

Q2 report

06 December 2023

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President & CEO

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Agenda

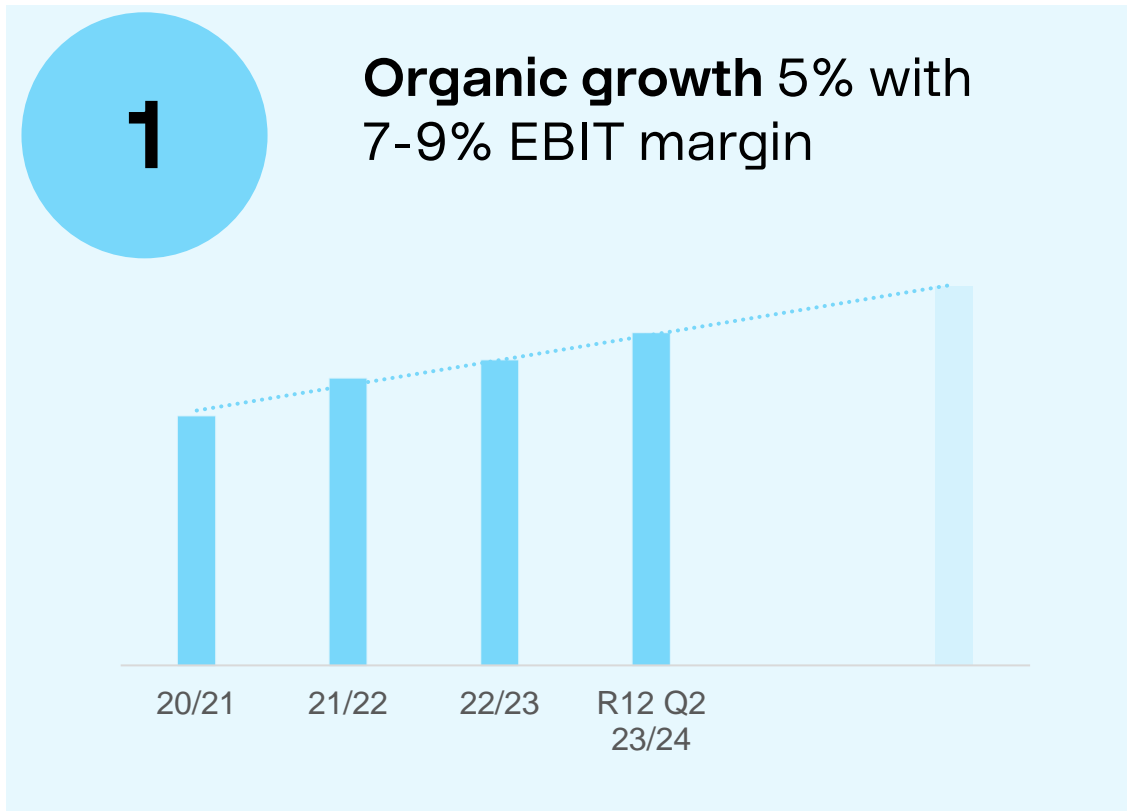
- Business update
- Financial development
- Events after the reporting period
- Summary
- Q&A

- ✓ **Continued strong sales development in Q2 with +10% organic growth**
- ✓ **Significantly improved gross margin and operating profit**
- ✓ **Continued focus on efficiency and flexibility**
- ✓ **Prioritized categories and product news driving growth**
- ✓ **H1 operating cash flow 520 MSEK (-201)**
- ✓ **+7% organic growth in November**



