

Clas Ohlson three-month report 2017/18

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

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

The 2017/18 financial year comprises the period from 1 May 2017 to 30 April 2018.

CEO's comments

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

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 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 4,800 employees. Visit Clas Ohlson at www.clasohlson.com