

# Stockmann Group

Capital Markets Day  
November 16, 2023



LINDEX



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# Opening words

**Susanne Ehnbåge**

Stockmann Group CEO, Lindex CEO



**STOCKMANN**

# Our key messages today

**Updated strategy for  
our two divisions**

**Clear plan to  
accelerate value  
creation**

**New financial targets  
building on a strong  
financial position**

# Today's agenda

Section	Presenters	Time
<b>Opening words</b>	Susanne Ehnbåge	<b>13:00-13:20</b>
<b>Lindex</b>		<b>13:20-14:45</b>
Ready to unleash global growth	Susanne Ehnbåge	
Strong brand and loyal customer base	Susanne Ehnbåge	
Growing multichannel business	Caroline Öhgren	
A unique offering and efficient supply chain	Elisabeth Hedberg	
A forerunner in sustainability	Elisabeth Hedberg	
Summary and Q&A	Susanne Ehnbåge	
<b>Break</b>		<b>14:45-15:00</b>
<b>Stockmann division</b>		<b>15:00-15:30</b>
Premium multibrand retailer ensuring profitable growth	Tove Westermarck	
Stockmann is an iconic brand with a large loyalty base	Tove Westermarck	
Comprehensive offering with increasing focus on premium and luxury	Riku Lyly	
Omnichannel with prime locations and comprehensive reach	Riku Lyly	
Clear strategy – further leveraging platform to ensure future growth and profitability	Tove Westermarck	
<b>Financials</b>	Annelie Forsberg	<b>15:30-16:00</b>
<b>Q&amp;A</b>	All	<b>16:00-16:30</b>

# Lindex Division's Management Team

Presenting today



Susanne Ehnbåge  
Chief Executive Officer



Caroline Öhgren  
Director of Sales



Elisabeth Hedberg  
Director of Design, Purchase  
& Production



Annelie Forsberg  
Chief Financial Officer



Anna-Karin Dahlberg  
Director of Sustainability



Annika Elfström  
Chief Digital Officer



Johan Engen  
Director of Logistics



Johan Hallin  
Director of Strategy &  
Business Development



Linda Olsson  
Director of Global Marketing



Sanna Lindgren  
Director of Culture &  
Communication

# Stockmann Division's Management Team

Presenting today



Tove Westermarck  
Chief Operating Officer



Riku Lyly  
Chief Stockmann  
Style Officer



Mikko Huttunen  
Chief Transformation Officer  
and Interim Chief People &  
Culture Officer



Andres Alango  
Finance Director



Jukka Naulapää  
Chief Legal Officer



Tuomas Tiilikainen  
Chief Supply Chain Officer and  
Interim Chief Information  
Officer until 31 December 2023



Tia Rantanen  
Chief Brand and  
Storytelling Officer



Sara Toivakainen  
Chief Customer Experience  
and Interim Chief Sales Officer



Janne Holli  
Chief Information &  
Technology Officer  
as of 2 January 2024

# We have two strong business divisions...

## LINDEX

**Nordic #1 in lingerie and a leader in sustainability**

**EUR 637m**

Revenue  
(Q3/23LTM)



**5.7 million**

loyalty  
members

**EUR 91m**

Adj. operating result  
(Q3/23LTM)



**#1 Market  
position**  
in Nordic lingerie

**14.3%**

Adj. operating  
margin (Q3/23LTM)



**Sustainability  
forerunner**  
in the fashion  
industry

## STOCKMANN

**#1 premium multi-brand retailer in Finland and the Baltics**

**EUR 313m**

Revenue  
(Q3/23LTM)



**1.4 million**

loyalty  
members

**EUR -12m**

Adj. operating result  
(Q3/23LTM)



**Iconic brand**  
with 100%  
awareness

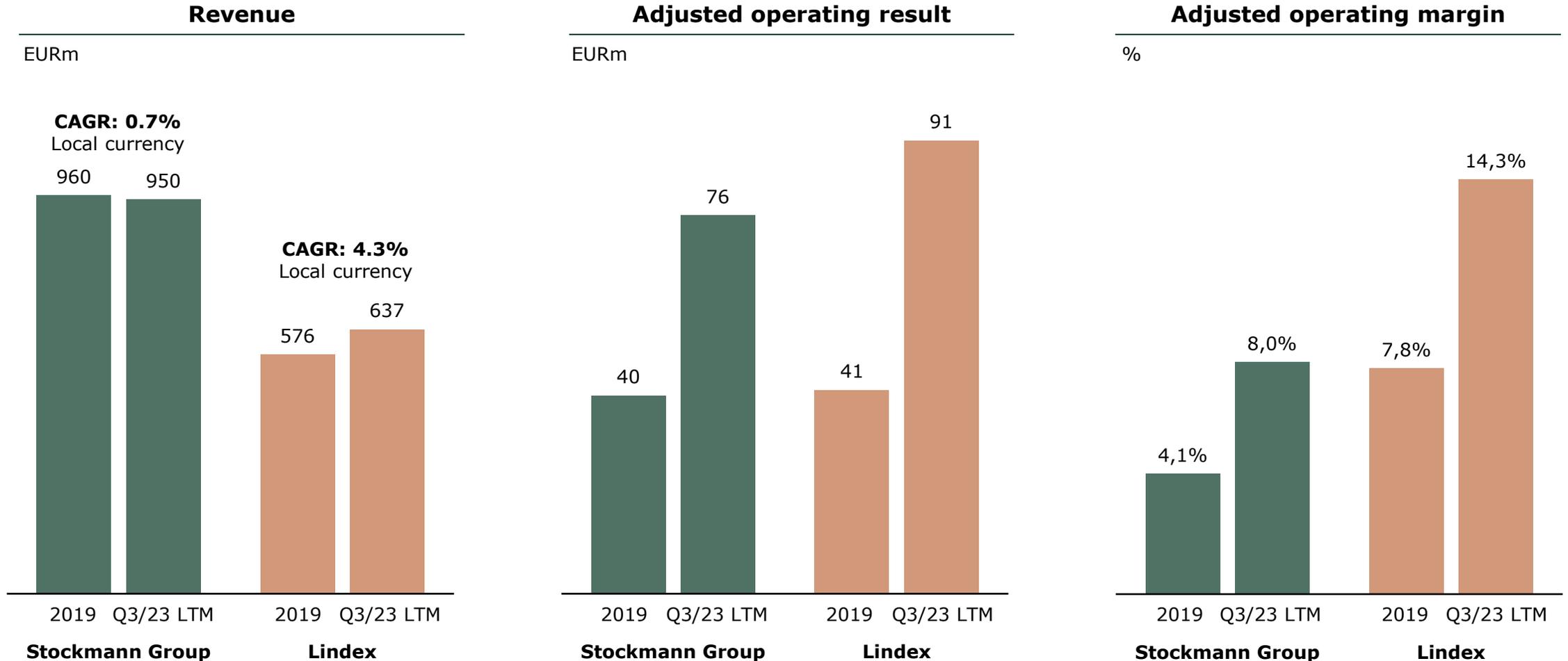
**-3.8%**

Adj. operating  
margin (Q3/23LTM)



**Premium  
omnichannel**  
positioning

# ...with a demonstrated earnings growth track record...



# ...and a strong financial position for future growth

**Net cash position**

**EUR 36m**

Q3 2023<sup>1)</sup>

**Equity ratio**

**59%**

Q3 2023<sup>1)</sup>

**Free cash flow**

**EUR 50m**

Q3 2023 LTM<sup>2)</sup>

1) Excluding lease liabilities; 2) Operating Free Cash Flow = Adjusted EBITDA – lease expenses – capital expenditure – change in NWC; excluding OCDC capex of EUR 47m and excluding payment of restructuring debt

# Strategic assessment is proceeding according to plan

- **Strategic assessment** to crystallise shareholder value by refocusing the Group's business on Lindex announced on 25-Sep-2023
  - **Considering changing the Group's name to Lindex Group**
    - Lindex represents 67% of Stockmann Group's net sales and is the main profit contributor within the Group
    - Stockmann Department Stores would continue to operate under the Stockmann brand
  - **Investigating strategic alternatives for the Departments Stores business**
    - Options will include e.g. increasing the business' independence within the Group, considering possible ownership changes or strategic partnerships, or continuing under the current structure
    - No immediate impact on the Stockmann Department Stores' brand or its daily business operations
- Strategic assessment to be **finalised during 2024**

# Lindex – a clear strategy for value creation

## Strategic must-win areas...

**Accelerate growth**



**Transform to a sustainable business**



**Decouple cost from growth**



## ...with actionable financial targets

**3-5% annual revenue growth** in local currencies  
in the mid-term, reaching SEK 10bn by 2030

**30% digital share of revenue**  
in the mid-term

**15% adjusted operating margin**  
in the long-term

**Reduce climate emissions by 42%**  
vs 2022 by 2030

# Stockmann – ensuring future profitable growth

Strategic must-win areas...

**Elevate offering**



**Grow and leverage loyal customer base**



**Ensure seamless omnichannel experience**



...with actionable financial targets

**Revenue growth in line with market growth<sup>1)</sup>**  
in the mid-term

**Reaching positive free cash flow**  
in the mid-term

**5% adjusted operating margin**  
in the mid-term

**Reduce climate emissions by 42%**  
vs 2022 by 2030

1) Stockmann addressable market in Finland, Latvia and Estonia, comprising of fashion, beauty and home categories

# Lindex | Ready to unleash global growth

**Susanne Ehnbåge**

Stockmann Group CEO, Lindex CEO

LINDEX

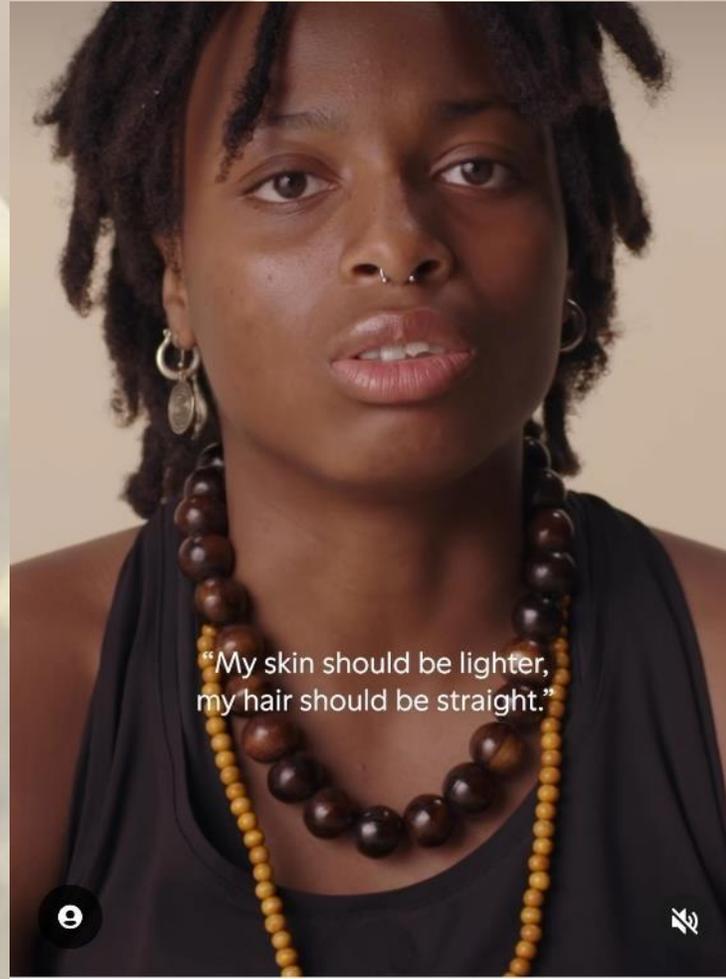
A close-up photograph of three women's arms and hands. They are holding hands in a circle, with their arms extending from the top and sides towards the center where their hands meet. The women are wearing white, short-sleeved tops. The background is a soft-focus outdoor setting with green grass and trees, suggesting a park or a natural area. The lighting is bright and natural, creating a warm and positive atmosphere.

**Lindex higher purpose**  
**To empower and inspire**  
**women everywhere**

# Strengthens the business in many ways



Empowering and competitive offer



Impactful and inclusive communication



Empowering from field to fitting room

# Lindex – Ready to unleash global growth

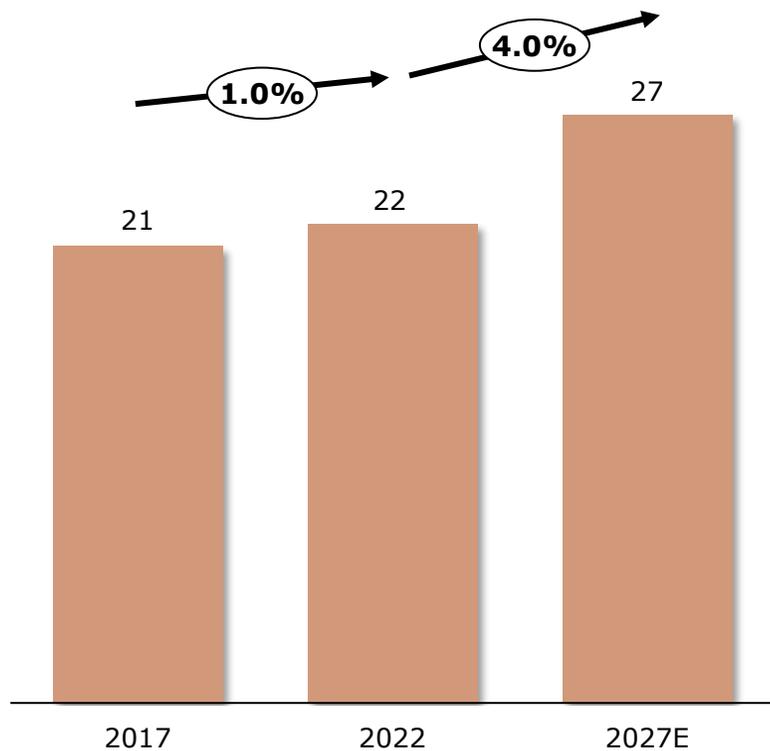
- 1 Growing market with positive tailwinds
- 2 Strong brand with a significant loyalty base
- 3 Forerunner in sustainability
- 4 Market leader with a differentiated and resilient position
- 5 Strong multichannel business
- 6 Above-market growth with structurally high margins
- 7 Clear strategy for value creation



# Well-positioned for market growth trends

## Apparel and cosmetics retail market<sup>1)</sup>

Retail value RSP in Nordics & Eastern Europe (bEUR)



## Market trends are contributing tailwinds for Lindex



**Sustainability of design, materials and usage**



**Female empowerment, body positivity and inclusion**



**Femtech growing 20% annually (420 EURm market in 2027 in the Nordics)**



**Second-hand becoming more prominent (3.2 EURbn market in 2026 in Nordics<sup>1)</sup>)**



**Omnichannel and digital growth**

1) Nordics (excluding Denmark) & Eastern Europe (including Estonia, Latvia, Lithuania, Czech Republic, Slovakia)  
Source: Third-party study

# Strong purpose-driven brand with high loyalty

**Experts**

**95%**  
Brand awareness

**51%**  
Have purchased in the last 12 months

**Empowering women**

**72%**  
of Nordic women are Lindex loyalty customers<sup>1)</sup>

**+11%**  
Annual growth in loyalty customers<sup>2)</sup>

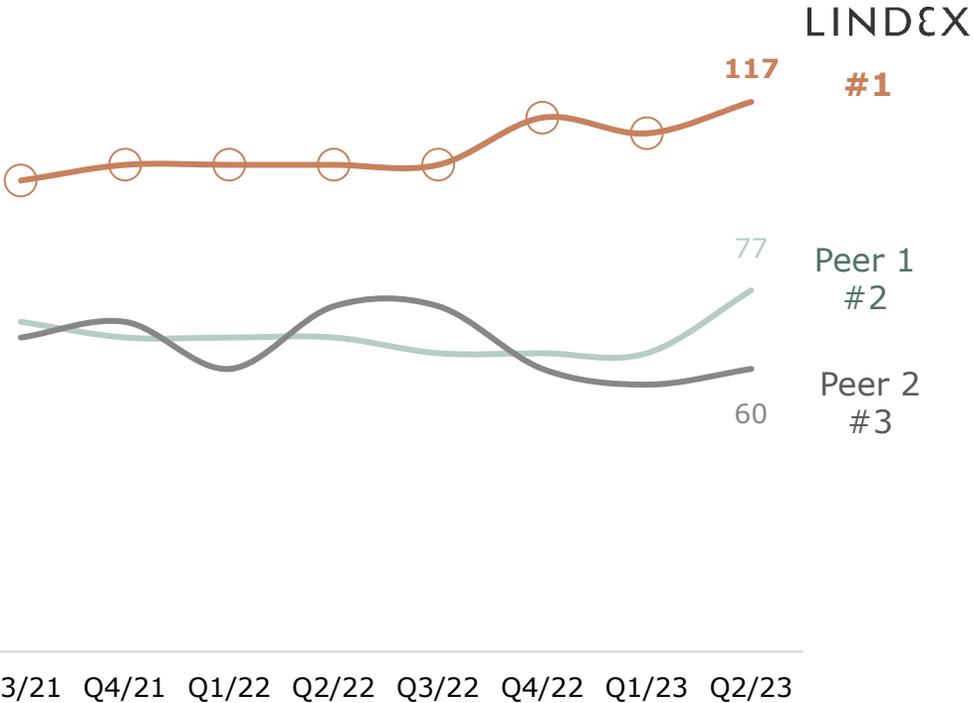
**Ready for change**

1) Women aged 18-65 in Sweden, Norway and Finland; 2) 2020-7/2023  
Source: Lindex brand tracking Q3 2023 in Sweden; Company materials

