



INTERIM MANAGEMENT STATEMENT Q3 2022

Jari Latvanen, CEO

Stockmann Group | 28 October 2022

STOCKMANN



STOCKMANN GROUP IN Q3 2022 (Q3/2021)

ROBUST REVENUE GROWTH FOR THE STOCKMANN GROUP AND STOCKMANN DIVISION'S ADJUSTED OPERATING RESULT REACHED BREAK EVEN

Group's revenue, EUR million

244.0 (237.8)

Group's adjusted operating result, EUR million

22.0 (32.9)

Group's operating result, EUR million

6.0 (32.7)

Cash, EUR million

140.2 (169.8)

- **Stockmann Group**

- Revenue 244.0 MEUR, +2.6% and in local currencies +4.2%
- Adj. operating result decreased by 10.9 MEUR to 22.0 MEUR
- Rolling 12 months revenue +15.6% to 986.7 MEUR
- Adj. rolling 12 months operating result up by 47.9 MEUR to 83.3 MEUR

- **Lindex**

- Revenue -1.2% to 166.9 MEUR, in local currencies +1.1%
- Adj. operating result down by 8.7 MEUR to 22.5 MEUR (31.2)
- Adj. rolling 12 months operating result up by 20.5 MEUR to 91.3 MEUR

- **Stockmann**

- Revenue +11.9% to 77.1 MEUR
- Adj. operating result up by 0.2 MEUR to 0.0 MEUR
- Adj. rolling 12 months operating up by 31.3 MEUR to -2.4 million MEUR



STOCKMANN
DIVISION

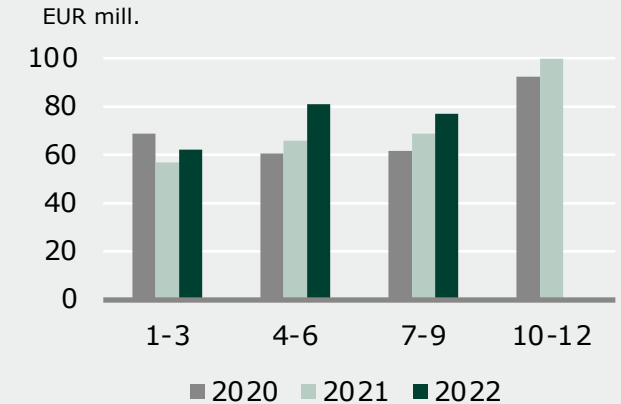


STOCKMANN DIVISION, PERFORMANCE IN Q3 2022 (Q3/2021)

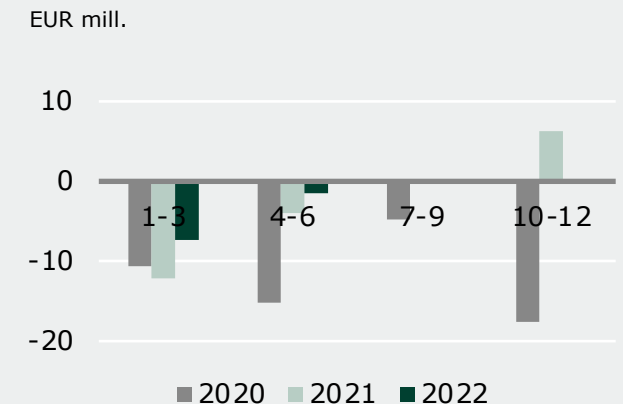
SALES INCREASED AND ADJUSTED OPERATING RESULT IMPROVED

- **Revenue** +11,9% to 77.1 MEUR (68.9)
 - Brick-and-mortar stores +11.8% due to higher numbers of visitors and customer's increased average purchase
 - Share of online sales was 8.1% (2021, 8.0%, 2019, 2.7%)
- **Gross margin** increased to 46.3% (46.0)
- **Operating costs** 45.6 MEUR (28.0) up by 17.6 MEUR
- **Adj. operating result** 0.2 MEUR (0.0, 2021; -4.1, 2019)
- **Operating result** -15.8 MEUR (0.0, 2021; -4.2, 2019)
- **Rolling 12 months sales** 319.9 MEUR (284.3, 2021; 384.7, 2019)
- **Rolling 12 months adj. result** -2.4 MEUR (-33.7, 2021; 2.9, 2019)

QUARTERLY REVENUE



QUARTERLY OPERATING RESULT Adjusted





STOCKMANN DIVISION, HIGHLIGHTS IN Q3 2022

ACTIONS THAT IMPROVED VISITOR NUMBERS AND GREW SALES

- School start and autumn newness campaigns – new brands
- Customer evenings and events, for example Chanel 1 launch
- 160 years exclusive collaborations, for example Minna Parikka
- Male customer enhanced focus
- MyStockmann Loyalty in Baltics markets
- Wolt delivery service extended to new cities





