



Skeljungur

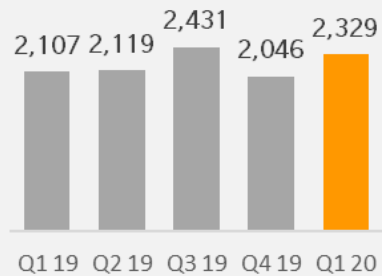


2020

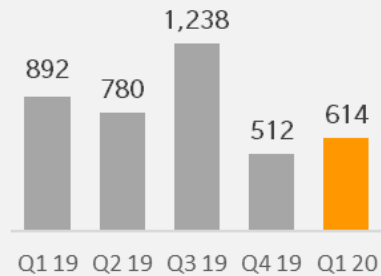
# Q1 RESULTS

# HIGHLIGHTS 2020 Q1

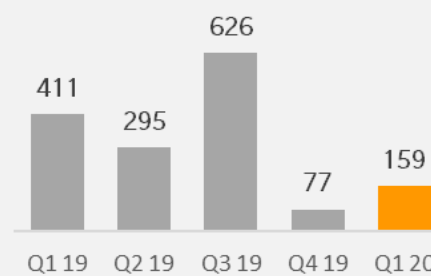
## Gross Profit



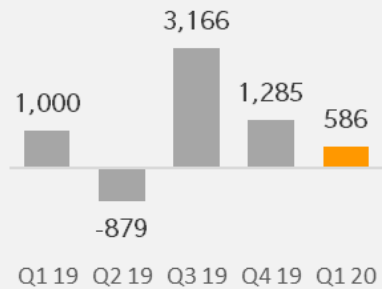
## EBITDA



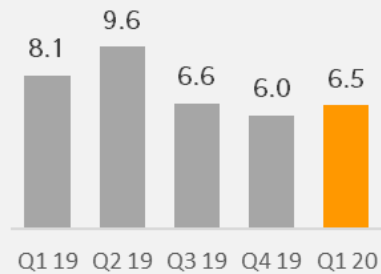
## Profit



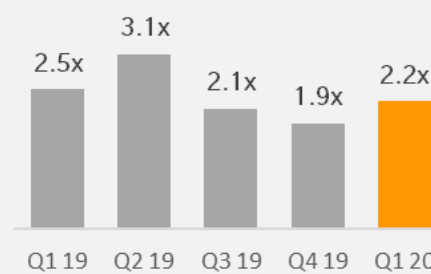
## Cash from Operations



## NIBD w/o Lease liab.



## NIBD/EBITDA\*



## 2020 Q1

- ✓ The year started off well for both markets until the effects of Covid-19
- ✓ EBITDA 115 m below budget
- ✓ The effects of Covid-19 were considerable during the latter half of March and parallel to sharp decrease in oil prices
- ✓ Basko became part of the consolidated accounts from December 1, 2019 and are included in Q1 2020
- ✓ Strong financial position and liquidity make us fit to take onto challenging conditions

\*W/O IFRS 16 effect





Skeljungur



P A N D E M I C

# COVID-19 EFFECTS ON SKELJUNGUR'S OPERATIONS

Q 1 - 2 0 2 0

# COVID-19 PANDEMIC EFFECTS ON OPERATIONS OF SKELJUNGUR

## IMMEDIATE RESPONSE

- The staff was split into groups, office was closed and teleconfernece equipment used for communications
- Primary focus was to maintain efficient customer service (distribution and sales)
- Part time positions were initiated to preserve employment
- Stores were closed in Iceland and the Faroe islands

## EFFECTS OF OPERATIONS

- Revenues from tourism e.g. Air transport, cruise ships, bus transports and carrentals will be effected
- Accounts receivables could become tougher
- Uncertainty of the impact
- The impact on the fishery industry and contractors is estimated to be minimal
- Local transport from Icelanders is estimated to increase from previous levels

