

# SECOND-QUARTER 2024 RESULTS

JULY 11, 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 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. 32 et seq.) in the most recent annual report available at [www.stolt-nielsen.com](http://www.stolt-nielsen.com).

# Presenters

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**Udo Lange**  
Chief Executive Officer



**Jens F. Grüner-Hegge**  
Chief Financial Officer



**Alex Ng**  
Vice President,  
Corporate Development  
and Strategy



# Agenda: 2Q24 Results

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1. Group Highlights
2. Financial Highlights
3. Segment Highlights
4. Market Outlook and Summary



# 2Q24 Key Messages

- Continued strong earnings momentum in 2Q24
  - Record high TCE earnings of \$32,862/operating day
  - Outstanding quarter at SSF due to firming prices and stable volumes
- Aspiring to be Simply the Best for...
  - Shareholders: Capital Markets Day held on 12 June, >NOK160 share price growth YTD<sup>1</sup>
  - Customers: Dow Best Terminal Awards, Superior Taste Award
  - People: Maren Schroeder appointed President of Stolt Tankers
- Investing for growth
  - Stolt Tankers' long-term agreement with SFL on two 33,000 DWT chemical tankers
- Balance sheet strength – 2.36x Net Debt / EBITDA
  - Liquidity of \$447m
  - Issued \$450m senior secured US Private Placement notes



# 2Q24 SNL Highlights: Continued Momentum in Q2

## Adjusted 2Q24 vs. Adjusted 2Q23 vs 1Q24

### OPERATING REVENUE

**\$ 741.1m** ▲

\$ 721.9m (+2.7%)

\$ 707.3m (+4.8%)

### EBITDA

**\$ 208.9m** ▼

\$ 224.6m<sup>1</sup> (-7.0%)

\$ 210.3m (-0.7%)

### OPERATING PROFIT

**\$ 136.8m** ▼

\$ 155.1m<sup>1</sup> (-11.8%)

\$ 132.1m (+3.5%)

### NET PROFIT

**\$ 100.2m** ▼

\$ 113.3m<sup>1</sup> (-11.6%)

\$ 104.0m (-3.6%)

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

**\$ 144.7m** ▲

\$ 116.0m (+24.7%)

\$ 57.7m (+150.6%)

### NET DEBT TO EBITDA<sup>3</sup>

**2.36x** ▼

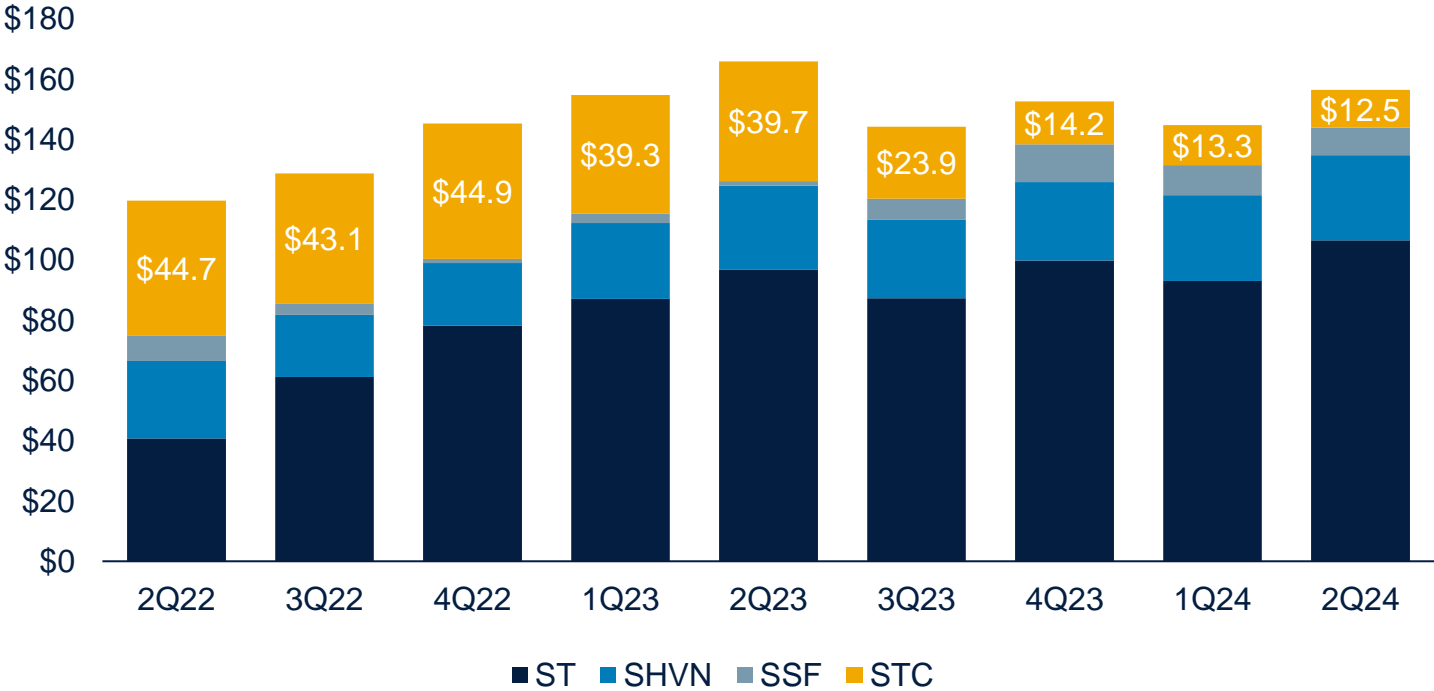
2.42x (-0.06x)

2.54x (-0.18x)



