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Bokusgruppen AB (publ) Interim Report January-September 2021

Sharp increase in profit and stronger margins in the third quarter

Quarter July-September 2021

- Net sales amounted to MSEK 428.4 (426.8)
- The gross margin was 39.2% (36.8)
- EBITA improved 19.4% to MSEK 34.4 (28.8)
- The EBITA margin was 8.0% (6.7)
- Net profit amounted to MSEK 15.9 (8.9)
- Earnings per share amounted to SEK 1.0 (1.1)

Period January-September 2021

- Net sales rose 4.7% to MSEK 1,224.7 (1,169.3)
- The gross margin was 36.3% (36.3)
- EBITA improved to MSEK 15.3 (6.8)
- The EBITA margin was 1.3% (0.6)
- The EBITA margin LTM amounted to 5.1%
- Net loss amounted to MSEK -25.2 (-36.5)
- Earnings per share amounted to SEK -2.0 (-4.6)

Significant events in the third quarter

- The pandemic restrictions, and their impact on our operations, were lifted on 29 September
- Customers returned to in-person visits, leading to positive sales growth of 2.8% in stores
- Akademibokhandeln entered a three-year partnership as a primary partner with the non-profit group Berättarministeriet

Comments from the CEO

During the quarter, gross margins increased 7% and EBITA increased 19% compared with the same quarter last year. Physical stores posted sales growth of 3%, Akademibokhandeln Online's sales increased by 20% and sales of other products increased by 7%. Bokusgruppen is thus continuing its excellent performance with stronger margins and robust profit growth. At the same time, continued investments are being made to generate growth over the long term.

During the third quarter, we continued our long-term focus on measures to enhance profitability, which resulted in a 7% improvement in gross margins and significantly improved EBITA of MSEK 34.4 (28.8). The EBITA margin LTM is thus 5% and steadily increased during the year. I'm very pleased with our price optimisation efforts, and the investments made in expanding the range of other products have had a clear effect on our profitability.

It is positive that our total sales during the quarter were stable, reaching MSEK 428.4 (426.8) despite a strong comparative quarter in 2020 when online channels increased significantly, and we saw a recovery in stores. Compared with the more typical year of 2019, third-quarter sales increased by 3%.

Bokusgruppen is Sweden's market-leading book retailer which, with the strong and complementary brands Bokus, Bokus Play and Akademibokhandeln, reaches a very large share of Sweden's population. In addition to books in all channels and formats, a large and inspirational range of other products is also offered. Based on its vision - "Everyone should experience the joy of reading, every day" - Bokusgruppen aims to satisfy the customers' varying requirements and be the preferred choice for as many as possible.

The third quarter was positive for the Akademibokhandeln brand. We saw a continued stream of customers returning to stores and a 3% increase in sales.

Akademibokhandeln Online also posted a strong sales increase of 20%. Sales for Bokus Online decreased by 4% during the quarter, which was better than the market, while profitability surged by 38%. Compared with the more typical year of 2019, sales increased by 12%. So far this year, our two online channels have experienced strong sales growth of 15% over the previous year.

During the quarter, we continued to invest in our digital transformation to generate growth. For example, we will soon be launching new solutions to improve the in-store customer experience.

There was also other exciting development during the quarter. By Christmas, we will be opening a new store at a prime location in Gothenburg as well as a pop-up store in Tyresö Centrum. In addition to these new stores, we have focused on activities to promote reading. We entered a partnership with Berättarministeriet, which works to reduce the negative effects of segregation in schools, and we launched the Läsborgarmärket concept for compulsory schools, where 2,000 teachers have ordered material to help students learn to read. These are important initiatives that will encourage the younger generation to read and become book consumers in the future.

It is very gratifying to know that our customers appreciate what we do - customer satisfaction with both Bokus and Akademibokhandeln increased during the quarter.

We are on the right track to deliver on our financial targets and I look forward to the final and strongest quarter of the year, which we are now entering without any pandemic restrictions. It's time for holiday shopping that spreads creativity and the joy of reading to all of Sweden!

Maria Edsman, CEO

Further information

Appendix: Bokusgruppen AB (publ) Interim Report January-September 2021

The interim report is available at <https://www.bokusgruppen.com/en/investors/reports/>

Maria Edsman, CEO, and Jane Jangenföldt, CFO, will present the interim report the 26 October at 10:00 CEST. The presentation is in Swedish only. To participate, call +46 8-5055 8355, or join the webcast via the link: <https://financialhearings.com/event/14023>

For more information, please contact Maria Edsman, CEO Bokusgruppen, on +46 76 888 26 10 or Alexandra Fröding, Press Contact, on +46 70 775 27 83.

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