



Presentation of Q1 2024 results

24 April 2024

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Summary

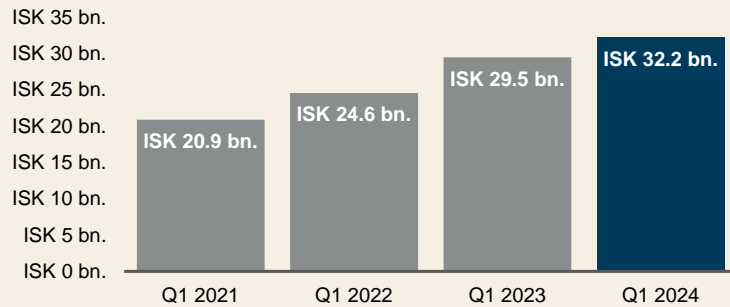


- **Q1 2024 operations**
- Q1 results 2024
- Position and outlook

Consolidated highlights Q1 2024

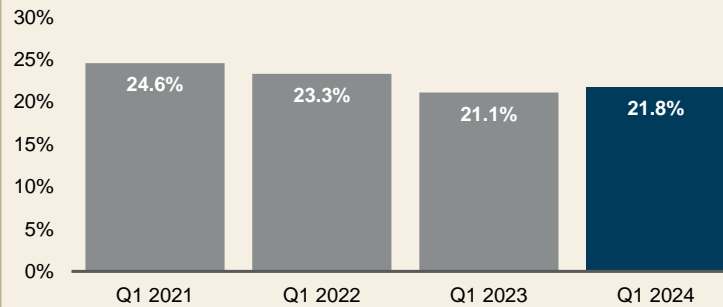
Sale of goods and services ISK 32.2 bn.

+9.3% YoY



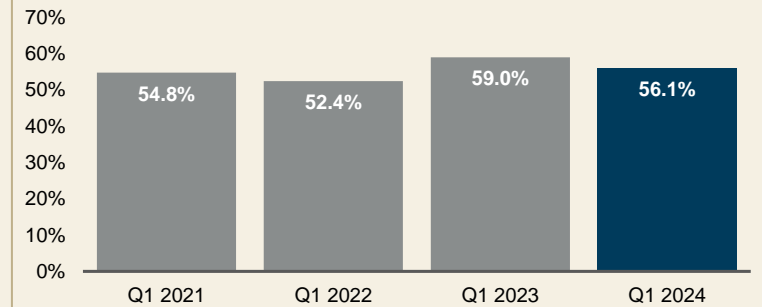
Margin from sale 21.8%

+0.7 p.p. YoY



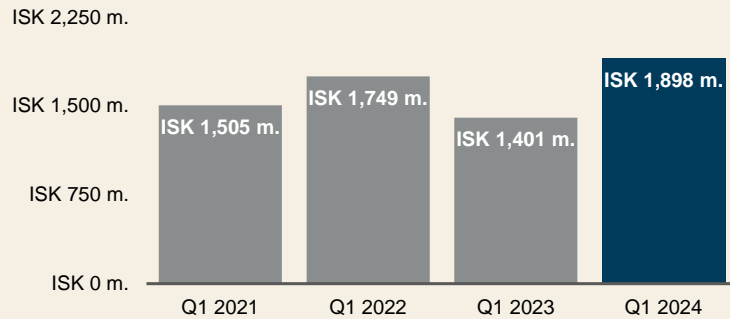
Salaries/Margin from sale 56.1%

-2.9 p.p. YoY



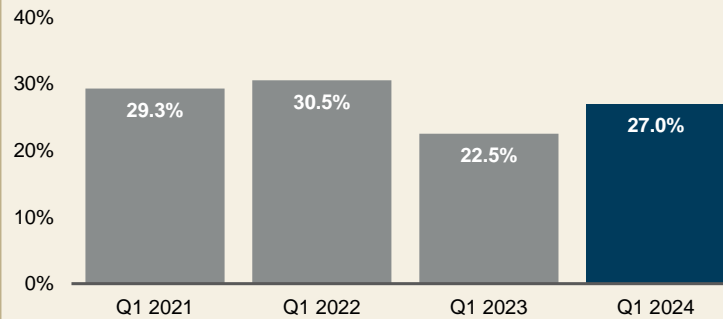
EBITDA ISK 1,898 m.

+35.5% YoY



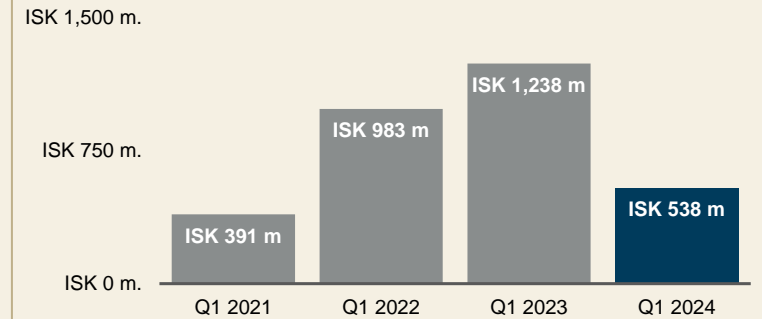
EBITDA/Margin from sale 27.0%

+4.5 p.p. YoY



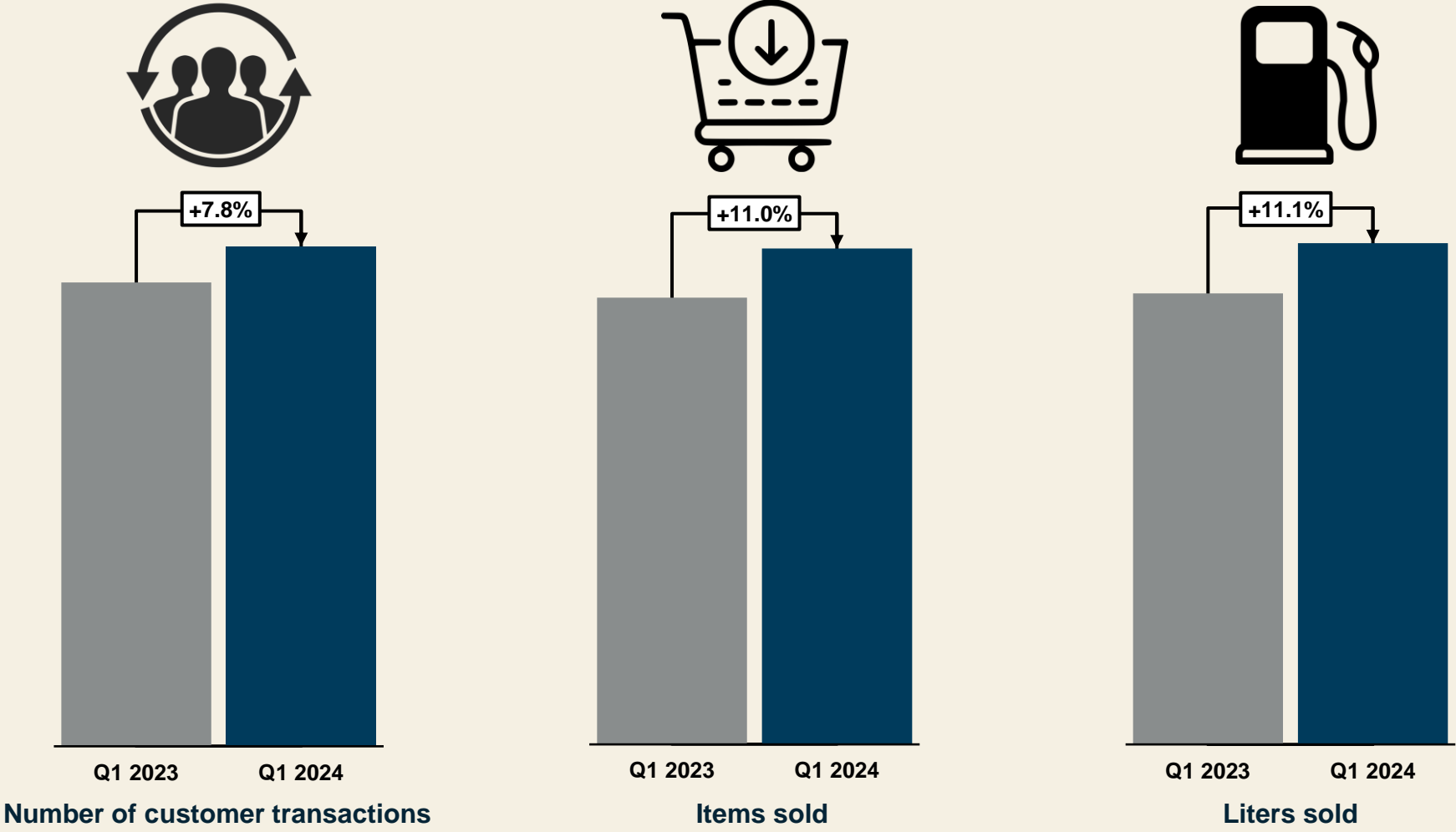
Cash from operating activities ISK 538 m.

