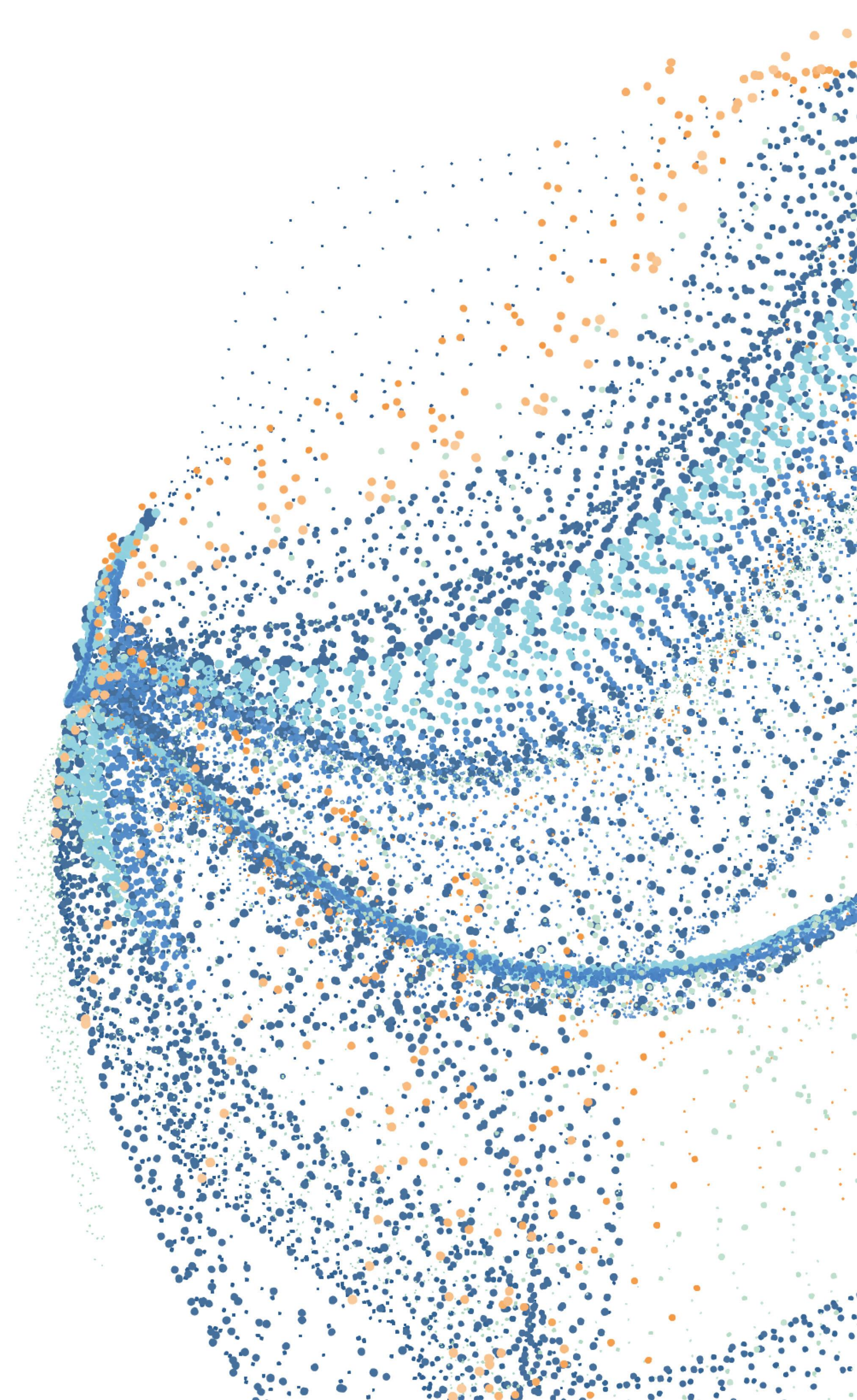


# Wilh. Wilhelmsen Holding ASA

## Third quarter 2019

November 2019



# Highlights

Third quarter 2019

- **Positive EBITDA development**
  - Revenue growth and margin improvement for maritime services
  - Further uplift for supply services
- **Strong contribution from Wallenius Wilhelmsen**
- **Reduction in Hyundai Glovis value**
- **Buyback of own shares**

## Post quarter event

- **Second dividend of NOK 2,50 per share**



# Group result lifted by strong EBITDA and profit from associates

USD 7 million net loss in Q3'19 due to non-cash financial loss

USD mill	Maritime services	Supply services	Holding/ Investm.	Elim./ discount.	Group
- unless otherwise indicated	Q3'19	Q3'19	Q3'19	Q3'19	Q3'19
<b>Total income</b>	150	69	3	-2	220
- of which operating revenue	149	69	3	-2	219
- of which gain/(loss) on sale of assets	1	0	0	0	1
<b>EBITDA</b>	31	15	-4	-1	42
<b>Operating profit/EBIT</b>	24	5	-5	0	24
<b>Share of profits from associates</b>	1	4	13	0	18
<b>Change in fair value financial assets</b>	0	0	-37	0	-37
<b>Other financial income/(expenses)</b>	-18	-5	3	0	-20
<b>Tax income/(expenses)</b>	-2	-1	3	0	-2
<b>Profit/(loss) from continued operations</b>	5	2	-25	0	-18
<b>Discontinued operations</b>	0	0	0	0	0
<b>Profit/(loss) for the period</b>	5	2	-25	0	-18
<b>Profit/(loss) to owners of the parent</b>	5	2	-14	0	-7
<b>EPS (USD)</b>					-0,15
<b>Other comprehensive income</b>					-43
<b>Total comprehensive income</b>					-61
<b>Total comprehensive income owners of parent</b>					-47
<b>Total assets</b>	852	677	1 764	-37	3 256
<b>Equity parent</b>	191	153	1 515	0	1 859
<b>Total equity</b>	189	206	1 672	0	2 068
<b>Equity ratio</b>	22 %	30 %	95 %	0 %	64 %

**Total income up 6% from previous quarter**

**USD 42 million EBITDA**

- Revenue growth and margin improvement

**USD 18 million share of profit from associates**

- Mainly Wallenius Wilhelmsen ASA

**USD 57 million net financial loss**

- Reduction in Hyundai Glovis value
- Unrealised FX loss from appreciation of USD

**USD -0.15 EPS**



# Improved operating performance for maritime services

USD 31 million EBITDA in Q3'19

## Income up 2% q-on-q

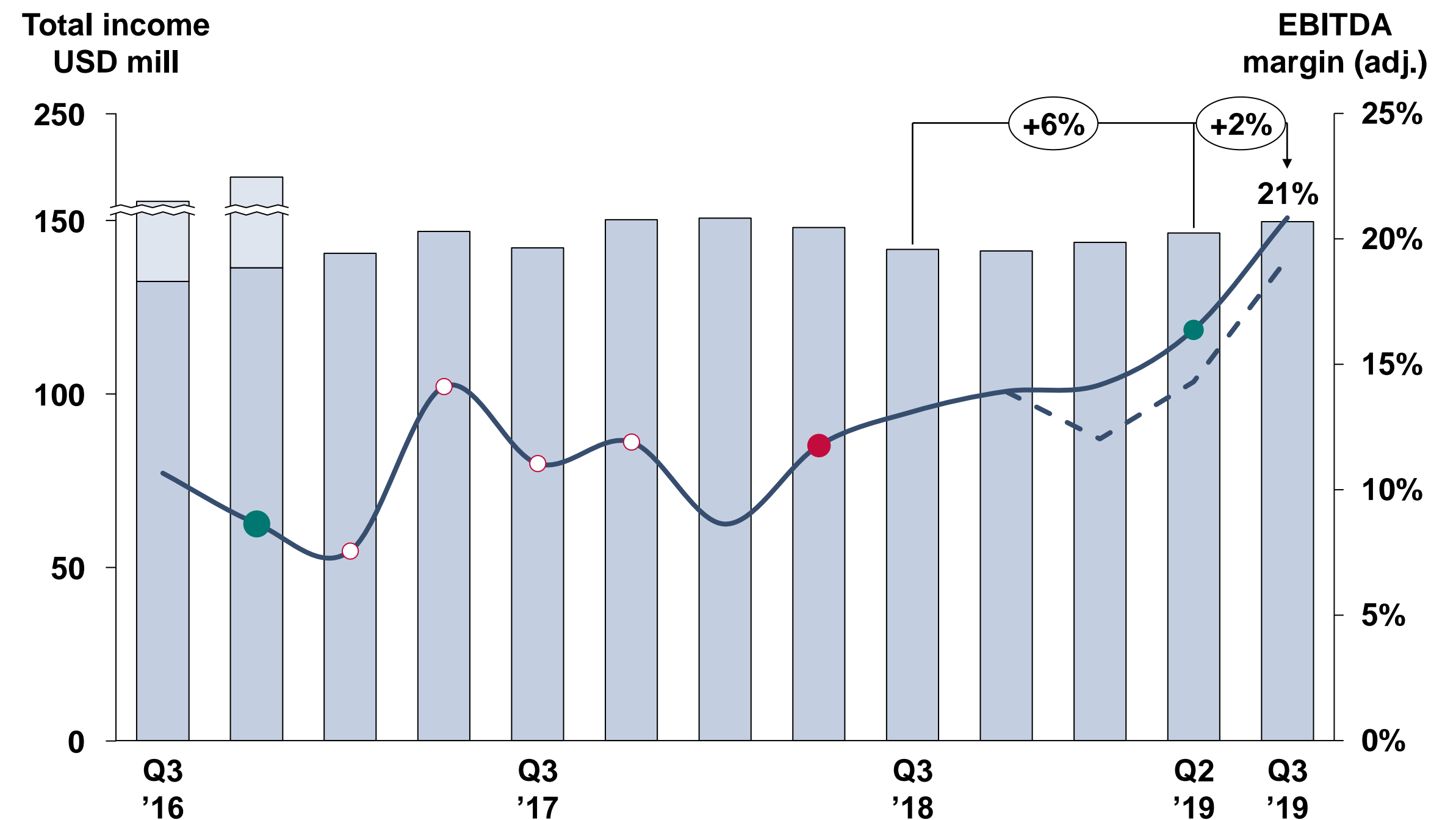
- Increased sale of marine products within ships service, partly due to IMO 2020 transition
- Ship management income lifted by increase in vessels on full technical management and new offshore wind activities

