

WALLENIOUS WILHELMSEN
LOGISTICS ASA

Q1 Presentation

May 10th 2017

Craig Jasienski (President & CEO)

Rebekka Glasser Herlofsen (CFO)

Today's Presenters



Craig Jasienski
President & CEO

- **Number of years in industry:** >30 years
- **Born:** 1969
- **Key Experience:**
 - CEO, Eukor Car Carriers
 - CEO, United European Car Carriers (UECC)
 - Various leadership positions in WWL AS



Rebekka Glasser Herlofsen
CFO

- **Number of years in industry:** >20 years
- **Born:** 1970
- **Key Experience:**
 - CFO, The Torvald Klaveness Group
 - Director, Business Development, Bergesen d.y. ASA
 - Board Member, Statoil ASA & DNVGL
 - Chair of the Board, Cermaq

Agenda



Business Update

Financial Performance

Market and Business Outlook

Summary and Q&A

BUSINESS UPDATE

by Craig Jasienski

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LOGISTICS ASA



Business update Q1 at a glance...

Merger moving ahead as per plan



Volume and cargo mix shows positive development



Main trades show positive development out of Asia



Total fleet increased to 128 vessels, with one delivery in Q1



Continued positive developments for the landbased segment

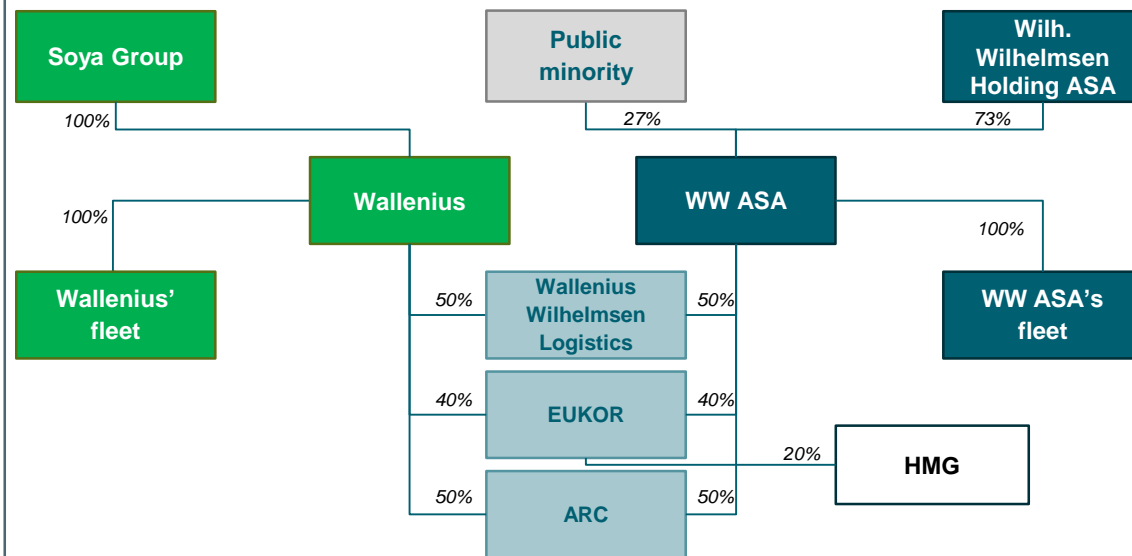


WWL ASA listed on Oslo Børs April 5th 2017

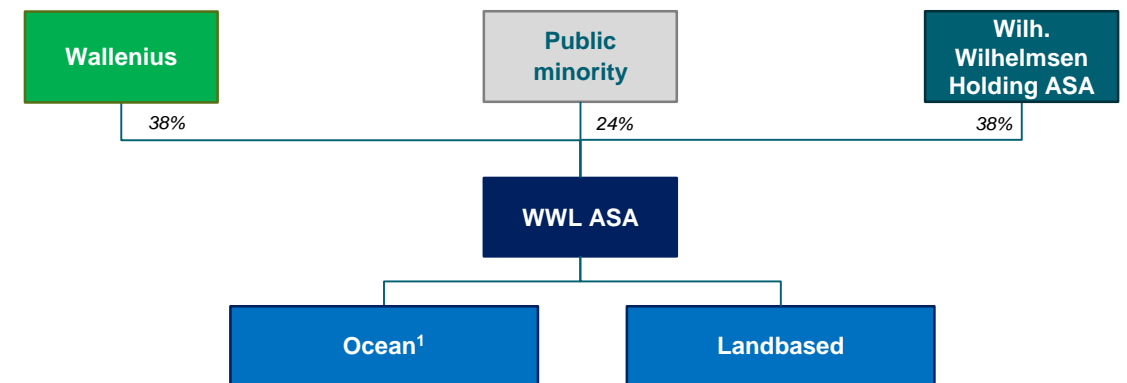
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- Merger received final regulatory approval on 1 April, and WWL ASA started trading on Oslo Stock Exchange April 5th
 - Organizational restructuring well underway, target to have new organisation fully established before summer
 - New structure will allow up towards USD 100 million in cost synergies and provide revenue growth opportunities with full effect from 2019
 - Free float market cap of more than USD 0.5 billion, representing more than 70% increase

A new and more efficient structure in place...

From a structure of jointly controlled entities...



