



> Wilh. Wilhelmsen Capital Markets Day



> Disclaimer

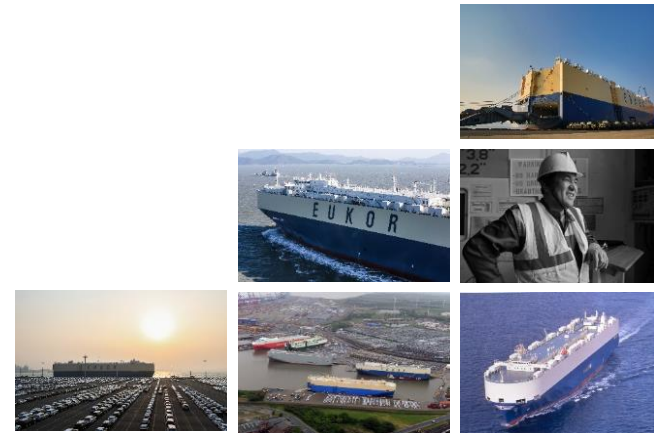
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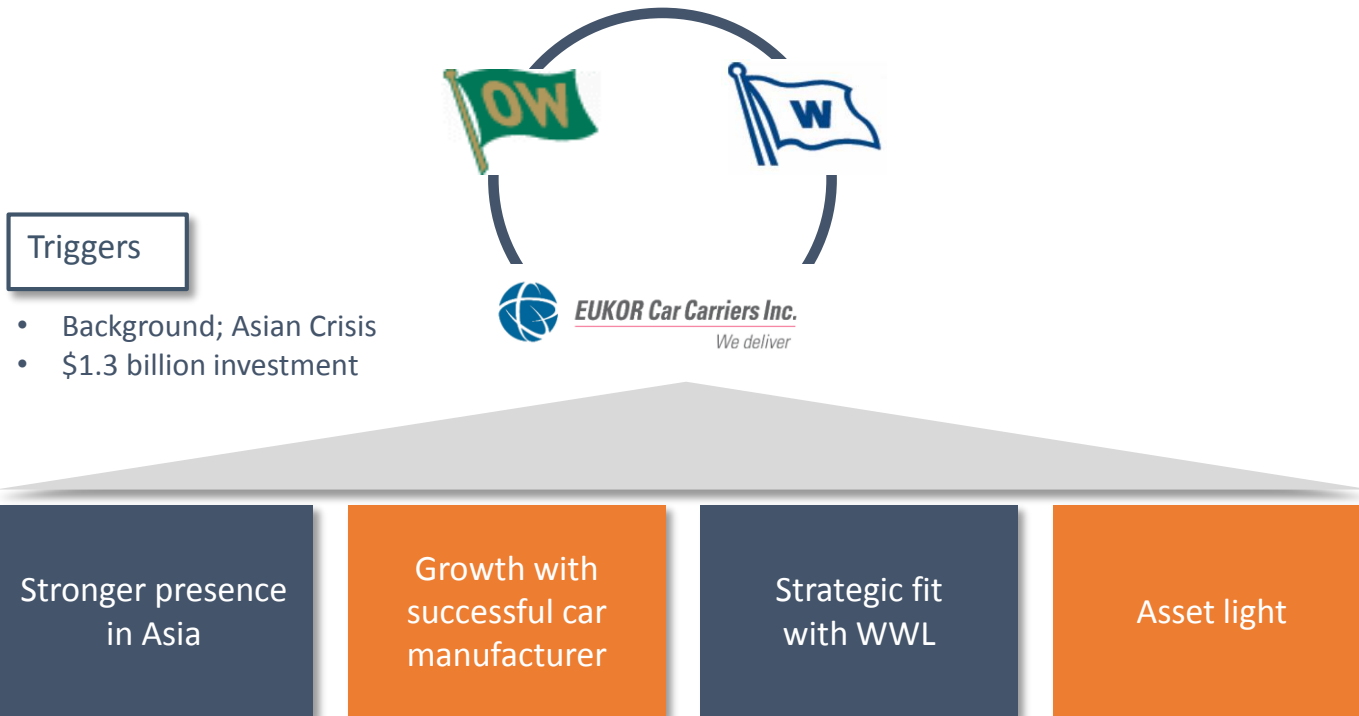
Capital Markets Day
17 September 2015

EUKOR – The Untold Story

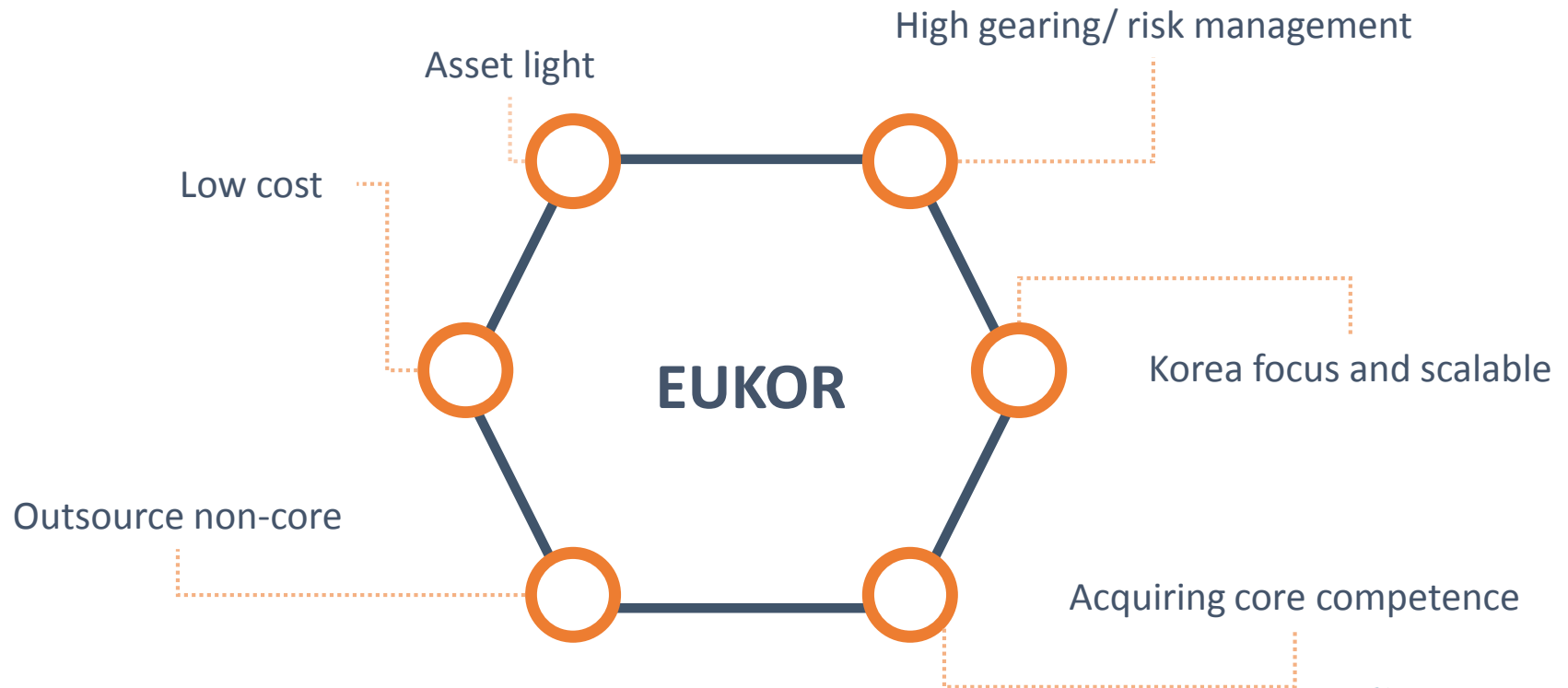


EUKOR Car Carriers Inc.
President & CEO, Craig Jasienski

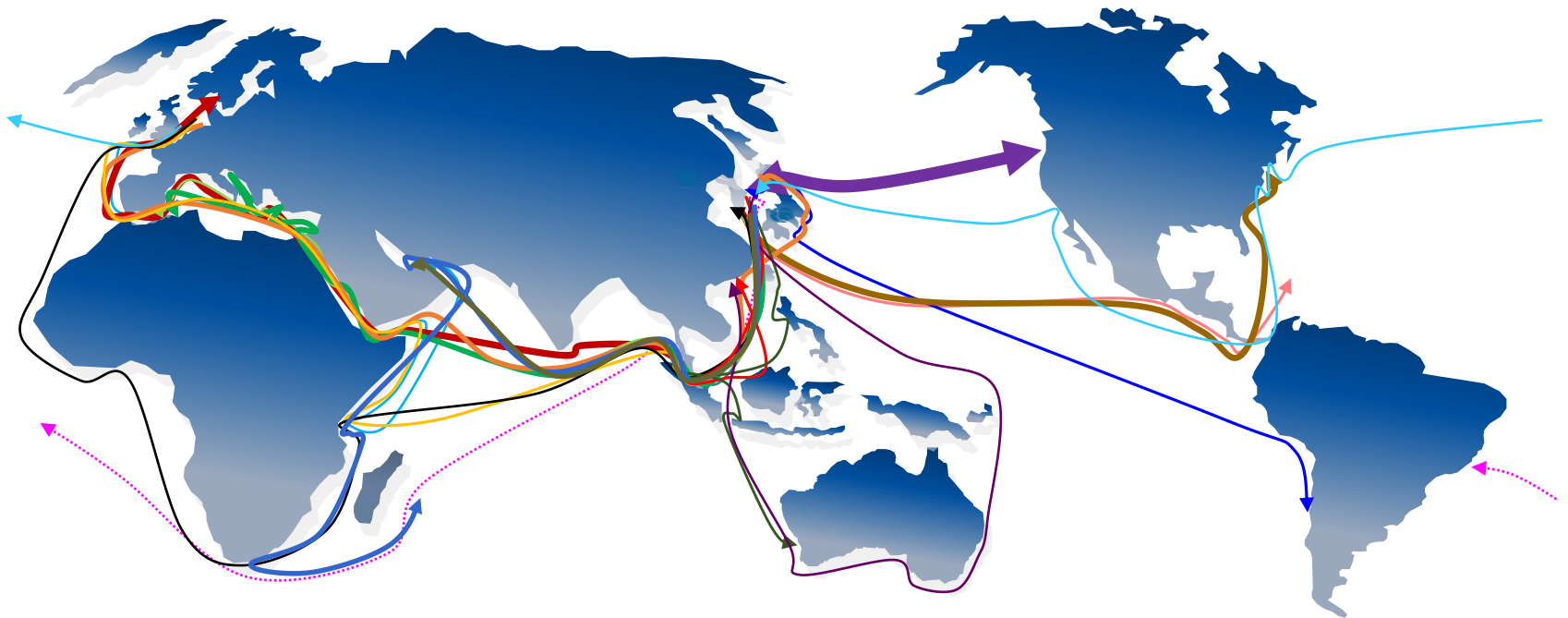
 Main drivers for OW/WW investing in EK



 **EUKOR business model** at inception

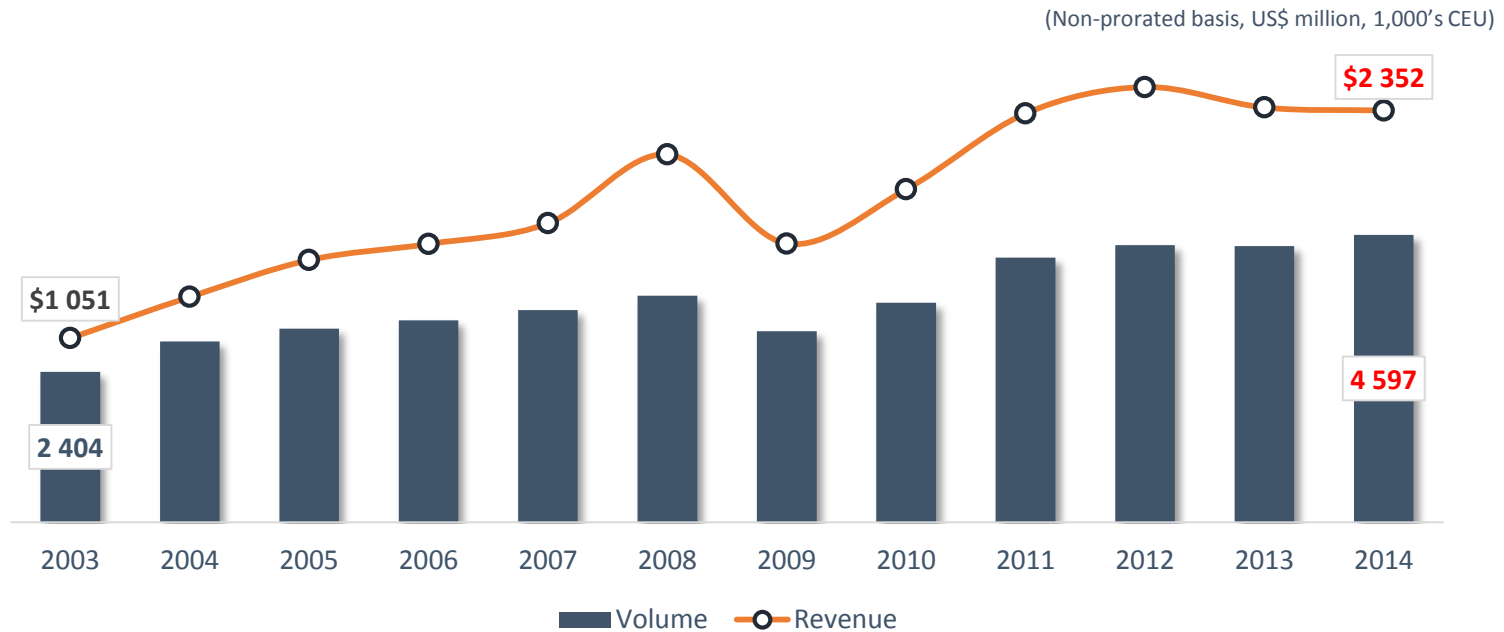


 Sailing patterns 2003



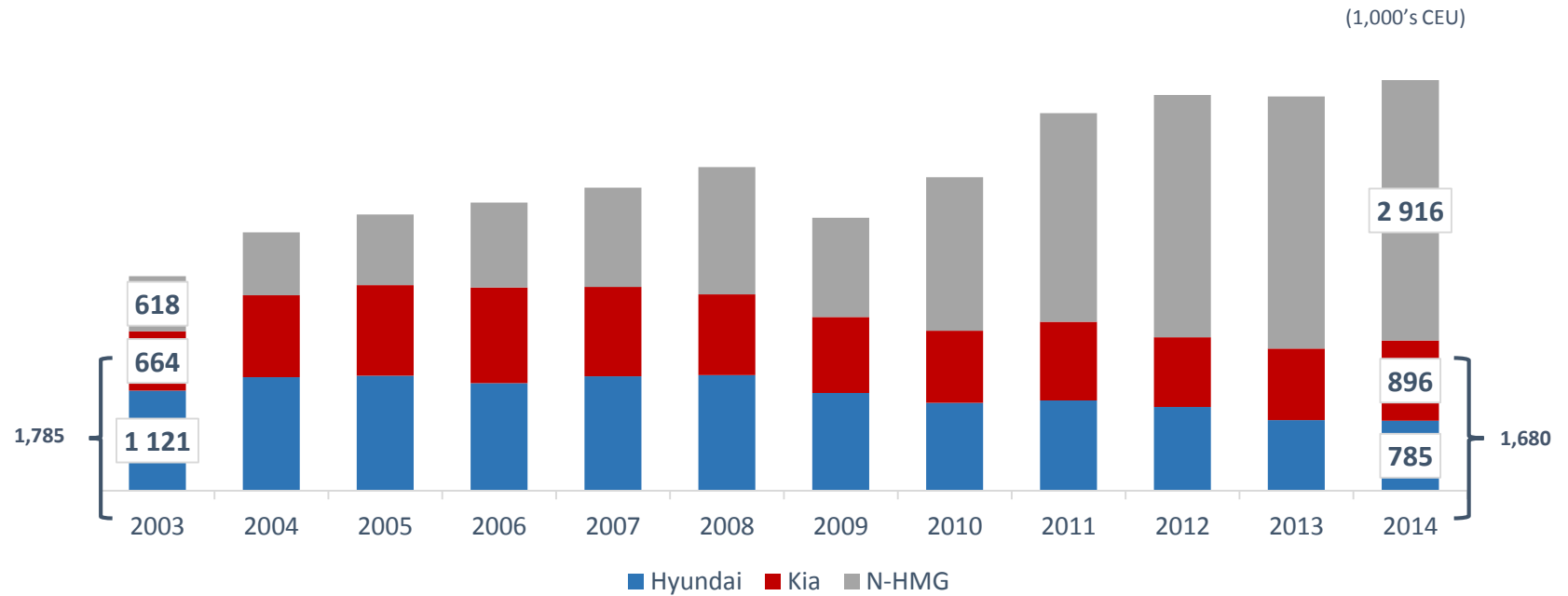
Volume and Revenue

- Revenue doubled from \$1 to \$2 billion.
- Volume gone from 2.4 to 4.6 million CEU.

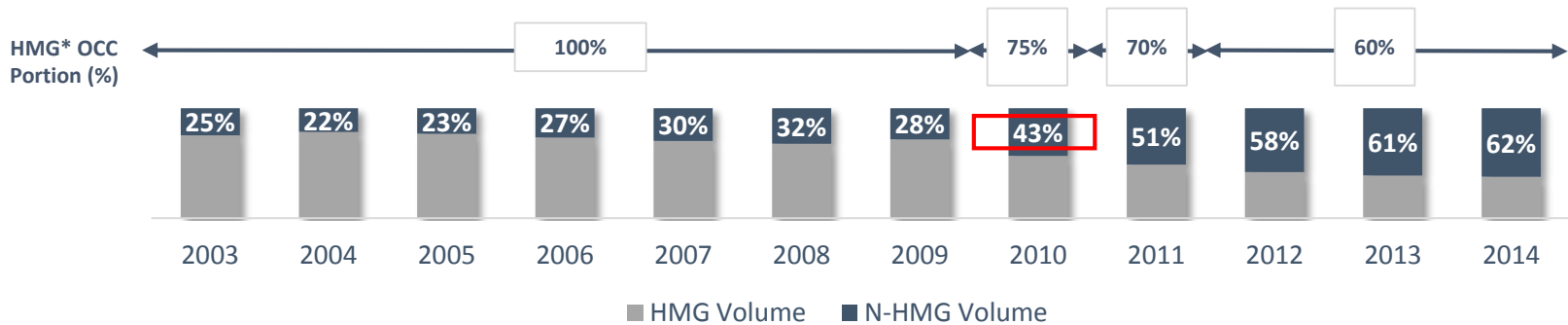


 Growth and diversification

EUKOR transported volume

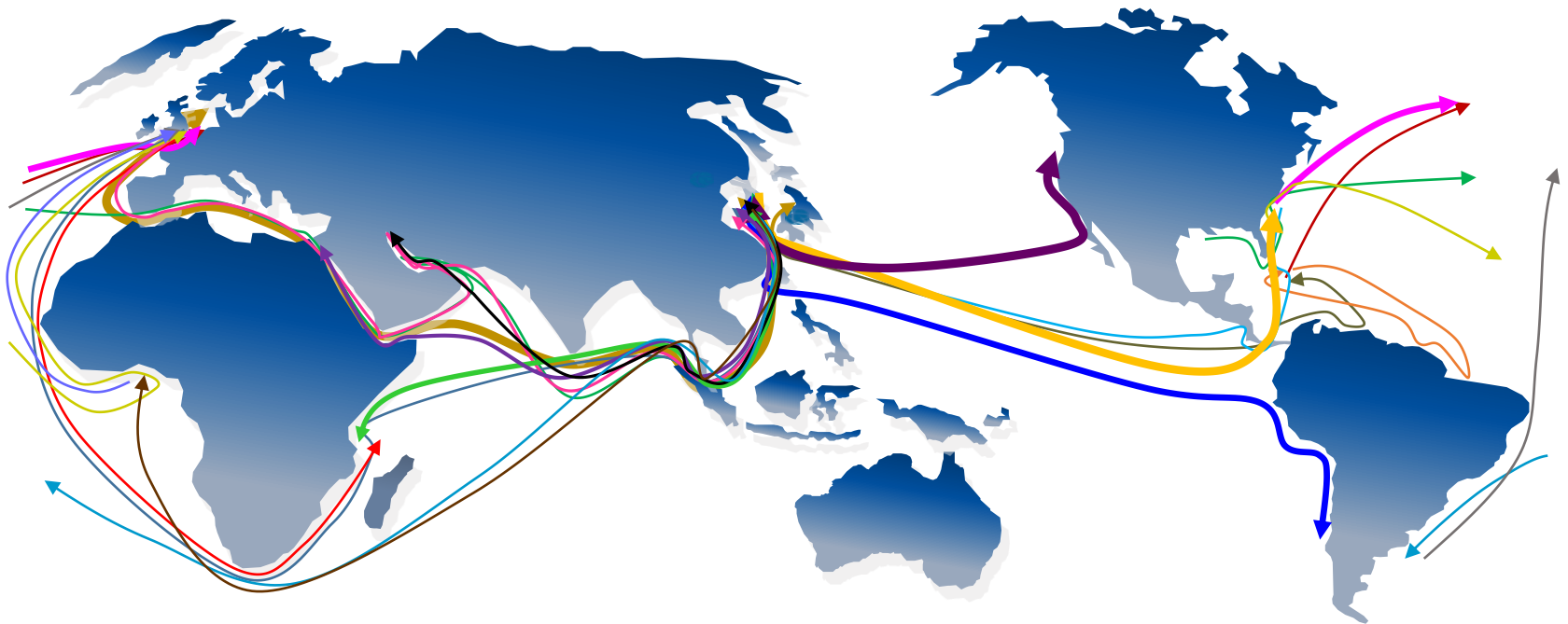


 Diversification and growth



* HMG: Hyundai Motor Group

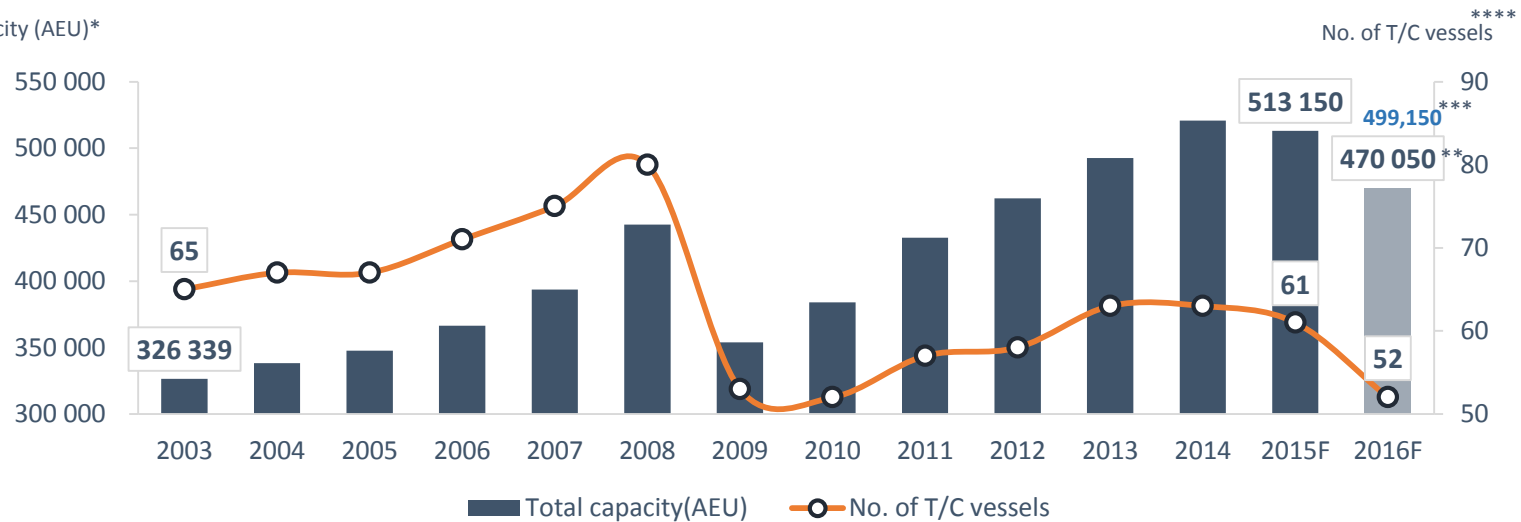
 Sailing patterns 2015



Grown core fleet but kept flexibility

- Average vessel capacity has gone from 4400 to 6100 AEU
- Average vessel age is down from 14 to 10 years
- Broad use of TC vessels under 1 year

