Wallenius Wilhelmsen

Wallenius Wilhelmsen ASA

Q1 2025

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Delivering stability in an unstable world – strong first quarter

- Increased market uncertainties linked to U.S. tariffs and port fees
- Continued solid demand – secured long-term contracts with key players
- Delivered strong quarter with EBITDA of USD 462m, up 5 % YoY
- Concluded MIRRAT sale May 1 2025
- Prospects:
  - Q2 is expected to be stronger than Q1
  - Adjusted EBITDA for 2025 expected to be in line with 2024, but the outlook is uncertain given the current market environment

Agenda

1. Market update
2. Business update
3. Sustainability update
4. Financial update
5. Prospects & Q&A

US tariffs and port dues are likely to influence Shipping and Logistics, and the long-term effects are still unclear

US tariffs – higher uncertainty

Estimated impact on the average light vehicle price in the US[1]:

USD 2,000 - 6,000

- Current US auto tariffs are leading to higher uncertainty among consumers and OEMs
- This will influence light vehicle sales, prices, and US imports, however the magnitude and impact are still uncertain
- Tariffs may also induce second order effects on the wider US economy and trade partners

US port dues – higher inefficiency

Estimated impact on the average light vehicle price in the US[3]:

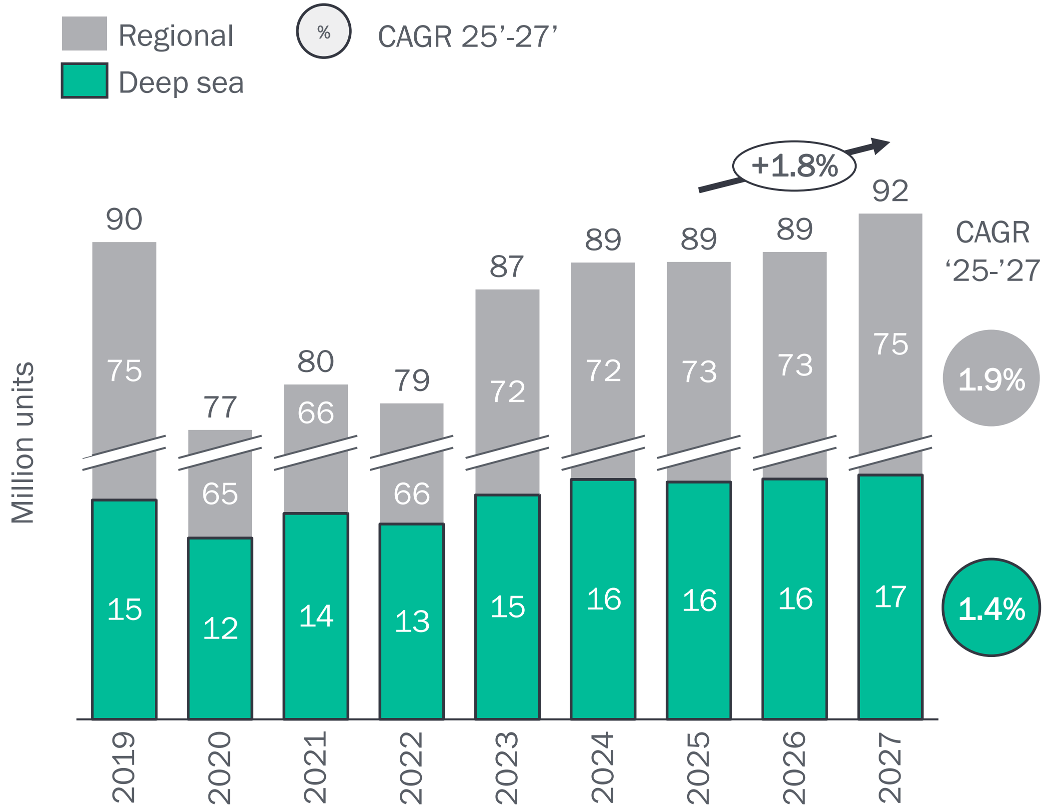
USD 200 - 1,000,000

- The United States Trade Representative has proposed new port dues for car carriers, with a fee of USD 150/CEU effective October 14, 2025[2]
- 300-350 annual US voyages; costs could exceed USD 300m
- We expect this fee to be passed on to customers, similar to EU ETS

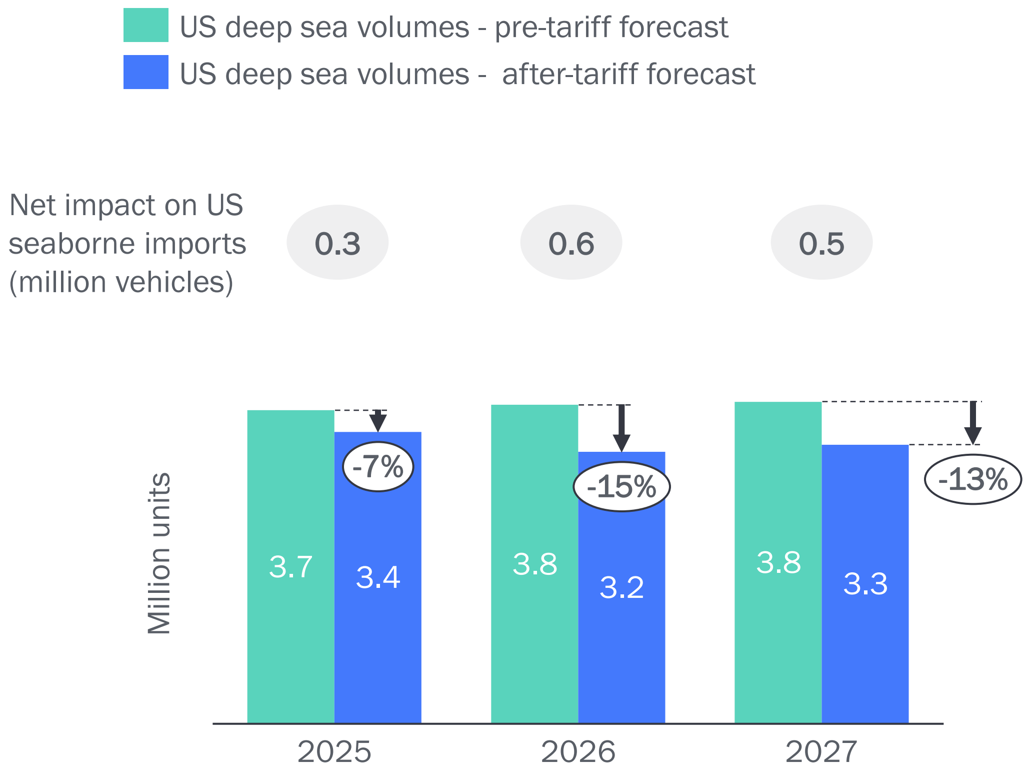
1) WAWI estimate entails high uncertainty and assume that tariffs are passed on to consumers, impact of tariffs is likely to range from USD 2,000 to USD 15,000 depending on car price and OEM 2) Only US-built car carriers are exempt 3) Key assumptions include unchanged trade patterns, fully loaded vessels (~USD 200) and similar US volumes, with an approximate cost of USD 1m per call

Significant market uncertainty from US tariffs, but S&P still expects growth in global deep-sea volumes

Global LV sales split by origin



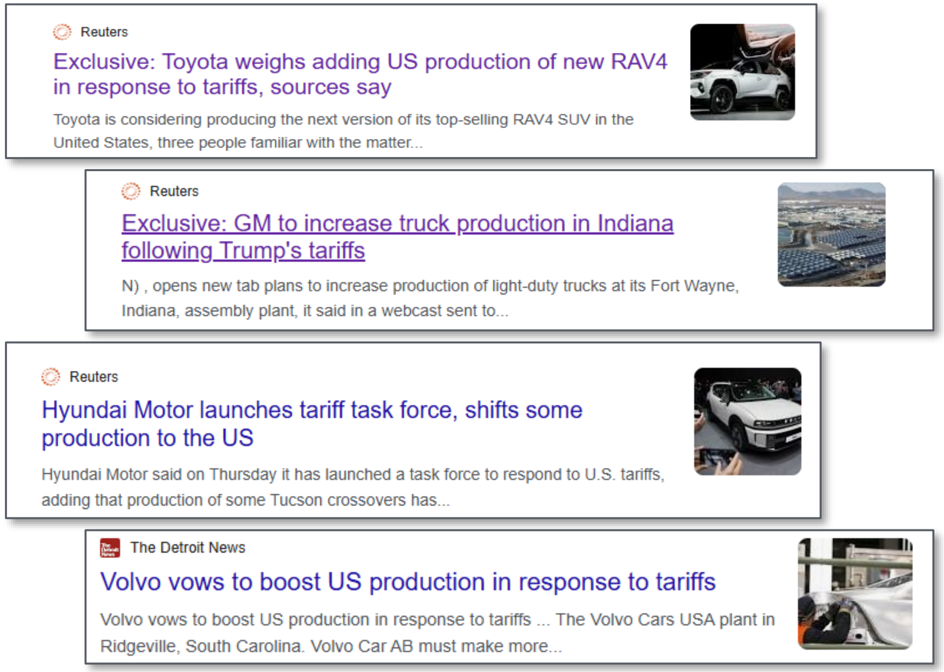
S&P forecast of deep-sea imports into the US



Sources: S&P

The short/medium-term potential increase in US production is limited to ~1m light vehicles

OEMs consider increasing US production


Reuters

Exclusive: Toyota weighs adding US production of new RAV4 in response to tariffs, sources say

Toyota is considering producing the next version of its top-selling RAV4 SUV in the United States, three people familiar with the matter...

Reuters

Exclusive: GM to increase truck production in Indiana following Trump's tariffs

N) , opens new tab plans to increase production of light-duty trucks at its Fort Wayne, Indiana, assembly plant, it said in a webcast sent to...

