

Puulo Plc, Financial statements release 2021 - A strong year and good profitability development

31.3.2022 08:30:00 EEST | Puulo Oyj | Financial Statement Release

PUUILO PLC FINANCIAL STATEMENTS RELEASE 2021, 31 MARCH 2022 at 8:30 AM (EET)

This release is a summary of Puulo Group's financial statements release 2021. The complete financial statements release is attached, and also available on the company's website at www.investors.puulo.fi/en/reports-and-presentations.

Highlights Q4/2021*

- Net sales increased by 15.1% (+32.5%) and were EUR 62.3 million (54.1)
- Like-for-like store net sales increased by 3.1% (+19.4%)
- Online store net sales decreased by 11,8% (+132.0%)
- Gross profit was EUR 22.6 million (19.5) and gross margin was 36.3% (36.0%)
- Adjusted EBITA was EUR 9.8 million (8.5), which corresponds to an adjusted EBITA margin of 15.7% (15.7%)
- EBIT was EUR 9.5 million (8.1) which corresponds to 15.3% of net sales (15.0%)
- Operating free cash flow was EUR -7.2 million (8.5)
- Earnings per share were EUR 0.08 (0.07)
- Earnings per share excluding listing expenses were EUR 0.08 (0.07)
- No new stores were opened during the last quarter of the financial year (1 new store)

Highlights for financial year 2021*

- Net sales increased by 13.2% (+40.0%) and were EUR 270.1 million (238.7)
- Like-for-like store net sales increased by 2.6% (+24.4%)
- Online store net sales increased by 20.8% (+127.5%)
- Gross profit was EUR 99.6 million (87.1) and gross margin was 36.9% (36.5%)
- Adjusted EBITA was EUR 48.4 million (43.2), which corresponds to an adjusted EBITA margin of 17.9% (18.1%)
- EBIT was EUR 44.5 million (41.5) which corresponds to 16.5% of net sales (17.4%)
- Operating free cash flow was EUR 10.8 million (38.8)
- Earnings per share were EUR 0.38 (0.36)
- Earnings per share excluding listing expenses were EUR 0.42 (0.36)
- 4 new stores were opened during the reporting period (3 new stores)
- Board's dividend proposal EUR 0.30 per share, proposed to be paid in two instalments

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. *Puulo's financial year starts on 1 February and ends on 31 January the following year. The figures in parentheses refer to the corresponding period the previous year, unless otherwise stated. The information in this report is unaudited.

Key figures

EUR million	Q4/2021	Q4/2020	2021	2020
Net sales	62.3	54.1	270.1	238.7
Net sales development (%)	15.1%	32.5%	13.2%	40.0%
Like-for-like store net sales development (%)	3.1%	19.4%	2.6%	24.4%
Online store net sales development (%)	-11.8%	132.0%	20.8%	127.5%
Gross Profit	22.6	19.5	99.6	87.1
Gross Margin (%)	36.3%	36.0%	36.9%	36.5%
Adjusted EBITA*	9.8	8.5	48.4	43.2

Adjusted EBITA margin (%)*	15.7%	15.7%	17.9%	18.1%
EBITA*	9.8	8.4	45.6	42.6
EBITA margin (%)*	15.7%	15.6%	16.9%	17.9%
EBIT	9.5	8.1	44.5	41.5
EBIT margin (%)	15.3%	15.0%	16.5%	17.4%
Net income	6.5	5.4	31.9	28.8
EPS (EUR)	0.08	0.07	0.38	0.36
EPS excl. listing expenses (EUR)	0.08	0.07	0.42	0.36
Operating free cash flow	-7.2	8.5	10.8	38.8
Net debt / adjusted EBITDA	1.7	2.4	1.7	2.4
Number of stores (end of period)	34	30	34	30
Number of personnel converted into full-time employees (FTE)	648	589	663	595

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

** Operating profit before the amortisation of Puילו trademark*

Earnings per share has been calculated for all periods presented considering the free-of-charge share issue (split) executed during the reporting period.

Outlook for the financial year 2022

Puילו forecasts that net sales and adjusted operating profit (adjusted EBITA) for the financial year 2022 in euros will increase compared to the financial year 2021.

The forecast is subject to uncertainties due to the development of the Covid-19 pandemic and the effects of the geopolitical situation. Although Puילו's business is not exposed to direct risks related to Russia or Ukraine, Russia's military actions have caused significant uncertainty in Europe. The situation may have an impact on consumer behaviour and purchasing power and thus on Puילו's business. In addition, sanctions related to Russia may indirectly affect global supply chains.

Puילו's long-term targets

There have been no changes in Puילו's long-term financial targets or growth expectations, announced in connection with the listing.

Puילו'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: Puילו 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.

CEO Juha Saarela's review

Puילו's first financial year 2021 as a listed company was strong. We increased our net sales, improved all our profitability metrics and completed several large projects, including listing Puילו in Nasdaq Helsinki in June and the successful implementation of our ERP system in December. The overdemand of certain goods due to COVID-19, which significantly boosted our sales during the comparison period, had less impact during this year. Given the strong comparison figures, we were still pleased with our performance also during the fourth quarter.