Business update

Strategy execution – growth plan 24/25






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

Planet People Society

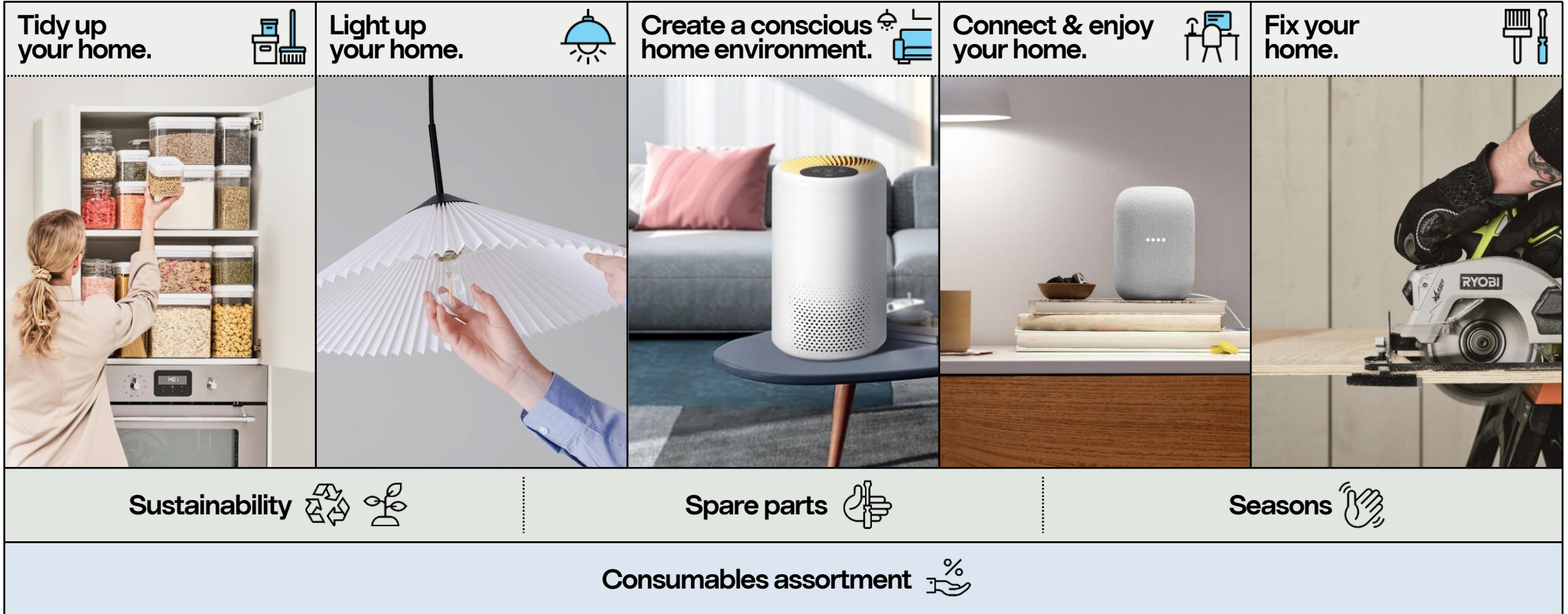


Strategy execution – overview Q2 23/24

Make assortment relevant 12 months/year. 	A profitable and growing online business. 	Expand the store network. 
<ul style="list-style-type: none"> ✓ All prioritized categories driving growth ✓ Assortment more adaptive to shifting customer needs ✓ Product news significant driver of sales growth 	<ul style="list-style-type: none"> ✓ Online sales +15% Q2 ~50% of online orders delivered via stores ✓ Improved product availability ✓ Exclusive product news online 	<ul style="list-style-type: none"> ✓ 10 new stores 23/24 on track ✓ 3 new and 4 rebuilt/moved stores opened so far 23/24 ✓ New contracts signed ahead of 24/25
Efficient customer communication.	<ul style="list-style-type: none"> - Increasingly efficient digital marketing - Continued strong growth of Club Clas members 	
A competitive cost base.	<ul style="list-style-type: none"> - Work on reducing cost on track in relation to plan 	
Execution on our sustainability agenda.	<ul style="list-style-type: none"> - Clas Ohlson assortment of spare parts rolled out to all stores 	



Assortment relevance – all consumer missions driving growth

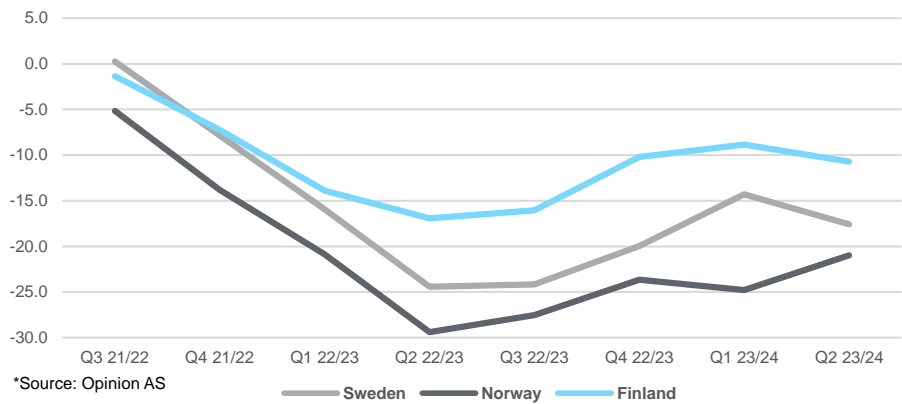


Product news creates interest in Clas Ohlson and stands for significant share of growth

