



The Netherlands, 27 July 2022

Vopak reports improved results and asset impairment charges

Well diversified portfolio, proactively repurposing some of the existing assets to accelerate towards new energies and sustainable feedstocks

Q2 2022	Q1 2022	Q2 2021 (restated)	in EUR millions	HY1 2022	HY1 2021 (restated)
338.0	324.1	303.1	Revenues	662.1	603.2
Results -excluding exceptional items-					
219.4	213.1	204.7	Group operating profit / (loss) before depreciation and amortization (EBITDA)	432.5	403.3
130.9	125.8	124.3	Group operating profit / (loss) (EBIT)	256.7	245.0
53.5	74.7	76.1	Net profit / (loss) attributable to holders of ordinary shares	128.2	148.6
0.42	0.60	0.60	Earnings per ordinary share (in EUR)	1.02	1.18
Results -including exceptional items-					
-245.0	213.1	135.0	Group operating profit / (loss) before depreciation and amortization (EBITDA)	- 31.9	333.6
-333.5	125.8	54.6	Group operating profit / (loss) (EBIT)	- 207.7	175.3
-410.5	74.7	6.4	Net profit / (loss) attributable to holders of ordinary shares	- 335.8	78.9
-3.28	0.60	0.05	Earnings per ordinary share (in EUR)	-2.68	0.63
214.0	169.1	167.2	Cash flows from operating activities (gross excluding derivatives)	383.1	307.1
189.4	150.2	139.7	Cash flows from operating activities (gross)	339.6	262.1
-176.0	-94.8	-151.5	Cash flows from investing activities (including derivatives)	- 270.8	- 288.5
Additional performance measures					
267.1	253.7	247.8	Proportional EBITDA -excluding exceptional items-	520.8	491.7
22.3	22.6	22.3	Proportional capacity end of period (in million cbm)	22.3	22.3
87%	84%	88%	Proportional occupancy rate	86%	88%
36.7	36.2	35.9	Storage capacity end of period (in million cbm)	36.7	35.9
87%	83%	87%	Subsidiary occupancy rate	85%	87%
11.1%	11.7%	10.5%	Proportional operating cash return	11.4%	11.1%
9.3%	9.1%	10.6%	Return on capital employed (ROCE)	9.2%	10.5%
5,538.7	5,418.2	4,626.8	Average capital employed	5,474.8	4,534.9
3,211.4	2,908.9	2,927.2	Net interest-bearing debt	3,211.4	2,927.2
2.86	2.70	2.87	Senior net debt : EBITDA	2.86	2.87
3.06	2.92	3.10	Total net debt : EBITDA	3.06	3.10

The prior periods related to financial year 2021 have been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements.

Highlights for HY1 2022 -excluding exceptional items-:

- Improving results in volatile energy markets and good progress on strategic priorities. Improving our financial performance across the portfolio, growing our footprint in gas and industrial in Asia and China and accelerating towards new energies and sustainable feedstocks in Europe.
- EBITDA of EUR 433 million (HY1 2021: EUR 403 million). Adjusted for EUR 25 million positive currency translation effects, EBITDA increased by EUR 5 million. Positive revenue developments were offset by higher costs related to surging energy and utility prices. Growth project contribution in the first half 2022 continued to support EBITDA development.
- Costs of EUR 340 million (HY1 2021: EUR 301 million) due to surging energy prices (EUR 17 million), currency translation effect (EUR 13 million) and cost for growth projects and business development.
- Proportional occupancy rate of 86% (HY1 2021: 88%) due to continued soft storage markets for oil compared to last year. There was an improvement from Q1 2022 (84%) driven mainly by Europe and Africa performance.

- EBIT of EUR 257 million (HY1 2021: EUR 245 million), adjusted for EUR 18 million positive currency translation effects, EBIT decreased by EUR 6 million. Depreciation charges were higher in HY1 2022 compared to HY1 2021 mainly due to an increase in commissioned assets.
- Proportional operating cash return of 11.4% driven by lower operating capex during HY1 2022.
- Net profit attributable to holders of ordinary shares of EUR 128 million (HY1 2021: EUR 149 million). Tax charges increased as a result of the reversal of the deferred tax assets in the Netherlands.
- The senior net debt : EBITDA ratio is 2.86 at the end of HY1 2022, within our previously communicated ambition to keep senior net debt to EBITDA in the range of around 2.5-3.0x.

