



Investor Presentation

7 December 2022



Investment highlights



Global market leader in vehicle logistic segment



Long-term customer base and diversified business model



Strong history of free cash flow



Solid market fundamentals and results



Ambitious carbon target and commitment to sustainability

Agenda

1. WAWI in brief
2. Market update
3. Financial update
4. Sustainability

A logistics provider built on a strong history

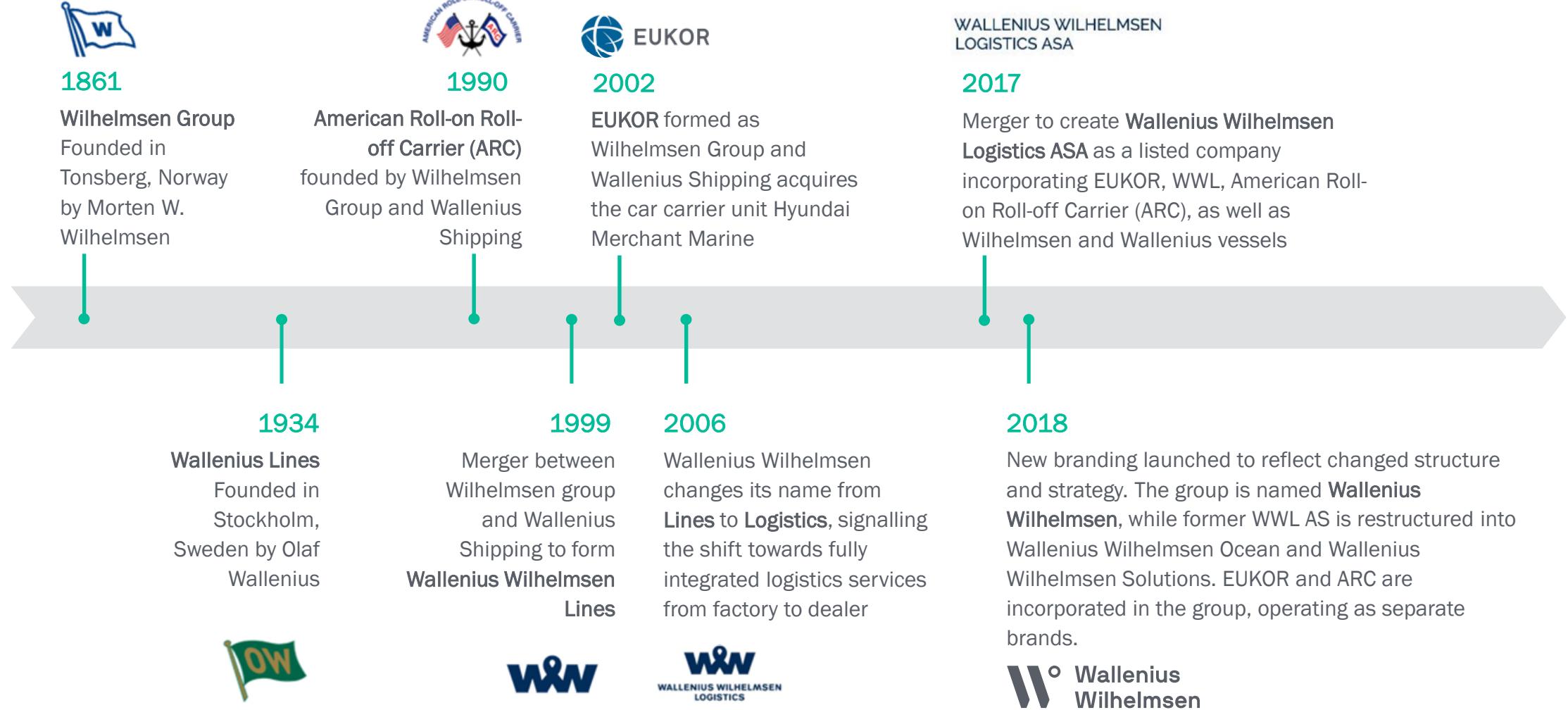


- 2017 merger of companies with >150-year history
- Listed on Oslo Stock Exchange (ticker: WAWI) with a market cap of USD 4 bn*
- Wilh. Wilhelmsen Holding ASA and Wallenius Lines AB largest shareholders with around 38% each
- Strong balance sheet with USD 8.4bn assets**

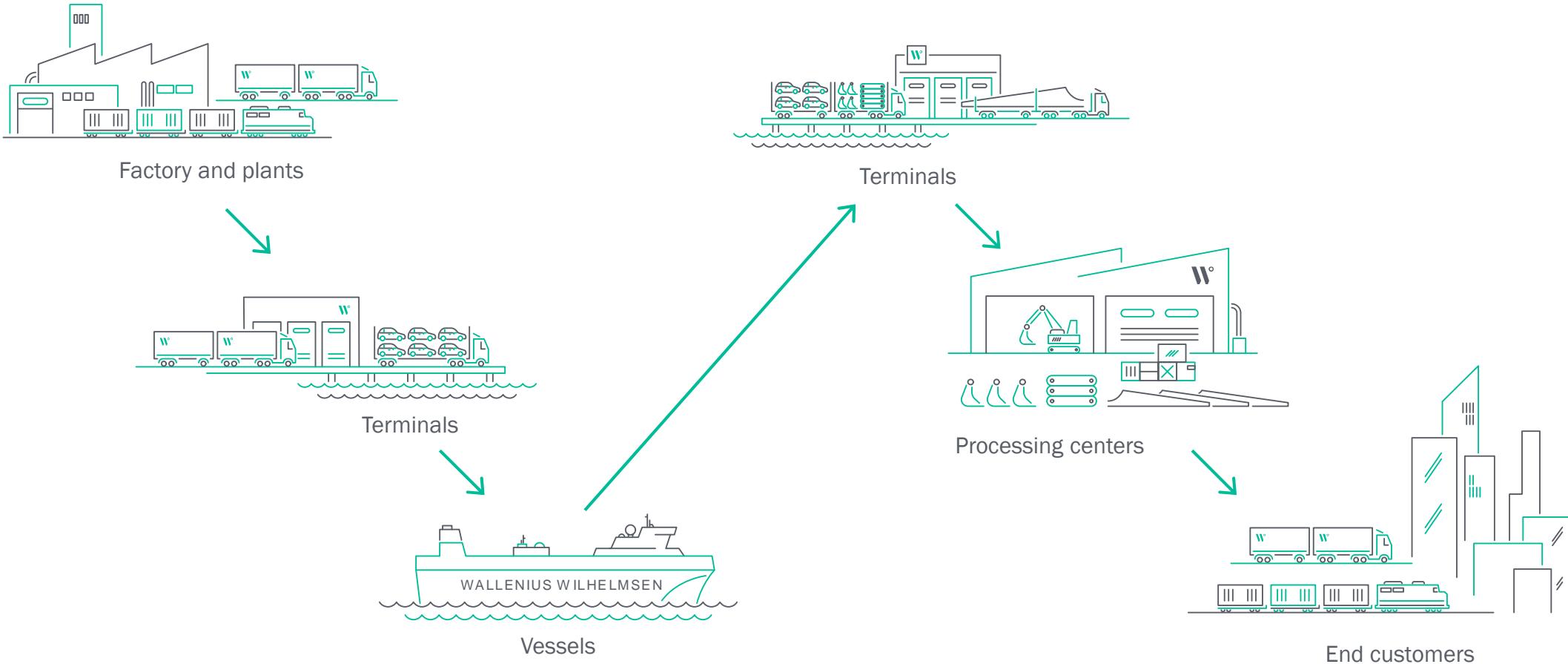


KEEN

A history of innovation and adaptation

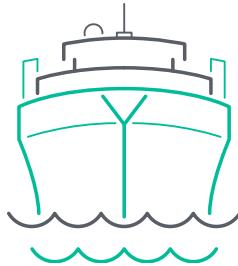


Our business

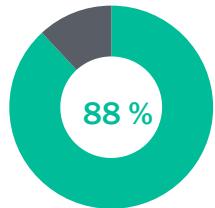


We deliver services through our three business segments

Shipping services



Share of EBITDA*



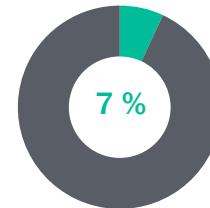
USD 1180m

- Highlights:**
- Worldwide deep-sea transportation network
 - Main customers manufacturers of auto, high&heavy, breakbulk
 - ~119 vessels in fleet

