Wallenius Wilhelmsen

May 7th 2018

Highlights first quarter 2018

Seasonally weak results with EBITDA adjusted of USD 128 million

Underlying positive volume development, especially for high & heavy

Ocean results impacted by rate reductions, reduced HMG volumes, increased bunker cost and currency movements

Landbased results down due to increased SG&A cost allocations

About USD 85 million in synergies confirmed

New Corporate Visual Identity and name; Wallenius Wilhelmsen ASA

Wallenius Wilhelmsen

Agenda

- Business update
- Financial performance
- Market and business outlook
- Summary and Q&A

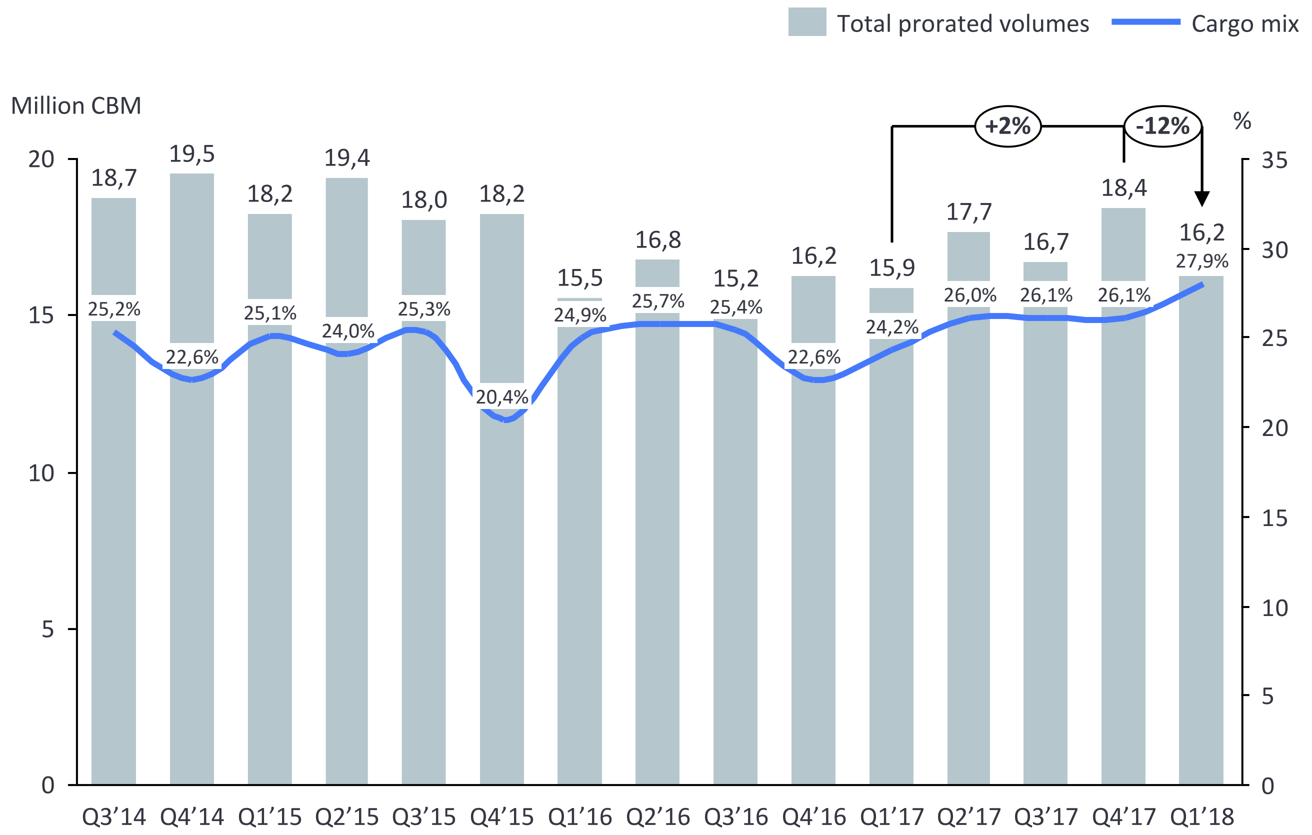
Wallenius Wilhelmsen

Business update

by Craig Jasienski

Underlying positive volume development offset by reduced contracted Hyundai Motor Group (HMG) volumes

Volume and cargo mix development[1]
Million CBM and %

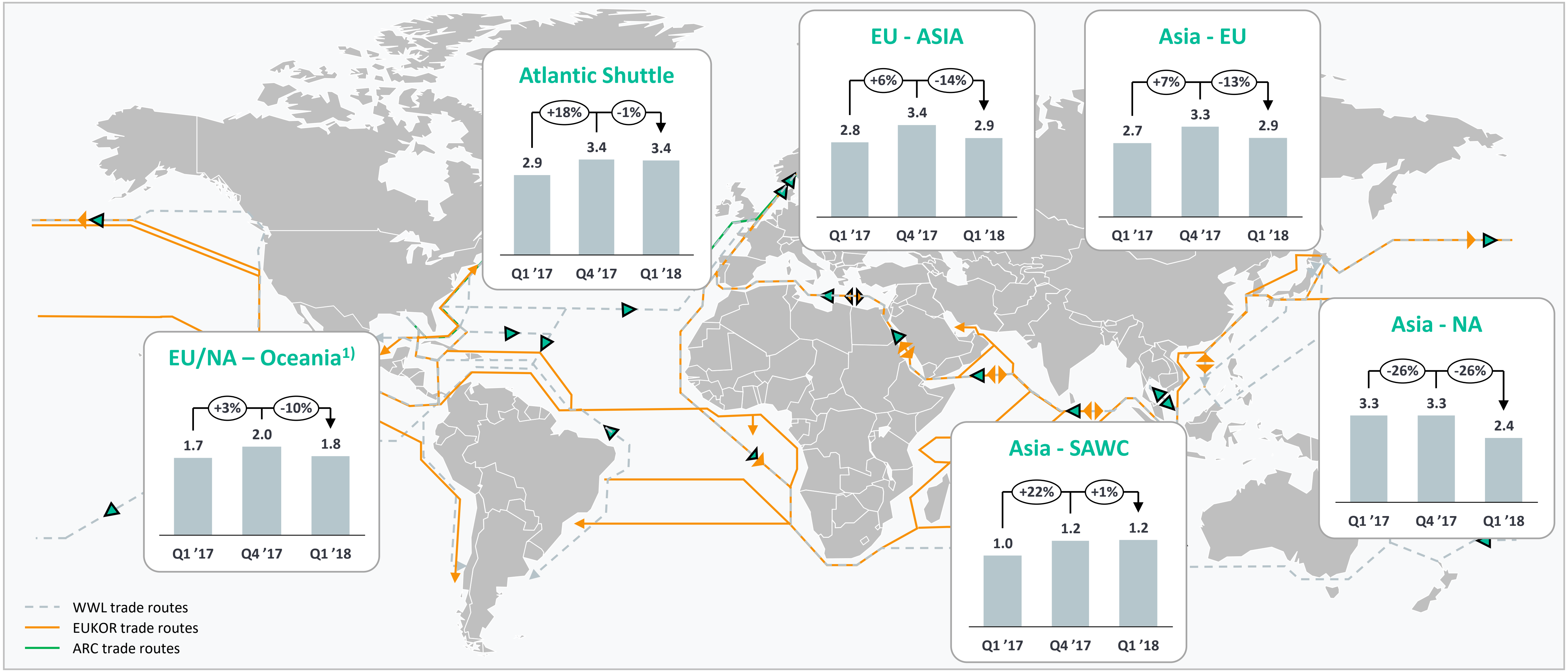


Comments

- Underlying positive volume development offset by reduced contracted HMG volumes (up 2% y-o-y)
  - Increased volumes in all foundation trades excluding AS-NA (especially USWC) where EUKOR had the largest reduction in contracted HMG volumes
  - Adjusted for reduced contracted HMG volumes (0.5 million CBM) volumes were up about 5% y-o-y
- Volumes down 12% q-o-q, driven by seasonality and contracted reduction in HMG volumes
- Continued positive development for cargo mix with a high & heavy share of 27.9% in the first quarter, up from 26.1% in the previous quarter and 24.2% in same period last year

1) *Prorated volume*
2) *Calculated based on unprorated volumes. Updated figures based on aligned cargo type definition and reporting across all Ocean units*

