



Stolt-Nielsen Limited | Fourth-Quarter 2022 Results

Niels G. Stolt-Nielsen — Chief Executive Officer
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February 2, 2023

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 | 4Q22 Results

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



4Q22 Highlights | Strong Quarter to Finish a Record Year

4Q22 vs. 3Q22

OPERATING REVENUE

\$ 732.5m ▼

\$ 744.0m

EBITDA

\$ 196.0m ▲

\$ 184.4m

OPERATING PROFIT

\$ 132.0m ▲

\$ 111.9m

NET PROFIT

\$ 95.3m ▲

\$ 74.7m

FREE CASH FLOW*

\$ 123.7m ▼

\$ 140.4m

NET DEBT TO EBITDA

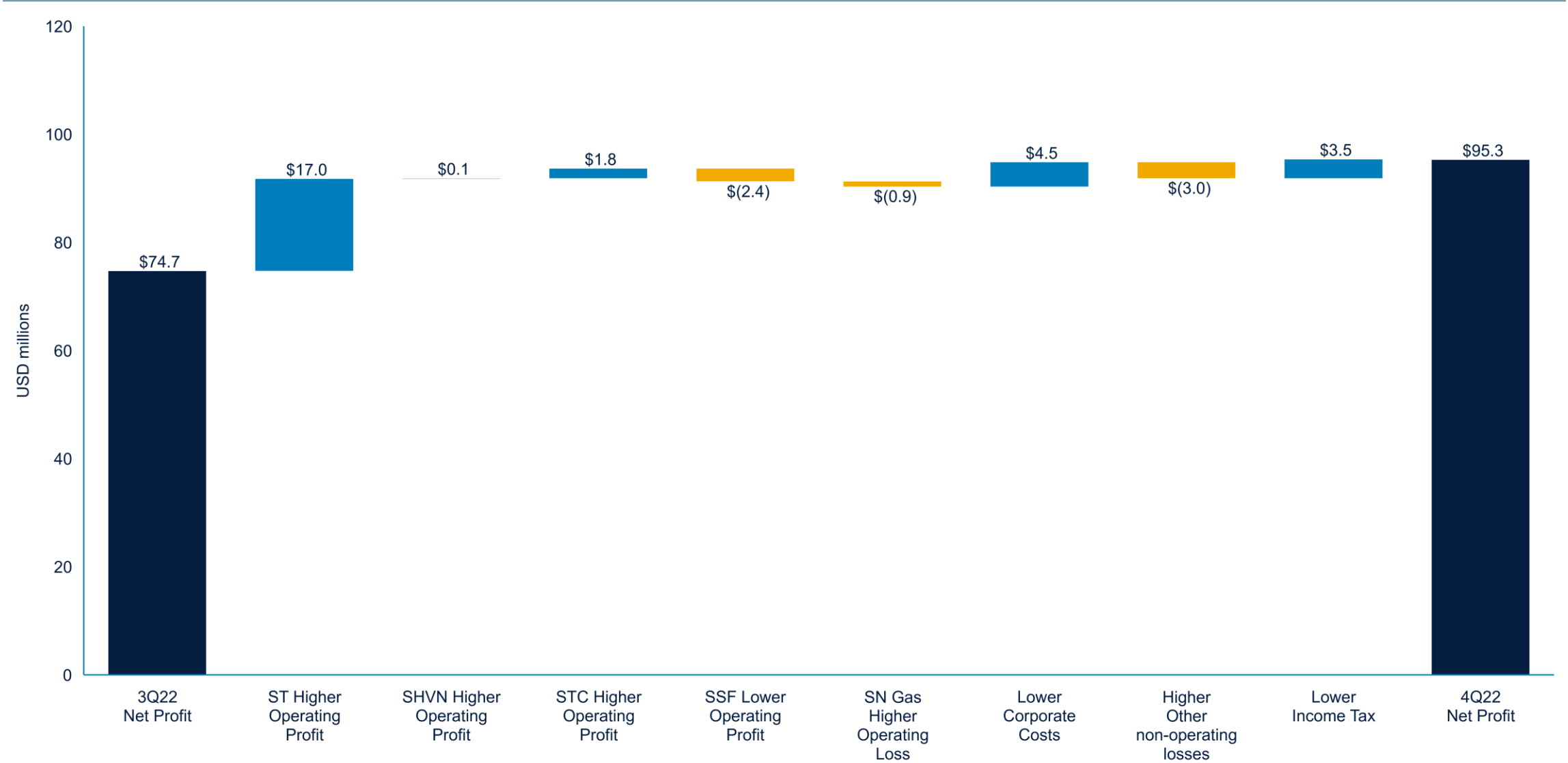
2.85x ▼

3.08x

*Cash from operations less cash used for investing activities

- **Net Profit of \$95.3m**, up from \$74.7m in 3Q22 driven by improved tanker trading results
- **EBITDA** of \$196.0m, up from \$184.4m due to
 - **Stolt Tankers**: Strong results due to higher spot rates and higher volumes
 - **Stolthaven Terminals**: Marginally lower results due to softness in European markets offset by higher utilisation at US terminals
 - **Stolt Tank Containers**: Another strong quarter reflecting success in maintaining margin against a backdrop of declining ocean freight rates
 - **Stolt Sea Farm**: Lower results (excluding FV) due to seasonally soft turbot sales volume and prices
- **Free Cash Flow** decreased to \$123.6m, down from \$140.4m
- **Interim dividend** of \$1.00/share approved on November 17, and paid on December 8, 2022
- **Robust liquidity position of \$473.0m**, down from \$568.5m in previous quarter

Net Profit | Solid Performance Across All Businesses



Full Year 2022 Highlights



- Firming of tanker market fundamentals
- Operating profit increased to \$205m, up from \$69m in 2021:
 - Strong spot markets and higher volumes
 - Opportunistic transactions increased ST's fleet



- Higher utilisation and throughput pushed operating profit up by 43%, to \$89m in 2022, up from \$62m in 2021

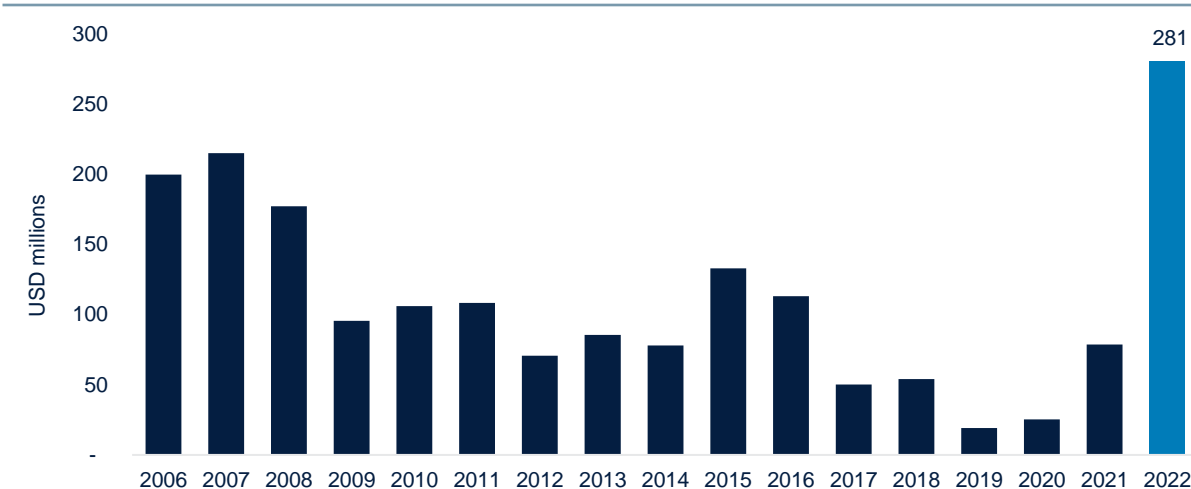


- A record-breaking year, with higher transportation rates and demurrage revenue increasing operating profit to \$173m in 2022, up from \$82m in 2021

