Wallenius Wilhelmsen

Wallenius Wilhelmsen ASA

Q3 2024

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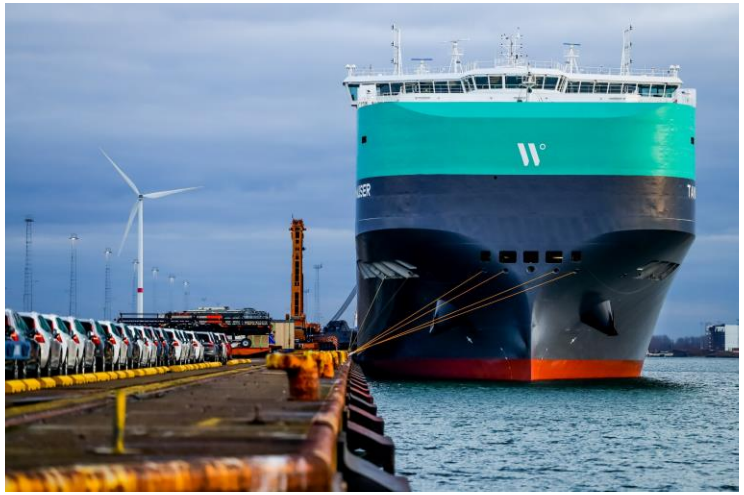
Wallenius Wilhelmsen – highlights Q3 2024

- Wallenius Wilhelmsen delivers another strong quarter with Q3 adjusted EBITDA of USD 503m
- Shipping and Government segments adjusted EBITDA improved QoQ and YoY
- Logistics declined QoQ mainly due to seasonal effects on volumes and product mix
- Solid progress in contract renewals, expecting to announce further contracts before year-end
- Upsized four newbuildings to 11,700 CEU and secured attractive financing for six Shaper class vessels
- Continued strong demand for shipping and logistics services despite softening sales signals for auto and H&H equipment
- EBITDA for 2024 will be somewhat better than in 2023

All three segments continue to deliver in Q3

Shipping



1.0 USD billion in revenues | **416** USDm of Adj. EBITDA

Market leader with unrivaled high & heavy and breakbulk capabilities

Logistics

294 USD million in revenues | **47** USDm of Adj. EBITDA

Customers' preferred partner for logistics, processing and terminal services

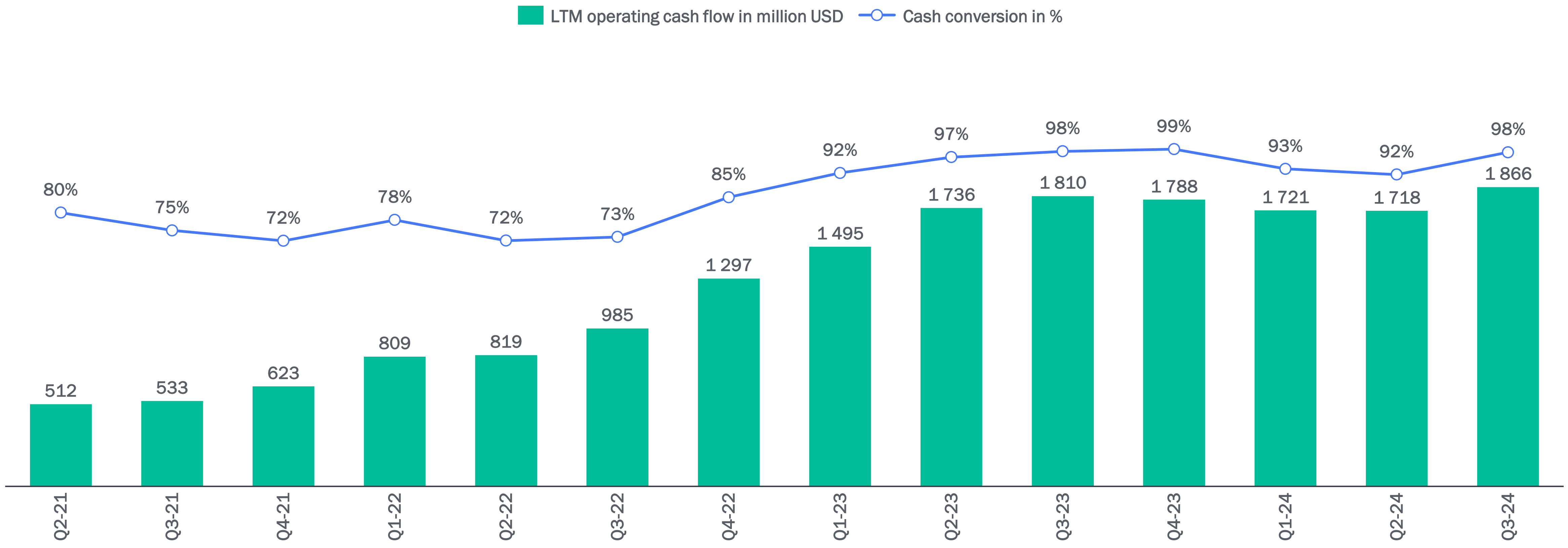
Government

117 USD million in revenues | **49** USDm of Adj. EBITDA

Dedicated ocean transport and logistics services for the U.S. government

Trend of strong cash flow generation and high cash conversion continues

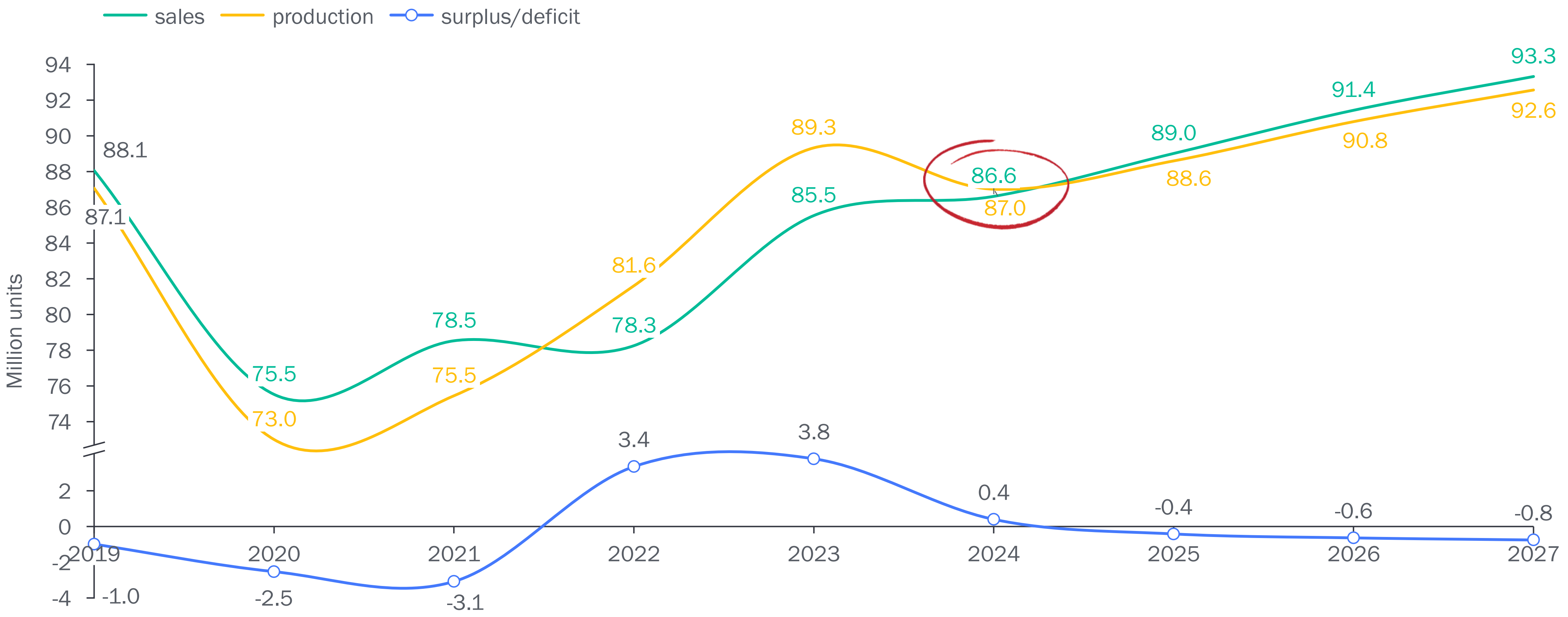
LTM[1] operating cash flow and cash conversion[2]



