of long-term debt	(92)	(43)	(374)
Dividend, purchase of treasury shares and other	(0)	(4)	(43)
Net cash used in financing activities	(\$41)	(\$52)	(\$147)
Effect of exchange rates	(1)	(2)	(7)
Total Cash Flow	(\$20)	\$5	\$6
Cash and cash equivalents at beginning of period	\$85	\$80	\$58
Cash and cash equivalents at end of period	\$65	\$85	\$65

Cashflow Priorities:

Reduce Debt

Review Capex

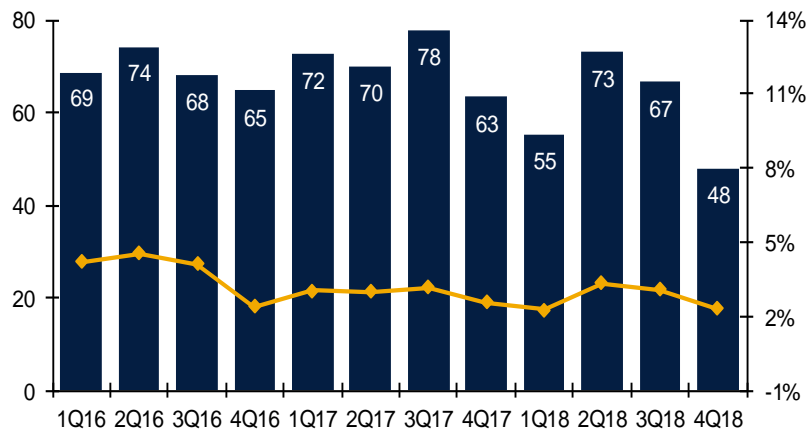
Reduce Operating Expenses



EBITDA

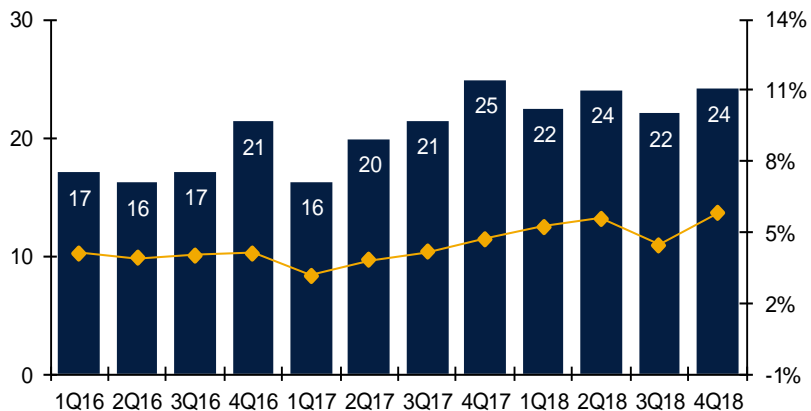
US\$ Millions

TANKERS



US\$ Millions

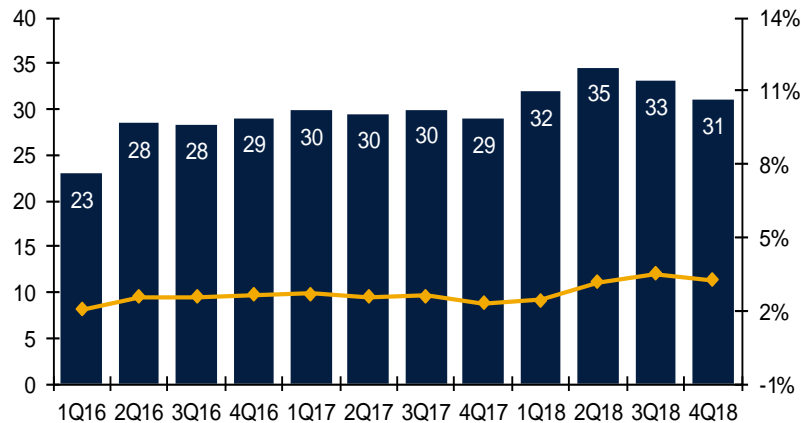
TANK CONTAINERS



■ EBITDA

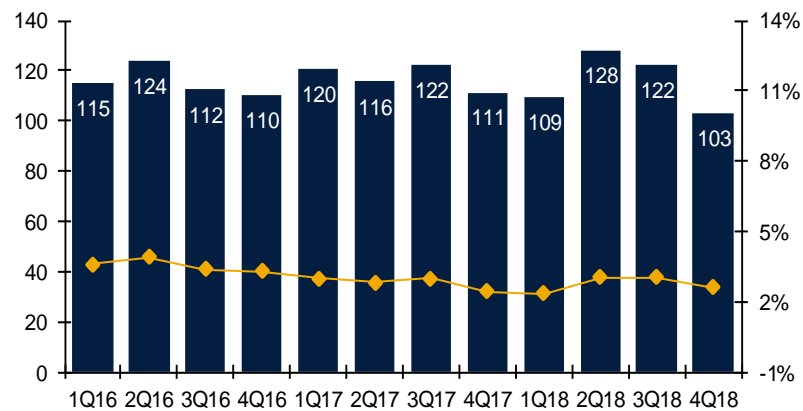
