



INTERIM MANAGEMENT STATEMENT Q1 2021

Jari Latvanen, CEO

Stockmann Group | 30 April 2021

A hand in a dark blue sleeve pours a vibrant, multi-colored liquid from a blue pitcher into a patterned teal mug. The liquid flows like a ribbon, landing on a stack of macarons and a small cake. Two more cakes are on the table. The background is a dark green with light green wavy patterns.

STOCKMANN



STOCKMANN GROUP IN Q1 2021

Group's gross margin

56.3%

(54.2)

Group's adjusted operating result, EUR million

-21.1

(-26.7)

Cash, EUR million

115.4

(42.9)

- **Stockmann Group**

- Revenue EUR 155.7 million, down by 7.1% in comparable currency rates
- Gross margin up in Lindex but down in Stockmann
- Operating result increased in Lindex but declined in Stockmann

- **Lindex**

- Revenue down by 0.7% to EUR 98.7 million, growth in the online sales was 193.4%
- Operating costs including adjustments were at previous year's level
- Operating result increased by EUR 2.0 million to EUR -13.2 million
- Adjusted operating result increased by EUR 7.5 million to EUR -7.7 million

- **Stockmann**

- Revenue down by 17.4% to EUR 56.9 million, growth in the online store 52.7%
- Depreciations EUR 7.2 million (12.5) down by EUR 5.3 million
- Operating result was EUR -12.1 million
- Adjusted operating result was EUR -12.0 million

