

Q4 2024 presentation

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Europpris

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The Europris group



A Nordic retail champion in the making...

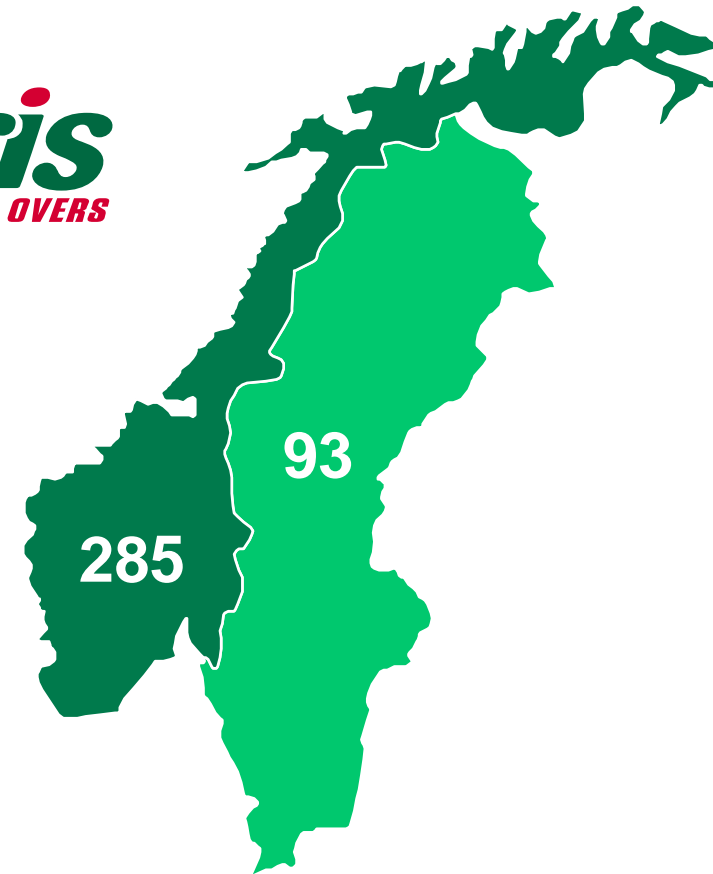
Annual sales
~NOK 14bn

Annual EBIT
~NOK 1.1bn

Customer club
~4 million
members

Annual footfall
~58 million
transactions

...with strong concepts across 378 stores



Our growth story

Sales of ~NOK 13bn*



* Sales includes the Europris chain (directly operated and franchise stores), Lunehjem (consolidated as of March 2021), the Lekekassen group (consolidated as of August 2021), the Strikkemekka group (consolidated as of July 2022) and ÖoB (Runsvengruppen; consolidated as of May 2024)

Financial highlights - fourth quarter

- Group sales of NOK 4.4bn, up 42.5%
 - Organic growth of 4.9%
- Gross margin of 42.5%, down 1.3%-p
 - Organic increase of 2.2%-p, or up 1.4%-p excluding unrealised effects from currency hedging
- Opex-to-sales ratio of 22.3%, up 2.0%-p
 - Organic decline in opex-to-sales of 0.3%-p
- Group EBIT of NOK 624 million, up NOK 70m or +12.7%
 - Organic increase of NOK 112m or +20.2%
 - Negative EBIT contribution of NOK 41m from ÖoB
- Net profit to parent of NOK 443m, up NOK 9m

