

Profit ISK 632 million in Q4 2024 and ISK 4,018 million in 12M 2024

Main results in Q4 2024

- Sales of goods and services amounted to ISK 41,946 million, an increase of 19.0% between years but 6.1% excluding the impact of Lyfja, which joined the group from July 2024.
- Gross profit from sales of goods and services amounted to ISK 10,267 million, an increase of 26.6% from the previous year but 8.5% excluding the effect of Lyfja.
- Gross profit was 24.5%, up by 1.5 p.p. from Q4 2023 but remains unchanged from the previous quarter.
- Salaries and personnel costs amounted to ISK 5,202 million, an increase of 31.6% between years but 7.6% excluding the effect of Lyfja.
- One-off costs, due to an administrative fine of ISK 750 million, increase operating expenses and decrease EBITDA in the quarter. See note 32 in the Company's financial statements.
- EBITDA amounted to ISK 2,957 million, decreasing by 6.1% between years but increasing by 17.8% without the effect of the administrative fine.
- Profit for the quarter amounted to ISK 632 million, decreasing by 35.2% between years but increasing by 41.7% without the effect of the administrative fine on the quarter's results.
- Profit for the year 2024 amounted to ISK 4,018 million and the total result was ISK 6,422 million, while a revaluation of the company's real estate at year-end 2024, which was entered directly into equity, amounted to ISK 2,437 million.
- Equity amounted to ISK 43,493 million, and the equity ratio was 37.9% at year-end 2024, compared to 37.3% the previous year.
- EBITDA for the year 2024 amounted to ISK 12,511 million but would have been ISK 13,940 million with Lyfja's operations included for the full year and without the effect of an administrative fine.
- The company's EBITDA guidance for the year 2025 is ISK 14,400 – 14,800 million.

ISK million	Q4 2024	Q4 2023	Change	%Change	12M 2024	12M 2023	Change	%Change
Income Statement								
Sale of goods and services	41,946	35,235	6,711	19.0%	154,463	136,251	18,211	13.4%
Margin from sale of goods and services	10,267	8,109	2,158	26.6%	36,722	30,667	6,055	19.7%
Other operating income	622	639	-18	-2.7%	2,245	2,189	56	2.5%
EBITDA	2,957	3,148	-192	-6.1%	12,511	11,015	1,495	13.6%
EBIT	1,388	2,052	-664	-32.4%	7,723	7,053	670	9.5%
EBT	966	1,187	-221	-18.6%	5,112	4,136	975	23.6%
Profit for the period	632	975	-343	-35.2%	4,018	3,438	580	16.9%
Statement of Financial Position					31.12.2024	31.12.2023	Change	%Change
Inventories					14,118	13,557	561	4.1%
Trade receivables					7,168	5,985	1,183	19.8%
Cash and cash equivalents					4,075	3,362	713	21.2%
Interest bearing liabilities					43,956	37,140	6,816	18.4%
Net interest bearing liabilities					39,881	33,778	6,103	18.1%
Net interest bearing debt/EBITDA					3.2	3.1	0.1	3.2%
Equity ratio					37.9%	37.3%	+0.6 p.p.	1.5%
Return on equity					10.4%	10.0%	+0.4 p.p.	3.5%
Statement of Cash Flows								
	Q4 2024	Q4 2023	Change	%Change	12M 2024	12M 2023	Change	%Change
Cash flows from operating activities	809	1,935	-1,126	-58.2%	9,053	9,414	-361	-3.8%
Investing activities	-1,586	-1,313	-273	20.8%	-8,108	-3,396	-4,712	138.8%
Financing activities	-1,187	-1,453	265	-18.3%	-160	-4,705	4,546	-96.6%
Cash and cash equivalents at the end of the period	4,075	3,364	711	21.1%	4,075	3,362	713	21.2%
Key indicators								
Margin from sale	24.5%	23.0%	+1.5 p.p.	6.4%	23.8%	22.5%	+1.3 p.p.	5.6%
Personel expenses/margin from sale	50.7%	48.8%	+1.9 p.p.	3.9%	50.1%	50.3%	-0.2 p.p.	-0.6%
EBITDA/margin from sale	28.8%	38.8%	-10.0 p.p.	-25.8%	34.1%	35.9%	-1.8 p.p.	-5.2%
Profit/margin from sale	6.2%	12.0%	-5.8 p.p.	-48.8%	10.9%	11.2%	-0.3 p.p.	-2.4%
Earnings per share	2.0	3.2	-1.2	-37.2%	13.1	11.3	1.8	15.4%
Cash flows from operations/margin from sale	7.9%	23.9%	-16.0 p.p.	-67.0%	24.7%	30.7%	-6.0 p.p.	-19.7%
Investments	1,701	1,421	280	19.7%	4,642	4,015	627	15.6%

