Wallenius Wilhelmsen

Wallenius Wilhelmsen ASA

Q2 2024

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Forward-looking statements are statements that are not historical facts and may be identified by words such as "aims", "anticipates", "believes", "estimates", "expects", "foresees", "intends", "plans", "predicts", "projects", "targets", and similar expressions. Such forward-looking statements are based on current expectations, estimates and projections, reflect current views with respect to future events, and are subject to risks, uncertainties and assumptions.

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Wallenius Wilhelmsen – Q2 2024

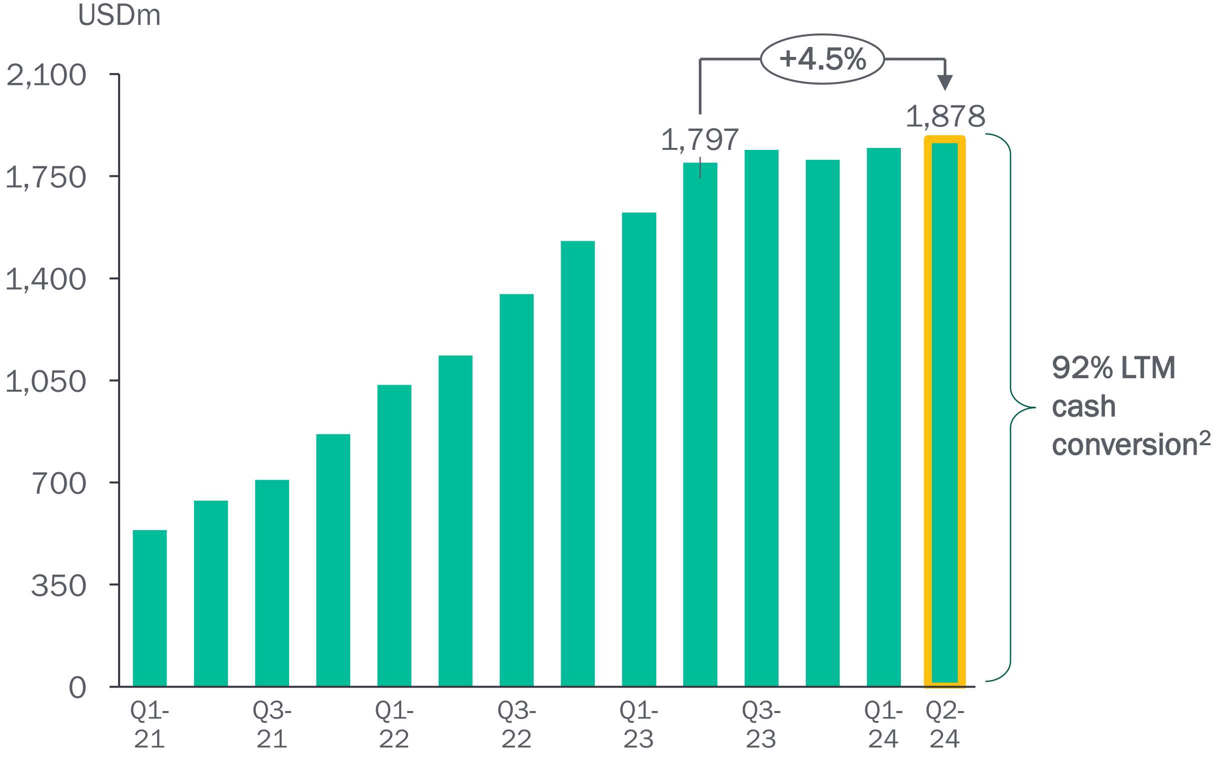
- Delivered Q2 EBITDA of USD 507m, which is an all-time high. All segments made solid contributions, with Government and Logistics delivering the strongest growth rates QoQ
- Declares H1 24 dividend of USD 0.61 per share under the new dividend policy, representing 50% of the net profit for the period
- Announced the sale of the Marine Terminal in Melbourne, Australia for USD 220m
- Placed an order for four additional newbuildings, bringing our total order book to 12 Shaper class vessels
- Appointed Mike Hynekamp as Chief Strategy and Corporate Development Officer and John Felitto as new COO of Logistics
- Announced that CFO Torbjørn Wist has resigned from Wallenius Wilhelmsen
- Expects EBITDA for the year to be somewhat better than 2023, supported by strong demand and improved contract terms

Delivering on our strategy during Q2

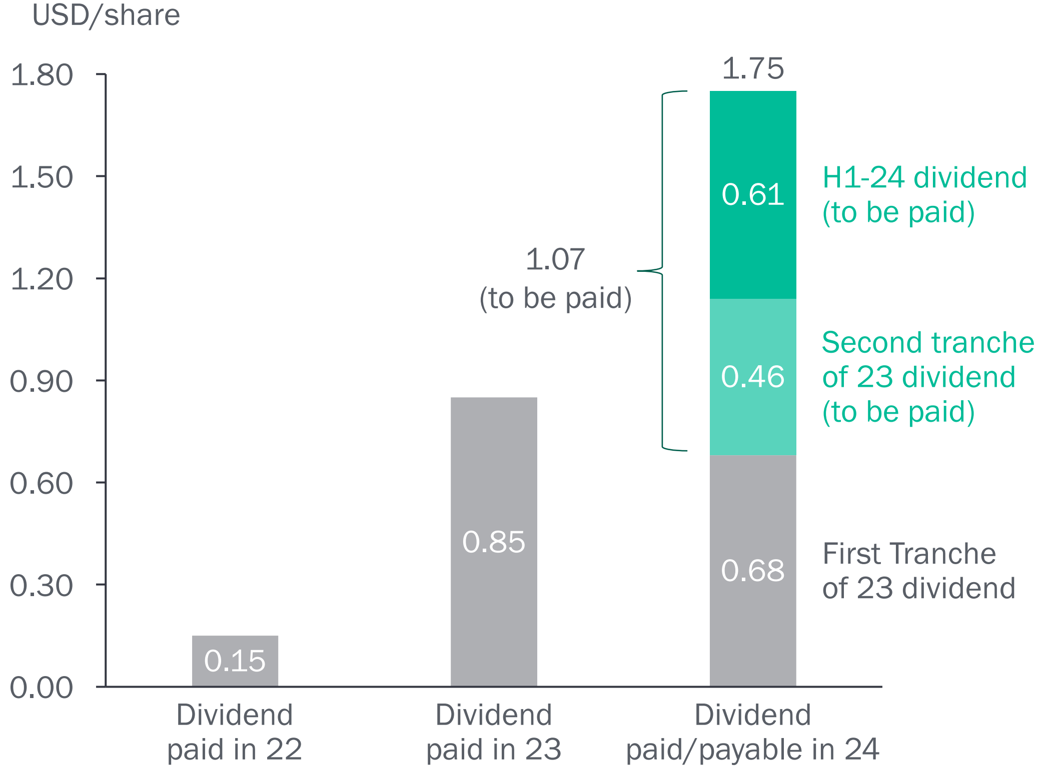
Goals	Our customers first choice in shipping	Ordered 12 methanol capable vessels
	Preferred logistics partner	Growing in integrated assets and divesting non-strategic (MIRRAT)
	Leading orchestrator	Established team, Lead by Mikael Bjørklund, with top digital/supply chain experts
	Net zero end-to-end	Biofuel at ~10% of consumption in 2024 and starting to source green methanol
Enablers	Grow with partners sharing our journey	Renewing contracts at market rates and growing on integrated, low emissions services
	Work as one	Established new Strategy and Corporate Development Unit headed by Mike Hynekamp

The company continues to secure high cash conversion and strong dividend payouts to shareholders

