

Business Review

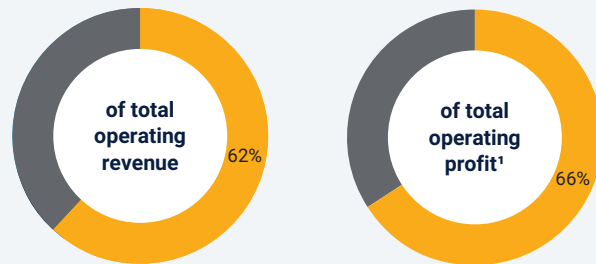
Stolt Tankers



Performance

(US \$ million)	2024	2023	2022
Operating revenue	1,803	1,710	1,497
Operating profit	390	371	205

Percentage of group total



1. Excluding Stolt-Nielsen Gas, and Corporate and Other loss of \$50.1 million.

Who we are

Stolt Tankers (ST) is a leading operator of deep-sea and regional chemical tankers, with 162 ships transporting more than 26 million tonnes of cargo annually across Europe, the Middle East, Asia Pacific, the Caribbean, the US and Latin America. We provide safe, reliable, high-quality and flexible transportation services to the world's leading manufacturers and consumers of chemicals, edible oils, acids and other bulk liquids, offering supply chain efficiencies and added value for our customers. Our service offering focuses on agility, global reach and strong supply chain partnerships.

Strategy

Stolt Tankers' strategy is focused on safely and sustainably managing the world's most efficient specialised bulk liquid shipping platform. Through our best-in-class platform, our ambition is to achieve a sustainable return on capital employed (ROCE) through the cycle.

2024 in review

This was a year of transition for ST. I was appointed President and Chief Operating Officer, and Bjarke Nissen became Chief Commercial Officer following the departure of former President Lucas Vos. Our strategy, to be both efficient and sustainable for customers, while maintaining our market leadership in chemical tankers, is unchanged, and supports the Stolt-Nielsen (SNL) strategy to be 'Simply the Best' for our customers, people and shareholders.

Creating shareholder value

Financial performance hit a record high this year, with a tight supply/demand balance. This was further amplified by the war in Ukraine and subsequent restrictions on Russian products, and the ongoing transit difficulties around the Red Sea and Panama Canal which increased voyage lengths for some trades. This positively impacted our pricing, margins and earnings.

Operating profit was \$390.1 million, compared to \$371.1 million in 2023. We carefully managed operating expenses as part of our ongoing commercial optimisation and cost reduction initiatives. Our full-year average time charter earnings (TCE) per operating day was \$31,574 (2023: \$29,621). We also delivered a record high EBITDA of \$546.3 million (2023: \$527.1 million).

Our asset platform has had an active year. We successfully secured on-the-water and newbuilding replacement tonnage to maintain our market-leading position in our deep-sea and regional businesses. Aligned to our partner-oriented growth strategy, we expanded the SNAPS Asia Pacific regional chemical tanker pool with new partner Shokuyu Navigation. We believe a balanced asset replacement strategy, focused on owned, time chartered and pooled ships, enhances our overall profitability and is more capital-efficient. We also made non-core asset sales, selling three ships to generate cash proceeds of \$59.5 million.

