



Skeljungur hf.

Q4 & results 2021

Ólafur Þór Jóhannesson, CEO

09.02.2022

Highlights 2021



Record profit 6,9 billion ISK

Profit from sale of Magn

Improved operations in Iceland

New revenue streams



Key steps towards transformation of the organization

Sale of Magn

Organizational change with three new subsidiaries

Increased diversification



Investment company with a diversified portfolio

Three new solid businesses (subsidiaries)

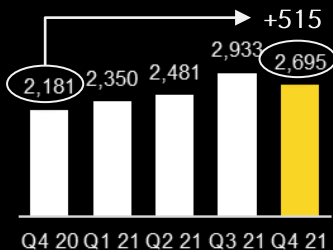
Real estate projects

Increased investment capabilities

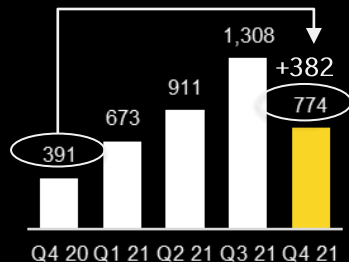


Highlights Q4 2021**

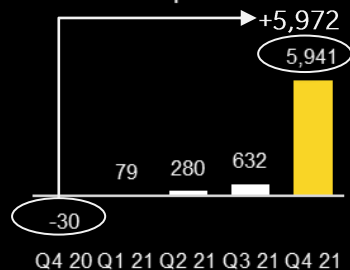
Gross Profit



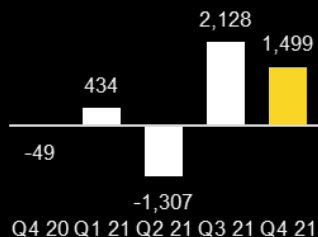
EBITDA



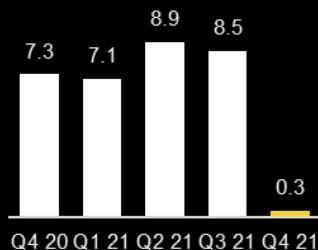
Total compreh. income



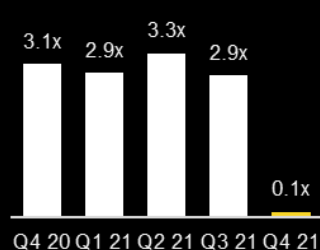
Cash from Operations



NIBD w/o Lease liab. (B)



NIBD/EBITDA*



- Sale of Magn has an impact on the quarter
- Improved results year over year, in particular in Iceland (continued operations)
- Amounts shown are pro-forma with discontinued operations (the Faroe islands)
- Price change in oil and increased activities affect working capital
- Cash from Operations in Q4 strong
- Lööur ehf. and Dælan ehf. included in Consolidated Statement from August
- Lyfsalinn ehf., 58% equity holding included in Consolidated Statement from Q4

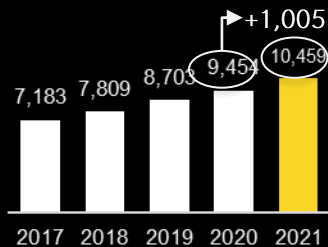
* W/O IFRS 16 effect

** Pro-Forma with Magn

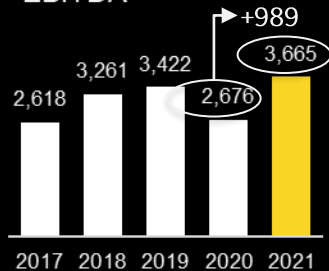


Highlights 2021*

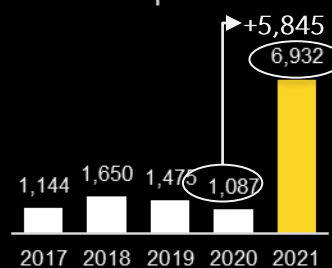
Gross Profit



EBITDA

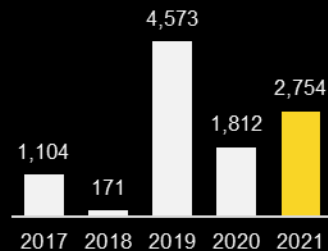


Total compreh. income

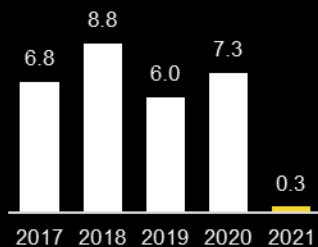


- Record yearly profit in Skeljungur history
- Profit from sale of Magn 5,7 billion ISK
- Improved operations in Iceland
- Net debt close to zero

