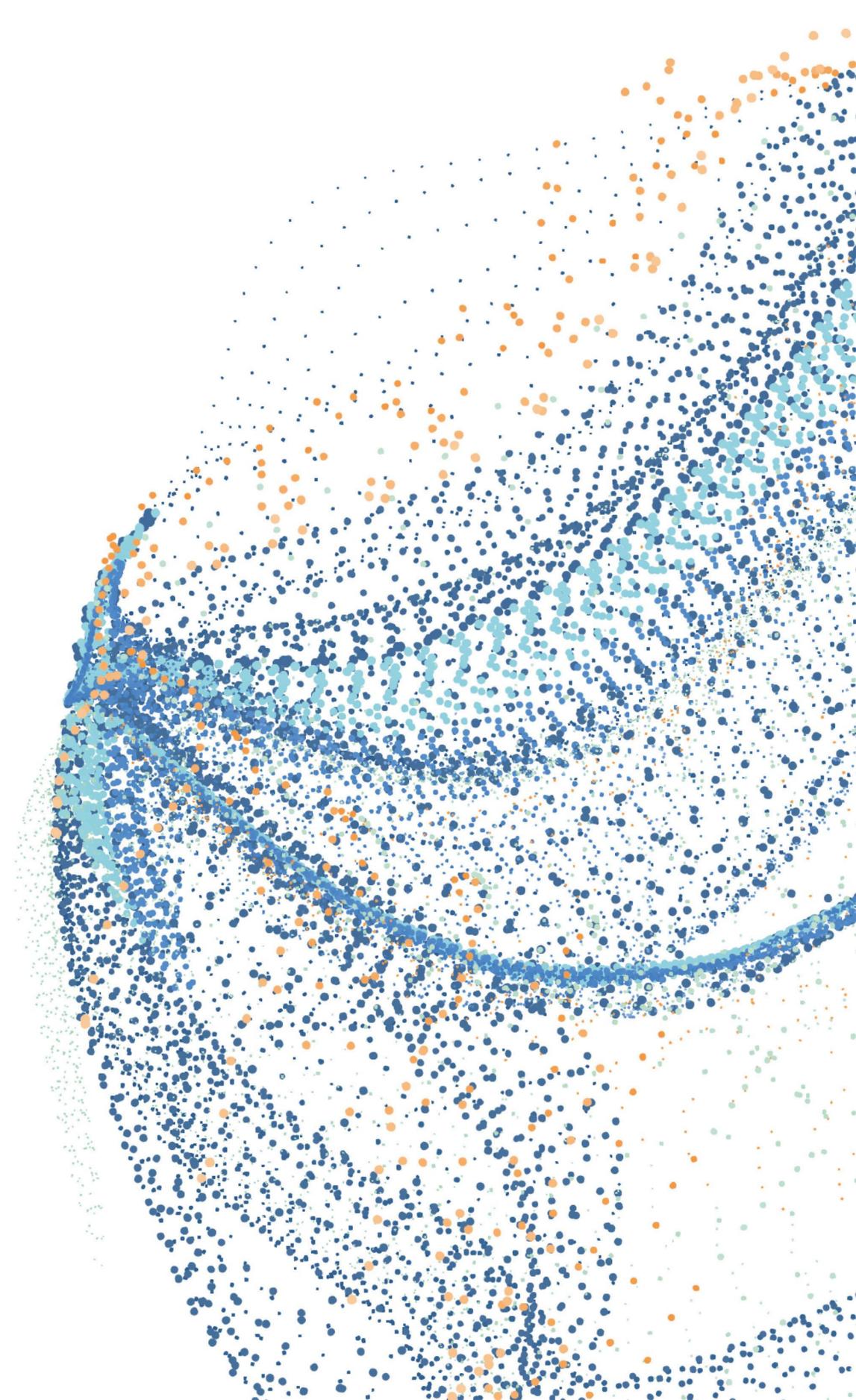


# Wilh. Wilhelmsen Holding ASA

## Second quarter 2018

Thomas Wilhelmsen, group CEO

August 2018



# Highlights

Second quarter 2018

**Improved underlying EBITDA**

**Wallenius Wilhelmsen net profit up q-o-q**

**Significant fall in Hyundai Glovis value**

**Cost accrual for termination of Drew transaction**

**NOK 3.50 dividend per share**



# US District Court ruling blocks Drew acquisition, but...

...Wilhelmsen marine products strong on stand alone basis

- Extensive portfolio of branded solutions
- Innovative new product solutions
- Supplying to ~50% of global fleet
- Global network
- USD 350 million annual turnover
- Strong cash flow



