



Investor Presentation
17th May 2019

Consolidated Highlights

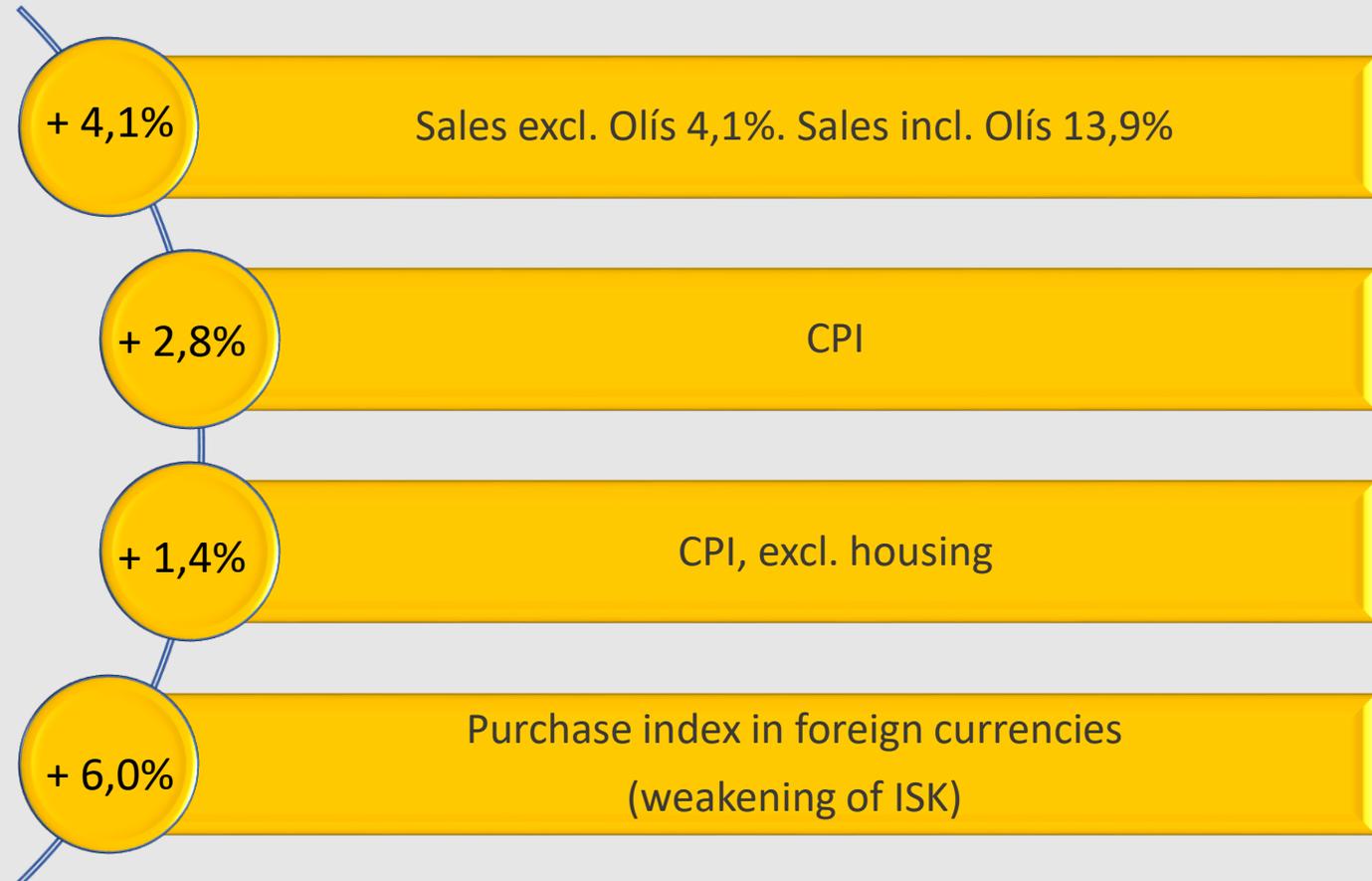
- Comprehensive income for the year ISK 2.317 m or 2,75% of sales
- Earnings per share ISK 2,05
- Sales for the year ISK 84.179 m
- Gross profit for the year 23,8%.
- EBITDA for the year ISK 4.490 m
- EBITDA for the year, excl. non-recurring expenses and income from Olis and DGV, ISK 4.676 m
- Total assets ISK 50.851 m at year end
- Cash and cash equivalents ISK 736 m at year end
- Equity ISK 24.279 m at year end
- Equity ratio 47,7% at year end

