



Q2 2021

Quarterly presentation

Highlights Q2 2021



- Underlying results are back to pre-pandemic levels in all segments
- Strong volumes and enhanced profitability from improved cargo and trade mix
- High & heavy cargo volumes highest since 2012



- Adjusted EBITDA USD 205m, up 56% QoQ and near 2019 average
- Provisions on anti-trust related customer claims increased USD 35m
- Solid liquidity position of USD 915m

Agenda

Business update

Market update

Financial performance

Prospects and Q&A

Business update

Torbjørn Wist, CFO and Acting CEO

Michael Hynekamp, COO Logistics Services

Erik Nøklebye, COO Shipping Services



Logistics serve customers across a broad landbased services portfolio

VEHICLE PROCESSING



Vehicle Processing Centre

70+ Sites

Vehicles Processed*

5M

SERVICES

- Pre-Delivery Inspection
- Receipt & Dispatch
- Vehicle Preparation
- Storage Management
- Repairs & Rectifications
- Accessory Fitting

HIGH & HEAVY SERVICES



Equip Processing Centre

27 Sites

Machines Processed*

150k

KEY DRIVERS

- Port vs Plant
- Vessel Schedule
- Cargo Mix
- Congestion
- Labor Efficiencies
- Storage Demand

Performed in reporting sub-segment:

- SOLUTIONS AMERICA (AUTO)
- EMEA / APAC

TERMINAL SERVICES



Marine Terminals

9 Sites

Units Handled*

5.3M

SERVICES

- Stevedoring
- Custom Clearance
- Receive & Delivery
- Cargo Handling
- Port Distribution
- Storage
- Fumigation
- Value Added Services

KEY DRIVERS

- Vessel Schedule
- Cargo Mix
- Congestion
- Labor Efficiencies
- Storage Demand

Performed in reporting sub-segment:

- TERMINALS

INLAND / SUPPLY CHAIN



Inbound Distribution

11 Networks

Units Moved*

211k

SERVICES

- Trucking/Rail
- Brokerage Transport
- Supply Chain Management
- Inventory Management
- Online Marketplace Distribution

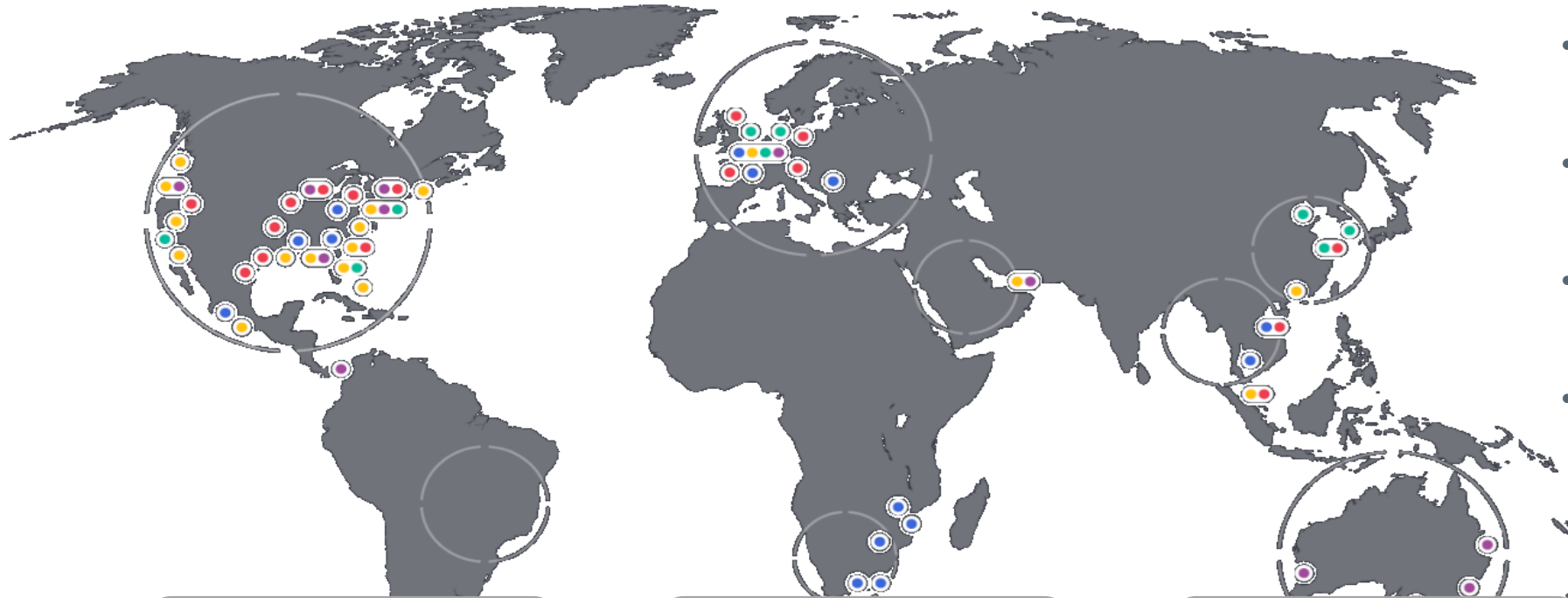
KEY DRIVERS

- In-House vs 3rd party
- Capacity
- Labor Limitations
- Capital Resources

Performed in reporting sub-segment:

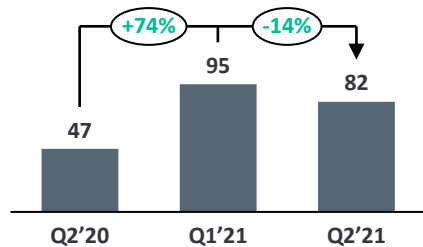
- SOLUTIONS AMERICA (AUTO)
- SOLUTIONS AMERICA (H&H)
- EMEA / APAC

