Wallenius Wilhelmsen

11 May 2021

Q1 2021
Quarterly presentation

Highlights Q1 2021

- Recovery in volumes year over year driven by underlying demand trend
- New reporting segments

- Science-Based Target to reduce CO_2 intensity by 27.5% by 2030 from 2019
- Introduced Orcelle Wind, the world's first full-scale wind-powered RoRo ship

- EBITDA USD 132m, flat year over year, impacted by higher fuel and ramp-up costs
- Liquidity position of USD 898m, up USD 180m since Q1 20

Wallenius Wilhelmsen

Science Based Target to guide our climate actions

27.5%

Reduction CO_2e intensity from Shipping **by 2030***

Our sustainability objectives

All new equipment at terminals and yards to be zero-emission by end of 2022

All owned global fleet vessels equipped for zero-emissions at berth by 2025

100% of our energy from sustainable sources by 2050

*Co_2e intensity = grams CO_2/tonne-km

Orcelle Wind - at a glance

- Wind as main propulsion, reducing emissions by up to 90%
- Based on established ‘Oceanbird’ concept
- Target: design ready for contracting yard by mid-2022
- Status: project and evaluation proceeding as planned

Agenda

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

Business update

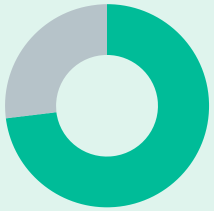
Torbjørn Wist, CFO and Acting CEO

Erik Nøklebye, EVP & COO Shipping Services

Introducing three new segments to improve transparency in reporting

SHIPPING SERVICES

Share of EBITDA*

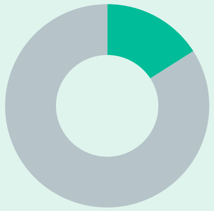


Highlights

- Brands WW Ocean, EUKOR, Armacup
- Worldwide deep-sea transportation network
- Main customers are manufacturers of auto, high&heavy, break-bulk

LOGISTICS SERVICES

Share of EBITDA*

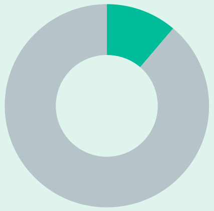


Highlights

- Main brands WW Solutions, VSA, Keen, Syngin, ALS
- Terminals
- Inland distribution networks
- Vehicle and equipment processing centers
- Same customers as Shipping

GOVERNMENT SERVICES

Share of EBITDA*



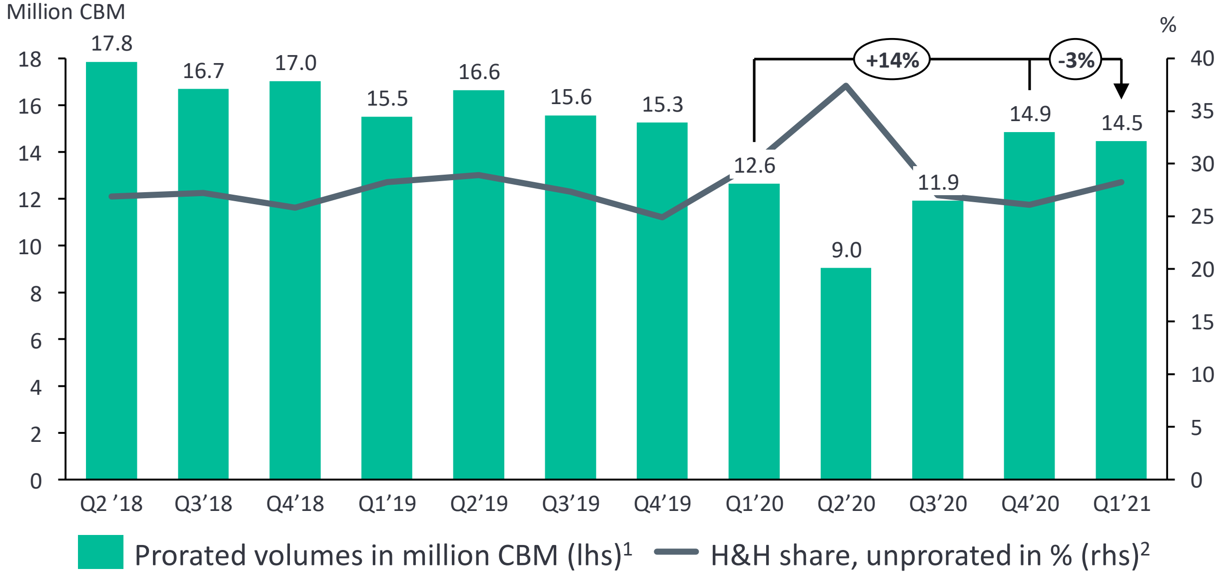
Highlights

- Brand ARC
- RoRo shipping cargo, breakbulk, vehicles
- Logistics services incl. stevedoring
- Primary customer US government