Seasonal reduction in volumes across most foundation trades

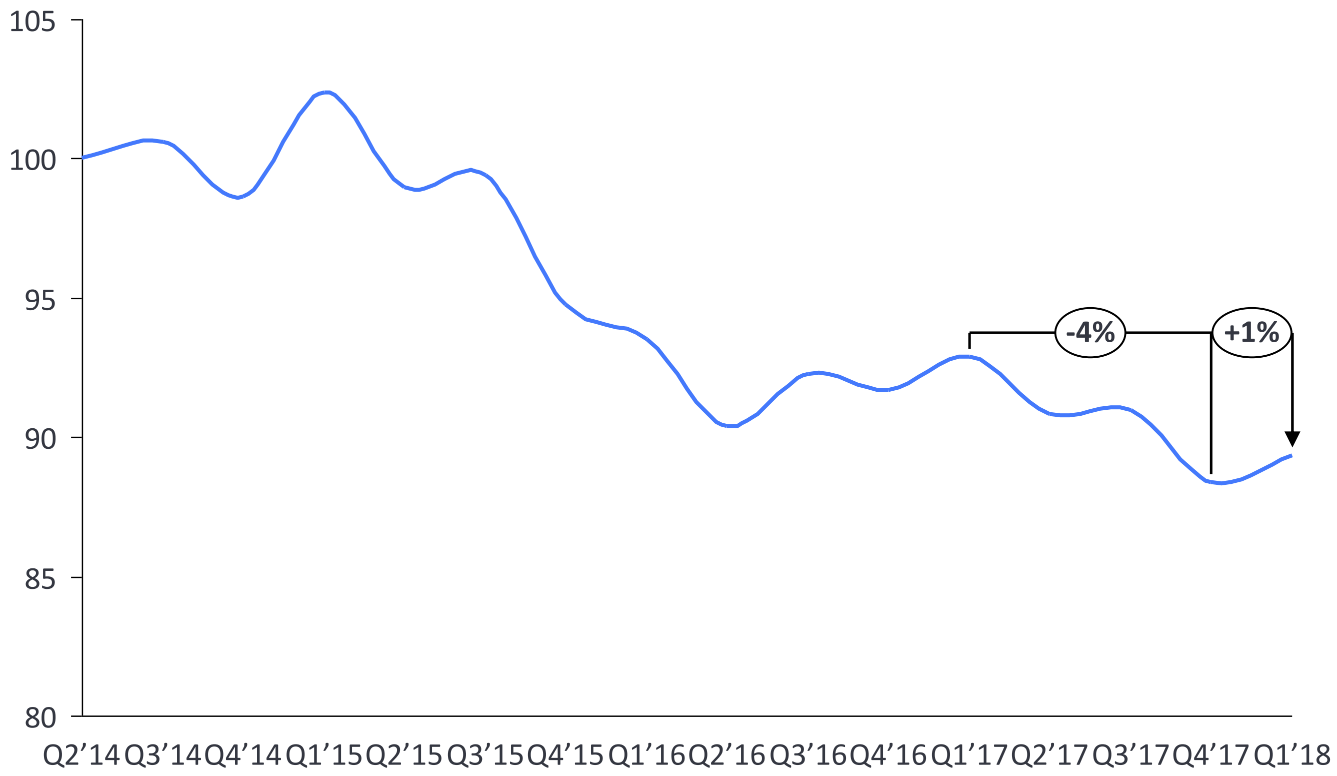


Note: Prorated volumes on operational trade basis in CBM

1) Including Cape sailings (South Africa)

Positive development in net freight/CBM despite rate reductions due to changes in trade and cargo mix

Net freight / CBM development[1)]
Indexed to 100 per Q2 2014



Comments

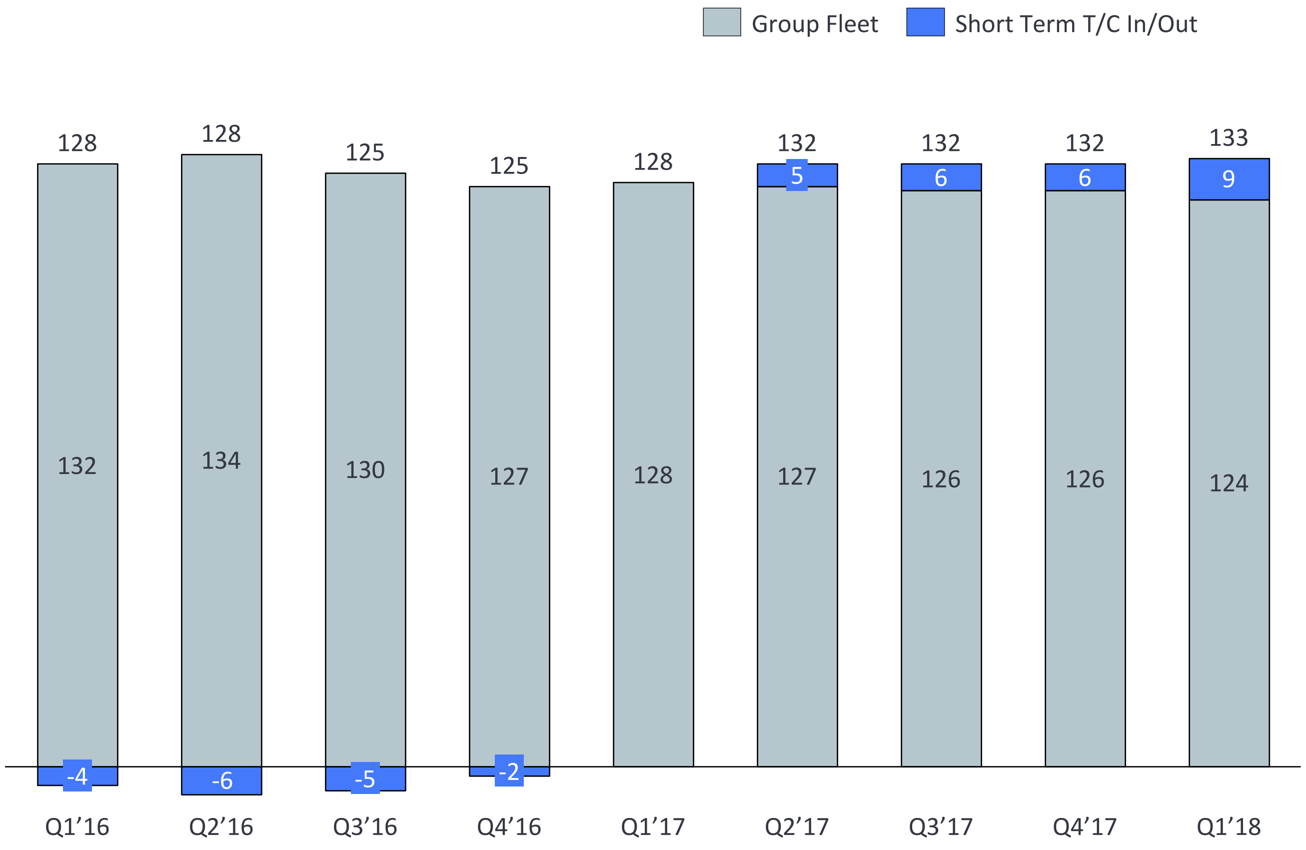
- Net freight / CBM increased by about 1% in the first quarter compared with the previous quarter due to changes in trade and cargo mix
  - The largest volume reduction in the quarter was seen in EU-AS and AS-USWC which are trades with relatively low net freight / CBM
  - Furthermore, the increased high & heavy share also had a positive impact on net freight / CBM
- On the other side, rate reductions from contract renewals in 2017 impacted the net freight index negatively with about USD 5 million compared to last quarter and about USD 15 million compared to the same period last year

Note: Unprorated volumes excluding US flag operations

1) Net freight = Revenues adjusted for surcharge elements such as BAF, SRC, THC etc

133 vessels operated at the end of the first quarter

Fleet development
of vessels

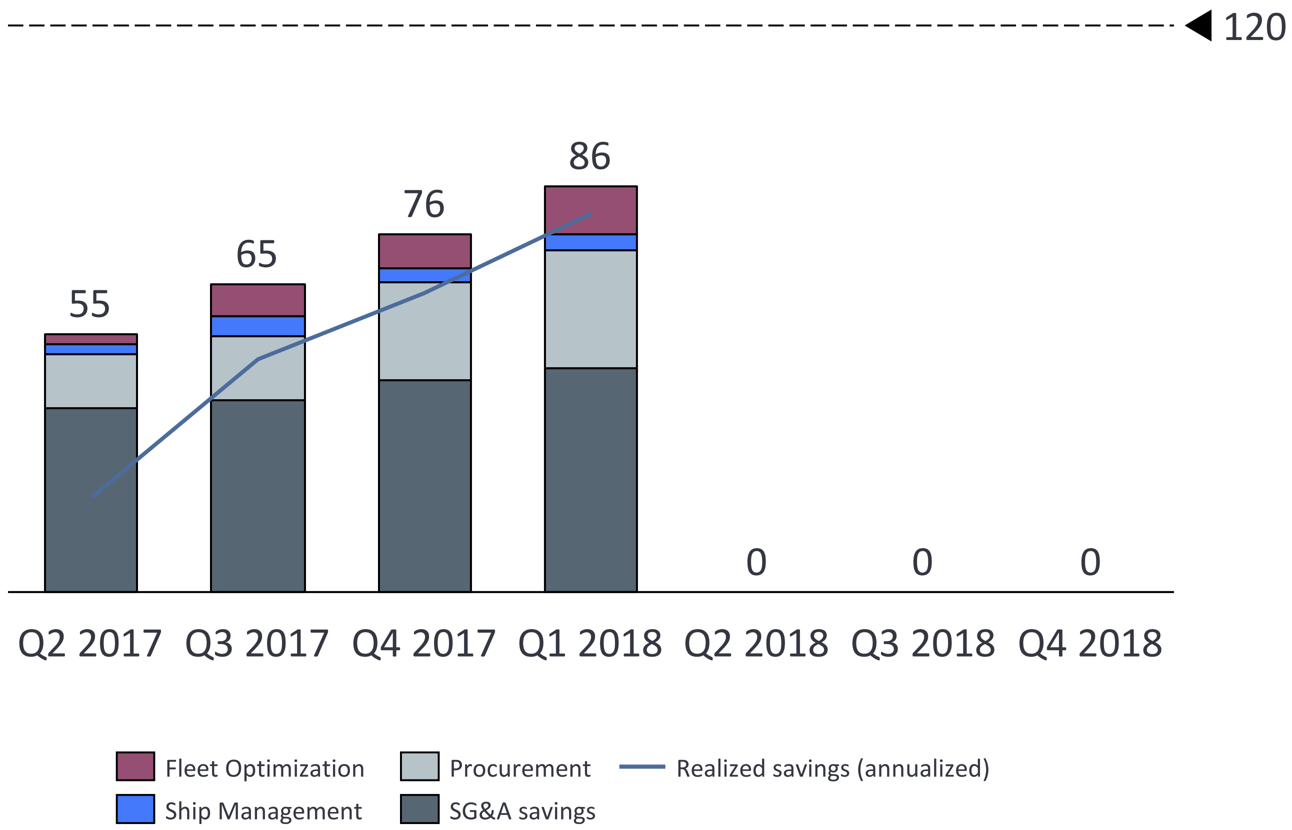


Comments

- Wallenius Wilhelmsen operated a core fleet of 124 vessels (851K CEU), representing around 20% of the global fleet in the first quarter
- In addition, the group continued to leverage the short-term market and controlled a fleet of 133 vessels at the end of the first quarter, but with less capacity deployed during the seasonally slow January & February months
- The group retains flexibility to redeliver two vessels and up to 19 vessels by 2022 (excl. short term time charters)
- Four Post-Panamax vessels are expected to enter service in 2018 and 2019, with remaining installments of about USD 160 million

