



SKELJUNGUR HF.

2018 Results

Investor Presentation 27.2.2019

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 in 2018

Record year



Finance



- ✓ Record profits in 2019
- ✓ Gross profit 7.809 (+9%)
- ✓ EBITDA 3.261m (+25%)
- ✓ Profit 1.573 (+38%)
- ✓ 11% decrease in salaries*
- ✓ Return on equity 19%

*w/o Demich

Operations



- ✓ Best operational year in Iceland, Faroe Island and in International Sales
- ✓ Words turned into action in a successful restructuring of the company
- ✓ Introduction of Hydrogen
- ✓ Introducing green heating solutions in Faroe Islands with the acquisition of Demich
- ✓ Kvikk-transition, short-term fixing a brand clash that was not optimal for Orkan

Community



- ✓ One of the founders of the Wetlands Fund, which was established in 2018.
- ✓ Participant in ESB project of “Hydrogen Mobility Europe” introducing new clean alternative to Icelanders
- ✓ Sports activities of children
- ✓ Close cooperation with charity organisations and other well-doers





Fuel sales

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Iceland

Faroe Island



Diesel & Gasoline

156 m ltr

↑ 4%

23 m ltr

↑ 5%



Jet

60 m ltr

↓ 85%

0 m ltr



Marine

126 m ltr

↑ 14%

128 m ltr

↑ 32%



Housing

0 m ltr

34 m ltr

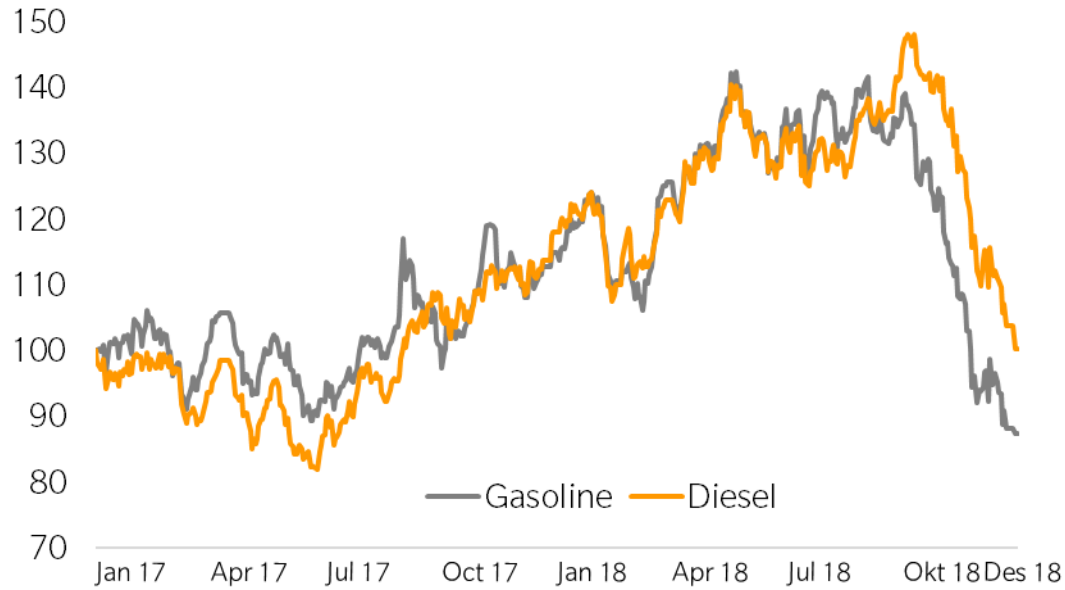
↑ 1%

External factors

Extreme fluctuations

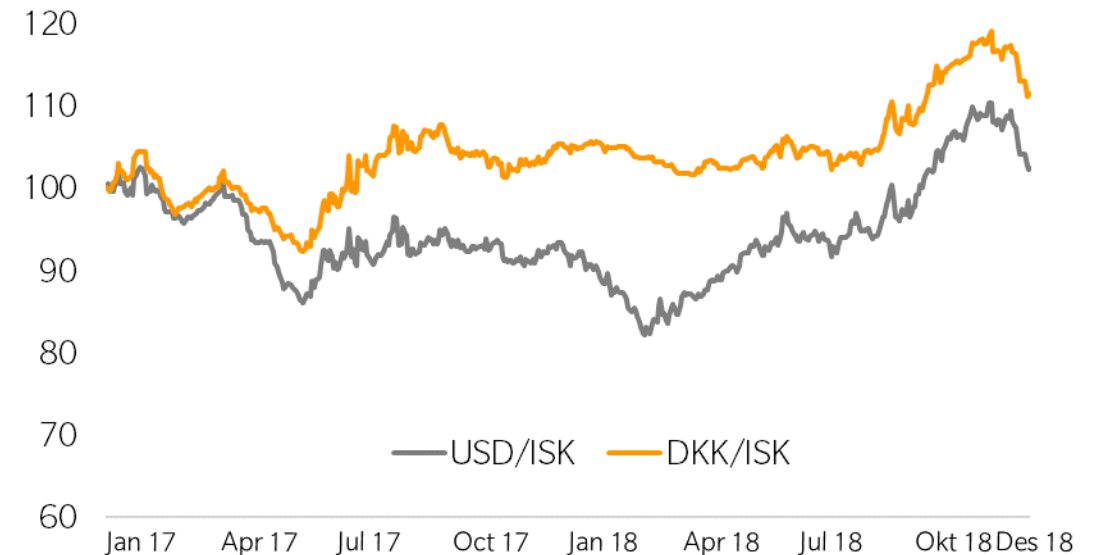


Oil price



	End of year 17/18	Var %	Average 17/18	Var %
Gasoline	633/482	-24%	563/678	20%
Diesel	599/508	-15%	498/642	29%

Key exchange rates



	End of year 17/18	Var %	Average 17/18	Var %
USD/ISK	104,4/116,3	11,4%	106,8/108,4	1,5%
DKK/ISK	16,8/17,8	6,2%	16,2/17,1	5,8%

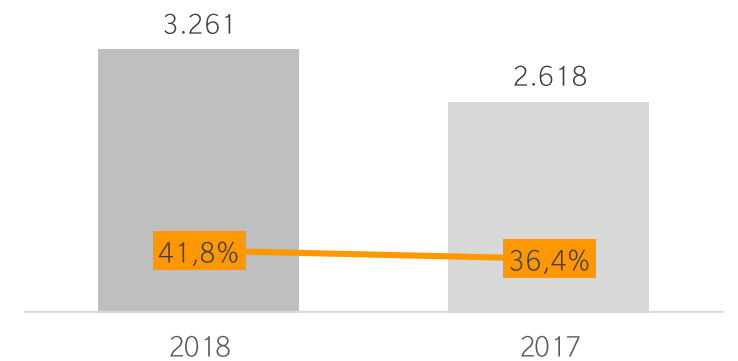
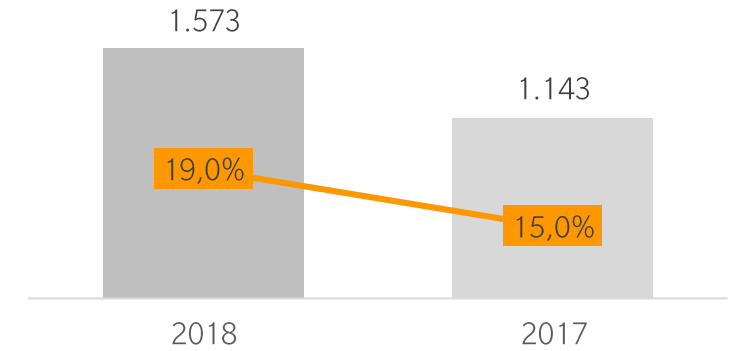
2018 results