# A forerunner in sustainability

## Lindex perceived as the sustainability leader

Consumer Sustainability Index<sup>1)</sup>



## We promise to make a difference for future generations

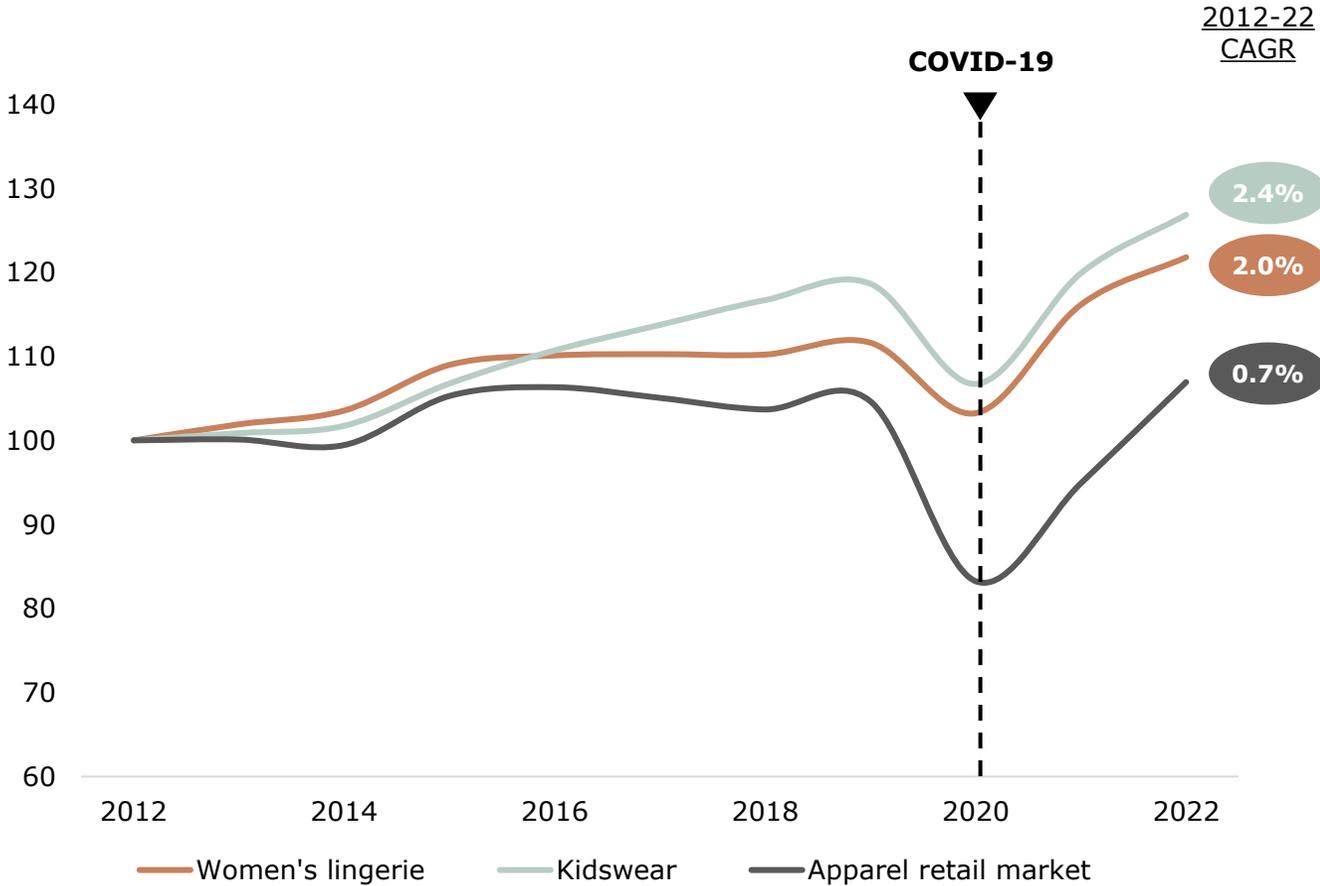


<p><b>41%</b> Recycled materials 2023<sup>2)</sup></p>	<p><b>22%</b> CO<sub>2</sub> reduction 2017-2022</p>	<p><b>114k</b> workers reached through We Women program</p>	<p><b>80%</b> Female management team</p>
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1) Sweden, Finland, Norway and Czech Republic, "The brand feels honest and responsible with regard to sustainability", Lindex Q3/21 indexed at 100; 2) Outcome for the year 2023  
Source: Company information, Lindex Brand Tracking

# With a resilient market position

## Lingerie and kids market is resilient compared to overall apparel retail<sup>1)</sup>...



## ...with Lindex especially set for resilience



**~70% of sales**  
from Lingerie, Kidswear and Cosmetics that are macro-resilient



**~60-70% of assortment**  
are basics with limited fashion risk



**Price-to-quality leader<sup>2)</sup>**  
with strong brand supporting pricing between fast-fashion and premium

1) Indexed retail value of lingerie, kids and overall apparel retail market in Sweden (2012 level = 100); 2) Lindex products seen as #1 in quality and #2 in value-for-money in Sweden  
Source: Third-party study, Statistikmyndigheten; Lindex Brand Tracking

# Strong multichannel business poised for global growth

## Growth across channels driven by omnichannel excellence and growing global partner network

Local currency revenue CAGR 2019-Q3/2023 LTM,%

### CAGR

+3%<sup>1)</sup>

Stores

- **438 stores** in 18 countries in June 2023 (474 stores in Jan-2019)
- 99% of stores are **profitable** with potential to further share best practices
- Physical stores crucial for modern omnichannel customer experience

+35%

E-com

- Lindex digital in **34 countries** – spearheading Lindex long-term growth
- **Outperforming** digital retail market growth with strong profitability
- Online growth supporting omnichannel excellence

+75%

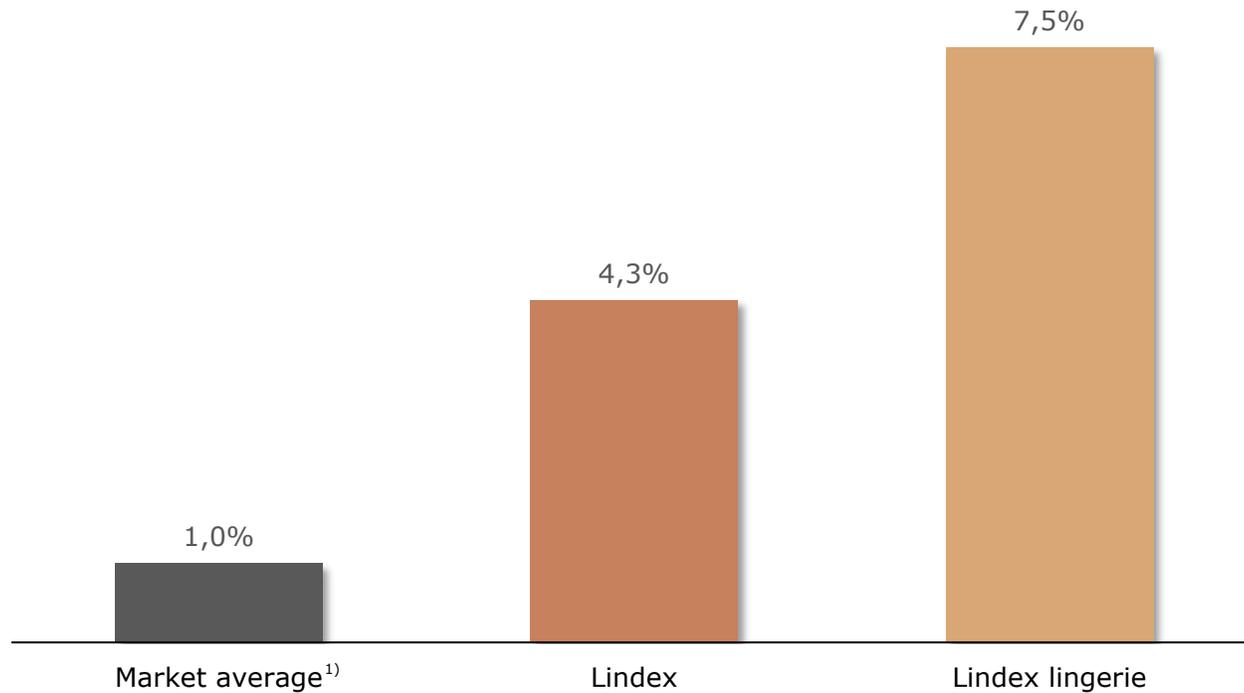
Third-party

- Growing number of digital and physical distribution partners
- Asset-light international revenue growth and building of brand awareness

MANOR\* ASOS | JOHN LEWIS | zalando | Boozt.COM | ABOUT YOU° next

# Above-market organic growth

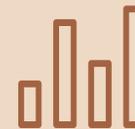
Local currency revenue CAGR 2019-Q3/2023 LTM



## Key underlying drivers going forward



International and digital growth



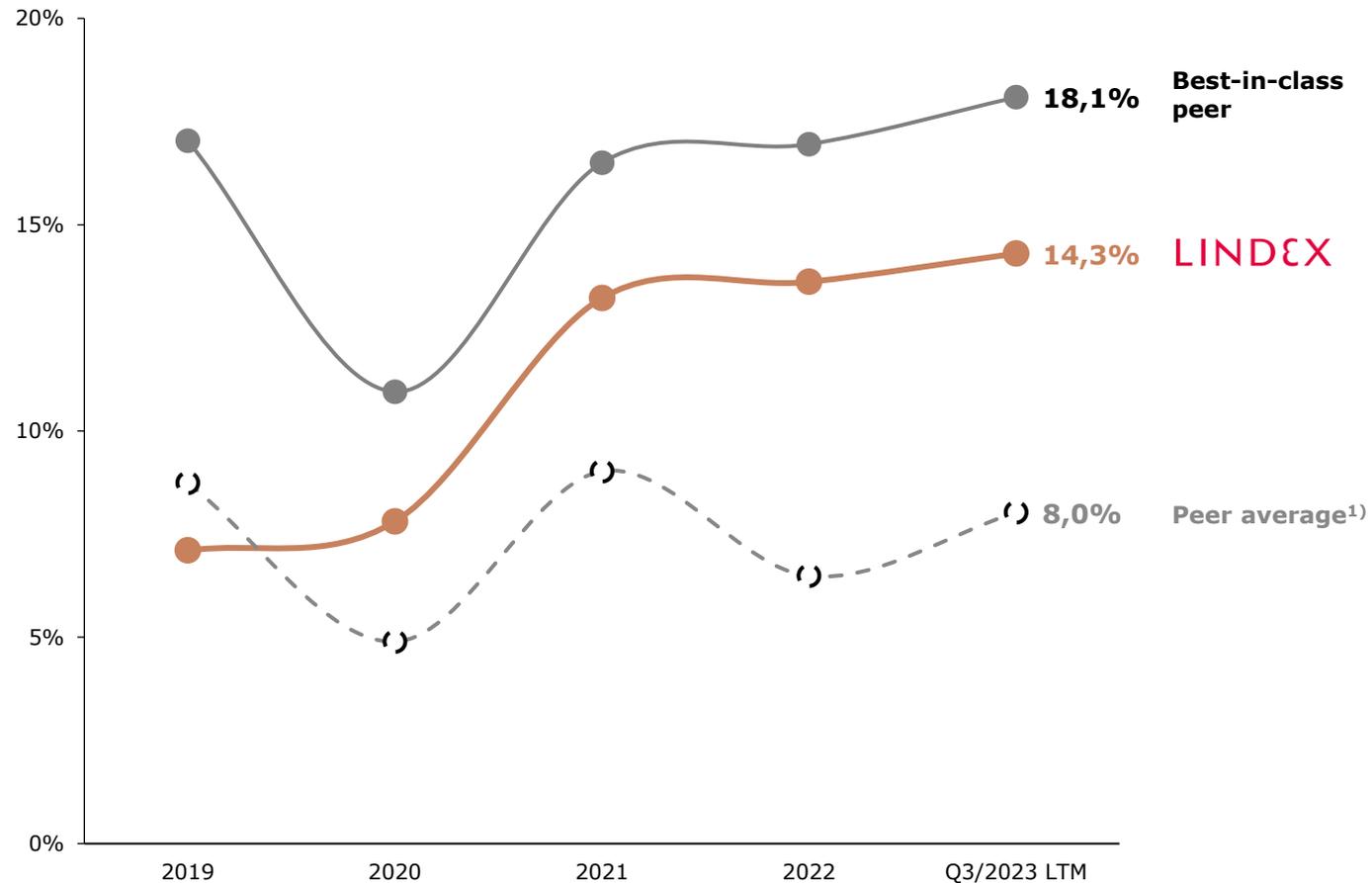
New offerings and business models



Growth in existing markets and channels

# Sustainably strong profitability

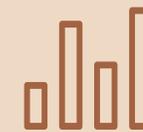
Adjusted operating margin 2019-Q3 2023LTM



## Key underlying drivers going forward



Offering differentiation and omnichannel drives sustainably high gross margins



Track record of OPEX improvement with further potential



New omnichannel distribution center offering efficiency gains



Digitalization of supply chain and store network

1) Peer group includes ASOS, Fast Retailing, Gap, H&M and Inditex  
Source: Company materials

# Clear strategy for value creation

## Accelerate growth



- Organic growth
- International and digital growth
- New offerings and business models

## Transform to a sustainable business



- Elevating our higher purpose
- Be adaptive in the sustainability transformation
- Seize new business opportunities arising in the transformation

## Decouple cost from growth



- Digitalization of our supply chain and securing future logistics
- Digitalization of our store network
- Future fit organization and operations

**Strong brand and  
loyal customer  
base**

**Susanne Ehnbåge**

Stockmann Group CEO, Lindex CEO

LINDEX



# Lindex is a highly valued brand among women

**95%**

Brand awareness

**51%**

Purchased last 12 months

**#1**

Extra good at Lingerie

**#1**

Extra good at Women's wear

**#1**

Extra good at Kid's wear

**#1**

Within Women empowerment

**#1**

Credibility within Sustainability

**#2**

Offer value for money

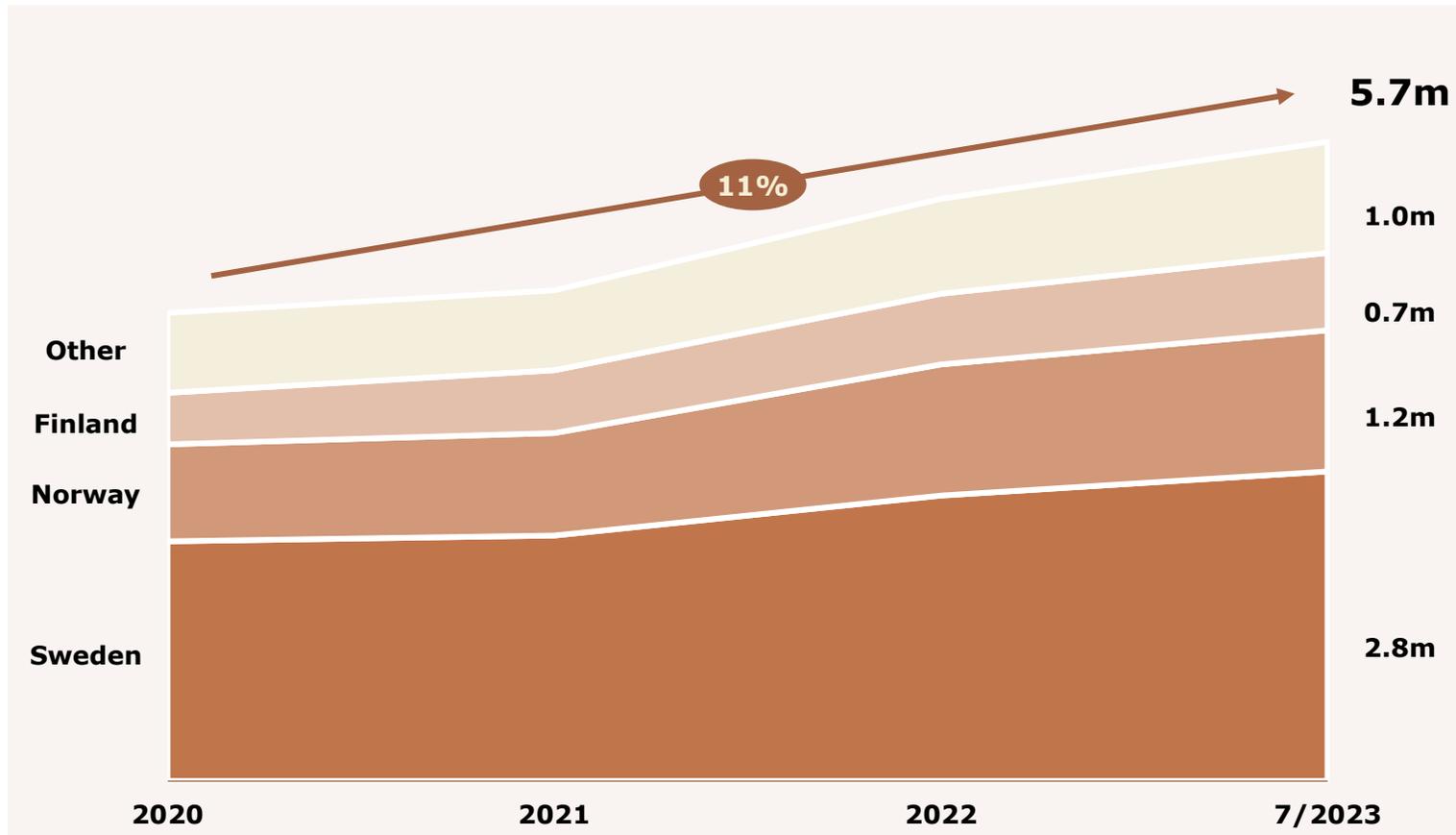
**#1**

Products of high quality

# Lindex loyalty customer base is growing

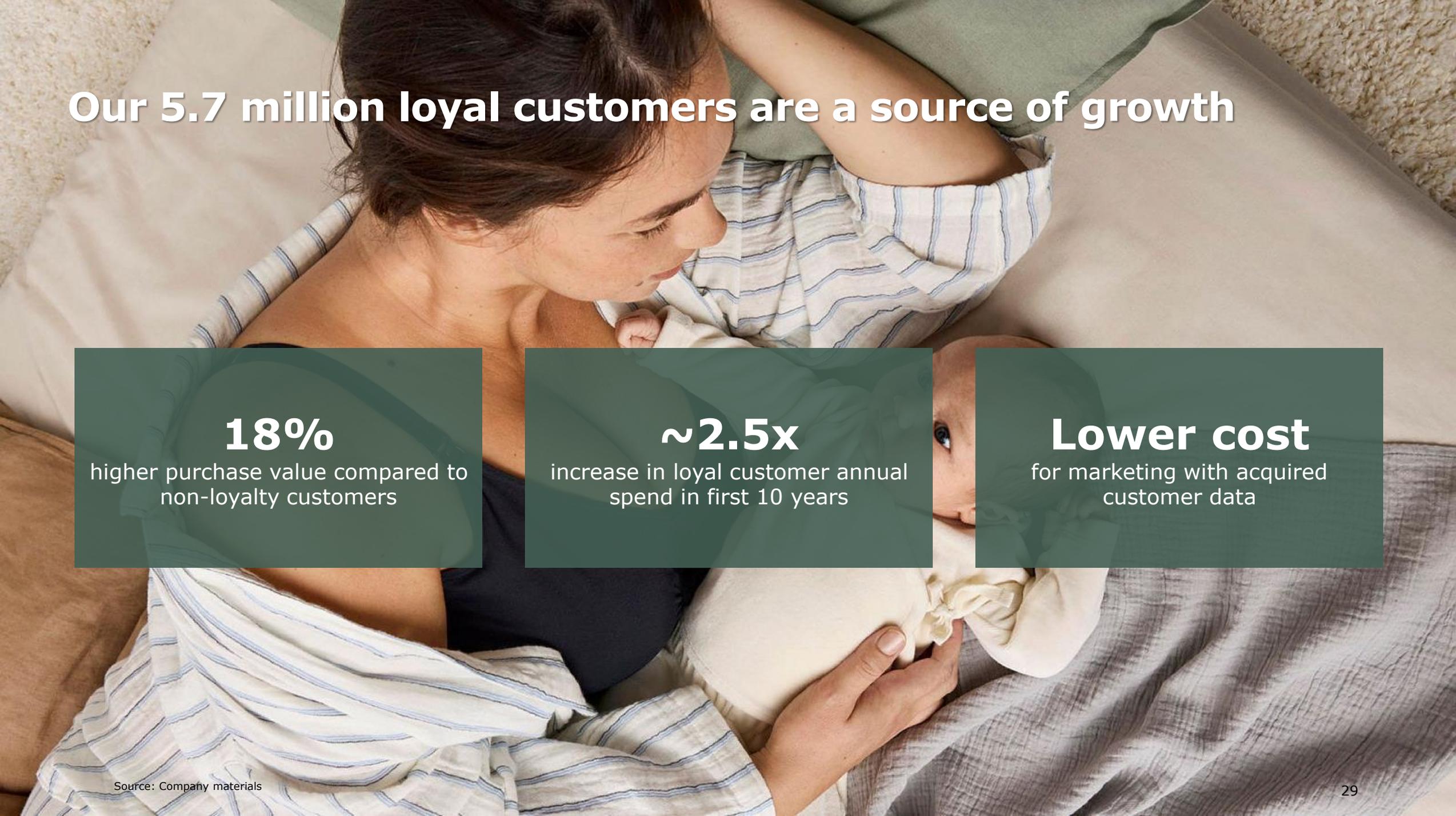
## Very large loyalty pool with significant potential

# of loyalty customers (million)<sup>1)</sup>



**72%**

of the Nordic female population are loyalty members<sup>2)</sup>

A photograph of a woman with dark hair, wearing a white and blue striped hospital gown, sitting in a hospital bed. She is holding a newborn baby wrapped in a white blanket. The background shows a hospital room setting with a bed and a carpeted floor.

