



INTERIM REPORT Q2 2022

Jari Latvanen, CEO

Stockmann Group | 22 July 2022



STOCKMANN



STOCKMANN GROUP IN Q2 2022

Group's revenue, EUR million

269.0 (228.0)

Group's operating result,
EUR million

114.5 (26.4)

Group's adjusted operating
result, EUR million

35.4 (26.8)

Cash, EUR million

184.6 (155.6)

- **Stockmann Group**

- Revenue EUR 269.0 million, up by 18.0%
- Operating result increased clearly in both Lindex and Stockmann
- Rolling 12 months revenue increased with 19.1% to EUR 980.4 million
- Adjusted rolling 12 months result improved by EUR 75.0 million to EUR 94.1 million

- **Lindex**

- Revenue up by 16.1% to EUR 188.0 million, up by 18.2 in comparable currency rates
- Operating result improved by EUR 6.7 million to EUR 39.0 million
- Adjusted rolling 12 months result improved by EUR 37.9 million to EUR 100.0 million

- **Stockmann**

- Revenue up by 22.6% to EUR 81.0 million
- Operating result improved by EUR 82.3 million and was EUR 78.4 million
- Adjusted rolling 12 months result improved by 36.0 million to EUR -2.5 million

A woman with dark hair and red lipstick is posing against a teal background. She is wearing a long-sleeved, high-necked green dress with a full skirt. A small, purple, quilted bag with a chain strap is hanging from her shoulder. She is looking over her shoulder towards the camera, with her hand resting on her chin.

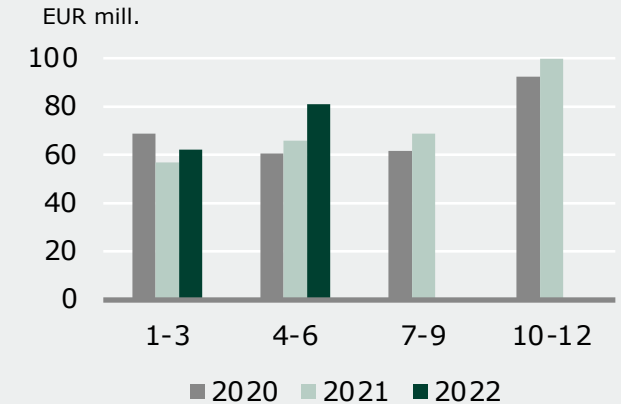
STOCKMANN DIVISION



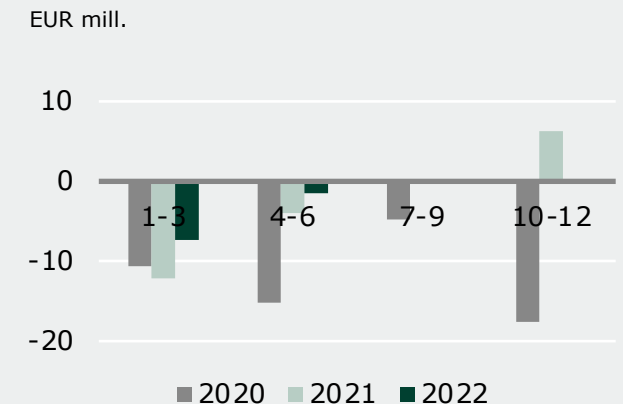
STOCKMANN DIVISION, PERFORMANCE IN Q2 2022

- **Revenue** EUR 81.0 million (66.0)
 - Revenue was up by 22.6%
 - Sales in the brick-and-mortar stores grew 28.5% due to higher visitor volumes and customer's larger average purchase
 - Share of online sales was 14.6% for the quarter (2021 18.5%, 2019 8.3%)
- **Gross margin** increased to 45.3% (44.1)
- **Operating costs** EUR 31.9 million (29.2) up by EUR 2.6 million
- **Operating result** EUR 78.4 million (-4.0 2021, -3.6 2019)
- **Adjusted operating result** EUR -1.5 million (-4.0 2021, -0.5 2019)
- **Rolling 12 months sales** EUR 311.7 million (277.0 2021, 384.7 2019)
- **Rolling 12 months adjusted result** EUR -2.5 million (-38.5 2021, 2.9 2019)

