



Wallenius Wilhelmsen ASA Q2 Report 2024

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Highlights – Q2 2024

Wallenius Wilhelmsen:

- Delivered Q2 EBITDA of USD 507m, which is an all-time high. All segments made solid contributions, with Government and Logistics delivering the strongest growth rates QoQ
- Declares H1 24 dividend of USD 0.61 per share under the new dividend policy, representing 50% of the net profit for the period
- Announced the sale of the Marine Terminal in Melbourne, Australia for USD 220m
- Placed an order for four additional newbuildings, bringing our total order book to 12 Shaper class vessels
- Appointed Mike Hynekamp as Chief Strategy and Corporate Development Officer and John Felitto as new COO of Logistics
- Announced that CFO Torbjørn Wist has resigned from Wallenius Wilhelmsen
- Expects EBITDA for the year to be somewhat better than 2023, supported by strong demand and improved contract terms



“Q2 2024 is the strongest quarter on record with all-time-high EBITDA. We see continued high utilization and increasing rates across our business, and are very happy to see Logistics and Government delivering their strongest EBITDA to date.

The tight capacity in shipping continues and the ongoing contract negotiations reflect this. Moreover, we see increased demand in areas where we have industry leading offerings, including logistics, integrated supply chain, digital and reduced emissions services.

The profitable disposal of our terminal in Australia in Q2, now expected to close in late 2024/early 2025, demonstrates the underlying value creation within our Logistics segment. We will continue to develop this area to deliver on our ambition to become an integrated supply chain partner to our customers.

We remain confident that 2024 will be another strong year for Wallenius Wilhelmsen. We expect EBITDA for the year to be somewhat better than 2023, and continue to deliver solid dividends under our new pay-as-you-go dividend policy.”

Lasse Kristoffersen
CEO

Consolidated results and key figures – Q2 2024

All time high results in Q2-24, reflecting continued high activity and profitability across all segments, despite geopolitical and operational challenges.

USDm*	Q2 2024	Q1 2024	% change QoQ**	Q2 2023	% change YoY**
Total revenue	1,359	1,255	8%	1,302	4%
EBITDA***	507	438	16%	477	6%
EBIT***	363	290	25%	332	9%
Profit for the period	315	201	56%	296	6%
Earnings per share ¹	0.69	0.43	61%	0.62	11%
Net interest-bearing debt****	1,814	1,852	-2%	2,457	-26%
ROCE adjusted***/****	18.9 %	18.5 %	0.5%	17.6 %	1.3%
Equity ratio***/****	35.7 %	36.5 %	-0.8%	35.8 %	-0.1%
Leverage ratio***	1.0x	1.0x	-4%	1.4x	-40%
EBITDA adjusted**** ²	507	438	16%	477	6%
EBITDA adjusted margin**	37.3 %	34.9 %	2.4%	36.6 %	0.7%

* Except per share and per cent

** For ROCE adjusted, Equity ratio and EBITDA adjusted margin, % change represents absolute change in ratio

*** For alternative performance measures please refer to [Reconciliation of alternative performance measures](#).

The above figures for Q1 2024 and Q2 2023 have been restated to reflect the change in accounting method for the put and call option over the 20% non-controlling interest in EUKOR. This restatement impacts EBIT, profit for the period, earnings per share, ROCE adjusted and equity ratio. Please refer to [note 2](#) for further explanation of the restatement. In the commentary below, comparative figures refer to the restated amounts.

Consolidated results

Total revenue in Q2 was USD 1,359m, up 8% from the previous quarter. Volumes and revenues increased in all segments. Compared to Q2-23, total revenue for the group also increased despite lower volumes and lower fuel surcharges in the Shipping services segment, which were more than offset by higher net freight rates and growth in the Government and Logistics segments.

EBITDA for the quarter ended at USD 507m, significantly up compared to Q1 due to volume and revenue increases in all segments.

Shipping services delivered an EBITDA of USD 409m in Q2, up 8% from Q1. Higher revenues were driven by higher transported volumes and a positive development in average net freight rates in the quarter. Logistics services EBITDA increased USD 14m compared to the previous quarter on higher revenues with higher margins. Further, Government services EBITDA increased by USD 15m QoQ, due to increased demand for government cargo moves to address global geopolitical events.

EBITDA increased by 6% YoY with improvements in all segments. Changes in net fuel negatively impacted EBITDA by USD 29m compared to the same quarter last year.

¹ After tax to equity holders of the parent

² Q2 2024 EBITDA no adjustments (same for Q1-2024 and Q2-2023)

The net financial expense was USD 39m in Q2, compared to a net financial expense of USD 57m in Q1.

Interest expenses including realized interest derivatives was USD 53m, a decrease from the previous quarter. The group had an unrealized loss of USD 3m on interest derivatives in the quarter compared to a USD 7m gain in the previous quarter.

The negative swing on interest derivatives was mostly offset by a positive swing in net currency in the period. The net currency loss ended at USD 2m, with USD 12m in net unrealized gain on currency derivatives (largely related to USDNOK cross currency swaps related to bond debt issued in NOK and swapped to USD) and realized losses on currency derivatives of USD 5m, offset by currency translation loss of USD 9m.

The group recorded a tax expense of USD 10m for Q2, compared to USD 33m in the previous quarter. Withholding tax on dividends received from EUKOR of USD 17m is included in the tax expense for Q1.

The quarter ended with a net profit of USD 315m, up 79% from USD 201m in Q1 and up 6% from USD 296m in Q2-23. USD 292m of the net profit is attributable to shareholders of Wallenius Wilhelmsen ASA, while USD 23m of net profit is attributable to non-controlling interests (primarily minority shareholders in EUKOR).

Capital and liquidity

Cash and cash equivalents ended at USD 1,641m, down USD 213m QoQ. The solid operational performance and interest received was countered by dividend payment, debt service and investments. Further, USD 23m of cash and cash equivalents are held by MIRRAT and consequently accounted for as assets held for sale. YoY, cash and cash equivalents increased by USD 295m.

Cash flow provided by operating activities ended at USD 393m for the quarter, flat from USD 396m same quarter last year. This represents a cash conversion ratio¹ of around 77% on the back of strong operating result, countered by tax payments and negative cash effects from items such as higher inventories linked to fuel prices going up and more biofuel in the mix, as well as higher accounts receivable on increasing revenues.

In Q2, the group reported a negative net investment cash flow of USD 8m. The total investments for the period were USD 30m, mainly related to docking, project costs and other tangible assets. The outgoing investment cash flows were offset by USD 21m in interest on deposits that the group received during the quarter.

Financial cash outflow of USD 574m includes USD 287m in dividends to shareholders and USD 84m dividends to non-controlling interests (EUKOR minority shareholder), interest paid, increase in cash collateral, scheduled repayments on lease liabilities and loans, as well as USD 10m in early repayment of debt related to one vessel in Wallenius Wilhelmsen Ocean.

The group has 12 SHAPER class vessels on order with a remaining capex of USD 1.2bn. All newbuildings will be part of the Shipping segment. Ownership will be equally split between EUKOR and Wallenius Wilhelmsen Ocean (six vessels each). The group is currently in process of

¹ Cash conversion ratio = Operating cash flow / EBITDA

securing attractive post-delivery financing of the six EUKOR newbuildings with Korean and international banks, with expected closing within H2-24.

Further, the Shipping services segment exercised a purchase option for one vessel. The price paid was well below the assessed charter-free valuation and the cost is included in repayment of lease liabilities. For more details, please refer to [the shipping services section](#).

At the end of Q2, the group had posted USD 20m in cash collateral relating to cross-currency swaps for the four outstanding NOK bonds. This represents a flat development compared to the previous quarter.

Wallenius Wilhelmsen ended the quarter with USD 372m in undrawn credit facilities. Wallenius Wilhelmsen further has 21 unencumbered vessels at the end of Q2 with an assessed market value of USD 1.2bn² (net book value of USD 418m). This is up from 19 unencumbered vessels with a carrying value of USD 365m at the end of Q1.

The equity ratio was 35.7% at the end of Q2, down from 36.5% in Q1.

The increase in book equity on the back of the solid profit for the period was countered by USD 287m of dividends to owners of the parent and USD 84m of dividends to non-controlling interests.

Net interest-bearing debt was USD 1,814m at the end of Q2, down from USD 1,852m in Q1. Scheduled repayment of bank and lease debt as well as early repayment of a vessel debt facility and execution of a vessel purchase option contributed to total debt reduction. As a result, the net interest-bearing debt came down QoQ despite significant dividend payments due to substantial cash from operations combined with the reduction in total debt.

Fleet

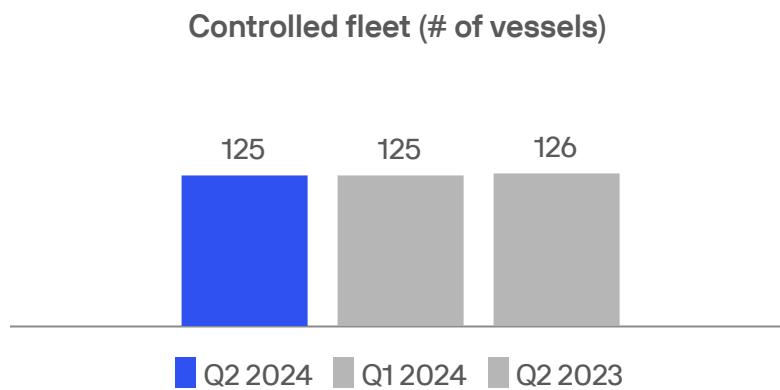
At the end of Q2, Wallenius Wilhelmsen controlled a fleet of 125 vessels, maintaining fleet size from Q1-24. Grand Neptune was chartered short-term during the quarter but was redelivered June 30. During the quarter, we exercised our purchase option on Porgy (6,500 CEU) from its owners following completion of a 15-year long charter.

On the newbuilding side, we firmed up an additional four 9,300 CEU vessels from China Merchants Jingling Shipyard Co., Ltd during the quarter. It leaves us with a total order book of twelve vessels with planned delivery from H2 2026 onwards. Scheduled delivery of the four vessels will be in 2027 and 2028. We further hold options of four newbuildings.

The market remains fundamentally strong and charter rates for tonnage continue to be high. In general, the decision to add, extend or redeliver charters will depend on the overall market situation, including price of charters, demand growth and the long-term fleet strategy.

Based on the average of two independent broker estimates, the estimated market value of our 88 owned vessels is USD 6.7bn at the end of Q2.

² Based on average estimated value from two independent ship brokers at end of Q2 2024



Events after the balance sheet date

In connection with the Q2 24 report, the board of Wallenius Wilhelmsen has resolved to pay its first dividend under the recently adopted pay-as-you-go dividend policy. The dividend announced represents 50% of the company's net profit for H1 24 and equals USD 0.61 per share. The last day of trading including the right to the H1 24 dividend will be September 24, 2024. The ex-dividend date will be September 25, 2024 and the record date will be September 26, 2024.

The H1 24 dividend will be paid together with the second tranche of the already approved 2023 dividend of USD 0.46 per share. The payment date will be October 10, 2024.

On July 31, 2024 it was announced that EVP & CFO Torbjørn Wist has resigned from Wallenius Wilhelmsen to take on a position as EVP & Group CFO in Telenor Group.

Mike Hynekamp has been appointed as Chief Strategy and Corporate Development Officer and John Felitto as new COO of Logistics.

Shipping services

Shipping services delivered yet another very strong quarter on increased volumes and 1% higher net freight rates. Contract renewals and customer mix had a positive effect on net freight rate development.

