



# Investor Presentation

## Q2 2026/27

Strong results and management guidance raised  
- lower prices for customers



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\*This presentation is translated from the Icelandic version which was published on 16 October 2026. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.

# Overview

## Operational Overview

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## Quarter at a Glance: Key Figures

Q2 2026/27 (changes from Q2 2025/26)

**54.7** b.ISK

sales

▲ 5.5%

**5.7** b.ISK

EBITDA

▲ 3.3%

**2.3** b.ISK

profit

▼ 10.4%

**24.7%**

gross margin

▼ 0.1 pp

**15.0%**

OPEX ratio

- unchanged -

**36.4%**

equity ratio

▲ 0.1 pp

## **Operations:** Key takeaways from the quarter

- **Strong Q2 performance, exceeding expectations** - solid grocery operations and better-than-expected results at Olís
- Increased store visits in Iceland and the Faroe Islands - **EBITDA up 17% in “Stores and Warehouses - Iceland” and 13% at SMS**
- **Olís results exceeded expectations** - earnings gains from the sharp rise in oil prices in Q1 partially reversed in Q2, but less than expected - retail fuel volumes increased despite a decline in total liters sold
- **More efficient purchasing strengthens store operations and lowers customer prices** - around 650 new Selling products and price reductions of over 2% on approximately 1,000 products in September
- **Hagar contributes to favorable price developments** - food prices have increased by just 0.88% over the past six months, well below overall inflation
- **Management's EBITDA guidance raised by ISK 800 million** following strong first-half results and a positive outlook - **new guidance of ISK 19.6 - 20.1 billion** for FY 2026/27



# Operating segment #1: Strong performance in stores and warehouses

Stores & Warehouses (Iceland) - Income Statement Q2 2026/27 (m.ISK)

- Revenue from grocery retail, specialty retail and warehouses reached ISK 36.4 billion, up nearly 5.8% YoY
- EBITDA reached ISK 3.7 billion, up 17.1% YoY - EBITDA margin increased from 9.1% to 10.0%, while EBIT improved by 22.4%
- Grocery store visits increased by 3.2% and units sold by 1.3% - particularly strong growth at Bónus, despite the temporary closure in Egilsstaðir
- Strong performance at Aðföng and Bananar - Stórkaup continues to grow rapidly and now delivers positive operating results
- Eldum rétt delivered significantly improved earnings, while Zara's performance was in line with the previous year

|               | Q2 '26/27    | Q2 '25/26    | Δ          | %Δ            |
|---------------|--------------|--------------|------------|---------------|
| Revenue       | 36.429       | 34.436       | 1.993      | +5,8%         |
| Expenses      | -32.771      | -31.311      | -1.460     | +4,7%         |
| <b>EBITDA</b> | <b>3.658</b> | <b>3.125</b> | <b>533</b> | <b>+17,1%</b> |
| EBITDA %      | 10,0%        | 9,1%         | +1,0%      | +10,7%        |
| <b>EBIT</b>   | <b>2.424</b> | <b>1.981</b> | <b>443</b> | <b>+22,4%</b> |
| EBIT %        | 6,7%         | 5,8%         | +0,9%      | +15,7%        |

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

Key operations in the segment (Stores & Warehouses - Iceland)



HAGKAUP



Bananar

STÓRKAUP |

ELDUM  RÉTT

ZARA

## ***Bónus:*** More store visits and stronger earnings

- **Q2 product sales reached ISK 26.7 billion, up nearly 6% YoY** - revenue growth reflects a wider range of lower-priced products, including Salling, reducing the average price per unit sold
- **Earnings growing significantly faster than revenue** - Bónus has made strong progress in operations and purchasing, with further earnings improvement expected
- **Customer traffic continues to grow** - visits up nearly 5% and units sold nearly 2%, despite the fire and temporary closure of the Egilsstaðir store
- **Salling product range has expanded to around 650 products** - positive customer response and more efficient purchasing strengthen Bónus operations - **changes will cover around 10–15% of the product assortment**
- **Further earnings improvement expected**, particularly once major assortment changes are completed - **significant work and temporary costs involved in replacing and introducing products**
- **Bónus reduced prices on around 1,000 products by over 2% in September** - additionally, around half of all other products are priced at or below last year's levels
- **Exciting developments in the pipeline** for stores and digital solutions



## **Hagkaup:** Operational improvements continue to deliver results

- **Sales in Q2 exceeded 6.2 b.ISK, up more than 4% YoY** - profitability improved at a faster rate than revenue
- **Customer visits were broadly unchanged and units sold declined slightly** - reflecting a shift in the sales mix towards higher-value specialty categories
- **Targeted operational improvements continue to deliver results** - lower shrinkage, greater efficiency and improved cost control have strengthened Hagkaup's long-term profitability
- **The Salling partnership benefits Hagkaup** through improved procurement terms and a broader product range - new product lines have been well received and sales continue to increase
- **Preparations are underway for Christmas trading and promotional events** - operational improvements are expected to support strong results during the most important sales months of the year



## Operating segment #2: Results exceed expectations - global oil prices remain high

Olís - Income Statement Q2 2026/27 (m.ISK)

