

# Q1 2025 presentation

10 April 2025

CEO Espen Eldal

CFO Stina Byre



# Disclaimer



This presentation has been produced by Europris ASA (the "Company") exclusively for information purposes. This Presentation has not been approved, reviewed or registered with any public authority or stock exchange. Further to the aforementioned, this presentation is the result of an effort of the Company to present certain information which the Company has deemed relevant in accessible format. This Presentation is not intended to contain an exhaustive overview of the Company's present or future financial condition and there are several other facts and circumstances relevant to the Company and its present and future financial condition that not been included in this Presentation. This Presentation may not be disclosed, in whole or in part, or summarized or otherwise reproduced, distributed or referred to, in whole or in part, without prior written consent of the Company.

This Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates or intends to operate. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company or any of its subsidiary undertakings or any such person's officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation to update any forward-looking statements or to conform these forward-looking statements to our actual results. Furthermore, information about past performance given in this Presentation is given for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance. No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor any of its parent or subsidiary undertakings or any such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

By reviewing this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the businesses of the Company. This Presentation must be read in conjunction with the recent financial reports of the Company and the disclosures therein. The distribution of this Presentation in certain jurisdictions may be restricted by law. Persons in possession of this Presentation are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Presentation in any country or jurisdiction where specific action for that purpose is required.

No shares or other securities are being offered pursuant to this Presentation. This Presentation does not constitute an offer to sell or form part of, and should not be construed as, an offer or invitation for the sale or subscription of, or a solicitation of an offer to buy or subscribe for, any shares or other securities in any jurisdiction, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any offer, contract, commitment or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Company.

By reviewing this Presentation you agree to be bound by the foregoing limitations.

This Presentation speaks as of 10 April 2025. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. The Company does not intend, and does not assume any obligation, to update or correct any information included in this Presentation. This Presentation shall be governed by Norwegian law, and any disputes relating to hereto is subject to the sole and exclusive jurisdiction of Norwegian courts.

# The Europris group

***Europris***

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

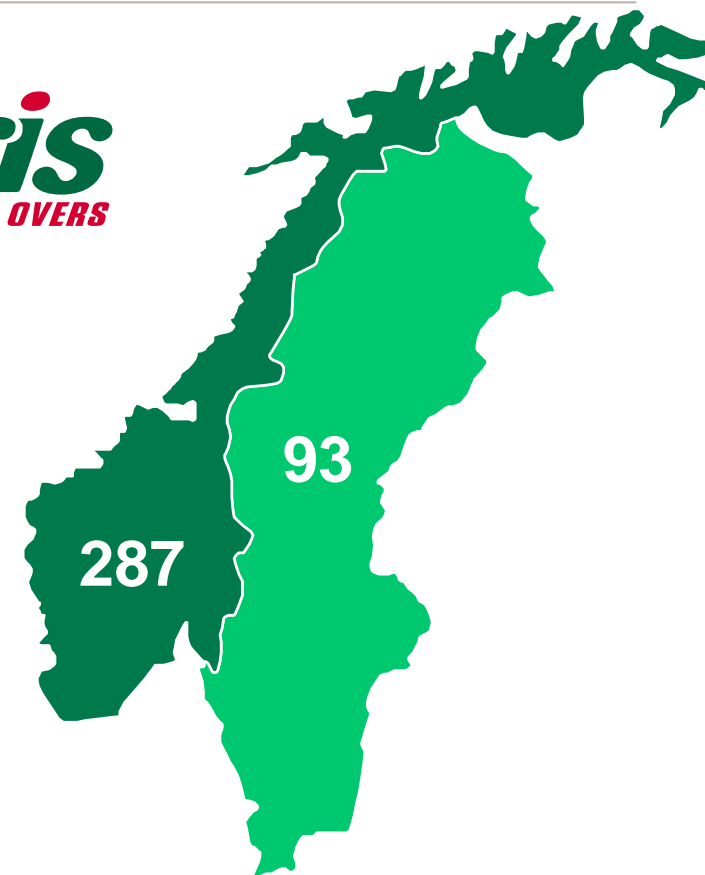
...with strong concepts across 380 stores