## REDUCED COST

- Austerity measures have been implemented that will resulti in cost reductions of 200 m.isk. for Q2 to Q4
- Monitoring situation and development next months

## NEXT MONTS

- Release of restraints on social gathering
- Stores have started operations again
- Construction work will increase

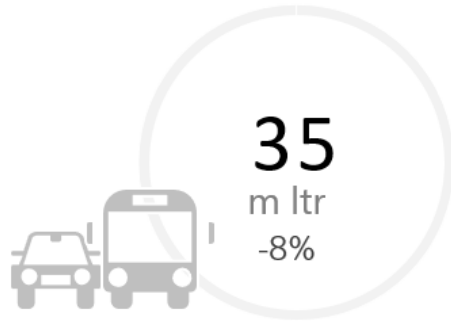


# FUEL SALES – 2020 Q1

TOTAL SALES



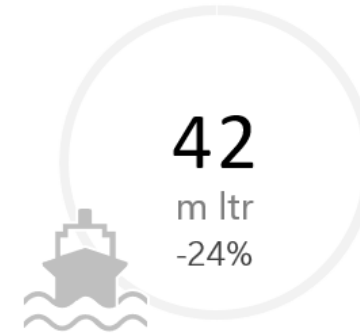
GASOLINE & DIESEL



JET



MARINE



HEATING



ICELAND

30 m ltr | -8%

11 m ltr | +26%

15 m ltr | -49%

-

FAROE ISLANDS

5 m ltr | -6%

-

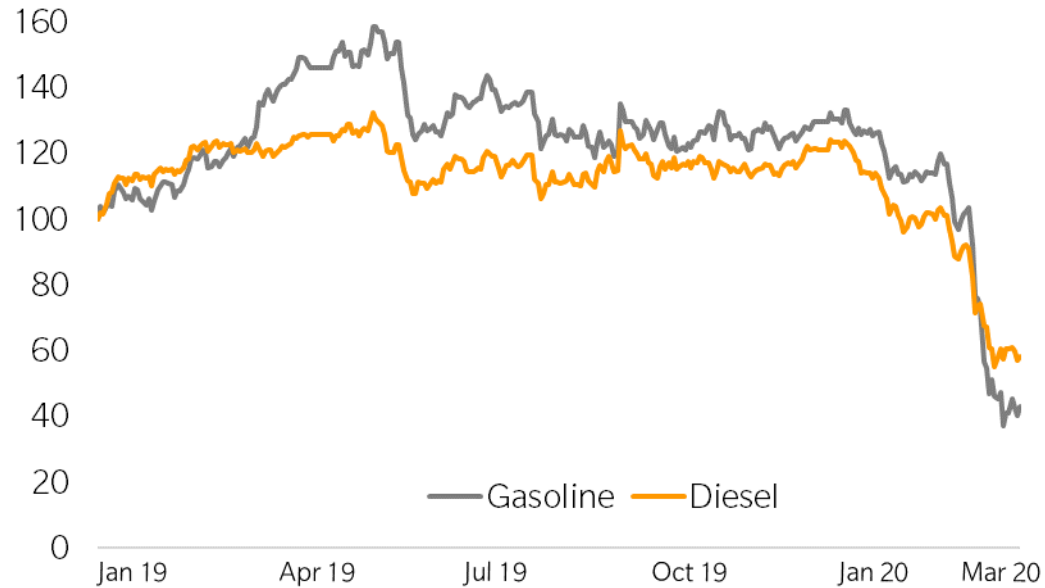
27 m ltr | +4%

11 m ltr | +2%



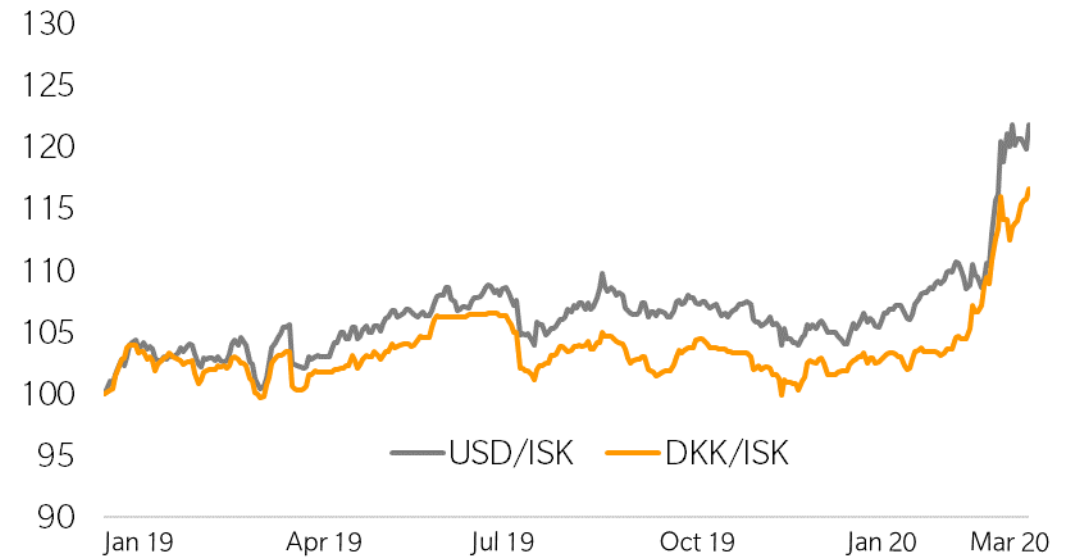
# EXTERNAL FACTORS

## OIL PRICE



	2020 Jan/Mar	%	Average Q1 19/20	%
Gasoline	628/206	-67%	556/478	-14%
Diesel	626/295	-53%	592/475	-20%

## EXCHANGE RATE



	2020 Jan/Mar	%	Average Q1 19/20	%
USD/ISK	121.1/141.7	17.0%	119.8/128.3	7.1%
DKK/ISK	18.2/20.8	14.4%	18.2/18.9	3.9%



# INCOME STATEMENT 2020 Q1

	2020 Q1	2019 Q1	Δ	Δ%
Gross Profit	2,329	2,107	222	10.5%
Other Income	48	41	7	
Salaries	-999	-606	-393	
Sales and Dist.	-596	-494	-102	