Logistics services



Share of EBITDA*



USD 94m

- Highlights:**

- Terminals: 8 controlled + 3 with shared ownership
- Inland distribution networks
- Vehicle and equipment processing centers
- Same customers as Shipping

Government services



Share of EBITDA*

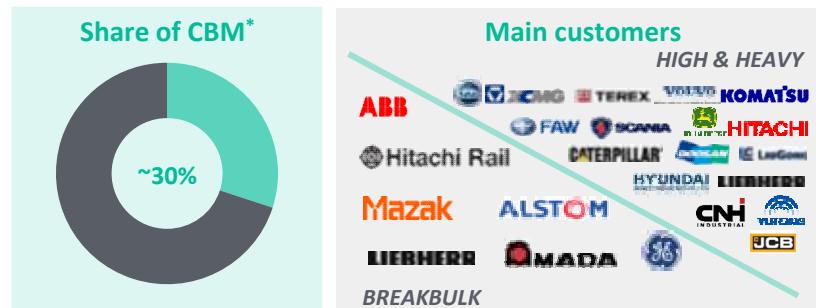
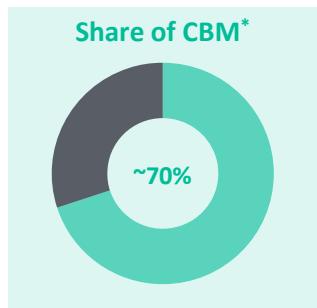
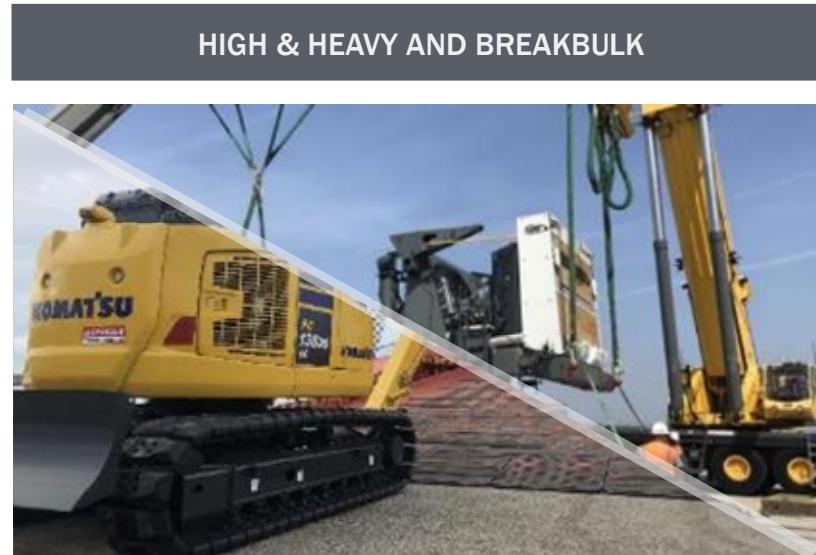
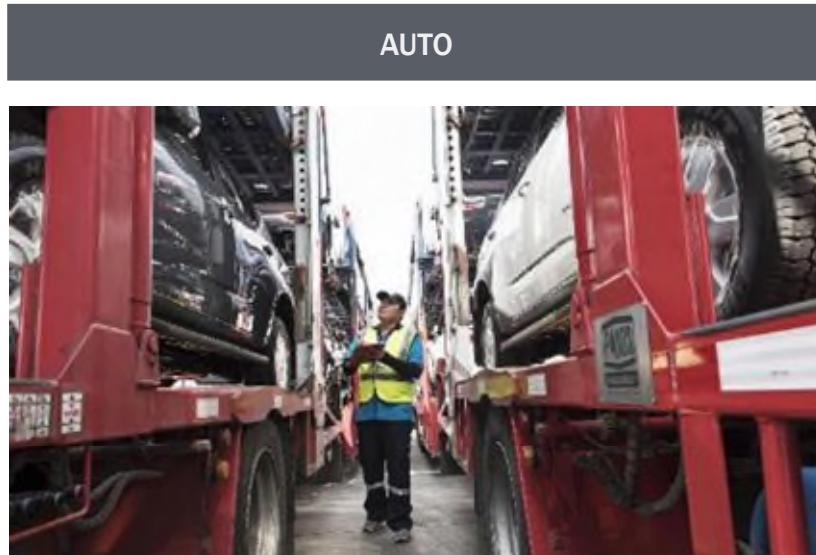


USD 66m

- Highlights:**

- RoRo shipping cargo, breakbulk, vehicles
- Logistics services incl. stevedoring
- Primary customer US government
- Fleet of 9 US flag vessels

Shipping benefits from a diversified customer portfolio with long-term contracts

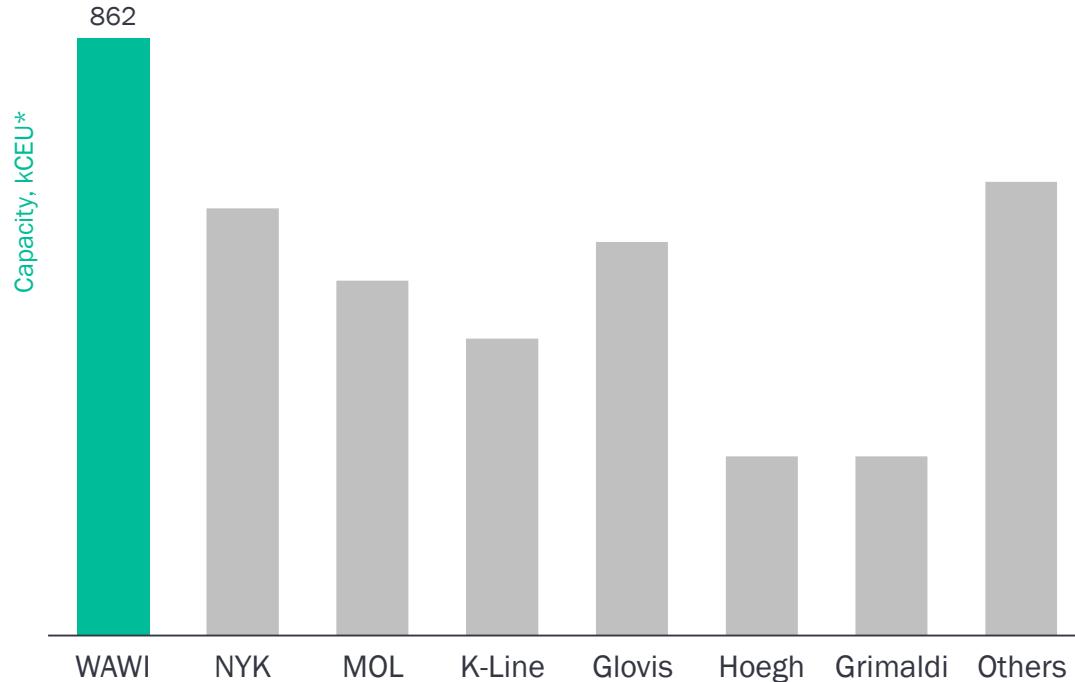


- Majority of volumes from auto
- High & heavy (“H&H”) and breakbulk maximize cubic utilization
- Unique handling capabilities for high & heavy and breakbulk
- Main customers include all major original equipment manufacturers (“OEMs”) globally
- Contract duration is typically 1-3 years for auto / 3-5 years for H&H
- Strong customer relationships with long history with many key customers

