

Rusta

Q4 2023/24

Göran Westerberg, CEO | Sofie Malmunger, CFO
13 June 2024

RUSTA[®]

Agenda

1. Business update
2. Financial performance
3. Summary and Q&A



Rusta Q4 2023/24

Business update



Multi-geography presence

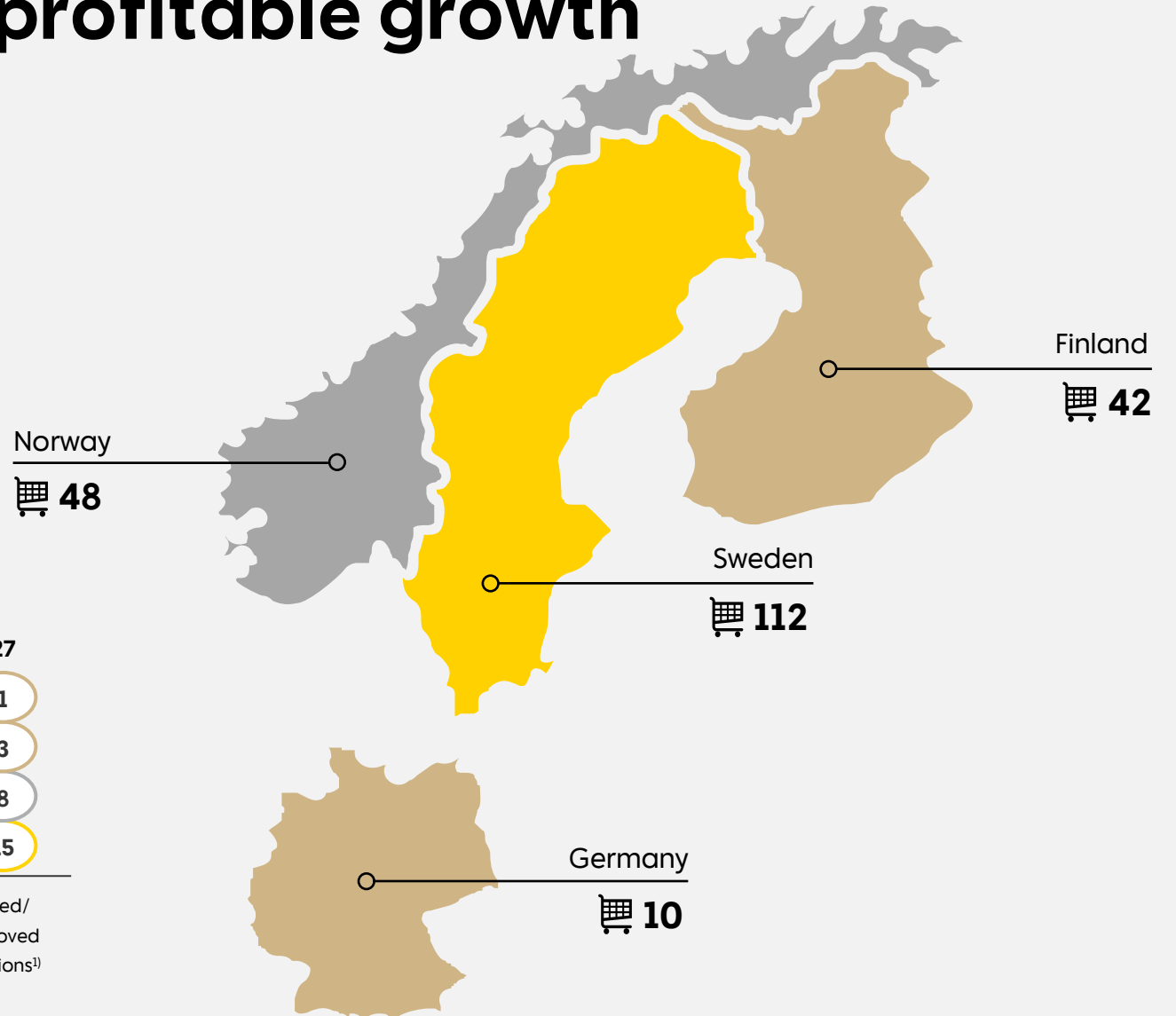
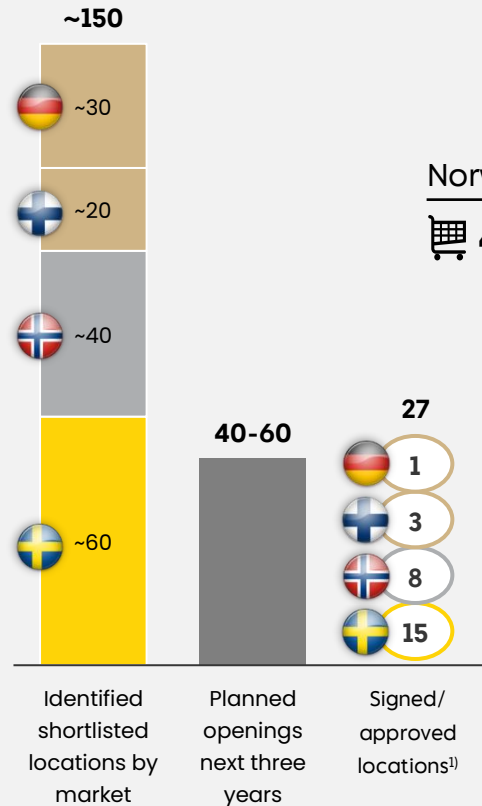
Positioned for continued profitable growth



212¹⁾ stores in Sweden, Norway, Finland and Germany with significant white space, and profitable online store

Store openings during Q4 2023/24

- Sala (SE)
- Slitu (No)
- Oulu-Kaakkuri (Fi)
- Hyllinge (Se)



Notes: 1) As of April 2024

Rusta Q4 2023/24

Increased sales and strengthened profitability throughout the year

Positive net sales growth

Q4 '23/24 vs. '22/23¹⁾

+2.9%

Net sales growth in Q4

FY '23/24 vs. '22/23²⁾

+9.0%

Net sales growth FY 23/24

Stable LFL growth³⁾ during the year

-1.2%

LFL³⁾ growth in Q4

+4.6%

LFL³⁾ growth FY 23/24

Strengthened adj. EBITA

+2.6%

Adjusted EBITA growth in Q4

+45.7%

Adjusted EBITA growth FY 23/24

Notes: 1) Q4 February to April. 2) May to April 3) Change in comparable sales between current and comparative periods, where comparable sales are sales in comparable stores that have been operational throughout the entire current and comparative period. For a store to be classified as comparable, it must have been open for a full financial year.

