

# Finnish Retailer Stockmann Sees Rise in Russian Consumers

By [The Moscow Times](#)

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Finnish department store chain Stockmann will stick with its remaining stores in Russia as sales in rubles show signs of recovery, its new chief executive said.

Loss-making Stockmann has been hard hit by customers shifting from its relatively upscale stores to online shopping, while the weaker Russian ruble and a recession in Finland have exacerbated its problems.

Per Thelin, a native of Sweden hired in November to turn around the flailing retailer, announced last month that the company would close three of its department stores in the Moscow region and all of its 19 Lindex fashion shops in Russia by the end of 2016, in addition to cost cuts in Finland.

Sitting in his office above the company's flagship department store in Helsinki, Thelin said

the company has no plans to close other sites in Russia.

He noted sales in its Russian stores have improved somewhat in ruble terms in the past few months.

"We can see that people are actually shopping more because they want to use their money now," Thelin said.

"[Some competitors] are withdrawing their entire business or closing down a part of it. Some others are investing. ... What we did was to decide to close the stores that are not profitable but we are still with four more."

Stockmann last month forecast its sales would continue to fall this year and core profit would remain in the red. Thelin declined to estimate when Stockmann would return to profit. Analysts predict the company to return to a pretax profit in 2017 according to estimates.

"We have a clearly set target when we should be back on track. But these processes take some time," Thelin said.

"I want to make each and every square meter profitable. This means withdrawing from the markets where we are not making money and moving to places where the return on investment is better."

Thelin is pinning his hopes on the company's new strategy to lease retail space at its department stores, while also expanding its Lindex fashion chain for women and children catering for its more budget-conscious customers.

Analysts last year speculated the company might sell Lindex, which has stores in 16 countries, but a recent strategy update unveiled plans to expand the business.

"Lindex will open its first store in Britain this week, and we plan to take it to other new markets, too," Thelin said.

In 2014, Stockmann made a loss of 104 million euros (\$114 million) on sales of 1.845 billion euros.

Shares in the company are up 12 percent in the last three months but are still 29 percent lower than 12 months ago.

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