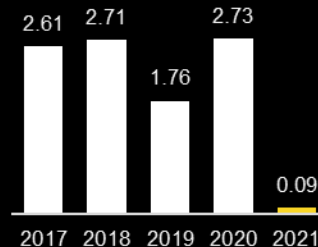
Cash from Operations



NIBD w/o Lease liab. (B)



NIBD/EBITDA



* Pro-Forma with Magn



Income Statement Q4 2021

<i>million ISK</i>	2021	2020	Δ	Pro-Forma		
	4F	4F		2021	2020	Δ
				4F	4F	
Gross Profit	1,774	1,081	692	2,695	2,181	515
Other Income	140	108	32	144	112	32
Salaries	-784	-618	-166	-1,122	-1,073	-48
Sales and Dist.	-458	-431	-27	-653	-636	-17
Other Opex	-221	-113	-107	-291	-192	-99
EBITDA	451	27	424	774	391	382
EBIT	141	-230	372	387	58	329
Financial Items	-134	21	-155	-171	-13	-158
Associated Companies	-10	-13	3	-2	1	-2
Taxes	6	51	-45	-23	1	-24
Results from cont. operations	3	-171	174	192	48	144
Impact of Magn	5,939	141	5,798	5,750	-78	5,828
Total Comprehensive Income	5,941	-30	5,972	5,941	-30	5,972
<i>EBITDA ratio</i>	<i>25.4%</i>	<i>2.5%</i>		<i>28.7%</i>	<i>18.0%</i>	
<i>EBIT</i>	<i>8.0%</i>	<i>-21.3%</i>		<i>14.4%</i>	<i>2.7%</i>	
<i>OPEX/Gross Profit</i>	<i>-74.6%</i>	<i>-97.5%</i>		<i>-71.3%</i>	<i>-82.0%</i>	

- Pro-forma: includes operations from the Faroe islands
- Strong increase in EBITDA year over year (Iceland)
- Profit 5,9 billion ISK in Q4



Income statement 2021

<i>million ISK</i>	2021	2020	Δ	Pro-Forma		
	12M	12M		2021 12M	2020 12M	Δ
Gross Profit	6,662	5,557	1,105	10,459	9,454	1,005
Other Income	352	305	47	365	323	43
Salaries	-2,448	-2,448	0	-3,876	-4,047	171
Sales and Dist.	-1,926	-1,813	-113	-2,483	-2,407	-77
Other Opex	-596	-433	-163	-800	-647	-153
EBITDA	2,044	1,168	876	3,665	2,676	989
EBIT	923	146	777	2,245	1,369	877
Financial Items	-433	-201	-232	-568	-301	-267
Associated Companies	-162	-102	-60	-153	-88	-65
Taxes	-92	18	-110	-297	-188	-109
Results from cont. operations	237	-139	376	1,227	791	436
Impact of Magn	6,695	1,226	5,470	5,704	295	5,409
Total Comprehensive Income	6,932	1,087	5,845	6,932	1,087	5,845
<i>EBITDA ratio</i>	30.7%	21.0%		35.0%	28.3%	
<i>EBIT</i>	13.9%	2.6%		21.5%	14.5%	
<i>OPEX/Gross Profit</i>	-69.3%	-79.0%		-65.0%	-71.7%	
<i>Return on Equity (yearly basis)</i>	46.4%	8.1%				

- Pro-forma: includes operations from the Faroe islands
- Strong increase in EBITDA year over year (Iceland)
- OPEX/Gross Profit ratio lower year over year
- Group pro-forma EBITDA in the higher range of guidance
- Wedo (Heimkaup) accounts for -211m of share of loss from associated companies. Making inroads into the online grocery market is costly
- Record results in 2021



Geographical information 12M 2021

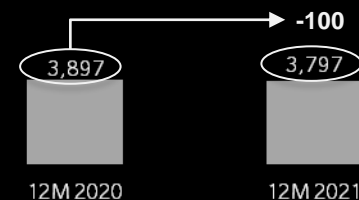
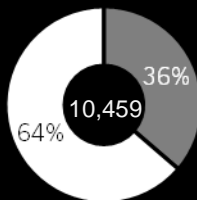
Million ISK

