



Second-Quarter 2018 Results Presentation

July 5, 2018

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 2Q18 Highlights
 - Stolt Tankers
 - Stolthaven Terminals
 - Stolt Tank Containers
 - Stolt Sea Farm
 - Stolt-Nielsen Gas
- Financials
- Q&A



Second-Quarter 2018 Highlights

Operating

- Net profit of \$9.5m after impairment of \$11.8m on two bitumen ships, compared with \$38.7m in the prior quarter, which included tax related gains of \$33.1m
- Stolt Tankers reported an operating profit of \$26.5m, up from \$10.9m last quarter, mainly reflecting a \$9.2m gain on bunker hedges and slightly improved trading results
- Stolthaven Terminals reported an operating profit of \$20.2m, down from \$25.9m in the prior quarter; first-quarter joint-venture equity income included an \$8.2m gain from an adjustment to deferred taxes at the joint venture terminal in Antwerp
- Stolt Tank Containers reported an operating profit of \$18.8m, up from \$16.2m, as shipments grew by 7.6%
- Stolt Sea Farm's operating profit before the fair value adjustment of inventories was \$2.4m, compared with \$2.2m in the first-quarter; reflecting improved margins
- Corporate and Other reported an operating loss of \$20.9m after an \$11.8m impairment related to the Stolt Bitumen ships, compared with a loss of \$3.6m in the prior period

Financial

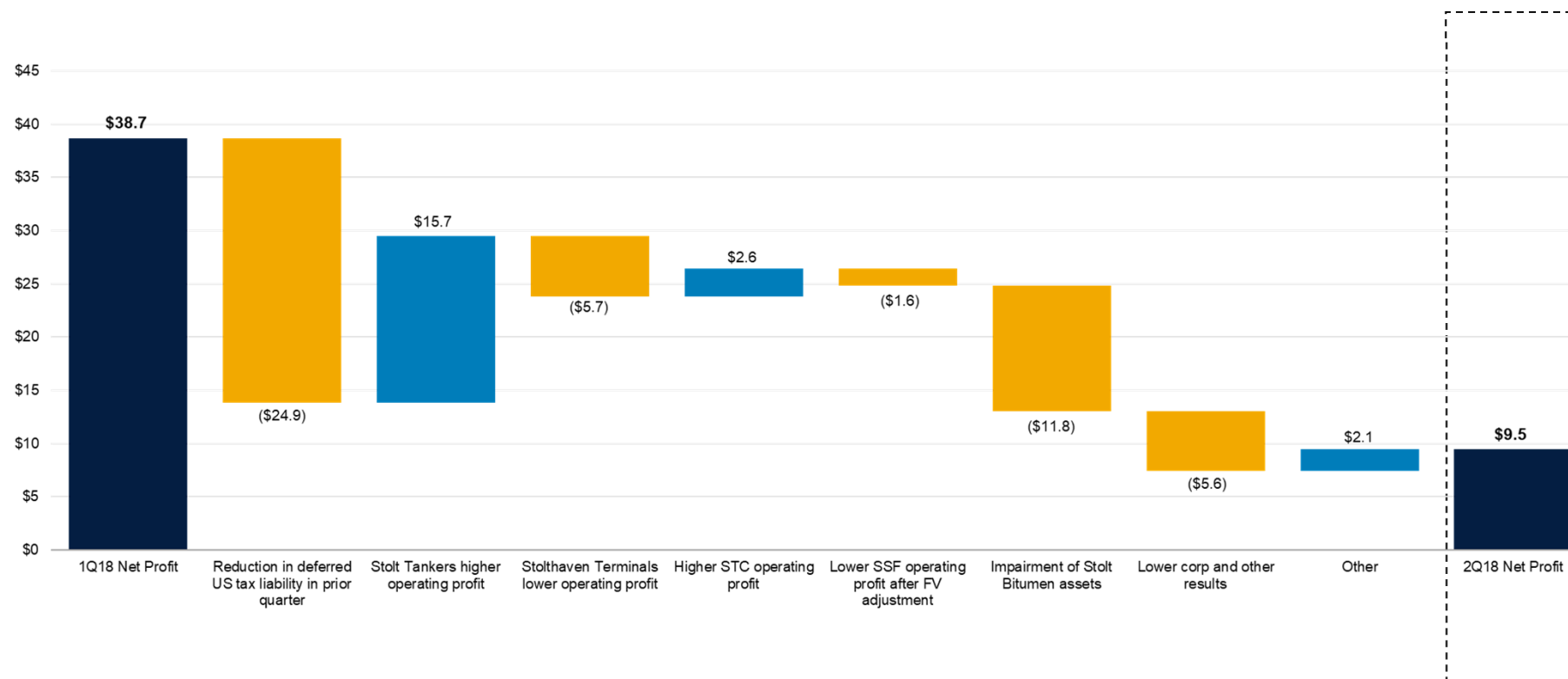
In \$US Millions, except per share data
(unaudited)

	Quarter			YTD	
	2Q18	1Q18	2Q17	2018	2017
Revenue	\$541.0	\$515.3	\$500.8	\$1,056.3	\$976.5
Operating Profit	48.5	54.9	51.6	103.4	100.0
Net Profit (attributable to SNL equity holders)	9.5	38.7	15.6	48.3	30.8
EPS Diluted	0.15	0.63	0.25	0.78	0.50
Weighted average number of shares outstanding diluted	61.6	61.9	61.9	61.7	61.9



