

## **EBITDA ISK 4,741 million in Q3 2024**

### **Main results**

- Lyfja' s operations became a part of the Festi group from July 1<sup>st</sup>, 2024.
- Sale of goods amounted to ISK 44,257 million, increased by ISK 6,923 million or 18.5% between years, or 6.4% excluding the effects of Lyfja.
- Gross profit from sales of goods and services amounted to ISK 10,829 million, an increase of ISK 2,255 million or 26.3% between years or 9.6% excluding the effects of Lyfja.
- Margin from sale of goods and services were 24.5% and increased by 1.5 p.p. from Q3 2023 and increased by 0.7 p.p. from Q2 2024.
- Salaries and other personnel expenses was ISK 4,826 million and increases by 31.3% or 8.8% excluding the effects of Lyfja.
- EBITDA amounted to ISK 4,741 million, an increase of ISK 836 million or 21.4% between years. Excluding the effects of Lyfja, the increase is 9.3%.
- Profit for the quarter amounted to ISK 2,232 million, or 20.6% of margin from sales, an increase of ISK 416 million YoY.
- Net cash from operating activities was ISK 4,643 million or 42.9% of margin from sales, compared to ISK 3,383 million last year.
- Equity at the end of Q3 2024 amounted to ISK 40,434 million with an equity ratio of 35.7%.
- EBITDA guidance for the year 2024 is increased by ISK 400 million to ISK 12,700 – 13,100 million.

<b>ISK million</b>	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>Change</b>	<b>%Change</b>	<b>9M 2024</b>	<b>9M 2023</b>	<b>Change</b>	<b>%Change</b>
<b>Income Statement</b>								
Sale of goods and services	44,257	37,334	6,923	18.5%	112,517	101,017	11,500	11.4%
Margin from sale of goods and services	10,829	8,575	2,255	26.3%	26,455	22,558	3,897	17.3%
Other operating income	588	535	53	9.9%	1,623	1,549	73	4.7%
EBITDA	4,741	3,905	836	21.4%	9,554	7,867	1,687	21.4%
EBIT	3,429	2,825	603	21.4%	6,335	5,000	1,335	26.7%
EBT	2,746	2,215	530	23.9%	4,145	2,949	1,196	40.6%
Profit for the period	2,232	1,816	416	22.9%	3,387	2,463	923	37.5%
<b>Statement of Financial Position</b>					<b>30.9.2024</b>	<b>31.12.2023</b>	<b>Change</b>	<b>%Change</b>
Inventories					14,836	13,557	1,279	9.4%
Trade receivables					7,106	5,985	1,121	18.7%
Cash and cash equivalents					6,064	3,362	2,702	80.4%
Interest bearing liabilities					44,946	37,140	7,805	21.0%
Net interest bearing liabilities					38,881	33,778	5,103	15.1%
Net interest bearing debt/EBITDA					3.1	3.1	0.0	0.0%
Equity ratio					35.7%	37.3%	-1.6 p.p.	-4.2%
Return on equity					11.8%	10.0%	+1.8 p.p.	18.2%
<b>Statement of Cash Flows</b>								
	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>Change</b>	<b>%Change</b>	<b>9M 2024</b>	<b>9M 2023</b>	<b>Change</b>	<b>%Change</b>
Cash flows from operating activities	4,643	3,383	1,260	37.2%	8,244	7,480	763	10.2%
Investing activities	-5,259	-937	-4,321	461.0%	-6,522	-2,083	-4,439	213.1%
Financing activities	3,312	-503	3,815	-758.2%	1,028	-3,252	4,280	-131.6%
Cash and cash equivalents at the end of the period	6,064	4,232	1,833	43.3%	6,064	4,232	1,833	43.3%
<b>Key indicators</b>								
Margin from sale	24.5%	23.0%	+1.5 p.p.	6.5%	23.5%	22.3%	+1.2 p.p.	5.3%
Personel expenses/margin from sale	44.6%	42.9%	+1.7 p.p.	3.9%	49.8%	50.9%	-1.1 p.p.	-2.1%
EBITDA/margin from sale	43.8%	45.5%	-1.7 p.p.	-3.9%	36.1%	34.9%	+1.2 p.p.	3.6%
Profit/margin from sale	20.6%	21.2%	-0.6 p.p.	2.7%	12.8%	10.9%	+1.9 p.p.	17.2%
Earnings per share	7.3	6.0	1.3	22.4%	11.1	8.1	3.0	37.6%
Cash flows from operations/margin from sale	42.9%	39.5%	+3.4 p.p.	8.7%	31.2%	33.2%	-2.0 p.p.	-6.0%
Investments	1,244	1,028	217	21.1%	2,941	2,593	348	13.4%

