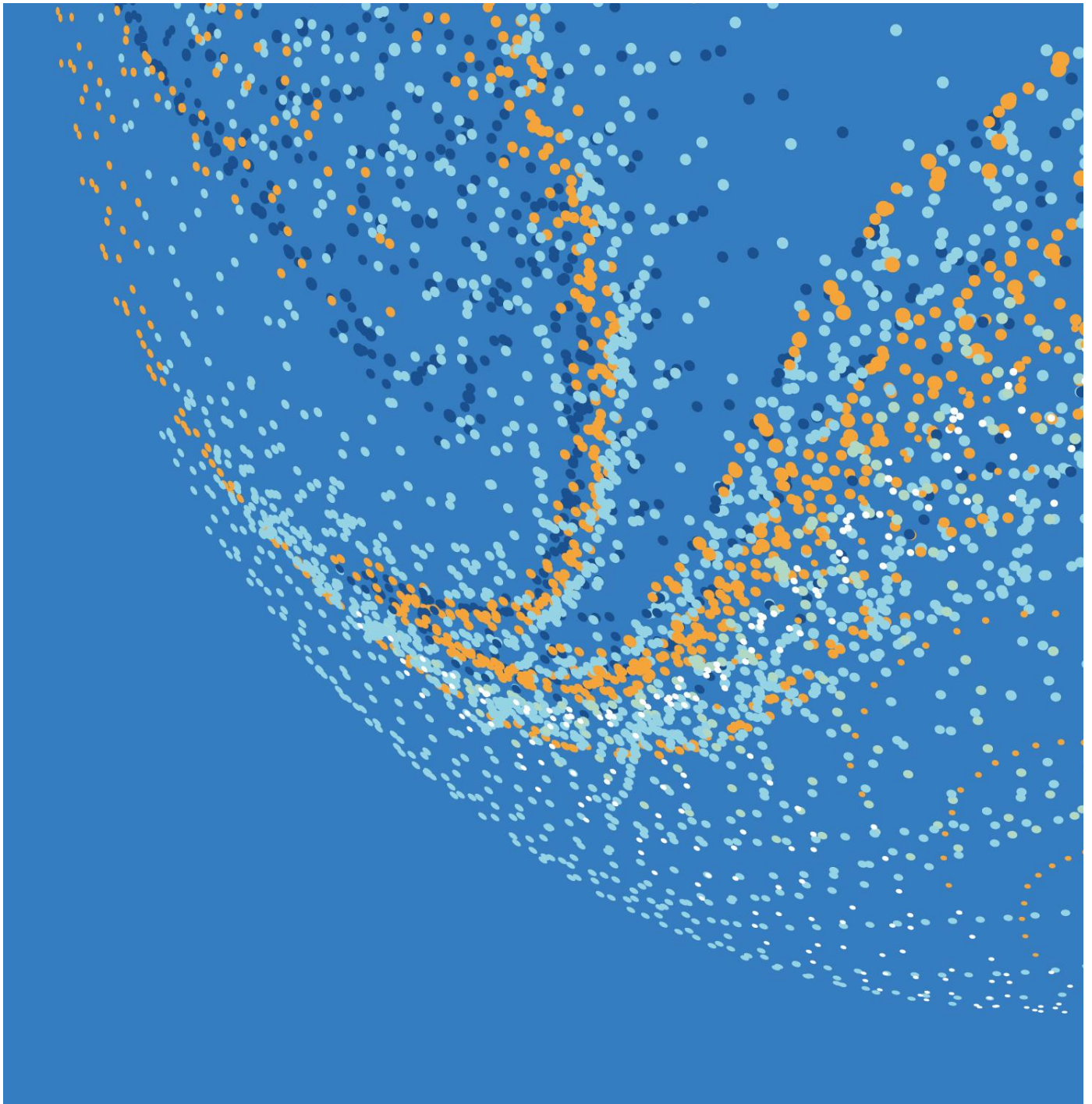


WILH. WILHELMSSEN HOLDING ASA

# Second quarter and half-year 2019 report

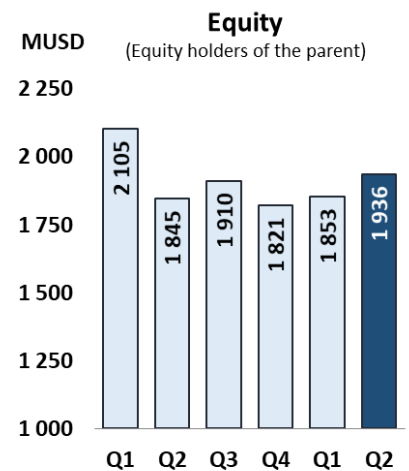
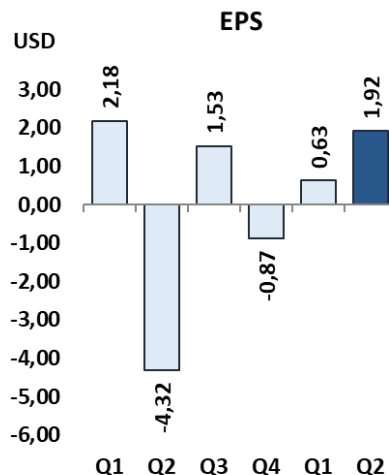
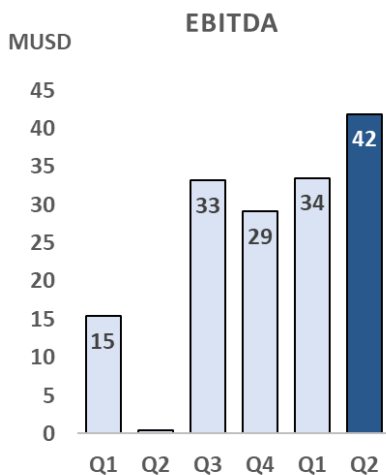


## Highlights for the quarter

The Wilhelmsen group recorded USD 89 million in net profit after non-controlling interests in the second quarter. A positive development in EBITDA and a net gain from financial investments was partly offset by reduced contribution from associates.

- USD 42 million in EBITDA
  - Positive underlying development and a sales gain in maritime services
  - Seasonal uplift for supply services
- Reduced share of profit from associates
  - Stable operation but unrealised financial expenses in Wallenius Wilhelmsen ASA
- Strong net gain from other financials
  - Significant increase in Hyundai Glovis value
  - Write down of the investment in Survitec Group
  - Positive contribution from other investments
- First dividend of NOK 2.50 per share paid on 15 May

## Key figures



# Financial performance

USD mill - unless otherwise indicated	Q2'19	Q1'19	Q-on-Q Change	Q2'18	Y-o-Y Change	01.01- 30.06.19	01.01- 30.06.18	Y-o-Y Change
<b>Total income</b>	<b>208</b>	<b>199</b>	5 %	<b>222</b>	-6 %	<b>406</b>	<b>433</b>	-6 %
- of which operating revenue	200	192	4 %	219	-9 %	392	429	-9 %
- of which gain/(loss) on sale of assets	8	7	20 %	3	147 %	14	4	230 %
<b>EBITDA</b>	<b>42</b>	<b>34</b>	25 %	<b>0</b>	>500%	<b>75</b>	<b>16</b>	377 %
<b>Operating profit/EBIT</b>	<b>25</b>	<b>17</b>	50 %	<b>-9</b>	neg.	<b>42</b>	<b>-4</b>	neg.
Share of profit from associates	3	15	-77 %	11	-68 %	19	17	10 %
Change in fair value financial assets	99	-3		-241		96	-117	
Other financial income/(expenses)	-7	8		-30		1	-18	
<b>Profit/(loss) before tax/EBT</b>	<b>120</b>	<b>37</b>	225 %	<b>-269</b>	neg.	<b>157</b>	<b>-122</b>	neg.
<b>Tax income/(expenses)</b>	<b>2</b>	<b>-6</b>		<b>3</b>		<b>-4</b>	<b>-1</b>	
<b>Profit/(loss) for the period</b>	<b>123</b>	<b>31</b>	296 %	<b>-266</b>	neg.	<b>154</b>	<b>-123</b>	neg.
<b>Profit/(loss) to owners of the parent</b>	<b>89</b>	<b>29</b>	207 %	<b>-201</b>	neg.	<b>118</b>	<b>-99</b>	neg.
<b>EPS (USD)</b>	<b>1,92</b>	<b>0,63</b>	207 %	<b>-4,32</b>	neg.	<b>2,55</b>	<b>-2,14</b>	neg.
Other comprehensive income	2	5		-41		7	-10	
<b>Total comprehensive income</b>	<b>125</b>	<b>36</b>	252 %	<b>-307</b>	neg.	<b>160</b>	<b>-133</b>	neg.
<b>Total comprehensive income owners of parent</b>	<b>91</b>	<b>33</b>	175 %	<b>-239</b>	neg.	<b>125</b>	<b>-110</b>	neg.
<b>Total assets</b>	<b>3 390</b>	<b>3 276</b>	3 %	<b>3 136</b>	8 %	<b>3 390</b>	<b>3 136</b>	8 %
<b>Equity parent</b>	<b>1 936</b>	<b>1 853</b>	4 %	<b>1 845</b>	5 %	<b>1 936</b>	<b>1 845</b>	5 %
<b>Total equity</b>	<b>2 159</b>	<b>2 051</b>	5 %	<b>2 027</b>	7 %	<b>2 159</b>	<b>2 027</b>	7 %
<b>Equity ratio</b>	<b>64 %</b>	<b>63 %</b>	1 %	<b>65 %</b>	-1 %	<b>64 %</b>	<b>65 %</b>	-1 %

