

Q1 report

04 September 2024

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Agenda

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



Highlights Q1

- ✓ Q1 total sales* 2,623 MSEK, organic +10%
- ✓ Q1 operating profit at 203 MSEK
 - ✓ operating margin +7.7%
- ✓ Operating cash flow 413 MSEK (328)
- ✓ Solid financial position: net debt/EBITDA -0.4**
- ✓ EPS: 2.30 SEK (-0.42)
- ✓ Solid start to Q2 with +7% organic growth in August

*Including the acquired Spares Group

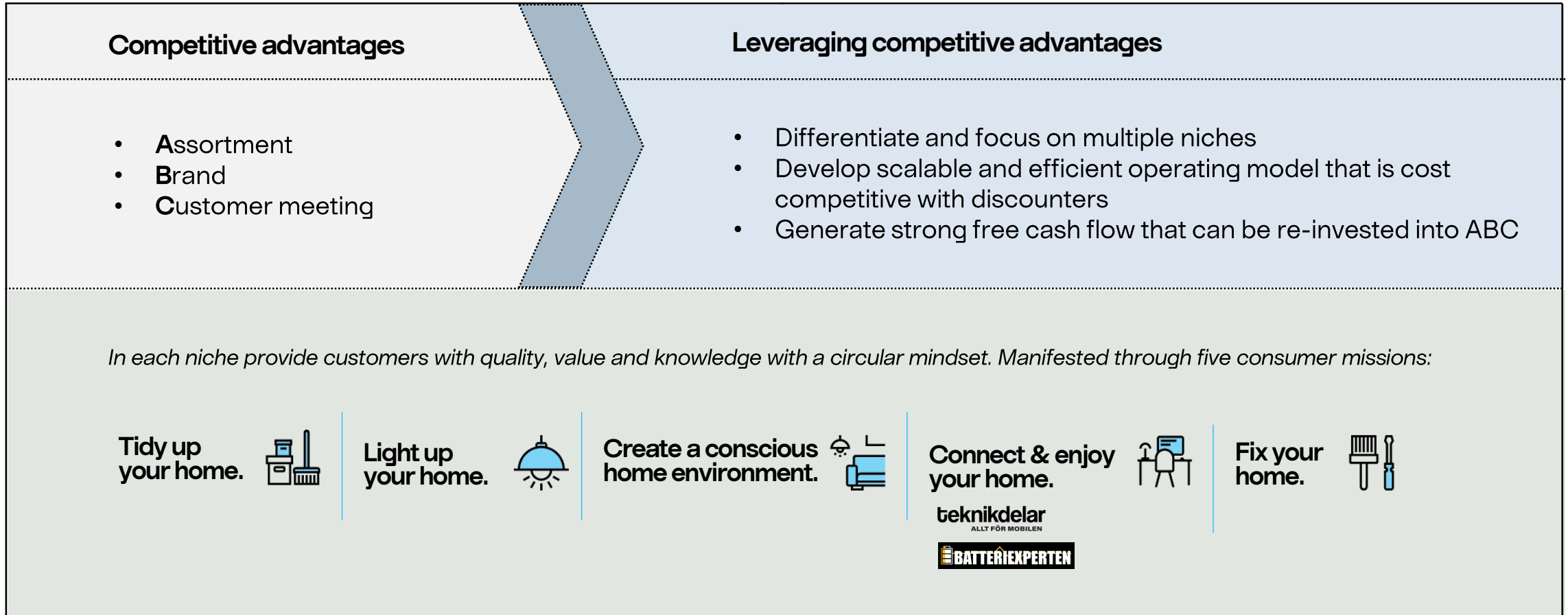
**Excl IFRS 16



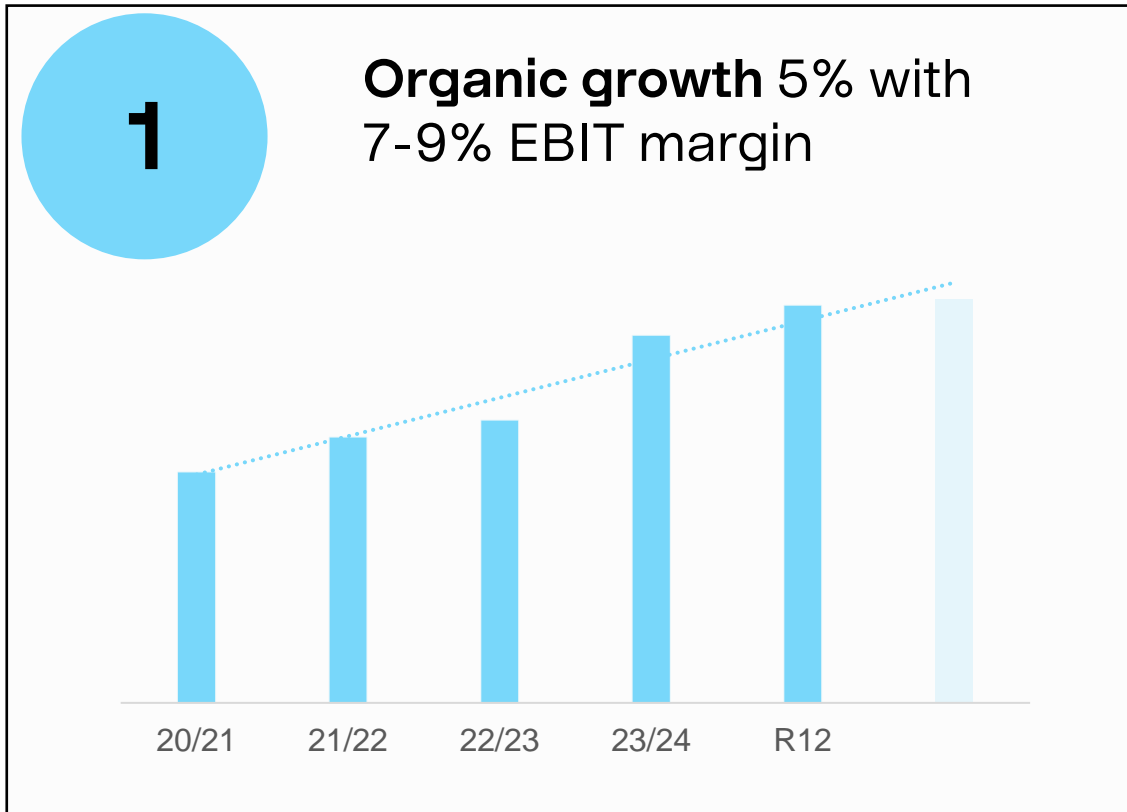


Business update

Strategic position



Strategy execution – key targets






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

Planet People Society


















Strategy execution – overview Q1 24/25

| Make assortment relevant 12 months/year.  | A profitable and growing online business.  | Build a robust store network.  |
|---|---|---|
| <ul style="list-style-type: none"> ✓ All prioritised categories driving growth ✓ Non-seasonal assortment key explanation to strong development ✓ Continued high pace in launching product news | <ul style="list-style-type: none"> ✓ Q1 online sales* +12% ✓ Omni-structure continued competitive advantage ✓ Spares Group Q1 sales 210 MSEK | <ul style="list-style-type: none"> ✓ Net addition of 3 stores in Q1 ✓ 5 more openings planned for Q2 ✓ 24/25: target of approx. 10 new stores <ul style="list-style-type: none"> – Also several rebuilds planned for autumn/winter 2024/25 |
| Efficient customer communication. | - Maintained customer relevance and customer satisfaction. Club Clas keeps growing | |
| A competitive cost base. | - More efficient organisation enables growth initiatives | |
| Execution on our sustainability agenda. | - Reduced emissions in Scope 1 & 2 by 38% in 2023 | |