Reuters

Hyundai Motor launches tariff task force, shifts some production to the US

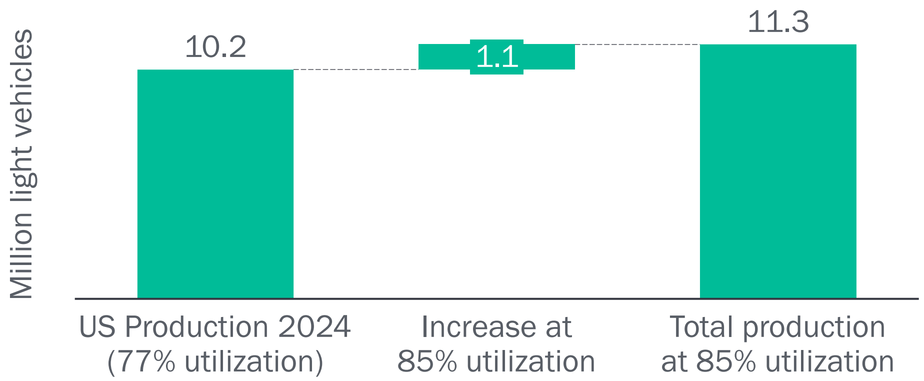
Hyundai Motor said on Thursday it has launched a task force to respond to U.S. tariffs, adding that production of some Tucson crossovers has...

The Detroit News

Volvo vows to boost US production in response to tariffs

Volvo vows to boost US production in response to tariffs ... The Volvo Cars USA plant in Ridgeville, South Carolina. Volvo Car AB must make more...

Potential US production growth if utilization is stretched from 77% to a high 85%

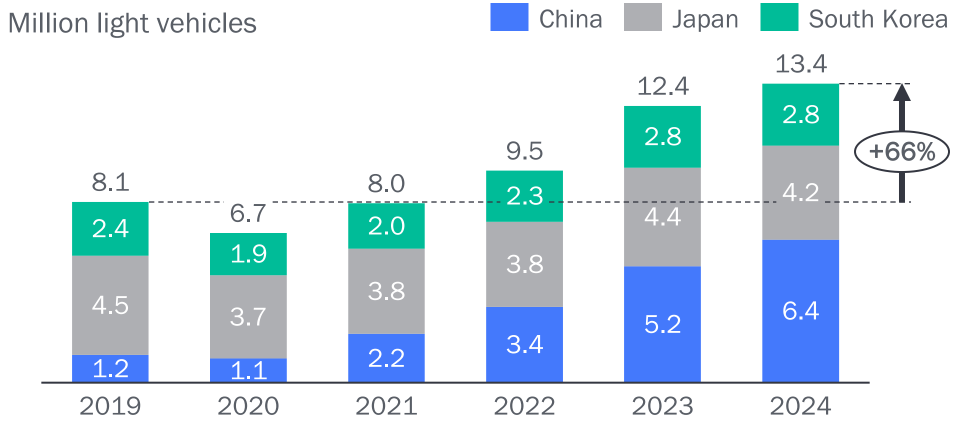


- In 2024, the US produced 10.2 million light vehicles at 77% capacity
- Most Korean, Japanese, and European OEMs operate above 80% capacity, and need imports to maintain market shares
- Raising US capacity to 85% could boost production by 1.1 million vehicles, but requires significant changes in suppliers, manufacturers, labor, and demand for US-made models

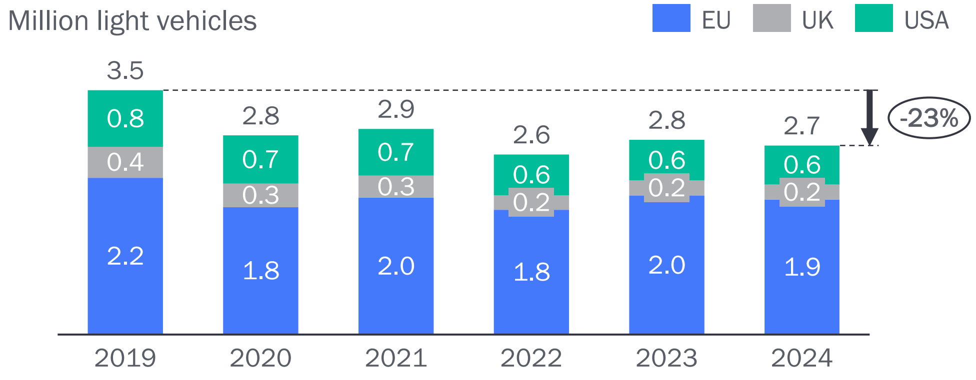
Sources: Reuters, Detorit News, S&P, Global Data, Clarksons, WAWI Analyses

We see a trend of increasing imbalance between East and West

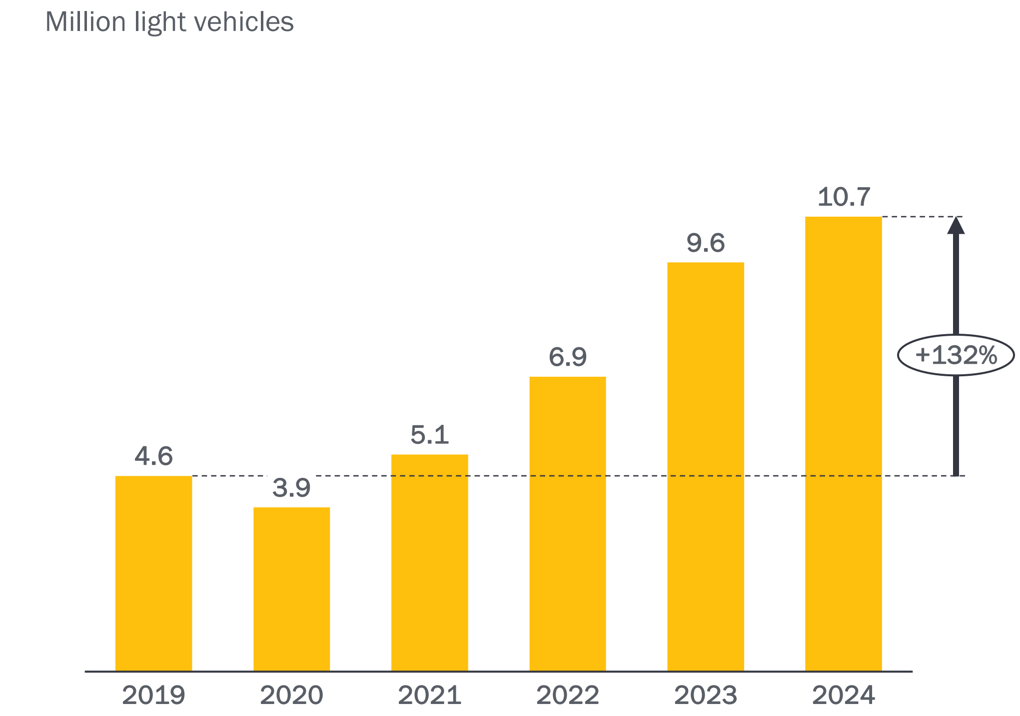
Development of auto volumes ex East



Development of auto volumes ex West



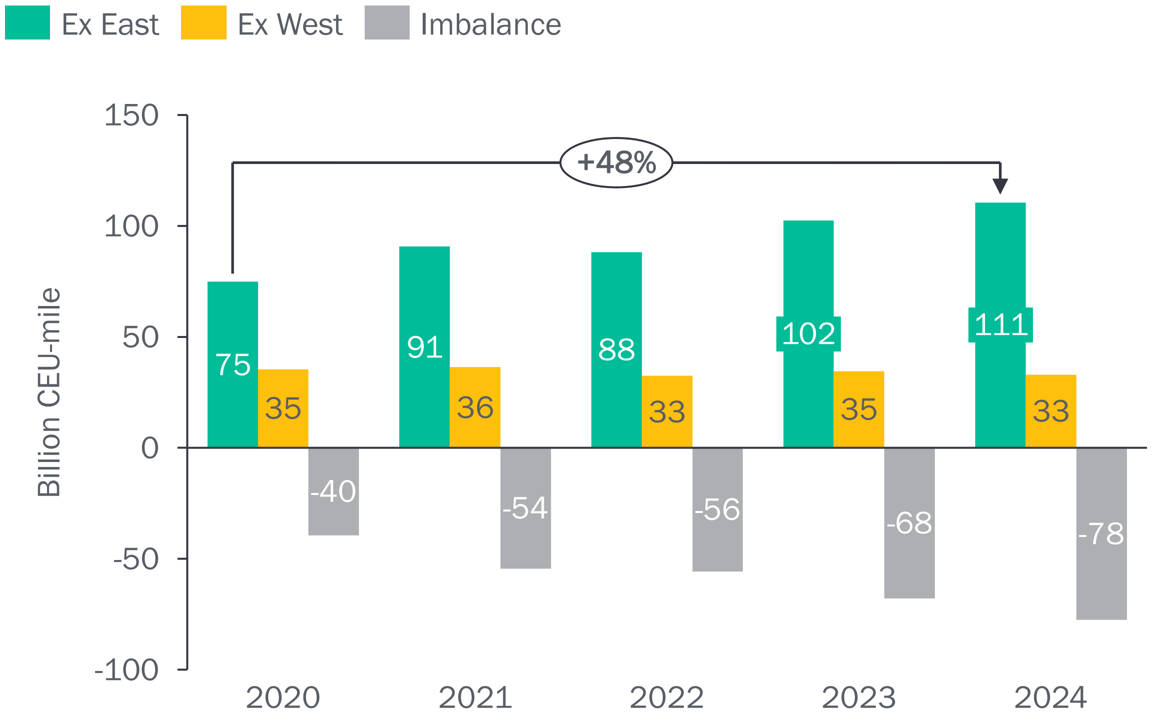
Trade imbalance between East and West



Sources: KAMA, JAMA, CAAM, S&P, WAWI

Tariffs may reinforce the long-term trend of imbalance and inefficiency

Auto demand in CEU-mile ex East[1] and ex West[2]