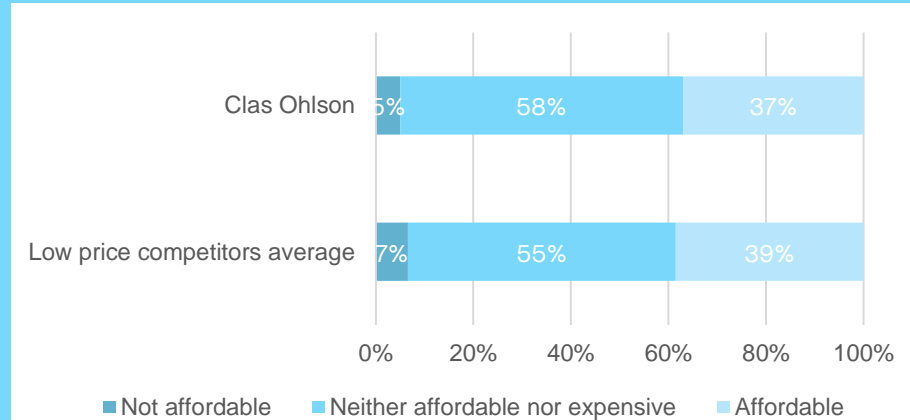


Value for money position and customer satisfaction key in uncertain market

Consumer Confidence development*

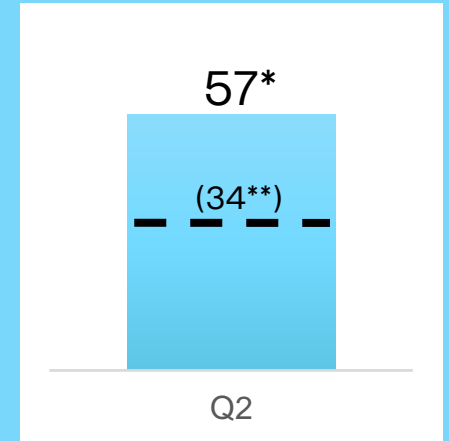


Q: How affordable do you think the following brands are?



Source: Clas Ohlson survey, October 2023

Net Promoter Score (NPS)



* Source: Clas Ohlson survey, October 2023
 ** Retail industry average



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

- The acquisition of Spares finalized on 8 November 2023
 - Consolidated into the CO Group as from 1 November 2023, i.e. Q3
- Category expert in spare parts and accessories for electronic devices
 - track record of profitable growth
 - annual sales of ~820 MSEK, EBITA 49 MSEK
 - attractive position in growing market segment
- B2C and B2B customers in Sweden, Norway, Finland, Denmark, Germany and the Netherlands

