

**Strong growth in customer traffic resulted in resilient net sales and EBITA growth**
**Highlights Q2/2024**

- Net sales increased by 14.9 (+17.0%) and were EUR 119.9 million (104.4)
- Like-for-like store net sales increased by 2.1% (+8.1%)
- Online store net sales increased by 10.6% (-4.3%)
- Gross profit was EUR 45.1 million (38.7) and gross margin was 37.6% (37.1%)
- Adjusted EBITA was EUR 24.8 million (20.9) increasing by 18.7%, which corresponds to an adjusted EBITA margin of 20.7% (20.0%)
- EBIT was EUR 24.4 million (20.6) which corresponds to 20.3% of net sales (19.7%)
- Operating free cash flow was EUR 31.7 million (32.0)
- Earnings per share were EUR 0.22 (0.18)
- Two new stores were opened during the second quarter (one new store)

**Highlights H1/2024**

- Net sales increased by 15.4% (+14.3%) and were EUR 195.4 million (169.3)
- Like-for-like store net sales increased by 3.1% (+6.8%)
- Online store net sales increased by 3.9% (-10.5%)
- Gross profit was EUR 72.7 million (62.4) and gross margin was 37.2% (36.9%)
- Adjusted EBITA was EUR 33.0 million (28.2) increasing by 17.3%, which corresponds to an adjusted EBITA margin of 16.9% (16.6%)
- EBIT was EUR 32.0 million (27.6) which corresponds to 16.4% of net sales (16.3%)
- Operating free cash flow was EUR 33.9 million (42.3)
- Earnings per share were EUR 0.28 (0.24)
- Four new stores were opened during the reporting period (two new stores)

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 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://puulo.videosync.fi/2024-q2-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=10012285>. 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://puulo.videosync.fi/q2-2024>.

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

## Key figures

EUR million	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Net sales	119.9	104.4	195.4	169.3	338.4
Net sales development (%)	14.9%	17.0%	15.4%	14.3%	14.2%
Like-for-like store net sales development (%)	2.1%	8.1%	3.1%	6.8%	5.2%
Online store net sales development (%)	10.6%	-4.3%	3.9%	-10.5%	-11.2%
Gross profit	45.1	38.7	72.7	62.4	123.9
Gross margin (%)	37.6%	37.1%	37.2%	36.9%	36.6%
Adjusted EBITA*	24.8	20.9	33.0	28.2	54.1
Adjusted EBITA* margin (%)	20.7%	20.0%	16.9%	16.6%	16.0%
Adjusted EBITA* margin development (%)	18.7%	15.7%	17.3%	16.3%	10.9%
EBITA*	24.8	20.9	33.0	28.2	54.1
EBITA* margin (%)	20.7%	20.0%	16.9%	16.6%	16.0%
EBIT	24.4	20.6	32.0	27.6	52.8
EBIT margin (%)	20.3%	19.7%	16.4%	16.3%	15.6%
Net income	18.4	15.4	23.4	20.2	38.7
EPS (EUR)	0.22	0.18	0.28	0.24	0.46
Operating free cash flow	31.7	32.0	33.9	42.3	54.8
Net debt / adjusted EBITDA	1.3	1.2	1.3	1.2	1.5
Net debt / adjusted EBITDA excl. impact of IFRS 16	0.3	0.4	0.3	0.4	0.5
Number of stores (end of period)	46	39	46	39	42
Number of personnel converted into full-time employees (FTE)	953	880	900	785	791

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

\* Operating profit before the amortisation and impairment of intangible rights

## Outlook for the financial year 2024

Puulo specifies the outlook for the financial year 2024 given in its financial statements release on 27 March 2024 and repeated in the Q1 business review on 11 June 2024.

The company forecasts that net sales will be EUR 380 – 400 million and the adjusted operating profit (adjusted EBITA) in euros will be EUR 60 – 66 million in the financial year 2024. Previously, the company forecasted that net sales would be EUR 380 – 410 million and the adjusted operating profit (adjusted EBITA) in euros would be EUR 60 – 70 million.

The specified guidance is based on the development in the first half of the year and the outlook for the second half of the financial year.

The forecast includes elements of uncertainty arising from change in purchasing power and customer behaviour driven by inflation, the recent VAT change 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.

## Puulo's long-term targets

The company's long-term financial targets for the strategy period 2024 – 2028:

- Growth: Net sales above EUR 600 million by the end of financial year 2028 (ends in January 2029)
- Profitability: Adjusted EBITA margin above 17% of net sales
- Profit distribution: The company aims to distribute at least 80% of net income for each financial year
- Leverage: Net debt to adjusted EBITDA below 2.0x

## CEO Juha Saarela's review

In Q2, Puuilo's performance was good. Net sales growth was 14.9% (+17.0%) and a like-for-like growth was 2.1% (8.1%). We were especially pleased with the strong growth in the customer traffic, which was +18.2% in all stores and +4.7% in like-for-like stores. Comparison figures from the last year were challenging, but we beat them.

