WALLENIUS WILHELMSEN
LOGISTICS ASA

Q4 Presentation

February 14th 2018

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Highlights fourth quarter 2017

- EBITDA adjusted for non-recurring items of USD 182 million
- Results negatively impacted by increased bunker prices
- Strong volume growth, but less favorable trade and cargo mix
- Acquisition of Keen Transport Inc for USD 64 million
- Synergy target increased to USD 120 million
- Antitrust provision increased with USD 140 million

Agenda

- Business Update
- Financial Performance
- Market and Business Outlook
- Summary and Q&A

BUSINESS UPDATE

by Craig Jasienski

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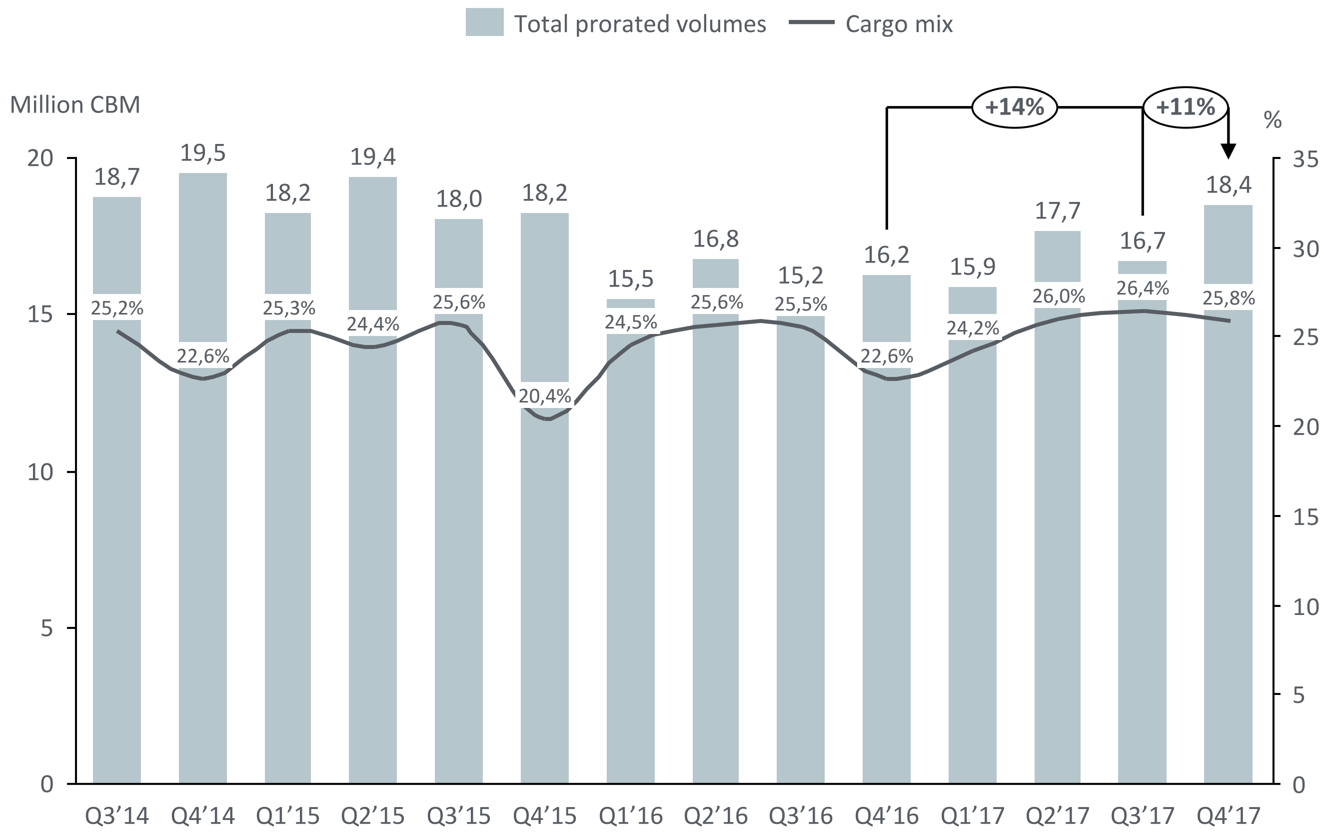
Strong volume development in Q4, but slight fall back in cargo mix

Volume[1)] and cargo mix[2)] development

Million CBM and %



Comments

- Volumes up 11% q-o-q, driven by both underlying growth and seasonality. The growth drivers in the quarter was Asia to Europe, Europe to Asia and the Atlantic trade
- Negative development for cargo mix with a H&H share of 25.8% in the fourth quarter, down from 26.4% in the third quarter (seasonal strong auto volumes in the quarter)
- Volumes up 14% y-o-y, with double digit growth for all foundation trades. The largest growth is driven by export out of Asia to Europe, export out of Europe to Asia and export out of Asia to North America

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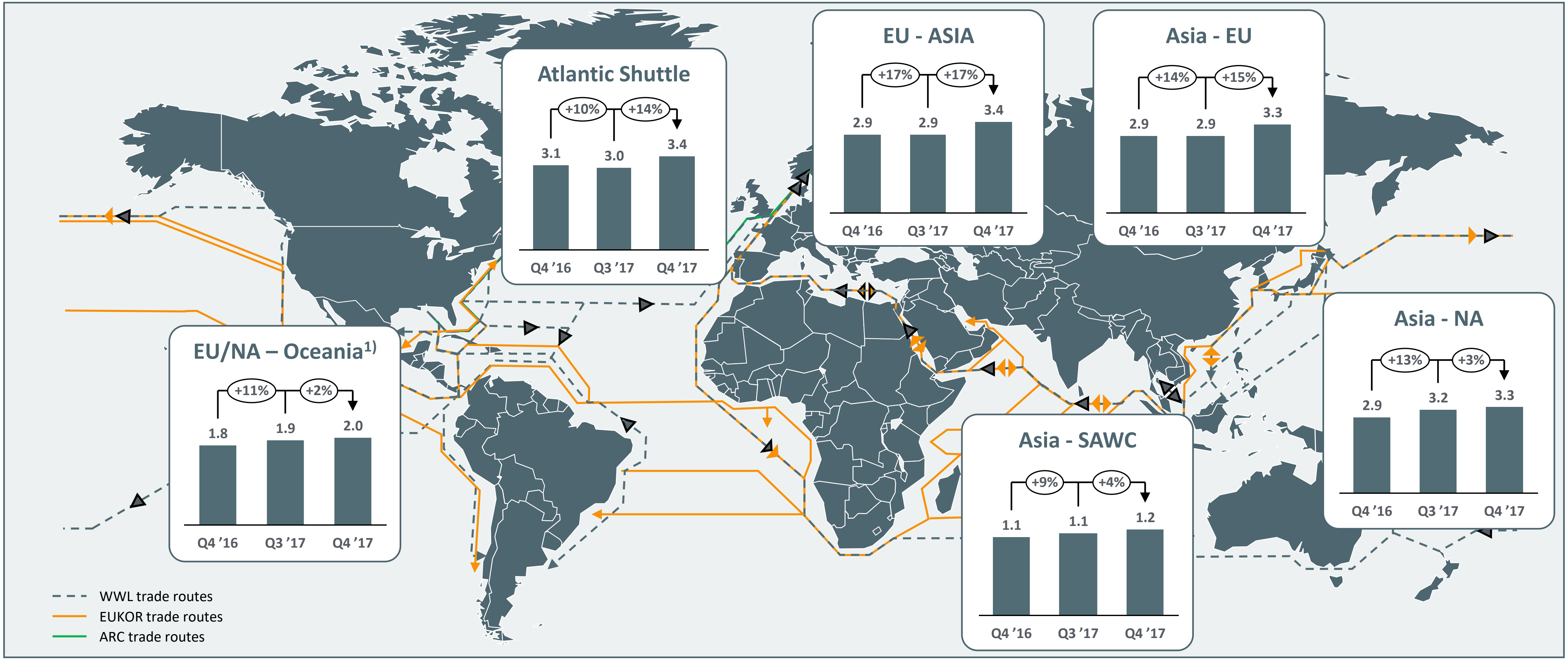
1) *Prorated volume*
2) *Calculated based on unprorated volumes. Updated figures based on aligned cargo type definition and reporting across all Ocean units*

