Highlights third quarter 2019:

- Group revenue up by 9.2 per cent to NOK 1,477 million (NOK 1,352 million)
- Gross margin increased to 44.3 per cent (43.6 per cent)
- Positive result from annual stocktaking in the stores, as last year
- Fill rate at the central warehouse still too high, but Opex impact limited to NOK 5 million
- Adjusted net profit up by 45.4 per cent to NOK 88.4 million (NOK 60.8 million)
- IFRS 16 Leases implemented at 1 January 2019, last year's figures not restated

Europris - the first choice for anyone who wants to shop convenient, smart and at low price - delivered a strong third-quarter result. With a solid increase in customer numbers as the main driver for sales growth, group revenue came to NOK 1,477 million - up by 9.2 per cent year-on-year.

Like-for-like growth was 7.5 per cent, significantly above the overall market growth of 1.3 per cent. Note that last year's comparable numbers were negatively affected by exceptional weather and one fewer sales days.

On a year-to-date basis, the Europris chain had a total growth of eight per cent compared with 1.2 per cent for the market. Like-for-like growth was 5.8 per cent for the first nine months, compared with 0.2 per cent for the comparable market.

"I am pleased to see continued strong sales growth driven by customer traffic," comments Pål Wibe, CEO of Europris. "I'm also proud and pleased to see a continuously improved execution of our seasonal sales and campaigns. Once again, we're delivering like-for-like growth well above the market and thereby further strengthening our position as Norway's leading discount variety retailer."

"Discount variety retailing is thriving in a challenging retail market, and being Norway's number one in this sector puts us in a unique position to continue our profitable growth journey."

The gross margin in the third quarter was higher than for the same period of last year, at 44.3 per cent (43.6 per cent). As last year, profits in the quarter were positively affected by the annual calculation of actual cost prices during stocktaking in the stores. Adjusted for stocktaking, the gross margin was 42.6 per cent (42.0 per cent).

Operating expenditure excluding non-recurring items came to NOK 392 million in the third quarter (NOK 507 million adjusted for IFRS 16), compared with NOK 471 million last year.

A non-optimal level of inventory at the central warehouse remains an issue, but the measures taken to reduce the negative impact on costs have quickly produced results. Cost overruns were reduced to NOK 5 million in the quarter, mostly booked in July.

Efforts to improve processes related to volume control in the supply chain made good progress during the quarter.

Adjusted EBITDA was NOK 262 million for the third quarter (NOK 147 million adjusted for IFRS 16), up by 23.5 per cent from NOK 119 million in the same period of last year.

Adjusted net profit for the third quarter amounted to NOK 88 million, up from NOK 61 million in the same quarter of 2018. Adjusted net profit for the first nine months of 2019 was NOK 173 million (NOK 206 million).

Europris opened one new store in the third quarter, relocated one store and undertook two store modernisations. Six new stores were opened in the first nine months. The board has so far approved an additional five stores for 2020 and beyond, two of which are subject to planning permission.

Webcast today, Friday 1 November, at 8.30 AM CET: CEO Pål Wibe and CFO Espen Eldal will host a presentation. Europris invites investors, analysts and media to attend.

Material: The third quarter report and presentation will also be made available at www.europris.no/corporate (http://www.europris.no/corporate/investor) and www.newsweb.no. In addition, a recorded version of the presentation will be made available on
www.europris.no/corporate (http://www.europris.no/corporate/investor)
approximately two hours after the webcast has concluded.

For questions or further information, please contact:

CEO Pål Wibe, tel: +47 99 11 98 91, email: paal.wibe@europris.no

CFO Espen Eldal, tel: +47 48 29 24 24, email: espen.eldal@europris.no

Europris in brief

Europris is Norway's largest discount variety retailer by sales. The company offers its customers a broad range of quality own brands and brand-name merchandise. Its merchandise is sold through the Europris chain, which comprises a network of 264 stores throughout Norway. Of these, 230 are directly owned by the company and 34 operate as franchise stores. The company's headquarters are in Fredrikstad, Norway.

This information is subject of the disclosure requirements pursuant to section 5 -12 of the Norwegian Securities Trading Act.

Click here for more information