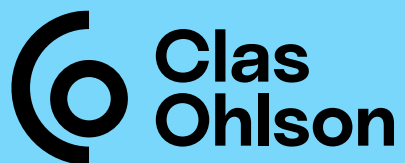


Q2 report

07 December 2022

Kristofer Tonström
President & CEO

Pernilla Walfridsson
CFO



Agenda

- Business update
- Financial development
- Events after the reporting period
- Summary
- Q&A

- ✓ Increased sales in a soft market: +6% to 2.25 BSEK – online up 28%
- ✓ Operating profit 112 MSEK
- ✓ Solid financial position: net debt/EBITDA 0.8*
- ✓ Value for money, enhanced operational efficiency, high speed and flexibility important going forward
- ✓ Measures to build a more efficient Clas Ohlson
 - Cost savings and reduced depreciation amounting to approx. 110 MSEK effective 2023/24
- ✓ November sales: +6% to 1,085 MSEK – online up 27%

*Excl IFRS 16



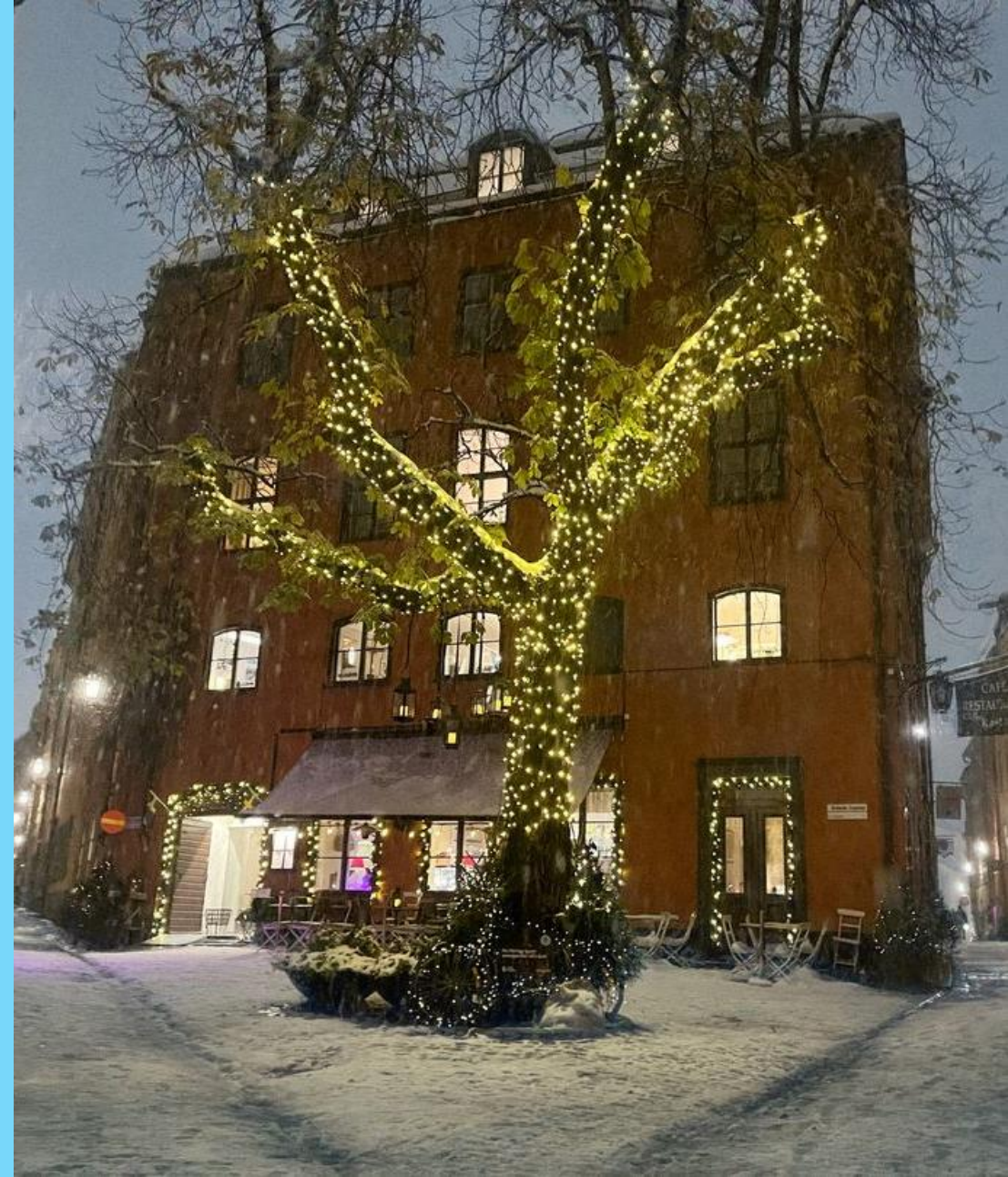


Business update

Q2 2022/23 in brief

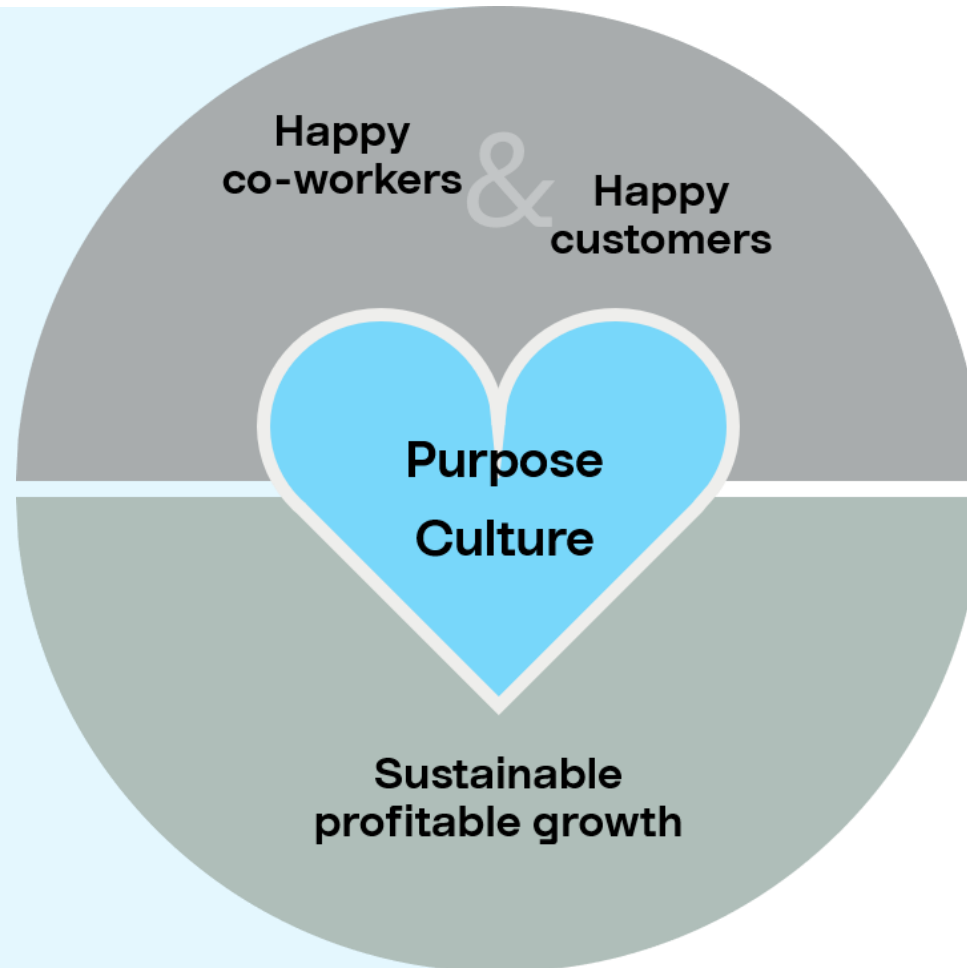
- ✓ Organic sales +3%
- ✓ Total sales +6%
- ✓ Online sales +28%
- ✓ Gross margin 37.7% (43.1)
- ✓ EBIT-margin 5.0% (9.6)
- ✓ Net debt/EBITDA 0.8*

*Excl IFRS 16



Clas Ohlson strategic framework

- 1 Creating a winning team
- 2 Core customer focus
- 3 Owning key consumer missions
- 4 Using and building the Clas Ohlson brand
- 5 Providing availability & convenience
- 6 Offering in-home services



Development of growth drivers

1



Owning key consumer missions

- Positive development of key categories
- Need based shopping increase
- Strong performance for energy and money saving products