# Our 5.7 million loyal customers are a source of growth

**18%**

higher purchase value compared to non-loyalty customers

**~2.5x**

increase in loyal customer annual spend in first 10 years

**Lower cost**

for marketing with acquired customer data

# The loyalty program, a strong basis for gaining market share

## Sweden



**83%**  
of target group are  
Lindex loyalty members

*Lindex market share, %*

22%



Lingerie



16%



Kidswear



2%



Womenswear



## Norway



**73%**  
of target group are  
Lindex loyalty members

*Lindex market share, %*

9%



Lingerie



7%



Kidswear



7%



Womenswear



## Finland



**38%**  
of target group are  
Lindex loyalty members

*Lindex Market share, %*

12%



Lingerie



9%



Kidswear



1%



Womenswear



# Growing multichannel business

**Caroline Öhgren**  
Lindex Director of Sales



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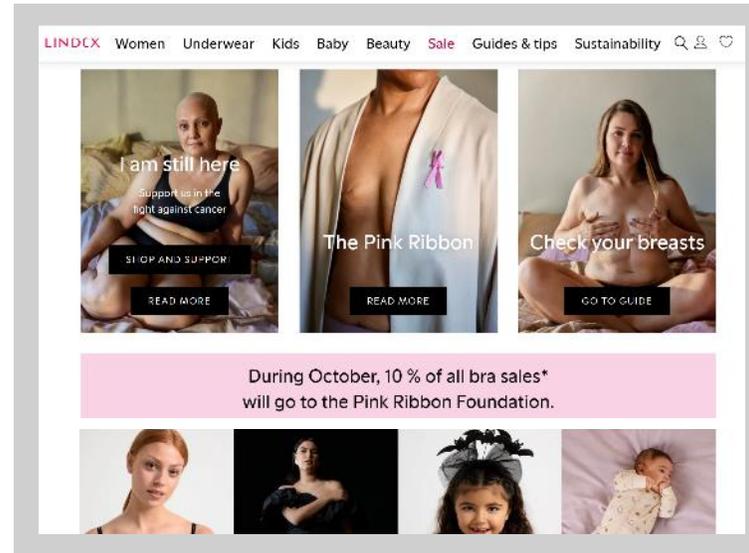
# A clear multichannel strategy, set for global growth

## Lindex stores



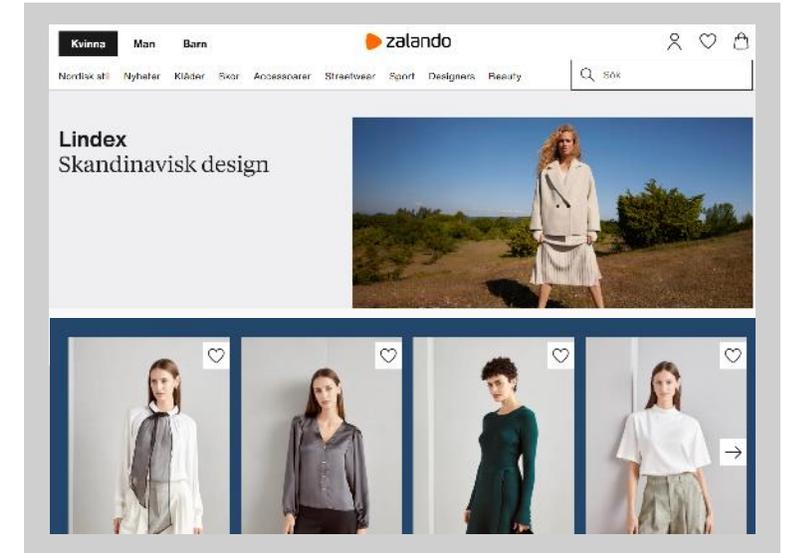
**Revenue<sup>1)</sup>:** €516m  
**CAGR<sup>2)</sup>:** 3%<sup>3)</sup>  
**Countries:** 18

## Lindex e-com



**Revenue<sup>1)</sup>:** €103m  
**CAGR<sup>2)</sup>:** 35%  
**Countries:** 34 (12 localised)

## Third-party platforms



**Revenue<sup>1)</sup>:** €18m  
**CAGR<sup>2)</sup>:** 75%  
**Countries:** >20

**Digital share of revenue: 19%**

# The store network is a significant advantage

**>430 stores in  
18 countries**

**99% of stores are  
profitable**

**Excellent Brand  
builder**

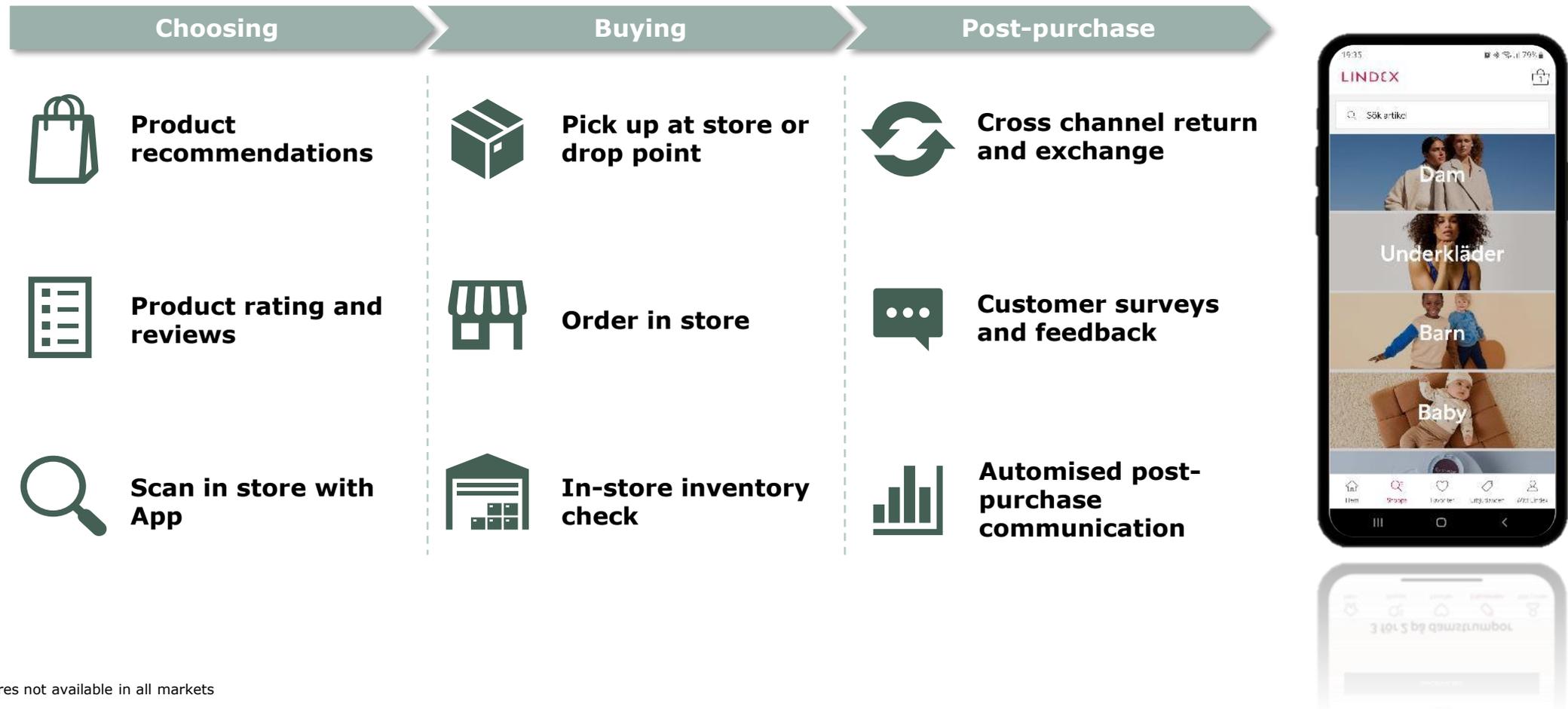
**High Employee  
engagement**

**High Customer  
engagement**

**High Digital  
acceleration**

# Omnichannel has multiple features benefitting the customer

Seamless customer experience digitally and in-store



Note: All features not available in all markets

# Omnichannel is a key competitive advantage for Lindex



**~3x higher  
spend**

For omnichannel vs. single-channel customers

**All 3  
categories**

Bought by the median omnichannel customer<sup>1)</sup>

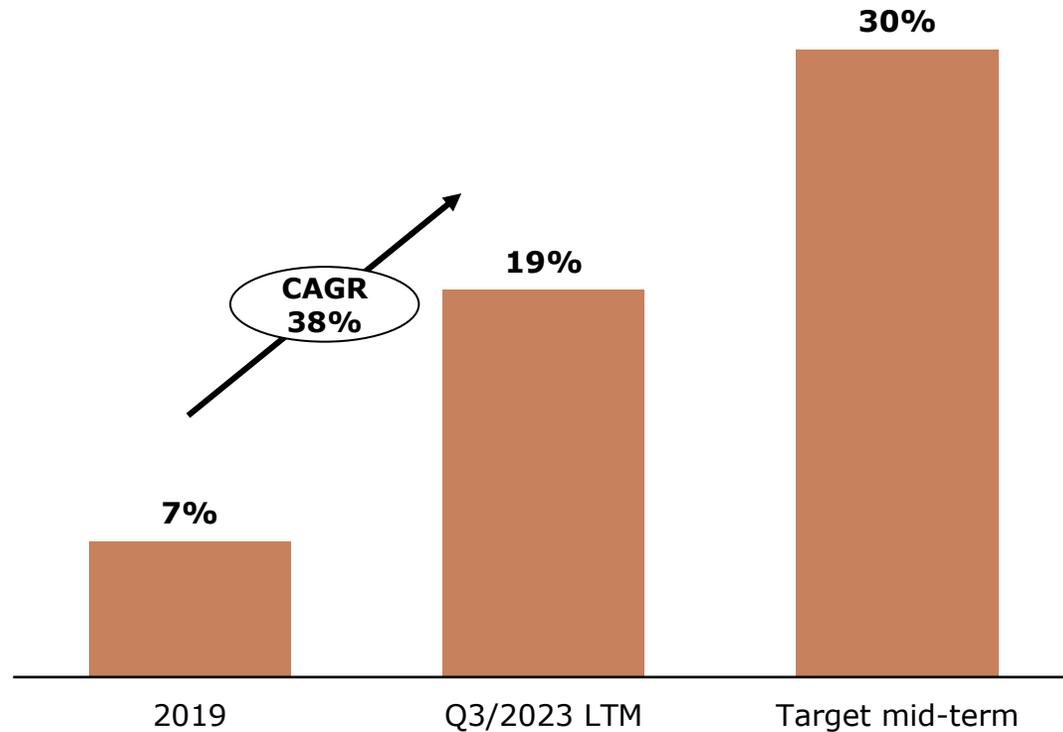
**93% returns  
in-store**

Instead of delivering to a distribution center

# Significant potential for Lindex to increase digital share

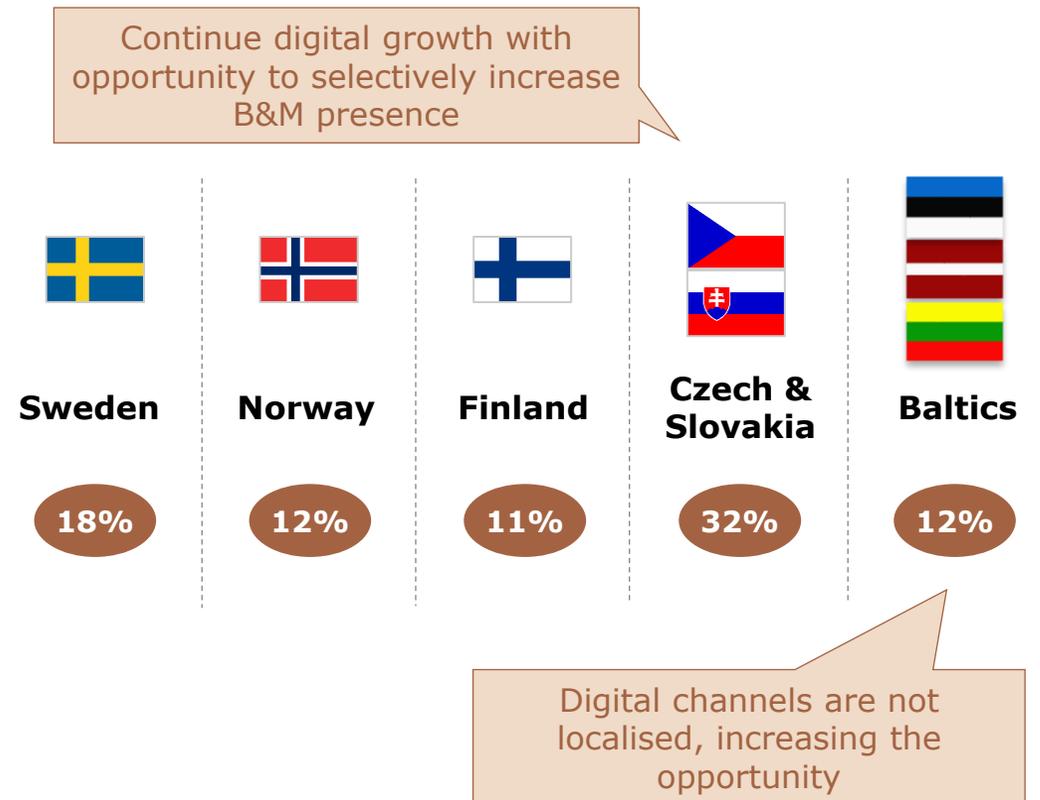
## Strong track record of digital growth...

Lindex share of digital revenue<sup>1)</sup>



## ...with significant remaining potential in all countries

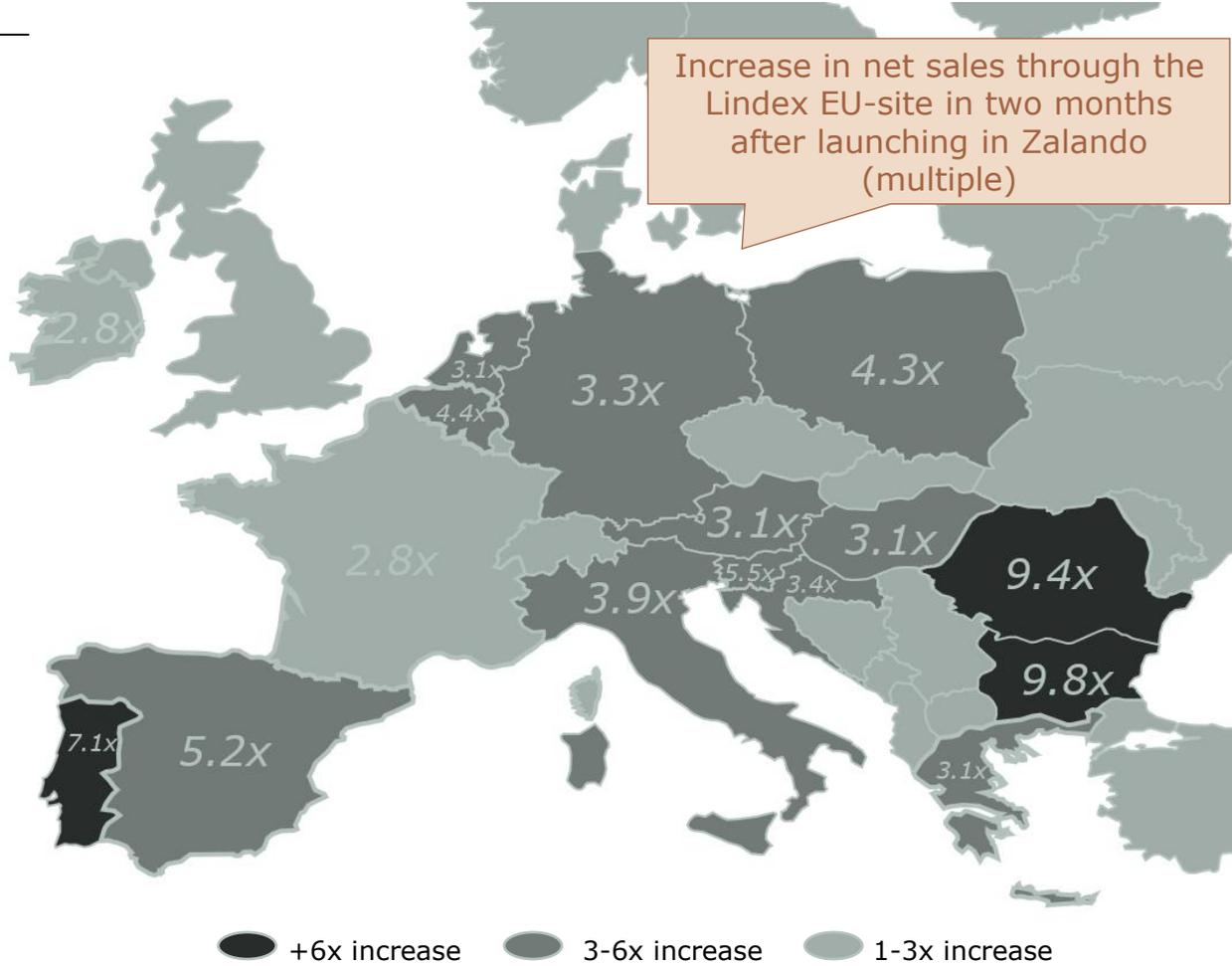
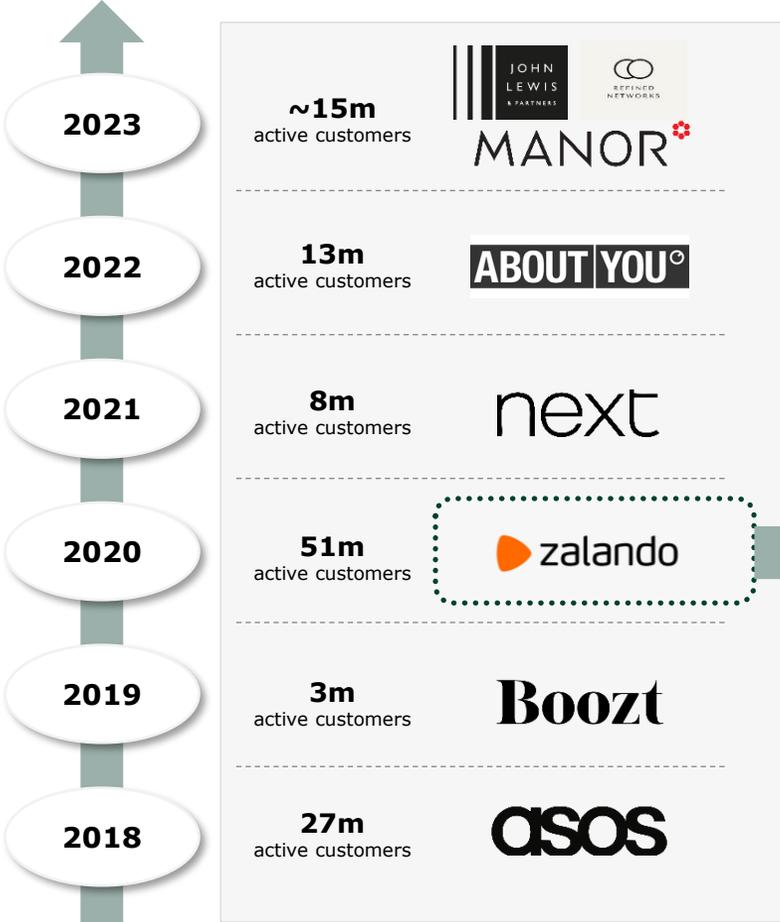
Lindex share of digital revenue per market (Top-5 market areas)<sup>2)</sup>, Q3/2023 LTM



