



PUUILO

Steady performance – business as usual

Business review February – April 2024

Puuiilo Plc

12 June 2024


Juha Saarela, CEO

Ville Ranta, CFO

Our agenda today

1. Key figures and main events
2. Financial development
3. Outlook for financial year 2024
4. Strategy and long-term financial targets
5. Q&A

**A GAS GRILL OR A PIZZA OVEN?
IF YOU'RE SMART
YOU CAN HAVE BOTH.**



**BUY A MEFISTO GAS GRILL
WITH 4+1 OR 6+1 BURNERS
AND YOU WILL RECEIVE
A FREE PIZZA OVEN.**

PUUILO

COME AND GET IT?

NO. YES.

Key figures Q1/2024 (February – April 2024)

Growth

+16.1% (+10.3%)

Net sales

+4.8% (+4.9%)

Like-for-like net sales



44 (38)

Number of stores at the end of the reporting period

Profitability

36.6% (36.5%)

Gross margin

11.0% (11.2%)

EBITA margin (adj.)

Earnings per share

0.06 € (0.06 €)

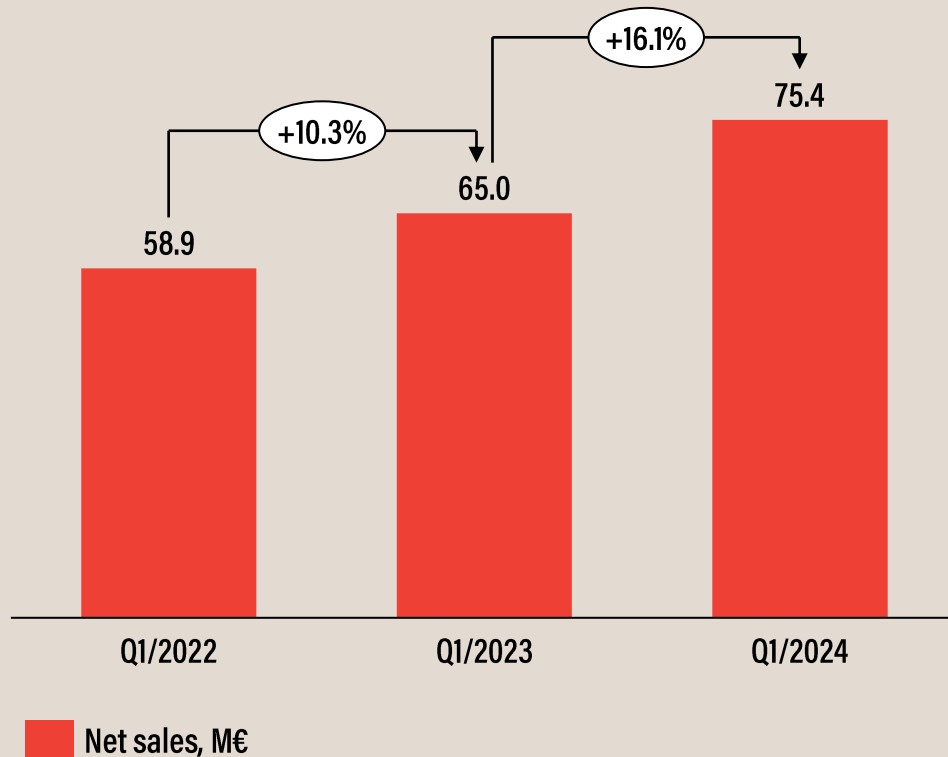
Events during the reporting period

- Two new stores were opened during the period. The store in Nokia was opened in February whereas store in Ylöjärvi was opened in March. Both stores were part of the Hurrikaani acquisition concluded in 2023. The third store in Forssa was opened on the 2nd of May. New store openings have been successful.
- Increase in number of customers was the main driver of growth. Strong development in number of customers in both new and old stores
- Gross margin increased. The increase was driven by lower logistics costs and a favourable sales mix
- Adjusted EBITA increased by 1.0 M€
- The strikes in the spring caused delays in the logistics of goods. However, major damages from the strikes were avoided

