



Q3 Report 2011/2012

8 March 2012

Agenda

1. Q3 2011/12
2. First nine months 2011/12
3. Strategic updates and outlook
4. Q&A



**18-3116 Cotech 120
pressure washer SEK 899:-**

Clas Ohlson today

- A retail chain with 154 stores in 4 countries
- E-commerce & Catalogue
- Sales of SEK 6 billion
- 4,000 employees
- 64 million visitors – 31 million customers
- Product range that solves small practical problems of everyday life



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Q3 2011/12
November-January

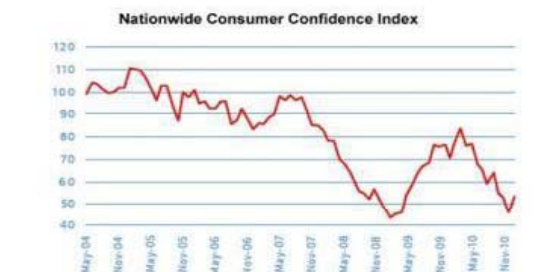
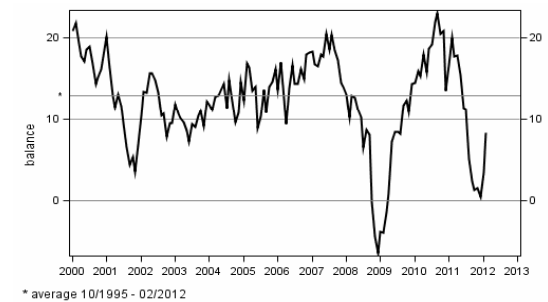
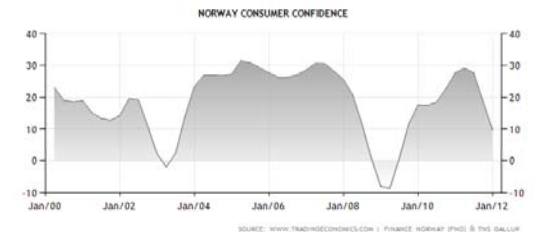


18-2026 LED Garden Light
SEK 399:-

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Challenging market

- CCI Sweden at Index -7 in December with slight improvement to Index -3 in January
- CCI Norway declined to Index 9.7 in the fourth quarter of 2011 from 18.6 in the third quarter of 2011
- CCI Finland at Index 0.4 in December with slight improvement to index 3.4 in January
- CCI UK at Index -33 in December, lowest ever recorded, with slight improvement to index -29 in January

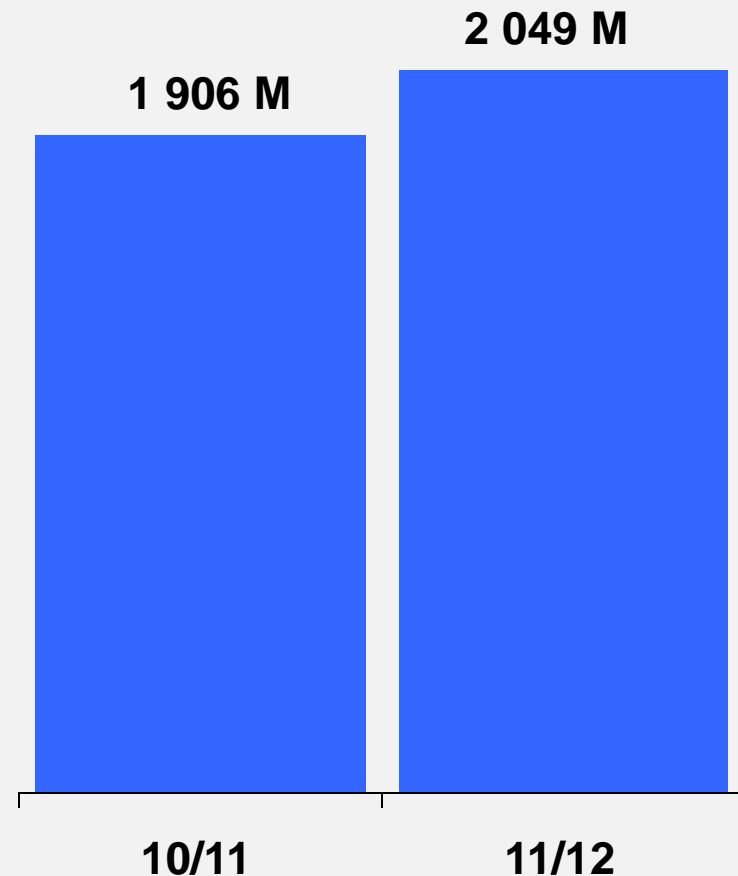


CCI: Consumer Confidence Index Dec 2011 – Jan 2012



Sales – Q3

- Sales up 7% to SEK 2 049 M, +7% in local currencies
 - 16 (20) more stores compared to preceding Q3
 - Comparable stores in local currency -2%
 - New stores +9%
 - Currency effects 0%
- E-com sales SEK 31 M (28)
- Increased market shares in overall challenging market

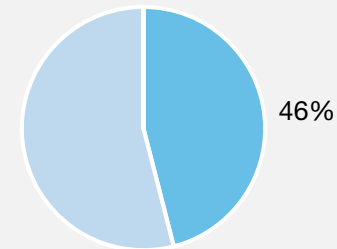


Sweden – Q3

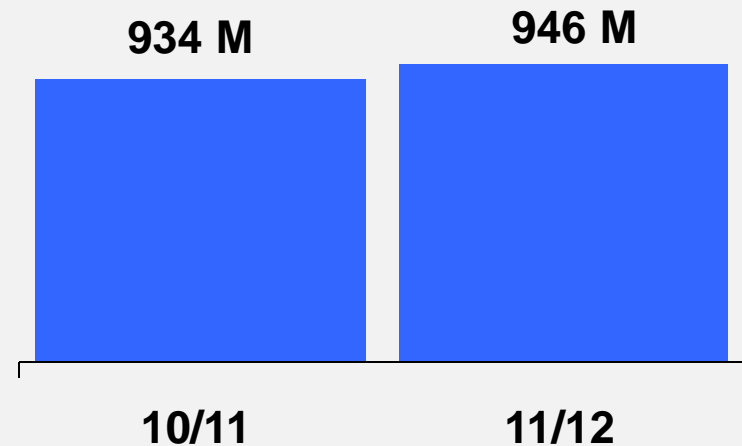
- Sales +1%
 - No new stores during Q3.
Total of 64
 - 3 more stores compared to preceding Q3
- Weak overall market development and consumer confidence



Portion of sales, Sweden



Sales Sweden

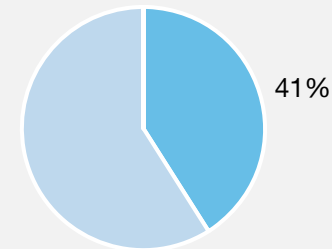


Norway – Q3

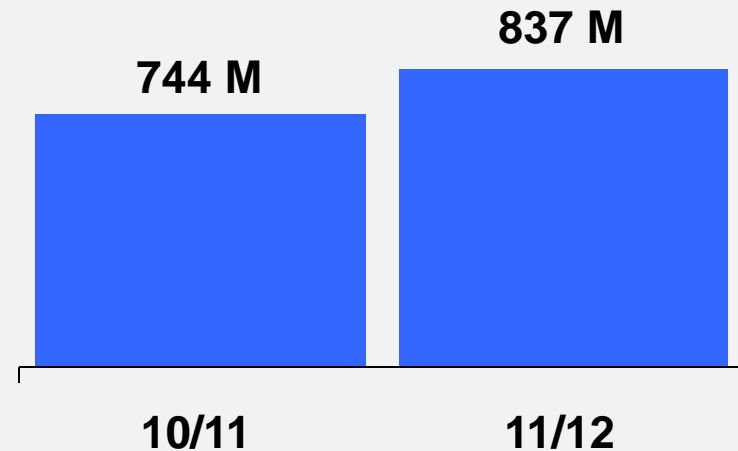
- Sales +12%
 - +10% in local currency
 - 1 new store during Q3.
Total of 55
 - 8 more stores compared to preceding Q3
- Weak but fairly stable overall market development



