



**SKELJUNGUR**  
2021 FINANCIAL REPORT

**TOTAL PROFIT ISK 6,932 MILLION IN 2021**

**EBITDA (*PRO FORMA* WITH THE FAROE ISLANDS) IN Q4 774 MILLION ISK, UP BY 382 MILLION ISK BETWEEN YEARS**

**TOTAL PROFIT AFTER TAXES 6,932 MILLION ISK IN 2021, UP BY 5,845 MILLION ISK BETWEEN YEARS**

**CASH AND CASH EQUIVALENTS AT YEAR-END 8,265 MILLION ISK**

**TRANSFORMED BALANCE SHEET WITH THE SALE OF P/F MAGN IN THE FAROE ISLANDS, BUSINESS OPERATIONS SPLIT UP AND NUMBER OF INCOME SOURCES INCREASED**

**SKELJUNGUR BECOMES AN INVESTMENT COMPANY; MOTION TABLED FOR A CHANGE OF NAME TO SKEL FJARFESTINGARFELAG**

### KEY INDICATORS AND RESULTS OF Q4 2021 (contribution margin and EBITDA *pro forma*)

- Contribution margin 2,695 million ISK, up by 23.6% from Q4 2020
- EBITDA 774 million ISK, up by 97.6% from Q4 2020
- EBITDA margin 28.7%, as compared to 18% in Q4 2020
- Total profit after taxes 5,941 million ISK, as compared to –30 million ISK in Q4 2020
- Earnings per share 2.61, as compared to 0.02 in Q4 2020
- Net cash provided by operating activities 1,499 million ISK, as compared to –49 million ISK in Q4 2020
- Equity at the end of the quarter ISK 16,448 million and equity ratio 49.9%

### KEY INDICATORS AND RESULTS OF THE YEAR 2021 (contribution margin and EBITDA *pro forma*)

- Contribution margin 10,459 million ISK, up by 10.6% from 2020
- EBITDA 3,665 million ISK, up by 37% from 2020
- EBITDA margin 35.0%, as compared to 28.3% in 2020
- Total profit after taxes 6,932 million ISK, as compared to 1,087 million ISK in 2020
- Return on equity year-on-year 46.4%, as compared to 8.1% in 2020
- Earnings per share 3.14 as compared to 0.39 in 2020
- Net cash provided by operating activities 2,754 million ISK, as compared to 1,812 million ISK in 2020
- Equity at the end of the period ISK 16,448 million and equity ratio 49.9%

### Prospects for 2022

The Company is projecting positive results for the parent company in the range of 7.6 - 8.3 billion ISK after taxes, taking into account an anticipated profit from the sale of real estate in the amount of 5 billion ISK.

The expected results of continuing operations and investment activities will therefore be in the range of 2.6 - 3.3 billion ISK after taxes.

### Comparison figures

ISK million	2021 Q4	2020 Q4	Δ
Gross profit	2,695	2,181	23.6%
EBITDA	744	391	97.6%
EBIT	387	58	562%
Total profit for the period	5,941	-30	19,589%

2021 12M	2020 12M	Δ
10,459	9,454	10.6%
3,655	2,676	37.0%
2,245	1,1369	64.0%
6,932	1,087	538%



Ratios:	2021 Q4	2020 Q4	2021 12M	2020 12M
EBITDA ratio	27.7%	18%	35.0%	28.3%
EBIT ratio	14.4%	2.7%	21.5%	14.5%
Payroll expenses / gross profit	-41.6%	-49.2%	-37.1%	-42.8%
Other expenses / gross profit	-35.0%	-38.0%	-31.4%	-32.3%
Operating cost / Gross profit	-71.3%	-82.0%	-65.0%	-71.7%
Return on equity (year-on-year)			46.4%	8.1%

## The year 2021 in brief

### SKELJUNGUR CEO ÓLAFUR THOR JÓHANNESSON:

“We are very satisfied with our performance in 2021, and proud of our results. At a time of restructuring, concurrently with the sale of the Company's Faroese subsidiary P/F Magn, and the reorganisation of our business operations with the establishment of three subsidiaries, the Company still managed to return its best EBITDA results ever. The Company also returned the largest profit in its history, at over 6.9 billion ISK. The Company's employees deserve great credit for their contributions to these extensive projects.

