



Highlights Q1 2021



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



- Science-Based Target to reduce CO2 intensity by 27.5% by 2030 from 2019
- Introduced Orcelle Wind, the world's first full-scale wind-powered RoRo ship

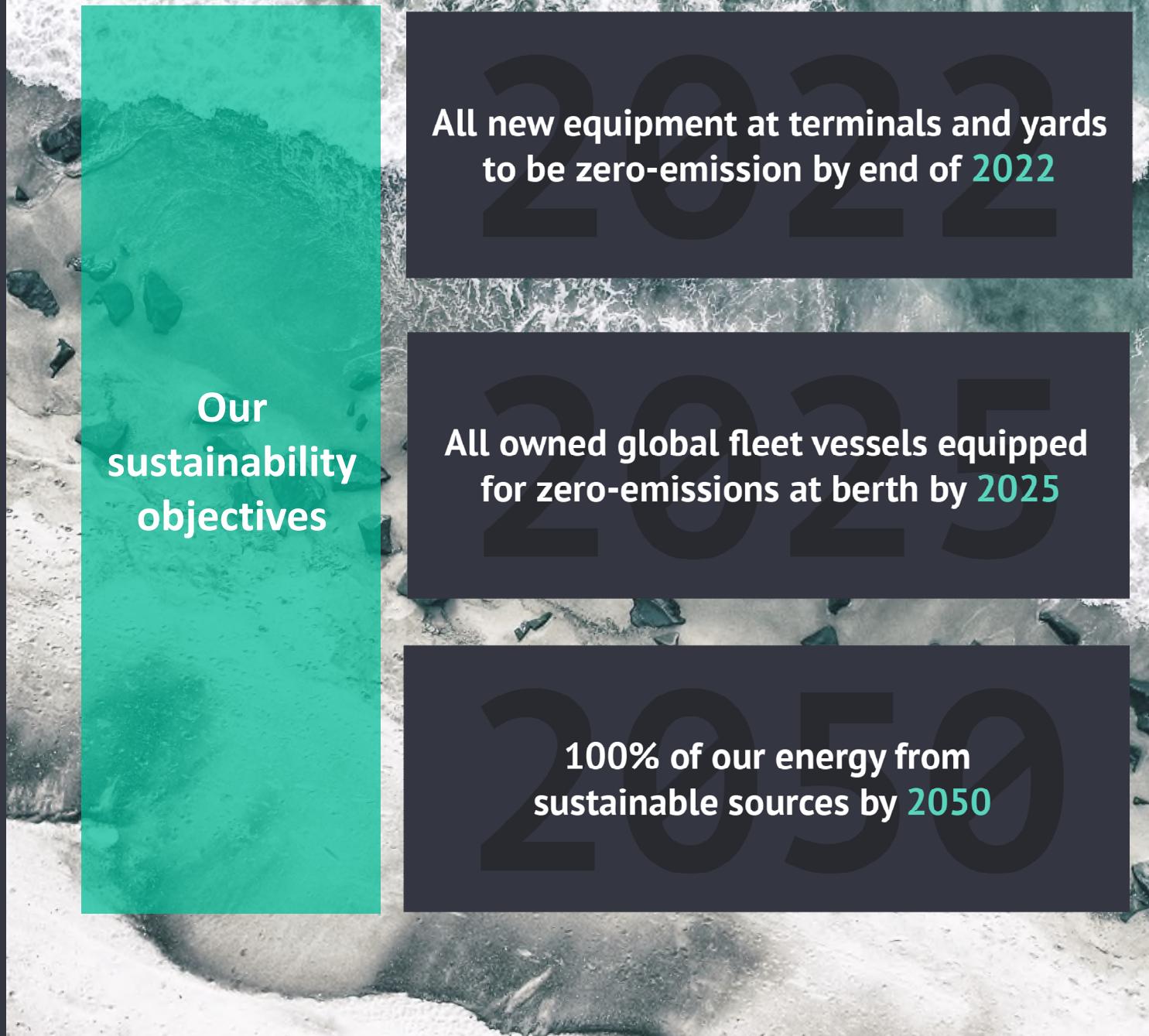


- EBITDA USD 132m, flat year over year, impacted by higher fuel and ramp-up costs
- Liquidity position of USD 898m, up USD 180m since Q1 20

