

# Q3 report

06 March 2024

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# Agenda

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

- ✓ **Total sales\* +9% to 3,233 MSEK, organic +12%**
- ✓ **Significantly improved operating profit at 422 MSEK**
- ✓ **Prioritised categories and product news driving growth**
- ✓ **Continued focus on efficiency and flexibility**
- ✓ **Q1-Q3 operating cash flow 1,597 MSEK (947)**
- ✓ **Solid financial position: net debt/EBITDA -0,5\*\***
- ✓ **+19% organic growth in February**

\*Excluding the acquired Spares Group

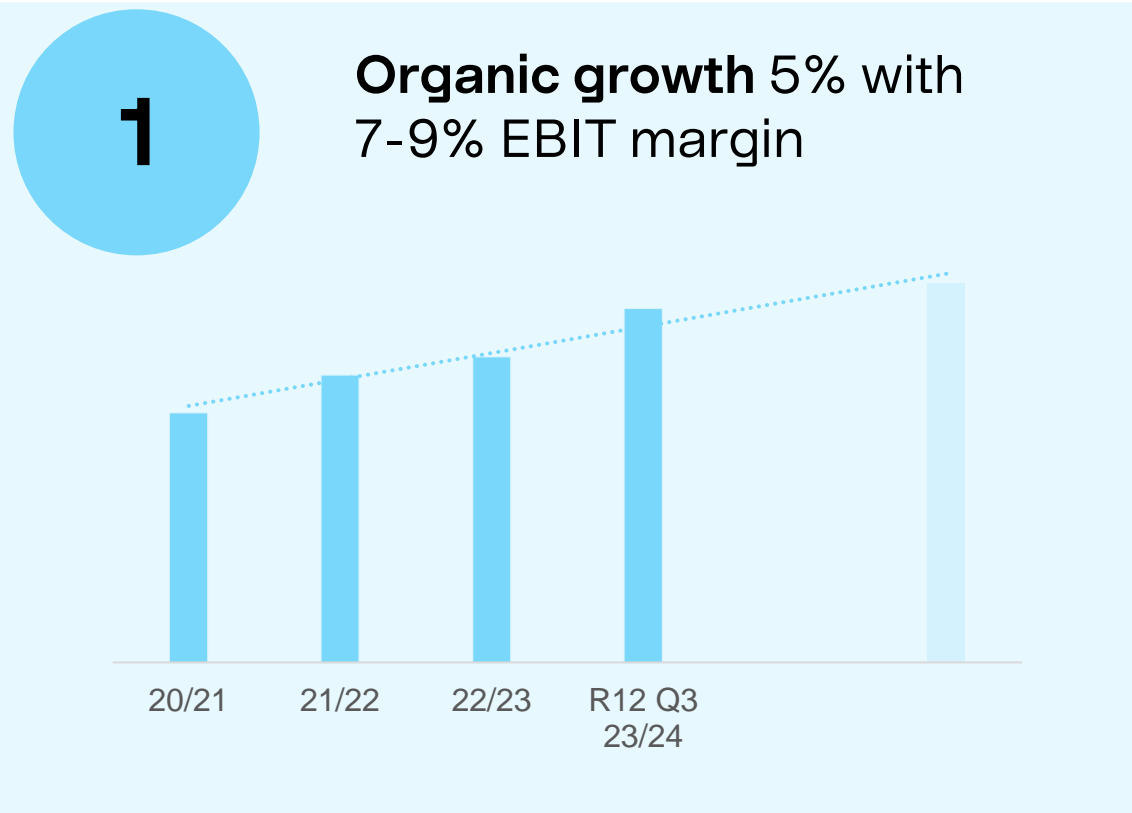
\*\*Excl IFRS 16





# **Business update**

# Strategy execution – growth plan 24/25



**2** Industry leading in sustainability – deliver on our people agenda and 2045 commitments



Planet






People



Society


















# Strategy execution – overview Q3 23/24

Make assortment relevant 12 months/year. 	A profitable and growing online business. 	Expand the store network. 
<ul style="list-style-type: none"> <li>✓ All prioritised categories driving growth</li> <li>✓ Ability to grow base while simultaneously capturing shifting customer needs</li> <li>✓ Positive product reviews</li> </ul>	<ul style="list-style-type: none"> <li>✓ Online sales* +19% Q3 ~50% of online orders delivered via stores</li> <li>✓ Online share of total sales approx. 17% in Q3 following the consolidation of Spares</li> </ul>	<ul style="list-style-type: none"> <li>✓ 4 new stores opened so far 23/24</li> <li>✓ 7 stores to open in Q4</li> <li>✓ 10 rebuilt/moved stores in 23/24</li> <li>✓ 24/25: new target of approx. 10 new stores, 8 contracts already signed</li> </ul>
<b>Efficient customer communication.</b>	- Increasingly efficient digital marketing, attracting new customer segments	
<b>A competitive cost base.</b>	- Work on efficient ways of working and reducing cost on track in relation to plan	
<b>Execution on our sustainability agenda.</b>	<ul style="list-style-type: none"> <li>- Recognised as one of the most sustainable companies on Nasdaq Stockholm (<i>Hållbara bolag</i>, 2024)</li> <li>- CDP ranking "B"</li> </ul>	



# Assortment relevance – all consumer missions driving growth

<div>Tidy up your home. </div> <div></div> <div>Sustainability  </div>	<div>Light up your home. </div> <div></div> <div>Spare parts </div>	<div>Create a conscious home environment. </div> <div></div> <div>Seasons </div>	<div>Connect &amp; enjoy your home. </div> <div></div> <div>Consumables assortment </div>	<div>Fix your home. </div> <div></div>
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# All time high Christmas sales in a difficult market

**Julehandelen falt**

Nordmenn brukte mindre penger på julehandelen i 2023.



**Tall for julehandelen: Detaljhandelen gikk ned 0,9 prosent**

Nye tall fra Statistisk sentralbyrå viser at detaljhandelen gikk ned 0,9 prosent fra november til desember.

