

A person in winter gear is skiing on a snowy slope. The background features a vast, snow-covered landscape with rolling hills and mountains under a clear sky. The skier is wearing a white jacket, white pants, and orange gaiters. They are holding ski poles and are in a dynamic pose, suggesting movement down the slope.

**XXL**

# XXL ASA – Q4 2024

**Sales turnaround materializing,  
despite challenging market conditions**

Presentation of Financial Results February 7<sup>th</sup>, 2025

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This presentation was prepared for the interim results presentation for the fourth quarter 2024, held on February 7<sup>th</sup>, 2025. Information contained herein will not be updated. The following slides should also be read and considered in connection with the information given orally during the presentation.

# Agenda

# XXL

**1**

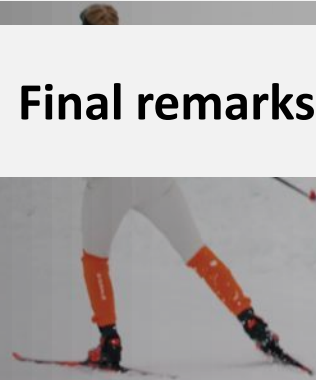
**CEO update**

**2**

**Financial results**

**3**

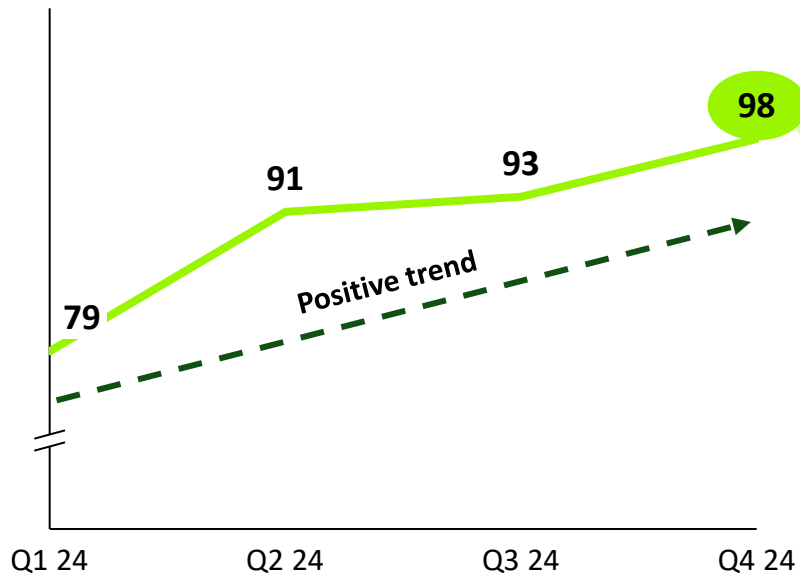
**Final remarks**



# Positive sales trend continued in Q4, with a strong final sprint in November & December

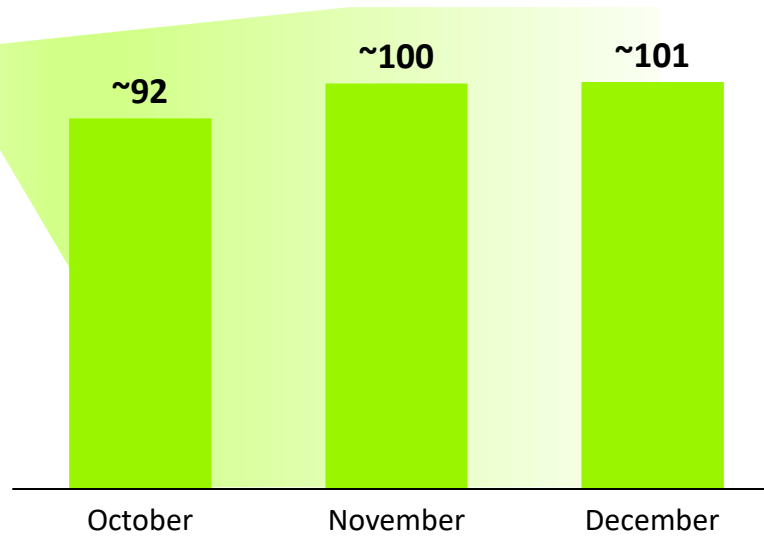
## Positive sales trend throughout 2024

Quarter by quarter sales development (Index vs. LY)



## Strong final sprint in Q4

Month by month sales development Q4 (index vs. LY)