-56.6% YoY



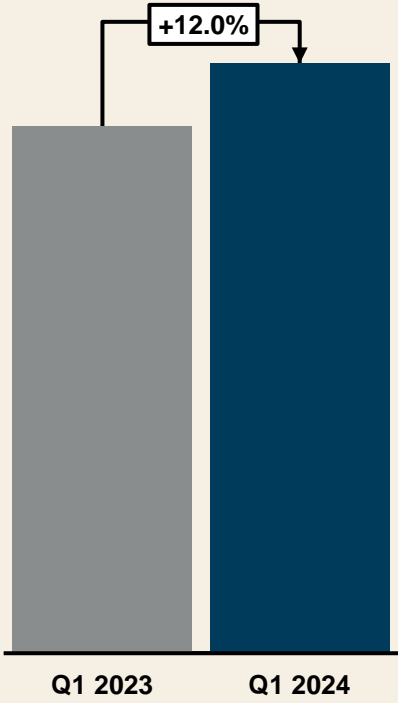
Number of customers and sales in Q1 increases significantly year-over-year

2023 2024

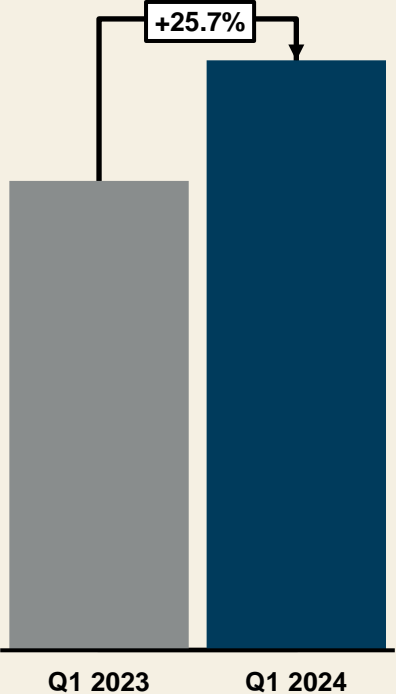


Increase in both domestic and foreign card turnover

2023 2024



Domestic card turnover



Foreign card turnover



Updates from Festi



Preparation of the sale of ODR¹, EAK² and EBK started

- ◆ Festi and Hagar sent a statement to Nasdaq Iceland on April 10th where it was reported that the companies have reached an agreement to **start preparing for the sale** of the companies' holdings in the infrastructure companies.



Conciliation talks begin with the Icelandic Competition Authority

- ◆ ICA has agreed to Festi's request to **start settlement negotiations** on possible conditions for Festi's purchase of all shares in Lyfja hf.
- ◆ The parties are working towards reaching a settlement in the case, based on the current deadline, the case should be completed no later than May 21st.



Share option plan put in place

- ◆ At Festi's General Meeting on March 6th shareholders approved a proposal from the Board of Directors to **establish a stock option system for all permanent employees of the Group**.
- ◆ More information can be found in the stock option plan and participation will be announced when it is available.

Steady growth at ELKO



- ◆ Consumer electronics market grew by 7% in card transactions, while **ELKO grew by 5%**.
- ◆ January sales led to a **9% increase in turnover** from last year and the quarter overall was strong with growth between years.
- ◆ **E-commerce maintained the same proportion of turnover at 25% in Q1 YoY¹.**
- ◆ **B2B continued to grow**, accounting for 19.1% of total turnover in the quarter compared to 18% in the previous year.
- ◆ **New ELKO store in KEF Airport's** arrival hall continues to prove successful with a **33% increase in sales YoY** in Q1.
- ◆ ELKO is Iceland's **Educational Company of the Year 2024**, an award for companies that excel in education and training.
- ◆ **Preparation for the refurbishment of ELKO in Lindir** has begun but ELKO Lindir is the second highest-grossing store out of 400 stores under the Elkjop brand names in the Nordic countries.



Continued expansion of Krónan

- ◆ **Krónan's market share** in the grocery retail market is around **34%** in Q1 and has shown steady growth.
- ◆ **Number of transactions** in stores **increased by over 13% YoY**.
- ◆ **Online sales increased by 26% YoY** – expansion of home delivery services continues in rural areas.
- ◆ **Krónan published its ambitions sustainability report** and has **set the goal of being net-zero by 2035**.
- ◆ **Krónan was recognized for the best Icelandic brand in the consumer market** as well as being recognized for its summer campaign.



N1 adds service offerings



- ◆ **N1 and Tesla have taken the first steps in the development of fast charging stations** in line with the agreement signed in Q1 and will soon open the largest charging park of its kind in Iceland at Flugvellir, Keflavík with 25 charging stations
- ◆ **Number of transactions at service centers decreased by 1% YoY** and by 4% at self-service stations. There was a decrease in the number of tourists YoY and weather was bad, especially in the run-up to Easter, which affected travel plans.
- ◆ **Kiosk self-checkouts** received **20%** of restaurant orders in Q1¹.
 - ◆ To increase service capacity during peak hours, self-service checkouts will be put into use in the commercial part of the service center in Borgarnes for the summer.
- ◆ N1 will open **six automatic car wash stations** and two **self-service stations with wash booths** in the 2nd and 3rd quarters, thus further expanding its service offering in car services.



