

A low-angle shot from inside a cardboard box looking out at two children. The child on the left is wearing a blue helmet with white stars and a denim jacket, resting their chin on their hands. The child on the right is wearing a light pink jacket and has one hand on the edge of the box. The sky is blue with white clouds.

PRESENTATION OF Q1 RESULTS

Vilhelm Már Thorsteinsson, CEO



THIS IS EIMSKIP

Eimskip is a leading transportation company in the North Atlantic providing container and reefer liner services with connections to international markets and is specialized in worldwide freight forwarding services with focus on frozen and chilled commodities

ABOUT



56 OFFICES



17 VESSELS



20 COUNTRIES



CONTAINERS
REEFER 8.400 TEUs
DRY&OTHER 18.700 TEUs



1613 EMPLOYEES

♀ 30% Female ♂ 70% Male



160 TRUCKS



42 NATIONALITIES



31 WAREHOUSES
14 COLD STORAGES

SUSTAINABILITY KPI'S



GREENHOUSE GAS EMISSION¹ ↓ 5%



PAPERLESS EIMSKIP² ↓ 37%



SORTED WASTE² ↑ 12%



BOARD OF DIRECTORS
♀ 60% Female ♂ 40% Male



EXECUTIVE MANAGEMENT
♀ 14% Female ♂ 86% Male

KEY FIGURES Q1 2021

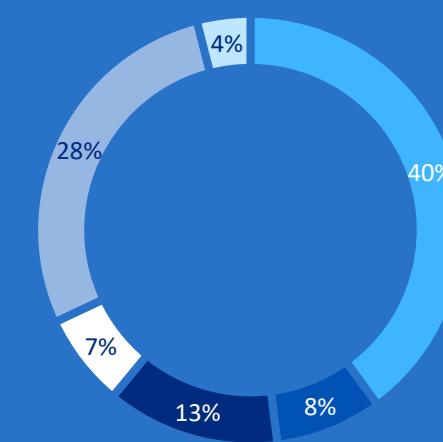
REVENUES:
EUR 180 m

EBITDA:
EUR 16.3 m

TOTAL ASSETS:
EUR 553 m

EQUITY:
EUR 222 m (40.2%)

GEOGRAPHICAL SPLIT OF REVENUE



■ Iceland ■ Norway
■ Asia ■ Faroe Islands
■ Europe ■ N-America

1. Operations in Iceland, Faroe Ship and Shipping depart. in Norway. QoQ
2. Eimskip in Iceland. QoQ

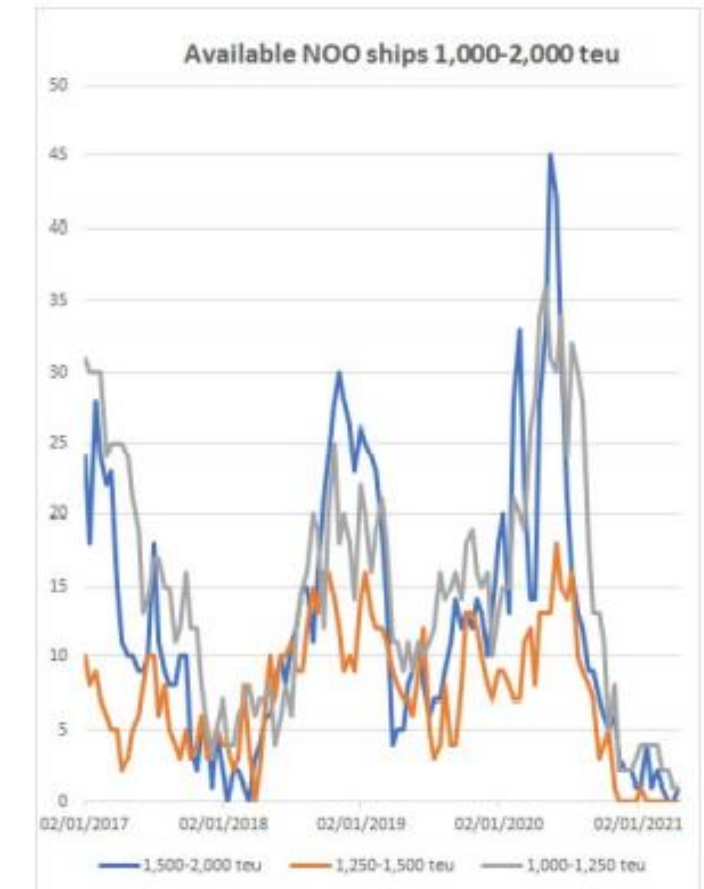
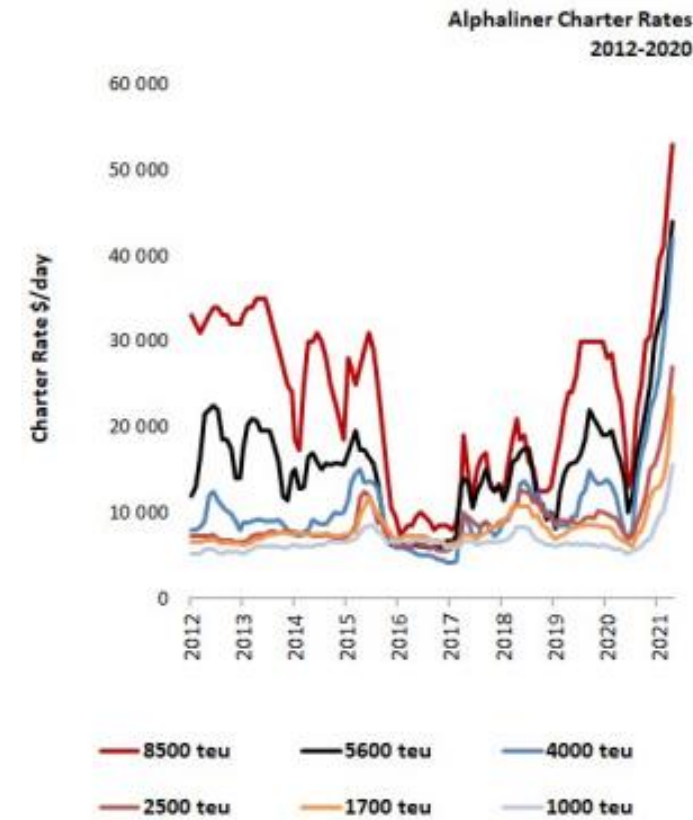
Q1 GOOD PERFORMANCE

- Profitability in container liner improving, especially towards the end of quarter
 - Strong focus on revenue management contributing to increased profitability
 - Substantial volume growth in Trans-Atlantic, benefitting from global capacity & equipment shortage
 - Challenges in Faroe Islands due to Brexit and continued effect of COVID-19
- Overall positive performance in International forwarding operation, especially in Asia
 - 3rd party expenses increasing due to disruption in global shipping market
- Domestic Iceland performing well during the quarter, especially towards the end and leveraging on increased volume
- Positive development in employee engagement very valuable in a demanding environment

