

Tokmanni's Business Review for 1 January–30 September 2022

Revenue grew, higher costs burdened the result

THIRD QUARTER 2022 HIGHLIGHTS

- Revenue grew by 5.3% (7.0%) and was EUR 294.9 million (280.1)
- Like-for-like revenue for stores increased by 2.1% (5.4%)
- Comparable gross profit totalled EUR 97.9 million (95.1) with the comparable gross margin being 33.2% (34.0%)
- Comparable EBIT amounted to EUR 23.5 million (26.1), representing 8.0% of revenue (9.3%)
- Cash flow from operating activities amounted to EUR -3.6 million (12.5)
- Earnings per share, diluted was EUR 0.27 (0.32)

JANUARY–SEPTEMBER 2022 HIGHLIGHTS

- Revenue grew by 2.6% (8.2%) and was EUR 829.0 million (807.7)
- Like-for-like revenue for stores decreased by 0.6% (+7.0%)
- Comparable gross profit totalled EUR 278.5 million (275.6) with the comparable gross margin being 33.6% (34.1%)
- Comparable EBIT amounted to EUR 50.0 million (65.2), representing 6.0% of revenue (8.1%)
- Cash flow from operating activities amounted to EUR -5.8 million (51.9)
- Earnings per share, diluted was EUR 0.59 (0.80)

TOKMANNI'S OUTLOOK FOR 2022

In 2022 Tokmanni expects the revenue to be at the previous year's level. Comparable EBIT measured in euros is expected to be EUR 90–110 million in 2022. The forecast includes elements of uncertainty, which depend on the development of inflation, interest rates, the war in Ukraine, the COVID-19 pandemic and the effects of these.

This is not an interim report in accordance with IAS 34. The company complies with half-yearly reporting in accordance with the Securities Markets Act and publishes business reviews for the first three months (Q1) and first nine months (Q3) of the year.

TOKMANNI'S PRESIDENT AND CEO MIKA RAUTIAINEN**Low prices are important when everyday costs increase**

In the third quarter, Tokmanni's number of customer visits increased by 3% year-on-year. As everyday expenses increase, our customers are paying more attention to prices. By maintaining a low price level, we meet our customers' wishes and strengthen customer trust. This was reflected in an increase in sales during the third quarter of 2022. Our revenue grew by 5.3% in total, and the average basket size increased by 2.3%.

The comparable gross margin in the third quarter was 33.2%, which was lower than in the previous year (34.0%). The lower gross profit was attributable to an increase in campaign sales based on special offers and a stronger focus on groceries in comparison with consumer goods. The change in customers' purchasing behaviour arises from weaker purchasing power and consumer confidence. We believe that the sales of consumer goods will normalise again once the Christmas season begins.

Comparable EBIT amounted to EUR 23.5 million (26.1) in the third quarter. The result was burdened by higher costs. It was affected in particular by higher property costs through rents tied to indices and higher electricity costs. On the positive side, we succeeded in improving our operational efficiency and decreasing the proportion of personnel expenses of revenue.

At the end of the third quarter, the value of inventories was at an all-time high, at EUR 332.3 million (273.9). The increase in the value of inventories was mainly due to higher sourcing prices as a result of inflation. We also decided to store most of the unsold spring season products for the next season. The value of inventories also increased because of the fact that all Christmas season products had been stocked by the end of the third quarter. We have taken systematic measures to reduce the value of inventories.

Our measures related to Tokmanni Klubi have been successful. This customer loyalty programme already has more than 1.6 million members. Through the programme, we are increasing customer insight and interaction. Tokmanni Klubi enables us to offer even more relevant selections and benefits to our customers. Right now, we are focusing on Christmas sales, our most important season of the year, and are confident of a successful season.