Fleet Capacity (AEU)*



* AEU: Accent(Hyundai motor) Equivalent Unit
 ** All vessel (Own+T/C over 1Y) redelivery option exercised and vessels recycled at 25 years
 *** All vessel (Own+T/C over 1Y) redelivery option extended and vessels recycle postponed
 **** T/C vessels: Time Charter over 1Y

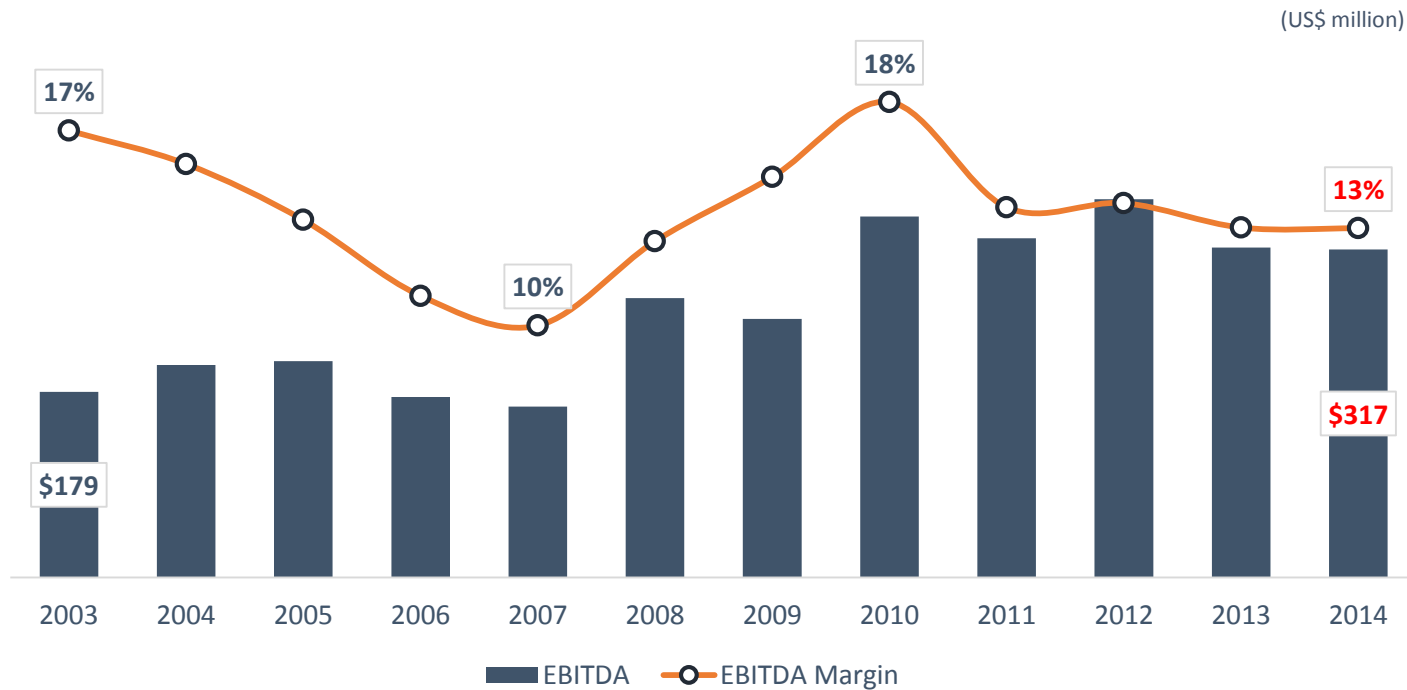
 EK/WWL Synergies

- Tonnage efficiency
- Frequency
- Vessel utilization

(CEU, No. of vessels)

	2011	2012	2013	2014
Cargo support (EUKOR↔WWL)	144,806	127,853	102,598	210,489
Tonnage swap /Chartering	22	39	54	44

 EBITDA & EBITDA Margin

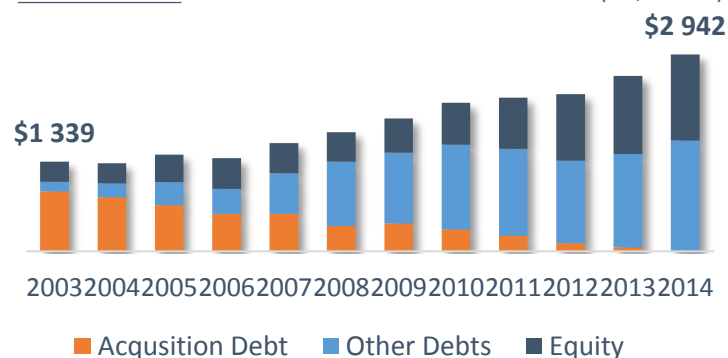


*IFRS basis

Building a strong balance sheet

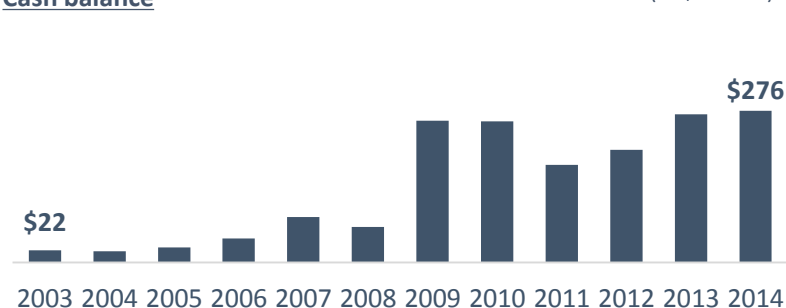
Balance Sheet

(US\$ million)



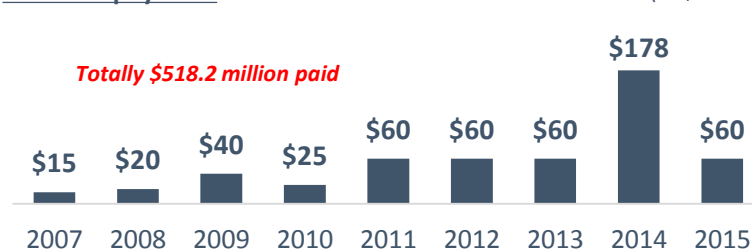
Cash balance

(US\$ million)



Dividend payment

(US\$ million)



	2003	2014
Liabilities	\$1,040	\$1,657
└ Acquisition debt	\$895	\$0
└ Others	\$145	\$1,657
Equity	\$299	\$1,285
Equity Ratio	22%	44%

*Acquisition debt was fully repaid in 2014

*Total sum of dividend from EUKOR Car Carriers Inc./EUKOR Car Carriers Singapore/EUKOR Shipowning Singapore included.

 EUKOR today



From a Korean company working internationally to a global company based in Korea

Thank you!



Navigating for Growth: Global Automotive Opportunities and Pitfalls

Wilh. Wilhelmsen - Capital Markets Day

ihf.com

Oslo, Norway | 17 September 2015

Mike Jackson

Director, Vehicle Production Forecasting

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IHS AUTOMOTIVE
driven by POLK



IHS AUTOMOTIVE

Presentation

Video 1 – Think About a Car

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Today's Global Business Landscape is Complex. We Help You Make Sense of It

AEROSPACE & DEFENSE

100+ years' experience delivering unrivaled news, insight and intelligence on defense and security equipment, markets, industries and risk

CHEMICAL

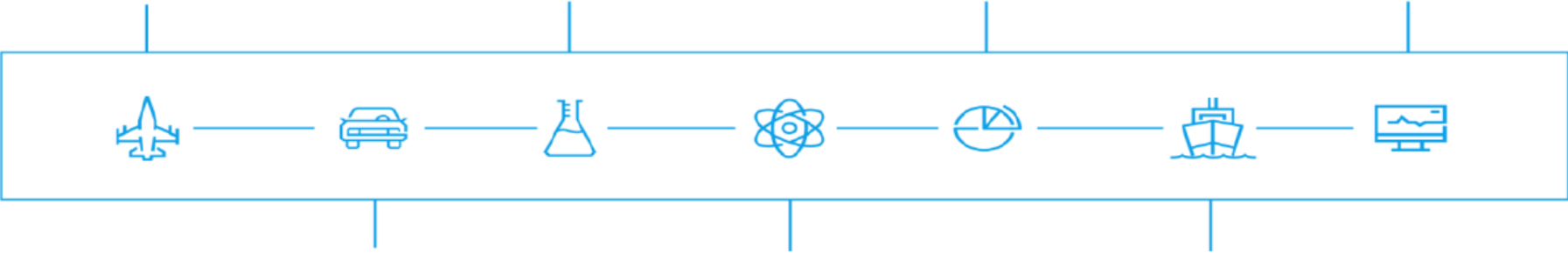
Over 200 leading industry authorities creating integrated views and analysis across more than 300 chemical markets and 2,000 processes for 95 industries

FINANCE

Research on 200+ countries and territories with harmonized indicators from IHS analysts and economists

TECHNOLOGY

World's largest electronics component database with more than 350 million parts



AUTOMOTIVE

The world's largest team of automotive analysts with hundreds of experts located in 15 key markets around the world covering the entire automotive value chain

ENERGY

Extensive Oil & Gas well information on 5.5+ million wells worldwide dating back as far as 1860

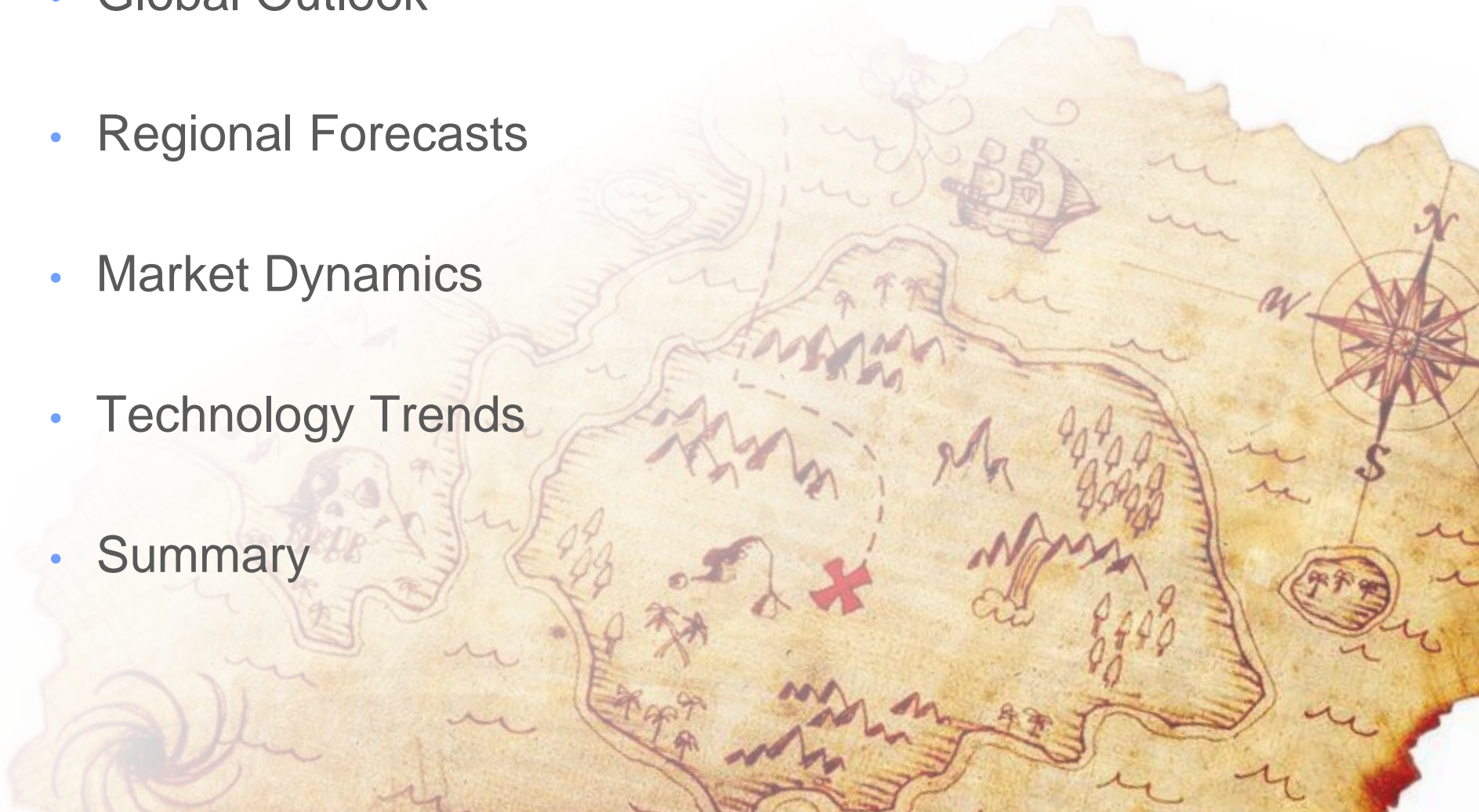
MARITIME

World's largest maritime database with an information gathering heritage of 250+ years with comprehensive information on all vessels 100 GT and over



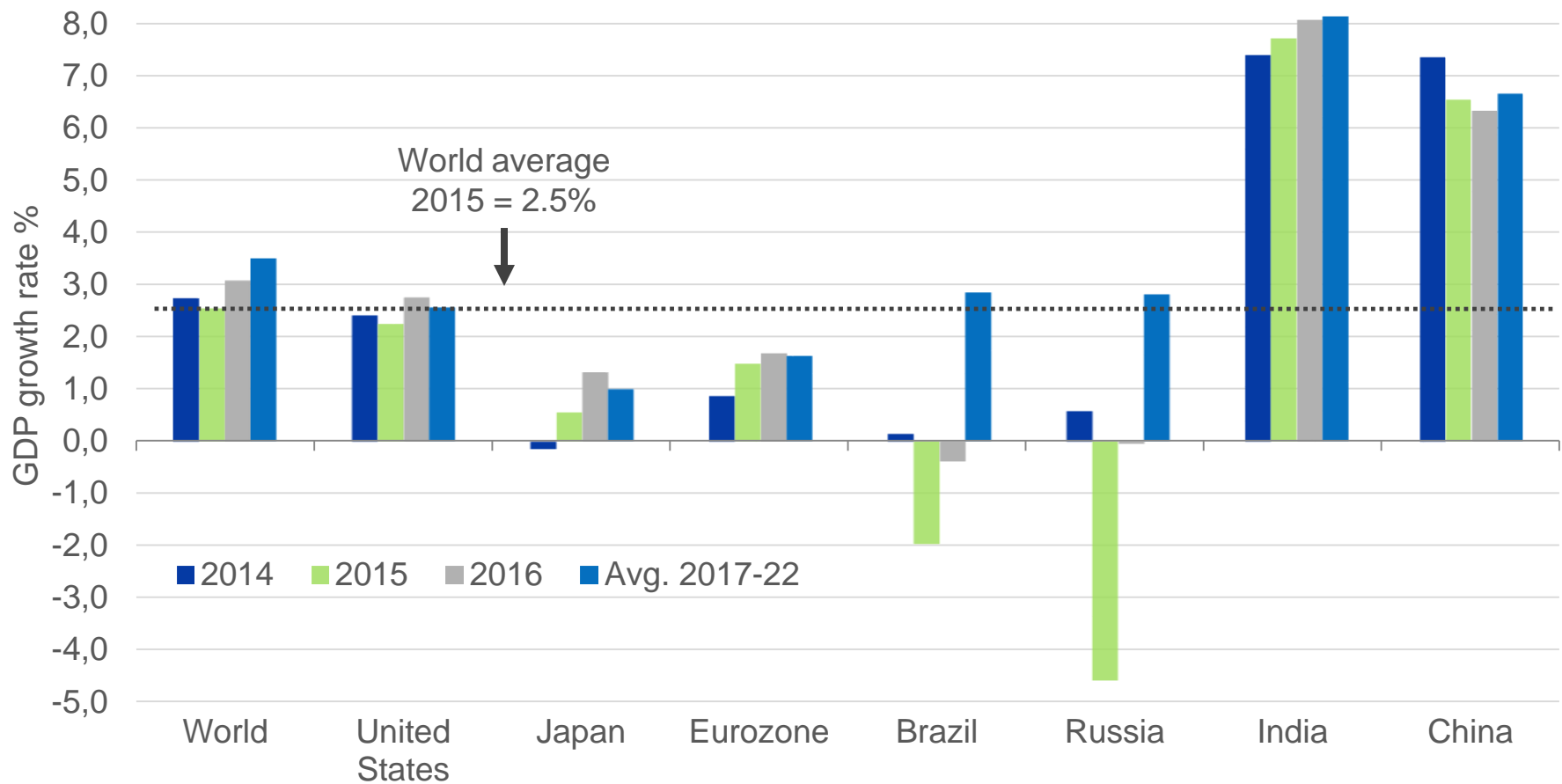
Presentation Outline

- Global Outlook
- Regional Forecasts
- Market Dynamics
- Technology Trends
- Summary



World: Economic growth rates

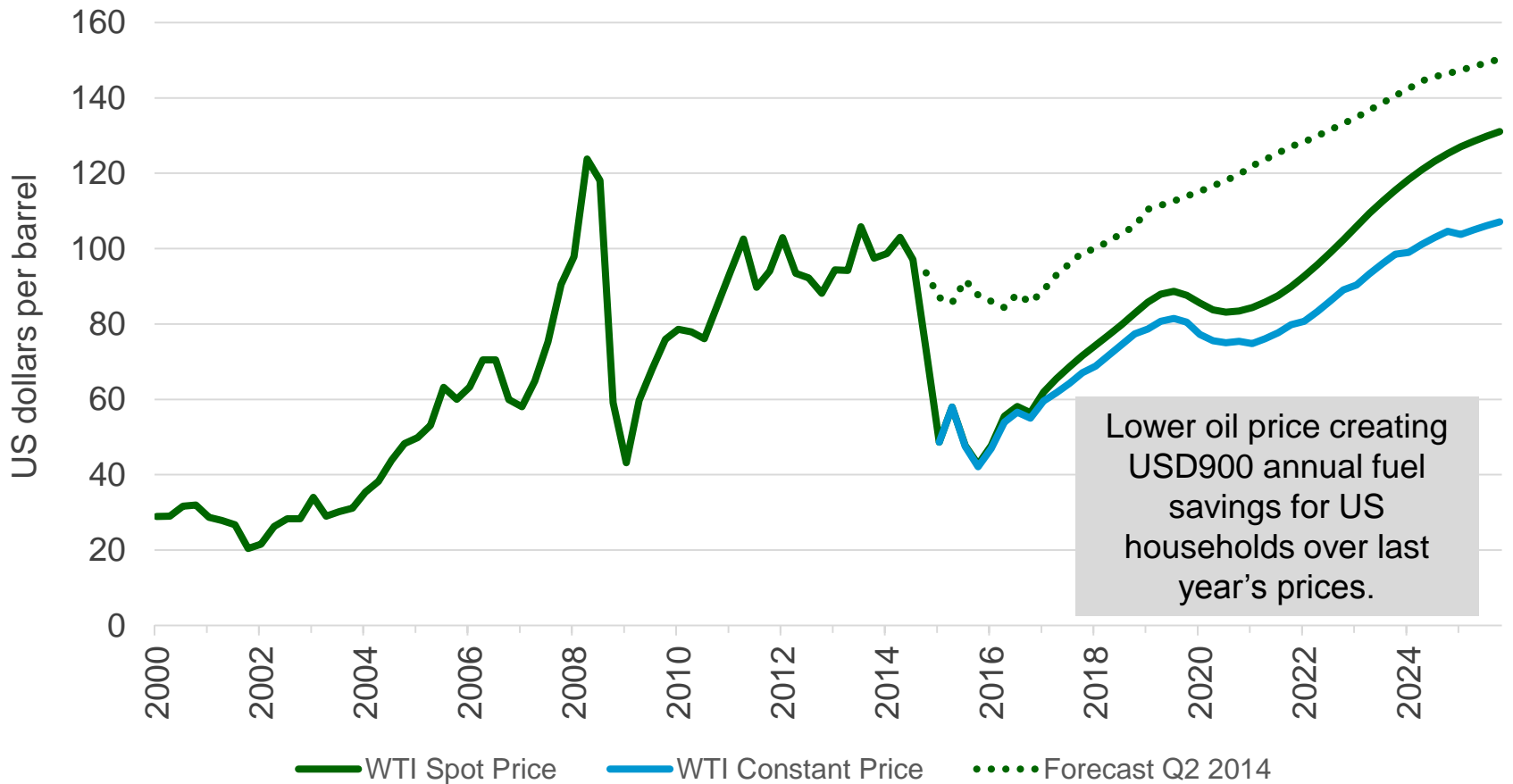
Global outlook worsens slightly



Source: IHS Economics

United States: West Texas crude-oil forecast

Strong supply keeping prices low now; greater demand drives prices longer term

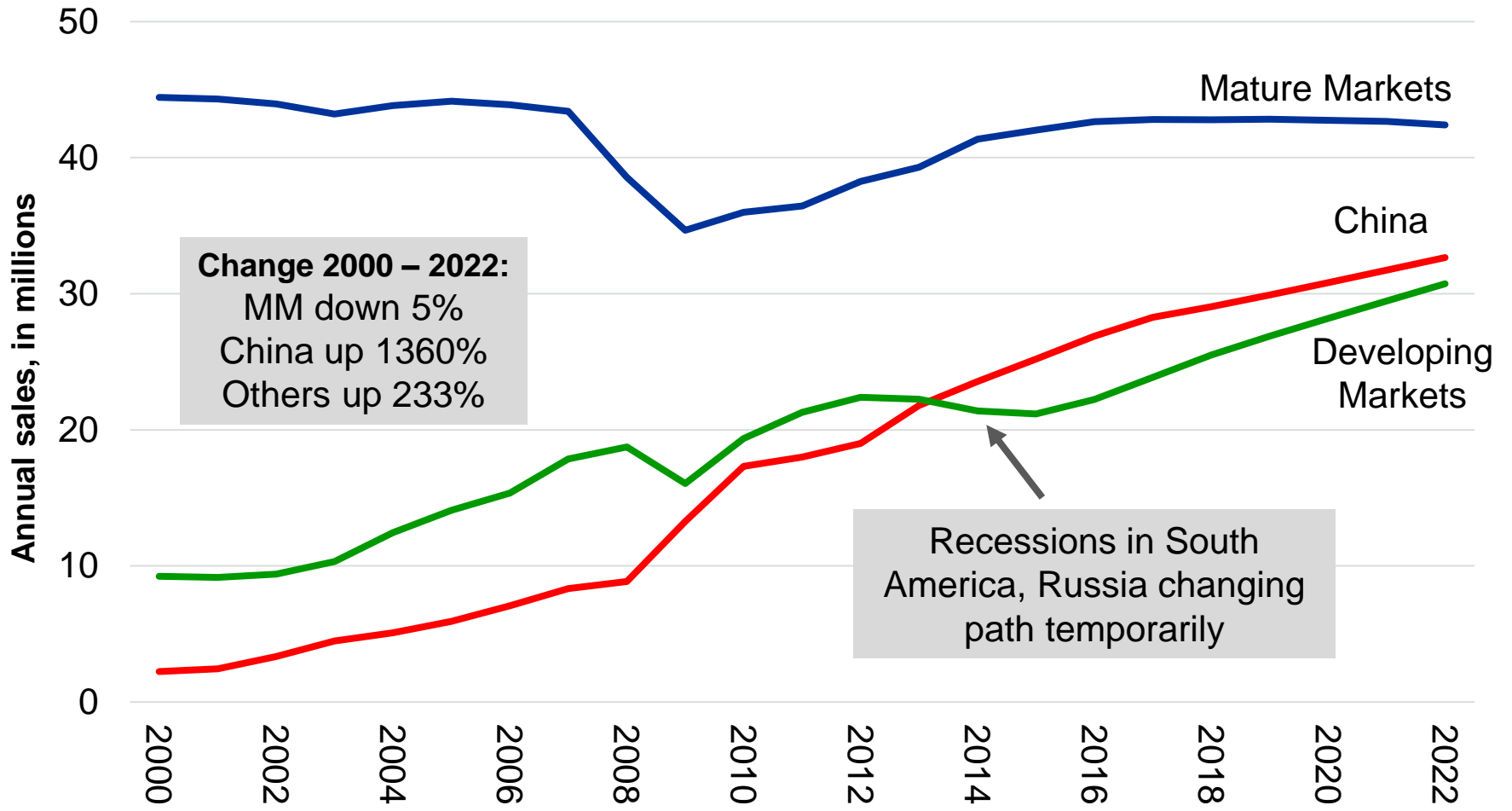


Lower oil price creating USD900 annual fuel savings for US households over last year's prices.