1) Includes 3<sup>rd</sup> parties; 2) Excludes 3<sup>rd</sup> parties  
Source: Company information

# Boosting Lindex.com through Third-Party exposure

Third party sites provide a capital-light way to expand



Note: Increase in digital sales was partly due to the COVID-19 pandemic  
Source: Company materials

# Lindex new distribution centre for growth and profitability

Lindex new omnichannel distribution centre in Gothenburg



## Benefits

**10 EURm annual savings** through improved margins, higher stock turnover and other efficiencies

**One stock operation** enables sales and stock optimization

**Flexible and scalable omnichannel warehouse** for all our sales channels

**Reduced transaction cost** for e-com orders

**Sustainable warehouse** through BREEAM "Very Good certification", solar energy, working environment and prepared foundation for future enabling of transportation electrification



Source: Company information

# A unique offering and efficient supply chain

**Elisabeth Hedberg**

Lindex Director of Design,  
Purchase & Production

LINDEX



# Lindex has three strong business areas

## Lingerie



**30%**

Share of revenue

- Technical design gives top notch lingerie offer
- Highly trust from customers
- Strong foundation for femtech

## Kids wear



**35%**

Share of revenue

- Unique design DNA
- Playful offer: Let kids be kids
- Growth driver in new markets

## Women's wear



**31%**

Share of revenue

- Timeless design
- Profitable mix of everyday essentials and seasonal keys
- Expanding further in premium basics

# Our offering is unique, competitive and sustainable

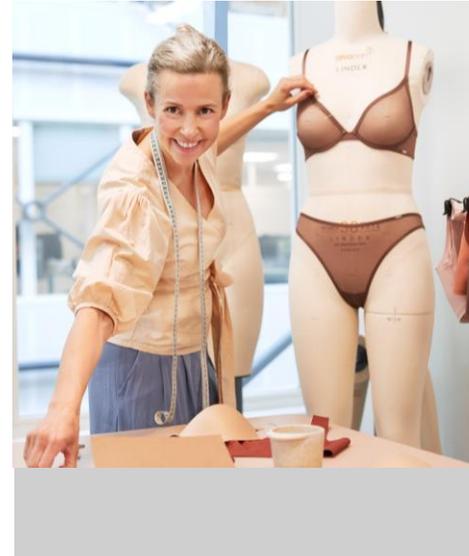
**100% focus on women and kids**



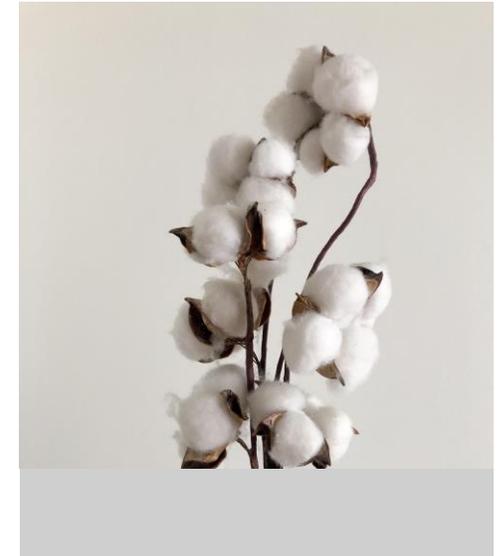
**#1 position in lingerie**



**Focus on fit and comfort**



**Leader in sustainability<sup>2)</sup>**



Competitive offering

Clear brand purpose

>2x larger vs. closest competitor<sup>1)</sup>

Wide size range

Leader in product categories offered<sup>3)</sup>

Resilient offering

Lingerie and kids are macro-resilient

Lingerie is a key loyalty driver

Broad loyal customer base

Pricing resilience vs. fast fashion

1) Total no. of SKUs in underwear and hosiery categories in digital stores during 11-15 Sept 2023 (Lindex: 1,993; closest competitor: 821); 2) Lindex seen as #1 in sustainability, #1 in quality and #2 in value-for-money in Sweden. 3) Lingerie, kidswear and womenswear in Sweden  
Source: Company digital stores; Lindex Brand Tracking Q2/2023

# Our ability to design fitting lingerie can't be replicated

## Lindex has long experience in designing for women



70+ years experience of designing for the female body



Own design DNA brought into reality by own designers

## Design is a unique capability at Lindex



Consistently high quality and fit



Ability to serve all shapes and sizes



Customer insight driven design and innovation

# Ever-evolving offer, elevating our brand for global growth

Examples of current offering and its development

**Index as a marketplace**



**Premium range expansion**



**Circular materials**



**Youth activation**



**Femtech**



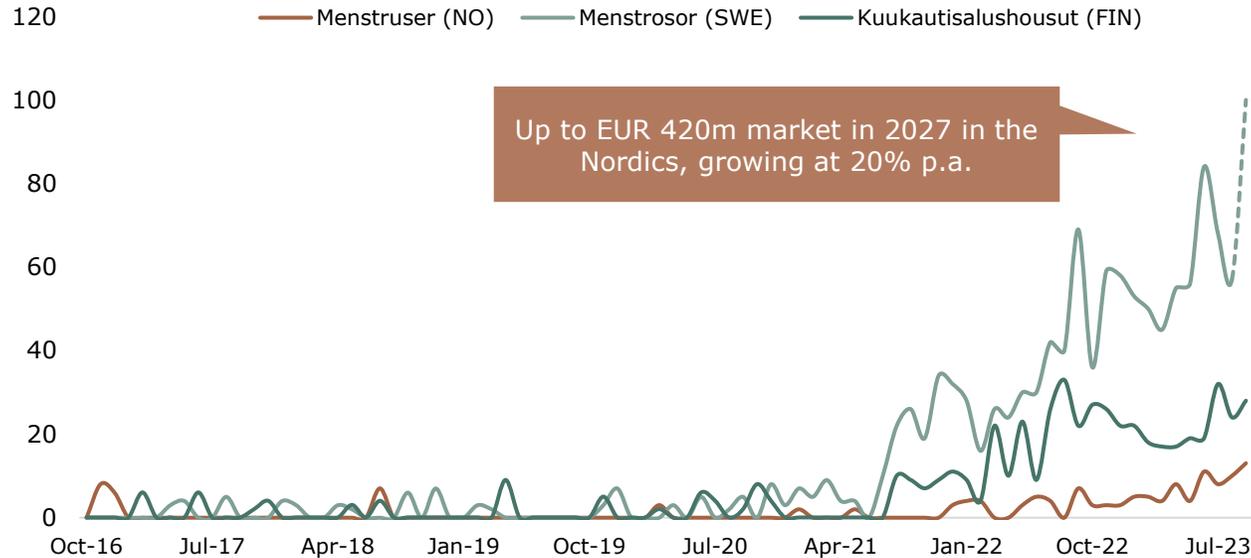
**Premium secondhand**



# Well positioned to capture the growing femtech market

## Interest over time in femtech products<sup>1)</sup>

Google keywords, indexed to time period



## Fem-tech products



**Period underwear**



**Period swimwear**



**Incontinence underwear**



**Maternity**



**Menopause**

## Attractive opportunities for Lindex



**Female Engineering®**

A femtech brand by Lindex



**#1 Nordic position in lingerie<sup>2)</sup>**



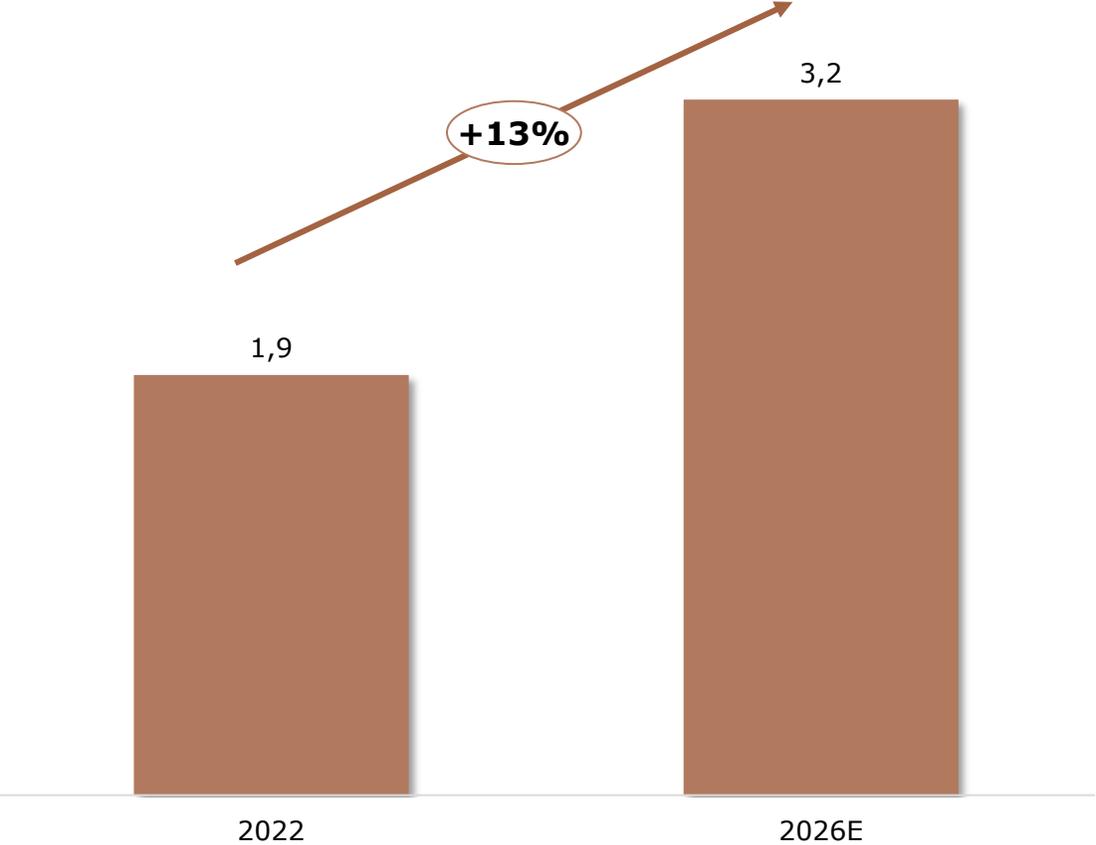
**B&M and Ecom channels**

1) Numbers represent search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular. A score of 0 means there was not enough data for this term; 2) Based on Lindex customer survey, September 2023 (n = 500 in SE, 308 in NO, 500 in FI)  
Source: Third-party study, Google Trends, company information

# Premium second-hand is a tool for sustainability and engagement

Premium secondhand gaining total market share with Lindex concept already proving good results

Nordic<sup>1)</sup> secondhand market size (EURbn)



-  Timeless quality pieces fit well
-  Further engagement of loyal customer base
-  End-to-end sustainability in product lifecycle

1) Excluding Denmark  
Source: Third-party study

# Our supply chain is efficient, resilient and sustainable

**Lindex has strong control of its supply chain...**



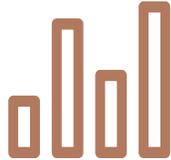
5 fully empowered production offices

Long-term relationships with strong vertical suppliers globally

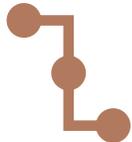
**...which is driving performance for the future**



Increasing share of European production to shorter lead times



70% of our assortment has at least 15% recycled content in 2026



Digitalisation of supply chain improves profitability and reduces lead times

# A forerunner in sustainability

**Elisabeth Hedberg**

Lindex Director of Design,  
Purchase & Production



LINDEX

# Lindex promise to make a difference for future generations

## Empower women

### Female health and well being

- Launch of Female Engineering
- Water Aid partnership focusing on women, sanitation and menstrual hygiene reaching 15,000 people

### Gender inclusive workplaces

- Creators of WE Women, reaching 114,000 workers
- 80% women in management

## Respect the planet

### Climate and resources

- Committed to Science Based Targets
- >80% of assortment from more sustainable fibers
- 41% of assortment containing at least 15% recycled fibers
- 22% reduction in CO<sub>2</sub> emissions between 2017 and 2022
- Substantial supply chain improvements in water & chemical management

## Ensure human rights

### Fair and decent work

- Well positioned to comply with CSRD and CSDDD
- Human rights DD and social programs in place

### Diversity, equity and inclusion

- Rollout of awareness program started in 2023

# Lindex is resilient for the future

**Leverage our purpose**  
to be a thought leader within women  
empowerment

**Seize business opportunities**  
and find growth connected to circular  
transformation

**Manage and meet**  
stakeholder expectations and legal  
requirements



# Lindex | Summary

- 1 Growing market with positive tailwinds
- 2 Strong brand with a significant loyalty base
- 3 Forerunner in sustainability
- 4 Market leader with a differentiated and resilient position
- 5 Strong multichannel business
- 6 Above-market growth with structurally high margins
- 7 Clear strategy for value creation



# Stockmann | Premium multibrand retailer ensuring profitable growth

**Tove Westermarck**

Stockmann Chief Operating Officer

**Riku Lyly**

Stockmann Chief Style Officer



**STOCKMANN**

# Leading premium multi-brand retailer in Finland and the Baltics

## Wide and unique offering

with over 150 very limited distribution brands

## Omnichannel presence

through physical and digital stores

**100%**

brand awareness<sup>1)</sup>

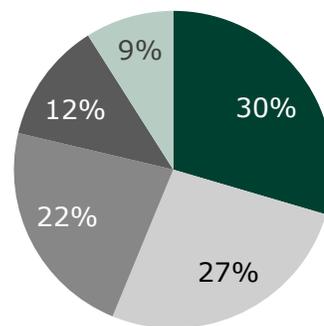
**1.4 million**

loyalty members

**+10% revenue growth**

in 2022

Revenue split 2022



- Helsinki flagship
- Other Finland stores
- Baltic stores
- Online
- Service and rental income



1) Brand awareness in Finland  
Source: Company information

# Stockmann – Ensuring profitable growth

- 1 Supportive market backdrop for multi-brand retail
- 2 Iconic brand
- 3 Valuable loyalty customer base
- 4 Unique multi-brand offering
- 5 Seamless customer experience through omnichannel model
- 6 Clear strategy for future growth



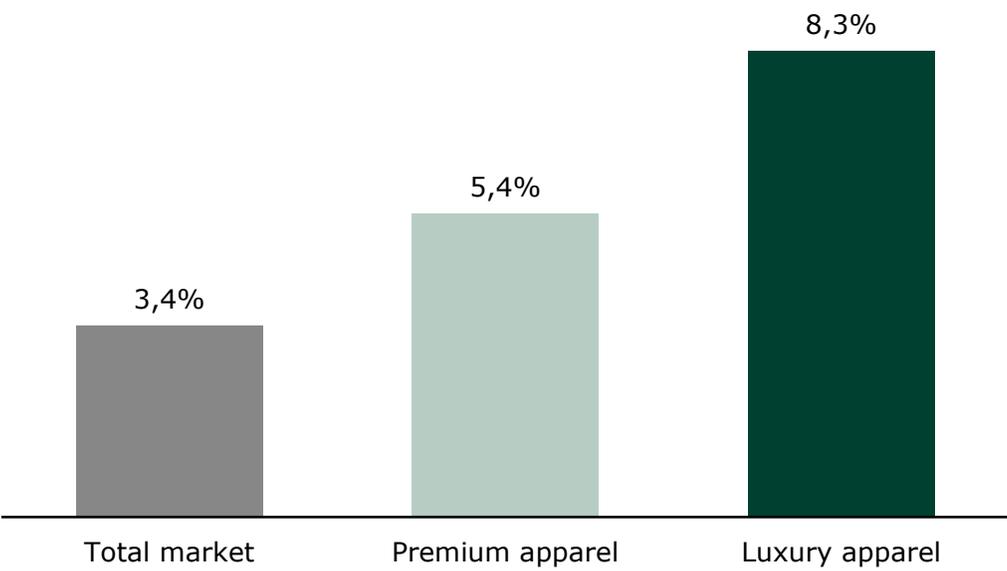
# Strong market trends supporting luxury and premium growth

Market size (EURbn)<sup>1)</sup>



**Spending polarisation**  
as consumers trading up in key categories

2022–2027E market CAGR<sup>1)2)</sup>



**Sustainability trend** with consumers buying **less products but investing in better quality**



**~50% increase in tourists** in Finland from 2023 to 2027 with tourists being major luxury purchasers

1) In Finland and Baltics; 2) Luxury and premium Finland CAGR  
Source: Third-party study