Customer traffic increased strongly, but weaker customer purchasing power is reflected slightly in the average basket size, which decreased by 2.8% compared to Q2 last year. This year, there are less more expensive products in the customer basket, but even more products from lower price categories. This mix shift has been slightly favourable for Puuilo's gross margins.

In Q2, Puuilo's adjusted EBITA was EUR 24.8 million (EUR 20.9 million), which reflects an increase of 18.7% compared to last year. Our adjusted EBITA margin expanded by 0.7 percentage points to 20.7% (20.0%). The EBITA increase was supported by solid development in net sales, good cost control, especially related to personnel costs, and gross margin improvement. Q2 gross margin was 37.6% (37.1%) expanding by 0.5 percentage points compared to last year. Good gross margin development was driven by favourable sales mix including higher share of private label products. We are satisfied with our cash flow generation as well. Operating cash flows in the prior year period were slightly flattered by excess inventory normalisation, while this year's figures reflect a higher volume of imported private label products and the accelerated expansion of the store network.

As the figures show, our growth continues. We opened two new stores during the reporting period: Forssa in May and Tampere Lahdesjärvi in June. Forssa was our final store conversion related to the Hurrikaani transaction. All three stores from our Hurrikaani transaction have now been re-opened as Puuilo stores and the results have been excellent; sales have exceeded our expectations. Q3 openings are also off to a good start: yesterday, we celebrated the opening of our Oulu Karjasilta store, and customers rushed in from the beginning of the day to enjoy the opening deals and, of course, the grilled sausages. The next locations in the Puuilo store opening road map will be Äänekoski and Kirkkonummi. Also, the calendar for 2025 begins to fill up nicely with the additional openings, which will again be in-line with the targets of our previously communicated growth strategy.

We believe that Puuilo will continue the steady performance for the rest of the financial year. As mentioned, customer confidence and customer purchasing power remain the biggest areas of uncertainty. We made some minor adjustments to the outlook for the financial year, mainly due to the changes in sales mix and average basket size. However, we expect that gross margin will improve compared to last year and we will maintain cost control. In any case, we expect our performance to continue to outperform the market in general. We are confident in Puuilo's future.

Finally, I want to thank our personnel, customers and shareholders!

## Significant events during the reporting period

### Performance matching share plan for key employees

The Board of Directors decided to launch a new share-based incentive plan for years 2024 – 2026. 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. In the plan, it is possible to earn matching reward and performance-based matching reward. The performance criteria are the Total Shareholder Return of the Puuilo share (TSR) and the Adjusted EBITA. The maximum amount of to be paid is 738,000 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. (Stock exchange release 16 April 2024)

### Puuilo Plc's updated long-term financial targets for the strategy period 2024 - 2028

Puuilo released updated long-term financial targets for the strategy period 2024 – 2028. The new targets are discussed on the first page of this review. (Stock exchange release 22 April 2024)

## Significant events after the end of the reporting period

Puuilo has not had any significant events after the reporting period.

## Growth strategy

Puuilo'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 updated growth strategy, the company aims to open at least 5 – 6 new stores per year and to continue to increase its like-for-like net sales by further increasing Puuilo'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.

Puuilo 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. Puuilo 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

In the financial year 2024, Puuilo will open a total of seven new stores. During the first half-year, the company opened three former Hurrikaani stores in Nokia, Ylöjärvi and Forssa. These stores were converted into Puuilo stores before the opening. In addition, a new store in Tampere Lahdesjärvi was opened. During the second half of the financial year, new stores will be opened in Oulu Karjasilta, Äänekoski and Kirkkonummi. In the first half of the financial year 2025, new stores will be opened at least in Lohja and Mäntsälä. Other new locations for the financial year 2025 will be announced closer to the openings. According to the definition by Puuilo, 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 July 2024, Puuilo had a total of 46 stores (39 stores) across Finland. The current store network is young, approximately half of the stores have been opened during the last five years.

## 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.

### Q2/2024

In May – July, Puulo's net sales increased by 14.9% (+17.0%) to EUR 119.9 million (104.4). Net sales of Puulo's stores were EUR 116.7 million (101.5) and net sales of the online store were EUR 3.2 million (2.9), which corresponded to 2.7% (2.8%) of net sales. Like-for-like store net sales increased by 2.1% (+8.1%). Online store net sales increased by 10.6% (-4.3%).

The development of net sales was positively impacted by the increase in net sales of both new and the like-for-like stores. The customer traffic continued to increase also in like-for-like stores.

Puulo's gross profit for the reporting period was EUR 45.1 million (38.7) and the gross margin was 37.6% (37.1%). Gross margin was impacted by the change in sales mix including higher share of private label products.

Operating expenses were EUR 16.2 million (14.5), which corresponds to 13.5% of net sales (13.9%). The most significant item in operating expenses was personnel expenses. Personnel expenses were EUR 10.3 million (9.3), which corresponds to 8.6% (8.9%) of net sales. The increase in personnel costs was mainly due to new stores.