12M 2021

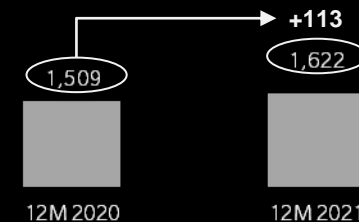
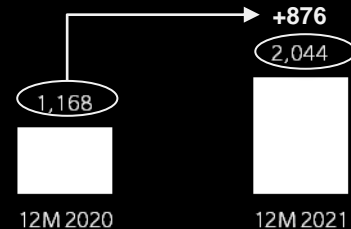
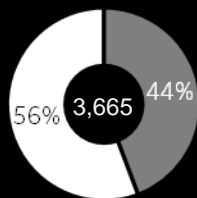
ICELAND

FAROE ISLANDS

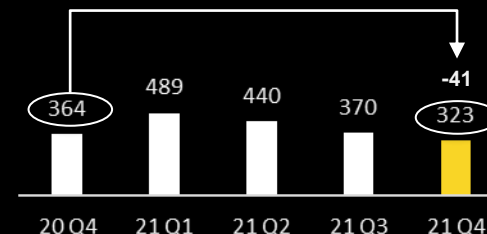
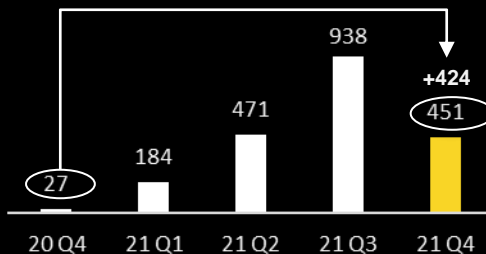
GROSS PROFIT



EBITDA



QUARTERLY EBITDA



Balance sheet 2021

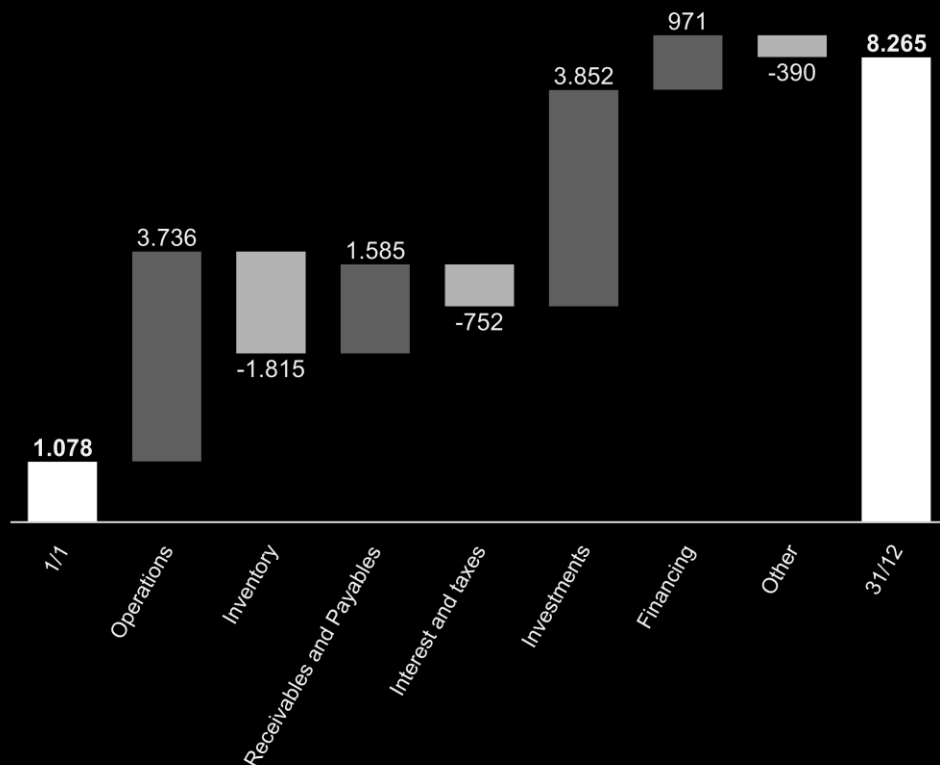
M.kr.	31.12.2021	31.12.2020	Δ
Intangible assets	3,326	4,629	-1,302
Operating assets	9,183	11,264	-2,081
Leasing assets	1,617	1,682	-65
Associated companies	3,574	551	3,023
Non-current assets	17,699	18,125	-426
Inventory	3,700	2,705	995
Receivables	3,310	3,373	-63
Trading investment	0	223	-223
Cash and Cash equivalents	8,265	1,078	7,187
Current assets	15,275	7,378	7,897
Total assets	32,975	25,503	7,471
Equity	16,448	9,921	6,527
Deferred tax liability	30	392	-362
Lease liabilities	1,783	1,820	-37
Interest bearing debt	8,611	8,606	5
Payables	2,442	2,448	-6
Other current liabilities	3,368	2,105	1,263
Other	293	212	81
Total Liabilities	16,527	15,582	944
Total equity and liabilities	32,975	25,503	7,471