CURRENT TRENDS IN GLOBAL CONTAINER SHIPPING MARKETS

The Suez accident put even more pressure on rates

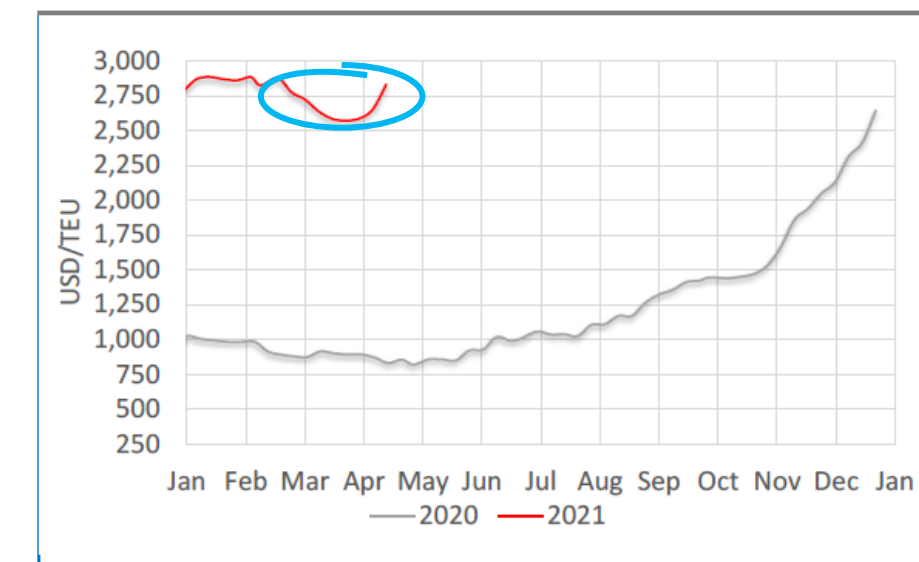
- The rates began to reduce after the Chinese New Year but the Ever Given accident in Suez pushed the European - Asian rates up again
 - Still lack of vessel space and containers
 - Back-log due to Suez accident still being sorted out in Europe and Asia
- In Europe, Brexit has had a negative effect on feeder vessel capacity and containers with terminal congestions
- Lack of vessel- and container capacity is expected to continue
 - Increased workload both for shipping lines and forwarders due to cancellation, re-bookings and lack of equipment
 - Bookings with short notice almost impossible in many trades with no available slots
- Vessel charter markets continue to be steep
 - Rates are still increasing with >200% increase YoY
 - Charter periods increases with 2 years fixtures being the normal
 - Number of available vessels are decreasing with very low number of fixtures in April compared to previous years
 - Newbuilding orders increased substantially in Q1 2021 being the highest for many years



World Container Index (WCI)
World Container Index



Shanghai Containerised Freight Index (SCFI)
Shanghai Shipping Exchange



Source: Alphaliner and Dynaliner



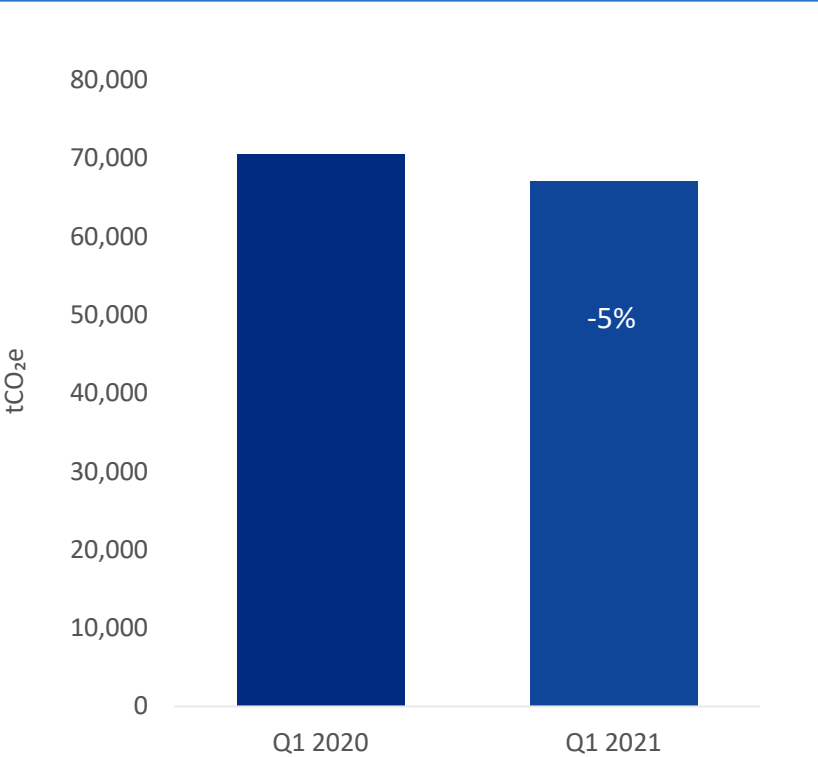
SUSTAINABILITY



SUSTAINABILITY KPI'S – QoQ DEVELOPMENT

Continued progress towards less environmental impact

GREENHOUSE GAS EMISSION - tCO₂e

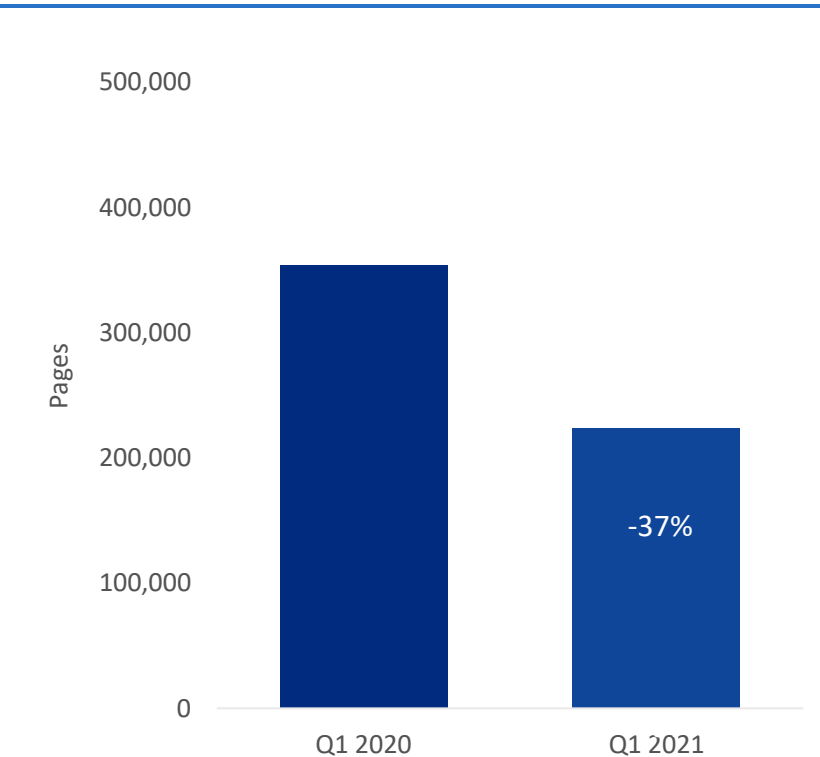


Operations in Iceland, Faroe Ship and Shipping depart. in Norway



Lower emission equivalent to fuel consumption of a passenger car driving 670 trips around the earth