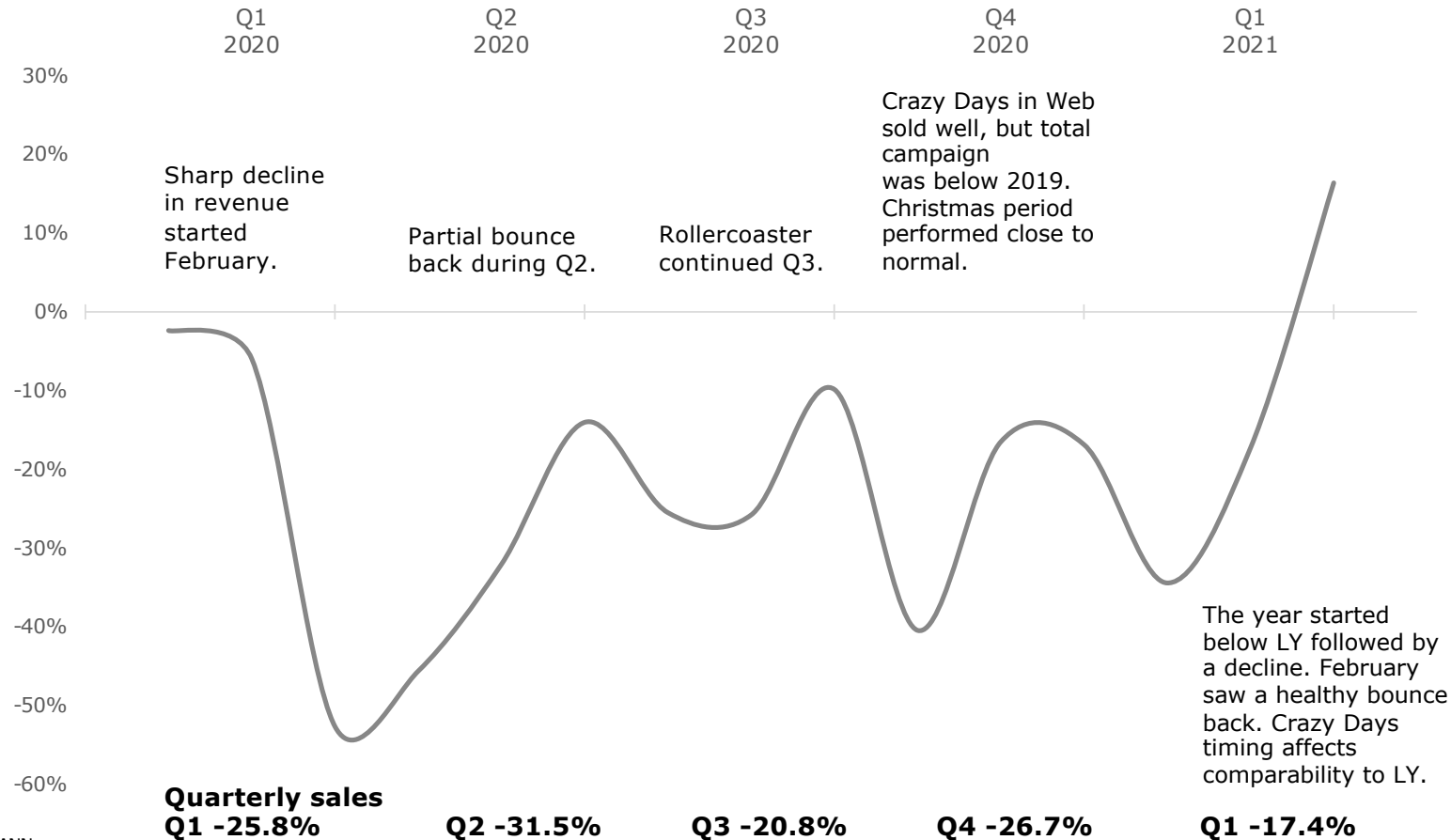


STOCKMANN
DIVISION



STOCKMANN'S REVENUE DURING THE COVID-19 PANDEMIC

Revenue development vs previous year

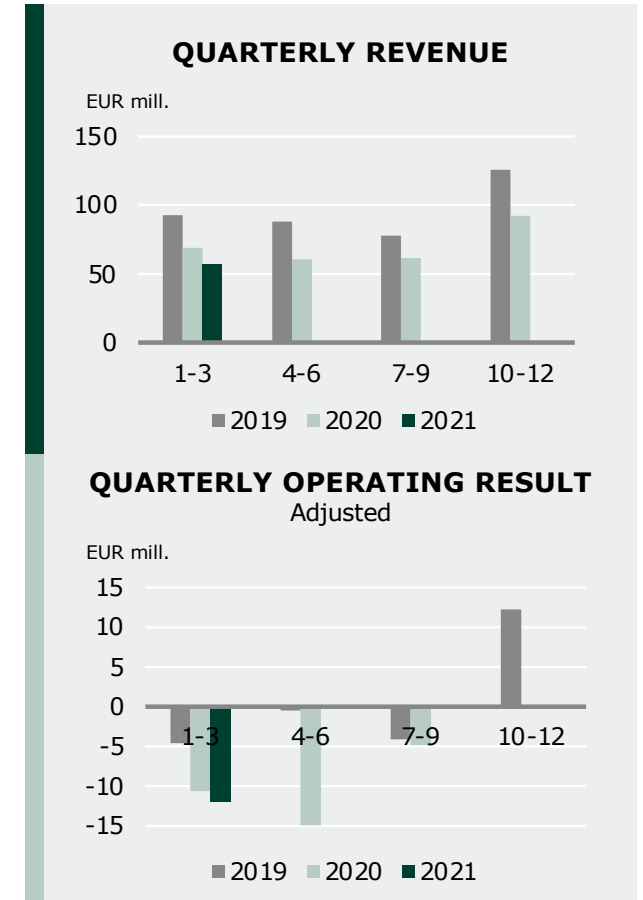


- Total revenue 2021 decreased 17.4%
- Revenue in Brick and Mortar declined due to lack of visitors
- Online revenue increased by 52.7%
- Share of online sales was 23.7% for the quarter (13.2)



