



INTERIM MANAGEMENT STATEMENT Q1 2022

Jari Latvanen, CEO

Stockmann Group | 29 April 2022

STOCKMANN



STOCKMANN GROUP IN Q1 2022

Group's gross margin

57.8% (56.3)

**Group's operating result,
EUR million**

9.8 (-27.6)

**Group's adjusted operating
result, EUR million**

-3.7 (-21.1)

Cash, EUR million

130.8 (115.4)

- **Stockmann Group**

- Revenue EUR 196.1 million, up by 27.1% in comparable currency rates
- Operating result increased clearly in both Lindex and Stockmann
- Rolling 12 months revenue increased with 20.8%
- Adjusted rolling 12 months result improved by EUR 92.3 million

- **Lindex**

- Revenue up by 35.7% to EUR 134.0 million, growth in the digital sales was 8.2%
- Sales in the brick-and-mortar stores increased by 47.6%
- Operating costs increased by EUR 1.5 million
- Operating result improved by EUR 18.5 million to EUR 5.5 million

- **Stockmann**

- Revenue up by 9.2% to EUR 62.2 million
- Sales in the brick-and-mortar stores grew by 21.6%
- Operating costs decreased by EUR 0.6 million
- Operating result improved by EUR 18.5 million and was EUR 6.3 million

STOCKMANN DIVISION

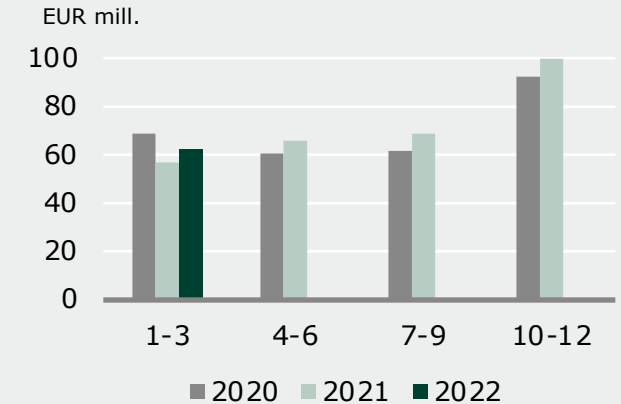




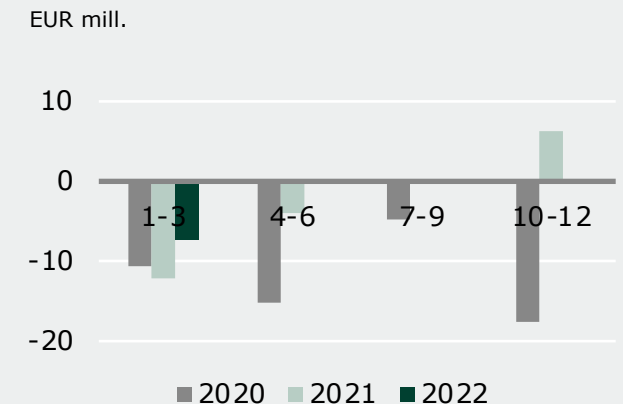
STOCKMANN DIVISION, PERFORMANCE IN Q1 2022

- **Revenue** EUR 62.2 million (56.9)
 - Revenue was up by 9.2%
 - Sales in the brick-and-mortar stores grew 21.6% due to higher visitor volumes and customer's larger average purchase
 - Share of online sales was 12.2% for the quarter (23.7)
- **Gross margin** increased to 43.7% (41.7)
 - The gross margin increased compared to last year due to higher sales of full-priced products
- **Operating costs** EUR 30.1 million (30.7) down by EUR 0.6 million
- **Operating result** EUR 6.3 million (-12.2)
- **Adjusted operating result** EUR -7.3 million (-12.1)
- **Rolling 12 months result** EUR -5 million (-49.7)