TOTAL AMOUNT OF PRINTED PAPER

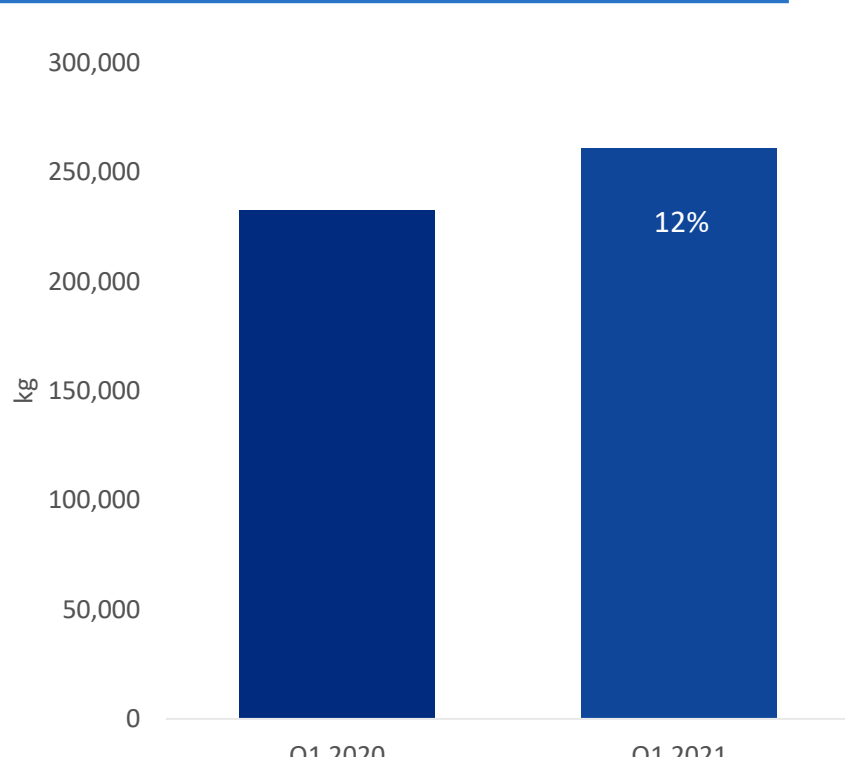


Paperless Eimskip Iceland commenced in 2019



From average of 7 pages to 4 pages per day per employee

TOTAL SORTED WASTE



Operations in Iceland, Faroe Ship and Shipping depart. in Norway



Equals 14 kg more sorted waste per FTE per month

ENGAGED GROUP OF EMPLOYEES

Key ingredient in good results – measured twice a year

INCREASING EMPLOYEE ENGAGEMENT DURING CHALLENGING TIMES

Engagement score

8.0

+0.2 above True Benchmark®* (7.8)

↗ improved by 0.1 since 2020

	SCORE	BENCHMARK	EXAMPLE OF QUESTIONS
Engagement	8.0 (+0,1)	+0.2	“How likely is it you would recommend Eimskip Group as a place to work?”
Belief	8.3 (0)	+0.3	“How likely is it you would recommend Eimskip Group’s products or services to friends and family?”
Loyalty	7.7 (+0,2)	+0.3	“If you were offered the same job at another organization, how likely is it you would stay at Eimskip ...”
Satisfaction	8.0 (+0,1)	+0.2	“Overall, how satisfied are you working at Eimskip Group?”

*True Benchmark: Enables comparison to a large group of participants in Peakon engagement survey tool



FINANCIAL RESULTS

INCOME STATEMENT

Profitability improves following focused revenue management and continued realization of streamlining measures

EUR thousand	Q1 2021	Q1 2020	Change	%
Revenue	180,228	161,670	18,558	11.5%
Expenses	163,919	152,332	11,587	7.6%
<i>Salary and related expenses</i>	29,231	29,246	(15)	(0.1%)
EBITDA	16,309	9,338	6,971	74.7%
Depreciation and amortization	(11,797)	(10,932)	(865)	7.9%
EBIT	4,512	(1,594)	6,106	-
Net finance expense	(1,196)	(2,640)	1,444	-
Share of profit of equity accounted investees	221	(317)	538	-
Net earnings before income tax	3,537	(4,551)	8,088	-
Income tax	(703)	(400)	(303)	-
Net earnings for the period	2,834	(4,951)	7,785	-

Key ratios	Q1 2021	Q1 2020
EBITDA ratio	9.0%	5.8%
EBIT ratio	2.5%	(1.0%)
Profit margin	1.6%	(3.1%)
Return on equity	5.0%	(8.6%)

Q1

- Revenue increase by 11.5%
 - Focus on revenue management to improve profitability
 - Forwarding revenues increase due to substantial 3rd party rate increases
 - Exchange rates development negatively affecting revenue
- Expenses up by 7.6%
 - 3rd party transportation expenses increasing substantially due to global disruptions
 - No net change in salaries
 - Managed FTE reduction and streamlining measures EUR -2.1m
 - Currency effect EUR -1.6m
 - Other, including general wage increases +3.7m
- EBITDA increases by EUR 7.0m
 - Improved utilization and higher margins in Container Liner
 - Positive development in forwarding despite very demanding environment
 - IFRS 16 effect on EBITDA EUR 4.1m compared to EUR 4.0m in the same quarter last year
- EBIT increases by EUR 6.1m
 - New vessels increasing depreciation
- Net finance expenses decrease due to favorable currency exchange movements

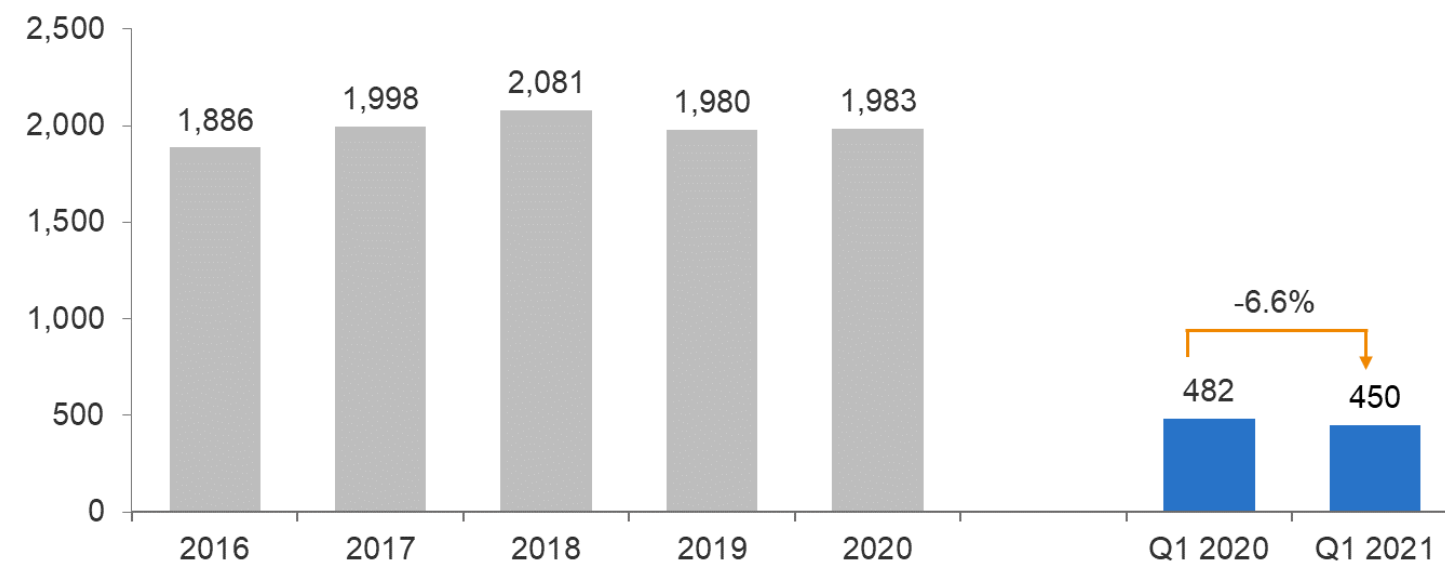
DEVELOPMENT IN LINER SERVICES

Stronger performance despite lower volume

EUR thousand	Q1 2021	Q1 2020	Change	%
Revenue	105,032	100,361	4,671	4.7%
Expenses	95,417	95,967	(550)	(0.6%)
Salary and related expenses	21,658	22,463	(805)	(3.6%)
EBITDA	9,615	4,394	5,221	118.8%
EBITDA ratio	9.2%	4.4%		
EBIT	(498)	(4,829)	4,331	(89.7%)
EBIT ratio	(0.5%)	(4.8%)		

Revenue and expenses include inter-segment revenue and expenses

Volume (Tons '000)



PERFORMANCE

- Strong focus has been on improving performance in container liner services starting to yield positively
- Domestic Iceland delivering good result and leveraging on increased volume towards end of the quarter
- Operation in Faroe Islands negatively affected by Brexit and still by COVID-19