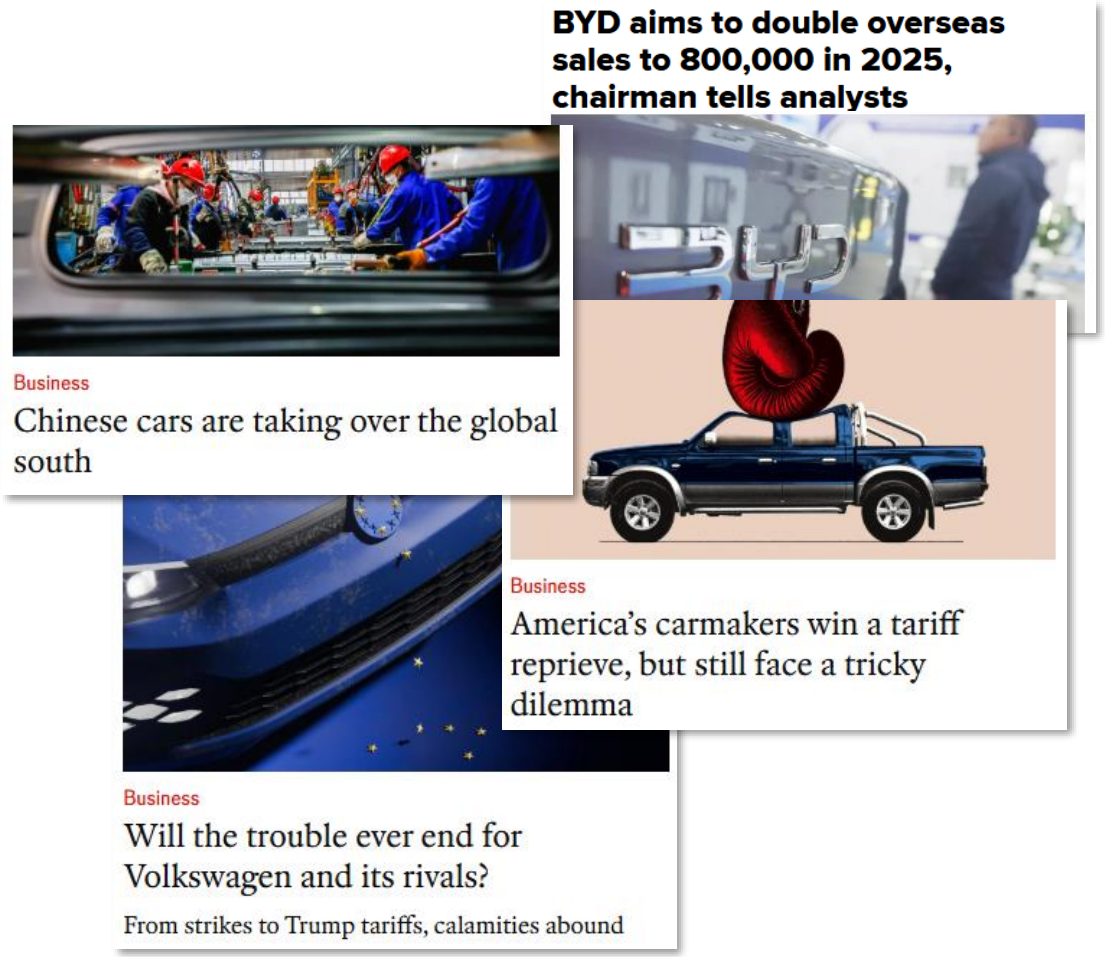


- The imbalance between East and West has been a growing trend since COVID
- This is due to higher exports from Asia, particularly from China and lower exports from EU and the US
- The trend leads to higher trade inefficiency, lower fleet utilization and a growing need for ballast voyages
- Tariffs are likely to reinforce this trend

1) East consists of exports from Korea, Japan, and China based on S&P. Please note that S&P estimates of Chinese export volumes are lower than official numbers, i.e. the estimated CEU-mile demand ex East is likely higher 2) West consists of exports from EU and USA

Sources: S&P, WAWI analyses

Current turmoil proves the need for an integrated supply chain partner



Integrated supply chain partner

Sources: Economist, Reuters, CNBC, WAWI analyses

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2. **Business update**
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Strong group EBITDA of USD 462m growing 5% YoY

Q1 2025 financials

Shipping

970 USD million in revenues

387 USDm of Adj. EBITDA

Logistics

281 USD million in revenues

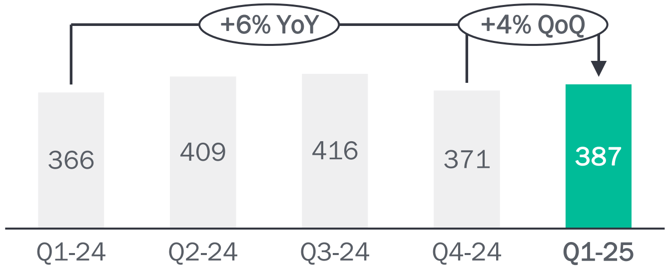
37 USDm of Adj. EBITDA

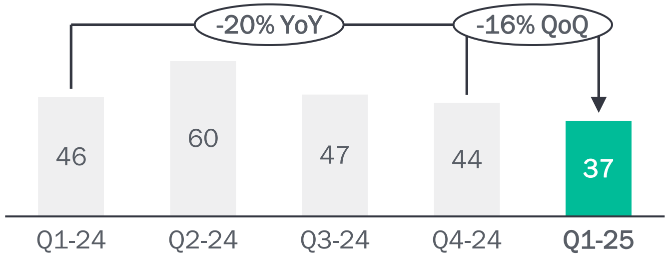
Government

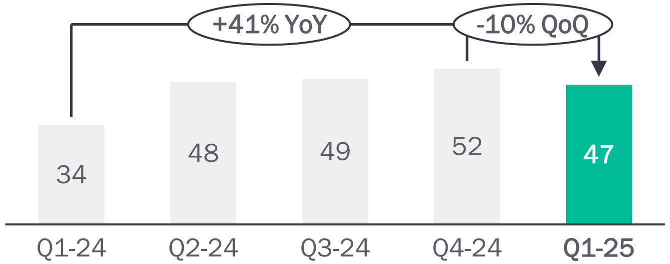
107 USD million in revenues

47 USDm of Adj. EBITDA

Adj. EBITDA, USDm

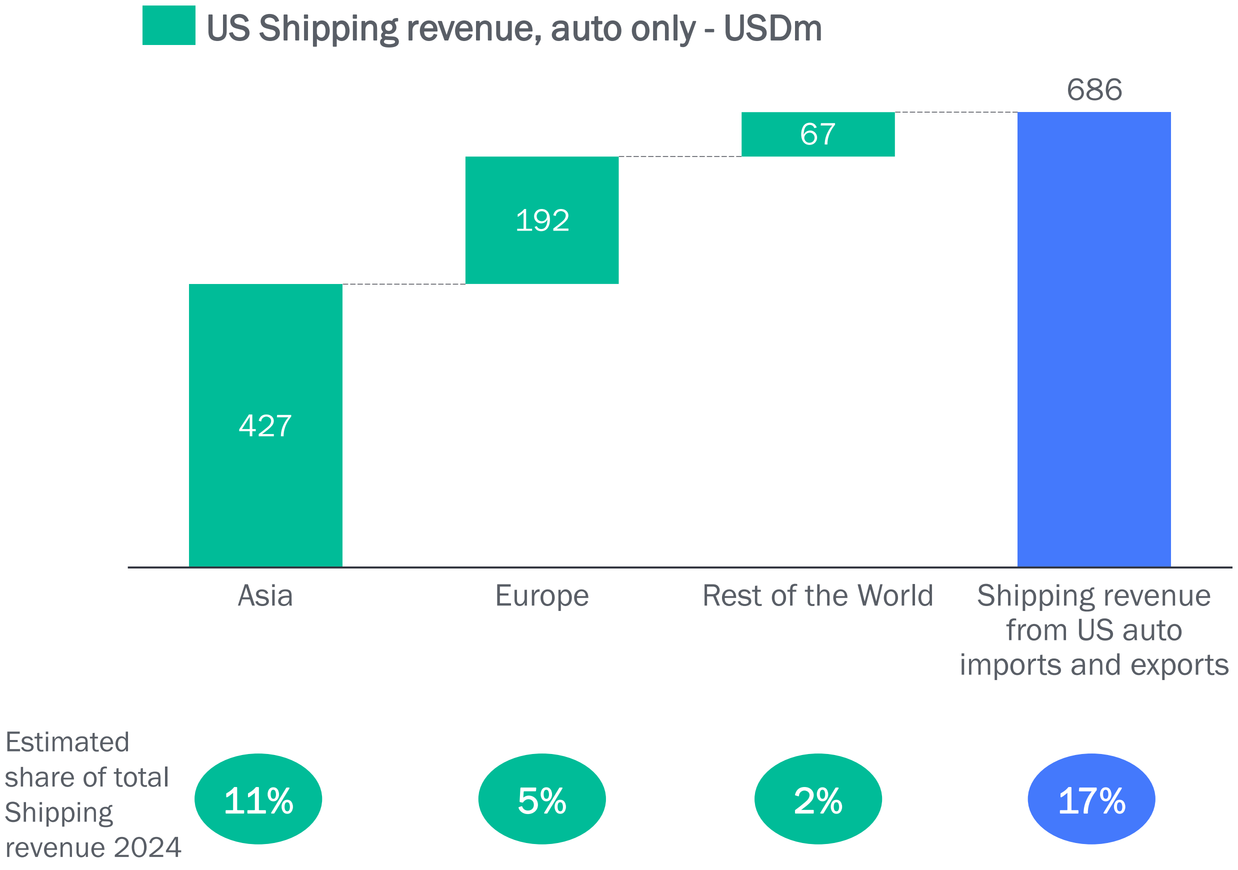






Around 17% of Shipping revenue originates from US auto import and export

US Shipping exposure related to US imports and exports of auto[1]