# Diversified Operating Profit Offsetting Return to STC Pre-Covid Margins

QUARTERLY OPERATING PROFIT (US \$m)<sup>1</sup>

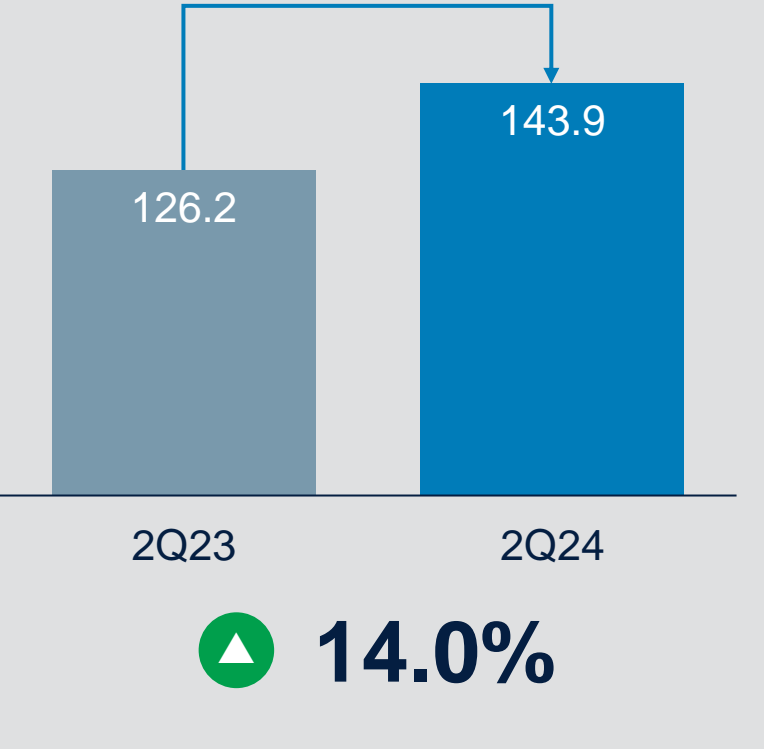


SNL Group Operating Profit

2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
\$111.9	\$111.9	\$132.0	\$142.1	\$165.1	\$127.5	\$140.0	\$132.1	\$136.8

OPERATING PROFIT (US \$m)

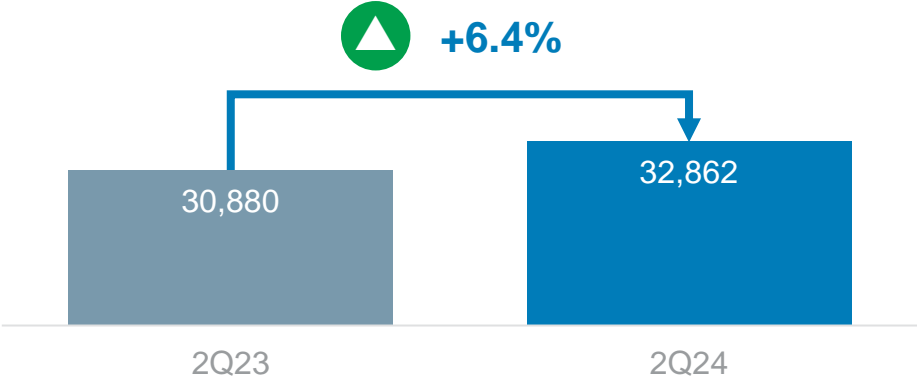
TANKERS, TERMINALS AND SEA FARM



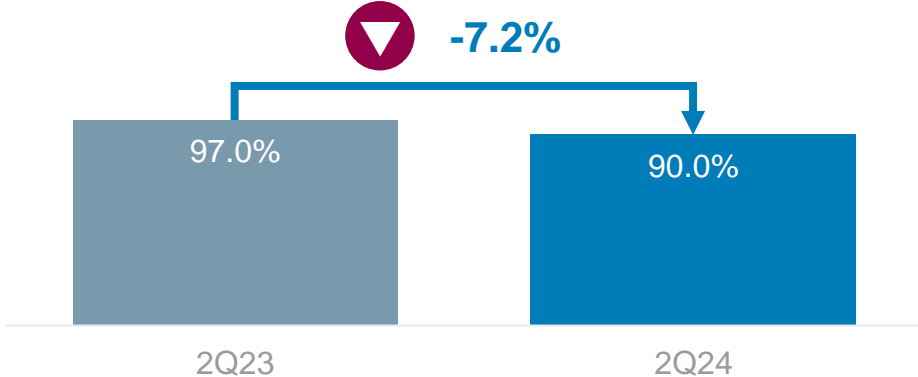
# SNL Performance Drivers: Our Performance Remains Strong



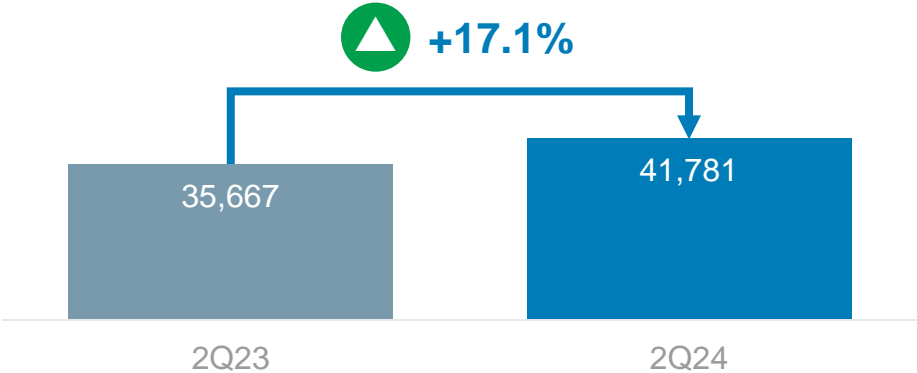
TCE / OPERATING DAY<sup>1</sup> (US\$)



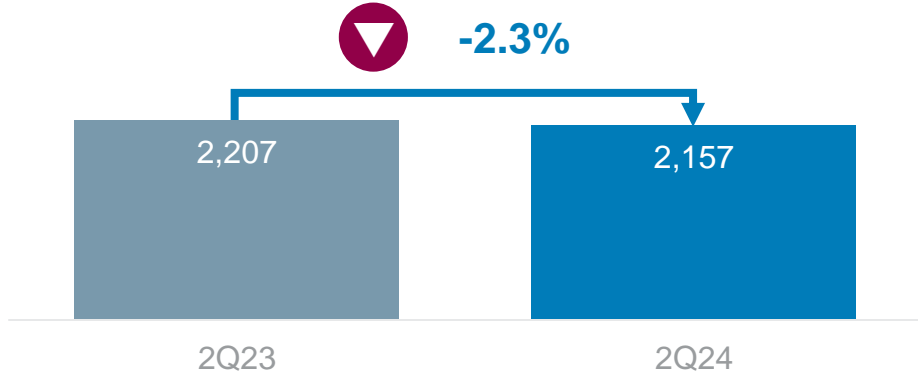
UTILISATION<sup>2</sup> (%)



SHIPMENTS (#)



VOLUMES SOLD<sup>3</sup> (MT)



1. TCE/Operating day refers to deepsea sailed-in revenue per day, which is calculated as voyage revenue less voyage related expenses and trading overhead expense, divided by total operating days during the period. Note that the sailed-in revenue excludes any gains on time-chartered ships and fees earned from managing the STJS pool, 2. Wholly-owned terminals only, 3. Includes turbot and sole.





