Wallenius Wilhelmsen

10 February 2021

Q4 2020

Quarterly presentation

COVID19 – Staying true to our purpose and our values

OUR PRINCIPLES

- Take social responsibility for employees and the community
- Be financially prudent for shareholders
- Maintain operational stability for customers
- Protect long-term operational capabilities to be ready to meet the future

2020 in brief

- COVID19 caused challenging market conditions throughout the year
- Early decisions helped support earnings and strengthen liquidity
- Ocean and landbased volumes declined 23% and 27% from 2019, respectively
- Close customer cooperation ensured good returns on operated voyages and steady operations across landbased facilities
- General volume rebound in H2, but sales patterns still unstable
- Adjusted EBITDA of USD 536 million, down 36% vs. FY 2019

Keeping COVID19 vaccine supply chains running smoothly

Highlights fourth quarter 2020

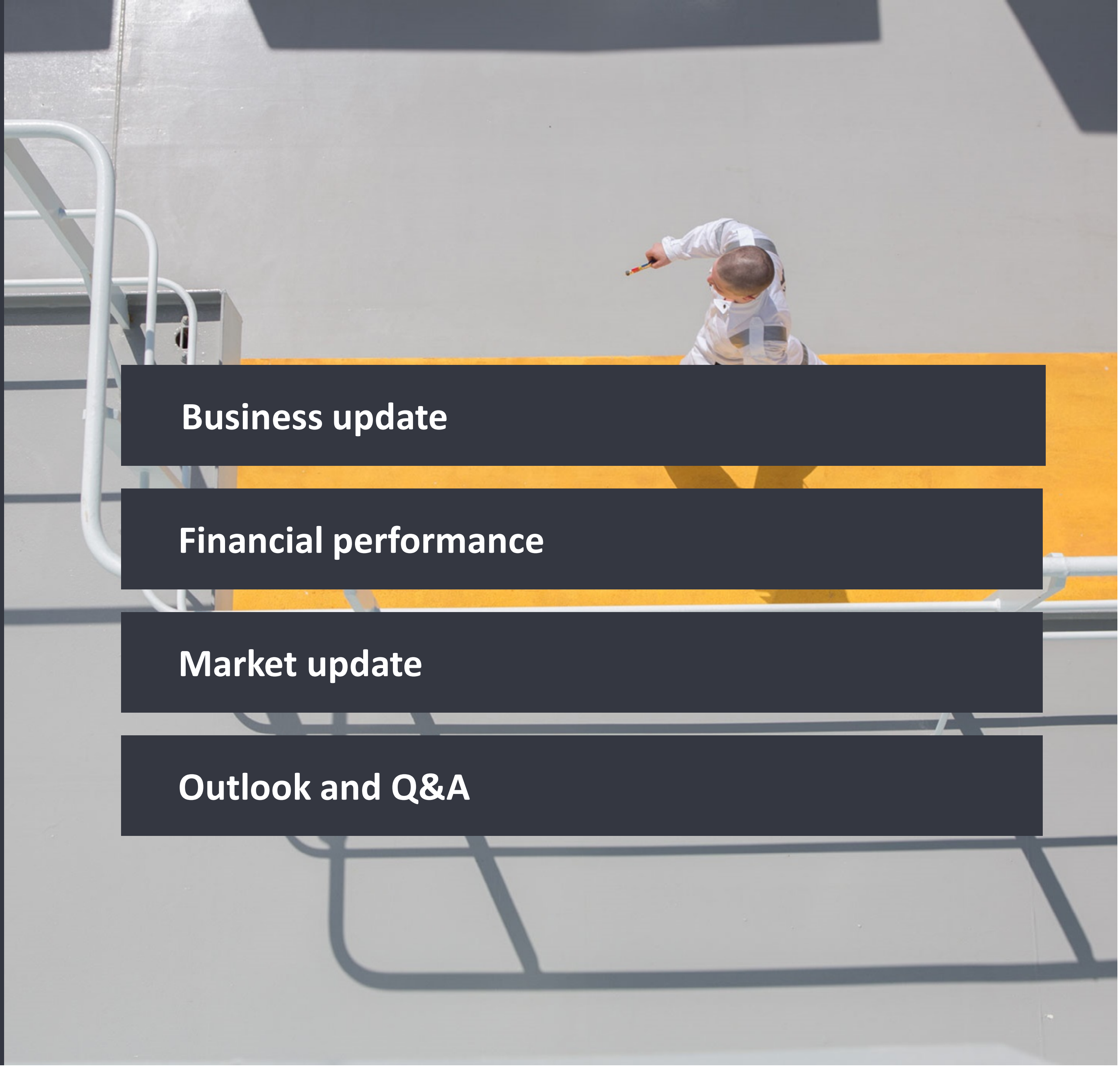
- Solid development in ocean volumes, up 23% QoQ and down only 4% YoY
- Margin pressure QoQ on cargo mix, activity ramp-up costs, and market inefficiencies

- Landbased adjusted EBITDA up 23% YoY on increased high-margin volumes

- USD 150m adjusted EBITDA, in line with previous quarter
- USD 980m of total liquidity, up USD 98m QoQ

Wallenius Wilhelmsen

Agenda



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

Wallenius Wilhelmsen

Business update

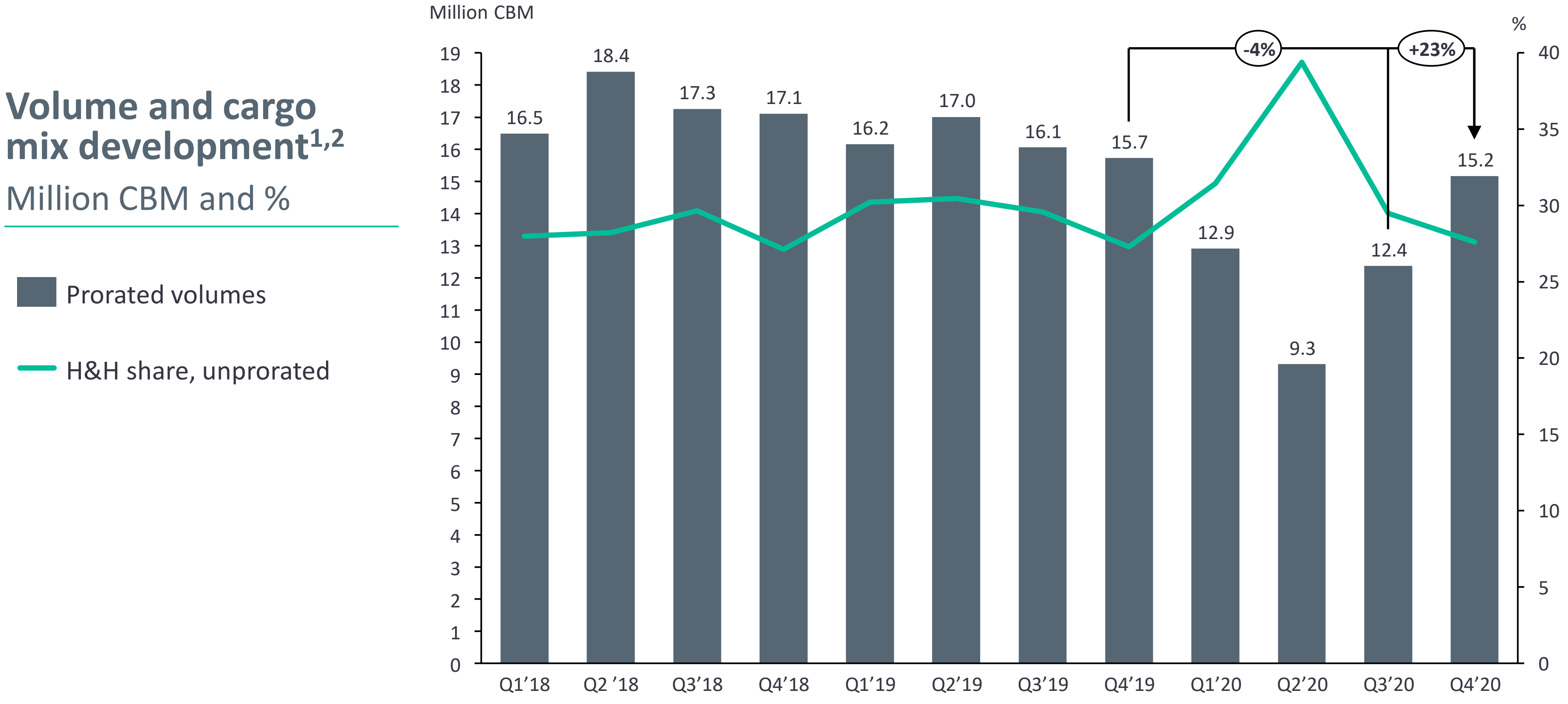
Craig Jasienski
CEO

Ocean volumes decline 4% YoY, up 23% QoQ

Recovery in volumes spearheaded by un-prorated Auto volumes, increasing 15% QoQ

Volume and cargo mix development[1,2]