Logistics had mixed development QoQ, solid cargo/service mix countered by chip shortage volume impacts

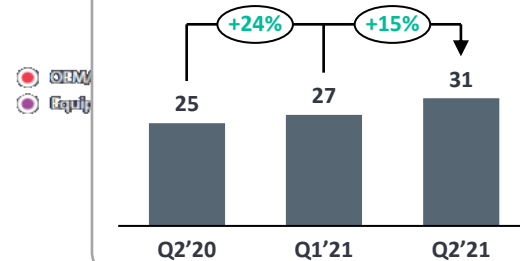


- H&H transportation activity in Americas increased QoQ
- Break-bulk volumes in Terminals up on spill-over from container market
- Auto volumes lower from chip shortage impact on production
- Fumigation season ended in April for Terminals and EMEA/APAC

**Solutions America (Auto)
Revenues (USDm)**



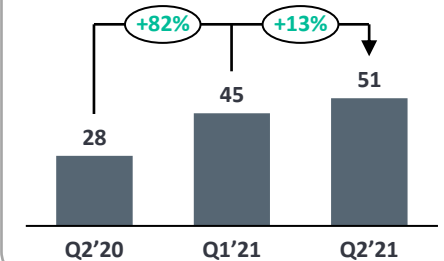
**Solutions America (H&H)
Revenues (USDm)**



**Terminals
Revenues (USDm)**

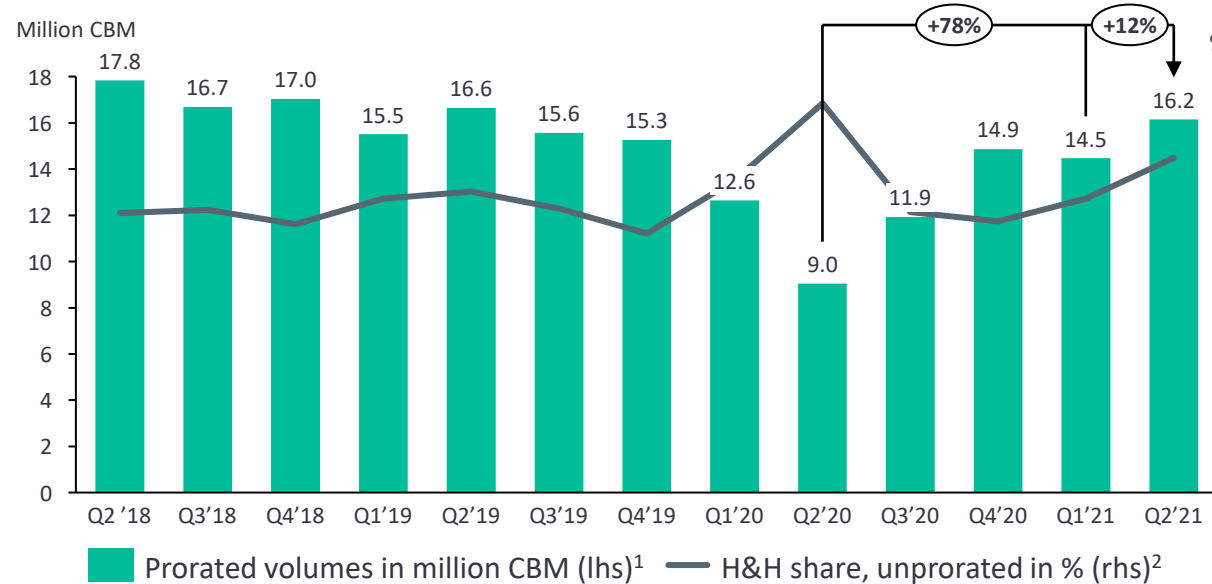


**EMEA/APAC
Revenues (USDm)**

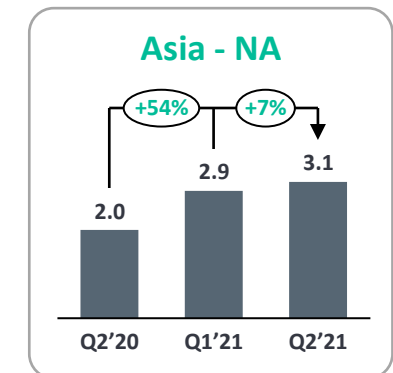
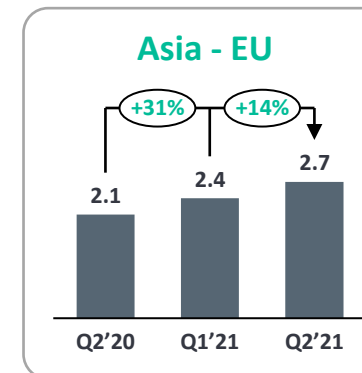
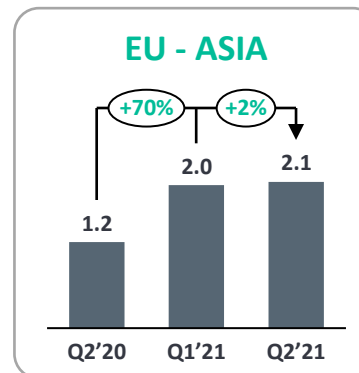
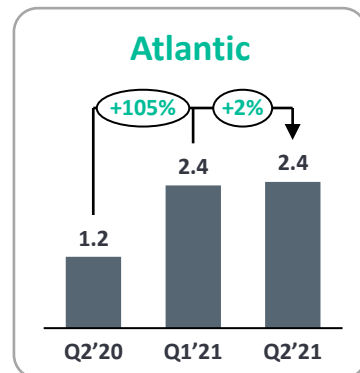
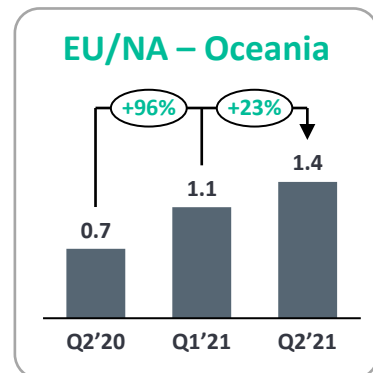