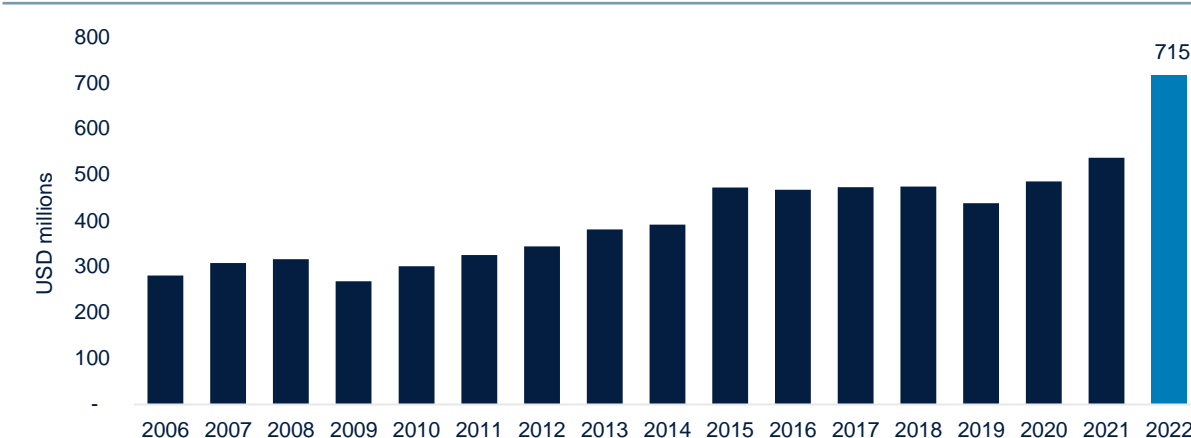


- Good price development in both species and increased production and sales

Highest SNL Net Profit since 2005



EBITDA record year

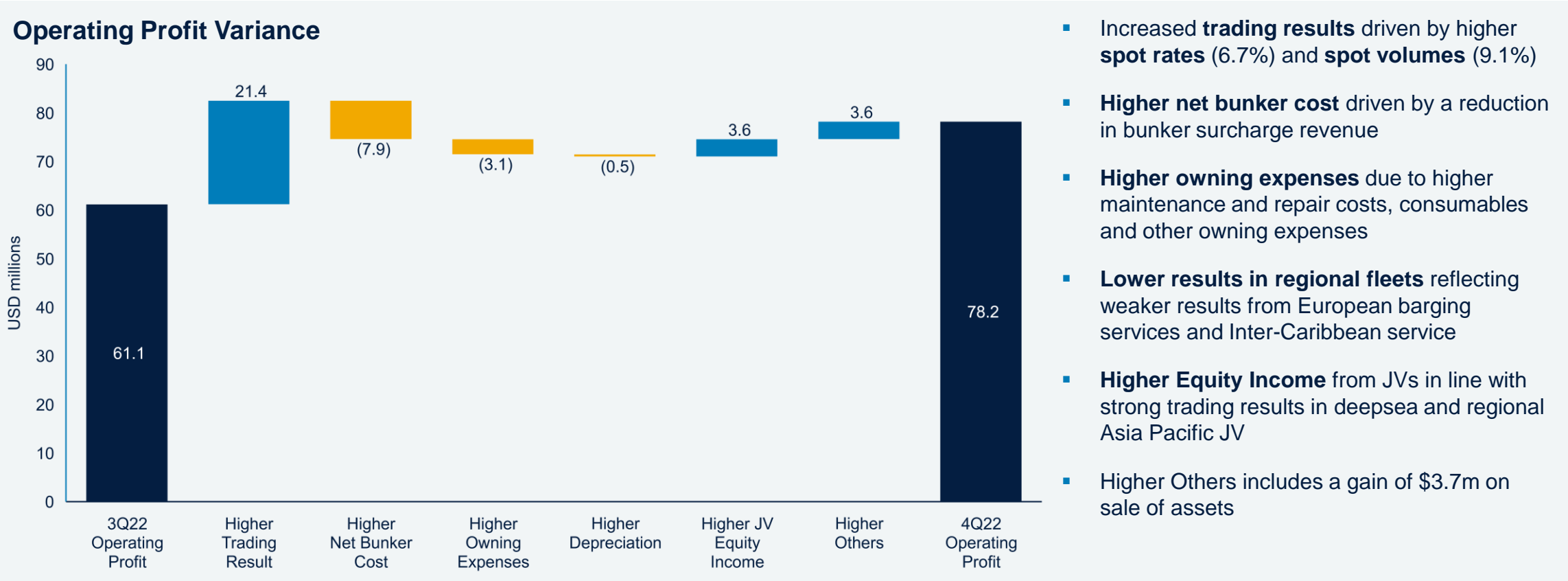




Stolt Tankers | Strong Spot Market Driving Earnings

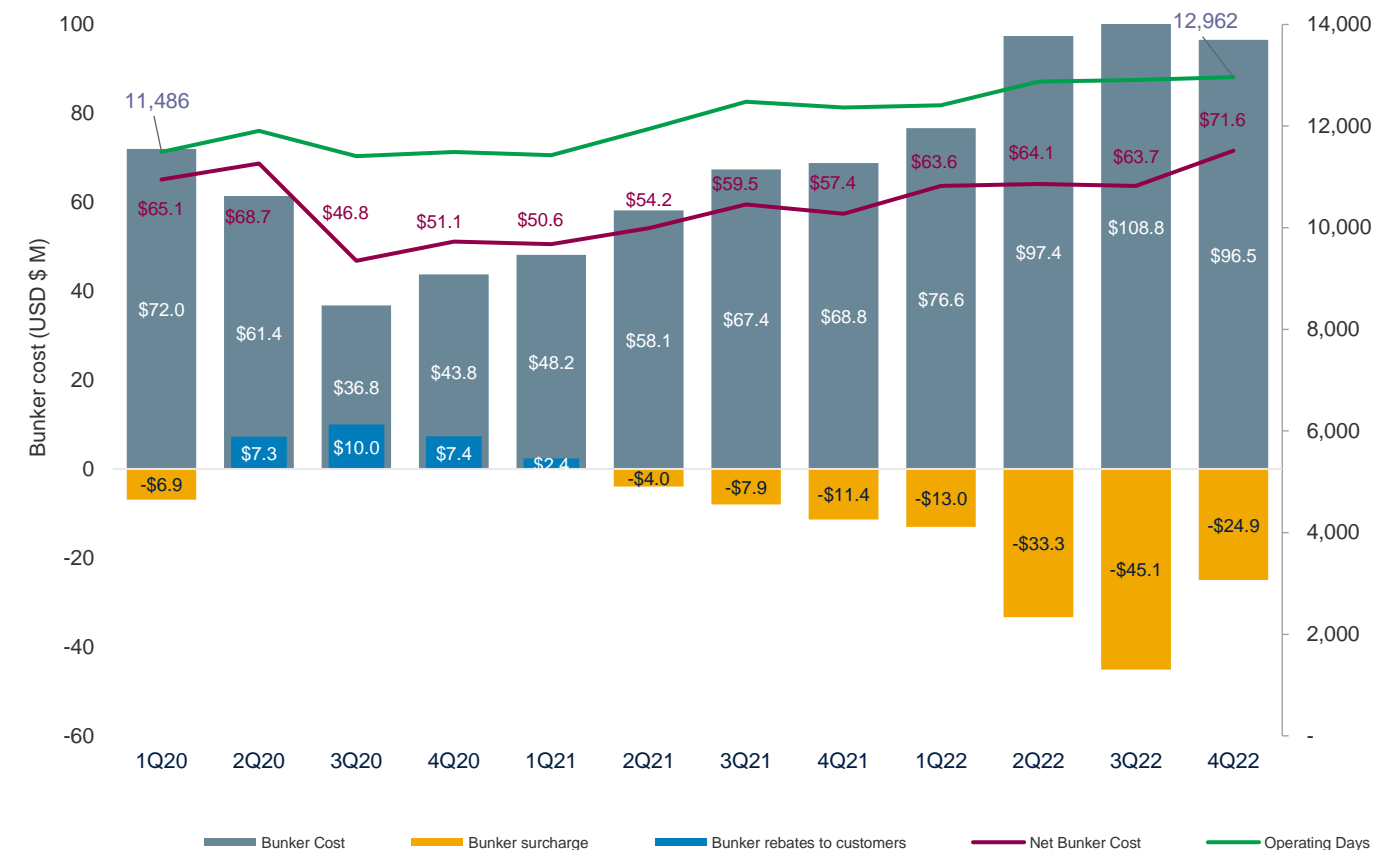


4Q22 3Q22	OPERATING REVENUE \$ 412.4m ▲ \$ 404.7m	EBITDA \$ 115.3m ▲ \$ 101.2m	OPERATING PROFIT \$ 78.2m ▲ \$ 61.1m	OPERATING DAYS (deep sea) 7,153 ▲ 7,018
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Bunker Cost Analysis

Bunker Cost *(deep sea and regional fleets)*



- ~99% of COAs had a bunker clause YTD22
- The total volume covered by a bunker clause was 63% YTD22
- Bunker surcharge revenue was down by \$20.3m as prices dropped
- Bunker consumed was down by only \$12.3m resulting in a net increase in bunker cost of \$8.0m

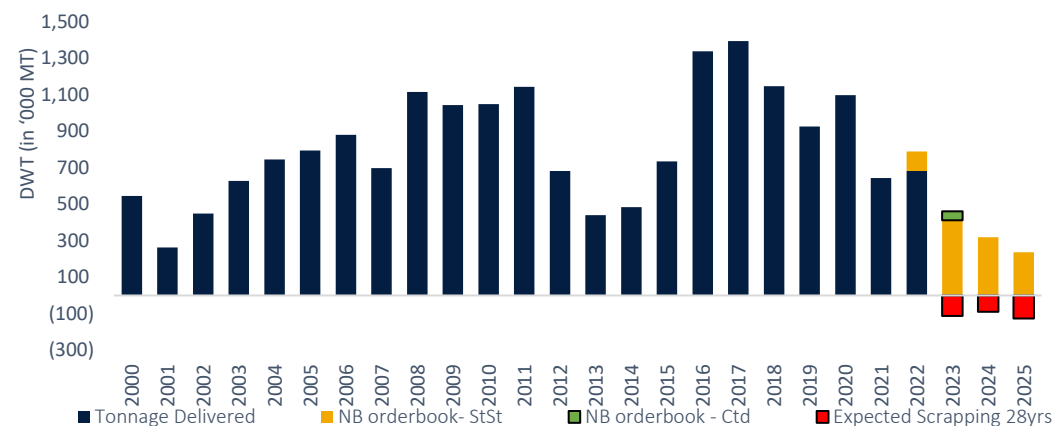
Average price of IFO/VLSF (US\$ per tonne)

	4Q21	1Q22	2Q22	3Q22	4Q22
Consumed	\$530	\$580	\$748	\$864	\$733
Purchased	\$561	\$605	\$827	\$865	\$651

Market Highlights | Strong Fundamentals Driving Earnings

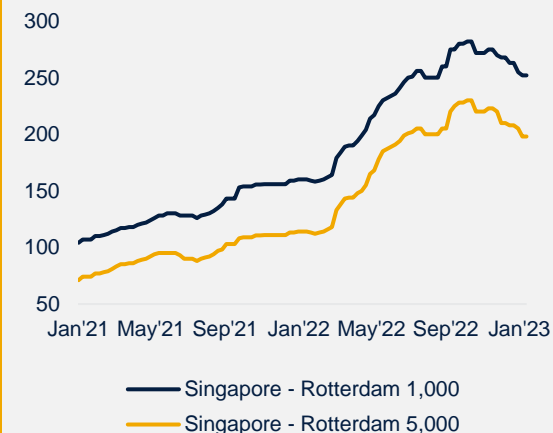
- Chemical tanker market at elevated levels after a long period of soft tanker markets
- Strong freight levels on spot fixtures across multiple trade lanes; chemical tanker spot rates surpassing 2016 levels
- Positive momentum across all major chemical trade routes; we expect further improvements in the long term
- Regional fleets continue to deliver strong results however, outlook is uncertain in Europe