The results of the fourth quarter were excellent, improving significantly between years, particularly in the case of the Group's continuing operations in Iceland. The operations of Löður and Dælan were consolidated with Skeljungur Group with effect from 1 August. Lyfsalinn, where Skeljungur holds a 58% share, acquired Lyfjaval, which, among other things, operates a drive-in pharmacy in Hæðasmári in Kópavogur. The operation of Lyfsalinn was incorporated into the consolidation's accounts in the fourth quarter, along with our additional investment in Lyfsalinn. With these new companies we have increased the number and diversity of our income sources and strengthened the Company for the future.

Skeljungur made the decision to sharpen the focus of its business operations with the establishment of three wholly owned subsidiaries, i.e. Orkan IS ehf., engaging in retail operations, Skeljungur IS ehf., engaging in sales to corporates and wholesale operations, and Gallon ehf., engaging in the operation of depots. The three-way split took effect on 1 December 2021. The start of business in these three companies has been promising.

Work on the sale of real properties is in progress; with the sales, Skeljungur will acquire holdings in Kaldalón hf. and a real estate development company with Reir. This round of business is scheduled for completion in the first quarter of 2022.

The sale of real estate and holdings in P/F Magn, along with the restructuring of the Company's business operations, will result in the creation of a strong parent company with extensive capacity for investment, focusing on the development of new opportunities with well established companies in its asset portfolio and the continued development of investments in listed and unlisted assets.

A motion is scheduled for submission at the 2022 Annual General Meeting to change the name of the Company to SKEL fjárfestingarfélag. There are new and exciting times ahead for the Company and its subsidiaries.”



## PRINCIPAL HIGHLIGHTS AND MILESTONES OF 2021

- The subsidiary Magn in the Faroe Islands was sold.
- The operation of Lööur and Dælan entered the consolidation with effect from 1 August 2021.
- Skeljungur acquired a 58% share in Lyfsalinn in the course of the year and that company entered the consolidation with effect from 1 October 2021.
- Skeljungur carbon-neutralised all of its operations in Iceland in 2021.
- New self-service equipment was introduced in Orkan's service stations.
- Several service stations were transformed from shops to partnerships with third parties, including Joe & the Juice and Brauð & Co.
- In the course of the year Skeljungur obtained ISO 9001 and ISO 14001 certification for four of its operating units. The establishments that received certification were fuel distribution units in the Vestmanna Islands, Akureyri, Eskifjörður and Ísafjörður. Also, the oil depot in Örfirisey in Reykjavik (Olíubirgðastöðin) received ISO 14001 certification in 2021; the depot had previously received ISO 9001 certification, which was renewed in December 2020.
- Skeljungur obtained equal pay certification in the course of the year, as in previous years, and the Company's unexplained gender pay gap was 3%, which is within the target that Skeljungur has set itself.
- Business operations were transferred from Skeljungur to three subsidiaries, with effect from 1 December 2021.

### Presentation meeting

A presentation of the the Company's annual financial statement will be held on 9 February at 08:30 at Grand Hotel Reykjavik at 38 Sigtún, 4th floor(Háteigur), where Ólafur Thor Jóhannesson will present the statement and review the highlights of the operating year.

Market participants can post questions to [fjarfestar@skeljungur.is](mailto:fjarfestar@skeljungur.is) and responses will be posted after the presentation on 9 February.

### ANNUAL FINANCIAL STATEMENT 2021

The principal points of this report derive from the Company's annual financial statement, which was approved by the Board of Directors at a meeting of the Board on 8 February 2021.

The annual financial statement comprises the Company's consolidated financial statement. This Financial statement is drawn up in compliance with International Financial Reporting Standards (IFRS). The annual financial statement was audited by KPMG hf. and the audit report is unqualified.

Further details are included in the annual financial statement, which is attached to this notice.



**Financial Calendar 2022**

**Annual General Meeting 2022:** 10 March 2022

**Financial statement for Q1 2022:** 28 April 2022

**Financial statement for Q2 2022:** 11 August 2022

**Financial statement for Q3 2022:** 27 October 2022

**Financial statement for Q4 2022 and Annual Financial Statement for 2022:** 7 February 2023


**Annual General Meeting 2023:** 9 March 2023

Dates are subject to change.

*For further information contact Ólafur Thór Jóhannesson, CEO, [fjarfestar@skeljungur.is](mailto:fjarfestar@skeljungur.is).*



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