Operations in Q4 2024

The company's operations were good in the fourth quarter and results exceeded management's expectations, excluding the one-off costs due to an administrative fine. Sales of goods and services increased in most sectors and the increase was 19.0% YoY or 6.1% excluding Lyfja. Transactions increased by 11.2% or 2.1% excluding Lyfja. The sales margin was 24.5%, as in the previous quarter and increased by 1.5 p.p. from last year. The sales margin in ISK increased by 26.6% YoY and operating expenses increased by 41.7%. An administrative fine of ISK 750 million was paid in Q4, as a result of a settlement reached with the Icelandic Competition Authority, as outlined in Note 32 in the 2024 financial statements. The company's EBITDA was ISK 2,957 million, a decrease of 6.1% from the previous year but an increase of 17.8% excluding the administrative fine. N1's EBITDA increased by ISK 331 million year-on-year and Krónan's EBITDA increased by ISK 51 million year-on-year. ELKO's EBITDA decreased by ISK 97 million year-on-year. Net profit for the fourth quarter was ISK 632 million, a decrease of ISK 343 million or 35.2% year-on-year but increases by 41.7% excluding the administrative fine.

Lyfja's sales amounted to ISK 4,423 million in the quarter, EBITDA was ISK 369 million and loss ISK 36 million. Lyfja's sales for the whole year amounted to ISK 17,996 million, EBITDA ISK 1,522 million and profit for the year ISK 419 million.

Revenues in Q4 2024

- Total revenue was 42,568 million, an increase of 18.7% YoY.
- Revenue from sales of goods and services was ISK 41,946 million in Q4 2024, an increase of 19.0% YoY.
- Sales of groceries and convenience goods amounted to ISK 20,199 million, up by 12.0% YoY.
- Sales of fuel and electricity amounted to ISK 8,902 million, an increase of 2.3% YoY.
- Sales of electronic equipment amounted to ISK 5,954 million, an increase of 9.5% YoY.
- Sales of medicine, prescription and over the counter, amounted to ISK 3,500 million.
- Sales of other goods and services were ISK 3,391 million, an increase of 10.5% YoY.

ISK million	Q4 2024	Q4 2023	Change	%Change	12M 2024	12M 2023	Change	%Change
Sale of goods and services								
Grocery and convenience goods	20,199	18,029	2,171	12.0%	78,357	69,178	9,179	13.3%
Fuel and electricity	8,902	8,699	203	2.3%	39,866	38,849	1,017	2.6%
Electronic equipment	5,954	5,439	515	9.5%	19,246	18,061	1,185	6.6%
Medicine, prescription and over the counter	3,500	0	3,500	-	6,841	0	6,841	-
Other goods and services	3,391	3,068	323	10.5%	10,153	10,163	-10	-0.1%
Total sale of goods and services	41,946	35,235	6,711	19.0%	154,463	136,251	18,211	13.4%
Total other operating income	622	639	-18	-2.7%	2,245	2,189	56	2.5%
Total income	42,568	35,874	6,694	18.7%	156,707	138,440	18,267	13.2%

Sales of groceries and convenience goods increased by 12.0% between years, a part of Lyfja's sales is in this segment. Sales of fuel and electricity increased by 2.3% between years, fuel prices in the global market decreased by around 13-22%, depending on fuel type, between years. Volume sold amounted to 50.5 million liters, which is an increase of 14.6% between years. Revenue from sales of electronics increased by 9.5% and revenue from other goods and services increased by 10.5% between years, a part of Lyfja's sales is in this segment. Medicine, prescription and over the counter, is a new segment and revenue amounted to ISK 3,500 million in Q4.

