



Interim Report for January-March 2024

Susanne Ehnåge, CEO

Annelie Forsberg, CFO

26 April 2024

LINDEXGROUP

Agenda

- Business update
- Financial development
- Way forward
- Q&A



Business update





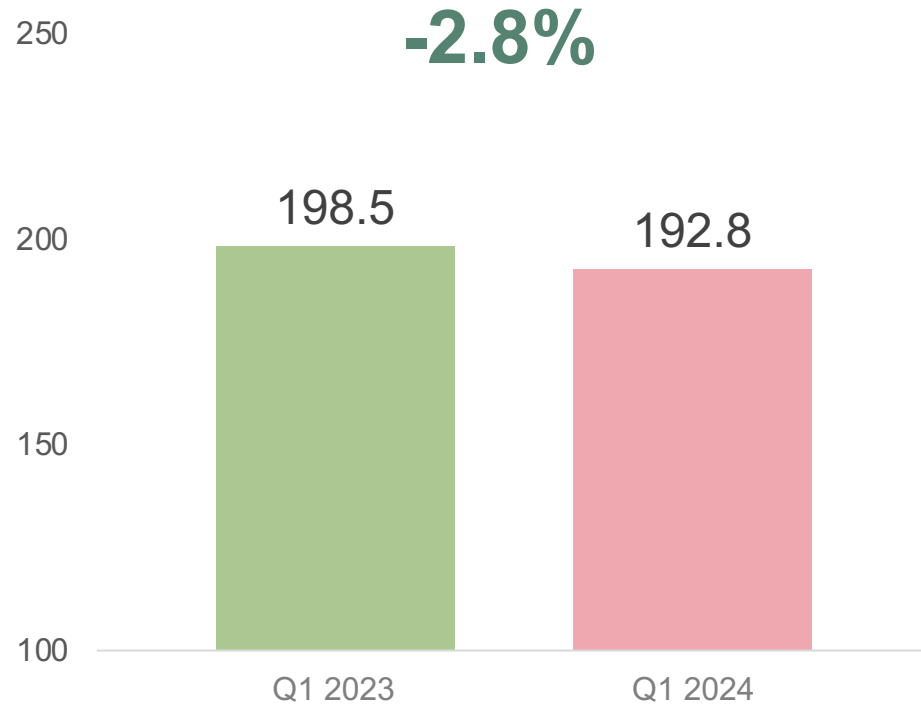
Highlights Q1 2024

Underlying revenue growth, but the result was impacted by the timing of Crazy Days and freight costs

Parent company's name change from Stockmann plc to Lindex Group plc

Good progress in the restructuring process: only one disputed claim left

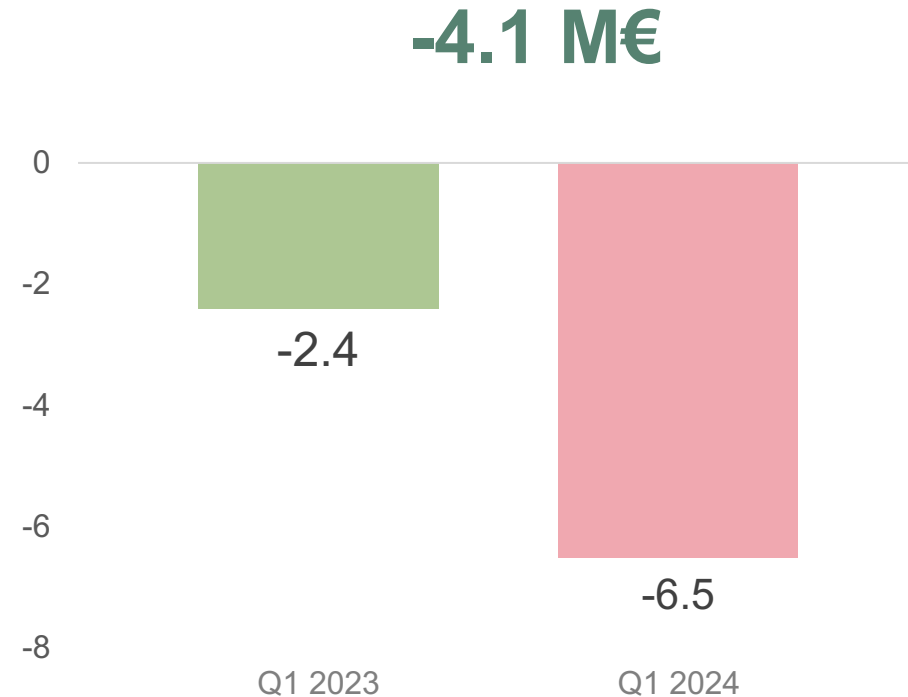
REVENUE, M€



Group's underlying revenue developed positively – negative impact of the Crazy Days' timing