# Omnichannel vital for retail, notably in premium and luxury



**>70% more frequent** shopping from omnichannel compared to single channel



**>2x average annual spend** from omnichannel compared to single channel



**Consumer experiences** increasingly more important across channels



**73% of luxury bought in-store** with special need in Stockmann's categories

# Stockmann is an iconic brand

## Purpose

The marketplace for a good life

## Value proposition

Carefully curated collection of premium products and experiences enabling seamless shopping at any time and location

## Brand promise

We elevate shopping into an experience – every visit should leave a memory – a feeling that lasts

**100%**

Brand awareness<sup>1)</sup>

**44.1m**

Annual visitors<sup>2)</sup>

**93%**

Have considered buying from Stockmann

**>75%**

Of consumers view Stockmann as a luxury/premium retailer

**80%**

Of those who have considered Stockmann have made a purchase

**62**

Emotional Value Index<sup>3)</sup>

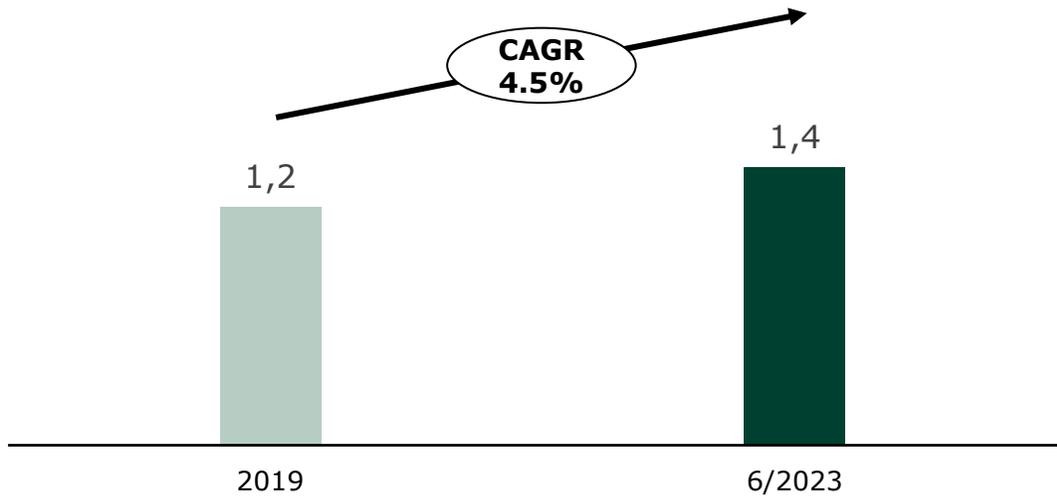
Note: All figures 2023 1) Brand awareness in Finland 2) Annual visits to physical and online stores; 3) YTD 2023. With EVI, the customer chooses the emotion that describes the experience from 8 possibilities. The weighted average of these emotions is The EVI® value that is always between -100 and +100  
Source: Third-party study

# Sizable loyalty customer base with spending power

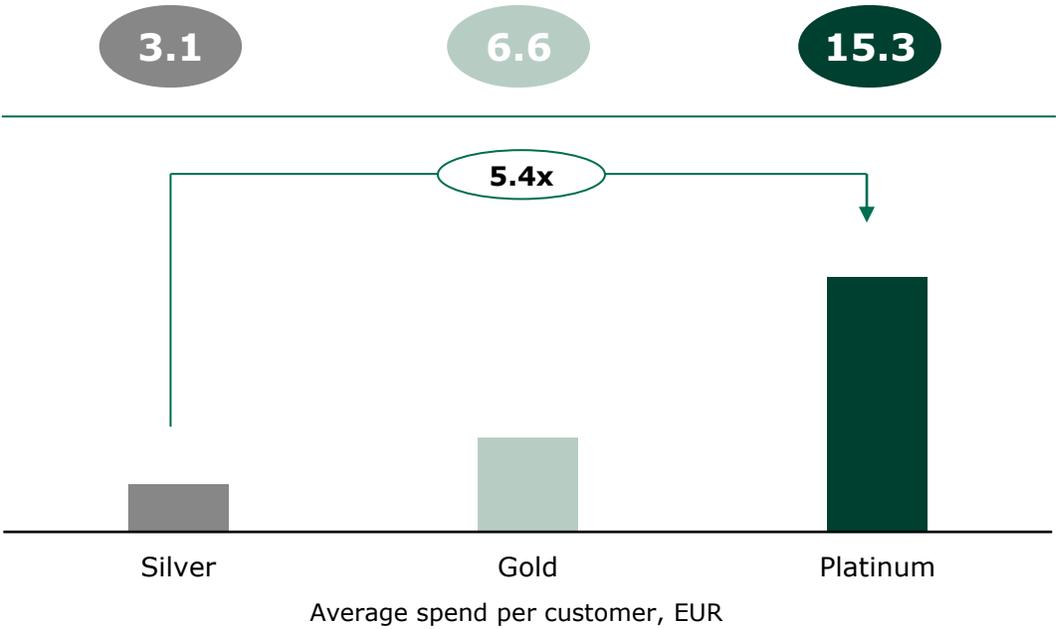
## Loyal customers spend more...

## ...and shop more often

# of MyStockmann loyalty customers, in millions



Average buying frequency, days per year<sup>2)</sup>



Average spend per customer, EUR

Loyal customers spend more, shop more often and provide valuable data insights into behaviour and preferences

1) Merchandise revenue; 2) Q3/2023 LTM  
Source: Company materials

# Clear plan to leverage loyalty customer base in the future

## Develop MyStockmann loyalty program

- Renew loyalty program to incentivise loyalty
- Develop benefits to activate and grow loyal customer base

## Advance personalisation capabilities

- Leverage sizable customer database in marketing and product offering
- Personalisation in customer relationship management

## Explore new revenue streams

- Boosting retail media sales
- Exploring commission-based models
- Partnerships with top brands

# Comprehensive and well-balanced offering with increasing focus on premium and luxury

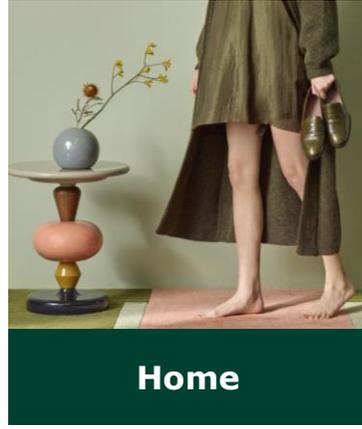
## Key offering



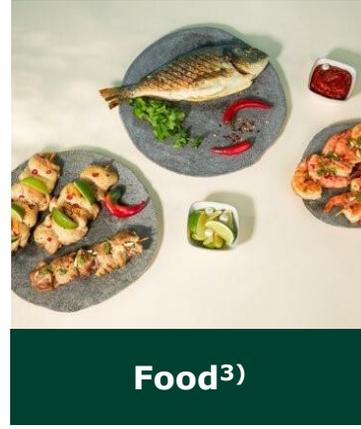
**Fashion**



**Beauty**



**Home**



**Food<sup>3)</sup>**



**Service & rental income**

Share of sales in 2022<sup>1)</sup>

**48%**

**16%**

**16%**

**11%**

**9%**

Revenue CAGR %<sup>2)</sup>

**9%**

**3%**

**-3%**

**3%**

**-8%<sup>4)</sup>**

Offering differentiators

**Unique offering of premium and luxury brands**

**Exceptional offering of international and Finnish beauty brands**

**Durable and premium design for the Nordic lifestyle**

**High-quality combination of selection and service**

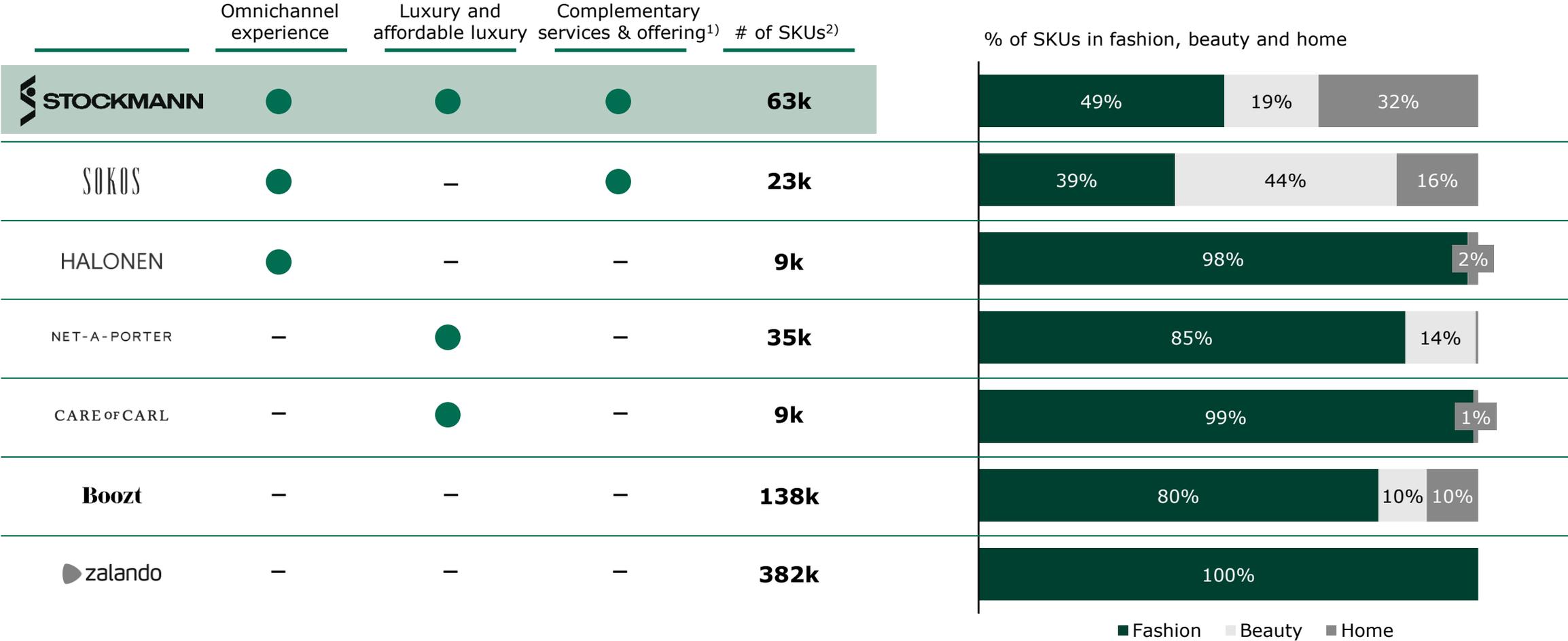
**Broader product and services offering through concession and tenant models**

1) Divisional sales. Share of sales pertains effects of rounding; 2) 2020-Q3/2023 LTM (excluding Crazy Days timing impact); 3) Merchandise food-related sales in the Baltics; 4) Driven by Helsinki flagship, Tallinn and Riga properties sale  
Source: Company materials

# Stockmann standing out with its omnichannel approach and premium offering

A uniquely curated combination of luxury and omnichannel...

...with a broad offering

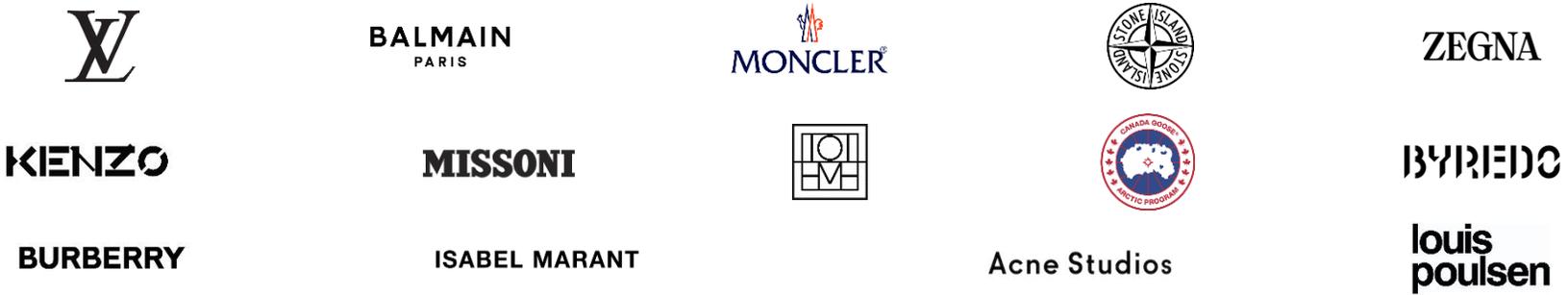


1) Food & Beverages; 2) Fashion, beauty and home  
Source: Third-party study, company websites

# Offering increasingly focused on premium and luxury brands

We have over 150 brands with very limited distribution

Unique position creators



Premiumization drivers



Value segment champions



Source: Company materials

# Making our offering more relevant to secure future growth

**Leveraging insight from**  
vast customer data in offering curation and  
expansion

**Create a true luxury destination**  
in Helsinki and further strengthen  
premium & affordable luxury offering  
across locations

**Accelerating sustainability impact**  
by focusing on quality, premium pricing  
and long-lasting products

# Prime locations and comprehensive reach through omnichannel model

**Flagship**



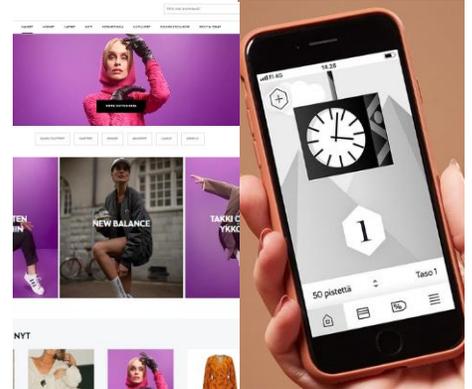
**Other Finland<sup>3)</sup>**



**Baltics<sup>4)</sup>**



**Digital<sup>5)</sup>**



<b>Area population<sup>1)</sup></b>	<b>1.6m</b>	<b>2.4m</b>	<b>1.1m</b>	<b>8.8m</b>
<b>Annual visitors:</b>	<b>6.1m</b>	<b>9.5m</b>	<b>4.6m</b>	<b>23.9m</b>
<b>2022 revenue<sup>2)</sup>:</b>	<b>€95m</b>	<b>€86m</b>	<b>€72m</b>	<b>€40m</b>
<b># of stores:</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>-</b>
<b>GDP per capita<sup>6)</sup>:</b>	<b>€46k</b>	<b>€41k</b>	<b>€26k</b>	<b>Application users: 435k<sup>7)</sup></b>

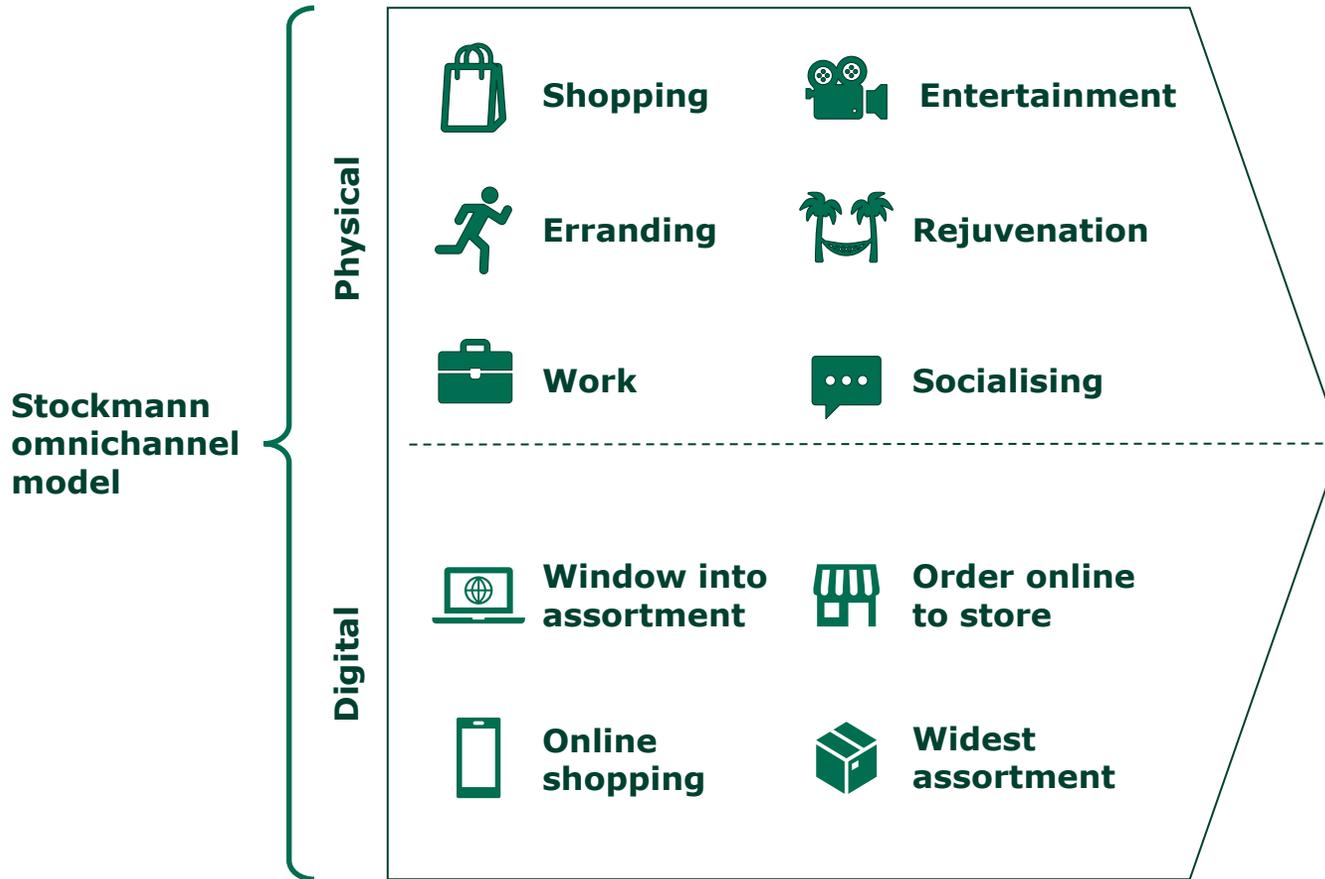
**State-of-the-art distribution center in Jussla, Finland with >90% of SKUs automated enabling efficiency in omnichannel logistics**

1) Combined greater city area population with stores and total market for online and application; 2) Excluding non-merchandise revenue; 3) Other Finland = Itäkeskus, Tapiola, Jumbo, Turku and Tampere; 4) Baltics = Tallinn and Riga; 5) Online = Finland, Estonia and Latvia; 6) 2021 purchasing power standards (EUR average 32k); 7) Unique devices in the last 12 months  
 Source: Company materials, Eurostat, UN, Statistics of Finland

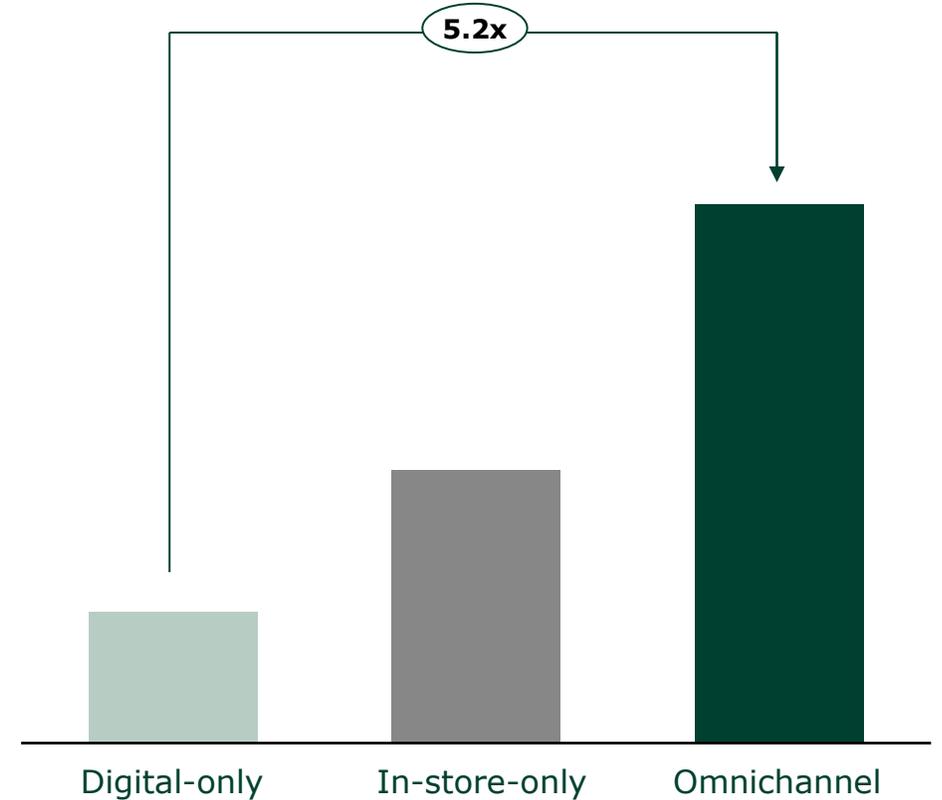
# Omnichannel strategy elevates customer engagement and drives growth

Seamless and effortless customer experiences...

