

#### The journey continues at a good pace

##### Highlights Q3/2023

- Net sales increased by 15.4% (+14.8%) and were EUR 92.3 million (80.0)
- Like-for-like store net sales increased by 5.3% (+10.8%)
- Online store net sales decreased by 10.3% (+18.4%)
- Gross profit was EUR 33.2 million (29.3) and gross margin was 36.0% (36.6%)
- Adjusted EBITA was EUR 15.3 million (14.9), which corresponds to an adjusted EBITA margin of 16.5% (18.6%).
- EBIT was EUR 15.0 million (14.6) which corresponds to 16.2% of net sales (18.2%)
- Operating free cash flow was EUR 14.0 million (16.0)
- Earnings per share were EUR 0.13 (0.13)
- Earnings per share excluding listing expenses were EUR 0.13 (0.13)
- One new store was opened during the third quarter (one new store)

##### Highlights February – October 2023

- Net sales increased by 14.7% (+9.8%) and were EUR 261.6 million (228.1)
- Like-for-like store net sales increased by 6.3% (+5.2%)
- Online store net sales decreased by 10.4% (+2.0%)
- Gross profit was EUR 95.7 million (82.4) and gross margin was 36.6% (36.1%)
- Adjusted EBITA was EUR 43.4 million (39.1), which corresponds to an adjusted EBITA margin of 16.6% (17.1%)
- EBIT was EUR 42.6 million (37.6) which corresponds to 16.3% of net sales (16.5%)
- Operating free cash flow was EUR 56.3 million (48.8)
- Earnings per share were EUR 0.37 (0.34)
- Earnings per share excluding listing expenses were EUR 0.37 (0.34)
- Three new stores were opened during the reporting period (one new store)

Figures are in millions of euros unless otherwise stated and have been rounded. Hence the sum of individual figures may differ from the total shown. Puuilo's financial year starts on 1 February and ends on 31 January the following year. The figures in parentheses refer to the comparison period the previous year, unless otherwise stated. The information in this report is unaudited.

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#### Conference call in English and webcast in Finnish

The report will be presented for analysts, investors, and the media on the publication date in English at 10:00 am EET (9:00 am CET) and in Finnish at 11.30 am EET (10:30 am CET).

The conference call in English can be followed live at <https://puuilo.videosync.fi/2023-q3-results>. Asking questions requires participation in the conference call. You can access the teleconference by registering on the link <http://palvelu.flik.fi/teleconference/?id=10010327>. After the registration you will be provided phone numbers and a conference ID to access the conference. If you wish to ask questions, please, dial \*5 on your telephone keypad to enter the queue.

The webcast in Finnish will begin at 11.30 am EET at <https://puuilo.videosync.fi/2023-q3-tulos>.

Recordings of both events will be available later the same day at Puuilo's Investors website at [https://www.investors.puuilo.fi/en/investors/reports\\_and\\_presentations](https://www.investors.puuilo.fi/en/investors/reports_and_presentations).

## Key figures

EUR million	Q3/2023	Q3/2022	1 Feb 2023 - 31 Oct 2023	1 Feb 2022 - 31 Oct 2023	2022
Net sales	92.3	80.0	261.6	228.1	296.4
Net sales development (%)	15.4%	14.8%	14.7%	9.8%	9.7%
Like-for-like store net sales development (%)	5.3%	10.8%	6.3%	5.2%	5.5%
Online store net sales development (%)	-10.3%	18.4%	-10.4%	2.0%	3.9%
Gross profit	33.2	29.3	95.7	82.4	107.2
Gross margin (%)	36.0%	36.6%	36.6%	36.1%	36.2%
Adjusted EBITA*	15.3	14.9	43.4	39.1	48.8
Adjusted EBITA* margin (%)	16.5%	18.6%	16.6%	17.1%	16.5%
EBITA*	15.3	14.9	43.4	38.5	48.2
EBITA* margin (%)	16.5%	18.6%	16.6%	16.9%	16.2%
EBIT	15.0	14.6	42.6	37.6	47.0
EBIT margin (%)	16.2%	18.2%	16.3%	16.5%	15.9%
Net income	11.2	11.1	31.4	28.4	35.1
EPS (EUR)	0.13	0.13	0.37	0.34	0.41
EPS excl. listing expenses (EUR)	0.13	0.13	0.37	0.34	0.42
Operating free cash flow	14.0	16.0	56.3	48.8	52.7
Net debt / adjusted EBITDA	1.2	1.4	1.2	1.4	1.5
Number of stores (end of period)	40	35	40	35	37
Number of personnel converted into full-time employees (FTE)	818	683	796	699	693