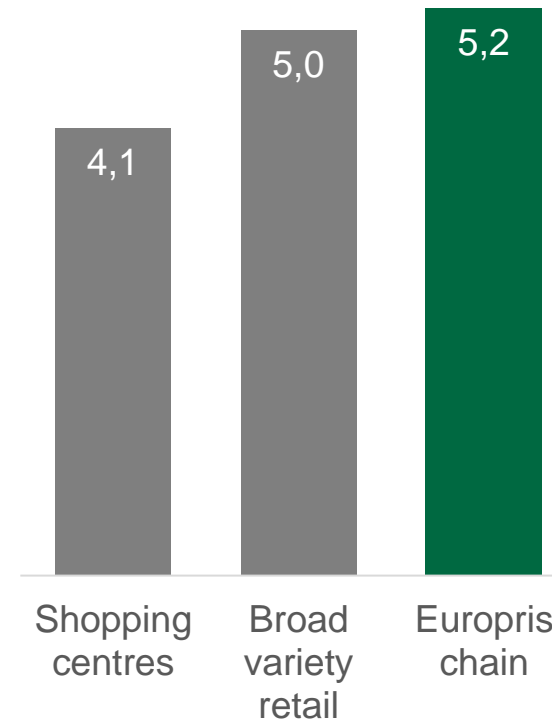


Strong finish to the year in Norway, with growth above the market

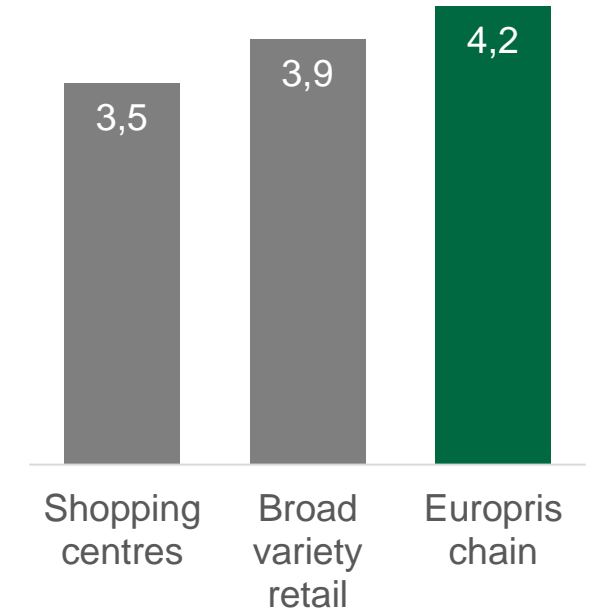


- The Europris chain outperformed the retail market in Q4
- Well-prepared and solid execution of the seasons – balancing sales and margins
- Higher share of sales of non-food items and private labels, intensified competition among grocery stores
- Consumers are cautious, and campaigns remain a driver of footfall and sales
- Continuing trend with earlier Christmas shopping and sales shifting from December to November for physical retail
- Online retail stronger in December, supported by improved logistics and delivery chains

Fourth quarter, year-on-year sales growth (%)



Full year, year-on-year sales growth (%)



Strong price and product offering recognised in the market

Euopris

- **Euopris clear price winner** in Nettavisen's price test comparing prices with six other variety retail discounters
- Receiving good reviews for its **high-quality private label** seasonal products
 - "Hafjell" outdoor string lights "best in test" from Tek.no
 - "Snøhetta" artificial Christmas tree received a five out six score from Dagbladet
- **Lekekassen** awarded first place for "online store of the year for children and family" and second place for "online store of the year" from Prisjakt.no (based on customer reviews)



Euopris er BILLIGST

Vi ble BEST blant syv lavpris-butikker!

WINNER
Nettavisens pristest
okt. 2024

WINNER
Nettavisens pristest
nov. 2024

Pristestere: Euopris, Normal, Jula, Rusta, Biltema, Clas Ohlson og Oda

Euopris
MER TIL OVERS

The poster features a green background with gold confetti at the top. The main headline 'Euopris er BILLIGST' is in large white letters. Below it, a yellow curved line separates the headline from the sub-headline 'Vi ble BEST blant syv lavpris-butikker!'. Two gold circular award stickers are positioned below the sub-headline, each containing the word 'WINNER', the text 'Nettavisens pristest', and the date (okt. 2024 and nov. 2024). At the bottom of the green section, the names of the competing stores are listed. The Euopris logo and tagline 'MER TIL OVERS' are at the bottom of the white section.

ÖoB integration process progressing to plan

- Two organisations in good spirits –collaborating well with solid contributions from employees in both Euopris and ÖoB
- Working towards a holistic transformation of ÖoB and a more robust governance model
- Taken actions to improve the running business and accelerated measures to improve campaign planning and execution and supply chain and inventory management
- Positive results from initiatives to strengthen sales and margins from campaigns and sale of non-food
 - Improved sales mix, but the size of the basket remains unchanged
 - Category upgrades and renewal of product range will be important to attract new customer groups to support growth



Good progress on several strategic initiatives

- Clearance sale to prepare for upcoming category upgrades
- Applying Europris' campaign methodology all the way from planning to in-store execution
- Implemented Europris' visual profile in 65 ÖoB stores
- Successfully launched carpets and rugs as a new product group across 70 ÖoB stores
- Upgraded system and toolbox for business intelligence – improving reporting and analysis capabilities
- ERP project progressing to plan with planned go-live during the first half of 2025



High ambitions in Sweden: Grow ÖoB revenues by **SEK 1bn** by 2028 with an EBIT margin of **5%**

Euopris

+1bn
SEK



Category harmonisation and joint sourcing



Improve customer experience



Strengthen execution across the value chain

Financials

CFO Stina C Byre

Europpris

Group financials – fourth quarter highlights



Key figures group, fourth quarter 2024

Sales NOK 4.4bn

- +42.5%, impacted by acquisition of ÖoB
- Organic growth of 4.9%

Gross margin 42.5%

- -1.3%-p, impacted by the lower margin level in ÖoB and clearance sale
- Organic increase of 2.2%-p, or +1.4%-p excluding unrealised currency