***Europris***  
*MER TIL OVERS*



 **Lekekassen**

**Strikkemekka**  
DIN GARNBUTIKK PÅ NETTET



# Our growth story

Sales of ~NOK 14bn\*

Founded by  
Wiggo Erichsen



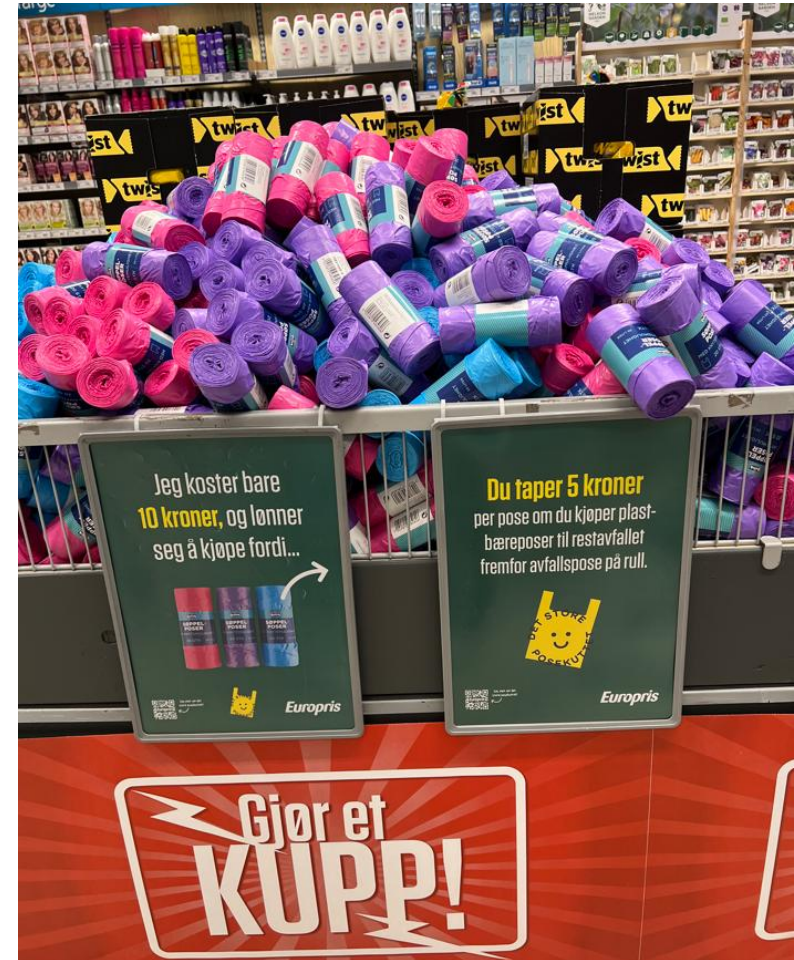
\* Sales includes the Europris chain (directly operated and franchise stores), Lunehjem (consolidated as of March 2021, sold 1 January 2025), the Lekekassen group (consolidated as of August 2021), the Strikkemekka group (consolidated as of July 2022) and ÖoB (Runsvengruppen; consolidated as of May 2024)



