Highlights for the fourth quarter 2019

- Group revenues increased by 3.3 per cent to NOK 1,899 million (NOK 1,839 million)
- 1.1 per cent like-for-like growth following strong Q4 2018 comparable (7.0 per cent)
- Gross profit increased by 7.4 per cent to NOK 857 million (NOK 798 million), representing a gross margin of 45.1 per cent (43.4 per cent)
- Adjusted EBITDA excluding IFRS 16 effects was up 8.6 per cent to NOK 330 million (NOK 304 million)
- Adjusted net profit of NOK 217 million (NOK 224 million), including unrealised loss of NOK 19 million on hedging contracts and accounts payable
- Refinancing of the group's term-loan and revolving credit facilities completed in December
- Completed acquisition of the 20 per cent equity stake in ÖoB

Highlights for the full year 2019

- Group revenues increased by 7.2 per cent to NOK 6,234 million (NOK 5,817 million)
- 4.4 per cent like-for-like growth, significantly above market growth of 0.5 per cent
- Adjusted net profit of NOK 390 million (NOK 429 million), including unrealised loss of NOK 20 million on hedging contracts and accounts payable. Profits for the year affected by NOK 51 million in additional costs related to high fill rate at the old central warehouse
- Six new stores opened and four franchises taken over
- The board of directors proposes an ordinary dividend of NOK 1.95 per share for 2019 (NOK 1.85)

Europris ended 2019 on a high note, delivering solid sales growth and an improved margin despite strong comparable figures from the year before. Sales growth for the chain was 2.9 per cent, compared with 10.1 per cent in 2018. The market continued to deliver muted growth of 1.1 per cent (1.0 per cent). Europris achieved total growth of 7.2 per cent (7.3 per cent) for 2019 as a whole.

The gross margin was raised to 45.1 per cent (43.4 per cent) and gross profit to NOK 857 million (NOK 798 million) in the quarter. Adjustments to campaign pressure and tight control on realising seasonal goods, combined with a positive contribution from sourcing initiatives, were key drivers behind higher gross margins. Europris delivered a gross margin of 43.5 per cent for 2019 as a whole, compared with 43.1 per cent in 2018.

"Once again, more than 2,500 dedicated employees managed to create a Christmas spirit and a sales growth well above the market benchmark in all our 264 stores across the country," comments Pål Wibe, CEO of Europris.

"We are very satisfied to see the effect of the disciplined work on campaign execution and a more controlled realisation of seasonal goods. We have thereby managed to increase gross margins and still deliver growth on a very tough comparable. The first substantial savings from our sourcing partnership with ÖoB and Tokmanni are also starting to materialise, and we are looking forward to working more closely together in the years to come."

Operating expenditure excluding nonrecurring items came to NOK 407 million in the fourth quarter. Adjusted for IFRS 16, Opex was NOK 528 million compared with NOK 495 million in the previous year. Opex was affected by the increase in the number of directly operated stores and the new central warehouse in Moss, with rent costs related to these premises amounting to NOK 6 million for the quarter. Opex was NOK 1,578 million for 2019 as a whole. Adjusted for IFRS 16, Opex for 2019 came to NOK 2,028 million compared with NOK 1,841 million in 2018.

Adjusted EBITDA was NOK 450 million. Excluding the IFRS 16 effect, it came to NOK 330 million (NOK 304 million) - a rise of NOK 26 million or 8.6 per cent. For the full year, adjusted EBITDA was NOK 1,133 million. Excluding the IFRS 16 effect, it amounted to NOK 684 million (NOK 666 million).

Adjusted net profit was NOK 217 million (NOK 224 million) for the fourth quarter of 2019 and NOK 390 million (NOK 429 million) for the full year.

The group recognised a net unrealised currency loss of NOK 20 million on hedging contracts and accounts payable (net currency gain of NOK 11 million) in 2019.

No stores were opened or closed in the fourth quarter. Europris opened six new stores in 2019. The board has approved an additional five stores for 2020 and beyond, two of which are subject to planning permission. The group has agreed to take over two franchise stores on 1 January 2020. In addition, two-three takeovers are expected in 2020.

Webcast at 08.30 CET today, Thursday 30 January. CEO Pål Wibe and CFO Espen Eldal will host a presentation. Europris invites investors, analysts and media to join the presentation.

Material: The fourth quarter report and presentation will also be made available on 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 broadcast has concluded.

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About Europris:

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 consists of a network of 264 stores throughout Norway. Of these, 231 are directly owned by the company and 33 operate as franchise stores. The company's headquarters are at Fredrikstad, Norway.

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

Click here for more information