



Landsvirkjun

# Financial statement highlights

Interim financial statements Q2 2024



## Solid operations in a challenging environment

- **Landsvirkjun's profit from core operations for the first half of the year amounted to USD 143.4 million and cash flow from operations USD 163.4 million.**
- **Net debt continues to decrease, the equity ratio is 62.2% and indebtedness is 1.44x EBITDA.**
- **Difficult reservoir conditions and the resulting energy curtailments impacted financial performance for the first half of the year.**

**Hörður Arnarson**  
CEO



„Landsvirkjun's operations were successful in the second quarter of the year, under somewhat challenging conditions. Following two outstanding operational years that were exceptional in the company's history, financial performance remains strong. Core operating profit for the first half of the year was 143.4 million US dollars decreasing by 27%. Operating revenue amounted to 279.1 million dollars compared to 331.8 million dollars in the same period last year.

The tight situation in water management left its mark on operations for the first half of the year, making curtailments inevitable and leading to a decrease in revenue from electricity sales. Furthermore, the expiration of price linkage to the Nordpool market in a contract with one power-intensive customer contributed to a fall in revenue, as well as a decrease in realized hedges from the previous year.“

## Key figures

Energy sales

**3.4** TWst ↓ 5.7%

Operating revenues

**135** m. USD ↓ 13.4%

Profit before unrealised financial items

**66** m. USD ↓ 24.4%

Cash flow from operations

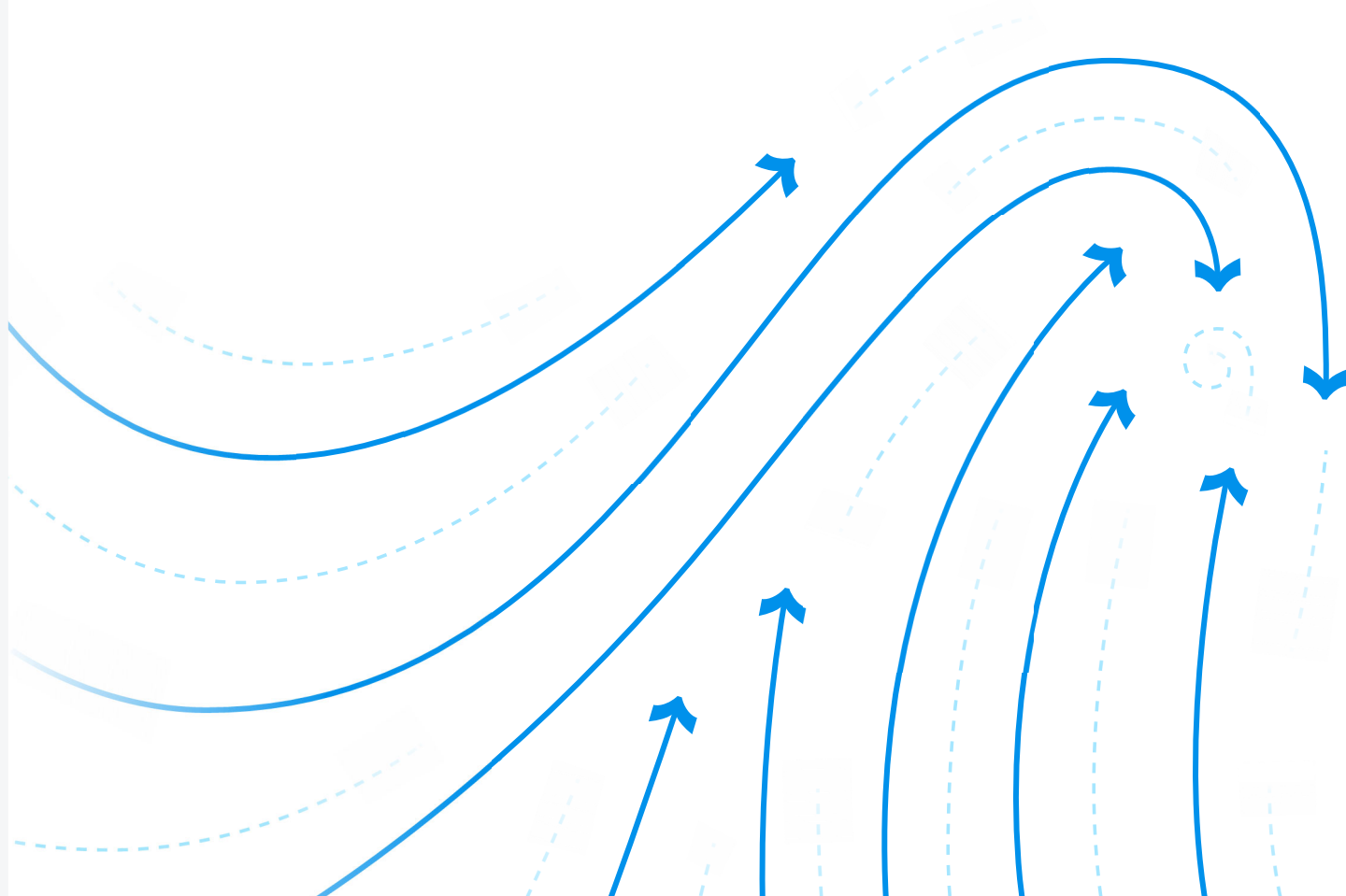
**62** m. USD ↓ 40.5%

Net debt

**636** m. USD ↓ 4.5%

Equity ratio

**62.2%** ↑ 1.7 pp.

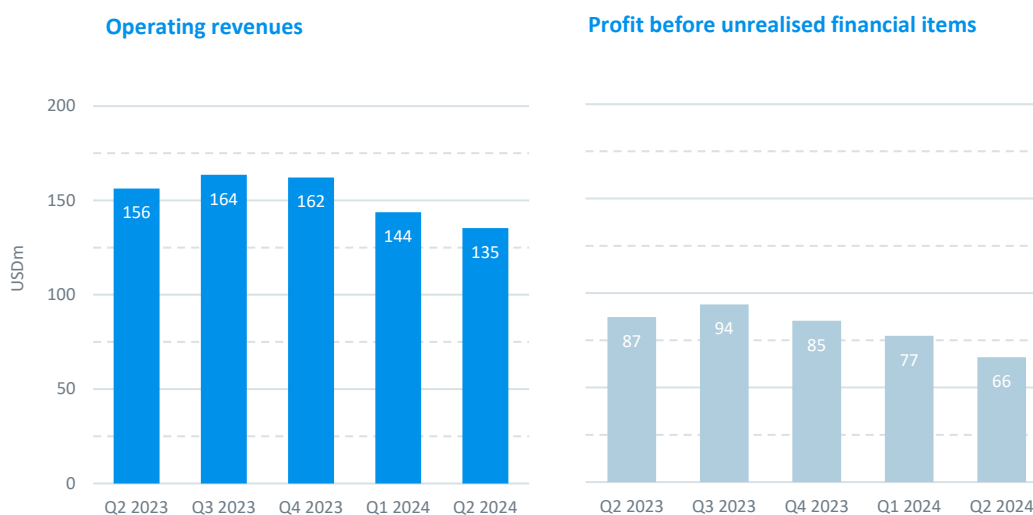


