

Clas Ohlson six-month report 2023/24

Continued strong sales development and improved profitability

Second quarter – 1 August to 31 October

- Sales increased by 9% to 2,460 MSEK (2,250), an organic growth of 10% and an increase of 10% in comparable units
- Online sales increased by 15% to 297 MSEK (258)
- Operating profit excluding items affecting comparability totalled 277 MSEK (112). Operating profit amounted to 245 MSEK (112)
- The operating margin was 10.0% (5.0)
- Net debt/EBITDA (12 months) excl IFRS 16 amounted to 0.0 times (0.8)
- Profit after tax totalled 173 MSEK (69)
- Earnings per share was 2.74 SEK (1.10)

Six months – 1 May to 31 October

- Sales increased by 8% to 4,653 MSEK (4,294), an organic growth of 9% and an increase of 10% in comparable units
- Online sales increased by 12% to 550 MSEK (490)
- Operating profit excluding items affecting comparability totalled 431 MSEK (131). Operating profit amounted to 230 MSEK (96)
- The operating margin was 4.9% (2.2)
- Profit after tax totalled 147 MSEK (45)
- Earnings per share amounted to 2.32 SEK (0.72)

Events after the end of the reporting period

- On 8 November, the acquisition of 91% of the shares in Spares Europe AB, a leading company within spare parts and accessories for electronics as well as batteries, was finalised
- Sales in November, excluding the acquired Spares Group, increased by 4% to 1,130 MSEK (1,085), an organic growth of 7% and an increase of 6% in comparable units. Sales, including Spares Group, amounted to 1,196 MSEK (1,085)
- Sales online in November, excluding Spares Group, increased by 12% to 172 MSEK (154). Sales online, including Spares Group, amounted to 239 MSEK (154)

CEO Kristofer Tonström comments on second quarter 2023/24:

In an uncertain world, it is more important than ever to maintain focus on what we ourselves can influence, which the organisation has succeeded in doing in an impressive way. With a relevant assortment, the right price and great engagement in helping our customers in the best way possible in all sales channels, an organic sales increase of 10 per cent was achieved in the second quarter of the year. The measures to create a more competitive cost base have proceeded as planned, while cost inflation and the weak Swedish krona have had a negative impact. All in all, we have managed to improve profitability compared to the previous year. Operating profit totalled 245 MSEK (112) in the second quarter, corresponding to an operating margin of 10 per cent. Christmas sales has started well with November sales increasing 7 per cent organically compared with the previous year.

A relevant assortment with many new products

Despite the fact that customers generally have less money to spend, we have seen strong demand for practical home fixing products. We have succeeded in creating the right offers and the trend of growth in all prioritised product categories continued in the second quarter. Customers have appreciated the large flow of new products during the autumn and together with a high level of service in stores and online, this has contributed to an increase in customer satisfaction from already high levels. Customer satisfaction and our many customer relationships are strong competitive advantages. The Club Clas loyalty programme, which enables us to communicate directly with our customers, is an important piece of the puzzle for future growth. The membership base in Club Clas now exceeds 5.2 million members.

A relevant product range will always be a prerequisite for profitable growth. How we work with the product range is also the single most important part of our sustainability pledge. At Clas Ohlson, the customer should always be able to find a carefully selected range of relevant products that in addition to solving concrete problems in everyday life also contribute to a more sustainable life. This is why we are focusing on increasing the availability of our large range of spare parts. In November, we rolled out spare parts sales in another 100 stores, which means that we now have spare parts for sale both online and in all stores in Sweden, Norway and Finland.

The structurally increasing demand for spare parts is also an important reason why we during the autumn chose to acquire Spares Europe. Spares is a leading company in spare parts and accessories for electronic products and batteries and with Spares as

part of the Clas Ohlson group, we will strengthen the core business and create new growth opportunities in a growing market segment. In addition, Spares is assessed to be earnings per share accretive upon closing, and I look forward to working with the team at Spares to take the next step in our common journey.

Growing online sales and store network

E-commerce grew by 15 per cent in the second quarter. We have launched many new products exclusively in our online channel and we are continuing to fine-tune our logistics to handle larger volumes and increased demands for rapid deliveries. With a growth in comparable units of 10 per cent in the quarter, we also look forward with confidence to opening more Clas Ohlson stores. When we opened at Kungsholmen in Stockholm and Notodden in Norway on 9 November, the queues were long and the initial sales trend is promising. The fact that we are already noticing great interest in future store openings is an additional sign of the strength of the brand and that customers appreciate when we become even more accessible in their neighbouring area. The target is to open about ten new stores in 2023/24, which we will achieve, and in addition, four contracts for the next financial year have been signed.

Full focus on our long-term goals

To summarise, we see that the work we are doing on the product range, e-com and growing the number of stores in attractive locations is moving in the right direction. To enable the growth initiatives and a stronger Clas Ohlson in the long term, work is also continuing to simplify ways of working and to reduce costs. The macroeconomic challenges we have seen recently are likely to remain, including the uncertainty about customers' spending power. We are determined to work hard to stay relevant to our customers and achieve our long-term goals of sustainable and profitable growth. The key, as always, is to satisfy the customer and thus also create the conditions for shareholder value over time. Confident in knowing that we have Christmas gifts that suit most interests and wallets, we are now entering the final period of Christmas shopping with great energy. 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, enter via the link below. Via the webcast, you have the opportunity ask questions in writing.
about.clasohlson.com/q2-2324-en

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 teleconference.](#)

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

For more information, please contact:

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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 9 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.