Shipping volumes at pre-pandemic levels, H&H volume highest since 2012

Shipping services volumes and cargo mix



- H&H volumes at highest level since 2012
- Cargo mix of 32.2%
- Trade pattern imbalance continue, strong volumes ex-Asia and weaker ex-Europe due to chip shortage
- Unprorated volumes (loaded onto vessels during Q2) were up 13% QoQ, up 110% YoY

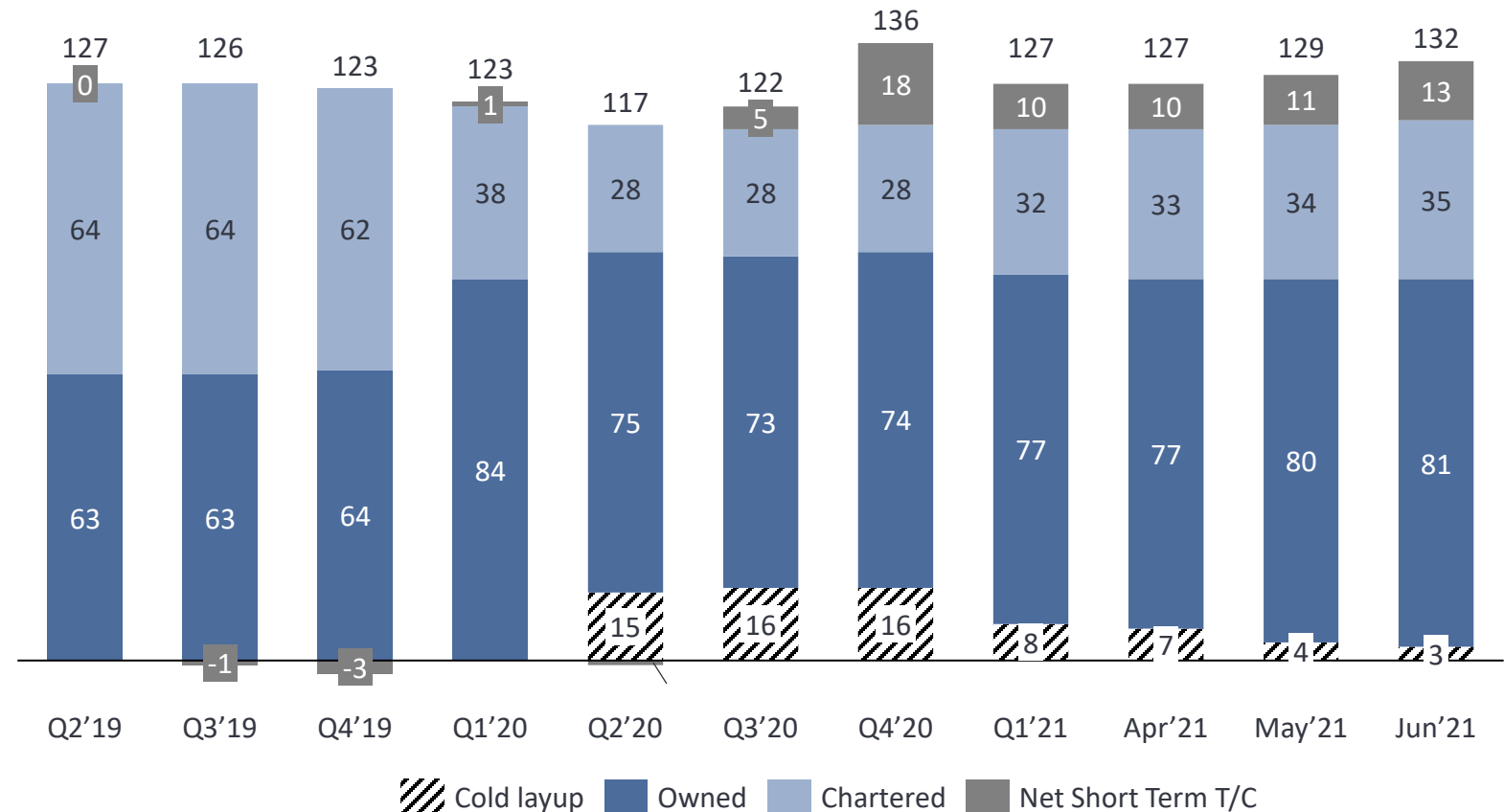


Fleet capacity remains tight, reactivated vessels and final newbuild will continue to add capacity

Fleet capacity

- 5 vessels re-entered service from cold layup during Q2
 - Final 3 to be reactivated in H2
- Decreasing availability in short term charter market in Q2
- Final newbuilding scheduled for delivery in late Q3-21
- Planned recycling cancelled for one vessel
- 6 final scrubber installations to be concluded by Q1-22