Financial development

Net sales development

Net sales continued to grow

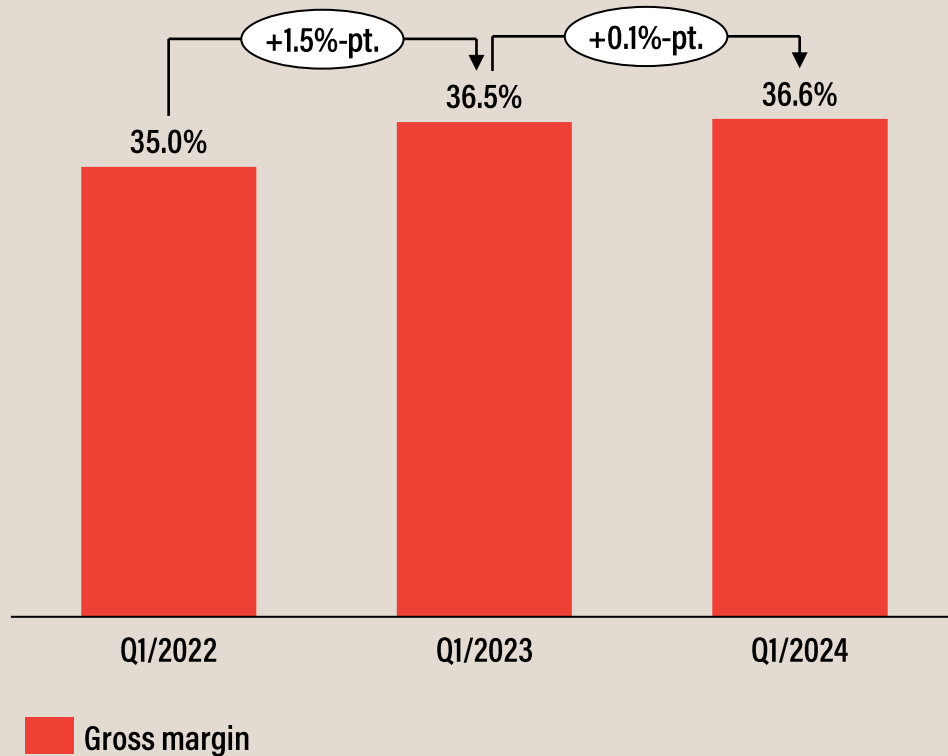


Q1/2024

- Net sales increased by 16.1% and like-for-like stores net sales by 4.8%
- Net sales increased in like-for-like stores and in new stores
- The increase in traffic continued in Q1, amounting to 19%. Like-for-like growth was approx. 7%
- The average basket size for Q1 decreased by 2% from the comparison period. This change originates from the change in sales mix