STOCKMANN DIVISION, PERFORMANCE IN Q1 2021

- **Revenue** EUR 56.9 million (68.9)
 - Revenue was down by 17.4%
 - Sales declined due to the ongoing coronavirus situation
 - Growth in the online store 52.7% (172% compared to 2019)
 - Share of online sales was 23.7% for the quarter (13.2%)
- **Gross margin** was EUR 23.7 million 41.7% (EUR 30.3 million, 43.9%)
 - The relative gross margin from merchandise revenue declined due to Covid related price campaigning and was 34.1%, EUR 17.2 million (35.0%, EUR 20.9 million)
 - Margin from other revenue was EUR 6.5 million (EUR 9.4 million), the decline is mostly due to the terminated sublease agreements in 2020 in relation to corporate restructuring proceedings
- **Depreciations** EUR 7.2 million (12.5) down by EUR 5.3 million
 - Mostly due to renegotiated leases in 2020
- **Operating result** EUR -12.1 million (-10.6)
- **Adjusted operating result** EUR -12.0 million (-10.6)





STOCKMANN DIVISION, HIGHLIGHTS IN Q1 2021

- Helsinki District Court **approved** Stockmann plc's **restructuring programme** on 9 February. The restructuring proceedings have ended
- **Strong digital growth** and customer satisfaction improving
- **Home category** performed exceptionally well, increase by 9%
- **Lower stock** 57.6 (66.9) despite the corona situation
- The **Crazy Days** campaign growth 8% compared to previous spring
 - Baltic eCom increased significantly, Estonia for example by 149% compared to last year
- **Growth** in all MyStockmann loyal customer member groups in all sales channels, both in revenue and visitors
- With **the help of Artificial Intelligence (AI)** dive deep in the **reasons behind customers' emotional experience**:
 - During Q1, 64% of feedback has been positive and the amount of positive feedback has steadily risen during the time period





STOCKMANN DIVISION'S WAY FORWARD

- Focus on **digital development and customer experience improvements**
 - Strengthening our omnichannel set-up and smoothness of customer journey
- **The sale and lease-back** process of the department store properties located in Helsinki, Tallinn and Riga proceeds
- Department store **renovations in Jumbo** ready **and Tampere** ready soon
- Chef Michael Björklund will open **BBQ Royale restaurant** and **Café royale** in Helsinki Flagship in May 2021
- **Relove second-hand shop** and restaurant will open in Helsinki Flagship in May
- Continue improving our **execution capability** for strategic priorities