Group fleet development in # of vessels^{1,2}



Market update

Erik Nøklebye

COO Shipping Services



Light vehicle sales continue to recover – however still 6.1% below Q2 in 2019

Strong consumer confidence and incentives fuel the light vehicle recovery, chip shortage for the OEMs dampen off some sales

LV SALES



YoY Q2-21
(unit growth)

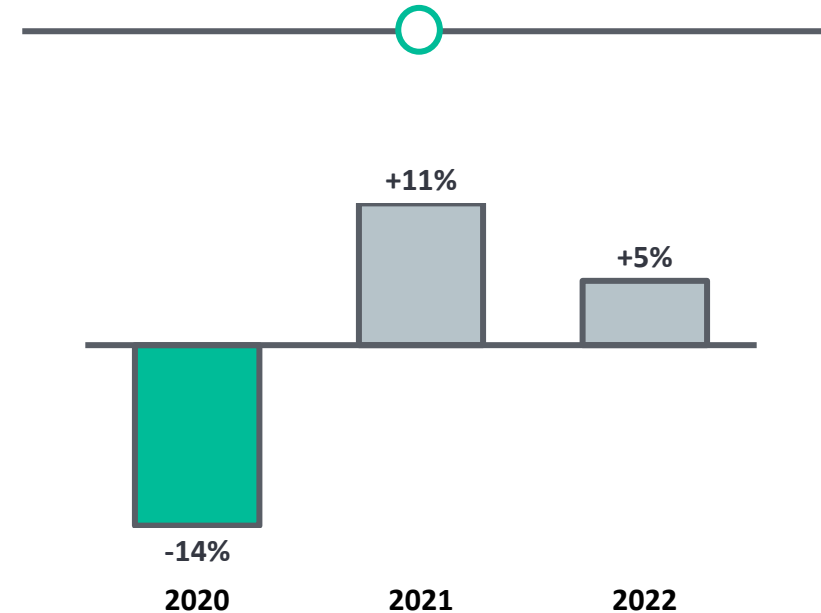
+36%↑

LV DEEPSEA



+52%↑

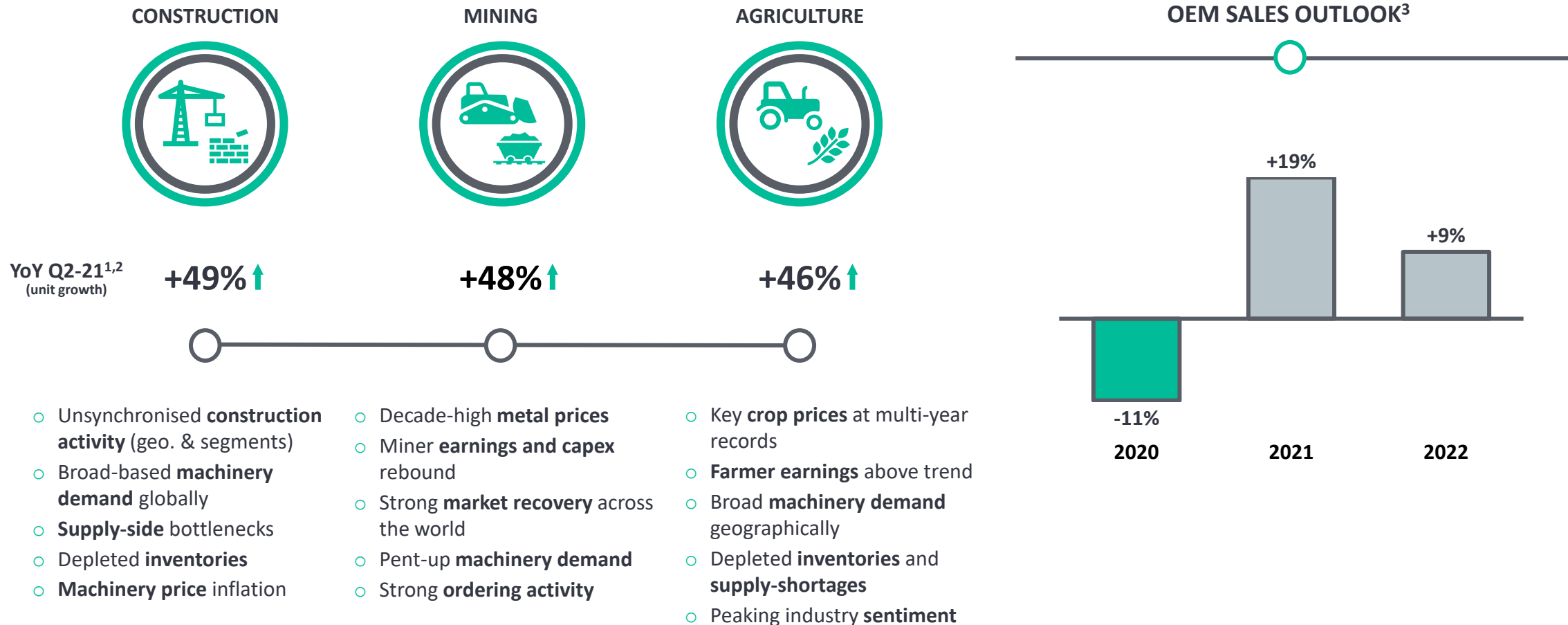
LIGHT VEHICLE SALES OUTLOOK



- **Global LV sales** continue to recover from low comparison base in 2020, however sales are some below 2019 levels
- **US LV** fuelled by high consumer confidence however supply is tight
- **European LV** sales show positive trend, key markets affected by restrictions
- **Chinese LV** sales back at solid sales rates
- **Low comparison base** contributes to high growth figure
- **LV export out of North America** muted due to model shifts and moderate European LV sales
- **Korean LV** sales export solid as continued hunger for Korean produced SUVs