- **Q2 revenue amounted to 14.6 b.ISK and increased by 3.3%** - the abolition of fuel excise duties and lower volumes reduced sales, offset by higher global oil prices
- **Fuel liters sold decreased by 11.1% - retail volumes increased while sales to industries decreased**, particularly **aviation fuel, which contributes relatively little to gross profit**
- **EBITDA reached 1,338 m.ISK (9.2%) and EBIT 1,076 m.ISK (7.4%)** - results exceeded expectations as Q1 profit from higher oil prices **reversed less than anticipated**
- **Profit from fuel sales to industries broadly unchanged YoY** - the Q1 inventory write-down moderated the Q2 impact of falling global oil prices
- **Retail fuel profitability declined** - unusual conditions included volatile global prices, a temporary VAT reduction and price monitoring
- **The growing contribution from non-fuel products and services represents hundreds of millions of ISK annually** - continued growth in food service, car washes and other services

|                 | Q2 '26/27    | Q2 '25/26    | Δ            | %Δ            |
|-----------------|--------------|--------------|--------------|---------------|
| Revenue         | 14.550       | 14.087       | 463          | +3,3%         |
| Expenses        | -13.212      | -12.320      | -892         | +7,2%         |
| <b>EBITDA</b>   | <b>1.338</b> | <b>1.767</b> | <b>-429</b>  | <b>-24,3%</b> |
| <i>EBITDA %</i> | <i>9,2%</i>  | <i>12,5%</i> | <i>-3,3%</i> | <i>-26,7%</i> |
| <b>EBIT</b>     | <b>1.076</b> | <b>1.619</b> | <b>-543</b>  | <b>-33,5%</b> |
| <i>EBIT %</i>   | <i>7,4%</i>  | <i>11,5%</i> | <i>-4,1%</i> | <i>-35,7%</i> |

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

Key operations in the segment (Olís)



## Operating segment #3: SMS strengthens its position as a key pillar of Hagar

Stores & Warehouses (Faroe Islands) - Income Statement Q2 2026/27 (m.ISK)

- **Q2 revenue was just under 4.4 b. ISK, up nearly 9% from prior year**
- **EBITDA amounted to 670 m.ISK**, or 15.3% of revenue, up 13% YoY - **exceeding expectations** despite disruption from store refurbishments
- **Customer visits increased by around 3% YoY** - continued growth across SMS operations
- **Strong performance across SMS's principal businesses - restaurants are growing rapidly**, supported by the new Runavík location, which has expanded the market reach
- **Continued investment in the Bónus store network** - renovations in Klaksvík and Tórshavn temporarily affected sales but improve customer facilities and service
- **SMS continues to develop its infrastructure** - a new specialty-goods warehouse and offices opened in the company's new Tórshavn property

|                 | Q2 '26/27    | Q2 '25/26    | Δ            | %Δ            |
|-----------------|--------------|--------------|--------------|---------------|
| Revenue         | 4.387        | 4.037        | 350          | +8,7%         |
| Expenses        | -3.717       | -3.444       | -273         | +7,9%         |
| <b>EBITDA</b>   | <b>670</b>   | <b>593</b>   | <b>77</b>    | <b>+13,0%</b> |
| <i>EBITDA %</i> | <i>15,3%</i> | <i>14,7%</i> | <i>+0,6%</i> | <i>+4,0%</i>  |
| <b>EBIT</b>     | <b>372</b>   | <b>382</b>   | <b>-10</b>   | <b>-2,6%</b>  |
| <i>EBIT %</i>   | <i>8,5%</i>  | <i>9,5%</i>  | <i>-1,0%</i> | <i>-10,4%</i> |

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

### Key operations in the segment (Stores & Warehouses – Faroe Islands)



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# General Overview: Selected operational highlights



## Stórkaup turns profitable

- *Stórkaup now delivering positive results following an extensive development phase*
- *Strong revenue growth, particularly in food sales, which have increased by ~60% YoY*



## Strong sales of Salling products

- *~650 new products in stores, priced over 15% below previously available comparable products*
- *Wider selection and lower prices, with better purchasing terms and stronger margins*



## Takk features & increased usage

- *New features well received - "Top Offers" and higher Takk rewards boost sales and engagement*
- *Continued development of Takk - new games and prizes in the app boost customer engagement*



## Hagar Media sales momentum

- *Screen rollout progressing well - most stores equipped by Christmas*
- *New sales manager strengthening sales - focus on long-term supplier partnerships*

## General Overview: Selected operational highlights



### SMS: Sustainability & Opportunities

- *Four Bónus stores refurbished - half now equipped with eco-friendly CO<sub>2</sub> refrigeration systems*
- *Changes to the deposit-return system - new opportunities for integration with SMS stores*



### Room for further share buybacks

- *Two buyback programs completed this year - shares repurchased for a total of ISK 1,000 million*
- *Hagar now holds 2.3% of its own shares - strong performance creates room for further buybacks*

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# Strong performance and results exceeded expectations

## Income Statement Q2 2026/27 (m.ISK)

- **Sales in Q2** amounted to 54.7 b.ISK, **rising by 5.5% YoY - strong growth across all business segments** although abolition of fuel duties reduces reported sales growth at Olís
- **Gross profit** totaled 13.5 b.ISK, **up** by 5.0% - **gross margin ratio** was 24.7%, down 0.1 percentage points YoY
- **Gross profit increased in grocery operations** but **declined at Olís** - although less than expected at the Q1 reporting date
- **Salaries** up by 5.7% YoY and **other operating expenses** up by 3.7%
- **EBITDA** amounted to 5.7 b.ISK, **up by 3.3%**
- **Profit** totaled 2.3 b.ISK, compared with 2.6 b.ISK in the prior year, a **decrease of 10.4%**
- **Total comprehensive income** was 2.1 b.ISK