## Increasing underlying growth

Areas with growth

- 

✓ Black week & X-mas sales
- 

✓ E-commerce
- 

✓ Sweden **Taking back market share**
- 

✓ Private label
- 

✓ XXL REWARD members



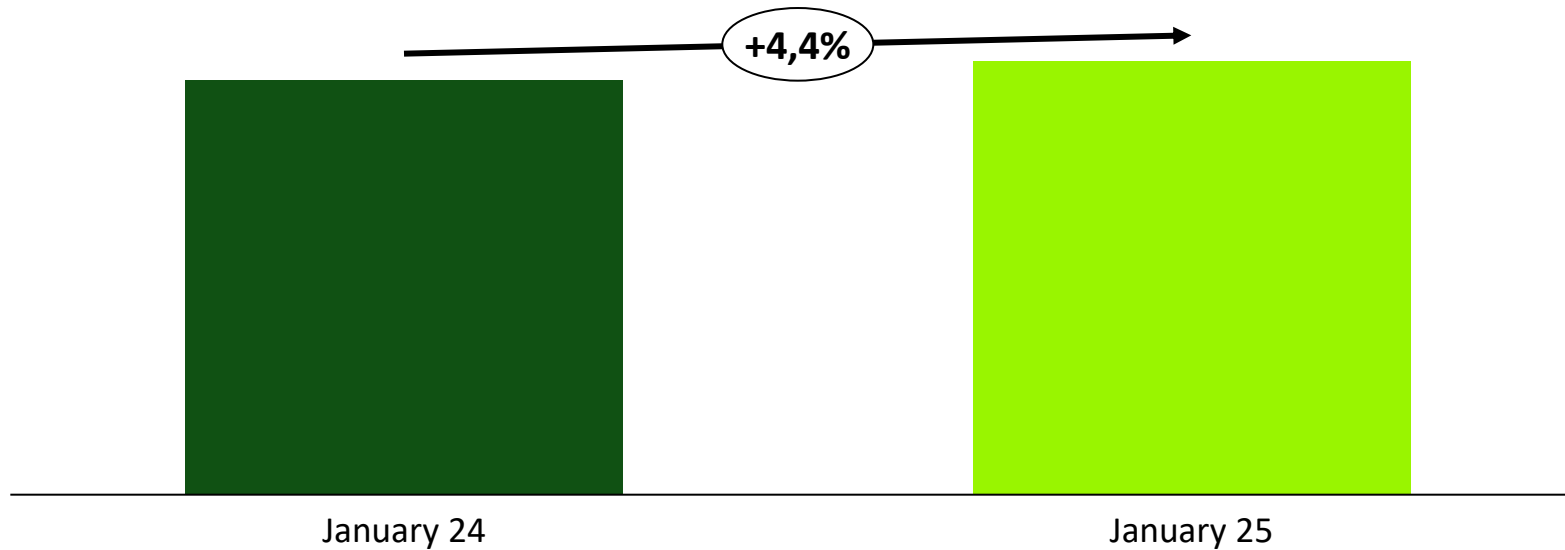
Despite challenging market conditions and a late start of winter vs. 2023

Driven by strong collaboration with brands & suppliers and fantastic efforts by the entire XXL organization



# January delivered material growth as our sales turn around continues to materialize

Trading update: January 24 vs. 25 (%)



Despite challenging market conditions and one less store vs LY

## KEY GROWTH DRIVERS:

- **Stronger retail performance**, through increased conversion rate, traffic and items/basket with stable Y-o-Y gross margin
- **All markets** driving growth
- **A stronger commercial plan** to mitigate seasonal risk, leveraging the width of the assortment



“Reset” progressing well, while we have also begun to “Rethink”

## RESET

Top line quick wins and cost control



## RETHINK

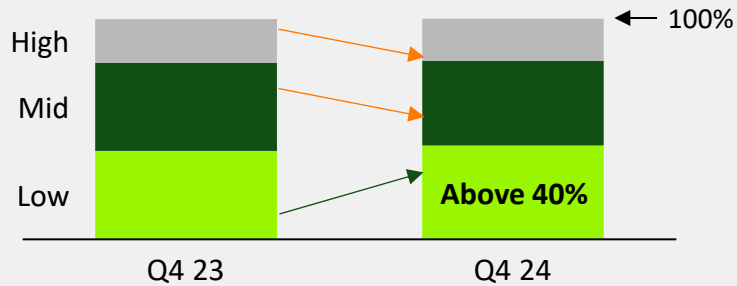
Accelerate key top line levers



# MWB indicators | Still positive indicators for all Must Win Battles

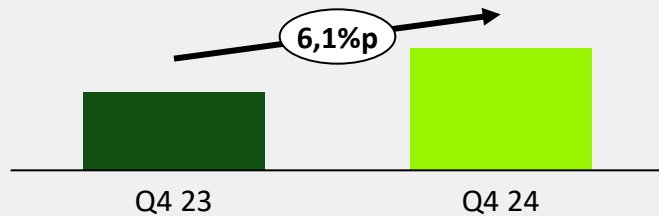
## CATEGORY RESET

Development share of price class revenues (%)



Reclaiming our mass-market position through increasing share of revenue from lower price points

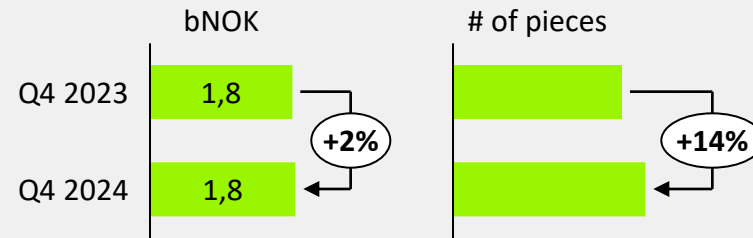
Development private label sales share (%-points)



Supported by increased private label sales share

## AVAILABILITY

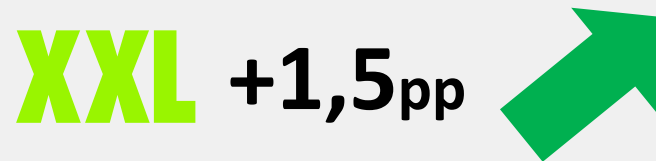
Inventory development



Record low inventory value, while increasing # of pieces

## STORE OPERATIONS

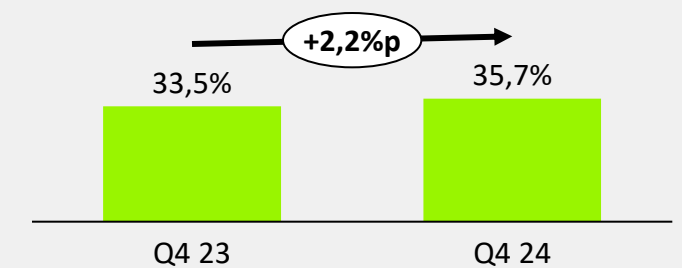
Conversion rate Q4 improvement vs. LY (%-points)