2



Providing availability & convenience

- Traffic increase to physical stores in Q2 vs Q1
- Improved online conversion rate
- Continued optimization of store network and delivery options

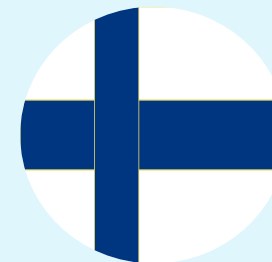
3



Core customer focus

- 4.7 million members
- Positive development for Club Clas in all markets
- Member sales +21% compared to Q2 LY

4




Win in Finland

- +84% CC member sales growth in Finland in Q2 compared to Q2 LY
- New store opened in Vaasa

Helping customers save money

Offering know how and products for saving energy and...



14:51
clasohlson.com

Startida 4 tips för att spara in på el och vatten

Spara el hemma
Minska din el- och vattenförbrukning – gör ditt hem smart, ta vara på värmen och välj produkter som är energisnåla eller vattensparande. Vår guide visar dig hur:

Ljuskålor Titta och håll värmen

Spara vatten Klimat & värme

Från halloween till nyår på 1 kWh!
En 12 meters LED-slinga kan lysa 8 timmar per dag mellan 1 november och nyårsafton för en kWh. 487 timmar. Det är bra!

Spara el
Minska förbrukningen, behåll komforten. Vi har energismarta lösningar för alla årstider. Till guiden →

... know how and products for reducing food waste



Räcker en matlåda till alla?

Fixa köket, minska matsvinnet

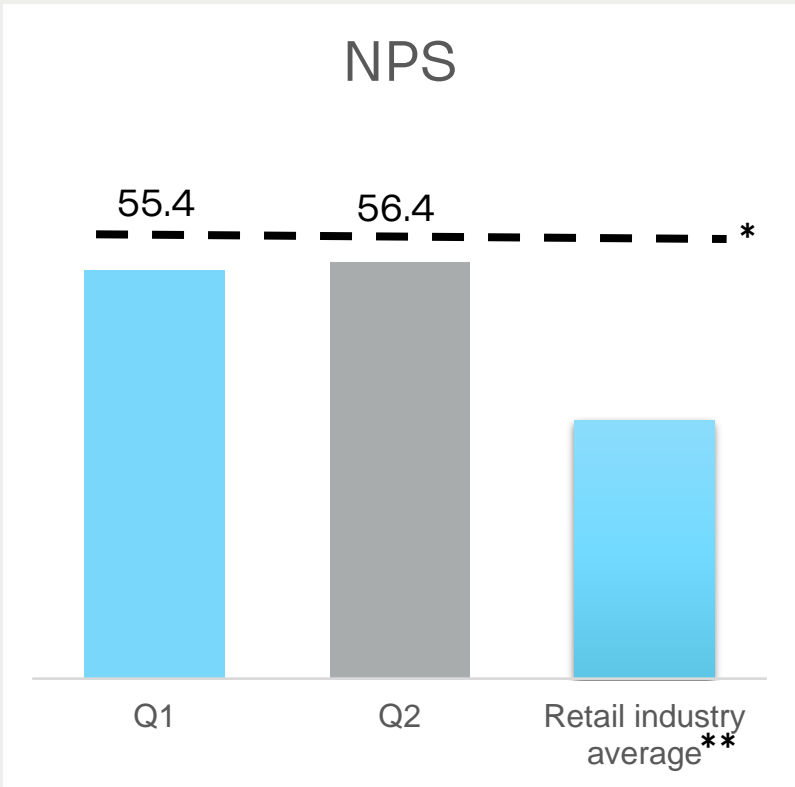
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Increased availability and convenience