teknikdelar
ALLT FÖR MOBILEN

 **BATTERIEXPERTEN**

SPARES

 **ZANDPARTS**



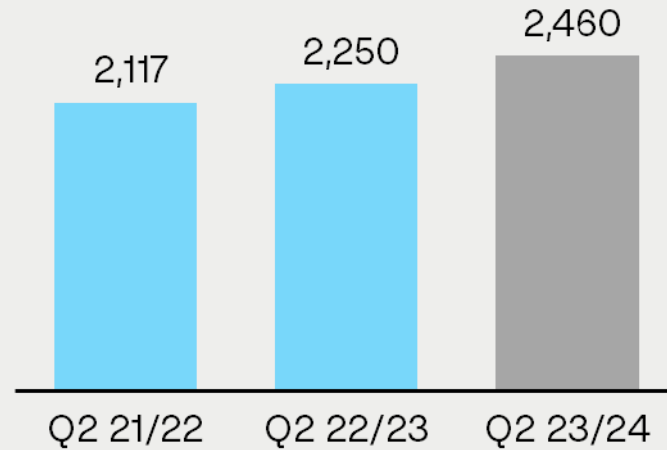
EPS accretive upon closing



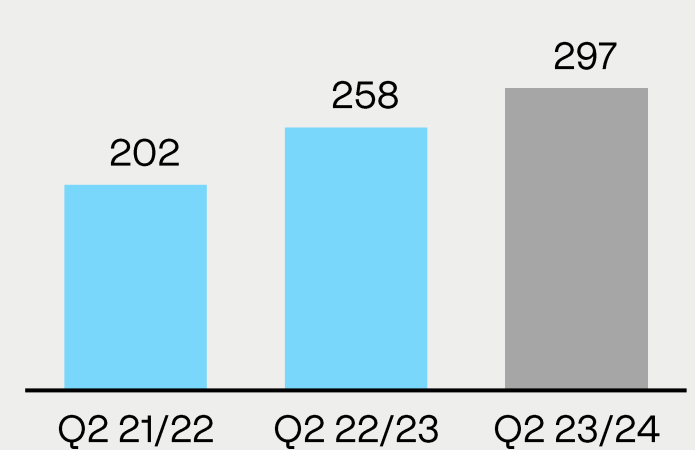
Financial development

Strong sales development in stores and online

Total sales, MSEK



Online sales, MSEK

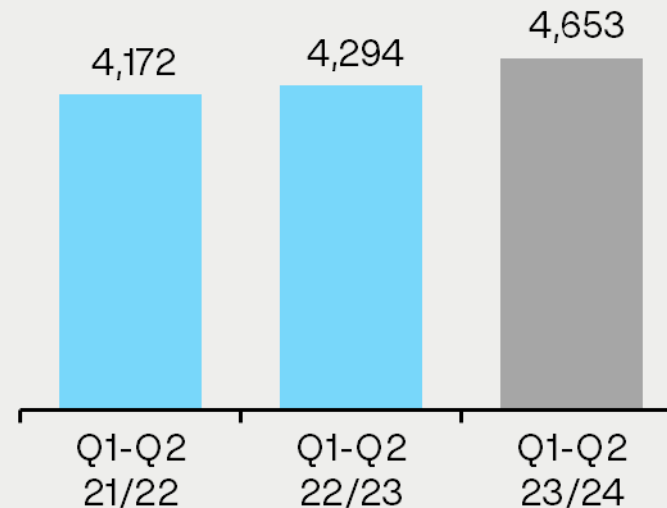


Q2

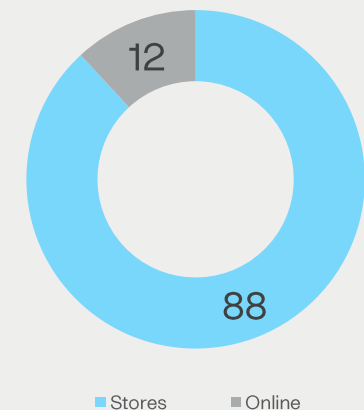
- **Total sales up 9%** to 2,460 MSEK, organic sales up 10%, LFL up 10%
- **Online sales up 15%**
- The store network has decreased by 3 stores compared to last year

Q1-Q2

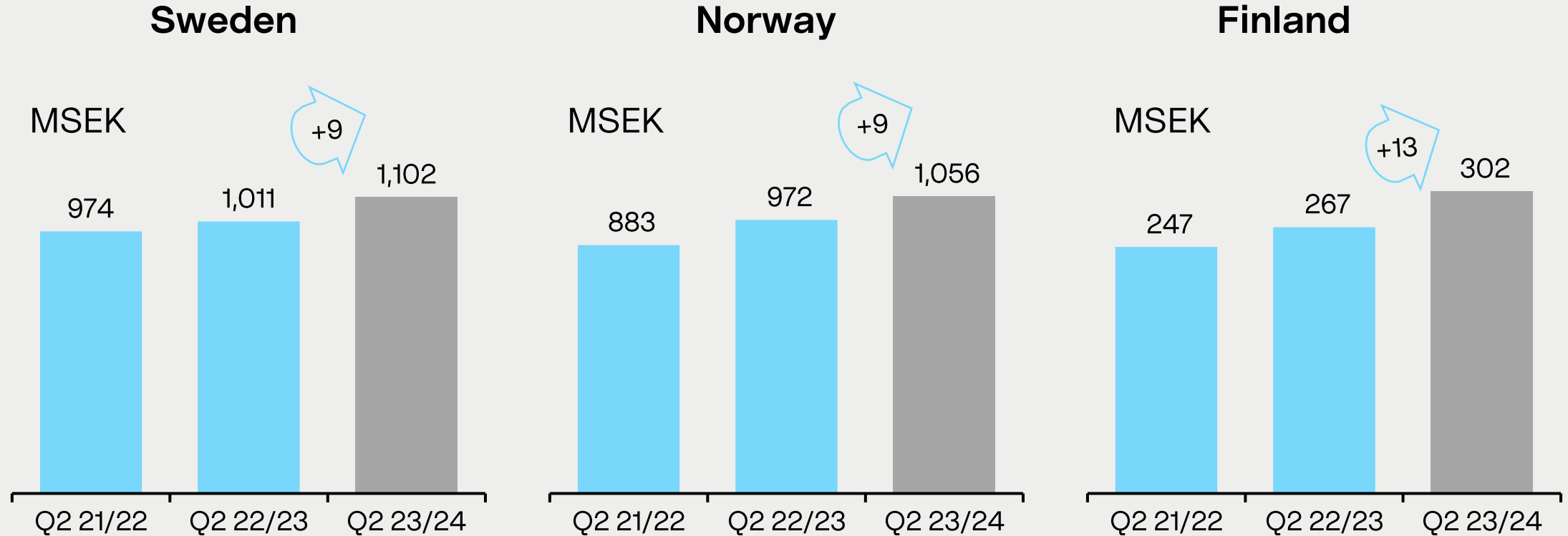
- **Total sales up 8%** to 4,653 MSEK, organic sales up 9%, LFL up 10%
- **Online sales up 12%**
- The store network decreased by 1 store during Q1-Q2



