



# **Wilh. Wilhelmsen Holding ASA**

## **Fourth Quarter 2016**

Thomas Wilhelmsen – group CEO and Christian Berg – group CFO

February 2017

# Agenda

1. Highlights for the fourth quarter and the full year 2016
2. Wilhelmsen group management structure
3. Prospects
4. Financials and business performance - Christian Berg, group CFO

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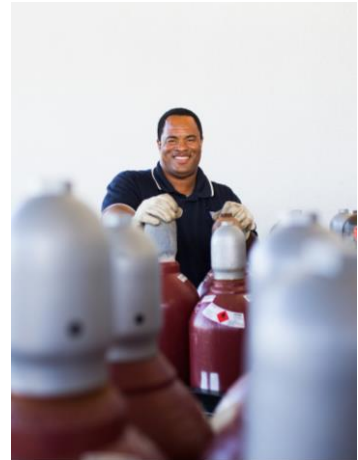
# Highlights for the quarter

**Increase in total income and EBIT**

**Proposed merger approved**

**Sale of Callenberg and Safety completed**

**Board proposes first dividend of NOK 3.50 per share**



Source: Wih. Wilhelmssen

# The year 2016

Digital

Treasure ASA

survitecgroup



2016



 **Western Bulk**

Wilhelmsen Ferd Offshore AS



# WWH mandate:

## Professional development of group companies

- Develop and align group strategy to increase stakeholder value
- Enhance the Wilhelmsen footprint



Reshaping the parent company (WWH)

# Future group management structure



# WWH group prospects

**Rate pressure, but soft volume recovery in shipping**

**Continued challenging maritime services market**

**Structural changes and organisational  
optimisation to improve operating margin and  
position the group for future growth**





