

Profit ISK 279 million in Q1 2025

Main results in Q1 2025

- Sales of goods and services amounted to ISK 37,786 million, an increase of 17.3% between years but 3.0% excluding the impact of Lyfja, which became part of the group from July 2024.
- Margin from sales of goods and services amounted to ISK 9,212 million, an increase of 31.0% from the previous year but 10.5% excluding the effect of Lyfja.
- Profit margin was 24.4%, up by 2.6 p.p. from Q1 2024 but decreasing by 0.1 p.p. from last quarter.
- Salaries and personnel costs amounted to ISK 5,305 million, an increase of 34.4% between years but 12.0% excluding the effect of Lyfja.
- EBITDA amounted to ISK 2,489 million, increasing by 31.2% between years but increasing by 13.1% excluding the effect of Lyfja.
- Profit for the quarter amounted to ISK 279 million, increasing by ISK 77 million between years.
- Equity amounted to ISK 42,421 million, and the equity ratio was 36.8% at the end of Q1 2025, compared to 37.9% at year-end 2024. A dividend of ISK 1,400 million was recognized as liability in March and paid to shareholders on 9th of April.
- The company's EBITDA guidance for the year 2025 is unchanged at ISK 14,400 – 14,800 million.

ISK million	Q1 2025	Q1 2024	Change	%Change
Income Statement				
Sale of goods and services	37,786	32,223	5,563	17.3%
Margin from sale of goods and services	9,212	7,033	2,179	31.0%
Other operating income	549	508	41	8.0%
EBITDA	2,489	1,898	591	31.2%
EBIT	1,100	974	126	12.9%
EBT	329	230	98	42.7%
Profit for the period	279	202	77	38.4%
Statement of Financial Position				
	31.3.2025	31.12.2024	Change	%Change
Inventories	15,362	14,118	1,245	8.8%
Trade receivables	5,668	7,168	-1,500	-20.9%
Cash and cash equivalents	5,029	4,075	953	23.4%
Interest bearing liabilities	43,847	43,956	-110	-0.2%
Net interest bearing liabilities	38,818	39,881	-1,063	-2.7%
Net interest bearing debt/EBITDA	3.0	3.2	-0.2	-6.3%
Equity ratio	36.8%	37.9%	-1.1 p.p.	-2.8%
Return on equity	10.1%	10.4%	-0.3 p.p.	-2.6%
Statement of Cash Flows				
	Q1 2025	Q1 2024	Change	%Change
Cash flows from operating activities	2,407	538	1,870	347.8%
Investing activities	-764	-734	-30	4.0%
Financing activities	-682	-225	-457	203.5%
Cash and cash equivalents at the end of the period	5,029	2,961	2,067	69.8%
Key indicators				
Margin from sale	24.4%	21.8%	+2.6 p.p.	11.7%
Personel expenses/margin from sale	57.6%	56.1%	+1.5 p.p.	2.6%
EBITDA/margin from sale	27.0%	27.0%	+0.0 p.p.	0.1%
Profit/margin from sale	3.0%	2.9%	+0.1 p.p.	5.6%
Earnings per share	0.9	0.7	0.2	34.3%
Cash flows from operations/margin from sale	26.1%	7.6%	+18.5 p.p.	241.9%
Investments	901	741	160	21.6%

Operations in Q1 2025

The company's operations was good in the first quarter and results in line with budget. Sales of goods and services increased in most business segments in the quarter with total increase of 17.3% YoY or 3.0% excluding Lyfja which became part of the group last July and is therefore not in comparative figures. Business transactions increased by 10.2% or 1.4% excluding Lyfja. The sales margin was 24.4%, down 0.1 p.p. from previous quarter but increased by 2.6 p.p. from last year. The margin from sales of goods and services increased by 31.0% YoY and operating expenses increased by 28.9%. The company's EBITDA was ISK 2,489 million for the quarter, an increase of 31.2% from the previous year. N1's EBITDA increased by ISK 369 million YoY. Krónan's EBITDA increased by ISK 31 million YoY. ELKO's EBITDA decreased by ISK 39 million YoY. Net profit for the first quarter was ISK 279 million, an increase of ISK 77 million or 38.4% YoY.

