



Q2 Report 2012/2013

12 December 2012

Agenda

1. Q2 2012/13 (August-October)
2. First six months 2012/13 (May-October)
3. Events after period end
4. Strategic update
5. Q&A



**30-1001 Cotech Jigsaw
SEK 299**

Clas Ohlson today

- A retail chain with 172 stores in 4 countries
- Multi channel retailer
- 68 million visitors – 33 million customers
- Sales of SEK 6.4 billion (R12)
- EBIT-margin 8.1% (R12)
- Clas Ohlson included in Nasdaq OMX Sustainability Index



Q2 2012/13
August - October

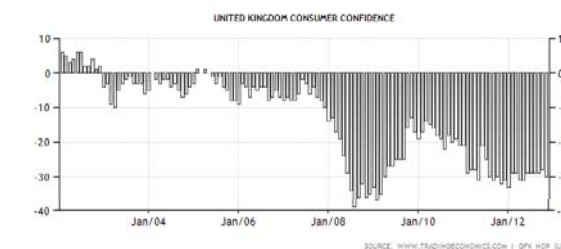
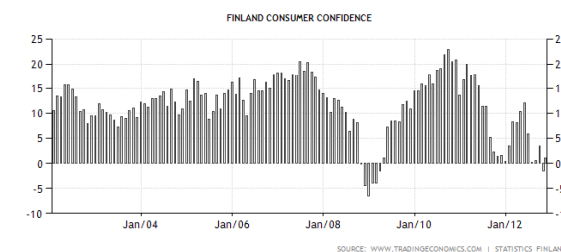
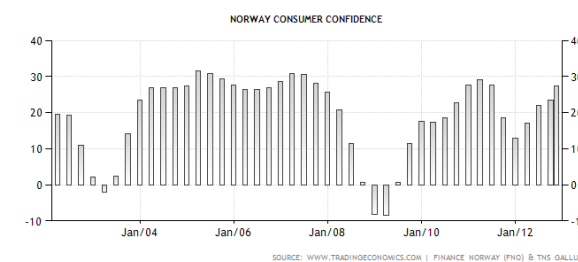
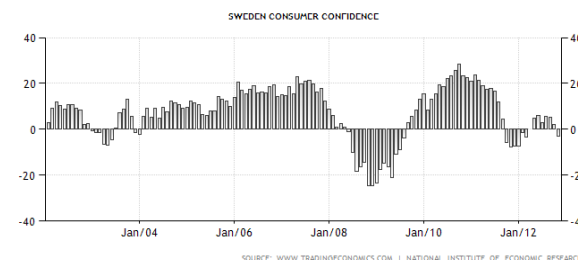


36-4241 Standard LED Bulb
SEK 99

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Market development - CCI

- CCI Sweden to Index -7.4 in November, far below historical average
- CCI Norway to Index 27.31 in the fourth quarter of calendar year 2012
- CCI Finland to Index 1.0 in November 2012, at very low level
- CCI UK at Index -30 in October still at very low historical level

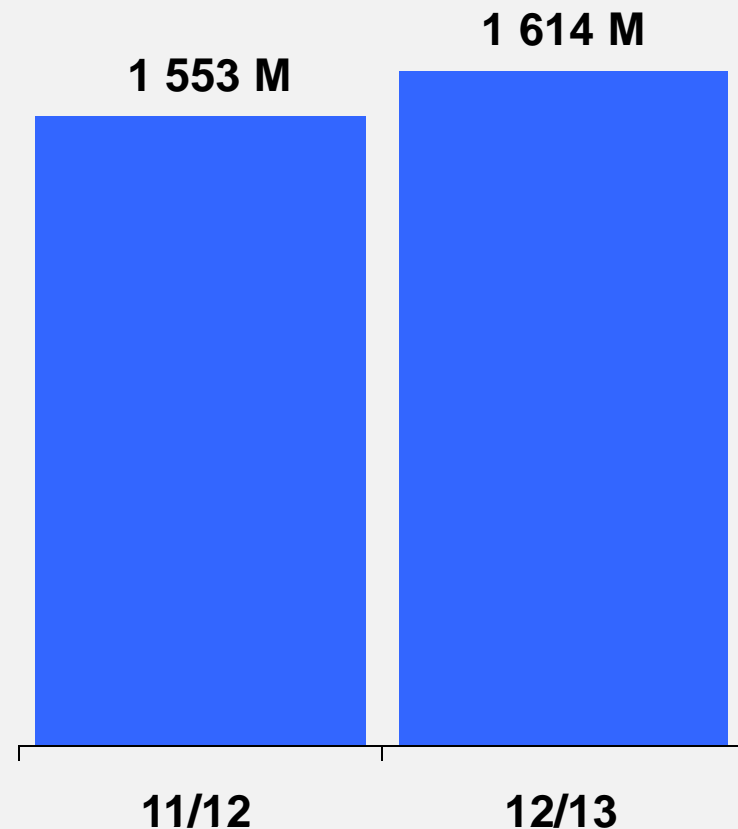


CCI: Consumer Confidence Index October/November 2012

Sales – Q2



- Sales up 4% to SEK 1 614 M, +6% in local currencies
 - 18 (23) more stores compared to preceding Q2
 - Comparable stores in local currency -3%
 - New stores +9%
 - Currency effects -2%
- E-com sales SEK 31 M (23), +33%
- Increased market shares in overall weak and volatile market
- Improved quarter after soft August sales