...to an integrated and more efficient WWL structure



Management Team: all entities structured under WWL ASA

→ increase transparency, both internally and externally



Integrated Structure: from 5 to 1 Executive Management Team and organization

→ stronger co-operation, speed up decision-making and significant GSA synergies



From 3 stand-alone operating companies to 1 integrated structure

→ increase fleet utilization and flexibility



Strong Top Management Team with average +20 years experience

WWL ASA Senior Management Team

WWL ASA



Craig Jasienski
President & CEO



Rebekka Glasser Herlofsen
CFO



Jan Dahm-Simonsen¹
Organizational development & HR



Christer Nygren
Business Planning & Marine



Ari Marjamaa
Business Transformation & IT

EUKOR



Erik Noeklebye
CEO

WWL Ocean



Mike Hynekamp
COO

WWL Landbased

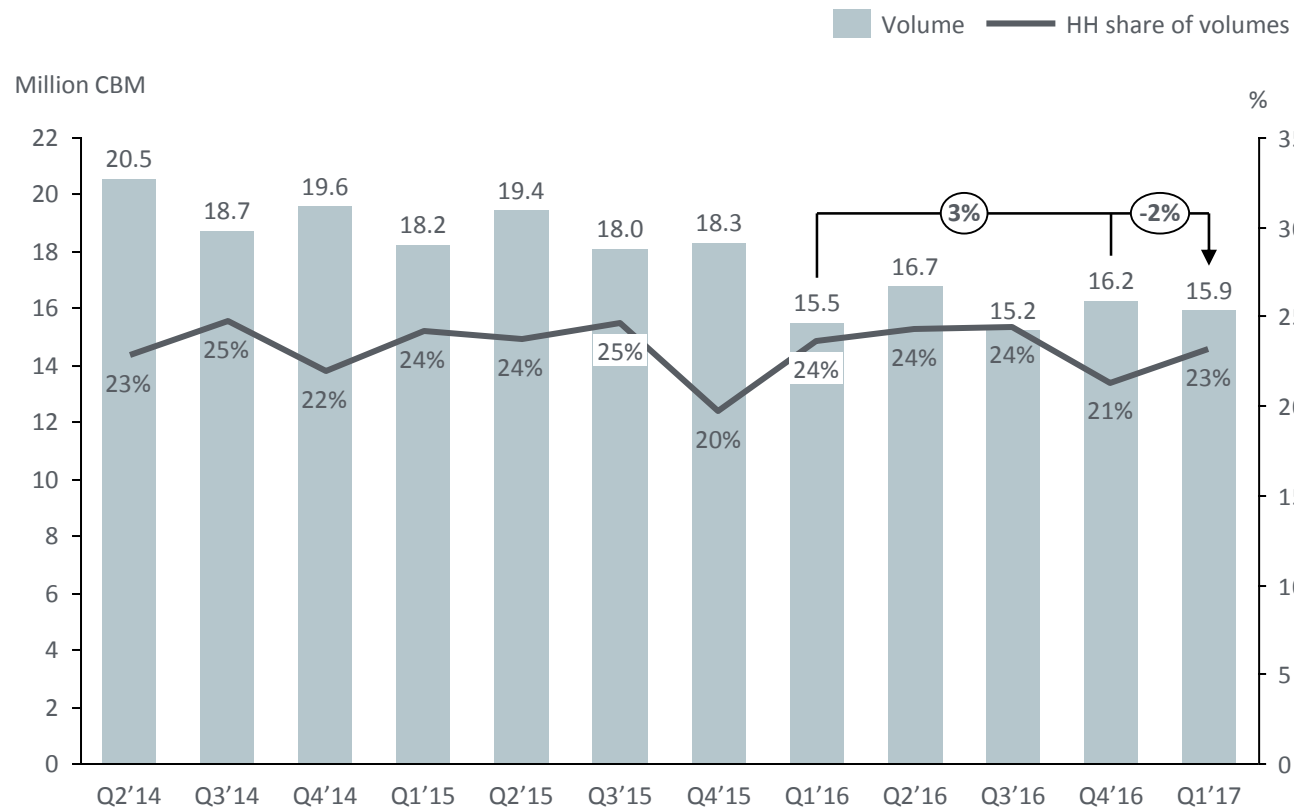


Ray Fitzgerald
COO

Volume and cargo mix shows positive development

Volume and Cargo Mix development

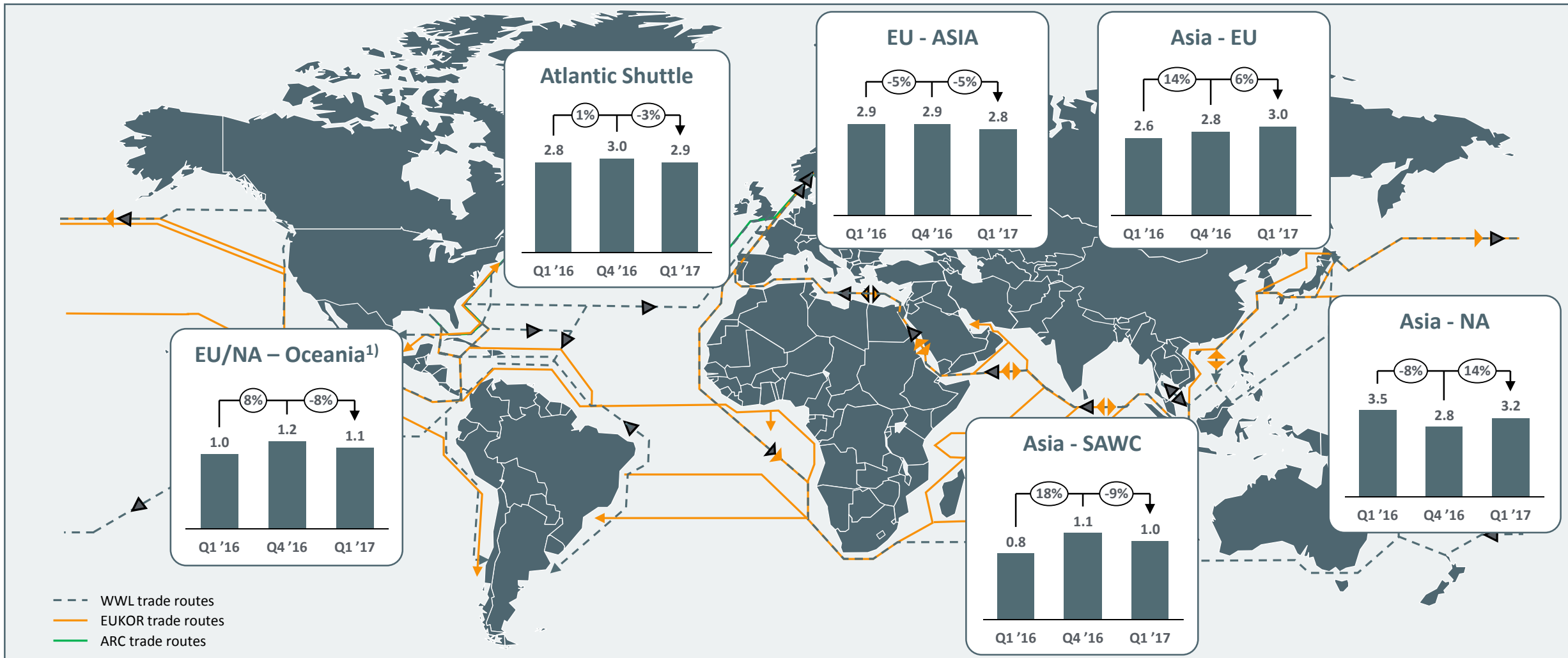
Million CBM and %



Comments

- Ocean transported volumes down 2% q-o-q mainly due to seasonality, but increased 3% y-o-y, primarily driven by:
 - Increased volumes exported from Asia to both Europe and South America
 - Export from Asia to North Americas declined
 - Increased import to Oceania from Europe
- Cargo mix
 - Improvement in cargo mix from 21% to 23% HH (High & Heavy) share of total volumes q-o-q
 - Stable development in cargo mix y-o-y

