

# Financial statement highlights

Interim financial statements Q3 2024

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## Good performance despite operational challenges

- **Landsvirkjun's profit from core operations for the third quarter of the year amounted to USD 65 million and cash flow from operations USD 63 million.**
- **The company's financial strength continues to increase the equity ratio is 62.4% and net debt to EBITDA ratio is 1.48x.**
- **Operating revenues decrease compared with the same period of the record year 2023, as energy sales declined, price indexing in a specific contract changed, and realized hedges decreased between years.**

**Hörður Arnarson**  
CEO



„The company continues to operate well, although not matching the record performance of 2023. Core operating profit in the third quarter amounted to 65 million US dollars, decreasing by 31%.

Conditions remained challenging in the third quarter. Reservoir water levels were historically poor after a dry and cold summer in the highlands and minimal glacier melt. Operating revenues decreased compared to the same period in 2023, in line with reduced energy sales, along with changes in price indexing in a contract with a major customer and a decrease in realized hedges.

Landsvirkjun's financial strength continues to grow. The equity ratio is now over 62% and in September the credit rating agency S&P confirmed the company's A- long-term rating with a stable outlook.“

## Key figures

Energy sales

**3.5 TWhr** ↓ 4.4%

Operating revenues

**135 m. USD** ↓ 17.5%

Profit before unrealised financial items

**65 m. USD** ↓ 30.8%

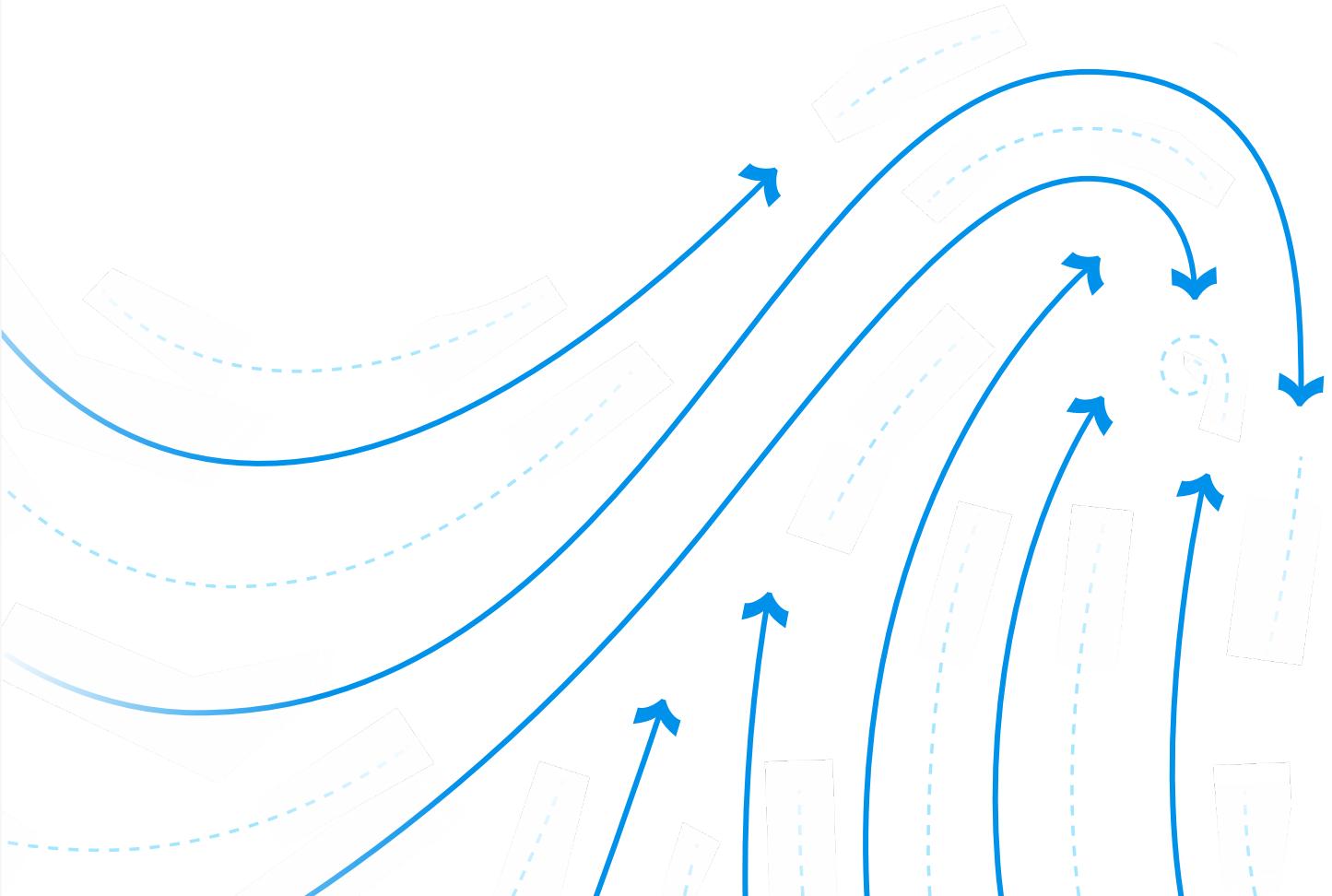