Puulo's financial year starts on 1 February and ends on 31 January the following year

\* Operating profit before the amortisation of Puulo trademark

## Outlook for the financial year 2023

Puulo specifies the outlook for the financial year 2023 given in its financial statements release on 30 March 2023 and specified in its half-year financial report on 13 September 2023.

Puulo now forecasts that net sales for the financial year 2023 will be EUR 330 – 350 million (296.4) and the adjusted operating profit (adjusted EBITA) in euros will be EUR 52 – 58 million (48.8). Previously, the company forecasted that net sales would be EUR 325 – 355 million and that adjusted operating profit (adjusted EBITA) in euros would be EUR 50 – 60 million.

The specified guidance is based on the development in the first three quarters and the outlook for the rest of the financial year.

The forecast includes elements of uncertainty arising from the energy crisis, the war in Ukraine as well as decline in purchasing power due to rise in interest rates, inflation and general economic situation.

## Puulo's long-term targets

Puulo's long-term targets for the financial years 2021-2025:

- Growth: Net sales above EUR 400 million by the end of financial year 2025 with annual organic growth in excess of 10%.
- Profitability: Adjusted EBITA margin between 17 – 19% of net sales.
- Dividend policy: Puulo aims to distribute at least 80% of net income for each financial year in dividends, depending on the company's capital structure, financial position, general economic and business conditions, and future prospects.
- Leverage: Net debt to adjusted EBITDA below 2.0x.

Puulo will achieve the long-term net sales target clearly before the end of the strategy period. Updated strategy and long-term financial targets will be published during the spring 2024.

### CEO Juha Saarela's review

Puulo's performance was again solid. In August – October (Q3), our net sales increased by 15.4% and 5.3% in comparable terms. The growth is mainly supported by an increase in the number of customers in like-for-like stores, amounting to approximately 6%, but also net sales of new stores.

When comparing customer behaviour in Q3 with the corresponding period last year, we can see that consumers' needs have changed; A year ago, the customer needs were characterized by a focus on energy crisis preparedness, while in the current year, the emphasis is more on ordinary day-to-day needs. Once again, we can be pleased to state that our defensive and comprehensive product range covers the customer's needs in various environments. We are satisfied with Q3 performance.

In Q3, adjusted EBITA was EUR 15.3 million, corresponding 16.5% of net sales. We are satisfied with the performance, even though it was affected by an inventory adjustment, which had 0.6 percentage points (EUR 0.5 million) negative impact on Q3 gross profit. The adjustment originates from differences in inventory balances that emerged in connection with preparations for the new automatic replenishment system (Relex). The adjustment mainly relates to products sold in meters as well as other products sold in bulk units. The differences have been corrected and recognised in Q3.

We have continued to open new stores. In Q3, we opened a new store in Kerava, followed by a Helsinki Konala store opened in November, which in our case falls in Q4. Both store openings once again broke the opening day sales record, which seems to rise trendily with each opening. We have one more opening for the financial year 2023 as we will open Vantaa Varisto store just before Christmas, thus the total openings for this financial year will be five.

However, the most significant event in Q3 was the acquisition of Hurrikaani discount store chain's Nokia, Ylöjärvi and Forssa stores' business operations. The transaction was announced in a stock exchange release in September. The acquisition will accelerate Puulo's growth starting next year, and preparations for taking over the acquired stores are fully underway. The stores will be converted into Puulo stores and opened one by one during the first half of the financial year 2024. Another significant event in Q3 was an additional EUR 20 million repayment of bank loans, for which we used company's substantial cash assets. After the repayment, company's bank loans amounted to approximately EUR 50 million. At the end of the reporting period, the net of financial loans and cash and cash equivalents was approximately EUR 21 million.