Seasonal increase in volumes across all trades, both q-o-q and y-o-y



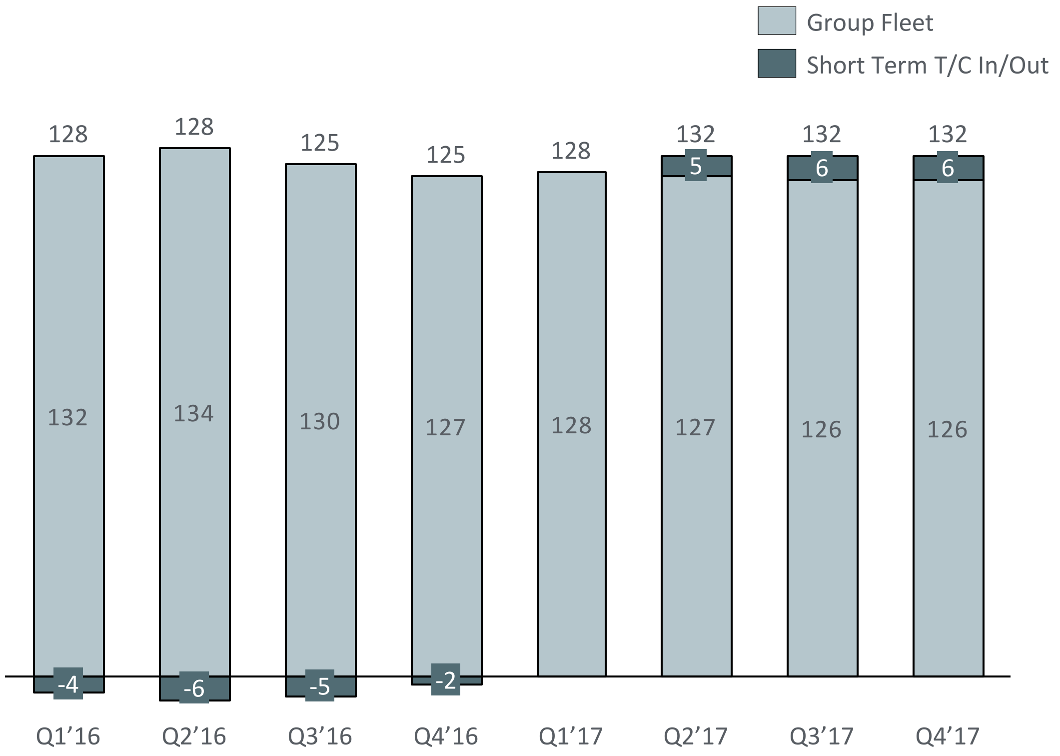
Note: Prorated volumes on operational trade basis in CBM

1) Including Cape sailings (South Africa)

132 vessels operated in the quarter, increased space charter activity

Fleet development

Number of vessels



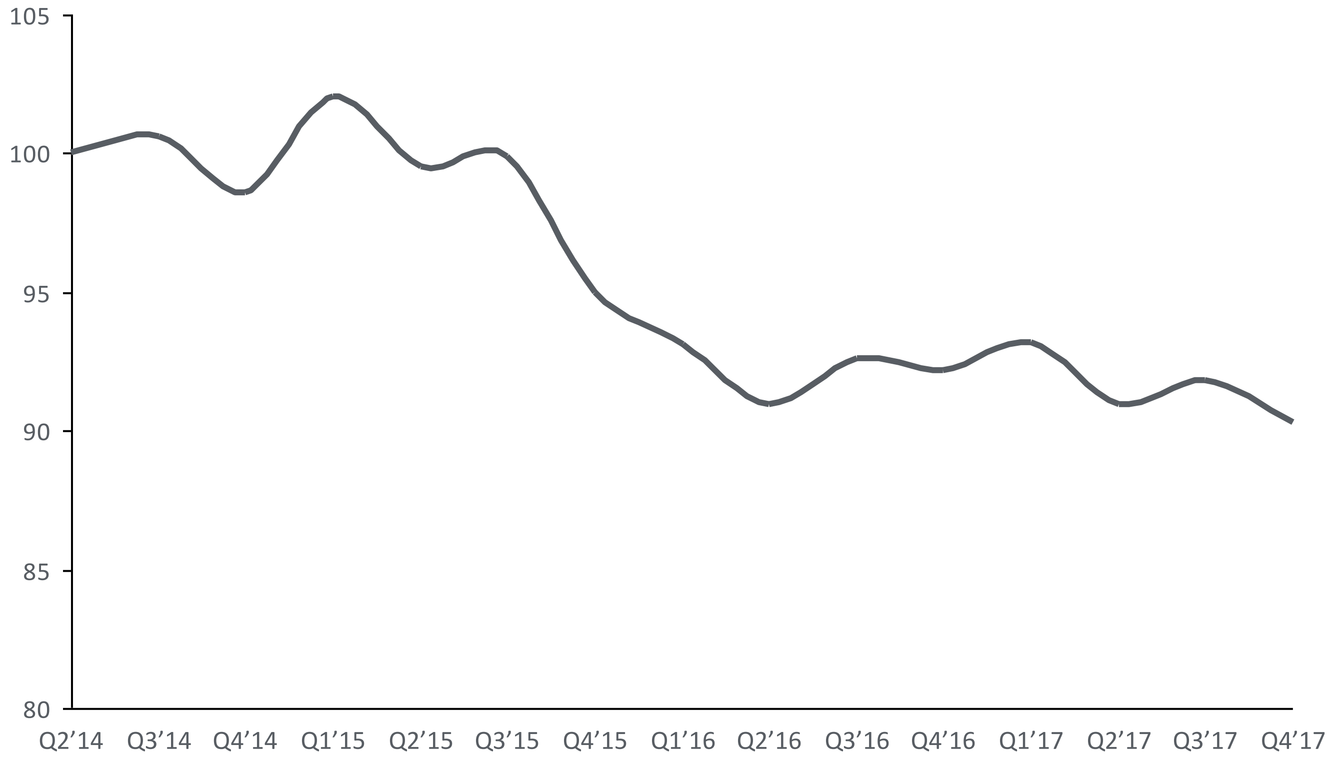
Comments

- WWL group operated a core fleet of 126 vessels (864K CEU) representing about 20% of the global fleet in the quarter
- WWL group continues to proactively use the short term charter market to scale up and down capacity, and had 6 vessels on short term time charters to handle the strong volumes in the fourth quarter
- In the fourth quarter, space charter activity increased to handle the seasonally strong export volumes from Europe
- Currently, the group has flexibility to redeliver 10 vessels in 2018 and 22 vessels in the period from 2019 to 2023
- Four Post-Panamax vessels are under construction with combined capacity of 32K CEU. Two of these vessels are expected to enter service in 2018 and two are scheduled for delivery in 2019 (remaining instalments of USD 170 million)

Negative development in net freight/CBM due to weaker cargo mix

Net freight / CBM development[1)]

Indexed to 100 per Q2 2014



Comments

- Net freight / CBM decreased with 3.7% points in the fourth quarter compared with the previous quarter due to less favorable trade & cargo mix
- The volume growth in the forth quarter was strongest for Europe-Asia and the Atlantic trade. This was primarily driven by seasonally strong auto volumes which negatively impacted both the trade and cargo mix.
- There was no material rate changes in the fourth quarter
- The net freight index will be negatively impacted by rate reductions from contract renewals during 2017 that will take effect from early 2018