Adjusted EBITA as well as EBITA was EUR 24.8 million (20.9), which corresponds to 20.7% (20.0%) of net sales. Adjusted EBITA increased 18.7% compared to the previous year. There were no items affecting comparability.

Operating profit was EUR 24.4 million (20.6), which corresponds to an EBIT margin of 20.3% (19.7%).

Net financial expenses were EUR -1.3 million (-1.3). Net financial expenses excluding the effect of IFRS 16 were EUR -0.6 million (-0.8).

Profit before taxes was EUR 23.0 million (19.3). Total income taxes were EUR 4.6 million (3.9). The net result was EUR 18.4 million (15.4) and earnings per share were EUR 0.22 (0.18).

### H1/2024

In February – July, Puulo's net sales increased by 15.4% (+14.3%) to EUR 195.4 million (169.3). Net sales of Puulo's stores were EUR 190.4 million (164.6) and net sales of the online store were EUR 4.9 million (4.8), which corresponded to 2.5% (2.8%) of net sales. Like-for-like store net sales increased by 3.1% (+6.8%). Online store net sales increased by 3.9% (-10.5%).

The development of net sales was positively impacted by the increase in net sales of both new and the like-for-like stores. The customer traffic continued to increase also in like-for-like stores.

Puulo's gross profit for the reporting period was EUR 72.7 million (62.4) and the gross margin was 37.2% (36.9%). Gross margin was impacted by the change in sales mix including higher share of private label products and the slight decrease of relative share of logistics costs despite the increase in the volume of imported private label products.

Operating expenses were EUR 31.6 million (27.7), which corresponds to 16.2% of net sales (16.4%). The most significant item in operating expenses was personnel expenses. Personnel expenses were EUR 19.7 million (17.2), which corresponds to 10.1% (10.1%) of net sales. The increase in personnel costs was mainly due to new stores.

Adjusted EBITA as well as EBITA was EUR 33.0 million (28.2), which corresponds to 16.9% (16.6%) of net sales. Adjusted EBITA increased 17.3% compared to the previous year. There were no items affecting comparability.

Operating profit was EUR 32.0 million (27.6), which corresponds to an EBIT margin of 16.4% (16.3%).

Net financial expenses were EUR -2.7 million (-2.3). Net financial expenses excluding the effect of IFRS 16 were EUR -1.2 million (-1.4).

Profit before taxes was EUR 29.3 million (25.3). Total income taxes were EUR 5.9 million (5.1). The net result was EUR 23.4 million (20.2) and earnings per share were EUR 0.28 (0.24).

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

At the end of the reporting period, Puulo's inventories were EUR 100.9 million (88.2). The increase of the inventory level was driven by inventories of seven new stores. In addition, the increase of imported private label products has increased the inventory value. Puulo aims to further improve inventory turnover in the future.

Operating free cash flow in May – July was EUR 31.7 million (32.0) and in February – July EUR 33.9 million (42.3). The operating free cash flow was supported by a good operating profit and cash flows from changes in net working capital. Investments related to the Hurrikaani transaction and prior year normalisation of excess inventory levels were the key drivers of lower cash flow generation in the first half of the financial year compared to the prior year period.

At the end of the reporting period, cash and cash equivalents were EUR 32.2 million (50.1) and the company's financial position is stable.

At the end of the reporting period, Puulo's interest-bearing liabilities totalled EUR 125.9 million (129.3), of which non-current financial loans amounted to EUR 50.0 million (69.9). Since the group's financial position is at an excellent level, Puulo made an additional loan prepayment of EUR 20.0 million during the third quarter of financial year 2023. 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 1.3 (1.2), which is in line with the long-term target. Net debt to adjusted EBITDA excluding IFRS 16 impact was 0.3 (0.4). The net debt excluding the impact of IFRS 16 was approximately EUR 17.8 million (19.8).

## **Investments**

Puulo's investments May – July were EUR 1.1 million (0.8) and in February – July EUR 4.2 million (1.6). Investments were mainly related to the Hurrikaani transaction and the furnishing of new stores. Comparison period investments were mainly related to furnishing of new stores.

## **Personnel**

The number of full-time employees was 953 (880).

## Shares and shareholders

### Share information and share trading

Puulo Plc has one class of shares. Each share carries one vote at the company's Annual General Meeting. The shares have no nominal value. Puulo 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 July 2024, the closing price of the share was EUR 10.15. The share turnover during the reporting period was EUR 140 million and 14,417,981 shares. The highest intra-day share price during the reporting period was EUR 10.90 and the lowest intra-day price was EUR 8.50. At the end of the reporting period, the market value of the shares was EUR 855 million.

At the end of the reporting period, Puulo had 33,772 registered shareholders.

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

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

### Flagging notifications

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

- On 9 February 2024 Puulo received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Market Act from Evli Plc, according to which Evli Rahastoyhtiöt Ltd's (100% owned by Evli Plc) direct holdings in shares and votes of the Company fell below the flagging threshold of 5 percent and was 4.94% after the transaction.