...that occur within and between contact channels



LTM Oct-23 average spend by customer type (EUR)



# Operational efficiency initiatives ongoing to improve future profitability



**Ongoing actions**

-  **Organisational efficiencies**  
by continuous development of customer centric, agile and more cost-efficient operational model
-  **IT cost optimization**  
by consolidating services to single strategic supplier
-  **Optimized marketing spend and media income** by data driven targeting and marketing automation, increased retail media income from partnerships and collaborations

**Next steps**

-  **Digital supply chain**  
RFID adoption, digitalized supplier and product onboarding, optimized cost-to-serve
-  **Digital IT platform transformation**  
Harmonized infrastructure blueprint, streamlined application services landscape
-  **AI and process automation supported work-hour management**  
Staffplanning and advanced forecasting, AI generated product content
-  **Logistics efficiency**  
Further increase share of automation in operations via eCOM packaging automation

# Clear strategy – further leveraging platform to ensure future growth and profitability

## Elevate offering

- Leveraging data in offering curation
- Increase focus on premium and luxury, with a central role of the Helsinki flagship
- Enhance further sustainability

## Grow and leverage loyal customer base

- Development of MyStockmann loyalty program
- Advance personalisation capabilities
- Explore new revenue streams

## Ensure seamless omnichannel experience

- Flagship and physical store network development
- eCommerce acceleration through improved experience
- Investments in digitalization

Expanding revenue horizons: boosting retail media sales, 3<sup>rd</sup> party commissions, and B2B business

Further improvement in operational efficiency through automation and digitalisation

# Financial highlights

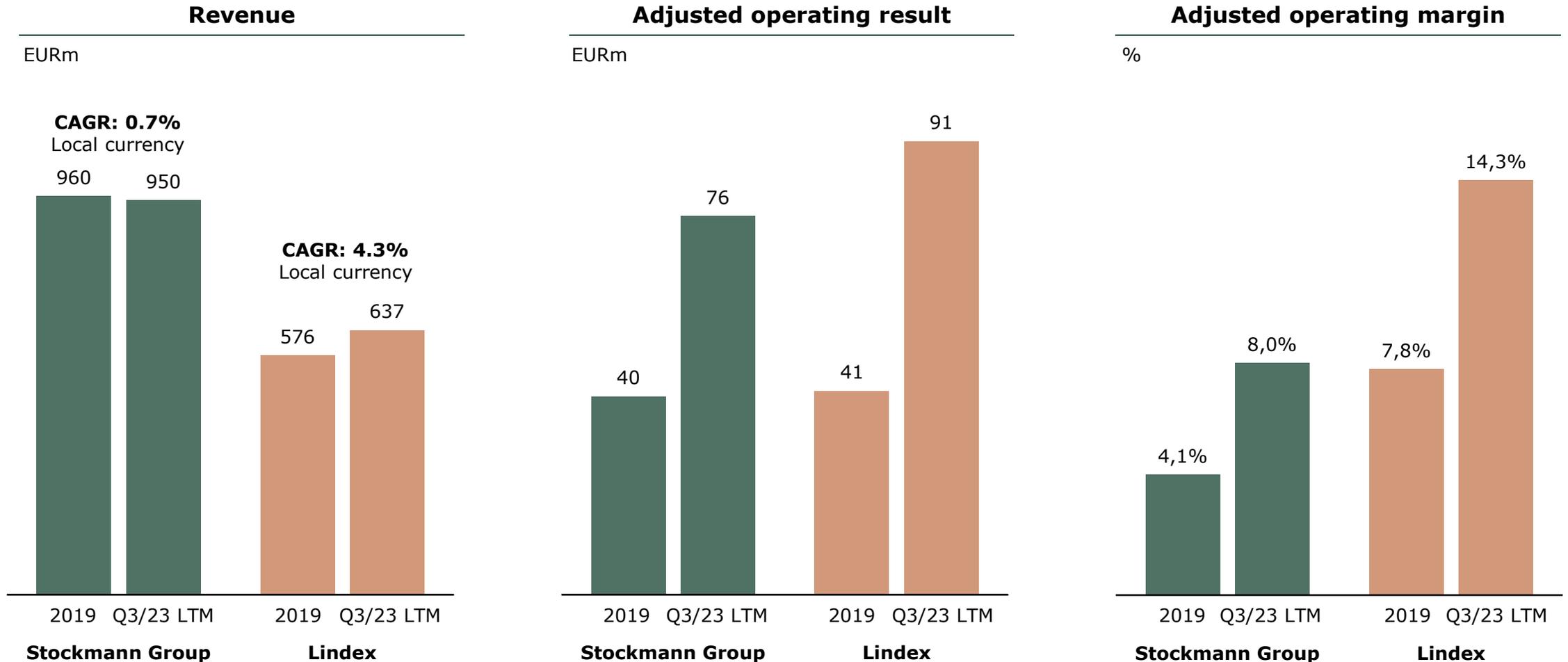
**Annelie Forsberg**

Stockmann Group CFO, Lindex CFO

A woman with dark hair pulled back, wearing a white turtleneck sweater, is shown in profile from the chest up. She has her eyes closed and a serene expression, looking towards the right. The background is a bright blue sky above a green, hilly landscape. The overall mood is peaceful and contemplative.

**STOCKMANN**

# Group has demonstrated earnings growth track record...



# ...and a strong financial position for future growth

**Net cash position**  
**EUR 36m**

Q3 2023<sup>1)</sup>

**Equity ratio**  
**59%**

Q3 2023<sup>1)</sup>

**Free cash flow**  
**EUR 50m**

Q3 2023 LTM<sup>2)</sup>

1) Excluding lease liabilities; 2) Operating Free Cash Flow = Adjusted EBITDA – lease expenses – capital expenditure – change in NWC; excluding OCDC capex of EUR 47m and excluding payment of restructuring debt

# Both divisions have clear financial targets

LINDEX



**3-5% annual revenue growth**  
in local currencies in the mid-term, and  
reaching SEK 10bn by 2030

---

**30% digital share of revenue**  
in the mid-term

---

**15% adjusted operating margin**  
in the long-term

---

**Reduce climate emissions by 42%**  
vs 2022 by 2030

**Revenue growth  
in line with market growth<sup>1)</sup>**  
in the mid-term

---

**Reaching a positive free cash flow**  
in the mid-term

---

**5% adjusted operating margin**  
in the mid-term

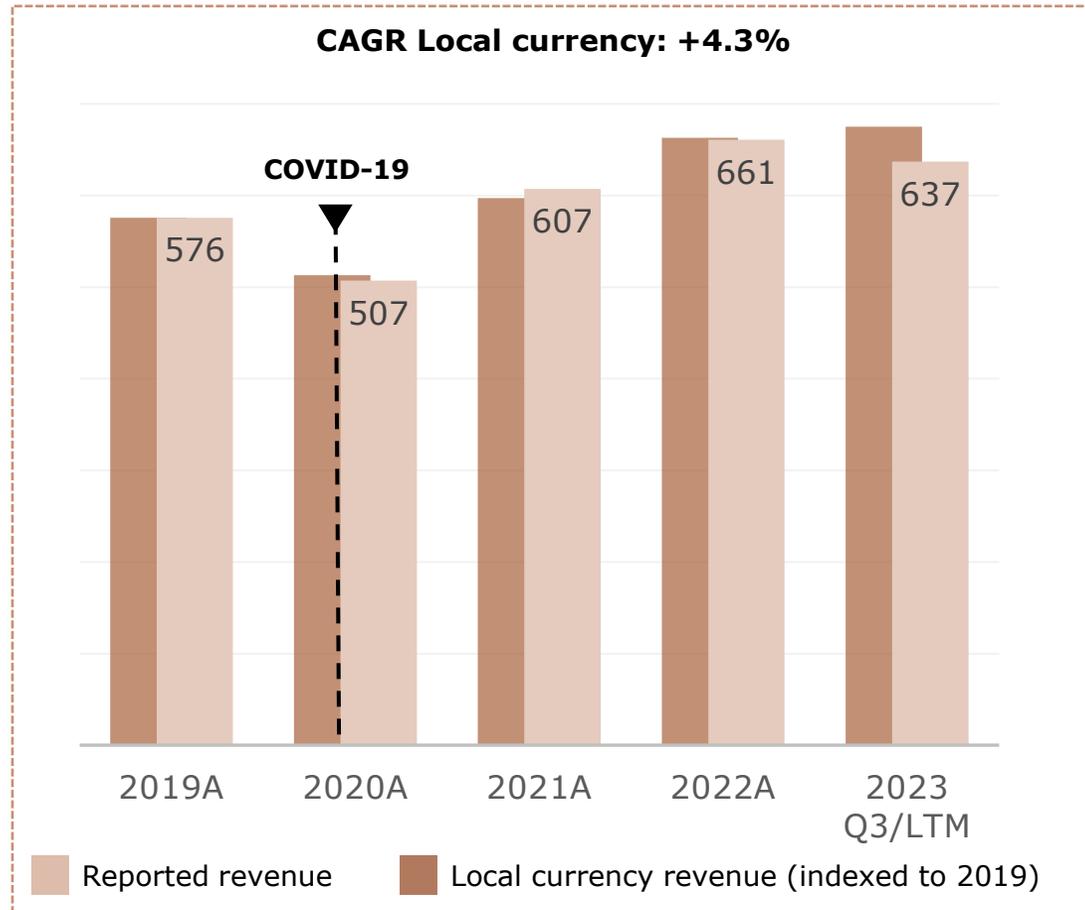
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**Reduce climate emissions by 42%**  
vs 2022 by 2030

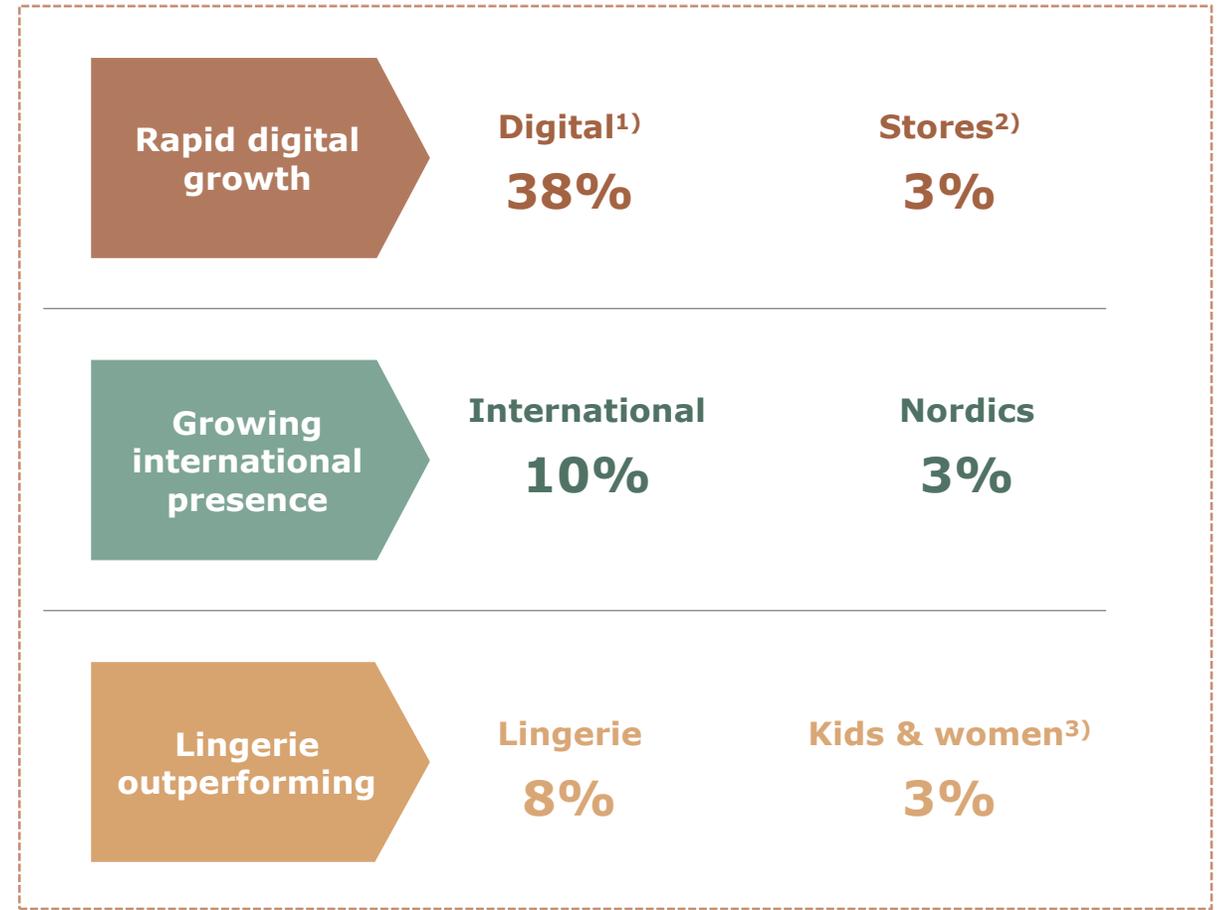
1) Stockmann addressable market in Finland, Latvia and Estonia, comprising of fashion, beauty and home categories

# Lindex growth track record in line with our strategic targets

## Revenue (EURm) and CAGR



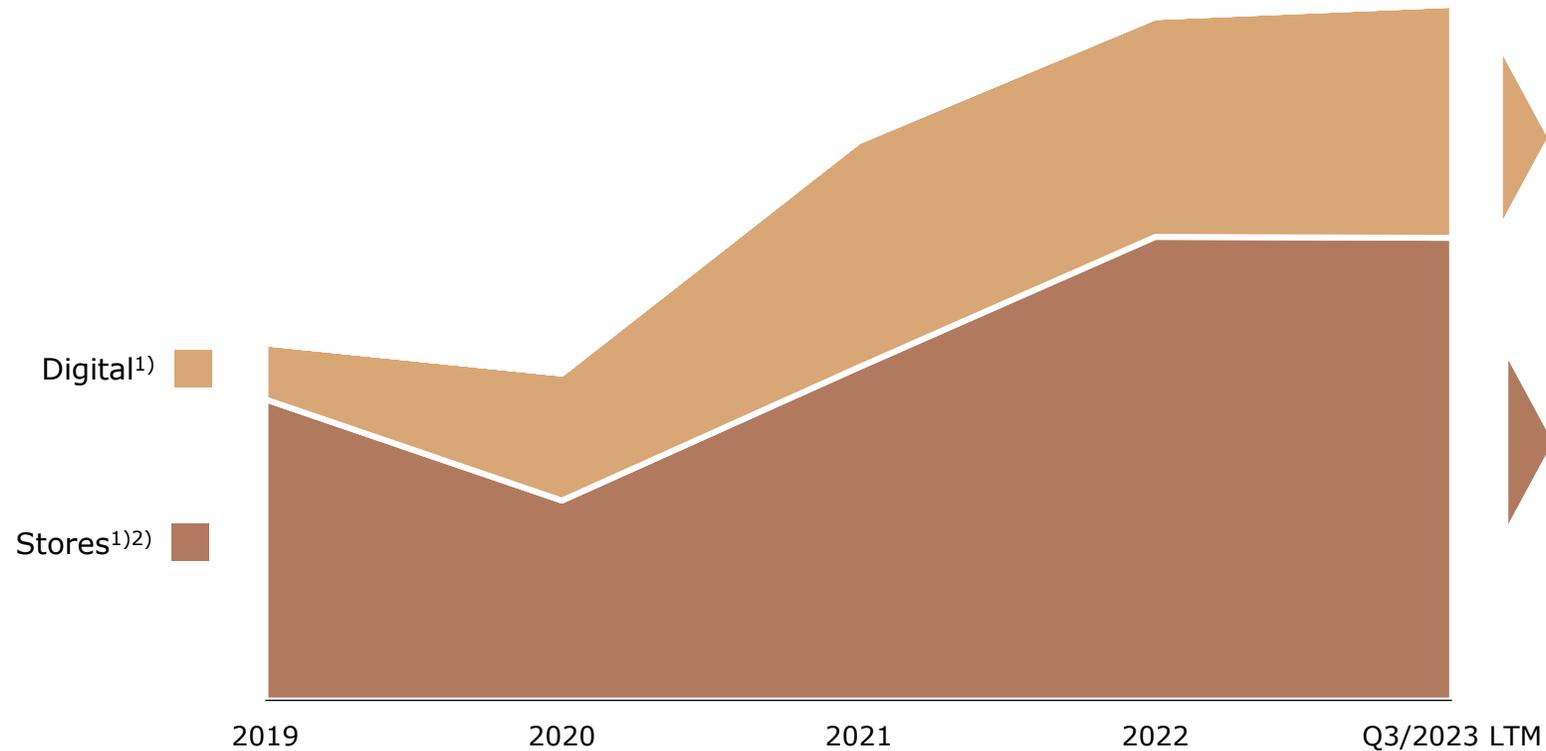
## Local currency revenue CAGR 2019 - Q3 2023 LTM (%)