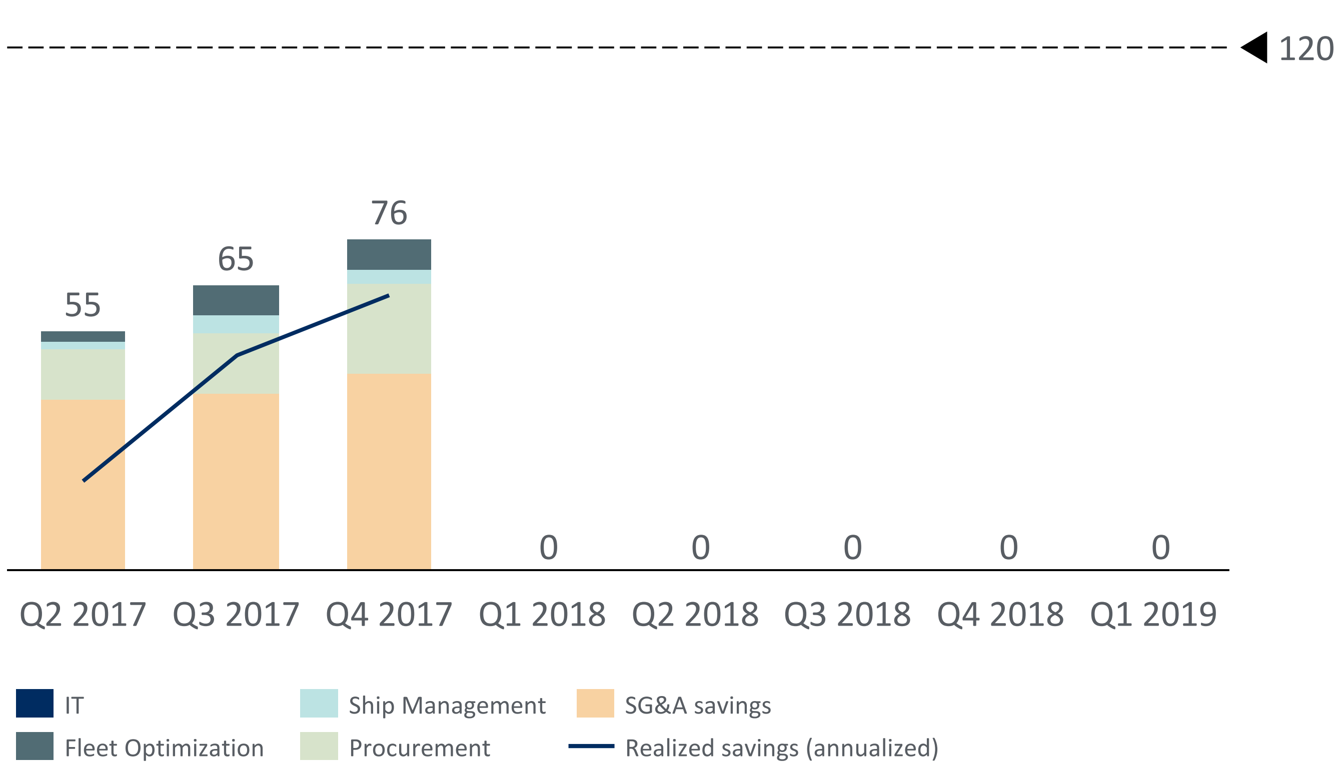
Note: Unprorated volumes excluding US flag operations

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

Synergy target increased to USD 120 million

Confirmed and realized synergy development

USD million



Comments

- Synergy target increased to USD 120 million in light of strong traction on synergy realization
- About USD 75 million of the targeted annualized synergies have been confirmed
- About USD 10 million was added in the fourth quarter, mainly related to IT and procurement
- The annualised run rate for the synergies was about USD 65 million in the fourth quarter, up from about USD 50 million in the third quarter.
- The remaining USD 10 million of the confirmed synergies will gradually come into effect over the next 3-6 months

Acquisition of Keen Transport closed December 7th 2017

Acquisition Summary

- The transaction closed December 7th, with total acquisition price of USD 64 million on a cash- and debt-free basis, financed through existing facilities
- Keen operates 14 High & Heavy Equipment Processing Centers (EPC's) and a specialty trucking entity in the US.
- The company delivered income of USD 82 million and earnings (EBITDA) of USD 10 million in 2016
- The acquisition is a strong fit strategically and operationally, yielding some synergies
- Opportunity to capitalize on the improving fundamentals of the mining and construction sector, both in the US and abroad

KEEN
TRANSPORT, INC.

Several other network development initiatives also concluded

- **Part of investment consortium to develop a logistics park in Pyoengtaek, South Korea**
  - WWL group has committed to purchase 66ha of land when construction is completed in 2023 (USD ~30 million investment)
  - Land will be used to develop a Vehicle Processing Center and “inland port” extension of WWL groups’ PIRT terminal
- **Expansion of Zeebrugge Terminal**
  - Expansion of footprint in Zeebrugge with 49ha to cater for increased volumes and growth
  - Investment of about USD 20 million during the next 2-3 years
- **New VPC in Tacoma, US**
  - New Vehicle Processing Center (VPC) on the back of long term customer commitments
  - Investment of about USD 12 million in buildings and infrastructure during 2018

Financial Performance

by Rebekka Glasser Herlofsen

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Consolidated results – fourth quarter 2017

	Q4 2017	Q3 2017	Proforma Q4 2016[1)]
Total income	**1 036**	**962**	**917**
Operating expenses	(859)	(774)	(769)
EBITDA	**177**	**188**	**148**
EBITDA adjusted	182	193	148
Depreciation	(84)	(84)	(82)
EBIT	**93**	**104**	**66**
Financial income/(expense)	(32)	(21)	n/a
Profit/(loss) before tax	61	83	n/a
Tax income/(expense)	27	(28)	n/a
Profit/(loss) for the period	**86**	**55**	**17**
EPS	0.20	0.12	n/a

Comments

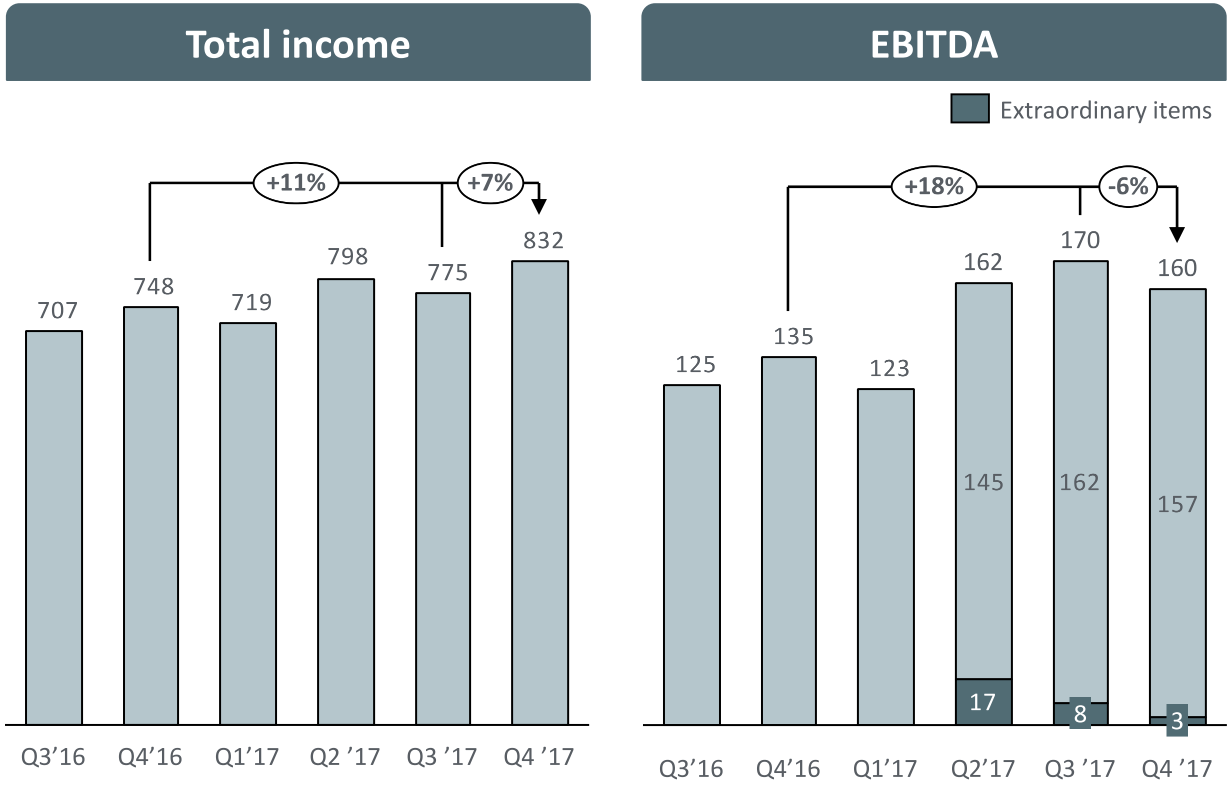
- Adjusted EBITDA was USD 182 million in the fourth quarter, down 5% q-o-q
- Extraordinary items include
  - USD ~5 million for write down of capitalized IT costs
  - USD ~2 million in restructuring costs
  - USD ~2 million in gain on sale of fixed asset
- Net financial expenses in the fourth quarter was positively impacted by USD 12 million in unrealized gains from interest rate hedges and negatively impacted by USD 4 million related to movements in currency
- Tax income of USD 27 million for the fourth quarter due to significant reduction in WWL group's deferred tax liability caused by the reduction of the federal tax rate in the US from 35% to 21%

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

Ocean segment – Fourth quarter 2017

Total income and EBITDA ocean segment[1, 2]

