

EIMSKIP: RESULTS FOR THE YEAR 2020

Highlights of the year 2020

- Revenues amounted to EUR 668.3 million, a decrease of EUR 11.3 million or 1.7% when compared with the year 2019.
- Total expenses amounted to EUR 606.6 million, a decrease of EUR 12.4 million or 2.0%. Salary expenses decreased by EUR 18.1 million or 13.7% whereof EUR 9.6 million is related to streamlining measures.
- EBITDA amounted to EUR 61.7 million compared to 60.5 million for the year 2019, an increase of 1.9%. EBITDA ratio 9.2% compared to 8.9% last year.
- EBIT increased by EUR 3.6 million and amounted to EUR 17.1 million.
- Net earnings amounted to EUR 4.5 million, compared to net earnings 1.0 million for the year 2019.
- Total CAPEX for the year amounted to EUR 52.7 million compared to EUR 38.9 million for the year 2019.
 - Investments were unusually high due to investment in new vessels amounting to EUR 36.9 million.
- Net cash from operating activities amounted to EUR 51.2 million and was at same level as the year before.
- Total equity amounted to EUR 230.7 million at year-end, an equity ratio of 43.0% compared to 44.0% at year-end 2019.
- Leverage ratio was 3.33 at year-end 2020, compared to 3.03 at the end of 2019 which is above the long-term target leverage ratio of 2-3x net debt to EBITDA mainly due to recent investment in new vessels.
- Significant effort was put into securing the health & safety of employees, maintaining an unbroken logistic chain and customer service due to effects of COVID-19.

Highlights of Q4 2020 results

- Revenues amounted to EUR 175.7 million, an increase of EUR 0.1 million when compared with the same quarter in 2019.
 - Revenues positively affected by a 10.2% volume increase in liner services, however offset by weaker ISK and USD and lower bunker price effects.
- Total expenses amounted to EUR 160.7 million, a decrease of EUR 3.6 million, compared with the same quarter in 2019, mainly driven by realization of streamlining measures and weaker ISK.
 - Reduction in salary expenses by EUR 4.8 million or 14.3% whereof EUR 1.8 million related to streamlining measures.
- EBITDA amounted to EUR 14.9 million in the fourth quarter of 2020 compared to EUR 11.2 million in the same quarter last year.
- Net earnings for the period amounted to EUR 0.8 million, compared to a loss of EUR 6.4 million for the same quarter of 2019.

VILHELM MÁR THORSTEINSSON, CEO

"I am quite pleased with the results for 2020 after a demanding year. We continued to focus on core operations and profitability improved during the second half of the year as a result of extensive streamlining measures. Our International Operations performed well and Domestic operations in Iceland also delivered good results. However, the Liner Services had a challenging year and despite cost savings and improvements in the liner system, results are still below acceptable levels.

EBITDA improved by 2% or EUR 1.1 million between years, mostly related to managed cost savings, while EBIT increased by EUR 3.6 million and amounted to EUR 17.1 million. Salary expenses decreased by EUR 18.1 million whereof EUR 9.6 million are results of streamlining measures. We had extreme focus on cash-flow and accounts receivables and a third of the planned maintenance CAPEX was put on hold due to uncertainty surrounding COVID-19.

We took delivery of two new vessels during the year which was an important step in renewing our vessel fleet. Bruarfoss and Dettifoss are very well equipped vessels who meet today's environmental requirements. We commenced the Vessel Sharing Agreement co-operation with Royal Arctic Line with improved services to and from the Greenlandic market.

Today we publish our ESG report for the year 2020 parallel to publishing the financial statement. During the year we reviewed and approved several new policies and have a revised sustainability action plan for the next three years. We are committed to continue to be leading in this respect and we feel a growing interest from our customers on the matter.

The year 2020 was characterized by COVID-19 in so many ways and I am extremely proud and thankful for our dedicated employees who have managed to keep an unbroken logistic chain through the challenges related to the pandemic and been working very well with customers to find alternative solutions where needed.

EBITDA guidance for the year 2021 is in the range of EUR 68-77 million. We will continue to have strong focus on maintaining cost benefits from streamlining measures as well as on improving profitability.”

ONLINE INVESTOR MEETING 26 FEBRUARY 2021

The Board of Directors of Eimskipafélag Íslands hf. approved the company’s Interim Consolidated Financial Statements for the year 2020 at its meeting on 25 February 2021. Investors and market participants are invited to a meeting on Friday 26 February 2021 at 8:30 a.m. The meeting will only be webcasted live in Icelandic at www.eimskip.com/investors. Vilhelm Már Thorsteinsson, CEO will present the company’s financial results for the year 2020. Investor presentation and a recording of the meeting (in Icelandic) will be available on the company’s investor relations website, 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.