M.kr.	31.12.2021	31.12.2020	Δ
Working Capital	1,201	1,525	-325
NIBD	346	7,305	-6,959
Equity Ratio	49.9%	38.9%	
Current Ratio	1.30	0.94	

- Group Balance sheet 2021 includes the Faroe islands
- Cash 8,3 billion ISK year end
- Equity 16,4 billion ISK up by 6,5 billion ISK
- Higher oil prices increased capital tied up in inventory and receivables. Preparation for the capelin season has impact
- Dividend 350m paid out start of April



Cash flow 2021



M.kr.	2021	2020	Δ
Cash from operations before interest and taxes	3,506	2,514	992
Taxes and interests	-752	-702	-50
Net Cash from operations	2,754	1,812	942
Investing activities	3,852	-1,391	5,243
Financing activities	971	101	870
Net change in cash and cash equivalents	7,577	522	7,055
Cash at beginning of year	1,078	506	572
Effect from exchange rates	-390	50	-439
Cash at end of period	8,265	1,078	7,187

- Amounts include the Faroe islands
- Investments:
 - Subsidiaries: 2,7 billion ISK (Löður/Dælan 1B, Lyfsalinn 1,5B)
 - Affiliates: 2,8 billion ISK (Orkufelagið 2,4B)
 - Magn transaction: 10 billion ISK



Transformed balance sheet



1

Skeljungur renamed
SKEL Fjárfestingafélag

2

12 billion isk cash & equivalents
2 billion isk interest bearing debt – Q1 2022

3

Focus on developing **new opportunities** with our portfolio companies with the goal of **long-term value creation**

4

Continued **development** of investments in unlisted and listed assets

Operation of oil company for 93 years

SKEL Fjárfestingafélag

1928

2021

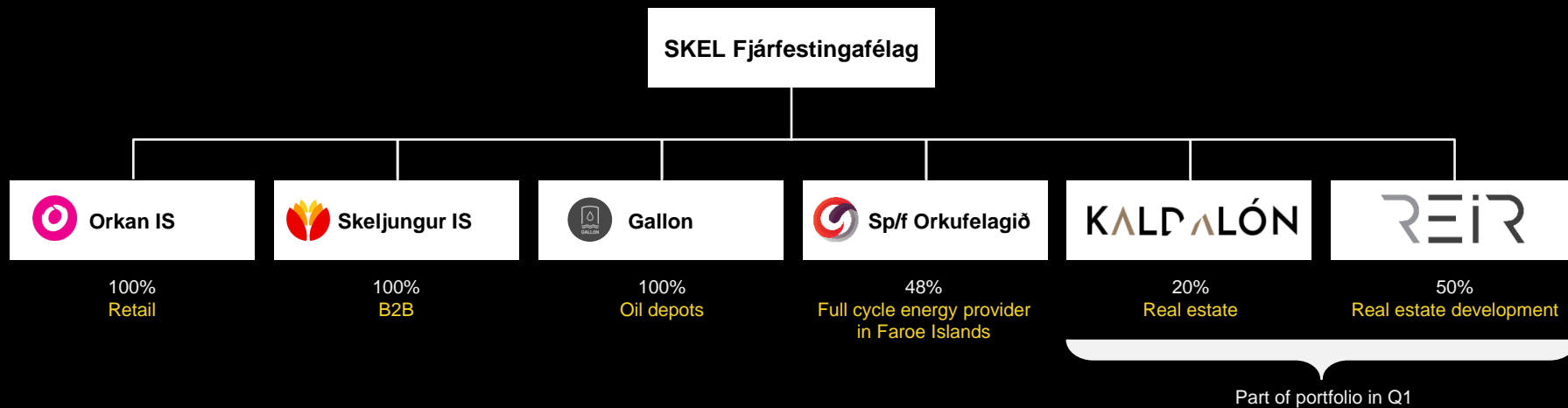
2022 →



The journey



Portfolio





Fjölorkufélagið Orkan IS ehf.






