

### Third quarter – 1 November 2018 to 31 January 2019

- Sales increased by 6% to 2,915 MSEK (2,746), organic sales up 4% and up 2% in comparable units
- Online sales increased by 51%
- Operating profit, including non-recurring costs, costs linked to the CO100+ action programme and the closure of the store network in the UK and Germany totalled 105 MSEK (349)
- A non-recurring cost of 210 MSEK was charged to earnings as a result of the closure of the store network in the UK and Germany. The closure is expected to generate a positive earnings effect of approximately 75 MSEK, with full effect expected to occur after the second quarter 2019/20
- Underlying operating profit amounted to 363 MSEK (359)
- Profit after tax totalled 79 MSEK (270)
- Earnings per share amounted to 1.24 SEK (4.28)

### Nine-month period – 1 May 2018 to 31 January 2019

- Sales increased by 8% to 7,030 MSEK (6,528), organic sales up 5% and up 2% in comparable units
- Operating profit, including non-recurring costs, costs linked to the CO100+ action programme, implementation of the sCORE business system and the discontinuation of the store network in the UK and Germany totalled 171 MSEK (574)
- Underlying operating profit amounted to 549 MSEK (599)
- Profit after tax totalled 133 MSEK (444)
- Earnings per share amounted to 2.11 SEK (7.02)

### Events after the end of the reporting period

- Sales in February increased by 5% to 545 MSEK (518)
- Decision on an organisational review with 150-200 positions affected. The decision is part of the CO100+ action programme, which is expected to reduce the company's annual costs by 200-250 MSEK, with full effect from the 2020/21 financial year
- Growth in Q3 better than market, but lower than internal target – affects profitability for the current year. The operating margin for full-year 2018/2019 is expected to be approximately 3%\* and the underlying operating margin approximately 5%



Click & Collect was a success in December with a third of customers choosing to collect their online orders in stores.

**+4%**

*Organic growth*

**+51%**

*Online sales*

	3 Months			9 Months			12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	Percentage change	May 2018 - Jan 2019	May 2017 - Jan 2018	Percentage change	Feb 2018 - Jan 2019	May 2017 - Apr 2018
Sales, MSEK	2,915	2,746	6	7,030	6,528	8	8,713	8,211
Operating profit, MSEK	105	349	-70	171	574	-70	65	468
Underlying operating profit, MSEK	363	359	1	549	599	-8	488	538
Profit before tax, MSEK	104	349	-70	169	573	-71	62	467
Profit after tax, MSEK	79	270	-71	133	444	-70	48	358
Gross margin, %	40.4	40.8	-0.4 p.p	40.3	40.9	-0.6 p.p	39.6	40.0
Operating margin, %	3.6	12.7	-9.1 p.p	2.4	8.8	-6.4 p.p	0.7	5.7
Return on capital employed, %	-	-	-	-	-	-	2.9	21.0
Return on equity, %	-	-	-	-	-	-	2.2	16.0
Cashflow from operating activities, MSEK	728.1	585.2	-	639.0	771.8	-	240.0	372.8
Equity/assets ratio, %	47.3	52.4	-5.1 p.p	47.3	52.4	-5.1 p.p	47.3	53.9
Net debt/EBITDA ratio	-	-	-	-	-	-	-0.6	-0.2
Earnings per share before dilution, SEK	1.24	4.28	-71	2.11	7.02	-70	0.75	5.66

The 2018/19 financial year comprises the period from 1 May 2018 to 30 April 2019.

This information is such that Clas Ohlson AB (publ) is obliged to publish pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was submitted for publication, through the agency of the specified contact person, on 13 March 2019 at 07:00 a.m. (CET).

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\* Excluding costs for the closure of the store network in the UK and Germany.

# Growing both in store and online in a challenging market

## Increased underlying operating profit and solid growth in tough market

For the first time in many years, the market did not grow during Christmas trading this year in Sweden, Norway or Finland. Instead, it was lower than in the preceding year and did not match the forecasts made. A clear pattern was also that Christmas trading had a strong start during "Black week," which was followed by a weak period, before having a very strong final spurt. Online was the sales channel that continued to grow in the market as a whole.