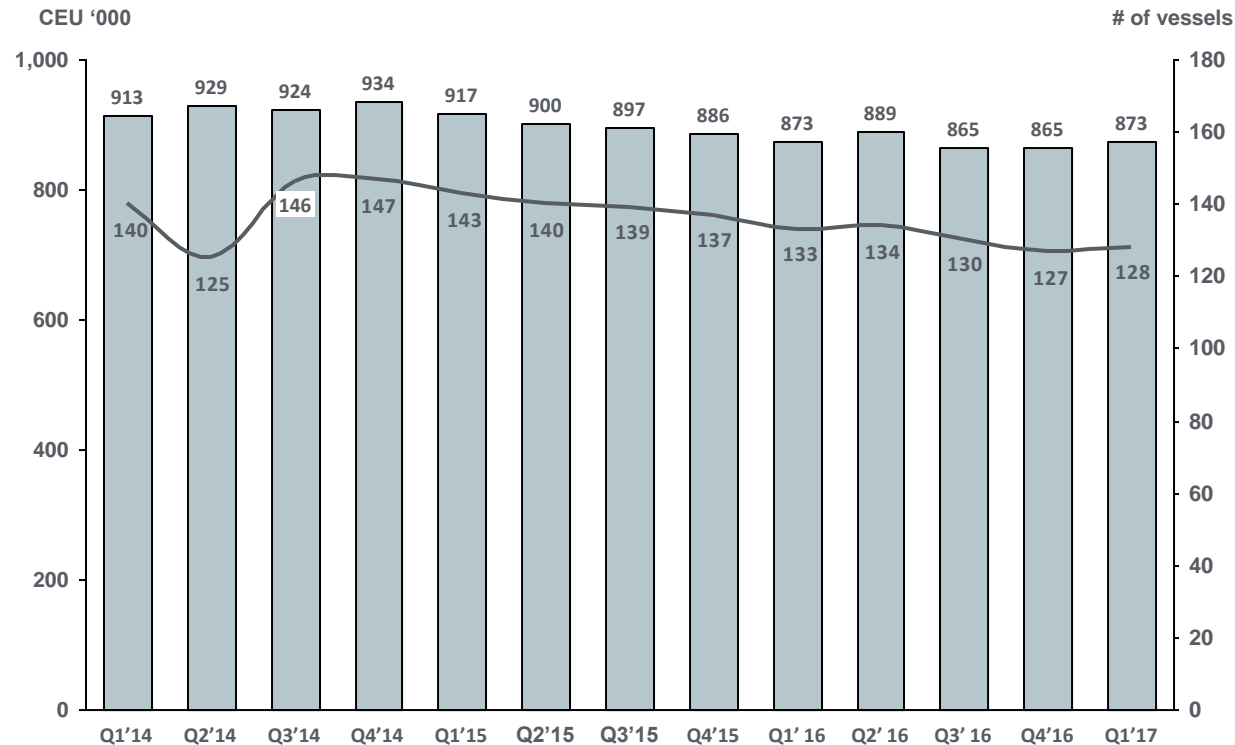
Positive development in export from Asia to Europe and NA q-o-q



Total fleet is 128 vessels, with one delivery in Q1

Fleet development

CEU, # of vessels



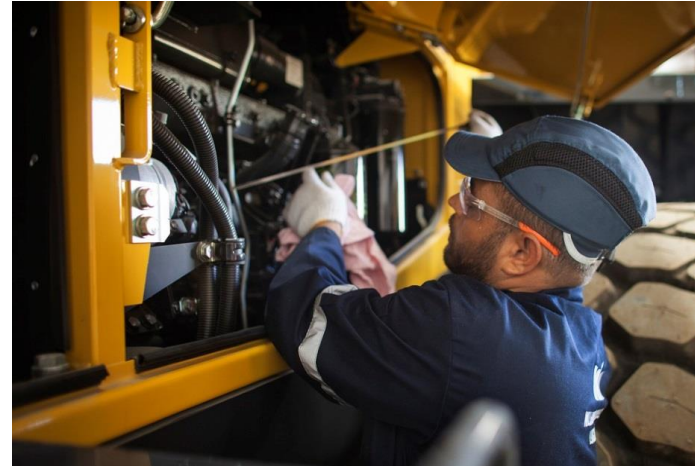
Comments

- One Eukor vessel delivered 30th March
- No further CAPEX planned past five post Panamax newbuildings with expected delivery between 2017 and 2019 (remaining CAPEX of USD ~200 million)
- Additional capacity need will be acquired in the charter market
- WWL ASA strives to have fleet flexibility through combination of owned, long- and short-term T/C tonnage
- Flexibility to redeliver 9 vessels by end of 2017

Continued positive developments for the landbased portfolio

Landbased segment business update

- **Continued strong performance for technical services** supported by stable volumes and high content value adding services for VSA
- **Build-up of auto inventories** in the US during Q1 2017
- **Terminals show stable performance in line with overall ocean volumes**, but pulled back by planned intermediate low volumes during start-up of MIRRAT in Australia, which is expected to come in with full effect from 2018



Financial Performance

by Rebekka Glasser Herlofsen



WWASA – Profit & Loss

WWASA Profit & Loss¹

USD million

	2017 Q1	2016 Q4	2016 Q1	FY 2016
Operating income	439	450	432	1,751
Gain on sale of assets	9		80	455
Share of profits from JV's and associates			13	13
Total income	448	450	525	2,219
EBITDA	79	43	161	728
Depreciation and impairments	(38)	(38)	(35)	(148)
EBIT	41	4	126	580
Financial income/(expense)	(11)	0	(15)	(37)
Profit/(loss) before tax	30	4	111	543
Net profit²⁾	26	(21)	104	500
Earnings per share (USD)	0.12	-0.09	0.47	2.27