Portion of sales, Norway



Sales Norway

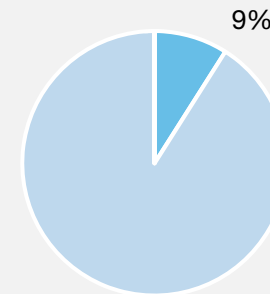


Finland – Q3

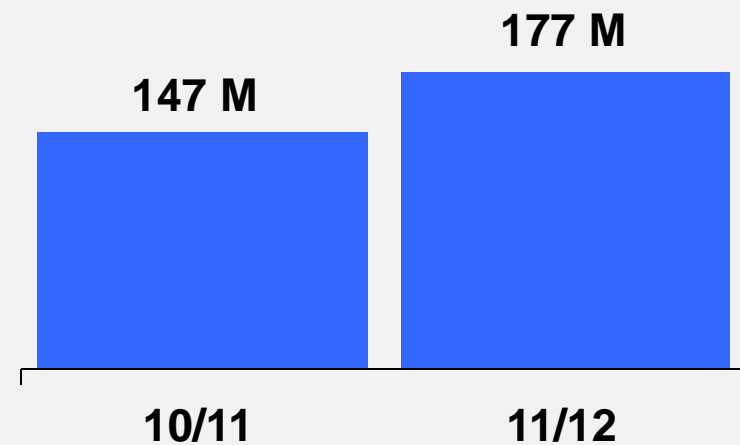
- Sales +20%
 - +21% in local currency
 - 2 new stores during Q3.
Total of 21
 - 4 more stores compared to preceding Q3
- Continued positive sales trend
- Strengthened brand and market position
- Soft market but recovering



Portion of sales, Finland



Sales Finland

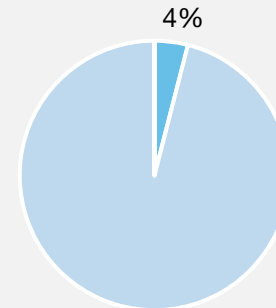


UK – Q3

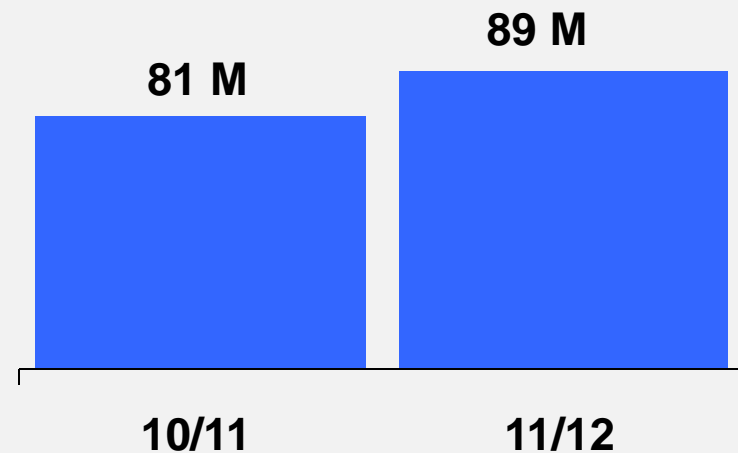
- Sales +10%
 - +10% in local currency
 - No new stores during Q3.
Total of 12
 - 1 more stores compared to preceding Q3
- Retail market under pressure.
High level of sales offers in market



Portion of sales, UK



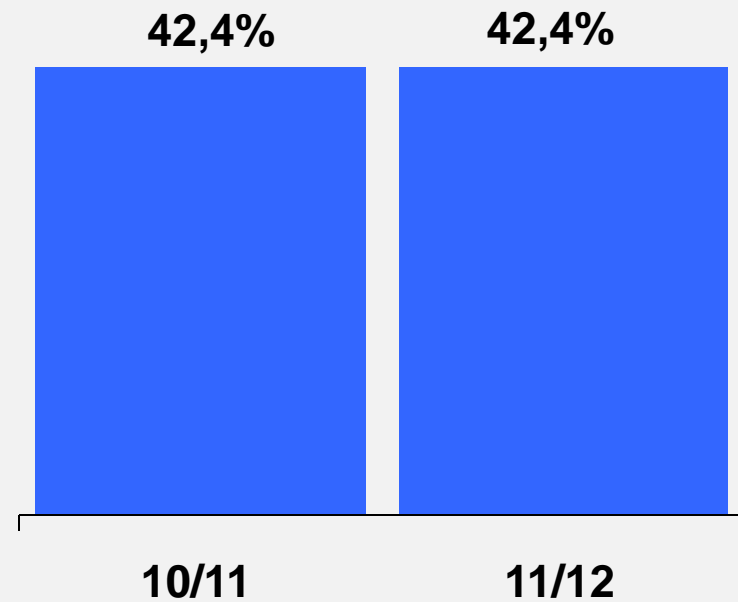
Sales UK



Gross margin – Q3

Gross margin unchanged at 42.4%

- + Positive currency effect (USD)
- Sales Mix



Currency effects Q3 11/12 vs. Q3 10/11

NOK/SEK

Sales:



USD/SEK

Purchasing:



Policy to hedge 50% of expected flows

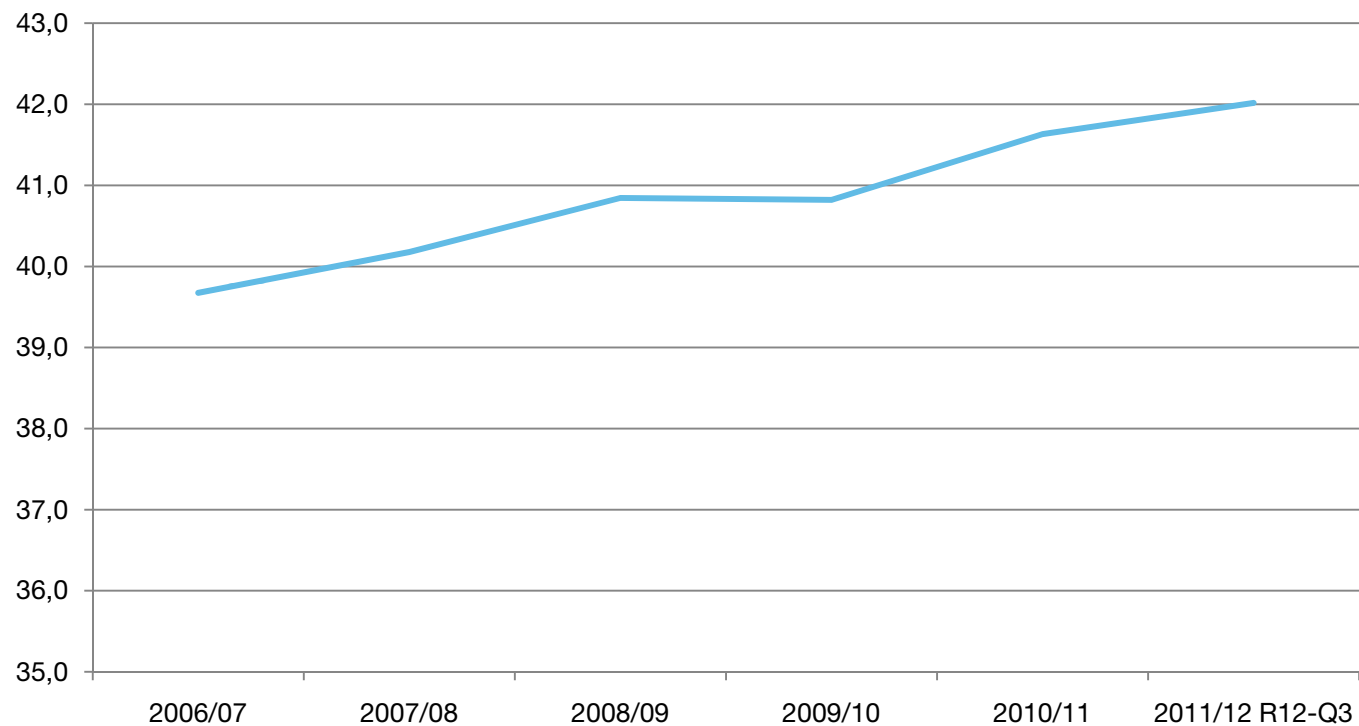


Time period for sales

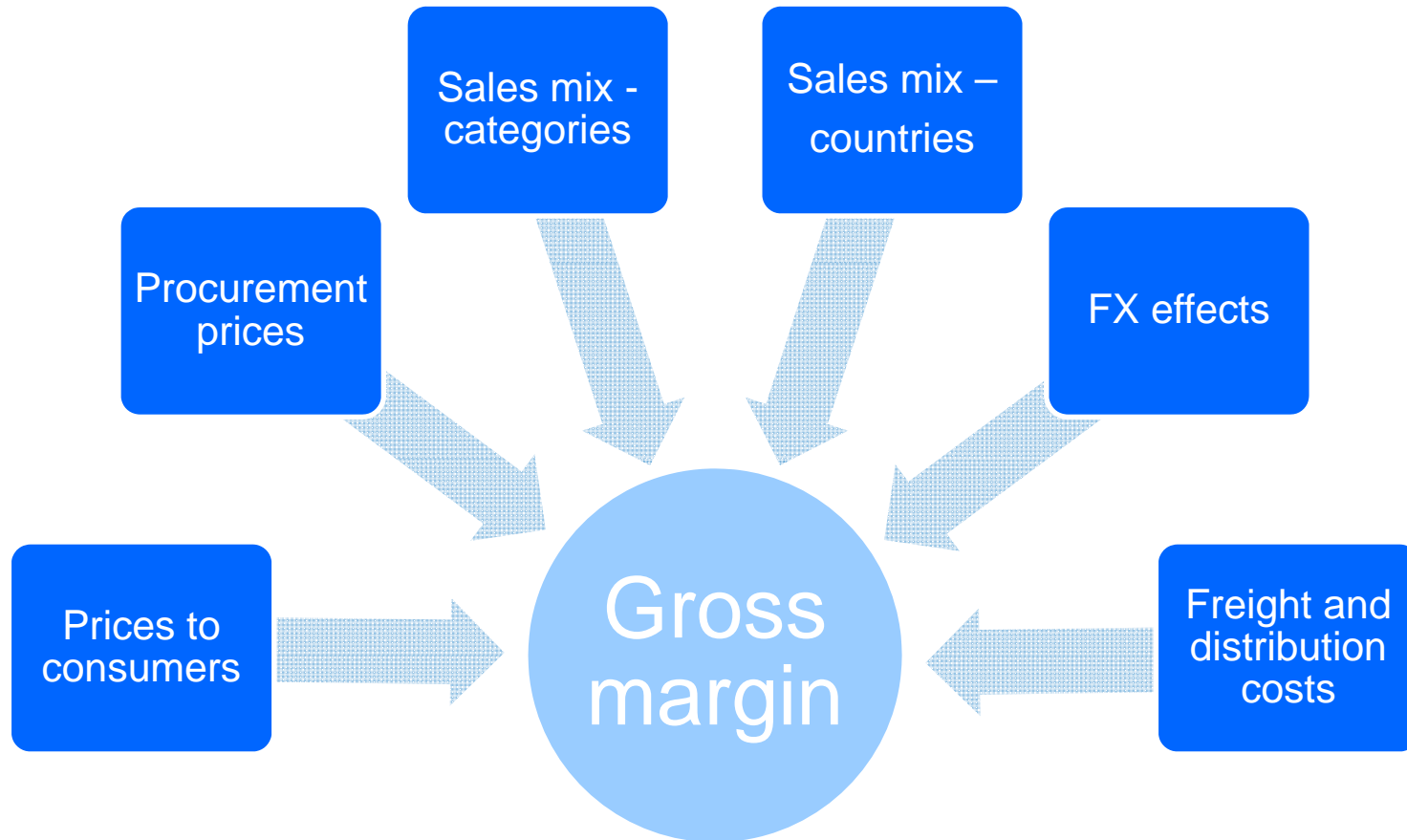


Time period for hedging

Gross Margin 2006-2011 (%)