USDm*	Q2 2024	Q1 2024	% change QoQ**	Q2 2023	% change YoY**
Total revenue	1,001	927	8%	987	1%
EBITDA***	409	378	8%	402	2%
EBIT***	303	273	11%	294	3%
Volume ('000 CBM) ¹	14,117	13,167	7%	15,326	-8%
H&H and BB share ²	25 %	25 %	0%	28 %	-3%
EBITDA adjusted***	409	366	12%	402	2%
EBITDA adjusted margin	40.8 %	39.4 %	1.4%	40.7 %	0.1%

* Except per cent

** For High & Heavy (H&H) share and EBITDA adjusted margin, % change represents absolute change in ratio

***for alternative performance measures please refer to [Reconciliation of alternative performance measures](#).

The above figures for Q1 2024 and Q2 2023 have been restated to reflect the change in accounting method for the put and call option over the 20% non-controlling interest in EUKOR. This restatement impacts EBIT in the above table. Please refer to [note 2](#) for further explanation of the restatement. In the commentary below, comparative figures refer to the restated amounts.

Shipping services - total revenue and EBITDA

The Shipping services segment is engaged in ocean transportation of vehicles and RoRo cargo. Its main customers are global original equipment manufacturers of autos, H&H and breakbulk industrial segments.

The RoRo industry has been fundamentally strong the last years due to the very tight global fleet situation and increase in demand particularly from Asia. The security situation in the Red Sea, with vessels being diverted, has put additional pressure on the global tonnage efficiency. We continue to re-route all our vessels for Red Sea transit via the Cape of Good Hope due to the security situation in the region. The initial impact of this decision was larger in Q1, and we transported more volumes QoQ as the trading network stabilized during Q2. Our capacity remains sold out, and we continue to face operational challenges due to port congestion in several regions.

On March 26, we witnessed the tragic bridge accident in Baltimore, an important port for Wallenius Wilhelmsen. We rerouted cargo to alternative ports on the US East coast, following close dialogue with our customers. M/V Carmen was stuck in the port of Baltimore until April 26, when she left the port and resumed trading. The Baltimore situation has had limited financial impact for Wallenius Wilhelmsen in Q2.

The net freight rate in Q2 was up 1.2% QoQ, and ended at USD 60.3 per cbm (up from USD 59.6 per cbm in Q1) despite negative development in trade mix. Contract renewals and customer mix had a

¹ Prorated cubic meters ("cbm"). Historical volume figures subject to change as figures are based on estimates and prorating

² Based on unprorated volumes

positive effect on the net freight rate development. The H&H and BB share of the cargo mix was 25% in Q2, stable from 25% in Q1. Our breakbulk share also continue to be stable at 3% of total volumes.

The market continues to remain tight, demand still outstrips tonnage capacity and all vessels are fully utilized. The increase in volumes came mainly from Europe/US exports, where we saw an increase in Oceania, Atlantic, and Europe-Asia trade lanes.

Waiting times at key ports continued to create challenges but the situation improved somewhat in Q2. This was mainly due to an improvement in Oceania where the BMSB³ season has ended. During the quarter, some 7% of the available trading days were caught up in congestion. We are doing our best to mitigate these challenges by having a continuous dialogue with our customers and re-routing to other ports with less congestion whenever and wherever possible. More so, in excess of 5% of our available days were lost as a consequence of the re-routing away from the Red Sea bringing the total to around 12%.

Total revenues were USD 1,001m in Q2, up 8% QoQ on more transported volumes and a positive development in net freight rate. EBITDA was USD 409m in Q2, up 8% QoQ. Q1 EBITDA included a USD 12m gain linked to an internal vessel sale from Shipping Services to ARC (the gain is eliminated at group level). EBIT for Q2 ended at USD 303m up from USD 273m QoQ.

Net freight revenue was up by USD 67m QoQ, while fuel surcharge revenue under FAF⁴ was up marginally USD 4m. Generally FAF revenues lag about 4-5 months after fuel price changes. Fuel expenses were down USD 8m QoQ. Hence, net fuel cost decreased by 12m in the quarter. From Q1-24, FAF and fuel expenses relates to surcharges and expenses related to conventional fuels, biofuel and the introduction of the EU Emissions Trading System (EU ETS). EU ETS was established by EU to combat climate change and reduce greenhouse gas emissions, and affected all shipping companies sailing in European waters from January 1, 2024.

Voyage expenses increased from Q1 to Q2 on higher volumes carried, more port calls on increased voyages and an upward trend in Panama canal passages as rainy season in Central America has allowed the Panama Canal Authorities to ease on the draft restrictions.

The average time charter earnings per day increased 9% from USD 46K in Q1 to USD 50K in Q2 as time charter earnings increased relatively more than number of days. Compared to Q2 2023, the average time charter earnings increased by USD 1K (2%) per day on positive effect from contract renewals.

Charter expenses increased slightly from Q1 to Q2 due to intercompany sale-leaseback with the Government segment of M/V Tulane, now renamed to ARC Honor, which happened during Q1. In Q2, this has full quarter effect on the financials.

Ship operating expenses increased from Q1 to Q2 as we exercised purchase option on Porgy, shifting costs from charter expenses to ship operating expenses. SGA increased in Q2 primarily

³ Brown Marmorated Stink Bug

⁴FAF (fuel adjustment factor) is a main mechanism to manage fuel price risk in the segment and the main contributor to fuel surcharges revenue. However, the segment has a short-term exposure to the fuel prices since FAF is calculated based on the average fuel price over a historical period and then fixed during an application period, creating a lag effect. As such, in periods of rising fuel prices the segment will not be able to recoup the higher prices through the FAF. Conversely, in periods of falling fuel prices the segment will benefit from higher FAF.

due to a general increase in personnel expenses, as well as increase in IT and other admin expenses.

Emissions and carbon intensity improved in Q2 on trade network stabilization, increased volumes, as well as somewhat decrease in average speed. We continue to focus strongly on the long-term plan to achieve our overall emission reduction ambitions and decarbonization strategy. For more details please refer to [the sustainability section](#).

Revenues increased by 1% YoY from Q2-23, despite lower volumes, on higher net freight rate per cbm. Adjusted EBITDA increased by 2% YoY due to higher average rates and a reduction in voyage expenses.

Going forward, geopolitical developments may have an impact on the fuel price for conventional and biofuels, leading to higher fuel costs. Over time, such costs will be recovered under FAF agreements, but the time lag may lead to a temporary rise in bunker expenses in the coming quarters.

Logistics services

Logistics services demonstrated a positive QoQ revenue development, with EBITDA up QoQ mainly due to Auto US rate revisions and lower labor/SG&A cost while Terminal showed strong volume and a one off positive settlement in APAC. In addition to the strong development, the sale of MIRRAT terminal in Australia was announced with expected closing in late 2024/early 2025.

USDm*	Q2 2024	Q1 2024	% change QoQ**	Q2 2023	% change YoY**
Total revenue	315	300	5%	283	11%
EBITDA***	60	46	30%	47	27%
EBIT***	31	12	156%	21	52%
EBITDA adjusted***	60	46	30%	47	27%
EBITDA adjusted margin	19.0%	15.3%	3.7%	16.7%	2.4%
EBITDA by product					
Auto	22	18	22%	13	64%
H&H	8	8	-5%	7	14%
Terminals	29	26	12%	22	29%
Inland	1	-	256%	4	-68%
Other	-	-6	n/a	1	n/a

* Except per cent

** For EBITDA adjusted margin, % change represents absolute change in ratio

***for alternative performance measures please refer to [Reconciliation of alternative performance measures](#).

Logistics services - total revenue and EBITDA

Logistics services serve mainly the same customer groups as Shipping services. Customers operating globally are offered sophisticated logistics services, such as vehicle processing centers, equipment processing centers, inland distribution networks and terminals.

Q2 revenues for the segment in total were USD 315m, up 5% QoQ. US Auto volumes were up 1%, while revenue ended slightly below prior quarter due to a shift in customer mix. H&H revenue increasing slightly driven by strong storage demand in the US. Terminal volume is up 3% due to seasonality, higher US inland volume, and increased spot business in Europe.

Q2 EBITDA was USD 60m, up by 30% QoQ. The EBITDA was positively impacted by customer rate increases as well as decreased operating expenses in US Auto for the quarter. Terminals also contributed with strong results in Asia and Europe while the US terminals had mixed results.

Baltimore is a key hub for Wallenius Wilhelmsen, and the terminal handles a significant volume of imports and exports of cars and heavy equipment to and from North America. The Francis Scott Key Bridge collapse resulted in the suspension of all vessel traffic into and out of the Port of Baltimore for much of Q2 and have obvious implications, both operational and financial for the company. The terminal is now back in full operation.

This quarter saw synergies from cooperation between Logistics and Government services in Europe and the US on the cargo movement side whereas equipment is moving through and being stored for shorter periods at our terminals.

Auto is the largest product group in the logistics portfolio, providing light vehicle processing services to auto producers globally with the largest concentration in North America. QoQ, volume increased 1.6% in the Auto product area, which represents an increase of approximately 20,000 units. QoQ revenue development was flat whilst EBITDA increased 22%. However, underlying revenue development was positive as increased rates and strong install revenue was offset by a large US revenue share payout of USD 1.8m in Q1. EBITDA was positively impacted by increased rates and reduction of personnel cost with lower overtime labor and other SG&A reductions as well as a Maryland labor grant for the bridge collapse at the end of March.

H&H includes equipment processing centers on and off port sites globally with the largest concentration in the US. Volumes were up 15% from prior quarter. QoQ revenue increased 3% with strong storage and increase volume in the US and volume growth in Oceania. It was partially offset by reduced Brazilian volume caused by local flooding as well as Asian volumes being negatively impacted by fumigation seasonality. EBITDA was down 5% mostly for the aforementioned reasons.

Terminals offer cargo processing, handling and storage at some of the world's largest RoRo ports. Volume increased 3% in the quarter. QoQ revenues increased 11% as a result of higher volume mainly driven by our US Brunswick Terminal as expansion continues and volume shifted from Baltimore due to the FSK bridge collapse. Europe also had strong volume and storage development in the quarter. Revenue was negatively impacted by the FSK bridge collapse putting a halt to all terminal arrivals and departures for much of the quarter in Baltimore and lower bio security washing in Oceania. EBITDA increased 12% over prior quarter with a one-time gain in Asia due to legal settlement, strong storage in Europe and high volumes in US Brunswick while US Baltimore was negatively impacted.

Inland includes the global transportation of cargo by road or rail to a port or final point of sale. QoQ revenue increased 15% due to a temporary spike in volume rerouted from Baltimore due to the FSK bridge collapse and increased spot business in Europe. EBITDA increased QoQ as a result of the volume increase and lower SG&A cost in US.

Other includes overhead cost mainly driven by salary and benefits. The positive impact in the quarter is due to a USD 5.5m bonus accrual that was recharged within the Logistics segment in Q2 with zero net impact.

YoY, revenues increased by 11% mainly driven by US Auto rate increase and volume up 10%, strong volume and storage in Oceania, strong volume in Terminals offset by lower Inland revenue with lower volume in Europe and US. YoY, EBITDA increased 27%, directly related to rate increases, higher volume and strong storage revenue.

During Q2, the company announced the sale of the MIRRAT terminal in Australia to a subsidiary of Qube Logistics for AUD 332.5m. As the company continues to develop its integrated offering to customers, the sale reflects the terminal's independence and open access can be even better developed under a new and independent ownership. We will continue to use the terminal as a customer post transaction. The transaction is not complete as of yet and the latest assessment is that it will close in late 2024/early 2025. Up until closing, we will continue to own the terminal and operate it as normal. For more details on the transaction please refer to [note 12](#).