All flagging notifications have been published as stock exchange releases and are available on the company's website at [https://www.investors.puulo.fi/en/investors/share\\_information/flagging\\_notifications](https://www.investors.puulo.fi/en/investors/share_information/flagging_notifications).

### Managers' share transactions

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

## Principles and key themes of sustainability

Conducting business in a sustainable and responsible manner is an integral part of Puulo's operations, overall quality of operations and our company's values. The company recognises sustainability as a theme that not only affects the entire chain of operations, but also creates value for the business as a whole. This requires targeted measures at all levels of the company.

Customers, personnel, shareholders, authorities, investors and the media were identified as the most relevant stakeholders for sustainability work. All activities aim to serve stakeholders to the highest possible standard, while taking into account sustainability considerations. The objectives for our sustainability work are based on a materiality analysis conducted with our most important stakeholders. The key sustainability issues are grouped into three priority areas: Responsible retailer, A good place to work and Sustainable consumption. Being a responsible retailer covers both our own personnel and the supply chain. A good place to work means that Puulo

as an employer aims to be a good workplace for our personnel, to which they want to commit to. In addition, we aim to build a responsible work atmosphere and attitude environment that the personnel can relate to and thus be involved in building a shared responsible workplace. Promoting sustainable consumption means concrete savings and measures in our own operations in order to improve the environment but also cost efficiency.

Puulo has published a report on non-financial information as part of the Report by the Board of Directors. The Report by the Board of Directors and a separate Sustainability Report have been published as part of the annual reporting 2023. Both reports are available at Puulo's investor website [https://www.investors.puulo.fi/en/investors/reports\\_and\\_presentations](https://www.investors.puulo.fi/en/investors/reports_and_presentations).

Puulo has started preparing for CSRD reporting. We have performed a double materiality analysis and gap-analysis, based on which we have begun to build a new sustainability matrix. The first CSRD report will be published in Spring 2025.

Our measures in the first half of the financial year 2024:

#### **A responsible retailer**

- The share of foreign suppliers committed to BSCI or equivalent accounted for 61% of the suppliers from whom we have placed orders during the last 12 months. We will continue to work to increase the share, aiming for 80% by the end of the financial year 2025.
- In the financial year 2024, we have continued conducting on-site visits to factories and suppliers abroad to assess their operations.
- The Supplier Code of Conduct is included in 70% (68%) of domestic cooperation agreements. We will continue to include Supplier Code of Conduct in cooperation agreements, the goal is that by the end of the financial year 2025, 80% of domestic cooperation agreements whose annual purchases exceed EUR 50 thousand are included.

#### **A good place to work**

- We have continued personnel and, in particular, supervisor training for management excellence and occupational safety.
- We have continued to provide occupational safety training and to measure accident frequency in order to reduce accidents.
- We have continued to offer primarily full-time employment contracts as planned.
- We have continued to improve our employer activities and to build the employer image.
- As in previous years, we will conduct an annual job satisfaction survey in the second half of the year.

#### **Consume more sustainably**

- In cooperation with our partner, we have continued to build relevant metrics to measure the emissions load of transport Puulo has control over.
- The comparable electricity consumption increased by approximately by 0.6% from the previous year.
- Energy efficiency has been improved by switching to LED lights in all stores opened during the reporting period. The remaining two stores will have their LED lights replaced within the next two years.
- No new solar power stations have been installed in Puulo stores during the first half-year.
- Our comparable recycling rate during the first half of the financial year was 67% (69%). The goal is 73% by the financial year 2025.



## **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 2023. The most significant business risks and uncertainties are related to the change in purchasing power and customer behaviour driven by inflation, the recent VAT change 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.

The general principles of Puuilo's risk management are described on the 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).

## **Next financial reports**

Puuilo'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.

Business review Q3 February – October 2024                      on 11 December 2024

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

11 September 2024  
Puuilo Plc  
Board of Directors

DISTRIBUTION  
Nasdaq Helsinki  
[www.investors.puuilo.fi/en/](http://www.investors.puuilo.fi/en/)

## Financial information of the Half-year Financial Report

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of changes in equity

Consolidated statement of cash flows

### **Notes to the financial information**

1. Basis of preparation
2. Earnings
3. Management remuneration
4. Intangible and tangible assets
5. Right-of-use assets
6. Net debt
7. Contingent liabilities
8. Related party transactions