Other Opex	-169	-156	-13	
<b>EBITDA</b>	<b>614</b>	892	-278	-31.2%
<b>EBIT</b>	<b>302</b>	631	-329	-52.2%
Financial Items	-82	-111	29	
Associated Companies	-17	-12	-5	
Taxes	-43	-97	54	
<b>Profit</b>	<b>159</b>	411	-251	-61.2%
<b>Total Comprehensive Income</b>	<b>415</b>	471	-56	-11.8%
<i>EBITDA ratio</i>	26.3%	42.3%	-16.0%	
<i>EBIT</i>	12.9%	29.9%	-17.0%	
<i>OPEX/Gross Profit</i>	-73.7%	-57.7%	-16.0%	
<i>Return on Equity (yearly basis)</i>	6.7%	19.0%	-12.4%	

## Q1

- ✓ Margin increases Year on Year (YoY). Basko's effect is 377 m.isk.
- ✓ Without Basko and currency fluctuations, margin is -186 m.isk YoY.
- ✓ Lower oil prices have negative effect on margin
- ✓ Operating expenses increases by 7.3% excluding the effect of Basko (390 m.isk.) and exchange rate difference (19 m.isk.)
- ✓ Salaries increase by 11% with same adjustment (the adjustment comes by 2/3 by Demich)
- ✓ Salaries increase without Basko and Demich 3.5%
- ✓ Interest expense decreases due to less debt and lower interest rates
- ✓ EBITDA is lower by 278 m.isk. YoY.
- ✓ Net profit is 159 m.isk. and total comprehensive income is 415 m.isk.