QUARTERLY REVENUE



QUARTERLY OPERATING RESULT Adjusted





STOCKMANN DIVISION, HIGHLIGHTS IN Q2 2022

- **Revenue** grew by 22.6%
- **Gross margin** increased to 45.3%
- **MyStockmann** loyalty programme **and a new online store** were launched **in Estonia and Latvia** – boosting loyal customer base with 10 000 new members in June in all three countries, nearly 21 000 in Q2
- A new launch in Stockmann service portfolio: **collaboration with Wolt** for home deliveries within half an hour in the capital region in Finland
- In the **systematic work within environmental field** Stockmann accomplished ISO 14001 Environmental Management System audit as an annual procedure supported with internal audits in May-June





STOCKMANN DIVISION'S WAY FORWARD

- **Customer centric roadmap** - full focus on value creation, sustainable growth & profitability
 - Building seamless omnichannel experience – better services, faster last mile deliveries: Wolt collaboration pilot continues
 - 160 celebrations year activities continuing
 - The largest toy store in the Nordics will be opened in Helsinki and Tampere
 - Second-hand fashion store Relove expands to Tampere department store
 - Online store developments in the Baltics
 - Flagship commercial development
- Systematic **sustainability** work continuing to reduce our CO2 footprint
 - Textile recycling pilot continues
 - Cooperation to save the Baltic Sea continues with John Nurminen foundation





LINDEX

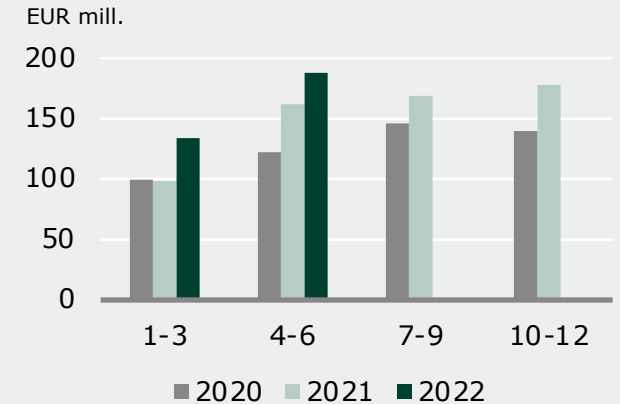
Susanne Ehnbåge
Lindex CEO



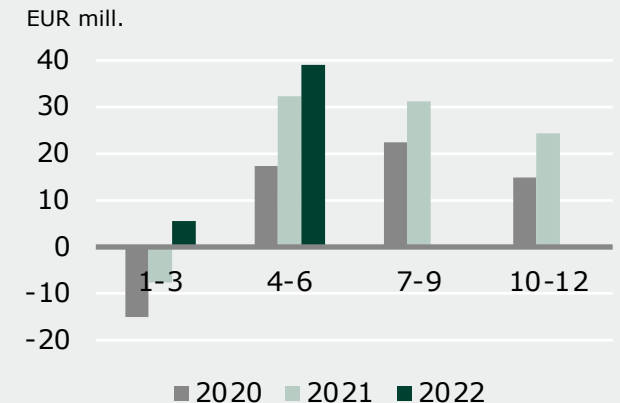
LINDEX, PERFORMANCE IN Q2 2022

- **Revenue** EUR 188.0 million (162.0)
 - Revenue up by 16.1% or up by 18.2% in comparable currency rates (2019 21.9%)
 - Sales in brick-and-mortar stores increased by 23.1% (2019 9.5%)
 - Share of digital sales was 15.9% (2021 19.5%, 2019 6.6%)
- **Gross margin** decreased to 65.4% (67.1%)
- **Operating costs** increased to EUR 66.7 million (57.5)
- **Operating result/adjusted operating result** EUR 39.0 million (32.3 2021, 20.1 2019)
- **Rolling 12 months sales** EUR 668.7 million (546.3 2021, 575.8 2019)
- **Rolling 12 months adjusted result** EUR 100.0 million (62.1 2021, 40.9 2019)

