





# Capital Markets Day

Oslo

25 September 2024

09:00 – 13:00



## W° Agenda

09:00 – 09:03	Welcome and practical info with Anders
09:05 – 09:15	Ambitions and strategy with Lasse
09:15 – 10:00	Unlocking the value of terminals, processing and distribution with Mike
10:00 – 10:15	Coffee
10:15 – 10:45	The changing shape of fleet renewal with Morten & Lene
10:45 – 11:00	Capital allocation with Torbjørn
11:00 – 11:10	Coffee
11:10 – 11:40	Partnering with customers with Pia
11:40 – 11:55	Market outlook with Hesnes Shipping's Espen H Wessel
11:55 – 12:00	The way forward and Q+A with Lasse
12:00 – 13:00	Lunch

# Ambitions and strategy

Lasse Kristoffersen  
President and CEO

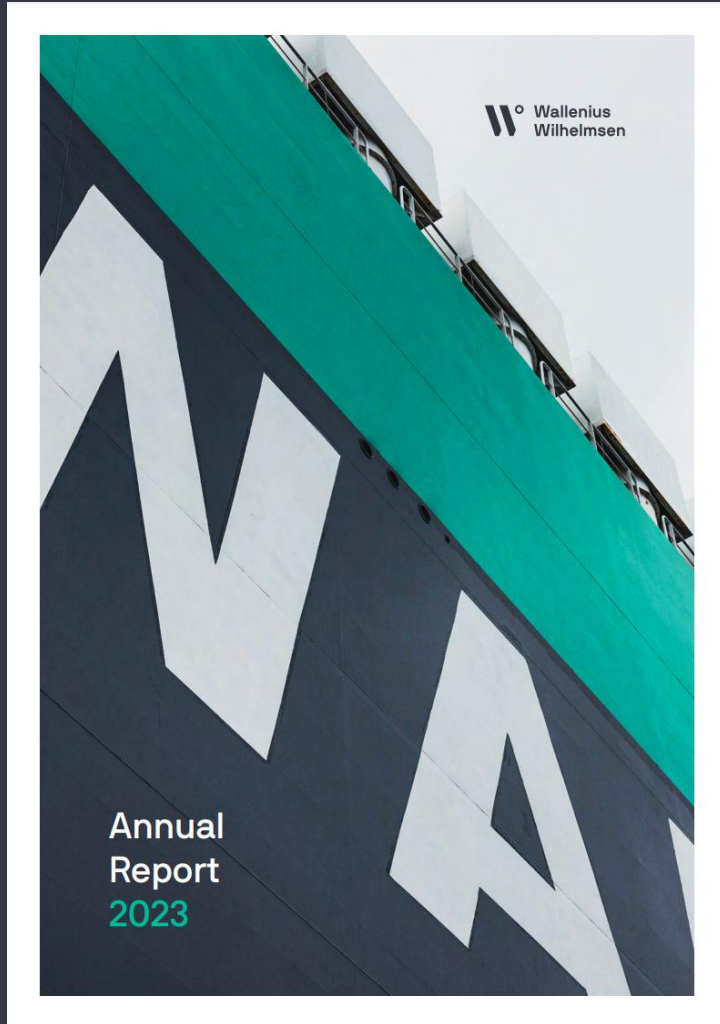




FY 2023 EBITDA **USD 1,807m**

Q1 24 EBITDA **USD 438m**

Q2 24 EBITDA **USD 507m**



Wallenius Wilhelmsen ASA  
Q1 Report 2024



Wallenius Wilhelmsen ASA  
Q2 Report 2024

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Dividend 2023 - **1.14 USD** Dividend H1 2024 - **0.61 USD**  
Total amount to be paid to shareholders in 2024 - **USD 738m**



# Two ways to approach fundamental changes in the industry

ADAPT



SHAPE





Integrated supply chain partner





Wallenius Wilhelmsen

# 1

Unlocking the value of terminals, processing and distribution

Mike Hynekamp  
Chief Strategy & Corporate Development Officer

Wallenius Wilhelmsen

# 2

The changing shape of fleet renewal

Morten Skedsmo  
SVP Fleet Ownership

Lene Bårli Wiederstrøm  
Senior CEO Advisor

Wallenius Wilhelmsen

# 3

Capital Allocation

Torbjørn Wist  
CFO

Wallenius Wilhelmsen

# 4

Partnering with customers

Pia Synneman  
EVP & COO Customer Growth

Wallenius Wilhelmsen

# 5

Market outlook with Hesnes Shipping

Wallenius Wilhelmsen

# 6

The way forward

Lasse Kristoffersen  
President and CEO







## Unlocking the value of terminals, processing and distribution

Mike Hynekamp  
Chief Strategy & Corporate Development Officer





We provide a comprehensive global land-based logistics network

1.15

USD billion in revenues

8

Terminals handled  
3 million units

6.3%

Logistics revenue CAGR  
2019 - 2023

66

Centers handled  
6.3 million vehicles

15%

EBITDA margin

7687

Logistics employees

9.6%

Of group EBITDA

28

Countries with WALWIL sites

All figures are for 2023 and terminal figure includes MIRRAT

# An integral part of customers' supply chains



1. Factory



2. In-plant Processing Center



3. Inland Carrier



4. Terminal



5. Ocean Carrier



6. Terminal



7. In-terminal Processing Center



















8. Inland Carrier

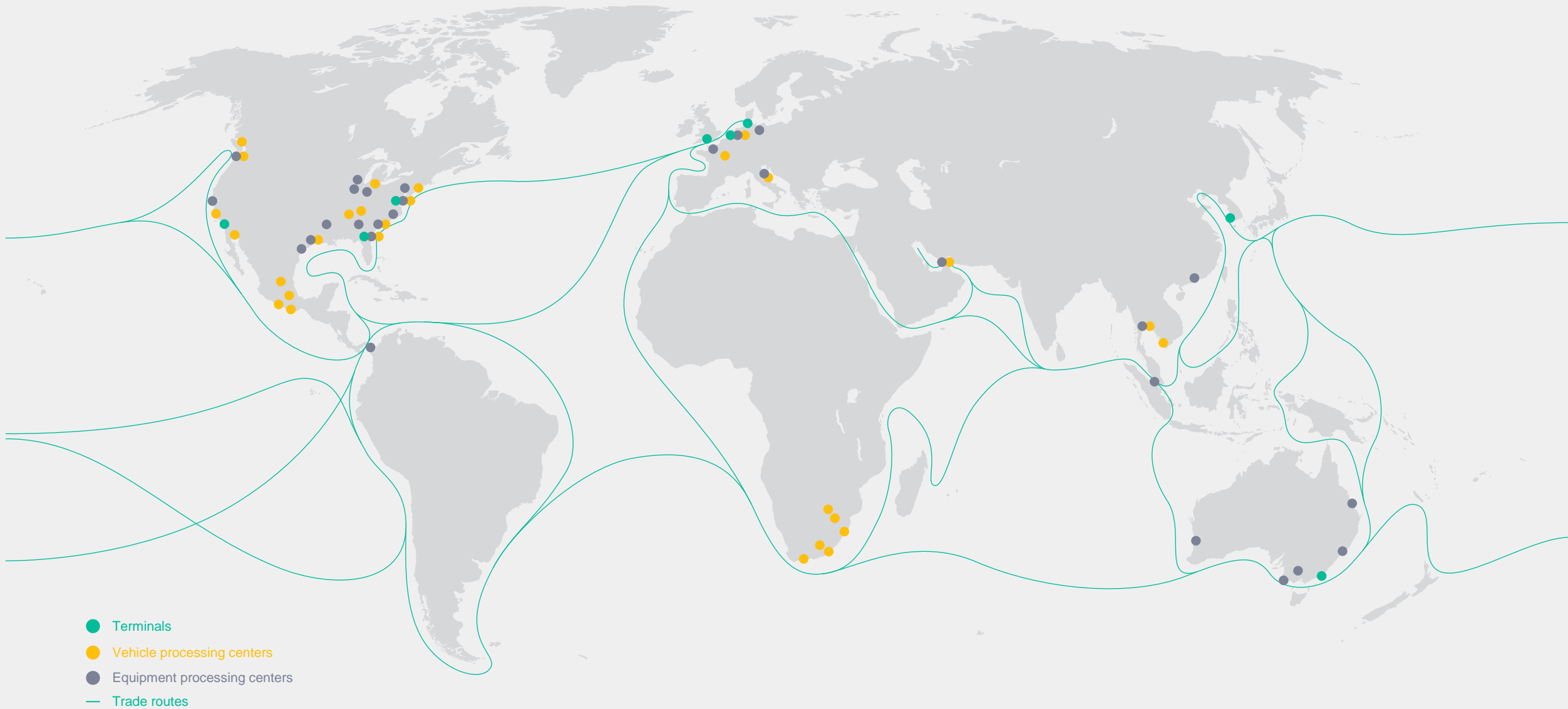


9. Dealer / Consumer

# Logistics in numbers<sup>1</sup>

Segment	Revenue (USD m)	EBITDA margin	Share of Logistics EBITDA <sup>2</sup>
 <p><b>Auto</b> Vehicle processing services</p>	 <p>512</p>	 <p>12%</p>	 <p>36%</p>
 <p><b>H&amp;H</b> Equipment processing services</p>	 <p>143</p>	 <p>22%</p>	 <p>18%</p>
 <p><b>Terminals</b> Terminal and Cargo related services</p>	 <p>272</p>	 <p>36%</p>	 <p>56%</p>
 <p><b>Inland</b> Inland transportation and freight forwarding</p>	 <p>226</p>	 <p>4%</p>	 <p>5%</p>

# W° Our network and global footprint



# Why do we have landbased logistics?



## One-stop shop

Ability to provide integrated logistics offering and end-to-end visibility with one point of contact

## Flexibility

Ability to delay customization and region-specific changes to base models the factory cannot

## Scale

Facilities and expertise is often shared by multiple OEMs and located at/or close to terminals

## Scope

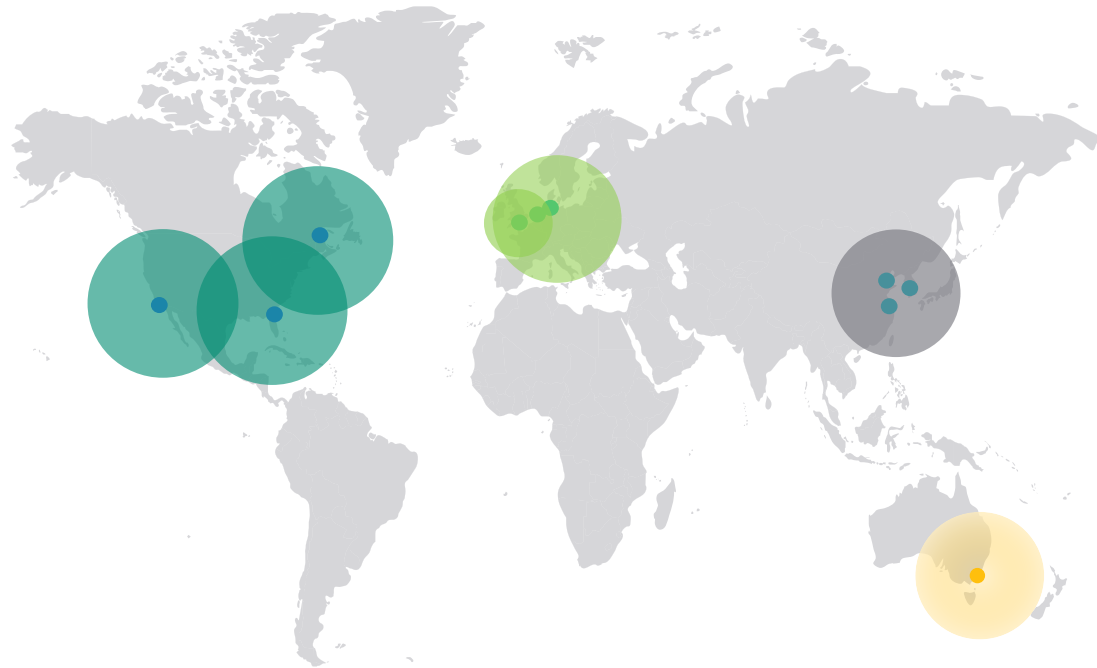
Shipping can rely on the support of a world-leading land-based logistics network