QUARTERLY REVENUE



QUARTERLY OPERATING RESULT Adjusted





STOCKMANN DIVISION, HIGHLIGHTS IN Q1 2022

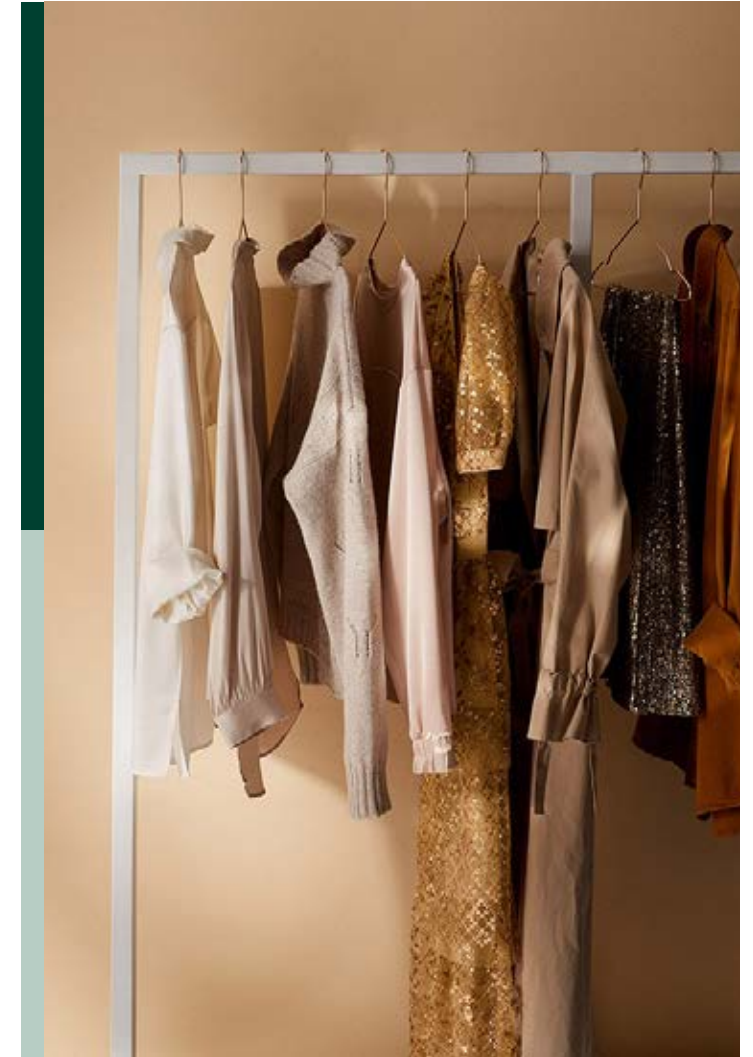
- **Revenue** increased by 9.2%
 - Strong sales growth in the brick-and-mortar stores
 - Visitor traffic increasing
 - Stockmann winning fashion market share, good development in all fashion areas
- Successful **MyStockmann** upgrade in February
 - Integrated link in the App to the online store
- Great start for the **Crazy Days campaign** with increasing customer traffic in the brick-and-mortar stores.
 - Compared to last year's 8-days long online campaign, sales improved by 18%
- **160 year special edition** products raised major interest
 - E.g. Minna Parikka shoes, Oiva Toikka glass design
- As part of the **operating model renewal** new merchant unit heads in place to enhance department store profit & loss
- **Textile recycling pilot** with Helsinki environmental services in capital region has generated already nearly 10 000 kg material
- Charity donations to the **Red Cross for Ukraine** were made in Finland, Estonia and Latvia





STOCKMANN DIVISION'S WAY FORWARD

- Strategy **journey proceeds** systematically
 - 2019 beginning of customer centric journey
 - 2020-2021 restructuring & covid challenges
 - **2022 marks a new phase:** full focus on value creation, sustainable growth & profitability
- **Spring fashion assortment** arrived according to plan
 - Minor effects from global supply chain challenges
- **Focus areas now**
 - Goal to be the **curator of lifestyle** and number one source of inspiration
 - Building seamless **omnichannel experience** – better services, faster last mile deliveries for example
 - **Customer centric roadmap** for a more personalized and tailored service
 - Systematic **sustainability work continuing** to improve CO2 footprint – participation in Science Based Targets initiative
- **MyStockmann** loyalty programme launch & webstore improvements in the **Baltics**
- **Stockmann 160-year celebration**
 - Limited edition offerings, exclusive products & customer events throughout 2022
 - Cooperation to save the Baltic Sea with John Nurminen Foundation





LINDEX

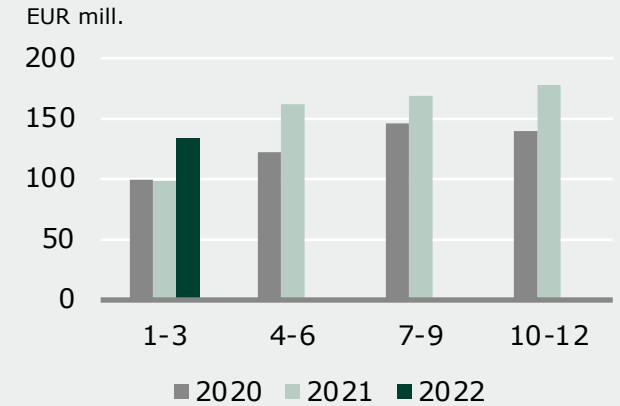
Susanne Ehnbage
Lindex CEO



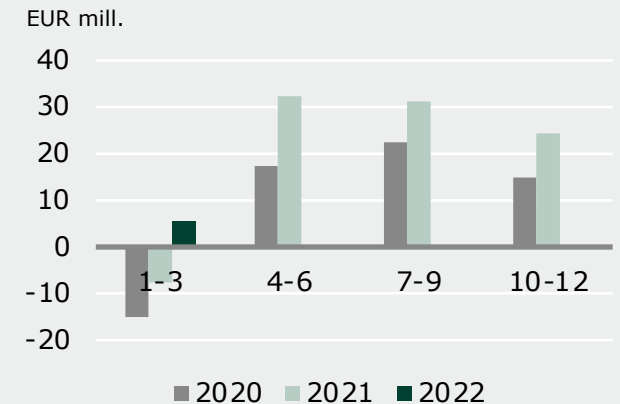
LINDEX, FINANCIAL PERFORMANCE IN Q1 2022