Orderbook is unchanged at ~5.6%

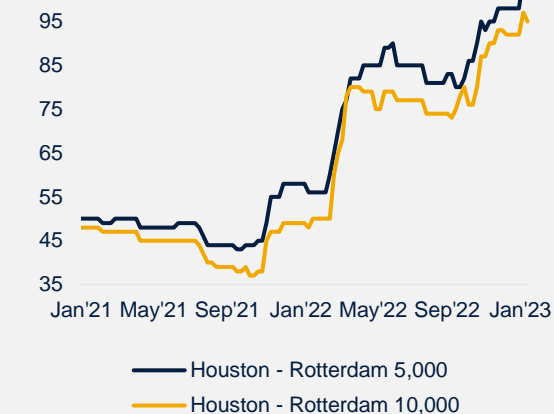


Chemical Index

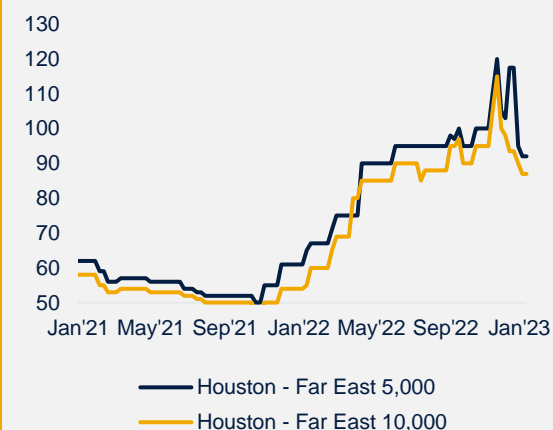
Homebound Return



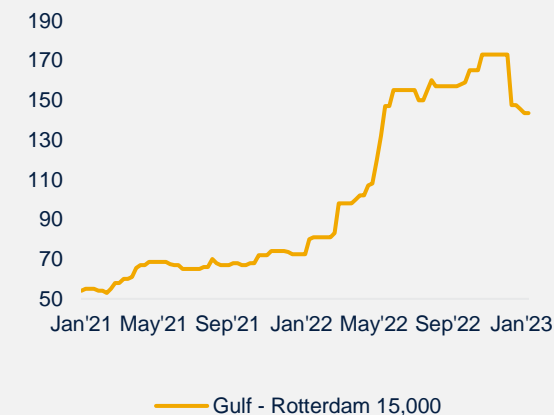
Transatlantic Eastbound



Transpacific

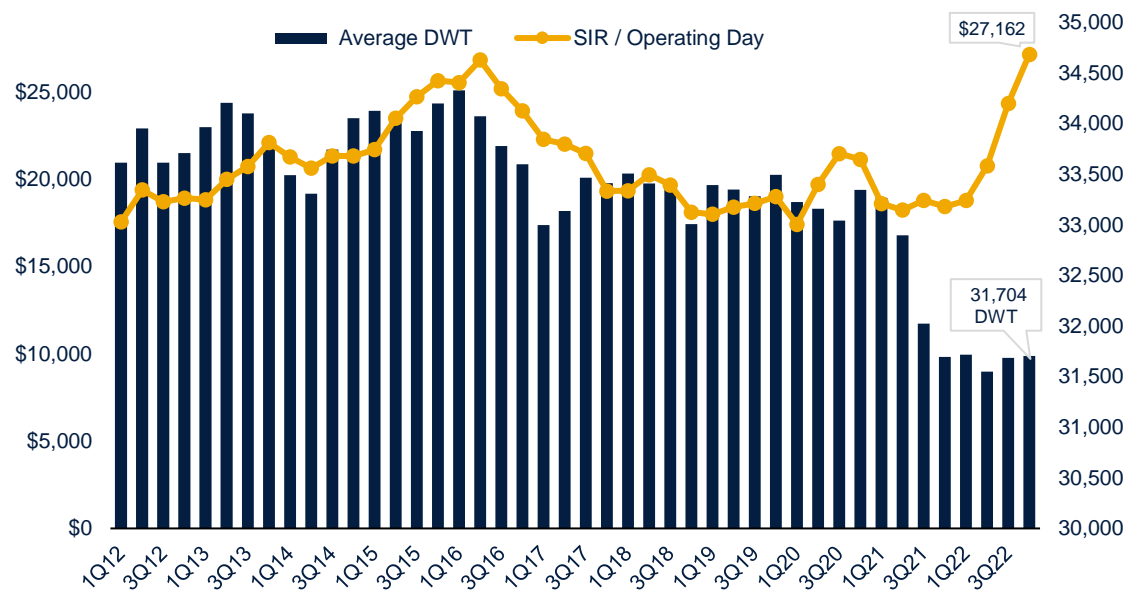


Gulf West



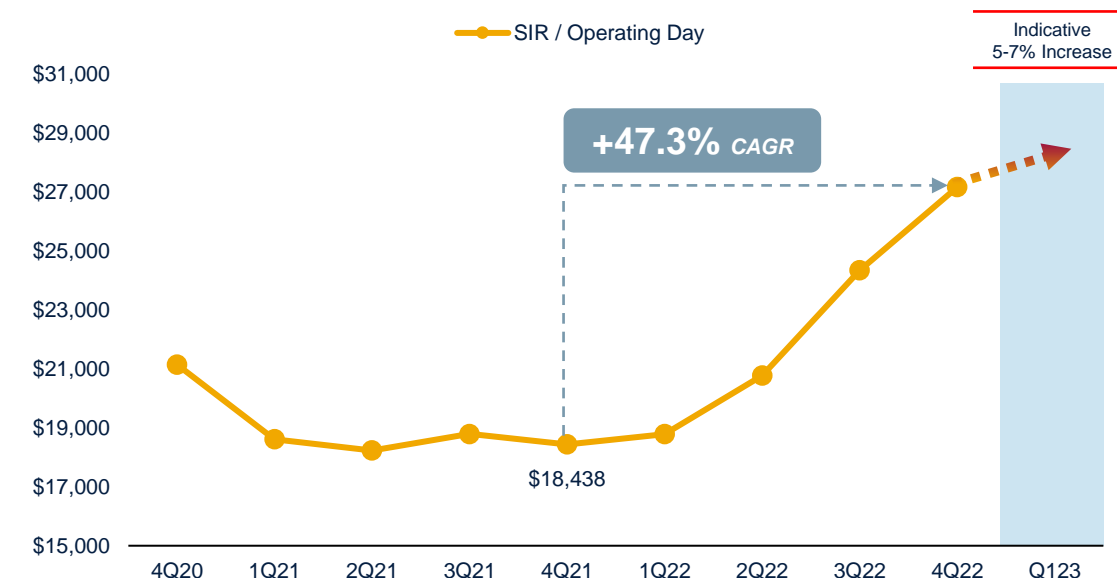
Improving SIR per Operating Day, Positive Outlook into 2023

STJS – SIR per Operating Day¹



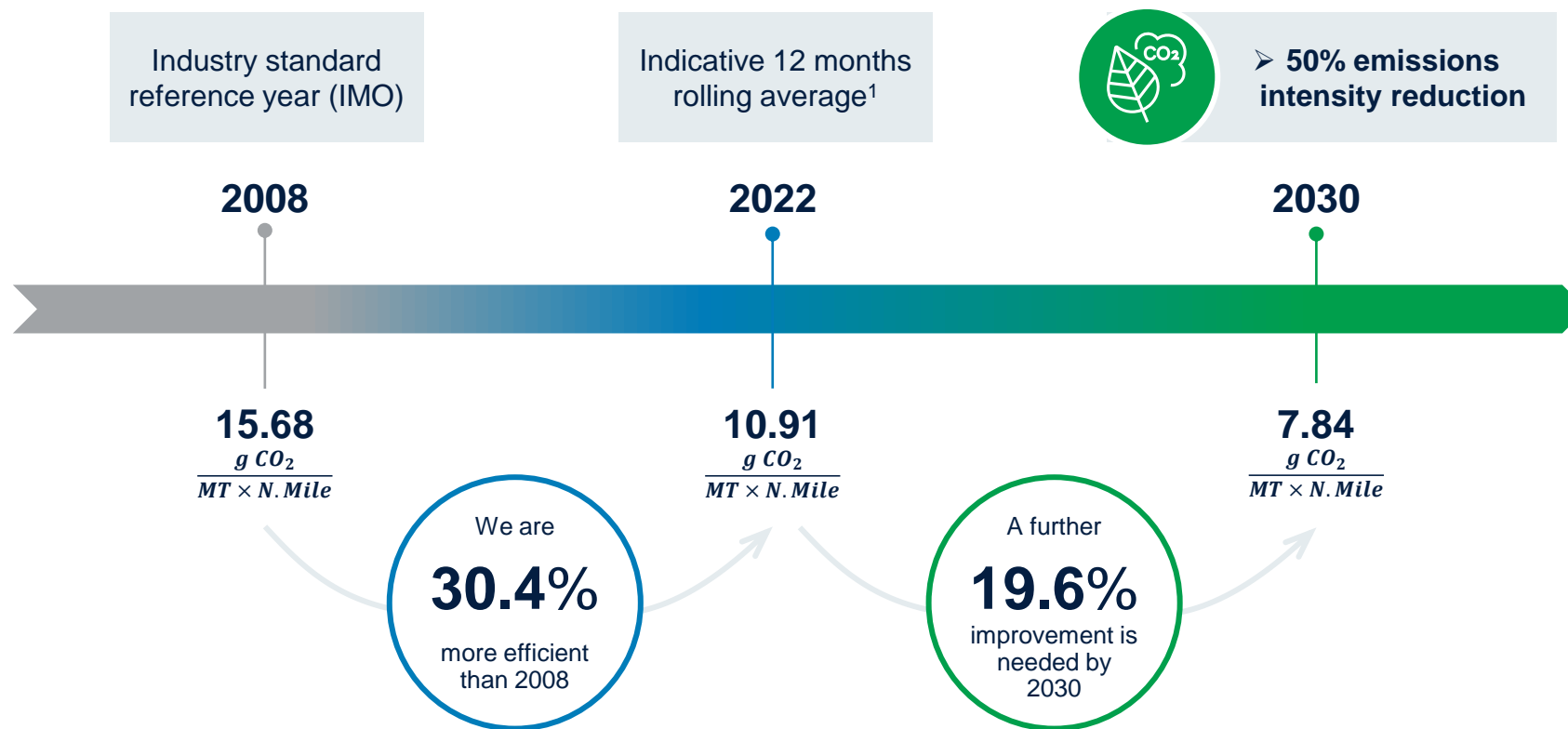
- Improving SIR / Operating day driven by higher spot rates and increased volumes
- Spot / COA volume mix in Q422 was 37% / 63%
- 55% of COA up for negotiation between 4Q22 and 1Q23
- Some customers with expiring COAs are opting to fix spot for the time being

Strong SIR / Day development, expected to continue in 1Q23



- COAs were renewed in 4Q22 at an average rate increase of 29.8%
 - Positive impact of these renewals is spread over the next 4 quarters starting Q1/Q2 onwards
- Based on our contract portfolio our indicative expectation is for SIR per Operating Day to increase by [5-7]% in 1Q23
 - A \$1,000 increase in SIR per operating day is a approximately \$7m increase in net income per quarter

ESG | Stolt Tankers – Our Decarbonisation Ambition



ST uses AER as our emissions intensity metric: $AER = \frac{\sum g CO_2}{\sum DWT \times N.Mile}$

Our 2008 baseline is validated by:





Stolthaven
Santos
Celebrates

40 years

The logo graphic for the 40th anniversary of Stolthaven Santos. It features a large, stylized number '40' in a dark blue color. The word 'years' is written in a smaller, light blue font inside the zero. Below the '40' is a stylized graphic of a ship's hull and a crane.

Stolthaven Terminals

The logo graphic for Stolthaven Terminals, featuring a stylized red 'S' and 'T' combined into a single shape.