# Wilh. Wilhelmsen Holding ASA

Fourth Quarter 2016

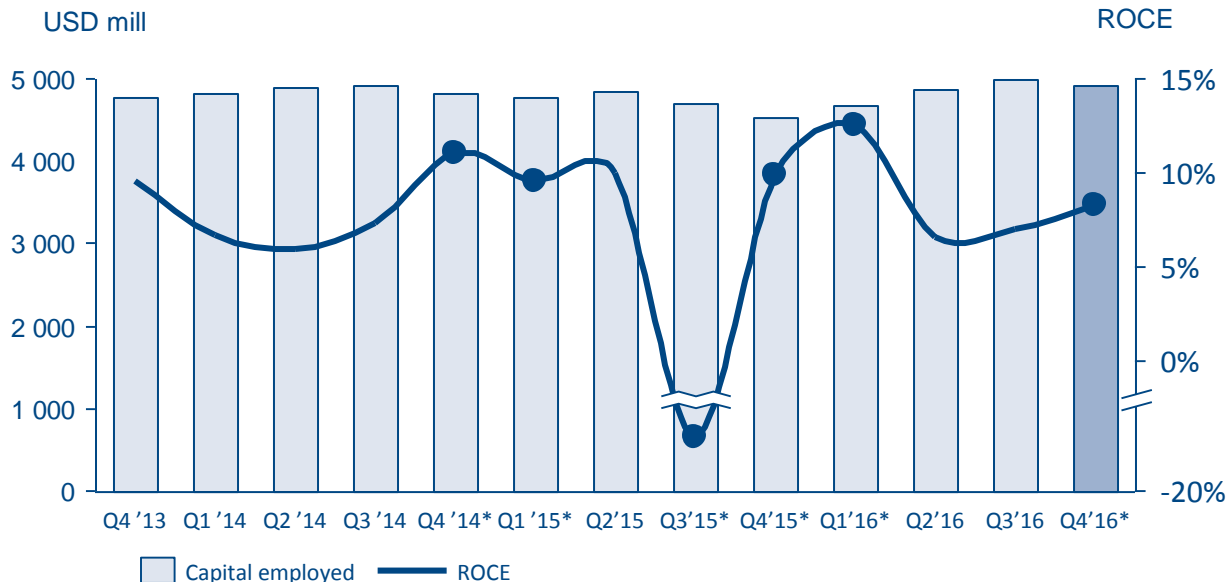
Christian Berg – group CFO

February 2017



# WWH group

## Improved return on capital employed



### \*Main "one-offs" (included):

- Q4'16: Sales gain WMS, WWASA anti-trust accrual and WMS/WWASA restructuring cost
- Q1'16: Sales gain related to WWASA logistics
- Q4'15: Pension related accounting gain
- Q3'15: Anti-trust accrual WWASA and impairment charge WMS
- Q1'15: Sales gain Hyundai Glovis
- Q4'14: Pension related accounting gain

### Based on proportionate method

- Capital employed: Equity plus interest bearing debt (average for period)
- ROCE: EBT plus interest expenses / average capital employed



# WWH group

## Increased operating profit for the quarter

USD mill	WWASA group		WMS group		Holding and Investments		Total	
	Q4'16	Q3'16	Q4'16	Q3'16	Q4'16	Q3'16	Q4'16	Q3'16
<b>Quarter</b>								
<b>Total income</b>	450	418	233	225	33	18	710	656
<b>Operating profit</b>	<b>4</b>	<b>32</b>	<b>59</b>	<b>19</b>	<b>23</b>	<b>11</b>	<b>86</b>	<b>62</b>
Financial income/(expenses)	0	0	-15	-2	5	-1	-10	-3
Tax income/(expense)	-24	-6	-6	-4	1	2	-28	-9
<b>Profit/(loss)</b>	<b>-20</b>	<b>26</b>	<b>38</b>	<b>13</b>	<b>28</b>	<b>12</b>	<b>47</b>	<b>51</b>
Minority interests	-4	8	0	0	6	3	2	11
<b>Profit/(loss) after minority interests</b>	<b>-15</b>	<b>18</b>	<b>38</b>	<b>12</b>	<b>22</b>	<b>9</b>	<b>45</b>	<b>40</b>
Equity majority	1 146	1 161	330	280	514	519	1 990	1 960
Equity minority interests	289	294	-1	0	214	207	502	501
<b>Total Equity</b>	<b>1 435</b>	<b>1 455</b>	<b>329</b>	<b>280</b>	<b>728</b>	<b>726</b>	<b>2 492</b>	<b>2 461</b>

- Increased operating profit in WWASA adjusted for one-off
- Stable underlying profit in WMS
- Operating profit up for Holding and Investments (Hyundai Glovis/NSG)



# WWASA group

## Highlights for the quarter

### Soft shipping market and margin pressure

### Total income and underlying EBIT up

- Increased shipping volumes
- Positive contribution from logistics

### Non-recurring expenses of USD 37 million

### Agreement with Wallenius signed 22 December 2016

- WWH shareholding 37.8% (160 million shares)
- Positive WWASA share price development



Source: Wih. Wilhelmsen

# WMS group

## Highlights for the quarter

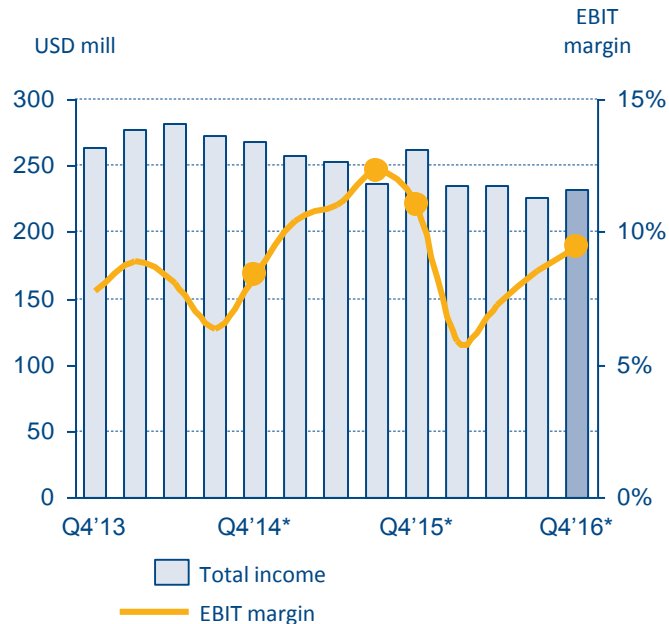
Continued challenging shipping and offshore markets