Shipping

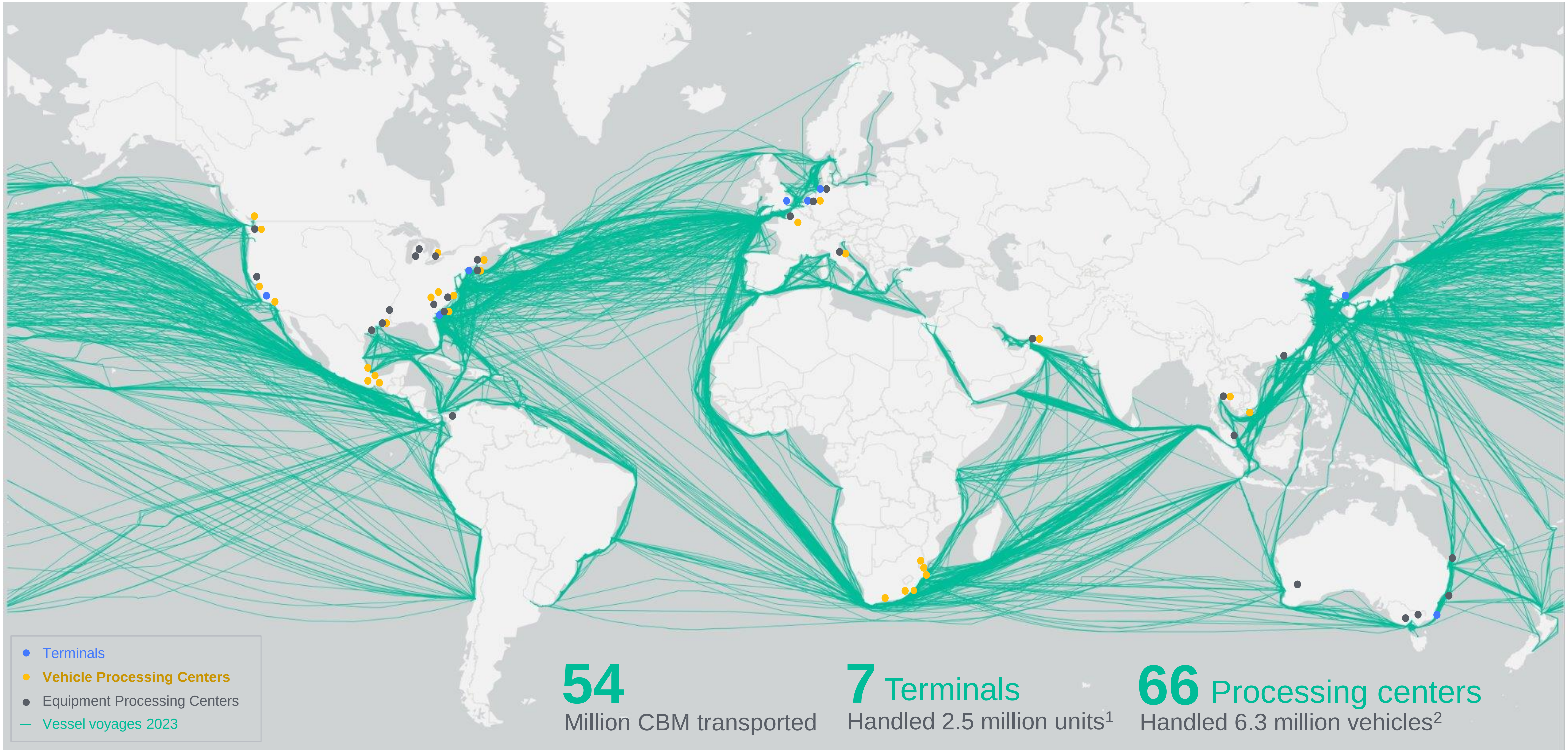
- US exports and imports of **all cargo** accounted for ~38% of Shipping revenue in 2024
- **Auto** volumes accounted only for ~17% of Shipping revenue
- ~55% of US shipping revenue is linked to US export and import of H&H and BB

Logistics

- 63% of Logistics revenue originates from the US, and around 38% is related to imports

1) Unprorated figures based on 2024 volumes. Not including H&H and B&B.

We have the necessary global footprint to minimize the impact of US tariffs



54 Million CBM transported

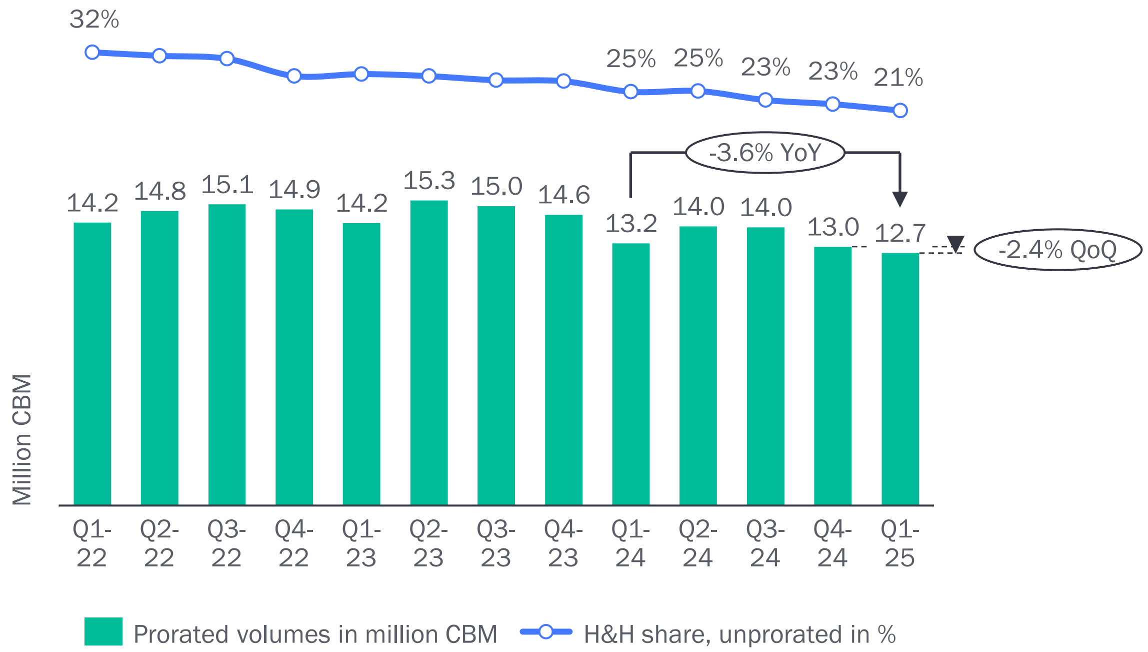
7 Terminals
Handled 2.5 million units[1]

66 Processing centers
Handled 6.3 million vehicles[2]

All figures from 2024. 1) exclude MIRRAT 2) Inc auto and H&H

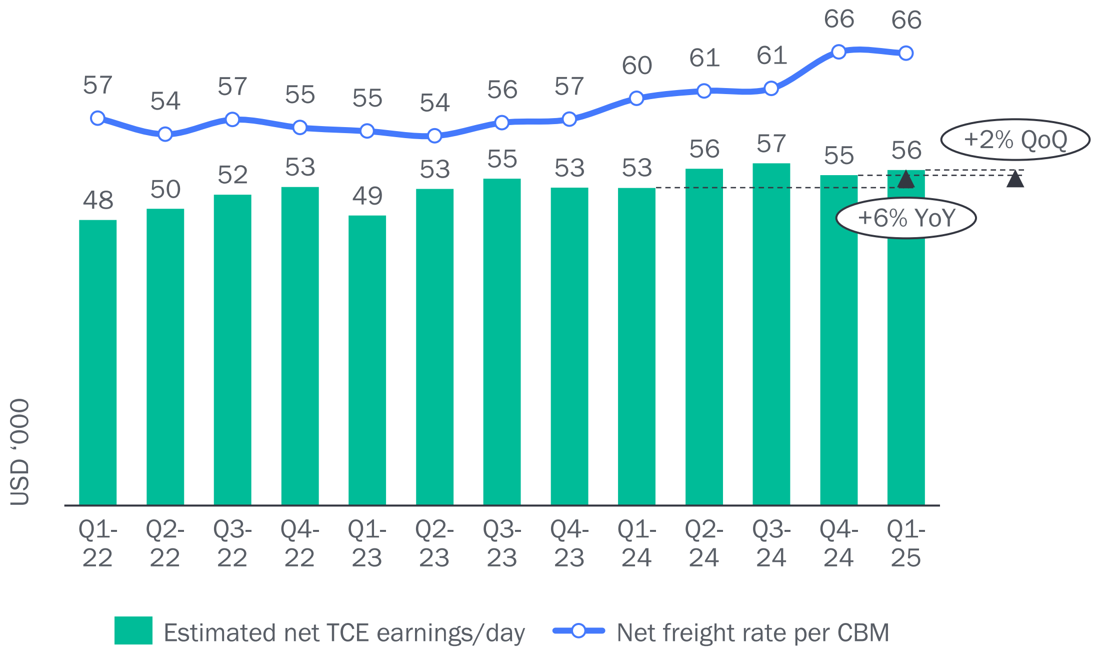
Net rate at record levels in a quarter with low volumes

Shipping services volume and H&H share



- Volume down QoQ on regular seasonality and increased tonnage imbalance. Zero to little effect from US tariffs
- H&H + breakbulk share continues to be soft down QoQ from 22.6% to 21.4%. YoY, it is down from 24.8%.