## Financial Highlights

# 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
- Higher **A&G** as 2Q23 included a negative adjustment to profit sharing due to the *MSC Flaminia* provision. Increase from 1Q24 reflects impact of higher Q2 estimates on profit sharing
- 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 Stolt Tank Containers<sup>1</sup>



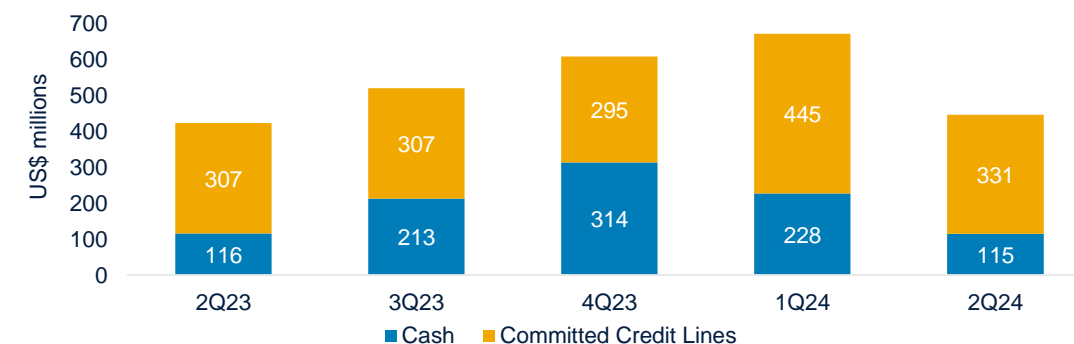
# Financials: Cash Flow and Liquidity Position

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)

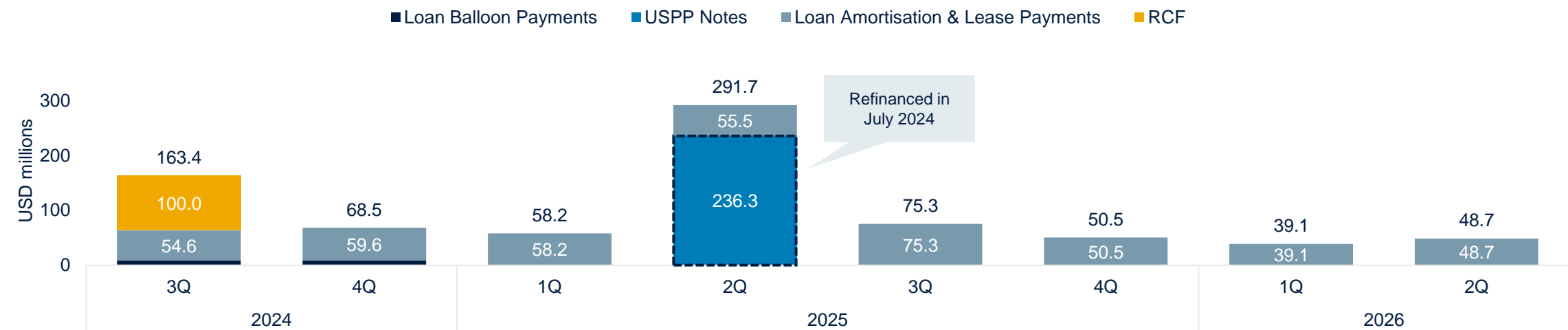
- Cash from **operating activities** decreased due to \$290m payment in April 2024 to settle the *MSC Flaminia* legal claim
- Lower **CAPEX** and drydock payments of \$50m mainly due to delivery of the *Stolt Condor* and *Stolt Tucan* in 2Q23, partly offset by higher terminal investments
- \$64m investments 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>

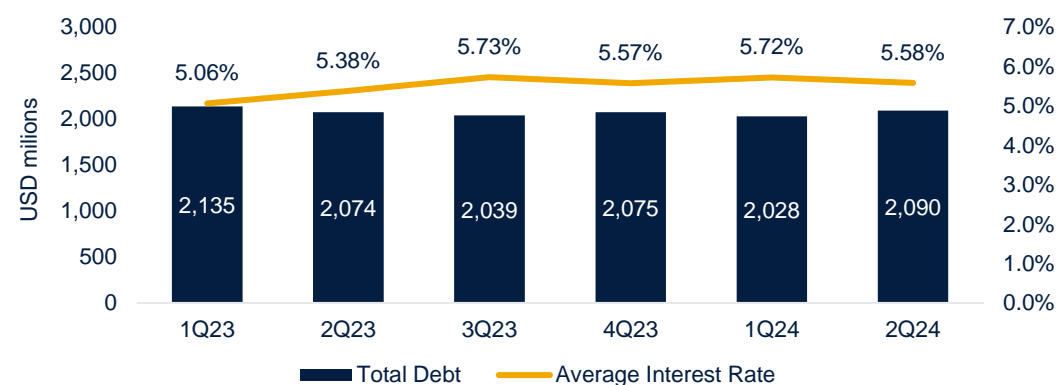


# Debt Profile: Extending Debt Maturities

## MATURITY PROFILE (NEXT TWO YEARS)



## STABLE DEBT PROFILE



## HIGHLIGHTS

- Signing of new \$450m USPP notes. The BBB-rated notes are senior secured and issued in two tranches (7 year and 10 year)
- The interest rate for both tranches is fixed at just under 6%
- Funding will take place in July 2024
- Proceeds will be used to repay the \$236m USPP maturing in 2Q25, the current revolver amount outstanding and capital expenditures



# Financials: Capital Expenditures

<i>Figures in USD millions</i>	Actuals 1Q24	Actuals 2Q24	Remaining FY2024	Approved FY2025
Stolt Tankers	45	5	28	28
Stolthaven Terminals	16	20	85	163
Stolt Tank Containers	10	2	11	3
Stolt Sea Farm	1	4	24	41
SNL Corporate & Other	1	4	24	-
<b>Total</b>	<b>\$73</b>	<b>\$35</b>	<b>\$172</b>	<b>\$235</b>

Stolt Tankers: Capex excludes drydocking and includes deposits for newbuildings.