Total income up q-o-q due to sales gain

Stable underlying profit

Net gain from sale of Callenberg and safety business

WMS group – Total income and EBIT margin\*



\*Main “one-offs”:

Q4'16: Sales gain and transaction/restructuring cost (**not included**)

Q4'15: Pension related accounting gain (**not included**)

Q3'15: Impairment charge (**not included**)

Q4'14: Pension related accounting gain (**not included**)



# Holding and Investments

## Highlights for the quarter – Treasure ASA/Hyundai Glovis

### Increased contribution from Hyundai Glovis

- Reported one quarter in arrears (Q3'16)

Treasure ASA's share price sensitive to development in Hyundai Glovis' share price



Source: Bloomberg



# Holding and Investments

## Highlights for the quarter – NorSea Group and financial investments

### Increased contribution from NorSea Group

- Property sales gain, vessel write down
- Operating activities at low level
  - Slowdown in offshore
  - Traditionally weak season

### Qube expansion

- 100% shareholding in AAT (ro-ro terminals)

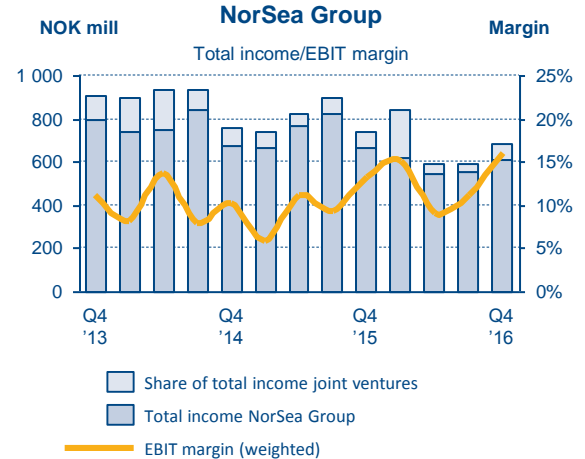


Photo: Australian Amalgamated Terminals (AAT)



# WWH group

Increase operating profit for the year due to one-offs

USD mill	WWASA group		WMS group		Holding and Investments		Total	
	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15
<b>Total income</b>	1 832	2 124	928	1 010	106	64	2 843	3 173
<b>Operating profit</b>	<b>191</b>	<b>67</b>	<b>108</b>	<b>65</b>	<b>67</b>	<b>32</b>	<b>367</b>	<b>165</b>
Financial income/(expenses)	-37	-128	-28	3	4	9	-60	-117
Tax income/(expense)	-39	23	-15	-16	2	2	-53	8
<b>Profit/(loss)</b>	<b>116</b>	<b>-38</b>	<b>65</b>	<b>52</b>	<b>73</b>	<b>43</b>	<b>254</b>	<b>57</b>
Minority interests	35	-9	1	2	18	10	54	2
<b>Profit/(loss) after minority interests</b>	<b>82</b>	<b>-29</b>	<b>64</b>	<b>50</b>	<b>55</b>	<b>33</b>	<b>201</b>	<b>54</b>
<b>Total equity</b>	<b>1 146</b>	<b>959</b>	<b>330</b>	<b>273</b>	<b>514</b>	<b>522</b>	<b>1 990</b>	<b>1 754</b>
Minority	289	359	-1	0	214	92	502	452
<b>Equity after minority interests</b>	<b>1 435</b>	<b>1 318</b>	<b>329</b>	<b>273</b>	<b>728</b>	<b>615</b>	<b>2 492</b>	<b>2 206</b>