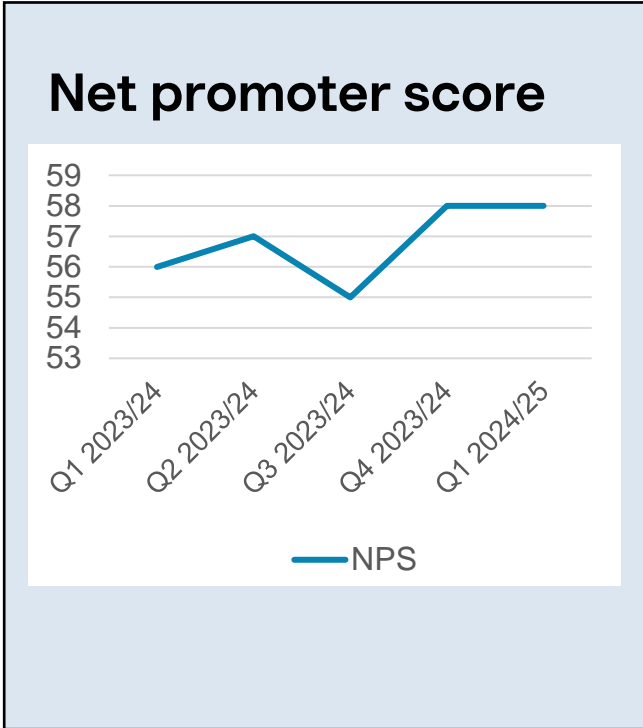
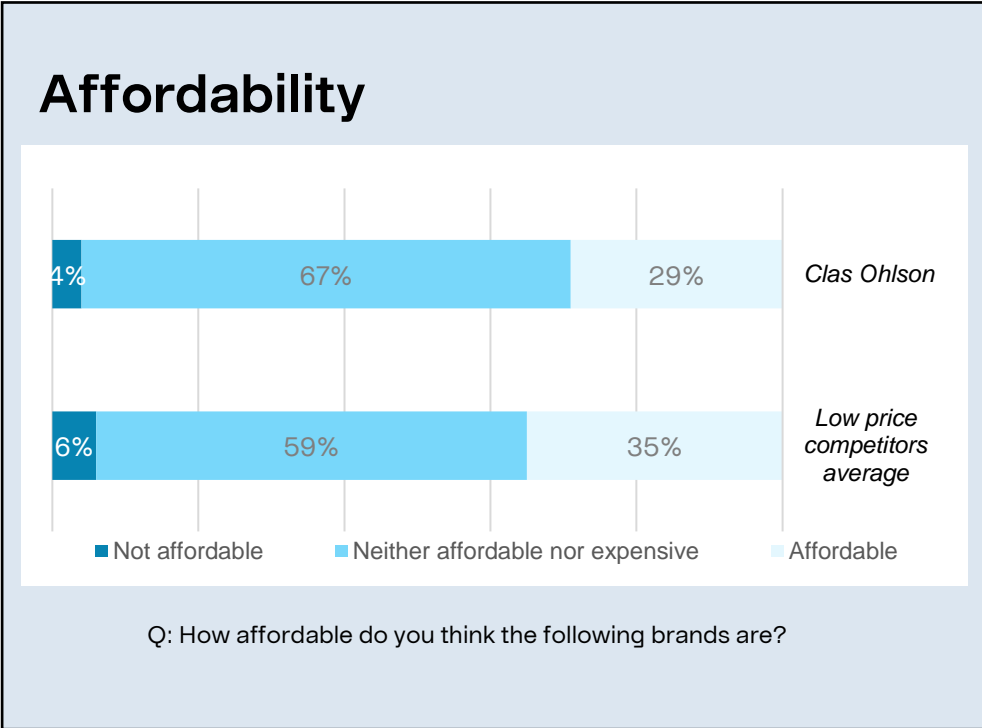


Growth in all prioritised niches

| | | | | |
|---|---|---|---|---|
| <p>Tidy up your home. </p> | <p>Light up your home. </p> | <p>Create a conscious home environment. </p> | <p>Connect & enjoy your home. </p> | <p>Fix your home. </p> |
|  |  |  |  <p>teknikdelar ALLT FÖR MOBILEN</p> <p>BATTERIEKSPERTEN</p> |  |
| <p>Sustainability  </p> | | <p>Spare parts  SPARES ZANDPARTS</p> | | <p>Seasons </p> |
| <p>Consumables assortment </p> | | | | |