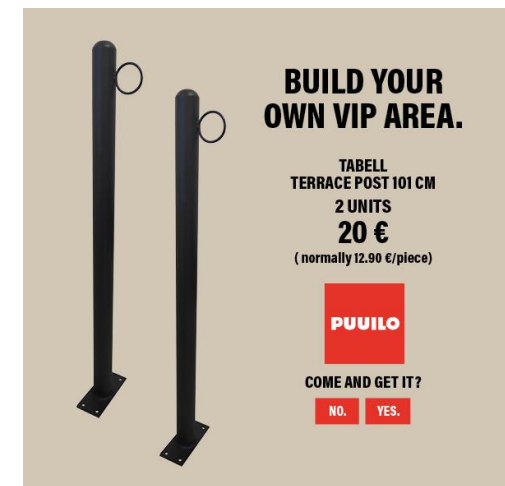
Gross margin

Gross margin increased during Q1

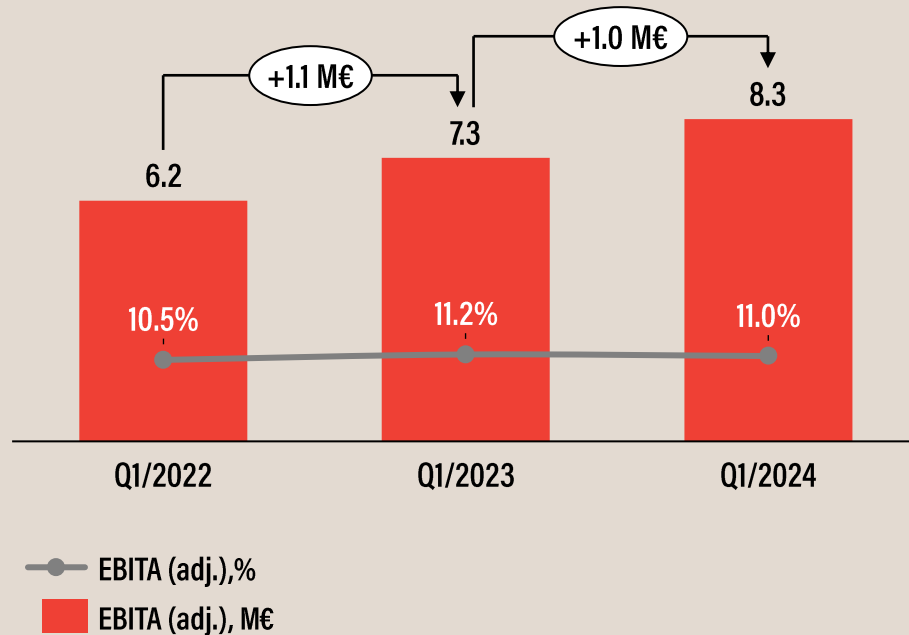


Q1/2024

- Gross margin increased to 36.6% of net sales
- Margin improvement was driven by lower logistics costs
- In addition, the change in the sales mix towards products with a cheaper price point supported margin development



Slight increase in absolute adjusted EBITA

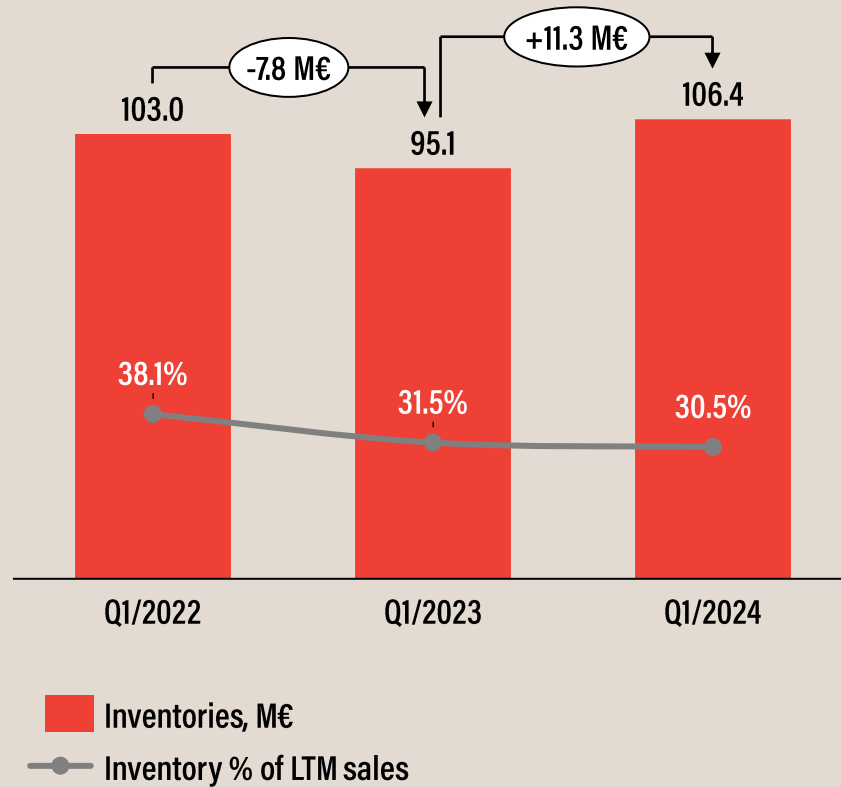


Q1/2024

- Adjusted EBITA increased by 1.0 M€
- Relative profitability was 11.0% of net sales, decreasing slightly from the comparison period
- Personnel expenses increased mainly due to new store openings and general increase in salaries
- Personnel costs were affected by timing difference caused by the opening of the Forssa store on the 2nd of May

