



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

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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

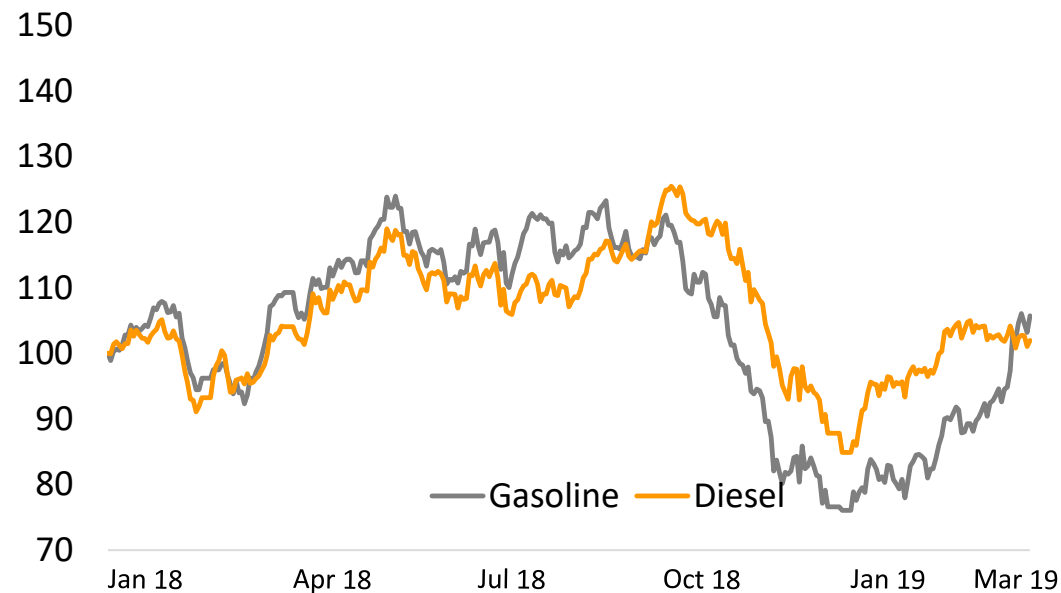
↓ 2%

External factors

Extreme fluctuations

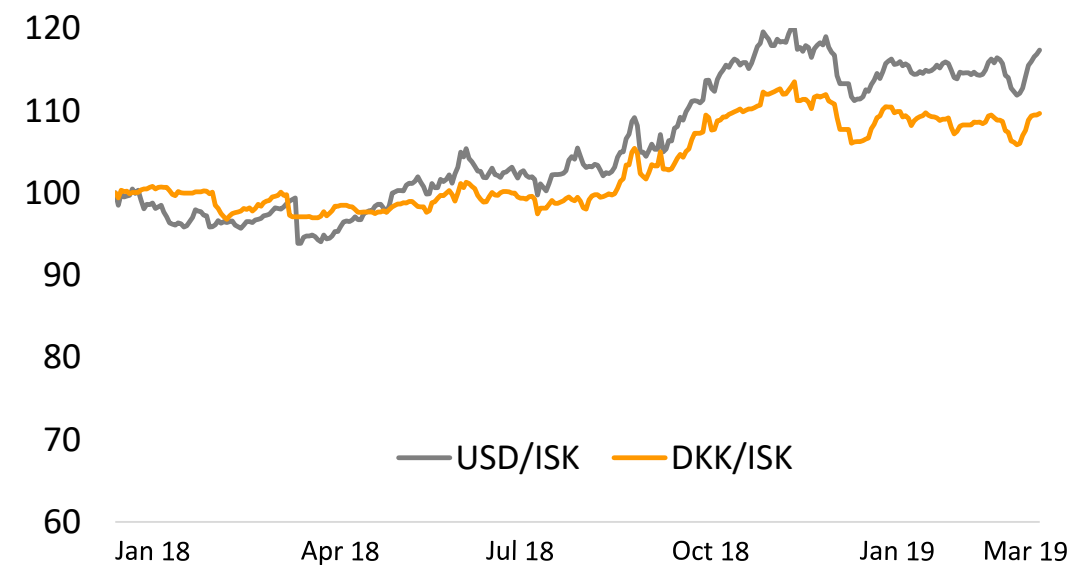


Oil price



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

Key exchange rates



	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%

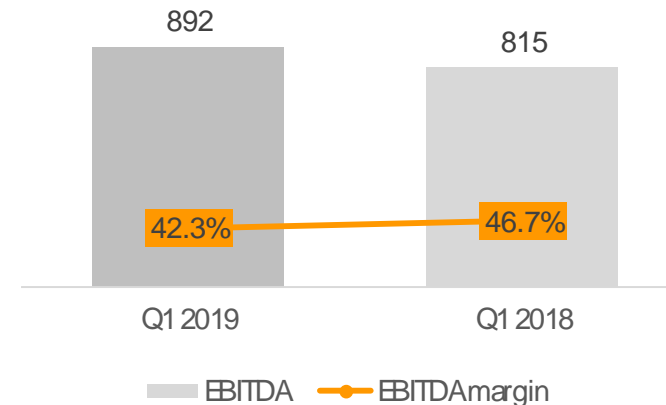
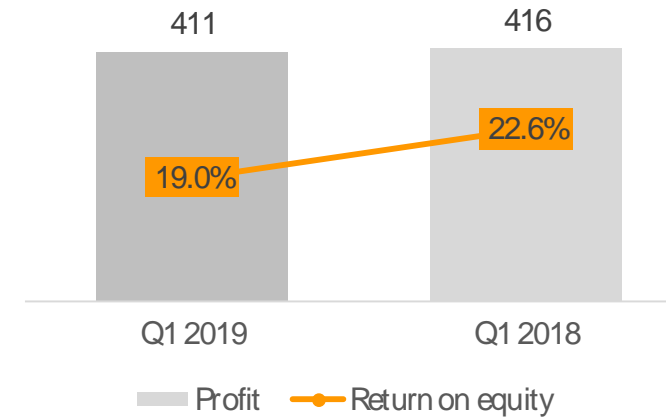
Q1 results

Strong first quarter



Key figures

<i>In millions</i>	2019 3m	2018 3m	Var	Var%
Gross profit	2,107	1,746	361	20.7%
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%
EBITDA	892	815	76	9.4%
Adjusted EBITDA*	848	712	136	19.0%
EBIT	631	617	14	2.2%
Profit	411	416	-5	-1.2%
<i>EBITDA margin</i>	<i>42.3%</i>	<i>46.7%</i>	<i>-4.4%</i>	