- Lindex division outperformed the market*
- Lindex's sales increased across all main markets in physical stores and digital channels
- Stockmann division's revenue decreased mainly due to the timing of the Crazy Days campaign
- In 2023, Crazy Days was partly ongoing in Q1, while in 2024, the campaign was fully held in Q2

ADJUSTED OPERATING RESULT, M€



The Crazy Days timing and freight costs declined the Group result

- Lindex division's profitability was negatively affected by higher freight costs due to unexpected logistic challenges in the Red Sea
- Stockmann division's adjusted operating result declined due to the timing of the Crazy Days campaign
- Currency rates didn't have material impact on the adjusted operating result

Lindex continued to outperform the market

- Sales growth in both physical stores and digital channels with womenswear as the best performing category
 - Strong digital growth of 8.9% and increased digital share 22.9% (21.6)
- Continued to expand market presence with partnerships
- Good progress in ongoing investments
 - Omnichannel distribution centre
 - Digital store programme: RFID fully rolled out in Finland and DC
- Product offering extension within the femtech brand Female Engineering
- Launch of a new brand building kidswear concept



Stockmann improved operational efficiency

- Successful cost savings continued: comparable operating costs -1.6 M€
- Improved gross margin due to good inventory management
- Further enhancing efficiency and simplifying structures, targeted annual savings of 2.7 M€ from 2025 onwards
 - Change negotiations concluded in April
- Successful launch of Kiko Milano cosmetics exclusively in Finland
- Stockmann.com shortlisted for “Online Store of the Year” competition in Finland
- In April, Crazy Days performed better than than in the comparison period



Accelerating climate actions while growing profitably

LINDEXGROUP

-11%

Total greenhouse gas
emissions in 2023

LINDEX

-41%

Total greenhouse gas
emissions since 2017

 STOCKMANN

-11%

Less electricity in own
operations in 2023

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Unchanged

Guidance 2024

In 2024, Lindex Group expects its revenue to increase by 1-3% in local currencies compared to 2023.

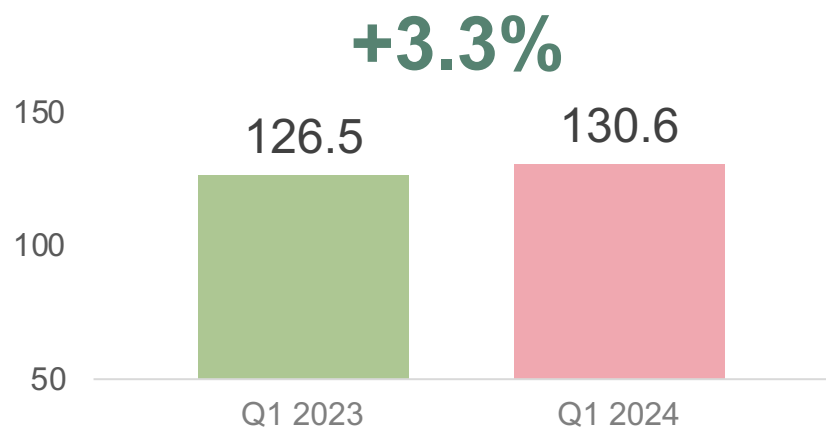
The Group's adjusted operating result is estimated to be EUR 70-90 million.

Foreign exchange rate fluctuations may have a significant effect on the adjusted operating result.