# WWH group

Reduced operating profit for the year when adjusted for one-offs

<b>Year 2015</b>	<b>MUSD</b>
<b>Reported EBIT</b>	<b>165</b>
Q1'15 WWASA HG share reduction gain	26
Q3'15 WWASA anti-trust provision	-200
Q3'15 WMS impairment charge	-50
Q4'15 WMS pension gain	4
<b>Total material non-recurring items</b>	<b>-220</b>
<b>Adjusted EBIT</b>	<b>385</b>

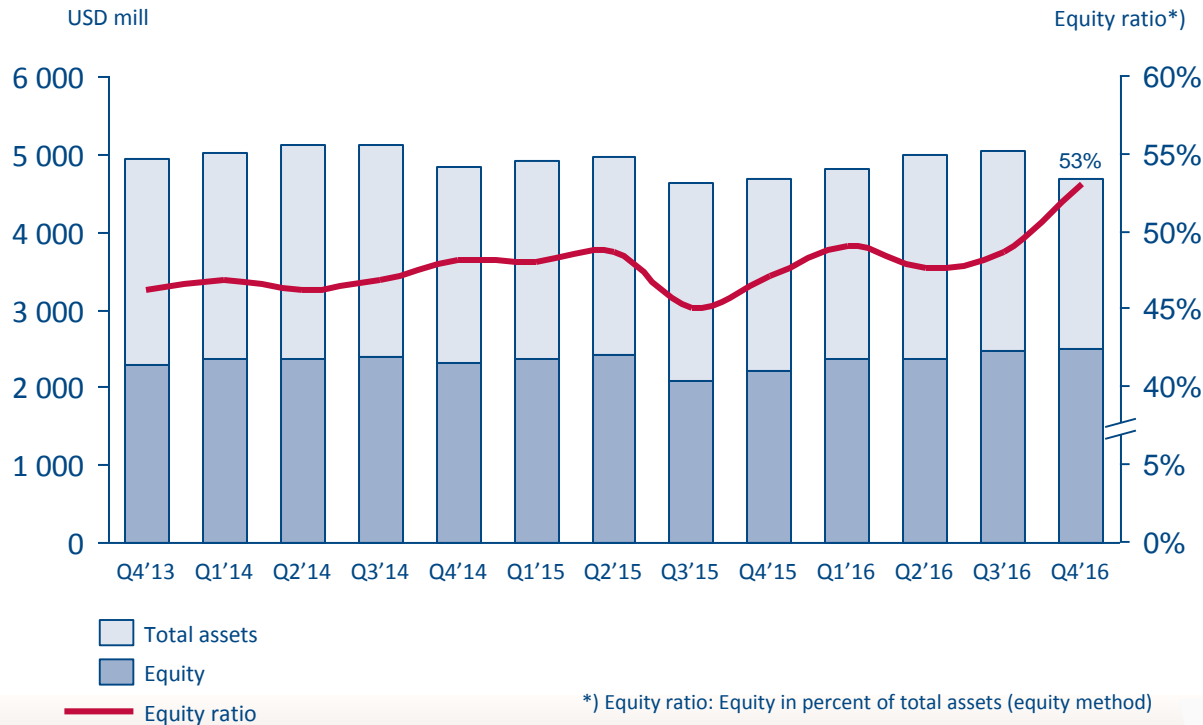
<b>Year 2016</b>	<b>MUSD</b>
<b>Reported EBIT</b>	<b>367</b>
Q1'16 WWASA logistics gain	80
Q4'16 WWASA anti-trust accrual	-31
Q4'16 WWASA restructuring cost	-6
Q4'16 WMS sales gain	60
Q4'16 WMS transaction cost	-8
Q4'16 WMS restructuring cost	-8
<b>Total material non-recurring items</b>	<b>87</b>
<b>Adjusted EBIT</b>	<b>280</b>