## Result for the quarter

Total income for the Wilh. Wilhelmsen Holding ASA group (referred to as Wilhelmsen or group) was USD 208 million in the second quarter of 2019. This was up 5% from the previous quarter, reflecting a seasonal increase in activity level within the supply services business segment and a sales gain in the maritime services segment.

EBITDA was USD 42 million for the quarter, up 25% from the previous quarter. Maritime services and supply services both had a positive development in EBITDA from operating activities. In addition, gain on sale of assets had a positive impact on the results.

Share of profit from associates was USD 3 million for the quarter, of which USD 1 million was from Wallenius Wilhelmsen ASA.

Change in fair value of financial assets was positive with USD 99 million for the quarter. A strong increase in value of the investment in Hyundai Glovis was only partly offset by a full write down of the investment in Survitec Group. Income from other financial investments was positive.

Other comprehensive income for the quarter was a gain of USD 2 million, primarily related to currency translation differences on non-USD assets.

Total comprehensive income, including net profit and other comprehensive income, attributable to owners of the parent was USD 91 million in the second quarter.

## Balance sheet

Total assets were up 3% in the second quarter, mainly due to increased value of financial assets.

A profit for the period lifted equity attributable to owners of the parent with 4%, to USD 1 936 million. As of 30 June 2019, the group equity ratio was 64%.

## Cash, liquidity and debt

USD mill	Cash and cash equiv.	Current financial investm.	Total interest bearing debt	Net interest bearing debt
Maritime services	94	0	251	157
Supply services	11	0	421	409
Holding and investments	44	102	60	-87
Elimination	0	0	-20	-20
<b>Wilhelmsen group</b>	<b>150</b>	<b>103</b>	<b>712</b>	<b>460</b>

Cash and cash equivalents were USD 150 million at the end of the second quarter, down USD 12 million from the previous quarter. Changes in cash balances for the group and business segments are partly due to dividend payments and group contributions normally paid in the second quarter.

Total interest-bearing debt was USD 712 million by the end of the quarter, a USD 6 million reduction from the previous quarter.

## Result for the half year

Result for the first half reflected positive development in EBITDA and net profit for both the maritime services and the supply services business segments when compared with the corresponding period last year. A net gain from change in fair value of financial assets also lifted the result, while share of profit from associates was stable.

Total comprehensive income to owners of the parent was USD 125 million in the first half.

## Segment information

# Maritime services

The maritime services segment includes ships service, ship management and other maritime services activities.

USD mill - unless otherwise indicated	Q2'19	Q1'19	Q-on-Q Change	Q2'18	Y-o-Y Change	01.01- 30.06.19	01.01- 30.06.18	Y-o-Y Change
<b>Total income</b>	<b>146</b>	<b>144</b>	2 %	<b>148</b>	-1 %	<b>290</b>	<b>299</b>	-3 %
- Ships service	130	133	-3 %	138	-6 %	263	278	-5 %
- Ship management	16	10	62 %	10	65 %	26	20	30 %
- Other/eliminations	0	0		0		1	1	
<b>EBITDA</b>	<b>29</b>	<b>20</b>	<b>40 %</b>	<b>-9</b>	<b>neg.</b>	<b>49</b>	<b>3</b>	<b>&gt;100%</b>
- EBITDA margin (%)	20 %	14 %		-6 %		17 %	1 %	
<b>Operating profit/EBIT</b>	<b>22</b>	<b>14</b>	<b>60 %</b>	<b>-13</b>	<b>neg.</b>	<b>36</b>	<b>-5</b>	<b>neg.</b>
- EBIT margin (%)	15 %	10 %		-9 %		12 %	-2 %	
Share of profit from associates	1	1	-23 %	1	-15 %	2	2	5 %
Change in fair value financial assets	-27	0		-5		-27	-2	neg.
Other financial income/(expenses)	-4	-6		-19		-10	-18	
Tax income/(expense)	4	-4		4		0	1	
<b>Profit/(loss)</b>	<b>-5</b>	<b>6</b>	<b>neg.</b>	<b>-33</b>	<b>neg.</b>	<b>1</b>	<b>-22</b>	<b>neg.</b>
- Profit margin (%)	-4 %	4 %		-22 %		0 %	-7 %	
- Non controlling interest	0	0		1		1	1	
<b>Profit/(loss) to owners of the parent</b>	<b>-5</b>	<b>6</b>	<b>neg.</b>	<b>-34</b>	<b>neg.</b>	<b>0</b>	<b>-23</b>	<b>neg.</b>

### Result for the quarter

Total income from maritime services was USD 146 million in the second quarter. This was up 2% from the previous quarter, but a 1% reduction when compared with the corresponding period last year. Income for the quarter included a USD 6 million gain from sale of a ship management property.

EBITDA was USD 29 million. Adjusting for the office sales gain, EBITDA was up 13% from the previous quarter. EBITDA adjusted for non-recurring items also increased when compared with the corresponding period last year.

Total financial items, including share of profit from associates and change in fair value financial assets, were a net expense of USD 31 million. Of this, USD 27 million was from reduction in the fair value of the investment in Survitec Group.

The quarter ended with a net loss after non-controlling interests of USD 5 million.

### Ships service

Wilhelmsen Ships Service is a global provider of standardised product brands and service solutions to the maritime industry, focusing on marine products, marine chemicals, maritime logistics and ships agency. Ships service is fully owned by Wilhelmsen.

Total income for ships service was down 3% from the first quarter, mainly due to a seasonal reduction in non-marine sale. Income from agency services improved. When compared with the corresponding period last year, income was down 6% following reduced marine product sales.

EBITDA was up from the first quarter, supported by improved operating margin for all marine activities.

### Ship management

Wilhelmsen Ship Management provides full technical management, crewing and related services for all major vessel types. Ship management is fully owned by Wilhelmsen.

Total income for ship management was lifted by an increase in ships on full technical management and a sales gain. Adjusting for the sales gain, income was up 7% from the previous quarter and up 9% from the corresponding period last year.

EBITDA was up for the quarter, reflecting increased operating activity and the sales gain.

### Other maritime services activities

This includes Wilhelmsen Insurance Services (fully owned by Wilhelmsen), Survitec Group (owned ~20%) and certain corporate activities. Survitec Group is reported as financial assets.

By the end of the quarter, the investment in Survitec Group was included with a fair value of nil. This was a reduction of USD 27 million when compared with the fair value at the end of the previous quarter. The reduction in fair value is based on a review of the present capital structure of the company.

Wilhelmsen Insurance Services had a stable performance, with total income and EBITDA in line with previous quarters.

## Segment information

# Supply services

The supply services segment includes NorSea Group, WilNor Governmental Services and other supply services activities.