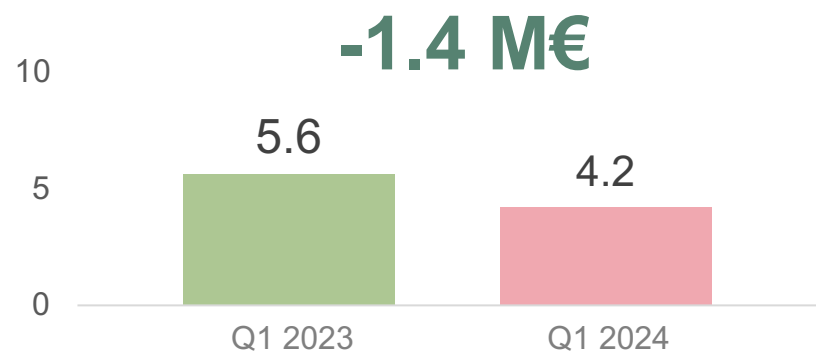
Financial update



THE LINDE INDEX DIVISION REVENUE, M€



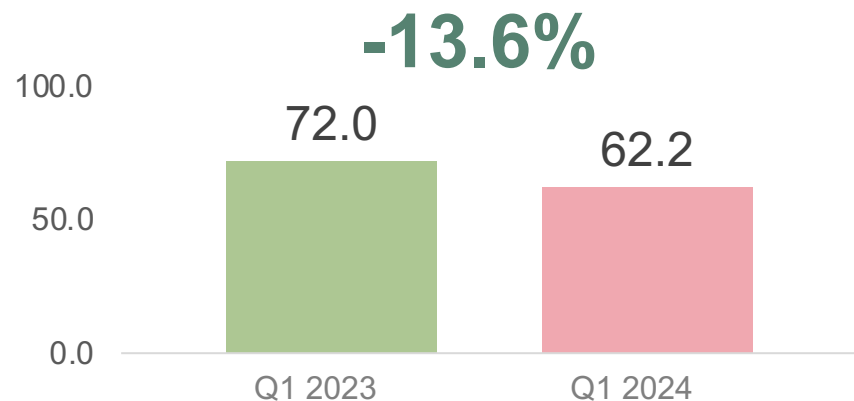
THE LINDE INDEX DIVISION ADJUSTED OPERATING RESULT, M€



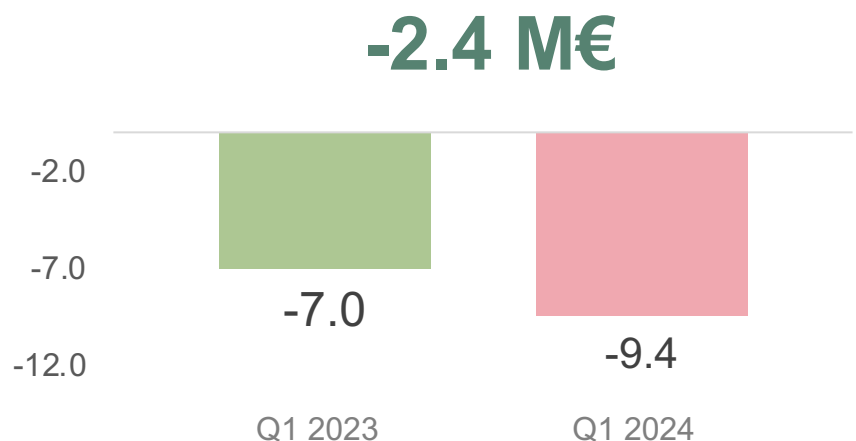
Lindex's revenue growth outperformed the market

- Increased sales across all main markets through both physical stores and digital channels
- Higher freight costs due to unexpected logistic challenges in the Red Sea and negative currency impact decreased the gross margin to 62.7% (65.1)
- Adjusted operating result developed positively, excluding the negative impact of higher freight costs