Yrkir sérhæfir sig í uppbyggingu, eignaumsýslu og þróun fasteigna um allt land

- ◆ Festi fasteignir was rebranded in Q1 and is now known as:

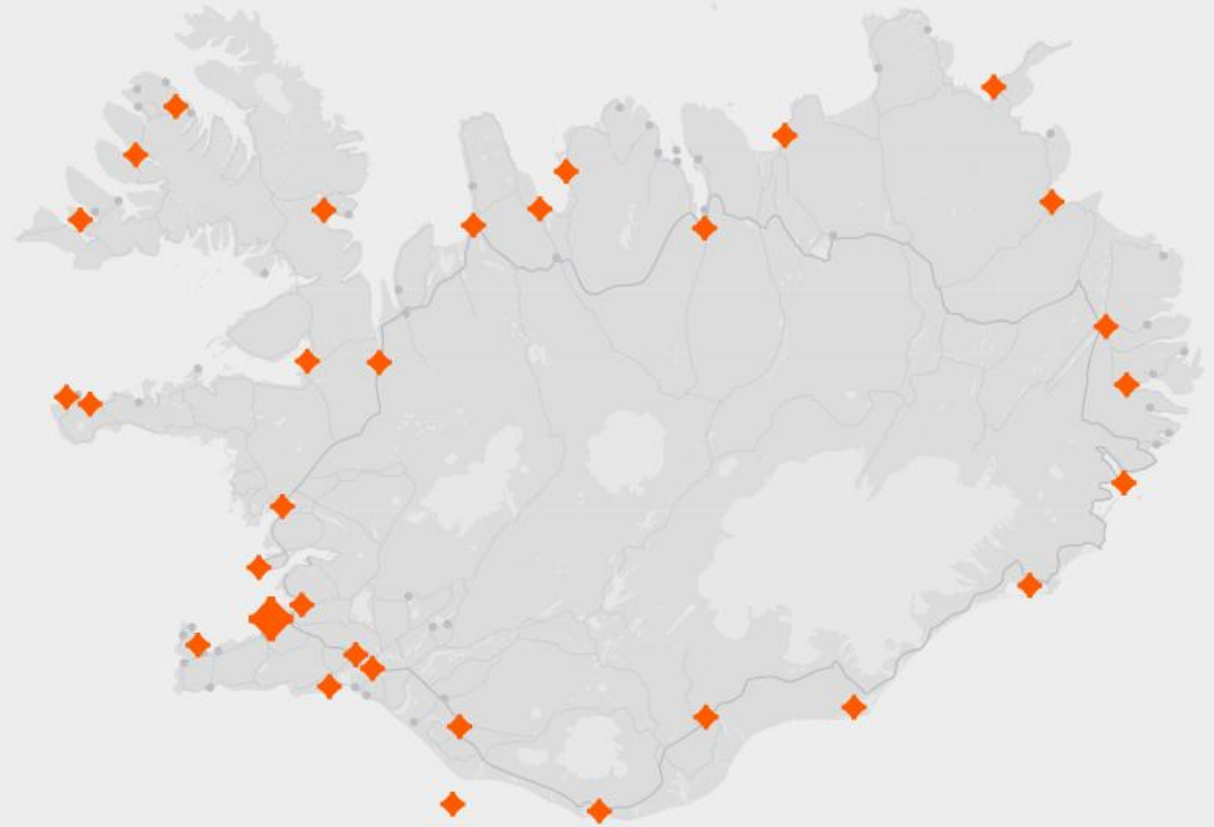
Yrkir eignir

- ◆ The change will be accompanied by a greater focus on information regarding the Group's real estate operations



Key figures from Yrkir

- 93 thousand square metres of industrial property owned or operated
- 14 thousand square metres of land lots in the capital area being developed to meet changed needs
- 24 tenants with different needs
- 75% of portfolio in capital area
- 98% square metres in active use



Real estate around the country

The real estate portfolio of Yrkir has a rich history spanning over a century. The portfolio has been built to meet the needs of our customers, whether traveling around Iceland or in their hometowns. Focus is set on having our real estate portfolio stand the test of time.

Development projects are progressing

Land lots under development

- ◆ **Ægisíða 102:** Three architectural firms have been hired to create proposals for the development of the site - the proposals will be available on the website, www.yrkir.is.
- ◆ **Stóragerði 40** and **Skógarsel 10:** Land-use plans are being developed¹. Station at Stóragerði closed end of year 2023.
- ◆ **Rofabær 39:** An approved neighbourhood plan with confirmed permissions is available.



Summary



- Q1 2024 operations
- **Q1 results 2024**
- Position and outlook

Operations of the group in Q1 2024

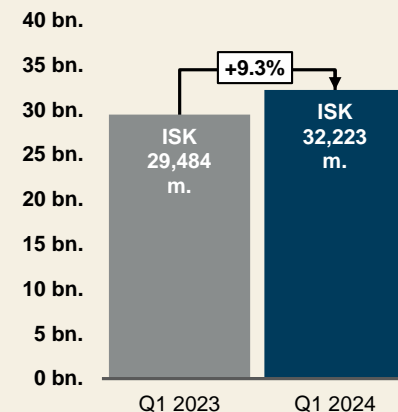


- ◆ **Sale of goods and services** increased by ISK 2.7 billion or 9.3% YoY.
- ◆ **Margin from sale** was ISK 7,033 million, an increase of ISK 806 million or 12.9% YoY.
- ◆ **Margin** percent is 21.8%, decrease of 1.2 p.p. from last quarter 2023 and up 0.7 p.p. from Q1 previous year.
- ◆ **Salaries and personnel expenses** ISK 3,947 million, increase of ISK 274 million or 7.5% YoY.
- ◆ **Number of full-time employees** 1,330, an increase of 33 or 2.5% YoY.
- ◆ **Other operating expenses** increase by 2.8% YoY.
- ◆ **EBITDA** ISK 1,898 million in Q1, an increase of ISK 497 million or 35.5% YoY.
- ◆ **Profit for the period** ISK 202 million, increase by ISK 293 million YoY.

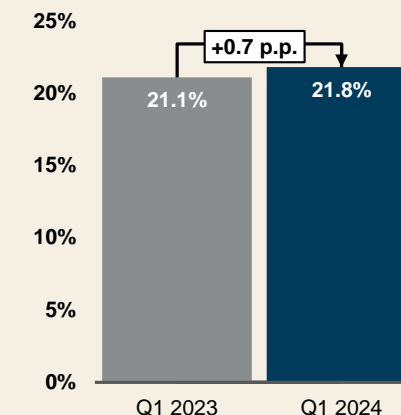
Amounts are in ISK million

	Q1 2024	Q1 2023	Change	% Chg.
Sale of goods and services	32,223	29,484	2,740	9.3%
Margin from sale of goods and services	7,033	6,227	806	12.9%
Lease revenue and operating income	508	497	11	2.2%
Salaries and personnel expenses	(3,947)	(3,673)	(274)	7.5%
Other operating expenses	(1,696)	(1,651)	(45)	2.8%
EBITDA	1,898	1,401	497	35.5%
EBIT	974	473	501	106.0%
EBT	230	(172)	402	234.0%
Profit for the period	202	(91)	293	321.6%
Key Figures				
EBITDA/Margin from sales	27.0%	22.5%	+4.5 p.p.	20.0%
Salaries/Margin from sales	56.1%	59.0%	-2.9 p.p.	-4.8%
Earnings per share	0.67	-0.30	0.97	323.3%

