

## **Clas Ohlson nine-month report 2023/24**

### ***Organic sales growth of 12 per cent and significantly improved operating profit***

#### **Third quarter – 1 November to 31 January**

- Sales excluding the acquired Spares Group increased by 9% to 3,233 MSEK (2,954), an organic growth of 12% and an increase of 12% in comparable units. Sales including Spares Group amounted to 3,412 MSEK (2,954)
- Sales online excluding Spares Group increased by 19% to 410 MSEK (343). Sales online including Spares Group amounted to 589 MSEK (343)
- Operating profit amounted to 422 MSEK (215). Adjusted operating profit amounted to 425 MSEK (334)
- The operating margin was 12.4% (7.3)
- Net debt/EBITDA (12 months) excl IFRS 16 amounted to -0.5 times (-0.1)
- Profit after tax totalled 321 MSEK (158)
- Earnings per share was 5.07 SEK (2.50)

#### **Nine months – 1 May to 31 January**

- Sales excluding the acquired Spares Group increased by 9% to 7,886 MSEK (7,248), an organic growth of 10% and an increase of 11% in comparable units. Sales including Spares Group amounted to 8,065 MSEK (7,248)
- Sales online excluding Spares Group increased by 15% to 960 MSEK (834). Sales online including Spares Group amounted to 1,139 MSEK (834)
- Operating profit amounted to 651 MSEK (312). Adjusted operating profit amounted to 856 MSEK (466)
- The operating margin was 8.1% (4.3)
- Profit after tax totalled 468 MSEK (204)
- Earnings per share was 7.39 SEK (3.21)

#### **Events after the end of the reporting period**

- Sales in February, excluding the acquired Spares Group, increased by 17% to 636 MSEK (541), an organic growth of 19% and an increase of 19% in comparable units. Sales, including Spares Group, amounted to 686 MSEK (541)
- Sales online in February, excluding Spares Group, increased by 20% to 72 MSEK (60). Sales online, including Spares Group, amounted to 122 MSEK (60)

***CEO Kristofer Tonström comments on third quarter 2023/24:***

The positive momentum we have created with the right products at the right price, good product availability and good customer service has resulted in a strong third quarter in the financial year 2023/24. Sales increased across all prioritised product categories and in all markets. Overall, we achieved an organic sales increase of 12 per cent and operating profit improved to 422 MSEK compared with 215 MSEK the previous year. The operating margin for the quarter thereby amounted to 12.4 per cent (7.3).

We continue to work according to our plan to create customer and shareholder value through sustainable and profitable growth. The fourth quarter of the year has started well with an organic sales increase of 19 per cent in February. The sales increase comes from growth in all three markets and from all prioritised product categories. We have continued to renew our assortment in February, which also means we have phased out older products at a higher pace.

**Our growth initiatives are delivering results**

The external environment remains challenging in many ways, but the organisation has shown great determination to succeed in our three major focus areas for growth:

- A relevant assortment all year around
- A growing and profitable online business
- Expanding the store network

We clearly see that the many new products generate customer traffic and sales both in stores and online. By developing the range with more products that make home improvement easier and more fun, it also becomes clearer to customers what they can find at Clas Ohlson. Customers come to us to solve everyday problems and they appreciate both the products and the service they receive. And the number of customers is growing. We now have 5.4 million members in the Club Clas loyalty programme - about 25 per cent of all residents in our three markets - which is an increase of eight per cent compared with the previous year. The membership increase comes largely from younger customers, which is also an important piece of the puzzle in the continued growth journey.

### **New targets for the store expansion**

Sales in comparable stores increased by 12 per cent in the quarter and the new stores we opened have been well received by customers. In Q3 we opened three new stores and in the last few days alone we have opened two rebuilt stores and closed one. The development of the store network will continue with more store openings in the last months of the year, and we look forward to continuing the store expansion also in 2024/25. We already have eight store contracts signed for the next financial year and, as in the current year, we are aiming to open around ten new stores net in 2024/25. At the same time as planning for more stores, we also see opportunities to rebuild and modernise existing stores to improve the conditions for continued sales growth.

### **A growing online business**

Our online business also performed well in the quarter in an otherwise relatively weak e-commerce market. Our model in which online sales is closely linked to the store network is appreciated by customers and, with growth of 19 per cent in the quarter, e-com continues to account for a significant portion of total growth. Including sales from Spares Europe, which was acquired in November and consolidated into the Clas Ohlson Group as of the third quarter, approximately 17 per cent of the Group's total sales come from e-commerce. We now look forward with confidence to the opportunities provided by a leading company in spare parts and accessories for electronic products as part of Clas Ohlson.

### **A quality-labelled sustainability work**

Extending the life of electronic products also fits well with the work we are doing to build a more sustainable business model. Spare parts play an important role and we have processes in place to ensure that the products we sell are of good quality and last a long time. Together with our suppliers, we are also improving production methods and material choices so that products can be more easily reused and recycled. A sign that we are continuing to take steps in the right direction is that we were placed in joint seventh place among 130 evaluated Swedish listed companies in the latest Hållbara bolag (Eng: Sustainable Companies) report. Hållbara bolag is a study of the sustainability work of Swedish companies conducted annually by Lund University in collaboration with the newspapers Dagens Industri and Aktuell Hållbarhet.

**Focus on things we can influence ourselves**

Right now, the organisation is fully focused on ending the financial year in the best possible way. As usual, we are putting all our energy into things we can influence ourselves, both in terms of cost control and offering customers a really good shopping experience. This is particularly important in a market climate where customers have a slightly more positive view of the future, but where much uncertainty remains.

Consumers continue to be pressured by cost inflation and high mortgage rates, while rent indexation and new disruptions in the logistics chain after the unrest in the Red Sea are some examples of challenges that we need to address. Strengthened by the recent developments and with a Clas Ohlson team that always wants to be one step ahead, I am convinced that we will succeed.

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](http://about.clasohlson.com) 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](http://about.clasohlson.com/en) to read more about us and how we make home fixing available, sustainable and enjoyable for everyone.*