# Financial highlights - first quarter

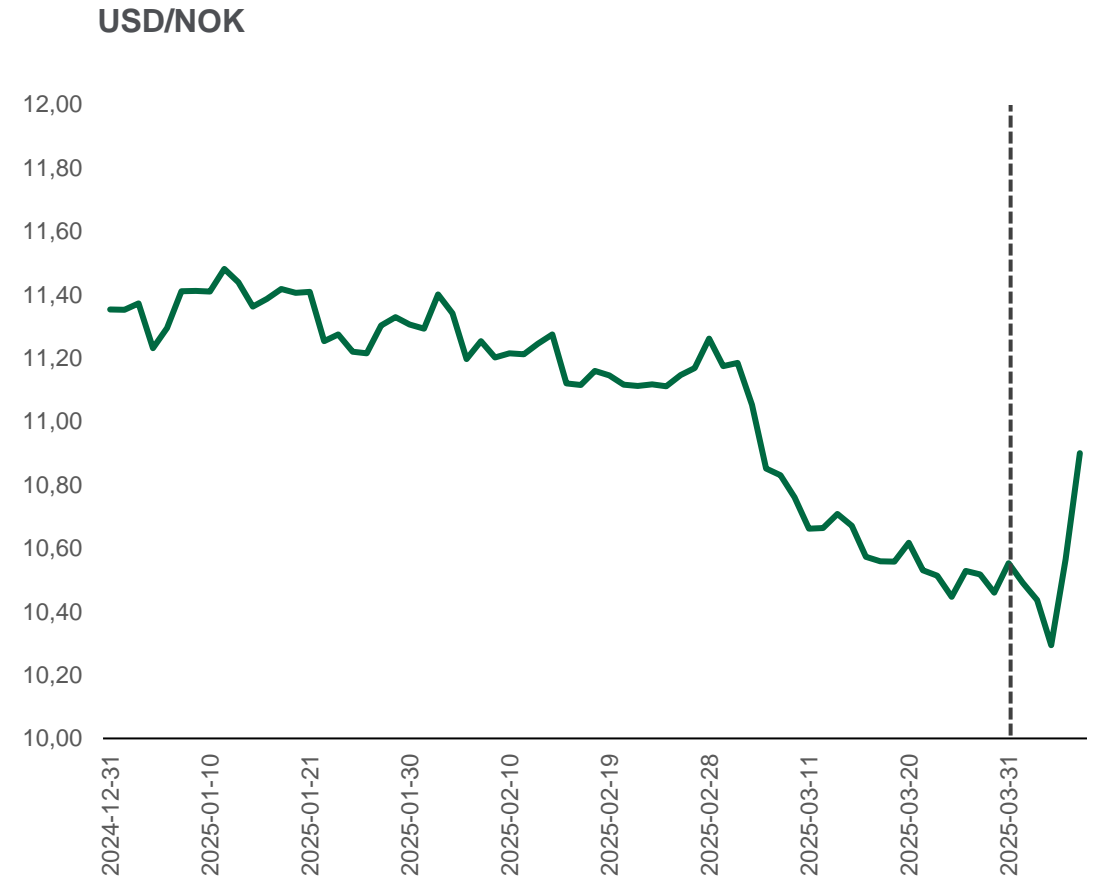


- Group sales of NOK 2.9bn, up 45.0%
- Organic growth of 1.2% - estimated adverse effect of NOK 80-100 million from timing of Easter and one less calendar day (leap year 2024)
- Gross margin of 38.7%, down 4.6%-p
  - Organic decline of 0.4%-p, but 1.7%-p improvement excluding unrealised currency hedging effects
- Opex-to-sales ratio of 31.1%, up 1.6%-p
  - Organic opex-to-sales increase of 1.0%-p
- Group EBIT of NOK -37 million
  - EBIT-loss in ÖoB of NOK 115m
  - Organic decline of NOK 29m, but improvement of NOK 14 million excluding unrealised currency hedging effects
- Net profit to parent of NOK -80m



# Short-term negative but long-term positive impact from stronger local currencies

- NOK and SEK appreciated vs the central purchasing currencies USD and EUR during the first quarter
- Unrealised loss of NOK 34 million due to group's six-month hedging strategy, versus an unrealised gain of NOK 19 million in the first quarter last year
- Stronger NOK and SEK versus USD and EUR should have positive long-term margin impact with postponed effect due to the hedging strategy and inventory turnover



