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# Skeljungur:

## Financial Statements for Q1 2020

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### PROFIT 159 MILLION ISK FOR Q1 2020

#### Satisfactory outcome in light of COVID-19

#### Key numbers and results for Q1 2020

- Gross Profit was 2.329 m.ISK. and increased by 10,5% from Q1 2019.
- EBITDA was 614 m.ISK. which is 115 m.ISK from the initial budget 1F 2020.
- EBITDA margin was 26,3% compared 42,3% for Q1 2019.
- Profit after taxes was 159 m.ISK. compared to 411 m.ISK. for Q1 2019.
- Total comprehensive income amounted to 415 m.ISK. compared to 471 m.ISK. for Q1 2019.
- ROI, on annual basis, was 6,7% compared to 19,0% for Q1 2019.
- Earnings per share was 0,08 compared to 0,20 for Q1 2019.
- Purchases of own shares were 53 m.ISK. during Q1 2020 and a dividends payment of 600 m.ISK. was authorized for payment on April 2, 2020.
- Net Cash from operations was 586 m.ISK. compared to 1.000 m.ISK. for Q1 2019.
- Equity at the end of period was 9.609 m.ISK. and equity ratio was 36,1%.
- Basko ehf., which is part of the consolidated financial statement for Q1 2020, had a positive turnaround on the company's operations between quarters.

#### Outlook for 2020

The company estimates EBITDA for the year of 2020 will range from 3.000-3.400 m.ISK. instead of a prior guidance of 3.400-3.700 m.ISK. Capex is unchanged and ranges from 700-800 m.ISK. The variance of the guidance has been increased by 100 m.ISK. due to the uncertainty arising from COVID-19.

In the guidance, for the remaining months of the year, it is assumed exchange rates and oil prices will remain stable but earnings from foreign tourists is not expected. When converting the financial statements, Skeljungur uses the average exchange rate within each year. In the 2020 budget, the fixed rate of DKK/ISK is 21,0 for the remaining three quarters of the year.

## Key figures

Numbers are in million ISK

	Q1 2020	Q1 2019	Δ
Gross Margin	2.329	2.107	10,5%
EBITDA	614	892	-31,2%
EBIT	302	631	-52,2%
Profit	159	411	-61,2%
Gross Profit	415	471	-11,8%

Ratios

EBITDA margin	26,3%	42,3%
EBIT margin	12,9%	29,9%
Salaries/margin	-42,9%	-28,8%
S&D/margin	-25,6%	-23,4%
OPEX/margin	-73,7%	-57,7%
ROI	6,7%	19,0%

### Árni Pétur Jónsson, CEO of Skeljungur:

„The year of 2020 started well for the company and the results for the first two months exceeded our expectations. The effects from the pandemic of COVID-19 started to hit during middle of March as a consequence of the ban on social gathering, less traffic, fewer tourists and less economic activity in Iceland and the Faroe Islands. In addition to the effects of COVID-19, world oil prices dropped dramatically which also had negative impact on the quarter’s results.

The Skeljungur group companies have a crucial role to play in securing transportation within Iceland and the Faroe Islands and in insuring necessary steady flow of goods. Our efforts have focused on safeguard our employees and customers in such a way to minimize interruption of services provided to our customers.

Considering what has happened in recent weeks, we are satisfied with the results of the first quarter of 2020.

Parallel to the interim report for Q1 we have evaluated the possible effects of COVID-19 on the operations and financial outcome of the consolidated companies. Part of our operating sectors will be hurt due to less tourism, less airline traffic and general uncertainty within the economy. Our operations in the Faroe Islands are less dependent upon tourism, or to a much lesser extent than Iceland, and the DKK has been strengthening against the ISK which has a positive effect on the consolidated income statement. In addition, the company has been streamlining its operations and undertaken various operational measurements to meet declining demand.

The effects of COVID-19 are a great uncertainty for upcoming months but the board and management are alert and monitoring the situation and its development very closely as time passes.

The financial position of the company is strong and so is its operational foundation. The results from previous quarters allowed us to lower interest-bearing debts and we have good access to credit lines. Therefore, we consider us to be very well equipped to face the challenging situation.

Despite COVID-19 the company is progressing with many exciting projects in relation to energy transition, development of real estate and plots, and working on socially important initiatives. We will explain these projects in more detail as the year progresses.“

### Investors' meeting

Skeljungur will host an open meeting for investors, analysts and the press on Wednesday, May 6th at 8:30 am at Skeljungur's headquarters, Borgartún 26, 8<sup>th</sup> floor, 105 Reykjavik. Light refreshments will be served from 8:15 am. Árni Pétur Jónsson, the CEO, and Ólafur Þór Jóhannesson, the CFO, will present the financial results and operational highlights. After the presentation, attendees will have an opportunity to discuss further with Skeljungur's management.

The presentation will be available on Skeljungur's website, <https://www.skeljungur.is/fyrir-fjarfesta>, after the meeting.

### Interim report for Q1

The main statements from this announcement are taken from Skeljungur hf.'s Q1 2020 accounts which were approved by the Board of Directors and the CEO at a board meeting on May 5<sup>th</sup> 2020.

The Q1 accounts contain the consolidated interim accounts of the Company, the accounts for the mother company and its subsidiaries and are prepared in accordance with International Financial Reporting Standards (IFRS). The Q1 accounts have not been reviewed nor audited by the company's auditors, KPMG ehf.

For further information please find the accounts enclosed.

### Financial Calendar 2020

**Q2 2020 results:** August 12, 2020

**Q3 2020 results:** October 28, 2020

**Q4 2020 results and annual report year 2020:** February 4, 2021

**Annual General Meeting 2021:** March 4, 2021

The financial calendar is subject to change.

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*For further information please contact Árni Pétur Jónsson, CEO, [investors@skeljungur.is](mailto:investors@skeljungur.is).*

Skeljungur is an energy company with operations in Iceland and in the Faroe Islands. Skeljungur sells fuel and oil to consumers and businesses in fisheries, agriculture, transportation, aviation and

construction under the brands Skeljungur, Orkan, and Magn. Skeljungur is also in the retail market under the brand Kvikk. The company also sells fertilizer and other chemical products and is on the retail market. In Iceland the Company runs 65 gas stations and 4 oil depots. Magn P/F, Skeljungur's subsidiary in the Faroe Islands, runs 11 retail and gas-stations and 2 oil depots. Magn also serves and sells oils for house heating to individuals and companies in the Faroe Islands. Skeljungur's goal is to serve the energy needs of consumers and businesses in an efficient and safe way and in harmony with the environment.

[www.skeljungur.is](http://www.skeljungur.is)

<https://www.linkedin.com/company/skeljungur-hf/>

