



Q3 Report 2012/2013

12 March 2013

Agenda

1. Q3 2012/13 (November-January)
2. First nine months 2012/13 (May-January)
3. Events after period end
4. Strategic update
5. Q&A



**40-7969 Cotech Impact Wrench
SEK 499**

Clas Ohlson today

- A retail chain with 172 stores in 4 countries
- Multi channel retailer
- 70 million visitors – 34 million customers
- Sales of SEK 6.5 billion (R12)
- Clas Ohlson included in Nasdaq OMX Sustainability Index



Q3 2012/13
November - January

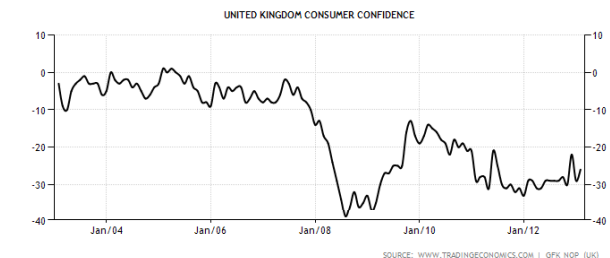
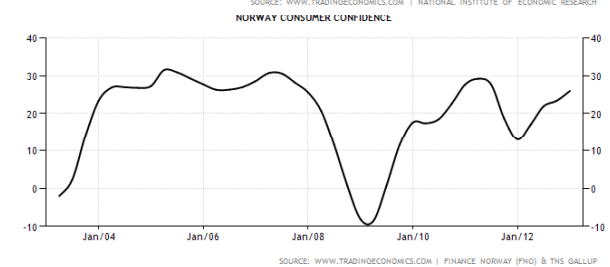
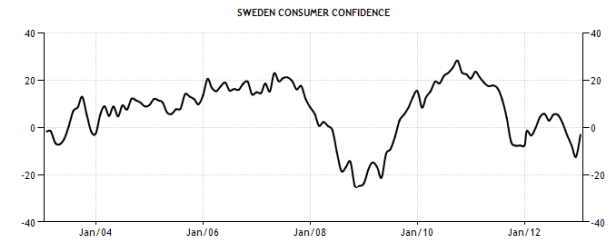


40-8310 Cotech 24 Air Compressor
SEK 999

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Market development - CCI

- CCI Sweden to Index -2.9 in January, below historical average
- CCI Norway to Index 27.1 in Q1 of calendar year 2013
- CCI Finland to Index 4.5 in January, still at very low level
- CCI UK at Index -26 in January still at very low historical level

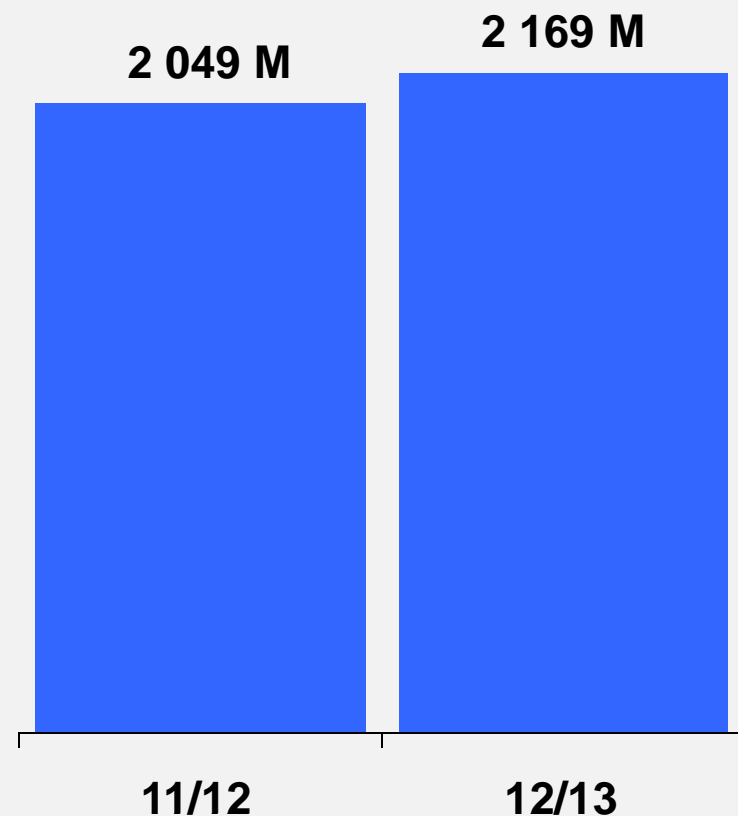


CCI: Consumer Confidence Index January 2013



Sales – Q3

- Sales up 6% to SEK 2 169 M, 6% in local currencies
 - 20 (16) more stores compared to preceding Q3
 - Comparable stores in local currency -2%
 - New stores +8%
 - Currency effects 0%
- E-com sales SEK 41 M (31), +32%
- Increased market shares in overall weak and volatile market

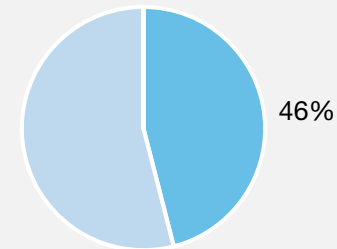


Sweden – Q3

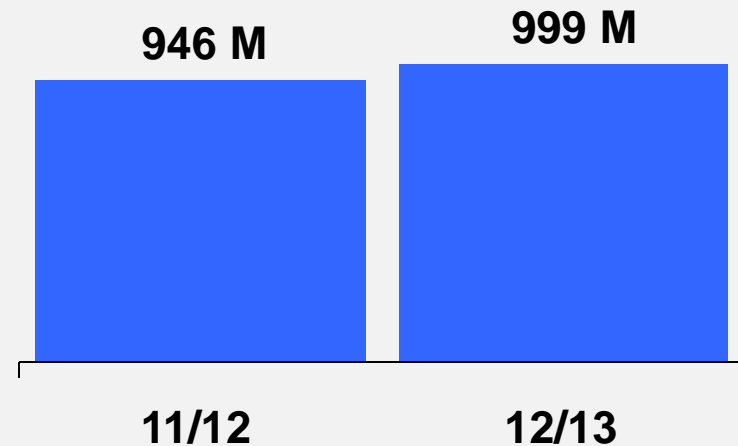
- Sales +6%
 - 1 new store during Q3.
Total of 72
 - 8 more stores compared to preceding Q3
- Increased market share in soft and volatile market