Source: IHS Economics, current quarterly forecast

Light Vehicle Sales Forecast

Automotive world changing quickly

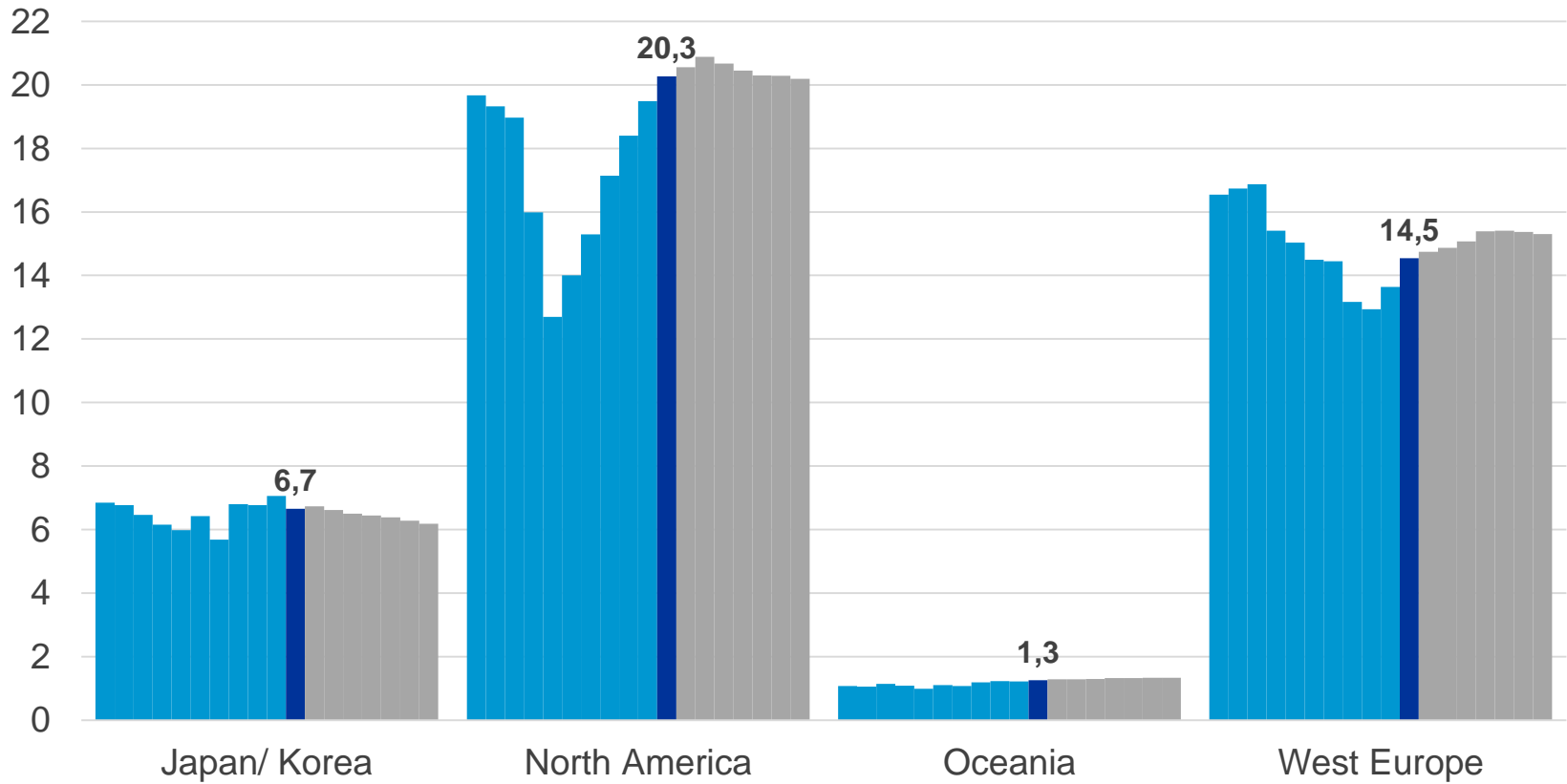


Source: IHS Automotive, Mature Markets = US, Canada, Japan, S Korea, Australia, NZ, W Europe

Mature Markets LV Sales Forecast

Replacement demand is key driver – loyalty critical to OEMs

LV Sales Forecast (millions, 2005 – 2022)

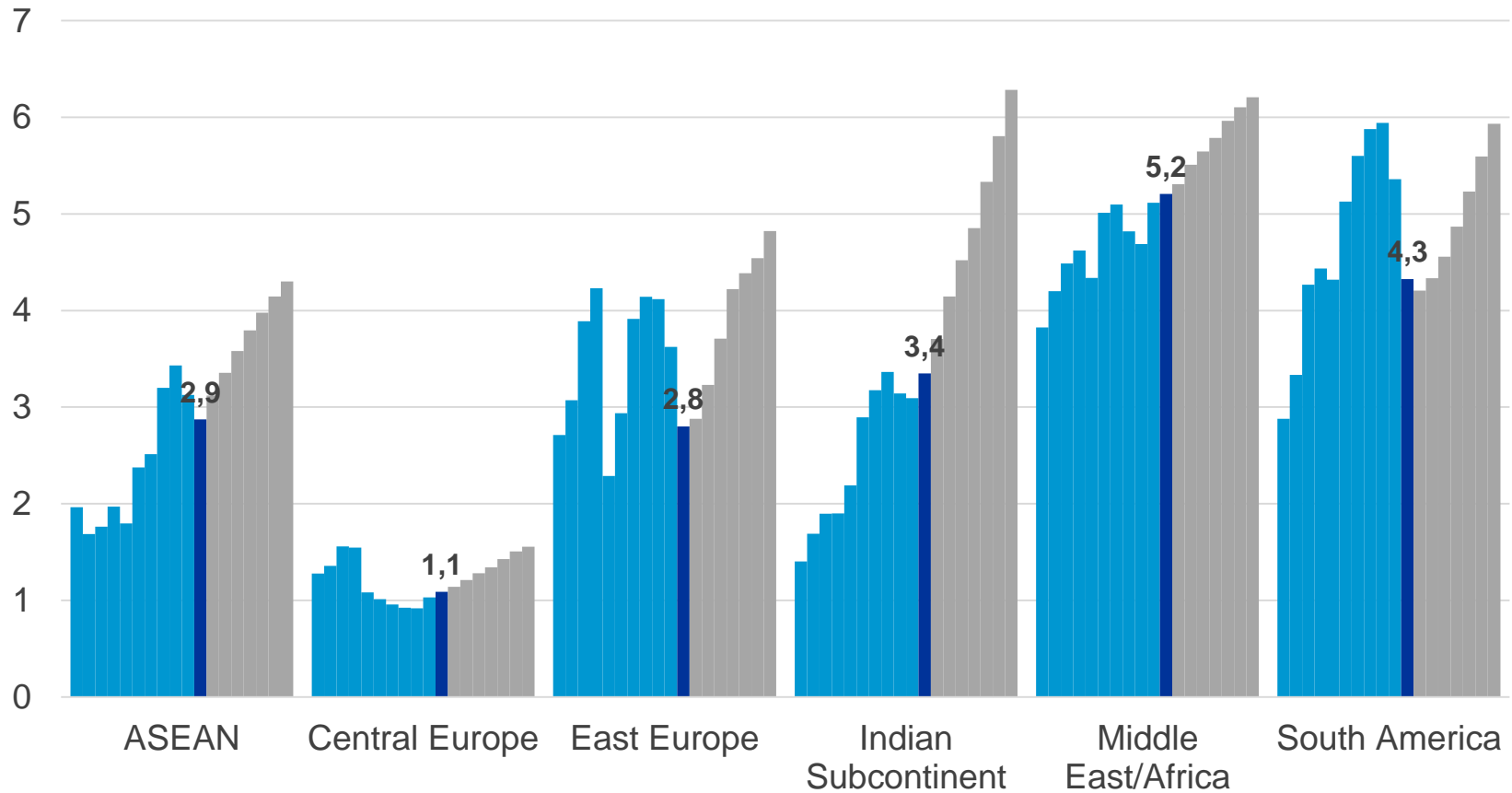


Source: IHS Automotive

Emerging Markets LV Sales Forecast

Recent declines only temporary – fundamentals remain positive

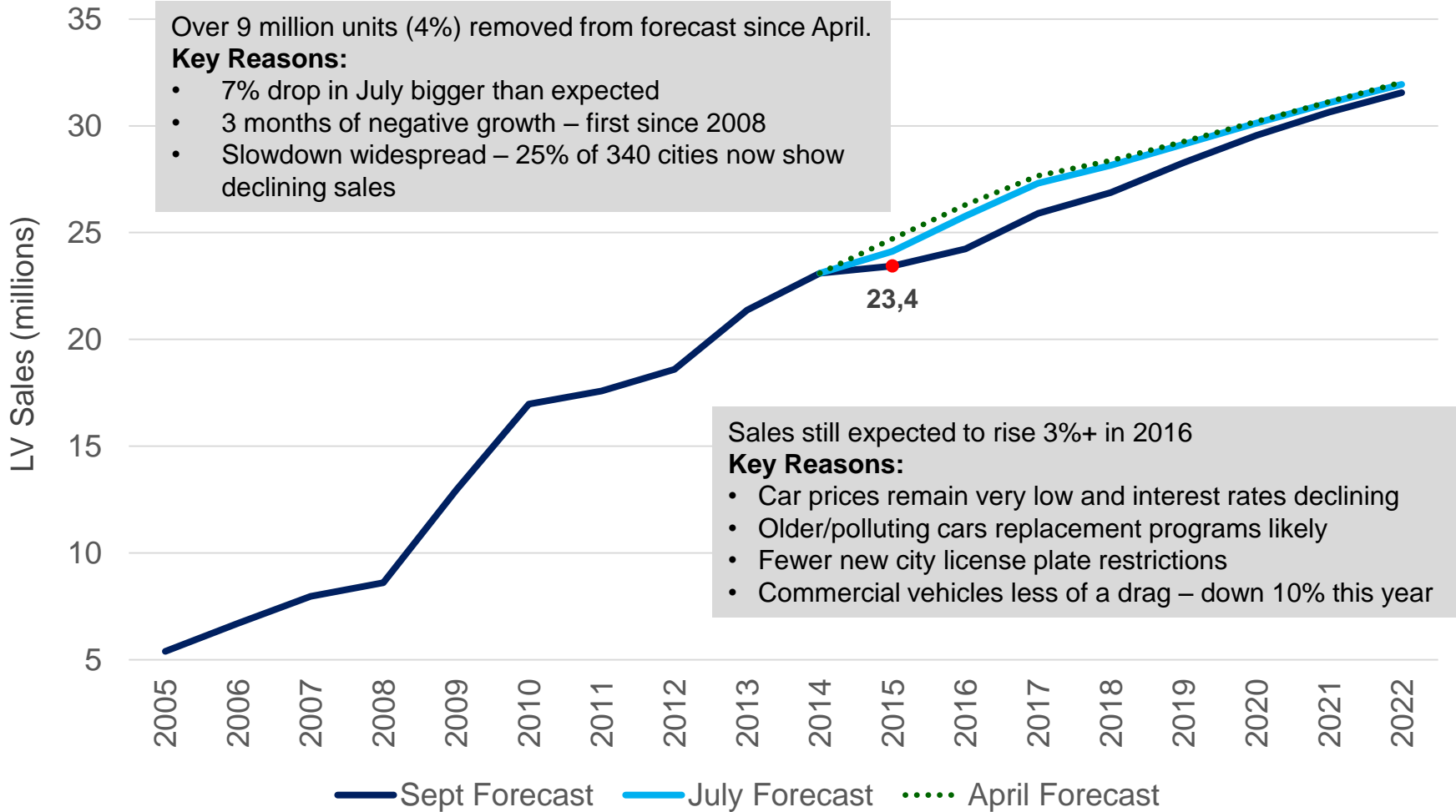
LV Sales Forecast (millions, 2005 – 2022)



Source: IHS Automotive

China Light Vehicle Sales Forecast

Weakening market conditions forces large adjustment

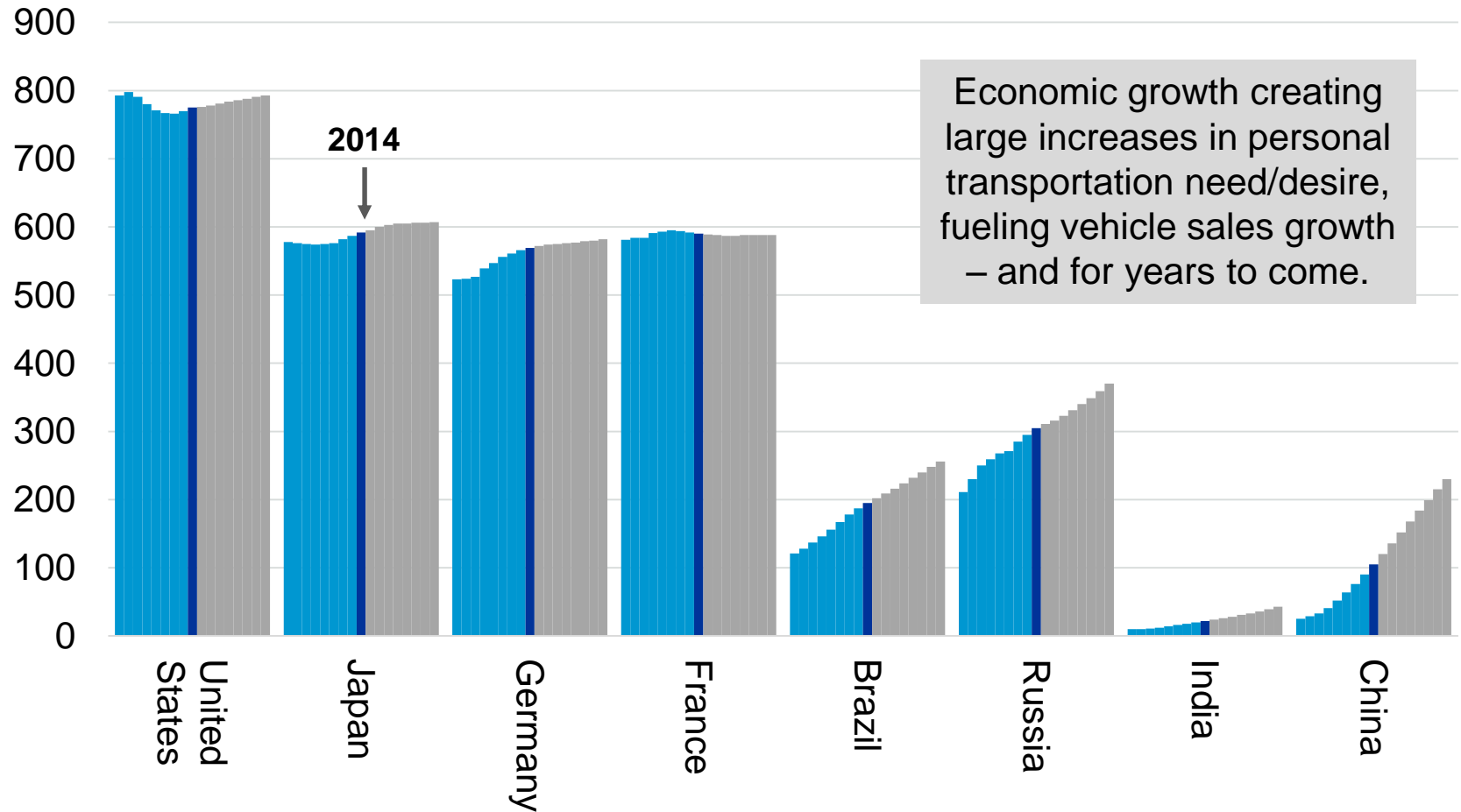


Source: IHS Automotive

Vehicle Penetration Rates

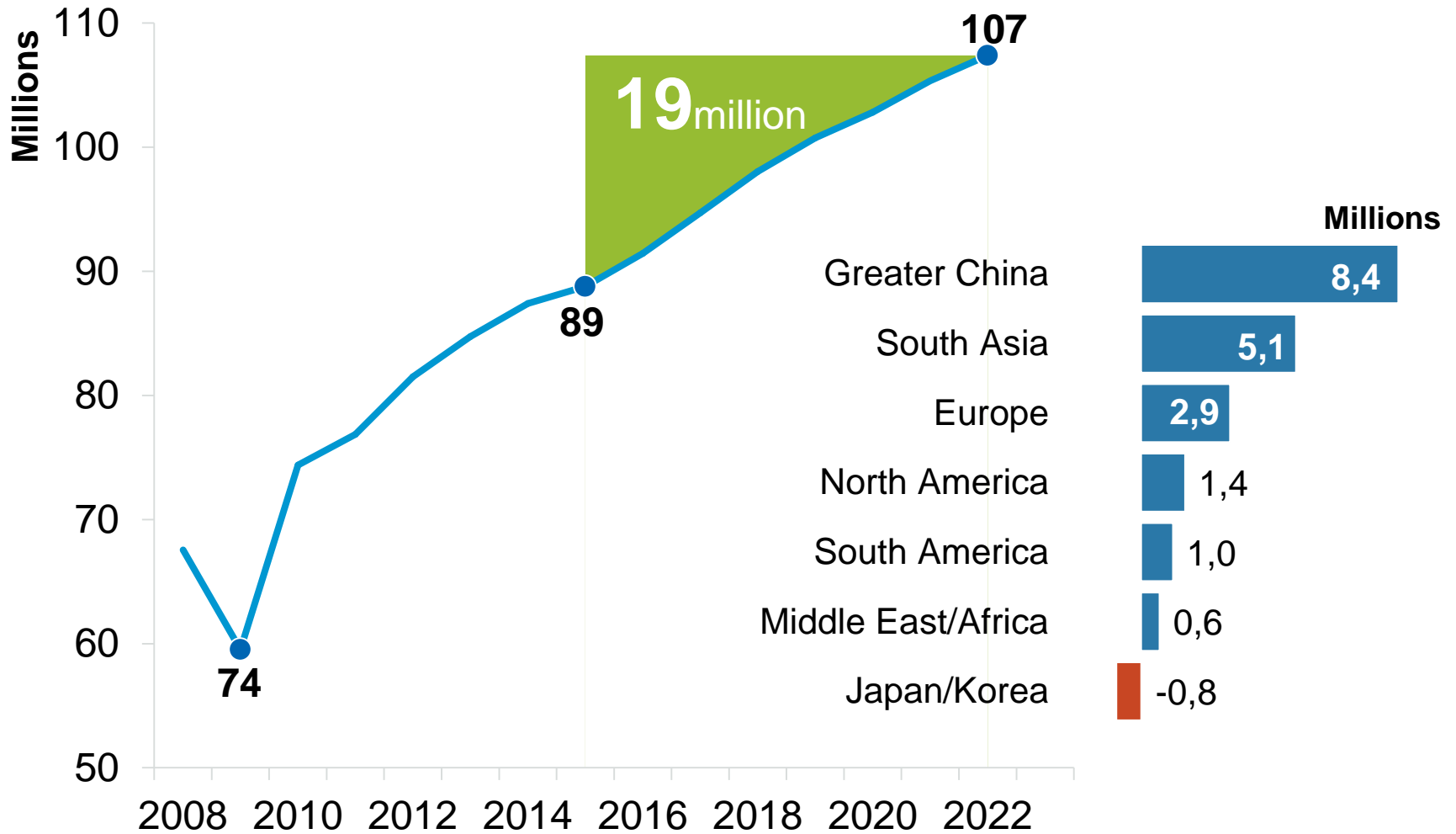
Although volatile, BRIC markets still offer the most growth potential

Light Vehicles in Operation Per 1000 People (2006 - 2022)