Online share of total sales (R12), %



Increasing sales in all markets



Organic growth:

Q2: +9%
Q1-Q2: +9%

Q2: +13%
Q1-Q2: +12%

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



Macro trends with business impact

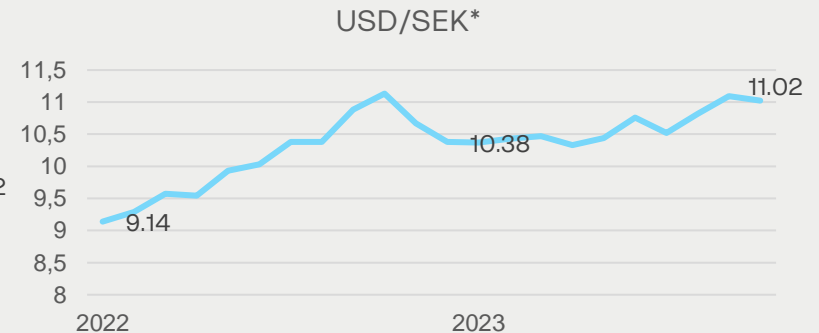
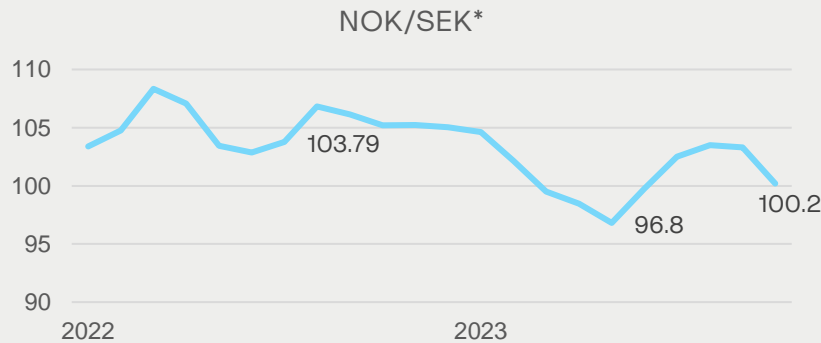
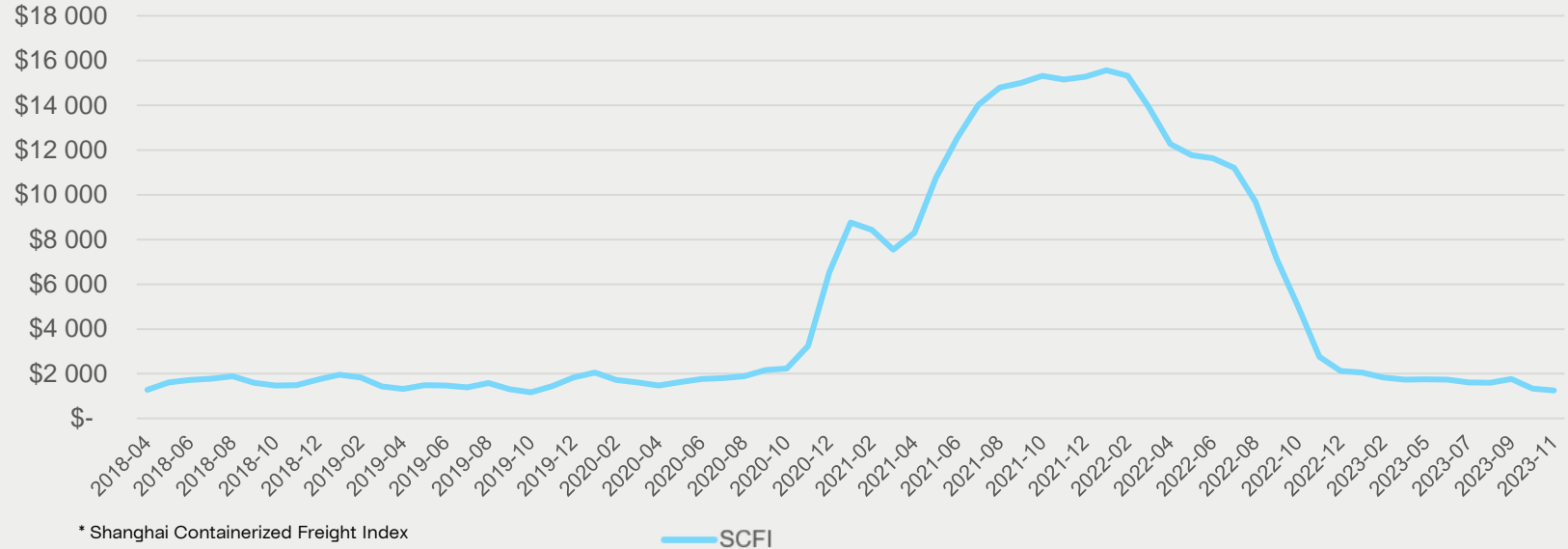
Spot prices for 40t containers from Asia to Gothenburg