Key figures

	7-9/ 2022	7-9/ 2021	Change %	1-9/ 2022	1-9/ 2021	Change %	1-12/ 2021
Revenue, MEUR	294.9	280.1	5.3%	829.0	807.7	2.6%	1 141.8
Like-for-like revenue development, %	2.1	5.4		-0.6	7.0		4.8
Customer visit development %	3.0	1.3		1.0	1.2		0.8
Gross profit, MEUR	97.3	95.2	2.2%	279.0	276.8	0.8%	397.8
Gross margin, %	33.0	34.0		33.7	34.3		34.8
Comparable gross profit, MEUR	97.9	95.1	2.9%	278.5	275.6	1.0%	396.4
Comparable gross margin, %	33.2	34.0		33.6	34.1		34.7
Operating expenses	-56.8	-53.1	6.9%	-176.4	-163.1	8.1%	-226.9
Comparable operating expenses	-56.7	-53.3	6.3%	-176.9	-163.6	8.1%	-227.6
EBITDA, MEUR	41.2	42.8	-3.7%	105.4	116.1	-9.2%	174.5
EBITDA, %	14.0	15.3		12.7	14.4		15.3
Comparable EBITDA, MEUR	41.9	42.5	-1.4%	104.3	114.4	-8.8%	172.5
Comparable EBITDA, %	14.2	15.2		12.6	14.2		15.1
Operating profit (EBIT), MEUR	22.8	26.4	-13.7%	51.1	66.9	-23.6%	107.7
Operating profit margin EBIT, %	7.7	9.4		6.2	8.3		9.4
Comparable EBIT, MEUR	23.5	26.1	-10.1%	50.0	65.2	-23.3%	105.7
Comparable EBIT, %	8.0	9.3		6.0	8.1		9.3
Net financial items, MEUR	-2.8	-2.5	12.7%	-7.8	-7.6	2.5%	-10.1
Net capital expenditure, MEUR*	11.4	9.0	27.4%	33.8	14.9	127.2%	21.7
Net debt / comparable EBITDA **	2.7	2.1		2.7	2.1		1.8 ***
Net cash from operating activities, MEUR	-3.6	12.5		-5.8	51.9		126.8
Return on capital employed, %	3.6	4.4		8.0	11.2		17.1 ***
Return on capital employed %, rolling 12 months	14.3	18.6		14.3	18.6		18.0 ***
Return on equity, %	7.3	9.6		15.8	23.7		33.8 ***
Return on equity %, rolling 12 months	30.0	40.5		30.0	40.5		37.9 ***
Equity ratio, %	26.5	27.9		26.5	27.9		30.0 ***
Number of shares, weighted average during the financial period (thousands)	58 759	58 731		58 759	58 731		58 731
Diluted number of shares, weighted average during the financial period (thousands)	58 796	58 779		58 791	58 770		58 776
Earnings per share, basic (EUR/share)	0.27	0.32		0.59	0.81		1.33
Earnings per share, diluted (EUR/share)	0.27	0.32		0.59	0.80		1.33
Personnel at the end of the period	4 147	4 031		4 147	4 031		4 105
Personnel on average in the period	4 351	4 226		4 238	4 142		4 132

* Net capital expenditure, excluding non-current receivables from others

** Rolling 12 months comparable EBITDA

**** The figures for the comparison year of 2021 have been adjusted due to a correction made to the figures from previous financial years concerning the method of recognizing purchase rebates. The impact of the adjustment of assets for the period 1–9/2021 is on inventories at EUR -3.2 million and on deferred tax assets at EUR 0.6 million. The impact of the adjustment of liabilities for the period 1–9/2021 is on retained earnings at EUR -2.6 million.

Adjustments affecting comparability

Tokmanni reports EBITDA and EBIT as its key performance indicators and makes adjustments to improve comparability and provide a better view of Tokmanni's operational performance. EBITDA is a non-IFRS indicator that represents operating profit before depreciation. Comparable EBITDA and comparable EBIT represent the same indicators excluding items that Tokmanni's management considers to be exceptional and non-recurring, including changes in the fair value of electricity and currency derivatives, which are adjusted by Tokmanni, as they are unrealised gains or losses related to Tokmanni's open cash flow hedge positions and are therefore not related to Tokmanni's operational performance during the review periods.

Tokmanni's management uses the comparable EBITDA margin and comparable EBIT margin as key performance indicators to assess Tokmanni's underlying operational performance.

