

# Presentation of Q1 2018 result

Eggert Kristófersson, CEO



26 April 2018



# HIGHLIGHTS

Q1 2018

435.564

EBITDA\* Q1 2018

49,0%

Equity ratio

2,2%

Return on equity

400.524

EBITDA 2018

17,5%

EBITDA/Gross profit

2.386.883

Cash and cash equivalents

\*EBITDA, excluding the cost related to the planned acquisition of Festi hf.



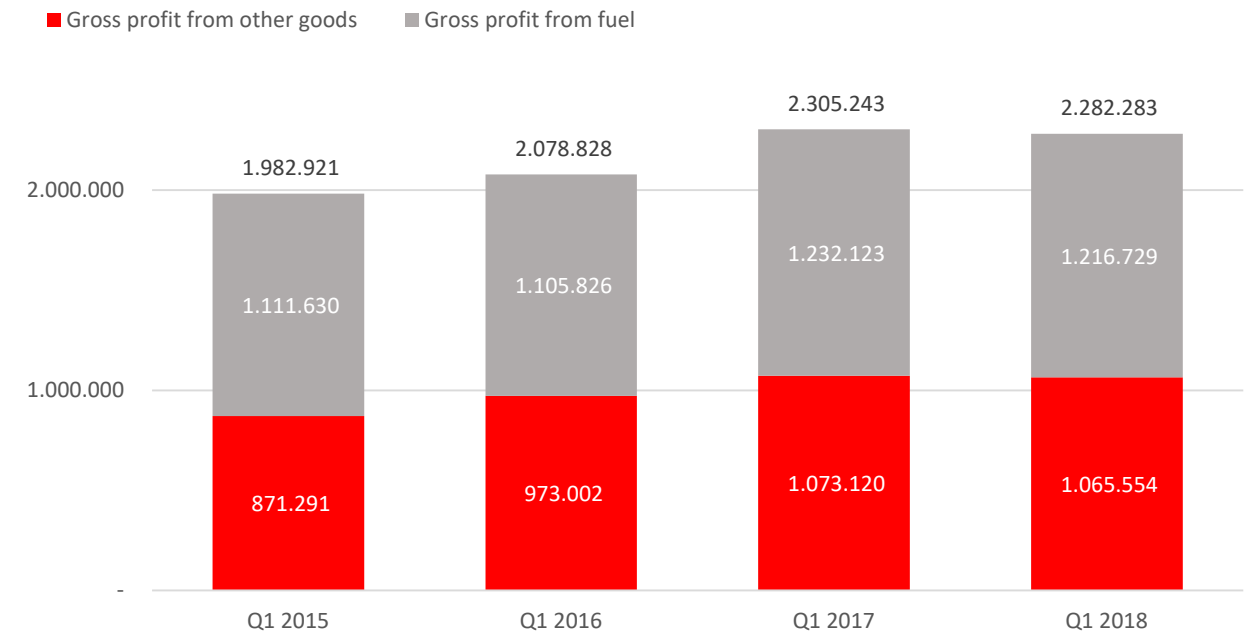
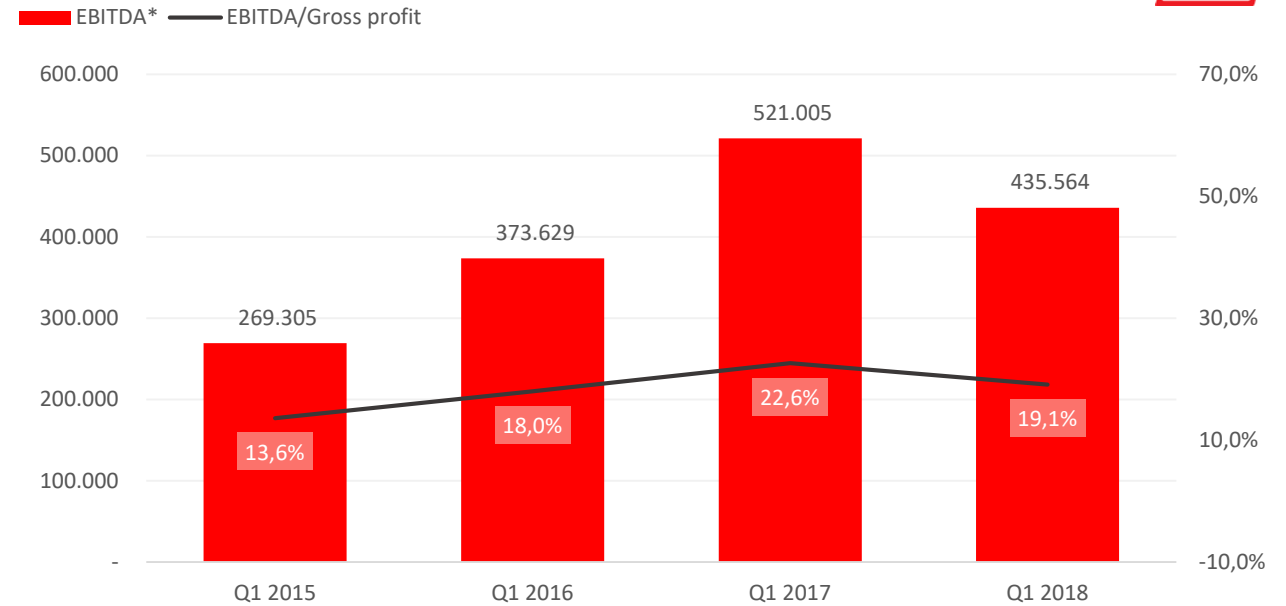
Financials