USD mill - unless otherwise indicated	Q2'19	Q1'19	Q-on-Q Change	Q2'18	Y-o-Y Change	01.01- 30.06.19	01.01- 30.06.18	Y-o-Y Change
<b>Total income</b>	<b>60</b>	<b>54</b>	<b>10 %</b>	<b>73</b>	<b>-18 %</b>	<b>114</b>	<b>132</b>	<b>-14 %</b>
- NorSea Group	59	54	11 %	70	-15 %	113	126	-10 %
- Other/eliminations	1	1	-8 %	3	-83 %	1	7	-83 %
<b>EBITDA</b>	<b>14</b>	<b>17</b>	<b>-16 %</b>	<b>14</b>	<b>3 %</b>	<b>32</b>	<b>20</b>	<b>55 %</b>
- EBITDA margin (%)	24 %	32 %		19 %		28 %	15 %	
<b>Operating profit/EBIT</b>	<b>6</b>	<b>8</b>	<b>-31 %</b>	<b>9</b>	<b>-34 %</b>	<b>14</b>	<b>9</b>	<b>54 %</b>
- EBIT margin (%)	10 %	15 %		12 %		12 %	7 %	
Share of profit from associates	2	6	-67 %	4	-52 %	8	5	44 %
Other financial income/(expenses)	-4	-5		-4		-9	-8	
Tax income/(expense)	-1	-1		-1		-2	-2	
<b>Profit/(loss)</b>	<b>3</b>	<b>8</b>	<b>-68 %</b>	<b>8</b>	<b>-66 %</b>	<b>11</b>	<b>5</b>	<b>&gt;100%</b>
- Profit margin (%)	4 %	15 %		11 %		10 %	4 %	
- Non controlling interest	1	2		3		3	2	
<b>Profit/(loss) to owners of the parent</b>	<b>2</b>	<b>6</b>	<b>-70 %</b>	<b>5</b>	<b>-64 %</b>	<b>8</b>	<b>4</b>	<b>&gt;100%</b>

### Result for the quarter

Total income from supply services was USD 60 million in the second quarter. This was up 10% from the previous quarter, but down 18% when compared with the corresponding period last year.

EBITDA was USD 14 million, down 16% from the first quarter. Adjusting for a sales gain lifting result in the first quarter, EBITDA was up 33%. Compared with the corresponding period last year, EBITDA was relatively stable when adjusting for effects from implementation of IFRS 16 and last year sales gain.

Share of profit from associates was USD 2 million in the second quarter. This was down from the first quarter and the corresponding period last year, which both included a gain from sale of assets. Other financial expenses were USD 4 million for the quarter.

Net profit after minority interests was USD 2 million for the quarter.

### NorSea Group

NorSea Group provides supply bases and integrated logistics solution to the offshore industry. Wilhelmsen owns ~75,2% of NorSea Group.

Total income for NorSea Group was USD 59 million in the second quarter. Adjusting for sales gains, income was up 25% from the first quarter. Operating income benefitted from a strong increase in activity level at Norwegian supply bases, reflecting a traditionally stronger summer season. Compared with the corresponding period last year, income was down due to less project related activities.

EBITDA followed development in total income, with a seasonal increase in contribution from supply base activities offset by lack of any sales gain when compared with the first quarter.

### Other supply services activities

This includes WilNor Governmental Services (owned 51% directly and 49% through NorSea Group) and certain minor supply services activities.

Income continued at a low level, with no material project activity taking place during the quarter.



## Segment information

# Holding and investments

The holding and investments segment includes investments in Wallenius Wilhelmsen ASA and Treasure ASA, financial assets, and other holding and investments activities.

USD mill - unless otherwise indicated	Q2'19	Q1'19	Q-on-Q Change	Q2'18	Y-o-Y Change	01.01- 30.06.19	01.01- 30.06.18	Y-o-Y Change
<b>Total income</b>	<b>3</b>	<b>2</b>	<b>38 %</b>	<b>3</b>	<b>8 %</b>	<b>5</b>	<b>6</b>	<b>-6 %</b>
- Operating revenue	3	2	38 %	3	8 %	5	6	-6 %
- Gain on sale of assets	0	0		0		0	0	
<b>EBITDA</b>	<b>-1</b>	<b>-4</b>		<b>-4</b>		<b>-5</b>	<b>-8</b>	
<b>Operating profit/EBIT</b>	<b>-3</b>	<b>-5</b>		<b>-4</b>		<b>-8</b>	<b>-8</b>	
<b>Share of profit from associates</b>	<b>1</b>	<b>8</b>	<b>-92 %</b>	<b>6</b>	<b>-89 %</b>	<b>9</b>	<b>10</b>	<b>-9 %</b>
- Wallenius Wilhelmsen ASA	1	8	-94 %	6	-91 %	9	10	-7 %
- Other/eliminations	0	0		0		0	0	
<b>Change in fair value financial assets</b>	<b>126</b>	<b>-3</b>		<b>-236</b>		<b>123</b>	<b>-115</b>	
- Hyundai Glovis	119	-12		-250		106	-107	
- Qube Holdings/other financial assets	7	9		15		16	-8	
<b>Other financial income/(expenses)</b>	<b>1</b>	<b>18</b>	<b>-92 %</b>	<b>-7</b>	<b>neg.</b>	<b>20</b>	<b>7</b>	<b>171 %</b>
- Investment management (Holding)	2	6		-2		8	-2	
- Hyundai Glovis	0	13		0		13	12	
- Qube Holdings/other financial assets	1	1		0		2	1	
- Other financial income/(expense)	-1	-2		-5		-3	-4	
<b>Tax income/(expense)</b>	<b>0</b>	<b>-1</b>		<b>0</b>		<b>-2</b>	<b>0</b>	
<b>Profit/(loss) for the period</b>	<b>125</b>	<b>17</b>		<b>-241</b>		<b>142</b>	<b>-106</b>	
- Non controlling interest	32	0		-68		32	-26	
<b>Profit/(loss) to owners of the parent</b>	<b>93</b>	<b>17</b>		<b>-172</b>		<b>110</b>	<b>-80</b>	

## Result for the quarter

The holding and investments segment reported a profit of USD 93 million in the second quarter. The positive result followed a significant gain from change in fair value of Hyundai Glovis. Other investments also contributed positively, while share of profit from Wallenius Wilhelmsen ASA was USD 1 million for the quarter.

## Wallenius Wilhelmsen ASA

Wallenius Wilhelmsen ASA is a global provider of ocean and land-based logistics services towards car and ro-ro customers, and is listed on Oslo Børs. Wilhelmsen owns ~37,8% of the company, which is reported as associate in Wilhelmsen's accounts.

Total income for Wallenius Wilhelmsen ASA was USD 1 005 million in the second quarter, 1% down from the first quarter and down 4% from the corresponding period last year. The decrease from second quarter 2018 was driven by a 8% decline in ocean volumes, in part due to commercial priorities and in part by weaker auto markets. For land-based operations, income was up 6% from last year.

EBITDA was USD 211 million. This was down 3% from the first quarter, but up approximately 10% from the corresponding period last year when adjusting for the IFRS 16 effect. The improvement from last year was driven by higher net freight/CBM, more efficient operations and lower net bunker cost within the ocean segment. The landbased segment delivered overall stable performance.

Net financial expenses were negatively impacted by unrealised interest rate derivatives.

Wallenius Wilhelmsen ASA reported a net profit of USD 3 million for the quarter.

Wilhelmsen's share of profit was USD 1 million in the second quarter.

## Treasure ASA

Treasure ASA holds a 12.04% ownership interest in Hyundai Glovis, and is listed on Oslo Børs. Wilhelmsen owns ~73,5% of Treasure ASA.

Change in fair value of the shareholding in Hyundai Glovis was positive with USD 119 million for the quarter. The market value of the investment in Hyundai Glovis was USD 629 million at the end of the second quarter.

The 13 March annual general meeting in Treasure ASA approved the liquidation of 2.2 million own shares, reducing outstanding shares to 217.8 million. The liquidation was formally completed on 21 June. Wilhelmsen has maintained a holding of 160 million shares in Treasure ASA, increasing the ownership to 73.5%.

## Financial investments

Financial investments include cash and cash equivalents, current financial investments and other financial assets held by the parent and fully owned subsidiaries.

Change in fair value of the shareholdings in Qube Holdings and other non-current financial assets were a gain of USD 7 million for the quarter. During the quarter, Wilhelmsen reduced the investment in Qube Holdings from 50 to 40 million shares. Wilhelmsen also made several minor non-current financial investments at a total value of USD 7

million in the second quarter. Financial assets to fair value reported under the holding and investments segment was USD 105 million at the end of the second quarter (excluding Hyundai Glovis).