Government services

Government services saw continued revenue and EBITDA growth QoQ as U.S. government and commercial cargo demand remained strong.

USDm*	Q2 2024	Q1 2024	% change QoQ**	Q2 2023	% change YoY**
Total revenue	108	90	20%	79	37%
EBITDA***	48	34	43%	30	60%
EBIT***	37	23	62%	20	90%
EBITDA adjusted***	48	34	43%	30	60%
EBITDA adjusted margin	44.3%	37.1%	7.2%	37.8%	6.5%

* Except per cent

** For EBITDA adjusted margin, % change represents absolute change in ratio

***for alternative performance measures please refer to [Reconciliation of alternative performance measures](#).

Government services - total revenue and EBITDA

The Government services segment provides ocean transport of RoRo cargo, breakbulk and vehicles. The segment also performs logistics services primarily related to multimodal transportation, stevedoring and terminal operations. The primary customer is the U.S. government, but the segment also includes commercial cargos such as those generated by the financial sponsorship of a federal program, or a guarantee provided by the U.S. government. In the segment, contract duration can vary from less than one year up to ten years. Segment revenue and EBITDA is primarily driven by government activities which are in part driven by world events and government objectives and does not necessarily follow regular seasonal patterns or quarterly trends.

The ongoing geopolitical situation in Ukraine and related NATO activity levels in Europe continue to drive demand for Government services, resulting in strong U.S. flag cargo activity, including government charters and aid cargo as well as supporting land-based logistics activity.

Total revenues in Q2 were USD 108m, up 20% QoQ, while EBITDA of USD 48m was up 43% QoQ due to increased demand for government cargo moves to address global geopolitical events including the events in the Ukraine. Adjusted EBITDA was up 60% YoY, due to strong levels of military and commercial cargo moves in Q2 2024. Margins improved QoQ and YoY due to the mix of cargo and charters requiring less handling and logistics related support.

Consolidated results – H1 2024

Wallenius Wilhelmsen delivered a strong first half of 2024, increasing EBITDA with 8% to USD 946m YoY despite reduced shipping volumes due to capacity constraints connected to the effects of the Red Sea diversion. The effect from reduced volumes are offset by higher average net rates and efficient operations, coupled with significantly improved results within Logistics and Government services.

USDm*	H1 2024	H1 2023	% change
Total revenue	2,614	2,557	2%
EBITDA***	946	875	8%
EBIT***	653	585	12%
Profit for the period	516	472	9%
Earnings per share ¹	1.12	1.05	7%
Net interest-bearing debt***	1,814	2,457	-26%
ROCE adjusted**/***	18.9 %	17.6 %	1.3%
Equity ratio**/***	35.7 %	35.8 %	-0.1%
Leverage ratio***	1.0 x	1.4 x	-40%
EBITDA adjusted*** ²	946	875	8%
EBITDA adjusted margin**	36.2 %	34.2 %	2.0%

* Except per share and per cent

** For ROCE adjusted, Equity ratio and EBITDA adjusted margin, % change represents absolute change in ratio

***for alternative performance measures please refer to [Reconciliation of alternative performance measures](#)

The above figures for H1 2023 have been restated to reflect the change in accounting method for the put and call option over the 20% non-controlling interest in EUKOR. This restatement impacts EBIT, profit for the period, earnings per share, ROCE adjusted and equity ratio. H1 2024 reflects the restatement in Q1 2024. Please refer to [note 2](#) for further explanation of the restatement. In the commentary below, comparative figures refer to the restated amounts.

Consolidated results

Total revenues in H1-24 were USD 2,614m, up 2% YoY, largely on the back of strong revenue growth within Logistics and Government services. Reduced fuel surcharges and lower volumes negatively impacted Shipping services revenues. However, this was to a large extent offset by higher average net freight per CBM. EBITDA was USD 946m compared to USD 875m in H1-23, on the back of increased revenues and margin improvements in all segments. Shipping results were damped by higher net fuel cost YoY due to lower fuel surcharges.

Furthermore, there were some items impacting the result below EBITDA. Net financial expense was USD 95m in H1-24, compared to USD 91m in H1-23. The group recorded a tax expense of USD 43m in H1-24, up from USD 24m in H1-23. The half year ended with a net profit of USD 516m, up from USD 472m in H1-23.

Post-quarter end, a dividend of USD 0.61 per share was declared for H1-24, equal to 50% of the net profit for the period.

¹ After tax to equity holders of the parent

² H2-2024 EBITDA no adjustments (same for H2-2023)

Market update

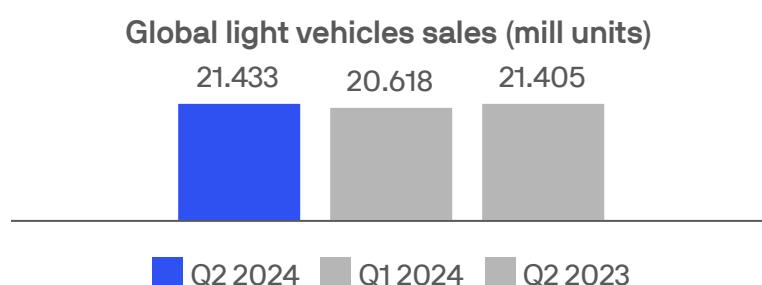
Deep-sea auto volumes continued to grow QoQ driven by growing exports out of Asia. As inventory levels have increased, OEM's are in the process of introducing new models, and potential impact of tariffs against Chinese exports we may see a more modest volume development in the latter part of the year. For H&H volumes have softened YoY but remain at elevated levels. There are signs that volume development on H&H may be modest. However, global transportation capacity remains stretched and even if new capacity is added, market outlook remains solid.

During Q2 there has been a build-up in inventories globally and we are now likely proceeding towards a market where sales need to support production as much of the sales backlog seen in recent years have been absorbed. More so, near-term there may be some uncertainties linked to tariffs, in particular for Chinese EVs into EU. That said, the volume of Chinese EVs to EU remains moderate and hence impact on shipping may not be that significant. More so, we may see a switch of Chinese exports to other power lines or alternate destinations. Further, other exporters may be there to cover any gaps. What we do note is that S&P in its latest forecast is suggesting that there will be a small decline in global production YoY in 2024e. However, export sale forecasts are still suggesting an increase in LV exports of 7% YoY.

Results from global OEMs¹ have varied and some state that sales have been disappointing owing to uncertainties around drive lines (less EVs), introduction of new models coming later in the year, financing costs as well as price competition and changes in incentives linked to vehicle purchases. We expect all of these factors to impact sales also going forward.

Auto markets and shipping²

Global light vehicle sales, excluding Russia and including all passenger cars, SUVs, MPVs and light commercial vehicles, amounted to 21.4m units in Q2. Sales increased 4% QoQ but ended flat YoY (0.1%). Increased domestic auto sales in China was a key contributor to the increase QoQ.



Auto sales in China ended up 9% QoQ but was down 3% YoY. Fierce price competition and continued uncertainty in the property market has led some buyers to hold off buying whilst it has been offset by incentives to exchange older more polluting vehicles with new. Incentives have, led to a recent increase in the sale of BEVs and various types of hybrids. Nevertheless, deflationary pressure and geopolitical tensions continues to represent a downside risks.

US sales for the quarter were negatively impacted by IT related issues in June as a software system supporting dealer sales was hacked. This may be part of the reason for the continued

¹Original Equipment Manufacturer

²Source(s): S&P unless otherwise noted. Figures exclude exports to Russia.

build in inventories, but not all. Overall, North American sales were still up 11% QoQ as per S&P's forecasts. EV sales grows moderately, but there is higher growth in hybrid driveline versions. Tesla's sales disappointed, but as per the company this is partly owing to increased competition from other brands. Lending costs remain high and is likely to have a dampening impact on demand.

Auto sales in Europe ended flat QoQ but were up 3% YoY as per S&P data. In terms of new car registrations in EU these are up 5% QoQ and 5% YoY. YTD the share of BEV has come marginally down compared to the same period last year, but hybrid drivelines has increased its share of the market compared to last year³. It is worth noting that EU car sales remains well below pre-pandemic levels. Focus in EU recently has been around Chinese competition in the EV space where Chinese brands' market share has increased from 4.7% in 2022 to 7.6% in 2023 as per ACEA data. The share of Chinese produced EV's (including Western brands) increased from 20.1% to 21.7% over the same period. We note that several Auto OEMs are looking to introduce more low price point vehicles to counter the effects of softer markets.

Deep-sea volumes in Q2 2024 ended at 4.0 million units, representing a 8% YoY increase. This was mainly driven by growth in exports from Asia. On a QoQ basis, there was a 6% increase in deep-sea volumes, again driven by higher Asian exports to both EU and North America. Part of the QoQ increase may also be attributed to trade routes stabilizing following the re-routing effects from the Red Sea seen in Q1 24

The table below show S&P data on global deep-sea volumes and selected trades:

Trades, '000 of LVs ⁴	Q2 2024	Q1 2024	% change QoQ	Q2 2023	% change YoY
AS-EU (ex Russia)	581	525	11 %	524	11 %
AS-NA	941	846	11 %	812	16 %
EU-AS	290	237	22 %	292	(1)%
EU-NA	280	250	12 %	292	(4)%
Other trades	1,936	1,984	(2)%	1,823	6 %
Total	4,029	3,817	6 %	3,744	8 %

Chinese vehicle exports have continued to grow during H1 2024 and, including commercial vehicles, total exports ended at 2.8m units⁵ (+30.5% YoY). However, with the effects of tariffs and other factors we may see some softness in exports, in particular to EU. In recent export statistics from China customs, it looks as tariffs on Chinese EVs have had a contracting effect on exports to Europe. However, as things are not yet settled and the tariff varies between producers it is too early to conclude. More so, we note that UK and Norway have yet to increase tariffs and a fair share of the Chinese EV's are heading to these destinations. Moreover, following the announcement of planned production facilities being established, Turkey has removed a 40% tariff on Chinese EV imports. We also notice that BYD was a key sponsor for this summer's European Championship in football in Germany. We believe this is a strong signal on some of the Chinese player's ambitions. Over time, we will also see Chinese OEM's establish production facilities within EU. This may impact transportation demand over time.

³ Source: ACEA

⁴ Source(s): S&P Mobility, January 2024 data. AS-EU excludes Russia

⁵ China Association of Auto Manufacturers

On the other hand, we see that China is exporting increasing volumes to destinations like Brazil and Mexico. Growth in Chinese vehicle exports is key to the demand story so we do monitor developments closely.

Imports to EU remained firm during the quarter but there were some effects linked to the rerouting around Cape of Good Hope (cargoes from Asia used longer time to arrive). How tariffs evolve may impact import (and export) volumes but we may see other exporters picking up the potential slack. Demand is mixed in EU though even if we see growth YoY and we may witness a shift towards demand for smaller vehicles ahead. Demand for EVs looks to be softening somewhat and being replaced by hybrid drivelines. This is also comments that we are seeing in many of the OEM's quarterly reports.

Japanese deep-sea exports were up 4% YoY and 1% QoQ. Korean exports were up even more with 9% YoY and 18% QoQ as per S&P data. US export growth was a primary driver behind the increase.

Our shipping volumes grew QoQ partly fuelled by trade routes around Cape of Good Hope having stabilized following the initial re-routing effect that hit volumes in Q1.