Stolthaven Terminals | Steady Results



4Q22

3Q22

OPERATING REVENUE

\$ 70.1m ▼

\$ 70.8m

EBITDA

\$ 36.5m ▼

\$ 37.4m

OPERATING PROFIT

\$ 20.8m ▲

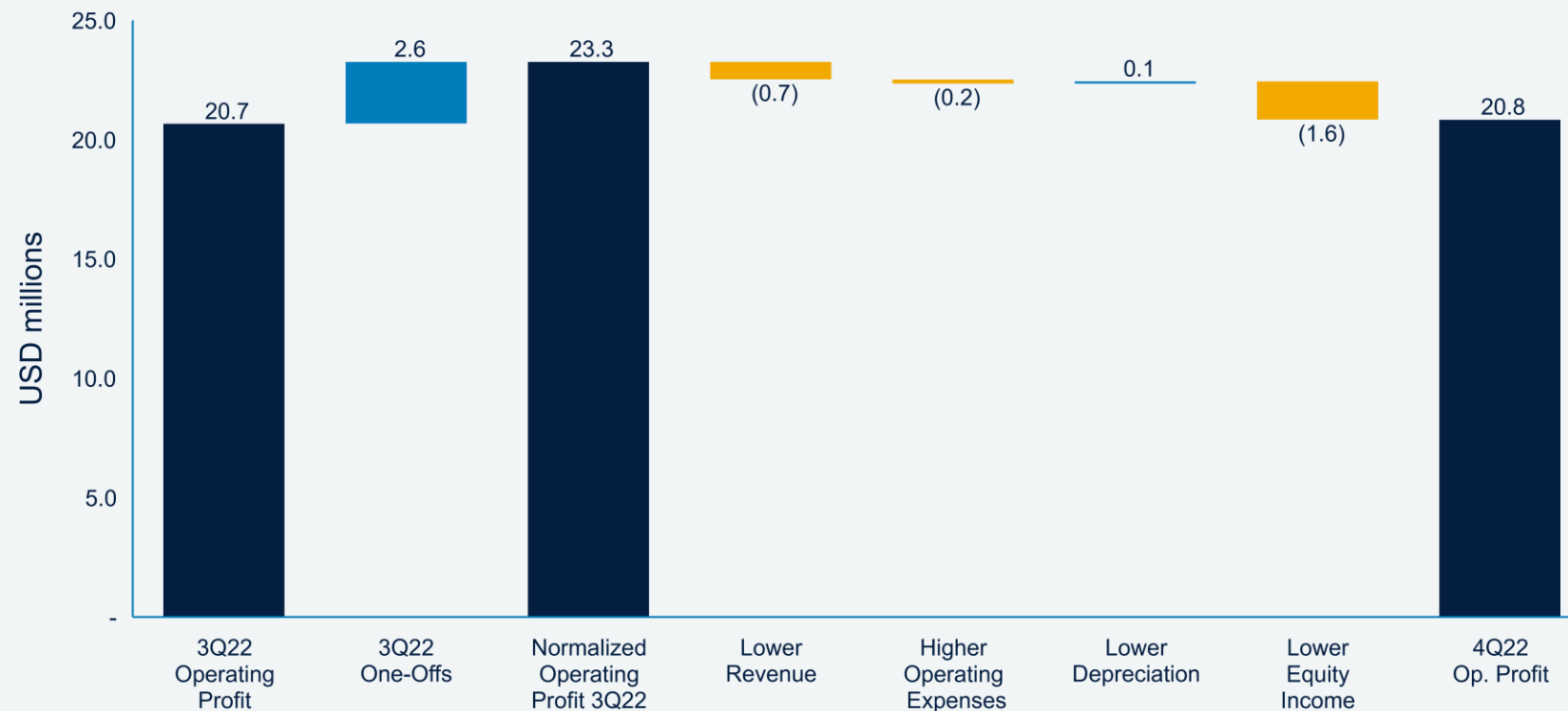
\$ 20.7m

UTILISATION (wholly-owned terminals)

98.0% ▶

98.1%

Operating Profit Variance



- 4Q22 Operating Profit of \$20.8m compared with **3Q22 Normalized Operating Profit** of \$23.3m. 3Q22 included \$2.6m in one-offs related to a write-off and repairs to a jetty.
- **Lower revenue** driven by lower throughput volume
- **Lower Equity Income** due to lower results at JV Terminals

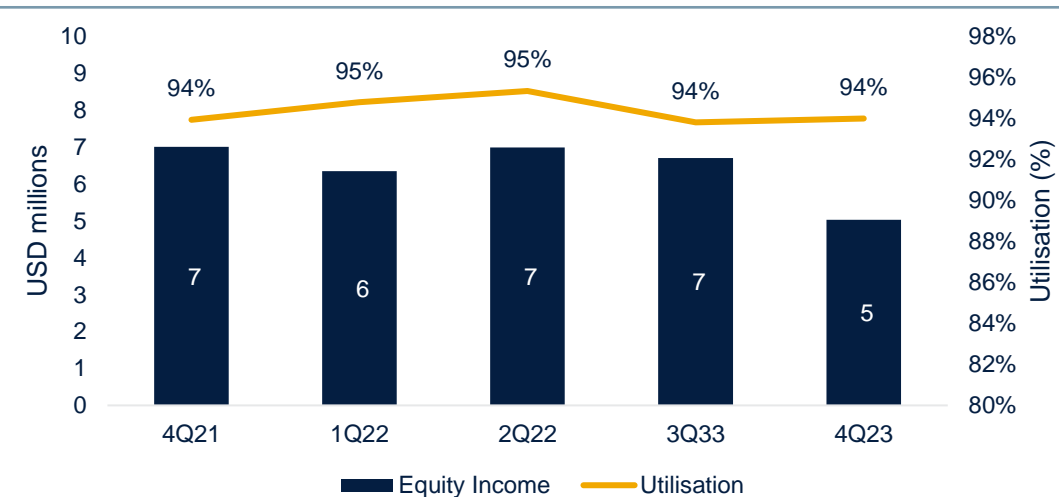


Market Highlights | Stable Storage Demand with Softer Throughput

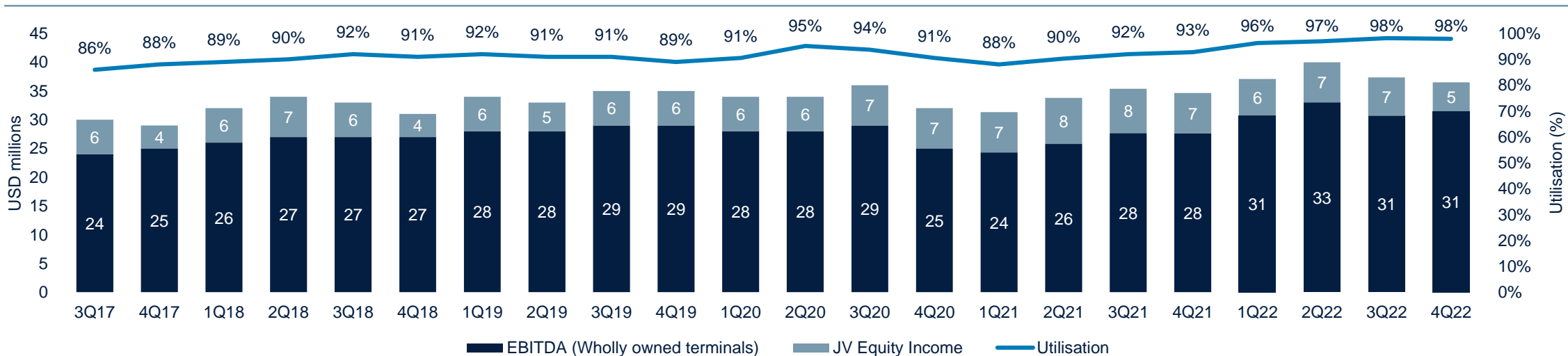


- **US terminals:** Higher utilisation but lower throughput
- **European terminals:** Utilisation was stable during the quarter, but lower throughput
- **Asia terminals:** Slightly lower utilisation and throughput

Equity Income/Utilisation (Joint Ventures)



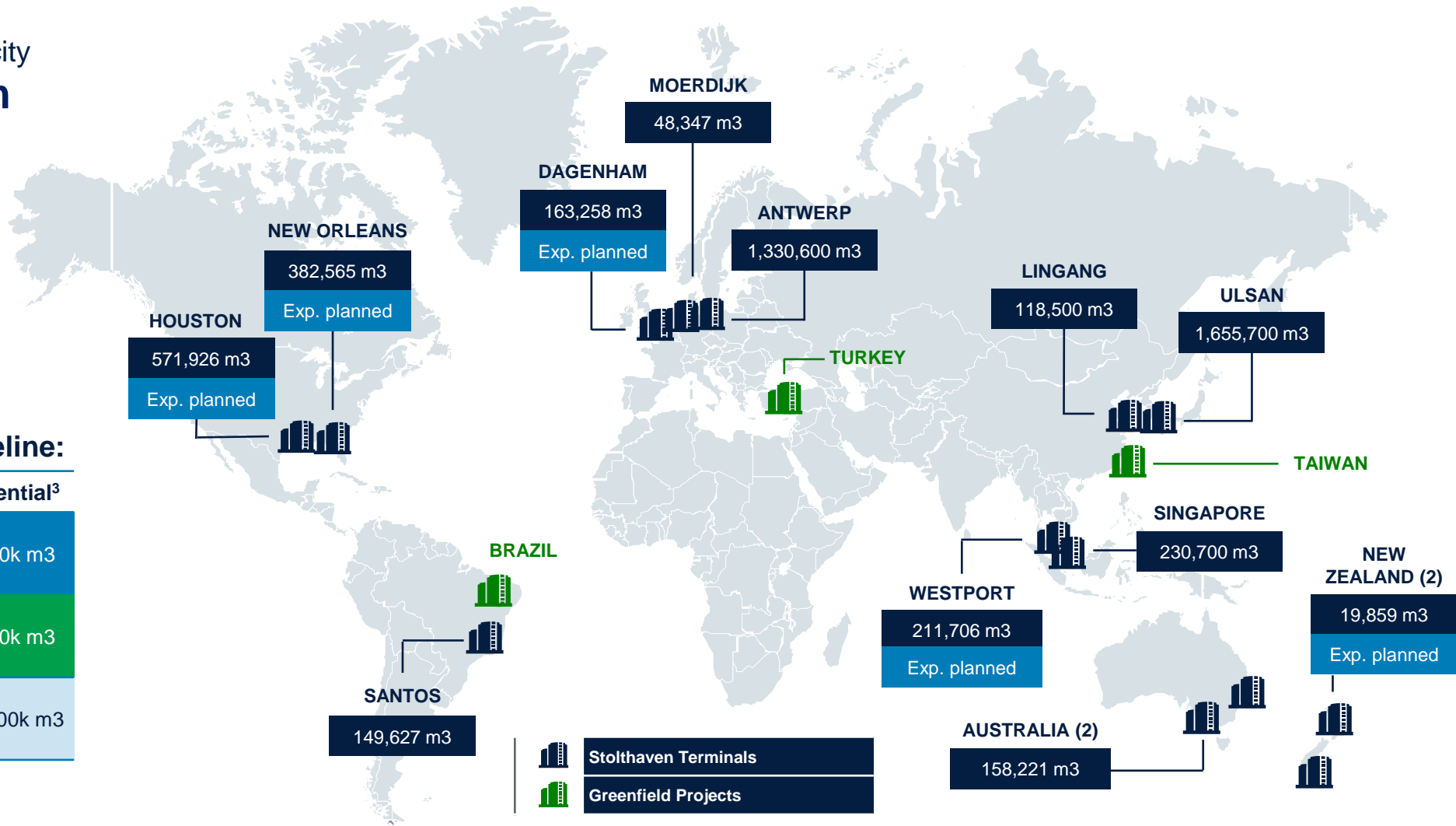
EBITDA /Utilisation (wholly-owned terminals)



Stolthaven Terminals | Diversified Portfolio with Attractive Growth



Current capacity
5.0m cbm



Growth Pipeline:

	Planned	Potential ³
Organic	~240k m3 ¹	~750k m3
Greenfield	~190k m3 ²	~550k m3
Total	~430k m3	~1,300k m3



Total

1. Includes planned expansions in New Orleans and Houston and approved projects in Dagenham, Westport and NZ. 2. Includes Phase 1 Taiwan (FID) and Phase 1 Turkey (Subject to FID) and PECM. 3. Indicative only, full build out capacity is subject to tank sizes and storage demand requirements.