Opex-to-sales 22.3%

- +2.0%-p
- Organic reduction in the opex ratio of 0.3%-p

EBIT NOK 624m

- NOK +70m (+12.7%), including EBIT-loss of NOK 41m for ÖoB
- Organic increase of NOK 112m (+20.2%)

Net profit to parent NOK 443m

- NOK +9m, incl. NOK 8m unrealised gain on interest swaps (-24m)
- Net positive impact of NOK 60m in 2023 from ÖoB stake + option

Group financials – full year highlights



Key figures group, full year 2024

Sales NOK 12.75bn

- +34.7%, impacted by inclusion of ÖoB
- Organic growth of 4.3%

Gross margin 41.7%

- -2.6%-p, impacted by the lower margin level in ÖoB
- Organic increase of 0.4%-p, or +0.1%-p excluding unrealised currency

Opex-to-sales 24.7%

- +1.3%-p
- Organic increase of 0.6%-p

EBIT NOK 1,237m

- NOK -58m (-4.5%), including EBIT-loss of NOK 102m for ÖoB
- Organic increase of NOK 44m (+3.4%)

Net profit to parent NOK 839m

- Decline of NOK 70m, reflecting the ÖoB loss

Group – cash, debt and liquidity



Full year

- Cash from operating activities of NOK 1,496m (1,769)
 - Higher net working capital had a negative cash impact due to earlier shipments and arrivals of goods for the spring season and planned inventory build-up to improve service level in the stores
- Cash from investments was in 2023 impacted by the acquisition of the remaining 33% of Lekekassen for NOK 212m
- Net change in cash of NOK -73m (+212)
- Net debt of NOK 4,181m (3,039)
 - NOK 720m excluding lease liabilities (371)
- Cash and liquidity reserves of NOK 2,244m (2,205)

Group cash flow, NOK million	Q4 2024	Q4 2023	FY 2024	FY 2023
Cash from operating activities	1,131	1,035	1,496	1,769
- of which change in net working capital	297	385	(211)	281
Cash used in investing activities	(28)	(15)	(119)	(358)
Cash from financing activities	(594)	(424)	(1,449)	(1,199)
Net change in cash	509	595	(73)	212
Cash at beginning of period	94	81	676	464
Cash at end of period	603	676	603	676
Key financials	Q4 2024	Q4 2023	FY 2024	FY 2023
Net debt (excl. lease liabilities)	720	371	720	371
Cash and liquidity reserves	2,244	2,205	2,244	2,205