Inventories

Inventory turnover continued its positive development

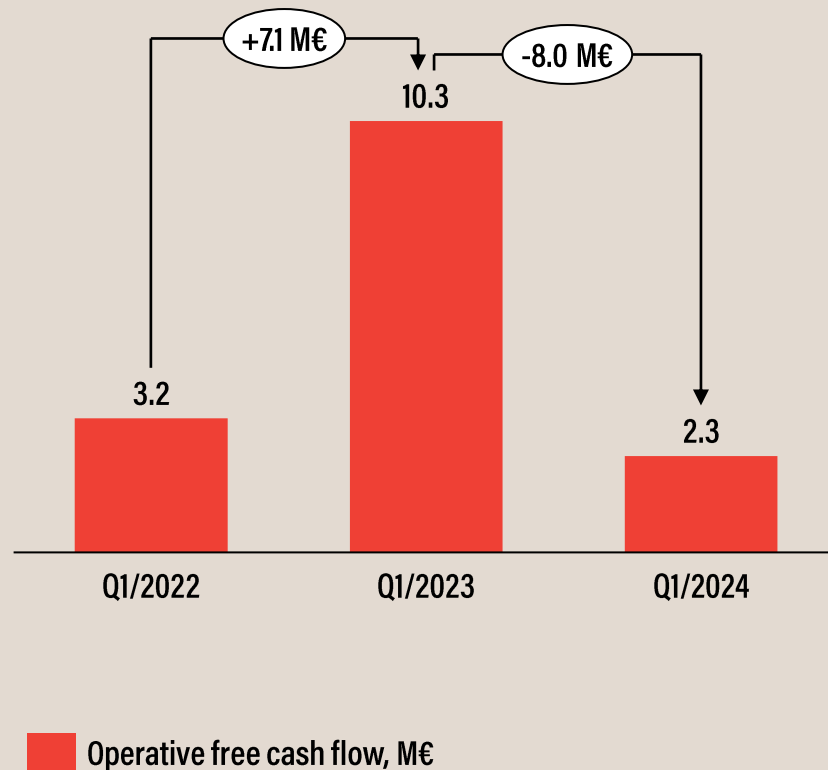


Q1/2024

- The relative level of inventory has decreased from the comparison period
- The increase in absolute inventory level is primarily due to the inventories of seven new stores
- In addition, the volume of private label products increased
- Puuilo aims to further improve inventory turnover in the future



