

Results for the second quarter 2020

Oslo,
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Wilhelmsen records a USD 57 million profit in the second quarter, supported by stable contribution from operating activities and recovery of financial asset values.

“Slower global shipping activities had a negative effect on income for our maritime services segments,” says Thomas Wilhelmsen, group CEO. Sale of marine products and income from agency services were both down, following a reduction in global shipping activities in general and cruise activities in particular. Non-marine income increased, primarily from the sale of sanitizing products.

“Income from our ship management activities has continued to develop positively with more vessels on full technical management and new offshore wind activities,” says Wilhelmsen. “In addition post-quarter, we have agreed to acquire a 50% stake in Ahrenkiel Steamship GmbH & Co KG, the technical container ship manager within the MPC Capital Group, which will enhance our position in the ship management industry and especially within the container vessel segment.”

Year-over-year, the group’s supply services have seen 10% top line growth. Wilhelmsen comments: “A partial recovery in the oil price, together with a Norwegian stimulus package supporting the offshore industry has created a more positive market sentiment compared with the previous outlook.”

Total income for the Wilhelmsen group was USD 197 million in the second quarter of 2020, down 8% from the first quarter and down 5% year-over-year. EBITDA was USD 36 million, on par with the previous quarter, but down 15% compared with the same quarter last year, mainly related to a sales gain lifting the 2019 result.

Share of profit from associates was a loss of USD 21 million, with a negative contribution from Wallenius Wilhelmsen ASA offsetting a gain in supply services.

Change in fair value of financial assets was positive with USD 69 million, supported by a partial recovery of first quarter losses in Hyundai Glovis and other investments. Other financials were lifted by gains on financial investments and FX.

The quarter ended with a net profit to owners of the parent of USD 57 million, equal to USD 1.27 earnings per share (EPS).

The annual general meeting that took place 29 April 2020 approved NOK 2.00 per share in dividend to shareholders, with payment made 14 May 2020.

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The board believes that measures taken to contain COVID-19 will continue to impact global economic activity, and the extent of the future impact on operating income and results, and on asset prices remains uncertain. “The largest negative impact for our maritime service segment will continue to be the reduction in cruise activities, representing 10-15% of operating income pre COVID-19,” says Wilhelmsen. The new joint venture in ship management is expected to have limited impact on net result short term, and the company continues to be sensitive to the number of vessels on management. Supply services are expected to remain relatively strong over the next months, with a seasonal slowdown towards the end of the year. The group’s financial investments are expected to be impacted by the continued volatile markets.