<i>EBIT margin</i>	<i>29.9%</i>	<i>35.3%</i>	<i>-5.4%</i>	
<i>Salaries/gross profit</i>	<i>28.8%</i>	<i>26.3%</i>	<i>2.5%</i>	
<i>Sales and distr./gross profit</i>	<i>23.4%</i>	<i>28.6%</i>	<i>-5.1%</i>	
<i>Other PEX/gross profit</i>	<i>59.6%</i>	<i>62.0%</i>	<i>-2.3%</i>	
<i>Return on equity</i>	<i>19.0%</i>	<i>22.6%</i>	<i>-3.6%</i>	



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

Geographical information



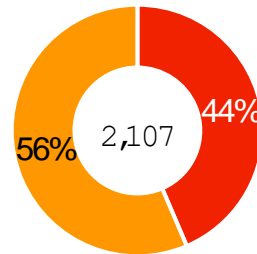
In millions

2019

Iceland

Faroe Islands

Gross Profit



1,189

1,162

841¹⁾

918

584

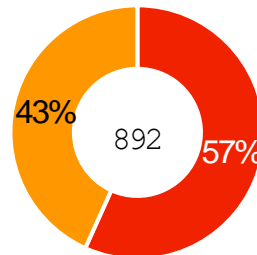
Q1 2019

Q1 2018

Q1 2019

Q1 2018

EBITDA



386

498

463¹⁾

506

317

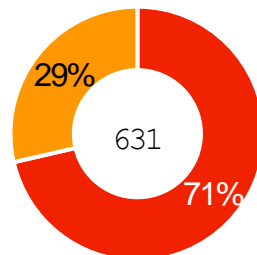
Q1 2019

Q1 2018

Q1 2019

Q1 2018

EBIT



180

342

412¹⁾

450

275

Q1 2019

Q1 2018

Q1 2019

Q1 2018

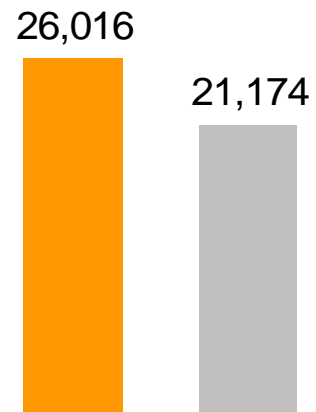
¹⁾ Assuming the same DKK/ISK rate as for the same period last year



