

### First quarter

- Sales increased by 1% to 1,783 MSEK (1,763), unchanged in local currencies
- Operating profit increased by 33% to 100 MSEK (75)
- Profit after tax increased by 34% to 77 MSEK (58)
- Earnings per share increased by 34% to 1.22 SEK (0.91)
- The store portfolio was expanded by two stores (net)
- Cash flow from operating activities amounted to 93 MSEK (16)
- The 2016/17 annual report and sustainability report were published as a single integrated report
- As previously announced, the Board of Directors proposes that a dividend of 6.25 SEK per share (5.75) be approved by the Annual General Meeting



Our private label Workwear by Clas Ohlson collection was launched in the quarter.

**+1%**  
sales

**+33%**  
operating profit

### Events after the end of the reporting period

- Sales in August increased by 1% to 671 MSEK (665), up 1% in local currencies
- The store portfolio was expanded by one store (net)
- Lotta Lyrå took office as the new President and CEO on 1 August 2017

	3 Months			12 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016	Percentage change	Aug 2016 - Jul 2017	May 2016 - Apr 2017
Sales, MSEK	1,783	1,763	1	8,009	7,990
Operating profit, MSEK	100	75	33	635	610
Profit before tax, MSEK	100	75	32	633	609
Profit after tax, MSEK	77	58	34	498	479
Gross margin, %	40.5	39.1	1.4 p.e	41.5	41.2
Operating margin, %	5.6	4.3	1.3 p.e	7.9	7.6
Return on capital employed, %	-	-	-	29.2	28.4
Return on equity, %	-	-	-	23.0	22.4
Equity/assets ratio, %	57.3	55.7	1.6 p.e	57.3	57.7
Earnings per share before dilution, SEK	1.22	0.91	34	7.91	7.59

The 2017/18 financial year comprises the period from 1 May 2017 to 30 April 2018. This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence. This is such information that Clas Ohlson AB (publ) is obliged to publish pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was submitted for publication by the abovementioned contact person on 6 September 2017 at 07:00 a.m. (CET).

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# Soft sales growth but strong earnings in the quarter

We are closing the first quarter with sales of 1,783 MSEK, up 1 per cent year-on-year. Operating profit increased by 33 per cent to 100 MSEK.

During the quarter, Clas Ohlson increased sales by 1 per cent to 1,783 MSEK. Accordingly, we can report a slightly softer sales trend mainly with the latter half of the summer being weak. During the period we have experienced a challenge primarily in terms of traffic to stores. Also, we did not experience full leverage on our seasonal products. Nevertheless, we also noted a number of successful product launches during the quarter, such as our own Workwear by Clas Ohlson collection and more than 3,300 new products in all of our Hardware, Electrical, Multimedia, Home and Leisure categories.

We can now also present sales for August, which display the same trend as that seen in the quarter. August sales totalled 671 MSEK, and represent an increase of 1 per cent compared with August 2016.

## Continued focus on greater relevance and availability

Work on enhancing the relevance of our offering is progressing. We continued to develop our service offering in the summer months, for example, with the launch of tool hire and installation services, which we will see even more of in the future. Several exciting product launches are also in the pipeline, such as a brand new range of indoor lighting that was recently rolled out in our channels.

A step towards greater availability for our customers is the focus on our compact store format. Clas Ohlson's first Compact Store in Finland was opened during the quarter. The new store in Helsinki offers a huge variety of smart products and practical solutions in a smaller retail space but with greater availability.

## Potential for new opportunities going forward

This is my first quarterly report in my role as President and CEO of Clas Ohlson. Throughout my introduction period I have been able to see large areas of the operations and meet many wonderful colleagues. My already positive perception of the company has been strengthened. Clas Ohlson is a fantastic company with many professional people who are passionate about its customers and the company. I see a solid basis for development and long-term growth, and immense potential for new opportunities going forward. We now start the work to evaluate these opportunities. But first of all we will close our 2016/17 financial year at our Annual General Meeting at the distribution centre in Insjön on Saturday.



Lotta Lyrå  
President and CEO of Clas Ohlson AB



We report a quarter with a slightly softer sales trend yet strong earnings. We are

continuing to invest in developing the range and launched a brand new range of indoor lighting.

### Financial information

Current financial information is available at [about.clasohlson.com](http://about.clasohlson.com) under "Investors."

### Press and analyst conference

The interim report will be presented on Wednesday, 6 September at 8:30 a.m. in Clas Ohlson's store at Drottninggatan 53 in Stockholm. The presentation can also be followed via the website [www.financialhearings.com](http://www.financialhearings.com)

### Calendar

9 Sept 2017	Annual General Meeting 2017
6 Dec 2017	Six-month Report 2017/18
14 March 2018	Nine-month Report 2017/18
8 June 2018	Year-end Report 2017/18
5 Sept 2018	Three-month Report 2018/19
5 Dec 2018	Six-month Report 2018/19

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## Operations

Clas Ohlson is an international retail company with the business concept of selling a broad range of products at attractive prices that make it easy for people to solve everyday practical problems. The concept is unique and is highly attractive in established markets and has the potential for expansion into new markets and new customer segments.

Clas Ohlson sells products in the categories of Hardware, Electrical, Multimedia, Home and Leisure. Activities are conducted in Sweden, Norway, Finland, the UK and Germany via stores, online shopping, as well as through franchise in Dubai.

## Business environment and market<sup>1</sup>

Retail in Sweden increased by 3.1 per cent at current prices compared with the same quarter in the preceding year. During the quarter, consumer confidence in Sweden amounted to 103.5, an increase compared with the preceding quarter (103.4) and the same quarter in the preceding year (96.7).

Retail in Norway increased by 3.5 per cent at current prices, compared with the same quarter in the preceding year. During the quarter, consumer confidence in Norway was 11.1, an increase compared with the preceding quarter (8.1) and an increase compared with the same quarter in the preceding year (1.5).

Retail in Finland remained unchanged at current prices, compared with the same quarter in the preceding year. During the quarter, consumer confidence in Finland was 23.6, an increase compared with the preceding quarter (21.7) and an increase compared with the same quarter in the preceding year (13.5).

Retail in the UK increased by 4.6 per cent at current prices, compared with the same quarter in the preceding year. During the quarter, consumer confidence in the UK was -9.0, a decline compared with the preceding quarter (-6.3) and a decline compared with the same quarter in the preceding year (-4.7).

## Sales

### First quarter

Sales increased to 1,783 MSEK, up 1 per cent compared with 1,763 MSEK in the year-earlier period. Sales in local currencies were unchanged.

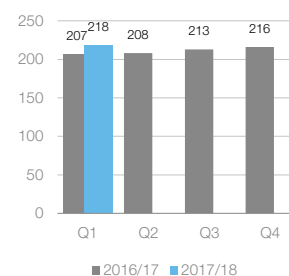
During the quarter, the net store portfolio was expanded by 2 stores (2). At the end of the quarter, the total number of stores was 218, representing a net increase of 11 stores compared with the year-earlier period (8).