Exceptional items HY1 2022:

- Vopak has recorded asset impairment charges of EUR 468 million.
- The valuations for impaired assets take into account:
 - Impact on long-term financial projections for revenue and current dynamics related to inflation pressure, utility prices, labor and material costs and among others transition in the energy market associated with the Russia-Ukraine war.
 - Vopak's proactive approach to repurpose some of its existing assets in line with the strategic priorities in which the growth of the company will be focused on its industrial and gas terminals, and accelerate towards new energies and sustainable feedstocks.
 - The most recent energy transition scenarios in the OECD countries and a revised asset valuation methodology for oil assets.
- A breakdown of the total impairment charges is stated below:
 - Europoort - EUR 240 million: By accelerating into new energies and repurposing some of its assets, Vopak Energy Terminal in Rotterdam (Europoort) will reduce its capacity by 2030 and will use the available land for new energy investments. Over time, this will reduce Vopak's exposure in oil assets in line with our ambition to increase the relative exposure of industrials, gas and new energies. Transition in the energy markets is expected to impact the long term revenue prospects of Europoort's current activities, in addition to current dynamics related to inflation pressure, utility prices, labor and material costs.
 - Botlek - EUR 190 million: Botlek terminal is below Vopak's minimum return levels which is driven by lower revenue projections in addition to challenging conditions related to among others inflation pressure, utility prices and labor costs.
 - SPEC LNG Colombia - EUR 36 million: Due to weather conditions in recent years which have brought a significant amount of rain in Colombia, hydropower has been available as the main source of power, which resulted in a reduced utilization of the FSRU. In addition, the tight FSRU market associated with the Russia - Ukraine war is leading to the opportunity to reduce FSRU costs becoming remote. As a result of the above there is a decrease in dividend expectations. This exceptional charge is recorded under Result joint ventures and associates in the Interim Consolidated Financial Statements.

For more details on the exceptional items reference is made to note 4 of the Interim Consolidated Financial Statements.

These non-cash exceptional charges have no impact on the leverage ratio and covenants level.

Royal Vopak Chief Executive Officer Dick Richelle comments:

"In the first half of 2022, we announced Vopak's strategic priorities and financial framework on which we acted accordingly. These priorities are:

- *Improve the performance of our portfolio*
- *Grow our base in industrial and gas terminals*
- *Accelerate towards new energies and sustainable feedstocks*

We revised our assets value and booked asset impairment charges of EUR 468 million. This has no impact on the execution of our strategy, dividend policy or leverage ratio target. We are focused on executing and accelerating the energy transition by taking a proactive approach towards repurposing some of our existing assets.

We improved the performance of our portfolio by reporting an EBITDA of EUR 433 million. We closed the sale of our 4 Canadian terminals emphasizing our strong focus on cash generation across the portfolio.

We are advancing well in growing our base in industrial and gas. The successful completion of the Indian joint venture with Aegis, positions us as the largest storage provider for LPG and chemicals in India. On LNG, our Gate terminal is fulfilling an important role in the energy security of Northwest Europe and we were able to increase its sendout capacity by 30%. In China we expanded again our industrial terminal capacity. In total we now have a global network of 15 industrial terminals.

We are making progress in accelerating towards new energies and sustainable feedstocks. Particularly in Rotterdam we announced some important milestones as our opportunities for developing hydrogen infrastructure are accelerating. This builds, among others, on our strong base of ammonia storage at several strategic locations around the world. We are investigating together with partners to develop a liquid hydrogen supply chain from Portugal to Rotterdam. Together with partners we are developing an import terminal for ammonia as a hydrogen carrier in Rotterdam. These new energy projects are an integral part of our ambitious Sustainable Roadmap.