SNL: 1Q18 to 2Q18 Net Profit Variance

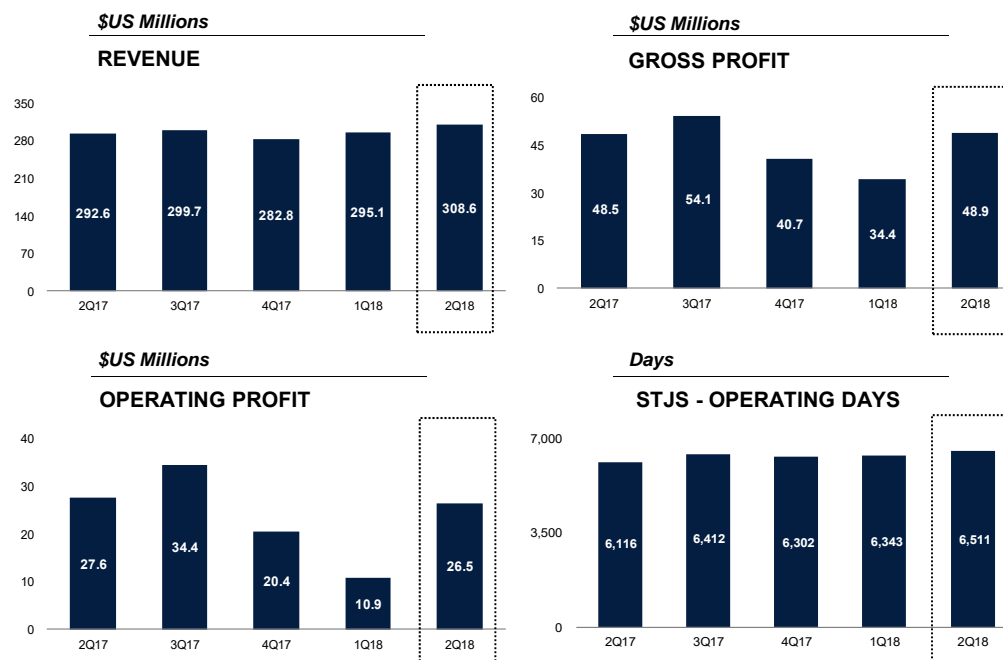
Figures in \$US Millions



Note: Net Profit attributable to equity holders of SNL



Stolt Tankers

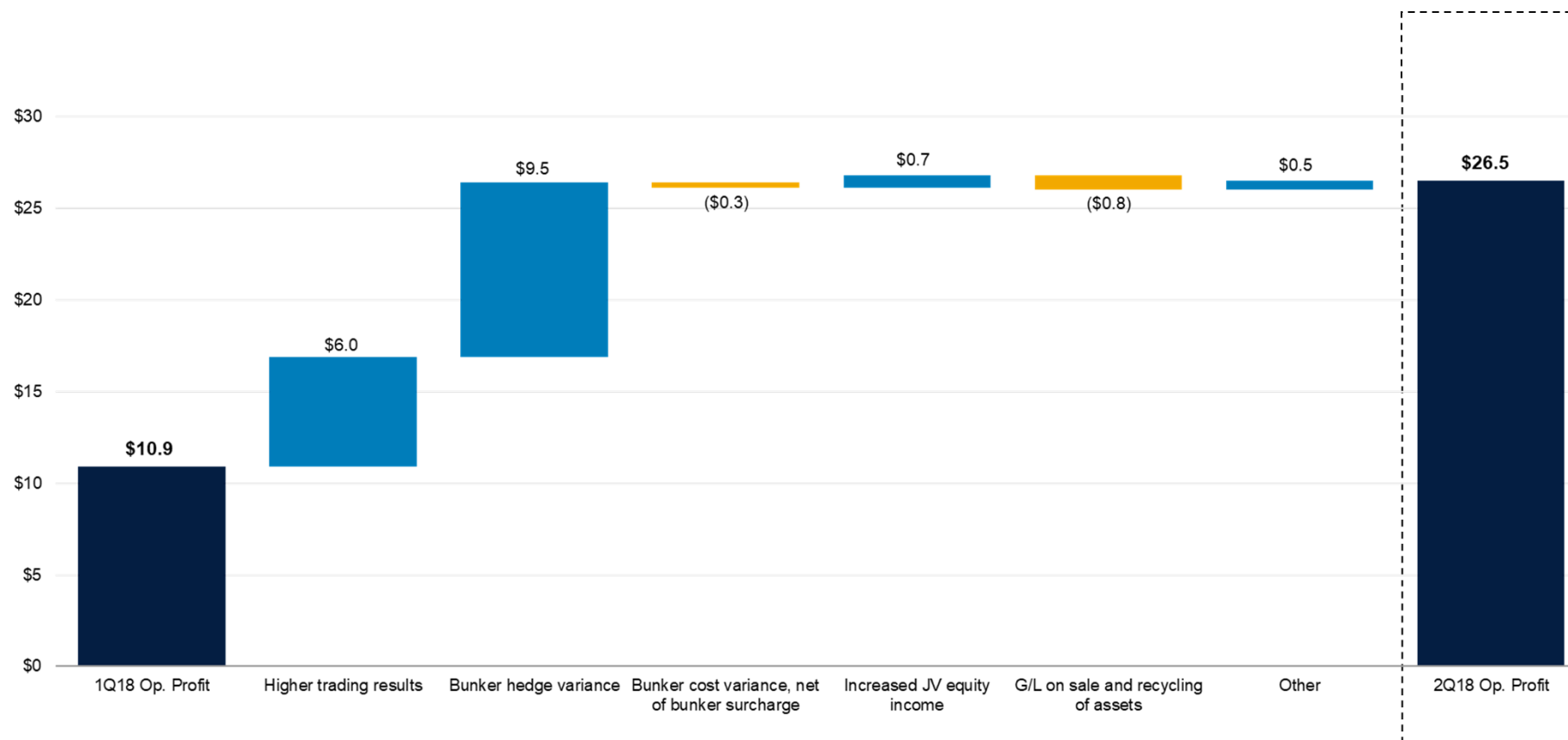


- Total volume increased by 3.5%, driven by an increase in operating days and higher COA volume
- Deep-sea revenue for the quarter increased by 4.3%; regional fleet revenue increased by 6.0%, in part due to an increase in demurrage revenue following port congestion
- COA rates decreased due to product mix, while spot rates were up
- COA freight rate renewals in the quarter were down on average by 3.8%, compared with a COA rate renewal decrease of 4.1% in the previous quarter



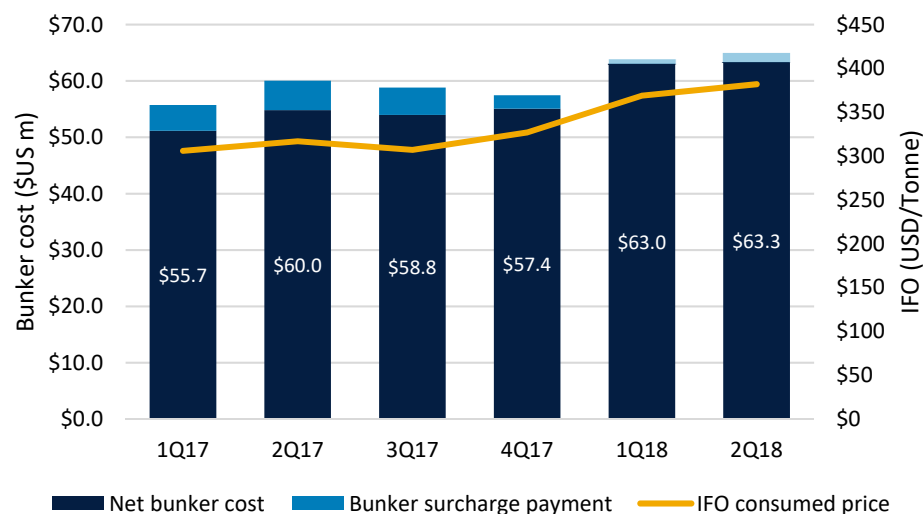
Tankers: 1Q18 to 2Q18 Operating Profit Variance

Figures in \$US Millions



Stolt Tankers: Bunker Costs

Figures in \$US Million



Source: Stolt-Nielsen

Note: Excludes bunker hedge results

Period	Realised G/(L)	Unrealised G/(L)	Total Hedge G/(L)
1Q17	2.0	0.0	2.0
2Q17	1.4	(3.2)	(1.8)
3Q17	1.4	3.4	4.8
4Q17	2.6	5.9	8.5
FY17	7.4	6.1	13.5
1Q18	2.8	(3.1)	(0.3)
2Q18	3.0	6.3	9.3

Future Swaps	Volume (MT)	Weighted av. price
2018	56,000	263.0
2019	48,000	260.8
Options	Volume (MT)	Weighted av. price
2018	8,750	315.0

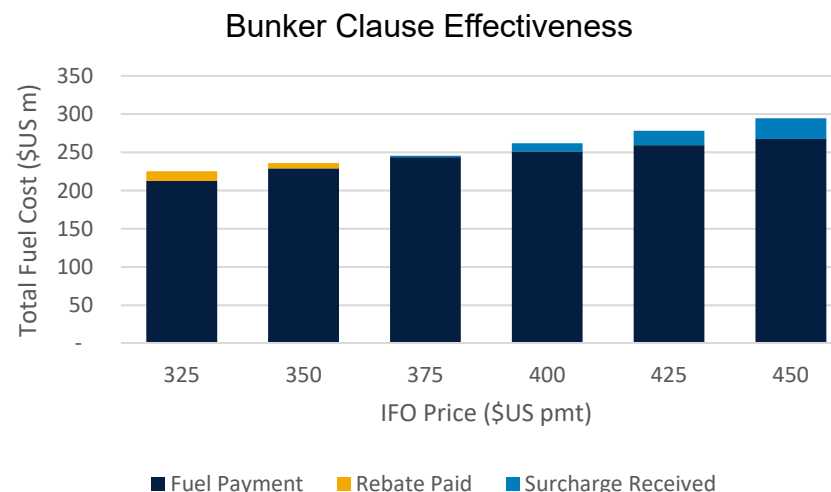
- Bunker costs net of bunker surcharges, but excluding bunker hedges, increased by \$0.3m
- Average price of IFO consumed increased to \$382/tonne in 2Q18 from \$369/tonne in 1Q18
- Average price of IFO purchased increased to \$398/tonne in 2Q18 from \$379/tonne in 1Q18
- COA bunker surcharge clauses covered on average 62% of total volume in 2Q18



STJS Bunker Cost Sensitivity

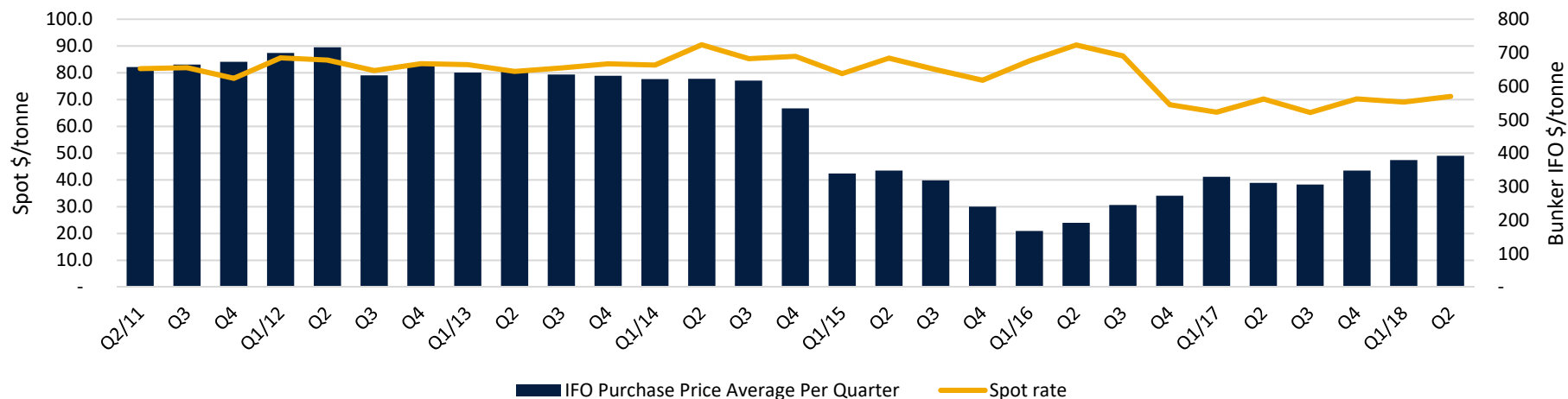
STJS Bunker Price Sensitivity		Bunker Cost IFO + MGO	Cost Increase	Expected recovery through surcharge	Net Impact on P&L per quarter	Expected hedging result ^a
IFO volume	112,985 tonnes					
IFO average price 2Q18	\$382 per tonne	\$58.0				
Base price + 5%	\$401 per tonne	\$60.9	\$2.9	\$1.3	(\$1.6)	\$2.1
Base price + 10%	\$420 per tonne	\$63.8	\$5.8	\$2.7	(\$3.1)	\$4.2
Base price + \$100	\$482 per tonne	\$73.2	\$15.2	\$7.1	(\$8.1)	\$10.4