Statement of Comprehensive Income

	Q4 2018/19	Q4 2017/18	2018/19	2017/18
	01.12-28.02	01.12-28.02	01.03-28.02	01.03-28.02
Sales	27.924	19.811	84.179	73.895
Cost of goods sold	(21.469)	(14.886)	(64.172)	(55.577)
Gross profit	6.455	4.925	20.007	18.318
Other operating income	179	50	340	294
Salaries and related expenses	(3.082)	(2.091)	(9.194)	(8.103)
Other operating expenses	(2.167)	(1.957)	(6.422)	(6.284)
Expenses relating to business combination	(5)	(60)	(241)	(86)
Profit from operating activities before depreciation and amortisation (EBITDA)	1.380	867	4.490	4.139
Depreciation and amortisation	(530)	(300)	(1.300)	(1.122)
Profit from operating activities (EBIT)	850	567	3.190	3.017
Net finance expense	(175)	(14)	(295)	(68)
Effect of results of associates	(12)	--	(12)	20
Profit before income tax	663	553	2.883	2.969
Income tax	(110)	(92)	(566)	(575)
Comprehensive income for the period	553	461	2.317	2.394

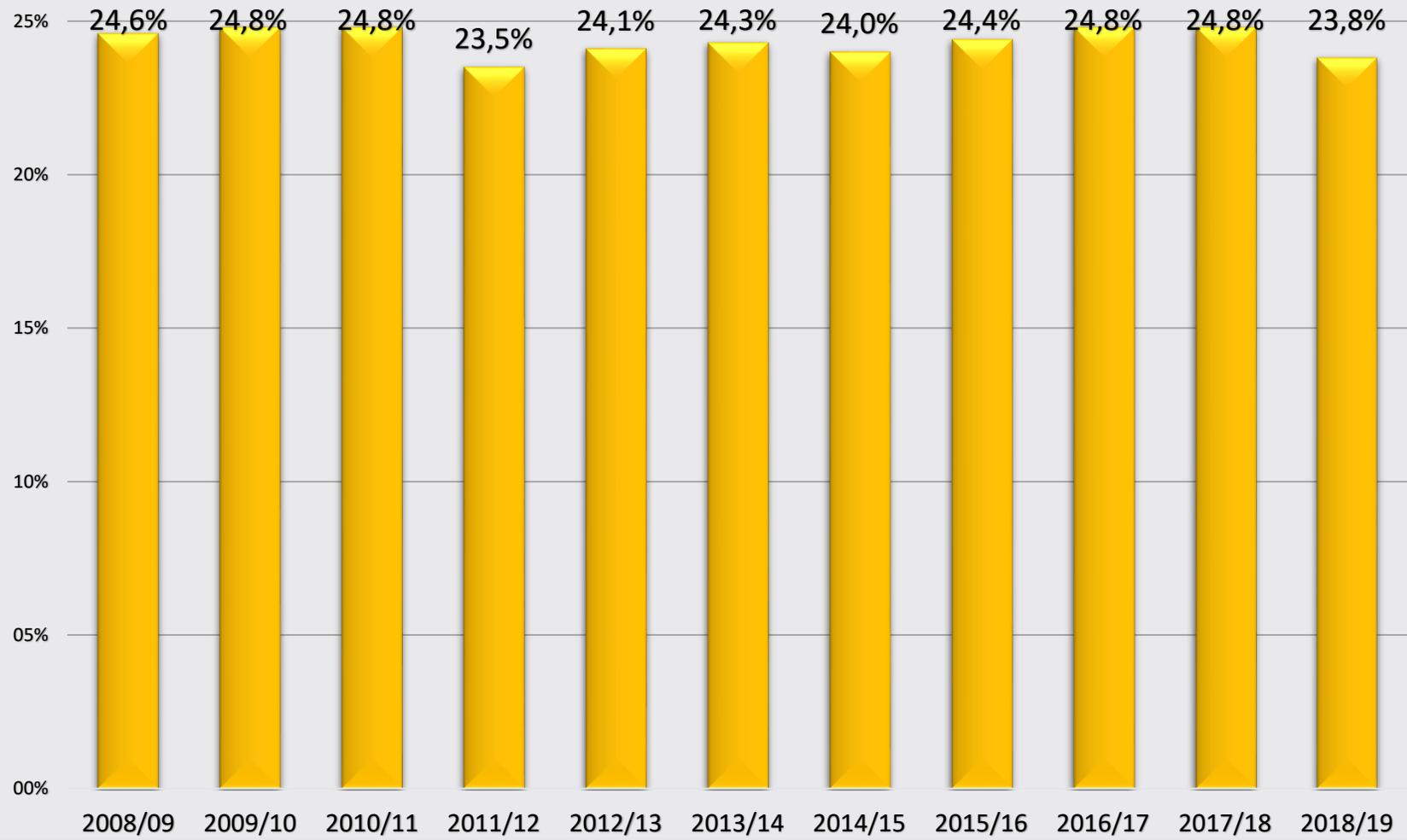
Impact Factors for the year ended 28 February 2019