## Operations in Q3 2024

The company's operations were good in the third quarter and the results exceeded management's expectations. Sales of goods and services increased by 18.5% YoY or 6.4% excluding Lyfja and transactions increased by 11.3% or 3.2% excluding Lyfja. The margin from sales was 24.5%, it increased by 1.5 p.p. from last year and increased by 0.7 p.p. from the previous quarter. Margin from sales in ISK increased by 26.3% YoY but at the same time operating expenses increased by 30.4%, without Lyfja the operating expenses increased by 8.8% between years. The company's EBITDA was ISK 4,741 million, which is an increase of 21.4% from the previous year. Krónan's EBITDA increased by ISK 255 million compared to the previous year and N1's EBITDA increased by ISK 64 million compared to the previous year. ELKO's EBITDA decreased by ISK 12 million compared to the previous year. Net profit for the third quarter was ISK 2,232 million, an increase of ISK 416 million or 22.9% between years. The business outlook for the year is good.

Lyfja entered the company's operations from 1<sup>st</sup> of July this year and the company's sales amounted to ISK 4,549 million in the quarter. EBITDA amounted to ISK 473 million and profit amounted to ISK 186 million. All operating metrics are affected by this effect and make comparisons difficult.

## Revenues in Q3 2024

- Total revenue was 44,845 million, an increase of 18.4% from the previous year.
- Revenue from sales of goods and services was ISK 44,257 million in Q3 2024, an increase of 18.5% YoY.
- Sales of grocery and convenience goods amounted to ISK 20,984 million, up by 14.7% between years.
- Sales of fuel and electricity amounted to ISK 12,509 million, an increase of 3.0% between years.
- Sales of electronic equipment amounted to ISK 4,796 million, an increase of 9.0% between years.
- Sales of medicine, prescription and over the counter, a new segment in the company, amounted to ISK 3,341 million.
- Sales of other goods and services were ISK 2,627 million, an increase of 5.2% between years.

ISK million	Q3 2024	Q3 2023	Change	%Change	9M 2024	9M 2023	Change	%Change
<b>Sale of goods and services</b>								
Grocery and convenience goods	20,984	18,289	2,695	14.7%	58,158	51,149	7,008	13.7%
Fuel and electricity	12,509	12,147	362	3.0%	30,964	30,150	814	2.7%
Electronic equipment	4,796	4,402	394	9.0%	13,291	12,622	670	5.3%
Medicine, prescription and over the counter	3,341	0	3,341	-	3,341	0	3,341	-
Other goods and services	2,627	2,496	131	5.2%	6,763	7,095	-333	-4.7%
<b>Total sale of goods and services</b>	<b>44,257</b>	<b>37,334</b>	<b>6,923</b>	<b>18.5%</b>	<b>112,517</b>	<b>101,017</b>	<b>11,500</b>	<b>11.4%</b>
<b>Total other operating income</b>	<b>588</b>	<b>535</b>	<b>53</b>	<b>9.9%</b>	<b>1,623</b>	<b>1,549</b>	<b>73</b>	<b>4.7%</b>
<b>Total income</b>	<b>44,845</b>	<b>37,869</b>	<b>6,976</b>	<b>18.4%</b>	<b>114,139</b>	<b>102,566</b>	<b>11,574</b>	<b>11.3%</b>

Sales of grocery and convenience goods increased by 14.7% between years, a part of Lyfja's sales is in this segment. Sales of fuel and electricity increased by 3.0% between years, fuel prices in the global market decreased by around 18-20%, depending on fuel type, between years. Volume sold amounted to 71.6 million liters, which is an increase of 2.4% between years. Revenue from electronic sales increased by 9.0% and revenue from other goods and services increased by 5.2% between years. Medicine, prescription and over the counter, is a new segment and revenue amounted to ISK 3,341 million in Q3.

## **Margins from sales of goods and services in Q3 2024**

- Margin from sales of goods and services amounted to ISK 10,829 million, an increase of 26.3% between years. The margin level was 24.5%, increases by 0.7 p.p. from the last quarter and increases by 1.5 p.p. between years.
- Margin from grocery and convenience goods was ISK 5,092 million, an increase of 19.8% between years. The margin level was 24.3%, an increase of 1.0 p.p. between years.
- Margin from fuel and electricity were ISK 2,625 million, an increase of ISK 258 million between years. The margin level was 21.0%, an increase of 1.5 p.p. between quarters.
- Margin from electronics was ISK 1,230 million, an increase of 8.7% between years. The margin level was 25.6%, a decrease of 0.1 p.p. between years.
- Margin from medicine, prescription and over the counter, a new segment, was ISK 937 million.
- Margin from other goods and services were ISK 945 million, an increase of 14.6% between years. The margin level was 36.0%, an increase of 2.9 p.p. between years.

