

## **ZABKA GROUP RESULTS FOR 3Q 2024: ANOTHER QUARTER OF DYNAMIC GROWTH**

**Financial and operating results for the first 9 months of 2024 consistent with forecasts from the IPO**

Through the first three quarters of 2024, Zabka Group achieved an adjusted EBITDA of PLN 2.52 billion, an increase of 26% over the same period in 2023. The group managed to achieve this excellent result thanks to an increase in the scale of the business and improved cost efficiencies. Consequently, the adjusted EBITDA margin in the first 9 months of 2024 was 12.3%, an increase of 0.6 pp from the same period of the prior year.

Over the first 9 months of 2024, Zabka Group continued its dynamic growth, driven by rising like-for-like sales, new store openings, and expansion of the digital offer. Sales to end customers reached PLN 20.4 billion, an increase of 20.4% over 9M 2023. Revenue rose 20%, to PLN 17.7 billion. In 3Q 2024 alone, adjusted EBITDA reached PLN 1.11 billion, up 18% YoY. Sales to end customers were PLN 7.5 billion, an increase of 17% over the same period last year, while revenue increased 18%, to PLN 6.6 billion. Net profit in the third quarter reached PLN 319 million, an increase of 42% YoY.

**Tomasz Suchański, CEO of Zabka Group**, commented: "I am very pleased that the first financial and operating results we are publishing after the IPO confirm in the eyes of investors the strategic direction we are taking, which we communicated during the public offering. During the first 9 months of 2024, our growth significantly outperformed the dynamic of the retail grocery market as a whole, as reflected in the over 20% rate of growth in sales to end customers and the more than 25% increase in adjusted EBITDA. By the end of 2024 we intend to open a total of about 1,100 stores in Poland and Romania and to achieve growth in like-for-like sales in the anticipated range of 7.5–9.0%."

**Marta Wrochna-Łastowska, CFO of Zabka Group**, added: "Both in the 3<sup>rd</sup> quarter and in the first 9 months of 2024, we improved our profitability indicators, including the adjusted EBITDA margin and the net profit margin, which contributed to the strong generation of free cashflow and further reduction in debt. In line with our projections from the IPO, in the medium term we seek to raise the adjusted EBITDA margin toward the upper end of the range of 12–13%. The recent sales results, normalization of energy costs, and increased efficiencies in operating scale should also lead to improvement in the EBITDA margin in 2024 compared to 2023."

## Key information about Zabka Group's results for the first nine months of 2024:

- In the 3<sup>rd</sup> quarter of 2024 adjusted EBITDA rose to PLN 1,119 million (+17.8% YoY). Solid quarterly results and the cost efficiency programs implemented from the start of 2024 contributed to the increase in adjusted EBITDA during the first 9 months of 2024 by 26% YoY, to PLN 2,518 million.
- Sales to end customers reached PLN 7.499 million in the 3<sup>rd</sup> quarter of 2024, a 17% increase over 3Q 2023. For the first 9 months of 2024 this result reached PLN 20.392 million (an increase of 20.4% YoY).
- The group's revenue in 3Q 2024 rose 18%, to PLN 6,578 million, and in the first 9 months of 2024 rose 20% YoY, to PLN 17,726 million.
- The improvement in sales results was attributable equally to growth in like-for-like sales and to expansion of the network of stores.
- From the end of September 2023, Zabka Group's network grew by 999 stores, to 10,906 locations operating at the end of 3Q 2024 (including newly opened stores in Romania and Nano stores). In 3Q 2024 alone, the net number of stores increased by 266, and in the first three quarters of 2024 by 892. In line with the forecasts from the IPO, Zabka Group assesses the market potential at about 19,500 stores in Poland and 4,000 in Romania, offering significant room for growth on both markets.
- Despite the slowing inflation rate in the 3<sup>rd</sup> quarter of 2024, Zabka Group increased LfL sales by 8.6% in the first 9 months of 2024 and by 6% during the 3<sup>rd</sup> quarter, compared to the analogous periods of the previous year.
- The adjusted EBITDA margin in the 3<sup>rd</sup> quarter of 2024 was 14.9% (+0.1 pp YoY), and year-to-date through the first 9 months was 12.3% (+0.6 pp). This growth was driven by improvement in the direct margin, efficiencies on the cost side, normalized energy costs, and optimization of logistics.
- Net profit grew by 42%, compared to 3<sup>rd</sup> quarter of 2023, to PLN 319 million. Over the first 9 months of 2024 net profit was 155% higher than for 9M 2023, reaching PLN 377 million, largely due to lower interest expenses and effective tax optimization. In the 3<sup>rd</sup> quarter of 2024 the net profit margin was 4.2% (+0.7 pp YoY), and in the first 9 months of 2024 was 1.8% (+1 pp).
- Capital expenditures were PLN 407 million in the 3<sup>rd</sup> quarter and PLN 1,052 million in the first 9 months of 2024. The majority of this investment was allocated to new store openings and rollout of the Żabka Café 2.0. concept, as well as expansion of the "Straight from the Oven" offering, involving among other things installation of convention microwave ovens in some 7,000 stores.
- Through the first three quarters of 2024, the ratio of net debt to LTM adjusted EBITDA improved to 1.4x, from 2.3x a year before. This positive trend was backed by high generation of free cash flow, which in the first nine months of the year was PLN 1.9 billion.

## **About Zabka Group**

Zabka Group is the ultimate convenience ecosystem with a mission to create value by simplifying people's everyday lives. The Group serves a growing number of consumers who are looking for convenience and promotes a responsible approach towards products, packaging, customers, franchisees, suppliers and the broader environment.

The ecosystem comprises Poland's leading convenience retailer with more than 10,500 physical stores operated under a franchise model, supplemented by 24/7 autonomous unmanned Żabka Nano Stores. The Group also has an advanced, continually evolving digital customer offering. Its Maczfit operation delivers restaurant-quality prepared meals to consumers seeking convenient and healthy food, while Dietly is a leading online D2C meal solutions marketplace. The Group's eGrocery business is operated through two brands: Jush! and delio. Zabka Group recently entered the highly attractive Romanian market via the acquisition of DRIM.

Żabka's business in Poland is supported by a well-invested logistics platform, represented by eight distribution centres, 19 cross-docking facilities, and dedicated dark store and dark kitchen infrastructure to support the digital offering.

Since October 2024 Zabka Group's shares are listed on the main market of the Warsaw Stock Exchange.

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