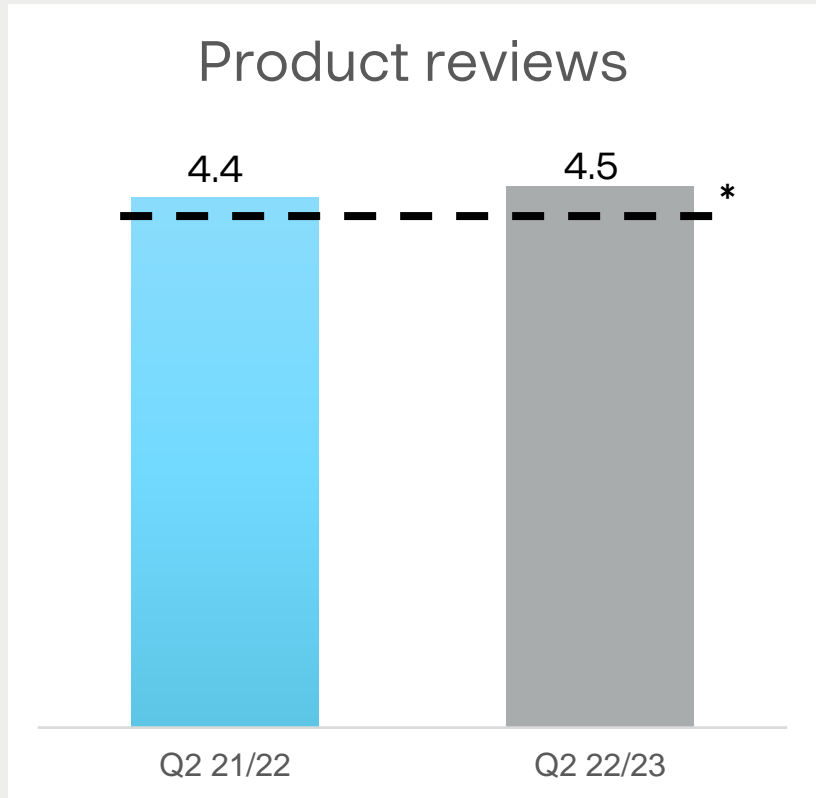
- ✓ New store opened in Linköping, Sweden
- ✓ New store opened in Vaasa, Finland
- ✓ Instabox now offered also in Norway
- ✓ Speedy home deliveries from feeder stores via Bring in Norway



Improved customer satisfaction



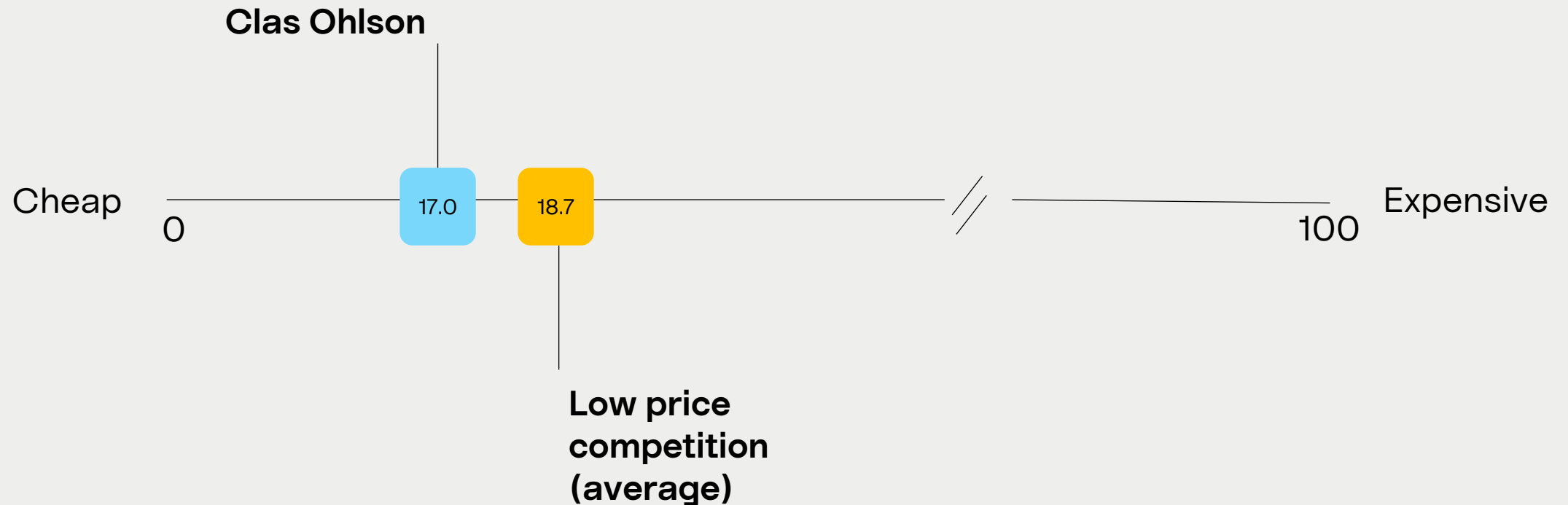
*Target
** Source: Delighted by Qualtrics