## Reported EBITDA up 9% q-on-q

- EBITDA adjusted for Q2 sales gain up 35% q-on-q
- EBITDA margin of 21%



## Maritime services - total income and adjusted EBITDA margin \*)



- Total income - discontinued operation and gain/(loss) on sale of assets
- Total income - continued operation
- Adj EBITDA margin
- - Adj EBITDA margin - excl. IFRS 16 (from Q1'19)
- Main non-recurring gain
- Main non-recurring loss (size indicates USD effect)

\*) Margin adjusted for main non-recurring items:  
 Q4'16: Sales gain and transaction/restructuring cost  
 Q1'17-Q2'18: Drew acquisition cost  
 Q2'19 Property sales gain



# Seasonal upswing for supply services

USD 15 million EBITDA in Q3'19

## Income up 15% q-o-q

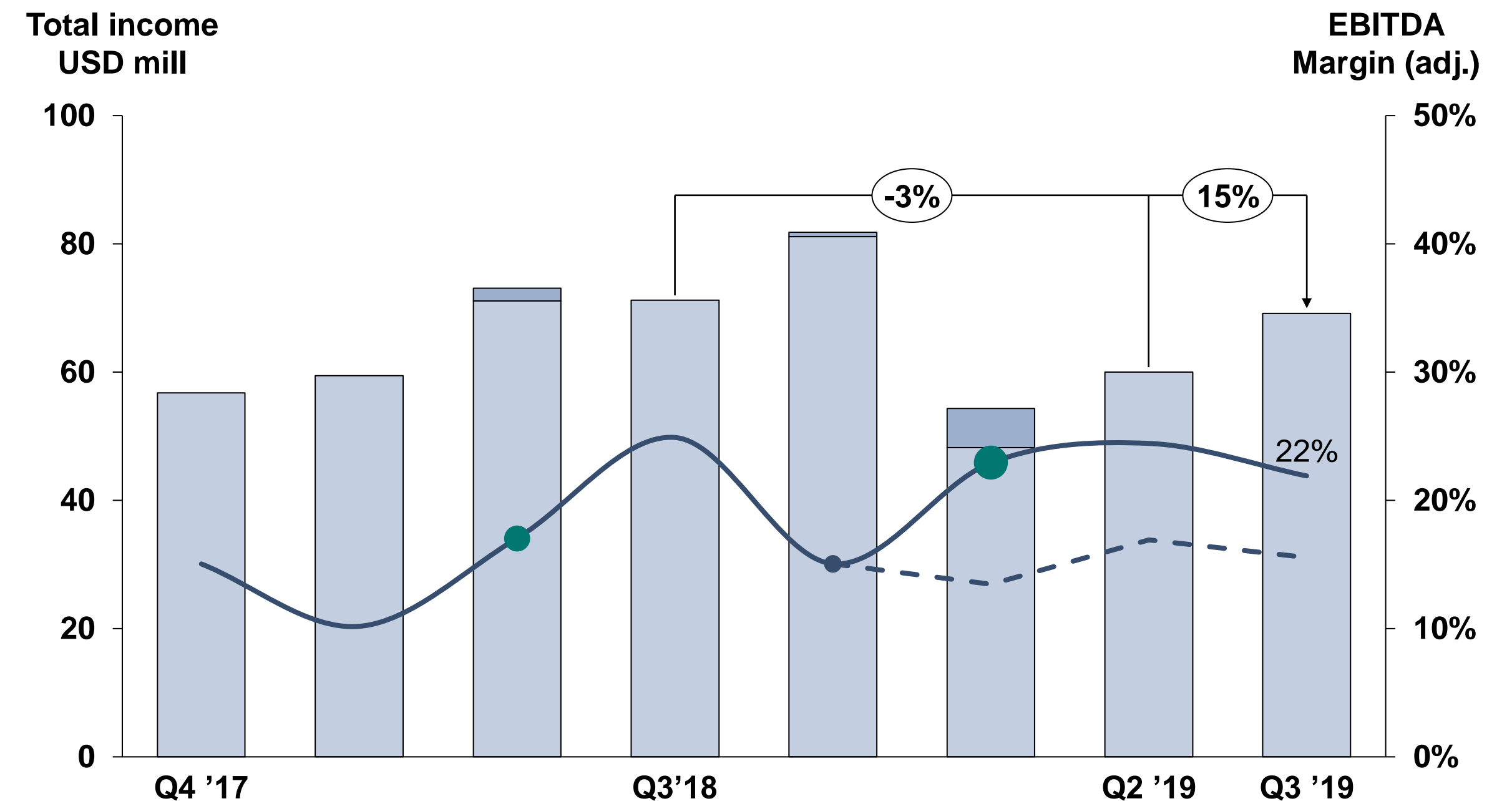
- Continued strong activity at Norwegian supply bases
- Increased income from NorSea Wind and activities in Denmark

## EBITDA up 5% q-o-q

## USD 4 million share of profit from associates



## Supply services - total income and adjusted EBITDA margin \*)



- Sales gain
- Total income (excl. sales gain)
- Adj. EBITDA margin
- - Adj. EBITDA margin - excl. IFRS 16 (from Q1'19)
- Sales gain (size indicates USD effect)

\*) Margin adjusted for sales gain:  
 Q2'18: USD 2 million sales gain  
 Q4'18: USD 1 million sales gain  
 Q1'19: USD 6 million sales gain



# Margin improvement offsetting lower revenue in Wallenius Wilhelmsen

Wilhelmsen share of profit USD 13 million



## Highlights third quarter 2019

- EBITDA of USD 213 million, showing continued performance improvement
- Ocean results driven by higher net freight per CBM, more efficient operations and lower net bunker cost
- Ocean volume declined 7% y-o-y, due to relinquished volumes and slower markets
- Performance in Landbased fell as a result of lower volumes
- Continuous progress on the performance improvement programme
- Second dividend payment of USD 6 cents per share