USD million



Comments

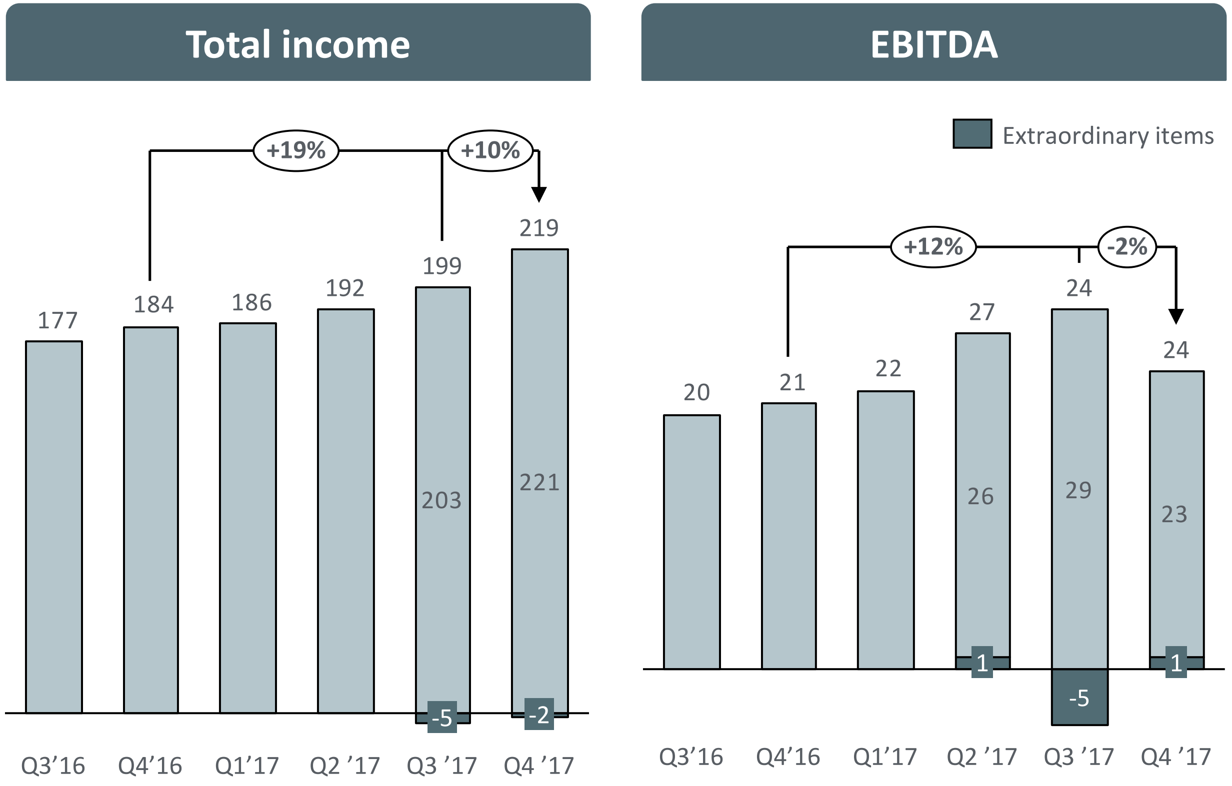
- Ocean income was USD 832 million, up 7% compared with previous quarter due to strong volume growth
- EBITDA adjusted for extraordinary items ended at USD 160 million, a decline of 6% compared to previous quarter
- The reduction in EBITDA was driven by several factors
  - Less favorable cargo and trade mix
  - Negative USD 10 million effect from higher bunker prices (of which two thirds are related to lag in BAF compensation)
  - Increased space charter expenses of USD 5 million to handle strong volume out of Europe
  - Project cargo shipments in the Atlantic remained strong, but not at the same level as last quarter
- Combined, these factors more than offset the positive volume development and increased synergy realisation

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

Landbased segment – Fourth quarter 2017

Total income and EBITDA landbased segment[1,2)]

USD million



Comments

- Adjusted income was USD 219, up 10% q-o-q
- Adjusted EBITDA was USD 24 million, stable q-o-q, but up 12% y-o-y
- Technical services in North America delivered results below the third quarter despite increased volumes due to congestions at certain plan facilities which led to an increase in operational costs
- Terminals delivered improved results supported by the overall increase in ocean volumes
- The acquisition of Keen contributed to about USD 6 million in income and USD 1 million in EBITDA for the quarter

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

Consolidated results – full year 2017

Consolidated results – 2016 vs. 2017

USD million

	FY 2017[1)]	Proforma FY 2016[2)]	% change y-o-y
Total income	**3 800**	**3 581**	**6%**
Operating expenses	(3 186)	(2 989)	6%
EBITDA	**614**	**592**	**4%**
EBITDA adjusted	706	592	18%
Depreciation & amortization	(334)	(326)	2%
EBIT	**280**	**266**	**5%**
Financial income/(expense)	(124)	(150)	(17%)
Profit/(loss) before tax	156	116	35%

Comments

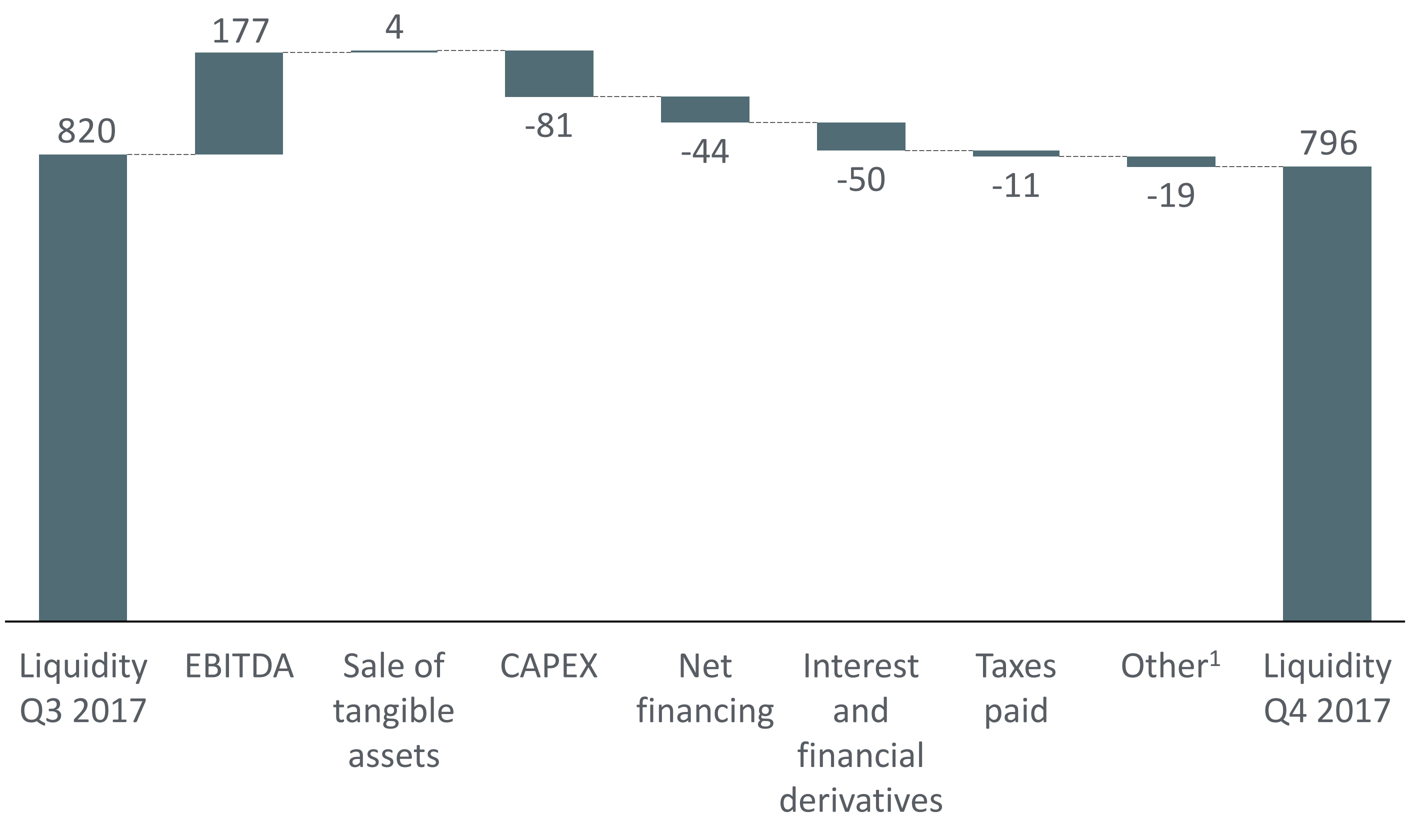
- Total income for FY 2017 was USD 3 800 million, up 6% compared with FY 2016, primarily driven by increase in transported volumes coupled with higher BAF compensation
- EBITDA adjusted was USD 706 million, an increase of 18% compared to 2016
- The improved performance is primarily driven by
  - Increase in transported volumes
  - Improved cargo and trade mix
  - Realization of synergies
  - Strong project cargo shipments in the Atlantic
  - Improved results for the landbased segment