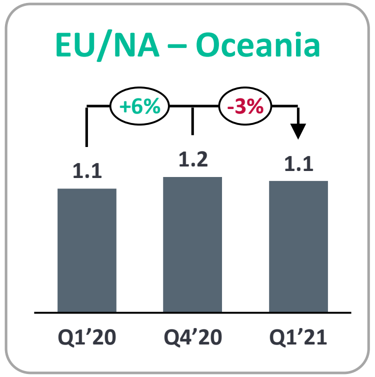
*Approximate share of group EBITDA in 2020

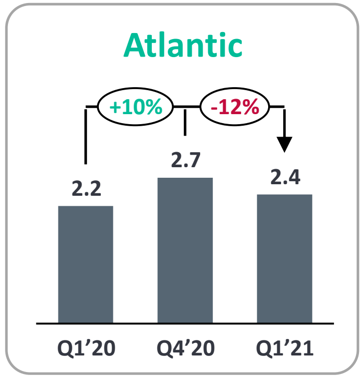
Shipping services volumes improved 14% YoY, though down 3% QoQ

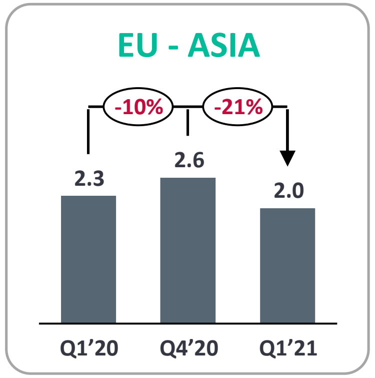
Shipping services volumes and cargo mix

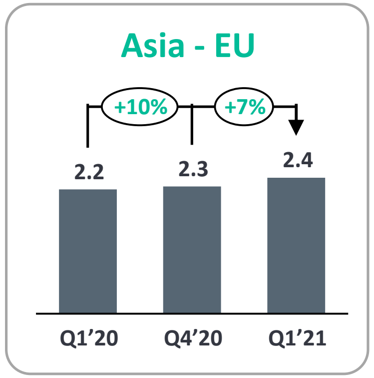


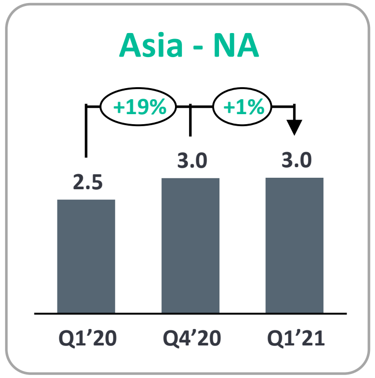
- Recovery in volumes driven by positive underlying demand trend
- Trade pattern imbalance, with strong volumes ex-Asia and weak ex-Europe
- Normalized cargo mix (H&H share) of 28.3%
- Unprorated volumes (loaded onto vessels during Q1) were on par with Q4 20, up 13% YoY











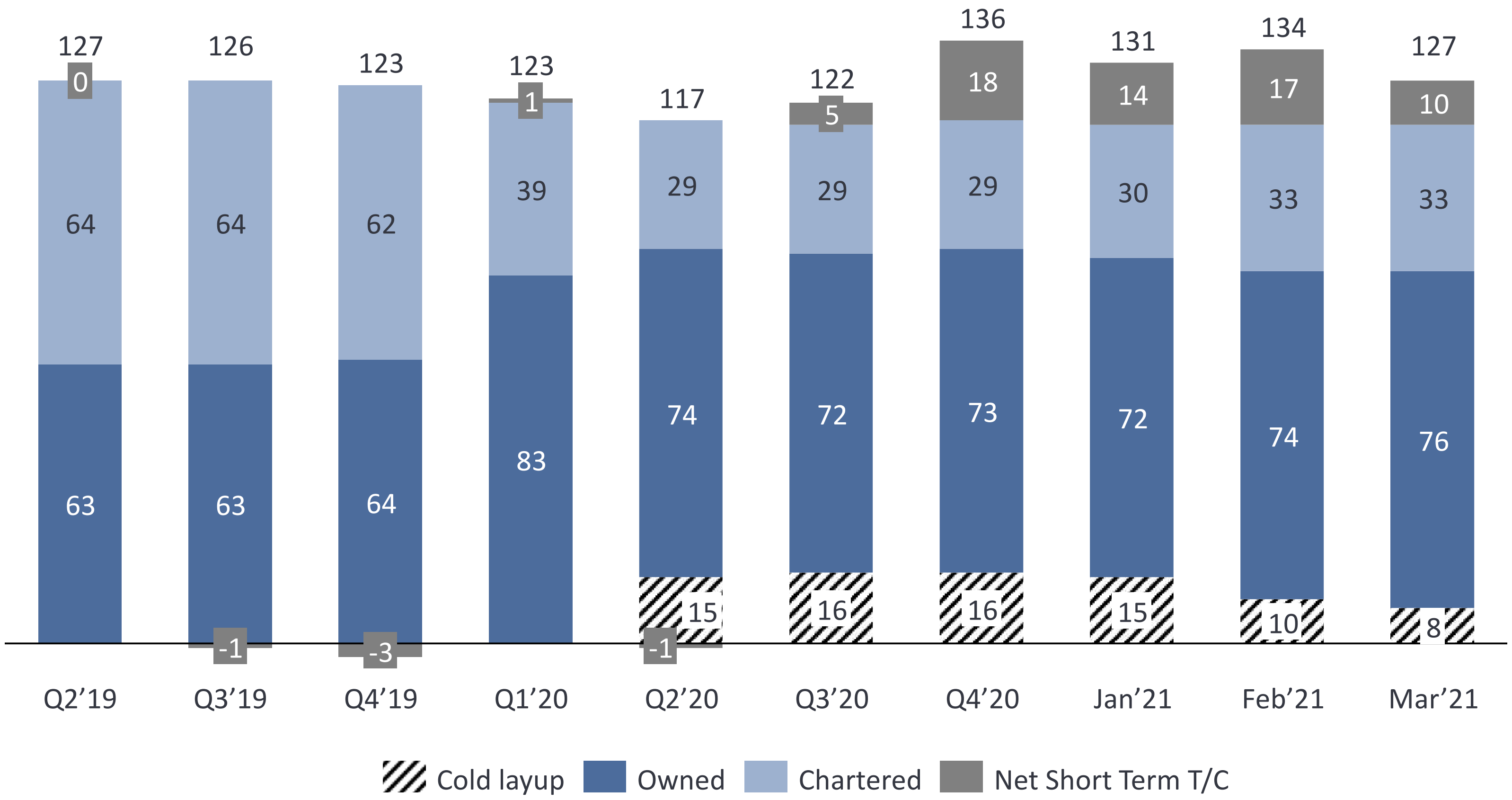
1) Total volume based on prorated volume in Shipping services (ex. Government services), i.e. volumes are split between months based on the sailing period onboard the vessel
2) H&H share calculated based on unprorated volumes, i.e. volumes loaded onto vessels during the quarter