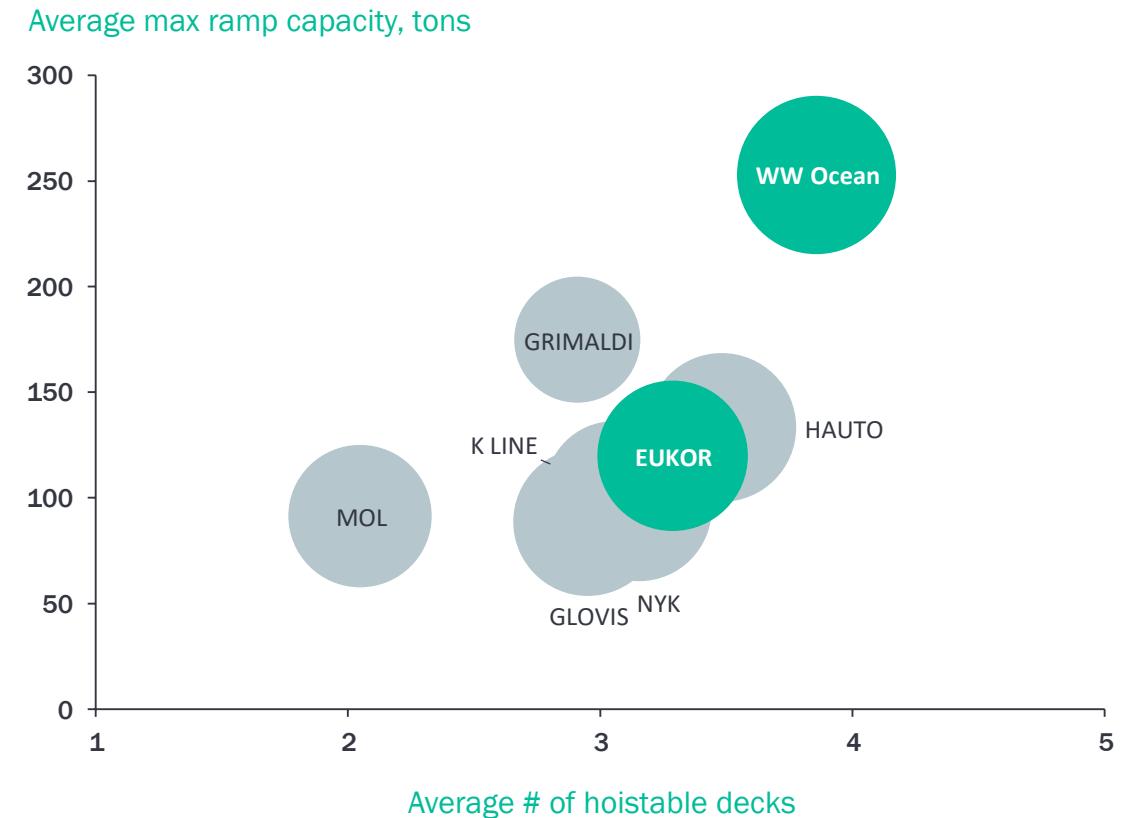
We are the market leader and the #1 operator globally within Shipping services

Four decades of leading the High & Heavy space

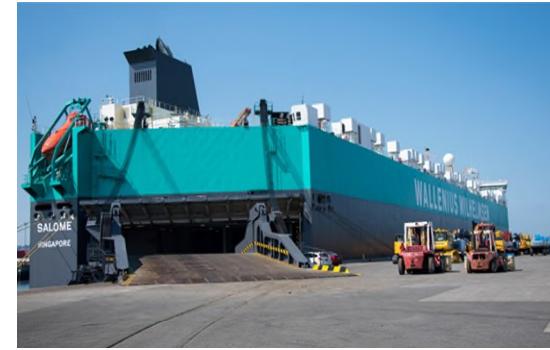
CURRENT FLEET BY OPERATOR GROUP



FLEET CHARACTERISTICS



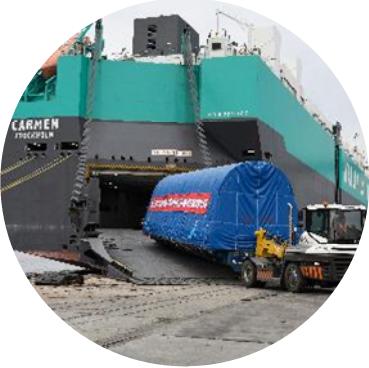
Logistics services portfolio enable us to provide end-to-end services

PROCESSING CENTERS			
VEHICLE PROCESSING		HIGH & HEAVY SERVICES	
			
Vehicle Processing Centre 39 Sites	Vehicles Processed* 4.6M	Equip Processing Centre 27 Sites	Machines Processed* 268k
SERVICES <ul style="list-style-type: none"> Pre-Delivery Inspection Receipt & Dispatch Vehicle Preparation Storage Management Repairs & Rectifications Accessory Fitting 	KEY DRIVERS <ul style="list-style-type: none"> Port vs Plant Vessel Schedule Cargo Mix Congestion Labor Efficiencies Storage Demand 	SERVICES <ul style="list-style-type: none"> Stevedoring Custom Clearance Receive & Delivery Cargo Handling Port Distribution Storage Fumigation Value Added Services 	KEY DRIVERS <ul style="list-style-type: none"> Vessel Schedule Cargo Mix Congestion Labor Efficiencies Storage Demand
			
Marine Terminals 8 Sites	Units Handled* 2.9M	Inbound Distribution 11 Networks	Units Moved* 193k
SERVICES <ul style="list-style-type: none"> Trucking/Rail Brokerage Transport Supply Chain Management Inventory Management Online Marketplace Distribution 	KEY DRIVERS <ul style="list-style-type: none"> In-House vs 3rd party Capacity Labor Limitations Capital Resources 	SERVICES <ul style="list-style-type: none"> Trucking/Rail Brokerage Transport Supply Chain Management Inventory Management Online Marketplace Distribution 	KEY DRIVERS <ul style="list-style-type: none"> In-House vs 3rd party Capacity Labor Limitations Capital Resources

*All volumes are for full year 2021

Our strategy to strengthen our competitive advantage

End-to-end supply chain
orchestration



Digitalization

Expand to full lifecycle



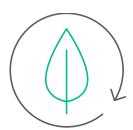
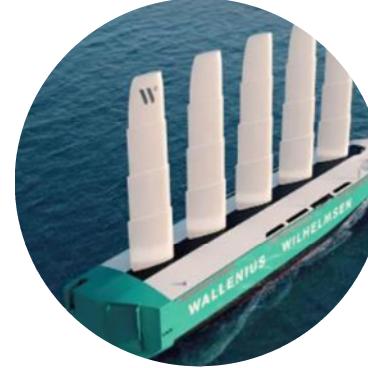
Supreme customer
experience

Drive operational
effectiveness



Efficiency

Lead the journey to zero
emissions



Zero emission

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Still solid outlook for the RoRo industry

IT HAS BEEN AN EVENTFUL YEAR...