H&H surges to nine-year high despite supply failing to fulfil demand

Still a residential/non-residential dichotomy in construction, while commodity prices at multi-year highs fuel mining and agriculture



Tight tonnage situation has led to limited recycling and increasing orderbook

New orders have a lead time of 3-4 years. Easing of current supply chain inefficiencies will add capacity

GLOBAL FLEET



End Q2
(end Q1)

#43 (43)

vessels built between
1983 and 1997

#16 (10)

vessels in orderbook

89% (88%)

fleet utilization rate in
2022

Financial performance

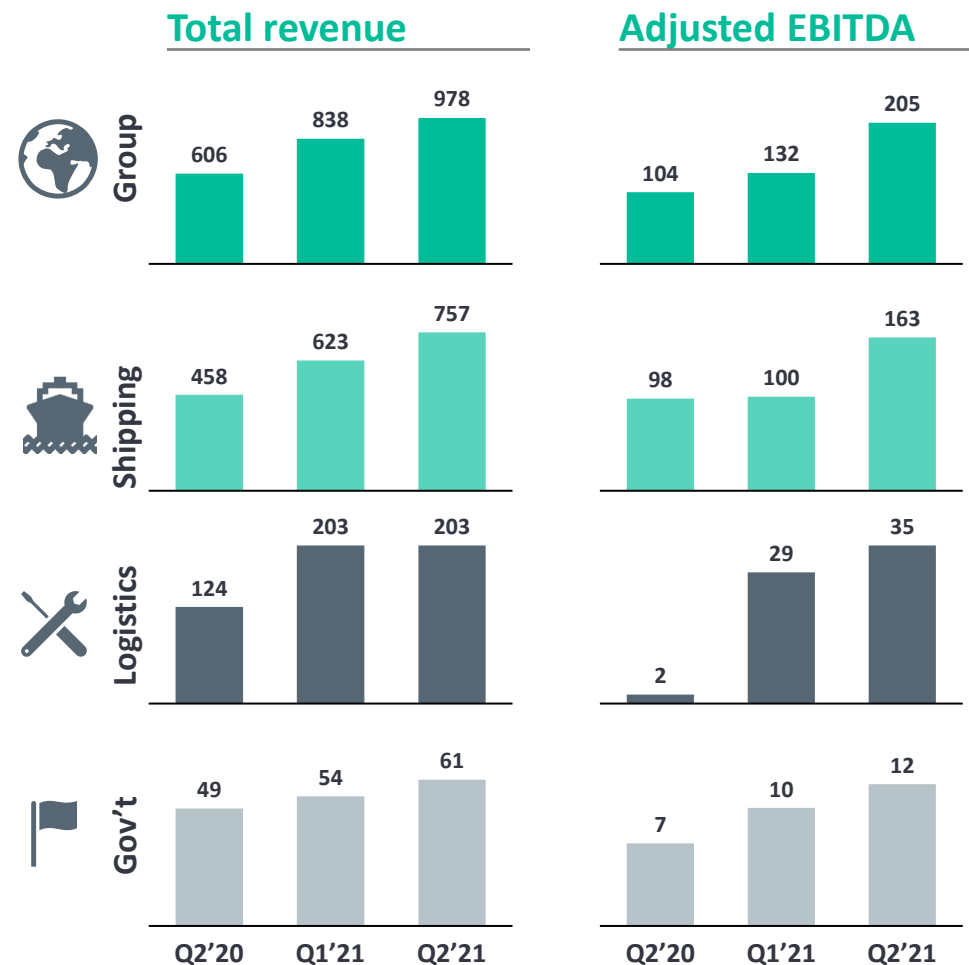
Torbjørn Wist

CFO and Acting CEO



Financial highlights – Q2 2021

RESULTS (USDm)



	Q1-21		Q2-21
Net profit	(5)	↗	17
Adj. EBITDA margin	15.7%	↗	20.9%
Cash	599	↘	566
Net debt	3 501	↘	3 487