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:

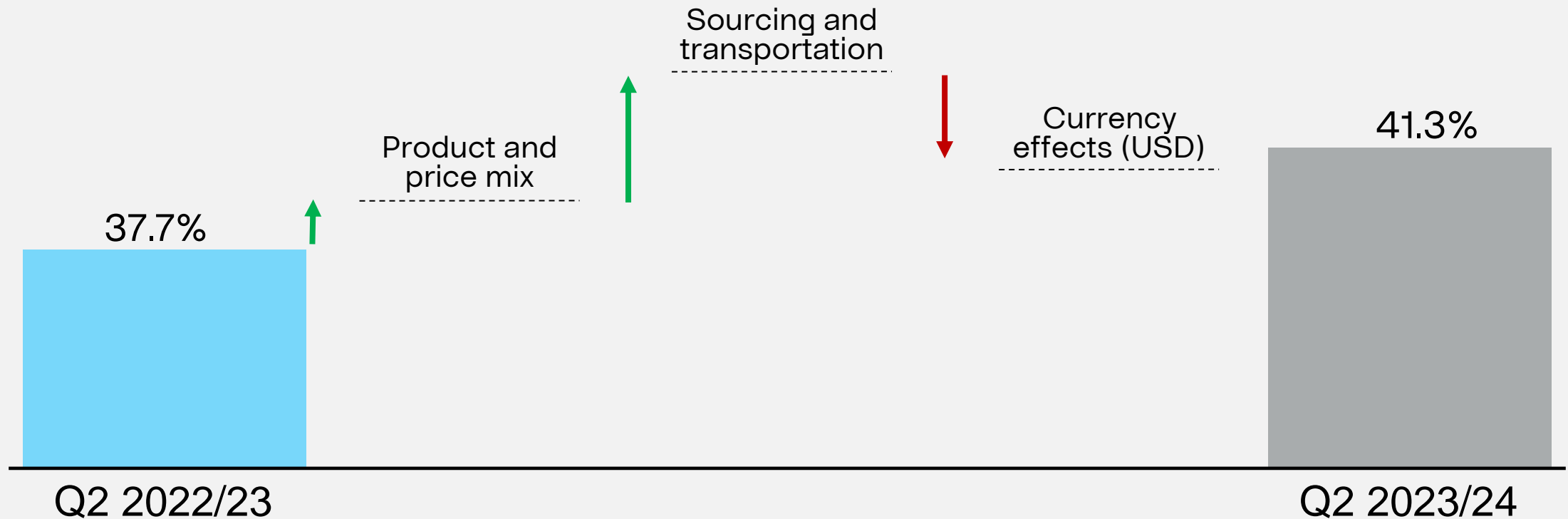
- Pricing – continuously optimizing prices
- Sourcing – diversified sourcing strategy
- Flexible freight contracts
- Optimize sales mix – private label, product and category mix
- Products and packaging



* Monthly average, The Riksbank/Nasdaq



Improved gross margin – great contribution from sourcing and transportation



Financial overview

MSEK	Q2 23/24	Q2 22/23	Q1-Q2 23/24	Q1-Q2 22/23
Operating profit excl. one-off items	277	112	431	131
<i>One-off items</i>	-31	0	-202	-35
Operating profit	245	112	230	96
Profit after financial items	227	96	195	65
Profit for the period	173	69	147	45
EPS before dilution, SEK	2.74	1.10	2.32	0.72

Share of selling expenses, Q2

28.1%

(30.3%)

Administrative expenses, Q2

50 MSEK

(50 MSEK)