## Consolidated statement of comprehensive income

EUR million	1 Feb 2024 - 31 Jul 2024	1 Feb 2023 - 31 Jul 2023	1 Feb 2023 - 31 Jan 2024
<b>Net sales</b>	<b>195.4</b>	<b>169.3</b>	<b>338.4</b>
Other operating income	0.2	0.1	0.5
Materials and services	-122.7	-106.9	-214.5
Personnel expenses	-19.7	-17.2	-35.4
Other operating expenses	-11.8	-10.5	-21.0
Depreciation, amortisation and impairments	-9.3	-7.2	-15.2
<b>Operating profit</b>	<b>32.0</b>	<b>27.6</b>	<b>52.8</b>
Finance income	0.2	0.2	0.9
Finance costs	-2.9	-2.6	-5.4
Total finance income and costs	-2.7	-2.3	-4.4
<b>Profit before taxes</b>	<b>29.3</b>	<b>25.3</b>	<b>48.4</b>
Current income tax	-6.2	-5.3	-10.2
Deferred income tax	0.3	0.2	0.5
Total income tax expense	-5.9	-5.1	-9.7
<b>Profit for the period</b>	<b>23.4</b>	<b>20.2</b>	<b>38.7</b>
<b>Total comprehensive income for the period</b>	<b>23.4</b>	<b>20.2</b>	<b>38.7</b>
Profit for the period attributable to:			
Owners of the parent	23.4	20.2	38.7
<b>Profit for the period</b>	<b>23.4</b>	<b>20.2</b>	<b>38.7</b>
<b>Earnings per share for net profit attributable to owners of the parent</b>			
Basic and diluted earnings per share (EUR)	0.28	0.24	0.46

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated balance sheet

EUR million	31 Jul 2024	31 Jul 2023	31 Jan 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	33.5	33.5	33.5
Intangible assets	16.9	16.5	16.4
Property, plant and equipment	4.8	3.1	3.9
Right-of-use assets	74.9	58.8	72.0
Deferred tax assets	1.1	0.8	1.0
<b>Total non-current assets</b>	<b>131.2</b>	<b>112.7</b>	<b>126.8</b>
<b>Current assets</b>			
Inventories	100.9	88.2	93.1
Trade receivables	5.0	3.7	5.3
Other receivables	3.8	3.0	1.9
Cash and cash equivalents	32.2	50.1	21.5
<b>Total current assets</b>	<b>141.9</b>	<b>145.0</b>	<b>121.7</b>
<b>Total assets</b>	<b>273.2</b>	<b>257.7</b>	<b>248.5</b>

EUR million	31 Jul 2024	31 Jul 2023	31 Jan 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	0.1	0.1	0.1
Reserve for invested unrestricted equity	29.0	29.0	29.0
Retained earnings	24.3	16.8	17.2
Profit for the period	23.4	20.2	38.7
<b>Total equity attributable to owners of the parent</b>	<b>76.9</b>	<b>66.1</b>	<b>85.0</b>
<b>Total equity</b>	<b>76.9</b>	<b>66.1</b>	<b>85.0</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans from financial institutions	50.0	69.9	50.0
Lease liabilities	62.4	49.0	58.2
Provisions	0.9	0.8	0.9
Deferred tax liabilities	2.6	2.8	2.7
<b>Total non-current liabilities</b>	<b>115.9</b>	<b>122.5</b>	<b>111.8</b>
<b>Current liabilities</b>			
Lease liabilities	13.5	10.5	14.6
Trade payables	29.9	25.0	21.2
Advances received	0.2	0.1	0.3
Income tax liabilities	3.0	3.6	2.7
Other current liabilities	33.8	29.8	12.9
<b>Total current liabilities</b>	<b>80.4</b>	<b>69.1</b>	<b>51.7</b>
<b>Total liabilities</b>	<b>196.3</b>	<b>191.6</b>	<b>163.5</b>
<b>Total equity and liabilities</b>	<b>273.2</b>	<b>257.7</b>	<b>248.5</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in equity

EUR million	Share capital	Reserve for invested unrestricted equity	Own shares	Retained earnings	Total equity
<b>Equity on 1 February 2024</b>	<b>0.1</b>	<b>29.0</b>	<b>-3.2</b>	<b>59.2</b>	<b>85.0</b>
Profit for the period				23.4	23.4
<b>Total comprehensive income for the period</b>	<b>0.1</b>			<b>23.4</b>	<b>23.4</b>
Dividends				-32.0	-32.0
Acquisition of own shares					-
Share-based incentive plan				0.4	0.4
<b>Total transactions with owners</b>				<b>-31.6</b>	<b>-31.6</b>
<b>Equity on 31 July 2024</b>	<b>0.1</b>	<b>29.0</b>	<b>-3.2</b>	<b>51.0</b>	<b>76.9</b>

EUR million	Share capital	Reserve for invested unrestricted equity	Own shares	Retained earnings	Total equity
<b>Equity on 1 February 2023</b>	<b>0.1</b>	<b>29.0</b>	<b>-1.5</b>	<b>48.6</b>	<b>76.1</b>
Profit for the period				20.2	20.2
<b>Total comprehensive income for the period</b>				<b>20.2</b>	<b>20.2</b>
Dividends				-28.7	-28.7
Acquisition of own shares			-1.7		-1.7
Share-based incentive plan				0.1	0.1
<b>Total transactions with owners</b>			<b>-1.7</b>	<b>-28.6</b>	<b>-30.3</b>
<b>Equity on 31 July 2023</b>	<b>0.1</b>	<b>29.0</b>	<b>-3.2</b>	<b>40.3</b>	<b>66.1</b>