Rusta Q4 2023/24

Key events



Improved margin and continued expansion

Focus on expansion and strengthened margins with maintained price leadership in our smallest quarter



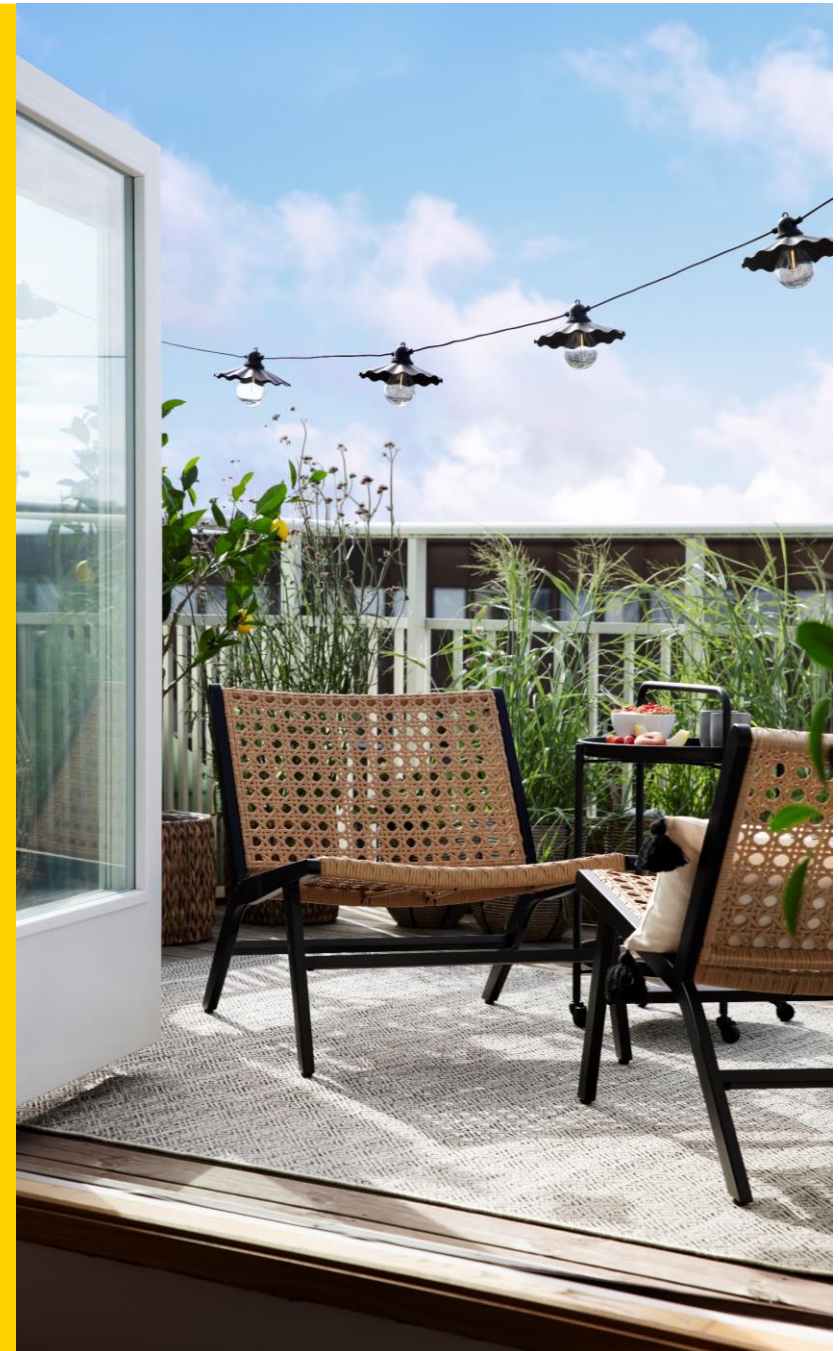
Unusually cold and late spring

Weather effects impacted product mix and total sales, with a slow start of the summer assortment sales



IT incident

Operational disruptions following the incident at hosting provider Tietoevry with negative impact also in Q4



Key events after the quarter



New sourcing office in Türkiye

Further develop and control sourcing activities in SE Europe and Northern Africa

- Create sourcing alternative closer to market
- Enhance competitive pricing and ethical sourcing practices



Warehouse automation

Growth investment for efficiency and increased capacity in the warehouse

- Total investment of almost MSEK 300
- Payback in <5 yrs
- Positive EBITA effect already in FY 2026/27



Good start of summer sales

The warm weather in May has led to a good start in sales of the summer assortment, at continued strong gross margin