Driven by all three markets

## PRICING

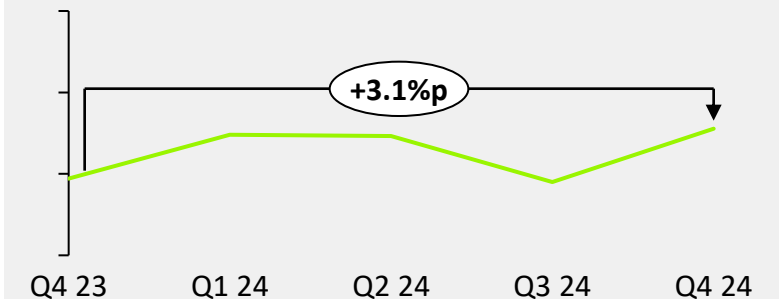
Gross margin development vs. LY (%)



GM investments during Black week and Christmas sales

## E-COMMERCE PROFITABILITY

Development online gross margins (%)



## We are pleased to have launched a consensus equity solution, in the best interest for all shareholders

- ✓ NOK 600 million
- ✓ Consensus solution, among all main shareholders
- ✓ EGM approved on 29.1.25, expected to be concluded in second half of March
- ✓ Capital raised to be used for operational investments, not reducing long-term debt



**Nordea** THOMMESSEN

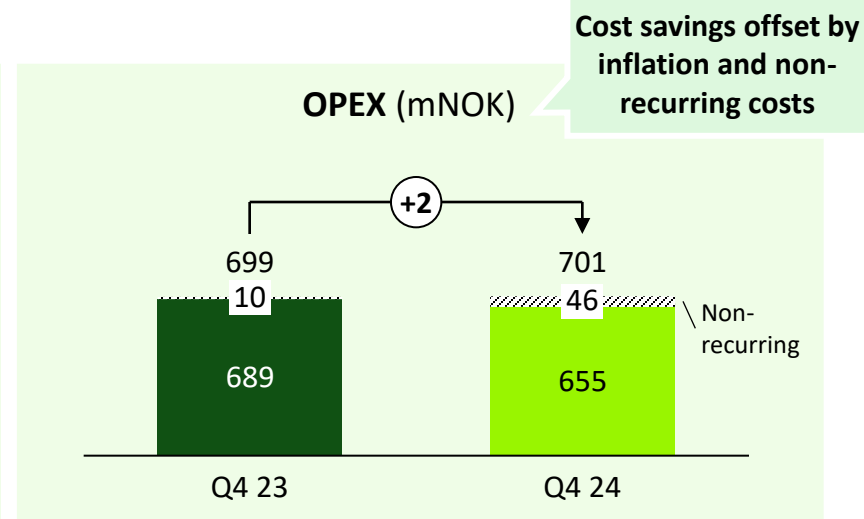
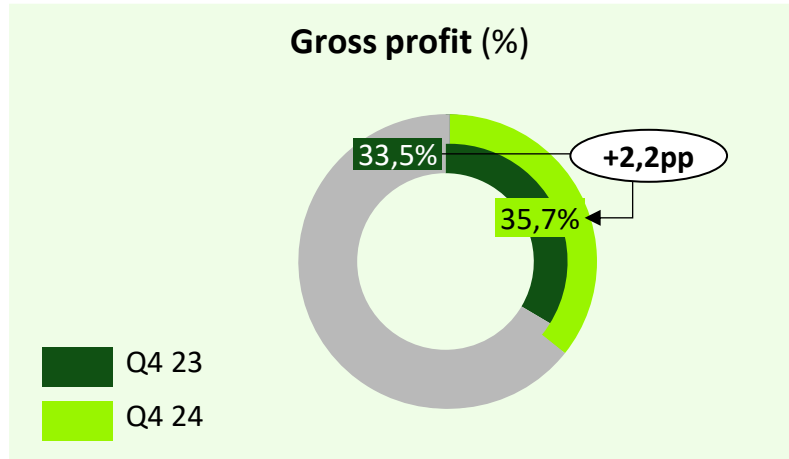
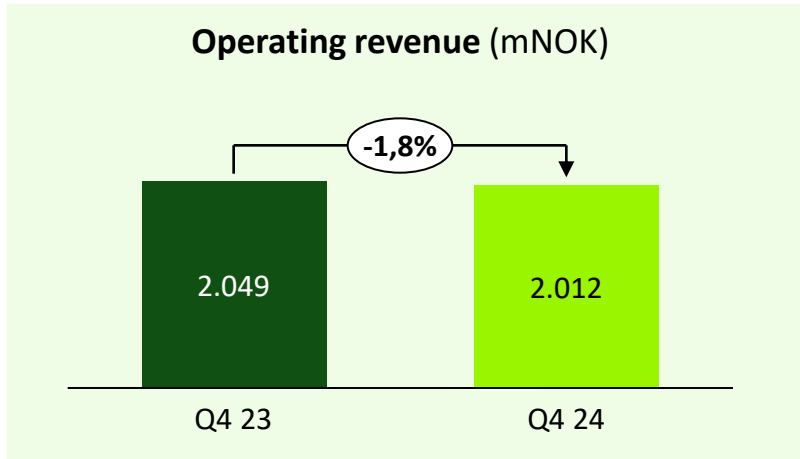
► **REFUEL RESET & RETHINK  
STRATEGY REALIZATION**