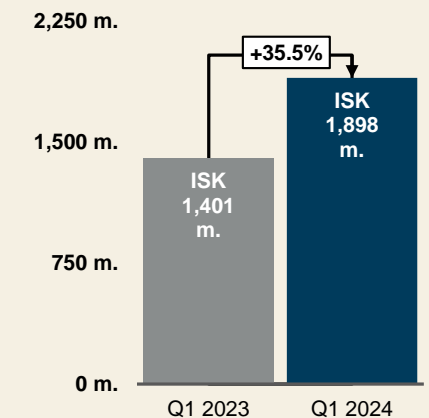
Sale of goods and services



Margin from sale



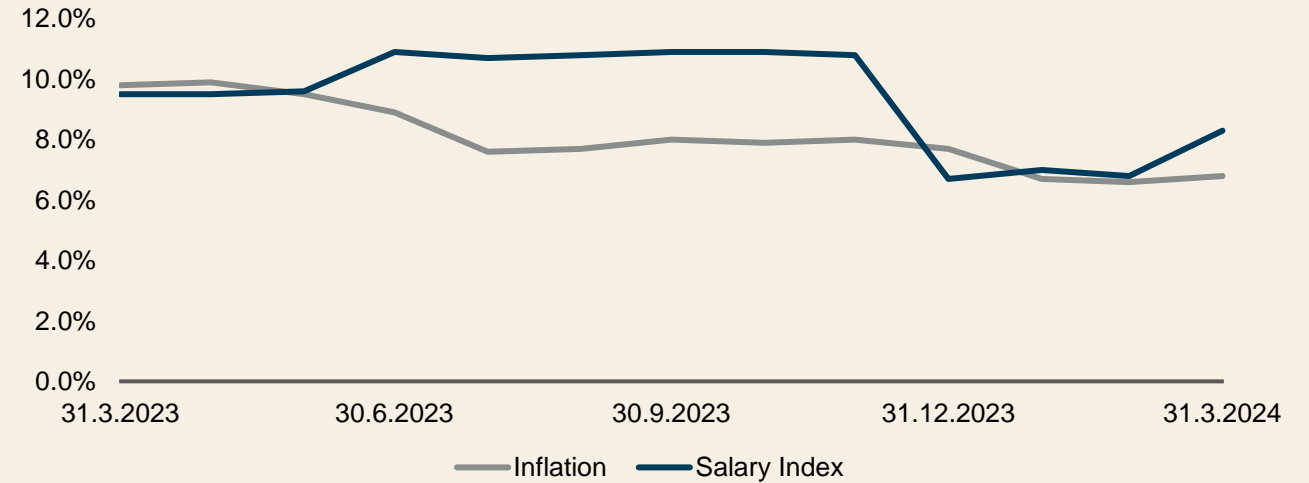
EBITDA



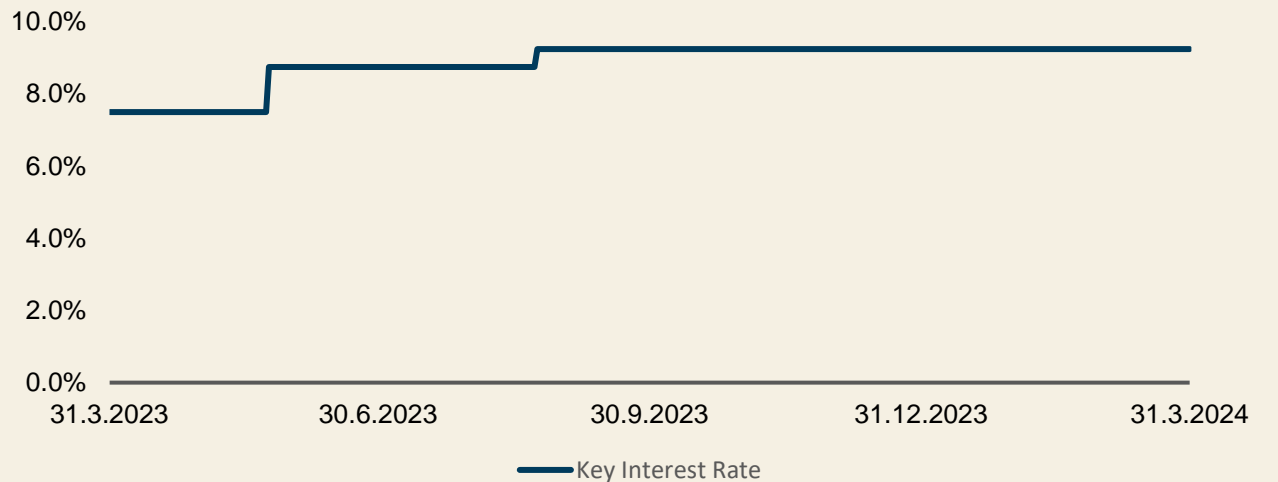
External factors Q1 2024

- ◆ **Price, salary and interest rate development**
 - ◆ **Salary index increased 8.3% over the last 12 months.** Salary index was at 995.6 points at the end of the quarter compared to 919.3 at the end of Q1 2023.
 - ◆ **Consumer price index increased 6.8% over the last 12 months.** Consumer price index was measured at 620.3 points the end of the quarter compared to 580.7 at the end of March 2023.
 - ◆ **Key interest rate increased by 175 p.p. over the last 12 months.** Key interest rates were 9.25% at the end of the quarter compared to 7.5% at the end of March 2023.

Inflation and Salary Index (YoY)