Estimated net TCE earning/day[1] and net freight rate/CBM



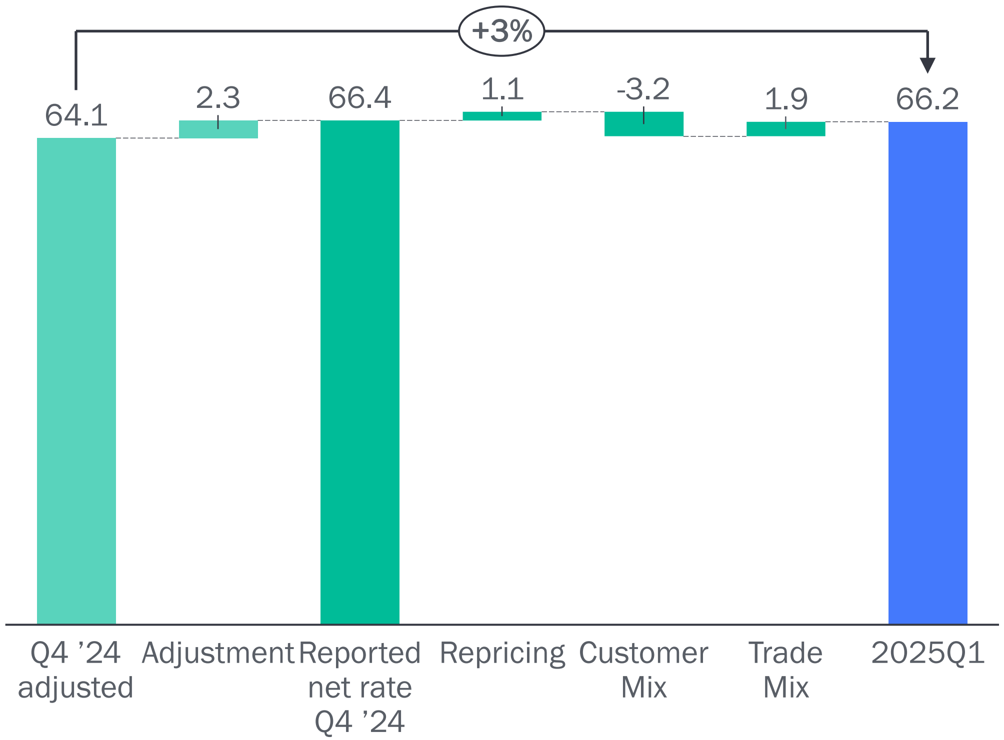
- The underlying[2] net rate development QoQ continues its positive development ending at USD 66.2 per cbm. YoY, net rates are up 11%
- Repricing book of business continues to have a positive effect but customer mix the largest driver this quarter
- Net TC equivalent earnings[1] up QoQ and YoY

1) TCE earning/day is net of fuel surcharges and fuel cost
2) Q4-24 included USD 30m in income linked to prior quarters. See Q4-24 report for details

Average net rate flat QoQ and up 11% from 2024 driven by repricing of contracts and higher volumes out of Asia

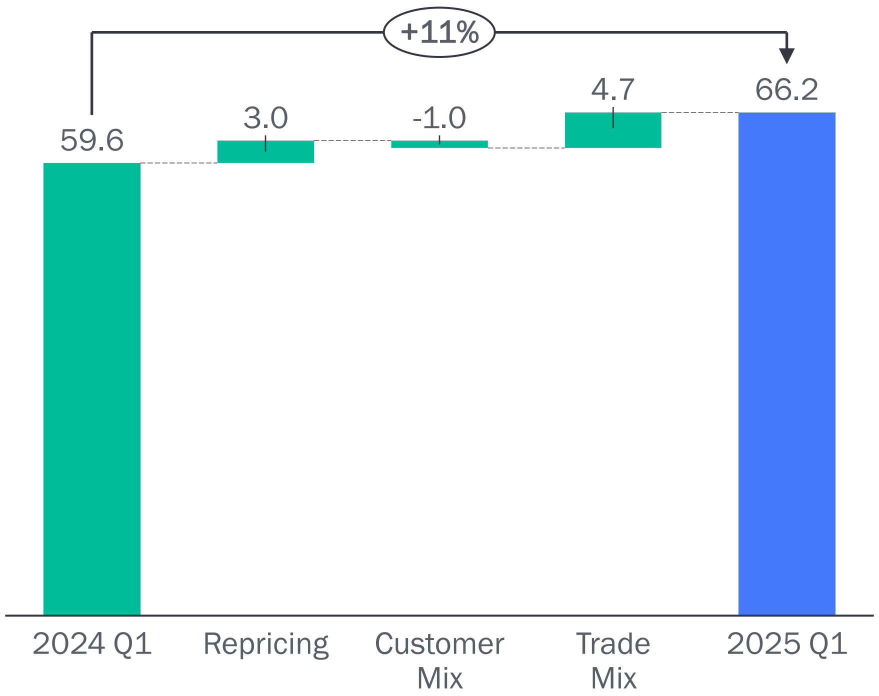
QoQ net rate bridge[1]

USD/cbm



YoY net rate bridge[1]

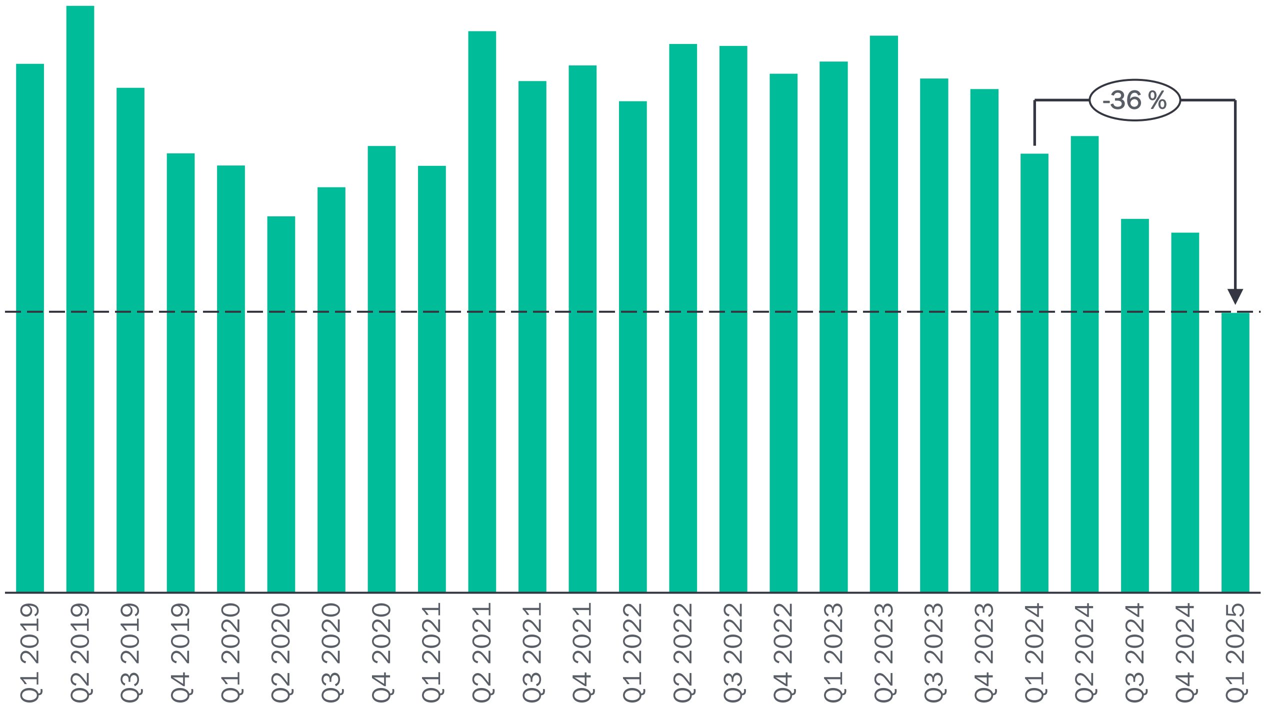
USD/cbm



[1] The split between Customer mix and Trade mix is not exact, but can be viewed as a proxy, Q4 24 adjustment is linked to a USD 30m non-cash true up in the quarter bringing the net rate to USD 66.4/cbm

Continued headwinds in the H&H segment but we expect a rebound from late 2025/early 2026

Wallenius Wilhelmsen High & Heavy volumes (cbm)[1]



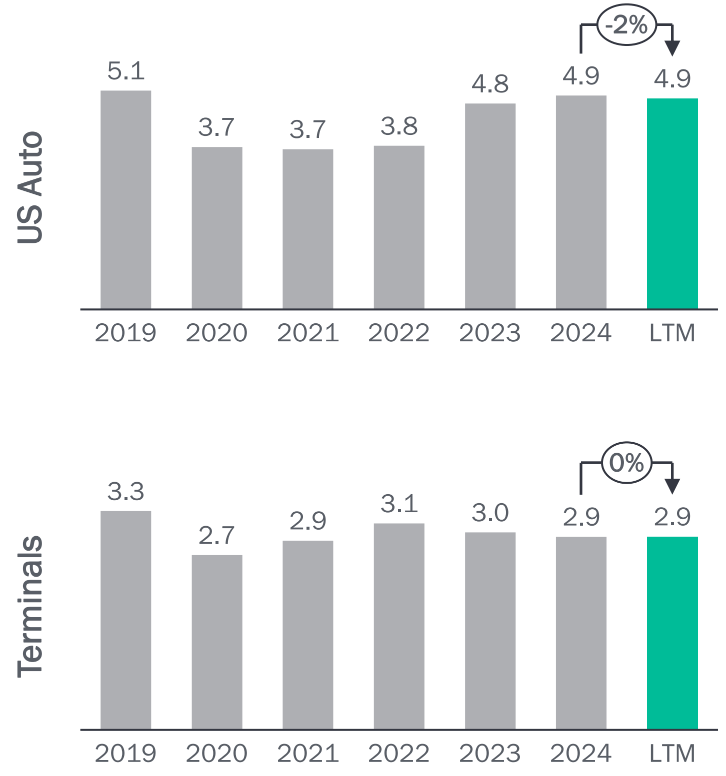
- Geopolitical tensions, tariffs, fear of trade wars, and general market uncertainties had a negative impact on H&H volumes in Q1
- Signals are indicating higher H&H demand from mostly public infrastructure, defense and energy investments, and the West's need for critical minerals and materials
- We expect a muted Q2 and a rebound from late 2025 or early 2026