Portion of sales, Sweden

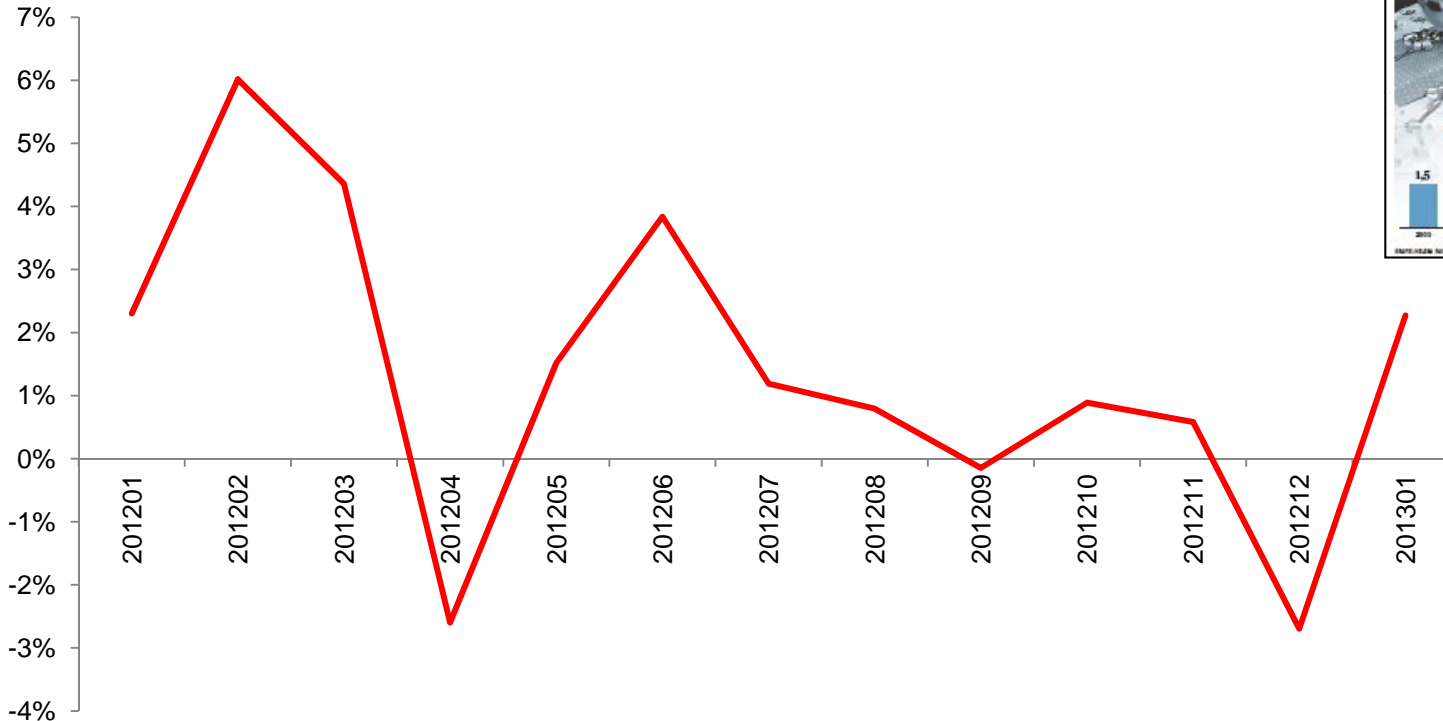


Sales Sweden



Market development 2012

Retail Sales growth Sweden durable goods



Julen krympte

Minskad försäljning för första gången sedan 1995

Julhandelsbranschen krympte för första gången sedan 1995. Det skedde redan i november och december. Siffrorna från SVEB visar att försäljningen i december var 0,6 procent lägre än året innan. Det är första gången på 27 år som julhandelsbranschen krymper i december. Detta beror på att konsumenterna inte köper lika mycket julklappar som tidigare. Dessutom har julhandelsbranschen varit påverkad av den låga arbetslösheten och den låga inkomsten. Detta har lett till att konsumenterna inte har råd att köpa så många julklappar som tidigare. Dessutom har julhandelsbranschen varit påverkad av den låga arbetslösheten och den låga inkomsten. Detta har lett till att konsumenterna inte har råd att köpa så många julklappar som tidigare.

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GIFFTAR ÖFN

Trist trendbrott

För första gången på 27 år handlade vi inte mer i december än året innan. Sporthandeln var en av få delbranscher som lyckades öka sin omsättning.

Year	2010	2011	2012
2010	1.5	3.2	4.4
2011	3.8	3.9	6.7
2012	0.6	3.5	6.1
2013	5.5	3.0	0.7
2014	-0.4		

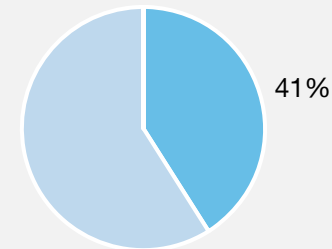
Den största ökningen i december kom från sporthandeln. Detta beror på att konsumenterna köper fler sportutrustningar som julklappar. Detta är första gången på 27 år som sporthandeln ökar sin omsättning i december.

Norway – Q3

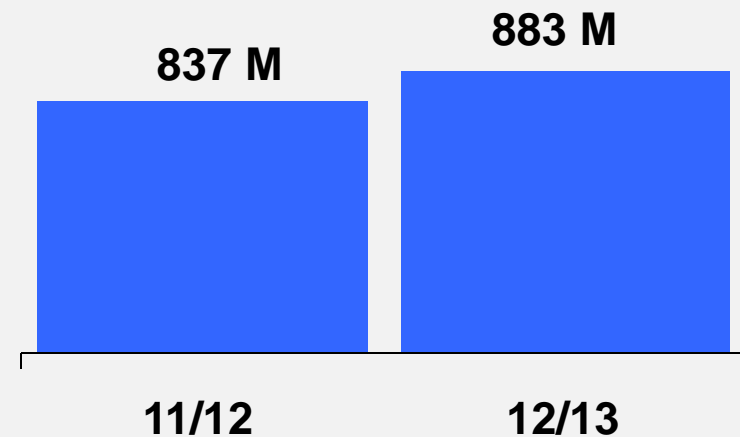
- Sales +6%
 - +5% in local currency
 - 2 new store during Q3.
Total of 61
 - 6 more stores compared to preceding Q3
- Increased market share in a fairly stable overall market development
- However, total retail sales in shopping centers was down 2,1% in December 2012