The demand side is still impacted by uncertainties in the global economy. In terms of global GDP growth there has been some downward adjustments to growth expectations for 2024. The latest world GDP growth rate from S&P500 is 2.7%, down from 3.2% at the time of our Q1 report. For 2025, a similar growth level is forecast. Growth in China is still expected to be above this level, but growth rates are softening. Inflation is gradually easing, but interest rate cuts in many economies have been pushed out in time. There are still geopolitical tensions are still a factor that will impact growth rates.

Global light vehicle sales in 2024 are forecast to grow by 2% YoY by S&P and reach 88.8m units. This remains below the 89.9m seen in 2019 and well below the levels of 92m-94m units seen in the period 2016-2018. This indicates that the average age of the global vehicle fleet continues to increase and over time is likely to fuel a replacement cycle at some stage. In Q2 sales ended at 18.5m units as per S&P. Looking at production, it is expected that we will see a decline YoY to 88.7m units in 2024 (down from 90.5m). The reduction is likely a reply to growing inventory levels combined with demand being somewhat softer than expected. As inventories to a large extent now are back at historical levels (or even above in some regions), it is expected that production is likely to be adapted to reflect ongoing demand. Based on comments from OEMs, capacity adaptions as well as introduction of new models will impact production near-term.

High and heavy market

Our unprorated internal data show loaded H&H volume of 3.3 mill CBM in Q2 2024. This is a 19% decline YoY, but a 3% increase QoQ. In our view the loaded H&H volumes are still at elevated levels, and it seems to have stabilized QoQ. In addition, a favorable price realization offset most of the negative volume impact.

For the six major trades loaded H&H volume was down 17% YoY and flat QoQ. These six trades constitute around 2/3 of the loaded H&H volumes since 2019, and a significant part of the trades are directed to North America. The volume had a peak in Q2 2023, and a bottom due to the lockdown in Q2 2020. The Q2 2024 volume is almost at the same level as seen in 2019 and 2022, and could be interpreted as a sign of normalization of the loaded H&H volumes for our main trades. The trade AS-EU saw the biggest decline YoY in terms of loaded H&H volumes in Q2, but had the best development QoQ with low double digit increase. On the other side the trade EU-AS had a positive development YoY this quarter, but had a marginal negative development QoQ. For

the trade AS-NA we can see a negative development both YoY and QoQ, but the loaded volume for this trade is still considerable over the average loaded volume for this trade since 2019.

Our market view for the demand of H&H machinery is the same as last quarter, and we see development in the global economy as an important determinant for future demand. Overall, there are signs of some control over the inflation, and markets anticipate lower interest rates during the second part of 2024 or early 2025. This may be positive for the H&H segment, especially the construction industry. Investments in infrastructure, energy and utilities are still expected to be the driver for construction machinery near-term, particularly in North America. For commercial real estate and residential construction, the uncertainty remains quite high, and we expect that some rate cuts are needed before seeing any real signs of recovery.

The farming economy remains weak due to relative soft price developments for the crops. Production costs remain high. There are expectations of lower inflation and rate cuts we foresee production costs to decrease somewhat, and the UN food price index has increased 1.1% so far in 2024. Such factors are expected to have a positive effect on the farming economy, but a demand recovery for agricultural equipment is assumed to take some time.

Demand for mining equipment remains strong due to elevated prices for minerals and metals. The mining industry is reporting high profits, and analysts are predicting increased CAPEX in 2024. Major manufacturers of mining equipment are reporting high order backlogs and solid demand. Digitalization, electrification and automation are emerging trends within the mining industry. We anticipate that the demand for mining machinery equipment will continue to be strong in 2024.

Global fleet

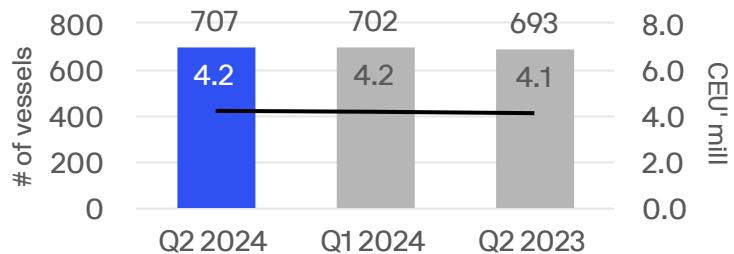
The capacity of the global car carrier fleet with size >2,000 car equivalent units (CEU) is estimated to 4.3m CEU at the end of Q1. The fleet is comprised of 715^b vessels. As per information from Clarkson, seven new vessels were added to the fleet in Q2. Further, four additional vessels have been delivered so far in Q3.

According to the same source, 28 new orders were confirmed for the official orderbook in Q2 (vessels >2,000 CEU). The orderbook for deep-sea vehicle carriers is now around 218 vessels (>2,000 CEU), representing approximately 41% of the global fleet in capacity terms (CEU).

As per the current delivery schedule some 29 newbuildings are planned for delivery during the remainder of 2024, 66 vessels in 2025, 63 vessels in 2026, 40 vessels in 2027 and the balance from 2028 and onwards. The number of 2025 deliveries has come down compared to what we noted in our Q1 report, possibly owing to delivery adjustments. We will monitor the situation.

^b After reclassification of vessel size to >2000 CEU

Global fleet development



The RoRo market is expected to experience high utilization during 2024, in particular the first half of the year, due to deliveries being skewed towards the latter part of the year, continued congestion and expectations of solid cargo volumes.

ESG

During this quarter, our efforts to operationalize sustainability were recognized by global rating agencies. We also reduced our carbon emissions due to operational efficiencies. Year-to-date safety performance is below the target despite a quarterly increase.

In June 2024, Wallenius Wilhelmsen received the Gold Medal recognition by EcoVadis, which ranks us among the top 5 % of companies assessed globally in the sustainability rating. Our overall score places us in the top 3 % of the companies in our industry.

Further integration of sustainability into our governance, strategy, management and corporate reporting also improved our Climate Change CDP score to a B for 2023, up from a score of C in 2022 and ahead of our sector's (marine transport) average score of B- for 2023.

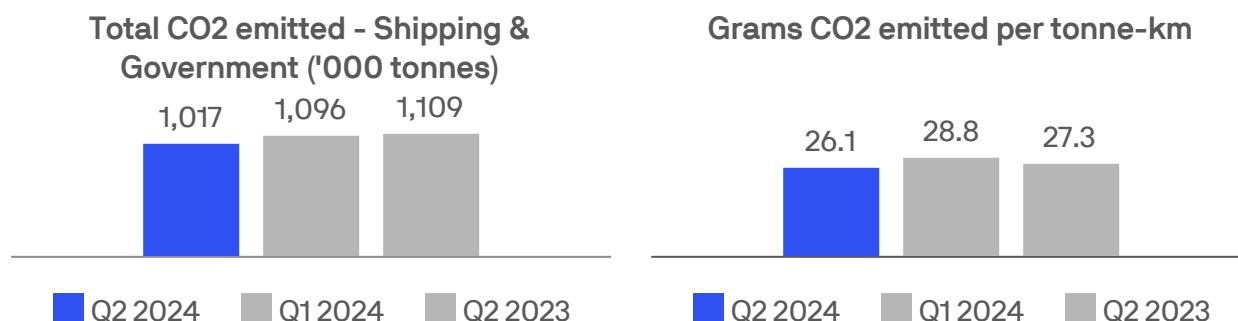
Environment

Wallenius Wilhelmsen has for several years been working to reduce our carbon emissions, both on land and at sea. This work will only accelerate as we aspire to lead the way in transforming Shipping and Logistics.

In 2023, Wallenius Wilhelmsen cemented its ambition to become Net Zero by 2040. This ambition demonstrates our commitment to mitigate climate change in line with the Paris agreement's 1.5c degree target. In order to reach our net zero target, we will continue to make direct investments in operational and technical measures that reduce the emissions of our current fleet, construct near zero fuel capable vessels and reduce emissions from our land-based operations. Twelve dual fuel methanol-capable and ammonia-ready vessels have already been ordered. More information on the vessel orders is in the [Fleet](#) section of the report.

Our focus is to create long-term value for our stakeholders whilst reducing our emissions. In 2022, we launched our Sustainability-Linked Financing Framework v1.0 and have since issued approximately USD 1.1 billion of bond and bank debt with pricing linked to reducing carbon intensity in our shipping operations. Our efforts have been recognized, and we won the Marine Money Green Category Deal of the Year award for our NOK 1 billion Sustainability-Linked Bond issued in 2023.

In regards to emissions, our total CO₂ emissions for Q2 was 1,017 thousand metric tonnes, down 8.3 % YoY and down 7.2 % QoQ. Our CO₂ intensity in Q2 was 26.1 gCO₂ per tonne-km¹, already below our 2024 intensity target of 28.7 gCO₂ per tonne-km.



Several factors including improved voyage efficiency, speed adjustment, biofuel consumption and transport work efficiency led to decrease in total CO₂ emissions and fuel consumption during

¹ Energy Efficiency Operational Indicator (EEOI)

Q2 2024. We are still monitoring the ongoing geopolitical tensions surrounding the Red Sea, which has, since December 2023, resulted in the re-direction of vessels away from the Red Sea route.

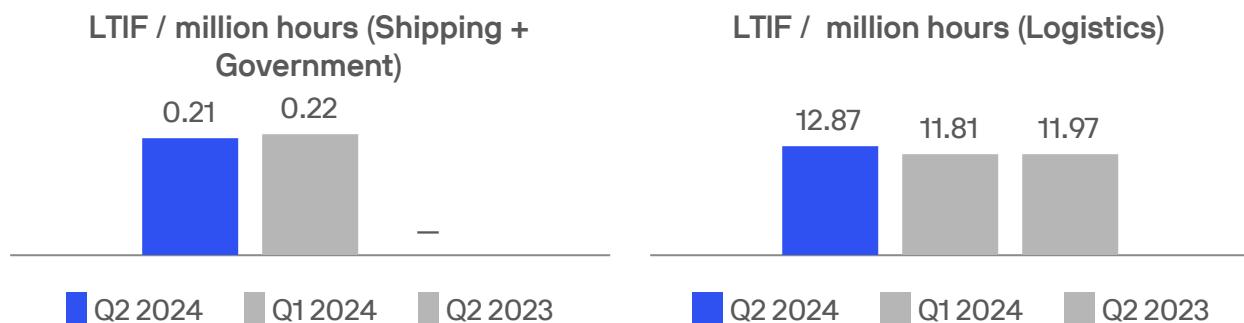
The impact of sailing the longer route around Africa rather than through the Suez Canal continues to influence our vessel operations, coupled with the challenge of limited tonnage availability. The organization works to reduce the effects of these operational factors in the short-term, as well as with continuous focus on the long-term initiatives and plans to achieve our overall climate ambitions.

Social

Safety is our priority number one. We work diligently to implement measures to ensure consistent and strong safety performance across our operations.

In this quarter, the Shipping Lost Time Injury Frequency (LTIF) improved. One Lost Time Injuries was reported as a result of a serious finger injury in Q2, resulting in a LTIF² of 0.21.

In the Logistics segment, the LTIF³ increased from 11.81 in Q1 to 12.87 in Q2, with three serious injuries reported during this period. The injuries involved fractures and were related to slip, trip and fall accidents. Year-to-date LTIF is at 12.35, below the target of 12.83 in 2024. We have implemented enhanced safety initiatives at sites that have experienced a higher frequency of incidents.



Governance

Wallenius Wilhelmsen adheres to good corporate governance standards to realize our strategy to lead the journey to zero emissions and communicate transparently to our shareholders and other stakeholders.