- Average change in prices and exchange rates



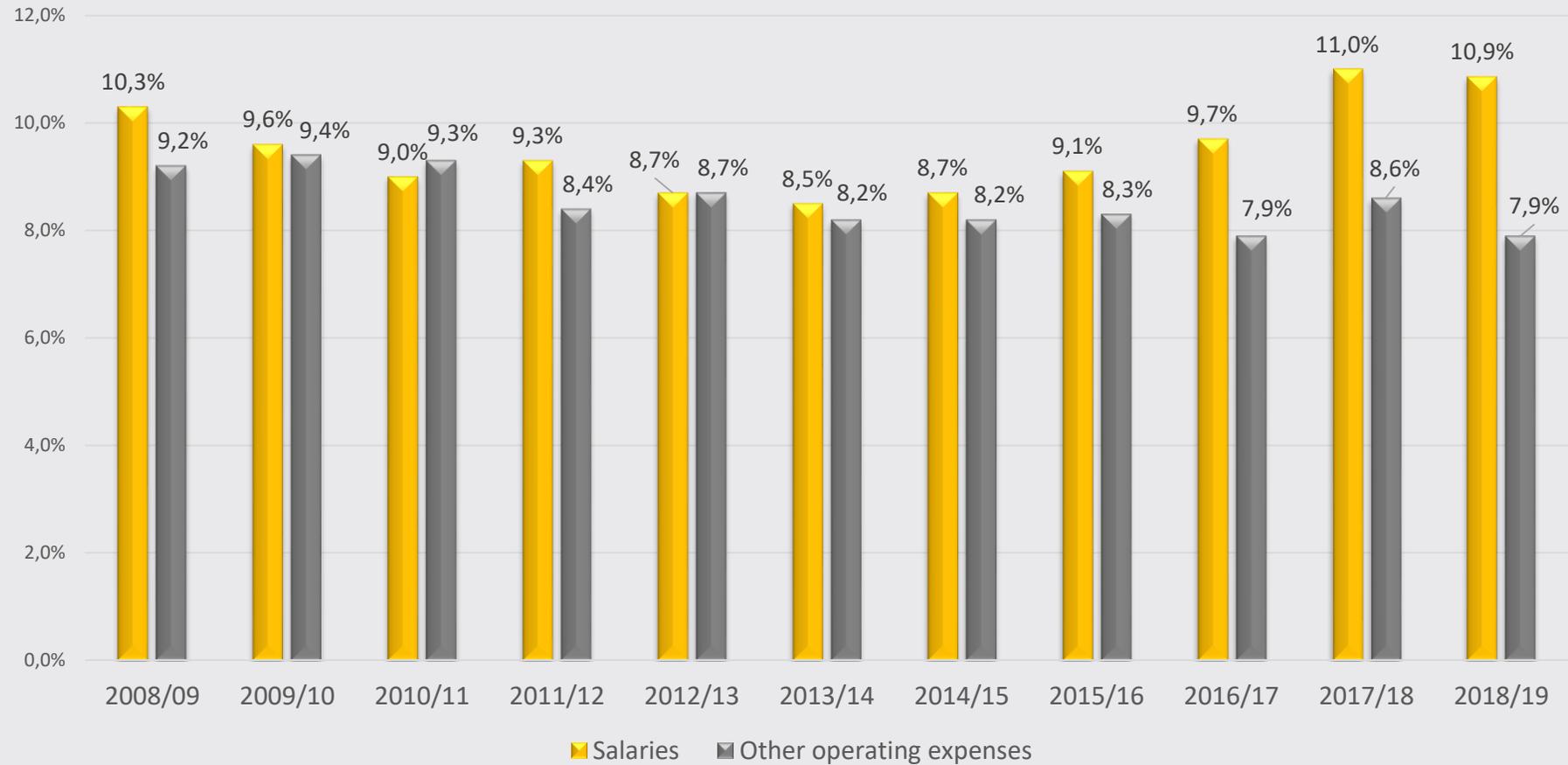
Grocery stores	Qty	Number of customers
Change between years %	+0,9%	+2,0%