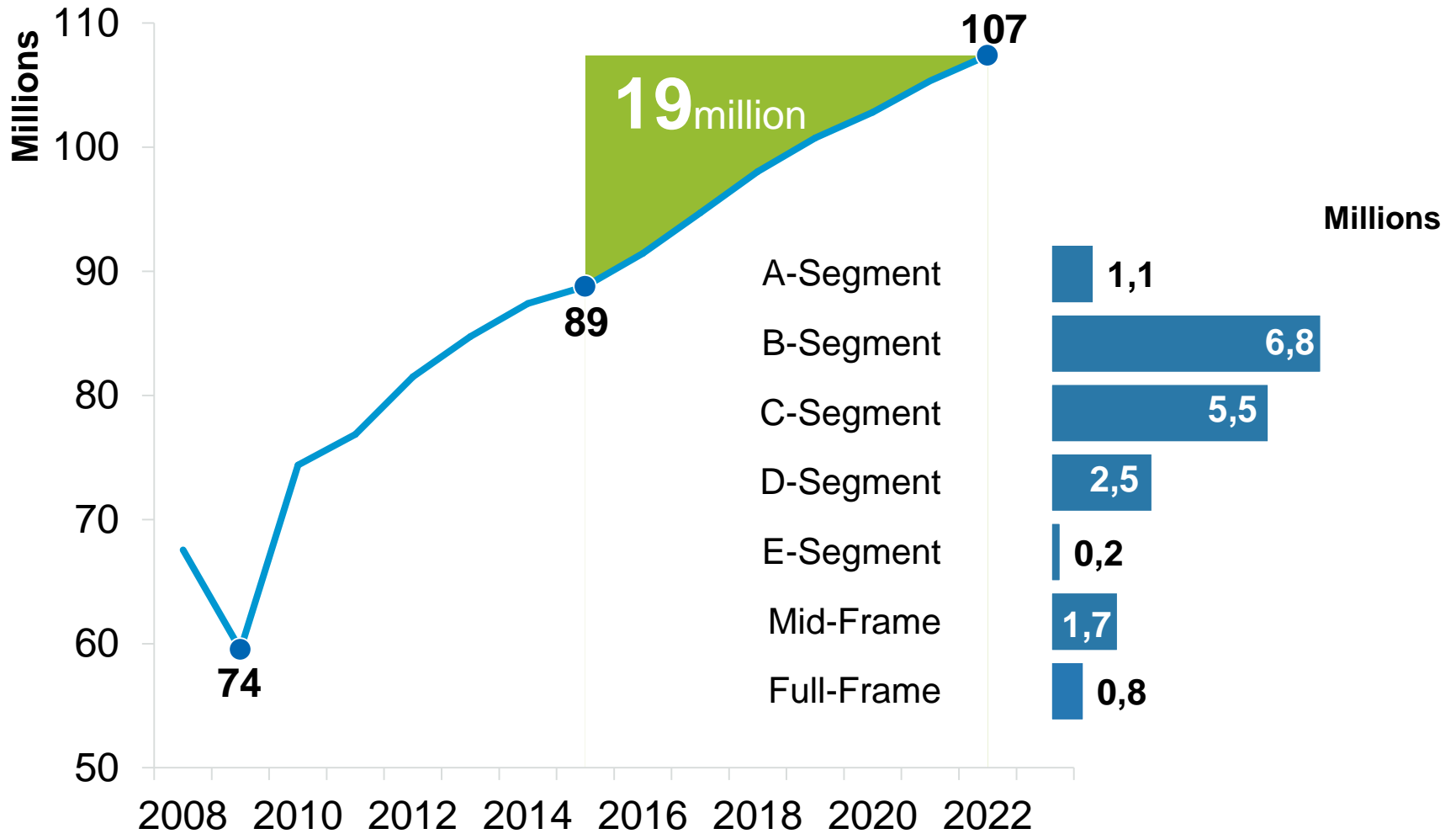


Source: IHS Automotive

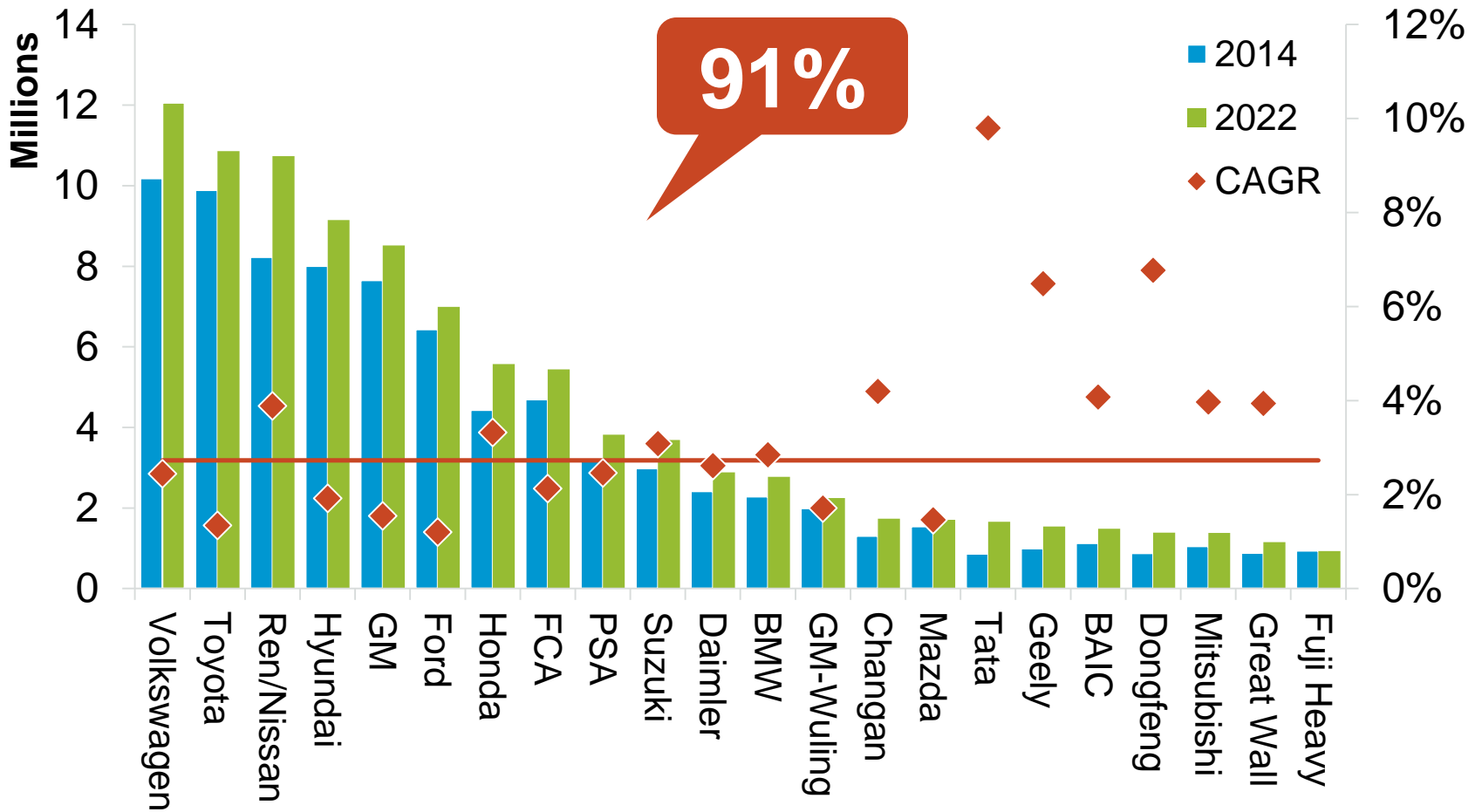
Global Production – Regional Growth



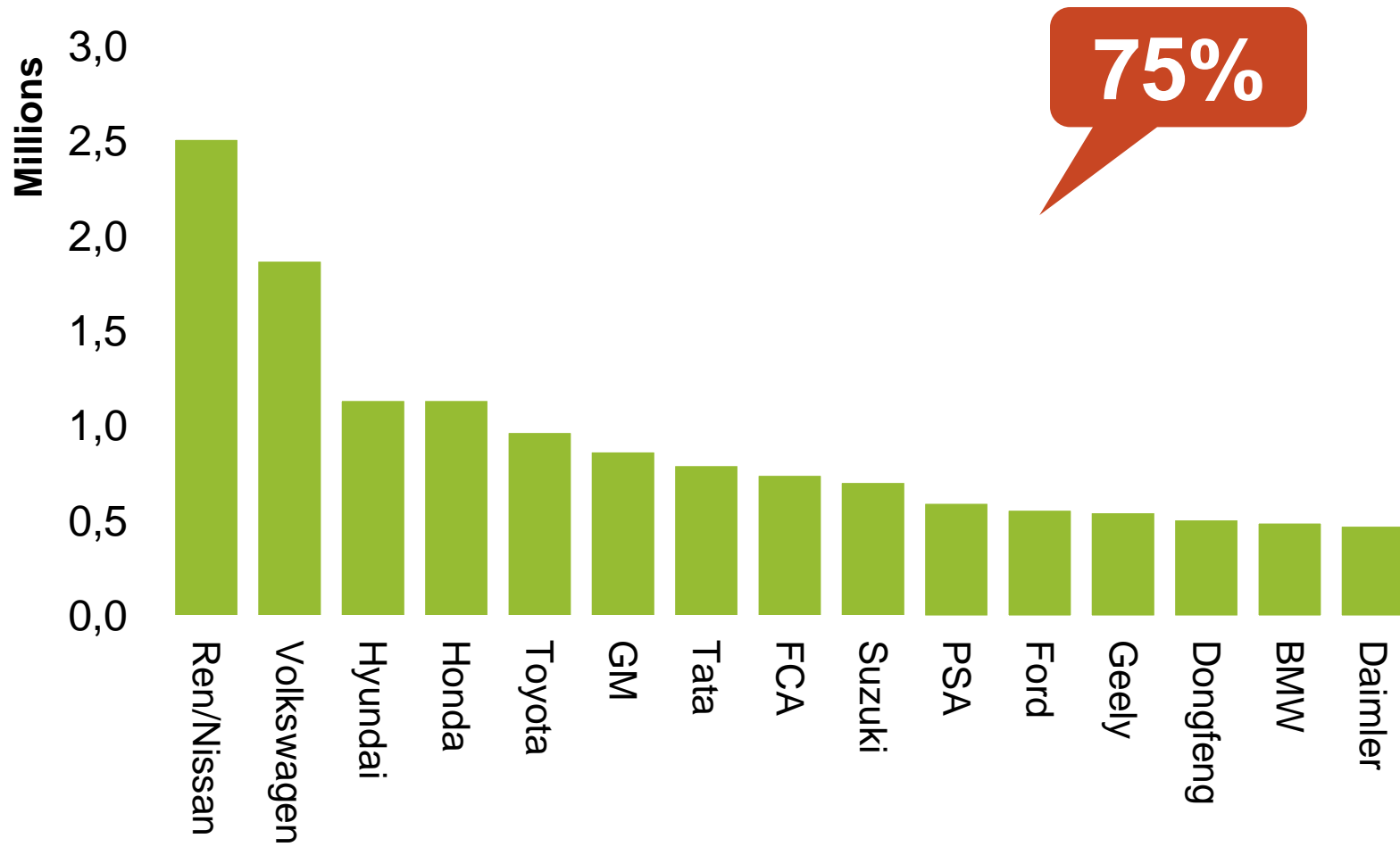
Global Production – Segment Growth



Top 22 Automakers – 2022



Opportunity – Top 15 Gainers

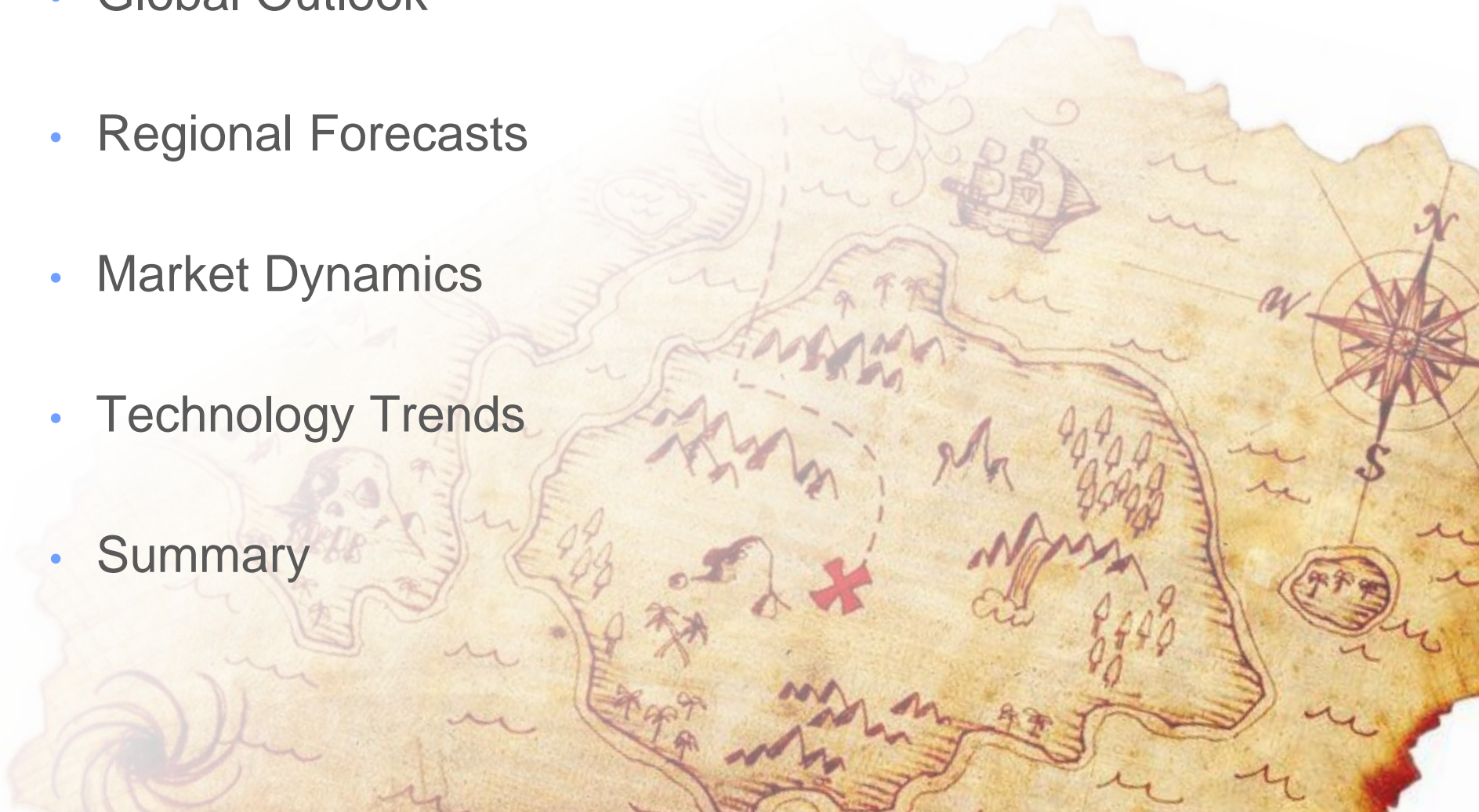


Global Sourcing Variance 2015 - 2022

OEM	Unit Δ (Mil)	Units (Mil)	South Asia	South America	North America	MEast Africa	Japan/Korea	Greater China	Europe
VW	+1.9	12.1	.3	.2	.4	-	-	.7	.3
Toyota	+ 1.0	10.9	.7	-	.1	.1	-.3	.3	.1
GM-Wuling	+1.1	10.8	.4	.1	-	-	.1	.9	.2
GM	+ .9	8.5	.2	.1	-	-	-.2	.7	.2
Ren/Nissan	+2.5	10.7	.6	.1	-	.2	-.1	.7	.9
Hyundai	+1.1	9.1	.2	-	.5	-	-.2	.4	.2
Ford	+ .6	7.0	.3	.1	-	-	-	.2	-
Honda	+1.1	5.6	.5	.1	.2	-	.1	.3	-
FCA	+ .7	5.4	.1	.2	-.3	-	-	.4	.4
PSA	+ .6	3.8	-	-	-	-.1	-	.4	.3
Suzuki	+ .7	3.7	.7	-	-	-	-.1	.1	-
Global Output	+19.0	107.0	13.0	4.2	19.0	2.8	12.5	32.3	23.6
Regional Δ			+5.1	+1.0	+1.4	+6	-8	+8.4	+2.9

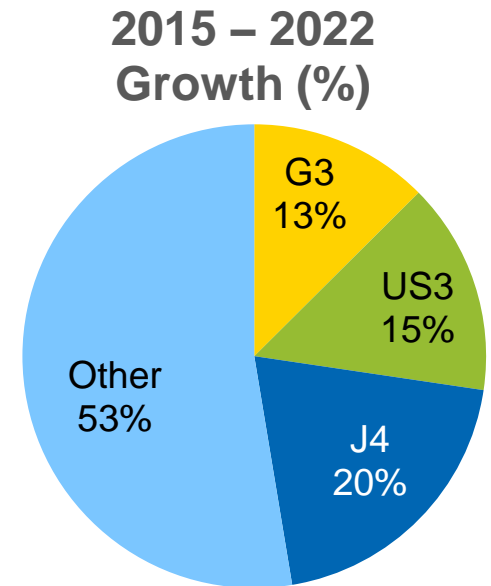
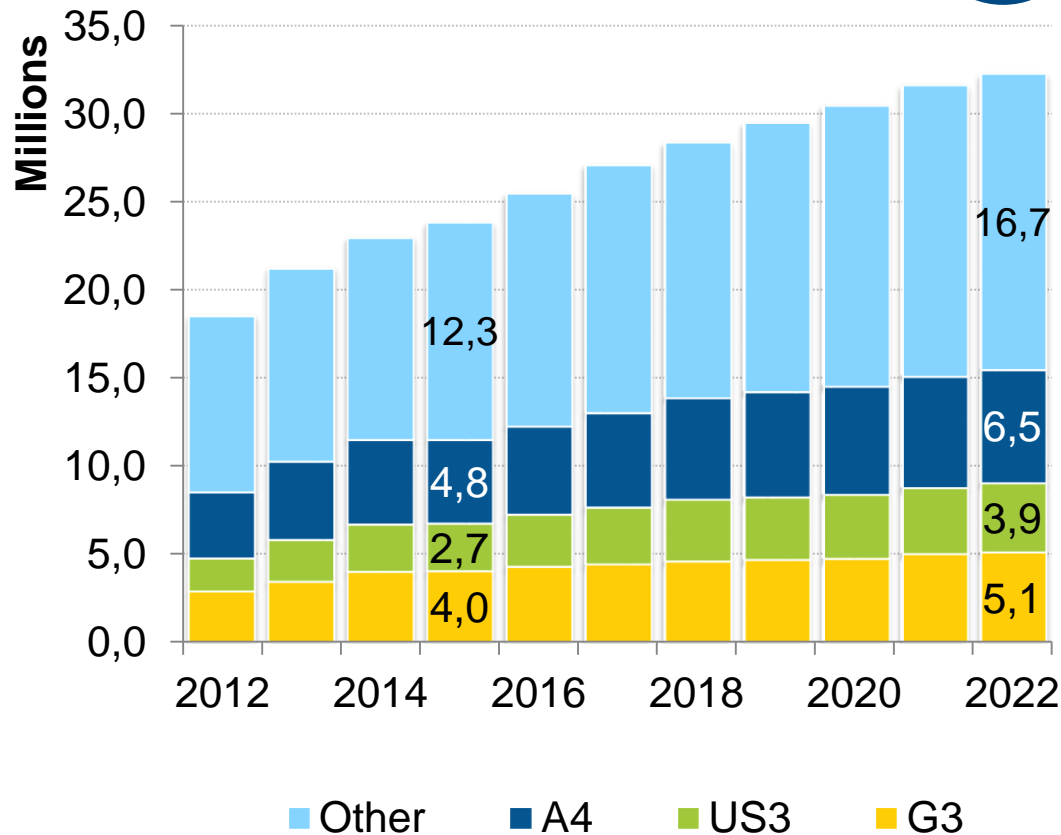
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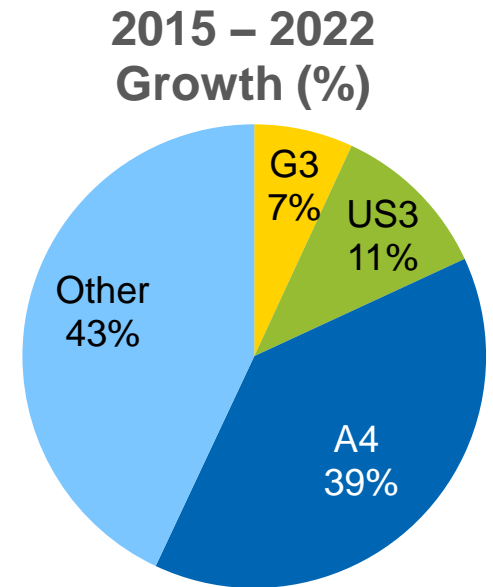
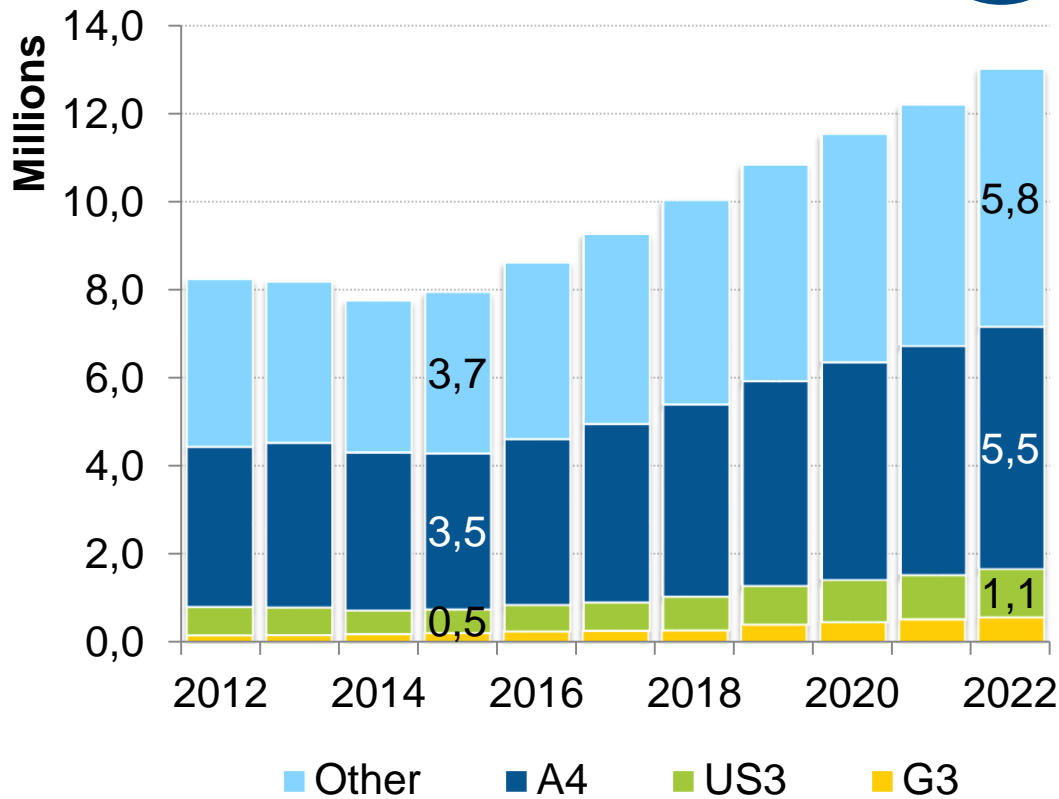
Greater China Output