1) LTM: Last twelve months (rolling)
2) Cash conversion: LTM operating cash flow / LTM adj EBITDA

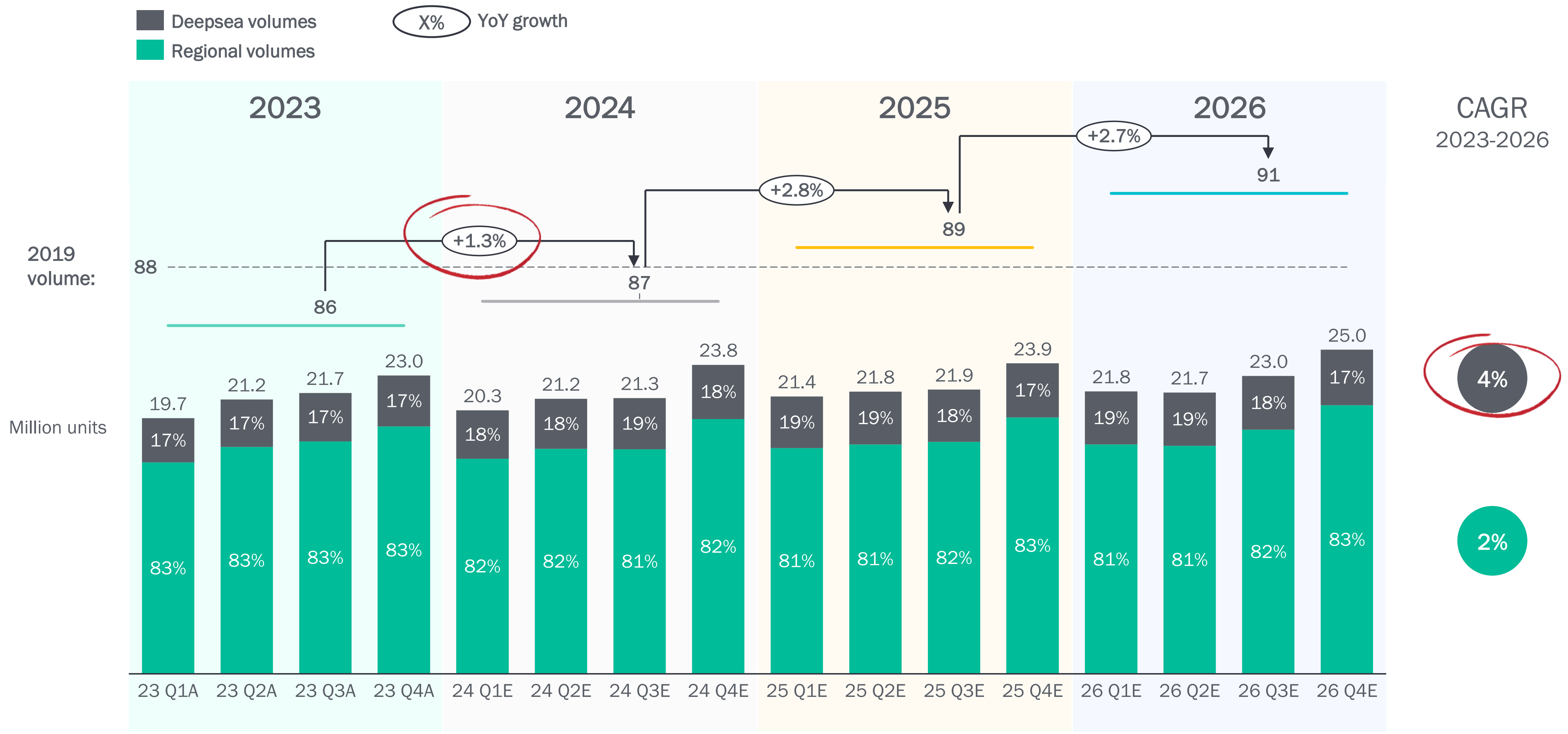
After a year of inventory build-up, auto production is realigned with demand which is still below 2019-levels

Global LV sales, production and surplus/deficit in supply



Source: S&P500 September forecast, numbers excludes sales in Russia, WAWI Analysis

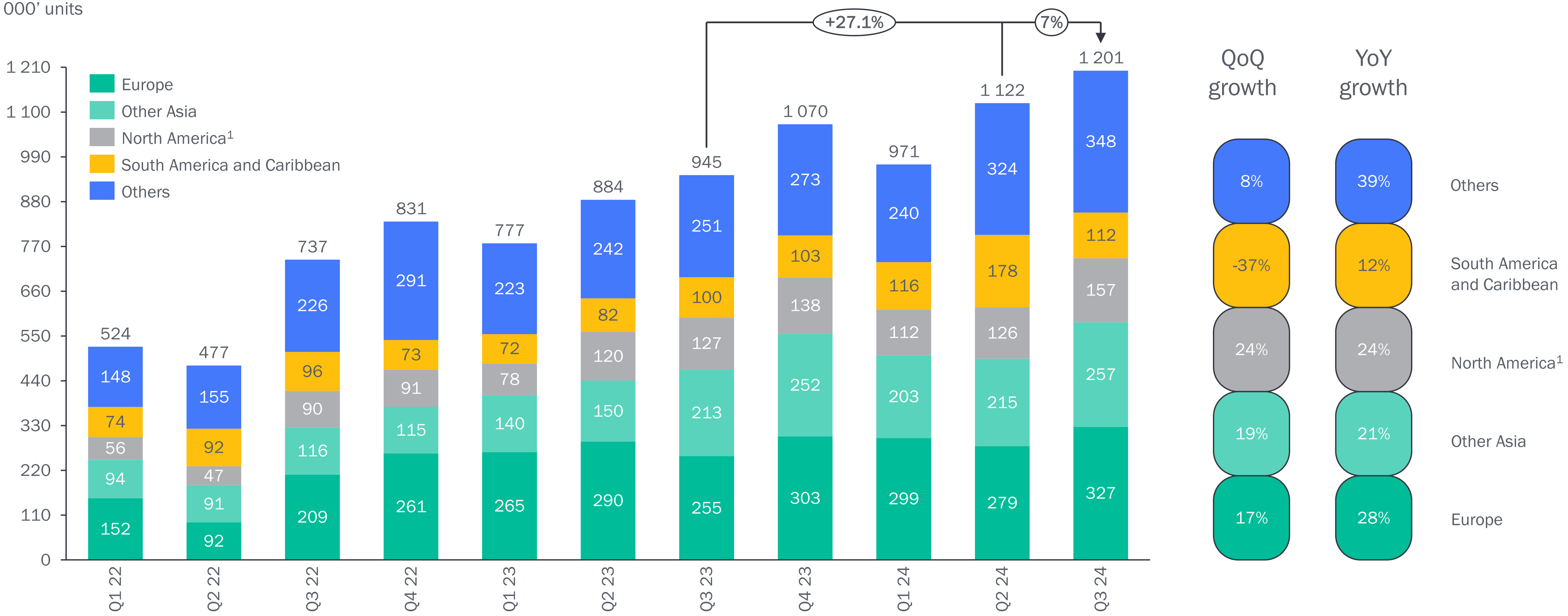
Deep-sea volumes continue to grow despite softening sentiment in the auto segment



