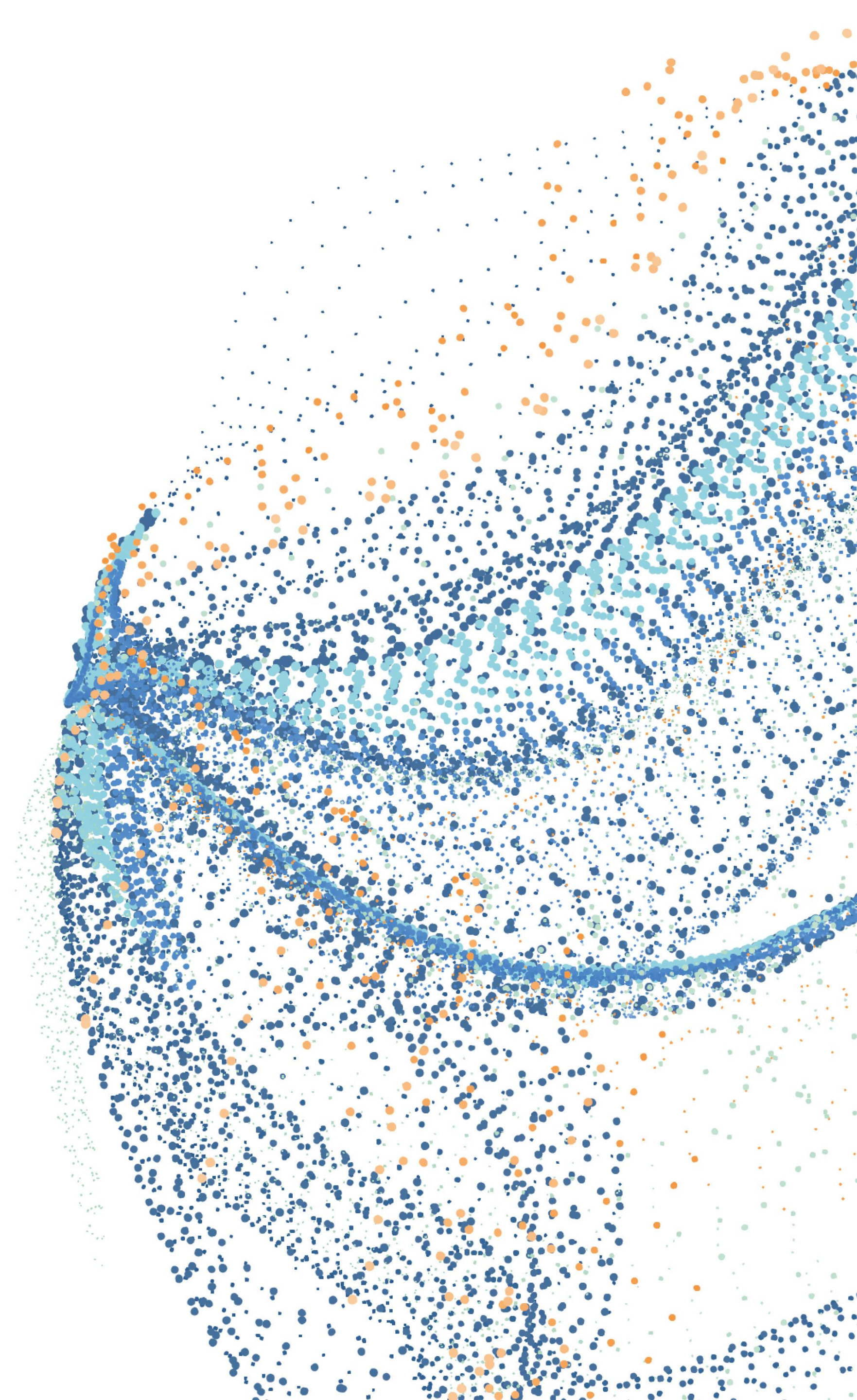


# Wilh. Wilhelmsen Holding ASA

## Third quarter 2018

November 2018



# Highlights

Third quarter 2018

**Improved EBITDA - reported and underlying**

**Associates lifted by Wallenius Wilhelmsen net profit**

**Net gain in financial asset value**

**Second dividend of NOK 2.00 per share**



# Improved contribution from operating companies

Net result further lifted by profit in associates and net financial asset gain

	Maritime services	Supply services	Holding/ Investm.	Elim./ discount.	Group
USD mill	Q3'18	Q3'18	Q3'18	Q3'18	Q3'18
- unless otherwise indicated					
<b>Total income</b>	142	71	3	-2	214
- of which operating revenue	141	71	3	-2	213
- of which gain/(loss) on sale of assets	1	0	0	0	1
<b>EBITDA</b>	19	18	-3	0	33
<b>Operating profit/EBIT</b>	15	12	-3	0	24
<b>Share of profits from associates</b>	1	2	12	0	16
<b>Change in fair value financial assets</b>	-10	0	72	0	62
<b>Other financial income/(expenses)</b>	-7	-4	4	0	-6
<b>Tax income/(expenses)</b>	-4	-2	4	0	-6
<b>Profit/(loss) from continued operations</b>	-5	9	86	0	90
<b>Discontinued operations</b>	0	0	0	0	0
<b>Profit/(loss) for the period</b>	-5	9	86	0	90
<b>Profit/(loss) to owners of the parent</b>	-6	7	70	0	71
<b>EPS (USD)</b>					1,53
<b>Other comprehensive income</b>					-2
<b>Total comprehensive income</b>					88
<b>Total comprehensive income owners of parent</b>					68
<b>Total assets</b>	879	693	1 672	-44	3 199
<b>Equity parent</b>	294	163	1 452	0	1 910
<b>Total equity</b>	294	220	1 597	0	2 112
<b>Equity ratio</b>	33 %	32 %	96 %	0 %	66 %

**Total income down 4% from second quarter**

**Underlying EBITDA up 34%**

- Positive development for both maritime services and supply service

**Increase in share of profit from associates**

- Wallenius Wilhelmsen contribution USD 12 million

**Significant gain on financial assets**

- Hyundai Glovis value up USD 60 million
- Qube/other financial assets value up USD 12 million
- Survitec impairment loss of USD 10 million



# Further recovery in maritime services' operating margin

EBITDA margin of 13%

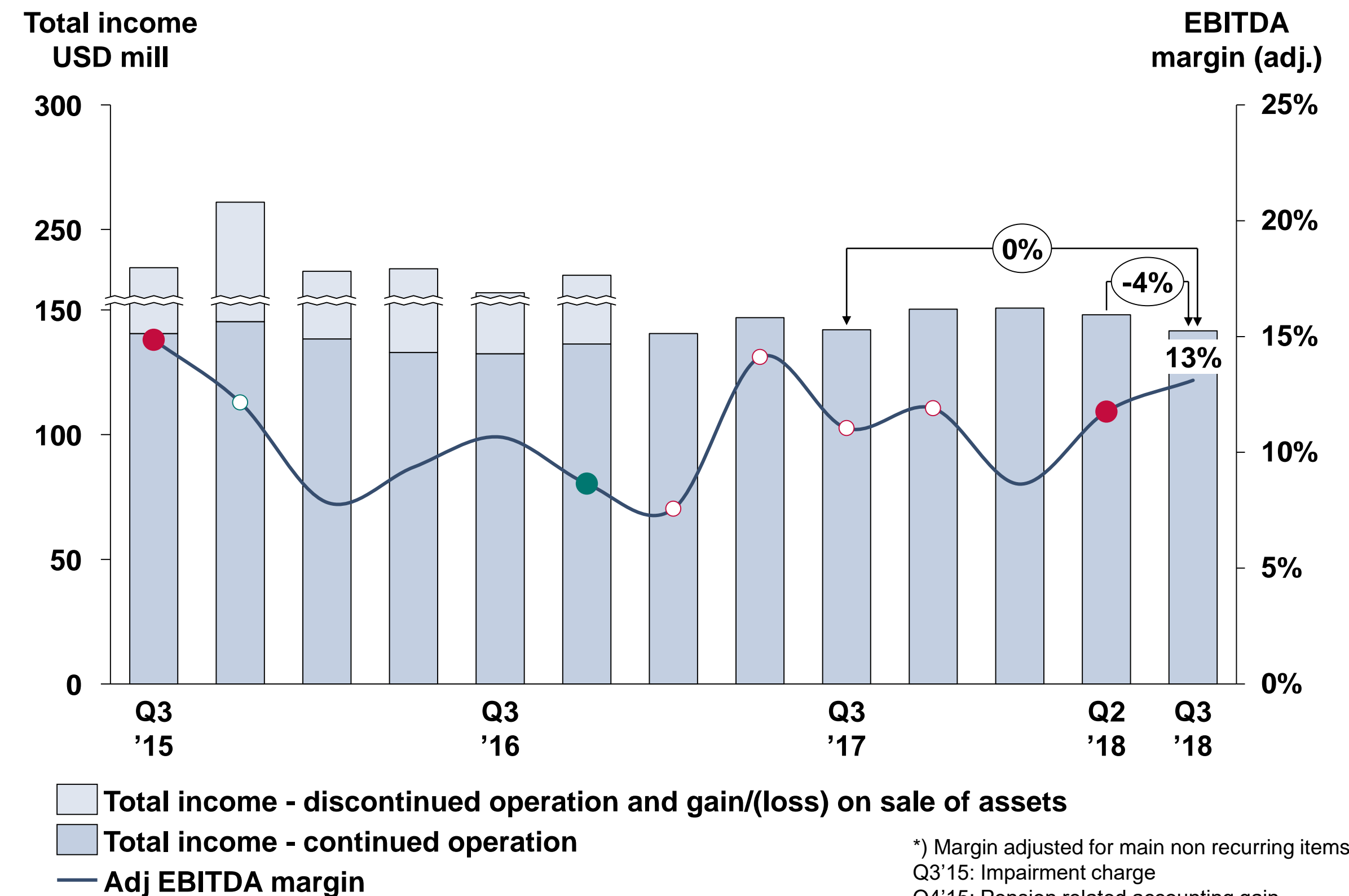
## Total income down 4% from second quarter

