



# Presentation of results Q3 2024/25

Operations successful and have been expanded  
to the Faroe Islands

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January 17<sup>th</sup>, 2025

\*This presentation is translated from the Icelandic version which was published on January 16<sup>th</sup>, 2025. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.

# Overview

## Highlights from operations

Financial statements

Status and prospects



## Quarter in a nutshell: Key figures

Q3 2024/25 (change from Q3 2023/24)

**43.7** b.ISK

sales

▼ 0,1%

**3.7** b.ISK

EBITDA

▲ 13,1%

**1.4** b.ISK

profit

▲ 24,6%

**22.6%**

margin ratio

▲ 1,9%points

**15.1%**

salaries and cost ratio

▲ 1,4%points

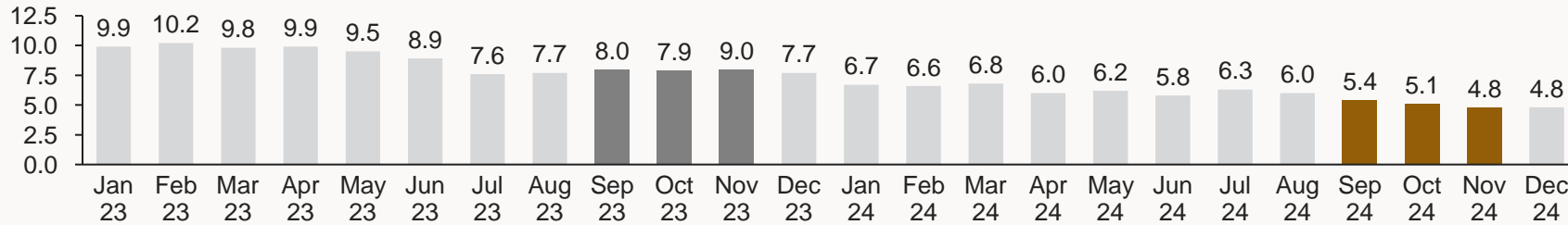
**35.4%**

equity ratio

▲ 0,1%points

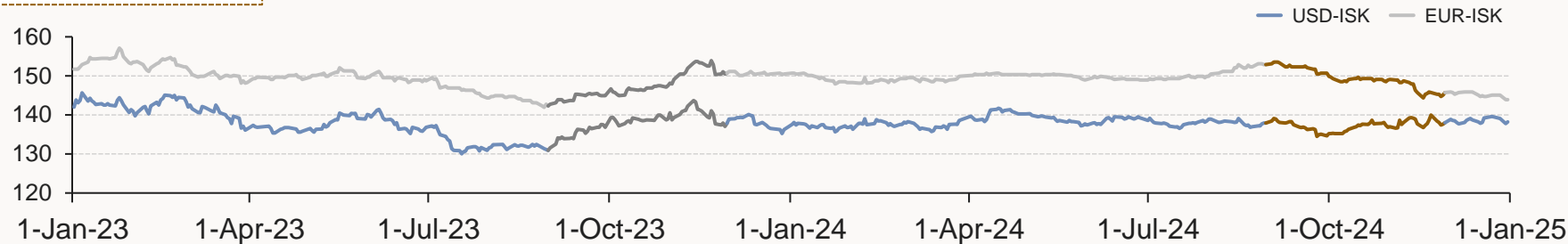
# External influence factors: Inflation continues to decrease and world fuel price fairly stable

Consumer Price Index, annual change, %



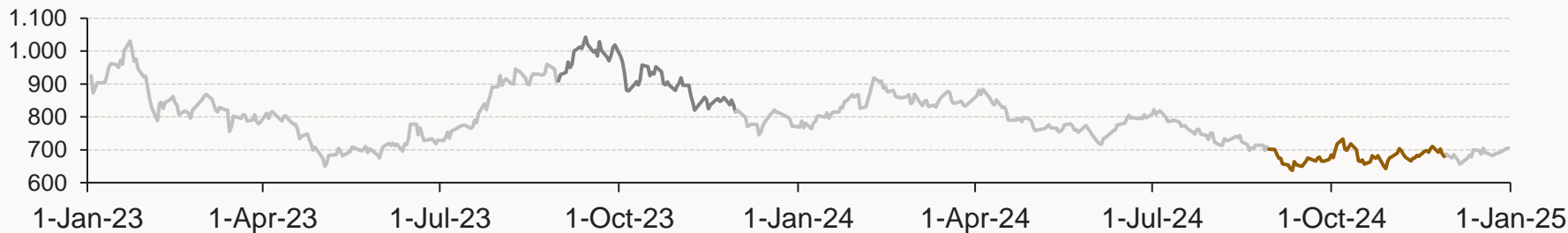
- **Inflation decreased quite in the period** and ended at 4.8% - inflation significantly **lower than at the same time last year** when it was around 8%

Exchange rate, ISK



- **Currency rate of ISK little stronger** compared to leading currencies - **USD at similar value as last year** but **EUR a little weaker** at the end of the period

Price development USD (Diesel), USD / mt



- **World fuel market price rather stable in the period** compared to previous year when the price lowered a bit - **average price quite lower than last year**

## **Operations: This stands out in the quarter**

- **Generally the operations in Q3 were successful** where **revenues were on par with previous year** and **profits in line with plans**
- **Customers visits to grocery stores increases** in the quarter but **sold units decreases slightly** - **Hagkaup has been a little under previous year** but is **returning stronger** at the latter part of the year
- **Sold fuel litres decreases to some extent** due to decline in sale to bulk users - **sold litres in retail increased during the quarter**
- **Gross margin in ISK grew relatively between the years**, and **gross margin ratio increased** as well - **profits strengthen** from previous year
- **Foreign online store Hagar Wine B.V. with alcohol opened** in September and has been well received - Hagkaup executes a contractual service role for HW
- **Just after the end of the quarter** it was announced that a **non - binding offer had been received for Olíudreifing** and it was decided to **offer three parties to continue** with the selling process
- **At the end of Q3 Hagar completed an agreement to purchase all shares in P/F SMS in Faroe Islands** - SMS is a leading retail company with extensive operations, including the operation of a number of grocery stores