Science Based Target to guide our climate actions

27.5%

Reduction CO₂e intensity from
Shipping **by 2030***



Our
sustainability
objectives

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

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

2050
100% of our energy from
sustainable sources by **2050**

W° 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



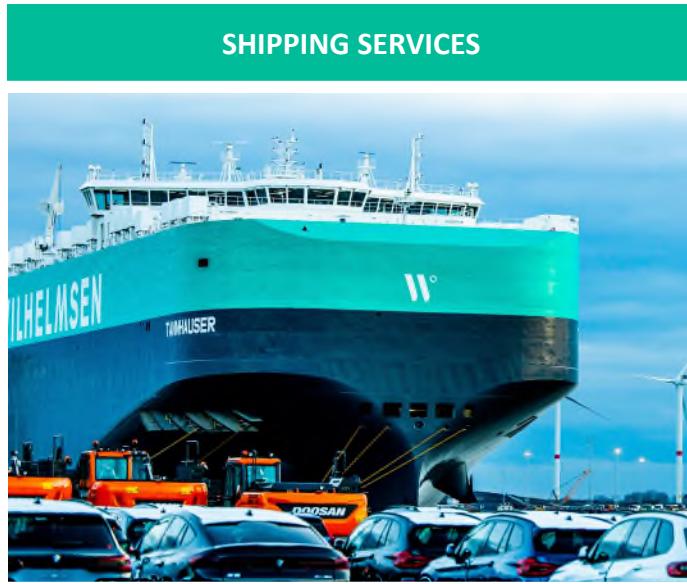
Business update

Torbjørn Wist, CFO and Acting CEO

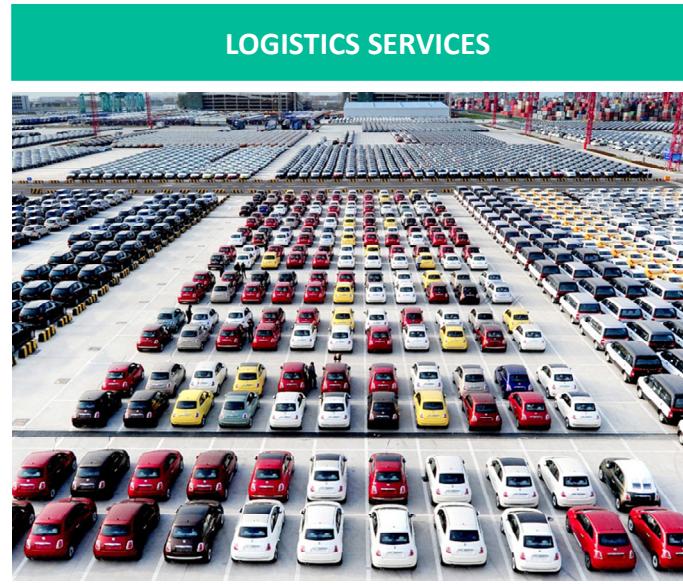
Erik Nøklebye, EVP & COO Shipping Services



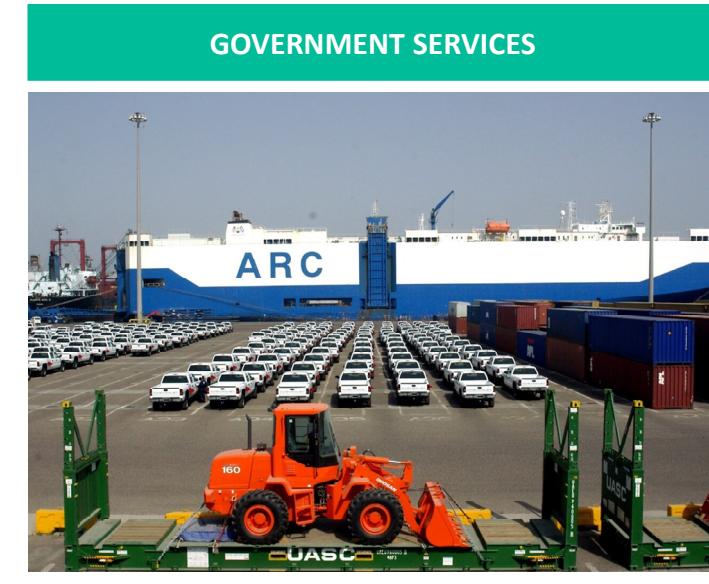
Introducing three new segments to improve transparency in reporting