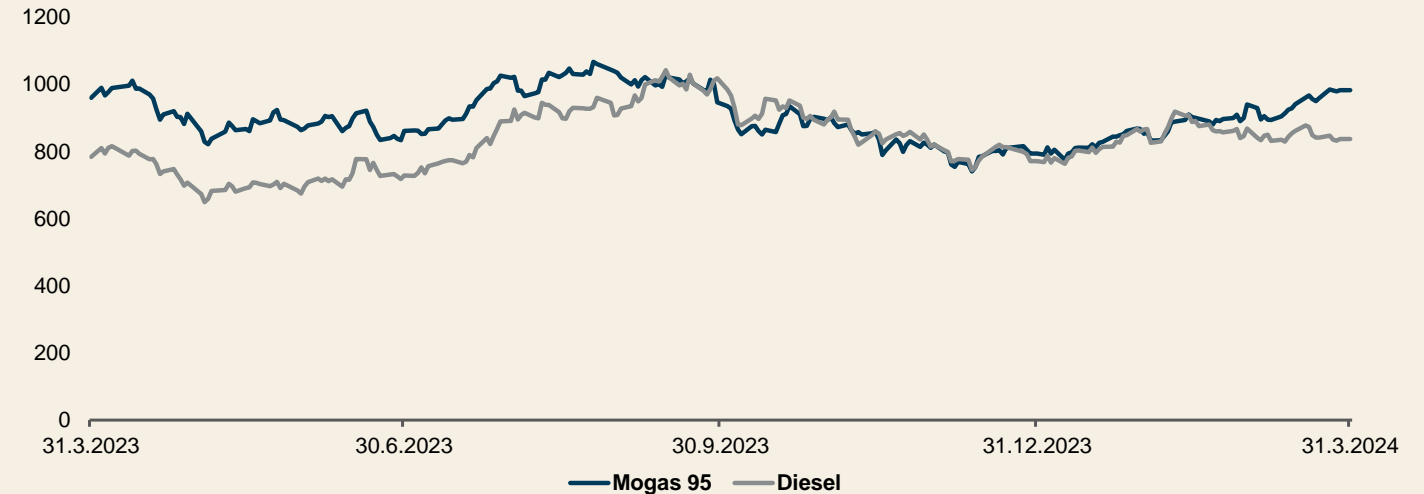
Central Bank Key Interest Rate



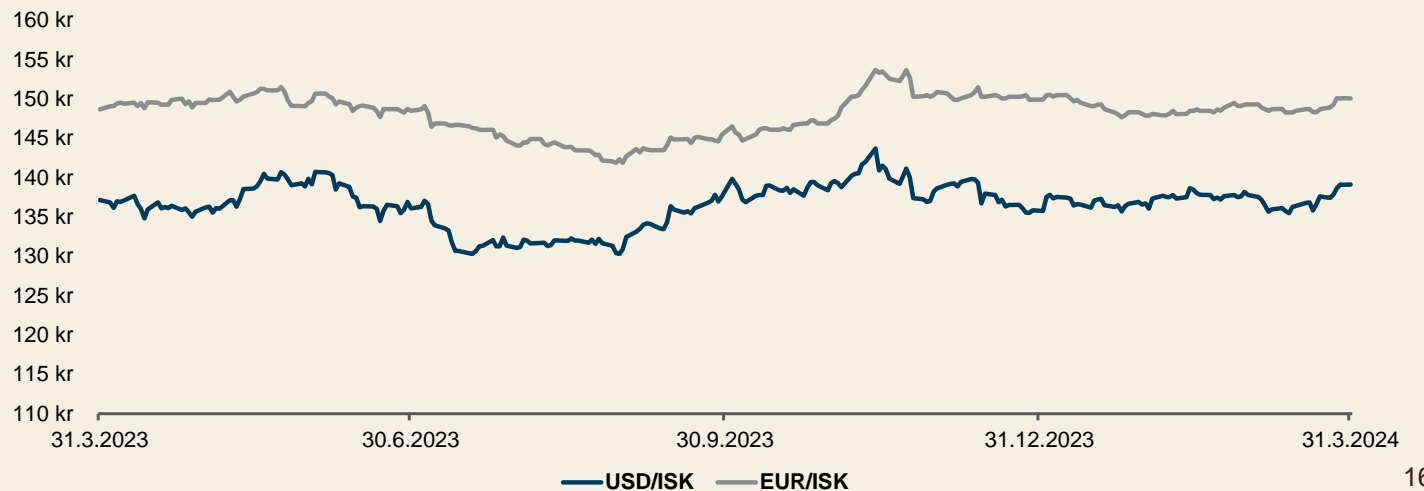
External factors Q1 2024

- ◆ **Fluctuations in fuel prices** between Q1 2023 and Q1 2024:
 - ◆ **Diesel prices decreased by 8.6% within Q1 2024** compared to a decrease of 17.0% in Q1 2023. The **average price** within each quarter decreased by 2.3% YoY.
 - ◆ **Gasoline price increased by 23.8% within Q1 2024** compared to an increase of 7.3% in Q4 2023. **The average price** within each quarter decreased by 3.7% YoY.
- ◆ **Fluctuations in currency USD/ISK and EUR/ISK** between Q1 2023 and Q1 2024:
 - ◆ **USD/ISK increased by 2.4%** and the difference between the highest and lowest exchange rate in Q1 was 3.1%.
 - ◆ **EUR/ISK increased by 0.2%** and the difference between highest and lowest exchange rate in Q1 was 2.3%.

Price development of Mogas 95 and Diesel

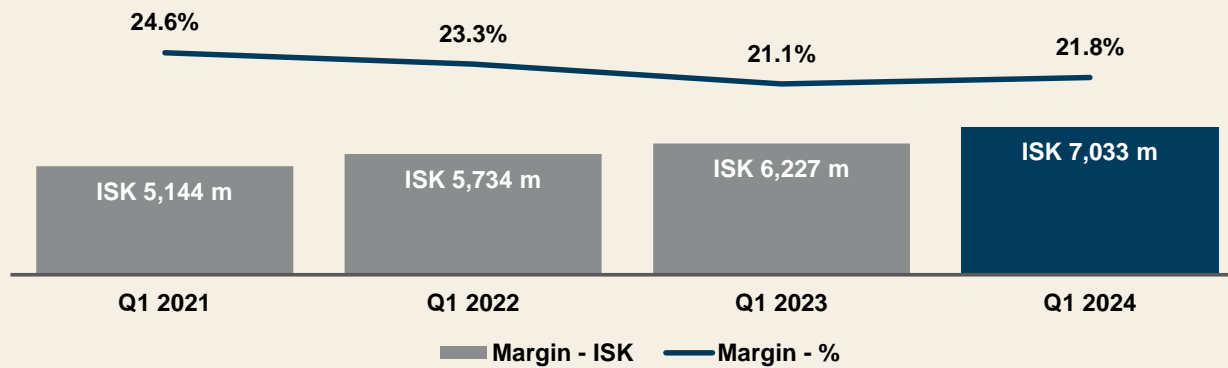


Fluctuations in currency USD/ISK and EUR/ISK

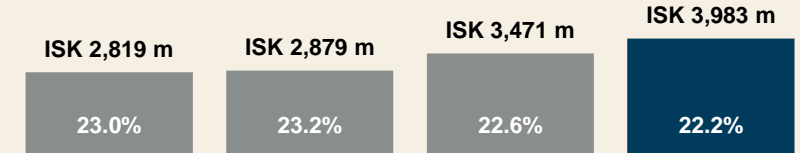


Margin from sale in Q1 2024

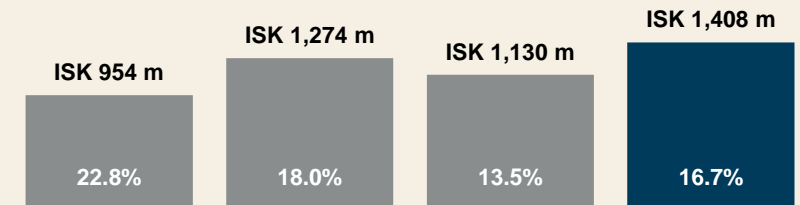
- ◆ **Turnover increases** in every sector except other goods and services. **Margin from sales also increases** in fuel, electricity and electronic equipment but decreases in grocery goods and other goods and services from last year.
- ◆ **Total margin** from sales increases by 12.9% from last year and is ISK 7,033 million.
- ◆ **Margin ratio in Q1 2024 was 21.8%** a decrease of 1.2 p.p. from the previous quarter but increases by 0.7 p.p. YoY.
- ◆ **Margin from sales in ISK** in grocery and convenience goods increases 14.8% from last year, **Fuel and electricity** increases 24.7%, **electronic equipment** increases 11.3% and **other goods and services** decrease 12.9% from last year.