VOLUME

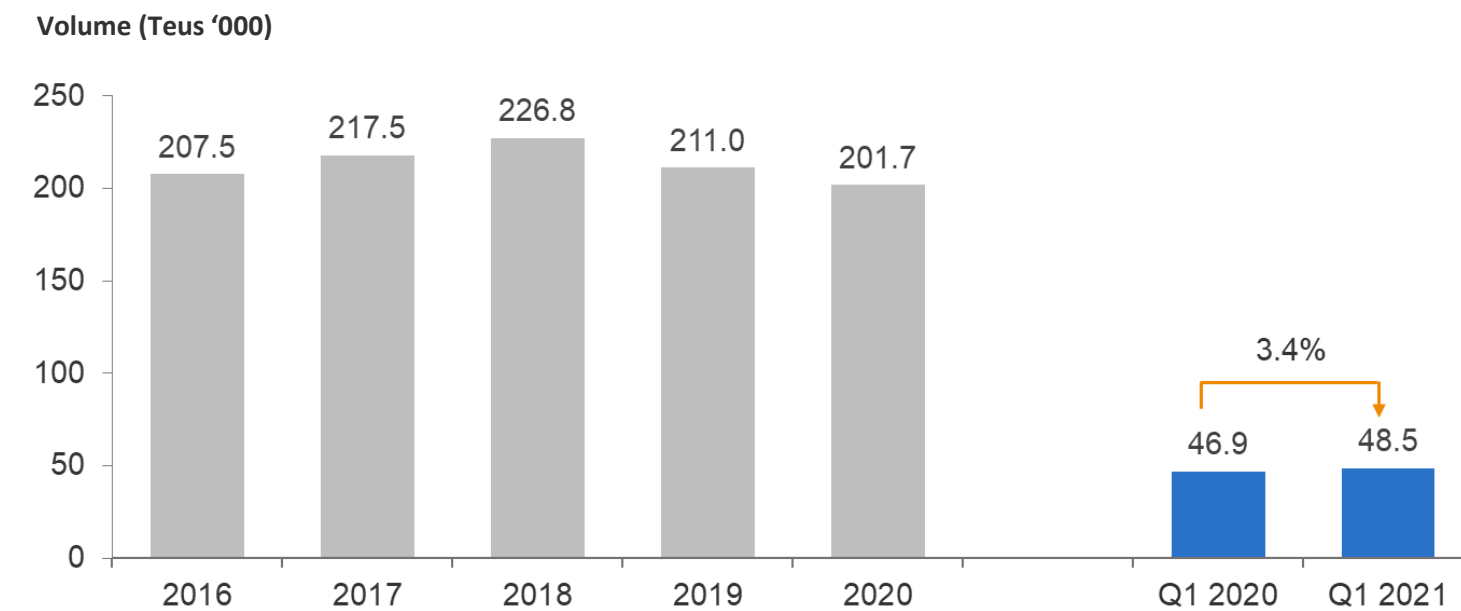
- Export from Iceland down 10.0% due to a slow start in January – picking up towards the end of the quarter
- Import to Iceland on similar level as last year
- Volume in Faroe Islands still negatively affected by COVID-19 and Brexit - down 28.2% but improvements towards the end of the quarter
- Liner volume in Norway down by 5.7% - Brexit affecting import volume – Export in line with last year
- Trans-Atlantic services up by 32.0% – benefitting from lack of capacity & shortage of equipment in global shipping markets

DEVELOPMENT IN FORWARDING SERVICES

Good performance in a very demanding market environment

EUR thousand	Q1 2021	Q1 2020	Change	%
Revenue	84,978	71,331	13,647	19.1%
Expenses	78,284	66,387	11,897	17.9%
Salary and related expenses	7,573	6,783	790	11.6%
EBITDA	6,694	4,944	1,750	35.4%
EBITDA ratio	7.9%	6.9%		
EBIT	5,010	3,235	1,775	54.9%
EBIT ratio	5.9%	4.5%		

Revenue and expenses include inter-segment revenue and expenses



PERFORMANCE

- Good performance in freight forwarding with increased margins despite disruptions in global shipping markets
 - Very demanding operation securing vessel slots and equipment
- Overall positive development in International forwarding operation, especially in Asia

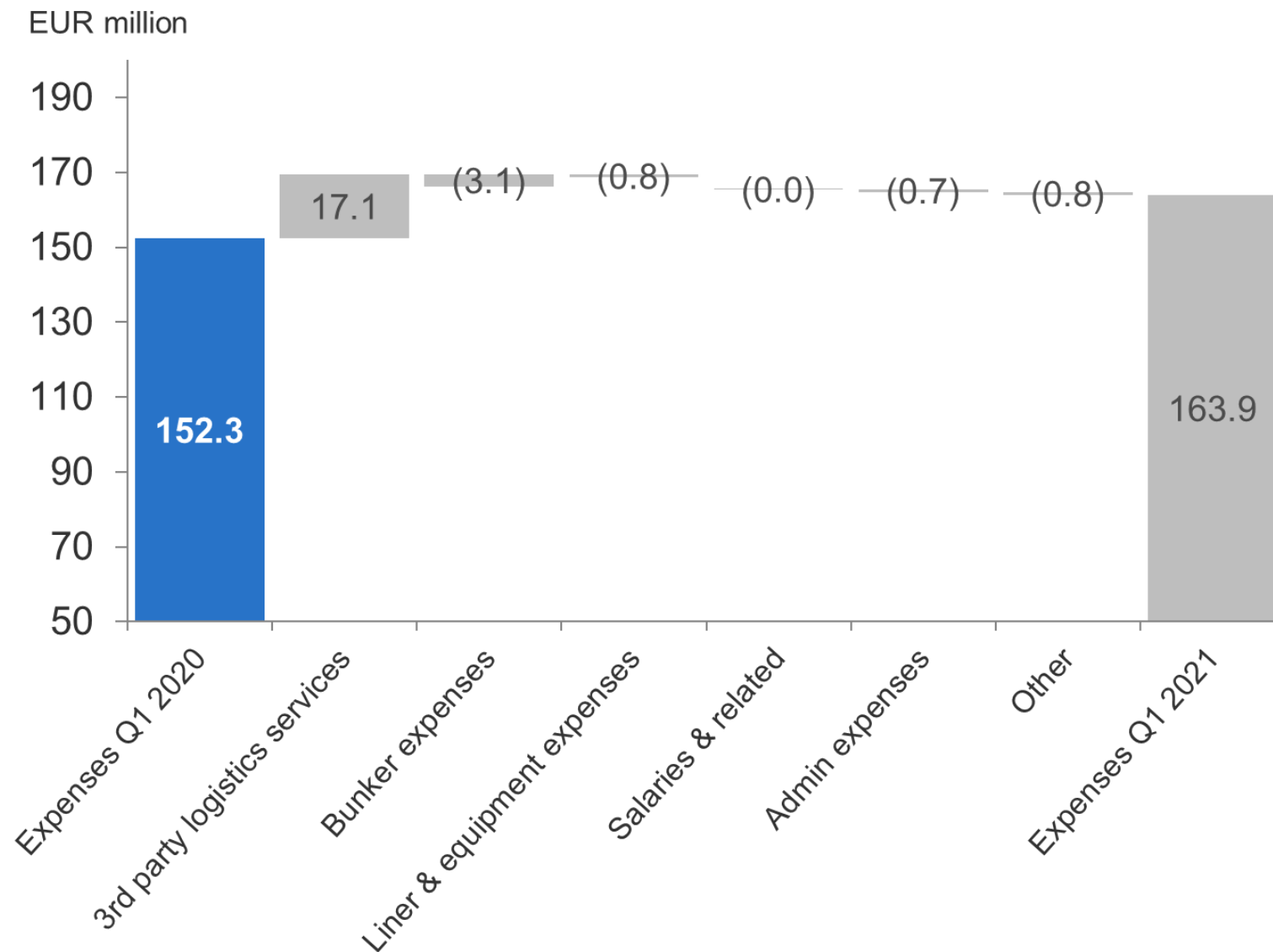
VOLUME

- Reefer forwarding volume down by 3.5% driven by challenge in securing equipment and transportation capacity
 - Revenue management offsetting lower reefer volume
- Dry volume up 12.8% driven by overall good performance, especially in China and Europe trade