1) *WWL group pre-merger proforma accounts Q1 2017 in addition to WWL group actuals Q2-Q4 2017*
2) *WWL group pre-merger proforma accounts are prepared as if the merger had taken place Jan 1st 2016 and adjusted for demerger of Treasure ASA and VSA acquisition as well as inclusion of SG&A costs in WallRoll AB.*

Cash flow and liquidity development – fourth quarter 2017

Cash flow and liquidity development

USD million



Comments

- CAPEX includes the acquisition of Keen Transport («Keen») for USD 64 million
- Net financing includes
  - Debt uptake for financing of Keen
  - Down payment ship loans (USD ~100 mill)
  - Repayment of credit facilities (USD ~100 mill)
  - Net proceeds new bond issue (USD ~100 mill)
- Interest and financial derivates include negative about USD 15 million for realization of financial derivates (mainly USD/NOK options)

1) *Mainly relates to changes in working capital*

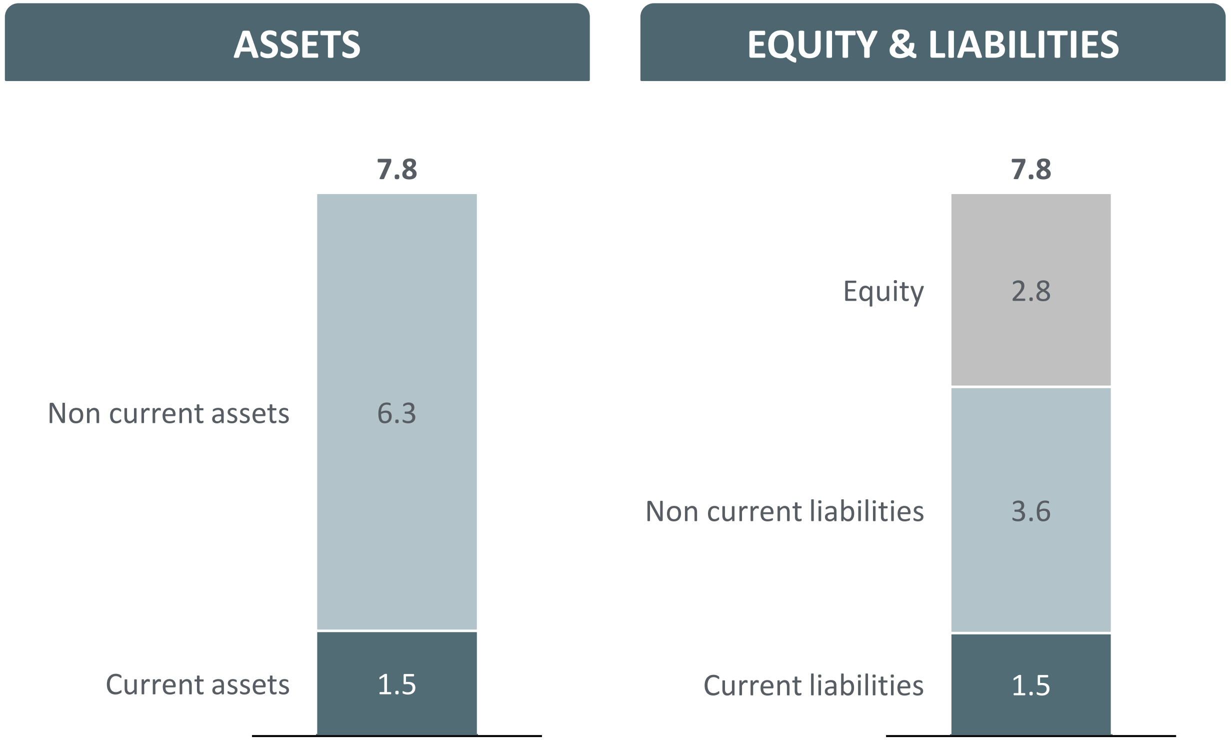
Antitrust provision increased with USD 140 million

- The antitrust investigations is now drawing towards an end, and outstanding jurisdictions are likely to reach their conclusion during 2018
- WWL groups’ provision stood at USD 300 million at the end of the third quarter and no payments are currently outstanding.
- WWL group see it as necessary to increase the provision for anti-trust obligations by USD 140 million to USD 440 million based on updated evaluations taking into account the possible outcome of pending investigations and the possibility for civil claims
- The preliminary purchase price allocation from the merger of WW ASA and WallRoll AB has been updated to reflect the increased liability. As such, the increased provision does not impact the results

Balance sheet review – Fourth quarter 2017

Unaudited Balance Sheet 31.12.2017

USD billion



Comments

- Total assets of USD 7.7 billion with equity ratio of 35.8%
- Net interest bearing debt of USD 3.0 billion, stable compared with the third quarter
- Strong cash and liquidity position with USD 796 million in cash and USD 275 million in undrawn credit facilities
- The preliminary purchase price allocation has been updated to reflect the increased antitrust provision
- The Board has decided not to recommend a dividend for 2017 at this time as they would like to see a further strengthening of the solidity of the group

Market and Business Outlook Q4

by Craig Jasienski

The market fundamentals started to improve in 2017

Auto – steady growth

Modest growth in auto trade volumes, up around 1.5% with increased momentum towards year end

H&H – turning point

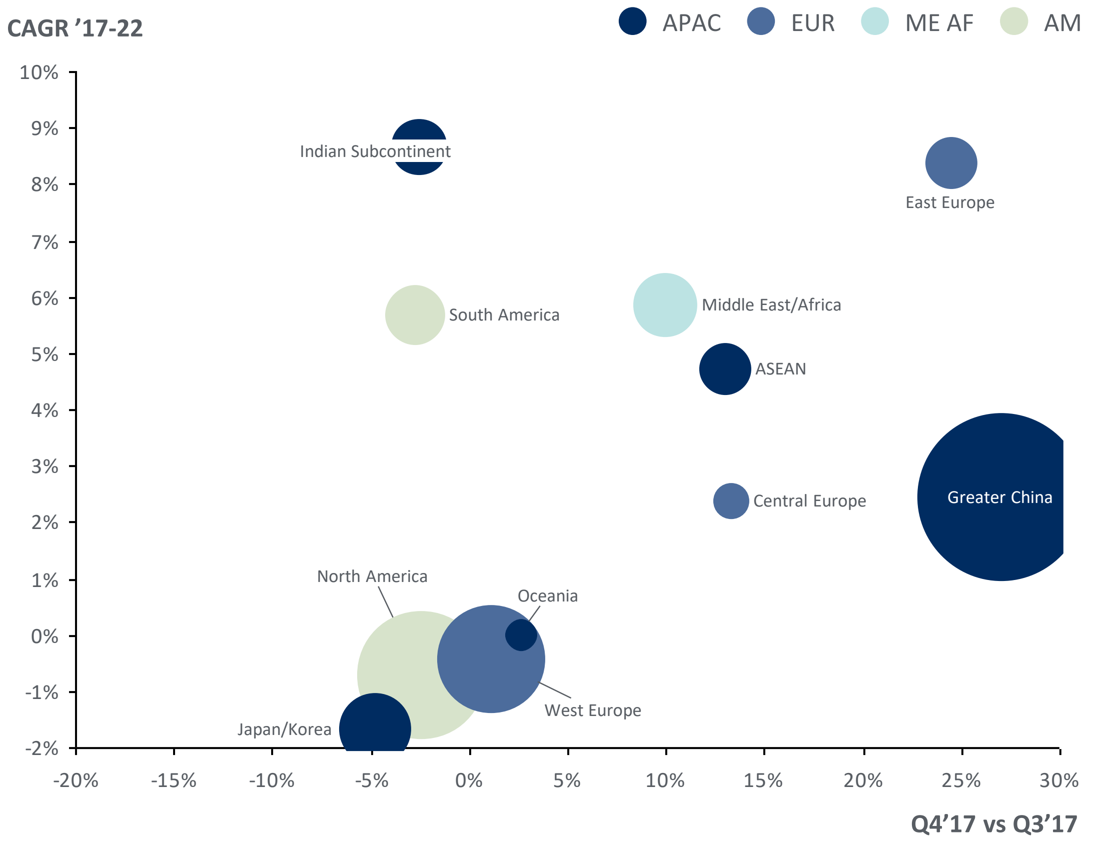
Recovery in global H&H markets with double digit growth for 2017

Market balance – firmer

Overcapacity reduced from around 10% to less than 5% with current orderbook at historical low