Stolt Tank Containers 

Stolt Tank Containers | Margins Holding but Lower Shipments

4Q22

3Q22

OPERATING REVENUE

\$ 228.5m ▼

\$ 242.9m

EBITDA

\$ 56.1m ▲

\$ 53.8m

OPERATING PROFIT

\$ 44.9m ▲

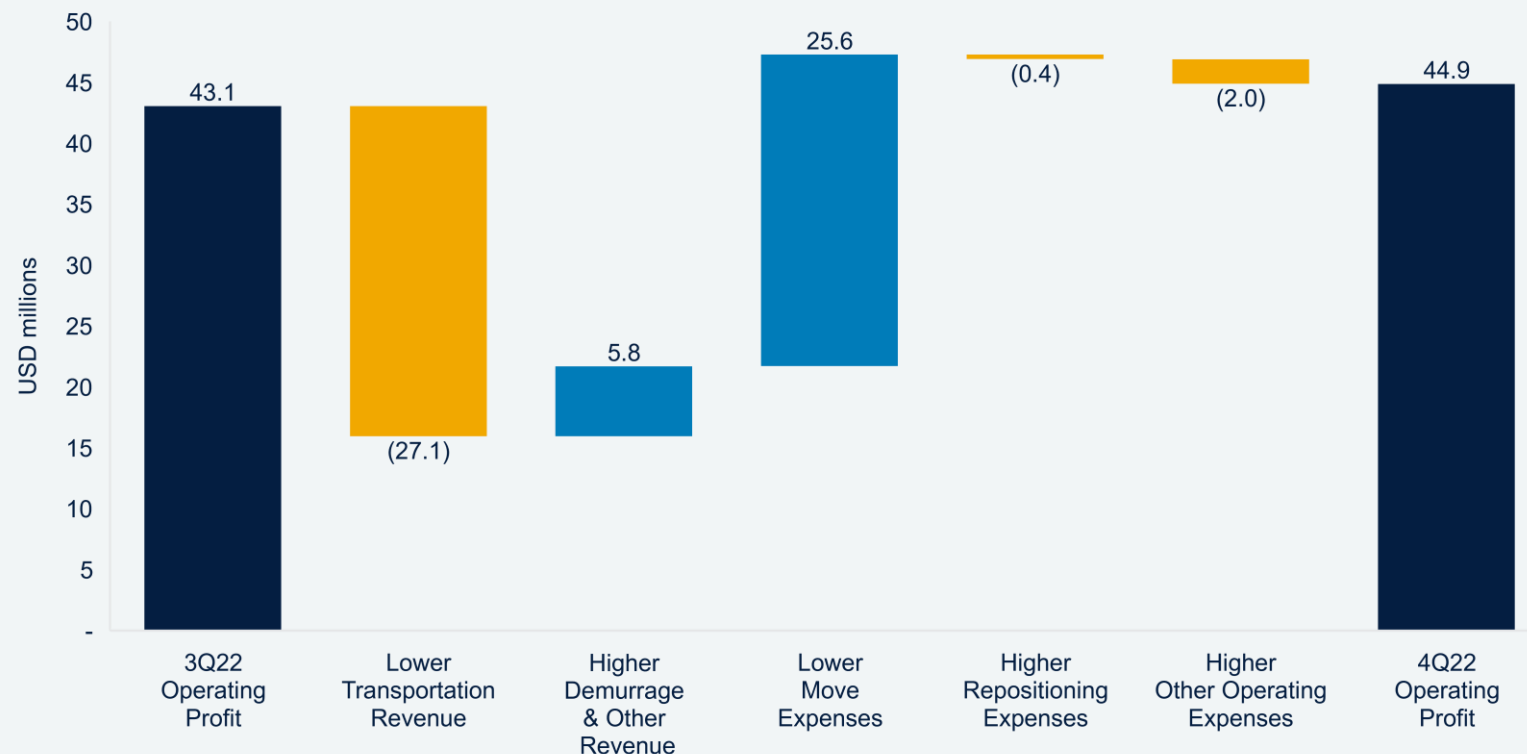
\$ 43.1m

UTILISATION

67.0% ▼

68.4%

Operating Profit Variance



- **Transportation revenue** decreased by 14.8% driven by lower transportation rates and fewer shipments
- **Demurrage revenue** increased by 18.6% as a result of logistics bottlenecks and customers holding onto tanks longer
- **Utilisation** was slightly down to 67.0% as new containers joined the fleet
- **Shipments** were 32,620 in 4Q22, down from 33,900 in 3Q22
- **Lower move expenses** as a result of a decrease in ocean freight rates, coupled with fewer shipments
- **Higher other operating** expenses due to tank rental and depot costs



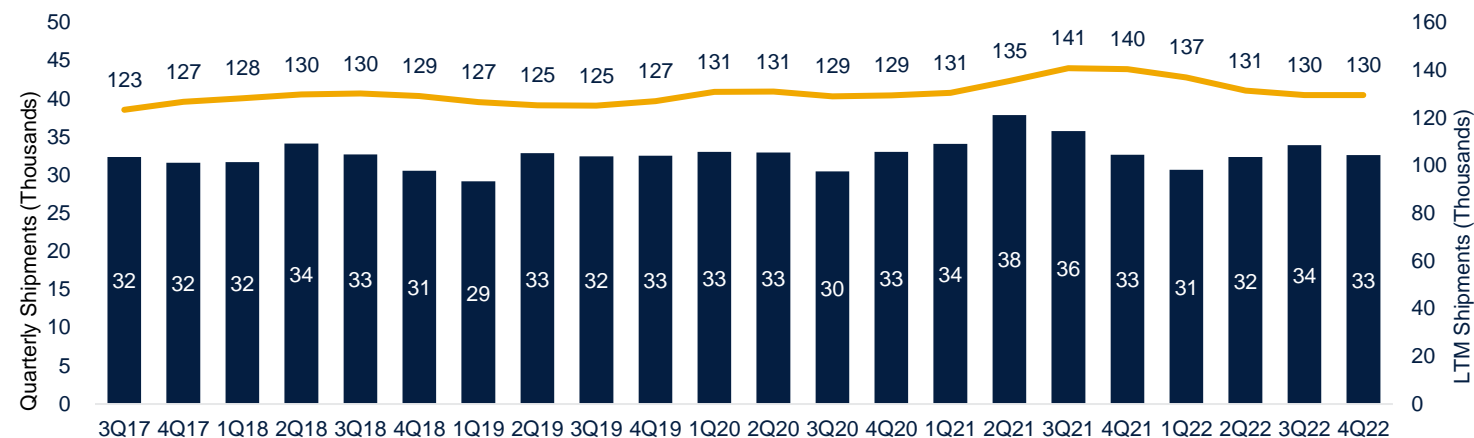
Market Outlook | Margins Expected To Soften



Demand outlook

- Demand remains steady, signs of margin pressure
- Volumes out of Asia and Middle East are up, Americas is flat and European volumes are down due to the impact of high energy prices and production slowdown
- Downward pressure on margins in regions where space on container liners is opening up
- Significant pick-up in China exports

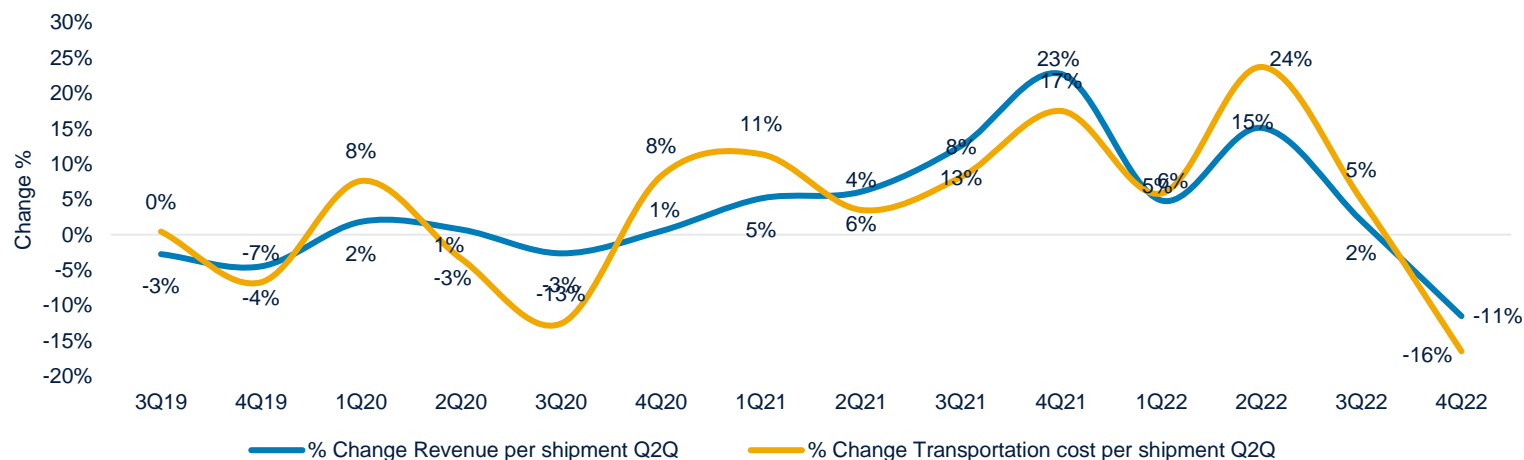
Shipments impacted by supply chain bottlenecks