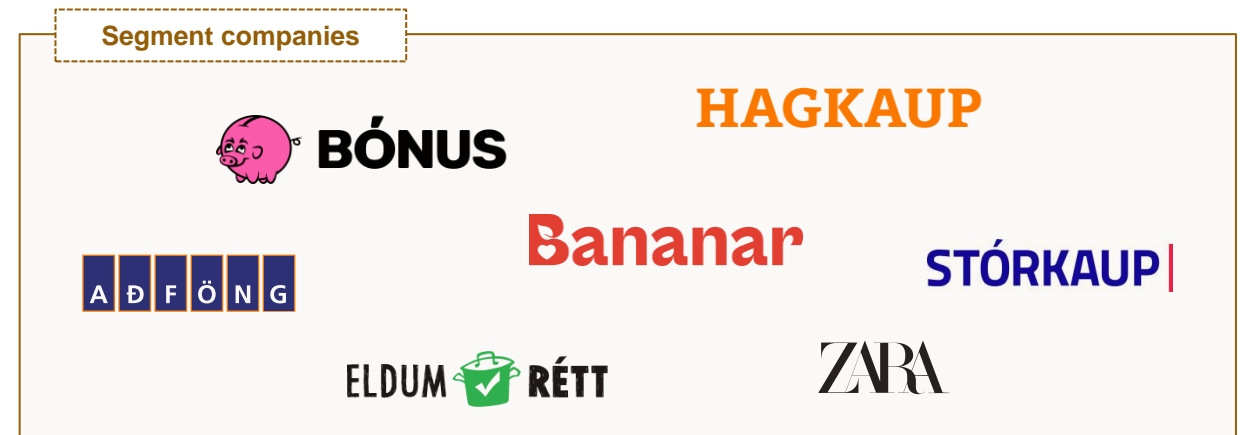
# Stores and warehouses: Operations in Q3 similar as for previous year

Income statement Q3 2024/25 (m.ISK)

- **Revenue from groceries, specialty products and warehouses increased by just over 4%** year on year and amounted to just over **31.5 b.ISK**
- **EBITDA increased slightly year on year and was about 2.5 b.ISK**, or 7.8% of revenue - **increased by just under 4%** from previous year
- **Visits to grocery stores continues to increase** or by 1.3% - **increase in Bónus and decline in Hagkaup**, but **Hagkaup is gaining competence before the year's end** and is coming closer to previous years
- **Sold units decreased a little** or by 1.6% - **product combination purchased and larger, more economical units** have as well impact on the number of sold units
- **Decent revenue growth at Aðföng and Bananar** - increased percentage sold to own stores
- **Eldum rétt proceeding well as before**, and **profits strengthens between the years** - mechanisation in production is beneficial
- **Stórkaup in development phase according to plan** - **Zara's operations performed well in the quarter**

|                 | Q3 '24/25    | Q3 '23/24    | Δ            | %Δ           |
|-----------------|--------------|--------------|--------------|--------------|
| Income          | 31.544       | 30.271       | 1.273        | +4,2%        |
| Expenses        | -29.074      | -27.890      | -1.184       | +4,2%        |
| <b>EBITDA</b>   | <b>2.470</b> | <b>2.381</b> | <b>89</b>    | <b>+3,7%</b> |
| <i>EBITDA %</i> | <i>7,8%</i>  | <i>7,9%</i>  | <i>-0,0%</i> | <i>-0,4%</i> |
| <b>EBIT</b>     | <b>1.497</b> | <b>1.434</b> | <b>63</b>    | <b>+4,4%</b> |
| <i>EBIT %</i>   | <i>4,7%</i>  | <i>4,7%</i>  | <i>+0,0%</i> | <i>+0,2%</i> |

\*Segment profit: profit after depreciation and share of profit of associates



## **Bónus:** Number of customers never been as high

- **Sales in Q3 amounted to 22.0 b.ISK and increased by 5.1%** from previous year - **profits continue to strengthen**
- **Continuing increased activity** where the **number of customers increases and has never been higher** - a small decrease in total number of units reaching each basket
- **Extensive emphasis in the operating year to assist customers to shop cheaply**, f.ex. by assisting to **find inexpensive options, increasing special offers** or with **larger economical units** - has effects on sales and sold units as defined but **excellent for customers and Bónus in the long run**
- **The use of Gripið & Greitt continues to increase** and is now offered in **11 stores through out the country** - continuing increase in use of the app
- Special emphasis **for improvements in the handling and presentation of fruits and vegetables** returning better freshness, better selection, quality and increased sale
- **Bónus nominated as brand of the year in the individuals market** in „The Best Icelandic brands 2024“ which Brandr stands for
- Entertaining collaboration with **YES the snowboard manufacturer and snowboarding geniuses Eiki and Halldór Helgasons** - *„The snowboard highlights both the colourful and playful Bónus brand with the old piggy and the artistic and playfulness of YES“*



## **Hagkaup:** Hagkaup's online store growing fast

- **Sales in Q3** amounted to **6.2 b.ISK** and increased a little from previous year - **profits decreased a little between the years**
- **Customer visits still historically strong, but sold units decreases insignificantly from the previous year** - a changed composition of product purchase explains part of the reason
- **Positive development in sold units and visitations** - greater difference in the first half of the year than in the second half and **visitations and sales now become similar as last year** which was strong in historical context
- **Online sales have grown extensively between the years** and this part of the operations is the fastest growing - **special offer days up to 80% larger than last year**
- **Still extensive emphasis on operational matters to improve profits**, but also extensive and excellent work around **improved product and services offers which attracts customers**
- **Lavazza opened** in Hagkaup at Smáralind, and **Skálin opened another location** at Garðabær - Hagkaup started to **deliver passports and ID's at Skeifan**
- **Special offers and events well-attended**, f.ex. „Tax Free“, „Health days“ and „Italian days“
- **Build-A-Bear opens for first time in Iceland** at Hagkaup Smáralind in February





# Olís: Strong operations in Q3 and profits stronger between years

Income Statement Q3 2024/25 (m.ISK)