PHARMACY 

HYDROGEN 

WASTE COLLECTION 

150 kw CHARGING 

- Vacuum 
- Air (tires)
- And more for the car

- 
- Petrol
 - Diesel

CAR-WASH 

FOOD 

- Convenience
- Sbarro pizza's
- Bæjarins Beztu
- Skúbb
- Gló products

COMFORT

- Postbox
- ATM
- Sit down area
- WC

Orku-economy

Clear goals for better utilization of plots for profitable operations and new opportunities

Orkan IS ehf.



The only company that offers **ALL** energy sources
Fossil fuel, hydrogen, methane og electricity

Orkan helps its customers to simplify their lives.

ORKAN has shown initiative and led various innovations to simplify life i.e.:

- **Pharmacy** with a **drive-through** - has been successful, further openings in the future
- **Brauð & Co.** with a **drive-through**
- **Joe & the Juice** **the first location in the world** with a **drive-through**
- **Bæjarins beztu** **the first location in Iceland** with a **drive-through**
- We accept **Christmas paper** and **garden waste** for **recycling**
- More **innovations** on the agenda that will simplify life

REVENUE:

23ma

NR. OF SERVICES:

16.300

...PR DAY

STAFF:

243



70

SERVICE STATIONS



9

CHARGING STATIONS ON



2

HYDROGEN STATIONS



1

METHANE STATIONS

COMFORT & FOOD



3



3



1

PHARMACY



3



3

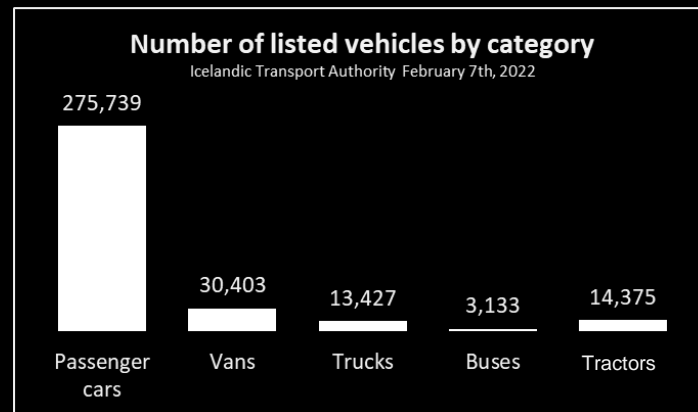
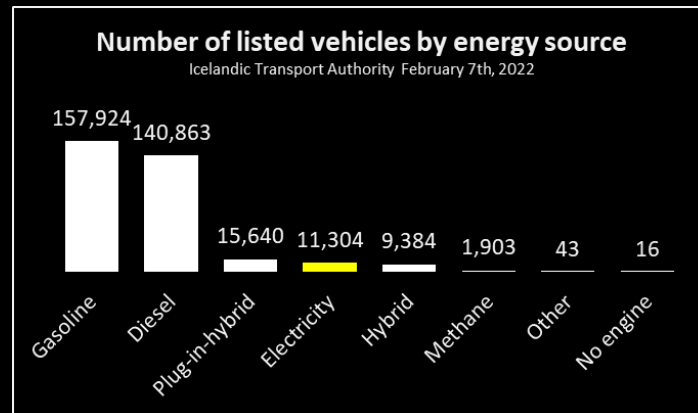
CAR-WASH



16

Interesting facts

- Total vehicles and tractors listed **337k** (273k current fleet)
- **Electric vehicles around 4%** of current fleet
- **Vehicle rentals 19k listed**
- **Increased tourism** calls for for more vehicles
- **It will take time** for the ratios to change





Skeljungur IS ehf.