Portion of sales, Norway



Sales Norway

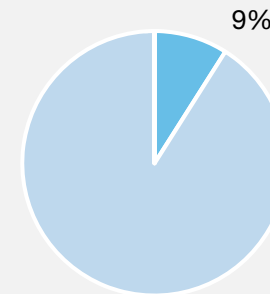


Finland – Q3

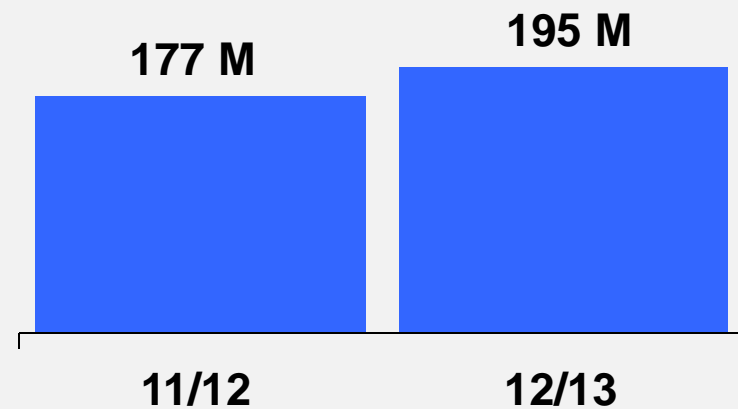
- Sales +11%
 - 15% in local currency
 - 2 new stores during Q3.
Total of 27
 - 6 more stores compared to preceding Q3
- Strengthened brand and market position
- Slow down in market and low consumer confidence



Portion of sales, Finland



Sales Finland

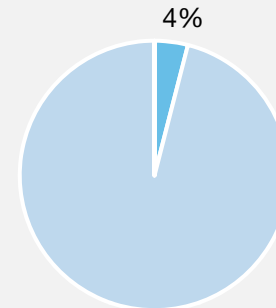


UK – Q3

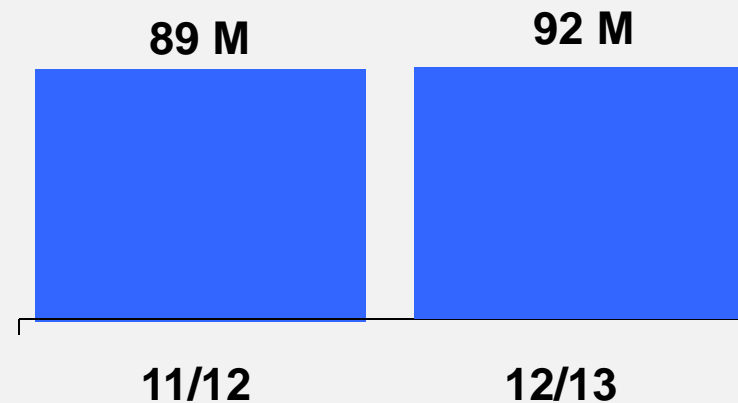
- Sales +2%
 - +3% in local currency
 - No new stores during Q3.
Total of 12
 - Same number of stores compared to preceding Q3
- Retail market under pressure with some small improvement in consumer confidence from record low levels