# Segment Norway continuing a positive trend



- Increased footfall, despite the later Easter this year and leap year last year
- Three store openings in central locations - two in the greater Oslo area and one in Kristiansand
- One of three stores in Tromsø closed
- Four store modernisations
- Upgraded the home & interior category
- Leveraging trends on social media – increasing footfall and sales with “Dubai” chocolate

*Europris Asker*



*Europris Bekkestua*



*Europris Grim, Kristiansand*



# Modernised IT platform set to drive efficiency

- Significantly upgraded the IT platform in Norway over the past years
  - New systems for ERP, business intelligence and point-of-sale
  - All completed on time and budget
- New ERP and business intelligence also in place in Sweden
  - Impressive efforts, with planning and implementing in around one year
- Supply chain system next in line
- A modern IT platform will enable the group to operate more efficiently as a single entity in the future





# ÖoB integration progressing to plan – turnaround takes time, as expected

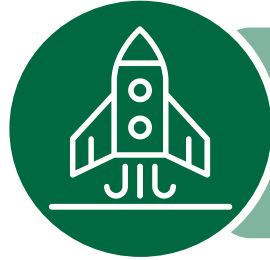
***Euopris***

- Clearance sale continuing through first and into the second quarter
  - Improving quality of inventory and preparing for new and upgraded product range...
  - ...but cannibalising on other sales and impacting margins negatively
- Kitchen, home & interior and DIY to be upgraded in the second quarter with same product range as in Euopris stores
- More category upgrades to follow in the second half and into 2026
- First fully remodelled store is scheduled to be ready before summer – with additional test stores in the fall
- Changes expected to have a gradually stronger positive effect on footfall, sales and margins



Maintaining our high ambitions: grow ÖoB revenues ***Europris*** to **SEK 5bn** by 2028, with **5% EBIT margin**

**SEK 5bn**  
**5% EBIT**



Category harmonisation and joint sourcing



Improve customer experience



Strengthen execution across the value chain

# Financials

CFO Stina C Byre



# Group financials – first quarter highlights



## Key figures Group, first quarter 2025

**Sales NOK 2.9bn**

- +45% due to the acquisition of ÖoB
- Organic growth of 1.2%
- Adverse impact from timing of Easter and one less calendar day

**Gross margin 38.7%**

- -4.6%-p, adversely impacted by ÖoB's lower margin level and negative unrealised effect of currency hedges
- Organic decline of 0.4%-p – or up 1.7%-p excl. unrealised currency effects

**Opex-to-sales 31.1%**

- +1.6%-p
- Organic increase of 1.0%-p

**EBIT NOK -37m**

- Includes EBIT-loss of NOK 115m for ÖoB
- Organic decline of NOK 29m, but up NOK 14m excl. unrealised currency

**Net profit to parent NOK -80m**

- Down from positive NOK 47m in the first quarter last year
- NOK 3m unrealised loss on interest rate swaps (gain 7)



# Group – cash, debt and liquidity



- Cash from operating activities of NOK -544m (-280)
  - Net change in working capital adversely impacted by planned inventory build-up to improve service level in stores and higher seasonal inventories
- Net cash from financing activities reflecting increased use of credit facilities
- Net change in cash of NOK -457m (-490)
- Net debt of NOK 5,014m (3,455)
  - NOK 1,521m excluding lease liabilities (841)
- Cash and liquidity reserves of NOK 1,430m (1,719)

<b>Group cash flow, NOK million</b>	<b>Q1 2025</b>	<b>Q1 2024</b>	<b>FY 2024</b>
Cash from operating activities	(544)	(280)	1,496
- of which change in net working capital	(581)	(391)	(211)
Cash used in investing activities	(40)	(49)	(119)
Cash from financing activities	127	(161)	(1,449)
<b>Net change in cash</b>	<b>(457)</b>	<b>(490)</b>	<b>(73)</b>
Cash at beginning of period	603	676	676
Cash at end of period	147	186	603

