



SKELJUNGUR HF.

# 2019 Q1 Results

Investor Presentation 22.5.2019

# Recording

Note that the meeting will be recorded, in audio and video, and streamed online. The recording, along with the presentation material, will be posted on Skeljungur's website.

# Upptaka

Vakin er athygli á því að fundurinn er tekinn upp, í hljóði og mynd, og streymt á netinu. Upptakan, ásamt kynningarefni fundarins, verður síðan sett á vefsíðu Skeljungs.



# Operations - first 3 months

Improved operational results



## Finance

- ✓ EBITDA 892m (+9,4% )
- ✓ Gross profit 2.107 (+20,7%)
- ✓ Profit 411 (-1,2%)
- ✓ Return on equity 19%

## Operations

- ✓ Good results in Iceland, very good in the Faroe Islands
- ✓ Cost under control; 30% increase in FTE with newly bought Demich
- ✓ Economy slowing down in Iceland while still on the rise in Faroes resulting in a strong B2B performance
- ✓ Opening of a new multi-energy station on Miklabraut, the first one to offer biomethane, fast charging electricity and hydrogen under the same canopy





# Fuel sales



## Iceland

## Faroe Island



Diesel & Gasoline

32 m ltr

↓ 6%

6 m ltr

↑ 4%



Jet

9 m ltr

↓ 11%

0 m ltr



Marine

29 m ltr

↑ 27%

26 m ltr

↓ 1%



Housing

0 m ltr

11 m ltr

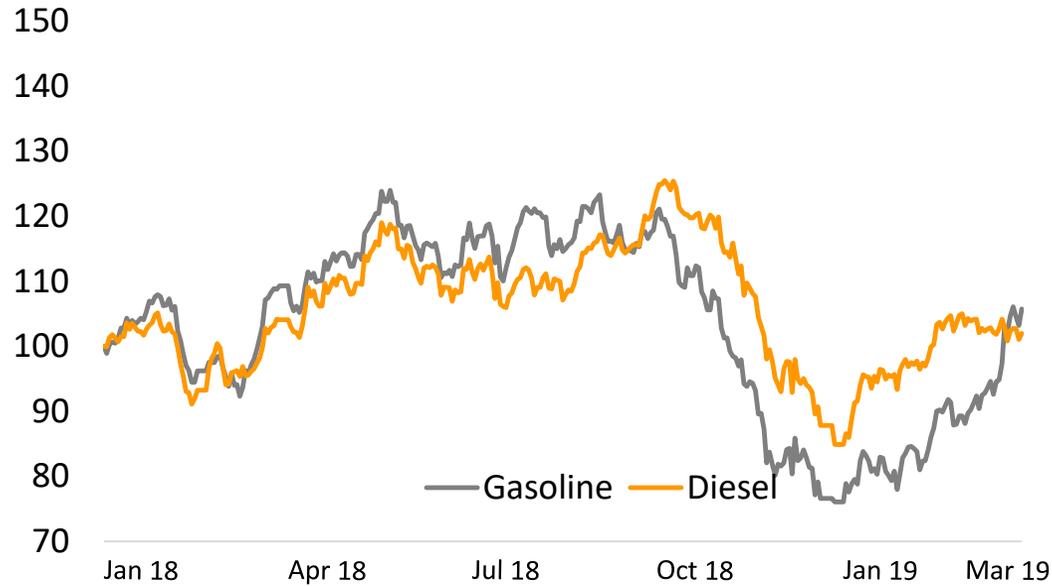
↓ 2%

# External factors

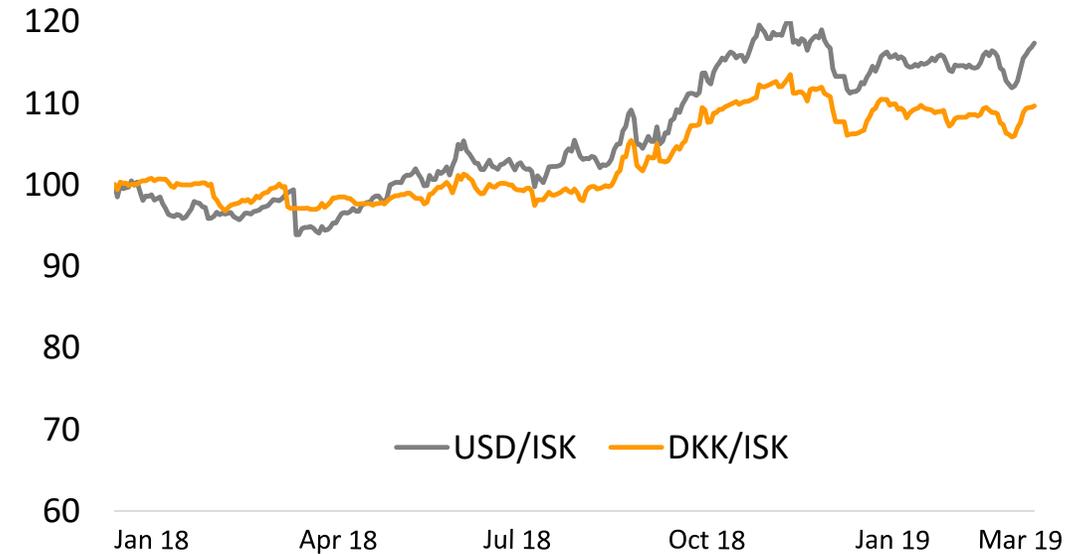
Extreme fluctuations



## Oil price



## Key exchange rates



	2019 Jan/Mar	Var %	Average Q1	Var %
Gasoline	482/670	39%	556/641	-13%
Diesel	508/610	20%	592/595	-1%

	2019 Jan/Mar	Var %	Average Q1	Var %
USD/ISK	116,3/122,6	5,4%	119,8/101,1	18,5%
DKK/ISK	17,8/18,4	3,2%	18,2/16,6	10,0%

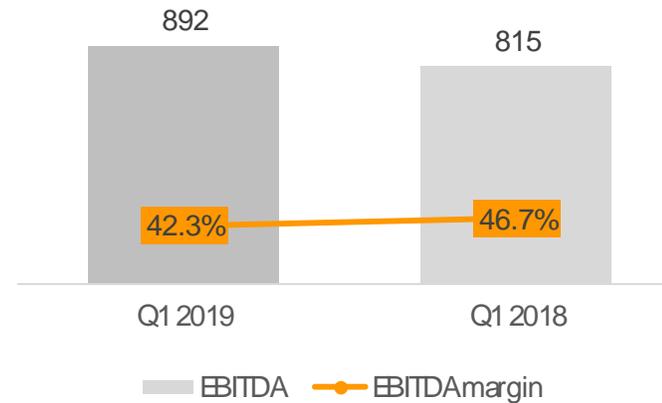
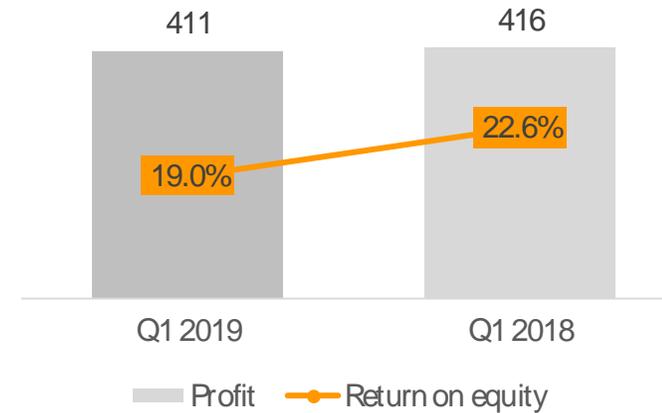
# Q1 results