Auto sales in the fourth quarter increased 8.9% q-o-q

Global auto sales per main sales region[1,2]



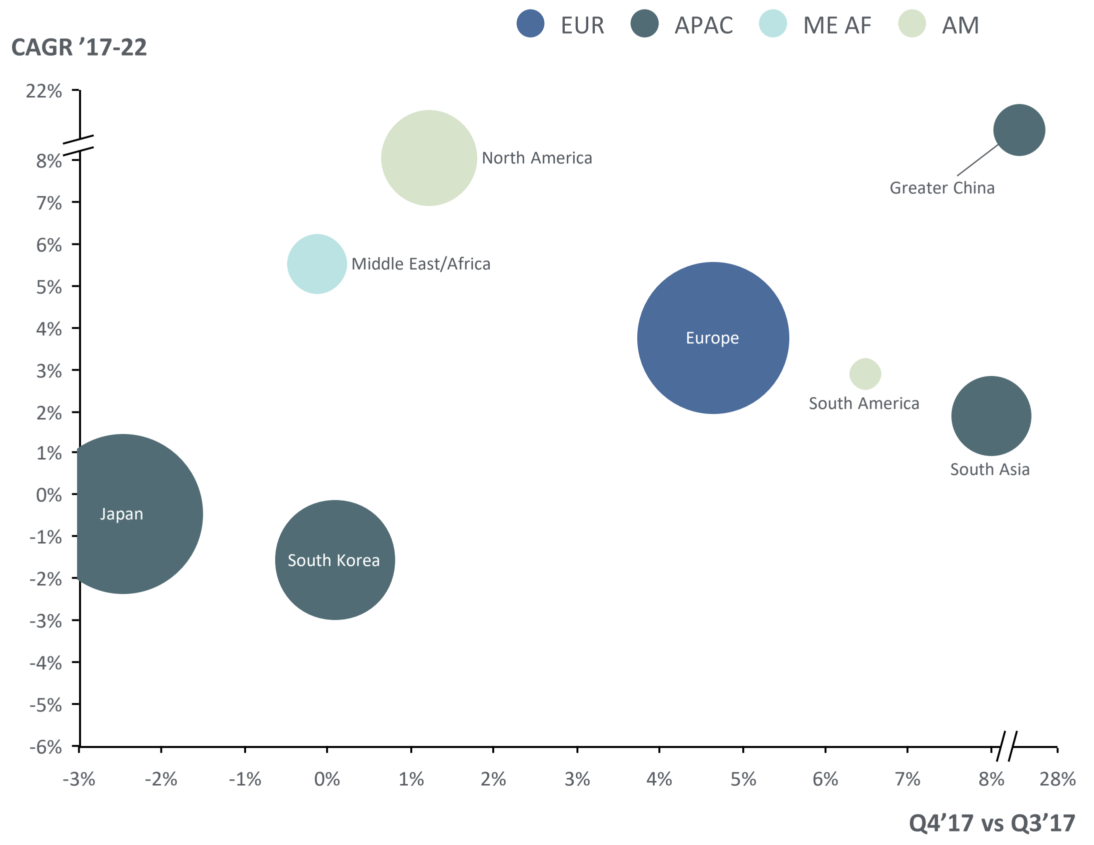
Comments

- Solid development for auto sales in the fourth quarter with 8.9% growth q-o-q and 1.3% y-o-y
- Sales in the US continued the soft development, and were down 2.7% q-o-q due to seasonality and down 3.1% year on year y-o-y
- Western European sales have rebounded from historically low figures, and were up about 1% q-o-q and y-o-y
- Australian sales were up 2.0% q-o-q and up 1.5% y-o-y.
- The Russian (+12.7% q-o-q and +14.2% y-o-y) and Brazilian (+4.0% q-o-q and +15.0% y-o-y) markets continued the positive momentum in the fourth quarter.
- The Chinese market ended the year on a solid note growing 27% q-o-q. Compared to the same period last year sales showed a flat development (-0.5%) due to high base of comparison.

Source: IHS Markit
1) *Size of circle indicates auto sales Q3 2017*
2) *Greater China – China & Taiwan*

Auto exports in the fourth quarter up 2.7% q-o-q

Global auto export per main production region[1,2]



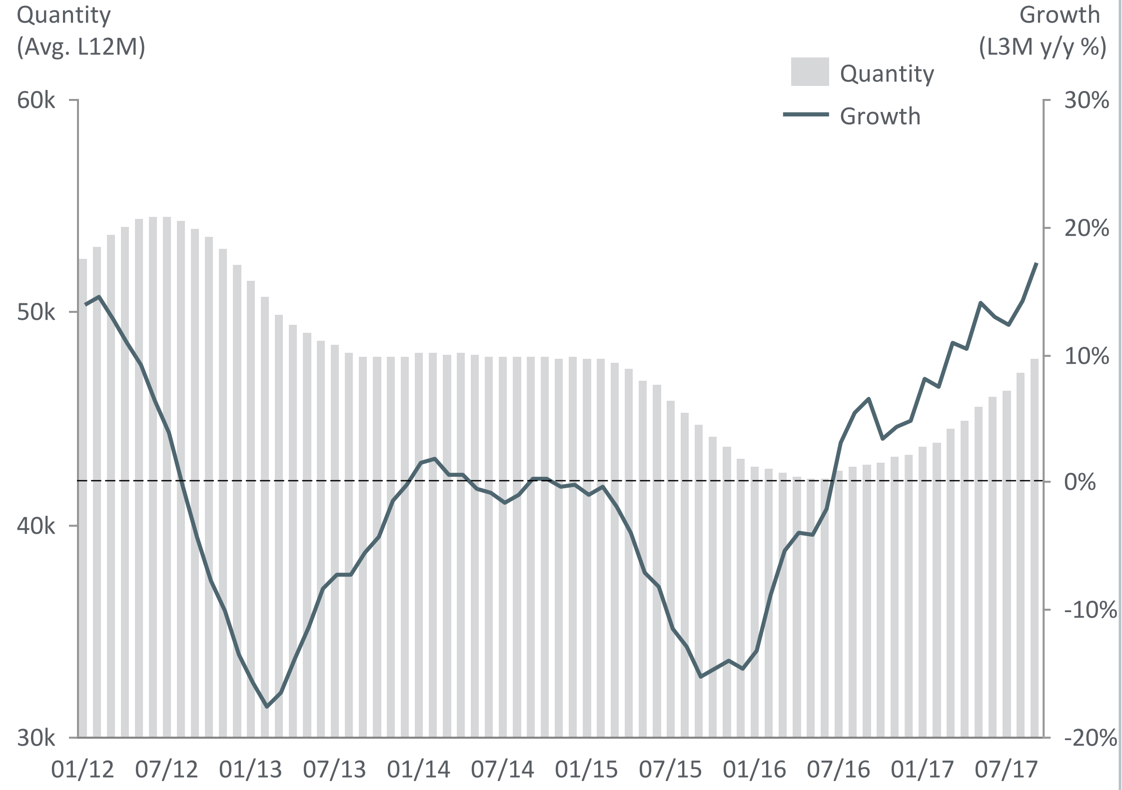
Comments

- Total exports in the fourth quarter were up 2.7% q-o-q while growing 3.6% compared to the corresponding period last year.
- Total deep-sea exports of LVs in 2017 is estimated to 14.8 million units, up around 1.5 % compared to 2016
- Exports out of North America in the fourth quarter increased 1.2% q-o-q and 9.6% y-o-y as Mexican exports are ramping up.
- European exports were up 4.7% q-o-q and 3.0% y-o-y in the fourth quarter with new models driving exports
- Exports out of Japan developed solidly with a seasonal dip of -2.5% q-o-q and +4.2% y-o-y.
- Exports out of South Korea developed sideways both q-o-q and y-o-y, but outlook is negative with exports ramping up in Mexico

Source: IHS Markit
1) Size of circle indicates auto production Q3 2017, 2) Greater China – China & Taiwan
3) All export figures are sales based

Construction momentum still solid

Global construction and mining equipment imports[1, 2]



