Wallenius Wilhelmsen

August 8th 2018

Q2 and First Half 2018

Quarterly presentation

Highlights second quarter 2018

- EBITDA adjusted for extraordinary items of USD 159 million
- Underlying positive volume development, especially for high & heavy
- However, ocean results impacted by lower rates, increased net bunker cost and unfavorable currency movements
- The newbuilding “Titus” was delivered end of May 2018
- About USD 110 million in synergies confirmed
- Acquisition of 70% of Syngin Technologies for about USD 30 million

Agenda

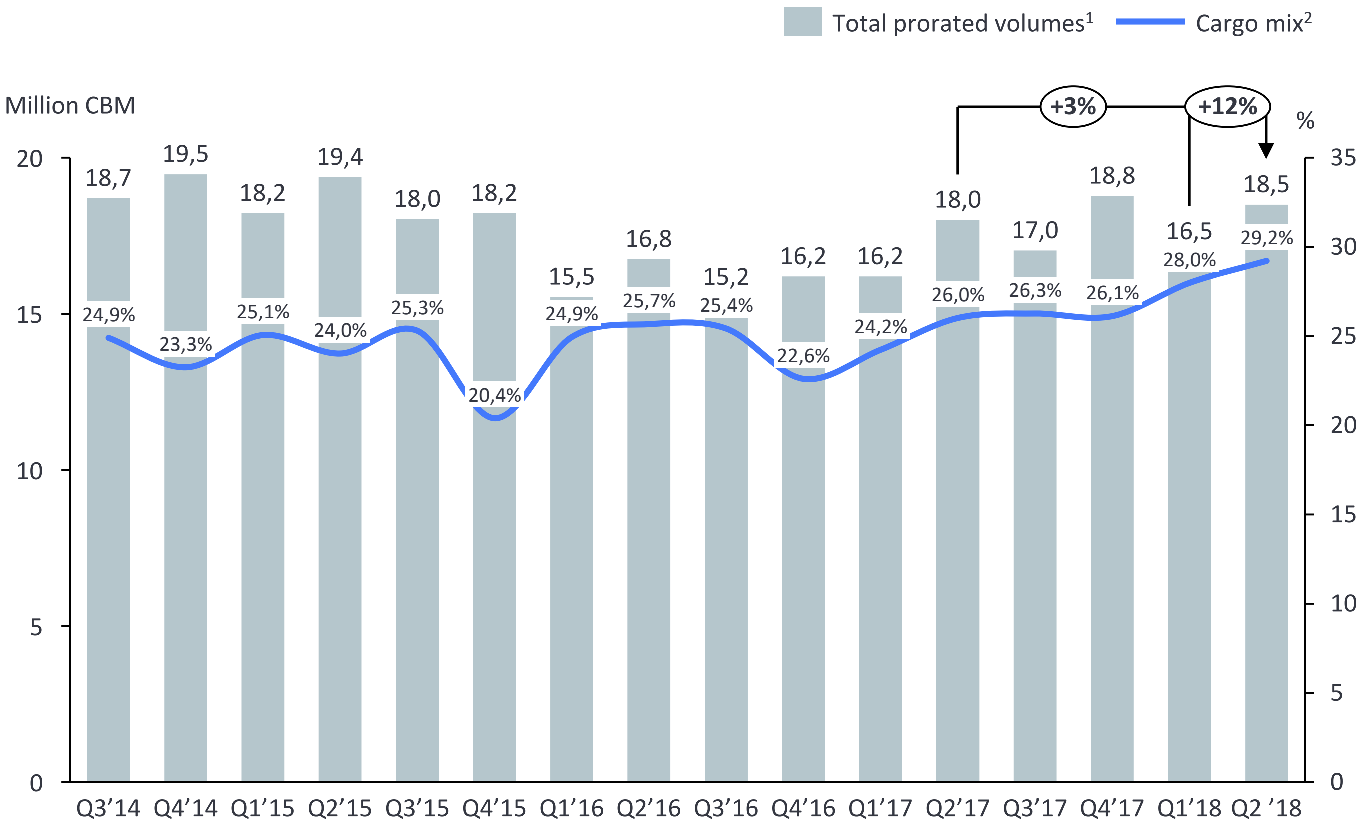
- Business update
- Financial performance
- Market and business outlook
- Outlook and Q&A

Business update

by Craig Jasienski

The positive volume & cargo mix development continued in the quarter

Volume and cargo mix development
Million CBM and %

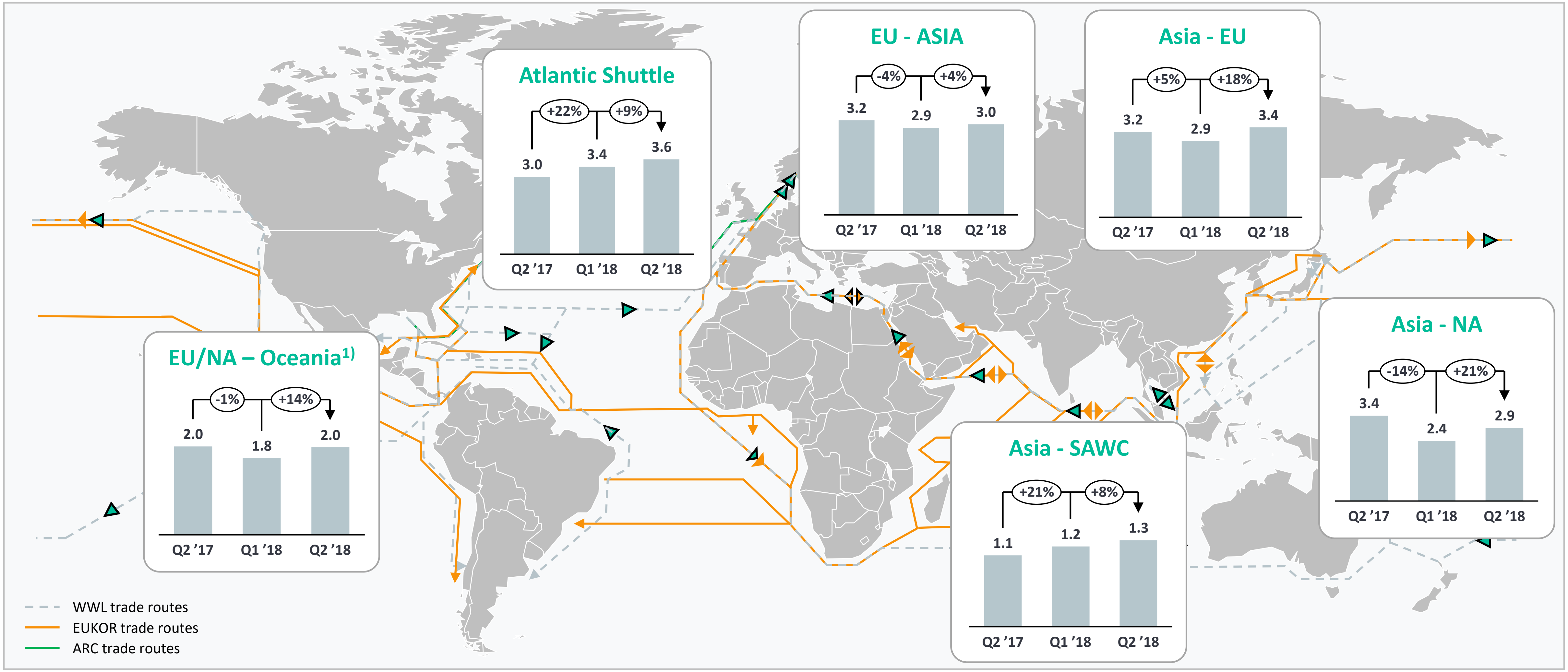


Comments

- Positive volume development partly offset by reduced contracted HMG volumes, up 3% y-o-y
  - The Atlantic, Asia-South America and partly the Asia-Europe trade experienced strong growth
  - The Oceania trade moved sideways, and the Europe-Asia and Asia-North America trade decreased (latter due to reduction in HMG volumes)
  - Adjusted for reduced contracted HMG volumes (about 0.5 million CBM) volumes were up about 6% y-o-y
- Volumes up 12% q-o-q due to seasonality
- Continued positive development for cargo mix with a high & heavy share of 29%, up from 28% in the previous quarter and 26% in same period last year

