



Investor presentation

Global LV sales expected to drop 12%, downgrades across all major markets

COVID-19 status update Auto



LV Sales

IHS Markit assume 2020 global LV sales set at 78.8m for 2020, down 12% with downgrades across all major regions, and risk of further downgrade



Supply

Temporary plant closures in all major regions e.g. Europe, NA, Korea and Japan, while Chinese operations appear to be recovering



Deepsea trade

IHS Markit assume deepsea volume to see decline from 14.9m in 2019 to 13.1m in 2020, equal to a drop of 12%, with risk of further downgrade

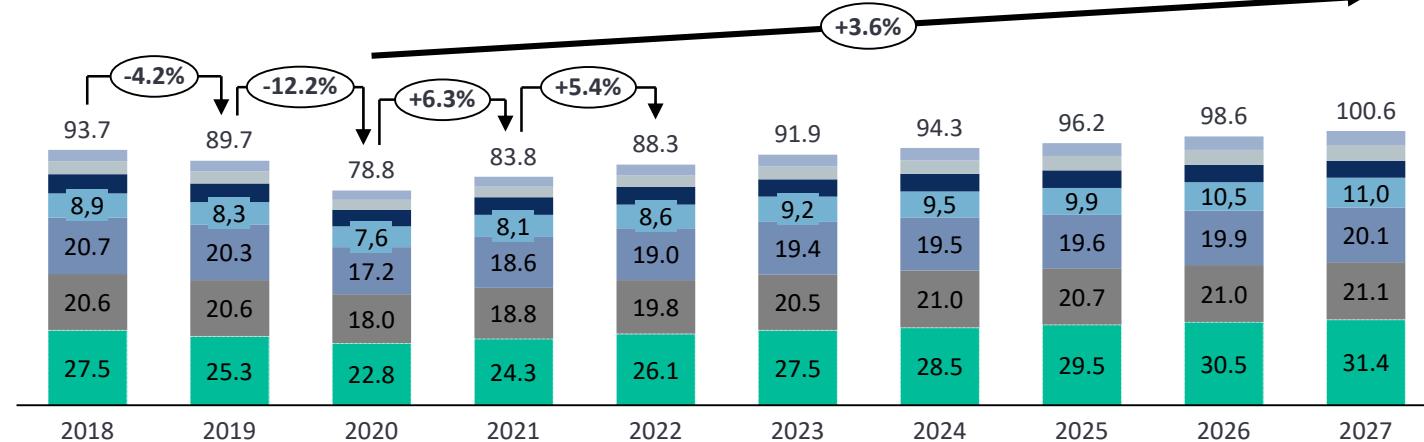


Demand

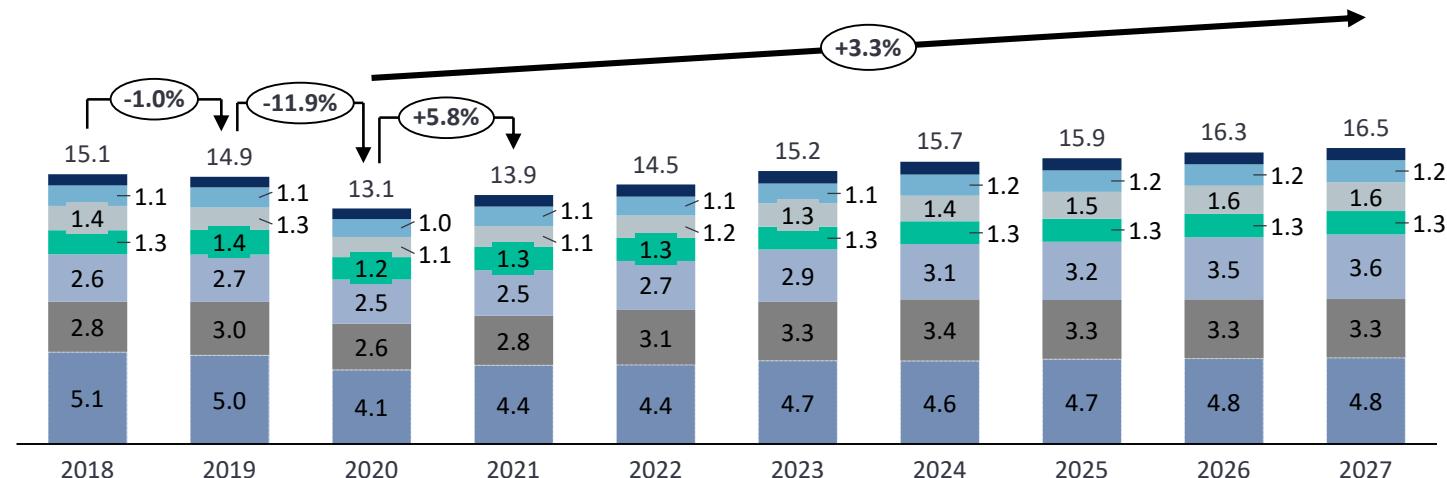
Large uncertainty to how fast consumers will turn back to dealers, governmental stimulus such as tax brakes might contribute to rebound