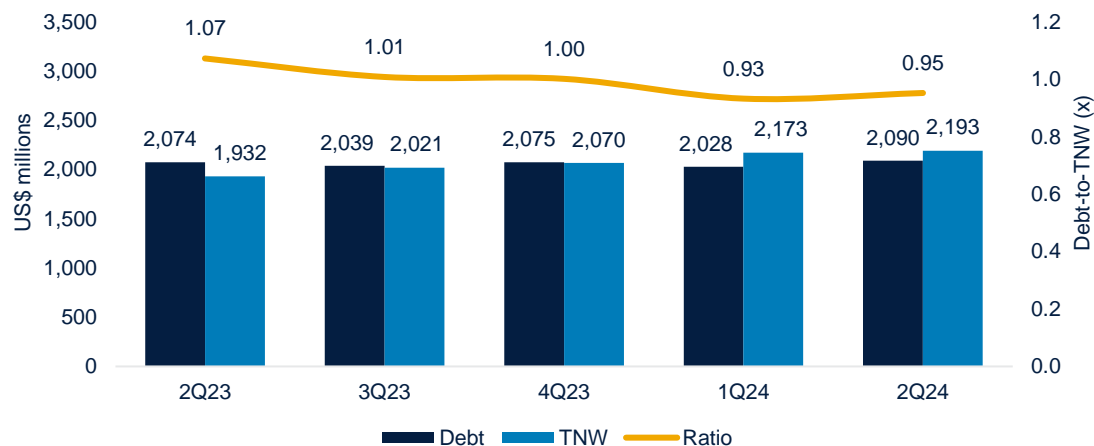
## HIGHLIGHTS

- **Stolthaven Terminals:** Ongoing expansion projects in Houston and New Orleans and completion of Dagenham jetty
- **Stolt Sea Farm:** Major expansion of sole hatchery in Cervo in 2024
- \$64m advances to affiliates<sup>1</sup> reflecting newbuilding deposits for NST and Avenir LNG shipbuilding contracts

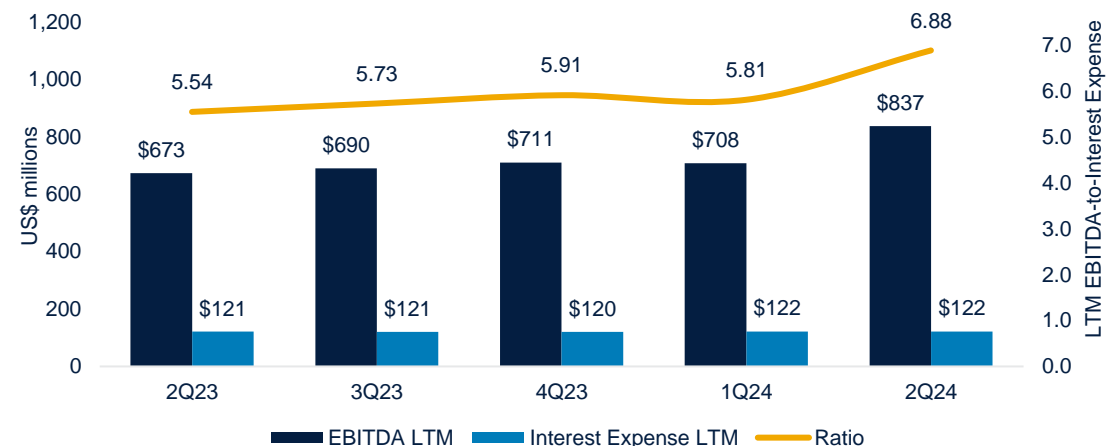


# Robust Financial KPIs with Significant Headroom

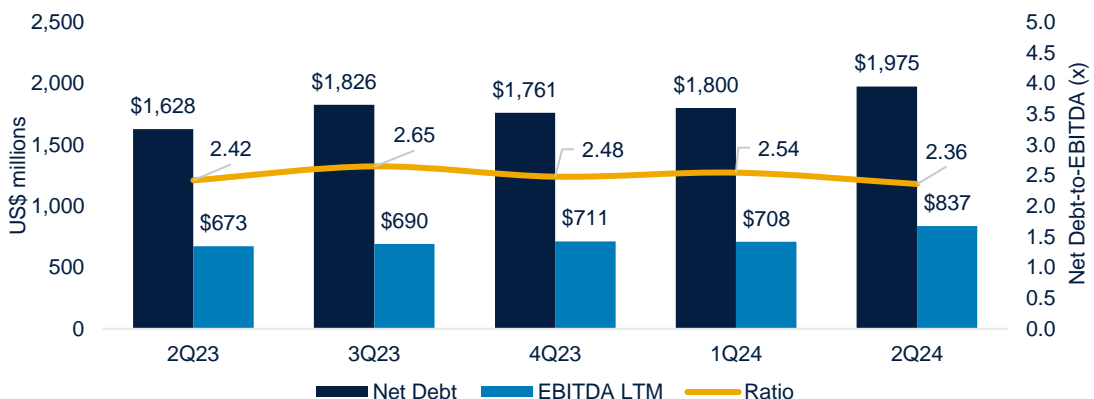
## DEBT TO TANGIBLE NET WORTH (MAXIMUM 2.25:1.00)



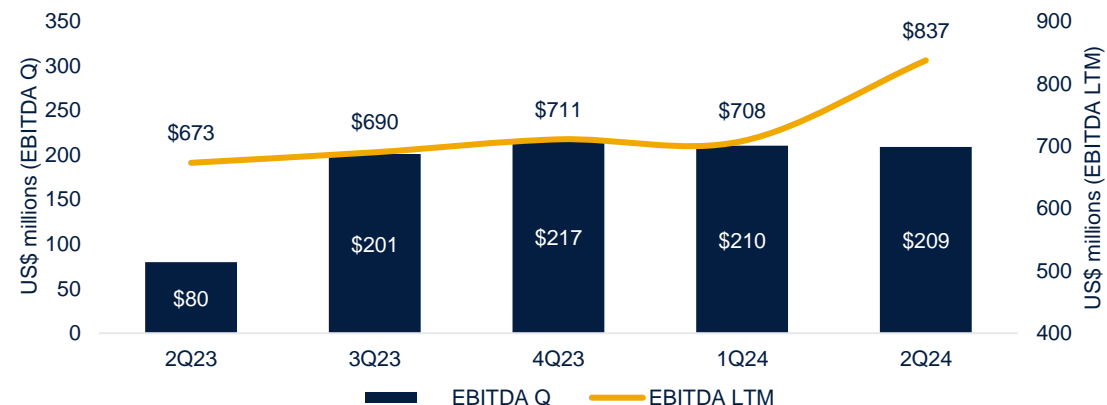
## EBITDA TO INTEREST EXPENSE (MINIMUM 2.00:1.00)



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



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



Second-Quarter 2024 Results

1. 4Q23 and 1Q24 Net Debt to EBITDA exclude cash of \$133.0m earmarked for partial payment of the *MSC Flaminia* legal claim settled in April 2024,  
2. Including loss provision related to *MSC Flaminia* and Fair Value adjustments.



