



Preliminary selected financial and operational results of the "DINO POLSKA" S.A. Group in 2024



"DINO POLSKA" Spółka Akcyjna

Joint stock company with its registered office in Krotoszyn at ul. Ostrowska 122, 63-700 Krotoszyn, entered in the register of businesses of the National Court Register under file number 0000408273. NIP no. 6211766191, REGON no. 300820828. The Company's share capital as at 31 December 2024 was PLN 9,804,000.00 and consisted of 98,040,000 shares with a nominal value of PLN 0.10 each.

This document contains the preliminary (estimated) selected consolidated financial and operating results of "DINO POLSKA" S.A. in 2024. These data have not been audited and may differ from the data that will be presented in Dino's annual report. The annual report, which is subject to verification by a statutory auditor will be published on 14 April 2025.

Dino store network development in 2024

Dino is a nationwide network in Poland consisting of medium-sized grocery supermarkets located close to customers’ places of residence. The Company is one of the fastest growing retail grocery networks in Poland measured by the number of stores and revenues.

Dino Polska’s business model combines the advantages of the format provided to customers by medium-sized stores situated in convenient locations, in most cases close to their places of residence or featuring much more traffic, with the ability to open new stores quickly and an attractive product range. Each store offers its customers approx. 5,000 stock keeping units (SKUs), for the most part well-known branded products and fresh products as well as a meat counter manned by store staff. Fresh products which are delivered to the stores every morning accounted for nearly 40% of sales revenue in the Dino network in 2024.

As at 31 December 2024, the Dino network consisted of 2,688 stores with a total selling area of 1,061,214 square meters. In 2024 Dino Polska opened 283 new stores, signifying growth of 13.2% compared to 2023 when it opened 250 stores. In 2024 the Company continued installing PV panels on store rooftops. At the end of last year, 2,476 stores, representing 92.1% of Dino’s overall network had been outfitted with PV installations. The total capacity of the RES installations owned by the Dino Group is 98.9 MW, enabling it to generate 86.6 GWh of solar power in 2024, some 30.5% more than in 2023.

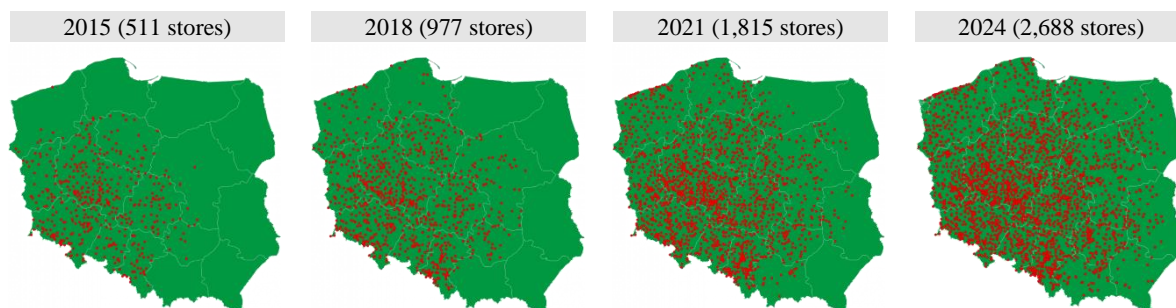
The Dino store network is supported by an efficient, centrally-managed warehousing and distribution system spanning its own distribution centers and a network of independent transportation companies. At the end of 2024 the total space in the distribution centers was 468 thousand square meters. In 2024 the Dino Group completed the construction and launched two new distribution centers. The next, eleventh distribution center was opened in Q1 2025.

The Dino Group’s development led to creating 8 thousand new jobs. The number of employees grew from 41.9 thousand as at 31 December 2023 to 49.9 thousand as at 31 December 2024.

The table below shows information on the total number of Dino stores and the total selling area.

	As at 31 December		
	2024	2023	2022
Number of new store openings.....	283	250	344
Total number of stores at the end of the period.....	2,688	2,406	2,156
Total selling area (m ²)	1,061,214	947,919	847,817
Growth of sales area y/y.....	12.0%	11.8%	19.3%

The Dino store network development process is depicted on the maps below.



Preliminary financial highlights of the Dino Polska Group in 2024

The table below presents Dino Polska's preliminary (estimated) consolidated financial highlights

	For the year ended 31 December		Change
	2024	2023	2024 / 2023
	<i>(unaudited; 000s PLN)</i>		<i>(%)</i>
Sales revenue	29,273,780	25,666,255	14.1
Gross profit on sales.....	6,810,435	5,924,796	14.9
Operating profit.....	1,908,197	1,875,855	1.7
Profit before tax	1,793,460	1,738,981	3.1
Net profit	1,506,562	1,405,327	7.2
EBITDA.....	2,317,376	2,232,683	3.8
Net debt at year end	195,686	954,789	-79.5
Cash and cash equivalents at year end.....	891,102	218,389	308.0
Cash flow from operating activities.....	2,551,794	1,771,540	44.0
Cash flow from investing activities	-1,591,146	-1,158,256	37.4

Sales revenue

In 2024 the Dino Polska Group generated sales revenue of PLN 29,273.8 million. The cumulative average growth rate (CAGR) of sales revenue for 2022-2024 was 29.9%. Revenue rose by PLN 3,607.5 million, or 14.1% in 2024. Higher sales revenue was driven by new store openings, enlarging the total selling area by 12.0% and growing LFL sales in the current store network by 5.3%. In Q4 2024 consolidated sales revenue totaled PLN 7,752.1 million.