LTM[1] adj. EBITDA



Total dividend payouts to shareholders



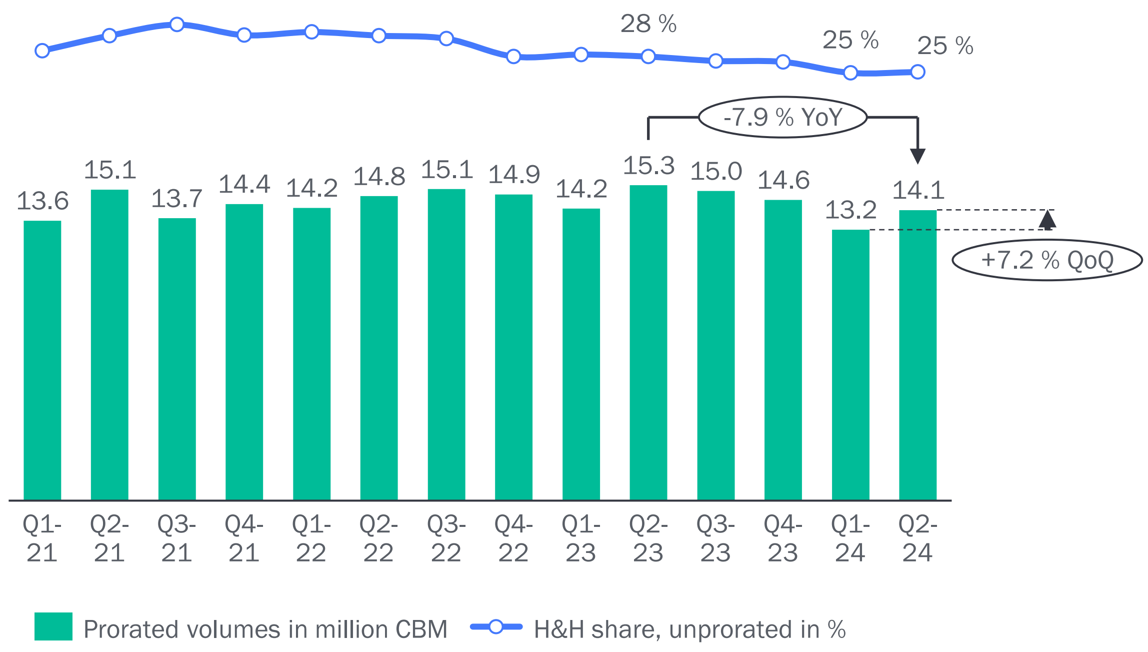
1) LTM: Last twelve months (rolling)
2) Cash conversion: LTM operating cash flow / LTM adj EBITDA

Agenda

1. Shipping update
2. Logistics update
3. Sustainability update
4. Financial update
5. Prospects & Q&A

Shipping delivered another solid quarter on increased rates and volumes QoQ

Shipping services volume and cargo mix



- Capacity sold out as the market remains tight
- Reduced congestion and stabilization of trades led to a 7% volume increase QoQ
- HH share stable QoQ at 25%

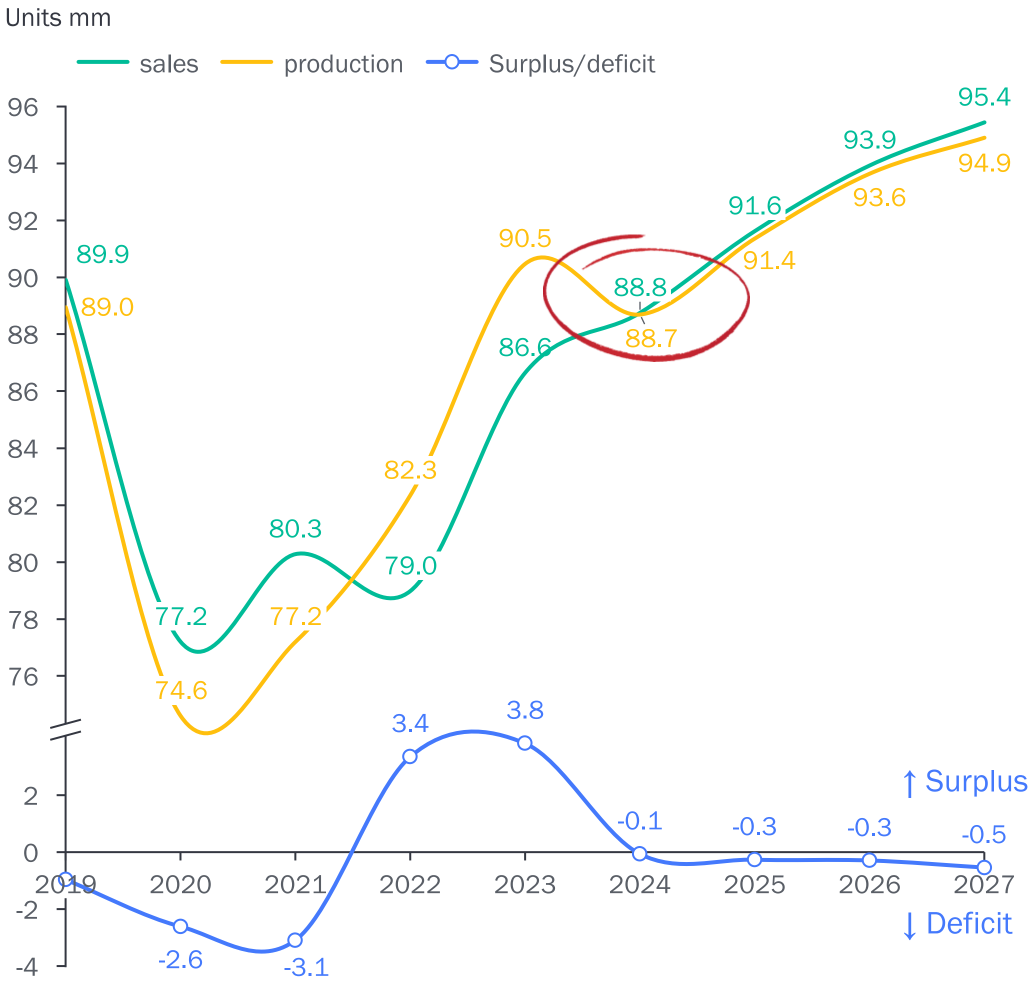
Estimated net TCE earning/day[1] and net freight rate/CBM

- Further positive impact from new contract rates in quarter
- Trade mix: Flat volume development ex Asia. Volume growth from ex Europe and US trades
- Positive effect from customer mix with increased shipments from high-paying customers ex Asia.

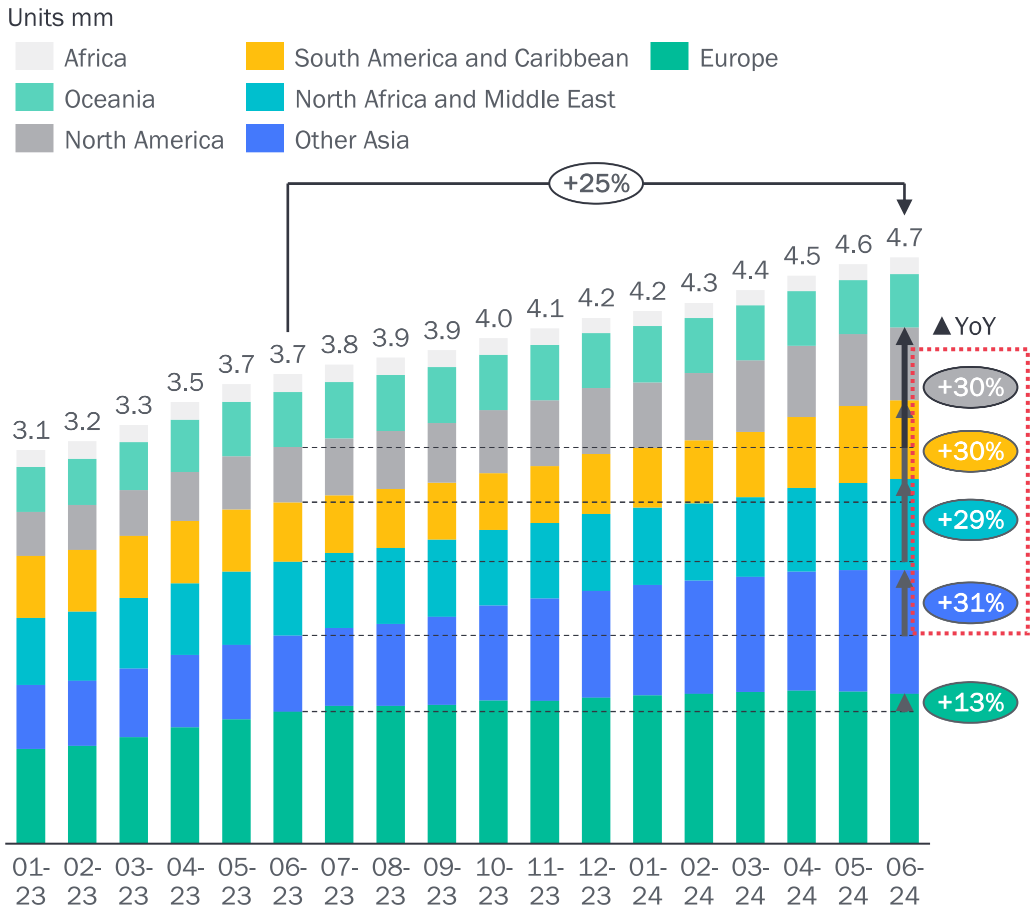
1) TCE earning/day is net of fuel surcharges and fuel cost