# Terminal network supporting the major auto and H&H hubs

## Wallenius Wilhelmsen terminal footprint<sup>1</sup>

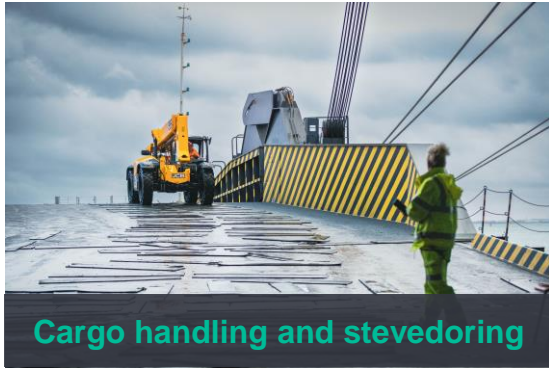


Region	Market position	Import '000 units	Export '000 units
North America	3 terminals, one of few leading players	~675	~155
EMEA	Market leader in Europe with Zeebrugge, Southampton, and Bremerhaven	~260	~520
Asia	Our own terminal in Korea and two terminal JVs in China perfectly located for export growth	~360 <sup>2</sup>	~240 <sup>2</sup>
Oceania	Melbourne Internal RoRo & Auto Terminal to be divested in Q4 24/Q1 25	~410	~50

1) In addition to the eight terminals fully operated by Wallenius Wilhelmsen we are minority owners of two terminals in China

2) Throughput is excluding joint ventures in China

# Terminal services and market drivers



### Cargo handling and stevedoring

- Loading and offloading (stevedoring)
- Custom clearance and documentation
- Vessel clearance and stow planning

## Market drivers

Export/import of vehicles and equipment

## Pricing drivers

Port calls

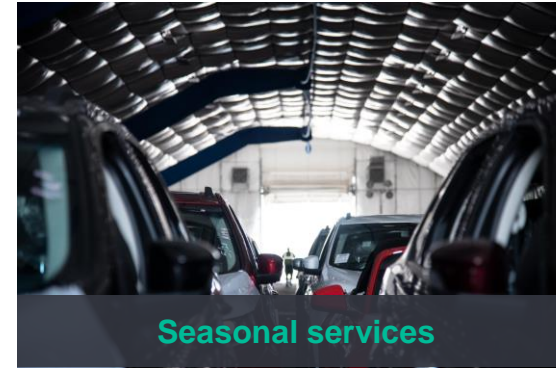


### Infrastructure and storage

- Charging
- Periodic service programs (30 days, 60 days, 90 days, or more)
- Short-term storage
- Long-term storage and warehousing of units and parts<sup>1</sup>

Inventory management and local demand for vehicles

Cargo mix and service complexity



### Seasonal services

- Heat treatment
- Fumigation
- Bio-cleaning

Seasonal biosecurity events

Number of cargo units



### In-terminal processing

- Quality inspections
- Upfitting and customization
- Maintenance and repairs
- Transportation

Will be covered later

Will be covered later

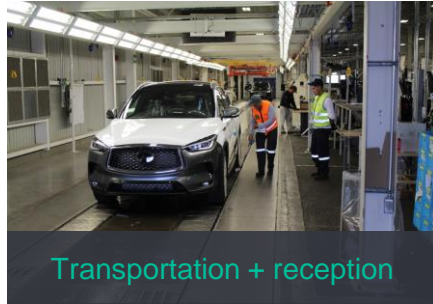
<sup>1</sup> This is offered through off-dock facilities and satellite yards in Europe and Americas to ensure long-stay cargo (more than 9 months dwell time) can keep stored and serviced



# Vehicle Processing Centers (VPCs)

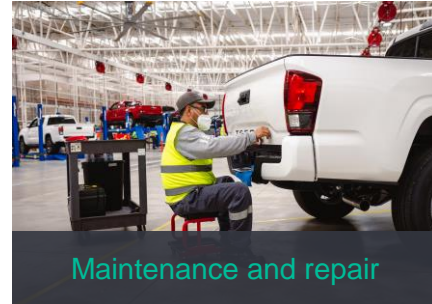


# Vehicle processing center (VPC) services and market drivers



Transportation + reception

- Transportation from factory/terminal
- Inbound quality inspection
- Documentation
- SOC<sup>1</sup> check/EV charging



Maintenance and repair

- Warranty and body repairs
- Repair of factory imperfections
- Maintenance program, 30, 60, 90 days or more
- Washing



Customization

- Painting
- GPS and radio systems
- Sport and cargo kits
- Splash guards, spoilers, bumpers, fog lights, etc.
- Upfitting



Dispatching

- Pre-delivery inspection
- Protection for transport
- Railcar loading
- Truckload staging
- System integration



Transportation + storage

- Short and long-term storage
- Charging and fueling
- Domestic transport
- Port drayage

## Market drivers

Produced/exported/imported volumes



Country and customer specific requirements



Complexity and scope of services



## Pricing drivers

Number of cargo units



Service complexity



Required manhours



Number of days in warehouse





# Equipment Processing Centers (EPCs)



# Equipment processing center services and market drivers

Transportation + reception



- Transportation from factory/terminal
- Inbound quality inspection
- Documentation

Assembly + maintenance



- Assembly of semi-knocked down units
- Building/change of truck
- Mounting of stick
- Hydraulic work
- Rust prevention

Customization



- Modification and installment of accessories
- Mounting special tires, fenders, and stairs
- Re (paint)

Dispatching



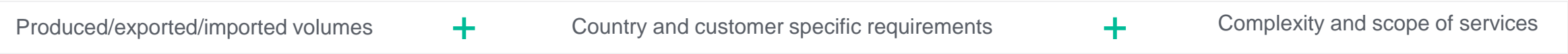
- Pre-delivery inspection
- Protection for transport
- Railcar loading
- Truckload staging
- System integration

Transportation + storage



- Short and long-term storage
- Charging and fueling
- Domestic transport
- Port drayage

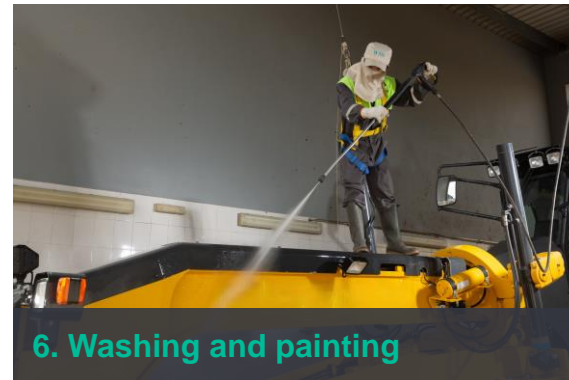
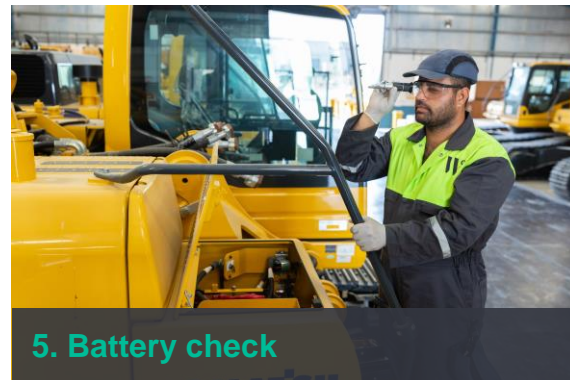
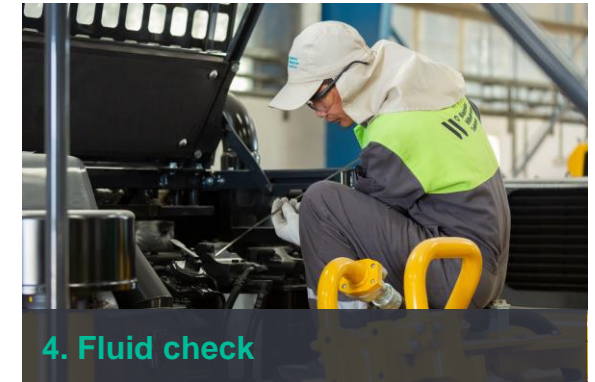
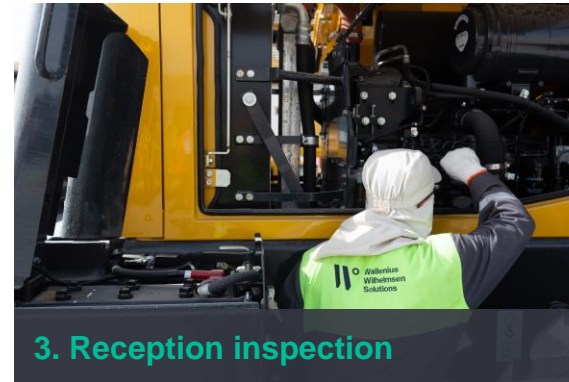
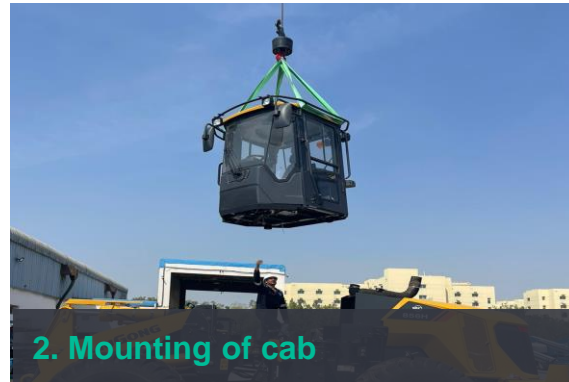
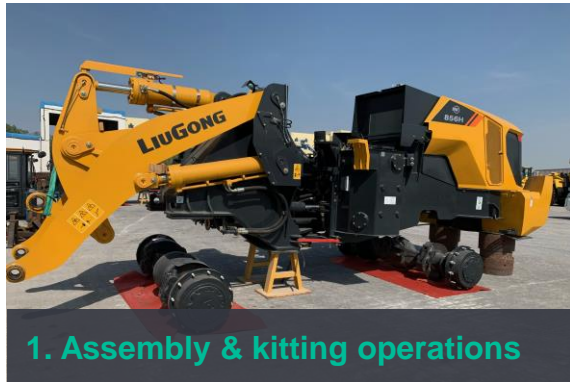
## Market drivers



## Pricing drivers



# Highly specialized services in our EPCs



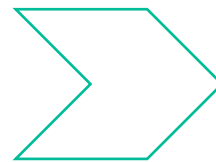


# Shipping and Logistics – Why 1+1 makes more than 2?

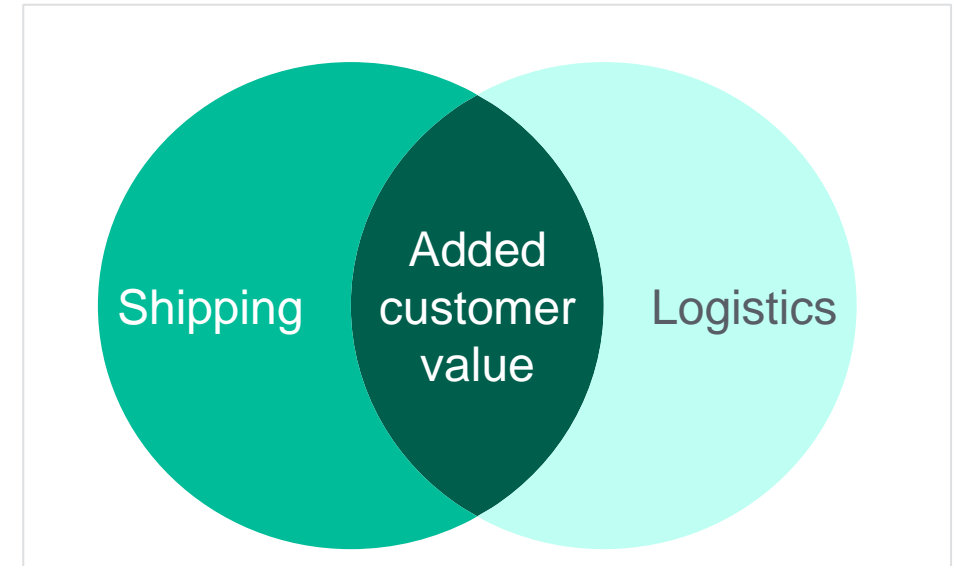
## How we are unlocking the value chain



- Longstanding and close Shipping relationships
- Understanding of their needs and concerns
- Identify Logistics opportunities and develop onshore our offering
- Increased value creation across value chain