1) Including 3<sup>rd</sup> parties; 2) Comparable stores including Franchise; 3) Including cosmetics  
 Source: Company materials

# Lindex is profitable across digital and store channels

Illustrative Channel EBITDA (EURm)<sup>1)</sup>



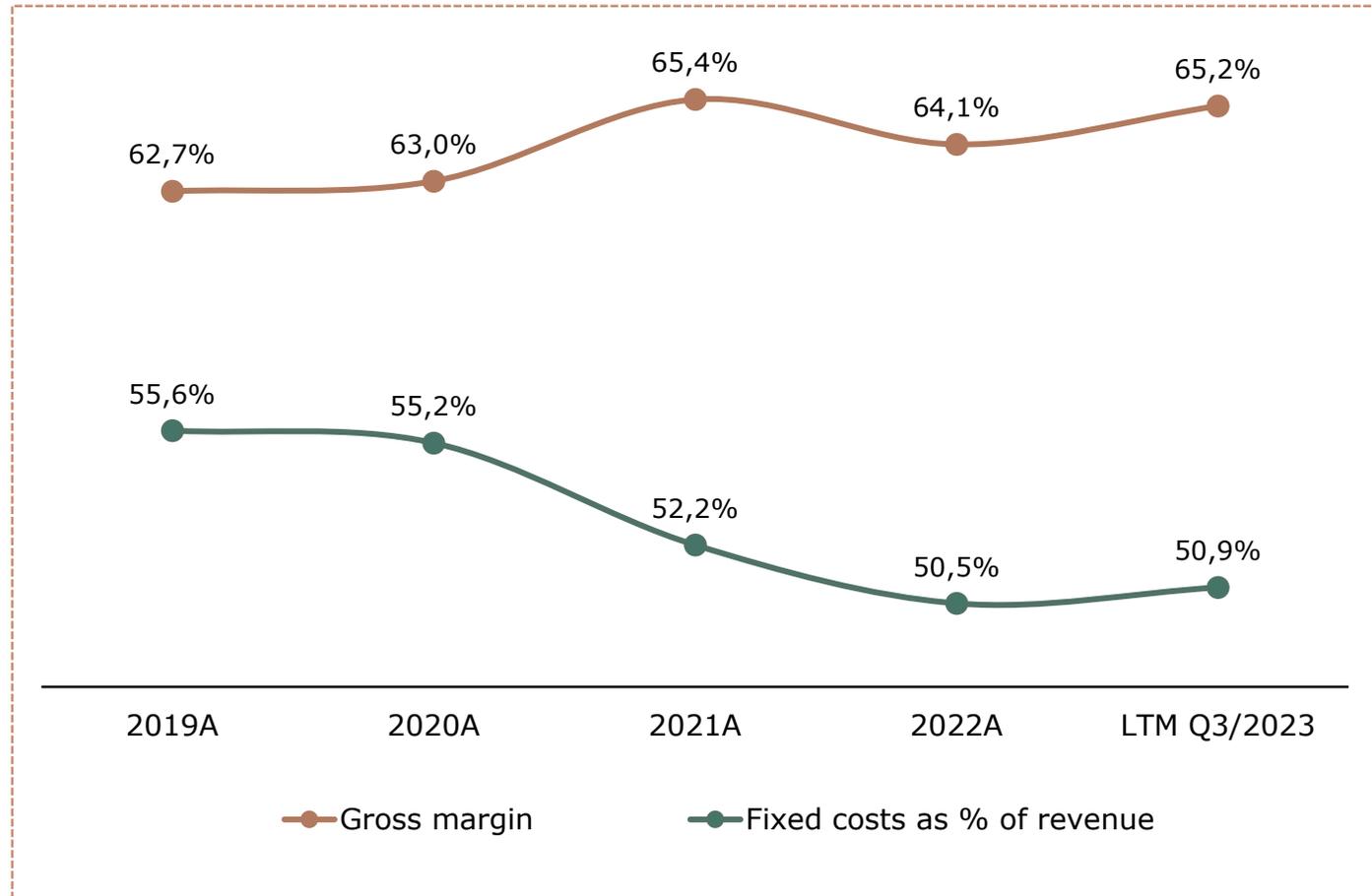
- **Digital EBITDA significantly improved**
  - Lower cost base
  - Low returns
  - Gross Margins broadly in line with stores
  - Strong Digital growth
- **Store EBITDA further increased**
  - 99% of stores profitable in Q3/2023 LTM
  - Gross Margin improvements
  - Efficiency improvements executed, with further potential

1) Illustrative EBITDA per channel, after lease expenses but excluding central cost; 2) 2022 EBITDA adjusted for currency hedge  
 Source: Company materials

# Lindex has proven its ability to decouple cost from growth...

## Strong gross margin and cost efficiencies

% of revenue<sup>1)</sup>



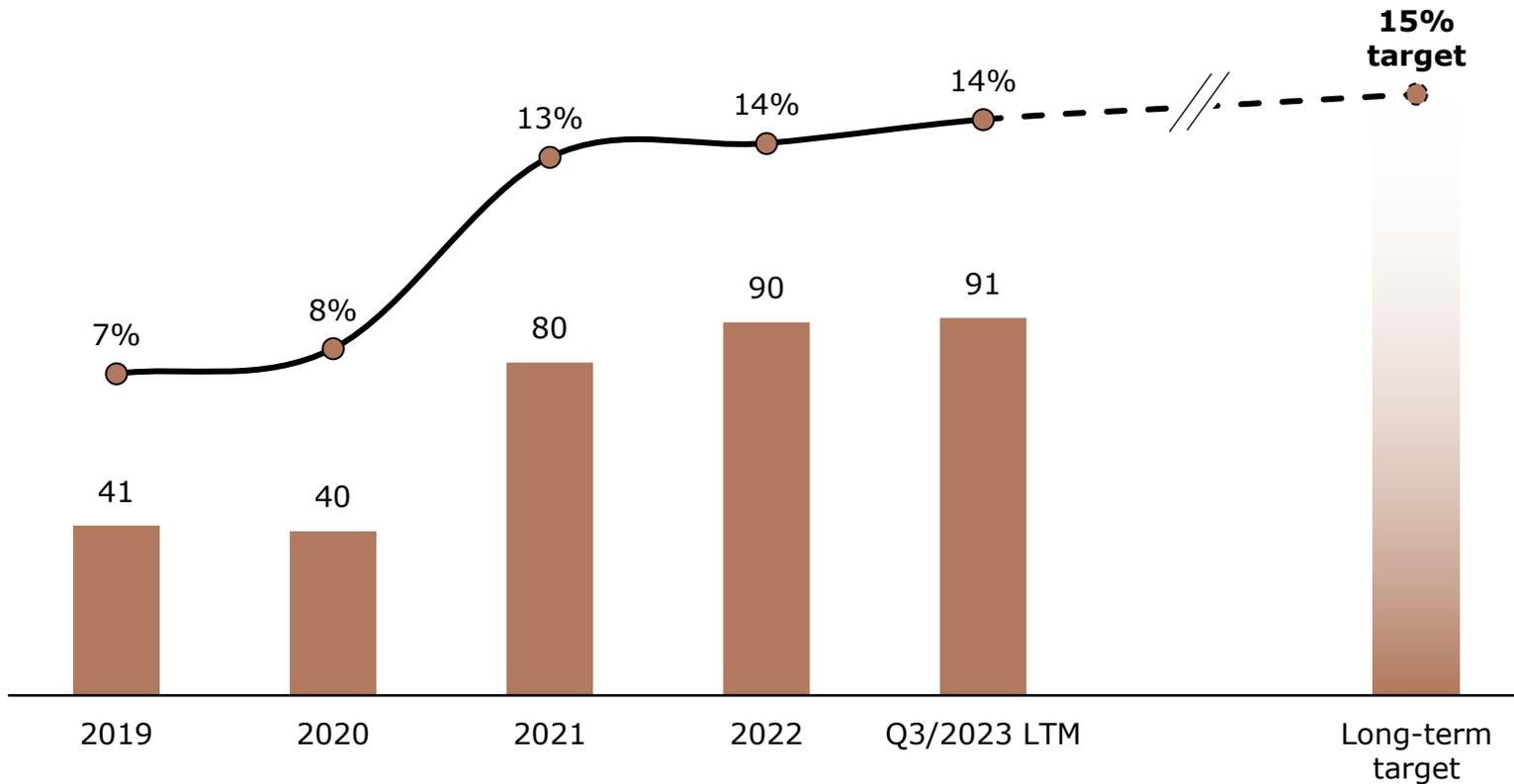
## Key margin drivers 2019-2023

- Efficient **sourcing**
- Limited **mark-downs**
- Strategic **price adjustments**
- Strong position in **lingerie**
- **Store optimization**
- Improved **staff hour scheduling**
- General **Cost-focus**

1) Fixed costs including depreciation and amortisation;  
Source: Company materials

# ...leading to significant profit growth

Adjusted operating result (EURm) and Adjusted operating margin (%)

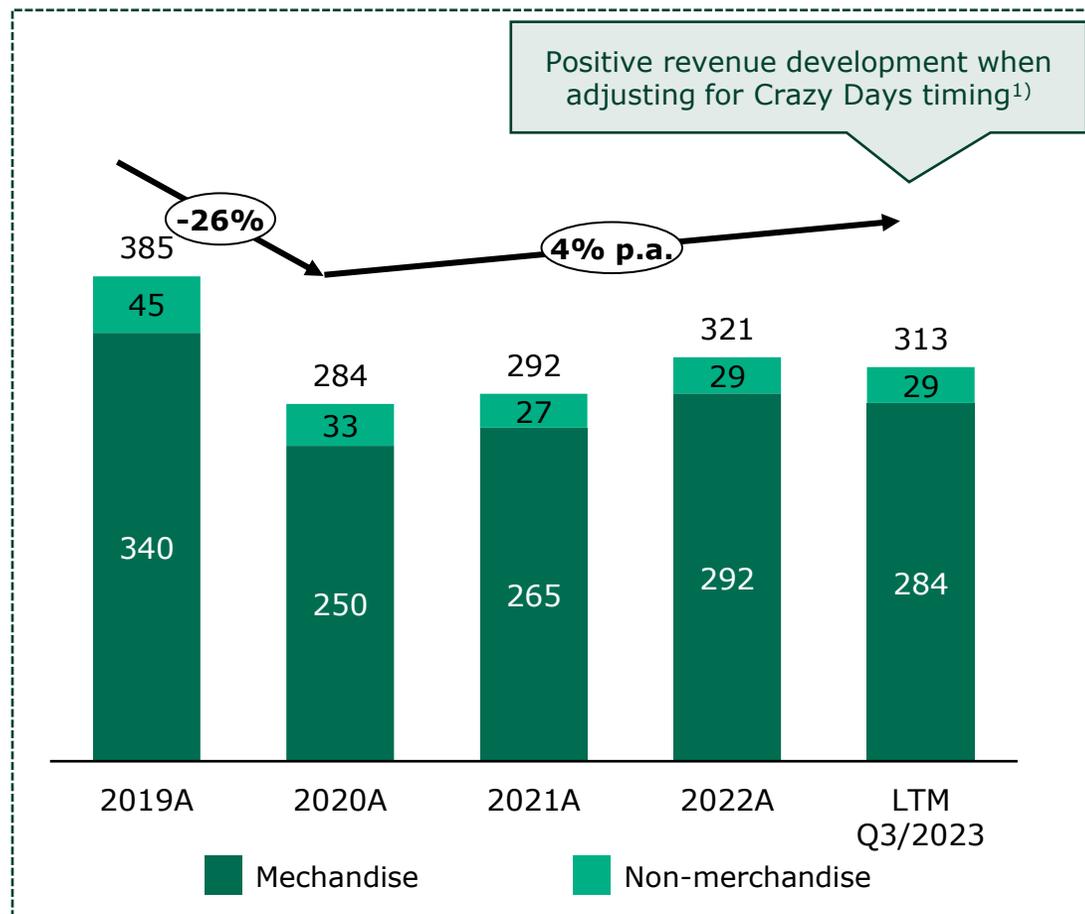


## Margin drivers for target

- **Digital supply chain** improvements enhancing flexibility and reducing costs
- **Omnichannel Distribution Center** providing both flexibility and annual savings
- **Digital store programme** improving store efficiency for better customer experiences
- **Premises cost management** optimizing expenses leveraging Lindex tenant position
- **Automation and efficiency** reducing operational costs

# Stockmann division with robust post-COVID growth

Revenue (EURm)



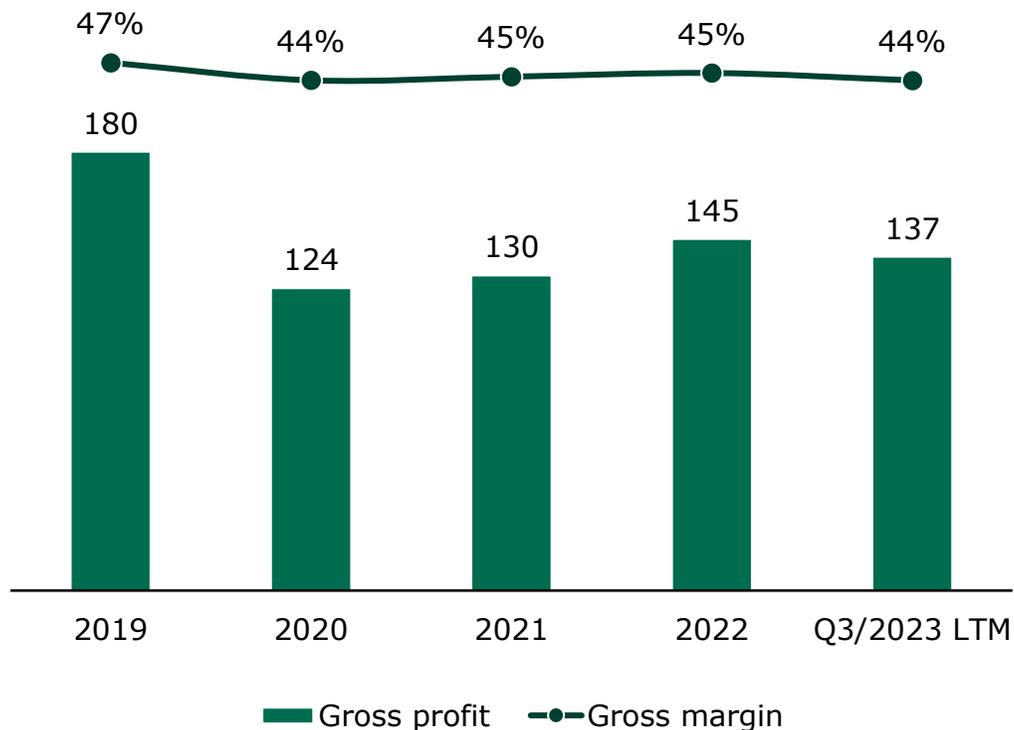
Revenue CAGR 2020 - Q3 2023 LTM (%)<sup>2)</sup>



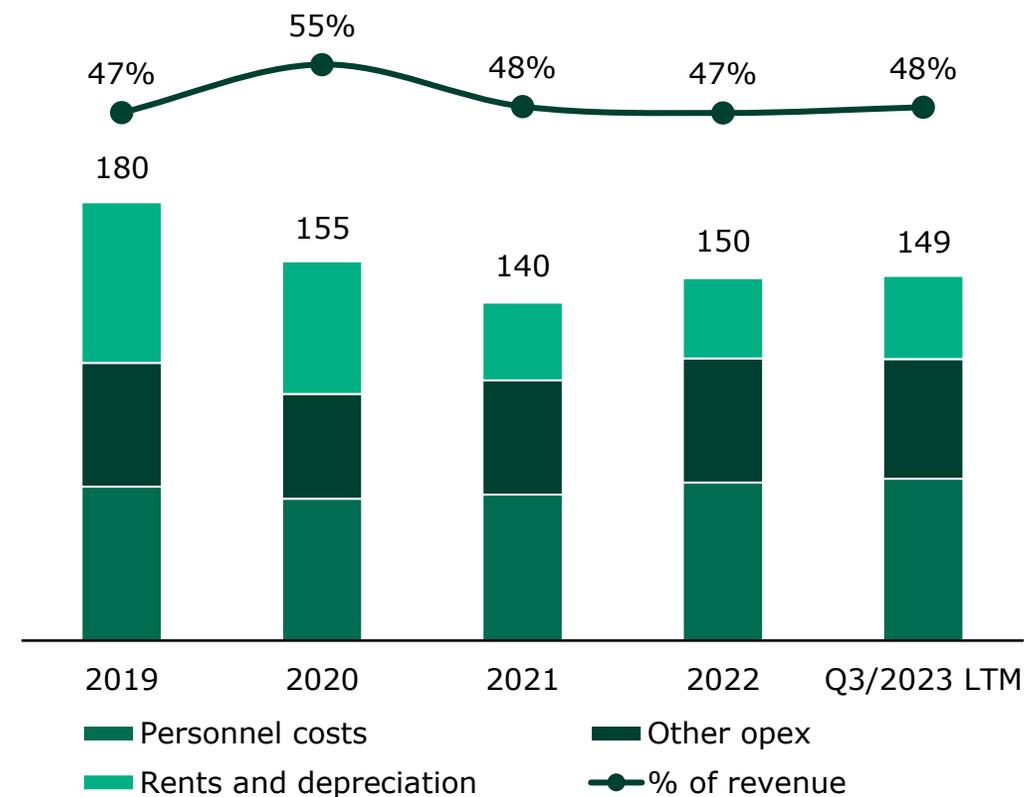
1) Crazy Days was completely during Q4 in 2023 whereas in 2022 they were mostly during Q3; 2) CAGRs excluding the impact from Crazy Days timing in Q3/2023 LTM revenue; 3) Revenue from luxury and affordable luxury brands  
Source: Company materials

# Stable gross margin and cost base reduction

Gross profit (EURm) and margin (%)