IHS Markit Sales and Deepsea estimates 2020-2027

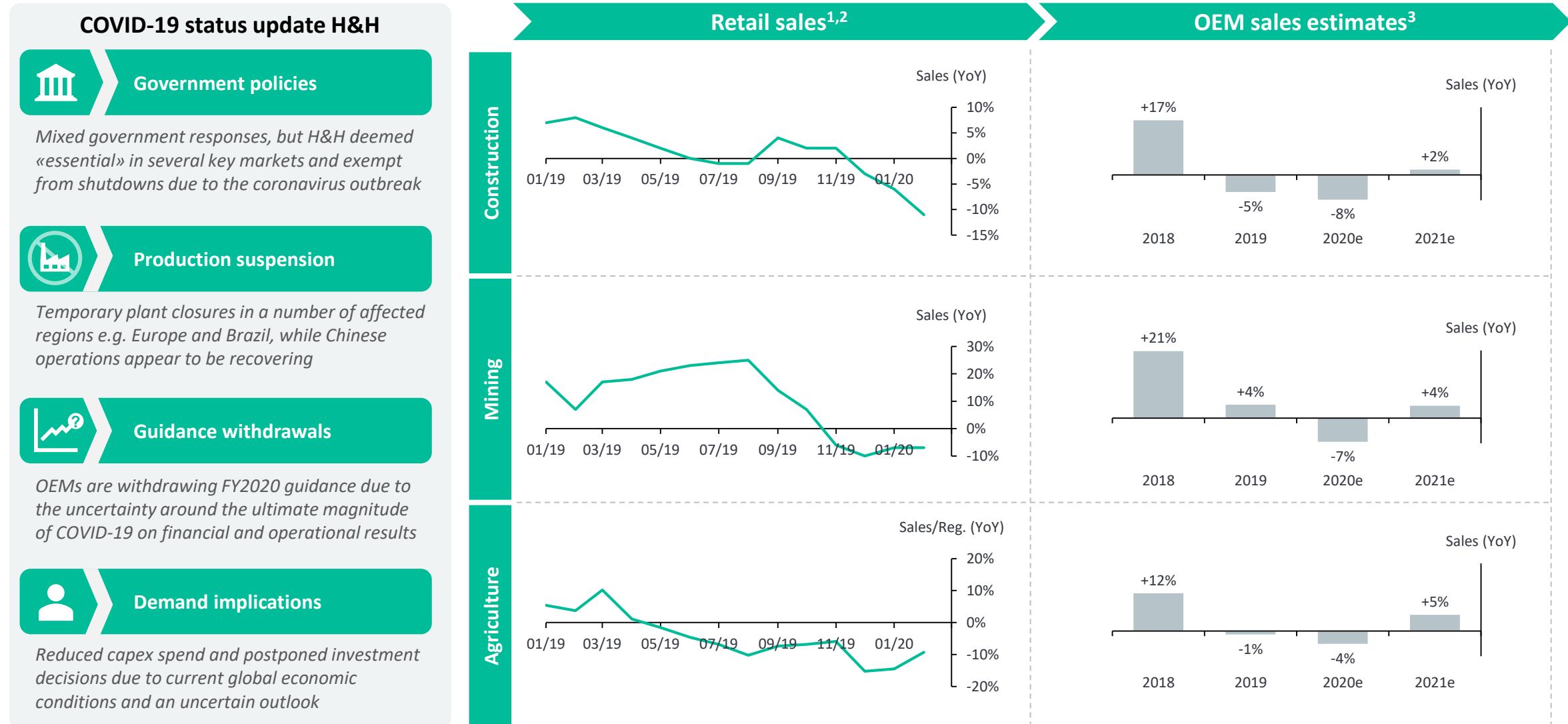
LV Sales, million units



LV deep-sea volume, million units



Global H&H sales are expected to slow down amid the Covid-19 outbreak



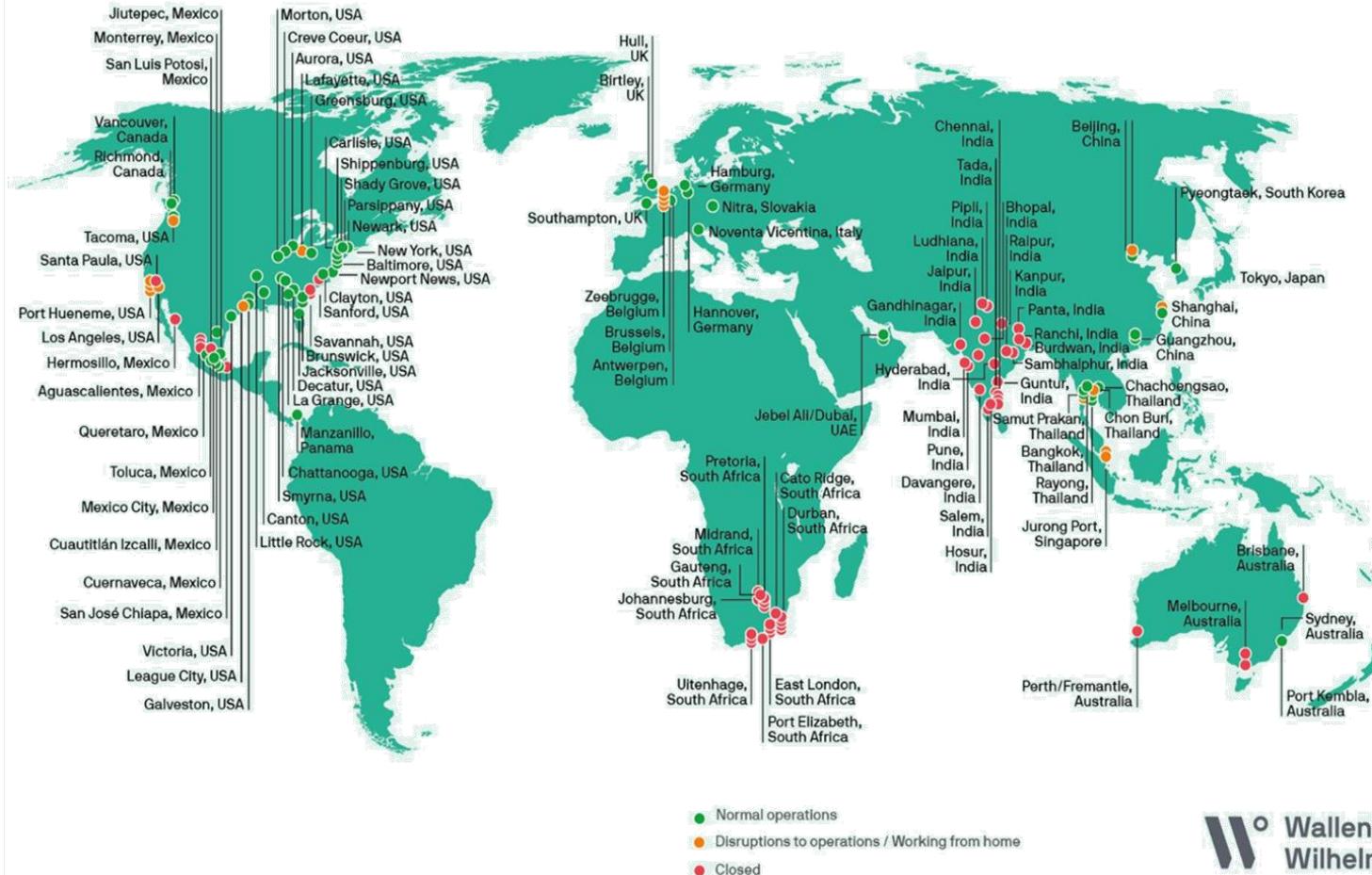
Source: 1) Caterpillar | 3 month rolling retail sales (Units last 3 months y-o-y) 2) Tractor sales and registrations in key markets | US Large Tractors (2WD 100+HP & 4WD), Australia Large tractor (100+HP), Brazil (All), Germany (70KW+), UK (50+HP) 3) FactSet data and Analytics (30.03.20) | OEM Revenue Consensus Estimate (y-o-y). Construction: Volvo, Caterpillar, CNH, Komatsu, Hitachi, Terex. Mining: Sandvik, Caterpillar, Hitachi, Epiroc. Agriculture: AGCO, CNH, Deere. Sales in construction/mining/agriculture equipment divisions only