# OPERATIONS IN Q1 2018

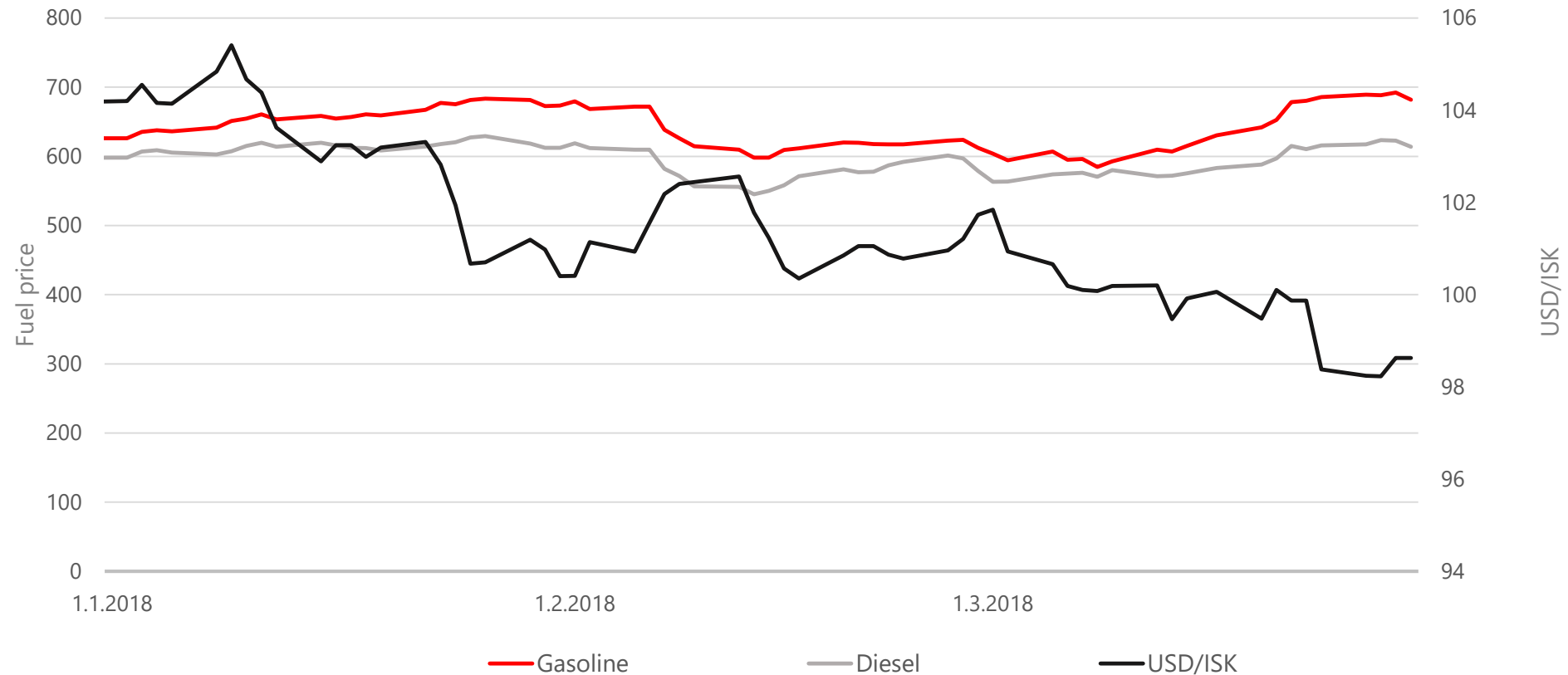
## Income statement Q1 2018

Income statement				
Amounts are in ISK thousand	Q1 2018	Q1 2017	Change	% Chg.
Gross profit	2.282.283	2.305.243	-22.960	-1,0%
Other operating income	105.504	102.757	2.747	2,7%
Salaries and other personnel expenses	-1.094.175	-1.065.124	29.051	2,7%
Sales and distribution expenses	-467.325	-422.438	44.887	10,6%
Other operating expenses	-390.723	-399.433	-8.710	-2,2%
EBITDA*	435.564	521.005	-85.441	-16,4%
<b>Key Figures</b>				
EBITDA*/Gross profit	19,1%	22,6%	-3,5%	-15,6%
Salaries/Gross profit	47,9%	46,2%	1,7%	3,8%
Earnings per share	0,31	0,90	-0,59	-65,6%