Gross Profit %

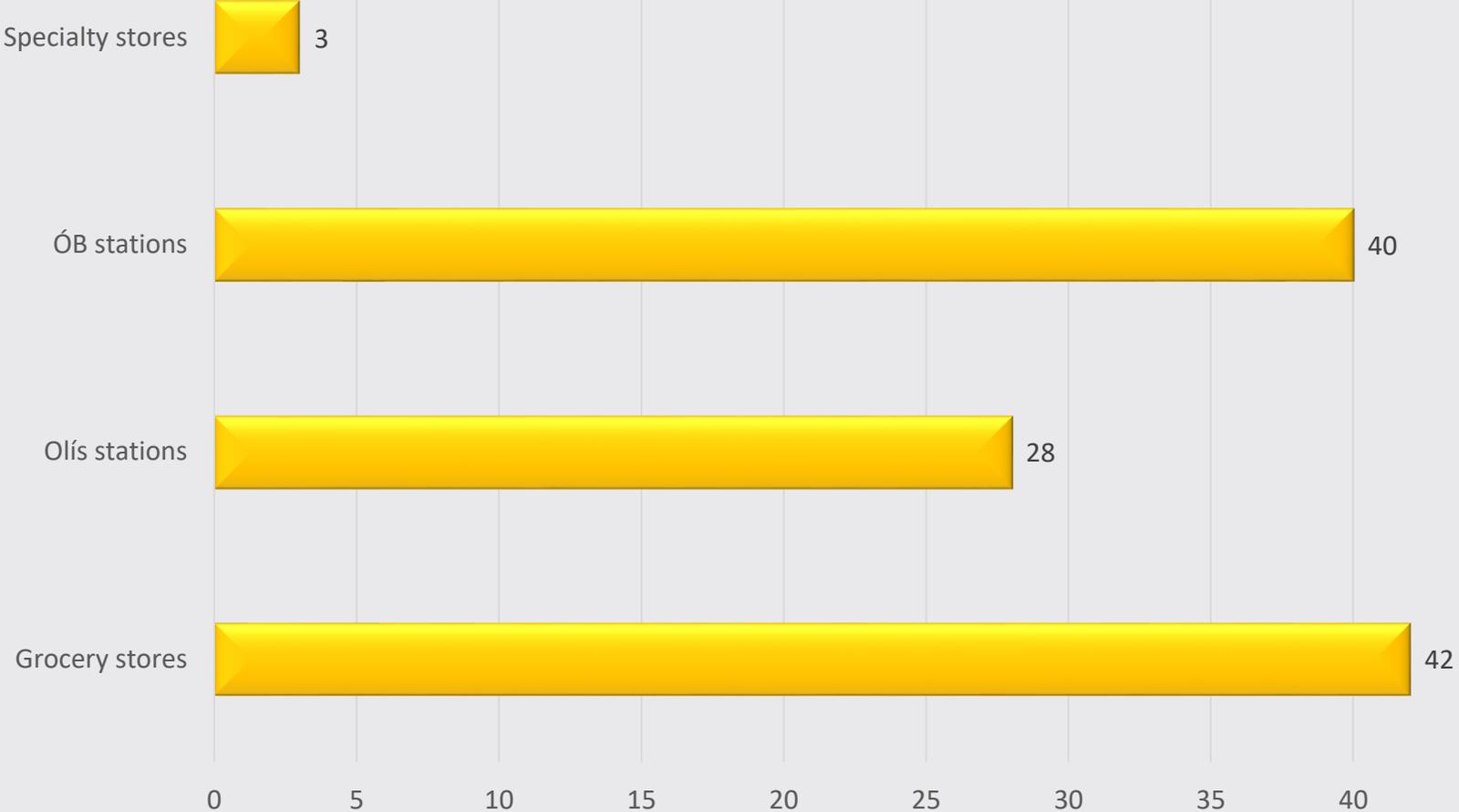


Cost ratios

Salaries & other operating expenses



Number of stores



Balance Sheet

	<u>28.02.2019</u>	<u>28.02.2018</u>
Assets		
Non-current assets	34.896	20.364
Current assets	15.955	9.020
Total assets	50.851	29.384
Equity and liabilities		
Share capital	1.213	1.103
Other equity	23.066	16.854
Total equity	24.279	17.957
Non-current liabilities	6.877	2.935
Current borrowings	8.431	771
Other payables	11.264	7.721
Total liabilities	26.572	11.427
Total equity and liabilities	50.851	29.384