*Target



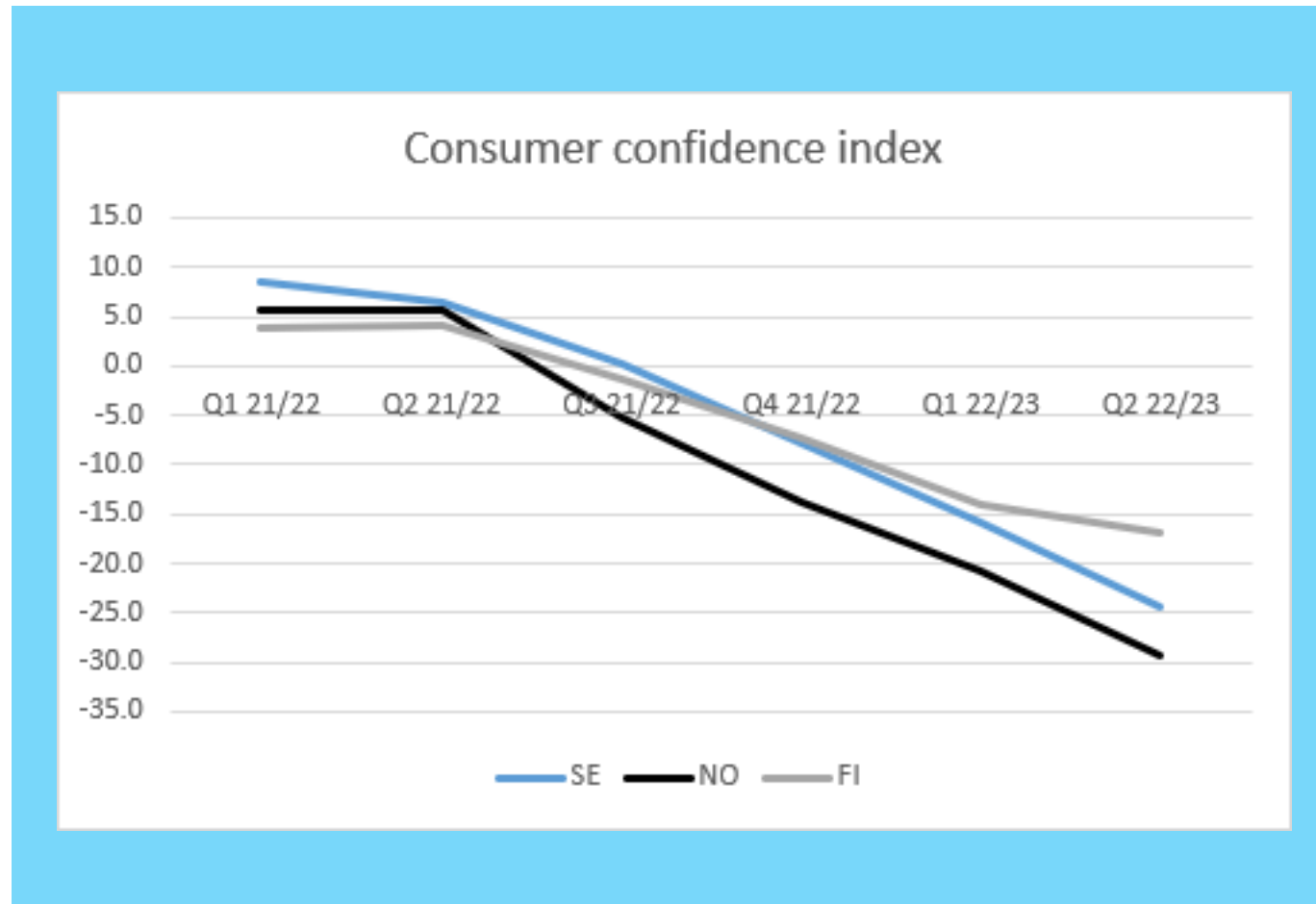
Clas Ohlson customer value perception higher than for low price competitors



*Source: Clas Ohlson brand tracker.
0 = cheap, 100 = expensive

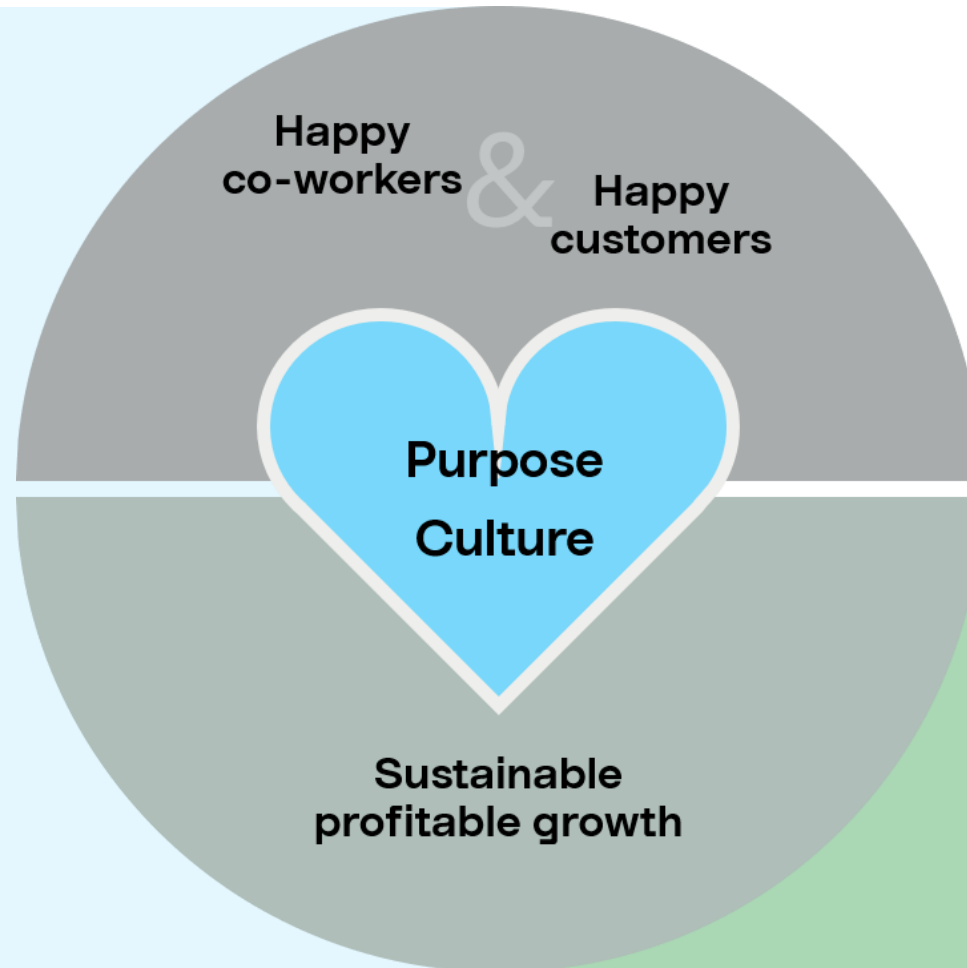


Consumers increasingly cautious and price sensitive



Elevated cost focus mitigating cost inflation

- 1 Creating a winning team
- 2 Core customer focus
- 3 Owning key consumer missions
- 4 Using and building the Clas Ohlson brand
- 5 Providing availability & convenience
- 6 Offering in-home services



Full focus on:

- Purchasing prices
- Transportation costs
- Total rental costs
- Internal cost efficiency

