Presentation of results for the third quarter 2016

CEO Pål Wibe
CFO Espen Eldal

3 November 2016

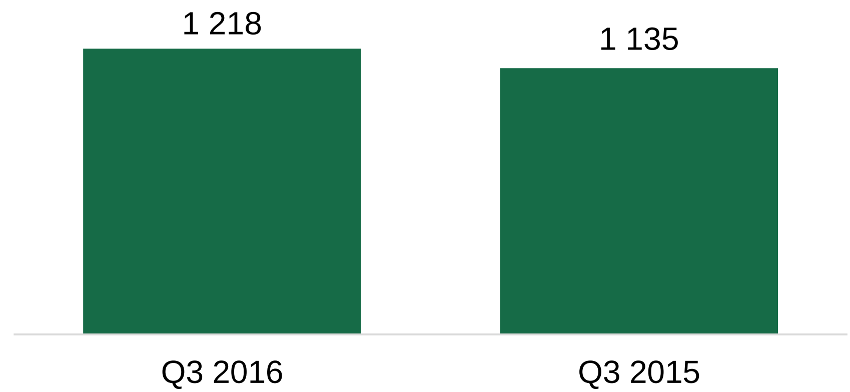
Norway's leading discount variety retailer

Europris
MER TIL OVERS

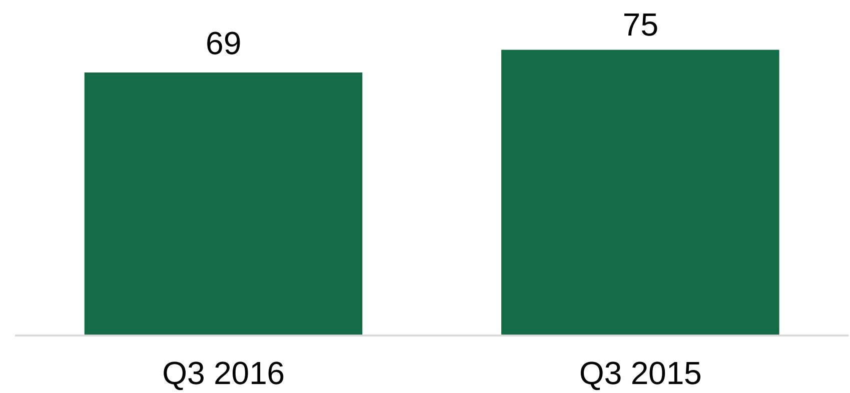
Highlights in the third quarter 2016

- Group revenues increased 7.3 per cent to NOK 1,218 million (1,135 million)
  - 1.5 per cent growth on a like-for-like basis
  - New stores performing ahead of management's expectations
- Adjusted EBIT increased 6.4 per cent
- Adjusted profit before tax affected by unrealised fx loss
- Streamlining and efficiency throughout the value chain ensure continued cost control
- Three new store openings – two located in shopping centres
- Strong new store pipeline for 2017
  - 7 locations added during quarter
  - 13 locations in total