# GEOGRAPHICAL INFORMATION Q1

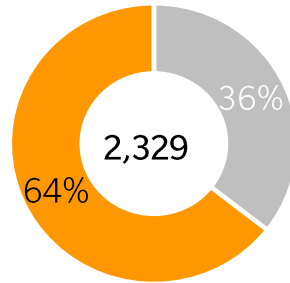
MILLION ISK

2020 1F

ÍSLAND

FARO ISLANDS

GROSS PROFIT



1,501

Q1 2020

1,189

Q1 2019

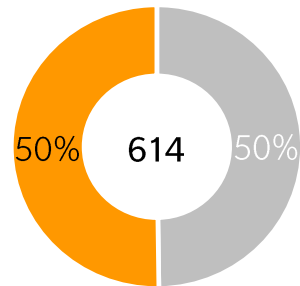
828

Q1 2020

918

Q1 2019

EBITDA



308

Q1 2020

386

Q1 2019

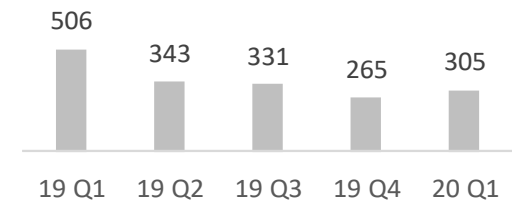
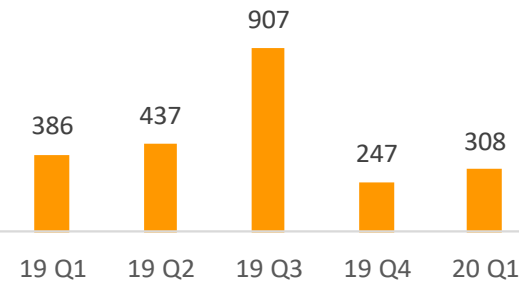
305

Q1 2020

506

Q1 2019

QUARTERLY EBITDA



# BALANCE SHEET 2020 Q1

M.kr.	31.3.2020	31.12.2019	Δ	31.3.2019	Δ
Intangible assets	4,651	4,192	460	4,096	555
Operating assets	11,114	10,813	301	10,391	723
Leasing assets	1,486	1,486	0	887	599
Associated companies	475	409	66	536	-61
<b>Non-current assets</b>	<b>17,726</b>	<b>16,900</b>	<b>826</b>	<b>15,910</b>	<b>1,816</b>
Inventory	2,972	3,313	-342	3,900	-928
Receivables	4,494	3,741	752	5,627	-1,134
Cash and Cash equivalents	1,440	506	933	579	861
<b>Current assets</b>	<b>8,905</b>	<b>7,561</b>	<b>1,343</b>	<b>10,106</b>	<b>-1,201</b>
<b>Total assets</b>	<b>26,630</b>	<b>24,461</b>	<b>2,170</b>	<b>26,016</b>	<b>614</b>
<b>Equity</b>	<b>9,609</b>	<b>9,823</b>	<b>-214</b>	<b>9,369</b>	<b>240</b>
Deferred tax liability	357	403	-46	657	-300
Lease liabilities	1,606	1,600	6	1,029	577
Interest bearing debt	7,975	6,527	1,448	8,673	-698
Payables	2,860	2,851	9	2,312	548
Other current liabilities	3,552	2,914	637	3,866	-314
Other	672	342	330	111	561
<b>Total Liabilities</b>	<b>17,021</b>	<b>14,638</b>	<b>2,384</b>	<b>16,647</b>	<b>374</b>
<b>Total equity and liabilities</b>	<b>26,630</b>	<b>24,461</b>	<b>2,170</b>	<b>26,016</b>	<b>614</b>

