



# Presentation of results Q1 2025/26

Improved profits and a strong start to the fiscal year

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\*This presentation is translated from the Icelandic version which was published on June 26<sup>th</sup>, 2025. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.



HAGKAUP

olis

ELDUM  RÉTT

AÐFÖNG

Bananar

STÓR  
KAUP

ZARA



# Overview

## Highlights from operations

Financial statements

Status and prospects



## *Quarter in a nutshell:* Key figures

Q1 2025/26 (changes from Q1 2024/25\*)

**48.1** b.ISK

sales

▲ 9.2%

**4.0** b.ISK

EBITDA

▲ 25.9%

**1.2** b.ISK

profit

▲ 37.1%

**24.1%**

gross margin ratio

▲ 2.5%points

**16.4%**

salaries and cost ratio

▲ 1.7%points

**36.7%**

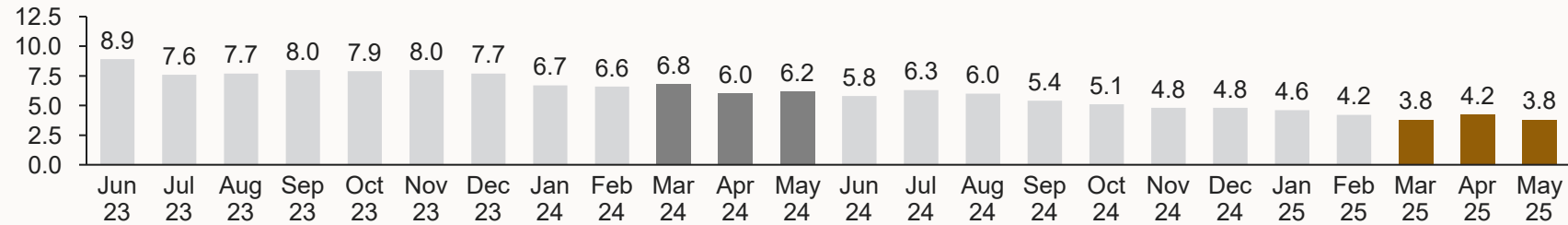
equity ratio

▲ 1.1%points

\*P/F SMS became part of the Hagar Group in the 4<sup>th</sup> quarter of 2024/25 and therefore the impact is not reflected in the previous year's comparative figures.

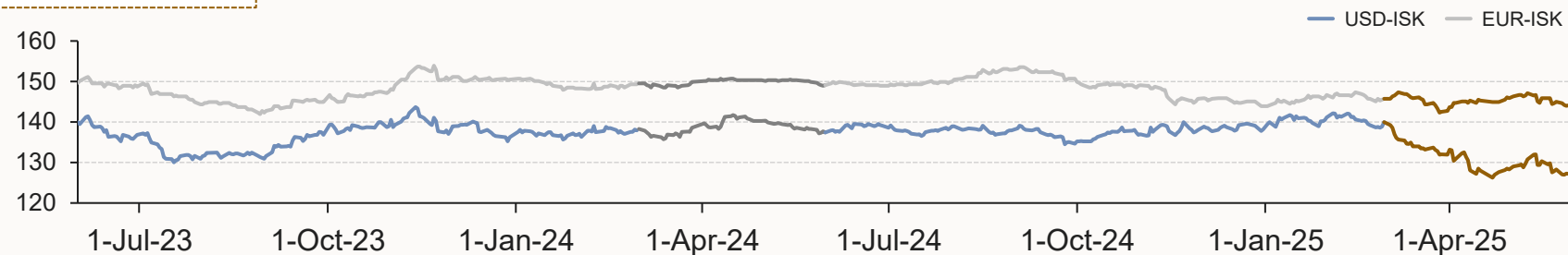
# External effects: Stable inflation, weaker USD and fuel in falling phase

Price Index, annual change, %



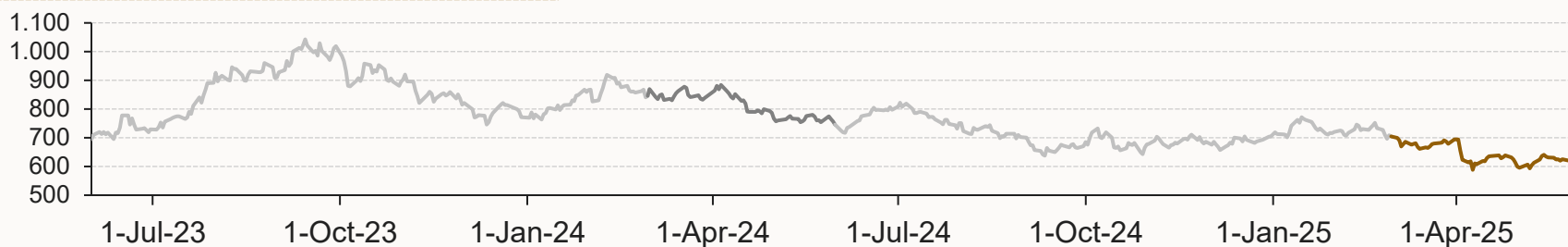
- Relatively stable inflation in the period and ended at 3.8% - inflation **lower than the same time last year** when it was about and over 6%

