

Żabka Group Maintains Strong Growth Momentum, Successfully Delivering on IPO Guidance

2024 marked by continued network expansion, solid like-for-like (LfL) growth, and improved profitability

In 2024, the Żabka Group sustained its strong growth trajectory, fuelled by an 8.3% LfL growth and the ongoing expansion of its retail footprint. Over the year, the Group opened 1,166 new stores, while further scaling its Digital Customer Offering (DCO). As a result, Sales to End Customers reached PLN 27.3 billion, up nearly 20% year on year.

The Group's adjusted EBITDA rose to PLN 3.5 billion, up 23.7% relative to the previous year. This improvement was driven by both operating leverage and enhanced margin performance. Supported by continued cost optimisation and lower energy prices, the 2024 adjusted EBITDA margin stood at 12.8%, having increased by 0.4 pp year on year. Adjusted net profit grew by 66% year on year, reaching PLN 714 million. In parallel, the Group generated PLN 1.5 billion in free cash flow over the period, while its net debt to adjusted EBITDA ratio declined significantly, from 2.3x to 1.5x. In addition, the Group successfully delivered on its key ESG objectives.

Tomasz Suchański, CEO of Żabka Group, commented:

"In 2024, the Żabka Group delivered strong revenue growth across all core business segments, demonstrating the successful execution of our strategy as outlined to investors during our IPO. The continued rollout of our retail network resulted in more than 1,100 new store openings, bringing our total to over 11,000 locations by year-end. This increased scale, coupled with enhanced operational efficiency, has further cemented our position as a leading modern convenience network in the region. Over the course of the year, we reached two strategic milestones: our entry into Romania and our listing on the Warsaw Stock Exchange. We also met our key ESG commitments.

Looking ahead to 2025, our priority remains the sustainable creation of shareholder value by further strengthening the Group's market leadership. We intend to continue broadening our retail footprint, deepen our presence across digital channels, and optimise our ultimate convenience ecosystem offerings to fully unlock the Group's long-term growth potential."

Tomasz Blicharski, Group Chief Strategy & Development Officer, said:

"By leveraging prevailing consumer megatrends and our distinctive competitive advantages, we continue to expand Żabka's ultimate convenience ecosystem, with a view to further simplifying people's everyday lives. A key milestone in 2024 was our entry into the Romanian market through the acquisition of DRIM Daniel Distributie, followed by the rollout of several dozen stores under the dedicated Froo brand within just a few months. Our medium-term ambition is to double Sales to End Customers between 2023 and 2028. We aim to achieve this by consistently opening over 1,000 new stores annually, while driving growth across both existing locations (LfL) and our digital channels. Within our DCO, we have set ourselves an ambitious target of increasing Sales to End Customers fivefold by 2028."

Marta Wrochna-Łastowska, CFO of Żabka Group, added:

"In 2024, the Żabka Group delivered strong financial and operational results, achieving all of our targets outlined during the IPO. Our adjusted EBITDA margin rose to 12.8%, approaching the upper end of our target range of 12–13%. This uplift was driven by strong per-store sales growth, successful cost-efficiency measures, ongoing process optimisation (particularly in logistics), and increased scale and profitability within the DCO segment, which reached EBITDA break-even during the year. Our strong operational performance translated into robust free cash flow (FCF) generation and further deleveraging. Our profitability is underpinned by a strong culture of operational excellence. By applying new technologies and granular data analytics, we have reduced the payback period for newly opened stores from 20 months in 2017 to just 12 months for those opened in 2023. In accordance with our IPO guidance, we expect to maintain a stable adjusted EBITDA margin close to the upper end of the 12–13% range over the short and medium term. For 2025, we also anticipate mid- to high-single-digit LfL growth, alongside continued net profit improvement."

Key performance highlights for FY 2024:

- Adjusted EBITDA increased by 23.7% year on year, to PLN 3,505 million, supported by greater business scale, LfL growth, effective cost management, and the DCO segment becoming EBITDA positive. In Q4 2024 alone, adjusted EBITDA reached PLN 987 million, up 18% year on year.
- Sales to End Customers totalled PLN 27,277 million for the year, having increased 19.8% relative to the previous year. In the three months to 31 December 2024, Sales to End Customers rose by 18%, reaching PLN 6,885 million.
- Total revenue for 2024 amounted to PLN 23,797 million, which represents a year-on-year growth of 20.2%. Q4 revenue increased by 20.8%, to PLN 6.1 billion.
- Top-line growth was driven by a combination of LfL growth and the continued store network expansion.
- As at 31 December 2024, the Żabka Group operated 11,069 stores, maintaining its position as Europe's largest convenience network, following the opening of 1,166 new locations over the year. In 2024, the Group entered the Romanian market, launching 60 stores by year-end. In 2025, Żabka will further consolidate its presence in Romania under the dedicated Froo brand, adapting its proven Żabka store format to local consumer preferences. In line with its IPO guidance, the Group estimates a total market potential of approximately 19,500 stores in Poland and around 4,000 stores in Romania, which offers a sizable runway for future growth in both geographies.
- In 2024, LfL growth came in at 8.3%, supported by higher per-store sales volumes and the positive impact of inflation. A key contributor to this growth was also the continued rollout of Żabka's street food offering, which by year-end was available in more than 75% of our stores in Poland.
- Rapid organic growth, bolstered by the evolution of the Żabka mobile app, drove a 32% increase in revenue from the DCO segment. The Group remains on track to deliver its IPO commitment of achieving a fivefold increase in DCO sales by 2028.