- A bunker fuel price increase from \$375/ton to \$400/ton would result in an \$8.0m increase to the bunker expense, or a \$4.1m increase net of surcharge recovery
- At current IFO purchase prices, 60% of total bunker expense increase is recovered through surcharge clauses; if the IFO price increases to \$450, this would grow to 75%



Spot Rate vs. Bunker and TC Index Sensitivity

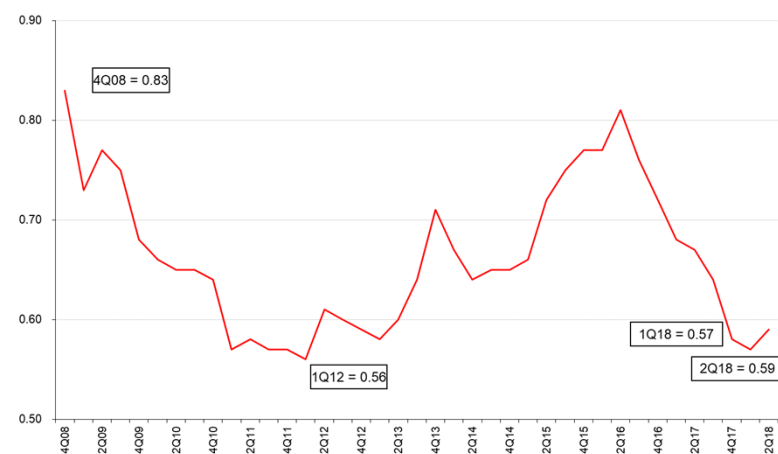
STJS average quarterly Spot rates / bunker purchase prices - 2011-2018 Q2 in \$US



STJS Sailed-in T/C Index Sensitivity

STJS Sailed-in T/C Index Sensitivity		Net Impact on P&L per quarter
Sailed-in T/C Index 2Q18	0.59	\$0.0
Sailed-in T/C Index + 5%	0.62	\$5.9
Sailed-in T/C Index + 10%	0.65	\$11.8
Sailed-in T/C Index + 15%	0.68	\$17.7

Stolt Tankers Joint Service Sailed-in T/C Index

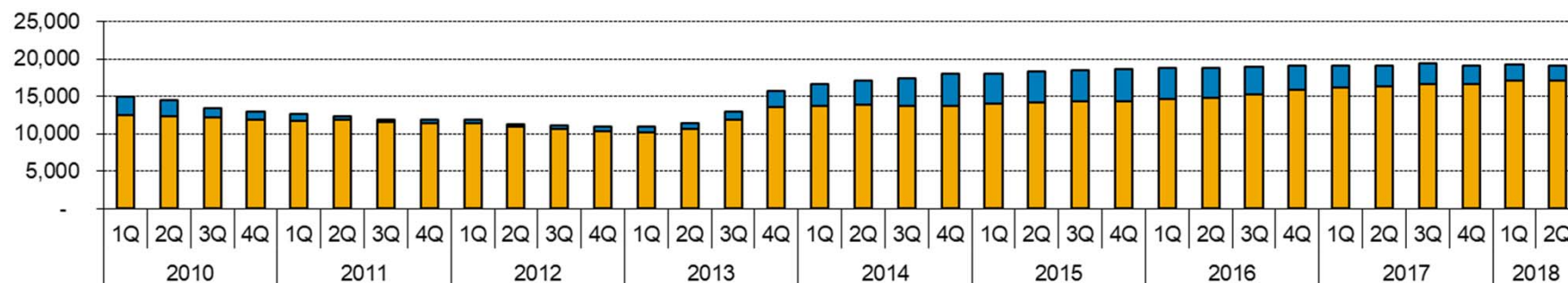
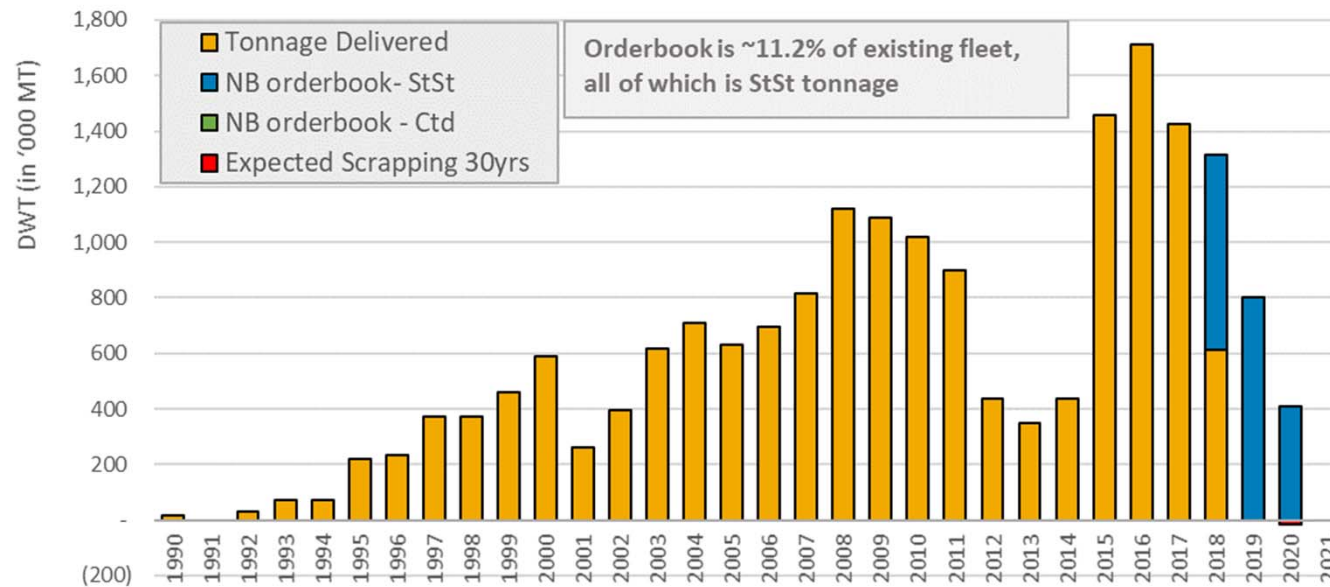


Source: Stolt-Nielsen and the Bureau of Labor Statistics (U.S. CPI)

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



Chemical Tanker Fleet and Orderbook – 2Q18



Source: Stolt-Nielsen and Drewry, as of June 1, 2018

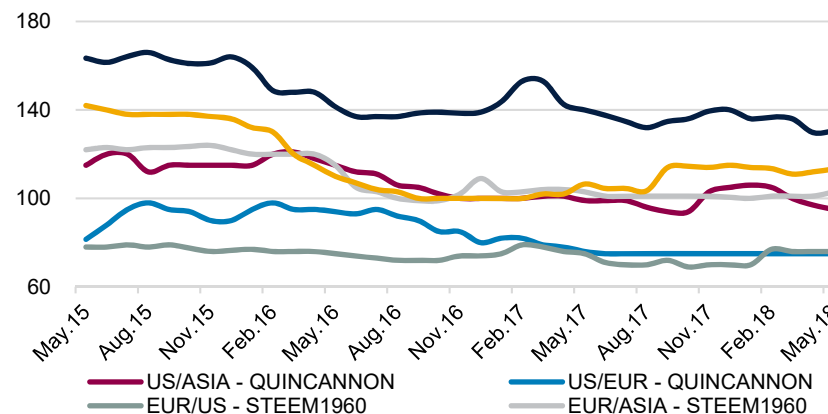
Competitor criteria: i) ship size between 15,000 and 50,000 dwt ii) average segregation size 3,000 dwt