THE STOCKMANN DIVISION REVENUE, M€



THE STOCKMANN DIVISION ADJUSTED OPERATING RESULT, M€

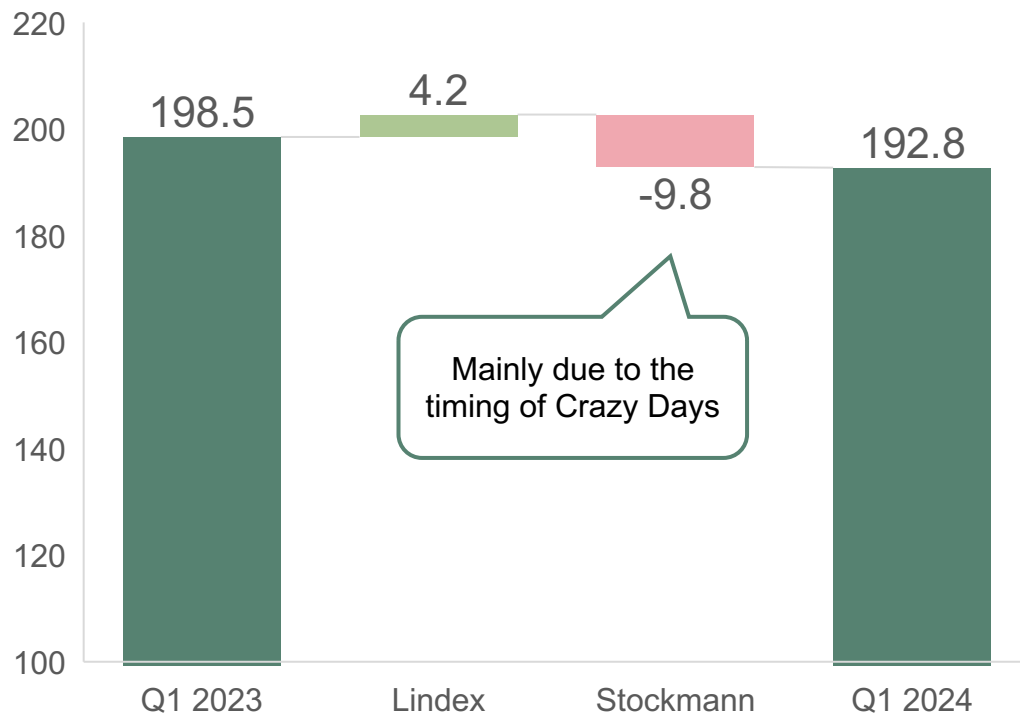


Timing of Crazy Days affected Stockmann's performance

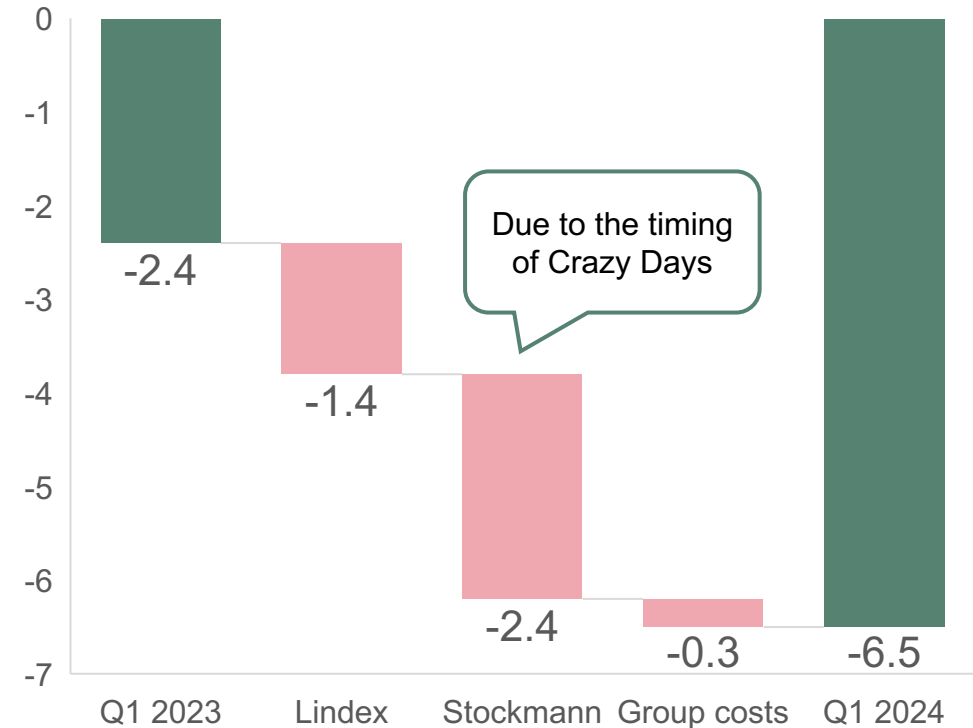
- Timing of the Crazy Days campaign and reduced store area of the Stockmann Itis department store decreased revenue
- Gross margin increased to 42.7% (41.2) due to good inventory management
- Excluding the negative impact of the Crazy Days timing, adjusted operating result developed positively despite higher depreciations on finance leases