+8.4M



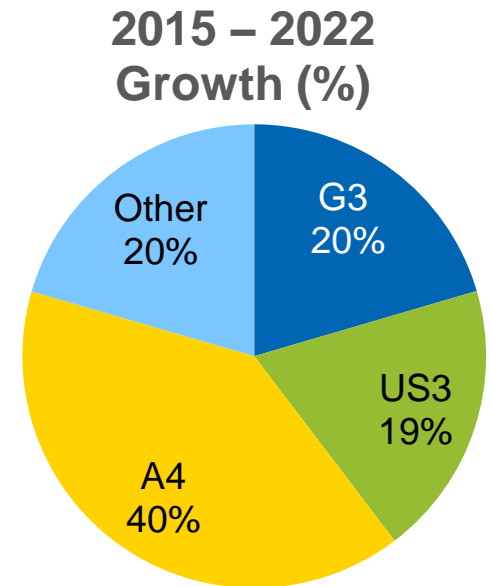
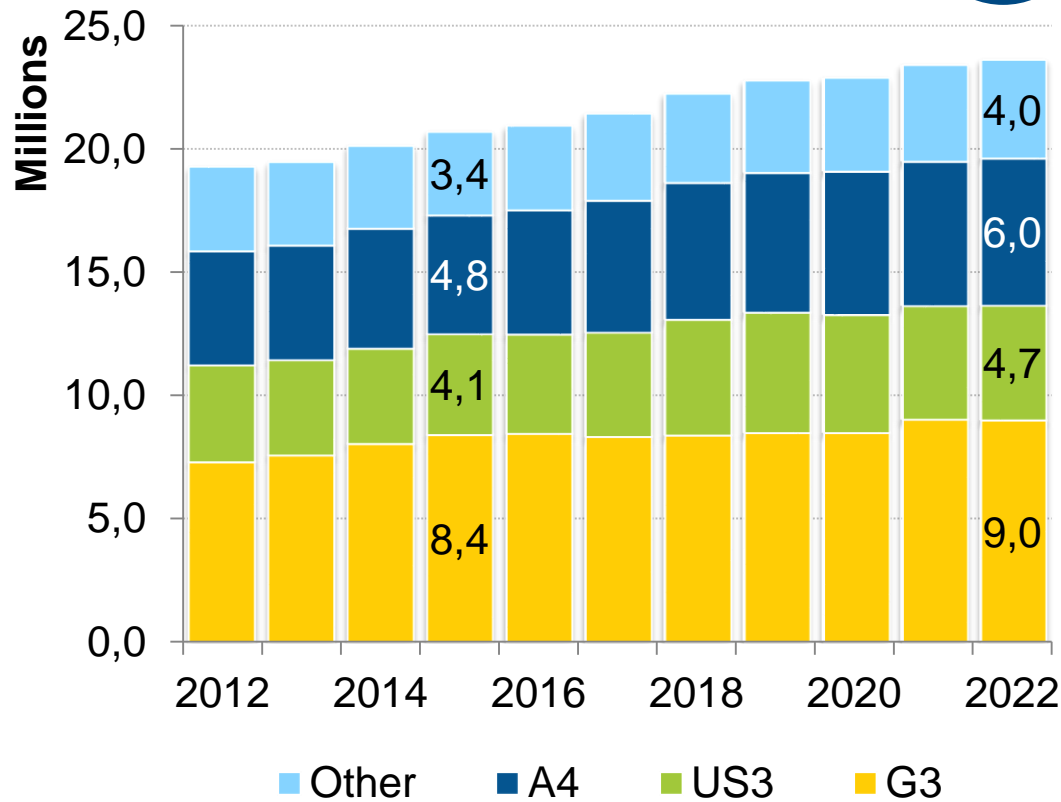
South Asia Output

+5.1M



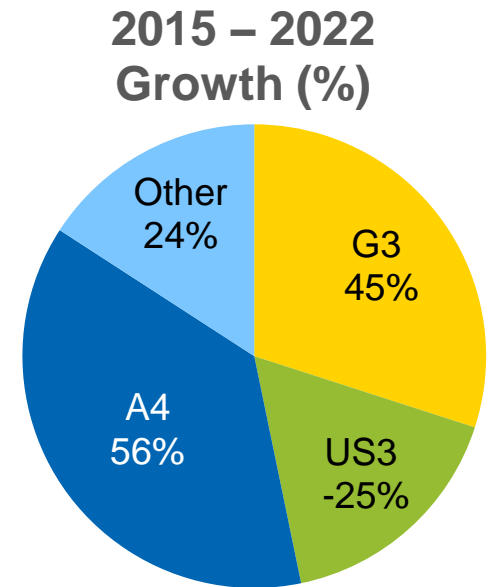
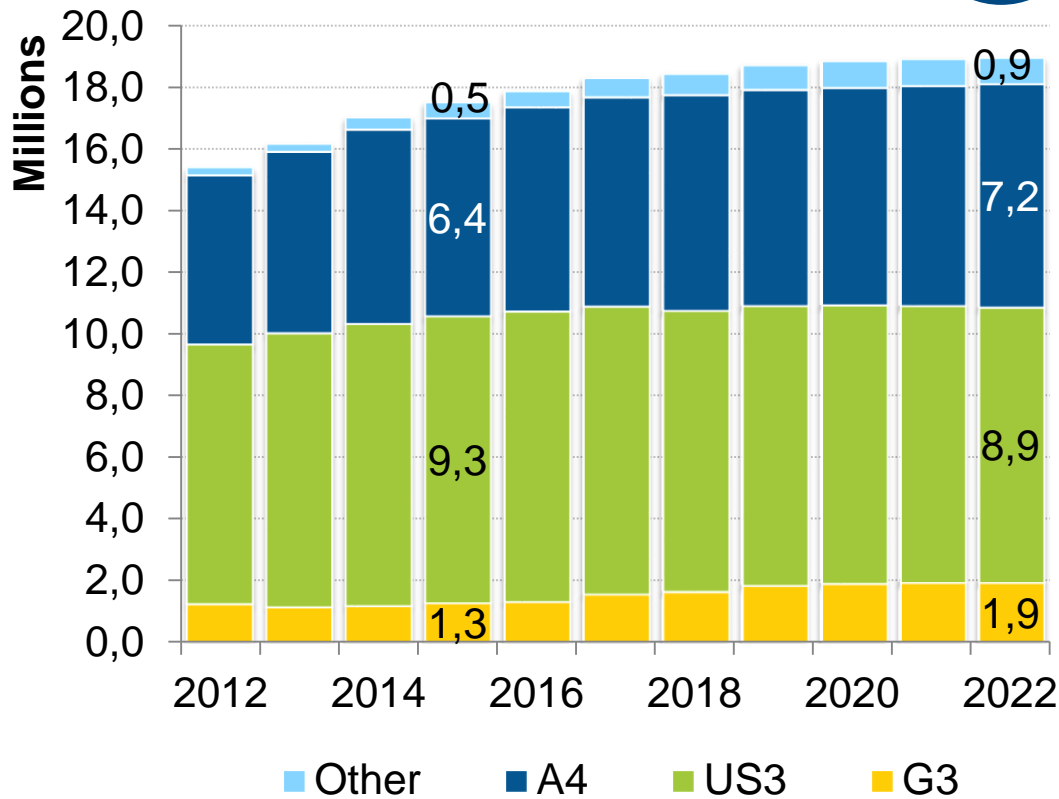
Europe Output

+2.9M

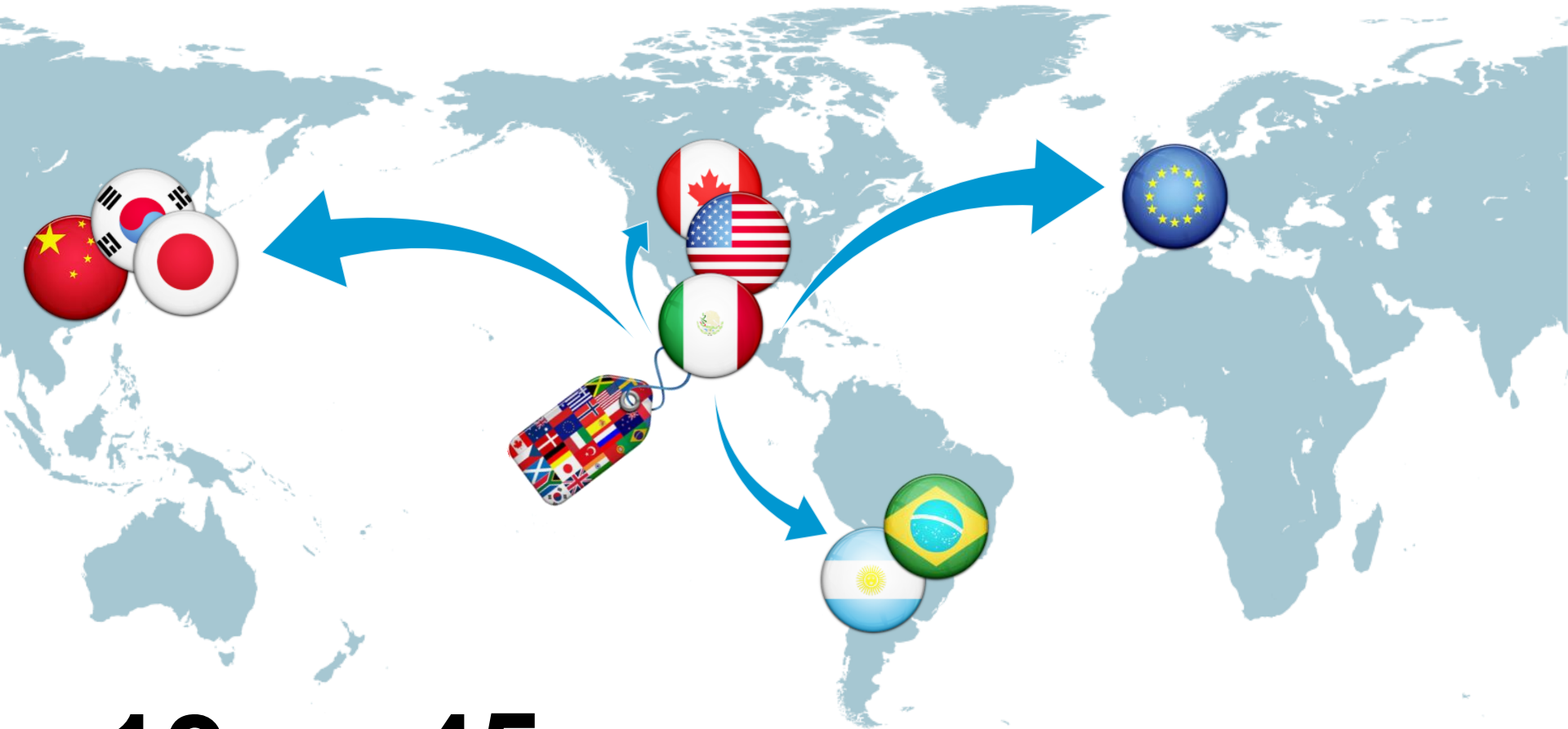


North America Output

+1.4M



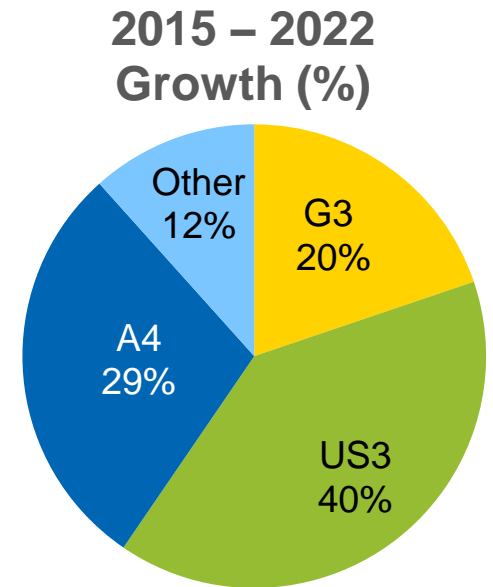
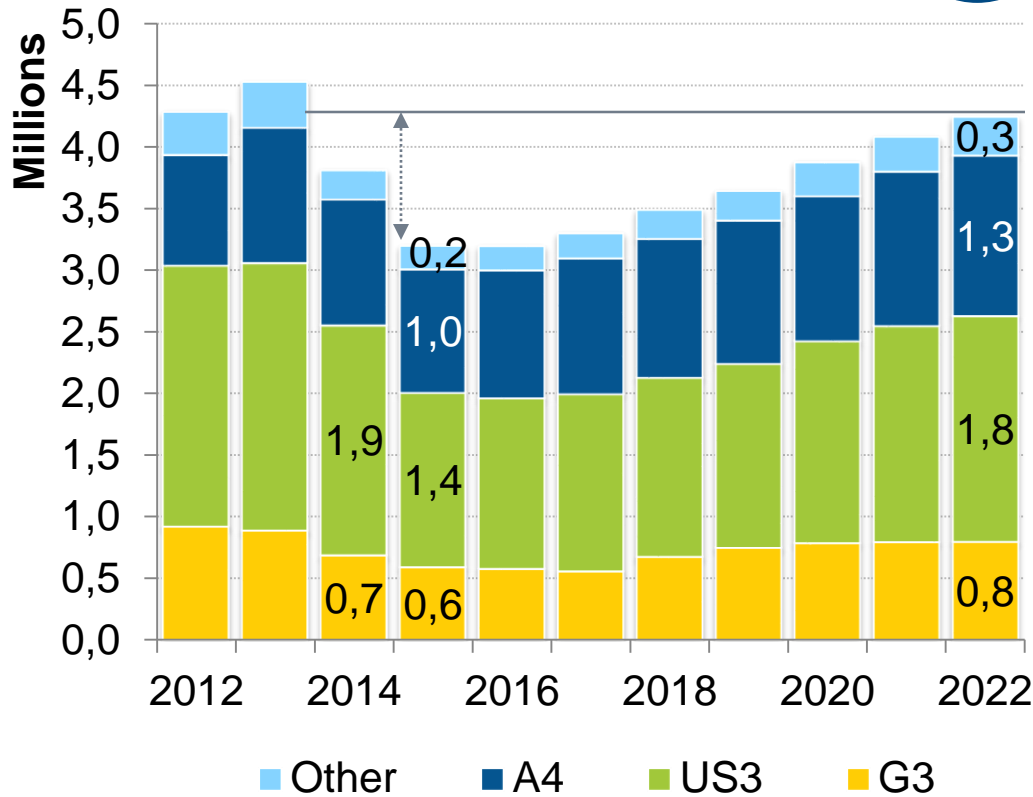
China of the West



13 FTAs **45** countries

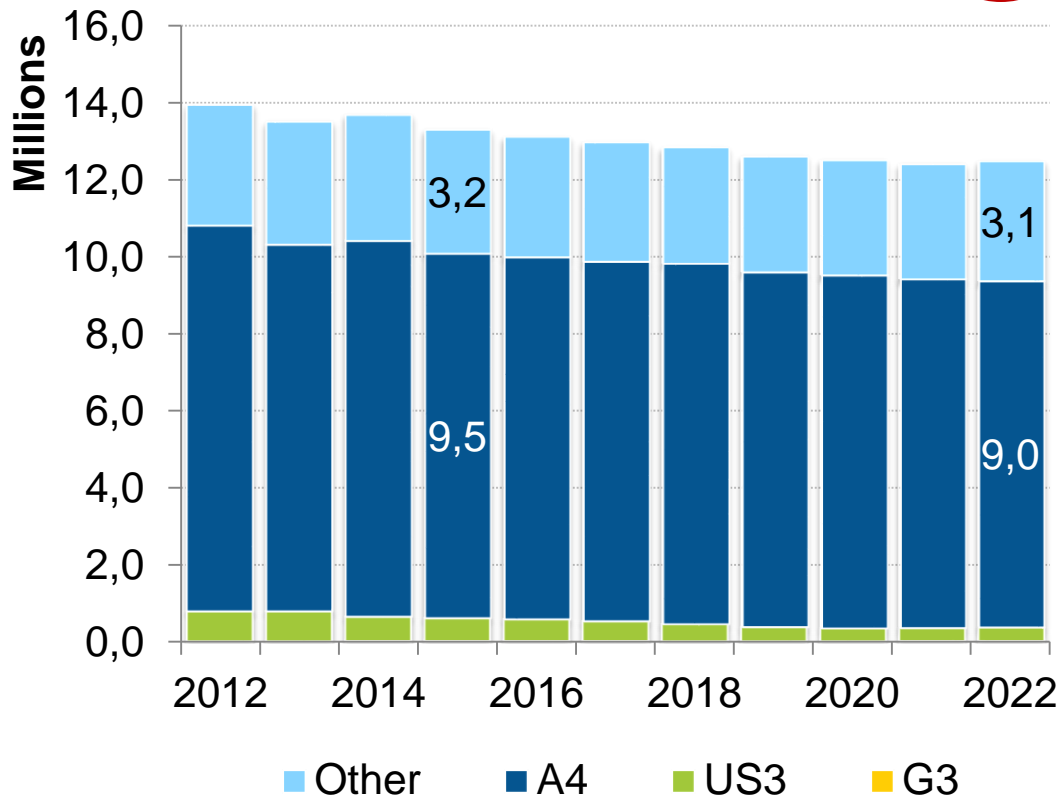
South America Output

+1.0M

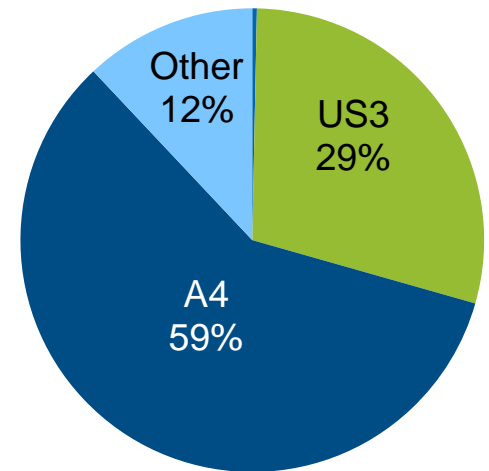


Japan/Korea Output

- .8M

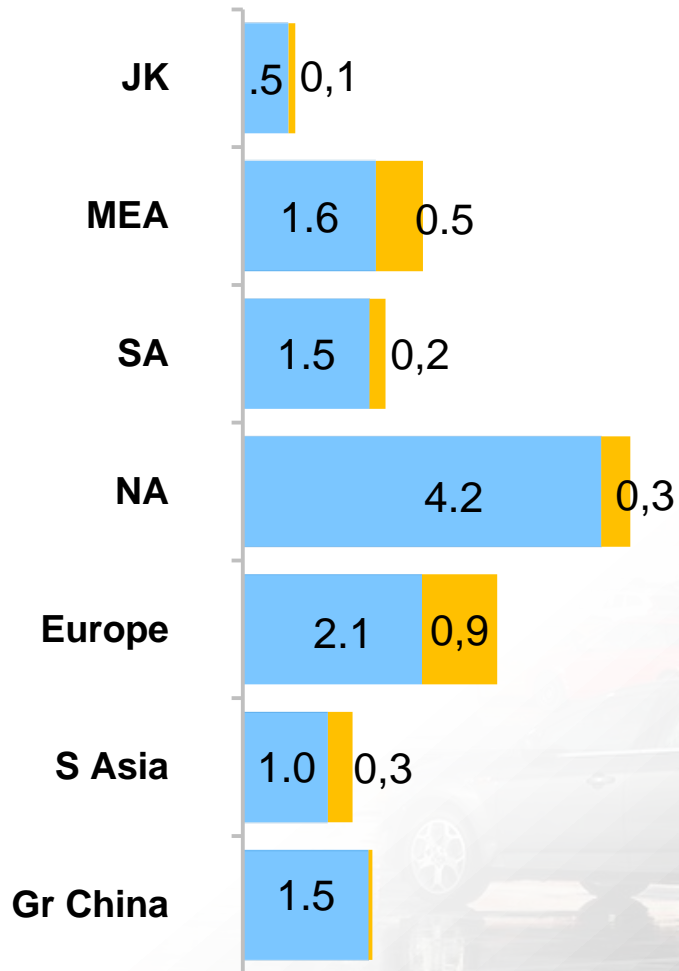


2015 – 2022
Growth (%)

