

Presentation of Q1 2021 results

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FESTI

CONSOLIDATED HIGHLIGHTS

ISK 1,505 m

EBITDA Q1 2021

24.6%

Margin from sales

4.01

NIBD/EBITDA

ISK 2,463 m

Cash and cash equivalents

29.3%

EBITDA/Margin from sales Q1 2021

54.8%

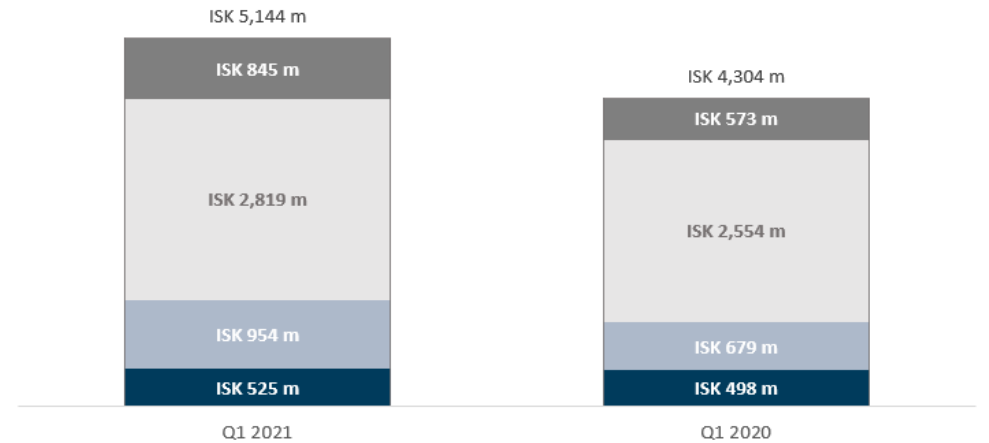
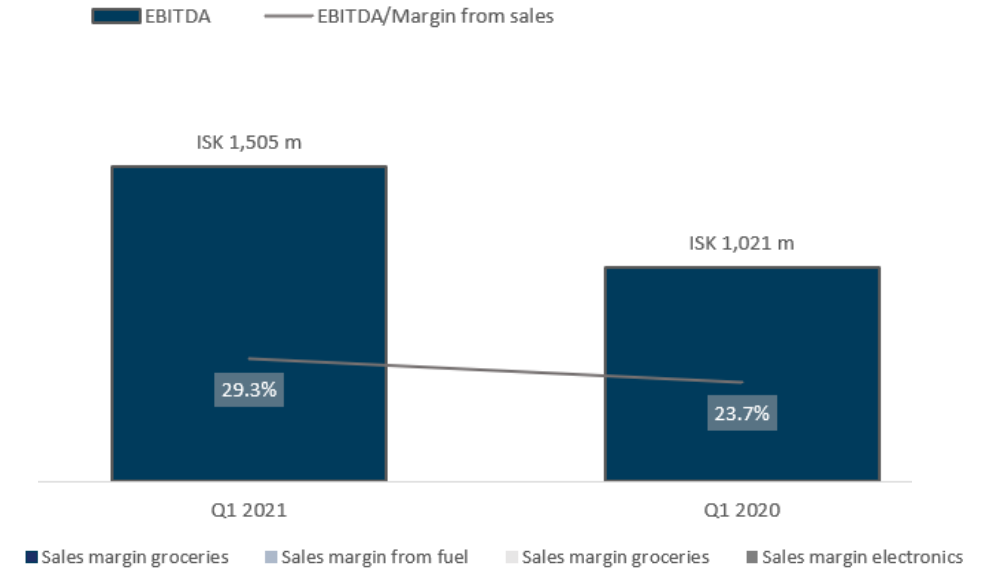
Salaries/Margin from sales Q1 2021

CONSOLIDATED OPERATIONS IN Q1

Amounts are in ISK million

	Q1 2021	Q1 2020	Change	% Chg.
Sale of goods and services	20,917	18,831	2,087	11.1%
Margin from sale of goods and services	5,144	4,304	840	19.5%
Lease revenue and operating income	455	374	81	21.6%
Salaries and personnel expenses	-2,818	-2,405	-413	17.2%
Other operating expenses	-1,276	-1,253	-24	1.9%
EBITDA	1,505	1,021	484	47.5%
Key Figures				
EBITDA/Margin from sales	29.3%	23.7%	5.5%	23.4%
Salaries/Margin from sales	54.8%	55.9%	-1.1%	-2.0%
Earnings per share	0.91	0.16	0.8	468.8%