QUARTERLY REVENUE



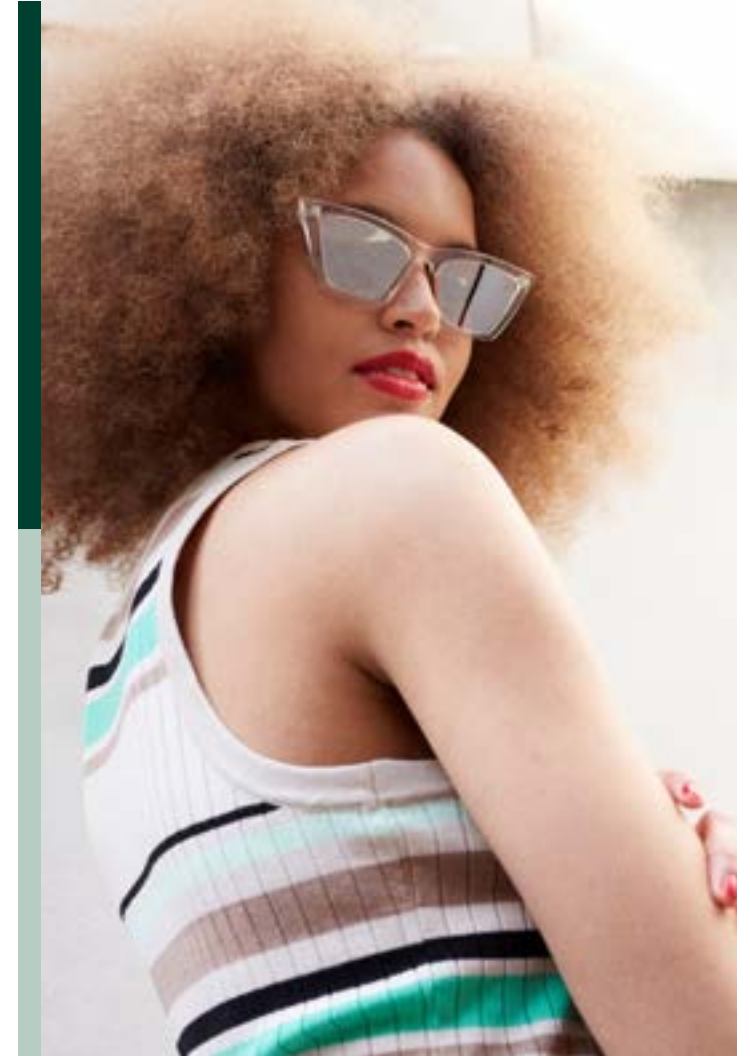
QUARTERLY OPERATING RESULT Adjusted





LINDEX, HIGHLIGHTS IN Q2 2022

- **First femtech products:** Female Engineerings period proof underwear
- **Important progress** within Lindex **circular transformation**
 - Widening our offer through pop-up store with secondhand baby clothes
 - Scales up reuse of recycled materials through OnceMore®
 - 78% of Lindex's assortment made from recycled or more sustainable materials – goal 100% by 2025
- **530 000 new customers** during the first half of the year





LINDEX, NEW OMNICHANNEL WAREHOUSE

- Investments in new highly automated **omnichannel warehouse**
 - The amount of capital expenditure is approximately EUR 110 million including land, building and automation
 - Supply all sales channels and ensure efficient distribution and stock management
 - Enable continued growth in more channels as well as for new business opportunities
 - Ensure a scalable and sustainable logistics solution
 - Goal of achieving the environmental certification BREEAM-SE Excellent
 - In operation in 2024





LINDEX WAY FORWARD

- Work towards our **long-term targets**
 - Significant growth with high profitability while reduce CO² emissions
- Continue our **investments for global, digital and sustainable growth**
 - Extensive investments in new omni-warehouse and digitalisation
 - Reach new and develop existing markets
 - Investments in our assortment to always be relevant for our customer
 - Continue our femtech journey - developing new business and growth opportunities
 - Transformation to a sustainable business model
 - Maintain and build on our employees' high engagement
 - Continue to have a flexible approach and a resilient business



A woman with long dark hair, wearing a bright orange blouse with puffed sleeves and a buttoned placket, is seated at a light-colored wooden table. She is looking thoughtfully towards the camera, with her right hand near her chin. On the table in front of her are several items: a round glass perfume bottle with yellow liquid, a rectangular glass bottle with green liquid and a black cap, a small clear bottle with a silver cap, a whole yellow lemon with green leaves, a small pink pom-pom flower, and a tiered perfume display stand with a pink bottle on top. The background is a plain, light beige wall.

