



# FINANCIAL STATEMENTS 2021

Jari Latvanen, CEO  
Stockmann Group | 25 February 2022



**STOCKMANN**



# STOCKMANN GROUP FULL-YEAR 2021 THE YEAR OF A STRONG TURNAROUND

**Group's gross margin**

**58.6%**

(56.1)

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

**68.3**

(-12.3)

**Cash, EUR million**

**213.7**

(153.2)

- **Stockmann Group**

- Revenue EUR 899.0 million, up by 11.2% in comparable currency rates
- Gross margin increased
- The cash flow was strong, and the cash amounted to EUR 213.7 million

- **Lindex**

- Revenue up by 19.8% to EUR 607.4 million, growth in the online sales was 47.0%
- Operating costs up by EUR 46.6 million due to increased sales
- Operating result EUR 74.6 million, which is almost the double compared to 2020
- Adjusted operating result was EUR 80.3 million, which is Lindex best result ever

- **Stockmann**

- Revenue up by 2.8% to EUR 291.6 million
- The brick-and-mortar increased by 3.8% while the online store decreased by 2.2%
- Operating costs down by EUR 8.9 million
- Operating result increased by EUR 59.8 million to EUR 11.6 million
- Adjusted operating result increased by EUR 38.3 million to EUR -9.9 million



# STOCKMANN GROUP IN Q4 2021

**Group's gross margin**

**57.7%**

(58.0)

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

**29.6**

(-3.3)

- **Stockmann Group**

- Revenue EUR 277.5 million, up by 17.2% in comparable currency rates
- Gross margin declined slightly
- Adjusted operating result increased clearly in both Lindex and Stockmann

- **Lindex**

- Revenue up by 27.4% to EUR 177.8 million, growth in the online sales was 12.0%
- Sales increased in all markets and business areas
- Operating costs increased by EUR 18.2 million
- Operating result improved by EUR 9.1 million to EUR 24.0 million

- **Stockmann**

- Revenue up by 7.9% to EUR 99.7 million
- Sales in the brick-and-mortar stores grew by 14.5% due to higher visitor volumes
- Operating costs decreased by EUR 13.7 million
- Adjusted operating result improved by EUR 23.8 million and was EUR 6.3 million



STOCKMANN  
DIVISION



# STOCKMANN DIVISION IN 2021

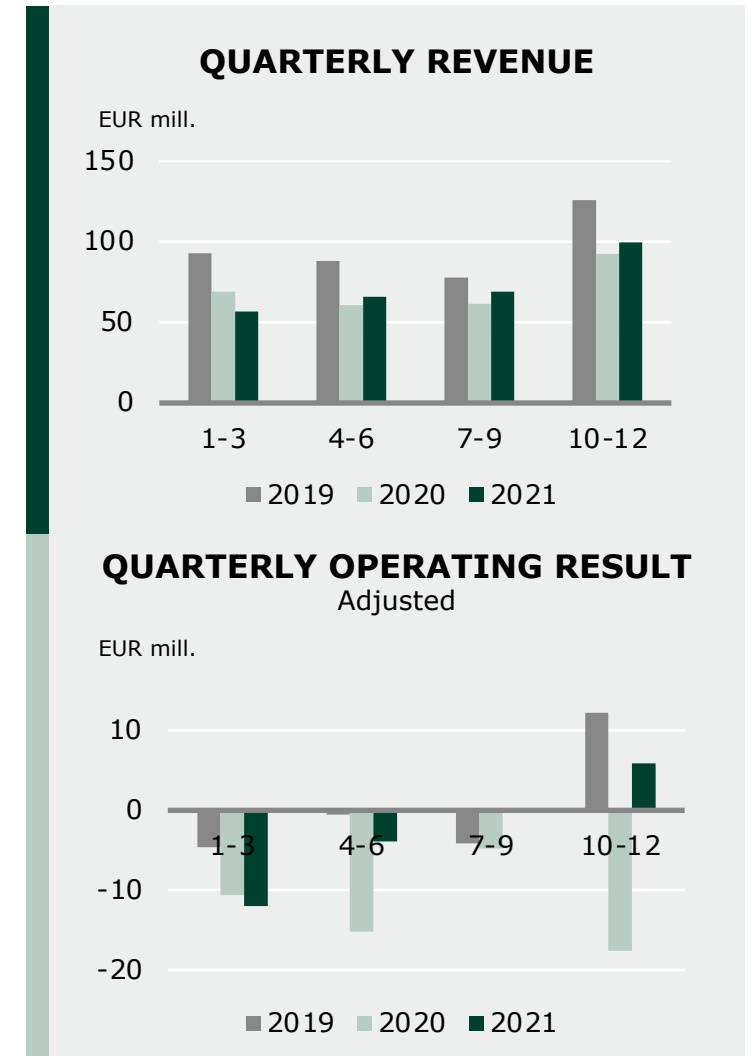
- **Revenue** increased by 2.8%
  - Revenue in Finland increased by 3.0%
  - Revenue in the Baltics increased by 2.3%
- Sales in the **brick-and mortar stores** increased by 3.8% due to higher visitor volumes and larger customer average purchases
- **Online store** accounted for 15.9% of total sales (2020 16.8%, 2019 6.6%)
- **Adjusted operating result** increased by 79.4% and amounted to EUR -9.9 million (-48.2)
- Materiality assessment for **CSR strategy renewal** and commitment to **SBTi initiative**