### Distribution of sales

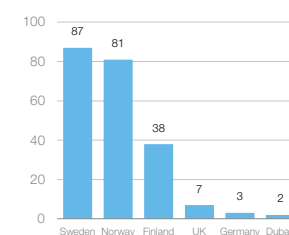
MSEK	3 Months		Percentage change	
	May 2017 - Jul 2017	May 2016 - Jul 2016	SEK	local currency
Sweden	817	825	-1	-1
Norway	709	677	5	2
Finland	200	186	8	4
Outside Nordic countries*	57	76	-24	-22
<b>Total</b>	<b>1,783</b>	<b>1,763</b>	<b>1</b>	<b>0</b>

\*Effected by store optimization in the UK

### Total number of stores

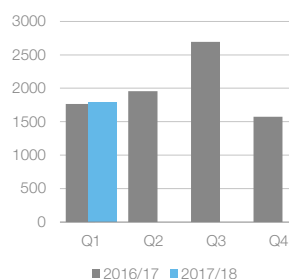


### Distribution of numbers of stores

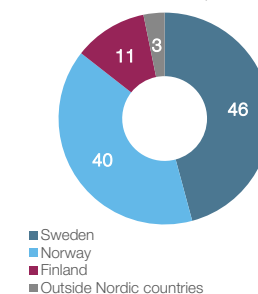


\*Franchise stores

### Sales, MSEK



### Distribution of sales, %



<sup>1</sup> Source: HUI, National Institute of Economic Research, Office for National Statistics, Opinion, Statistics Finland, Statistics Norway, Trading Economics.

## Distribution of sales increase

Per cent	May 2017 - Jul 2017
Comparable units in local currency	-2
New stores	2
Exchange-rate effects	1
<b>Total</b>	<b>1</b>

## Results

### First quarter

The gross margin increased to 40.5 per cent, up 1.4 percentage points year-on-year (39.1). The gross margin was positively affected by currency hedging (NOK) during the quarter, comprising both currency forwards and exchange-rate effects related to delays in inventory and stronger sales currencies.

The share of selling expenses increased by 0.2 percentage points to 32.1 per cent (31.9). The share increased as a result of the lower sales in comparable units and partly due to establishing operations in the German market. These effects were mostly offset by lower costs in the UK.

Operating profit increased by 33 per cent to 100 MSEK (75).

The operating margin increased by 1.3 percentage points to 5.6 per cent (4.3). Profit after financial items totalled 100 MSEK (75).

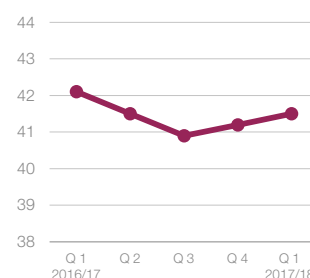
Depreciation for the period amounted to 57 MSEK (58).

Spot exchange rates for key currencies averaged 1.03 for NOK and 8.60 for USD, compared with 1.00 and 8.36, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of the expected flow in each currency every month, with six-month maturities.

## Investments

During the quarter, investments totalled 53 MSEK (60). Of this amount, investments in new or refurbished stores accounted for 15 MSEK (28). Other investments were primarily IT and replacement investments. During the first quarter, investments in IT systems amounted to 30 MSEK (23).

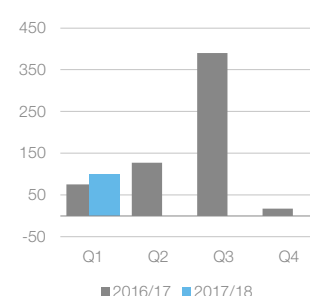
## Gross margin rolling 12 months, %



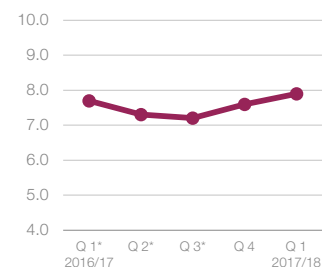
## Share of selling expenses, %



## Operating profit, MSEK



## Operating margin rolling 12 months, %



\* Excluding a non-recurring expense of 107 MSEK

## Financing and liquidity

Cash flow from operating activities during the quarter totalled 93 MSEK (16). Cash flow for the quarter, after investing and financing activities, was 45 MSEK (-111).

The average 12-month value of inventories was 1,731 MSEK (1,666). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 6.8 times (6.5).

At the end of the quarter, the value of inventories was 1,696 MSEK (1,721). Compared with the preceding year, 11 stores, net, were added.

During the quarter, buy-backs of the company's own shares to secure the LTI 2017 (Long Term Incentive Plan 2017) amounted to 21 MSEK (76).

The Group's net cash holdings, meaning cash and cash equivalents less interest-bearing liabilities, amounted to 668 MSEK (495) at the end of the quarter. The equity/assets ratio was 57 per cent (56).

## Sustainable development

This year, we reported on our sustainability, operations and financial results in a single integrated annual report for 2016/17. We can create value and help reduce our negative impact throughout the entire value chain by working towards clearly defined goals and continuously measuring and reporting our progress.

On 1 June 2017, Clas Ohlson replaced the plastic bags used in its Swedish stores with new bags made from sugar cane. Bags will be replaced in Clas Ohlson's other markets from August. Consumption of the most common type of bag fell by more than 35 per cent in the first two months. The new sugar-cane bags are part of Clas Ohlson's From Here to Sustainability journey.

## Employees

The average number of employees in the Group was 2,846 (2,803). The increase was mainly related to new stores.

## Parent Company

Parent Company sales during the quarter amounted to 1,431 MSEK (1,399) and profit after financial items totalled 69 MSEK (59).

Investments for the quarter totalled 38 MSEK (36). Contingent liabilities for the Parent Company amounted to 245 MSEK (241).

## Events after the end of the reporting period

Sales in August

Sales in August increased by 1 per cent to 671 MSEK (665). In local currencies, sales increased by 1 per cent compared with the preceding year. Sales development in comparable units and in local currency was -3 per cent.

Compared with the same month of the preceding year, the store portfolio was expanded by a net by 12 stores (8). At the end of the period, the total number of stores was 219.

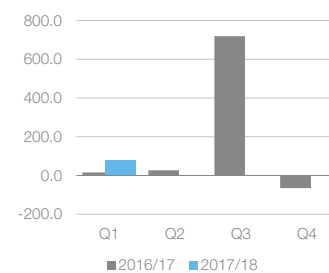
## Distribution of sales

MSEK	Aug 2017	Aug 2016	Percentage change	
			SEK	local currency
Sweden	296	295	0	0
Norway	277	272	2	1
Finland	78	75	4	4
Outside Nordic countries*	20	23	-12	-9
<b>Total</b>	<b>671</b>	<b>665</b>	<b>1</b>	<b>1</b>

\*Effected by store optimization in the UK

In the first four months of the financial year (May-August), sales increased by 1 per cent to 2,454 MSEK (2,429). In local currencies, sales was unchanged.