Margins for sales of goods and services in Q4 2024

- Margin for sales of goods and services amounted to ISK 10,267 million, an increase of 26.6% YoY. The margin level was 24.5%, similar to last quarter and increases by 1.5 p.p. YoY.
- Margin for grocery and convenience goods was ISK 4,609 million, an increase of 13.6% YoY. The margin level was 22.8%, an increase of 0.3 p.p. YoY.
- Margin for fuel and electricity was ISK 1,842 million, an increase of ISK 627 million YoY. The margin level was 20.7%, an increase of 6.7 p.p. YoY.
- Margin for electronics was ISK 1,452 million, a decrease of 0.1% YoY. The margin level was 24.4%, a decrease of 2.3 p.p. YoY.
- Margin for medicine, prescription and over the counter, a new segment, was ISK 950 million.
- Margin for other goods and services was ISK 1,415 million, an increase of 2.1% YoY. The margin level was 41.7%, a decrease of 3.5 p.p. YoY.

ISK million	Q4 2024	Q4 2023	Change	%Change	12M 2024	12M 2023	Change	%Change
Margin from sale of goods and services								
Grocery and convenience goods	4,609	4,056	553	13.6%	18,190	15,799	2,391	15.1%
Fuel and electricity	1,842	1,214	627	51.7%	7,760	6,273	1,487	23.7%
Electronic equipment	1,452	1,453	-1	-0.1%	4,866	4,609	256	5.6%
Medicine, prescription and over the counter	950	0	950	-	1,887	0	1,887	-
Other goods and services	1,415	1,386	29	2.1%	4,019	3,986	33	0.8%
Total margin from sale of goods and services	10,267	8,109	2,158	26.6%	36,722	30,667	6,055	19.7%

The total margin for sales of goods and services was ISK 10,267 million compared to ISK 8,109 million for the same quarter last year, an increase of 26.6%. Margin for sales of groceries and convenience goods was ISK 4,609 million, up by 13.6% YoY. Margin for fuel and electricity was ISK 1,842 million, an increase of ISK 627 million between years. Margin for medicine, prescription and over the counter, a new segment within the company, was ISK 950 million. Margin for sales of electronics was ISK 1,452 million, a decrease of 0.1%, and the margin for other goods and services was ISK 1,415 million, an increase of 2.1% between years.

Operating expenses in Q4 2024

- Operating expenses in Q4 2024 were ISK 7,932 million, which is an increase of ISK 2,333 million or 41.7% YoY.
- Salaries and other personnel expenses increased by ISK 1,248 million or 31.6% YoY but 7.6% excluding Lyfja.
- The number of full-time equivalents was 1,620 in Q4 2024, an increase of 21.3% YoY or 1% excluding Lyfja.
- Total other operating expenses increased by ISK 1,085 million or 65.9% YoY. An administrative fine of ISK 750 million is included in other expenses. Without its effects the increase is 20.3%.

ISK million	Q4 2024	Q4 2023	Change	%Change	12M 2024	12M 2023	Change	%Change
Operating expenses								
Salaries and other personnel expenses	5,202	3,954	1,248	31.6%	18,385	15,440	2,945	19.1%
Other operating expenses								
Operating costs of real estate	594	478	116	24.4%	2,218	2,008	210	10.4%
Maintenance expenses	248	250	-2	-0.9%	1,072	1,027	45	4.4%
Sales and marketing expenses	525	432	93	21.6%	1,824	1,545	279	18.1%
Office and administrative expenses	171	174	-2	-1.4%	529	528	0	0.1%
Communication expenses	356	235	121	51.2%	1,173	883	291	33.0%
Insurance and claims	6	33	-27	-81.8%	155	103	52	50.5%
Other expenses	830	44	786	1774.7%	1,099	306	793	259.4%
Total other operating expenses	2,731	1,646	1,085	65.9%	8,071	6,400	1,671	26.1%
Total operating expenses	7,932	5,600	2,333	41.7%	26,456	21,840	4,615	21.1%