We have also increased the share of our operations that is certified according to key ISO management standards. This will strengthen our operational efficiency, reporting structures, risk management and quality across our business segments. In the Americas, we are close to have all our vehicle and processing centers certified to ISO 14001, 45001 and 9001. Our land-based transportation activities will be certified in 2025, and global certification will follow.

² Per million exposure hours, which for our crew means 24 hours a day while at sea, including free time

³ Per million man-hours, reflects actual hours worked

Risk update

As a global organization, Wallenius Wilhelmsen is exposed to a variety of risks through its worldwide ocean, land based and other operations. The risks span from strategic, financial, market, commercial, operational, personnel, to various regulatory, cyber, environmental and safety categories.

The Group's overall risks are analyzed and reported at business area and corporate levels. The Wallenius Wilhelmsen 2023 Annual Report provides further details about our key risks. For 2024, we foresee a continuation of the tight tonnage situation despite indications of softening world demand for Auto and H&H. Geopolitical unrest, most recently the situation in the Red Sea, and volatile international markets also impact our short-to-medium term risk assessment. See further discussion in our Prospects section. The restatement and change in accounting treatment highlights the potential financial obligation related to the EUKOR put option (see note 2 for details).

Wallenius Wilhelmsen's diversified portfolio of business activities, combined with a clear strategic direction and risk reducing measures will further strengthen and position the Company for the next years, and opportunities ahead.

Related parties

For detailed information on related party transactions, please refer to note 22 Related party transactions in the group's [annual report 2023](#).

Prospects

2024 market balance: The RoRo shipping market is expected to remain tight in 2024, largely due to strong growth in auto exports out of Asia. This is anticipated to more than outweigh more normalized H&H volumes and the projected fleet growth. In addition, Logistics and Government services remain in high demand. We see this as supportive to both contract negotiations and continued high business activity.

Risks and challenges: Operating on a global scale, the company continues to face geopolitical risks, trade uncertainties, as well as supply chain challenges and costs. Furthermore, potential effects of EV-tariffs, the growing order book and the macro-economic situation are being closely monitored.

Impact of external events: The earnings impact of external disruptions - Red Sea and Baltimore (now resolved) - is estimated to be around USD 100m for 2024, assuming the Red Sea remains a no-go area for the rest of 2024.

Outlook for 2024: Despite the continued negative implications from external events, we remain confident that 2024 will be another strong year for Wallenius Wilhelmsen. We expect EBITDA for the year to be somewhat better than 2023.

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of interim consolidated financial statements at June 30, 2024 and for the period January 1 to June 30, 2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting and give a true and fair view of the group's assets, liabilities, financial position and profit as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year and major transactions with related parties.

Lysaker, August 12, 2024

The board of directors of Wallenius Wilhelmsen ASA

Forward-looking statements presented in this report are based on various assumptions. The assumptions were reasonable when made but are inherently subject to uncertainties and contingencies that are difficult or impossible to predict. Wallenius Wilhelmsen ASA cannot give assurances that expectations regarding the outlook will be achieved or accomplished.

Consolidated income statement

USD million	Note	Q2 2024	Q2 2023 restated ¹	YTD 2024	YTD 2023 restated ¹	2023 restated ¹
Total revenue	3	1,359	1,302	2,614	2,557	5,149
Operating expenses	3	(852)	(825)	(1,669)	(1,683)	(3,342)
Operating profit before depreciation, amortization and impairment (EBITDA)		507	477	946	875	1,807
Depreciation and amortization	4, 5, 6	(144)	(145)	(293)	(289)	(577)
Impairment	4, 5, 6	-	-	-	-	(5)
Operating profit (EBIT)		363	332	653	585	1,225
Share of profit from joint ventures and associates		1	1	2	1	3
Interest income and other financial income		41	50	83	96	122
Interest expense and other financial expenses		(79)	(83)	(179)	(187)	(309)
Financial items - net	7	(39)	(33)	(95)	(91)	(186)
Profit before tax		325	300	559	496	1,042
Tax expense	9	(10)	(3)	(43)	(24)	(68)
Profit for the period		315	296	516	472	974
Profit for the period attributable to:						
Owners of the parent		292	262	474	410	853
Non-controlling interests		23	34	43	62	121
Basic and diluted earnings per share (USD)		0.69	0.62	1.12	1.05	2.00

¹ Note that information for comparative periods are restated amounts. Please refer to [note 2](#) for further information.

Consolidated statement of comprehensive income

USD million	Q2 2024	Q2 2023 restated ¹	YTD 2024	YTD 2023 restated ¹	2023 restated ¹
Profit for the period	315	296	516	472	974
Other comprehensive income/(loss):					
<i>Items that may subsequently be reclassified to the income statement:</i>					
Currency translation adjustment	(2)	(3)	(8)	(1)	4
<i>Items that will not be reclassified to the income statement:</i>					
Changes in the fair value of equity investments designated at fair value through other comprehensive income	–	–	1	–	(3)
Remeasurement pension liabilities, net of tax	–	–	–	–	(3)
Other comprehensive income/(loss), net of tax	(2)	(3)	(7)	(1)	(1)
Total comprehensive income for the period	313	294	509	471	972
Total comprehensive income attributable to:					
Owners of the parent	290	260	467	409	852
Non-controlling interests	23	34	42	62	121
Total comprehensive income for the period	313	294	509	471	972

¹ Note that information for comparative periods are restated amounts. Please refer to [note 2](#) for further information.

Consolidated balance sheet

USD million	Note	Jun 30, 2024	Dec 31, 2023 restated ¹	Jan 1, 2023 restated ¹
Assets				
Non-current assets				
Deferred tax assets	9	45	53	59
Goodwill and other intangible assets	4	339	360	395
Vessels and other tangible assets	5	3,802	3,871	3,943
Right-of-use assets	6	1,349	1,443	1,599
Other non-current assets	2	132	125	142
Total non-current assets		5,667	5,853	6,138
Current assets				
Fuel/lube oil		152	138	139
Trade receivables		639	616	605
Other current assets		278	231	191
Cash and cash equivalents		1,641	1,705	1,216
		2,709	2,690	2,151
Disposal group held for sale	12	208	-	-
Total current assets		2,918	2,690	2,151
Total assets		8,584	8,543	8,289
Equity and liabilities				
Equity				
Share capital	8	28	28	28
Retained earnings and other reserves ²		3,015	3,023	2,798
Total equity attributable to owners of the parent		3,043	3,051	2,826
Non-controlling interests		22	29	33
Total equity		3,065	3,080	2,859
Non-current liabilities				
Pension liabilities		36	39	40
Deferred tax liabilities	9	69	67	71
Non-current interest-bearing debt	10	1,735	1,897	2,200
Non-current lease liabilities	10	1,023	1,097	1,254
Other non-current liabilities		84	63	95
Total non-current liabilities		2,947	3,163	3,659
Current liabilities				
Trade payables		126	103	112
Current interest-bearing debt	10	407	406	316
Current lease liabilities	10	290	313	317
Current income tax liabilities	9	25	37	2
Written put option over non-controlling interest	2	826	878	545
Other current liabilities	11	738	564	479
		2,412	2,301	1,771
Liabilities directly associated with the assets held for sale	12	161	-	-
Total current liabilities		2,573	2,301	1,771
Total equity and liabilities		8,584	8,543	8,289

¹ Note that information for comparative periods are restated amounts. Please refer to [note 2](#) for further information.

² Includes accumulated currency translation adjustment on disposal group held for sale of USD 0.06 million

Consolidated cash flow statement

USD million	Notes	Q2 2024	Q2 2023 restated ¹	YTD 2024	YTD 2023 restated ¹	2023 restated ¹
Cash flow from operating activities						
Profit before tax		325	300	559	496	1,042
Financial items - net		39	33	95	91	186
Share of net income from joint ventures and associates		(1)	(1)	(2)	(1)	(3)
Depreciation and amortization	4,5,6	144	145	293	289	577
Impairment		-	-	-	-	5
(Gain)/loss on sale of tangible assets		-	(1)	-	(1)	(2)
Change in net pension assets/liabilities		-	(2)	(3)	(4)	(2)
Net change in other assets/liabilities		(79)	(61)	(97)	(5)	7
Tax paid		(35)	(17)	(51)	(18)	(39)
Net cash flow provided by operating activities¹		393	396	795	847	1,771
Cash flow from investing activities						
Dividend received from joint ventures and associates		-	-	-	-	1
Proceeds from sale of tangible assets		1	-	2	1	2
Investments in vessels, other tangible and intangible assets		(30)	(28)	(53)	(57)	(163)
Interest received		21	13	42	32	69
Net cash flow used in investing activities		(8)	(15)	(9)	(24)	(91)
Cash flow from financing activities						
Investment in subsidiaries, net of cash acquired		-	-	-	(13)	(13)
Proceeds from loans and bonds		-	75	63	75	473
Repayment of loans and bonds	10	(67)	(135)	(199)	(187)	(655)
Repayment of lease liabilities	10	(77)	(72)	(174)	(148)	(319)
Interest paid including interest derivatives		(53)	(54)	(108)	(107)	(218)
Realized other derivatives		(5)	(6)	(9)	(10)	(30)
Dividend to non-controlling interests		(84)	(52)	(97)	(54)	(57)
Repurchase of own shares	8	-	-	-	-	(4)
Dividend to shareholders		(287)	(219)	(287)	(219)	(362)
Net change in cash collateral	7	-	(12)	(14)	(31)	(4)
Net cash flow used in financing activities		(574)	(474)	(827)	(693)	(1,190)
Net increase/(decrease) in cash and cash equivalents		(189)	(93)	(41)	130	490
Cash and cash equivalents at beginning of period		1,853	1,439	1,705	1,216	1,216
Cash and cash equivalents related to assets held for sale	12	(23)	-	(23)	-	-
Cash and cash equivalents at end of period²		1,641	1,346	1,641	1,346	1,705

¹ Note that information for comparative periods are restated amounts. This only impacts classification within cash flow from operating activities. Please refer to [note 2](#) for further information.

² The group is located and operating world-wide and every entity has several bank accounts in different currencies. Unrealized currency effects are included in net cash provided by operating activities.

Consolidated statement of changes in equity

USD Million	Note	Share capital	Own shares	Total share capital	Retained earnings and other reserves ¹	Total	Non-controlling interests	Total equity
2024								
Balance at January 1, 2024		28	-	28	3,616	3,644	413	4,056
Restatement ²	2	-	-	-	(593)	(593)	(384)	(977)
Balance at January 1, 2024 (restated)		28	-	28	3,023	3,051	29	3,080
Profit for the period		-	-	-	474	474	43	516
Other comprehensive loss		-	-	-	(7)	(7)	-	(7)
Total comprehensive income		-	-	-	467	467	42	509
Own shares issued under long-term incentive plan	8	-	-	-	2	2	-	2
Change in non-controlling interests		-	-	-	(48)	(48)	48	-
Change in put option over non-controlling interest		-	-	-	52	52	-	52
Dividend to owners of the parent		-	-	-	(481)	(481)	-	(481)
Dividend to non-controlling interests		-	-	-	-	-	(97)	(97)
Balance at June 30, 2024		28	-	28	3,015	3,043	22	3,065

USD million	Note	Share capital	Own shares	Total share capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
2023								
Balance at January 1, 2023		28	-	28	3,125	3,153	355	3,508
Restatement ²	2	-	-	-	(327)	(327)	(322)	(649)
Balance at January 1, 2023 (restated)		28	-	28	2,798	2,826	33	2,859
Profit for the period		-	-	-	410	410	62	472
Other comprehensive loss		-	-	-	(1)	(1)	-	(1)
Total comprehensive income		-	-	-	409	409	62	471
Own shares issued under long-term incentive plan		-	-	-	3	3	-	3
Change in non-controlling interests		-	-	-	14	14	(14)	-
Change in put option over non-controlling interest		-	-	-	27	27	-	27
Dividend to owners of the parent		-	-	-	(359)	(359)	-	(359)
Dividend to non-controlling interests		-	-	-	-	-	(54)	(54)
Balance at June 30, 2023 (restated)		28	-	28	2,892	2,920	28	2,947

¹ Includes accumulated currency translation adjustment on disposal group held for sale of USD 0.06 million

²Note that information for comparative periods are restated amounts. Please refer to [note 2](#) for further information on the restatement..