Currency rate, ISK



- The rate of ISK rather stable towards the € but **strengthened considerably toward the US\$** - ISK relatively stronger than the same time last year

Price development ULSD (Diesel), USD / mt



- World fuel market price declined in the period as last year - average price though considerably lower than in the comparative year



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

- **Operations in Q1 were generally good** and slightly exceeded the management's plan - revenue strengthened considerably between the years, mainly due to the impact of the SMS operation, as well as the operations of other Hagar sections being slightly better than in the previous year.
- **Gross margin increases in ISK and as a percentage of sales**, due to, among other things, the impact of SMS operations and the decline in fuel prices - **gross margin ratio in grocery retail in Iceland remains unchanged**.
- **The activity of Hagar's grocery stores increased** during the period, but **the number of customers and units sold increased** at both Bónus and Hagkaup.
- **The Group's fuel section performed well** despite a decline in the number of litres sold - **retail demand was strong but sales to bulk users declined, mainly due to fewer one-off transactions with foreign bulk users**.
- **Hagar's and subsidiaries' development of interesting digital solutions and services** in full swing - new online store Banana well received.
- **Bónus, Hagkaup, Olís and Bananar launched a major health initiative in cooperation with Latibær (Lazy Town)** - the objective is to increase consumption of fresh fruits and vegetables.
- **Cumulative 12 month profit per share were 6.75 ISK, up 41% from the previous year - excluding one-off items due to the SMS the profit per share were 5.84 ISK, increased by 22%.**



## Segment #1: The operating year starts well with increased activity

Stores and warehouses (Iceland) - Income Statement Q1 2025/26 (m.ISK)

- Income from groceries, specialty products and warehouses amounted to 33.6 b.ISK and increased by almost 7% between the years.
- EBITDA was just over 2.7 b.ISK, or 8.1% of revenue, and increased by just over 11% from the previous year - revenue strengthened proportionally more, or by just over 19%.
- Activity increased significantly from the previous year, visits to grocery stores increasing by 6% and number of items sold by 1% - an increase in both Bónus and Hagkaup.
- Continued good demand at Eldum rétt, but the company started selling instant meals in Bónus during the period.
- Revenue growth at Aðföng and Bananar continues as before, and operations strengthened between the years.
- Stórkaup continues in growth phase - significant revenue growth, especially in groceries.
- Zara started the year strongly and delivered significantly better results than the previous year.

	Q1 '25/26	Q1 '24/25	Δ	%Δ
Income	33.595	31.430	2.165	+6,9%
Expenses	-30.875	-28.983	-1.892	+6,5%
<b>EBITDA</b>	<b>2.720</b>	<b>2.447</b>	<b>273</b>	<b>+11,2%</b>
EBITDA %	8,1%	7,8%	+0,3%	+4,0%
<b>EBIT</b>	<b>1.717</b>	<b>1.440</b>	<b>277</b>	<b>+19,2%</b>
EBIT %	5,1%	4,6%	+0,5%	+11,6%

\* EBIT: profits after depreciation, revaluation and effect from associate companies

Main operations in the segment (Stores and warehouse - Iceland)