Global car production expected down YoY due to inventory, while Chinese OEMs continue to penetrate new markets

Global LV sales, production and surplus/deficit in supply



12-month running Chinese vehicle exports by destination[1]

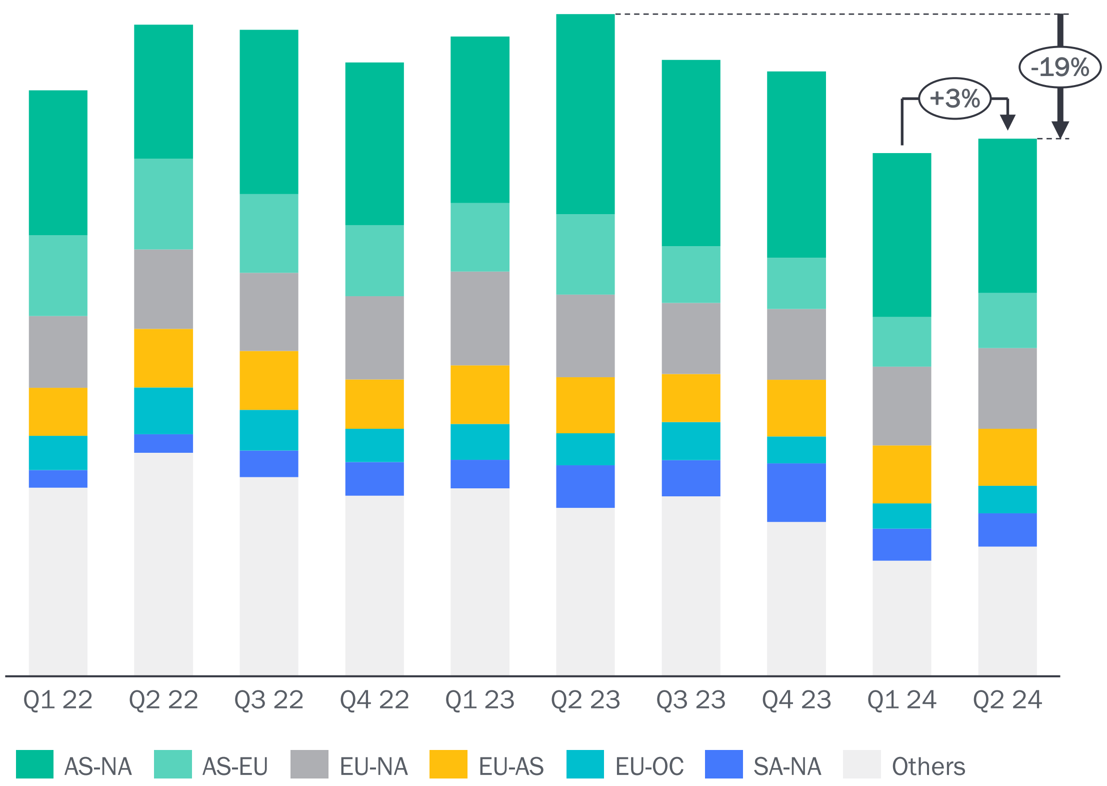


1: Numbers exclude Chinese exports to Russia

Sources: S&P500, China customs data, WAWI analysis

H&H volumes stabilizing on a lower level but are expected to rebound into 2025/26

Wallenius Wilhelmsen high and heavy volumes by trade (cbm)[1]



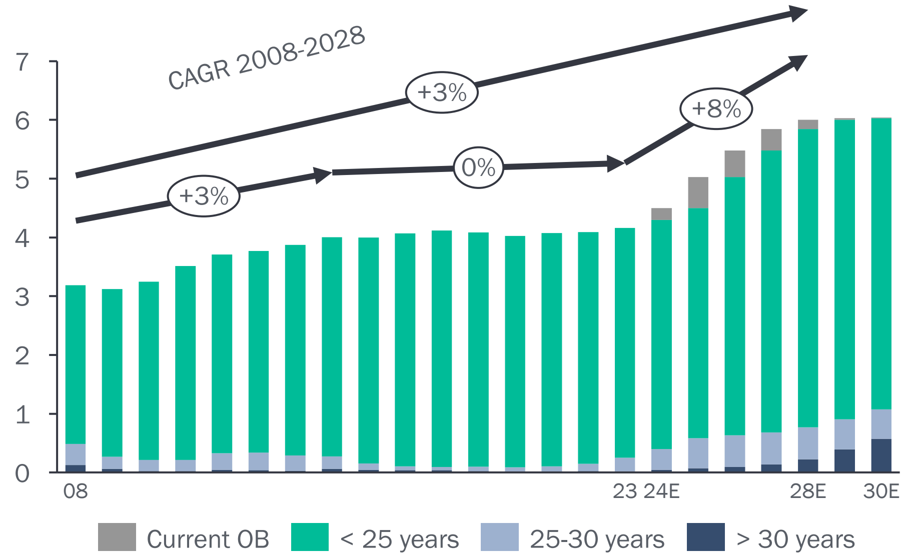
- Following some very strong years, H&H volumes has come down to ~25% of our cargo mix in H1 2024
- Volumes in H1 2024 are impacted by Red Sea disruptions and softness in Agricultural and Construction whilst Mining is holding up
- We believe volumes have bottomed and will gradually rebound

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

The order book is substantial and has continued to grow, but we expect the tight market to continue into 2025

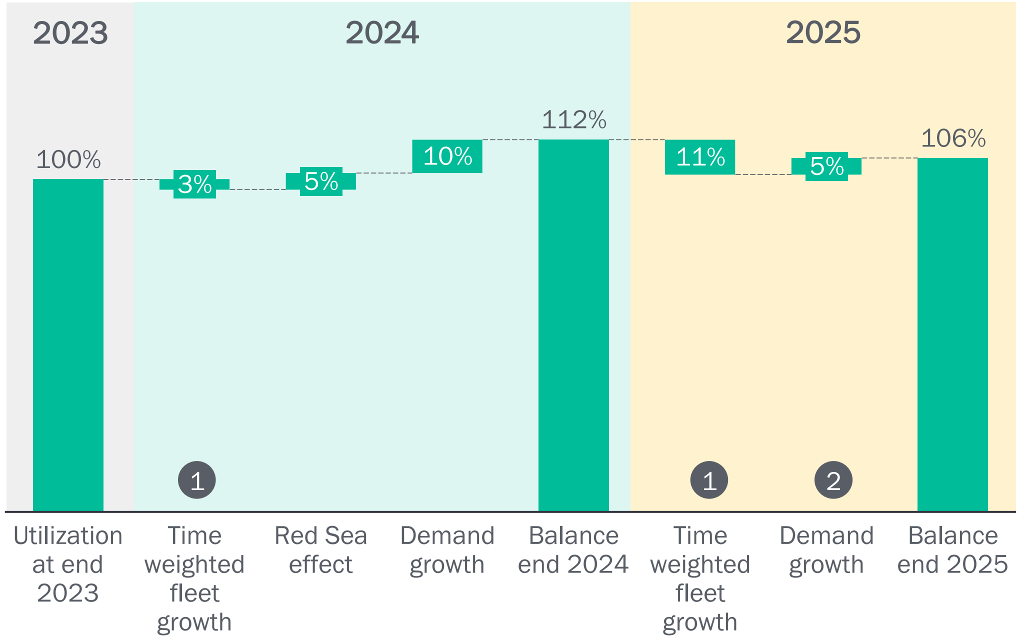
Global RoRo fleet development[1]