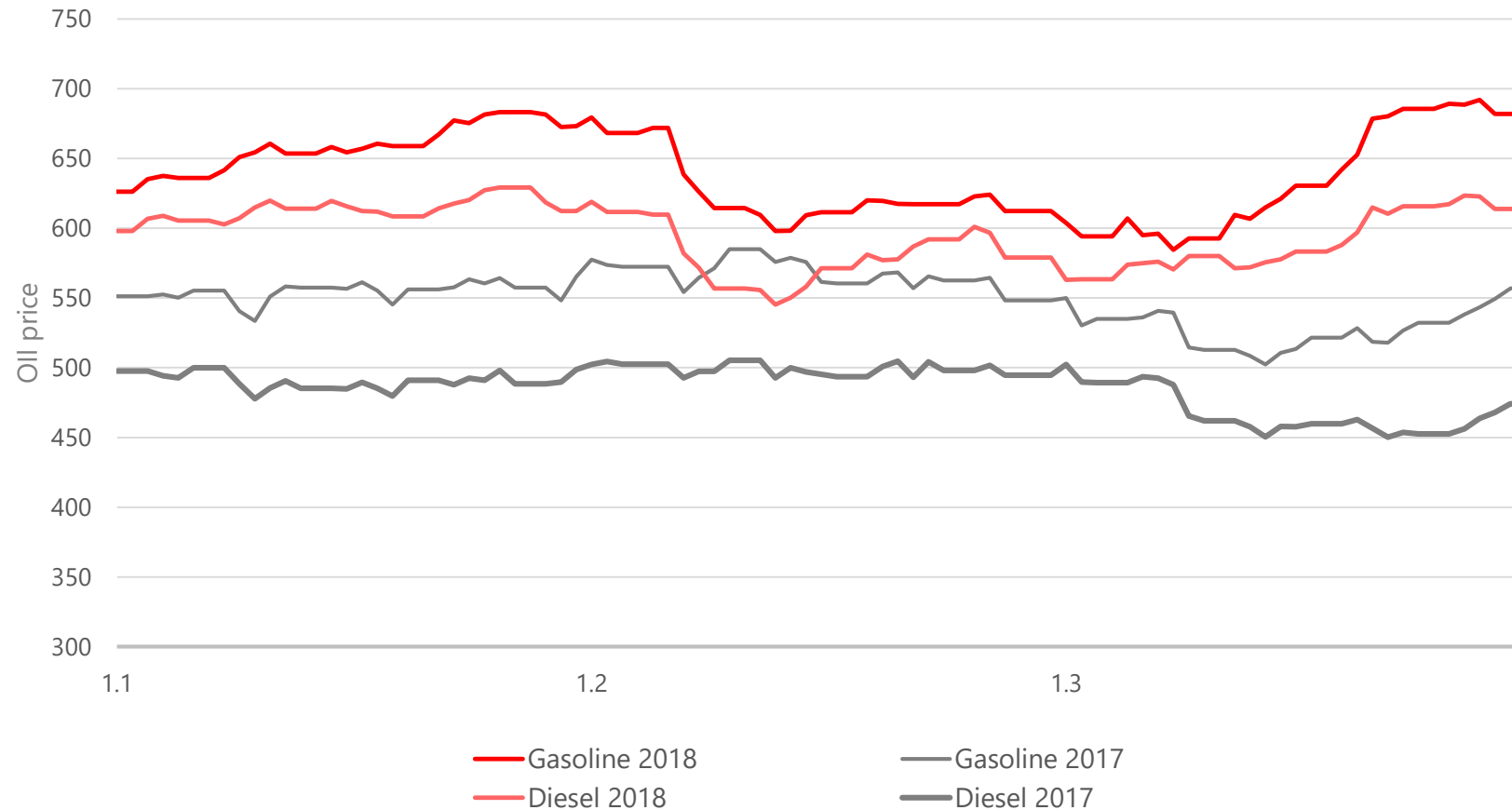
\*EBITDA, excluding the cost related to the planned acquisition of Festi hf.



# FUEL PRICE AND USD/ISK EXCHANGE RATE DEVELOPMENT Q1 2018



# FULE PRICE DEVELOPMENT Q1 2017 / Q1 2018



## Development in Q1 2018:

- Gasoline price increases by 8,9%. Difference of lowest and highest price 20,7%
- Diesel price increases by 2,6%. Difference between lowest and highest price 19,7%
- USD weakens by 5,3% against ISK. Difference between lowest and highest exchange rate 7,3%.

## Development in Q1 2017:

- Gasoline price increases by 1,3%. Difference of lowest and highest price 16,5%
- Diesel price decreases by 4,7%. Difference between lowest and highest price 12,2%
- USD weakens by 1,1% against ISK. Difference between lowest and highest exchange rate 9,5%.