Portion of sales, UK



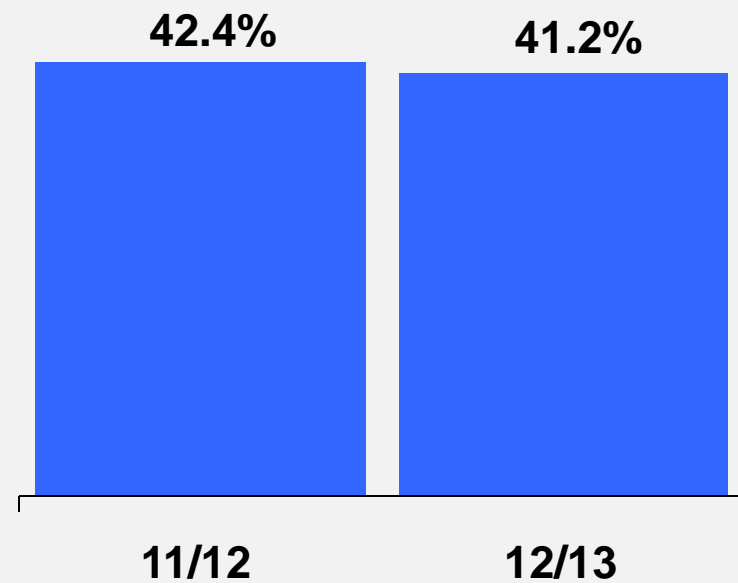
Sales UK



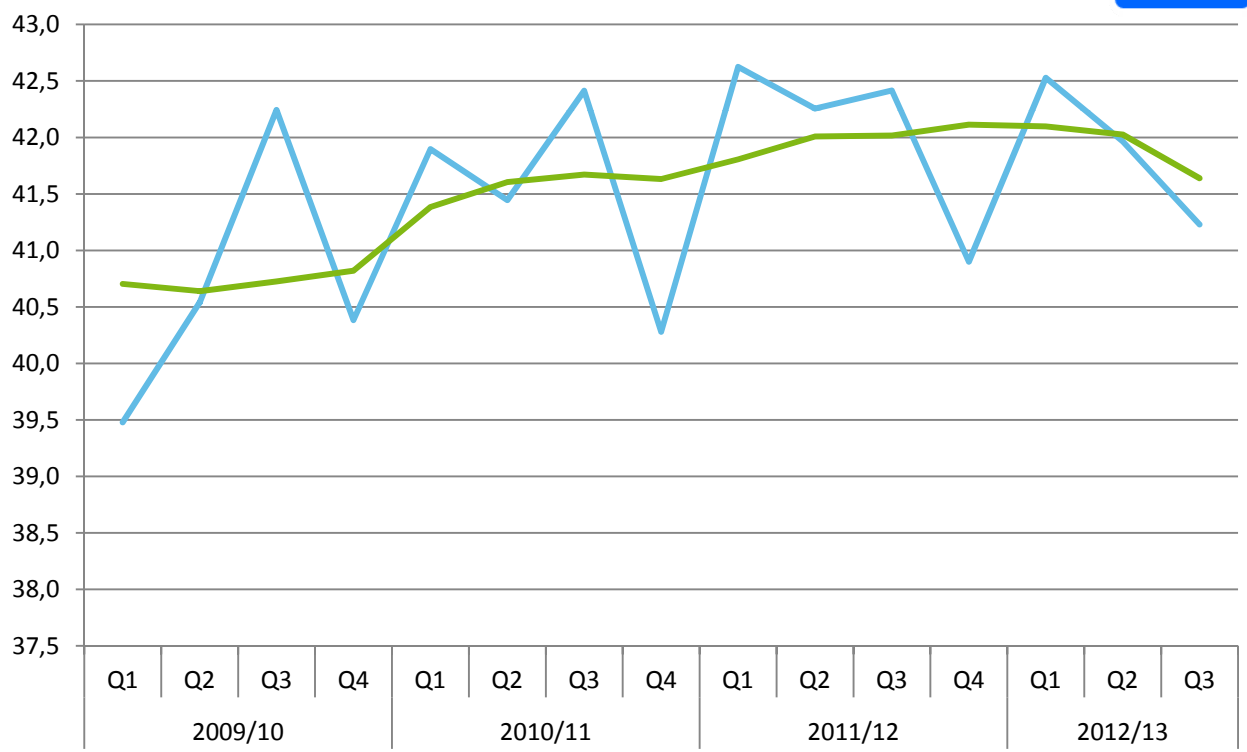
Gross margin – Q3

Gross margin 41.2% (42.4)

- Currency effects
- Sales mix
- Freight costs



Gross margin 2009-2012 (%)

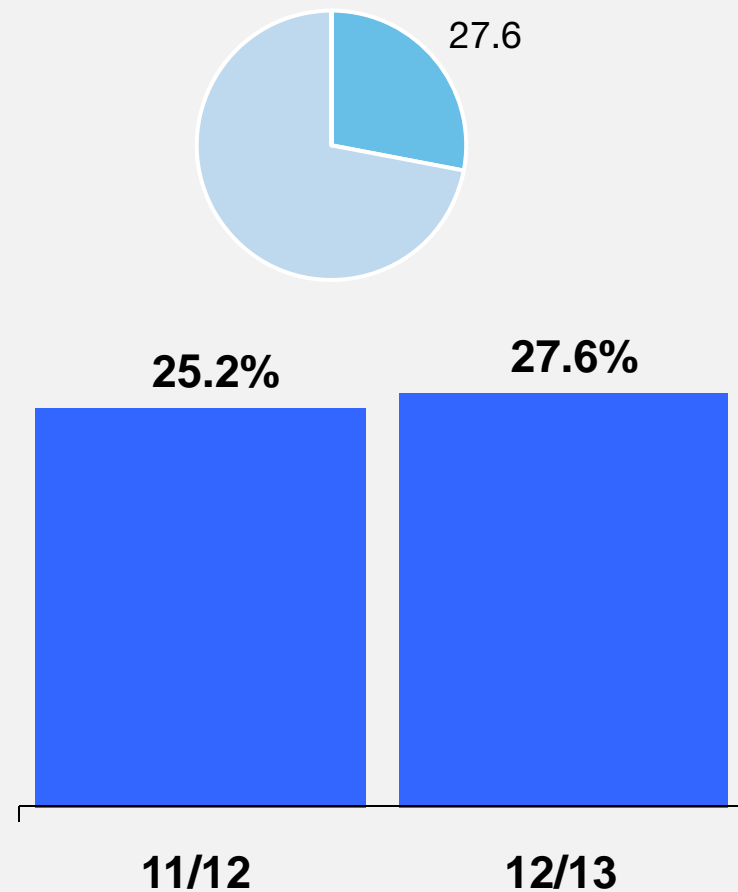


Share of sales costs – Q3

Share of sales up 2.4 percentage points to 27,6%

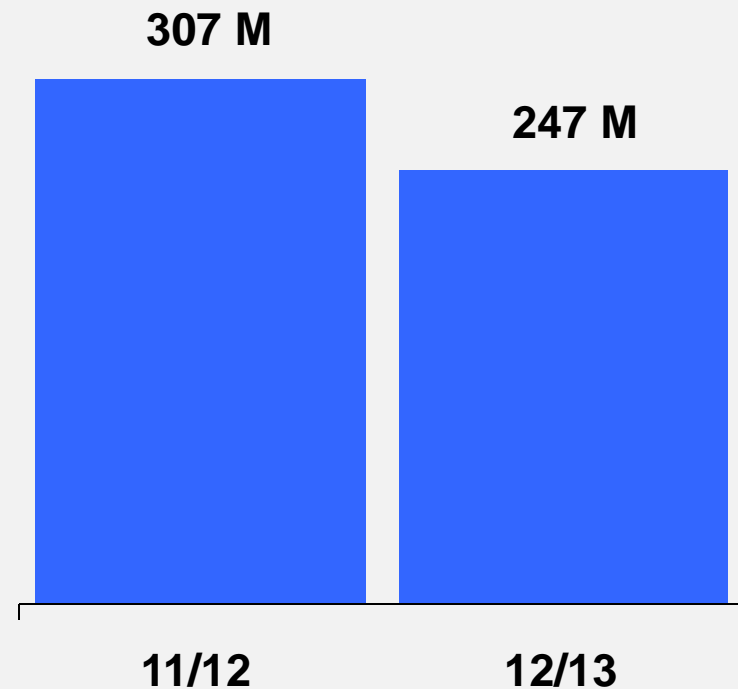
- Lower sales in comparable stores
- More new stores, E-com and Loyalty program
- Increased marketing in UK

Share of Sales Costs



Profit – Q3

- Operating profit SEK 247 M (307)
- Profit after financial items
SEK 241 M (305)
- Lower tax rate in Sweden - One
time effect of SEK 31 M due to
deferred tax recalculation
- EPS SEK 3.22 (3.46)