- **Revenue in Q3 amounted to 12.7 b.ISK** and declined by 8.2% between the years - **world market fuel price considerably lower this year** but in the comparative year
- **EBITDA amounted to 1,183 m.ISK (9.3%)** and **increased by 39% from previous year** when EBITDA was 849 m.ISK (6.1%) - profit from property sale around 167 m.ISK
- **Sold fuel litres declined by 2.6%** in the quarter due to **decline in sale to bulk users - quite an increase in retail sale in the quarter**
- **Sale of dry products still strong** where **Grill 66** and **Lemon Mini** are **proceeding well**, as well as **the cooperation with Wolt**
- **Operations still strong - have been successful in streamlining costs**, a.o. at service stations, at the same time as **service offered has expanded**
- **Opening of the first Glans car washing station was delayed a little**, but **opening planned at Langatangi in Mosfellsbær** in the near future - **construction at Selfoss has also started** and opening is planned this spring

|                 | Q3 '24/25    | Q3 '23/24   | Δ            | %Δ            |
|-----------------|--------------|-------------|--------------|---------------|
| Income          | 12.707       | 13.839      | -1.132       | -8,2%         |
| Expenses        | -11.524      | -12.990     | 1.466        | -11,3%        |
| <b>EBITDA</b>   | <b>1.183</b> | <b>849</b>  | <b>334</b>   | <b>+39,3%</b> |
| <i>EBITDA %</i> | <i>9,3%</i>  | <i>6,1%</i> | <i>+3,2%</i> | <i>+51,8%</i> |
| <b>EBIT</b>     | <b>913</b>   | <b>571</b>  | <b>342</b>   | <b>+59,9%</b> |
| <i>EBIT %</i>   | <i>7,2%</i>  | <i>4,1%</i> | <i>+3,1%</i> | <i>+74,1%</i> |

\*Segment profit: profit after depreciation and share of profit of associates



# **Faroe Islands:** Hagar finalised the P/F SMS transactions in Faroe Islands at the end of Q3

- **On the November 27<sup>th</sup> the final purchase agreement was signed**, but **all conditions regarding the sale had then been fulfilled**, such as due diligence and regulatory approval by the Faroe Islands Authorities
- **The objective of the purchase** is among others to **further support and strengthen the operations of Hagar** in groceries and **to increase operational efficiency and SMS products range** in the Faroe Islands
- **The enterprise value** in the transaction amounted to just under **467 m.DKK** (~9.1 b.ISK) and the equity value is just under **327 m.DKK** (~6.4 b.ISK)
- **The enterprise value is based, among others, on the operations and plans for the year 2024**, but revenue was estimated to be about **730 m.DKK** (~14.2 b.ISK) and **earnings before interests and depreciations (EBITDA)** about **63 m.DKK** (~1.2 b.ISK) - the enterprise value also included valuation of about 11.000 m<sup>2</sup> property portfolio of the company
- **It must be pointed out that the impact of the leasing standard IFRS 16 is not included in the reported SMS profit figures** - the EBITDA of the company will therefore be **considerably higher in Hagar's statements**



## **Faroe Islands : Purchase price paid in cash and own shares in Hagar**

- **The purchase price was paid in cash amounting to 267 m.DKK (~5.2 b.ISK) and hand over of 13.867.495 own shares in Hagar valued at 60 m.DKK (~1.2 b.ISK) - average share market value in the transactions was 85,23 ISK, but the value is mostly based on the market share closing price on October 18<sup>th</sup> 2024**
- **The final settlement of the purchase could increase a little based on the profits of SMS in the next 2-3 years**, but the assumptions state that there must be a significant operational improvement
- **Hagar financed part of the purchasing price by a new 200 m.DKK (~3.9 b.ISK) liability** but in addition Hagar took over SMS's net liabilities of approx. 140 m.DKK (~2.7 b.ISK)
- **The settlement date for the purchase was Monday, December 2<sup>nd</sup> 2024** and the P/F SMS will be a **part of Hagar's consolidated financial statements for the last quarter of the operating year 2024/25**



## ***Faroe Islands* : SMS is a new pillar in Hagar's operations and falls in line with core operations**

- **The purchase by Hagar of SMS are in line with Hagar's objectives and strategy** that was presented earlier this year to **look for new opportunities to strengthen the company's activities further**, both related to core operations and new revenue streams or operational pillars
- **By the purchase of SMS, Hagar will increase its grocery activities** but at the same time opportunities are formed to **strengthen the service of both companies and increase operational efficiency** - this includes a.o. looking at opportunities in grocery store product offerings, cost synergies, optimisation, and financing
- **Hagar and SMS know each other well and the companies have common roots in the operation of the Bónus stores** in both countries, but until the year 2010 Hagar had a share in SMS
- **The strategic emphasis of the companies are similar, with special emphasis placed on always offering the customers economical food options**, but at the same time ensuring continuous development in retail to ensure excellent customer experience



# Faroe Islands: Main operations of the SMS Group

## Grocery stores

- Eight **Bónus** discount stores throughout the Faroe Islands
- The department store **Miklagarður** in Tórshavn, but the store sells both groceries and specialty products, e.g. toys - Miklagarður also operates a meat processing plant for the Group
- Four smaller shops and a bakery under the name **Mylnan**, but the company also operates a bread and cake factory for the Group



## Restaurants

- Four restaurants in the SMS shopping centre in Tórshavn, i.e. **Burger King**, **Sunset Boulevard**, **Sushi Daily** and **Hornið**
- Two steak houses by the name **Angus Steakhouse** in Tórshavn and Klaksvík



## Other shops and services<sup>1</sup>

- Three small specialty stores under the names **Rumbul** and **Sheep**, which sell various convenience goods at reasonable prices
- Three fitness centres in Tórshavn under the name **Burn**
- Ice cream and dessert manufacture **Omaná** which produces for the Group, but also operates one outlet
- Shoe store by the name **Demmus**



## Properties

- Extensive **property portfolio including ~11,000 m<sup>2</sup>** - is largely used for its own operations but is partly leased to third parties
- **SMS shopping centre operations** in Tórshavn, but the shopping centre is the only one of its size in the Faroe Islands - the company operates some stores but leases most of them to other operators

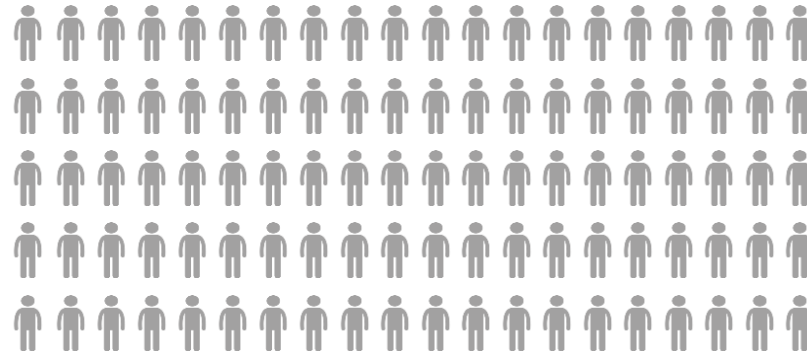


Just over **700 employees** working at SMS and subsidiarys in just under **290 full-time positions**

