

## EIMSKIP: RESULT FOR THE YEAR 2021

### Highlights of the year 2021

- Record earnings for the Group in 2021.
- Container liner performing well after years of unacceptable results. Successful changes to the sailing system and focused revenue management main drivers, supported by good volume and favorable global trends.
  - Increased focus, adaptability and industry trends growing transport of fresh products.
  - Substantial growth in the Trans-Atlantic volume.
- International Forwarding operations with strong results, especially in Asia, in a market characterized by very high global prices and capacity constraints.
  - This good result and the growing share of forwarding services in Eimskip's operations reduce the traditional seasonality in earnings.
- Revenue amounted to EUR 882.7 million, an increase of EUR 214.4 million or 32.1% when compared with the year 2020.
- Adjusted total expenses amounted to EUR 768.4 million, an increase of EUR 161.8 million mainly driven by increased activity and substantially higher 3<sup>rd</sup> party expenses.
  - Total expenses adjusted for the settlement made with the Icelandic Competition Authority in Q2 in the amount of EUR 10.2 million.
- Very good increase in EBITDA with adjusted EBITDA amounting to EUR 114.3 million compared to EUR 61.7 million in 2020, an increase of EUR 52.6 million. Adjusted EBIT amounted to EUR 63.3 million compared to EUR 17.1 million in 2020.
- Very good contribution from the affiliate ElbFeeder in 2021 due to higher global vessel charter rates and a sale of one of its vessels.
- Significant increase in Net earnings with adjusted Net earnings amounting to EUR 50.6 million, compared to EUR 4.5 million in 2020.
- Total maintenance CAPEX for the period on a lower than planned level or amounting to EUR 13.1 million compared to EUR 12.9 million last year.
- New investments on a very low level or amounting to EUR 2.3 million compared to EUR 39.8 million in 2020. However, investments in two new vessels in 2020 explain majority of the amount in that year.
- Strong cash flow from operations and high cash position at year-end.
- Lease liabilities increase by EUR 55.9 million mainly due to an increase in time charter rates and longer fixtures of leased container vessels.
  - All chartered container vessels on long-term contracts. Increase in time charter rates not fully materialized in expenses yet.
- Decreasing leverage ratio at 1.98x at year-end compared to 3.33x by end of 2020 while long-term target is 2-3x. Equity ratio 41.2% at year-end compared to a long-term target ratio of 40%.
- The Board of Directors will propose to the Annual General Meeting, which will be held on March 17<sup>th</sup> to pay approximately EUR 17.7 million in dividend for the year 2021 and to reduce share capital by an amount equivalent to approximately EUR 7.5 million.
- Management is thankful for the excellent contribution, dedication and proactive initiatives from Eimskip employees around the world in a challenging operational environment.

### Highlights of Q4 2021 results

- Strong operational performance in both liner and forwarding services.
  - Export Iceland with very strong volume.
  - Exceptional results of the forwarding services in Asia.
  - Overall high activity in December compared to previous years.
- Effects of disruption in global transportation markets continued and are now expected to last well into 2022.
- Revenue amounted to EUR 254.7 million, an increase of EUR 79.1 million or 45% when compared with Q4 2020.
  - Price increases from 3<sup>rd</sup> party transportation suppliers continue to affect revenue and cost.
  - Good revenue growth in forwarding services with higher margins despite lower volume.

- Expenses amounted to EUR 223.3 million, an increase of 38.9%, mainly driven by significant increase in 3rd party expenses.
  - Salary expenses increase by EUR 4.1 million or 14.5%. Thereof EUR 1.8 million due to currency effect and EUR 2.3 million due to e.g., increased activity, general wage increases and one-off Holiday bonus to all employees.
- EBITDA increasing substantially and amounting to EUR 31.5 million compared to EUR 14.9 million for the same quarter 2020. EBITDA ratio was 12.4% compared to 8.5% for the same quarter last year.
- Net earnings amounted to EUR 13.7 million compared to EUR 0.8 million for the same period in 2020.

## VILHELM MÁR THORSTEINSSON, CEO

"I am very satisfied with the performance in Q4 and for the full-year results which were record high. The employee contribution was outstanding, and we managed to proactively maintain a high service level in a very challenging operational environment. Financially, we continued to leverage from past years integration and streamlining measures, operational adjustments and active revenue management as well as favorable external environment, especially in international transportation markets. EBITDA was strong in 2021 or EUR 114.3m and adjusted Net Earnings EUR 50.6m and have never been higher.

The share of revenue generated outside of Iceland has been increasing and has in fact never been higher than in Q4 or 61%. Our international forwarding operation delivered strong results, especially in Asia, in a market characterized by very high global prices and capacity constraints for most of the year. The increased share and the good performance of the international operations have reduced traditional seasonality in earnings.

We have put great effort into improving profitability of the container liner system which is now materializing. Volume in export from Iceland was strong and we are excited to service our seafood customers with logistic solutions in the current capelin season. Volume in the Trans-Atlantic services saw substantial growth during the year and demand for transportation west-bound to North-America remains high. Volume to and from the Faroe Islands increased over the course of the year after a slow start e.g. due to continued effect of COVID-19 as well as the changes in market conditions following Brexit. Domestic Iceland performed very well and benefitted from good volume in the container liner system.

We strive to provide our customers with excellent services leveraging our position as a leading transportation company in the North-Atlantic. For the last two to three years we have been investing in our technology platforms to support our customer service e.g. Microsoft Customer Engagement solution, a new system for our liner and forwarding operation, container management system and a new financial reporting and planning platform.

Sustainability continues to be in focus at Eimskip. We continue to take steps towards using green energy in our operation with investments in e.g. electric harbor cranes and more environmentally friendly reach stackers, trucks and cars. It is good to see our new vessels Brúarfoss and Dettifoss contribute to reduced emission per transported unit although we are aware of the need for new energy source for vessels in coming years to meet reduction targets.

The year 2022 starts well and results are exceeding expectations so far in both liner- and forwarding services. We are optimistic about the volume and margins in liner services for the coming months as well as the expected contribution from our international forwarding operations. The current disruption in the global transportation markets is now expected to last into second half of 2022."

## INVESTOR MEETING 18 FEBRUARY 2022

The Board of Directors of Eimskipafélag Íslands hf. approved the Company's Consolidated Financial Statements for the year 2021 at its meeting on 17 February 2022. Investors and market participants are invited to a meeting on Friday 18 February 2022 at 8:30 a.m. at the Company's headquarters, Sundabakki 2, second floor. Participants are required to register their attendance before the end of 17 February. The meeting will also be webcasted live in Icelandic at [www.eimskip.com/investors](http://www.eimskip.com/investors). Vilhelm Már Thorsteinsson, CEO and María Björk Einarsdóttir, CFO, will present the Company's financial results for the year 2021. 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.