EXPENSE BRIDGE

Significant increase in 3rd party transportation expenses

EXPENSE BRIDGE



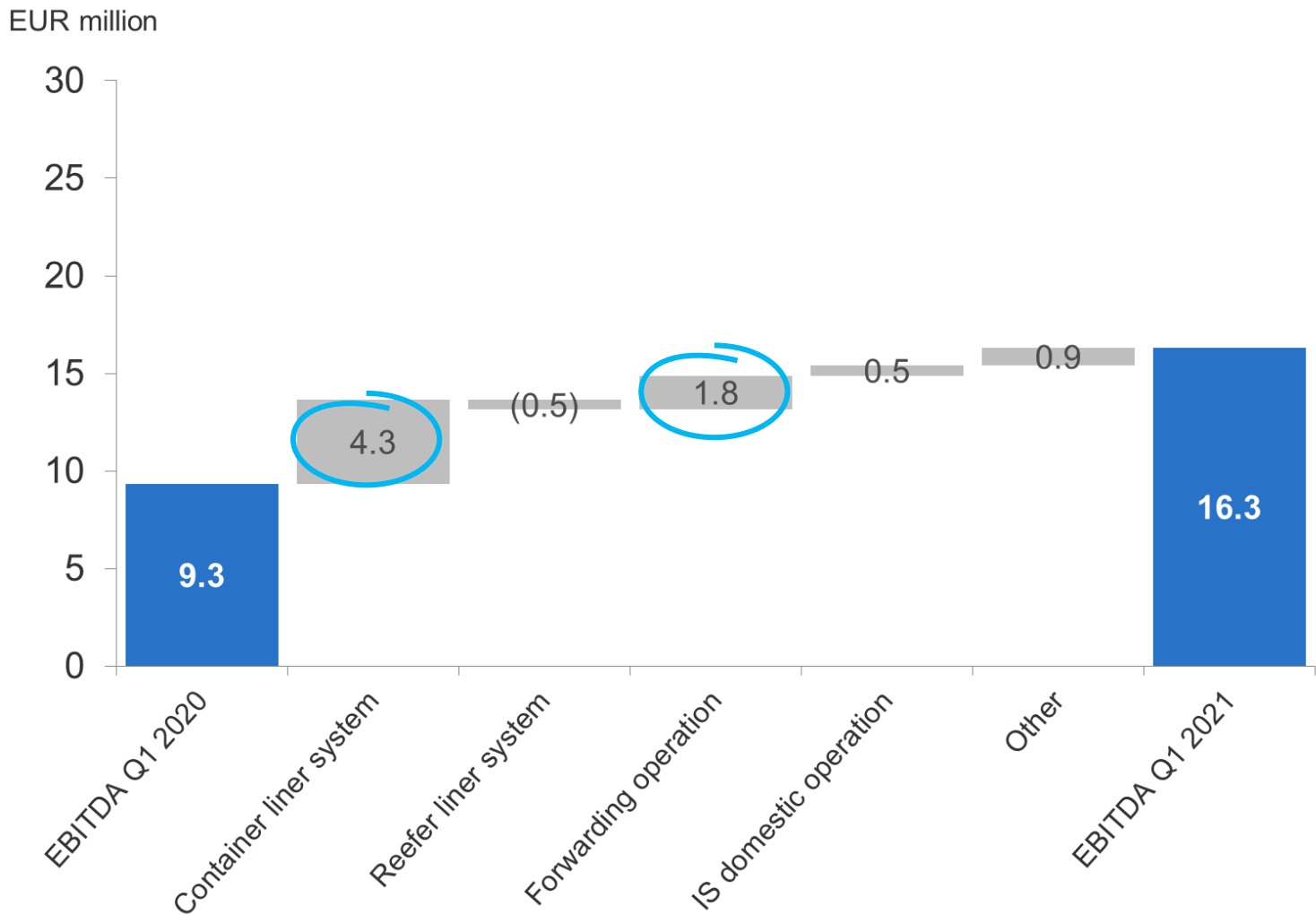
Q1

- 3rd party expenses increasing due to global capacity constraints driving up prices
 - Largest 3rd party expense items are e.g. pre- and on-carriage, sea-transportation and terminal handling cost (THC)
- Decreased bunker expenses as a result of lower prices and reduced consumption
- Various items under admin expenses contributing to a decrease of EUR 0.7m or down by 13.0%

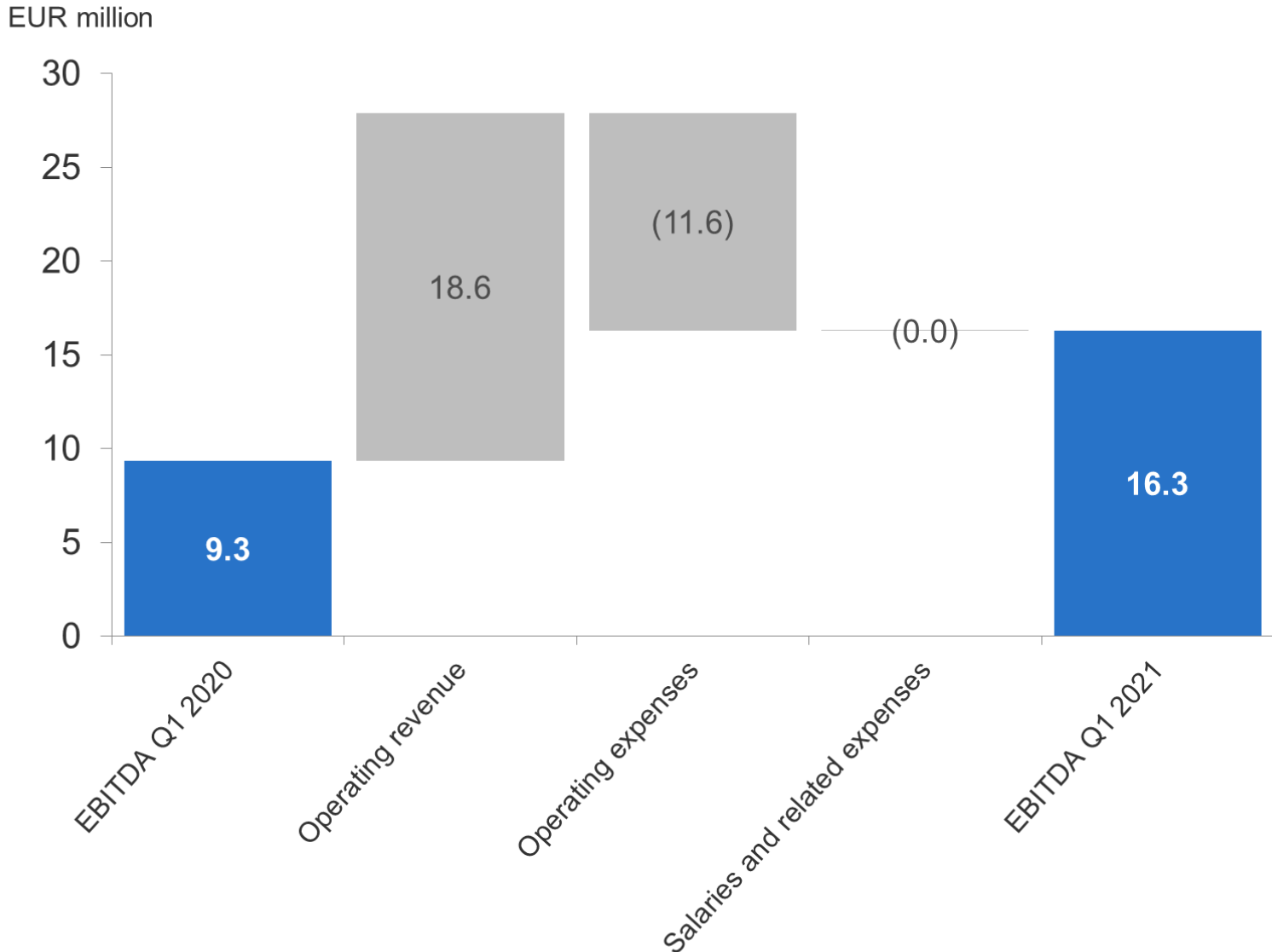
EBITDA BRIDGE

Improved performance of the container liner services and overall good performance in International forwarding