Note 1. Accounting principles

This consolidated interim financial report has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year ended December 31, 2023 for Wallenius Wilhelmsen ASA group (the group), which have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

The accounting policies implemented are consistent with those of the annual financial statements for the group for the year ended December 31, 2023, except for the accounting treatment of the put and call option over the 20% non-controlling interest in EUKOR. The revised accounting treatment and required restatement are explained in [Note 2](#).

Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The effect of a change in an accounting estimate is recognized in profit or loss in the period in which the estimate is revised or in the period of the revision and future periods if the change affects both.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those described in the most recent annual financial statements.

As a result of rounding amounts to the nearest million, totals presented may deviate from the sum of individual amounts.

Note 2. Restatement

Change in accounting treatment of put and call option arrangement

Non-controlling shareholders in EUKOR hold a put option for their 20% interest, pursuant to the shareholder agreement entered into in 2002. The shareholder agreement also contains a call option held by the group on symmetrical terms.

In prior periods the arrangement has been recognized as a net derivative, calculated primarily based on the estimated intrinsic value of the call option. An asset was recognized in the balance sheet, with periodic changes in value recognized in the income statement.

This accounting treatment has been found not to be appropriate under IFRS and the group has thus changed the accounting treatment with retrospective restatement of the financial statements.

A financial liability equalling the exercise price has been recognized, as the group has an obligation to purchase the non-controlling interest if the option were to be exercised by the holder. The liability is classified as current as the put option can be exercised at any time and could be payable in 30 days.

The policy for classification within equity adopted by the group involves partial recognition of the non-controlling interest and recognition of changes in the measurement of the liability directly in equity. This means that there is no non-controlling interest relating to EUKOR presented within equity on the balance sheet. Period changes in the measurement of the liability related to the put option over non-controlling interest are recognized directly in equity. The call option is reflected in the measurement of the liability for the potential obligation to purchase the non-controlling interest.

The restated amounts presented for each period and reporting date presented reflect the revised accounting treatment, starting from the reporting period commencing January 1, 2023.

Basis for calculation of the liability

The liability reflects the estimated exercise price, which is identical for the put and the call options. The amount is based on a stipulated methodology in local legislation in Korea (the Korean Inheritance and Donation Tax Act ("the Act") in effect at the date of the shareholder agreement). The exercise price is based on the highest of "earnings value per share" and "net asset value per share", both calculated in accordance with methodologies prescribed in the Act. For the periods presented and restated, the earnings value per share is higher than the net asset value per share and the exercise price is thus based on the earnings value per share. A key input factor is the taxable results in EUKOR for the three previous calendar years¹.

The calculation of earnings value per share is updated only at each year-end, meaning that the exercise price for Q4 2023 through Q3 2024 is calculated based on the results for 2021, 2022 and 2023, while Q4 2024 will be based on EUKOR's taxable results for 2022, 2023, and 2024. More weight is given to more recent years and a statutory cost of capital of 10% has been applied. Further, the calculation is based on amounts in local currency (KRW), which makes the recognized amount subject to currency fluctuations.

Impact of the change in accounting method on the group consolidated financial statements

Impact on balance sheet

USD million	Mar 31, 2024	Dec 31, 2023	Jan 1, 2023
	Adjustment	Adjustment	Adjustment
Assets			
Other non-current assets	(82)	(98)	(105)
Total non-current assets	(82)	(98)	(105)
Total current assets	-	-	-
Total assets	(82)	(98)	(105)
Equity and liabilities			
Retained earnings and other reserves	(613)	(593)	(327)
Total equity attributable to owners of the parent	(613)	(593)	(327)
Non-controlling interests	(316)	(384)	(322)
Total equity	(929)	(977)	(649)
Total non-current liabilities	-	-	-
Put option over non-controlling interest	847	878	545
Total current liabilities	847	878	545
Total equity and liabilities	(82)	(98)	(105)

¹ Formula applied: Weighted average of earnings per share =((after-tax profit of last year (y-1))/ total number of shares) x 3 + (after-tax profit of (y-2) / total number of shares) x 2 + (after-tax profit of (y-3) / total number of shares) x 1) / 6

Impact on income statement and comprehensive income

USD million	Q2 2023 Adjustment	YTD 2023 Adjustment	2023 Adjustment	Q1 2024 Adjustment
Operating profit before depreciation, amortization and impairment (EBITDA)	-	-	-	-
Other gain/(loss)	(36)	(33)	6	17
Operating profit (EBIT)	(36)	(33)	6	17
Profit before tax	(36)	(33)	6	17
Profit for the period	(36)	(33)	6	17
Profit for the period attributable to:				
Owners of the parent	(36)	(33)	6	17
Non-controlling interests	-	-	-	-
 Basic and diluted earnings per share (USD)	 (0.08)	 (0.08)	 0.01	 0.04

The change in accounting treatment did not have an impact on other comprehensive income for the periods presented or the group's operating, investing and financing cash flows.

In Q2 2024 the measurement change in the put option over non-controlling interest liability was a decrease of USD 22 million reflected directly in equity. The measurement change is solely due to currency fluctuations.



Note 3. Segment reporting - QTD¹

USD million	Shipping services		Logistics services		Government services		Holding & eliminations		Total	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Net freight revenue	852	829	-	-	51	45	-	-	903	874
Fuel surcharges	141	154	-	-	-	1	-	-	142	155
Operating revenue	6	2	278	255	31	16	-	-	315	272
Internal operating revenue	2	2	37	28	26	18	(64)	(48)	-	-
Total revenue	1,001	987	315	283	108	79	(64)	(48)	1,359	1,302
Cargo expenses	(151)	(157)	-	-	(16)	(12)	43	36	(125)	(134)
Fuel	(207)	(191)	-	-	(8)	(7)	-	-	(215)	(198)
Other voyage expenses	(85)	(101)	-	-	(4)	(3)	-	-	(89)	(104)
Ship operating expenses	(68)	(62)	-	-	(24)	(19)	-	-	(92)	(81)
Charter expenses	(38)	(35)	-	-	(1)	(1)	19	9	(20)	(26)
Manufacturing cost	-	-	(96)	(94)	-	(1)	1	2	(95)	(93)
Other operating expenses	-	-	(116)	(105)	(1)	(2)	-	-	(117)	(107)
Selling, general and admin expenses	(43)	(38)	(43)	(37)	(6)	(5)	(8)	(2)	(100)	(82)
Total operating expenses	(592)	(585)	(255)	(236)	(60)	(49)	55	45	(852)	(825)
Operating profit/(loss) before depreciation, amortization and impairment (EBITDA)	409	402	60	47	48	30	(9)	(3)	507	477
<i>EBITDA margin (%)</i>	<i>40.8 %</i>	<i>40.7 %</i>	<i>19.0 %</i>	<i>16.7 %</i>	<i>44.3 %</i>	<i>37.8 %</i>	<i>14.5 %</i>	<i>5.7 %</i>	<i>37.3 %</i>	<i>36.6 %</i>
Depreciation	(104)	(107)	(22)	(18)	(10)	(9)	1	1	(135)	(133)
Amortization	(1)	(1)	(7)	(8)	(2)	(2)	-	-	(10)	(11)
Impairment	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss) (EBIT)	303	294	31	21	37	20	(8)	(2)	363	332
Share of profit/(loss) from joint ventures and associates	-	-	1	1	-	-	-	-	1	1
Financial income/(expense)	(23)	(27)	(11)	(3)	(1)	-	(4)	(3)	(39)	(33)
Profit/(loss) before tax	280	267	22	18	36	20	(13)	(5)	325	300
Tax income/(expense)	(5)	(1)	(5)	(1)	-	(1)	-	-	(10)	(3)
Profit/(loss) for the period	275	265	17	17	36	19	(13)	(5)	315	296
Profit for the period attributable to:										
Owners of the parent	253	232	16	17	36	19	(13)	(5)	292	262
Non-controlling interests	22	34	-	-	-	-	-	-	23	34

¹ Note that information for comparative periods (Shipping services and total) are restated amounts. Please refer to [note 2](#) for further information.





Note 3. Segment reporting - YTD¹

USD million	Shipping services			Logistics services			Government services			Holding & eliminations			Total		
	YTD 2024	YTD 2023	2023	YTD 2024	YTD 2023	2023	YTD 2024	YTD 2023	2023	YTD 2024	YTD 2023	2023	YTD 2024	YTD 2023	2023
Net freight revenue	1,636	1,607	3,277	-	-	-	85	80	182	-	-	-	1,722	1,687	3,459
Fuel surcharges	279	328	588	-	-	-	1	3	4	-	-	-	280	331	592
Operating revenue	9	4	7	545	502	1,024	59	34	67	-	-	-	613	539	1,098
Internal operating revenue	4	5	8	70	58	124	53	35	72	(128)	(98)	(204)	-	-	-
Total revenue	1,928	1,944	3,881	615	560	1,148	199	152	324	(128)	(98)	(204)	2,614	2,557	5,149
Cargo expenses	(280)	(307)	(601)	-	-	-	(29)	(21)	(31)	88	73	150	(221)	(254)	(482)
Fuel	(423)	(413)	(790)	-	-	-	(15)	(15)	(30)	-	-	-	(438)	(428)	(820)
Other voyage expenses	(164)	(212)	(409)	-	-	-	(8)	(6)	(12)	-	-	-	(172)	(218)	(420)
Ship operating expenses	(132)	(123)	(251)	-	-	-	(46)	(38)	(79)	-	-	-	(178)	(161)	(330)
Charter expenses	(73)	(66)	(132)	-	-	-	(3)	(3)	(6)	34	18	40	(42)	(51)	(98)
Manufacturing cost	-	-	-	(190)	(182)	(374)	(1)	(3)	(8)	3	5	9	(187)	(180)	(373)
Other operating expenses ²	12	(1)	(1)	(234)	(217)	(442)	(2)	(4)	(7)	(12)	-	-	(236)	(222)	(450)
Selling, general and admin expenses	(82)	(79)	(170)	(86)	(78)	(158)	(12)	(10)	(21)	(14)	(3)	(20)	(193)	(169)	(369)
Total operating expenses	(1,142)	(1,201)	(2,354)	(509)	(476)	(974)	(117)	(99)	(193)	99	93	179	(1,669)	(1,683)	(3,342)
Operating profit/(loss) before depreciation, amortization and impairment (EBITDA)	786	743	1,527	106	84	174	82	53	130	(28)	(5)	(25)	946	875	1,807
<i>EBITDA margin (%)</i>	40.8 %	38.2 %	39.3 %	17.2 %	15.0 %	15.2 %	41.1 %	34.7 %	40.3 %	22.1 %	5.0 %	12.2 %	36.2 %	34.2 %	35.1 %
Depreciation	(208)	(215)	(427)	(49)	(36)	(76)	(19)	(18)	(36)	2	2	4	(273)	(267)	(536)
Amortization	(3)	(2)	(5)	(13)	(17)	(30)	(3)	(3)	(6)	-	-	-	(19)	(22)	(41)
Impairment	-	-	(5)	-	-	-	-	-	-	-	-	-	-	-	(5)
Operating profit/(loss) (EBIT)	576	525	1,090	43	31	68	60	32	88	(26)	(3)	(21)	653	585	1,225
Share of profit/(loss) from joint ventures and associates	-	-	-	2	1	3	-	-	-	-	-	-	2	1	3
Financial income/(expense)	(39)	(63)	(114)	(33)	(6)	(28)	(1)	(1)	(2)	(21)	(22)	(42)	(95)	(91)	(186)
Profit/(loss) before tax	537	463	976	12	26	43	58	31	86	(48)	(25)	(62)	559	496	1,042
Tax income/(expense)	(30)	(20)	(53)	(13)	(3)	(22)	-	(1)	(3)	-	-	10	(43)	(24)	(68)
Profit/(loss) for the period	507	443	922	(1)	23	21	58	31	82	(48)	(25)	(52)	516	472	974
Profit for the period attributable to:															
Owners of the parent	465	381	802	(2)	22	20	58	31	82	(48)	(25)	(52)	474	410	853
Non-controlling interests	42	62	120	1	-	1	-	-	-	-	-	-	43	62	121

¹ Note that information for comparative periods (Shipping services and total) are restated amounts. Please refer to [note 2](#) for further information.