First nine-months 2012/13
May-January



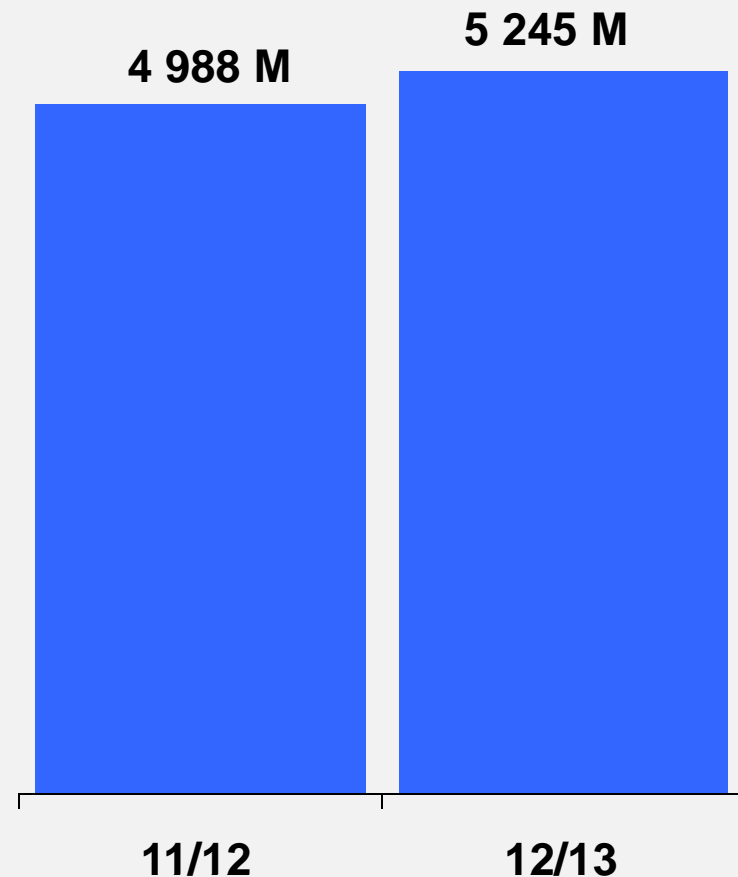
34-8327 BBQ 18,5"
SEK 699

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Sales - Nine months 2012/13



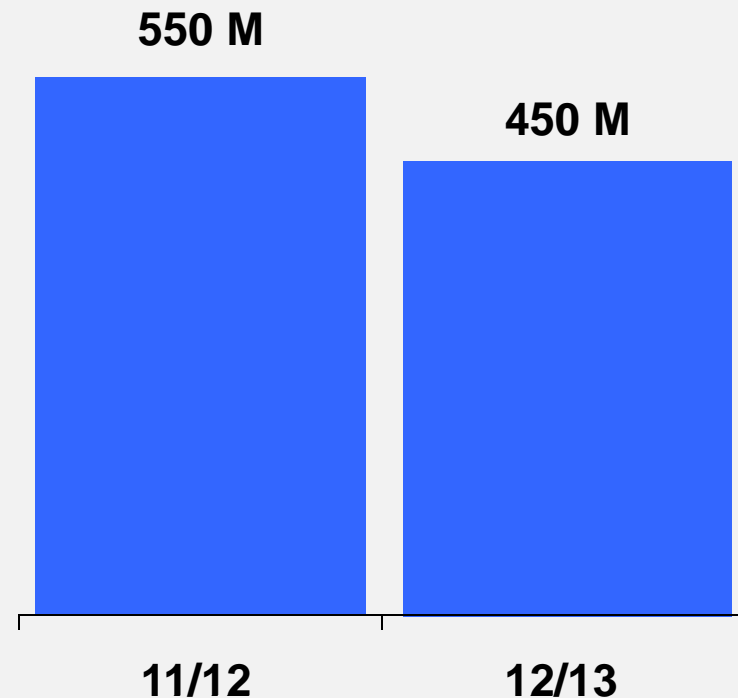
- Sales up 5% to SEK 5 245 M (4 988)
+6% in local currencies
 - Comparable stores in local currency -3%
 - New stores +9%
 - Currency effects -1%
- E-com sales SEK 101 M (72), up 40%
- Increased market shares in overall weak and volatile market



Profit - Nine months 2012/13

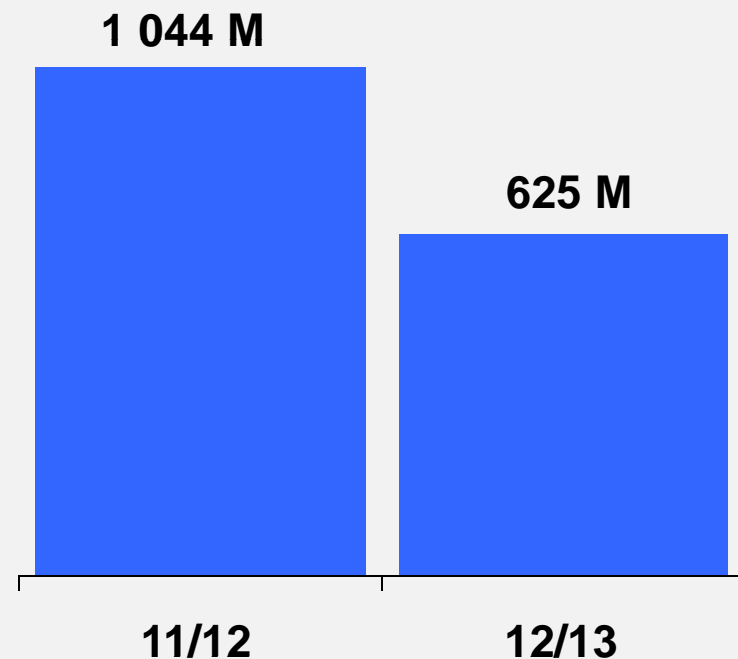


- Operating profit SEK 450 M (550)
- Profit after financial items SEK 440 M (541)
- EPS SEK 5.51 (6.18)
- Tax rate lowered in Sweden from 26,3% to 22%, effective from financial year 2013/14



Cash flow – Nine months 2012/13

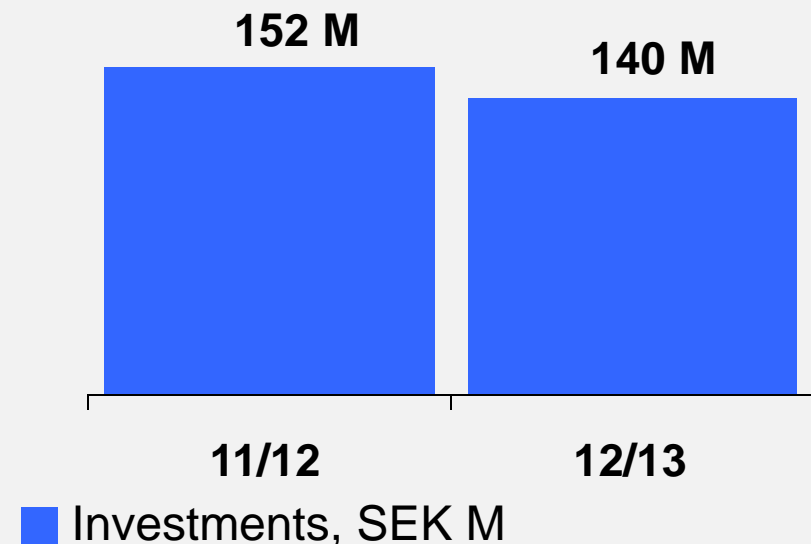
- Cash flow from operating activities
SEK 625 M (1 044)
 - Inventory: SEK 1 256 M (1 204)
 - Comparison figure includes effects of reduced inventory last year
 - Improved turnover rate DC 6,9 (5,6)
- Cash flow after investm. SEK 151 M (82)
- Net cash of SEK 261 M (217)