<sup>1</sup> Rumbul and Sheep are 60% owned by the company, while Burn, Omaná and Demmus are affiliates and are 50% owned by the company

# Faroe Islands: Faroe Islands enlarge Hagar's market considerably

- The Faroe Islands market **enlarges Hagar's market zone considerably**
- **Population of the Faroe Islands is about 55 thousand**, but for comparison **there are about 385 thousand people living in Iceland** - Hagar's market zone **grows therefore more than 14%**
- **To put it in an Icelandic context** it is similar as to add to the market another **Reykjanesbær, Garðabær** and **Mosfellsbær**



**~385 thousand**  
Population in Iceland



**~55 thousand**  
Population in Faroe Islands

*...overall the Hagar market space enlarged by more than **14%***



# **Properties:** Considerable property portfolio and extensive development activities

- **The property portfolio that Hagar acquired** by the purchase of SMS is **a robust addition to the present portfolio of the company**, but the total **property portfolio of Hagar is well over 60 th. m<sup>2</sup>**
  - **Iceland (over 50. thousand square metres):** The number of properties, where the majority are in the capital area, but also in the countryside - largely used for own operations but also leased out to third parties, such as Fiskislóð 1 and Skeifan 11
  - **Faroe Islands (about 11 thousand square metres):** Nine properties where the majority of the space is in Tórshavn - extensively used for its own operations, but also leased to third parties, such as the Miðlón shopping centre which is owned by the company
- **The extent does not include other related properties**, such as unused building sites that Hagar owns, lots and canopies of fuel stations, and other similar
- **Hagar also has extended activity in property development** through a **third part ownership in the property development company Klasi**, but Klasi is developing about **300 th. m<sup>2</sup>**
- **Klasi is an affiliate company** of Hagar, but regarding the other above-mentioned properties **Hagar has not updated valuation changes, but depreciated according to the company's guidelines**

**+60 th.  
square metres**  
*of properties  
owned by the Hagar Group*

**+300 th.  
square metres**  
*being developed at the property  
development company Klasi*



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# Operations successful in the quarter and profits strengthened

## Income Statement Q3 2024/25 (m.ISK)

- **Sales in Q3** amounted to 43.7 b.ISK and **remained nearly unchanged** between the years
- **Gross margin in ISK** amounted to 9.9 b.ISK and **increased by 9.1%** year on year
- **Gross margin ratio amounted to 22.6%** and increased by 1.9%-points year on year - **increase both in grocery and fuel section** of the Group
- **Salaries increased** by 8.5% in Q3 and **other operating costs increased** by 13.4%
- **EBITDA** amounted to 3.7 b.ISK and **increased by 13.1%** year on year - EBITDA increases in both operating sections of the Group
- **Profit** amounted to 1.4 b.ISK. and **increased by 24.6%** from the previous year

|                              | Q3 '24/25    | Q3 '23/24    | Δ          | %Δ            |
|------------------------------|--------------|--------------|------------|---------------|
| Sales                        | 43.659       | 43.683       | -24        | -0,1%         |
| <b>Gross profit</b>          | <b>9.885</b> | <b>9.062</b> | <b>823</b> | <b>+9,1%</b>  |
| Other operating income       | 341          | 139          | 202        | +145,3%       |
| Salaries                     | -4.444       | -4.094       | -350       | +8,5%         |
| Other operating expenses     | -2.129       | -1.877       | -252       | +13,4%        |
| <b>EBITDA</b>                | <b>3.653</b> | <b>3.230</b> | <b>423</b> | <b>+13,1%</b> |
| Depreciation                 | -1.283       | -1.285       | 2          | -0,2%         |
| Net finance expense          | -658         | -625         | -33        | +5,3%         |
| <b>Profit for the period</b> | <b>1.391</b> | <b>1.116</b> | <b>275</b> | <b>+24,6%</b> |

# Profits strengthens and operations in line with plans

## Income Statement 9M 2024/25 (m.ISK)

- **Sales 9M** amounted to 134.3 b.ISK and **grew by 2.9%** year on year or by 3.8 b.ISK
- **Sales increased at stores and warehouses** amounted to 5.5% but **decline was in Olís' sales** by 3.0% year on year
- **Gross margin ratio amounted to 22.0% and increased** by 1.3%-points - increase **both in grocery and fuel sections**
- **Salaries increased** by 9.8% year on year and **other operating costs** by 14.7%
- **EBITDA** amounted to 10.9 b.ISK and **increased by 6.4%** year on year - EBITDA **of stores and warehouses increased** by 7.3% and **Olís' EBITDA grew** by 4.2% year on year
- **Profit** amounted to 4.0 b.ISK and **increased** by 2.9% from previous year

|                              | 9M '24/25     | 9M '23/24     | Δ            | %Δ           |
|------------------------------|---------------|---------------|--------------|--------------|
| Sales                        | 134.305       | 130.482       | 3.823        | +2,9%        |
| <b>Gross profit</b>          | <b>29.596</b> | <b>27.037</b> | <b>2.559</b> | <b>+9,5%</b> |
| Other operating income       | 604           | 543           | 61           | +11,2%       |
| Salaries                     | -13.069       | -11.907       | -1.162       | +9,8%        |
| Other operating expenses     | -6.250        | -5.450        | -800         | +14,7%       |
| <b>EBITDA</b>                | <b>10.881</b> | <b>10.223</b> | <b>658</b>   | <b>+6,4%</b> |
| Depreciation                 | -3.895        | -3.767        | -128         | +3,4%        |
| Net finance expense          | -2.193        | -1.890        | -303         | +16,0%       |
| <b>Profit for the period</b> | <b>3.964</b>  | <b>3.853</b>  | <b>111</b>   | <b>+2,9%</b> |

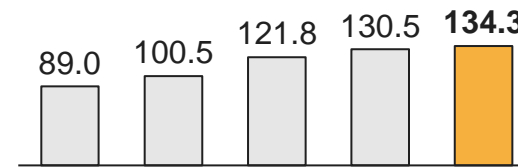
# Gross margin strengthens and EBITDA ratio improves slightly

