

Highly satisfactory performance in a tough retail market for Europris in the fourth quarter

- Total sales of NOK 3,034 million (NOK 2,841 million), a 6.8 per cent increase
 - Sales growth of 4.8 per cent excluding structural growth from acquisitions
 - Like-for-like sales growth of 3.3 per cent for the Europris chain
- Gross margin of 45.5 per cent (50 per cent), affected by higher costs for inbound freight
 - Opex-to-sales ratio of 20.4 per cent (20.9 per cent)
 - EBITDA of NOK 760 million (NOK 826 million), an eight per cent decline from the record fourth quarter of 2021
 - Solid profitability, with net profit attributable to the parent company of NOK 422 million (NOK 489 million)
 - Strong financial position, with cash and liquidity reserves of NOK 1,897 million (NOK 1,981 million)
 - Board of directors proposes a total dividend per share of NOK 3.75 (NOK 4.00)
 - NOK 2.75 (NOK 2.50) in ordinary dividend and an additional dividend of NOK 1.00 to reflect the strong performance and solid financial position after a period still positively affected by Covid-19

"The positive trend we saw in the latter part of the third quarter continued, and we saw a strong sales performance through the final quarter of the year," comments CEO Espen Eldal. "Our concept appeals to the many customers facing more challenging household finances, with low prices, attractive campaigns, and a broad and relevant product range. Our sharper focus on everyday consumables is paying off in the current market."

Group sales for the fourth quarter came to NOK 3,034 million, up by 6.8 per cent from the same period of 2021. Sales rose by 4.8 per cent excluding structural growth, and like-for-like sales for the Europris chain increased by 3.3 per cent. Sales were strongest for low-priced consumables, with customers holding back on investment purchases.

Gross profit for the fourth quarter was NOK 1,379 million (NOK 1,421 million), with the gross margin declining to 45.5 per cent (50 per cent). The drop was expected and reflected higher costs for inbound freight, unrealised currency losses on hedging contracts, and a larger share of campaign sales.

Operating expenditure (Opex) was NOK 619 million (NOK 595 million) in the fourth quarter, corresponding to 20.4 per cent of sales (20.9 per cent). EBITDA was NOK 760 million (NOK 826 million).

Net profit for the fourth quarter amounted to NOK 440 million (NOK 510 million), with NOK 422 million (NOK 489 million) attributable to owners of the parent company.

Cash and liquidity reserves for the group at 31 December 2022 came to NOK 1,897 million (NOK 1,981 million).

The board of directors will propose total dividends of NOK 3.75 per share for 2022 to the general meeting, comprising ordinary dividend of NOK 2.75 per share and an additional payout of NOK 1.00 per share to reflect the solid financial performance and position after a period still positively affected by Covid-19. The total proposed dividend amounts to NOK 604 million excluding treasury shares, and represents a pay-out ratio of 59.1 per cent of the majority's share of the profit.

Outlook

Household finances in Norway are becoming more challenging, with rising interest rates and higher prices for food, energy and other necessities. Although private consumption held up reasonably well during 2022, most economists are being cautious in their expectations for consumer spending in the time to come.

Although Europris expects to have to fight hard for its share of the wallet, these market conditions also represent opportunities for companies able to stay relevant for consumers and offer good value for money. The Europris group is well positioned, with a well-recognised low-price concept, strong campaigns, and a broad and relevant product offering. Over time, it has outperformed the retail

market. The board is confident that Europris will continue to play an increasingly important role and to take market share.

Practical details

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

CEO Espen Eldal and CFO Stina C Byre will present the group's results at 08.30 CET today at Pareto Securities, Dronning Mauds gate 3, Oslo. The presentation will be held in English and transferred via live webcast, and will be made available through the group's website at <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 group offers its customers a broad range of quality owned brands and brand name merchandise. Its merchandise is sold through the Europris chain, comprising a network of 276 stores throughout Norway of which 249 are directly owned by the group and 27 operate as franchises. In addition, Europris has a 67 per cent stake in the Lekekassen, Lunehjem, Strikkemekka and Designhandel e-commerce stores. The group's head office 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 of the Norwegian Securities Trading Act.

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