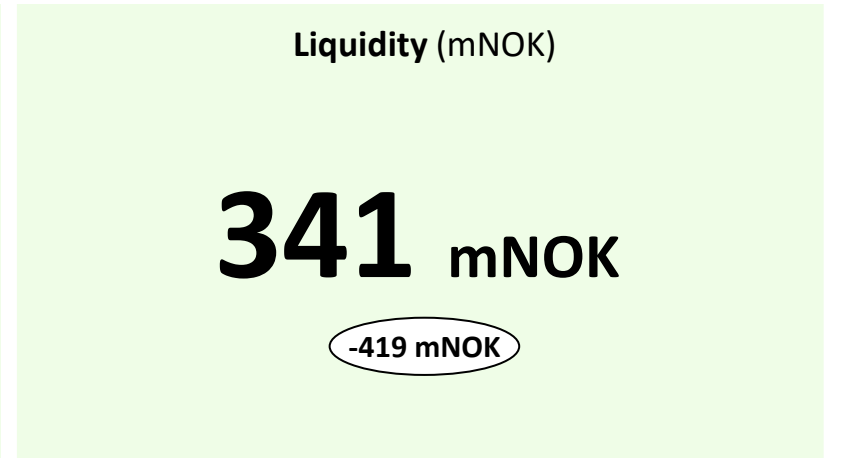
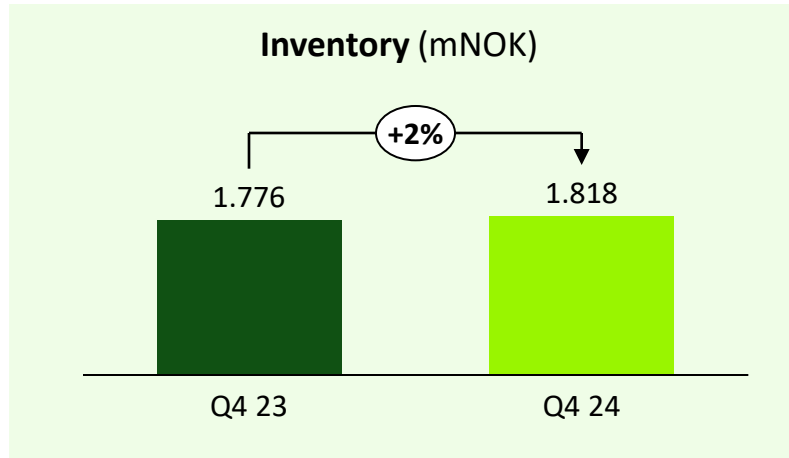
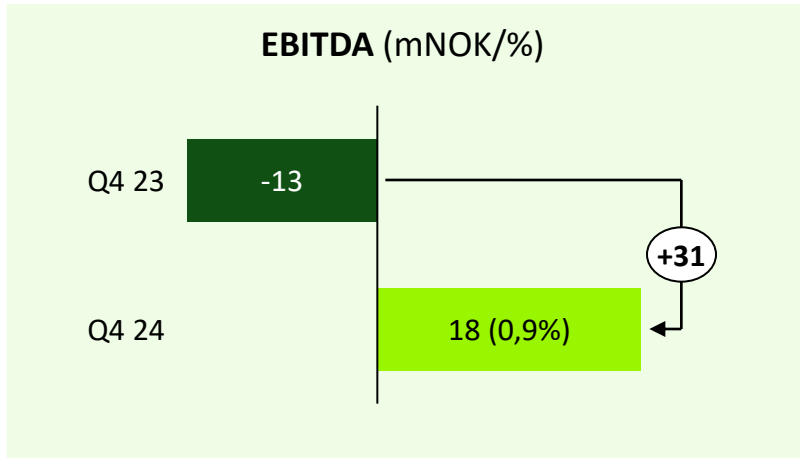
# **Q4 2024 financials**



# XXL ASA Q4 financial summary



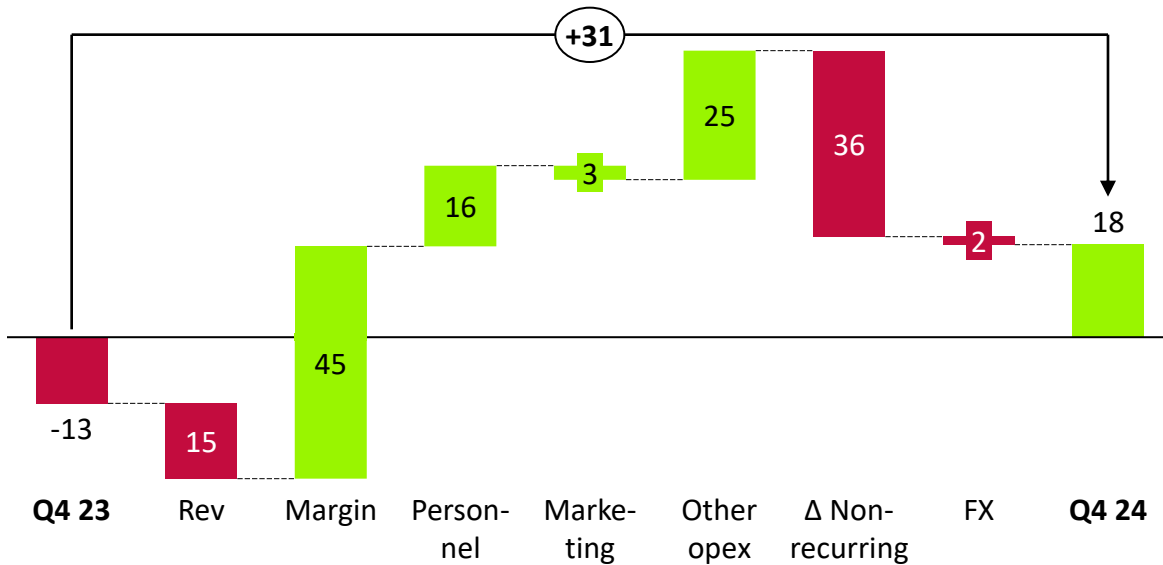
Cost savings offset by inflation and non-recurring costs