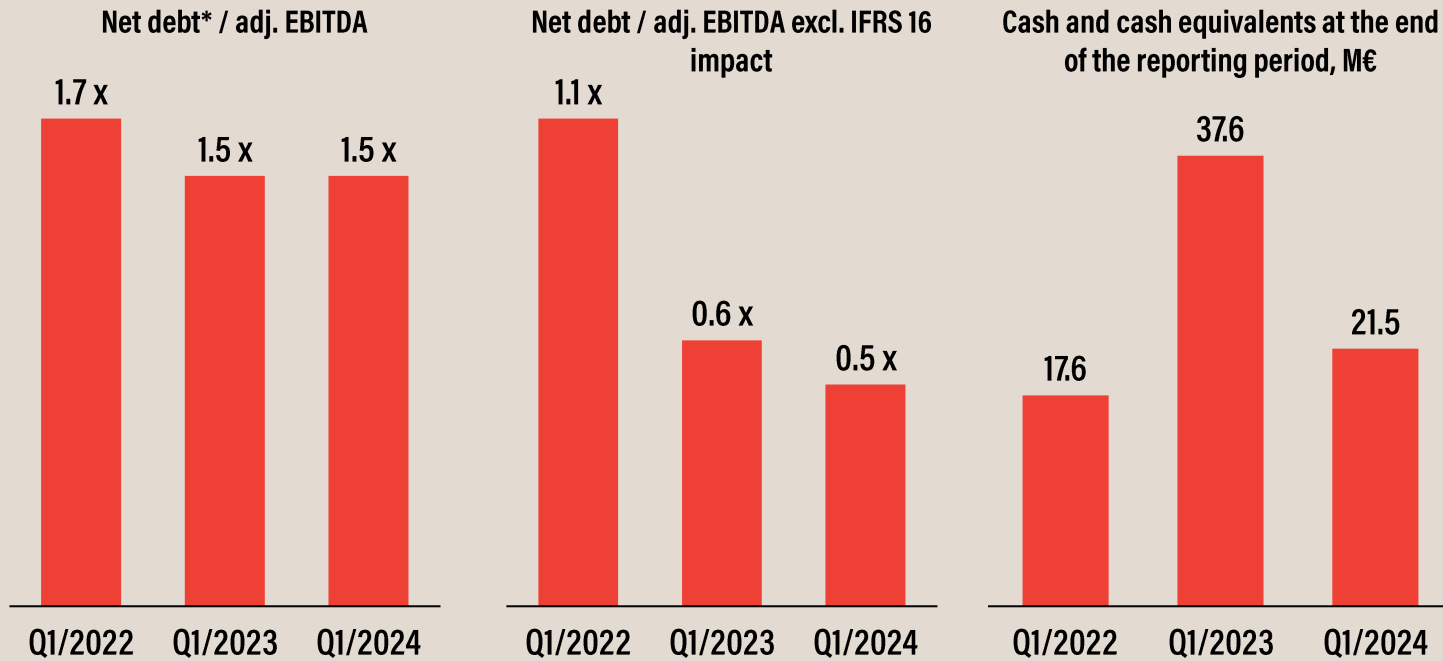
Free cash flow followed the normal early year trend



Q1/2024

- Operative free cash flow was 2.3 M€
- Operative cash flow was affected by change in inventories, which originates primarily from the inventories of new stores. In addition, the operating free cash flow was impacted by the acquisition of Hurrikaani store chain
- Puuilo continued to increase the imports of private label products in line with the current strategy

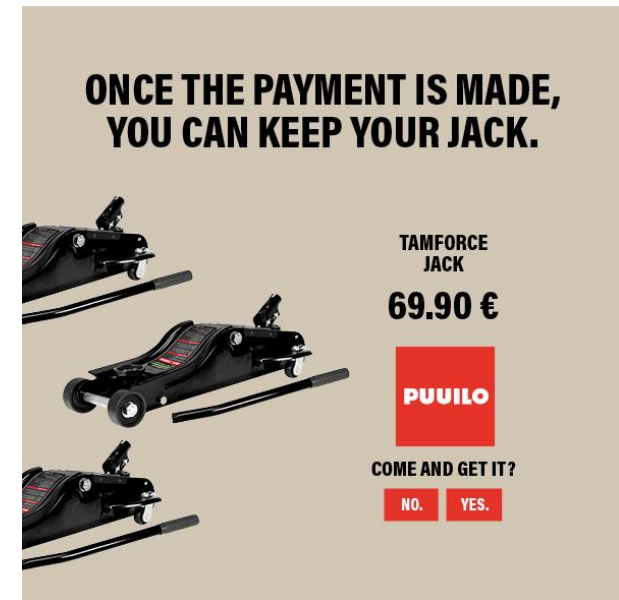
Financial position is stable



* Net debt includes lease liabilities reported in accordance with IFRS 16.

Q1/2024

- The ratio of net debt to adjusted EBITDA is in line with the long-term target (below 2.0x)
- The ratio of net debt to adjusted EBITDA excluding impact of IFRS 16 was 0.5
- Puuilo’s long-term loans from financial institutions were 50.0 M€ at the end of the period



Key figures for the reporting period

Q1/2024 (1 Feb 2024 – 30 Apr 2024)

- Net sales increased by 16.1% (+10.3%) and were EUR 75.4 million (65.0)
- Like-for-like store net sales increased by 4.8% (+4.9%)
- Online store net sales decreased by 6.6% (-18.8%)
- Gross profit was EUR 27.6 million (23.7) and gross margin was 36.6% (36.5%)
- Adjusted EBITA was EUR 8.3 million (7.3), which corresponds to an adjusted EBITA margin of 11.0% (11.2%)
- EBIT was EUR 7.6 million (7.0), which corresponds to 10.1% of net sales (10.8%)
- Operating free cash flow was EUR 2.3 million (10.3)
- Earnings per share were EUR 0.06 (0.06)
- Two new stores were opened during the first quarter (one new store)



Outlook for financial year 2024

Puulo's outlook for financial year 2024

Puulo repeats the outlook for the financial year 2024 given in its financial statements release on 27 March 2024.