Cash flow, MSEK\*



\* from operating activities



During summer, all bags were replaced by the more environmentally friendly alternative made from sugar cane.



A brand new range of indoor lighting was launched in August.

## Update on new business system

Clas Ohlson is implementing a new IT platform, sCORE, Systems for Clas Ohlson Retail Efficiency, which will change our way of working with, for example, purchasing, supply chain, sales, finance and HR. Overall, sCORE will enhance the efficiency of the supply chain, increase the level of service, better meet customer demand and changed purchasing patterns, and support our international expansion by making it easier to open new stores in more countries and to work with new customer segments. The sCORE programme is a strategically important initiative that will further strengthen Clas Ohlson.

The programme will last for five years, from the 2013/14 financial year until 2018/19, in a controlled roll-out with an annual investment level of approximately 70 MSEK over the five-year period. Furthermore, an upgrade of the IT environment is being carried out connected to the inventory and logistics system, customer data and online shopping with an annual investment rate of 75 MSEK over a two-year period.

## Expansion

During the 2017/18 financial year, Clas Ohlson is planning to establish 10-15 new stores, net. The number of future store establishments under contract totals 13 stores. For the number of future store establishments under contract, see page 20.

### Update on establishment in Germany

Clas Ohlson established its first store in the German market in central Hamburg in May 2016, followed by further stores in Altona in September and Alstertal in November, as well as online shopping in the German market in October 2016. A new store contract was signed for Spitalerstraße in central Hamburg, and is scheduled to open in winter 2017. This fourth store will complement the existing store network and is part of the first phase of establishment in the German market.

### Update on optimisation of UK store network

Clas Ohlson will focus on strengthening its presence in the London region with smaller format stores. As part of the optimisation of the existing store network, Clas Ohlson closed six stores in the UK during the 2016/17 financial year. Another store (Croydon) will be closed (date not confirmed).

Total annual cost savings related to the closure of all seven stores are an estimated 70 MSEK when the restructuring has been fully realised during the 2017/18 financial year. While the store in Croydon remains open, the total cost savings are estimated at 60 MSEK on an annual basis.

## Outlook

Clas Ohlson's vision is to develop the company into a leading international modern hardware retailer, with high profitability that adds value for all stakeholders. Growth will occur in accordance with the Group's long-term financial targets.

The continued development of Clas Ohlson's product range, sales channels and new customer segments will provide growth opportunities, in both established and new markets. Clas Ohlson is reviewing and optimising the current store network in the UK and strengthening its presence in the London region with smaller format stores, and establishing stores and online shopping in the German market, beginning in Hamburg.

A new IT platform is being implemented, a process that is expected to continue until 2018, to support the company's operations and future growth and development.

## Risks and uncertainties

Clas Ohlson's operations entail risks that could negatively impact the Group to varying extents. Work is continuously carried out to update the Group's risk situation through a documented and systematic process in which risks are identified, assessed, monitored and reported. Those risks deemed to have the greatest negative potential based on the probability of occurrence and their



Two new stores were opened in the first quarter, one in Helsinki in Finland and one in Farsund in Norway.



possible impact on operations are prioritised. This work contributes to the strategic and operational management of the company.

Operational risks primarily comprise establishments in new markets, purchasing in Asia, IT systems, competition, logistics, strikes, key employees, social responsibility, product range and shrinkage, while financial risks mainly comprise economic conditions, wage inflation, raw-material prices, transport costs and exchange-rate exposure.

For a detailed description of the Group's risks and risk management, refer to pages 76-79 of the 2016/17 Annual Report. Apart from the risks described in the Annual Report, no other significant risks have arisen.

The company's auditors have not reviewed this report.

Insjön, 6 September 2017

Lotta Lyrå  
President and CEO

# Financial statements

## Consolidated Income Statement

MSEK	3 Months		12 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016	Aug 2016 - Jul 2017	May 2016 - Apr 2017
Sales	1,782.6	1,763.5	8,009.2	7,990.1
Cost of goods sold	-1,059.9	-1,074.5	-4,683.9	-4,698.6
<b>Gross profit</b>	<b>722.7</b>	<b>689.0</b>	<b>3,325.3</b>	<b>3,291.5</b>
Selling expenses	-572.6	-563.0	-2,494.8	-2,485.2
Administrative expenses	-49.8	-49.4	-193.5	-193.1
Other operating income/expenses	-0.2	-1.2	-2.4	-3.4
<b>Operating profit</b>	<b>100.1</b>	<b>75.4</b>	<b>634.6</b>	<b>609.9</b>
Financial income	0.1	0.2	0.6	0.7
Financial expense	-0.3	-0.1	-1.8	-1.6
<b>Profit after financial items</b>	<b>99.9</b>	<b>75.5</b>	<b>633.4</b>	<b>608.9</b>
Income tax	-22.5	-17.6	-135.1	-130.2
<b>Profit for the period</b>	<b>77.4</b>	<b>57.9</b>	<b>498.2</b>	<b>478.7</b>

## Consolidated Comprehensive Income Statement

MSEK	3 Months		12 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016	Aug 2016 - Jul 2017	May 2016 - Apr 2017
Profit for the period	77.4	57.9	498.2	478.7
Other comprehensive income, net of tax:				
Items that later can be reversed back to the Consolidated income statement:				
Exchange rate differences	-9.0	12.0	1.9	22.9
Cash flow hedging	-28.1	22.5	-29.0	21.6
<b>Total</b>	<b>-37.1</b>	<b>34.5</b>	<b>-27.1</b>	<b>44.5</b>
Items that later can not be reversed back to the Consolidated income statement:				
Reevaluation of net pension obligations	0.0	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total other comprehensive income, net of tax</b>	<b>-37.1</b>	<b>34.5</b>	<b>-27.1</b>	<b>44.5</b>
<b>Total comprehensive income for the period</b>	<b>40.3</b>	<b>92.4</b>	<b>471.1</b>	<b>523.2</b>

## Data per share

	3 Months		12 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016	Aug 2016 - Jul 2017	May 2016 - Apr 2017
Number of shares before dilution	63,188,439	63,286,458	63,027,872	63,052,803
Number of shares after dilution	63,374,737	63,568,780	63,159,790	63,254,614
Number of shares at end of period	63,199,135	62,948,729	63,199,135	63,083,438
Earnings per share before dilution, SEK	1.22	0.91	7.91	7.59
Earnings per share after dilution, SEK	1.22	0.91	7.89	7.57
Comprehensive income per share, SEK	0.64	1.46	7.48	8.30