The operating environment is still challenging, but there is some light at the end of the tunnel. At the moment, it seems that interest rates are not rising as quickly anymore and there is some cautiously good news about inflation. Finnish industry, construction business particularly, is currently facing difficulties, but I would like to remind that Puulo's business is only little dependant on the construction sector. Puulo's customer base consists mainly of consumers, whose everyday repair and maintenance needs are our main concern. This combined with sales of car accessories, pet supplies and household products make our business concept work in all operating environments.

Thanks to Puulo's solid growth rate, the company will achieve the long-term net sales target clearly before the end of the strategy period. Updated strategy and long-term financial targets will be published during the spring 2024.

With this strong business review, I want to wish our shareholders, customers, and personnel a happy holiday season!

P.S. Puulo gift card is a quick and easy solution to Christmas gift problems!

## Significant events of the reporting period

### Acquisition of Hurricane discount store chain

On 19 September, 2023 Puuilo announced to acquire discount retail chain Hurrikaani's Nokia, Ylöjärvi and Forssa stores and gradually convert them into Puuilo stores during the first half of the financial year 2024. In 2022, the net sales of the acquired business totalled approximately EUR 15 million. The purchase price will not be disclosed. Hurrikaani's personnel (appr. 38 employees) will transfer to Puuilo as so-called old employees in the stores belonging to the transaction.

The acquisition is expected to be completed in stages during the first half of financial year 2024. The acquisition will not have an impact on Puuilo's net sales or adjusted EBITA for the financial year 2023 and it is not expected to have a significant impact on Puuilo's financial position. The acquisition is estimated to increase Puuilo's growth rate from the financial year 2024 onwards. The acquired three stores are estimated to generate net sales totalling approximately EUR 15–30 million annually starting gradually from 2024 onwards. Correspondingly, the impact on the adjusted EBITA is estimated to be EUR 3–5 million annually and gradually starting from 2024 onwards.

The completion of the transaction is subject to the fulfilment of other customary closing conditions. The acquisition was approved by the competition authorities in November 2023. The approval was not subject to any conditions (investor news 28.11.2023).

### Performance matching share plan for key employees

On 14 April 2023, the Board of Directors of Puuilo Plc decided to launch a new share-based incentive plan for the key employees of the company. The aim of the plan is to align the objectives of the shareholders and the key employees in order to increase the value of the company in the long-term.

The Performance Matching Share Plan includes one performance period, spanning approximately financial years 2023 – 2025. The performance criteria are the Total Shareholder Return of the Puuilo share (TSR) and the Adjusted EBITA of the Puuilo Group. The target group of the plan consists of a maximum of 80 persons, including the CEO, members of the Management Team, Store Managers and other key personnel. Primarily, the rewards from the plan will be paid partly in the company's shares and partly in cash by the end of May 2026. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. The rewards to be paid on the basis of the plan correspond to the value of an approximate maximum total of 678,000 Puuilo Plc shares, including the proportion to be paid in cash. The final number of shares will depend on the participants' personal share acquisitions and the achievement of the targets set for the performance criteria.

At the end of the reporting period, the amount to be recognised as expense for the financial year 2023 for the plan 2023 – 2025 is estimated at a total of EUR 0.2 million.

### Repurchase of own shares

On 14 June 2023, Puuilo announced that the company's Board of Directors had decided to use the authorization given by the Annual General Meeting held on 16 May 2023 to repurchase the company's own shares.

The repurchases started on 15 June 2023 and ended on 27 June 2023. During this period, Puuilo repurchased 240,000 shares for an average price of EUR 7.0885 per share, corresponding to approximately 0.28% of the total number of the company's shares, which is 84,776,953.