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

Mixed volume development for the foundation trades y-o-y

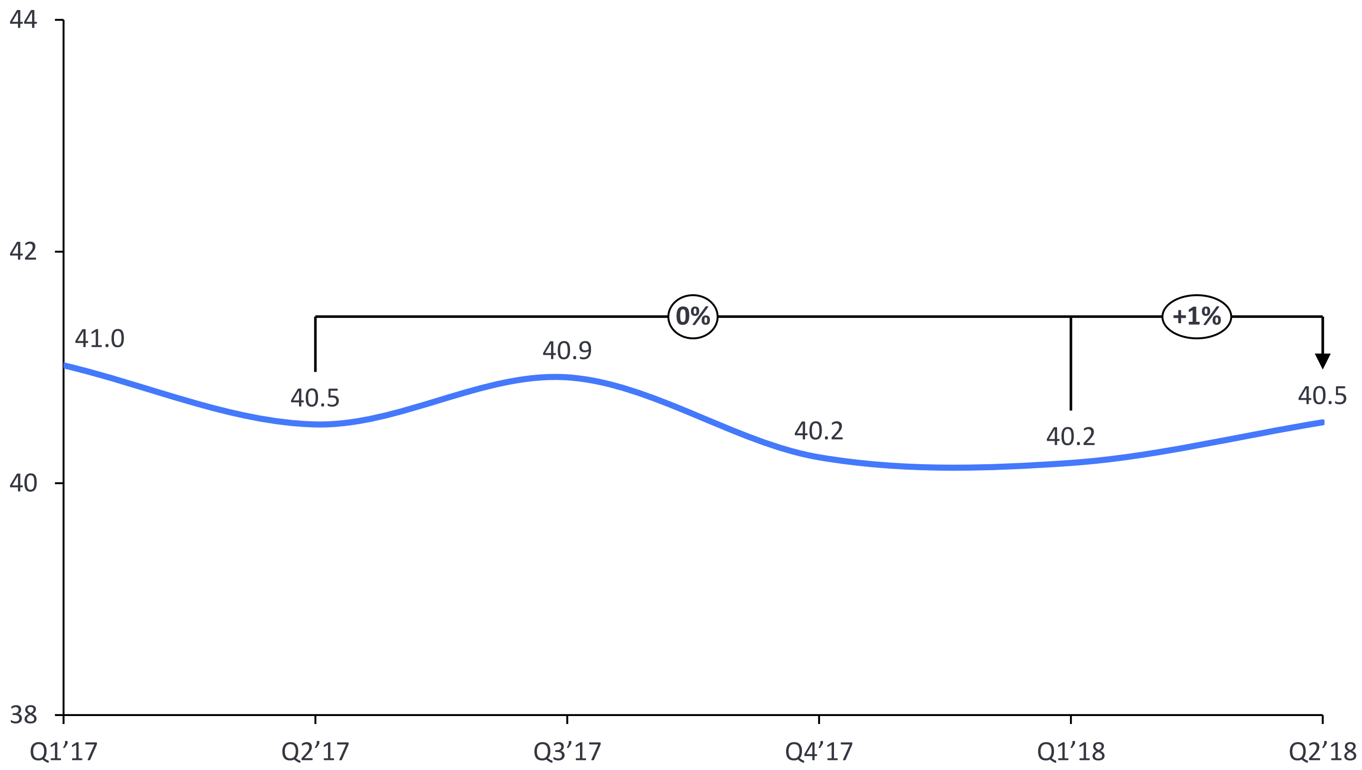


Note: Prorated volumes on operational trade basis in CBM

1) Including Cape sailings (South Africa)

Flat development for Net freight / CBM in the second quarter

Net freight / CBM development[1)]



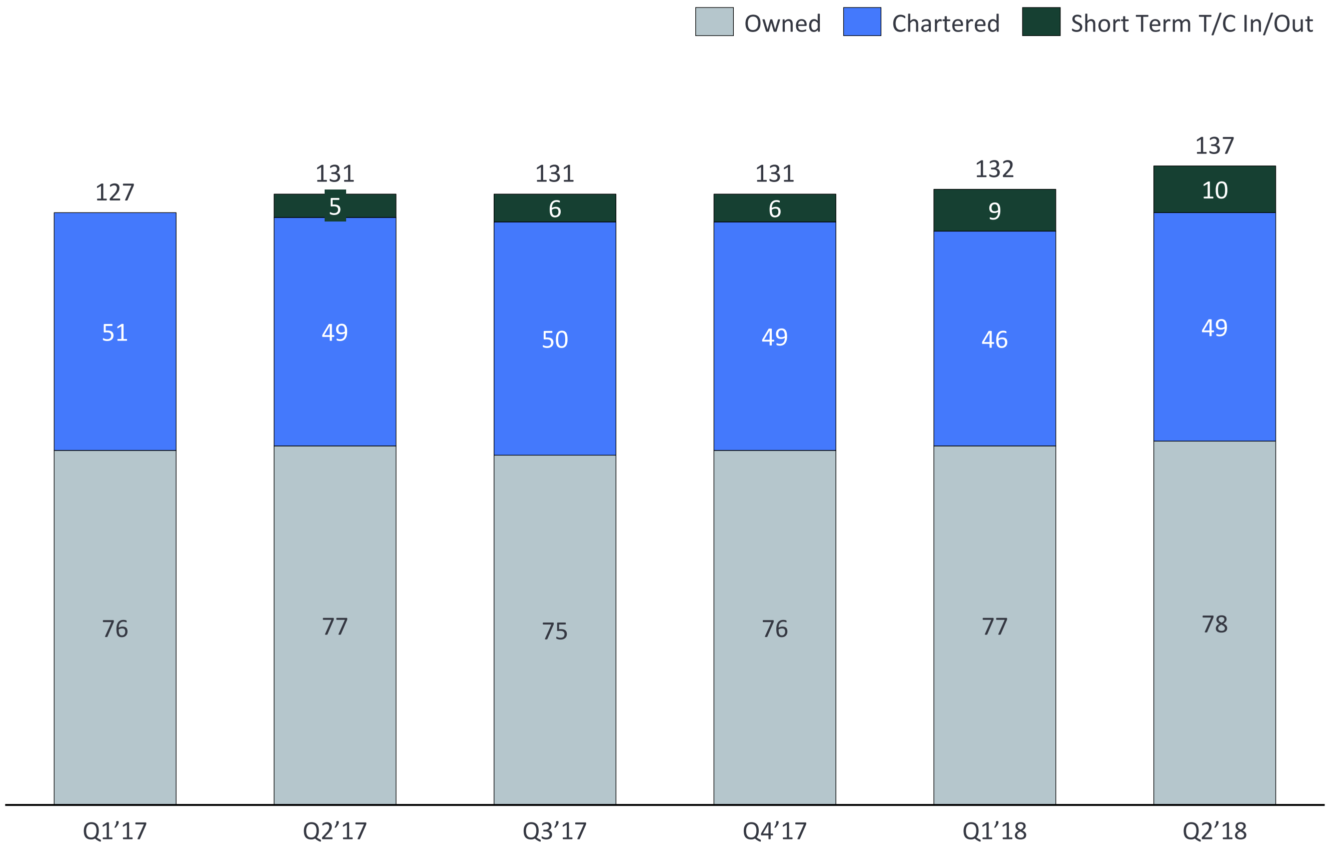
Comments

- Net freight / CBM increased by about 1% in the second quarter compared with the previous quarter due to changes in trade and cargo mix
  - The largest volume growth in the quarter was seen in the Oceania and the Asia-Europe trades, with relatively high net freight / CBM (long distances)
  - Furthermore, the increased high & heavy share also had a positive impact on net freight / CBM
  - No material changes for rates
- No material rate changes q-o-q, but rate reductions from contract renewals in 2017 impacted the net freight index with about USD 12 million y-o-y

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

137 vessels operated at the end of the second quarter

Fleet development
of vessels

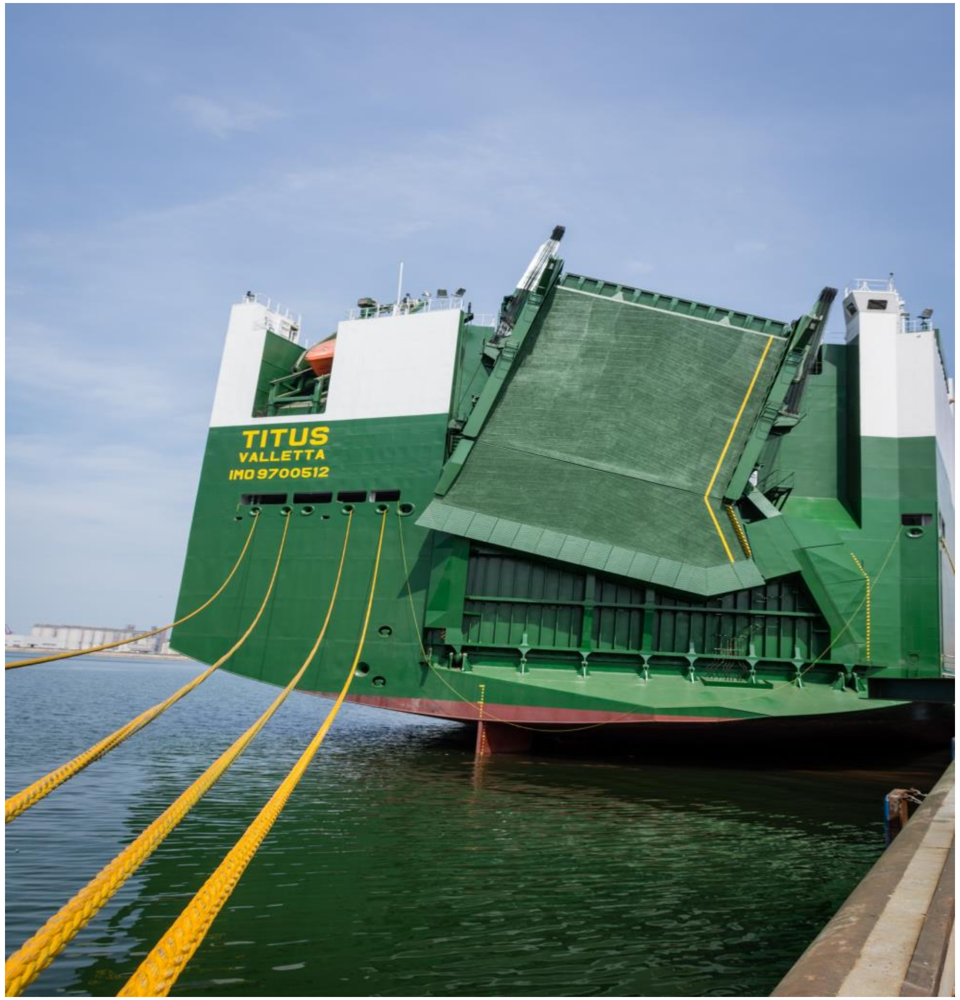


Comments

- Wallenius Wilhelmsen operated a core fleet of 127 vessels (873K CEU), representing around 22% of the global fleet in the second quarter
  - One newbuilding (Titus) delivered end of May
  - Three vessels from external owners chartered-in
- In addition, the group continued to leverage the short-term market and controlled a fleet of 137 vessels at the end of the second quarter (up from 132 vessels in Q1)
  - The increase of 5 vessels is linked to higher volumes in certain trades causing operational imbalances to meet customer commitments