ISK million	Q3 2024	Q3 2023	Change	%Change	9M 2024	9M 2023	Change	%Change
<b>Margin from sale of goods and services</b>								
Grocery and convenience goods	5,092	4,251	841	19.8%	13,581	11,743	1,838	15.7%
Fuel and electricity	2,625	2,367	258	10.9%	5,919	5,059	860	17.0%
Electronic equipment	1,230	1,131	99	8.7%	3,414	3,156	258	8.2%
Medicine, prescription and over the counter	937	0	937	-	937	0	937	-
Other goods and services	945	825	120	14.6%	2,604	2,600	4	0.2%
<b>Total margin from sale of goods and services</b>	<b>10,829</b>	<b>8,575</b>	<b>2,255</b>	<b>26.3%</b>	<b>26,455</b>	<b>22,558</b>	<b>3,897</b>	<b>17.3%</b>

The total margin from sales of goods and services is ISK 10,829 million compared to ISK 8,575 million for the same quarter last year, an increase of 26.3%. Margin from sales of grocery and convenience goods were ISK 5,092 million, up by 19.8% YoY. Margin from fuel and electricity were ISK 2,625 million, an increase of ISK 258 million between years. Margin from medicine, prescription and over the counter, a new segment within the company, was ISK 937 million. Margin from electronic sales was ISK 1,230 million, an increase of 8.7%, and the margin of other goods and services was ISK 945 million, an increase of 14.6% between years.

## **Operating expenses in Q3 2024**

- Operating expenses in Q3 2024 were ISK 6,676 million, which is an increase of ISK 1,472 million or 28.3% YoY.
- Salaries and other personnel expenses increased by ISK 1,150 million or 31.3% YoY but 8.8% excluding Lyfja.
- The number of full-time equivalents was 1,773 in Q3 2024, an increase of 25.3% YoY.
- Total other operating expenses increased by ISK 322 million or 21.0% YoY but 8.7% excluding the effects of Lyfja.

October 30<sup>th</sup>, 2024 – Festi Q3 2024

ISK million	Q3 2024	Q3 2023	Change	%Change	9M 2024	9M 2023	Change	%Change
<b>Operating expenses</b>								
Salaries and other personnel expenses	4,826	3,676	1,150	31.3%	13,184	11,486	1,697	14.8%
<b>Other operating expenses</b>								
Operating costs of real estate	570	496	74	14.9%	1,624	1,531	93	6.1%
Maintenance expenses	277	235	42	17.7%	824	776	47	6.1%
Sales and marketing expenses	446	388	59	15.1%	1,300	1,114	186	16.7%
Office and administrative expenses	99	100	-1	-0.6%	357	355	3	0.8%
Communication expenses	314	203	111	54.8%	817	647	170	26.3%
Insurance and claims	48	27	21	77.7%	149	70	79	112.1%
Other expenses	96	80	16	20.0%	269	261	7	2.7%
<b>Total other operating expenses</b>	<b>1,850</b>	<b>1,529</b>	<b>322</b>	<b>21.0%</b>	<b>5,340</b>	<b>4,754</b>	<b>586</b>	<b>12.3%</b>
<b>Total operating expenses</b>	<b>6,676</b>	<b>5,205</b>	<b>1,472</b>	<b>28.3%</b>	<b>18,524</b>	<b>16,241</b>	<b>2,283</b>	<b>14.1%</b>

Salaries and other personnel expenses amounted to ISK 4,826 million in Q3 2024 compared to ISK 3,676 million in Q3 2023 which is an increase of 31.3%. Full-time equivalents were 1,773 in the quarter, an increase of 358 full-time equivalents or 25.3% YoY. Contractual wage increases between the periods had an effect of ISK 150 million on the YoY increase. The effect due to Lyfja's acquisition was ISK 826 million. The table below shows an analysis of the increase in wages and other personnel expenses in ISK million between years:

<b>Salaries and other personnel expenses Q3 2023</b>	<b>3,676</b>
Change in full-time position equivalents	256
Contractual wage increases	150
Accrued vacation, change	-43
Effect of Lyfja's acquisition	826
Other changes	-39
<b>Salaries and other personnel expenses Q3 2024</b>	<b>4,826</b>

Other operating expenses were ISK 1,850 million compared to ISK 1,529 million in Q3 2023, which is an increase of ISK 322 million or 21.0% between years or 8.7% without Lyfja. The effect of inflation and increased sales affect comparison of cost items over years, but good results have been achieved in reducing all operating costs in the current environment, as can be seen in the cost comparison between years excluding Lyfja's effects.