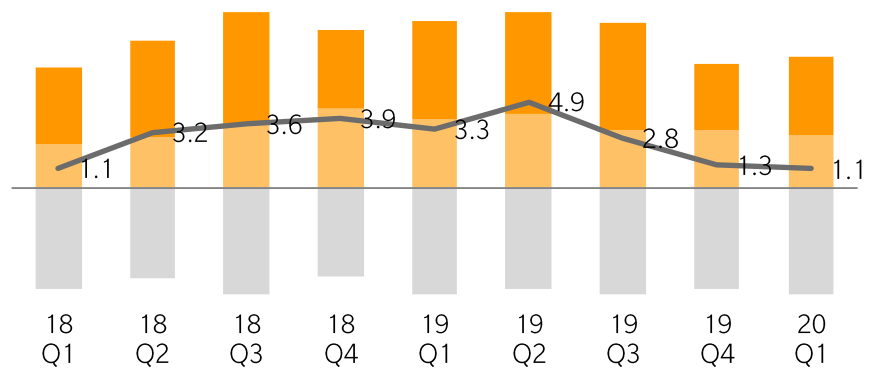
M.kr.	31.3.2020	31.12.2019	Δ
Working Capital	1,054	1,289	-236
NIBD	6,536	6,021	515
Equity Ratio	36.1%	40.2%	
Current Ratio	0.95	1.04	

- ✓ Net Interest bearing debt (NIBD) increase by 0.5 billion isk. from year end 2019. Exchange rate difference from debt is DKK 0.6 billion.isk.
- ✓ Dividends are posted as debt at the end of March (600 m.isk.). Paid out April 2, 2020.
- ✓ Seasonal changes are in receivables but are 1.1 billion.isk. lower than 31.3.2019.
- ✓ Working capital is 0,2 billion lower than year end and 2.3 billion.isk lower than 31.3.2019.
- ✓ Equity ratio is 36.1% at end of March after dividends effects.
- ✓ Changes in DKK increased the consolidated balance sheet by 1.1 billion ISK from year end of 2019.