Revenue



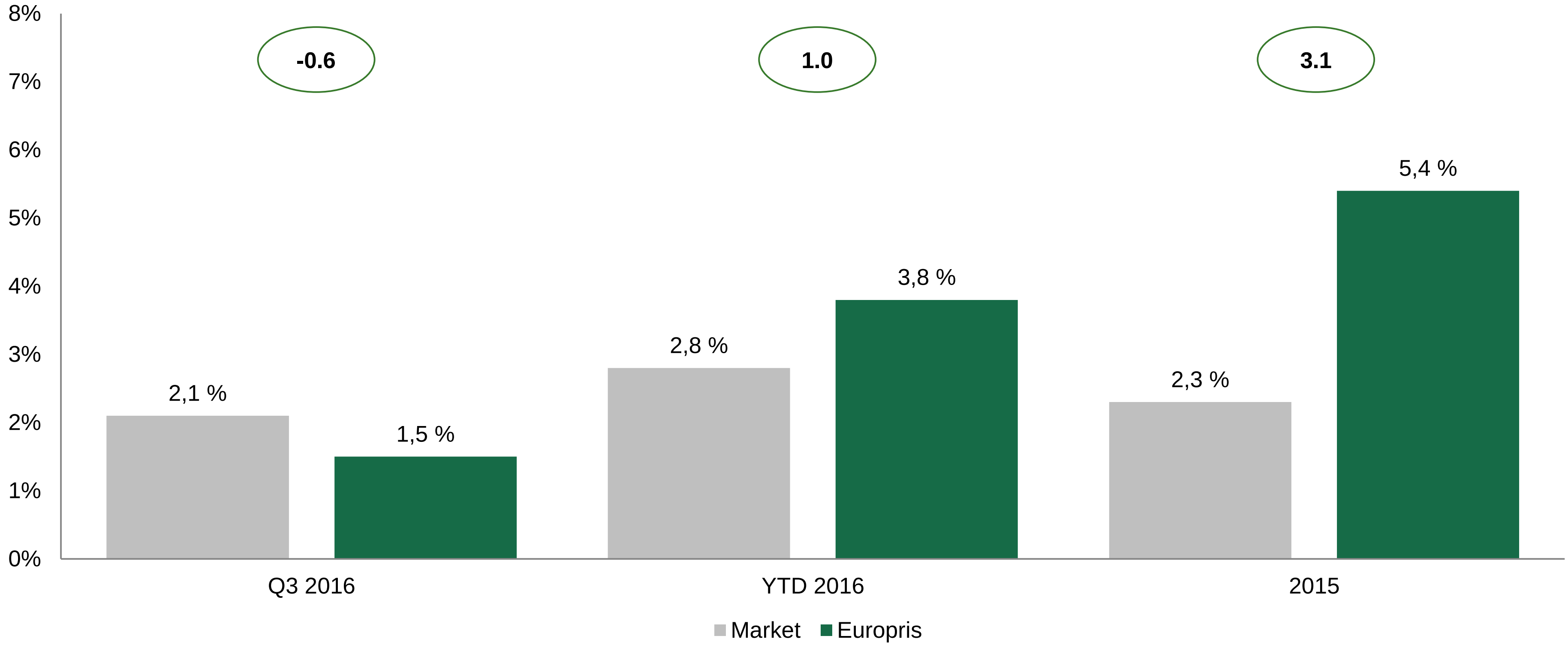
Adjusted net profit



LFL sales growth below market in Q3

Overall growth performance

Y-o-Y LFL growth (%)



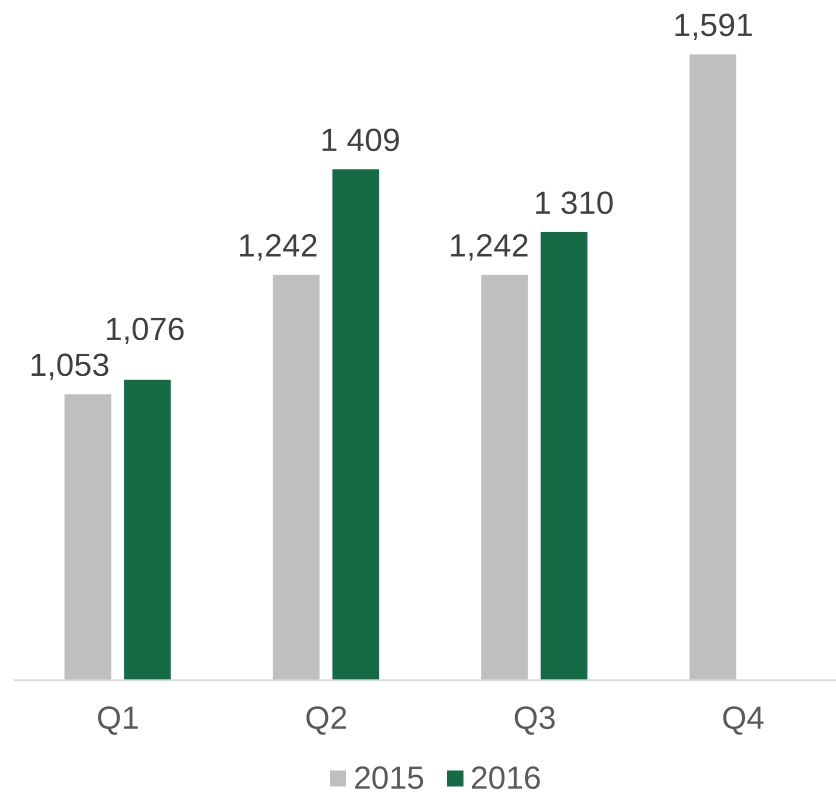
% points Europris growth rate in excess of market growth rate in the period