Million CBM and %

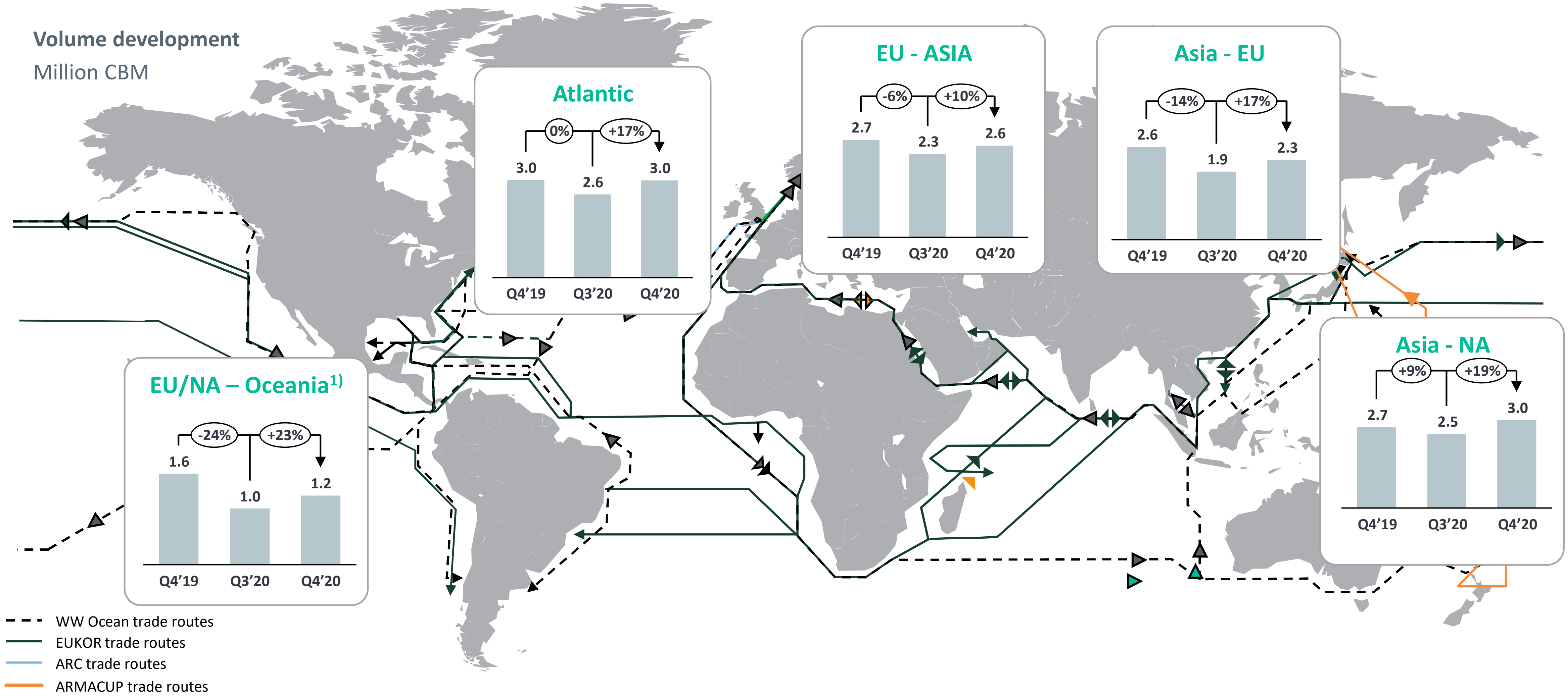


- Unprorated (loaded) on par with Q4 2019, up 12% QoQ
- Recovery on auto unprorated volumes, up 15% QoQ
- Prorated volumes impacted by weaker Q3 loadings
- H&H share returning to normalised average at 27.6%

1) *Total volume based on prorated volume (WW Ocean, EUKOR, ARC and Armacup), 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*

Volume development diverged between main trades

Upward trend QoQ



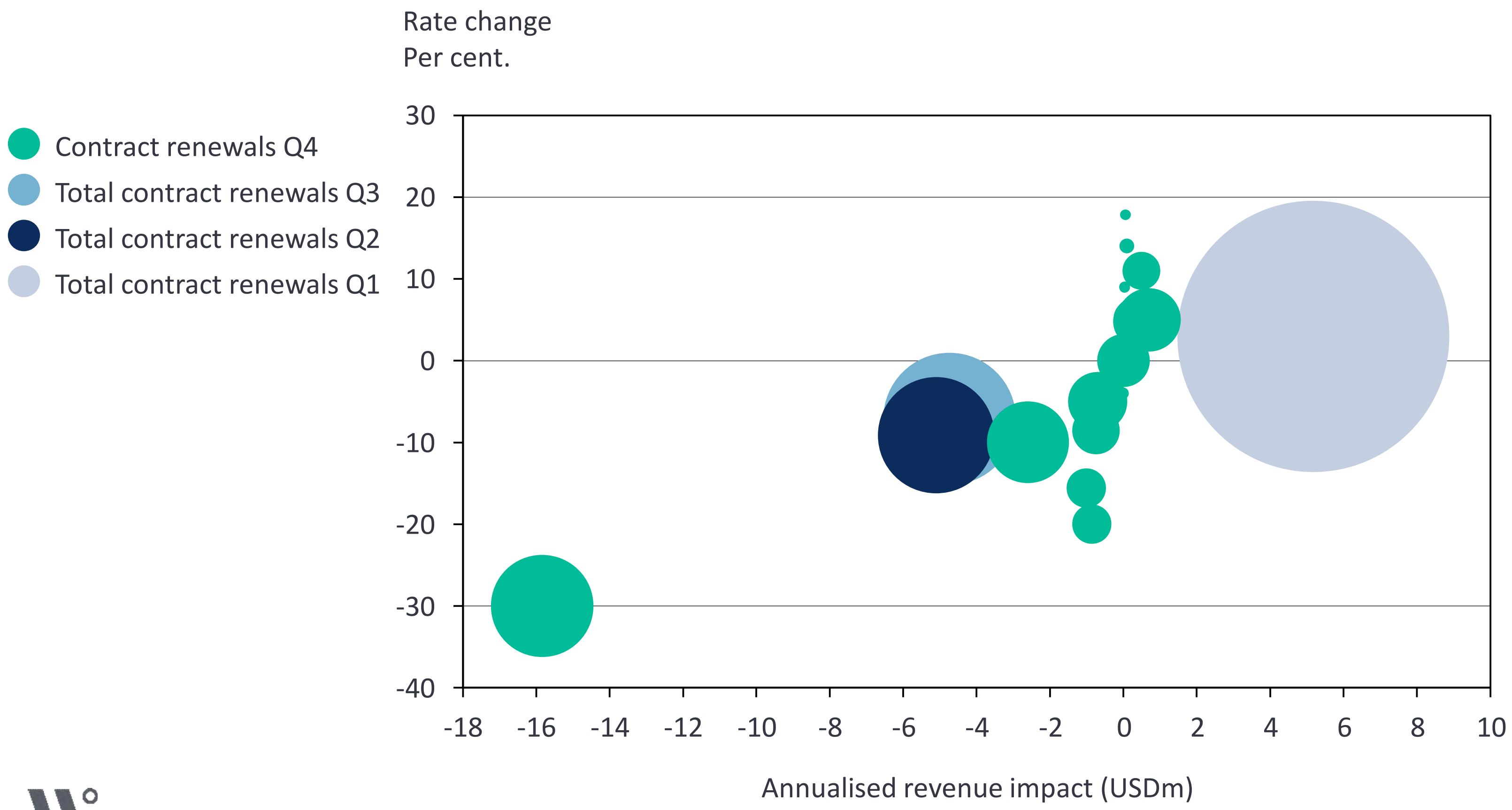
Note: Prorated volumes on operational trade basis in CBM