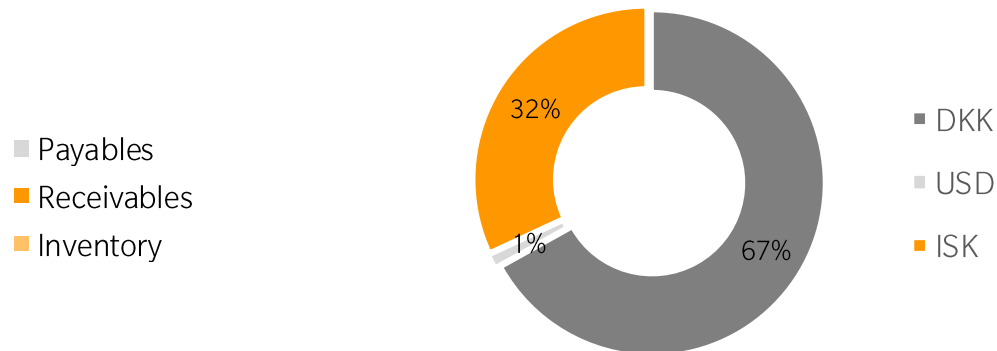


# WORKING CAPITAL & INTEREST BEARING DEBT

## WORKING CAPITAL



## CURRENCY MIX



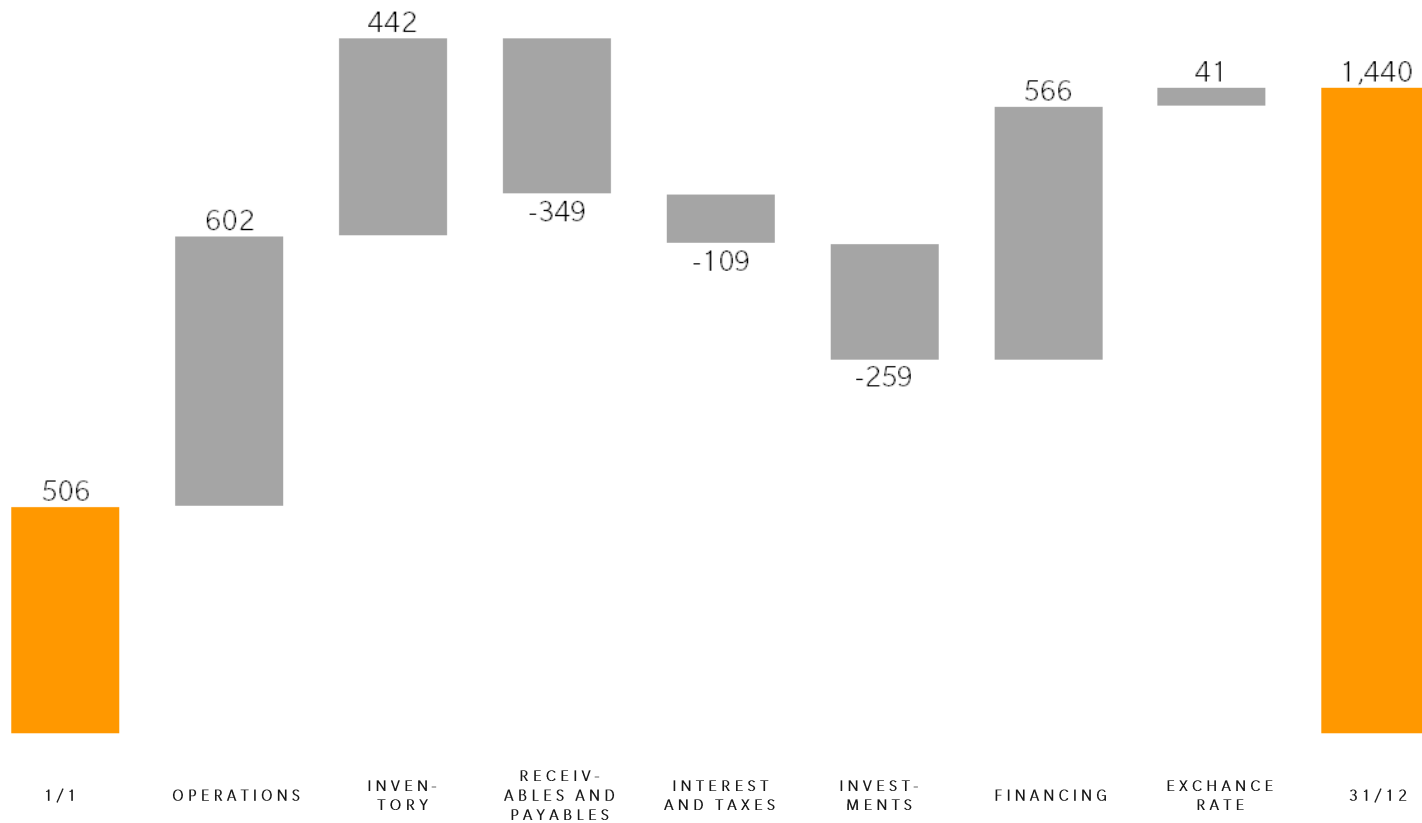
## NET INTEREST BEARING DEBT



- ✓ Great decrease in NIBD between Q1 2020 og Q1 2019 (1.6 billion isk)
- ✓ Expected increased risk in Receivables. The effect is often experienced later. 20 m increase in debt allowances.
- ✓ Unused credit lines at 31.3.2020 were 5.7 billion isk
- ✓ Weighed average interest rate is around 3.2%



# CASH FLOW 2020 Q1



M.kr.	2020 Q1	2019 Q1	Δ
Cash from operations before interest and taxes	695	1,154	-459
Taxes and interests	-109	-154	45
Net Cash from operations	586	1,000	-415
Investing activities	-259	-108	-151
Financing activities	566	-1,144	1,709
Net change in cash and cash equivalents	892	-251	1,143
Cash at beginning of year	506	818	-312
Effect from exchange rates	41	11	30
Cash at end of period	1,440	579	861