Successful restructuring



Key figures

<i>In millions</i>	2018	2017	Var	Var%	2018 Q4	2017 Q4	Var	Var%
Gross profit	7.809	7.183	626	8,7%	1.844	1.613	230	14,3%
Other income	328	128	200	155,7%	76	33	43	130,2%
Salaries and related	-2.122	-2.252	131	-5,8%	-655	-675	21	-3,1%
Sales and distribution	-2.180	-1.865	-315	16,9%	-673	-549	-124	22,7%
Other expenses	-575	-577	2	-0,3%	-232	-162	-70	43,6%
EBITDA	3.261	2.618	643	24,6%	360	261	99	38,1%
EBIT	2.373	1.786	587	32,9%	89	0	89	nm
Profit	1.573	1.143	430	37,6%	-1	-29	27	-95,2%
<i>EBITDA margin</i>	41,8%	36,4%	5,3%		19,5%	16,2%	3,4%	
<i>EBIT margin</i>	30,4%	24,9%	5,5%		4,8%	0,0%	4,8%	
<i>Salaries/gross profit</i>	-27,2%	-31,4%	4,2%		-35,5%	-41,9%	6,4%	
<i>Sales and distr./gross profit</i>	-27,9%	-26,0%	-2,0%		-36,5%	-34,0%	-2,5%	
<i>OPEX/gross profit</i>	-62,4%	-65,3%	2,9%		-84,6%	-85,9%	1,3%	
<i>Return on equity</i>	19,0%	15,0%	4,0%					



EBITDA EBITDA margin

Geographical information



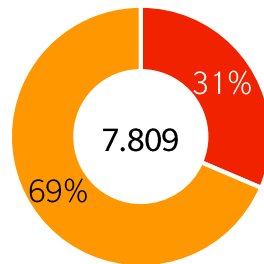
In millions

2018

Iceland

Faroe Islands

Gross Profit



5.356

5.227

2,320¹⁾

2.453

1.956

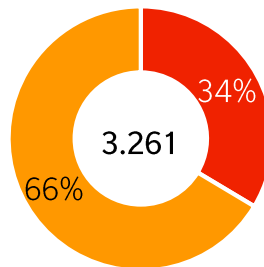
2018

2017

2018

2017

EBITDA



2.166

1.744

1035¹⁾

1.095

873

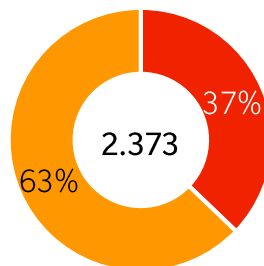
2018

2017

2018

2017

EBIT



1.491

1.064

834¹⁾

882

723

2018

2017

2018

2017

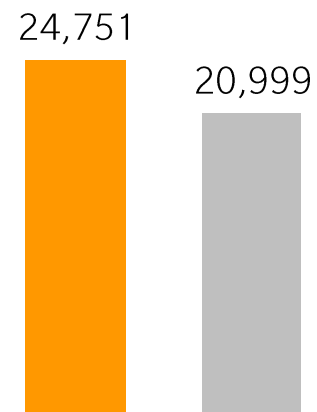
¹⁾ Assuming the same DKK/ISK rate as for the same period last year