# Financial assets remain exposed to Hyundai Glovis share price

USD 65 million reduction in holding and investments' financial assets in Q3'19

## Hyundai Glovis share price down 3% in KRW

- Up 20% Y-o-Y

## Qube Holding share price up 5% in AUD

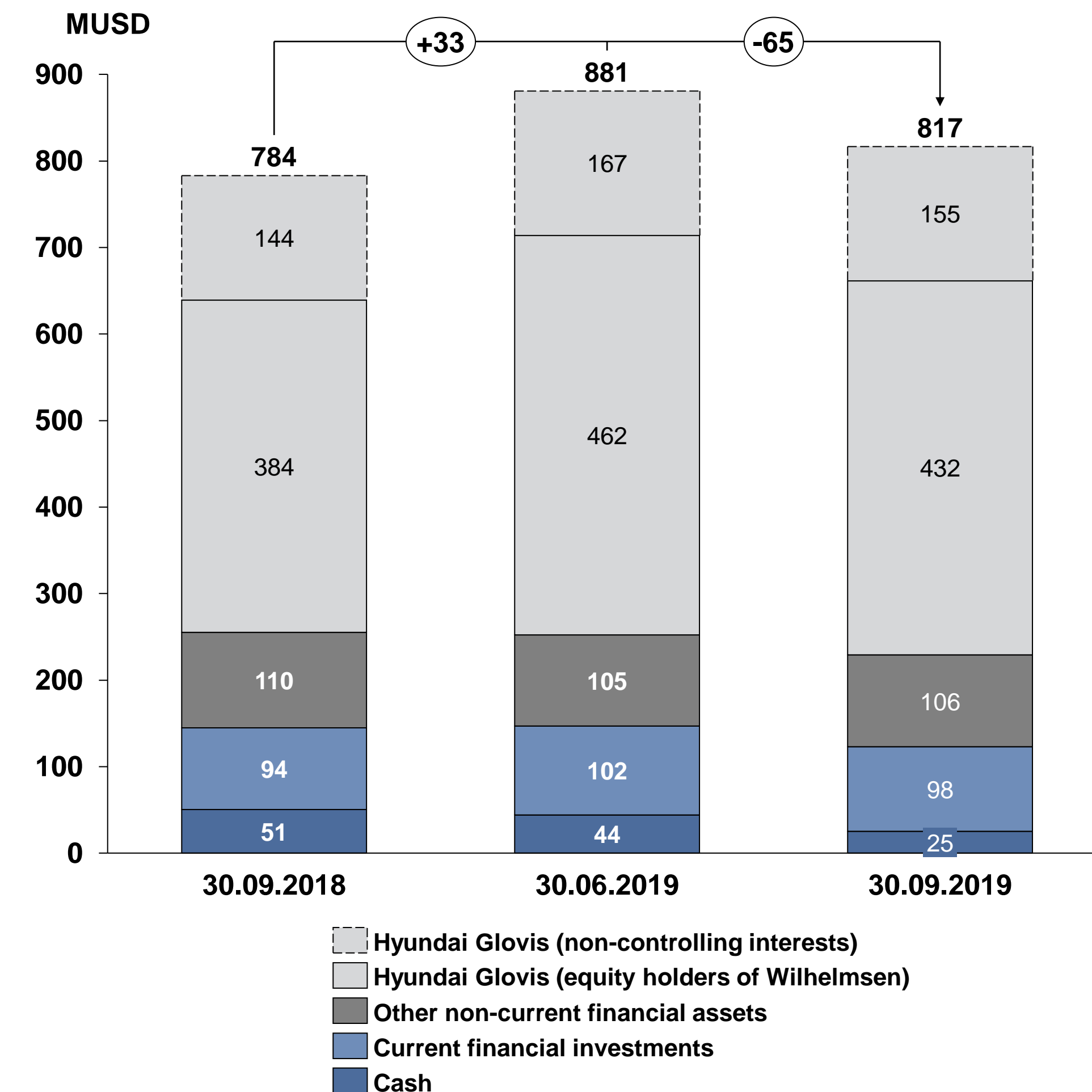
- Up 17% Y-o-Y

## Most financial asset values hit by appreciation of USD

## Cash balance reduced due to USD 30 million share buyback

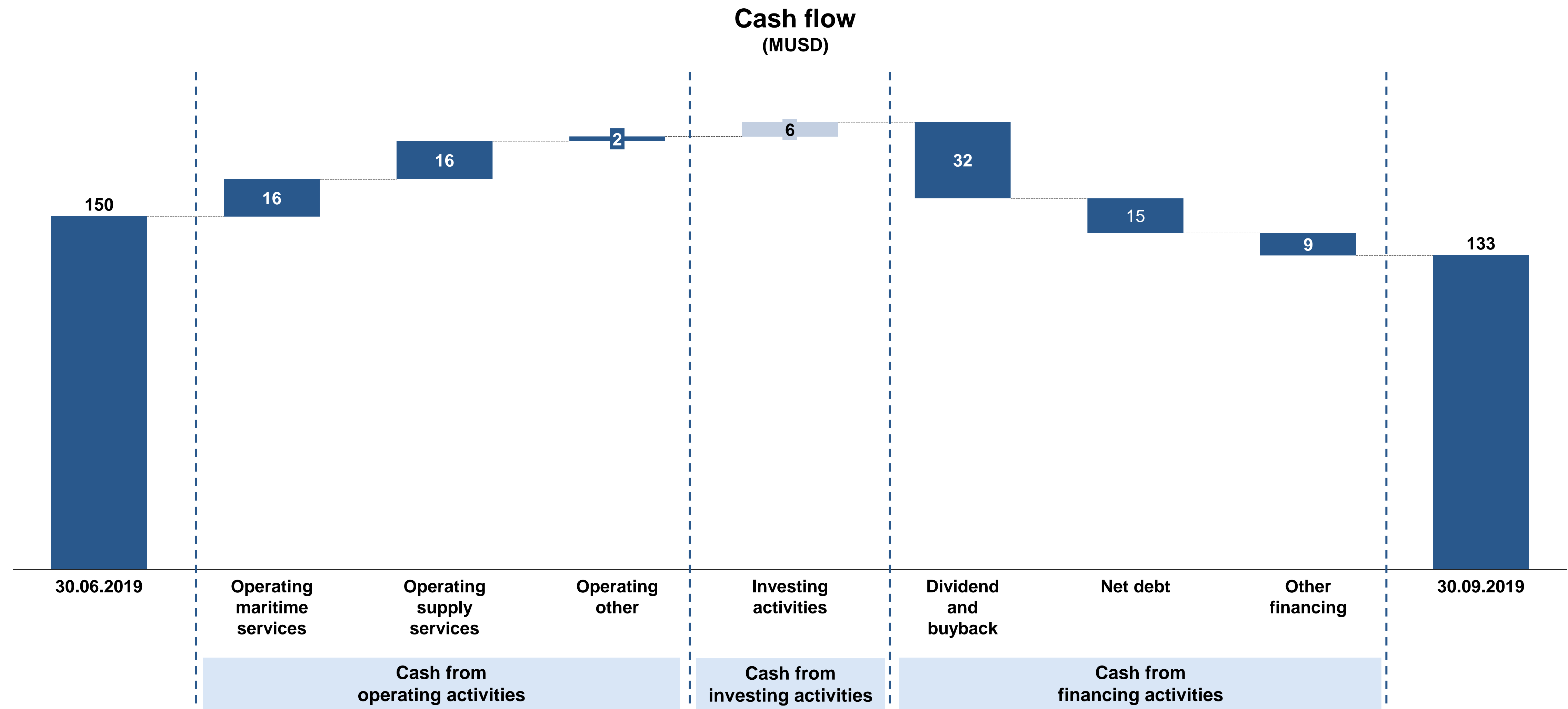


## Financial assets in holding and investments segment



# Positive cash from all operating activities

Reduced cash balance following USD 30 million buyback own shares

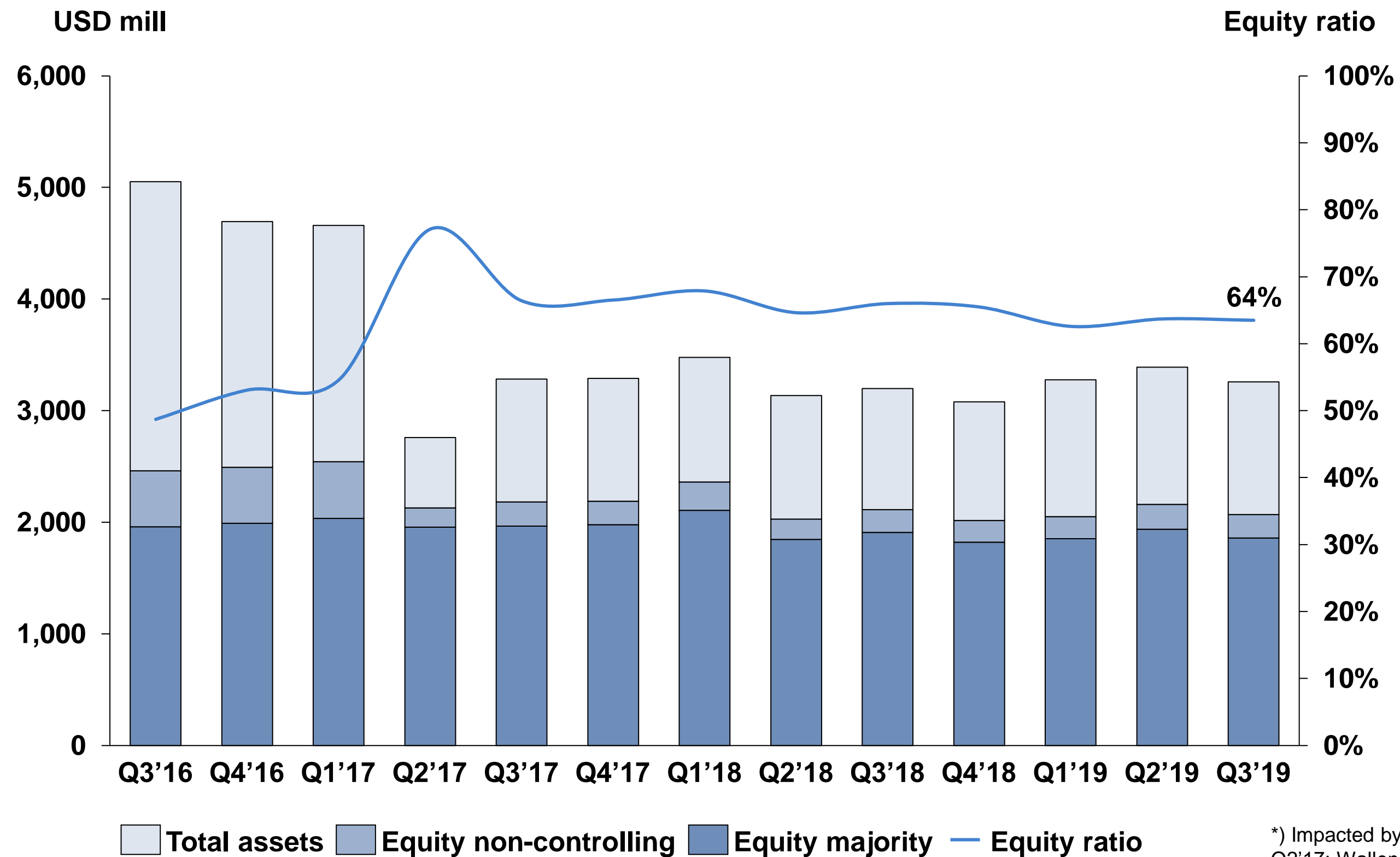




# Solid balance sheet

Equity ratio of 64%

## Wilhelmsen group total assets and equity ratio \*)



## Key figures

Total assets USD 3 256 million (down 4% q-on-q)