Cash flow from operations

**63 m. USD** ↓ 44.6%

Net debt

**606 m. USD** ↑ 7.3%

Equity ratio

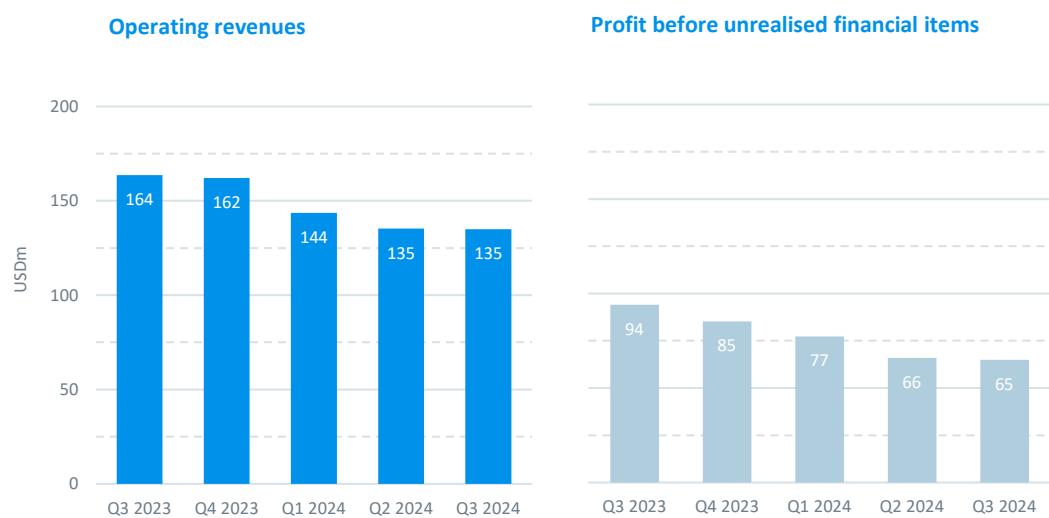
**62.4%** ↑ 1.1 pp.

# Operations

USD million	Q3 2024	Q3 2023	%
Operating revenues	134.9	163.6	-17.5%
EBITDA	92.0	123.0	-25.2%
Profit before unr. fin. items	65.0	94.0	-30.8%
Energy sales (TWhr)	3.5	3.7	-4.4%

Operating revenues in the third quarter decreased year-over-year, mainly explained by the impact of realized hedges. Additionally, poor reservoir levels affected energy sales, leading to a decrease between years.

Core operating profit (profit before unrealised financial items) decreased in line with revenues.



## Financial position

USD million	30.9. 2024	30.9. 2023	%
Total assets	3,609.5	3,773.7	-4.4%
Total liabilities	1,356.3	1,459.2	-7.1%
Net debt	606.0	564.8	7.3%
Equity ratio	62.4%	61.3%	1.1 pp.

Net debt increased compared to the same time last year but decreased compared to year-end 2023 as shown in the figure below. The equity ratio is now 62.4% and has strengthened significantly in recent years. The rating agency Moody's has upgraded Landsvirkjun's credit rating from Baa1 to A3. Moody's has also changed Landsvirkjun's credit rating outlook from positive to stable.

**Net debt and equity ratio**



# Cash flow

USD million	Q3 2024	Q3 2023	%
Funds from operations (FFO)	87.7	119.7	-26.7%
Cash flow from operations	63.0	113.8	-44.6%
Investing activities	26.5	16.9	57.3%
Financing activities	-12.9	-42.5	-69.7%

Capital formation continues to be strong, although decreasing from the previous year. Cash flow from operations decreased by 45% year-over-year and amounts to USD 63m for the quarter.

## Cash flow