STOCKMANN GROUP

Annelie Forsberg
CFO



RESTRUCTURING PROGRAMME PROCEEDS ACCORDING TO PLAN

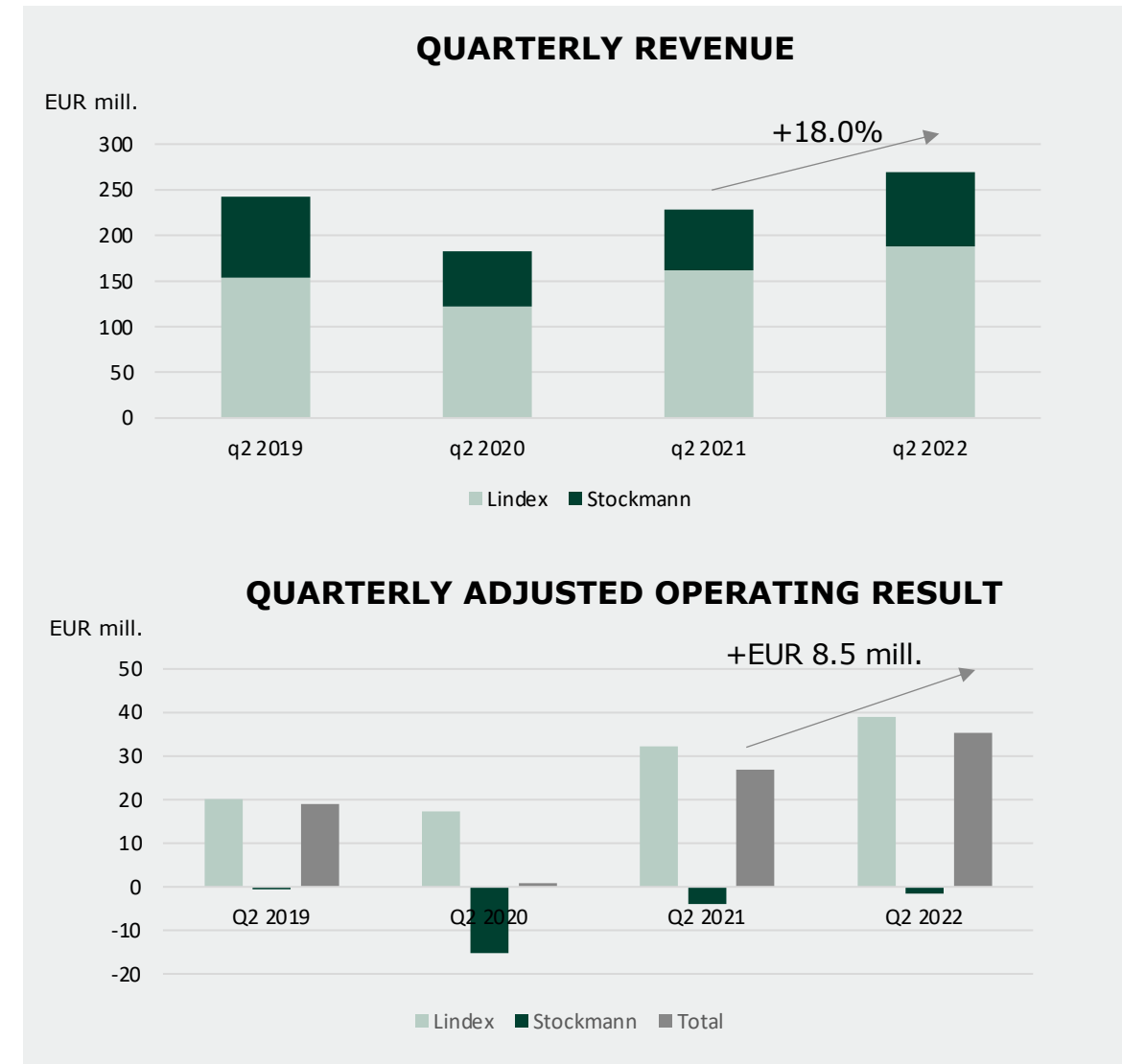
- **Department store properties sold**
New long-term leaseback agreements
 - Tallinn (December 2021, VKG)
 - Riga (January 2022, VKG)
 - Helsinki (April 2022, Keva)
- **All secured and unsecured restructuring debt paid**
- **No interest-bearing debt remains** (excl. IFRS16 leases)
except five-year bullet bond (EUR 66,1 million (2025))
- **Disputed cases** (EUR 89 million)
 - Disputed due to termination of long-term leases
 - Provisions for estimated amount to be paid, EUR 14.3 million
 - Most of the claims will be settled by arbitration proceedings
 - Must be solved before the restructuring process can end