The current financial investment portfolio was USD 102 million by the end of the first quarter. The portfolio primarily included listed equities and investment-grade

bonds. Net income from investment management was a gain of USD 2 million for the quarter.

#### **Other holding and investments activities**

*Holding/other activities include general holding activities and certain non-financial investments, including Dolittle AS (50% owned), Massterly AS (50%) and Raa Labs AS (50%).*

Underlying income and EBITDA were broadly at normal levels.

## Risk update

The Wilhelmsen group consists of operating companies and investments exposed to the global economy and world merchandised trade. The main risks as considered by the board at that time are described in the annual report for 2018. While risk in general remains as described in the annual report, certain individual risk factors have been impacted by events which have taken place after completion of the annual report. This includes global trade and investment values.

Implementation of new tariffs and further escalation of trade tensions have had a negative impact on global trade. In the first half, automotive sales have fallen in main markets.

For listed investments, the share price of Wallenius Wilhelmsen ASA has traded down, while the share prices for most other investments have remained stable or increased. A change in market prices for these investments impacts the value adjusted equity of Wilhelmsen.

## Outlook

#### **Maritime services**

The first half year saw a modest increase in underlying operating results, supported by a gradual improvement in operating margin. This development is expected to continue into the second half of the year.

#### **Supply services**

Seasonality will continue to impact operating income and results, with a gradual reduction in offshore activities towards the end of the year.

#### **Holding and investments**

Wallenius Wilhelmsen maintains a balanced view on their prospects. There is uncertainty around the volume outlook, while the two-year performance improvement program will continue to support profitability going forward.

#### **Wilhelmsen group**

The board expects a stable development of underlying operating performance for the combined group activities, but with normal seasonal variations.

Wilhelmsen is exposed towards global trade. Potential introduction of further tariffs and restrictions continues to create uncertainties. Wilhelmsen retains its robustness to meet such eventualities.

Lysaker, 22 August 2019  
The board of directors of Wilh. Wilhelmsen Holding ASA

*Forward-looking statements presented in this report are based on various assumptions. These assumptions were reasonable when made, but as assumptions are inherently subject to uncertainties and contingencies which are difficult or impossible to predict. Wilhelmsen cannot give assurances that expectations regarding the outlook will be achieved or accomplished.*



## Income statement - financial report

USD mill	Note	Q2 2019	Q2 2018	YTD 2019	YTD 2018	Full year 2018
Operating revenue		200	219	392	429	867
Gain/(loss) on sale of assets		8	3	14	4	4
<b>Total income</b>		<b>208</b>	<b>222</b>	<b>406</b>	<b>433</b>	<b>871</b>
<b>Operating expenses</b>						
Cost of goods and change in inventory		(58)	(64)	(114)	(131)	(267)
Employee benefits		(73)	(82)	(148)	(165)	(320)
Other expenses		(35)	(76)	(69)	(122)	(206)
<b>Operating profit before depreciation and amortisation</b>		<b>42</b>	<b>0</b>	<b>75</b>	<b>16</b>	<b>78</b>
Depreciation and impairments	6	(17)	(10)	(34)	(20)	(42)
<b>Operating profit</b>		<b>25</b>	<b>(9)</b>	<b>42</b>	<b>(4)</b>	<b>36</b>
Share of profit from joint ventures and associates	4	3	11	19	17	36
Change in fair value financial assets	8	99	(241)	96	(117)	(116)
Other financial income/(expenses)	9	(7)	(30)	1	(18)	(41)
<b>Profit/(loss) before tax</b>		<b>120</b>	<b>(269)</b>	<b>157</b>	<b>(122)</b>	<b>(86)</b>
Tax income/(expenses)		2	3	(4)	(1)	12
<b>Profit/(loss) for the period</b>		<b>123</b>	<b>(266)</b>	<b>154</b>	<b>(123)</b>	<b>(75)</b>
Attributable to: non-controlling interests		33	(65)	35	(24)	(6)
owners of the parent		89	(201)	118	(99)	(69)
Basic earnings per share (USD)	7	1,92	(4,32)	2,55	(2,14)	(1,48)

## Comprehensive income - financial report

USD mill		Q2 2019	Q2 2018	YTD 2019	YTD 2018	Full year 2018
<b>Profit/(loss) for the period</b>		<b>123</b>	<b>(266)</b>	<b>154</b>	<b>(123)</b>	<b>(75)</b>
<b>Items that may be reclassified to income statement</b>						
Cash flow hedges (net after tax)					2	2
Comprehensive income from associates				1		
Currency translation differences		3	(41)	6	(12)	(57)
<b>Items that will not be reclassified to income statement</b>						
Remeasurement pension liabilities, net of tax						1
<b>Other comprehensive income, net of tax</b>		<b>2</b>	<b>(41)</b>	<b>7</b>	<b>(10)</b>	<b>(53)</b>
<b>Total comprehensive income for the period</b>		<b>125</b>	<b>(307)</b>	<b>161</b>	<b>(133)</b>	<b>(128)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent		91	(239)	125	(110)	(119)
Non-controlling interests		33	(67)	36	(23)	(9)
<b>Total comprehensive income for the period</b>		<b>125</b>	<b>(307)</b>	<b>161</b>	<b>(133)</b>	<b>(128)</b>

The above consolidated income statement should be read in conjunction with the accompanying notes.

## Balance sheet - financial report

USD mill	Note	30.06.2019	30.06.2018	31.12.2018
Deferred tax asset	5	59	26	54
Goodwill and other intangible assets	6	155	171	156
Vessels, property and other tangible assets	6	787	574	567
Investments in joint ventures and associates	4	991	1 018	1 018
Financial assets to fair value	8	734	650	650
Other non current assets		20	23	23
<b>Total non current assets</b>		<b>2 748</b>	<b>2 460</b>	<b>2 467</b>
Inventory		75	77	74
Current financial investments		103	91	88
Other current assets		315	331	311
Cash and cash equivalents		150	176	140
<b>Total current assets</b>		<b>642</b>	<b>676</b>	<b>612</b>
<b>Total assets</b>		<b>3 390</b>	<b>3 136</b>	<b>3 079</b>
Paid-in capital	7	122	122	122
Retained earnings	7/10	1 814	1 724	1 699
<b>Attributable to equity holders of the parent</b>		<b>1 936</b>	<b>1 845</b>	<b>1 821</b>
Non-controlling interests		224	182	196
<b>Total equity</b>		<b>2 159</b>	<b>2 027</b>	<b>2 017</b>
Pension liabilities		21	23	20
Deferred tax	5	12	9	12
Non-current interest-bearing debt	11	636	489	448
Other non-current liabilities		110	113	100
<b>Total non current liabilities</b>		<b>779</b>	<b>635</b>	<b>580</b>
Current income tax		11	4	13
Public duties payable		8	9	9
Current interest-bearing debt	11	76	102	85
Other current liabilities		356	359	375
<b>Total current liabilities</b>		<b>452</b>	<b>474</b>	<b>483</b>
<b>Total equity and liabilities</b>		<b>3 390</b>	<b>3 136</b>	<b>3 079</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