## Consolidated Balance Sheet

MSEK	31 Jul 2017	31 Jul 2016	30 Apr 2017
<b>Assets</b>			
Intangible assets	360.8	285.6	340.2
Tangible assets	1,036.3	1,104.6	1,064.3
Non-current receivables	18.5	18.2	18.5
Inventories	1,695.6	1,720.6	1,630.7
Other receivables	230.4	263.8	220.6
Liquid assets	668.4	494.7	625.1
<b>Total assets</b>	<b>4,010.1</b>	<b>3,887.4</b>	<b>3,899.4</b>
<b>Equity and liabilities</b>			
Equity	2,297.7	2,166.8	2,250.7
Long-term liabilities, Non-interest-bearing	233.4	197.1	226.8
Current liabilities, Non interest-bearing	1,479.0	1,523.6	1,421.9
<b>Total equity and liabilities</b>	<b>4,010.1</b>	<b>3,887.4</b>	<b>3,899.4</b>

## Consolidated Cash Flow

MSEK	3 Months		12 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016	Aug 2016 - Jul 2017	May 2016 - Apr 2017
Operating profit	100.1	75.4	634.6	609.9
Adjustment for items not included in cash flow	66.2	48.7	229.9	212.5
Interest received	0.1	0.2	0.6	0.7
Interest paid	-0.3	-0.1	-1.8	-1.6
Tax paid	-29.5	-41.0	-149.3	-160.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>136.6</b>	<b>83.1</b>	<b>714.0</b>	<b>660.6</b>
Change in working capital	-43.2	-67.4	62.6	38.4
<b>Cash flow from operating activities</b>	<b>93.4</b>	<b>15.7</b>	<b>776.6</b>	<b>698.9</b>
Investments in intangible assets	-29.6	-23.4	-112.2	-105.9
Investments in tangible assets	-23.1	-36.7	-144.1	-157.6
Change in current investments	0.0	0.0	0.1	0.1
<b>Cash flow from investing activities</b>	<b>-52.7</b>	<b>-60.1</b>	<b>-256.2</b>	<b>-263.5</b>
Repurchase of own shares	-20.9	-75.7	-20.9	-75.7
Sale of own shares	25.1	9.2	35.5	19.7
Dividend to shareholders	0.0	0.0	-362.0	-362.0
<b>Cash flow from financing activities</b>	<b>4.2</b>	<b>-66.4</b>	<b>-347.3</b>	<b>-418.0</b>
<b>Cash flow for the period</b>	<b>44.9</b>	<b>-110.8</b>	<b>173.1</b>	<b>17.5</b>
Liquid assets at the start of the period	625.1	604.3	494.7	604.3
Exchange rate difference for liquid assets	-1.6	1.2	0.6	3.3
<b>Liquid assets at the end of the period</b>	<b>668.4</b>	<b>494.7</b>	<b>668.4</b>	<b>625.1</b>

## Sales by segment

	3 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016
<b>MSEK</b>		
Sweden	816.6	824.9
Norway	708.9	677.4
Finland	200.0	185.6
Outside Nordic countries	57.2	75.5
Group functions	614.0	571.4
Sales to other segments	-614.0	-571.4
<b>Total</b>	<b>1,782.6</b>	<b>1,763.5</b>

\* Effected by store optimization in the UK

## Operating profit by segment

	3 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016
<b>MSEK</b>		
Sweden	33.5	32.3
Norway	29.8	27.3
Finland	6.3	5.7
Outside Nordic countries	1.7	2.2
Group functions	28.8	7.9
<b>Total</b>	<b>100.1</b>	<b>75.4</b>

## Specification of change in profits\*

	3 Months
	May 2017 - Jul 2017
<b>MSEK</b>	
Profit from sales	-19.6
Increased gross margin	26.3
Increased administrative expenses	-0.4
Decreased expansion costs stores	15.9
Decreased depreciation	1.6
Change in other operating income/expense	1.0
Increased in financial income/expense	-0.3
<b>Change in profit after financial items</b>	<b>24.4</b>

\*The table shows the change in profit after financial items compared with previous year.

\*\* During the first quarter 2016/17 includes start-up costs of the business operations in Germany.

## Change in equity

(attributable to the Parent company shareholders)

MSEK	3 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016
Equity brought forward	2,250.7	2,138.8
Repurchase of own shares	-20.9	-75.7
Sale of own shares	25.1	9.2
Paid-in option premiums:		
Value of employee services	2.5	2.1
Total comprehensive income	40.3	92.4
<b>Equity carried forward</b>	<b>2,297.7</b>	<b>2,166.8</b>

## Forward contracts

As per balance-sheet date, outstanding cash-flow hedging existed according to the following table per currency pair (carrying amount and fair value)

MSEK	31 Jul 2017	31 Jul 2016
<b>Sell/buy</b>		
NOK/SEK	-1.6	-3.8
NOK/USD	-27.5	11.4
SEK/USD	-0.4	0.0
<b>Total</b>	<b>-29.5</b>	<b>7.6</b>

Forward contracts belong to the derivative category, which is used for hedging purposes. All derivatives are measured at fair value, established by using forward contract prices on balance-sheet date, meaning, level 2 in the fair value hierarchy according to IFRS 13. As per 31 July 2017 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled 29.9 MSEK (4.0), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to 0.3 MSEK (11.7), which is recognized in the item Other receivables. The company hedge the expected flow in each currency every month, with six-month maturities. A deferred tax asset of 6.5 MSEK (1.7) was taken into account and the remaining fair value of 23.0 MSEK (6.0) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of -27.5 MSEK (11.4) is allocated on the currency pair NOK/SEK with 6.8 MSEK (-6.5) and on the currency pair SEK/USD with -34.3 MSEK (17.9).

## Key ratios

	3 Months		12 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016	Aug 2016 - Jul 2017	May 2016 - Apr 2017
Sales growth, %	1.1	-0.4	5.4	5.1
Gross margin, %	40.5	39.1	41.5	41.2
Operating margin, %	5.6	4.3	7.9	7.6
Return on capital employed, %	-	-	29.2	28.4
Return on equity, %	-	-	23.0	22.4
Equity/assets ratio, %	57.3	55.7	57.3	57.7
Sales per sq.m in stores, SEK thousand	-	-	31	31
Number of stores at period end	218	207	218	216
Number of employees at period end	2,846	2,803	2,846	2,835
<b>Data per share</b>				
Number of shares before dilution	63,188,439	63,286,458	63,027,872	63,052,803
Number of shares after dilution	63,374,737	63,568,780	63,159,790	63,254,614
Number of shares at period end	63,199,135	62,948,729	63,199,135	63,083,438
Earnings per share before dilution, SEK	1.22	0.91	7.91	7.59
Earnings per share after dilution, SEK	1.22	0.91	7.89	7.57
Comprehensive income per share, SEK	0.64	1.46	7.48	8.30
Cash flow per share*, SEK	1.48	0.25	12.32	11.08
Equity per share, SEK	36.36	34.42	36.36	35.68