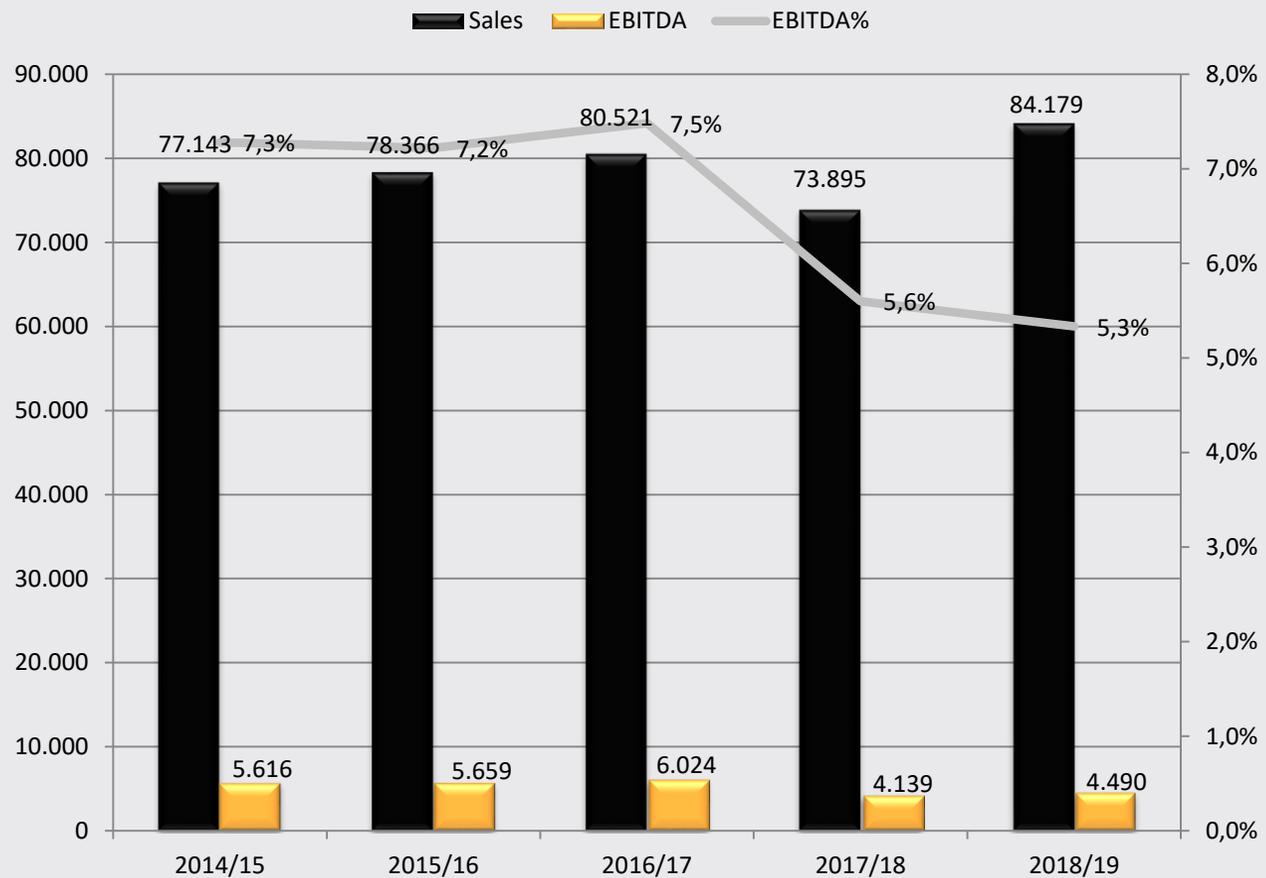
Changes in Equity

	Share capital	Share premium	Legal reserve	Restricted reserve	Retained earnings	Total
Equity at 1 March 2018	1.103	--	239	3.664	12.951	17.957
Comprehensive income for the period					2.317	2.317
Transferred to legal reserve			64		(64)	--
Dividends paid, 1.024 ISK per share					(1.129)	(1.129)
Issue of ordinary share as consideration for business combination	42	1.901				1.943
Own shares granted as consideration for business combination	69	3.122				3.191
Transferred to restricted reserves				1.428	(1.428)	--
Equity at 28 February 2019	1.214	5.023	303	5.092	12.647	24.279

Cash Flows