Helping customers to a more sustainable life



Products		Suppliers	
<p>Spare parts</p> <p>+21% (Q1 +23%)</p> <p>Continuous focus on spare parts with a volume increase of 21 per cent (Q1 23 %) and roll out spare parts in physical stores in all markets</p>	<p>Product assessments</p> <p>47.6% (Q1 25%)</p> <p>Share of (net sales) of private labelled products have been assessed and classified in accordance with new Product Sustainability Assessment Model</p>	<p>Free from critical findings</p> <p>99.1% (Q1 99.8%)</p> <p>Suppliers free from critical findings in relation to our Code of Conduct</p>	<p>Environmental assessments</p> <p>85% (Q1 83%)</p> <p>Environmental assessments now cover 85 per cent of our purchase volume. 165 environmental assessments conducted (Q1 119)</p>

Planet

People

Society



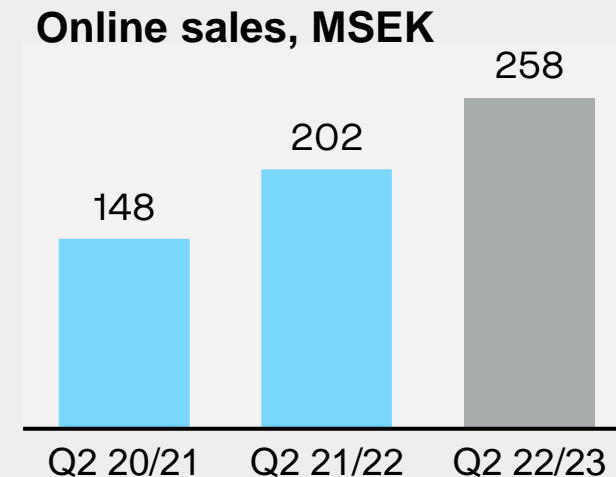
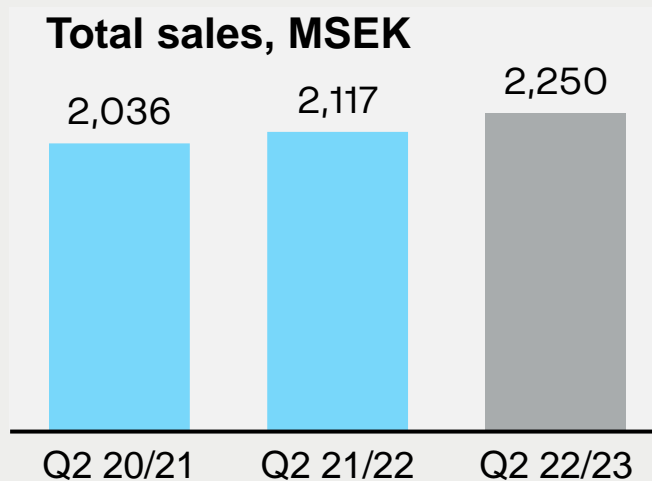


Financial development

Sales development

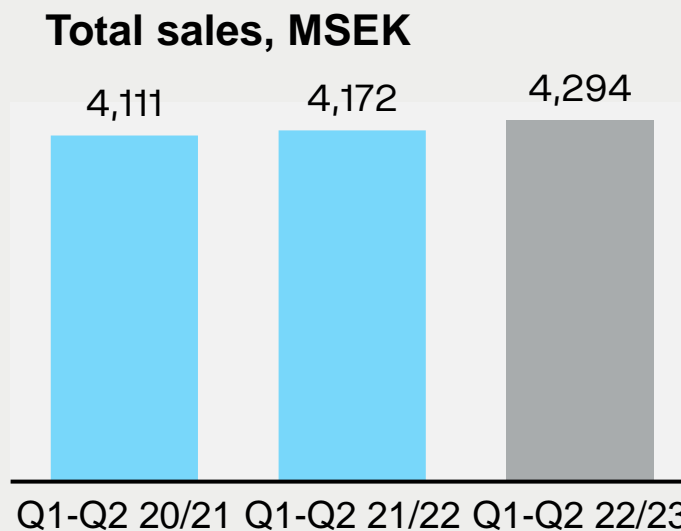
Q2

- **Total sales up 6%** to 2,250 MSEK, organic sales up 3%
- **Online sales up 28%**
- The store network has decreased by 4 stores compared to end of period last year

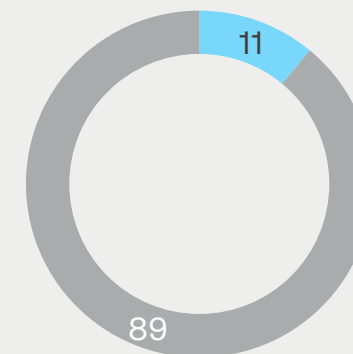


Q1-Q2

- **Total sales up 3%** to 4,294 MSEK, organic sales unchanged
- **Online sales up 17%**
- The store network decreased by 5 stores during Q1-Q2

