

Highlights for the first quarter of 2022:

- . Total sales of NOK 1,716 million, down 0.2 per cent
- 5.5 per cent decline in sales excluding acquisitions
- Mild winter season and negative timing effect from Easter
- . Gross margin of 44.3 per cent, an improvement of one percentage point
- Positive contributions from fixed-rate agreement for inbound freight
- Negative effect from currency hedging
- . Opex-to-sales ratio of 28.1 per cent (26.3 per cent)
- Opex increase of 6.6 per cent, with a rise of 1.7 per cent excluding acquired companies
- . EBITDA of NOK 278 million (292 million) and EBITDA margin of 16.7 per cent (17 per cent)
- . Net profit of NOK 88 million (NOK 104 million) attributable to parent
- . Continued strong financial position with cash and liquidity reserves of NOK 1,383 million (NOK 1,526 million)

Europris has seen strong growth and lifted its performance over the past few years, and the group is satisfied with developments in the first quarter of 2022. Total sales were almost on par with last year, with a higher gross margin, although a slight underlying cost increase and costs from acquired companies reduced profit.

Several factors make a meaningful comparison of the underlying performance for the first quarter challenging. On the positive side, all the chain's stores were open this year, whereas 10 per cent of them were temporarily closed in 2021 owing to Covid-19 restrictions. However, the lifting of all restrictions from the middle of February this year led to increased cross border shopping. In addition, a mild winter had negative effect on the sale of seasonal products this year, and later Easter sales also had a negative effect on sales compared to the first quarter last year.

Given the significant effects of the Covid-19 pandemic on consumer spending patterns, sales developments need to be evaluated in a longer perspective. The first quarter revenues for the Europris chain were 31 per cent above the same quarter in 2019 (pre-pandemic).

CEO Espen Eldal comments:

"We're satisfied with developments in the first quarter and are well prepared for the important upcoming summer season. Given increased inflation and higher interest rates as well as the war in the Ukraine, the world is undoubtedly a more uncertain place than it was a quarter ago.

"We see that our discount variety retail model provides good value for money in today's market. How the new normal will play out is difficult to predict, but the Europris concept has historically proven to be resilient in uncertain times. With a wide and accessible store network, a broad product offering at low prices and attractive campaigns, we're ready to deliver on our ambition of becoming one of the best retailers in Europe."

Group sales for the first quarter came to NOK 1,716 million, down by a marginal 0.2 per cent. Excluding acquisitions, sales declined by 5.5 per cent, whereas the like-for-like decline for the Europris chain in the first quarter of 2022 was 6.7 per cent.

Gross profit came to NOK 760 million (NOK 744 million), with the gross margin of 44.3 per cent (43.3 per cent) affected positively by a fixed-rate agreement on inbound freight. The group recognised a net unrealised loss of NOK 5 million on hedging contracts and accounts payable (gain of NOK 21 million). In addition, the gross margin was somewhat diluted by the margin from acquired companies.

Operating expenditure (Opex) was NOK 482 million in the first quarter (NOK 452 million), up by 6.6 per cent. The increase is mainly explained by the inclusion of acquired companies. Operating costs increased by 1.7 per cent excluding acquisitions, which mainly reflects the increase from 239 to 244 directly operated stores. Opex amounted to 28.1 per cent of total operating income for the group (26.3 per cent).

EBITDA was NOK 278 million (NOK 292 million), down by NOK 14 million or 4.9 per cent from the first quarter last year.

Cash and liquidity reserves for the group amounted to NOK 1,383 million per 31 March 2022 (NOK 1,526 million).

Europris has a flexible business model and a demonstrated ability to adapt quickly to changes, and the board remains confident that the group also continues to be well positioned for the future in a more challenging environment.

Year-to-date sales growth for the Europris chain was 4.6 per cent at 26 April. During the same period last year, an average of 13 per cent of the chain's stores were temporarily closed.

The quarterly report, presentation materials and spreadsheet with key figures will also be available on the company's website <https://investor.europris.no>.

CEO Espen Eldal and CFO Stina C Byre will present the company's results at 08:30 CEST at Nordea headquarter, Essendrops gate 7 in Oslo. The presentation will be held in English and transferred via live webcast and will be made available through the company's website <https://investor.europris.no>. It will be possible to ask questions via the web.

For further information please contact:

Espen Eldal, CEO, +47 48 29 24 24, espen.eldal@europris.no

Stina C Byre, CFO, +47 41 10 58 08, stina.byre@europris.no

About Europris:

Europris is Norway's largest discount variety retailer by sales. The company offers its customers a broad assortment of quality owned brands and brand name merchandise. The company's merchandise is sold through the Europris chain, which consists of a network of 271 stores throughout Norway, 244 of which are directly owned by the company and 27 of which operate as franchise stores. The company's headquarters are located in Fredrikstad, Norway.

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act.

This stock exchange announcement was published by Trine Engløkken, Investor Relations Manager at Europris ASA, on 28 April 2022 at 07:00 CEST.

Click [here](#) for more information