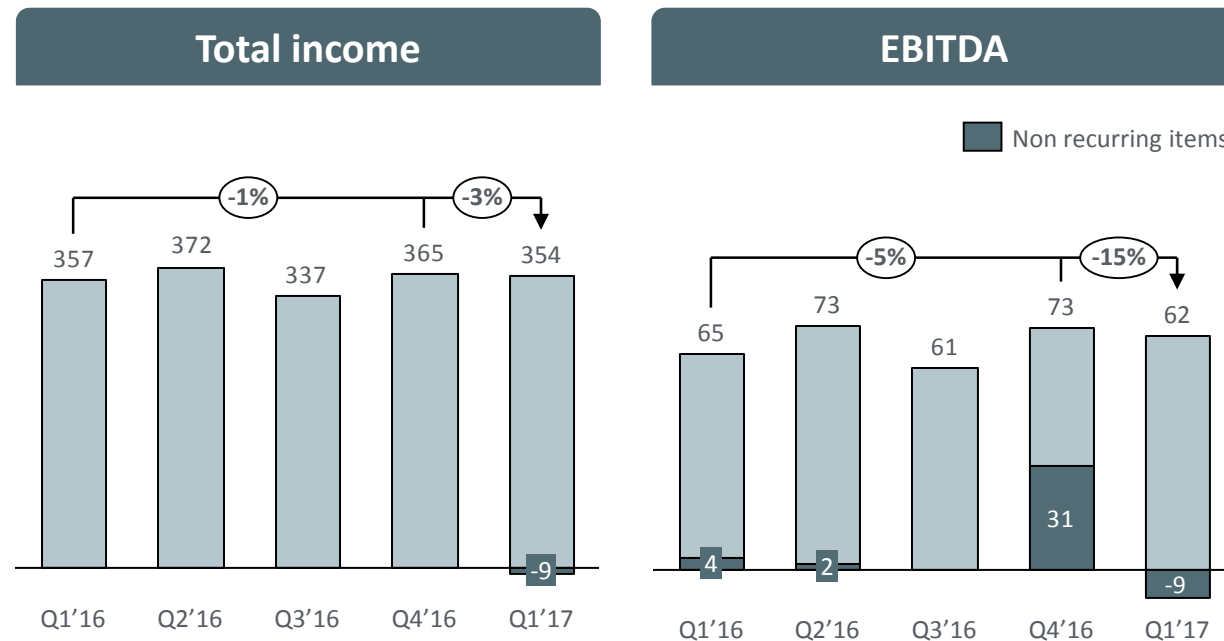
Comments

- Total operating income adjusted for non recurring items and “Treasure ASA” slightly down q-o-q and slightly up y-o-y
- EBITDA adjusted for non recurring items and “Treasure ASA” declined 12% q-o-q and 2% y-o-y mainly driven by weaker performance in the ocean segment
- Net financial expenses impacted by market movements in USD interest rates and appreciation of USD vs our major currencies

WWASA – Ocean segment

Total income and EBITDA ocean segment¹

USD million



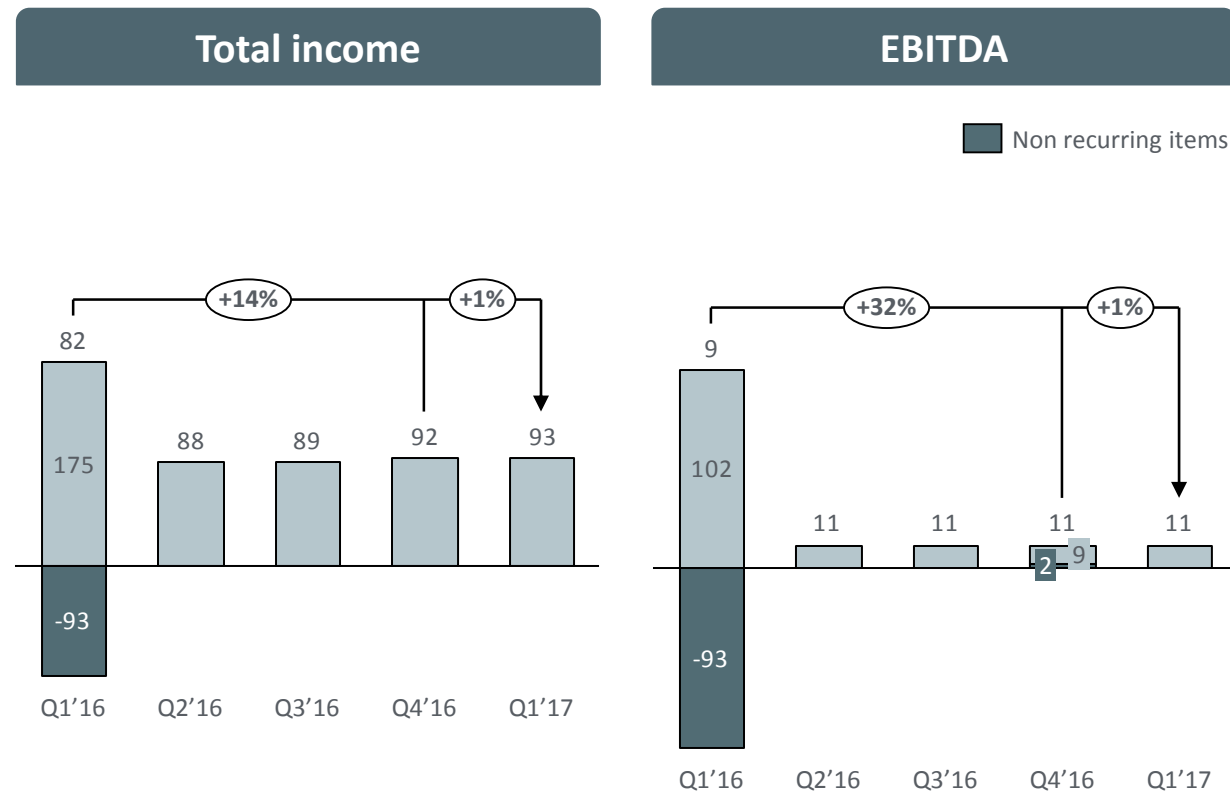
Comments

- Ocean income adjusted for non recurring items declined 3% q-o-q, but stable y-o-y
- EBITDA adjusted for non recurring items declined 15% and 5% y-o-y respectively (USD 9 million gain on sale of vessel to group company in Q1 '17 as non recurring)
- Ocean transported volumes fell 2% q-o-q, but increased 3% y-o-y
- Earnings negatively impacted by increased bunker costs due to time lag in BAF clauses
- Continued pressure on ocean rates