Million CEU



- Orderbook stands at 222 vessels (16 added in Q2), representing 41% of the total fleet (including our 12 vessels on order)
- Assuming no recycling, an annual growth of 8% is anticipated from 2023 to 2028

Development of the global fleet utilization

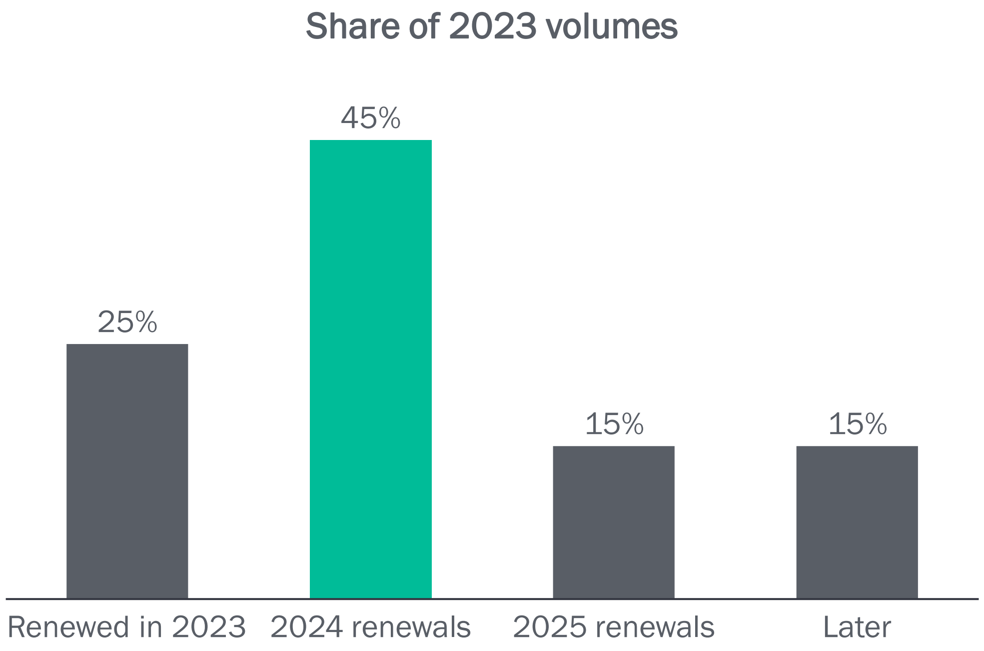


1. Fleet growth is weighted for expected delivery time throughout 2024 and 2025 and assume no delays or recycling
2. Demand growth in 2025 illustrated as 50% of 2024

1) Based on orderbook as of the end of 2024 July. No assumption for retirement and no speed reduction following environmental regulations.
Sources: Clarksons, Wallenius Wilhelmsen Analysis

Contract renewals progressing well and in line with market sentiment

Contract renewals



- We continue to make good progress in renewing contracts for 2025. The renewals are skewed towards late H2
- Announced a three-year contract valued at USD 195m during Q2
- During the quarter we have declined to renew with some clients where terms/rates/duration has been unacceptable

Agenda

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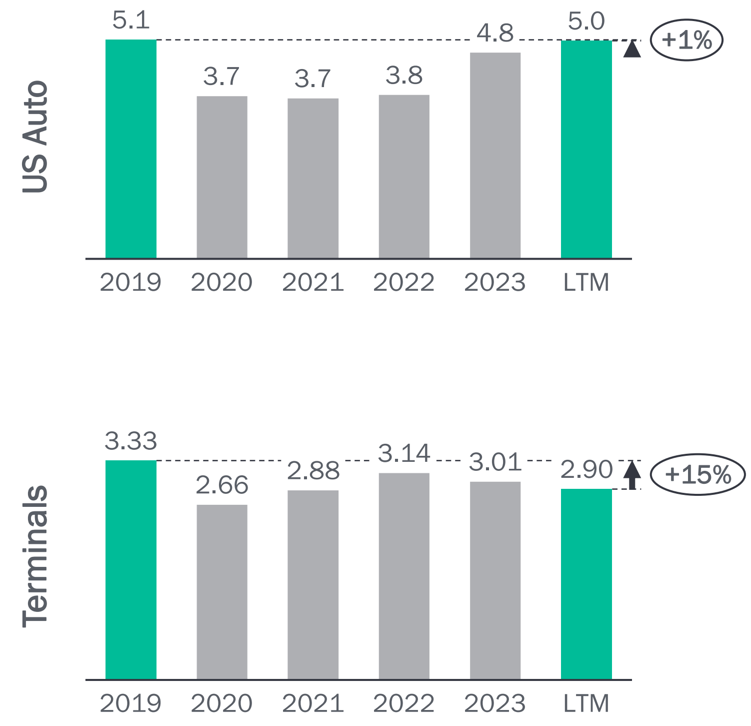
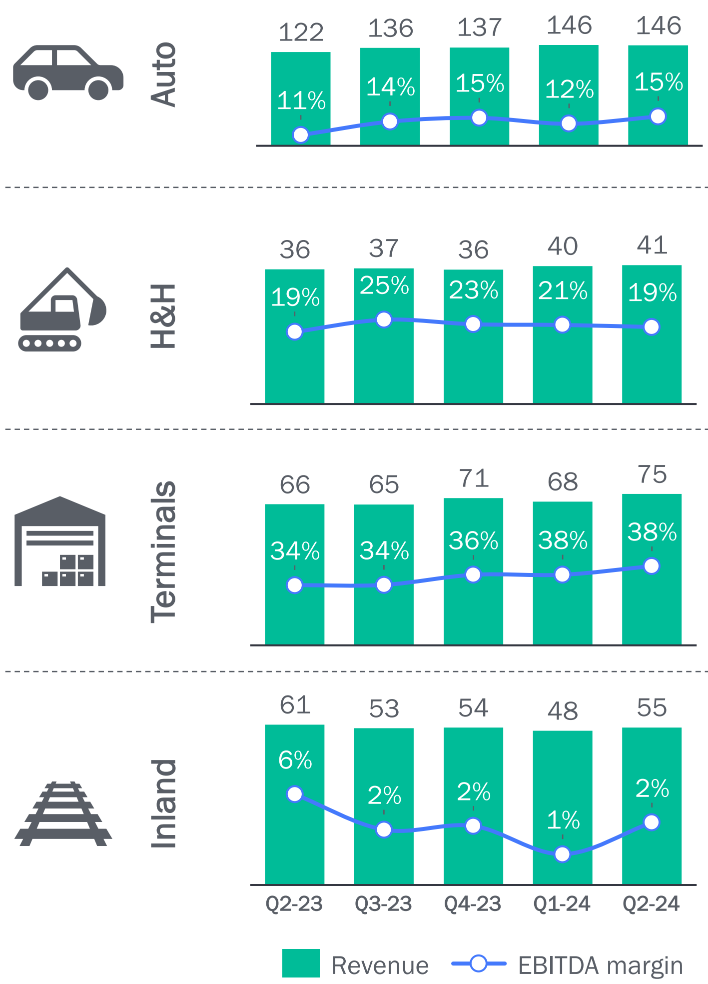
Logistics services continue to grow

