

## EIMSKIP: OPERATING RESULTS FOR Q1 2021

### Highlights of Q1 results

- Overall good performance in Q1 with increased profitability in container liner and positive results for the forwarding segments despite challenging environment which is colored by disruption in the global shipping markets affecting capacity and availability of equipment.
- Revenues amounted to EUR 180.2 million, an increase of EUR 18.6 million or 11.5% when compared with Q1 2020.
  - Positive contribution from revenue management program and substantial 3<sup>rd</sup> party rate increases in global markets drove up forwarding revenues as well.
- Total expenses amounted to EUR 163.9 million, an increase of EUR 11.6 million or 7.6%.
  - Significant increase in 3<sup>rd</sup> party transportation expenses e.g. pre- and on-carriage and sea-transportation due to the situation in the global shipping markets.
  - Bunker expenses decreased between periods because of lower prices and reduced consumption.
- EBITDA amounted to EUR 16.3 million compared to 9.3 million for the same quarter 2020, an increase of 74.7%. EBITDA ratio was 9.0% compared to 5.8% for the same period last year.
  - Improved utilization and higher margins in container liner contributing to increase in EBITDA as well as an overall positive development in forwarding operation despite very demanding environment.
- EBIT amounted to EUR 4.5 million compared to negative EBIT of 1.6 million or an increase of EUR 6.1 million.
- Net earnings amounted to EUR 2.8 million compared to net loss of EUR 4.9 million for the same period in 2020.
- Net cash from operating activities amounted to EUR 7.8 million compared to 1.2 million for the same period last year.
- Total equity amounted to EUR 222.0 million at the end of Q1 and equity ratio was 40.2% compared to 43.0% at year-end 2020. Leverage ratio improves and was 2.97, compared to 3.33 at year-end 2020.

### VILHELM MÁR THORSTEINSSON, CEO

"I am pleased with the performance in the first quarter of the year with profitability in container liner improving, especially towards the end of the quarter. EBITDA improved significantly between years or by EUR 7.0 million as a result of strong focus on revenue management, increased utilization in container liner services and we are still benefitting from last year's streamlining measures. There was a strong volume growth in our Trans-Atlantic operations during the quarter where we are partly benefitting from the disruption in global shipping markets where demand has exceeded capacity in Trans-Atlantic sailings. On the other hand, the situation in the global shipping markets has e.g. driven up vessel charter rates and subsequently increases cost in our container liner services. We have faced challenges in Faroe Islands due to Brexit and COVID-19 especially regarding export of fresh fish, but we saw positive development towards the end of the quarter which has continued in the second quarter. Overall, the performance of our International forwarding operations was good, despite demanding market environment. Domestic Iceland performed well leveraging on stronger volume. Despite the challenging market environment, we have managed to maintain our service level to our container liner customers without any equipment shortage, thanks to the resourcefulness of our team.

We continued to work towards our 3-year sustainability action plan and are implementing various new policies such as Whistleblower Policy, Anti-Money Laundering Policy, Procurement Policy and Supplier Code of Conduct. We see positive development in our environmental statement for the quarter and are e.g. sorting 12% more of our waste, in measured operation QoQ, with great efforts from our employees.

I am very happy to see the good results in our recent employee engagement survey which is very valuable for our company and I am thankful for our dedicated group of employees who have adapted well to this new reality we are living in.

EBITDA guidance for the year 2021 remains in the range of EUR 68-77 million. We see good volume in our liner services so far in the current quarter and the forwarding services continue to perform well, but we are aware of the volatile situation in the global shipping markets and will continue to monitor it closely."

## **ONLINE INVESTOR MEETING 12 MAY 2021**

The Board of Directors of Eimskipafélag Íslands hf. approved the Company's Interim Consolidated Financial Statements for Q1 2021 at its meeting on 11 May 2021. Investors and market participants are invited to a meeting on Wednesday 12 May 2021 at 8:30 a.m. The meeting will only be webcasted live in Icelandic at [www.eimskip.com/investors](http://www.eimskip.com/investors). Vilhelm Már Thorsteinsson, CEO will present the Company's financial results for the Q1 2021. Investor presentation and a recording of the meeting will be available on the Company's investor relations website, [www.eimskip.com/investors](http://www.eimskip.com/investors).

## **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.