The company forecasts that the net sales for financial year 2024 will be EUR 380 – 410 million and the adjusted operating profit (adjusted EBITA) in euros will be EUR 60 – 70 million.

The forecast includes elements of uncertainty arising from change in purchase power and customer behaviour driven by inflation and interest rate levels. In addition, strikes in Finland, geopolitical crises and tensions may have an impact on the availability and price level of goods.



Strategy and long-term financial targets

Puulo's strategy for period 2024 - 2028

<p>01.</p>  <p>Growing the store network up to >70 stores in total in Finland with current concept.</p>	<p>02.</p>  <p>Like-for-like sales growth in the young store network by developing concept and product categories</p>	<p>03.</p>  <p>Maintaining and improving the high profitability through industry leading cost control</p>	<p>04.</p>  <p>Smooth omnichannel customer experience</p>	<p>05.</p>  <p>Responsible Retailer</p>
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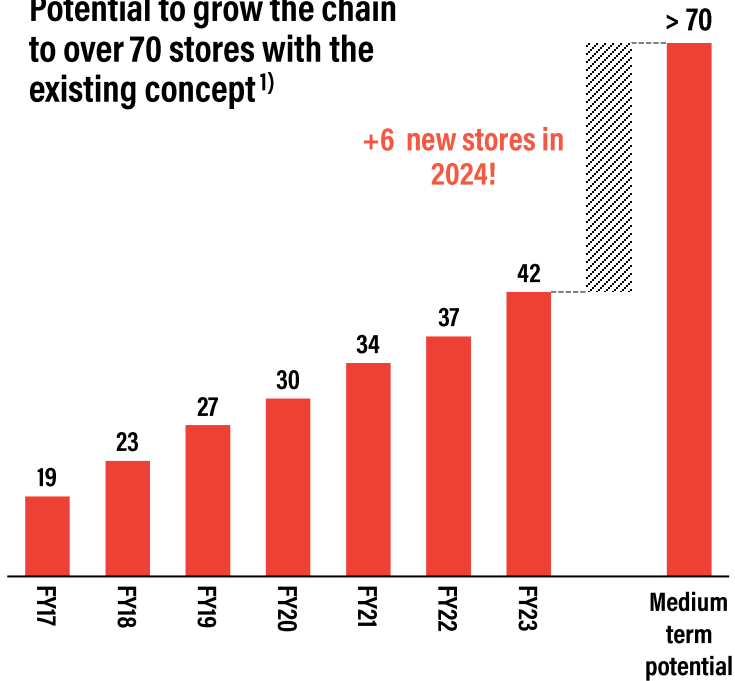
Long-term financial targets for period 2024 - 2028

<p>> 600 MEUR</p> <p>NET SALES</p> <p>Net sales above EUR 600 million by the end of financial year 2028 (ends Jan-2029)</p>	<p>> 17% adj. EBITA margin</p> <p>PROFITABILITY</p> <p>Target to reach EUR >105 million adjusted EBITA by the end of financial year 2028 (ends Jan-2029)</p>	<p>> 80%</p> <p>PROFIT DISTRIBUTION</p> <p>Puulo aims to distribute at least 80% of net income each financial year to its shareholders</p>	<p>< 2.0x</p> <p>NET DEBT</p> <p>Net debt to adjusted EBITDA below 2.0x</p>
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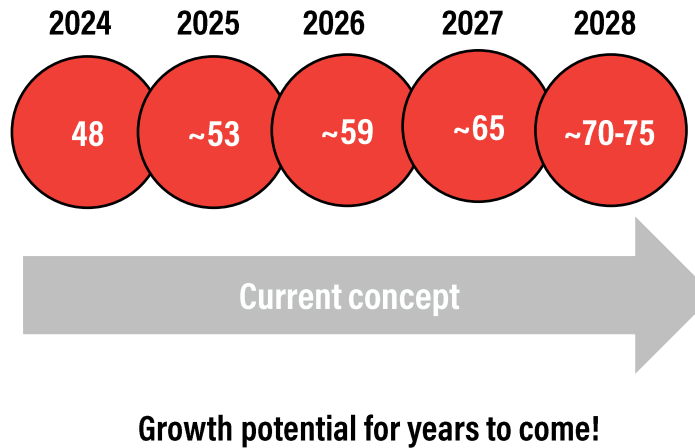
Store network expansion pace