US Auto and Terminals volumes

Million units



Revenue & EBITDA margin



Auto:
- Continued volume increase, up 1.6% QoQ
- Positive margin development as rates and scope are increasing

H&H:
- Volume up 15% QoQ
- Stronger revenue due to higher storage fees and Oceania volume growth

Terminals:
- Volume up 3% from prior quarter
- Brunswick expansion is positive for volumes and EU volumes were strong
- Offset by Baltimore closure and less fumigation

Inland:
- Spike in revenue as a result of the Baltimore bridge collapse and more spot cargoes in EU
- Margins still under pressure

MIRRAT sale reflects underlying value in Logistics

- MIRRAT terminal is considered non-strategic and a sale for USD 220m was announced in Q2
- The sale price and expected gain demonstrate the underlying values created in Logistics.
- Completion of the transaction is conditional on regulatory and Port of Melbourne approval
- The transaction is now expected to be completed in late 2024/early 2025
- The gain from the sale will be part of net profit when booked and included in dividend considerations

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Wallenius Wilhelmsen recognized with EcoVadis Gold

- Gold Medal from EcoVadis received in June 2024
- Recognition of our commitment to sustainability
- It ranks us among the top 5% of companies assessed globally
- Ranking places us in the top 3% of all companies in our industry

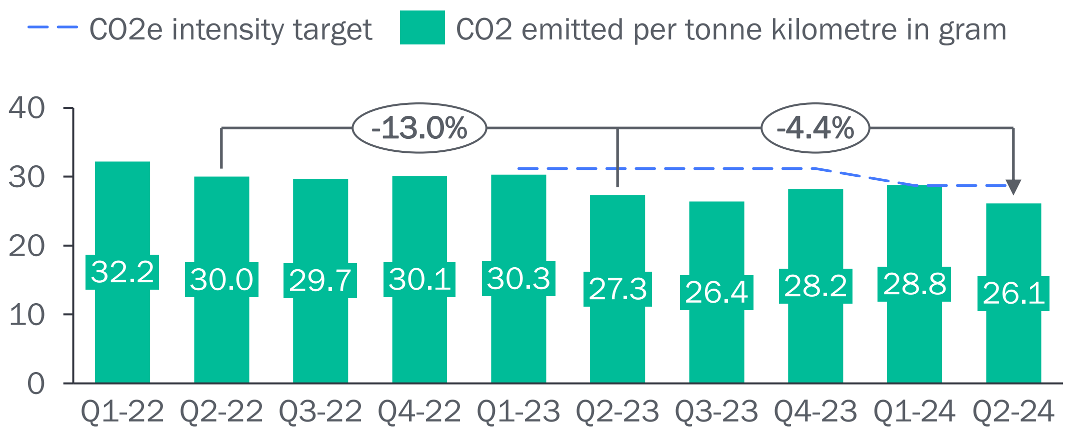
Committed to safe and sustainable operations

LTIF[1] up QoQ in Logistics, marginally better in Shipping

	Q1-24		Q2-24
LTIF Shipping per million man-hours exposed	0.22	↘	0.21
LTIF Logistics per million man-hours worked	11.81	↗	12.87

- Three serious injuries in Logistics and one injury in Shipping in Q2 2024
- Injuries were related to slip, trip and fall accidents, and a finger injury
- YTD LTIF is at 12.35, below our 2024 target of 12.83

Reduced CO_2e emission intensity YoY and QoQ[2]



- CO_2e intensity reduced due to operational efficiency
- CO_2e intensity improved to 26.1 in Q2 24, down from 28.8 in Q1 2024
- CO_2e intensity YTD was 27.4, 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 – Q2 2024

USDm, except per share, per cent and multiples

	Q1-24		Q2-24
Revenue	1 255	↗	1 359
Adj. EBITDA	438	↗	507
Operating cash flow	402	↘	393
Cash	1 853	↘	1 641**
Net debt	1 852	↘	1 814
Dividend declared	-	↗	0.61

Financial targets *

		Δ Y	Δ Q
ROCE > 8%	18.9%	+1.3	+0.5
Equity ratio > 35%	35.7%	-0.1	-0.8
Leverage ratio < 3.5x	1.0x	-0.4	-0.0

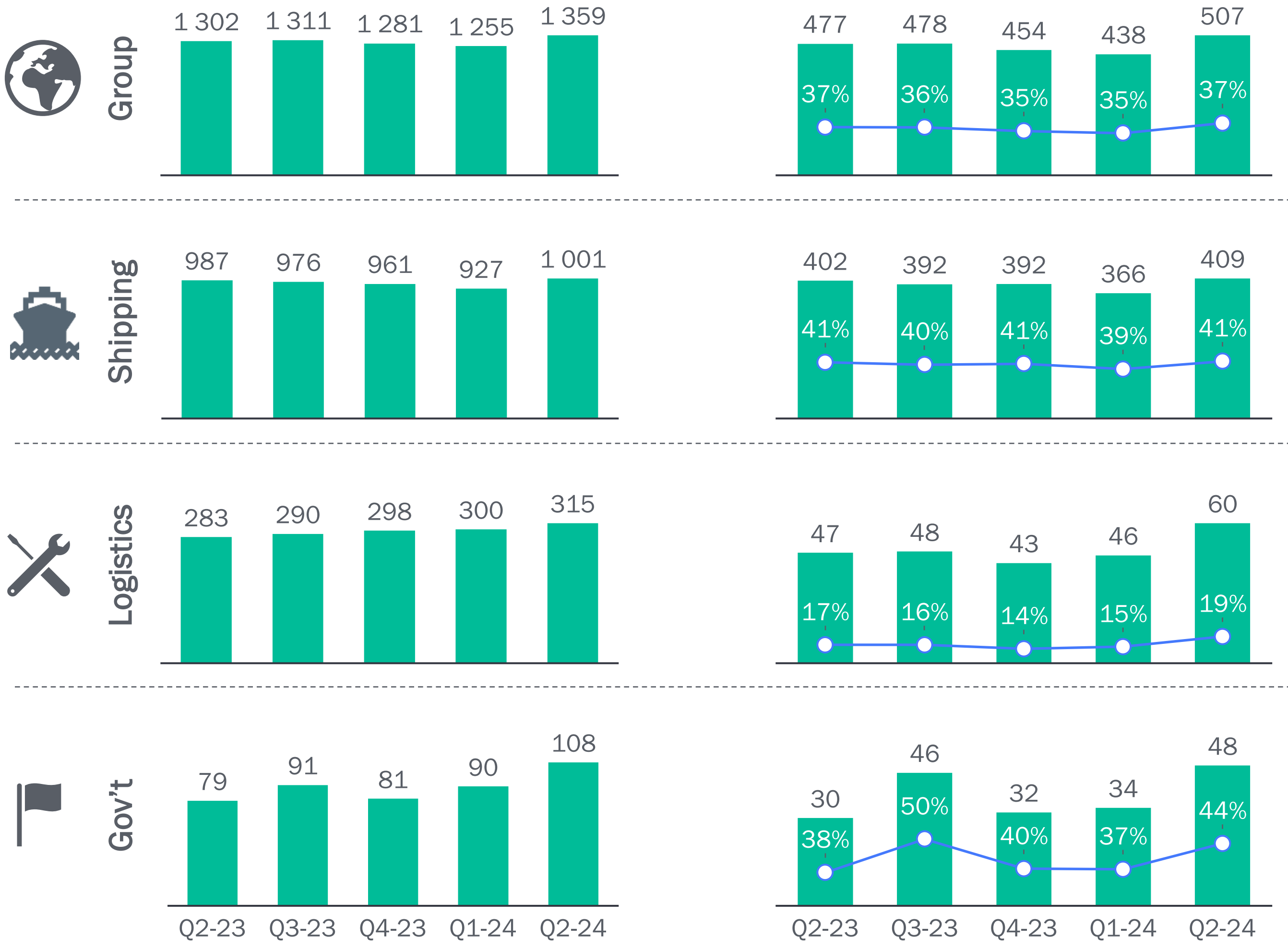
* Long-term, over-the-cycle targets – ROCE: LTM adj. EBIT / LTM average capital employed | Equity ratio: Total Equity / Total Assets | Leverage ratio: Net interest-bearing debt / LTM adj. EBITDA. ROCE and Equity ratio adjusted based on restatement of accounts announced in Q2