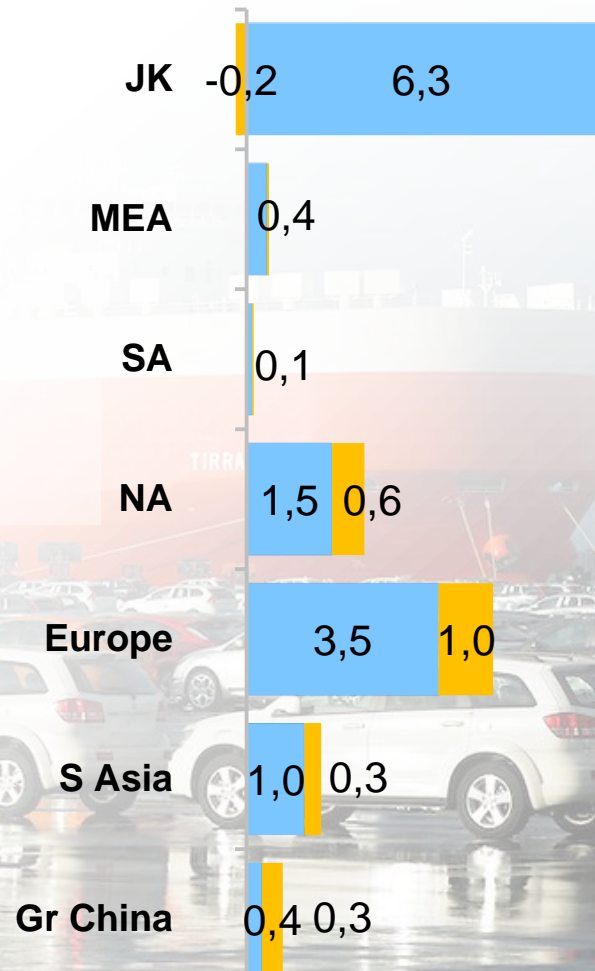


Global Vehicle Flows By Region

Imports By Region
2014 + 2022

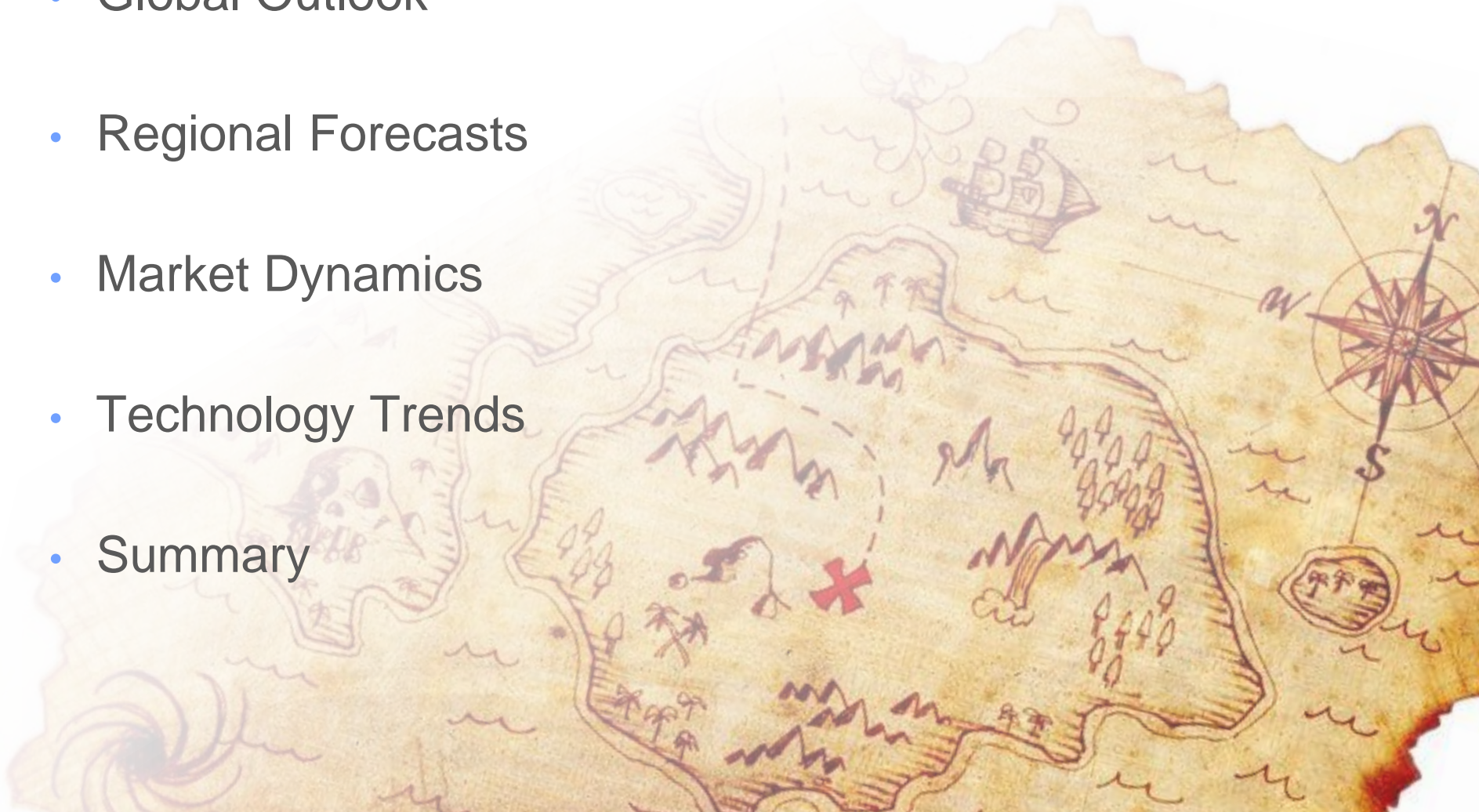


Exports By Region
2014 + 2022

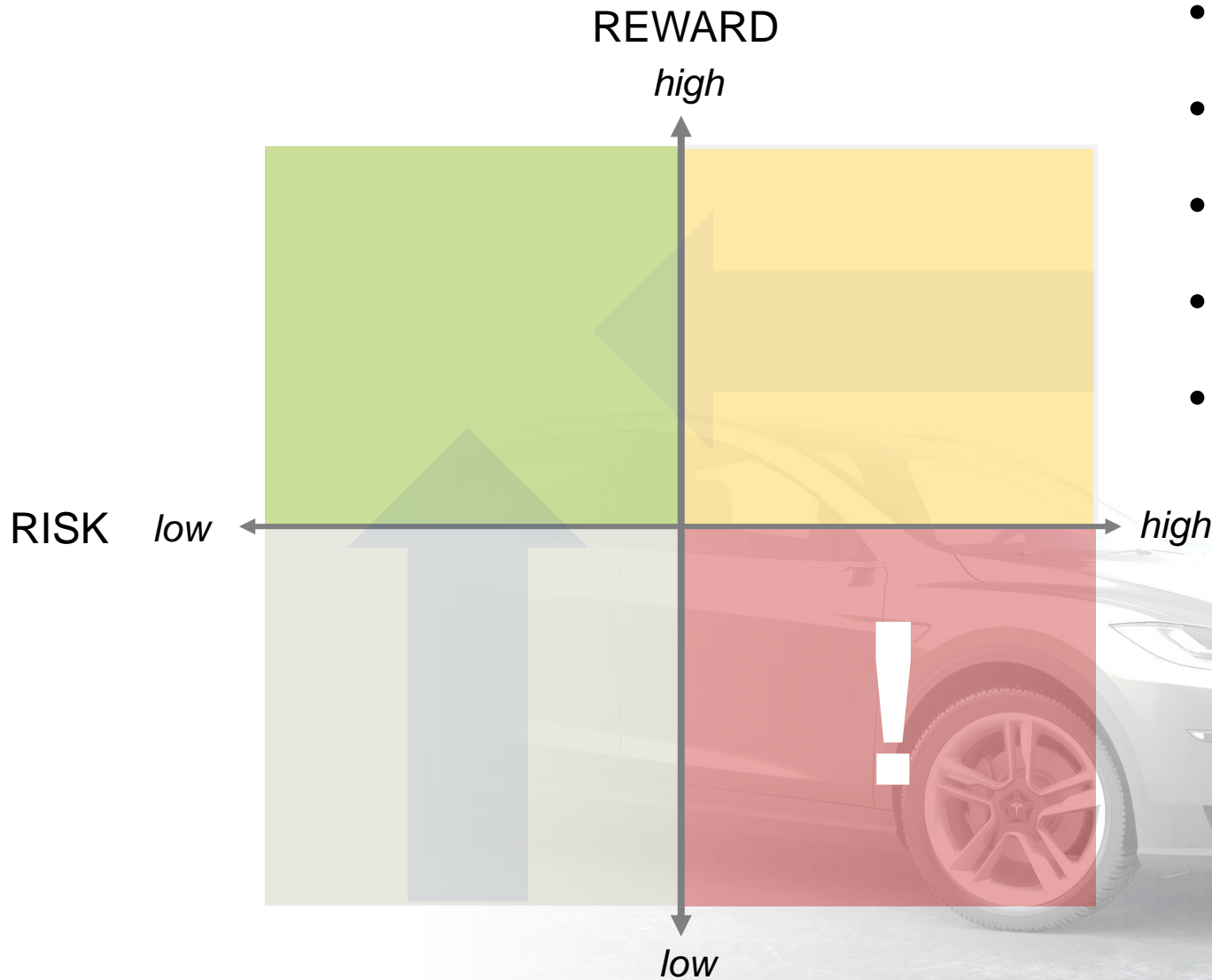


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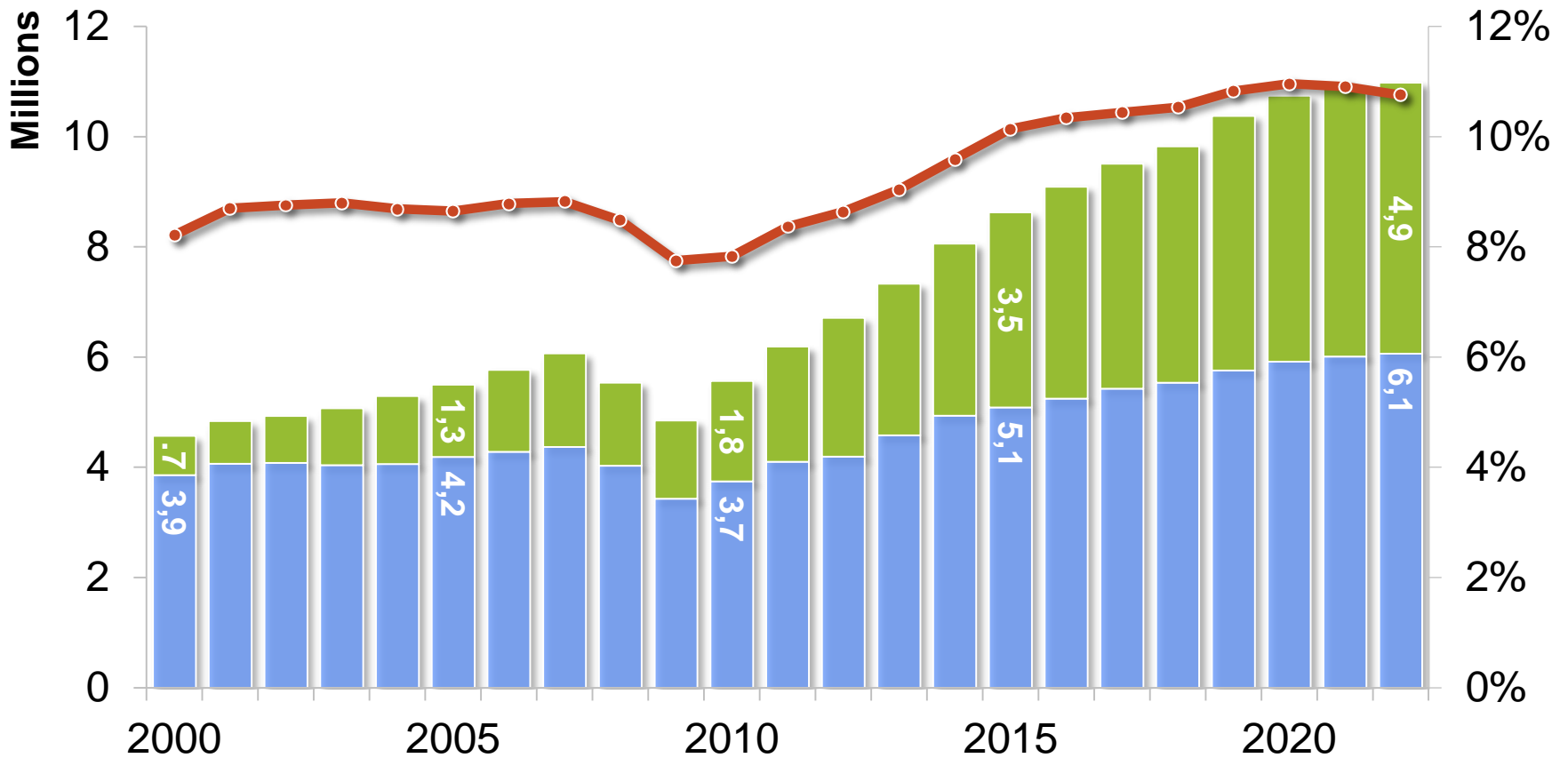
Risk/Reward Paradigm



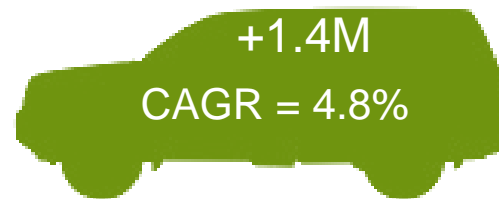
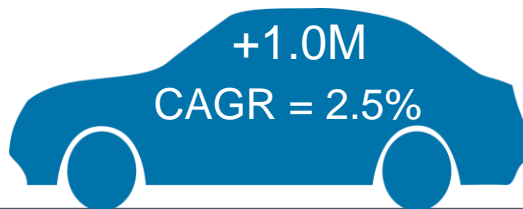
- Segment
- Technology
- Geography
- Brand
- Customer



Global Demand for Premium/Luxury brands

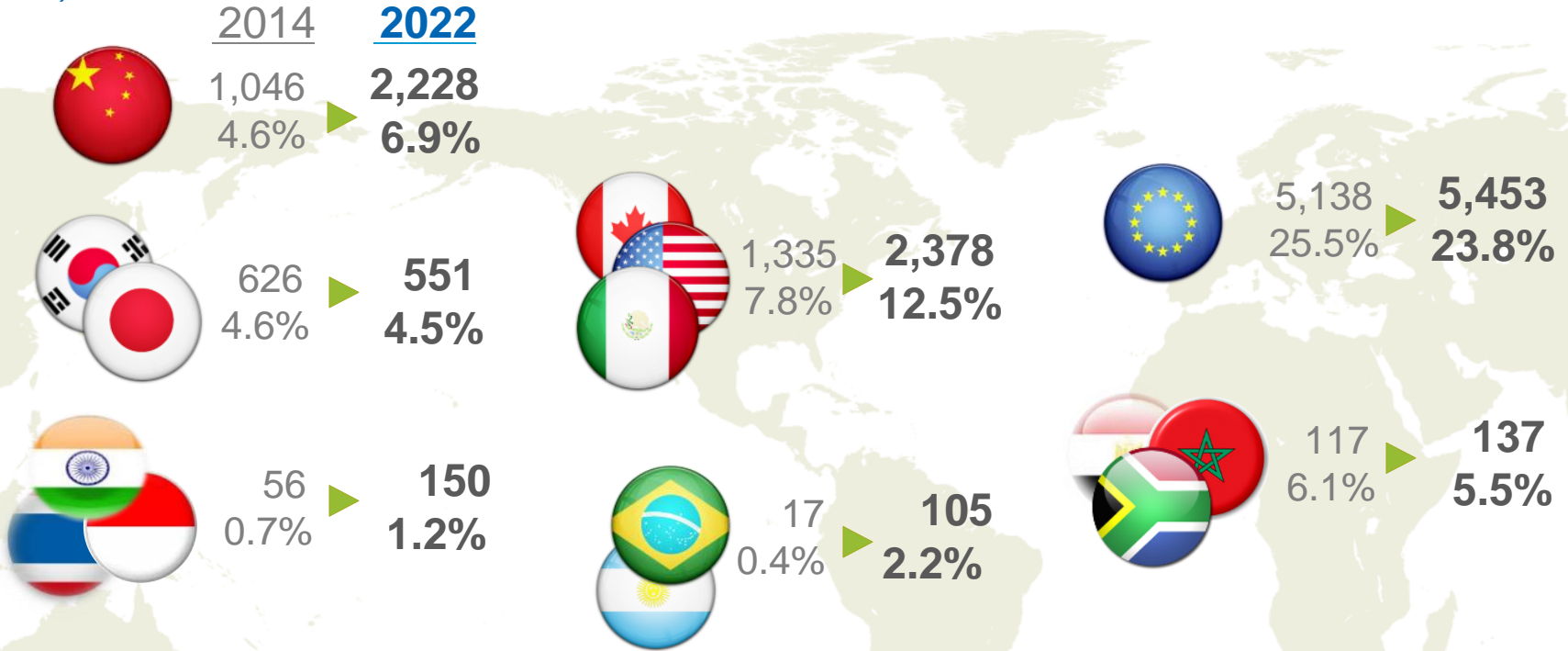


■ Luxury Car
 ■ Luxury Trk
 —○— Global Share %



Luxury Output By Region

(000s)

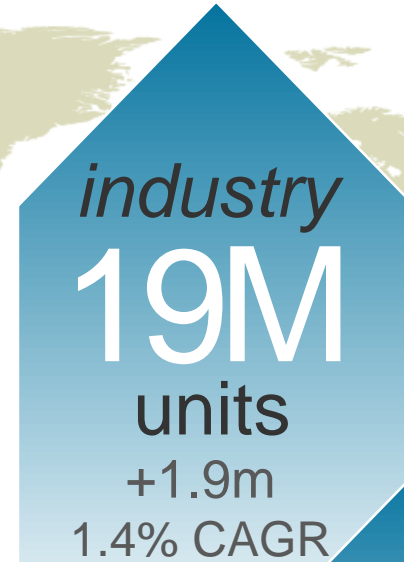
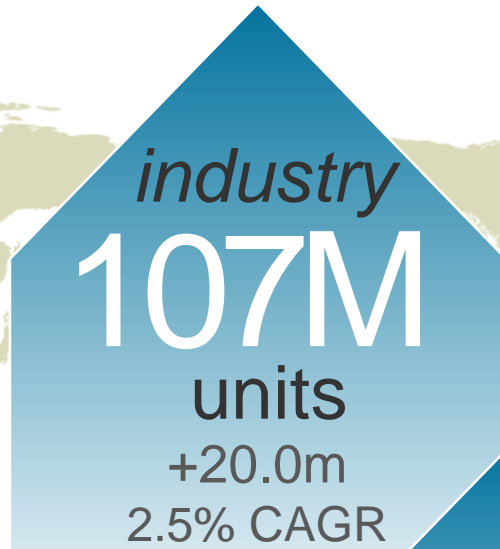


Global

11.0 mil **10.3 % share**
2022

Luxury vs. Industry Growth

2022



• 50% of growth in regional output occurs in luxury

Volkswagen Global Profile

'80/20 Rule'



Expansive Brand Portfolio

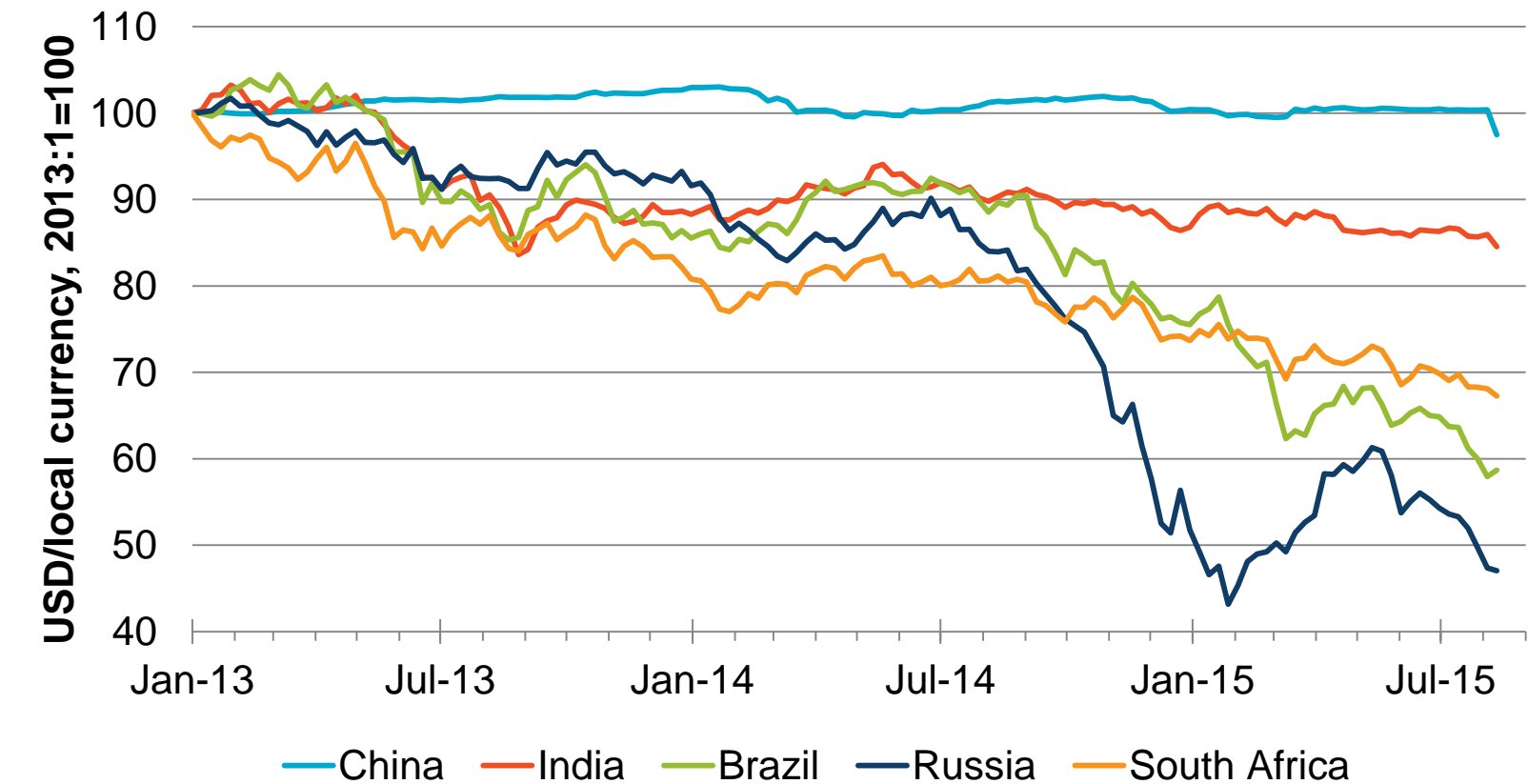
2014

- 20% luxury / 80% volume
- 2.0 million / 8.1 million
- Volume vs. niche luxury
- Other OEMs strive to replicate
- Dramatic product proliferation
- 'Decades long' journey
- Must withstand boom/bust