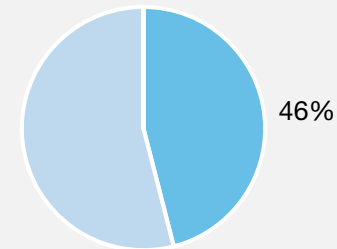


Sweden – Q2

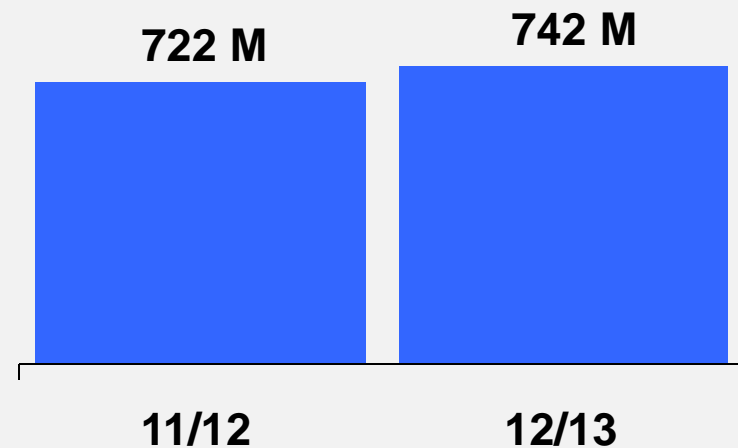
- Sales +3%
 - 1 new store during Q2.
Total of 71
 - 7 more stores compared to preceding Q2
- Increased market share in soft and volatile market



Portion of sales, Sweden



Sales Sweden

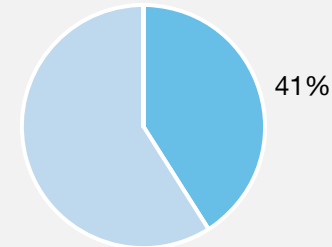


Norway – Q2

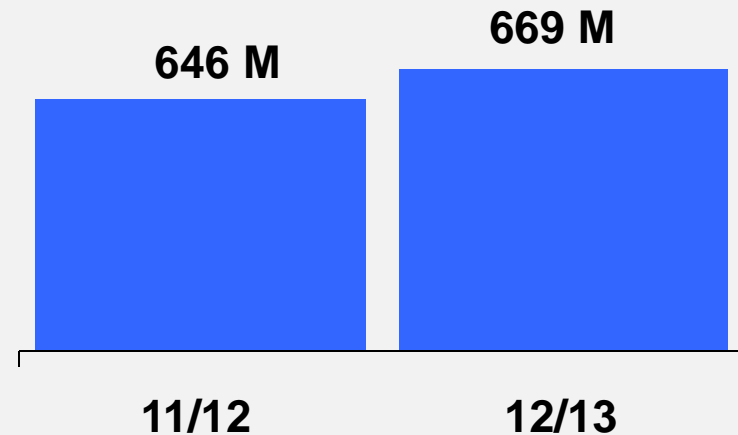
- Sales +4%
 - +6% in local currency
 - 1 new store during Q2.
Total of 59
 - 5 more stores compared to preceding Q2
- Increased market share in a fairly stable overall market development



Portion of sales, Norway



Sales Norway

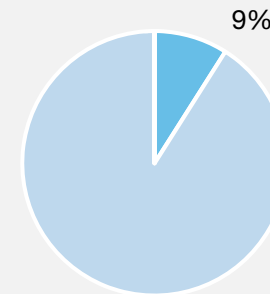


Finland – Q2

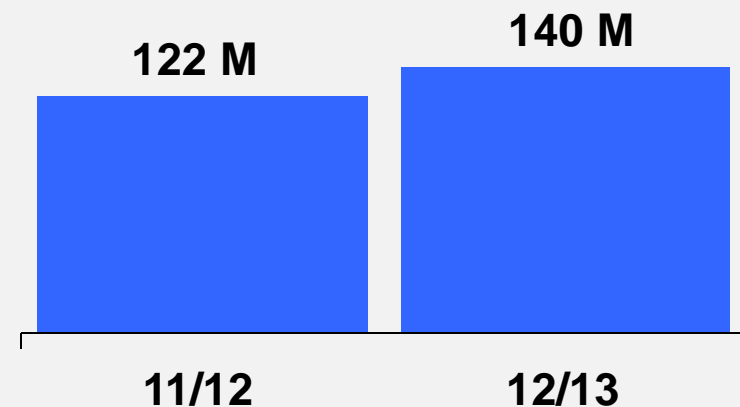
- Sales +14%
 - +23% in local currency
 - 3 new stores during Q2.
Total of 25
 - 6 more stores compared to preceding Q2
- Slow down in market and low consumer confidence
- Strengthened brand and market position
- E-com launched beginning of September