## Segment Highlights

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# Stolt Tankers: New Record Quarter

**2Q24** vs. 2Q23 vs. 1Q24

## OPERATING REVENUE

**\$ 465.3m** ▲

\$ 430.8m (+8.0%)

\$ 443.8m (+4.9%)

## EBITDA

**\$ 145.4m** ▲

\$ 136.5m (+6.5%)

\$ 132.4m (+9.8%)

## OPERATING PROFIT

**\$ 106.5m** ▲

\$ 96.8m (+10.0%)

\$ 93.0m (+14.5%)

## OPERATING DAYS (Deepsea)

**6,972** ▼

7,225 (-3.5%)

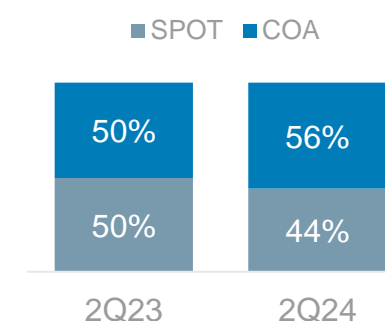
6,984 (-0.2%)

## HIGHLIGHTS (2Q24 vs 2Q23)

- Higher revenues due to the consolidation of SNAPS regional pool
- Deepsea revenue slightly impacted by fewer deepsea operating days, offset by higher spot and COA rates
- Panama Canal and Red Sea restrictions impacting volumes
- Higher operating profit due to strong average freight rates, reduced port charges, improved JV income and a gain on sale of the *Stolt Facto*
- COAs renewed during the period at an average rate increase of 18.1%

## VOLUMES and RATES 2Q24 vs. 2Q23

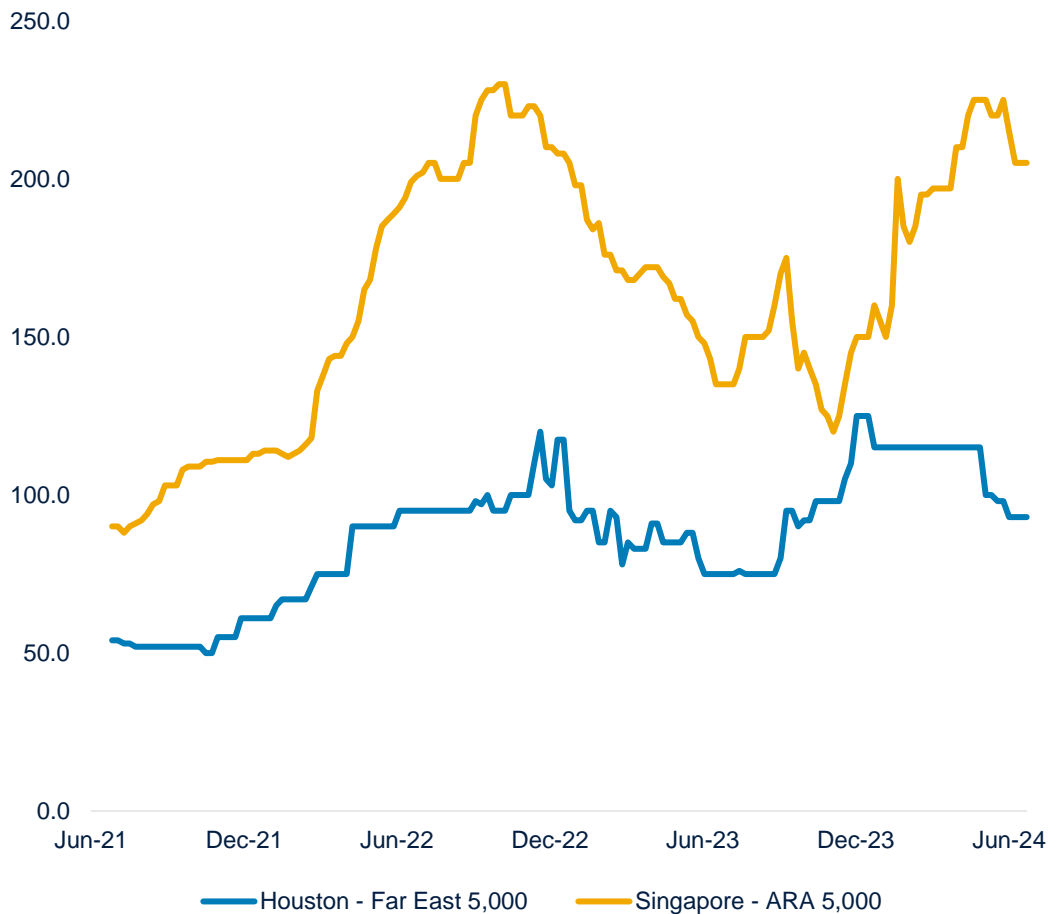
	COA	SPOT
VOLUMES	-2.5% ▼	-22.0% ▼
RATES	+7.8% ▲	+7.9% ▲