Changes in Group revenue and adjusted operating result

CHANGES IN REVENUE, M€

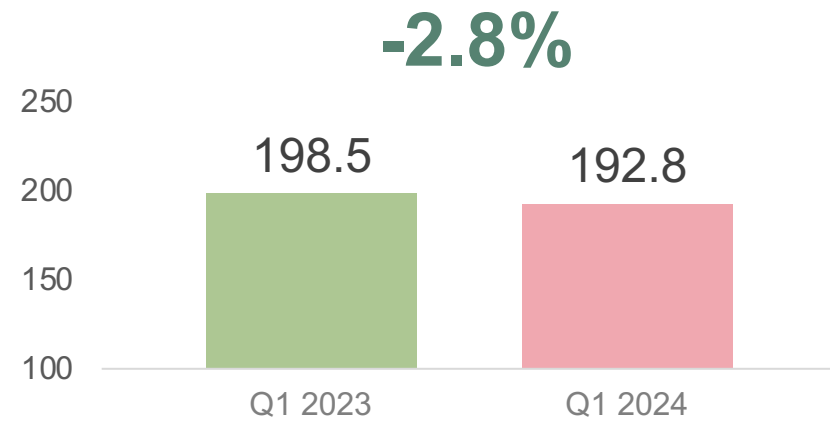


CHANGES IN ADJUSTED OPERATING RESULT, M€

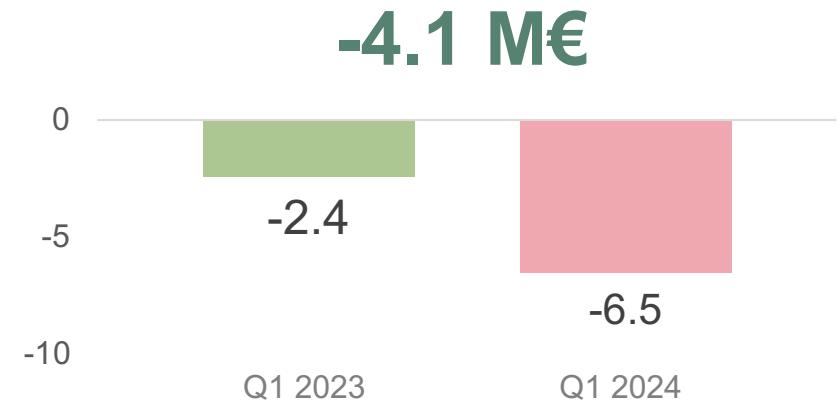


Group key figures

REVENUE, M€



ADJUSTED OPERATING RESULT, M€



-7.6 M€
(-2.9)
operating result

-15.4 M€
(19.5)