Customer relevance and satisfaction



Source: Clas Ohlson surveys, July 2024



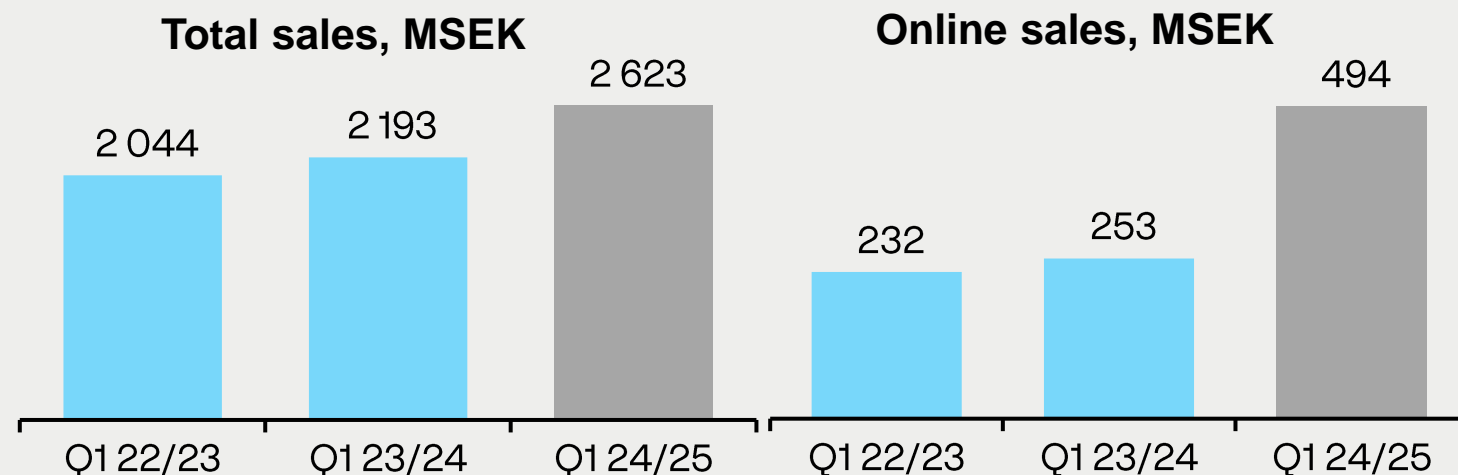


Financial development

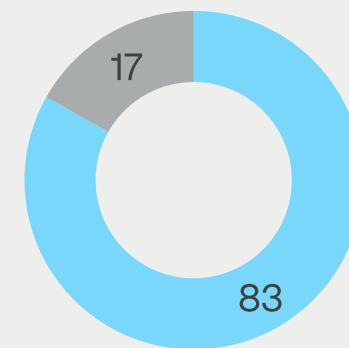
Sales development well above targets

Q1

- Total sales up 20% to 2,623 MSEK, of which 10% organic, currency effects 0% and the acquired Spares group 10%
- Online sales, excluding Spares, up 12%
- Online sales, including Spares, 494 MSEK