The repurchased shares are to be used for pay-outs under the share-based incentive plans of Puuilo Plc. The shares were repurchased through public trading on Nasdaq Helsinki at the market price prevailing at the time of repurchase.

Following the repurchases, the company holds a total of 555,000 shares.

## **Growth strategy**

Puulo's target is to continue strengthening its position as one of the leading discount retailers in Finland by utilising its key strengths: maintaining an attractive and wide product assortment, low prices and convenient shopping experience.

In line with its growth strategy, the company aims to open at least 3 – 4 new stores per year and to continue to increase its like-for-like net sales by further increasing Puulo's brand awareness. The company has an efficient and standardised store opening process, which enables the opening of several stores each year without negatively affecting other operational activities. New stores are, on average, profitable after the first full month of opening.

Puulo aims to continue to develop its value proposition by continuing to provide wide product assortment satisfying the needs of the customer base always with low prices. Puulo also aims to continue investing in the development and growth of its online store to offer its customers a possibility to shop diversely both in the stores and the online store.

## **Store network development**

During the reporting period Puulo opened new stores in Vantaa Porttipuisto, Vihti's Nummela and Kerava. In November (Q4), we opened a new store in Helsinki Konala and in December we will open our Vantaa Varisto store. Thus, in the financial year 2023, we will open a total of five new stores. In the financial year 2024 we will open at least five new stores. During the first half of the financial year, we will open the stores acquired from Hurrikaani in Nokia, Ylöjärvi and Forssa as well as a new store in Tampere Lahdesjärvi. During the second half of the financial year, at least one store will be opened. Details will be announced separately closer to the store opening. According to the definition by Puulo, a store is considered new during the year of opening and the following financial year. Relocated stores are considered like-for-like stores.

On 31 October 2023, Puulo had a total of 40 stores (35 stores) across Finland. The current store network is young, approximately half of the stores have been opened during the last five years. In recent years, Puulo has opened an average of 3 – 4 new stores a year.

## **Financial development**

### **Seasonality**

Puulo's business is, in part, seasonal in nature. As such, there are seasonal peaks in Puulo's net sales, operating result and cash flows, although seasonal dependence is relatively low compared to the trade sector in general. Historically, Puulo's most important seasons in terms of net sales have been the second and third quarter of each financial year. Additionally, Puulo's net sales are partly impacted by exceptional, harsh, or seasonally atypical weather.

### **Financial year**

Puulo's financial year starts on 1 February and ends on 31 January the following year. The figures in parentheses refer to the comparison period the previous year, unless otherwise stated.

### **Q3/2023**

In August – October, Puuilo's net sales increased by 15.4% (+14.8%) to EUR 92.3 million (80.0). Net sales of Puuilo's stores were EUR 89.9 million (77.3) and online store net sales were EUR 2.4 million (2.7), which corresponded to 2.6% (3.4%) of net sales. Like-for-like store net sales increased by 5.3% (+10.8%). Online store net sales decreased by 10.3% (+18.4%).

The development of net sales was positively impacted by increase in net sales of both like-for-like stores and new stores. The growth was originated especially from strong growth in the number of customers in like-for-like stores.

Puuilo's gross profit for the reporting period was EUR 33.2 million (29.3) and the gross margin was 36.0% (36.6%). Gross margin was negatively impacted by an adjustment originated from differences in inventory balances of certain products, which emerged in connection with preparations for the new automatic replenishment system. The adjustment mainly relates to products sold in meters as well as other products sold in bulk units. The negative impact on Q3 sales margin was approximately 0.6 percentage points (EUR 0.5 million). The differences have been corrected and recognised in Q3.

Operating expenses were EUR 14.6 million (11.6), which corresponds to 15.8% of net sales (14.5%). The most significant item in operating expenses was personnel expenses, which were EUR 9.1 million (7.3), corresponding to 9.9 % (9.1%) of net sales. The increase in personnel costs was mainly due to new stores.

Adjusted EBITA was EUR 15.3 million (14.9) and the adjusted EBITA margin was 16.5 % (18.6%). EBITA was EUR 15.3 million (14.9) and the EBITA margin was 16.5% (18.6%).