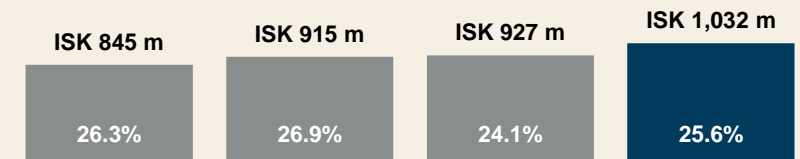
Grocery and convenience goods



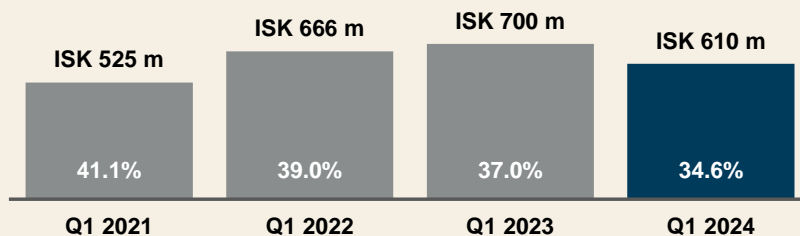
Fuel and electricity



Electronic equipment



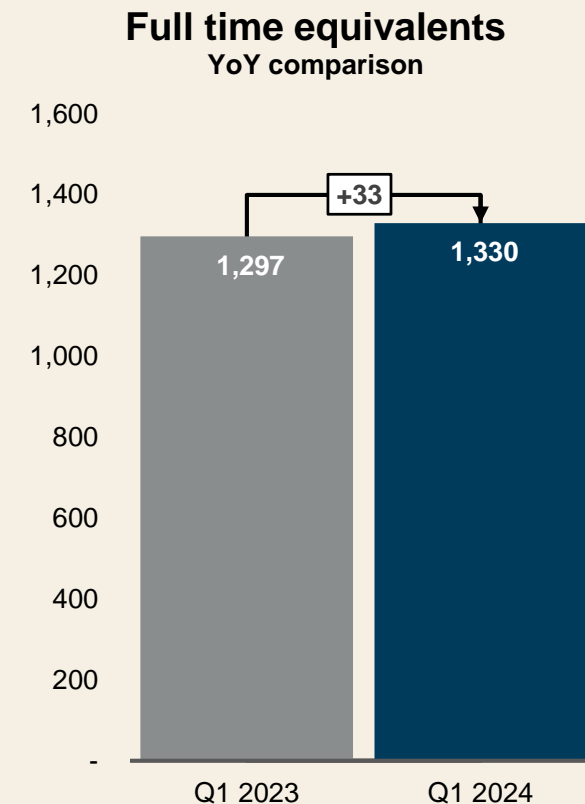
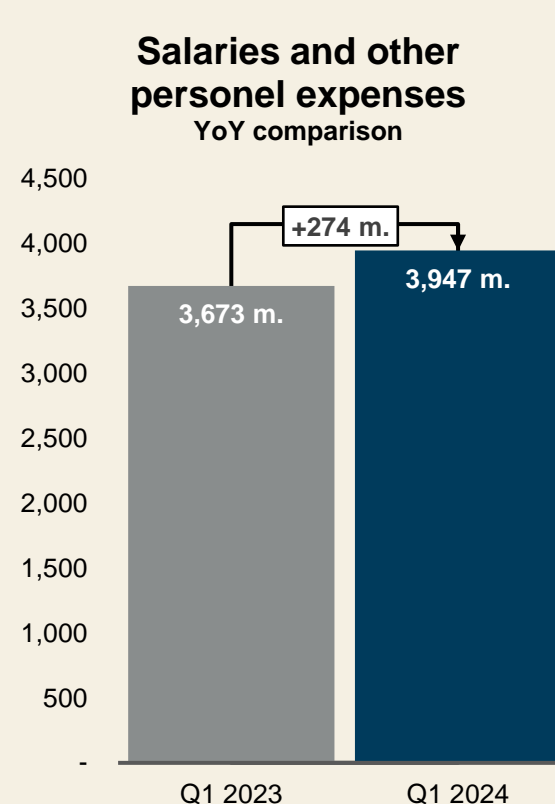
Other goods and services



Salaries and other personnel expenses in Q1 2024

- ♦ **Salaries and other personnel expenses** amounted to ISK 3,947 million and increases by ISK 274 million or 7.5% YoY.
- ♦ **Full-time equivalents increased by 33 YoY** and the increase amounts to ISK 84 million.
 - ♦ New service station at Flugvellir and Ísey at Grandi along with increased activities explain the increase.
- ♦ **Contractual wage increases** had an effect of ISK 107 million YoY increase.
- ♦ **YoY increase of 5.1%** without the effects of increases in full-time equivalents.

Salaries and other personnel expenses Q1 2023	3,673
Change in full-time position equivalents	83
Contractual wage increases	107
Accrued vacation, change	62
Other changes	23
Salaries and other personnel expenses Q1 2024	3,947



N1 – Highlights Q1 2024



- Revenue was ISK 11,765 million, an increase of ISK 45 million or 0.4% YoY.
- Sales of fuel and electricity increased by ISK 91 million or 1.1% YoY. Sales in liters were 46.7 million, 11.1% more volume than last year. Volume increase in all categories except industrial oil.
- Margin increased in fuel and electricity by ISK 279 million or 24,7% but decreases in sale of other goods and services by ISK 90 million or 12,9%.
- EBITDA was ISK 391 million, an increase of ISK 60 million or 18.2% YoY.
- Loss was ISK 376 million, a decrease of 142 million between years.

 **96**
Fuel dispenser
locations

 **12**
Tire and oil
service stations

 **13**
EV charging
locations

	Q1 2024	Q1 2023	Change	%
Total revenue	11,765	11,721	45	0.4%
Total cost	(11,375)	(11,390)	16	-0.1%
EBITDA	391	330	60	18.2%
EBITDA-ratio	3.3%	2.8%	+0.5 p.p.	17.8%
EBIT	(283)	(380)	97	-25.5%
EBIT-ratio	-2.4%	-3.2%	+0.8 p.p.	-25.8%
Profit (loss)	(376)	(519)	142	-27.4%



Krónan – Highlights Q1 2024

- Revenue was ISK 17,101 million, an increase of ISK 2,608 million or 18.0% YoY.
- Same number of stores but new locations for smart store.
- Margin levels under pressure, margin level stays intact but depreciation increases YoY.
- EBITDA was ISK 1,237 million, an increase of ISK 286 million or 30.1% YoY.
- Profit was ISK 463 million, an increase of ISK 192 million or 70.6% YoY.