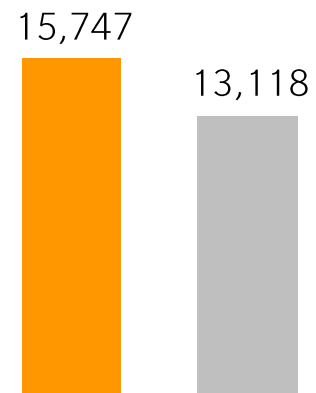
Balance sheet



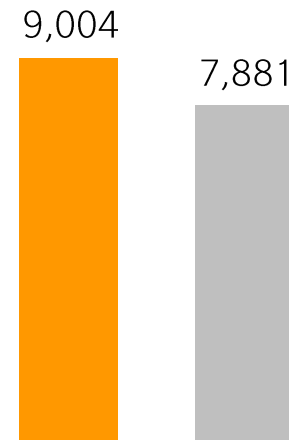
Total Assets



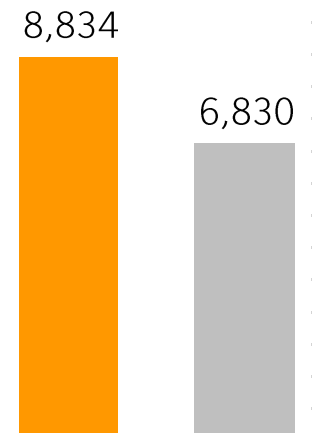
Liabilities



Equity



NIBD



■ 2018

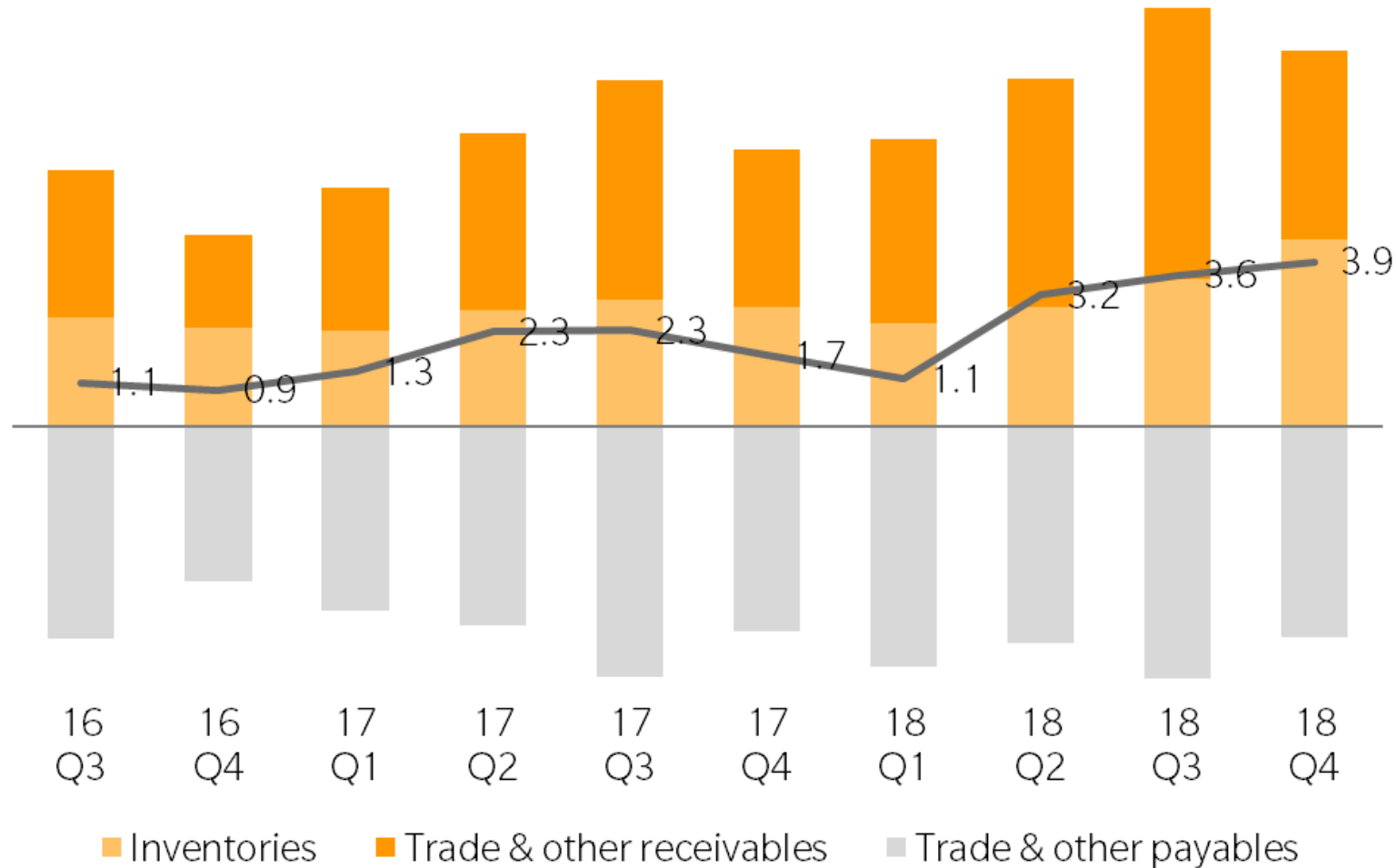
■ 2017



Working capital

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In billion ISK



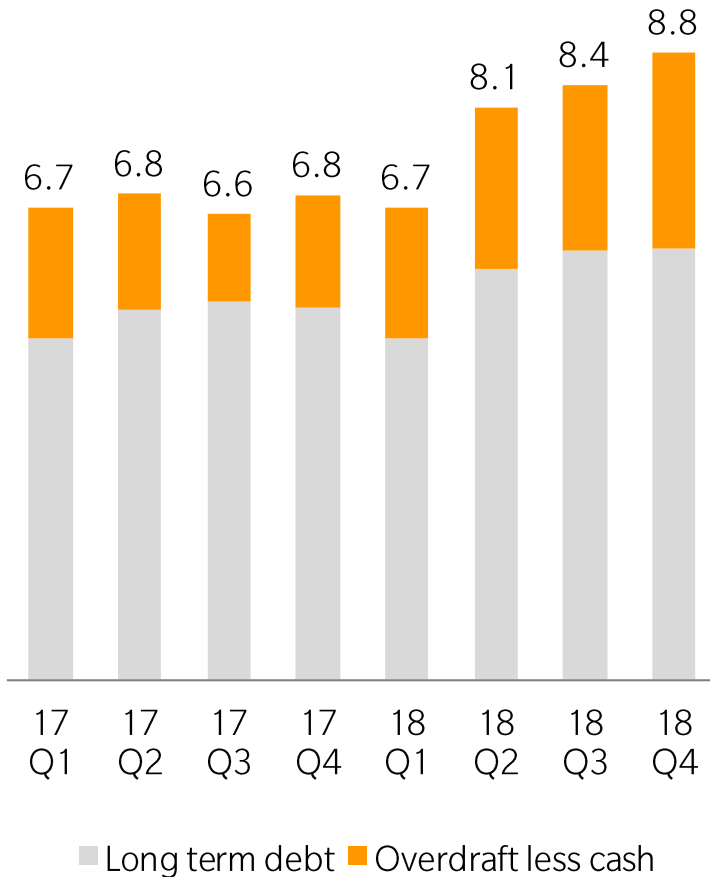
Interest bearing debt