# STOCKMANN DIVISION, PERFORMANCE IN Q4 2021

- **Revenue** EUR 99.7 million (92.4)
  - Revenue was up by 7.9% (down by 20.8% compared to 2019)
  - Sales in the brick-and-mortar stores grew due to higher visitor volumes and customer's larger average purchase
  - Share of online sales was 16.7% for the quarter (2020 21.5%, 2019 8.0%)
- **Gross margin** minor decline to 45.3% (45.7)
  - The gross margin decreased compared to last year due to a different clearance mechanism
- **Operating costs** EUR 36.6 million (50.3) down by EUR 13.7 million
- **Operating result** EUR 27.8 million (-17.6)
- **Adjusted operating result** EUR 6.3 million (-17.6)
  - A positive quarterly result for the second time in a row
- **Sale and leaseback** of the properties in Tallinn and Riga







# STOCKMANN DIVISION'S WAY FORWARD

- **Enhanced operations** to improve profitability
  - Stockmann will continue to execute the restructuring programme
  - Operating model renewal to ensure customer satisfaction and increase cost efficiency
  - Renewed commercial process
  - Seamless omnichannel development
- **MyStockmann** loyalty programme
  - Renewed customer application launched in February 2022
  - Better use of data in customer communications to deliver value to all customer journey stages
- **Investments in digital**
  - [www.stockmann.com](http://www.stockmann.com) and "food.com" in the Baltics
- **Stockmann 160 year celebration**
  - Limited edition offerings
  - Year around events in all stores to highlight Stockmann legacy
  - New brands
- **New CSR strategy** to improve CO2-footprint and **Science Based Targets** to be set within SBTi timeframe