In the fourth quarter, Puילו's net sales increased by 15.1% and were EUR 62.3 million (54.1). Comparable net sales increased by 3.1%. At the same time, our gross margin increased to 36.3% (36.0%) of net sales. Adjusted operating profit (EBITA) was 15.7% (15.7%) of net sales, or EUR 9.8 (8.5) million. Despite the increased costs in ocean freight and raw materials we have still been able to maintain the gross margin at a high level.

For the full financial year, our net sales increased by 13.2% to EUR 270.1 million (238.7). Comparable net sales increased by 2.6%. The gross margin increased to 36.9% (36.5%). Adjusted operating profit (EBITA) for the financial year was EUR 48.4 million (43.2), corresponding to 17.9% (18.1%) of net sales.

The good financial performance in 2021 was driven by the determined and efficient implementation of our growth strategy. During the financial year, we opened four new stores: in Vaasa, Imatra, Rauma and Laajalahti, Espoo. All the new stores are already profitable. Despite our expansion, operating expenses remained well under control. At the same time, the share of private label products increased (2021: 17.6% of sales), we improved the commercial purchasing terms in sourcing, as well as automated our accounts payable. All this has helped us further improve our gross margin.

Our operating environment is still somewhat impacted by COVID-19 and related disruptions, among other things, in global supply chains. The rapidly changing geopolitical situation caused by Russian military actions in Ukraine, may have an impact on consumer behaviour and on the prices or availability of products procured by Puuilo. We continue to closely monitor the situation. Nonetheless, we believe that Puuilo's product range and price levels are resilient also during exceptional times, and that our performance will remain solid. In order to prepare for the upcoming seasons during the current financial year, we have ensured our stocks are full of goods well in advance, and we have further strengthened our marketing.

We estimate that our net sales and euro-denominated adjusted operating profit (EBITA) will increase from the previous year. We have previously announced three new store openings for 2022 and the relocation and expansion of our ecommerce collection facility. Finally, I am pleased to tell that Puuilo has signed leases for four new stores for 2023. All four new stores are located in Uusimaa. We will share more details closer to the openings.

Puuilo turns 40 this year. During this time, our concept and business model have been proven successful in various and also in exceptional operating environments. We believe that the current serious geopolitical situation will increase customers' price awareness and discretion in making purchasing decisions. Puuilo's wide and affordable product range supports this well.

With these strong financial results, I would like to wish all our owners, customers and the entire company's staff a happy spring!

Significant events after the end of the reporting period

Puuilo has not had any significant events since the end of the reporting period.

Proposal for profit distribution

The Board of Directors of Puuilo Plc proposes for the Annual General Meeting to be held on 17 May 2022 that a dividend of EUR 0.30 per share be paid for the financial year 1 February 2021 – 31 January 2022 based on the adopted balance sheet on shares held outside the company. The remaining distributable assets will remain in equity. The Board of Directors proposes that the dividend be paid in two instalments.

The first instalment, EUR 0.15 per share, will be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 24 May 2022. The board proposes that the first dividend instalment payment date be 31 May 2022.

The second instalment, EUR 0.15 per share, will be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 20 October 2022. The board proposes that the second instalment payment date be 27 October 2022. The Board proposes it be authorised to decide, if necessary, on new dividend payment record dates and pay dates for the second instalment, if the rules and statutes of the Finnish book-entry system change or otherwise so require.

As at the date of the proposal for the distribution of profit, 30 March 2022, a total of 84,776,953 shares were held outside the company, and the corresponding total amount of dividends was EUR 25,433,085.90.

The distributable assets of Puuilo Plc total EUR 88,370,962.54, of which profit for the financial year is EUR 25,184,960.19. The proposed dividend corresponds to approximately 80% of Puuilo Group's net income for the financial year.

Annual General Meeting

Puuilo's Annual General Meeting is scheduled for 17 May 2022. Puuilo's Board of Directors will convene the Annual General Meeting at a later stage.

Annual Report

The Board of Directors' report and the Financial Statements, Corporate Governance Statement as well as Remuneration Statement for the financial year 2021 will be published in week 16.

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 Review and a Financial Statements Release for the financial year 2022.

Business Review February-April 2022 14 June 2022
Half-year Review February-July 2022 15 September 2022
Business Review February-October 2022 15 December 2022

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/2021-q4-results>. Participate by calling the number according to your location a few minutes before the start of the event.

The webcast in Finnish will begin at 11.30 am EET at <https://puuilo.videosync.fi/2021-q4-tulos>.

Recordings of both events will be available later the same day at Puulo's Investors website at <https://www.investors.puuilo.fi/en/reports-and-presentations>.

UK: +44 333 300 0804
US: +1 631 913 1422
FI: +358 9 817 103 10
SE: +46 8 566 426 51
Verification code: 72607473#

For further information, please contact:

Juha Saarela, CEO, mobile phone: +358 50 409 7641

Ville Ranta, CFO, mobile phone: +358 40 555 4995

Attachments

- [Download announcement as PDF.pdf](#)
- [Puulo Plc Q4 2021 Financial statements release.pdf](#)