Operations in Covid-19 epicentres are partially disrupted

Operational impact

- Adjusting trading patterns and schedules in response to fluctuation in demand in the **ocean business**
- **Terminals**, though in many places congested, at this time remain open and operating
- Countries with strict lockdown rules, such as **South Africa and India**, forces closure of landbased sites
- **Some sites in US and Mexico temporarily closed or disrupted** due to little or no activity at some plants
- **European sites remain open**, but with some operational disruptions
- **Other sites in Asia and Oceania are mostly open**, but with some disruptions, and some closures

Overview of WalWil locations and status as of March 31st



Ocean segment drivers and preventive measures

Item	Key characteristics	Measures to adjust costs
Revenue	<ul style="list-style-type: none"> Auto contract duration typically 1-3 years, and 3-5 years for H&H Rates are fixed for the contract period, but no volume minimum Contracts representing 20% of revenue up for renewal in 2020 	
Variable cost	<ul style="list-style-type: none"> Approximately 70% of total costs are variable in ocean segment Variable costs consist of cargo, bunker and voyage expenses 	<ul style="list-style-type: none"> Adjust speed, adjust sailing schedules and idling of vessels Tighter bunker inventory management
Fixed cost	<ul style="list-style-type: none"> Approximately 30% of total costs are fixed in ocean segment Ship operating and charter expenses considered short term fixed, and will move in steps, dependent on number of vessels operated 	<ul style="list-style-type: none"> Redelivery of chartered vessels: Average charter hire saved per day for redelivery candidates in range USD 18 000 – 20 000 Cold lay-up for 10 vessels (OPEX reduction per vessel per day in lay-up of USD 3000 – 4000) and defer drydocking Early recycling of up to four vessels, estimated positive cash impact of about USD 4 – 7 million per vessel
CAPEX	<ul style="list-style-type: none"> CAPEX primarily related to planned dry-dockings, including ballast water treatment systems installations Scrubber installation program for 16 vessels Two newbuildings expected in Q2 2020 and late 2020 	<ul style="list-style-type: none"> Reduce capex to critical maintenance and dockings Cancellation of 4 scrubber installations, cash impact of USD 20m in total (of which USD 5 million was estimated for 2020)