Store network growth

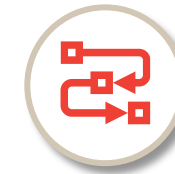
Potential to grow the chain to over 70 stores with the existing concept¹⁾



Forecasted total amount of stores¹⁾



Efficient launch program



Standardized process for new store openings



Track-record of successfully opening 3-5 new stores p.a. Going forward, Puuilo aims to open 5-6 new stores p.a.

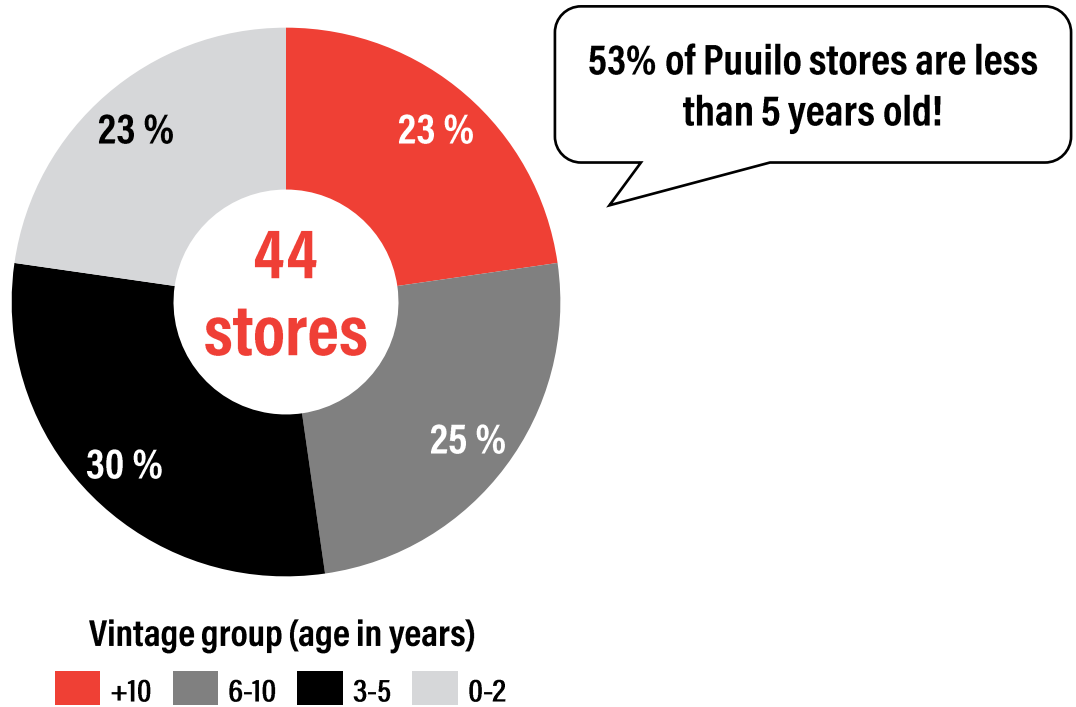


Average new store profitable in first full month after opening²⁾

Notes: 1) Management estimate; 2) Based on average of 10 most recent store openings. Based on pricing margin (POS).