WWASA – Landbased segment

Total income and EBITDA landbased segment¹

USD million



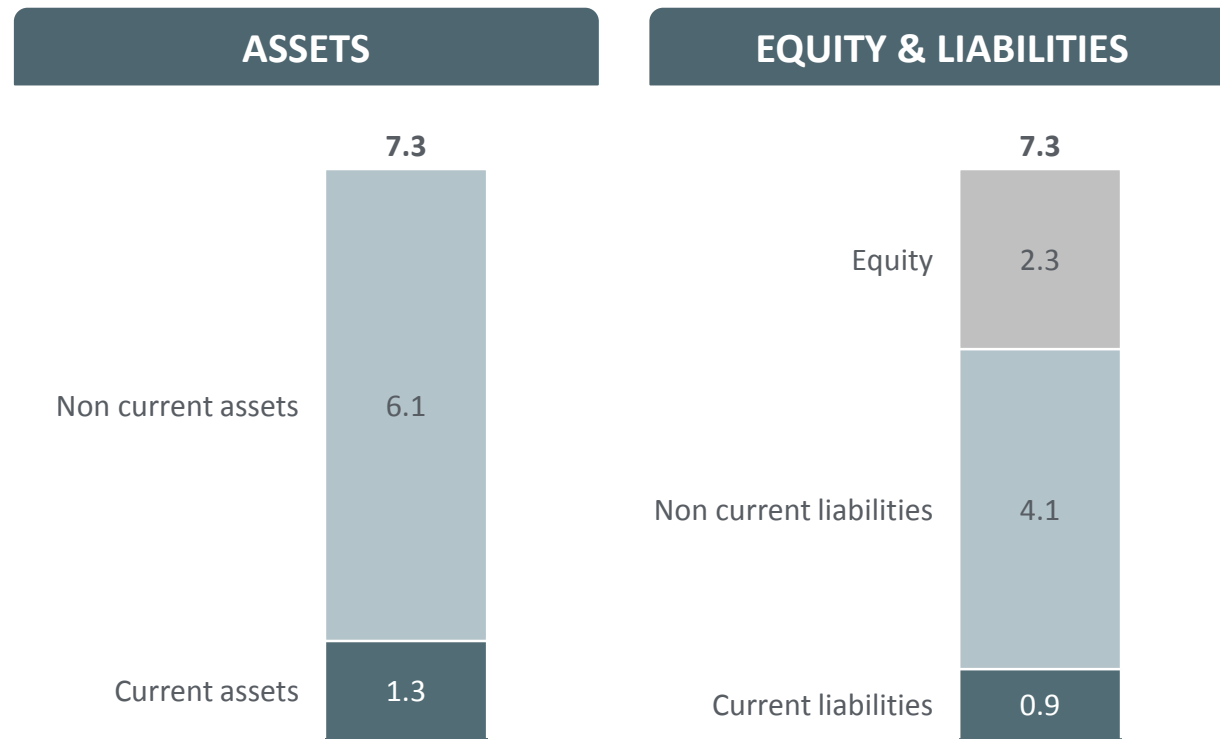
Comments

- Landbased income adjusted for non recurring items and “Treasure ASA” was stable q-o-q, but increased 14% y-o-y
- EBITDA adjusted for non recurring items and “Treasure ASA” stable q-o-q, but increased with 32% y-o-y
- Continued strong performance for technical services supported by stable volumes and high content value adding services for VSA
- Terminals show stable performance in line with overall ocean volumes, but pulled back by planned intermediate low volumes during start-up of MIRRAT in Australia

WWL ASA pro-forma balance sheet year-end 2016

Unaudited Pro-forma Balance Sheet WWL ASA IFRS, 2016¹

USD billion



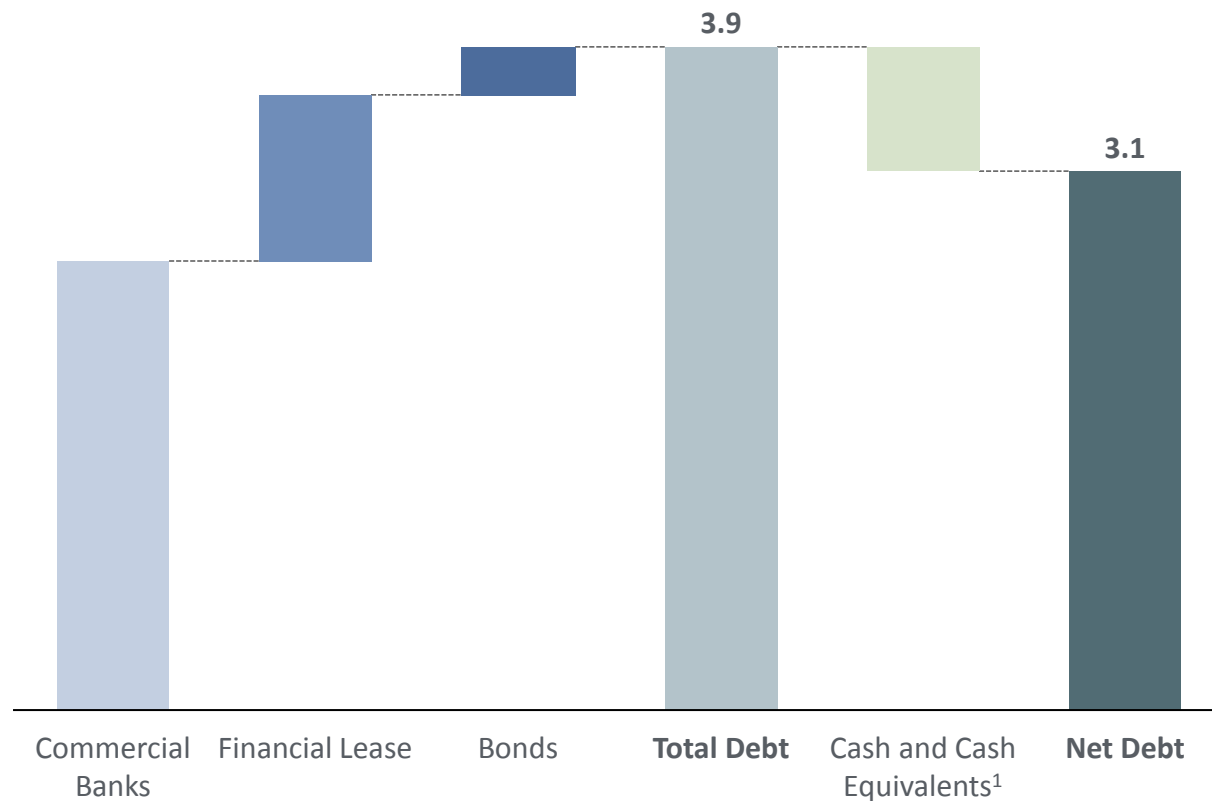
Comments

- Net interest bearing debt per 31.12.2016 of ~3.1bn USD, of which cash and cash equivalents and financial investments of ~0.7bn USD
- Opening balance for WWL ASA will be reported as part of Q2 reporting where fair value of assets and liabilities will be recognized at the date of the merger (except for 100% owned WW ASA entities)
- USD ~310M in provisions remain² to cover potential extraordinary costs in jurisdictions with ongoing anti-trust investigations