|                                   | Q2 '26/27     | Q2 '25/26     | Δ           | %Δ            |
|-----------------------------------|---------------|---------------|-------------|---------------|
| Sales                             | 54.683        | 51.817        | 2.866       | +5,5%         |
| <b>Gross profit</b>               | <b>13.514</b> | <b>12.874</b> | <b>640</b>  | <b>+5,0%</b>  |
| Other operating income            | 331           | 395           | -64         | -16,2%        |
| Salaries                          | -5.603        | -5.301        | -302        | +5,7%         |
| Other operating expenses          | -2.576        | -2.483        | -93         | +3,7%         |
| <b>EBITDA</b>                     | <b>5.666</b>  | <b>5.485</b>  | <b>181</b>  | <b>+3,3%</b>  |
| Depreciation                      | -1.724        | -1.544        | -180        | +11,7%        |
| Change in value of invest. prop.  | -153          | -124          | -29         | +23,4%        |
| <b>EBIT</b>                       | <b>3.789</b>  | <b>3.817</b>  | <b>-28</b>  | <b>-0,7%</b>  |
| Net finance expense               | -992          | -834          | -158        | +18,9%        |
| Effect of results of associates   | 83            | 165           | -82         | -49,7%        |
| <b>Profit</b>                     | <b>2.290</b>  | <b>2.556</b>  | <b>-266</b> | <b>-10,4%</b> |
| Other comprehensive income        | -168          | -104          | -64         | +61,5%        |
| <b>Total comprehensive income</b> | <b>2.122</b>  | <b>2.452</b>  | <b>-330</b> | <b>-13,5%</b> |

# Solid first-half results - profit increases by 13.1%

## Income Statement 6M 2026/27 (m.ISK)

- **Sales for 6M** amounted to 105.5 b.ISK, an **increase of 5.5%** YoY
- **Sales growth for stores and warehouses in Iceland** was 6.1% and in **the Faroe Islands** 9.2% - **sales growth at Olís** was 2.9%
- **Gross profit** amounted to 26.8 b.ISK, **up by 9.4%** - **gross margin ratio** was 25.4%, an **increase** of 0.9 percentage points YoY
- **Gross profit improved** in both **grocery and fuel** operations of the Group
- **Salaries and other operating expenses increase** in line with collective wage agreements and general inflation
- **EBITDA** was 10.8 b.ISK, **up 13.3%** YoY
- **EBITDA for stores and warehouses in Iceland** increased by 16.0% and by 1.8% in **the Faroe Islands** - **EBITDA at Olís** rose by 12.3%

|                                   | 6M '26/27     | 6M '25/26     | Δ            | %Δ            |
|-----------------------------------|---------------|---------------|--------------|---------------|
| Sales                             | 105.468       | 99.932        | 5.536        | +5,5%         |
| <b>Gross profit</b>               | <b>26.795</b> | <b>24.493</b> | <b>2.302</b> | <b>+9,4%</b>  |
| Other operating income            | 651           | 713           | -62          | -8,7%         |
| Salaries                          | -11.379       | -10.628       | -751         | +7,1%         |
| Other operating expenses          | -5.265        | -5.047        | -218         | +4,3%         |
| <b>EBITDA</b>                     | <b>10.802</b> | <b>9.531</b>  | <b>1.271</b> | <b>+13,3%</b> |
| Depreciation                      | -3.521        | -3.002        | -519         | +17,3%        |
| Change in value of invest. prop.  | -220          | -297          | 77           | -25,9%        |
| <b>EBIT</b>                       | <b>7.061</b>  | <b>6.232</b>  | <b>829</b>   | <b>+13,3%</b> |
| Net finance expense               | -1.912        | -1.793        | -119         | +6,6%         |
| Effect of results of associates   | 139           | 197           | -58          | -29,4%        |
| <b>Profit</b>                     | <b>4.207</b>  | <b>3.721</b>  | <b>486</b>   | <b>+13,1%</b> |
| Other comprehensive income        | -74           | -80           | 6            | -7,5%         |
| <b>Total comprehensive income</b> | <b>4.133</b>  | <b>3.641</b>  | <b>492</b>   | <b>+13,5%</b> |

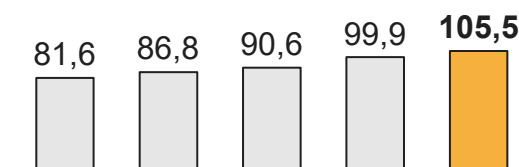
# Profitability ratios improve compared with prior years

Key Operational Metrics (6M 2022/23 – 6M 2026/27)

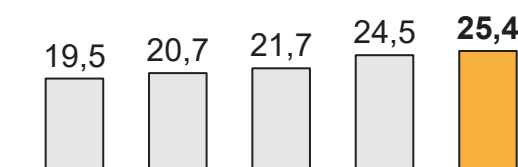
- **Strong sales growth in recent years** across all business segments - Olís sales sensitive to **global oil prices** and the **abolition of fuel duties** reduces reported sales growth
- **Gross margin up** by 0.9 pp YoY - primarily driven by **sharp increase in global oil prices** and its impact on Olís's sales to industries in Q1, as well as **improved grocery margins**
- **Salary ratio** was 10.8%, **up** from 10.6% in the prior year - **other operating cost ratio decreases** from 5.1% to 5.0% YoY
- **EBITDA margin** was 10.2% at the end of August, compared with 9.5% in the prior year
- **Profit margin** was 4.0%, compared with 3.7% in the prior year