1) Including Cape sailings (South Africa)

Rate pressure continued in Q4

Rate changes and impact from 2020 contract renewals

(Circle indicates size of contract in millions)



- 98% of contracted revenue to expire in 2020 renewed
- Lost contracts had an est. USD 11m negative impact on revenue
- Offset by new contracts with est. USD 77m positive impact
- Contract renewals in 2021 represent approx. 20% of shipping revenues

Short-term charter increase to cover Q4 volumes

Exploiting short-term charter market to meet demand, up to 9 vessels to be reactivated in H1 2021

NEWBUILD DELIVERY

- Tannhauser started operations 13 October

RECYCLING

- 2 vessels recycled in 2020

COLD LAYUP

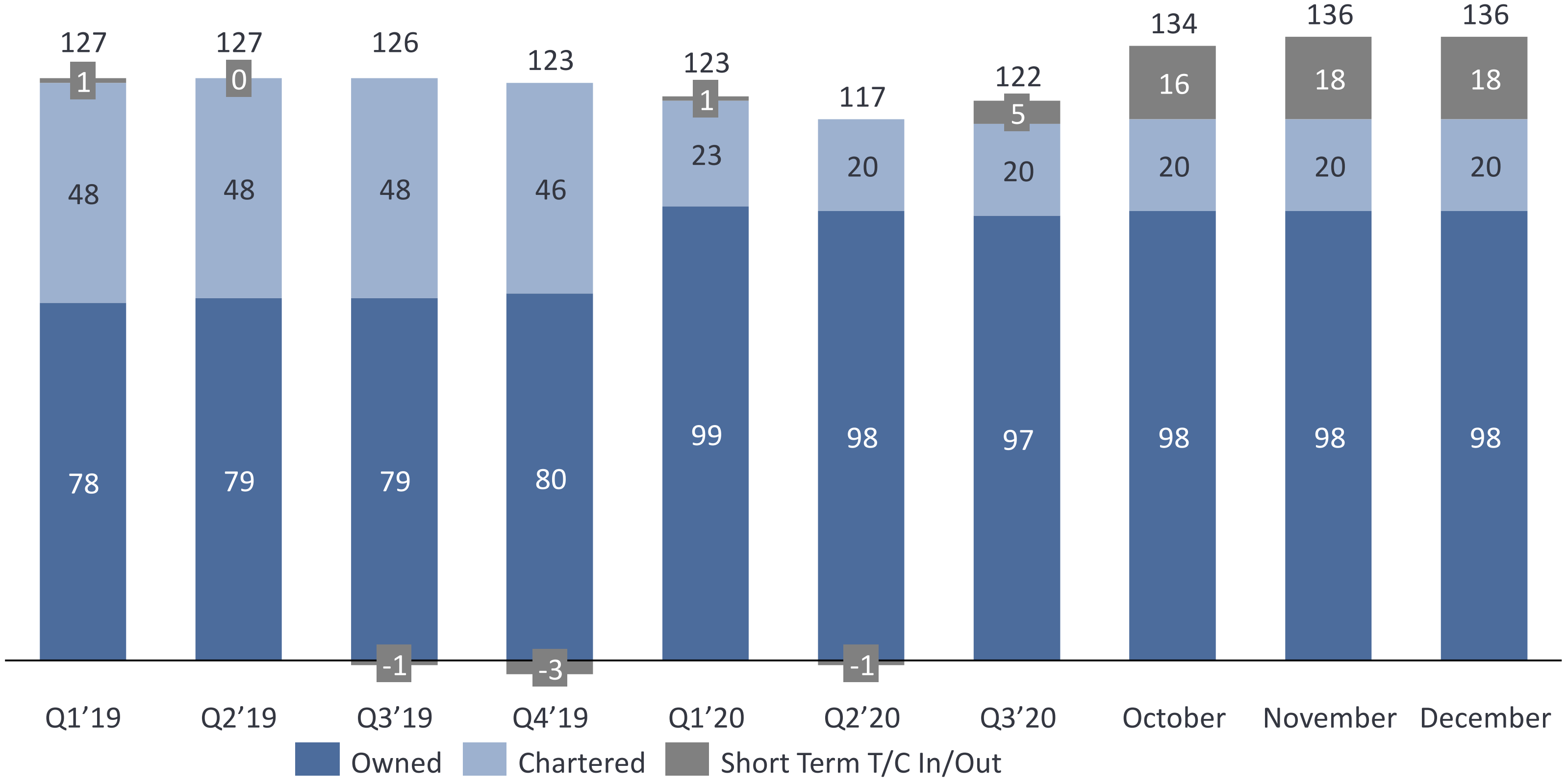
- 16 vessels in cold lay-up as of YE2020
- Planned reactivation of 9 vessels in H1 2021
- 7 remaining vessels under consideration for reactivation

REDELIVERY

- 2020: 7 vessels redelivered, 4 extended
- 2021: 3 redelivery candidates
- 2022: 4 redelivery candidates

Fleet development[1,2]

of vessels



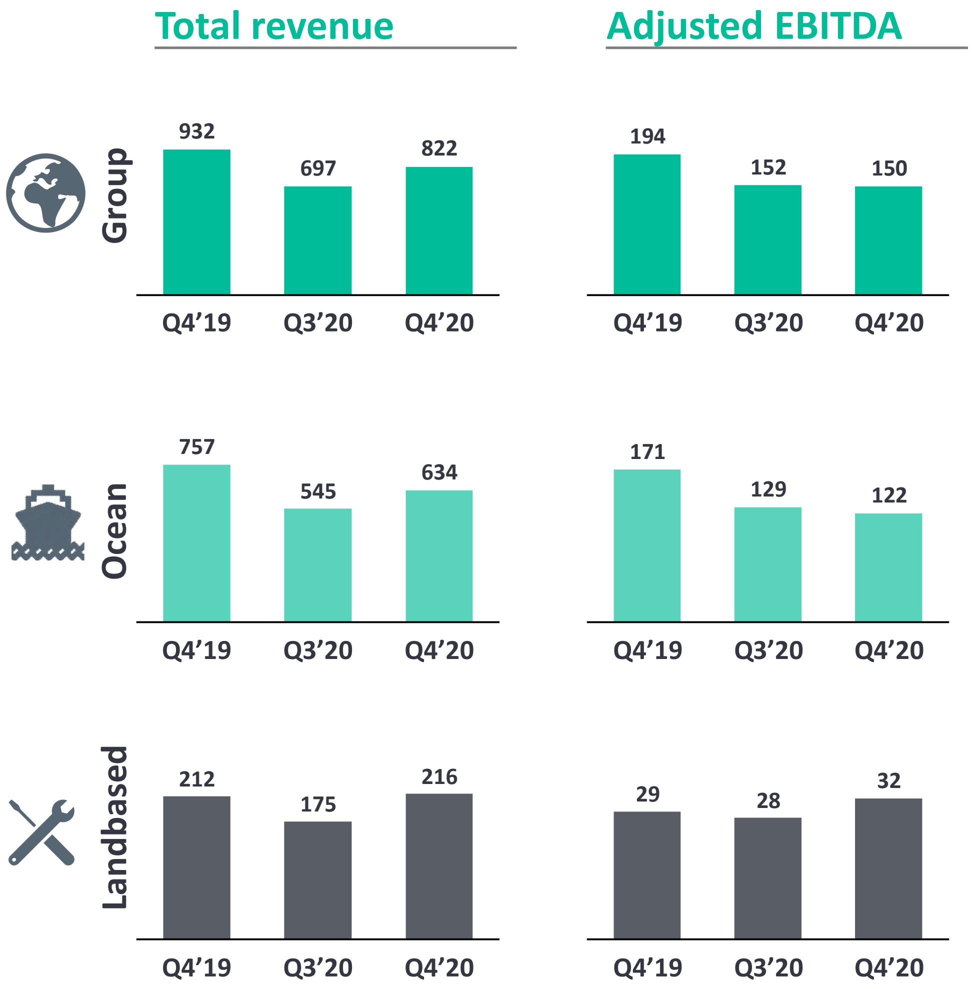
[1]Includes 16 vessels in cold lay-up
[2]20 vessels have been reclassified from leased assets to owned assets effective from 01/01/2020

Financial performance

Torbjørn Wist
CFO

Financial highlights – Q4 2020

RESULTS (USDm)