Operational key factors (9M 2020/21 – 9M 2024/25)

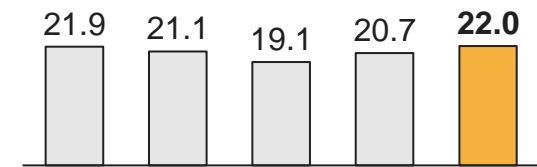
- **Good sales increase in recent years** - propelled by increased operational activity and the impact of inflation
- **The gross margin ratio increases** between the years, after having been historically low until the year 2022/23
- **Salaries and cost ratios** increase between the years due to labour agreements increases and effects from inflation - **Salary cost ratio** now 9.7% and **other operating cost ratio** 4,7%
- **EBITDA ratio** 8.1% in the period compared to 7.8% last year
- **Profit ratio** 3.0% at the end of November - unchanged from previous year

Sales and gross margin

Sales (b.ISK)

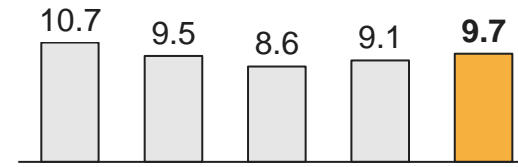


Gross margin (%)

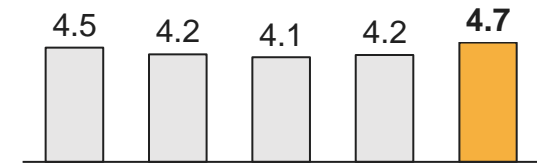


Operating costs

Salaries (%)

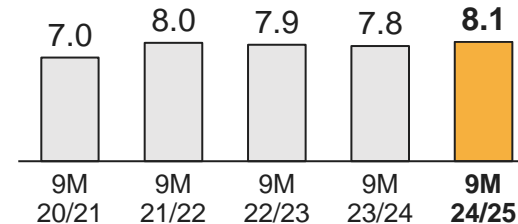


Other operating cost (%)

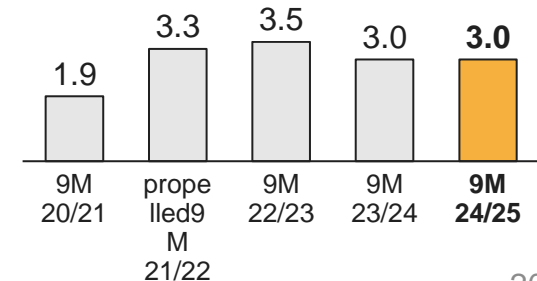


Profit

EBITDA (%)



Profit (%)



# Cash from operations increases during the period

## Consolidated Cash Flow 9M 2024/25 (m.ISK)

- Cash from operating activity** amounted to just under 8.3 b.ISK in the period and grew by 1.2 b.ISK from comparison year
- Investment activities** amounted to 7.2 b.ISK in the period but amounted to 4.0 b.ISK last year
- The company's investment in SMS**, a large part paid into an escrow account at the end of the quarter, but **effects of the operations and ownership will be active in the Q4**
- Financing activities** amounted to 1.4 b.ISK, compared to 4.0 b.ISK in the previous year - own shares not purchased in the year, compared to 2.3 b.ISK in the last year
- Cash decreased** by just under 300 m.ISK in the period and amounted to 1.5 b.ISK at the end of November

|                                      | 9M 2024/25    | 9M 2023/24    | Change       |
|--------------------------------------|---------------|---------------|--------------|
| Profit of the period                 | 3,964         | 3,853         | 111          |
| Adjustments                          | 6,793         | 6,257         | 536          |
| <b>Working capital</b>               | <b>10,757</b> | <b>10,110</b> | <b>647</b>   |
| Change in current assets             | -1,553        | -1,779        | 226          |
| Change in current liabilities        | 1,910         | 1,107         | 803          |
| Interest and taxes paid              | -2,862        | -2,408        | -454         |
| <b>Cash from operating activity</b>  | <b>8,252</b>  | <b>7,030</b>  | <b>1,222</b> |
| Investment activities                | -7,157        | -4,007        | -3,150       |
| Financing activities                 | -1,388        | -4,009        | 2,621        |
| <b>Change in cash</b>                | <b>-293</b>   | <b>-986</b>   | <b>693</b>   |
| <b>Net cash at the end of period</b> | <b>1,534</b>  | <b>1,883</b>  | <b>-349</b>  |

# Accounts receivable increase temporarily due to SMS acquisition

Consolidated Balance Sheet November 30<sup>th</sup>, 2024 (m.ISK)

- **Non-current assets amounted to** 56.3 b.ISK and remained nearly unchanged from end of year 2024/25
- **Current assets grew** by 6.4 b.ISK due to results of the SMS acquisition - large part of the purchase price paid into an escrow account just before the end of Q3
- **Inventories increased** from end of last year and between the years - **inventory turnover ratio** amounted to 10.5 compared to 10.0 last year
- **Credit period for accounts receivable** 12.3 days compared to 11.9 days last year
- **Equity** amounted to 29.7 b.ISK and the company held **own shares** at nominal value of 22.1 m.ISK at the end of Q3 or 2.0% of share capital
- **Interest bearing debts increase** due to financing of the SMS transactions