## Financial items in Q3 2024

- Net finance expenses and the impact of affiliates were negative by ISK 683 million in Q3 2024 compared to ISK 610 million in Q3 2023, a decrease of ISK 73 million between years.
- Finance income amounted to ISK 109 million, an increase of ISK 23 million between years.
- Finance expenses amounted to ISK 1,006 million, an increase of ISK 104 million between the years.
- Foreign currency difference was negative by ISK 36 million, decreases by ISK 17 million between years.
- The share of profit from associates amounted to ISK 250 million and decreased by ISK 8 million between years.

ISK million	Q3 2024	Q3 2023	Change	%Change	9M 2024	9M 2023	Change	%Change
Finance income	109	86	23	26.4%	268	156	112	72.0%
Finance expenses	-1,006	-902	-104	11.5%	-2,908	-2,613	-295	11.3%
Foreign currency differences	-36	-53	17	-31.6%	-20	-24	5	-18.7%
Share of profit from associates	250	259	-8	-3.2%	471	430	40	9.4%
<b>Total</b>	<b>-683</b>	<b>-610</b>	<b>-73</b>	<b>12.0%</b>	<b>-2,190</b>	<b>-2,052</b>	<b>-138</b>	<b>6.7%</b>

October 30<sup>th</sup>, 2024 – Festi Q3 2024

Finance income amounted to ISK 109 million, an increase of ISK 23 million between years. Finance expenses amounted to ISK 1,006 million, an increase of ISK 104 million between years, because of raised key interest rates by the Central Bank of Iceland. Foreign currency difference was negative by ISK 36 million, an decrease of ISK 17 million compared to last year. The share of profit from associates amounted to ISK 250 million, compared to ISK 259 million in the same period last year.

### Statement of financial position at the end of the third quarter 2024

- Total assets amounted to ISK 113 bn., an increase of ISK 17,104 million from year-end 2023, there of ISK 11,637 million due to Lyfja.
- Non-current assets amounted to ISK 84,010 million, an increase of ISK 11,605 million from year-end 2023.
- Current assets amounted to ISK 29,126 million, an increase of ISK 5,499 million from year-end 2023.
- Cash and cash equivalents amount to ISK 6,064 million, an increase of ISK 2,702 million from year-end 2023.
- Net interest-bearing liabilities amounted to ISK 38,881 million, an increase of ISK 5,103 million from year-end 2023.
- Equity ratio was 35.7% at the end of Q3 2024 compared to 37.3% at year-end 2023.

ISK million	30.9.2024	31.12.2023	Change	%Change
Goodwill	21,947	14,842	7,105	47.9%
Other intangible assets	4,519	4,260	259	6.1%
Property and equipment	36,928	35,779	1,150	3.2%
Leased assets	10,769	8,097	2,673	33.0%
Investment properties	6,949	6,647	302	4.5%
Inventories	14,836	13,557	1,279	9.4%
Trade receivables	7,106	5,985	1,121	18.7%
Cash and cash equivalents	6,064	3,362	2,702	80.4%
Interest bearing liabilities	44,946	37,140	7,805	21.0%
Net interest bearing liabilities	38,881	33,778	5,103	15.1%
Equity ratio	35.7%	37.3%	-1.6 p.p.	-4.2%
Inventory turnover	8.4	7.5	0.9	12.0%

Goodwill amounted to ISK 21,947 million, an increase of ISK 7,105 million from the beginning of the year, but the allocation of Lyfja's goodwill has not yet been finalized. Other intangible assets were ISK 4,519 million at the end of Q3 2024. Properties and equipment amounted to ISK 36,928 million, an increase of ISK 1,150 million and investment properties amounted to ISK 6,949 million at the end of Q3 2024, an increase of ISK 302 million from year-end 2023.

Inventories increased by ISK 1,279 million from year-end 2023, of which ISK 1,385 million is due to Lyfja. Trade receivables increased by ISK 1,121 million from the beginning of the year. Cash and cash equivalents increased by 2,702 million from year-end 2023.

October 30<sup>th</sup>, 2024 – Festi Q3 2024

Net interest-bearing liabilities amounted to ISK 38,881 million which is an increase of ISK 5,103 million from year-end 2023. Equity ratio was 35.7% at the end of Q3 2024 compared to 37.3% at year-end 2023. The company's cash position remains strong as well as the balance sheet.