Market includes a large number of shopping centres throughout Norway (e.g. 237 in 2016)
Source: Kvarud Analyse, Europris

Sales performance

- Sales growth of 5.4% for the chain in Q3
- A record breaking Q2 led to less demand for seasonal goods in July (busiest sales month in Q3)
  - Topline momentum affected
- Market beating performance in August and September despite some headwinds from delay in seasonal shift to autumn
  - Campaign success repeated
  - New campaign elements introduced
- New stores performing well and ahead of management's expectations

Retail sales per quarter



Introducing Harringtons – building on momentum in pet food

- One of the UK's leading independent dog food brands
- Positioned as high quality alternative to premium brand, Purina
- Available in-store from September

New stores pulling ahead!

- Strong performance by the latest vintage of stores
  - Stores delivering sales above original expectations
- Analytical approach to identifying white spots securing high quality locations
- Systematic origination efforts

Solid pipeline of stores

- Three new stores opened in Q3

- One remaining store to open in Q4
  - Grasmyr (county of Telemark)

- Closure of Solheimsviken in September
  - Building due to be demolished
  - Store personnel transferred to new store at Laksevåg

- Strong pipeline of new stores for 2017 – ahead of expectation
  - 7 new stores added to pipeline in Q3
  - 13 new locations confirmed so far (including one store postponed from Q4 2016 to 2017)

Financial review

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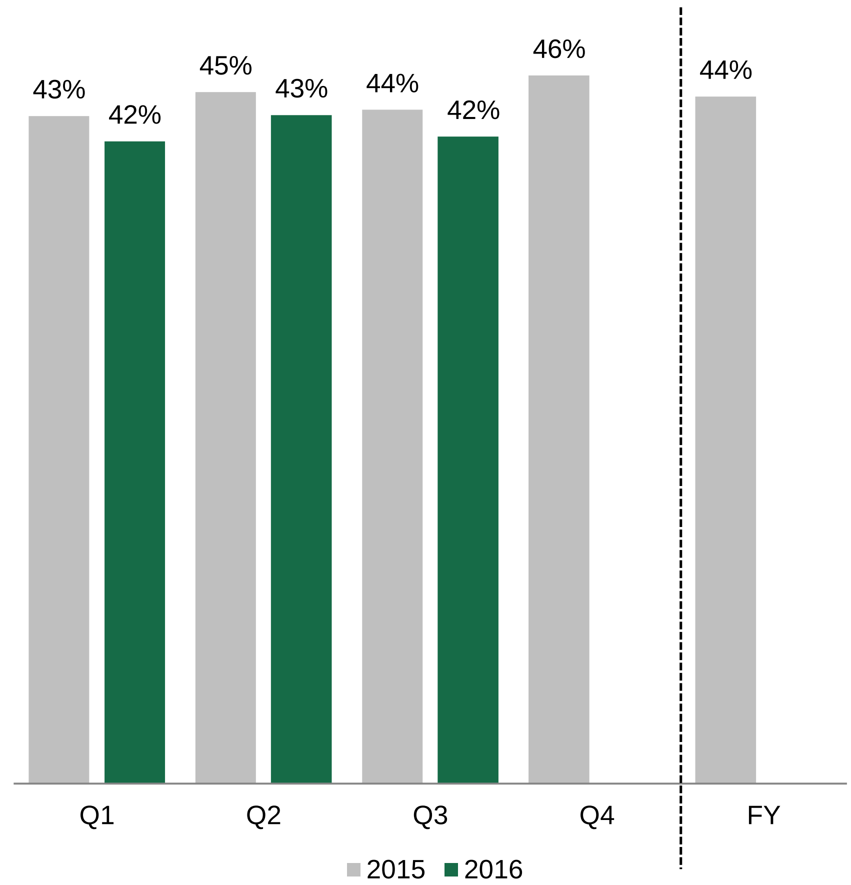
Gross margin development