■ Cash flow from operating activities, SEK M

Investments – Nine months 2012/13

- Investments of SEK 140 M (152) of which:
 - New/refurb. Stores: SEK 86 M (78)
 - Other investments: SEK 54 M (74)
of which SEK 33 M (38)
investments in e-commerce and
other IT-systems



Events after period-end

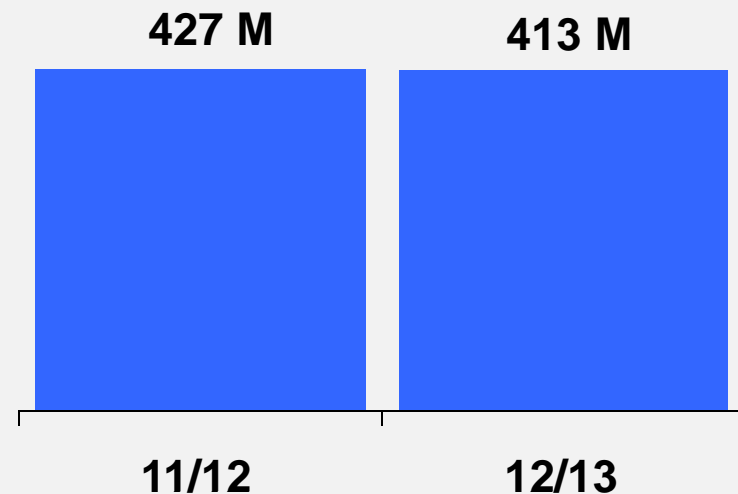


38-4790 Clock Radio Docking Station
for iPhone/iPod
SEK 399



Sales – February

- Sales SEK 413 M (427) -3%,
in local currencies -2%
- Excluding leap year effect, +2% in
local currencies
- 18 (16) more stores vs. February
2012
- Changes in local currencies -2%
 - Sweden -4%
 - Norway -2%
 - Finland +5%
 - UK +3%



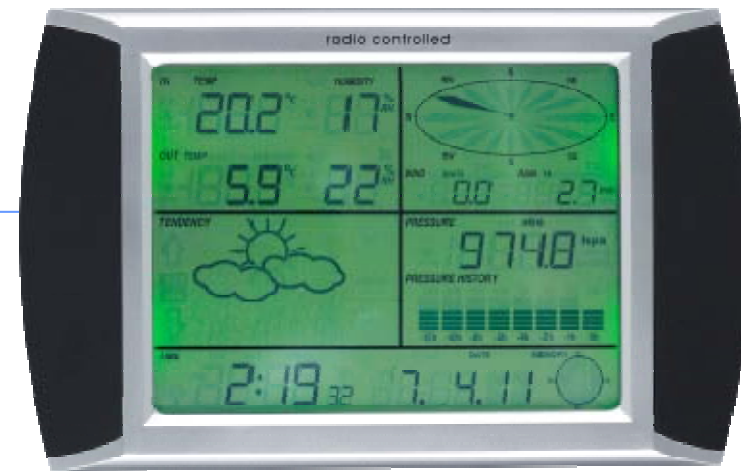
Launch of loyalty program

- Club Clas launched beginning of March in Sweden
- Integrated with E-com platform
- Soft and hard benefits
 - Bonus on all purchases via vouchers
 - Tailored offerings based on purchase history
- Sales and marketing opportunities
 - Potential for more frequent visits, increased ATV and loyalty
 - Higher marketing efficiency with tailored offerings based on interests and purchase history



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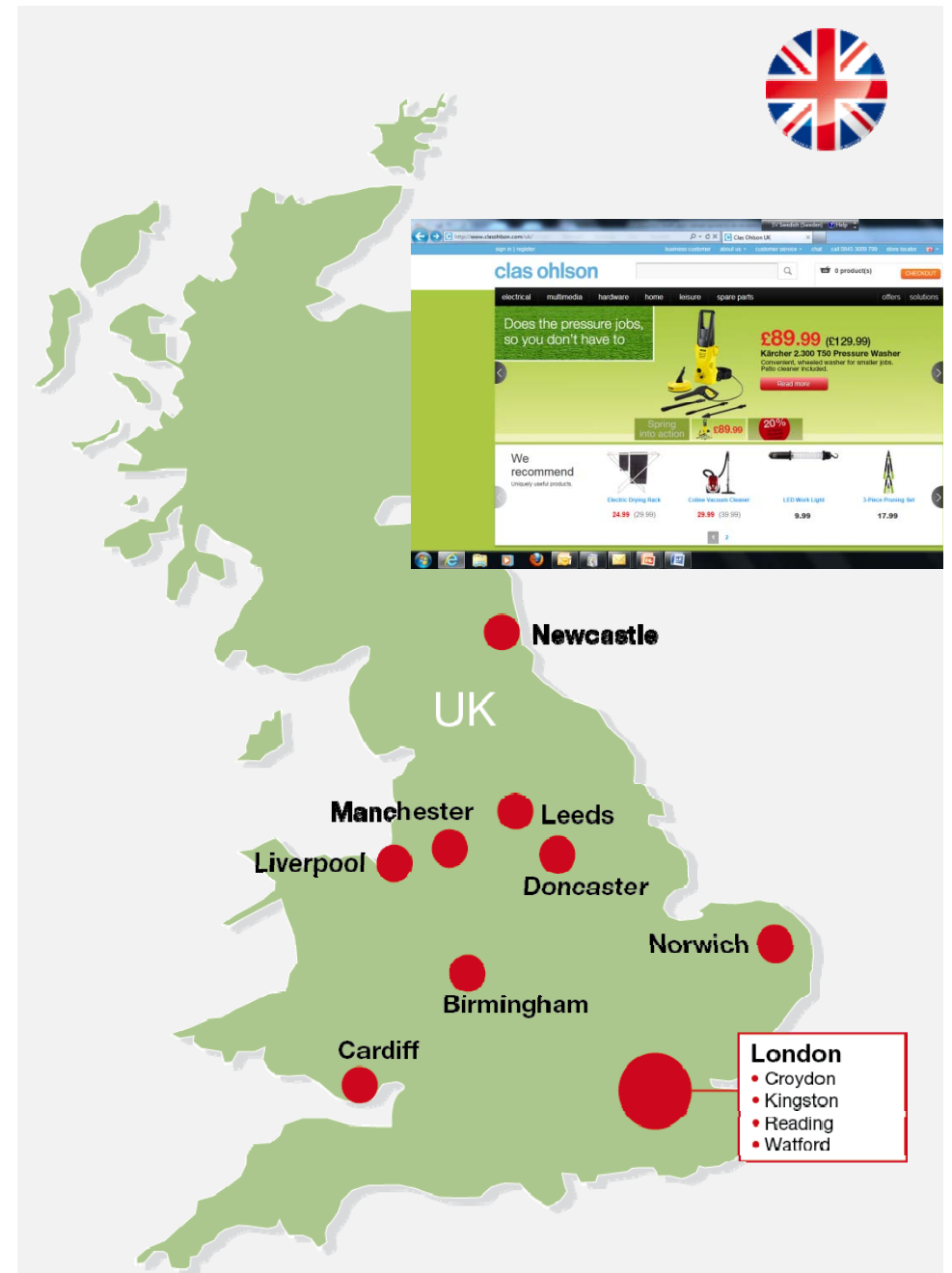
Update on strategic priorities