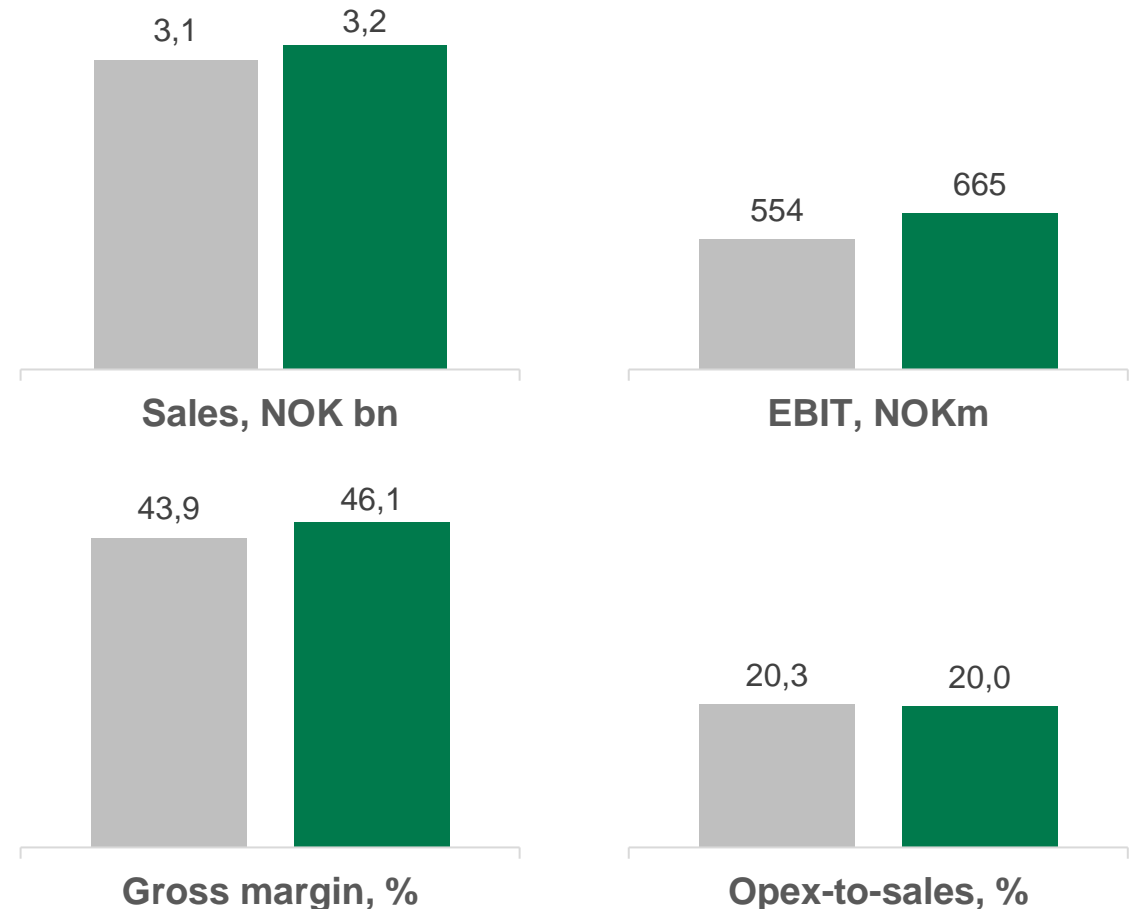
Segment Norway – fourth quarter

Highlights Norway

- Sales of NOK 3.2bn, up 4.9%
- Gross margin +1.4%-p excluding unrealised currency effects, opex-to-sales -0.3%-p, and EBIT +20.2%
- LFL sales +4.8% for the Euopris chain
 - Higher footfall
 - Growth driven by strong seasonal execution and campaigns
 - One extra sales day
- Sales from pure play companies +1.4% to NOK 400m, attributable to Strikkemekka