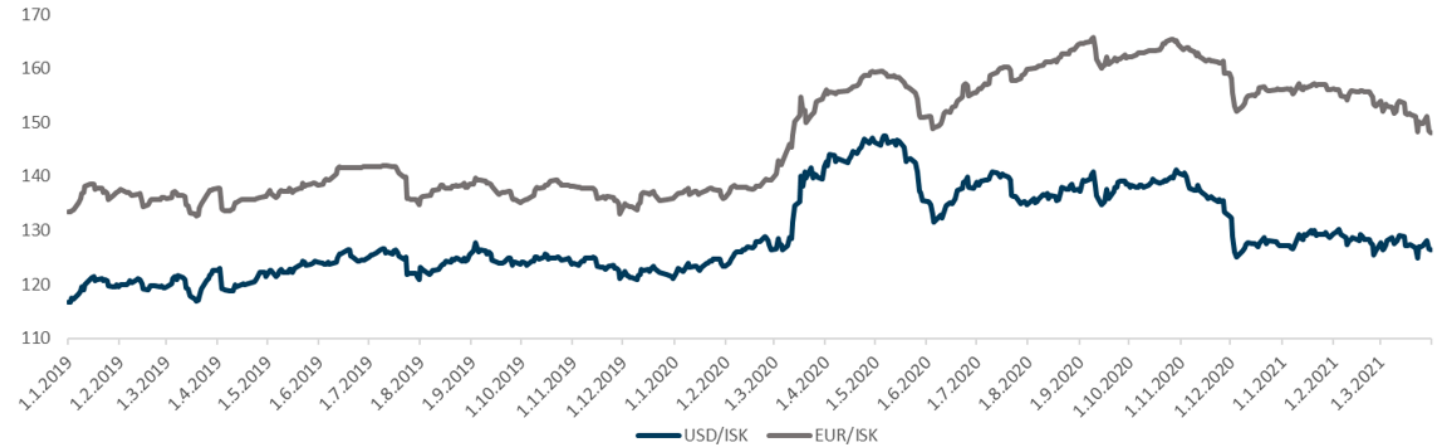
- Sale of goods and services ISK 20,917 million, increase of 11.1% YoY.
- Margin from sales ISK 5,144 million, increase of 19.5% YoY.
- Number of full-time employees 1,120, increase of 4.3% YoY.
- COVID-19 related cost ISK 37 million in salaries and other operating expenses.
- EBITDA ISK 1,505 million in Q1 2021, increase of 47.5% YoY.



HIGHLIGHTS Q1

- Volatility in USD/ISK and EUR/ISK
- USD/ISK decreased by 0.6% and the difference between highest and lowest exchange rate in Q1 is 4.3%
- EUR/ISK decreased by 5.2% and the difference between the highest and lowest exchange rate in Q1 is 6.1%
- The Q1 2021 average price of diesel fuel was 496.9 USD, compared to an average of 471.9 USD in Q1 2020, an increase of 5.3%.
- The Q1 2021 average price of gasoline was 568.2 USD, compared to an average of 475.0 USD in Q1 2020, an increase of 19.6%.
- The Q1 2021 average price of USD/ISK was 128.0 compared to 128.4 in Q1 2020, a decrease of 0.2%

Exchange rate development



Price development of Mogas 95 and Diesel





- Revenue was ISK 6,688 million, a decrease of 3.9% YoY
- COVID-19 restrictions had lower effects on sales in Q1 2020
- Sales of fuel and electricity decreased 8.3% YoY
- Sales of grocery and convenience goods decreased by 4% YoY
- Sales of other goods increased by 2,6% YoY.
- EBITDA was ISK 432 million, increase of 201,1% YoY.
- Negative impact of ISK 140 million in Q1 2020 relating to price crash in oil markets.
- Global oil markets are favorable in Q1 2021 compared to Q1 2020.
- Ísey skyr bar is doing well and the number of outlets will increase during the year.
- N1 web store going off to a good start.

Amounts are in ISK million	Q1 2021	Q1 2020	Change	%Change
Total segment revenue	6,688	6,958	-270	-3.9%
Total operating expenses of segments	-6,256	-6,815	559	-8.2%
Segment EBITDA	432	144	289	201.1%
Segment depreciation and amortisation	-488	-447	-41	9.1%
Operating result of segments	-55	-303	248	-81.7%
Financial expenses	-206	-150	-56	37.6%
Income tax expense	51	91	-40	-44.0%
(Loss) profit	-211	-362	152	-41.9%
Segment assets	28,928	29,090	-162	-0.6%
Segment capital expenditure	148	147	1	0.8%
Segment liabilities	15,576	16,031	-455	-2.8%

