

## EIMSKIP: Results for Q1 2022

### Highlights of Q1 2022 results

- Positive improvements in container liner QoQ and profitability at a healthier level.
  - Good volumes in import and export to and from Iceland.
  - Trans-Atlantic services continue to perform very well.
  - Strong financial improvement in Faroe Islands.
  - Substantial increase in oil prices affecting cost but mitigated by operational adjustments and active revenue management.
- International forwarding performed well in the quarter despite lower volume, continued equipment shortage and lack of space in some trade lanes.
- Managed to meet changes in customers' needs following the war in Ukraine.
- Global ocean freight- and charter rates have somewhat stabilized and there are signs of the market getting closer to "a new normal".
- Revenue amounted to EUR 239.7 million, an increase of EUR 59.5 million or 33% when compared with Q1 2021.
  - Positive volume development in liner combined with active revenue management.
  - Good revenue growth in forwarding services despite lower volume.
  - Revenue affected by price increases from 3rd party transportation suppliers and oil prices.
- Expenses amounted to EUR 209.3 million, an increase of 27.7%, mainly driven by significant increase in 3rd party expenses and oil prices.
  - Salary expenses increase by EUR 3.1 million or 10.5%, thereof EUR 1.5 million due to currency effect.
- EBITDA increased substantially and amounted to EUR 30.4 million compared to EUR 16.3 million for the same quarter 2021. EBITDA ratio was 12.7% compared to 9% for the same quarter last year.
- Net earnings amounted to EUR 10.5 million compared to EUR 2.8 million for the same period in 2021 and is an acceptable result for Q1.
- Strong cash flow from operations and amounted to EUR 26.3 million, an increase of EUR 18.1 million from same quarter last year.
  - Cash position at end of period amounted to EUR 51.2 million compared to EUR 17.2 million at end of same quarter last year.
  - Leverage ratio at 1.60x which is below long-term target of 2-3x.

### VILHELM MÁR THORSTEINSSON, CEO

"I am pleased with our financial performance in the first quarter which shows that we have successfully managed to improve the results in our container liner services from an unacceptable level in the same quarter last year. The external global environment remains favorable for the shipping industry but the operational conditions continue to be demanding.

EBITDA in the quarter amounted to EUR 30.4 million and increased by 86% from last year on the back of volume increase in our liner services, improved results in container liner and good performance of international forwarding. It is important to bear in mind that we were not satisfied with the outcome of the same quarter last year which was well below acceptable levels. Eimskip's liner services is heavy asset driven operation and therefore it is important that the financial performance of our company makes it possible for us to invest in new and more environmentally friendly equipment and projects that are vital for us to develop our customer service and operation in line with global trends in sustainability, digitalization and automation. We are benefitting from internal efforts such as a lower cost base after past years' integration and streamlining measures, group-wide focus on revenue management, disciplined work procedures and continuous monitoring of our operational results.

There was a good volume growth quarter on quarter in Iceland and volume in our Norwegian reefer liner services remained stable despite suspension of the call to Murmansk from late February. The demand for Trans-Atlantic transportation continues to be very high, the route has been fully booked west-bound and we have also seen a substantial increase in east-bound volume. To meet the excess demand we will shift capacity from Norway during the slower summer season to the North-America trade lane by rotating vessels within our sailing system. Our international forwarding volume continues to be affected by shortage of equipment and space with the large deep-sea lines, but despite that the financial performance is on a good level.

We see some signs of stabilization in global freight- and charter rates, however, there are still disruptive factors and congestion affecting the transportation markets and the situation is volatile. The global economic outlook is marked by high volatility and geopolitical tension with challenges on both the demand and supply side.

We are generally optimistic about the outlook for the coming months and Eimskip is well positioned as a niche player in the North-Atlantic region servicing home markets that are import and export driven economies and with our focus on reefer logistics in international forwarding.”

## INVESTOR MEETING 13 MAY 2022

The Board of Directors of Eimskipafélag Íslands hf. approved the Company’s Consolidated Financial Statements for the period Q1 2022 at its meeting on 12 May 2022. Investors and market participants are invited to a meeting on Friday 13 May 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 12 May. 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 period Q1 2022. 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.