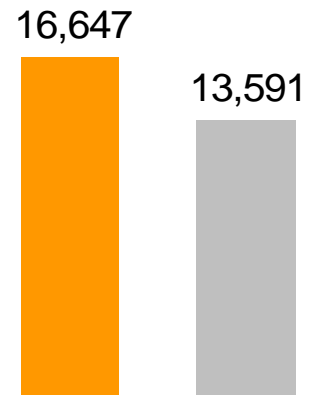
Balance sheet



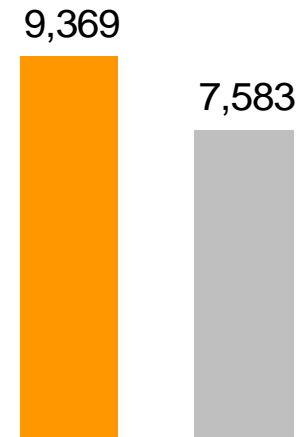
Total Assets



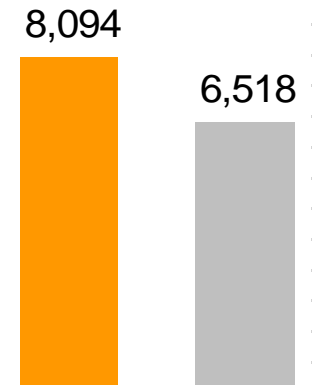
Liabilities



Equity



NIBD



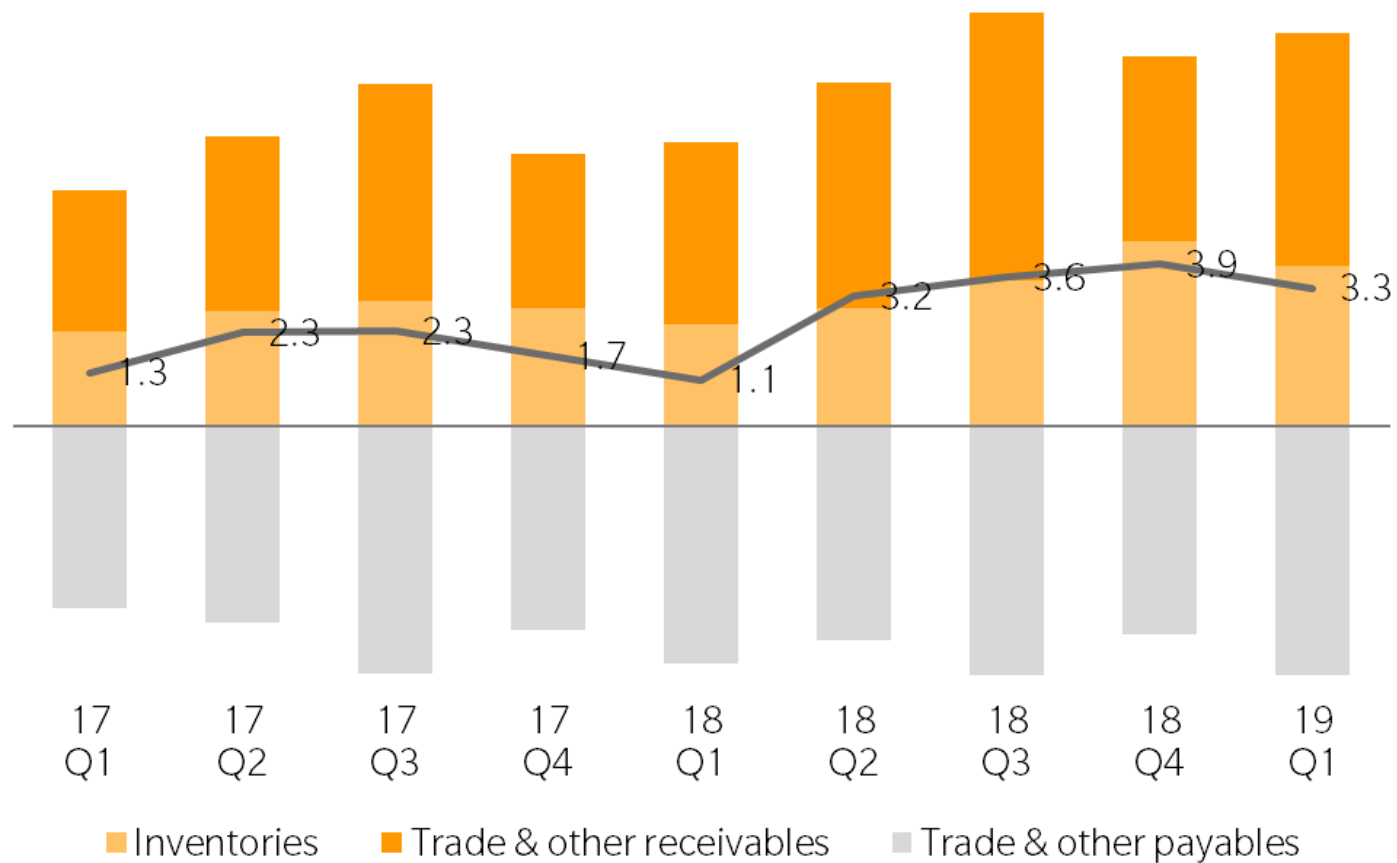