Achievements during the year



5.6 million Club Rusta members

150,000 members added in Q4,
+850,000 LTM, increase of 18 percent



Privat label

3% increased share of private label
during the year



Volume growth

Volume is the single largest driver to
the overall growth



Rusta Q4 2023/24

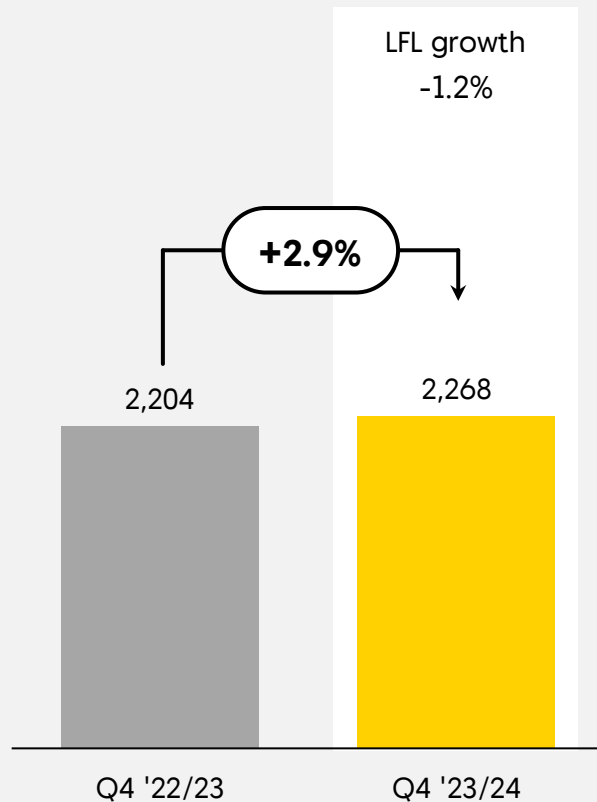
Financial performance



Continued net sales growth in Rusta's smallest quarter

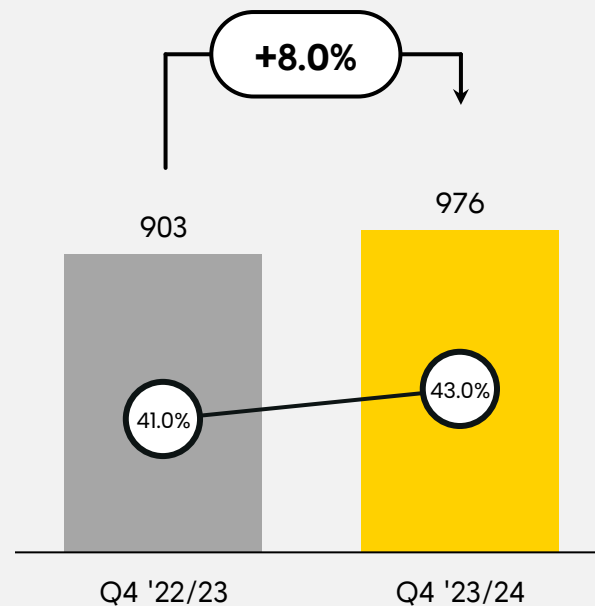
Positive net sales growth

Net sales (MSEK)



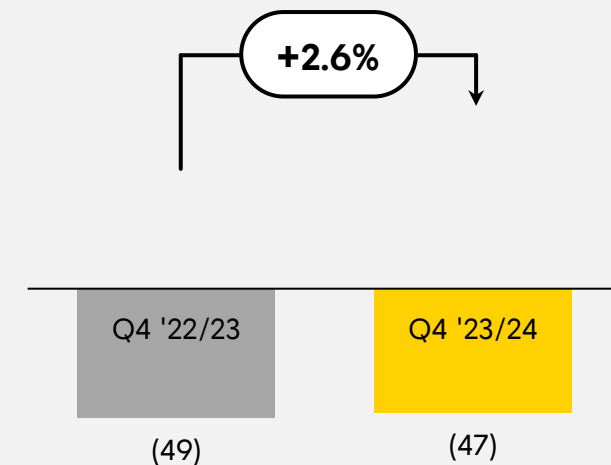
Higher gross margin

Gross profit (MSEK) & gross margin (%)



Improved profitability

Adj. EBITA¹ (MSEK) & adj. EBITA margin (%)