² Sale of a vessel from shipping to Government services in Q1 2024 resulted in a USD 12 million gain in the Shipping segment included in Other operating expenses. The amount is eliminated at group level.

Note 4. Goodwill, customer relations/contracts and other intangible assets

USD million	Goodwill	Customer relations/ contracts	Other intangible assets ¹	Total goodwill and other intangible assets
2024				
Cost at January 1	346	421	79	846
Additions	-	-	-	-
Disposal	-	-	-	-
Reclassification	-	-	(2)	(2)
Currency translation adjustment	-	-	-	-
Cost at June 30	346	421	76	843
Accumulated amortization and impairment losses at January 1	(145)	(295)	(45)	(485)
Amortization	-	(16)	(3)	(19)
Impairment	-	-	-	-
Disposal	-	-	-	-
Reclassification	-	-	-	-
Currency translation adjustment	-	-	-	-
Accumulated amortization and impairment losses at June 30	(145)	(312)	(48)	(504)
Carrying amount at June 30	201	109	29	339
2023				
Cost at January 1	346	421	68	834
Additions	-	-	12	12
Disposal	-	-	(1)	(1)
Reclassification	-	-	-	-
Currency translation adjustment	-	-	-	-
Cost at December 31	346	421	79	846
Accumulated amortization and impairment losses at January 1	(145)	(261)	(33)	(439)
Amortization	-	(34)	(7)	(41)
Impairment ²	-	-	(5)	(5)
Disposal	-	-	-	-
Reclassification	-	-	-	-
Currency translation adjustment	-	-	-	-
Accumulated amortization and impairment losses at December 31	(145)	(295)	(45)	(485)
Carrying amount at December 31	201	125	34	360

¹ "Other intangible assets" primarily include port use rights and software.

² In the fourth quarter of 2023 an impairment loss of USD 5 million was recognized related to intangible assets under development in the Shipping services segment.

Note 5. Vessels and other tangible assets

USD million	Property & land	Other tangible assets	Vessels & docking	Vessel related projects ¹	Total tangible assets
2024					
Cost at January 1	142	118	5,705	54	6,019
Additions	5	9	29	12	54
Disposal	-	(4)	(24)	-	(28)
Reclassification ²	(48)	(6)	103	(6)	42
Currency translation adjustment	(3)	(2)	-	-	(5)
Cost at June 30	96	114	5,812	60	6,082
Accumulated depreciation and impairment losses at January 1	(38)	(60)	(2,050)	-	(2,148)
Depreciation	(5)	(6)	(133)	-	(144)
Disposal	-	2	24	-	27
Reclassification	16	3	(36)	-	(17)
Currency translation adjustment	1	1	-	-	2
Accumulated depreciation and impairment losses at June 30	(26)	(60)	(2,195)	-	(2,280)
Carrying amount at June 30	70	55	3,617	60	3,802
2023					
Cost at January 1	121	117	5,584	8	5,829
Additions	9	17	66	59	151
Disposal	(1)	(6)	(43)	-	(50)
Reclassification	12	(13)	98	(12)	85
Currency translation adjustment	1	2	-	-	3
Cost at December 31	142	118	5,705	54	6,019
Accumulated depreciation and impairment losses at January 1	(29)	(52)	(1,806)	-	(1,887)
Depreciation	(9)	(12)	(261)	-	(282)
Disposal	1	5	43	-	49
Reclassification	-	-	(26)	-	(25)
Currency translation adjustment	(1)	(1)	-	-	(2)
Accumulated depreciation and impairment losses at December 31	(38)	(60)	(2,050)	-	(2,148)
Carrying amount at December 31	104	58	3,655	54	3,871

¹Vessel related projects include installments on newbuilds and scrubber installations. The remaining capital commitment for the twelve contracted newbuilds at June 30, 2024 is approx. USD 1.2 billion.

² Wallenius Wilhelmsen entered into an agreement on May 27, 2024 to sell its shares in Melbourne International RoRo & Auto Terminal ("MIRRAT"). Tangible assets (cost USD 55 million and USD 19 million accumulated depreciation) have been reclassified to "Assets classified as held for sale". Please see [note 12](#) for further details.

Note 6. Right-of-use assets

USD million	Property & land	Vessels	Other assets	Total leased assets
2024				
Cost at January 1	628	1,577	49	2,255
Additions	104	-	3	107
Lease modifications	137	-	-	137
Disposal	(5)	(13)	(5)	(23)
Reclassification ¹	(166)	(97)	-	(263)
Currency translation adjustment	(12)	-	-	(12)
Cost at June 30	686	1,467	47	2,200
Accumulated depreciation and impairment losses at January 1	(199)	(588)	(25)	(812)
Depreciation	(42)	(82)	(5)	(129)
Disposal	4	13	5	23
Reclassification	28	36	-	64
Currency translation adjustment	3	-	-	3
Accumulated depreciation and impairment losses at June 30	(206)	(620)	(25)	(851)
Carrying amount at June 30	480	847	22	1,349

USD million	Property & land	Vessels	Other assets	Total leased assets
2023				
Cost at January 1	553	1,641	44	2,237
Additions	29	-	8	37
Lease modifications	68	51	1	121
Disposal	(28)	(27)	(4)	(59)
Reclassification	-	(88)	-	(88)
Currency translation adjustment	6	1	-	7
Cost at December 31	628	1,577	49	2,255
Accumulated depreciation and impairment losses at January 1	(158)	(462)	(17)	(637)
Depreciation	(64)	(178)	(11)	(253)
Disposal	25	27	4	56
Reclassification	-	26	-	26
Currency translation adjustment	(2)	-	-	(2)
Accumulated depreciation and impairment losses at December 31	(199)	(588)	(25)	(812)
Carrying amounts at December 31	429	990	25	1,443

¹ Wallenius Wilhelmsen entered into an agreement on May 27, 2024 to sell its shares in Melbourne International RoRo & Auto Terminal ("MIRRAT"). The right of use assets (leased land cost USD 166 million and USD 42 million accumulated depreciation) have been reclassified to "Assets classified as held for sale". Please see [note 12](#) for further details.

Note 7. Financial items - net

USD million	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Financial income					
Interest income	21	13	42	32	69
Other financial income	1	1	1	2	6
Net financial income	21	14	43	33	74
Financial expenses					
Interest expenses	(60)	(60)	(137)	(118)	(244)
Interest rate derivatives - realized	7	6	15	12	27
Interest rate derivatives - unrealized	(3)	13	4	3	(17)
Other financial expenses	(3)	(4)	(5)	(10)	(16)
Loss on sale investments	-	-	-	-	-
Net financial expenses	(58)	(45)	(124)	(114)	(251)
Currency					
Net currency gain/(loss)	(9)	16	22	49	21
Foreign currency derivatives - realized	(5)	(6)	(9)	(10)	(30)
Foreign currency derivatives - unrealized ¹	12	(14)	(28)	(49)	(1)
Net currency	(2)	(3)	(15)	(10)	(10)
Financial items - net	(39)	(33)	(95)	(91)	(186)

¹ On June 30, 2024, the group had posted USD 20 million in cash collateral relating to cross-currency swaps for the four outstanding NOK bonds to the counterparties. The cash collateral is recognized in Other current assets in the balance sheet. The transaction has no effect on profit or loss. The company regularly issues NOK debt in the Norwegian bond market, with proceeds swapped into USD via cross-currency swaps at the time of each issue. If the USD/NOK exchange rate increases above certain thresholds from the rate at the time of issue, the company will need to post cash collateral with the counterparties based on the mark-to-market value above the threshold. The cash collateral is released back to the company if the USD/NOK exchange rate decreases.

Note 8. Shares

Earnings per share takes into consideration the number of issued shares excluding own shares in the period. Basic earnings per share is calculated by dividing profit for the period attributable to the owners of the parent by the average number of total outstanding shares (adjusted for average number of own shares).

Basic earnings per share¹ for the second quarter of 2024 was USD 0.69 compared with USD 0.62 in the same quarter last year. Basic earnings per share for the six months ended June 30, 2024 was USD 1.12 compared with USD 1.05 for the same period in the prior year. Basic earnings per share for the year ended December 31, 2023 was USD 2.00.

The company's number of shares:	Jun 30, 2024	Dec 31, 2023
Total number of shares (nominal value NOK 0.52)	423,104,938	423,104,938
Own shares	404,340	568,338

NOK million USD million

The company's share capital is as follows, translated to USD at the historical exchange rate:

220 28

Note 9. Tax

The effective tax rate for the group will, from period to period, change depending on gains and losses from investments inside the exemption method, and tax-exempt revenues from tonnage tax regimes. Tonnage tax is classified as an operating expense in the income statement.

The group recognized a tax expense of USD 10 million for the second quarter 2024, compared with a tax expense of USD 3 million for the same quarter in 2023. The tax expense for Q2 2024 relates primarily to increased income tax provisions in the Logistics segment. Q2 2023 was impacted by a tax refund of USD 2 million in Korea regarding prior years.

The group continues the non-recognition of net deferred tax assets in the balance sheet due to uncertain future utilization of tax losses carried forward and non-deductible interest cost carried forward in the Norwegian entities.

The group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Norway, the jurisdiction in which Wallenius Wilhelmsen ASA is incorporated, and came into effect from January 1, 2024. The group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Under the legislation, the group is liable to pay a top-up tax for the difference between their GloBE (Global Anti-Base Erosion Rules) effective tax rate per jurisdiction and the 15 percent minimum rate. The group is in the process of assessing its exposure to the Pillar Two legislation.

A total provision of USD 0.5 million pertaining to Pillar II top up tax is included in tax expense in the current quarter (year-to-date USD 1.3 million). The estimates are based on 15 % top up tax on net profit before tax in the entities defined as stateless according to the GloBE regulations.

¹ Note that earnings per share information for all comparative periods presented is based on restated profit for the period attributable to owners of the parent. See [note 2](#) for more information.