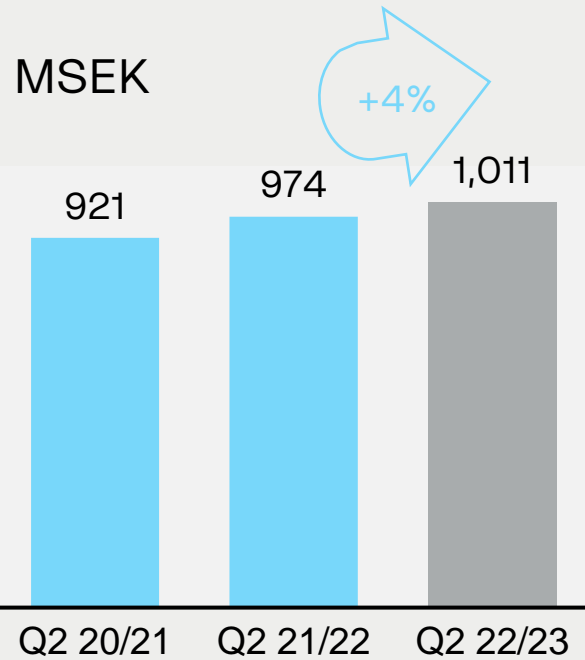


Online share of total sales, %

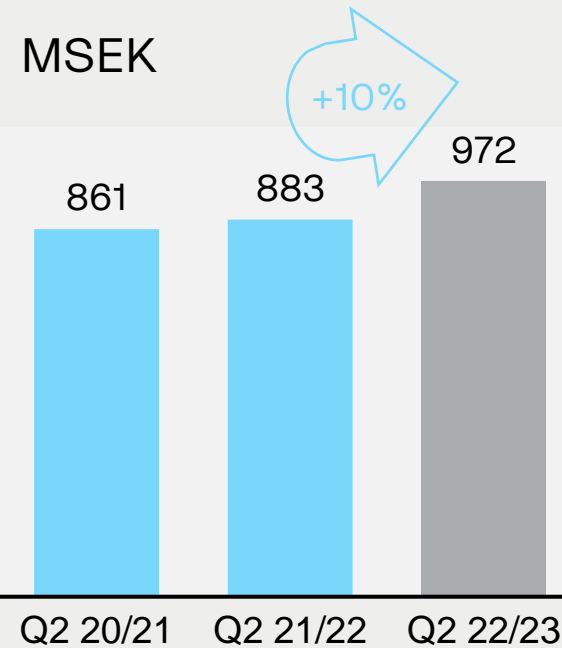


Sales per market

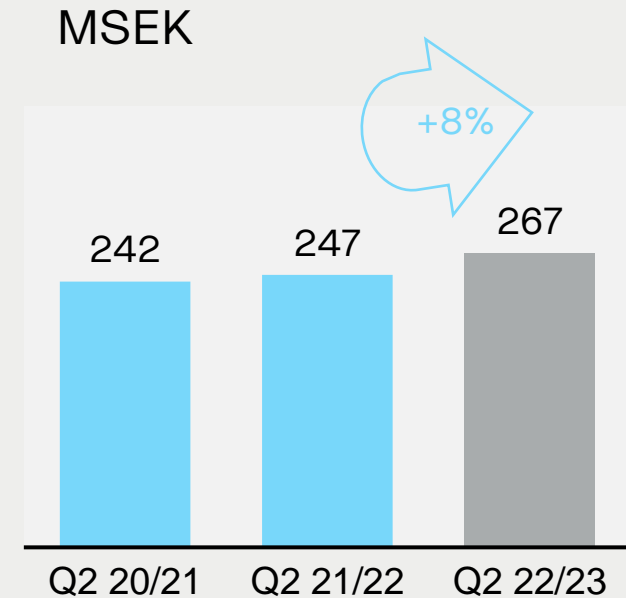
Sweden



Norway



Finland



Organic
growth:

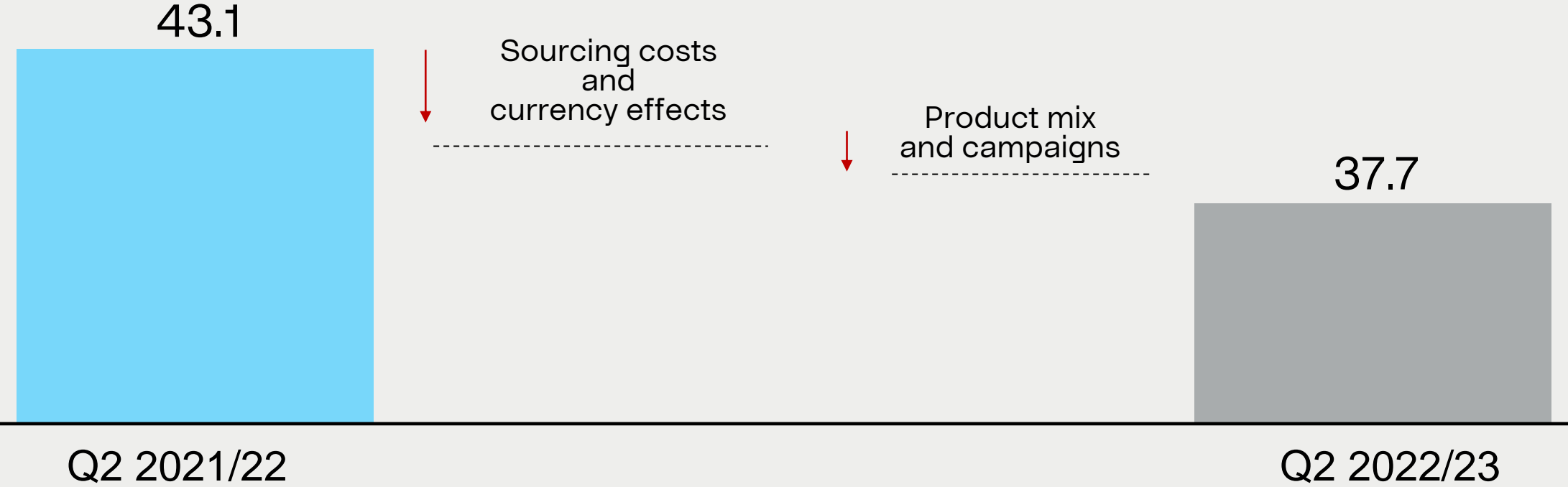
Q2: +4%
Q1-Q2: +2%

Q2: +4%
Q1-Q2: -1%

Q2: +2%
Q1-Q2: +2%



Mainly macro related factors putting pressure on gross margin



Income statement

MSEK	Q2 22/23	Q2 21/22	Q1-Q2 22/23	Q1-Q2 21/22
Operating profit	112	204	96	351
Profit after financial items	96	188	65	319
Profit for the period	69	148	45	251
EPS before dilution, SEK	1.10	2.34	0.72	3.97

Share of selling expenses, Q2

30.3%

(32.1%)

Aministrative expenses, Q2

50 MSEK

(51 MSEK)

EBIT-margin, Q2

5.0%

(9.6%)