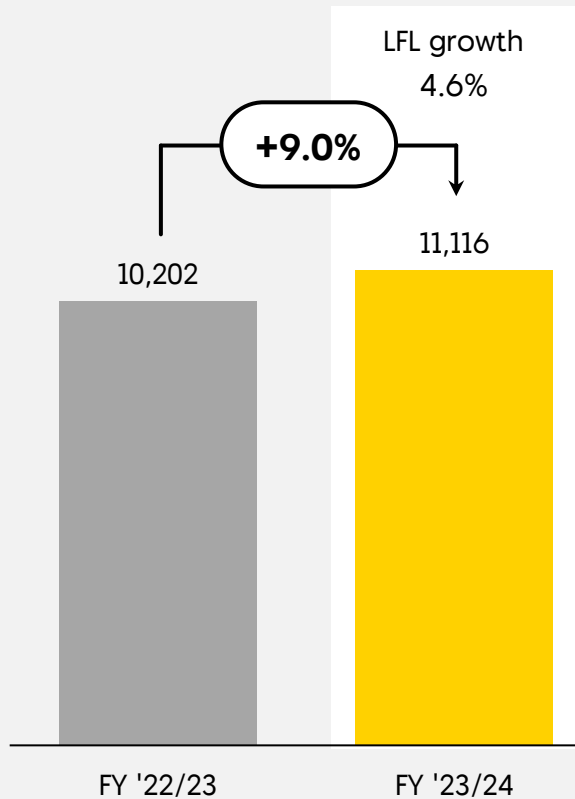


FY 2023/24

Strong sales and improved profitability

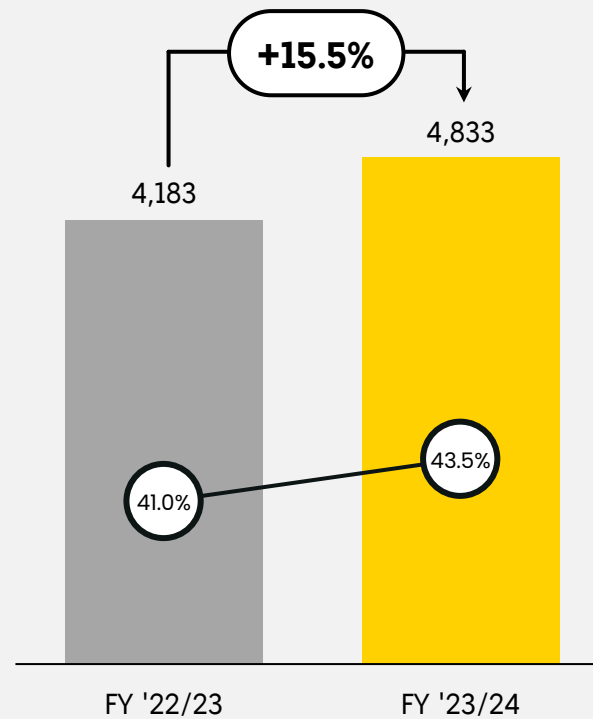
Strong net sales growth

Net sales (MSEK)



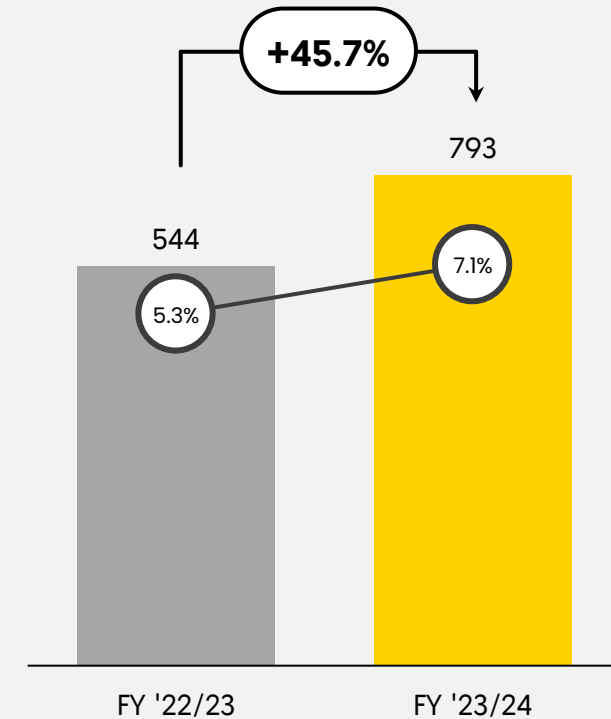
Higher gross margin

Gross profit (MSEK) & gross margin (%)



Improved profitability

Adj. EBITA¹ (MSEK) & adj. EBITA margin (%)



Notes: 1) Adjusted for non-recurring items.

The financial effect following the IT incident

Total financial effects linked to the IT incident

- Net sales loss in February of MSEK 61 and total negative EBITA effect of MSEK 48. Incl. both lost gross profit and costs for restoration and extraordinary measures.
- Total sales loss in FY 23/24 of MSEK 120 and a total negative EBITA effect of MSEK 74, that has not been adjusted
- No material financial effects beyond FY 2023/24

Ongoing discussions with Tietoevry

- External audits of Tietoevry and of our own IT-operations to ensure a high level of security going forward
- Rusta has an ongoing discussion with Tietoevry for compensation and will shortly commence arbitration proceedings

Financial impact Q4 2023/24

	Q4 23/24	Effect IT incident	Q4 excl. IT incident
Net sales growth	2.9%	-2.8pp	5.6%
LFL growth	-1.2%	-2.5pp	1.4%
EBITA-margin	-2.1%	-2.1pp	0.0%

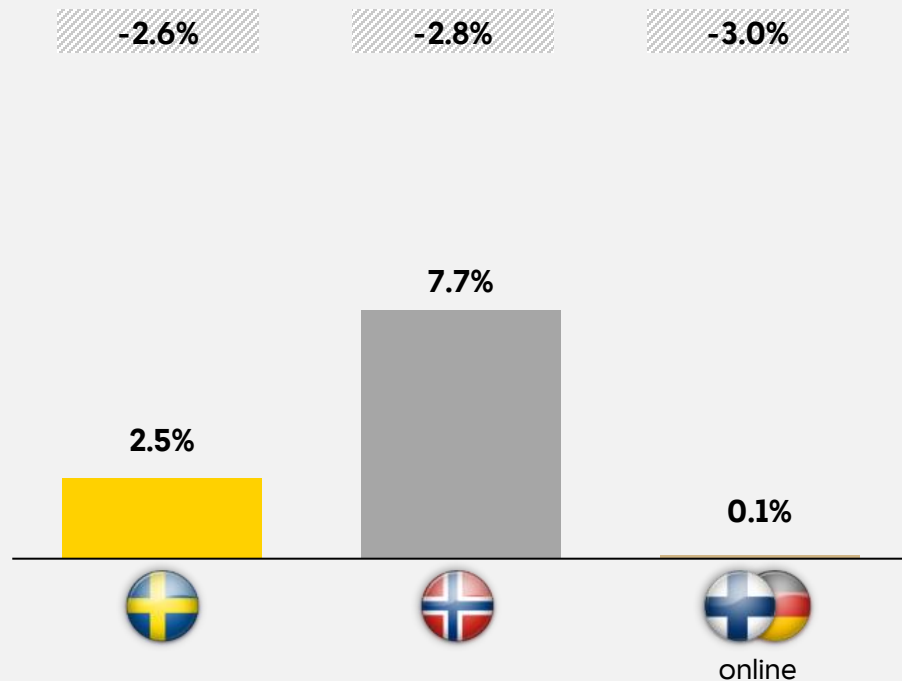
Financial impact FY 2023/24

	FY 23/24	Effect IT incident	FY 23/24 excl. IT incident
Net sales growth	9.0%	-1.2pp	10.1%
LFL growth	4.6%	-1.1pp	5.7%
EBITA-margin	6.8%	-0.7pp	7.5%