Total equity USD 2 068 million (down 4% q-on-q)

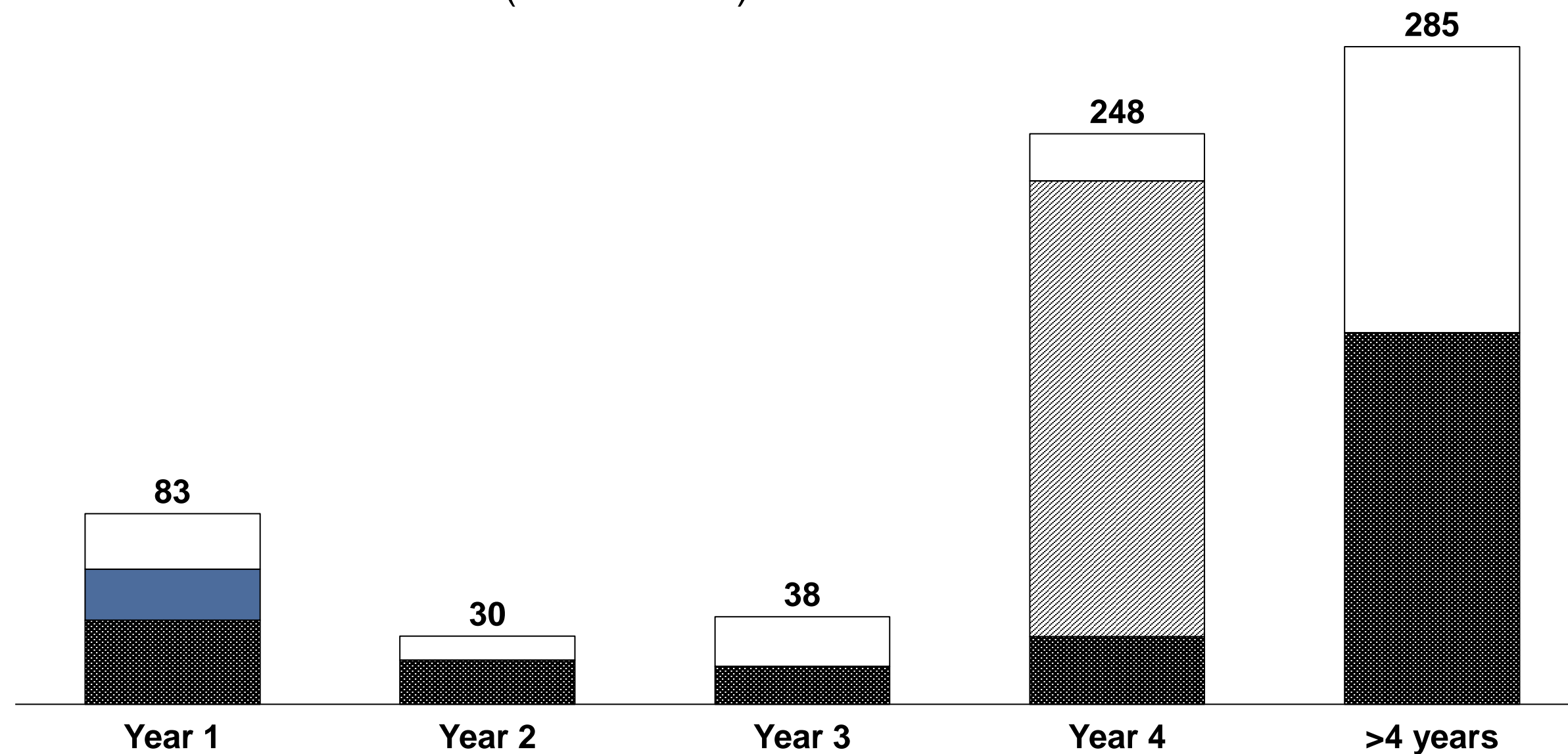
\*) Impacted by change in corporate structure:  
 Q2'17: Wallenius Wilhelmsen ASA merger  
 Q3'17: Consolidation of NorSea Group



# Healthy liquidity and debt repayment profile

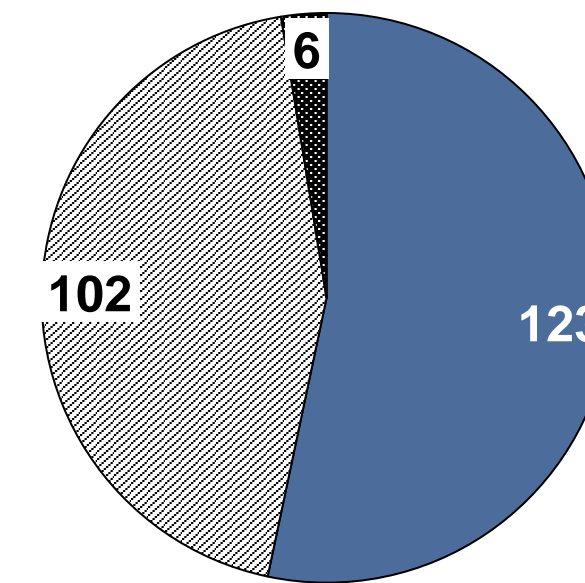
USD 452 million in group NIBD (net interest-bearing debt)

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

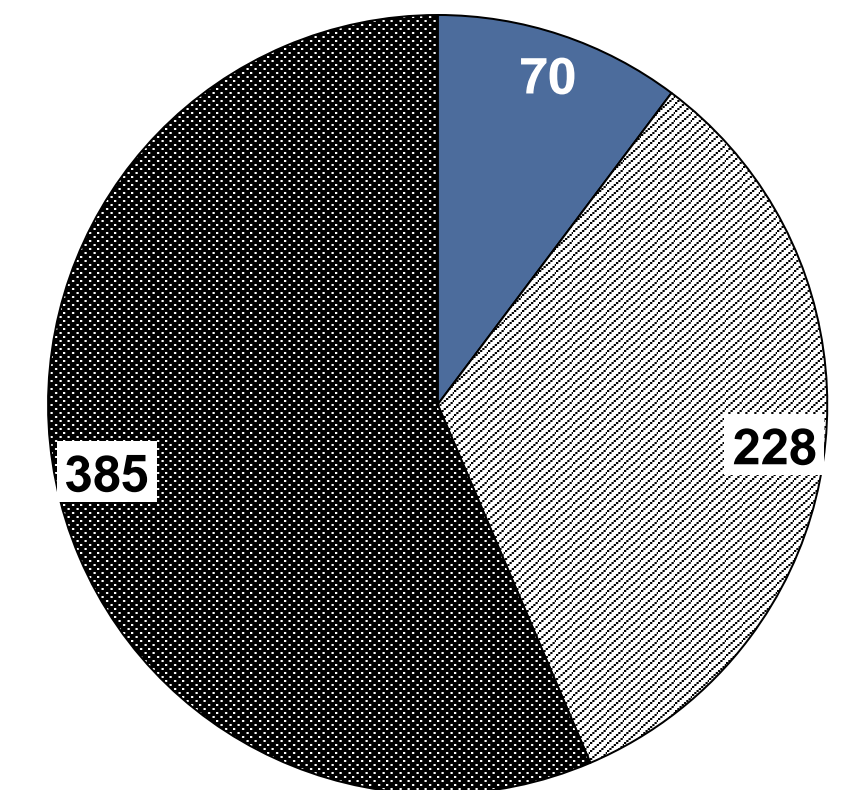


- Leasing (IFRS 16)
- Holding and investments (ex lease)
- ▨ Maritime services (ex. lease)
- Supply services (ex.lease)