LINDEX

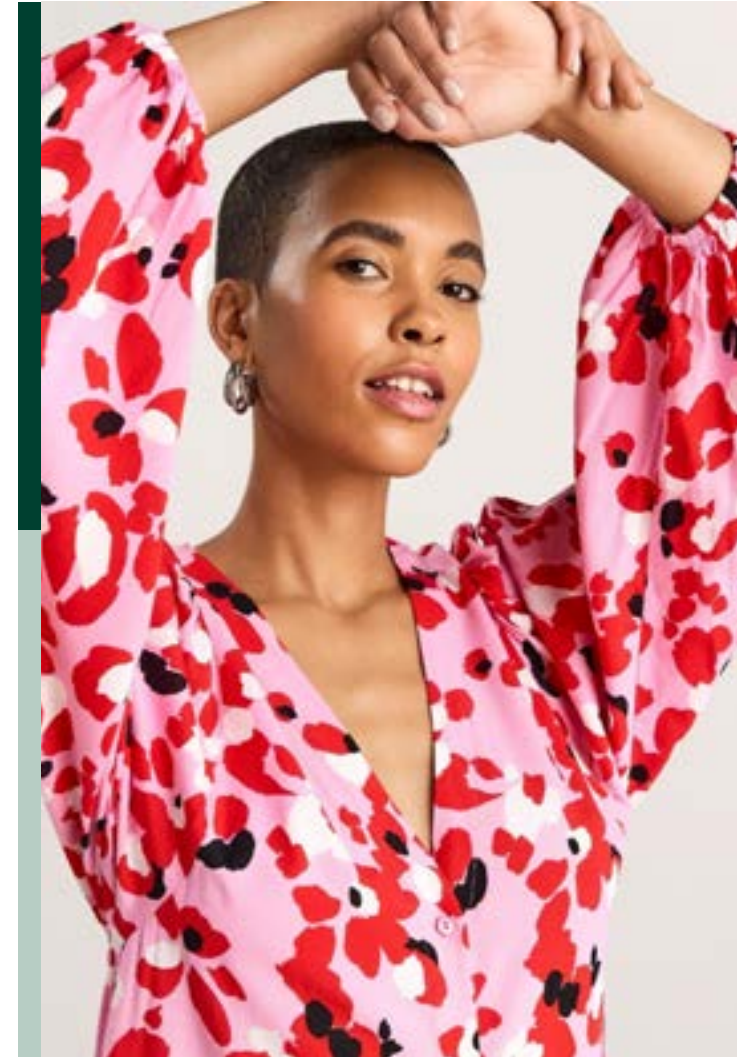
Susanne Ehnbåge  
Lindex CEO





# LINDEX IN 2021

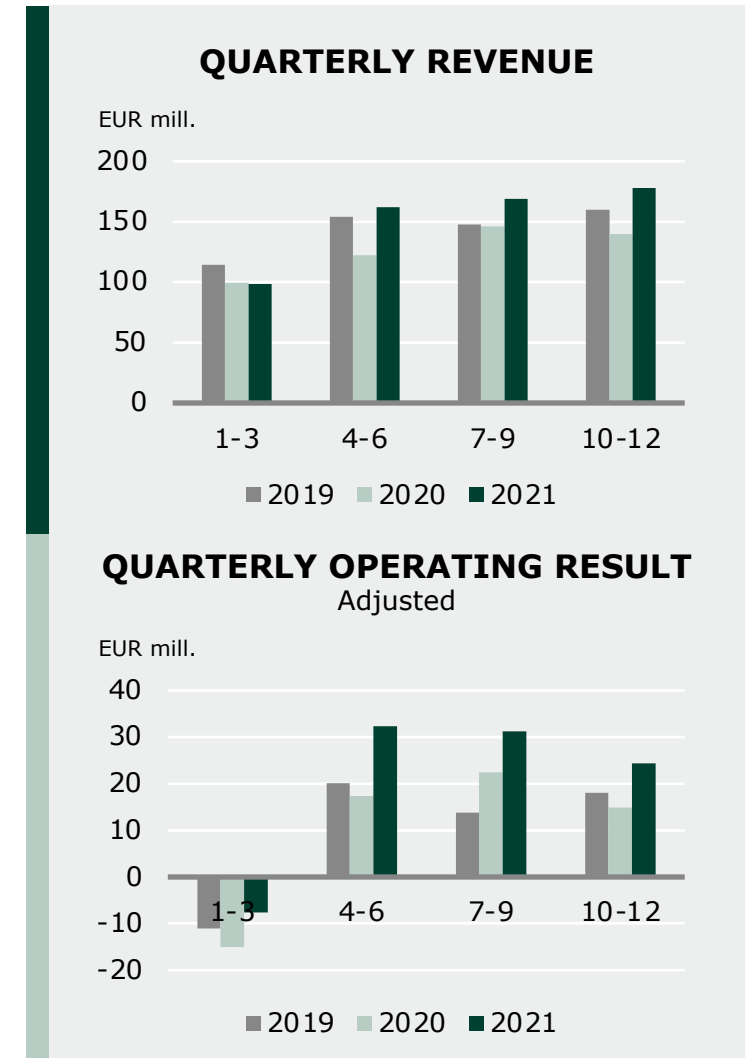
- **Highest total sales ever**
  - Sales increased by 19.8% or up by 16.8% in comparable currency rates (2019 4.1%)
  - Sales increased in all channels and business areas, lingerie increased the most
- **Very strong digital growth**
  - Increased by 47.0% (2019 200%)
  - Online sales was 20.6% of total sales (2020 15.6%, 2019 6.6%)
  - Growing assortment and volumes
- **Exceptional strong full-year result**
  - Operating result increased by 93% and amounted to EUR 74.6 million (38.8)
  - Adjusted operating result is Lindex best ever and amounted to EUR 80.3 million (39.6)
  - Increased gross margin thanks to lower markdowns and high currency effect
- **Important progress** within Lindex **sustainability promise** and **circular transformation**





