

Results for the third quarter 2020

Oslo,
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Wilhelmsen delivers a net profit of USD 146 million for the third quarter, up from USD 57 million in the second quarter. All the underlying businesses showed stable development, with improved net profit predominately driven by a strong uplift in market value of investments.

“Despite COVID-19 and the reduction in global shipping activity our underlying operations have been able to deliver results on par with the second quarter,” says Thomas Wilhelmsen, group CEO. Commenting on the group’s separate businesses he says: “Although we see some recovery for marine products and ship agency, we are not yet at the pre-COVID-19 levels mainly due to reduced cruise activities. However, we continue to see a positive effect of sales of non-marine products like hand sanitizers and disinfection products, although at lower levels compared with the second quarter. In addition, our ship management activities recorded an 11% increase in topline compared with the second quarter supported by continued growth in offshore wind and more lay-up activity.”

To improve the group’s presence in Germany and within the container segment in particular, ship management signed an agreement to acquire a 50% stake in Ahrenkiel Steamship, the technical container ship manager within the MPC Capital Group. The company, which will operate under the brand Wilhelmsen Ahrenkiel Ship Management, currently manages a fleet of 72 container ships.

The group delivered a total income of USD 198 million in the third quarter of 2020. EBITDA was USD 37 million. Both total income and EBITDA were on par with the previous quarter. Share of profit from associates was USD 3 million, mainly from the 37.8% shareholding in Wallenius Wilhelmsen ASA. Change in fair value of financial assets was positive with USD 164 million, mainly due to a strong increase in the value of the group’s Hyundai Glovis shareholding through Treasure ASA. The quarter ended with a net profit to owners of the parent of USD 146 million, equal to USD 3.27 earnings per share (EPS).

About future investments, the group CEO says: “Our strategy is very clear, to further expand into renewables.” During the quarter, the group announced a 25% acquisition in Østensjø’s offshore wind company Edda Wind AS, which owns and operates service vessels supporting offshore wind parks. Edda Wind is a growing company, rapidly expanding its fleet with future-focused emission free vessel technologies. Wilhelmsen has an option to buy another 25% stake by end of June 2021.

Post quarter, the group announced a EUR 8 million grant from the EU to develop a ground-breaking maritime innovation project. The HySHIP project includes 14 European partners collaborating on the design and construction of a new ro-ro demonstration vessel running on liquid green hydrogen and the establishment of a supporting supply chain. The concept vessel named Topeka, will be operated by Wilhelmsen, carry cargo and distribute liquid green hydrogen to hubs along the Norwegian coast. “Hydrogen as a fuel enables opportunities for low or zero-emission shipping, and will be an important milestone for us in contributing to realising the industry’s long-term zero-emission targets,” says Wilhelmsen, who adds: “The aim is to be operational by 2024, and as an additional benefit the project will remove some 25 000 trucks from the roads.”

The board believes that measures taken around the world to contain COVID-19 will continue to impact global economic activity, and the extent of its future impact on operating income, results and asset prices remains uncertain.

“While the group’s financial investments are expected to be impacted by continued volatile markets, we expect our ships service activities to be below historical levels for the rest of 2020, gradually regaining momentum in line with a recovery of global shipping activities. Operating income for ship management is expected to be stable, and we do not foresee significant impact of the Ahrenkiel acquisition on our net results short term. Finally, for supply services we expect seasonality to impact

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offshore activities. Post-quarter, NorSea Group has secured a two-year contract extension with one of their main customers, Equinor, lasting until July 2023. This secures predictability to work towards our goal of enabling sustainable offshore operations and supply base logistics,” concludes Wilhelmsen.