WWL ASA debt overview year-end 2016

WWL ASA group interest bearing debt 2016²⁾

USD billion



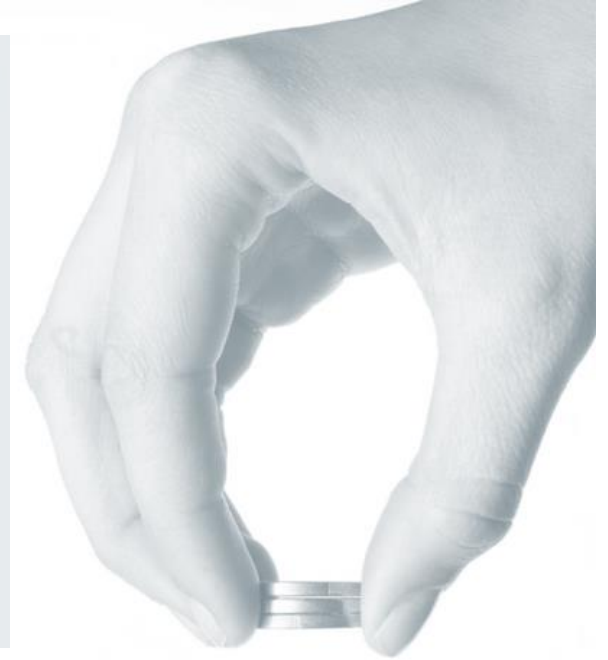
Comments

- Bank loans are the “base funding” of the WWL ASA fleet
 - Wilhelmsen Lines AS, Wallenius Lines AB or the respective ship-owning company are the borrowers with no parent (WWL ASA) guarantee
- Investments and operations funded from several capital sources, including the commercial bank market (incl. export credit agencies), through financial lease structures and from the Norwegian bond market

New dividend policy was approved by the Board May 9th

DIVIDEND POLICY

“Wallenius Wilhelmsen Logistics ASA’s (“WWL ASA”) objective is to provide shareholders with a competitive return over time through a combination of rising value for the WWL ASA share and payment of dividend to the shareholders. The Board targets a dividend which over time shall constitute between 30 and 50% of the company’s profit after tax. When deciding the size of the dividend, the Board will consider future capital requirements to ensure the implementation of its growth strategy as well as the need to ensure that the Group’s financial standing remains warrantable at all times. Dividends will be declared in USD and paid out semi-annually”



FINANCIAL TARGETS

Key ratios	Target
Equity ratio	>35%
Return on capital employed («ROCE»)	>8%



WWL ASA – What can you expect for Q2 reporting?

- Opening balances as per April 5th 2017 and Balance sheet as per Q2 2017
- Comparable pro-forma P&L for Q2 2016
- Ongoing process to review additional information elements to be shared, whether at Quarterly presentations or Capital Markets Day



INVESTOR RELATIONS POLICY

“Wallenius Wilhelmsen Logistics ASA (“WWL ASA”) strives to be available and to pursue a professional, transparent and active dialogue with investors and analysts. WWL ASA is committed to disclose and share relevant information in a timely, reliable and accurate manner with all financial stakeholders in accordance with relevant legal requirements and sound corporate governance principles. The objective is to ensure equal treatment of all stakeholders and fair valuation of the WWL ASA share”

Market and Business Outlook

by Craig Jasienski

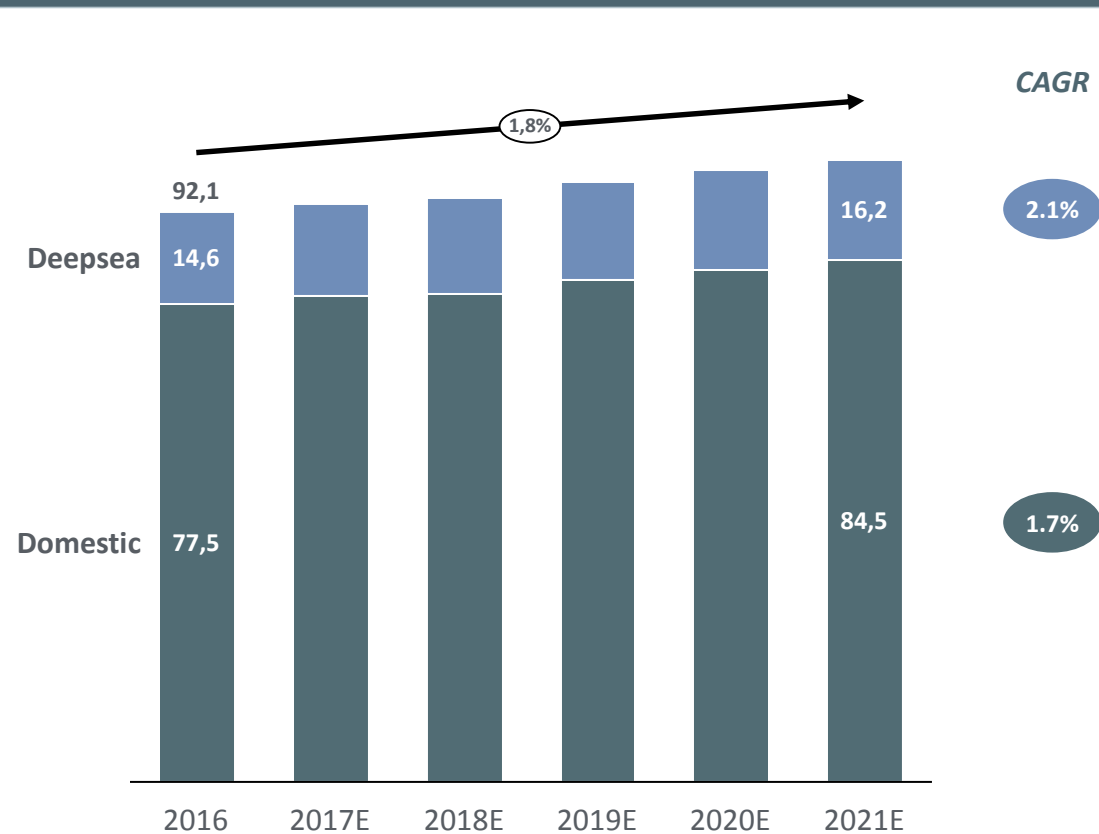
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Total light vehicle sales in the first quarter increased by 4% y-o-y