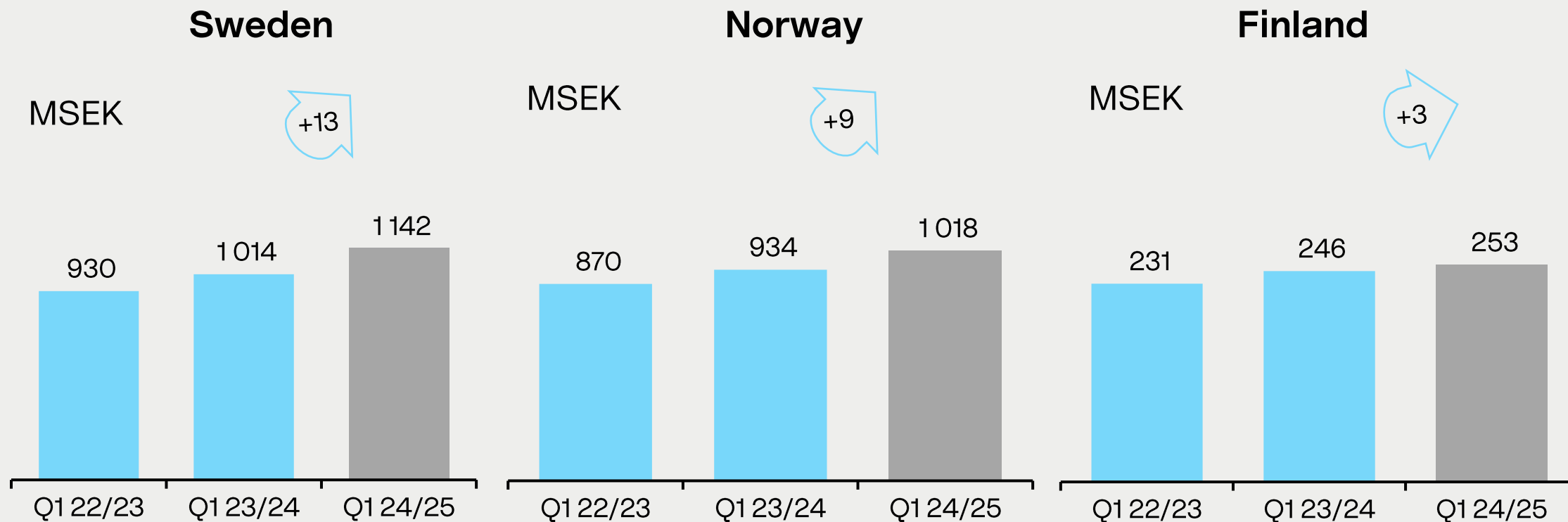
Online share of total sales (R12), %



■ Stores ■ Online (incl. Spares)



Positive development in all markets



Organic growth:

Q1: **+13%**

Q1: **+10%**

Q1: **+4%**



Macro trends with business impact

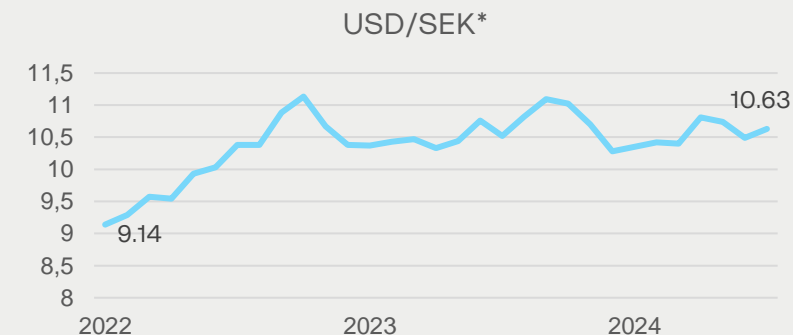
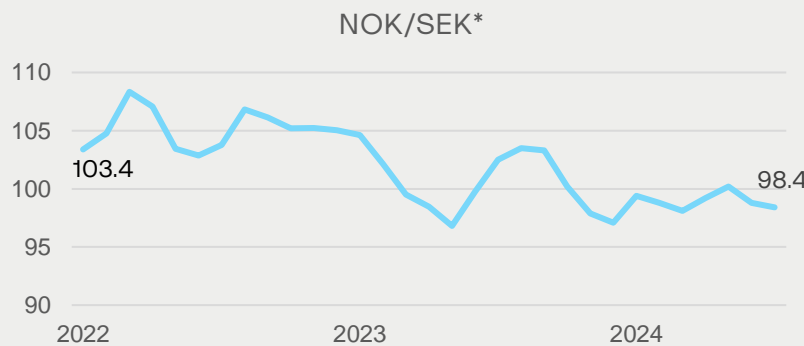
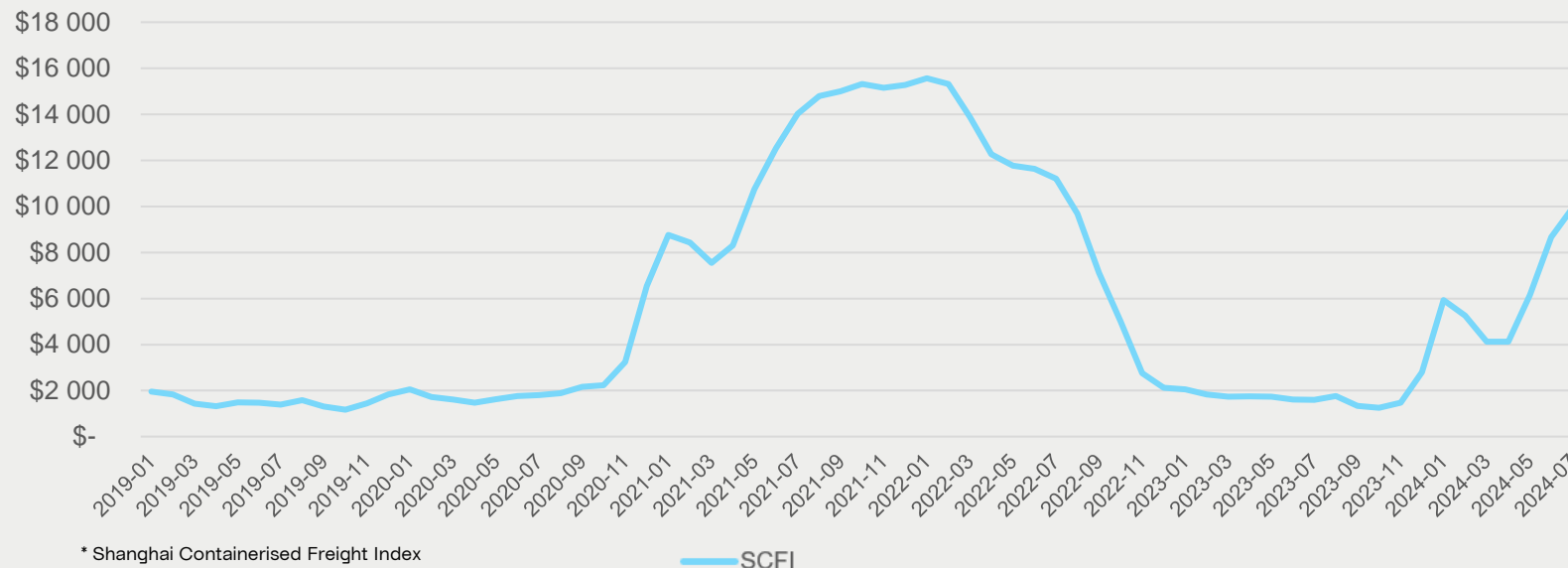
Factors impacting Clas Ohlson:

- 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

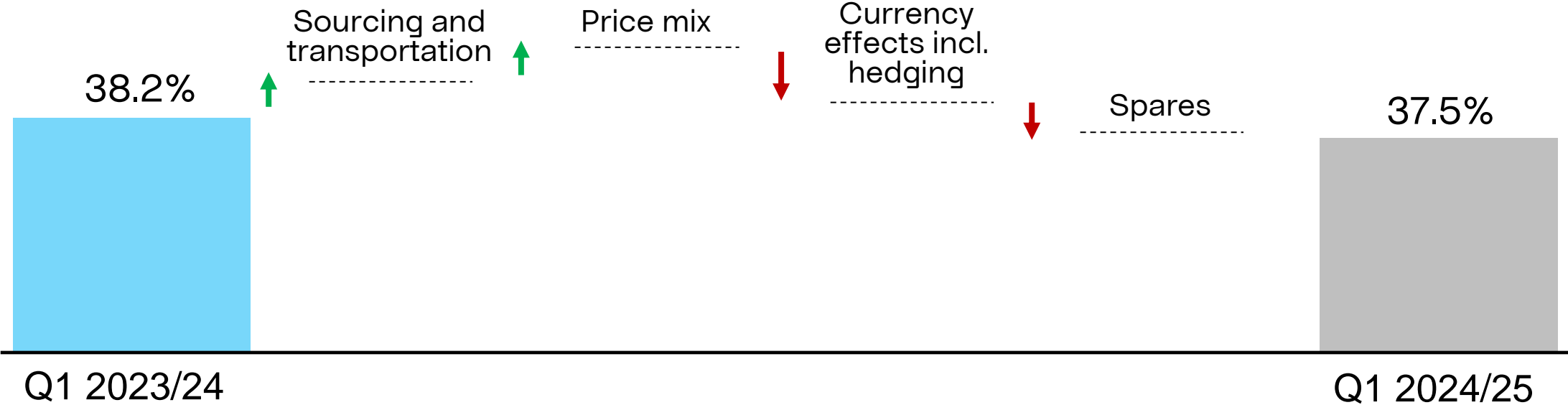
Spot prices for 40t containers from Asia to Gothenburg