# EBITDA | Strengthened, driven by continued cost and margin improvements

EBITDA Q4 24 vs. Q4 23

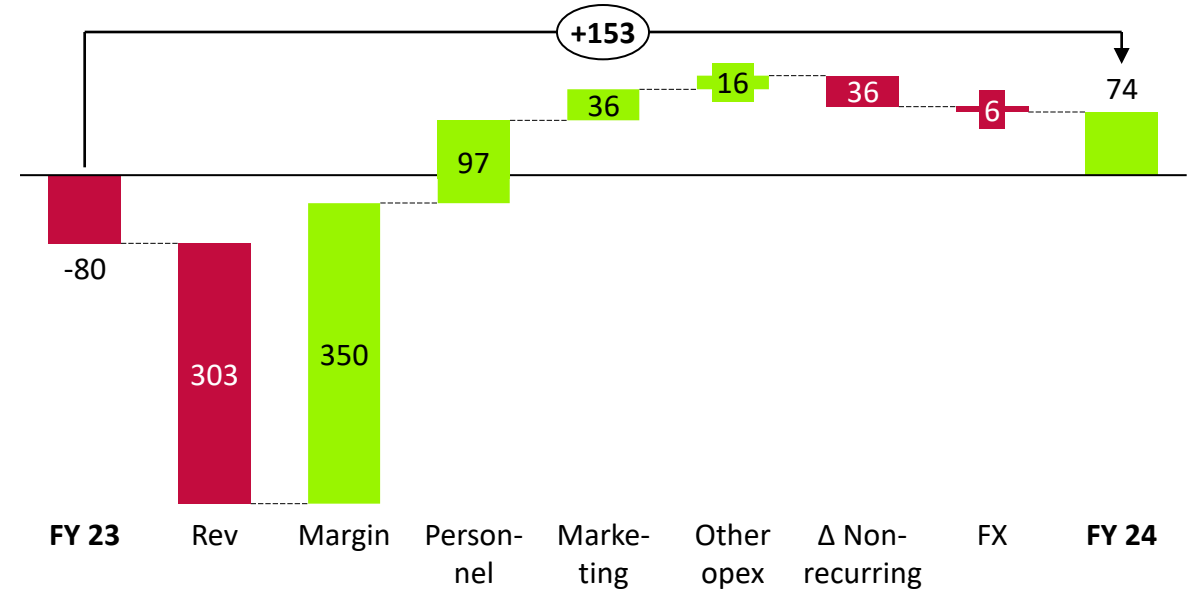
mNOK



- Margin improvement 45 mNOK, underlying cost-saving of 44 mNOK ex. non-recurring
- Reward accruals Q4 2024 around 10 mNOK vs 70 mNOK in Q4 2023
- Underlying EBITDA improvement adjusted for reward, non-recurring and FX 7 mNOK

EBITDA FY24 vs. FY23

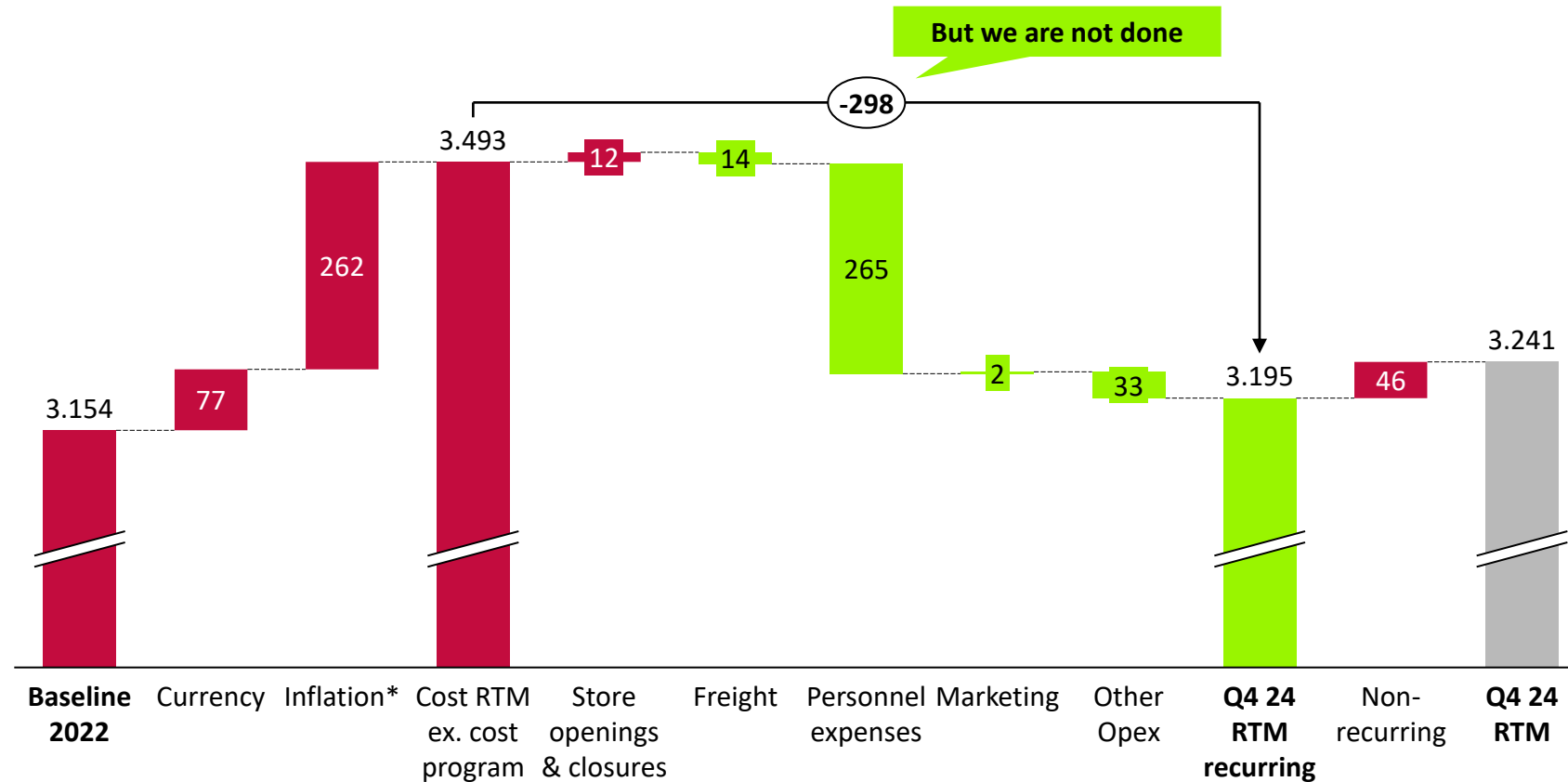
mNOK



- Margin improvement more than offsets the effect of sales shortfall in FY24
- Cost savings adjusted for last years currency and non-recurring costs of 149 mNOK
- Adverse currency effect on EBITDA of 6 mNOK from NOK depreciation

