

Eimskip: Third quarter 2024 results

Highlights of Q3 2024 results

- Good revenue growth resulting in the best quarter this year and close to a good third quarter last year.
- Revenue increased by EUR 18.6m from last year and amounted to EUR 220.6m in the quarter
 - Liner revenue decreased by EUR 2.7m while Forwarding revenue increased by EUR 21.3m
 - Liner revenue in the quarter were the strongest this year
 - Good growth in export from Iceland and high activity in domestic Iceland as well as increased volume in Trans-Atlantic combined with higher rates
 - Increase in Forwarding revenue driven by higher global freight rates especially in Asia connected trade lanes
- Expenses amounted to EUR 187.7m, an increase of EUR 20.2m, driven by cost of third-party logistics services which increased by EUR 17.8m from previous year
 - Bunker expenses decreased by EUR 0.2m despite the cost of the newly imposed ETS expense amounting to EUR 0.9m in the quarter
 - Salary expenses increased by 2.1% or EUR 0.7m partly offset by reduction in number of FTEs compared to same quarter last year
- EBITDA amounted to EUR 32.9m, EUR 1.6m down from previous year which was a good quarter
 - Liner EBITDA amounted to EUR 22.9m and decreased by EUR 2.1m with a continued rebound from end of last year with a healthy Liner EBITDA ratio at 16.2% and EBIT ratio at 7.6%
 - Forwarding EBITDA amounted to EUR 10.0m and increased by EUR 0.6m with an increase in Forwarding EBITDA ratio which was 12.6%. Higher global freight rates contributed to the increase although volume was slightly lower compared to the same quarter last year
- EBIT remained at the same level as last year and amounted to EUR 18.7m
- Net earnings amounted to EUR 14.3m compared to EUR 16.6m for the same period in 2023

VILHELM MÁR THORSTEINSSON, CEO

“We are pleased to report good results for the third quarter of 2024 driven by generally high activity across the group. The EBITDA for the quarter amounted to EUR 32.9m compared to EUR 34.5m in the third quarter last year and showing a continued rebound from the beginning of this year.

The EBITDA was supported by good performance of our container liner services that showed a decent volume growth, particularly in export from Iceland and on Trans-Atlantic routes, despite a marginal decline in import to Iceland. The increase in export from Iceland was primarily driven by the mackerel season, strong months in salmon and fresh fish, as well as continued good volume in recycling materials which however has some lowering effect on overall margin. At the same time, Trans-Atlantic volumes rose year-over-year due to a combination of higher demand and reduced supply on the sailing route between Europe and North America. Although rates have increased during the quarter, they remain lower than at the same period last year. However, the balance in the system between east- and westbound has improved, positively affecting the overall financial performance. The reefer liner service in Norway delivered a solid quarter with volume growth in both directions.

Our International Forwarding operations delivered good results in the quarter with improved margins from previous year despite marginal decrease in volume. The global freight rates have been very volatile and surged during the first half of the year but have been gradually decreasing from the beginning of the third quarter while remaining on a significantly higher level than same time last year. The disruption in the Red Sea continues and is unfortunately expected to persist well into next year. However, the market has stabilized as the supply situation is catching up after high demand earlier this year.

The management team recognizes that many ambitious investment projects are on the horizon in Iceland, some of which are of such a scale that they could materially impact economic growth prospects in Iceland in the coming years. Eimskip plays a key role in bringing valuable products from domestic producers to foreign markets, and increased international competition has called for continuous improvements within the company and among its customers, encouraging strong cost-awareness. An efficient transportation system creates value for growing economies and our role, since the company's founding, have been aimed at supporting the growth and prosperity of our home markets. With a vast integrated network of sea, land, and coastal transportation, Eimskip is part of the infrastructure and value creation. Upcoming are parliamentary elections in Iceland and it would be desirable if the incoming government would emphasize predictability for the economy and thereby support the ambitious plans that have been presented

As we look ahead, we remain optimistic for the remainder of the year, supported by stable demand in our core markets. The quota year is off to a good start in Iceland combined with continued good volume in salmon while import to Iceland remains on a stable level. The fisheries in Faroe Islands have not started as strong as we had hoped but we are optimistic that catch will pick up. In the International Forwarding operations, we anticipate ongoing fluctuations in global freight rates, while we expect solid volume in the current quarter."

INVESTOR MEETING 6 NOVEMBER 2024

The Board of Directors of Eimskipafélag Íslands hf. approved the Company's Condensed Consolidated Interim Financial Statements for third quarter 2024 at its meeting on 5 November 2024. Investors and market participants are invited to a meeting on Wednesday, 6 November 2024, 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 Q3 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.