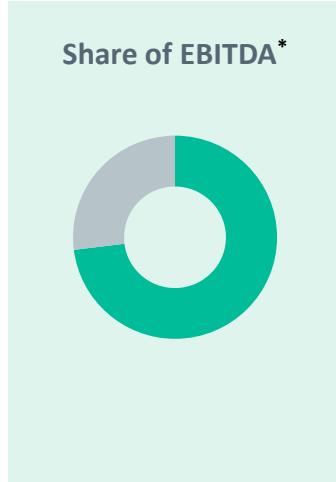
SHIPPING SERVICES



LOGISTICS SERVICES

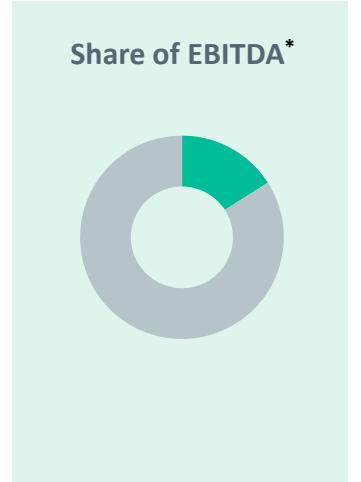


GOVERNMENT SERVICES



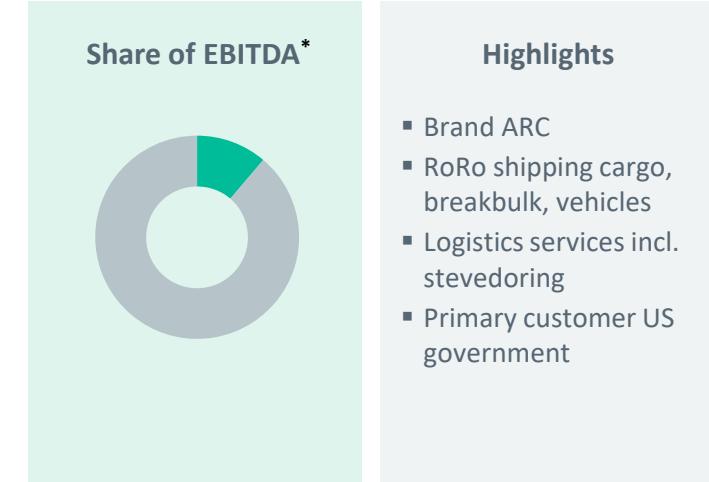
Highlights

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



Highlights

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

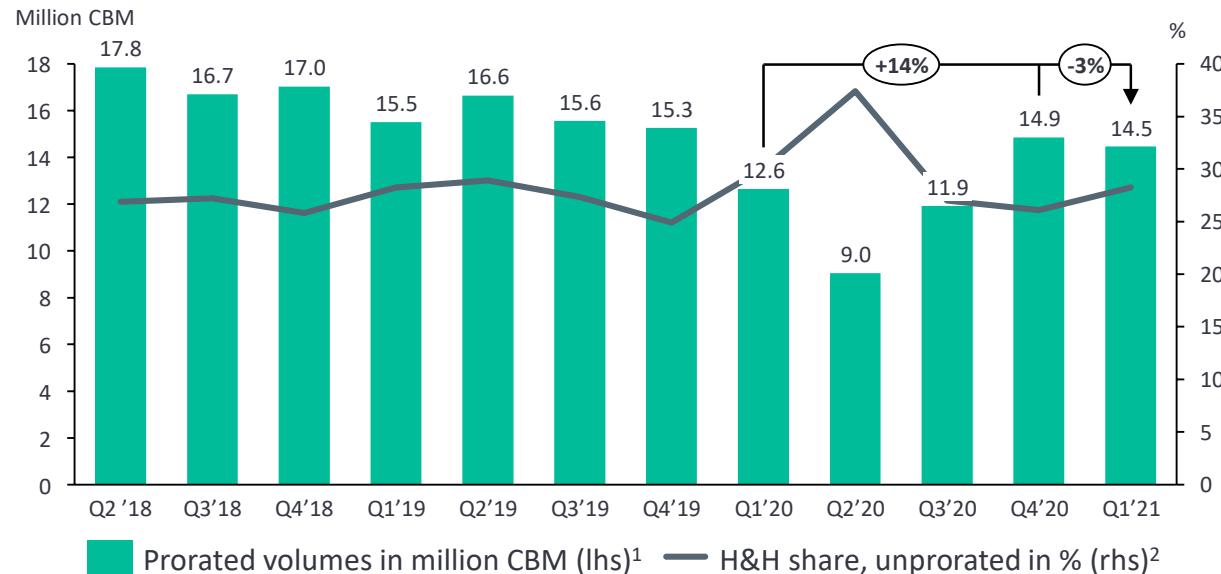


Highlights

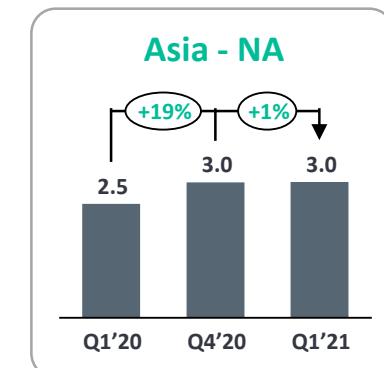
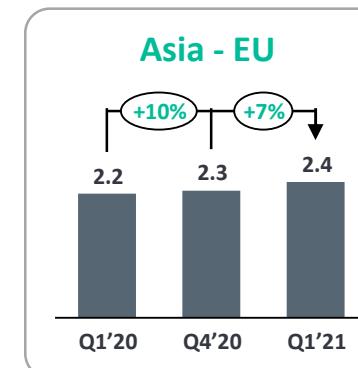
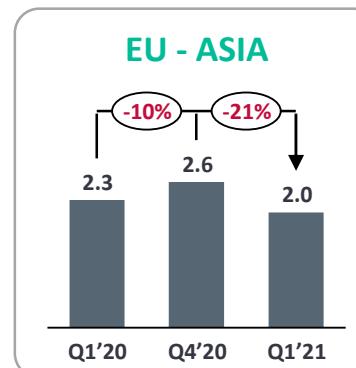
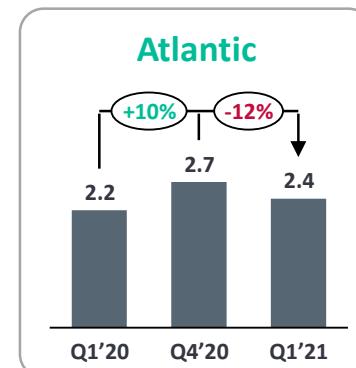
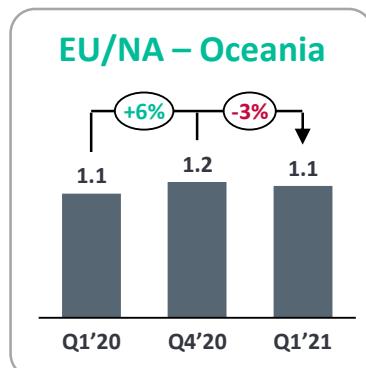
- Brand ARC
- RoRo shipping cargo, breakbulk, vehicles
- Logistics services incl. stevedoring
- Primary customer US government

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

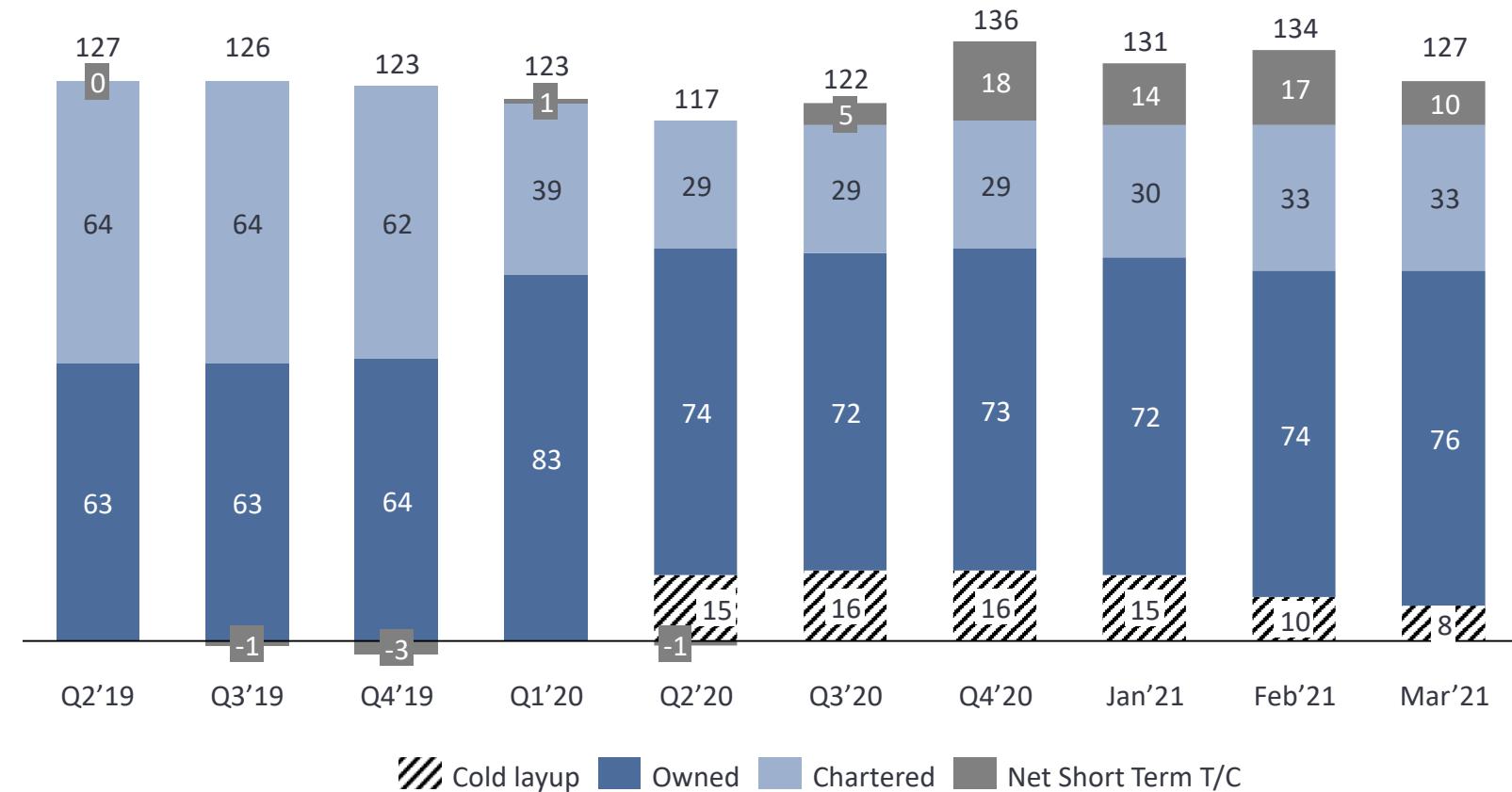
²) H&H share calculated based on unprorated volumes, i.e. volumes loaded onto vessels during the quarter