EUR million	Share capital	Reserve for invested unrestricted equity	Own shares	Retained earnings	Total equity
<b>Equity on 1 February 2023</b>	<b>0.1</b>	<b>29.0</b>	<b>-1.5</b>	<b>48.6</b>	<b>76.1</b>
Profit for the period				38.7	38.7
<b>Total comprehensive income for the period</b>	<b>0.1</b>	<b>29.0</b>	<b>-1.5</b>	<b>38.7</b>	<b>38.7</b>
Dividends				-28.7	-28.7
Acquisition of own shares			-1.7		-1.7
Share-based incentive plan				0.5	0.5
<b>Total transactions with owners</b>			<b>-1.7</b>	<b>-28.2</b>	<b>-29.9</b>
<b>Equity on 31 January 2024</b>	<b>0.1</b>	<b>29.0</b>	<b>-3.2</b>	<b>59.2</b>	<b>85.0</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated statement of cash flows

EUR million	1 Feb 2024 - 31 Jul 2024	1 Feb 2023 - 31 Jul 2023	1 Feb 2023 - 31 Jan 2024
<b>Cash flows from operating activities</b>			
Profit for the period	23.4	20.2	38.7
Adjustments for:			
Depreciation, amortisation and impairments	9.3	7.2	15.2
Gains/losses on disposal of property, plant and equipment	0.0	0.0	0.0
Other non-cash adjustments	0.4	0.1	0.5
Finance income and costs	2.7	2.3	4.4
Income tax expense	5.9	5.1	9.7
Changes in working capital			
Change in trade and other receivables	-1.6	-1.3	-1.7
Change in inventories	-7.8	1.7	-3.2
Change in trade and other current non-interest-bearing liabilities	13.4	14.4	8.3
Interests paid	-1.3	-1.3	-3.0
Interests of lease liabilities	-1.4	-0.9	-2.0
Interests received	0.2	0.2	0.9
Arrangement fee for loans from financial institutions and other financial costs	-0.1	-0.2	-0.3
Income taxes paid	-5.8	-3.7	-9.5
<b>Net cash flows generated from operating activities</b>	<b>37.2</b>	<b>43.9</b>	<b>58.0</b>
<b>Cash flows from investing activities</b>			
Payments for intangible assets	-2.0	-0.1	-1.2
Payments for property, plant and equipment	-2.2	-1.5	-3.5
Proceeds from sale of property, plant and equipment	0.0	0.0	0.1
<b>Net cash flows used in investing activities</b>	<b>-4.2</b>	<b>-1.6</b>	<b>-4.7</b>
<b>Cash flows from financing activities</b>			
Repayments of loans from financial institutions	-	-	-20.0
Repayments of lease liabilities	-6.2	-4.9	-10.3
Dividends	-16.0	-14.4	-28.7
Acquisition of own shares	-	-1.7	-1.7
<b>Net cash flows used in financing activities</b>	<b>-22.2</b>	<b>-21.0</b>	<b>-60.7</b>
Net increase (+)/(-) decrease in cash and cash equivalents	10.7	21.3	-7.3
Cash and cash equivalents at the beginning of the period	21.5	28.8	28.8
<b>Cash and cash equivalents at the end of period</b>	<b>32.2</b>	<b>50.1</b>	<b>21.5</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial information

## 1. Basis of preparation

This financial information has been prepared in accordance with IAS 34 Interim Financial Reporting – standard. In preparation of this financial information the same accounting policies, methods of computation and presentation have been applied as in the consolidated financial statements 2023. No new accounting policies have been adopted during the reporting period, that would have had a material impact to this financial information. The Half-year financial Report does not include all the notes included in the consolidated financial statements for the reporting period ended 31 January 2024 and this financial information should be read in conjunction with the consolidated financial statements. This financial information has not been audited.

Due to the nature of Puuilo's operations, the group has only one reportable operating segment. Individual stores and online store are considered as distribution channels for Puuilo's products, and all the stores operate under the Puuilo trademark. Functions such as financial management, information management, marketing, purchases, and logistics are centralized and managed on the group level.

The preparation of financial information requires management to make estimates and assumptions that affect the application of accounting policies and the recognized amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Accounting estimates and assumptions used in the preparation on financial information are similar to those applied in the preparation of the consolidated financial statements for the financial year ended 31 January 2024.

Figures presented in parentheses refer to corresponding reporting period in previous reporting period, if not otherwise stated.