EBIT-margin, Q2

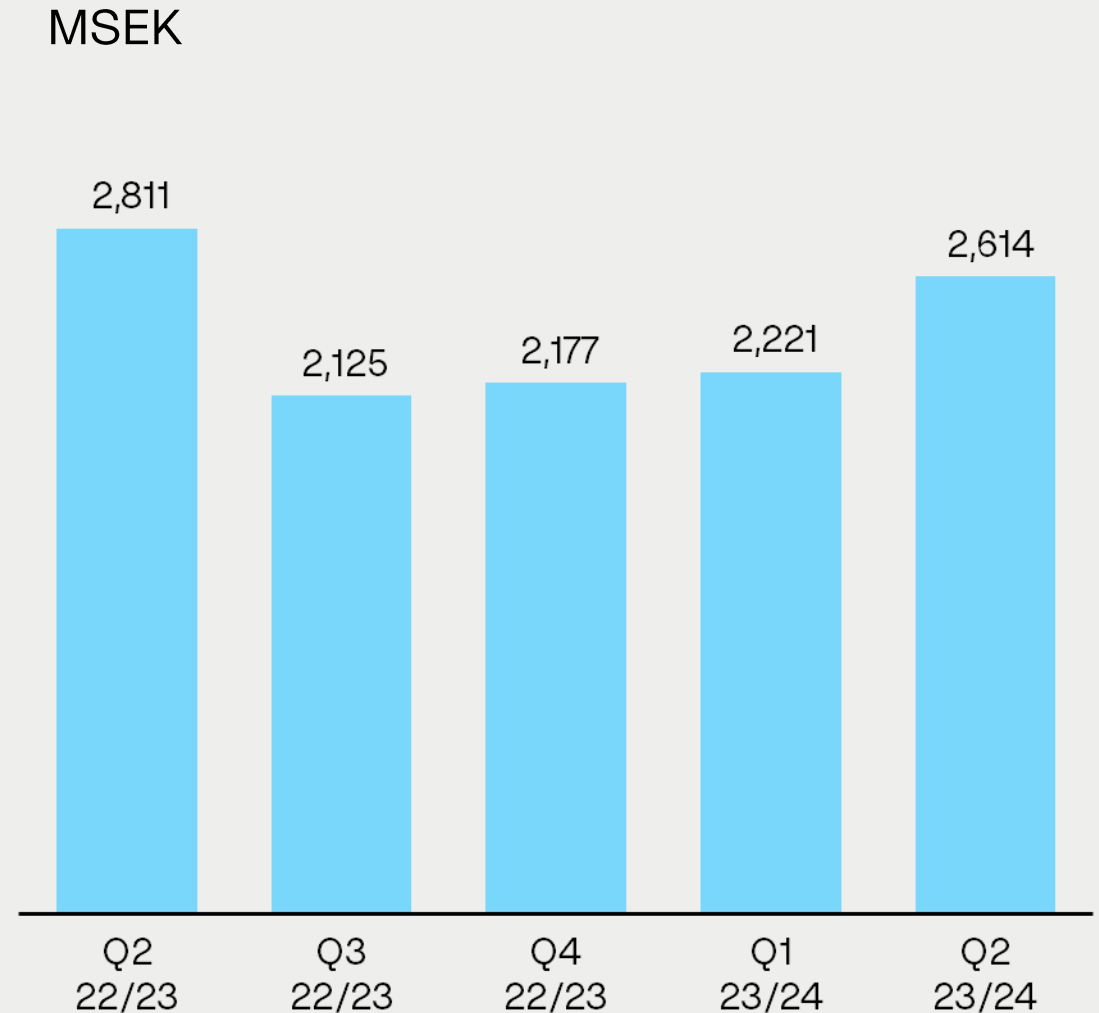
10.0%

(5.0%)



Well balanced inventory

- **Inventory level:** 2,614 MSEK (2,811) at the end of the period
- **Average inventory level LTM:** 2,280 MSEK (2,319)
- **Inventory turnover rate DC:** 5.1 (4.7)



Strong cash flow and solid financial position

MSEK	Q2 23/24	Q2 22/23
Cash flow from operating activities, before change in working capital	375	243
Change in working capital	-183	-410
Cash flow from operating activities	192	-167
Cash flow from investing activities	-26	-46
Cash flow from financing activities	-157	43
Cash flow for the period	9	-169

Approved credit facilities*

600 MSEK
Of which utilised 100 MSEK

Net debt/EBITDA excl IFRS 16

0.0x
(0.8x)

*After the end of the reporting period, in connection with the acquisition of Spares Europe AB on 8 November 2023, the credit facility was increased by 510 MSEK to 1,110 MSEK, of which 506 MSEK was utilised after the closing of the acquisition.