Sources: S&P 500

QoQ growth in Chinese exports to all regions except South America

Chinese LV exports split by destination excluding Russia



1) Of the exports to North America, 73% are shipped to Mexico, 18% to the US, and 9% to Canada (2022-2024)
Source: China customs, WAWI analysis

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1. Shipping update
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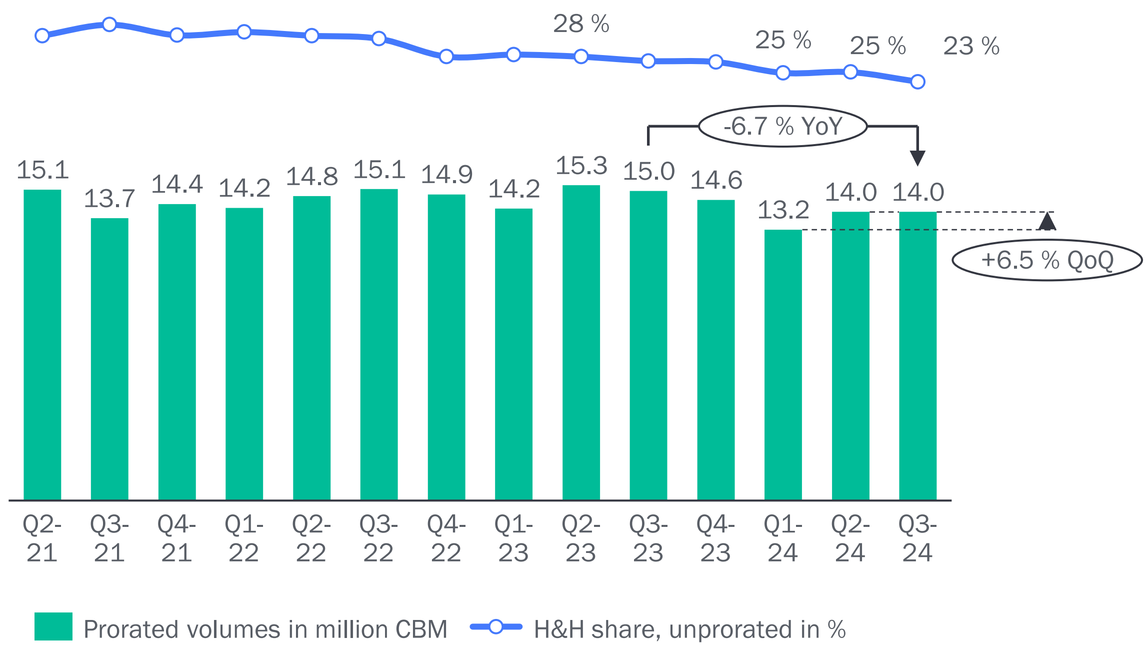
Continued improvement in rates and earnings on stable volumes

Shipping services volume and cargo mix



- Capacity sold out as the market remains tight
- Volumes stable QoQ at 14m cbm
- H&H share down QoQ to 23%
- We see increased breakbulk volumes QoQ following firm container markets

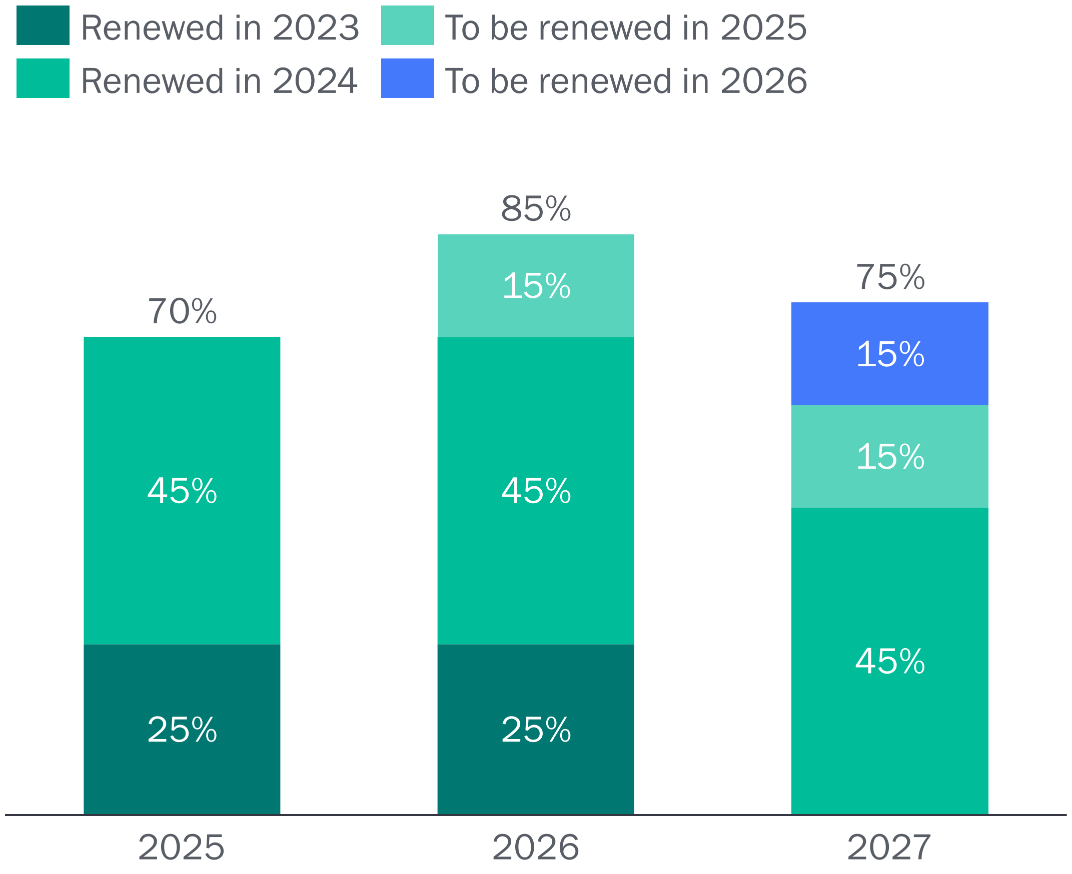
Estimated net TCE earning/day[1] and net freight rate/CBM