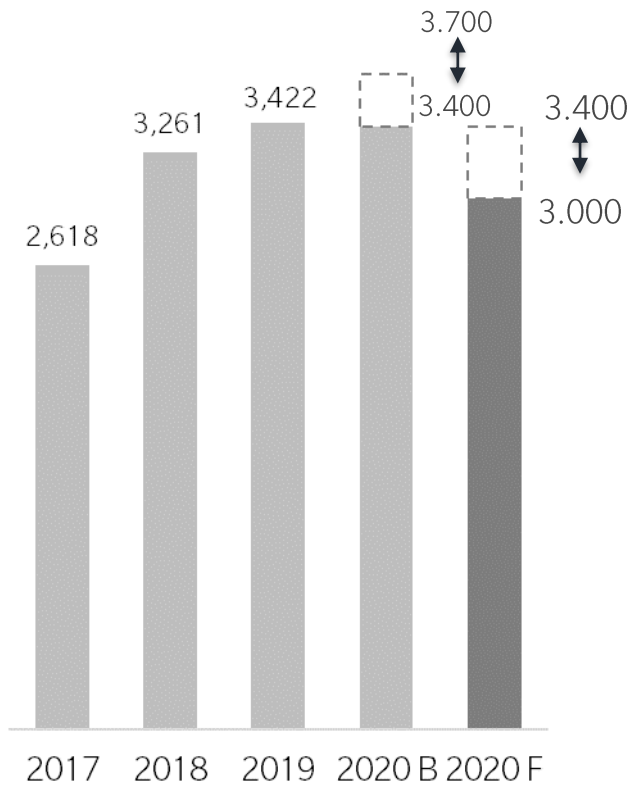
# EMPHASIS Q2-Q4

- **COVID-19 EFFECTS WILL CONTINUE TO LAST**
- **INCREASED EMPHASIS ON ORKAN/SERVICE STATIONS**
  - Kvikk/Heimkaup/Pósturinn
- **FAROE ISLANDS WILL BE MORE INDEPENDENT ON TOURISM THAN ICELAND**
  - STEADY OPERATIONS AND STRONGER DKK
- **ENERGY CHANGES / NEW ENERGY**
- **REAL ESTATE OG PLOTS**
- **BAULAN**
- **INCREASED EFFICIENCY AND INTEGRATION**
- **OTHER OPPORTUNITIES**