Adjustments affecting comparability					
MEUR	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Gross profit	97.3	95.2	279.0	276.8	397.8
Changes in fair value of currency derivatives	0.6	-0.1	-0.5	-1.1	-1.4
Comparable Gross Profit	97.9	95.1	278.5	275.6	396.4
Operating expenses	-56.8	-53.1	-176.4	-163.1	-226.9
Changes in fair value of electricity derivatives	0.1	-0.2	-0.5	-0.5	-0.6
Comparable operating expenses	-56.7	-53.3	-176.9	-163.6	-227.6
EBITDA	41.2	42.8	105.4	116.1	174.5
Operating profit (EBIT)	22.8	26.4	51.1	66.9	107.7
Changes in fair value of currency derivatives	0.6	-0.1	-0.5	-1.1	-1.4
Changes in fair value of electricity derivatives	0.1	-0.2	-0.5	-0.5	-0.6
Comparable EBITDA	41.9	42.5	104.3	114.4	172.5
Comparable operating profit (adj. EBIT)	23.5	26.1	50.0	65.2	105.7

MARKET DEVELOPMENT

According to the statistics of the Finnish Grocery Trade Association FGTA (www.pty.fi), the non-grocery market increased by 1,9 % or the third quarter of 2022. The sales of apparel increased, in particular. The revenue of department store and hypermarket chains increased by 5.2%. Tokmanni's revenue grew by 5,3%.

According to the FGTA statistics, the non-grocery market increased by 1.1% in January–September 2022. The sales of home and leisure products increased, in particular. The revenue of department store and hypermarket chains grew by 2.6%. Tokmanni's revenue grew by 2.6% in January–September.

The member companies of the FGTA operate the department store and hypermarket chains of K-Citymarket, Prisma, Sokos, Stockmann, Tokmanni and Minimani. However, it is important to note that the statistics compiled by the FGTA only cover part of Tokmanni's addressable market.

STORE NETWORK DEVELOPMENT

Expanding the store network is one of the ways to increase Tokmanni's revenue and EBIT. Tokmanni has an efficient process of rolling out and ramping up new stores. Tokmanni's target is to expand its store network to include more than 220 Tokmanni stores in Finland by the end of 2025, which means around six new stores every year.

At the end of September, Tokmanni had 198 Tokmanni stores (30 September 2021: 195). In January–September, Tokmanni refurbished its stores in the Arabia shopping centre in Helsinki, Kivikukkaro in Turku, Tervaharju in Kemi and Porttipuisto in Vantaa. In addition, the stores in Kaarina, Kuusamo, Hyvinkää and Ikaalinen were expanded, and Tokmanni opened new stores in the Lippulaiva urban centre in Espoo and in Nurmijärvi. The refurbishment of the Tornio store and the expansion of the Tammisto store in Vantaa were completed in October.

Tokmanni has also entered into agreements on opening new stores in Kontula and Konala in Helsinki, the Keljo district of Jyväskylä and Söderkulla in Sipoo. In addition to opening new stores, Tokmanni has entered into an agreement on expanding its store in the Koskikeskus shopping centre in Tampere.

Tokmanni considers a store to be new or relocated over the duration of its opening year and the following calendar year.

Miny shop-in-shop departments and dedicated stores

Miny is a lifestyle brand launched by Tokmanni in February 2022. Miny products are available in the Tokmanni online store and in shop-in-shop departments in 16 Tokmanni stores. In addition, Miny shop-in-shop departments will be opened in few Tokmanni stores before the end of the year.

Miny products are also available in the Miny stores at the Forum Jyväskylä shopping centre in Jyväskylä, the Lippulaiva urban centre in Espoo and the Jumbo-Flamingo entertainment and shopping centre in Vantaa. These Miny stores were opened in October. A Miny store will be opened in the IsoKristiina shopping centre in Lappeenranta later in 2022.

More information about Tokmanni's stores and the Miny lifestyle brand is available on the "New store development" page at https://ir.tokmanni.fi/en/investors/tokmanni-as-an-investment/new_stores, and on the "News and media" page at <https://ir.tokmanni.fi/en/news-and-media> and <https://www.tokmanni.fi/miny> (in Finnish).

FINANCIAL DEVELOPMENT

Seasonality

Tokmanni's business is subject to seasonality, which has a significant effect on its revenue, profitability and cash flows. Generally, Tokmanni's revenue, profitability and cash flows are lowest in the first quarter and highest in the fourth quarter due to Christmas sales.