Key figures Norway, fourth quarter

■ 2023
■ 2024





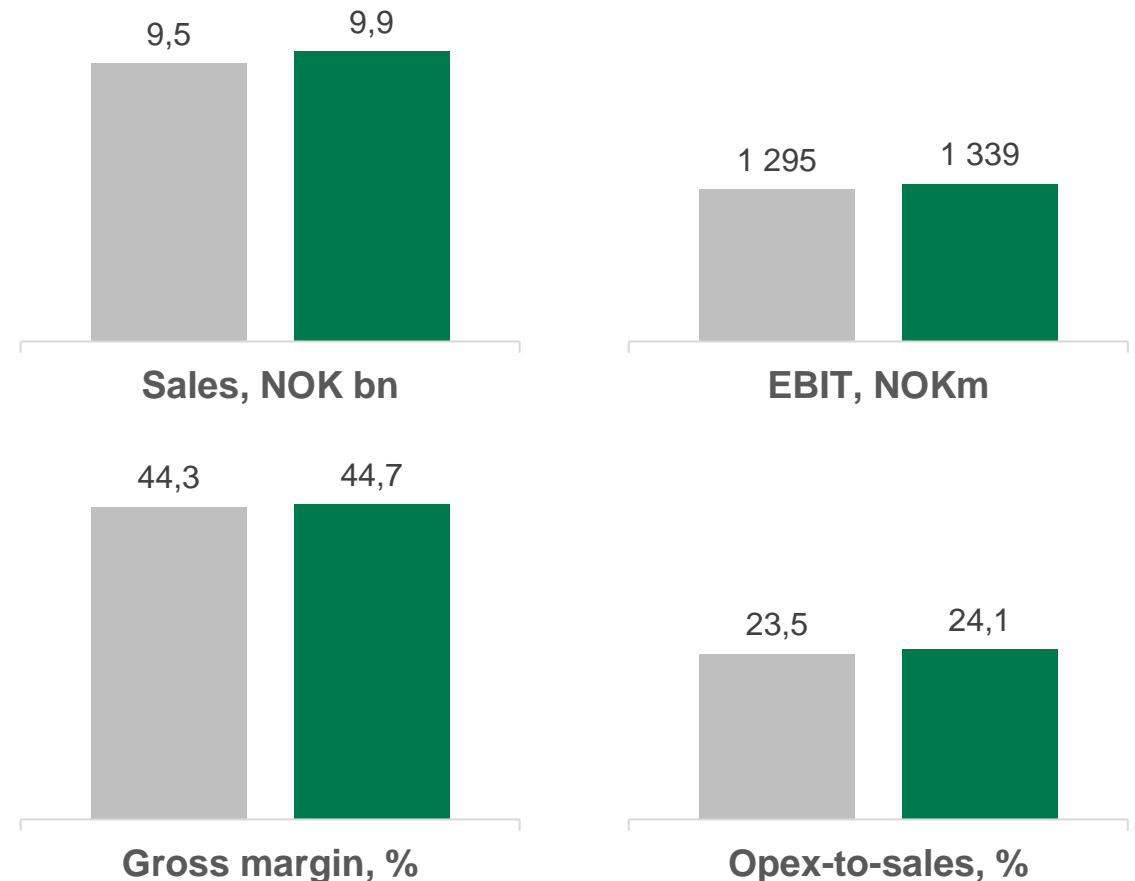
Segment Norway – full year

Highlights Norway

- Sales of NOK 9.9bn, up 4.3%
- Gross margin +0.1%-p excl. unrealised currency, opex-to-sales +0.6%-p and EBIT +3.4%
- LFL sales +3.5% for the Euopris chain
 - Higher footfall
 - Campaigns important driver of growth
- One new Euopris store opened, nine modernisations and 14 relocations / expansions, and 12 in pipeline
- Sales from pure play companies of NOK 831m, up +0.9%, attributable to Strikkemekka

Key figures Norway, full year

■ 2023
■ 2024



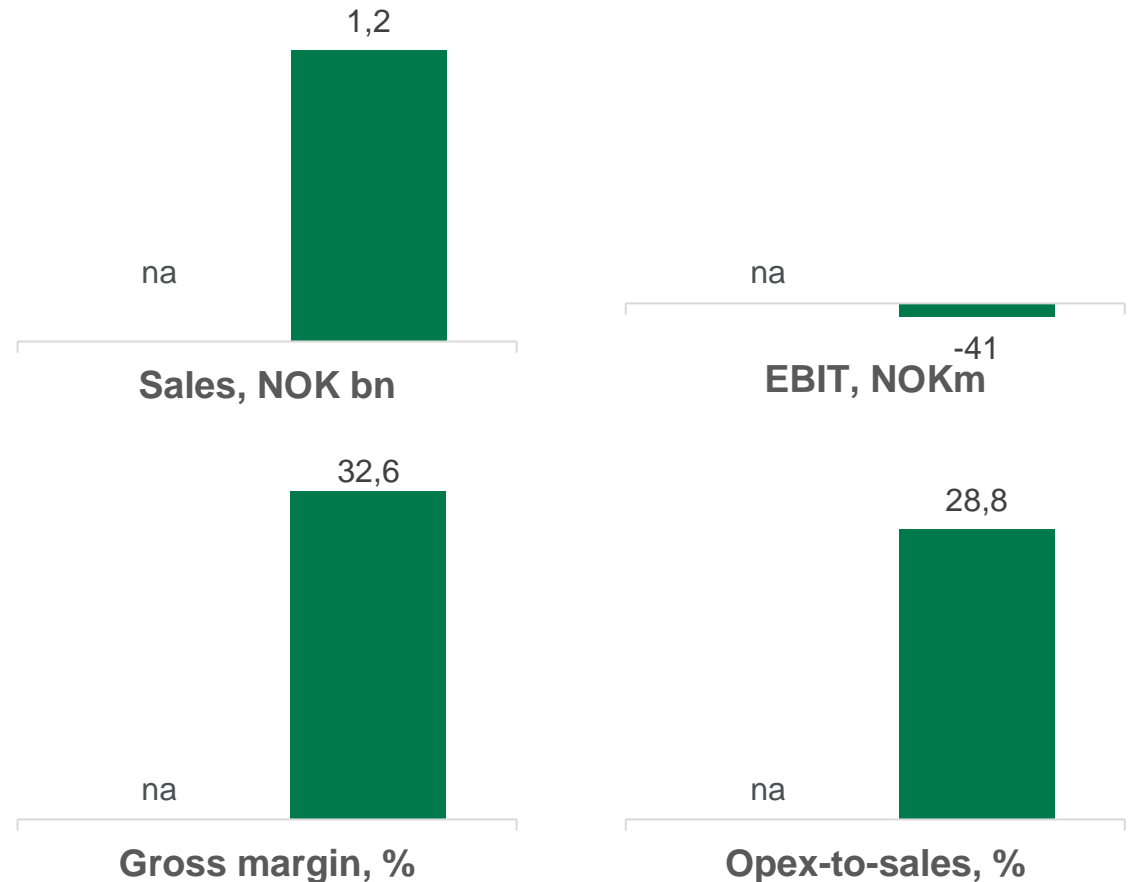


Segment Sweden – fourth quarter

Highlights Sweden

- Sales of NOK 1.2bn, with gross margin of 32.6% and an EBIT-loss of NOK 41m
- Clearance sale in preparation of category upgrades negatively impacted the gross margin
- Footfall on a par with last year
- In local currency the chain had a total sales decline of 0.2% and LFL sales decline of 1.6%
- Growth in campaign sales