- Reduced income from ships service
- Increase in ship management fleet and income

## Adjusted EBITDA up 7%

- Stable development for ships services
- Rebound in ship management (reduced contract ramp up cost)

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



<sup>\*)</sup> Margin adjusted for main non recurring 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

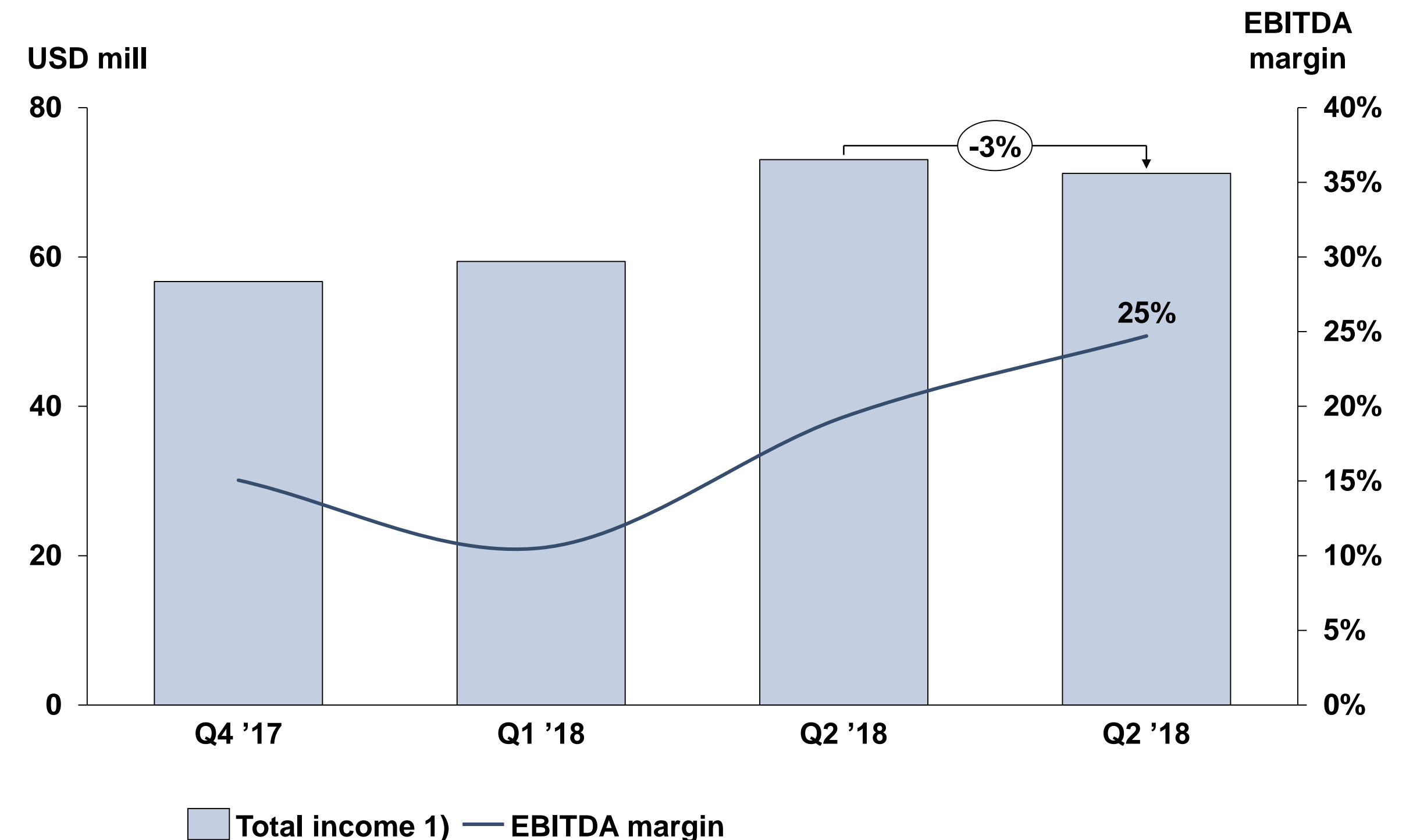
General high activity level across all main business units

**NorSea Group income up 4% adjusted for sales gains <sup>1)</sup>**

- Strong supply base activity
- Start-up of new offshore wind contract

**WilNor Governmental Services and NorSea Group providing services to NATO exercise Trident Juncture <sup>1)</sup>**

**Supply services - total income and EBITDA margin <sup>1)</sup>**



<sup>1)</sup> Trident Juncture related goods and services purchased on pass through basis and presented on a net basis in the income statement



# Improved holding and investments results

Increased contribution from Wallenius Wilhelmsen

## Wallenius Wilhelmsen net result up from second quarter

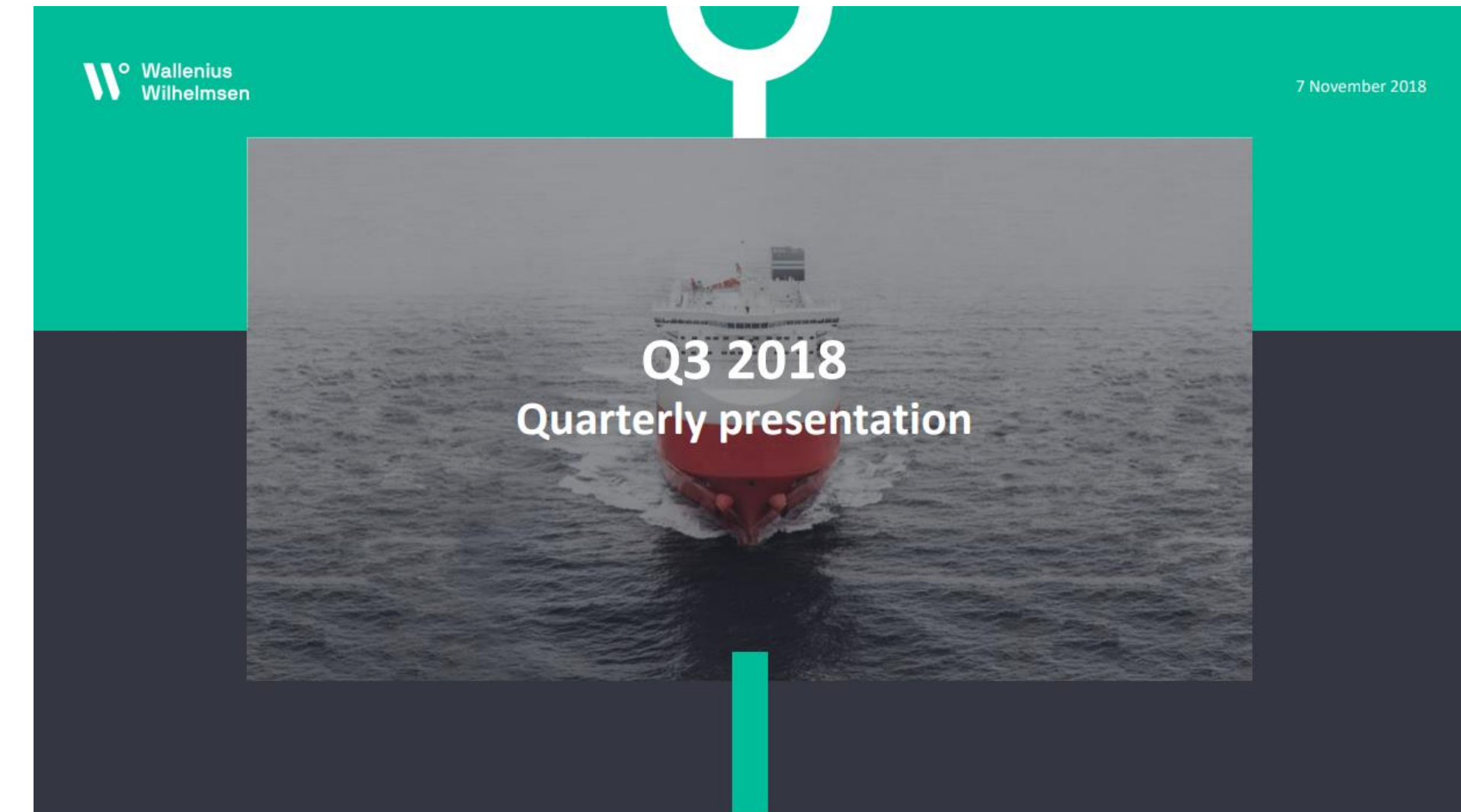
- Reduced financial cost offsetting a seasonal reduction in operating result
- USD 12 million share of net result