HAGKAUP



Bananar

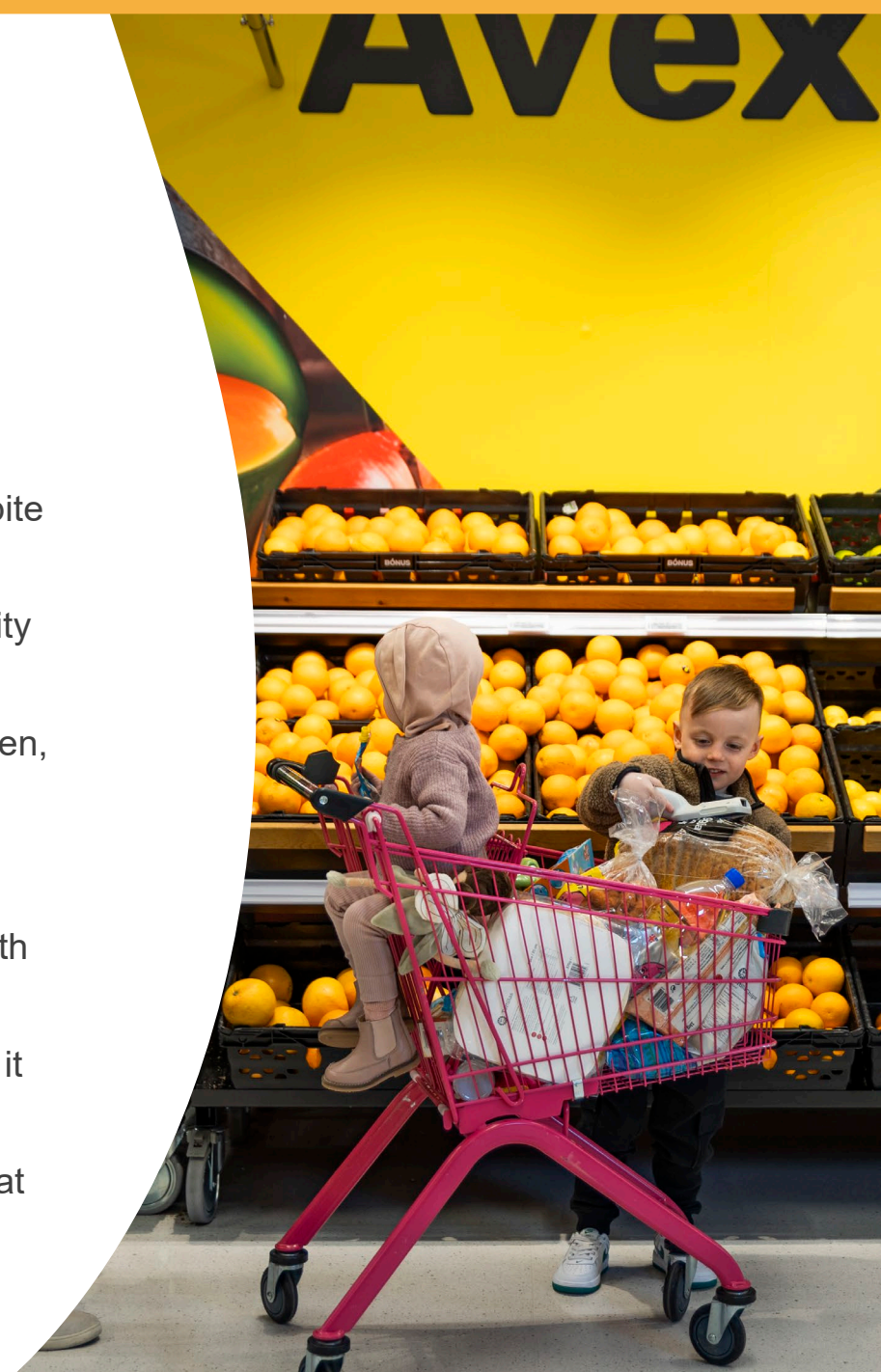
STÓRKAUP |

ELDUM  RÉTT

ZARA

## ***Bónus:*** Increased revenue and more visits

- **Sales in Q1 amounted exceeded 24 b.ISK, an increase of 7.2%** from the previous year - operations were successful **and earnings strengthened year on year.**
- **Activities continued to grow and the customers number increased significantly** from the previous year, or by almost **7%** - **the number of items also increased** despite the increased supply of larger and more economical items.
- **The company's operational model is showing great strength,** but increased activity has not resulted in an increase in store personal employment.
- **Increased product selection and convenience for families,** e.g. free fruit for children, cooperation with Latibær, strollers, toys and a substantial increase in the selection of instant meals
- **The reception of the “children's box” (Barnabónus) exceeded expectations** and the company has already **delivered over 1,000 boxes** - grand support for families with children.
- **Weekly "cheapest of the week in Bónus" offers continue to be popular** - making it easier for customers to **choose even more affordable options**
- **Ongoing store upgrades** - Bónus stores in Ögurhvarf, in Akranes and Naustahverfi at Akureyri were renewed during the quarter
- **Strong start to the year** and general **drive for the company**





## **Hagkaup:** More visits and improved revenue

- **Sales in Q1 amounted to 6,4 b.ISK and grew by 9% from the previous year** - revenue also strengthened considerably between the years.
- **Attendance significantly better than in the comparative year, but an increase in visits and the number of items sold** - the increase in items sold is particularly pleasing in light of the increased emphasis on ready made and semi prepared dishes.
- **Hagkaup's online store continues to grow**, but revenue in Q1 significantly higher than in Q1 last year.
- **Hagkaup's Veisluréttir ("banquet dishes") has established it's service firmly** as one of the best market options - **an increase of over 60% year on year**, but Hagkaup had to close for orders on the major days due to excessive demand.
- **Other innovations are commencing extremely well**, such as **passport delivery**, "Build-A-Bear", a partnership with Latibær (Lazy Town), and greatly expanded the assortment of selected meats.
- **Continued emphasis on store upgrades**, but a new and **updated cosmetics department opening in Hagkaup Garðabær** during the quarter.
- **The Company's events are well attended as before**, e.g. Danish Days, Easter events, cosmetic product launches, etc.