## Sales and gross margin

### Sales (b.ISK)

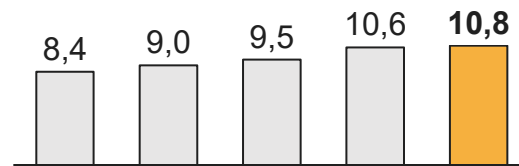


### Gross margin (%)

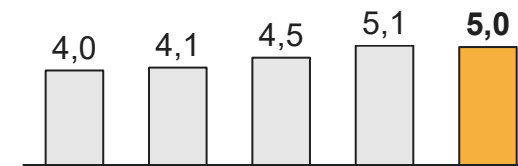


## Operating costs

### Salary (%)

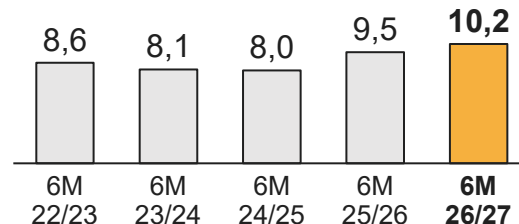


### Other operating cost (%)

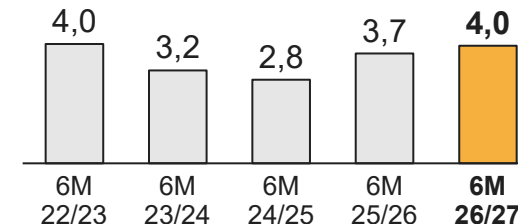


## Profit

### EBITDA (%)



### Profit (%)



# Higher oil prices adversely affect working capital

## Cash Flow Statement 6M 2026/27 (m.ISK)

- **Net cash from operating activity** was 6.4 b.ISK at August end, compared with 9.2 b.ISK in prior year - temporary **adverse working capital movements due to higher oil prices**
- **Investing activities** totaled 2.6 b.ISK compared to 2.1 b.ISK in the prior year
- **Capex** was primarily related to Álfabakki 2 and the expansion of the Bónus store in Selfoss
- **Financing activities** totaled 3.8 b.ISK compared to 4.5 b.ISK last year - **share buybacks** amounted to 608 m.ISK compared to 395 m.ISK last year
- **Cash at the end of August** amounted to 3.9 b.ISK compared with 4.9 b.ISK in the prior year

|                                        | 6M 2026/27    | 6M 2025/26   | Change        |
|----------------------------------------|---------------|--------------|---------------|
| Profit for the period                  | 4.207         | 3.721        | 486           |
| Adjustments                            | 6.607         | 5.868        | 739           |
| <b>Working capital from operations</b> | <b>10.814</b> | <b>9.589</b> | <b>1.225</b>  |
| Change in current assets               | -2.948        | -1.226       | -1.722        |
| Change in current liabilities          | 963           | 2.903        | -1.940        |
| Interest and taxes paid                | -2.425        | -2.085       | -340          |
| <b>Cash from operating activities</b>  | <b>6.404</b>  | <b>9.181</b> | <b>-2.777</b> |
| Investing activities                   | -2.642        | -2.099       | -543          |
| Financing activities                   | -3.763        | -4.465       | 702           |
| <b>Change in cash</b>                  | <b>-1</b>     | <b>2.617</b> | <b>-2.618</b> |
| <b>Net cash at the end of August</b>   | <b>3.861</b>  | <b>4.904</b> | <b>-1.043</b> |

# Strong balance sheet at the end of the first half

Balance Sheet 31 August 2026 (m.ISK)

- **Non-current assets amounted** to 90.1 b.ISK, remaining broadly unchanged from year-end 2025/26
- **Current assets totaled** 27.9 b.ISK, up 3.0 b.ISK - **inventories and trade receivables** increased due to higher oil prices
- **Equity** amounted to 42.9 b.ISK and the company held **own shares** with a nominal value of ISK 22.2 million at the end of Q2
- **Total liabilities** amounted to 75.0 b.ISK, up 2.5 b.ISK from year-end
- **Interest-bearing short-term debt** totaled 9.5 b.ISK - a 3.0 b.ISK **bond maturing in September** was **refinanced** through a new three-year issue
- **Refinancing of the short-term DKK loan** relating to the SMS acquisition is **nearing completion**

|                               | 31.08.<br>2026 | 28.02.<br>2026 | %Δ          |                                | 31.08.<br>2026 | 28.02.<br>2026 | %Δ         |
|-------------------------------|----------------|----------------|-------------|--------------------------------|----------------|----------------|------------|
| Property, plant and equipment | 38.629         | 37.836         | +2%         | Borrowings                     | 15.439         | 14.351         | +8%        |
| Intangible assets             | 16.131         | 16.167         | -0%         | Lease liabilities              | 20.448         | 21.022         | -3%        |
| Other non-current assets      | 35.292         | 36.378         | -3%         | Deferred tax liabilities       | 5.008          | 3.918          | +28%       |
| <b>Non-current assets</b>     | <b>90.052</b>  | <b>90.381</b>  | <b>-0%</b>  | <b>Non-current liabilities</b> | <b>40.895</b>  | <b>39.291</b>  | <b>+4%</b> |
| Inventories                   | 16.168         | 14.393         | +12%        | Borrowings                     | 9.491          | 9.040          | +5%        |
| Trade receivables             | 7.823          | 6.597          | +19%        | Lease liabilities              | 3.921          | 3.932          | -0%        |
| Cash                          | 3.861          | 3.875          | -0%         | Trade payables                 | 20.671         | 20.204         | +2%        |
| <b>Current assets</b>         | <b>27.852</b>  | <b>24.865</b>  | <b>+12%</b> | <b>Current liabilities</b>     | <b>34.083</b>  | <b>33.176</b>  | <b>+3%</b> |
| <b>Total assets</b>           | <b>117.904</b> | <b>115.246</b> | <b>+2%</b>  | <b>Total liabilities</b>       | <b>74.978</b>  | <b>72.467</b>  | <b>+3%</b> |
| <b>Liabilities and equity</b> | <b>117.904</b> | <b>115.246</b> | <b>+2%</b>  | <b>Total equity</b>            | <b>42.926</b>  | <b>42.779</b>  | <b>+0%</b> |