We improved our results in the first half in the volatile energy market environment and have momentum in execution towards our strategic priorities. With a growing world population and at the same time the need for decarbonization, we foresee a rising demand for our independent infrastructure solutions. We have a unique global network of strategic locations, highly competent people and long term partnerships. We will continue transforming our portfolio and position our company in leading locations towards more sustainable forms of energy and feedstocks.”

Q2 2022 key events:

- On 25 May 2022, Vopak announced the successful completion of the Indian partnership with Aegis. Aegis Vopak Terminals will become the largest independent storage provider company for LPG and chemicals in India.
- On 30 June 2022, Vopak successfully renewed its EUR 1 billion sustainability-linked revolving credit facility (RCF) with a syndicate of 12 international relationship banks. The new RCF is linked to our performance on three key topics from Vopak's sustainability roadmap: our safety performance, gender diversity in senior management and the reduction of our greenhouse gas emissions.
- In the second quarter, the Caojing industrial terminal in Shanghai (China) commissioned 65,000 cbm of new storage capacity, of which 40,800 cbm relates to ammonia storage.

Other key developments:

- Regrettably, a tragic incident occurred at our Caojing terminal, in China on 6 July 2022. A Vopak employee fell into water and drowned. An extensive tripod investigation to determine the root cause is currently being conducted. Safety is and will remain our first and foremost priority.
- On 6 July 2022, Gate terminal announced that it will take 3 initiatives to further strengthen its position in the security of supply of Northwest Europe. The terminal will increase its truck loading capabilities and send-out capacity, and initiate an open season for an additional 4 BCM per annum.
- Vopak has signed an agreement with partners to study the feasibility of producing, liquifying and transporting green hydrogen from Portugal to the Netherlands, where it would then be stored and distributed for sale. The consortium envisions hydrogen being produced by electrolysis from renewable power in the industrial zone of the Sines port. Then the hydrogen is liquified and

shipped via a liquid hydrogen carrier to the port of Rotterdam for distribution and sale. The aim is to deliver a first shipment of liquid hydrogen from Sines to Rotterdam by 2027.

- Vopak and Gasunie will jointly develop future open access hydrogen import terminal infrastructure through a cooperation agreement. Terminal infrastructure is essential for importing green hydrogen to reach the European Green Deal targets. As part of that agreement, Gasunie, HES International (HES) and Vopak will be working together to develop an import terminal for green ammonia as a hydrogen carrier. The terminal, which will operate on the Maasvlakte under the name ACE Terminal, will be operational from 2026.

Portfolio items:

- In April 2022, Vopak completed the sale of its 33% shareholding in German LNG Terminal GmbH, as a result an impairment reversal of EUR 3.8 million was recorded.
- In May 2022, Vopak completed the earlier announced divestment of its 100% shareholding in Vopak Terminals of Canada Inc. and Vopak Terminals of Eastern Canada Inc. As a result, an exceptional gain of EUR 5.7 million was recognized.

Looking ahead:

- Vopak aims to improve the performance of the portfolio and targets an operating cash return of at least 10% by 2025. Current expectation for FY 2022 operating cash return is around 9.5%, subject to market conditions and currency exchange. Operating cash return is defined as proportional operating cash flow over average proportional capital employed and reflects the increased importance of free cash flow and joint ventures in our portfolio.
- Vopak expects to deliver EBITDA (excluding exceptional items) in the range of EUR 830 million to EUR 850 million in FY 2022 factoring continued volatility in the energy market, inflation and utility prices pressure subject to market conditions and currency exchange.
- Given the surging energy and utility prices, and currency exchange movements we expect to manage the 2022 cost base including additional costs for new growth projects around EUR 690 million in line with EUR 645 million which as previously communicated was subject to currency exchange and utilities price movements.
- In 2022, growth investments are expected to be below EUR 300 million. The allocation of these investments will be through existing committed projects, new business development and pre-FID (Final Investment Decision) feasibility studies in new energies including hydrogen.
- For the period 2020-2022, Vopak expects to be at the higher end of the range EUR 750 million to EUR 850 million for sustaining and service improvement capex, subject to additional discretionary decisions, policy changes and regulatory requirements.
- As part of the strategic direction for the period 2020-2022, Vopak indicated to invest annually up to a maximum of EUR 45 million in IT capex, to complete Vopak's digital terminal management system. We expect to complete the roll out of our Vopak Terminal System to our terminal network and joint ventures by the end of 2023.
- Vopak aims to generate strong cash flow and is committed to a disciplined allocation of capital by targeting a robust balance sheet. Vopak's strategy, dividend policy and leverage ratio target are unchanged.