Operating profit was EUR 15.0 million (14.6), which corresponds to an EBIT margin of 16.2% (18.2%).

Net financial expenses were EUR -1.0 million (-0.7). Net financial expenses excluding the effect of IFRS 16 were EUR -0.5 million (-0.3).

Profit before taxes was EUR 14.0 million (13.9). Total income taxes were EUR 2.8 million (2.8). The net result was EUR 11.2 million (11.1) and earnings per share were EUR 0.13 (0.13). Earnings per share excluding the effect of listing expenses were EUR 0.13 (0.13).

### **February – October 2023**

In February – October, Puuilo's net sales increased by 14.7% (+9.8%) to EUR 261.6 million (228.1). Net sales of Puuilo's stores were EUR 254.4 million (220.1) and online store net sales were EUR 7.2 million (8.0), which corresponded to 2.7% (3.5%) of net sales. Like-for-like store net sales increased by 6.3% (+5.2%). Online store net sales decreased by 10.4% (+2.0%).

The development of net sales was positively impacted by increase in net sales of both like-for-like stores and new stores. The growth was originated especially from strong growth in the number of customers in like-for-like stores.

Puuilo's gross profit for the reporting period was EUR 95.7 million (82.4) and the gross margin was 36.6% (36.1%). Increase in gross margin was supported mainly by lower cost of logistics and change in salesmix. In particular, the cost of storage and sea freight decreased to normal levels. In addition, inventory turnover has improved significantly compared to the comparison period last year.

Operating expenses were EUR 42.3 million (35.6), which corresponds to 16.2 % of net sales (15.6%). The most significant item in operating expenses was personnel expenses, which were EUR 26.3 million (21.6), corresponding to 10.1% (9.5%) of net sales. The increase in personnel costs was mainly due to new stores.

Adjusted EBITA was EUR 43.4 million (39.1) and the adjusted EBITA margin was 16.6% (17.1%). EBITA was EUR 43.4 million (38.5) and the EBITA margin was 16.6% (16.9%).

Operating profit was EUR 42.6 million (37.6), which corresponds to an EBIT margin of 16.3% (16.5%).

Net financial expenses were EUR -3.3 million (-2.1). Net financial expenses excluding the effect of IFRS 16 were EUR -1.9 million (-1.1).

Profit before taxes was EUR 39.3 million (35.5). Total income taxes were EUR 7.9 million (7.2). The net result was EUR 31.4 million (28.4) and earnings per share were EUR 0.37 (0.34). Earnings per share excluding the effect of listing expenses were EUR 0.37 (0.34).

### **Balance sheet, financing, and cash flow**

At the end of the reporting period, Puuilo's inventories were EUR 88.2 million (88.9). Despite five new stores, the inventory level has remained at the same level as the comparison period last year due to the improvement in the inventory turnover. However, we aim to further improve the inventory turnover.

Operating free cash flow in August – October was EUR 14.0 million (16.0) and in February – October 56.3 (48.8). Operating free cash flow was positively impacted by strong development of sales, solid EBITA and improved inventory turnover.

At the end of the reporting period, cash and cash equivalents were EUR 28.9 million (31.5) and the company's financial position is stable.

At the end of the reporting period, Puuilo's interest-bearing liabilities totalled EUR 111.3 million (114.7), of which non-current financial loans amounted to EUR 49.9 million (69.8). Since the group's financial position is at an excellent level, Puuilo made an additional loan prepayment amounted to EUR 20.0 million during the third quarter. At the end of the period, the Group did not have current financial loans (-). Other interest-bearing liabilities consisted of lease liabilities reported in accordance with IFRS 16. At the end of the reporting period, the ratio of net debt to adjusted EBITDA was 1.2 (1.4), which is significantly below the long-term target (<2.0). The net of financial loans and cash and cash equivalents was approximately EUR 21.0 million (38.4).

### **Investments**

Puuilo's investments in August – October were EUR 0.9 million (0.7) and in February – October 2.5 (1.9). Investments were mainly related to the furnishing of new stores. Comparison period investments were mainly related to furnishing of new stores and to development of IT-systems.