## Cashflow in Q3 2024

- Net cash from operating activities was ISK 4,643 million or 42.9% of the margin, compared to ISK 3,383 million the year before.
- Net cash used in investing activities was ISK 5,259 million, an increase of ISK 4,321 million from the year before.
- Net cash used in financing activities was ISK 3,312 million, an increase of ISK 3,815 million from last year.

ISK million	Q3 2024	Q3 2023	Change	%Change	9M 2024	9M 2023	Change	%Change
<b>Cash flow</b>								
<b>Cash and cash equivalents, beginning of period</b>	<b>3,395</b>	<b>2,326</b>	<b>1,069</b>	<b>46.0%</b>	<b>3,362</b>	<b>2,112</b>	<b>1,250</b>	<b>59.2%</b>
Net cash to operating activities	4,643	3,383	1,260	37.2%	8,244	7,480	763	10.2%
Net cash used in investing activities	-5,259	-937	-4,321	461.0%	-6,522	-2,083	-4,439	213.1%
Net cash used in financing activities	3,312	-503	3,815	-758.2%	1,028	-3,252	4,280	-131.6%
Effect of movements in exchange rates on cash	-27	-37	10	-27.5%	-47	-25	-22	84.6%
<b>Cash and cash equivalents change</b>	<b>2,696</b>	<b>1,943</b>	<b>753</b>	<b>38.8%</b>	<b>2,749</b>	<b>2,145</b>	<b>604</b>	<b>28.2%</b>
<b>Cash and cash equivalents, end of period</b>	<b>6,064</b>	<b>4,232</b>	<b>1,833</b>	<b>43.3%</b>	<b>6,064</b>	<b>4,232</b>	<b>1,833</b>	<b>43.3%</b>

Net cash from operations in Q3 2024 amounted to ISK 4,643 million, an increase of ISK 1,260 million between years. Net cash used in Investments amounted to ISK 5,259 million, an increase of ISK 4,321 million between years, of which Lyfja's acquisition is ISK 4,141 million. Net cash used in financing activities amounted to ISK 3,312 million, an increase of ISK 3,312 million between years. A new loan for the acquisition of Lyfja amounts to ISK 3,981 million, while installments on interest-bearing loans and leases amounted to ISK 669 million. Cash and cash equivalents increased by ISK 2,696 million in the third quarter of 2024 and amounted to ISK 6,064 million at the end of Q3 2024.

## Outlook in Festi hf. operations, EBITDA and CAPEX budget for 2024

EBITDA guidance for the year 2024 is increased by ISK 400 million to ISK 12,700 – 13,100 million. CAPEX forecast for the year decreased by ISK 400 million to ISK 4,000 – ISK 4,400 million.

The following external factors can have a major impact on the company's operations:

- Impact of Russia's invasion of Ukraine and the conflict in the Middle East on supply of goods.
- Major changes in global commodity prices and exchange rates.
- High inflation in international markets, as well as in Iceland.
- Uncertainty in number of tourist arrivals to Iceland and Icelanders travelling abroad.

The company has an equity ratio of 35.7% at the end of Q3 2024 and the company has a strong financial position. The outlook for the business is good and the company is in a good position to handle the tasks ahead.

October 30<sup>th</sup>, 2024 – Festi Q3 2024

## Shareholders

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- The Company's market capitalization at the end of Q3 2024 amounted to ISK 67.9 billion, an increase of 10.0% from the beginning of the year.
- The number of shareholders was 1,151 at the end of Q3 2024.

## Investor meeting and online presentation on Thursday 31 October 2024

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An investor meeting and online presentation for market participants will take place on Thursday, October 31<sup>st</sup> at Dalvegur 10-14, 3<sup>rd</sup> floor.

Ásta S. Fjeldsted, CEO of Festi, and Magnús Kr. Ingason, CFO of Festi, will present the Group's performance and answer questions. The meeting starts at 08:30 local time.

Registration for the web stream takes place at: <https://www.festi.is/en/tenglar/results-q3-2024>

Participants attending virtually will be able to ask questions during the meeting via the e-mail [fjarfestatengsl@festi.is](mailto:fjarfestatengsl@festi.is). Answers will be provided at the end of the presentation.

The presentation will be held in Icelandic. Promotional material for the meeting will be available after that on the Festi website:

<https://www.festi.is/en/fjarhagsupplýsingar>

## Financial calendar

- Q4 2024: February 5<sup>th</sup>, 2025
- Annual general meeting 2025: March 5<sup>th</sup>, 2025

For further information please contact Ásta S. Fjeldsted, CEO ([asta@festi.is](mailto:asta@festi.is)) or Magnús Kr. Ingason, CFO ([mki@festi.is](mailto:mki@festi.is)).