Nitrogen gas cylinder  
(Unitor)



High pressure cleaner  
(Unitor)



Mooring solution  
(Timm Winchline)



Cooling water treatment  
(Nalfleet)



Portable  
water test kit  
(Nalfleet)



# A volatile first half for Hyundai Glovis investors

Proposal for restructuring of Hyundai Motor Group withdrawn

## Hyundai Motor group restructuring proposal

- Proposal announced 28 March; withdrawn in May
- No new proposal announced

## Wilhelmsen financial result hit by Hyundai Glovis share price volatility

- Q1 2018: Gain USD 144 million
- Q2 2018: Loss USD 250 million



# Reduced financial assets value resulting in net loss

Improved underlying contribution from operating entities

USD mill - unless otherwise indicated	Maritime services	Supply services	Holding/ Investm.	Elim./ discont.	Group
	Q2'18	Q2'18	Q2'18	Q2'18	Q2'18
<b>Total income</b>	148	73	3	-2	222
- of which operating revenue	147	71	3	-2	219
- of which gain/(loss) on sale of assets	1	2	0	0	3
<b>EBITDA</b>	-9	14	-4	0	0
<b>Operating profit/EBIT</b>	-13	9	-4	0	-9
Share of profits from associates	1	4	6	0	11
Change in fair value financial assets	-5	0	-236	0	-241
Other financial income/(expenses)	-19	-4	-7	0	-30
Tax income/(expenses)	4	-1	-7	0	3
<b>Profit/(loss) from continued operations</b>	-33	8	-241	0	-266
Discontinued operations	0	0	0	0	0
<b>Profit/(loss) for the period</b>	-33	8	-241	0	-266
<b>Profit/(loss) to owners of the parent</b>	-34	5	-172	0	-201
<b>EPS (USD)</b>					-4,32
Other comprehensive income					-41
<b>Total comprehensive income</b>					-307
<b>Total comprehensive income owners of parent</b>					-239
<b>Total assets</b>	911	662	1 592	-29	3 136
<b>Equity parent</b>	300	156	1 389	0	1 845
<b>Total equity</b>	300	210	1 518	0	2 027
<b>Equity ratio</b>	33 %	32 %	95 %	0 %	65 %

**Total income up 5% from first quarter**

**Underlying EBITDA up 77%**

- Maritime services EBITDA hit by USD 27 million non-recurring acquisition cost
- Seasonal recovery for supply service