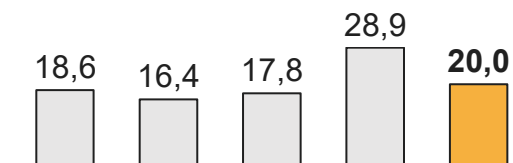
# Return on equity remains strong by historical standards

## Key Financial Metrics (6M 2022/23 – 6M 2026/27)

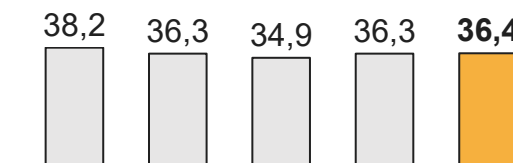
- **Return on equity was 20.0%** over the last 12 months and decreases from prior year - one-off gains in the prior year affect the YoY comparison
- **Equity ratio** stood at 36.4% at the end of Q2 - **Board's target** of around 35.0%
- **Net interest-bearing debt**, incl. lease liabilities, were 45.4 b.ISK at Q2-end, equivalent to 2,3 x 12-month EBITDA
- **Current ratio** was 0.82 at Q2-end, compared with 0.85 in the prior year
- **Cash conversion cycle** was 13.7 days, compared to 10.0 days in the prior year - **negative working capital movements** in the first half had a significant impact
- **Asset turnover ratio** was 1.8 compared with 2.0 in the prior year

### Shareholder returns

#### Return on equity (%)

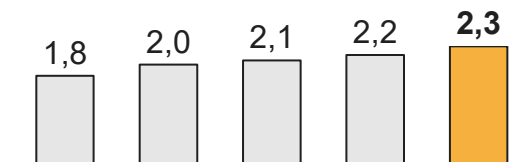


#### Equity ratio (%)

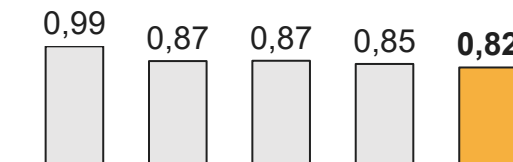


### Risk in operations

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

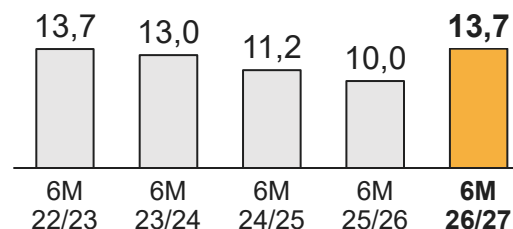


#### Current ratio<sup>2</sup>

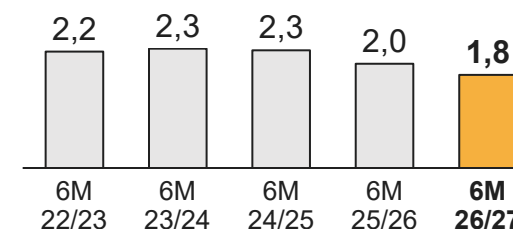


### Efficiency of assets

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



#### Asset turnover ratio<sup>4</sup>



<sup>1</sup> Net interest-bearing debt (including leasing liabilities) / 12 months EBITDA <sup>2</sup> Current assets / current liabilities

<sup>3</sup> Cash conversion cycle = number of inventory days + number of days for accounts receivables – number of days for accounts payable <sup>4</sup> Sales / assets

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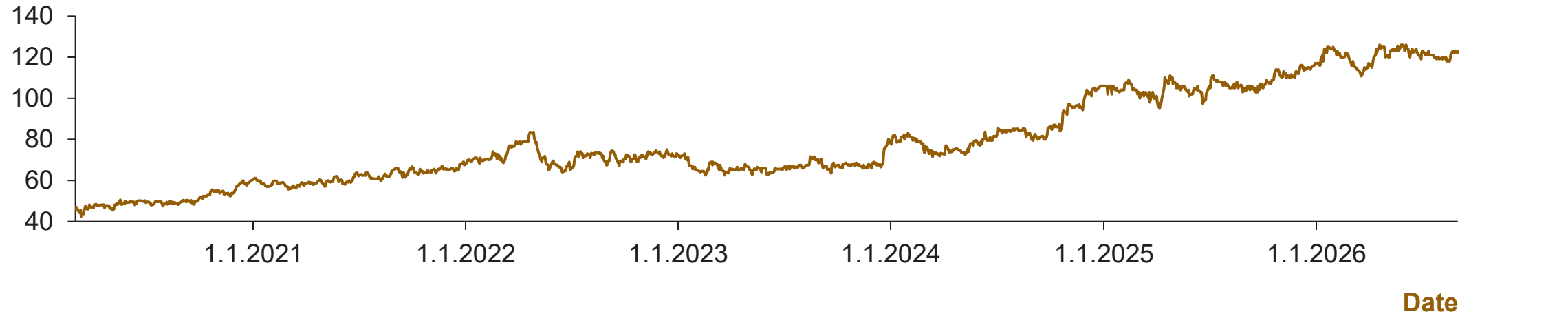
Financial Statements