- **B2B** sale and services, distribution, procurement and wholesale

Authorized Shell Lubricants
distributor

- Holdings in **Barkur, EAK and Fjölver**
- Increased focus on **Shell products** and **online** commerce
- Will move to Skútuvogur **April 2022**
- **Ecomar** aquired – increased product range with the goal to offer a comprehensive solution for customers

Customers

Ship



Airports



Transport



Contractors



Industry



Agriculture



Retail



Wholesale



Products

Gas



Lubricants



Chemical
products



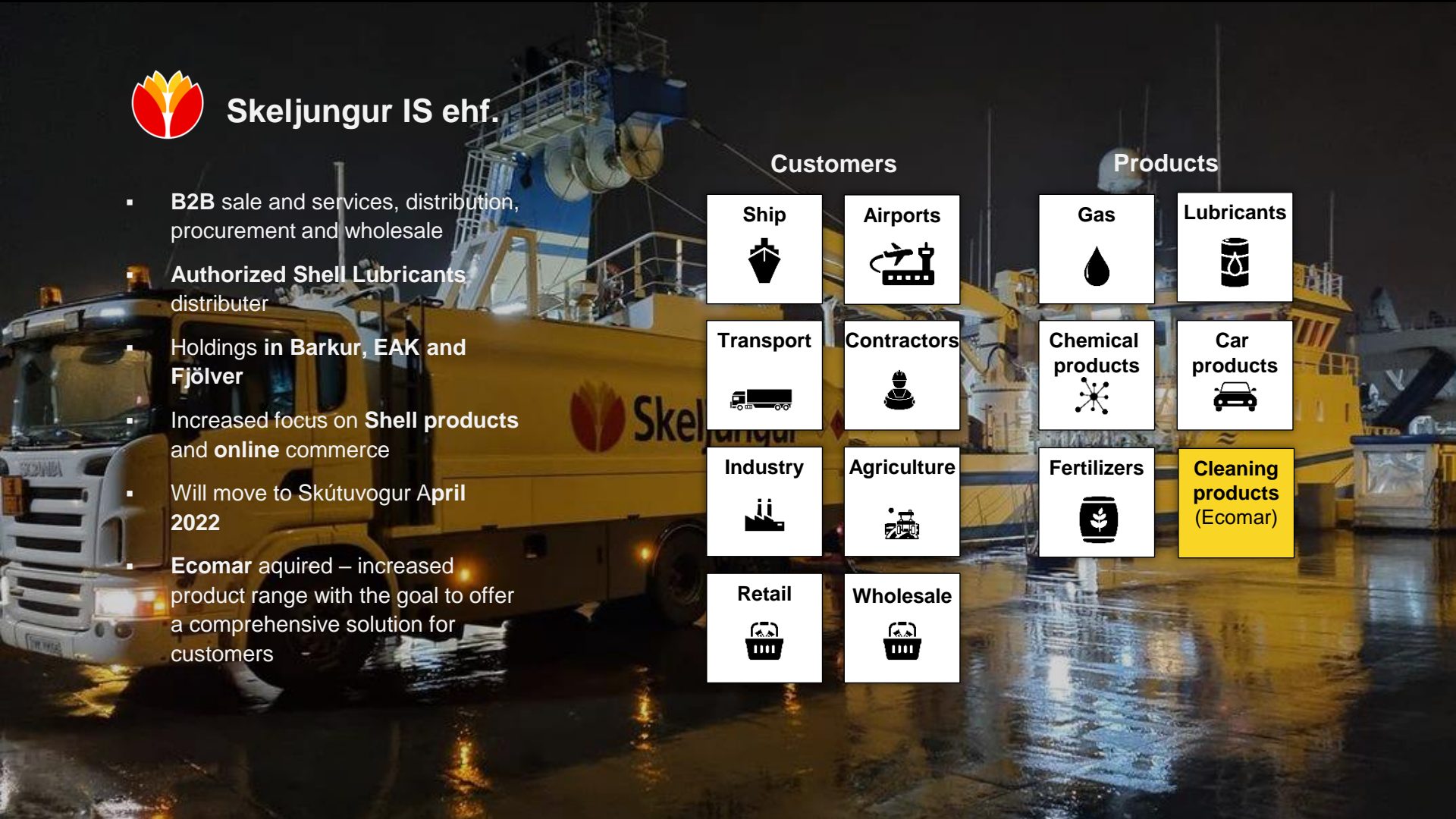
Car
products



Fertilizers















**Cleaning
products
(Ecomar)**





The goal is to serve the energy needs of companies in an efficient, safe and sustainable way for society and the environment

BOAT PUMPS  27	PRIVATE PUMPS  25	PRIVATE TANKS  1.000+	DIESEL STATIONS  5
CUSTOMERS  3.860	AIRPORTS SERVICED  6	OPERATIONS  8	FUEL LITERS  280_{MILLJ.}
WHOLESALE DISTRIBUTION 	EMPLOYEES  59	DELIVERIES  284	REVENUE  32_{ma}





Gallon ehf.