USD 86 million of the USD 120 million synergy target confirmed

Confirmed and realized synergy development
USD million



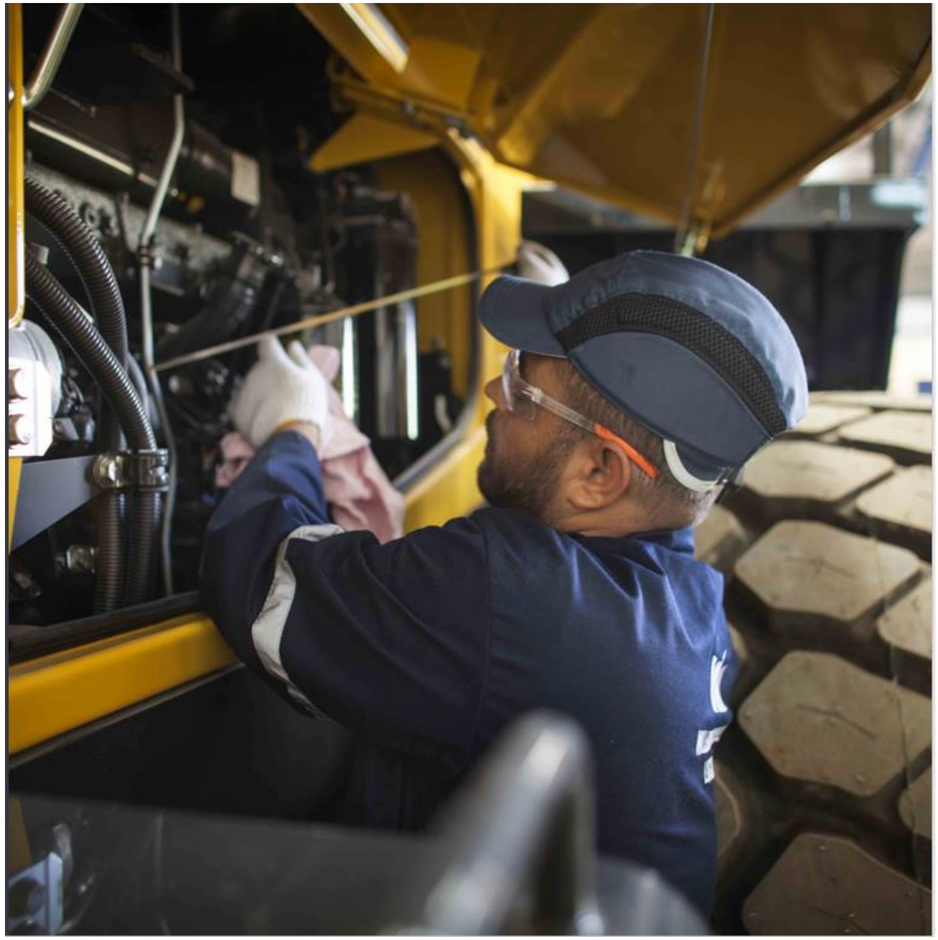
Comments

- At the end of the first quarter USD 86 million of the USD 120 million synergy target was confirmed
- During the quarter about USD 10 million was added to confirmed synergies, through a combination of fleet optimization, procurement and SG&A savings
- The annualized run rate for synergies were about USD 80 million, up from about USD 65 million in the previous quarter
- The remaining part of the confirmed synergies will gradually come into effect over the next 3-6 months

Several key developments for landbased in the first quarter

Key highlights for landbased

- VSA results negatively impacted by high auto inventories causing congestion and reduced operational efficiencies
- Melbourne terminal fully operational from January 2018
- Keen Transport being integrated into WW Solutions
- WW Solutions credit facility to be increased with USD 150 million to allow for further non-organic growth
- Investment and M&A pipeline remains interesting



New Corporate Visual Identity and name; Wallenius Wilhelmsen ASA

Wallenius Wilhelmsen

Wallenius Wilhelmsen Ocean

Wallenius Wilhelmsen Solutions

AMERICAN ROLL-ON ROLL-OFF CARRIER
ARC

EUKOR Car Carriers Inc.
We deliver

Wallenius Wilhelmsen

Financial performance

by Rebekka Herlofsen

Consolidated results – first quarter 2018

	Q1 2018	Q4 2017	Proforma Q1 2017[1)]
Total income	**968**	**1 036**	**890**
Operating expenses	(843)	(859)	(747)
EBITDA	**125**	**177**	**143**
EBITDA adjusted	128	182	143
Depreciation	(84)	(84)	(74)
EBIT	**41**	**93**	**60**
Net financial items	(5)	(32)	n/a
Profit before tax	35	61	n/a
Tax income/(expense)	(25)	27	n/a
Profit for the period	**10**	**86**	**n/a**
EPS	0.02	0.20	n/a

Comments

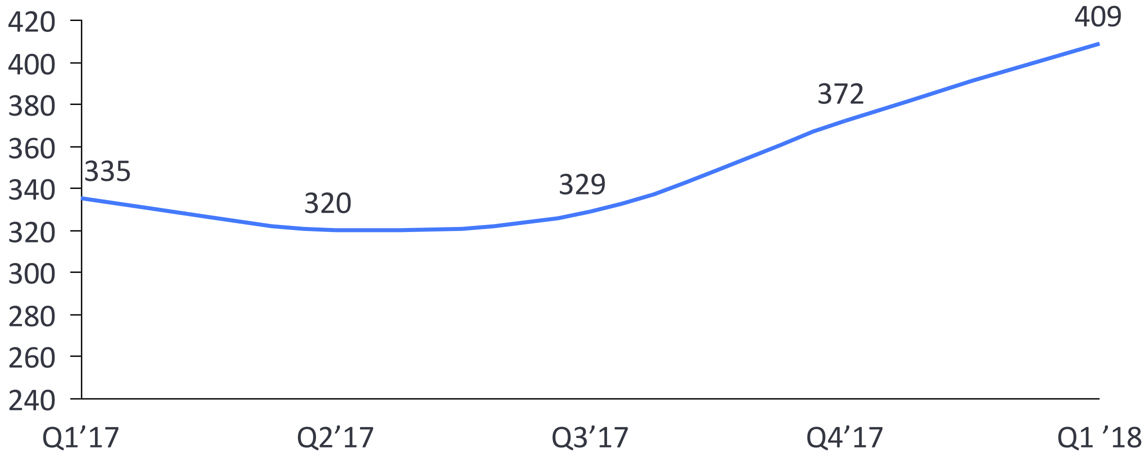
- Seasonally weak results with EBITDA adjusted of USD 128 million, down 10% y-o-y and 30% q-o-q primarily driven by the ocean segment
- Extraordinary costs of USD 3 million related to the restructuring and realization of synergies
- Net financial items in the first quarter were positively impacted by USD 30 million in unrealized interest rate derivatives and USD 3 million related to movements in currency
- Tax expense of USD 25 million in the first quarter, primarily related to changes in deferred tax of USD 12 million and provision for withholding tax on dividends from EUKOR of USD 7 million

1) Comparable numbers are pro forma numbers as if the transaction had taken place back in time

Increased bunker prices and unfavourable currency movements continue to impact the results negatively