Revenue

July–September 2022

In the third quarter of 2022, Tokmanni's revenue grew by 5.3% (7.0%) to EUR 294.9 million (280.1). Sales focused on grocery products such as toilet and kitchen paper, food products and cosmetics. In addition, the sales of yard and garden equipment, as well as barbecues and grilling products, increased on the comparison period. Sales were weak in the categories of toys, swimming pools and hot tubs, for example, as

well as home storage products. Tokmanni's online sales accounted for 1.6% (1.6%) of its total revenue, increasing by 2.1% (64.7%) year-on-year.

Like-for-like revenue grew by 2.1% (5.4%). Like-for-like customer visits in stores grew by 0.1% (-0.6%), and the total number of customers grew by 3.0% (1.3%) year-on-year. The like-for-like average basket in stores grew by 2.0% to EUR 20.39 (19.99).

Direct imports accounted for 26.6% of sales (27.4%). These can be broken down into products purchased using Tokmanni's sourcing company in Shanghai, which accounted for 17.2% (17.3%), and other direct imports, which accounted for 9.5% (10.1%). The brands managed by Tokmanni (private label products, exclusive brands and non-branded products) represented 31.3% of third-quarter sales (32.1%).

January–September 2022

Revenue for January–September 2022 grew by 2.6% (8.2%) to EUR 829.0 million (807.7). All in all, sales in the third quarter were characterised by higher demand for grocery products. Tokmanni's online sales accounted for 1.7% (1.7%) of its total revenue, increasing by 4.8% (66.9%) year-on-year.

Like-for-like revenue decreased by 0.6% (+7.0%). Like-for-like customer visits in stores decreased by 2.1% (0.0%), and the total number of customers grew by 1.0% (1.2%) year-on-year. The like-for-like average basket in stores grew by 1.5% to EUR 20.50 (20.36).

Direct imports accounted for 25.9% of sales (26.2%). These can be broken down into products purchased using Tokmanni's sourcing company in Shanghai, which accounted for 16.2% (16.2%), and other direct imports, which accounted for 9.7% (10.0%). The brands managed by Tokmanni (private label products, exclusive brands and non-branded products) represented 30.7% (31.8%) of sales in January–September.

Profitability

July–September 2022

Gross profit in the third quarter totalled EUR 97.3 million (95.2), and the gross margin was 33.0% (34.0%). Comparable gross profit was EUR 97.9 million (95.1), corresponding to a comparable gross margin of 33.2% (34.0%). The gross margin was negatively affected by increased campaign sales based on special offers in particular and by the sales mix, which focused more on groceries than in the comparison period.

In the third quarter, operating expenses continued to increase and totalled EUR 56.8 million (53.1), or 19.3% of revenue (19.0%). Comparable operating expenses were EUR 56.7 million (53.3), or 19.2% of revenue (19.0%). The increase in property expenses was affected by higher property costs through rents tied to indices and by new locations and higher electricity costs. The increase in marketing expenses was mainly due to an increase in paper prices and printing costs and slightly more extensive marketing measures compared with the previous year. Personnel expenses were increased by the general increase in salaries that entered into force at the beginning of May and sickness absences, although sickness absences were at a slightly lower level than in the first half of the year. Personnel expenses represented EUR 31.4 million (30.8) of the aforementioned operating expenses. The relative proportion of personnel expenses of revenue decreased from the previous year to 10.7% (11.0%). The salaries of employees covered by the commercial sector's collective agreement were raised by 2.0% on 1 May 2022. This had an impact of around EUR 0.6 million on personnel expenses in the third quarter.

EBITDA amounted to EUR 41.2 million (42.8), and the EBITDA margin was 14.0% (15.3%). Comparable EBITDA totalled EUR 41.9 million (42.5), and the comparable EBITDA margin was 14.2% (15.2%).

EBIT in the third quarter totalled EUR 22.8 million (26.4), or 7.7% of the EBIT margin (9.4%). Comparable EBIT was EUR 23.5 million (26.1), and the comparable EBIT margin was 8.0% (9.3%). Compared with the

previous year, the weaker result was mainly due to the aforementioned increase in operating expenses and an increase in depreciation. The increase in depreciation resulted from higher depreciation on normal property, plant and equipment and an increase in depreciation arising from leased facilities. Leased facilities are recognised on the balance sheet as assets and liabilities in accordance with IFRS 16. These are depreciated on the balance sheet over their lease terms in accordance with the standard.