Currency Depreciation Impacts

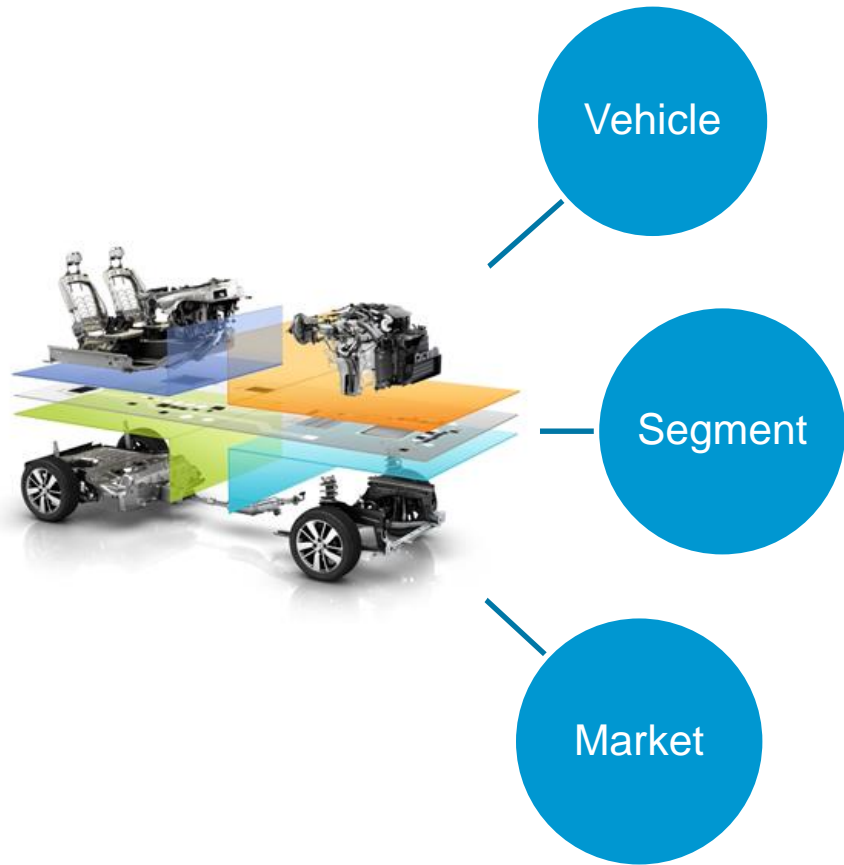
Weekly exchange rate indexes



Source: IHS

© 2015 IHS

Global Super Sets

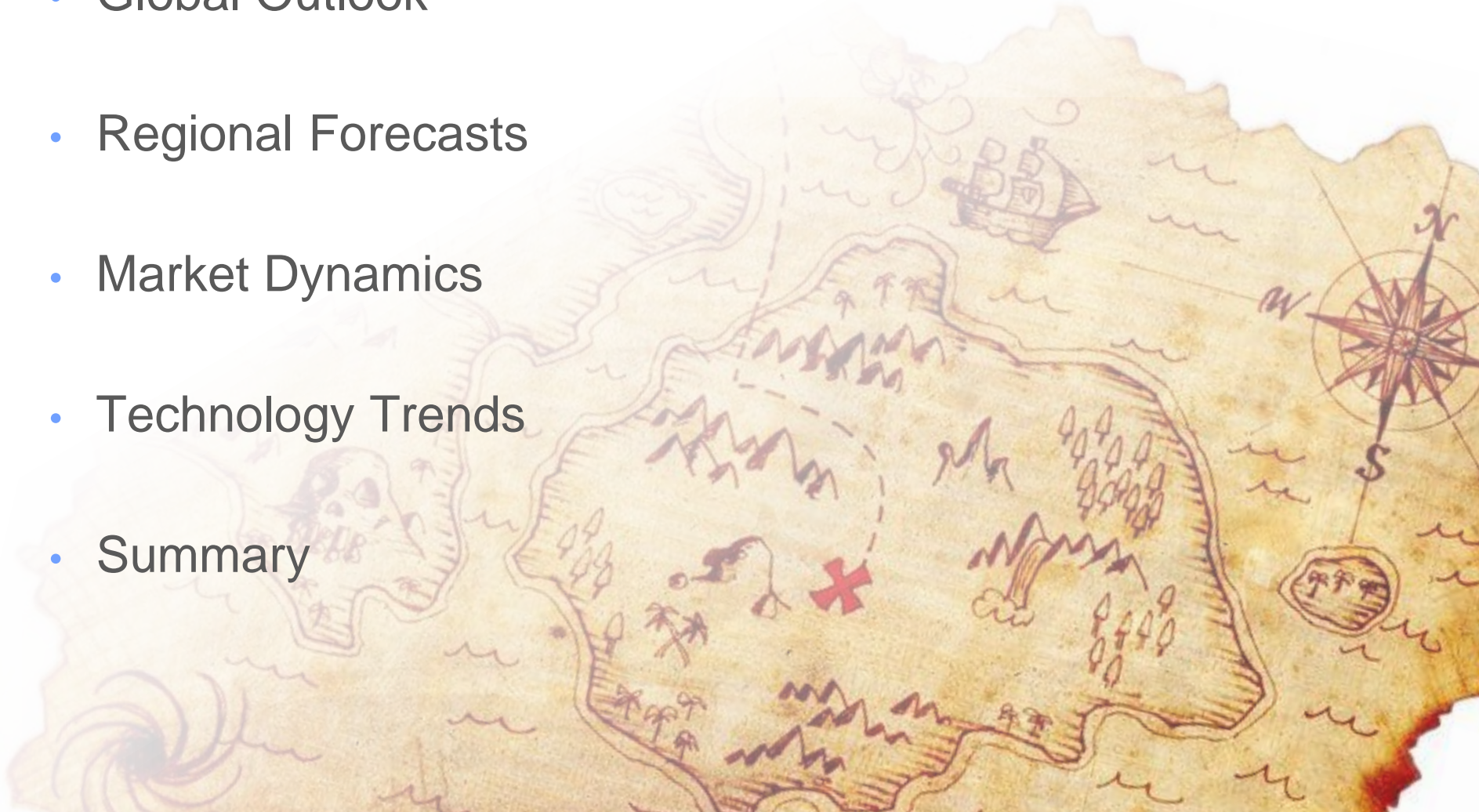


Global Super Sets

- One to Many Relationship
- Economies of Scale and Scope
- Flexibility: Vehicle, Sourcing
- Development Efficiency
- Bigger, But Fewer Opportunities
- Double Edged Sword:
 - Reduced Costs, Increased Scale
 - Easier to Shift Sourcing
 - Increased Exposure to Defects
 - Continuous Development

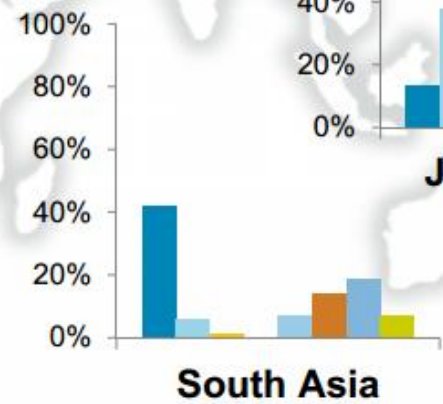
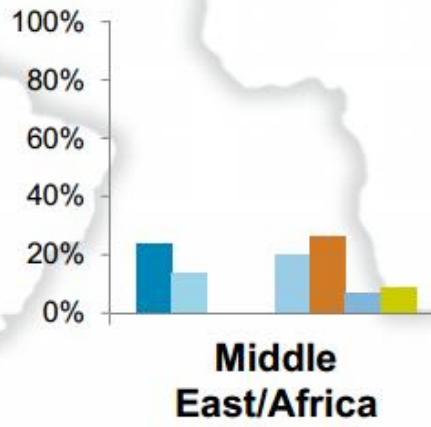
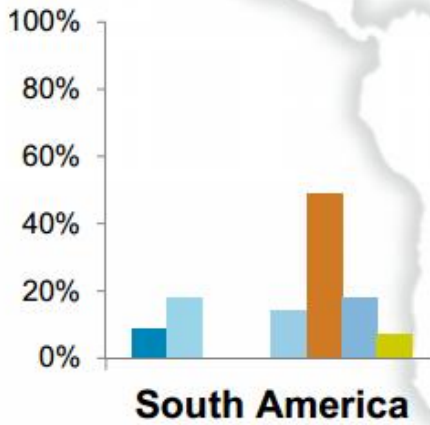
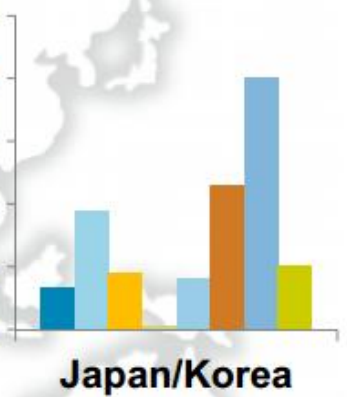
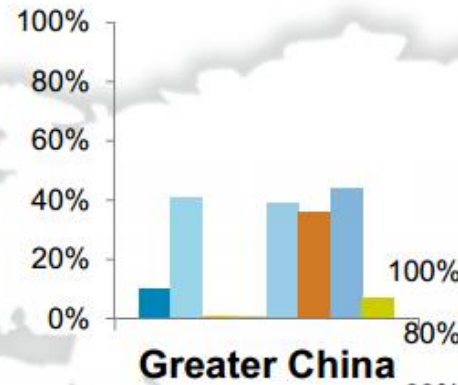
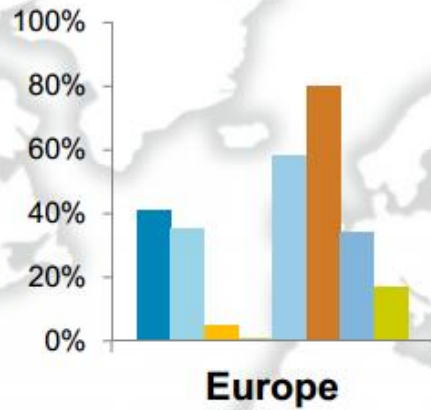
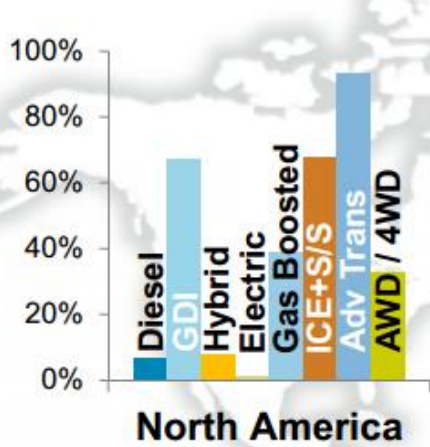
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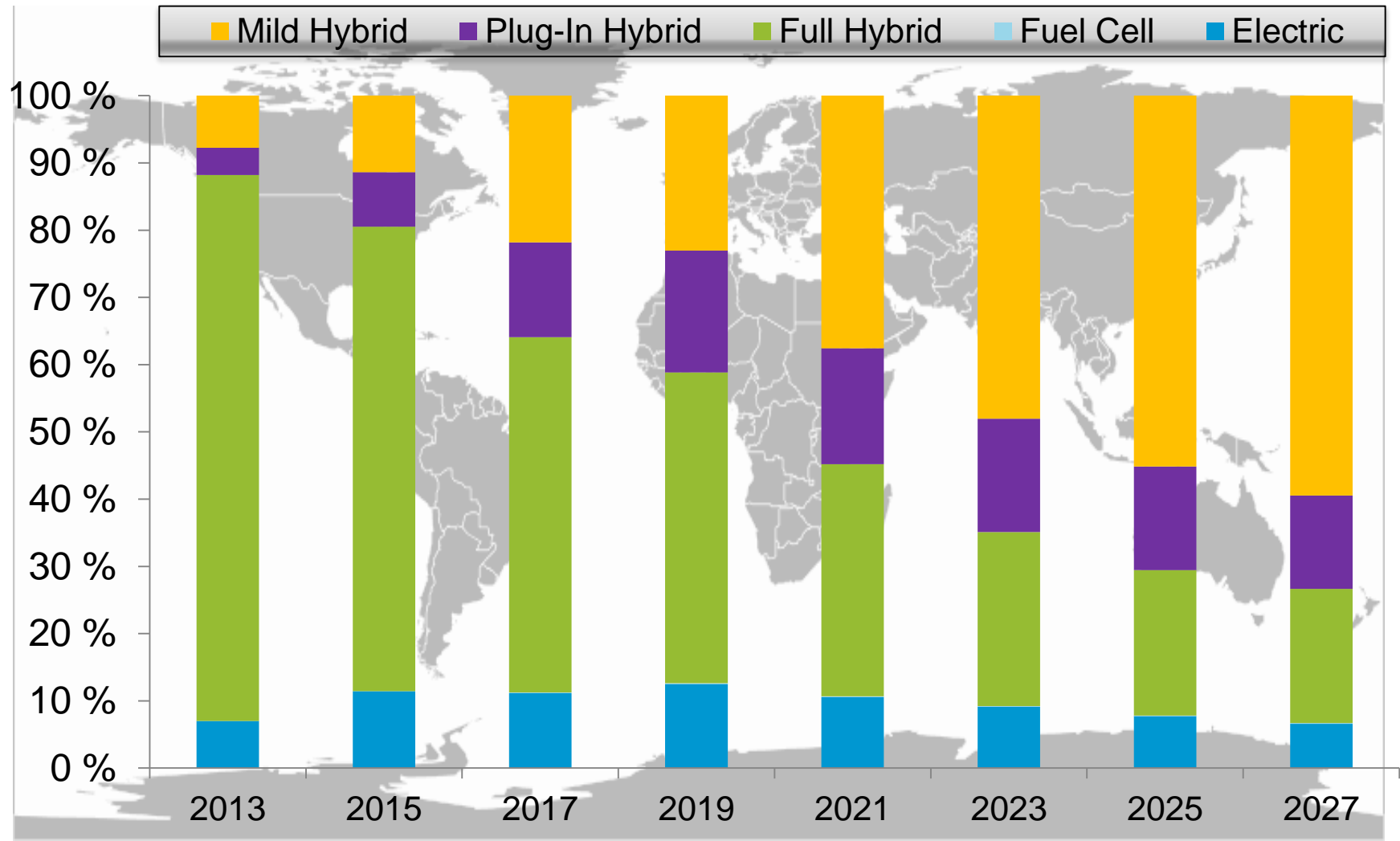
Global Technology Islands in 2020

Legislation, drive cycle, and consumer choice dictate technology

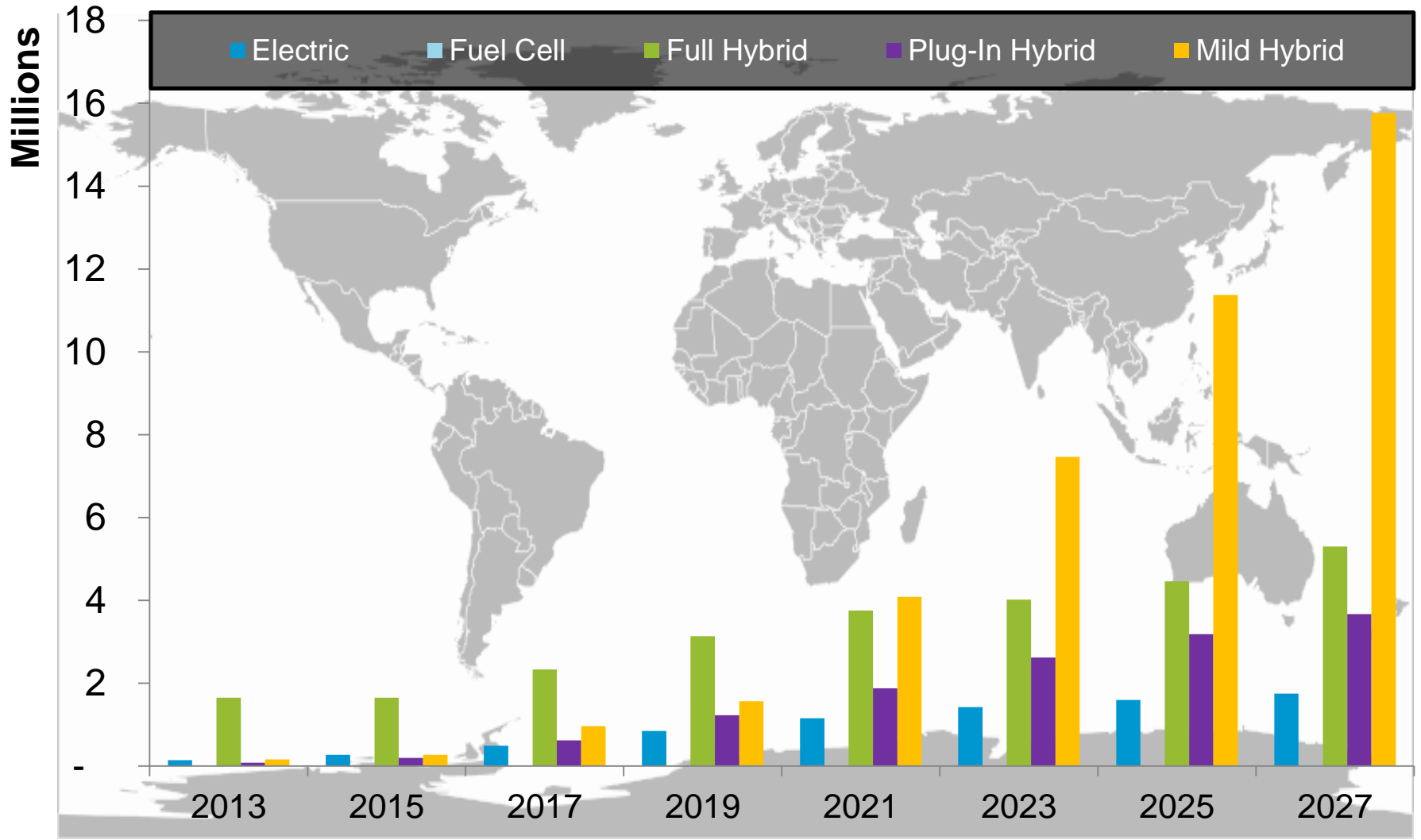


Global Outlook – Production-Based Powertrain Forecast

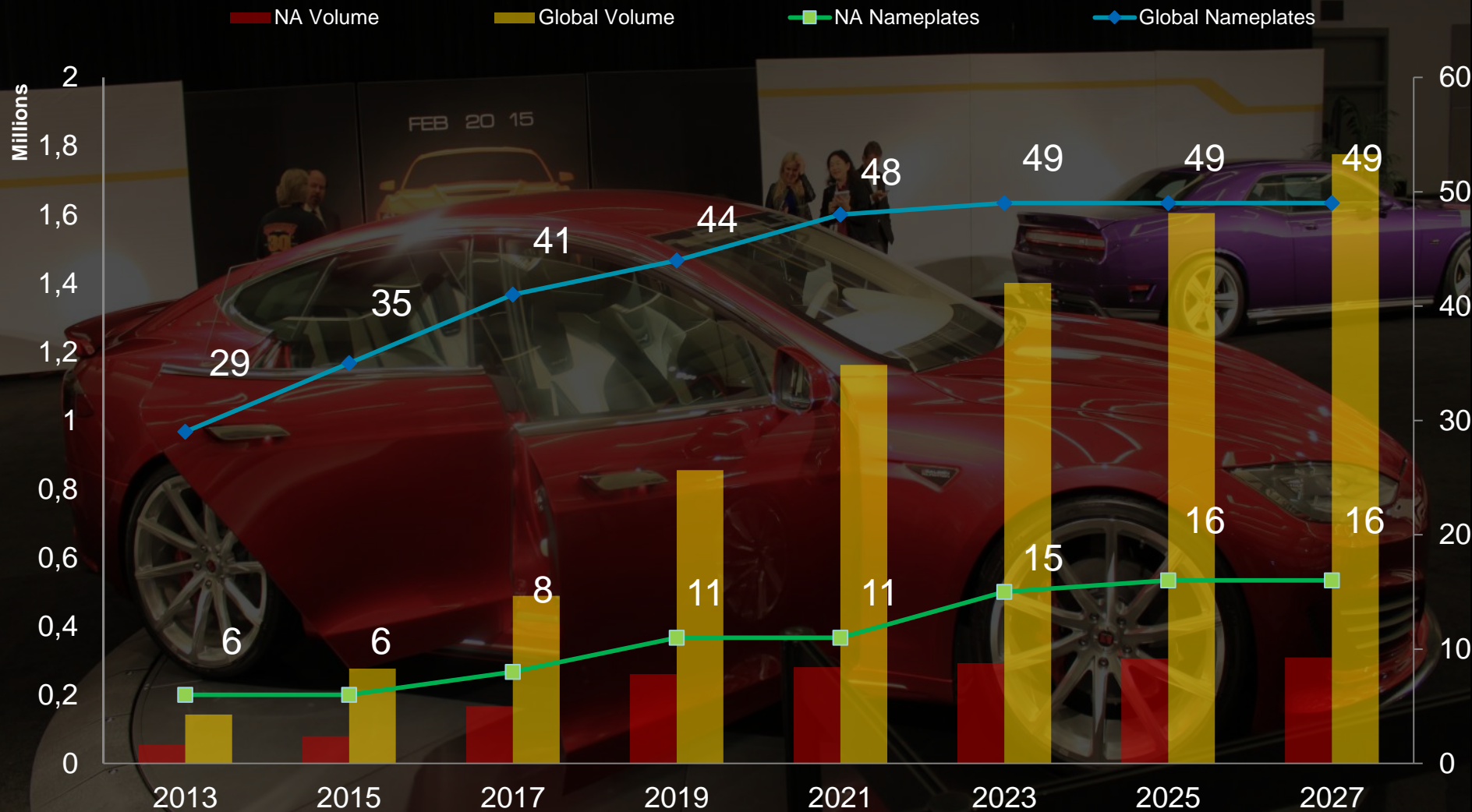
(% Share - Electrified Vehicles Only, no internal combustion engines)



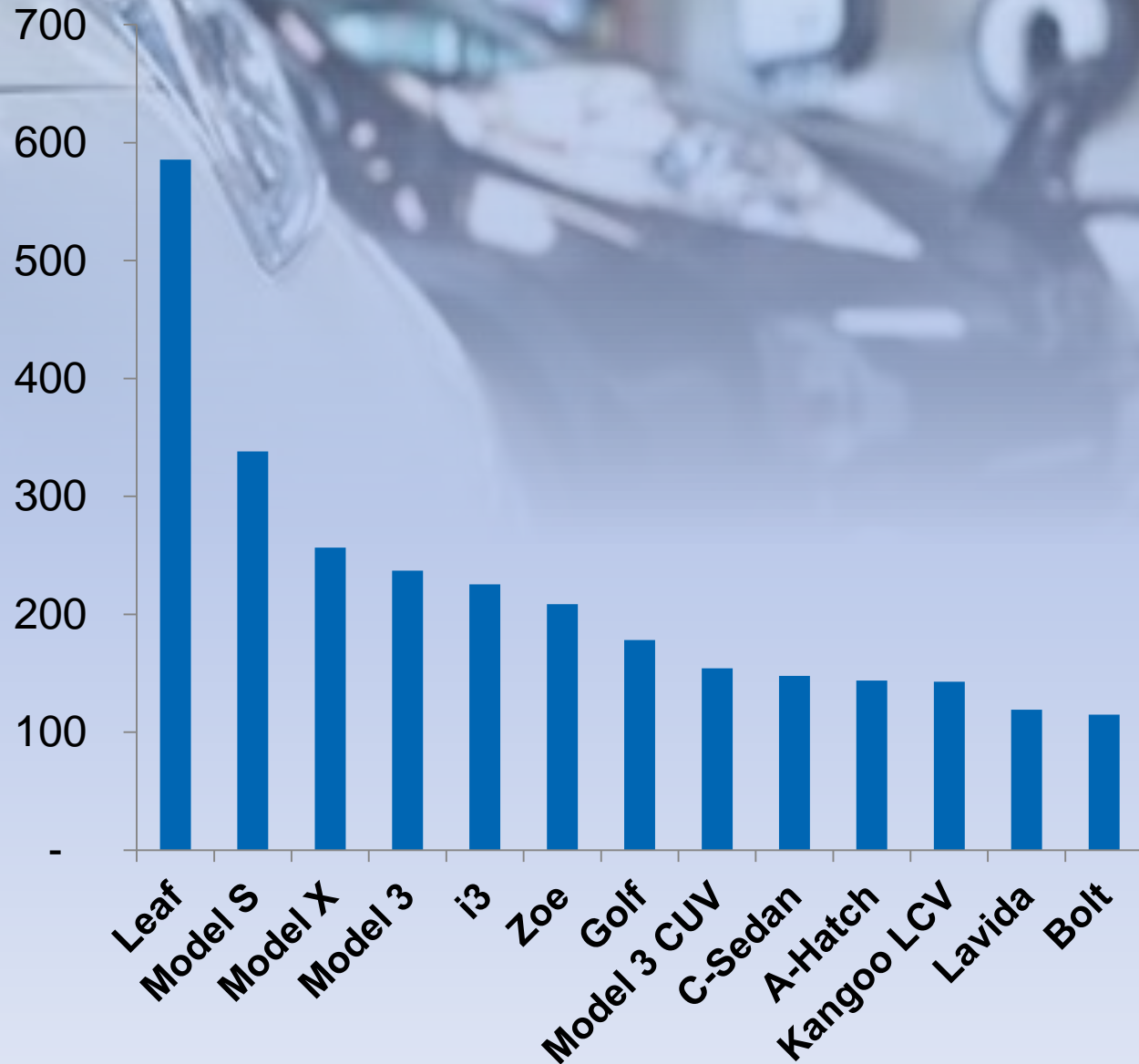
Global Outlook – Production-Based Powertrain Forecast (Electrified Vehicles Only, no internal combustion engines)