All vessels to be reactivated from cold layup, as rising volumes and trade pattern imbalance led to continued pressure on capacity

Fleet capacity

- Eight vessels re-entered service from cold layup during Q1, remaining eight to be reactivated during 2021
- Continued to utilize short term charter market in Q1
- One vessel was recycled in January
- Final newbuilding scheduled for delivery in Q3 21
- Scrubber installations to be finalized for fleet in Q3 21, 11 vessels total

Group fleet development in # of vessels[1,2]



[1] Vessels in cold layup include Owned and Chartered vessels
[2] 20 vessels were reclassified from leased assets to owned assets effective from 01/01/2020

Market update

Erik Nøklebye

EVP & COO Shipping Services

Light vehicle sales continue to recover – up 19% YoY

Pent-up demand, incentives and solid Chinese sales fuel the light vehicle recovery

LV SALES

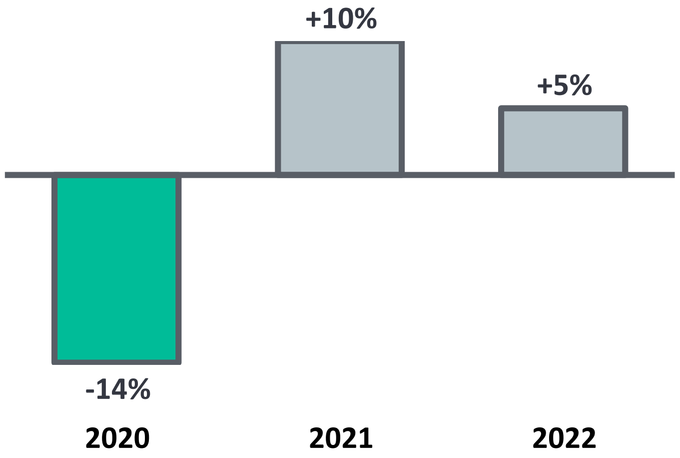
LV DEEPSEA

YoY Q1 21 (unit growth)	LV SALES	LV DEEPSEA
	+19%	**+7%**

- **US LV** market marked by tight supply
- **European LV** sales soft due to new COVID19 restrictions
- **Chinese LV** sales back at solid sales rates

- **LV export out of North America** muted due to model shifts and slow European LV sales
- **Korean LV** sales export solid as continued hunger for Korean produced SUVs

LIGHT VEHICLE SALES OUTLOOK



Source: IHS Markit / Market Insight Wallenius Wilhelmsen

The recovery marches on in High & Heavy markets – up 15% YoY

Still improving momentum with rock solid fundamentals in commodity exposed segments