Portion of sales, Finland



Sales Finland

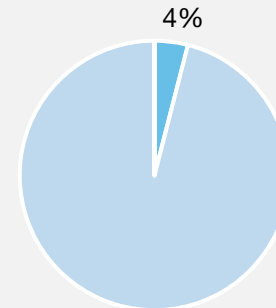


UK – Q2

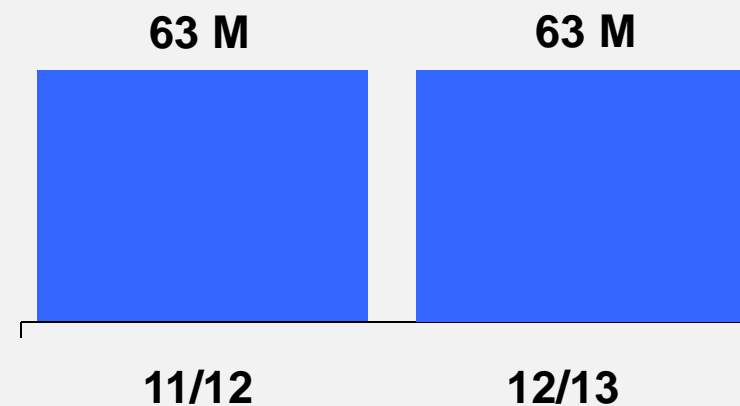
- Sales +1%
 - Unchanged in local currencies
 - No new stores during Q2. Total of 12
 - Same number of stores compared to preceding Q2
- Retail market under pressure, still record low level of consumer confidence



Portion of sales, UK



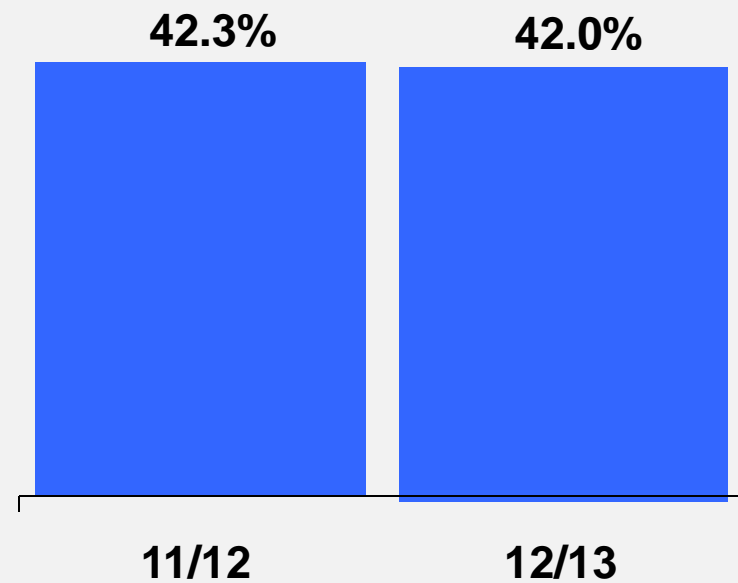
Sales UK



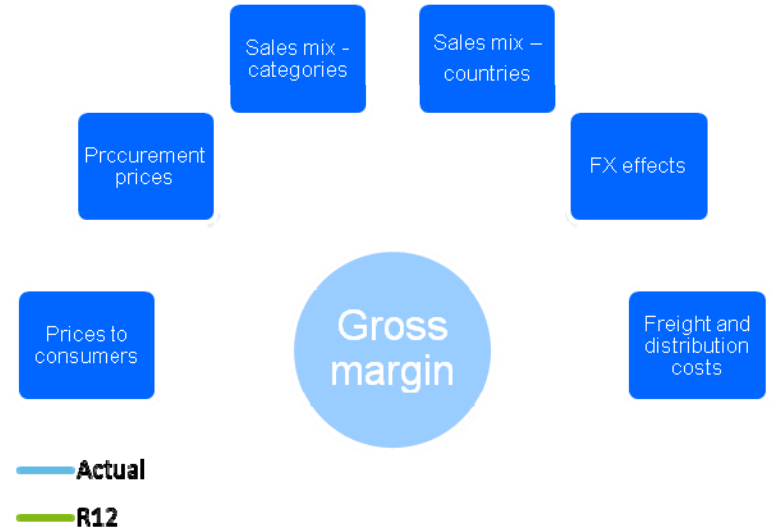
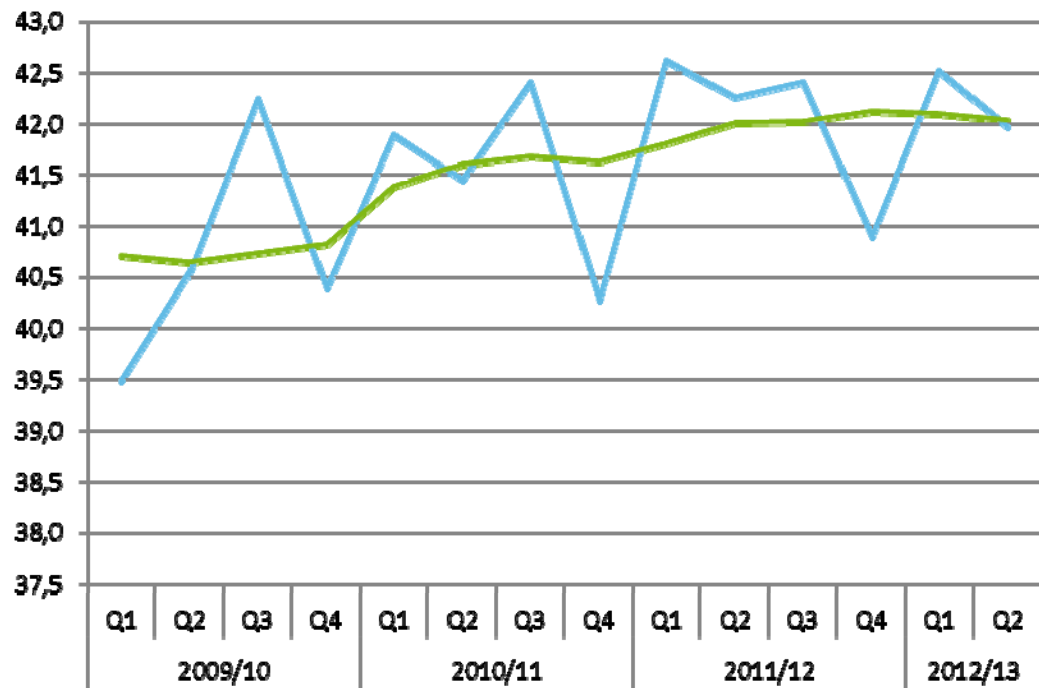
Gross margin – Q2