Strong first quarter



## Key figures

<i>In m ilions</i>	2019 3m	2018 3m	Var	Var%
<b>Gross profit</b>	<b>2,107</b>	<b>1,746</b>	<b>361</b>	<b>20.7%</b>
Other income	41	151	-110	-72.8%
Salaries and related	-606	-459	-147	32.1%
Sales and distribution	-494	-499	5	-1.0%
Other expenses	-156	-124	-32	26.0%
<b>EBITDA</b>	<b>892</b>	<b>815</b>	<b>76</b>	<b>9.4%</b>
<b>Adjusted EBITDA*</b>	<b>848</b>	<b>712</b>	<b>136</b>	<b>19.0%</b>
<b>EBIT</b>	<b>631</b>	<b>617</b>	<b>14</b>	<b>2.2%</b>
<b>Profit</b>	<b>411</b>	<b>416</b>	<b>-5</b>	<b>-1.2%</b>
<i>EBITDA margin</i>	42.3%	46.7%	-4.4%	
<i>EBIT margin</i>	29.9%	35.3%	-5.4%	
<i>Salaries/gross profit</i>	28.8%	26.3%	2.5%	
<i>Sales and distr./gross profit</i>	23.4%	28.6%	-5.1%	
<i>Other PEX/gross profit</i>	59.6%	62.0%	-2.3%	
<i>Return on equity</i>	19.0%	22.6%	-3.6%	



\*EBITDA excl. one-off profit and IFRS 16 effects

# Geographical information



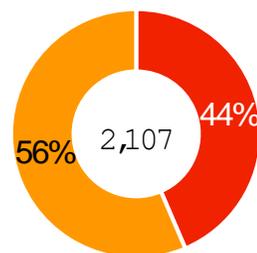
In millions

2019

Iceland

Faroe Islands

Gross Profit



1,189

1,162

841<sup>1)</sup>

918

584

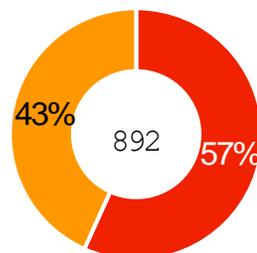
Q1 2019

Q1 2018

Q1 2019

Q1 2018

EBITDA



386

498

463<sup>1)</sup>

506

317

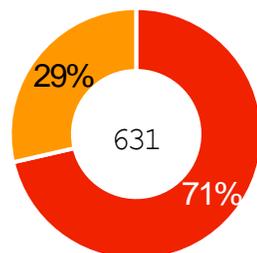
Q1 2019

Q1 2018

Q1 2019

Q1 2018

EBIT



180

342

412<sup>1)</sup>

450

275

Q1 2019

Q1 2018

Q1 2019

Q1 2018

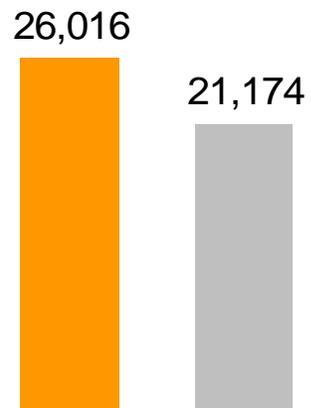
<sup>1)</sup> Assuming the same DKK/ISK rate as for the same period last year