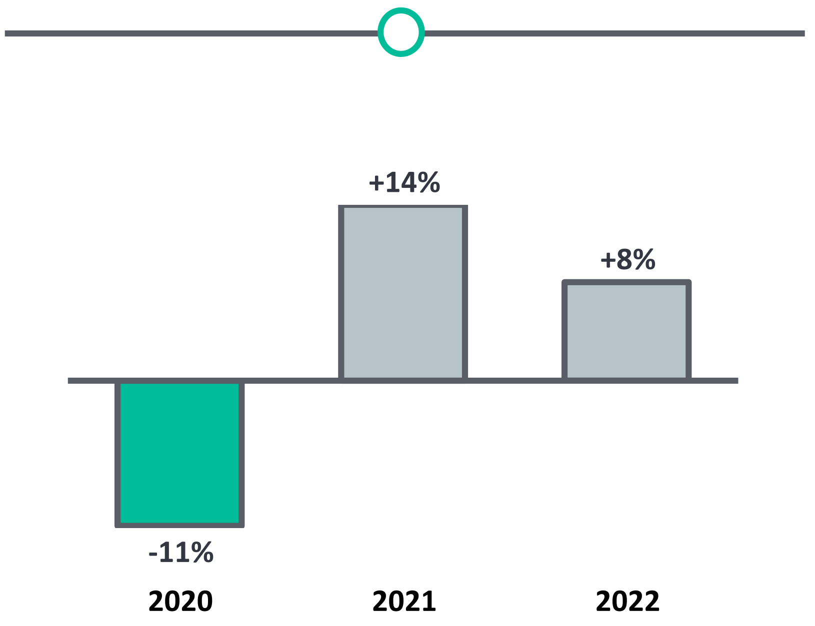
	CONSTRUCTION	MINING	AGRICULTURE
			
YoY Q1 21[1,2] **(unit growth)**	**+16%**	**+13%**	**+10%**

CONSTRUCTION
- Unsynchronised **construction activity** (res/nonres)
- Tightening **inventories**
- Improving **machinery pricing** and **used markets**
- Stretched **supply-chains**

MINING
- Buoyant **commodity pricing**
- Miner **cash flow and capex** rebound
- Strong **order books**
- Pent-up **replacement demand**

AGRICULTURE
- Strong **crop pricing**
- Decade high **sentiment**
- Depleted **inventories**
- Strong machinery **pricing** and **used markets**
- **Supply** shortages

OEM SALES OUTLOOK[3]



Source: [1]IHS Markit | World construction & agriculture equipment exports (avg. equipment value >20 kUSD) (Units last 3 months, YoY) per Feb 2021. Feb 2021 data are limited to countries (62% of total) having reported customs data as per 03.05.2021 [2]Parker Bay | Large Mining Equipment Deliveries (Units last quarter YoY) [3]Factset Data and Analytics (03.05.2021) | OEM sales consensus estimates per calendar year (USD). Constituents: Volvo, Caterpillar, CNH, Komatsu, Hitachi, Deere, Terex, Doosan, Sandvik, Epiroc and AGCO. Estimates include sales in construction/mining/agriculture equipment divisions only.

Tight tonnage situation has led to limited recycling. Orderbook at low levels

GLOBAL FLEET

End Q1 21
(end Q4 20)

#43 (44)

vessels built between 1983 and 1997

#10 (8)

vessels in orderbook

88% (86)

fleet utilization rate in 2022

*Source: IHS Markit / Clarksons Platou, *for vessels above 4000 CEU,*

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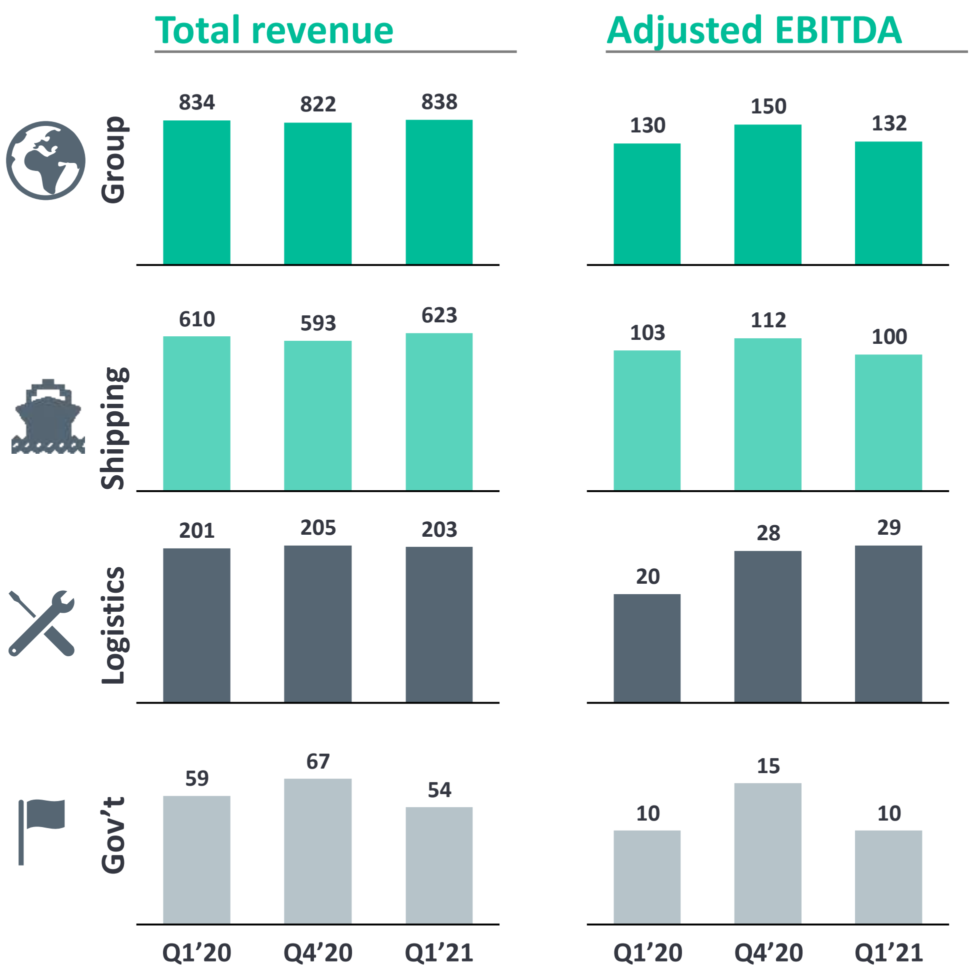
Financial performance