Lyfja's sales amounted to ISK 4,735 million in the quarter, EBITDA was ISK 343 million and profit ISK 31 million.

Revenues in Q1 2025

- Total revenue was ISK 38,335 million, an increase of 17.1% YoY.
- Revenue from sales of goods and services was ISK 37,786 million in Q1 2025, an increase of 17.3% YoY.
- Sales of groceries and convenience goods amounted to ISK 19,629 million, up by 9.2% YoY.
- Sales of fuel and electricity amounted to ISK 8,189 million, a decrease of 3.1% YoY.
- Sales of electronic equipment amounted to ISK 4,309 million, an increase of 6.8% YoY.
- Sales of medicine, prescription and over the counter, amounted to ISK 3,473 million.
- Sales of other goods and services were ISK 2,186 million, an increase of 24.0% YoY.

ISK million	Q1 2025	Q1 2024	Change	%Change
Sale of goods and services				
Grocery and convenience goods	19,629	17,974	1,655	9.2%
Fuel and electricity	8,189	8,453	-264	-3.1%
Electronic equipment	4,309	4,034	275	6.8%
Medicine, prescription and over the counter	3,473	0	3,473	-
Other goods and services	2,186	1,763	423	24.0%
Total sale of goods and services	37,786	32,223	5,563	17.3%
Total other operating income	549	508	41	8.0%
Total income	38,335	32,731	5,604	17.1%

Sales of groceries and convenience goods increased by 9.2% YoY, including part of Lyfja's sales. Sales of fuel and electricity decreased by 3.1% YoY with fuel prices in the global market decreasing by 11-14% YoY, depending on fuel type. Volume sold amounted to 41.2 million liters, which is a decrease of 11.9% between years due to less sales in Marine fuel. Revenue from sales of electronics increased by 6.8% and revenue from other goods and services increased by 24.0% YoY, including part of Lyfja's sales. Medicine, prescription and over the counter, is a new sale segment where revenue amounted to ISK 3,473 million in Q1 2025.

Margin for sales of goods and services in Q1 2025

- Margin for sales of goods and services amounted to ISK 9,212 million, an increase of 31.0% YoY. The margin level was 24.4%, a 0.1 p.p. decrease from last quarter but increases by 2.6 p.p. YoY.
- Margin for grocery and convenience goods was ISK 4,582 million, an increase of 15.0% YoY. The margin level was 23.3%, an increase of 1.2 p.p. YoY.
- Margin for fuel and electricity was ISK 1,830 million, an increase of ISK 422 million YoY. The margin level was 22.3%, an increase of 5.7 p.p. YoY.
- Margin for electronics was ISK 1,108 million, an increase of 7.4% YoY. The margin level was 25.7%, an increase of 0.1 p.p. YoY.
- Margin for medicine, prescription and over the counter, a new segment, was ISK 933 million.
- Margin for other goods and services was ISK 759 million, an increase of 24.4% YoY. The margin level was 34.7%, an increase of 0.1 p.p. YoY.

ISK million	Q1 2025	Q1 2024	Change	%Change
Margin from sale of goods and services				
Grocery and convenience goods	4,582	3,983	599	15.0%
Fuel and electricity	1,830	1,408	422	30.0%
Electronic equipment	1,108	1,032	77	7.4%
Medicine, prescription and over the counter	933	0	933	-
Other goods and services	759	610	149	24.4%
Total margin from sale of goods and services	9,212	7,033	2,179	31.0%

The total margin for sales of goods and services was ISK 9,212 million compared to ISK 7,033 million for the same quarter last year, an increase of 31.0%. Margin for sales of groceries and convenience goods was ISK 4,582 million, up by 15.0% YoY. Margin for fuel and electricity was ISK 1,830 million, an increase of ISK 422 million YoY. Margin for medicine, prescription and over the counter, a new segment with Lyfja, was ISK 933 million. Margin for sales of electronics was ISK 1,108 million, an increase of 7.4%, and the margin for other goods and services was ISK 759 million, an increase of 24.4% YoY.