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



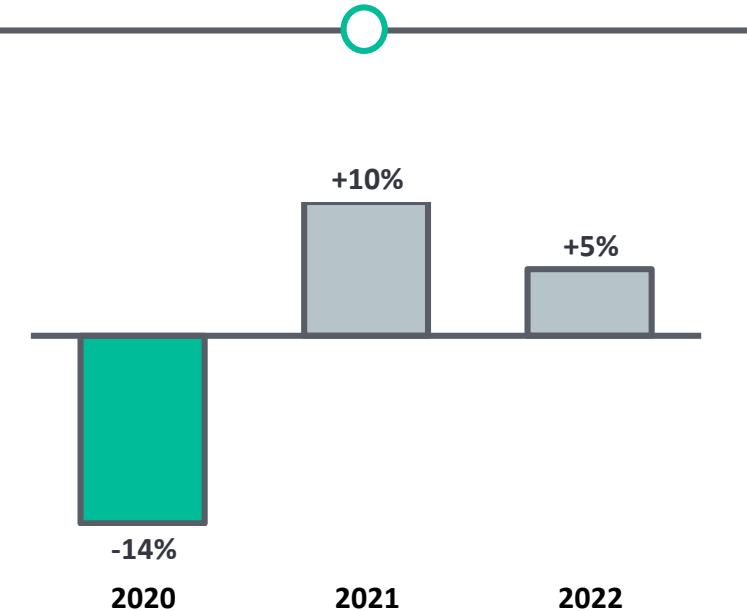
YoY Q1 21
(unit growth)