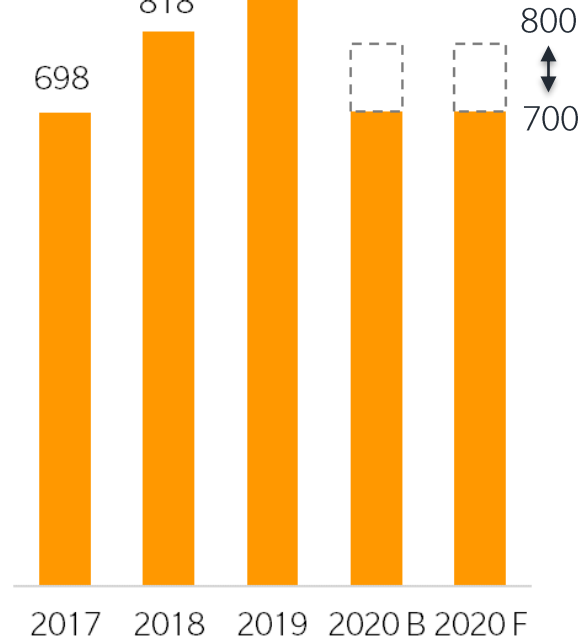


# GUIDANCE FOR 2020

## EBITDA

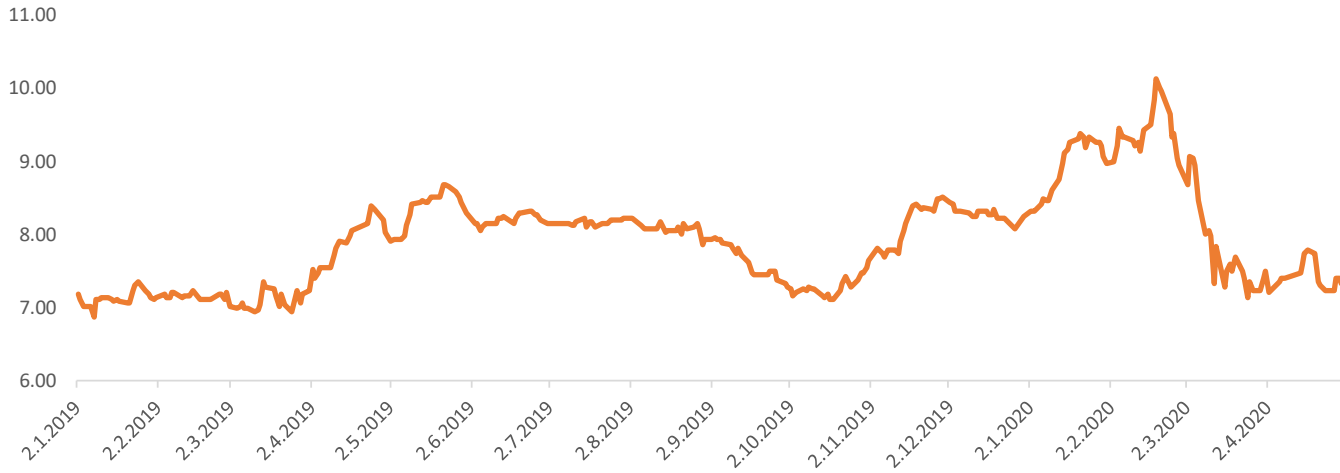


## CAPEX



- Good start of the year and operations good when the guidance is published.
- Q1 results themselves do not implicate a revised guidance for the year of 2020.
- Increased uncertainty due to Covid-19. No tourism expected.
- Few sectors will experience operating difficulties during the year of 2020 with increased uncertainty in accounts receivables.
- Austerity measures have been implemented.
- The guidance for 2020 is changed from previous guidance but capex is unchanged.





## MARKET INFORMATION

Shareholder	Nominal value of share in million	Share
Gildi - lífeyrissjóður	194	9.83%
Íslandsbanki hf.	168	8.48%
Frjálsi lífeyrissjóðurinn	160	8.11%
Kvika banki hf.	155	7.83%
Arion banki hf.	154	7.77%
Birta lífeyrissjóður	114	5.78%
365 hf.	93	4.70%
Festa - lífeyrissjóður	83	4.21%
Lífsværk lífeyrissjóður	68	3.45%
RES II ehf.	65	3.30%
<b>10 largest shareholders total</b>	<b>1,256</b>	<b>63.46%</b>
Other shareholders	723	36.54%
<b>Total outstanding shares</b>	<b>1,979</b>	<b>100%</b>
Shares owned by Skeljungur	7	0.0%
<b>Total shares as in articles of association</b>	<b>1,986</b>	

Market information	
Total shares	1,986 MISK
Number of shareholders	723
Market value at listing	14.849 BISK
Market value at 31.12.19	17.754 BISK
Market value at 7.2.20	14.642 BISK

- OWN SHARES (7.7%) WERE CANCELLED.
- DIVIDENDS WERE PAID APRIL 2, 2020 600 MILLION ISK.
- DURING THE AGM THE BOARD WAS GRANTED AUTHORITY TO PURCHASE OWN SHARES UP TO 10%
- OWN SHARES OF NOMINAL VALUE OF 7 M.ISK WERE PURCHASED DURING Q1.





Skeljungur

T H A N K Y O U



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