Young store network with significant LFL growth potential

Puuiilo store split by vintage as of April 2024



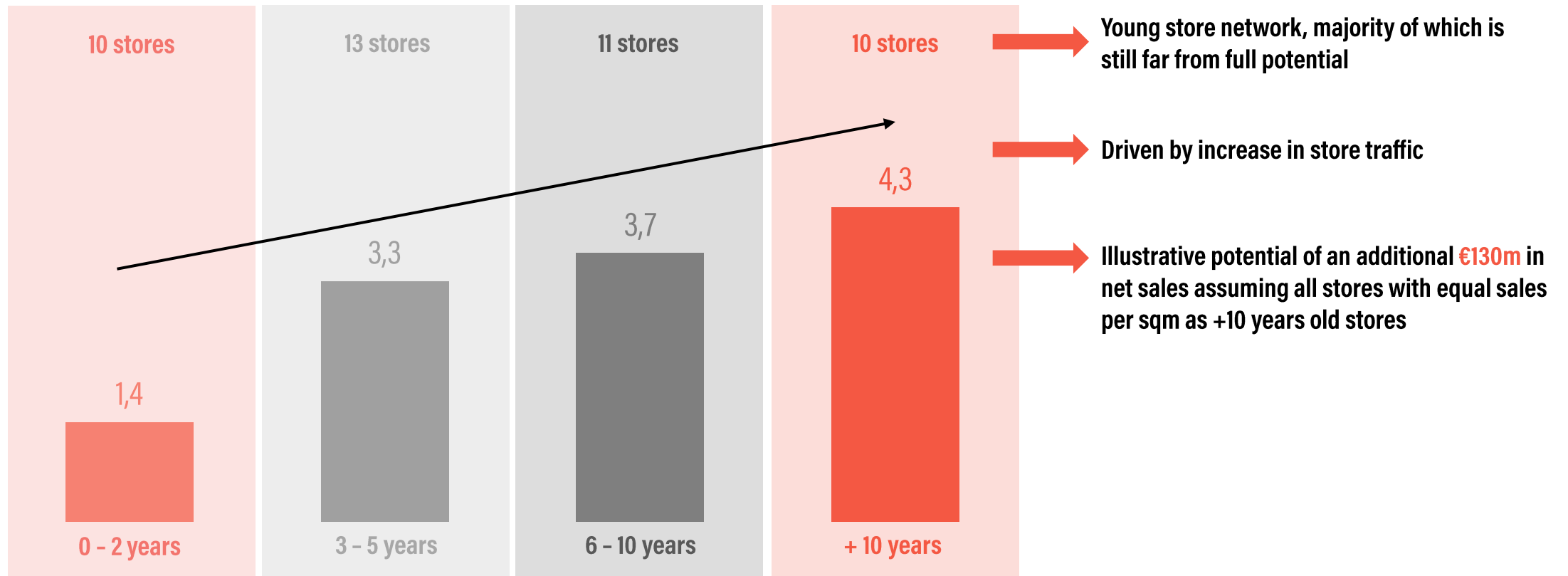
Actions supporting growing store awareness and traffic

- New store openings expanding geographical reach
- Continued increases in marketing budget. Proven track record of increasing brand awareness
- Targeted marketing efforts for wider customer audience e.g. B2B customers
- Further differentiation of product assortment from competitors

LFL growth continues to be strong even in stores that are 10+ years old!

Strong like-for-like growth driven by increasing store traffic

Average store sales for different vintage groups - €k per sqm¹⁾



Notes: 1) Figures include all stores open at the end of April 2024 (total 44 stores)

Puulo's new stores

New store openings FY2024

- Nokia, opened 21 February 2024
- Ylöjärvi, opened 27 March 2024
- Forssa, opened 2 May 2024
- Tampere Lahdesjärvi, opens 13 June 2024
- Oulu Karjasilta, opens during Q3/2024
- Äänekoski, opens during Q4/2024

Published new store openings FY2025

- Kirkkonummi, opens during beginning of 2025
- Lohja, opens H1/2025
- ... several negotiations in process, of which we will provide more information later on



Q&A

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NEXT FINANCIAL REPORTS AND EVENTS

12 Sep 2024

Half-year financial report Q2/H1 (February - July 2024)

11 Dec 2024

Business review Q3 (February - October 2024)



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