- New contract rates had a beneficial impact in the quarter, with all time high net freight per CBM
- Trade mix showed improvement as volume from Asia increased, and volume from Europe decreased
- Positive effect from customer mix
- Net TC equivalent earnings[1] improved both QoQ and YoY

1) TCE earning/day is net of fuel surcharges and fuel cost

For 2025, more than 70% of volumes are expected to have been locked in at prevailing market rates

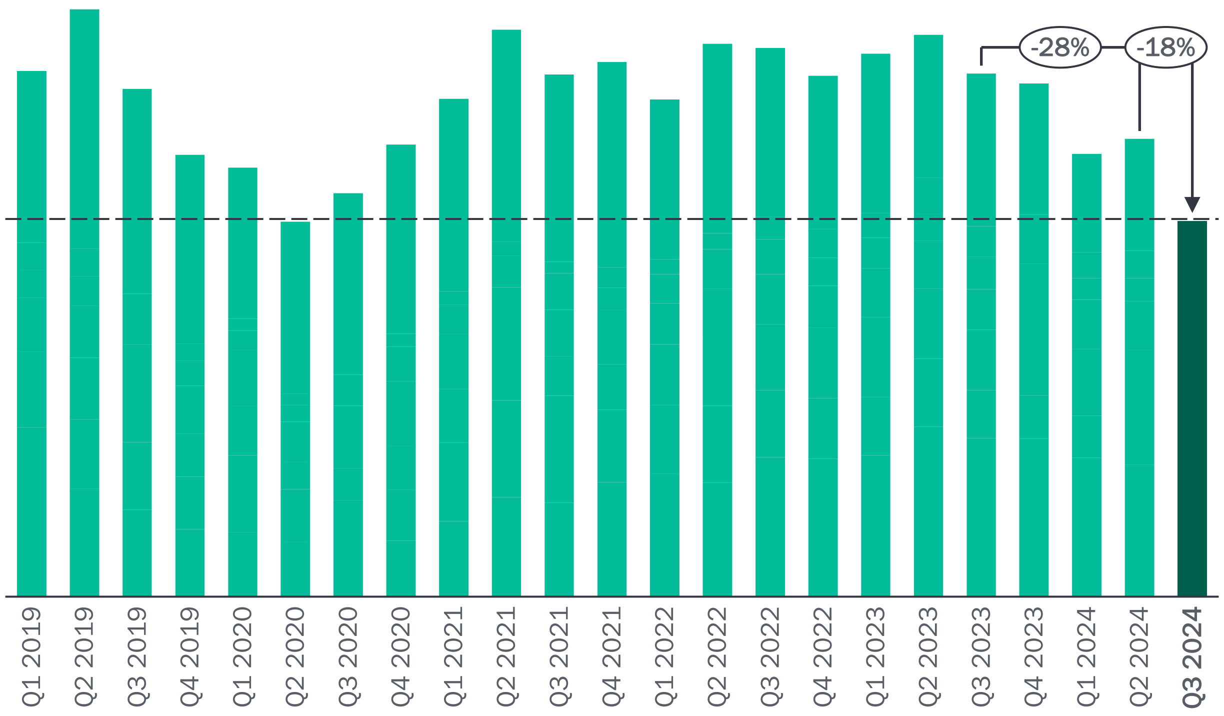
Schedule of contract renewals as share of 2023 volumes



- Finalizing the renewal of contracts for 2025. Expect announcements in Q4 2024/Q1 2025
- Declined to renew with some clients where terms/rates and/or duration has been unacceptable
- Announced this week a 5-year contract in the H&H segment with an expected value of USD 766m

H&H volumes expected to improve from 2025 despite current softness

Wallenius Wilhelmsen high and heavy volumes (CBM)[1]



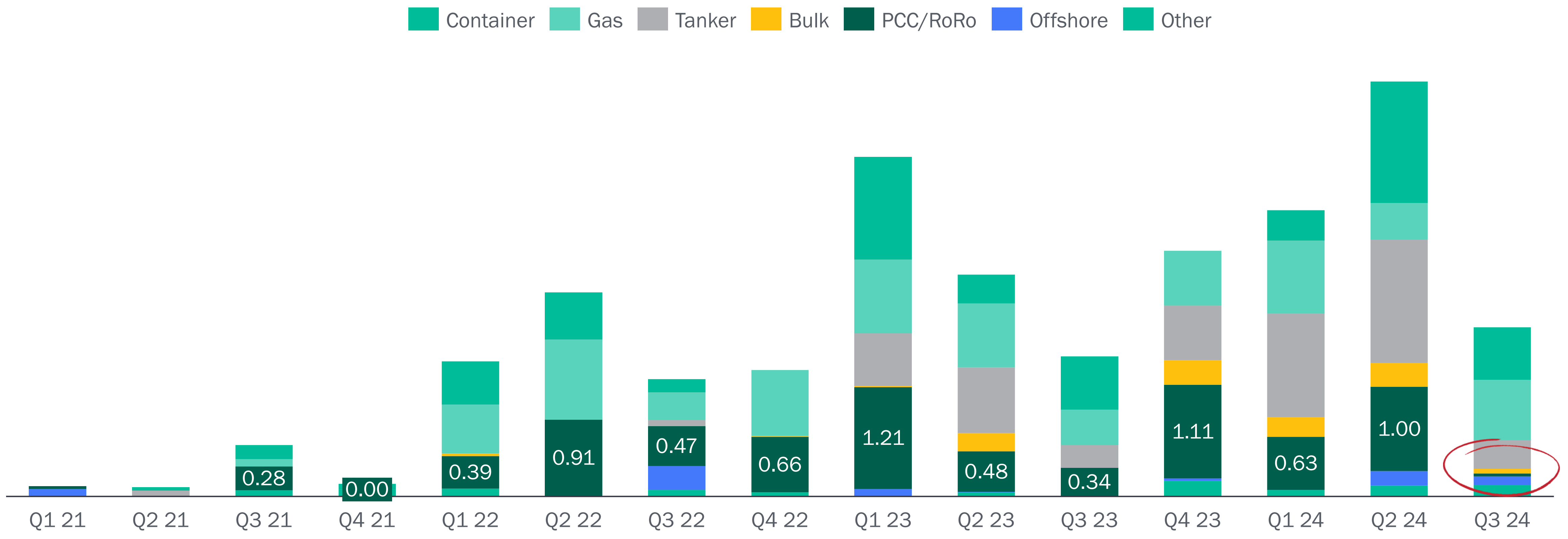
- Volumes are at the lowest level since Q2 2020, but stronger rates offsets most of the negative effect from softer volumes
- Weak demand from construction, sluggish economy in agriculture, but good activity in mining
- Additional rate cuts, a clear political result in the US elections and Chinese stimulus will support H&H volumes

[1] Not including breakbulk cargoes, unprorated and indicative numbers
Source: Wallenius Wilhelmsen internal data

Only one PCC vessel* was added to the orderbook in Q3 while significant yard capacity is reserved throughout 2028 by other segments

Ordering activity in million CGT at PCC yards

Compensated gross tonnage



*The latest order of a PCC vessel was given to Raffles by NOCC. This is the third order between the two counterparties.