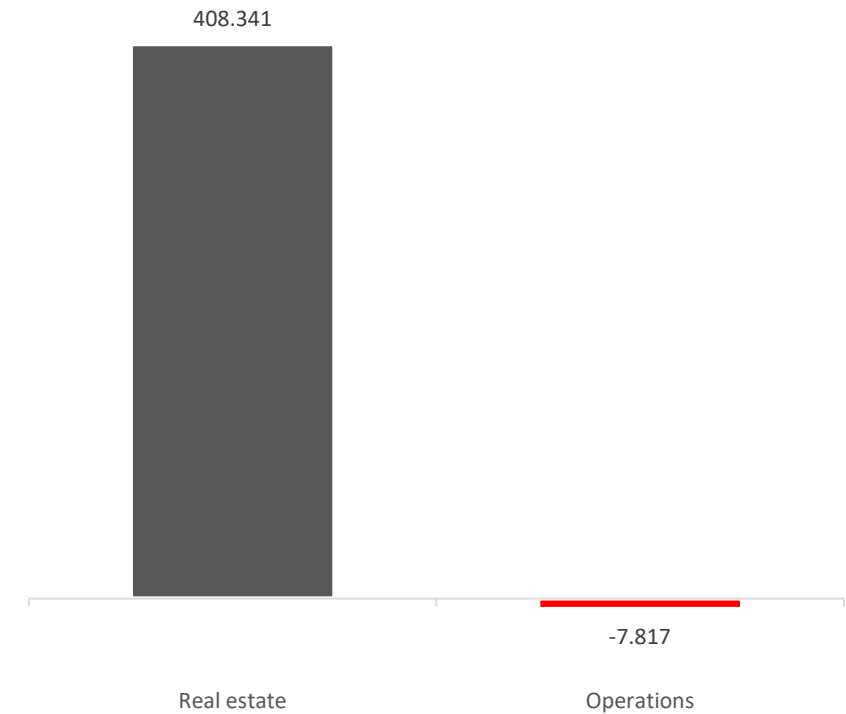
# OPERATING SEGMENTS

## Statement of Financial Position (Assets)

Amounts are in ISK thousand	Q1 2018	Q1 2017	Change	% Chg.
Intangible assets	205.678	245.065	-39.387	-16,1%
Property and equipment	16.870.359	15.722.395	1.147.964	7,3%
Shares in associates and other companies	1.869.190	1.819.520	49.670	2,7%
Bonds	116.437	32.490	83.947	258,4%
<b>Non-current assets</b>	<b>19.061.664</b>	<b>17.819.470</b>	<b>1.242.193</b>	<b>7,0%</b>
Inventories	3.251.747	3.086.549	165.198	5,4%
Trade receivables	3.050.667	2.717.951	332.716	12,2%
Receivable from related parties	155.365	14.272	141.093	988,6%
Other short-term receivables	391.383	304.902	86.481	28,4%
Cash and cash equivalents	2.386.883	1.841.753	545.130	29,6%
<b>Current assets</b>	<b>9.236.045</b>	<b>7.965.427</b>	<b>1.270.618</b>	<b>16,0%</b>
<b>Total assets</b>	<b>28.297.709</b>	<b>25.784.897</b>	<b>2.512.812</b>	<b>9,7%</b>