EBITDA BRIDGE BY BUSINESS ACTIVITY



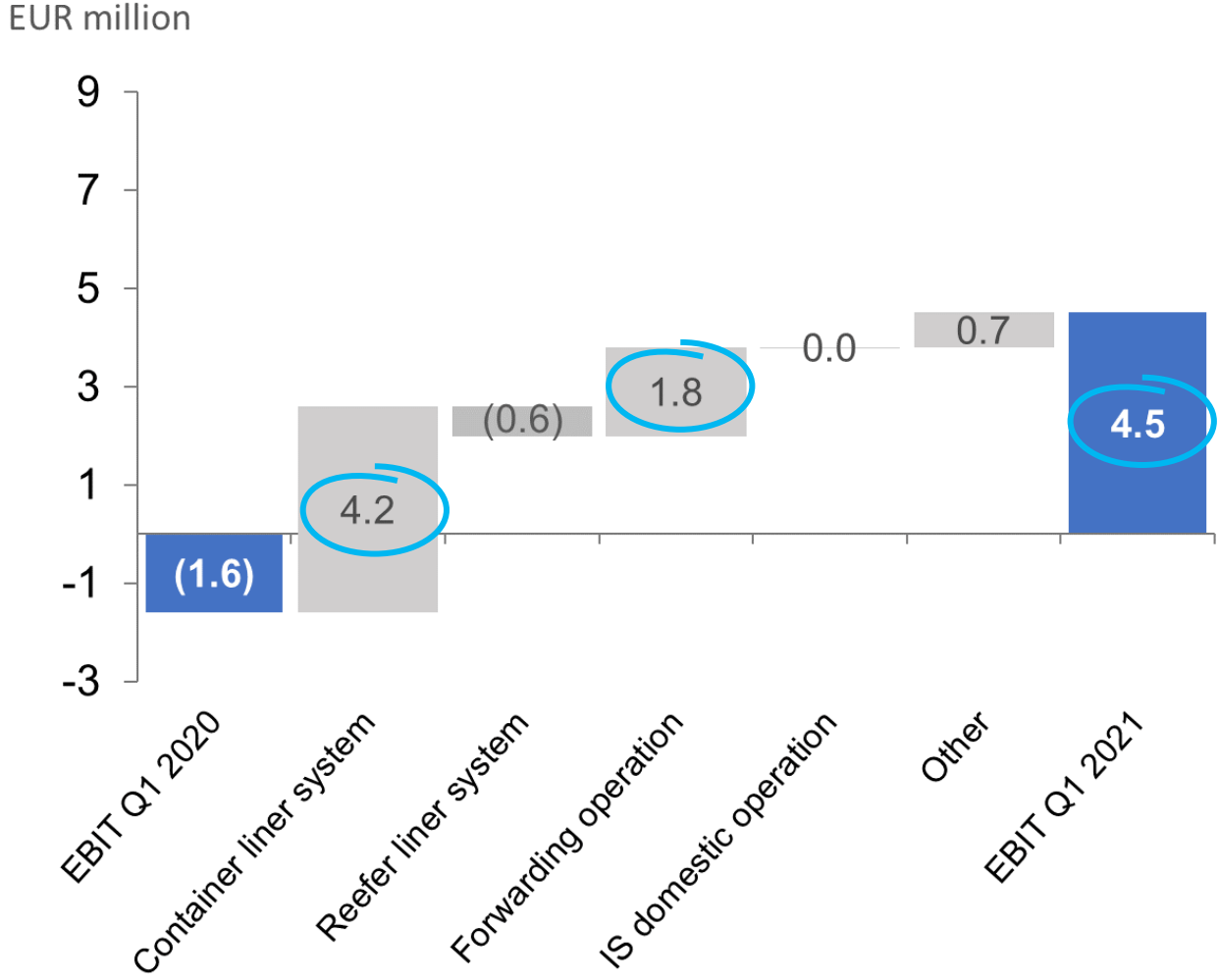
EBITDA BRIDGE BY OPERATING ITEMS



EBIT BRIDGE

Operational improvements delivered to bottom line

EBIT BRIDGE BY BUSINESS ACTIVITY



CASH FLOW

Strong increase in cash flow from operation

Million EUR	Q1 2021	Q1 2020	Change
EBITDA	16.3	9.3	7.0
Working capital changes & EBITDA adjustments	(6.4)	(5.3)	(1.2)
Paid taxes	(0.6)	(0.7)	0.1
Maintenance CAPEX	(1.6)	(3.3)	1.7
Cash flow before debt/lease service	7.7	0.1	7.6
Debt repayment and interests	(4.7)	(4.2)	(0.5)
Repayment of lease liabilities	(3.4)	(4.3)	1.0
Cash flow before Investments	(0.4)	(8.4)	8.1
Net investments	1.4	8.1	(6.6)
Debt funding	0.7	0.0	0.7
Dividend to minority	(0.4)	(0.6)	0.2
Share buy-back	0.0	(1.5)	1.5
Change in Cash	1.4	(2.5)	3.9
Cash position at end of period	17.2	18.6	(1.4)

Q1

- Considerable increase in cash flow before debt/lease service and before investments
 - Continued focus on delivering cash-flow from operation
- Completed refinancing of revolving credit facilities in the amount of EUR 30m
 - Maturity extended for up to three years
 - Thereof EUR 2.0m drawn at end of quarter
- Maintenance capex in line with plan
- Proceeds from investments down by EUR 6.6m
 - Positive net investments in Q1 2020 were from vessel sale
- A total of EUR 14.2m distributed to shareholders in April

BALANCE SHEET

Stable balance sheet and working capital changes reflect development in revenue and expenses

ASSETS

EUR thousand	31.03.2021	31.12.2020	Change	%
Non-current assets	396,237	400,433	(4,196)	(1.0%)
Fixed assets	305,078	311,310	(6,232)	(2.0%)
Right-of-use assets	68,324	67,376	948	1.4%
Other non-current assets	22,835	21,747	1,088	5.0%
Current assets	156,302	135,698	20,604	15.2%
Trade receivables	132,968	115,452	17,516	15.2%
Other current assets	6,122	4,606	1,516	32.9%
Cash and cash equivalents	17,212	15,640	1,572	10.1%
Assets	552,539	536,131	16,408	3.1%

- No material changes in loans and borrowings
 - Completed refinancing of revolving credit facilities and maturity extended for up to three years
- Shareholder distribution payables include dividend of EUR 3.0m and share capital reduction of EUR 11.2m paid to shareholders in April
 - Partially financed with draw-down on revolver in April
- Equity ratio in line with long-term target and includes shareholder distributions
- Leverage ratio at 2.97 which is within target of 2-3x Net debt/EBITDA

EQUITY AND LIABILITIES

EUR thousand	31.03.2021	31.12.2020	Change	%
Equity	222,022	230,657	(8,635)	(3.7%)
Non-current liabilities	208,464	208,486	(22)	(0.0%)
Loans and borrowings	145,045	145,781	(736)	(0.5%)
Lease liabilities	54,039	53,292	747	1.4%
Other non-current liabilities	9,380	9,413	(33)	(0.4%)
Current liabilities	122,053	96,988	25,065	25.8%
Loans and borrowings	13,958	15,236	(1,278)	(8.4%)
Lease liabilities	12,134	10,861	1,273	11.7%
Trade and other payables	81,784	70,891	10,893	15.4%
Shareholder distribution payables	14,177	0	14,177	-
Liabilities	330,517	305,474	25,043	8.2%
Equity and liabilities	552,539	536,131	16,408	3.1%

Key ratios

Equity ratio	40.2%	43.0%		
Net debt	203,649	205,168	(1,519)	(0.7%)
- excl. operational leases	141,926	145,712	(3,786)	(2.6%)
Net debt / LTM-EBITDA	2.97	3.33		
- excl. operational leases	2.67	3.15		

A person in a red jacket stands on a rocky ledge overlooking a river. The river flows through a narrow canyon with dark, layered rock walls. The water is turbulent and white with foam. The sky is clear and blue.

