



Wilh. Wilhelmsen

Wilh. Wilhelmsen ASA

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Wilh. Wilhelmsen ASA (WWASA): Results for the third quarter 2016

A decrease in transported volumes, combined with a suboptimal cargo mix in the shipping segment, negatively affected WWASA's results in the third quarter of 2016. The logistics segment remained stable.

Total income for the third quarter was USD 418 million, down from USD 827 million in the second quarter. The operating profit ended at USD 32 million, down from USD 417 million in the previous quarter.

The sharp decline in total income and operating profit quarter on quarter was mainly caused by non-recurring items related to the demerger of Den Norske Amerikalinje with its shareholding in Hyundai Glovis. Adjusted for non-recurring items, total income and operating profit fell 8% and 27% respectively quarter on quarter.

"The underlying third quarter result was weak mainly due to low contribution from the shipping segment. Volumes declined by 9% from the previous quarter, and the cargo mix continues to be suboptimal given our advanced fleet. A comprehensive strike in the automotive industry in Korea caused a bigger decline in transported volumes than anticipated", says Jan Evin Wang, president and CEO of WWASA.

"Our logistics activities continue to deliver satisfying results and delivered stable performance quarter on quarter", says Wang.

The car carrying markets are affected by surplus tonnage and pressure on rates. "To mitigate the negative impact, measures have been taken such as: re-delivery of time charter tonnage, green recycling, charter-out, slow steaming, and early dry-docking" says Wang.

The letter of intent signed 5 September to merge Wallenius and WWASA is expected to be completed during first quarter of 2017.

Commenting on the prospects for WWASA, Mr Wang states: "We do not see any clear signs of volume growth in the remaining quarter of 2016. We also expect a continued pressure on margins. The global political landscape adds further uncertainties to the picture".

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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 high and heavy cargo customers sea transportation and integrated logistics solutions from factory to dealer. For more information, please visit www.wilhelmsenasa.com

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