27
Grocery stores



First Swan certified
Icelandic grocery school
chain



7 yrs
Happiest customers
in the grocery market

	Q1 2024	Q1 2023	Change	%
Total revenue	17,101	14,493	2,608	18.0%
Total cost	(15,865)	(13,542)	(2,322)	17.1%
EBITDA	1,237	951	286	30.1%
EBITDA-ratio	7.2%	6.6%	+0.7 p.p.	10.2%
EBIT	688	434	254	58.5%
EBIT-ratio	4.0%	3.0%	+1.0 p.p.	34.3%
Profit (loss)	463	271	192	70.6%



ELKO – Highlights Q1 2024

- Revenue was ISK 4,087 million, increase of ISK 205 million or 5.3% YoY.
- Increased turnover in all stores except Grandi and Skeifan where the turnover decreases insignificantly.
- Newly renovated store in Keflavik airport has a good start, sales increase by 33% YoY.
- Margin levels increase from last quarter and between years.
- EBITDA was ISK 292 million, an increase of 73 million or 33.3% YoY.
- Profit was ISK 117 million, an increase of 59 million or 100.9% YoY.



	Q1 2024	Q1 2023	Change	%
Total revenue	4,087	3,882	205	5.3%
Total cost	(3,795)	(3,663)	(132)	3.6%
EBITDA	292	219	73	33.3%
EBITDA-ratio	7.1%	5.6%	+1.5 p.p.	26.6%
EBIT	144	85	59	69.0%
EBIT-ratio	3.5%	2.2%	+1.3 p.p.	60.5%
Profit (loss)	117	58	59	100.9%

Yrkir - Highlights Q1 2024

- All real estate operations of the Festi Group were brought under Yrkir from January 1, 2024, which makes comparisons between years difficult.
- Revenue was ISK 1,050 million, increase of ISK 609 million or 137.8% YoY.
- Net operating income (NOI) of properties were ISK 891 million, compared to ISK 916 million Q1 2023 for the whole real estate operations of the Group.
- Utilization ratio was 98% and stays the same between years.
- EBITDA was ISK 815 million and profit was ISK 20 million.


83

Properties owned
by Group


98%

Properties rented out


88%

Own use of properties

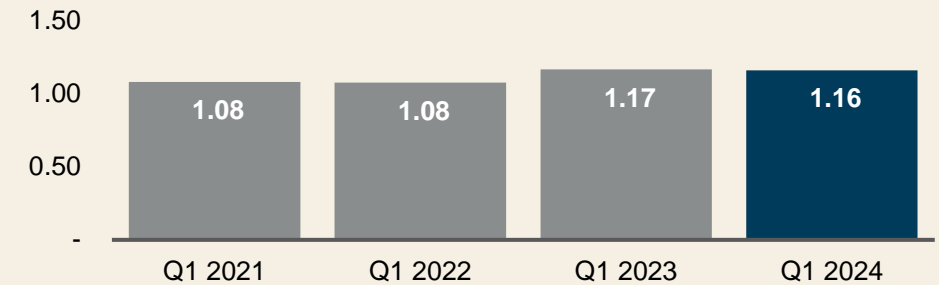
	Q1 2024	Q1 2023	Change	%
Total revenue	1,050	442	609	137.8%
Total cost	(235)	(110)	(125)	113.3%
EBITDA	815	331	484	145.9%
EBITDA-ratio	77.6%	75.0%	+2.6 p.p.	3.4%
EBIT	447	268	179	66.8%
EBIT-ratio	42.5%	60.6%	-18.1 p.p.	-29.8%
Profit (loss)	9	(11)	20	-180.9%



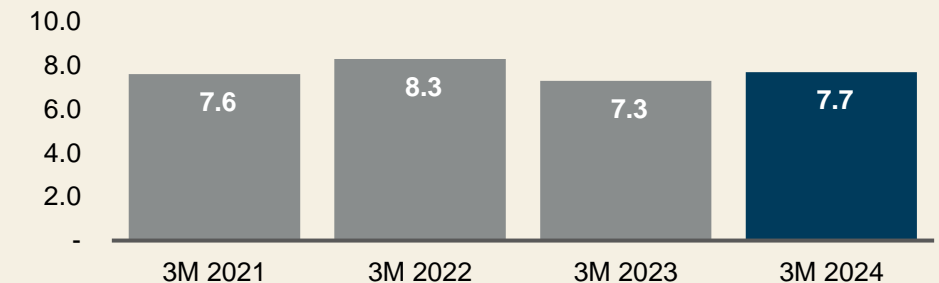
Statement of Financial Position 31.03.2024

Amounts are in ISK million	31.3.2024	31.12.2023	Change	%
Goodwill	14,842	14,842	0	0.0%
Other Intangible assets	4,229	4,260	(31)	-0.7%
Property and equipment	35,736	35,779	(42)	-0.1%
Leased assets	8,383	8,097	286	3.5%
Investment properties	6,764	6,647	117	1.8%
Shares in associates	2,704	2,621	84	3.2%
Shares in other companies	14	14	0	0.0%
Long-term receivables	145	145	0	0.2%
Non-current assets	72,818	72,405	414	0.6%
Inventories	14,399	13,557	842	6.2%
Trade receivables	6,627	5,985	642	10.7%
Other short-term receivables	893	723	169	23.4%
Cash and cash equivalents	2,961	3,362	(401)	-11.9%
Current assets	24,880	23,627	1,252	5.3%
Total assets	97,698	96,032	1,666	1.7%

Current ratio



Inventory turnover

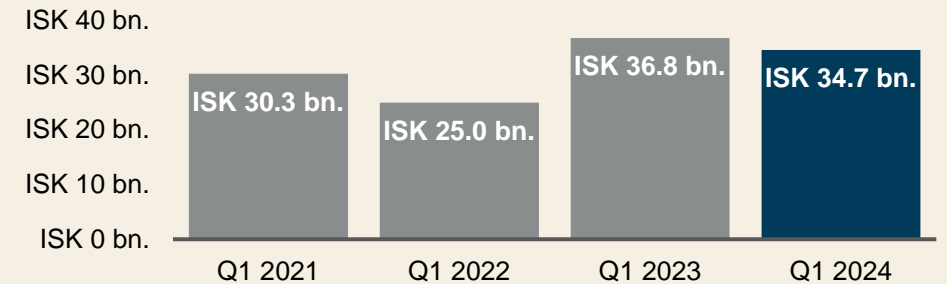


- ◆ **Total assets ISK 97,698 million and increase by ISK 1,666 million from year-end.**
- ◆ **Operational- and investment assets increase by ISK 74 million from year-end.**
- ◆ **Inventories increased by ISK 842 million from year-end due increased activities.**
- ◆ **Accounts receivable and other short-term receivables increase by ISK 811 million from year-end.**
- ◆ **Cash and cash equivalents was ISK 2,961 million and decrease by ISK 401 million from year-end 2023.**

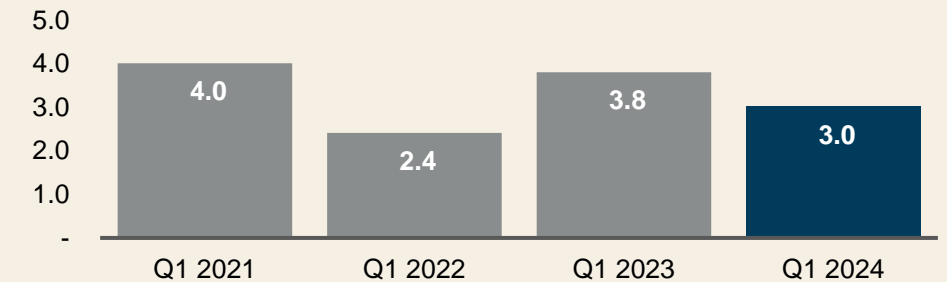
Statement of Financial Position 31.03.2024