**Increase in share of profit from associates**

- Improvement in Wallenius Wilhelmsen net profit

**Significant loss on financial assets**

- Hyundai Glovis value down USD 250 million



# Recovery in maritime services' operating margin

Reported EBITDA hit by Drew termination fee and legal cost

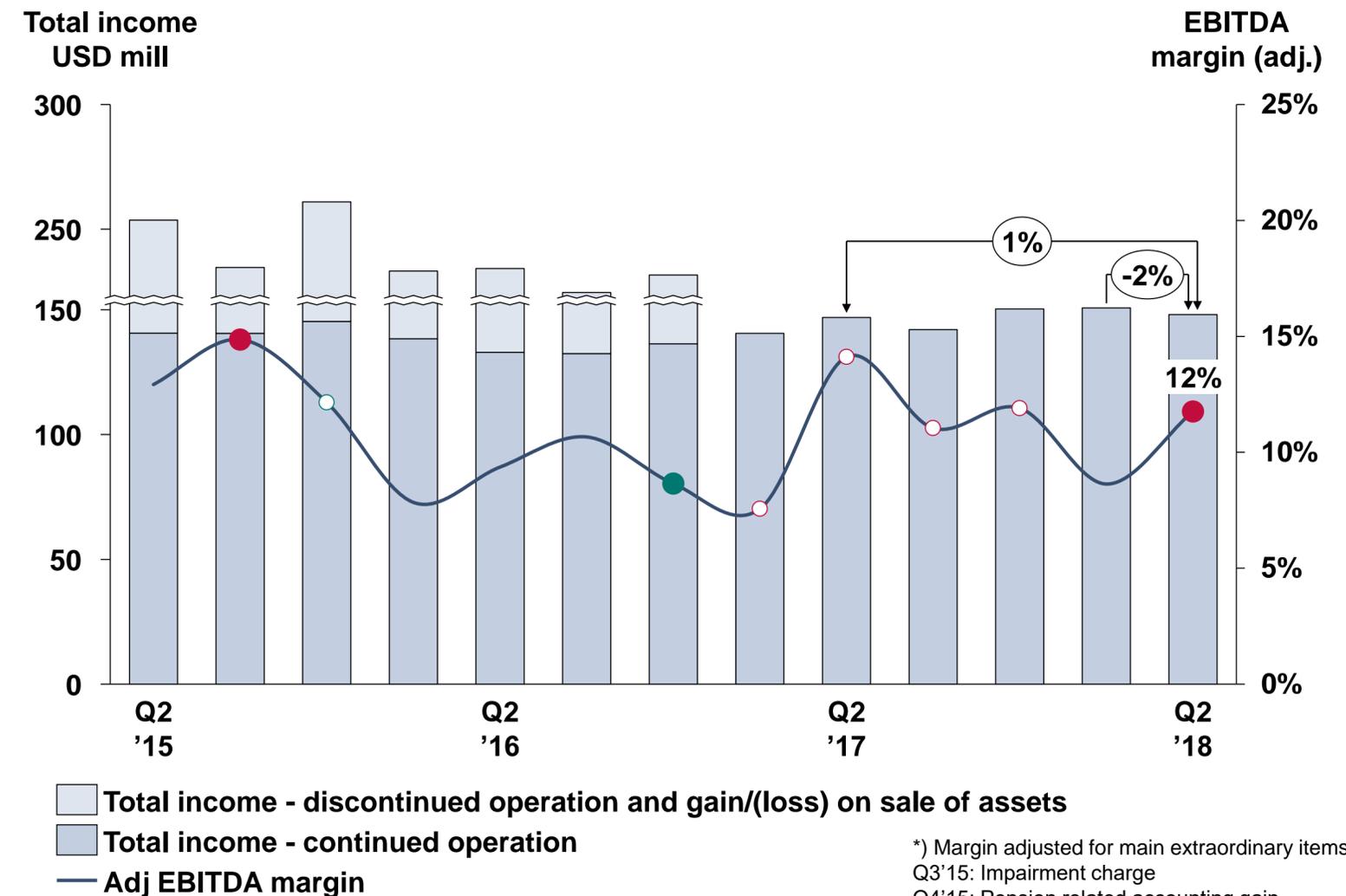
## Stable development in total income

- Upward trend for marine products
- Stable for agency services
- Reduced ship management fleet – new contracts from Q3
- Seasonal reduction for non-marine products

## Adjusted EBITDA +36% q-o-q

USD 27 million non-recurring termination fee and legal cost

## Maritime services - total income and adjusted EBITDA margin <sup>\*)</sup>



<sup>\*)</sup> Margin adjusted for main extraordinary items:  
 Q3'15: Impairment charge  
 Q4'15: Pension related accounting gain  
 Q4'16: Sales gain and transaction/restructuring cost  
 Q1'17-Q2'18: Drew acquisition cost