net result

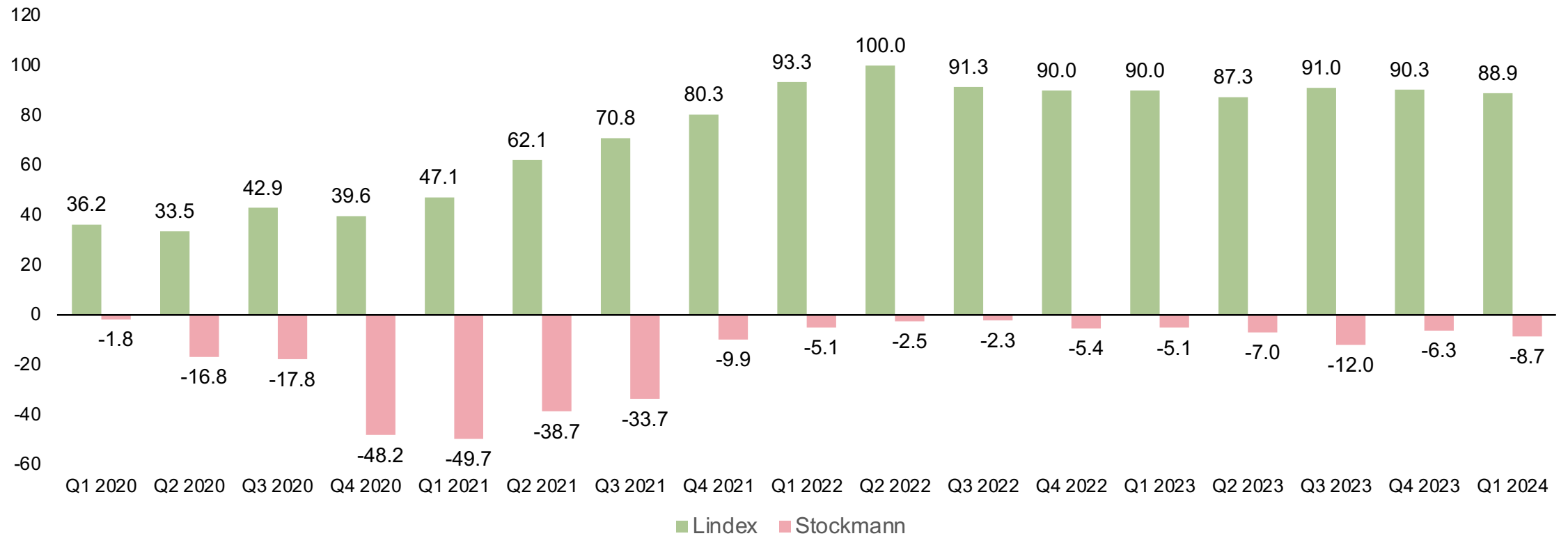
56.3%
(56.4)
gross margin

-0.10 €
(0.13)
EPS

The divisions' profitability levels

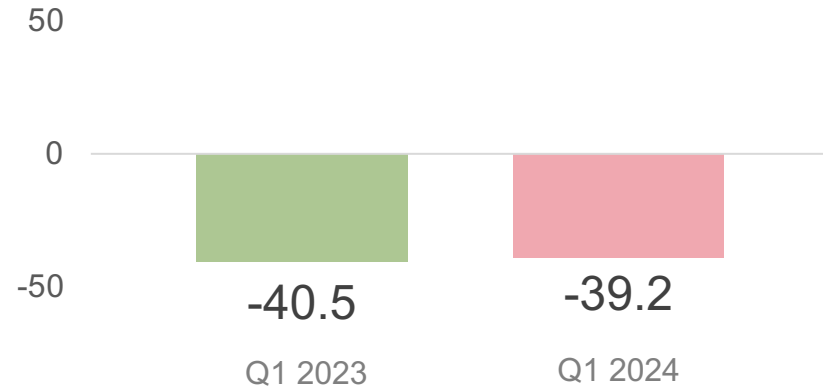
ADJUSTED OPERATING RESULT ROLLING TWELVE MONTHS, M€

EUR mill.



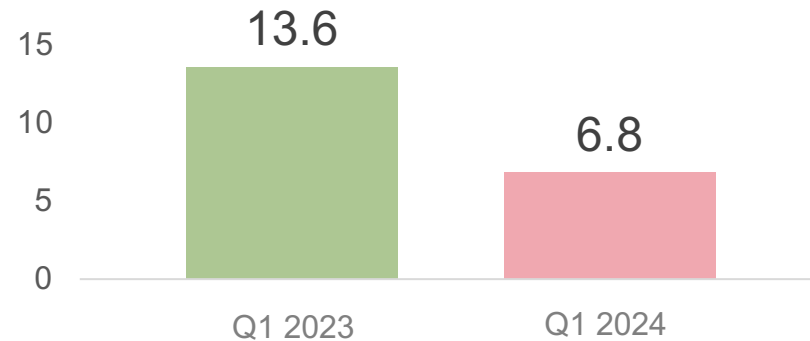
Operating free cash flow and capital expenditure