+19%



+7%

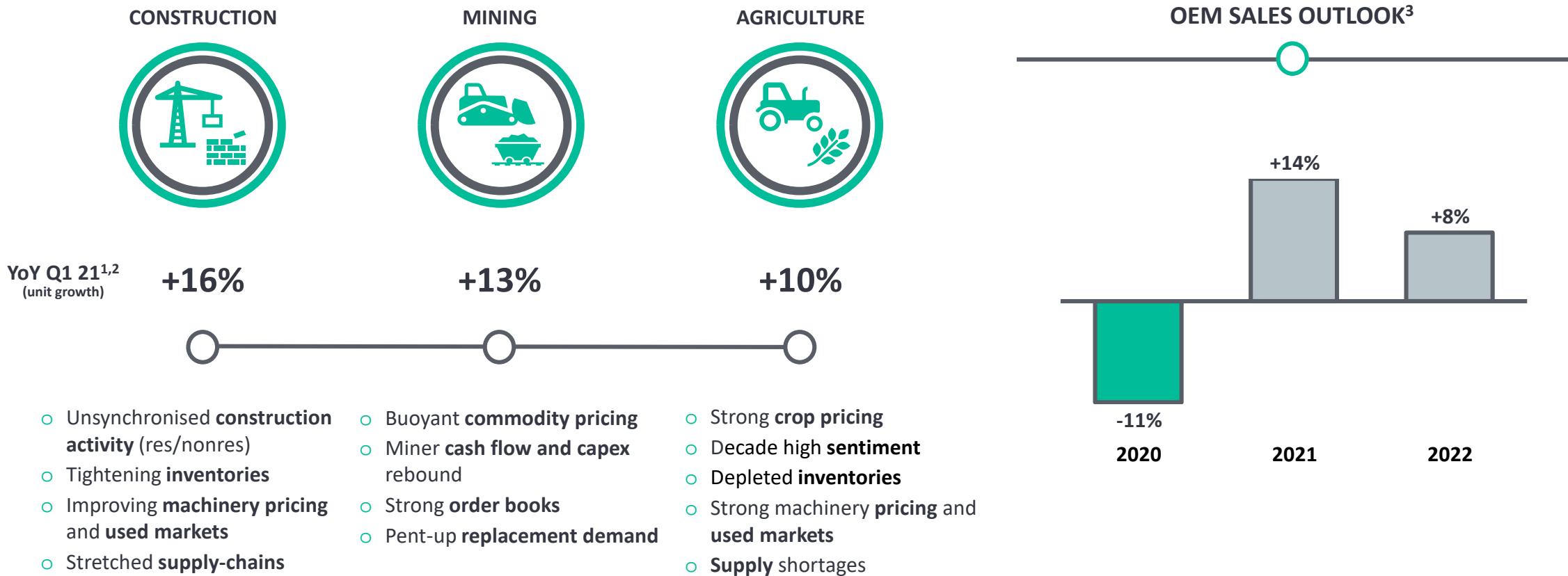
LIGHT VEHICLE SALES OUTLOOK



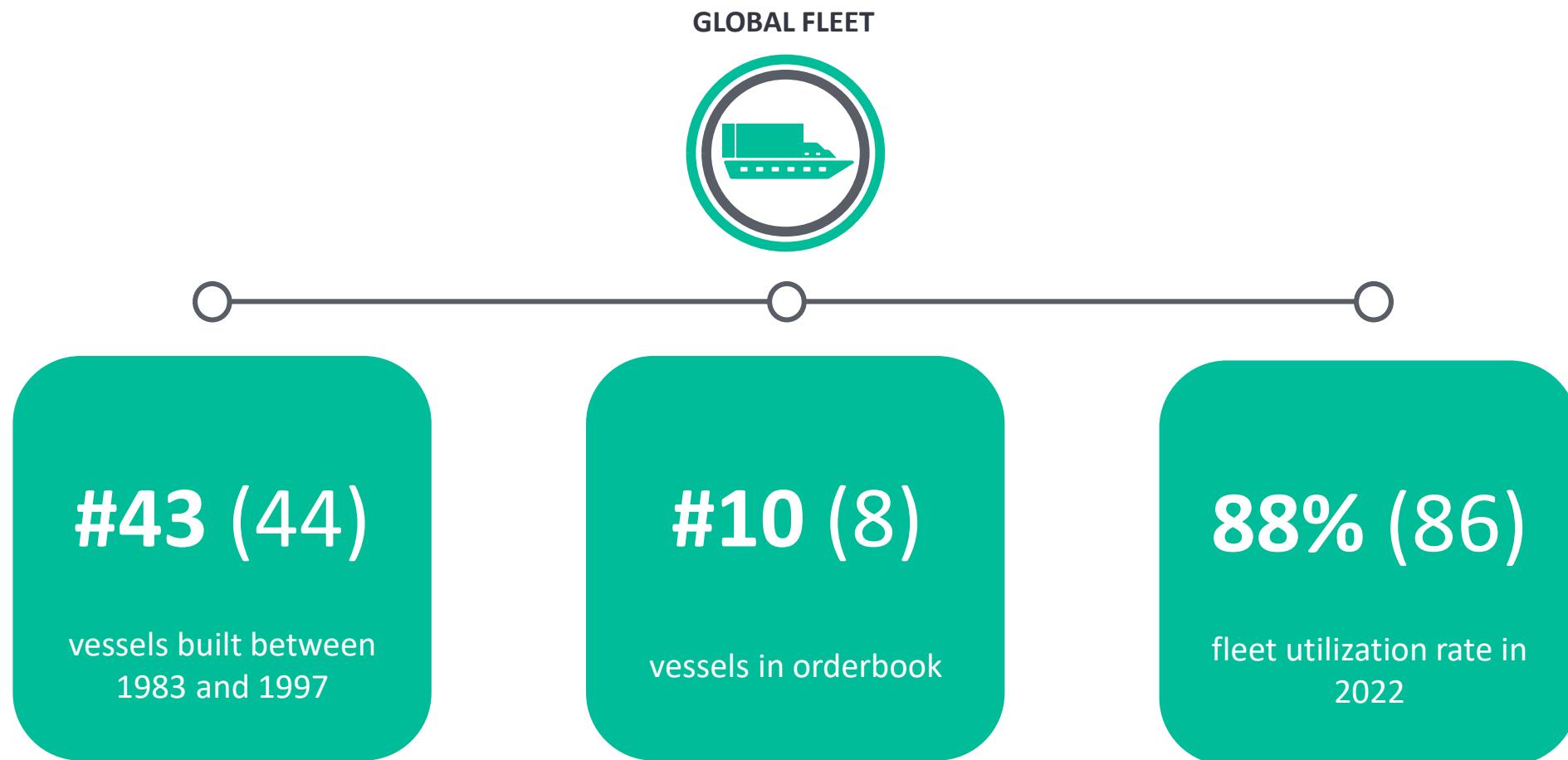
- US LV market marked by tight supply
- European LV sales soft due to new COVID19 restrictions
- Chinese LV sales back at solid sales rates
- LV export out of North America muted due to model shifts and slow European LV sales
- Korean LV sales export solid as continued hunger for Korean produced SUVs

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

Still improving momentum with rock solid fundamentals in commodity exposed segments