# Improvement for supply services

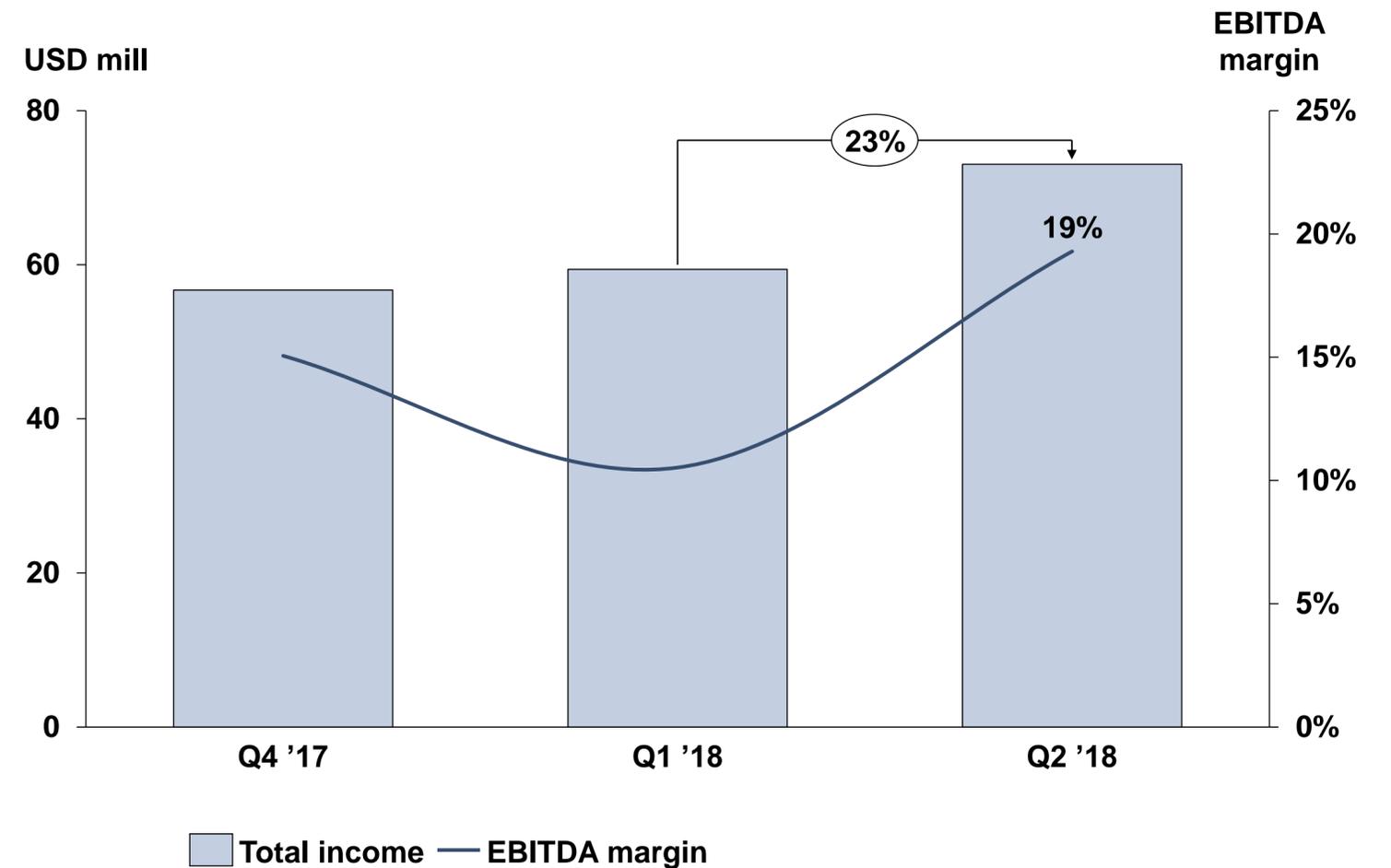
NorSea Group EBITDA lifted by seasonality and property sales gains

## NorSea Group income up 24% from first quarter

- Seasonal upswing for supply base activities
- General increase in activity level
- Total USD 3 million sales gains (including JVs)

## Stable development for WilNor Governmental Services

Supply services - total income and EBITDA margin



# Fall in holding and investments results

Increased contribution from Wallenius Wilhelmsen

## Wallenius Wilhelmsen result up, but from a weak first quarter

- USD 6 million share of net result

## Hyundai Glovis

- USD 250 million loss from change in fair value

## Qube Holdings

- USD 15 million gain from change in fair value
- USD 27 million net proceeds from sale of shares
- Retained 50 million shares



## Highlights second quarter 2018

EBITDA adjusted for extraordinary items of USD 159 million



Underlying positive volume development, especially for high & heavy



However, ocean results impacted by lower rates, increased net bunker cost and unfavorable currency movements