US\$ Millions

TERMINALS



US\$ Millions

STOLT-NIELSEN LIMITED



— Quarterly EBITDA as a % of NAB

EBITDA before fair value of biological assets, insurance reimbursements and other one-time, non-cash items

Capital Expenditures Programme

Figures in US\$ Millions

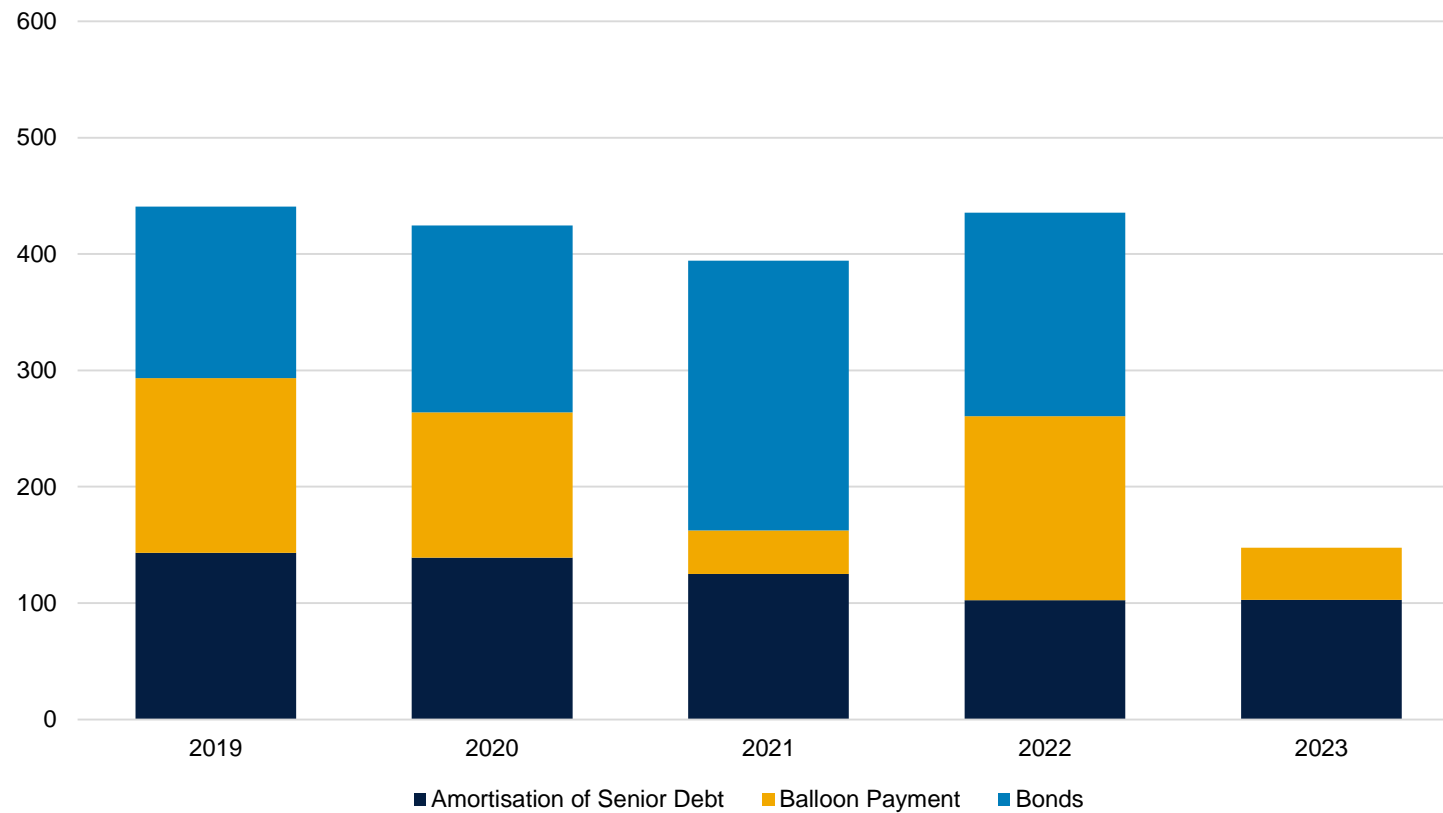
	Actual	Projections					Projected Total
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
Stolt Tankers	\$41	\$40	\$25	\$9	\$7	\$4	\$85
Stolthaven Terminals	85	112	42	25	25	23	\$227
Stolt Tank Containers	5	24	3	-	-	-	\$27
Stolt Sea Farm	8	28	4	5	7	7	\$52
Stolt-Nielsen Gas	26	36	-	-	-	-	\$36
SNL Other	2	15	3	-	-	-	\$18
Total	\$167	\$255	\$77	\$39	\$39	\$34	\$445