1. Loaded rolling High and Heavy cargo. Not including breakbulk cargoes, unprorated and indicative numbers
Source: Wallenius Wilhelmsen internal data

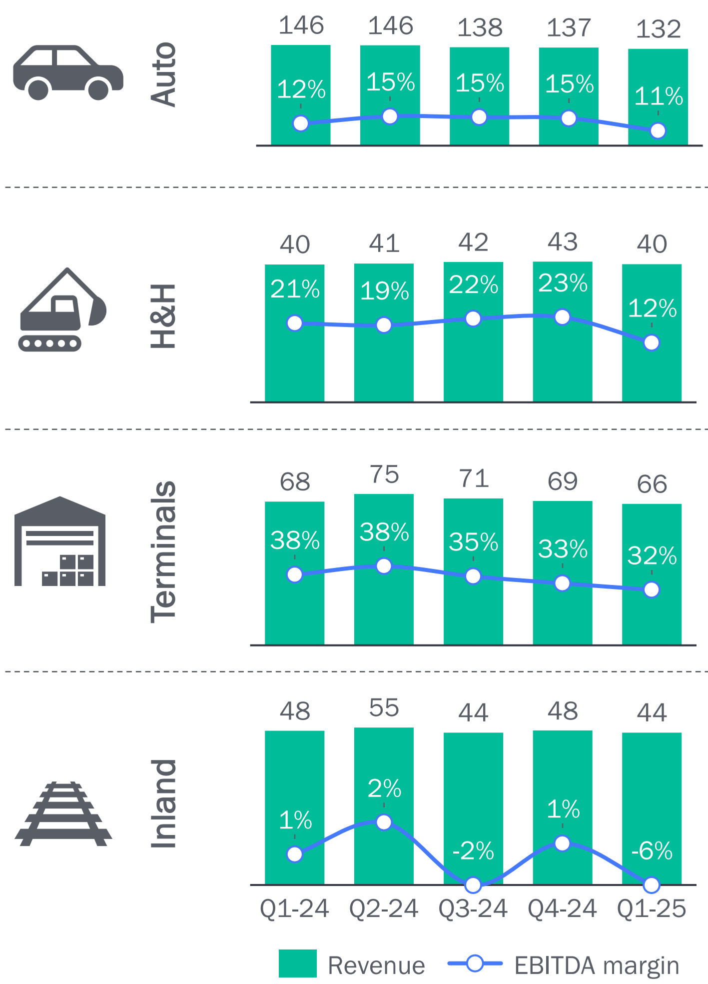
Stable activity level in Logistics with EBITDA slightly down on product mix

US Auto and Terminals volumes

Million units through WalWil facilities



Revenue & EBITDA margin



- Auto revenues down USD 5m QoQ largely explained by lower activity level in the US. Margins impacted by lower revenues, product mix and cost allocations from the Holding segment
- H&H revenues down USD 3m QoQ with a continued soft market sentiment. Margins further impacted by short term cost increases
- Terminal revenues down USD 3m QoQ due to softer volumes in Europe and Korea (imports) of which the latter explained by political turmoil in South Korea.
- Revenues down USD 4m QoQ fully explained by certain passthrough revenues now reported under the shipping segment. Margins impacted by revenue and location mix.

MIRRAT transaction is concluded

- On May 1 MIRRAT was sold
- <u>Preliminary</u> key figures:
    - Sale price: AUD 332.5m
    - Preliminary gain from sale of asset: USD 144m[1] (including USD 10m currency hedge)
    - Reduced lease commitments: USD 151m

[1] Difference linked to earlier indicated gain of ~USD 191m caused by: USD 37m allocated portion of Logistics goodwill considered to be part of the disposal and USD 10m depreciation not recognized in held-for-sale period. Remaining gain to be recognized in Q2-25 is USD 134m as USD 10m in currency gain has been booked previously. Final numbers may deviate marginally

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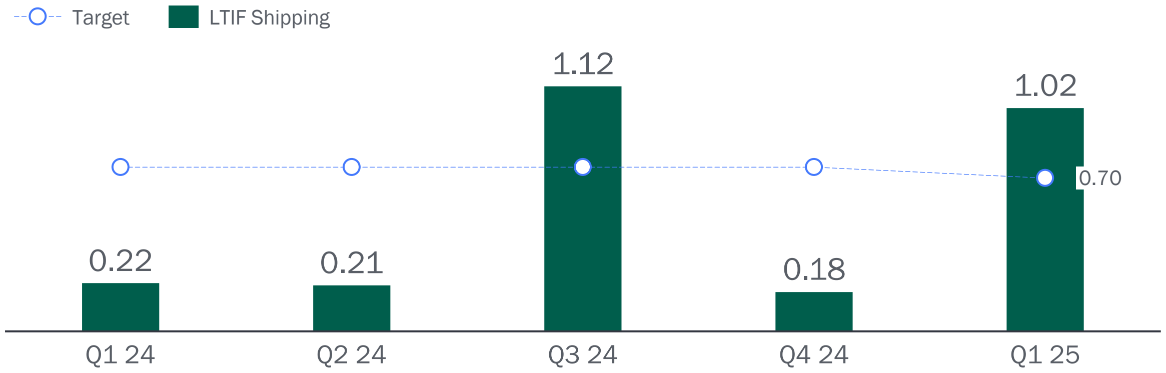
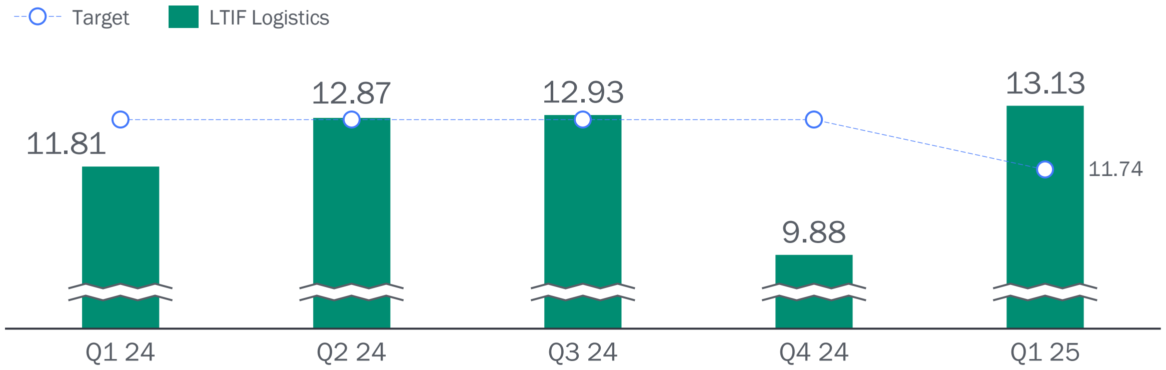
Increase in LTIF QoQ, however with no serious injuries

LTIF[1] up QoQ in Shipping and Logistics





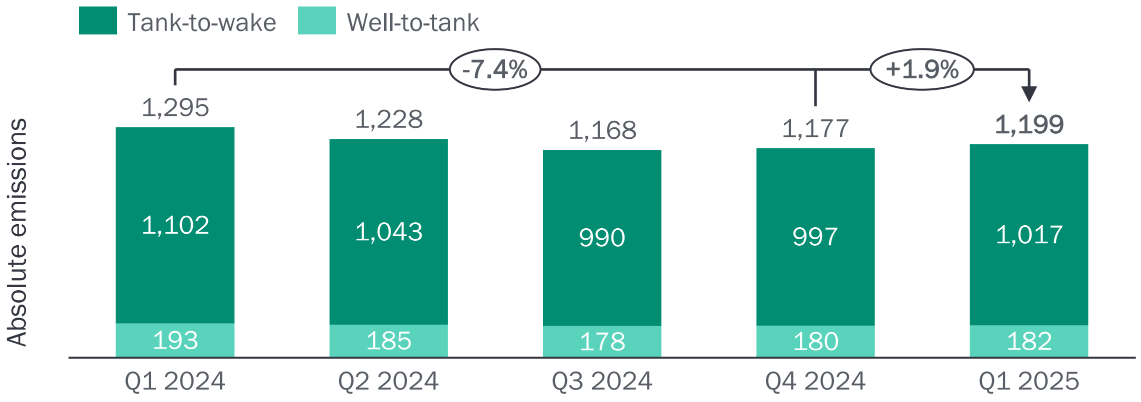
LTIF increased, but no serious injuries

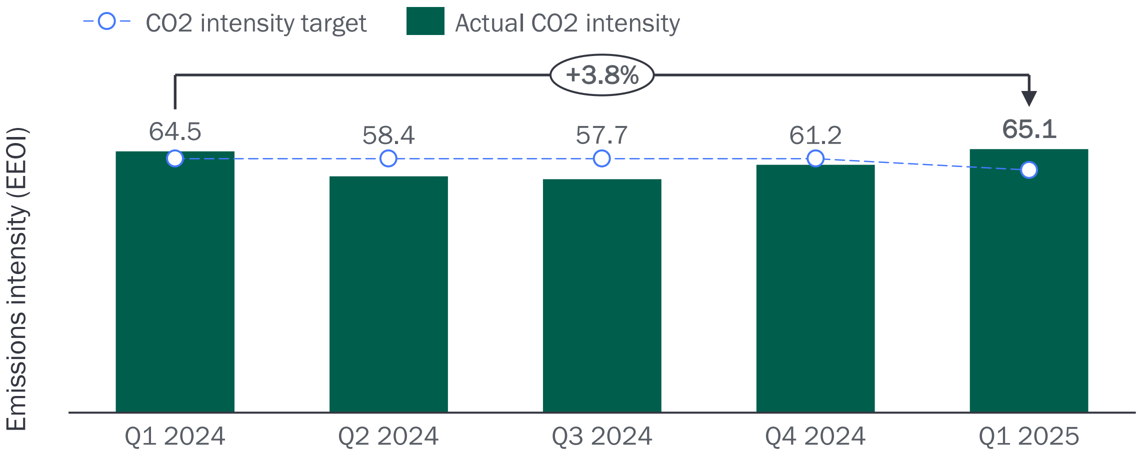
- LTIF for both Shipping and Logistics have increased QoQ, however with no serious injuries
- Several minor incidents have led to the increased LTIF
- LTIF Shipping[2] is at 1.02 for Q1, up from 0.18 in Q4 2024
- LTIF Logistics[3] is at 13.13 for Q1, up from 9.88 in Q4 2024

1) LTIF: Lost time injury frequency
2) LTIF Shipping: frequency per million man-hours exposed
3) LTIF Logistics: per million man-hours worked

Absolute emissions are down but emissions intensity is slightly up YoY

Higher EEOI due to imbalance between East and West





CO_2e intensity currently below year-end target for 2025[2]

- Emissions increased QoQ due to more charter vessels in the fleet, less biofuel consumption and slightly more distance travelled
- CO2e intensity increased 6.4% to 65.1 in Q1 2025, up from 61.2 in Q4 2024
- Carbon intensity (EEOI) increased due higher emissions and less cargo transport work, which is driven by the growing imbalance between East and West and higher ballast voyages
- CO2e intensity for Q1 was above our annual target for 2025

1) CO_2e intensity – gCO_2e / tonne nm (EEOI). CO_2e intensity targets have been measured annually and are based on EEOI well-to-wake (Scope 1 and 3). This is aligned with our SBTi targets and trajectory.