- The adjusted EBITDA margin reached 12.8%, having improved by 0.4 pp year on year on the back of sustained cost efficiencies and lower energy costs. In Q4 2024, the adjusted EBITDA margin was 14.3%, unchanged from the same period last year.
- Adjusted net profit for 2024 reached PLN 714 million, up nearly 65% from PLN 433 million in 2023. In Q4 alone, adjusted net profit amounted to PLN 294 million, having risen 28.4% from PLN 229 million the year before. Reported net profit for the full year was PLN 593 million, up 66.4% year on year, with Q4 reported profit at PLN 216 million, an increase of 4%. The net profit growth was primarily driven by operating leverage, reduced net finance costs, and a lower effective tax rate, partially offset by one-off IPO-related costs.
- The adjusted net profit margin improved to 2.6% in 2024, up from 1.9% in the prior year. In Q4 alone, it rose to 4.3%, compared to 3.9% in Q4 2023.
- Free cash flow (FCF) totalled PLN 1,531 million in 2024, a substantial increase from PLN 460.8 million a year earlier. This was driven by strong post-rent EBITDA performance and effective working capital management.
- The Group's robust cash generation enabled the financing of total capital expenditures (CAPEX) of PLN 1,675 million in 2024 (+24% y/y), including PLN 623 million in Q4 alone (+35% y/y). A significant portion of this investment was allocated toward new store openings and the ongoing remodelling of existing locations, including the rollout of the Żabka Café 2.0 concept.
- Supported by this strong cash flow performance, the Group made significant progress on its deleveraging strategy, reducing its net debt to adjusted EBITDA ratio from 2.3x in 2023 to 1.5x in 2024.

Selected financial and operational metrics for Q4 2024 and FY 2024

(all margins calculated in relation to Sales to End Customers)

Key financials (PLN million)	2024	2023	Q4 2024	Q4 2023
Consolidated Sales to end Customers (PLN million)*, of which:				
Żabka Polska (PLN million)	27,277	22,775	6,885	5,833
New Growth Engines (PLN million)	26,167	22,305	6,564	5,712
Revenue	1,109	470	321	121
	23,797	19,806	6,072	5,034
EBITDA	3,363	2,740	891	804
Adjusted EBITDA**	3,505	2,834	987	836
Adjusted EBITDA margin**	12.8%	12.4%	14.3%	14.3%
EBIT	1,659	1,380	420	418
Net profit	593	356	216	209
Net profit margin	2.2%	1.6%	3.1%	3.6%
Adjusted net profit***	714	430	294	229
Adjusted net profit margin***	2.6%	1.9%	4.3%	3.9%

Selected KPIs	2024	2023	Q4 2024	Q4 2023
Lfl. growth	8.3%	10.8%	7.1%	10.6%
New store openings	1,166	1,100	163	107
Number of Stores (EoP) <i>including in Romania</i>	11,069 60	10,014 -		

*Represents Sales to End Customers from Żabka stores, as well as of New Growth Engines, and does not represent the Company's revenue.

** Adjusted EBITDA calculated as EBITDA pre-Rent and margins calculated based on Sales to End Customers.

*** Adjusted net profit includes net profit plus EBITDA adjustments (mainly IPO costs in 2024), net of tax effect.

Sustainability reporting

The Żabka Group's 2024 Annual Report is its first to include a consolidated sustainability statement. The statement is prepared in conformity with the Corporate Sustainability Reporting Directive (CSRD) disclosure requirements ahead of their formal enforcement timeline. Accordingly, the statement complies with the European Sustainability Reporting Standards (ESRS) and the EU Taxonomy for sustainable activities. The report provides a comprehensive overview of the Group's double materiality assessment, which served to define the scope of its sustainability reporting. It also includes detailed information on the Group's environmental, social, and governance (ESG) impacts.

The Group's voluntary early adoption of these enhanced reporting standards showcases its commitment to advancing sustainability disclosures and ensuring transparent communication with all stakeholder groups, particularly investors. The report also incorporates selected disclosures from the latest Global Reporting Initiative (GRI) standards, issued by the Global Sustainability Standards Board, and adopts the recommendations from the Sustainability Accounting Standards Board (SASB) for Food Retailers & Distributors.

The report outlines the Group's progress and achievements in sustainability, in line with our ESG Framework and Responsibility Strategy.

In 2024, the value of own-brand products promoting a sustainable lifestyle reached PLN 1.8 billion. Close collaboration with suppliers led to 82% acknowledging the Żabka Group Code of Conduct for Business Partners. Employee engagement remained strong, reaching a score of 4.54, an increase of 0.13 points year on year. This places Żabka in the 83rd percentile globally, among the top 25% of the world's most engaged organisations. We also made meaningful progress in reducing our environmental footprint. Notably, we decreased the share of virgin plastic in our own-brand product packaging to 33.5%, cut GHG emissions from own operations by 31.2%, and achieved a 64.4% reduction in store (Scope 3) emissions intensity – all relative to our 2020 baseline. Our ESG leadership was once again recognised by EcoVadis, which awarded the Żabka Group a Platinum Medal for the third consecutive year, placing us among the top 1% of companies assessed globally.

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 11,000 physical stores (as at 31 December 2024) 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.

Since October 2024 the Company's shares have been listed on the main market of the Warsaw Stock Exchange.

Media enquiries:

Żabka Group

Filip Paszke

Wojciech Zengteler

Katarzyna Przewężikowska

biuro.prasowe@zabka.pl

ir@zabkagroup.com

M+G

Magda Kołodziejczyk

+48 501 16 88 07

Przemysław Sałek

+48 514 044 194

zabka@mplusg.com.pl