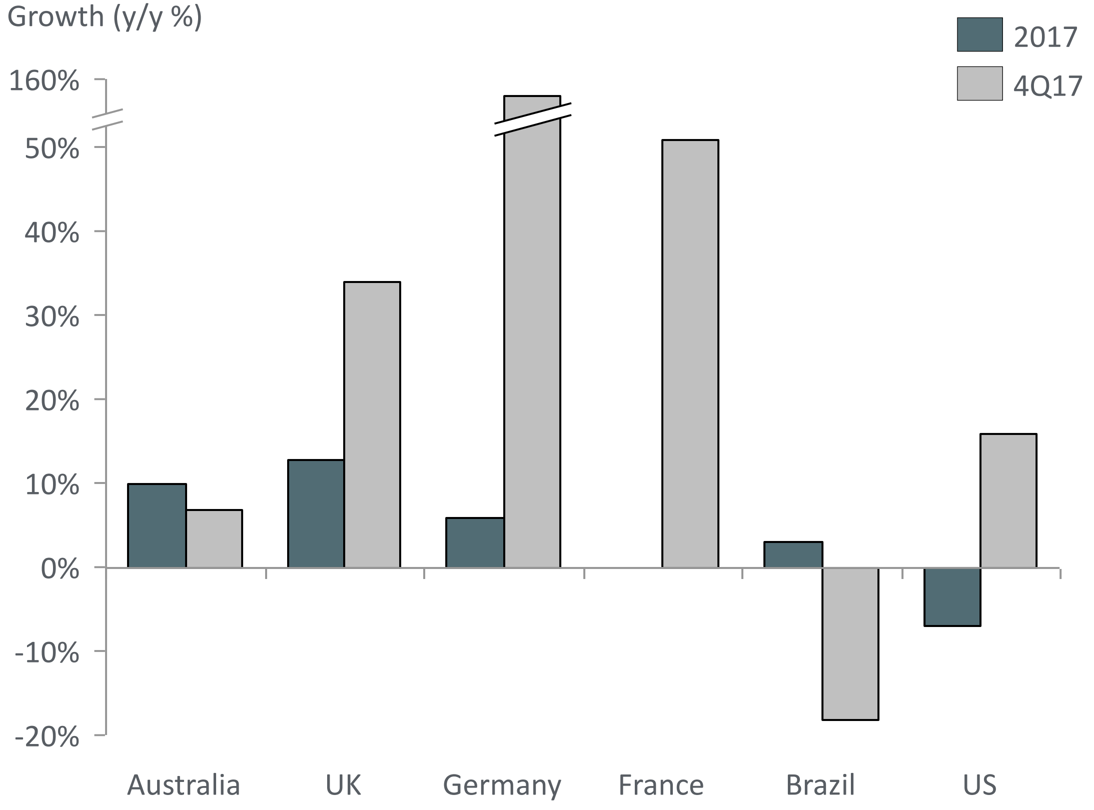
Comments

- Global trade volumes continue to grow strongly into all regions except for Africa.
- The locally supplied Chinese equipment market is still the global growth engine, but also solid growth in other areas
- In North America, the strong housing market lifted construction spending and equipment demand
- European construction equipment demand is growing in the key markets of Germany, UK and France
- Australian construction activity keeps expanding at three-year highs, and a recovery in engineering construction is expected to lift output following three years of decline in major project work

1) *Source: IHS GTA | Global construction and rolling mining equipment import (Value >20 kUSD) (Units avg. L12M and L3M y/y %). Data cut-off: 09.2017*
2) *Sources: TMA, KBA, Axema, ANFAVEA, AEA, Seaport| Registrations: UK (+50Hp), Germany (+70 kW), France (Standard tractors). Sales: Australia (+100Hp), Brazil (All tractors), US (+100Hp, 4WD) (Units y/y %)*

Agriculture equipment markets are still mixed

Tractor sales and registrations[2]



Comments

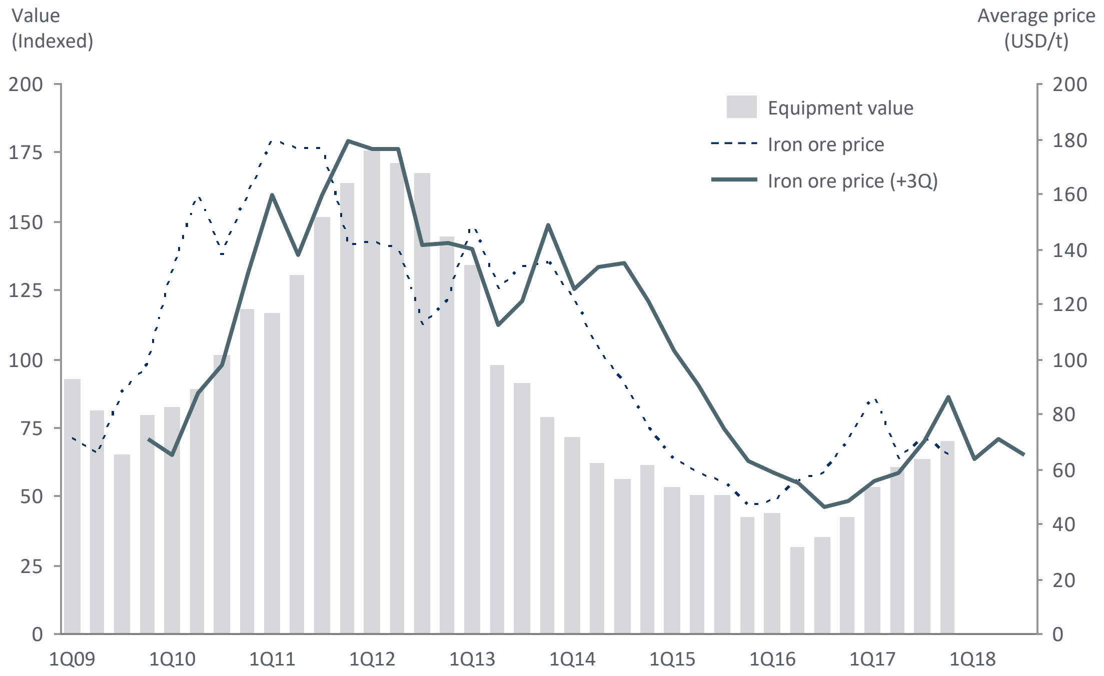
- The US market is finally showing signs of bottoming out with increased sales in the fourth quarter and a healthier inventory situation support modest replacement driven demand growth
- Big European tractor markets developed strong in the fourth quarter, although mainly driven by a January 1, 2018 EU registration deadline.
- The market sentiment in Europe remains at a 5-year high, and the market stabilisation from 2017 is expected to continue
- The Australian tractor sales continued to develop positively in the fourth quarter
- The Brazilian tractor market posted another quarter of strong decline, but compared to a high base of comparison

1) *Source: IHS GTA | Global construction and rolling mining equipment import (Value >20 kUSD) (Units avg. L12M and L3M y/y %). Data cut-off: 09.2017*
2) *Sources: TMA, KBA, Axema, ANFAVEA, AEA, Seaport| Registrations: UK (+50Hp), Germany (+70 kW), France (Standard tractors). Sales: Australia (+100Hp), Brazil (All tractors), US (+100Hp, 4WD) (Units y/y %)*

Mining equipment volumes continue to recover

Continued gains for commodity prices and machinery

Global mining equipment deliveries[1] and iron ore price[2], 09-18



Comments and highlights

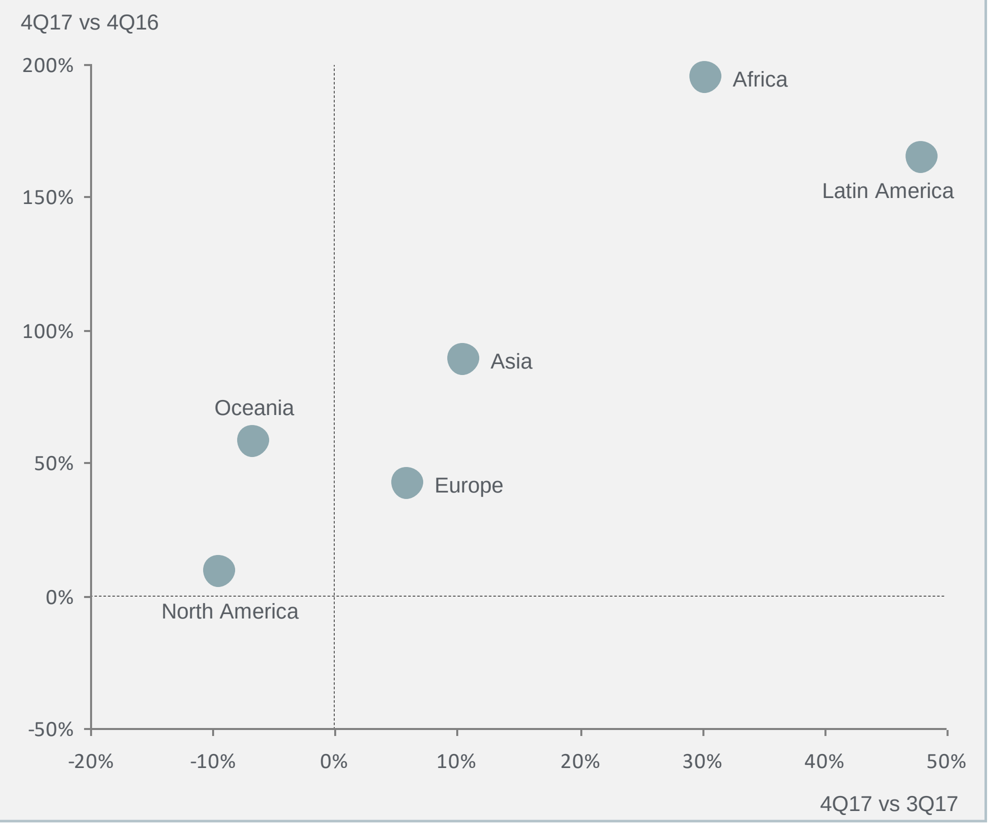
- Mined commodity prices recorded another strong quarter, with double-digit growth for industrial metals, non-precious metals and iron ore after a December rally
- Key OEMs again reported strong demand growth in their mining divisions, and while consumables and aftermarket sales continue to be key, new equipment sales are increasing on replacement cycles
- Global deliveries of large mining equipment continued to recover in the quarter, with broad-based y-o-y growth to all continents