Events after the reporting period

November sales development

- Total sales, excluding Spares, up 4% to 1,130 MSEK, organic sales up 7% and LFL up 6%

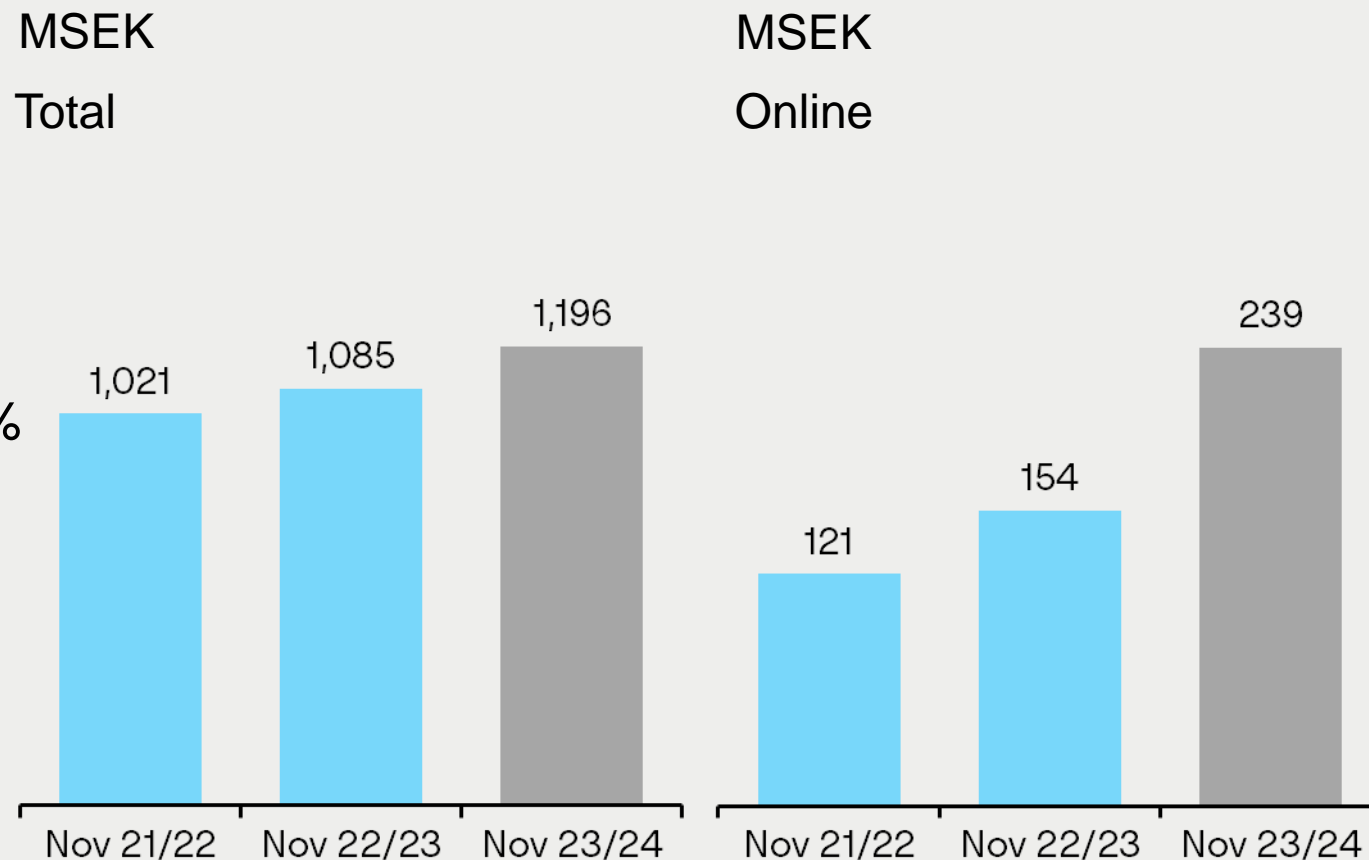
- Sweden +7% organic
- Norway +7% organic
- Finland +6% organic

- Online sales, excluding Spares, +12%

- Total sales, including Spares, 1,196 MSEK

- Online sales, including Spares, 239 MSEK

- Decrease of 1 store compared to end of November last year





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
 - Growing online sales
- Continued cost focus and simpler ways of working going forward

Q&A

Clas Ohlson

ST ERIKSGATAN 47





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