## Segment #2: Strong years start and exciting openings to come

Olís - Income Statement Q1 2025/26 (m.ISK)

- **Revenue in Q1 amounted to almost 11.4 b.ISK** and decreased by 13.1% - **world market fuel prices lower this year** than in the comparison year, but also fewer litres sold.
- **EBITDA amounted to 798 m.ISK, or 7% of revenue, and strengthened by 31 m.ISK** or 4% year on year - **results strengthened proportionally more.**
- Sold fuel litres decreased by 17% from the previous year - **retail demand was strong** but **sales to bulk users declined, especially one-off transactions to foreign entities.**
- **Service station operations continue to strengthen,** but **dry goods sales increasing** while **time used diminished.**
- **The first Glans car wash in Mosfellsbær has started to attract customers** - opening soon in Selfoss and at Gullinbrú.
- **New ÓB stations will be opened in Búðardalur and on Kjarnagata** in Akureyri this summer.

	Q1 '25/26	Q1 '24/25	Δ	%Δ
Income	11.355	13.068	-1.713	-13,1%
Expenses	-10.557	-12.301	1.744	-14,2%
<b>EBITDA</b>	<b>798</b>	<b>767</b>	<b>31</b>	<b>+4,0%</b>
<i>EBITDA %</i>	<i>7,0%</i>	<i>5,9%</i>	<i>+1,2%</i>	<i>+19,7%</i>
<b>EBIT</b>	<b>547</b>	<b>418</b>	<b>129</b>	<b>+30,9%</b>
<i>EBIT %</i>	<i>4,8%</i>	<i>3,2%</i>	<i>+1,6%</i>	<i>+50,6%</i>

\* EBIT: profits after depreciation, revaluation and effect from associate companies

Main operations in segment (Olís)

olís

ób

## Segment #3: Solid operations at years start with excellent revenue

Stores and warehouses (Faroe Islands) - Income Statement Q1 2025/26 (m.ISK)

- Revenue in Q1 amounted to 3,790 m.ISK - EBITDA for the quarter amounted to 528 m.ISK, or 13.9% of turnover, and profit amounted to 183 m.ISK, or 4.8% of turnover.
- In general, all sections performed well, and there was decent revenue growth in the main units - the company's catering operations continue to show sturdy growth and good results.
- Continued emphasis on improved product offering and better experience - Bónus recently launched a loyalty program, and the app was the most downloaded app on the "Danish market" at the time of release.
- Work has commenced on a new shopping centre in Runavík, which is expected to open in the coming fall - Bónus, Rumbul, Sunset Boulevard and more stores.
- SMS continues to display solid and excellent operations, but Hagar and SMS will continue to work on opportunities for upgrade in the coming quarters, including in relation to product range, general operations and financing.

	Q1 '25/26	Q1 '24/25	Δ	%Δ
Income	3.790	0	3.790	-
Expenses	-3.262	0	-3.262	-
<b>EBITDA</b>	<b>528</b>	<b>0</b>	<b>528</b>	<b>-</b>
<i>EBITDA %</i>	<i>13,9%</i>	-	-	-
<b>EBIT</b>	<b>183</b>	<b>0</b>	<b>183</b>	<b>-</b>
<i>EBIT %</i>	<i>4,8%</i>	-	-	-

\* EBIT: profits after depreciation, revaluation and effect from associate companies

### Main operations in the segment (Stores and warehouse – Faroe Islands)



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# Operations good in the quarter and were in line with plans

## Income Statement Q1 2025/26 (m.ISK)

- **Sales in Q1** amounted to 48.1 b.ISK and **grew by 9.2%** year on year - an increase of 1.0% excluding SMS.
- **Gross margin in ISK** amounted to 11.6 b.ISK, and **grew by 21.8%** - increase of 7.9% excluding SMS.
- **Gross margin ratio** was 24.1%, and **grew by 2.5%- points** year on year - **a growth in the Group's fuel sector**, as well as the impact of SMS, **but groceries remained virtually unchanged.**
- **Operating expenses grew** by 22.1% year on year - increase amounted to 4.8% excluding SMS.
- **EBITDA** amounted to 4.0 b.ISK and **increased by 25.9% between the years** - an increase of 9.4% excluding SMS
- **Negative revaluation changes on investment properties** amounted to 173 m.ISK - of which 166 m.ISK was due to properties under operating leasing at SMS.
- **Profit** amounted to 1.2 b.ISK, **increase** of 37.1%.