**Status and Outlook**



# Share price and largest shareholders

## Price



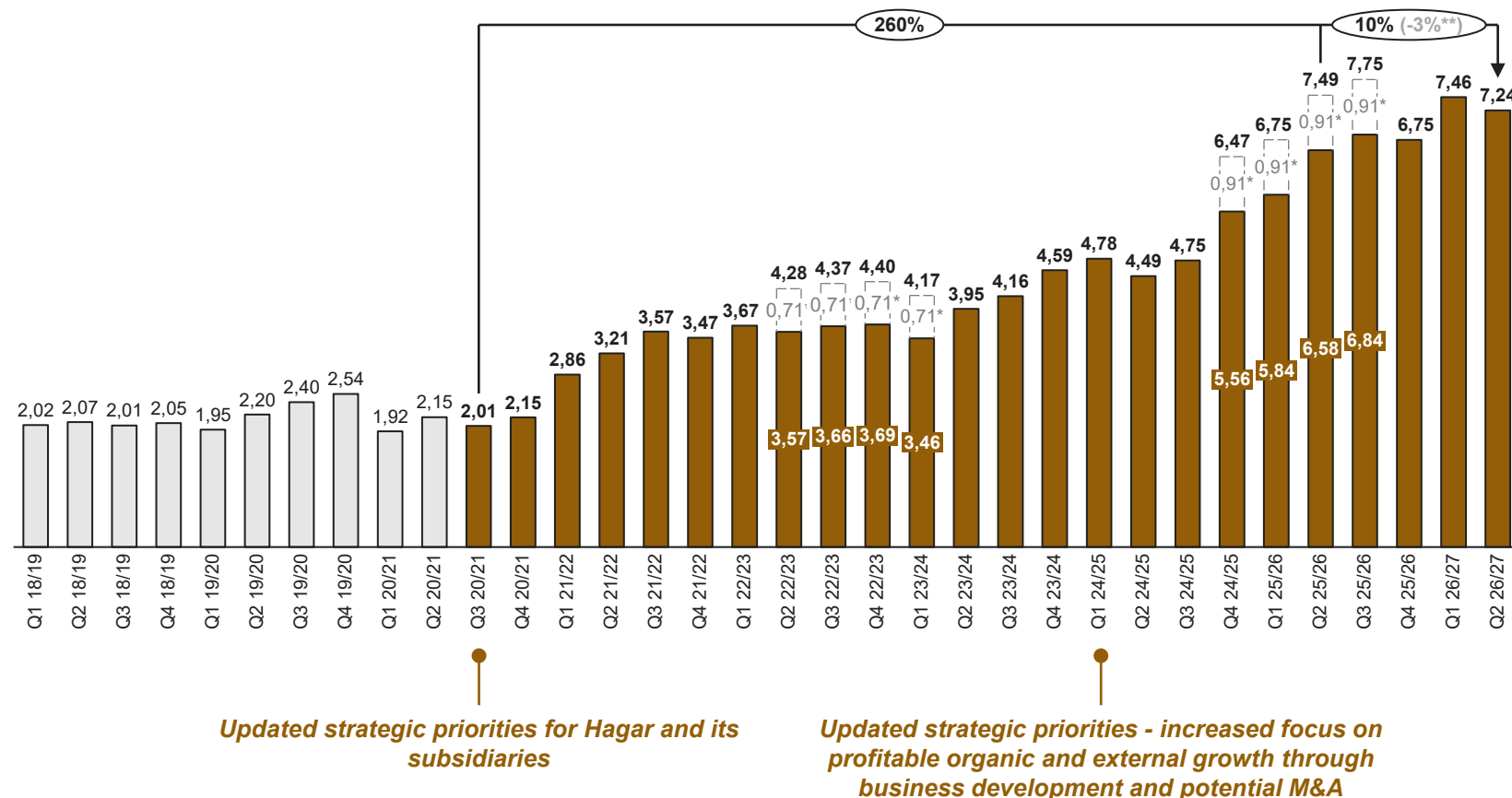
## Largest shareholders, shares held at 31.08.2026

|                                                |       |                                     |      |
|------------------------------------------------|-------|-------------------------------------|------|
| 1. Gildi - lífeyrissjóður                      | 15.8% | 6. Birta lífeyrissjóður             | 6.5% |
| 2. Lífeyrissjóður verslunarmanna               | 12.2% | 7. Festa - lífeyrissjóður           | 4.2% |
| 3. Lífeyrissjóður starfsmanna ríkisins A-deild | 11.4% | 8. Stapi lífeyrissjóður             | 2.6% |
| 4. Brú lífeyrissjóður starfsm. sveitarfélaga   | 8.2%  | 9. Söfnunarsjóður lífeyrisréttinda  | 2.4% |
| 5. Kaldbakur ehf.                              | 8.1%  | 10. Almenni-Lífsverk lífeyrissjóður | 2.4% |

# Earnings per share continue to strengthen year-on-year

Accumulated basic earnings per share for the past 12 months (ISK per share)

- **Earnings per share (EPS) have increased rapidly** in recent periods, reaching **ISK 7.24 per share - Q2 earnings reflect an exceptionally strong Q1 in the fuel market**, with **some of the earlier earnings gains reversing in Q2**, as anticipated in the previous earnings report
- **Excluding one-off fair value adjustments in the Faroe Islands** following the acquisition, **EPS increased by just over 10% year-on-year**
- **The improved EPS** continues to be **driven by overall operational improvements, strategic decisions, new business units, and increased activity**