STOCKMANN GROUP, Q2 2022 FINANCIAL PERFORMANCE

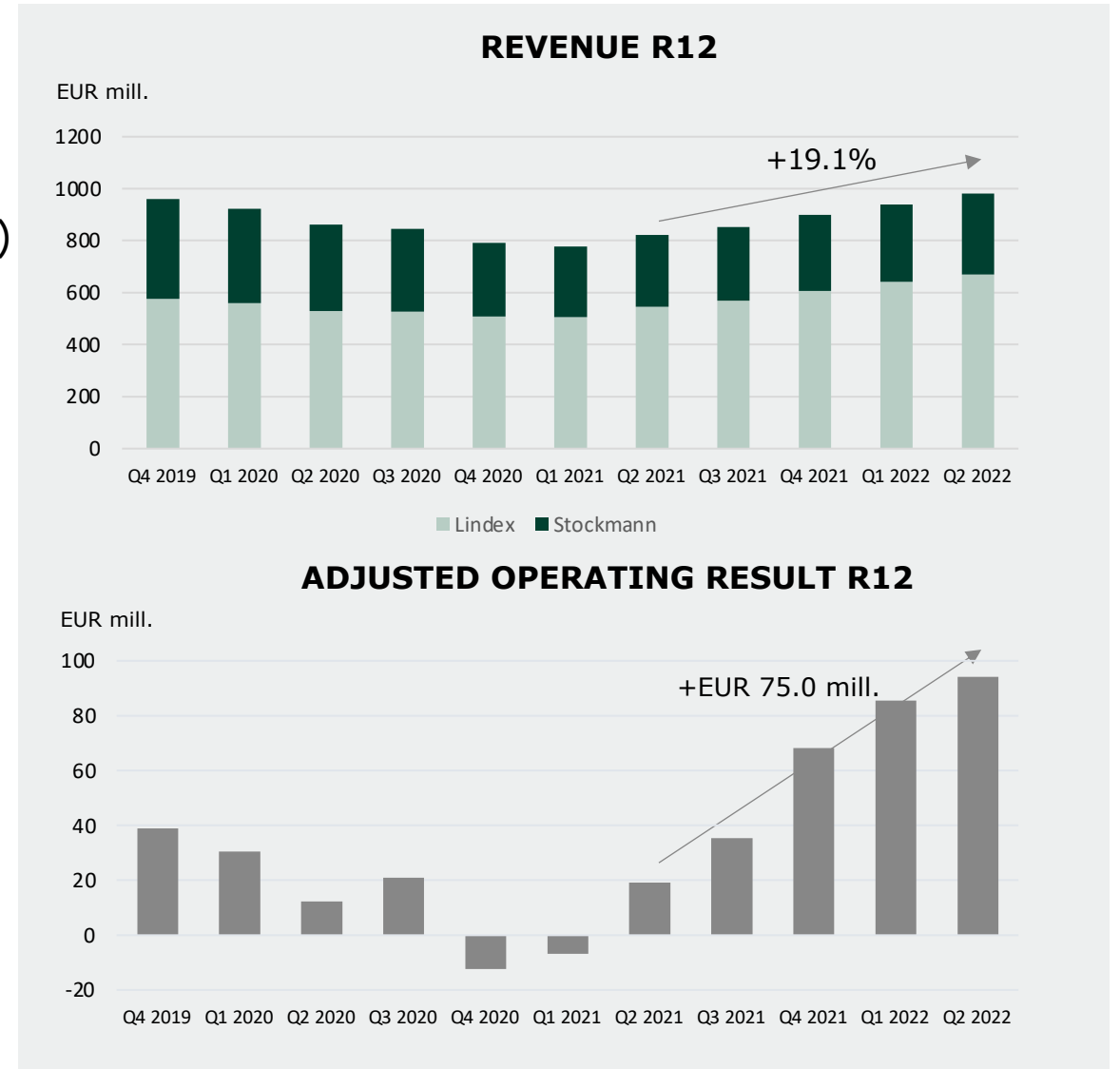
- **Revenue** EUR 269.0 million (228.0)
 - Up 18.0% vs 2021
 - Up 11.0% vs 2019 (before pandemic)
- **Gross margin** 59.4% (60.5)
- **Operating costs** EUR 102.4 million (86.7)
- **Operating result** EUR 114.5 million (26.4)
- **Adjusted operating result** EUR 35.4 million (26.8)
 - Improvement EUR 8.5 million vs Q2 2021





STOCKMANN GROUP, R12 FINANCIAL PERFORMANCE

- **Revenue** EUR 980.4 million (823.2)
 - Up 19.1% vs R12 June 2021
 - Up 2.1% vs R12 Dec 2019 (before pandemic)
- **Adjusted operating result** EUR 94.1 million (19.1)
 - Excl. selling Tallinn & Riga real estate and restructuring costs
 - EUR +75.0 million vs R12 Q2 2021 (+54.3 vs 2019)

