Highlights for the second quarter of 2022
- Total sales of NOK 2,216 million (NOK 2,096 million), a 5.7 per cent increase
  - Sales growth of 1.3 per cent excluding acquisitions
  - Positive timing effect from Easter and an average of eight per cent of the stores closed in 2021
- Gross margin of 48.2 per cent (47.2 per cent)
- Opex-to-sales ratio of 21.7 per cent (21.6 per cent)
  - Increase in opex of 6.1 per cent, affected by acquired companies
- EBITDA of NOK 589 million (NOK 537 million) and EBITDA margin of 26.6 per cent (25.6 per cent)
- Net profit of NOK 325 million (NOK 283 million) attributable to parent company
- Strikkemekka acquired for NOK 88.4 million (transaction closed 1 July)

Highlights first half of 2022
- Total sales of NOK 3,932 million (NOK 3,814 million), a 3.1 per cent increase
  - Sales decline of 1.4 per cent excluding acquisitions
  - An average of nine per cent of the stores closed in 2021
- Gross margin of 46.5 per cent (45.4 per cent)
- Opex-to-sales ratio of 24.5 per cent (23.7 per cent)
  - Increase in opex of 6.4 per cent, affected by acquired companies
- EBITDA of NOK 866 million (NOK 829 million) and EBITDA margin of 22 per cent (21.7 per cent)
- Net profit of NOK 413 million (NOK 387 million) attributable to parent company
- Earnings per share of NOK 2.57 (NOK 2.41)
- Strong financial position with cash and liquidity reserves of NOK 1,000 million (NOK 1,577 million)

Europris is very pleased to have delivered the best second quarter in its history. The combination of sales growth, margin improvement and good cost control resulted in increased profit for the quarter.

Sales in both 2020 and 2021 were significantly affected by effects related to Covid-19, and a comparison with pre-Covid figures shows that sales for the Europris chain during the period were up by 28.7 per cent from the second quarter of 2019.

CEO Espen Eldal comments:
"We're proud of what we have achieved in the second quarter. Despite current market sentiment, we were able to increase our gross margin and strengthen our position as the market leader. Once again, I want to pay tribute to our hard-working staff. They represent a culture which strives for continuous development and improvement."

Group sales for the second quarter came to NOK 2,216 million, corresponding to an increase of 5.7 per cent. Excluding acquisitions, sales were up by 1.3 per cent, whereas the like-for-like increase for the Europris chain in the second quarter of 2022 was 0.5 per cent.

Consumers are currently cautious about making investments, and higher-value seasonal items have been negatively affected at Europris as well. However, these products constitute only a small proportion of total sales. The main range offered in the Europris stores comprises low-value consumables, and the concept is well positioned in the current market environment with its low prices and strong campaigns. Sixty per cent of sales derive from items with price points below NOK 100, and sales of these low-price items increased by 8.5 per cent in the second quarter.

Gross profit came to NOK 1,069 million (NOK 989 million), with the gross margin of 48.2 per cent (47.2 per cent). The group recognised a net unrealised gain of NOK 20 million on hedging contracts and accounts payable (gain of NOK 24 million).

Operating expenditure (Opex) was NOK 480 million in the second quarter (NOK 453 million), up by 6.1 per cent. The increase mainly reflects the inclusion of acquired companies. The number of directly operated stores increased from 240 to 247. Opex amounted to 21.7 per cent of total operating income for the group (21.6 per cent).

EBITDA was NOK 589 million (NOK 537 million), up by NOK 52 million or 9.7 per cent from the second quarter last year.

Cash and liquidity reserves for the group amounted to NOK 1,000 million per 30 June 2022 (NOK 1,577 million).

Europris will continue to tune its customer offering, campaigns and price levels carefully in order to secure sales at a best possible margin. The company has over the last years had successful category upgrades and expects that the gross margin (excluding unrealised currency effects) going forward will stabilise at a somewhat higher level than before the pandemic.

Europris this year celebrates its 30th anniversary as the market leader. It is ready to develop further and to maintain its market leadership while balancing customers' needs with delivering profitable growth.

The board remains confident that the group is well positioned in the current retail environment.

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 09:00 CEST at SpareBank 1 Markets headquarter, Olav V's gate 5 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.

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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 274 stores throughout Norway, 247 of which are directly owned by the company and 27 of which operate as franchise stores. In addition, Europris has a 67 per cent stake in the e-commerce stores Lekekassen, Lunehjem, Strikkemekka and Designhandel. The company's headquarter is 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 14 July 2022 at 07:00 CEST.

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