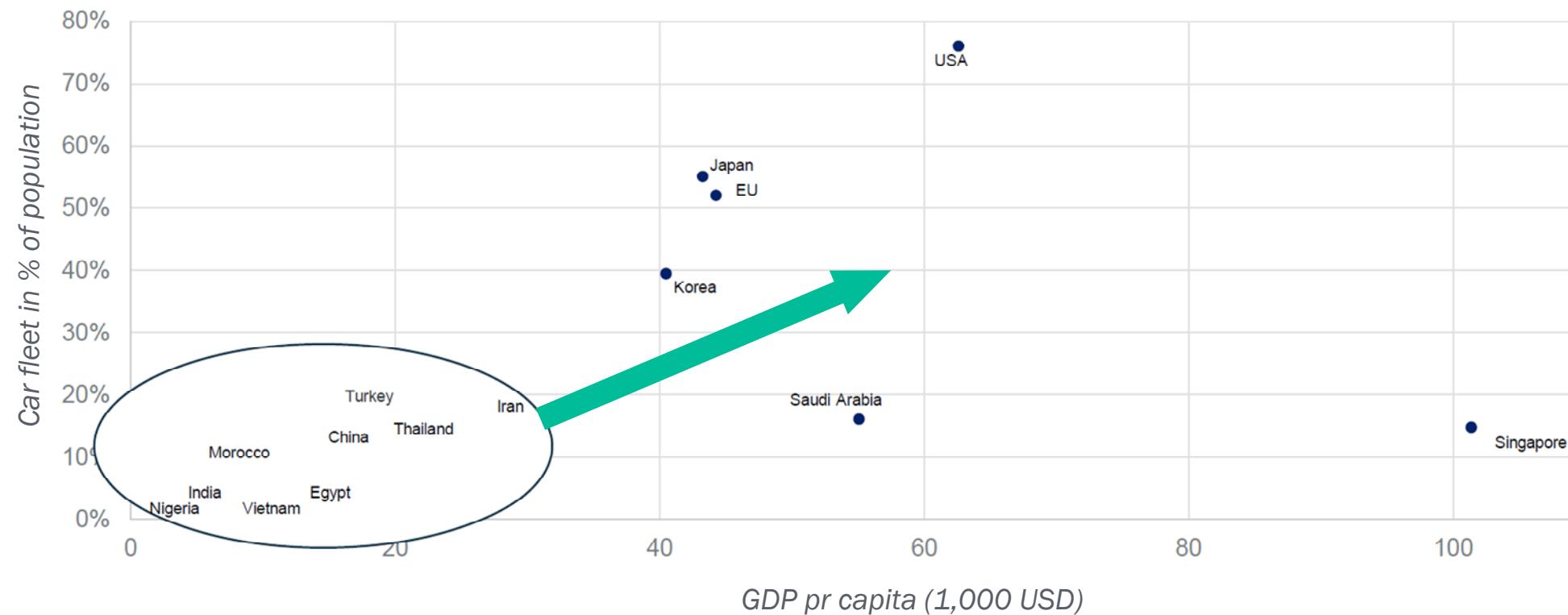
- Started the year on a high note despite the inflation in US
- War in Ukraine leads to uncertainty, increased commodity prices including energy, food and fertilizer
- Pressure on inflation higher, leading to higher interest rates and reduced consumer and business sentiment and recession fear
- Covid situation in China reduce confidence

...SOLID UPSIDE FOR RORO TRANSPORTATION

- GDP expected to increase with 2.9% for 2022FY and 1.5% for 2023FY
- Increased population and more people in the middle class adds upside to the LV sales
- New LV sales mix with low emission vehicles create opportunities
- Tight tonnage situation, limited orderbook and few deliveries in 2022 and 2023

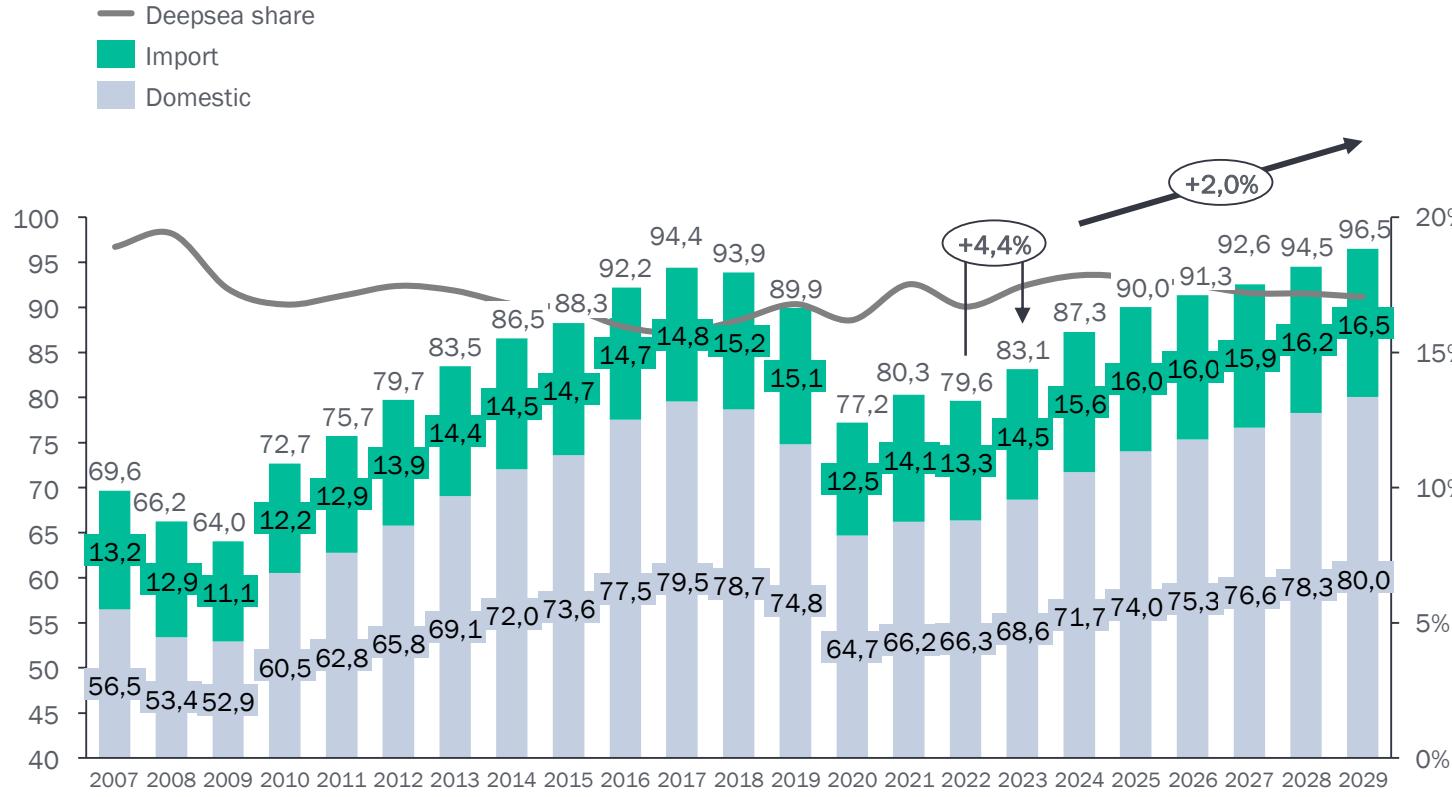
Megatrend: More people moving up in the middle class will lead to increased need for mobility and more vehicle sales

Car fleet in % of population vs GDP per capita



Semiconductor shortage expected to ease, and solid growth expected from 2023 and onwards

Global LV sales in million

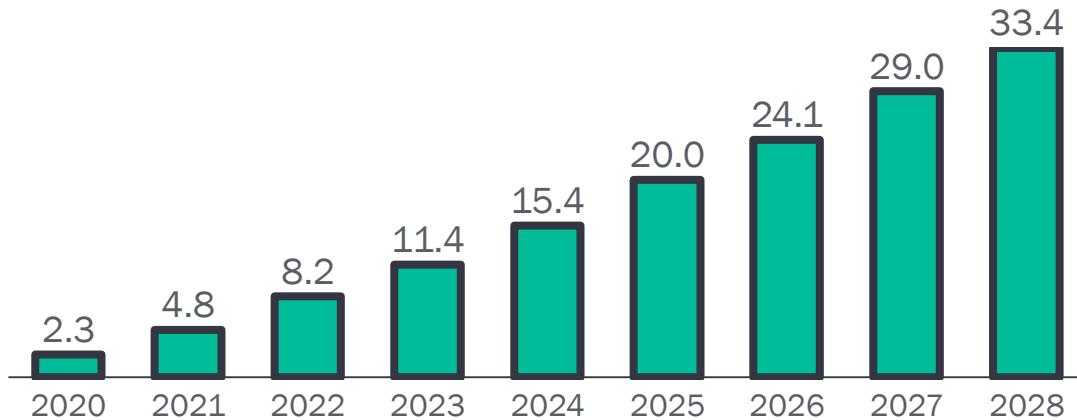


Comments on LV sales

- More people moving up in the middle class and increased need for mobility
- Supply chain constraints including semiconductor shortage has prevented increased production, however we expect situation to gradually improve
- Covid situation in China leads to lower LV production and sales
- Inflation will define recovery profile
- Still solid growth expected including pent-up demand for LVs
- Deepsea share expected to develop steady