Torbjørn Wist

CFO and Acting CEO

Financial highlights – Q1 2021

RESULTS (USDm)



	Q4-20		Q1-21
Net profit	47	↘	(5)
Adj. EBITDA margin	18.2%	↘	15.7%
Cash	654	↘	599
Net debt	3 427	↗	3501

KEY FINANCIAL METRICS

ROCE (%)[1] Δ
0.8
Y +8.5
Q -2.4

Equity ratio (%) Δ
34.2
Y -0.4
Q -0.1

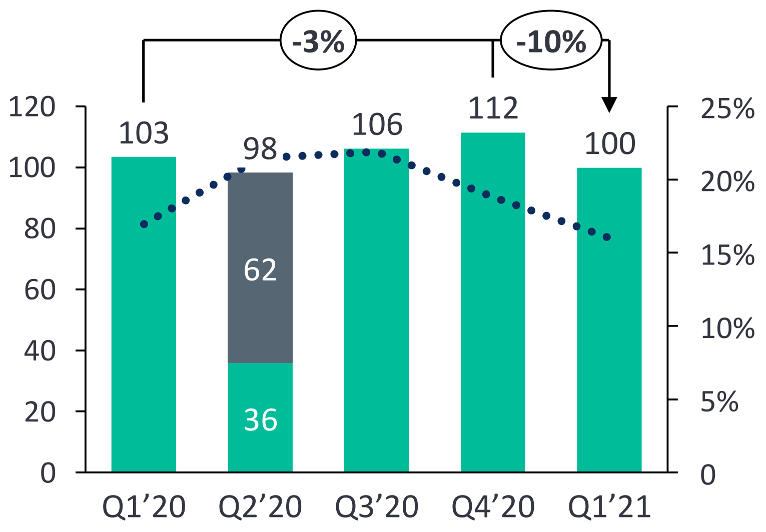
ND/Adj. EBITDA (x) [2] Δ
6.5
Y +1.8
Q +0.1

1) *Return on capital employed: annualised EBIT divided by capital employed*
2) *Net interest-bearing debt divided by last twelve months adjusted EBITDA*

Shipping and Government EBITDA under pressure in Q1

Shipping – EBITDA (adjusted)[1]

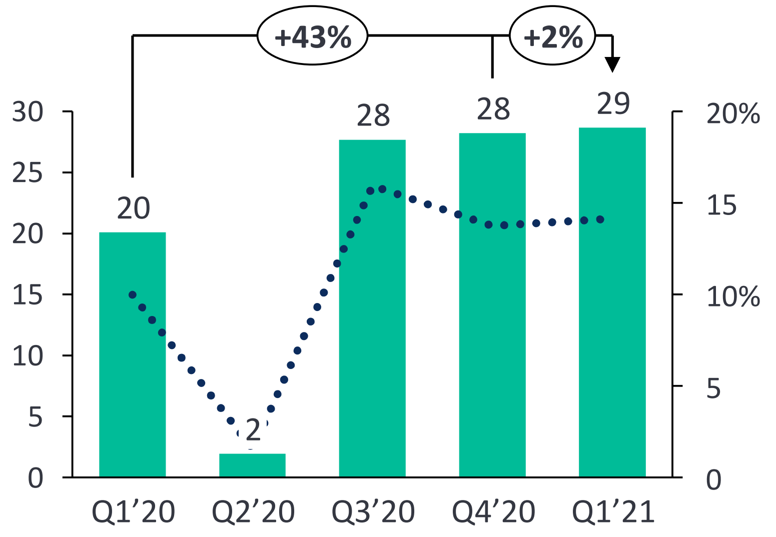
USDm



- QoQ EBITDA down due to higher net fuel cost and ramp-up costs due to pressure on fleet operations and global supply-chains
- YoY EBITDA slightly down du to capacity costs, offsetting positive revenue development