## Hyundai Glovis

- USD 60 million gain from change in fair value

## Qube Holdings

- 12 million gain from change in fair value; USD 2 million dividend income



### Highlights third quarter 2018

EBITDA of USD 152 million

Continued positive ocean volume development due to increased high & heavy volumes

Some weakening in volumes late in the quarter reflecting more volatile auto markets

Ocean results continue to be negatively impacted by higher and rising bunker cost

Vessel capacity reduced due to rationalization of voyages and weaker volumes

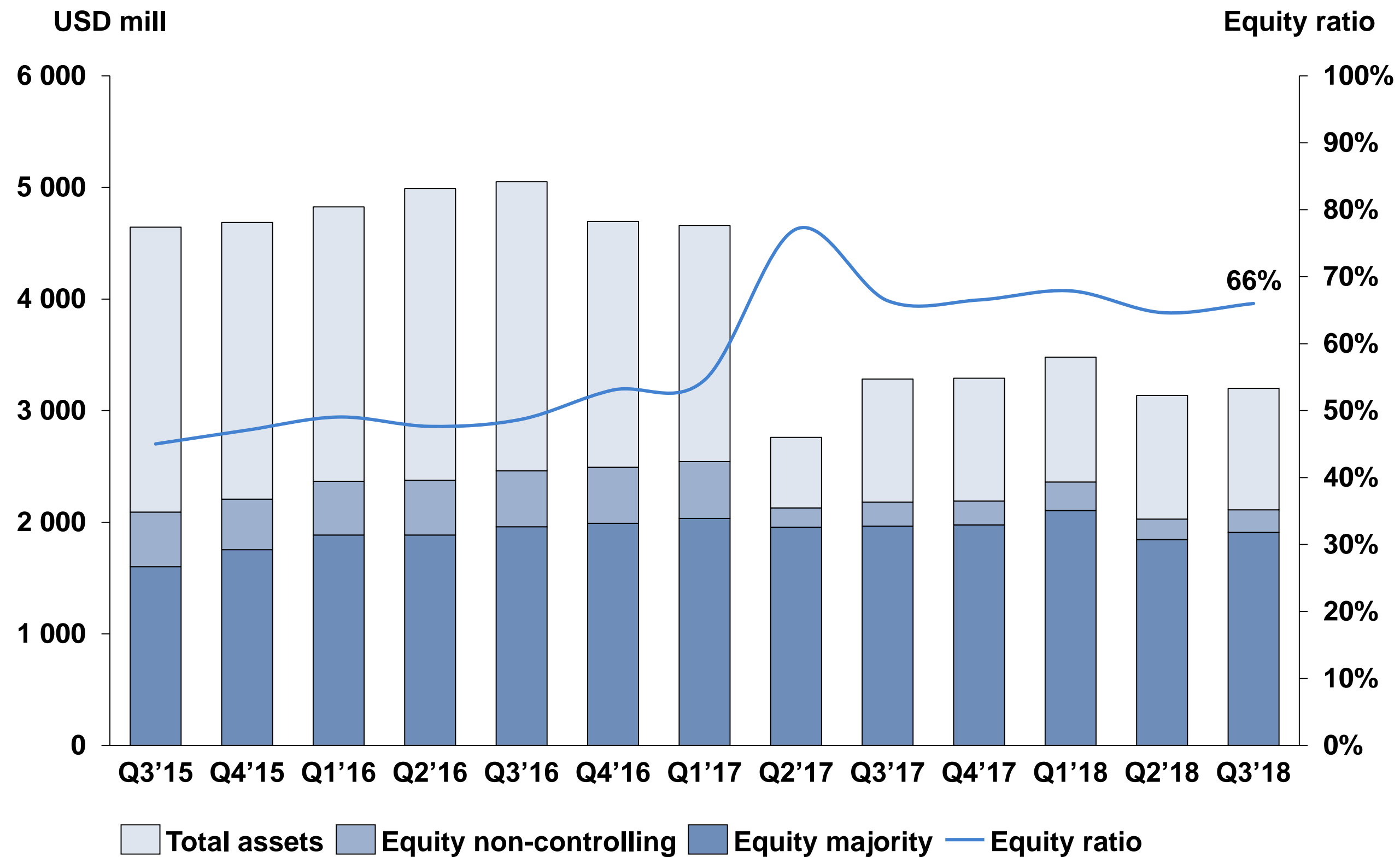
USD 120 million synergy target confirmed

Performance improvement program targeting USD 100 million initiated

# Equity ratio of 66%

Equity and total assets up mainly due to increased financial assets value

## Wilhelmsen group total assets and equity ratio



## Key figures

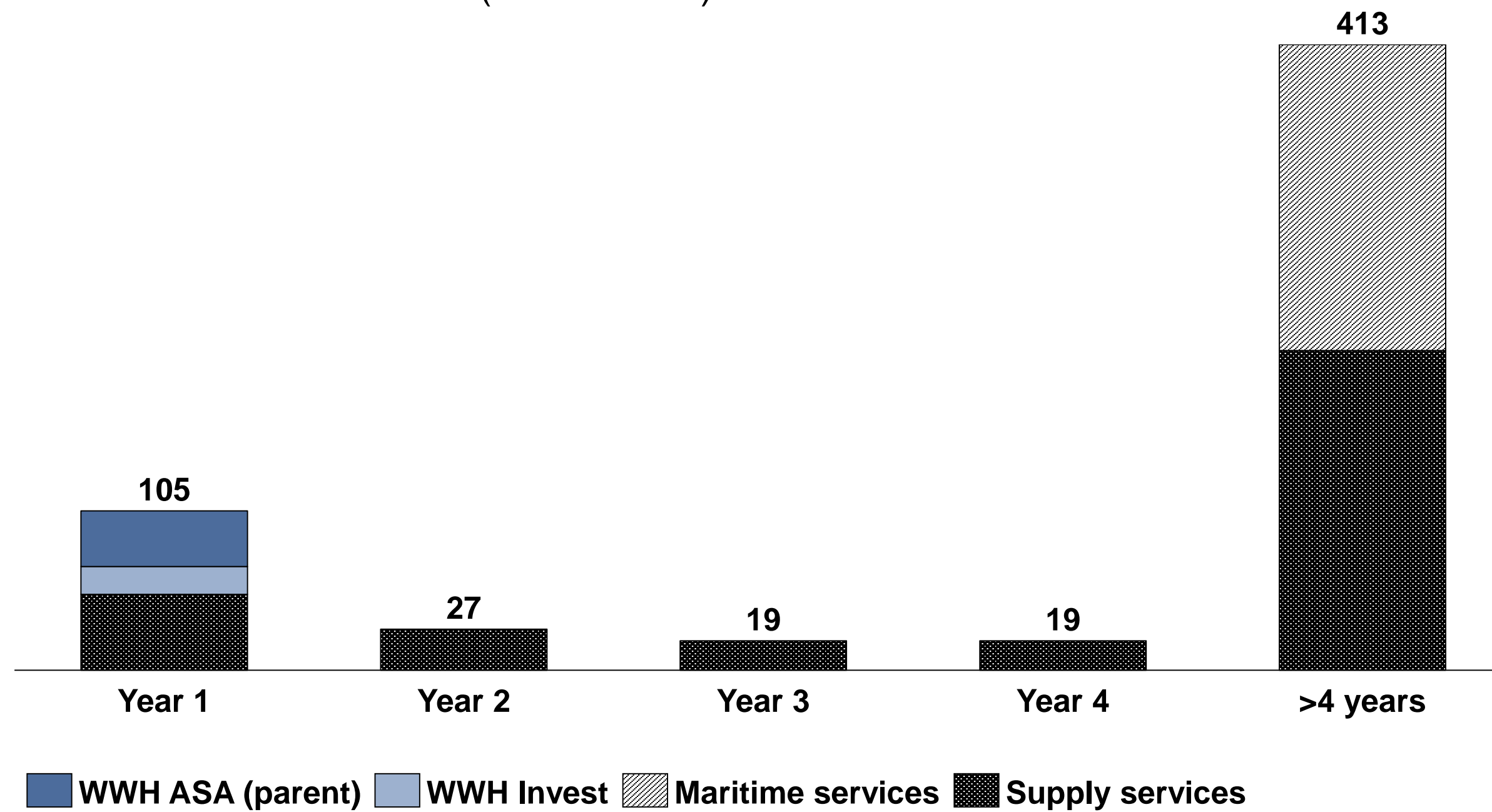
Total assets USD 3 199 million (up 2% q-on-q)

Total equity USD 2 112 million (up 4% q-on-q)