BEV sales are increasing and contributing to the growth we see in the AS-EU trade, shipments for giga factories becoming a new segment within BB cargo

Global Battery Electric Vehicle sales in million



- Incentives, regulations, infrastructure and **improved consumer confidence** drive increased BEV sales.
 - Driving volume increase on AS-EU trade
- Cost of battery packs has declined for several years – now up due to commodities prices up (nickel, cobalt, lithium, aluminum)
- “Our biggest growth opportunity in North America is in electric trucks” – GM April-22

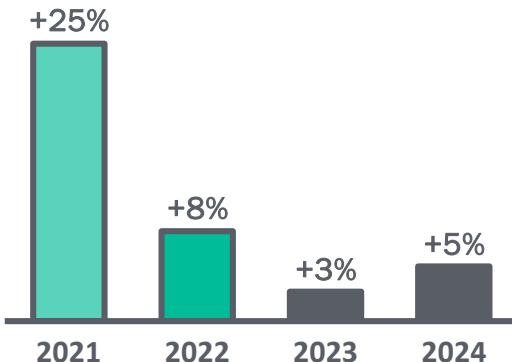
Cargo transported on RoRo vessels to EV giga factories



H&H demand to peak at high level in 2022 with some contraction expected in 2023

CONSTRUCTION

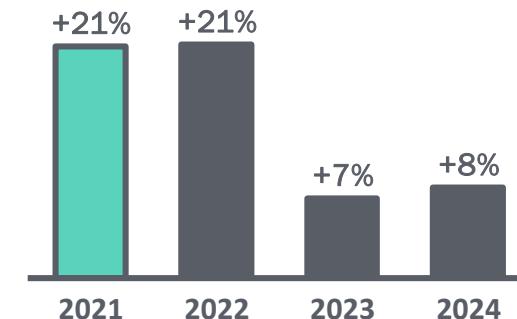
Analyst consensus OEM sales



- Slowing construction activity headed by housing markets
- Supportive infrastructure programs in EU and the US
- All-time high machinery exports
- Decade-high machinery order backlogs
- Cooling machinery demand and outlook

MINING

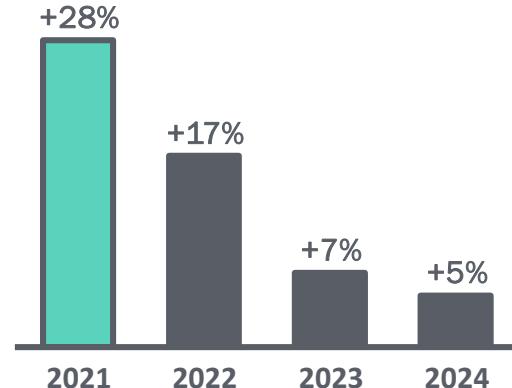
Analyst consensus OEM sales



- Metal prices above decade average despite pullback
- Softening metal demand amid economic uncertainty
- Miner profits at decade-highs
- Miner investment growth supported by green transition, but near-term weakness possible
- Ongoing machinery replacement demand

AGRICULTURE

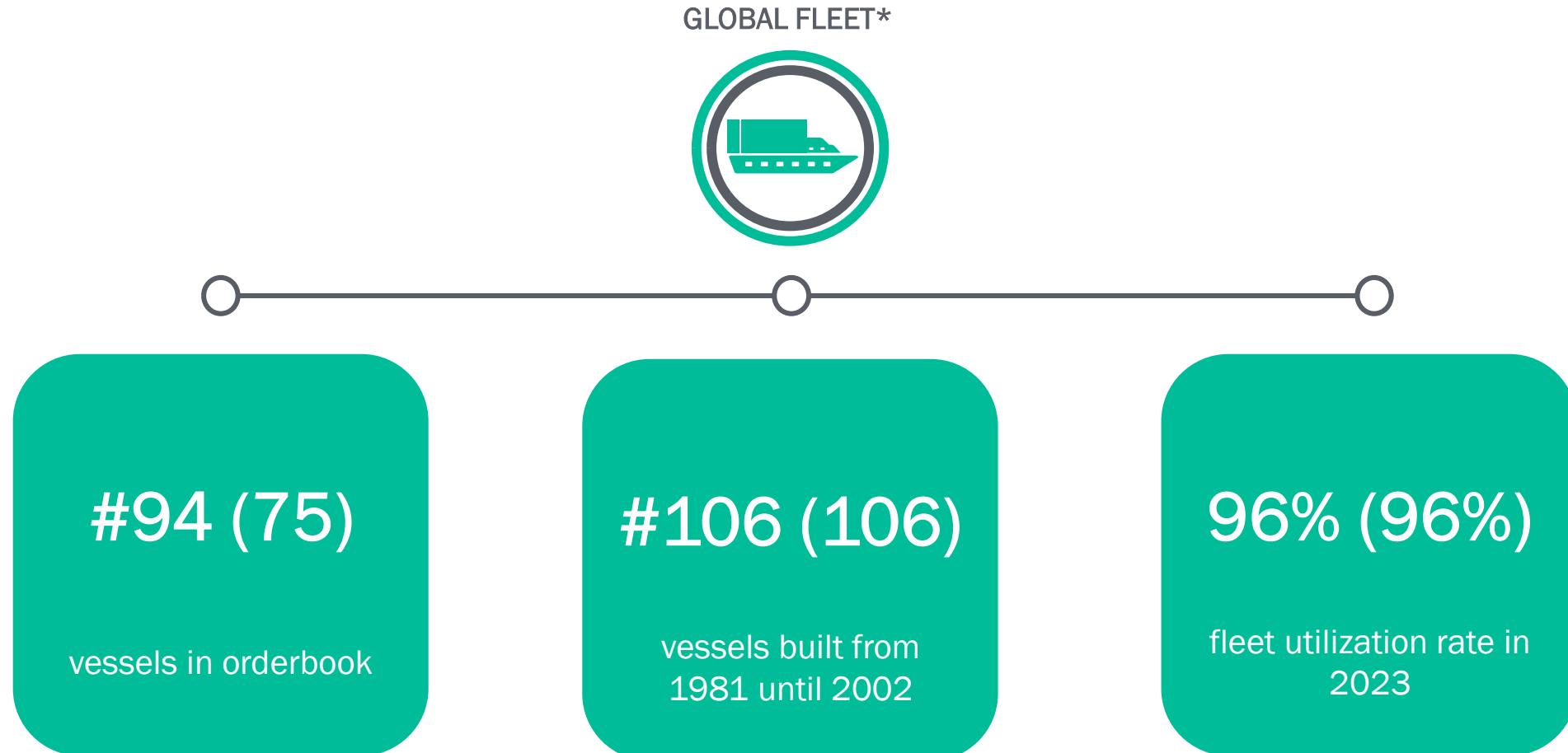
Analyst consensus OEM sales



- Commodity prices well ahead of pre-Covid levels despite pullback
- Strong farm earnings even with severe cost pressure
- Weak industry sentiment
- Depleted machinery inventories and robust order backlogs