For hele 2023 var det en nedgang på 3,0 prosent sammenlignet med 2022.

– Det viser at økt rente biter og gjør folk mer forsiktige. Vi kjøper mindre varer og prioriterer tøffere. Det er godt å se at folk tar grep, selv i julehandelen. Det viser omstillingsevne og at folk evner å tilpasse seg når det trengs, sier sjeføkonom Kyrre Martinius Knudsen fra Sparebank 1 SR-Bank.

Statistiska centralbyrån.

## Bakslag för julhandeln – igen

**Inte heller denna jul blev vad handlarna hade hoppats på. Detaljhandeln sjönk med 0,2 procent i december jämfört med november, visar färskta siffror från Statistiska centralbyrån (SCB).**

• Medan dagligvaruhandeln ökade med 1,1 procent i december minskade sällanköpsvaruhandeln med 1,8 procent.

– Tittar vi på dagligvarusidan är det klart att du behöver ditt julbord och du handlar till nyår, även om det inte är samma mängder som tidigare.

Men i sällanköp slår det verkligen igenom, för där väljer många att inte handla nytt, säger Sofia Larsen, vd på Svensk Handel.

Jämfört med december i fjol var nedgången för detaljhandeln i stort 2,2 procent, vilket motsvarar omkring en halv miljard kronor.

Nyligen stod det klart att även e-handeln fick en svag avslutning på året och inte heller Black week-rean i november blev vad handlarna hoppats på.

Trots de tunga siffrorna ser Sofia Larsen en viss ljusning i tunneln, med räntesänkningar under året

och en fortsatt dalande inflation. Samtidigt passar hon på att ge en känga till regeringen.

– Handeln är näringslivets största arbetsgivare. Vi blev väldigt förvånade när regeringen höjde nedsättningen av arbetsgivaravgiften för unga.

– Här finns ett superviktigt steg in på arbetsmarknaden, och sänkningen av arbetsgivaravgiften är central framåt om vi ska vara konkurrenskraftiga i handeln i Sverige, säger Sofia Larsen.

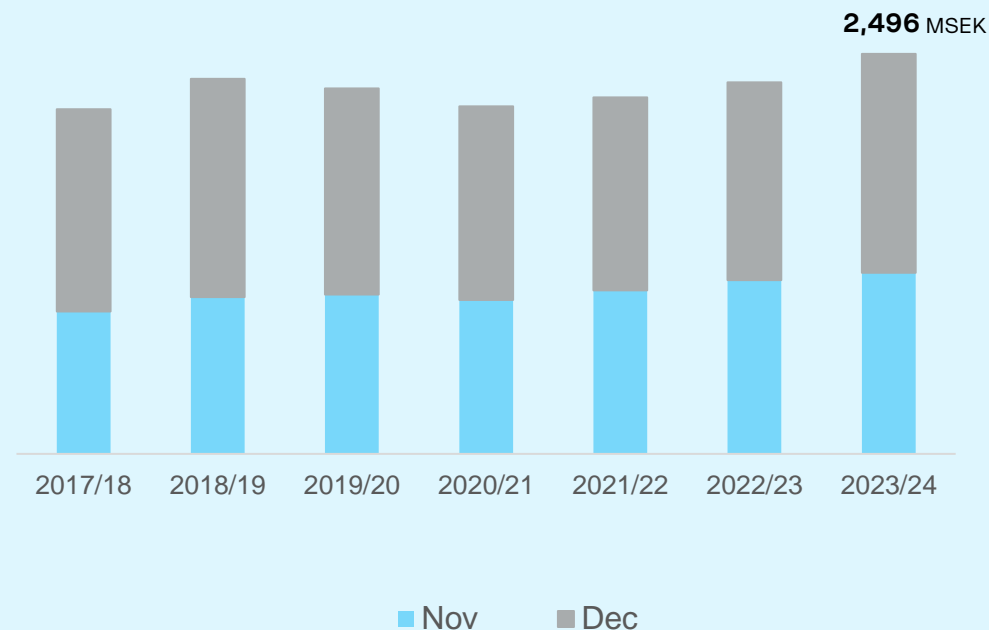
TT

Handelen under coronapandemien har falt i tiden etter det, opplyser SSB.

en nedgang på 0,9 prosent fra esongjustert omsetningsvolum.

en, var butikkhandel med andre er, med blant annet møbler og kk også butikkhandel med er seniorrådgiver Marius Bergh i SSB.