Operating expenses in Q1 2025

- Operating expenses in Q1 2025 were ISK 7,272 million, an increase of ISK 1,629 million or 28.9% YoY.
- Salaries and other personnel expenses increased by ISK 1,358 million or 34.4% YoY but 12.0% excluding Lyfja.
- The number of full-time equivalents was 1,611 in Q1 2025, an increase of 21.1% YoY or 2.4% excluding Lyfja.
- Total other operating expenses increased by ISK 271 million or 16.0% YoY but decreases by 0.2% excluding Lyfja.

ISK million	Q1 2025	Q1 2024	Change	%Change
Operating expenses				
Salaries and other personnel expenses	5,305	3,947	1,358	34.4%
Other operating expenses				
Operating costs of real estate	592	526	66	12.6%
Maintenance expenses	297	283	14	4.9%
Sales and marketing expenses	444	372	72	19.4%
Office and administrative expenses	154	116	38	32.7%
Communication expenses	336	250	86	34.6%
Insurance and claims	32	54	-22	-40.4%
Other expenses	112	95	16	17.0%
Total other operating expenses	1,967	1,696	271	16.0%
Total operating expenses	7,272	5,643	1,629	28.9%

Salaries and other personnel expenses amounted to ISK 5,305 million in Q1 2025 compared to ISK 3,947 million in Q1 2024, which is an increase of 34.4% or 12.0% excluding Lyfja. Full-time equivalents were 1,611 in the quarter, an increase of 281 full-time equivalents or 21.1% YoY, but 2.4% excluding Lyfja. Increase due to changes in FTE's YoY amounted to ISK 869 million, contractual wage increases YoY had an effect of ISK 280 million and personnel expenses increased by ISK 157 million due to Lyfja being part of the group and also because the annual ball was held in Q1 this year but was held later last year. The table below shows analysis of the increase in wages and other personnel expenses in ISK million YoY:

Salaries and other personnel expenses Q1 2024	3,947
Change in full-time position equivalents	869
Contractual wage increases	280
Change in personnel expenses	157
Share options	35
Other changes	17
Salaries and other personnel expenses Q1 2025	5,305

Other operating expenses were ISK 1,967 million compared to ISK 1,696 million in Q1 2024, which is an increase of ISK 271 million or 16.0%. Excluding the effect of Lyfja the decrease is 0.2%. 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.

Financial items in Q1 2025

- Net finance expenses and the impact of affiliates were negative by ISK 771 million in Q1 2025 compared to negative ISK 744 million in Q1 2024, an increase of ISK 27 million YoY.
- Finance income amounted to ISK 121 million, an increase of ISK 37 million YoY.
- Finance expenses amounted to ISK 960 million, an increase of ISK 20 million YoY.
- Currency difference was negative by ISK 19 million and increases by ISK 44 million YoY.
- The share of profit from associates amounted to ISK 87 million, same as last year.

ISK million	Q1 2025	Q1 2024	Change	%Change
Finance income	121	84	37	43.8%
Finance expenses	-960	-940	-20	2.1%
Foreign currency differences	-19	25	-44	-177.0%
Share of profit from associates	87	87	0	-0.5%
Total	-771	-744	-27	3.7%

Finance income amounted to ISK 121 million, an increase of ISK 37 million YoY. Finance expenses amounted to ISK 960 million, an increase of ISK 20 million. Currency difference was negative by ISK 19 million, a negative increase of ISK 44 million compared to last year. The share of profit from associates amounted to a positive ISK 87 million, same as the year before.

Statement of financial position at the end of Q1 2025

- Total assets amounted to ISK 115.3 bn., an increase of ISK 0.4 bn. from year-end 2024.
- Non-current assets amounted to ISK 88.1 bn., a decrease of ISK 0.2 bn. from year-end 2024.
- Current assets amounted to ISK 27.1 bn., an increase of ISK 0.6 bn. from year-end 2024.
- Cash and cash equivalents amount to ISK 5.0 bn., an increase of ISK 1.0 bn. from year-end 2024.
- Net interest-bearing liabilities amounted to ISK 38.8 bn., a decrease of ISK 1.1 bn. from year-end 2024.
- Equity ratio was 36.8% at the end of Q1 2025 compared to 37.9% at year-end 2024.