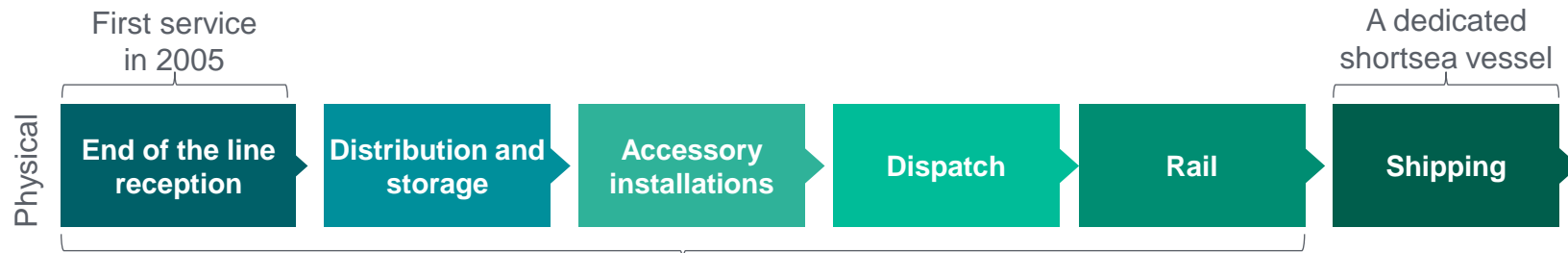


## With our top 50 biggest customers

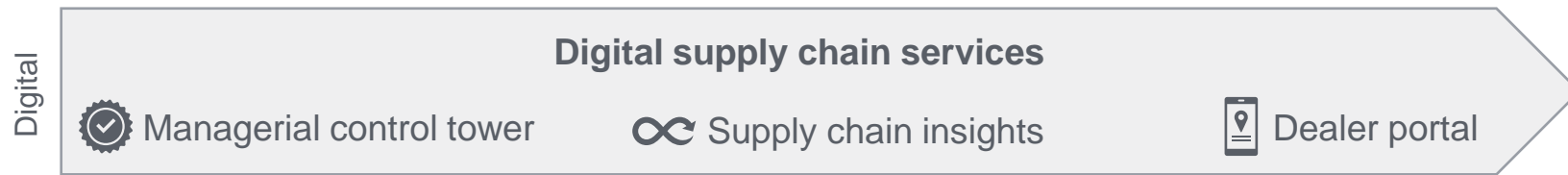


- Of the largest 50 customers, 70% purchase both Shipping and Logistics services<sup>1</sup>
- Among the top 50 customers in Shipping, 48% are also large customers in Logistics<sup>1</sup>
- On average, 24% of revenues from these customers are generated in Logistics<sup>1</sup>

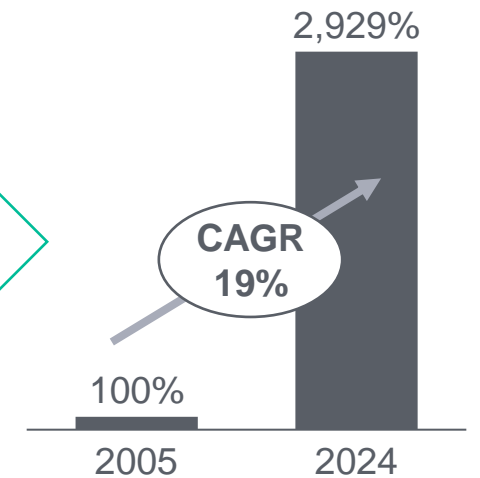
# From Land to Ocean – a customer journey



WAWI is currently the exclusive 3PL provider in North America from plants and ports to dealers



Revenue development Indexed at 2005



# Future growth and value creation ambitions



## Strengthen profitability

- Utilizing a standardized, digitally enhanced, and efficient logistics network



## Create added value for customers

- Through a robust, resilient, and sustainable supply chain across land and sea
- Build and expand on strategic relationships



## Grow our Logistics network

- Target double-digit annual revenue growth
- Looking at organic growth and M&A
- Selectively explore terminal opportunities





Coffee

Back in 15 minutes





# The changing shape of fleet renewal

Morten Skedsmo  
SVP Fleet Ownership

Lene Bårli Wiederstrøm  
Senior CEO Advisor





## Shaper Class

# 12

Methanol dual fuel  
vessels ordered

## Key Specifications

Dual fuel methanol capable  
Ammonia ready  
9,300 CEU capacity\*  
12 cargo decks  
76,900 m<sup>2</sup> Deck area  
20,050 m<sup>2</sup> H&H area  
Stern ramp capacity of 320 mt  
Length 228 m / Breadth 38 m

\* Key specs apply to the 8 x 9,300 CEU vessels





4 x

11700

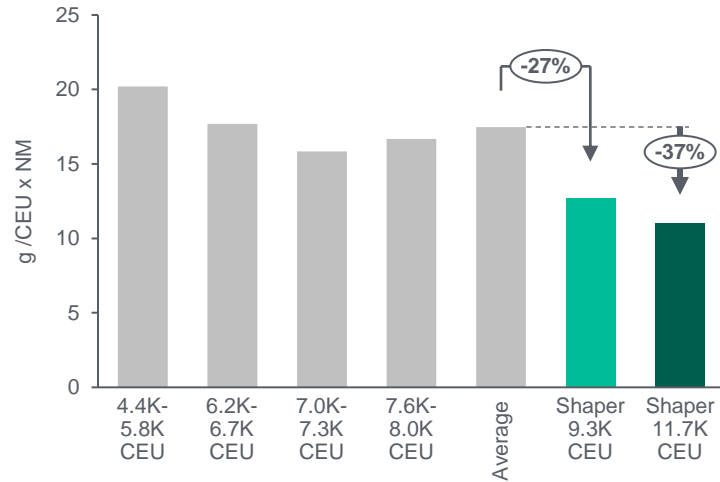
CEU

# Purpose built with economies of scale and prepared for net-zero

## Minimal fuel consumption<sup>1</sup>

Significant savings of fuel and emissions compared to current fleet

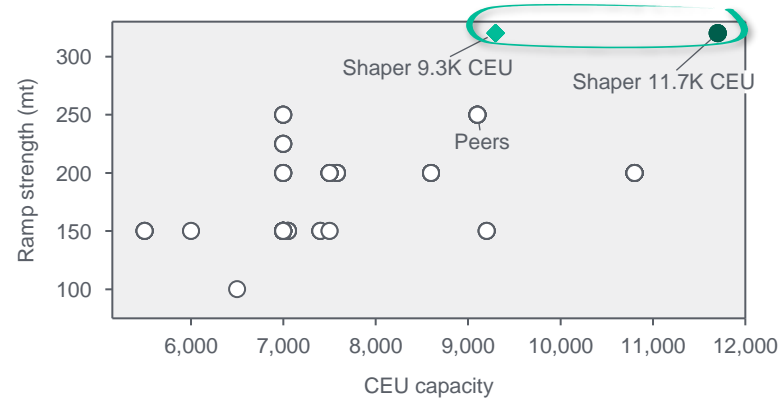
- Largest PCCs on order
- Methanol capable from delivery
- Extensive energy saving measures



## Unmatched ramp strength<sup>2</sup>

Designed for our specific needs and trading patterns

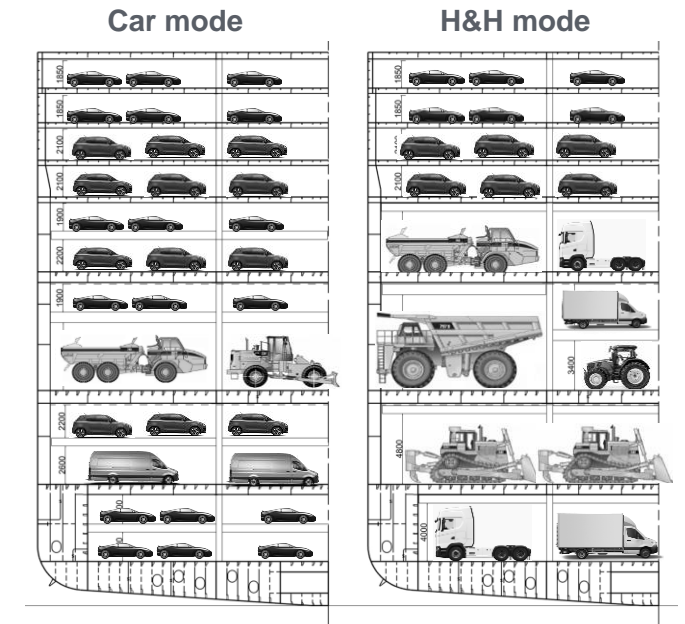
- Ramp strength highest in order book



## Heavy-duty hoistable decks

Offers high flexibility to accommodate both special H&H equipment and heavy EVs

- Large H&H capacity
- 100% EV capacity



1) Compared to WAWI controlled fleet 2) Compared to vessels in the orderbook with available data on ramp strength



**Net-Zero Service**  
End-to-end net-zero  
service launches

12 x



2026 Q1 Q2 Q3 Q4 2027 Q1 Q2 Q3 Q4 2028 Q1 Q2 Q3 Q4 2029

# Biofuels and the Reduced Carbon Service

Sustainable biofuel blends are already an integrated part of our fuel mix and will be pivotal to reducing carbon emissions

Biofuel blends in 2024


**10%** of total fuel consumption

Customer support



Majority of 2024 contract renewals include biofuel



 Wallenius  
Wilhelmsen

Declaration number:  
RCF-2024-008

## CO<sub>2</sub>e Reduction Declaration 2024

Period: 01-June-2024 to 31-July-2024

**ACME Cars Int.**

saved **8,350** tonnes of CO<sub>2</sub>e  
by shipping with Wallenius Wilhelmsen's  
Reduced Carbon Service

17,569 units shipped  
11,750 tonnes of biofuel blend used  
23,42% lower emission compared to conventional fuels

# Our customers will pay for the green fuels needed towards net-zero

Utilizing and securing **green fuels** is needed over the next decade to reach net zero by 2040. And **all customers will be part** of this journey.

All, new major contracts for shipping have or will have a **green fuel cost recovery mechanism**.



We are constantly working on sourcing and introducing **affordable and available** green fuels

We believe a **mix of green fuels** will be used going forward, both bio-based and e-based

We will **adjust BAF<sup>1</sup>** to recover the cost of green fuels to meet our decarbonization targets

Even with green fuels, transportation remains **a minor part of the total vehicle or equipment purchase cost**

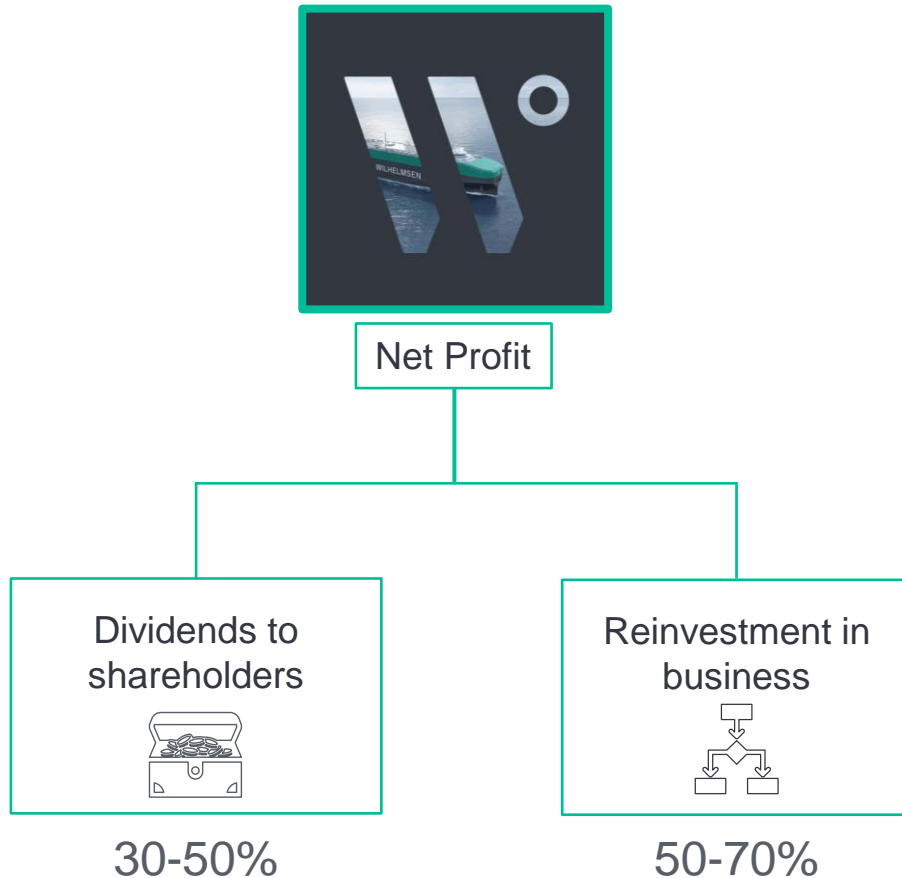


# Capital Allocation

Torbjørn Wist  
CFO



# Capital allocation principles



## Dividend Policy

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- The company targets a cash dividend that over time shall constitute 30-50% of net profit on an annual basis
- Dividend will be declared and paid on a semi-annual basis
- The board is authorized to consider extraordinary dividends and/or share buybacks to enhance shareholder returns
- 2024 payouts of USD 738m due to combination of payouts under new and old dividend policy