\* From the operating activities

## Quarterly overview

MSEK	Q1* 15/16	Q2 15/16	Q3 15/16	Q4** 15/16	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	Q1 17/18
Sales	1,769.8	1,846.5	2,481.5	1,503.9	1,763.5	1,956.6	2,695.2	1,574.8	1,782.6
Cost of goods sold	-1,054.0	-1,035.4	-1,396.1	-890.8	-1,074.5	-1,144.1	-1,567.3	-912.7	-1,059.9
<b>Gross profit</b>	<b>715.8</b>	<b>811.1</b>	<b>1,085.4</b>	<b>613.1</b>	<b>689.0</b>	<b>812.5</b>	<b>1,127.9</b>	<b>662.2</b>	<b>722.7</b>
Selling expenses	-549.0	-617.4	-651.8	-590.3	-563.0	-634.4	-684.7	-603.2	-572.6
Administrative expenses	-49.2	-49.2	-49.0	-43.2	-49.4	-49.4	-51.3	-43.0	-49.8
Other operating income/expenses	-11.8	0.0	-2.2	-105.8	-1.2	-1.8	-1.9	1.5	-0.2
<b>Operating profit</b>	<b>105.8</b>	<b>144.5</b>	<b>382.3</b>	<b>-126.2</b>	<b>75.4</b>	<b>127.0</b>	<b>390.0</b>	<b>17.5</b>	<b>100.1</b>
Financial income	0.4	0.5	0.6	0.4	0.2	0.1	0.0	0.4	0.1
Financial expense	-0.1	-0.3	-0.2	-0.1	-0.1	-0.5	-0.5	-0.5	-0.3
<b>Profit after financial items</b>	<b>106.1</b>	<b>144.8</b>	<b>382.7</b>	<b>-126.0</b>	<b>75.5</b>	<b>126.5</b>	<b>389.5</b>	<b>17.4</b>	<b>99.9</b>
Income tax	-25.5	-33.7	-88.3	18.6	-17.6	-30.2	-84.6	2.2	-22.5
<b>Profit for the period</b>	<b>80.6</b>	<b>111.1</b>	<b>294.4</b>	<b>-107.4</b>	<b>57.9</b>	<b>96.4</b>	<b>305.0</b>	<b>19.5</b>	<b>77.4</b>
<b>Assets</b>									
Intangible assets	196.8	209.7	244.4	270.6	285.6	297.6	321.3	340.2	360.8
Tangible assets	1,181.5	1,158.0	1,137.8	1,127.2	1,104.6	1,101.8	1,075.8	1,064.3	1,036.3
Non-current receivables	11.5	11.5	11.4	18.1	18.2	18.6	18.4	18.5	18.5
Inventories	1,531.7	1,763.6	1,540.2	1,639.2	1,720.6	1,988.8	1,616.6	1,630.7	1,695.6
Other receivables	261.4	288.4	266.6	263.4	263.8	269.0	213.3	220.6	230.4
Liquid assets	600.8	353.6	861.4	604.3	494.7	220.2	753.3	625.1	668.4
<b>Total assets</b>	<b>3,783.7</b>	<b>3,784.9</b>	<b>4,061.8</b>	<b>3,922.8</b>	<b>3,887.4</b>	<b>3,896.0</b>	<b>3,998.8</b>	<b>3,899.4</b>	<b>4,010.1</b>
<b>Equity and liabilities</b>									
Equity	2,217.1	1,989.1	2,252.5	2,138.8	2,166.8	1,921.0	2,218.9	2,250.7	2,297.7
Long-term liabilities, Non-interest-bearing	214.1	221.1	208.7	195.1	197.1	174.4	214.3	226.8	233.4
Current liabilities, interest-bearing	0.0	0.0	0.0	0.0	0.0	120.3	0.0	0.0	0.0
Current liabilities, Non interest-bearing	1,352.5	1,574.7	1,600.6	1,588.9	1,523.6	1,680.3	1,565.5	1,421.9	1,479.0
<b>Total equity and liabilities</b>	<b>3,783.7</b>	<b>3,784.9</b>	<b>4,061.8</b>	<b>3,922.8</b>	<b>3,887.4</b>	<b>3,896.0</b>	<b>3,998.8</b>	<b>3,899.4</b>	<b>4,010.1</b>
<b>Key ratios for the period</b>									
Gross margin, %	40.4	43.9	43.7	40.8	39.1	41.5	41.8	42.0	40.5
Operating margin, %	6.0	7.8	15.4	-8.4	4.3	6.5	14.5	1.1	5.6
Earnings per share before dilution, SEK	1.27	1.76	4.66	-1.70	0.91	1.53	4.84	0.31	1.22
Earnings per share after dilution, SEK	1.27	1.75	4.65	-1.69	0.91	1.53	4.83	0.31	1.22
Equity per share, SEK	35.14	31.52	35.68	33.75	34.42	30.51	35.22	35.68	36.36

\* During the first quarter 2015/16 is 10.5 MSEK attributable to costs for closing one store in the UK.

\*\* During the fourth quarter 2015/16 a non-recurring cost of 107.0 MSEK related to the restructuring of the store network in the UK affected the result. In addition, there was a tax effect on non-deductible expenses estimated to 7.1 MSEK.

### Seasonal fluctuations

Clas Ohlson's market and operations are influenced by consumer purchasing behaviour. The company's product range is particularly well suited to Christmas preparations and Christmas shopping, which means that the third quarter (November-January) is generally the strongest quarter of the financial year. This is followed by the second and first quarters and, finally, the fourth quarter, which is the weakest in terms of sales and profit.

## Parent Company Income Statement

MSEK	Note	3 Months		12 Months	
		May 2017 - Jul 2017	May 2016 - Jul 2016	Aug 2016 - Jul 2017	May 2016 - Apr 2017
Sales		1,431.5	1,399.3	6,416.3	6,384.2
Cost of goods sold	1	-1,041.4	-1,030.4	-4,590.7	-4,579.7
<b>Gross profit</b>		<b>390.1</b>	<b>368.9</b>	<b>1,825.6</b>	<b>1,804.5</b>
Selling expenses	1	-277.6	-270.8	-1,157.7	-1,150.9
Administrative expenses	1	-43.0	-38.6	-153.5	-149.1
Other operating income/expenses		0.1	-0.3	-1.4	-1.8
<b>Operating profit</b>		<b>69.5</b>	<b>59.2</b>	<b>513.1</b>	<b>502.7</b>
Dividends from group companies		0.0	0.0	103.2	103.2
Financial income		0.1	0.0	0.5	0.4
Financial expense		-0.5	-0.2	-2.5	-2.2
<b>Profit after financial items</b>		<b>69.2</b>	<b>59.0</b>	<b>614.3</b>	<b>604.1</b>
Appropriations		0.0	0.0	-76.2	-76.2
<b>Profit before tax</b>		<b>69.2</b>	<b>59.0</b>	<b>538.1</b>	<b>527.9</b>
Income tax		-15.7	-13.4	-94.0	-91.7
<b>Profit for the period</b>		<b>53.5</b>	<b>45.6</b>	<b>444.1</b>	<b>436.3</b>