# WWH group

## Increase equity ratio after sale of business units



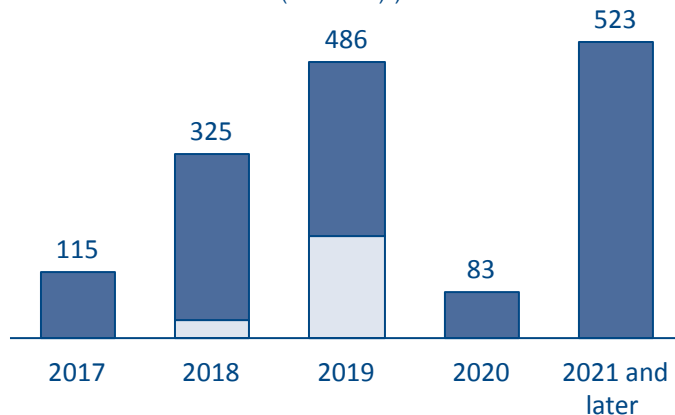
# WWH group

## Healthy maturity profile

### Maturity profile

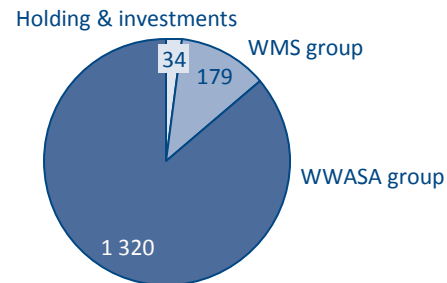
- WWH facilities maturing in 2018/19
- WMS facilities maturing in 2017/19
- WWHI facility maturing in 2018
- WWASA mixed maturity