## Segment EBITDA

■ Real estate ■ Operations





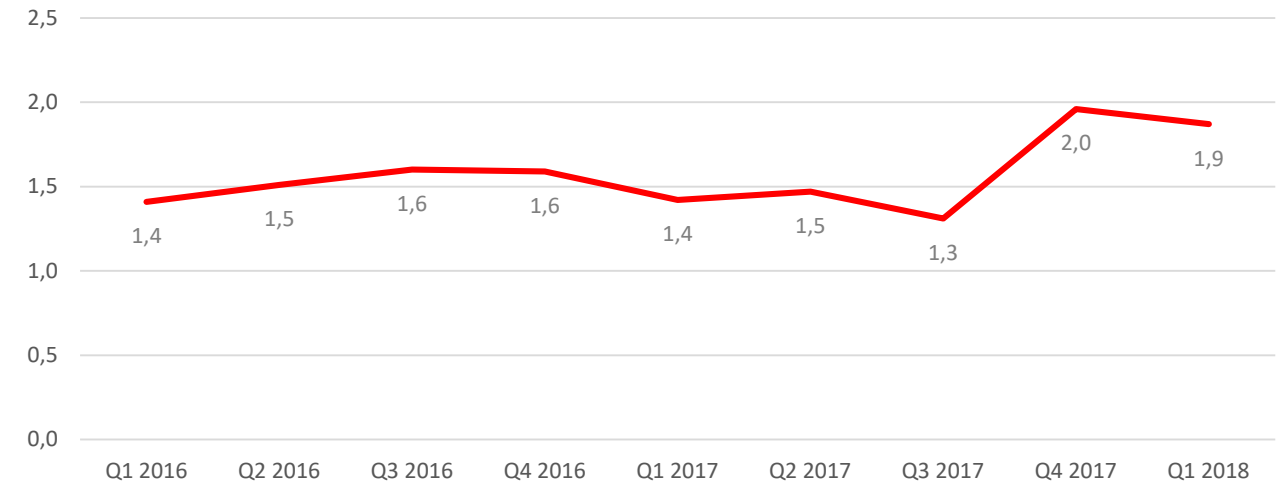
# STATEMENT OF FINANCIAL POSITION

Assets at the end of the period

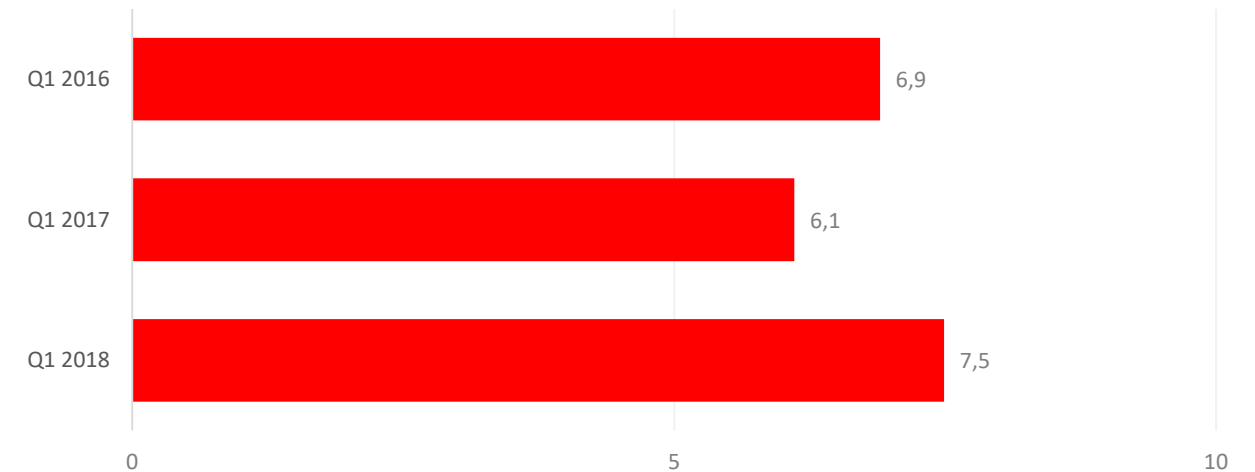
## Statement of Financial Position (Assets)

Amounts are in ISK thousand	Q1 2018	Q1 2017	Change	% Chg.
Intangible assets	205.678	245.065	-39.387	-16,1%
Property and equipment	16.870.359	15.722.395	1.147.964	7,3%
Shares in associates and other companies	1.869.190	1.819.520	49.670	2,7%
Other assets	116.437	32.490	83.947	258,4%
<b>Non-current assets</b>	<b>19.061.664</b>	<b>17.819.470</b>	<b>1.242.193</b>	<b>7,0%</b>
Inventories	3.251.747	3.086.549	165.198	5,4%
Trade receivables	3.050.667	2.717.951	332.716	12,2%
Receivable from related parties	155.365	14.272	141.093	988,6%
Other short-term receivables	391.383	304.902	86.481	28,4%
Cash and cash equivalents	2.386.883	1.841.753	545.130	29,6%
<b>Current assets</b>	<b>9.236.045</b>	<b>7.965.427</b>	<b>1.270.618</b>	<b>16,0%</b>
<b>Total assets</b>	<b>28.297.709</b>	<b>25.784.897</b>	<b>2.512.812</b>	<b>9,7%</b>

## Current ratio



## Inventory turnover



\*Inventory turnover is calculated as cost of goods sold divided by the average carrying amount of inventory as disclosed in published financial statements:  
 $\text{COGS} / (\text{Inventory as at 1 January} + \text{Inventory as at 31 March}) / 2$