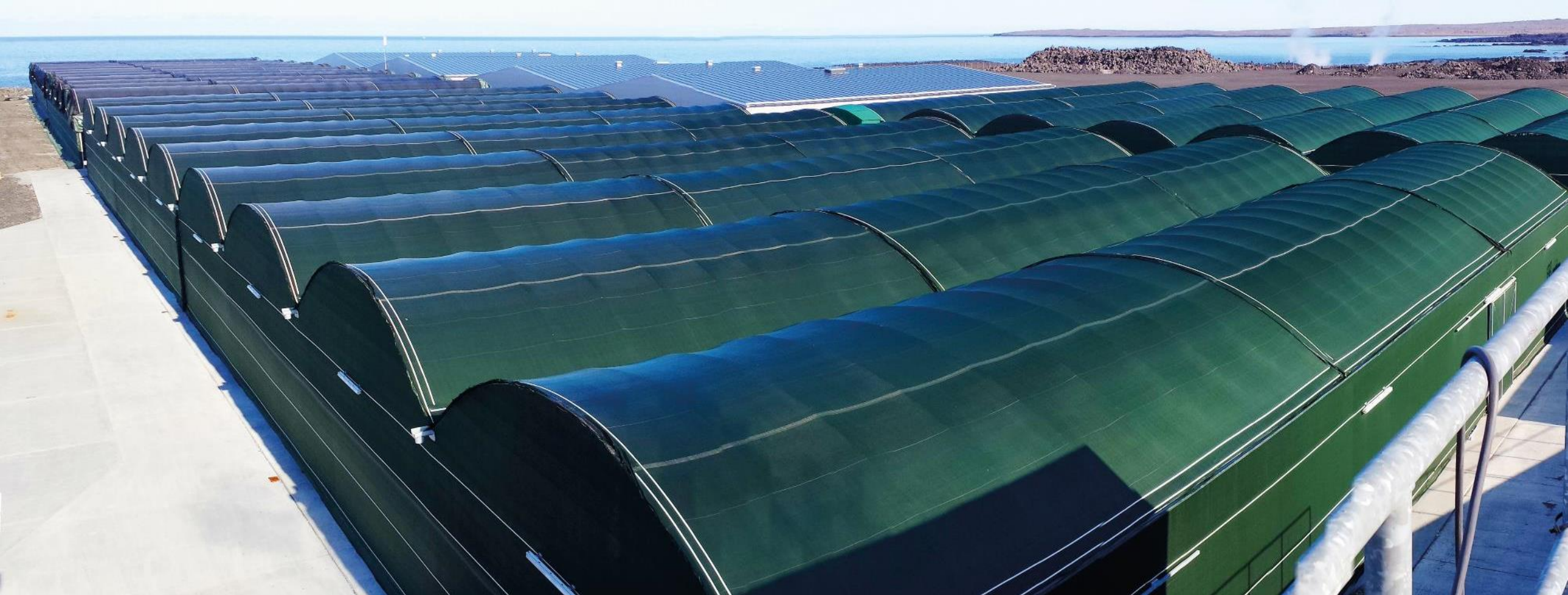


Transportation costs outlook

- Carrier spot rates dropped globally as space on ships opened in most regions
- New container liner capacity is expected to be delivered during 2023

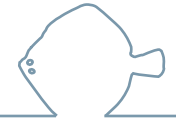
Ocean freight rate declines putting pressure on margins





Stolt Sea Farm 

Stolt Sea Farm | A Seasonally Weaker Fourth Quarter



4Q22

3Q22

OPERATING REVENUE

\$ 21.3m ▼

\$ 25.3m

EBITDA (Excl. FV Adj.)

\$ 4.3m ▼

\$ 7.8m

OPERATING PROFIT (Excl. FV Adj.)

\$ 3.3m ▼

\$ 6.1m

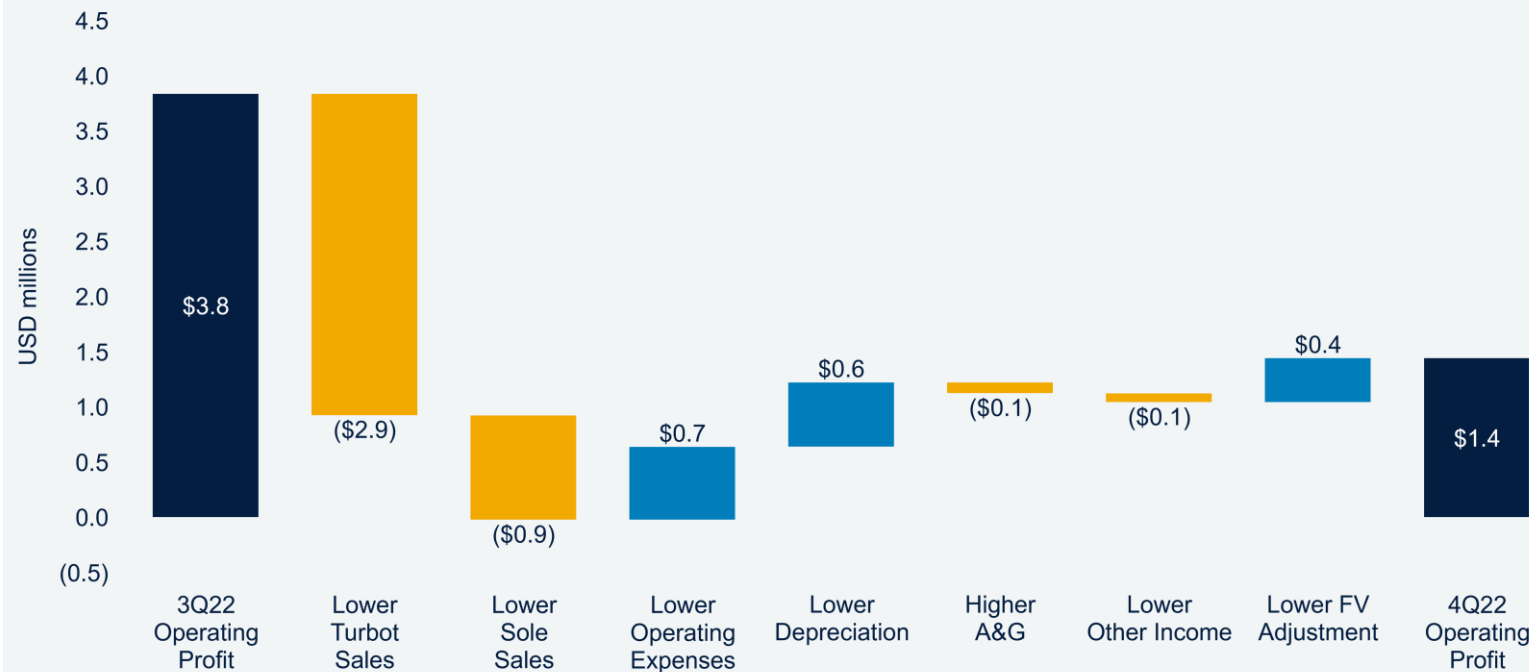
VOLUMES (metric tonnes)**

1,786mt ▼

2,010mt

**Includes own turbot, traded turbot and sole

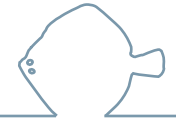
Operating Profit Variance



- **Sales volumes of turbot** were down by 10.6% and prices decreased on average by 4.8%
- **Sales volumes of sole** were down by 13.2% but prices were up on average by 4.1%
- **Sole operating expenses** per kg were down by 3.5% in 4Q22 as a result of lower farming cost
- **Fair value adjustment** of biomass was a \$1.8m loss compared with a \$2.2m loss in the prior quarter, reflecting volume and prices impact on inventory levels



Stolt Sea Farm | Outlook Uncertain, Focus on Expanding Markets



Outlook

- Successful Christmas promotion period, however, the remaining winter months tend to be slow
- With the prospect of recessionary pressures impacting the hospitality sector, we are focused on the geographical expansion of markets for our high-quality species to counter regional weakness

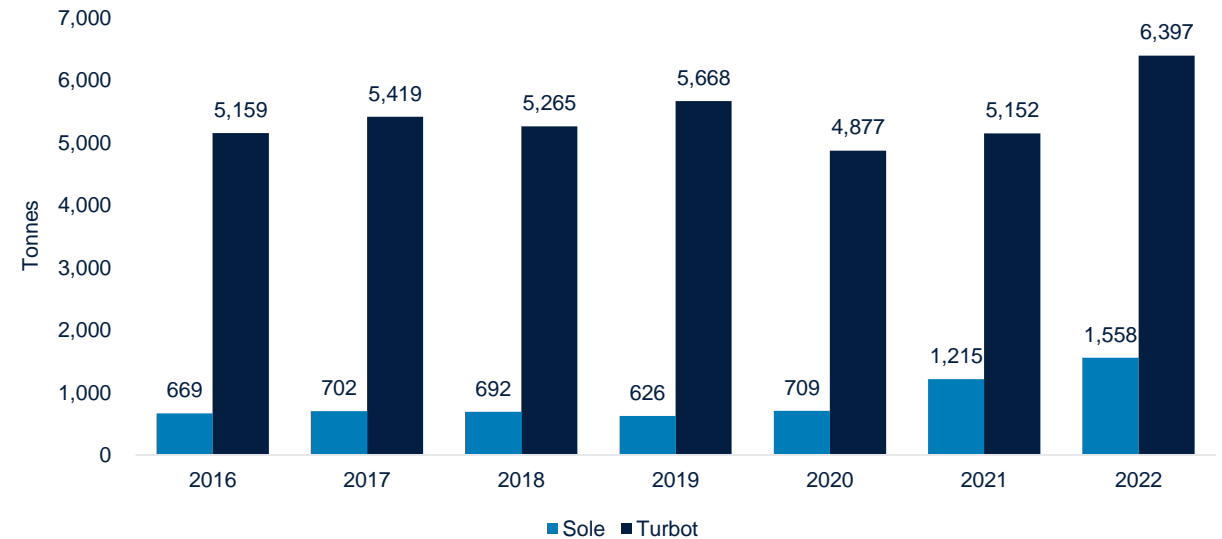
Continually recognised for taste, quality and environmental impact



Stolt Sea Farm's fresh turbot has received a **Superior Taste Award from the International Taste Institute**, which rated the product as exceptional in all five judging categories.

The three-star award is the highest possible rating within this certification and Stolt Sea Farm is honoured to be the first flatfish producer to receive it.