Gross margin 42.0% (42.3)

- Currency effects
- + Sales mix



Gross margin 2009-2012 (%)

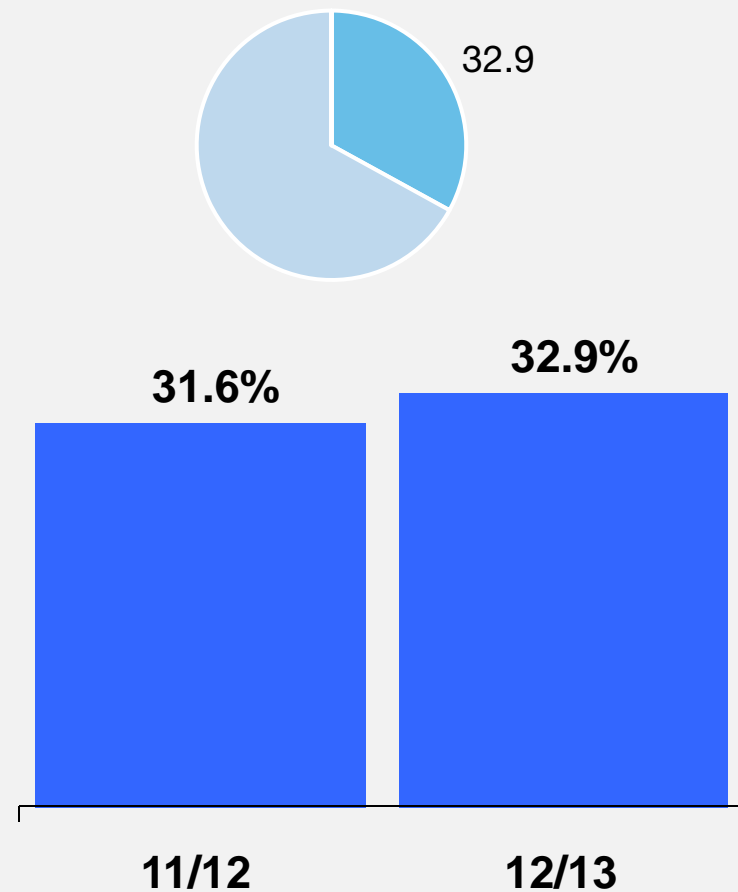


Share of sales costs – Q2

Share of sales up 1.3 percentage points to 32.9%

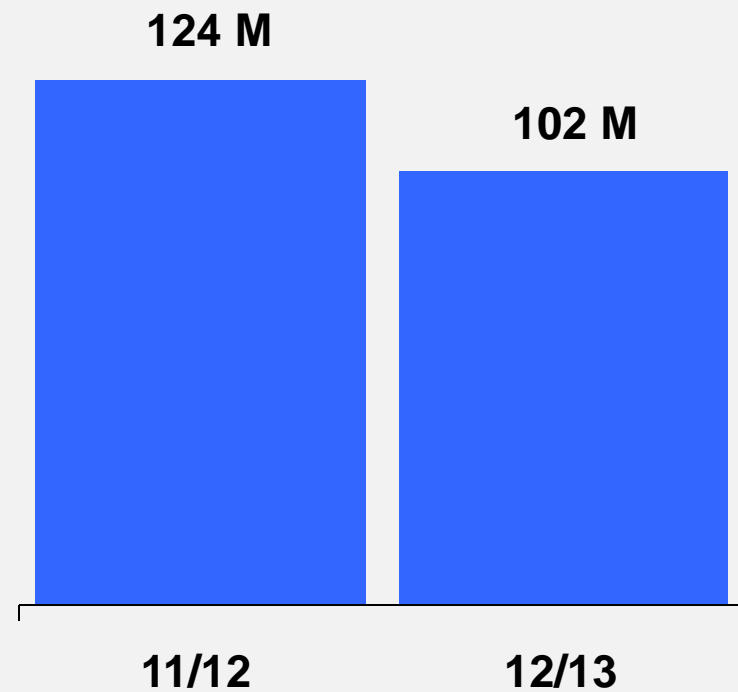
- Lower sales in comparable stores
- Increased marketing