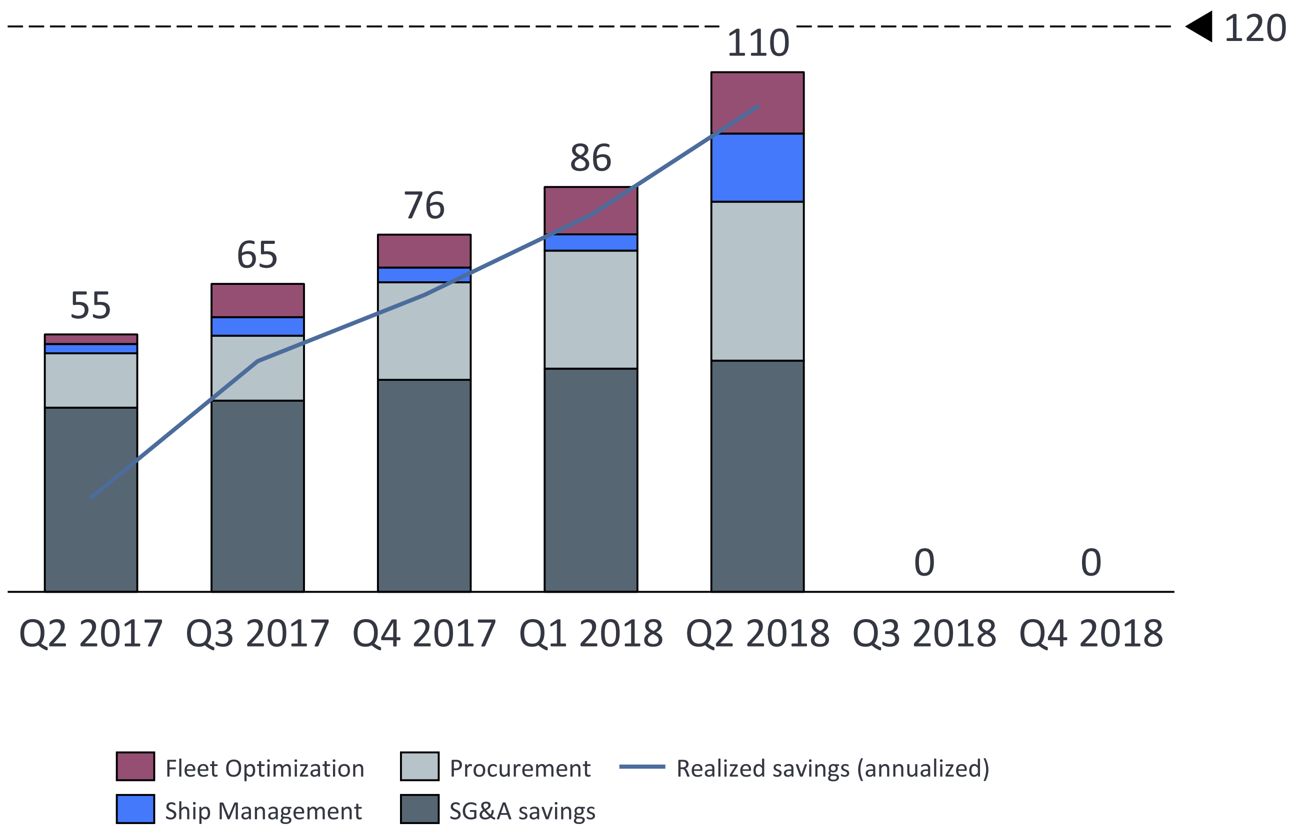
Wallenius Wilhelmsen took delivery of MV Titus May 31st 2018

- High Efficiency RoRo (HERO) class vessel specially designed to reduce energy consumption and emissions
- First Chinese built LCTC in the WW Ocean fleet (Xingang yard)
- MV Titus is the first of a series of four Post-Panamax vessels, each with a capacity of 8,000 CEU
- The second vessel in the series is expected to enter service at the end of 2018 and two are scheduled for delivery in 2019
- WW Ocean already has four vessels of the HERO design in operation, which have proven their ability to deliver from an operational and environmental perspective



USD 110 million of the USD 120 million synergy target confirmed

Confirmed and realized synergy development
USD million



Comments

- At the end of the second quarter about USD 110 million of synergy target was confirmed
- During the quarter about USD 25 million was added to confirmed synergies, mainly through ship management, fleet optimization and procurement
- The annualized run rate for synergies were above USD 100 million, up from about USD 80 million in the previous quarter
- The remaining part of the confirmed synergies will gradually come into effect over the next 3-6 months

Acquisition of Syngin Technologies – first step into Full Life Cycle Logistics

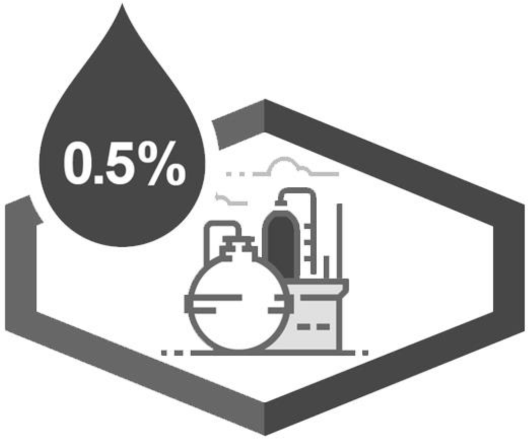
Acquisition in brief

- Acquisition of Syngin Technologies (Syngin) for an expected total purchase price of about USD 30 million on a cash- and debt-free basis (EBITDA multiple of about 6x)
- The acquisition of Syngin marks the entry into Full Life Cycle Logistics
    - Syngin is a leading provider of automated logistics solutions for disposition of used vehicles through an electronic marketplace (in North America)
    - Syngin streamlines the movement of vehicles handled by fleet leasing companies and remarketers to auction houses through a virtual marketplace that matches these stakeholders with transportation providers and repair centers
- The combined strength of WW Solutions and Syngin represents a significant opportunity to scale the business, not only within the current scope, but also into adjacent customers and geographies
- Current owners will maintain an ownership stake of 30% and stay highly involved in the business for the foreseeable future

IMO 2020 – a risk and challenge for the shipping industry

- Implementation of the IMO 2020 0.5% global Sulphur cap represents a challenge and risk for the shipping industry, with fuel costs expected to increase with about 50% combined with a lack of clarity around availability and quality of fuels.
- Wallenius Wilhelmsen is relatively well covered through Sulphur (BAF) clauses already in place for majority of the larger customer contracts and aims to introduce relevant clauses for remaining customer contracts
- To handle this uncertainty, Wallenius Wilhelmsen has arrived at a strategy of combining operating with different types of low Sulphur fuel and installing scrubbers on the most suitable vessels
- In June 2018 Wallenius Wilhelmsen decided to initiate a program to retrofit scrubbers on 20 vessels over the next few years, increasing the number of vessels in the fleet with scrubbers to 25
- The average cost per scrubber instalment is estimated to USD 6-7 million. The scrubbers will be retrofitted during scheduled dry docking to minimize impact on the operations and will be financed through available cash and/or credit facilities

INTERNATIONAL
MARITIME
ORGANIZATION



Wallenius
Wilhelmsen

Financial performance

by Rebekka Herlofsen

Consolidated results – second quarter 2018

	Q2 2018	Q1 2018	Q2 2017
Total income	**1 044**	**968**	**974**
Operating expenses	(888)	(843)	(806)
EBITDA	**156**	**125**	**168**
EBITDA adjusted	159	128	188
Depreciation	(86)	(84)	(83)
EBIT	**70**	**41**	**85**
Net financial items	(45)	(5)	(103)
Profit before tax	25	35	(17)
Tax income/(expense)	(4)	(25)	(3)
Profit for the period	**21**	**10**	**(20)**
EPS	0.04	0.02	(0.06)

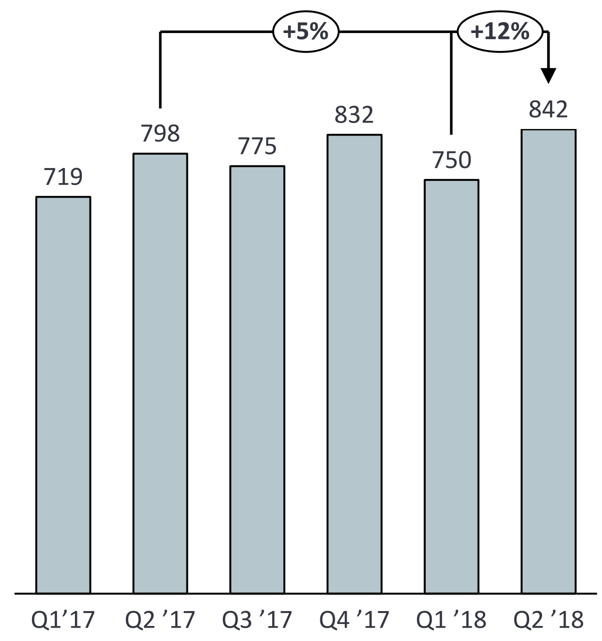
Comments

- EBITDA adjusted of USD 159 million, down 16% y-o-y and up 24% q-o-q driven by the ocean segment
- Costs of USD 3 million related to the restructuring and realization of synergies in the second quarter
- Net financial items of USD 45 million in the quarter
  - Net interest expense slightly up from the previous quarter due to higher interest rates (LIBOR) and net interest-bearing debt
  - Positive unrealized gains on interest rate hedges offset by negative movements in currency / currency derivatives
- Tax expense of USD 4 million in the second quarter, primarily related to income tax