* Monthly average, The Riksbank/Nasdaq



Gross margin affected by currency effects



Financial overview

| MSEK | Q1 24/25 | Q1 23/24 |
|---|-------------|-------------|
| Operating profit excl. non-recurring items | 203 | 155 |
| <i>Items affecting comparability</i> | 0 | 170 |
| Operating profit | 203 | -16 |
| Profit after financial items | 187 | -32 |
| Profit for the period | 146 | -26 |
| EPS before dilution, SEK | 2.30 | -0.42 |

Share of selling expenses, Q1

27.8%

(29.7%)

Administrative expenses, Q1

51 MSEK

(46 MSEK)

EBIT-margin, Q1

7.7%

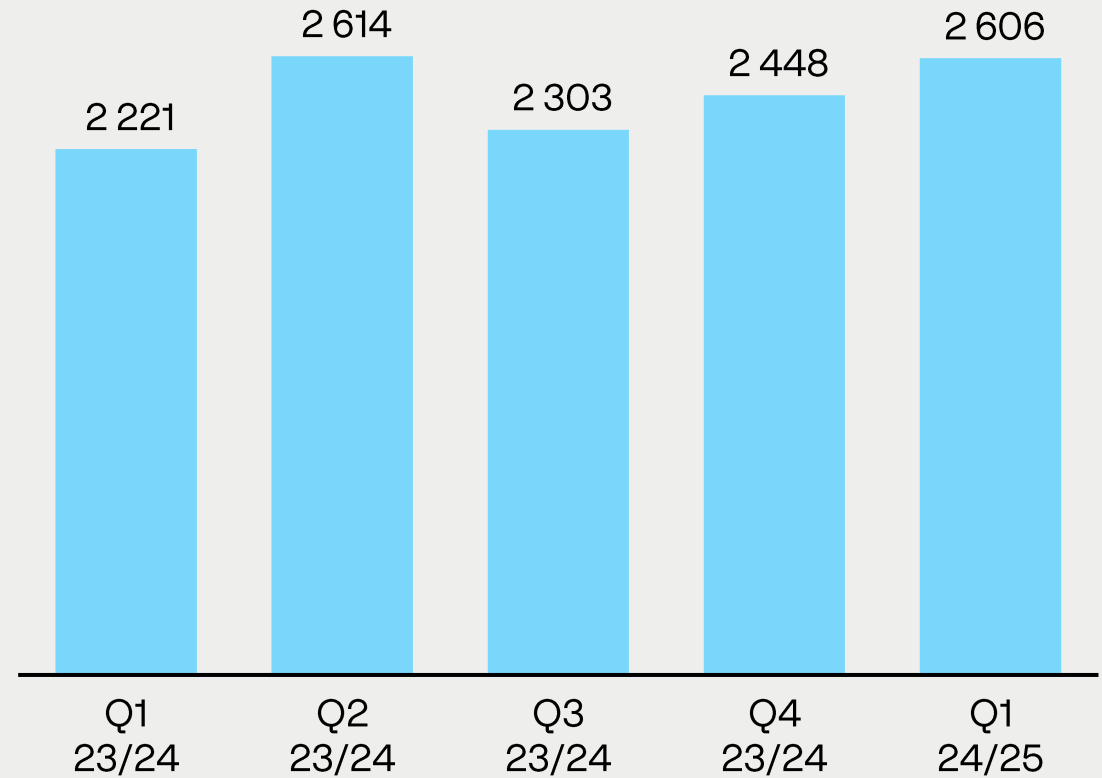
(-0.7%)



Well balanced inventory

- **Inventory level:** 2,606 MSEK (2,221) at the end of the period

MSEK



Strong cash flow and solid financial position

| MSEK | Q1 24/25 | Q1 23/24 |
|---|-------------|-------------|
| Cash flow from operating activities, before change in working capital | 346 | 250 |
| Change in working capital | 67 | 79 |
| Cash flow from operating activities | 413 | 328 |
| Cash flow from investing activities | -33 | -14 |
| Cash flow from financing activities | -133 | -351 |
| Cash flow for the period | 247 | -37 |

