Press release

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Wilh. Wilhelmsen ASA (WWASA): Results for the second quarter

(Lysaker, 7 August 2014) A seasonal increase in volumes for both shipping and logistics positively affected revenue for WWASA in the second quarter. Adjusted for non-recurring items, operating profit amounted to USD 79 million – a 46% increase quarter on quarter.

For the second quarter, WWASA posted an operating profit of USD 57 million, down 30% from the same quarter in 2013 (USD 82 million), but up 6% compared with the first quarter. The second quarter was negatively affected by non-recurring items totalling USD 22 million, of which USD 14 million was related to restructuring costs in Wallenius Wilhelmsen Logistics (WWL) and USD 8 million to reduction of Scandinavian seafarers. Adjusted for these costs, WWASA delivered an operating profit of USD 79 million, on par with the same quarter last year or up 46% compared with the first quarter.

Despite a slight decline year over year, a total income of USD 682 million (USD 689 million) represents a 7% increase in topline compared with the first quarter of 2014.

“A seasonal growth in demand for seaborne transportation lifted total volumes 11% from the first quarter,” says Jan Eyvin Wang, president and CEO of WWASA. “ We saw positive development in all main trades. Like previous quarters, the cargo and trade mix has been unfavourable for our fleet and voyages costs are increasing to cater for customer needs, limiting the improvement in our profitability.

The contribution from WWASA’s logistics segment improved. “Increased earnings in WWL and Hyundai Glovis offset substantially reduced activity in some of the group’s US based logistics activities,” says Wang.

The board expects the slow volume growth trend to continue into the third quarter, however with normal seasonal variations and continued pressure on margins.

Elaborating on the prospects, Mr Wang says: “The slow, but improved growth in demand for seaborne transportation for auto and high and heavy equipment the last quarters is expected to continue. However, this need is normally somewhat weaker in the third quarter, often characterised by labour strikes at the car factories in Korea. Reduced activity level in some of our logistics entities in the US will also have a negative impact on earnings the next few months.”

“With volatility in demand for transportation, improvement initiatives and efficiency programmes are continuously implemented to improve the group’s profitability, including cost- and fleet optimisation initiatives,” Mr Wang concludes.

The Annual General Meeting (AGM) held 24 April 2014 resolved to pay a dividend of NOK 1 per share, totalling USD 37 million. Dividend was paid to shareholders 8 May.

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