High global fleet utilization rate expected to continue through 2023

Easing of current supply chain inefficiencies will add capacity

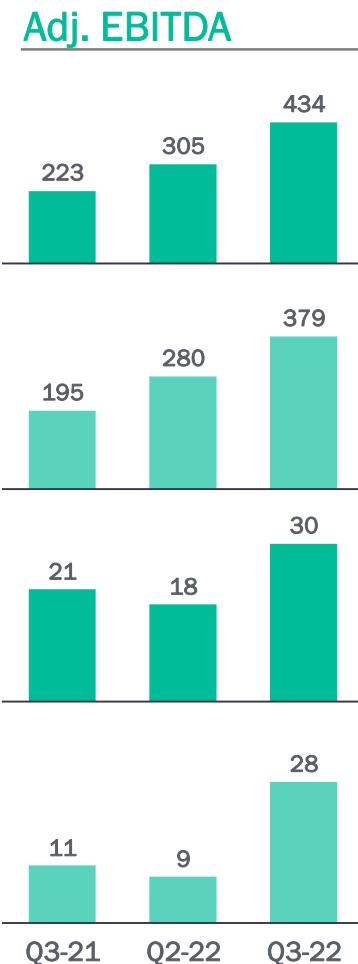
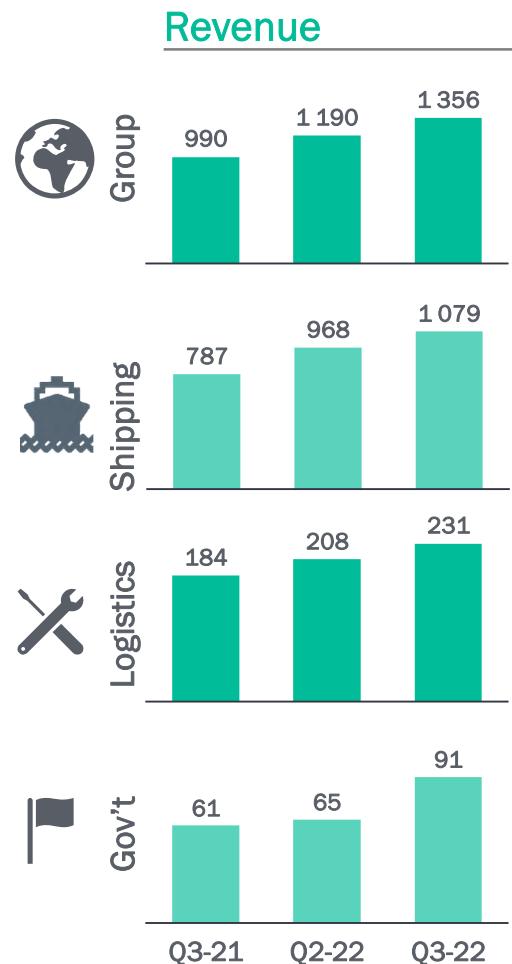


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Financial highlights ◆ Q3 2022

(USDm, unless noted)



	Q2-22	Q3-22
Net profit	126	↗ 246
Adj. EBITDA margin (%)	25.6%	↗ 32%
Cash	821	↗ 1 063
Net debt	3 257	↘ 3 041

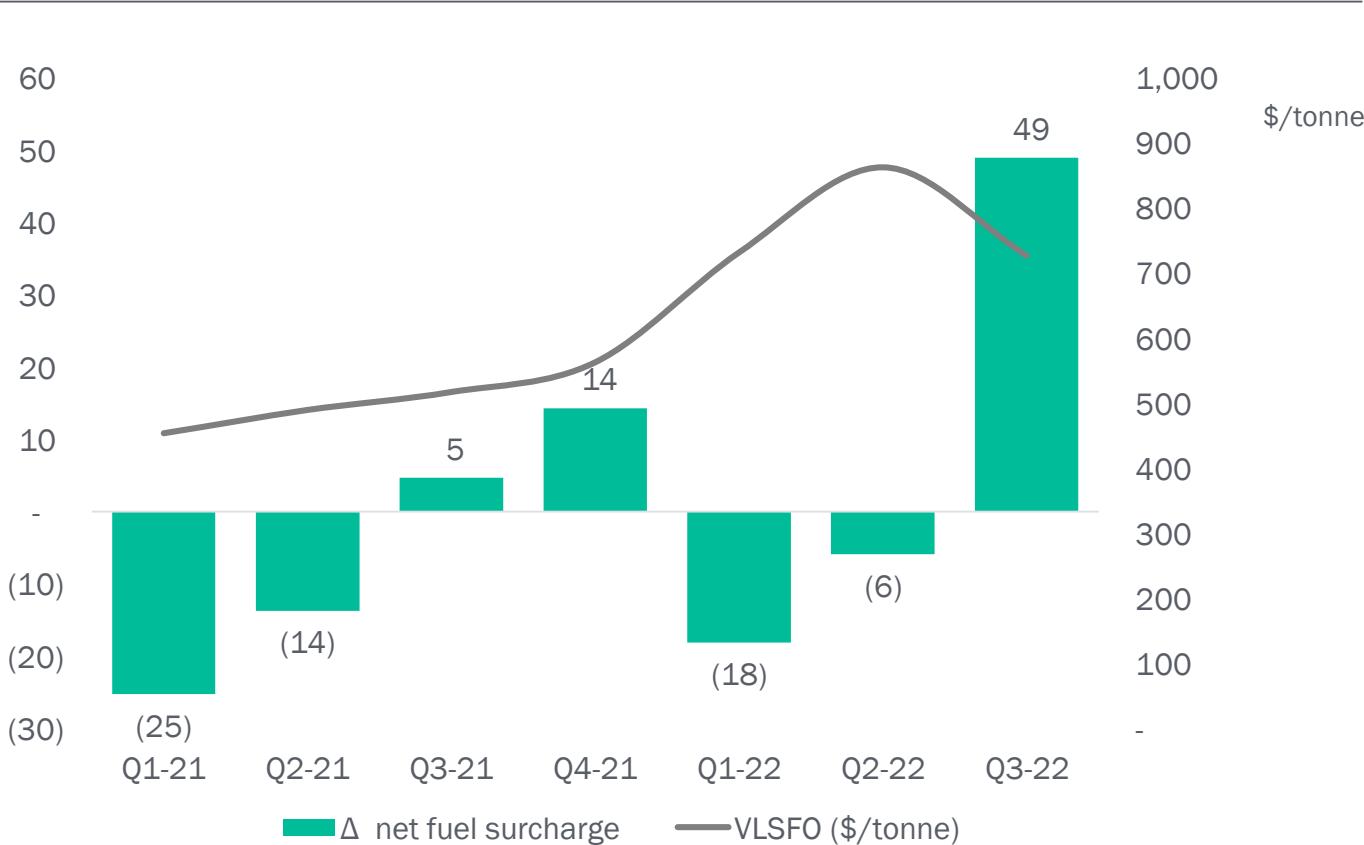
Adj. ROCE* (%)	△
11.6	Y +7.9
	Q +2.8
Equity ratio (%)	△
38.8	Y +3.0
	Q +1.3
ND/Adj. EBITDA** (x)	△
2.3	Y -2.5
	Q -0.6