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



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



- Holding and investments
- ▨ Maritime services
- Supply services

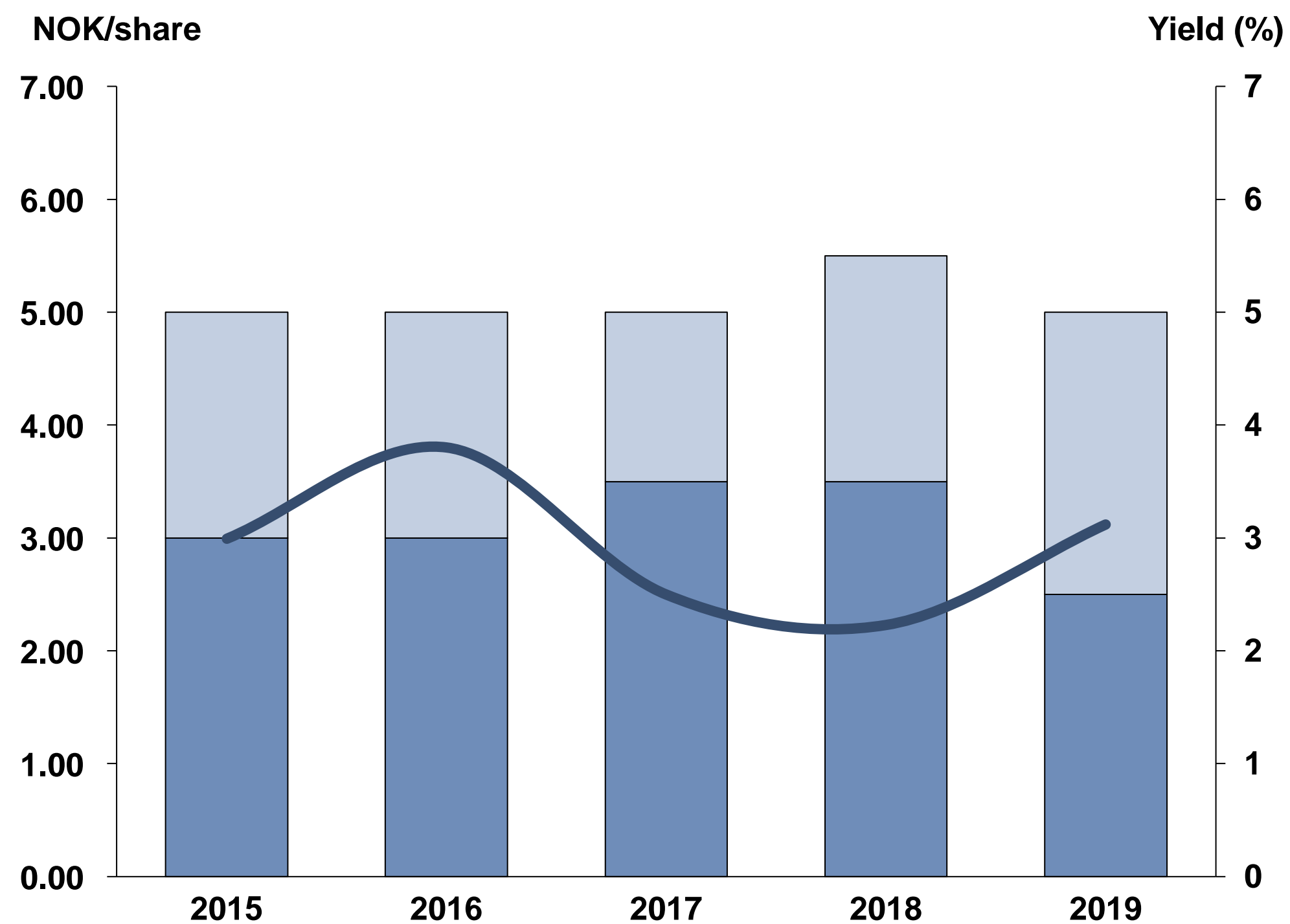
1) Cash and cash equivalents and current financial investments  
2) Excluding intercompany debt



# Second dividend of NOK 2.50 per share payable 26 November

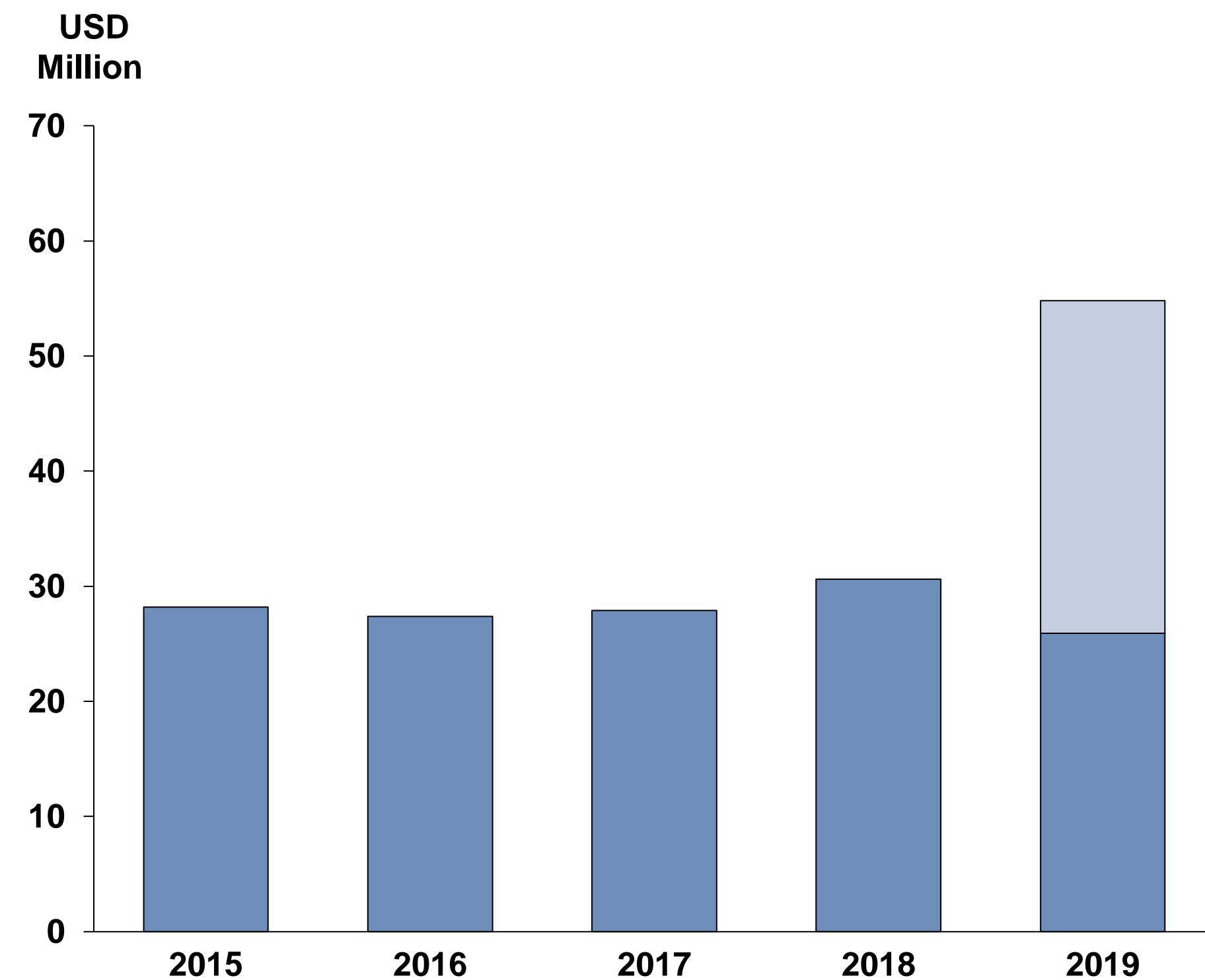
First dividend of NOK 2.50 per share paid 15 May

### Dividend payments <sup>1)</sup>



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

### Cash to shareholders



- Buy back
- Dividend

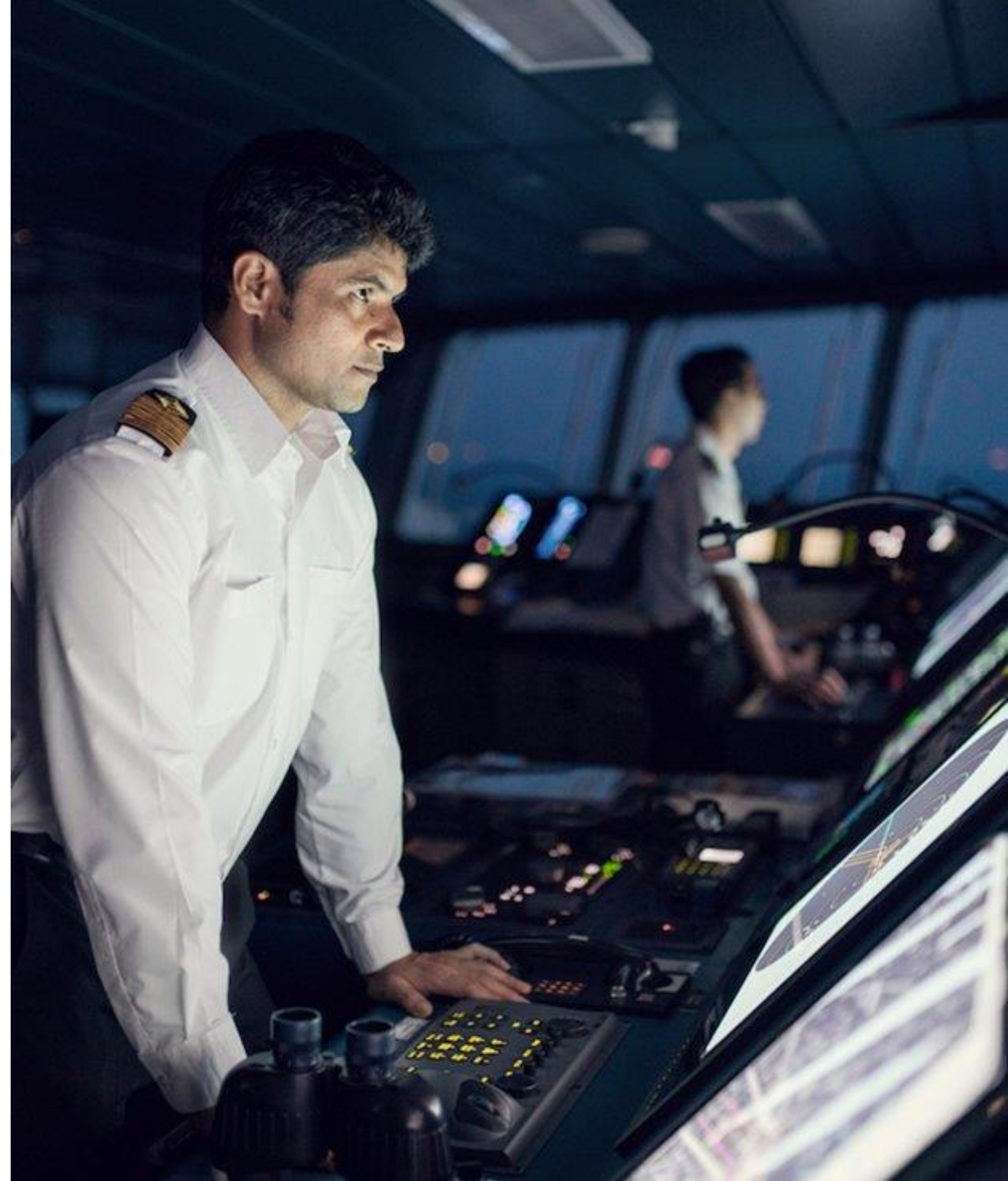
<sup>1)</sup> Yield calculated based on previous year median closing price for WWI and WWIB share