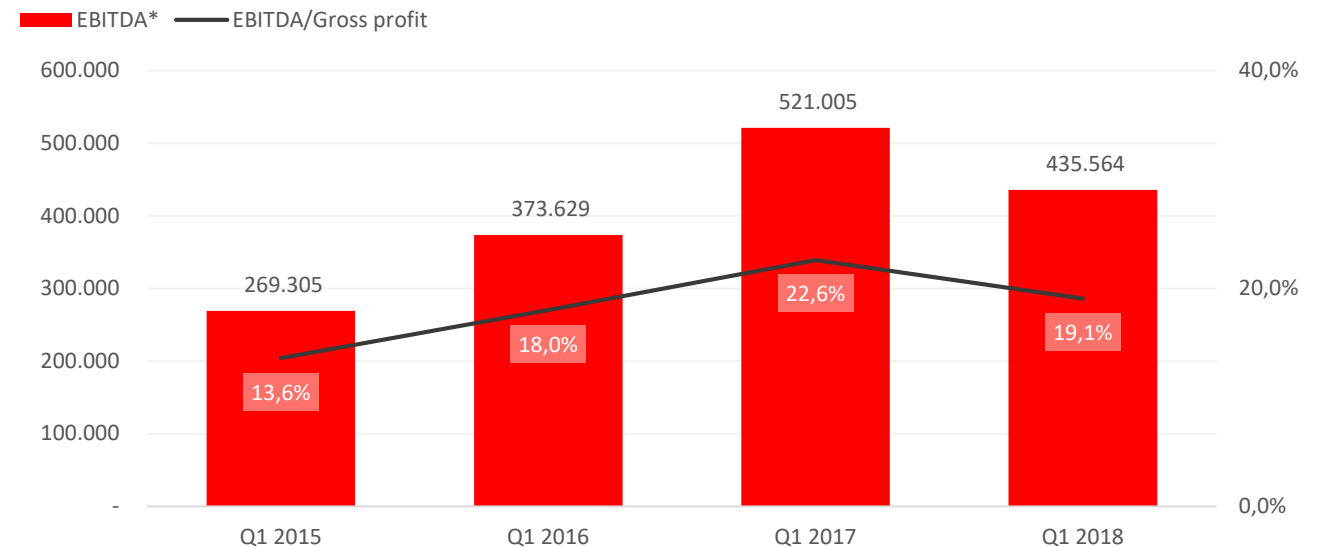
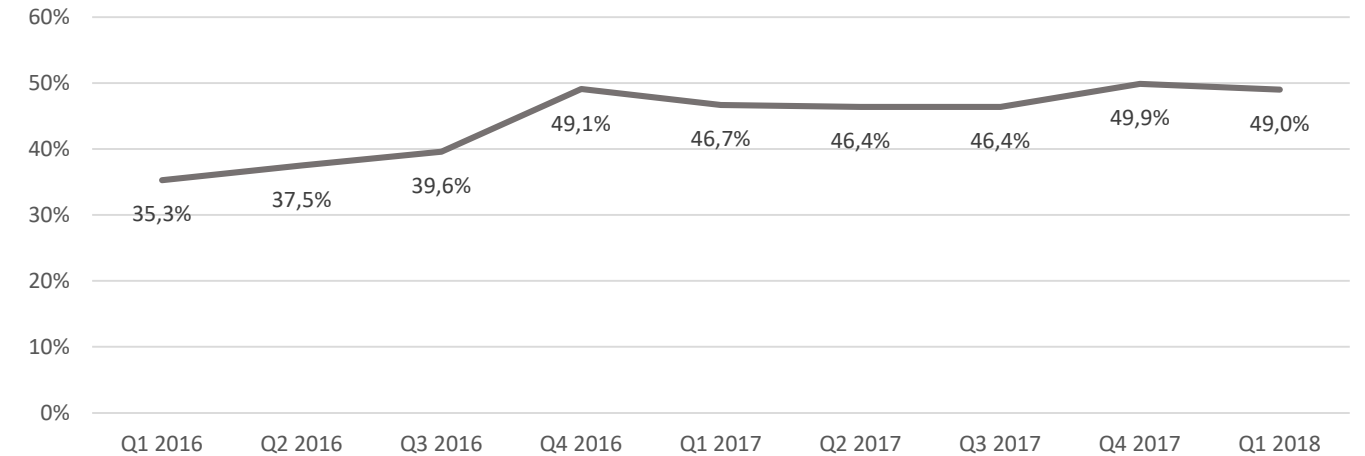


# STATEMENT OF FINANCIAL POSITION

Equity and liabilities at the end of the period

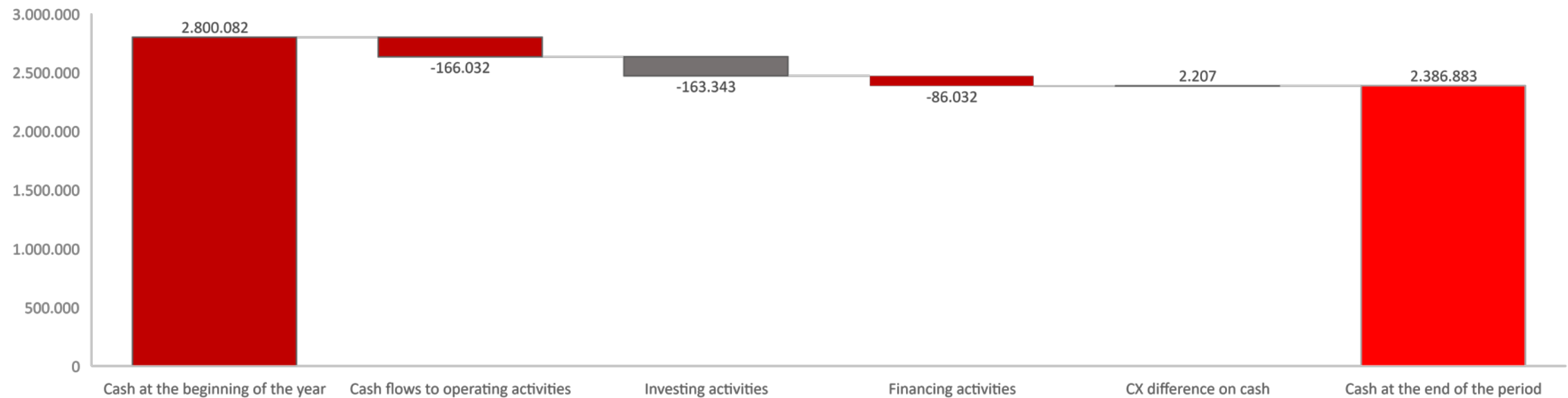
Statement of Financial position (equity and liabilities)				
Amounts are in ISK thousand	Q1 2018	Q1 2017	Change	% Chg.
<b>Equity</b>	13.872.780	12.053.078	1.819.702	15,1%
Payable to credit institutions	8.000.000	6.500.000	1.500.000	23,1%
Deferred tax liabilities	1.473.710	1.490.304	-16.594	-1,1%
Deferred income	0	143.503	-143.503	-100,0%
<b>Non-current liabilities</b>	9.473.710	8.133.807	1.339.903	16,5%
Current tax	380.479	493.070	-112.591	-22,8%
Payable to the Icelandic State	2.675.536	2.554.242	121.294	4,7%
Trade payables	1.145.841	919.046	226.796	24,7%
Payable to related parties	67.079	185.465	-118.386	-63,8%
Deferred income	176.733	227.674	-50.941	-22,4%
Unpaid declared dividend	0	750.000	-750.000	-100,0%
Other short-term liabilities	505.551	468.515	37.036	7,9%
<b>Current liabilities</b>	4.951.219	5.598.012	-646.793	-11,6%
<b>Total equity and liabilities</b>	28.297.709	25.784.898	2.512.812	9,7%