- Revenue was ISK 11,246 m., increase of 19.7% YoY
- Three new stores are a part of the increase and show good results
- Sales exceeded expectations
- Margins were in line with expectations
- EBITDA ISK 878 million, increase of 27.6% YoY
- Emphasis on customer experience with investments in online smartstore and scan and go solutions.
- The sale of Kjarval store at Hella and Krónan store at Nóatún 17 are waiting for the approval from the Competition Authority

Amounts are in ISK million	Q1 2021	Q1 2020	Change	%Change
Total segment revenue	11,246	9,399	1,847	19.7%
Total operating expenses of segments	-10,369	-8,711	-1,657	19.0%
Segment EBITDA	878	688	190	27.6%
Segment depreciation and amortisation	-386	-323	-64	19.7%
Operating result of segments	491	365	126	34.6%
Financial expenses	-105	-112	7	-6.3%
Income tax expense	-77	-50	-27	53.7%
Profit	309	203	106	52.4%
Segment assets	15,673	13,275	2,398	18.1%
Segment capital expenditure	168	161	8	4.8%
Segment liabilities	13,432	11,276	2,156	19.1%

- Revenue was ISK 3.254 million, increase of 25.8% YoY.
- Congregation ban had a positive impact on sales.
- ELKO online store showing constant increase.
- New store in Akureyri is getting off to a good start.
- EBITDA was ISK 307 million, increase of 88.5% YoY.
- Emphasis on services and product range.

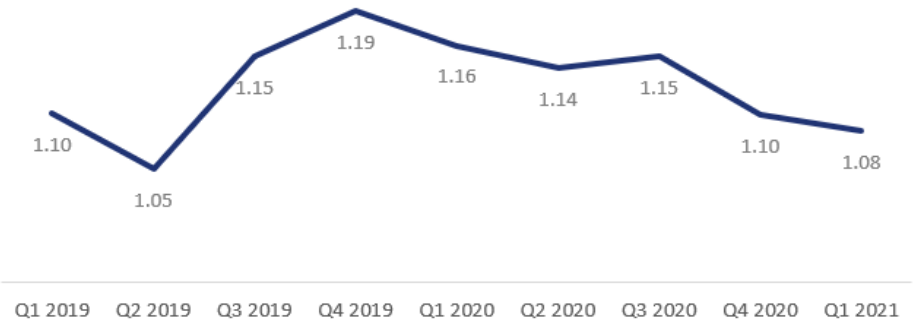
Amounts are in ISK million	Q1 2021	Q1 2020	Change	%Change
Total segment revenue	3,254	2,587	667	25.8%
Total operating expenses of segments	-2,948	-2,424	-523	21.6%
Segment EBITDA	307	163	144	88.5%
Segment depreciation and amortisation	-106	-86	-19	22.4%
Operating result of segments	201	76	125	163.2%
Financial expenses	-24	-22	-2	11.2%
Income tax expense	-35	-11	-24	223.2%
Profit	142	44	98	223.2%
Segment assets	4,715	3,915	801	20.5%
Segment capital expenditure	56	31	26	82.7%
Segment liabilities	3,343	2,675	668	25.0%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts are in ISK million	31.3.2021	31.12.2020	Change	% Chg.
Goodwill	14,668	14,668	0	0.0%
Other Intangible assets	4,918	4,971	-54	-1.1%
Property and equipment	32,173	32,297	-125	-0.4%
Leased assets	5,323	5,420	-96	-1.8%
Investment properties	7,404	7,467	-63	-0.8%
Shares in associates	2,157	2,150	7	0.3%
Shares in other companies	13	13	0	0.0%
Long-term receivables	267	272	-5	-1.8%
Non-current assets	66,922	67,258	-331	-0.5%
Inventories	8,466	7,668	798	10.4%
Trade receivables	5,099	4,924	175	3.6%
Other short-term receivables	961	952	9	1.0%
Cash and cash equivalents	2,463	2,563	-100	-3.9%
Current assets	16,989	16,107	882	5.5%
Total assets	83,911	83,365	546	0.7%

- Strong balance sheet
- Higher inventory because of higher global oil prices and increased activity

Current ratio



Inventory turnover



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts are in ISK million	31.3.2021	31.12.2020	Change	% Chg.
Equity	29,227	29,784	-556	-1.9%
Payable to credit institutions	29,256	29,075	181	0.6%
Lease liabilities	5,077	5,181	-103	-2.0%
Deferred tax liabilities	4,680	4,664	16	0.4%
Non-current liabilities	39,013	38,919	94	0.2%
Payable to credit institutions	3,483	3,474	10	0.3%
Lease liabilities	453	430	23	5.3%
Trade payables	6,059	7,019	-960	-13.7%
Other short-term liabilities	5,675	3,739	1,936	51.8%
Current liabilities	15,670	14,662	1,008	6.9%
Total equity and liabilities	83,911	83,365	546	0.7%

- Equity ratio of 34.8%
- Dividend issued in March 21 of ISK 969 million included in short term liabilities. Paid 8 April 2021.
- Current capital structure is in line with company strategy and well within the covenant agreements with credit institutions.