- Capital Expenditures Programme includes business acquisitions and newbuilding deposits; excludes capitalised interest



Debt Maturity Profile

Figures in US\$ Millions

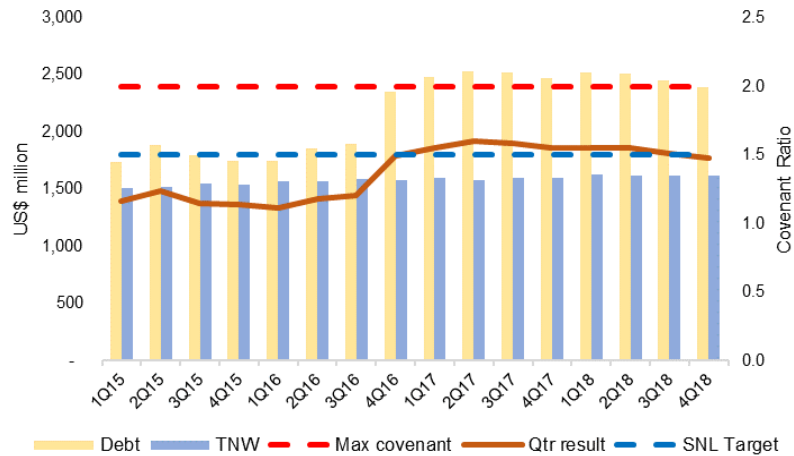


Note:

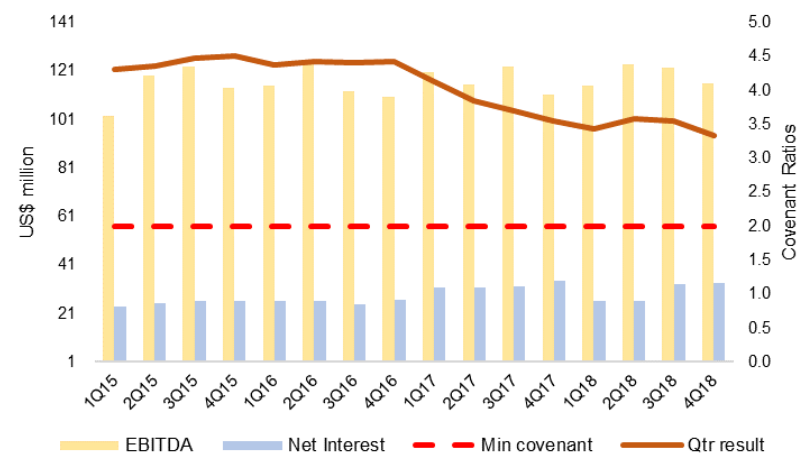
- \$374m drawn under the revolver as of November 30, 2018

Financial Key Metrics

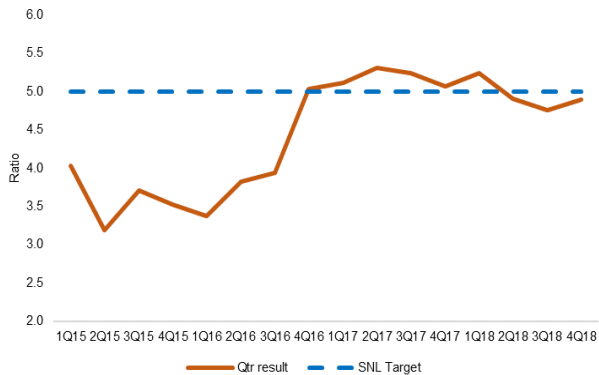
DEBT / TANGIBLE NET WORTH



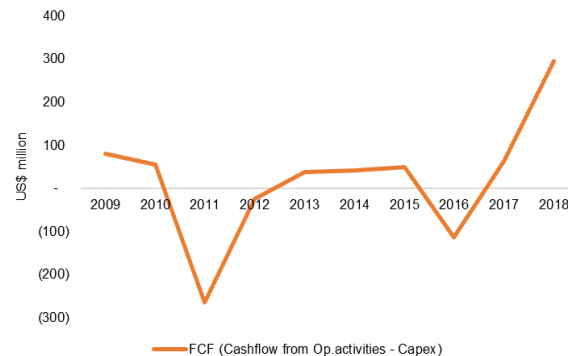
EBITDA / INTEREST EXPENSE



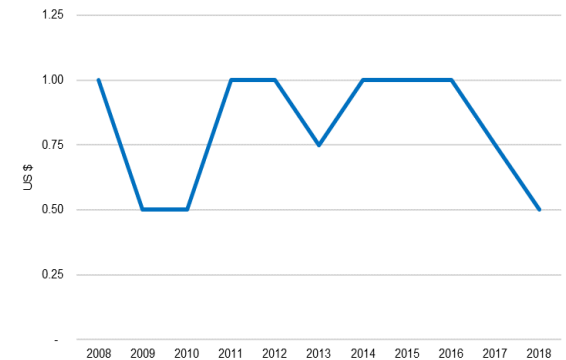
NET DEBT / EBITDA



FREE CASH FLOW



DIVIDEND PER SHARE



Administrative & General Expenses

Figures in US\$ Millions

	Quarter			YTD		Updated Quarterly Guidance
	<u>4Q18</u>	<u>3Q18</u>	<u>4Q17</u>	<u>2018</u>	<u>2017</u>	
Stolt Tankers	\$22.5	\$21.5	\$23.2	\$90.2	\$90.3	\$21.8
Stolthaven Terminals	11.4	11.0	10.4	44.8	42.5	11.5
Stolt Tank Containers	16.8	16.3	16.7	67.4	64.0	17.0
Stolt Sea Farm	1.9	1.7	1.5	7.0	5.7	2.0
<u>SNL Corporate</u>						
SNL Corporate and Other	0.5	1.7	2.8	4.8	4.9	1.0
JoT acquisition costs	-	-	-	-	0.4	-
US retiree healthcare gain	-	-	(\$3.9)	-	(\$3.9)	-
Profit Sharing / LTIP	3.2	-	1.6	8.9	8.7	2.5
Total	\$56.3	\$52.2	\$52.3	\$223.1	\$212.6	\$55.8