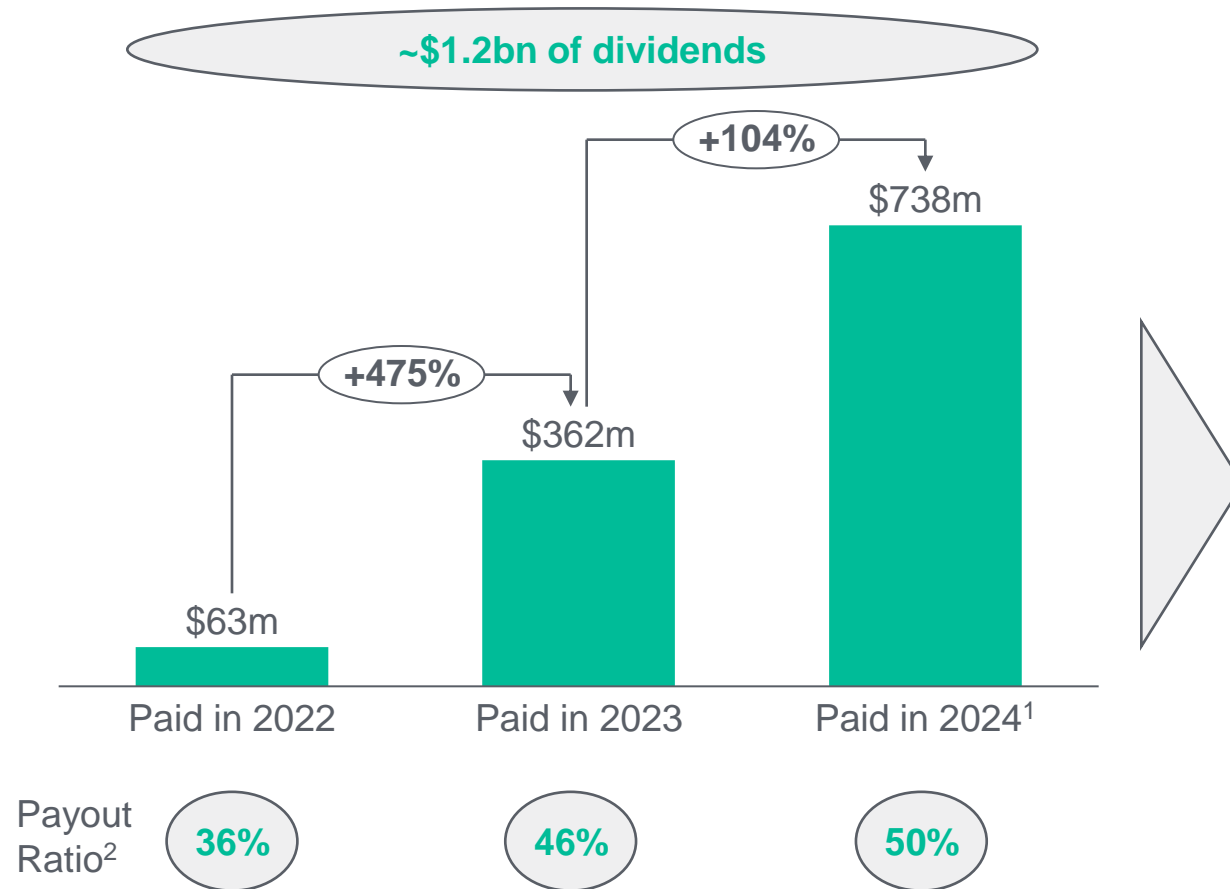
## Reinvestment

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- The company will reinvest undistributed profits in strengthening the future of the business
- Investments may include newbuildings, purchase options, second-hand assets, land-based activities, digital capabilities as well as maintenance of assets
- Expansion can be achieved via M&A, green- and brownfield developments and organic growth



# Strong commitment to dividends



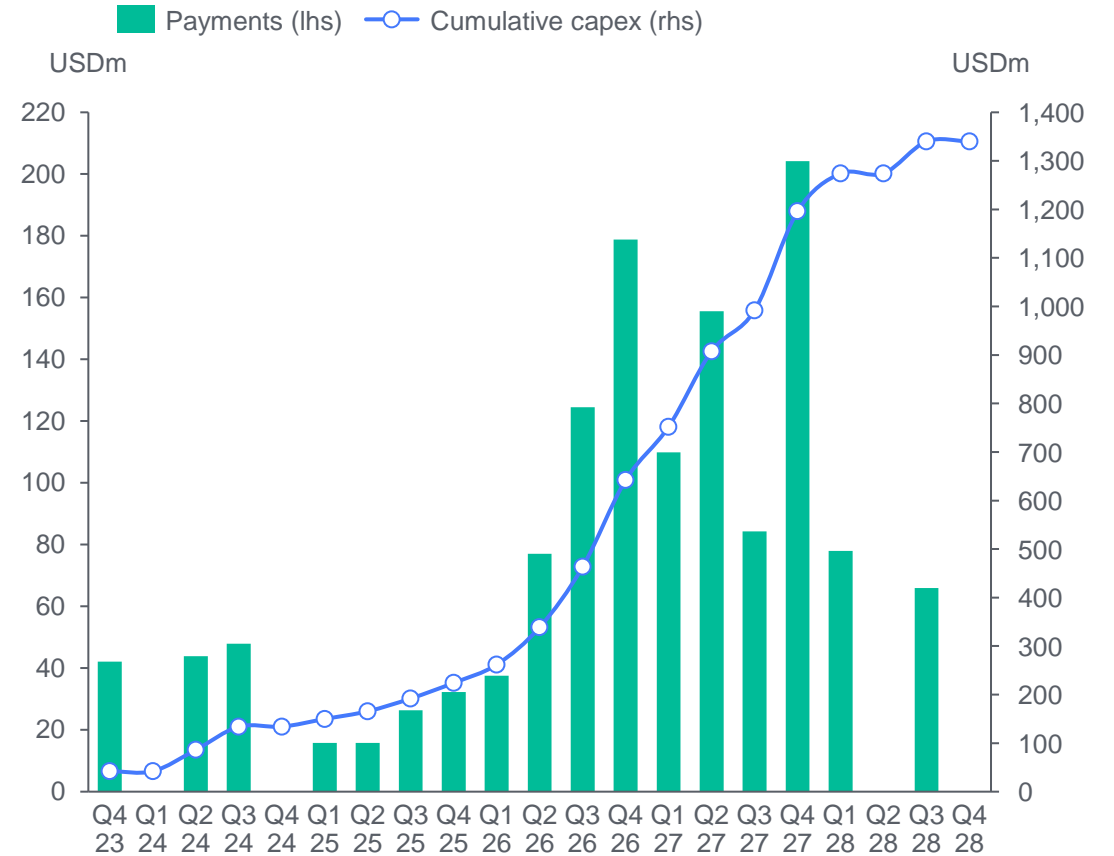
1) Includes dividend payment scheduled for 10 October 2024

2) Payout ratio for previous year, except amounts paid out in 2024 which is the total dividends for 2023 and H1-24 divided by the net profit for the 18-month period

# Newbuild investments and financing

- Remaining capex commitment is **~USD 1.2bn** linked to 12 Shaper class vessels on order
- EUKOR - 6 newbuildings delivered in 2026 & 2027
  - Signed financing with six Korean and international banks
  - Up to USD 450m / ~70% of purchase price of post-delivery facilities
  - 7-year tenor from delivery, sustainability linked
  - Attractive pricing at Term SOFR + 155bps from delivery
- WW Ocean - 6 newbuildings delivered in 2027 & 2028
  - Will be financed closer to delivery

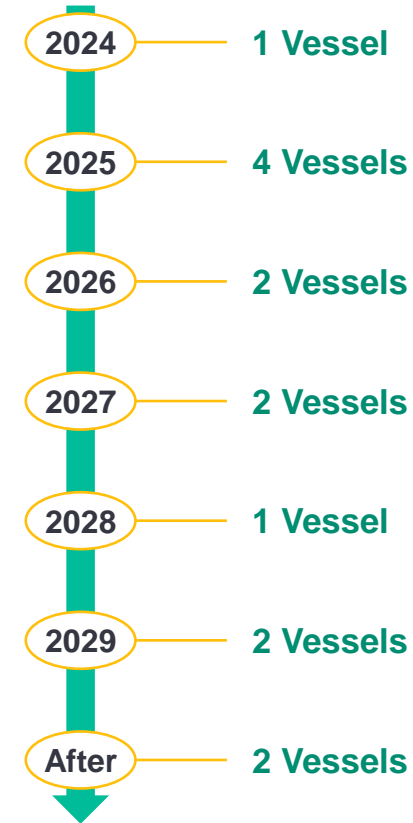
## Newbuilding capex schedule (USDm)



# Multiple purchase options for vessels under long-term leases

- We hold 14 purchase options/obligations linked to our charter-in fleet
  - The majority resides with EUKOR
  - Some charters may be extended prior to deciding upon the purchase option
- Total investment of **USD 235m** if all options are declared<sup>1</sup>
  - Current charter free market value<sup>2</sup> > USD1bn
- Financing may be considered on unencumbered vessels
- When exercising options, we book no profits even if market values exceed book values
  - Purchase option reflected in lease accounting

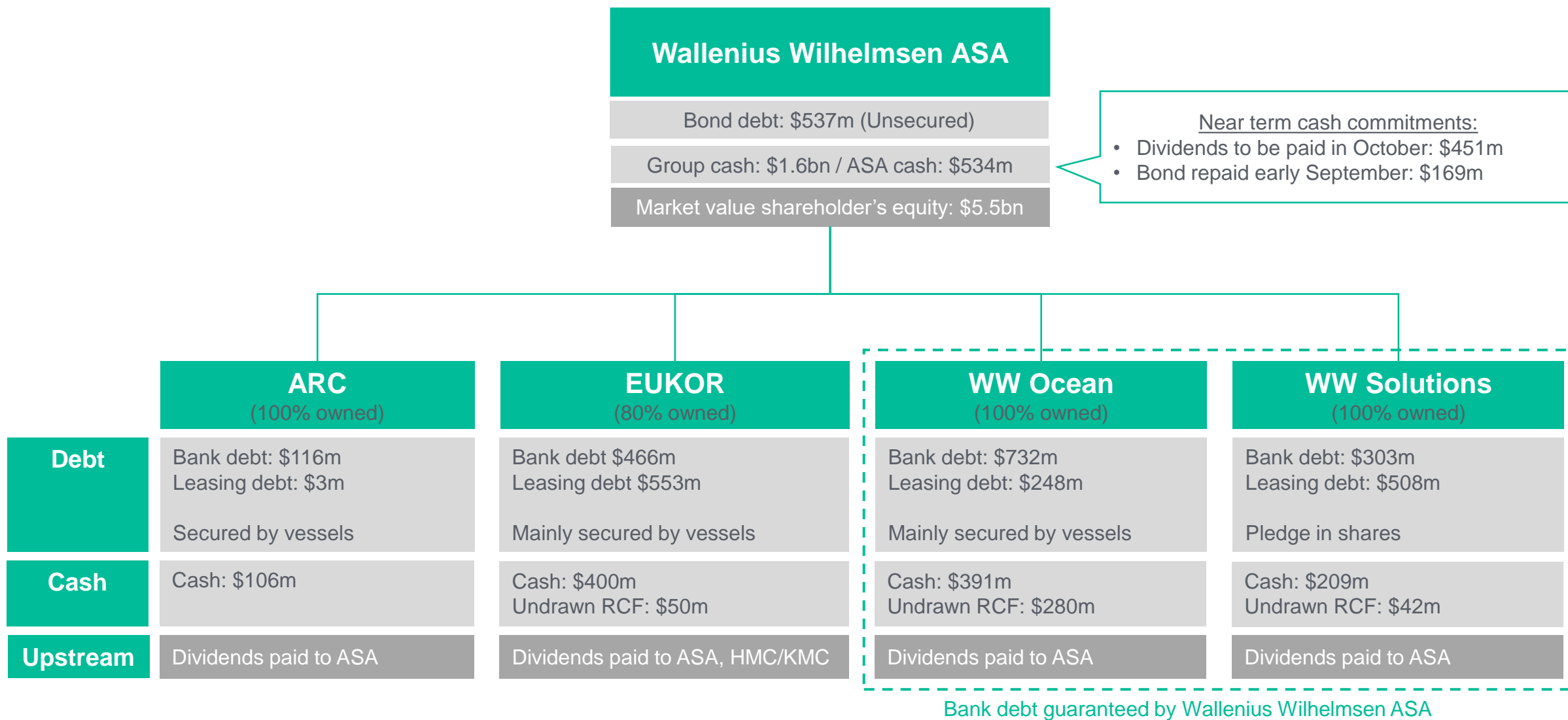
## Timing of vessels with purchase options