Logistics – EBITDA (adjusted)[1]

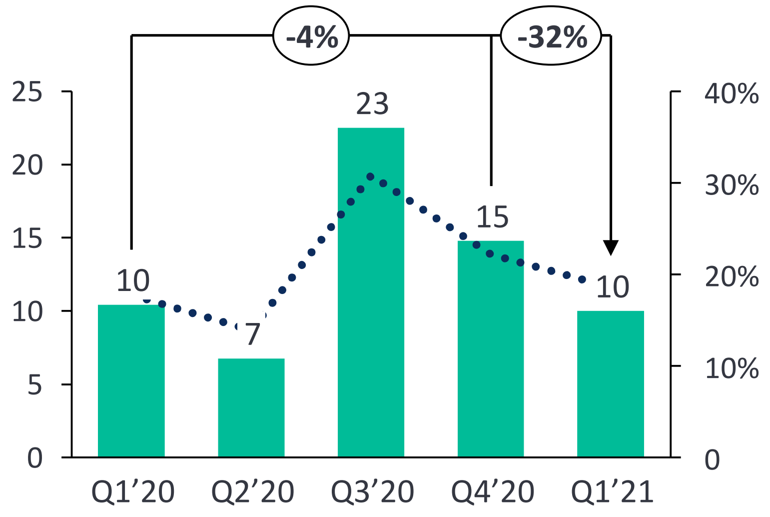
USDm



- QoQ EBITDA slightly up thanks to strong H&H activity in Americas
- YoY EBITDA up on all sub-segments, with recovery from early Covid19 period

Government – EBITDA (adjusted)[1]

USDm



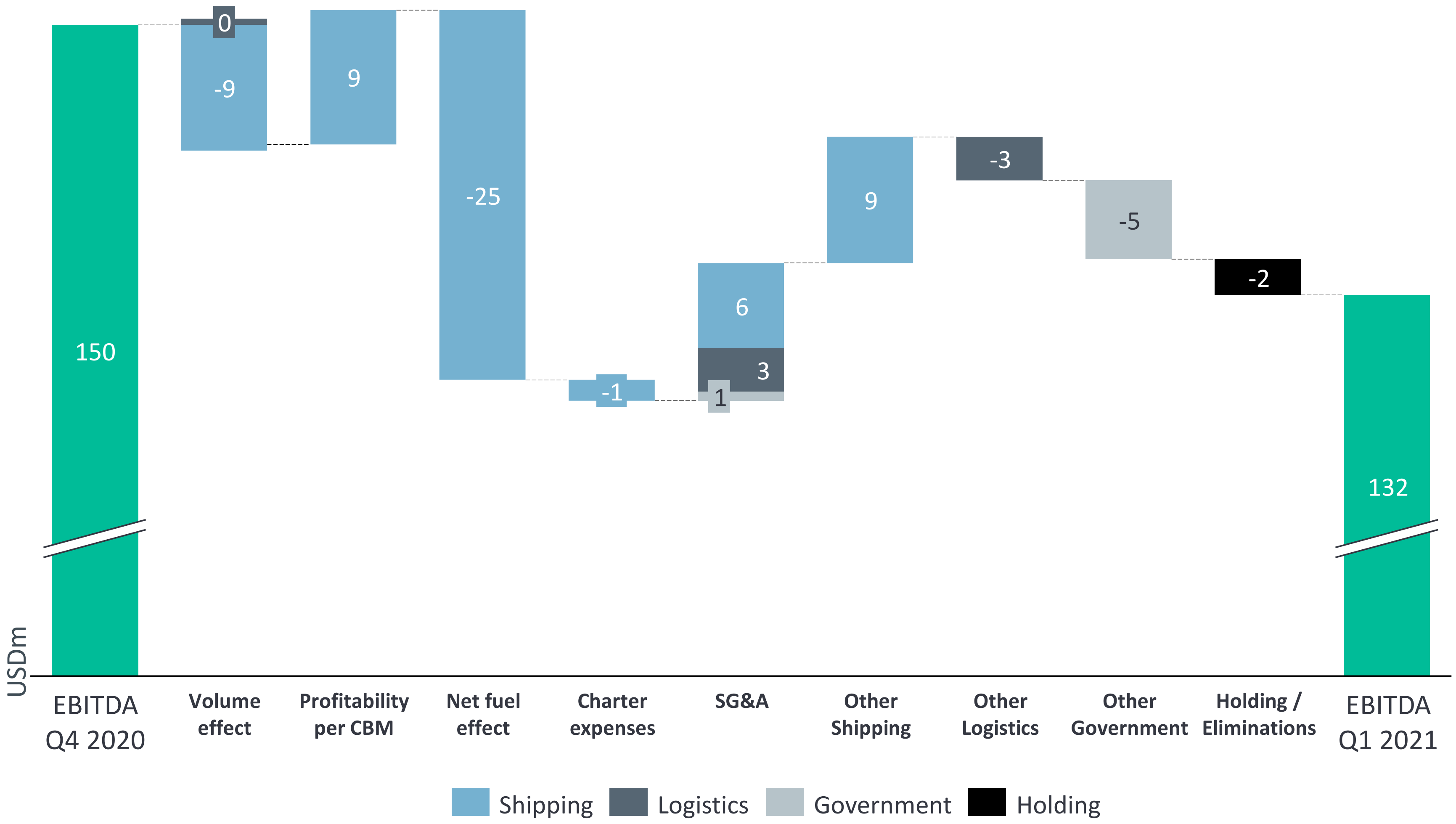
- QoQ EBITDA down due to timing of cargo, partially offset by lower SG&A and vessel opex
- YoY EBITDA slightly down with lower activity in cargo offset by lower net fuel costs and lower vessel opex