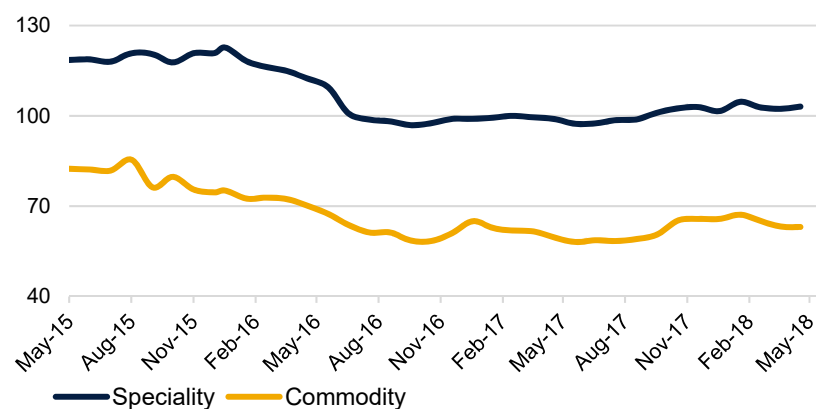
Market Development

- Most markets remain subdued as tonnage deliveries continue to outstrip demand growth
- Strong COA competition continues, driven by owners seeking to secure cargo in advance of newbuildings being delivered in 2018
- Outlook remains stable for fundamental petrochemical shipment demand
- Growing risk of adverse impact from the new tariffs on chemical products
- The MR market remains weak, negatively impacting chemical markets
- Higher fuel prices and excess newbuilding tonnage will limit gains in the year ahead
- Although we believe that the market has bottomed out, we do not expect a meaningful recovery to start until 2019.

SPECIALTY 1,000 MT



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



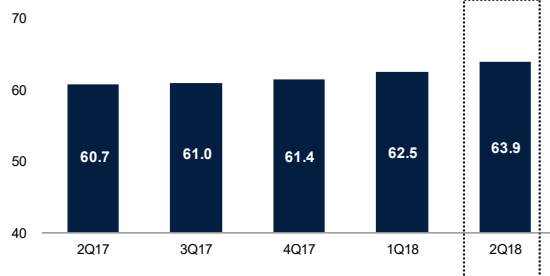
Source: Quincannon Associates, Clarksons Platou, Steem1960, Netco Chartering



Stolthaven Terminals

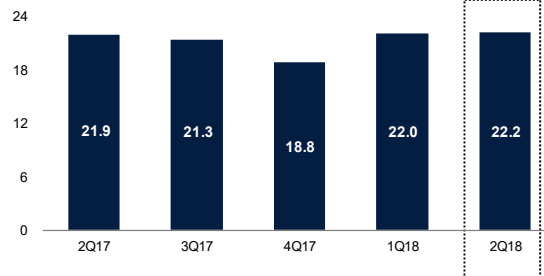
\$US Millions

REVENUE



\$US Millions

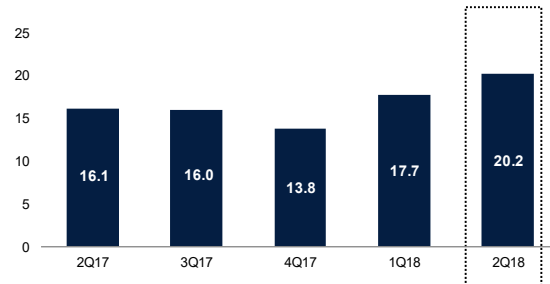
GROSS PROFIT



Note: \$8.4M Impairment of NZ terminal in 4Q17

\$US Millions

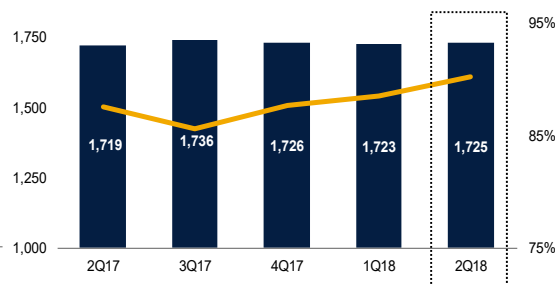
OPERATING PROFIT



Note: \$8.4M Impairment of NZ terminal in 4Q17, (\$8.2M) tax liability in JV 1Q18

Thousand cubic metres - (owned terminals)

AVERAGE CAPACITY - UTILISATION

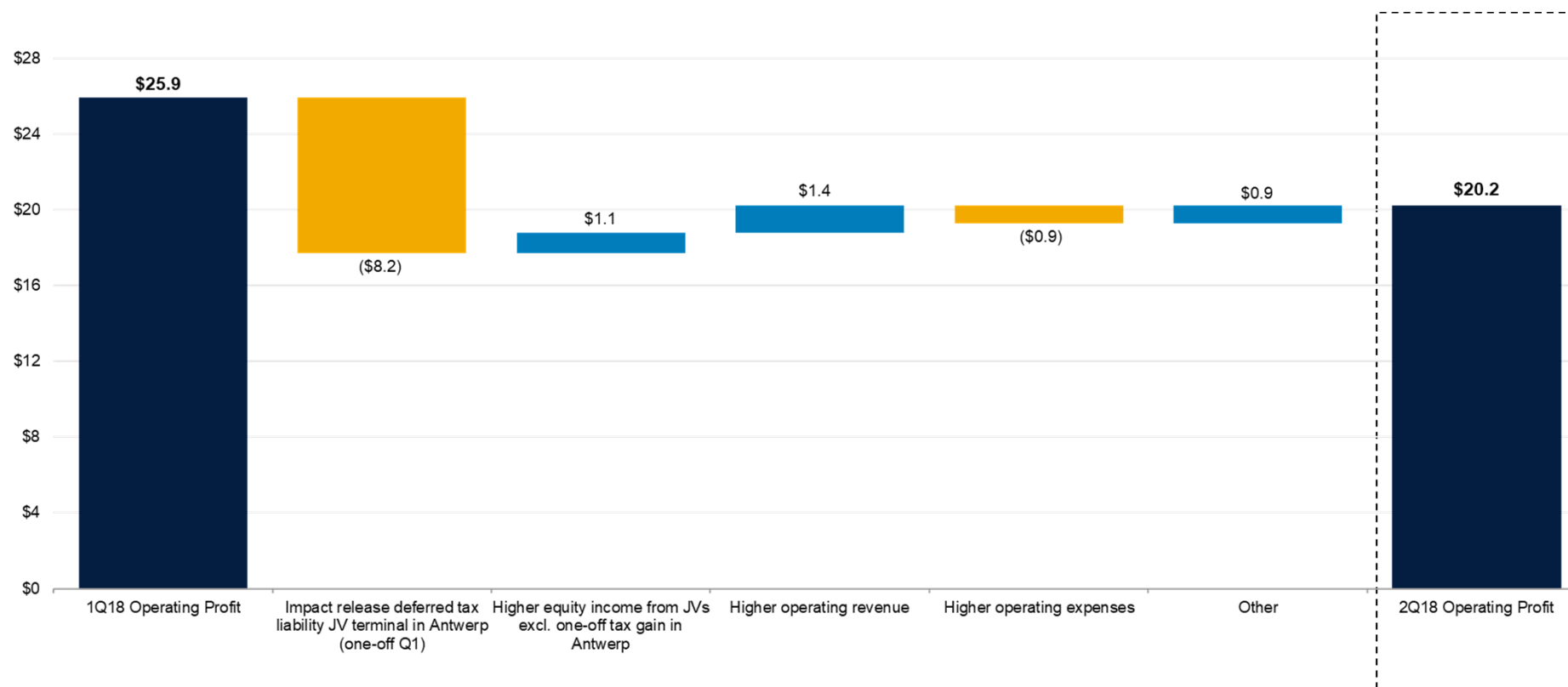


- Revenue increased by \$1.4m from last quarter
- Utilisation for wholly owned terminals increased to 90.2% from 88.5% due to additional capacity leased in Houston, New Orleans and Singapore
- Utilisation including JV terminals decreased to 92.2% from 93.4% last quarter, due to lower utilisation at Oiltanking Stolthaven Antwerp
- Operating profit increased by \$2.5m from last quarter, after excluding a first-quarter one-off gain of \$8.2m related to a reduction in deferred tax liabilities at the JV terminal in Antwerp