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Financial highlights – Q1 2025

USDm, per cent and multiples

	Q1-24	Q4-24	Q1-25	YoY/QoQ
Revenue	1,255	1,341	1,297	↗ ↘
Adj. EBITDA	438	452	462	↗ ↗
Net profit	201	290	246	↗ ↘
Operating cash flow	407	413	450	↗ ↗
Cash	1,853	1,393	1,666[2]	↘ ↗
Net debt	1,852	1,758	1,651	↘ ↘

Financial targets[1]

ROCE > 8% △

20.5%

Y +1.2
Q +0.5

Equity ratio > 35% △

34.4%

Y -2.1
Q -5.1

Leverage ratio < 3.5x △

0.9x

Y -0.1
Q 0.0

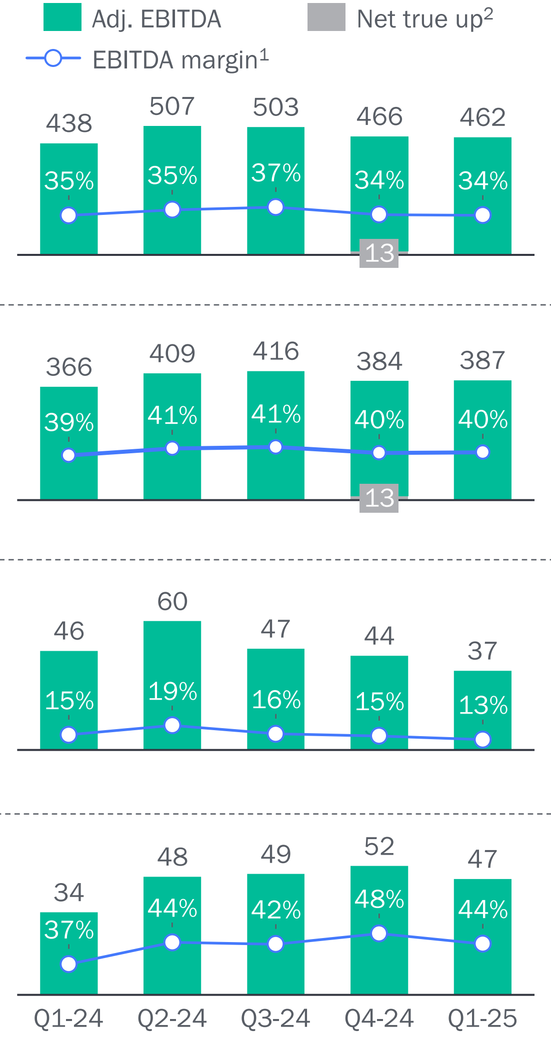
1) Long-term, over-the-cycle targets – ROCE: LTM adj. EBIT / LTM average capital employed | Equity ratio: Total Equity / Total Assets | Leverage ratio: Net interest-bearing debt / LTM adj. EBITDA. ROCE and equity ratio adjusted based on restatement of accounts announced in Q2-24
2) Cash position excludes any cash linked to MIRRAT

Q1 Segment performance

USDm, unless otherwise noted

Revenue

Adj. EBITDA



Comments

Group

- Revenues slightly down QoQ largely explained by seasonality while up 3% YoY due to increased revenues from the shipping segment
- Adjusted EBITDA of USD 462 million, underlying flat QoQ and up 5% YoY with solid performance for the shipping and government segment while more muted for the logistics segment.

Shipping

- Volume down QoQ on regular seasonality with zero to little effect from US tariffs. Increased tonnage imbalance.
- Adjusted EBITDA slightly up QoQ and up 5% YoY despite lower volumes due to continued positive net freight development
- Underlying operating and SG&A cost relatively stable

Logistics

- Revenues down 5% QoQ / 6% YoY due to lower activity level for the Terminals in Europe and the Auto and H&H segments (mainly US)
- Adjusted EBITDA down by 16% QoQ and 20% YoY, largely explained by lower revenues in the above-mentioned areas

Gov't

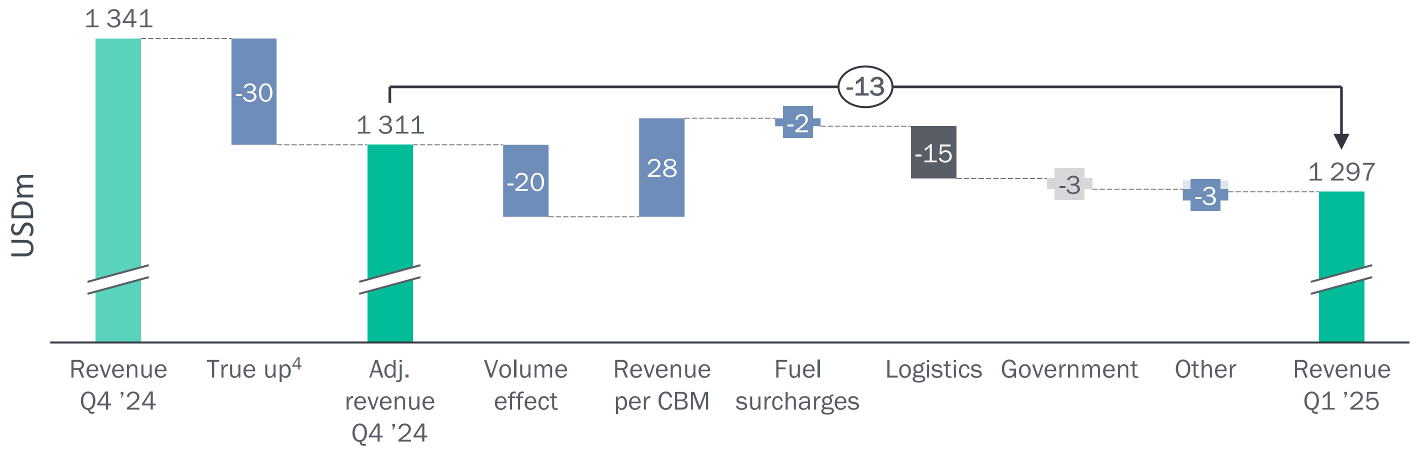
- Revenues and Adjusted EBITDA at a very solid level due to continued strong levels of US government cargo moves
- Slight decline QoQ for both revenues and adjusted EBITDA explained by seasonality and cargo mix

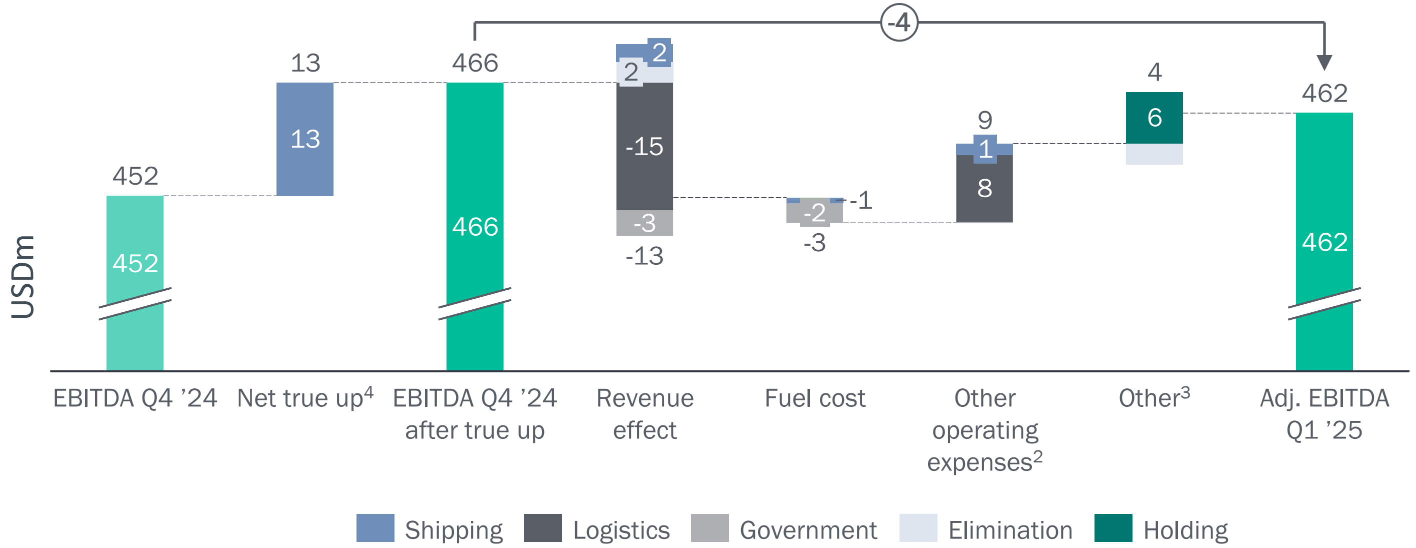
1) EBITDA margin for Q4-24 is adjusted for net true up 2) Non-cash true up in Q4-24 was linked to the closing down of a legacy system leading to an income recognition of USD 30m and a cost recognition of USD 43m (see Q4-24 report for details)