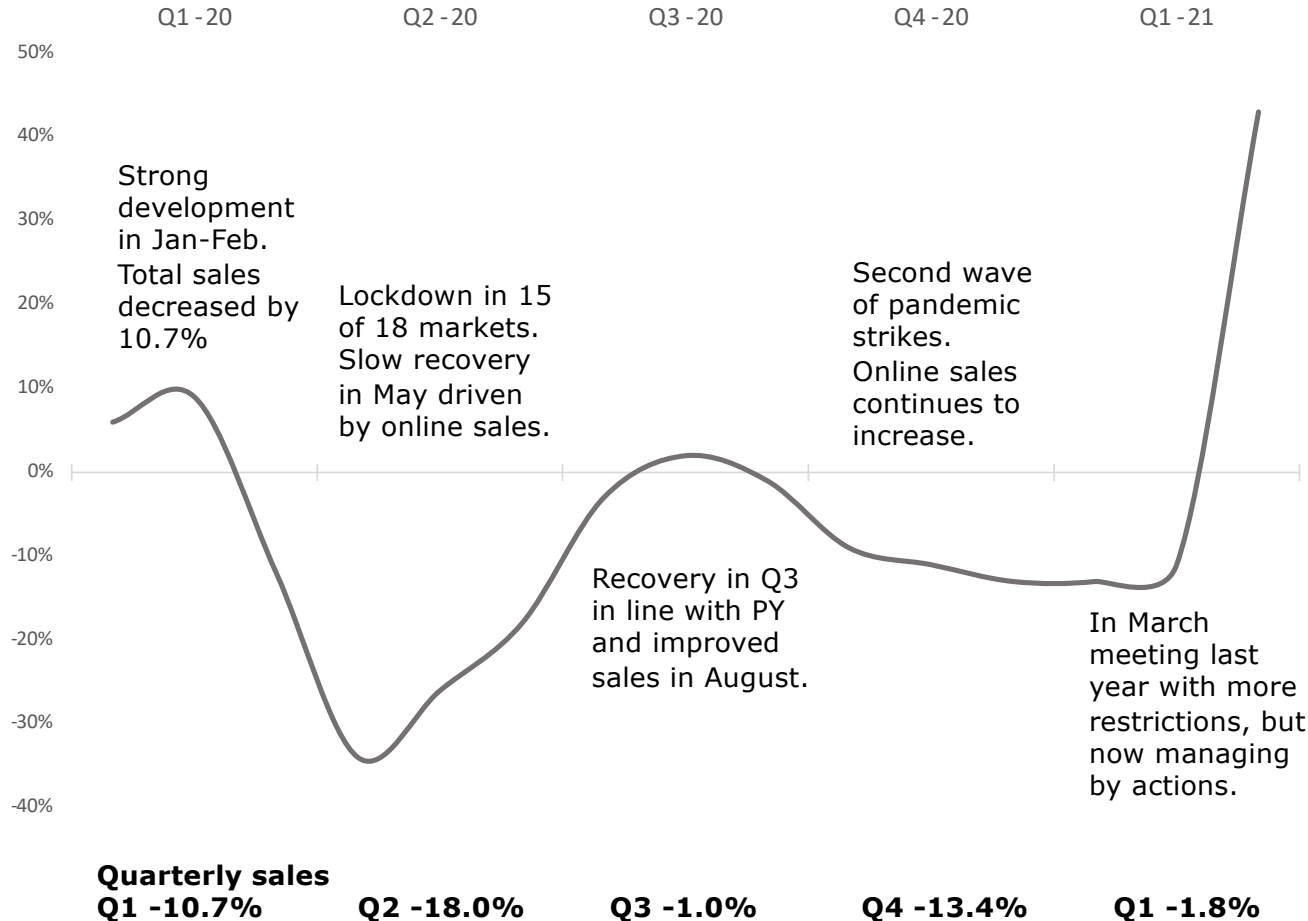
LINDEX

Susanne Ehnbåge
Lindex CEO



LINDEX SALES DEVELOPMENT DURING THE COVID-19 PANDEMIC

Sales development in local currencies vs previous year

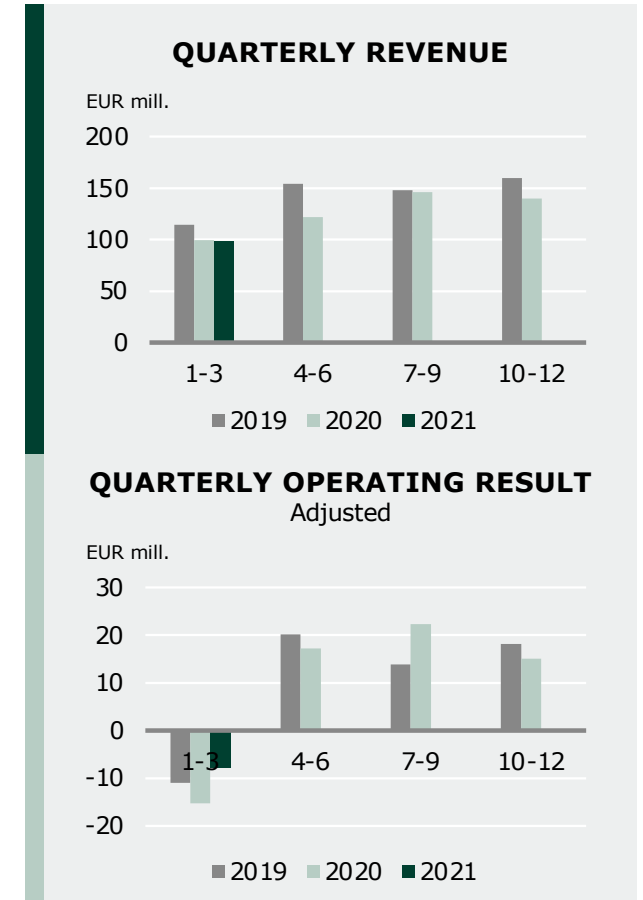


- Total sales in Q1 decreased with 1.8% vs 2020 in comparable currency rates, with strong growth in March. Compared to 2019 total sales decreased with 12%
- Growth in digital sales in Q1 increased by 193% vs 2020 and 326% vs 2019



LINDEX, FINANCIAL PERFORMANCE IN Q1 2021

- **Revenue** EUR 98.7 million (99.4)
 - Revenue down by 0.7% or down by 1.8% in comparable currency rates
 - Growth in online sales was 193% (326% compared to 2019)
 - Share of online sales was 28.7% (9.2% 2020, 5% 2019)
 - Better sales development than the market in all our Nordic countries
- **Gross margin** increased to 64.7% (61.4)
- **Operating costs** including adjustments at previous year's level
- **Operating result** EUR -13.2 million (-15.2)
- **Adjusted operating result** EUR -7.7 million (-15.2)
 - Adjustment of EUR 5.4 million





LINDEX, HIGHLIGHTS IN Q1 2021