# LINDEX, FINANCIAL PERFORMANCE IN Q4 2021

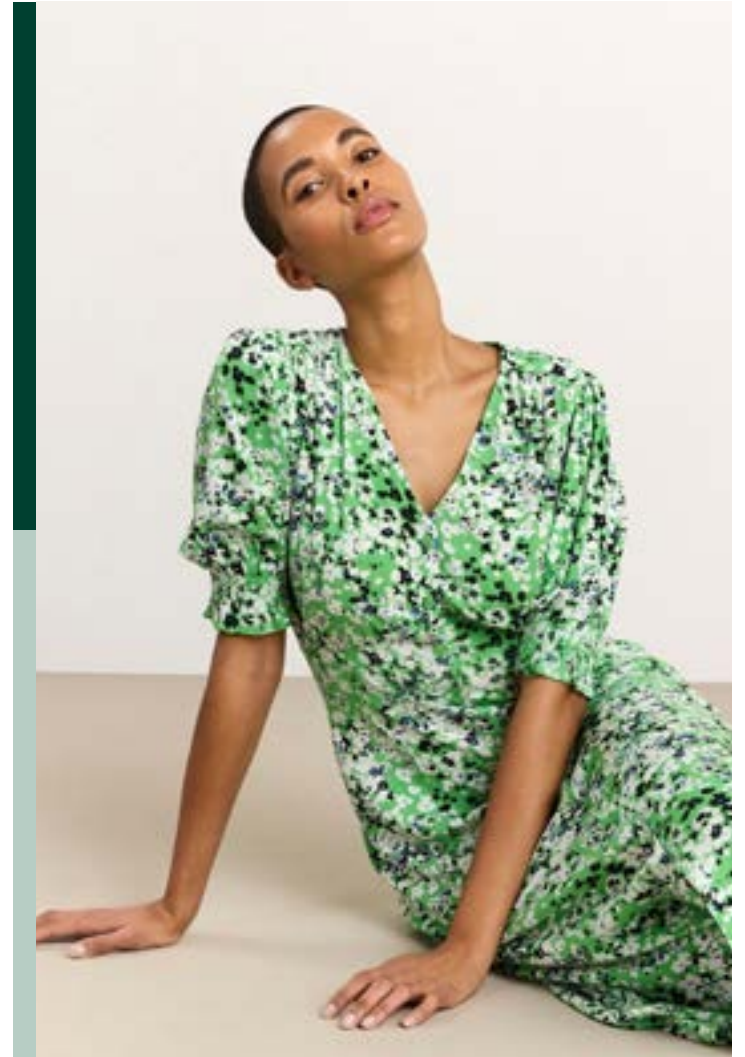
- **Revenue** EUR 177.8 million (139.6)
  - Revenue up by 27.4% or up by 25.5% in comparable currency rates (2019 8.8%)
  - Growth in online sales was 12.0% (2019 174.0%)
  - Share of online sales was 19.8% (2020 21.8%, 2019 7.3%)
  - Increased sales and profitability in all markets, channels and business areas
- **Gross margin** decreased to 64.6% (66.1%)
- **Operating costs** increased by EUR 18.2 million
- **Operating result** EUR 24.0 million (14.9)
- **Adjusted operating result** EUR 24.3 million (14.9)