All markets effected by the IT incident

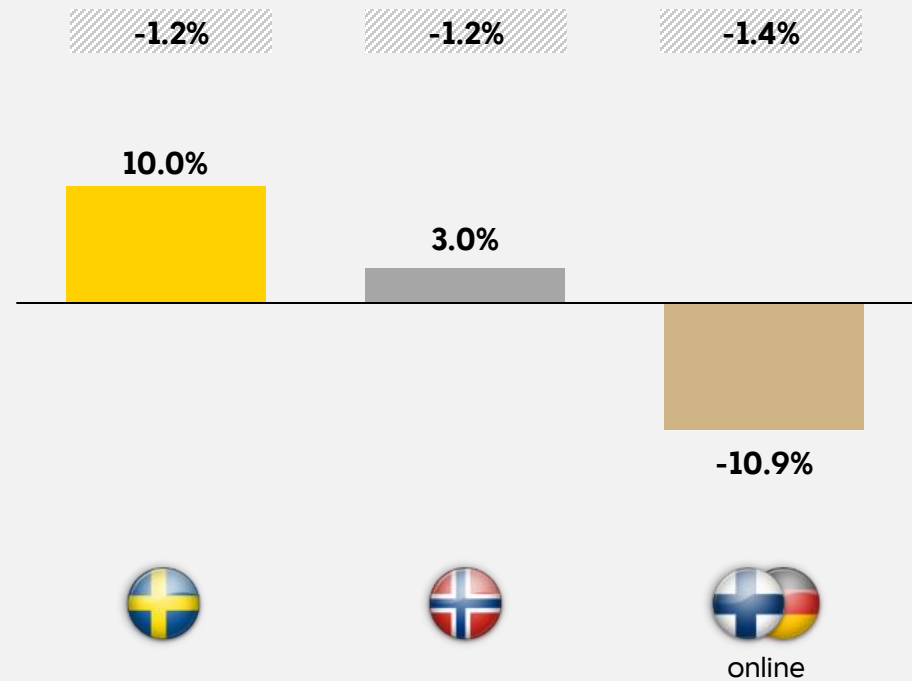
Net sales growth in all markets

Net sales growth excl. currency effects
Q4 '23/24 vs. '22/23



Profitability negatively impacted by the IT incident

EBITA excl. IFRS 16 margin
Q4 '23/24 vs. '22/23

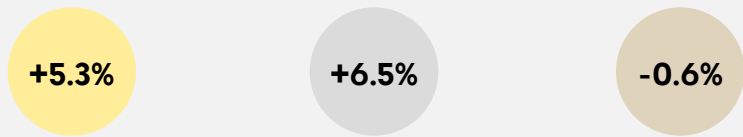


FY 2023/24

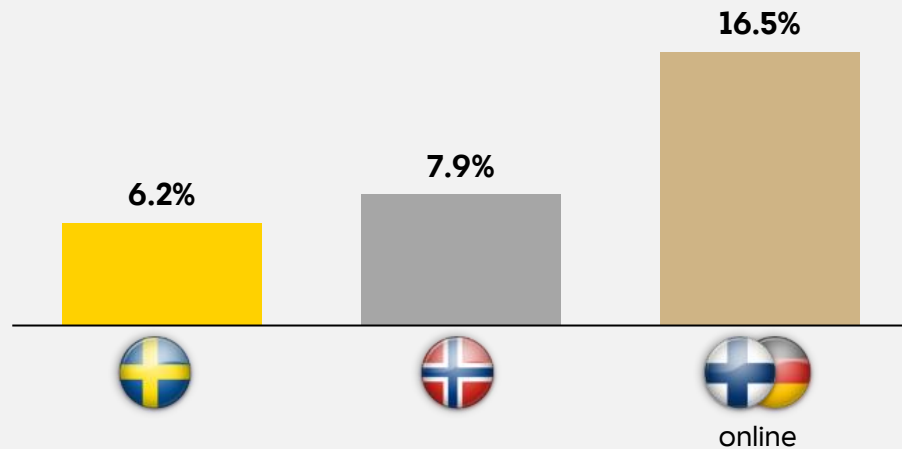
Strong performance across all markets in FY 23/24

Strong net sales growth in all markets

LFL growth excl. currency effects
FY '23/24 vs. '22/23

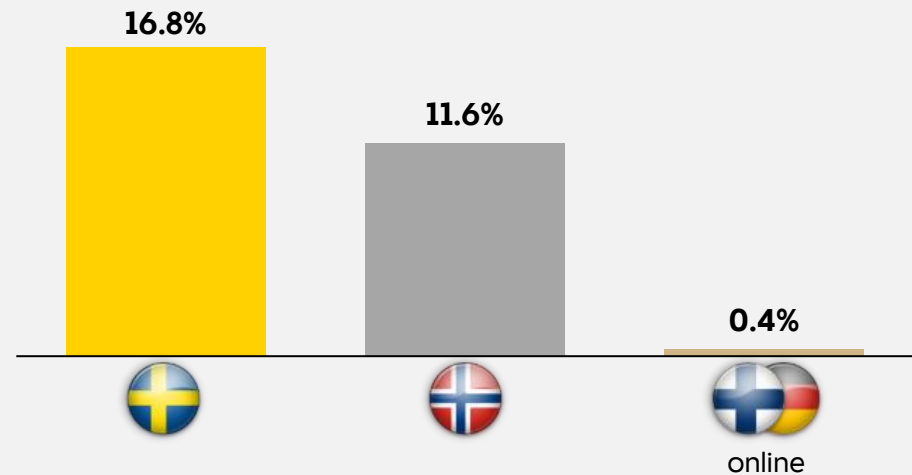
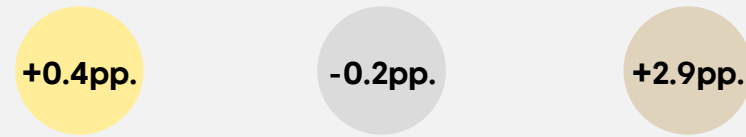