- **Revenue** EUR 134.0 million (98.7)
 - Revenue up by 35.7% or up by 36.3% in comparable currency rates (2019 18.7%)
 - Sales in brick-and-mortar stores increased by 47.6% (2019 -3%)
 - Growth in digital sales was 8.2% (2019 660%)
 - Share of digital sales was 23.6% (2021 28.7%, 2019 5%)
 - Increased sales and in all channels and business areas
- **Gross margin** slightly decreased to 64.4% (64.7%)
- **Operating costs** increased by EUR 1.5 million
- **Operating result** EUR 5.5 million (-13.0)
- **Adjusted operating result** EUR 5.5 million (-7.6)
- **Rolling 12 months result** EUR 93.0 million (40.8)

QUARTERLY REVENUE



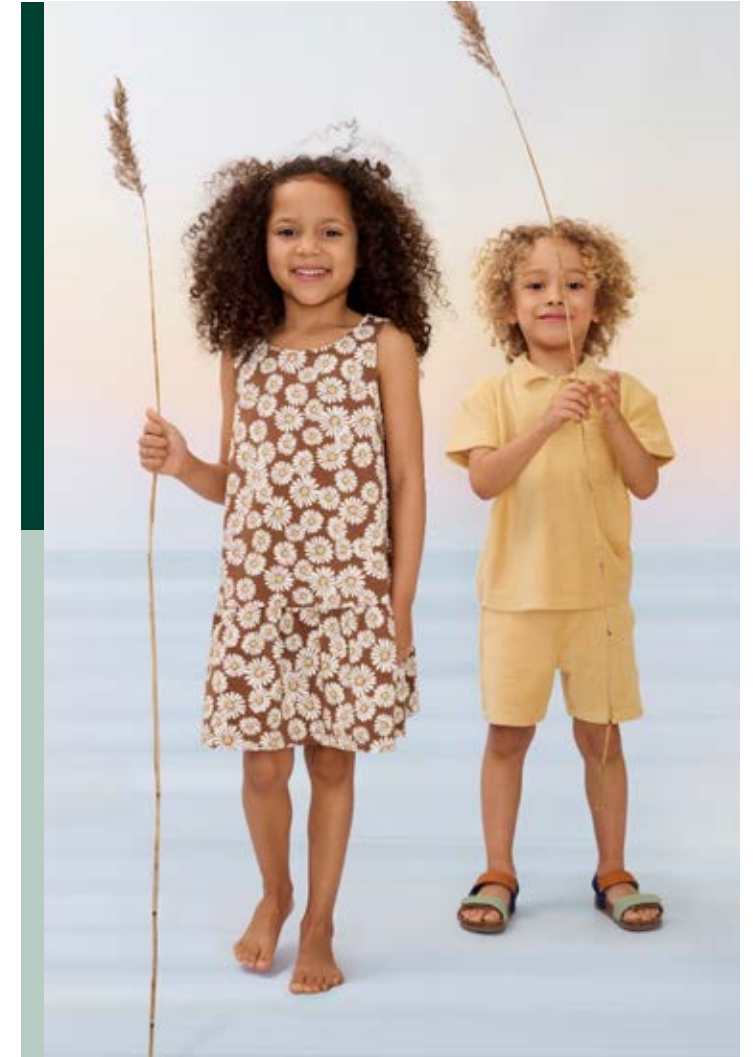
QUARTERLY OPERATING RESULT Adjusted





LINDEX, HIGHLIGHTS IN Q1 2022

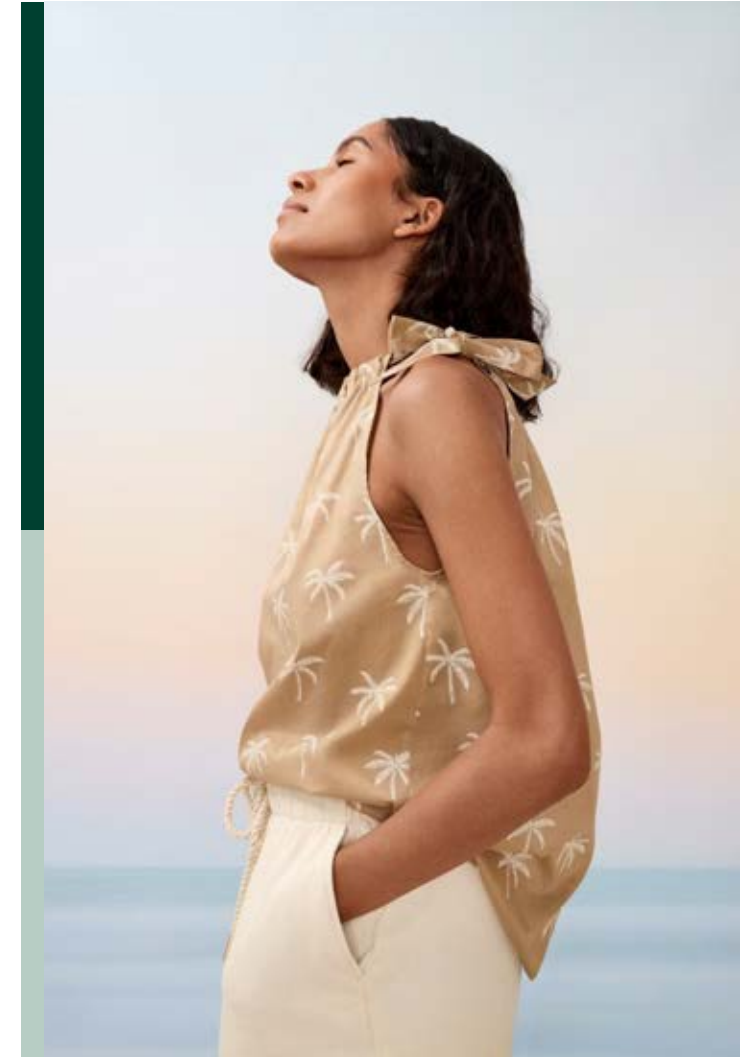
- Strong **sales growth in brick-and-mortar stores**
- Enters the **femtech industry** - launched **Female Engineering** and invests in startup company **Spacerpad**
- **Brand building** underwear **campaign** - 'Your invisible support'
- **Continued progress** within Lindex **sustainability promise** and **circular transformation**
 - New **Management group member** appointment – **Director of Sustainability**
 - Released Lindex **sustainability report** for 2021, describing our progress, challenges and major transformation
 - **Scale up** of Lindex **second hand** to all kidswear garments
 - '**Women in cotton**' programme – 1 million baby pyjamas
 - Full member of **Ethical Trading Initiative** (ETI) – ensuring workers' rights
- **Donations to UNHCR's important work** helping the people affected by the war in Ukraine