The major product categories sold by Dino stores include the following: (i) fresh groceries, including the meat products supplied by Agro-Rydzyna; (ii) other groceries; and (iii) non-grocery products. These product categories represented 39.8%, 48.1% and 12.1%, respectively of the Dino network's revenue in 2024.

Sales in the current store network (LFL)

Sales revenues in Dino's current store network (LFL) depend on the sales volume and value, and customer preferences regarding the purchased products.

The following table presents a comparison of the inflation trends in Poland and top line LFL growth in Dino's current store network.

%	2024				2023				2024	2023	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Inflation (deflation)*	4.8	4.5	2.5	2.8	6.4	9.7	13.1	17.0	3.6	11.4	14.4
Food inflation*	4.8	4.0	2.0	2.6	7.1	12.9	18.8	22.9	3.3	15.1	15.4
Dino's LFL**	6.4	2.3	1.8	11.9	8.7	16.3	20.3	27.2	5.3	17.2	28.5

*source: Central Statistical Office of Poland (GUS)

**stores are included in the calculation of the LFL ratio starting from the 13th full month of their existence

EBITDA result

In 2024 the Dino Group recorded an increase in the EBITDA result by PLN 84.7 million, or 3.8%, to PLN 2,317.4 million from PLN 2,232.7 million in 2023. The EBITDA margin in 2024 was 7.9% while in 2023 it was 8.7%. The Company's profitability in 2024 was adversely affected by net prices deflation on the products offered in Dino stores and the substantial growth in operating expenses, in particular the costs of employee benefits. In Q4 2024 the Dino Group's EBITDA result increased 14.0% year on year to PLN 631.3 million.

Net cash flows from operating activities and net debt

In 2024 the Dino Polska Group generated PLN 2,551.8 million of net cash from its operating activities, which was 44.0% more than in 2023. Apart from the growth in the size of its business and the Group's higher profit, this was the outcome of improving net working capital.

The Dino Group's net debt stood at PLN 195.7 million as at 31 December 2024, signifying a decline of PLN 759.1 million (79.5%) compared to 31 December 2023. The net debt to EBITDA ratio was 0.1x as at 31 December 2024 and was lower than at the end of 2023 (0.4x).

Management Board's commentary on the achieved results and growth prospects in 2025

In Q4 2024 the Dino network opened 116 new stores, signifying 75.8% growth versus Q4 2023. In the full year of 2024 283 stores were opened, up 13.2% from the previous year and slightly more than the Company was aiming for at the outset of last year. At the end of 2024, there were 2,688 stores bearing Dino's distinctive red logo in Poland. Thanks to their uniform format and convenient location they make it easier for consumers to do their daily shopping for groceries and staples. Dino Polska continues to have a positive mindset on its ability to continue growing its network dynamically. In line with the Company's plans, the number of new Dino store openings will continue to trend upwards. In 2025 the new store count should be higher than in 2024 by a percentage figure in the high teens.

In parallel to store network development, investments are underway to expand the warehousing infrastructure, Agro-Rydzyna's production capacity and the Company's own installations to generate electricity from renewable energy sources. In 2024 the construction of two new distribution centers and of a new fresh meat production facility was completed. As a result, the Dino Group's total capital expenditures were PLN 1.6 billion, with the total headcount climbing by 8 thousand people from 41.9 thousand at the end of 2023 to 49.9 thousand at the end of 2024. The capital expenditures planned in 2025 will be approximately PLN 1.7-1.8 billion.

In 2024 sales revenue totaled PLN 29.3 billion and was up 14.1% from 2023. Nearly 40% of our revenue was generated by the sales of fresh products, especially fruit and vegetables, bread and the fresh meat produced by the Agro-Rydzyna meat processing plant. In Q4 revenue totaled PLN 7.75 billion, with the pace of growth accelerating to 15.7%. The growth rate of sales calculated on a like-for-like basis (LFL; in stores in existence for at least one year) was 5.3% in 2024. This figure was lower than the Company originally posited, and it was achieved entirely by growing the volume of products sold. One factor that exerted an adverse impact on the top line was deflation. The growth rate of net prices in the Dino network was negative in 2024. It did not reflect the 3.3% food inflation in Poland, which ensued primarily from the reinstatement of the 5% VAT tax rate on food in April 2024. The Company's plans in 2025 based on the further growth of sales volume and the return of internal inflation in net prices call for a high single-digit rate of growth in LFL sales. There may be some volatility in this trend measured on a quarterly basis due to the shift in the timing of the Easter Holidays from Q1 in 2024 to Q2 in 2025.

The Dino Group operated under the strong pressure exerted by rising operating expenses in parallel to the 14.1% top line growth posted in 2024. This top line growth was impacted not only by deflation but also by consumers' cautious buying decisions. This led to EBITDA growth of 3.8% and a dip in the EBITDA margin of 0.8 percentage points. Dino Polska's goal in 2025 is to bring the EBITDA margin back onto the path of gradual growth. Following a challenging 2024 this may appear to be an ambitious goal. However, the higher expected rate of top line growth accompanied by the concurrent slower pace of OPEX growth and steady growth in the size of the business, will support its achievement.