|                               | 30.11.<br>2024 | 29.2.<br>2024 | %Δ          |                                | 30.11.<br>2024 | 29.2.<br>2024 | %Δ          |
|-------------------------------|----------------|---------------|-------------|--------------------------------|----------------|---------------|-------------|
| Property, plant and equipment | 22.213         | 22.410        | -1%         | Borrowings                     | 13.756         | 11.286        | +22%        |
| Intangible assets             | 13.074         | 12.835        | +2%         | Lease liabilities              | 10.036         | 9.660         | +4%         |
| Other non-current assets      | 21.036         | 20.840        | +1%         | Income tax                     | 3.214          | 2.193         | +47%        |
| <b>Non-current assets</b>     | <b>56.323</b>  | <b>56.085</b> | <b>+0%</b>  | <b>Non-current liabilities</b> | <b>27.006</b>  | <b>23.139</b> | <b>+17%</b> |
| Inventories                   | 13.562         | 13.068        | -           | Borrowings                     | 6.027          | 5.818         | +4%         |
| Trade receivables             | 12.471         | 6.234         | +100%       | Lease liabilities              | 2.631          | 2.579         | +2%         |
| Cash                          | 1.534          | 1.827         | -16%        | Trade payables                 | 18.557         | 17.490        | +6%         |
| <b>Current assets</b>         | <b>27.567</b>  | <b>21.129</b> | <b>+30%</b> | <b>Current liabilities</b>     | <b>27.215</b>  | <b>25.887</b> | <b>+5%</b>  |
| <b>Total assets</b>           | <b>83.890</b>  | <b>77.214</b> | <b>+9%</b>  | <b>Total liabilities</b>       | <b>54.221</b>  | <b>49.026</b> | <b>+11%</b> |
| <b>Liabilities and equity</b> | <b>83.890</b>  | <b>77.214</b> | <b>+9%</b>  | <b>Total equity</b>            | <b>29.669</b>  | <b>28.188</b> | <b>+5%</b>  |

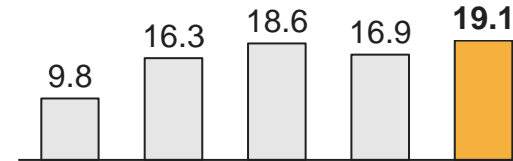
# Return on equity escalated fairly between periods

Economic key factors (9M 2020/21 – 9M 2024/25)

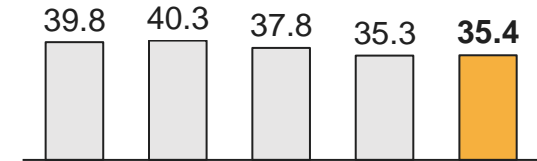
- **Return on equity was 19.1%** in the last 12 months and increases quite in the comparison period
- **Equity** at the end of Q3 amounted to 35.4% - **BoD's objective** about 35.0% ratio
- **Net interest bearing debts** at the end of Q3, including leasing liabilities, were 30.9 b.ISK or 2.3 x EBITDA of last 12 months - **liabilities growing due to the purchase of all shares in SMS**
- **The current ratio** at the end of Q3 was 1.01
- **Cash cash conversion cycle** was 13.5 days compared to 16.3 days last year
- **Assets turnover ratio** was 2.2 at the end of November compared to 2.3 previous year

Shareholders return

Return on equity (%)

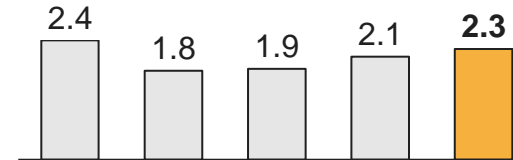


Equity ratio (%)

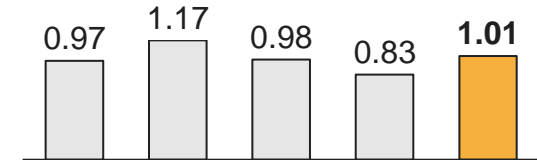


Risk in operations

Net debt/EBITDA<sup>1</sup>

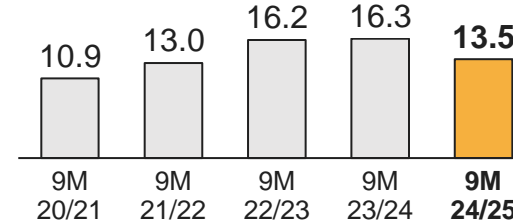


Current ratio<sup>2</sup>

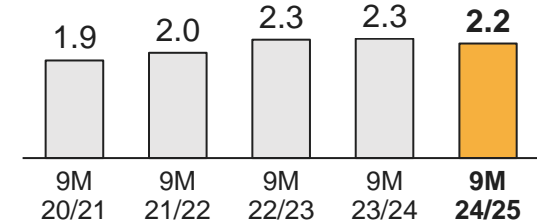


Efficiency of assets

Cash conversion cycle (days)<sup>3</sup>



Assets turnover ratio<sup>4</sup>



1) Net interest bearing debt (including leasing liabilities) / 12 months EBITDA 2) Current assets/ current liabilities  
 3) Cash conversion cycle = number of inventory days + number of days for accounts receivables – number of days for accounts payable 4) Sale / assets