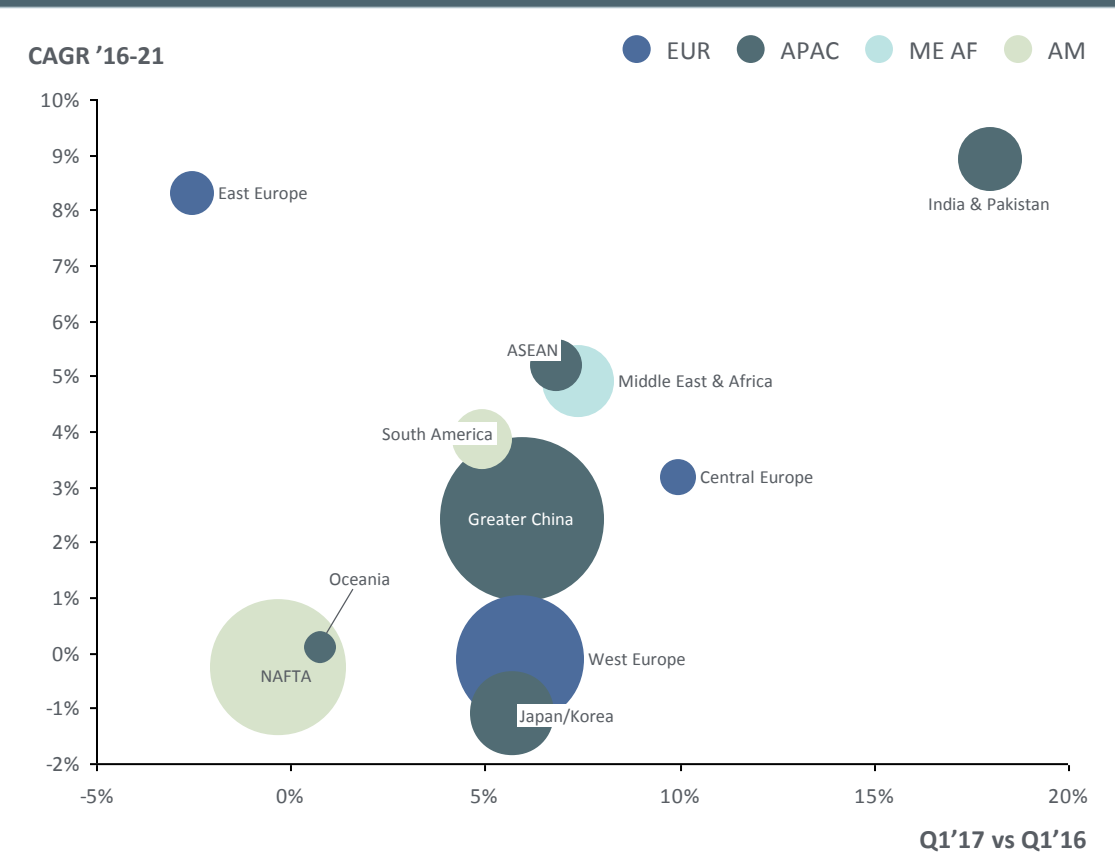
Global auto sales development forecast

Million units, 2016-2021E



Global auto sales per main sales region¹

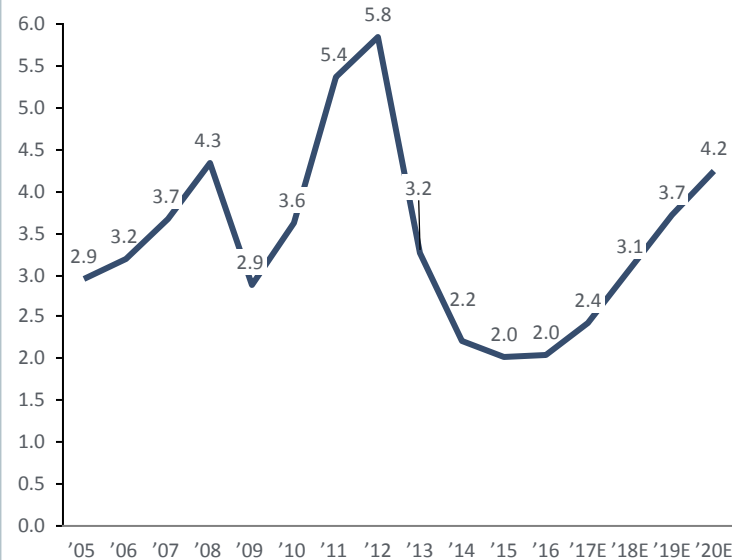
CAGR 2016-2021, CAGR Q1'17 vs Q1'16



Positive outlook for all main High & Heavy segments

Improving outlook for mining shipments

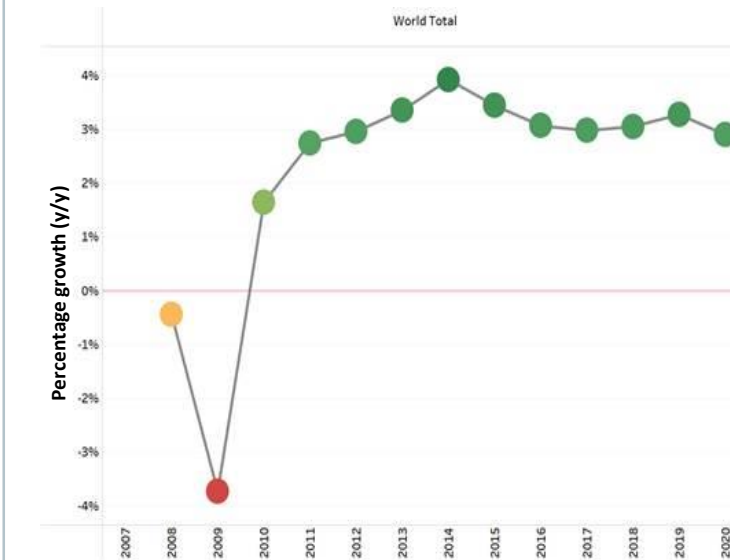
000s, 2005-2020E¹



- The global demand for mining equipment remained low in the first quarter but the sentiment is improving backed by a further increase in commodity prices

Continued solid growth for construction

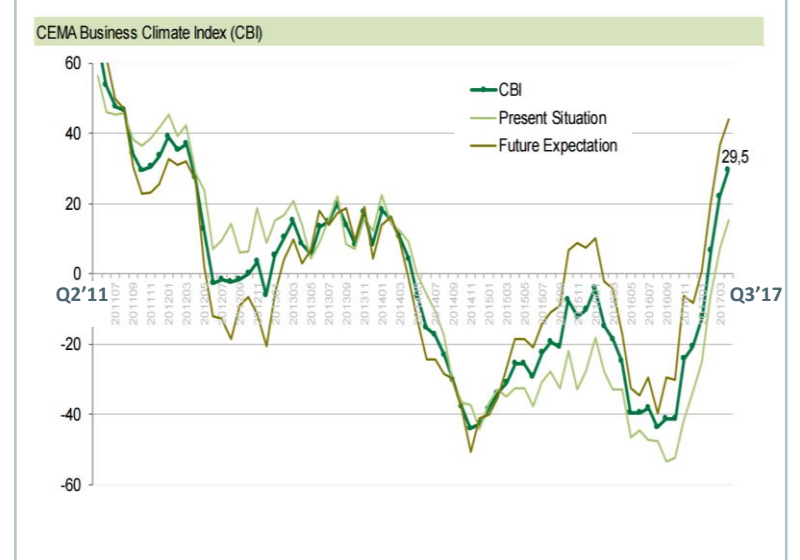
2007-2020E²



- Global construction markets continued their overall positive development into 2017
- Particularly Asia, Middle East and Africa see strong growth going forward (>4% per year)