1) *Adjusted for extraordinary items*

Extraordinary items | EBITDA | EBITDA margin

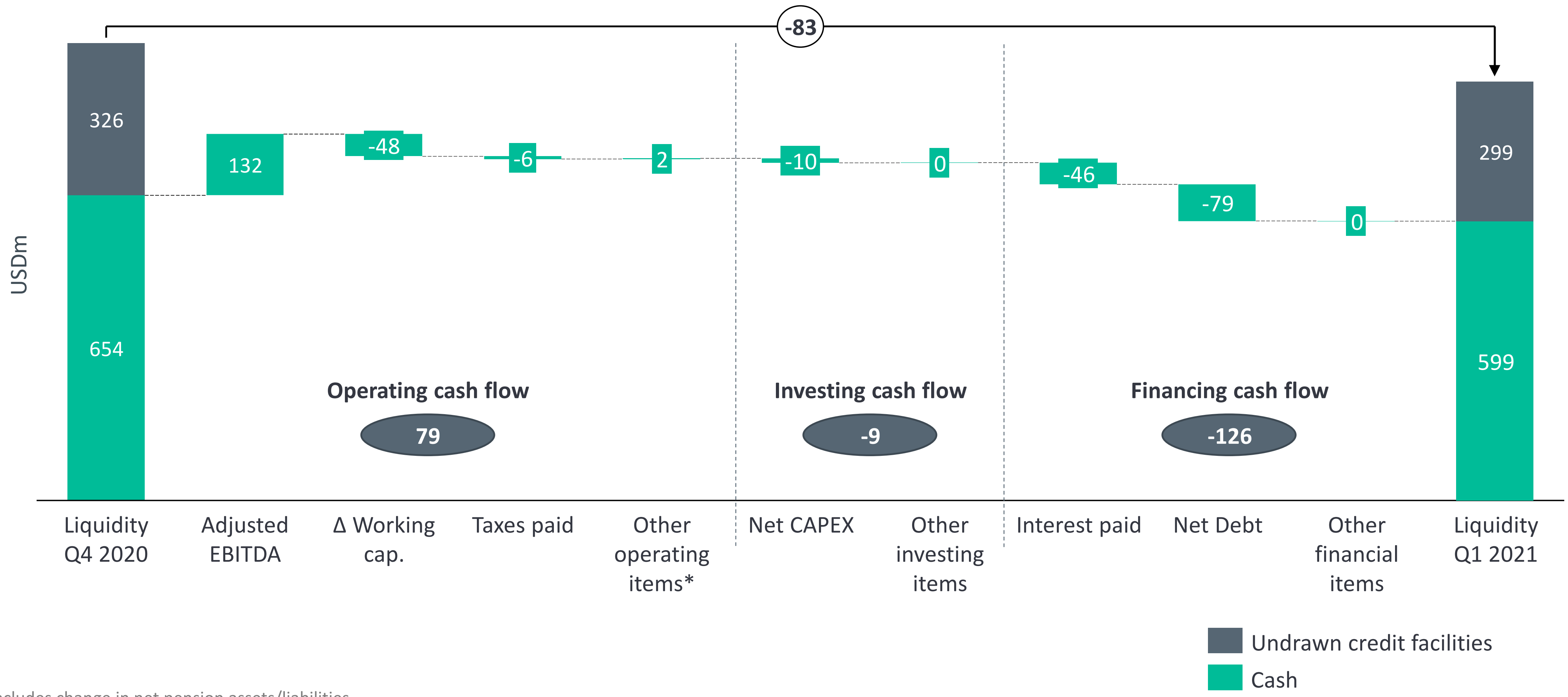
EBITDA down 12% QoQ, as increased fuel cost and ramp-up costs outweigh revenue improvement

- **Shipping services lower:**
    - Fuel cost up on higher price and consumption
    - Fuel surcharge lagging
    - Volume effect netted out by improved cargo and trade mix
    - Profitability per CBM weakened by ramp-up costs
- **Logistics services** develop flat
- **Government services** lower activity in Q1