Landbased and group drivers and preventive measures

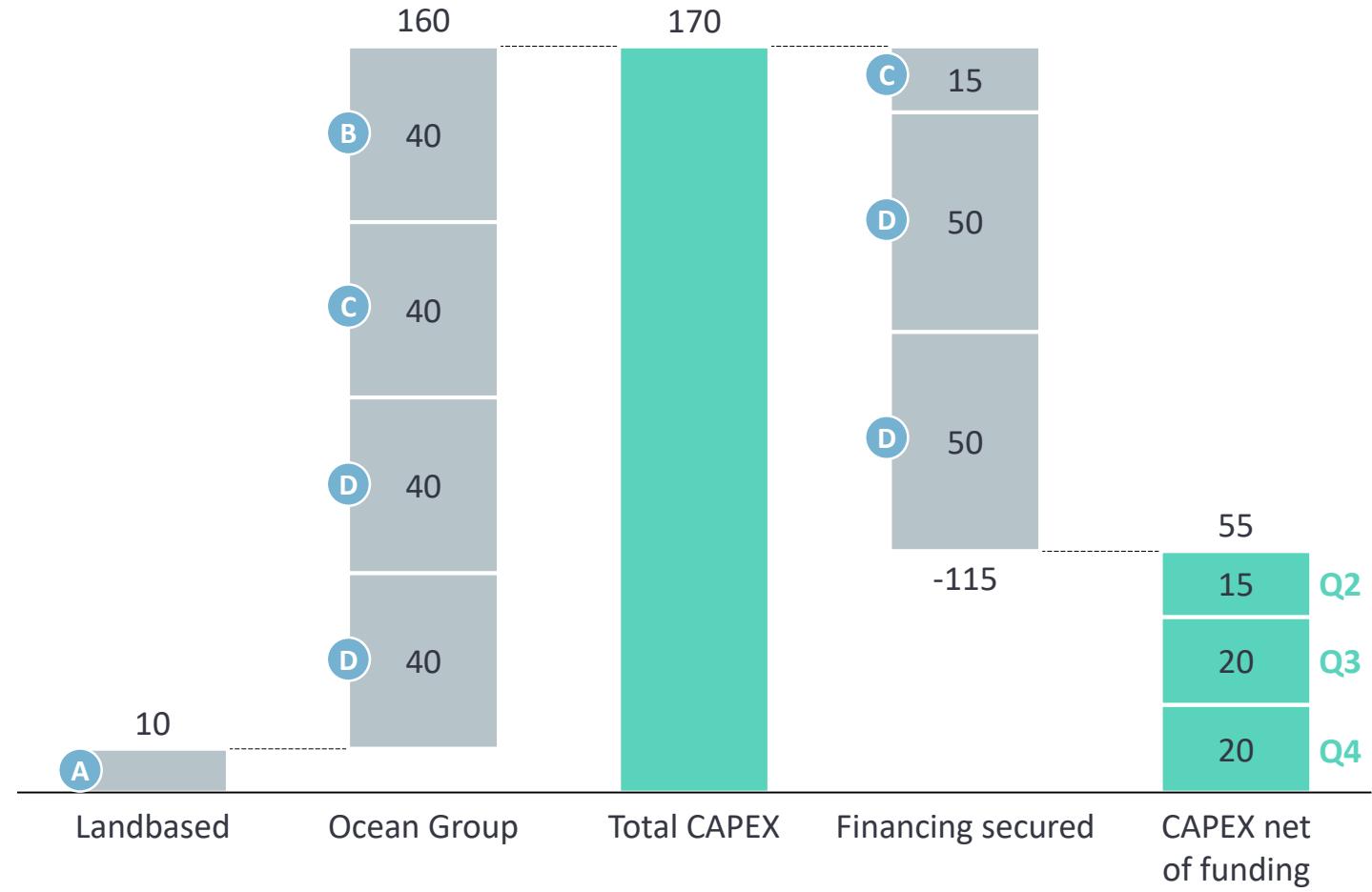
Item	Key characteristics	Measures to adjust costs
Revenue	<ul style="list-style-type: none">Inland distribution and technical services typically depend on factory throughput, and terminals on ocean volumesThe anti-cyclical storage business may experience higher volumes	
Variable and fixed cost	<ul style="list-style-type: none">Approximately 75% of total costs are variable in landbased segmentApproximately 25% of total costs are fixed in landbased segment	<ul style="list-style-type: none">Adjusting variable costs in line with customer activity and volumes
CAPEX	<ul style="list-style-type: none">Maintenance CAPEX related to equipment, sites and buildingsGrowth CAPEX related to expansions of existing sites and new site developments	<ul style="list-style-type: none">Reduce CAPEX to critical maintenance, delay growth CAPEX
Other measures taken on group-wide level		
Group fixed cost	<ul style="list-style-type: none">SG&A: Limit/ban travel and entertainment, pause/cancel projects, postpone/cancel salary increaseDividend: Dividend cancelled	