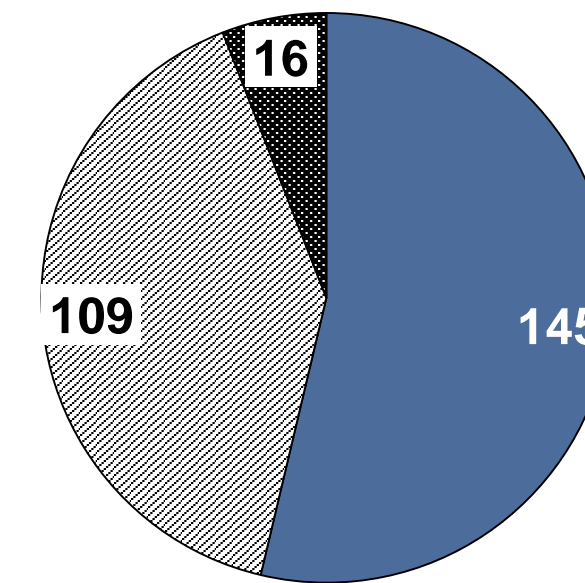


# Liquidity and debt repayment profile remain healthy

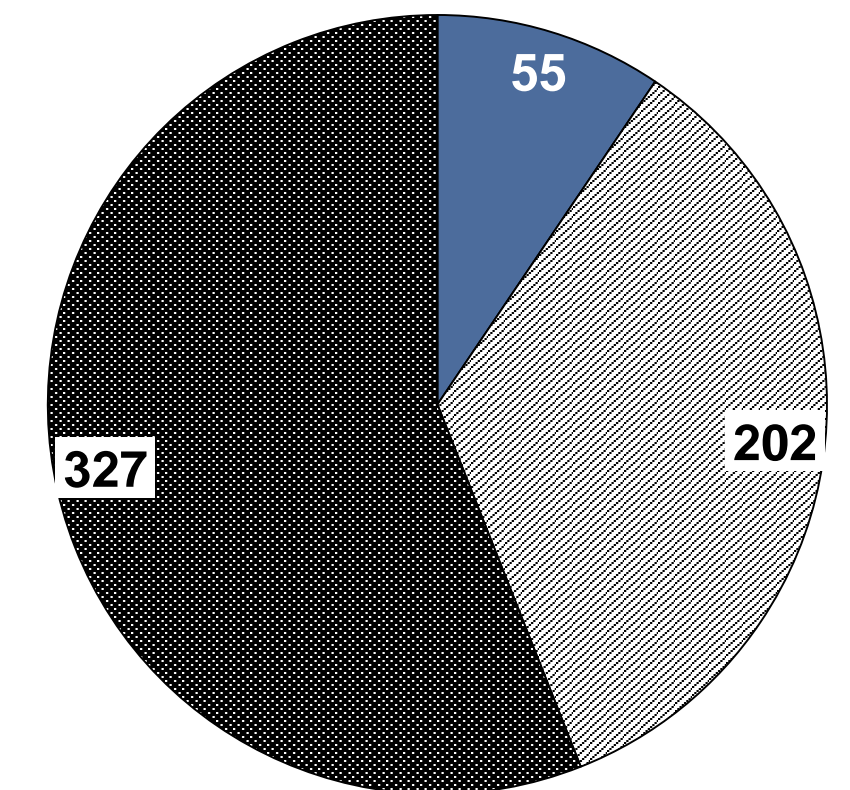
**Maturity profile – outstanding debt**  
(USD million)



**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

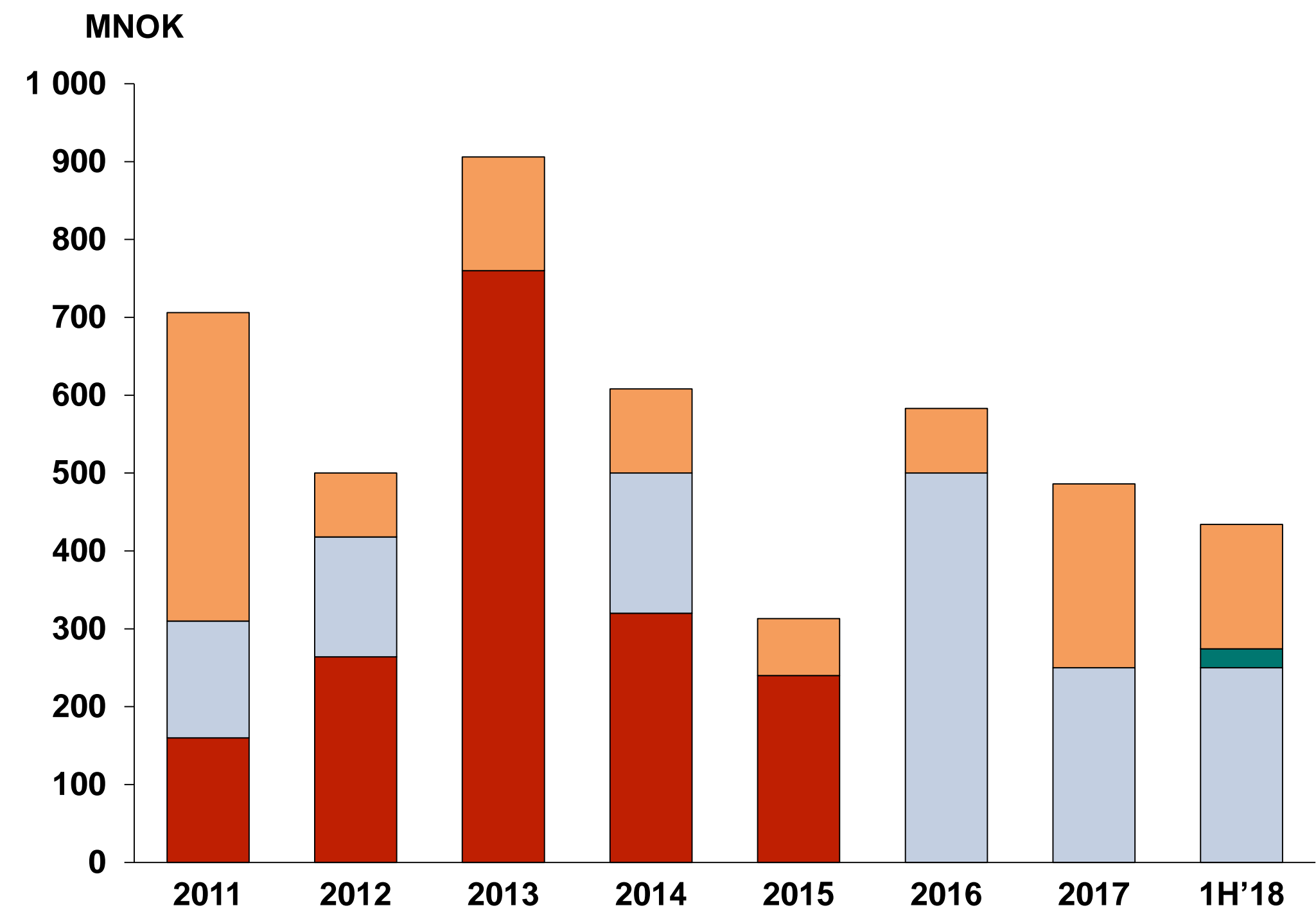




# Second dividend of NOK 2.00 per share payable 22 November

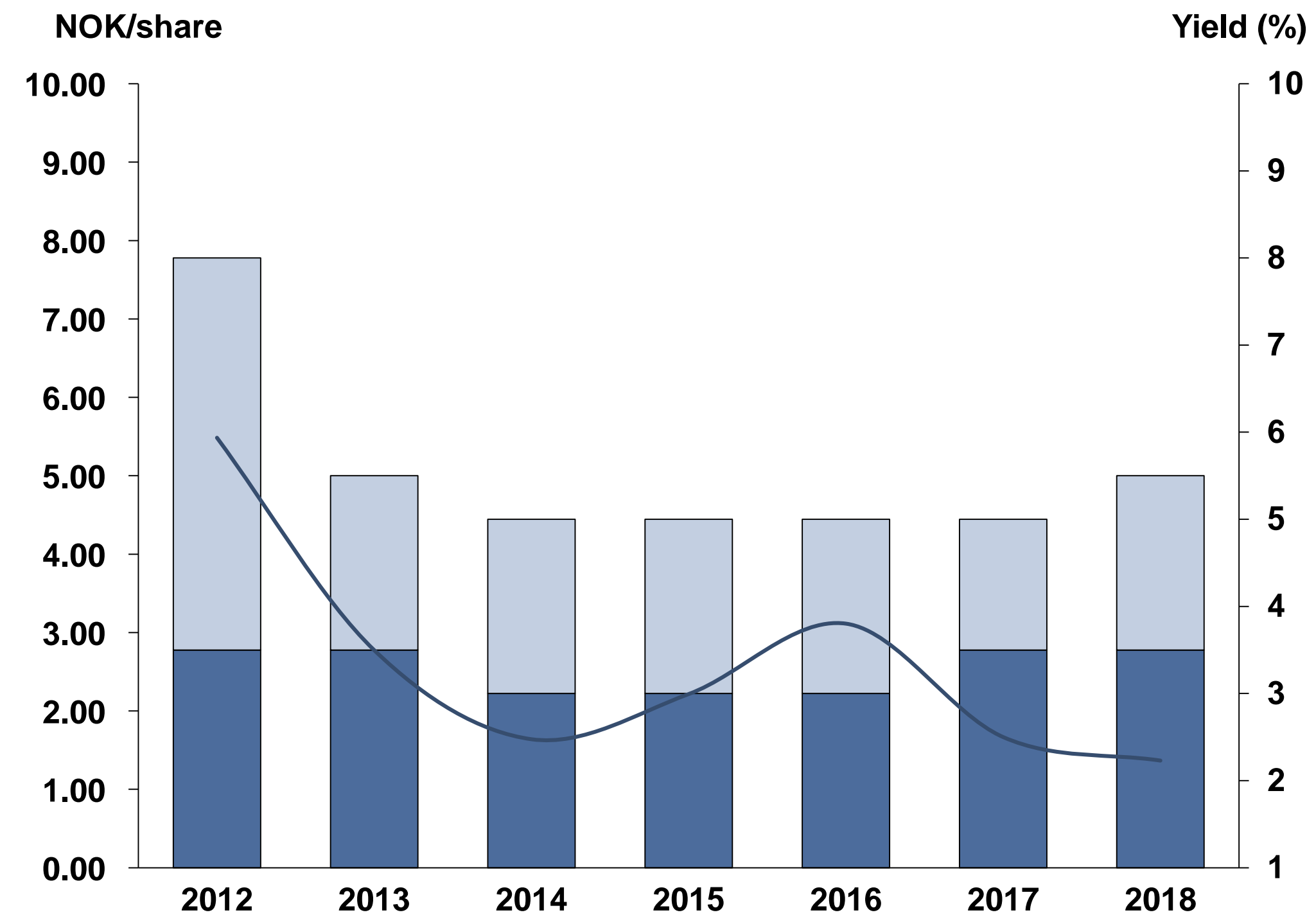
First dividend of NOK 3.50 per share paid 8 May

