Europris has once again proved to be a relevant shopping destination, with higher sales and increased footfall to stores in the third quarter. The group has actively taken advantage of the flexibility in the concept and has continued to take market share.

Highlights for the third quarter 2023:

- Total sales of NOK 2,152 million, up 5.0 per cent

- Driven by attractive campaigns and a relevant product range at low prices
- Like-for-like sales growth of 3.8 per cent for the Europris chain

- Gross margin of 45.3 per cent (47.6 per cent)

- Gross margin declined, although remaining above pre-pandemic levels as expected
- Change in product mix and increased campaign sales
- Negative effect of 0.4 percentage points on the margin change because of lower unrealised gains from currency hedging this year

- Opex-to-sales ratio declined to 26.5 per cent (26.8 per cent)

- Moderate Opex increase of 3.7 per cent

- Earnings development mainly reflected the decline in gross margin

- EBITDA of NOK 404 million (425 million) and EBITDA margin of 18.8 per cent (20.7 per cent)
- EBIT of NOK 234 million (272 million) and EBIT margin of 10.9 per cent (13.2 per cent)
- Net profit of NOK 144 million (NOK 187 million) attributable to parent
- Earnings per share of NOK 0.89 (NOK 1.16)

- Strong financial position, with cash and liquidity reserves of NOK 1,363 million (NOK 963 million)

- Positive development in cash flow from improved inventory development

CEO Espen Eldal comments:

"I'm satisfied with our results for the third quarter. We saw an increase in campaign sales, where our front-page campaigns did particularly well. Every day is a struggle in this market, since consumers are more price aware. That is evidenced by the growth in consumables and the fact that we sell more of our own brands. However, we're dedicated to giving our customers value for money. Our clear ambition is to continue to do better than the market through our devoted employees and a rock-solid retail culture, our strong low-price position, and flexible retail concept."

Group sales in the third quarter came to NOK 2,152 million, up by 5.0 per cent from the corresponding period of 2022, and like-for-like sales for the Europris chain increased by 3.8 per cent. Sales improved for almost all categories, although the increase was higher for categories classified as consumables, whereas seasonal items, as expected, saw a sales decline. The decline was strongest for garden furniture, trampolines, inflatable pools, and other water sports items, whereas cultivation and travel had higher sales. Despite lower seasonal sales, the inventory is healthy, and both value and volume were lower than compared to the same period last year.

Gross profit for the third quarter came to NOK 975 million (NOK 975 million), with the gross margin declining to 45.3 per cent (47.6 per cent). The lower gross margin reflects changes to the product mix, with higher sales growth for consumables and for campaign sales. The group recognised a net unrealised gain of NOK 2 million on hedging contracts and accounts payable (gain of NOK 11 million), which had a negative effect of 0.4 percentage points on the margin change.

Operating expenditure (Opex) was NOK 571 million (NOK 550 million) in the third quarter. The Opex-to-sales ratio declined to 26.5 per cent (26.8 per cent).

EBITDA for the third quarter was NOK 404 million (NOK 425 million) and the EBITDA margin 18.8 per cent (20.7 per cent). EBIT was NOK 234 million (NOK 272

million), down by 13.8 per cent. The EBIT margin was 10.9 per cent (13.2 per cent). Net profit attributable to owners of the parent amounted to NOK 144 million (NOK 187 million).

Cash and liquidity reserves for the group at 30 September 2023 amounted to NOK 1,363 million (NOK 963 million).

Outlook

Customers are paying greater attention to prices in the current economic climate, and this is expected to continue since the pressure on household finances is presumed to remain high for the foreseeable future. As people adapt to an overall higher cost of living, Europris' low-price, campaign-driven retail concept is highly relevant and the footfall to the group's stores is believed to remain strong. Campaigns are an important driver for sales growth and higher store footfall, since customers are actively seeking good offers and value for money. The group will continue to adapt to the customer sentiment and take advantage of the flexibility in the concept.

The board remains confident that Europris will continue to be an attractive shopping destination and remain a relative winner in the retail market. The group is well set for the time to come, with a healthy inventory and a solid financial position.

Practical details:

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 group's results at 08:30 CET at SpareBank 1 Markets office, 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 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, which consists of a network of 281 stores throughout Norway. Of these, 256 are directly owned by the group and 25 operate as franchise stores. In addition, Europris is full or partial owner of the e-commerce companies Lekekassen, Lunehjem, Strikkemekka and Designhandel. 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 the Norwegian Securities Trading Act.

This stock exchange announcement was published by Trine Engløkken, head of investor relations at Europris ASA, on 2 November 2023 at 07:00 CET.

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