Net sales growth excl. currency effects
FY '23/24 vs. '22/23



All markets are profitable

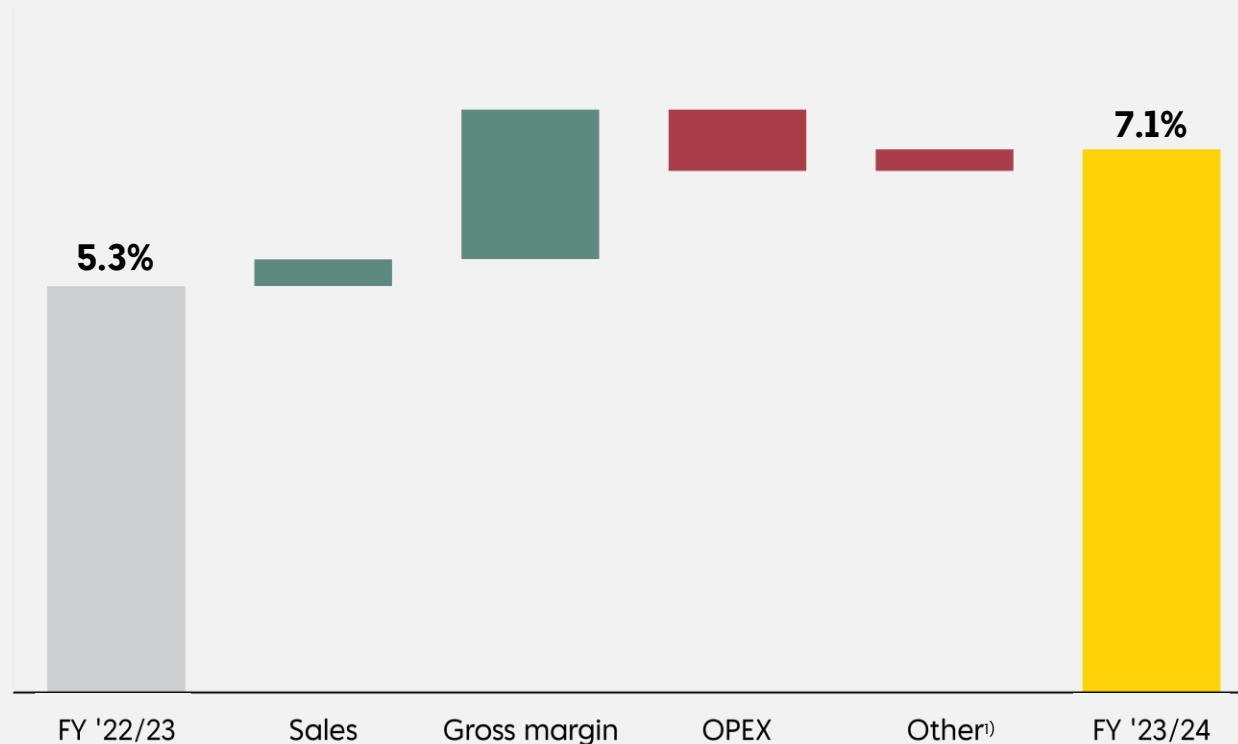
EBITA excl. IFRS 16 margin
FY '23/24 vs. '22/23



Rusta FY 2023/24

Improved profitability

Adj. EBITA margin FY 23/24



Notes: 1) Including other operating income and expenses, depreciations and add-back of adjustments.

Profitability drivers in Q4

- I. Improved purchase prices
- II. Optimized sales prices
- III. Positive inventory effects

FY 23/24 Profitability drivers

- I. Positive volume effects
- II. Optimized sales prices
- III. Reduced shipping costs
- IV. Positive inventory effects

Strong balance sheet and cash flow

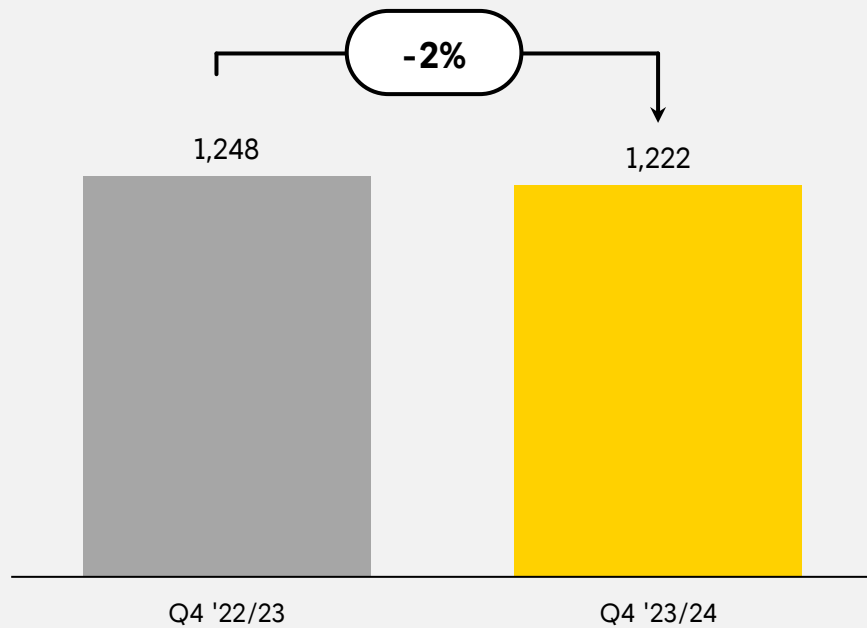
Active working capital management

Net working capital (MSEK)