<sup>1</sup> Assuming no extension options are exercised

<sup>2</sup> Average of two broker values at the end of Q2 2024

# Continuous focus on upstreaming cash to ASA







Coffee break

Back in ten minutes



## Partnering with customers

Pia Synnerman  
EVP & COO Customer Growth





We support customers across their entire supply chain, all the way from the factory to the end-consumer

**5.15**

USD billion in revenues

**59**

Million CBM transported

**35%**

Group EBITDA margin

**45%**

of 2023 volumes for renewal during 2024

**125**

Vessels under operation

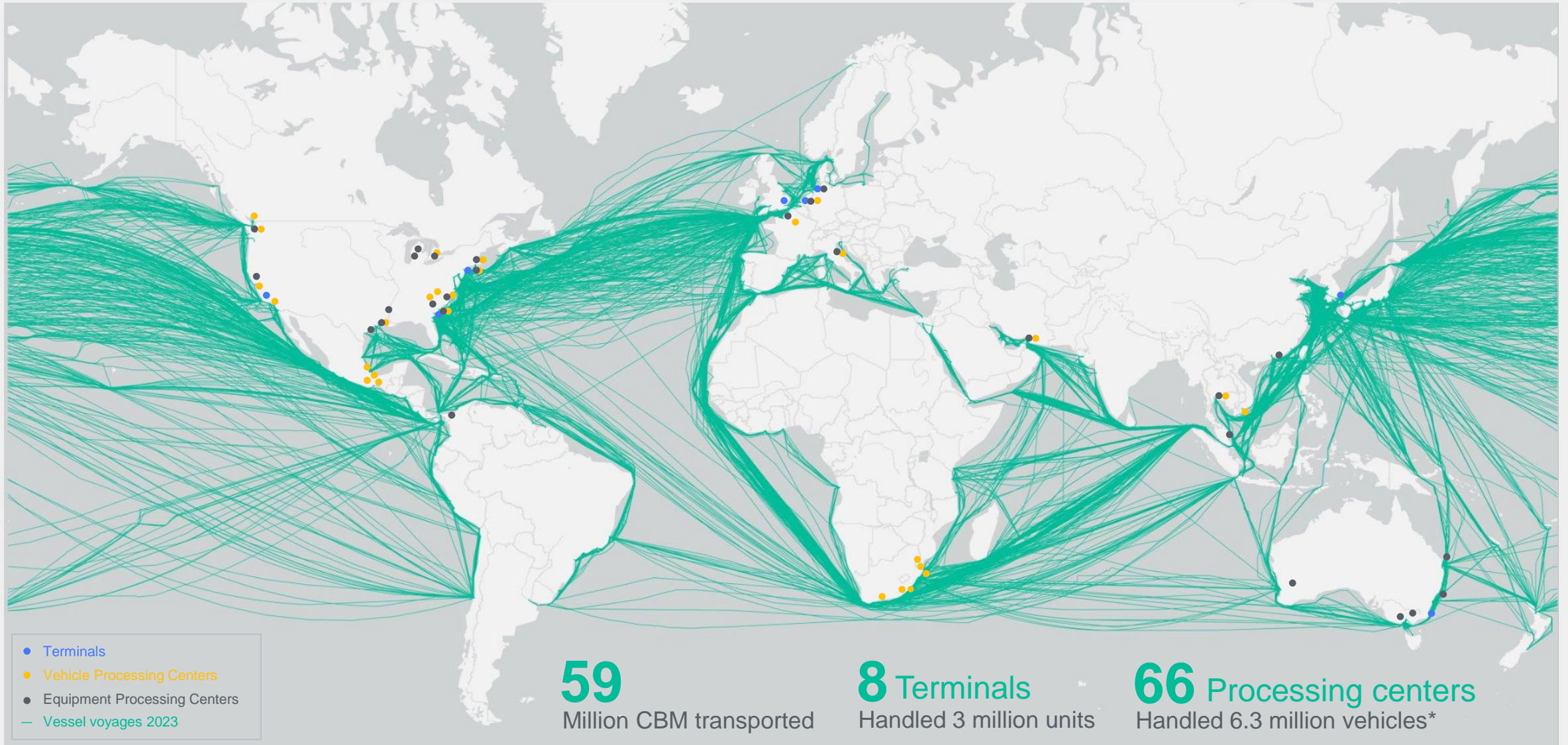
**10%**

of 2023 fuel consumption was biofuel blends

*\*Figures are for 2023*



# Customers are supported by our scale, reach and flexibility



All figures from 2023. \*Inc auto and H&H

# Our customer base is diverse and growing

Share of 2023 revenue

Auto

60%

YTD 2024: 62%



H&H

32%

YTD 2024: 30%



Breakbulk

8%

YTD 2024: 7%



Auto<sup>1</sup>



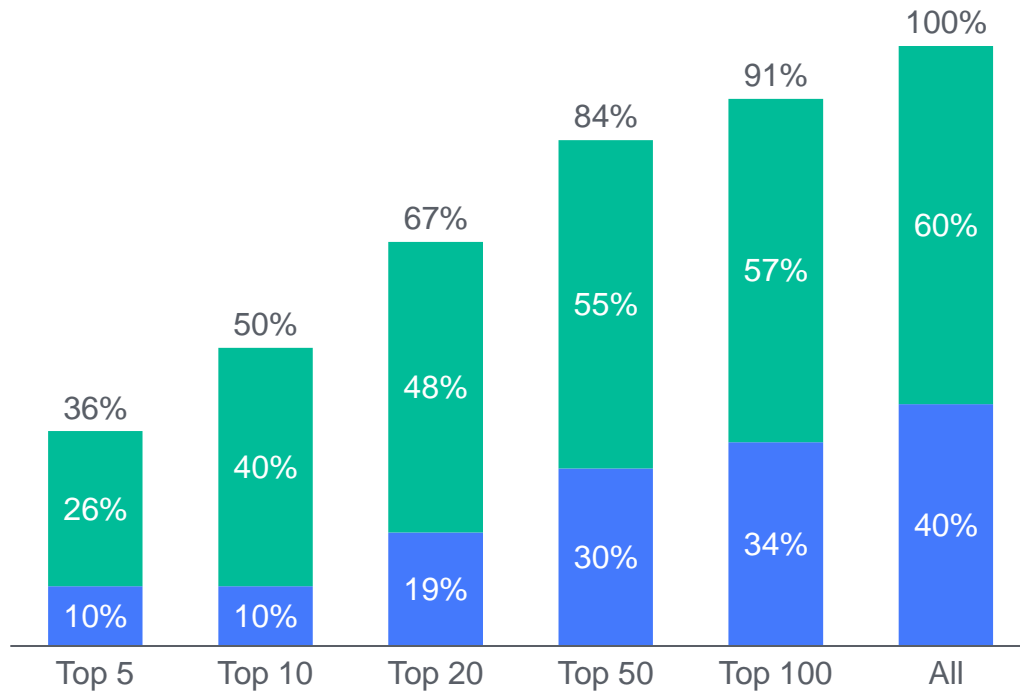
High & heavy<sup>1</sup>



# We serve both large and small customers

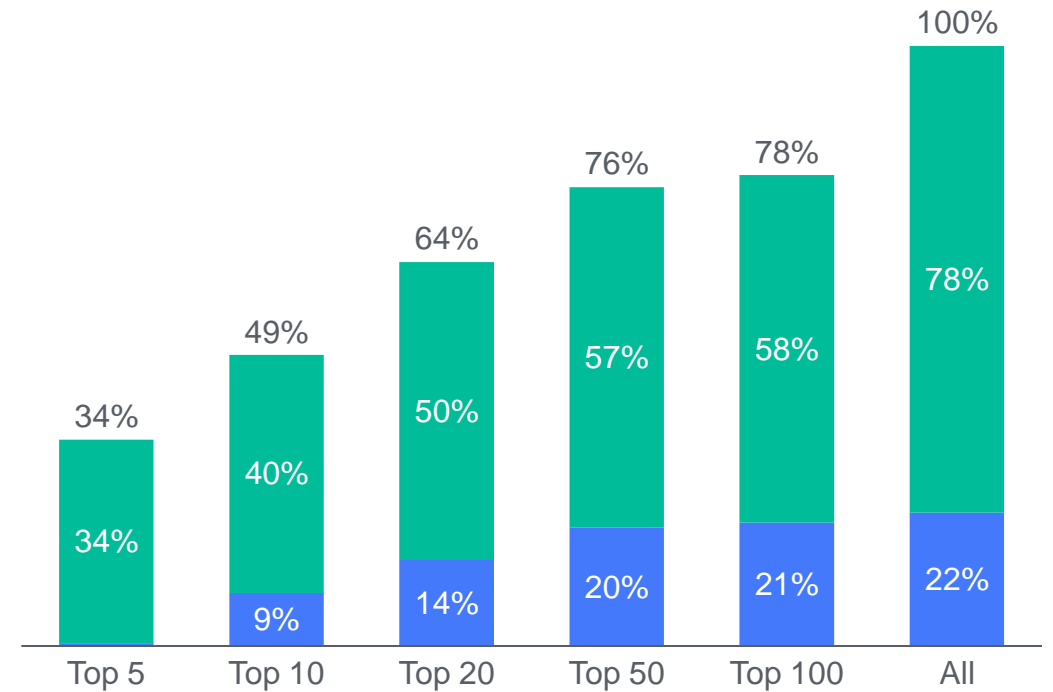
## Share of Shipping 2023 revenues

■ Auto ■ H&H (incl. Breakbulk)



## Share of Logistics 2023 revenues<sup>1</sup>

■ Auto ■ H&H (incl. Breakbulk)

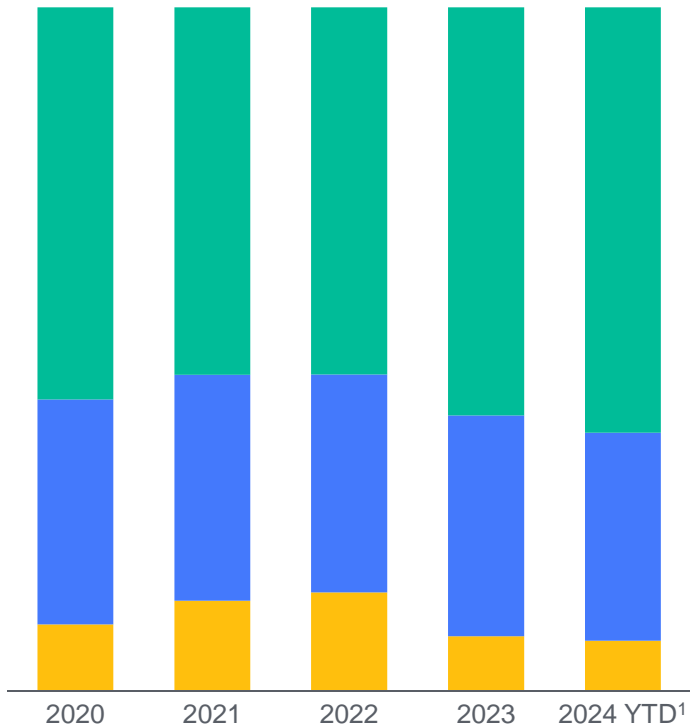


1) On Logistics the split between H&H and Auto is not exact as there will be some H&H revenue in Terminals  
Source: WAWI Analysis

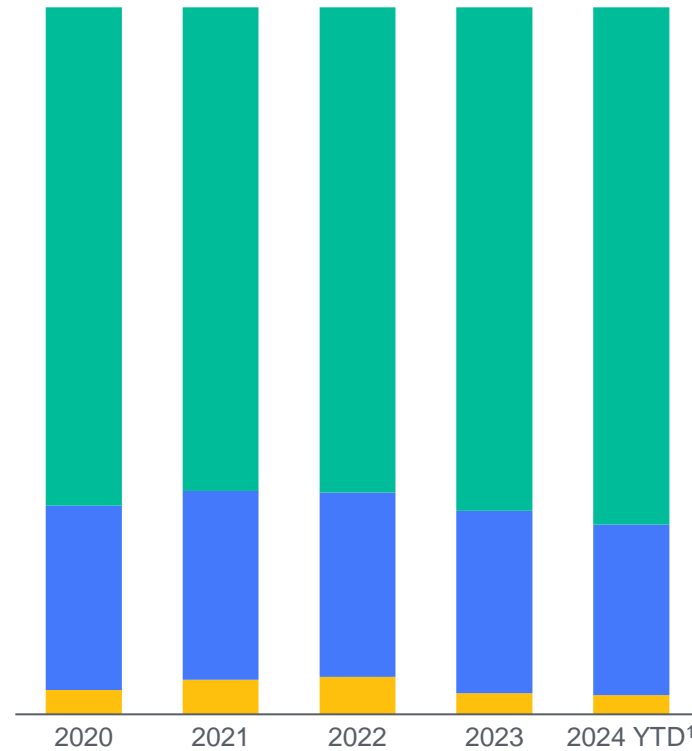
# ...with breakbulk and H&H volumes being replaced by increasing auto