# Overview

Highlights from operations

Financial statements

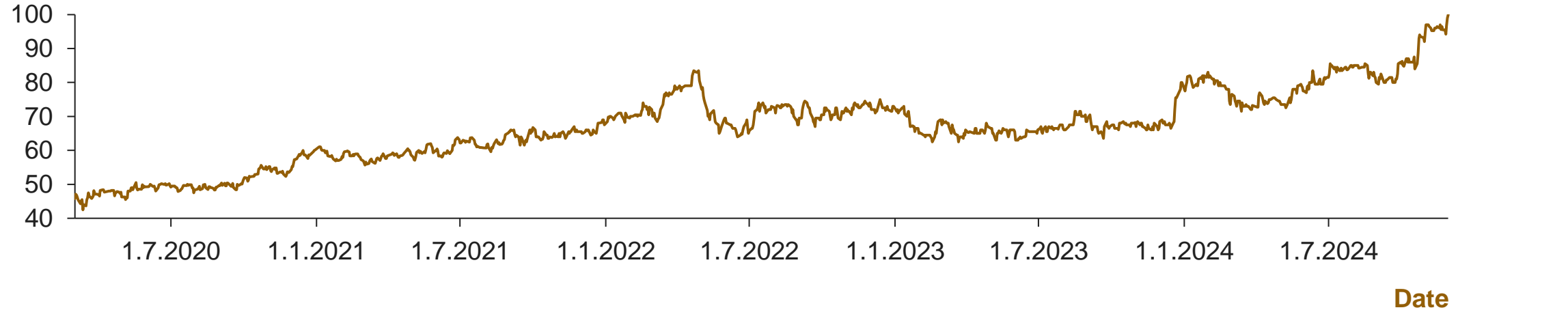
**Status and prospects**





# Market price and largest shareholders

## Market price



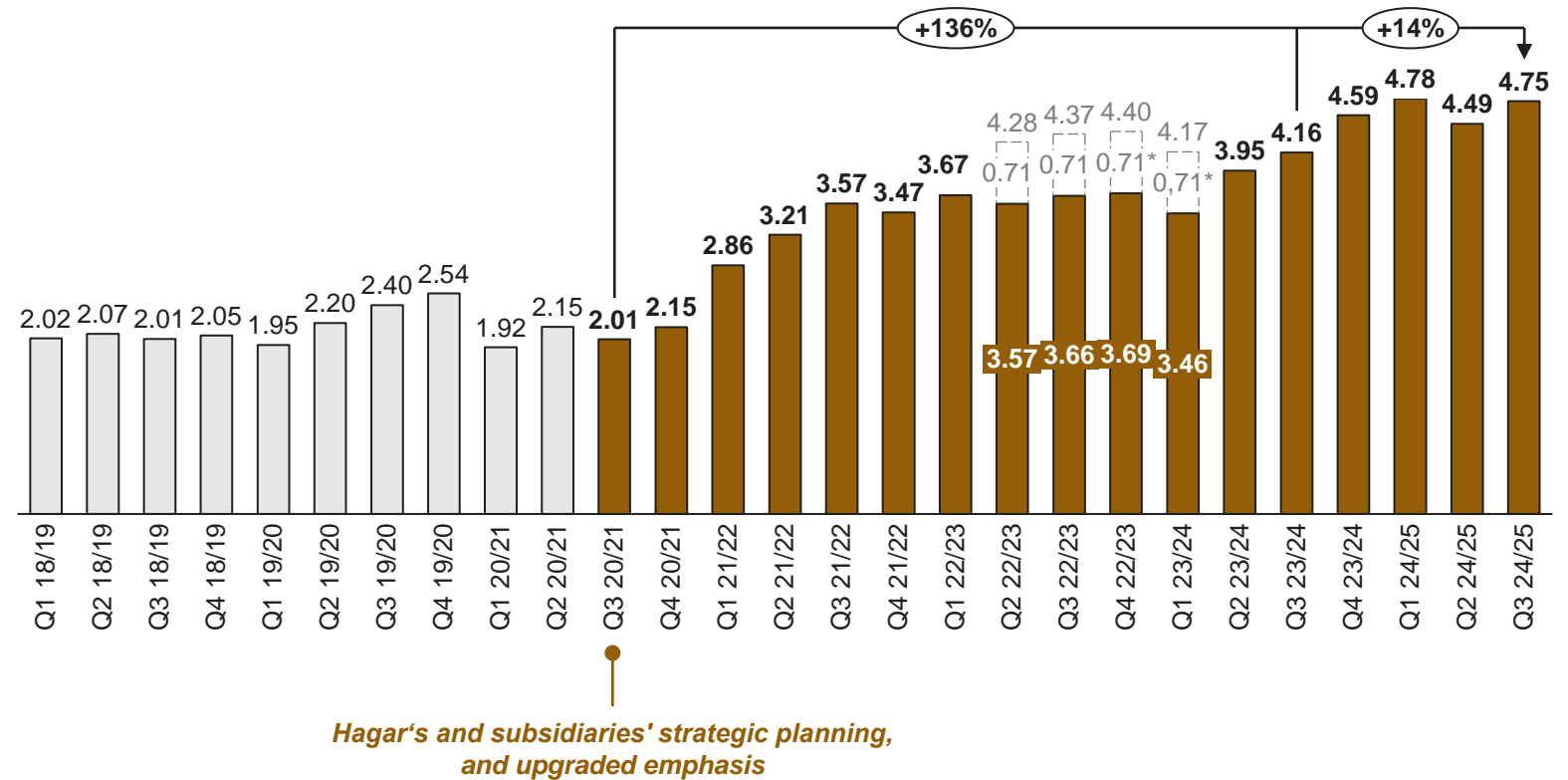
## Largest shareholders, ownership at end of day 30.11.2024

|  |       |  |      |
|--|-------|--|------|
| 1. Gildi - Pension fund                    | 17.6% | 6. Birta Pension fund                        | 7.2% |
| 2. The pen. fund A for state employees     | 11.4% | 7. Festa - Pension fund                      | 4.5% |
| 3. The Pension fund of commerce            | 10.6% | 8. Stapi - Pension fund                      | 4.0% |
| 4. Brú pen. fund, municipalities employees | 9.6%  | 9. SL - Pension fund                         | 2.8% |
| 5. Kaldbakur Ltd.                          | 7.8%  | 10. Brú pension fund for Reykjavik employees | 2.2% |

# Earning per share continue to grow

Accumulated earnings per share last 12 months (ISK per share)