% LTM sales

12%

11%



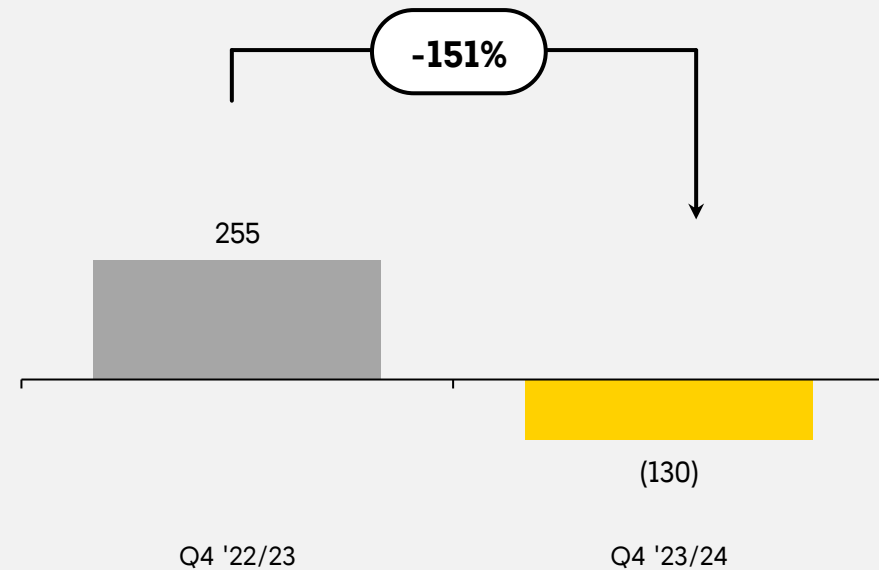
Limited usage of credit facility

Net debt excl. IFRS 16 (MSEK)

x LTM EBITDA excl. IFRS 16

0.46x

-0.17x



Financial targets

We are committed to delivering on our financial targets

Net sales growth

- Rusta targets an annual average organic¹⁾ net sales growth around eight percent in the medium term
- Annual average LFL growth above three percent

Profitability

- Rusta targets an EBITA margin of around eight percent in the medium term
- Earnings per share to outgrow net sales and EBITA as a result of scalability in the business model²⁾

Dividend policy

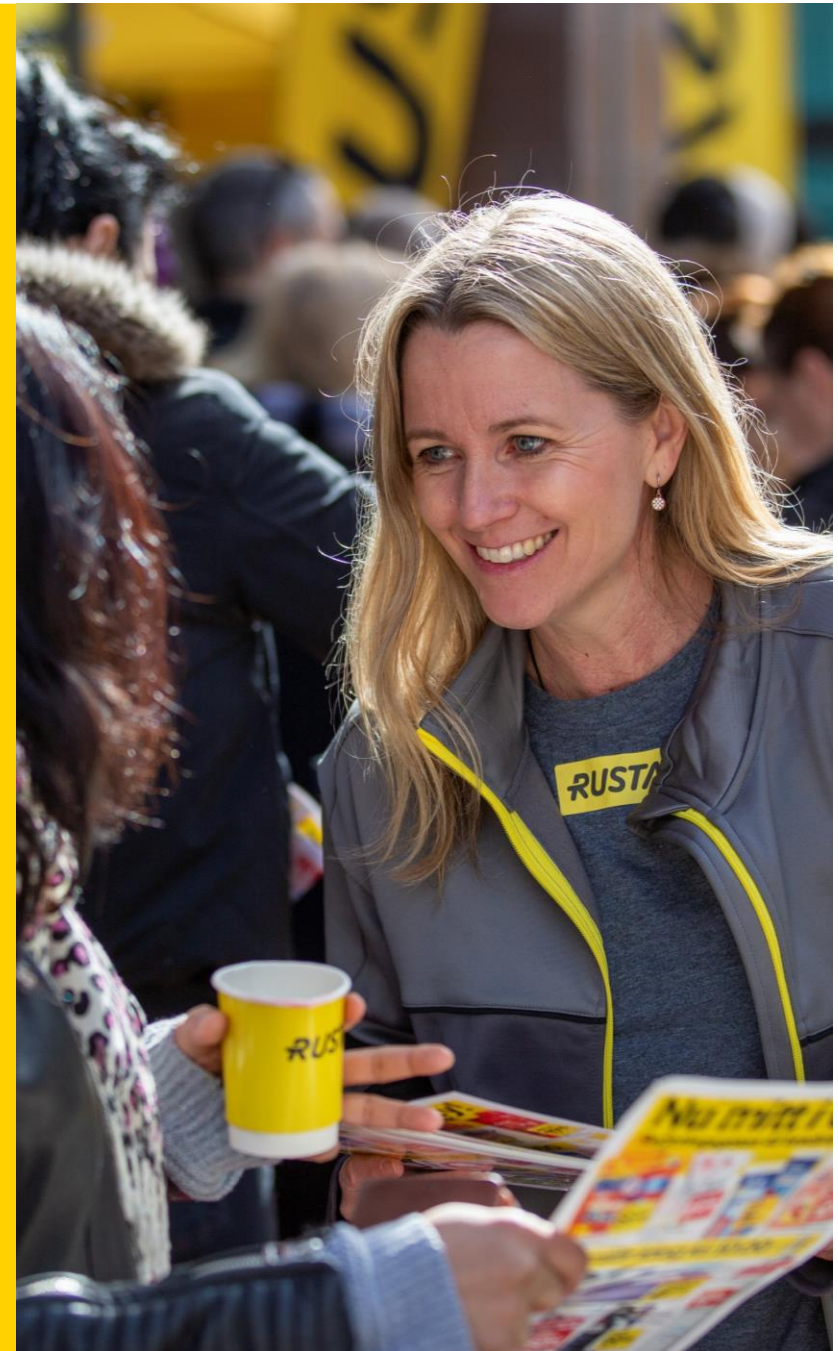
- Rusta aims to distribute 30-50 percent of net profit for each financial year as dividends, taking into account the company's financial position

1) Excluding acquisitions. 2) Scalability of business model refers to margin increase as a result of organic sales growth and higher efficiency, with revenues increasing faster than costs.