STOCKMANN DIVISION, WAY FORWARD

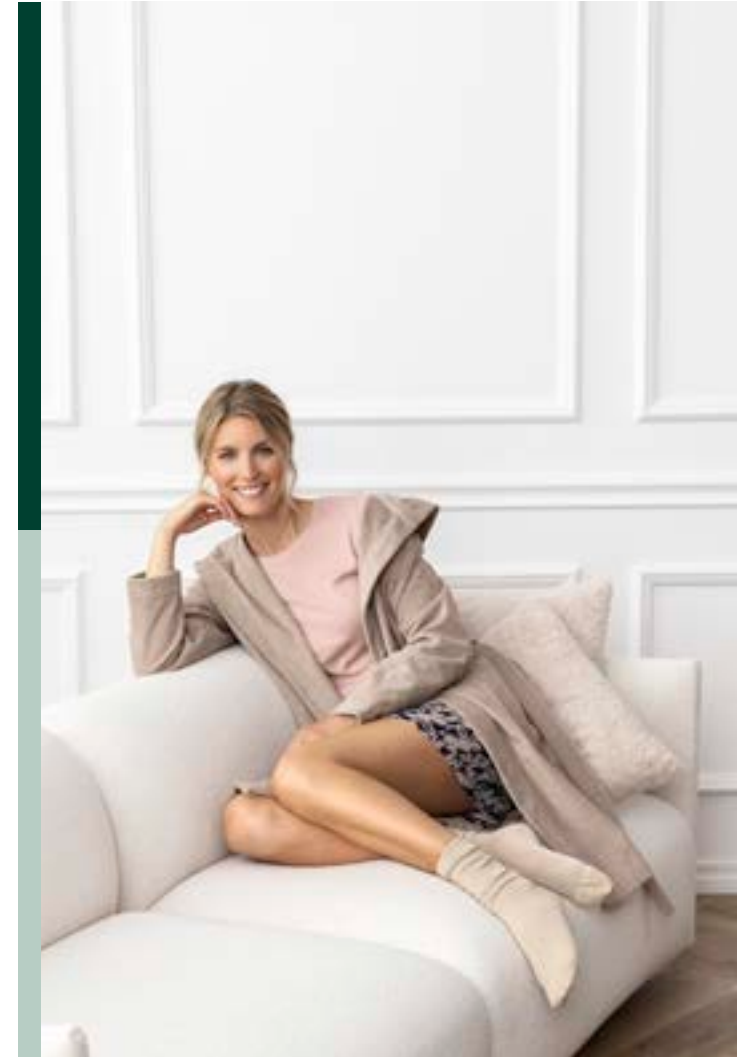
CONTINUE TO FOCUS IN CUSTOMER CENTRICITY AND SUSTAINABILITY

Execution of customer centric strategy continues:

- Investments to improve customer experience in online store and on omnichannel customer journeys
- Further development of one MyStockmann loyalty program in Finland and Baltics
- Helsinki Flagship upgrade continues, Turku department store renovation and Itäkeskus departmentstore concept changes, Tampere Relove and Kids toystore opening
- 160 celebrations culminating in events & exclusive collaborations in Q4
- Magical Christmas ideas, products & services

Systematic sustainability work - to reduce our CO2 footprint

- Mapping Group level CO2 footprint enabling to set Science Based Targets
- To save the Baltic Sea continues with John Nurminen foundation
- Stockmann enhances circularity in its business operations by attending to national Circular Design program





LINDEX

Susanne Ehnbage
Lindex CEO

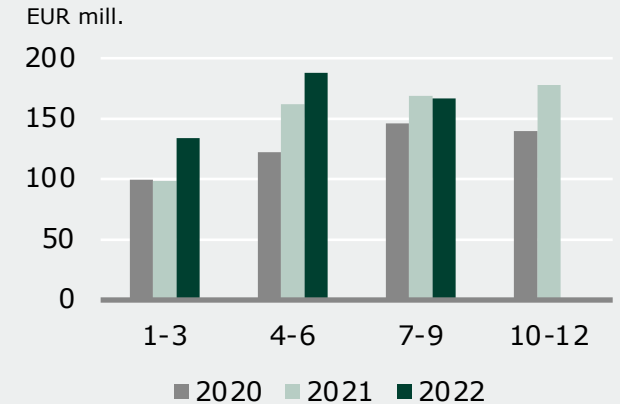


LINDEX DIVISION, PERFORMANCE IN Q3 2022 (Q3/2021)

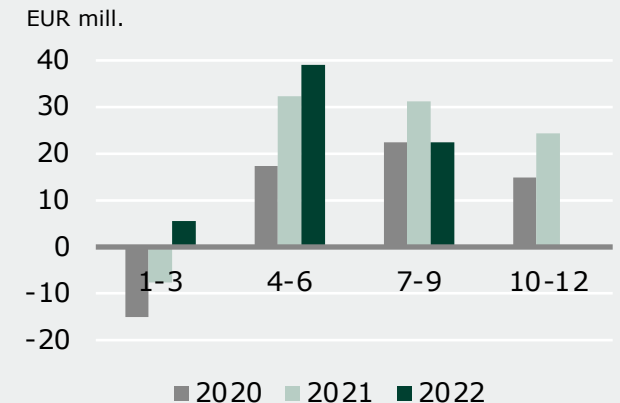
LINDEX SALES INCREASED IN LOCAL CURRENCIES

- **Revenue** 166.9 MEUR (168.9)
 - Revenue -1.2% or up +1.1% in local currencies (2019, 13.8%)
 - Sales in brick-and-mortar stores +0.7% (2019, 0.1%)
 - Online sales +0.4% (2019, 219%)
 - Share of digital sales 17.8% (2021, 17.9%; 2019, 6.4%)
- **Gross margin** decreased to 61.7% (65.0%)
- **Operating costs** increased to 61.1 MEUR (59.4)
- **Adj. operating result** 22.5 MEUR (31.2, 2021; 13.4, 2019)
- **Operating result** 22.9 MEUR (31.2, 2021; 13.4, 2019)
- **Rolling 12 months sales** 666.7 MEUR (569.2, 2021; 575.8 2019)
- **Rolling 12 months adj. result** 91.3 MEUR (70.9, 2021; 40.9, 2019)
- **CAPEX** 28.5 MEUR (1.9) – start-up of building new omnichannel warehouse, planned to be ready in 2024