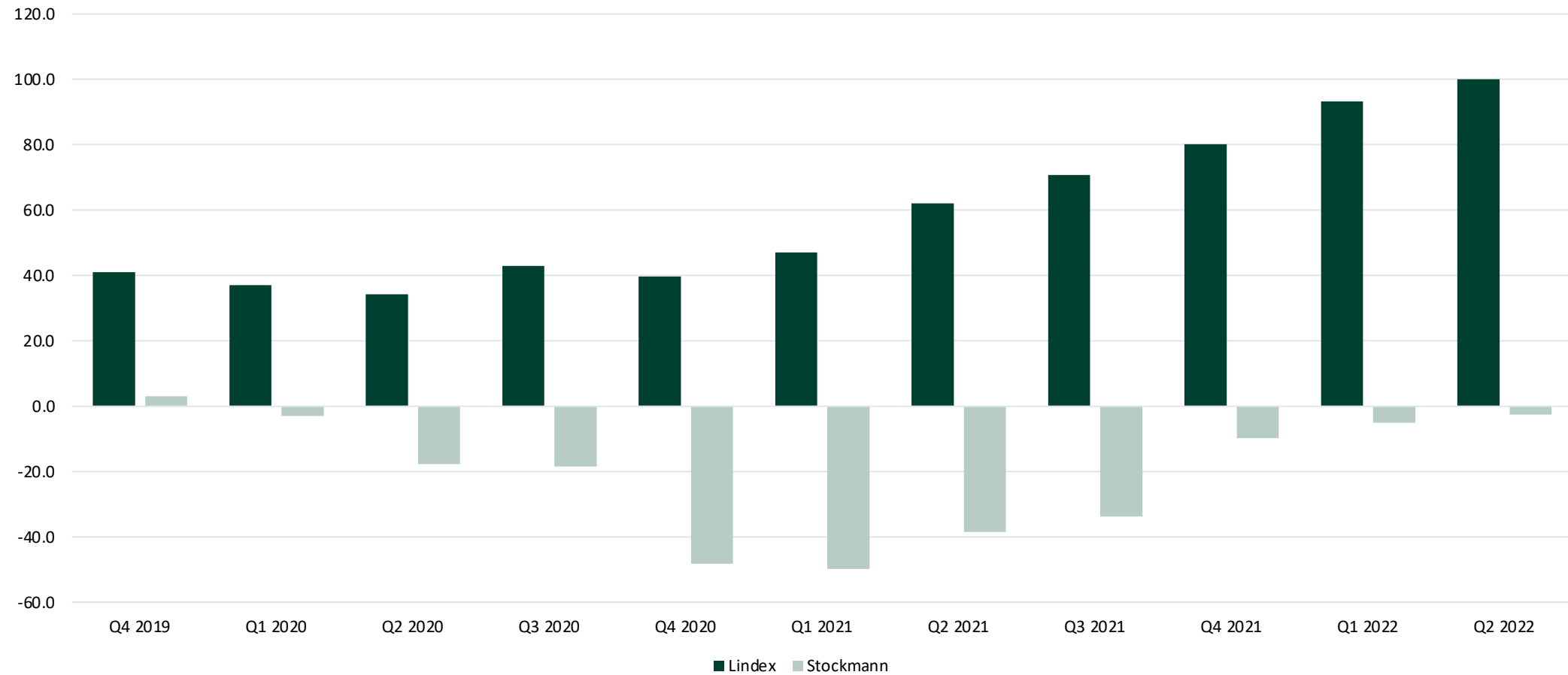




STOCKMANN GROUP PER DIVISION

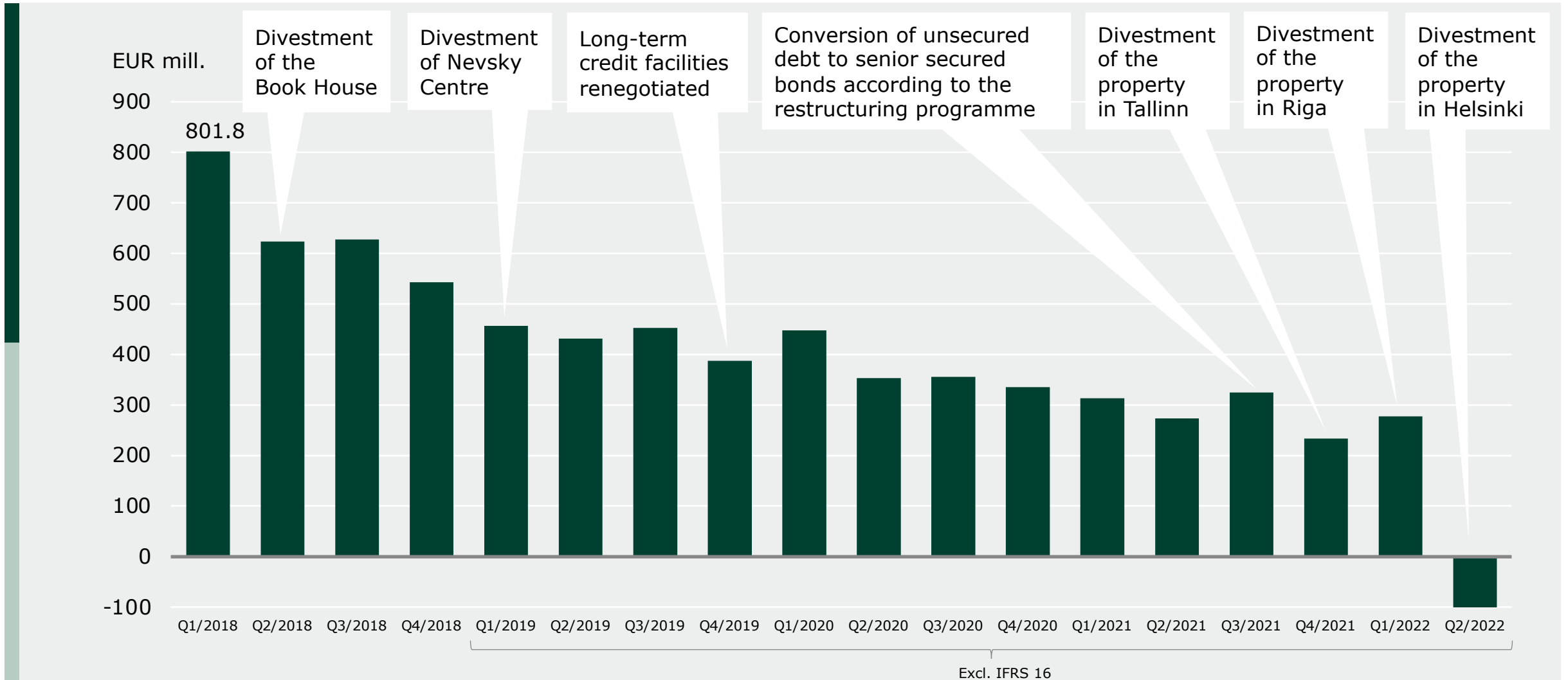