35 tanks ACROSS THE ICELANDIC COAST



GALLON OPERATES IN 8 AIRPORTS AS WELL AS KEFLAVÍK AIRPORT

- Operations of fuel **storage depots** around Iceland
- Deliveries directly to ships and oil trucks through Gallon **multiple depots across the Icelandic coast**. Örfirisey Reykjavik depot is by far the largest
- Gallon is the **only company** that offers jet-fuel services **across all major airports in Iceland**
- Gallon holds **25% stake** in **EBK** which operates at **Keflavik airport**

Sp/f Orkufelagið



Orkufelagið has the goal to become the leading full cycle energy provider in the Faroe Islands

Orkufelagið has an experienced team of energy and retail professionals

The government has set a target of 100% renewable electricity generation by 2030.

Orkufelagið will utilize the energy transition and the liberalization in the Faroese energy market to explore investments in:

- Wind
- Solar
- Geothermal and district heating (deep drill)
- Natural gas
- Distribution and storage

A windfarm



- A windfarm concession held in JV with LÍV pension fund
- 20-year production license for 18MW on a take or pay contract with the national electricity company
- Construction started in 2021 and it is estimated to be up and running in the Fall of 2022



SKEL holdings and pipeline



Orkan IS 100%

- 70 service stations with gas and 8 stores
- 3 grocery (Extra) and 3 convenience stores (10/11)
- Löður, 15 car washes – more in the pipeline
- Lyfjaval and Lyfsalinn, 6 pharmacies + the first car pharmacy (Hæðarsmára) – more to come
- The only multi-energy company in Iceland with emphasis on hydrogen; two hydrogen stations and one methane stations
- Other holdings: Brauð & Co, Gló, Sbarro and WEDO (Heimkaup, Hópkaup, Bland).



Skeljungur IS 100%

- Wholesale, service and distribution
- Gas, lubricants, fertilizer, industrial chemical and cleaning products
- High volume customers; fisheries, aviation and contractors
- Authorized Shell Lubricants distributor
- Equity stake in Barkur, EAK and Fjölver.
- Ecomar acquired (67%) – expands the companies supply chain



Gallon 100%

- Infrastructure company that operates oil depots in Reykjavík, Akureyri, Eskifirði and Vestmannaeyjar
- Equity stake in EBK
- Service and operations at domestic airports

Sp/f Orkufelagið 48%

- One of the biggest companies in Faroe Islands
- 11 service stations
- Wholesale, service and distribution of gas
- Demich, the daughter company of Magn, sells service i.e. to parties in energy transition
- Development of windmills



KALDALÓN 20%

- Estimated equity 2,3 billion ISK
- Real estate company with emphasis on the capital area
- Listed on First North exchange, is planning on being listed on OMXI
- **The contract is signed. Will be reported in Q1**



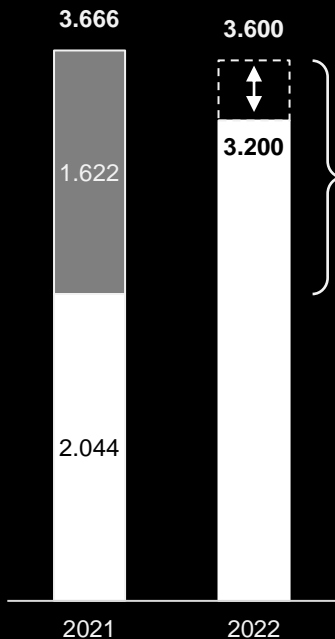
Fasteignapróun 50%

- Estimated equity 2 billion ISK
- Partner Reir ehf.
- Portfolio of development projects in the capital region
- **In progress. Will be reported in Q1**