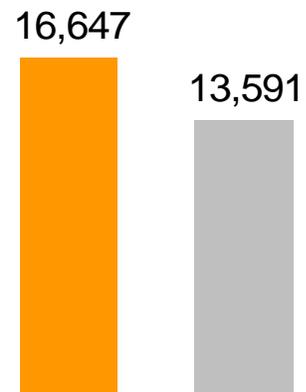
# Balance sheet



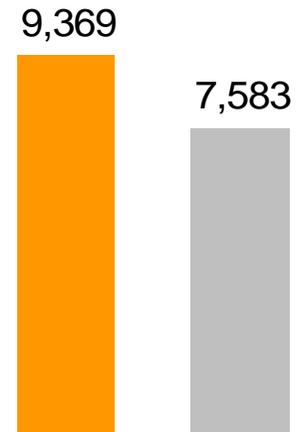
## Total Assets



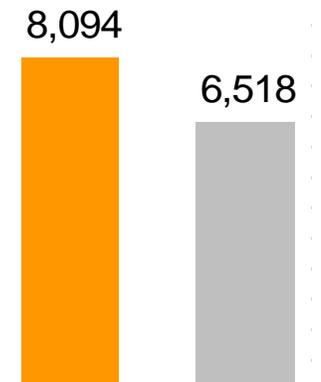
## Liabilities



## Equity



## NIBD



■ 2019 Q1

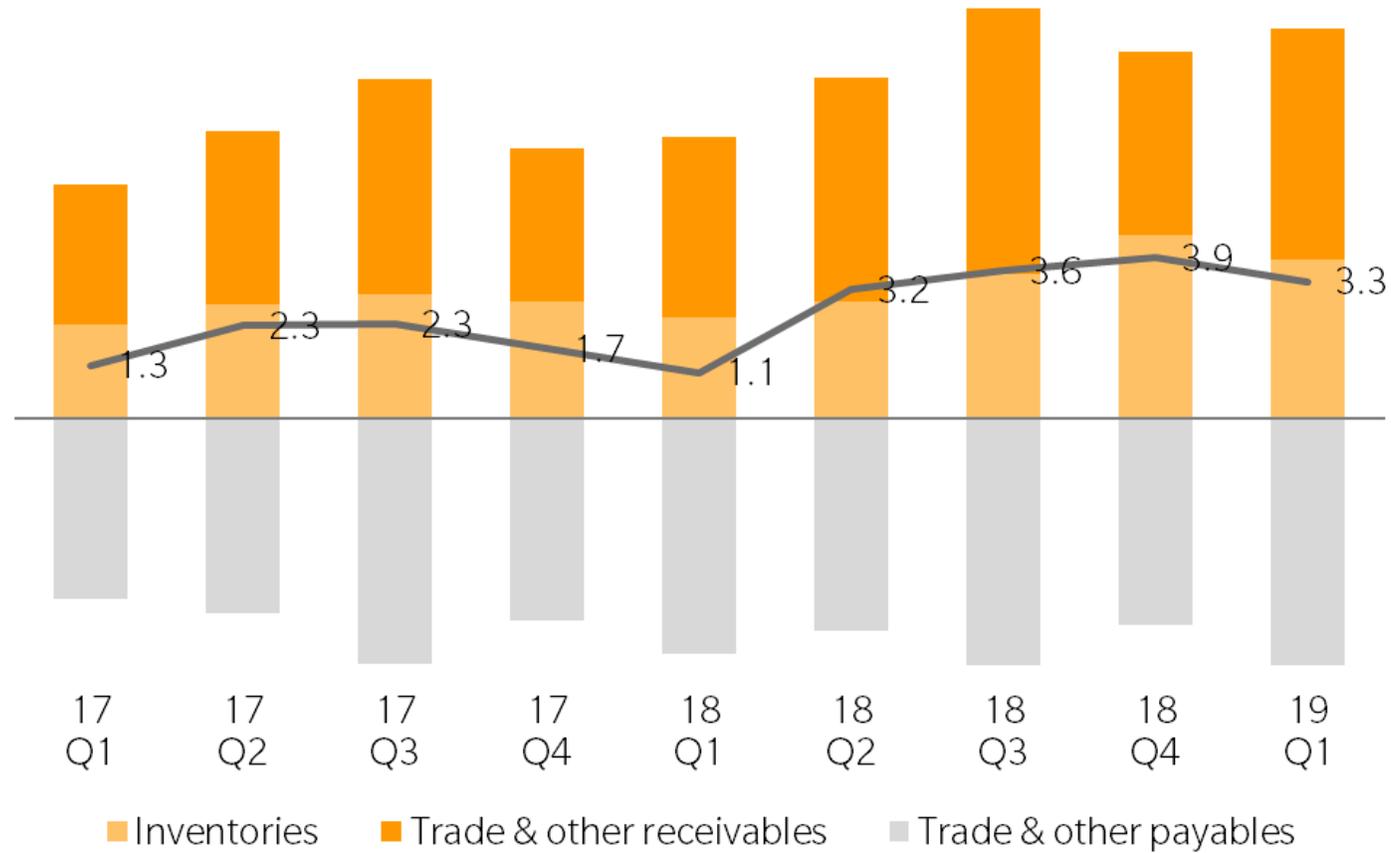
■ 2018 Q1



# Working capital



In billion ISK



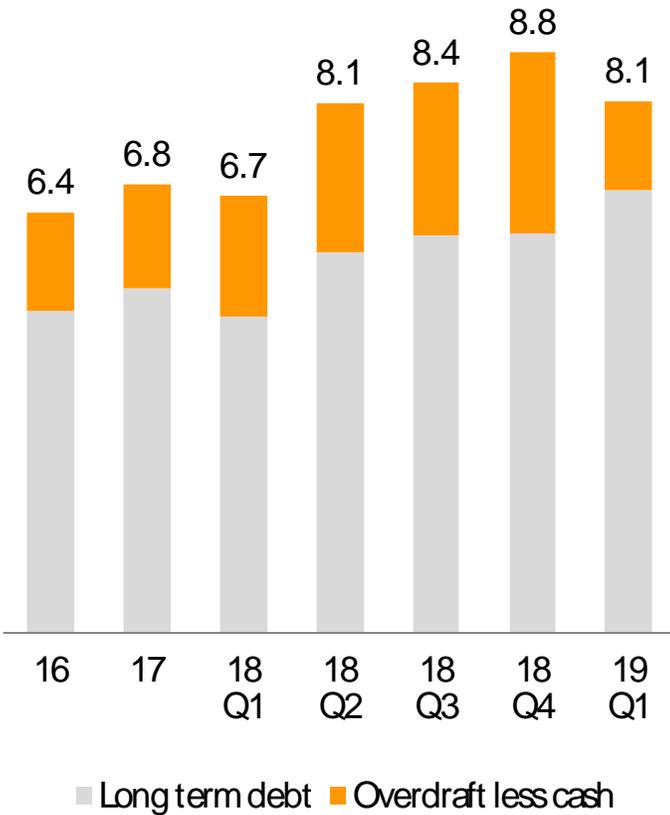
# Interest bearing debt

Average weighted interest rates around 3,8%