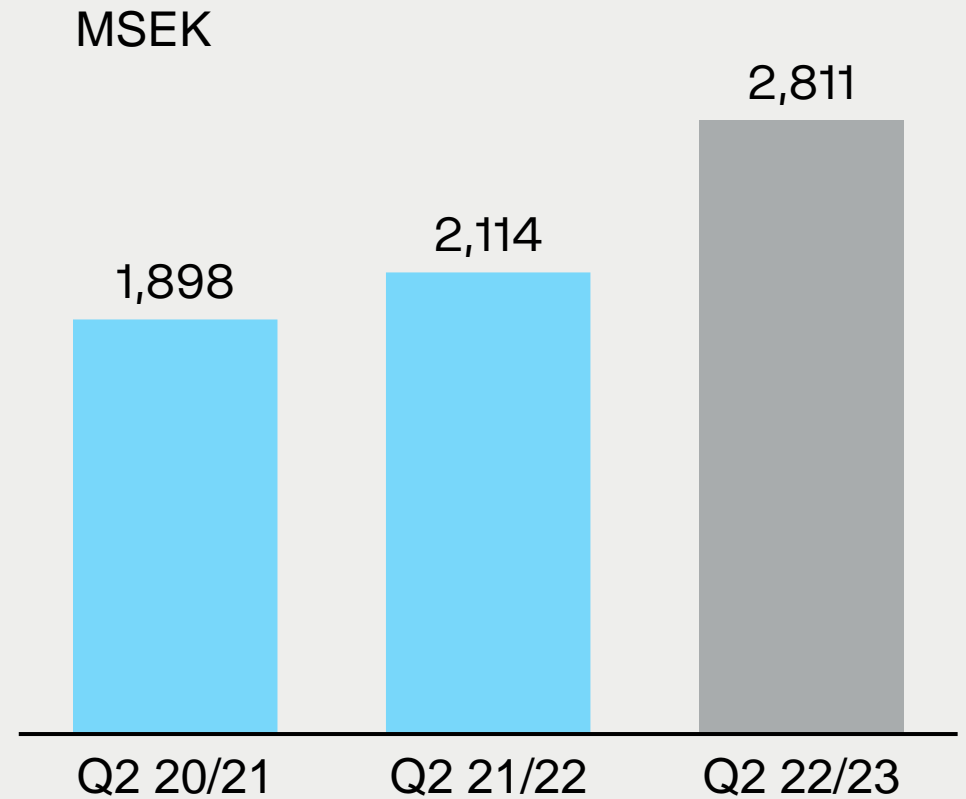
One-offs Q1-Q2

- FORA repayment Q2 2021: + 25 MSEK
- UK closure Q1 2022: -35 MSEK



Inventory

- **Inventory level:** 2,811 MSEK (2,114) at the end of the period
- **Average inventory level LTM:** 2,319 MSEK (1,797)
- **Inventory turnover rate DC:** 4.7 (5.7)



Cash flow and financial position

MSEK	Q1-Q2 22/23	Q1-Q2 21/22
Cash flow from operating activities, before change in working capital	365	645
Change in working capital	-566	22
Cash flow from operating activities	-201	667
Cash flow from investing activities	-78	-83
Cash flow from financing activities	-86	-453
Cash flow for the period	-366	131

Approved credit facilities

800 MSEK

Of which utilized 602 MSEK

Dividend pay-out

412 MSEK

(198 MSEK)

Net debt/EBITDA excl IFRS 16

0.8x

(-0.8x)



Macro trends with business impact

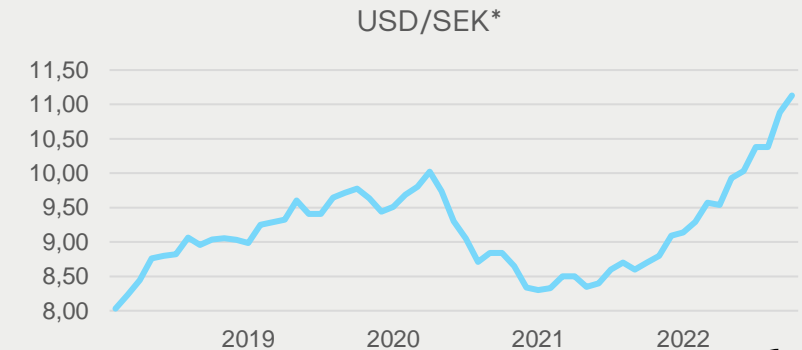
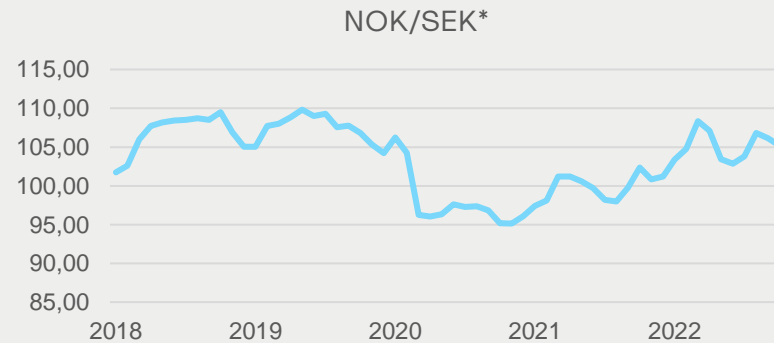
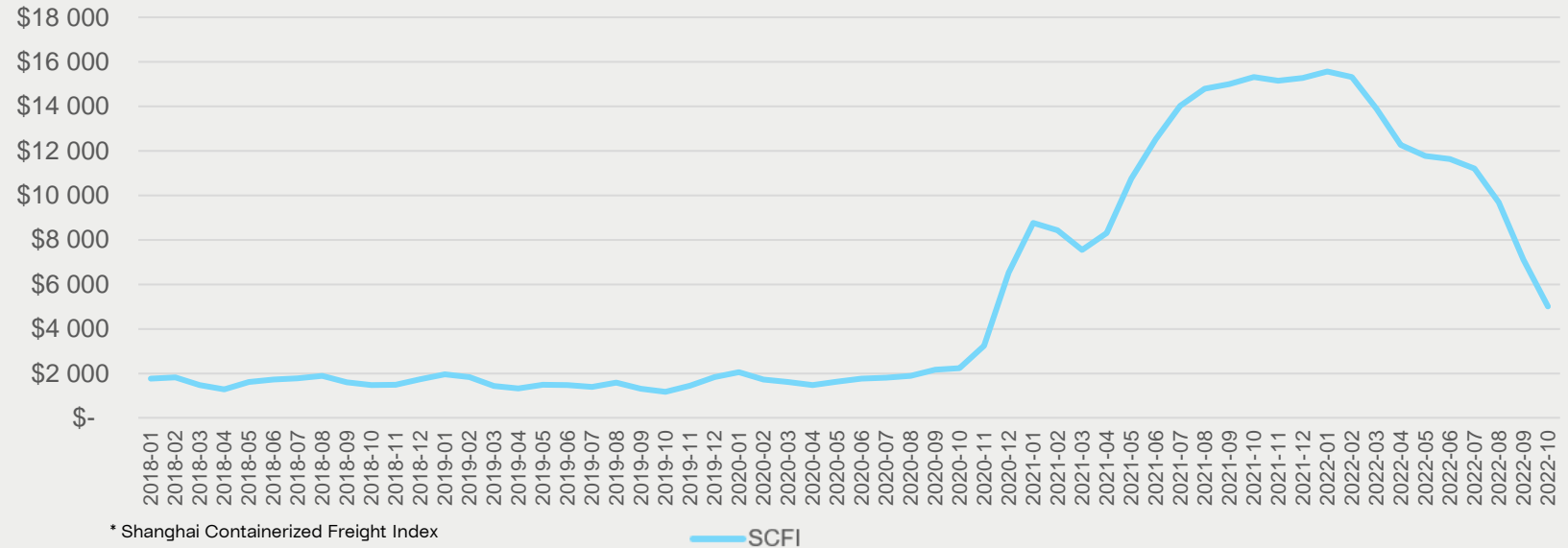
Factors impacting Clas Ohlson:

- Container shipping costs and raw material and commodity prices
- Translation/transaction effects - sales instant effects and purchasing with a time lag
- Hedging policy/effects
- Pricing effects

Counteracting measures:

- Pricing – continuously optimizing prices
- Sourcing – diversified sourcing strategy
- Long-term freight contracts
- Optimize sales mix – private label, product and category mix
- Products and packaging

Spot prices for 40t containers from Asia to Gothenburg



* Monthly average, The Riksbank/Nasdaq





Events after the reporting period

Measures to mitigate cost inflation and to make Clas Ohlson more efficient

- **Internal cost efficiency**

- **Purchasing prices**

- ✓ Ongoing negotiations

- **Transportation costs**

- ✓ Ongoing negotiations

- **Total rental costs**

- ✓ Ongoing negotiations
- ✓ Closure of stores

- ✓ Simplifying ways of working
- ✓ Reducing office functions by approx. 85 FTEs
- ✓ Rationalizing IT-systems
- ✓ Reducing office space

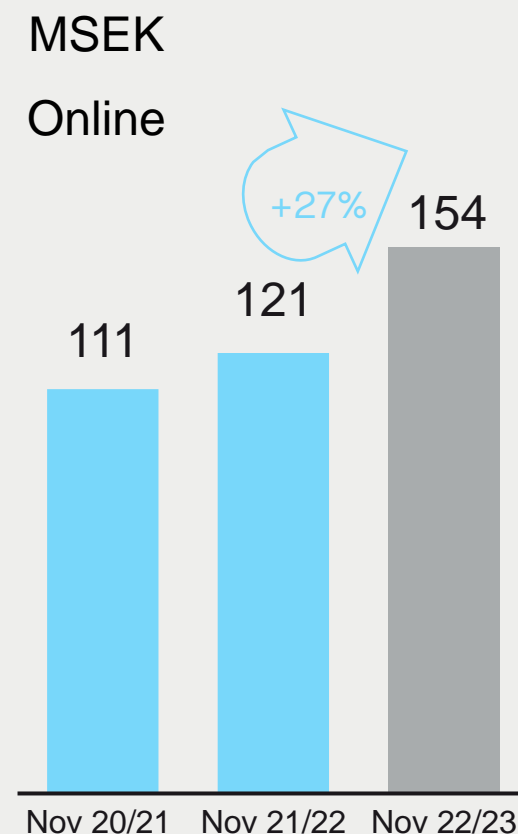
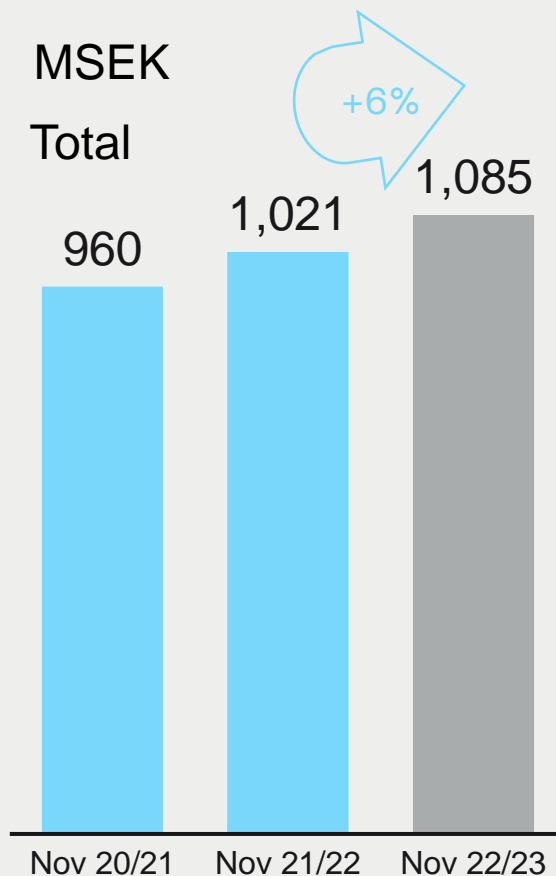
...and more

Cost savings and reduced depreciation of approx. 110 MSEK with full effect from 2023/24

One-off costs connected to lay-offs and disposals approx. 120 MSEK to be reported in Q3 2022/23

November sales development

- Total sales up 6% to 1,085 MSEK, organic sales up 3%
 - Sweden +2% organic
 - Norway +8% organic
 - Finland -3% organic
- Online sales up 27%
- Black Week sales well above last year
- Decrease of 5 stores compared to end of November last year






Summary

Well positioned in an uncertain market

- Sales growth in a challenging market
- Stronger customer position
 - Loyal and larger customer base
 - Increased customer satisfaction
 - Strengthened price value position
- Increased uncertainty around consumer spending
- Value for money is key
- Measures taken for increased efficiency





Q&A