**Maturity profile**  
(USD mill.)\*



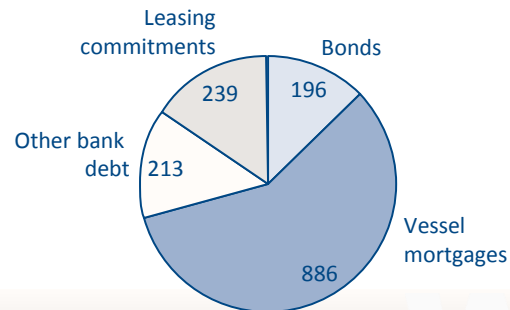
### Split by business segment

(USD mill)\*



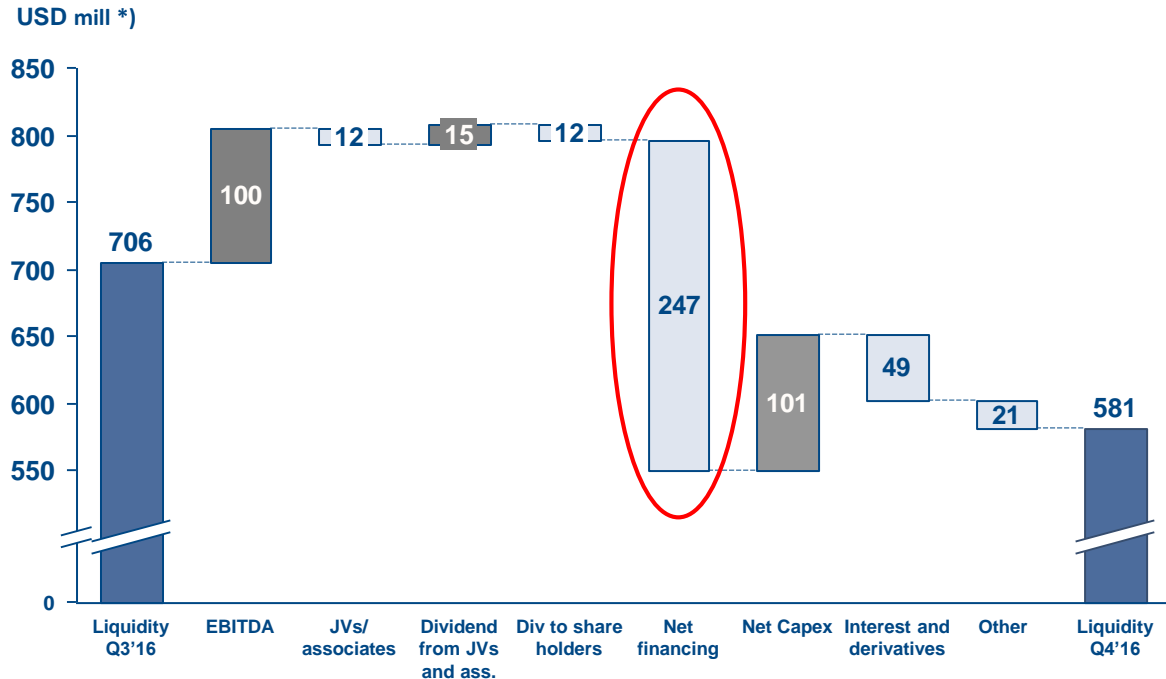
### Split by source

(USD mill)\*



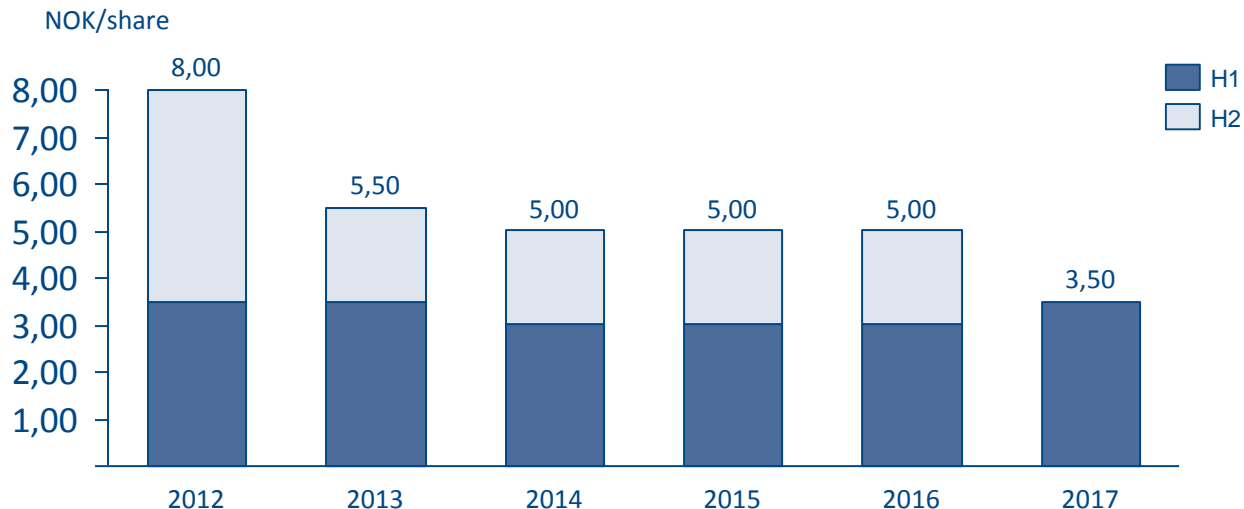
# WWH – liquidity development Q4'16

Debt repayment from sales proceeds, cash balance and operating income



# WWH group

## Proposed increase in first dividend



- Proposed dividend of NOK 3.50 per share to be paid May 2016
- Proposed board authority to approve further dividend of up to maximum NOK 2.50 per share





# 150 YEARS *of* SHAPING *the* MARITIME INDUSTRY

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