

EIMSKIP: MANAGEMENT FINANCIAL REPORT. FOURTH QUARTER AND FULL YEAR 2024 RESULTS

HIGHLIGHTS OF Q4 2024 RESULTS

- Good results in Q4 across the group and continued rebound from a slow start of the year
 - Results in Liner services driven by strong volume and rates in Trans-Atlantic services, good export volume and cargo mix from Iceland that also supported a solid result for Domestic Iceland
 - Strong performance of international forwarding in the quarter, driven by good volumes and contribution due to higher global freight rates
- Revenue amounted to EUR 227.2 million, an increase of EUR 28.0 million or 14.1% when compared with Q4 2023
- Expenses amounted to EUR 200.0 million, an increase of EUR 23.6 million or 13.4% from previous year
 - Salary expenses increased by EUR 2.4 million or 6.5%, mostly attributed to fluctuation in holiday allowance and general wage increases
- EBITDA for the quarter amounted to EUR 27.1 million compared to EUR 22.7 million in 2023 and increased by 19.5%. A solid EBITDA ratio of 11.9% compared to 11.4% for the same quarter last year
- Net earnings amounted to EUR 7.3 million compared to EUR 8.4 million for the same period in 2023

HIGHLIGHTS OF THE YEAR 2024

- Solid financial result for the year 2024 given a very slow start of the year with over 60% of the EBITDA generated in the second half of the year
 - Container liner result in the latter half of the year was good, compared to a rather slow Q2 and poor Q1. This was driven by strong volume and rates in Trans-Atlantic services and good increase in export Iceland volumes
 - Norway reefer liner volumes increased from previous year although financial performance was lower than in 2023 due to volume mix and less whitefish quota
 - Strong performance of international freight forwarding in the second half of the year, after a challenging first two quarters, on back of increased rates especially in Asia connected trades
 - Eimskip is constantly re-evaluating its sailing system and vessel fleet with the aim of optimizing operational efficiency and customer service. Changes were made to the sailing system in February 2024, which resulted in fewer miles sailed, reduced bunker consumption and increased reliability
- Revenue amounted to EUR 847.1 million, an increase of EUR 29.2 million or 3.6% when compared with the year 2023, although contracting by 4.3% during the first half of the year
- Total expenses amounted to EUR 749.3 million, an increase of EUR 54.7 million or 7.9% compared to 2023, mainly driven by cost of 3rd party services
- EBITDA amounted to EUR 97.8 million compared to EUR 123.4 million in 2023
- EBIT amounted to EUR 34.9 million compared to EBIT of EUR 61 million in 2023
- Continued good contribution from affiliates with Eimskip's share of earnings in 2024 amounting to EUR 15.7 million

- Net earnings amounted to EUR 30.0 million, compared to EUR 54.5 million in 2023
- Total maintenance CAPEX in 2024 amounted to EUR 26.9 million, which is within the published plan of EUR 26-29 million, compared to EUR 25.4 million in the year before
- New investments amounting to EUR 11.4 million in 2024 compared to EUR 17.8 million in 2023. The single largest project in 2024 was the new mobile harbor crane for Sundahöfn terminal. The second largest investment was the completion of the construction of the new warehouses and headquarters in the Faroe Islands, which started in 2022
- Good cash flow from operations and a cash position of EUR 28.7 million at year-end
- Leverage ratio at 2.28x at year-end compared to 1.43x by end of 2023 while long-term target is 2-3x. Equity ratio 47.7% at year-end compared to a long-term target ratio of around 40%

VILHELM MÁR THORSTEINSSON, CEO

“We are satisfied with the performance of 2024, especially after a slow start of the year. The result of the first quarter was disappointing but a gradual improvement was seen throughout the year, with over sixty percent of EBITDA generated in the second half of the year. The biggest contributor to the improved results was the rebound of the container liner in the latter half of the year with rising momentum in the Trans-Atlantic services, good volume and cargo-mix in export Iceland and strong results in international forwarding. The Trans-Atlantic development was attributed to strong volumes, combined with increased rates, partly due to imminent strikes at US east coast harbors. Import to Iceland softened compared to 2023, especially import of vehicles as was expected. Import to the Faroe Islands grew in the latter half of the year, due to increased project cargo, and volume in the Norwegian reefer liner services increased year on year although delivering somewhat lower financial results on back of different cargo mix. Domestic Iceland was at stable levels in 2024 compared to the previous year and supported by generally high activity in the seafood and salmon sectors.

The global shipping market is extremely dynamic with high volatility in rates, and we certainly saw massive rise in global freight rates during the year, affecting our customers freight cost, while rates in Eimskip’s liner services were at much more stable levels. We changed our container sailing system at the start of the year with the aim of increase customer service and reduce cost and successfully managed to reduce sailed miles and bunker consumption and at the same time increase reliability.

We continued to invest in our company with maintenance capex amounting to EUR 27 million and new investments EUR 11.5 million, both in line with plan, and a new three-year plan is in the range of EUR 29 - 32 million and EUR 15 -18 million respectively. This does not include potential investments in new vessels, which we have been working on for the last year and a half, since no formal decision has been made yet.

We continued to develop our workforce and introduced new learning and training material in our Eimskip Academy platform which has been a success. We graduated the 5th class in our international leadership program and have graduated a total of 131 participants during the last three years, whereof 39 employees have advanced in their career post-graduation. Last fall, we launched the interactive Icelandic learning app “Bara tala”, which provides all non-native Icelandic speaking employees with an opportunity to learn and improve their Icelandic skills.

There is generally a solid outlook for the first quarter of 2025 although there is some looming uncertainty regarding the imminent US tariffs and ongoing Red Sea diversion on volume and international freight rates.

Finally, I'd like to express my gratitude to Eimskip's employees across our operations for their efforts throughout the year, demonstrating both resourcefulness and resilience, in providing excellent service to our customers in a highly dynamic environment".

INVESTOR MEETING 5 FEBRUARY 2025

Investors and market participants are invited to a meeting on Wednesday, 5 February 2025, at 8:30 a.m. at the Company's headquarters, Sundabakki 2, second floor. The meeting will also be webcasted live in Icelandic at www.eimskip.com/investors. Vilhelm Már Thorsteinsson, CEO and Rósa Guðmundsdóttir, CFO, will present the Company's financial results for Q4 2024 and the financial year 2024. Investor presentation and a recording of the meeting will be available on the Company's investor relations website.

FURTHER INFORMATION

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FORWARD-LOOKING STATEMENTS

Statements contained in this financial press release that refer to the Company's estimated or anticipated future results or future activities are forward-looking statements which reflect the company's current analysis of existing trends, information and plans. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially depending on factors such as the availability of resources, the timing and effect of regulatory actions and other factors. Eimskip undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.