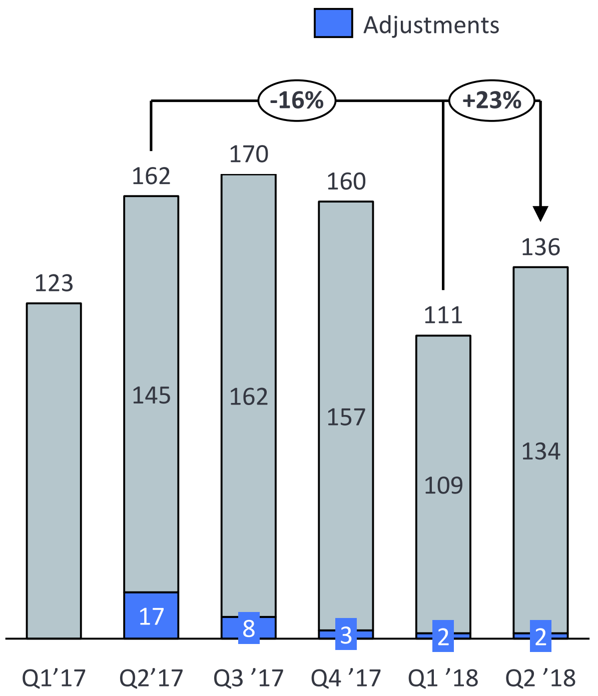
Ocean segment – second quarter 2018

Total income and EBITDA ocean segment[1]
USD million

Total income



EBITDA



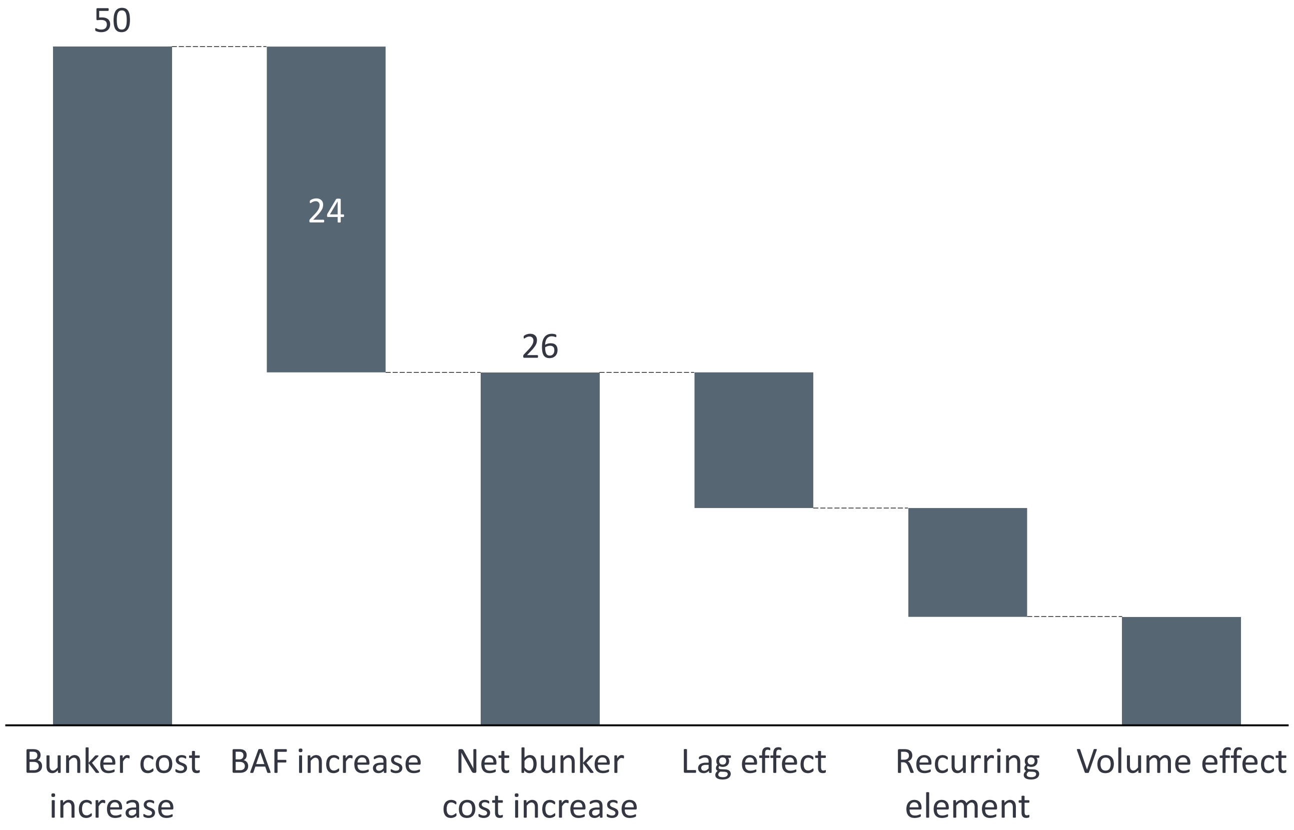
Comments

- Total income was USD 842 million, up 5% y-o-y due to increased volumes and fuel compensation
- EBITDA adjusted of USD 136 million, down 16% y-o-y
  - Reduced contracted HMG volumes
  - Lower rates (USD 12 million)
  - Higher net bunker cost (USD 20 million)
  - Unfavorable currency movements (USD 10 million)
  - Trade imbalance and inefficiencies
- The negative impact from above factors partly offset by underlying strong volume development, increased high & heavy share and realization of synergies
- EBITDA adjusted in the second quarter was up 23% compared to the previous quarter due to seasonality

1) *Adjusted for restructuring costs and other non-recurring items*

Net bunker costs increased with USD 26 million y-o-y

Net bunker cost development y-o-y



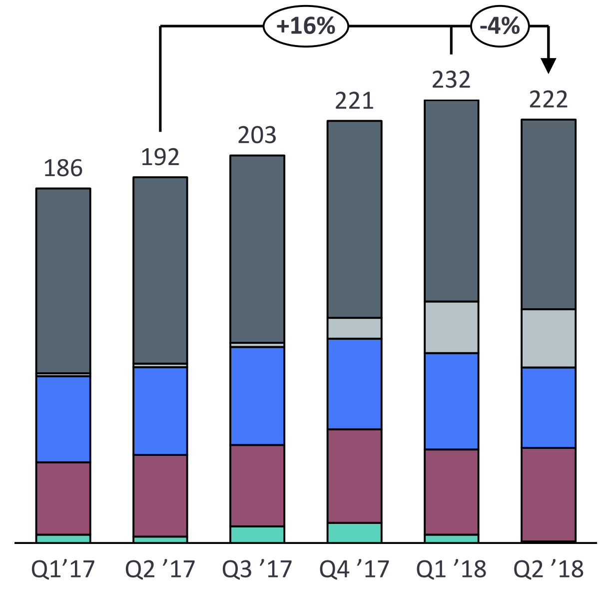
Comments

- Net bunker cost in the quarter increased by USD 26 million y-o-y driven by increased bunker prices and higher bunker consumption (due to more voyage days)
- The increased bunker prices had an about USD 20 million negative impact on results y-o-y of which about half is related to the lag effect and the other half relates to lack of BAF and/or structure of the BAF in some customer contracts

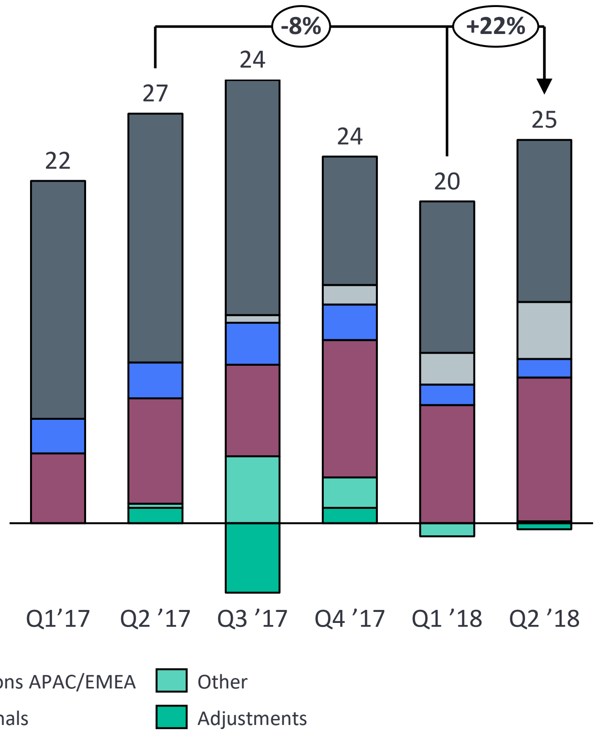
Landbased segment – second quarter 2018

Total income and EBITDA landbased segment[1] USD million

Total income



EBITDA



Comments

- Total income was USD 222, up 16% y-o-y primarily driven by Keen Transport and the Melbourne terminal
- EBITDA adjusted was USD 25 million, down 8% y-o-y
  - Increased SG&A allocations of USD 3 million
  - Less profitable customer and service mix for Solutions Americas – Auto (VSA)
- 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 late 2017)