KEY FINANCIAL METRICS

ROCE (%) ¹	Δ
3.8	Y +6.5 Q +3.1

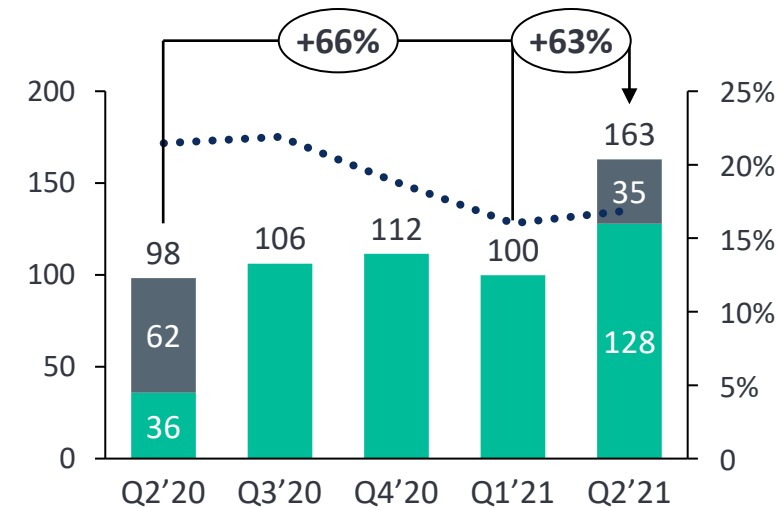
Equity ratio (%)	Δ
34.5	Y +0.1 Q +0.3

ND/Adj. EBITDA (x) ²	Δ
5.5	Y +0.1 Q -1.0

All segments back to pre-pandemic adjusted EBITDA

Shipping – Adj. EBITDA ¹

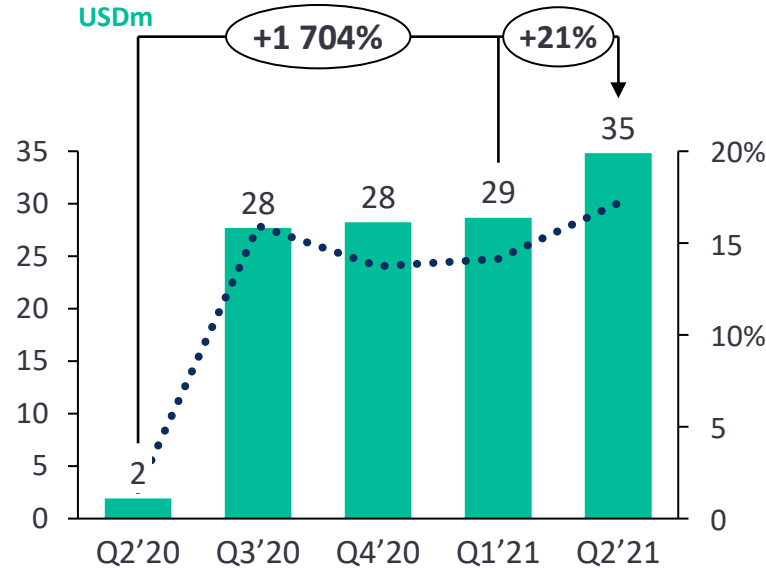
USDm



- QoQ EBITDA up on higher volumes, fuel surcharges, and improved net freight per CBM
- YoY EBITDA significantly up due to return of demand and volumes

Logistics – Adj. EBITDA ¹

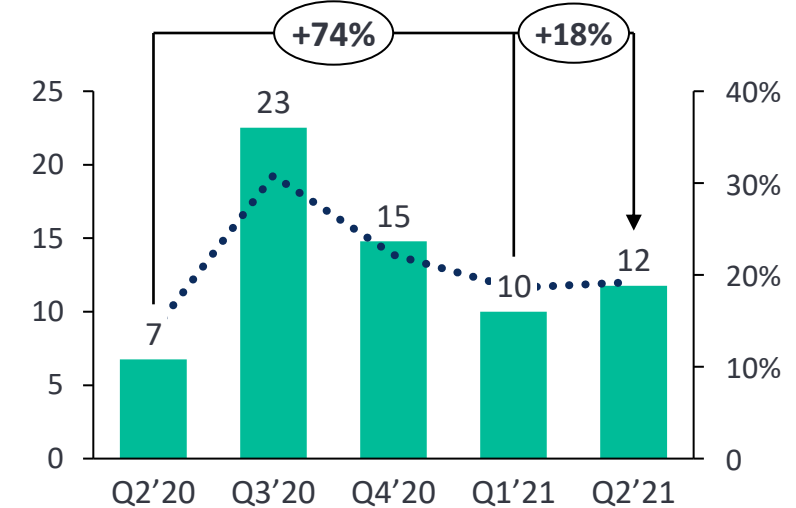
USDm



- QoQ EBITDA, flat compared to Q1 when disregarding one-offs, remains level with 2019
- YoY EBITDA up on all sub-segments, as Q2-20 had the biggest COVID19 impact