- Very **strong digital growth** both in own channels and in collaborations with partners
- **Kids' wear** strongest business area, increased by 13%
- **Lower stock** with high share of new products despite the corona situation
- **Brand building** spring campaigns
- Launched new **inclusive activewear**
- Released Lindex **sustainability report** for 2020, describing our goals, progress and challenges





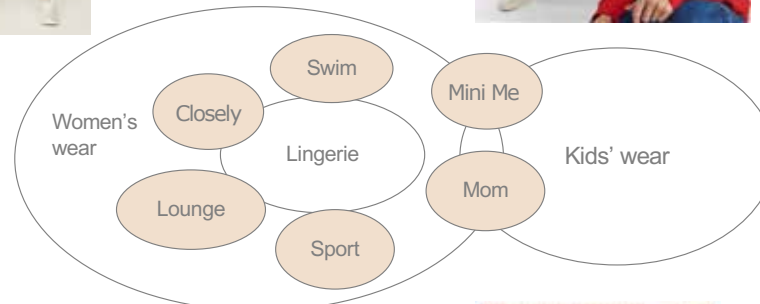
LINDEX WAY FORWARD

- Focus on **global** and **digital development**
 - Strengthening our omnichannel set-up
 - Continue our successful third-party collaborations
- Proceeding our **cost reduction program** and creating more flexibility
- Exploring more **sustainable** and **innovative business models**
 - Pilot of Lindex Second Hand, collecting Lindex kids' outerwear
 - Today 74% of our garments are made from more sustainable material
- Continue optimising our **inspiring offer** based on **customer insights** and **needs**
 - Develop and growing our online editions
 - Introduce new innovations and continue develop cross functional collections based on our strengths