Gross margin – impacting factors

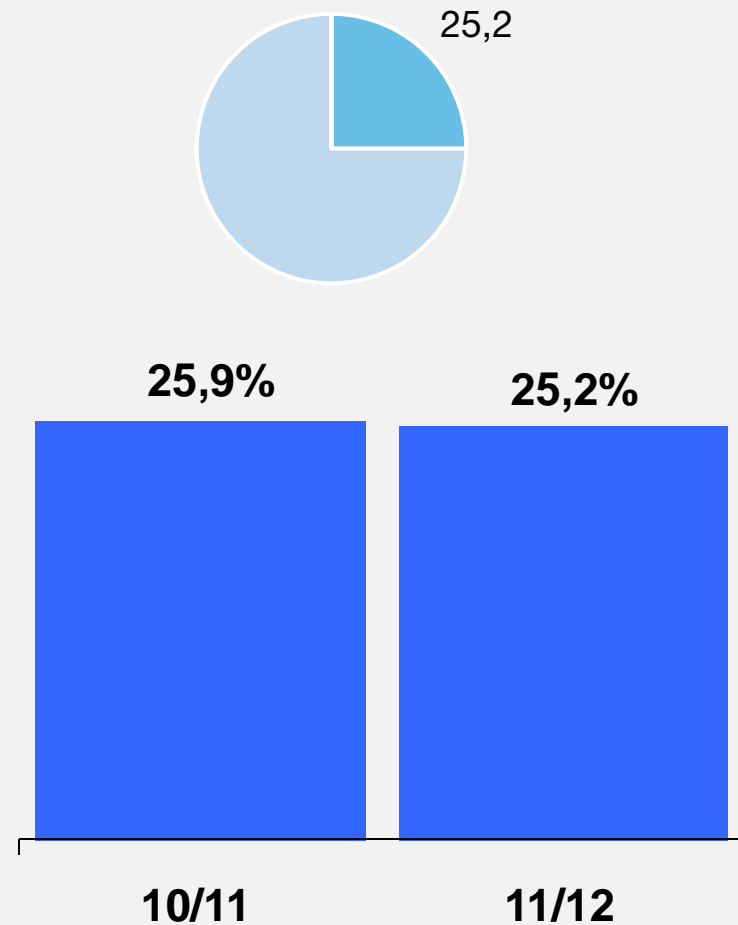


Share of sales costs – Q3

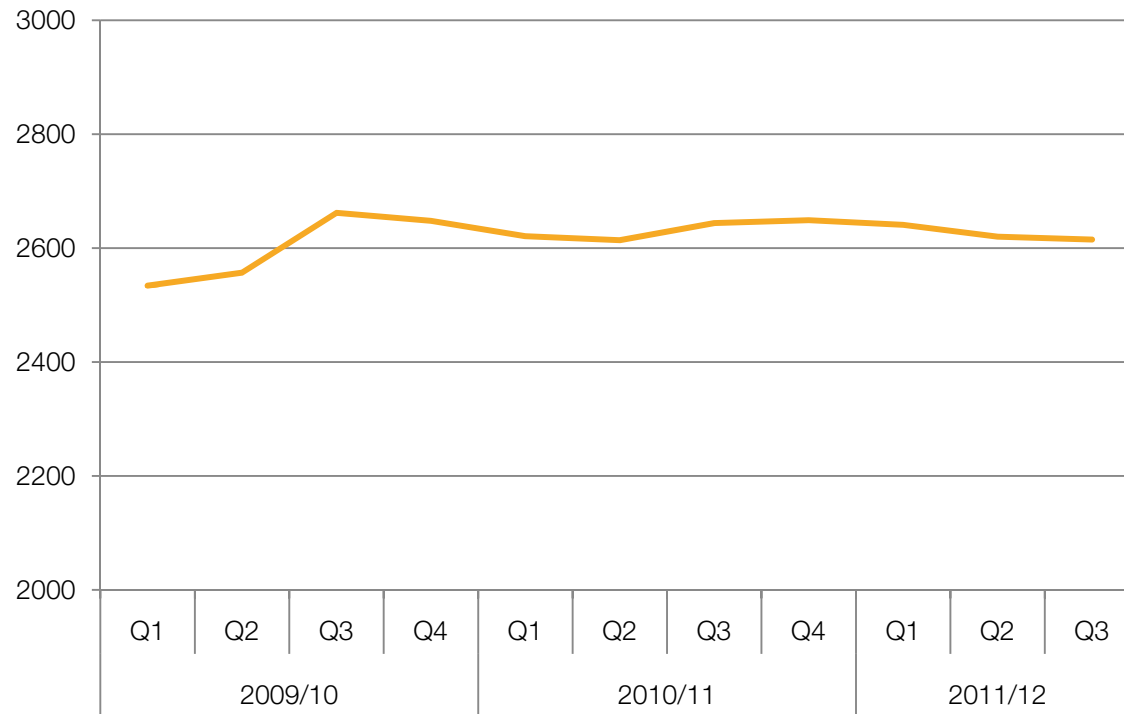
Share of sales down 0.7 percentage points to 25,2%

- + Lower start up costs
- + Increased productivity
- Lower sales in comparable stores

Share of Sales Costs

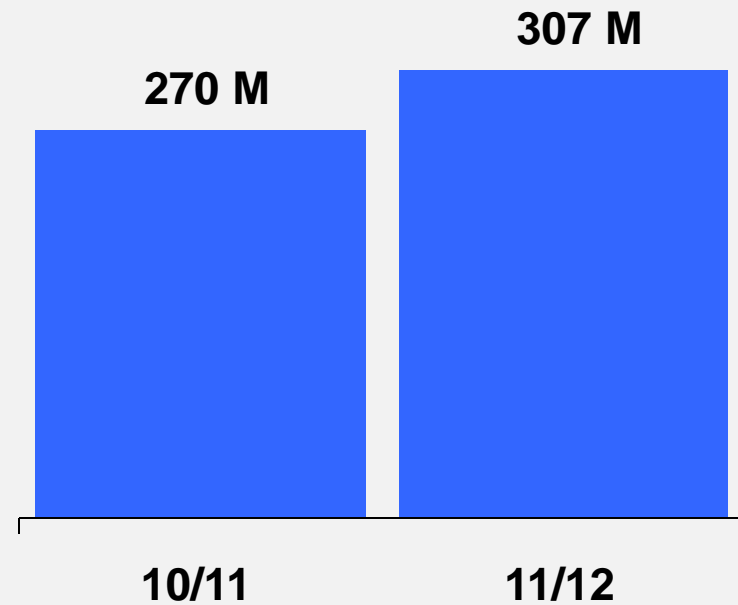


Sales per employee R-12 SEK T



Profit – Q3

- Operating profit SEK 307 M (270)
- Profit after financial items
SEK 304 M (268)
- Profit per share SEK 3.46 (3.05)