OUTLOOK

OUTLOOK

CURRENT QUARTER

- Good volume so far in liner services following a good end of first quarter
 - Export from Iceland benefitting e.g. from capelin season
 - Import to Iceland benefitting from increased optimism and expectations towards tourism and investments
 - Strong volume in Trans-Atlantic transportation – benefitting from disruption in global shipping markets affecting capacity and availability of equipment
- Continued focus on performance of the container liner e.g. through revenue management
 - Increased rates in new vessel charter agreements due to market condition in the global shipping industry
- Forwarding services continue to perform well
- Iceland Domestic in line with expectations
- Preparing employees for returning to “new normal” after extended period of COVID working conditions
- Continued implementation of various ESG policies approved in the last few months e.g. Whistleblower Policy, Anti-Money Laundering Policy, Procurement Policy and Supplier Code of Conduct

OUTLOOK

- Global trends and disruptions in container shipping markets putting pressure on volume and prices in forwarding and pre- and on-carriage in liner services
- Fairly optimistic about the volume for the coming quarters in Iceland on back of e.g. expectations towards the tourism industry and investments
- Continued focus on increasing profitability of container liner through revenue- and cost management
 - Secure customer retention in Trans-Atlantic services once the global shipping markets stabilize
- EBITDA guidance for the year 2021 remains in the range of EUR 68 to 77m
 - Translates to EBIT of EUR 22 to 31m
- Eimskip’s guidance for the year depends on several factors and is subject to uncertainties related to COVID-19, Brexit, development of freight rates & bunker prices, currency exchange rates, macroeconomic conditions in the countries Eimskip operates in and other external factors

THANK YOU



APPENDIX I

OPERATING RESULTS BY QUARTER

EUR thousand

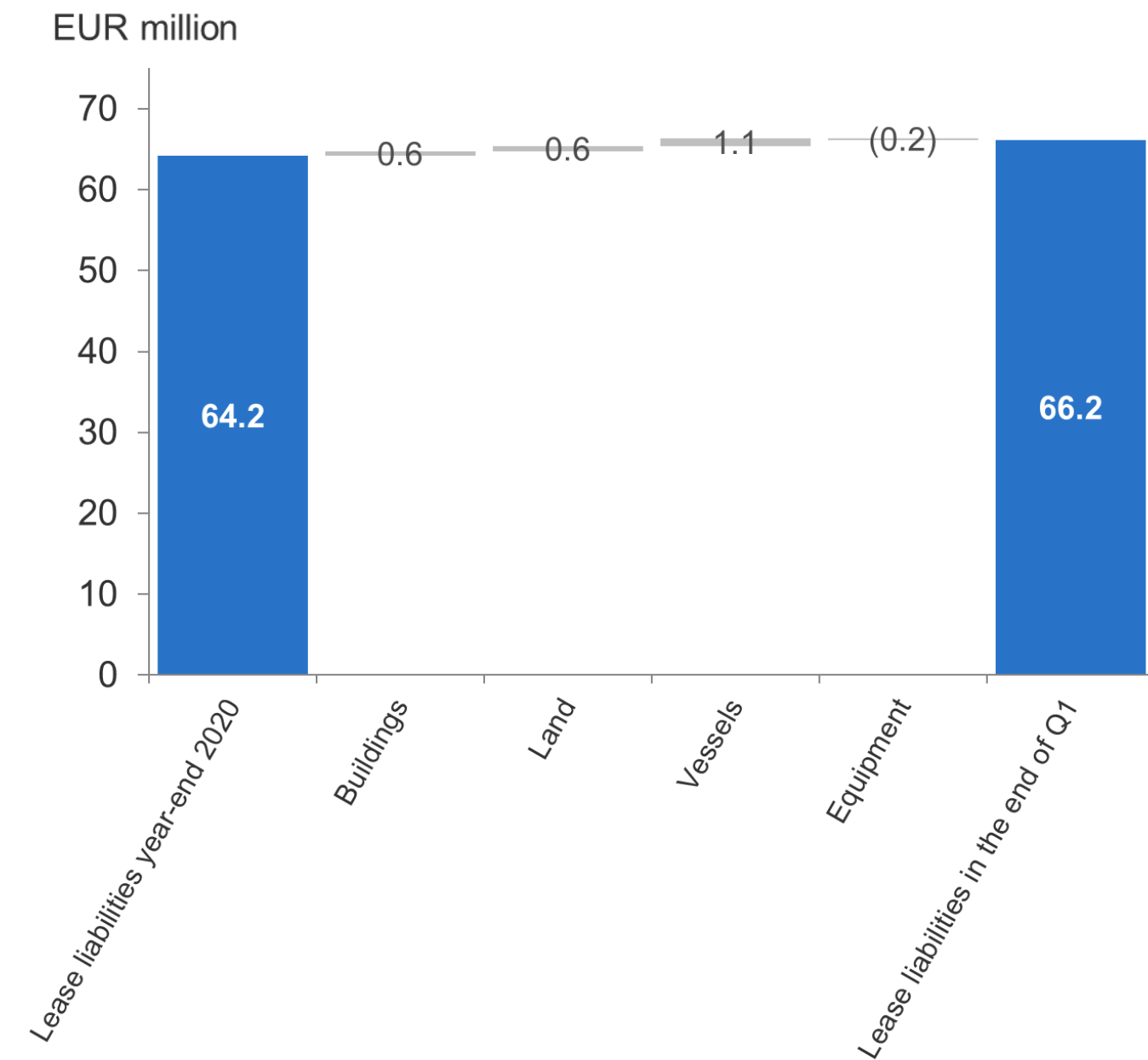
OPERATING RESULTS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenue	180,228	175,653	170,378	160,615	161,670
Expenses	163,919	160,724	148,968	144,614	152,332
EBITDA	16,309	14,929	21,410	16,001	9,338
EBIT	4,512	3,201	10,446	5,035	(1,594)
Net earnings (loss) earnings for the period	2,834	783	6,164	2,455	(4,951)
EBITDA ratio	9.0%	8.5%	12.6%	10.0%	5.8%
EBIT ratio	2.5%	1.8%	6.1%	3.1%	(1.0%)
BALANCE SHEET	31.03.2021	31.12.2020	30.9.2020	30.6.2020	31.3.2020
Assets	552,539	536,131	535,780	540,602	524,681
Equity	222,022	230,657	228,126	222,408	217,014
Liabilities	330,517	305,474	307,654	318,194	307,667
Interest-bearing debt	225,176	217,877	217,877	229,917	190,824
Net debt	203,649	191,907	191,907	201,457	163,851
Equity ratio	40.2%	43.0%	41.1%	41.1%	44.0%
Return on equity	5.0%	1.4%	10.7%	4.3%	(8.8%)
CASH FLOW	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net cash from operating activities	7,770	12,549	15,487	21,965	1,249
Net cash (used in) provided by investing activities	(162)	(19,540)	(3,452)	(20,470)	4,737
Net cash (used in) provided by financing activities	(6,224)	432	(13,431)	4,033	(8,506)
Cash and cash equivalents at the end of the period	17,212	15,640	21,895	23,904	18,563