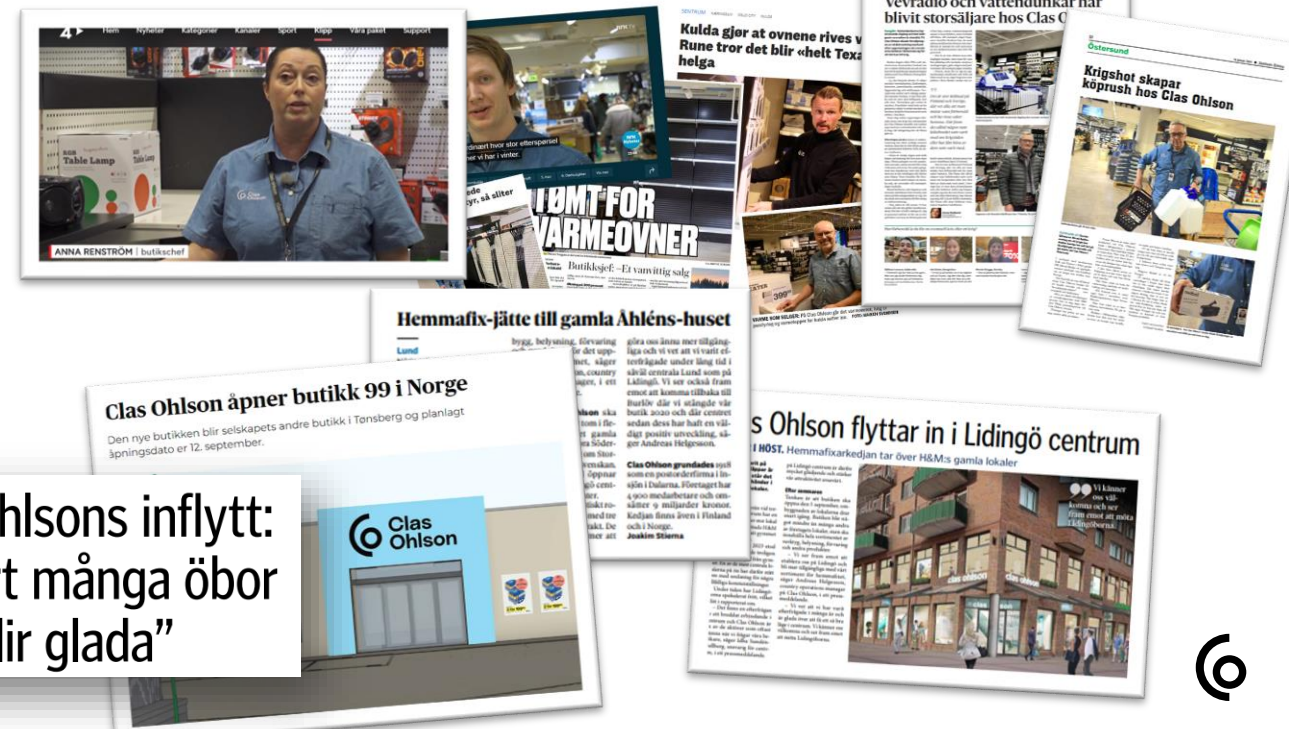
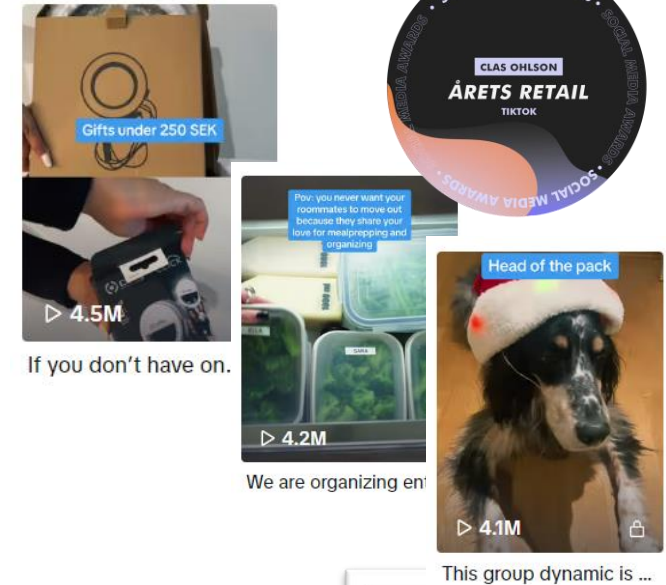
Clas Ohlson November and December sales