### 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, other financial assets and financial investment portfolio  
 2) Yield calculated based on previous year median closing price for WWI and WWIB share



# Outlook

**Despite a more positive development of underlying operating performance the past two quarters, the board expects a somewhat softer fourth quarter.**

**A more negative sentiment towards global trade, and potential introduction of further tariffs and restrictions, continue to create uncertainties.**



*Supplementary slides - Third quarter 2018*

## **Maritime services**

Ships service

Ship management

## **Supply services**

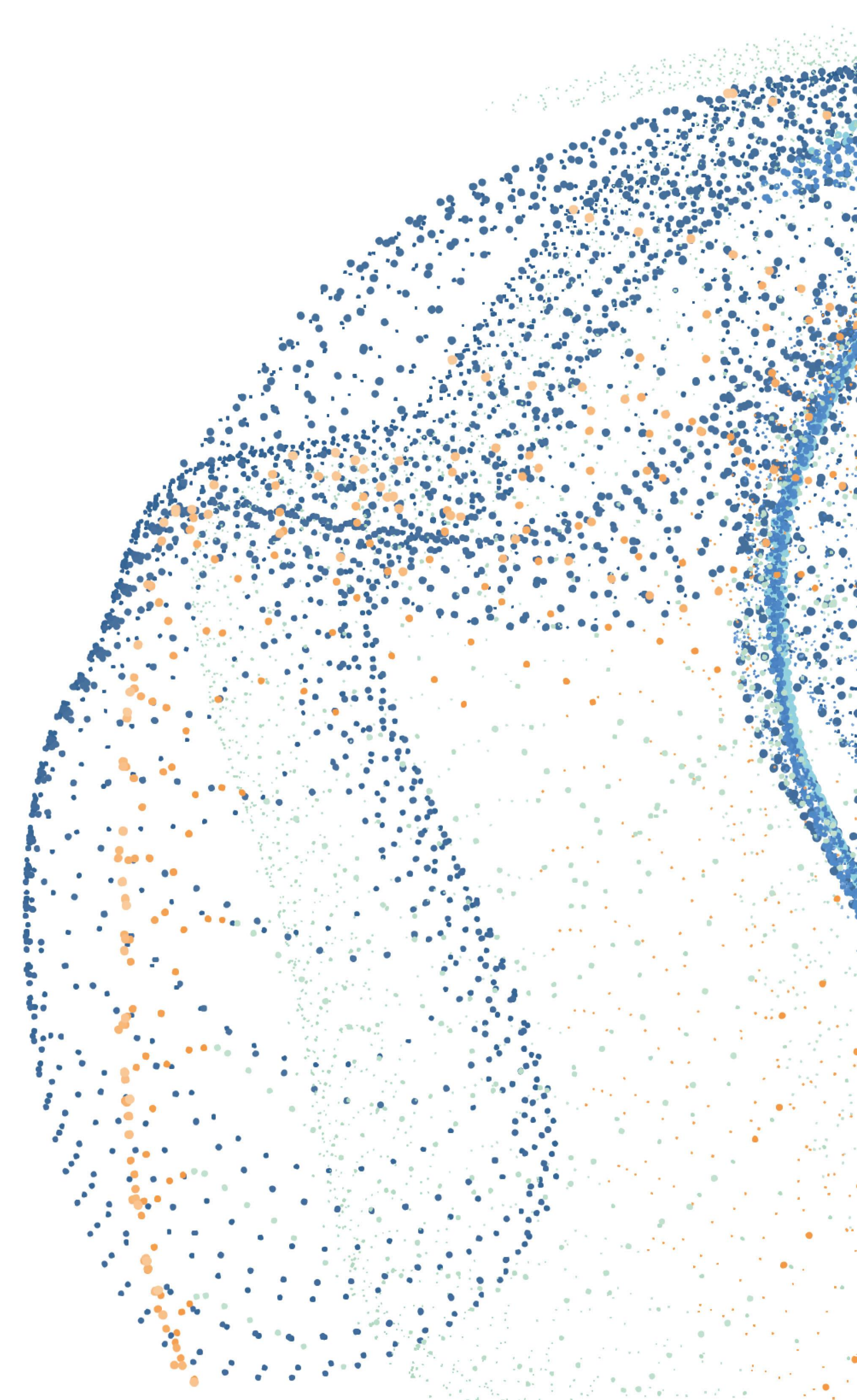
NorSea Group

## **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

## Q3'18 highlights

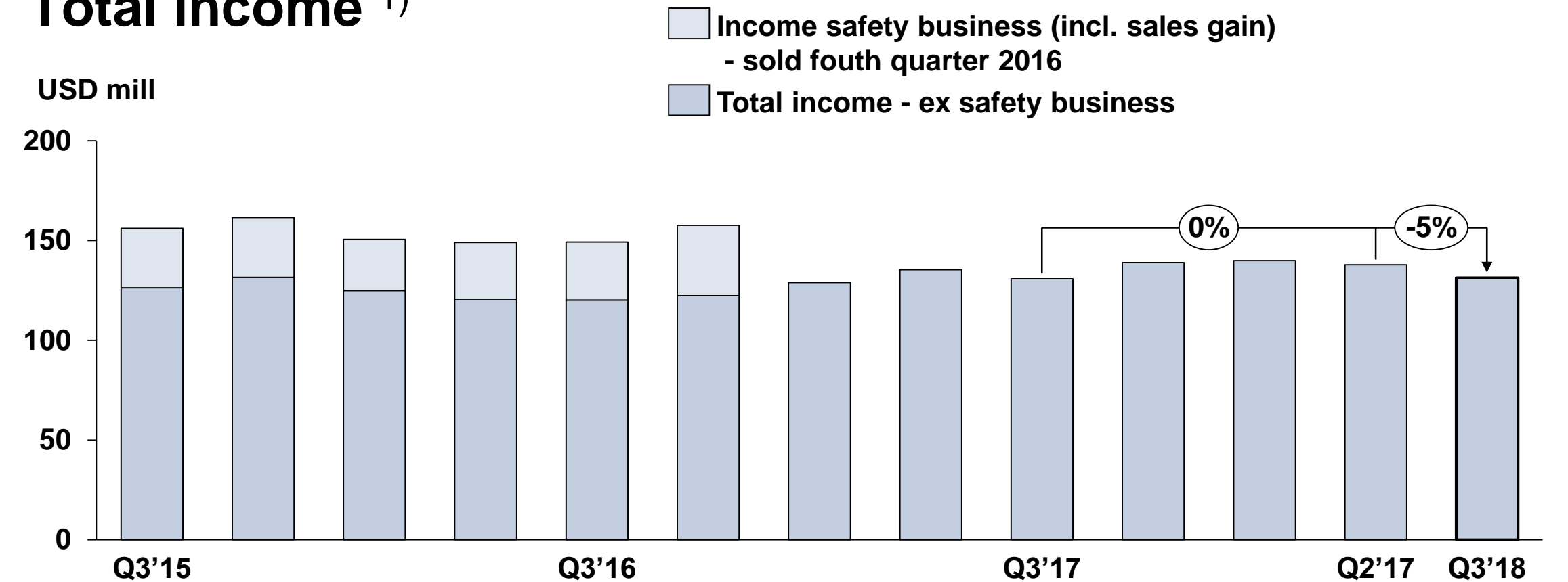
- Reduced income across all business streams from second quarter
- Stable operating profit supported by improved product mix
- Wilhelmsen and technology partner Ivaldi Group has agreed to further deepen their collaboration with on-demand 3D printing of marine parts, starting with a facility in Singapore.

