

Clas Ohlson nine-month report 2016/17

Third quarter

- Sales increased by 9% to 2,695 MSEK (2,482), 5% in local currencies
- Operating profit increased by 2% to 390 MSEK (382)
- Profit after tax increased by 4% to 305 MSEK (294)
- Earnings per share increased by 4% to 4.84 SEK (4.66)
- The store portfolio was expanded by five stores (net), including a third store in Hamburg and a second franchise store in Dubai
- It was announced that Lotta Lyrå is to assume the position of new President and CEO of Clas Ohlson

Nine months

- Sales increased by 5% to 6,415 MSEK (6,098), 4% in local currencies
- Operating profit amounted to 592 MSEK (633)
- Profit after tax amounted to 459 MSEK (486)
- Earnings per share amounted to 7.28 SEK (7.70)
- Cash flow from operating activities amounted to 763 MSEK (908)

Events after the end of the reporting period

- February sales increased by 3% to 511 MSEK (495), unchanged in local currencies
- During the coming 2017/18 financial year, Clas Ohlson plans to establish 10-15 new stores net

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

CEO's comments

Strong Christmas trading with record-breaking earnings

Clas Ohlson summarises the company's third and most important quarter with sales growth of a full 9 per cent. Despite continued negative impact from currency hedging in NOK, Clas Ohlson delivers record earnings.

We are continuing to grow and sales increased by 9 per cent to 2,695 MSEK, corresponding to sales growth of as much as 3 per cent in comparable units. A high level of activity was noted in our stores and online shopping channels during the winter months and we are very pleased with our Christmas trading performance.

There was also an improvement in our year-on-year earnings despite the negative effects of currency hedging in NOK. Given that nearly 40 per cent of our sales are conducted in Norway, a stronger NOK is fundamentally positive for Clas Ohlson.

We are also reporting our February sales today, which were negatively impacted by a calendar effect of 4 per cent, amounting to 511 MSEK.

Continued growth and international expansion

We opened five new stores in four markets during the winter. Our investments in expanding outside the Nordics is continuing as we have now completed the first stage of our establishment in Germany, with online shopping and three stores in prime locations in Hamburg. The ongoing restructuring programme in the UK is progressing and the strategy of clustering stores to the London region is generating results. In the forthcoming financial year, we expect to be able to expand our store network by 10 to 15 stores in our existing markets and to continue to see growth in our online shopping business.

We are also continuing to develop our omni-channel strategy with our new smaller format stores called "Clas Ohlson Compact Store" and the focus on our "Rent at Clas Ohlson" service concept.

Satisfied customers and several awards during the quarter

During the quarter, we also received recognition for our customer interaction, both online and in-store. It was particularly pleasing that the store on Jungfernstieg in Hamburg was nominated for "Store of the Year" in Germany within our category. We also claimed the position of fifth best company in the Nordic region in terms of development of digital channels, which was based on such criteria as digital communication, online shopping and social media. We are very pleased and proud of the recognition we have received for our achievements. We are now looking forward to an exciting spring offering our customers many new practical products to make everyday life easier.

Peter Jelkeby, Acting President and CEO of Clas Ohlson AB

Press and analyst conference

The nine-month report will be presented on 15 March at 8:30 a.m. at Clas Ohlson's store at Drottninggatan 53 in Stockholm, Sweden. 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 over 7.5 billion SEK and more than 4,700 employees. Visit Clas Ohlson at www.clasohlson.com.*