Guidance for 2021

EBITDA

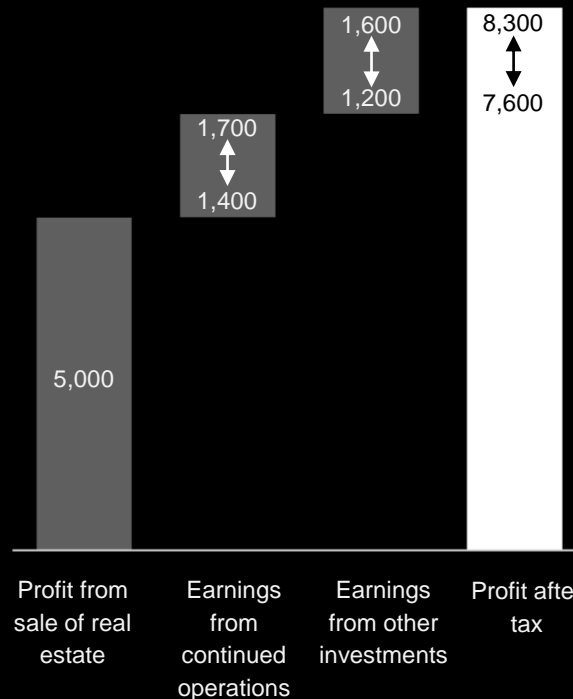


- Includes Lööður & Lyf full 2022, but partially for 2021
- Increased tourism and economic activities for 2022
- Q1 2021 was weak

■ Iceland
 □ Faroe Islands

Forward looking view on earnings for - SKEL fjárfestingafélag

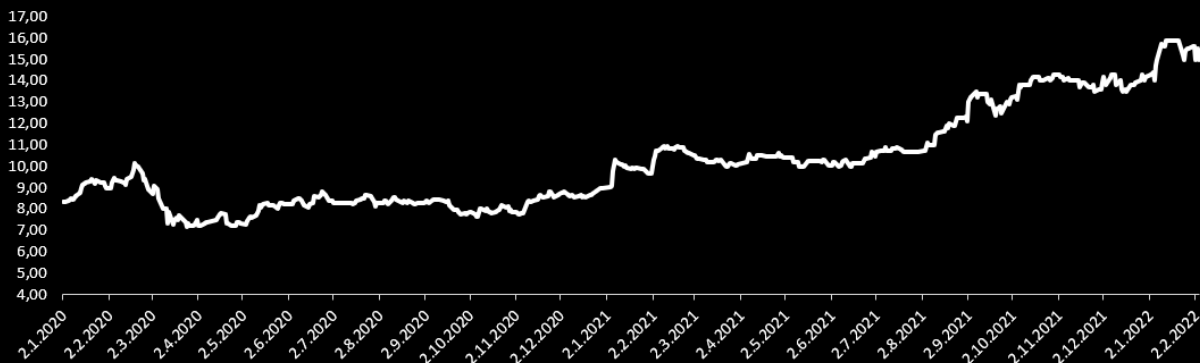
Profit after tax



- Going forward increased emphasis on parent company reporting
- Investment holdings excluding subsidiaris and affiliates **16 billion ISK**, including cash and equivalents of 12B and interest bearing debt around 2B



Market information



Shareholder	Nominal value of share in million	Share
Strengur hf.	969	50,1%
Arion banki hf.	178	9,2%
Frjálsi lífeyrissjóðurinn	163	8,4%
TCA ECDF III Holding S.á.r.l.	97	5,0%
Birta lífeyrissjóður	87	4,5%
Lífsv verk lífeyrissjóður	55	2,8%
Íslandsbanki hf.	36	1,8%
Gildi - lífeyrissjóður	27	1,4%
Eftirlaunasj atvinnuflugmanna	24	1,2%
Landsbankinn hf.	24	1,2%
10 largest shareholders total	1.660	85,7%
Other shareholders	276	14,3%
Total outstanding shares	1.936	100,0%
Shares owned by Skeljungur	0	0,0%
Total shares as in articles of association	1.936	100,0%

Market information	
Total shares	1.936 M ISK
Number of shareholders	777
Market value at listing	14,849 B ISK
Market value at 31.12.19	17,754 B ISK
Market value at 30.09.20	17,812 B ISK
Market value at 30.06.21	27,492 B ISK

Shareholder list as of 4.Februar 2022

- Own shares (2,5%) cancelled
- Dividends paid April, 2021 350m
- The AGM granted the Board authority to purchase own shares up to 10%
- No transactions with own shares during the period
- Change in share price of Skeljungur was 58,3% in 2021 (closing price 14,2)
- 500 m dividend proposal due to 2021





Q&A

Further information

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