Bunker price development

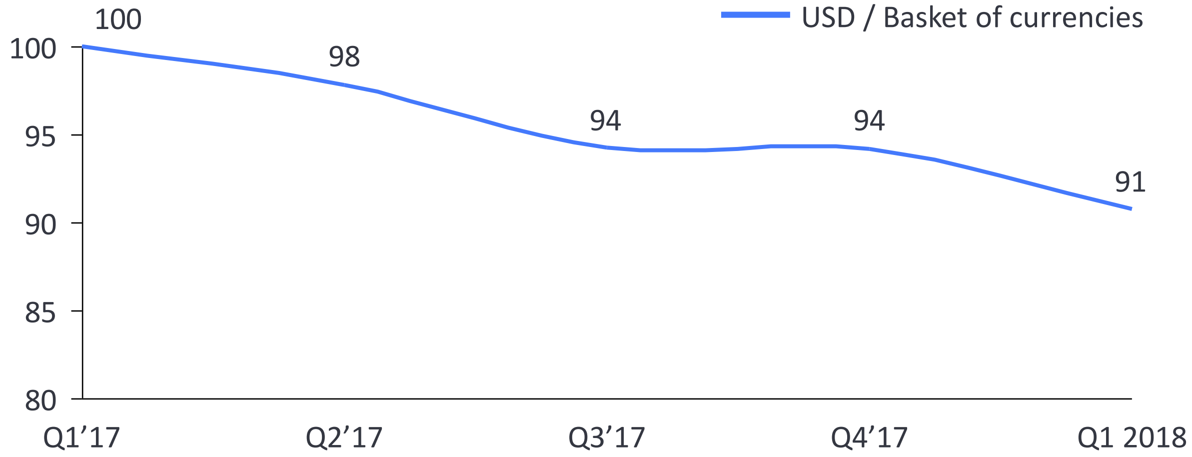
USD / ton HFO



- BAF in customer contracts are the main mechanism to manage risk
- The business is exposed to changes in the bunker price since BAF is calculated based on the average price over a historical period, and then fixed during an application period, creating a "3 month" lag effect (negative if prices move up and positive if prices move down)
- Bunker prices continue to move upwards, and results in the first quarter were negatively impacted with more than USD 10 million

Currency development[1]

Basket of currencies Indexed to 100 per Q1 2017



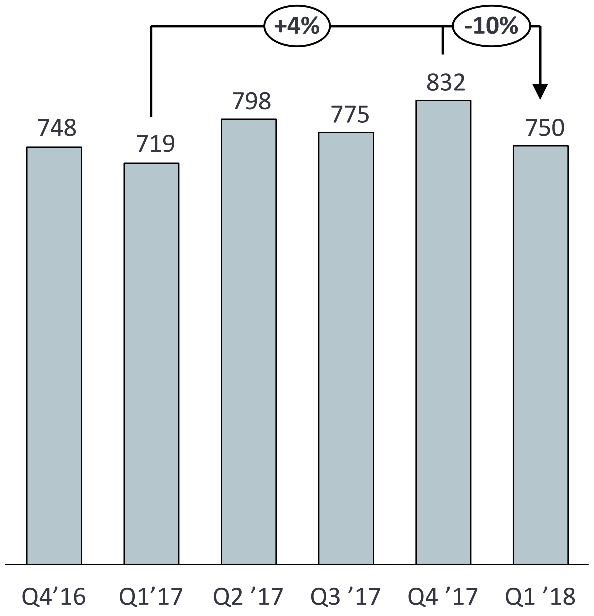
- Main currency for both revenues and costs in the operating entities are USD with the majority of revenues in USD while 20% of the operating costs in non-USD currencies (mainly EUR, KRW, JPY, SEK and CNY)
- The USD has weakened lately causing a negative currency effect of about USD 15 million y-o-y and about USD 5 million q-o-q
- As a main principle, financial instruments are not used to hedge currency risk in the operating entities (assessment done when USD is historically strong vs. other currencies)

1) Value weighted basket of currencies consisting of USD/EUR, USD/KRW, USD/JPY, USD/CNY and USD/SEK

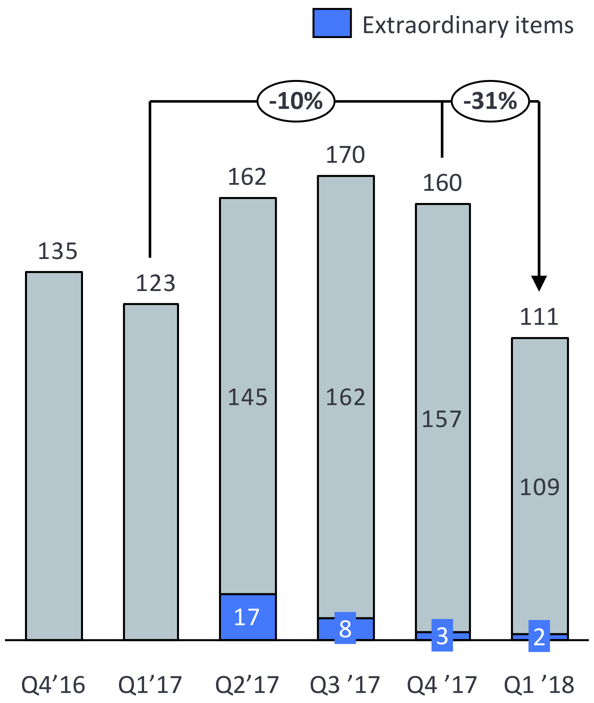
Ocean segment – first quarter 2018

Total income and EBITDA ocean segment[1, 2]
USD million

Total income



EBITDA



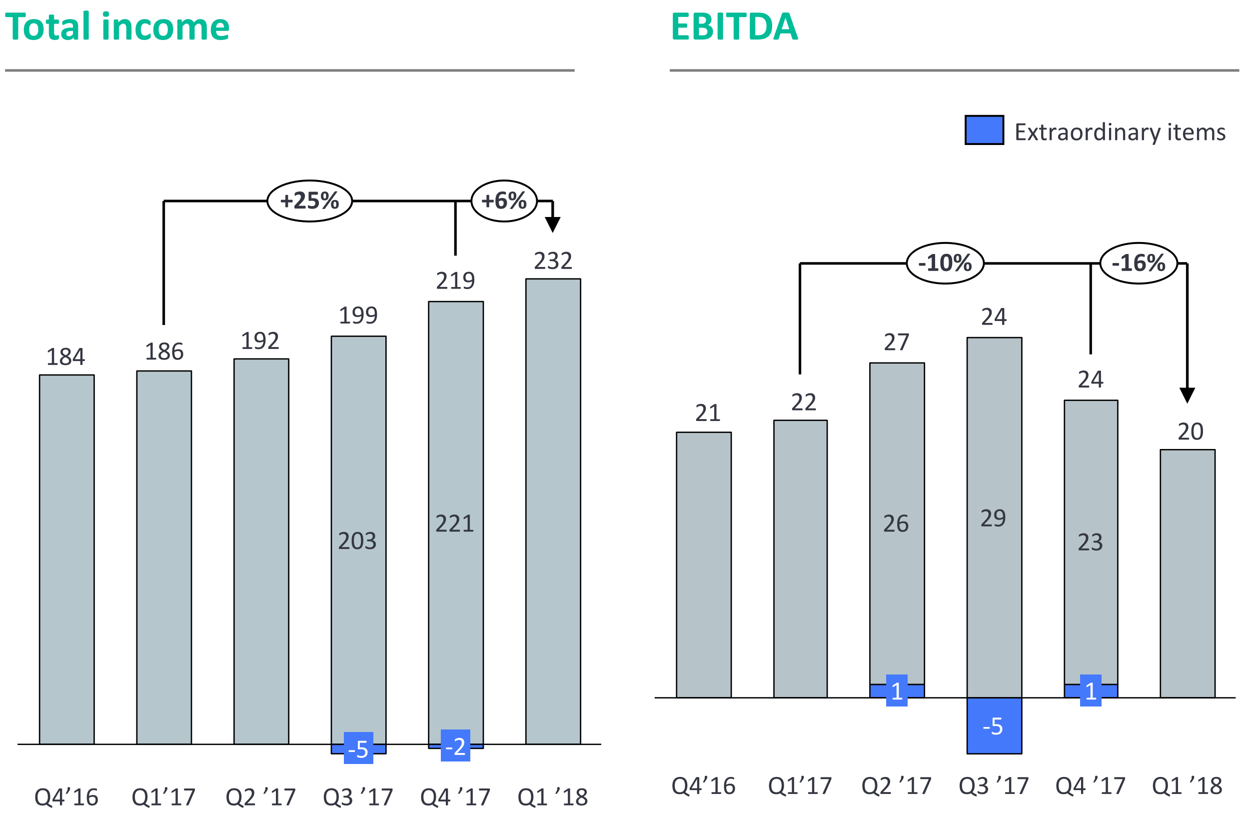
Comments

- Total income was USD 750 million, up 4% y-o-y due to increased volumes and fuel compensation
- EBITDA adjusted of USD 111 million, down 10% y-o-y driven by
    - Reduced contracted HMG volumes
    - Strike at HMG production facilities
    - Unfavourable currency movements (USD 15 million)
    - Net bunker price increase (USD 10 million)
    - Rate reductions (USD 15 million)
    - Armacup stink bug challenges (USD 3 million)
- The negative impact from above factors was partly offset by underlying strong volume development, increased high & heavy share and realization of synergies
- EBITDA in the first quarter was down 31% compared to the previous quarter driven by the same factors as described above as well as seasonally lower volumes

1) *Adjusted for extraordinary items;*
2) *Comparable numbers are pro forma numbers as if the transaction had taken place back in time*

