



Financial statement highlights

Interim financial statements Q1 2024



First quarter results

Good results despite challenging reservoir position

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CEO



„Landsvirkjun’s performance for the first quarter remained good, in spite of challenging circumstances. Following two exceptional operational years in the company’s history, the results remain strong.

Profit from core operations amounted to 77.4 million US dollars for the quarter, decreasing by nearly 29% from the same period last year. Cash flow from operations amounted to 101 million USD, decreasing by almost 30%. Both profit from core operations and cash flow from operations nevertheless held up compared to the first quarter of 2022, which was a record year.

Challenges in the company’s reservoir levels and the resulting curtailment had a slight impact on Landsvirkjun’s performance for the quarter. As a result, energy sales decreased by 6% from the same period last year. Average price to industrial customers also decreased compared to the same period last year. This decrease can largely be attributed to the fact that the pricing linked to the Nordpool market in a contract with one industrial customer expired at the end of last year. Operating revenues for the first quarter decreased by 18% compared to the same period in 2023.

Landsvirkjun’s financial position continues to improve. Net debt decreased by 95 million USD from year-end, and the equity ratio is currently higher than ever in the company’s history, at 65.9%.”

Key figures

Energy sales

3.5 TWst ↓ 6.1%

Operating revenues

144 m. USD ↓ 18.1%

Profit before unrealised financial items

77 m. USD ↓ 28.8%

Cash flow from operations

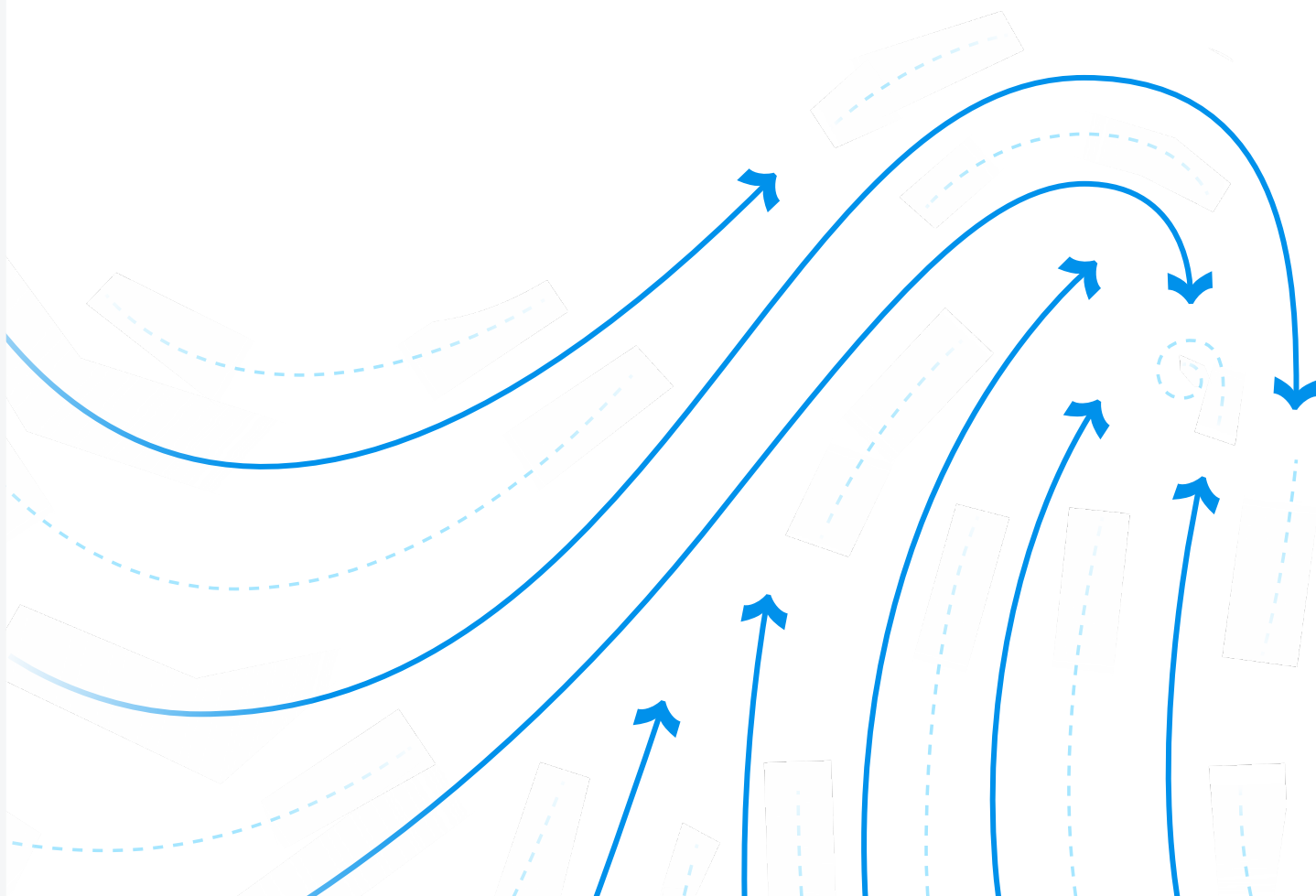
101 m. USD ↓ 29.8%

Net debt