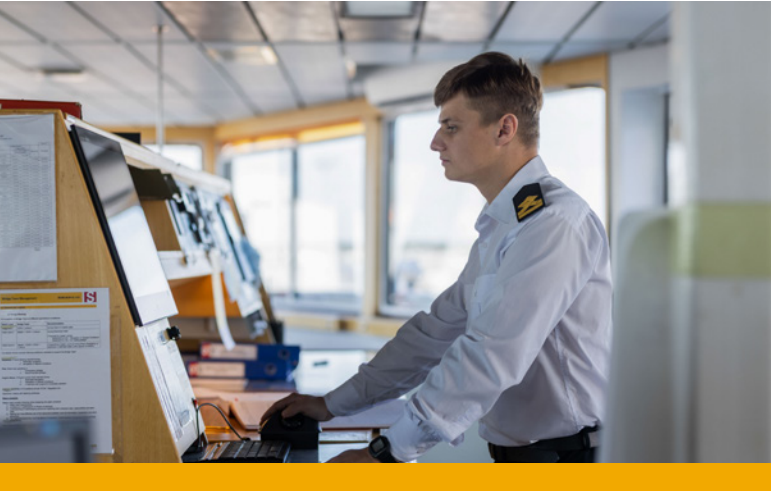
We continue to seek efficiencies as part of operational excellence onboard our ships through our continuous improvement programme, *CI@Sea*. Seafarers' improvement ideas are assessed and developed, with the most successful rolled out fleet-wide. In 2024, we implemented 14 of these ideas across the fleet.

Customers

We are an essential supply chain partner for our customers, building long-term partnerships and working together to deliver the best service we can. Ongoing transit issues around the Red Sea highlight the value of this collaborative approach, keeping essential goods moving safely.

This year, we partnered with customers to develop our value proposition, tailoring our approach for key accounts and further developing these relationships. We also worked more closely across SNL's logistics businesses, sharing knowledge and finding efficiencies as part of SNL's

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liquid logistics strategy. Our shared scale and expertise gives us a differentiated offer that benefits customers.

Digitalisation

Digital tools are key to enhancing collaboration across SNL and with our customers. Investment in our digital platform supports data-driven decision-making, optimises and connects processes, and enhances customer experience. Our customer portal offers innovative online solutions for the real-time tracking of cargo and easy access to documents, making trading smoother and more efficient, and improving communications.

People

Safety for people and the environment is the foundation of our operations. We have enhanced our approach to physical safety and were pleased to see a reduction in our Lost Time Injury Frequency (LTIF) this year. We continued to focus on mental wellbeing, implementing several initiatives to support our colleagues on board. More detail on our health and safety progress can be found on pages 38 and 40.

Professional development opportunities are important for retaining talent and enabling our people to reach their full potential. During the year, 120 of our people attended innovation training and nearly 50% of onshore colleagues accessed our online training platform. We also seek to develop life-long careers beginning with our cadets training. During 2024, we recruited 100 new cadets and we are proud that almost 80% of our new officers onboard this year originally joined us as cadets.

We are immensely proud of all our people and thank them for their dedication.

Sustainability

We align our sustainability strategy to two of the UN Sustainable Development Goals (UN SDGs): Climate Action and Life Below Water.

We are exploring ways to reduce our carbon footprint and achieve carbon neutrality by 2050. Our initiatives on carbon abatement and emissions reduction include the deployment of innovative energy-efficient technologies, sustainable fuels, and voyage optimisation. Our Annual Efficiency Ratio (AER) has improved to 10.26, a 4.4% improvement on 2023 (see page 45 for further details on our AER). The newbuildings we invested in during the year will also further improve our fuel efficiency.

To reduce our impact on life below water, we minimise underwater noise to protect cetaceans, modifying routes or slowing ships if necessary. We seek to minimise damaging discharge into the oceans, and we continue to reduce reliance on single-use plastics.

We were pleased to see our sustainability achievements recognised with a Gold EcoVadis rating. Further details can be found on pages 44-46.

Outlook

We expect geopolitical factors to remain a key driver for supply and demand dynamics in the chemical tanker market. Supply is expected to continue to be constrained in the coming years due to manageable fleet growth. On the demand side of the equation, incremental chemical demand and trade growth is expected to be stable and to track global GDP.

Stolt Tankers has been successful in defending its market leading position and replacing ageing tonnage with a mix of time charter, pooled and owned tonnage. Looking forward, we believe our best-in-class platform and commercial performance put us in an excellent position to expand strategic partnerships with our tonnage providers, shipyards, customers and stakeholders.

Maren Schroeder

President
Stolt Tankers