QUARTERLY REVENUE



QUARTERLY OPERATING RESULT Adjusted





LINDEX DIVISION, HIGHLIGHTS IN Q3 2022

SALES INCREASED IN ALL CHANNELS

- 775 000 new customers during first nine month
- Increasing to 5,4 million registered customers
- Big launch of our femtech brand Female Engineering
- Taking further steps in our circular transformation
- Brand building kids' campaign – 'The art of comfort'





LINDEX DIVISION, WAY FORWARD

CONTINUE GROWING AND STAND STRONG

- Continue to be adaptive, flexible and fast to meet the uncertain future
- Ambitious long-term targets to reach
 - Significant growth
 - High profitability
 - Reduce CO² emissions
- Continue our investments for global, digital and sustainable growth
- Supporting the important Pink Ribbon campaign for cancer research since 2003 - donated 17.7 MEUR since start



A woman with long, thin braids stands barefoot on a large, grey rock in the foreground. She is wearing a dark blue long-sleeved top under a long, flowing brown dress. The background features a calm body of water, a rocky shoreline with green trees on the right, and a bright blue sky with large, white, fluffy clouds on the left.

STOCKMANN GROUP

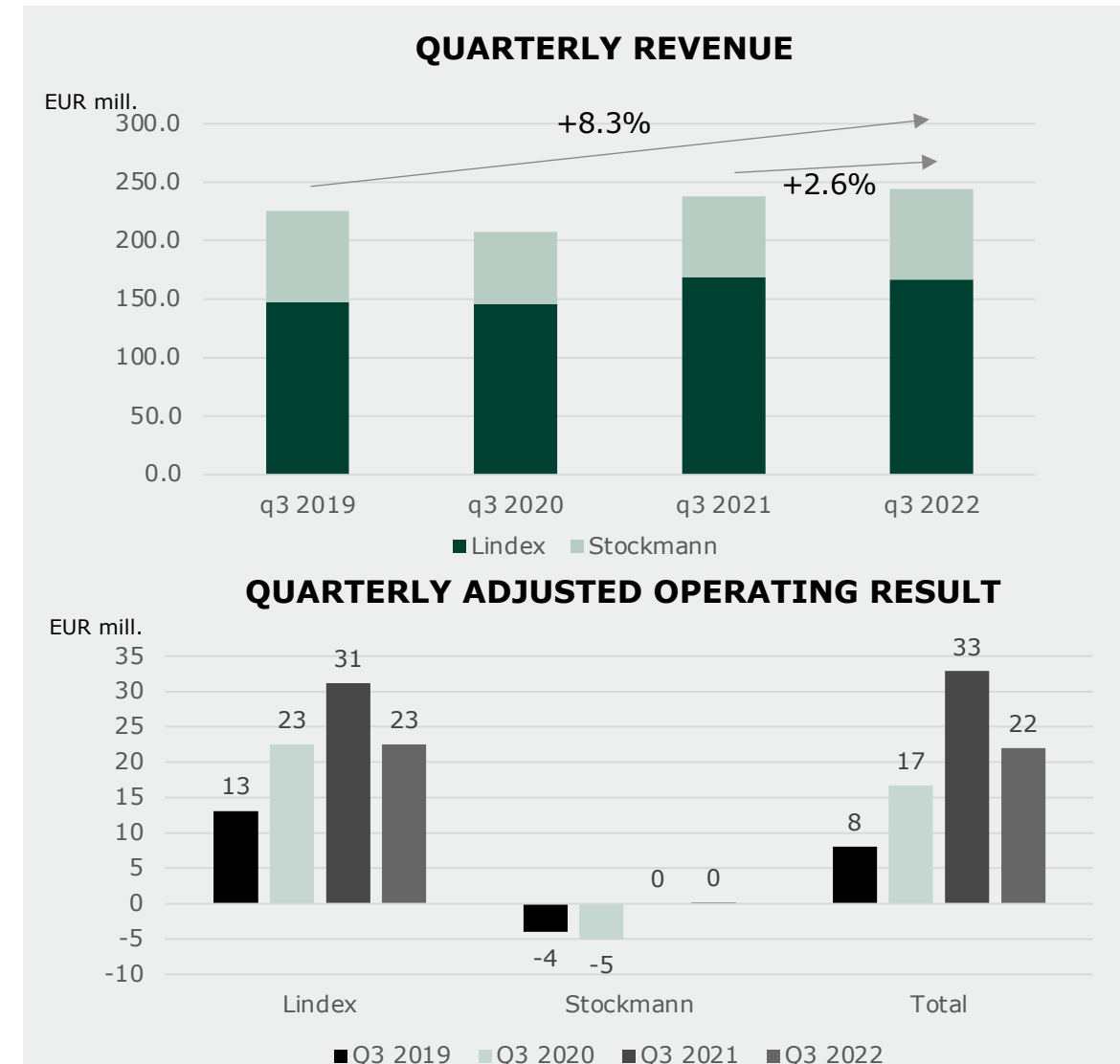
Annelie Forsberg
CFO



STOCKMANN GROUP IN Q3 2022 (Q3/2021), FINANCIAL PERFORMANCE

SALES IMPROVED – HIGHER VISITOR NUMBERS AND INCREASED AVERAGE PURCHASE

- **Revenue** 244.0 MEUR (237.8)
 - + 2.6% vs 2021 and in local currencies +4.2%
 - + 8.3% vs 2019 (before pandemic)
- **Gross margin** 56.8% (59.5)
- **Gross profit** 138.7 MEUR (141.5) MEUR
- **Operating costs** 107.1 MEUR (86.3)
- **Adj. operating result** 22.0 MEUR (32.9)
 - Decreased by 10.9 MEUR vs Q3 2021
 - Increased by 14.3 MEUR vs Q3 2019
- **Operating result** 6.0 MEUR (32.7)