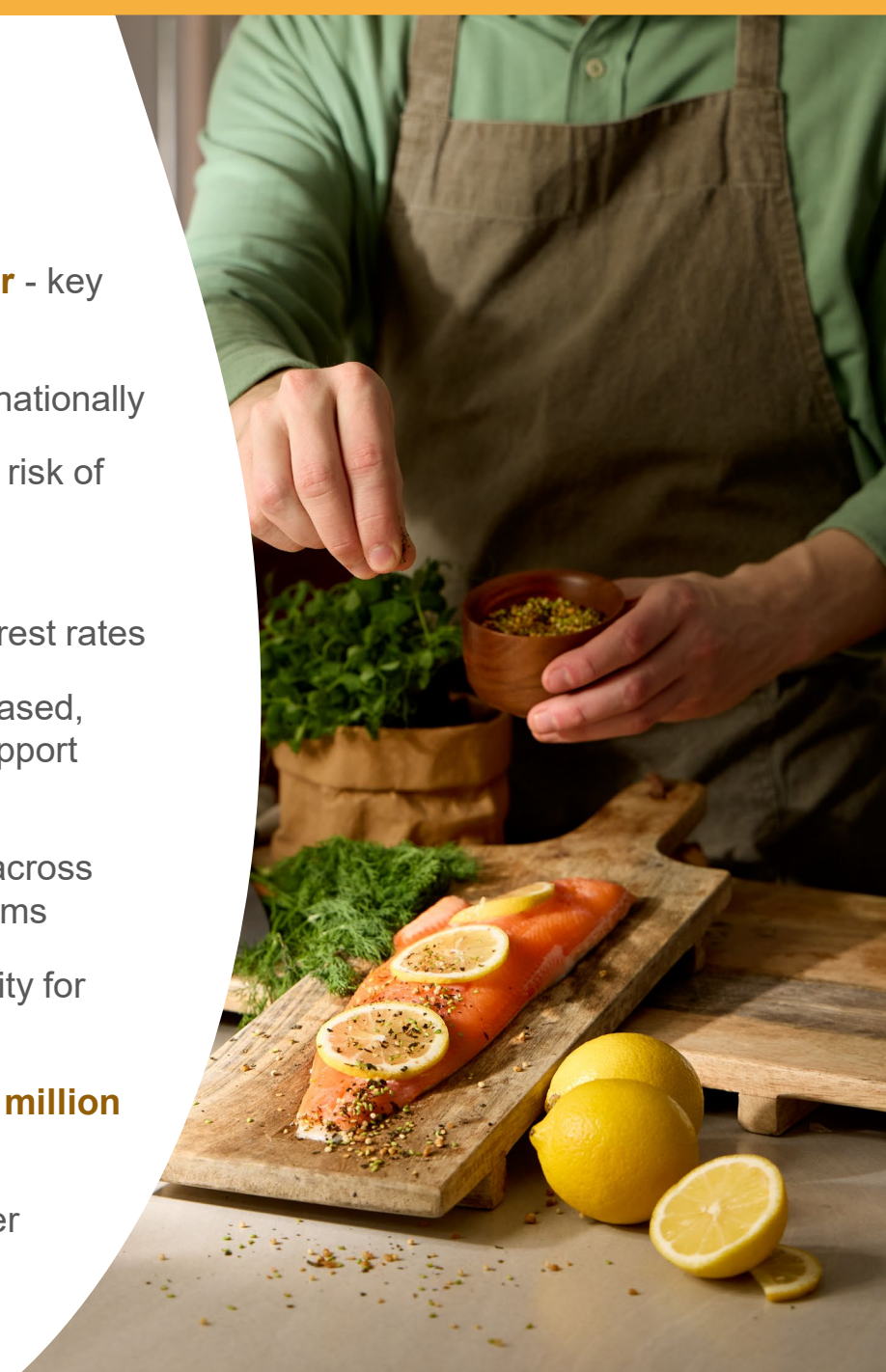


\* One-off effects arising from the Klasi transaction in Q2 22/23 and from the acquisition of SMS in Q4 24/25

\*\* Including one-off effects related to SMS

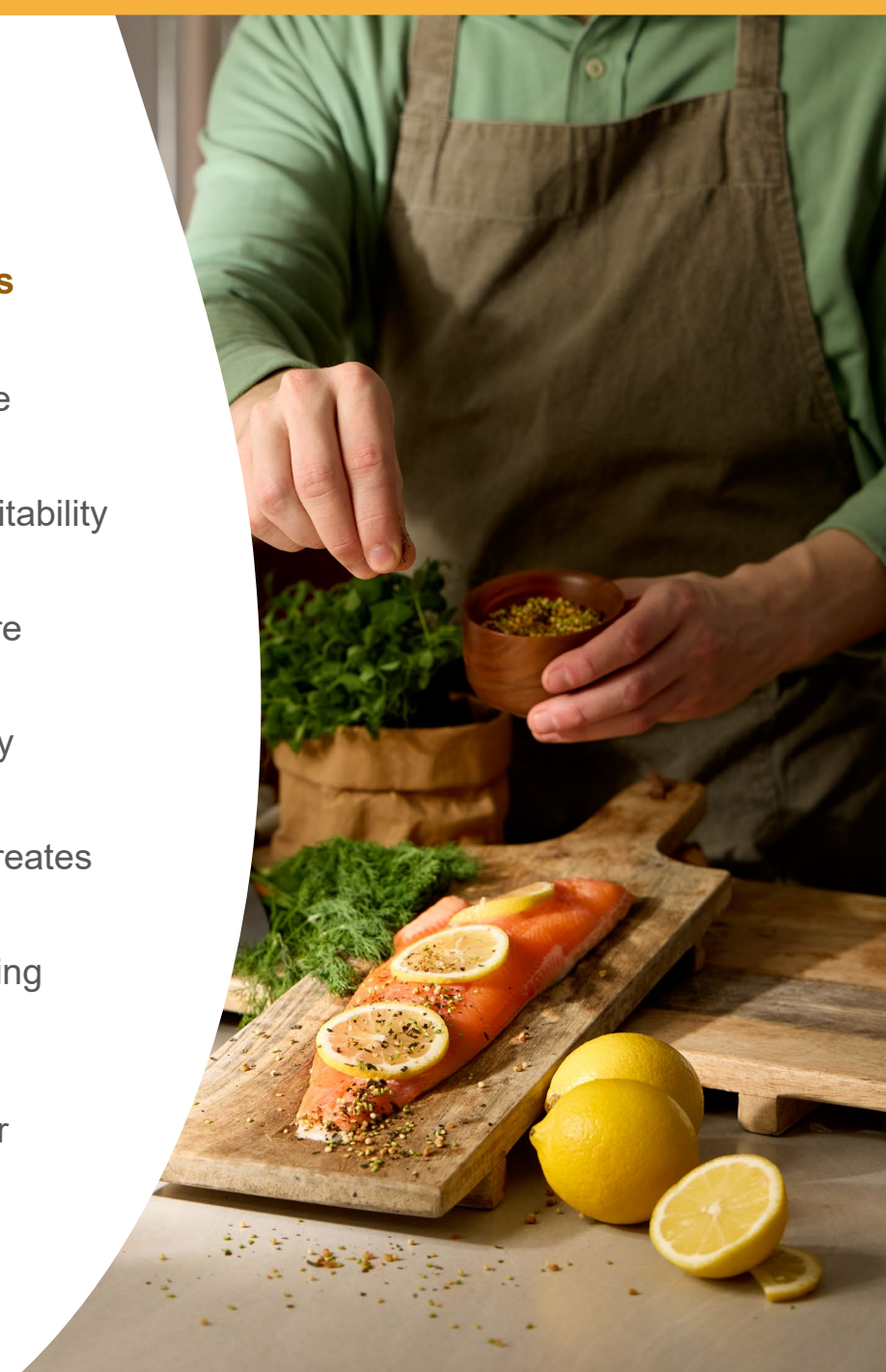
# Status and outlook (1/2)

