

Clas Ohlson year-end report 2023/24

Positive result in the fourth quarter concludes a strong financial year

Fourth quarter – 1 February to 30 April

- Sales excluding the acquired Spares Group increased by 12% to 1,998 MSEK (1,776), an organic growth of 13% and an increase of 12% in comparable units. Sales including Spares Group amounted to 2,167 MSEK (1,776)
- Sales online excluding Spares Group increased by 11% to 246 MSEK (220). Sales online including Spares Group amounted to 414 MSEK (220)
- Operating profit amounted to 65 MSEK (-7)
- The operating margin was 3.0% (-0.4)
- Net debt/EBITDA (12 months) excl IFRS 16 amounted to -0.2 times (0.2)
- Profit after tax totalled 41 MSEK (-23)
- Earnings per share was 0.64 SEK (-0.36)

Financial year – 1 May to 30 April

- Sales excluding the acquired Spares Group increased by 10% to 9,885 MSEK (9,024), an organic growth of 11% and an increase of 11% in comparable units. Sales including Spares Group amounted to 10,232 MSEK (9,024)
- Sales online excluding Spares Group increased by 14% to 1,206 MSEK (1,054). Sales online including Spares Group amounted to 1,553 MSEK (1,054)
- Operating profit amounted to 717 MSEK (305). Adjusted operating profit amounted to 921 MSEK (459)
- The operating margin was 7.0% (3.4)
- Profit after tax totalled 509 MSEK (181)
- Earnings per share was 8.03 SEK (2.85)
- The proposed dividend is 4.25 SEK per share

Events after the end of the reporting period

- Sales in May, excluding the acquired Spares Group, increased by 15% to 772 MSEK (670), an organic growth of 13% and an increase of 10% in comparable units. Sales, including Spares Group, amounted to 848 MSEK (670)

CEO Kristofer Tonström comments on fourth quarter/financial year 2023/24:

For the first time since 2016/17, we have closed a fourth quarter with a positive result. The choices we have made to focus on our strengths in selected product niches, to continue to develop our strong brand and to invest in the customer meeting are yielding results. In the fourth quarter, organic sales growth was 13 per cent and operating profit improved to 65 MSEK, compared to -7 MSEK in the previous year. For the full year, organic sales growth was 11 per cent, compared to the target of 5 per cent, and the operating margin improved to 7 per cent, compared to the profitability target of 7-9 per cent. All in all, earnings per share grew to SEK 8.03, which means that the Board's proposal to distribute SEK 4.25 per share means an increase of the dividend by SEK 2.75 per share compared to last year, while we at the same time have the opportunity to continue to invest in the business for continued growth.

Initiatives that deliver results

Growth in all prioritised product categories continued in the fourth quarter. We have maintained a high pace in launching new products, which has driven both customer interest and sales. Combined with relevant marketing, this strengthens Clas Ohlson as a destination for home fixing, as customers increasingly see us as the first choice in more of our niches. This is also reflected in an increasingly large customer base, where growth has been particularly good in younger customer segments. In total, we had more than 5.4 million members in Club Clas at the end of the fourth quarter, which is an increase of approximately 400,000 members compared to last year.

The development of the customer meeting in stores and online has proceeded with good results. Customers appreciate the service they receive, and sales in comparable units increased by 12 per cent in the fourth quarter. At the same time, we continued to develop the store network with seven store openings and one closure. We look forward to opening more Clas Ohlson stores during the new financial year and, as previously communicated, the goal is a net addition of approximately 10 new stores in 2024/25. E-com continues to grow faster than in-store sales, and here too, customer satisfaction is crucial. Since the acquisition of Spares last autumn, online sales as share of total sales amounts to 18 per cent and the online business will continue to be an important growth driver.

Competitiveness at all levels

We want to continue to streamline ourselves at all levels to further strengthen our competitiveness. We have moved to a lower cost level through the changes we have implemented in the organisation over the past year and are now taking the next step. Previously communicated simplification of the IT landscape is now entering the next phase with the implementation of new standardised systems that will help us lower operational costs. Constantly working on operational efficiency is necessary to enable growth initiatives and to defend our price position in the market.

Clear plan for sustainable and profitable growth

The initiatives we have been working on contribute to sustainable and profitable growth, and we will continue to work on the current path to create customer and shareholder value also in 2024/25. For example, the work on expanding the store network will continue and at the same time be broadened to include more improvement measures in existing stores. With the ambitious plan for the store network and the IT project mentioned above, we will return to a more normal total investment level of approximately 200 MSEK for the 2024/25 financial year, with IT investments accounting for around 30-50 MSEK.

We also continue to tie sustainability work even closer to the business with investments in the spare part offering and other initiatives that create a more sustainable business model.

The ambitions are high, but with the commitment of all employees in the organisation, we are building Clas Ohlson stronger for the future every day. The organic sales increase in May of 13 per cent, with strong sales for both base assortment and seasonal products, is a further sign that we are on the right track. Looking forward to seeing you in the stores and online!

Webcasted presentation today at 9.00 a.m.

President and CEO Kristofer Tonström and CFO Pernilla Walfridsson will comment on the report at 9:00 CET today at a webcasted presentation. The presentation will be held in English and is followed by a Q&A session.

If you wish to participate via webcast, please use the link below. Via the webcast you are able to ask written questions. [Link to webcast.](#)

If you wish to participate via teleconference please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference. [Link to teleconference.](#)

An on-demand version of the webcast will be available at about.clasohlson.com after closing of the presentation.

For more information, please contact:

Niklas Carlsson, Head of Communications and IR +46 247 444 29, niklas.carlsson@clasohlson.se

This is information that Clas Ohlson AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact person set out above, at 7:00 a.m. CET on 5 June 2024.

Clas Ohlson was founded in 1918 as a mail order business in Insjön, Sweden. Today we are a retail company with customers in three markets, approximately 5,000 co-workers and annual sales of approximately 10 billion SEK. Our share is listed on Nasdaq Stockholm. A lot has happened since the start in 1918, but one thing has remained the same over the years; that we want to help people fix their homes with practical and sustainable solutions at attractive prices. Visit about.clasohlson.com/en to read more about us and how we make home fixing available, sustainable and enjoyable for everyone.