Government – Adj. EBITDA ¹

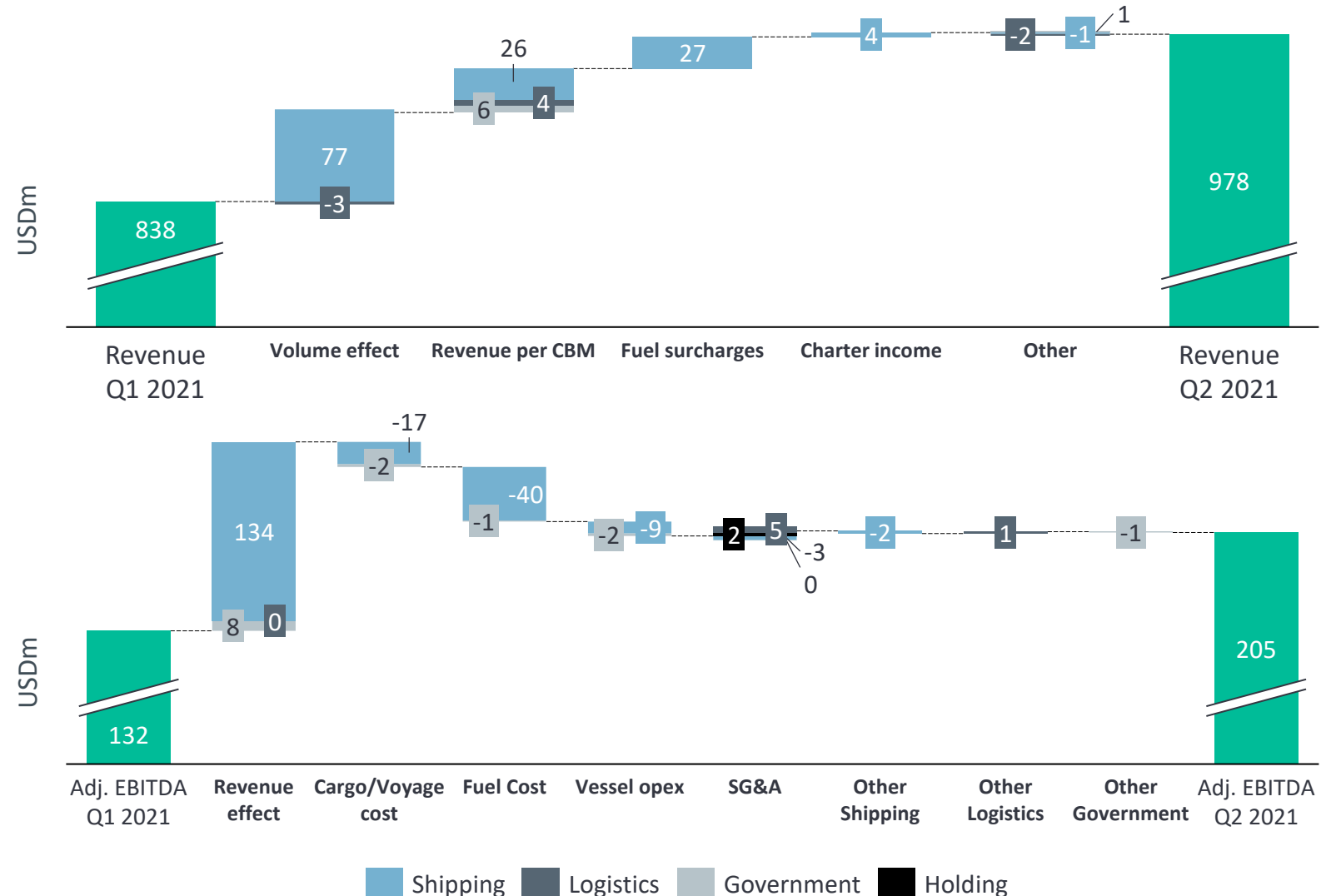
USDm



- QoQ EBITDA up due to higher level of activity, with slight improvement in the margin
- YoY EBITDA substantially up due to normalized business environment

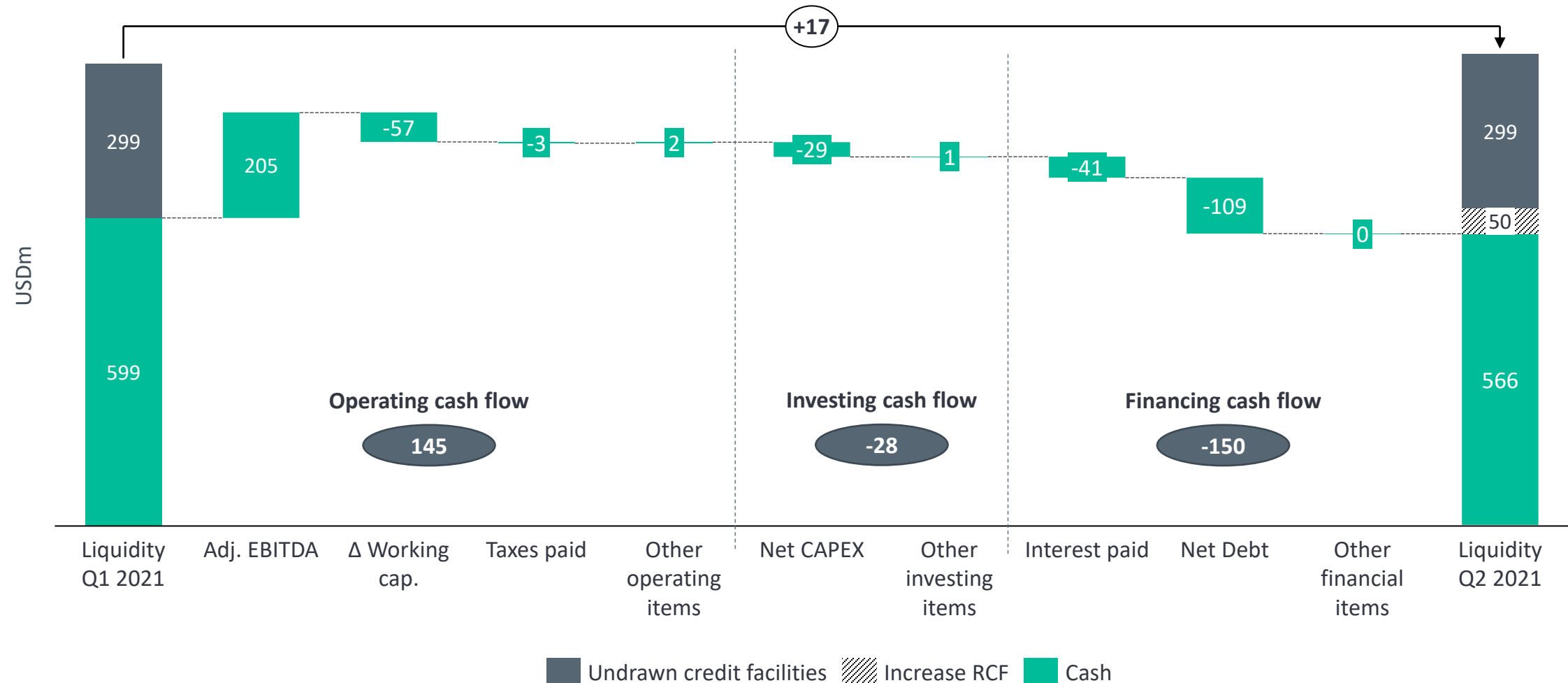
Adj. EBITDA up 56% QoQ, solid across segments with Shipping rebound being key contributor

