



SKELJUNGUR

Interim financial statement – first six months of 2021

SECOND QUARTER PROFIT ISK 292 MILLION, UP BY 156% BETWEEN YEARS

SECOND QUARTER EBITDA ISK 911 MILLION, UP BY 44% BETWEEN YEARS

KEY INDICATORS AND RESULTS OF THE SECOND QUARTER 2021 (Q2 2021)

- Contribution margin 2,481 million ISK, up by 8.6% from Q2 2020
- EBITDA 911 million ISK, up by 43.9% from Q2 2020
- EBITDA margin 36.7%, as compared to 27.7% in Q2 2020
- Profit after taxes 292 million ISK, as compared to 114 million ISK in Q2 2020
- Earnings per share 0.15, as compared to 0.06 in Q2 2020.
- Dividend of 350 million ISK paid on 8 April 2021
- Net cash provided by operating activities (– used in operating activities) –1,307 million ISK, as compared to 609 million ISK in Q2 2020
- Equity at the end of the quarter 9,916 million ISK; equity ratio was 35.2%

KEY INDICATORS AND RESULTS OF FIRST SIX MONTHS OF 2021 (H1 2021)

- Contribution margin 4,831 million ISK, up by 4.7% from the first half of 2020 (H1 2020)
- EBITDA 1,684 million ISK, net of one-off expenditure, up by 35.1% from H1 2020
- EBITDA after one-off expenditure 1,584 million ISK, up by 27.1% from H1 2020
- EBITDA margin 32.8%, as compared to 27% in H1 2020
- Profit after taxes 461 million ISK, as compared to 274 million ISK in H1 2020
- Return on equity year-on-year 9.5%, as compared to 5.7% in H1 2020
- Earnings per share 0.24, as compared to 0.14 in H1 2020
- Net cash provided by operating activities (– used in operating activities) –873 million ISK, as compared to 1,195 million in H1 2020
- Equity at the end of the quarter ISK 9,916 million; equity ratio was 35.2%

PROSPECTS FOR 2021

At the time of the publication of the annual financial statement for 2020, Skeljungur issued earnings estimate projecting EBITDA for 2021 in the range of 3,000-3,400 million ISK and investments in operating assets in the range of 750-850 million ISK. This continues to be the Company's forecast.

The EBITDA guidance for the remainder of the year assumes a stable exchange rate and oil price. Note that conversions in the financial statements are based on the average exchange rate within the year. The Company's budget is based on the average exchange rate of DKK/ISK 20,0 for the second half of the year.

COMPARISON FIGURES

ISK million	2021 - Q2	2020 - Q2	Δ
Gross profit	2,481	2,285	8.6%
EBITDA	911	633	43.9%
EBIT	574	302	90.2%
Net profit for the period	292	114	155.7%
Total profit for the period	280	130	115.4%

2021 H1	2020 H1	Δ
4,831	4,615	4.7%
1,584	1,247	27.1%
912	604	51.2%
461	274	68.7%
359	545	-34.1%

Ratios:	2021 - Q2	2020 - Q2
EBITDA ratio	36.7%	27.7%
EBIT ratio	23.1%	13.2%
Payroll expenses / gross profit	-36.0%	-45.1%
Other expenses / gross profit	-24.3%	-24.8%
Operating cost / Gross profit	-63.3%	-72.3%
Return on equity (year-on-year)		

2021 H1	2020 H1
32.8%	27.0%
18.9%	13.1%
-38.8%	-44.0%
-24.6%	-25.2%
-67.2%	-73.0%
9.5%	5.7%

ÁRNI PÉTUR JÓNSSON, SKELJUNGUR CEO:

„The performance of the Group in the second half of the year provides an indication that the economic environment is gradually approaching the situation prior to the pandemic.

We have continued to streamline our operations concurrently with the structural changes that had been announced earlier. The one-off impact of these changes amounted to 100 million ISK; this amount was charged to the Company's accounts in the first quarter and has resulted in reduced operating cost. It is a matter of satisfaction to observe that the Group's operating cost in the first half of the year was reduced by just short of 7% between years, taking into account the one-off expenditure,

The Faroese economy has shown a strong resurgence, the effects of which we can clearly observe in our own performance, as our operations in the Faroe Islands have never shown better results in the first half of a year. Prospects for our operations in Iceland are favourable, assuming that there will not be any significant disruptions resulting from prohibitions of public gatherings or travel restrictions.



Our acquisition of Löður and Dælan was approved by the Competition Authority, so we have taken over their operations. An agreement was signed to acquire Lyfjaval, which operates three pharmacies. This transaction was effected through our holding in Lyfsalinn; the trade is under consideration by the Competition Authority.

A framework agreement has been signed with the City of Reykjavík regarding proposed alterations of our fuel station facilities. Work is in progress on further details of the agreement, but it is our assessment that the agreement will benefit our Company in creating value on our sites.

Work is continuing on the points of emphasis that we have presented before, i.e. cutting costs, streamlining our organisation, sharpening our focus on profit centres and taking advantage of opportunities that arise for advances.“

PRESENTATION MEETING

An open presentation of our interim financial report will be held on 12 August at the Grand Hotel Reykjavík on 28 Sigtún, 105 Reykjavík. The meeting will begin at 08:30 a.m., with refreshments served from 08:15 a.m. At the meeting, Árni Pétur Jónsson, CEO, and Ólafur Þór Jóhannesson, CFO, will present the financial statement and the principal features of our operations and respond to questions from participants in the meeting.

The presentation is attached, and presentation material from the meeting will be made accessible on Skeljungur's website <https://www.skeljungur.is/fyrir-fjarfesta>.

FINANCIAL STATEMENT FOR THE FIRST HALF OF 2021

The principal points of this report derive from the Company's interim financial statement, which was approved by the Board of Directors at a meeting of the Board on 11 August 2021.

The interim financial statement includes the consolidated financial statement of the Company, the parent company statement of the Company and the statements of its subsidiaries. The statements are prepared based on International Financial Reporting Standards (IFRS). The interim statement has not been audited or reviewed by the Company's auditors.

For further information reference is made to the financial statement attached to this report.

For further information, please contact Árni Pétur Jónsson, CEO, and Ólafur Þór Jóhannesson, CFO, fjarfestar@skeljungur.is.



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www.skeljungur.is  [skeljungur-hf/](https://www.linkedin.com/company/skeljungur-hf/)