Landbased segment – first quarter 2018

Total income and EBITDA landbased segment[1, 2]
USD million



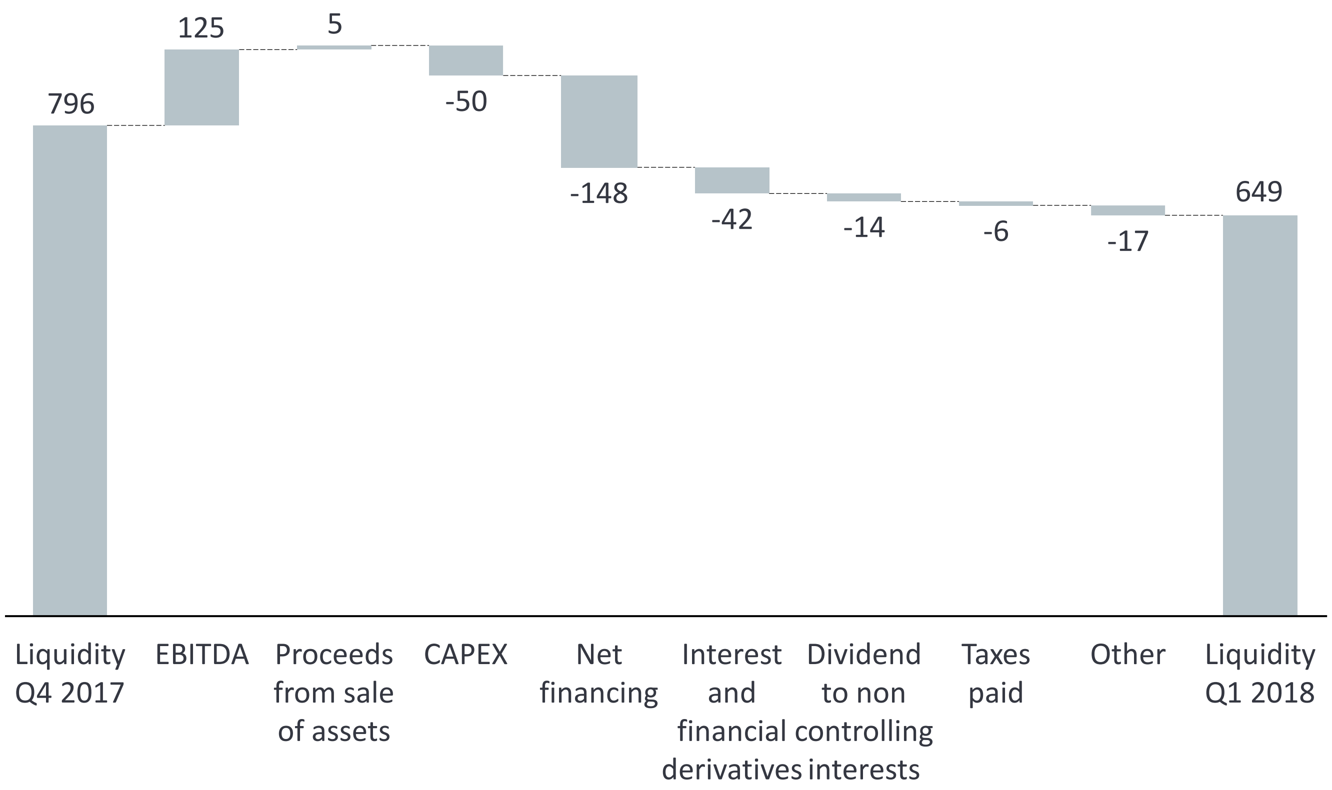
Comments

- Total income was USD 232, up 25% y-o-y primarily driven by Keen Transport and the Melbourne terminal
- EBITDA was USD 20 million, down 10% y-o-y
  - Increased SG&A allocations of USD 3 million
  - Congestions and reduced operational efficiencies at certain locations in North America (VSA) due to high inventories
- The negative impact of above factors was partly offset by improved contribution from the terminals (Melbourne terminal fully operational from Jan 2018) and Keen transport (acquired 7 December 2017)

1) Adjusted for extraordinary items;
2) Comparable numbers are pro forma numbers as if the transaction had taken place back in time

Cash flow and liquidity development – first quarter 2018

Cash flow and liquidity development
USD million



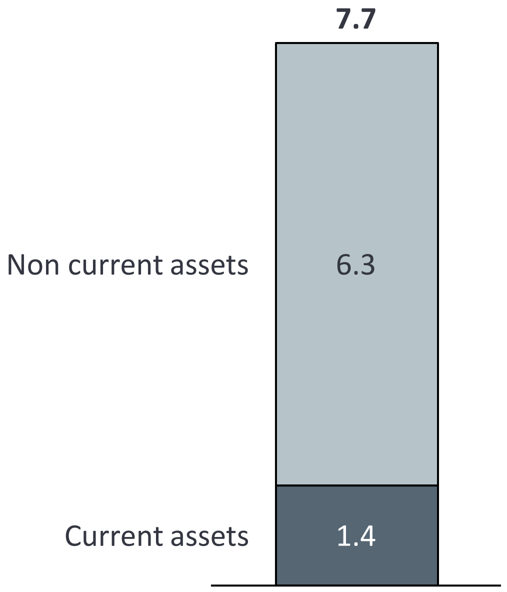
Comments

- CAPEX of USD 50 million includes
  - Purchase option for leased vessel (USD 26 million)
  - Instalments for new buildings (USD 8 million)
  - Dry docking costs (USD 9 million)
- Net financing of USD 148 million includes
  - Regular instalments of USD ~100 million
  - Early down payment of ship loans USD ~90 million (refinanced in early April 2018)
  - Drawdown on credit facilities (USD 37 million)
- EUKOR distributed USD 70 million in dividend in the first quarter with USD 14 million to non controlling interest

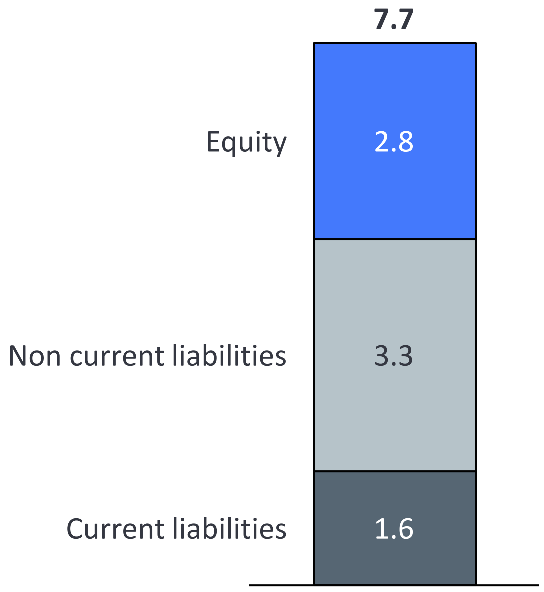
Balance sheet review – first quarter 2018

Unaudited Balance Sheet 31.03.2018
USD billion

Assets



Equity & Liabilities

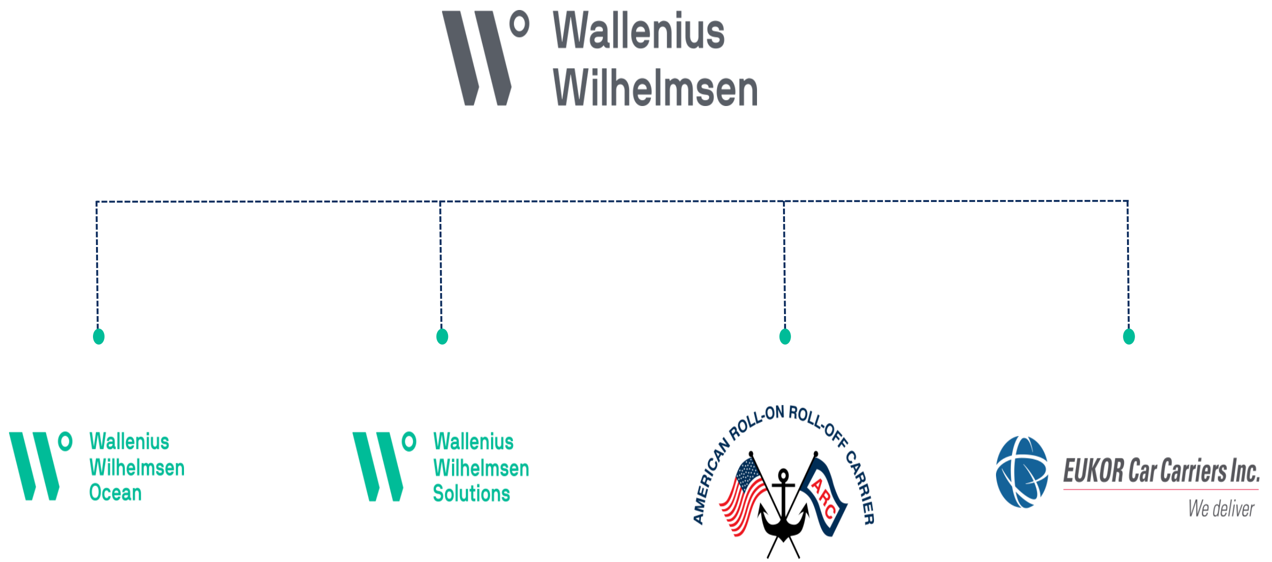


Comments

- Total assets of USD 7.7 billion with equity ratio of 36.3%, up from 35.8% last quarter
- Net interest bearing debt of USD 2.98 billion, stable compared with last quarter
- Continued high cash and liquidity position with USD 649 million in cash and about USD 250 million in undrawn credit facilities
- Early repayment of vessel loans of about USD 90 million during the quarter (refinanced in early April)