### **Personnel**

The number of full-time employees was 818 (683).

### **Shares and shareholders**

#### **Share information and share trading**

Puuilo Plc has one class of shares. Each share carries one vote at the company's Annual General Meeting. The shares have no nominal value. Puuilo Plc's share capital was EUR 80,000 at the end of the reporting period and the company had 84,776,953 shares.

On the last trading day of the reporting period, 31 October 2023, the closing price of the share was EUR 7.91. The share turnover during the reporting period was EUR 163 million and 23,923,641 shares. The highest intra-day share price during the reporting period was EUR 8.21 and the lowest intra-day price was EUR 5.82. At the end of the reporting period, the market value of the shares was EUR 666 million.



At the end of the reporting period, Puuilo had 36,471 registered shareholders.

The company held 555,000 treasury shares at the end of the reporting period.

Further information on Puuilo's shares and shareholders is available on the company's website at [https://www.investors.puuilo.fi/en/investors/share\\_information/shareholders](https://www.investors.puuilo.fi/en/investors/share_information/shareholders) and on the management's holdings at [https://www.investors.puuilo.fi/en/investors/share\\_information/management\\_shareholding](https://www.investors.puuilo.fi/en/investors/share_information/management_shareholding).

### **Flagging notifications**

During the review period, Puuilo received the following shareholder flagging notifications in accordance with the Finnish Securities Markets Act:

- On 20 September 2023, Puuilo received a notification in accordance with Chapter 9, Section 10 of the Finnish Securities Markets Act. According to the notification, Adelis Holding I AB's indirect holdings in shares fell below the flagging threshold of 15% and was 10.40% after the transaction. Prior to the notification, indirect holdings of Adelis Holding I AB were 18.66% based on the flagging notification received on 15 February 2023.
- On 20 September 2023, Puuilo received a notification in accordance with the Chapter 9, Sections 6 and 7 of the Finnish Securities Market Act from Ampfield Management L.P. ("Ampfield"). According to the notification, Ampfield's indirect holdings in the Company's shares had increased above the 10% threshold on and was 10.11% after the transaction.

### **Managers' share transactions**

Puuilo's managers' transactions after the listing have been published as stock exchange releases and are available on the company's investor website at <https://www.investors.puuilo.fi/en/releases>.

### **Risks and business uncertainties**

Risks and uncertainties related to Puuilo's operating environment, markets, business, strategy implementation, financing and financial position are described in detail in the Report by the Board of Directors 2022. The most significant business risks and uncertainties are related to energy crisis, the war in Ukraine as well as decline in purchasing power due to rise in interest rates, inflation and general economic situation.

The general principles of Puuilo's risk management are also described on the company's investor website at [https://www.investors.puuilo.fi/en/investors/corporate\\_governance/risk\\_management](https://www.investors.puuilo.fi/en/investors/corporate_governance/risk_management).

### **Significant events after the end of the reporting period**

#### **Members of Puuilo's Shareholders' Nomination Board**

On 27 November 2023, Puuilo announced that representatives of the three largest shareholders registered in Puuilo Plc's shareholder register as of 2 October 2023, are elected to the Puuilo's Shareholders' Nomination Board along with the Chairman of the Board of Directors, Lasse Aho, as an expert member. Puuilo Plc's Shareholders' Nomination Board is a body of the Company's shareholders responsible for preparing proposals for the election and remuneration of the members and the Chairman of the Board of Directors as well as the remuneration of Board committee members to the Annual General Meeting 2024 and, when necessary, to the Extraordinary General Meeting.

The three largest shareholders have nominated following members to Puuilo's Shareholders Nomination Board: Puuilo Invest Holding AB (Adelis Equity Partners), represented by John-Matias Uuttana, Markku Tuomaala, represented by Toni Kemppinen, Keskinäinen Eläkevakuutusyhtiö Ilmarinen, represented by Esko Torsti.