# LINDEX WAY FORWARD

- **Ambitious long-term targets**
  - Significant growth
  - High profitability
  - Reduce CO<sup>2</sup> emissions in entire value chain with 50 per cent
- Investments for **global, digital** and **sustainable growth**
  - Extensive investments in logistics and digitalisation
  - Reach new and develop existing markets by a digital approach
  - Proceed our sustainability transformation and reach our goals
- Continue developing **new business** and **growth opportunities**
  - New market, Femtech - Female Engineering and startup company Spacerpad





# STOCKMANN GROUP

Pekka Vähähyppä  
CFO



# RESTRUCTURING PROGRAMME EXECUTION PROCEEDS ACCORDING TO THE PLAN

- Stronger balance sheet after successful conversions of restructuring debt into equity and into a new bond in July 2021
- Combination of share classes and increase in number of shares; impact in share liquidity
- Remaining undisputed restructuring debt EUR 21.8 million
  - Repayment will begin in April 2022
- Combination of the A and B share classes in April 2021
- Half (EUR 54.1 million) of the hybrid bond was cut during Q1 2021
- EUR 72.2 million of Stockmann's unsecured restructuring debt and hybrid bond has been converted into shares in Stockmann in July 2021
- EUR 66,1 million of Stockmann's unsecured restructuring debt has been converted into a new secured five-year bullet bond in July 2021
- Stockmann sold its department store properties in Tallinn and Riga in December 2021 and continues with long-term leaseback agreements
- The sale and leaseback process of the department store property in Helsinki city centre is proceeding as planned





# SALE AND LEASEBACK OF THE PROPERTIES IN TALLINN AND RIGA

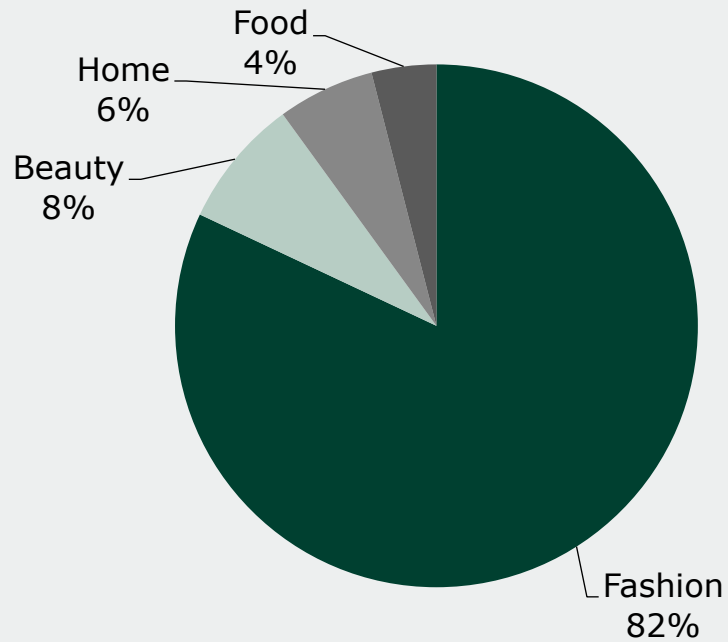
- Stockmann sold its department store properties in Tallinn and Riga on 29 December 2021
- Stockmann will continue its department store operations in Tallinn and Riga under long-term leaseback agreements made with the new owner
  - Leases with Stockmann's tenants will continue mainly with the current concept
- The buyer of both properties is Viru Keemia Grupp (VKG), a privately owned Estonian industrial corporation
- The total sales price was approximately EUR 87 million. Stockmann used the proceeds from the sales of the properties in full to reduce its secured restructuring debts
- The sale and leaseback process of the department store property in Helsinki city centre is proceeding as planned