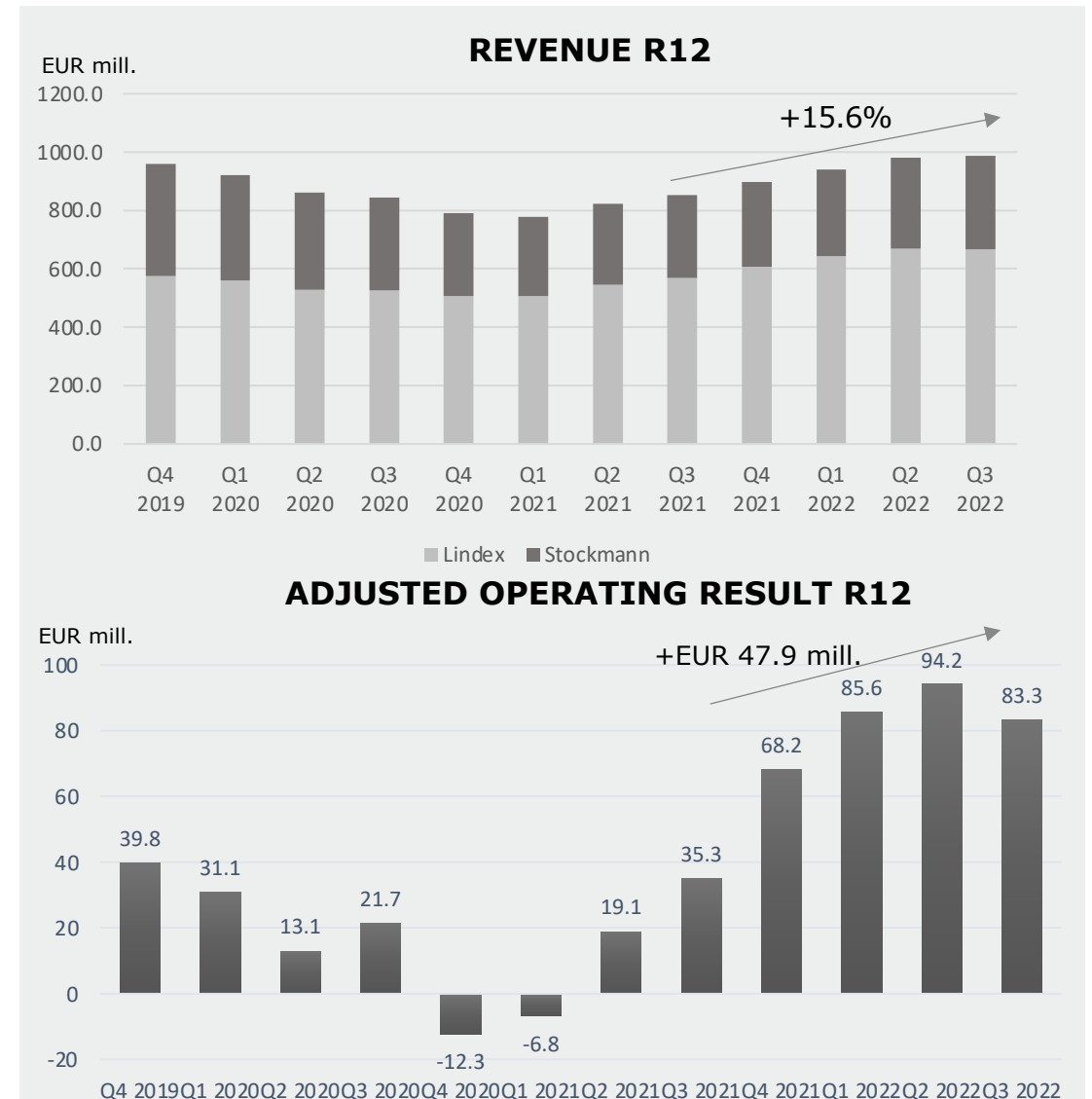




STOCKMANN GROUP, R12 FINANCIAL PERFORMANCE

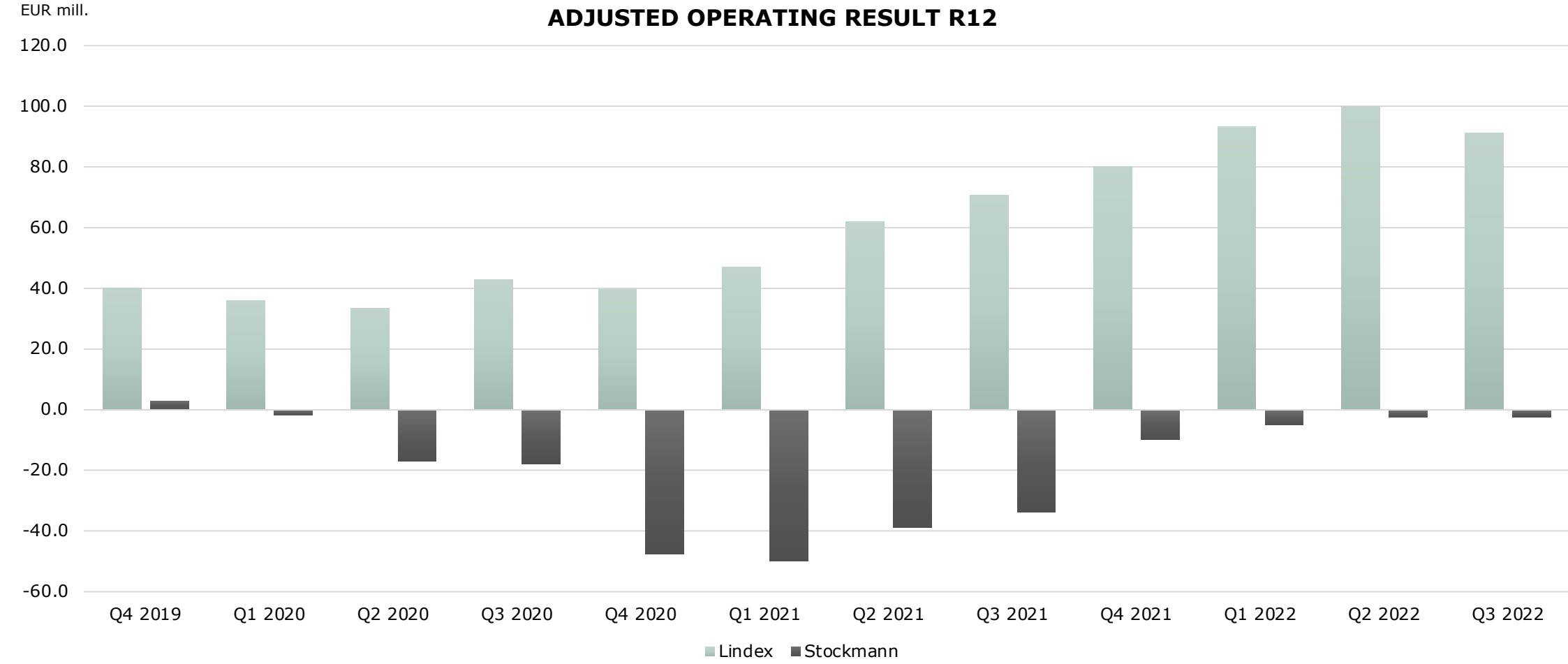
REVENUE AND ADJ. OPERATING RESULT REACHING NEW LEVELS

- **Revenue** 986.7 MEUR (853.5)
 - + 15.6% vs R12 September 2021
 - + 2.7 % vs R12 Dec 2019 (before pandemic)
- **Adjusted operating result** 83.3 MEUR (35.3)
 - Excluding capital gain real estates and restructuring costs
 - +47.9 MEUR vs R12 Q3 2021 (+43.5 vs 2019)