First nine-months 2011/12
May-January



30-9292 Car Polisher 399:-

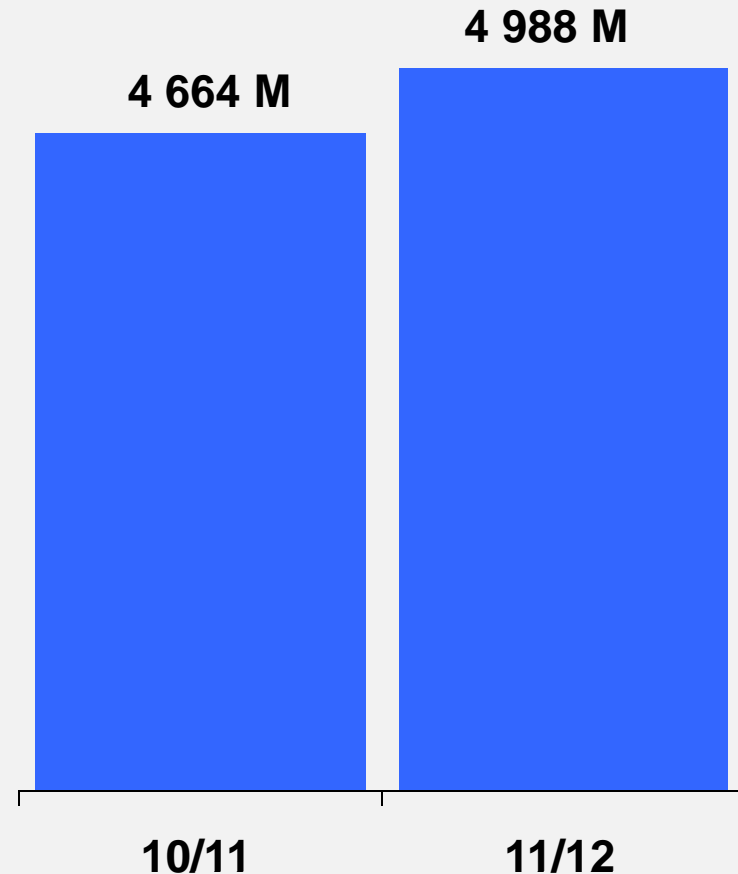


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Sales - Nine months 2011/12



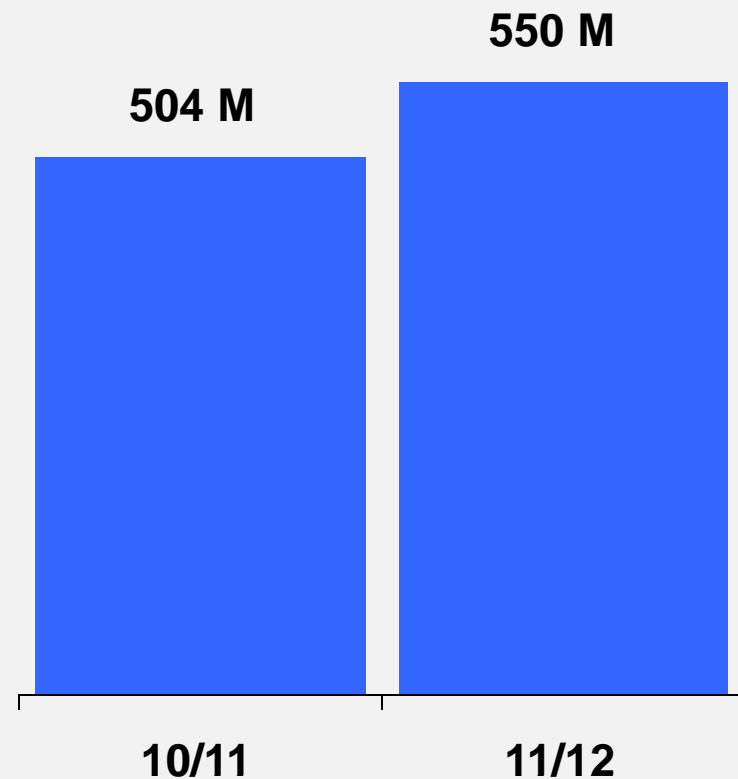
- Sales up 7% to SEK 4 988 M, +7% in local currencies
 - Comparable stores in local currency -4%
 - New stores +11%
 - Currency effects 0%
- E-com sales SEK 72 M (69)
- Increased market shares in overall challenging market



Profit - Nine months 2011/12

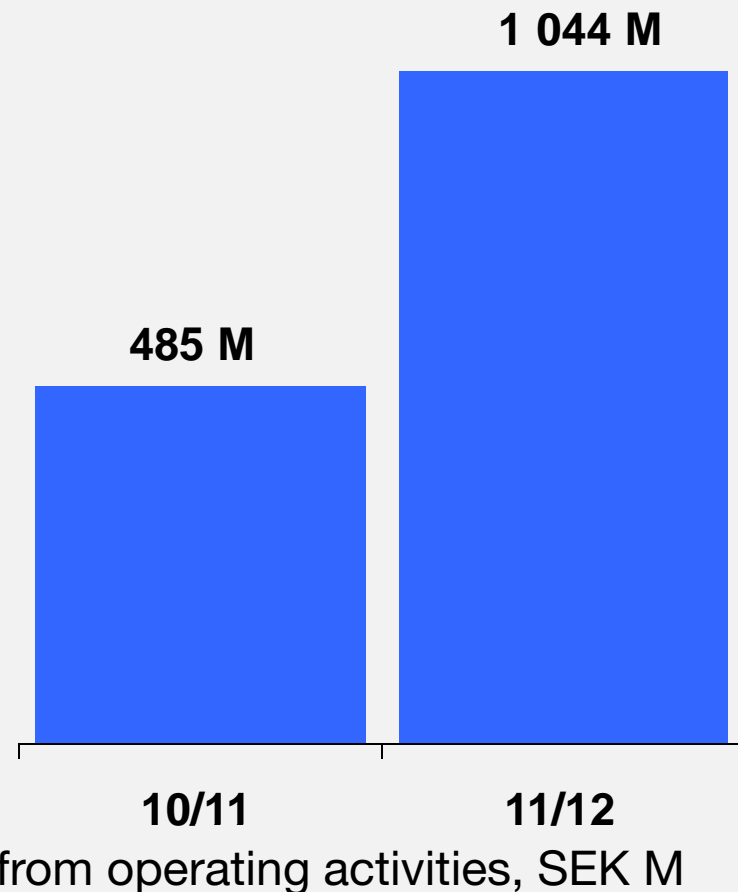


- Operating profit SEK 550 M (504)
- Profit after financial items SEK 541 M (498)
- EPS SEK 6.18 (5.71)



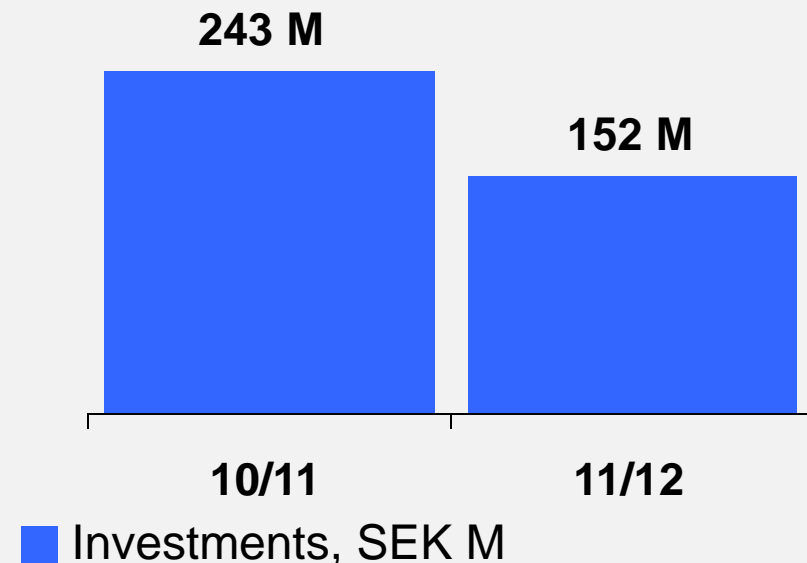
Cash flow – nine months 2011/12

- Cash flow from operating activities SEK 1 044 M (485)
 - Inventory: SEK 1 204 M (1 375)
 - 16 New stores compared to 2010/11
- Cash flow for the period SEK 82 M (92)
- Net cash of SEK 217 M (Net debt of SEK 249 M)



Investments – nine months 2011/12

- Investments of SEK 152 M (243) of which:
 - New/refurb. Stores: SEK 78 M (183)
 - Other investments: SEK 74 M (60) of which SEK 38 M (16) investments in e-commerce and other IT-systems



Events after period-end



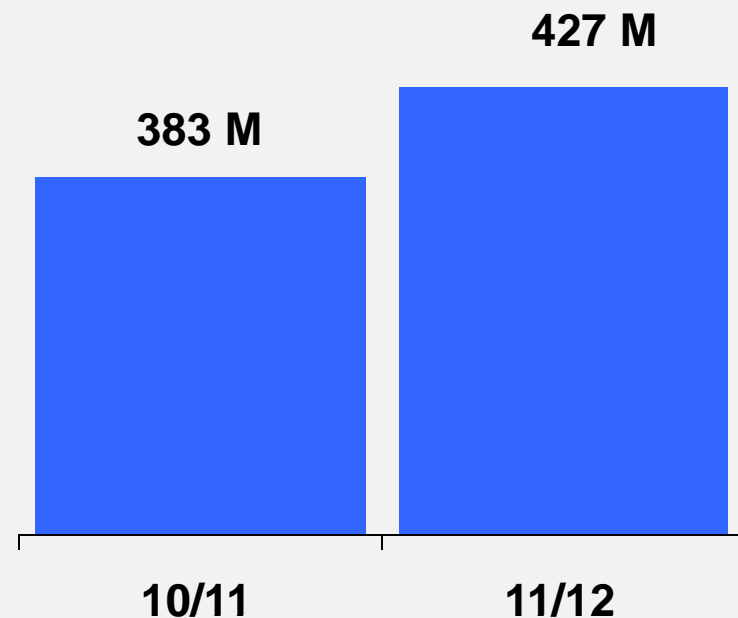
40-8169 1/4" Socket Set 399:-



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Sales – February

- Sales up to SEK 427 M (383) +12%
- 16 (22) more stores vs. February 2011
- Changes in local currencies +10%
 - Sweden + 6%
 - Norway + 13%
 - Finland + 23%
 - UK + 2%
- E-com sales SEK 7 M (7)