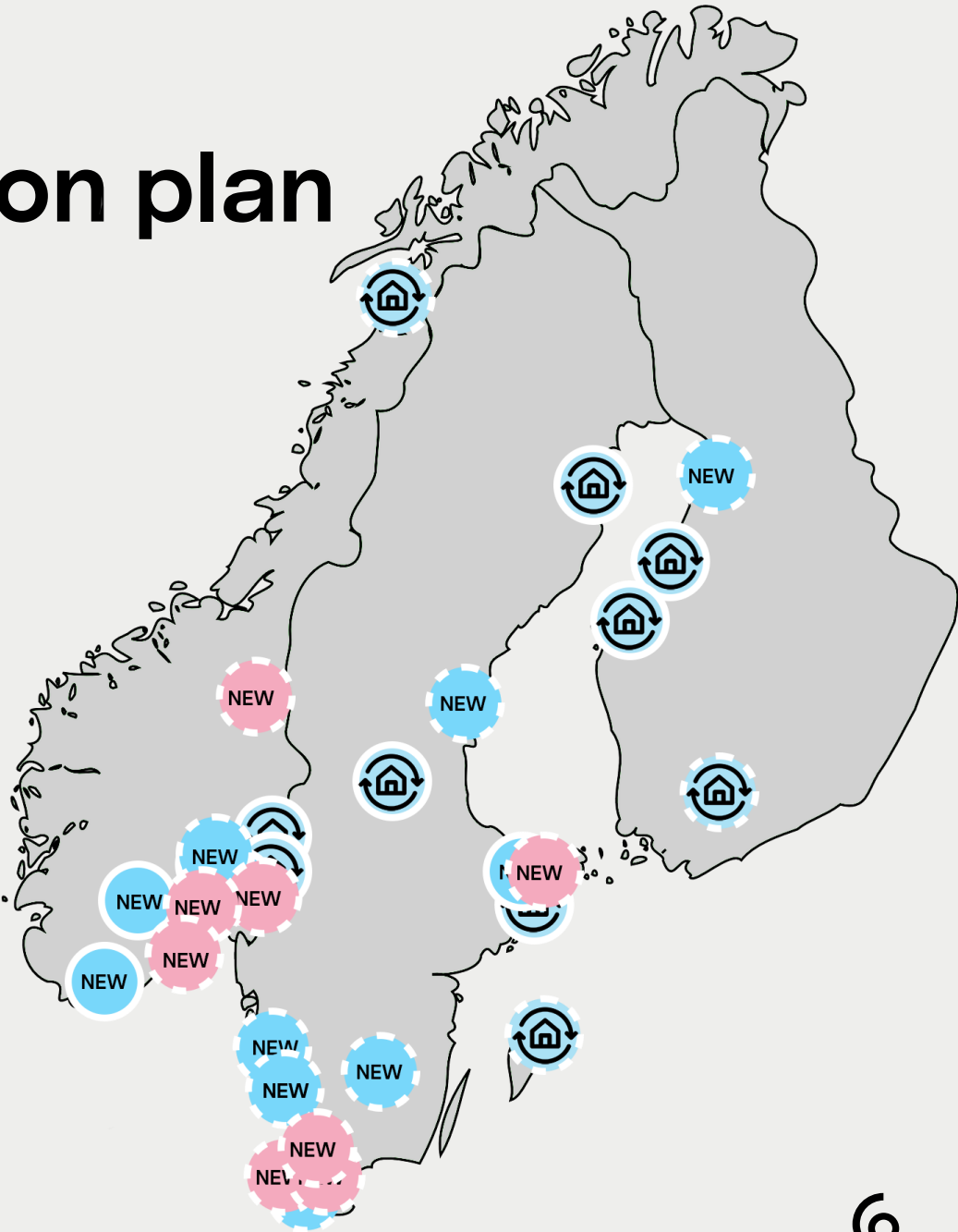
# Brand strength

- Efficient and relevant customer communication
  - 5.4 million Club Clas members (+8%)
  - Strong growth in younger member segments
- Top of mind also when customer demand rapidly shifts
  - Products connected to cold weather in Norway
  - Prepping products in Sweden
- Great interest in new stores



# Delivering on store expansion plan

-  New store, opened in 23/24
-  New store, planned opening in 23/24
-  Rebuilt store, re-opened in 23/24
-  Rebuilt store, planned re-opening in 23/24
-  New store, planned opening in 24/25



*New target for 2024/25: net addition of approx. 10 new stores*



# Spares – a leading company within spare parts and accessories for electronics as well as batteries

- Development according to plan – continued strong market trend and work in progress for joint value creation
  - Sales in Q3: 179 MSEK
- Consolidated into the Clas Ohlson Group one segment accounting as from Q3 2023/24
- Purchase price of 431 MSEK (91.4% of shareholding)
  - no further payment estimated

**teknikdelar**  
ALLT FÖR MOBILEN

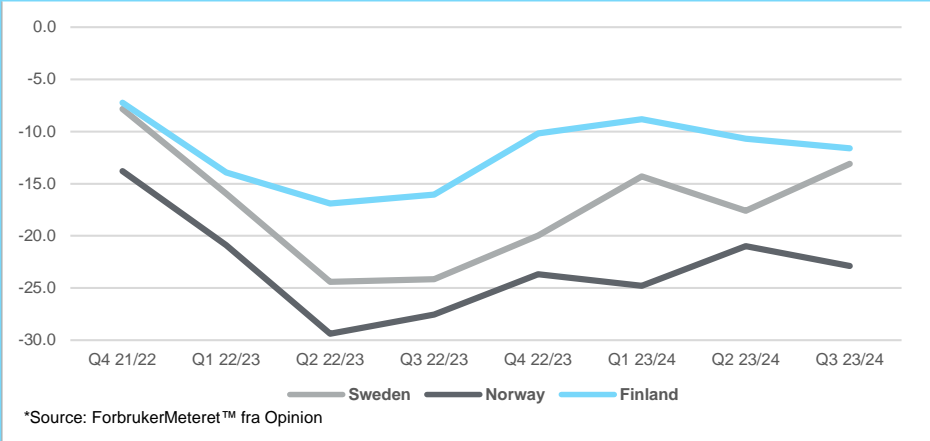
 **BATTERIEXPERTEN**

**SPARES**

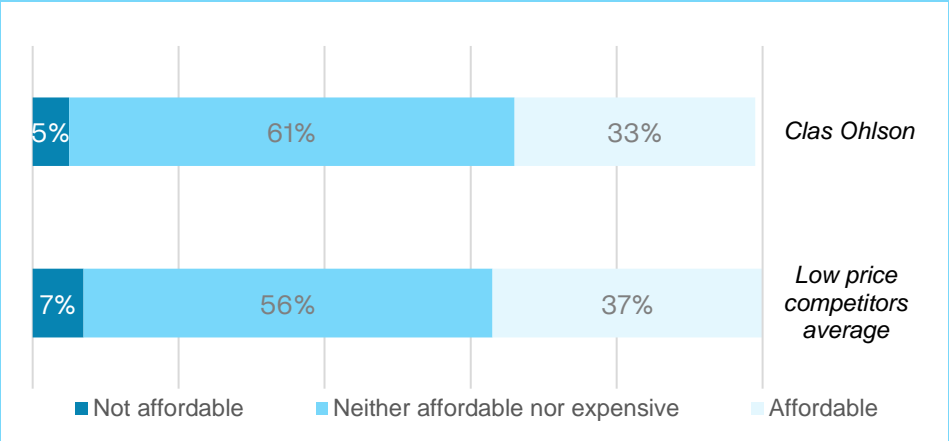
 **ZANDPARTS**

# Value for money assortment and great customer service

Customer Confidence development\*

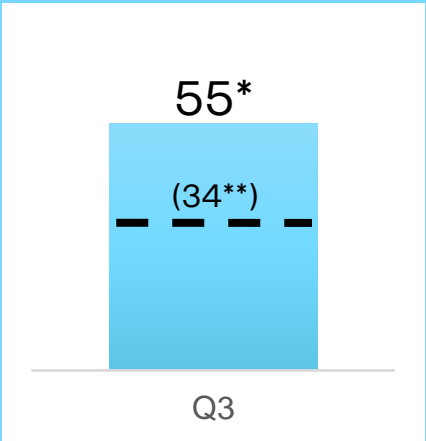


Q: How affordable do you think the following brands are?