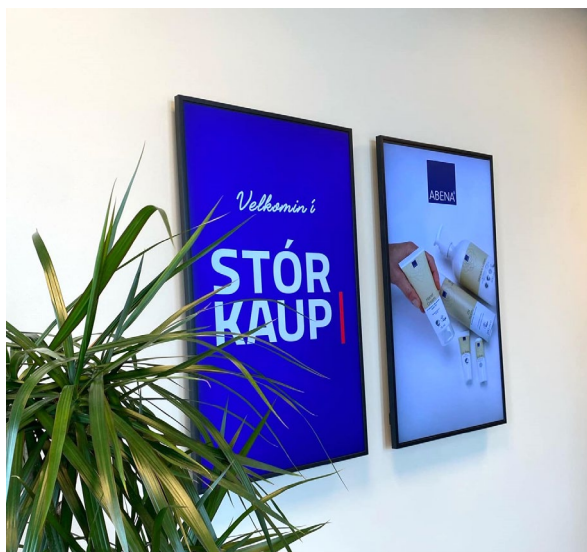
- **Operations remain strong, with a positive outlook for the second half of the year** - key business units continue to perform well, with first-half results exceeding expectations
- **External operating environment remains challenging**, both domestically and internationally
  - **Armed conflicts and uncertainty in oil markets** - high and volatile oil prices, risk of supply disruptions and increased cost pressures
  - **Inflation has picked up again** - but the agreement to extend collective wage agreements creates more favorable conditions for price stability and lower interest rates
- **Hagar continues to contribute to greater price stability** - food price inflation has eased, while the Salling partnership and targeted price reductions at Bónus and Hagkaup support greater price discipline
- **Continued focus on operational efficiency and profitable growth** - opportunities across the supply chain, product assortment, infrastructure utilization and new revenue streams
- **Strong financial position, solid cash flow and secure financing** - providing capacity for further investments, dividend payments and share buybacks
- **Management's EBITDA guidance raised by ISK 800 million to ISK 19,600-20,100 million**
  - Guidance includes **ISK 470 million in temporary additional costs related to Álfabakki 2** - underlying operating earnings are therefore expected to be higher



## Status and outlook (2/2)

- **Looking ahead, there are numerous opportunities to further strengthen Hagar's operations** in the coming periods, including:
  - **Bónus:** Continued growth in customer traffic and more efficient purchasing create opportunities for lower prices and stronger operating performance
  - **Hagkaup:** Strategic adjustments and improved efficiency have strengthened profitability and provide a foundation for further earnings growth
  - **Olís:** Increasing contribution from non-fuel products and services strengthens core operations and reduces reliance on fuel sales
  - **Stórkaup:** Operations have turned profitable, with food sales emerging as the key growth driver, increasing by approximately 60% year-on-year
  - **Álfabakki 2:** Increased production capacity at Ferskar kjötvörur and Eldum rétt creates growth opportunities, alongside the reversal of temporary additional costs
  - **Hagar Media:** Infrastructure rollout well advanced, with greater focus on advertising sales and media utilization creating opportunities for revenue growth
  - **Purchasing, inventory and infrastructure:** Completion of extensive product assortment changes and increased use of data and digital solutions create further opportunities for operational efficiencies
  - **SMS in the Faroe Islands:** Opportunities for continued growth and expansion, alongside the potential for more favorable financing terms





# Companies within the Hagar Group in Iceland



Bónus is a chain of discount stores that, from its founding, has offered its 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 department store which emphasises 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 meal kits - available through its online store and Hagkaup - with recipes and precisely measured ingredients to cook healthy and delicious meals with minimal effort.



Aðföng is a purchasing and logistics center for the retail and HoReCa market, but the company's activities consist of purchasing, 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



## EXAMPLES OF BRANDS WITHIN THE GROUP



# Companies within the Hagar Group in the 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 Tórshavn and Klaksvík and Sunset Boulevard in Runavík.



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

*Ownership: 60%*



**Properties**

Diversified property portfolio of 14,000 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 management, 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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