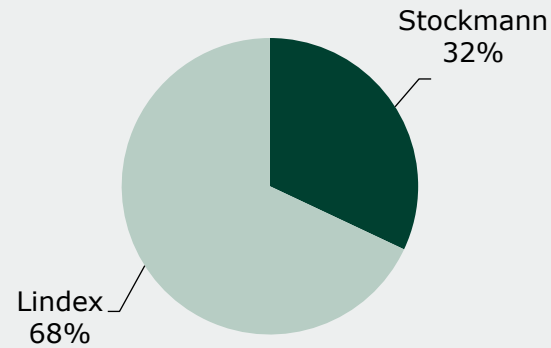


# STOCKMANN GROUP IN 2021

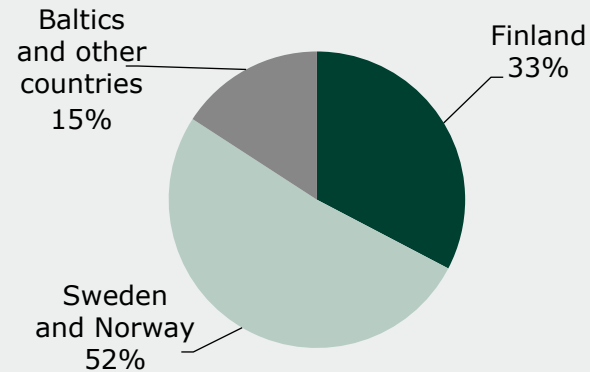
### MERCHANDISE SALES 2021



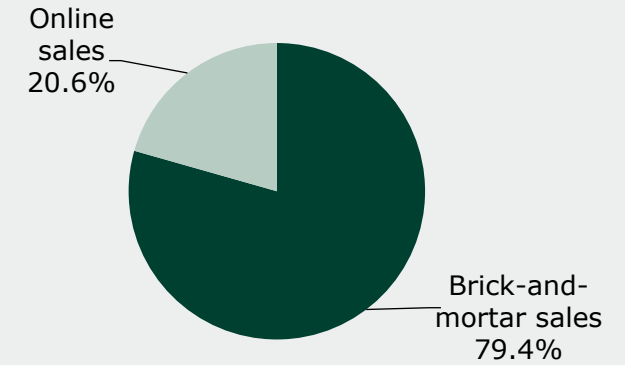
### REVENUE 2021 BY DIVISION EUR 899.0 million