Equity ratio

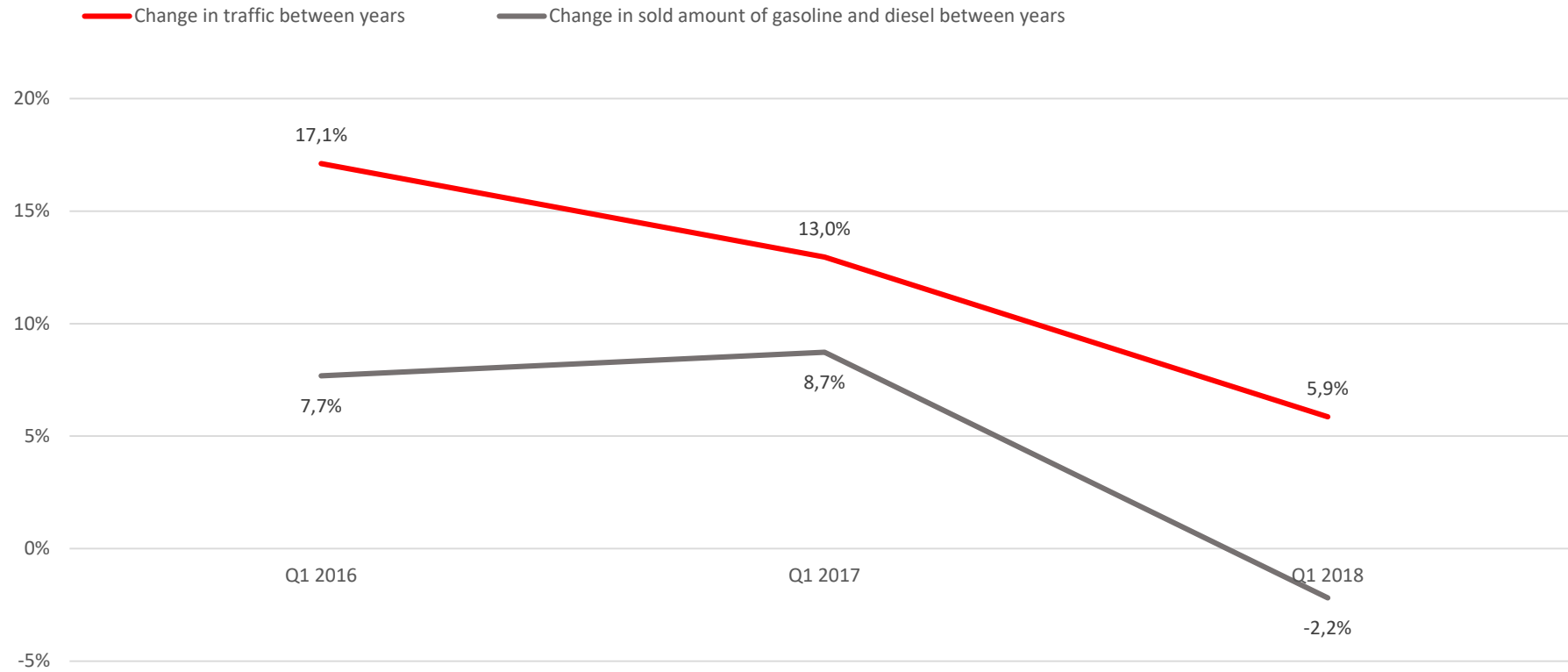


# STATEMENT OF CASH FLOWS

Amounts are in ISK thousand	Q1 2018	Q1 2017	Change	% Chg.
Cash and cash equivalents at the beginning of the year	2.800.082	2.266.435	533.647	23,5%
Cash flows to operating activities	-166.032	-163.671	-2.361	1,4%
Investing activities	-163.343	-170.683	7.340	-4,3%
Financing activities	-86.032	-95.755	9.723	-10,2%
Currency exchange difference on cash and cash equivalents	2.207	5.428	-3.221	-59,3%
Cash and cash equivalents at the end of the period	2.386.883	1.841.753	545.130	29,6%