## Key figures

Mill. USD		Q3'18	Q2'18	Q3'17
Total income <sup>1)</sup>	Mill. USD	131	138	131

1) Not including share of profit from associates

## Total income <sup>1)</sup>



# 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

## Q3'18 highlights

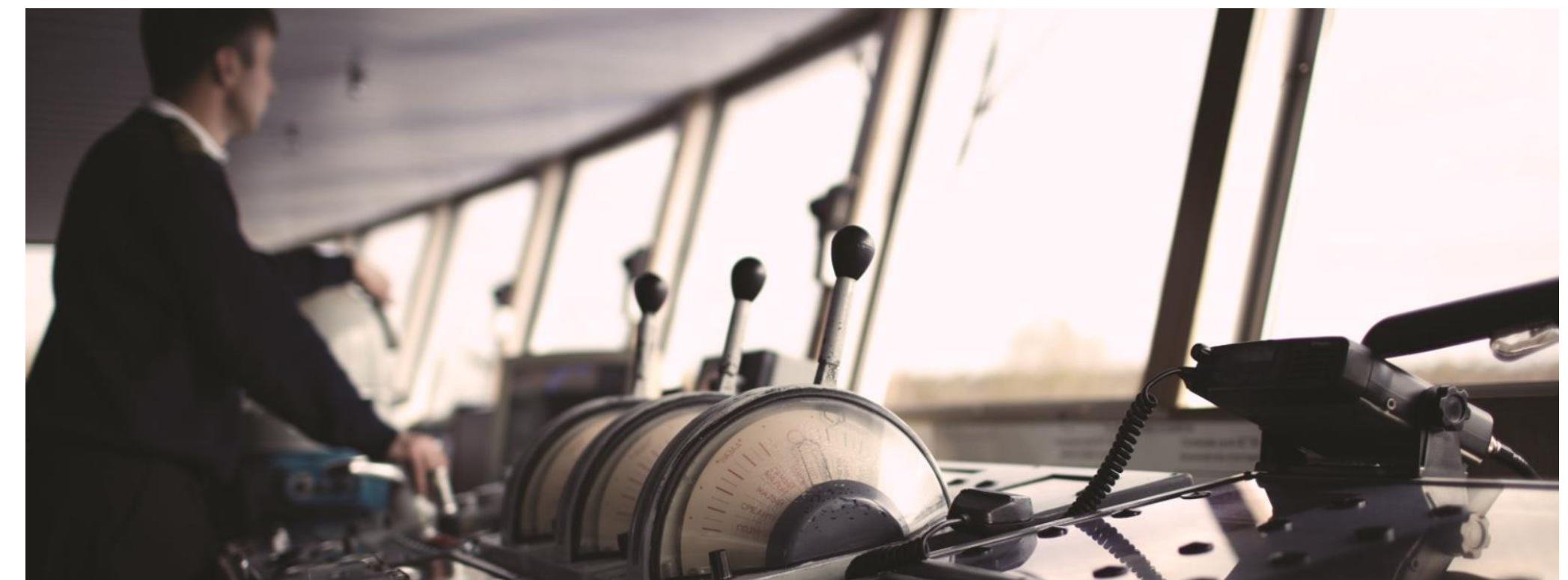
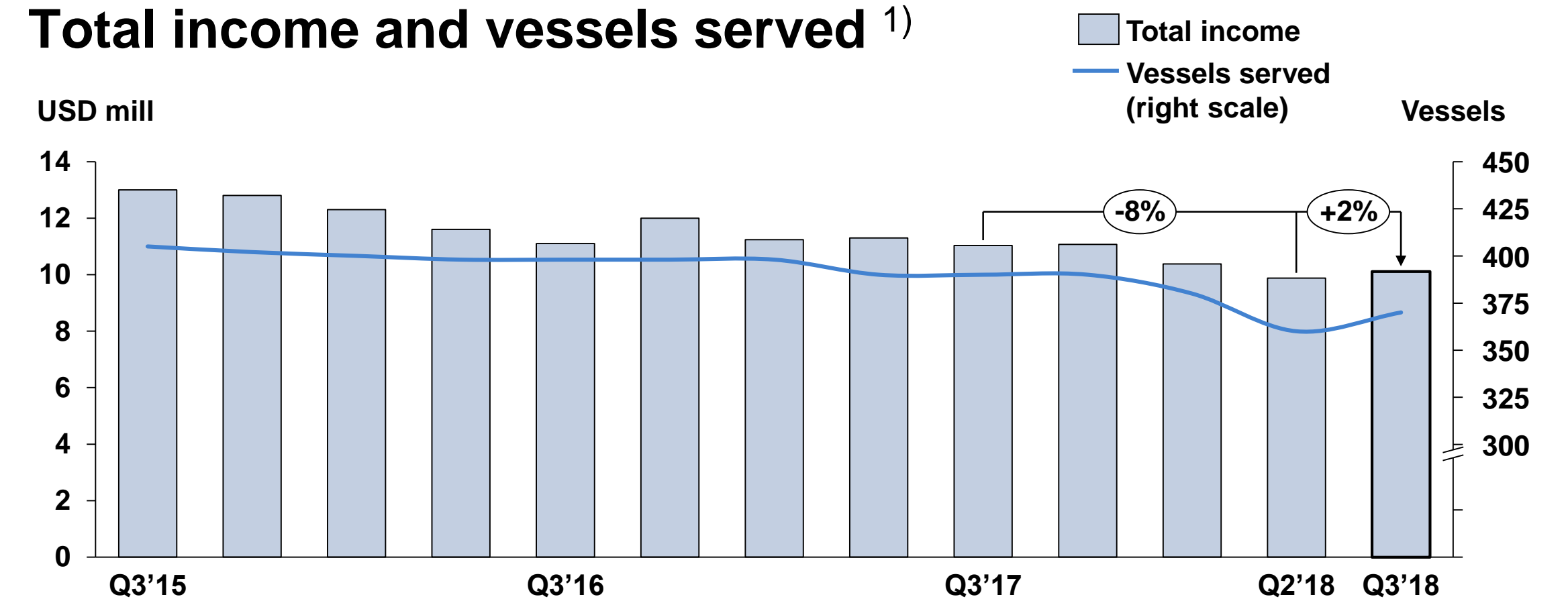
- Total income up, following new vessels on management
- Rebound in operating profit, mainly due to less contract ramp up cost
- First full quarter of operation of new Southampton, UK, office

## Key figures

Mill. USD		Q3'18	Q2'18	Q3'18
Total income <sup>1)</sup>		10	10	11
Vessels served	Vessels	~370	~360	~390
Of which:				
- Full technical management	%	~40	~40	~35
- Layup management	%	~5	~10	~10
- Crew management	%	~55	~50	~55

1) Not including share of profit from associates

## Total income and vessels served <sup>1)</sup>



# 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 June 2018)

## Q3'18 highlights

- Income up 4% adjusted for sales gains
- Strong supply base service activities
- Start-up of a new offshore wind contract
- Services provided to NATO exercise Trident Juncture

## Key figures

Mill. USD	Q3'18	Q2'18	Q3'17 <sup>2)</sup>
Total income <sup>1)</sup>	70	70	65

- 1) Not including share of profit from associates  
2) Pro forma figures not consolidated in Wilhelmsen accounts  
3) Pro forma figures based on NorSea Group reporting, not consistent with Wilhelmsen accounting principles

## Total income and operating margin (weighted) <sup>3)</sup>

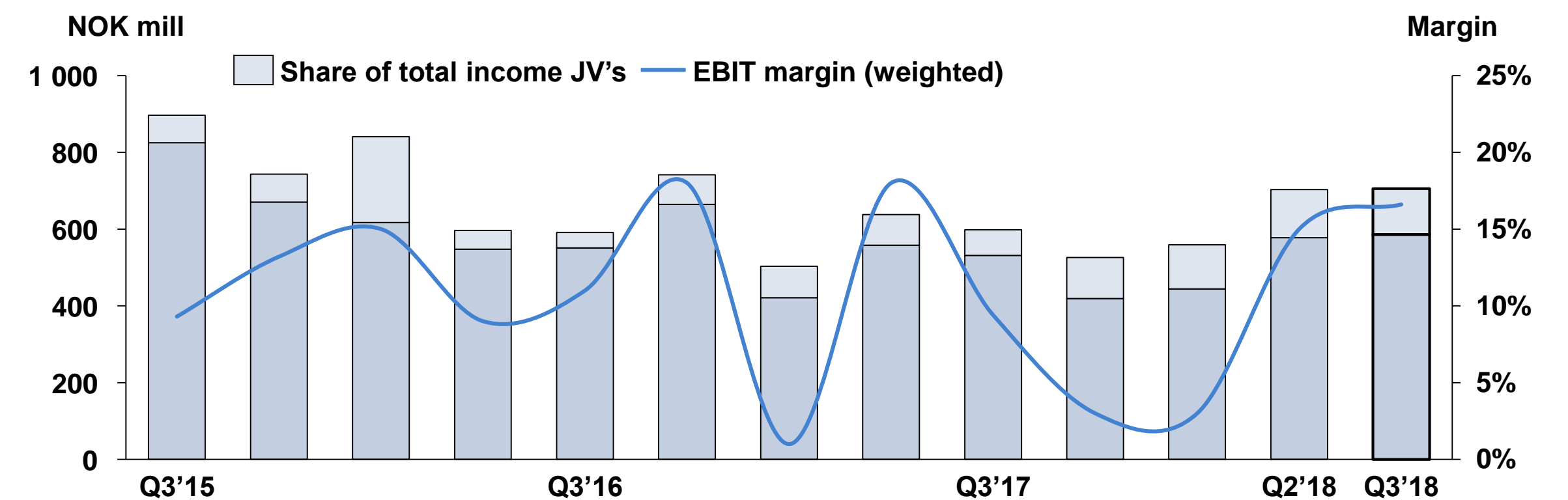


Photo: NorSea Group



# 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 the Oslo Stock Exchange  
Wilhelmsen owns ~37,8% of Wallenius Wilhelmsen ASA (as per 30 June 2018)