Spring assortment and campaign

- Everything for your spring projects!
 - Building and repairing
 - Gardening
 - Spring Leisure activities



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Update on strategic priorities

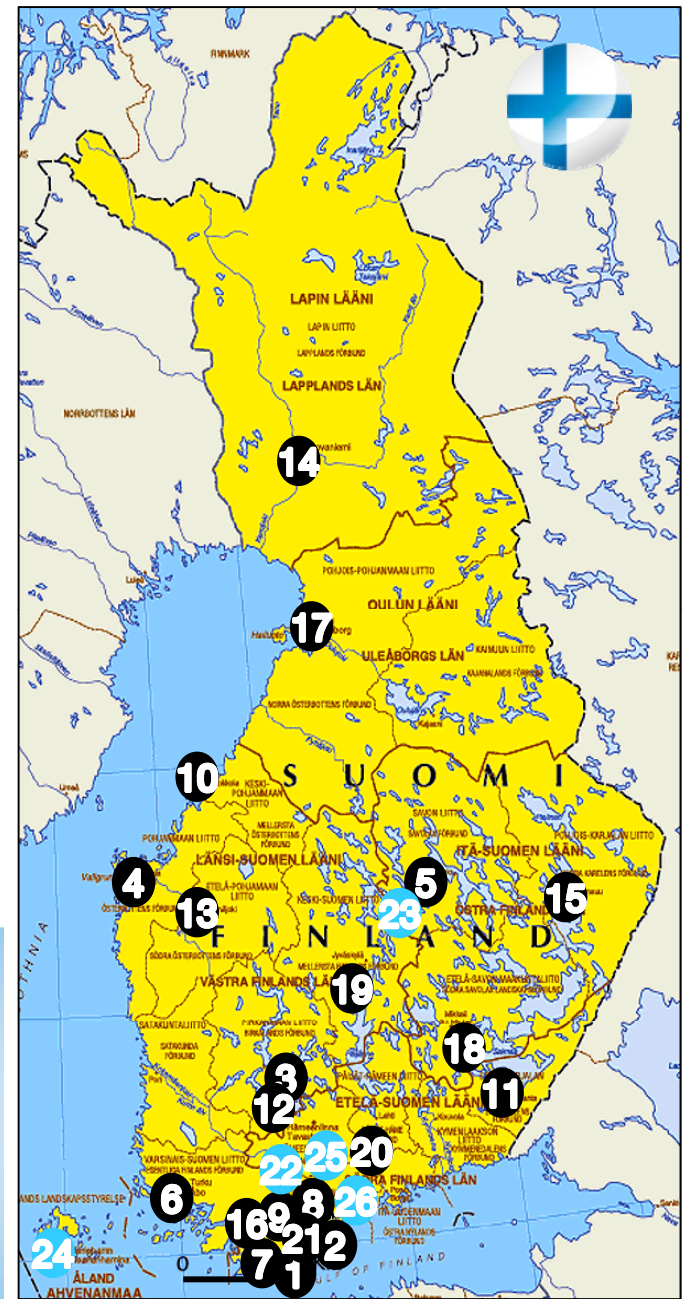


34-3591 Waterproof
Binoculars SEK 799:-

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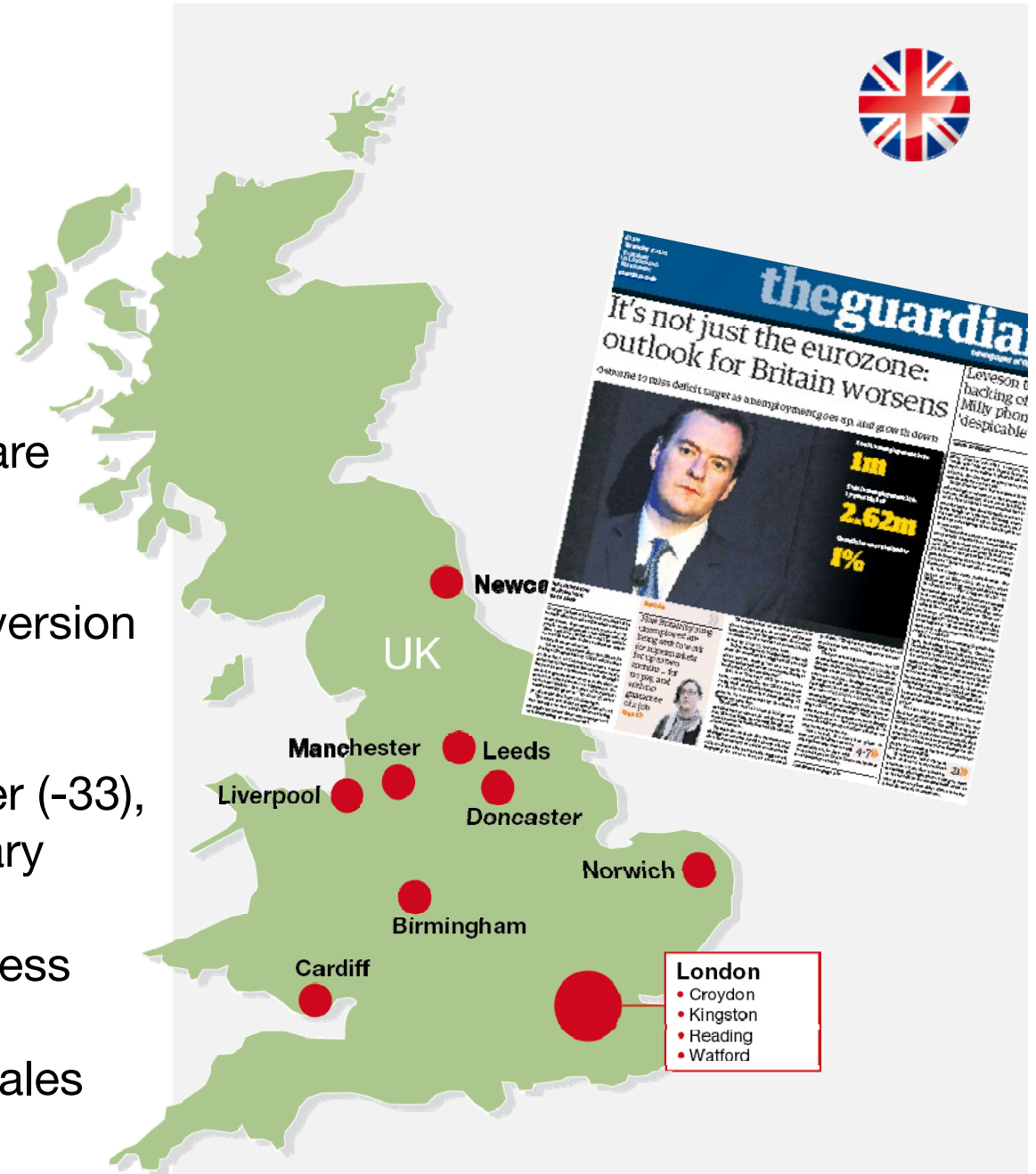
Finland into next gear

- 11/12 4 new stores gives a total of 21
- 12/13 5 new stores contracted
- Continued positive growth trend
- Priorities;
 - expansion
 - keep building brand
 - salesmanship & commerciality



