Wallenius Wilhelmsen

Wallenius Wilhelmsen ASA Q2 2018 results

Oslo, August 8, 2018 – Wallenius Wilhelmsen ASA reports EBITDA adjusted of USD 159 million in the second quarter. The company sees underlying positive volume and cargo mix development and higher realization of synergies, but results are negatively impacted by lower rates, increased bunker prices and unfavourable currency movements.

Total income was USD 1 044 million in the second quarter, up 7% compared to the same period last year, with increased revenues for both the ocean and landbased business. The increase in ocean revenues were caused by positive volume development and higher fuel cost compensation.

EBITDA adjusted ended at USD 159 million in the second quarter, a decline of 16% y-o-y. This was mainly driven by the ocean segment (EBITDA adjusted USD 136 million) which was negatively impacted by contracted reductions in HMG volumes, rate reductions, increased bunker prices and unfavourable currency movements. Furthermore, results were affected by increased trade imbalances combined with increased capacity demand to handle the volumes. The negative effects were only partly offset by the underlying positive volume and cargo mix development and higher realization of synergies. EBITDA adjusted for the landbased segment ended at USD 25 million in the second quarter, down from USD 27 million in the same period last year, equivalent to an 8% reduction.

“Results for the second quarter were in line with our expectations and we are pleased to see the continued positive volume development. However, the underlying performance remains hampered by rising bunker prices, low rates and trade imbalances causing inefficiencies,” says Craig Jasienski, President and CEO of Wallenius Wilhelmsen ASA.

At the end of the first quarter about USD 110 million of the USD 120 million synergy target was confirmed. During the quarter about USD 25 million was added to confirmed synergies, through mainly ship management, fleet optimization and procurement, but also some smaller savings from SG&A.

The board maintains a balanced view on the prospects for Wallenius Wilhelmsen. The 2018 results will continue to be negatively impacted by the underlying reduced HMG contractual volumes and rate reductions from contract renewals during 2017 as well as higher bunker prices and trade imbalance. The positive volume development with 2-3% y-o-y growth combined with recovery in the high & heavy segment is expected to continue. Increased realization of synergies will also positively impact the results. The tonnage supply/demand balance has started to improve, but market rates remain at a low level.

About Wallenius Wilhelmsen

The Wallenius Wilhelmsen group (OEX: WWL) is a market leader in RoRo shipping and vehicle logistics, transporting cars, trucks, rolling equipment and breakbulk around the world. The company operates around 130 vessels servicing 32 trade routes to six continents, with a global inland distribution network, 77 processing centres, and 13 marine terminals. The Wallenius Wilhelmsen group consists of Wallenius Wilhelmsen Ocean, Wallenius Wilhelmsen Solutions, EUKOR and ARC. The group is headquartered in Oslo, Norway with 7.500 employees in 29 countries worldwide. Read more at walleniuswilhelmsen.com

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