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



Financial performance

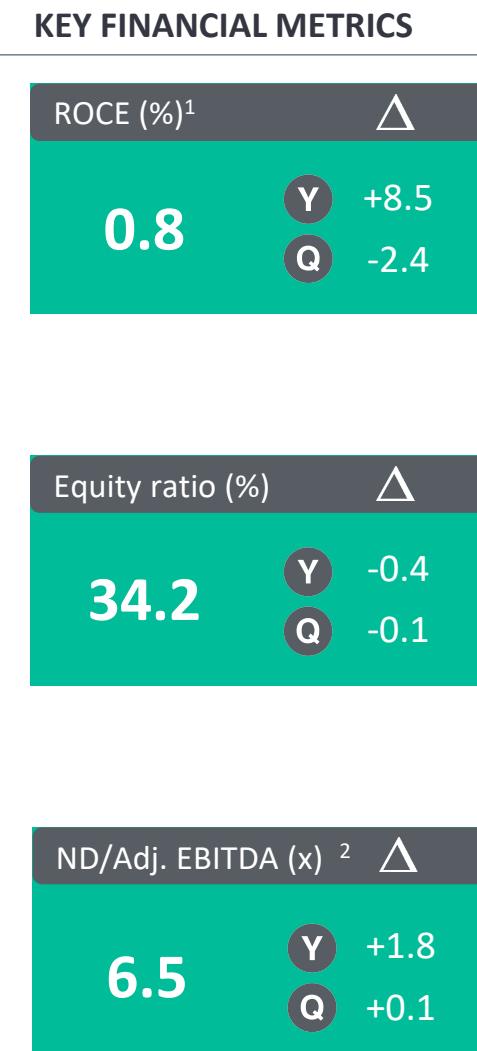
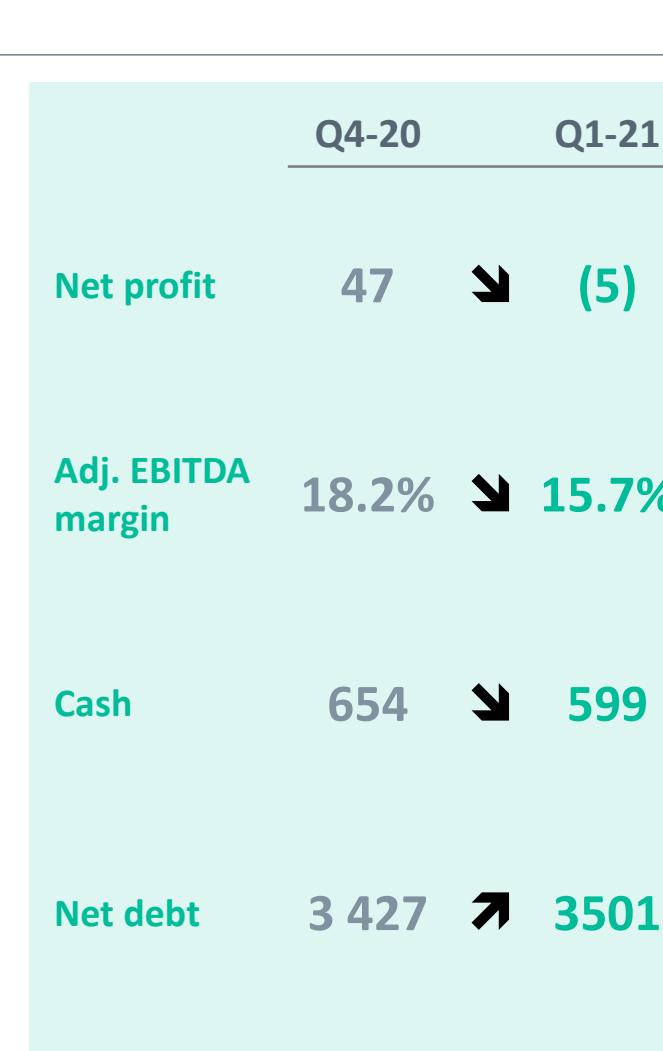
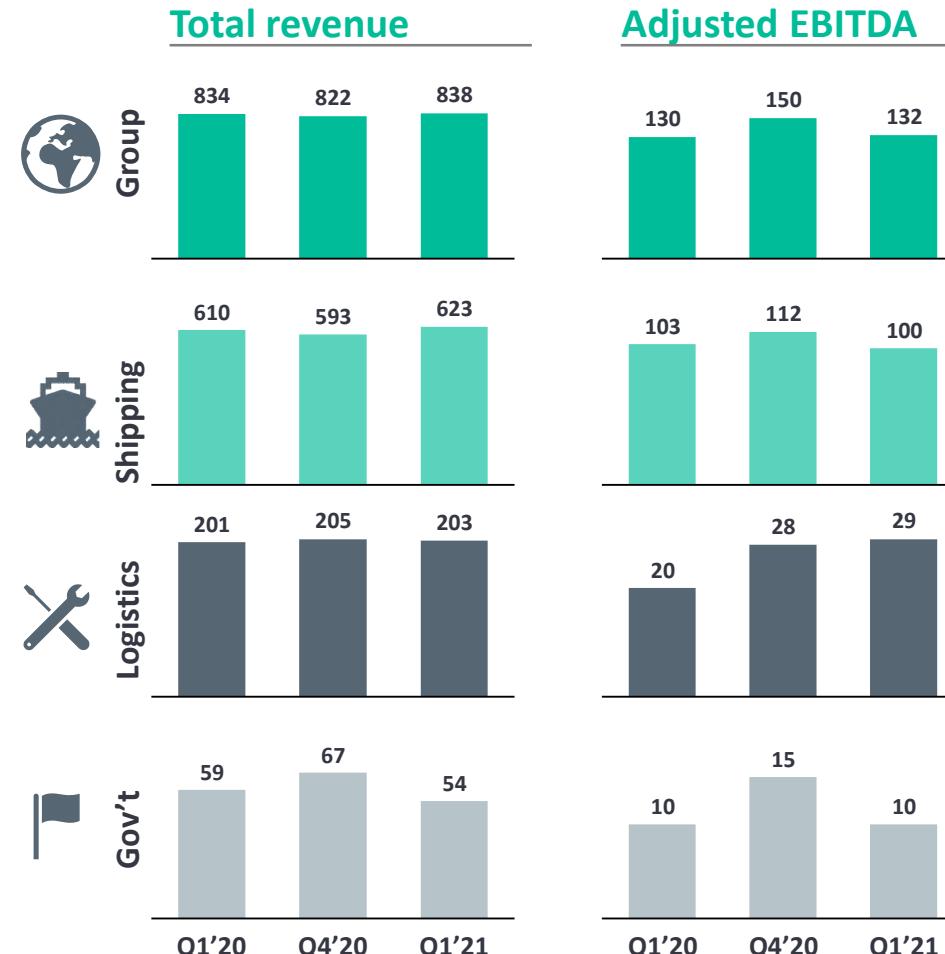
Torbjørn Wist

CFO and Acting CEO



Financial highlights – Q1 2021

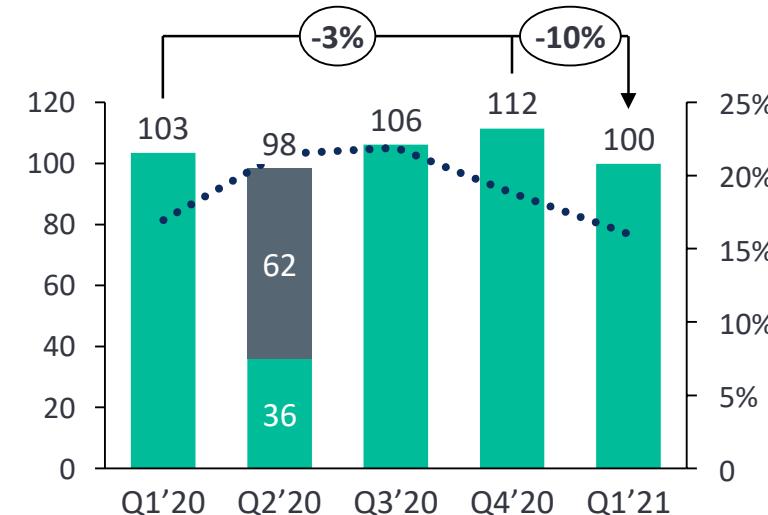
RESULTS (USDm)