Share of Sales Costs



Profit – Q2

- Operating profit SEK 102 M (124)
- Profit after financial items SEK 100 M (121)
- EPS SEK 1.14 (1.38)



First six-months 2012/13
May-October



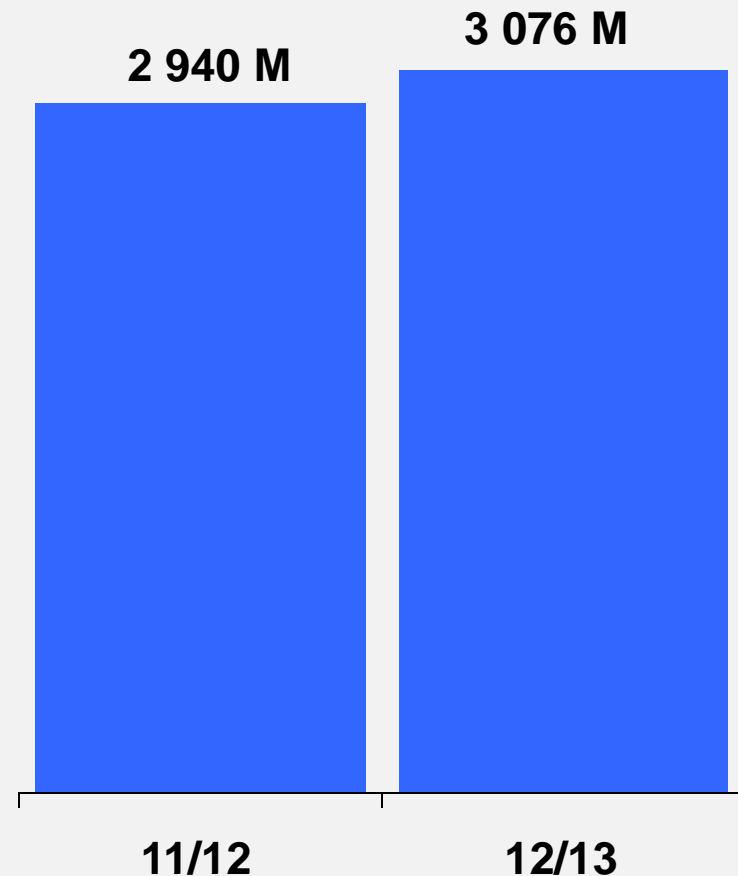
31-5052 Cotech 5.5 hp (3.7 kW)
Two-Stage Snow Blower
SEK 3999

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Sales - Six months 2012/13



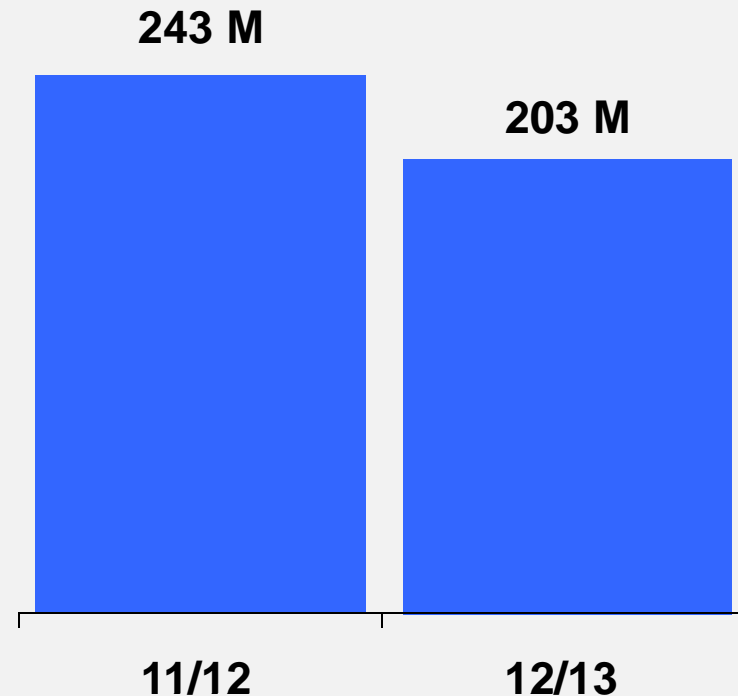
- Sales up 5% to SEK 3 076 M, +6% in local currencies
 - Comparable stores in local currency -4%
 - New stores +10%
 - Currency effects -1%
- E-com sales SEK 60 M (41), up 47%
- Increased market shares in overall weak and volatile market