Cash and undrawn credit facilities down USD 83m QoQ

Working capital increased with activity and loan payments resumed at normal pace



* Includes change in net pension assets/liabilities

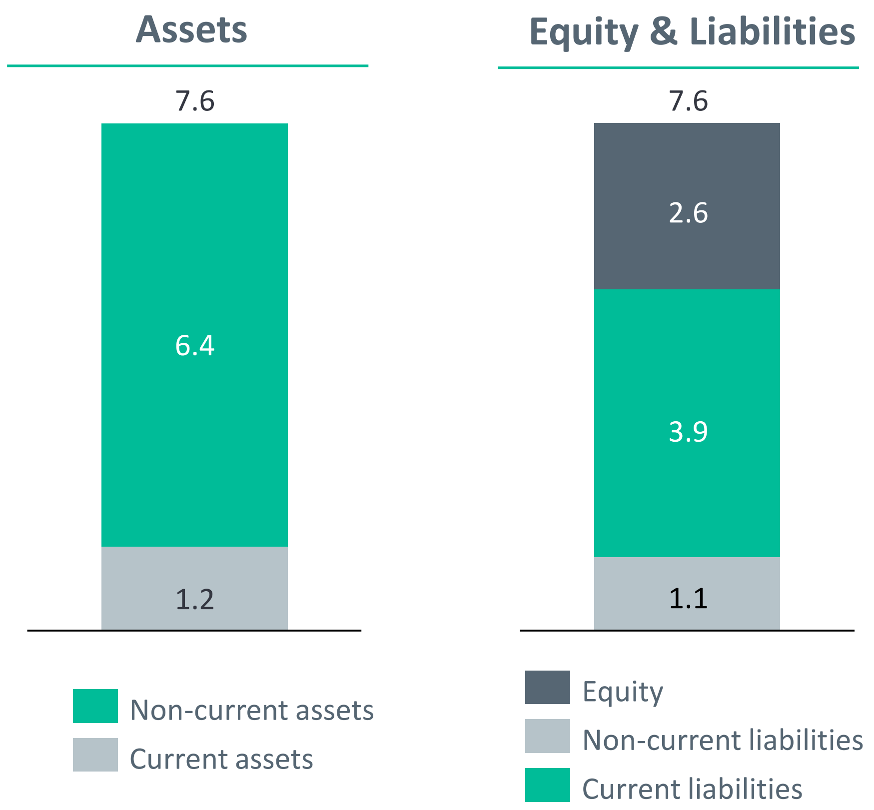
Solid balance sheet and strong liquidity position

COMMENTS

- Equity ratio at 34.3%
- Net debt at USD 3.5bn
- Debt maturities in 2021 under control with cash on hand
    - Refinancing of USD 52m concluded in Q1
    - USD 50m committed for final newbuild

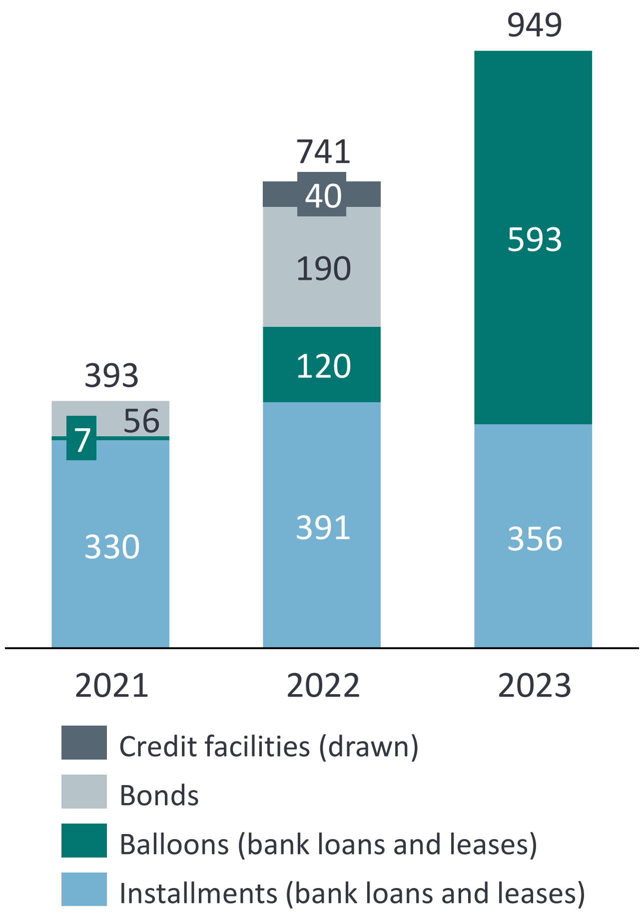
BALANCE SHEET 31.03.2021

USD billion



Debt Maturity Profile

USD million



Prospects

Torbjørn Wist

CFO and acting CEO

Prospects

- The markets have recovered significantly since last year
- We expect the supply-demand balance to remain favourable mid-term
- Potential risks from further disruptions to global supply chains, fleet capacity constraints and virus intensity
- Stabilizing market conditions will provide more financial flexibility going forward

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Q&A