Terminals: 1Q18 to 2Q18 Operating Profit Variance

Figures in \$US Millions

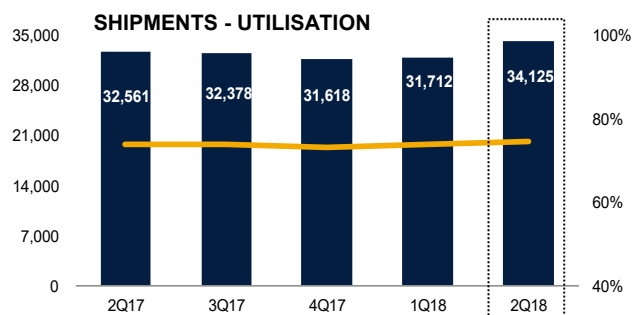
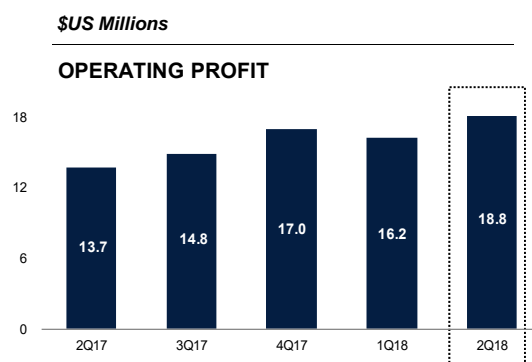
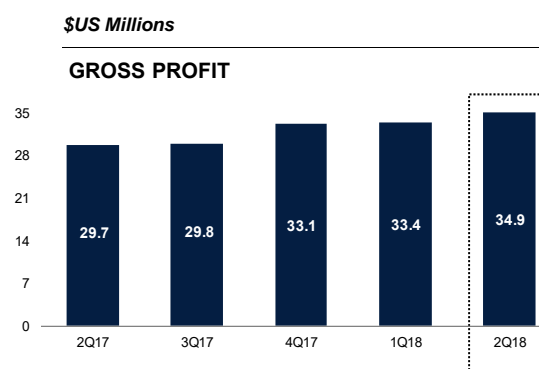
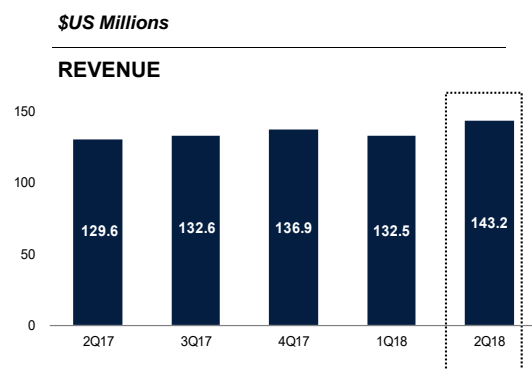


Stolthaven Terminals: Market Update & Key Initiatives

- Houston is performing well, with increased revenues driven by higher utilisation rates, excess throughput and railcar activities; exports remain strong, but concerns growing over US/China tariff dispute
- Singapore market remains challenging, but achieved a good improvement in utilisation during the quarter
- South Korean market showing stable demand, with an increase in leased capacity
- Europe remains stable for chemicals and weak for CPP
- We continue to pursue the development of long-term contracts with potential pipeline-connected industrial customers
- Major capital projects including Jetty #11 in Houston, expected to be completed by 1Q19, and expansion of Santos capacity remain on schedule



Stolt Tank Containers

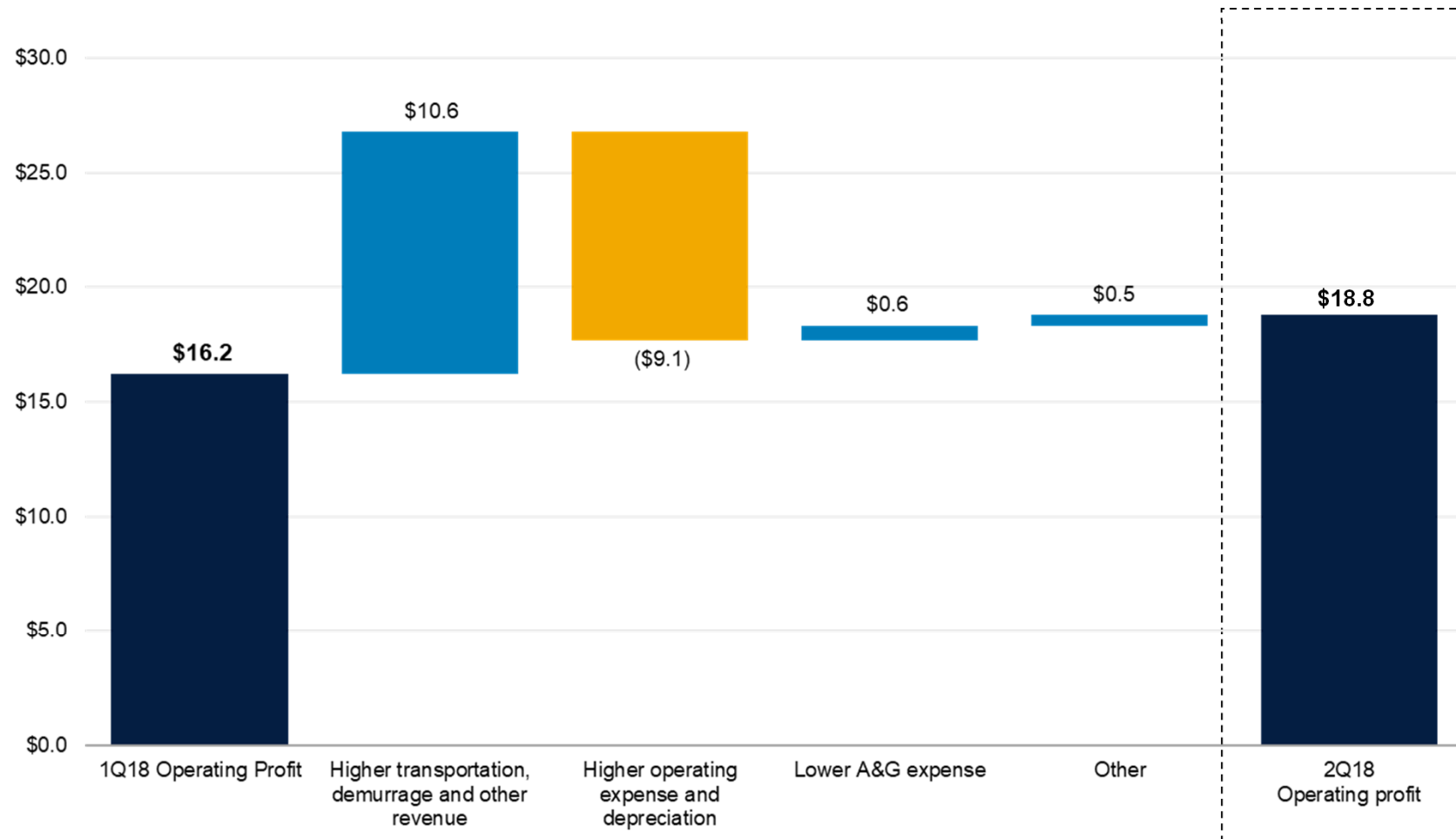


- Revenue growth of 8.0% reflecting both growth in shipments and higher demurrage revenue resulting from customers holding tanks longer for inventory storage
- We continue to develop the global depot network to support the business
- Utilisation up slightly to 74.6% from 73.9%; margins stable



STC: 1Q18 to 2Q18 Operating Profit Variance

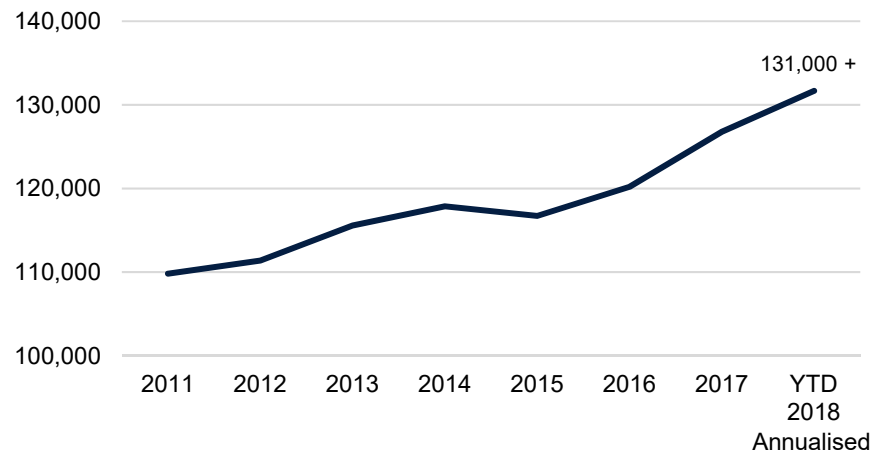
Figures in \$US Millions



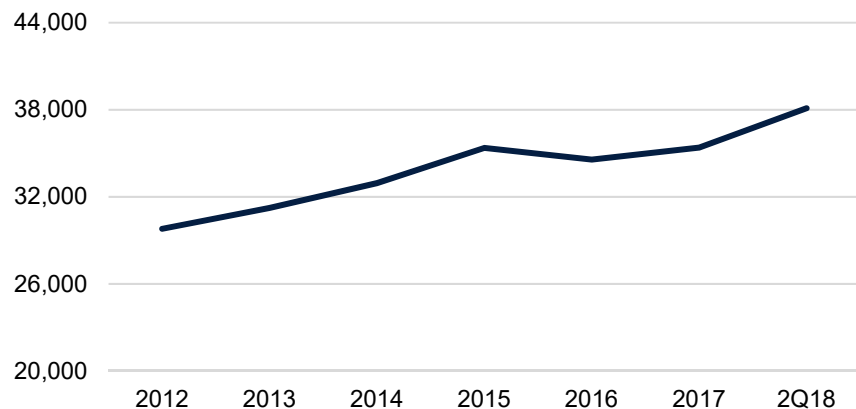
Stolt Tank Containers: Market Update and Key Initiatives