	Q1 '25/26	Q1 '24/25	Δ	%Δ
Sales	48.115	44.067	4.048	+9,2%
<b>Gross profit</b>	<b>11.619</b>	<b>9.537</b>	<b>2.082</b>	<b>+21,8%</b>
Other operating income	318	142	176	+123,9%
Salaries	-5.327	-4.377	-950	+21,7%
Other operating expenses	-2.564	-2.088	-476	+22,8%
<b>EBITDA</b>	<b>4.046</b>	<b>3.214</b>	<b>832</b>	<b>+25,9%</b>
Depreciation	-1.458	-1.381	-77	+5,6%
Value of investment property	-173	0	-173	-
<b>EBIT</b>	<b>2.415</b>	<b>1.833</b>	<b>582</b>	<b>+31,8%</b>
Net finance expense	-959	-789	-170	+21,5%
Effect of results of associates	32	25	7	+28,0%
<b>Profit</b>	<b>1.165</b>	<b>850</b>	<b>315</b>	<b>+37,1%</b>
Other comprehensive income	24	0	24	-
<b>Total comprehensive income</b>	<b>1.189</b>	<b>850</b>	<b>339</b>	<b>+39,9%</b>

# Revenue ratios improve and gross margin strengthens

Operational key factors (3M 2021/22 – 3M 2025/26)

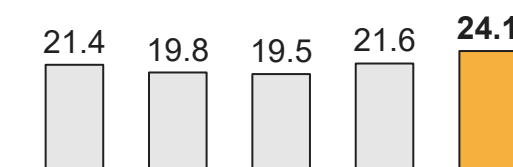
- **The quarter's turnover increase** was driven by the impact of the SMS and good sales growth in stores and warehouses in Iceland - a decline at Olís, partly due to lower world fuel market prices.
- **Gross margin increases** year on year - impact of SMS is felt in the quarter and Olís' gross margin is better than last year, grocery sales in Iceland are almost unchanged.
- **Salaries and cost ratios** increase year on year - mainly due to effects from the SMS.
- **EBITDA ratio** is 8.4% in the quarter compared to 7.3% the previous year.
- **Profit ratio** is 2.4% in the quarter compared to 1.9% the previous year.

## Sales and gross margin

Sales (b.ISK)

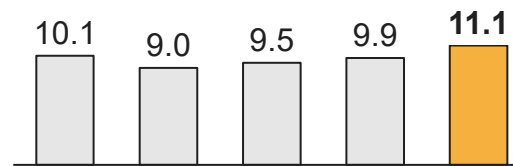


Gross margin (%)

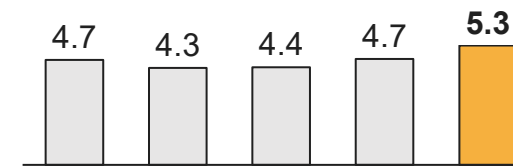


## Operating costs

Salaries (%)

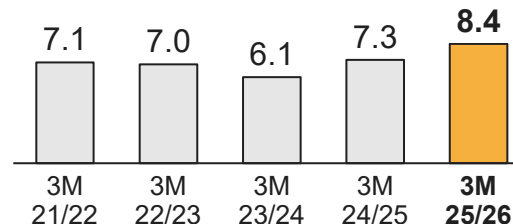


Other operating cost (%)

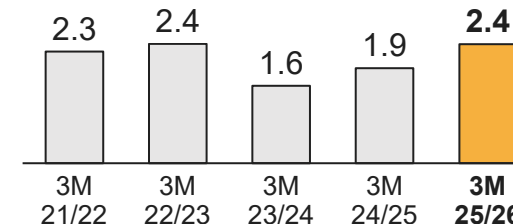


## Profit

EBITDA (%)



Profit (%)



# Cash increases to some extent during the period

## Cash flow statement 3M 2025/26 (m.ISK)

- **Cash from operations** amounted to 5.4 b.ISK in Q1, an increase of 1.5 b.ISK from the previous year.
- **Investing activities** amounted to 1.3 b.ISK, compared to 684 m.ISK last year.
- **Investments in the quarter** including upgrades in several Bónus and Hagkaup stores, new Glans car washes, as well as investments in software and other digital solutions.
- **Financing activities** amounted to 527 m.ISK, compared to 459 m.ISK in the previous year.
- **Cash increased** by 3.6 b.ISK during the period and amounted to 5.9 b.ISK at the end of May, compared to 4.6 b.ISK last year.