Source: Clas Ohlson survey, January 2024

Net Promoter Score (NPS)



\* Source: Clas Ohlson survey, January 2024  
\*\* Retail industry average





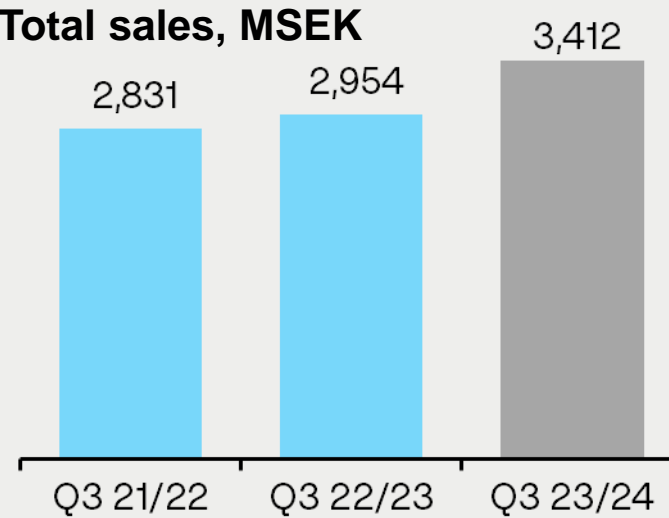
# **Financial development**

# Strong sales development in stores and online

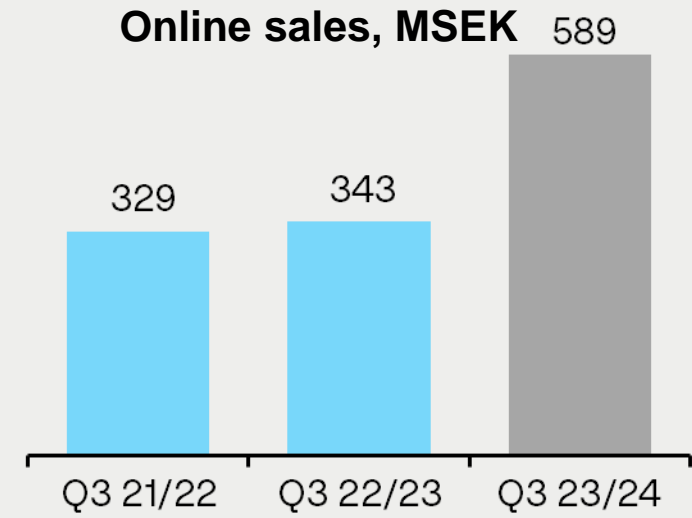
## Q3

- Total sales, excluding Spares, up 9% to 3,233 MSEK, organic sales up 12%, LFL up 12%
- Online sales, excluding Spares, up 19%
- Total sales, including Spares, 3,412 MSEK
- Online sales, including Spares, 589 MSEK
- The store network was unchanged compared to last year

Total sales, MSEK



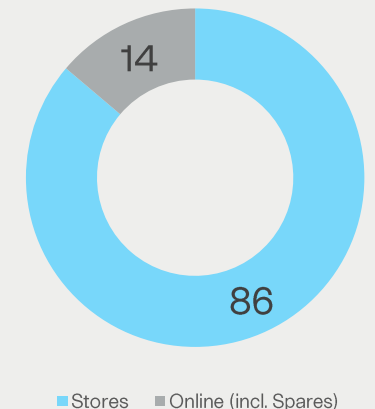
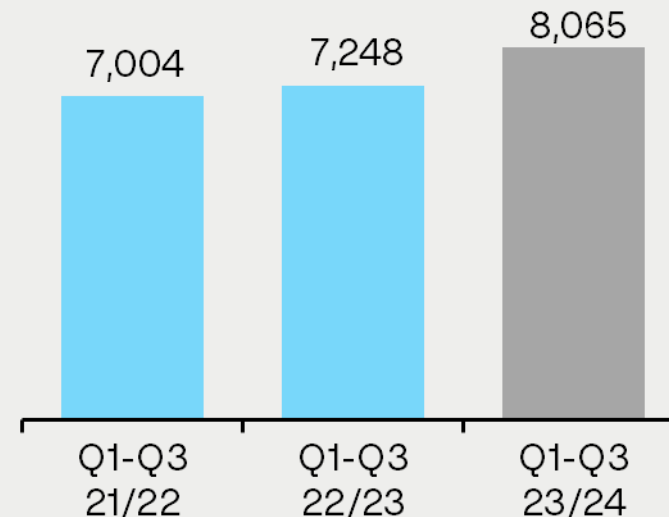
Online sales, MSEK



## Q1-Q3

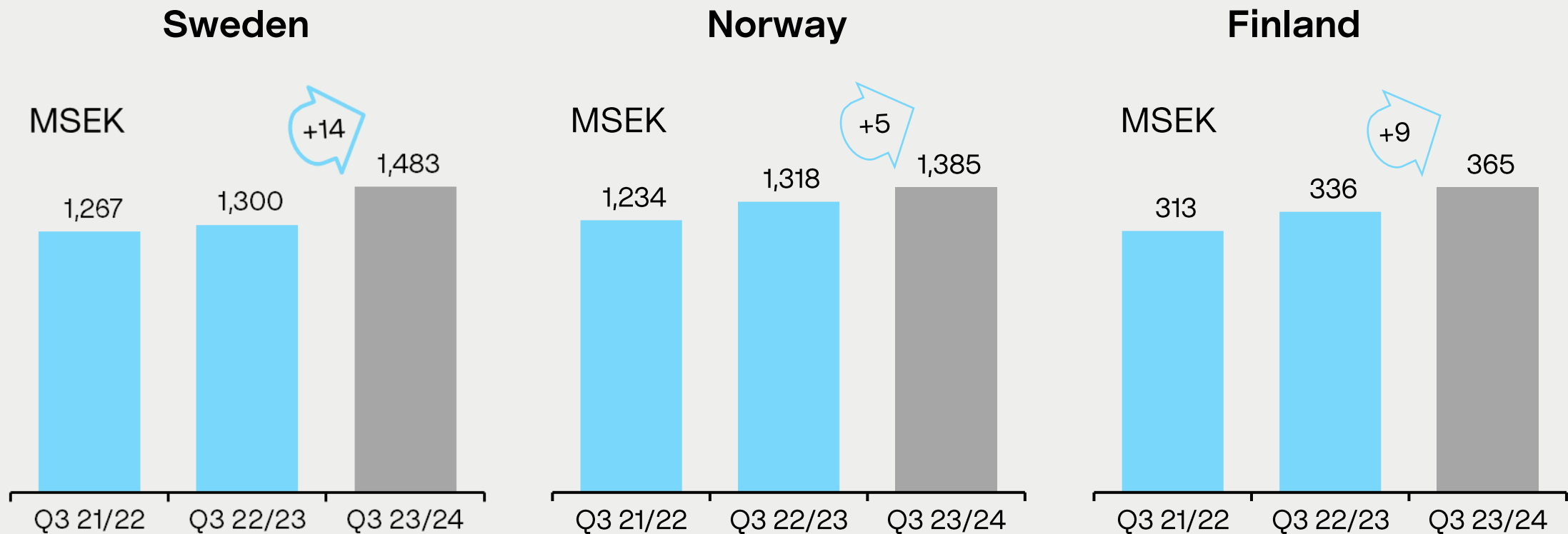
- Total sales, excluding Spares, up 9% to 7,886 MSEK, organic sales up 10%, LFL up 11%
- Online sales, excluding Spares, up 15%
- Total sales, including Spares, 8,065 MSEK
- Online sales, including Spares, 1,139 MSEK
- The store network increased by 2 stores during Q1-Q3