LINDEX WAY FORWARD

- **New business opportunities and brands**
 - Female Engineering
 - Spacerpad
 - Closely
- Reach our **long-term targets**
 - Significant growth with high profitability while reduce CO² emissions
- **Investments for future growth**
 - Extensive investments in **logistics and digitalisation**
 - Reach **new** and develop **existing markets** by a digital approach
 - Continue developing **new business** and **growth opportunities**
 - Transformation to a **sustainable business model**
- **Build on our employees' high engagement**
 - ENPS 66





STOCKMANN GROUP

Annelie Forsberg
CFO



RESTRUCTURING PROGRAMME PROCEEDS ACCORDING TO PLAN

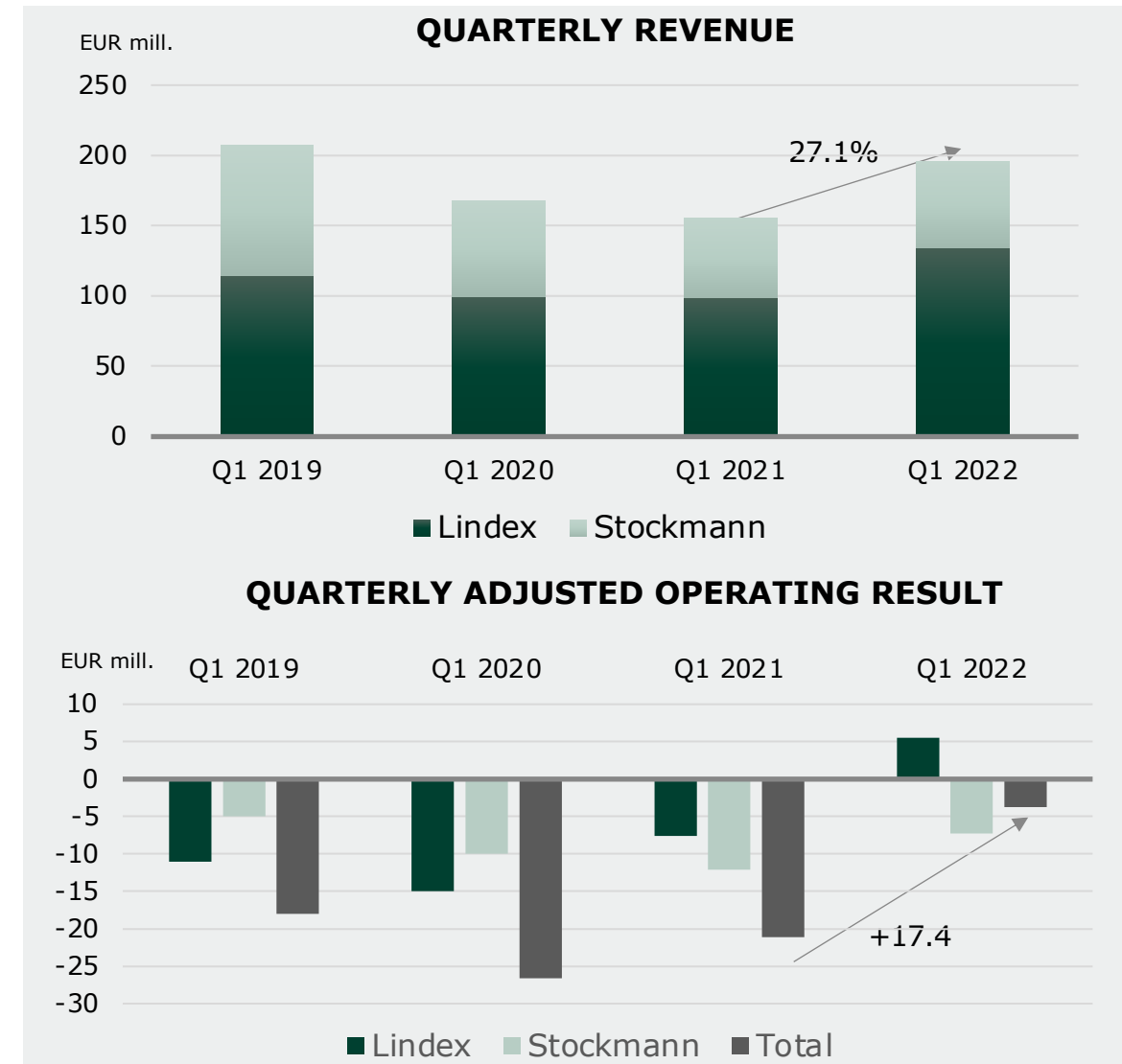
- **Department store properties sold**
New long-term leaseback agreements
 - Tallinn (December 2021, VKG)
 - Riga (January 2022, VKG)
 - Helsinki (April 2022, Keva)
- **All secured and unsecured restructuring debt paid**
- **No interest-bearing debt remains** (excl. IFRS16 leases)
except five-year bullet bond (EUR 66,1 million (2025))
- **Disputed cases** (EUR 95 million)
 - Disputed due to termination of long-term leases
 - Provisions for estimated amount to be paid, EUR 16.3 million
 - Most of the claims will be settled by arbitration proceedings
 - Must be solved before the restructuring process can end