Revenues marginally down with underlying EBITDA flat QoQ

- Revenue slightly down from QoQ when correcting for the USD 30m True up[4] effect in Q4 2024
  - Higher net freight rates more than offsets lower volumes for the shipping segment
  - Logistic revenue down USD 15m
  - Government revenue down USD 3m

- Adjusted EBITDA flat QoQ when correcting for the USD 13m true up[4] effect in Q4 2024
  - Shipping up USD 3m QoQ on slightly higher revenues and stable cost
  - Logistics down USD 7m due to lower revenues partly offset by lower cost
  - Government down USD 5m due to seasonally lower revenues and cargo mix
  - Other cost down USD 4m largely explained by bonus accruals in Q4 2024



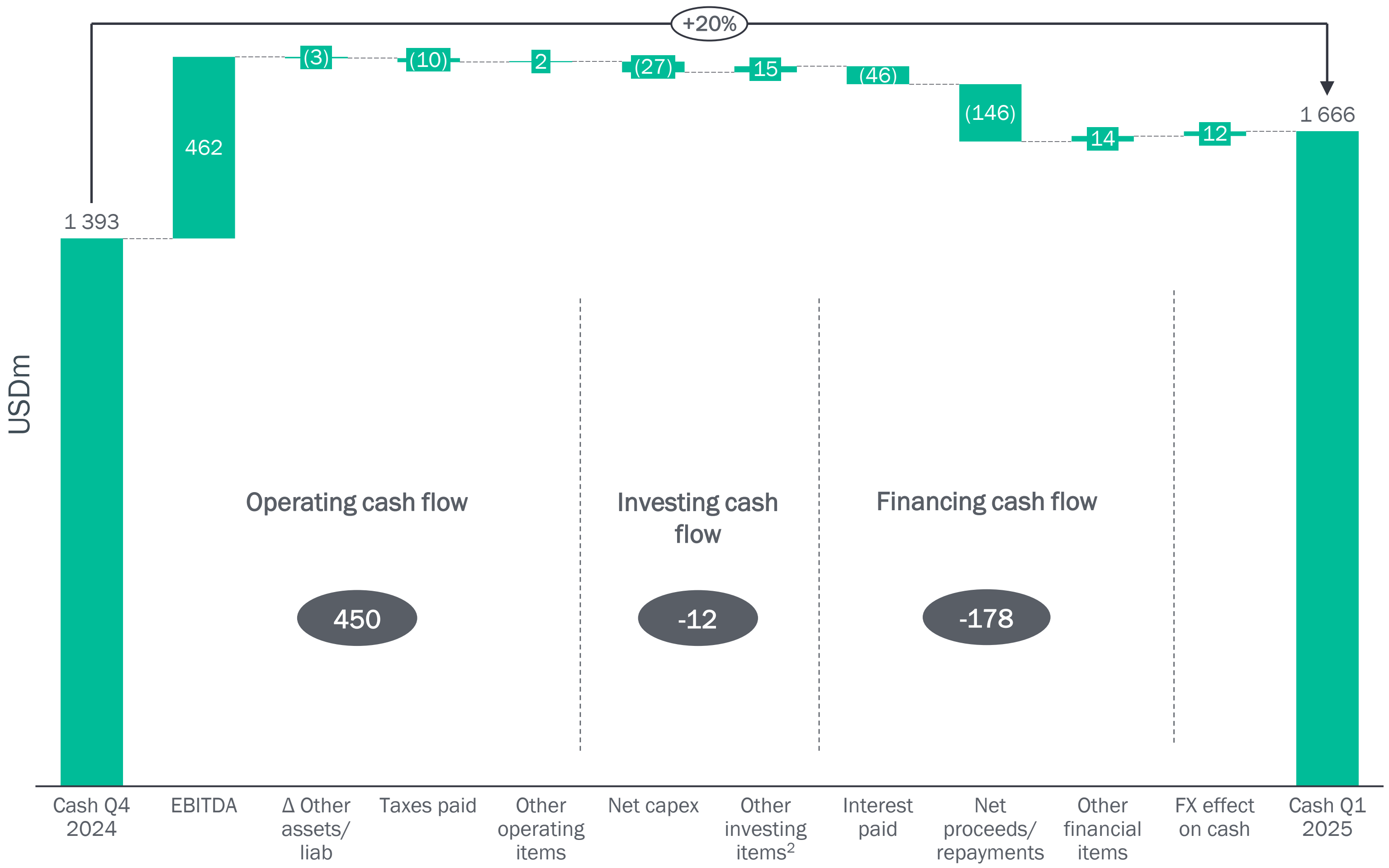


1) No adjustments in Q4 2024 or Q1 2025 on group level, 2) Other operating expenses includes cargo- and other voyage expenses, ship operating expenses, charter expenses, manufacturing cost, and SG&A expenses
3) Other includes holding expenses (mainly SG&A) and eliminations, 4) Non-cash true up in Q4-24 was linked to the closing down of a legacy system leading to an income recognition of USD 30m and a cost recognition of USD 43m (see Q4-24 report for details)

Liquidity remains strong on solid operational performance

Comments

- Q1 operating cash flow of USD 450m, representing a solid cash conversion of approximately 98%[1]
- Net capex relate to drydock, and other assets
- Net proceeds and repayments consists of scheduled repayment of debt and a USD 20 million repayment of a Term Loan facility in EUKOR
- Other financial items include USD 17m decrease in cash collateral
- Undrawn credit facilities at USD 494m, unchanged from previous quarter
- Post quarter (late April) the 2H 2024 dividend of USD 524m was paid

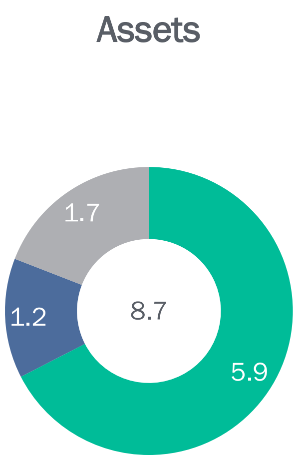


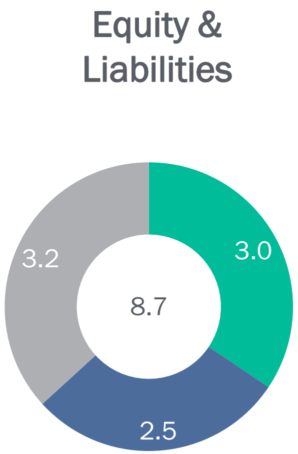
1) Cash conversion: Operating cash flow/adj. EBITDA
2) Includes interest received on bank deposits and dividends from joint ventures and associates

The group maintains a strong financial position with a solid balance sheet and strong liquidity

Balance Sheet per end Q1-25

USD billion



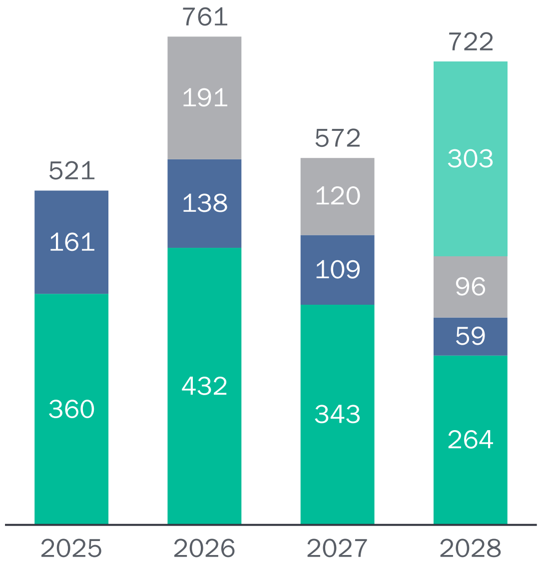


- Non-current assets
- Other current assets
- Cash and cash equivalents

- Equity
- Non-current liabilities
- Current liabilities

Debt Maturity Profile

USD million



- Credit facilities (drawn)
- Bonds
- Balloons (bank loans and leases)
- Installments (bank loans and leases)

Comments

- Equity ratio down from 39.5% in Q4 24 to 34.4% in Q1 25, mainly as the April dividend payment was moved from equity to liabilities when approved by the board
- Net debt per end of Q1 25 was USD 1.65 billion, down USD 107 million during the quarter
- 14 Shaper class vessels on order of which 7 to EUKOR and 7 to WW Ocean
- Post-delivery financing already secured for 6 vessels for EUKOR and financing for the remaining 8 vessels planned to be secured 1-2 years before delivery
- 28 unencumbered vessels

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Delivering stability in an unstable world – strong first quarter

Prospects

The introduction of US tariffs linked to the automotive and other industries has created uncertainty among global manufacturers and consumers. If the tariffs remain in place, it is likely to impact the global economy as well as the market for automotive transport.

Whilst we see and expect a decline in US imports and exports, trades in other regions are seeing growth, in particular out of China. The medium to long term net effect remains uncertain, but short term for Q2, volumes out of Asia are more than compensating for volumes lost out of Europe and into the US. This trend is expected to continue for a while and we expect high or full utilization, in particular in Shipping and Government, for the remainder of the year.

Despite the current market uncertainty, we expect Q2 to be stronger than Q1. We expect adjusted EBITDA for 2025 to be in line with 2024, but the outlook is uncertain given the current market environment.

- Increased market uncertainties linked to U.S. tariffs and port fees
- Q2 is expected to be stronger than Q1
- Adjusted EBITDA for 2025 expected to be in line with 2024, but the outlook is uncertain given the current market environment

Q & A


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Thank you!