ADJUSTED OPERATING RESULT R12

EUR mill.





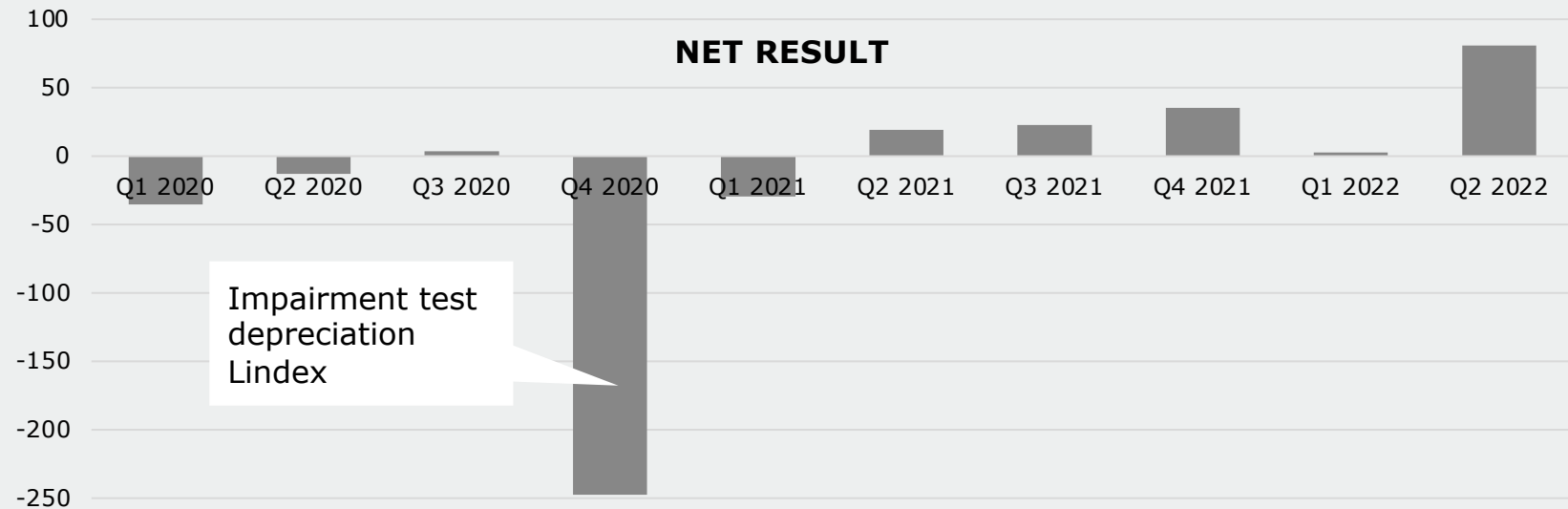
STOCKMANN GROUP, INTEREST-BEARING NET DEBT