36-3242 Weather Station
SEK 799

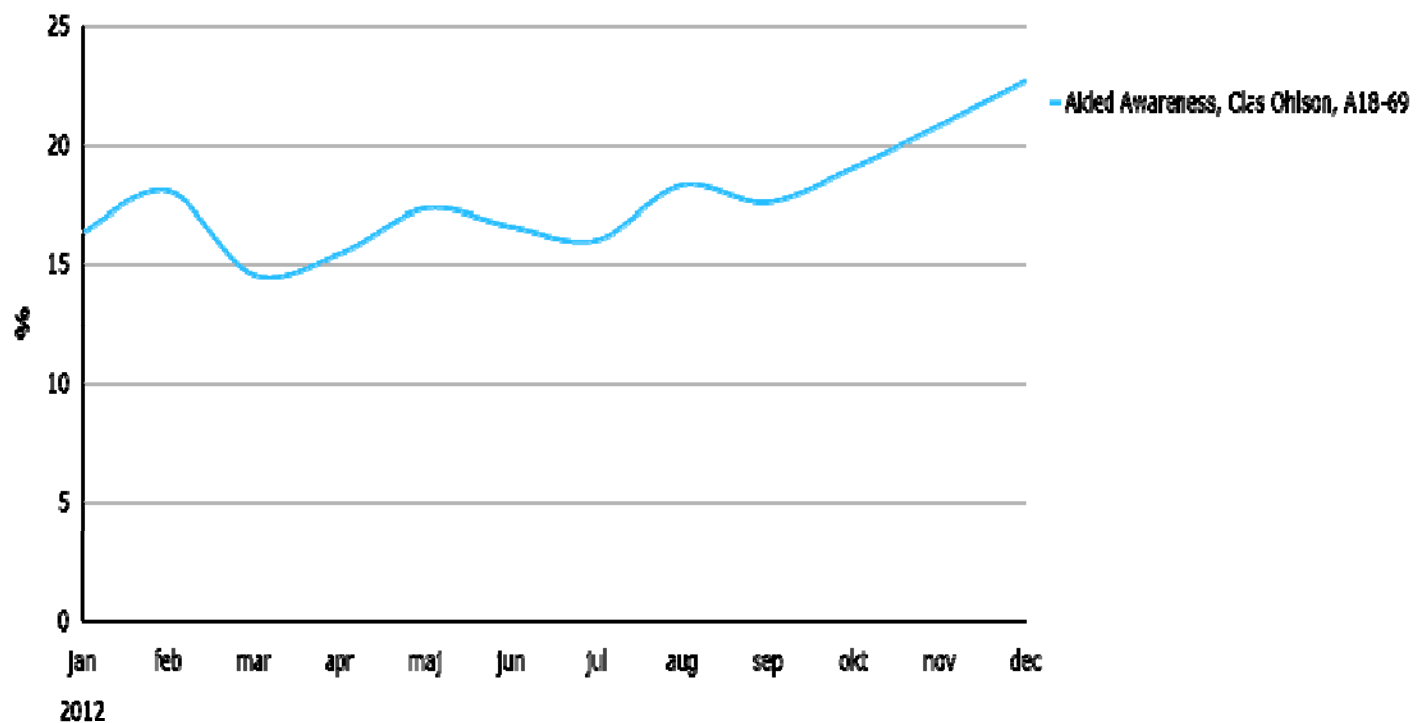
UK – update

- Focus on developing existing 12 stores in the UK
- Multi channel offering since June 2012
- Marketing investments to support sales and build brand
- Improved sales trend