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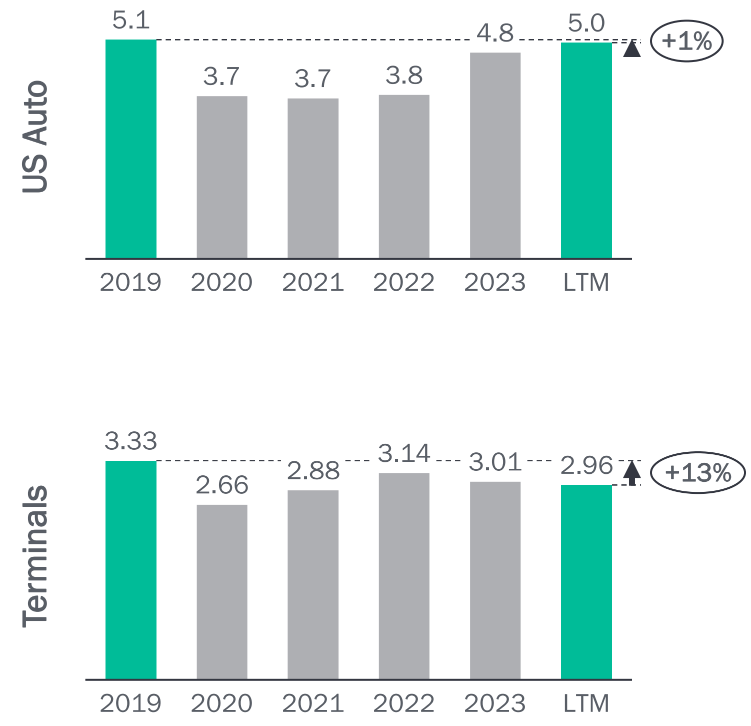
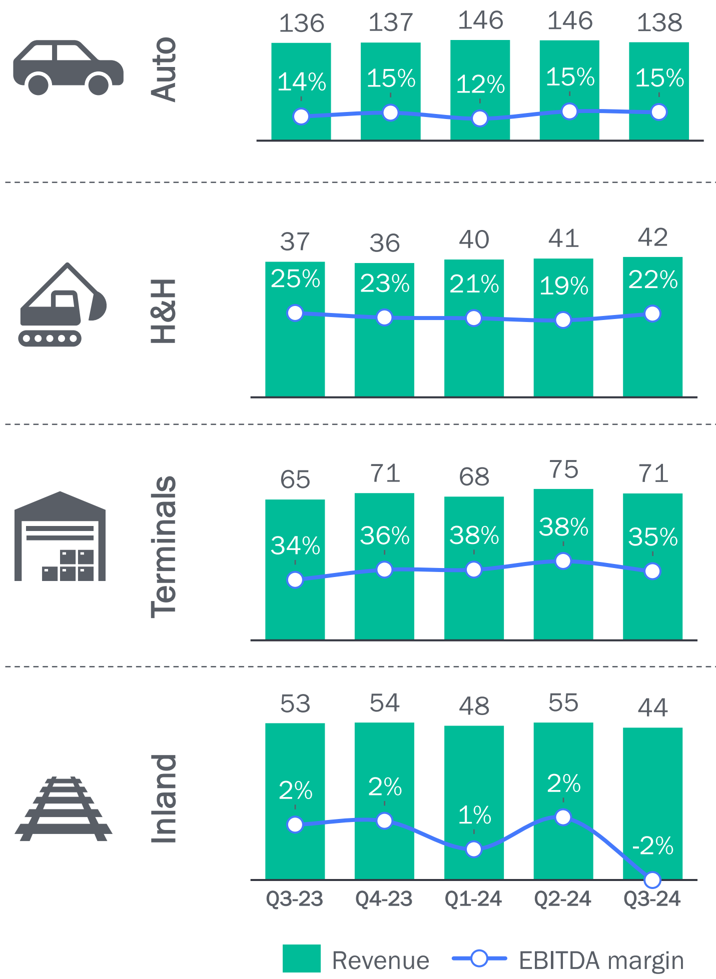
Slower pace in Logistics from seasonality, inventory increases and reduced biosecurity revenue

US Auto and Terminals volumes

Million units



Revenue & EBITDA margin



- Volume down 8% QoQ from seasonality and OEM production cuts
- Inventories up on slower sales
- Lower US sales impacting throughput

- Increased storage revenue as inventory levels increase

- Lower biosecurity revenue in Oceania
- MIRRAT sale still pending. Timing unchanged at end 2024/early 2025

- Margins remain under pressure as a slowdown in US H&H sales reduce inland transportation demand

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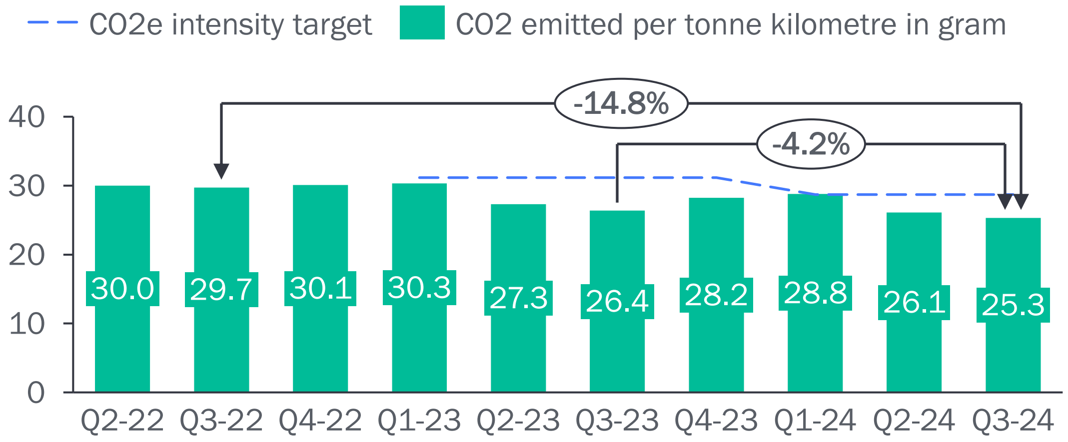
Committed to safe and sustainable operations

LTIF[1] up QoQ in Logistics and Shipping

	Q2-24		Q3-24
LTIF Shipping per million man-hours exposed	0.21	↗	1.12
LTIF Logistics per million man-hours worked	12.87	↗	12.93

- Despite an unfortunate LTIF increase per segment in Q3, the YTD average remains below our targets
- YTD LTIF Shipping is at 0.49, below our 2024 target of 0.75
- YTD LTIF Logistics is at 12.54, below our 2024 target of 12.93

Reduced CO_2e emission intensity YoY and QoQ[2]



- CO_2e intensity reduced due to operational efficiency
- CO_2e intensity improved to 25.3 in Q3 24, down from 26.1 in Q2 2024
- CO_2e intensity YTD was 26.7, below our 2024 target of 28.7

1) LTIF: Lost time injury frequency
2) CO_2e intensity – gCO_2e / tonne km (EEOI). CO_2e intensity target is set and measured on annual basis.