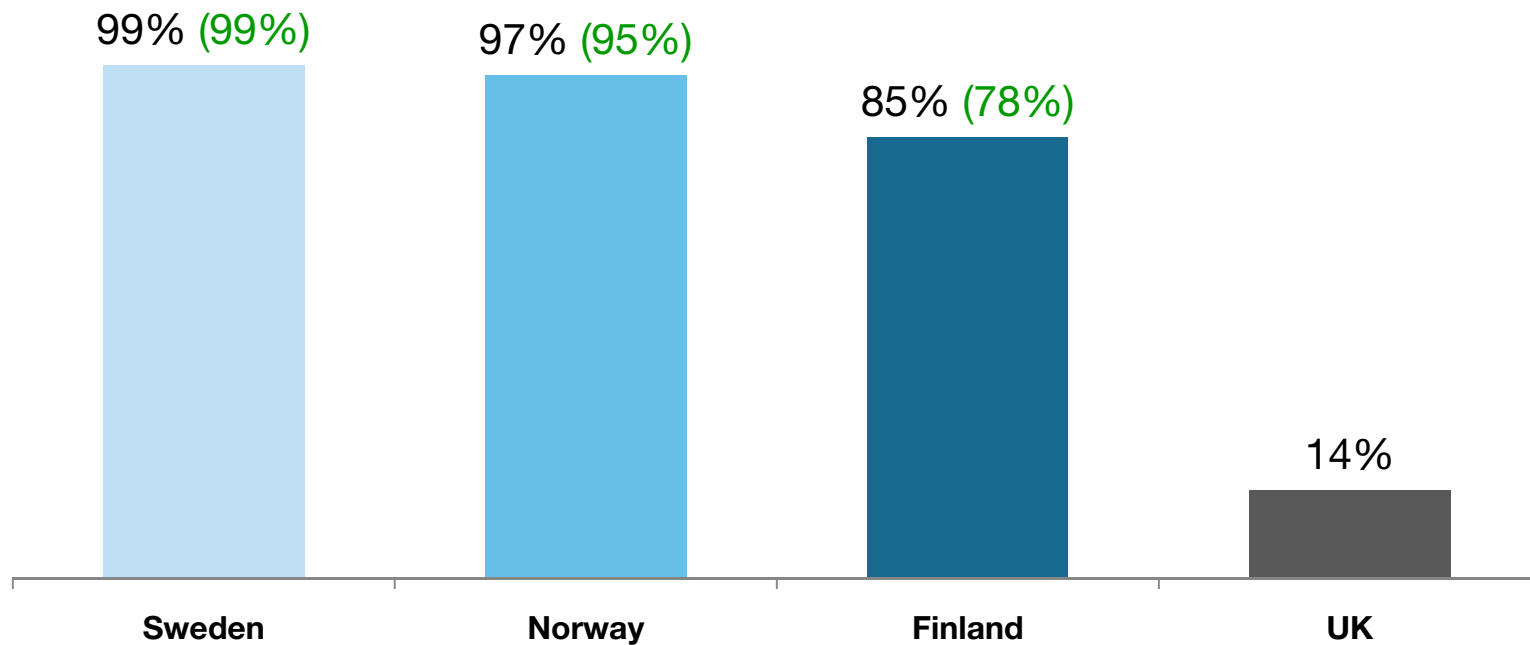
UK – long term commitment

- Network of 12 stores
- Position as "modern hardware store" on High Street
- Higher traffic but lower conversion and ATV vs. group average
- CCI all time low in December (-33), slight improvement in January
- Already 14% brand awareness
- E-com launch will support sales and build brand in the UK



Brand Awareness – Nordics and UK

Aided awareness



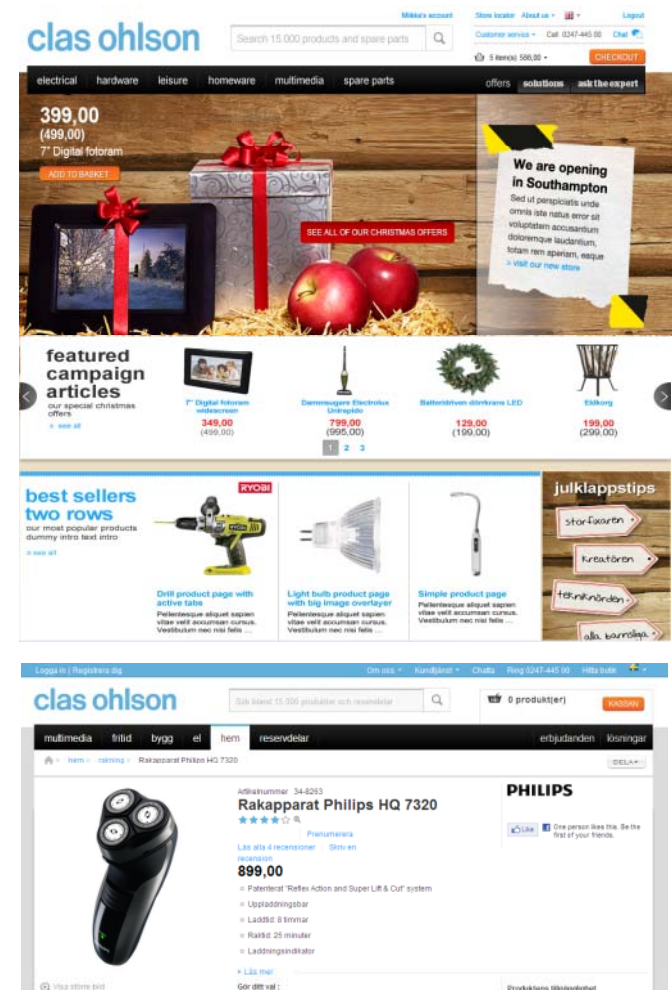
Which of the following shops do you know of?

Data from 2010 in green
Source: NEPA & Dipsticks Brand Tracking 2011

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E-com launch

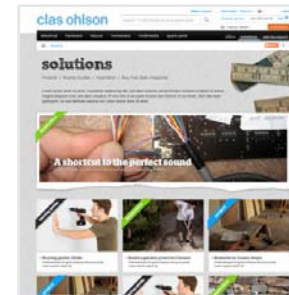
- Planned roll out to start in April 2012 and onwards
- New site Sweden and Norway
- Launch UK and Finland
- Easier navigation and shopping
- More inspiration & ideas
- New range and service offer



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Towards multichannel retailing 24/7

E-commerce



Stores



Social media



Search



Catalogue/phone



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Spare parts!

- Complement to our core range
- Part of tradition and heritage
- Support sustainable business
- A range offer 9.000 articles
- Launch with new web platform