## Q3'18 highlights

- Continued growth in high and heavy volumes
- Some weakening in auto volumes towards end of the quarter
- EBITDA impacted by higher and rising bunker cost
- Improved net profit, supported by reduced net financial expenses

## Key figures

Mill. USD	Q3'18	Q2'17	Q3'17
Total income <sup>1)</sup>	1 031	1 044	955
EBITDA <sup>1)</sup>	152	156	188
Net profit <sup>1)</sup>	30	21	55
Net profit - majority <sup>1)</sup>	30	17	51
Wilhelmsen share of profit <sup>2)</sup>	12	6	19
Book value of investment <sup>2)</sup>	848	839	796
Market value of investment <sup>2)</sup>	683	745	979

1) Wallenius Wilhelmsen ASA (100%)  
2) Wilhelmsen group accounts/investment

## Wilhelmsen's investment in Wallenius Wilhelmsen ASA (market value - mill. USD)

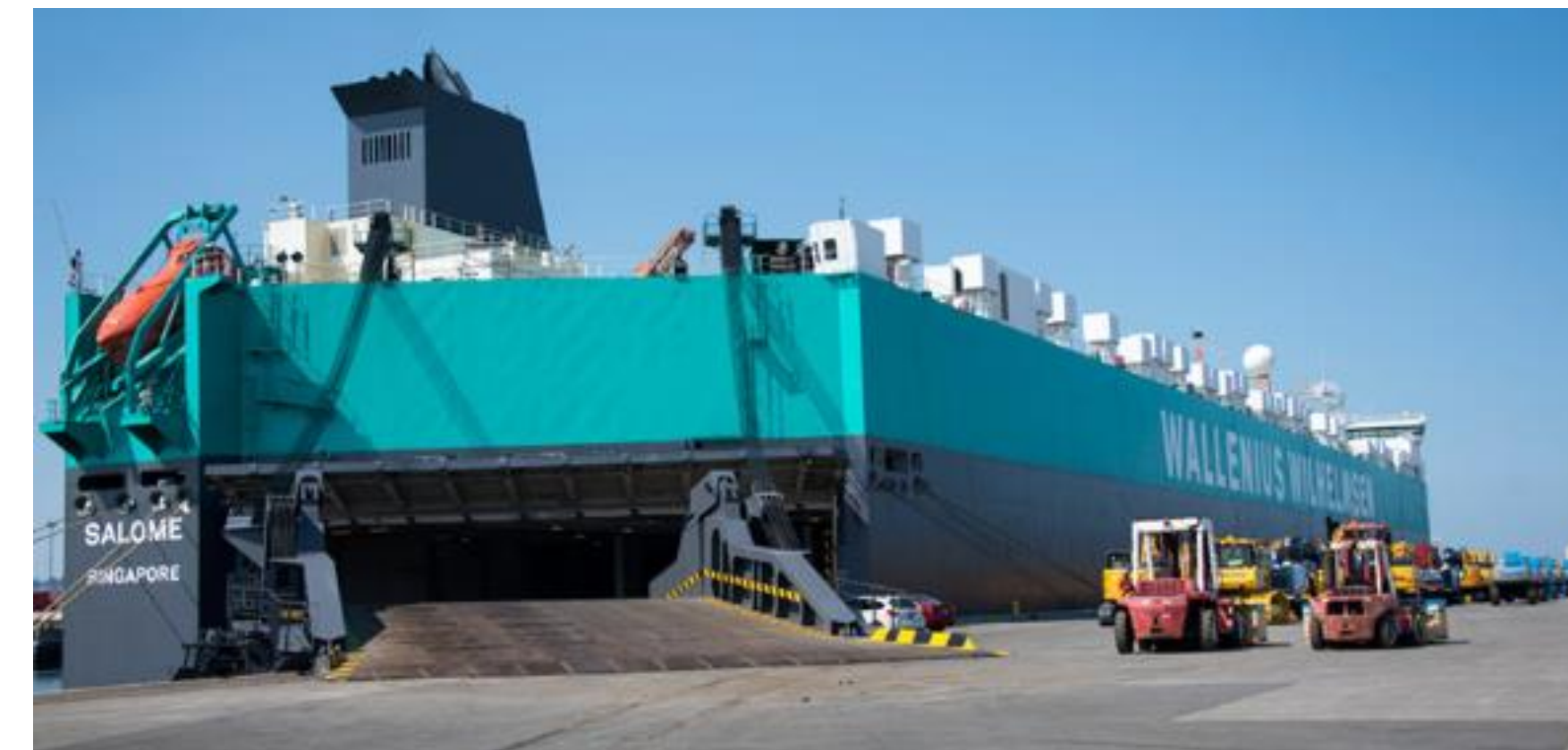
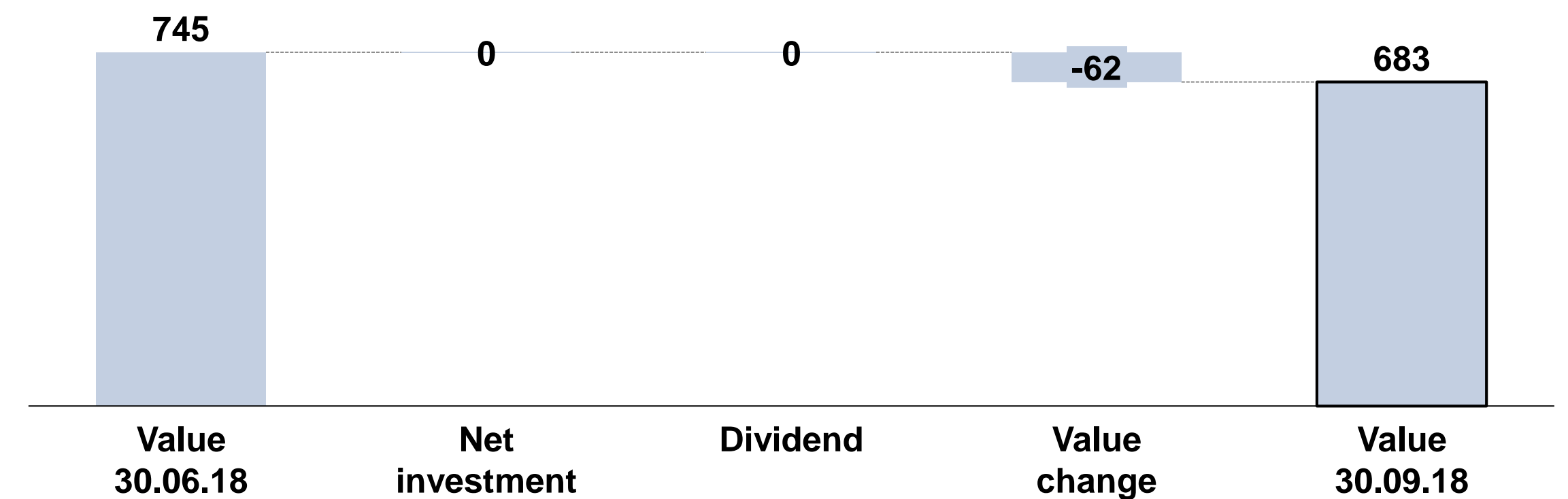


Photo: Wilhelmsen



# Treasure ASA

Treasure ASA holds a 12.04% ownership interest in Hyundai Glovis, and is listed on the Oslo Stock Exchange  
Wilhelmsen owns 72.7% of Treasure ASA (as per 30 June 2018)

## Q3'18 highlights

- Result lifted by increase in Hyundai Glovis share price
- Treasure ASA share price down 1%

## Key figures

Mill. USD		Q3'18	Q2'18	Q3'17
Total income <sup>1)</sup>	100%	nil	nil	nil
Change in fair value financial assets <sup>1)</sup>	100%	60	-250	
Net profit <sup>1)</sup>	100%	60	-250	nil
Book/market value Hyundai Glovis <sup>2)</sup>	100%	528	469	584
Book/market value Hyundai Glovis <sup>3)</sup>	72.7%	384	341	424
Market value Treasure ASA <sup>3)</sup>	72,7%	251	255	307