## Parent Company Comprehensive Income Statement

MSEK	3 Months		12 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016	Aug 2016 - Jul 2017	May 2016 - Apr 2017
Profit for the period	53.5	45.6	444.1	436.3
Other comprehensive income, net of tax:				
Items that later can be reversed back to the Consolidated income statement:				
Income from hedge of net investment in foreign operations	-4.8	1.6	-4.0	2.4
<b>Other comprehensive income, net of tax</b>	<b>-4.8</b>	<b>1.6</b>	<b>-4.0</b>	<b>2.4</b>
<b>Total comprehensive income</b>	<b>48.6</b>	<b>47.2</b>	<b>440.1</b>	<b>438.7</b>

### Note 1 Depreciations

	3 Months		12 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016	Aug 2016 - Jul 2017	May 2016 - Apr 2017
Depreciations for the period	38.3	39.6	156.2	157.5

## Parent Company Balance Sheet

MSEK	31 Jul 2017	31 Jul 2016	30 Apr 2017
<b>Assets</b>			
Intangible assets	360.8	285.6	340.2
Tangible assets	754.4	819.1	775.6
Financial assets	181.4	186.0	186.3
Inventories	1,115.0	1,183.9	1,062.0
Other receivables	192.5	187.0	205.2
Liquid assets	605.2	417.8	540.9
<b>Total assets</b>	<b>3,209.2</b>	<b>3,079.4</b>	<b>3,110.2</b>
<b>Equity and liabilities</b>			
Equity	1,053.8	953.9	998.5
Untaxed reserves	1,048.5	972.3	1,048.5
Provisions	49.7	46.9	46.0
Long-term liabilities, Non-interest-bearing	5.0	5.0	5.0
Current liabilities, Non interest-bearing	1,052.2	1,101.3	1,012.2
<b>Total equity and liabilities</b>	<b>3,209.2</b>	<b>3,079.4</b>	<b>3,110.2</b>

## Accounting policies

Clas Ohlson applies the International Financial Reporting Standards (IFRS) adopted by the EU. This interim report has been prepared in accordance with the Swedish Annual Accounts Act, IAS 34 Interim Financial Reporting and RFR 1 Supplementary Accounting Rules for Groups. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in both notes and elsewhere in this interim report.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2. The same accounting policies are applied as for the Group, except in those cases described under the section headed "Parent Company accounting policies" in the 2016/17 Annual Report on page 103. The same accounting policies and calculation methods are applied as in the latest annual report.

New and revised IFRSs and interpretations applied from 1 May 2017 did not have any discernible effect on the consolidated financial statements.

For a more detailed description of the accounting policies applied to the Group and Parent Company in this interim report, refer to the 2016/17 Annual Report, pages 100-104.



## Key ratio definitions

Clas Ohlson uses certain financial measures in this interim report that are not defined in accordance with IFRS. Clas Ohlson believes that these key ratios are relevant to users of the financial report as a supplement for assessing Clas Ohlson's performance. These financial measures are not always comparable with the measures used by other companies since not all companies calculate such financial measures in the same way. Accordingly, these financial measures are not to be regarded as a replacement for measures defined according to IFRS. The measures not defined according to IFRS are presented below, unless otherwise stated.

### Average inventory value

Average inventory value is calculated as the total inventories for the most recent 12 months divided by 12.

### Capital employed

Balance-sheet total (total assets) less current liabilities and non-current liabilities, non-interest-bearing liabilities.

### Cash flow from operating activities

Operating profit adjusted for items not included in cash flow, interest, paid tax and change in working capital.

### Cash flow from operating activities per share

Cash flow from operating activities divided by the average number of shares before dilution.

### Comprehensive income per share

Comprehensive income divided by average number of shares before dilution.

### Dividend yield

Dividend per share divided by the year-end share price.

### Earnings per share (before and after dilution)\*

Profit for the period divided by the number of shares (before and after dilution).

### Equity per share

Equity divided by the number of shares outstanding at the end of the period.

### Equity/assets ratio

Equity at the end of the period divided by the balance-sheet total (total assets).

### Gross margin

Gross profit divided by sales for the period.

### Gross profit

Gross profit is calculated as the total of sales less cost of goods sold.

### Operating margin

Operating profit divided by sales for the period.

### Operating profit

Operating profit comprises profit before financial items and tax.

### P/E ratio

Share price at year-end divided by earnings per share before dilution.

### Payout ratio

Dividend divided by earnings per share before dilution.

### Return on equity

Net profit for the period expressed as a percentage of average equity. Average equity is calculated as the total equity for the most recent 12 months divided by 12.

### Return on capital employed

Operating profit plus financial income expressed as a percentage of average capital employed. Average capital employed is calculated as the total capital employed for the most recent 12 months divided by 12.

\*Defined in accordance with IFRS.

Sales growth

Sales in relation to sales during the year-earlier period.

Working capital

The total of current assets, minus cash and cash equivalents (inventories and current receivables), less current non-interest-bearing liabilities.

## Glossary

Average receipt

Average amount per purchase.

Clas Office

Our concept that facilitates purchases for our corporate customers.

Club Clas

Our loyalty program, our loyalty club.

Code of Conduct

The standards we set for ourselves, and the suppliers of our products and services, regarding working conditions, workplace health and safety and the environment.

Comparable units

Units that have been in operation during the current period and the entire year-earlier period.

Conversion rate

The percentage of visitors who make a purchase.

Franchise

Concept whereby we “rent” our brand to an external player, who operates a store under our name.

GRI

The Global Reporting Initiative, a global standard for sustainability reporting.

Nasdaq Stockholm

Marketplace for trading with securities, where Clas Ohlson’s Series B share is listed.

Omni-channel

A shopping experience where customers perceive a seamless interaction between physical stores, the online store and telephone sales.

Products for a more sustainable lifestyle

Products with a positive, or significantly lower, environmental impact throughout their life cycle than a standard product.

Sales per square metre

Store sales in relation to the effective retail space. For new stores, a conversion has been made in relation to how long the store has been open.

sCORE

Systems for Clas Ohlson Retail Efficiency, our project for the introduction of a new business system.

Store traffic

Number of visitors.

## Alternative Performance Measures

This section contains a reconciliation of certain alternative performance measures (APMs) with the closest reconcilable items in the financial statements. As analysis tools, APMs are limited, and must be considered in their context and not as a replacement of financial measures prepared in accordance with IFRS. APMs are presented to improve an investor's evaluation of the operations, as an aid in forecasts of forthcoming periods, and to simplify meaningful comparisons of earnings between periods. Management uses these APMs, for example, to evaluate the operating activities compared with previous results, for internal planning and forecasts and to calculate certain performance-related remuneration. For definitions, refer to page 16. The APMs recognised in this quarterly report may differ from similarly named measures used by other companies.