Profit - Six months 2012/13

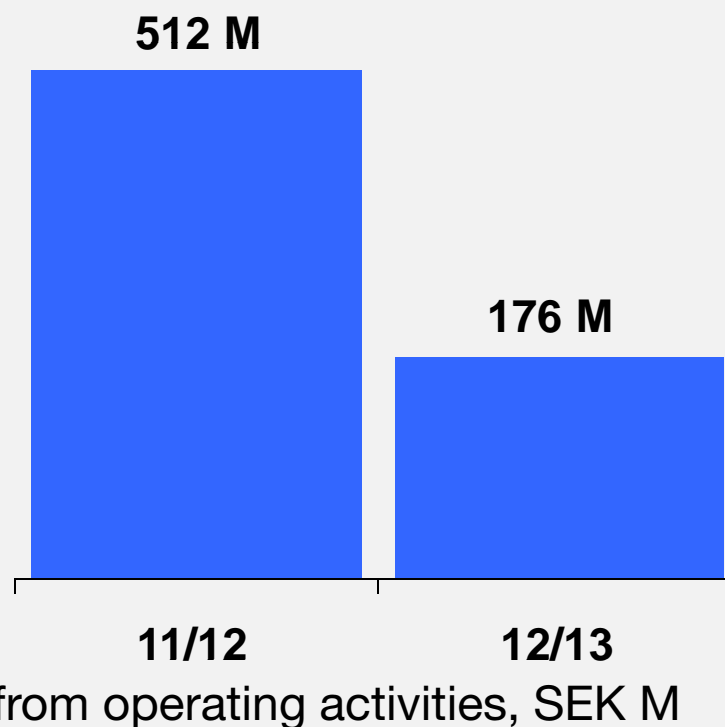


- Operating profit SEK 203 M (243)
- Profit after financial items SEK 199 M (237)
- EPS SEK 2.29 (2.71)
- Tax rate lowered in Sweden from 26,3% to 22%, effective 1 Jan 2013. For Clas Ohlson, effective during financial year 2013/14 (From 1 May 2013)
- However, one time effect in Q3 2012/13 of SEK 31 M due to deferred tax recalculation



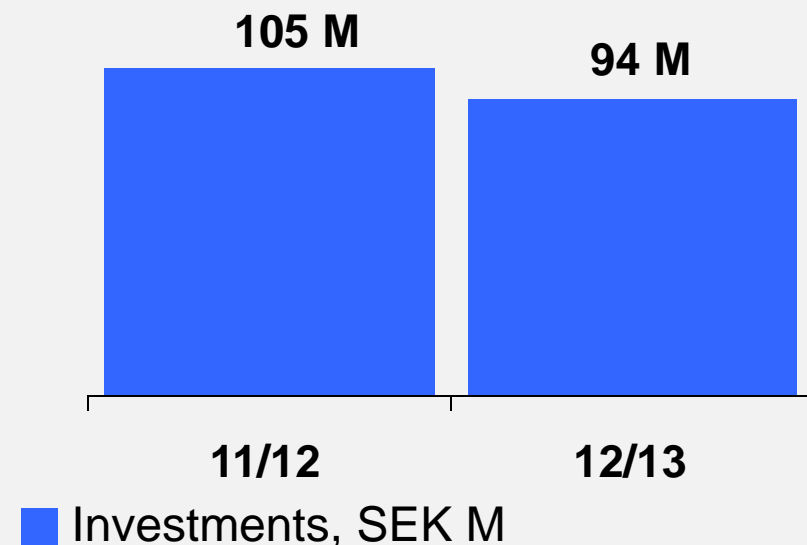
Cash flow – Six months 2012/13

- Cash flow from operating activities SEK 176 M (512)
 - Inventory: SEK 1 496 M (1 410)
 - Comparison figure includes effects of reduced inventory last year
 - Improved turnover rate DC 6.6 (5.2)
- Cash flow after investm. SEK -5 M (-19)
- Dividend payment of SEK 269 M (239)
- Net debt of SEK 142 M (Net debt of SEK 265 M)



Investments – Six months 2012/13

- Investments of SEK 94 M (105) of which:
 - New/refurb. Stores: SEK 62 M (58)
 - Other investments: SEK 32 M (47) of which SEK 22 M (24) investments in e-commerce and other IT-systems