CASH FLOW & BALANCE SHEET (USDm)

	Q3-20		Q4-20
Operating cash flow	145	↘	138
Net CAPEX	67	↘	27
Cash	600	↗	654
Equity	2 564	↗	2 615
Net debt	3 436	→	3 427

KEY FINANCIAL METRICS

ROCE (%)[1] Δ
3.1
Y -1.5
Q +0.6

EPS (USD) Δ
0.11
Y +0.01
Q +0.10

Equity ratio (%) Δ
34.3
Y -3.2
Q +0.3

ND/EBITDA adj. (x)[2] Δ
6.4
Y +2.0
Q +0.5

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

Group EBITDA flat QoQ despite 18% higher revenue

General volume increase and solid landbased EBITDA offset by ocean margin pressure

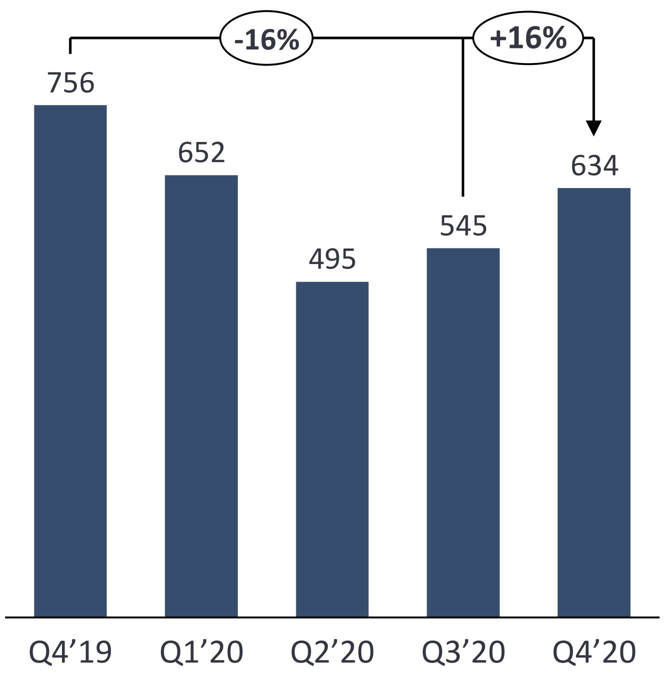
USDm	Q4 2020	Q3 2020	% change QoQ	Q4 2019	% change YoY
Total revenue	**822**	**697**	**18%**	**932**	**(12%)**
Operating expenses	(672)	(545)	23%	(771)	(13%)
EBITDA	**150**	**152**	**(1%)**	**162**	**(7%)**
EBITDA adjusted	**150**	**152**	**(1%)**	**194**	**(23%)**
EBIT	**53**	**40**	**30%**	**81**	**(35%)**
Financial income/(expense)	(3)	(36)	(90%)	(22)	(83%)
Tax income/(expense)	(3)	0	n/a	(19)	(43%)
Profit for the period	**47**	**4**	**958%**	**41**	**14%**
EPS	0.11	0.01	849%	0.10	15%

Ocean EBITDA down 5% QoQ due to margin pressure from activity ramp-up

Revenue up 16% QoQ as volume recovery continues

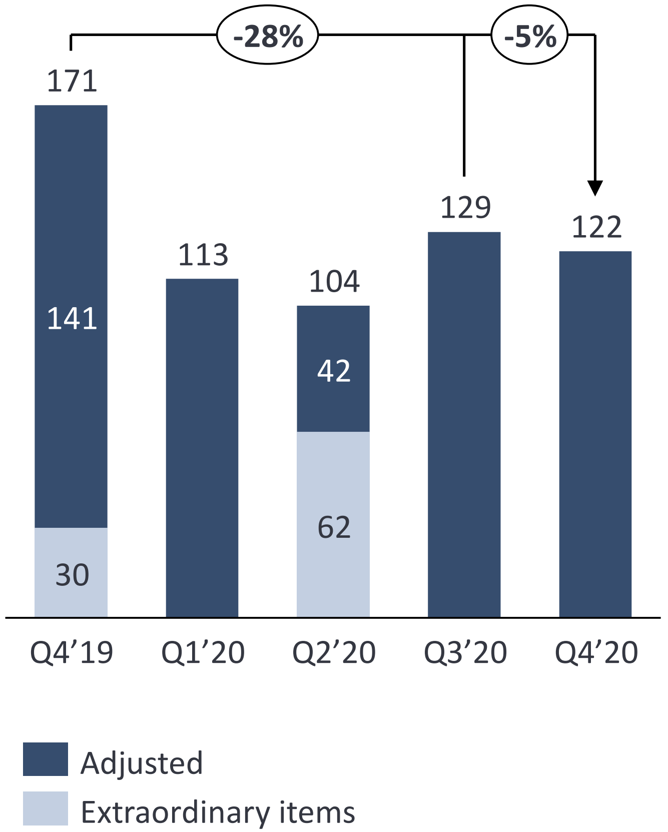
Ocean - Total revenue

USDm



Ocean – EBITDA (adjusted)[1]

USDm



- Revenue
  - Down 16% YoY on volumes, surcharge and trade mix
  - Up 16% QoQ on volume recovery
- QoQ adj. EBITDA margin under pressure from
  - Cargo mix
  - Ramp-up costs
  - Market inefficiencies
  - Fuel price increase

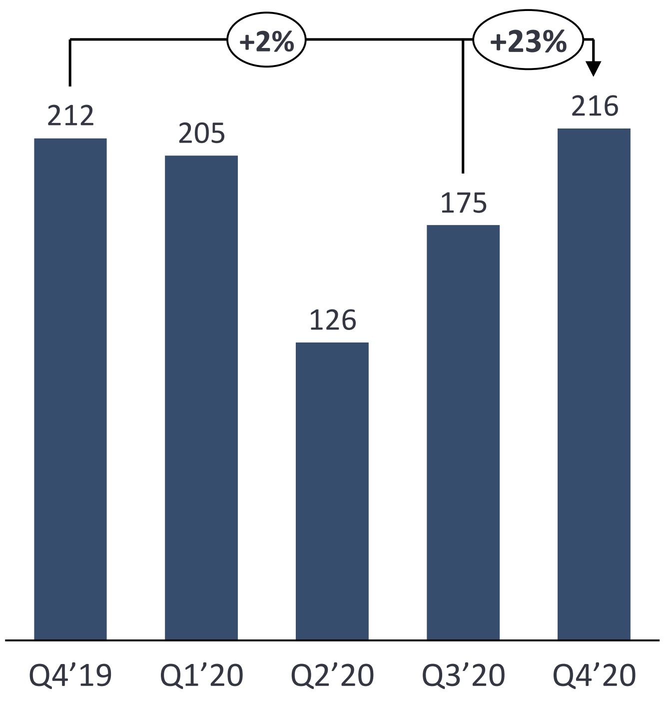
1) *Adjusted for extraordinary items*

Landbased revenue up 23% QoQ and flat YoY

Adjusted EBITDA 13% up YoY on increase in high margin activities

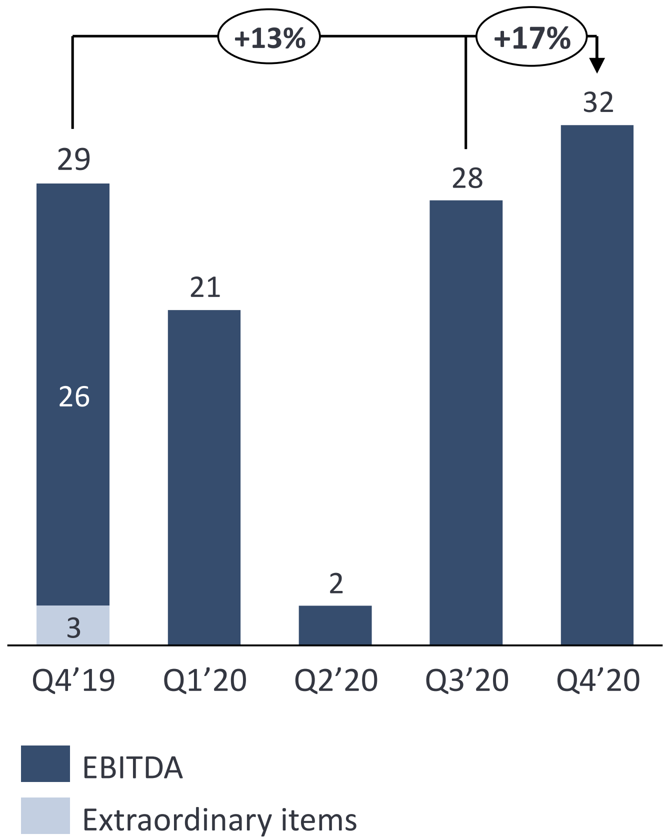
Landbased - Total revenue

USDm



Landbased – EBITDA (adjusted)[1]