Salaries and other personnel expenses amounted to ISK 5,202 million in Q4 2024 compared to ISK 3,954 million in Q4 2023, which is an increase of 31.6% or 7.6% excluding Lyfja. Full-time equivalents were 1,620 in the quarter, an increase of 285 full-time equivalents or 21.3% YoY, but 1% excluding Lyfja. Contractual wage increases between the periods had an effect of ISK 117 million on the YoY increase, stock option agreements ISK 36 million and the effect from Lyfja's acquisition was ISK 949 million. The table below shows an analysis of the increase in wages and other personnel expenses in ISK million between years:

Salaries and other personnel expenses Q4 2023	3,954
Change in full-time position equivalents	42
Contractual wage increases	117
Accrued vacation, change	46
Effect of Lyfja's acquisition	949
Other changes	94
Salaries and other personnel expenses Q4 2024	5,202

Other operating expenses were ISK 2,731 million compared to ISK 1,646 million in Q4 2023, which is an increase of ISK 1,085 million or 65.9%. Excluding the effect of one-off costs the increase is 20.3%. 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 Q4 2024

- Net finance expenses and the impact of affiliates were negative by ISK 422 million in Q4 2024 compared to negative ISK 865 million in Q4 2023, a decrease of ISK 443 million YoY.
- Finance income amounted to ISK 215 million, an increase of ISK 127 million YoY.
- Finance expenses amounted to ISK 860 million, a decrease of ISK 71 million YoY.
- Foreign currency difference was positive by ISK 86 million, increases by ISK 95 million YoY.
- The share of profit from associates amounted to ISK 137 million and increased by ISK 150 million YoY.

ISK million	Q4 2024	Q4 2023	Change	%Change	12M 2024	12M 2023	Change	%Change
Finance income	215	88	127	143.6%	483	244	239	97.9%
Finance expenses	-860	-931	71	-7.7%	-3,768	-3,544	-224	6.3%
Foreign currency differences	86	-10	95	965.1%	66	-34	100	291.7%
Share of profit from associates	137	-12	150	1218.2%	608	418	190	45.5%
Total	-422	-865	443	-51.3%	-2,612	-2,917	305	-10.5%

Finance income amounted to ISK 215 million, an increase of ISK 127 million between years. Finance expenses amounted to ISK 860 million, a decrease of ISK 71 million between years. Foreign currency difference was positive by ISK 86 million, an increase of ISK 95 million compared to last year. The share of profit from associates amounted to ISK 137 million, compared to negative ISK 12 million in the same period last year.

Statement of financial position at the end of the fourth quarter 2024

- Total assets amounted to ISK 114.8 bn., an increase of ISK 18.8 bn. from year-end 2023.
- Non-current assets amounted to ISK 88.3 bn., an increase of ISK 15.9 bn. from year-end 2023.
- Current assets amounted to ISK 26.5 bn., an increase of ISK 2.9 bn. from year-end 2023.
- Cash and cash equivalents amount to ISK 4.1 bn., an increase of ISK 0.7 bn. from year-end 2023.
- Net interest-bearing liabilities amounted to ISK 39.9 bn., an increase of ISK 6.1 bn. from year-end 2023.
- Equity ratio was 37.9% at the end of Q4 2024 compared to 37.3% at year-end 2023.