1) Wilhelmsen group accounts (consolidated figures including non-controlling interests)

2) Treasure ASA investment

3) Wilhelmsen investment (direct or indirect)

## Wilhelmsen's investment in Treasure ASA

(market value - mill. USD)

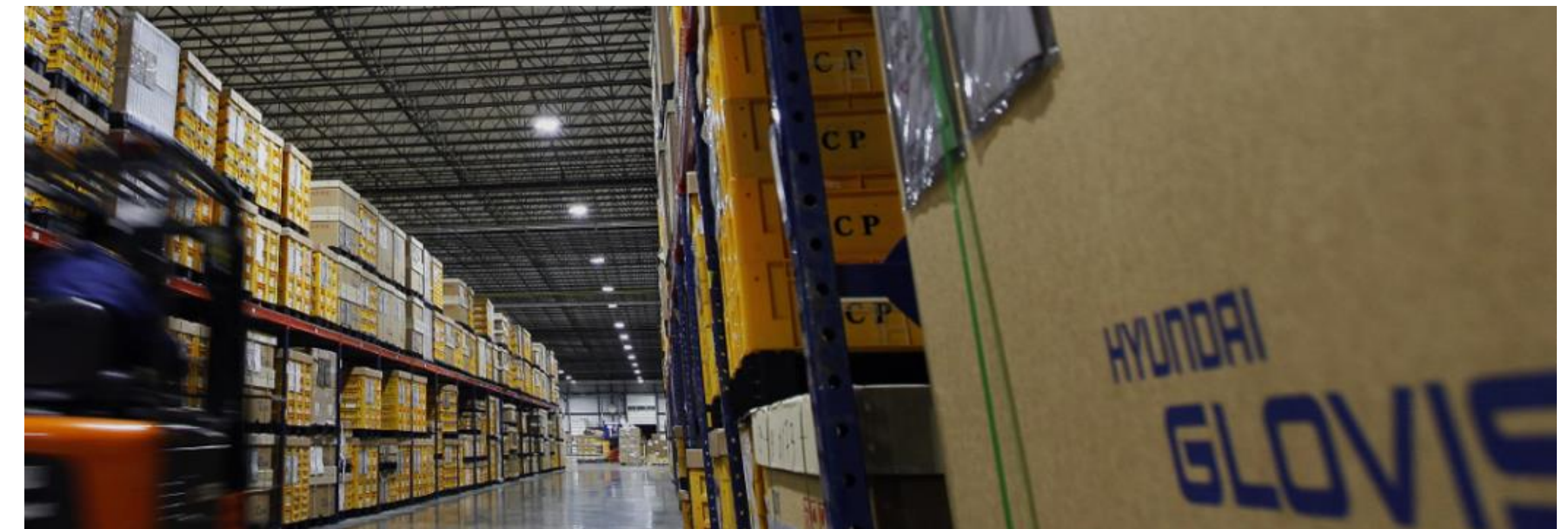
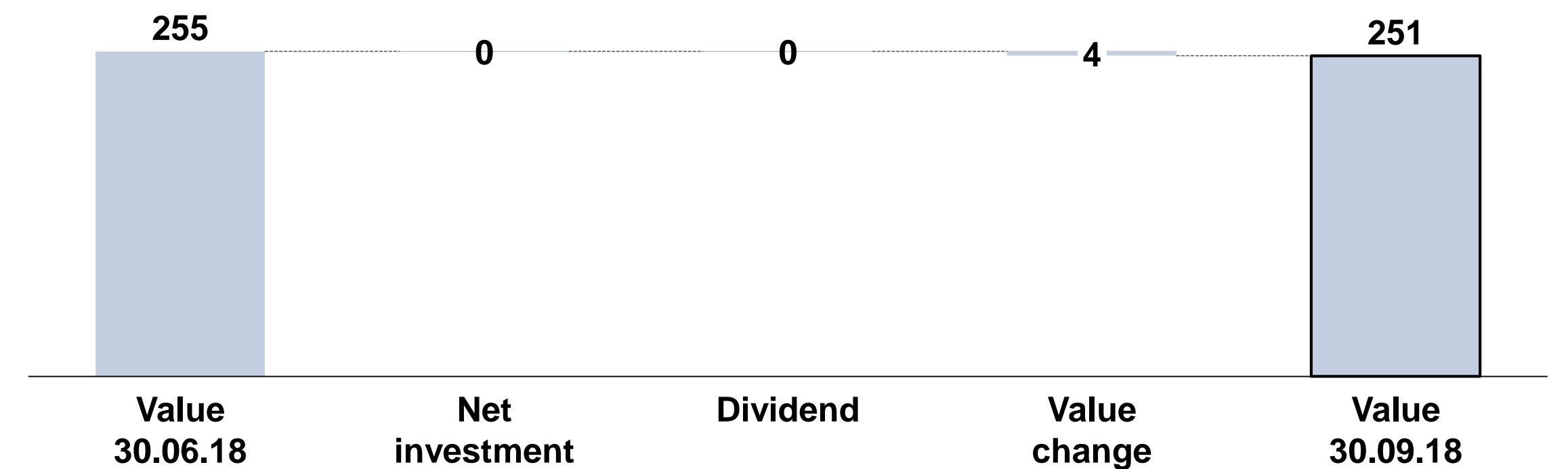


Photo: Hyundai Glovis





# 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

## Q3'18 highlights

- USD 12 million gain from Qube and other financial assets
- USD 2 million dividend income from Qube
- USD 5 million net increase in current financial investments

## Key figures

Mill. USD	Q3'18	Q2'18	Q3'17
Change in fair value financial assets <sup>1)</sup>	12	15	
Other financial income	4	-7	-6
Financial assets <sup>1)</sup>	110	101	137
Current financial investments <sup>2)</sup>	94	91	99
Cash and cash equivalents <sup>3)</sup>	51	49	32

1) Include Qube Holdings Limited and certain other investments. Income excludes currency and mark-to-market revaluation

2) Investment portfolio in parent company

3) Cash and cash equivalents in parent company and fully owned subsidiaries reported under the holding and investments segment

## Financial assets, investment portfolio and cash (Mill. USD)

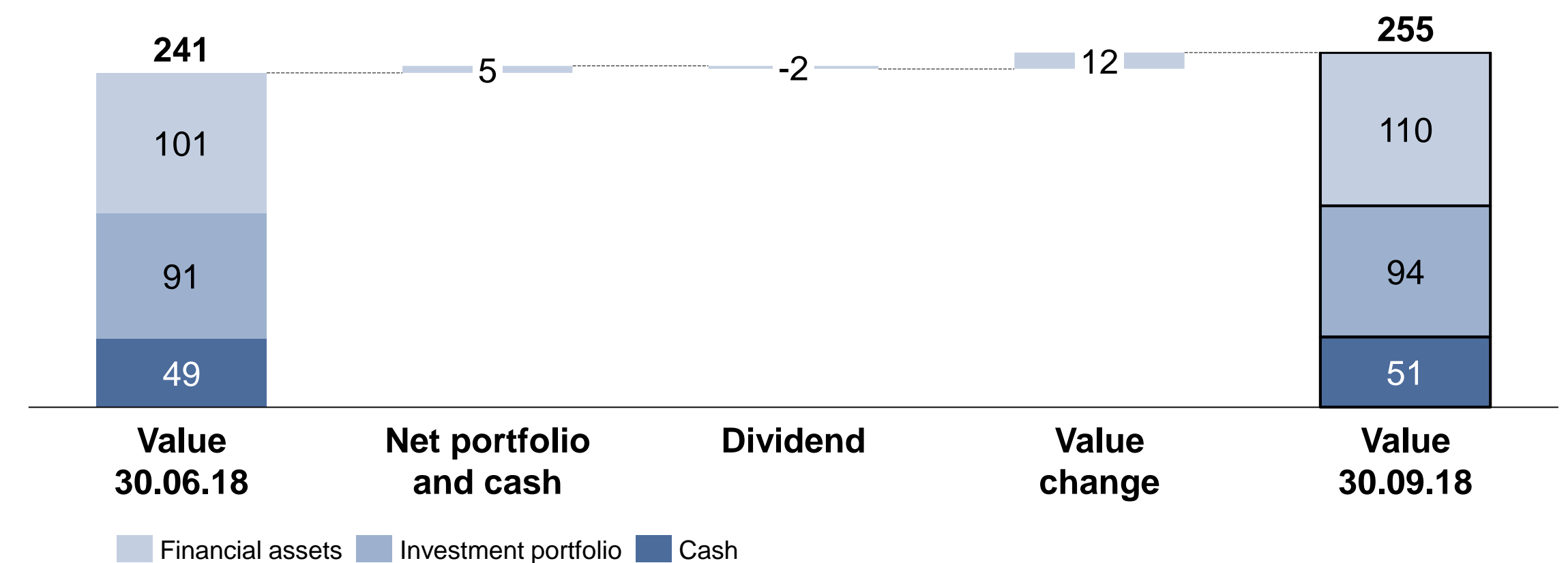


Photo: Qube