USDm



- Revenue
  - Up 2% YoY on returning volumes and high-value activities
  - Up 23% QoQ
- EBITDA
  - Up 13% YoY, and 17% QoQ
  - YoY Increase in high margin activity
  - QoQ rise in auto volumes

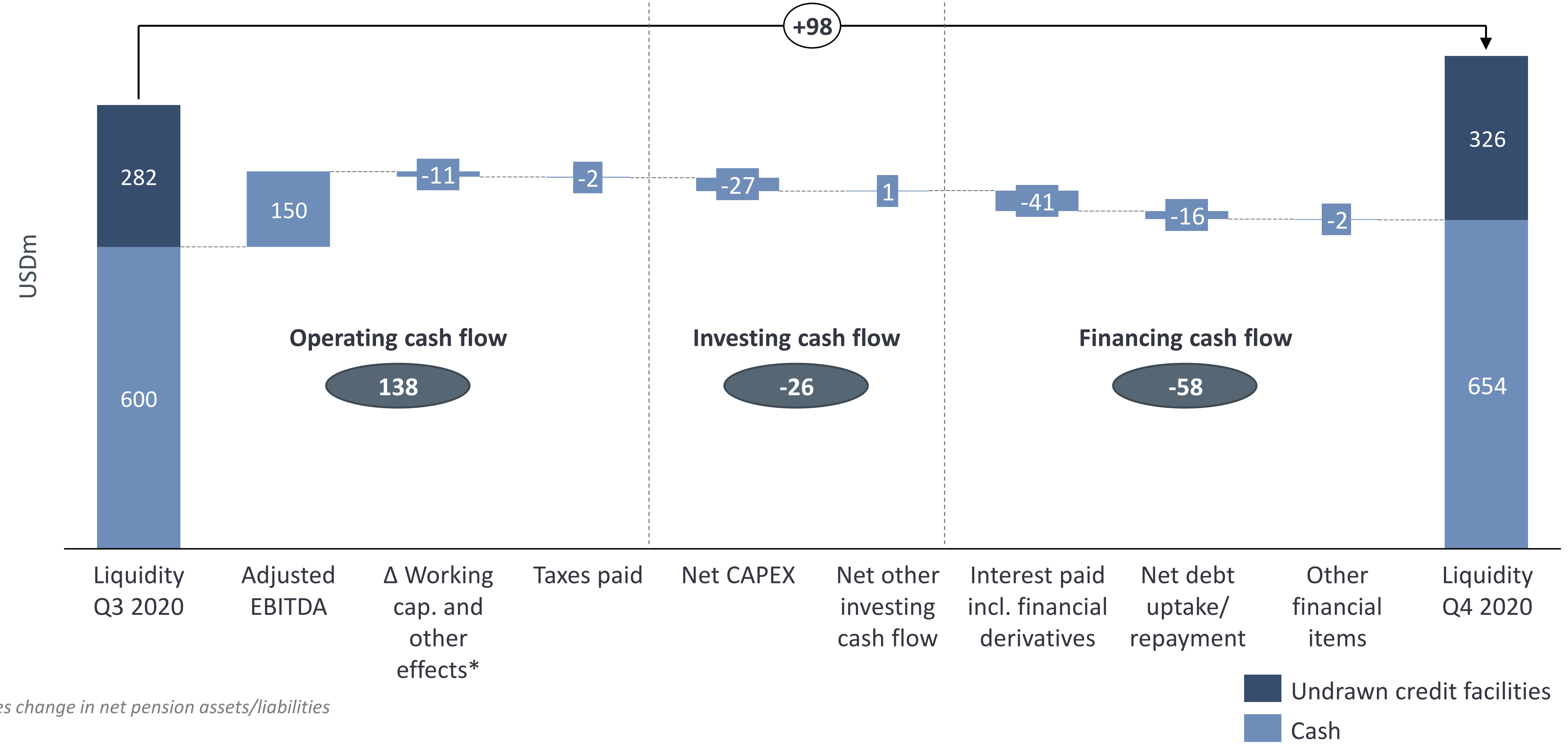
1) *Adjusted for extraordinary items*

Consolidated results – Full year 2020

	Full year 2020	Full year 2019	% change y-o-y
Total income	**2 958**	**3 909**	**(24%)**
Operating expenses	(2 484)	(3 104)	(20%)
EBITDA	**473**	**805**	**(41%)**
EBITDA adjusted	**536**	**837**	**(36%)**
EBIT	**(84)**	**358**	**n/a**
Financial income/(expenses)	(223)	(247)	(10%)
Tax income/(expense)	4	(10)	n/a
Profit for the period	**(302)**	**102**	**n/a**
EPS	(0.68)	0.22	n/a
ROCE	-1.3%	5.0%	n/a

Cash and undrawn credit facilities up USD 98m QoQ

Supported by free cash flow of USD 71m, deferred loan payments, and new financing for Tannhauser