- Strong demand driving increased shipments in most regions; focus on improving both utilisation and turns per tank – fleet grown by 3.9% in the quarter
- Operating revenues up 8.0% from prior quarter
- Focus on systems development and implementation of global platforms to increase efficiency and scale, and improve margins
- Two depots under construction in Saudi Arabia aimed at improving turnaround times

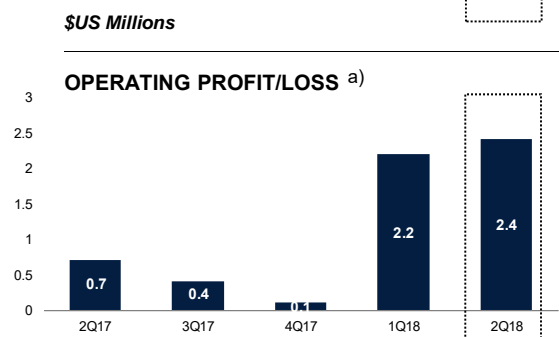
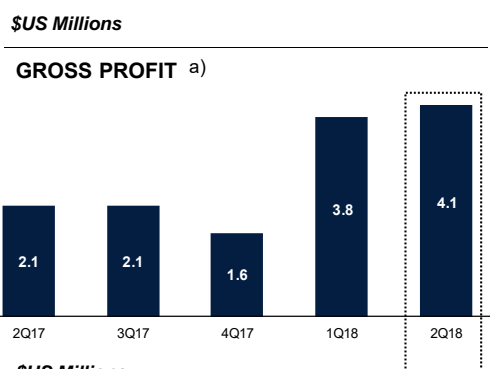
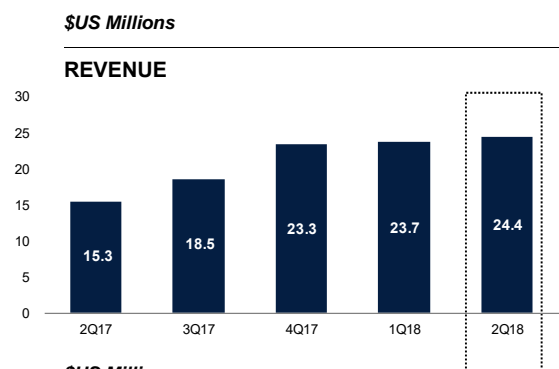
Shipments



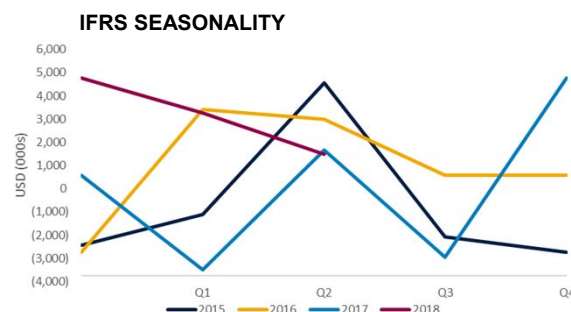
Fleet Development



Stolt Sea Farm



a) Excludes the accounting for inventories at fair value

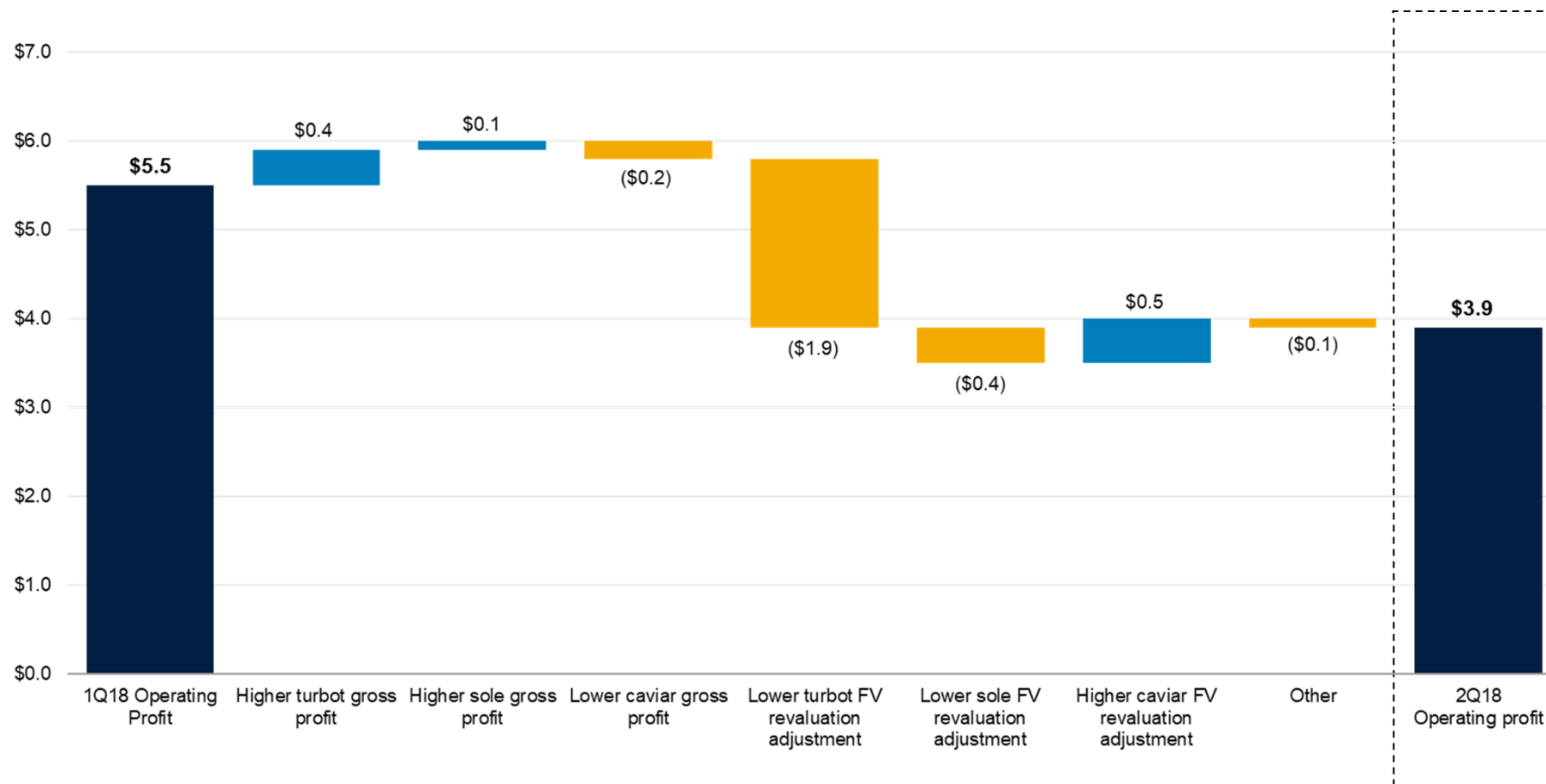


- Volume of turbot sold decreased by 2.1%; prices increased by 2.4%
- Volume of sole sold remained flat; prices increased by 4.6%
- Caviar volume remained flat; prices decreased by 29.4%
- Fair value adjustment of inventory had a positive impact of \$1.5m, down from a positive impact of \$3.3m in the prior quarter



SSF: 1Q18 to 2Q18 Operating Profit Variance

Figures in \$US Millions



Stolt-Nielsen Gas Strategy



- Focus on markets of stranded, small scale demand that can be serviced by integrated distribution models using small ships and land based or floating storage terminals
- Target a core fleet of small (7,500 m³) and Handy (20,000 m³) ships to cover regional demand
- Build additional ships for T/C to key customers with 10+ years employment
- To offer flexible replicable designs for Hub terminals of 5-10k m³
- We have a newbuilding contract in place with Keppel Singmarine for the construction of two 7,500 cbm LNG carriers to be built in Nantong, China at a delivered cost of \$40m each, with the option for three more; expected deliveries to start mid-2019