** Excludes USD 23m in cash related to assets held for sale (MIRRAT)

Q2 Segment performance

USDm, unless otherwise noted

Revenue | Adj. EBITDA[1)]



Comments

- A record quarter with high activity and profitability across all segments, despite geopolitical and operational challenges
- Growth in both revenue and EBITDA, YoY and QoQ

- Volumes recovered QoQ and rates strengthened
- EBITDA improved despite higher costs due to improved rates and a positive margin development

- Strong Auto volume and H&H storage were key drivers behind the improved results
- EBITDA improved on higher revenues and a stable cost base

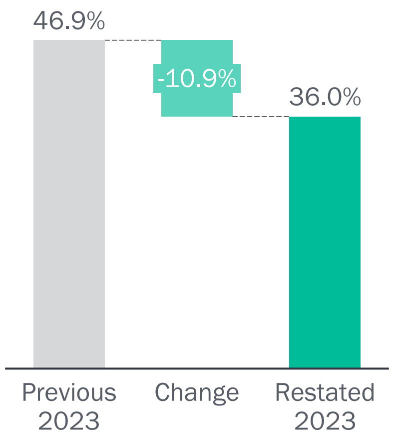
- Continued high U.S. flag cargo activity
- Revenue and EBITDA up from prior quarter primarily driven by U.S. flag cargo

1) EBITDA adjusted deviating from EBITDA in the following quarters: Shipping: Q1 24, Logistics: N/A, Government: N/A

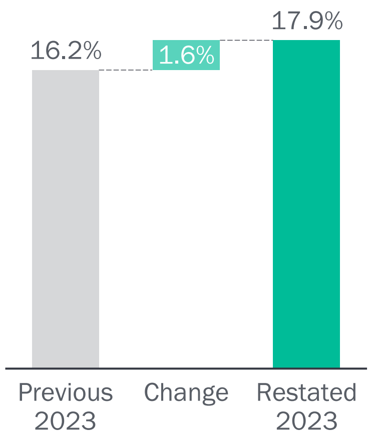
Restatement of accounts and treatment of EUKOR option

- Financial statements have been restated from 2023
  - Put option for 20% non-controlling interest in EUKOR recognized as a current liability
  - Shareholder’s equity reduced
  - Other effects like removing the previously booked asset
- Liability equals the exercise price based on a valuation method stipulated in the shareholder agreement from 2002
  - Periodic changes will be reflected directly in equity

Equity ratio 2023

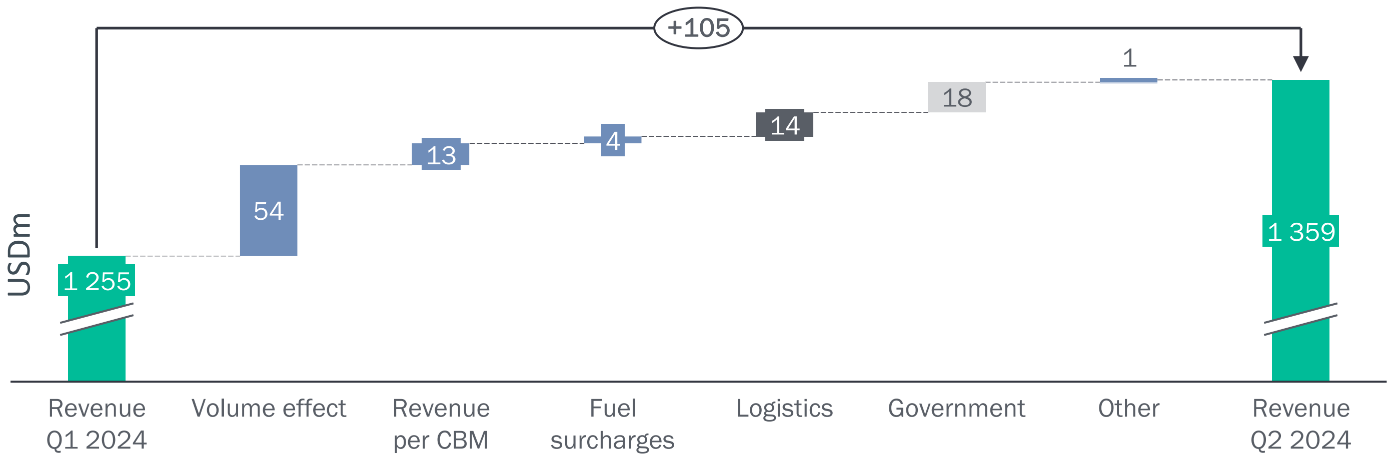


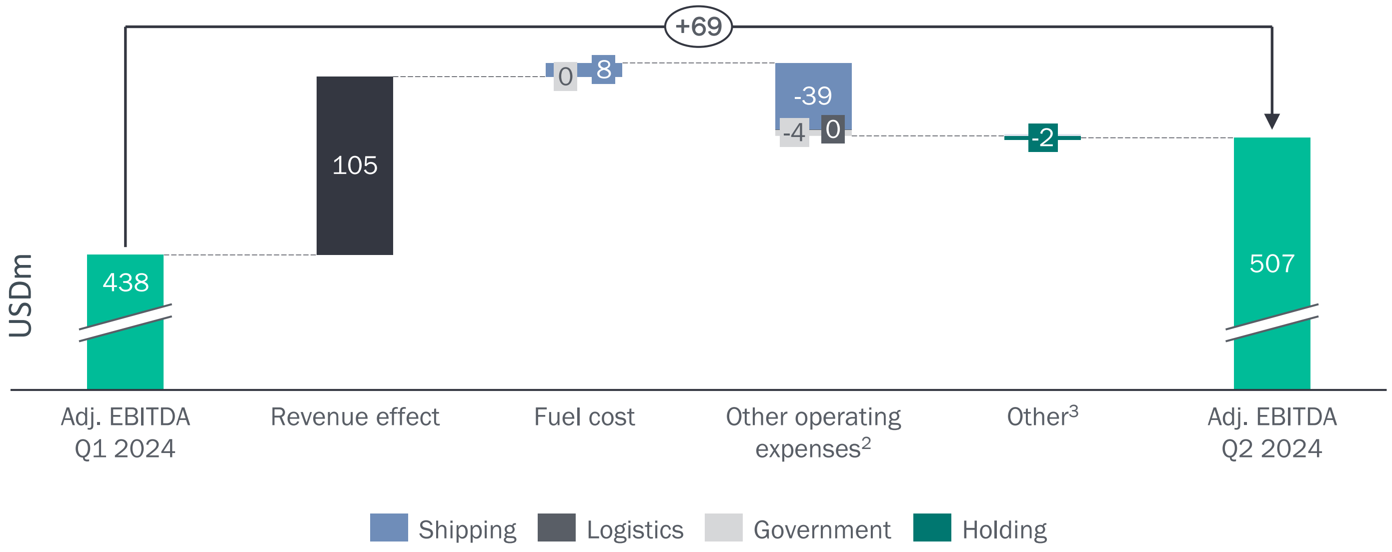
ROCE 2023



Revenue and EBITDA up on the back of a very strong quarter

- Revenue up USD 105m QoQ
  - Volumes and net freight rates up QoQ
  - Positive effect from surcharges QoQ
  - Increased activity in Logistics and Government services
- Adj. EBITDA[1)] up USD 69m QoQ
  - Revenue impact offsets cost increases
  - OpEx up on the back of higher activity and increased volume, in particular for Shipping
  - Net fuel costs came down QoQ
  - Logistics services EBITDA was up USD 14m QoQ on higher revenue and stable costs
  - EBITDA in Government services improved on higher activity QoQ