*ROCE calculated as last twelve months average, based on adj. EBIT

**Based on last twelve month adj. EBITDA

Positive net fuel surcharge effect in Q3

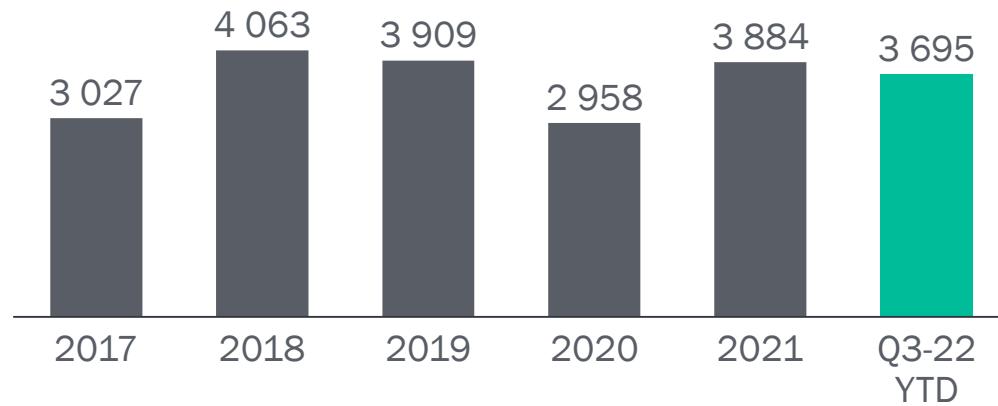
QoQ change in net fuel surcharge effect



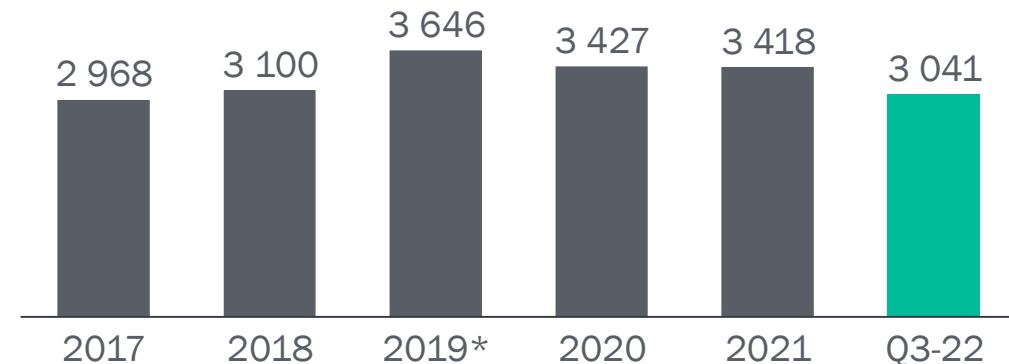
- Net fuel surcharge effect = change in surcharge revenue less change in fuel cost
 - Effect will be negative in periods when prices rise, and vice versa
 - Fuel surcharges lag fuel prices by 3 to 5 months
 - Impacted by fleet utilization, trade / customer / cargo mix, fuel inventory and contract reference fuel prices
- Over time, 1:1 coverage of the change in fuel costs

Leverage below pre-pandemic levels on higher EBITDA and lower net debt

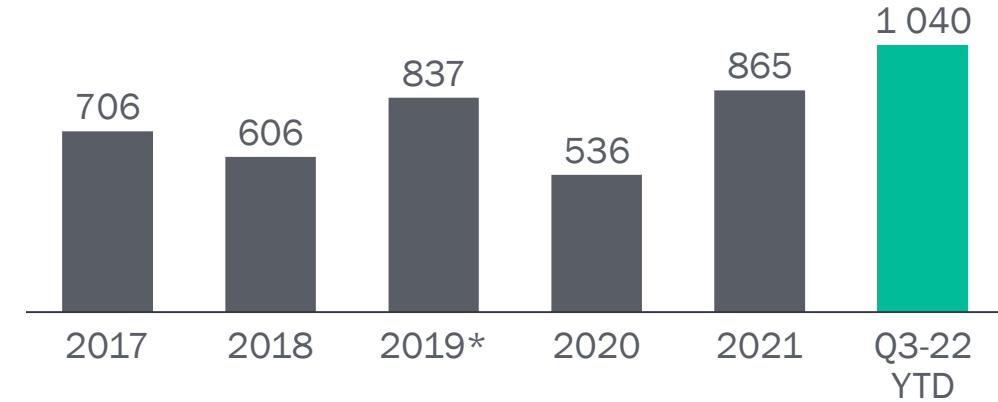
Total revenue, USDm



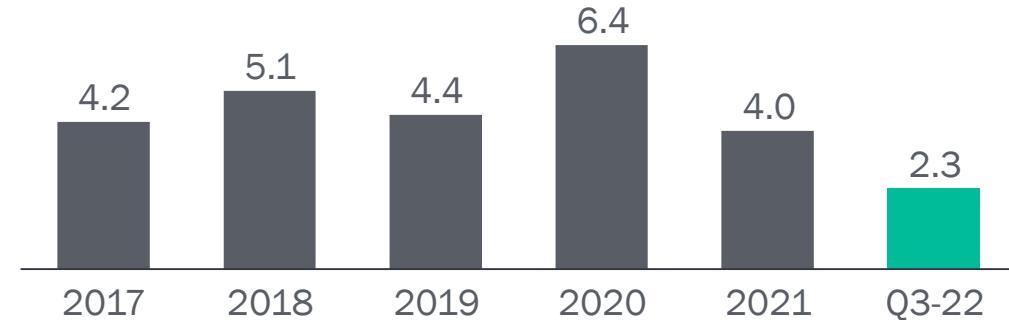
Net Debt, USDm



Adjusted EBITDA, USDm



Leverage, NIBD/ Adj. EBITDA



* The implementation of IFRS16 led to an increase for EBITDA and Net debt from 2018 to 2019

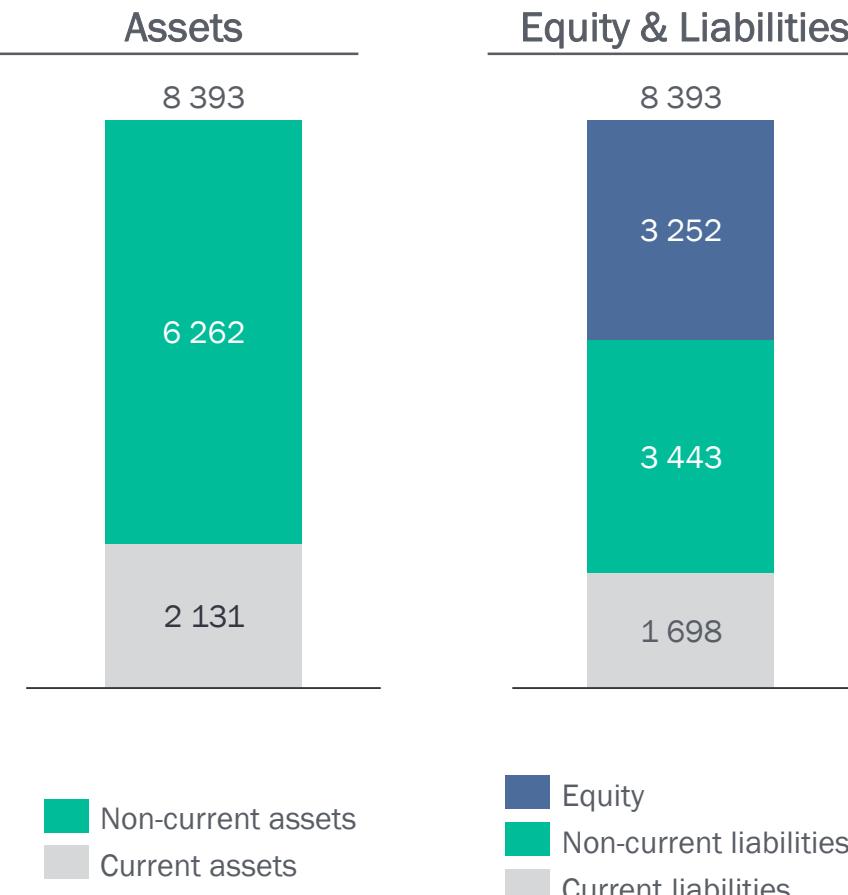
Solid balance sheet and strong liquidity position

Comments

- Equity ratio at 38.8%
- Net debt decreased to USD 3bn due to increased cash
- Q4-22 payments covered by cash:
 - USD 76m bond maturities
 - USD 25m dividend
 - USD 32m remaining anti-trust liabilities
- Manageable 2023 lease and bank maturities to be refinanced next 12 months