Financials



Net Profit

Figures in \$US Millions

	Quarter			YTD	
	<u>2Q18</u>	<u>1Q18</u>	<u>2Q17</u>	<u>2018</u>	<u>2017</u>
Operating Profit (before one-offs)	\$61.0	\$46.7	\$53.7	\$107.7	\$105.4
Terminals accelerated depreciation	-	-	-	-	(0.3)
Terminals insurance claims	-	-	(0.3)	-	(0.6)
Reversal of deferred tax liability at JV	-	8.2	-	8.2	-
Gain / (loss) on sale of assets	(0.7)	-	(0.6)	(0.7)	(2.6)
Jo Tankers integration costs	-	-	-	-	(0.4)
Impairment of Bitumen assets & accounts receivable	(11.8)	-	(0.3)	(11.8)	(0.6)
Reorganisation costs	-	-	(0.9)	-	(0.9)
Operating Profit (as reported)	\$48.5	\$54.9	\$51.6	\$103.4	\$100.0
Net Interest Expense	(33.9)	(34.6)	(31.8)	(68.5)	(63.5)
FX gain / (loss), net	-	(1.5)	(1.3)	(1.6)	(0.5)
Income tax a)	(5.0)	19.8	(3.4)	14.9	(5.8)
Other	-	0.2	0.5	0.2	0.6
Net Profit	\$9.6	\$38.8	\$15.7	\$48.4	\$30.9
Attributable to equity holders of SNL	9.5	38.7	15.6	48.2	30.7
Attributable to non-controlling interests	0.1	0.1	0.1	0.2	0.2
Net Profit	\$9.6	\$38.8	\$15.7	\$48.4	\$30.9
EBITDA b)	\$127.7	\$109.4	\$115.6	\$237.1	\$236.0

a) 1Q18 includes a \$24.9m impact of the reduction in the US federal corporate income tax rate from 35% to 21%

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



Balance Sheet

Figures in \$US Millions

	Period ended
	<u>May.31.18</u>
Cash and cash equivalents	\$80
Receivables	262
Other current assets	194
Total current assets	535
Property, plant and equipment, deposits	3,341
Investment in and advances to JV and associates	558
Other non-current assets	168
Total non-current assets	4,068
Total assets	\$4,603
Current mat. of LT debt and fin. leases	355
Accounts payable and ac. expenses	342
Other current liabilities	64
Total current liabilities	761
LT debt and finance leases	2,152
Other non-current liabilities	168
Total non-current liabilities	2,320
Total liabilities	\$3,081
Shareholders equity	\$1,522
Total liabilities and SH equity	\$4,603

Figures in \$US Millions (Except ratios)

At the end of:

	<u>May 2018</u>
Debt	\$2,507
Tangible Net Worth (TNW)	\$1,623
Debt:TNW	1.55:1
EBITDA / Interest expense	3.77:1
Cash	\$80
Unused committed available credit lines	\$197

- 70% fixed / 30% variable interest rate at May 31, 2018
- Average interest rate of 4.98% at May 31, 2018
- 3Q18 net interest expense expected to be approximately \$ 34m



Cash Flow

Figures in \$US Millions

	Quarter		Full Year
	2Q18	1Q18	2017
Net profit	\$10	\$39	\$50
Depreciation, amortisation and non-cash items	67	55	259
Adjustment to deferred tax	0	(25)	0
Changes in working capital	16	(23)	(10)
Other receipts, net	(2)	11	26
Net cash generated by operating activities	\$91	\$57	\$325
Capital expenditures and intangible assets	(31)	(31)	(364)
Amounts from/(advances to) affiliates	(5)	(3)	(14)
Sale of assets	7	0	16
Newbuilding deposits	0	(7)	(15)
Other acquisition	0	0	(3)
JOT final payment	0	0	(21)
Other	1	(0)	11
Net cash used in investing activities	(\$28)	(\$40)	(\$390)
Increase/(decrease) in short-term bank loans & revolver	9	0	(8)
Proceeds from issuance of long term debt	152	63	817
Repayment of long-term debt	(189)	(51)	(718)
Dividend and other	(22)	(15)	(55)
Net cash used in financing activities	(\$50)	(\$3)	\$36
Effect of exchange rates	(3)	(1)	(6)
Total Cash Flow	\$10	\$12	(\$35)
Cash and cash equivalents at beginning of period	\$70	\$58	\$93
Cash and cash equivalents at end of period	\$80	\$70	\$58

Cashflow Priorities:

Reduce Debt

Review Capex

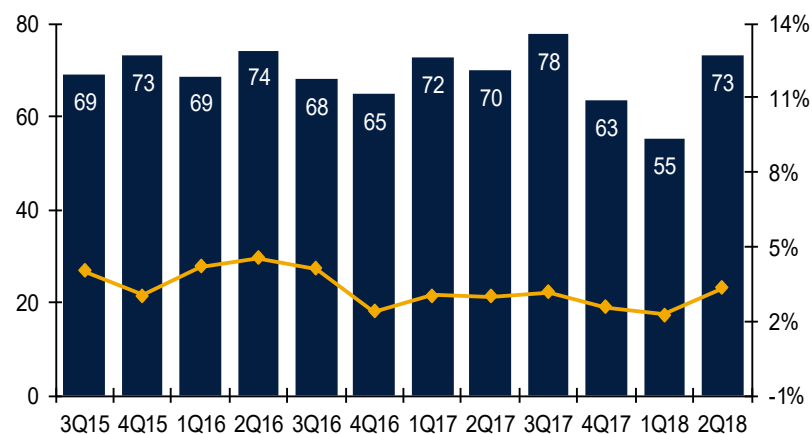
Reduce Operating Expenses



EBITDA

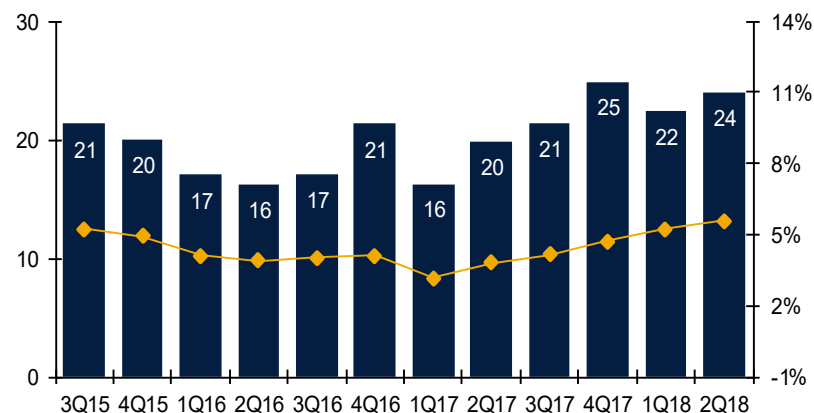
\$US Millions

TANKERS



\$US Millions

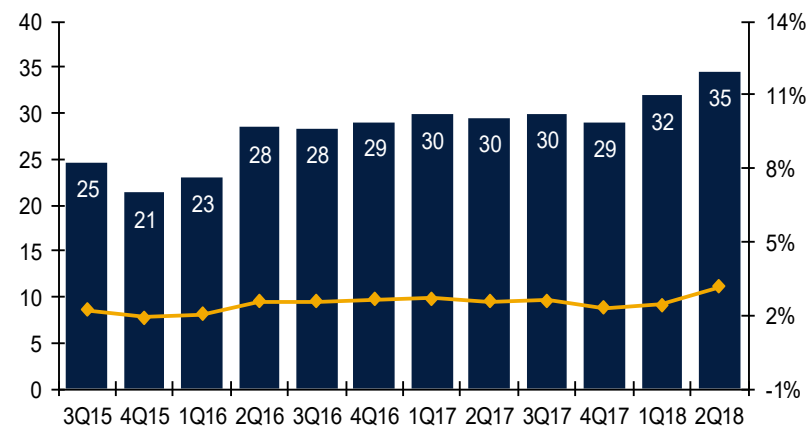
TANK CONTAINERS



EBITDA

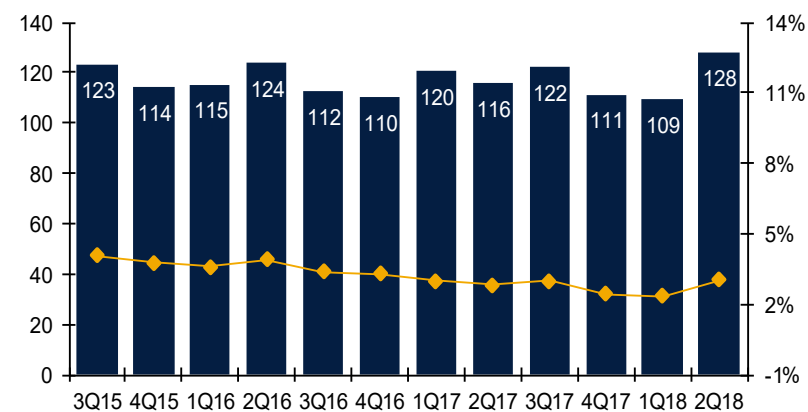
\$US Millions

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



Administrative & General Expenses

Figures in \$US Millions

	Quarter			YTD		Updated Quarterly Guidance
	<u>2Q18</u>	<u>1Q18</u>	<u>2Q17</u>	<u>2018</u>	<u>2017</u>	
Stolt Tankers	\$22.4	\$23.8	\$22.5	\$46.2	\$45.0	\$23.5
Stolthaven Terminals	10.9	11.5	10.9	22.4	21.0	11.5
Stolt Tank Containers	16.8	17.4	15.9	34.3	31.6	17.5
Stolt Sea Farm	1.7	1.6	1.4	3.4	2.6	1.7
<u>SNL Corporate</u>						
SNL Corporate and Other	2.8	(0.3)	0.9	2.4	(0.1)	0.3
JoT acquisition costs	-	-	0.9	-	0.9	-
Profit Sharing / LTIP	2.9	3.0	1.7	5.9	4.8	2.5
Total	\$57.5	\$57.0	\$54.1	\$114.5	\$105.8	\$57.0



Depreciation and Amortisation

Figures in \$US Millions

	Quarter			YTD		Updated Quarterly Guidance
	<u>2Q18</u>	<u>1Q18</u>	<u>2Q17</u>	<u>2018</u>	<u>2017</u>	
Stolt Tankers	\$44.8	\$44.3	\$41.8	\$89.1	\$83.7	\$45.0
Stolthaven Terminals	14.4	14.1	13.4	28.4	26.5	14.7
Stolt Tank Containers	6.2	6.1	6.0	12.3	13.4	6.2
Stolt Sea Farm	1.5	1.5	1.5	3.0	2.6	1.5
SNL Corporate	1.4	1.3	1.6	2.7	2.9	1.4
Total	\$68.2	\$67.2	\$64.2	\$135.5	\$129.1	\$68.8
Impairment						
Corporate & other	\$11.8	-	-	\$11.8	-	-
	\$11.8	-	-	\$11.8	-	-

- The second quarter of 2018 included impairment of \$11.8 million relating to Bitumen ships



Share of Profit of JVs and Tax

Figures in \$US Millions

Share of Profit of JVs

	Quarter			YTD		Updated Quarterly Guidance
	<u>2Q18</u>	<u>1Q18</u>	<u>2Q17</u>	<u>2018</u>	<u>2017</u>	
Stolt Tankers	\$1.2	\$0.4	\$2.1	\$1.6	\$3.6	\$1.5
Stolthaven Terminals	7.3	14.3	5.0	21.6	9.5	7.0
Tank Containers	0.5	0.2	0.0	0.7	0.5	0.5
Corporate and Other	(1.9)	(1.0)	(2.7)	(2.8)	(5.2)	(2.0)
	<u>\$7.1</u>	<u>\$14.0</u>	<u>\$4.4</u>	<u>\$21.0</u>	<u>\$8.4</u>	<u>\$7.0</u>

Taxes

	Quarter			YTD	
	<u>2Q18</u>	<u>1Q18</u>	<u>2Q17</u>	<u>2018</u>	<u>2017</u>
Tankers, Terminals and T. Containers	\$4.3	(\$21.4)	\$1.8	(\$17.3)	\$4.1
Stolt Sea Farm	0.9	1.4	0.9	2.2	0.6
SNL Corporate	(0.2)	0.2	0.7	0.3	1.1
Total Taxes	<u>\$4.9</u>	<u>(\$19.8)</u>	<u>\$3.4</u>	<u>(\$14.9)</u>	<u>\$5.8</u>

- 1Q18 terminals number includes a one-time \$8.2m reduction in the deferred tax liability for a JV
- The new US Tax Cuts and Jobs Act, which lowered the US Federal corporate tax rate from 35% to 21% effective January 1, 2018, resulted in a deferred tax credit of \$24.9m in 1Q18 in relation to deferred tax liabilities arising on fixed assets



Capital Expenditures Programme

Figures in \$US Millions

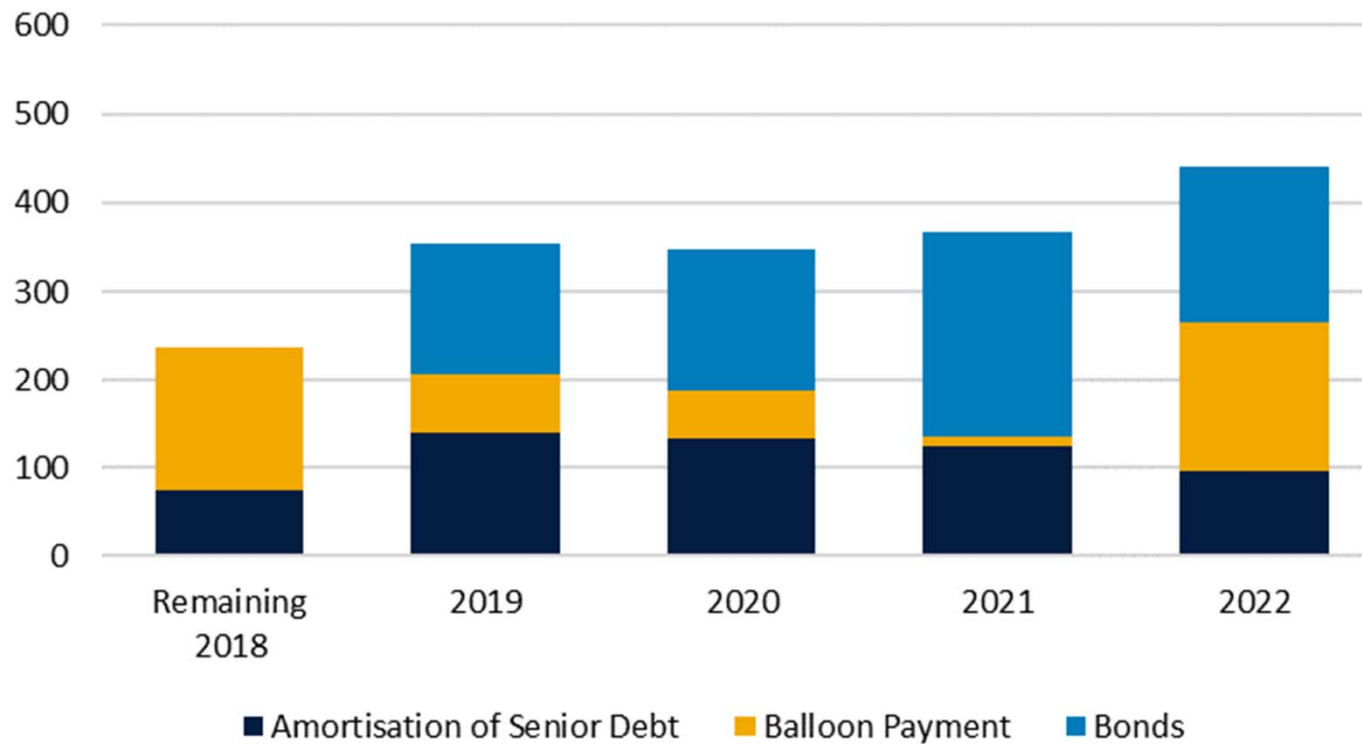
	Actual	Projections					Projected Total
	<u>First-Half</u>	<u>Remaining</u>					
	<u>2018</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Stolt Tankers	\$6	\$17	\$23	\$13	\$5	\$2	\$59
Stolthaven Terminals	34	81	57	25	17	30	210
Stolt Tank Containers	9	15	2	-	-	-	18
Stolt Sea Farm	2	12	19	11	3	4	49
Stolt-Nielsen Gas	8	-	66	-	-	-	66
SNL Other	2	-	-	-	-	-	-
Total	\$61	\$125	\$167	\$48	\$25	\$36	\$401

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



Debt Maturity Profile

Figures in \$US Millions



Note:

- \$375m drawn under the revolver as of May 31, 2018



Key Takeaways

- 2Q18 net profit of \$21.5m, excluding the \$11.8m one-off impairment of bitumen ships in the quarter
- Slight improvement in Stolt Tankers, but still a very challenging environment with too much supply and rising bunker prices
- Strong demand at Stolt Tank Containers, with solid fundamentals at Stolthaven Terminals
- Sea Farm turbot and sole continued price increases helping to maintain solid base
- 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