Net financial items totalled EUR -2.8 million (-2.5). The result before taxes was EUR 20.0 million (23.9). Taxes amounted to EUR -4.0 million (-4.8). The net result was EUR 16.0 million (19.1).

Diluted earnings per share were EUR 0.27 (0.32). The return on capital employed was 3.6% (4.4%). The return on equity was 7.3% (9.6%). The 12-month rolling return on capital employed was 14.3% (18.6%), and the 12-month rolling return on equity was 30.0% (40.5%).

January–September 2022

Gross profit in January–September 2022 totalled EUR 279.0 million (276.8), and the gross margin was 33.7% (34.3%). Comparable gross profit was EUR 278.5 million (275.6), corresponding to a comparable gross margin of 33.6% (34.1%). The decrease in the gross margin was mainly due to the sales mix and higher freight costs.

Operating expenses increased to EUR 176.4 million (163.1), or 21.3% of revenue (20.2%). Comparable operating expenses were EUR 176.9 million (163.6), or 21.3% of revenue (20.3%). The growth in operating expenses in euros was mainly due to higher personnel, property and marketing expenses. A more detailed description of these expenses can be found in the section focusing on profitability in July–September. Personnel expenses represented EUR 100.9 million (97.2) of the aforementioned operating expenses, or 12.2% (12.0%) of revenue.

EBITDA amounted to EUR 105.4 million (116.1), and the EBITDA margin was 12.7% (14.4%). Comparable EBITDA totalled EUR 104.3 million (114.4), and the comparable EBITDA margin was 12.6% (14.2%).

Profitability decreased in January–September compared with the previous year, which was mainly due to the aforementioned increase in operating expenses and depreciation. EBIT was EUR 51.1 million (66.9), and the EBIT margin was 6.2% (8.3%). Comparable EBIT was EUR 50.0 million (65.2), and the comparable EBIT margin was 6.0% (8.1%).

Net financial items totalled EUR -7.8 million (-7.6). The result before taxes was EUR 43.3 million (59.2). Taxes amounted to EUR -8.7 million (-11.9). The net result was EUR 34.6 million (47.3).

Diluted earnings per share were EUR 0.59 (0.80). The return on capital employed was 8.0% (11.2%). The return on equity was 15.8% (23.7%). The 12-month rolling return on capital employed was 14.3% (18.6%), and the 12-month rolling return on equity was 30.0% (40.5%).

Balance sheet, financing and cash flow

At the end of September 2022, Tokmanni's inventories amounted to EUR 332.3 million (273.9). Higher sourcing prices and seasonal products not sold during the spring season are reflected in the value of inventories. The value of inventories also increased because of the fact that all Christmas season products had been stocked by the end of the third quarter to ensure a high level of shelf availability.

The Group's cash flow from operating activities amounted to EUR -3.6 million (12.5) in the third quarter of 2022. Cash flow amounted to EUR -5.8 million (51.9) in January–September. The decrease in the cash flow in January–September was due to the weaker result and the fact that the amount of capital tied to

inventories was higher than in the previous year. Cash and cash equivalents stood at EUR 13.1 million (26.7) at the end of September 2022, and the company's financial position is stable.

At the end of September 2022, Tokmanni's interest-bearing debt totalled EUR 458.3 million (386.8), including EUR 100.0 million (100.0) in non-current corporate bonds and loans from financial institutions and EUR 70.5 million (0) in current corporate bonds and loans from financial institutions. The remainder of the liabilities mainly consist of lease liabilities reported under IFRS 16.

The ratio of net debt to comparable EBITDA (rolling 12 months) was 2.7 (2.1) at the end of September 2022. Tokmanni intends to maintain an efficient long-term capital structure, and its long-term goal is to keep the ratio of net debt to comparable EBITDA to a level below 3.2.

Tokmanni's equity ratio was 26.5% (27.9%) at the end of September 2022.

Capital expenditure

Net capital expenditure in the third quarter of 2022 totalled EUR 11.4 million (9.0). Net capital expenditure for January–September 2022 totalled EUR 33.8 million (14.9). Capital expenditure was mainly related to the expansion, development and maintenance of the store network, the development of digital services and the construction of a new warehouse building. Capital expenditure in January–September included EUR 20.1 million in costs related to construction.