A Strong year in Stolt Sea Farm Production



- Record levels of production in 2022, without capacity expansion, due to operational excellence and limited biological events
- Sole production within our RAS modules has continued to go beyond our original capacity expectations



Financials

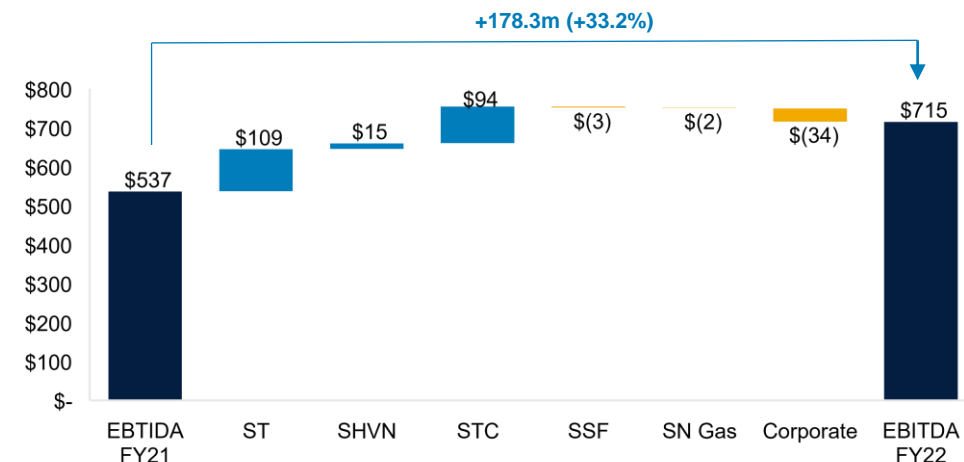
SNL Net Profit | Financials

Figures in USD million	Quarter			Full Year	
	4Q22	3Q22	4Q21	2022	2021
Operating Revenue	\$732.5	\$744.0	\$593.1	\$2,771.8	\$2,181.1
Operating Expenses	(483.6)	(504.8)	(379.1)	(1,851.6)	(1,459.7)
Depreciation and amortisation	(71.1)	(72.4)	(73.1)	(282.1)	(295.5)
Impairment of assets	0.0	0.0	(10.0)	0.0	(10.0)
Share of profit of joint ventures and associates	15.4	14.1	8.9	54.0	39.5
Administrative and general expenses	(63.1)	(67.2)	(57.1)	(249.0)	(220.5)
Gain (loss) on sale of assets	4.0	(0.2)	(6.2)	5.6	(3.0)
Net Other Operating Expenses	(2.1)	(1.7)	0.5	(1.1)	1.8
Operating Profit (as reported)	\$132.0	\$111.9	\$77.0	\$447.5	\$233.7
Net interest expense	(29.4)	(29.4)	(30.4)	(118.7)	(124.9)
Loss on early extinguishment of debt	0.0	0.0	0.0	(11.1)	0.0
FX (loss) gain, net	(2.0)	(1.4)	(2.0)	(9.2)	(2.7)
Income tax expense	(4.2)	(7.7)	(8.2)	(28.1)	(24.4)
Other	(1.2)	1.4	(1.3)	0.3	(2.9)
Net Profit	\$95.3	\$74.7	\$35.0	\$280.9	\$78.8
EBITDA	\$196.0	\$184.4	\$162.9	\$715.3	\$536.6

Highlights

- Decrease in operating revenue due to lower shipments in Tank Containers partially offset by higher freight revenue in Stolt Tankers
- Operating expenses decreased as a result of lower bunker costs in Tankers and lower freight cost in Stolt Tank Containers
- Higher equity income due to strong results in ST JVs
- Lower A&G due to lower profit-sharing accruals
- Higher gain on sale of assets related to the sale of two ships

Strong growth in EBITDA YoY



Capital Expenditures | Financials

<i>Figures in USD millions</i>	1Q22	Actuals 2Q22	3Q22	4Q22	Forecast 2023	2024
Stolt Tankers	2	10	25	39	42	3
Stolthaven Terminals	11	18	22	18	114	57
Stolt Tank Containers	5	13	8	2	97	50
Stolt Sea Farm	1	-	2	3	10	9
SNL Corporate & Other	2	3	-	-	4	-
Total	\$21	\$44	\$57	\$62	\$267	\$119

4Q22 Highlights

- **Stolt Tankers:** acquisition of one second-hand chemical tanker
- **Stolthaven Terminals:** investments on maintenance projects and on Dagenham jetty
- **Stolt Tank Containers:** investment in new tank containers



SNL Cash Flow and Liquidity Position

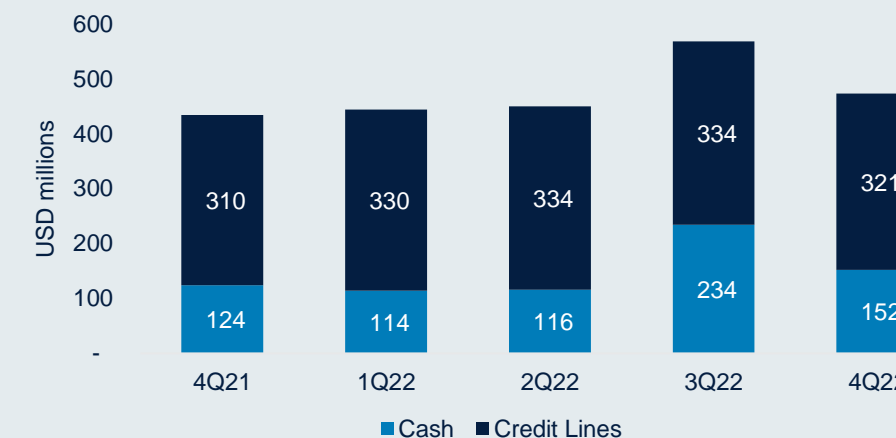
Figures in USD million

	4Q22	3Q22	FY22	FY21
Cash generated by operating activities	\$201.7	\$205.4	\$761.4	\$448.4
Interest Paid	(33.2)	(24.8)	(120.5)	(120.8)
Debt issuance cost	(1.5)	(1.0)	(8.5)	(3.4)
Interest received	1.7	1.1	4.0	2.4
Income taxes (paid) received	(4.6)	(1.1)	(16.7)	(2.8)
Net cash generated by operating activities	164.2	179.6	619.8	323.8
Capital expenditures and intangible assets	(68.1)	(61.9)	(203.4)	(190.2)
Investments in & repayment of advances to JVs	(6.4)	(6.0)	(12.6)	(16.6)
Purchase of Shares	(6.6)	-	(37.3)	(3.0)
Sale of assets	4.1	1.3	8.0	29.7
Other	(1.2)	1.5	0.4	(0.6)
Net cash used in investing activities	(\$78.1)	(\$65.0)	(\$244.9)	(\$180.6)
Proceeds from issuance of long term debt	130.2	45.8	484.5	212.8
(Decrease) Increase in loans payable to banks	-	-	(40.0)	(29.0)
Repayment of long-term debt	(287.4)	(30.1)	(684.7)	(312.8)
Principal payment on capital lease	(16.1)	(10.6)	(51.2)	(43.4)
Dividend and other	-	-	(53.6)	(28.7)
Net cash (used in) provided by financing activities	(\$173.2)	\$5.1	(\$345.0)	(\$201.2)
Effect of FX change on cash	4.9	(0.8)	(1.6)	(6.0)
Total Cash Flow	(\$82.2)	\$118.8	\$28.3	(\$64.0)
Cash and cash equivalents at beginning of period	\$234.4	\$115.6	\$123.9	\$187.8
Cash and cash equivalents at end of period	\$152.1	\$234.4	\$152.1	\$123.9

Highlights

- Cash from operating activities remained stable
- Interest paid increased due to semi-annual interest payments made in 4Q22
- CAPEX and drydock payments of \$68m split between tankers (\$49m), terminals (\$18m), STC (\$2m)
- New debt includes a \$110m JOLCO, and \$21m draw on tanker facility for one ship bought in the second-hand market
- Repayment of SNI07 (\$175m) on September 21, 2022