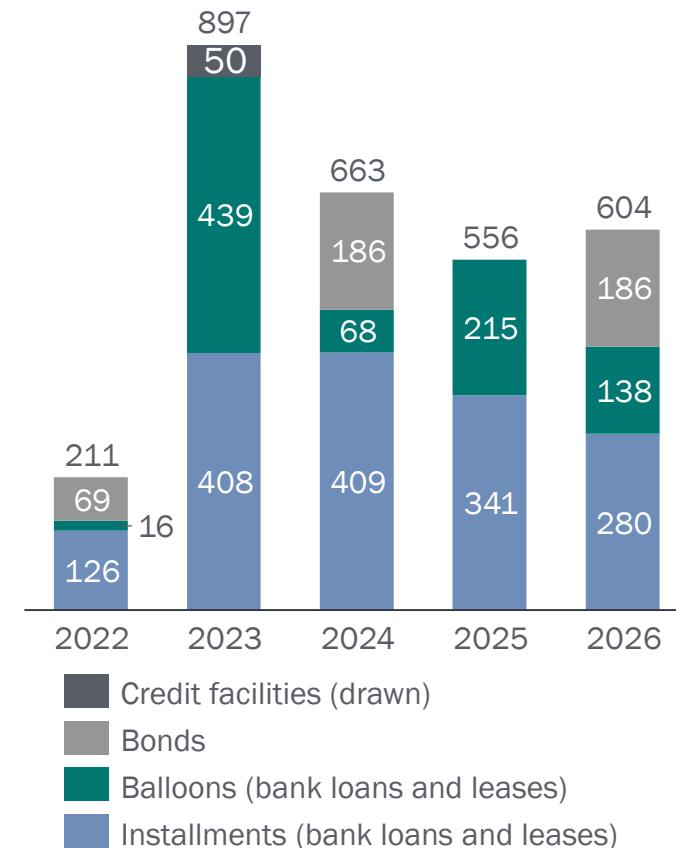
Balance Sheet per end Q3-22

USD million



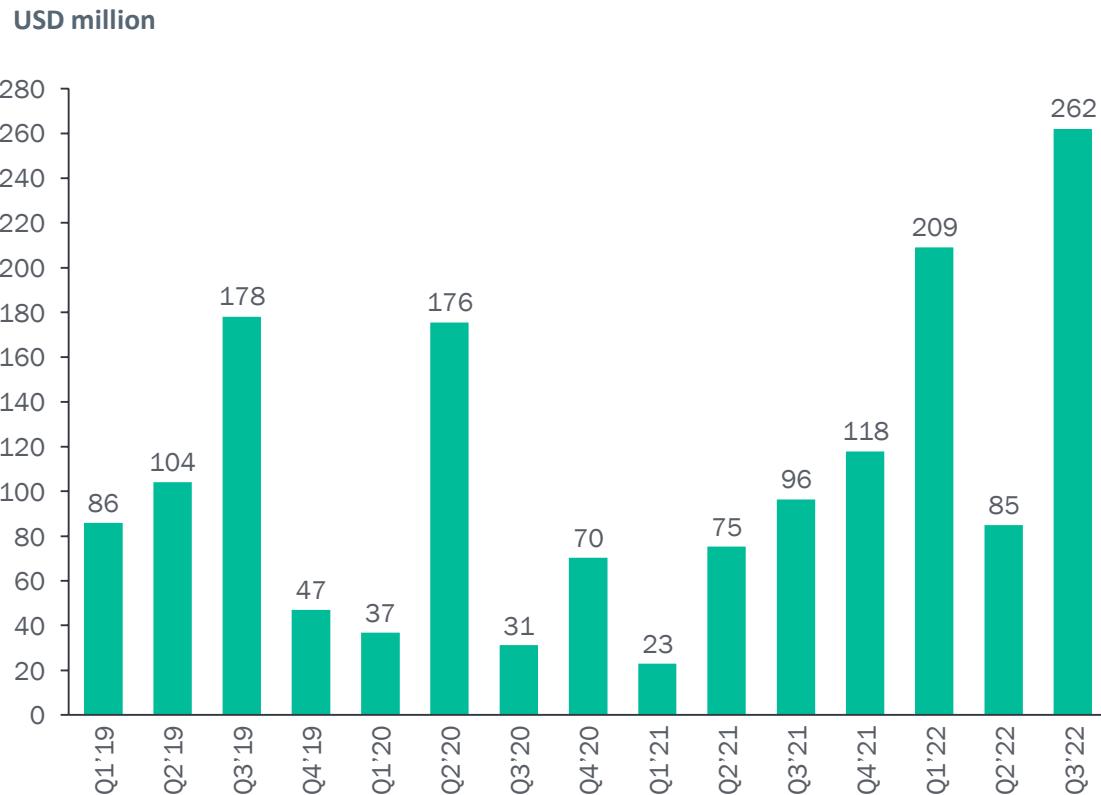
Debt Maturity Profile

USD million



Solid free cash flow used to ensure dividends, fleet renewal and acceptable leverage

RESILIENT FREE CASH FLOW, UTILIZED TO ...¹



...REACH LONG TERM FINANCIAL PRIORITIES

Pay regular dividends in line with policy

- 2021FY dividends of USD 63.5m

Maintain acceptable leverage through the cycle (Q3: 2.3x)

- Significantly down from pandemic peak at 6.4x

Reinvest in business

- Plan to release fleet renewal strategy during 2023

Dividend policy

- Dividends shall constitute **between 30% and 50% of the company's profit after tax over time**, paid semi-annually
- Dividend considerations will include:
 - future capital requirements and growth strategy
 - ensuring a warrantable financial standing at all times

Prospects*



We continue to expect the supply-demand balance in shipping to remain **favorable** during 2023 due to the overall global fleet situation.

We continue to **expect increasing light vehicle sales in 2023**, despite a shift from supply driven constraints to a **softening of demand**. Production, inventory, and sales levels of light vehicles are already constrained, providing support for continued volume growth despite reduced demand.

We see some **weakening in the sentiment for H&H equipment** due to the macro environment. However, volumes remain at all-time high levels.

The expected sales development of light vehicles and H&H equipment is supportive to both the shipping and logistics segments.



Potential risks include demand destruction from a deeper than expected economic recession, further disruptions to the global supply chains, labor cost and availability, and further escalation of geopolitical tensions.

Overall, we expect to further strengthen our financial position and drive shareholder value creation.

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Our promise

Carbon
intensity
target

We reduced fleet
CO₂e intensity from
2008 to 2019 by:

33.6 %

Reduce fleet CO₂e
intensity from 2019
to 2030 by:

27.5 %

2000

2010

2020

2030

2040

2050

Carbon
ambition
milestones

All new equipment at
terminals and yards
to be zero-emissions

2023

2025

All owned vessels
equipped for zero-
emission at berth

2050

All our energy
will be low-
carbon sources



Our journey towards zero takes place every day

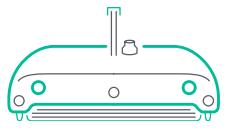
Day-to-day



Digitalization
of fleet

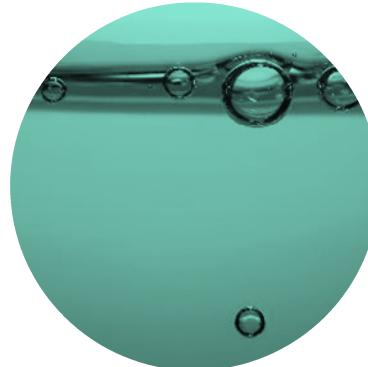


Advanced
weather
routing

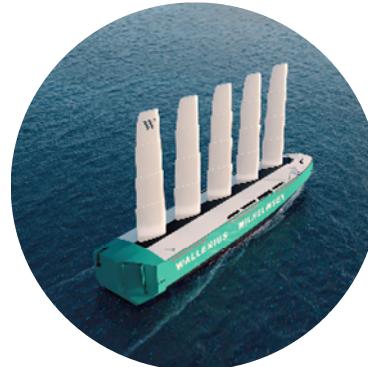


Bio-fouling
management
techniques

Long-term



Future fuels



Future vessels



Future tech
solutions

“Energy efficiency is the unsung hero of the energy transition”

Remi Eriksen, CEO DNV

Q&A