## Cash flow statement - financial report

USD mill	Note	Q2 2019	Q2 2018	YTD 2019	YTD 2018	Full year 2018
<b>Cash flow from operating activities</b>						
Profit/(loss) before tax		120	(269)	157	(122)	(86)
Share of profit from joint ventures and associates		(3)	(11)	(19)	(17)	(36)
Change in fair value financial assets	8	(99)	242	(96)	117	116
Other financial (income)/expenses		7	29	(1)	18	41
Depreciation/impairment	6	17	10	34		42
(Gain)/loss on sale of fixed assets	6	(11)	(5)	(8)	20	(4)
(Gain)/loss from sale of subsidiaries, joint ventures and associates				(6)	(4)	
Change in net pension asset/liability		1	2			(1)
Change in inventory		(2)		(1)	4	7
Change in other working capital		(36)	(29)	(40)	(28)	(6)
Tax paid (company income tax, withholding tax)		(3)	(2)	(6)	(5)	(12)
<b>Net cash provided by operating activities</b>		<b>(10)</b>	<b>(34)</b>	<b>15</b>	<b>(17)</b>	<b>62</b>
<b>Cash flow from investing activities</b>						
Dividend received from joint ventures and associates		14	16	20	18	20
Proceeds from sale of fixed assets	6	8	14	8	14	14
Investments in fixed assets	6	(9)	(10)	(18)	(18)	(54)
Net proceeds from sale of subsidiaries			7	3	7	7
Net proceeds from sale of joint ventures and associates				34		
Cash discontinued operations						(1)
Investments in subsidiaries, joint ventures and associates		(2)		(2)	(1)	
Repayments of loan from joint ventures and associates			17		17	17
Proceeds from sale of financial investments		47	53	156	62	71
Current financial investments		(25)	(14)	(138)	(21)	(38)
Interest received			3	1	3	4
<b>Net cash flow from investing activities</b>		<b>34</b>	<b>86</b>	<b>65</b>	<b>81</b>	<b>40</b>
<b>Cash flow from financing activities</b>						
Proceeds from issue of debt		50	62	59	72	153
Repayment of debt		(57)	(77)	(112)	(86)	(211)
Interest paid including interest derivatives		(13)	(8)	(20)	(15)	(29)
Dividend to shareholders/purchase of own shares		(17)	(26)	(17)	(26)	(40)
<b>Net cash flow from financing activities</b>		<b>(36)</b>	<b>(48)</b>	<b>(90)</b>	<b>(54)</b>	<b>(128)</b>
<b>Net increase in cash and cash equivalents *</b>		<b>(12)</b>	<b>4</b>	<b>(10)</b>	<b>9</b>	<b>(26)</b>
Cash and cash equivalents at the beg. of the period *		162	171	140	166	167
<b>Cash and cash equivalents at the end of the period *</b>		<b>150</b>	<b>176</b>	<b>129</b>	<b>176</b>	<b>140</b>

\*The group is located and operating world wide, and every entity has several bank accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Statement of changes in equity - financial report

### Statement of changes in equity - Year to date

USD mill	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 31.12.2018</b>	122	1 699	1 821	196	2 017
Implementation of IFRS 16 leasing			(0)		(0)
Profit for the period		118	118	35	154
Other comprehensive income		7	7		7
Change in non-controlling interests*		5	5	(5)	(0)
Buy own shares Treasury Group*		(1)	(1)		(1)
Paid dividends to shareholders		(13)	(13)	(4)	(17)
<b>Balance 30.06.2019</b>	<b>122</b>	<b>1 814</b>	<b>1 936</b>	<b>224</b>	<b>2 159</b>

\*Liquidation of 2.200.000 own shares in Treasury Group.

<b>Balance at 31.12.2017</b>	122	1 853	1 975	212	2 188
Profit for the period		(99)	(99)	(24)	(123)
Other comprehensive income		(10)	(10)	1	(10)
Change in non-controlling interests				(2)	(2)
Paid dividends to shareholders		(20)	(20)	(5)	(26)
<b>Balance 30.06.2018</b>	<b>122</b>	<b>1 724</b>	<b>1 845</b>	<b>182</b>	<b>2 027</b>

### Statement of changes in equity - Full year 2018

USD mill	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 31.12.2017</b>	122	1 853	1 975	212	2 188
Profit for the period		(69)	(69)	(6)	(75)
Other comprehensive income		(50)	(50)	(3)	(53)
Change in non-controlling interests				(1)	(1)
Put option in associate		(5)	(5)		(5)
Paid dividends to shareholders		(31)	(31)	(6)	(37)
<b>Balance 31.12.2018</b>	<b>122</b>	<b>1 699</b>	<b>1 821</b>	<b>196</b>	<b>2 017</b>

## Notes - financial report

### Note 1 - Accounting principles

#### General information

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2018 for Wilh. Wilhelmsen Holding ASA group (WWI), which has been prepared in accordance with IFRS's endorsed by the EU.

#### Changes in accounting policies – implementation of IFRS 16

##### Leases

IFRS 16 Leases replaces IAS 17 Leases that relate to the recognition, of leases and related disclosures. The adoption of IFRS 16 Leases from 1 January 2019 resulted in significant changes to the group's accounting for leases previously defined as operating leases under IAS 17.

In accordance with the implementation of IFRS 16, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term is on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

#### Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The effect of a change in an accounting estimate is recognised in the income statement in the period where the estimate is revised or in the period of the revision and future periods if the change affects both.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for the critical judgements in determining the lease term following the implementation of IFRS 16.

##### *Critical judgements in determining the lease term.*

From 1 January 2019 the group has implemented the new leasing standard IFRS 16. For all leases, except for short-term leases and leases of low value, a lease liability and a corresponding right-of-use asset is recognised in the balance sheet.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

#### Basic policies

The accounting policies implemented are consistent with those of the annual financial statements for WWI for the year end 31 December 2018.

#### Roundings

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

### Note 2 - Significant acquisitions and disposals

#### 2019

No material disposal or acquisition.

#### 2018

No material disposal or acquisition.

**Notes - financial report**
**Note 3 - Segment reporting: Income statement per operating segments**

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations		WWH group total	
	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018
<b>Quarter</b>										
Operating revenue	138	147	60	71	3	3	(2)	(2)	200	219
Gain on sale of assets	8	1		2					8	3
<b>Total income</b>	<b>146</b>	<b>148</b>	<b>60</b>	<b>73</b>	<b>3</b>	<b>3</b>	<b>(2)</b>	<b>(2)</b>	<b>208</b>	<b>222</b>
<b>Operating expenses</b>										
Cost of goods and change in inventory	(44)	(48)	(13)	(15)					(58)	(64)
Employee benefits	(49)	(55)	(22)	(24)	(2)	(4)			(73)	(82)
Other expenses	(25)	(54)	(10)	(20)	(2)	(3)	1	2	(35)	(76)
<b>Operating profit/(loss) before depreciation and amortisation</b>	<b>29</b>	<b>(9)</b>	<b>14</b>	<b>14</b>	<b>(1)</b>	<b>(4)</b>	<b>(0)</b>	<b>(0)</b>	<b>42</b>	<b>0</b>
Depreciation and impairments	(7)	(4)	(9)	(5)	(1)				(17)	(10)
<b>Operating profit/(loss)</b>	<b>22</b>	<b>(13)</b>	<b>6</b>	<b>9</b>	<b>(3)</b>	<b>(4)</b>	<b>(0)</b>	<b>(0)</b>	<b>25</b>	<b>(9)</b>
Share of profit from associates	1	1	2	4	1	6			3	11
Change in fair value financial assets	(27)	(5)			126	(236)			99	(241)
Other financial income/(expenses)	(4)	(19)	(4)	(4)	1	(7)			(7)	(30)
<b>Profit/(loss) before tax</b>	<b>(9)</b>	<b>(37)</b>	<b>3</b>	<b>9</b>	<b>125</b>	<b>(241)</b>	<b>(0)</b>	<b>(0)</b>	<b>120</b>	<b>(269)</b>
Tax income/(expense)	4	4	(1)	(1)	(0)				2	3
<b>Profit/(loss) for the period</b>	<b>(5)</b>	<b>(33)</b>	<b>3</b>	<b>8</b>	<b>125</b>	<b>(241)</b>	<b>(0)</b>	<b>(0)</b>	<b>123</b>	<b>(266)</b>
Non-controlling interests		1	1	3	32	(68)			33	(65)
<b>Profit/(loss) to the owners of parent</b>	<b>(5)</b>	<b>(34)</b>	<b>2</b>	<b>5</b>	<b>93</b>	<b>(172)</b>	<b>(0)</b>	<b>(0)</b>	<b>89</b>	<b>(201)</b>
<b>Implementation of IFRS 16 leasing</b>										
Operating expenses	2,9		4,5		1,3				8,8	
Depreciation	(3,5)		(3,7)		(0,6)				(7,8)	
Financial expenses	(0,8)		(1,7)		(0,4)				(3,0)	
<b>Net effects of IFRS 16 for the quarter</b>	<b>(1,4)</b>		<b>(0,9)</b>		<b>0,3</b>		<b>0,0</b>		<b>(2,0)</b>	

The income statement Q2 per segment is including IFRS 16 effects.