Key figures Sweden, fourth quarter



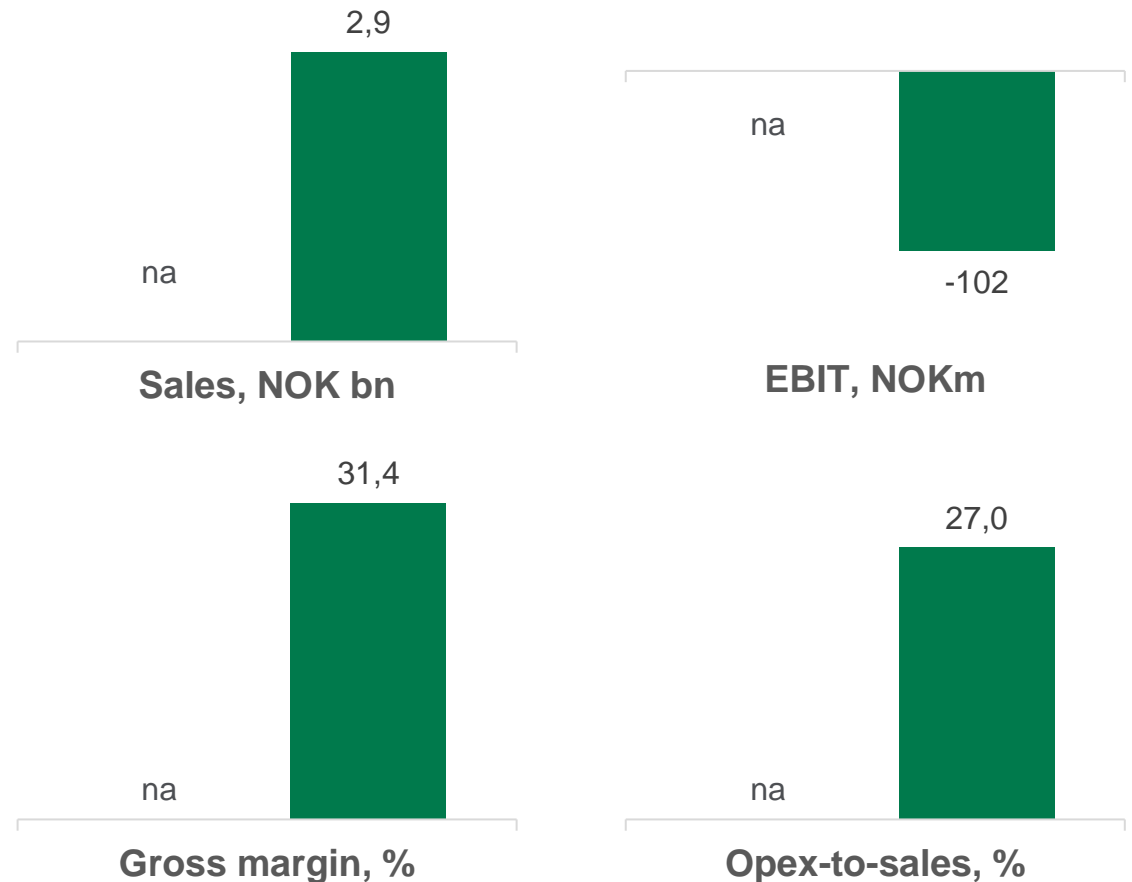


Segment Sweden – May to December

Highlights Sweden

- Sales of NOK 2.9bn, with gross margin of 31.4% and an EBIT-loss of NOK 102m for the period May-Dec
- Managed to stabilise footfall after decline in the first half of the year – key to expand and attract new customer groups
- For the full year, in local currency, total chain sales declined by 0.8% and LFL sales declined by 1.2%
 - Growth in campaign sales
- One store closure, in December