1) *Adjusted for restructuring and other non-recurring items;*

Consolidated results – First Half Year 2018

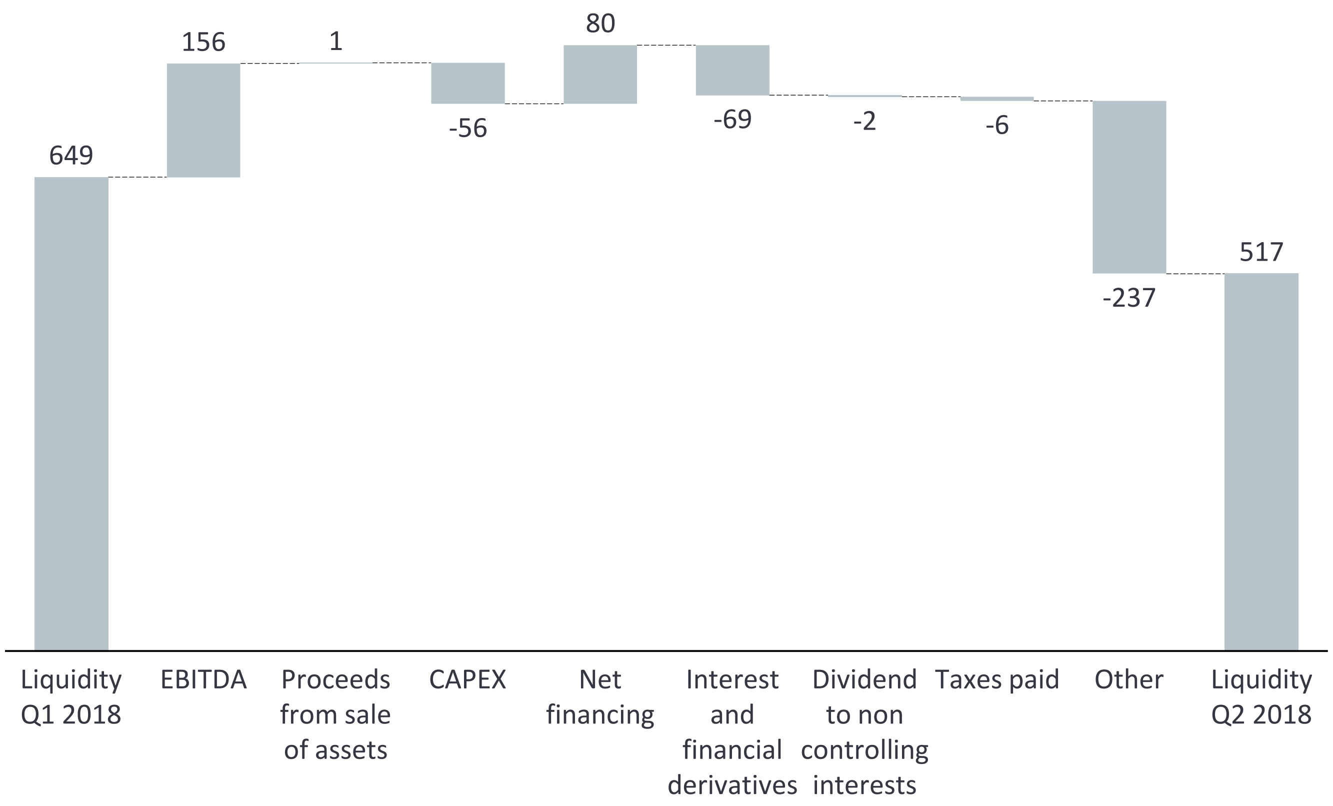
	1st half 2018	1st half 2017	% change
Total income	**2 012**	**1 864**	**8%**
Operating expenses	(1 731)	(1 554)	11%
EBITDA	**281**	**311**	**-10%**
EBITDA adjusted	286	331	-13%
Depreciation	(170)	(165)	3%
EBIT	**111**	**146**	**-24%**
Net financial items	(50)	(125)	n/a
Profit before tax	61	20	n/a
Tax income/(expense)	(29)	19	n/a
Profit for the period	**31**	**39**	**-24%**
EPS	0.06	0.06	n/a

Comments

- Total income was USD 2 012 million in the first half of 2018, up 8% compared to the same period last year due to increased revenues for ocean and landbased
- Costs of USD 5 million related to the restructuring and realization of synergies were recorded in the first half of 2018 compared to USD 20 million in the first half of 2017
- EBITDA adjusted of USD 286 million, down 13% y-o-y
    - Reduced contracted HMG volumes
    - Lower rates (USD 25 million)
    - Unfavorable currency movements (USD 25 million)
    - Higher net bunker cost (USD 35 million)
    - Trade imbalance and inefficiencies
    - Flat development for landbased
- The negative impact from above factors was partly offset by underlying strong volume development, increased high & heavy share and realization of synergies

Cash flow and liquidity development – second quarter 2018

Cash flow and liquidity development
USD million



Comments

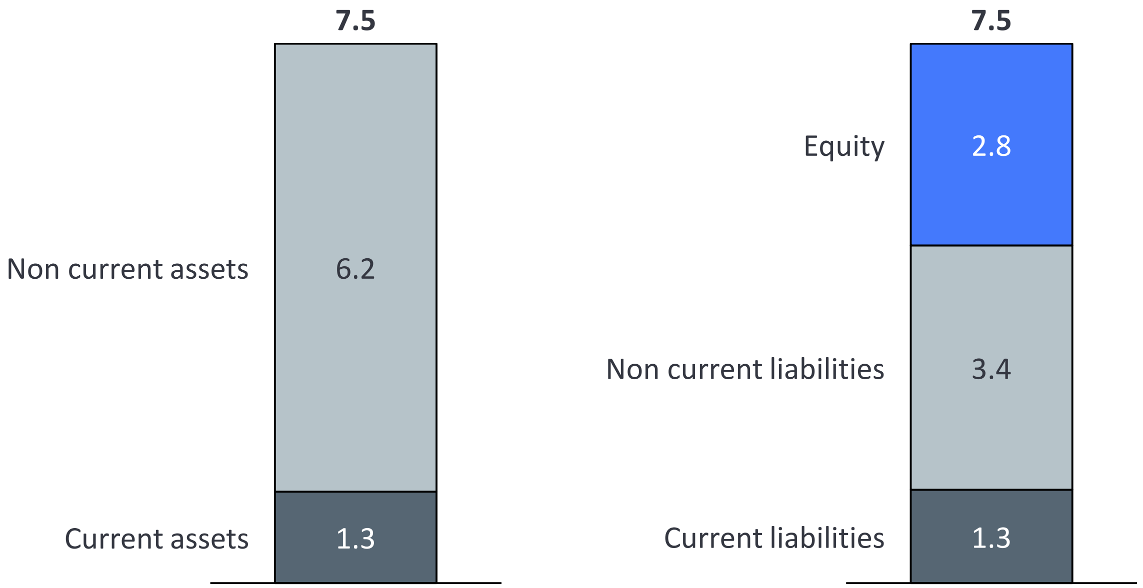
- CAPEX of USD 56 million includes
  - Instalments for newbuildings (about USD 40 million)
  - Dry docking costs (about USD 10 million)
- Net financing of USD 80 million mainly relates to
  - Regular instalments of about USD 100 million
  - Repayment of NOK 800 million in bond debt that was refinanced in October 2017
  - Financing for newbuilding delivered: USD 50 million
  - Refinancing of vessel loans that was repaid during the first quarter of about USD 90 million (linked to legal restructuring)
  - Increased utilization of credit facilities: About USD 100 million
- Interest and financial derivatives negatively impacted by USD 25 million from realization of basis swaps linked to bond debt that matured in June 2018
- Other includes payment of the EUR 207 million (about USD 245 million) settlement fine from European competition authorities

Balance sheet review – second quarter 2018

Unaudited Balance Sheet 31.06.2018
USD billion

Assets

Equity & Liabilities



Comments

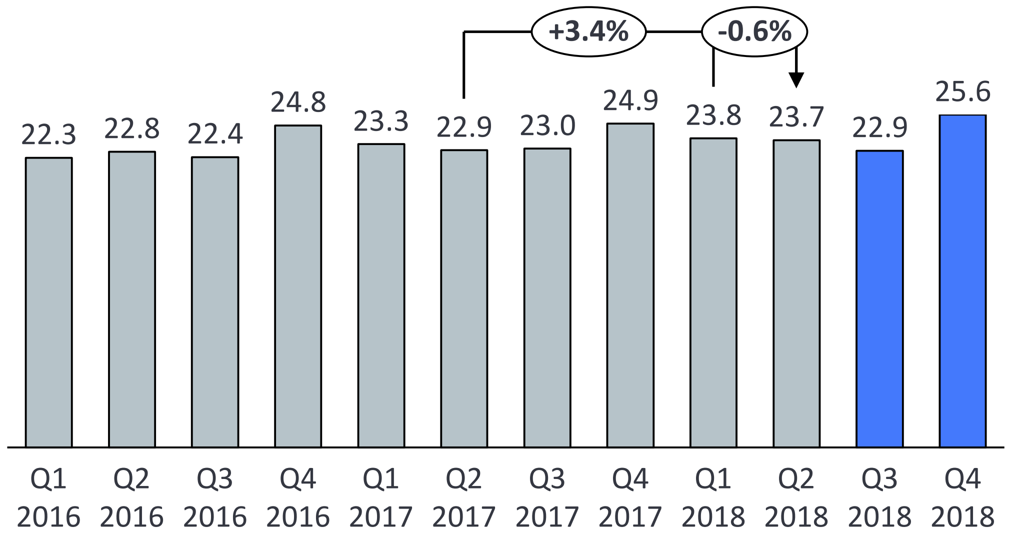
- Total assets of USD 7.5 billion with equity ratio of 37.4%, up from 36.3% last quarter
- Net interest bearing debt of USD 3.2 billion, up by USD 200 million driven by payment of the EUR 207 million fine from European Competition authorities and financing for the newbuilding delivered in May
- Continued high cash and liquidity position with USD 517 million in cash and about USD 275 million in undrawn credit facilities
- During the quarter two vessels in EUKOR were refinanced and WW Ocean Holding AS secured a new unsecured credit facility of USD 100 million which replaced similar facilities earlier placed in the operating entity WW Ocean AS