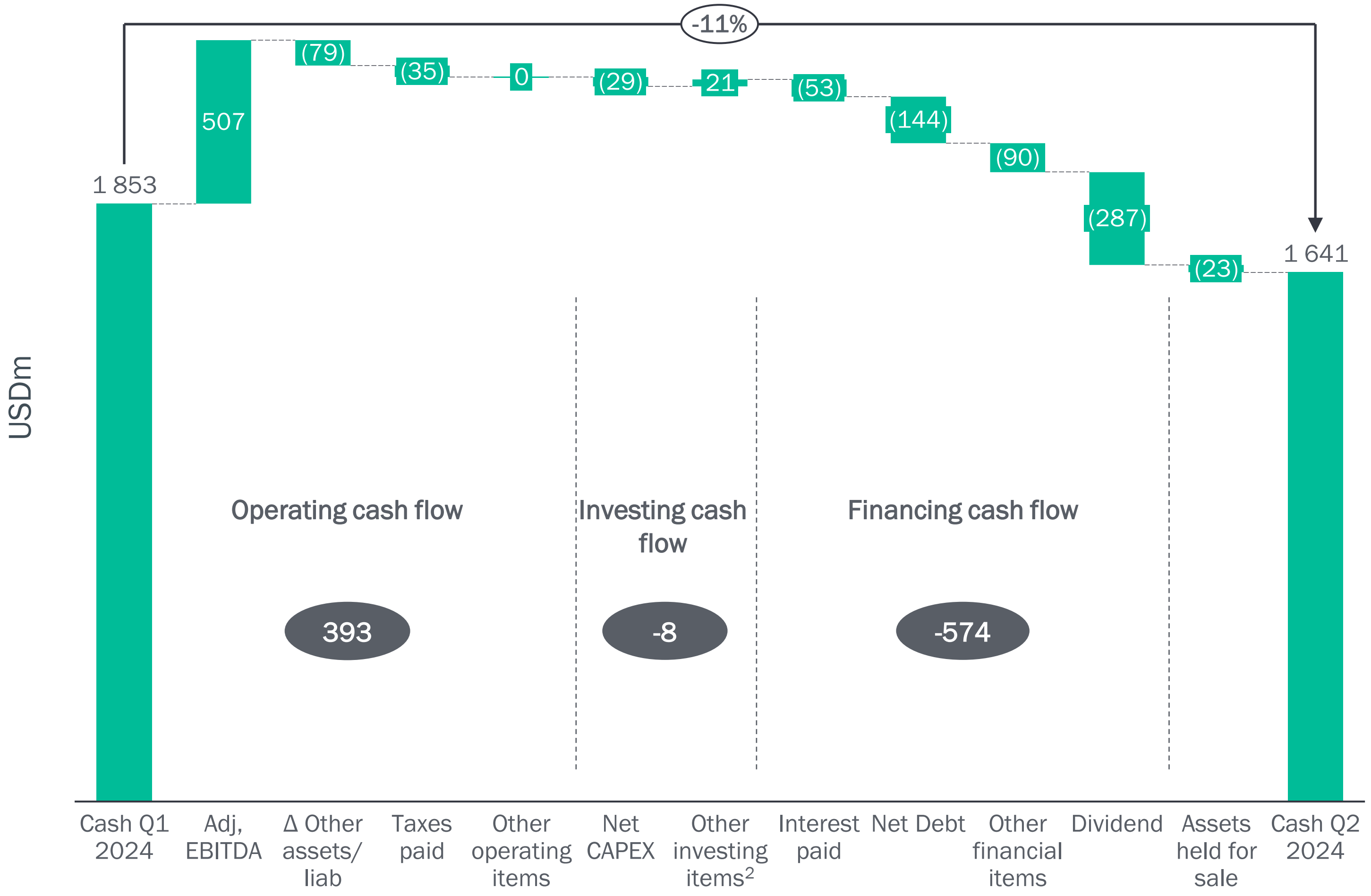


1) No adjustments in Q2 2024 nor in Q2 2023 on group level. 2) Other operating expenses includes cargo- and other voyage expenses, ship operating expenses, charter expenses, manufacturing cost, and SG&A expenses 3) Other includes holding expenses (mainly SG&A) and eliminations

Cash on hand reduced by USD 213m in Q2, mainly due to dividends paid

Comments

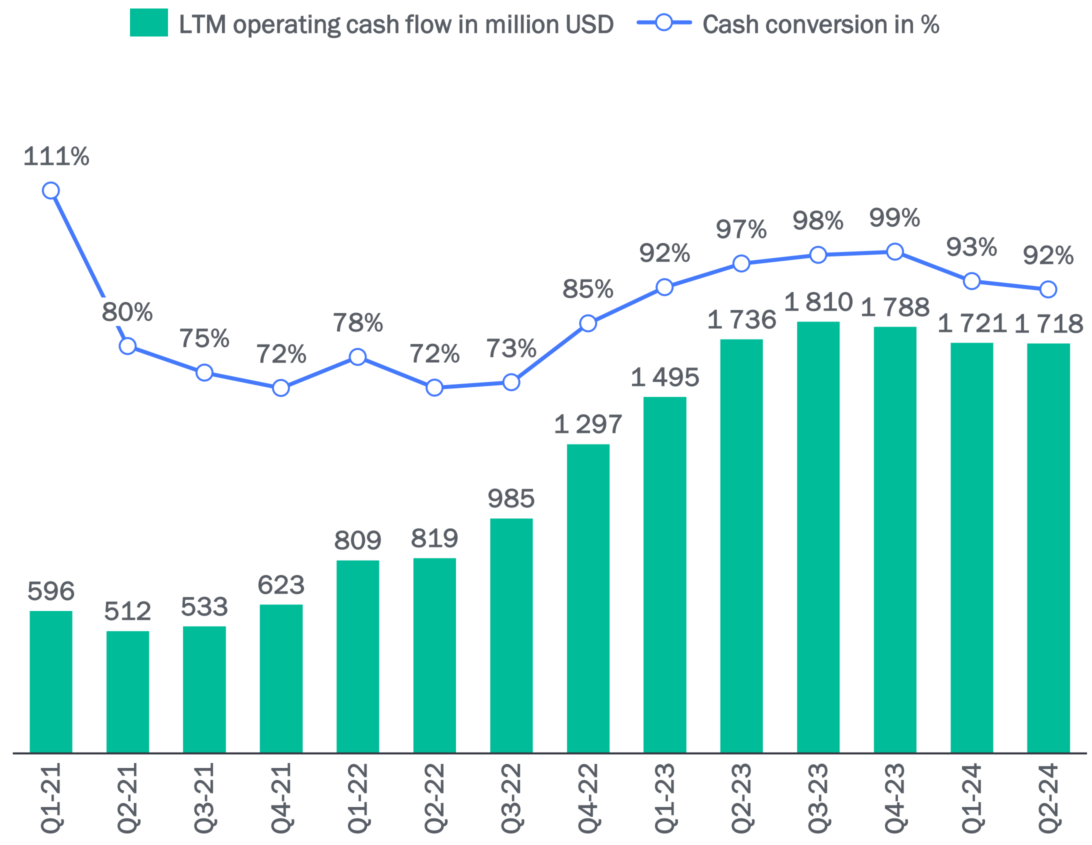
- Q2 operating cash flow of USD 393m, representing cash conversion of ~77%[1]
- Net CAPEX items include investments related to drydock, projects and other tangible assets
- Net debt consists of scheduled debt repayments and USD 10m prepayment of vessel debt
- Other financial items include USD 84m of dividends to non-controlling interests
- USD 287m of dividends paid to shareholders
- Undrawn credit facilities at USD 372m
- Upcoming dividend payment of USD 451m in October 2024