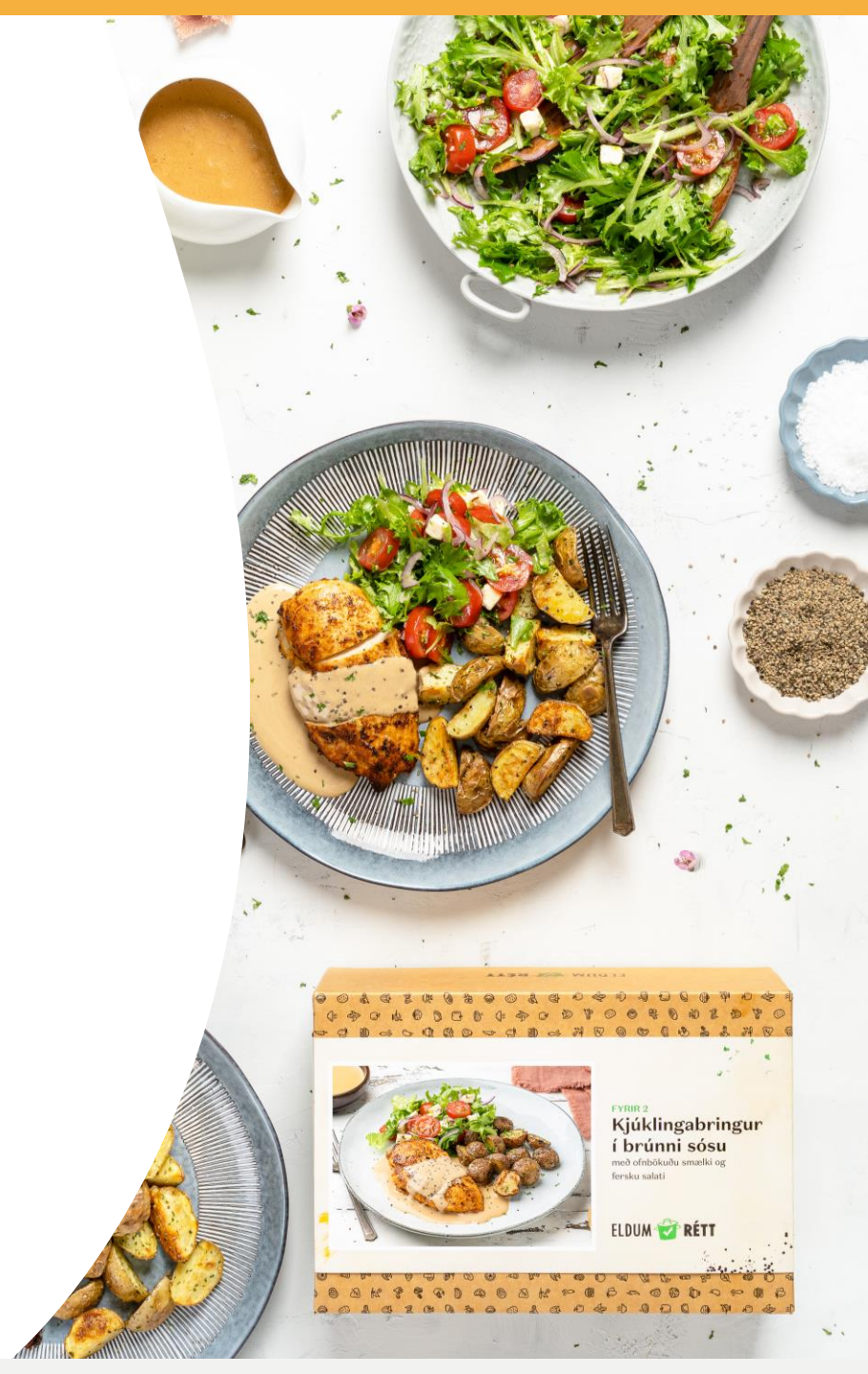
- **Earnings per share continue to grow** and are now **4.75 ISK per share** for the last 12 months or **14% higher than a year ago**, and **136% higher than when new strategic planning and upgraded emphasis was launched** in the year 2021
- **The improved performance** of last quarters is based on general **rationalisation, strategic decisions** that have proven to be successful, **new units** and **increased activity**
- **Continued focus on projects** that **affect operations in the short term**, but also on larger **projects and possible new sources of income** beyond core activities

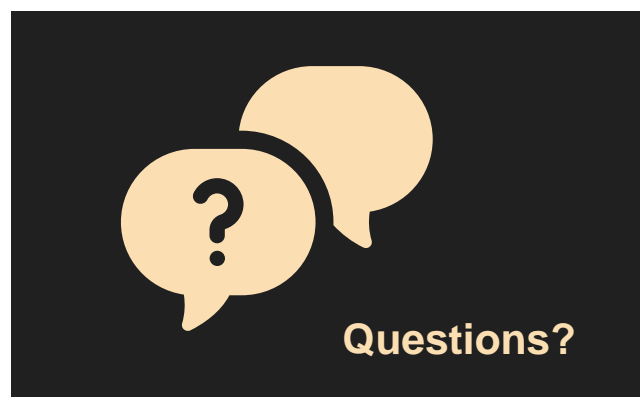


\* Effects from the Klasi transactions

# Status and prospects

- Hagar's status and **the business outlook** is **good**.
  - **Demanding operating environment** but **positive development in the last year**  
- long labour agreements and much lower inflation
  - **The operations of the main sections proceeding well** - operational efficiency has increased and service offered has been improved
  - **New sections of Hagar have established themselves** and have had positive results on profits
  - **Integration of SMS operations with Hagar** will create new **opportunities to improve operations** of both SMS and Hagar
  - **Secure financing and strong financial standing** - financial costs should decrease proportionally in the year
  - Hagar have an excellent position to **utilise possibilities to create new revenue streams** and **handle changing circumstances** in the Icelandic economy
- **Management's guidance for the 2024/25 operating year remains unchanged** and projects the **EBITDA** to be in the in the range of **14,000-14,500 m.ISK**.





# Companies within the Hagar Group



Bónus is a chain of discount stores that, from its founding, has offered the customers the lowest possible food price in Iceland. There are in total 33 stores but the product range covers all the primary household needs.



Hagkaup is a leading retail company which emphasises on excellent service and a wide range of products. There are 7 stores, plus an online store, but the main product categories are food, cosmetics and toys.



Olís specialises in the sale and service of fuel and other oil products, as well as fast food, various essential products for car owners, as well as multi-faceted services for e.g. fishing, contracting and transport enterprises throughout the country.



Eldum rétt offers its customers food packages through an online and Hagkaup's stores, with recipes and ingredients in the right amount to cook healthy and tasty meals, with as little effort as possible.



Aðföng is a purchasing and logistics centre for the retail and bulk consumer market, but the company's activities consist of purchases, inventory management and distribution for Bónus, Hagkaup, Olís and Stórkaup stores.



Bananas is the largest importer and distributor of fresh vegetables, fruits and berries in Iceland and also one of the largest import companies in the country. Bananas is also the largest buyer and distributor of domestic vegetable and berry products.



Stórkaup is a wholesaler servicing bulk users with supplies on a broad basis, with operational guiding principles in efficiency, modern level of service and a simple sales organisation and distribution. The main product categories are operational supplies, health products and food products.



Zara is one of the world's largest fashion store chains selling clothing for adults as well as children at decent prices. Hagar manages the elegant Zara store in Smáralind.



## ASSOCIATES WITHIN THE GROUP



## BRANDS WITHIN THE GROUP



FERSKAR KJÖTVÖRUR



# Disclaimer

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*On behalf of Hagar, attention is drawn to that the statements and information in this presentation are based on, as appropriate, the plans and estimates of the company's directors, but not on facts that may be verified at the publication of the presentation or by any discussion by the company of the presentation. For these reasons the said statements and information constitute a degree of uncertainty.*

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**hagar**

The logo for 'hagar' features the word in a bold, lowercase, sans-serif font. It is enclosed within a stylized, horizontal oval shape composed of two thick, curved lines. The top line is grey and the bottom line is orange, with a small gap between them at the ends. A solid orange horizontal line runs across the bottom of the page, just above a light grey gradient footer.