Market and business outlook

by Craig Jasienski

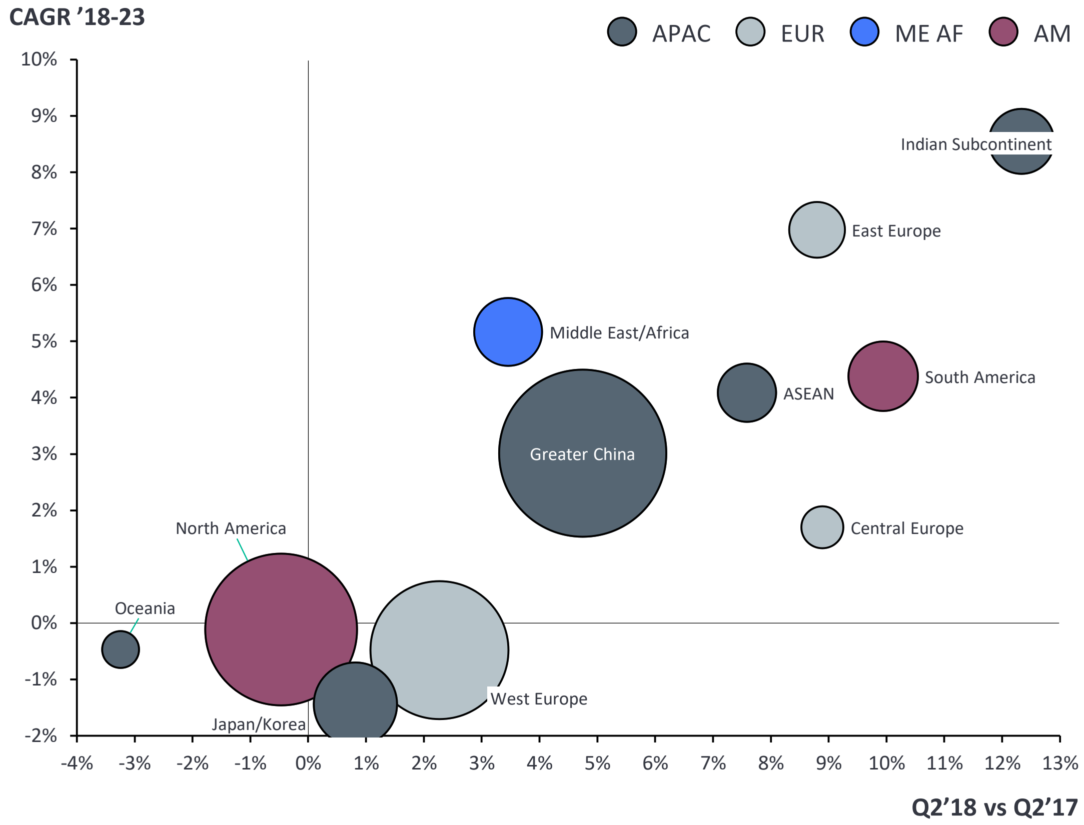
Auto sales in the second quarter were up 3.4% y-o-y

Global light vehicle (LV) sales per quarter



- Sales in North America moved sideways y-o-y, but strengthened 11.0% q-o-q on seasonality
- Western European sales increased 2.3% y-o-y, up from a seasonally strong first quarter
- The Chinese market strengthened another 5.0% y-o-y despite abolishment of the temporary tax cut in December 2017, while declining 7.2 % q-o-q
- The Russian and Brazilian markets concluded another quarter of strong growth

Global LV sales per main sales region[1)]

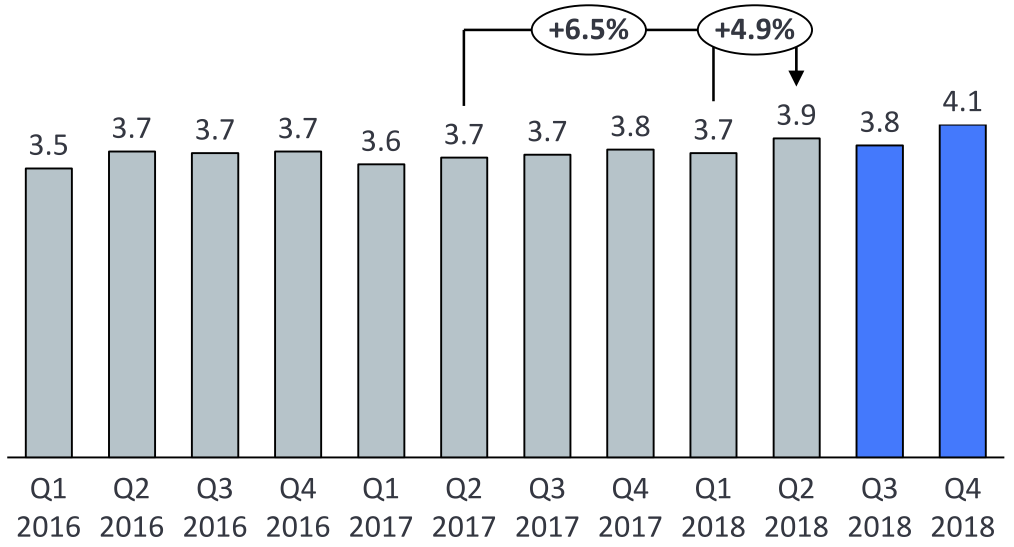


Source: IHS Markit

1) Size of circle indicates auto sales in Q2 2018

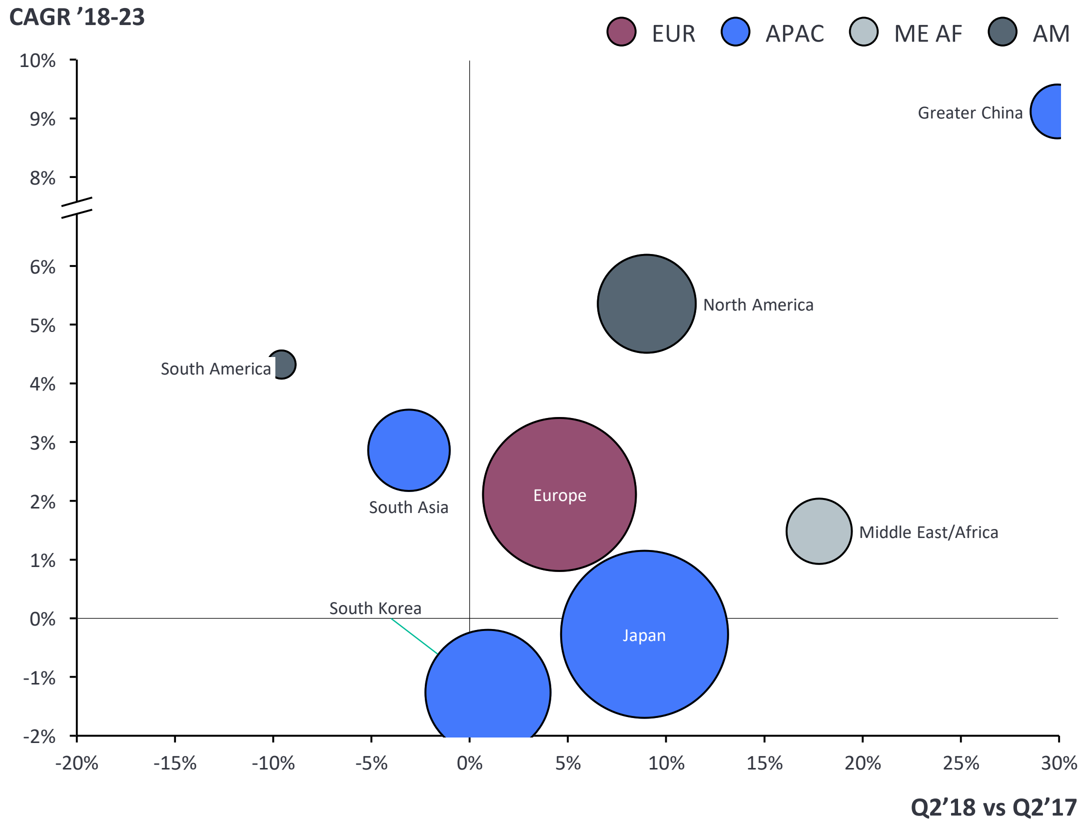
Auto exports in the second quarter were up 6.5% y-o-y

Global LV export per quarter



- Total exports increased 6.5% y-o-y and 4.9% q-o-q
- North American exports increased 9.0% y-o-y and 2.6% q-o-q as Mexican production continued to be ramped up
- Exports out of Europe increased 4.6% y-o-y and 5.7% q-o-q
- Chinese exports grew 32.6% y-o-y and 19.8% q-o-q with continued production ramp-up

Global LV export per main sales region[1)]