Key figures Sweden, May-Dec





Dividend and outlook

Euopris

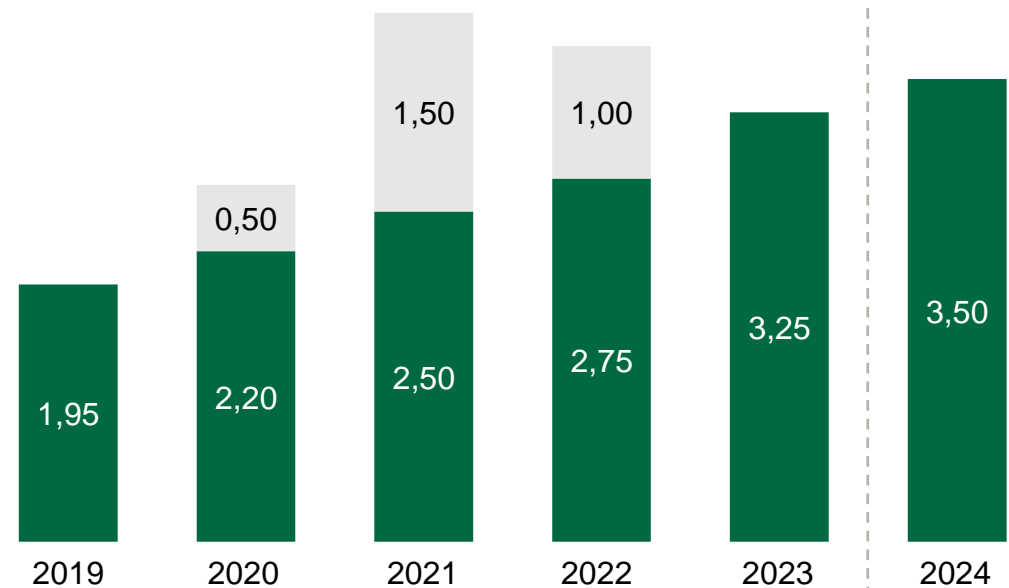
Continued growth in dividend



- The board of directors proposes ordinary dividend per share of NOK 3.50 for 2024 (3.25), up 7.7%
- Total dividend amounts to NOK 573m, excluding treasury shares (523)
 - Pay-out ratio of 68.2% (57.6%) of net profit to majority

Dividend per share (DPS), NOK

- Ordinary dividend
- Additional dividend following strong financial performance affected by Covid-19



Earnings per share (EPS) , NOK



Improving outlook for consumer sentiment



- Improved outlook in both Norway and Sweden after years of weak consumer confidence
- Europris chain outperforming general retail growth, with gradually improving financial performance through 2024
- Turnaround of ÖoB progressing to plan, with upgrades of several categories planned for 2025 – patience needed to turn around customer impression and attract new customer segment
- Remaining confident in ambition to reach ÖoB sales of SEK 5 billion with 5% EBIT margin in 2028



Q&A

Next event: Q1 presentation 10 April 2025

Appendix

Content



Long-term financial and operational ambitions

Sales days and store projects

Analytical information

Alternative Performance Measures (APM's)

Long-term financial and operational ambitions - segment Norway



Growth	Continue to deliver like-for-like growth above the market over time
Number of new stores	Target to open a net average of five new stores per year , depending on availability of locations which meet strict return requirements, and the potential for relocations, expansions and modernisations
EBITDA	Increase EBITDA margin over time from improved sourcing and a more cost-effective value chain
Dividend	Dividend policy of paying out 50-60% of net profit while maintaining an efficient balance sheet

Sales days and store projects – segment Norway



Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2023	77	71	79	79	306
2024	75	73	79	80	307
2025	76	71	79	81	307

Number of store projects (franchise projects in brackets)

2024	Q1	Q2	Q3	Q4	Total
New stores	-	-	-	1	1
Store closures	-	-	-	-	-
Relocations / expansions	3	6	3	2	14
Modernisations	5	2	2	-	9

2025E	Q1	Q2	Q3	Q4	Total
New stores	3	2	1	1	7
Store closures	1	-	-	-	1
Relocations / expansions	1	4	3	1	9
Modernisations	4	2	1	1	8

Note: Number of projects in 2025 is a moving target and is subject to change during the year based on operational considerations. An updated view will be presented during the quarterly presentations going forward.

Sales days and store projects – segment Sweden



Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2023	89	91	92	91	363
2024	90	91	92	91	364
2025	89	91	92	91	363

Number of store projects

2024	Q1	Q2	Q3	Q4	Total
New stores	-	-	-	-	-
Store closures	-	-	-	1	1
Relocations / expansions	-	-	-	-	-
Modernisations	-	1	-	-	1

2025E	Q1	Q2	Q3	Q4	Total
New stores	-	-	-	-	-
Store closures	-	1	-	-	1
Relocations / expansions	-	-	-	-	-
Modernisations	1	-	3	1	5

Note: Number of projects in 2025 is a moving target and is subject to change during the year based on operational considerations. An updated view will be presented during the quarterly presentations going forward.