Down-cycle about to turn for Agriculture

CEMA business barometer³

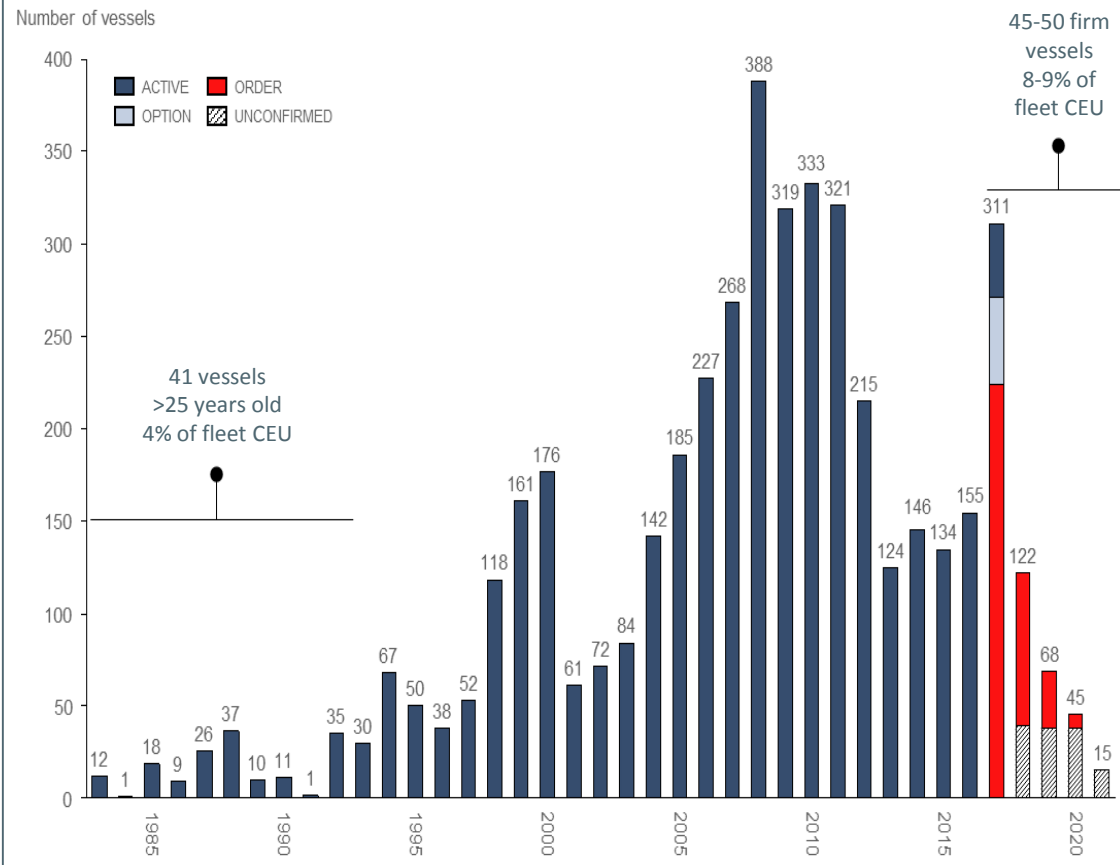


- Global demand for agriculture equipment continued the weak trend in the first quarter, but early indications that the down-cycle in Agriculture might be about to turn (particularly in Europe)

Moderate net fleet growth forecasted going forward

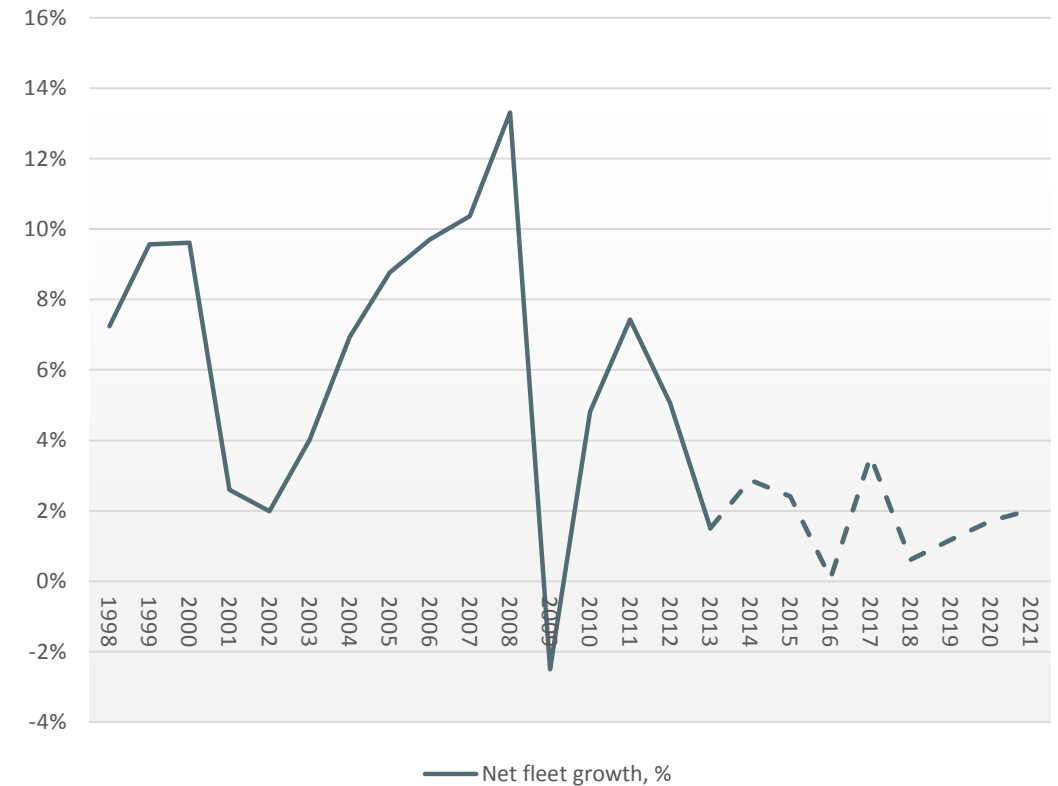
4% of fleet are recycling candidates...

Fleet by year of build, 1000 CEU



..contributing to moderate net fleet growth

Forecasted net fleet growth, % p.a.



Board view

Market outlook

«In mature markets, auto sales are expected to be relatively flat while the outlook for the emerging markets are mixed. Overall, the expectations are slightly positive. Global construction, mining and agriculture equipment sales are forecasted to improve slightly from low levels.»



Business Outlook

«The board expects that the merger will have positive impact on the group profitability. While the positive effects in 2017 to a large degree will be offset by restructuring costs, the synergies will be substantial in 2018 and have full effect in 2019 (estimated up towards USD 100 million on annual basis). However, continued rate pressure combined with some overcapacity in the market will continue to put pressure on the ocean segment.»



Q&A

by Craig Jasienski and Rebekka Glasser Herlofsen

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Thank you!