

## Continued solid performance in Norway

2025-04-10

Europris saw the solid performance in Norway towards the end of last year continue in the first quarter 2025, reporting organic sales growth of 1.2 per cent despite the later timing of Easter and one less calendar day compared to the leap year 2024. This affected sales growth negatively by an estimated 4-5 percentage points.

The underlying gross margin improved in Norway, although reported figures were negatively affected by unrealised currency losses on hedging contracts. Stronger local currencies will isolated have a positive effect on cost of goods sold and the gross margin. However, as the group practices a six-month hedging strategy it will take some time before this materialises.

In Sweden, the transformation of ÖoB continues as planned, with continued clearance sale cannibalising other sales and impacting the gross margin negatively. The clearance sale leaves the company with a higher-quality inventory and better prepared for category upgrades, renewal of the product range and store remodelling. Europris remains confident in its ambition to increase sales by SEK 1 billion to SEK 5 billion by 2028, with an EBIT margin of 5 per cent.

Financial highlights for the first quarter 2025:

Please note: financials for the new segment Sweden were included with effect from 1 May 2024. Comparisons on an organic level exclude the ÖoB-acquisition, meaning that organic figures are comparable to last year's group figures.

- Group sales of NOK 2,938 million, up 45.0 per cent
- Organic sales growth of 1.2 per cent - estimated negative effect of 4-5

percentage points from timing of Easter and one less calendar day compared to the leap year 2024

- Gross margin of 38.7 per cent (43.3 per cent), mainly reflecting ÖoB acquisition and unrealised currency effects
  - Organic gross margin reduction of 0.4 per cent, but improvement of 1.7 percentage points excluding unrealised currency hedging effects
- Opex-to-sales ratio of 31.1 per cent (29.5 per cent)
  - Organic opex-to-sales ratio increase of 1.0 per cent
- EBIT-loss of NOK 37 million, including loss of NOK 115 million in ÖoB
  - Organic EBIT decline of NOK 29 million but improvement of NOK 14 million excluding unrealised currency hedging effects
- Net profit loss of NOK 80 million

"I'm pleased with the development in Norway. We show sales growth despite the later Easter and one less calendar day. Excluding currency hedging effects there is also an improvement in the gross margin, and operating costs are well under control", comments CEO Espen Eldal.

"In Sweden, our transformation is progressing according to plan. We're laying the groundwork for long-term success, with clearance activities paving the way for upgrading categories, revitalising the product range, and comprehensive store remodelling throughout 2025 and into 2026. Turnarounds take time, but we remain confident that we will realise a great value opportunity over the years to come," says Eldal.

Total operating income amounted to NOK 2,938 million (2,026), with the 45 per cent increase mainly reflecting the acquisition of ÖoB. Organic sales amounted to NOK 2,050 million, an increase of 1.2 per cent. Negative effect on organic sales growth from the timing of Easter and one less calendar day compared to the leap year last year is estimated to 4-5 percentage points.

Gross profit amounted to NOK 1,136 million (878), with a gross margin of 38.7 per cent (43.3). The gross margin decline reflects the inclusion of ÖoB, which had a dilutive margin effect of 4.2 percentage points. In addition, the group recognised a net unrealised loss of NOK 34 million on hedging contracts and accounts payable, compared to a net unrealised gain of NOK 19 million in the same period last year. This impacted the gross margin change negatively by 2.1 percentage points. The organic gross margin declined slightly to 42.9 per cent (43.3) but improved 1.7 percentage points excluding unrealised currency hedging effects.

Operating expenditure (Opex) was NOK 913 million (597), with organic opex increasing 4.8 per cent to NOK 626 million. The number of directly operated stores increased from 258 to 264. The opex-to-sales ratio was 31.1 per cent

(29.5), whereas the organic opex-to-sales ratio was 30.5 per cent (29.5).

Negative EBIT of NOK 37 million (positive 107), corresponding to an EBIT margin of -1.3 per cent (+5.3), impacted by an EBIT loss of NOK 115 million in ÖoB.

Organic EBIT was NOK 78 million, a decrease of NOK 29 million or 26.6 per cent, with an organic EBIT margin of 3.8 per cent (5.3). Excluding impact from unrealised currency hedging, organic EBIT increased by NOK 14 million.

Net debt amounted to NOK 5,014 million (3,455). Adjusted for lease liabilities, net debt was NOK 1,521 million (841). Cash and liquidity reserves for the group amounted to NOK 1,430 million (1,719).

## Outlook

The geopolitical climate for international trade and cooperation is in uncharted territory, with increased uncertainty for development in interest rates, currencies and potentially cross-border sourcing. The group monitors the situation closely.

The Europris concept has remained resilient in challenging times for many consumers, and the group is confident that the ÖoB concept in Sweden will attract more customers and sales with upgraded categories and a renewed product range in the years to come.

The average consumer saw improving real wages last year and wage negotiations indicate that this will be the case also this year. However, consumer sentiment also depends on debt and interest levels. While interest rates have been lowered in Sweden, the expected rate cuts in Norway have been postponed. Although this might affect consumer spending negatively, the group believes it is well positioned in the prevailing macro conditions and is well prepared for the upcoming spring and summer season.

The integration of ÖoB in Sweden is progressing according to plan, and the first pilot with a fully remodelled store is expected to be ready before summer. The category upgrades will continue throughout 2025 and 2026 and will improve the customer experience and attract new customer segments over time.

The group remains confident in its long-term ambitions to grow ÖoB to SEK 5 billion in revenue by the end of 2028, with an EBIT margin of 5 per cent for the existing store portfolio.

## Practicalities:

The quarterly report, presentation materials and spreadsheet with key figures will also be available on the website <https://investor.europris.no>. CEO Espen Eldal and CFO Stina C Byre will present the group's results at 08:30 CEST at Pareto Securities, Dronning Mauds gate 3 i Oslo, Norway. The presentation will be held in English and transferred via live webcast and will be made available

through the website at <https://investor.euopris.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@euopris.no](mailto:espen.eldal@euopris.no)

Stina C Byre, CFO, +47 41 10 58 08, [stina.byre@euopris.no](mailto:stina.byre@euopris.no)

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 285 stores throughout Norway. Of these, 264 are directly owned by the group and 21 operate as franchise stores. In May 2024, the group took full ownership of the Swedish discount variety retailer ÖoB, which consists of a network of 93 stores in Sweden. In addition, Europris is full or partial owner of the e-commerce companies Lekekassen, 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 Engløyken, head of investor relations at Europris ASA, on 10 April 2025 at 07:00 CEST.

Click [here](#) for more information