<b>Key financials</b>	<b>Q1 2025</b>	<b>Q1 2024</b>	<b>FY 2024</b>
Net debt excluding lease liabilities	1,521	841	720
Cash and liquidity reserves	1,430	1,719	2,244

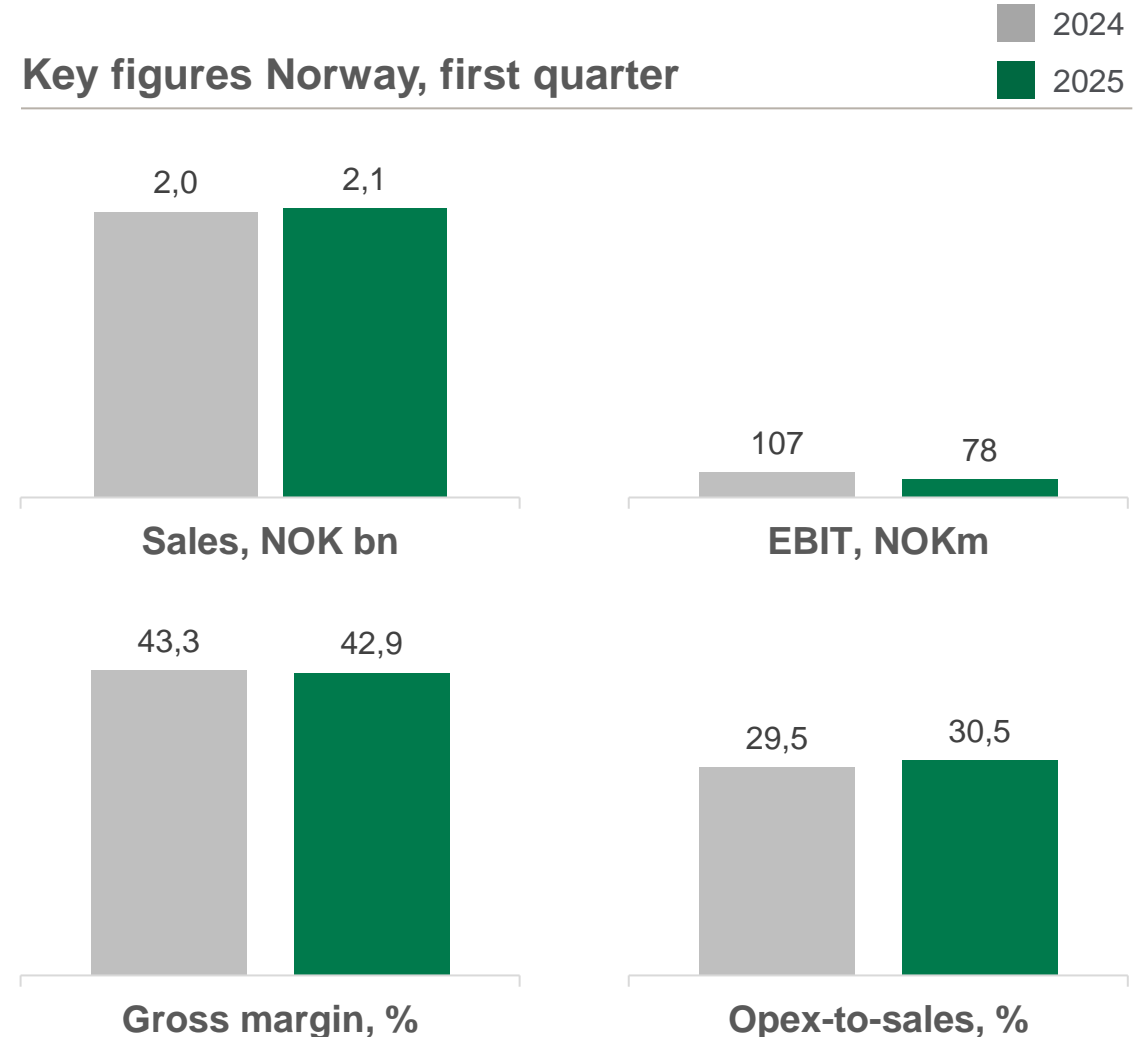


# Segment Norway – first quarter

## Highlights Norway

- Sales of NOK 2.1bn, up 1.2%
- Gross margin up 1.7%-p excluding unrealised currency hedging effects
- Opex-to-sales up 1.0%-p
- EBIT down 26.6%
- Marginal sales decline of 0.2% for the Euopris chain
  - Higher footfall despite adverse impact from timing of Easter and one less calendar day
- Sales for pure play companies of NOK 145m
  - Up 3.2% adjusted for divestment of Lunehjem