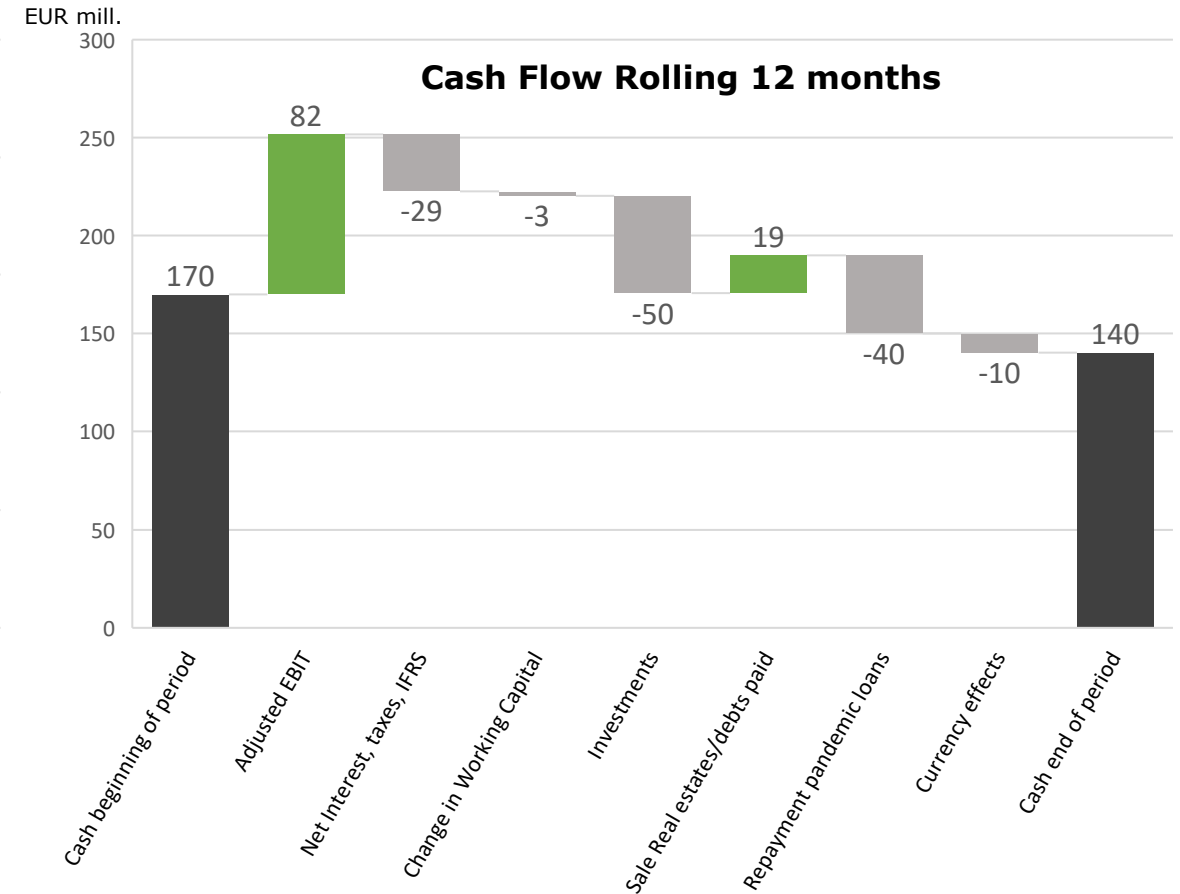
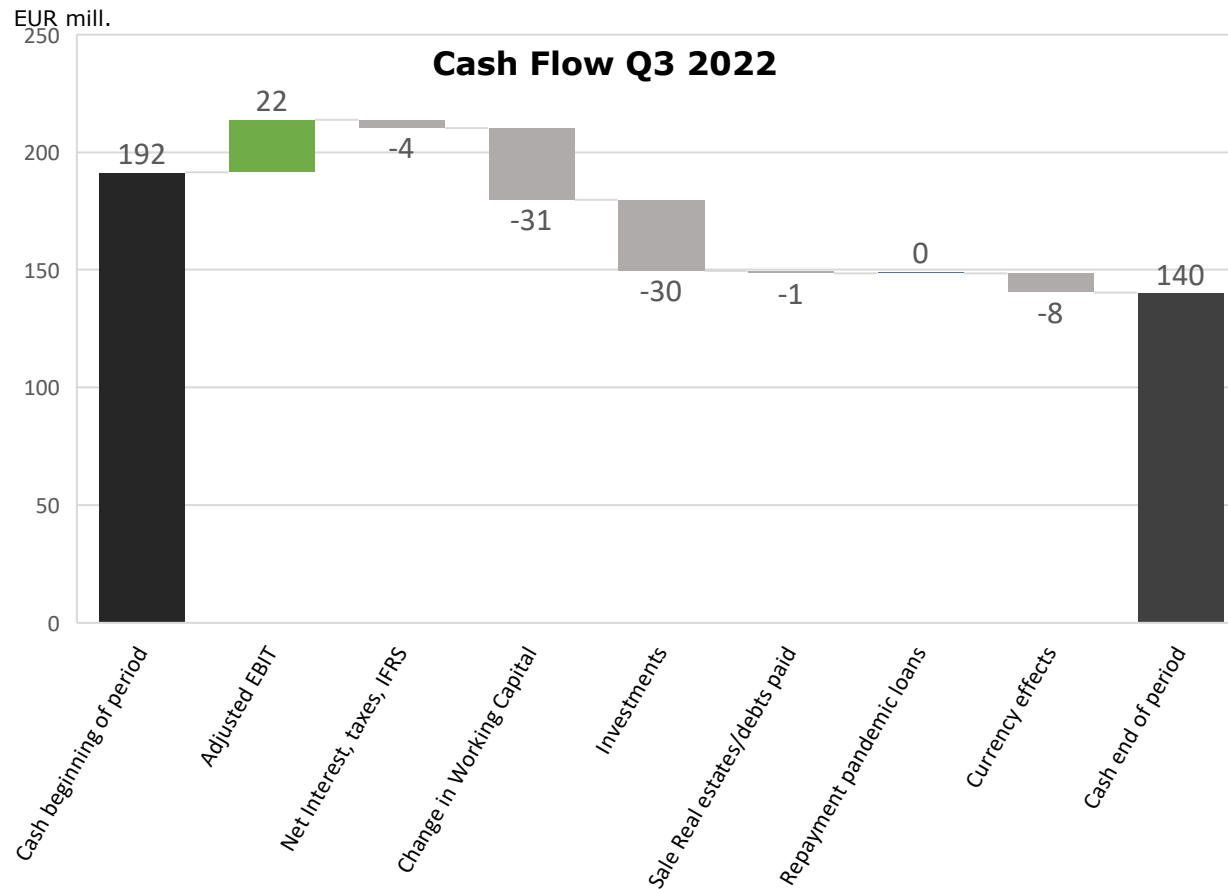
LINDEX PROFITABILITY REMAINS ON HIGH LEVEL AND STOCKMANN DIVISION IMPROVES STEADILY