# COST-OUT | 298 mNOK gross cost savings according to cost program launched Q2 2023

Gross cost savings 2024 vs. 2022 (mNOK)



## Comments

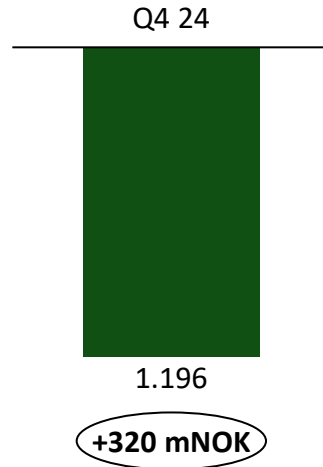
- Cost base increased through currency translation effects as well as inflation on store rental contracts and salary adjustments
- Significant cost reductions within personnel cost across all segments and levels (stores, value chain & administrative functions)
- Freight cost savings calculated on a cost per item level
- Expect additional cost reductions particularly within store rental contracts as effects of right sizing of the store portfolio is delivered throughout 2025
- Additional cost savings under execution within other operating costs, procurement initiatives and marketing
- Non-recurring costs in Q4 2024 relate to financing, provision for VAT, MAP/APA related costs and reversal of accruals in the Austrian entity in connection with its liquidation process

\* Inflation on store rental contracts based on actual price increases. Salary and other inflation from national statistics

# XXL ASA Q4 2024 balance sheet and cash flow

## Net debt development

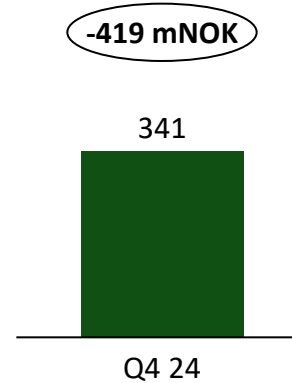
mNOK (YoY change in circle)



- NIBD consists of 166 mNOK in cash & cash equivalents and 1.363 mNOK in interest bearing debt, of which 322 is due within the next 12 months
- Current interest-bearing debt includes bridge loan of 187 mNOK, 121 mNOK in Swedish tax liability and 14 mNOK in VAT liabilities in Finland

## Liquidity reserves

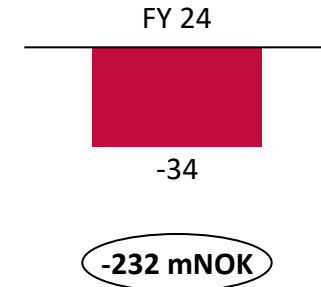
mNOK (YoY change in circle)



- Liquidity continues to be priority #1, hence still affecting margin and availability & thus also sales
- Liquidity in Q3 24 consists of 137 mNOK in cash and 219 mNOK in undrawn facilities
- The liquidity measure includes the credit facility which was 300 mNOK higher in Q4 2023 than Q4 2024

## YTD operational cash flow




mNOK (YoY change in circle)



- EBT, adjusted for depreciation and amortizations is 174 mNOK higher in FY24 vs FY23
- Net working capital movement of +318 mNOK in FY24 vs FY23, mainly because of inventory build-down of 552 mNOK in FY23. Total net working capital movement -47 mNOK in FY24 vs +271 mNOK in FY23



**Several materially adverse P&L effects in Q4 2024, amounting to 800 mNOK, majority of which with no cash effect**

Description	mNOK impact
 <p><b>Various non-recurring</b>   In the process of securing the holistic financing solution XXL incurred costs within legal advisory, audit, due diligence and other services</p>	<p><b>~15</b> <i>(P&amp;L effect)</i></p>
 <p><b>Goodwill &amp; Tax</b>   XXL has made an impairment of its technical goodwill and deferred tax asset leading to an extra ordinary write-down of 740 mNOK. None of these have cash effects</p>	<p><b>740</b> <i>(P&amp;L effect, no cash effect)</i></p>
 <p><b>VAT</b>   Provision for a VAT claim from the Norwegian Tax Authorities regarding campaigns in the period 2015-2020. The case has been idle since 2021, a conclusion is expected from the authorities in Q2 2025. XXL opposes the claim</p>	<p><b>44</b> <i>(P&amp;L effect)</i></p>

## **XXL is completing the approved financing solution**

- **XXL is completing the approved financing solution expected to cover both short-term liquidity needs and allow for working capital investments**
- **The solution consists of a fully underwritten rights issue in the amount of approximately NOK 600 million, a prolongation of the Company's existing loan facilities and a bridge loan**
- **This will enable working capital investments to support efforts in strengthening top line growth and continue to deliver on the “Reset & Rethink” plan**