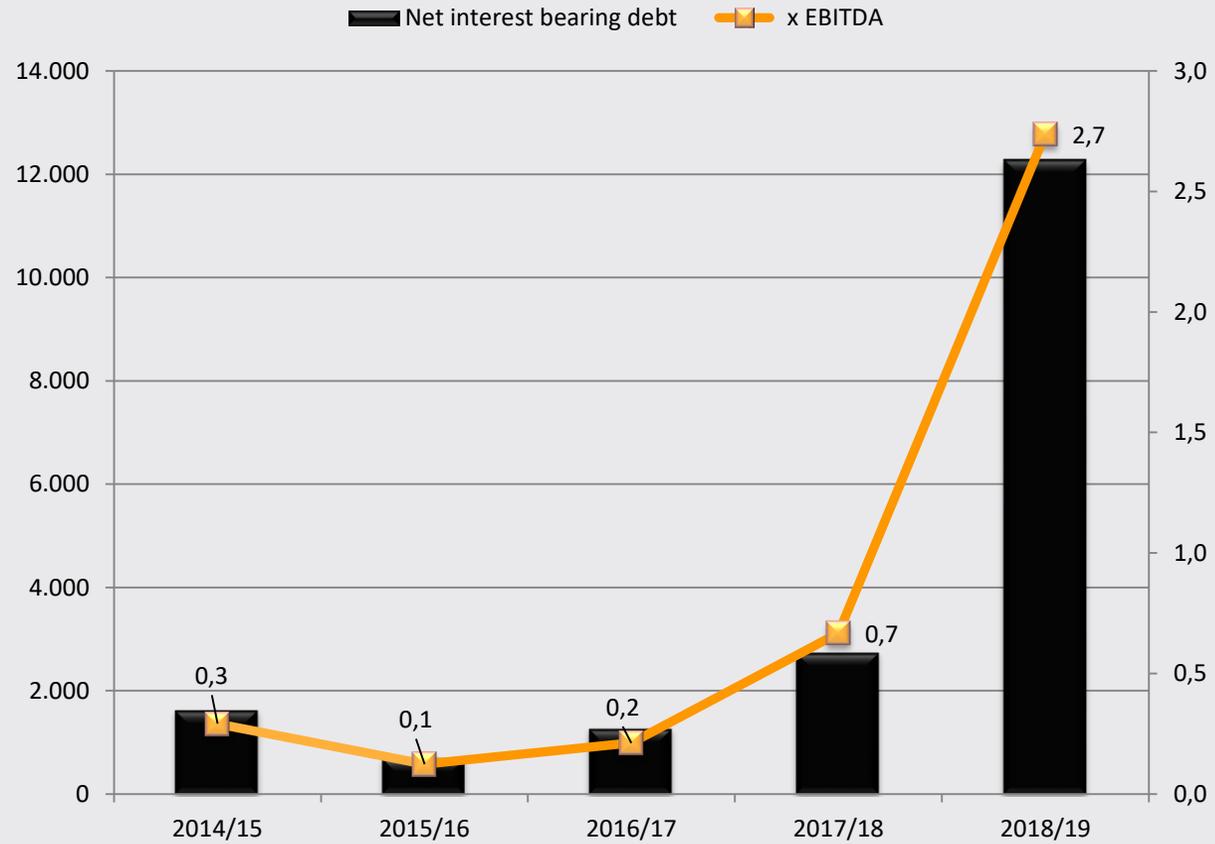
	<i>Q4 2018/19</i>	<i>Q4 2017/18</i>	<i>2018/19</i>	<i>2017/18</i>
	<i>01.12-28.02</i>	<i>01.12-28.02</i>	<i>01.03-28.02</i>	<i>01.03-28.02</i>
Net cash provided by operating activities	1.206	1.485	2.882	2.938
Net cash used in investing activities	(465)	(389)	(6.249)	(2.574)
Net cash used in financing activities	(778)	(1.106)	3.881	(2.616)
<i>Net increase (decrease) in cash and cash equivalents</i>	<i>(37)</i>	<i>(10)</i>	<i>514</i>	<i>(2.252)</i>
Cash and cash equivalents at beginning of the year	773	232	222	2.474
<i>Cash and cash equivalents at the end of the year</i>	<i>736</i>	<i>222</i>	<i>736</i>	<i>222</i>