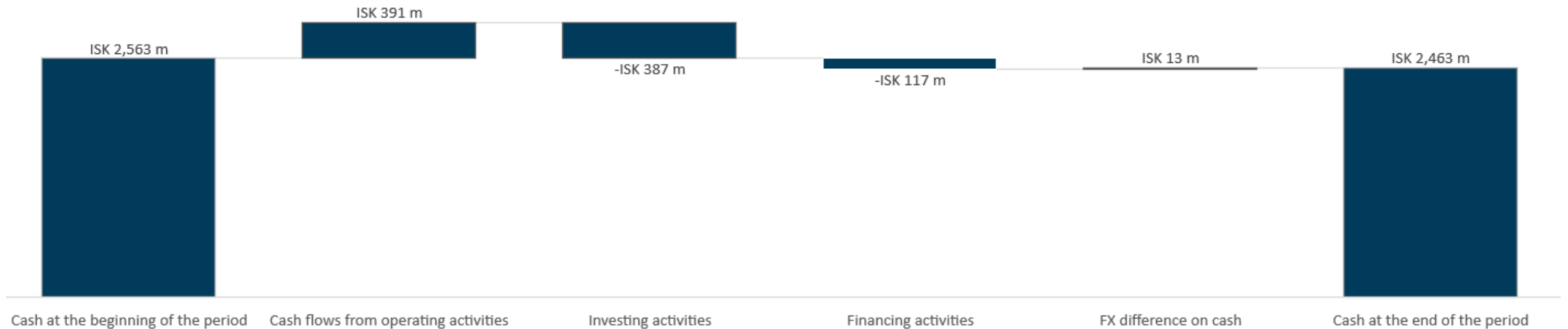
Equity ratio



CONSOLIDATED STATEMENT OF CASH FLOWS Q1

Amounts are in ISK million	Q1 2021	Q1 2020	Change	% Chg.
Cash at the beginning of the period	2,563	5,369	-2,806	-52.3%
Cash flows from operating activities	391	894	-503	-56.3%
Investing activities	-387	-607	220	-36.3%
Financing activities	-117	-645	528	-81.8%
FX difference on cash	13	12	1	6.9%
Cash at the end of the period	2,463	5,023	-2,560	-51.0%

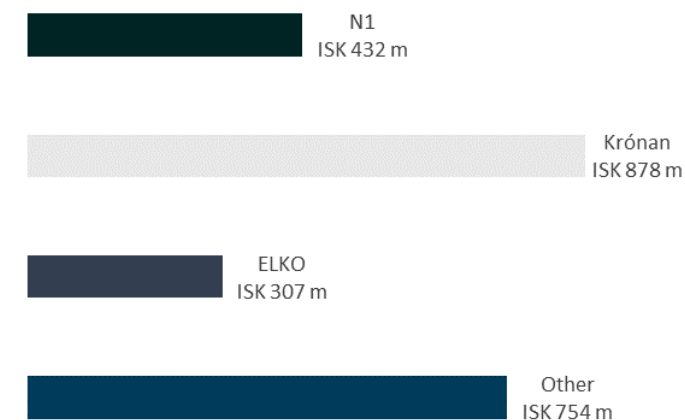
- Decrease in cash from operating activities YoY, ISK 503 million because of higher inventory and lower trade payables
- Investments amounted to 451 million in Q1 2021.
- Decrease in cash in Q1 2021 was ISK 100 million



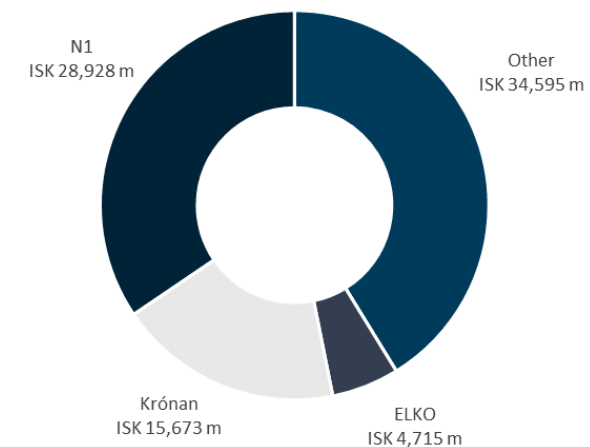
OPERATING SEGMENTS OF THE GROUP – Q1 2021