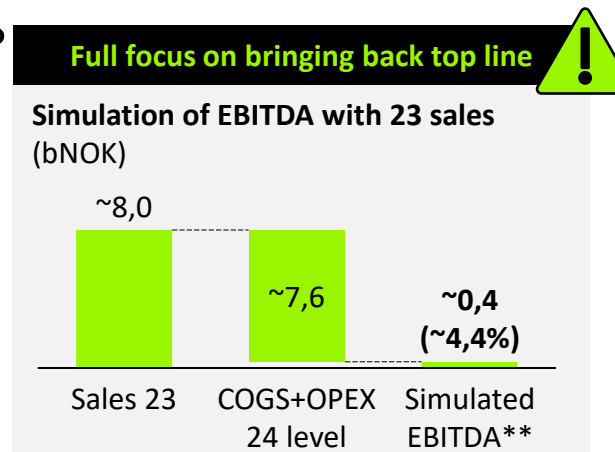
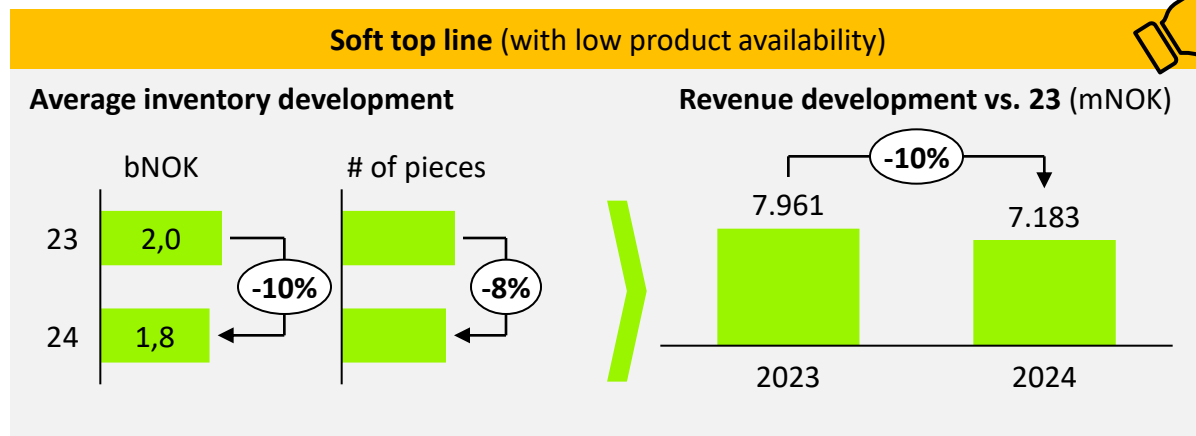
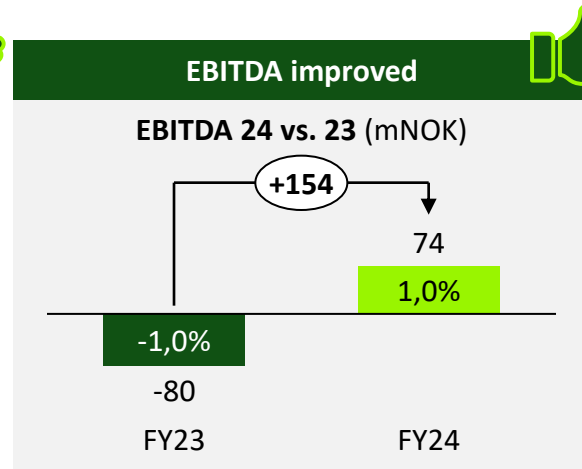
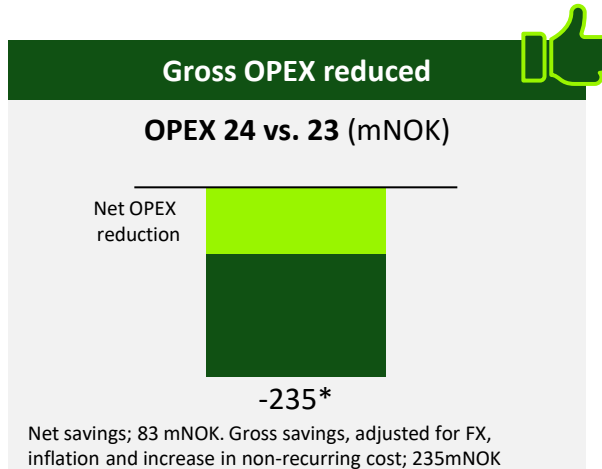
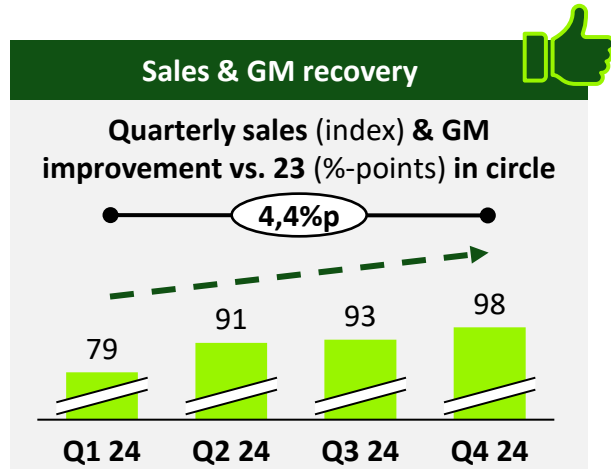
### **Timeline**

- **EGM approval January 29<sup>th</sup>**
- **Subscription period start on or about February 28<sup>th</sup>**
- **Subscription period end on or about March 14<sup>th</sup>**
- **Payment on or about March 19<sup>th</sup>**
- **Registration date on or about March 21<sup>st</sup>**

# Summary and final remarks



# SUMMARY 2024 | Sales and gross margin are recovering, while OPEX is reduced, but decreased top line holding back further EBITDA improvements



## Key conclusions heading into 2025

- **Positive sales and gross margin trend**, and January first month with material growth
- **Inventory strength and health increased** despite of low inventory levels
- Cost Out to be continued and NWC efficiencies to be increased, as **we aim to operate an even leaner XXL**