Sales and EBITDA - ISK million -

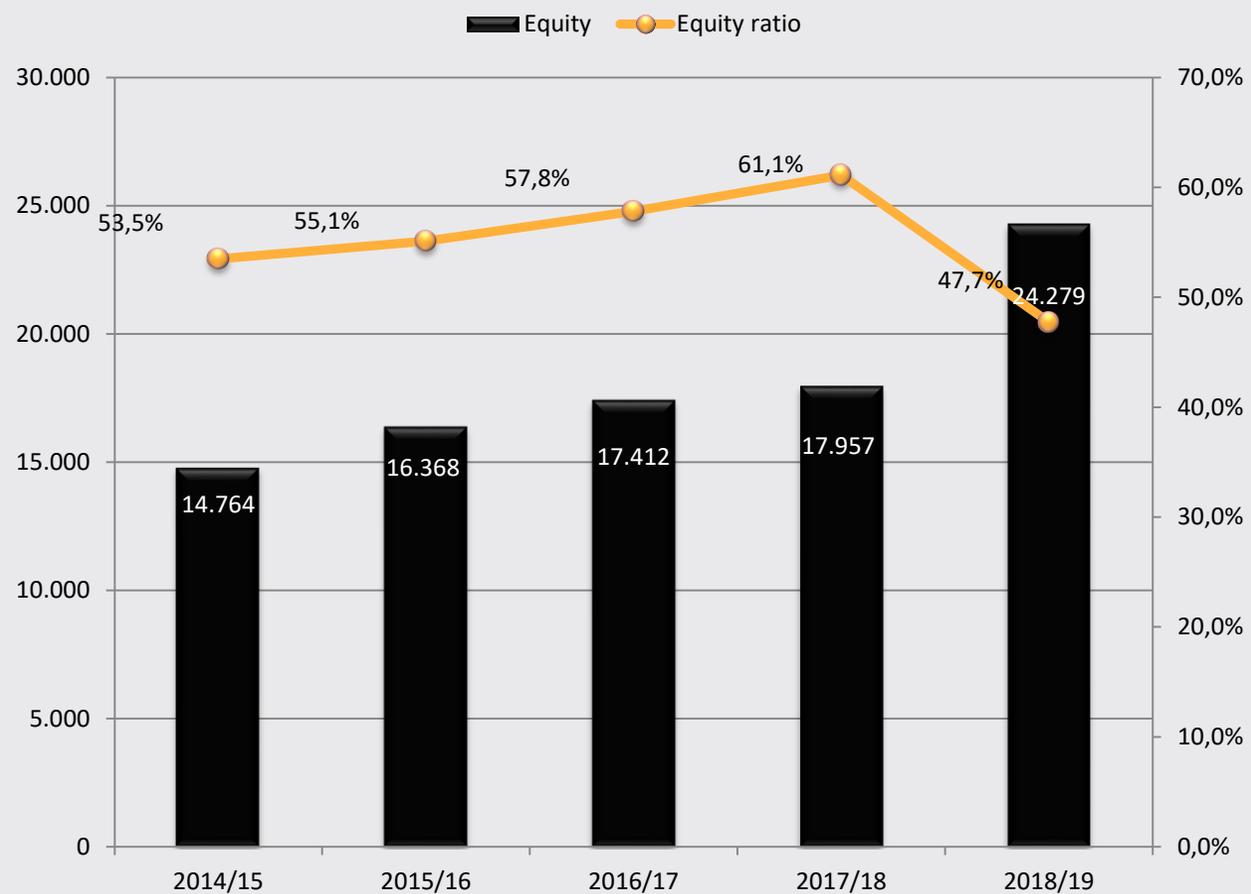


Borrowings

- ISK million -



Equity - ISK million -



New income units

- New Bónus store at Garðatorg in Garðabær has opened.
- Bónus in Mosfellsbær will move to a new location in the autumn months.
- New ÓB station will open in Vík í Mýrdal within a few weeks.

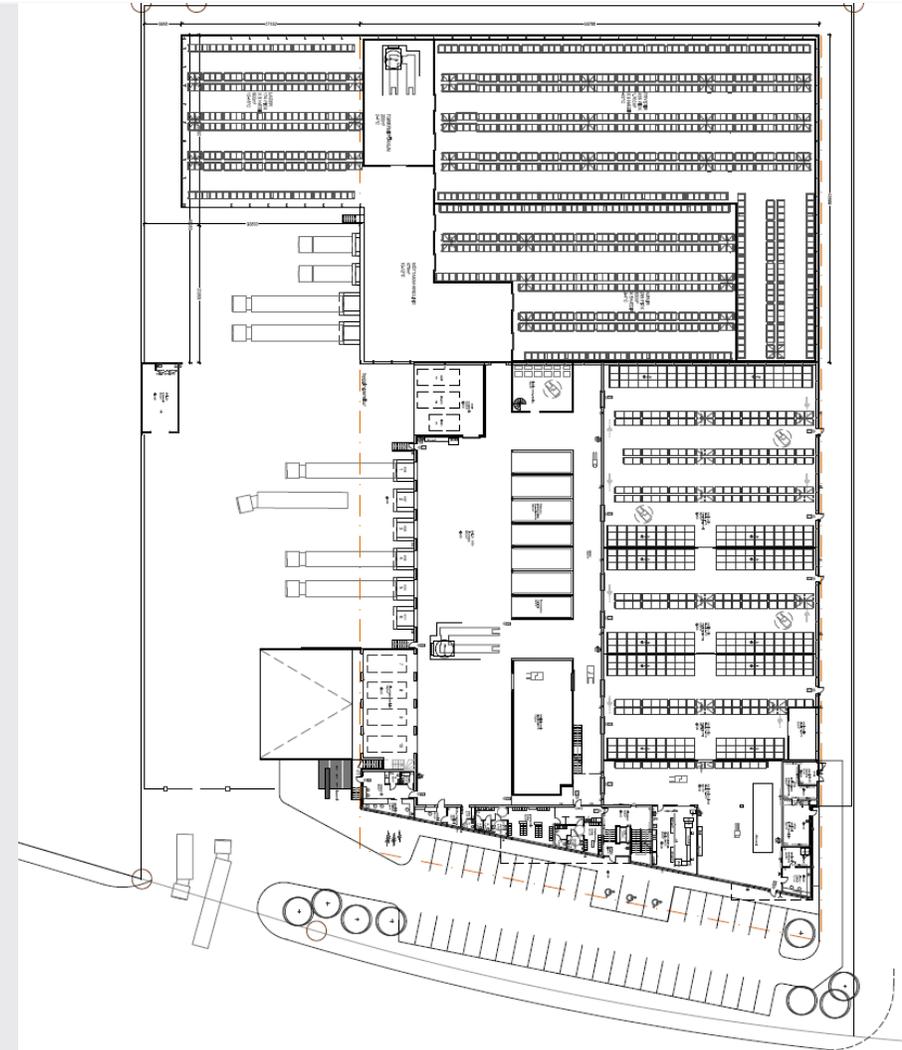


Key Projects

- Integration projects in progress
 - Restructuring of warehouse operations
 - Streamlining and synergy in core business and support service departments
 - Olís headquarters move to Skútuvogur 5
- Refinancing – finished in a few weeks
- Settlement of credit cards and cash cards – new agreement
- Self-service registers

New Warehouse

- New 4.100 m² warehouse for refrigerated and frozen goods in Korngarðar
- Increased construction rights already approved by the city council
- Estimated building cost ISK 1.600 m
- The land in Korngarðar is owned by Hagar
- Increased synergy and streamlining of warehousing and distribution



Pioneer in environmental issues

- First grocery stores to stop the sale of plastic carrier bags
- Bónus and Hagkaup have leadership in the supply and sales of multi-purpose bags
- First in Iceland that offer disposable products from biodegradable and environmentally friendly materials, e.g. knives, forks, dishes etc.
- Breakthrough in plastic use in production and processing - New machine and new packaging (for meat, fruit and vegetables) – e.g. plastic in ground beef packaging reduced from 21 g to 3 g per packaging
- Emphasis on recycling has increased
- Great success in food waste projects
- Environmentally friendly (green) refrigerants
- Reduced power consumption of stores
- Bónus will be the first grocery store to offset its carbon footprint

Minni

úrgangur

Meiri

endurvinnsla!