Rusta Q3 2023/24

Summary and Q&A



Strategy focused on long-term profit growth

RUSTA

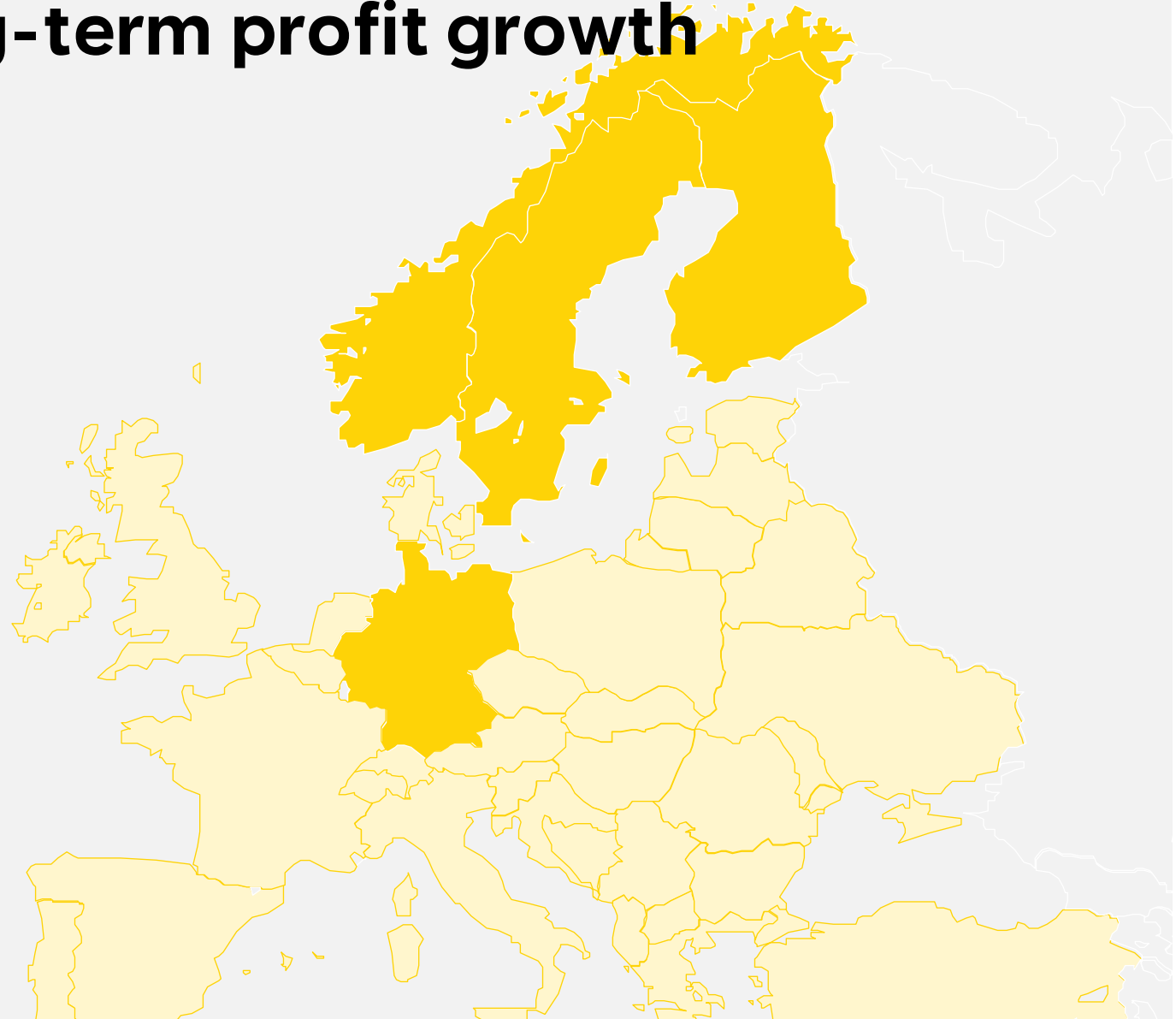
Make Rusta the leading and most trusted low price retailer in Europe

Maintain low price position and differentiated assortment

Continue organic and LFL growth

Further increase efficiency across the value chain

Continue store network expansion



Rusta Q4 2023/24

Increased sales and strengthened profitability throughout the year

Strong net sales growth

FY '23/24 vs. '22/23¹⁾

+9.0%

Net sales growth FY 23/24

Stable LFL growth²⁾

FY '23/24 vs. '22/23¹⁾

+4.6%

LFL²⁾ growth FY 23/24

Adj. EBITA growing with high pace

FY '23/24 vs. '22/23¹⁾

+45.7%

Adjusted EBITA growth FY 23/24

Proposed dividend

Dividend, SEK per share

1.15

LY 0.69

1) May to April 2) Change in comparable sales between current and comparative periods, where comparable sales are sales in comparable stores that have been operational throughout the entire current and comparative period. For a store to be classified as comparable, it must have been open for a full financial year.

Thank you

Next event:

Interim report Q1 2024/25

September 12, 2024

RUSTA[®]