- Gross margin was 41.9% in Q3 2016 vs. 43.6% in Q3 2015
- Last year positively impacted by annual stocktaking
  - Positive effect reduced this year given improved quality of inventory levels and less volatile fx
  - Adjusting for stocktaking, gross margin was 41.5% (41.8%)
- Some margin pressure from increased campaign sales
  - Relative level of discounting remains stable

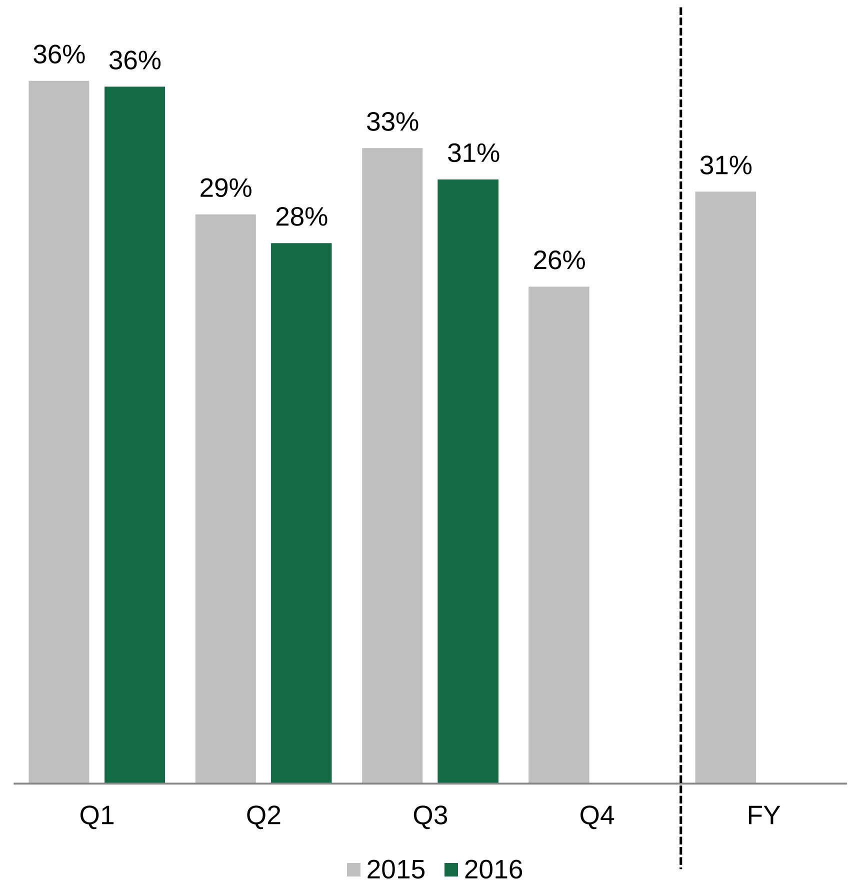
Gross margin



OPEX development

- OPEX in % of revenue was 31.3% in Q3 2016 vs. 32.9% in Q3 2015
- Continued strong operational cost control
- Positive underlying development when adjusting for certain special costs incurred last year
  - Opex in % of revenue was 32.1% in Q3 2015 when adjusting for relevant special costs