- **Shipping services** main contributor to QOQ improvement:
 - Positive volume and rate effect outweigh increase in cargo/voyage costs
 - Net freight per CBM up on trade mix, cargo mix and spot volumes
 - Higher net fuel cost and increased vessel opex
- **Logistics services** develop flat on revenues, positively impacted by one-off accounting gain on EBITDA
- **Government services** higher activity in Q2, leading to increased revenue and EBITDA



Cash and undrawn credit facilities up USD 17m QoQ

Working capital increase, maintenance capex and debt repayment more than offset otherwise solid EBITDA



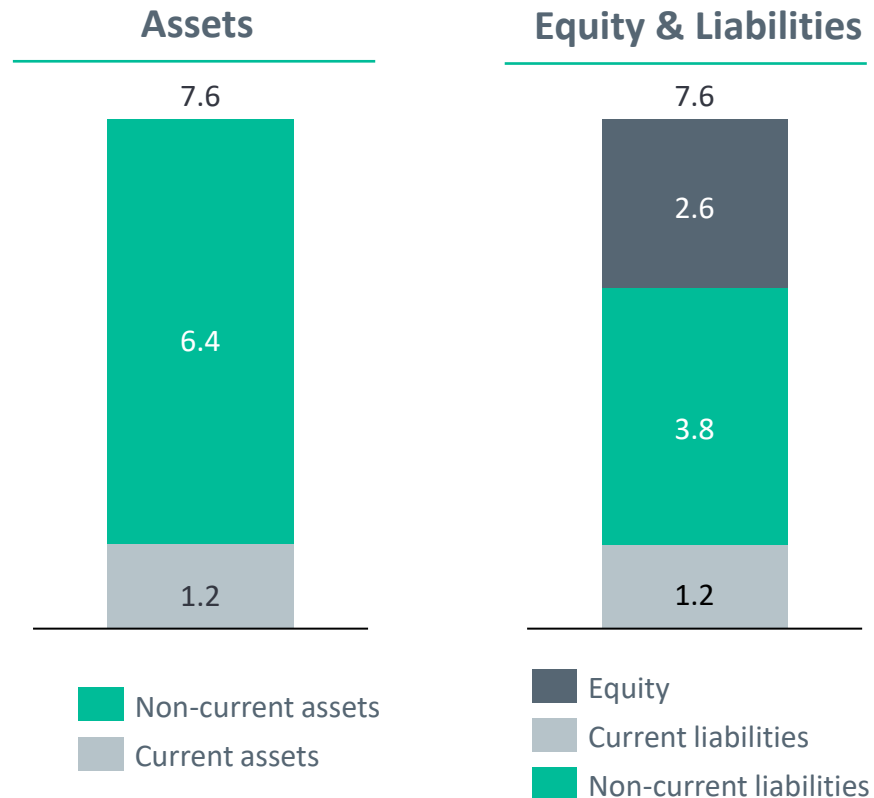
Solid balance sheet and strong liquidity position

COMMENTS

- Equity ratio at 34.5%
- Net debt at USD 3.5bn
- Debt maturities in 2021 under control with cash on hand
 - Refinancing of USD 21m concluded in Q2
- USD 50m committed for final newbuild

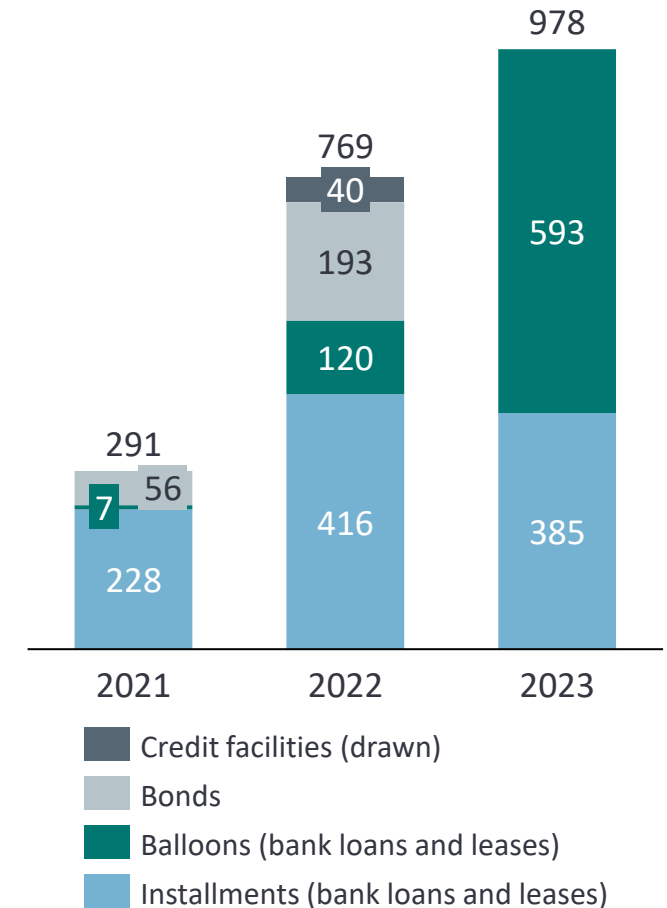
BALANCE SHEET 30.06.2021

USD billion



Debt Maturity Profile

USD million



Prospects

Torbjørn Wist

CFO and acting CEO



Prospects

- Shipping supply-demand balance expected to remain favourable mid-term
- Logistics volumes will benefit from stabilizing chip supplies
- Potential risks include fleet capacity constraints, virus intensity with impact on operations, further disruption of global supply-chains including semiconductor chips
- Continuing stabilization of markets will provide more financial flexibility and help drive shareholder value creation



Q&A