Impact of the Russia-Ukraine war:

The Russian invasion of Ukraine is a major humanitarian drama and we sympathize with the people who are now suffering from the violence of war.

Vopak is monitoring the situation closely and is fully committed to adhere to relevant sanctions laws and regulations. As governments try to ensure energy security and affordability, Vopak follows applicable government regulations with regard to energy imports from Russia.

The Russia-Ukraine war and the international sanction regimes make the market situation volatile and uncertain. Direct impact is assessed to be mainly in Vopak's Europoort terminal and to be limited on

Vopak's group level. There is, however, an indirect exposure through factors such as utility prices, inflation, market conditions and exchange rates which was considered during the individual asset revaluation performed in the second quarter of 2022.

Impact of Covid-19 pandemic in 2022:

The pandemic spread of Covid-19 remains an impactful event in several regions around the world, such as China. Our first priority in the Covid-19 response continues to be to protect the health and well-being of our people, their families and the communities in which we operate. Also in times of crisis, Vopak plays an important role within society by storing vital products with care.

Financial calendar

11 November 2022	Publication of 2022 third-quarter interim update
15 February 2023	Publication of 2022 annual results
26 April 2023	Publication of 2023 first-quarter interim update
26 April 2023	Annual General Meeting
2 August 2023	Publication of 2023 half year results
3 November 2023	Publication of 2023 third-quarter interim update

Disclaimer

Any statement, presentation or other information contained herein that relates to future events, goals or conditions is, or should be considered, a forward-looking statement. Although Vopak believes these forward-looking statements are reasonable, based on the information available to Vopak on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on these forward-looking statements. Vopak's outlook does not represent a forecast or any expectation of future results or financial performance. The actual future results, timing and scope of a forward-looking statement may vary subject to (amongst others) changes in laws and regulations including international treaties, political and foreign exchange developments, technical and/or operational capabilities and developments, environmental and physical risks, (energy) resources reasonably available for our operations, developments regarding the potential capital raising, exceptional income and expense items, changes in the overall economy and market in which we operate, including actions of competitors, preferences of customers, society and/or the overall mixture of services we provide and products we store and handle.

Vopak does not undertake to publicly update or revise any of these forward-looking statements.

About Royal Vopak

Royal Vopak is the world's leading independent tank storage company. We store vital products with care. Products for everyday life. The energy that allows people to cook, heat or cool their homes and for transportation. The chemicals that enable companies to manufacture millions of useful products. The edible oils to prepare food. We take pride in improving access to cleaner energy and feedstocks for a growing world population, ensuring safe, clean and efficient storage and handling of bulk liquid products and gases at strategic locations around the world. We are excited to help shape a sustainable future by developing infrastructure solutions for new vital products, focusing on zero- and low-carbon hydrogen, ammonia, CO₂, long duration energy storage and sustainable feedstocks. We have a track record of over 400 years in navigating change and are continuously investing in innovation. On sustainability, we are ambitious and performance driven, with a balanced roadmap that reflects key topics that matter most to our stakeholders and where we can have a positive impact for people, planet and profit and the United Nations Sustainable Development Goals.

Vopak is listed on the Euronext Amsterdam and is headquartered in Rotterdam, the Netherlands. For more information, please visit www.vopak.com

For more information please contact:

Vopak Press: Liesbeth Lans - Manager External Communication
global.communication@vopak.com

Vopak Analysts and Investors: Fatjona Topciu - Head of Investor Relations
investor.relations@vopak.com

The analysts' presentation will be given via an on-demand audio webcast on [Vopak's corporate website](#), starting at 10:00 AM CEST on 27 July 2022.

This press release contains inside information as meant in clause 7 of the Market Abuse Regulation. The content of this report has not been audited or reviewed by an external auditor.