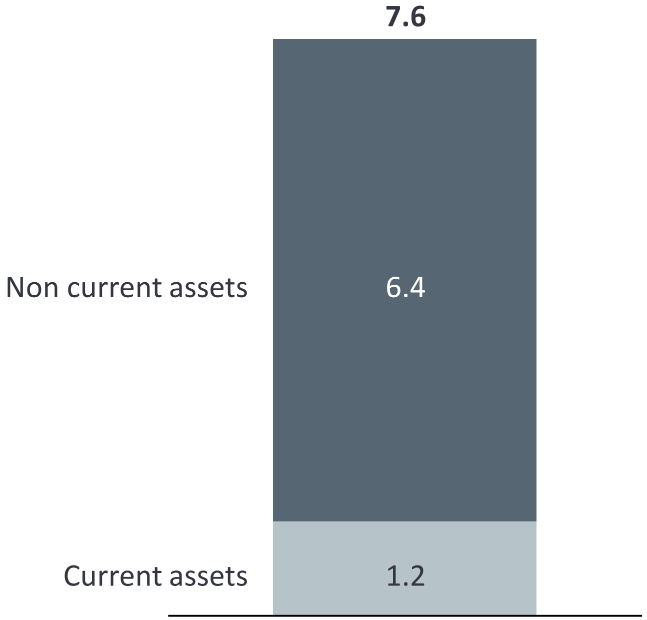


** Includes change in net pension assets/liabilities*

Stable net debt, equity ratio slightly up to 34.3%

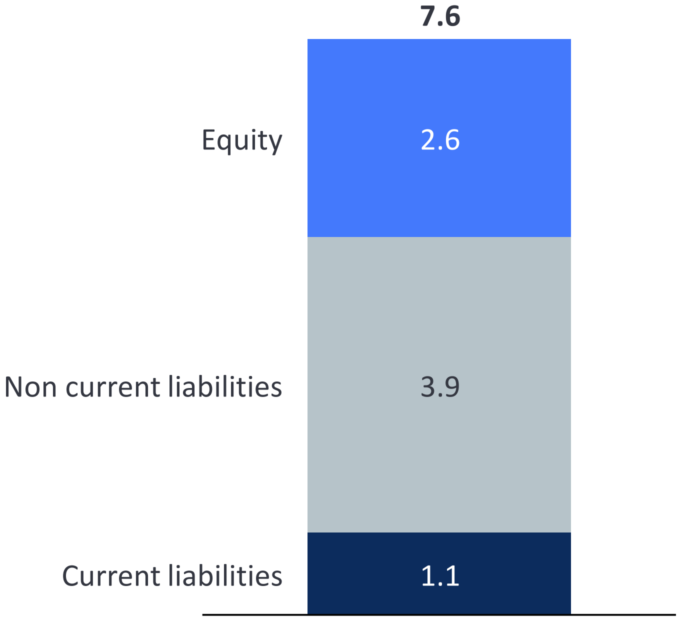
Assets – Q4 2020

USD bn



Equity & Liabilities – Q4 2020

USD bn



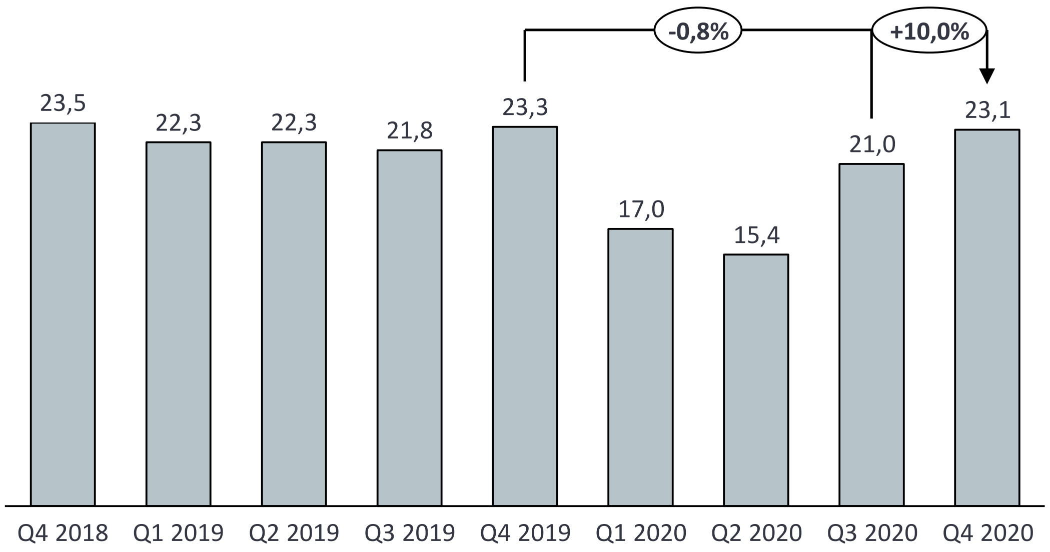
- Equity ratio up to 34.3% from 34.0% in Q3
- Net debt stable at USD 3.4 billion
- 20 vessels reclassified from leased to owned
- Cash on hand available to cover USD 108m in 2021 maturities

Market update

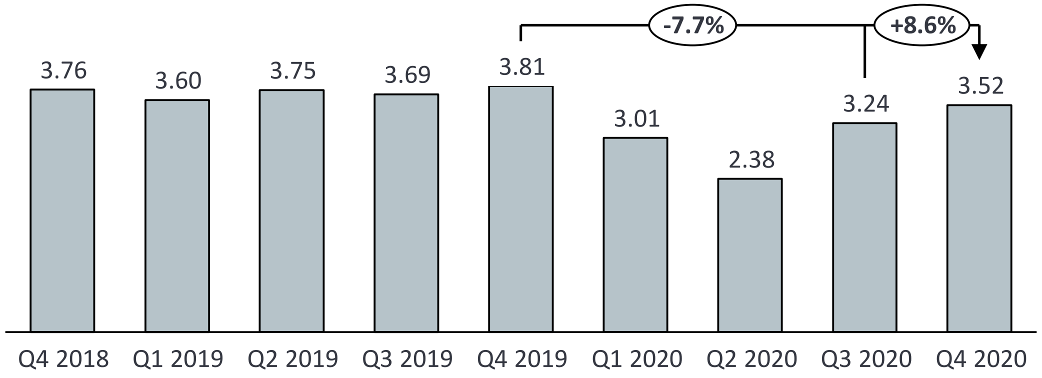
Craig Jasienski
CEO

Auto sales up on Chinese sales and global pent-up demand

Global light vehicle (LV) sales per quarter, units



Global light vehicle (LV) export per quarter, units



- Total light vehicle (LV) sales in the fourth quarter decreased 0.8% compared to the corresponding period last year
- Up 10.0% from the previous quarter as incentives and pent-up demand after the coronavirus fueled auto sales.

- Total exports in Q4 were down 7.7% compared to the corresponding period last year, up 8.6% from the previous quarter.

Source: [1] IHS Markit [2] LMCA Automotive, million units

Deep sea share stabile despite significant sales drop in 2020

Global LV markets update

LV Sales

IHS Markit assume 2020 global LV sales set at 76.5m for 2020, down 15%. with downgrades across all major regions, forecasts up from July which expected 70.1m, -22%

Supply

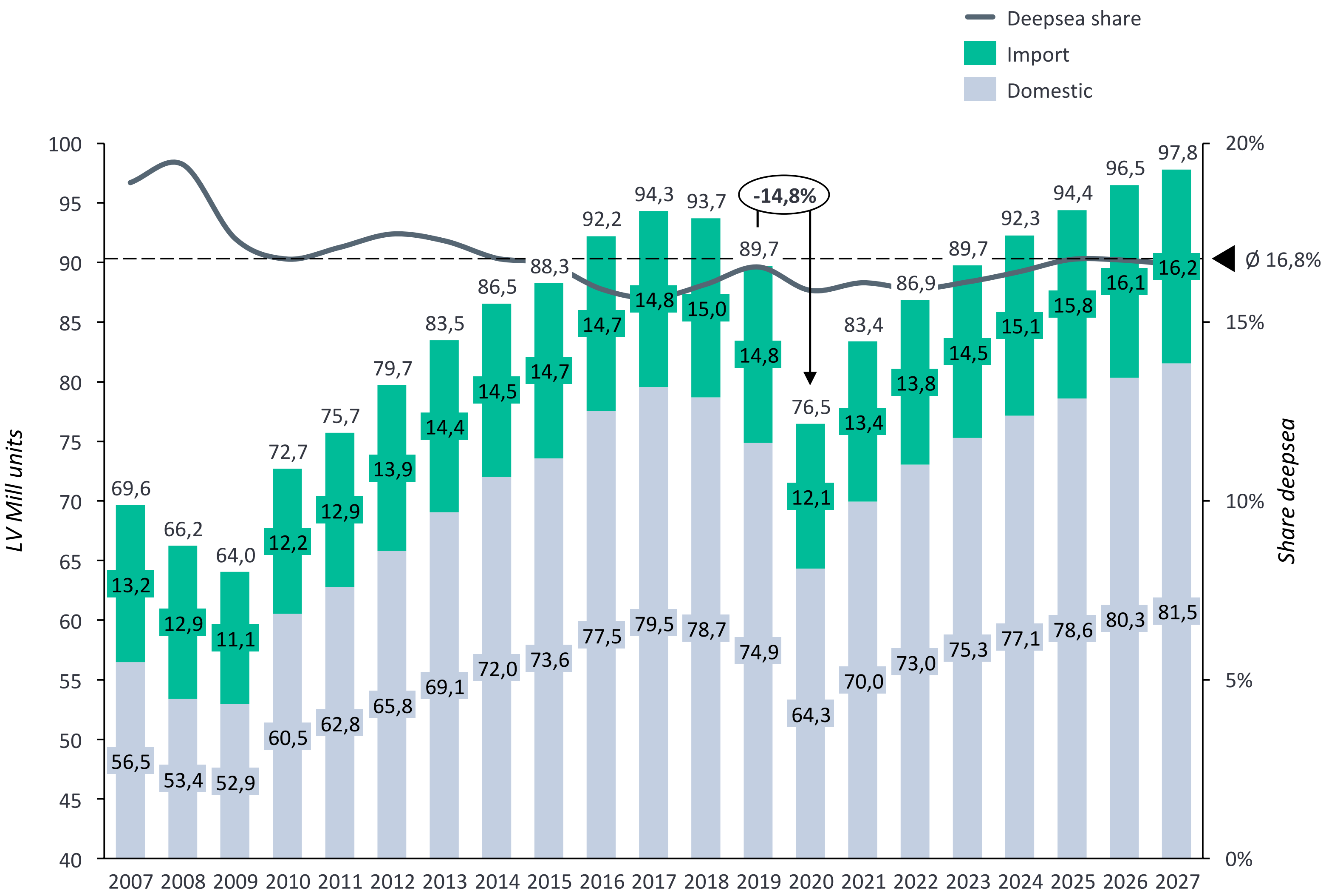
Temporary plant closures took place globally. Recovery on track however stop-start rhythm prevents efficiency, slow bands and tricky new health protocols

Deepsea trade

IHS Markit assume deepsea volume to see decline from 14.8m in 2019 to 12.1m in 2020, equal to a drop of 18%, however recover quicker than domestic produced volume