■ 2019 Q1 ■ 2018 Q1



Working capital

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In billion ISK



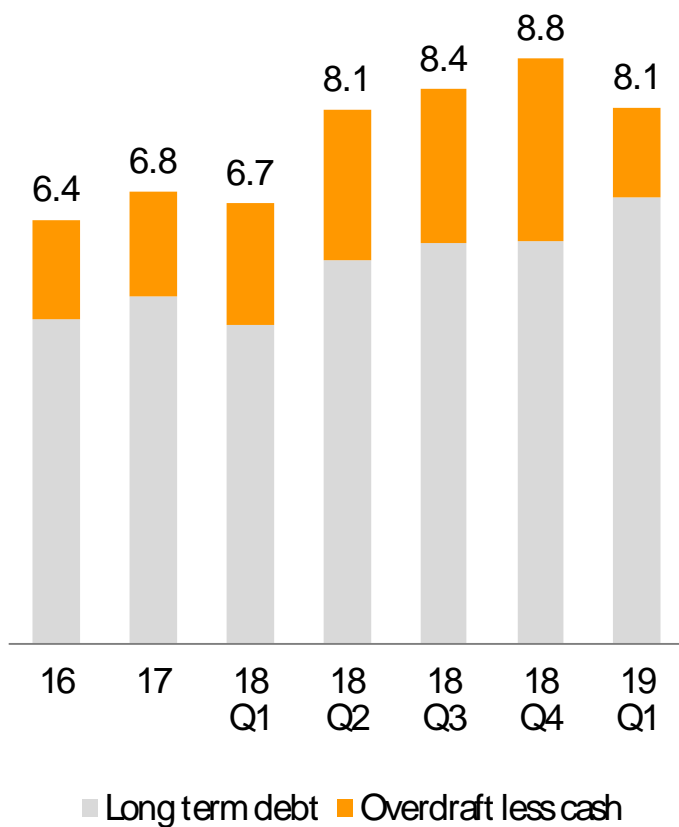
Interest bearing debt

Average weighted interest rates around 3,8%



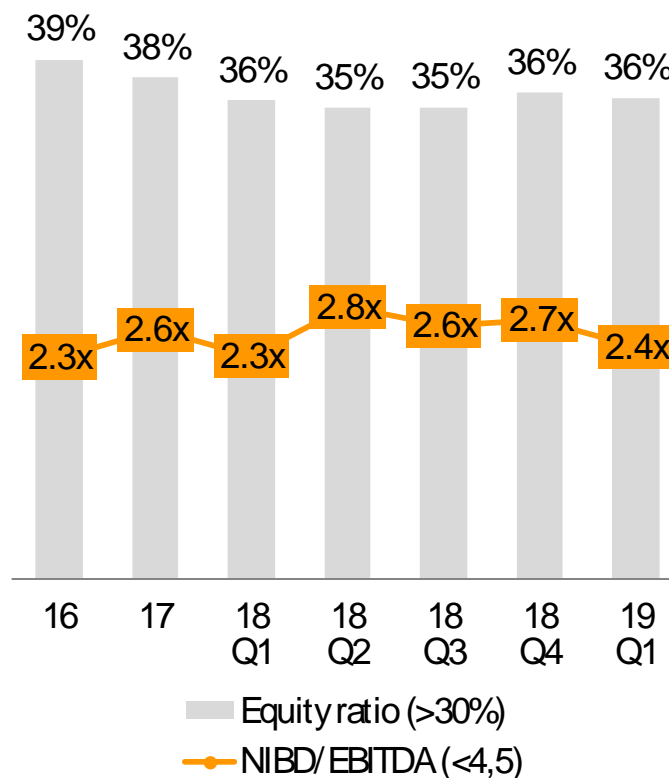
