

Tokmanni's updated long-term financial targets

Tokmanni Group Corporation

Stock exchange release

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Tokmanni's Board of Directors has updated the Group's long-term financial targets for comparable EBITDA margin and the ratio of net debt to comparable EBITDA due to IFRS 16, effective from 1 January 2019. The comparable EBITDA margin is replaced by a comparable EBIT margin and the net debt to comparable EBITDA target changes. At the same time, the targeted amount of stores has been updated.

Updated targets

Tokmanni's target is to increase its store network to cover more than 200 stores as well as to increase its new selling area by approximately 12,000 square metres in net terms every year, which means around five new or relocated stores each year.

Tokmanni's target is to gradually increase the comparable EBIT margin to about 9 percent by improving the gross margin and reducing the relative share of current operating expenses from the current levels.

Tokmanni's target is to maintain an efficient long-term capital structure, defined as net debt in relation to comparable EBITDA of below 3.2.

Previous targets

Tokmanni's target is to achieve a network of around 200 stores in Finland and to expand by approx. 12,000 square metres of new store space annually, consisting of approximately 5 net new stores or relocations.

Tokmanni's target is to progressively expand to a comparable EBITDA margin of approximately 10 per cent driven by improving gross margin levels and stable operating expenses in relative terms.

Tokmanni's target is to maintain an efficient long-term capital structure, defined as net debt in relation to comparable EBITDA of below 2.0x.

Tokmanni's long-term financial targets

- Tokmanni's target is to achieve low single digit growth in like-for-like revenue.
- Tokmanni's target is to increase its store network to cover more than 200 stores as well as to increase its new retail space by some 12,000 square metres in net terms every year, which means around five new or relocated stores each year.
- Tokmanni's target is to gradually increase the comparable EBIT margin to about 9 percent by improving the gross margin and reducing the relative share of current operating expenses from the current levels.
- Tokmanni's target is to maintain an efficient long-term capital structure, defined as net debt in relation to comparable EBITDA of below 3.2.
- Tokmanni's aim is to distribute around 70 per cent of net income for each financial year in dividends, depending on the capital structure, financial position, general economic and business conditions and future prospects.

Tokmanni Group Corporation

Board of Directors

For further information, please contact

Mika Rautiainen, CEO

tel. +358 0207286061

mika.rautiainen(at)tokmanni.fi

Tokmanni in brief

Tokmanni is Finland's leading general discount retailer by number of stores and revenue. In 2017, Tokmanni's revenue totalled EUR 796 million, and the company had around 3,200 employees. Tokmanni is also the only nationwide general discount retailer in Finland, and it currently almost 200 around the country.

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