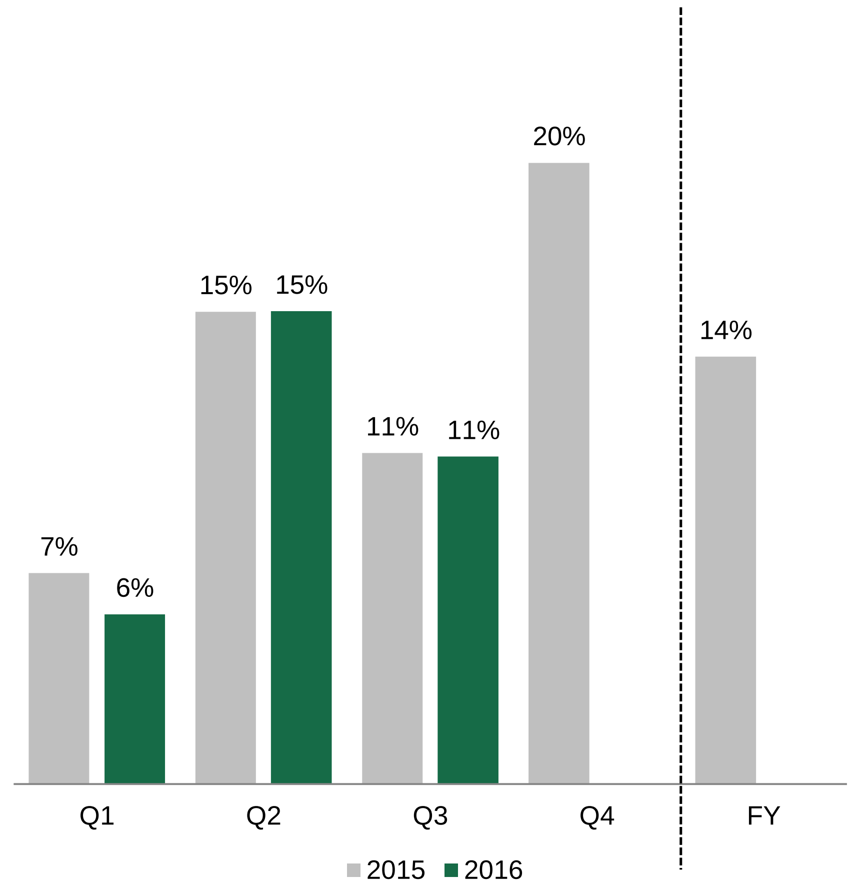
OPEX in % of group revenue



Adjusted EBITDA development

- Adjusted EBITDA margin was 10.6% in Q3 2016 vs. 10.7% in Q3 2015
- The gross profit reduction was offset by lower OPEX level

Adjusted EBITDA margin



Cash flow

- Lower level of investments compared to last year on the back of reduction in modernisation activity
- Dividend payment in June 2016 reducing cash flow from financing activities compared to last year
  - Last year included NOK 46m in cash in-flow from the issuance of new equity in connection with the IPO

Cash flow, NOK million	YTD 2016	YTD 2015
Cash from operating activities	14	0
Cash used in investing activities	-67	-87
Cash (used in)/from financing activities	-237	15
Net change in cash and cash equivalents	**-290**	**-72**
Cash and cash equivalents at 1 January	447	245
Cash and cash equivalents at end of period	157	173

Summary & outlook

- Soft start in July mitigated by strong performance during last two months of the period
  - Despite some headwinds from delayed seasonal shift to autumn
- New stores performing well and ahead of original expectations
- Growth still #1 priority
  - Concept and category development on track
  - Substantial pipeline of new stores for 2017, with 13 new stores confirmed so far
- Robust cost control ensuring solid foundation
- Discount variety retail remains underpenetrated and continues to take market share
- Europris remains well positioned for the remainder of the year

Q & A

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Presentation of results for fourth quarter 2016

See you 17 February 2017

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