STOCKMANN GROUP, Q1 2022 FINANCIAL PERFORMANCE

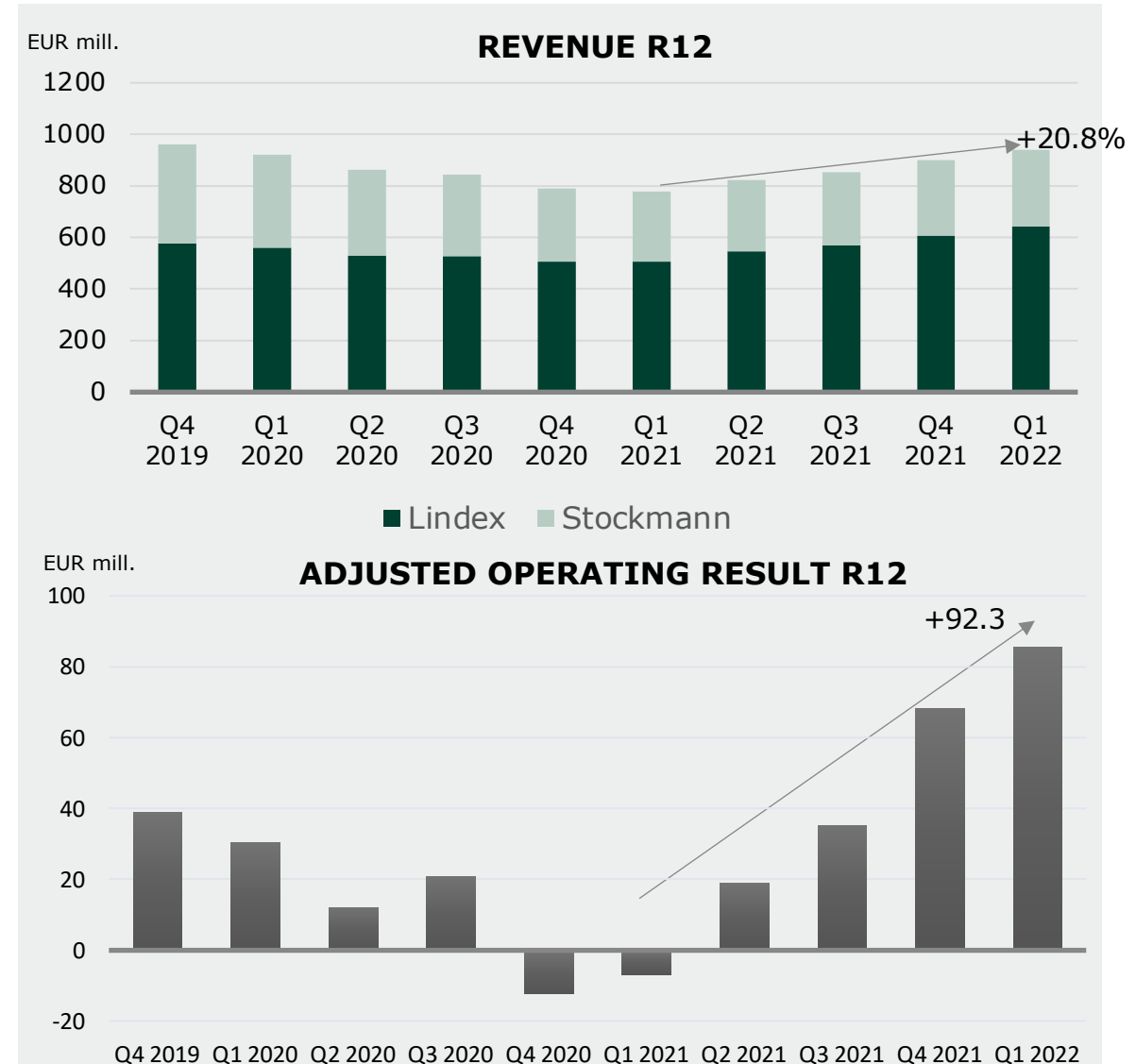
- **Revenue** EUR 196.1 million (155.7)
 - Up 27.1% in comparable currency rates
 - Down -5.4% vs 2019 (before pandemic)
- **Gross margin** 57.8% (56.3)
- **Operating costs** EUR 93.1 million (91.6)
- **Operating result** EUR 9.8 million (-27.6)
- **Adjusted operating result** EUR -3.7 million (-21.1)
 - Excl. selling Riga real estate and restructuring costs
 - Improvement with EUR 17.4 million vs Q1 2021