OUR STRENGTHS IN CROSSFUNCTIONAL COLLECTIONS





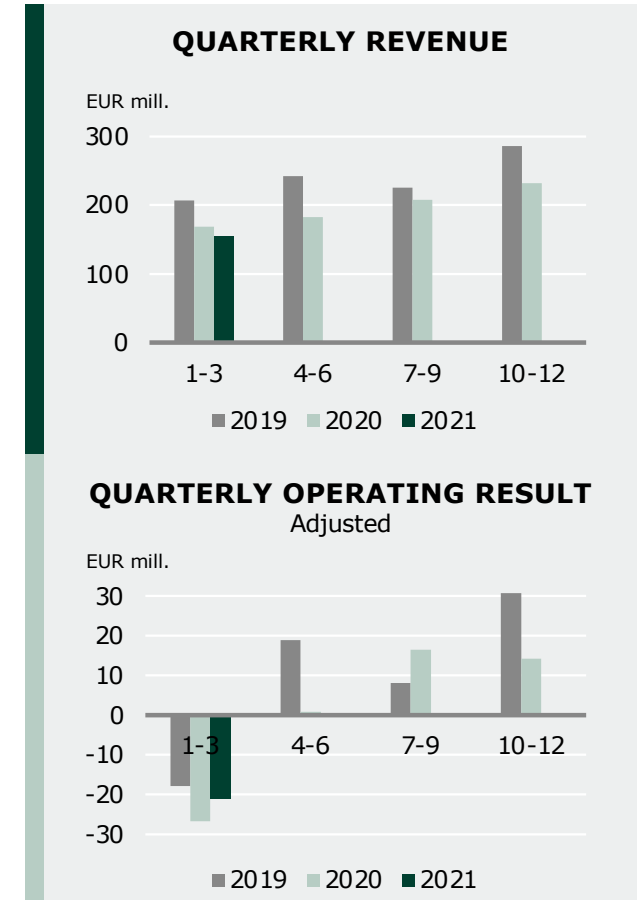
STOCKMANN GROUP

Pekka Vähähyppä
CFO



STOCKMANN GROUP, FINANCIAL PERFORMANCE IN Q1 2021

- **Revenue** EUR 155.7 million (168.4)
 - Down by 7.1% in comparable currency rates
- **Gross margin** 56.3% (54.2)
 - Gross margin up in Lindex but down in Stockmann
- **Operating expenses** EUR 84.9 million (84.3)
- **Depreciations** EUR 25.3 million (33.7)
- **Adjusted operating result** EUR -21.1 million (-26.7)
- **Items affecting comparability** EUR 6.5 million (1.1)
- **Operating result** EUR -27.7 million (-27.8)





KEY FIGURES

		1-3/2021	1-3/2020	1-12/2020
Equity ratio	%	12.9	24.9	14.6
- Excluding IFRS 16		18.4	35.9	20.8
Adjusted operating result	EUR mill.	-21.1	-26.7	4.9
Operating result	EUR mill.	-27.7	-27.8	-252.4
Net financial items	EUR mill.	-5.7	-11.4	-41.6
Result for the period	EUR mill.	-29.5	-35.3	-291.6
Earnings per share	EUR	-0.41	-0.52	-4.05
Cash flow from operating activities	EUR mill.	-16.9	-22.4	147.4
Cash and cash equivalents	EUR mill.	115.4	42.9	152.3
Inventories	EUR mill.	160.4	171.4	135.3
Capital expenditure	EUR mill.	2.4	6.3	19.4
Depreciation, amortisation and impairment losses	EUR mill.	25.3	33.7	379.9
Lease liabilities	EUR mill.	336.5	508.8	371,2
Balance sheet total	EUR mill.	1 357.9	1 672.2	1 428.1



GUIDANCE AND OUTLOOK FOR 2021

Guidance for 2021:

The prolonged COVID-19 pandemic gives rise to a lack of clarity in Stockmann's business environment. As the outlook is unclear, Stockmann will provide a new guidance when the market visibility improves. (Unchanged)

Market outlook for 2021:

Uncertainty in the global economy is expected to persist throughout 2021, and the COVID-19 pandemic is having a significant impact on the economy across the world, until coronavirus situation is under better control. The retail market is expected to remain challenging due to changes in consumer behaviour and confidence, which are also affected by the coronavirus situation.

The Stockmann division will continue to execute the restructuring programme in 2021 and Lindex to drive efficiencies and explore new growth opportunities.





Q&A

Further information

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