# TRAFFIC DEVELOPMENT AND SALE OF GASOLINE





# SHARE PRICE DEVELOPMENT



## Shareholders (10 largest)

Lífeyrissjóður verslunarmanna	13,3%
Lífeyrissjóður starfsmanna ríkisins A-division & B-division	11,6%
Gildi - lífeyrissjóður	9,3%
Lansdowne Ícav Lansdowne Euro	8,1%
Wellington	7,0%
Birta lífeyrissjóður	6,2%
Landsbréf	6,1%
Almennir lífeyrissjóðurinn	4,6%
Kvika banki hf.	3,0%
Stapi lífeyrissjóður	2,8%

## Market information

Issued shares	250 M
Market cap at the end of March 2018	ISK 28.500 M
Market cap at the end of March 2017	ISK 32.250 M
Number of shareholders	1.029
Annual return from registration	32,9%
Annual return from 2015	39,7%



Position and outlook

# POSITION AND OUTLOOK

## Financial forecast for the year 2018

- Unchanged estimation of EBITDA for the year 2018, estimated to be in the range of ISK 3,500 to 3,700 million, excluding expenses related to the planned acquisition of Festi hf.

## Assumptions:

- Slower increase in number of foreign tourists in 2018 compared to 2017
- Increase in domestic operations expenses
- Exchange rate USD/ISK close to 102
- Turmoil in oil markets and exchange rate of ISK will cause fluctuations in gross profit and working capital position

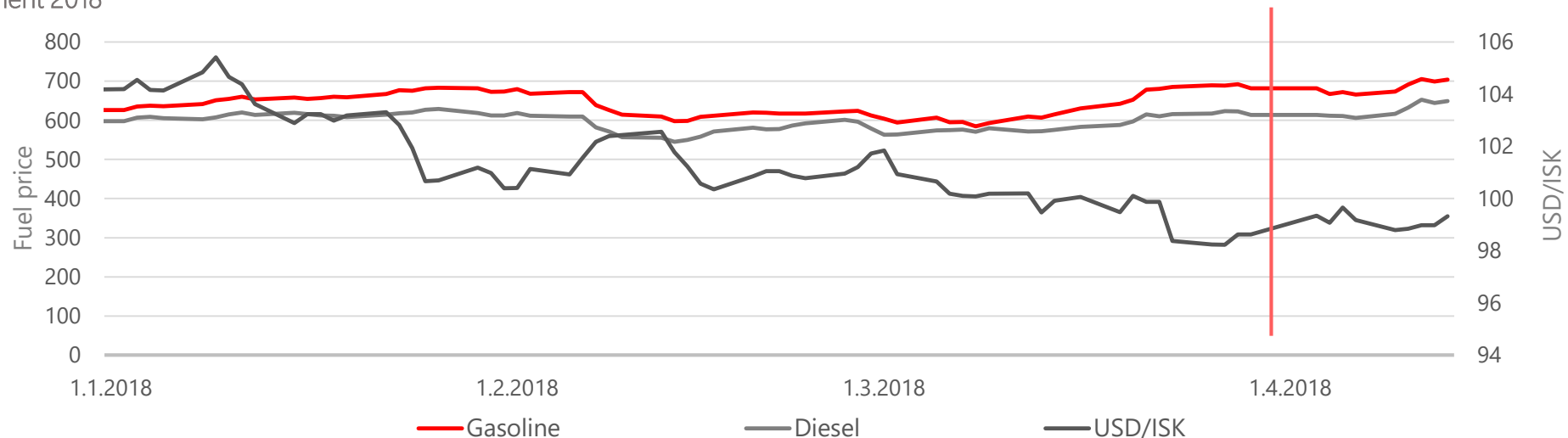
## Investments

- Annual investments of approximately ISK 800 million
- Investments in service stations to continue
- Investments in tanks and gas pumps
- Investments related to car service operations

## Festi hf.

- The acquisition announcement due to acquisition of Festi revoked,, the company will submit a new merger announcement.
- It is N1's hope that the conclusion will be reached before the end of second quarter of 2018

## Fuel price development 2018







Thank you



# DICLAIMER

- All information in this presentation is based on sources which N1 hf. considers reliable at the time of publication, but it cannot be guaranteed that the information is infallible.
- All information in this presentation is owned by N1 hf. It is not permitted to copy, change or distribute in any way information from this presentation, in part or its entirety.
- This presentation is only intended for information purposes and is not part of, or a basis for, any decisions made by the recipient. Recipients should not interpret information in this presentation as a promise or as instructions. N1 hf. is not obliged to provide recipients of this presentation with further information about the company or to make changes or corrections to the presentation if information upon which it is based changes.
- The company's future outlook is dependent on a number of risks and uncertainties which may have the effect that the actual result in the future is considerably different to the scenario described in this presentation. This includes factors such as exchange rates, the global price of fuel, the availability of funding, new legislation coming into effect and the impact of regulators, etc.
- N1 hf. wishes to point out that recipients of the presentation should not rely on statements contained within in the future since they are only applicable on the date of publication of the presentation. All statements concerning the company's future prospects are entirely valid with respect to this proviso.
- By receiving this presentation the recipient agrees that they are bound by the above provisos and limitations.