

10 March 2016

Wrist manages new record year – despite tough markets

For the sixth year in a row, Wrist Ship Supply increases both revenue and profits – and reveals another record financial report. The result is especially noteworthy in the light of the lower offshore activities and the tough market conditions.

Wrist today announces a result that is not just better than expected – but also better than the result for 2014, which was previously the company's best year.

Revenue has increased from DKK 3,347 million in 2014 to DKK 3,675 million – corresponding to an increase of 10 percent. The operating profit (EBITDA) has grown from DKK 209 million in 2014 to an impressive DKK 228 million in 2015 – corresponding to an increase of 9 percent.

The overall profits ended up at DKK 105 million against DKK 130 million in 2014. In 2014, a DKK 33 million income from the sale of a facility in Singapore was included. The development of the USD and GBP has strengthened the result, but there is also growth measured in local currencies.

“We have had a very good year – despite challenges in the offshore market where we have been hit by the dwindling level of activity. Our sales to offshore has reduced by 12 percent, but we have – on the other hand – grown by 5 percent in the larger ship supply segment, where we have had great progress – even greater than the market growth, meaning that we have captured market shares,” says the CEO of Wrist, Robert Kledal.

In May 2015, Wrist acquired the Aberdeen based North Sea Stores and Dutch Den Helder in October – both of which have contributed to the revenue and profits in 2015, but to a limited extent. The growth and improvement is primarily organic.

Improvements due to investments

According to the CEO, the positive results are primarily due to massive investments in the organisation and physical infrastructure – as well as focused efforts towards professionalising the procurement work and, as such, fostering even more competitive prices.

“In 2015, we have invested additionally in our infrastructure and in improved logistics facilities in Spain, Scotland and the U.S. Gulf. At the same time, we have continued our investments in both systems and operating equipment – and there will be further investments in 2016,” states Robert Kledal.

In 2015, Wrist also transitioned to a new ERP platform in both Singapore and Dubai – a rollout that will continue in both 2016 and 2017, ensuring that all branches will be operating on the same platform in 2017.

Focus on growth in Asia

At the same time, the company strengthened its executive board in August 2015 with the hiring of a new executive vice president, Martin Gaard Christiansen, who is based in Singapore and has the executive responsibility for the development of the Asian market.

“Asia is without a doubt the market with the highest growth rate and where we have, so far, been weakest in our position. We are very well developed in Europe and North America – and we now want a similarly strong position in Asia,” emphasises Robert Kledal, who also has his eye on China:

“In 2015, we intensified our activities within deliveries to the newbuilding market in China, and we expect to penetrate the market further in 2016 when we will also establish a proper sales office in China targeting the newbuilding market in particular.”

Expectation of continued prosperity

Despite continuing challenges in the offshore business, Wrist expects a good year for 2016:

“There is no doubt that our customers will be facing another tough year, but we still expect overall improvements for Wrist in 2016. This is not least due to our acquisition of Garrets on January 28th of this year, which has strengthened our business when it comes to provision management services,” Robert Kledal concludes.

Key figures 2015, Wrist Ship Supply

|  | | | | Sales | EBITDA | Equity |
|---|-------|-------|--------------------|-------|--------|--------|
| | | | | +10% | +9% | +37% |
| Group, DKK million | 2015 | 2014 | | 2015 | 2014 | |
| Net sales | 3.675 | 3.347 | Equity | 463 | 337 | |
| Gross profit | 932 | 805 | Total assets | 1.717 | 1.523 | |
| EBITDA | 228 | 209 | Net interest- | | | |
| Other income | | 32 | bearing debt | 469 | 474 | |
| Depreciation | -38 | -30 | | | | |
| EBIT | 190 | 211 | EBITDA margin | 6,2 | 6,2 | |
| Financial items | -52 | -47 | Return on invested | | | |
| Earnings before tax | 139 | 164 | capital | 21,8 | 28,5 | |
| Net result | 105 | 130 | Equity ratio | 26,1 | 22,1 | |
| | | | Employees | 1.167 | 1.105 | |

CEO: Robert S. Kledal
Chairman: Søren D. Johansen
www.wrist.com

About Wrist

Wrist Ship Supply is the world's leading ship and offshore supplier. We provide a global 24/7 service offering, including handling of owners' goods, shipping, airfreight and related marine and offshore solutions that meet the demands of both multi-national organisations and small local businesses. We take pride in making it easy for our customers to receive their supplies efficiently and at the best possible price, wherever they are needed. This is encapsulated in our mission: Expert Care to Each Ship & Offshore Location. Since 2007, the majority shareholder in Wrist Ship Supply has been Altor Fund II.

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