	3M 2025/26	3M 2024/25	Change
Profit for the period	1,165	850	315
Adjustments	2,868	2,361	507
<b>Working capital</b>	<b>4,033</b>	<b>3,211</b>	<b>822</b>
Change in current assets	-140	-828	688
Change in current liabilities	2,593	2,484	109
Paid interests and taxes	-1,085	-977	-108
<b>Cash from operating activity</b>	<b>5,401</b>	<b>3,890</b>	<b>1,511</b>
Investing activities	-1,291	-684	-607
Financing activities	-527	-459	-68
<b>Change in cash</b>	<b>3,583</b>	<b>2,747</b>	<b>836</b>
<b>Net cash at the end of May</b>	<b>5,876</b>	<b>4,574</b>	<b>1,302</b>



# Strong economics at the end of the quarter

Balance Sheet May 31<sup>st</sup>, 2025 (m.ISK)

- **Non-current assets amounted to** 81.3 b.ISK and decreased slightly during Q1.
- **Current assets amounted to** 26.9 b.ISK and increased by 3.7 b.ISK from the year's end due to an increase in cash.
- **Equity** amounted to 39.7 b.ISK and the company had **own shares** at a nominal value of 8.1 million at the end of the period.
- **Total liabilities** amounted to 68.5 b.ISK and increased by 2.0 b.ISK - mainly due to higher short term trade receivables.
- **Interest bearing short term debt** amounted to 6.1 b.ISK at the end of Q1 - of which 1.4 b.ISK was due to **promissory notes** and 3.9 b.ISK was related to **short term financing in DKK due to Hagar's acquisition of SMS.**

	31.05. 2025	28.02. 2025	%Δ
Property, plant and equipment	36.384	35.632	+2%
Intangible assets	15.238	15.601	-2%
Other non-current assets	29.698	30.643	-3%
<b>Non-current assets</b>	<b>81.320</b>	<b>81.876</b>	<b>-1%</b>
Inventories	13.580	13.974	-
Trade receivables	7.443	6.887	+8%
Cash	5.876	2.299	+156%
<b>Current assets</b>	<b>26.899</b>	<b>23.160</b>	<b>+16%</b>
<b>Total assets</b>	<b>108.219</b>	<b>105.036</b>	<b>+3%</b>
<b>Liabilities and equity</b>	<b>108.219</b>	<b>105.036</b>	<b>+3%</b>

	31.05. 2025	28.02. 2025	%Δ
Borrowings	17.142	17.137	+0%
Lease liabilities	15.593	15.947	-2%
Income tax	4.155	3.883	+7%
<b>Non-current liabilities</b>	<b>36.890</b>	<b>36.967</b>	<b>-0%</b>
Borrowings	6.128	6.278	-2%
Lease liabilities	3.388	3.630	-7%
Trade payables	22.140	19.672	+13%
<b>Current liabilities</b>	<b>31.656</b>	<b>29.580</b>	<b>+7%</b>
<b>Total liabilities</b>	<b>68.546</b>	<b>66.547</b>	<b>+3%</b>
<b>Total equity</b>	<b>39.673</b>	<b>38.489</b>	<b>+3%</b>

# Return on equity 25.3% at the end of the quarter

Economic key factors (3M 2021/22 – 3M 2025/26)

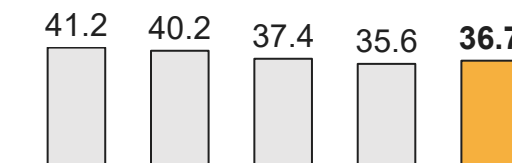
- **Return on equity was 25.3%** over the past 12 months and rising slightly over the comparison period.
- **Equity ratio** at the end of Q1 was 36.7% - **the board's objective** is around 35.0%.
- **Net interest bearing debt** at the end of Q1, including leasing liabilities, was 36.4 b.ISK or 2.3 x 12-month EBITDA - **liabilities increase due to the acquisition of SMS**
- **Current ratio** at the end of Q1 was 0.85 compared to 0.88 in the previous year.
- **Cash conversion cycle** was 8.6 days compared to 9.3 days in the previous year.
- **Asset turnover ratio** was 1.9 compared to 2.3 in the previous year.

Share-  
holders  
return

Return on equity (%)

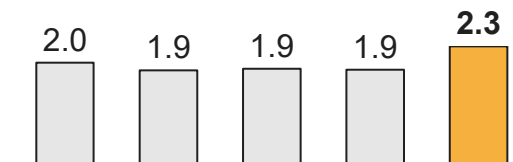


Equity ratio (%)

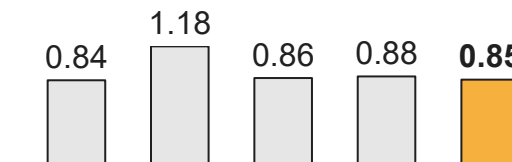


Risk in  
operations

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

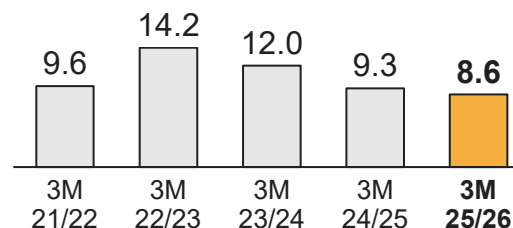


Current ratio<sup>2</sup>

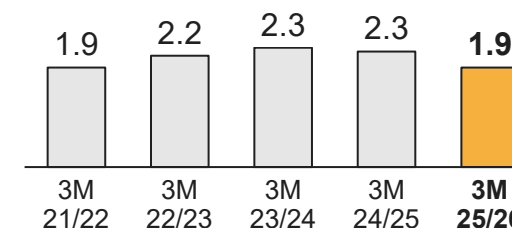


Efficiency of  
assets

Cash conversion cycle (# of 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