Amounts are in ISK million	31.3.2024	31.12.2023	Change	%
Equity	35,140	35,842	(702)	-2.0%
Payable to credit institutions	26,858	26,681	177	0.7%
Lease liabilities	8,058	7,793	265	3.4%
Deferred tax liabilities	6,215	6,185	29	0.5%
Non-current liabilities	41,130	40,659	471	1.2%
Payable to credit institutions	1,811	1,807	4	0.2%
Lease liabilities	889	859	30	3.5%
Trade payables	10,324	9,760	563	5.8%
Other short-term liabilities	8,403	7,104	1,300	18.3%
Current liabilities	21,427	19,531	1,897	9.7%
Total equity and liabilities	97,698	96,032	1,666	1.7%

Net interest bearing debt



Net interest bearing debt/EBITDA



- ♦ **Equity ratio of 36.0%** at year-end.
- ♦ **Trade payables and other short-term liabilities** increased by ISK 1,863 million, of which ISK 563 million are due to Trade payables.
- ♦ **Net-interest bearing liabilities** amounted ISK 34,655 million and increase by 877 million from year-end.
- ♦ Current capital structure is **in line with company strategy** and **well within the covenant agreements with credit institutions.**

Consolidated Statement of Cash Flow Q1 2024

- ◆ **Cash from operating activities was ISK 538 million, a decrease of ISK 701 million YoY.**
- ◆ **Investments amounted to ISK 741 million in Q1 2024, a decrease of ISK 112 million YoY.**
- ◆ **Repayments of interest-bearing debt and lease liabilities** amounted to ISK 225 million.
- ◆ **Decrease in cash position in Q1 2024** amounted to ISK 401 million.

ISK millions	Q1 2024	Q1 2023	Change	%
Cash at the beginning of the period	3,362	2,112	1,250	59.2%
Cash flows from operating activities	538	1,238	(701)	-56.6%
Investments	(741)	(852)	112	-13.1%
Other investing activities	6	37	(31)	-82.7%
Transactions with shareholders	0	(533)	533	-100.0%
Transactions with credit institutions	(225)	(199)	(26)	13.2%
FX difference on cash	21	20	1	2.5%
Cash at the end of the period	2,961	1,823	1,138	62.4%



Summary

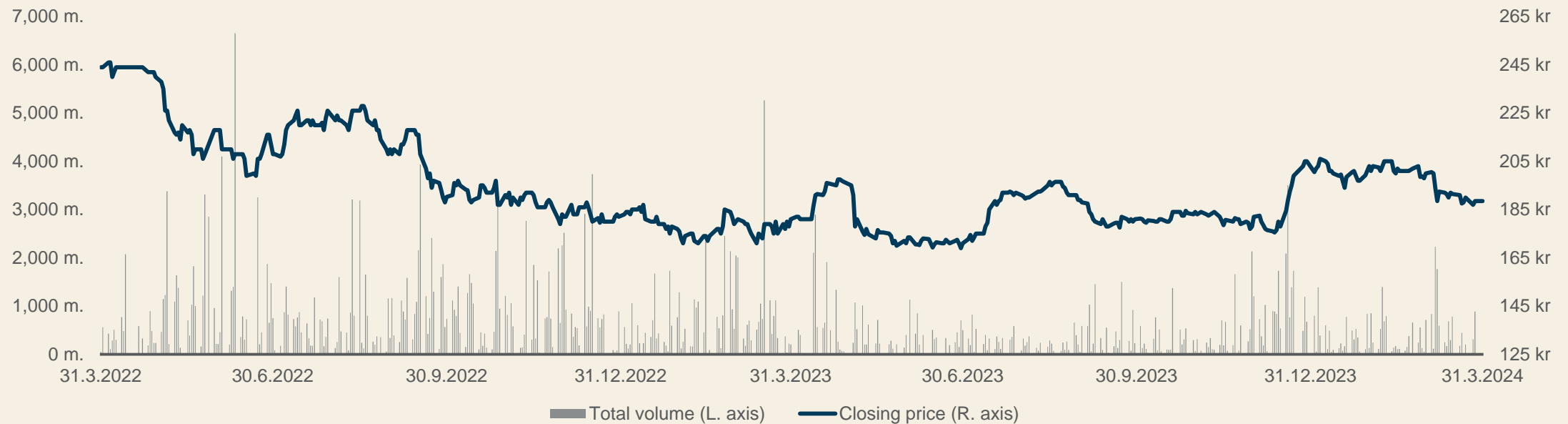


- Q1 2024 operations
- Q1 results 2024
- **Position and outlook**

Share price development – Nasdaq OMX

Shareholders (10 largest)	%
Lífeyrissj.starfsm.rik. A-deild	11.5
Lífeyrissjóður verzlunarmanna	11.1
Gildi - lífeyrissjóður	9.7
Brú Lífeyrissjóður starfs sveit	8.9
Birta lífeyrissjóður	5.3
Almenni lífeyrissjóðurinn	4.8
Stapi lífeyrissjóður	4.6
Frjálsi lífeyrissjóðurinn	3.2
Söfnunarsjóður lífeyrisréttinda	3.1
Stefnir - Innlend hlutabréf hs.	3.0

Market information	31.3.2024	31.12.2023	Change
Issued shares	301 m.	301 m.	0.0%
Price at the end of the period	ISK 189	ISK 205	-8.0%
Market cap	ISK 56,786 M	ISK 61,757 M	-8.0%
Turnover 12m	ISK 18,530 M	ISK 22,781 M	-18.7%
Number of shareholders	1,190	1,191	-0.1%



Highlights and outlook 2024

Highlights:

- ◆ **Operations in the quarter performed well** and the results exceeded the company's initial budget.
- ◆ **Sales of goods and services in the quarter increased by 9.3% and margin from sales by 12.9%.**
- ◆ **Operating expenses increase by 6.0%.**
- ◆ **Continued focus** on operational expenses, optimization of operations and finding ways to lower unit costs within the Group.
- ◆ **Conciliation talks with the Icelandic Competition Authority regarding Festi's acquisition of all shares in Lyfja.**
- ◆ **Preparation started for the sale of ODR, EBK and EAK started.**
- ◆ **Stock option system** implemented for all full-time employees of Festi.

EBITDA guidance and CAPEX budget 2024

- ◆ **EBITDA guidance for the year 2024 is increased by ISK 300 million and is now ISK 11,500 – 11,900 million.**
- ◆ **CAPEX forecast for the year 2024 is ISK 4,400 – 4,800 million.**

Assumptions and risk factors:

- ◆ Effects of Icelandic Central Bank's interest rate hikes on the economy.
- ◆ Impact of armed conflicts on commodity prices and supply variety.
- ◆ High inflation and weakening of the Icelandic krona.
- ◆ Uncertainty about the number of tourist arrivals in Iceland and Icelanders' travels abroad.



Thank you

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