Depreciation and Amortisation

Figures in US\$ Millions

	Quarter			YTD		Updated Quarterly Guidance
	<u>4Q18</u>	<u>3Q18</u>	<u>4Q17</u>	<u>2018</u>	<u>2017</u>	
Stolt Tankers	\$40.5	\$45.1	\$42.8	\$174.7	\$169.7	\$40.8
Stolthaven Terminals	13.2	14.5	14.6	53.5	55.2	13.5
Stolt Tank Containers	6.1	6.1	7.9	24.5	27.8	6.3
Stolt Sea Farm	1.9	1.5	1.8	6.4	6.1	2.0
SNL Corporate	1.5	1.4	1.4	5.6	5.7	2.0
Total	\$63.2	\$68.6	\$68.6	\$264.7	\$264.5	\$64.5
Impairment						
Stolthaven Terminals	\$6.1	-	\$8.4	\$8.7	\$8.4	-
Corporate & other	5.9	-	6.9	17.7	6.9	-
	\$12.0	-	\$15.3	\$26.4	\$15.3	-

- The second and fourth quarter of 2018 included impairment of \$11.8m and \$5.9m relating to Bitumen ships, respectively in Corp & Other



Share of Profit of JVs and Tax

Figures in US\$ Millions

Share of Profit of JVs

	Quarter			YTD		Updated Quarterly Guidance
	<u>4Q18</u>	<u>3Q18</u>	<u>4Q17</u>	<u>2018</u>	<u>2017</u>	
Stolt Tankers	\$0.4	\$1.0	\$2.5	\$2.9	\$7.4	\$1.0
Stolthaven Terminals	4.1	5.8	4.5	31.5	19.7	6.0
Tank Containers	0.4	0.6	0.3	1.7	1.2	-
Corporate and Other	(0.4)	(0.5)	(2.7)	(3.7)	(10.7)	(0.4)
	\$4.4	\$6.9	\$4.6	\$32.4	\$17.6	\$6.6

Taxes

	Quarter			YTD	
	<u>4Q18</u>	<u>3Q18</u>	<u>4Q17</u>	<u>2018</u>	<u>2017</u>
Tankers, Terminals and T. Containers	\$1.5	\$3.6	\$0.7	(\$11.9)	\$6.7
Stolt Sea Farm	(0.1)	0.8	1.3	2.9	1.3
SNL Corporate	1.8	(0.5)	1.5	1.3	4.2
Total Taxes	\$3.2	\$4.0	\$3.5	(\$7.7)	\$12.2



IFRS 16 Update

- Implementation starts from December 1, 2019, therefore we will start including the new standard from our 1Q20 results
- Since we are following the modified retrospective approach there will be no restatement of prior years
- Balance Sheet impact:
 - Higher debt from lease liabilities
 - Higher assets as lease assets are capitalised as Right To Use Assets
- Income Statement impact:
 - Lower Operating Expenses since lease expenses will be split and shown under depreciation and financing costs (interest)
 - Higher EBITDA.
- There is no impact on actual cash flows.
- No impact on Debt Covenant Ratios as we will continue to measure compliance using pre-IFRS 16 calculations.

Key Takeaways

- A net profit of \$54.9m for the year 2018, compared with \$50.3m in 2017
- Tanker market remains challenging; we expect an uplift in the market later in 2019 with MR rates starting to increase, less NB activity and lower fuel cost
- Solid performance at Stolthaven Terminals
- Market softened at Stolt Tank Containers, but still at healthy levels
- Avenir LNG Limited, a JV with strong partners: Golar LNG Ltd and Höegh LNG Holdings Ltd; shares registered on the Norwegian OTC market
- Strong earnings base from businesses ensures positive free cash flow and continued debt reduction
- SNL has access to competitive funding and good liquidity



For more information please visit our website:
www.stolt-nielsen.com