Approved credit facilities*

1,110 MSEK
Of which utilised 0 MSEK

Net debt/EBITDA excl. IFRS 16

-0.4x
(-0.1x)

Free cash flow Q1

247 MSEK
(184 MSEK)

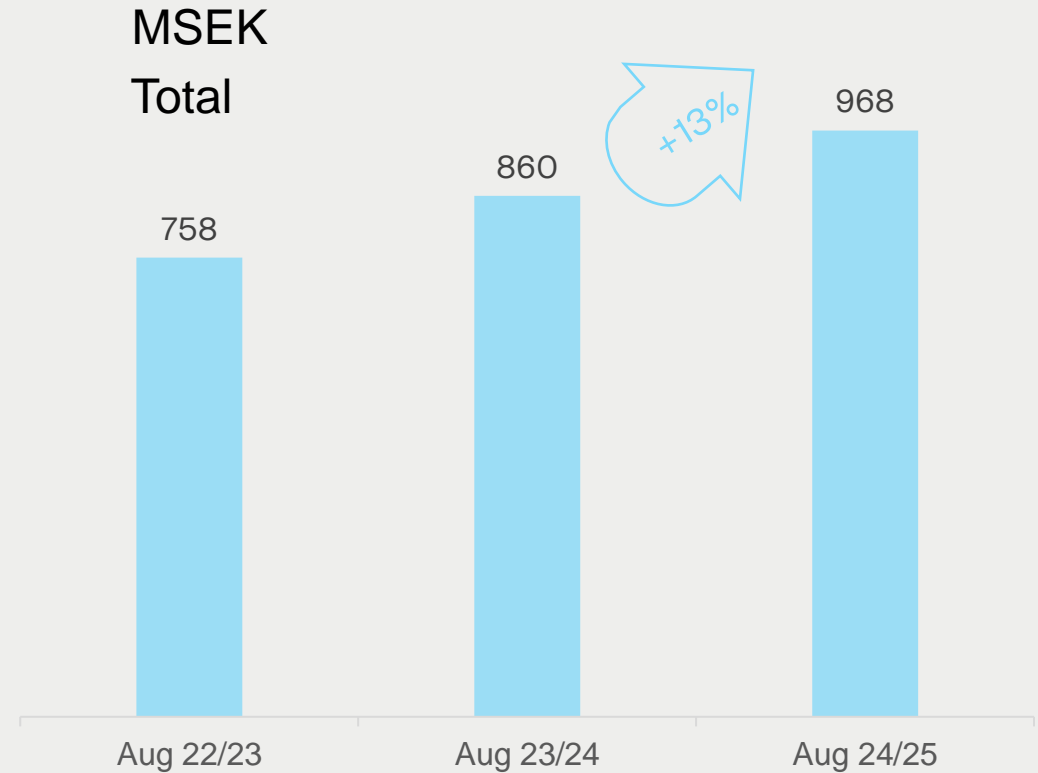




Events after the reporting period

August sales development

- Total sales up 13% to 968 MSEK, of which 7% organic, currency effects -3% and the acquired Spares group 9%
 - Sweden +7% organic
 - Norway +8% organic
 - Finland +7% organic
- Store network increased by 11 stores compared to end of August last year
- All prioritised product niches driving growth also in August






Summary

Continued focus on long-term growth plan

- Still relatively weak general market underlines importance of strong execution in day-to-day operations and value for money assortment
 - Continued renewal of assortment
- Continued focus on developing our sales channels
 - 5 store openings in Q2
 - Developing existing store network
 - Growing online sales – improved lead times and delivery options
- Continued cost focus to mitigate macro challenges



A collection of white bathroom accessories is arranged on a light-colored surface. In the foreground, a white rectangular tray holds a hairbrush with black bristles and a wooden handle. To its right, a white soap dish contains three bars of soap in shades of yellow and orange. In the background, a white rectangular tray holds a shaving brush with a blue and white bristle head and a wooden handle, next to a clear glass perfume bottle with a silver cap. A white rectangular tray in the foreground holds a white towel. A light blue circle is overlaid on the left side of the image, containing the text 'Q&A'.

Q&A