Limited capital expenditures going forward

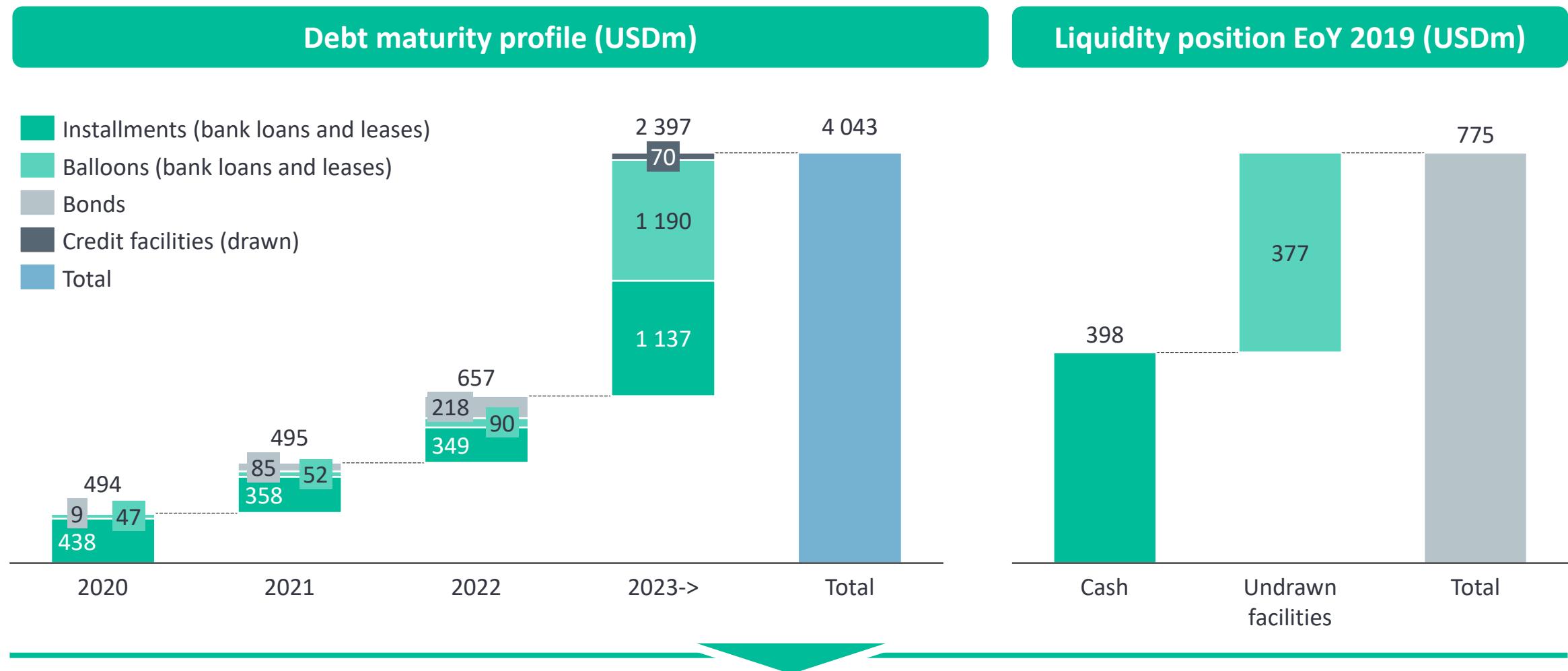
Comments

- CAPEX reduced to a minimum, prioritizing safety and maintenance critical expenditures
- Landbased CAPEX estimated at ~USD 10m for rest of year mainly related to required maintenance
- Ocean CAPEX rest of year primarily related to:
 - Drydocking and ballast-water treatment systems estimated to ~USD 40m
 - Scrubber installations estimated to about USD 40m in 2020, for which we have committed financing of USD ~15m
 - Two newbuildings remaining, with final instalments amounting to ~USD 40m per vessel. Financing of ~USD 50m per vessel will be drawn after delivery. Estimated delivery for the two newbuildings in May 2020 and around year-end 2020

Overview of main capital expenditures 2020 (USDm)