# Operations

USD million	Q2 2024	Q2 2023	%
Operating revenues	135.3	156.3	-13.4%
EBITDA	94.0	117.0	-19.6%
Profit before unr. fin. items	66.0	87.3	-24.4%
Electricity sales (TWhr)	3.4	3.6	-5.7%

Operating revenues in the second quarter decreased year-over-year, primarily due to the effects of realised hedges, as well as the fact that the price linkage to the Nord Pool market for one industrial consumer expired at the end of last year. Additionally, there were negative impacts due to electricity supply curtailments.

Core operating profit (profit before unrealised financial items) decreased in line with revenues but remains strong when viewed in a historical context.

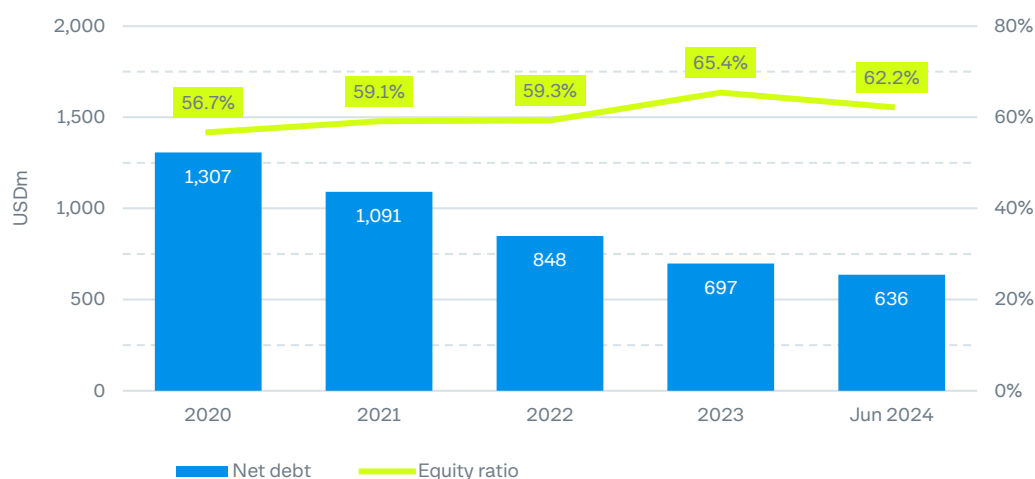


## Financial position

USD million	30.6. 2024	30.6. 2023	%
Total assets	3,560.9	3,752.0	-5.1%
Total liabilities	1,347.7	1,482.0	-9.1%
Net debt	635.7	665.7	-4.5%
Equity ratio	62.2%	60.5%	1.7 pp.

Landsvirkjun's financial position has strengthened significantly in recent years, alongside robust operations. As a result of this positive trend, Moody's has upgraded Landsvirkjun's credit rating outlook from stable to positive. The company's debt levels continue to decrease, with net debt (interest-bearing debt minus cash) falling by 4.5% compared to the same period last year and 8.8% since the beginning of the year.

### Net debt and equity ratio



## Cash flow

USD million	Q2 2024	Q2 2023	%
Funds from operations (FFO)	90.4	112.6	-19.7%
Cash flow from operations	62.1	104.4	-40.5%
Investing activities	13.2	11.3	16.4%
Financing activities	111.9	71.5	56.5%

Capital formation continues to be strong, although it has decreased from the previous year. Cash flow from operations decreased by 41% year-over-year and amounts to 62 million US dollars for the quarter.