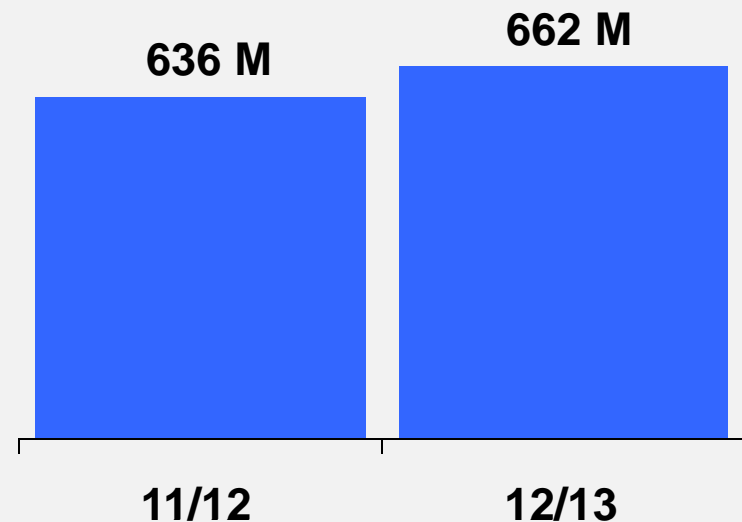
Events after period-end



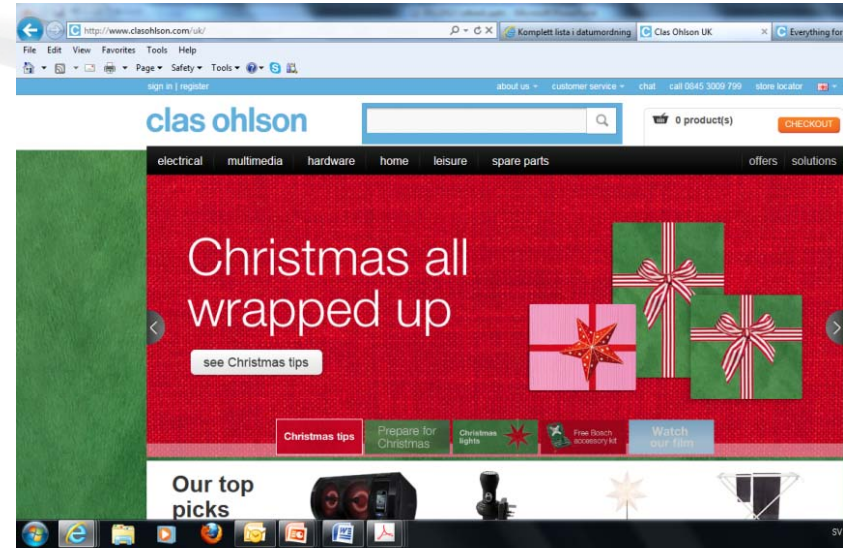
38-5376 Wireless Headset
SEK 499

Sales – November

- Sales up to SEK 662 M (636) +4%
- 19 (20) more stores vs. November 2011
- Changes in local currencies +5%
 - Sweden +2%
 - Norway +4%
 - Finland +25%
 - UK +3%
- E-com sales SEK 13 M (10), +28%

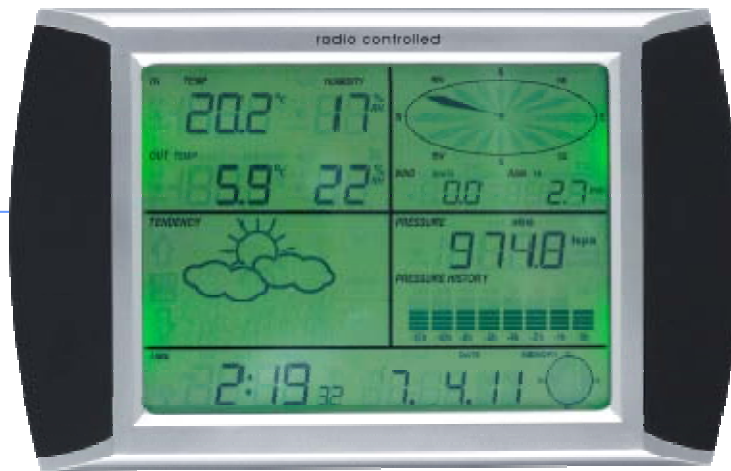


Christmas sales



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Update on strategic priorities



36-3242 Weather Station
SEK 799

Strengthened position

- Second strongest brand in Swedish Retail
- Topp 5 – Strongest brand in Sweden
- Most preferred retail chain in new shopping malls
- Industry leader - Sustainable Brands Image Survey
- Clas Ohlson part of sustainability index



TEN FAVORITES - Retail

Strongest retail brands in Sweden

1. Ikea
 2. **Clas Ohlson**
 3. Apoteket
 4. Maxi Ica Stormarknad
 5. Systembolaget
 6. Elgiganten
 7. ÖoB
 8. Åhléns
 9. H&M
 10. Willys
- Source: Swedens 350 strongest retail brands

PREFERRED STORES

- 1: Clas Ohlson (80%)
 - 2: Apoteket AB (78%)
 - 3: Apotek (ospecificerat, 77%)
 - 4: Kafé (ospecificerat, 76%)
 - 5: Systembolaget (76%)
 - 6: Akademibokhandeln (74%)
 - 7: Åhléns (70%)
 - 8: Ica Supermarket (67%)
 - 9: Maxi Ica Stormarknad (66%)
 - 10: Kjell & Co (66%)
- Källa: Blue Carrot/Drömgallerian 2012*

Strongest brands – all industries

1. Ikea
 2. Google
 3. Apoteket
 4. Volvo PV
 5. **Clas Ohlson**
 6. Apple
 7. Arla
 8. Electrolux
 9. Ica
 10. Stadium
- Source: Anseendebarometern-Rep trak

