Wilh. Wilhelmsen ASA (WWASA): Results for the fourth quarter of 2014

(Lysaker, 13 February 2015) Adjusted for non-recurring items, WWASA's total income fell 2% from the third quarter. General rate pressure and an unfavourable cargo mix offset an increase in transported volumes. Reduced bunker cost and cost-reducing initiatives had a positive effect on operating profit, ending on par with the previous quarter.

WWASA delivered an operating profit of USD 76 million (USD 66 million) in the fourth quarter based on a total income of USD 624 million (USD 671 million). Adjusted for non-recurring items, the operating profit was USD 63 million (USD 82 million), while the total income was USD 624 million (670 million). Adjustments this quarter included changes in WWASA and Wallenius Wilhelmsen Logistics (WWL) pension scheme and impairment of two vessels for recycling. In the same quarter 2013, the group recorded non-recurring items related to WWL's fine from Japanese fair trade authorities and a sales gain on one vessel.

"We transported approximately 19.6 million cubic metres cargo in the fourth quarter, a 5% growth quarter on quarter," says Jan Eyvin Wang, president and CEO of WWASA. "The increase was mainly driven by seasonality. Unfortunately, the cargo composition continued to be unfavourable, leading to suboptimal utilisation of our advanced vessels. Combined with a general rate pressure and less profitable cargo this had a negative impact on our earnings. With lower contribution from Hyundai Glovis and the loss of a substantial contract for the US government, the logistics segment also contributed with less to group accounts in the quarter."

The group continuously optimise capacity to market demand and focus on cost-reducing initiatives. "We now see that our profit improvement programme is paying off and that we've managed to reduce operational and administrative costs," comments Wang. He also adds that the current bunker price is favourable for the group: "Bunker expenses is a substantial part of our operational costs. Lower bunker costs lifted our profit quarter on quarter."

WWASA paid a total dividend of NOK 2.00 per share in 2014, of which NOK 1.00 in the fourth quarter. Aiming for a consistent yearly dividend, the board proposes to pay NOK 1.00 per share in the second quarter and a maximum of NOK 1.25 in the fourth quarter. The proposals are pending an approval at the general meeting 23 April 2015.

The board of WWASA anticipates the group's volume development to be relatively flat, adjusted for seasonality. The demand for break bulk and construction equipment is not expected to outweigh low demand for mining and agriculture equipment. With current fuel prices, the net bunker cost will have a positive effect on operating profit, supported by the effect from cost-reducing initiatives. The logistics segment's contribution to group accounts is expected to be in line with the fourth quarter.

For further information, contact
Jan Eyvin Wang, president and CEO: +47 67 58 47 05 (office), +47 900 20 200 (mob)
Benedicte Bakke Agerup, CFO and IRO: +47 67 58 48 55 (office), +47 915 48 029 (mob)
Benedicte Teigen Gude, GVP corporate communications: +47 67 58 41 77 (office), +47 959 07 951 (mob)

Wilh. Wilhelmsen ASA is through its operating companies (Wallenius Wilhelmsen Logistics, EUKOR Car Carriers and American Shipping and Logistics) the world leading operator within the rolling cargo segment. It is the only listed company in its niche, and offers global car and rolling cargo customers sea transportation and integrated logistics solutions from factory to dealer. For more information, please visit www.wilhelmsenasa.com. Follow us on Twitter | Facebook | LinkedIn | Instagram | YouTube