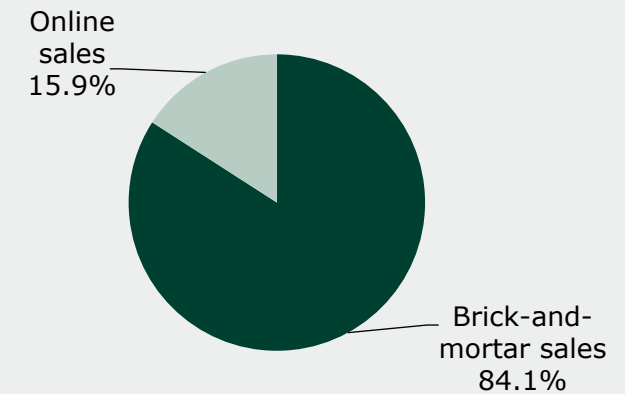
### REVENUE 2021 BY MARKET



### LINDEX REVENUE PER CHANNEL



### STOCKMANN DIVISION REVENUE PER CHANNEL

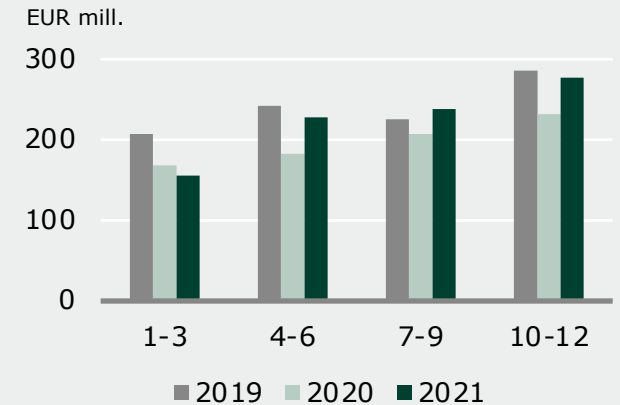




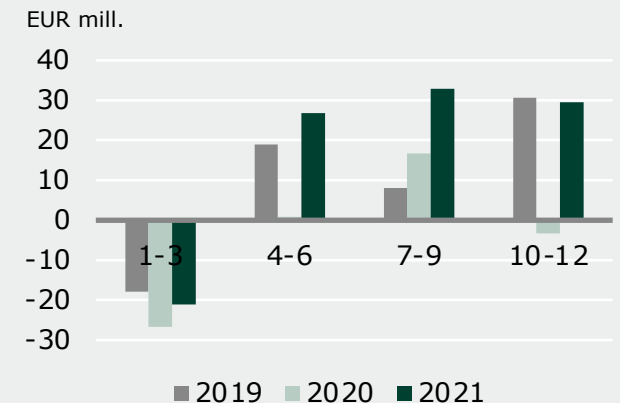
# STOCKMANN GROUP, FINANCIAL PERFORMANCE IN Q4 2021

- **Revenue** EUR 277.5 million (232.0)
  - Up 17.2% in comparable currency rates
- **Gross margin** 57.7% (58.0)
  - The gross margin for the merchandise sales improved, but the total gross margin declined slightly due to a lower rent share
- **Operating costs** EUR 109.4 million (110.6)
- **Operating result** EUR 50.6 million (-256.0)
  - The 2020 comparison figure includes an impairment of EUR 250 million related to Lindex goodwill
- **Adjusted operating result** EUR 29.6 million (-3.3)