Demand

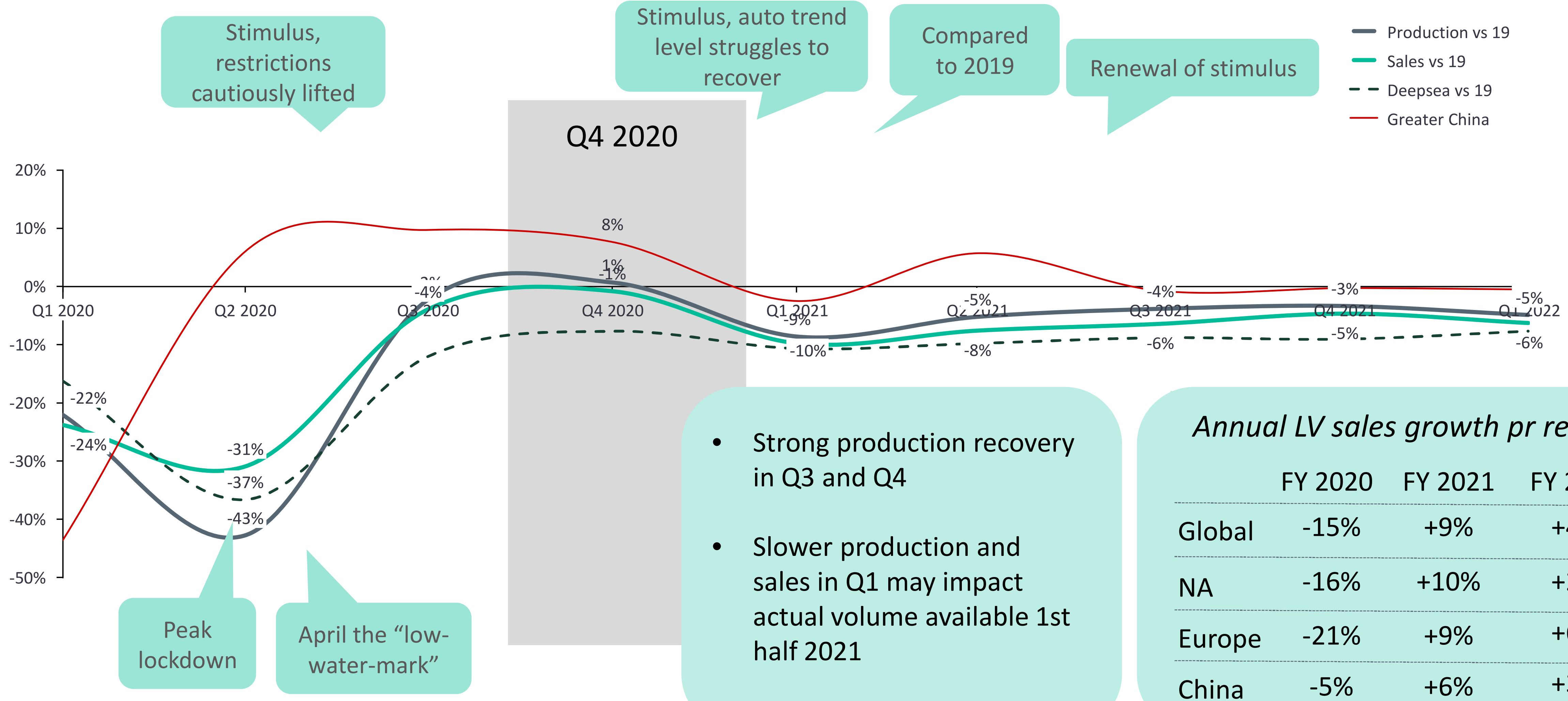
Uncertainty to how fast consumers will turn back to dealers, governmental stimulus and pent-up demand might contribute to rebound



Source: IHS Markit / Market Insight Wallenius Wilhelmsen

Solid LV sales and production rebound continuing in Q4

Global LV sales and production quarterly walk, 2020, 2021 and 2022 figures compared to 2019



- Strong production recovery in Q3 and Q4
- Slower production and sales in Q1 may impact actual volume available 1st half 2021

Annual LV sales growth pr region

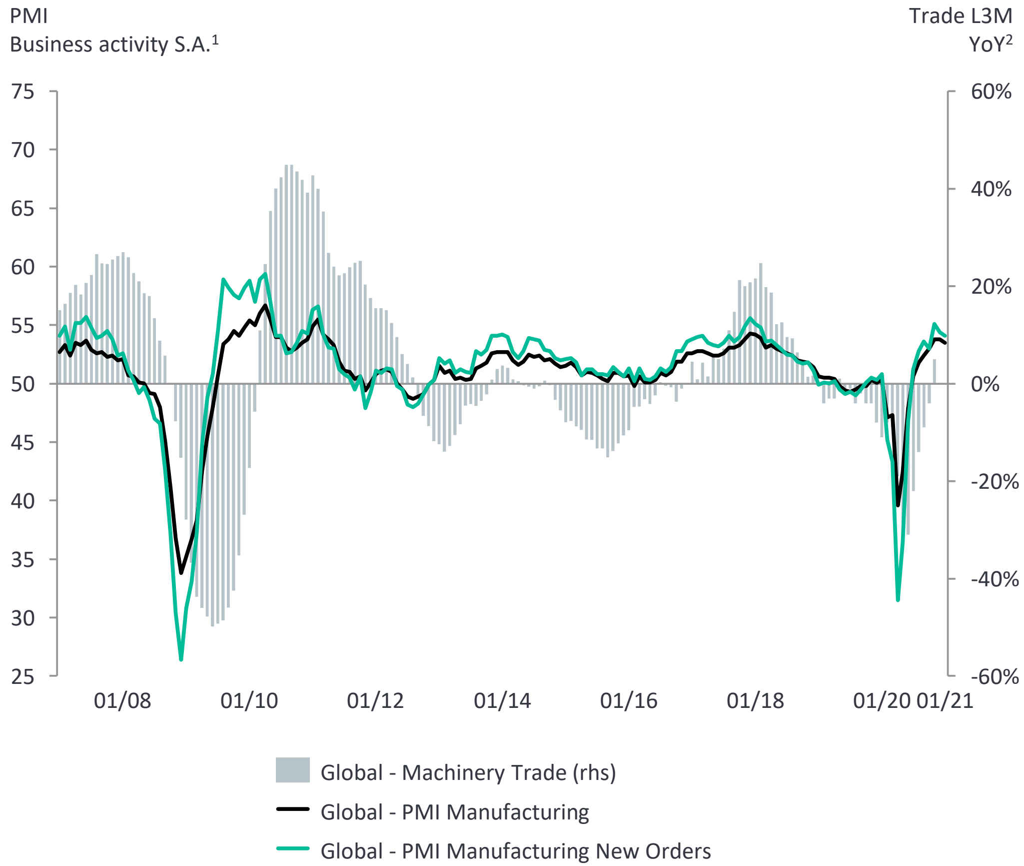
	FY 2020	FY 2021	FY 2022
Global	-15%	+9%	+4%
NA	-16%	+10%	+2%
Europe	-21%	+9%	+6%
China	-5%	+6%	+3%

Source: IHS Markit / Market Insight Wallenius Wilhelmsen

Growth in global manufacturing activity close to decade highs

Buoyant output and order growth support continued trade expansion in the near term

Global machinery trade and manufacturing activity



- Machinery trade completed an impressive recovery as volumes again returned to growth in the quarter
- Broad-based improvement in demand, as trade and retail volumes continued to rebound across segments and geographies
- Global manufacturing activity growth close to decades highs supports continued near-term growth
- Manufacturing orders rose for the seventh consecutive month, while growth in export orders extended to five months, albeit marginal
- Supply chains were further stretched, as inventories fell further, and lead times again lengthened

Source: [1]IHS Markit | PMI (diffusion index), business activity - direction of change compared to the previous month (50 = no change, >50 increasing activity, <50 decreasing activity). Cutoff: January 2021, [2]IHS Markit | World (major exporters) construction & agriculture equipment exports (Avg. equipment value >20 kUSD) (Units last 3 months, YoY), Cutoff: October 2020. November 2020 data is limited to countries (52%) that have reported customs data as per 03.02.2021

Continued machinery recovery from the trough

Improving momentum and outlook in all segments - less sluggish climb to pre-pandemic markets