ISK million	31.12.2024	31.12.2023	Change	%Change
Goodwill	18,367	14,842	3,525	23.7%
Other intangible assets	8,197	4,260	3,937	92.4%
Property and equipment	41,217	35,779	5,439	15.2%
Leased assets	10,535	8,097	2,438	30.1%
Investment properties	7,012	6,647	365	5.5%
Inventories	14,118	13,557	561	4.1%
Trade receivables	7,168	5,985	1,183	19.8%
Cash and cash equivalents	4,075	3,362	713	21.2%
Interest bearing liabilities	43,956	37,140	6,816	18.4%
Net interest bearing liabilities	39,881	33,778	6,103	18.1%
Equity ratio	37.9%	37.3%	+0.6 p.p.	1.5%
Inventory turnover	8.3	7.6	0.7	9.2%

Goodwill amounted to ISK 18,367 million, an increase of ISK 3,525 million from the beginning of the year, due to Lyfja's acquisition. The preliminary distribution of Lyfja's purchase price has taken place and other intangible assets were ISK 8,197 million at the end of Q4 2024. Properties and equipment amounted to ISK 41,217 million, an increase of ISK 5,439 million and investment properties amounted to ISK 7,012 million at the end of Q4 2024, an increase of ISK 365 million from year-end 2023.

Inventories increased by ISK 561 million from year-end 2023, of which ISK 1,371 million is due to Lyfja. Trade receivables increased by ISK 1,183 million from the beginning of the year. Cash and cash equivalents increased by 713 million from year-end 2023.

Net interest-bearing liabilities amounted to ISK 39,881 million which is an increase of ISK 6,103 million from year-end 2023. Equity ratio was 37.9% at the end of Q4 2024 compared to 37.3% at year-end 2023. The company's cash position remains strong as well as the balance sheet.

Cashflow in Q4 2024

- Net cash from operating activities was ISK 809 million, a decrease of ISK 1,126 million from the year before.
- Net cash used in investing activities was ISK 1,586 million, an increase of ISK 273 million from the year before.
- Net cash used in financing activities was ISK 1,187 million, a decrease of ISK 265 million from last year.

ISK million	Q4 2024	Q4 2023	Change	%Change	12M 2024	12M 2023	Change	%Change
Cash flow								
Cash and cash equivalents, beginning of period	6,064	4,232	1,833	43.3%	3,362	2,112	1,250	59.2%
Net cash to operating activities	809	1,935	-1,126	-58.2%	9,053	9,414	-361	-3.8%
Net cash used in investing activities	-1,586	-1,313	-273	20.8%	-8,108	-3,396	-4,712	138.8%
Net cash used in financing activities	-1,187	-1,453	265	-18.3%	-160	-4,705	4,546	-96.6%
Effect of movements in exchange rates on cash	-25	-37	12	-32.4%	-72	-63	-9	15.1%
Cash and cash equivalents change	-1,964	-831	-1,133	136.5%	785	1,313	-527	-40.2%
Cash and cash equivalents, end of period	4,075	3,364	711	21.1%	4,075	3,362	713	21.2%

Net cash from operations in Q4 2024 amounted to ISK 809 million, a decrease of ISK 1,126 million between years. Net cash used in Investments amounted to ISK 1,586 million, an increase of ISK 273 million between years. Net cash used in financing activities amounted to ISK 1,187 million, a decrease of ISK 265 million between years. Installments on interest-bearing loans and leases amounted to ISK 825 million and lease liabilities ISK 362 million. Cash and cash equivalents decreased by ISK 1,964 million in the fourth quarter of 2024 and amounted to ISK 4,075 million at the end of Q4 2024.

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 4,800 – ISK 5,200 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 Q4 2024 amounted to ISK 88.4 billion, an increase of 43.1% from the beginning of the year.
- The number of shareholders was 1,219 at the end of Q4 2024.

Investor meeting and online presentation on Thursday, February 6th, 2025

An investor meeting and online presentation for market participants will take place on Thursday, February 6th 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-Q4-2024>

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

- Q4 2024: February 5th, 2025
- Annual general meeting 2025: March 5th, 2025
- Q1 2025: April 29th, 2025
- Q2 2025: July 29th, 2025
- Q3 2025: October 28th, 2025
- Q4 2025: February 4th, 2025
- Annual general meeting 2026: March 4th, 2026

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