Note 10. Interest-bearing debt

USD million	Jun 30, 2024	Dec 31, 2023
Non-current interest-bearing debt	1,735	1,897
Non-current lease liabilities	1,023	1,097
Current interest-bearing debt	407	406
Current lease liabilities	290	313
Total interest-bearing debt	3,454	3,713
Cash and cash equivalents	1,641	1,705
Net Interest-bearing debt	1,814	2,007

Repayment schedule for interest-bearing debt

USD million	Bank loans	Bonds	Lease liabilities	Other interest bearing debt	Jun 30, 2024
Due in 2024	114	138	141	-	392
Due in 2025	338	-	264	-	602
Due in 2026	275	188	199	-	662
Due in 2027	210	117	143	-	470
Due in 2028 and later	681	94	566	-	1,340
Total repayable interest-bearing debt	1,617	537	1,312	-	3,467
Amortized financing costs	(9)	(4)	-	-	(13)
Total	1,608	533	1,312	-	3,454

Reconciliation of liabilities arising from financing activities

USD million	Non-current interest bearing debt	Current interest bearing debt	Non-current lease liabilities	Current lease liabilities	Total financing activities
Total debt December 31, 2023	1,897	406	1,097	313	3,713
Proceeds from loans and bonds	50	13	-	-	63
Repayments of loans, bonds and leases	-	(199)	-	(174)	(374)
New lease contracts and amendments, net	-	-	206	37	243
Foreign exchange movements	(21)	(7)	(9)	(1)	(38)
Other non-cash movements	4	-	-	-	4
Reclassification ¹	(195)	195	(272)	115	(157)
Total interest-bearing debt June 30, 2024	1,735	407	1,023	290	3,454

¹ Wallenius Wilhelmsen entered into an agreement on May 27, 2024 to sell its shares in Melbourne International RoRo & Auto Terminal ("MIRRAT"). Lease liabilities of USD 157 million have been reclassified to "Liabilities directly associated with the assets held for sale". Please see [note 12](#) for further details

USD million	Non-current interest- bearing debt	Current interest- bearing debt	Non-current lease liabilities	Current lease liabilities	Total financing activities
Total debt December 31, 2022	2,200	316	1,254	317	4,087
Proceeds from loans and bonds	473	-	-	-	473
Repayments of loans, bonds and leases	(50)	(605)	-	(319)	(975)
New lease contracts and amendments, net	-	-	26	128	154
Foreign exchange movements	12	(25)	4	-	(10)
Other non-cash movements	-	(18)	-	-	(17)
Reclassification	(738)	738	(187)	187	-
Total interest-bearing debt December 31, 2023	1,897	406	1,097	313	3,713

In Q2 2024, Wallenius Wilhelmsen Ocean repaid the USD 10m of remaining debt for one vessel two years prior to maturity and exercised a purchase option for a second vessel with cash at the end of its long-term lease agreement.

Undrawn credit facilities were USD 372 million at June 30, 2024 (unchanged from last quarter)

At June 30, 2024, the group had 21 unencumbered vessels with a total net carrying value of USD 418 million.

Note 11. Provisions and contingent liabilities

Contingent liabilities

The group is sometimes party to lawsuits related to laws and regulations in various jurisdictions arising from the conduct of its business, including on-going class action processes. Based on information currently available, the probability of any such cases resulting in a material outflow of resources is low, and a provision has not been recognized.

Note 12. Disposal group held for sale

	Jun 30, 2024 Current	Jun 30, 2024 Non-current	Jun 30, 2024 Total
Deferred tax asset		9	9
Intangible assets		-	-
Property, plant and equipment		36	36
Right of use assets		126	126
Trade and other receivables	14		14
Cash and cash equivalents	23		23
Assets classified as held for sale	38	171	208
Lease liability	4	153	157
Trade and other payables	1		1
Taxes	3		3
Liabilities directly associated with assets classified as held for sale	9	153	161

Wallenius Wilhelmsen entered into an agreement on May 27, 2024 to sell its shares in Melbourne International RoRo & Auto Terminal ("MIRRAT") for USD 220 million (AUD 332.5 million) to Australian Amalgamated Terminals Pty Ltd, a wholly owned subsidiary of Qube Holdings Limited. MIRRAT is reported as part of the Logistics services segment. The sale is expected to be finalized in Q4 2024.

The sale of the company is considered the sale of a disposal group. The disposal group held for sale consists of the assets and liabilities of MIRRAT. The assets and liabilities in the disposal group are measured at the lower of the carrying amount and fair value less costs to sell. Because the fair value less costs to sell is higher than the carrying amount, the assets and liabilities included in the disposal group are stated at their carrying values. "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" are presented separately in the balance sheet as current assets and current liabilities respectively. Non-current assets, including right-of-use assets, are no longer depreciated as of June 2024, in accordance with IFRS 5.

The carrying amount of assets classified as held for sale at June 30, 2024, is USD 208 million, with liabilities directly associated with assets classified as held for sale of USD 161 million.

Note 13. Events after the balance sheet date

In connection with the Q2 24 report, the board of Wallenius Wilhelmsen has resolved to pay its first dividend under the recently adopted pay-as-you-go dividend policy. The dividend announced represents 50% of the company's net profit for H1 24 and equals USD 0.61 per share. The last day of trading including the right to the H1 24 dividend will be September 24, 2024. The ex-dividend date will be September 25, 2024 and the record date will be September 26, 2024.

The H1 24 dividend will be paid together with the second tranche of the already approved 2023 dividend of USD 0.46 per share. The payment date will be October 10, 2024.

On July 31, 2024 it was announced that EVP & CFO Torbjørn Wist has resigned from Wallenius Wilhelmsen to take on a position as EVP & Group CFO in Telenor Group.

Mike Hynekamp has been appointed as Chief Strategy and Corporate Development Officer and John Felitto as new COO of Logistics.

Reconciliation of alternative performance measures

Definitions of Alternative Performance Measures (APMs)

This section describes the non-GAAP financial alternative performance measures (APM) that are used in the quarterly and annual reports.

The following measures are not defined nor specified in the applicable financial reporting framework of IFRS. They may be considered as non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to IFRS. These APMs are intended to enhance comparability of the results and cash flows from period to period and it is the group's experience that these are frequently used by investors, analysts and other parties. Internally, these APMs are used by management to measure performance on a regular basis. The APMs should not be considered as a substitute for measures of performance in accordance with IFRS.

EBITDA is defined as Total revenue less operating expenses. EBITDA is used as an additional measure of the group's operational profitability, excluding the impact from financial items, taxes, depreciation and amortization and impairment/(reversal of impairment).

EBITDA adjusted is defined as EBITDA excluding items in the result which are not regarded as part of the underlying business. Examples of such items are restructuring costs, gain/loss on sale of vessels and other tangible assets and other income and expenses which are not primarily related to the period in which they are recognized.

EBIT is defined as Total revenue less Operating expenses, Other gain/loss and depreciation, amortization and impairment/(reversal of impairment). EBIT is used as a measure of operational profitability excluding the effects of how the operations were financed, taxed and excluding foreign exchange gains & losses.

EBIT adjusted and Profit/(loss) for the period adjusted is defined as EBIT/Profit/(loss) for the period adjusted excluding items in the result which are not regarded as part of the underlying business. Example of such items are restructuring costs, gain/loss on sale of vessels and other tangible assets, impairment, other gain/loss and other income and expenses which are not primarily related to the period in which they are recognized.

Capital employed (CE) is calculated based on the average of Total assets less Total liabilities plus total interest-bearing debt for the last twelve months. CE is measured in order to assess how much capital is needed for the operations/business to function and evaluate if the capital employed can be utilized more efficiently and/or if operations should be discontinued.

Return on capital employed (ROCE) adjusted is based on last twelve months EBIT adjusted divided by capital employed. ROCE is used to measure the return on the capital employed without taking into consideration the way the operations and assets are financed during the period under review. The group considers this ratio as appropriate to measure the return of the period.

Total interest-bearing debt is calculated as the end of period sum of Non-current interest-bearing loans and bonds, Non-current lease liabilities, Current interest-bearing loans and bonds and Current lease liabilities. The group considers this a good measure of total financial debt.

Net interest-bearing debt (NIBD) is calculated as the end of period Total interest-bearing debt less the end of period Cash and cash equivalents. The group considers this a good measure of underlying financial debt.

NIBD/EBITDA adjusted (leverage ratio) is calculated based on the end of period Net interest-bearing debt divided by the rolling last twelve months of EBITDA adjusted. The group considers this a good measure of leverage as it indicates how many years of EBITDA adjusted, being a proxy for normal cash flow from operations, is needed to cover the NIBD.

Net interest-bearing debt

USD million	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Non-current interest-bearing loans and bonds	1,735	1,766	1,897
Non-current lease liabilities	1,023	1,163	1,097
Current interest-bearing loans and bonds	407	573	406
Current lease liabilities	290	300	313
Total interest-bearing debt	3,454	3,802	3,713
Less cash and cash equivalents	1,641	1,346	1,705
Net Interest-bearing debt	1,814	2,457	2,007

Net interest-bearing debt divided by last twelve months adjusted EBITDA (leverage ratio)

USD million	YTD 2024	YTD 2023	2023
Net Interest-bearing debt	1,814	2,457	2,007
Last twelve months adjusted EBITDA	1,878	1,797	1,807
Net interest-bearing debt/adjusted EBITDA ratio	1.0x	1.4x	1.1x

Equity ratio¹

USD million	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Total equity	3,065	2,947	3,080
Total assets	8,584	8,238	8,543
Equity ratio	35.7 %	35.8 %	36.0 %

¹ Note that information for comparative periods is based on restated amounts. Please refer to [note 2](#) for further information.

Reconciliation of Total revenue to EBITDA and EBITDA adjusted

USD million	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Total revenue	1,359	1,302	2,614	2,557	5,149
Operating expenses	(852)	(825)	(1,669)	(1,683)	(3,342)
EBITDA	507	477	946	875	1,807
EBITDA Shipping services	409	402	786	743	1,527
Loss/(gain) on sale of vessel	-	-	(12)	-	-
EBITDA adjusted Shipping services	409	402	774	743	1,527
EBITDA Logistics services	60	47	106	84	174
EBITDA adjusted Logistics services	60	47	106	84	174
EBITDA Government services	48	30	82	53	130
EBITDA adjusted Government services	48	30	82	53	130
EBITDA holding/eliminations	(9)	(3)	(28)	(5)	(25)
Loss/(gain) on sale of vessel	-	-	12	-	-
EBITDA adjusted holding/eliminations	(9)	(3)	(16)	(5)	(25)
EBITDA adjusted	507	477	946	875	1,807

Reconciliation of Total revenue to EBIT and EBIT adjusted²

USD million	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
EBITDA	507	477	946	875	1,807
Depreciation and amortization	(144)	(145)	(293)	(289)	(577)
Impairment	-	-	-	-	(5)
EBIT	363	332	653	585	1,225
Impairment goodwill and intangible assets	-	-	-	-	5
Total adjustments	-	-	-	-	5
EBIT adjusted	363	332	653	585	1,229
Profit for the period	315	296	516	472	974
Total adjustments	-	-	-	-	5
Profit for the period adjusted	315	296	516	472	978

² Note that information for comparative periods is based on restated amounts. Please refer to [note 2](#) for further information.

Reconciliation of total assets to capital employed and ROCE calculation³

USD million	LTM average		
	Q2 2024	Q2 2023	2023
Total assets	8,533	8,254	8,404
Less Total liabilities	5,381	5,304	5,368
Total equity	3,152	2,949	3,036
Total interest-bearing debt	3,704	4,017	3,850
Capital employed	6,856	6,966	6,885
EBIT last twelve months adj	1,297	1,227	1,229
ROCE (adjusted)	18.9 %	17.6 %	17.9 %

³ Note that information for comparative periods is based on restated amounts. Please refer to [note 2](#) for further information.