602 m. USD ↓ 15.4%

Equity ratio

65.9% ↑ 3.3 pp.

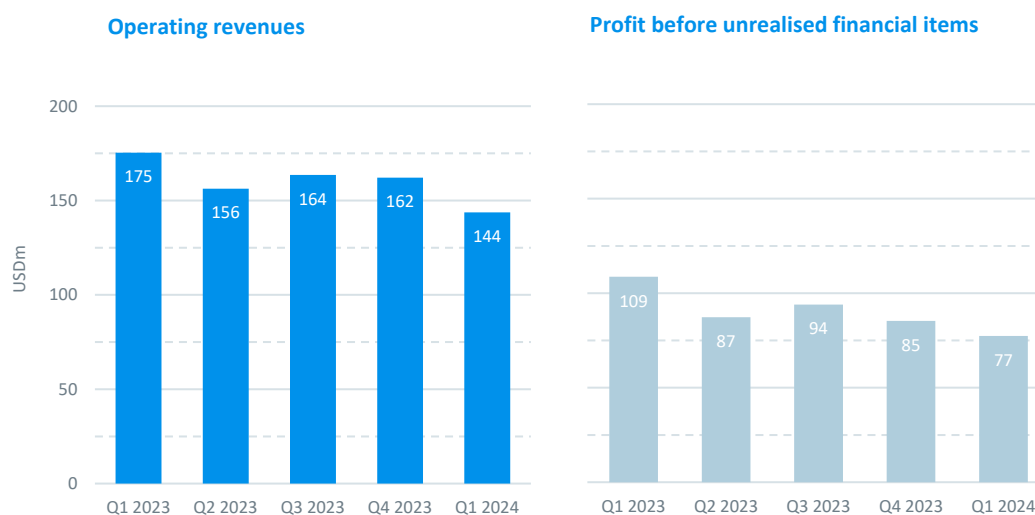


Operations

USD million	Q1 2024	Q1 2023	%
Operating revenues	143.7	175.4	-18.1%
EBITDA	105.2	138.0	-23.8%
Profit before unr. fin. items	77.4	108.7	-28.8%
Electricity sales (TWhr)	3.5	3.8	-6.1%

Operating revenues in the first quarter decreased year-over-year primarily due to the effects of energy and commodity markets on prices for industrial consumers. Conditions in these markets have been unusual for the past two years, leading to exceptionally high revenues. Despite the decrease, revenues remain strong in a historical context.

Profit from core operations (profit before unrealized financial items) decreases in line with revenues but remains robust when considering historical trends.



Financial position

USD million	Q1 2024	Q1 2023	%
Total assets	3,641.3	3,815.4	-4.6%
Total liabilities	1,243.3	1,427.3	-12.9%
Net debt	601.9	711.3	-15.4%
Equity ratio	65.9%	62.6%	3.3 pp.

Landsvirkjun's financial position continues to strengthen alongside the decrease in indebtedness, with net debt, i.e., interest-bearing debt net of cash, decreasing by 13.7% from year-end and 15.4% from the same time last year. The equity ratio likewise continues to improve and has historically never been higher. Indebtedness, measured as net debt to EBITDA, has also strengthened and is now at 1.3x.

Net debt and equity ratio



Cash flow

USD million	Q1 2024	Q1 2023	%
Funds from operations (FFO)	102.3	132.2	-22.7%
Cash flow from operations	101.3	144.4	-29.8%
Investing activities	8.1	6.6	23.5%
Financing activities	12.8	177.5	-92.8%

Capital generation continues to be robust despite a decrease from the previous year. Cash flow from operations decreases by 30% year-over-year, amounting to 101 million US dollars for the quarter.