STOCKMANN GROUP

CASH FLOW FROM OPERATIONS CONTINUES ON GOOD LEVEL

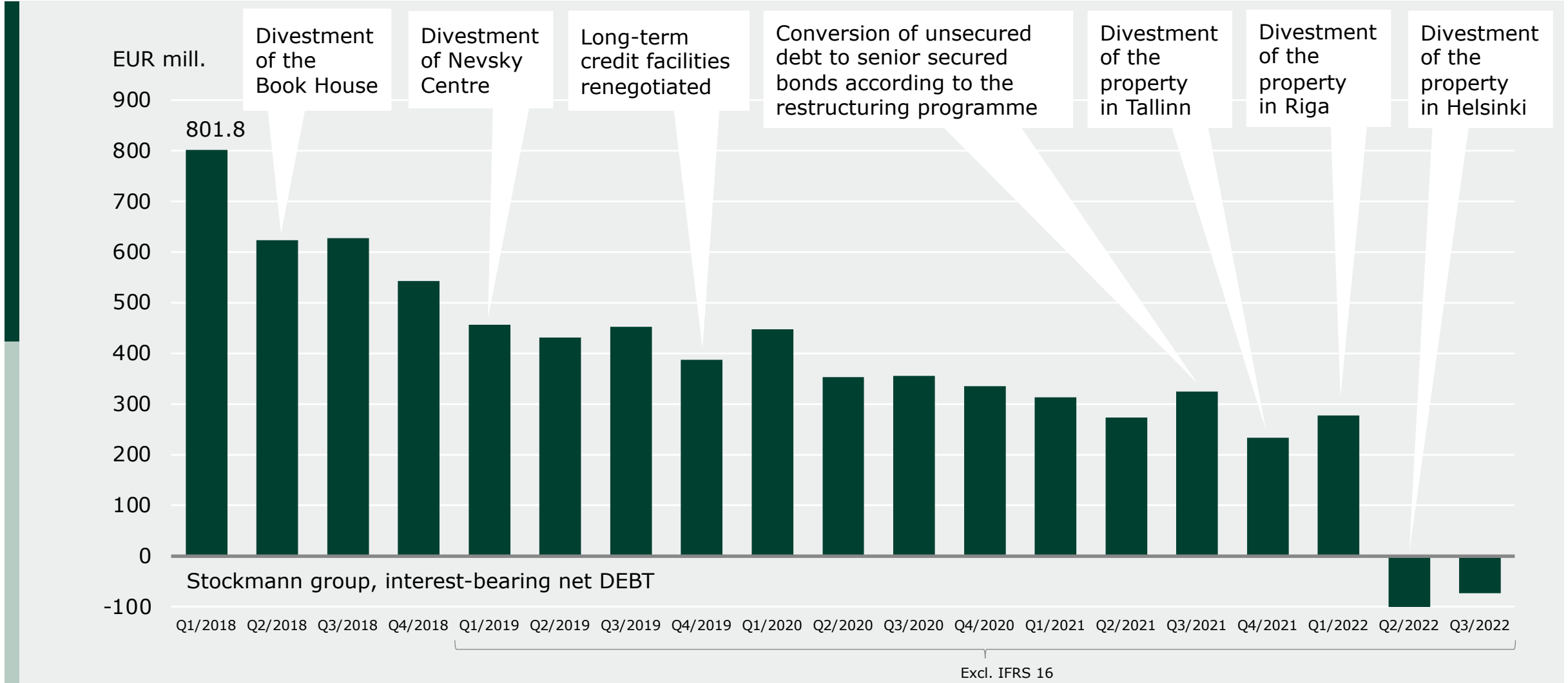


- Higher working capital due to seasonality and leadtimes - although in line with Rolling 12 months
- Lindex Omnichannel distributions center CAPEX of 24,4 MEUR Q3 2022
 - CAPEX going forward 2022: 10 MEUR, 2023: 52 MEUR, 2024 MEUR: 14 MEUR, 2025: 8 MEUR



STOCKMANN GROUP, INTEREST-BEARING DEBT EXCL IFRS16 LEASES

EXCEPT BOND 67.5 MEUR THE GROUP IS DEBT FREE





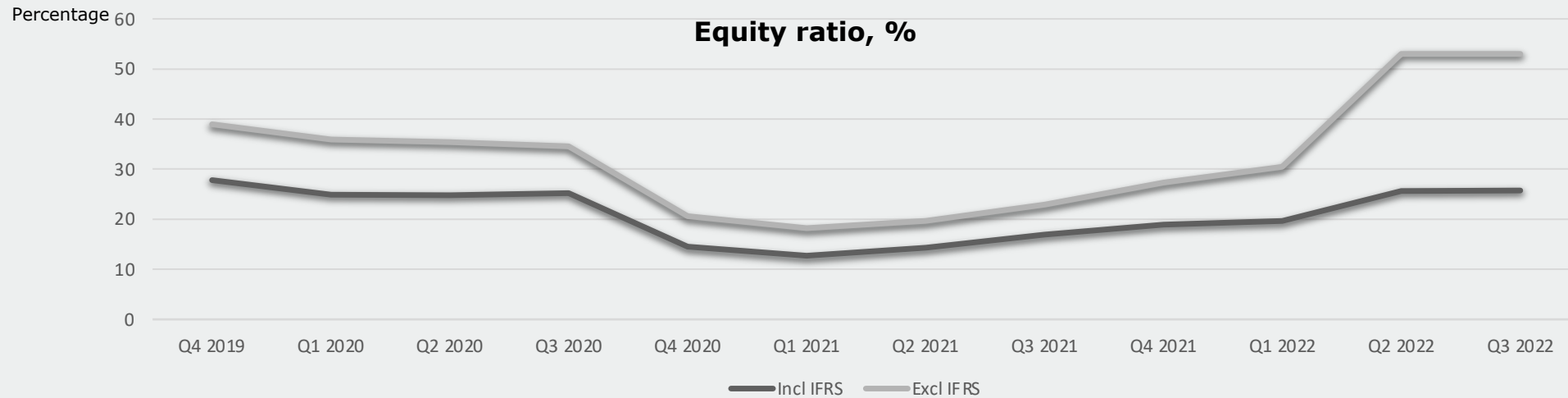
LEASE LIABILITIES AFTER SALE-AND-LEASEBACK

Stores	Number of stores	Average lease period left	Lease liability
Stockmann Helsinki city centre	1	19.5	189.7
Stockmann other premises	7	7.5	91.8
Stockmann other leases			6.3
Lindex stores	404	1.8	271.4
Total	412		559.1