Average weighted interest rates around 4,1%



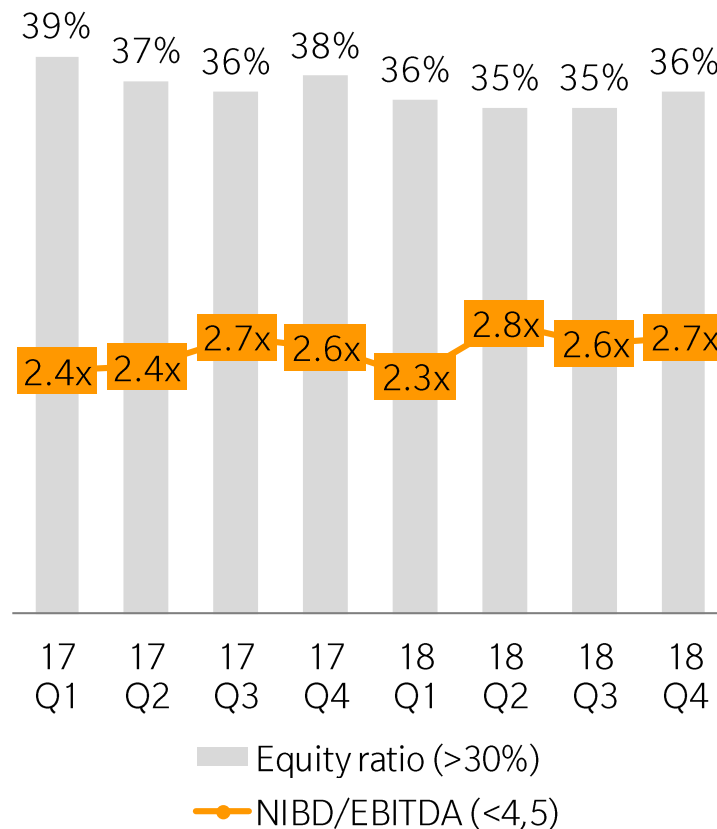
Interest Bearing Debt

Billion ISK



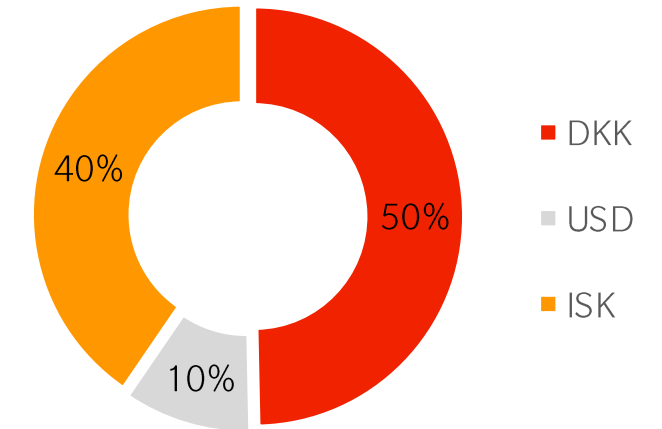
Financial Conditions

Well within limits

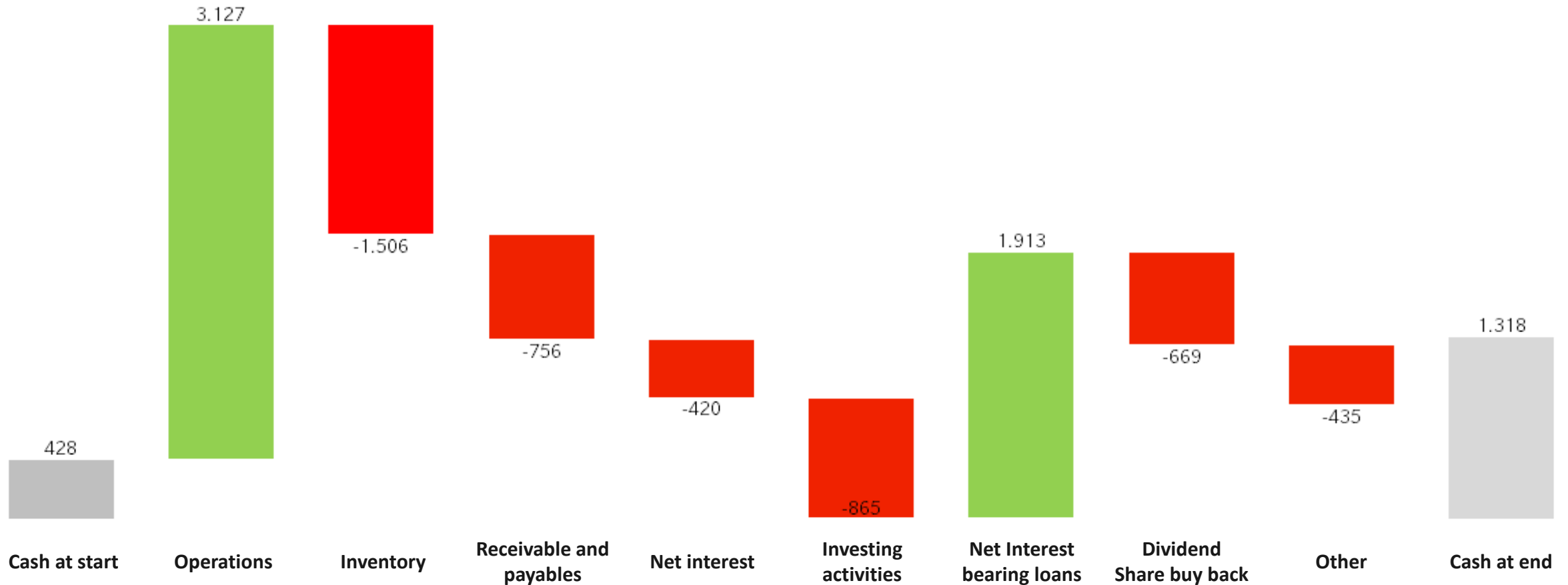


Currency Mix

Majority of loans in foreign currency



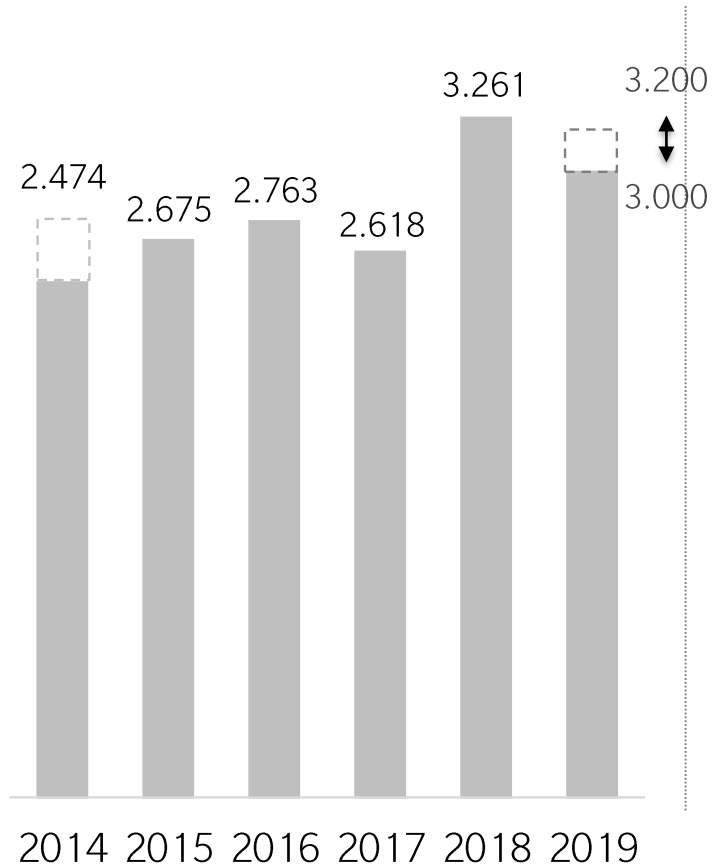
Cash flow



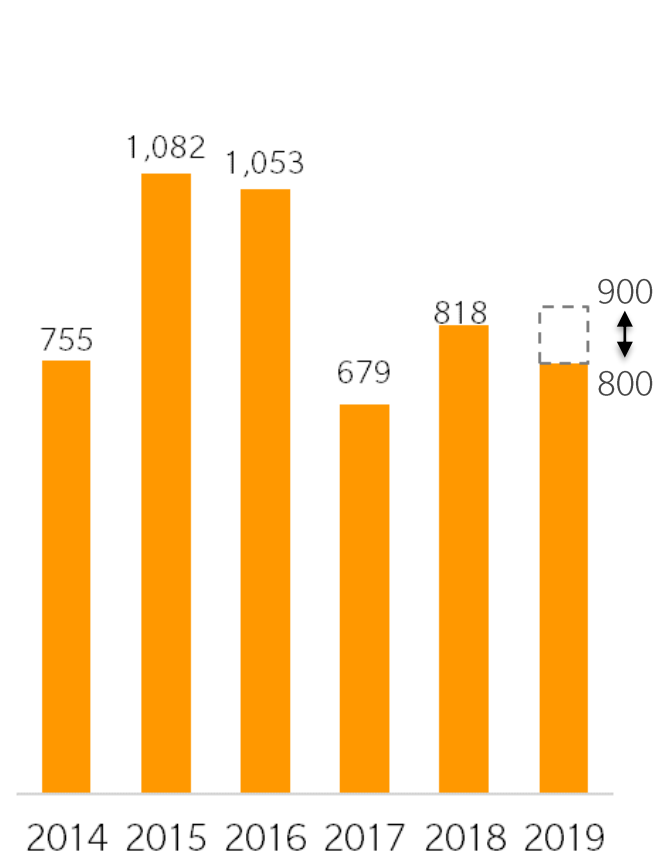
2019 Guidance



EBITDA
In million ISK



CAPEX
In million ISK



KEY assumptions

- Fixed oil price and Fx (ISK/DKK 18,1)
- General cost increases
- Key risk factors
 - FX and oil price
 - Change in competition
 - Fuel margins
 - Loosing big contracts

Focus going forward

Use our core competencies to develop new revenue streams



RETAIL

Renewal of our retail approach ongoing



NEW ENERGY

We will further develop alternative energy solutions for companies and households



INT SALES

Becoming a leading physical supplier of marine fuels in the North Atlantic region



LEAN

Ongoing focus on cost efficiency and operational excellence and to maximize the value of our assets



Leading in new energy solutions

“Þáttur Orkunnar í Orkuskiptum”





Skeljungur

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