STOCKMANN GROUP, R12 FINANCIAL PERFORMANCE

- **Revenue** EUR 939.5 million (778.0)
 - Up 20.8% vs R12 March 2021
 - Down -2.2% vs R12 Dec 2019 (before pandemic)
- **Adjusted operating result** EUR 85.6 million (-6.7)
 - Excl. selling Tallinn & Riga real estate and restructuring costs
 - EUR +92.3 million vs R12 Q1 2021 (+45.8 vs 2019)





STOCKMANN GROUP PER DIVISION

ADJUSTED OPERATING RESULT R12

EUR mill.

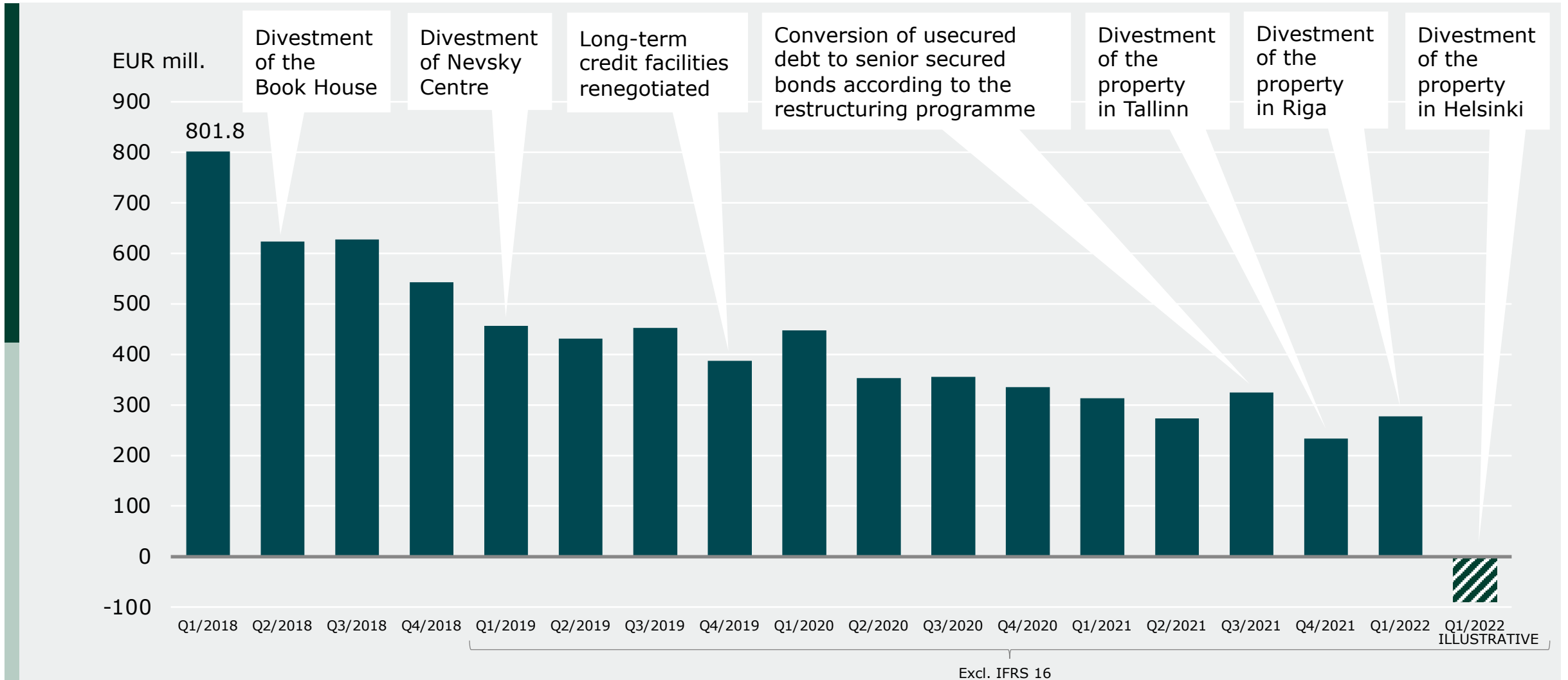
■ Lindex ■ Stockmann



Q4 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020 Q1 2021 Q2 2021 Q3 2021 Q4 2021 Q1 2022