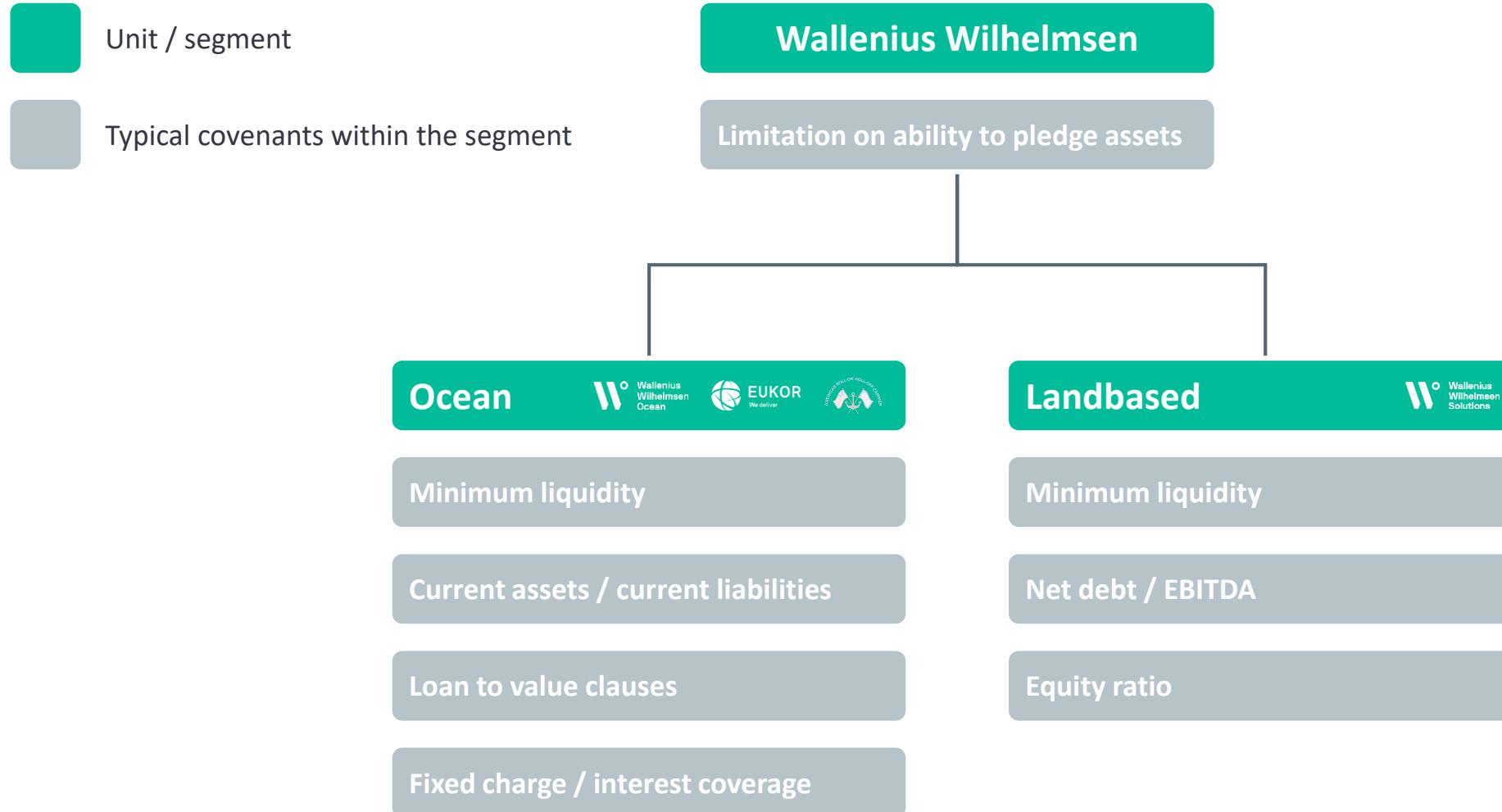


Very little refinancing requirements near-term and a solid liquidity position



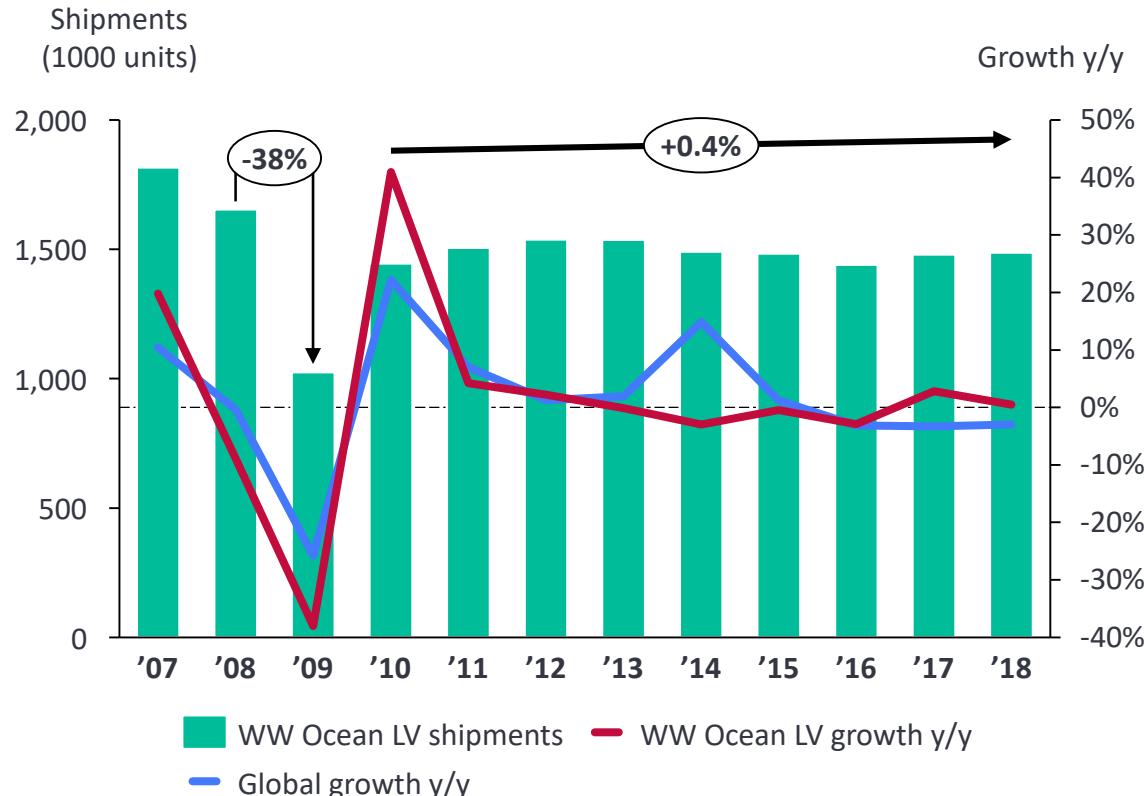
A strong balance sheet coupled with distant debt maturities gives confidence in a global trough