## Key figures Norway, first quarter



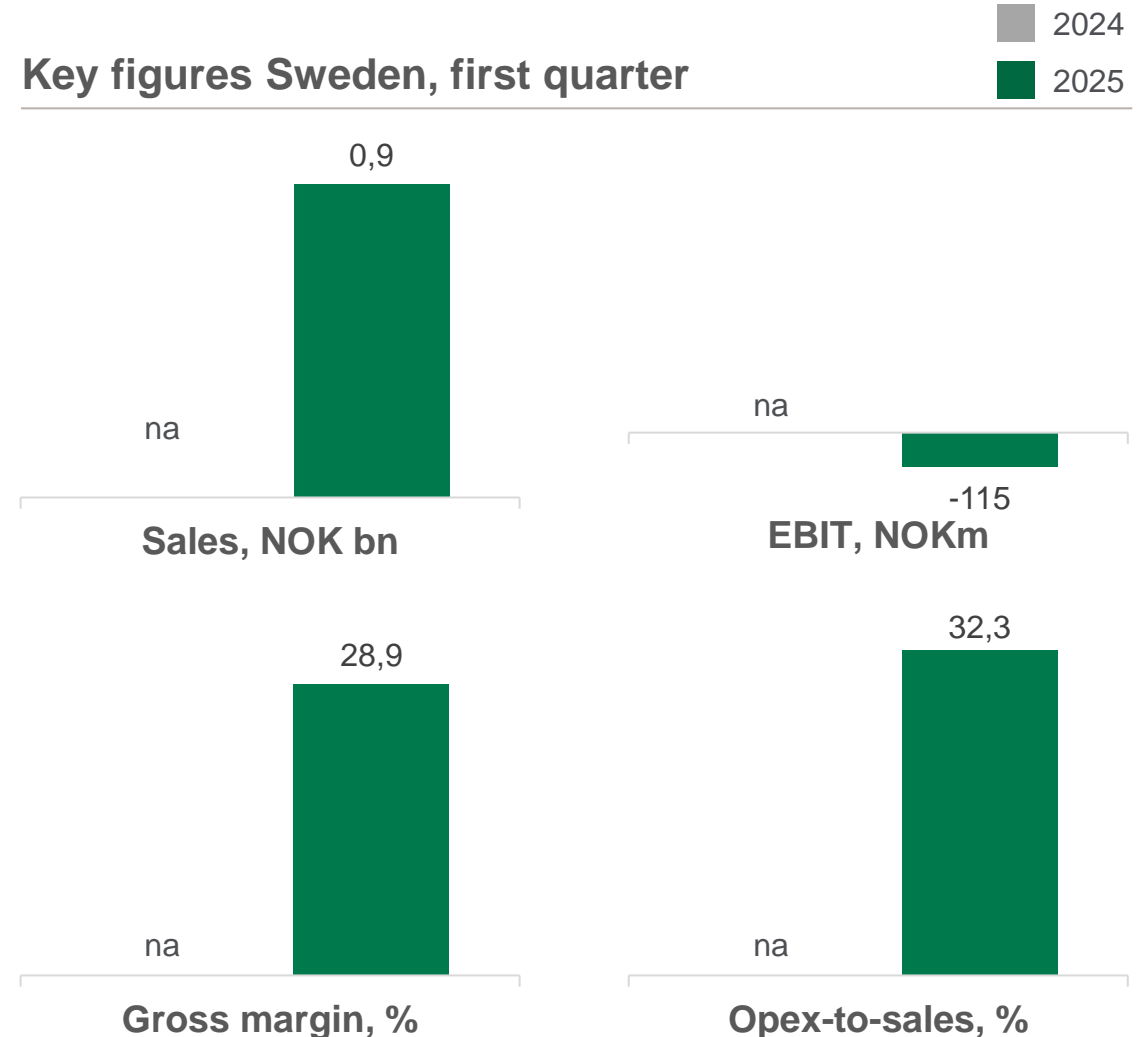


# Segment Sweden – first quarter

## Highlights Sweden

- Sales of NOK 0.9bn
  - Adverse impact from timing of Easter and one less calendar day
- Gross margin of 28.9% adversely impacted by:
  - Unrealised loss on currency hedging of NOK 10m
  - Clearance sale cannibalising other sales
- EBIT-loss of NOK 115m
  - ERP project impacted opex with NOK 8m

## Key figures Sweden, first quarter





# Outlook

***Euopris***



# Europris and revamped ÖoB

## – resilient concepts in challenging times

**Europris**

- The geopolitical climate for international trade and cooperation is in uncharted territory and the group monitors the situation closely
- Consumer saw higher real wages in 2024 – and likely also in 2025
- Lower interest rate levels in Sweden – expected cuts in Norway postponed
- Well-positioned in prevailing macro conditions and ready for the upcoming spring and summer season
- Turnaround of ÖoB progressing to plan
  - Several category upgrades to be completed in the second quarter – and more planned for the remainder of the year and next year
  - First fully remodeled store to be ready before summer – more test stores during the fall
- Remain confident in ambition to grow ÖoB sales to SEK 5 billion with 5% EBIT margin in 2028




# Q&A

Next event: Q2 presentation 10 July 2025

# Appendix



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 <b>above the market</b> over time
Number of new stores	Target to open <b>a net average of five new stores per year</b> , depending on availability of locations which meet strict return requirements, and the potential for relocations, expansions and modernisations
EBITDA	<b>Increase EBITDA margin</b> over time from improved sourcing and a more cost-effective value chain
Dividend	<b>Dividend policy of paying out 50-60%</b> 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