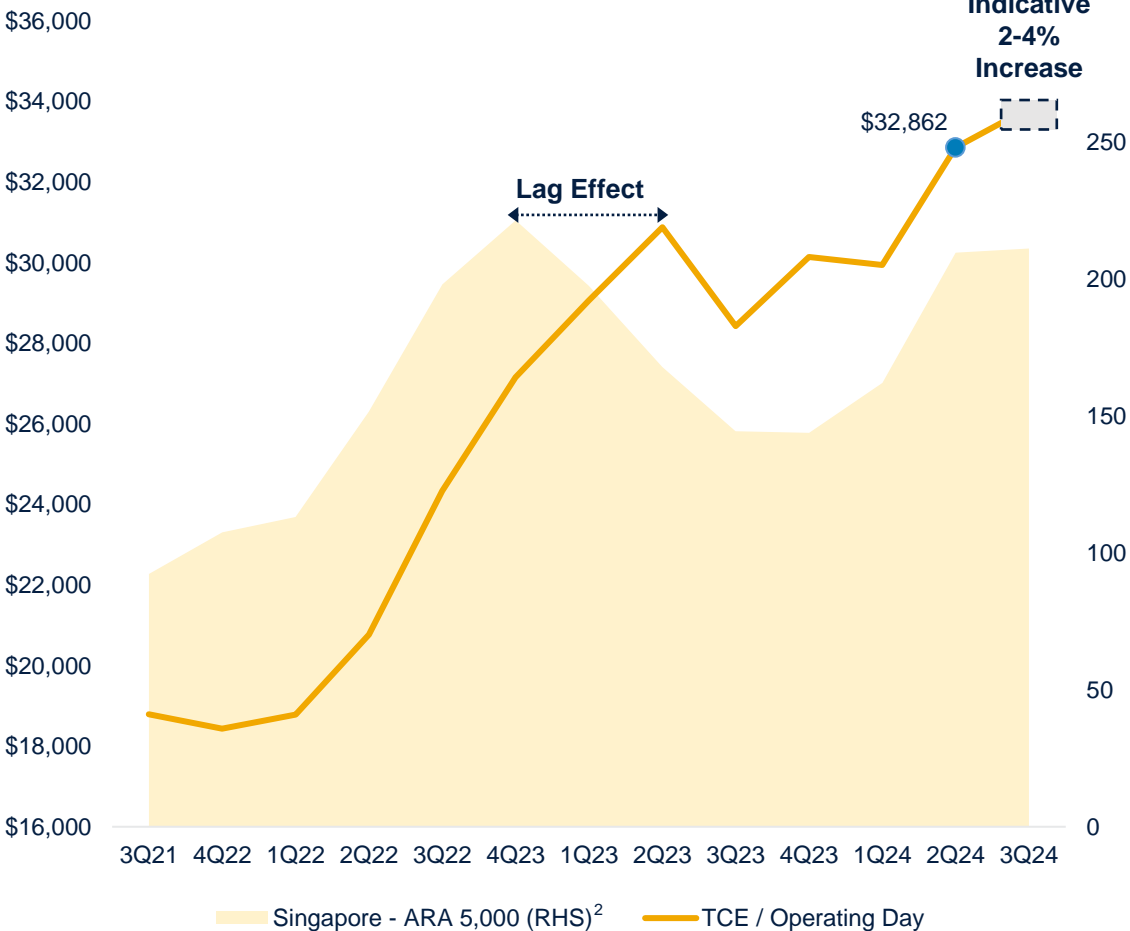


# Stolt Tankers: Record TCE Achieved in Q2

## DEEPSEA CHEMICAL INDEX



## TCE / OPERATING DAY<sup>1</sup>



Sources: Clarksons Platou, Company

1. TCE/Operating day refers to deepsea sailed-in revenue per day, which is calculated as voyage revenue less voyage related expenses and trading overhead expense, divided by total operating days during the period. Note that the sailed-in revenue excludes any gains on time-chartered ships and fees earned from managing the STJS pool.  
2. Singapore – ARA 5,000: Average weekly rate aligned with Stolt-Nielsen calendar quarters. Note, 3Q24 rate represents actual average achieved up to 5 July 2024.

# Stolthaven Terminals: Improved Operating Performance



**2Q24** vs. 2Q23 vs. 1Q24

## OPERATING REVENUE

**\$ 76.4m** ▲

\$ 74.3m (+2.9%)

\$ 76.8m (-0.5%)

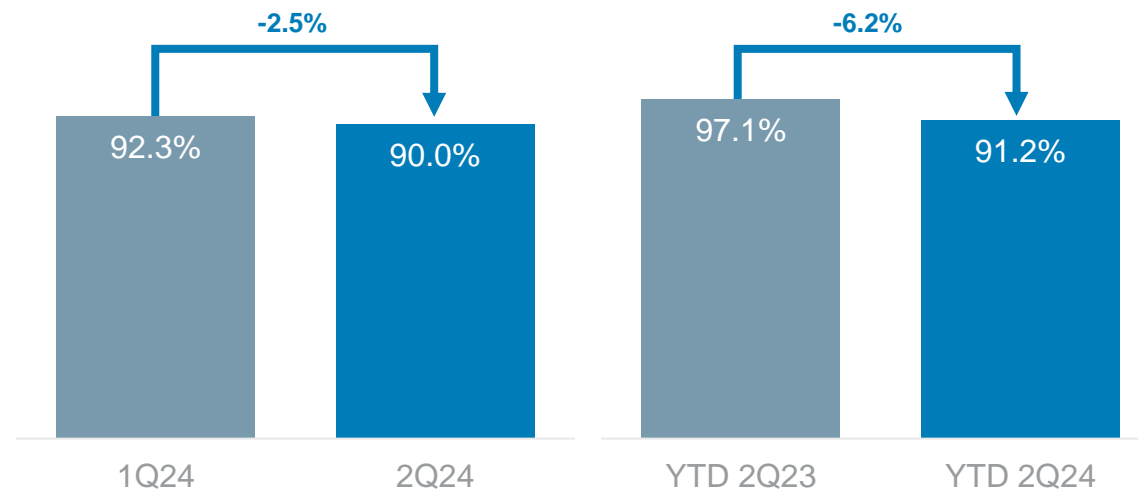
## EBITDA

**\$ 44.3m** ▲

\$ 43.7m (+1.4%)

\$ 44.1m (+0.4%)

## UTILISATION<sup>1</sup>



## OPERATING PROFIT

**\$ 28.2m** ▲

\$ 27.8m (+1.5%)

\$ 28.5m (-1.0%)

## HIGHLIGHTS (2Q24 vs 2Q23)

- Increased operating revenue driven by higher storage rates and revenue from ancillary services. This was partly offset by lower utilisation and throughput in the quarter
- Higher operating revenue partly offset by higher expenses due to inflation
- Continued tight storage market enabled significant firming of storage rates – impact to take effect by the end of 2024 when utilisation is expected to return to ~95%



# Stolt Tank Containers: Highest Ever Shipment Volume

**2Q24** vs. Adjusted 2Q23<sup>1</sup> vs. 1Q24

## OPERATING REVENUE

**\$ 167.1m** ▼

\$ 189.3m (-11.7%)

\$ 156.1m (+7.0%)

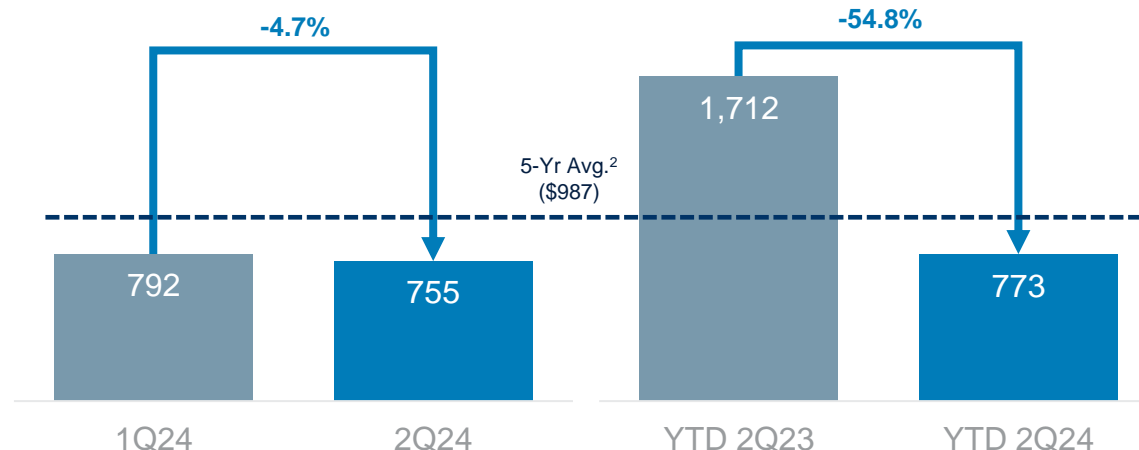
## EBITDA

**\$ 25.9m** ▼

\$ 48.9m (-47.0%)