## Shipping, share of net freight (%)

Auto H&H Breakbulk



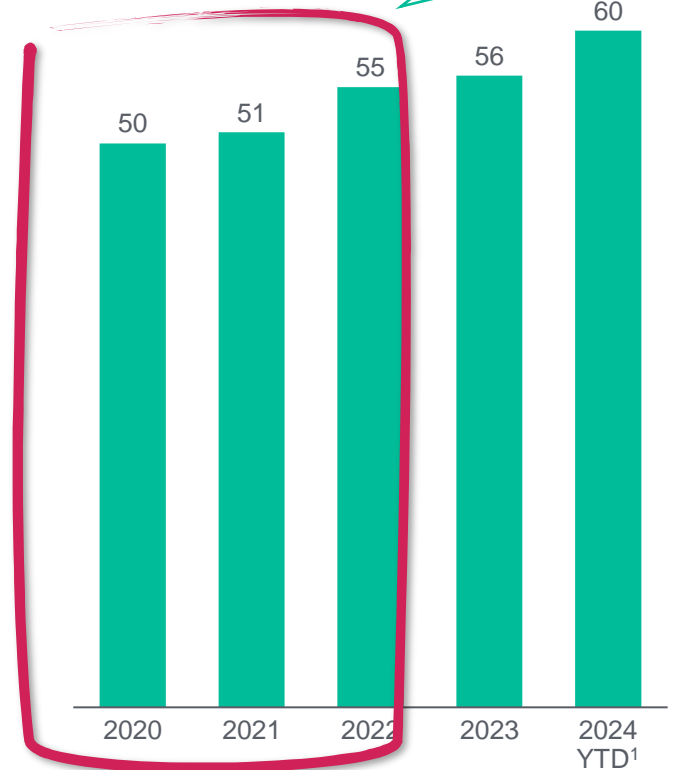
## Shipping, share of volume (%)



## Shipping, average net freight<sup>2</sup>

Net freight rate

Rates in 2020-2022 were boosted by BB



# Prevailing trends within auto



## New competition

- Highly competitive auto entrants
- Lower barriers to entry
- Technology now the decisive purchasing criteria over brand

## Powertrain uncertainty

- Non-linear transition to EVs
- Lagging rollout of infrastructure
- Wait and see consumer attitude
- OEMs must invest in flexibility

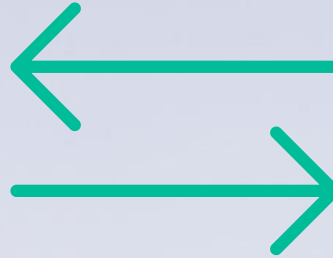
## Regulations and Geopolitics

- Regional regulations
- Elections in half the world
- Rising protectionism, trade barriers and tariffs
- Restrictive monetary policies

# Shifting customer expectations set the foundation for positive negotiations

## Customer needs

- Optimized operations
- Reliable supply chains with the right capacity
- A partner that can act as a one-stop shop
- Insights + data to improve supply chain management
- Products + services that drastically reduce emissions

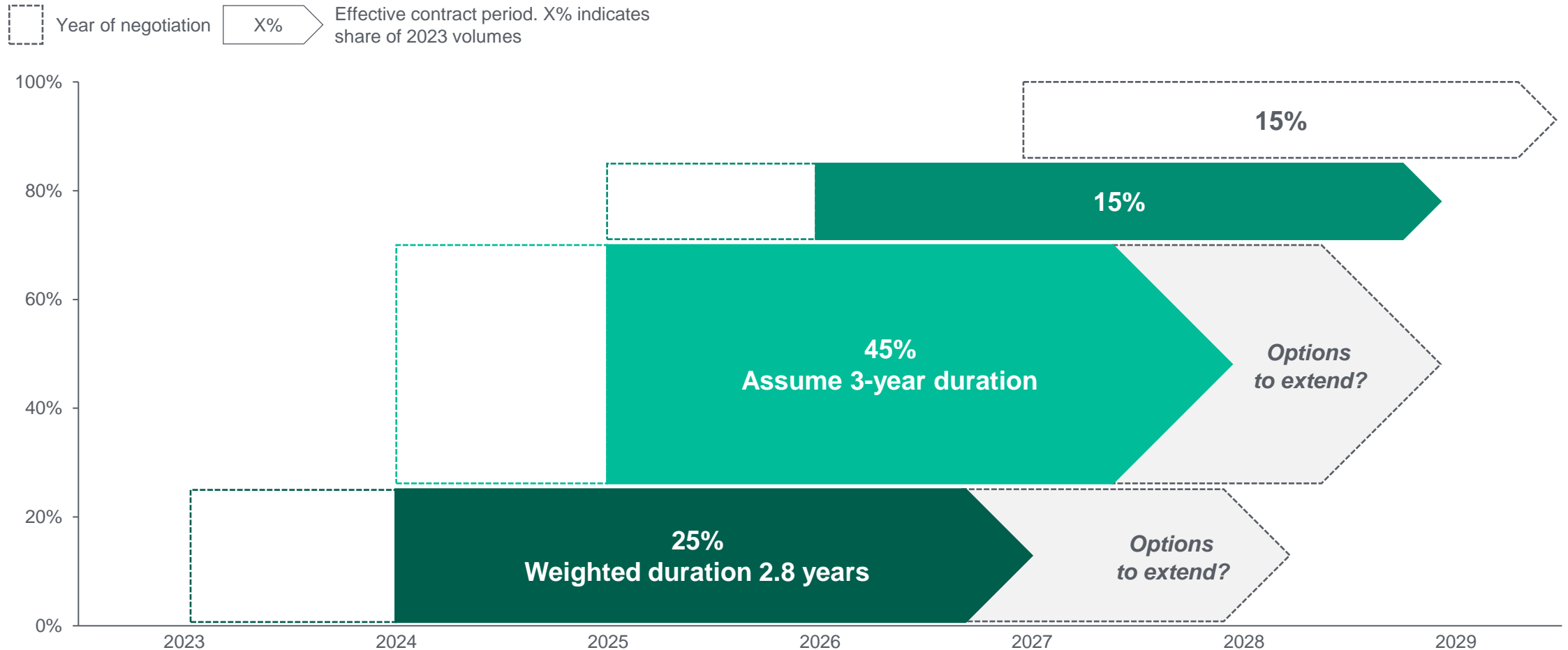


## Our offering and expectations

- Commit to expand service scope and interconnectivity
- Ensure sustainable rates through the cycle
- Commit volumes to improve predictability
- Expand partnerships to include entire value chain
- Join our journey to Net-Zero

# The current contract renewal pipeline

## Distribution of shipping contract portfolio across time and as share of 2023 volumes





Increasing the share of wallet

70%

of our 50 largest customers purchase both Shipping *and* Logistics services<sup>1</sup>



# Ambitions

## Significantly grow logistics business

- Organic growth and M&A
- Increase share of wallet with largest customers
- Increase integrated and digital solutions

## Net-zero end-to-end service

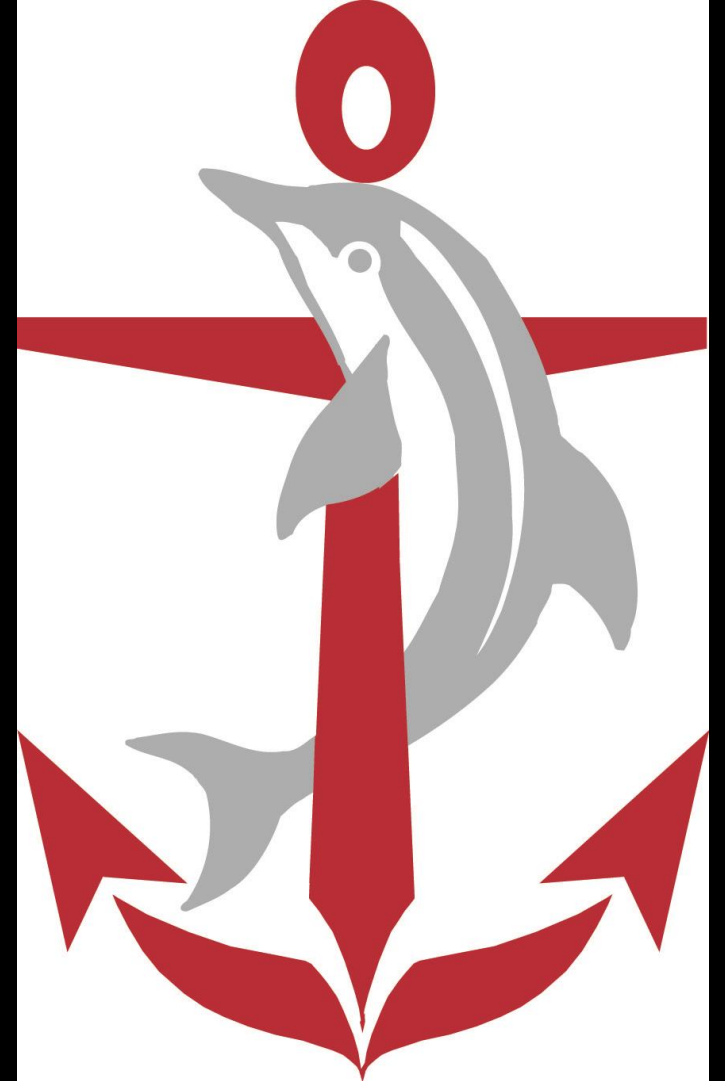
- Limited to selected trade routes
- In-demand for leading auto OEM
- A unique market differentiator





