

Clas Ohlson year-end report 2016/17

Fourth quarter

- Sales increased by 5% to 1,575 MSEK (1,504), 2% in local currencies
- Operating profit amounted to 17 MSEK (loss: 126 MSEK, operating loss of 19 MSEK excluding non-recurring items*)
- Result after tax totalled 20 MSEK (loss: 107 MSEK, operating loss of 17 MSEK excluding non-recurring items*)
- Earnings per share amounted to 0.31 SEK (loss: 1.70 SEK, loss per share of 0.27 SEK excluding non-recurring items*)
- The store portfolio was expanded by 3 stores (net)

Financial year

- Sales increased by 5% to 7,990 MSEK (7,602), 4% in local currencies
- Operating profit amounted to 610 MSEK (506 MSEK, 613 MSEK excluding non-recurring items*)
- Profit after tax amounted to 479 MSEK (379 MSEK, 469 MSEK excluding non-recurring items*)
- Earnings per share amounted to 7.59 SEK (6.00 SEK, 7.42 SEK excluding non-recurring items*)
- Cash flow from operating activities amounted to 699 MSEK (705)
- The proposed dividend is 6.25 SEK per share (5.75)

Events after the end of the reporting period

- Sales in May increased by 5% to 566 MSEK (540), up 3% in local currencies
- Decision by the Board to exercise the AGM's authorisation to buy back shares to secure the LTI 2017

*During previous year's first quarter 10.5 MSEK was attributable to costs for closing one store in the UK. During previous year (fourth quarter) a non-recurring cost of 107.0 MSEK related to the restructuring of the store network in the UK affected the result as well as a tax effect on non-deductible expenses estimated to 7.1 MSEK.

The 2016/17 financial year comprises the period from 1 May 2016 to 30 April 2017.

CEO's comments

A stable spring with many exciting news to our offering

We are closing our fourth quarter with sales of 1,575 MSEK, up 5 per cent year-on-year. We are therefore closing the financial year at new record levels, with annual sales of close to 8 billion MSEK.

During the quarter, Clas Ohlson increased sales by 5 per cent to 1,575 MSEK, and earnings to 17 MSEK. We are thereby closing our full-year with earnings of 610 MSEK, a good result that we are very pleased with given the currency challenges we faced during the year. Today we also present our monthly sales in May, which amounts to 566 MSEK, and represent an increase of 5 per cent compared with May last year.

An evolving customer offering

During the quarter, we introduced several new products into our customer offering, with the Workwear by Clas Ohlson collection representing the major spring launch. A continued focus on the solar panel range has also generated results and we can gladly confirm that our customers now to a greater extent prefer this more environmentally friendly alternative. During spring, we also took steps to provide customers with an even broader range of services by continuing to develop new services for the customer offering such as tool rental and installation services.

We are continuing to grow

During spring, we opened more stores in the new Clas Ohlson Compact Store format, and the first in Norway and Finland. We are looking forward to following the development, where we can offer our customers lots of smart products and practical solutions – as Clas Ohlson always does – in a significantly smaller retail space and with higher availability. We have also taken steps in our plan to restructure the UK store network by closing two more stores, while continuing to strengthen our position in Hamburg.

New steps in our sustainability efforts

Our focused and integrated efforts to achieve sustainability are guided by the slogan “From Here to Sustainability” and during the financial year, we exceeded a number of our sustainability targets. We have adopted new and even more ambitious targets, and are aiming to increase the proportion of products that promote a more sustainable lifestyle to 25 per cent of sales by 2020.

We are now entering a new financial year. On 1 August, our new President and CEO Lotta Lyrå will be taking over the helm and I extend her a warm welcome to Clas Ohlson.

Peter Jelkeby, Acting President and CEO of Clas Ohlson AB

Press and analyst conference

The interim report will be presented on Thursday 8 June, at 8:30 a.m., by teleconference or audio broadcast. The presentation can also be followed on about.clasohlson.com

For more information, please contact:

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Clas Ohlson was founded in 1918 as a mail order business based in Insjön, Sweden. Today, the company offers products and services for the small everyday practical problems, in six countries via its over 200 stores and online. Clas Ohlson offers a wide range of affordable products in five product areas: Hardware, Electrical, Home, Multimedia and Leisure. The company is listed on Nasdaq Stockholm, has sales of approximately 8 billion SEK and more than 4,700 employees. Visit Clas Ohlson at www.clasohlson.com