Amounts are in ISK million	N1	Krónan	ELKO	Other	Total
Total segment revenue	6,688	11,246	3,254	1,753	22,942
Total operating expenses of segments	-6,256	-10,369	-2,948	-998	-20,571
Segment EBITDA	432	878	307	754	2,371
Segment depreciation and amortisation	-488	-386	-106	-357	-1,336
Fair value changes of investment properties	0	0	0	-64	-64
Operating result of segments	-55	491	201	334	971
Financial expenses	-206	-105	-24	-465	-800
Share of profit from associates	0	0	0	45	45
Income tax expense	51	-77	-35	26	-36
Profit	-211	309	142	-60	180
Segment assets	28,928	15,673	4,715	34,595	83,911
Segment capital expenditure	148	168	56	78	451
Segment liabilities	15,576	13,432	3,343	22,333	54,683

Segment EBITDA

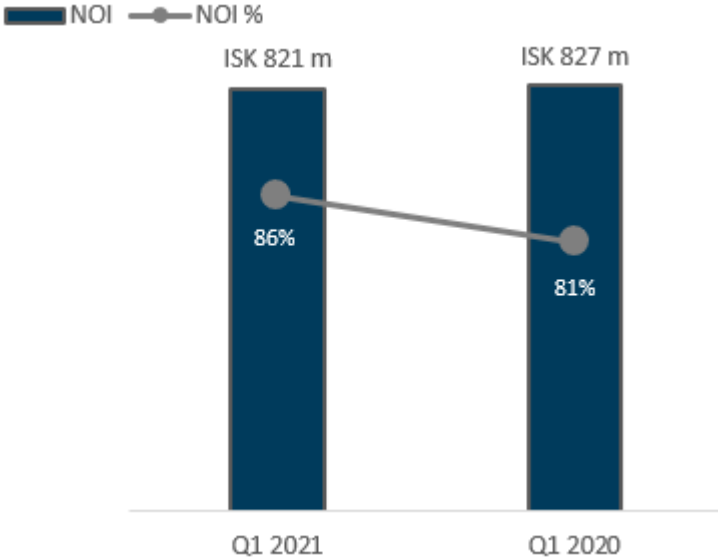


Segment Assets



REAL ESTATE OPERATIONS OF THE GROUP

Properties, key figures	Q1 2021	Q1 2020
NOI*	ISK 821 m	ISK 827 m
NOI ratio	86%	81%
Utilization ratio	97%	97%
LTV**	62%	63%
Number of Festi's properties	92	89
Total square meters	106 thousand m ²	101 thousand m ²
Own use	85%	80%
Leased to third parties	15%	20%



* Net operating income

** Loan-to-value ratio

SHARE PRICE DEVELOPMENT



Shareholders (10 largest)

	%
Lífeyrissjóður verslunarmanna	11.2
Lífeyrissj.starfsm.rík. A-deild	7.9
Gildi - lífeyrissjóður	9.7
Stapi lífeyrissjóður	6.4
Birta lífeyrissjóður	5.6
Almenni lífeyrissjóðurinn	4.8
Brú Lífeyrissjóður starfs sveit	3.1
Frjálsi lífeyrissjóðurinn	3.5
Festa - lífeyrissjóður	3.5
Stefnir - ÍS 15	3.2

Market information

Issued shares	332,7 m
Market cap at the end of March 2021	ISK 61,716 m
Market cap at the end of December 2020	ISK 57,391 m
Number of shareholders	916



POSITION AND OUTLOOK



POSITION AND OUTLOOK FOR 2021

Financial forecast

- In light of Q1 2021 better results and the government plans of vaccination, EBITDA forecast for the year 2021 is increased by ISK 400 million to ISK 7,900 – ISK 8,300 million.

Assumptions:

- Tourism expected to begin from mid year and gradually increase.
- Large fluctuations in ISK exchange rate and global oil markets turmoil can lead to changes in margins and sales
- Decrease in ISK exchange rate has had a negative effect on margins
- Uncertainty due to COVID-19 effects

Highlights:

- All brands are leaders in their markets
- Investment in technological solutions
- Decreasing operating expenses.

Investments:

- Investments are expected ISK 2,800 million in 2021
- Thereof ISK 2,000 in maintenance CAPEX

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