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Financial highlights – Q3 2024

USDm, except per share, per cent and multiples

	Q2-24		Q3-24
Revenue	1 359	→	1 353
Adj. EBITDA	507	→	503
Operating cash flow	393	↗	554
Cash	1 641	↗	1 829**
Net debt	1 814	↘	1 498

Financial targets *

ROCE > 8%	Δ
19.5%	Y +1.3 Q +0.6

Equity ratio > 35%	Δ
34.4%	Y -3.8 Q -1.3

Leverage ratio < 3.5x	Δ
0.8x	Y -0.4 Q -0.2

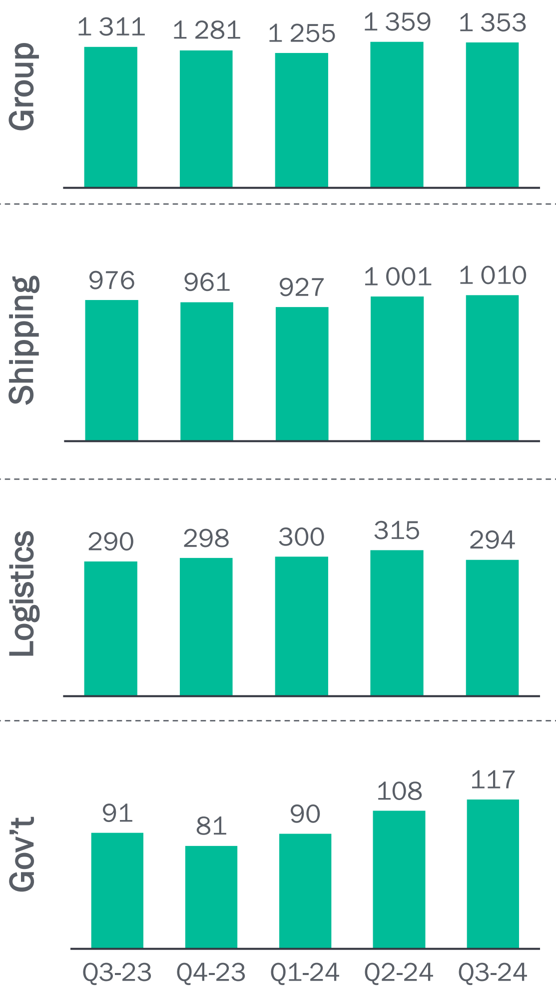
* Long-term, over-the-cycle targets – ROCE: LTM adj. EBIT / LTM average capital employed | Equity ratio: Total Equity / Total Assets | Leverage ratio: Net interest-bearing debt / LTM adj. EBITDA. ROCE and Equity ratio adjusted based on restatement of accounts announced in Q2

** Excludes USD 37m in cash related to assets held for sale (MIRRAT)

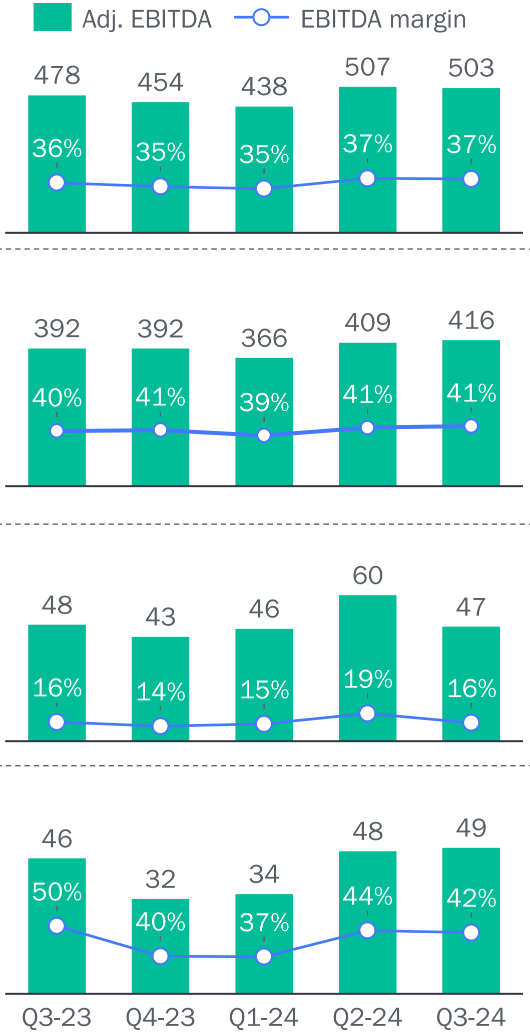
Q3 Segment performance

USDm, unless otherwise noted

Revenue



Adj. EBITDA



Comments

Group

- A stable quarter with no new major operational issues
- Revenue and adjusted EBITDA up YoY despite lower volumes linked to Red Sea deviation
- Improved EBITDA margin YoY

Shipping

- Stable volumes, marginally improving rates, and some increase in congestion
- EBITDA reduced by USD 12m higher SGA linked to a donation associated with the Korean tonnage tax regime
- Sold one vessel to ARC booking a gain of USD 20m (gain eliminated on Group level) offset by USD 32m provision