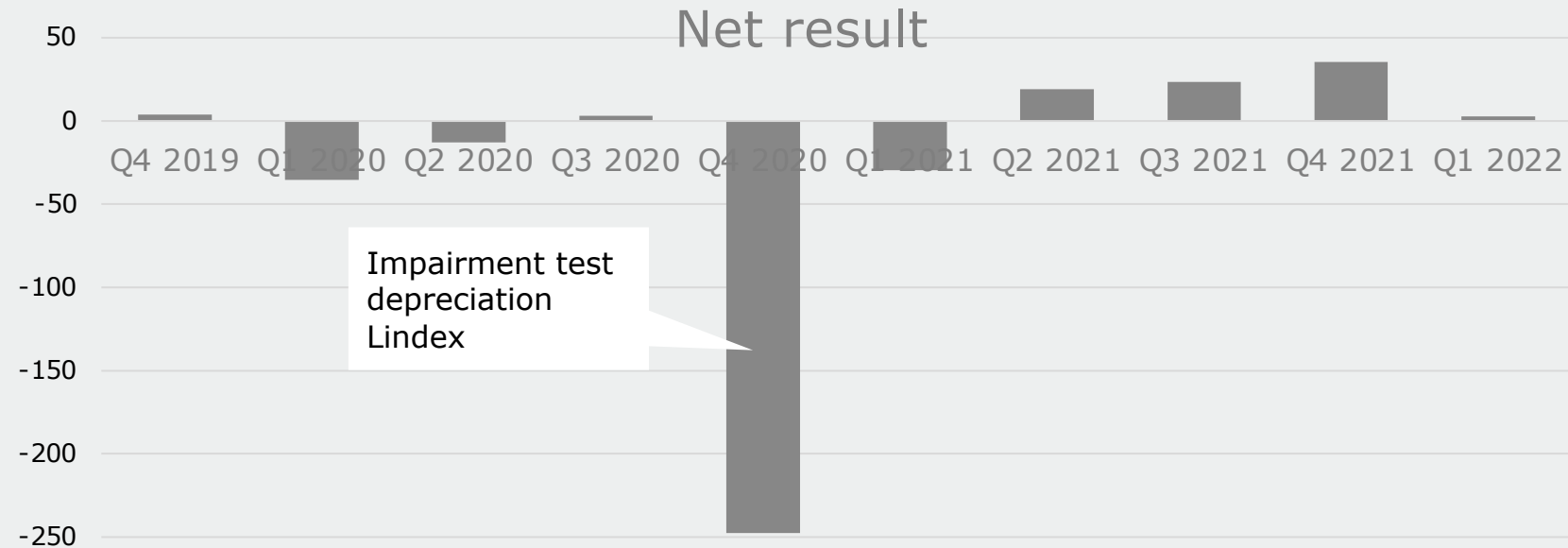
STOCKMANN GROUP, INTEREST-BEARING NET DEBT





KEY FIGURES

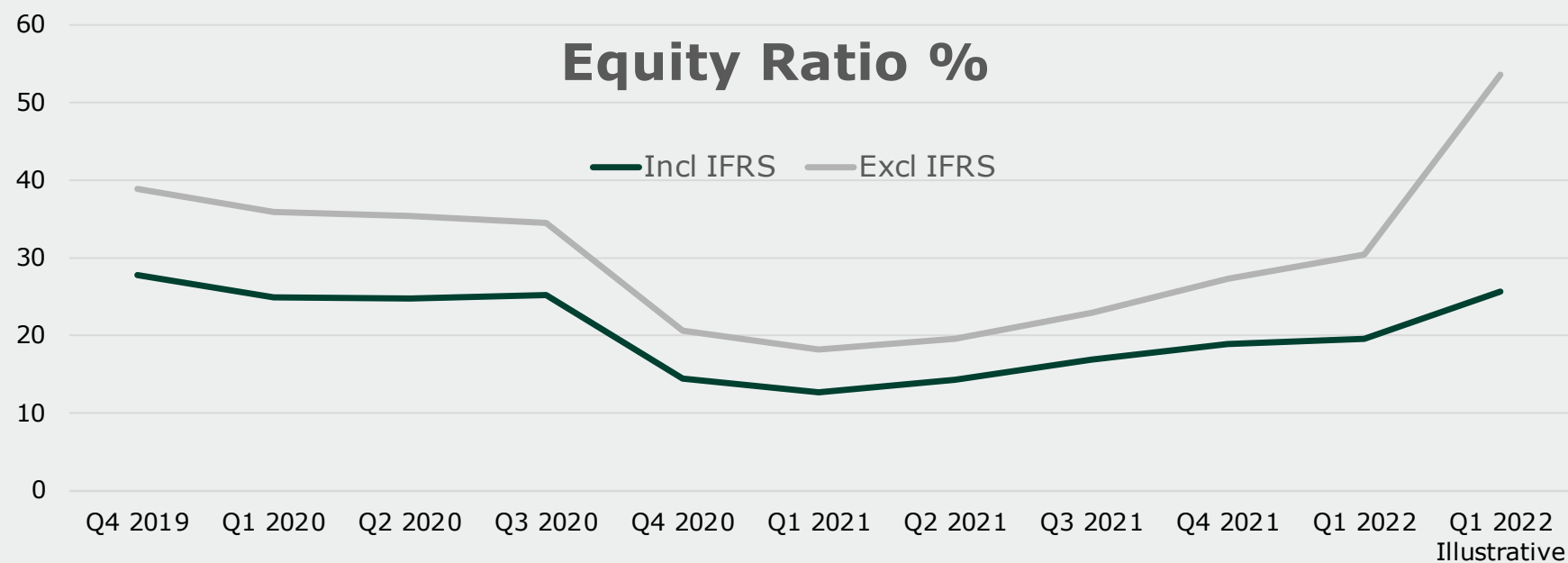
		1-3/2022	1-3/2021	1-12/2021	Rolling 12 months 31.3.2022	Rolling 12 months 31.3.2021
Adjusted operating result	EUR mill.	-3.7	-21.1	68.3	85.6	-6.7
Operating result	EUR mill.	9.8	-27.6	82.1	119.4	-269.5
Net financial items	EUR mill.	-5.4	-5.7	-16.9	-16.6	-18.9
Net result for the period	EUR mill.	2.8	-29.4	47.9	80.1	-286.1
Earnings per share	EUR	0.02	-0.39	0.42		
Cash flow from operating activities	EUR mill.	-57.8	-17.1	150.4	109.7	114.5