Forecast Production: EV/Fuel Cell Projected Nameplates



Top Global Electric Nameplates with >100,000 Units Total Production Volume from 2013-2021



Complete scenarios are best for assessing future impacts

	Societal	Consumer	Segmentation	Technology	Powertrain	Vehicle Type
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Autonomy

Significant behavioural change due to increasing urbanisation levels	<ul style="list-style-type: none"> Consumers are more open to accept change, driven by the millennial shift. 	<ul style="list-style-type: none"> Vehicle 'right-sizing' gradually becomes the norm 	<ul style="list-style-type: none"> Transformational technology change enables new technology & energy to flourish 	<ul style="list-style-type: none"> Powertrain technology embraces unconventional fuels 	<ul style="list-style-type: none"> Smaller vehicles open up potential for dedicated 'city segment' solutions

Rivalry

At regional levels selected areas are aware of new societal issues, but no global awareness	<ul style="list-style-type: none"> Consumers slowly embrace new values but very much in a business as usual approach 	<ul style="list-style-type: none"> Loyalty to conventional vehicle segments remains high 	<ul style="list-style-type: none"> Technology adoption is dictated by the severity of the regional vehicle efficiency regulation 	<ul style="list-style-type: none"> Growing role of natural gas and electricity in transport but petroleum fuels remain dominant 	<ul style="list-style-type: none"> Vehicle type and functionality remain geared towards a conventional market progression

Vertigo

Unstable and volatile economy fosters lean and mean companies seeking 'flexible-labor' workforce	<ul style="list-style-type: none"> Consumers loose their sense of stability and balance resulting in permanent risk-averse consumers 	<ul style="list-style-type: none"> Shift to smaller and/or more efficient options (inc. 2/3 wheelers) also driven by company car decline 	<ul style="list-style-type: none"> Investment in innovation limited, technology development continues but at a much slower pace 	<ul style="list-style-type: none"> Limited spread of 'alternative' powertrains; take-up trajectory well below base-case 	<ul style="list-style-type: none"> New mobility solutions, such as shared mobility become acceptable alternatives; new vehicles tend to be more budget oriented

- Strong development/support
- No or very limited development/support

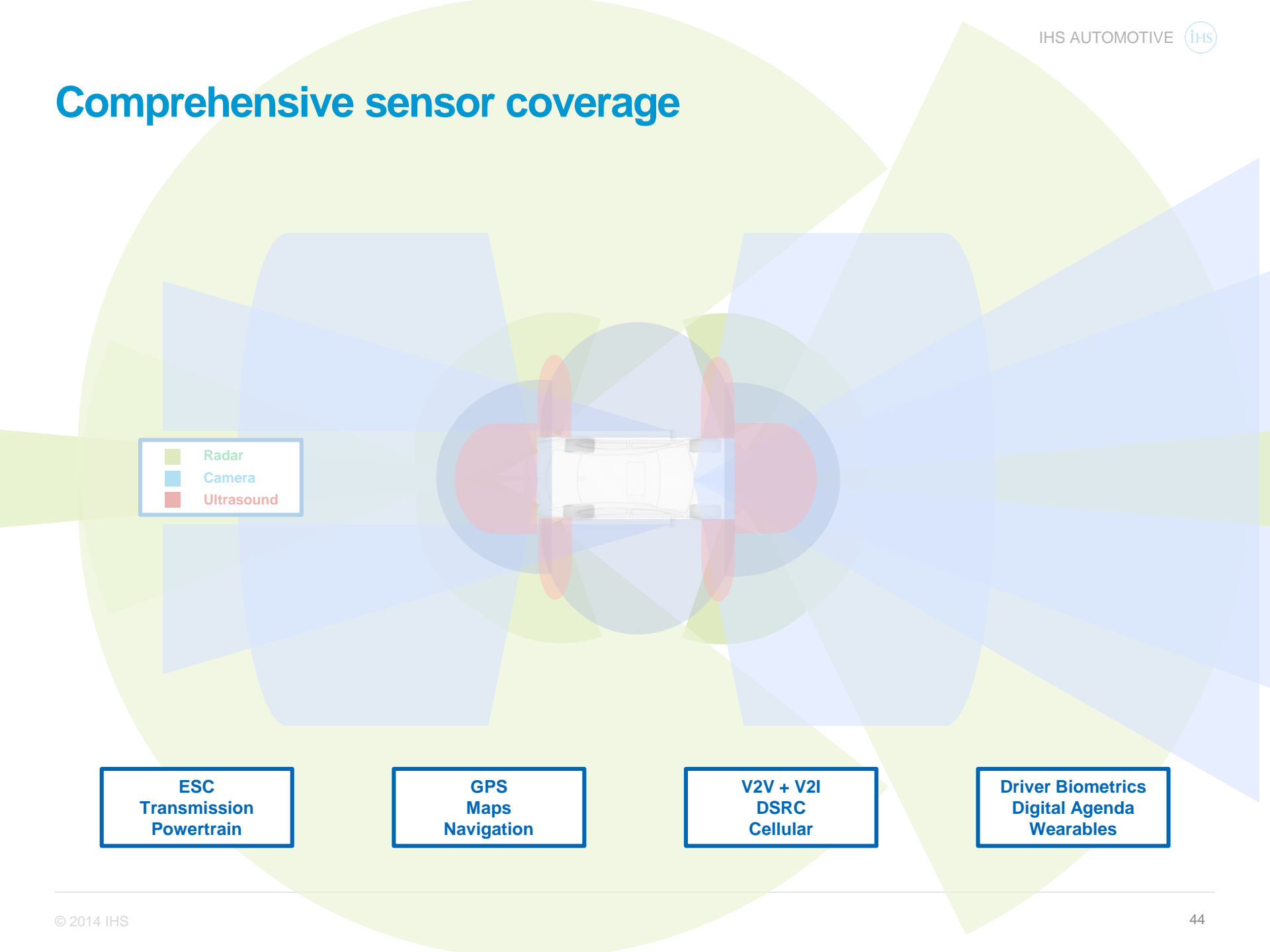
Autonomy: cities expected to aggressively curb congestion

U.S. = 83% urban now → 87% by 2025: Europe 77% → 82%

- City leaders and their teams (urban and transportation planners) are all focused on congestion control
- The economic vitality of a city depends first and foremost on assuredly fluid mobility



Comprehensive sensor coverage



Google & Uber Strategy & Goals

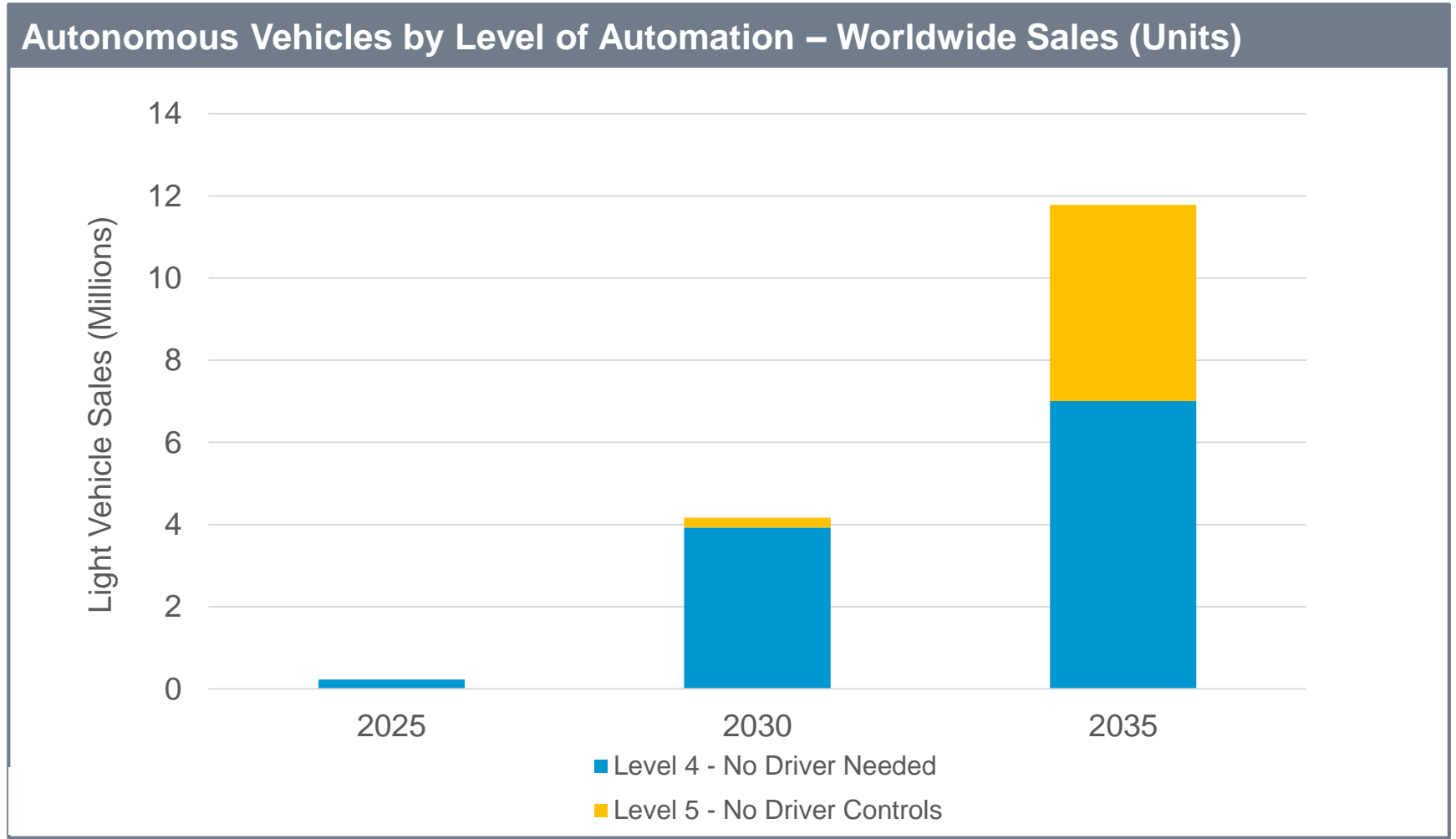
• Google

- create the software and content infrastructure for SDC
- Solve personal mobility for 6B+
- Solve shipping issues for packages and ecommerce

Uber

- Solve and enhance personal mobility
- Facilitate transportation as a service – personal and commercial (UberEats) and become a logistics master
- “kickstart autonomous taxi fleet development” unnamed source
- “bringing safe, reliable transportation to everyone, everywhere”
- research and development, primarily in the areas of mapping and vehicle safety and autonomy technology
- “improving access to transportation”
- “The reason Uber could be expensive is you’re paying for the other dude in the car,” Kalanick said, [according to Business Insider](#). “When there is no other dude in the car, the cost of taking an Uber anywhere is cheaper. Even on a road trip.”
- “new research partnership with the University of Arizona focused on mapping and optics”
- “work with researchers at the university specializing in lens design "to improve the imagery of what we capture and use to build out mapping and our safety features," Uber's Brian McClendon told the [Associated Press](#). The company will also test its mapping vehicles in Tuscon”
- “The company [acquired](#) San Jose mapping startup deCarta earlier this year and Uber [later acquired](#) some of the team and technology behind Bing Maps from Microsoft.”

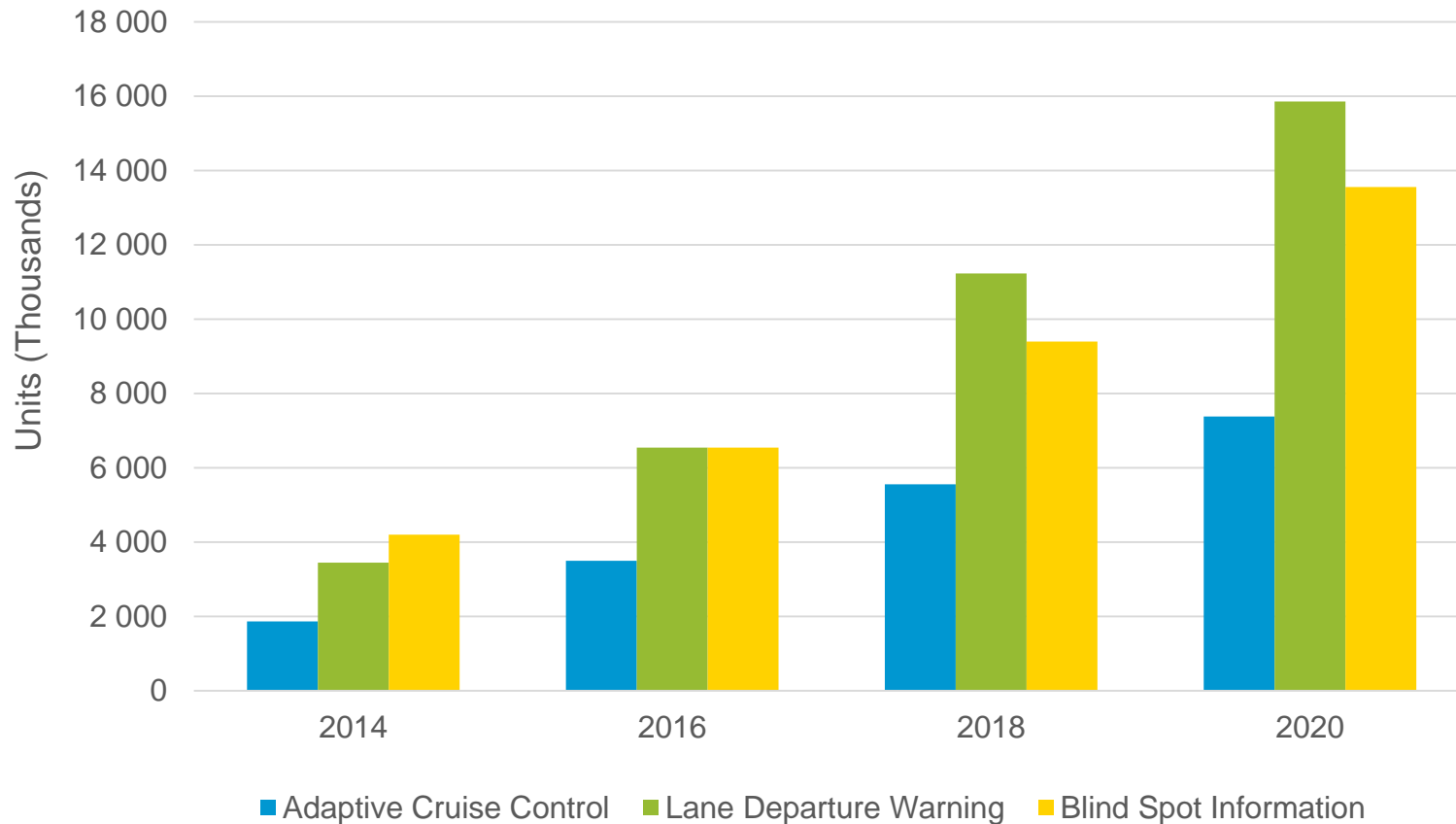
Autonomous Driving: When, Not If



Building Blocks of Highway Autopilot

Compelling Opportunities Emerge in Advance of Autonomous Vehicles

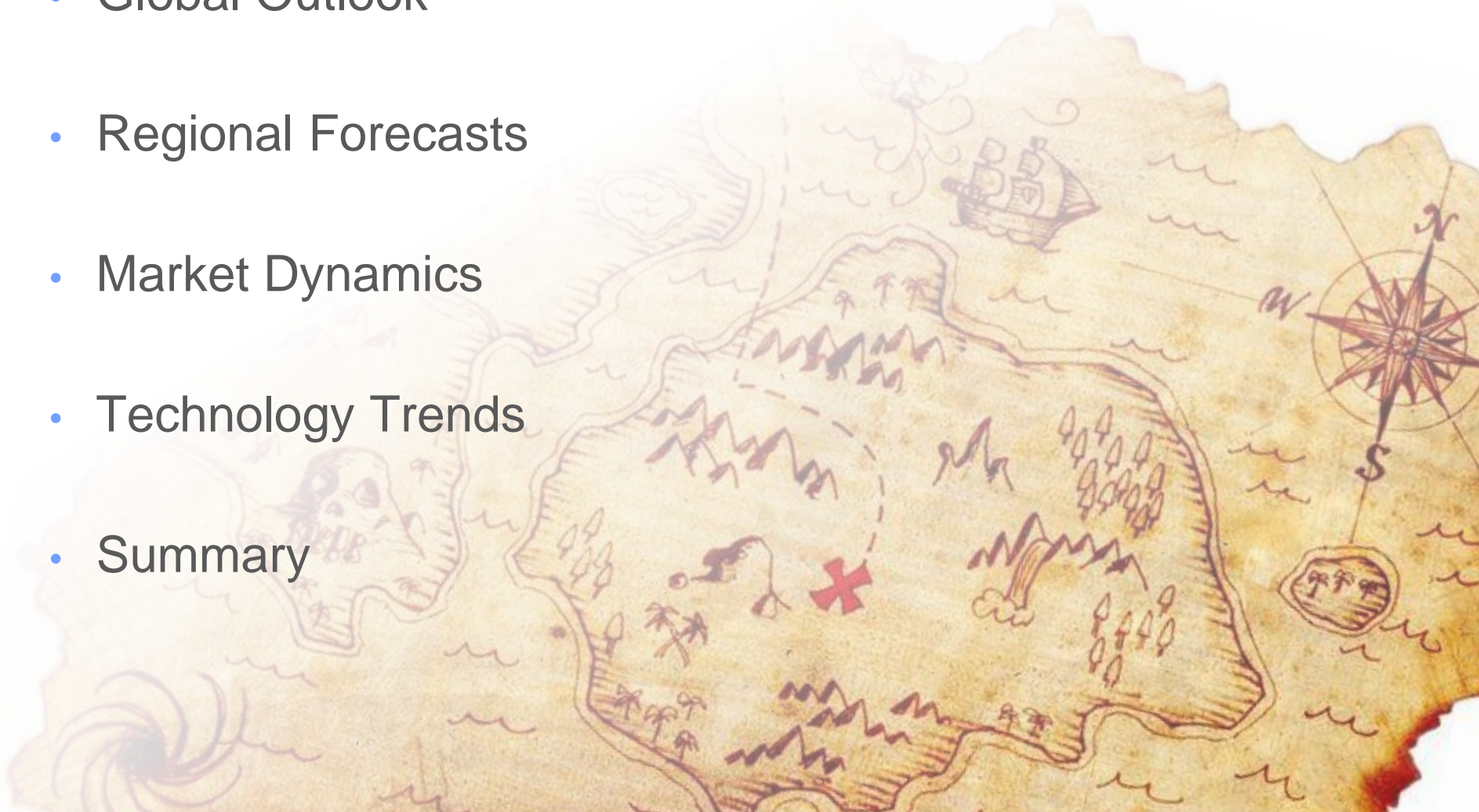
ADAS Applications Enabling Highway Autopilot – Worldwide Production Units



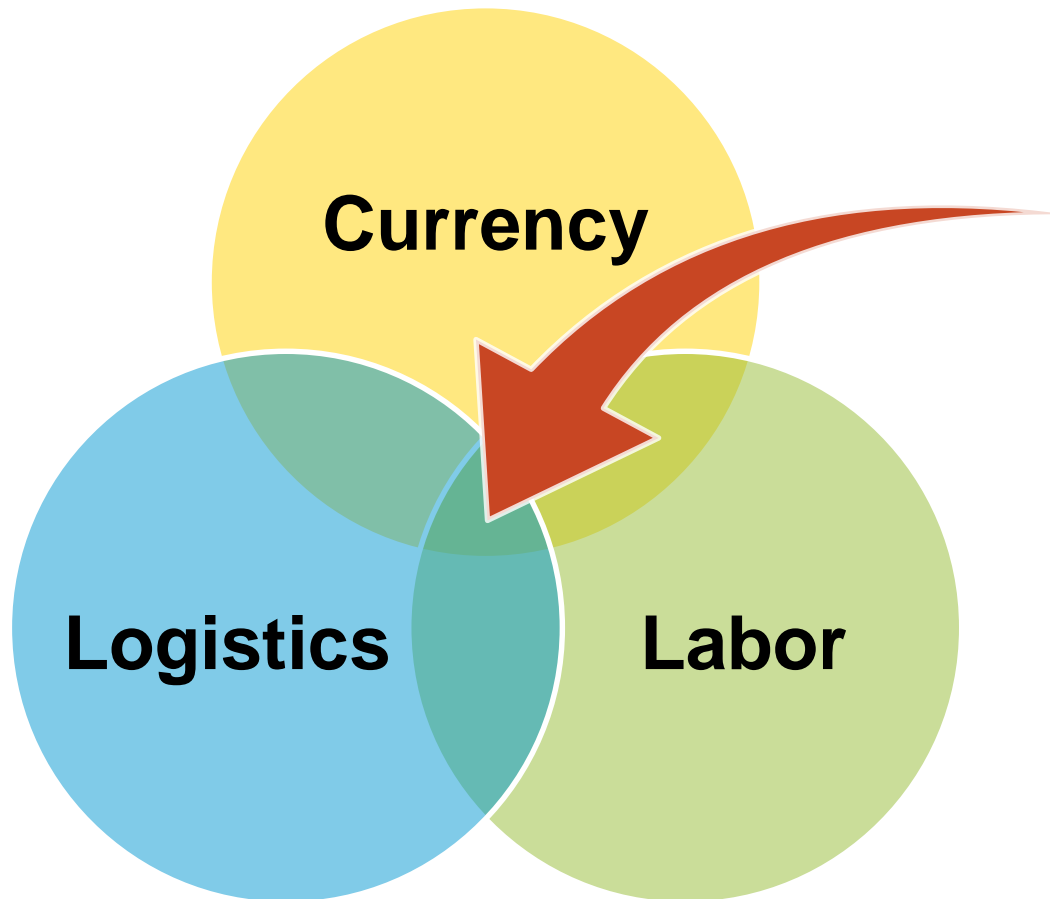
Source: IHS

Presentation Outline

- Global Outlook
- Regional Forecasts
- Market Dynamics
- Technology Trends
- Summary



Risk Hedge



- Varied Risk Hedges
 - Exports
 - Localization
 - Throughput
- Life Stage
- Growth vs Saturation
- Content Requirements

Navigating for Global Success

- **Robust Growth Remains:**
Invest today for Tomorrow
- **All Growth Involves Risk:**
Prepare well to capture growth and expand capabilities
- Leverage luxury...carefully
- **Not a Sprint...a Marathon:**
Drive a Process culture;
promote learning / risk taking
- **Prioritize Customer Capacity:**
Protect against future upside and downside thereafter



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