Analytical information¹ – segment Norway



Seasonality	<ul style="list-style-type: none">As a rule-of-thumb, the Easter impact is approximately NOK 65-80 million in revenue and NOK 13-16 million in EBITDA
Quarterly Opex	<ul style="list-style-type: none">Europris stores: as a rule-of-thumb, Opex in quarter one year earlier + inflation + NOK 1.6-1.7 million per extra directly operated store (DOS)
Capex	<ul style="list-style-type: none">New store – NOK 2.4 million per store (average of five per year)Relocation – NOK 1.7 million per store (average of 10 per year)Modernisation – NOK 1.5 million per store (average of 10 per year)Category development – NOK 15-25 million per yearIT and maintenance – NOK 30 million per year In addition, for 2024: IT (ERP/POS) of NOK 15 million and warehouse (automation expanded high-bay area) of NOK 30 million
Rent	<ul style="list-style-type: none">Majority of contracts are CPI-adjustedRecognised under IFRS-16 leases

¹ All figures are approximations and subject to change without further notice

Alternative performance measures (APMs)



APMs are used by Europris for annual and periodic financial reporting in order to provide a better understanding of the group's financial performance. APMs are considered as well-known and frequently used by users of the financial statements and are also used in internal reporting and by management to measure operating performance.

Sales

Sales is the same as the IFRS definition of total operating income.

Gross profit / gross margin

Gross profit is defined as Total operating income minus the cost of goods sold (COGS). The gross profit represents revenue that the group retains after incurring the direct costs associated with the purchase of the goods. Gross margin is defined as gross profit divided by total revenue and is useful for benchmarking direct costs associated with the purchase of the goods vs total revenues.

Opex / Opex-to-sales ration

Operating expenses (Opex) is the sum of employee benefits expense and other operating expenses. It is useful to look at cost of these two components combined, as they compose a large part of the fixed operating costs. The Opex-to-sales ratio divides the Opex by Total operating income and is useful for benchmarking this cost base vs the development in sales.

EBITDA / EBITDA margin

EBITDA is earnings before interests, tax, depreciation of property, plant and equipment and right-of-use assets and amortisation of other intangibles. EBITDA is a well-known and widely used term among users of the financial statements and is useful when evaluating operational efficiency on a more variable cost basis as they exclude amortisation and depreciation expense related to capital expenditure. EBITDA margin is EBITDA divided by Total operating income and is useful for benchmarking this profitability parameter vs the development in sales.

EBIT / EBIT margin

EBIT is earnings before interest and taxes and is the same as the IFRS definition of operating profit. EBIT is a well-known and widely used term among the users of the financial statements and is useful when evaluating operational profitability. EBIT margin is EBIT divided by Total operating income, and thus the same as Operating profit divided by Total operating income.

Working capital

Net change in working capital is the sum of change in inventories and trade receivables and change in other receivables less the sum of change in accounts payable and other current liabilities. Net change in working capital is a well-known and widely used term among the users of the financial statements and is useful for measuring the group's liquidity, operational efficiency and short-term financial conditions.

Capital expenditure

Capital expenditure (Capex) is the sum of purchases of fixed assets and intangible assets as used in the cash flow. Capex is a well-known and widely used term among the users of the financial statements and is a useful measure of investments made in the operations when evaluating the capital intensity.

Financial debt

Financial debt is the sum of borrowings and lease liabilities. Financial debt is useful to see total debt as defined by IFRS.

Cash and liquidity reserves

Cash and liquidity reserves is defined as available cash plus available liquidity through overdraft and credit facilities. This measure is useful to see total funds available short term.

Europris: Total chain sales

Total chain sales are sales from all chain stores, that is both directly operated and franchise stores. This KPI is an important measure of the performance of the total Europris chain and considered useful in order to understand the development of the entire chain, regardless of ownership structure of stores.

Constant currency

Constant currency is the exchange rate which the group uses to eliminate the effect of exchange rates fluctuations when calculating financial performance numbers.

Segment Norway

The Norway segment includes Europris and the pure play companies Lekekassen, Strikkemekka and Lunehjem.

Segment Sweden

The Sweden segment includes the ÖoB chain.

Pure play

Pure play includes the Lekekassen group, the Strikkemekka group and Lunehjem.

Directly operated store

Directly operated store means a store owned and directly operated by the group.

Franchise store

Franchise store means a store operated by a franchisee under a franchise agreement with the group.

Chain

Chain means the sum of all stores under the brand name Europris and ÖoB. Europris has both directly operated stores and franchise stores while ÖoB only has directly operated stores.

Like-for-like (LFL) sales growth

LFL growth is defined as the growth in total chain sales for stores that have been open for every month of both the previous and the current calendar year. LFL is calculated in constant currency.

Organic growth

Organic growth is defined as the growth excluding any structural changes (acquisitions or sale of companies). Segment Sweden has been excluded in organic growth for the group.