Covenants are measured on business unit level rather than group level

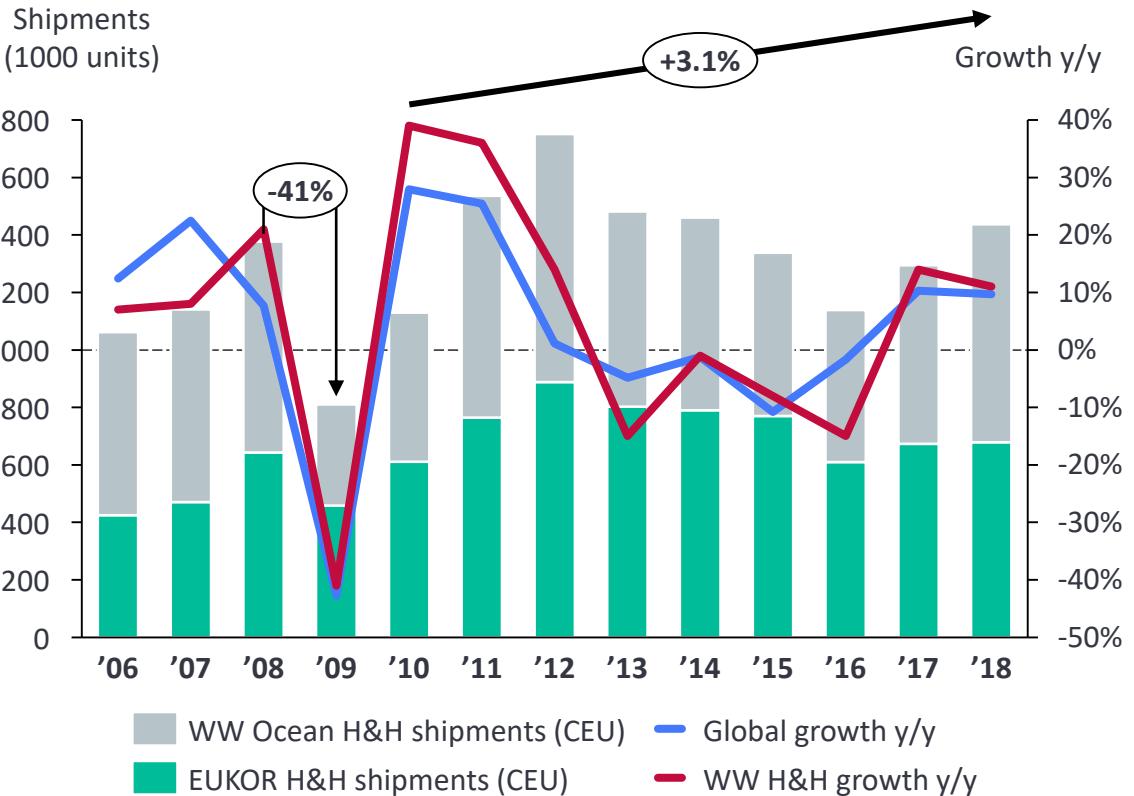


Preparing for post Covid-19 rebound

Auto shipments in WW Ocean¹



H&H shipments in WW Ocean²



RoRo shipping saw a significant rebound in the aftermath of the 2008/2009 financial crisis

Q&A