The legal and financial restructuring project finalized on time

New legal and funding structure

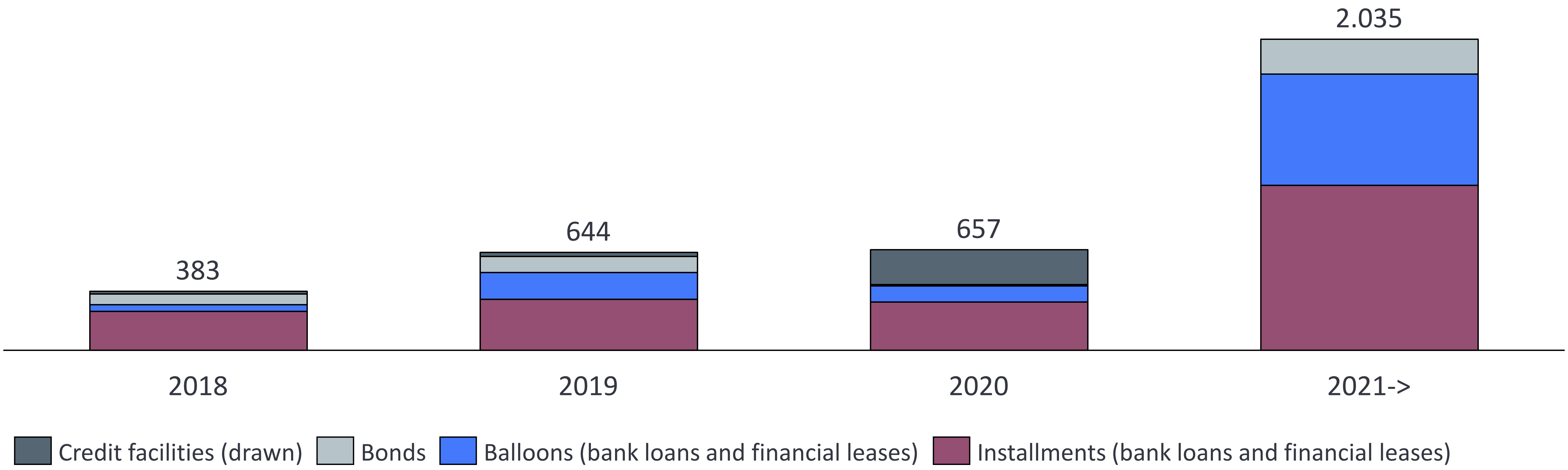


Comments

- Legal and funding structure consistent with business unit structure in place
- New USD 445 million term loan and credit facility to refinance vessel loans maturing in 2018 and 2019 and a revolving credit facility in WW Ocean
- Other loan agreements in WW Ocean have been harmonized with the new facility agreement
- Main covenants for WW Ocean following the refinancing process is minimum cash, positive working capital and loan to value clauses

Debt maturity profile following financial and legal restructuring project

Debt maturity profile after refinancing (per 4 April 2018)
USD million

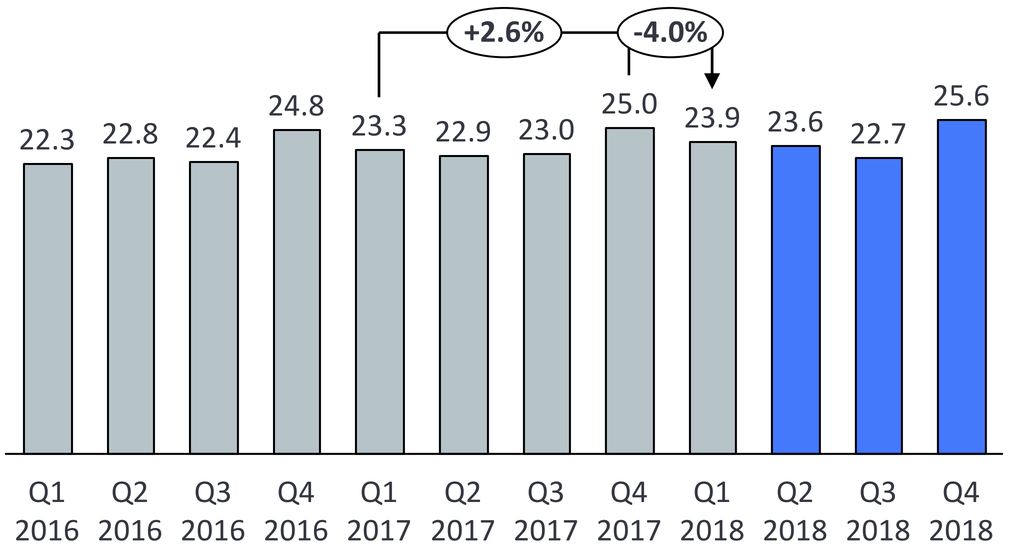


Market and business outlook

by Craig Jasienski

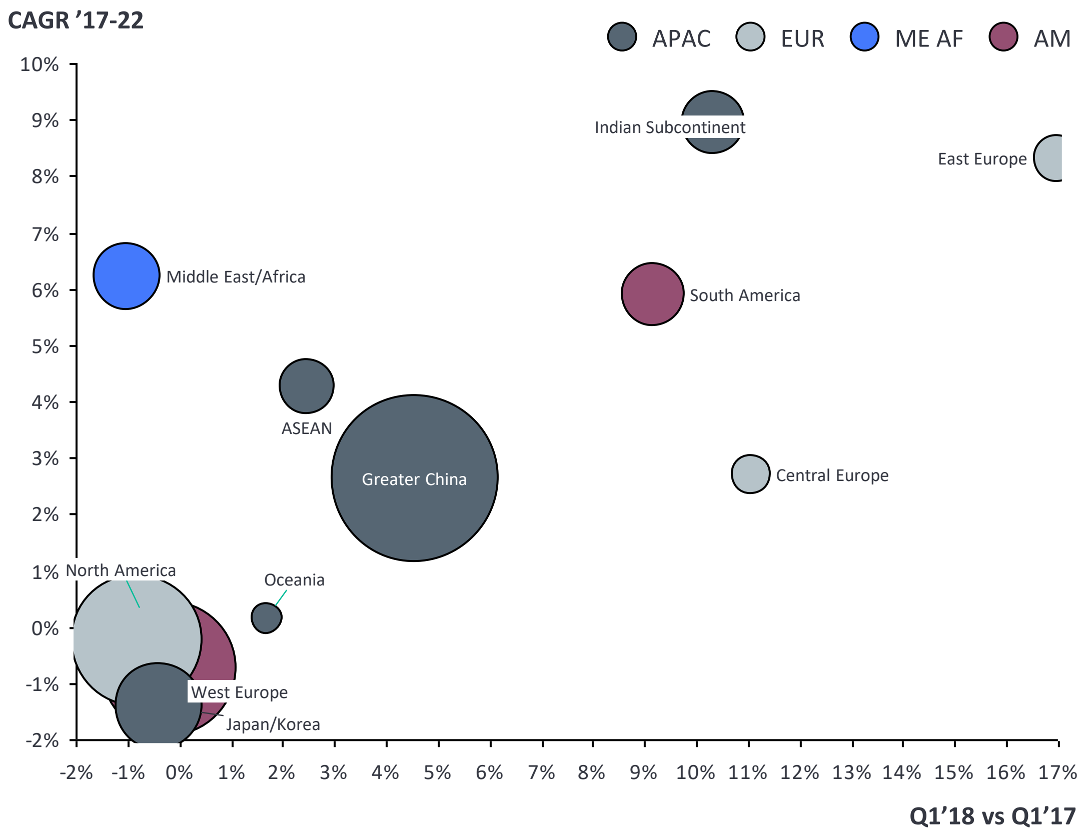
Auto sales in the first quarter were up 2.6% y-o-y

Global light vehicle (LV) sales per quarter



- Sales in North America developed sideways y-o-y, but down 8.1% q-o-q (seasonality)
- Sales in Western Europe down 0.8% y-o-y, but was up about 16.8% q-o-q (seasonality)
- The Chinese market started the year with sales up 4.6% y-o-y (down 16% q-o-q) which was considered positive given that the temporarily tax cut ended in December 2017
- Continued positive development for the Russian and Brazilian markets

Global LV sales per main sales region[1)]