KEY FIGURES

		Illustrative 31.3.2022	31.3.2022	31.3.2021	31.12.2021
Cash and cash equivalents	EUR mill.	155.4	130.8	115.4	213.7
Inventories	EUR mill.	178.8	178.8	160.4	154.8
Equity ratio	%	25.7	19.6	12.7	18.9
- Excluding IFRS 16		53.6	30.4	18.2	27.3
Equity	EUR mill	329.2	268.2	171.2	268.2
Lease liabilities	EUR mill.	568.8	376.3	336.5	337.2
Balance sheet total	EUR mill.	1 283.3	1 371.8	1 355.2	1 416.5





LEASE LIABILITY ILLUSTRATIVE AFTER SALE-AND-LEASEBACK OF THE PROPERTY IN HELSINKI CITY CENTRE

Stores	Number of stores	Average lease period left	Lease liability
Stockmann Helsinki city centre	1	20.0	192.5
Stockmann other premises	7	7.7	96.5
Stockmann other leases			5.6
Lindex stores	408	1.7	274.2
Total	416		568.8



GUIDANCE AND OUTLOOK FOR 2022

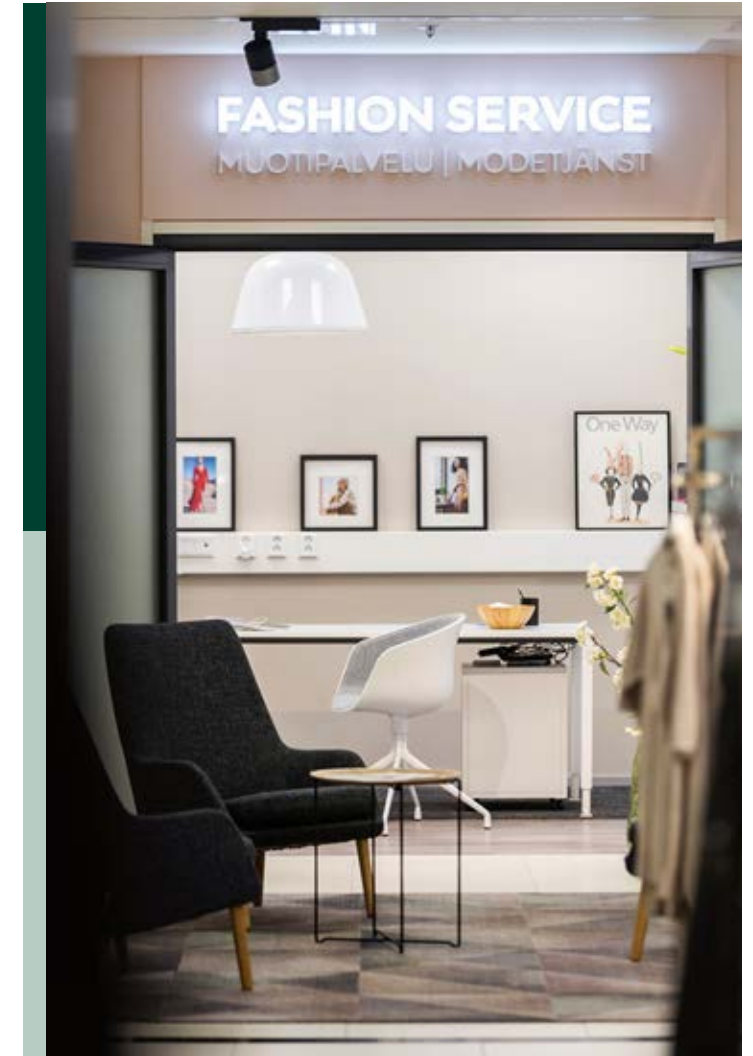
- **Guidance for 2022:**

Stockmann expects an increase in the Group's revenue and that the adjusted operating result will be clearly positive. Geopolitical instability in the world with high inflation and challenges in the supply chains and international logistics as well as the challenges of COVID-19 restrictions require that both divisions have to be adaptive and flexible to meet the future.

- **Market outlook for 2022:**

Uncertainty in the global economy is expected to persist throughout 2022. The geopolitical instability will affect the supply chains and international logistics and the COVID-19 pandemic will continue to have an impact on the economy across the world until the coronavirus situation is under better control. Additionally the accelerating inflation has an impact on households and consumption and will also lead to increased operating costs. The retail market is expected to remain challenging due to changes in consumer behaviour and confidence.

The Stockmann division will continue to execute the restructuring programme and Lindex to explore new growth opportunities.





Q&A

Further information
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