## Next financial reports

Puulo's financial year starts on 1 February and ends on 31 January the following year. The company publishes Business reviews for the first and third quarter, a Half-year financial report and a Financial statements release.

Financial Statements Release 2023	on 27 March 2024
Business review Q1 February – April 2024	on 12 June 2024
Half-year Financial Report February – July 2024	on 12 September 2024
Business review Q3 February – October 2024	on 11 December 2024

The Financial statements and the Report by the Board of Directors 2023 will be published during week 16.

Puulo's Annual General Meeting is planned for Wednesday 15 May 2024. The meeting will be convened by the company's Board of Directors separately at a later date.

All financial reports are published in English and in Finnish and are available at [https://www.investors.puulo.fi/en/investors/reports\\_and\\_presentations](https://www.investors.puulo.fi/en/investors/reports_and_presentations).

12 December 2023  
PUUILO PLC  
Board of Directors

DISTRIBUTION  
Nasdaq Helsinki  
[www.puulo.fi](http://www.puulo.fi)

## Calculation of certain alternative performance measures and other key figures

Puulo uses alternative performance measures to reflect the changes in business performance and profitability. These indicators should be examined together with the IFRS-compliant performance key indicators.

Like-for-like store net sales development is used to reflect the changes in Puulo's business volume between periods. The indicator reflects the change in the net sales excluding the impact of new stores. Like-for-like stores include the stores that have existed during both the review period and the comparison period.

Adjusted profit and profitability indicators are used to improve the comparability of operational performance between periods. Items affecting comparability include unusual material items outside the ordinary course of the business. These unusual expenses relate to listing expenses, strategic development projects and administration.

Alternative performance measures, adjusted for the effect of IFRS 16, are used to monitor the achievement of financial targets. EBITDA excluding the effect of IFRS corresponds to EBITDA before the adoption of IFRS 16.

In addition, financial performance indicators for the group have been presented as alternative performance measures. The management uses these indicators to monitor and analyse business performance, profitability and financial position.

<b>Key figure</b>	<b>Definition</b>
<b>Like-for-like store net sales development (%)</b>	Like-for-like store net sales development is calculated as the net sales development of the comparable stores that are not considered new or closed stores.  A store is considered a new store during the opening year and the following financial year after the opening. Relocated stores are considered like-for-like stores.
<b>Online net sales development (%)</b>	Change in online store net sales for the period divided by online store net sales for the previous period
<b>Gross profit</b>	Net sales – materials and services
<b>Gross margin (%)</b>	Gross profit as percentage of net sales
<b>EBITA</b>	Operating profit before the amortisation of Puulo trademark
<b>EBITA margin (%)</b>	EBITA as percentage of net sales
<b>Adjusted EBITA</b>	EBITA adjusted with items affecting comparability
<b>Adjusted EBITA margin (%)</b>	Adjusted EBITA as percentage of net sales
<b>EBIT (operating profit)</b>	Profit before income taxes and finance income and finance costs
<b>EBIT margin (%)</b>	EBIT as percentage of net sales

<b>Earnings per share (basic) (EUR)</b>	Earnings per share have been calculated by dividing the profit for the period according to the consolidated income statement by the weighted average number of shares issued.
<b>Earnings per share (diluted) (EUR)</b>	Earnings per share have been calculated by dividing the profit for the period according to the consolidated income statement by the weighted average diluted number of shares issued.
<b>Earnings per share excluding listing expenses (EUR)</b>	Earnings per share have been calculated by dividing the profit for the period excluding the listing expenses recognised in profit and loss according to the consolidated income statement by the weighted average number of shares issued.
<b>EBITDA</b>	Operating profit before depreciation, amortisation, and impairment
<b>Adjusted EBITDA</b>	EBITDA before items affecting comparability
<b>Operating free cash flow</b>	Adjusted EBITDA – depreciation of right-of-use assets – change in net working capital in cash flow statement – net capital expenditure
<b>Net debt / Adjusted EBITDA</b>	Interest-bearing liabilities (loans from financial institutions + lease liabilities) – cash and cash equivalents divided by annualised adjusted EBITDA