## QUARTERLY REVENUE

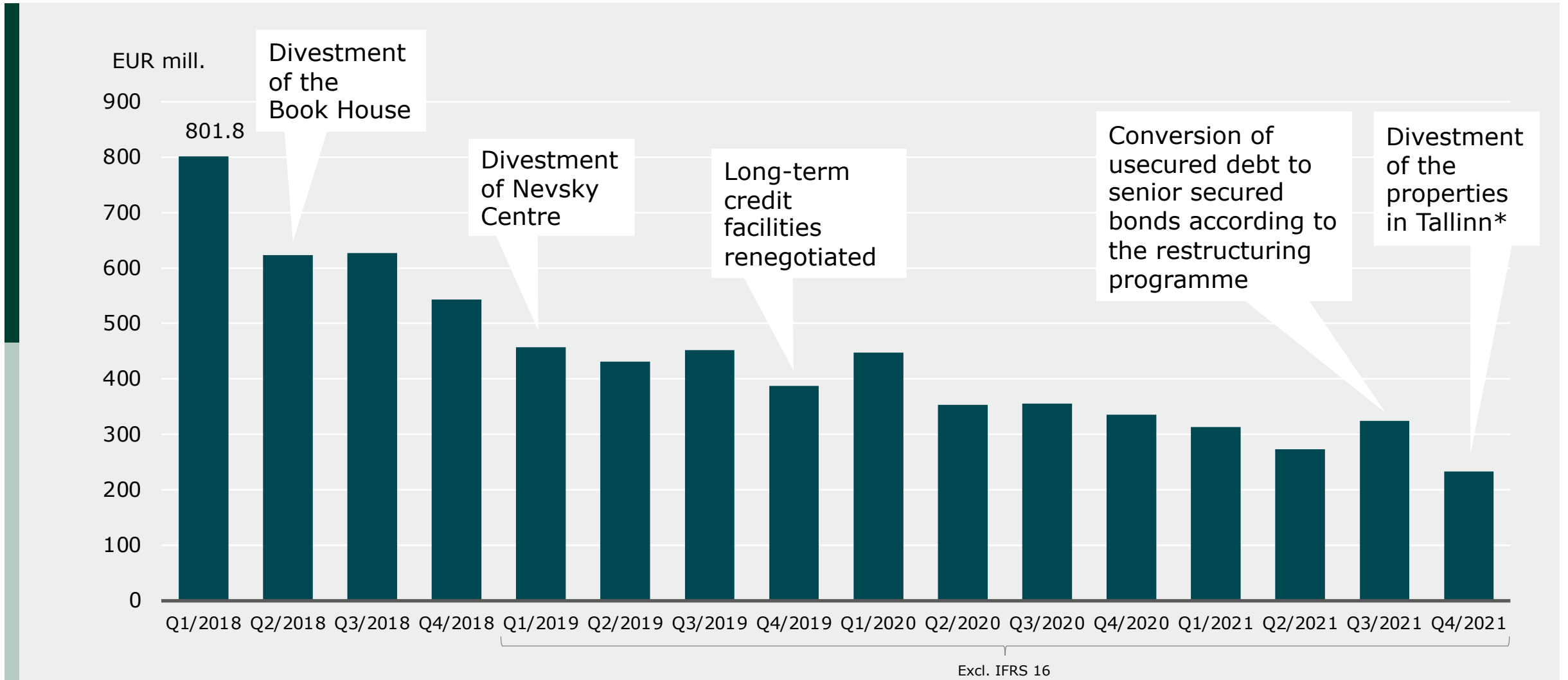


## QUARTERLY OPERATING RESULT Adjusted





# STOCKMANN GROUP, INTEREST-BEARING NET DEBT



\* The sale of the department store property in Riga will be booked in the first quarter of 2022 because the registration of the sold shares could not be made until in January 2022.



# KEY FIGURES

		10-12/2021	10-12/2020	1-12/2021	1-12/2020
<b>Equity ratio</b>	%			18.9	14.5
- Excluding IFRS 16				27.3	20.6
<b>Adjusted operating result</b>	EUR mill.	29.6	-3.3	68.3	-12.3
<b>Operating result</b>	EUR mill.	50.6	-256.0	82.1	-269.6
<b>Net financial items</b>	EUR mill.	-4.2	4.8	-16.9	-24.6
<b>Result for the period</b>	EUR mill.	35.3	-247.3	47.9	-291.8
<b>Earnings per share</b>	EUR	0.23	-3.20	0.42	-3.89
<b>Cash flow from operating activities</b>	EUR mill.	84.3	37.4	150.4	146.6
<b>Cash and cash equivalents</b>	EUR mill.			213.7	152.5
<b>Inventories</b>	EUR mill.			154.8	135.3
<b>Capital expenditure</b>	EUR mill.	8.8	4.0	16.9	18.5
<b>Depreciation, amortisation and impairment losses</b>	EUR mill.	-25.7	-281.5	-102.9	-379.2
<b>Lease liabilities</b>	EUR mill.			337.2	371,2
<b>Balance sheet total</b>	EUR mill.			1 416.5	1 425.3





# 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 assuming that no major COVID-19 restrictions are imposed.
- **Market outlook for 2022:**  
Uncertainty in the global economy is expected to persist throughout 2022, 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. The retail market is expected to remain challenging due to changes in consumer behaviour and confidence as well as inflationary pressures.
- The Stockmann division will continue to execute the restructuring programme and Lindex to explore new growth opportunities.





# Q & A

**Further information**

[stockmanngroup.com](http://stockmanngroup.com)

[investor.relations@stockmann.com](mailto:investor.relations@stockmann.com)