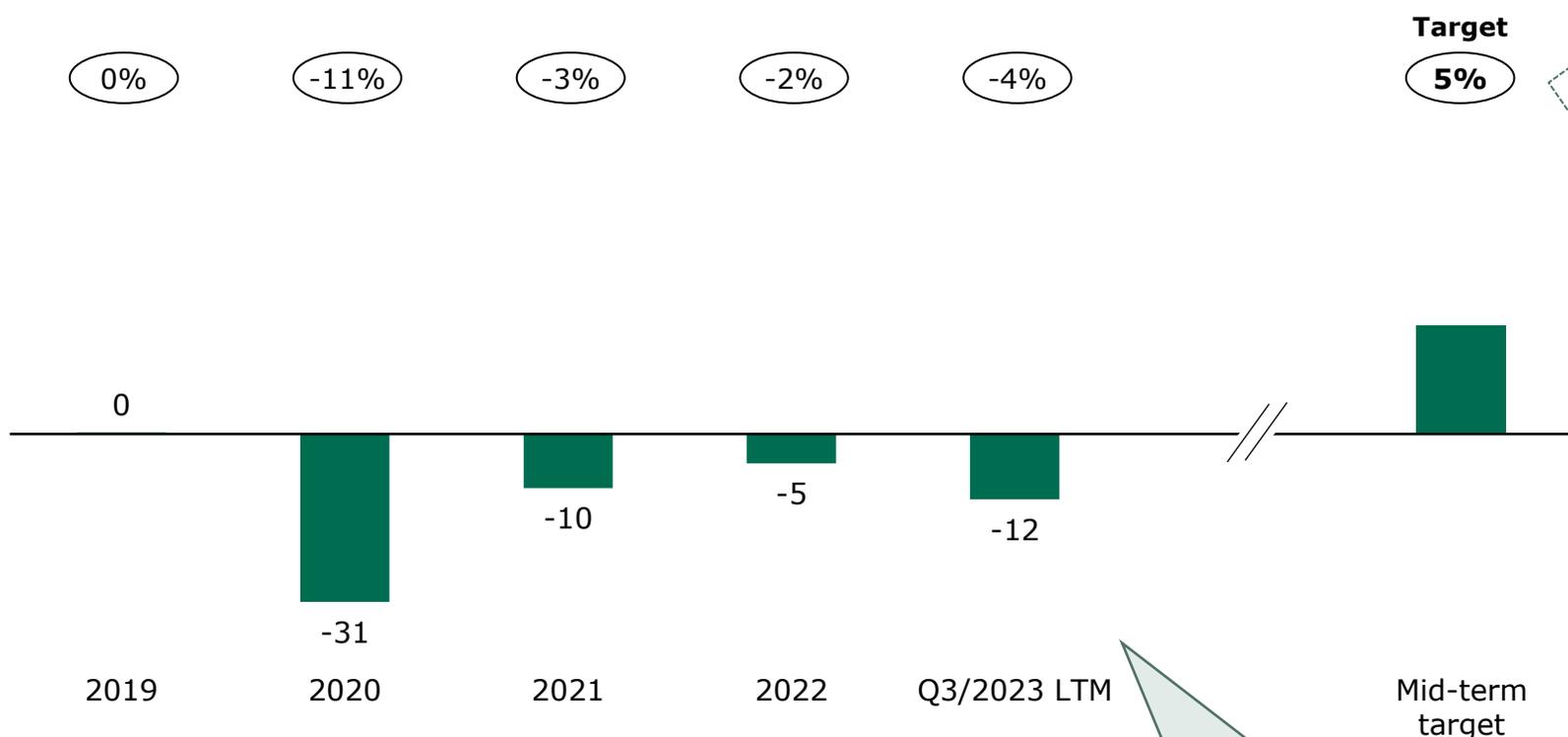


Fixed costs (EURm)



# Targeting a continued post-Covid profitability turn-around

Adjusted operating result (EURm) and Adjusted operating margin (%)



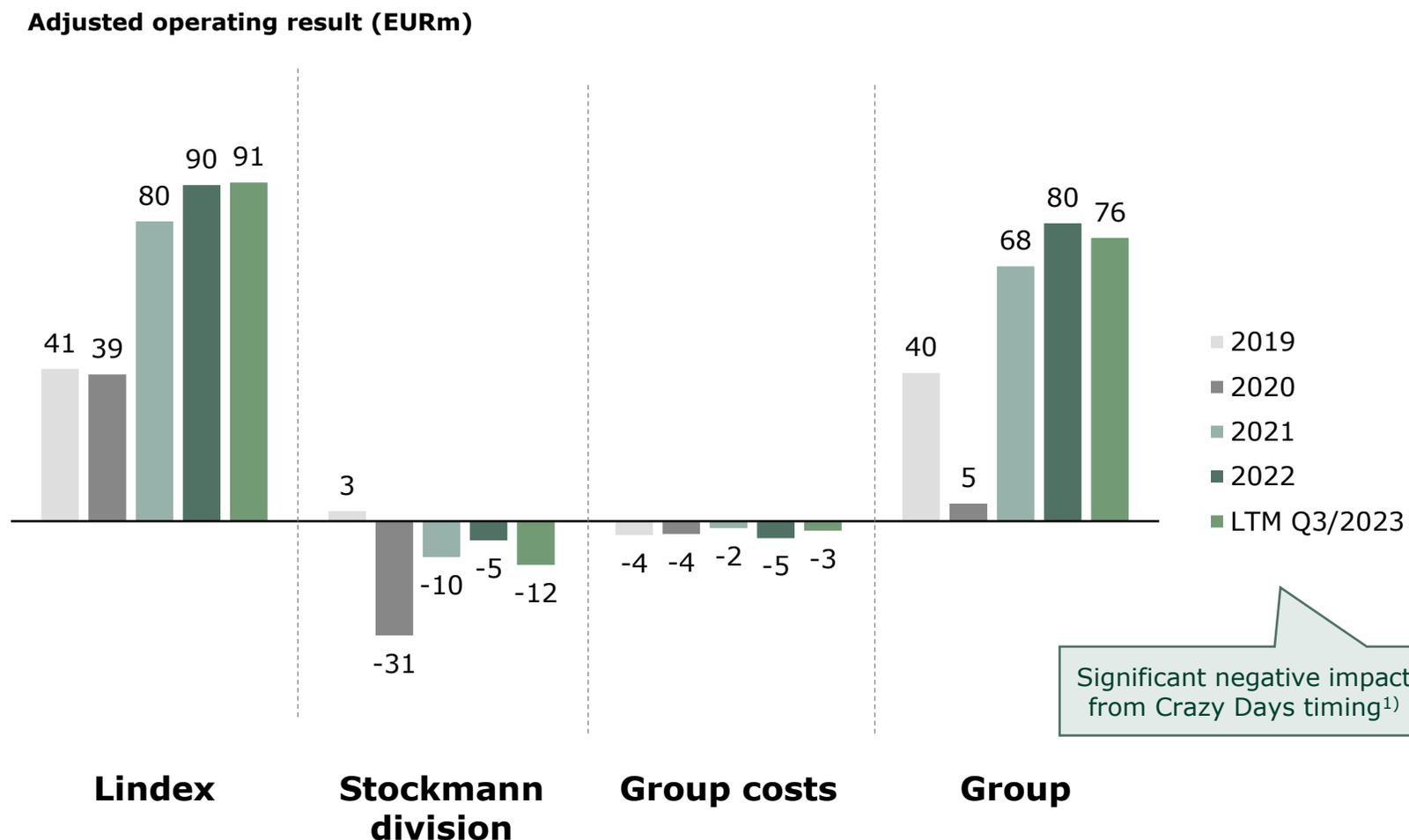
## Target margin key drivers

- Revenue growth both digitally and in-store scaling current cost base
- Positive gross margin impact from increased share of full-price sales
- Continued and accelerated cost efficiency improvements
- Supply chain improvements from ongoing digitalisation

Significant negative impact from Crazy Days timing<sup>1)</sup>

1) Crazy Days was completely during Q4 in 2023 whereas in 2022 they were mostly during Q3  
Source: Company materials

# Strong Group-level profitability is driven by Lindex

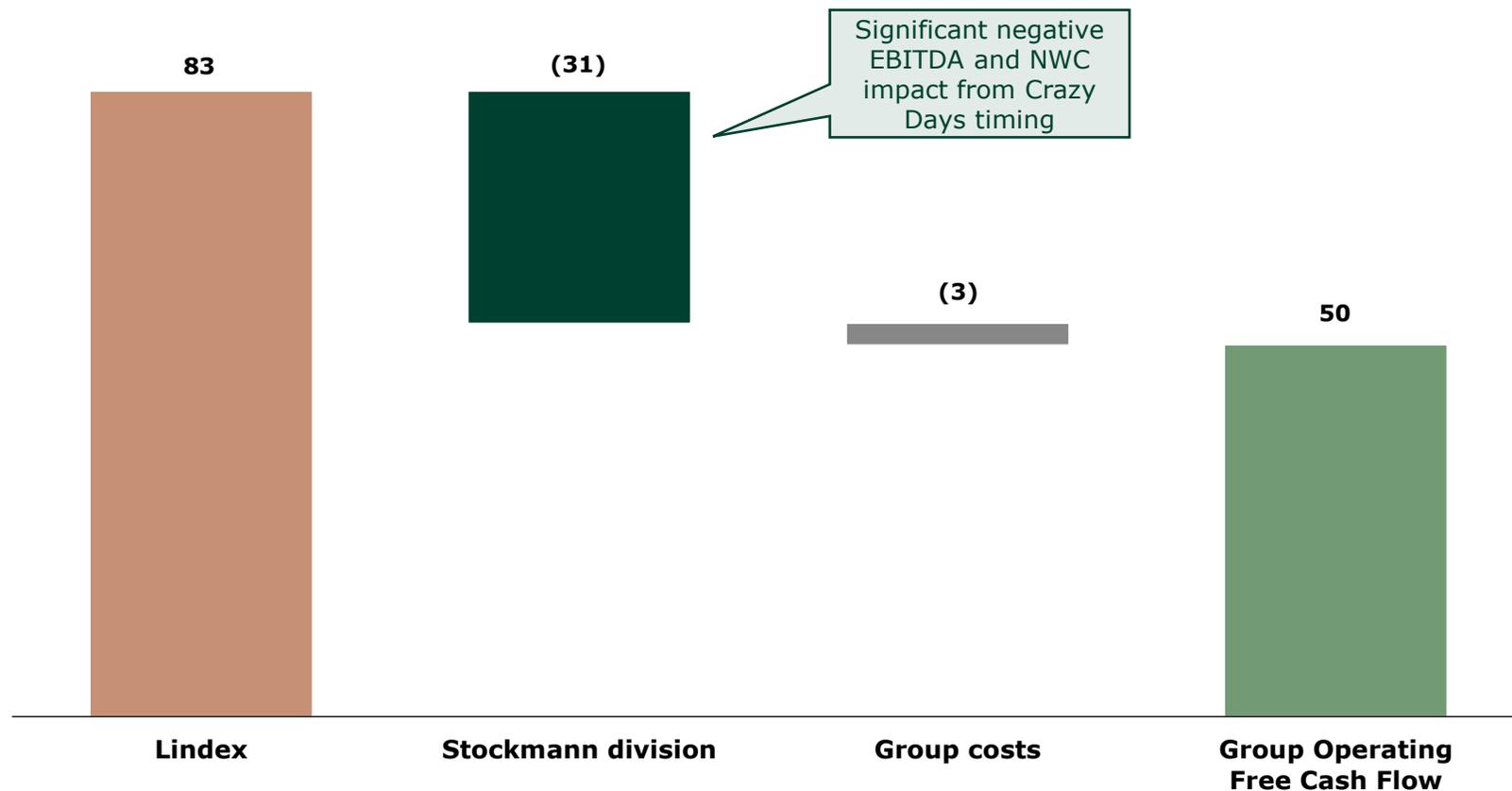


- **Both divisions** has developed positively since 2020
- **Lindex** underlying operating result has strongly contributed
- **Group costs** are minor part and forecasted to stay in this year level
- **New 2023 full-year guidance range announced on 10-Nov:** Adjusted operating result EUR 75-90m (previously EUR 65-85m)

1) Crazy Days was completely during Q4 in 2023 whereas in 2022 they were mostly during Q3  
Source: Company materials

# Solid underlying cash flow at Group-level

Operating Free Cash Flow<sup>1)2)</sup> Q3/2023 LTM (EURm)



- **Group cash flow is solid** due to strong contribution from Lindex (excluding the OCDC investment)
- **Stockmann division cash flow** for LTM is partly impacted due to timing of Crazy Days (2022 cash flow EUR -21 m)
- **Normalised capex** level EUR ~30-35m (of which Lindex EUR 20-25m). Included in the displayed operating free cash flow

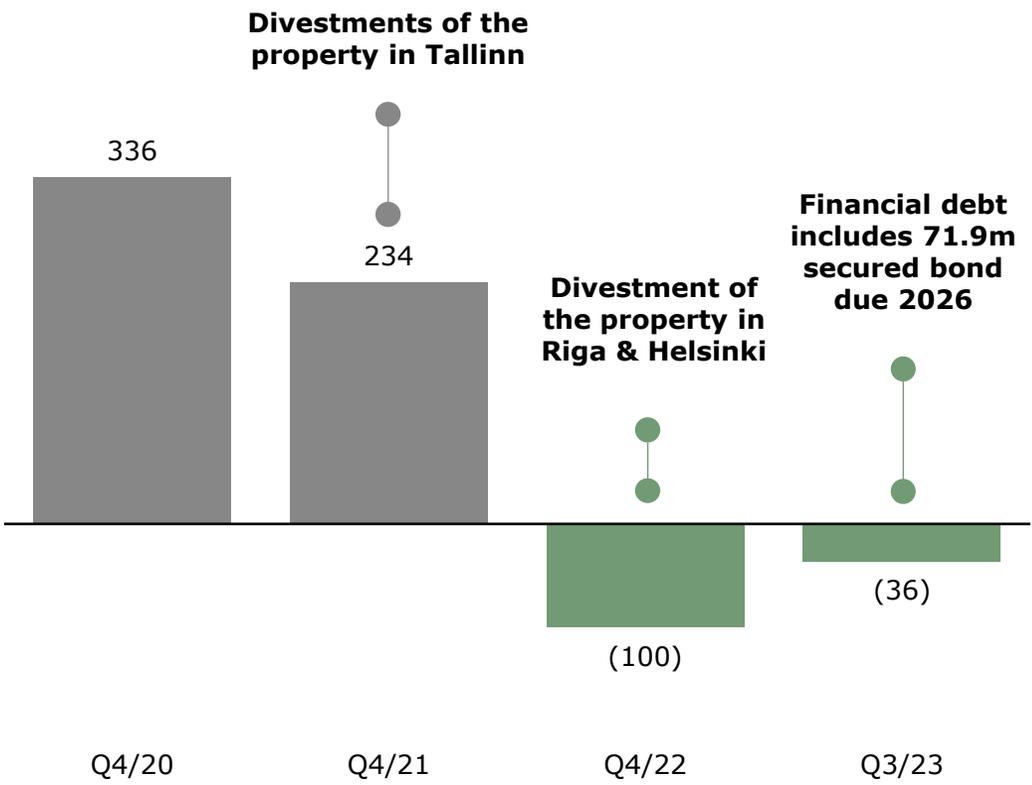
- **Omnichannel distribution center** is the main use of free cash flow in 2022-2025 capex (EUR 110 m)

2022: EUR 39m  
 2023: EUR 47m (expected)  
 2024: EUR 24m (expected)  
 2025: EUR 3m (expected)

# Strong group financial position with EUR 36m net cash

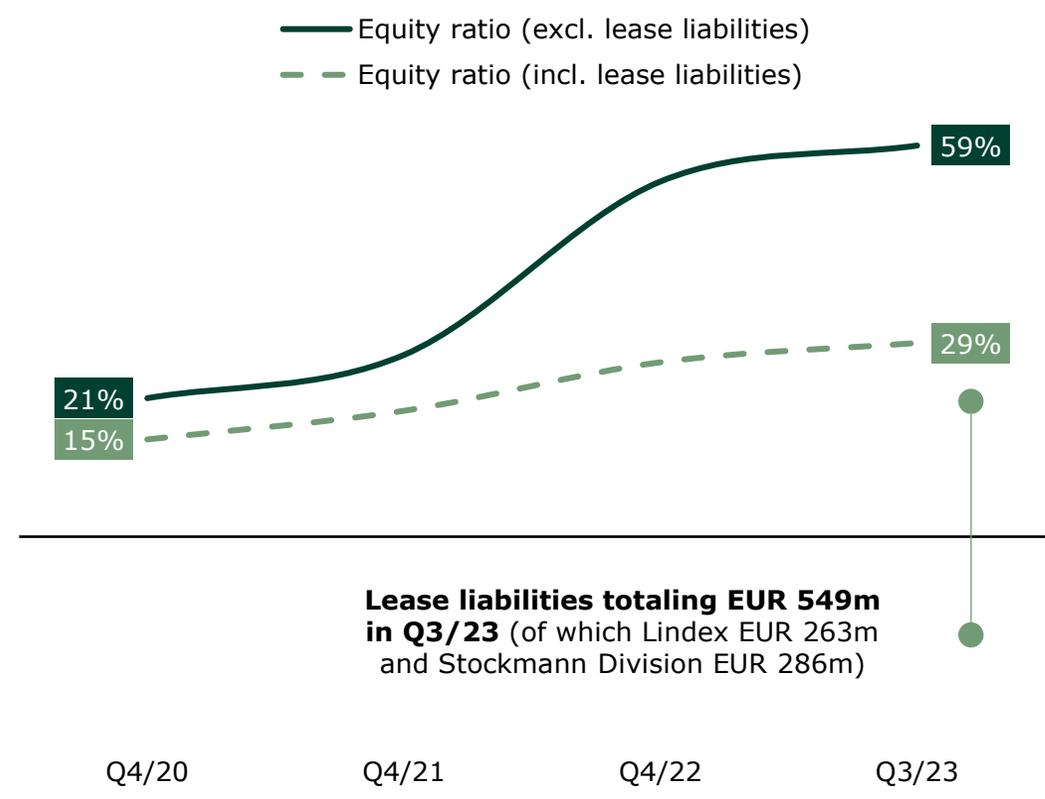
## Quarterly financial net debt development

EURm



## Quarterly equity ratio development

%



# Restructuring programme is progressing

- All department store properties are sold
- No interest-bearing debt remains  
Except bond (EUR 71.9 million, due 2026)
- Settlement registered in Nov-23 with Mutual Insurance Fund Fennia
- Three disputed claims remain regarding termination of long-term lease agreements
  - LähiTapiola Keskustakiinteistöt Ky 15.9 MEUR
  - Nordika II SHQ Oy 13.2 MEUR
  - Tampereen Seudun Osuuspankki 14.5 MEUR
  - **Total 43.6 MEUR**
- Prudent provisions for disputes are made with EUR 18.0 million



# Financial highlights summary

## LIND&X

**Robust growth track record**  
in line with our strategic targets

**Strong margins and cash flow**  
with further improvement potential



**Post-COVID growth**  
in line with our strategic targets

**Targeting significant improvement**  
in cash flow and profitability



**Strong financial position**

**Solid cash flow**  
being re-invested into the business



# Conclusions and Q&A

**Susanne Ehnbåge**

Stockmann Group CEO, Lindex CEO



**STOCKMANN**

# Our key messages today



**Updated strategy for  
our two divisions**

**Clear plan to  
accelerate  
value creation**

**New financial targets  
building on a strong  
financial position**

**Keep in touch:  
[investor.relations@stockmann.com](mailto:investor.relations@stockmann.com)**