The newbuilding "Titus" was delivered end of May 2018



About USD 110 million in synergies confirmed



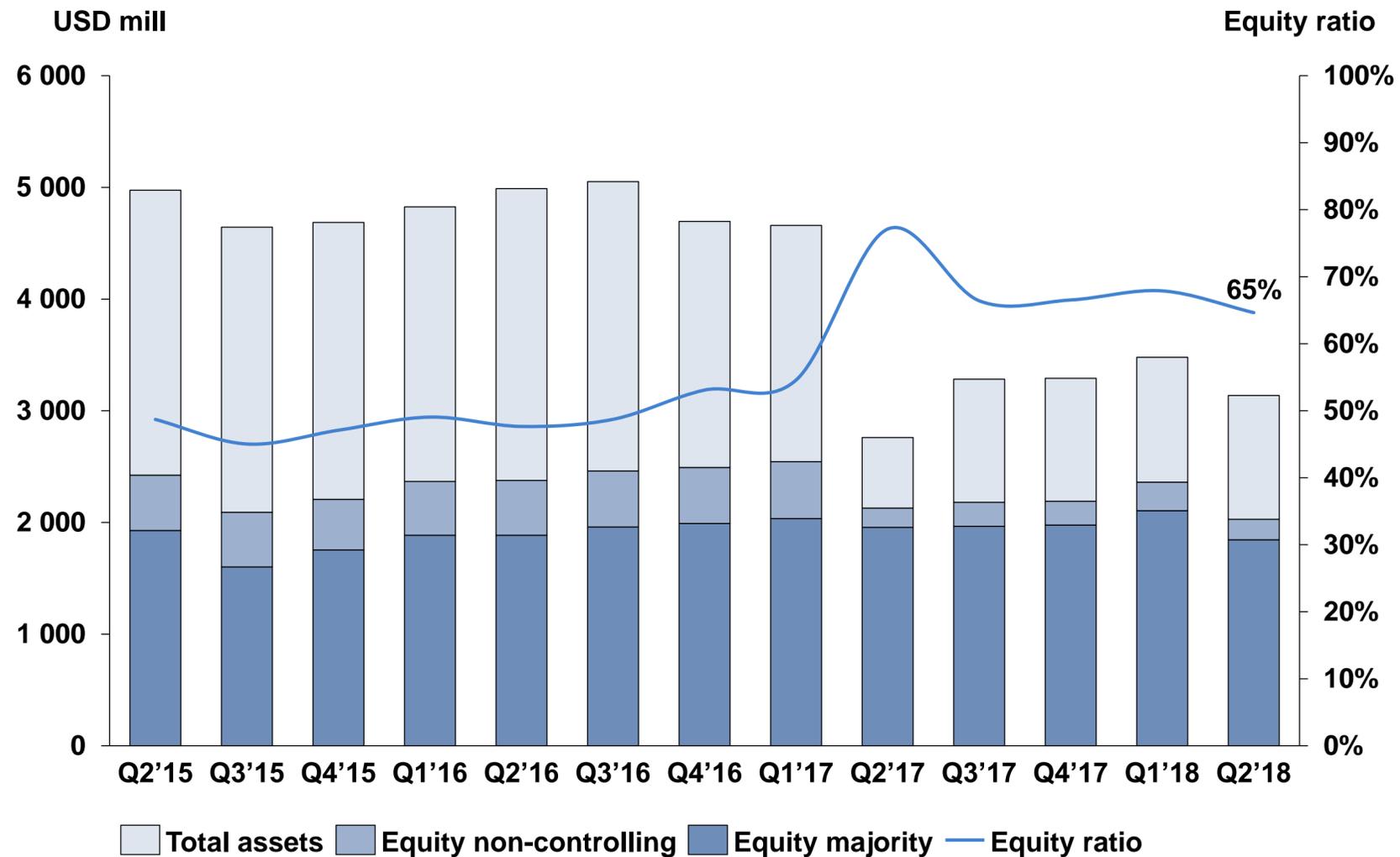
Acquisition of 70% of Syngin Technologies for about USD 30 million



# Equity ratio of 65%

Equity and total assets down due to reduced financial assets value

## Wilhelmsen group total assets and equity ratio



## Key figures

Total assets USD 3 136 million (down 10%)