Interest Bearing Debt

Billion ISK



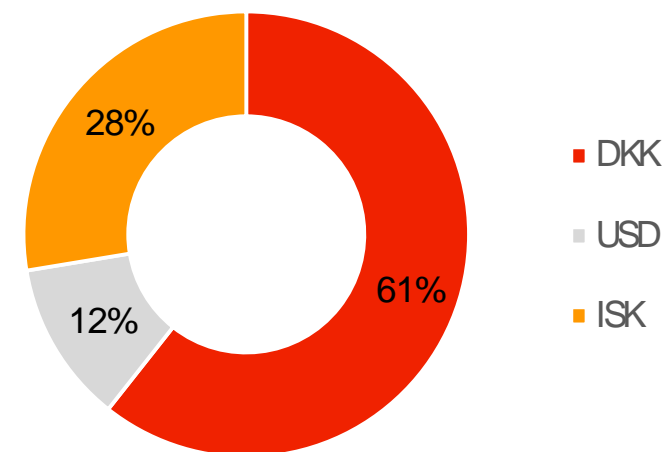
Financial Conditions

Well within limits

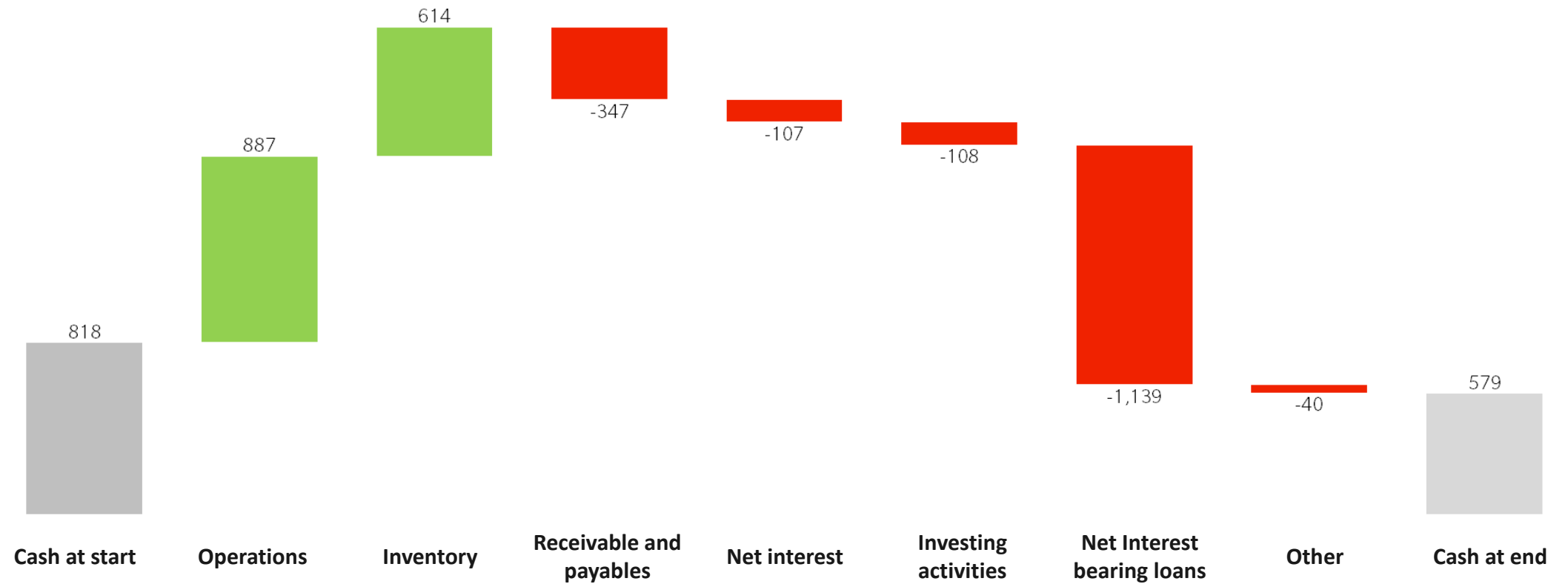


Currency Mix

Majority of loans in foreign currency