## Cont. Note 3 - Segment reporting: Income statement per operating segments

USD mill	Maritime Services			Supply Services			Holding & Investments			Eliminations			WWH group total		
	YTD 2019	YTD 2018	Full year 2018	YTD 2019	YTD 2018	Full year 2018	YTD 2019	YTD 2018	Full year 2018	YTD 2019	YTD 2018	Full year 2018	YTD 2019	YTD 2018	Full year 2018
<b>YTD</b>															
Operating revenue	282	297	580	108	130	283	5	6	11	(3)	(3)	(7)	392	429	867
Gain on sale of assets	8	2	2	6		3							14	4	4
<b>Total income</b>	<b>290</b>	<b>299</b>	<b>582</b>	<b>114</b>	<b>132</b>	<b>285</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>(3)</b>	<b>(3)</b>	<b>(7)</b>	<b>406</b>	<b>433</b>	<b>871</b>
<b>Operating expenses</b>															
Cost of goods and change in inventory	(91)	(103)	(198)	(23)	(27)	(68)		(1)	(1)				(114)	(131)	(267)
Employee benefits	(100)	(110)	(212)	(42)	(47)	(96)	(7)	(7)	(13)				(148)	(165)	(320)
Other expenses	(51)	(81)	(130)	(18)	(38)	(71)	(3)	(6)	(12)	3	3	6	(69)	(122)	(206)
<b>Operating profit before depreciation and amortisation</b>	<b>49</b>	<b>3</b>	<b>42</b>	<b>32</b>	<b>20</b>	<b>51</b>	<b>(5)</b>	<b>(8)</b>	<b>(14)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>75</b>	<b>16</b>	<b>78</b>
Depreciation and impairments	(13)	(8)	(16)	(18)	(11)	(26)	(3)		(1)				(34)	(20)	(42)
<b>Operating profit</b>	<b>36</b>	<b>(5)</b>	<b>26</b>	<b>14</b>	<b>9</b>	<b>25</b>	<b>(8)</b>	<b>(8)</b>	<b>(15)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>42</b>	<b>(4)</b>	<b>36</b>
Share of profit from associates	2	2	4	8	5	9	9	10	23				19	17	36
Changes in fair value financial assets	(27)	(2)	(61)				123	(115)	(56)				96	(117)	(116)
Net finance income / expenses	(10)	(18)	(37)	(9)	(8)	(15)	20	7	10				1	(18)	(41)
<b>Profit/(loss) before tax</b>	<b>1</b>	<b>(23)</b>	<b>(68)</b>	<b>13</b>	<b>7</b>	<b>20</b>	<b>143</b>	<b>(106)</b>	<b>(38)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>157</b>	<b>(122)</b>	<b>(86)</b>
Tax income/(expense)		1	13	(2)	(2)	(4)	(2)		3				(4)	(1)	12
<b>Profit/(loss) for the period</b>	<b>1</b>	<b>(22)</b>	<b>(55)</b>	<b>11</b>	<b>5</b>	<b>15</b>	<b>142</b>	<b>(106)</b>	<b>(35)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>154</b>	<b>(123)</b>	<b>(75)</b>
Non-controlling interests	1		2	3	2	4	32	(26)	(12)				35	(24)	(6)
<b>Profit/(loss) to the owners of parent</b>	<b>0</b>	<b>(23)</b>	<b>(56)</b>	<b>8</b>	<b>4</b>	<b>11</b>	<b>110</b>	<b>(80)</b>	<b>(23)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>118</b>	<b>(99)</b>	<b>(69)</b>
<b>Implementation of IFRS 16 leasing</b>															
Operating expenses	6,0			9,1			2,6							17,7	
Depreciation	(6,3)			(7,5)			(1,8)							(15,5)	
Financial expenses	(1,5)			(3,5)			(1,0)							(6,0)	
<b>Net effects of IFRS 16 YTD</b>	<b>(1,8)</b>			<b>(1,9)</b>			<b>(0,2)</b>			<b>0,0</b>				<b>(3,9)</b>	

## Notes - financial report

### Cont note 3 - Segment reporting: Balance sheet per operating segments

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations		Total	
	30.06 2019	30.06 2018	30.06 2019	30.06 2018	30.06 2019	30.06 2018	30.06 2019	30.06 2018	30.06 2019	30.06 2018
<b>Year to date</b>										
<b>Assets</b>										
Deferred tax asset	49	19	3	3	8	5			59	26
Intangible assets	149	161	6	10					155	171
Tangible assets*	240	183	500	388	53	2	(6)		787	574
Investments in joint ventures and associates	10	12	133	166	848	840			991	1 018
Financial assets to fair value		80			734	569			734	650
Other non current assets	13	13	5	7	16	24	(14)	(21)	20	23
Current financial investments					102	91			103	91
Other current assets	311	331	76	80	4	8	(2)	(9)	390	409
Cash and cash equivalents	94	112	11	9	44	54			150	176
<b>Total assets</b>	<b>867</b>	<b>911</b>	<b>734</b>	<b>662</b>	<b>1 811</b>	<b>1 592</b>	<b>(22)</b>	<b>(29)</b>	<b>3 390</b>	<b>3 136</b>
<b>Equity and liabilities</b>										
Equity majority	202	300	161	156	1 573	1 389			1 936	1 845
Equity non-controlling interest	(1)		56	54	169	129			224	182
Deferred tax	12	9							12	9
Interest-bearing debt**	251	201	421	353	60	55	(20)	(18)	712	591
Other non current liabilities	104	111	22	18	5	10		(2)	131	137
Other current liabilities	299	289	75	81	4	10	(2)	(9)	375	372
<b>Total equity and liabilities</b>	<b>867</b>	<b>911</b>	<b>734</b>	<b>662</b>	<b>1 811</b>	<b>1 592</b>	<b>(22)</b>	<b>(29)</b>	<b>3 390</b>	<b>3 136</b>
IFRS16 leasing										
*Right of use (included in tangible assets)	47		119		52				218	
**Leasing debt (included in interest-bearing debt)	47		119		52				218	

**Notes - financial report**

## Cont note 3 - Segment reporting: Cash flow per segment

USD mill	Maritime Services		Supply Services		Holding & Investments		
	Quarter	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018
Profit before tax		(9)	(37)	3	9	126	(241)
Change in fair value financial assets		27	5			(126)	236
Share of profit from joint ventures and associates		(1)	(1)	(2)	(4)	(1)	(6)
Other financial (income)/expenses		5	19	4	4	(1)	6
Depreciation/impairment		7	4	9	5	1	
Change in working capital		(29)	(9)	(5)	(12)	0	
Net (gain)/loss from sale of subsidiaries and fixed assets		(7)	(1)		(2)		
<b>Net cash provided by operating activities</b>		<b>(6)</b>	<b>(20)</b>	<b>10</b>	<b>0</b>	<b>(1)</b>	<b>(4)</b>
Dividend received from joint ventures and associates		2	2	3	14	6	
Net sale/(investments) in fixed assets		4	(2)	(7)	(1)		
Net investments in subsidiaries						7	
Net sale/(investments) in joint ventures and associates		1	17		7	(3)	(3)
Current financial investments			2			23	39
<b>Net cash flow from investing activities</b>		<b>6</b>	<b>19</b>	<b>(4)</b>	<b>20</b>	<b>32</b>	<b>36</b>
Net change of debt		(2)	5	7	(11)	(14)	(6)
Net change in other financial items		(6)	(4)	(3)	(4)		(1)
Net dividend from other segments/ to shareholders		(36)	(32)	(4)	(6)	9	12
<b>Net cash flow from financing activities</b>		<b>(44)</b>	<b>(30)</b>	<b>0</b>	<b>(21)</b>	<b>(5)</b>	<b>4</b>
<b>Net increase in cash and cash equivalents</b>		<b>(43)</b>	<b>(31)</b>	<b>6</b>	<b>(0)</b>	<b>26</b>	<b>36</b>
Cash and cash equivalents at the beg. of the period		137	143	6	10	19	18
<b>Cash and cash equivalents at the end of period</b>		<b>94</b>	<b>112</b>	<b>11</b>	<b>9</b>	<b>45</b>	<b>54</b>

## Notes - financial report

### Note 4 - Investment in joint ventures and associates

Joint ventures and associates at end June 2019 are:

#### USD mill

	Ownership	30.06.2019 Booked value	30.06.2018 Booked value
<b>Holding and Investments segment:</b>			
Wallenius Wilhelmsen ASA	37.8%	845	839
Other	50 %	3	1
<b>Maritime services segment:</b>			
Associates	20 - 50%	10	12
<b>Supply services segment:</b>			
<i>Joint venture</i>			
Coast Center Base	50 %	103	104
Vikan Næringspark Invest AS	50 %	17	16
Other	50 %	1	
<i>Associates</i>			
Risavika Havn AS	42.8%		30
Risavika Eiendom AS	42 %	7	9
Hammerfest Næringsinvest AS	32 %	1	2
Other	33 - 49%	3	6
<b>Total investment in joint ventures and associates</b>		<b>991</b>	<b>1 018</b>

	Q2 2019	Q2 2018	YTD 2019	YTD 2018
<b>Share of profit from joint ventures and associates</b>				
Wallenius Wilhelmsen ASA	1	6	9	10
Other joint ventures and associates in Holding and Investments				
Joint ventures and associates in Supply Services	2	4	8	5
Associates in Maritime Services	1	1	2	2
<b>Share of profit from joint ventures and associates</b>	<b>3</b>	<b>11</b>	<b>19</b>	<b>17</b>

### Note 5 - Tax

The effective tax rate for the group will, from period to period, change dependent on the group gains and losses from investments inside the exemption method.

## Notes - financial report

### Note 6 - Tangible and intangible assets

USD mill	Vessels	Property	Other tangible assets	Intangible assets	Total tangible and intangible assets
<b>2019 - Year to date</b>					
Cost 1.1	35	550	251	225	1 061
Acquisition		10	8		18
Reclass/disposal		(2)	(10)		(12)
Currency translation differences	1	8	2	4	15
<b>Cost 30.06</b>	<b>36</b>	<b>566</b>	<b>252</b>	<b>228</b>	<b>1 082</b>
Accumulated depreciation and impairment losses 1.1	(18)	(162)	(89)	(68)	(337)
Depreciation/amortisation	(1)	(9)	(5)	(3)	(18)
Reclass/disposal		3	2		5
Currency translation differences		(2)	(1)	(1)	(5)
<b>Accumulated depreciation and impairment losses 30.06</b>	<b>(19)</b>	<b>(170)</b>	<b>(93)</b>	<b>(73)</b>	<b>(355)</b>
<b>Carrying amounts 30.06</b>	<b>17</b>	<b>397</b>	<b>158</b>	<b>155</b>	<b>727</b>

#### 2019 Lease assets Right of use - Year to date

Implementation IFRS 16		210	12		222
Additional		2			2
Reclass/disposal		6			6
Currency translation differences		2			2
<b>Cost 30.06</b>		<b>219</b>	<b>12</b>		<b>231</b>
Accumulated depreciation and impairment losses 1.1					
Depreciation/amortisation		(14)	(2)		(16)
<b>Accumulated depreciation and impairment losses 30.06</b>		<b>(14)</b>	<b>(2)</b>		<b>(16)</b>
<b>Carrying amounts 30.06</b>		<b>205</b>	<b>10</b>		<b>215</b>

USD mill	Vessels	Property	Other tangible assets	Intangible assets	Total tangible and intangible assets
<b>2018 - Year to date</b>					
Cost 1.1	36	575	269	243	1 123
Acquisition		8	8	3	19
Reclass/disposal		(18)	(29)	(10)	(57)
Currency translation differences		(3)	(3)		(5)
<b>Cost 30.06</b>	<b>36</b>	<b>563</b>	<b>245</b>	<b>236</b>	<b>1 080</b>
Accumulated depreciation and impairment losses 1.1	(17)	(159)	(114)	(71)	(362)
Depreciation/amortisation	(1)	(10)	(6)	(4)	(20)
Reclass/disposal		1		10	43
Currency translation differences		2	1		2
<b>Accumulated depreciation and impairment losses 30.06</b>	<b>(18)</b>	<b>(166)</b>	<b>(119)</b>	<b>(65)</b>	<b>(336)</b>
<b>Carrying amounts 30.06</b>	<b>19</b>	<b>397</b>	<b>125</b>	<b>171</b>	<b>744</b>

**Notes - financial report**
**Cont. note 6 - Tangible and intangible assets**

USD mill	Vessels	Property	Other tangible assets	Intangible assets	Total tangible and intangible assets
<b>2018 - Full year</b>					
Cost 1.1	36	575	269	243	1 123
Acquisition	1	28	24	4	56
Business combination				2	2
Reclass/disposal		(18)	(32)	(11)	(62)
Currency translation differences	(2)	(34)	(10)	(12)	(59)
<b>Cost 31.12</b>	<b>35</b>	<b>550</b>	<b>251</b>	<b>225</b>	<b>1 061</b>
Accumulated depreciation and impairment losses 1.1	(17)	(159)	(114)	(71)	(362)
Depreciation/amortisation	(1)	(19)	(11)	(7)	(39)
Business combination		6	32		38
Reclass/disposal	(1)	1		10	10
Impairment				(3)	(4)
Currency translation differences	1	9	5	4	19
<b>Accumulated depreciation and impairment losses 31.12</b>	<b>(18)</b>	<b>(162)</b>	<b>(89)</b>	<b>(68)</b>	<b>(337)</b>
<b>Carrying amounts 31.12</b>	<b>18</b>	<b>388</b>	<b>162</b>	<b>156</b>	<b>723</b>



## Notes - financial report

### Note 7 - Shares

The share capital is as follow with a nominal value of NOK 20:

A - shares	34 537 092
B - shares	11 866 732
<b>Total shares</b>	<b>46 403 824</b>

Earnings per share taking into consideration the number of outstanding shares in the period.

Basic earnings per share is calculated by dividing profit for the period after non-controlling interests, by average number of total outstanding shares.

Earnings per share is calculated based on 46 403 824 shares for 2019, and each quarter in 2018.

### Note 8 - Financial assets to fair value

USD mill	30.06.2019	30.06.2018	31.12.2018
<b>Financial assets to fair value</b>			
At 1 January	650	801	801
Acquisition	7	1	6
Reclassified	2		
Sale during the year	(20)	(27)	(27)
Return of capital			(1)
Currency translation adjustment through other comprehensive income		(8)	(13)
Change in fair value through income statement	96	(117)	(116)
<b>Total financial assets to fair value</b>	<b>734</b>	<b>650</b>	<b>650</b>

Financial assets to fair value are held in subsidiaries with different functional currencies and thereby creating translation adjustment.

### Note 9 - Other financial income/(expenses)

	Q2 2019	Q2 2018	YTD 2019	YTD 2018	Full year 2018
Investment management	2	(2)	8	(6)	(6)
Interest income		3	1	3	4
Other financial income	1		15	15	18
Interest expenses	(11)	(12)	(21)	(18)	(34)
Net financial currency		(19)	(2)	(12)	(23)
<b>Other financial income/(expenses)</b>	<b>(7)</b>	<b>(30)</b>	<b>1</b>	<b>(18)</b>	<b>(41)</b>

### Note 10 - Paid dividend

Dividend for fiscal year 2017 was NOK 5.50 per share, where NOK 3.50 per share was paid in May 2018 and NOK 2.00 per share was paid in November 2018.

The proposed dividend for fiscal year 2018 in 2019 is NOK 2.50 per share, was

approved by the annual general meeting on 30 April 2019, and was paid to the shareholders 15 May 2019.

## Notes - financial report

### Note 11 - Interest-bearing debt

USD mill	30.06.2019	30.06.2018	31.12.2018
Non current interest-bearing debt	442	489	448
Current interest-bearing debt	51	102	85
Non current leasing debt	193		
Current leasing debt	25		
<b>Total interest-bearing debt</b>	<b>712</b>	<b>591</b>	<b>533</b>
Cash and cash equivalents	150	176	140
Current financial investments	103	91	88
<b>Net interest-bearing debt</b>	<b>460</b>	<b>325</b>	<b>306</b>

Loan agreements entered into by group companies contain financial covenants related to equity ratio, liquidity, current ratio and net interest-bearing debt / EBITDA measured in respect of the relevant borrowing company or group of

companies. The group was in compliance with these covenants at 30 June 2019 (analogous for 30 June 2018).