Liquidity available

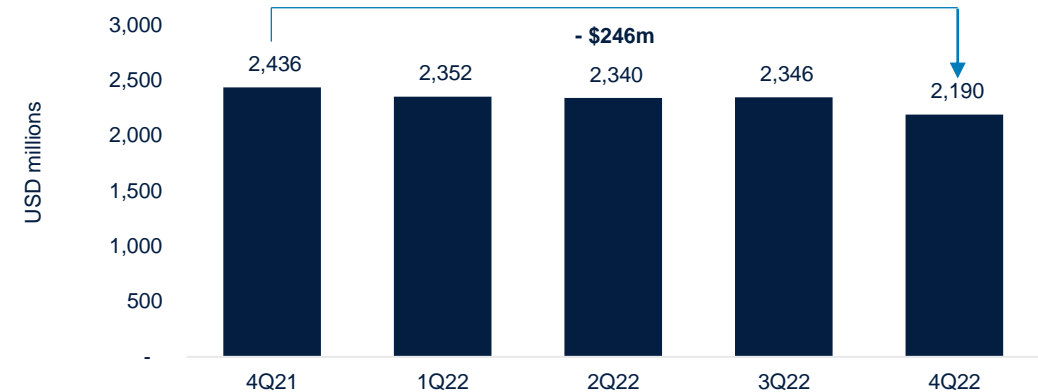


Credit Lines : Committed lines

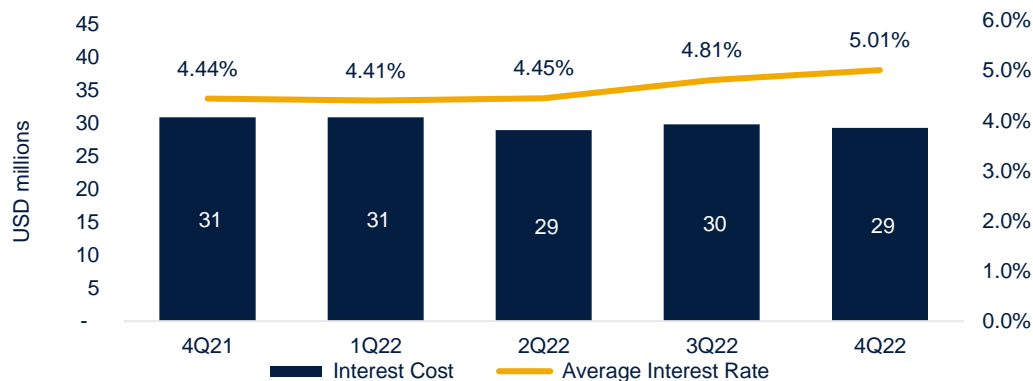


Debt Profile | Steady Debt Reduction and Stable Interest Costs

Debt

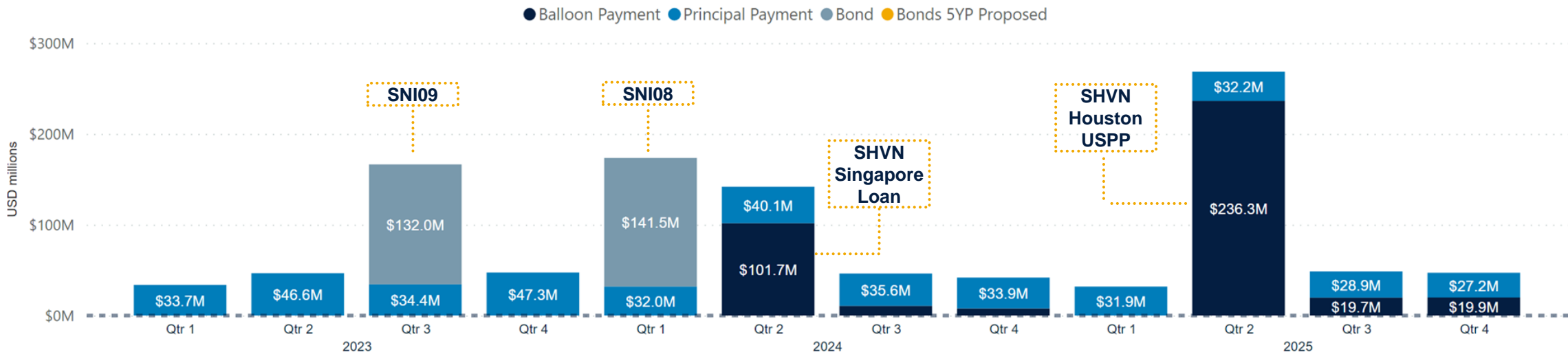


Average cost of debt



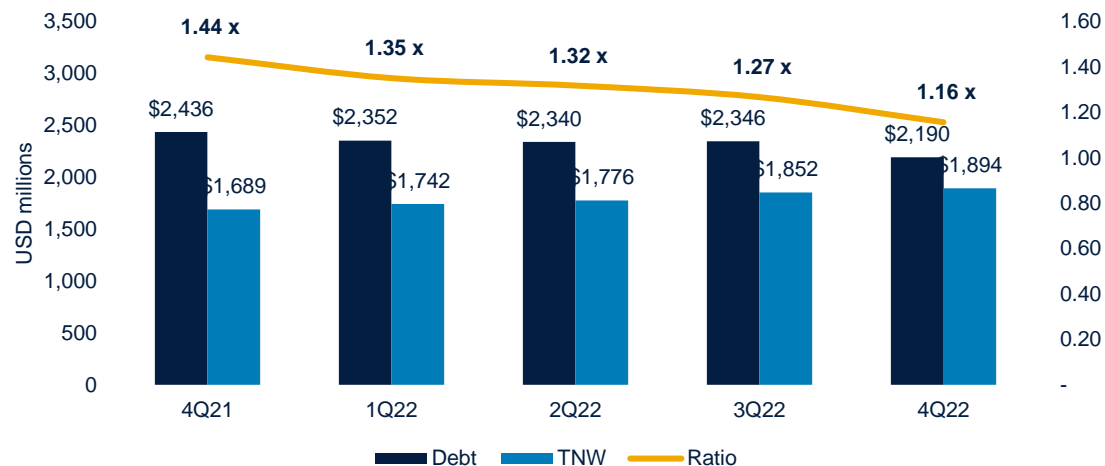
Maturity Profile 2023 -2025

SNL Maturity Profile

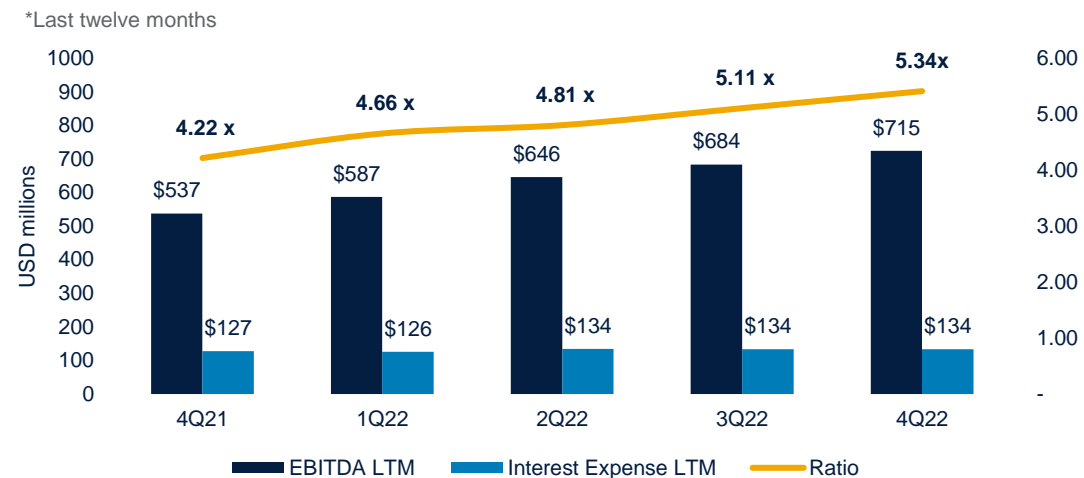


Financial KPIs | Steady Improvement

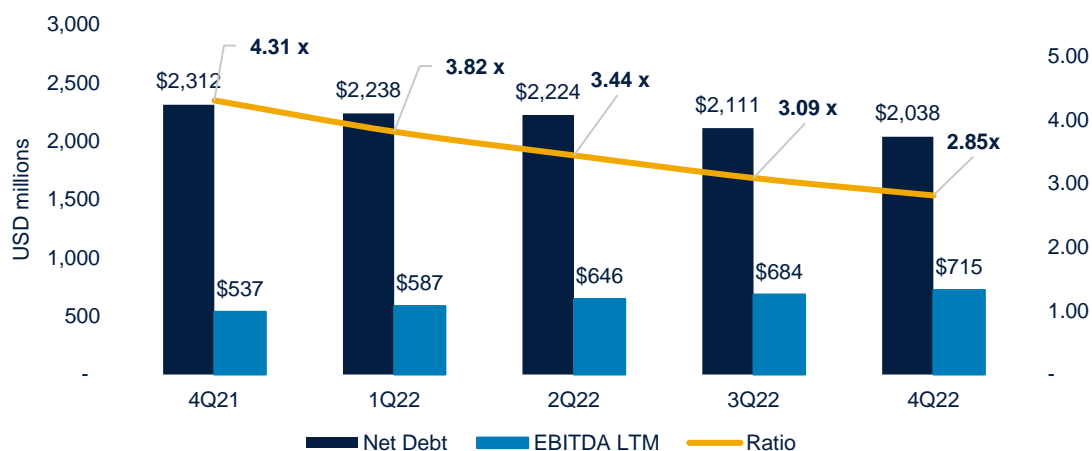
Debt to Tangible Net Worth (maximum 2.00:1.00)



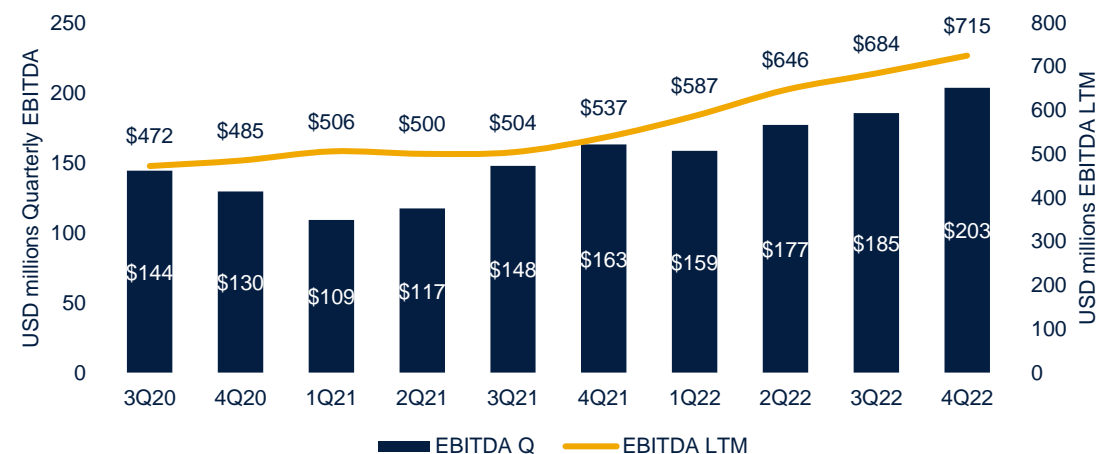
EBITDA to Interest Expense (LTM*) (minimum 2.00:1.00)



Net Debt to EBITDA (LTM*)

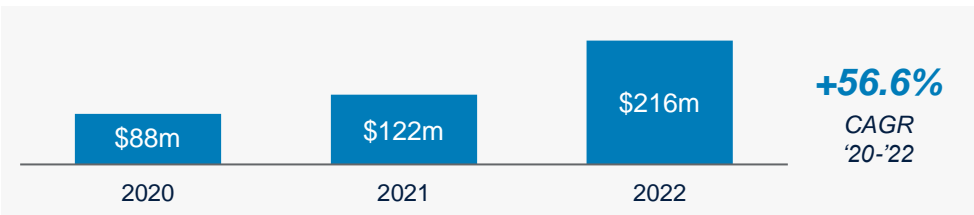
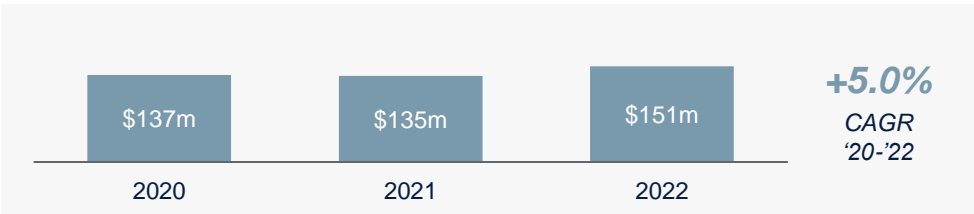
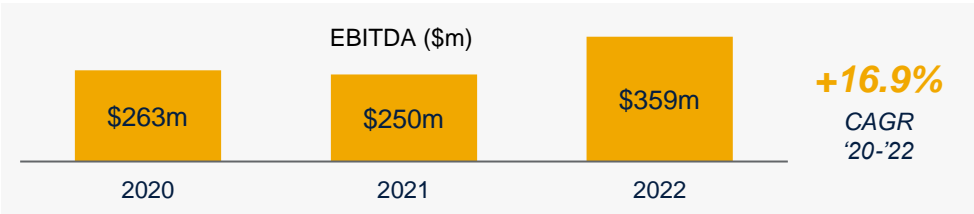


EBITDA Development**

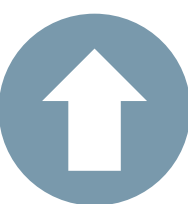


Underlying Drivers Point Towards Robust Chemical Tanker Earnings, Offset by Recessionary Uncertainty

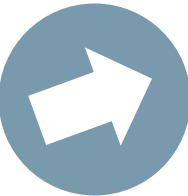
2022: Favourable market and focus on delivering strategy



2023: Volatility to remain; tanker fundamentals are firming



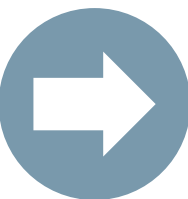
Expectation of a firm tanker market for a prolonged period



Steady performance across a balanced portfolio



Margin contraction towards pre-pandemic levels



Recessionary pressures on hospitality and retail demand offset by geographical expansions

Key Messages

- Performance across our businesses is robust
 - Strong fourth quarter capped a stellar 2022
 - Improving market and a focus on delivering our strategy resulted in all business performing
 - EBITDA up 33% Y-o-Y at \$715m
 - Net Debt / EBITDA below 3.0x
- Stolt Tankers contract renewal season – encouraging start to the peak winter period
- Market volatility expected to continue, however expectations of solid cashflow generation for debt service, dividends and growth





Q&A

Stolt-Nielsen 