## 2. Earnings

EUR million	1 Feb 2024 - 31 Jul 2024	1 Feb 2023 - 31 Jul 2023	1 Feb 2023 - 31 Jan 2024
Stores	190.4	164.6	329.5
Online store	4.9	4.8	8.9
<b>Net sales total</b>	<b>195.4</b>	<b>169.3</b>	<b>338.4</b>

## 3. Management remuneration

EUR million	1 Feb 2024 - 31 Jul 2024	1 Feb 2023 - 31 Jul 2023	1 Feb 2023 - 31 Jan 2024
<b>CEO</b>			
Salary, other remuneration and benefits	0.1	0.1	0.2
Pension costs	0.0	0.0	0.0
<b>Total</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
<b>Management team excl. CEO</b>			
Salary, other remuneration and benefits	0.5	0.4	0.8
Pension costs	0.1	0.1	0.1
<b>Total</b>	<b>0.5</b>	<b>0.5</b>	<b>1.0</b>
<b>The Board of Directors</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
<b>Total Management team and the Board of Directors</b>	<b>0.8</b>	<b>0.7</b>	<b>1.4</b>

#### 4. Intangible and tangible assets

EUR million	1 Feb 2024 - 31 Jul 2024	1 Feb 2023 - 31 Jul 2023	1 Feb 2023 - 31 Jan 2024
<b>Goodwill</b>			
Net carrying amount at the beginning of the reporting period	33.5	33.5	33.5
<b>Net carrying amount at the end of the reporting period</b>	<b>33.5</b>	<b>33.5</b>	<b>33.5</b>

EUR million	1 Feb 2024 - 31 Jul 2024	1 Feb 2023 - 31 Jul 2023	1 Feb 2023 - 31 Jan 2024
<b>Intangible rights</b>			
Net carrying amount at the beginning of the reporting period	14.2	14.6	14.6
Additions	1.9	-	0.9
Amortisation and impairment	-1.0	-0.6	-1.3
<b>Net carrying amount at the end of the reporting period</b>	<b>15.0</b>	<b>14.0</b>	<b>14.2</b>

EUR million	1 Feb 2024 - 31 Jul 2024	1 Feb 2023 - 31 Jul 2023	1 Feb 2023 - 31 Jan 2024
<b>Intangible and tangible assets</b>			
Net carrying amount at the beginning of the reporting period	6.1	5.4	5.4
Amortisation, depreciation and impairment	-1.1	-0.9	-2.0
Additions	1.7	1.2	2.8
Disposals	-	0.0	-0.1
<b>Net carrying amount at the end of the reporting period</b>	<b>6.7</b>	<b>5.6</b>	<b>6.1</b>

#### 5. Right-of-use assets

EUR million	1 Feb 2024 - 31 Jul 2024	1 Feb 2023 - 31 Jul 2023	1 Feb 2023 - 31 Jan 2024
<b>Right-of-use assets</b>			
Net carrying amount at the beginning of the reporting period	72.0	53.0	53.0
Depreciation and impairment	-7.1	-5.7	-11.9
Additions and other changes	10.0	11.4	30.8
<b>Net carrying amount at the end of the reporting period</b>	<b>74.9</b>	<b>58.8</b>	<b>72.0</b>

#### Maturity analysis, contractual undiscounted cash flows

EUR million	31 Jul 2024	31 Jul 2023	31 Jan 2024
Less than one year	15.5	12.3	14.3
From one to five years	48.9	39.6	47.0
Over five years	20.8	14.2	20.9
<b>Total</b>	<b>85.2</b>	<b>66.0</b>	<b>82.2</b>



## 6. Net Debt

Net debt calculated based on the consolidated balance sheet as follows:

EUR million	31 Jul 2024	31 Jul 2023	31 Jan 2024
<b>Non-current financial liabilities</b>			
Loans from financial institutions	50.0	69.9	50.0
Lease liabilities	62.4	49.0	58.2
<b>Total non-current financial liabilities</b>	<b>112.4</b>	<b>118.9</b>	<b>108.2</b>
<b>Current financial liabilities</b>			
Lease liabilities	13.5	10.5	14.6
<b>Total current financial liabilities</b>	<b>13.5</b>	<b>10.5</b>	<b>14.6</b>
<b>Total financial liabilities</b>	<b>125.9</b>	<b>129.3</b>	<b>122.8</b>
Cash and cash equivalents	32.2	50.1	21.5
<b>Net debt</b>	<b>93.7</b>	<b>79.2</b>	<b>101.3</b>

Loans from financial institutions are classified at level 3 of the fair value hierarchy because their fair value is based on non-observable inputs, including the company's own estimates related to the level of risk premium.

The loan from financial institution is measured at amortized cost. The carrying value of the loan is estimated to substantially correspond to their fair values.

## 7. Contingent liabilities

EUR million	31 Jul 2024	31 Jul 2023	31 Jan 2024
Liability for leases with the lease term beginning after the end of reporting period	25.0	15.6	12.1

Puילו's contingent liabilities consist of lease liabilities for the leases with the lease term beginning after the end of the reporting period and are therefore not yet recognised in the balance sheet.

## 8. Related party transactions

Puילו's related parties include key personnel of the Puילו Group, their close family members and companies controlled by them. The key personnel include the members of the Board of Directors, the CEO, and the Group Management Team.