# Outlook

**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.**



*Supplementary slides – Third quarter 2019*

## **Maritime services**

Ships service

Ship management

## **Supply services**

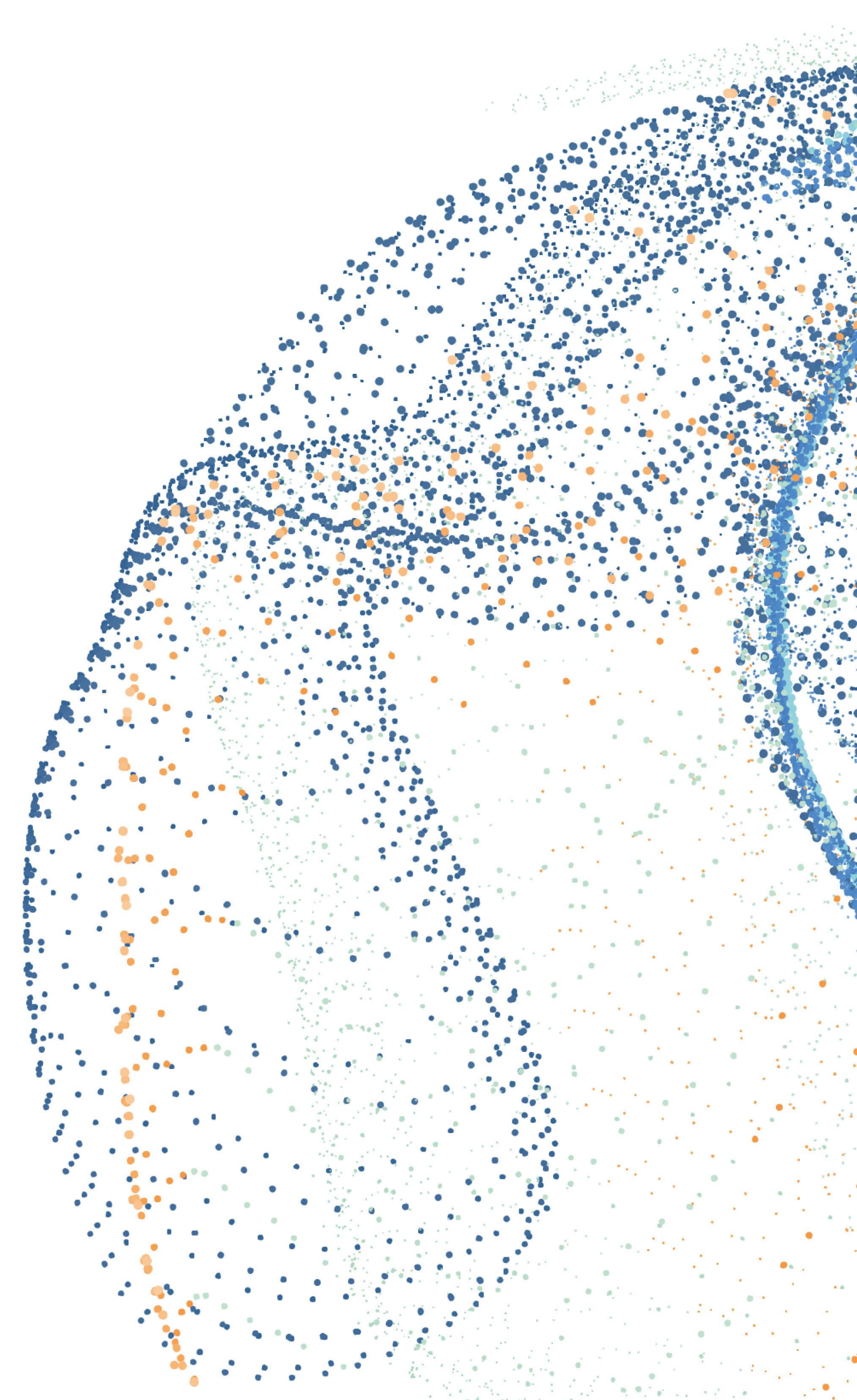
NorSea Group

## **Holding and investments**

Wallenius Wilhelmsen ASA

Treasure ASA

Financial investments



# Ships service

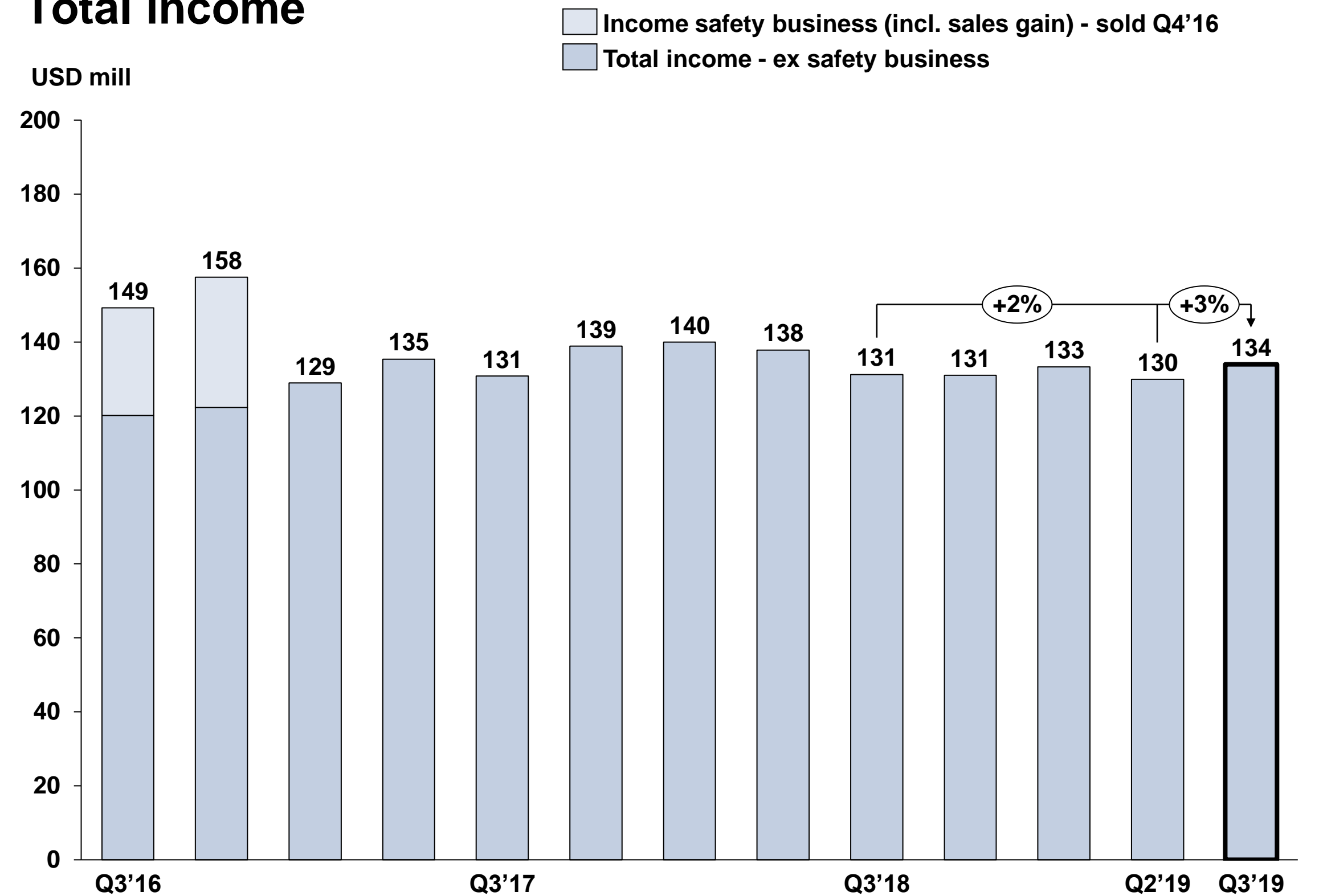
Wilhelmsen Ships Service is a global provider of standardised product brands and service solutions to the maritime industry, focusing on marine products, marine chemicals, maritime logistics and ships agency  
Ships service is fully owned by Wilhelmsen

## Q3'19 highlights

- Total income up 3% from the second quarter following higher sale of marine products, partly related to IMO 2020.
- Improved EBITDA supported by increased income and further improvement in the operating margin.