#### Specification of interest-bearing debt

USD mill	30.06.2019	30.06.2018	31.12.2018
<b>Interest-bearing debt</b>			
Bankloan	494	591	533
Leasing debt	218		
<b>Total interest-bearing debt</b>	<b>712</b>	<b>591</b>	<b>533</b>
<b>Repayment schedule for interest-bearing debt</b>			
Due in 1 year	76	102	85
Due in 2 year	49	24	55
Due in 3 year	40	24	22
Due in 4 year	239	20	217
Due in 5 year and later	308	421	153
<b>Total interest-bearing debt</b>	<b>712</b>	<b>591</b>	<b>533</b>

## Notes - financial report

### Note 12 - Financial level

USD mill	Level 1	Level 2	Level 3	Total
<b>2019</b>				
<b>Financial assets at fair value</b>				
Equities	47	8		55
Bonds	47			47
Financial derivatives		1		1
Financial assets at fair value	717		17	734
<b>Total financial assets 30.06</b>	<b>812</b>	<b>9</b>	<b>17</b>	<b>837</b>
<b>Financial liabilities at fair value</b>				
Financial derivatives		(7)		(7)
<b>Total financial liabilities 30.06</b>	<b>0</b>	<b>(7)</b>	<b>0</b>	<b>(7)</b>
<b>2018</b>				
<b>Financial assets at fair value</b>				
Equities	47			47
Bonds	44			44
Financial derivatives		1		1
Financial assets at fair value	557		92	650
<b>Total financial assets 30.06</b>	<b>648</b>	<b>1</b>	<b>92</b>	<b>742</b>
<b>Financial liabilities at fair value</b>				
Financial derivatives		12		12
<b>Total financial liabilities 30.06</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>12</b>

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes. These quotes use the maximum number of observable market rates for price discovery. Specific valuation techniques used by financial counterparties (banks) to value financial derivatives include:

- Quoted market prices or dealer quotes for similar derivatives
- The fair value of interest rate swaps is calculated as the net present value of the estimated future cash flows based on observable yield curves
- The fair value of interest rate swap option (swaption) contracts is determined using observable volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in a swaption premium. Options are typically valued by applying the Black-Scholes model.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to net present value
- The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curves and time-to-maturity parameters at the balance sheet date, resulting in an option premium. Options are typically valued by applying the Black-Scholes model.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial derivatives.

The fair values, except for bond debt, are based on cash flows discounted using a rate based on market rates including margins and are within level 2 of the fair

value hierarchy. The fair values of the bond debt are based on quoted prices and are also classified within level 2 of the fair value hierarchy due to limited trading in an active market.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the group is the current mid price. These instruments are included in level 1. Instruments included in level 1 at the end of June 2019 are liquid investment grade bonds (analogous for 2018).

The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes (Mark-to-Market). These quotes use the maximum number of observable market rates for price discovery. The different techniques typically applied by financial counterparties (banks) were described above. These instruments - FX and IR derivatives - are included in level 2.

If one or more of the significant inputs is not based on observable market data, the derivatives is in level 3. Primarily illiquid investment funds and structured notes are included in level 3.

## Note 13 Leasing IFRS 16

The new IFRS 16 Leasing standard is effective from 1 January 2019. The standard will significantly change how the company accounts for its lease contracts for land, buildings and equipment currently accounted for as operating leases. Virtually all leases will be brought into the balance sheet increasing the groups assets and liabilities, in addition to affecting income statement figures. This note summarizes the impact on the financial reporting of the group from implementing the new standard. According to the company's existing loan agreements, the new standard will not result in breach of debt covenants.

### The Lease Contracts

The company has a number of leases related to property and land that account for the significant part of the lease liability. The group also leases vehicle and equipment. A lease liability and right-of-use asset will be presented for these contracts which previously were reported as operating leases.

### Recognition and Measurement Approach on Transition

Wilhelmsen group will apply IFRS 16 retrospectively with recognition of the cumulative implementation effect recognised at the date of initial application 1 January 2019. By doing this, comparative financial information shall not be restated, but the cumulative effect of initially applying this standard are reflected as an adjustment to the opening balance. At the time of transition, leases entered under IAS 17 will not be reassessed.

As of 1 January 2019, the lease liabilities are measured at the present value of remaining lease payments, discounted using the incremental borrowing rate at

### Implementation effect

#### Impact on equity

The net effect on equity as at 1 January 2019 is presented below.

#### USD million

Lease liability at 1 January 2019	220
Right-of-use asset at 1 January 2019	222
<b>Difference between lease liability and right-of-use asset at 1 January 2019</b>	<b>2</b>
<b>Effect from prepayments and currency translation</b>	<b>2</b>

such date. The right-of-use assets are measured at an amount equal to the lease liability.

The standard has provided options on scope and exemptions and below the group's policy choices are described:

- The standard will not be applied to leases of intangible assets and these will continue to be recognized in accordance with IAS 38 Intangible assets.
- All leases deemed short-term by the standard are exempt from reporting.
- All leases deemed to be of low value by the standard are exempt from reporting.
- Non-lease components shall be separated from the lease component in all vessel leases. For other lease agreements, the group will apply a materiality threshold when evaluating separation.

## Notes - financial report

### Note 14 - Related party transactions

WWH delivers services to the Wallenius Wilhelmsen group. These include primarily in-house services such as canteen, post, switchboard and rent of office facilities.

Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

In addition Maritime Services have several transactions with associates. The

contracts governing such transactions are based on commercial market terms.

### Note 15 - Contingencies

The size and global activities of the group dictate that companies in the group will be involved from time to time in disputes and legal actions.

The group is not aware of any financial risk associated with disputes and legal actions which are not largely covered through insurance arrangements.

Nevertheless, any such disputes/actions which might exist are of such a nature that they will not significantly affect the group's financial position.

### Note 16 - Events occurring after the balance sheet date

No material events occurred between the balance sheet date and the date when the accounts were presented providing new information about the conditions prevailing on the balance sheet date.

## Notes 17 Alternative performance measures

This section describes non-GAAP financial alternative performance measures (APM) that may be used in the quarterly and annual reports and related presentations.

The following measures are not defined nor specified in the applicable financial reporting framework of IFRS. They may be considered as non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to the IFRS. These APMs are intended to enhance comparability of the results, balance sheet and cash flows from period to period and it is the Company's experience that these are frequently used by investors, analysts and other parties. Internally, these APMs are used by the management to measure performance on a regular basis. The APMs should not be considered as a substitute for measures of performance in accordance with IFRS.

**EBITDA** is defined as Total income (Operating revenue and gain/(loss) on sale of assets) adjusted for Operating expenses. EBITDA is used as an additional measure of operational profitability, excluding the impact from financial items, taxes, depreciation and amortization.

**EBITDA adjusted** is defined as EBITDA excluding certain income and/or cost items which are not regarded as part of the underlying operational performance for the period. The Company do not report EBITDA adjusted on a regular basis, but may use it on a case by case basis to better explain operational performance.

**EBITDA margin** is defined as EBITDA as a per cent of of Total income.

**EBITDA margin adjusted** is defined as EBITDA adjusted as a per cent of Total income, with Total income also adjusted for the same income elements as those which have been adjusted for in EBITDA adjusted.

**EBIT** is defined as Total income (Operating revenue and

gain/(loss) on sale of assets) less Operating expenses, Other gain/loss and depreciation and amortization. EBIT is used as a measure of operational profitability excluding the effects of how the operations were financed, taxed and excluding foreign exchange gains & losses.

**EBIT adjusted, EBIT margin and EBIT margin adjusted** will, if used, be prepared in the same manner as described under EBITDA.

**Net interest-bearing debt (NIBD)** is defined as total interest bearing debt (Non-current interest-bearing debt and Current interest-bearing debt) less Cash and cash equivalents and Current financial investments.

**Equity ratio** is defined as Total equity as a percent of Total assets.



## Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2019 have been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the group's assets, liabilities, financial position and profit as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Lysaker, 22 August 2019

The board of directors of Wilh. Wilhelmsen Holding ASA

Diderik Schnitler  
Chair  
sign

Carl Erik Steen  
sign

Irene Waage Basili  
sign

Trond Ødegård Westlie  
sign

Cathrine Løvenskiold Wilhelmsen  
sign

Thomas Wilhelmsen  
Group CEO  
sign

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