Shipping and Government EBITDA under pressure in Q1

Shipping – EBITDA (adjusted)¹

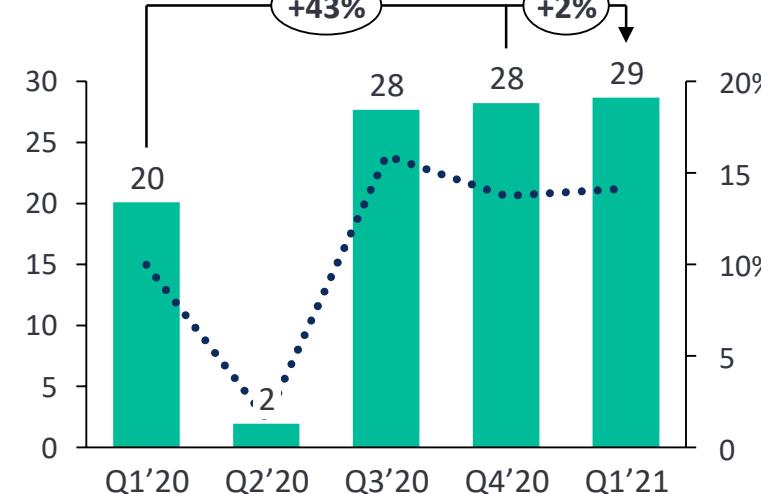
USDm



- 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 due to capacity costs, offsetting positive revenue development

Logistics – EBITDA (adjusted)¹

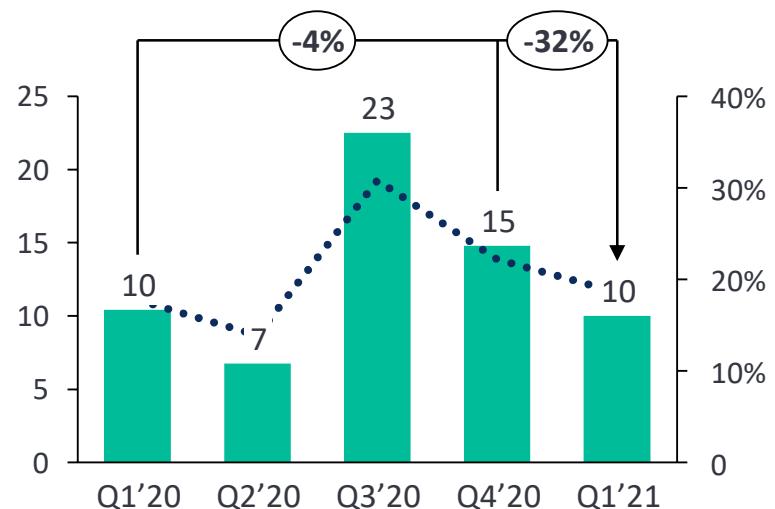
USDm



- 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

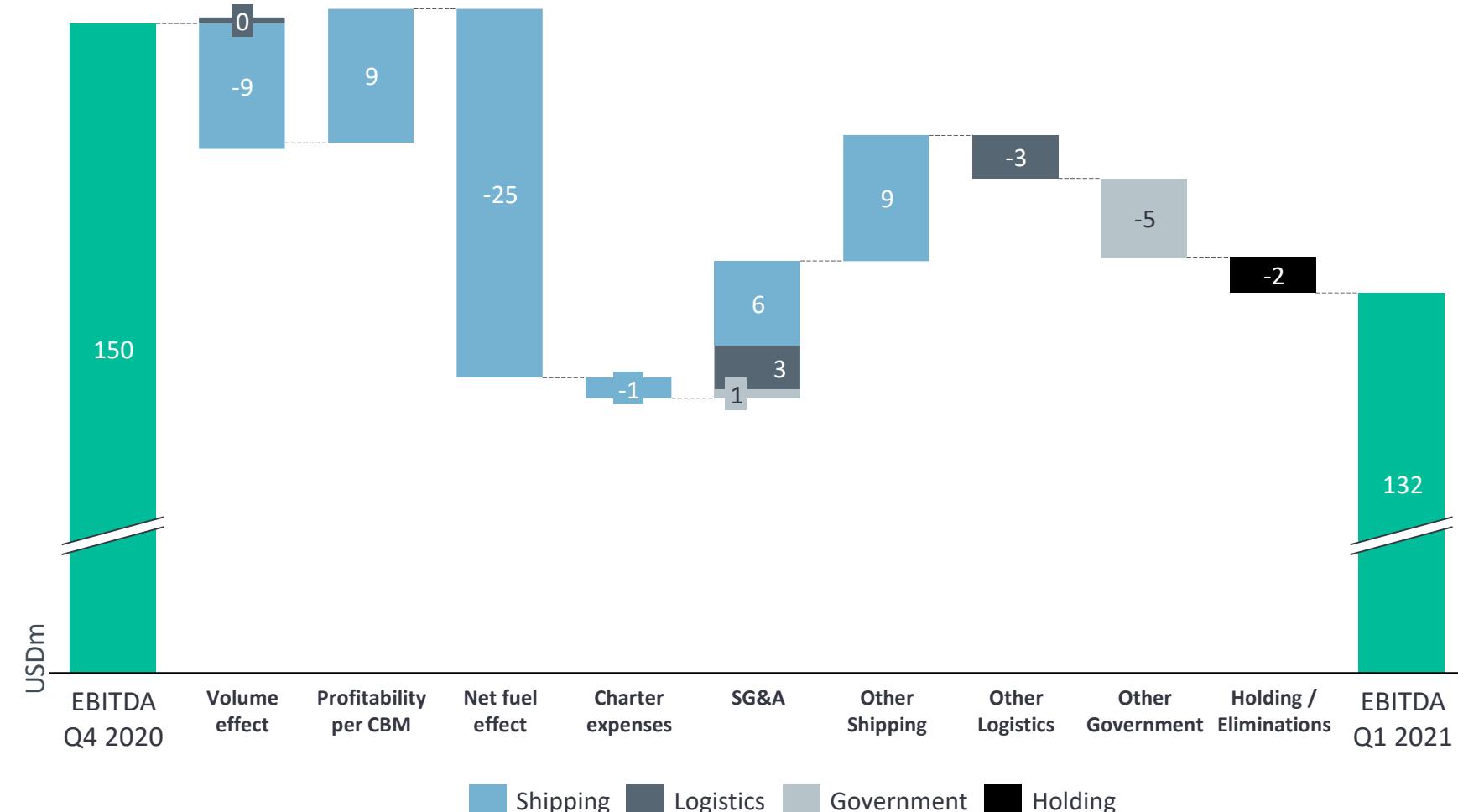
EBITDA down 12% QoQ, as increased fuel cost and ramp-up costs outweigh revenue improvement