Logistics

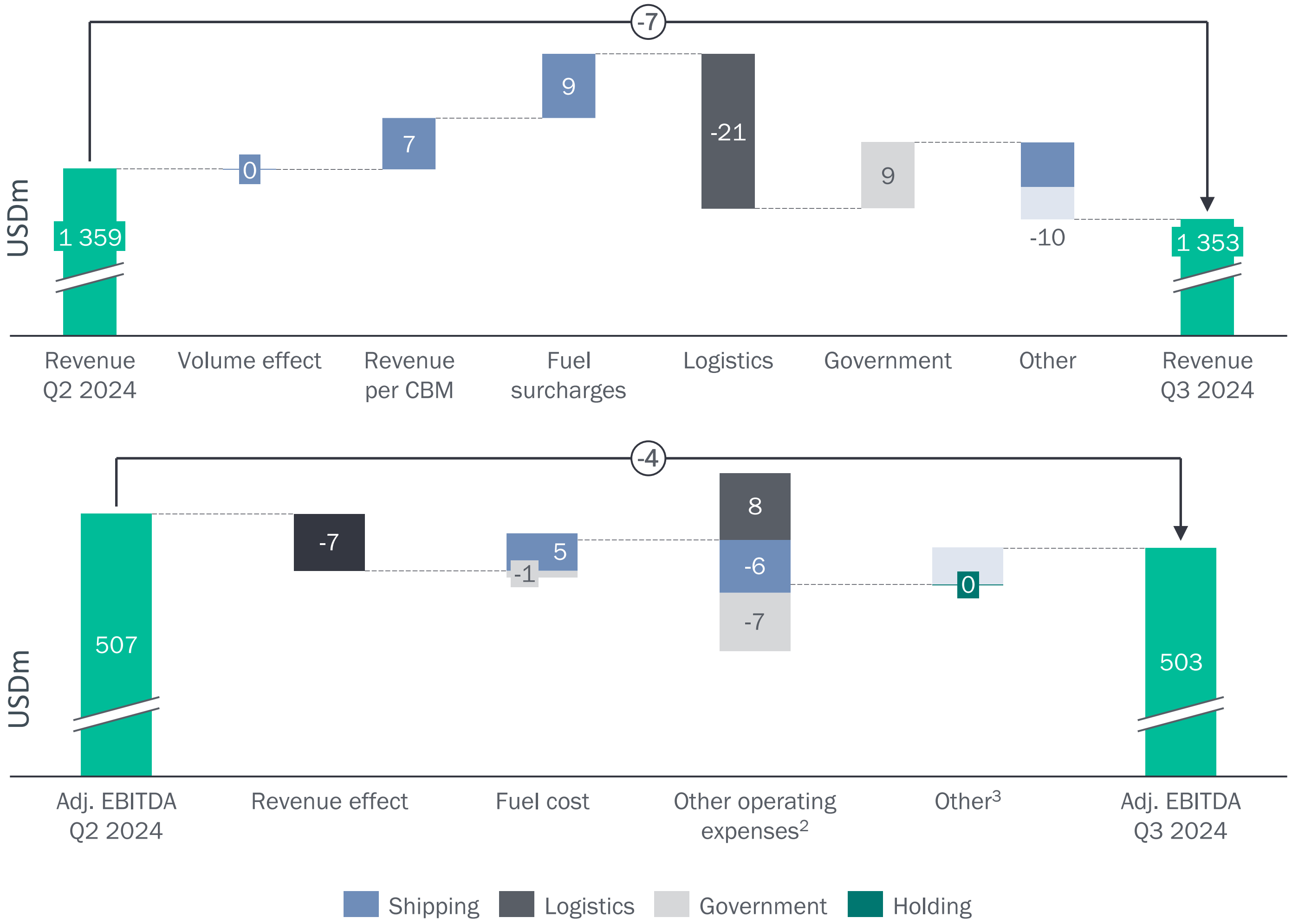
- Reduced throughput volume partly offset by increased storage revenue
- Negative volume effects from seasonality and production cuts
- EBITDA declined QoQ on reduced activity

Gov't

- Continued high U.S. flag cargo activity
- Revenue and EBITDA up from prior quarter primarily driven by U.S. flag cargo
- Acquired one vessel from WW Ocean at very end of quarter

Revenue and adjusted EBITDA marginally down QoQ

- Revenue down USD 7m QoQ
  - Positive effects from rates and surcharges QoQ
  - Increased activity in Government services
  - Lower Logistics activity pulled down
- Adj. EBITDA[1] marginally down QoQ
  - Revenue down driven by Logistics, but almost offset by Shipping and Government increases
  - Higher SGA in EUKOR due to donations under Korean tax regime (USD 12m, up USD 9m YoY)
  - Logistics services EBITDA was down USD 13m on lower volumes
  - EBITDA in Government services improved on higher activity QoQ

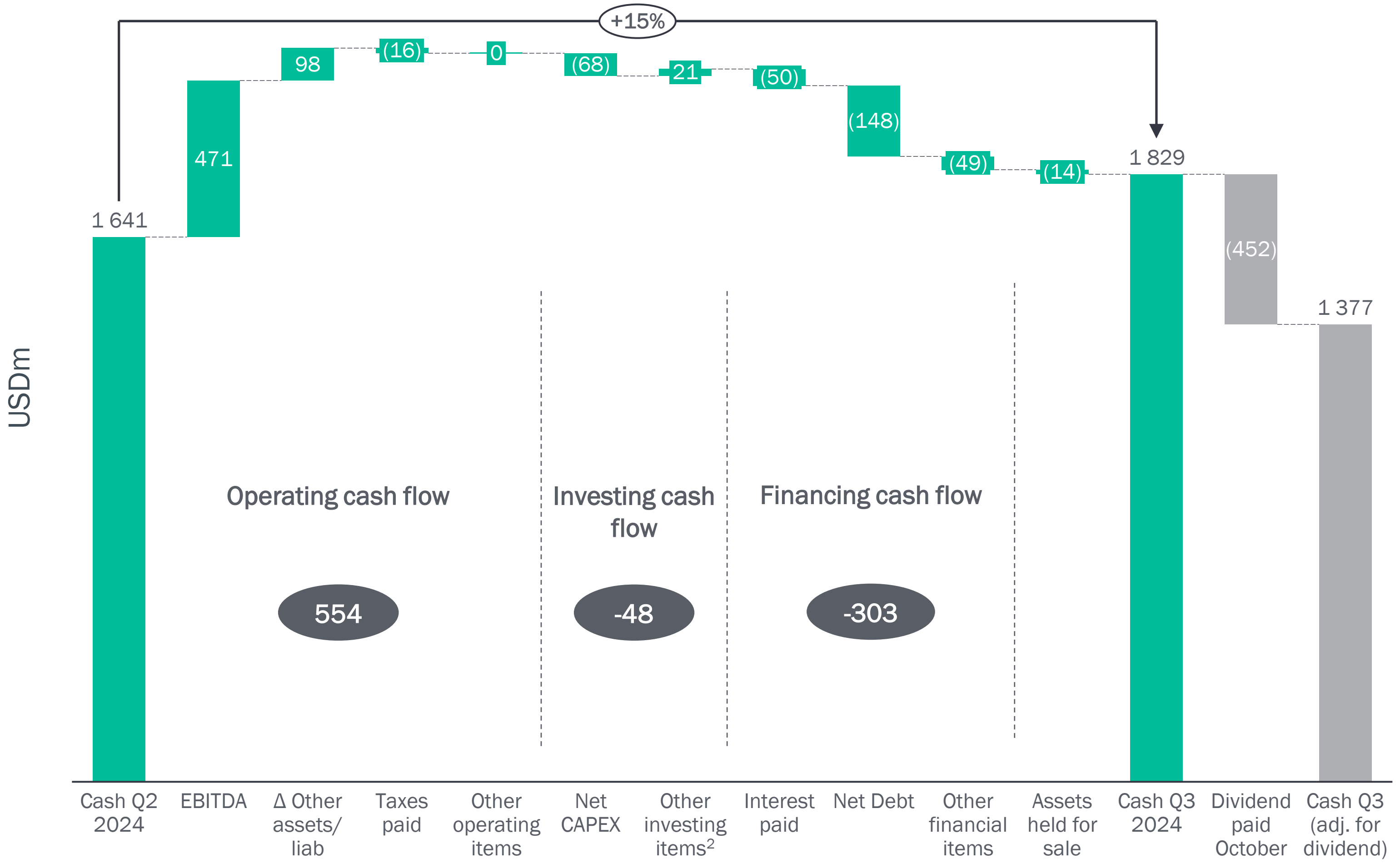


1) No adjustments in Q2 2024 on group level 2) Other operating expenses includes cargo- and other voyage expenses, ship operating expenses, charter expenses, manufacturing cost, and SG&A expenses 3) Other includes holding expenses (mainly SG&A) and eliminations