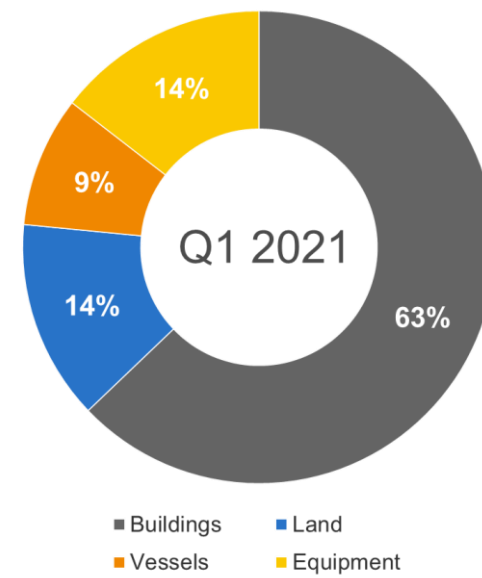
LEASE LIABILITIES (IFRS 16)

No material changes in lease liabilities during the quarter

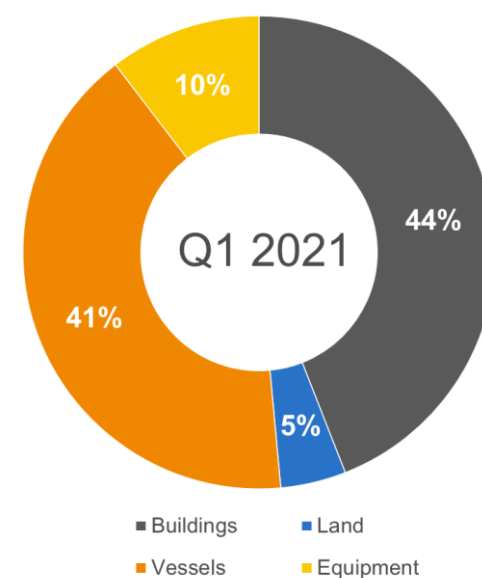
IFRS 16 LEASE LIABILITIES BRIDGE ANALYSIS



Lease liabilities



IFRS 16 - Impact on EBITDA

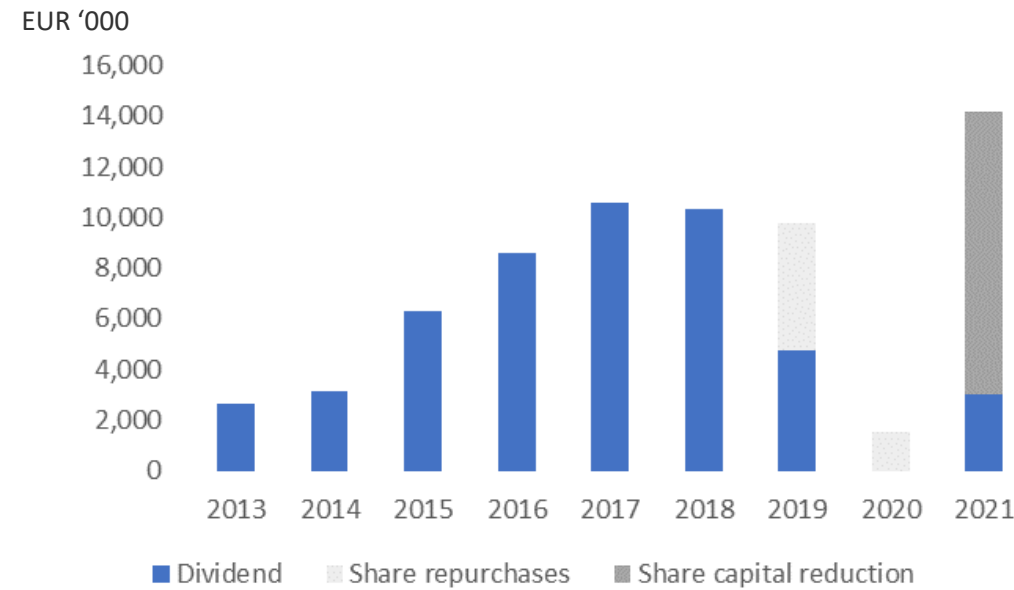


Q1

- Leases of buildings account for majority of lease liabilities
 - Mostly long-term contracts
- Vessel leases have proportionally larger effect on the Income Statement than on the Balance Sheet
 - Mostly short-term contracts or from 6 months up to 5 years
 - More rotation of vessels in the leased fleet leads to a lower lease liability
- Expecting increase in vessel lease liabilities in the second quarter of 2021 due to recent trends in global time charter markets
- IFRS 16 effect on EBITDA EUR 4.1m compared to EUR 4.0m in the same quarter last year

SHAREHOLDERS INFORMATION

PAYMENTS TO SHAREHOLDERS

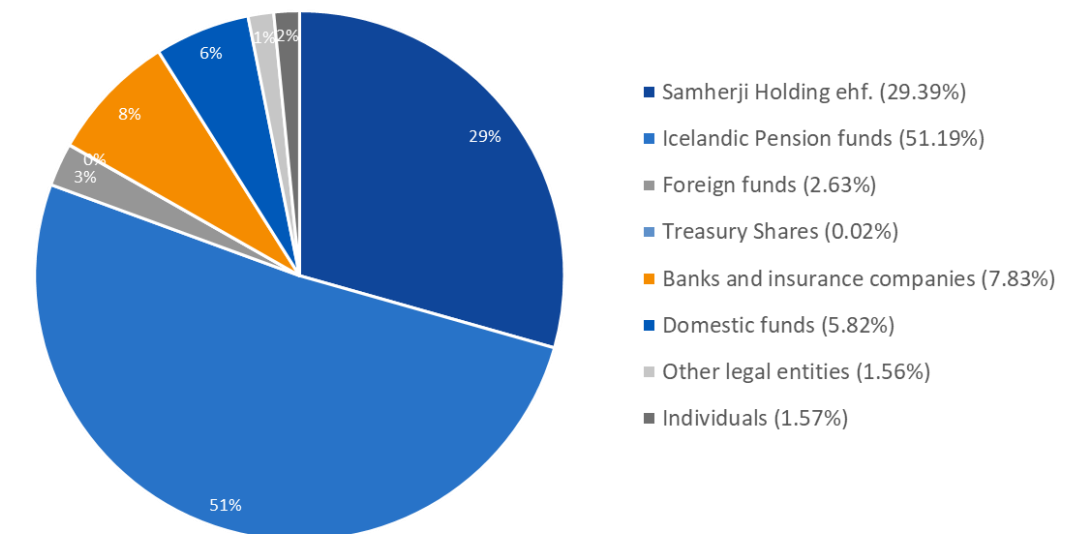


SHARE PRICE DEVELOPMENT FROM LISTING



SHAREHOLDERS 10.5.2021

Shareholder	Country	Shares	%
Samherji Holding ehf.*	Iceland	51.496.338	29,39%
Gildi - lífeyrissjóður	Iceland	26.530.490	15,14%
Lífeyrissjóður verslunarmanna	Iceland	24.924.181	14,23%
Arion banki hf.	Iceland	10.819.950	6,18%
Stapi lífeyrissjóður	Iceland	9.425.253	5,38%
Birta lífeyrissjóður	Iceland	9.413.086	5,37%
Lífeyrissj.starfsm.rík. A-deild	Iceland	8.931.907	5,10%
Stefnir - ÍS 15	Iceland	4.649.710	2,65%
Almenni lífeyrissjóðurinn	Iceland	3.497.761	2,00%
Global Macro Absolute Return Ad	Iceland	3.417.359	1,95%
Top 10 shareholders		153.106.035	87,39%
Other shareholders		22.062.255	12,59%
Total outstanding shares		175.168.290	99,98%
Treasury shares		31.710	0,02%
Total shares		175.200.000	100,00%



* As of today, Samherji Holding ehf. holds a total of 61,253,585 shares or 34.96% of issued shares, both through direct shareholding and forward contracts.

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