## Total income



# Ship management

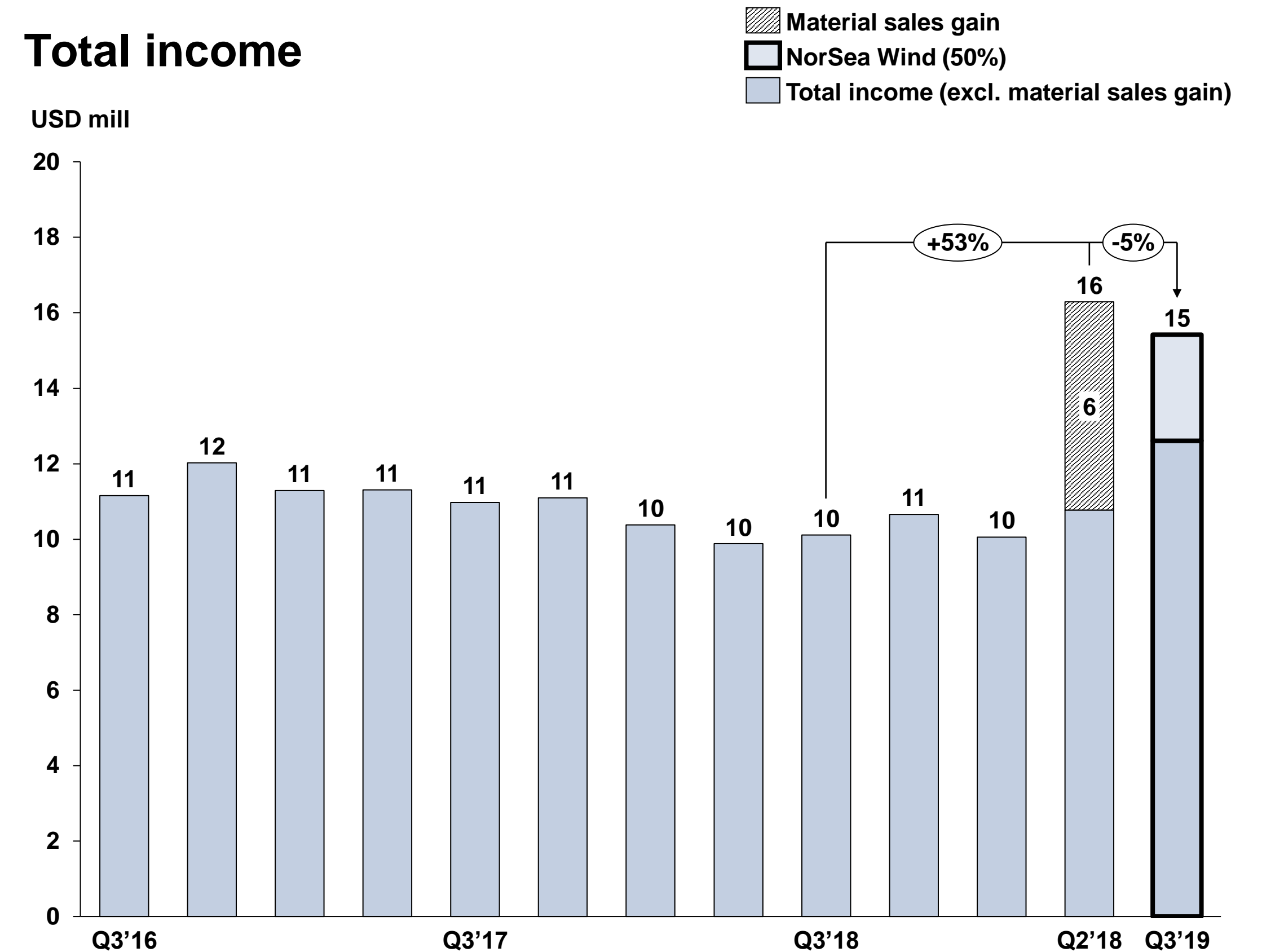
Wilhelmsen Ship Management provides full technical management, crewing and related services for all major vessel types, and includes 50% of NorSea Wind  
Ship management is fully owned by Wilhelmsen

## Q3'19 highlights

- Operating income up, supported by an increase in ships on full technical management and new offshore wind activities.
- EBITDA was also up when adjusting for the previous quarter sales gain.



## Total income



# NorSea Group

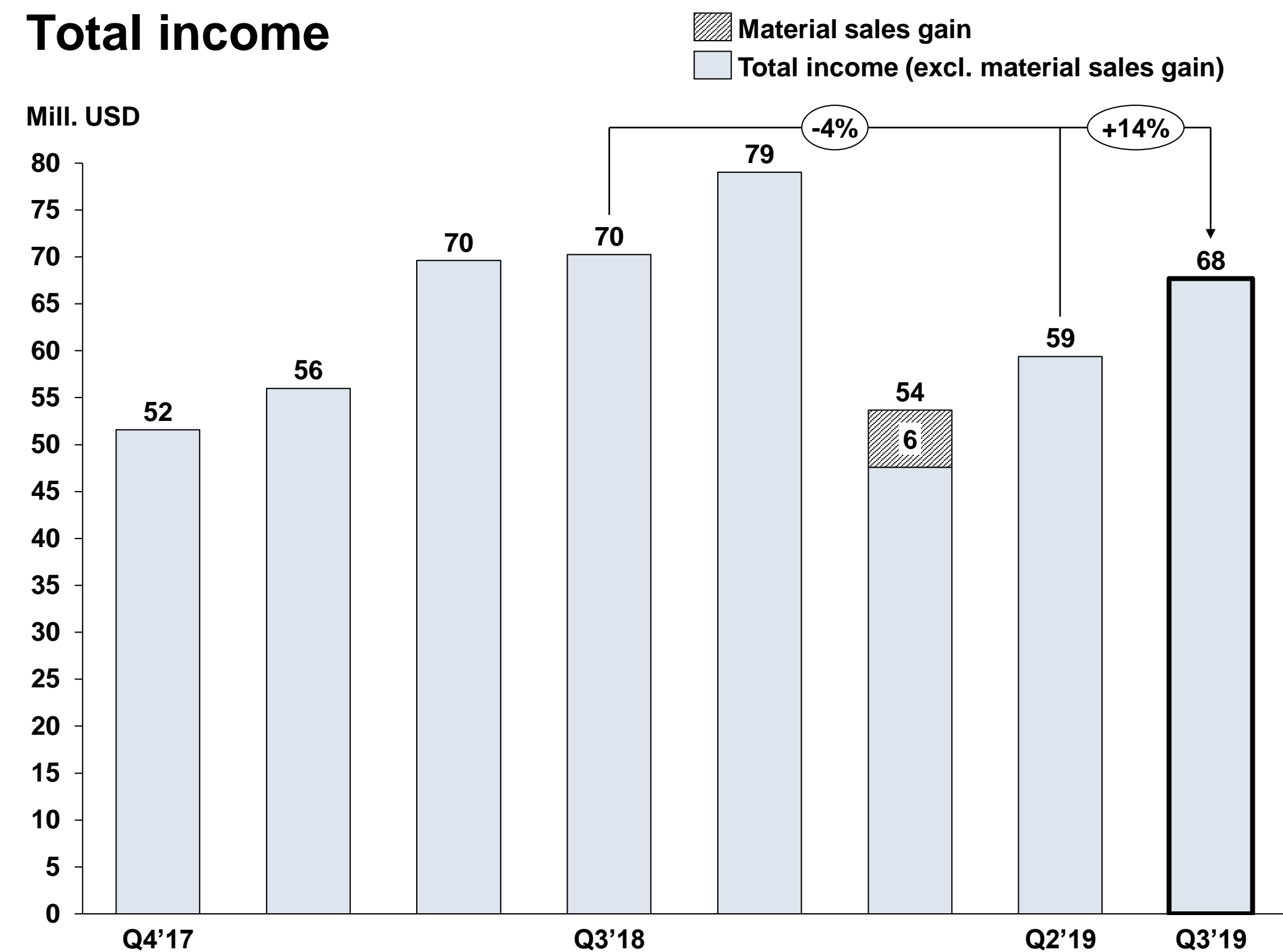
NorSea Group provides supply bases and integrated logistics solution to the offshore industry  
Wilhelmsen owns ~75,2% of NorSea Group (as per 30 September 2019)

## Q3'19 highlights

- Income up 14% from previous quarter, supported by continued strong activity level at Norwegian supply bases and increased income from NorSea Wind and activities in Denmark.
- EBITDA followed development in total income