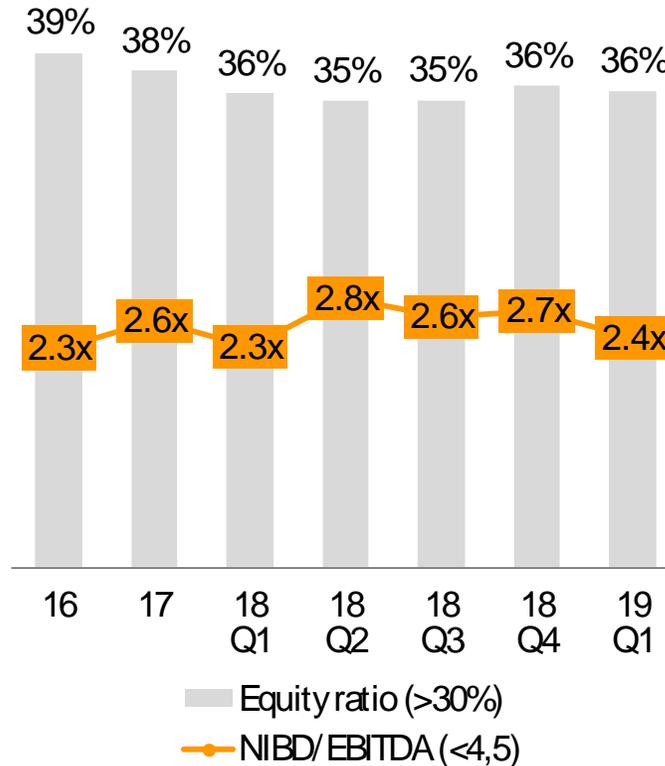
## Interest Bearing Debt

Billion ISK



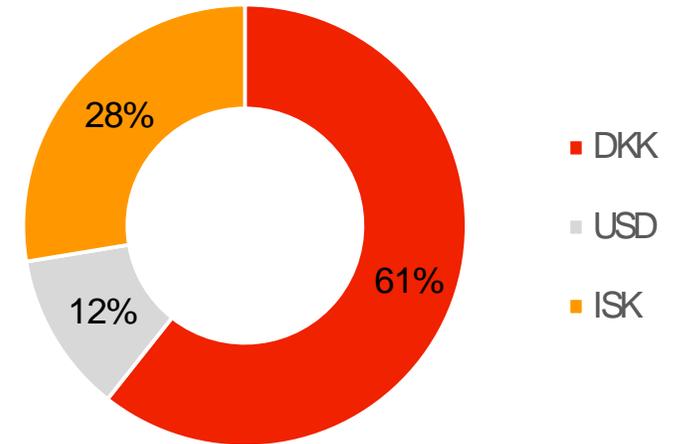
## Financial Conditions

Well within limits

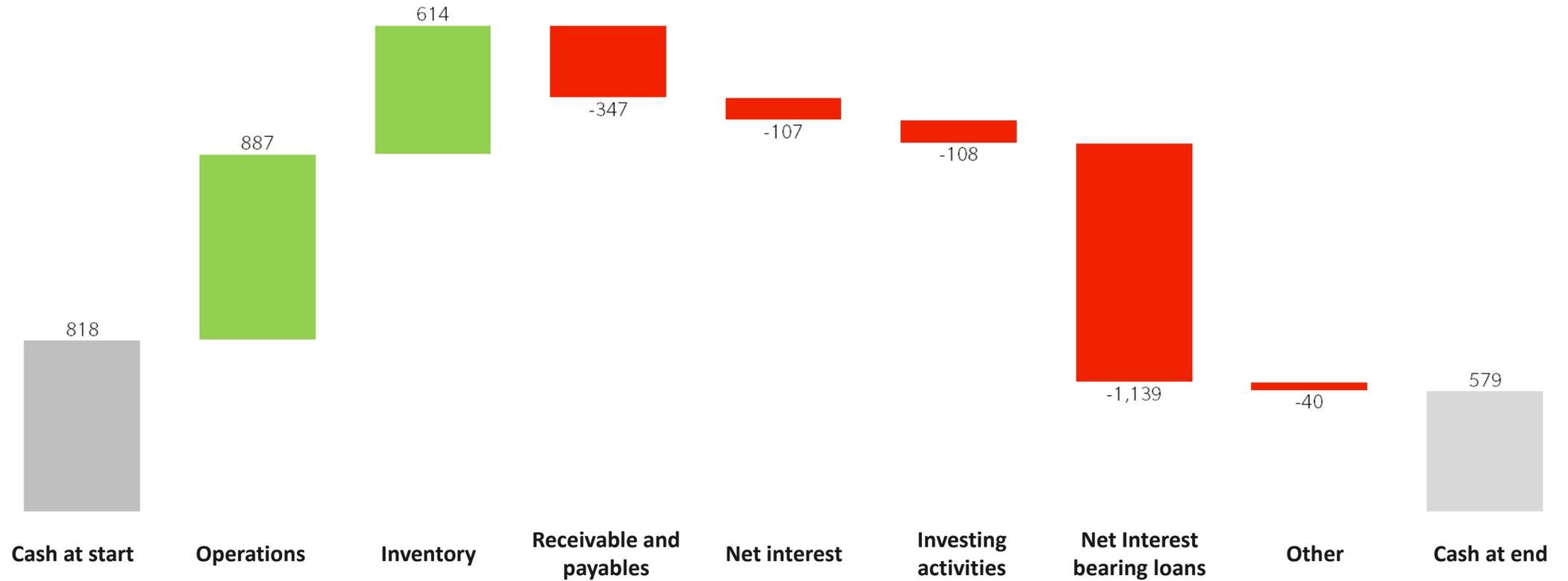


## Currency Mix

Majority of loans in foreign currency



# Cash flow



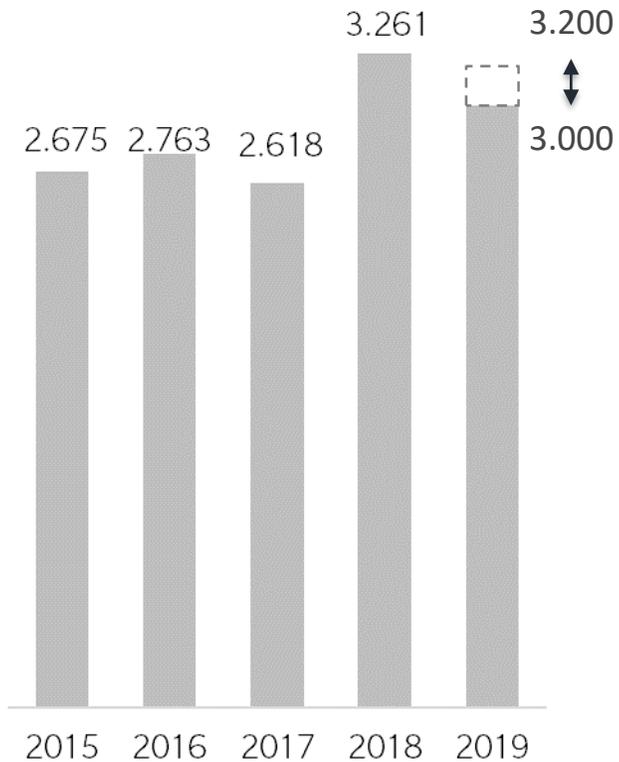
# 2019 Guidance

Unchanged



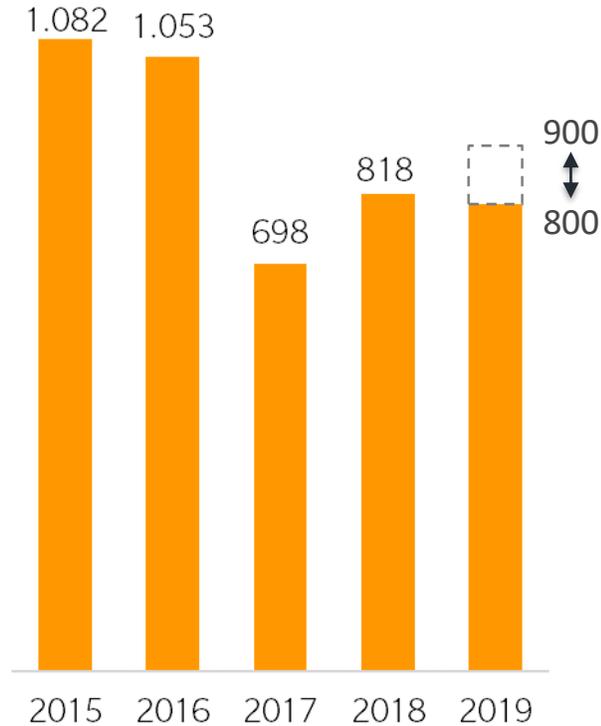
## EBITDA

In million ISK without IFRS 16 effects



## CAPEX

In million ISK



## KEY assumptions

- Fixed oil price and Fx (ISK/DKK 18,1)
- IFRS effects expected to have additional 180-190m effect on EBITDA
- General cost increases
- Key risk factors
  - FX and oil price
  - Change in competition
  - Fuel margins
  - Losing big contracts



# CORPORATE SOCIAL RESPONSIBILITY

Focus on climate and  
environmental  
matters

## 1. Demich leading in green solutions

Key provider of green house heating solutions in the Faroe Island

## 2. Multi fuel stations

All fuel types only at Orkan



## 3. Orkan eliminates its carbon footprint

66% of CO2 emissions from dried up wetlands

Less than 20% of that land in agricultural use

## 4. Further co-operation

Further co-operation with the Wetlands fund to be  
announced





**Skeljungur**

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