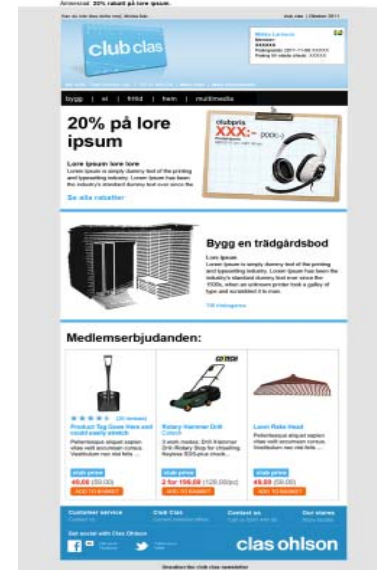
The screenshot shows the Clas Ohlson website's spare parts section. At the top, there's a navigation bar with 'Logga in | Registrera dig', 'Om oss', 'Kundjänet', 'Chatta', 'Ring 0247-445 00', and 'Hjälpa butik'. The main header features the 'clas ohlson' logo, a search bar, and a shopping cart icon showing '0 produkt(er)'. Below the header, there's a navigation menu with 'multimedia', 'fritid', 'bygg', 'el', 'hem', and 'reservdelar'. The 'reservdelar' section is highlighted, with a 'DELA+' button. The main content area is titled 'Reservdelar' and includes a sub-header 'Vi tillhandahåller ett brett sortiment av reservdelar och tillbehör. Sök bland de 9 000 olika reservdelarna i vårt sortiment.' Below this, there are five product categories: 'multimedia Reservdelar', 'fritid Reservdelar', 'bygg Reservdelar', 'el Reservdelar', and 'hem Reservdelar'. A search bar is present with the text 'Sök efter reservdelar/tillbehör' and a search icon. Below the search bar, there's a checkbox for 'Inkludera utgående produkter i sökningen.' A blue arrow points to a 'Guide: Hur man hittar reservdelar' section. The guide includes four steps: 1. Sök (Search), 2. Välj produkt (Choose product), 3. Reservdel (Spare part), and 4. Gör din beställning (Place your order). At the bottom, there's a form titled 'Saknar du en reservdel eller ett tillbehör? Gör en förfrågan här så kontaktar vi dig.' with fields for name, address, phone number, and product details. A 'Kontakta oss' section provides contact information: '0247-445 00' (Monday 08:00-19:00, Saturday 10:00-18:00), 'Chatta med Kundjänet', and 'eller kontakta oss via e-post'.

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Reward our fans & get closer to our customers



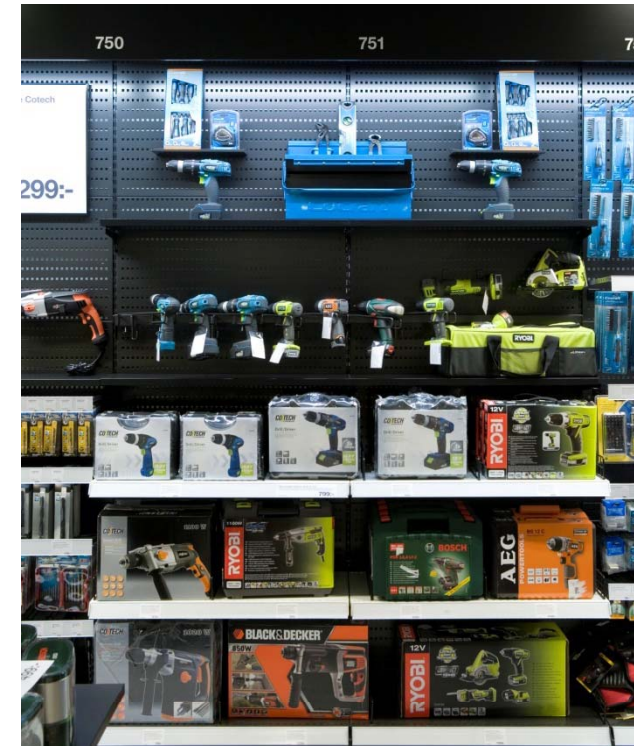
- "Club Clas" launch summer 2012
- Hard & soft benefits
- Share knowledge & expertise
- CRM – become more targeted and relevant



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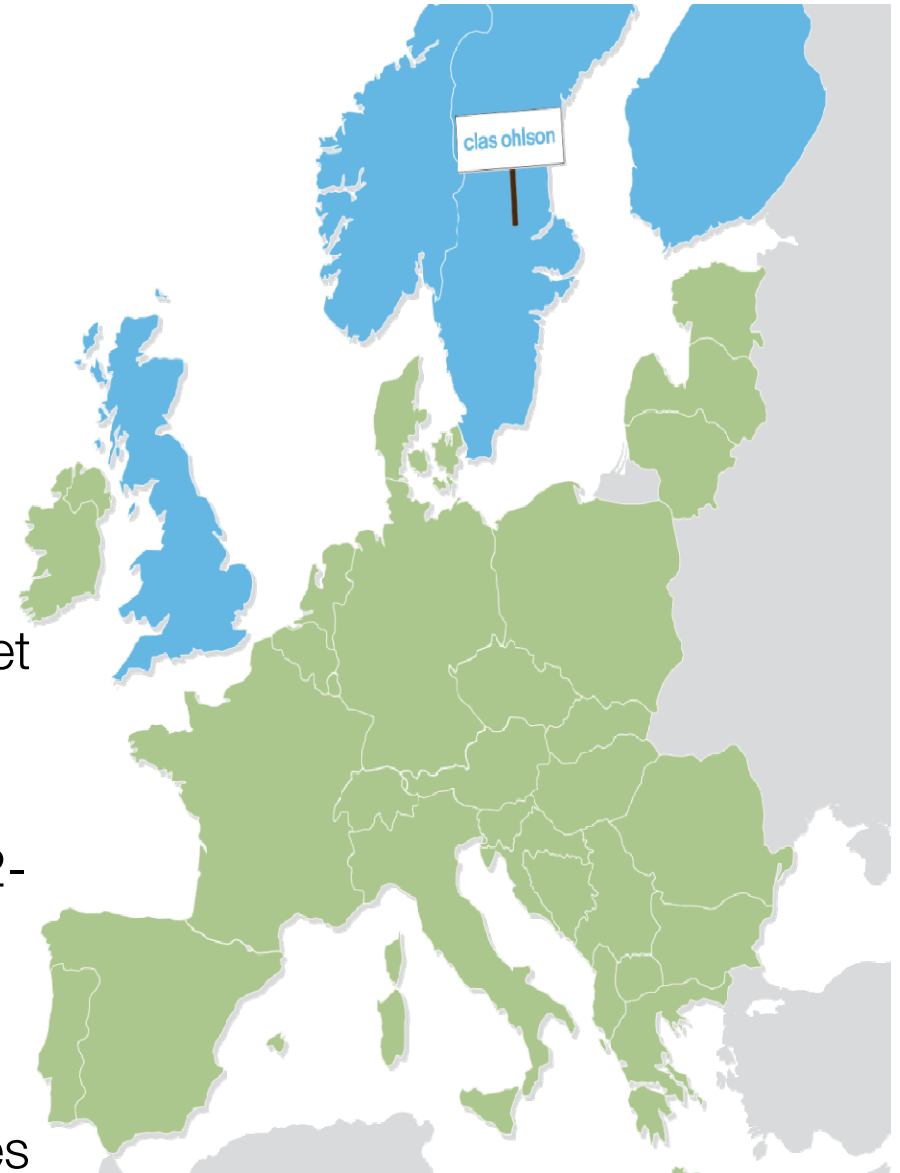
Store expansion – pipeline and plans

- 18 new stores during 2011/12 of which 4 in Finland and 1 in UK. 15 opened to date with 3 more by April 30 2012
- Target of 15-20 during 2012/13. Pipeline of 16 stores contracted for opening during 2012/13 and 2013/14 (5 in Sweden, 6 in Norway and 5 in Finland)



Outlook

- Continued focus on long term profitable growth in Europe in accordance with financial target
- Strong position in our established market
- Business plan to invest in new markets (currently UK) - annual impact of up to 2-3 percentage points on EBIT-margin
- Further potential to increase sales via developed product assortment and sales channels in the Nordic region



Summary Q3

- Record sales and profit during Q3 in overall weak market
- Strong cash flow and balanced inventory level
- High activity level to further strengthen Clas Ohlson's competitive edge



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Q&A

Moderator: Bile Daar, Danske Markets



Bear Grylls Survival Kit. 31-2153 SEK 279

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www.clasohlson.se