	3 Months		12 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016	Aug 2016 - Jul 2017	May 2016 - Apr 2017
<b>Return on equity</b>				
Net profit for the period	-	-	498.2	478.7
Average equity	-	-	2,167.9	2,136.8
<b>Return on equity</b>	<b>-</b>	<b>-</b>	<b>23.0%</b>	<b>22.4%</b>

**Reason for use:** Return on equity is a measure of profitability in relation to the carrying amount of equity. Return on equity is also a measure of how investments are used to generate increased income.

### Return on capital employed

Operating profit	-	-	634.6	609.9
Interest income	-	-	0.6	0.7
Average capital employed	-	-	2,177.9	2,146.8
<b>Return on capital employed</b>	<b>-</b>	<b>-</b>	<b>29.2%</b>	<b>28.4%</b>

**Reason for use:** Return on capital employed is a measure of profitability after taking into account the amount of capital used. A higher return on capital employed indicates that capital is used more efficiently.

### Gross margin

Gross profit	722.7	689.0	3,325.3	3,291.5
Sales	1,782.6	1,763.5	8,009.2	7,990.1
<b>Gross margin</b>	<b>40.5%</b>	<b>39.1%</b>	<b>41.5%</b>	<b>41.2%</b>

**Reason for use:** Gross margin shows the difference between net sales and the cost of goods sold expressed as a percentage of net sales. Gross margin is affected by several factors, for example, product mix, price trend and cost reductions.

### Gross profit, MSEK

Sales	1,782.6	1,763.5	8,009.2	7,990.1
Cost of goods sold	-1,059.9	-1,074.5	-4,683.9	-4,698.6
<b>Gross profit</b>	<b>722.7</b>	<b>689.0</b>	<b>3,325.3</b>	<b>3,291.5</b>

### Equity per share, SEK

Total equity	2,297.7	2,166.8	2,297.7	2,250.7
Number of shares at end of period (millions of share)	63.20	62.95	63.20	63.08
<b>Equity per share</b>	<b>36.36</b>	<b>34.42</b>	<b>36.36</b>	<b>35.68</b>

**Reason for use:** Equity per share measures the company's net value per share and determines whether a company increases its shareholders capital over time.

### Sales growth

Sales actual period	1,782.6	1,763.5	8,009.2	7,990.1
Sales previous period	1,763.5	1,769.8	7,595.4	7,601.6
<b>Sales growth</b>	<b>1.1%</b>	<b>-0.4%</b>	<b>5.4%</b>	<b>5.1%</b>

**Reason for use:** The change in sales reflects the company's realised sales growth over time.

### Average inventory value, MSEK

<b>Average inventory value</b>	<b>-</b>	<b>-</b>	<b>1,731.4</b>	<b>1,739.2</b>
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	3 Months		12 Months	
	May 2017 - Jul 2017	May 2016 - Jul 2016	Aug 2016 - Jul 2017	May 2016 - Apr 2017
<b>Cash flow from operating activities per share, SEK</b>				
Cash flow from operating activities	93.4	15.7	776.6	698.9
Number of shares before the dilution (millions of share)	63.19	63.29	63.03	63.05
<b>Cash flow from operating activities per share</b>	<b>1.48</b>	<b>0.25</b>	<b>12.32</b>	<b>11.08</b>

**Reason for use:** Cash flow from operating activities per share measures the cash flow that the company generates per share before capital investments and cash flows attributable to the company's financing.

#### Working capital, MSEK

Total current assets	2,594.5	2,479.1	2,594.5	2,476.4
-Cash and cash equivalents	-668.4	-494.7	-668.4	-625.1
-Current non-interest-bearing liabilities	-1,479.0	-1,523.6	-1,479.0	-1,421.9
<b>Working capital</b>	<b>447.1</b>	<b>460.8</b>	<b>447.1</b>	<b>429.3</b>

**Reason for use:** Working capital is used to measure the company's ability to meet short-term capital requirements.

#### Operating margin

Operating profit	100.1	75.4	634.6	609.9
Sales	1,782.6	1,763.5	8,009.2	7,990.1
<b>Operating margin</b>	<b>5.6%</b>	<b>4.3%</b>	<b>7.9%</b>	<b>7.6%</b>

**Reason for use:** The operating margin shows operating profit as a percentage of net sales and shows operational profitability.

#### Equity/assets ratio

Total equity	2,297.7	2,166.8	2,297.7	2,250.7
Total assets	4,010.1	3,887.4	4,010.1	3,899.4
<b>Equity/Assets ratio</b>	<b>57.3%</b>	<b>55.7%</b>	<b>57.3%</b>	<b>57.7%</b>

**Reason for use:** A high equity/assets ratio provides the financial scope and independence required for conducting the operations and managing variations in the need for working capital and for capitalising on business opportunities.

#### Capital employed, MSEK

Total assets	4,010.1	3,887.4	4,010.1	3,899.4
Long-term non-interest-bearing liabilities	-233.4	-197.1	-233.4	-226.8
Current non-interest-bearing liabilities	-1,479.0	-1,523.6	-1,479.0	-1,421.9
<b>Capital employed</b>	<b>2,297.7</b>	<b>2,166.8</b>	<b>2,297.7</b>	<b>2,250.7</b>

**Reason for use:** Capital employed measures the company's ability, in addition to cash balances and cash and cash equivalents, to meet the needs of the operations.

#### Comprehensive income per share, SEK

Comprehensive income for the period	40.3	92.4	471.1	523.2
Average number of shares before dilution (millions of share)	63.19	63.29	63.03	63.05
<b>Comprehensive income per share</b>	<b>0.64</b>	<b>1.46</b>	<b>7.48</b>	<b>8.30</b>

#### Earnings per share (before and after dilution), SEK\*

Net profit for the period	77.4	57.9	498.2	478.7
Number of shares before dilution (millions of share)	63.19	63.29	63.03	63.05
Number of shares after dilution (millions of share)	63.37	63.57	63.16	63.25
<b>Number of shares before dilution</b>	<b>1.22</b>	<b>0.91</b>	<b>7.91</b>	<b>7.59</b>
<b>Number of shares after dilution</b>	<b>1.22</b>	<b>0.91</b>	<b>7.89</b>	<b>7.57</b>

\*Defined in accordance with IFRS

# Store overview

## New stores, first quarter

- Helsinki, Finland, opened in May 2017
- Farsund, Norway, opened in June 2017

## New stores after the end of the period

- Kempele, Finland, opened in August 2017

## Future store openings as of report date

- Varberg, Sweden, scheduled to open in autumn 2017
- Trondheim (City Lade), Norway, scheduled to open in October 2017
- Trondheim (Stjørdal), Norway, scheduled to open in autumn 2017
- Askim, Norway, scheduled to open in November 2017
- Leira, Norway, scheduled to open in November 2017
- Stathelle, Norway, scheduled to open in November 2017
- Bergen, Norway, scheduled to open in November 2017
- Hamburg, Germany, scheduled to open in winter 2017
- Sortland, Norway, scheduled to open in March 2018
- Husnes, Norway, scheduled to open in March 2018
- Tampere, Finland, scheduled to open in April 2018
- Helsinki, Finland, scheduled to open in September 2018
- Kungälv, Sweden, scheduled to open in March 2019