Capital expenditure in 2022 is expected to be around EUR 18–20 million, excluding the construction of the new warehouse building.

The construction of Tokmanni's new warehouse building is progressing as planned. The warehouse building will support and complement Tokmanni's existing logistics centre. Once completed, the new warehouse will replace the warehouse space currently leased outside the logistics centre. Operations at the new warehouse will start in stages. The first section will be brought into service in the summer of 2023, and the building will be completed in the spring of 2024. The total value of the investment is estimated at EUR 60 million, and it will be recognised on a straight-line basis over 2022–2024. Once the warehouse building is completed in 2024, it will be sold to NREP, which will become Tokmanni's lessor under a 20-year lease.

PERSONNEL

Tokmanni is a significant employer in Finland. Tokmanni had 4,147 (4,031) employees at the end of September 2022. On average, Tokmanni employed 4,238 (4,142) people during January–September 2022.

In January–September 2022 personnel expenses totalled EUR 100.9 million (97.2), representing 12.2% of revenue (12.0%).

CHANGES IN TOKMANNI'S EXECUTIVE GROUP

Tapio Arimo, M.Sc. (Econ.), was appointed as Tokmanni's new CFO and CIO and a member of the Executive Group. He will start in his position by 1 December 2022 at the latest. Arimo will join Tokmanni from Haltian Oy, where he has served as the CFO since 2021. Previously, Arimo has served as CFO at Purmo Group and at Kamux, and in many different executive positions in financial administration at Nokia.

RISKS AND BUSINESS UNCERTAINTIES

Tokmanni's risks and uncertainties are discussed in detail in the Report by the Board of Directors for 2021 and in the Financial Statements Bulletin as well as Tokmanni's website at <https://ir.tokmanni.fi/en/investors/tokmanni-as-an-investment/riskienhallinta>.

TOKMANNI'S OUTLOOK FOR 2022

In 2022 Tokmanni expects the revenue to be at the previous year's level. Comparable EBIT measured in euros is expected to be EUR 90–110 million in 2022. The forecast includes elements of uncertainty, which depend on the development of inflation, interest rates, the war in Ukraine, the COVID-19 pandemic and the effects of these.

Mäntsälä 28 October 2022

Tokmanni Group Corporation

Board of Directors

IR calendar

Tokmanni Group Corporation will publish its Financial Statement Release, Half Year Financial Report and two Business Reviews during 2023 as follows:

10 February 2023: Financial Statements Review for 2022

28 April 2023: Business Review for January-March 2023

4 August 2023: Half Year Financial Review for January-June 2023

27 October 2023: Business Review for January-September 2023

The 2022 Report by the Board of Directors and Financial Statements will be published during week 8.

Tokmanni's Annual General Meeting is planned to be held on 22 March 2023. Tokmanni's Board of Directors will summon the meeting at a later date.

Analyst and press conference

Tokmanni's President and CEO Mika Rautiainen will present the review to analysts, investors and media representatives on the publication day at 11:30 am in English (Finnish time).

The live webcast can be accessed via Tokmanni's website at <https://ir.tokmanni.fi/en/investors> or through the link <https://tokmanni.videosync.fi/2022-q3-results/register>. On-demand version of the presentation will be available on the company's website later during the same day.

The participants can also join a telephone conference that will be arranged in conjunction with the live webcasts. The participants are asked to dial in 5-10 minutes prior to starting time using the phone number and passcode below.

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Tokmanni in brief

Tokmanni is Finland's leading variety discount retailer. Some 4,100 Tokmanni employees make customers' everyday life and special occasions easier by offering a versatile and up-to-date assortment of Finnish and international brand-name products and other high-quality products at prices that are always affordable. With around 200 stores around Finland and an online store, Tokmanni is always close to its customers. In 2021, Tokmanni's revenue was EUR 1,142 million and comparable EBIT amounted to EUR 106 million.

Tokmanni's shares are listed on Nasdaq Helsinki.

Distribution

Nasdaq Helsinki

Key media

TOKMANNI GROUP CORPORATION BUSINESS REVIEW FOR JANUARY-SEPTEMBER 2022**Use of estimates**

The preparation of the half-year financial report in accordance with IFRS requires the management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses on the income statement. Although the estimates are based on the management's best knowledge of current events and actions, the actual results may differ from the estimates.