Online share of total sales (R12), %





# Increasing sales in all markets



Organic growth:	Q3: +14% Q1-Q3: +11%	Q3: +13% Q1-Q3: +12%	Q3: +5% Q1-Q3: +3%
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# Macro trends with business impact

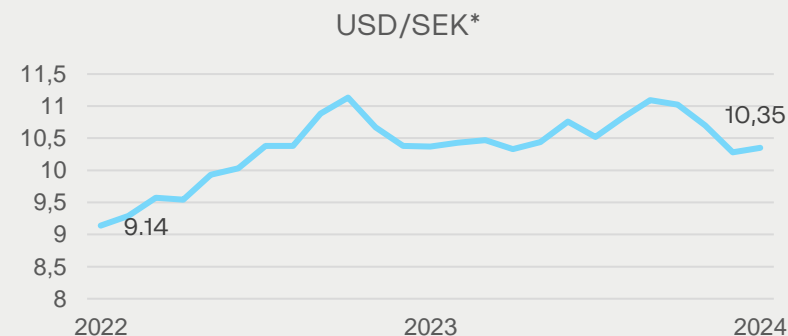
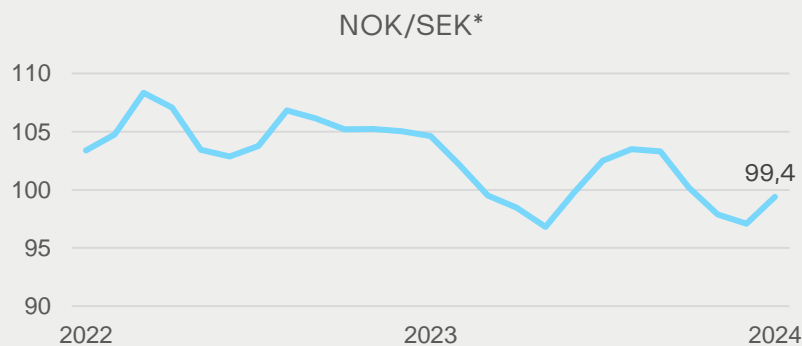
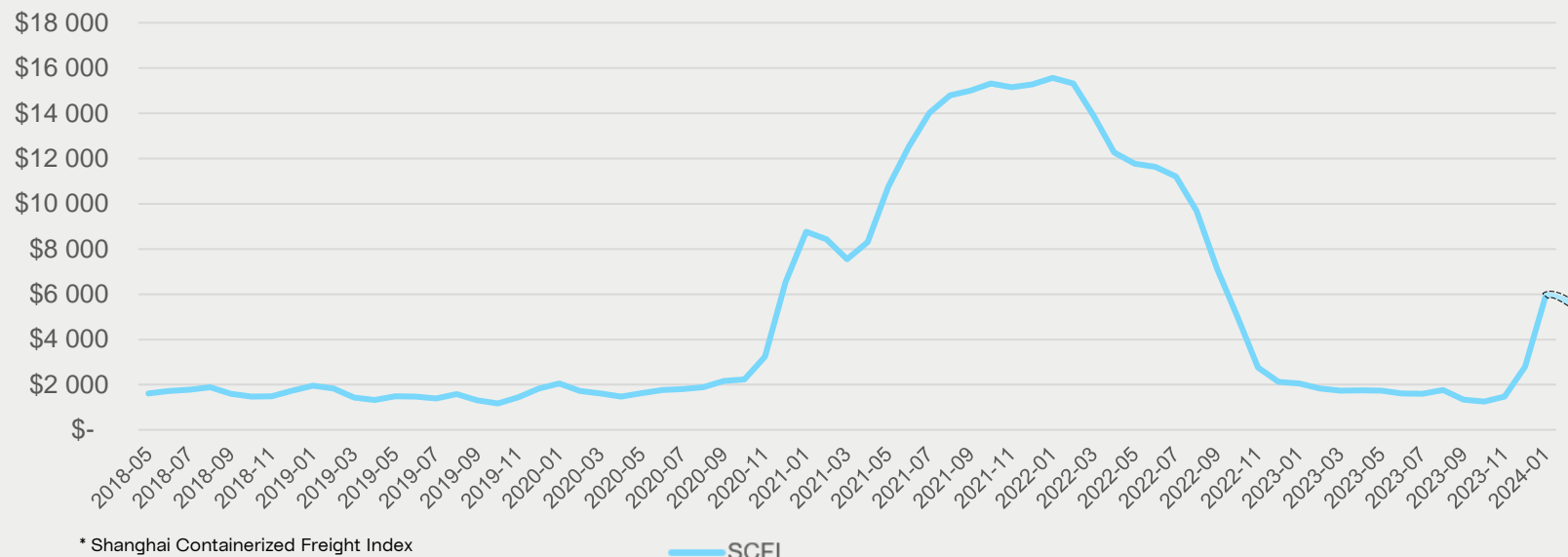
## Factors impacting Clas Ohlson:

- 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

## Proactive measures:

- Pricing – continuously optimising prices
- Sourcing – diversified sourcing strategy
- Flexible freight contracts
- Optimise sales mix – private label, product and category mix
- Products and packaging

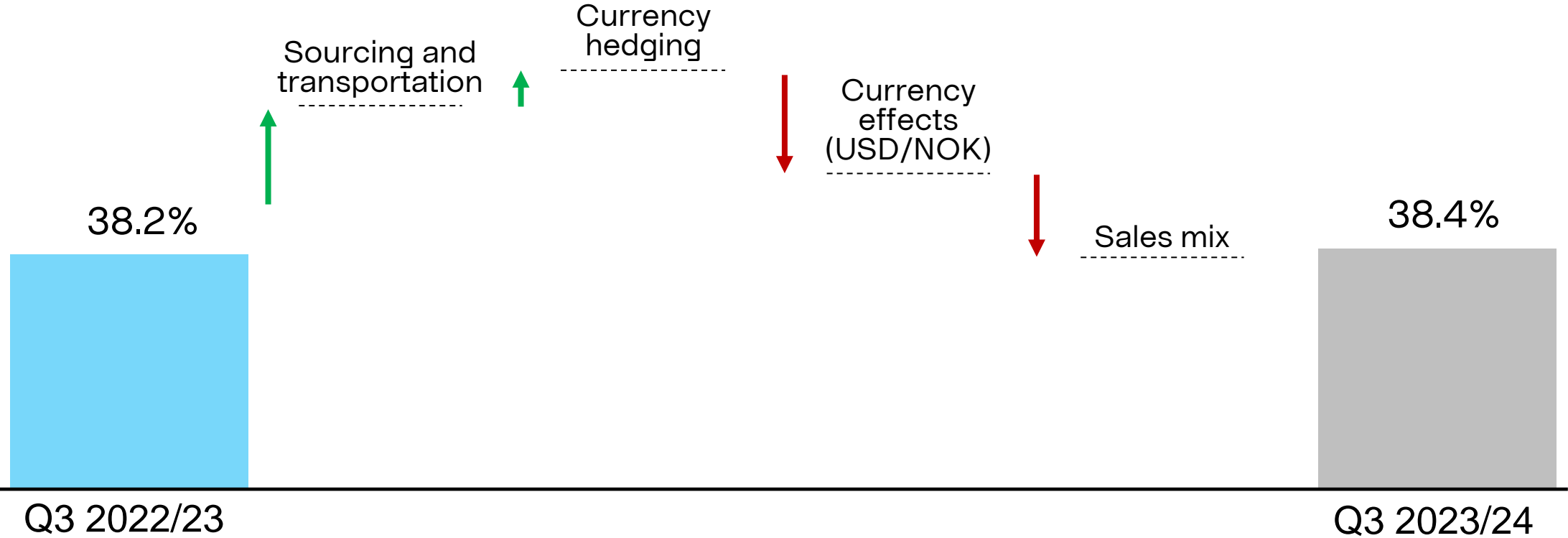
Spot prices for 40t containers from Asia to Gothenburg



\* Monthly average, The Riksbank/Nasdaq



# Slightly improved gross margin



# Financial overview

MSEK	Q3 23/24	Q3 22/23	Q1-Q3 23/24	Q1-Q3 22/23
<b>Operating profit excl. non-recurring items</b>	<b>425</b>	334	<b>856</b>	466
<i>Items affecting comparability</i>	-3	-119	-204	-154
<b>Operating profit</b>	<b>422</b>	215	<b>651</b>	312
<b>Profit after financial items</b>	<b>407</b>	200	<b>602</b>	265
<b>Profit for the period</b>	<b>321</b>	158	<b>468</b>	204
<b>EPS before dilution, SEK</b>	<b>5.07</b>	2.50	<b>7.39</b>	3.21

Share of selling expenses, Q3

**24.5%**

(25.7%)

Administrative expenses, Q3

**50 MSEK**

(51 MSEK)