1) *Source: The Parker Bay Company | Surface Mining Equipment Index (Indexed value of large surface mining equipment deliveries, 2007 = 100)*
2) *Source: MarketIndex, IMF | Average quarterly iron ore price (USD/t)*

But mining equipment exports to key markets are still at a low level

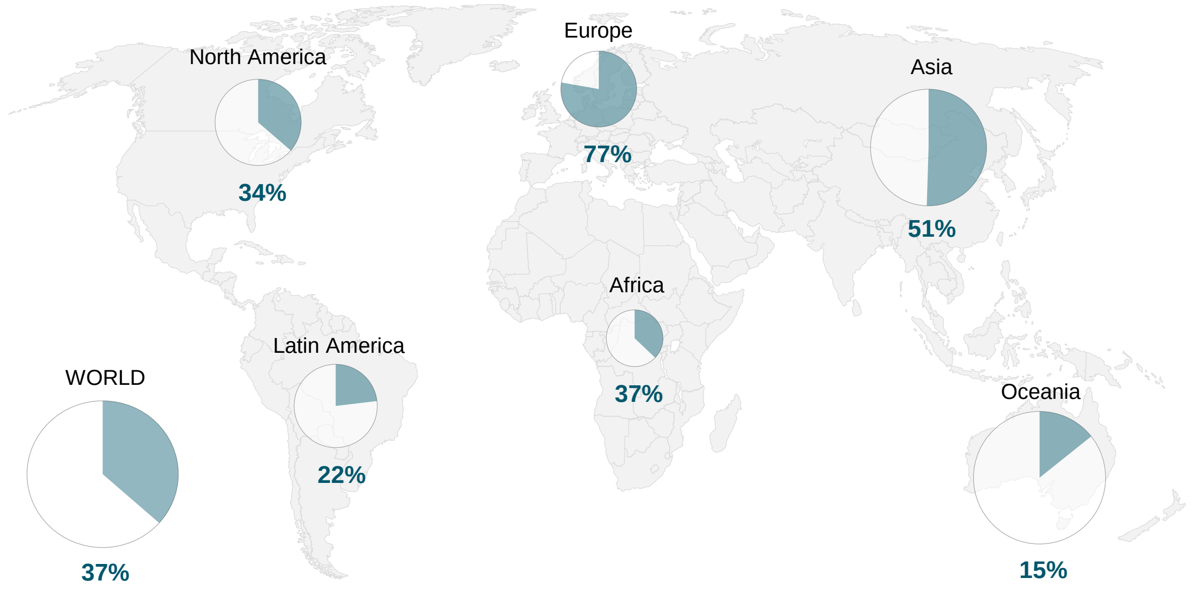
Solid equipment growth to all regions since the bottom..

Deliveries mining equipment, Growth 4Q17 vs 4Q16 and 4Q17 vs. 4Q16[1]



..but still nowhere near peak levels in most regions

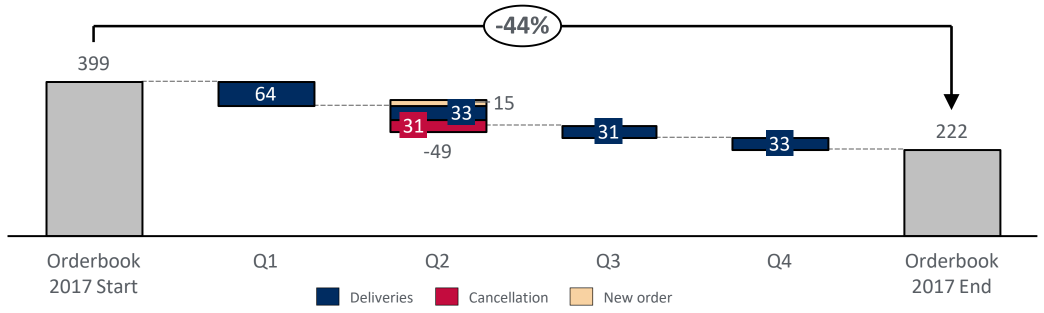
Deliveries mining equipment, 2017 vs 2012 (peak)[2]



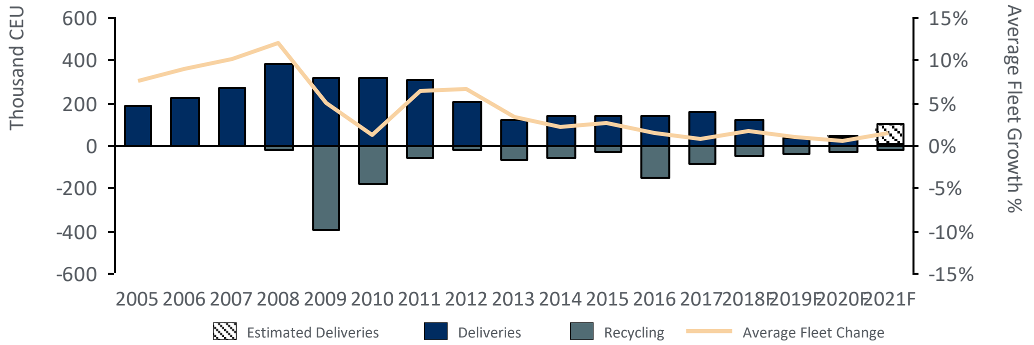
1) Source: The Parker Bay Company | Deliveries of large surface mining equipment (Value (MUSD) q/q %)
2) Source: The Parker Bay Company | Deliveries of large surface mining equipment (Value (MUSD) 2017/2012 %). Diameter of circle indicates 2012 value of market (Not applicable to World)

Supply and demand balance improving

Orderbook at end of 2017 (Thousand CEU)



Average fleet growth, 2005-2021F



Comments and highlights

- There are still some overcapacity (from tonnage providers) in the market, but it has gradually been reduced during 2017, currently around 3-5%
- There is limited competition to secure these vessels and the TC rates remain low, but the market is expected to tighten in 2019 due to improved supply demand balance
- Annual net fleet growth expected to be around 1% in the foreseeable future, lower than volume growth of around 3%
- The current order book is at historical lows with only 30-35 vessels, and no new order was report in the fourth quarter

Source: Clarksons Platou

Quarterly “fun fact”: Novel solution for oil-industry cargo transit

The challenge

- Moving a 34-metre long pipe-shaped component used as a testing chamber for deep drilling tools in oil exploration
- To be transported from Texas, through the Panama Canal and across the Pacific Ocean to Singapore

WWL solution

- Combined use of multipurpose bogies and roll trailers to transport the component through the port and onto vessel
- The combination of equipment provided a ‘twist and tilt’ effect that ensured the item was not caused undue stress
- With detailed instructions from equipment advisor team the cargo could securely reach its final destination

Summary and outlook

SUMMARY FOR Q4 2017

- Strong underlying results with adjusted EBITDA at USD 182 million
- Strong volume growth, but less favorable trade and cargo mix
- Acquisition of Keen Transport Inc for USD 64 million on a cash and debt free basis
- Synergy target increased to USD 120 million of which USD 75 million has been confirmed

OUTLOOK

- Continued pressure on rates, but market showing early signs of improvement
- Reduction in contracted HMG volumes from 50% to 40% as from Jan 2018
- Positive volume development combined with recovery in the high & heavy markets
- Increased realization of synergies will positively impact the results

Q&A

by Craig Jasienski and Rebekka Glasser Herlofsen

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Thank you!