- **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

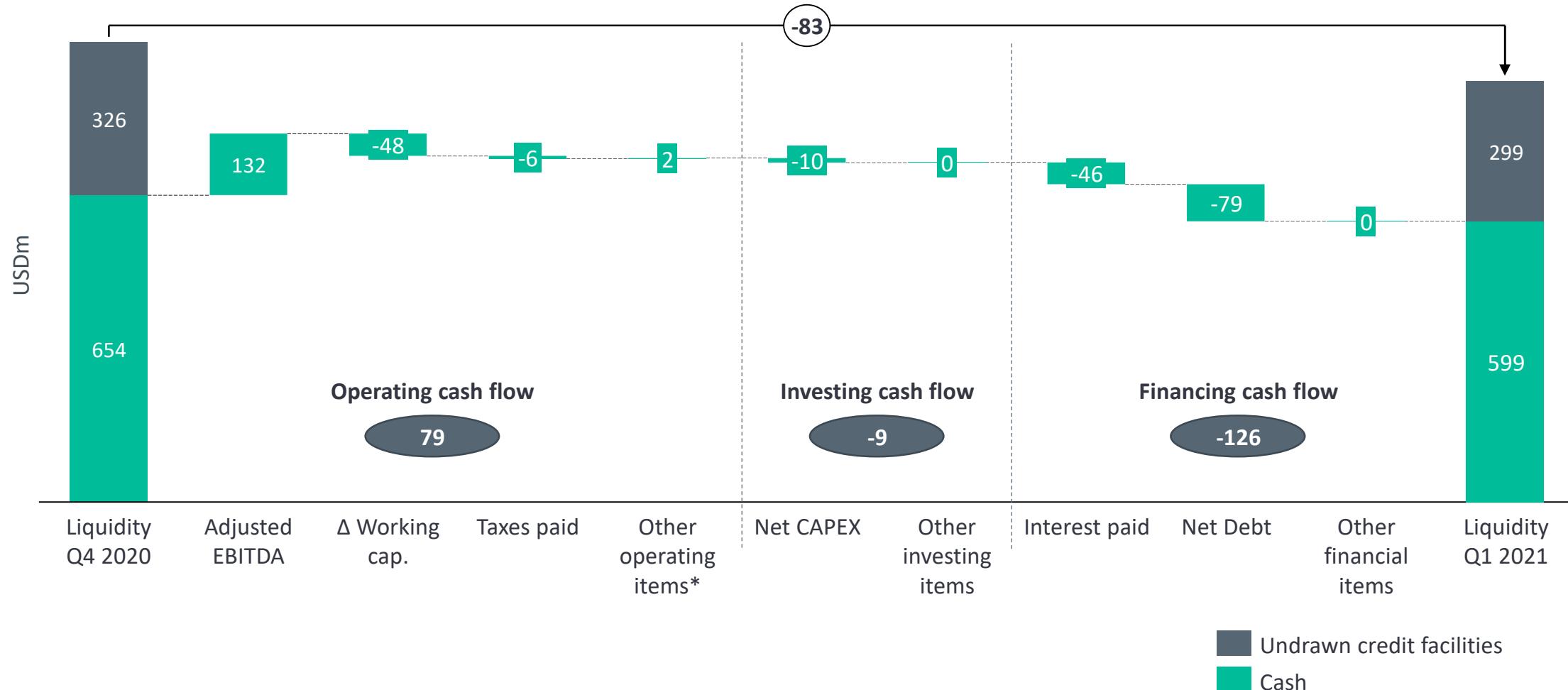
- **Logistics services** develop flat

- **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



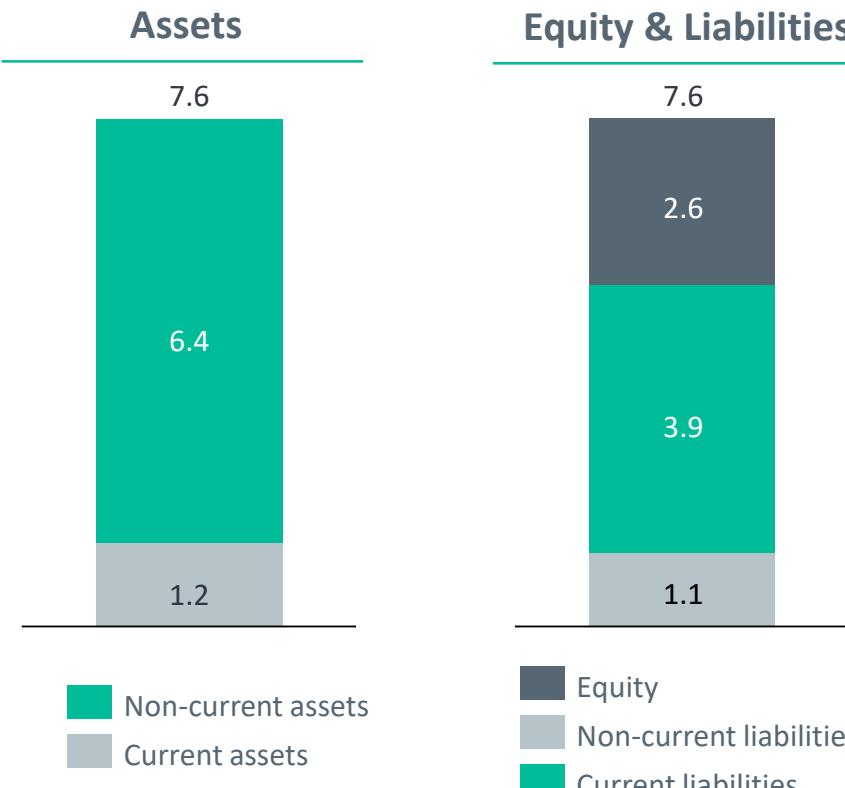
Solid balance sheet and strong liquidity position

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



Q&A