STOCKMANN GROUP, BALANCE SHEET ITEMS

THE GROUP SHOWS A STRONG EQUITY RATIO AND CASH POSITION

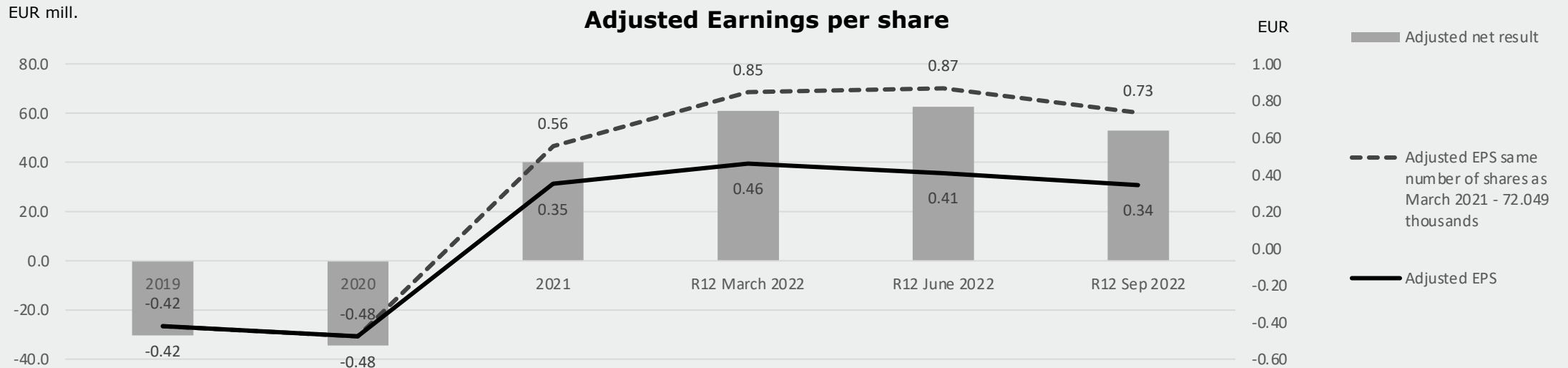


		30.9.2022	30.9.2021	31.12.2021
Cash and cash equivalents	EUR mill.	140.2	169.8	213.7
Inventories	EUR mill.	196.3	167.6	154.8
Equity	EUR mill.	327.8	235.2	268.2
Lease liabilities	EUR mill.	559.1	321.8	337.2
Balance sheet total	EUR mill.	1 281.3	1 407.5	1 416.5
Equity ratio	%	25.7	16.9	18.9
- Excluding IFRS 16		53.0	22.9	27.3



STOCKMANN GROUP, EARNINGS PER SHARE

ADJ. EARNINGS PER SHARE STABLE - DESPITE MORE SHARES



		1-9/2022	1-9/2021	1-12/2021	Rolling 12 months 30.9.2022
Adj. operating result	EUR mill.	53.7	38.6	68.3	83.3
Operating result	EUR mill.	130.3	31.5	82.1	180.9
Adj. net result for the period	EUR mill.	31.3	18.4	40.0	52.9
Net result for the period	EUR mill.	84.1	12.6	47.9	119.3
Average number of shares	Thousands	154,956	100,384	114,009	154,241
Adj. earnings per share	EUR	0.20	0.18	0.35	0.34
Earnings per share	EUR	0.54	0.13	0.42	0.77



GUIDANCE AND OUTLOOK FOR 2022

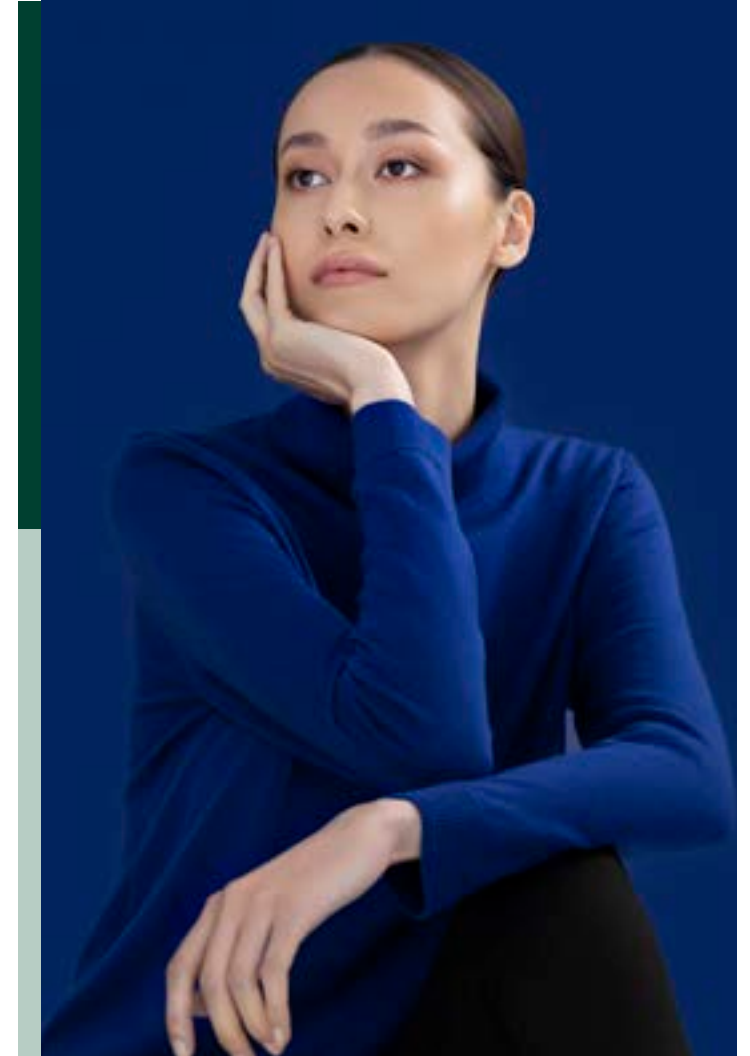
- **Guidance for 2022 (unchanged):**

Stockmann expects an increase in the Group's revenue and that the adjusted operating result improves compared to previous year. Guidance is based on the assumption that there will be no major changes in consumer spending during the latter part of the year. 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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