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Brand Awareness in the UK

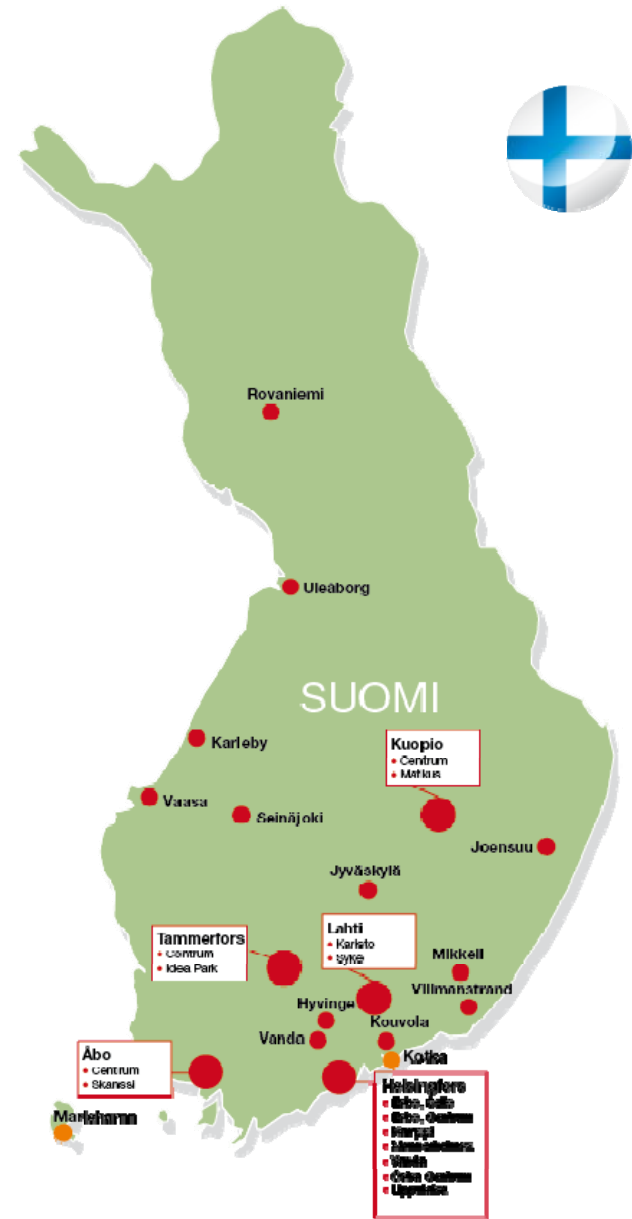


	2012											
Aided Awareness, Clas Ohlson, A18-69	16%	18%	15%	15%	17%	17%	16%	18%	17%	19%	21%	23%

Source: CO Brand Panel Dec 2012

Expansion in Finland

- Strengthened brand and market position
- Currently 27 stores with 3 new stores contracted
- Multi channel offering since september 2012
- Market slow down and low consumer confidence



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Multichannel development

E-com



Stores



Loyalty program



Social media



Print



Phone



Search



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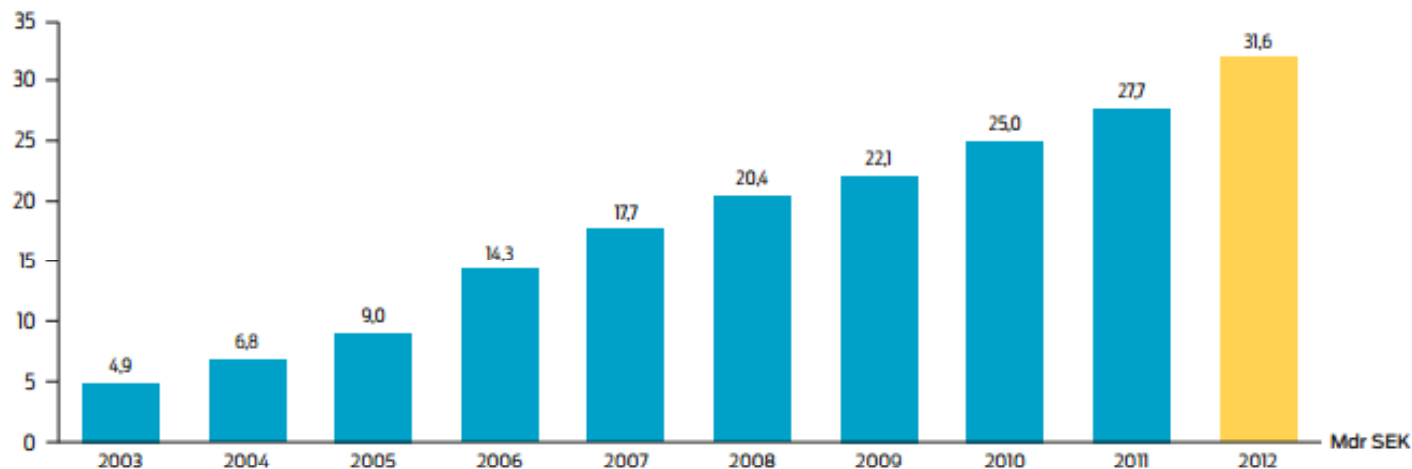
Recent development in Multichannel

- Development of technical platform, organisation och processes to create "seamless" customer experience
- Social media in all markets
- Launch of E-com in all markets
- E-com sales up 40% YTD
- Mobile e-commerce launched in November 2012
- Launch of integrated loyalty program in Sweden



E-com market growth: Sweden

- E-com growth +14% for 2012 vs. total retail sales at +2%
- E-com share of total retail 6% (2012)

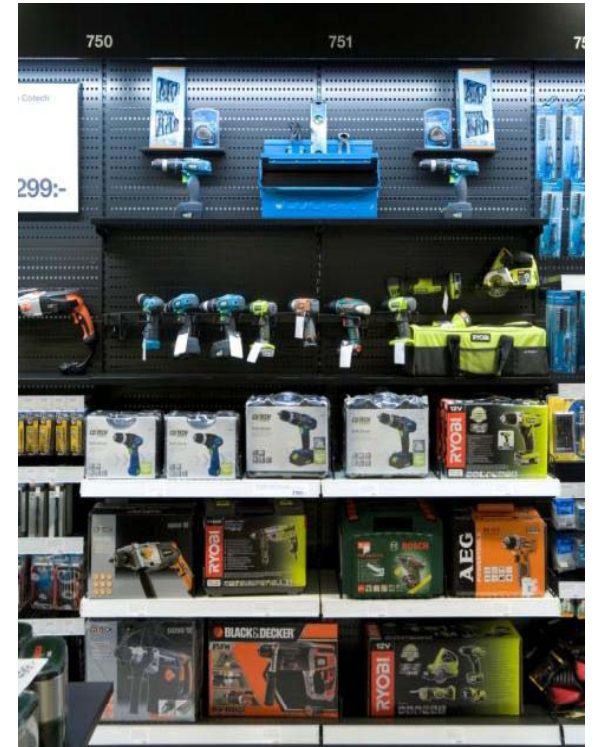


E-handelns omsättning 2003–2012 (miljarder kronor)

Source: * e-barometern 2012 (HUI, SDh and PostNord), March 2013

Store expansion – pipeline and plans

- Total of 17 new stores during 2012/13 in line with target of 15-20 stores
- Target of 12-17 new stores during 2013/14
- Multi-channel approach reduces need for additional stores in mature markets



Sustainable operations – core strategic priority

- Clas Ohlson part of OMX GES Sustainability Index since December 2012
- Strong commitment towards securing sustainable operations and long term value creation



Summary

- Continued growth and increased market shares in challenging retail environment
- Profit impacted by market climate and ongoing growth and expansion initiatives to strengthen Clas Ohlson's long term position
- Strong financials



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Q&A

Moderator: Nicklas Fhärm, SEB Enskilda



36-4794 Big solar light basket
SEK 99

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www.clasohlson.com