

- Total sales of NOK 1,933 million, up by 12.7 per cent
  - Sales growth of 9.6 per cent excluding acquisition of Strikkemekka
  - Like-for-like sales growth of 6.7 per cent for the Europris chain
  - Positive effects from earlier Easter and hoarding at end-January
- Gross margin of 43.5 per cent (44.3 per cent)
- Increase in cost of goods sold (COGS) paired with intense price competition
  - Positive unrealised effect from currency hedging (negative last year)
- Opex-to-sales ratio of 27.4 per cent (28.1 per cent)
- Opex up by 9.7 per cent, or 5.5 per cent excluding Strikkemekka
- EBITDA of NOK 311 million (278 million) and EBITDA margin of 16.1 per cent (16.2 per cent)
- Improvement reflected continued sales growth and cost containment
- Net profit of NOK 71 million (NOK 88 million) attributable to parent
- Negative effect from interest rate swaps of NOK 5 million (positive at NOK 30 million)
- Acquired remaining 33 per cent of Lekekassen for NOK 212 million
- Continued strong financial position, with cash and liquidity reserves of NOK 1,092 million (NOK 1,383 million)

"We continue to provide an attractive customer offering, with campaigns for everyday products which we know our customers also need in the current market," comments CEO Espen Eldal. "This led to a solid sales performance, and we once again beat the market."

"Targeted campaigns, a focus on the seasons and continuous category upgrades form part of our DNA, and our concept undoubtedly stands out in a market where the customers are seeking value for money."

Group sales for the first quarter came to NOK 1,933 million, up by 12.7 per cent from the corresponding period of 2022. Sales rose by 9.6 per cent excluding the acquisition of Strikkemekka, and like-for-like sales for the Europris chain increased by 6.7 per cent.

An earlier Easter this year had a positive effect on total sales in the first quarter. In addition, Europris experienced some hoarding activity at the end of January as consumers anticipated price increases for consumables on 1 February.

Gross profit for the first quarter came to NOK 840 million (NOK 760 million), with the gross margin declining to 43.5 per cent (44.3 per cent). The lower gross margin reflects increased input costs combined with price pressure and promotions in the market, somewhat offset by a net unrealised currency gain on hedging contracts and accounts payable.

Operating expenditure (Opex) was NOK 529 million (NOK 482 million) in the first quarter, with the Opex-to-sales ratio declining to 27.4 per cent (28.1 per cent).

EBITDA for the first quarter increased to NOK 311 million (NOK 278 million). Net profit to majority was NOK 71 million (NOK 88 million), influenced by a negative effect from interest rate swaps of NOK 5 million (positive at NOK 30 million).

Cash and liquidity reserves for the group at 31 March 2023 amounted to NOK 1,092 million (NOK 1,383 million).

## Outlook

An earlier Easter had a positive effect on sales for the first quarter and will have a correspondingly negative timing effect in the second quarter. Sales progress for the Europris chain to 25 April, which eliminates the timing effect of Easter, showed a growth of 4.1 per cent.

While it is still too early to evaluate the summer season, the group expects to see a small appetite for investment purchases and has planned accordingly by ordering lower volumes of high-value items. These products account for only a smaller part of sales, since a mere seven per cent of chain sales had a price point above NOK 1,000 in the second quarter of last year.

The attention being paid to pricing has never been higher, and daily media coverage on this topic has become the new normal. As a low-price retailer, Europris devotes constant attention to price levels and thrives in such an environment. Despite tough times, the prevailing conditions are thereby positive for a concept like Europris, where its low prices are paired with strong campaigns.

The group will continue to concentrate attention on everyday consumables and affordable seasonal products. Europris has attracted new customers in recent years, and its concept has proved to generate footfall. The board is confident that the group will retain its relevance for consumers in the time ahead.

#### 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 CEST in ABG Sundal Collier's offices at Ruseløkkveien 26 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.

For further information please contact:

Espen Eldal, CEO, +47 48 29 24 24, [espen.eldal@europris.no](mailto:espen.eldal@europris.no)  
Stina C Byre, CFO, +47 41 10 58 08, [stina.byre@europris.no](mailto:stina.byre@europris.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 278 stores throughout Norway. Of these, 253 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 27 April 2023 at 07:00 CEST.

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