ISK million	31.3.2025	31.12.2024	Change	%Change
Goodwill	18,367	18,367	0	0.0%
Other intangible assets	8,105	8,197	-92	-1.1%
Property and equipment	41,098	41,217	-119	-0.3%
Leased assets	10,541	10,535	6	0.1%
Investment properties	7,098	7,012	86	1.2%
Inventories	15,362	14,118	1,245	8.8%
Trade receivables	5,668	7,168	-1,500	-20.9%
Cash and cash equivalents	5,029	4,075	953	23.4%
Interest bearing liabilities	43,847	43,956	-110	-0.2%
Net interest bearing liabilities	38,818	39,881	-1,063	-2.7%
Equity ratio	36.8%	37.9%	-1.1 p.p.	-2.8%
Inventory turnover	8.5	7.7	0.8	10.4%

Goodwill amounted to ISK 18,367 million and remains unchanged from the beginning of the year. Other intangible assets were ISK 8,105 million at the end of Q1 2025, a decrease of ISK 92 million. Properties and equipment amounted to ISK 41,098 million, a decrease of ISK 119 million and investment properties amounted to ISK 7,098 million at the end of Q1 2025, an increase of ISK 86 million from year-end 2024.

Inventories increased by ISK 1,245 million from year-end 2024. Trade receivables decreased by ISK 1,500 million from the beginning of the year. Cash and cash equivalents increased by 953 million from year-end 2024.

Net interest-bearing liabilities amounted to ISK 38,818 million which is a decrease of ISK 1,063 million from year-end 2024. Equity ratio was 36.8% at the end of Q1 2025 compared to 37.9% at year-end 2024. The company's cash position remains strong as well as the balance sheet.

Cashflow in Q1 2025

- Net cash from operating activities was ISK 2,407 million, an increase of ISK 1,870 million from the year before.
- Net cash used in investing activities was ISK 764 million, an increase of ISK 30 million from the year before.
- Net cash used in financing activities was ISK 682 million, an increase of ISK 457 million from last year.

ISK million	Q1 2025	Q1 2024	Change	%Change
Cash flow				
Cash and cash equivalents, beginning of period	4,075	3,362	713	21.2%
Net cash to operating activities	2,407	538	1,870	347.8%
Net cash used in investing activities	-764	-734	-30	4.0%
Net cash used in financing activities	-682	-225	-457	203.5%
Effect of movements in exchange rates on cash	-8	21	-28	-136.8%
Cash and cash equivalents change	961	-422	1,382	-327.9%
Cash and cash equivalents, end of period	5,029	2,961	2,067	69.8%

Net cash from operations in Q1 2025 amounted to ISK 2,407 million, an increase of ISK 1,870 million between years. Net cash used in Investments amounted to ISK 764 million, an increase of ISK 30 million between years. Net cash used in financing activities amounted to ISK 682 million, an increase of ISK 457 million between years. Installments on interest-bearing loans and leases amounted to ISK 323 million and lease liabilities ISK 359 million. Cash and cash equivalents increased by ISK 961 million in the first quarter of 2025 and amounted to ISK 5,029 million at the end of Q1 2025.

Outlook for Festi hf. operations, EBITDA and CAPEX budget for 2025

EBITDA guidance for the year 2025 is ISK 14,400 – 14,800 million.

CAPEX forecast for the year 2025 is ISK 5,200 – ISK 5,600 million.

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

- Developments in inflation and interest rates, as well as the exchange rate of the Icelandic krona.
- Developments in international affairs and their impact on international trade.
- The development of international conflicts and their effects on the supply of goods and the world market price of commodities.
- Uncertainty in the number of tourist arrivals to Iceland and Icelanders travelling abroad.

Shareholders

- The Company's market capitalization at the end of Q1 2025 amounted to ISK 92.1 billion, an increase of 4.1% from the beginning of the year.
- The number of shareholders was 1,240 at the end of Q1 2025 and increase by 21 from year end 2024.

Investor meeting and online presentation on Wednesday, April 30th, 2025

An investor meeting and online presentation for market participants will take place on Thursday, April 30th at Dalvegur 10-14, 3rd 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-Q1-2025>

Participants attending virtually will be able to ask questions during the meeting via the e-mail 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/fjarhagsupplysingar>

Financial calendar

- Q2 2025: July 29th, 2025
- Q3 2025: October 30th, 2025
- Q4 2025: February 5th, 2026
- Annual general meeting 2026: March 5th, 2026

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