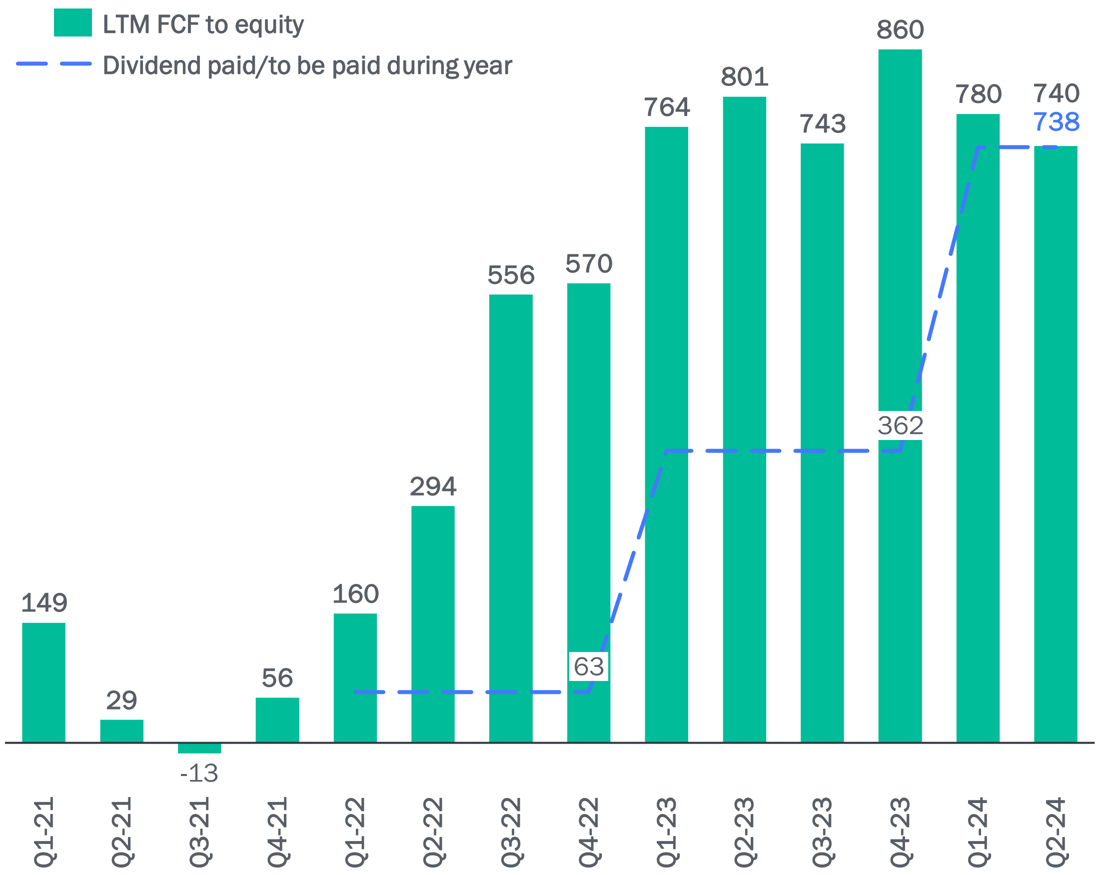
1) Cash conversion: Operating cash flow/EBITDA
2) Includes interest received on bank deposits

Dividend payouts in 2024 represents 100% of Q2-24 LTM free cash flow to equity

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



LTM free cash flow to equity (USD million)[3]

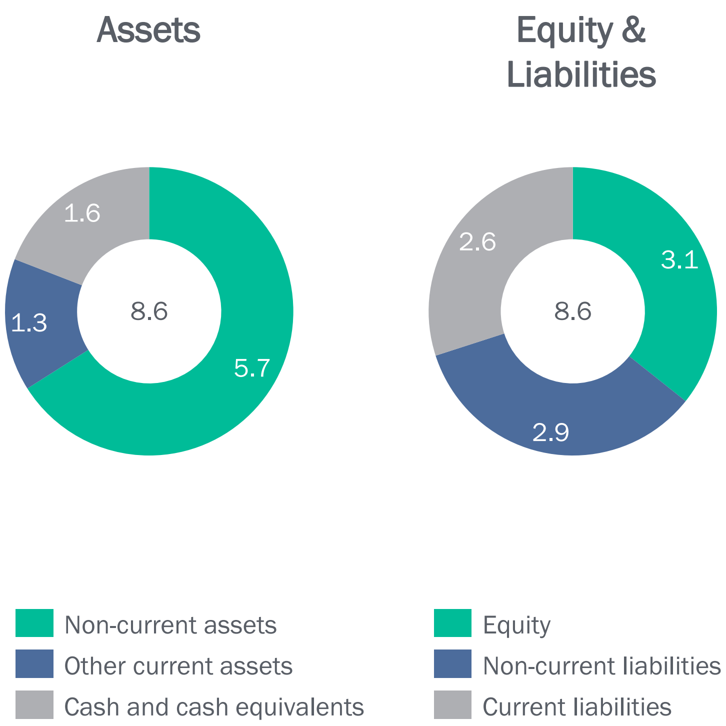


1) LTM: Last twelve months (rolling)
2) Cash conversion: LTM operating cash flow / LTM adj EBITDA
3) LTM FCF to equity: Total LTM cash flow excluding dividends paid to ASA shareholders, any share repurchases, and any net change in cash collateral

The group maintains a robust balance sheet and strong liquidity position

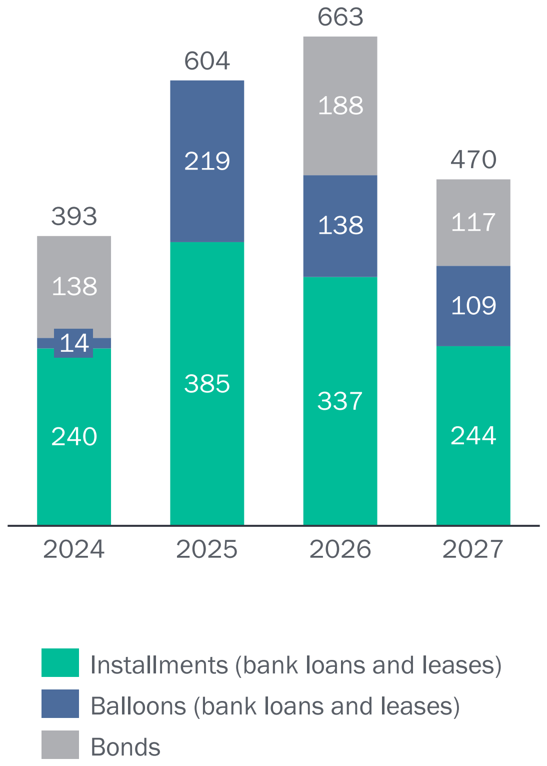
Balance Sheet per end Q2-24

USD billion



Debt Maturity Profile

USD million



Comments

- Equity ratio at 35.7%
- Net debt declines to USD 1.8bn on debt repayments and cash from ops
- 21 unencumbered vessels
- September 2024 bond maturity expected repaid

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Prospects

2024 market balance: The RoRo shipping market is expected to remain tight in 2024 largely due to strong growth in auto exports out of Asia. This is anticipated to more than outweigh lower H&H volumes and the projected fleet growth. In addition, Logistics and Government services remain in high demand. We see this as supportive 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 EV-tariffs, the growing order book and the macro-economic situation are being closely monitored.

Impact of external events: The earnings impact of external disruptions - Red Sea and Baltimore (now resolved) - is estimated to be around USD 100m for 2024, assuming the Red Sea remains a no-go area for the rest of 2024.

Outlook for 2024: Despite the continued negative implications from external events, we remain confident that 2024 will be another strong year for Wallenius Wilhelmsen. We forecast EBITDA for the year to be somewhat better than 2023.

Q + A

Wallenius Wilhelmsen

Thank you!