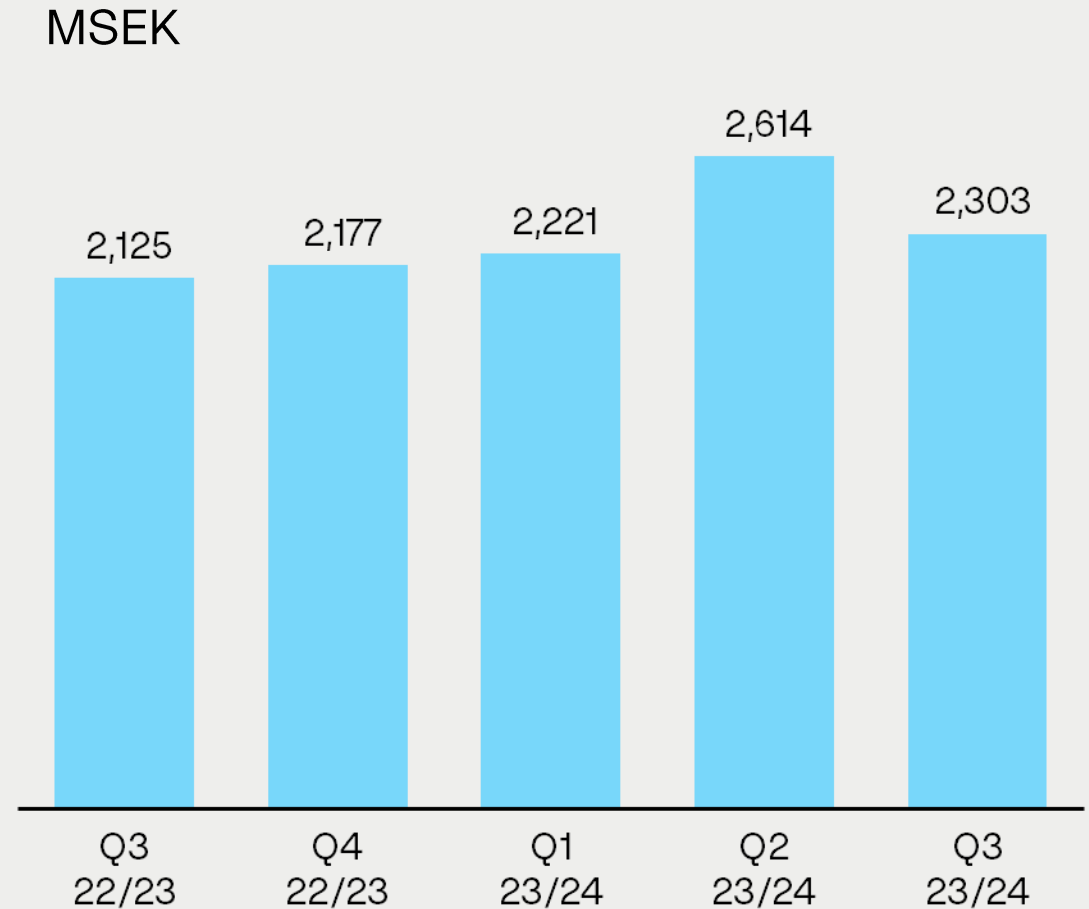
EBIT-margin, Q3

**12.4%**

(7.3%)

# Well balanced inventory

- **Inventory level:** 2,303 MSEK (2,125) at the end of the period
- **Average inventory level LTM:** 2,304 MSEK (2,394)
- **Inventory turnover rate DC:** 5.6 (4.5)



# Strong cash flow and solid financial position

MSEK	Q1-Q3 23/24	Q1-Q3 22/23
Cash flow from operating activities, before change in working capital	1,184	880
Change in working capital	413	67
Cash flow from operating activities	1,597	947
Cash flow from investing activities	-499	-101
Cash flow from financing activities	-767	-1,223
Cash flow for the period	331	-377

Approved credit facilities\*

**1,110** MSEK  
Of which utilised 0 MSEK

Net debt/EBITDA excl. IFRS 16

**-0.5x**  
(-0.1x)



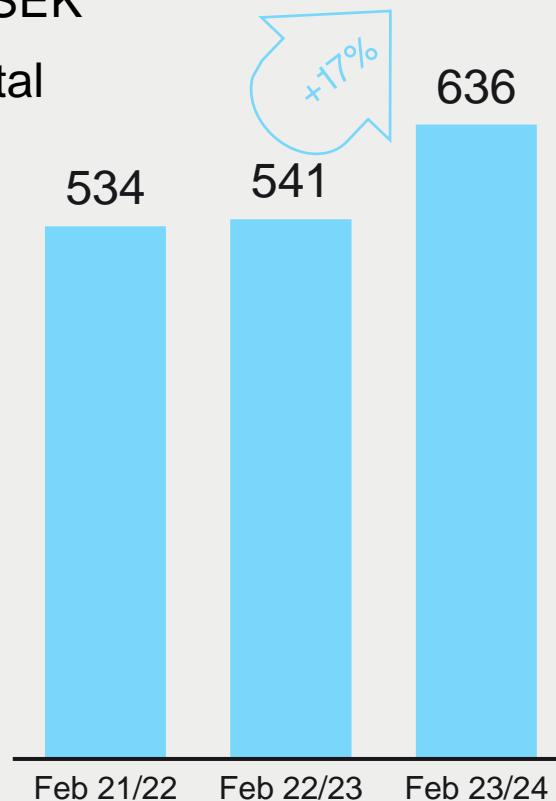


# Events after the reporting period

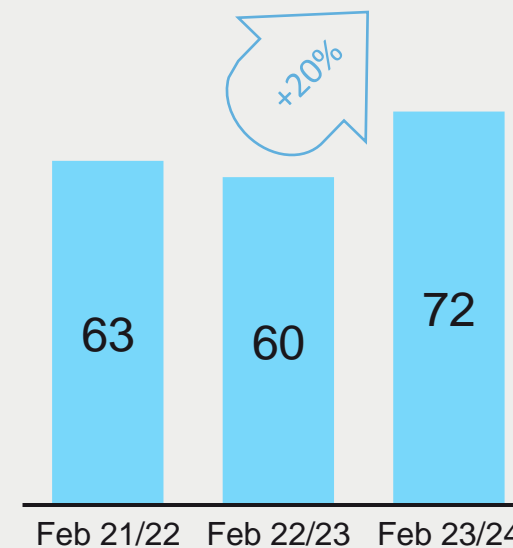
# February sales development

- Total sales, excluding Spares, up 17% to 636 MSEK, organic sales up 19% and LFL up 19%
  - Sweden +18% organic
  - Norway +22% organic
  - Finland +14% organic
- Online sales, excluding Spares, +20%
- Total sales, including Spares, 686 MSEK
  - Online sales, including Spares, 122 MSEK
- Store network unchanged compared to end of February last year

MSEK  
Total



MSEK  
Online






# Summary

# Executing on our strategic plan

- Challenging market and continued uncertainty around consumer spending
- Relevant assortment, value for money and increased flexibility is key
- Developing our sales channels
  - Expanding the store network, new target set for 24/25: net addition of approx. 10 stores
  - Growing online sales
- Continued cost focus and simpler ways of working going forward



 Clas Ohlson

Det meste kan fikses.  
Vi vet hvordan!

Q&A

TON SPORT