For more information, refer to the detailed list on the website [about.clasohlson.com](http://about.clasohlson.com)



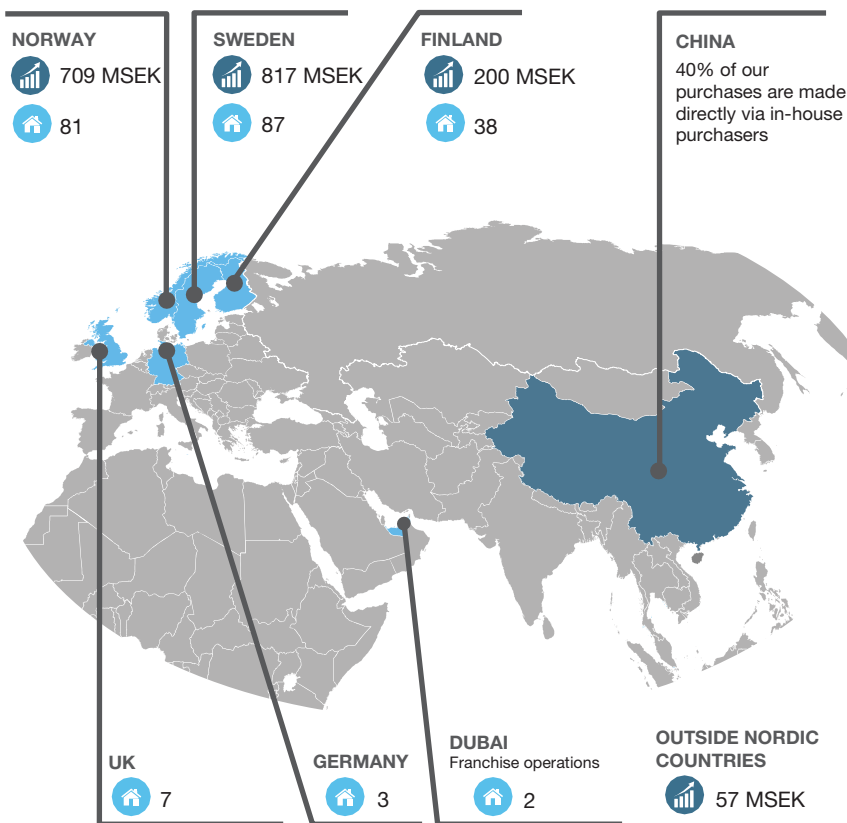
Clas Ohlson's first Compact Store in Finland was opened in Helsinki in May 2017.



A new store in Farsund in Norway was opened in June 2017.



A new Clas Ohlson store opened in Kempele in Finland in August 2017.



## The share

Clas Ohlson Series B shares have been listed on Nasdaq Stockholm since 1999 and are included in the Consumer Services sector index. The price paid on 31 July 2017 was 166 SEK per share.

### Number of shares

The number of registered shares totalled 65,600,000, unchanged from the preceding year. At 31 July 2017, the company held 2,400,865 shares (2,651,271) corresponding to 4 per cent (4) of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buy-back, was 63,199,135 (62,948,729).

### Dividend policy

Clas Ohlson's dividend policy is that the dividend is to comprise at least 50 per cent of earnings per share after tax, taking into account the company's financial position.

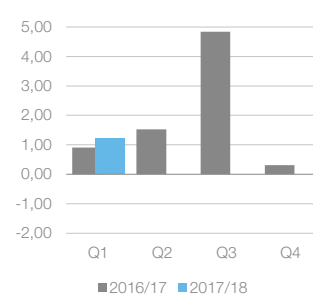
#### The largest shareholders 31 July 2017

Owner	Number of A-shares	Number of B-shares	Equity, %	Votes, %
Helena Tidstrand	1,368,060	6,179,828	12	17
Björn Haid	1,007,960	4,732,834	9	13
Johan Tidstrand	1,368,060	900,000	3	12
Peter Haid	1,007,960	3,785,243	7	12
Claus-Toni Haid	1,007,960	3,465,916	7	12
Nordea	0	3,758,910	6	3
If Skadeförsäkring AB	0	3,114,337	5	3
Afa Försäkring	0	2,864,209	4	2
Odin Sverige	0	1,762,392	3	2
Swedbank Robur fonder	0	1,240,281	2	1
Other shareholders	0	28,036,050	42	23
<b>Total</b>	<b>5,760,000</b>	<b>59,840,000</b>	<b>100</b>	<b>100</b>

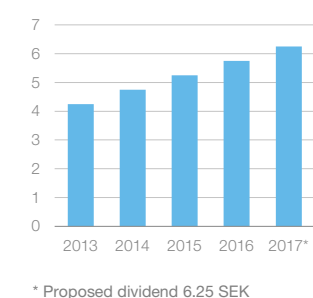
#### Share data

Listing	Nasdaq Stockholm Mid Cap
Ticker	Clas B
Industry	Consumer Services
ISIN code	SE0000584948

#### Earnings per share, SEK



#### Dividend per share, SEK





# clas ohlson in brief

**OUR VISION IS TO DEVELOP CLAS OHLSON** into a leading international modern hardware retailer, with high profitability that adds value for all stakeholders. Our value-creation model explains how we are to realise this vision.

The customer is the focus of our business model. We base everything on our customers and their needs, and offer smart, simple and practical solutions at attractive prices that help make and inspire a simpler everyday life and a more sustainable lifestyle. Our values and our strong corporate culture feature in all that we do and we endeavour to integrate sustainability aspects across the entire value chain. Our operations are based on clear and efficient processes for the customer offering, customer interaction, purchasing and distribution.

## Strategic focus areas

### Our way of working

We will rationalise and simplify our way of working

### Our people

We will be high performers and customer-oriented

### Customer offering

We will be the natural choice for practical solutions and sustainable solutions

### Customer interaction

We will increase customer loyalty and attract new customers

### Supply chain

We will optimise our supply chain – both purchasing and distribution.

### Expansion

We will expand, while also reducing our CO<sub>2</sub> emissions in relation to our net sales.

## Our mission

To help and inspire people to improve their everyday life by offering smart, simple, practical solutions at attractive prices.

## Financial objectives

- Annual sales growth in comparable units of at least 2 per cent
- Establishment of 10-15 new stores net during 2017/18
- An operating margin of at least 10 per cent
- The dividend is to comprise at least 50 per cent of earnings per share after tax, with consideration for the company's financial position. This is our dividend policy.

## Sustainability targets

- The proportion of products for a more sustainable lifestyle will represent at least 25 per cent of sales by 2020
- CO<sub>2</sub> emissions will gradually reduce relative to our sales
- 98 per cent of suppliers are to comply with the requirements of our Code of Conduct



### *Our business concept*

We will sell dependable products at low prices and with the right quality according to need.

[www.clasohlson.com](http://www.clasohlson.com)

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