## Total income





# Wallenius Wilhelmsen ASA

Wallenius Wilhelmsen ASA is a global provider of shipping and logistics services towards car and ro-ro customers, and is listed on Oslo Børs  
 Wilhelmsen owns ~37,8% of Wallenius Wilhelmsen ASA (as per 30 September 2019)

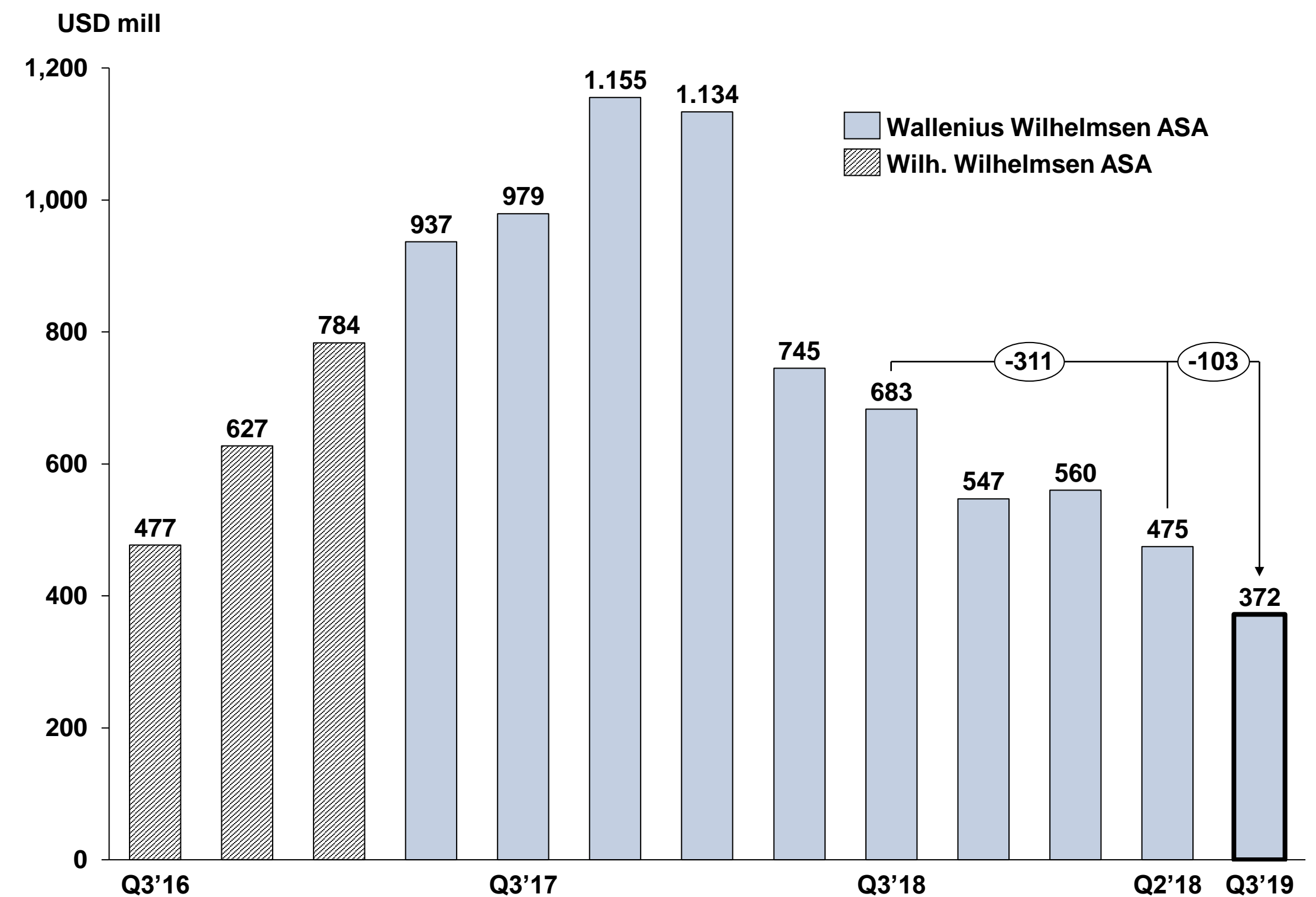
## Q3'19 highlights

- Income 5% down from the second quarter and down 7% from the corresponding period last year.
- EBITDA up 1% from the first quarter, and well up from the corresponding period last year when adjusting for the IFRS 16 effect.
- EBITDA up year-over-year due to higher net freight per CBM, more efficient operations and lower net bunker cost for ocean segment.
- Declared second dividend of USD 0.06 per share



Photo: Wallenius Wilhelmsen

## Market value of Wilhelmsen's investment in Wallenius Wilhelmsen ASA



# 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 (as per 30 September 2019)

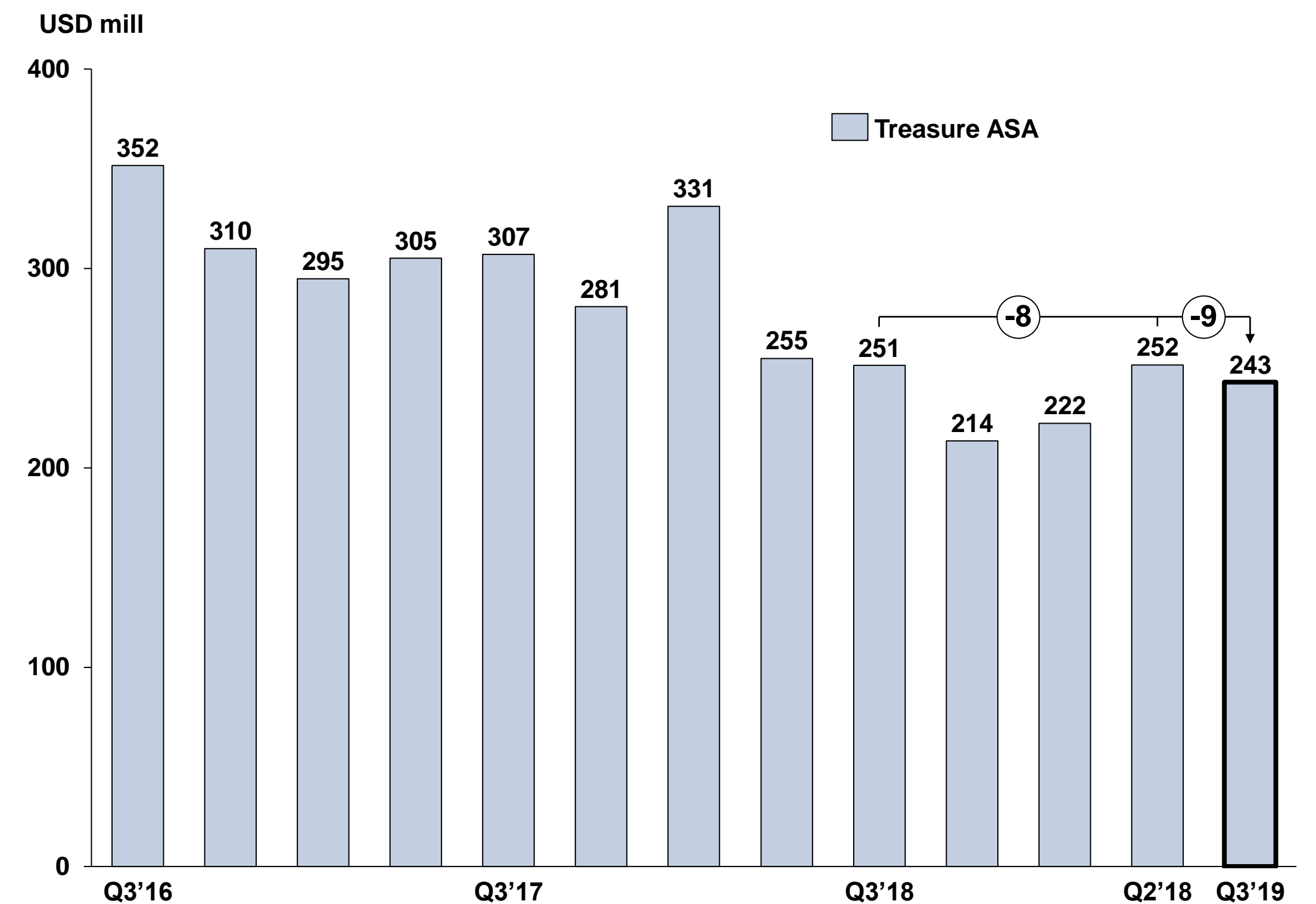
## Q3'19 highlights

- USD 42 million loss from change in fair value of Hyundai Glovis
- Treasure ASA bought 465 000 own shares in the market, reducing net outstanding shares excluding own shares to 217.3 million (total number of shares remained 217.8 million). Wilhelmsen maintained a holding of 160 million shares in Treasure ASA.



Photo: Hyundai Glovis

## Market value of Wilhelmsen's investment in Treasure ASA



# Financial investments

Financial investments include cash and cash equivalents, current financial investments and financial assets held by the parent and fully owned subsidiaries reported under the holding and investments segment

## Q3'19 highlights

- USD 4 million in fair value gain from financial assets, partly offset by USD 3 million currency loss reported under other comprehensive income
- USD 2 million gain from investment management



Photo: Qube/Oslo Børs

## Financial assets, investment portfolio and cash