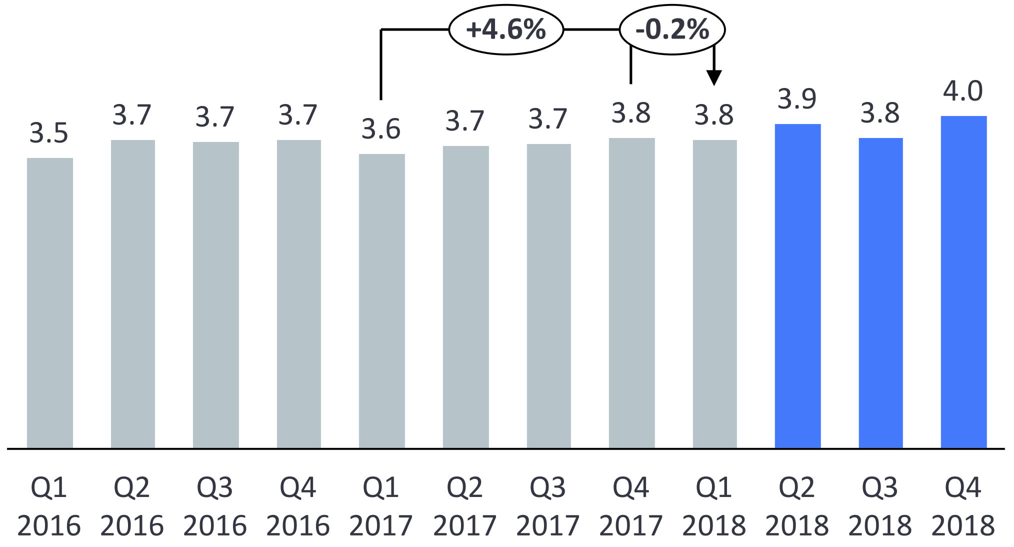


Source: IHS Markit

1) Size of circle indicates auto sales in Q1 2018

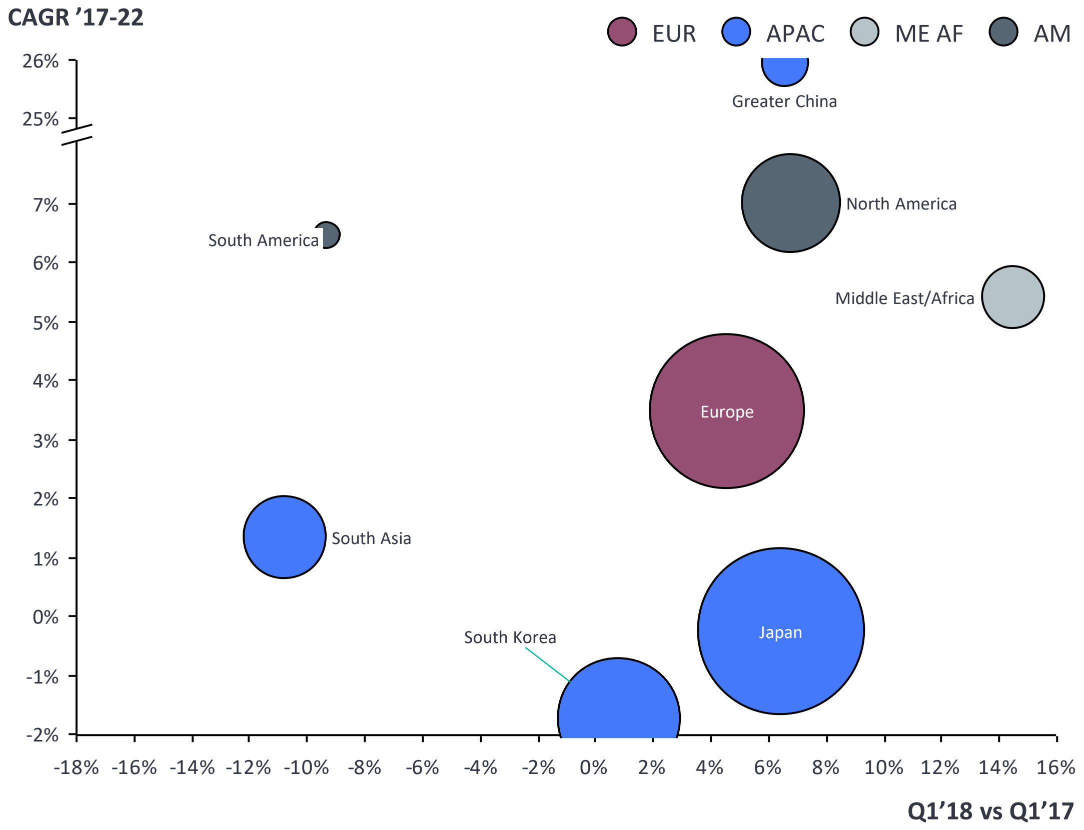
Auto exports in the first quarter were up 4.6% y-o-y

Global LV export per quarter



- Exports from NA increased 6.8% y-o-y and 4.2% q-o-q driven by Mexico
- European exports were up 6.7% y-o-y and 0.6% q-o-q.
- Japanese exports in the first quarter were up 6.5% y-o-y and down 2.4% q-o-q.
- Exports out of South Korea were up 0.9% y-o-y and 1.9% q-o-q.
- Chinese exports were up 34.6% y-o-y due to new export facilities, but flat q-o-q.

Global LV export per main sales region[1)]

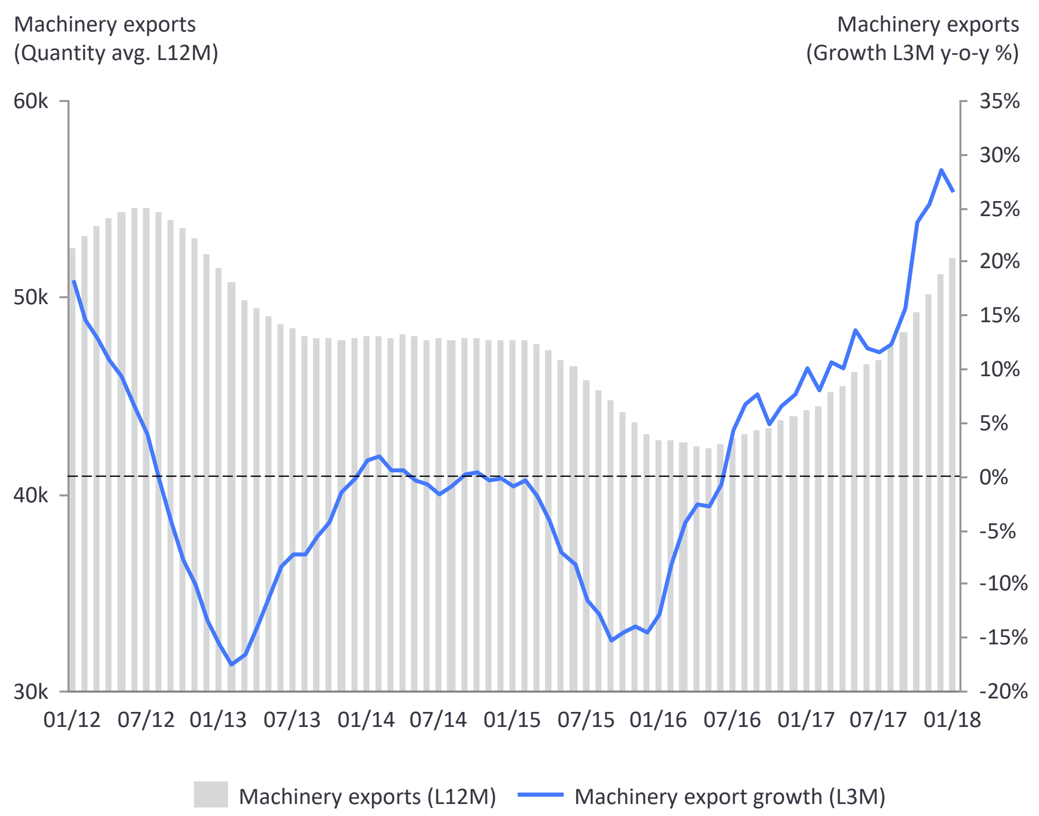


Source: IHS Markit

1) Size of circle indicates auto export in Q1 2018

Construction machinery markets remain very solid globally

Global construction and rolling mining equipment exports[1]



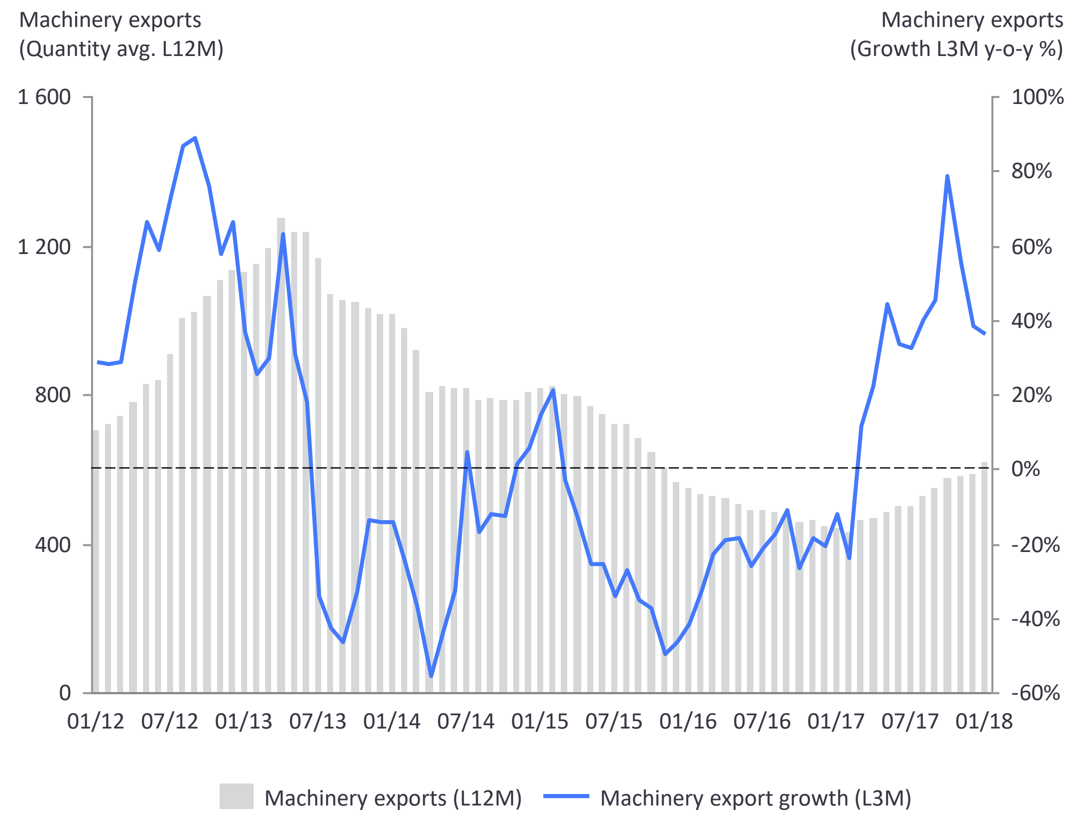
Comments

- Global construction trade continues to strengthen, with imports to North America and Oceania accelerating in the first quarter
- OEM majors continued to report broad-based geographical demand in the first quarter, with strong order development across regions
- US construction spending edged up from the previous quarter, leading non-residential indicators continued to signal expansion, and housing starts and permits increased again
- EU construction output declined in the period, but the Eurozone construction PMI expanded and construction confidence strengthened in the quarter
- Australian construction activity continued expanding at multi-year highs, with robust growth in the commercial and engineering sectors