Market status

Economic stimulus

Unprecedented stimulus packages at different stages of maturity around the world

Retail sales

Machinery markets continue to improve, with agriculture surging and mining/ construction around last year's levels

Construction activity

Strong housing activity helps offset structural nonresidential challenges, while infrastructure set to play a key role in stimulus efforts

Production

Manufacturing activity expansion close to decade highs, with continued order growth

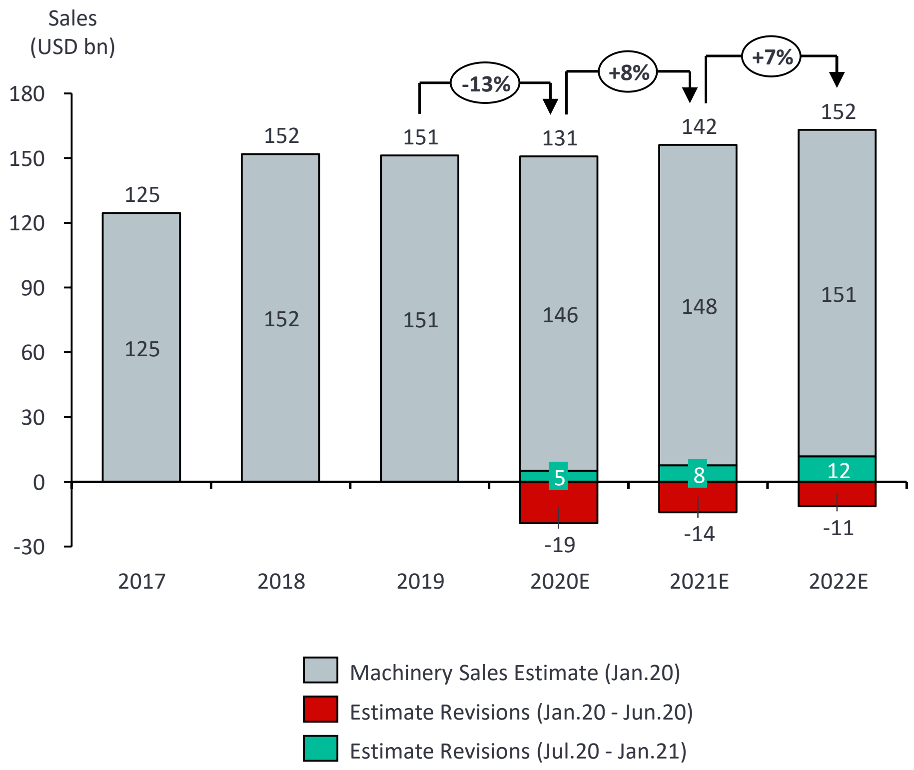
Commodity prices

Very strong price momentum for both mined and agricultural commodities

Inventories

Tightening inventories and stretched lead times across segments

Machinery sales consensus estimates[1]

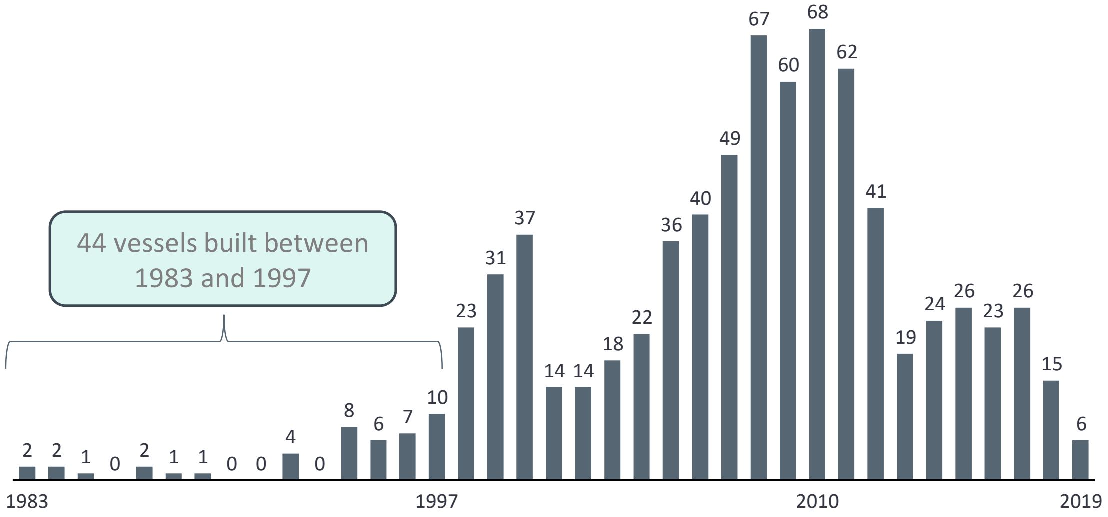


Source[5]: Factset Data and Analytics (27.01.21) | OEM machinery sales consensus estimates per calendar year (USD). Constituents: Volvo, Caterpillar, CNH, Komatsu, Hitachi, Deere, Terex, Doosan, Sandvik, Epiroc and AGCO. Estimates include sales in construction/mining/agriculture equipment divisions only. Estimate weighting: 2/3 construction/mining and 1/3 agriculture.

Deep sea fleet adjusting to the market situation

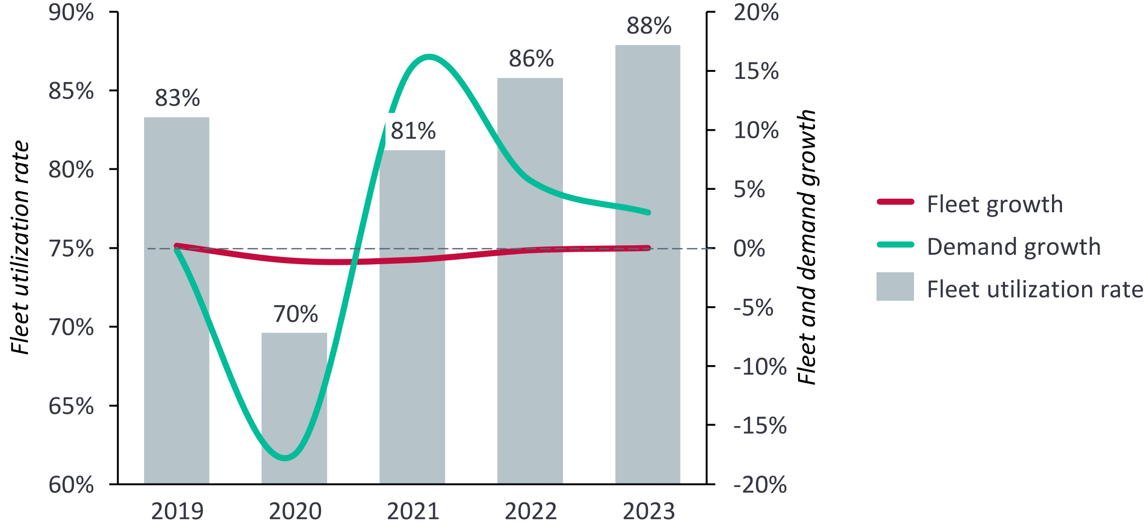
Increase in recycling and lower share of fleet is idling/laid up

Vessel age distribution, # of vessels for seaborn LV and HH transport



- 5 vessels recycled in the quarter, 24 for 2020FY*
- No new orders, three deliveries and five vessels recycled in the quarter
- Orderbook at 8 vessels**

Fleet and demand development, fleet utilization rate, percent



- Deep-sea shipments declined significantly in 2020 before picking up
- Increased recycling/scrapping and low order activity leads to a reduction of fleet in 2020 and forward
- Currently less than 3% of fleet is idling / laid up
- Indicators of supply demand balance within 2023

*Source: IHS Markit / Clarksons Platou, *incl. one vessel declared loss, **for vessels above 4000 CEU,*

Wallenius Wilhelmsen

Prospects and Q&A

Craig Jasienski
CEO

Prospects

- Key markets improved from the low in Q2, but volumes remain below 2019 and sales patterns remain unstable
- The ongoing potential impact on production is hard to predict
- Supply-demand balance expected to improve in mid-term on global fleet reduction, low order book and expected volume rebound in 2021
- Stabilising markets will provide the group with more flexibility on dividends and investments
- We are well prepared to work through the unprecedented market situation, following early and decisive action

Thank you!