Cash flow



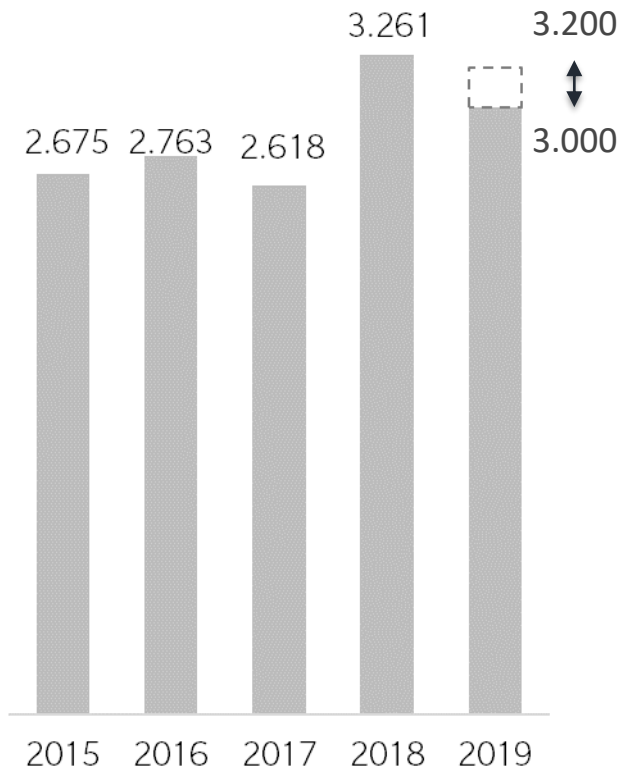
2019 Guidance

Unchanged



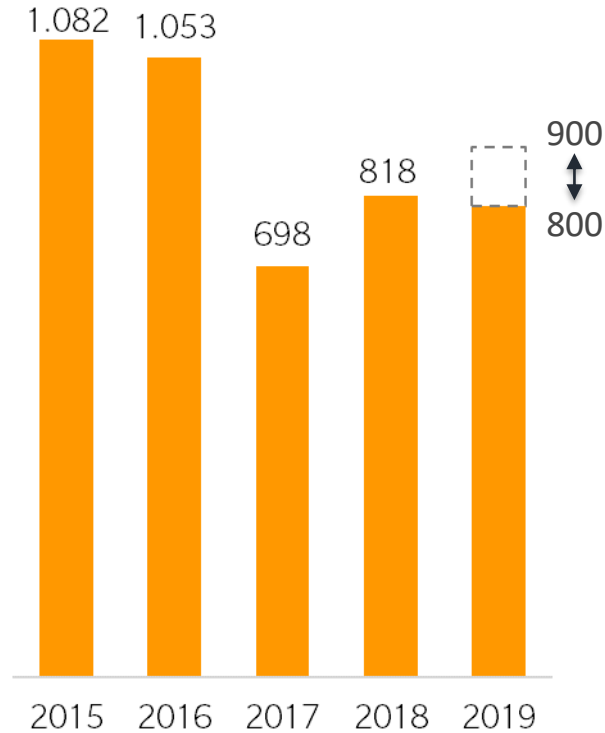
EBITDA

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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