OPERATING FREE CASH FLOW, M€



- Q1 cash flow is typically low due to higher net working capital than at the beginning of the year
- Investments in digitalisation projects and omnichannel development in both divisions

CAPITAL EXPENDITURE (EXCL. IFRS 16 ITEMS), M€

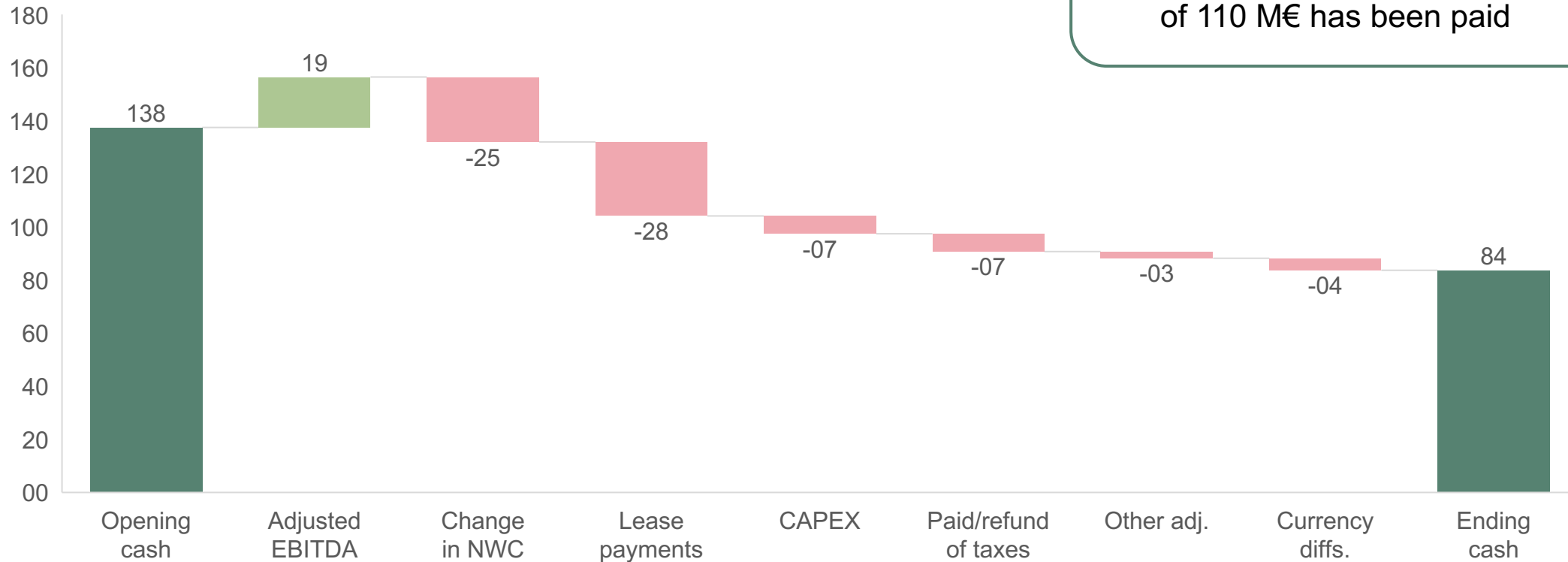


83.7 M€
(102.5)
cash

179.7 M€
(186.2)
stock-in-trade

Changes in cash position

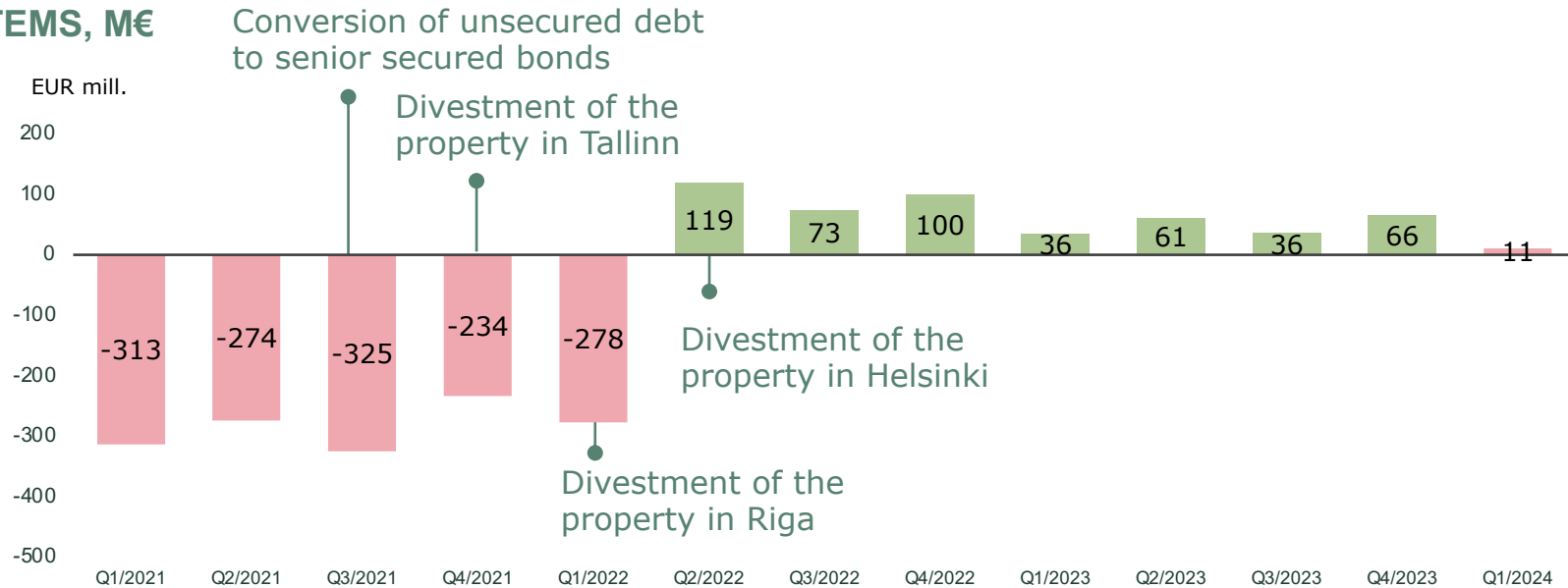
CHANGES IN CASH POSITION PER ITEM, M€



By the end of Q1/2024, 83 M€ of the total omnichannel distribution centre investment of 110 M€ has been paid

Good financial position for future growth

NET DEBT EXCL. IFRS 16 ITEMS, M€



60.5%
(58.7)
equity ratio
(excl. IFRS 16)

28.2%
(27.9)
equity ratio

603.2 M€
(574.0)
lease liabilities

73.1 M€
(67.5)
interest-bearing
liabilities (excl. IFRS 16)

Financial highlights Q1 2024

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Improved
equity ratio

LINDEX

Revenue growth above
market development

STOCKMANN

Improved gross
margin and continued
cost savings

Way forward



Clear strategy for value creation

Accelerate growth

**Transform to a
sustainable business**

**Decouple cost
from growth**

LINDEX

Lindex – important launches supporting continued growth

- New omnichannel distribution centre into operation during the autumn
- Continue building a strong foundation for efficiency, flexibility and innovation
 - Digital store programme: new POS, Mobile first and refill by RFID in all stores
 - Digitalise our supply chain: 3D design and supplier collaboration
- Grow in e-commerce and marketplaces, and develop through new sales channels
- Continue sustainability transformation, exploring new circular business models and business opportunities



Customer-centric strategy to ensure profitability and future growth

Elevate offering

Grow and leverage loyal customer base

Ensure seamless omnichannel experience

+ Improve further operational efficiency
+ Expand revenue horizons

Stockmann – customer-centric commercial measures to improve profitability

- The number of active loyal customers is on a growth track
 - Enhancing personalisation in marketing communications
- Elevating the unique omnichannel offering by adding luxury and premium brands
- Exploring new revenue streams with B2B platform, Stockmann Pro
- Good results from operational efficiency measures – work continuing
 - Organisational development
 - Investments in omnichannel capabilities and digitalisation
 - Continuous strict cost control





Q&A

Further information

[lindex-group.com](https://www.lindex-group.com)

investor.relations@stockmann.com

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Next financial reports

Half Year Financial Report for January–June 19 July 2024

Interim Report for January–September 25 October 2024