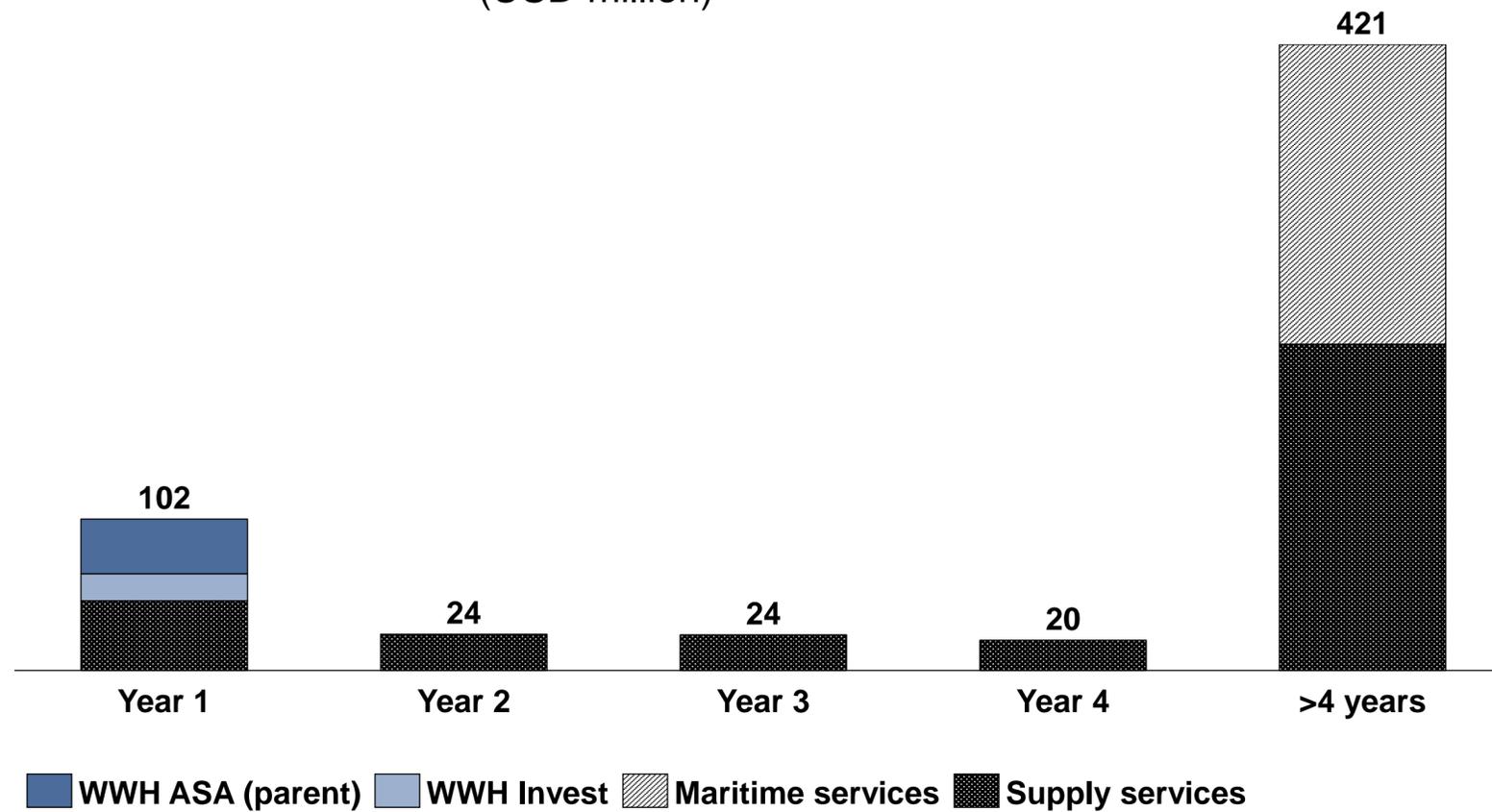
Total equity USD 2 027 million (down 14%)



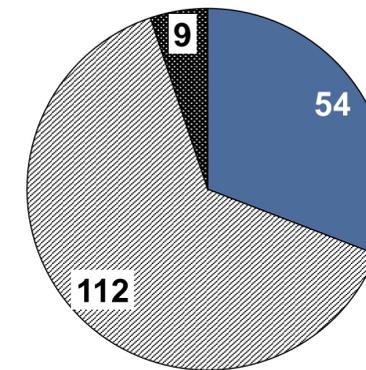
# Liquidity and debt position remains strong

Refinancing of main NorSea Group facilities on 5-year basis

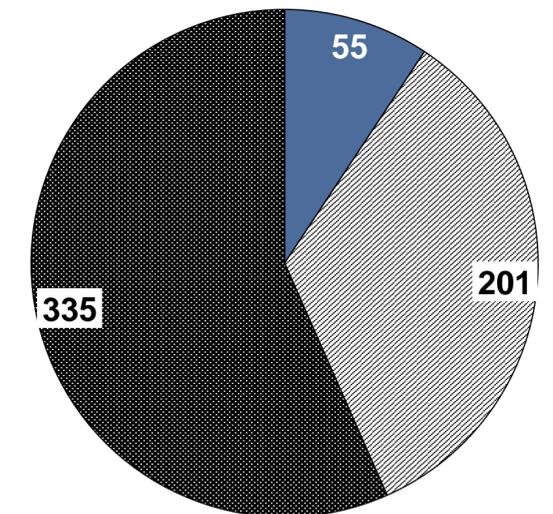
**Maturity profile – outstanding debt**  
(USD million)



**Liquidity** <sup>1)</sup>  
(USD million)



**Outstanding debt** <sup>2)</sup>  
(USD million)



Legend: Holding and investments (dark blue), Maritime services (hatched), Supply services (dark grey)