2024	75	73	79	80	307
2025	76	71	79	80	306
2026	76	72	79	80	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	2	8
Store closures	1	-	-	-	1
Relocations / expansions	1	2	4	1	8
Modernisations	4	3	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
2024	90	91	92	91	364
2025	89	91	92	91	363
2026	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	1	2	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 information<sup>1</sup> – segment Norway



Seasonality	<ul style="list-style-type: none"><li>As a rule-of-thumb, the Easter impact is approximately NOK 65-80 million in revenue and NOK 13-16 million in EBITDA</li></ul>
Quarterly Opex	<ul style="list-style-type: none"><li>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)</li></ul>
Capex	<ul style="list-style-type: none"><li>New store – NOK 2.4 million per store (average of five per year)</li><li>Relocation – NOK 1.7 million per store (average of 10 per year)</li><li>Modernisation – NOK 1.5 million per store (average of 10 per year)</li><li>Category development – NOK 15-25 million per year</li><li>IT and maintenance – NOK 30 million per year</li></ul>
Rent	<ul style="list-style-type: none"><li>Majority of contracts are CPI-adjusted</li><li>Recognised under IFRS-16 leases</li></ul>

<sup>1</sup> 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 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 ratio

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 / net debt

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

## 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 and Strikkemekka.

## Segment Sweden

The Sweden segment includes the ÖoB chain.

## Pure play

Pure play includes the Lekekassen group and the Strikkemekka group.

## 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 significant structural changes (acquisitions or sale of companies). Segment Sweden has been excluded in organic growth for the group.