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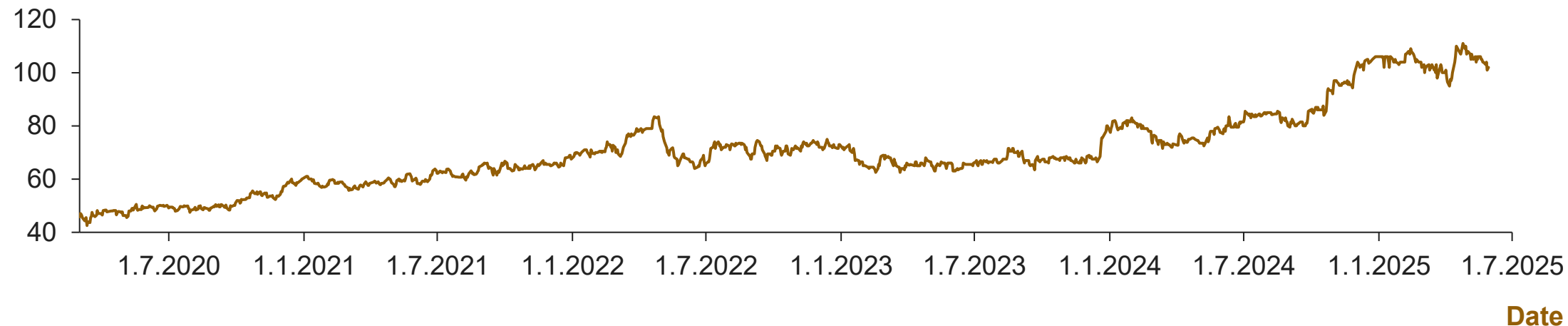
**Status and prospects**





# Market price and largest shareholders

## Market price



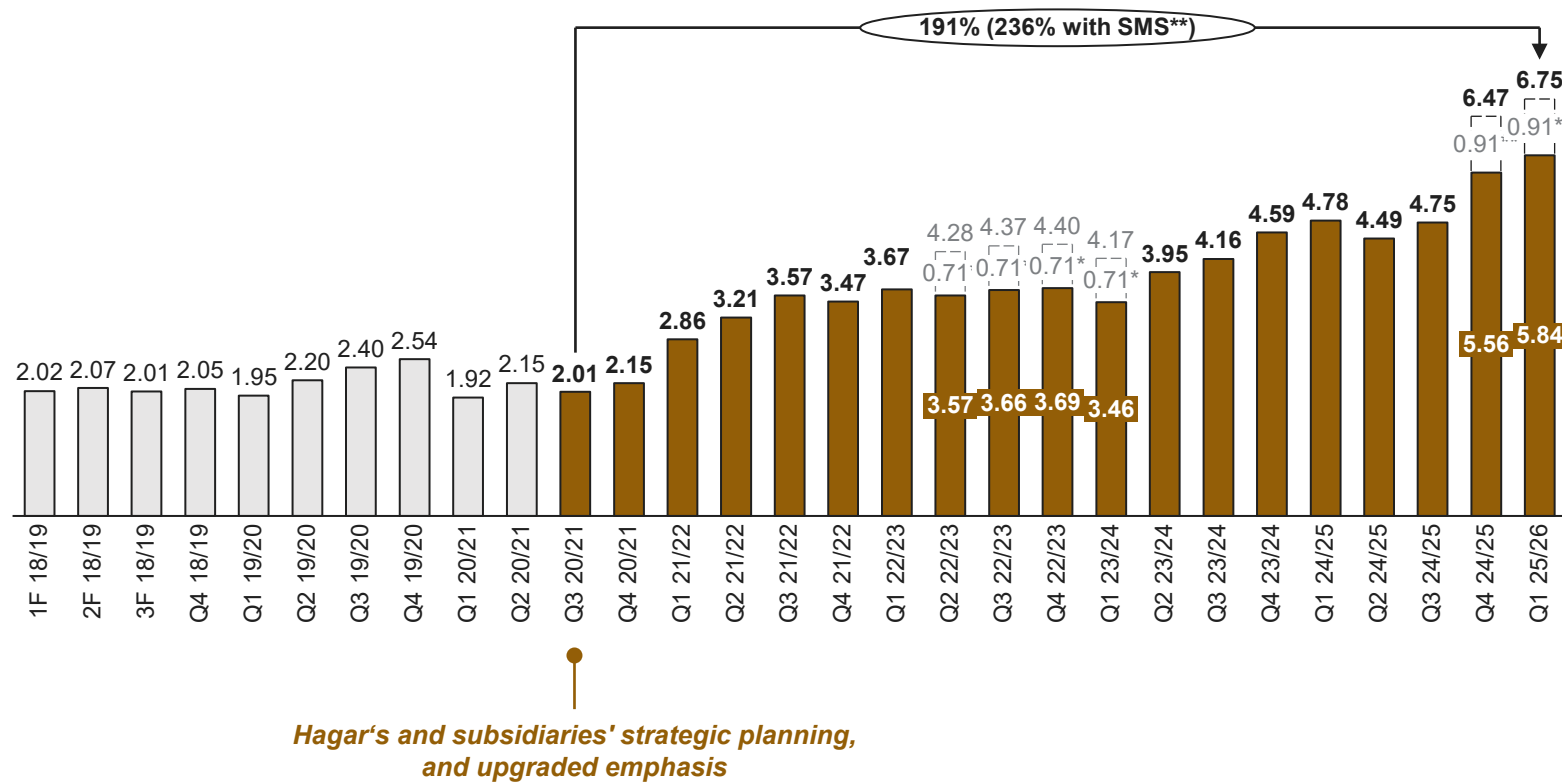
## Largest shareholders, shares held at end of 31.05.2025

