

Clas Ohlson nine-month report 2017/18

Third quarter

- Sales increased by 2% to 2,746 MSEK (2,695), up 4% in local currencies
- Operating profit amounted to 349 MSEK (390)
- Profit after tax amounted to 270 MSEK (305)
- Earnings per share amounted to 4.28 SEK (4.84)
- The store portfolio was expanded by 1 store net
- Strategic partnership agreement signed with MatHem i Sverige AB
- Franchise with SYH Retail discontinued

Nine months

- Sales increased by 2% to 6,528 MSEK (6,415), up 3% in local currencies
- Operating profit amounted to 574 MSEK (592)
- Profit after tax amounted to 444 MSEK (459)
- Earnings per share amounted to 7.02 SEK (7.28)
- Cash flow from operating activities amounted to 772 MSEK (763)

Events after the end of the reporting period

- In February, sales increased by 2% to 518 MSEK (511), up 3% in local currencies
- The store portfolio was expanded by 1 store net
- In March, we kicked-off our 100 year anniversary in all our sales channels in all markets

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

CEO's comment

A quarter of continued increased sales in the important Christmas shopping period

Our sales in our third and most important quarter amounted to 2,746 MSEK, up 2 per cent year-on-year. During the period, we initiated a number of initiatives to meet the development in the market and to strengthen our customer offering in both the short and long term.

The changes in the marketplace entail many opportunities for Clas Ohlson, in both the short term and long term. Based on our strong position and our strong brand, we are working to develop the customer offering, customer meeting and our sales channels.

Stable sales growth in the quarter

In the short-term perspective, we can conclude that our Christmas sales figures were our best ever, with more and better offerings to our customers than in previous years. Our important third quarter was a stable period in terms of sales with growth of 4 per cent in local currencies and a sales increase in comparable units of 1 per cent. Online sales performed well in all our markets, particularly in the UK.

We invested more in marketing and the margin during the period in order to drive sales, which has negatively impacted profits compared with previous years. Operating profit for the quarter amounted to 349 MSEK.

Today, we can also report February sales and can conclude that we had continued stable sales of 518 MSEK, up 3 per cent in local currency year-on-year.

Continued steps towards a stronger offering

To strengthen our offering going forward, we launched a number of new initiatives during the period. In Norway, we launched Click & Collect in the entire Norwegian store network. In Sweden, we entered into a partnership with Telenor in a number of selected stores to broaden our offering to customers.

We also worked intensively during the quarter with the online grocery shopping service MatHem to prepare our joint offering. We can come closer to our customers by using MatHem's digital platform to supplement an offering of home deliveries direct to the door and reach new customer groups. We expect to receive the first customer order in just a few weeks.

Just the other day, we kicked off the celebrations of our 100 year anniversary. As a customer, you will enjoy a wide range of fantastic offerings and surprises in our stores and online throughout 2018. But I will not reveal any more just yet.

Plan for future growth

In the longer perspective, we are working on developing Clas Ohlson's plan for future growth. As previously communicated, the plan will be presented at a Capital Markets Day on 3 May in Stockholm.

Lotta Lyrå, President and CEO of Clas Ohlson AB

Press and analyst conference

The nine-month report will be presented on 14 March at 8:30 a.m. by teleconference or audio broadcast. The presentation can also be followed on about.clasohlson.com/1718-q3.

For more information, please contact:

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This is information that Clas Ohlson AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 7:00 am CET on 14 March 2018.

***Clas Ohlson** was founded in 1918 as a mail order business based in Insjön, Sweden. This year, we are celebrating 100 years as a business with customers in five markets, more than 4,800 co-workers and annual sales of approximately 8 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 and inspire people to improve their everyday lives by offering smart, simple, practical solutions at attractive prices. Read more about our history on clasohlson100.com/en or visit about.clasohlson.com for current events and information.*