**HESNES SHIPPING AS**

**SEPT 2024**



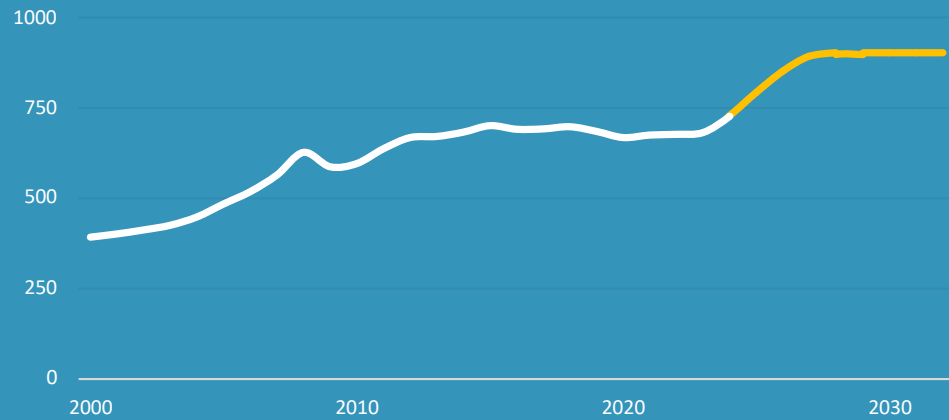
**The order book**

**The bottleneck**

**Supply & demand**

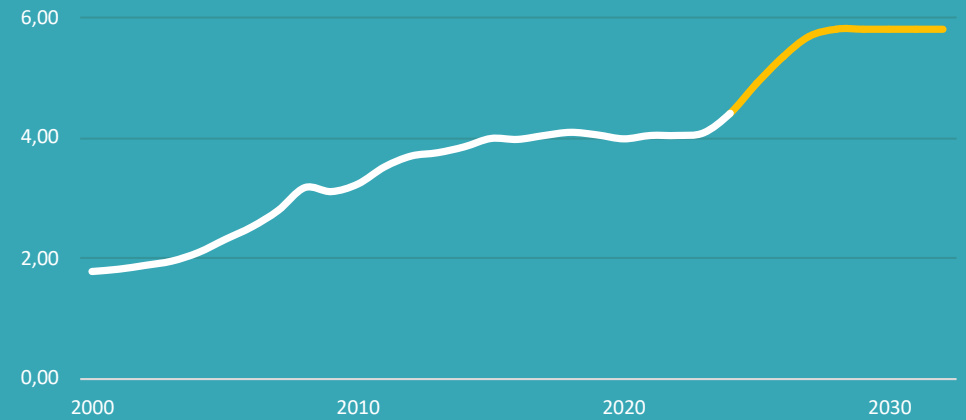
# THE FLEET

## World Fleet (no of vessels)



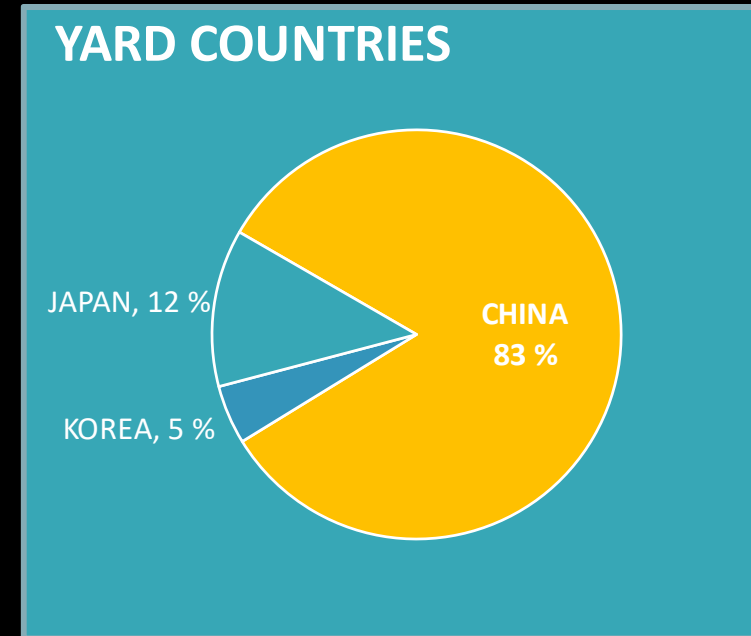
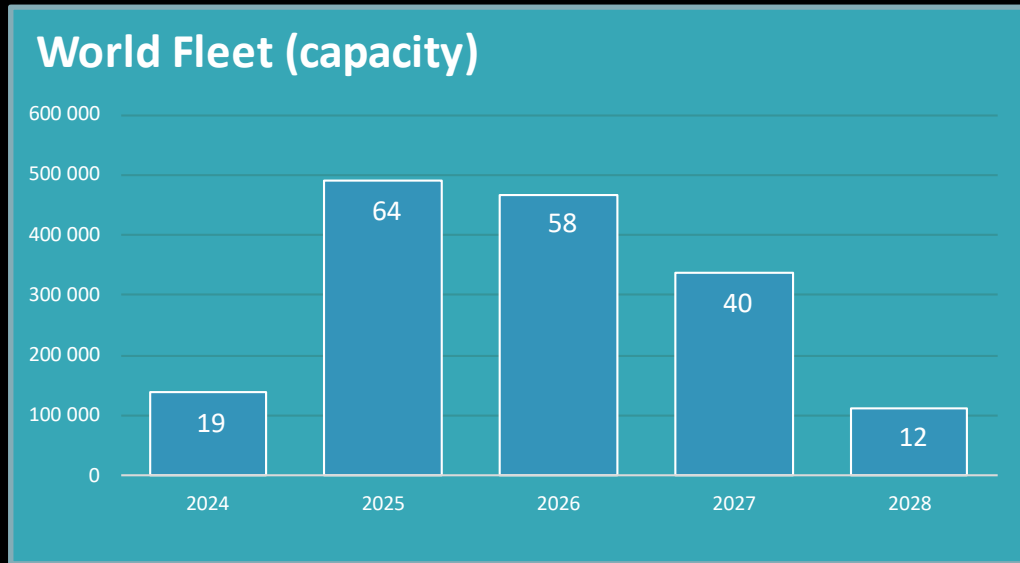
**193**  
27%  
of existing

## World Fleet (capacity)



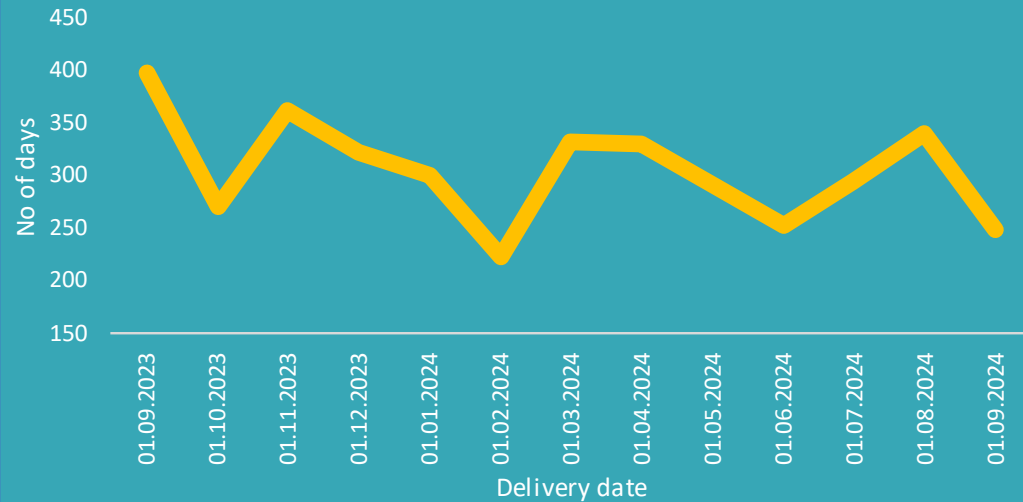
**1.543.000**  
36%  
of existing

# THE ORDER BOOK



# YARD EFFICIENCY

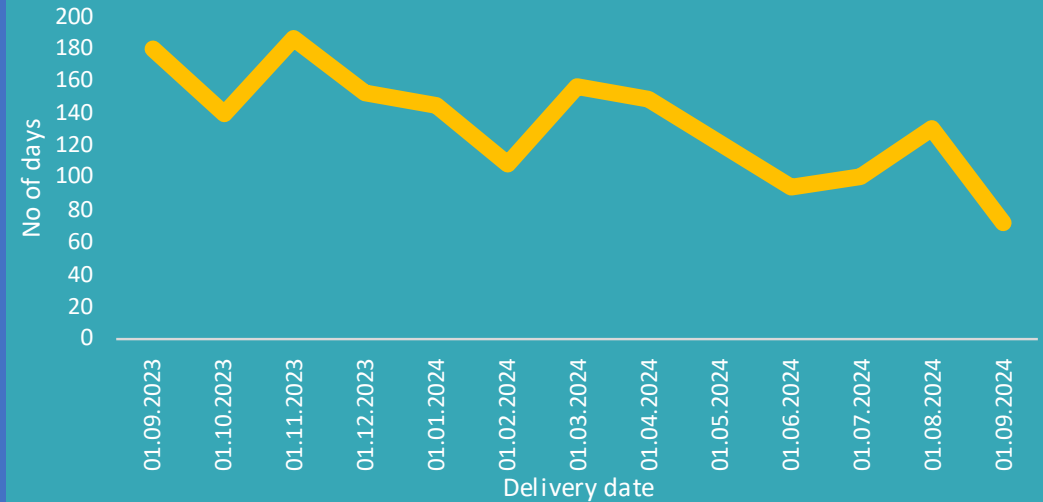
## KEEL TO DELIVERY



**Keel -> deliv**  
**2023 - 338**

**2024 - 290**

## ON WATER TO DELIVERY



**Water - > deliv**  
**2023 - 165**

**2024 - 119**

# WHY ALL TIME HIGH?

## DELIVERIES

No of vessels

138

Capacity

940.000

## RECYCLING

No of vessels

123

Capacity

600.000

2014-2023

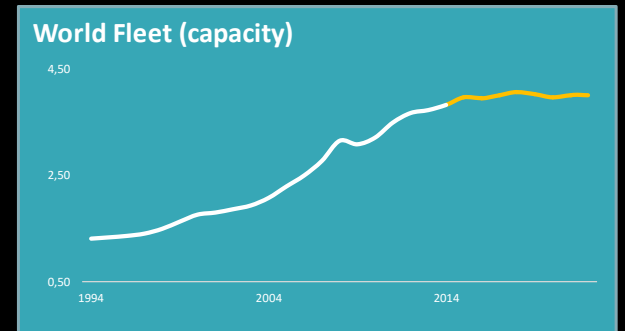
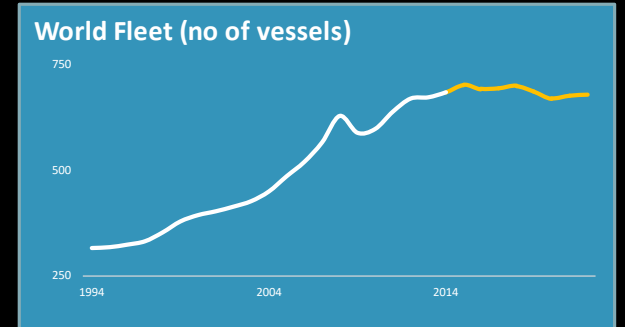
## FLEET GROWTH

No of vessels

2%

Capacity

6,1%





# WHY ALL TIME HIGH? – BOTTLENECK EFFECT

## EXPORT (%)

### JAPAN

-100.000 (- 1%)

### KOREA

-300.000 (- 10%)

### CHINA

+4.200.000 (+ 615 %)