KEY FIGURES

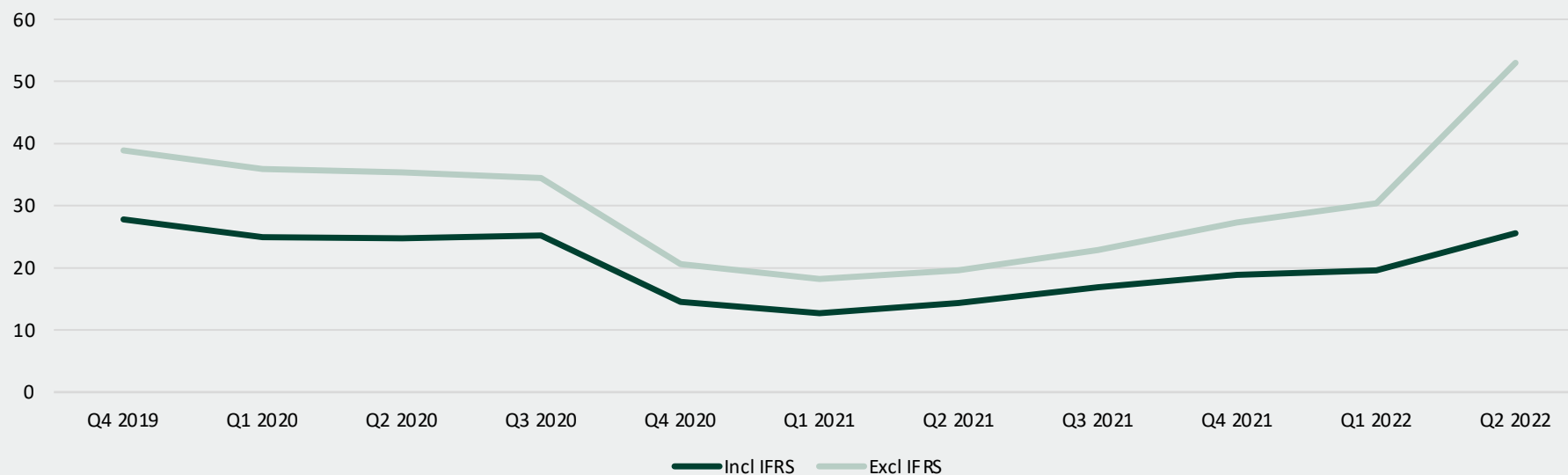
		1-6/2022	1-6/2021	1-12/2021	Rolling 12 months 30.6.2022	Rolling 12 months 30.6.2021
Adjusted operating result	EUR mill.	31.6	5.8	68.3	94.1	19.1
Operating result	EUR mill.	124.3	-1.2	82.1	207.6	-242.7
Net financial items	EUR mill.	-11.8	-8.5	-16.9	-20.2	-13.6
Net result for the period	EUR mill.	83.4	-10.3	47.9	141.6	-254.1
Earnings per share	EUR	0.54	-0.14	0.42		
Cash flow from operating activities	EUR mill.	-20.2	34.4	150.4	95.8	57.7





KEY FIGURES

		30.6.2022	30.6.2021	31.12.2021
Cash and cash equivalents	EUR mill.	184.6	155.6	213.7
Inventories	EUR mill.	180.6	148.7	154.8
Equity ratio	%	25.6	14.1	18.9
- Excluding IFRS 16		53.0	19.4	27.3
Equity	EUR mill.	333.0	194.7	268.2
Lease liabilities	EUR mill.	573.4	327.8	337.2
Balance sheet total	EUR mill.	1 303.3	1 380.7	1 416.5





LEASE LIABILITY 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	19.8	191.1
Stockmann other premises	7	7.5	94.3
Stockmann other leases			6.0
Lindex stores	408	1.8	282.0
Total	416		573.4



GUIDANCE AND OUTLOOK FOR 2022

- **Guidance for 2022 (published 19.7.2022):**

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

stockmanngroup.com

investor.relations@stockmann.com