Source: IHS Markit

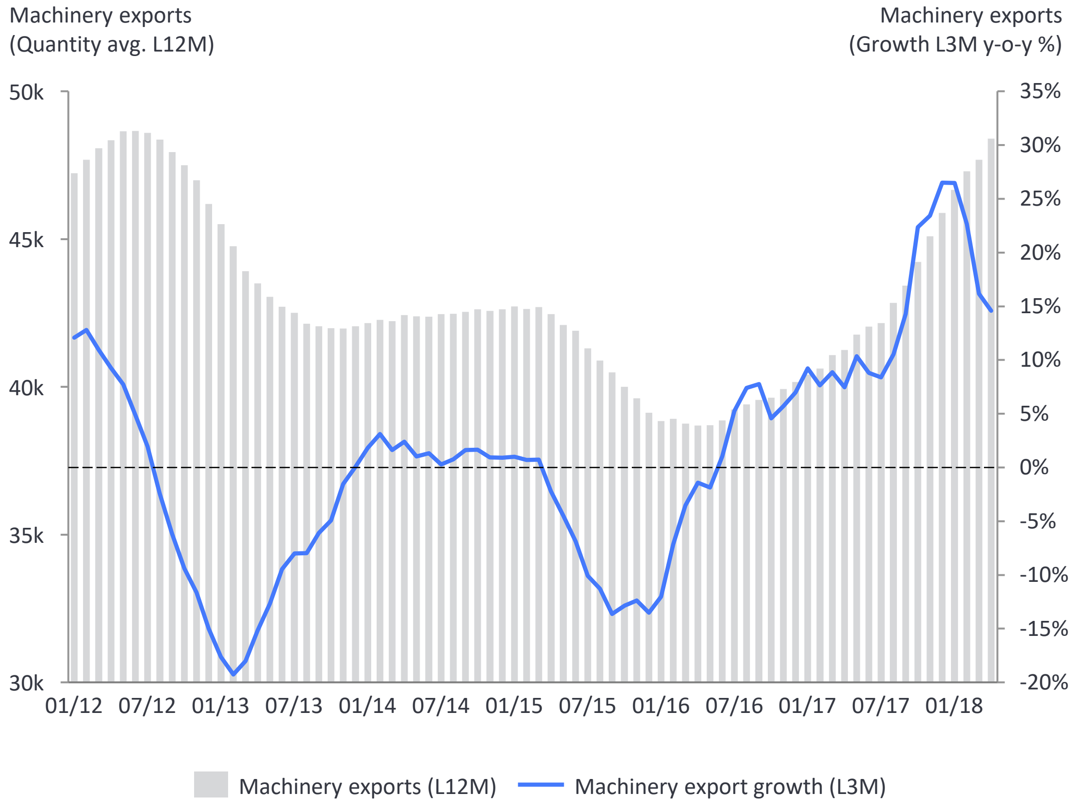
1) Size of circle indicates auto exports in Q2 2018

Auto tariffs: Potential impact on Wallenius Wilhelmsen

- The ongoing trade tension and possibility of new tariffs for auto imports to the US represents a risk for Wallenius Wilhelmsen.
- Imports to the US (from outside NAFTA) were about 3.7 million units in 2017, majority of volumes imported from Europe, South Korea and Japan
- Wallenius Wilhelmsen is always prepared for changes in global deep-sea volumes and changing sourcing patterns
- A short term direct effect of 20-30% auto volume reduction is not expected to be substantial (<5% of EBITDA) as the group can reduce the fleet size and the profitability for auto volumes in certain trade lines is very low (e.g. Atlantic trade)
- However, the indirect effects of higher tariffs (and potential trade war) and hence reduction in auto shipments could be more negative.
    - Increased overcapacity might lead to further pressure on rates
    - Slower growth for global economy might lead to further volume decline across all cargo segments

Construction machinery markets continue to be very solid globally

Global construction and rolling mining equipment exports[1]



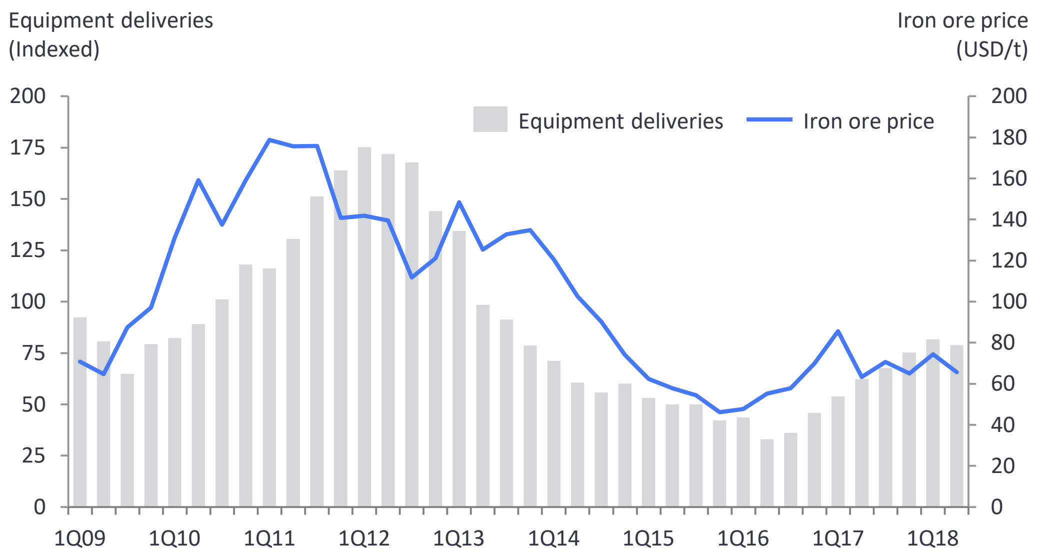
Market comment[2]

- Global construction machinery trade growth decelerated to 15% y-o-y, but North American, European and Australian imports kept growing strongly
- OEM majors continued to report broad-based geographical demand growth led by Asia, with strong order development
- US construction spending increased and leading non-residential indicators continued to signal expansion, while housing starts and permits slowed from the previous quarter
- EU construction output edged up in the period, and the European construction confidence strengthened along with the Eurozone construction PMI
- The Australian construction industry extended its period of growth in the quarter, albeit at reduced rate, and construction confidence remained healthy despite some softening

Source: [1]IHS Markit | World (major exporters excl. China (due to incomplete reporting)) 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: 04.2018 [2]Caterpillar Inc., Volvo AB, Komatsu Ltd., US Bureau of the Census, AIA, Dodge Data & Analytics, Eurostat, IHS Markit, AiGroup, NAB

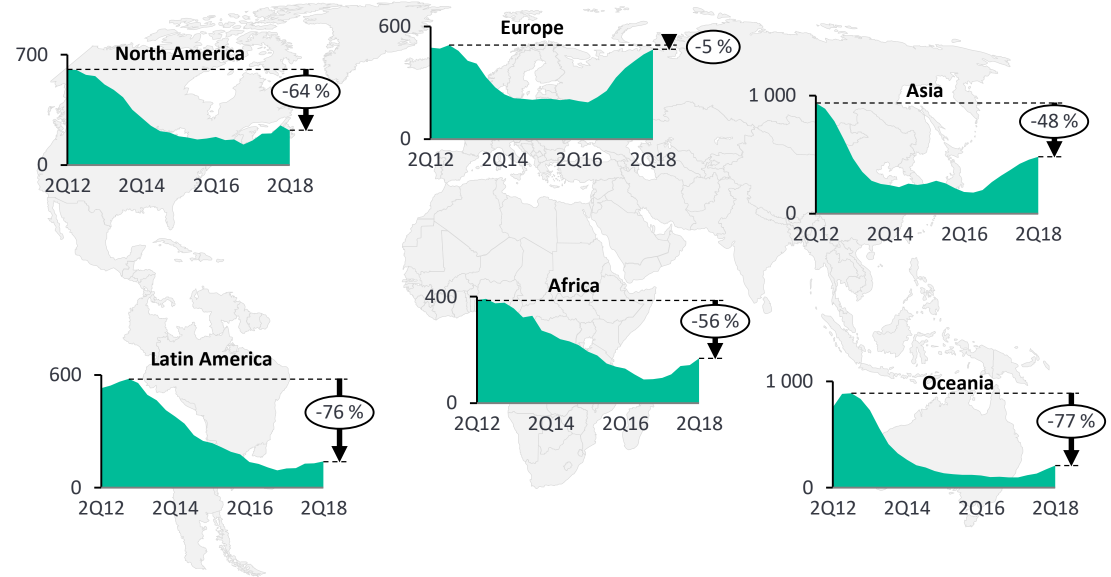
Mining equipment demand continues to strengthen on replacement needs, but the geographical differences remain significant

Global mining equipment deliveries and iron ore price[1]



- Metal prices remained supportive of equipment demand in the quarter
- OEMs reported another quarter of strong y-o-y sales growth, with broad-based geographical demand and positive order development
- Global surface mining equipment deliveries continued to strengthen from last year, but edged down q-o-q as North American deliveries slowed sharply