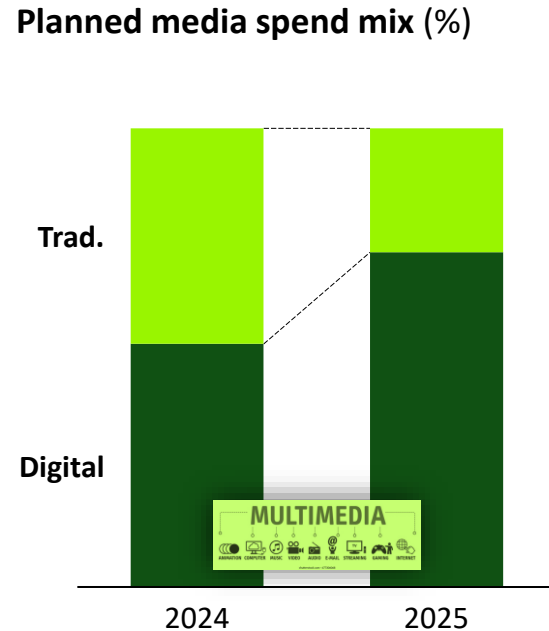
# 2025 outlook | Driving “Rethink” initiatives to continue growth

## Store restructuring & elevation



Number of planned projects in 2025, ~9-15 k SQM to be taken out

## Modernizing media mix



New media mix to drive increased footfall and online traffic

## Value for money



In-house brands to be further strengthened & accelerated in '25

Great brands

Great prices



Reclaimed and strengthened mass-market position

## Increasing customer loyalty



Continue to develop, strengthen and grow!



# Our Reset & Rethink marathon continues in 2025

# XXL

## BACK TO GROWTH

*- Driven by continued commercial renewal*

## LEAN & MODERN OPERATIONS

*- Driven by accelerated internal transformation & cost out objectives*

## DISCIPLINED CAPITAL & INVENTORY STEERING

*- Driven by a structured strategic program*





**XXL**

**Sports unite all**

**THANK YOU!**





# Q&A

XXL

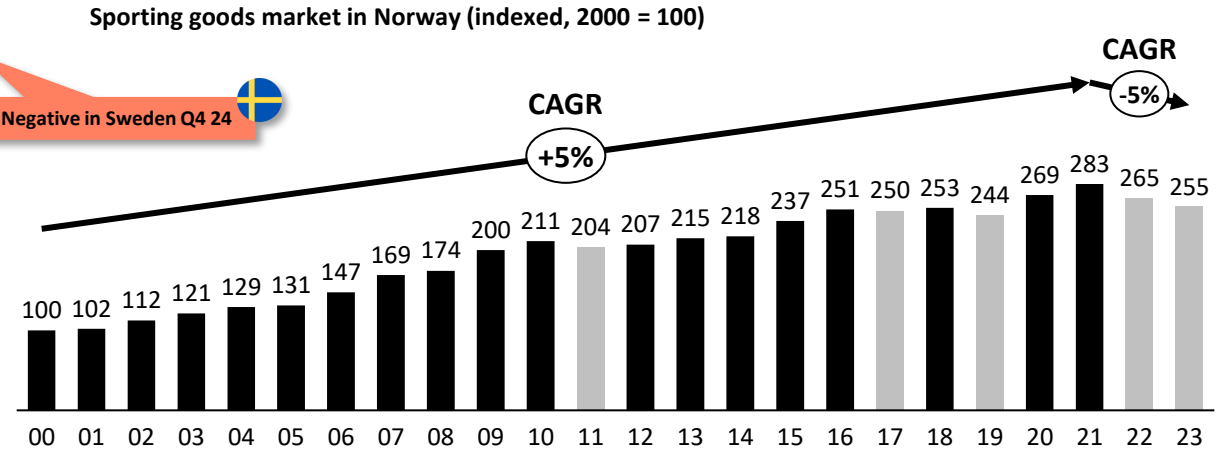
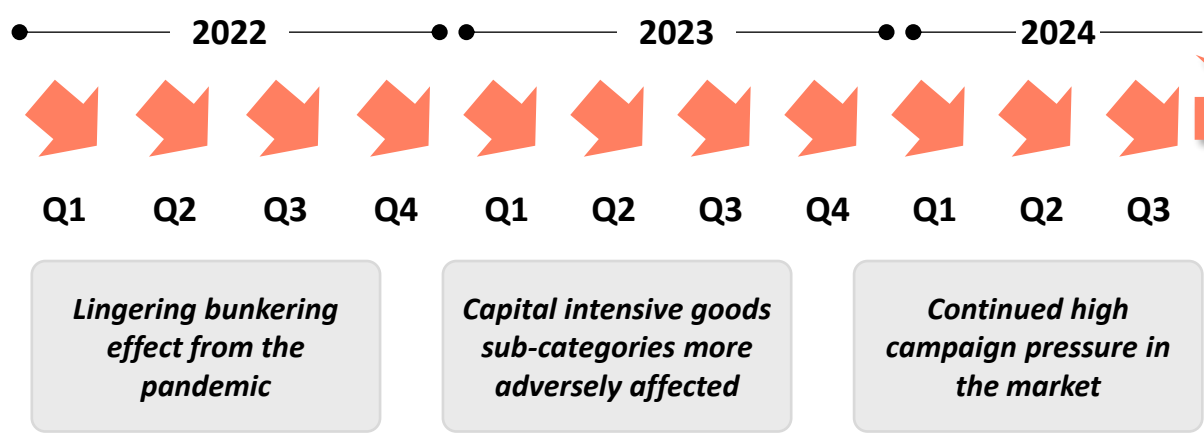


# Appendix



# The Nordic sporting goods & outdoor market has now seen 11 consecutive negative quarters, but we are convinced of its long-term resilience and growth

- 1** The Nordic sports markets have experienced 11 consecutive quarters of negative growth
- 2** However, XXL believes in the long-term resilience and growth for the Nordic market



- 3** .. Strongly supported by key global megatrends as drivers for a resilient long-term market outlook

- Consumer price sensitivity
- Health & wellness trends
- Increase in equipment-focused sports
- Weather and seasonal patterns
- Fashion and life-style trends
- Growth in e-commerce

**✓ We believe in a gradual recovery during 2025, with Sweden already leading the way with interest rate cuts as well as early indicators of improved revenues and EBITDA in the quarter**



**Sports unite all.**