1. Gildi - Pension fund	17.2%	6. Birta - Pension fund	6.6%
2. The Pen.fund for state employees A-div.	11.4%	7. Festa - Pension fund	4.2%
3. The Pension fund of commerce	11.2%	8. Stapi Pension fund	3.5%
4. Brú Pen. fund, municipalities employees	9.2%	9. SL – Pension fund	2.8%
5. Kaldbakur ehf.	8.1%	10. Brú R division	2.1%

# Earning per share continue to strengthen

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

- **Earnings per share continue to grow** and are now 5.84 ISK per share for the last 12 months, but **6.75 ISK per share if one-off effects due to revaluation changes in the Faroe Islands are included**.
- **Excluding the impact of a one-time revaluation change in the Faroe Islands** after the acquisition, **earnings per share increase by over 22%** from the same period last year
- **Improved performance of recent quarters is based, as before, on general operational improvements, strategic decisions, new sections and increased activities - the SMS operations first figures booked in Q4 2024/25**



# Status and prospects

- **Operations for the year are off to a good start and the outlook is generally good**
  - **Global trade environment in turmoil** with increased risk of tariffs and trade barriers - **conflict in the Middle East creates uncertainty about fuel price developments**
  - **Still too excessive increases** in grocery **supplies**, including agricultural products, chocolate and coffee - negative impact on food and beverage inflation
  - **Generally rather positive economic and operational environment developments** - inflation and interest rates are falling and there is increased predictability of operating costs (wages)
  - **The operations of the main sections progressing well - operational efficiency continues to increase and service offerings have been improved**
  - **Investment in business development** strengthens the company's progress and creates new profitable revenue streams - **SMS a new pillar** in Hagar's operations
  - **Secure financing and a strong financial position** - financing opportunities related to operations in the Faroe Islands
- **Hagar's position is strong** and the company has the capacity to **generate new revenue and meet the challenges** that may arise in the Icelandic business and economic environment.









# Companies within the Hagar Group in Iceland



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



# Companies within the Hagar Group in Faroe Islands



Bónus is a nationwide chain of affordable grocery stores in the Faroe Islands, known for offering the best grocery prices in the country - eight locations in total.



Miklagarður is a hypermarket offering a wide range of products including food, toys, and other specialty products. Miklagarður also operates a meat processing facility that serves the SMS group.



Mylnan is a combination of a convenience store and a bakery with four locations across Torshavn. It also serves as the primary supplier of baked goods for Bónus and Miklagarður.



SMS operates four restaurants in the main shopping mall, i.e. Burger King, Sunset Boulevard, Sushi Daily and Hornið. Additionally, SMS operates two steakhouses (Angus Steakhouse) in Torshavn and Klaksvik.



Rumbul & Sheep offer a variety of smaller items at affordable prices, making everyday essentials accessible across three locations in the Faroe Islands.

*Ownership: 60%*



**Properties**

Diversified property portfolio of 11,000 m², primarily used for own operations. Additionally, operating the main shopping mall, which houses both own stores but predominantly rented units.



Burn is a gym with three locations in Torshavn, offering flexible monthly subscriptions. In addition to general membership, it provides private lessons and personalized training.

*Ownership: 50%  
Associated company*



Omaná is an ice cream and dessert provider that operates a dedicated dessert shop while also supplying ice cream and sweets at a group level.

*Ownership: 50%  
Associated company*



# Disclaimer

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*On behalf of Hagar, attention is drawn to the fact 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 time of publication or by any discussion by the company of the presentation. For these reasons, the statements and information carry a degree of uncertainty..*

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