Regional mining equipment deliveries

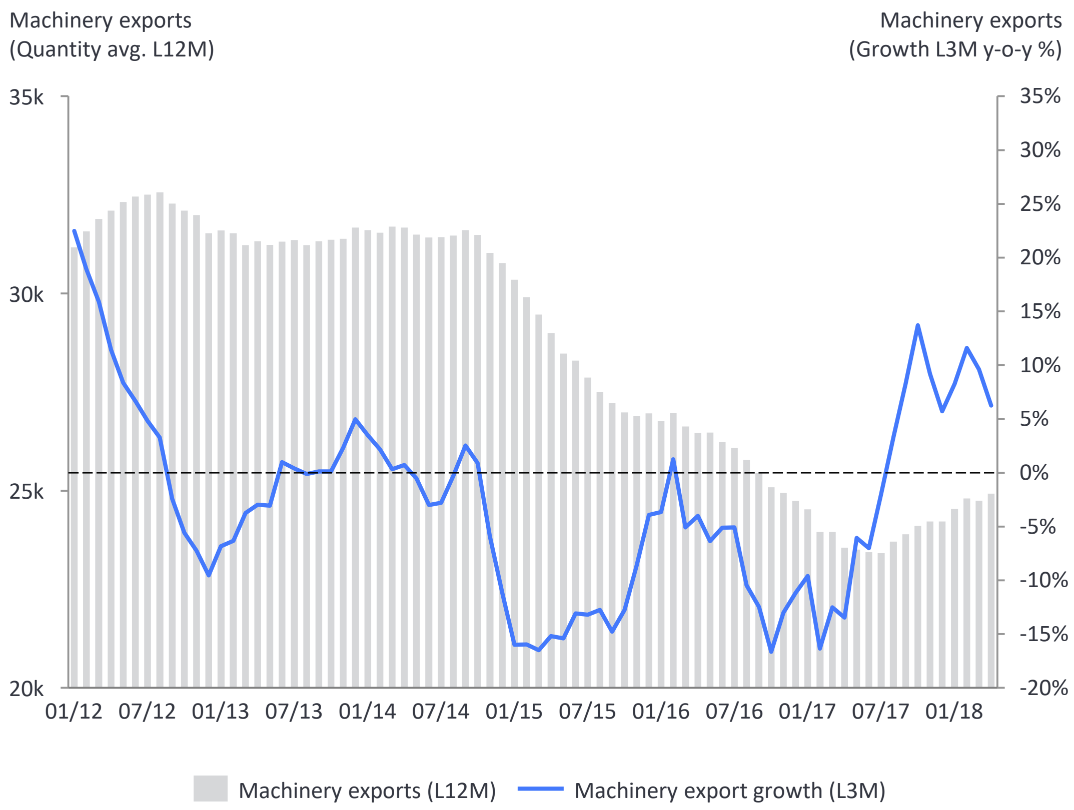


- Europe and Asia remained the biggest destinations in the quarter, with volumes driven by intra-regional sourcing
- Oceania and Africa recorded the strongest growth from a year ago, while the sequential momentum was driven by Africa and Latin America
- All regions except Europe remain approximately 50% or more below peak

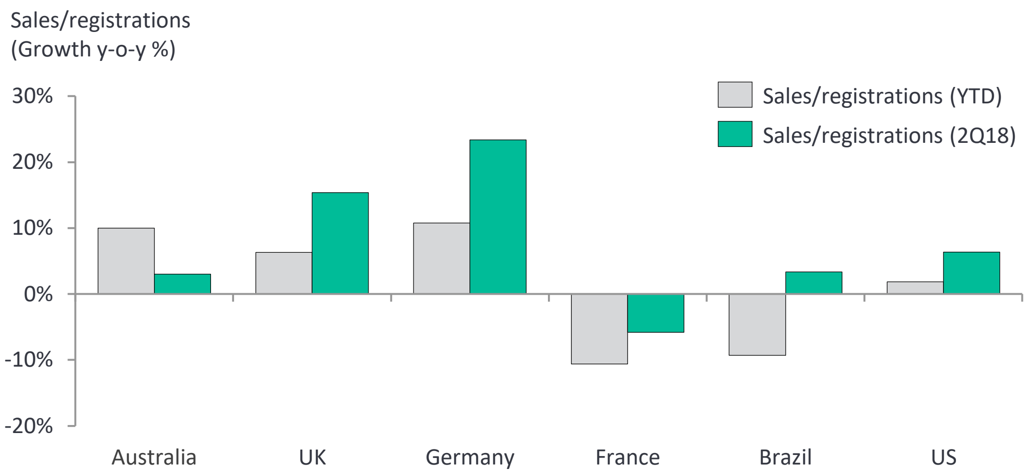
Source: [1]The Parker Bay Company | Surface Mining Equipment Index (Indexed value of large surface mining equipment deliveries, 2007 = 100), MarketIndex | Average quarterly iron ore price (USD/t) (not adjusted for trading days) [2]The Parker Bay Company | Value of large surface mining equipment deliveries (USD million, avg. last 12 months)

Agriculture machinery markets continue to be mixed as farm fundamentals remain under pressure

Global agriculture equipment exports[1]



Tractor sales and registrations[2]



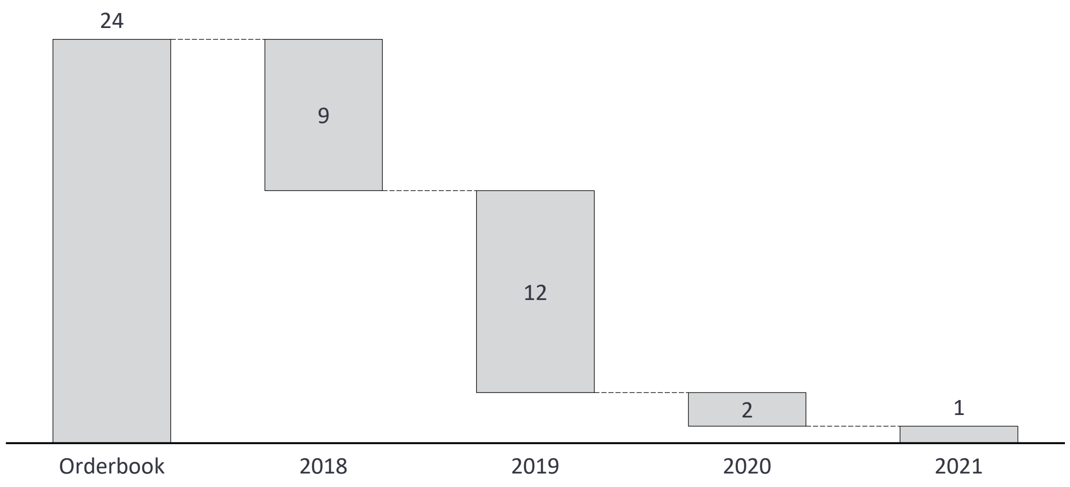
- US sales continue to show signs of stabilization on replacement needs
- European markets were mixed, and farmers are facing softening EU milk prices and drought conditions in Eastern Europe
- Australian sales remained healthy, but heightened concerns over drought has taken farmer confidence to a five-year low
- The Brazilian market contraction ended in the quarter, and the midyear market reset of financing rates could provide some tailwind

Source: [1]IHS Markit | World (major exporters excl. China (due to incomplete reporting)) agriculture equipment exports (equipment valued >20 kUSD) (Avg. units L12M (last 12 months) and L3M (last 3 months) y-o-y %). Data cut-off: 04.2018 2TMA, KBA, Axema, ANFAVEA, AEA, Seaport| Registrations: UK (+50Hp), Germany (+70 kW), France (Standard tractors). Sales: Australia (+100Hp – April and May only), Brazil (All tractors), US (+100Hp, 4WD) (Units YTD and 2Q18, y-o-y %)

No new order activity or open vessels were reported in the second quarter

Car Carrier Fleet Orderbook

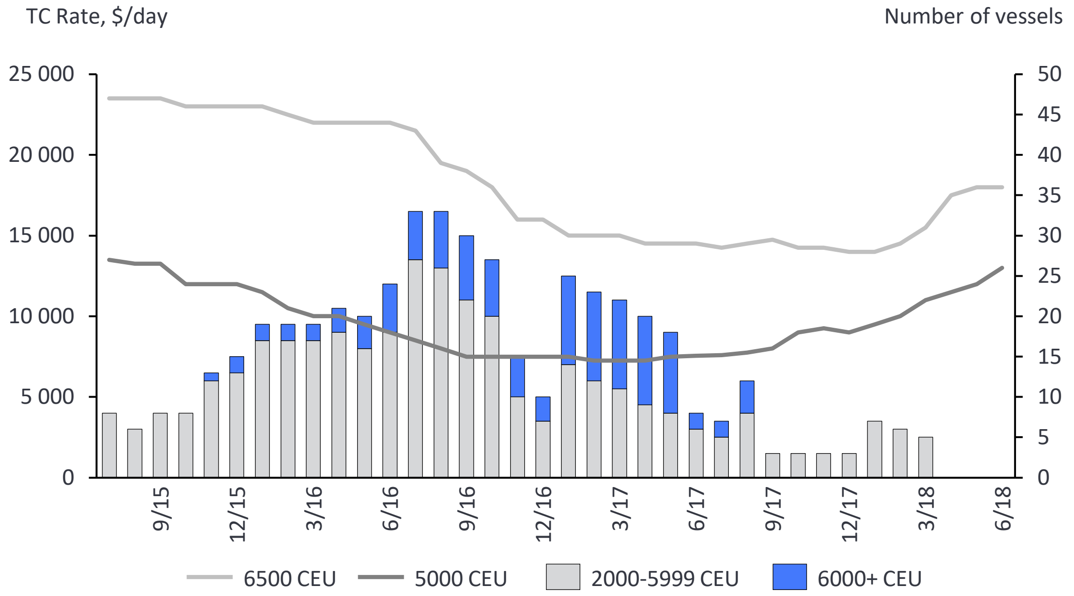
vessels equal or above 4000 CEU



- The current orderbook counts 24 vessels[1]
- Five car carriers have been delivered in 2018, with one delivery in the second quarter
- Current markets and earnings do not justify new ordering activity
- However, necessary replacement may start to feature

Open Vessels and Time Charter Rates

of vessels and USD/day



- Time charter rates continued to rise in the second quarter
- No open vessels were reported in the period

Source: Clarksons Platou [1]Vessels equal or above 4000 CEU

Wallenius Wilhelmsen

Outlook and Q&A

by Craig Jasienski

Outlook

Current positive volume and cargo mix development expected to continue, but underlying reduced HMG contractual volumes will continue to impact results

Increased realization of synergies will positively impact results

Tonnage supply/demand balance has improved, but rates remain at a non sustainable level

Negative rate impact of USD ~7 million y-o-y expected in the third quarter (limited effect q-o-q)

Current bunker prices indicate about USD 10 million in higher net bunker costs in the third quarter compared to same period last year (changes during the quarter not accounted for)

Challenges with trade imbalances expected to continue short term

Wallenius Wilhelmsen

Thank you!