Cash on hand increased by USD 189m on solid operating cash flow ahead of October dividend payment

Comments

- Q3 operating cash flow of USD 554m, representing cash conversion of ~110%[1]
- Net CAPEX items include investments related to newbuilds, drydock, projects and other assets
- Net debt consists of scheduled repayments, USD 138m bond maturity, USD 63m new loan in ARC and USD 24m early repayments in WWO
- Other financial items include release of USD 9m in cash collateral and USD 18m dividend to non-controlling interest
- Undrawn credit facilities at USD 354m
- In October, the group paid USD 452m in dividends

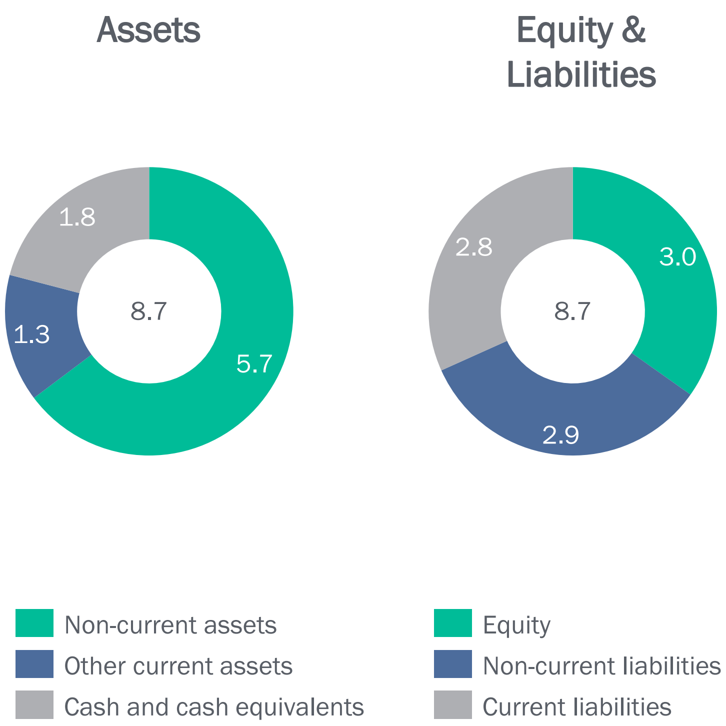


1) Cash conversion: Operating cash flow/adj. EBITDA
2) Includes interest received on bank deposits

The group maintains a robust balance sheet and strong liquidity position

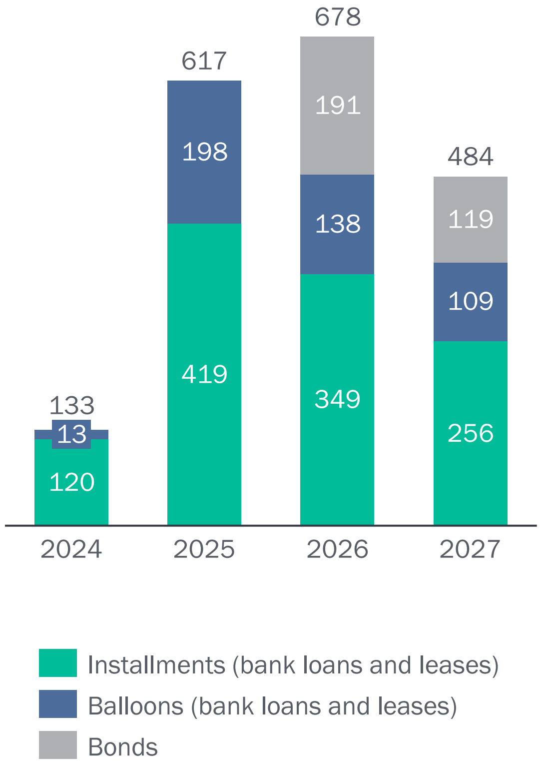
Balance Sheet per end Q3-24

USD billion



Debt Maturity Profile

USD million



Comments

- Equity ratio stands at 34.4%
- Net debt down to USD 1.5bn on debt repayments and cash from operations
- 22 unencumbered vessels
- September USD 138m bond maturity repaid
- Plan to maintain three outstanding bonds going forward
- EUKOR secured USD 450m of attractive post-delivery financing for 6 new vessels
  - SOFR + 155 bps
  - 7-year tenor from delivery

Continuous focus on upstreaming cash to ASA for dividends and investments

Wallenius Wilhelmsen ASA

Bond debt: USD 405m (Unsecured)

Group cash: USD 1.8bn / ASA cash: USD 574m

Dividends paid on 10 October: USD 452m

	ARC (100% owned)	EUKOR (80% owned)	WW Ocean (100% owned)	WW Solutions (100% owned)
Debt	Bank debt: USD 171m Leasing debt: USD 3m Secured by vessels	Bank debt USD 448m Leasing debt USD 570m Mainly secured by vessels	Bank debt: USD 686m Leasing debt: USD 232m Mainly secured by vessels	Bank debt: USD 303m Leasing debt: USD 520m Pledge in shares
Cash	Cash: USD 119m	Cash: USD 430m Undrawn RCF: USD 50m	Cash: USD 477m Undrawn RCF: USD 262m	Cash: USD 229m Undrawn RCF: USD 42m
Upstream*	Dividends paid to ASA	Dividends paid to ASA, HMC/KMC	Dividends paid to ASA	Dividends paid to ASA

Bank debt guaranteed by Wallenius Wilhelmsen ASA

Note: Cash and debt amounts as of Q3 2024. Not included in overview: USD 11m in amortized bank and bond financing costs

* Primary mechanism by which cash is upstreamed to ASA

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Prospects

2024 market balance: The RoRo shipping market continues to remain tight despite the addition of new tonnage and softer demand for H&H cargoes. The key positive demand driver remains strong growth in auto exports out of Asia. Further, we see solid demand for Logistics and Government services. The strong market backdrop lends support to both contract negotiations and continued high business activity.

Risks and challenges: Operating on a global scale, the company continues to face geopolitical risks, trade uncertainties, as well as supply chain challenges and costs. Furthermore, potential effects of newly introduced EV-tariffs in EU, trade tensions, the growing order book and the macro-economic situation are being closely monitored.

Impact of external events: The earnings impact of external disruptions is estimated to be around USD 100m for 2024. The estimate assumes that we do not transit the Red Sea during 2024.

Outlook for 2024: EBITDA in 2024 will be somewhat better than in 2023.

Outlook for 2025: We plan to issue a separate outlook statement for 2025 mid-December.

Q + A

Wallenius Wilhelmsen

Thank you!