## 2014-2023

## Bottleneck EXPORT

### IN %

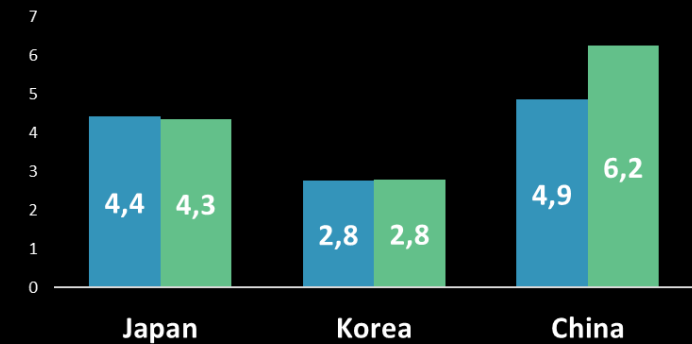
## +47%

### IN UNITS

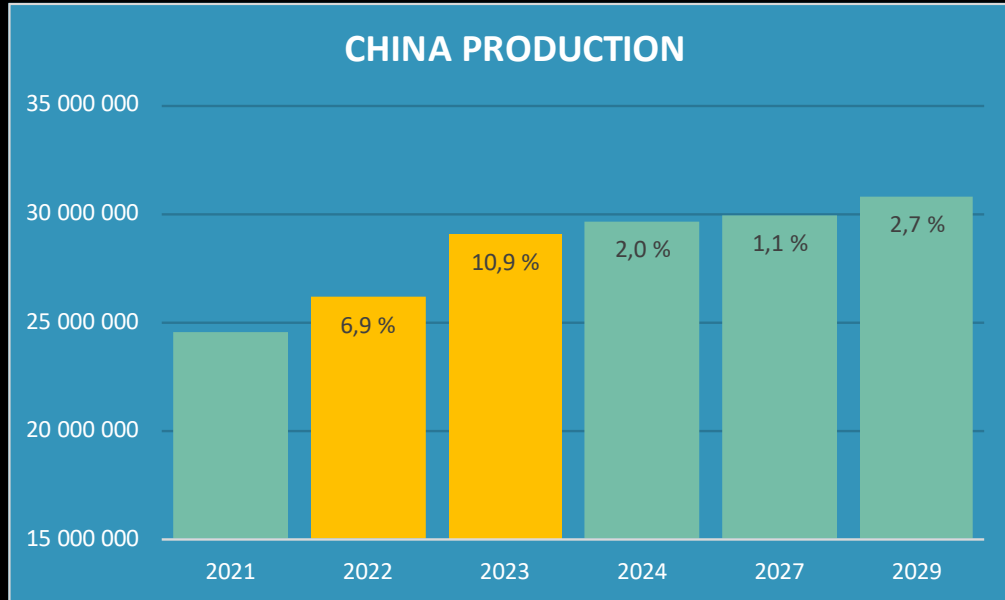
## +3,8 mill



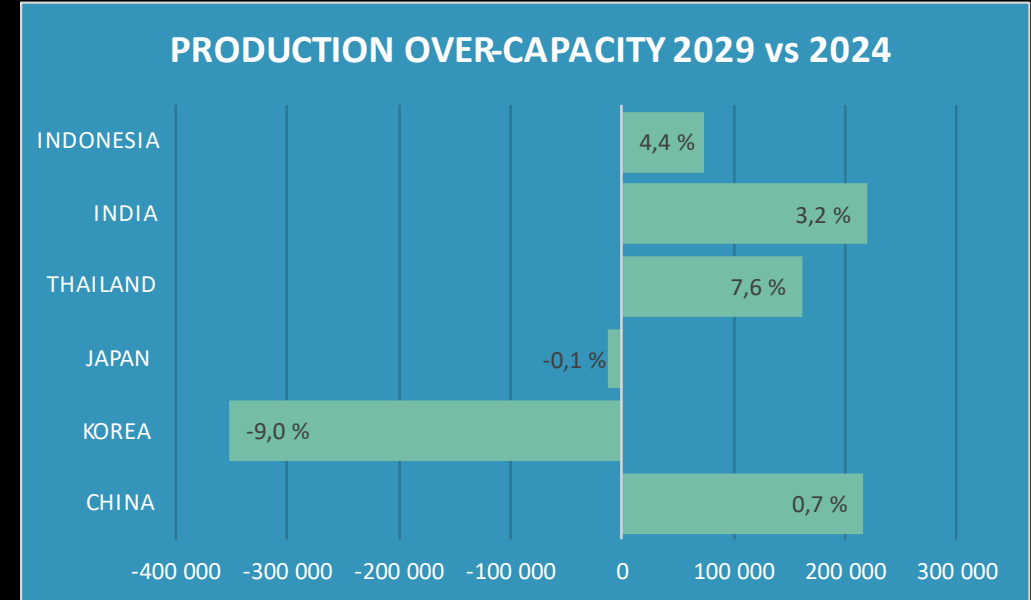
Bottleneck - EXPORT - 2023 vs 2024 est



# BOTTLENECK - > 2024



**+26%**  
**from 2024**  
**+4%**



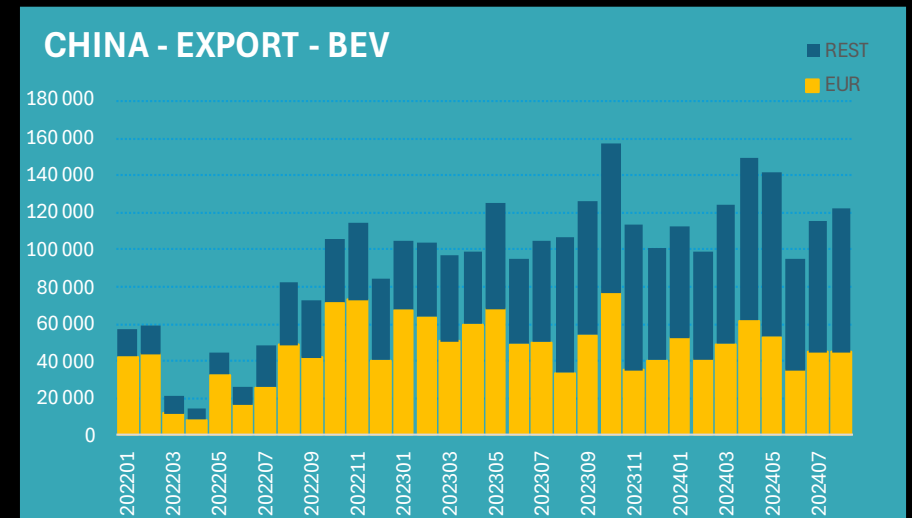
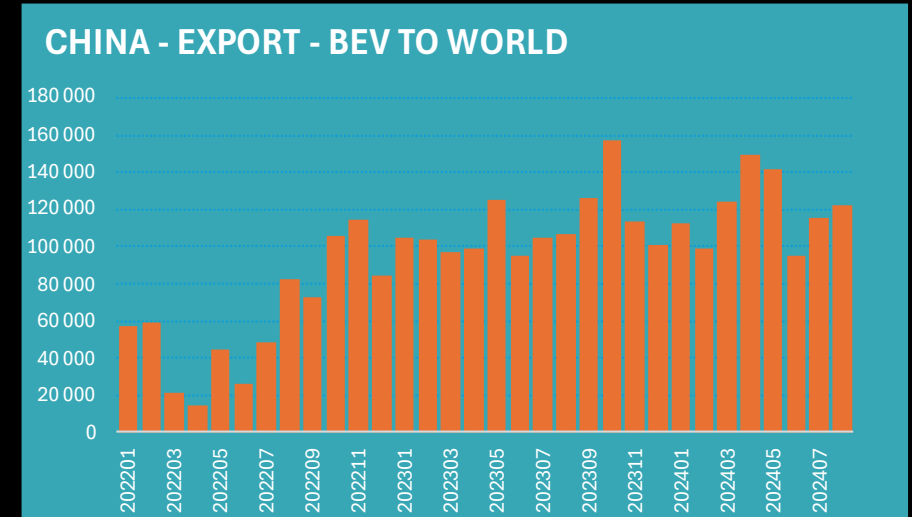
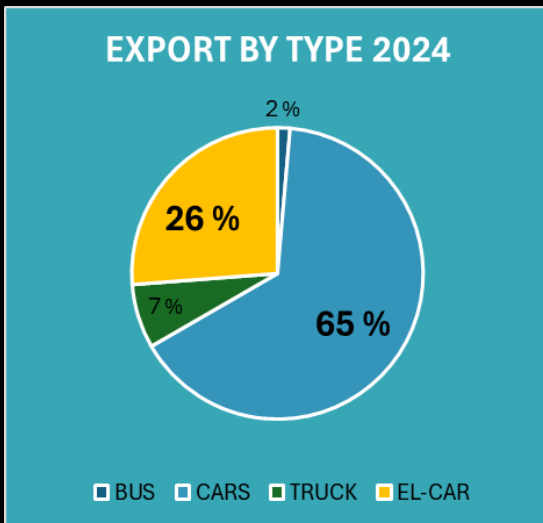
**+4.900.000**  
**From 2024**  
**+300.000**

# THREATS – US/EU



- 13% to N-AM/C-AM  
60.000 to US – 50% BEV

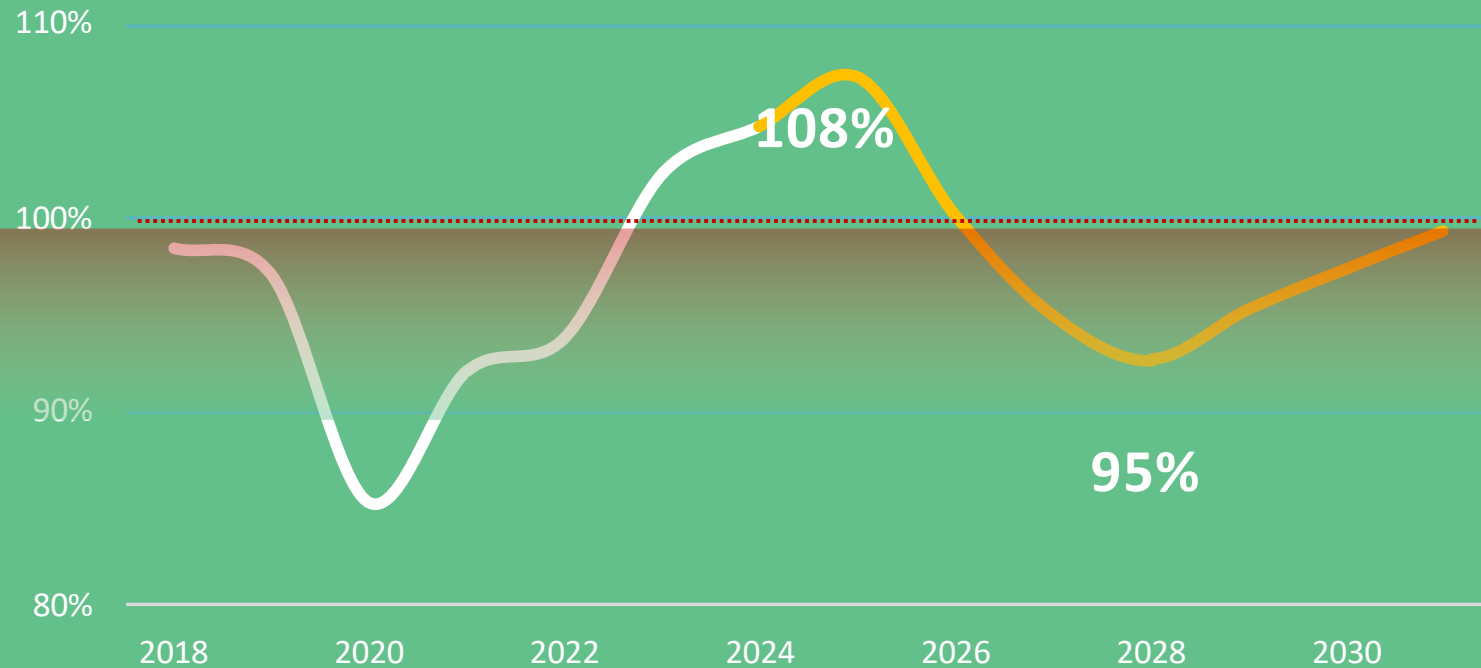
- 37% to EUROPE  
400.000 to EU – 50% BEV



# WHERE DO WE GO FROM HERE?

2024-2029

## Utilization - 28y demolition



General growth:  
+2m seagoing volumes  
**= 70 ships**

CHINA «leakage»  
1,5m units = **60 ships**

Demolition candidates  
unitil 2028 = **70 ships**

**ORDER BOOK 193 VESSELS**

**HESNES SHIPPING AS**

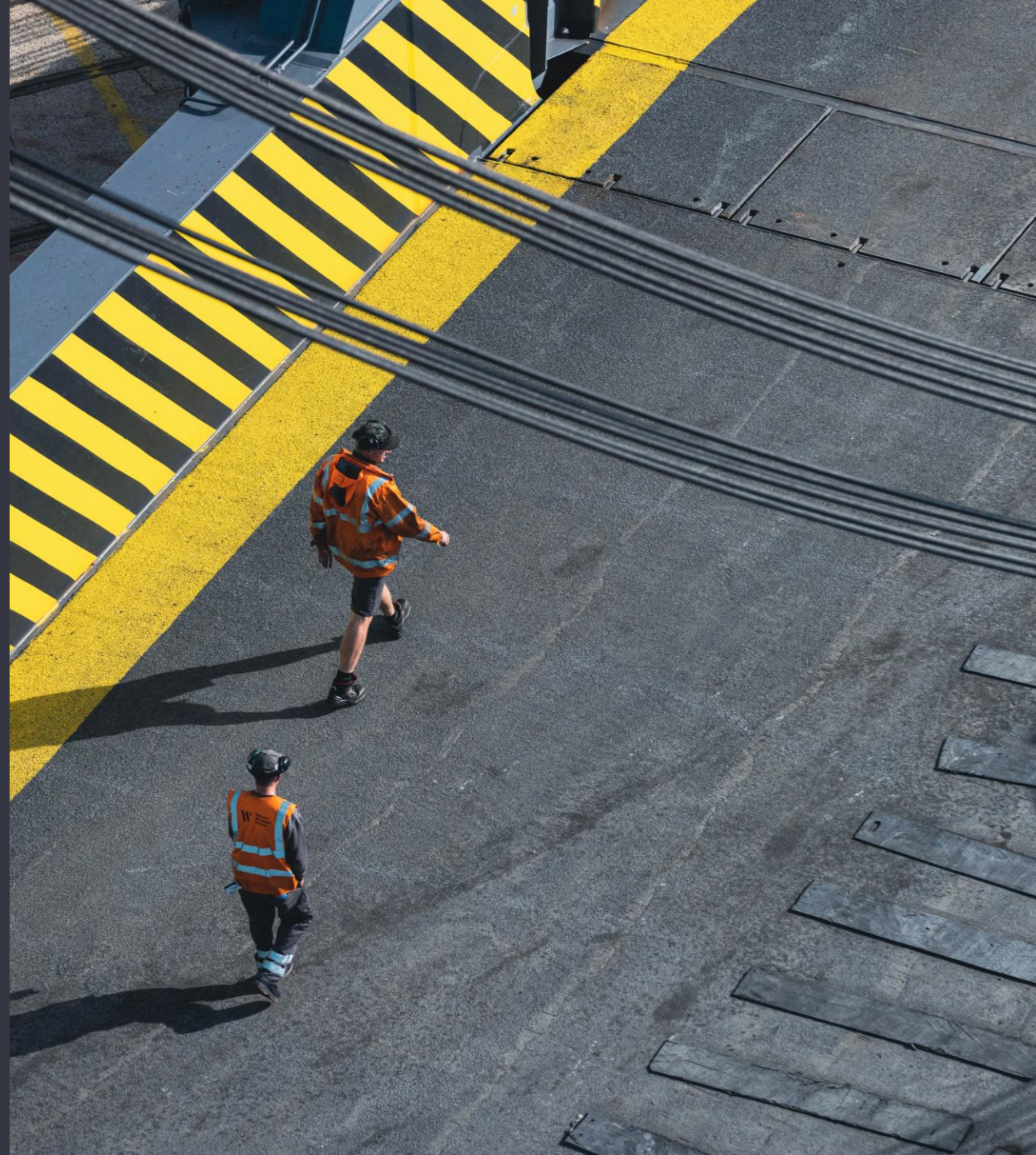


**THANK YOU**



# The way forward

Lasse Kristoffersen  
President and CEO





1+1 makes more than 2







# Q+A