1) Cash and cash equivalents and current financial investments

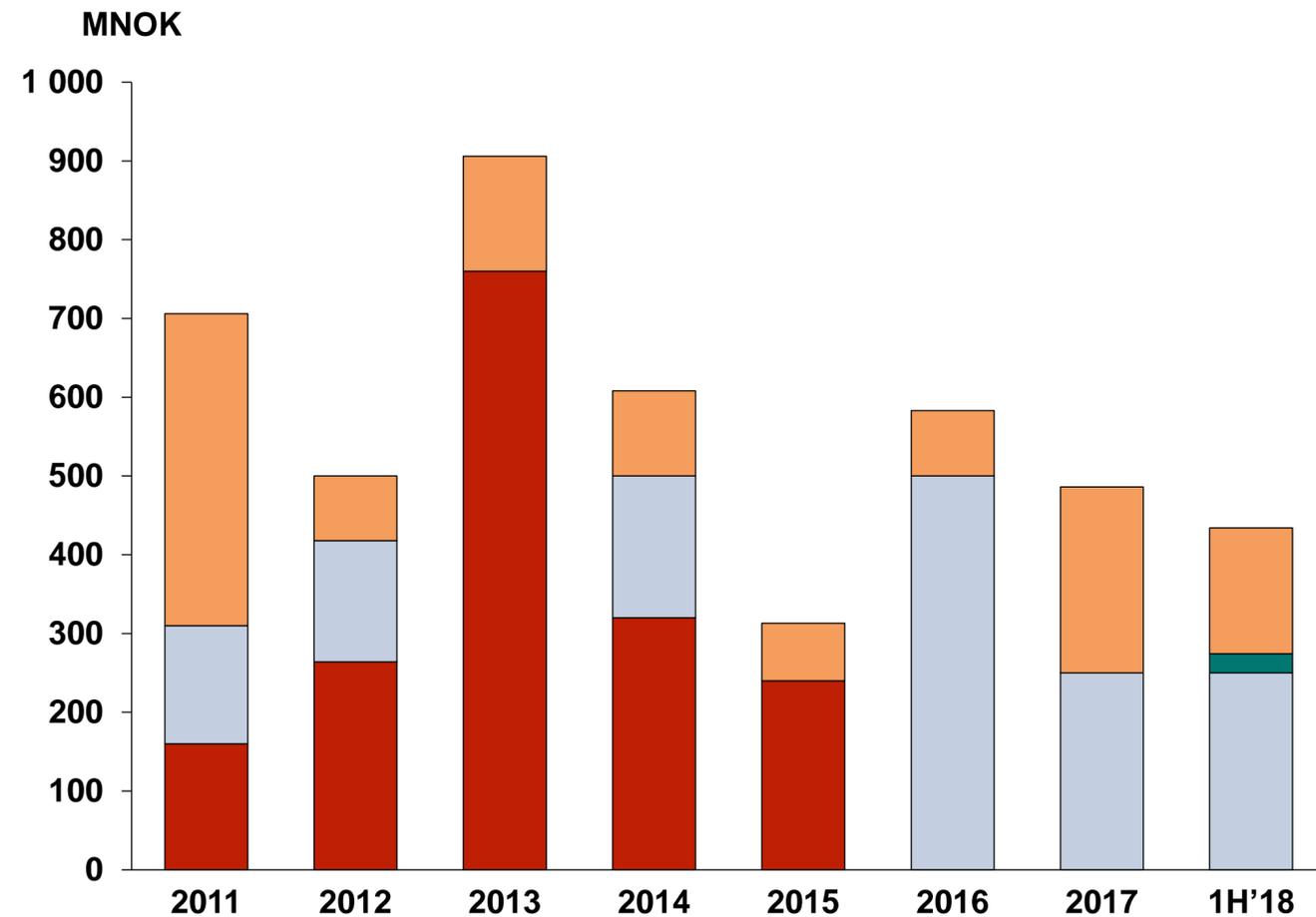
2) Excluding intercompany debt



# First dividend of NOK 3.50 per share paid

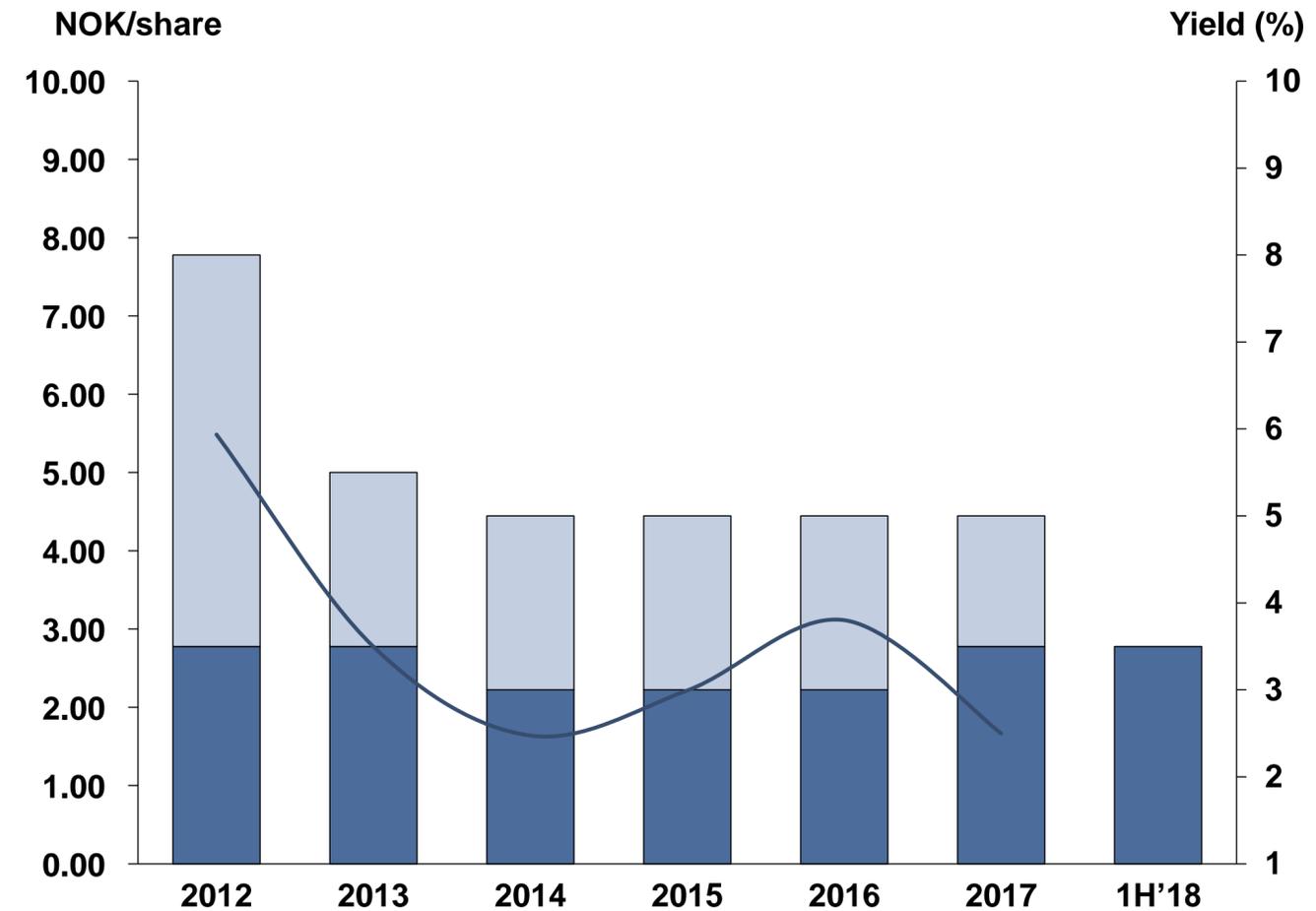
Potential second dividend of up to NOK 2.50 per share

### Upstream cash <sup>1)</sup>



- Investments
- Supply services
- Maritime services
- WWASA

### Dividend payments <sup>2)</sup>



- 2nd payment
- 1st payment
- Dividend yield (right axis)

1) Dividend from WWASA; net contribution from maritime services; dividend, interest and net gain from Treasure ASA, NorSea Group, Qube, WWH portfolio and other investments

2) Yield calculated based on previous year median closing price for WWI and WWIB share



# Steady stream of new business, products and solutions

Development supported by strength of combined group competence and global reach



**Massterly - autonomous shipping company**  
Wilhelmsen and Kongsberg JV  
Agreement signed Q2 2018 – operational Q3 2018



**Autonomous drone delivery of parcels from shore to ship**  
Ships service - Pilot launch in Singapore Q3 2018



**Wilhelmsen Ship Management UK Limited**  
11 vessel on management from Q3 2018



**Trident Juncture host nation support**  
WilNor Governmental Services/NorSea Group - Q3/Q4 2018



**DoLittle – digital development**  
50/50 JV from Q2 2018



**TenneT offshore wind contract**  
NorSea Group/Wilhelmsen Ship Management  
Contract win Q1 2018 - operational Q3 2018



# Outlook

**After a weak start of the year, the underlying trend has been more optimistic for all three business segments. The positive development is expected to continue into the third quarter.**

**A more negative sentiment towards global trade, and potential introduction of further tariffs and restrictions, creates uncertainties on a medium-term basis.**