\$ 26.9m (-3.9%)

## ADJUSTED GROSS PROFIT PER SHIPMENT<sup>1/3</sup> (US\$)



## OPERATING PROFIT

**\$ 12.5m** ▼

\$ 39.7m (-68.5%)

\$ 13.3m (-5.8%)

## SHIPMENTS

**41,781** ▲

35,667 (+17.1%)

40,047 (+4.3%)

## HIGHLIGHTS (2Q24 vs 2Q23)

- Lower revenues due to lower demurrage revenues
- Margins declined although we saw signs of the trend reversing towards the end of Q2
- Second consecutive quarter exceeding 40,000 shipments, partly offsetting the decline in margins
- Strong demand out of the Asia, Americas and Middle East regions



# Stolt Sea Farm: Firming Volumes and Prices



**2Q24** vs. 2Q23 vs. 1Q24

## OPERATING REVENUE

**\$ 31.6m** ▲

\$ 27.6m (+14.5%)

\$ 30.6m (+3.2%)

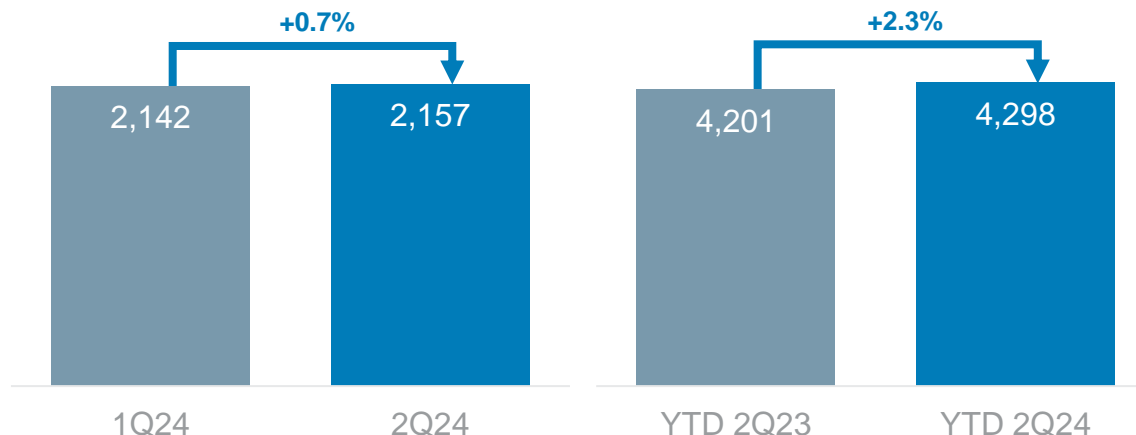
## EBITDA (Excl. FV Adj.)

**\$ 10.6m** ▲

\$ 6.8m (+56.5%)

\$ 9.1m (+16.5%)

## VOLUMES SOLD<sup>1</sup> (MT)



## OPERATING PROFIT

(Excl. FV Adj.)

**\$ 8.2m** ▲

\$ 4.4m (+85.1%)

\$ 6.9m (+19.2%)

## TURBOT PRICES

(+19.1%) vs. 2Q23

(+2.5%) vs. 1Q24

## SOLE PRICES

(+12.9%) vs. 2Q23

(+0.9%) vs. 1Q24

## HIGHLIGHTS (2Q24 vs 2Q23)

- Increase in turbot and sole sale prices driving improved performance
- Strong growth in sole volumes sold compared to 2Q23
- Continued high turbot prices limiting demand during the Easter season and heading into summer
- Focus on balancing volume and prices during peak-volume summer months