SAMANBURÐUR

MILLI

2017-2018

4,1%
minni
úrgangur



13.137
CO2 (tonn)
af
bylgjupappa

9,4%
meiri
endurvinnsla



LOSUN GRÓÐURHÚSALOFTTEGUNDA 2018

Í heildina kom Bónus í veg fyrir losun á 13.352 tonnnum af CO2 ígildum



Þessi losun væri á við sirka 4.324 bíla sem keyra 15.000 km á ári með eyðslu upp á 9 L/100 km

Vöruval að breytast í rétta átt

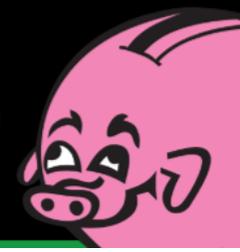
Bónus býður upp á umhverfisvæna kosti í einnota hlutum eins og lífniðurbjótanlega diska og mál, eyrnapiðnum úr pappa og ýmiskonar áhöld. Fljótlega mun verðslunin einnig koma með umhverfisvænni hreinlætisvörur.



Bónus kveður plastburðarpokann!

Bónus hætti sölu á plastburðarpokum og hefur tekið inn lífniðurbjótanlega burðarpoka sem leysa plastpokana af hólmi.

Með tilkomu lífniðurbjótanlegu burðarpokanna mun sparast 200 tonn af plasti ár hvert sem hefði annars endað í urðun eða það sem verra er, í vistkerfinu, með tilheyrandi skaðlegum áhrifum þess.



Property and Land owned by Hagar

	M ² in property	Capital Area	Rural Area	Property valuation 2019
Hagar	27.939	21.117	6.822	4,9 ma
Olís og DGV	16.046	5.290	10.755	3,4 ma
Total	43.985	26.407	17.577	8,3 ma

Property and Land owned by Hagar

	Size of land in m ²
Hagar	97.793
Olís og DGV	235.505
Total	333.298

- Opportunities, cf.
- Development projects, Stekkjarbakki etc.
- Klettagarðar, 14.000 m² land, 22.000 m² construction rights

Development Projects

- Stekkjarbakki, Reykjavík
- Sæbraut, Reykjavík
- Fjallkonuvegur, Reykjavík
- Ánanaust, Reykjavík
- Lundur, Kópavogi



Product Development



ÍSLANDS SÓSUR
Stofa skammtisvarana

ÍSLENSKAR RJÓMASÓSUR LAGAÐAR FRÁ GRUNNI

NÚ HEFUR
BRÚN SÆLKERASÓSA
BÆST Í HÓPINN

RJÓMA SVEPPASÓSA
RÉTTIÐ
FRÁ
HÍTA

BRÚN SÆLKERASÓSA
RÉTTIÐ
FRÁ
HÍTA

PIPAROSTÁ RJÓMASÓSA
RÉTTIÐ
FRÁ
HÍTA

ÍSLENSK RJÓMASÓSA LAGAÐ FRÁ GRUNNI

FÁST: HAGKAUP BÓNUS

20/30 ELDKLAÐ

EINFALT AD ELDA | ALLT MIÐUR SKORIÐ | ÞÚ ELÐAR ENGIN MATARÖGN | FLJÓTT | MATUR FYRIR TVÖ | FERSKT

HAGKAUP BÓNUS

Equal Pay Certification

In the operating year 2018/19 work began on equal pay certification for all of Hagar's subsidiaries, cf. amendment of the Act on Equal Status and Equal Rights of Women and Men no. 10/2008, which was passed in June 2017. Now all subsidiaries have implemented equal pay schemes, cf. ÍST 85 standard on equal pay certification.

Projects Ahead

- Reykjavík Pharmacy – subject to the approval of the Icelandic Competition Authority
- Mjöll Frigg – subject to the approval of the Icelandic Competition Authority



Financial budget for 2019/20

- EBITDA budget for 2019/20 is ISK 6.650 – 7.100 m
- Investments (CAPEX) for 2019/20 is estimated ISK 3.000 m
 - The big projects are: new warehouse for refrigerated and frozen goods in Korngarðar, property and furnishings for Bónus in Mosfellsbær and Olís station in Vík í Mýrdal
 - Capex for the new Bónus store in Garðabær is largely accounted for the current operating year.

Impact of IFRS 16 - Leases

- EBITDA increases by ISK 2.500 m
- Depreciation increases by ISK 1.900 m
- Finance expense increases by ISK 600 m
- EBITDA budget for 2019/20, incl. IFRS 16 impact, is ISK 9.150-9.600 m



Thanks for your audience