This business review is unaudited.

Consolidated income statement (MEUR)					
	7–9/2022	7–9/2021	1–9/2022	1–9/2021	1–12/2021
Revenue	294.9	280.1	829.0	807.7	1 141.8
Other operating income	0.8	0.8	2.8	2.5	3.6
Materials and services	-197.6	-184.9	-550.0	-531.0	-744.0
Employee benefits expenses	-31.4	-30.8	-100.9	-97.2	-132.9
Depreciation	-18.5	-16.4	-54.3	-49.2	-66.8
Other operating expenses	-25.4	-22.4	-75.5	-66.0	-94.1
Share of profit in joint ventures	0.0	0.0	0.1	0.1	0.1
Operating profit	22.8	26.4	51.1	66.9	107.7
Financial income	0.0	0.0	0.1	0.0	0.1
Financial expenses	-2.8	-2.5	-7.9	-7.7	-10.2
Profit/loss before tax	20.0	23.9	43.3	59.2	97.6
Income taxes	-4.0	-4.8	-8.7	-11.9	-19.6
Net result for the financial period	16.0	19.1	34.6	47.3	78.0
Profit for the year attributable to					
Equity holders of the parent company	16.0	19.1	34.6	47.3	78.0
Consolidated statement of comprehensive income (MEUR)					
	7–9/2022	7–9/2021	1–9/2022	1–9/2021	1–12/2021
Net result for the financial period	16.0	19.1	34.6	47.3	78.0
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the financial period, net of tax	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the financial period	16.0	19.1	34.6	47.3	78.0
Comprehensive income for the financial period attributable to					
Equity holders of the parent company	16.0	19.1	34.6	47.3	78.0
Earnings per share					
Equity holders of the parent company	16.0	19.1	34.6	47.3	78.0
Earnings per share, basic (EUR/share)	0.27	0.32	0.59	0.81	1.33
Earnings per share, diluted (EUR/share)	0.27	0.32	0.59	0.80	1.33

CULATION OF THE GROUP'S KEY FIGURES

Like-for-like revenue development, %	=	Like-for-like revenue development is calculated by taking into account the revenue growth of stores that are not considered to be net-new and the revenue growth of relocated stores, as defined by Tokmanni to include: (i) new stores opened; (ii) store relocations where the store size changes by 30 per cent or more and the assortment increases or is reduced substantially; and (iii) store expansions where the store size changes by 30 per cent or more. If the store falls in one of these categories, it is regarded as a net-new or relocated store in its opening year and in the following calendar year.
Customer visit development, %	=	Number of customer transactions
Gross profit	=	Revenue - Materials and services
Comparable gross profit	=	Gross profit - Changes in the fair value of currency derivatives
Operating expenses	=	Employee benefits expenses + Other operating expenses
Comparable operating expenses	=	Operating expenses - Changes in fair value of electricity derivatives
EBITDA	=	Operating profit + Depreciation
Comparable EBITDA	=	EBITDA - Changes in fair value of currency and electricity derivatives
Comparable EBIT	=	EBIT - Changes in fair value of currency and electricity derivatives
Net financial items	=	Financial income - Financial expenses
Net debt	=	Interest-bearing debt - Cash and cash equivalents
Net debt / Comparable EBITDA	=	$\frac{\text{Net debt}}{\text{Comparable EBITDA}}$
Capital employed	=	Balance sheet total - Deferred tax liability and other non-interest-bearing liabilities
Return on capital employed, %	=	$\frac{\text{Profit before taxes} + \text{Interest and other financial expenses}}{\text{Capital employed, average at the beginning and end of the period}}$
Return on capital employed, %, rolling 12 months	=	$\frac{\text{Profit before taxes} + \text{Interest and other financial expenses (preceding 12 months)}}{\text{Capital employed, average for the preceding 12 months}}$
Return on equity, %	=	$\frac{\text{Net result for the period}}{\text{Equity, average at the beginning and end of the period}}$
Return on equity, %, rolling 12 months	=	$\frac{\text{Net result for the preceding 12 months}}{\text{Equity, average for the preceding 12 months}}$
Number of personnel	=	Number of personnel at the end of the period
Number of personnel on average	=	Number of personnel on average in the period
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Balance sheet total} - \text{Advances received}}$