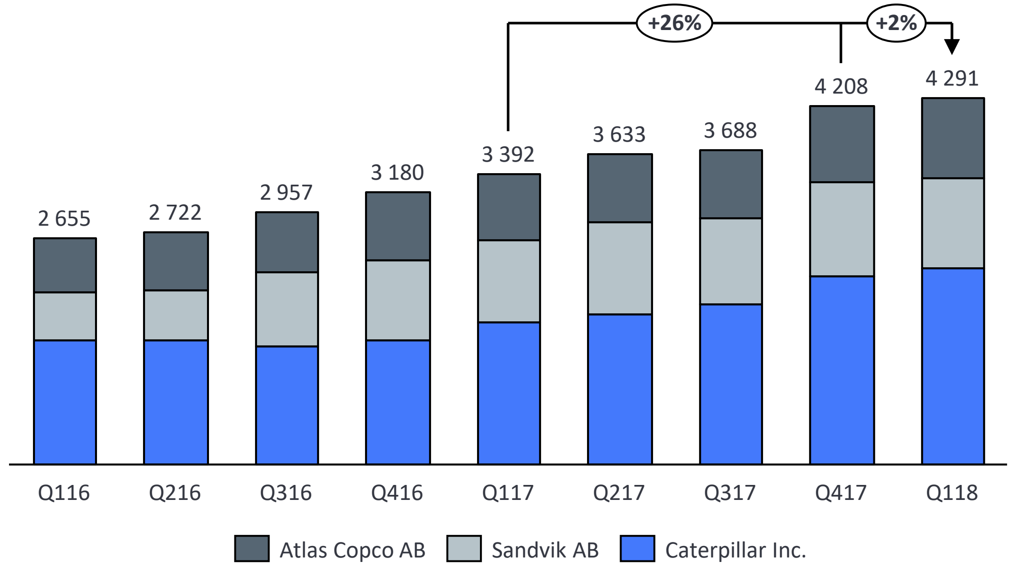
Source: [1] IHS Markit | Global construction and rolling mining equipment exports (equipment valued >20 kUSD) (Avg. units L12M (last 12 months) and L3M (last 3 months) y-o-y %). Data cut-off: 01.2018 [2] Caterpillar Inc., Volvo AB, Komatsu Ltd., US Bureau of the Census, AIA, Dodge Data & Analytics, Eurostat, IHS Markit, CECE, AiGroup, NAB

Mining equipment demand continues to recover on replacement needs

Global non-rolling mining machinery exports[1]



Mining machinery sales[2]

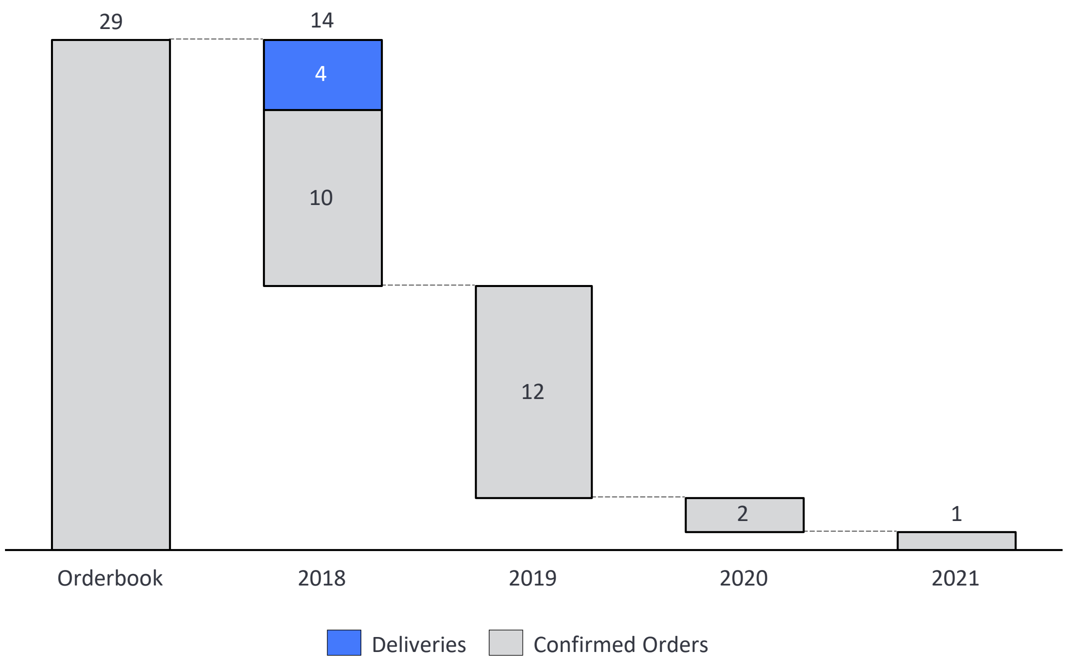


- Key commodity prices softened in the first quarter, but have since strengthened
- OEMs concluded another quarter of strong y-o-y sales growth in their mining divisions with broad-based geographical demand, and order development remains positive.

Source: [1] IHS Markit | Global non-rolling mining equipment exports (equipment valued >20 kUSD) (Avg. units L12M (last 12 months) and L3M (last 3 months) y-o-y %). Data cut-off: 01.2018 [2] Caterpillar Inc., Sandvik AB, Atlas Copco AB | Revenue, mining equipment divisions (MUSD (fixed rate) and growth y-o-y/q-o-q %)

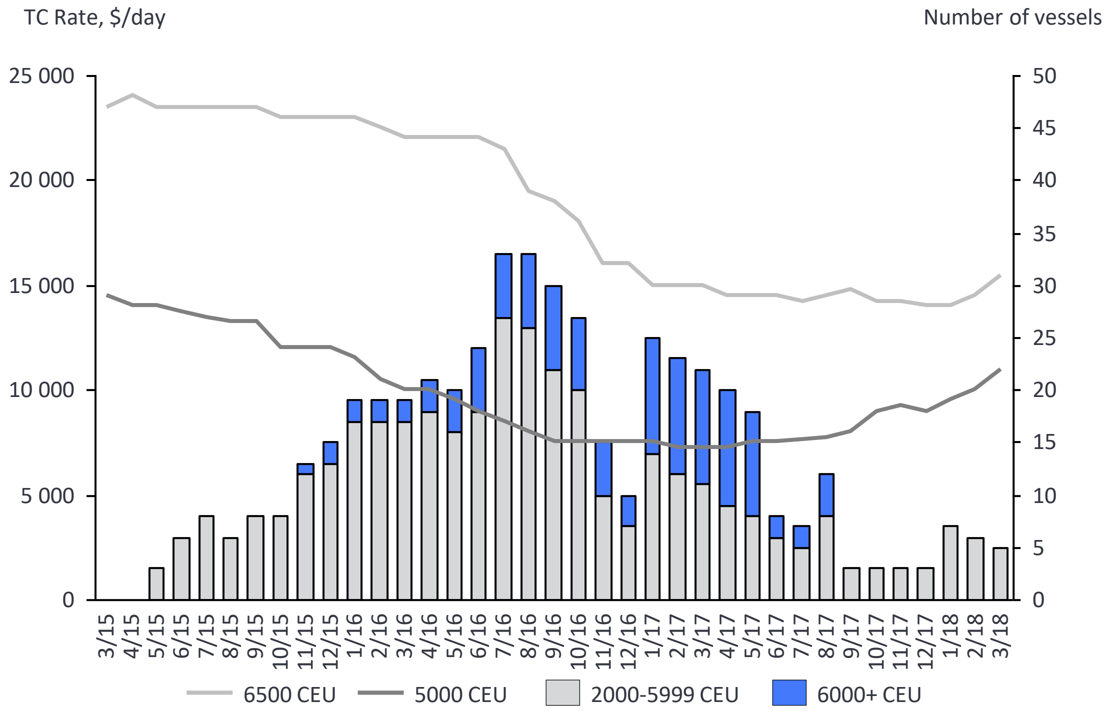
Signs of a tightening supply-demand balance. However market rates remain distressed reflecting poorer earnings

Car Carrier Fleet Orderbook[1]
vessels equal or above 4000 CEU



- The current orderbook stands at 25 vessels[3] with the delivery of five car carriers
- Current market rates do not justify new ordering activity

Open Vessels and Time Charter Rates[2]
of vessels and USD/day



- Time charter rates continue to rise and no open 6000+ CEU vessels reported
- Still some overcapacity in the market, although somewhat improved

Sources: [1]Clarksons Platou, Sea-web, [2]Clarksons Platou, [3]Vessels equal or above 4000 CEU

Summary and outlook

by Craig Jasienski

Outlook

- Positive volume development, especially for high & heavy
- Tonnage supply/demand balance continues to improve
- However, market rates remain at a depressed level
- Increased realization of synergies will positively impact results
- Lower HMG volumes will continue to impact results

Wallenius Wilhelmsen

Thank you!