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UK – long term commitment

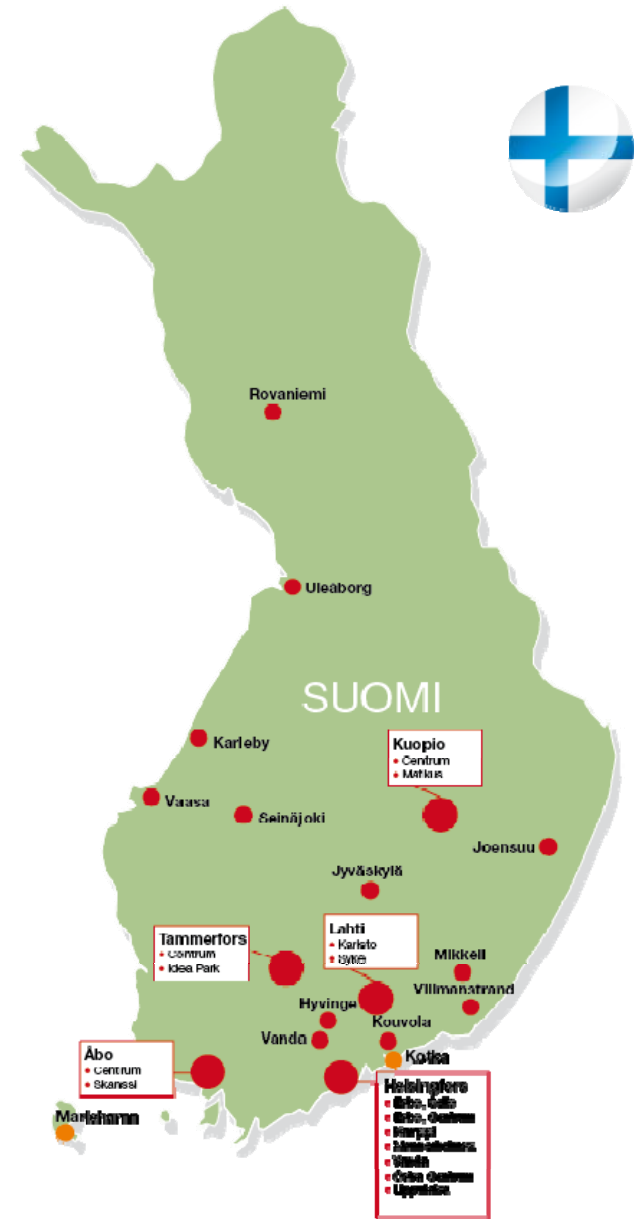
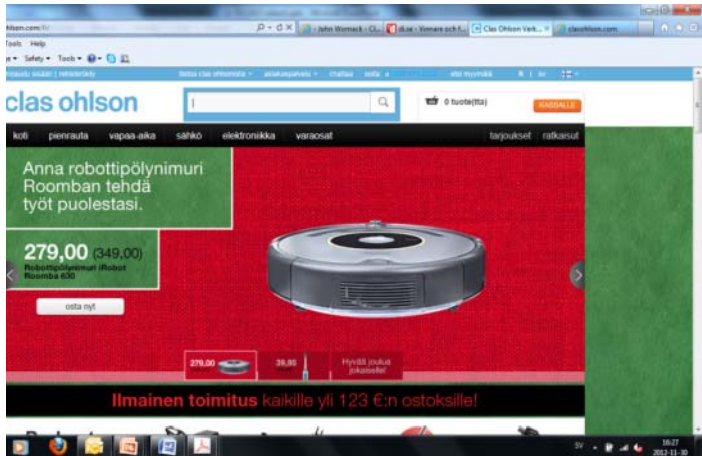
- Focus on developing existing 12 stores in the UK
- E-com launch at end of June 2012 – important channel to support sales and build brand in the UK
- Increased advertising to increase awareness regarding Clas Ohlson's multi-channel offering



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Expansion in Finland

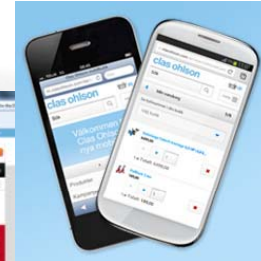
- Strengthened brand and market position
- Currently 27 stores with 2 new stores contracted
- Market slow down and low consumer confidence
- Launch of e-commerce on 3 Sep 2012



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Multichannel sales

E-com



Social media



Stores



Catalogue/Phone



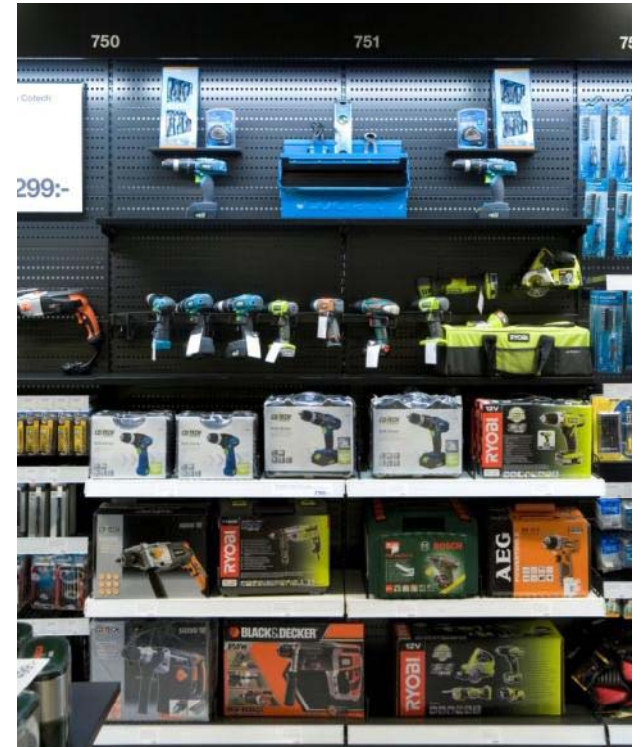
Search



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Store expansion – pipeline and plans

- Target of 15-20 during 2012/13
 - 15 opened to date (Dec 12 2012) during financial year 2012/13
 - Current pipeline of 12 stores contracted for opening during 2012/13 and 2013/14



Summary

- Continued growth and increased market shares in challenging retail environment
- Profit impacted by lower sales in comparable stores
- Strong financials
- High activity level to further strengthen Clas Ohlson's competitive edge



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Q&A

Moderator: Peter Wallin, Handelsbanken



36-4190 Battery operated LED wreath
SEK 129

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www.clasohlson.com