The Puילו Group purchases some products it sells in its stores from companies owned by related parties. These companies manufacture products that are part of Puילו's product assortment. In addition, the company leases business premises from related parties. The group's lease liabilities to related parties include the present value of the future lease payments of the above-mentioned leased premises. Transactions with related parties have taken place at market price and on normal terms. All Puילו employees are entitled to the ordinary personnel discount in Puילו stores. A related party employed by Puילו is entitled to this discount. This information has not been presented as related party transactions.

The following transactions were carried out with related parties:

**Statement of comprehensive income**

EUR million	1 Feb 2024 - 31 Jul 2024	1 Feb 2023 - 31 Jul 2023	1 Feb 2023 - 31 Jan 2024
Sales	0.0	0.0	0.0
Purchases	1.0	1.7	3.5
Lease payments and other operating expenses	0.1	0.2	0.5

**Balance sheet**

EUR million	31 Jul 2024	31 Jul 2023	31 Jan 2024
Sales receivables	-	0.0	0.0
Trade payables	-	0.1	0.2
Lease liabilities (IFRS 16)	-	1.4	1.2

## 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 such as business arrangements.

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.

Key figure	Definition
<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 amortisation and impairment of intangible rights
<b>EBITA margin (%)</b>	EBITA as percentage of net sales
<b>Adjusted EBITA</b>	EBITA adjusted with items affecting comparability
<b>Adjusted EBITA development (%)</b>	Change in adjusted EBITA for the period divided by adjusted EBITA for the previous period
<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 (operating profit)
<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>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
<b>Net debt / Adjusted EBITDA excl. IFRS 16 impact</b>	Interest-bearing liabilities excluding IFRS 16 lease liabilities – cash and cash equivalents divided by annualised adjusted EBITDA – lease expenses

## Reconciliation of alternative performance measures

EUR million	1 May 2024 - 31 Jul 2024	1 May 2023 - 31 Jul 2023	1 Feb 2024 - 31 Jul 2024	1 Feb 2023 - 31 Jul 2023	1 Feb 2023 - 31 Jan 2024
<b>Gross profit</b>					
Net sales	119.9	104.4	195.4	169.3	338.4
Materials and services	74.8	65.6	122.7	106.9	214.5
<b>Gross profit</b>	<b>45.1</b>	<b>38.7</b>	<b>72.7</b>	<b>62.4</b>	<b>123.9</b>
<b>EBITA and adjusted EBITA</b>					
Operating profit	24.4	20.6	32.0	27.6	52.8
Amortisation and impairment of intangible rights	0.4	0.3	1.0	0.6	1.3
<b>EBITA</b>	<b>24.8</b>	<b>20.9</b>	<b>33.0</b>	<b>28.2</b>	<b>54.1</b>
Items affecting comparability	-	-	-	-	-
<b>Adjusted EBITA</b>	<b>24.8</b>	<b>20.9</b>	<b>33.0</b>	<b>28.2</b>	<b>54.1</b>
<b>Operating free cash flow</b>					
Adjusted EBITDA	29.0	24.3	41.3	34.8	68.0
Net capital expenditure	-1.1	-0.8	-4.2	-1.6	-4.7
Depreciation of right-of-use assets	-3.6	-2.9	-7.1	-5.7	-11.9
Changes in working capital	7.4	11.5	4.0	14.8	3.4
<b>Operating free cash flow</b>	<b>31.7</b>	<b>32.0</b>	<b>33.9</b>	<b>42.3</b>	<b>54.8</b>
<b>Net debt / Adjusted EBITDA</b>					
Net debt	93.7	79.2	93.7	79.2	101.3
Adjusted EBITDA, rolling 12 mths	74.5	66.1	74.5	66.1	68.0
<b>Net debt / Adjusted EBITDA</b>	<b>1.3</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>	<b>1.5</b>
<b>Net debt / adj. EBITDA excl. impact of IFRS 16</b>					
Net debt	93.7	79.2	93.7	79.2	101.3
IFRS 16 lease liabilities	-75.9	-59.4	-75.9	-59.4	-72.8
<b>Net debt excl. impact of IFRS 16</b>	<b>17.8</b>	<b>19.8</b>	<b>17.8</b>	<b>19.8</b>	<b>28.5</b>
Adjusted EBITDA, rolling 12 mths	74.5	66.1	74.5	66.1	68.0
Rents from lease agreements, rolling 12 mths	-14.2	-11.0	-14.2	-11.0	-12.3
<b>Adjusted EBITDA excl. impact of IFRS 16</b>	<b>60.3</b>	<b>55.1</b>	<b>60.3</b>	<b>55.1</b>	<b>55.7</b>
<b>Net debt / adj. EBITDA excl. impact of IFRS 16</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>

**EBITDA and Adjusted EBITDA**

Operating profit	24.4	20.6	32.0	27.6	52.8
Depreciation, amortisation and impairments	4.6	3.7	9.3	7.2	15.2
<b>EBITDA</b>	<b>29.0</b>	<b>24.3</b>	<b>41.3</b>	<b>34.8</b>	<b>68.0</b>
Items affecting comparability	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>29.0</b>	<b>24.3</b>	<b>41.3</b>	<b>34.8</b>	<b>68.0</b>