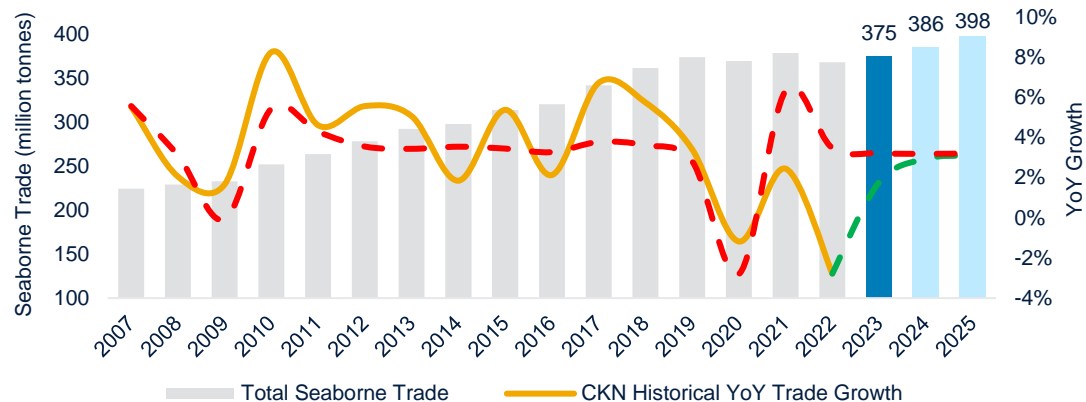




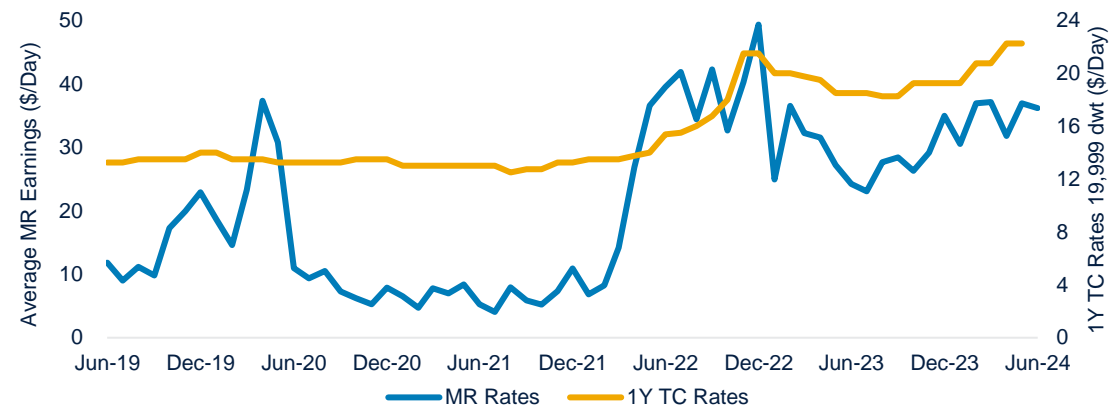
## Market Outlook

# Market Outlook: Favourable Market Fundamentals

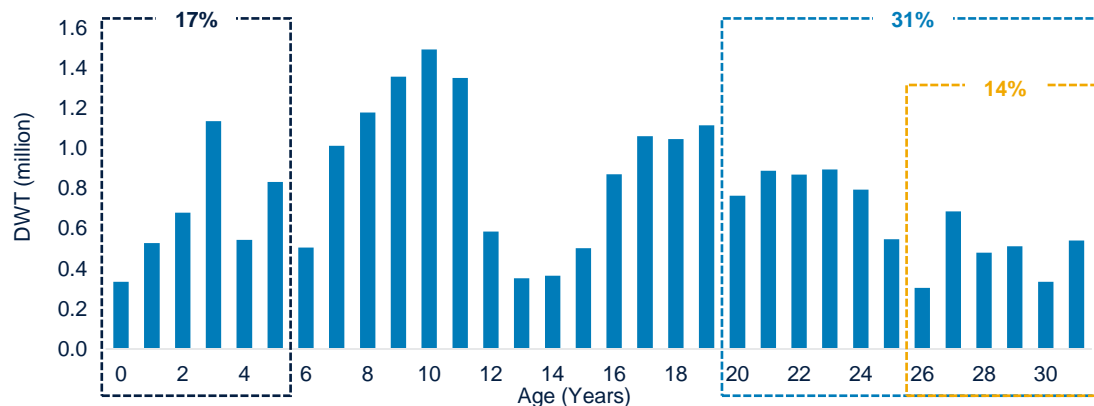
## SEABORNE TRADE EXPECTED TO INCREASE



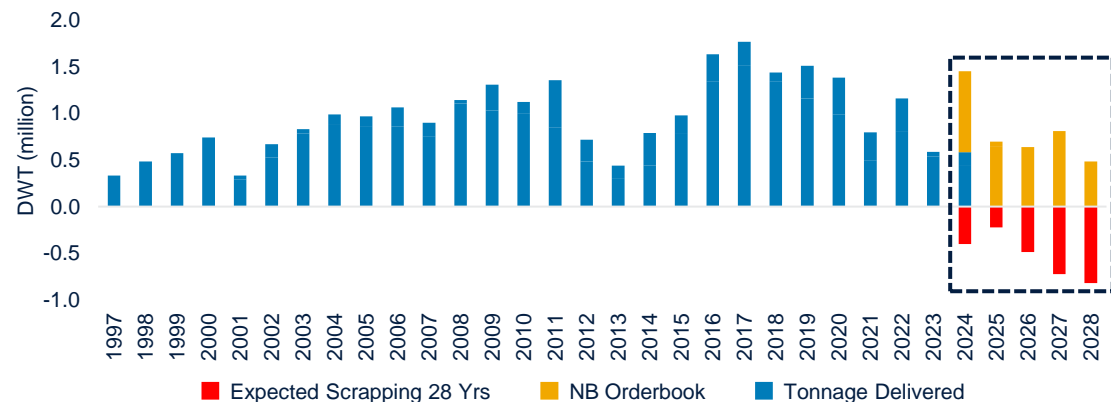
## RATES REMAIN FIRM LIMITING SWING TONNAGE



## STAINLESS STEEL TANKER AGE DISTRIBUTION IN 2027



## NEWBUILD ORDERBOOK REMAINS LOW (~12.2%)<sup>1</sup>



Sources: Clarksons Platou, Grieg Shipbrokers, Industry Sources



# Concluding Remarks



## CONTINUED STRONG EARNINGS EXPECTED IN 2H24



- TCE expected to increase 2-4% next quarter above recent historic high



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



- Focus now on improving margins



- Balancing high prices and strong production



## CASH FLOWS FOR GROWTH AND RETURNS



- Balance sheet strength – new BBB-rated USPP



- Investing for long-term growth – targeted investments across each of our business units



- Strong cash flow generation for earnings growth and dividends

LASER-FOCUSED ON IMPLEMENTING OUR SIMPLY THE BEST STRATEGY





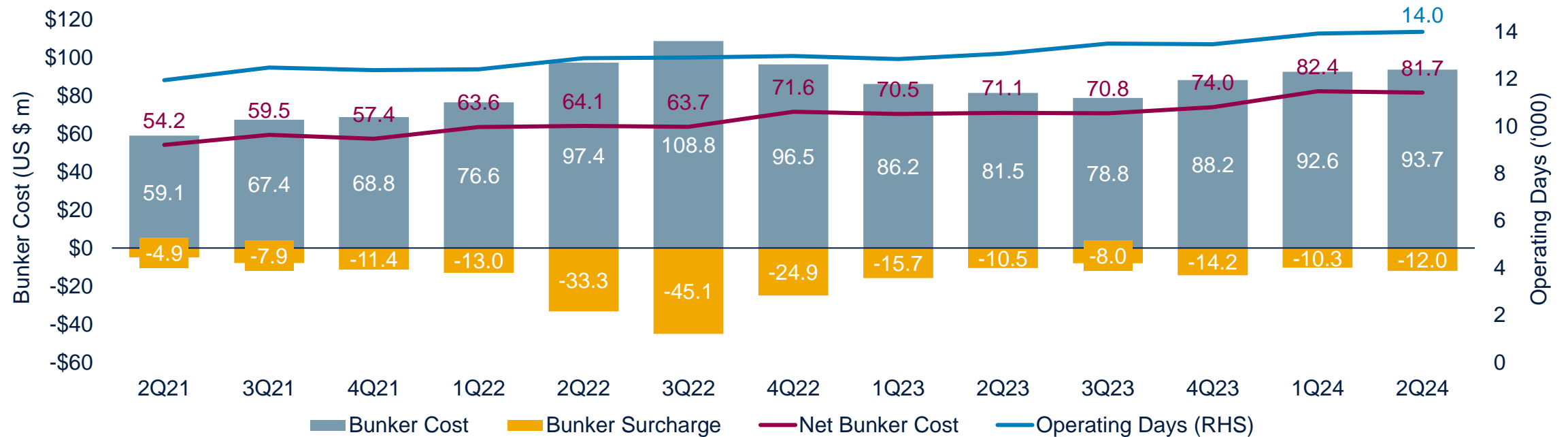
Q&A

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# Appendix: Bunker Cost Analysis

## BUNKER COST – DEEPSEA AND REGIONAL (US \$m)



## Average Price of IFO/VLSF (US \$ / Tonne)

	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Consumed	\$461	\$496	\$530	\$580	\$748	\$864	\$733	\$611	\$583	\$558	\$615	\$606	\$607
Purchased	\$479	\$506	\$561	\$605	\$827	\$865	\$651	\$591	\$561	\$568	\$632	\$597	\$612