In terms of sales and earnings, the third quarter is the most important for us. We made preparations in the form of attractive customer offerings, increased digital capacity and more and better online delivery options. These initiatives produced results. Growth outperformed the market, but was lower than internal target. Organic growth was 4 per cent for the quarter and organic growth for the nine-month period was in line with the target of 5 per cent. During the quarter, online sales increased by 51 per cent, compared with the year-earlier period.

We also maintained the gross margin of 40.4 per cent (40.8) for the quarter. In total, this yielded in an underlying operating profit of 363 MSEK (359), which is somewhat higher than in the preceding year.

Cash flow from operating activities strengthened during the quarter, mainly driven by systematic inventory control, but also by healthy sales and a sustained gross margin. In addition, the inventory value, 1,983 MSEK (1,880) at the end of the quarter, is again at a favourable level after the planned build-up of inventory that was implemented in the first quarter in connection with the implementation of the SCORE business system.

Clas Ohlson is growing both in stores and online in a challenging market climate. However, sales in the quarter did not reach our internal target and that affects profitability for the current year. The operating margin for full-year 2018/2019 is expected to be approximately 3%\* and the underlying operating margin approximately 5%.

## Closure of the store network in the UK and Germany proceeding to plan

The work to concentrate the store network to the Nordic home market, and thereby close our stores in the UK and Germany and focus on online, is proceeding according to plan. The discontinuation cost has now been booked to 210 MSEK and is charged to earnings for the quarter. The aim is for the process to be completed during the current financial year and that the anticipated positive earnings effect of approximately 75 MSEK per year will have full impact after the second quarter of 2019/20.

## Full focus on lower costs

The systematic work to reduce costs as part of the CO100+ action programme is continuing. The decision to conduct an organisational review to reduce costs and create a more efficient and flexible organisation was announced at the beginning of February. A total of 150-200 positions are expected to be affected.

During the quarter, the work also intensified to reduce purchasing and supplier costs and we continued to work on optimising our product range in store. The costs of the CO100+ action programme are also expected to remain in the range announced of 1-2 per cent of the underlying operating margin.



We implemented a number of significant measures during the quarter and are now

on schedule with our planned measures under the framework of CO100+, which will have full effect from the 2020/21 financial year.

\* Excluding costs for the closure of the store network in the UK and Germany.

## Continuing our initiatives for long-term growth

Projects within CO100+ to create long-term growth are proceeding to plan. One of the most important milestones is to double our online sales every second year.

Succeeding at this requires smart solutions for delivery to customers. One example of this is the Click & Collect solution that had something of a breakthrough during Christmas trading, when one in three customers chose to have their online order delivered to a store. This delivery solution also contributes to promoting footfall in stores.

Another example is our partnership with MatHem, which is contributing in a tangible way to enabling us to grow our online business in a cost-effective manner, at the same time as we are making everyday life simpler for our customers. The partnership with MatHem developed well during the quarter. It was also announced in February that Kinnevik would become the new principal owner of MatHem after making a major investment in the company. This step further strengthens MatHem, both for us as an important partner and as a financial investment.

## Long-term profitable growth according to plan

The change in the retail sector is proceeding in the direction we predicted and have built the strategy to address. The trend is now moving faster than expected. This means that I am even more convinced that we are on the right path in our adjustment work. We implemented a number of significant measures during the quarter and are now on schedule with the planned measures under the framework of CO100+, which will have full effect from the 2020/21 financial year.

We are continuing to work on growth-creating initiatives, at the same time as we are ticking off the implemented cost-savings to create long-term, profitable growth and shareholder value for Clas Ohlson also in the future – all according to plan.

Lotta Lyrå  
President and CEO of Clas Ohlson AB

## Financial targets/framework\*

- Sales will increase organically an average of 5 per cent annually over a five-year period.
- Operating margin will amount to 6–8 per cent within a five-year period. *During the 2018/19 and 2019/20 financial years, approximately 1–2 per cent of the underlying operating margin are expected to be invested in strategic initiatives in the CO100+ action programme.*
- The dividend is to comprise at least 50 per cent of earnings per share after tax, with consideration for the company's financial position. *Over the first two years, the ambition is that the dividend will be maintained on a level with the 2016/17 financial year, in absolute terms.*
- Net debt in relation to EBITDA is to fall below two (2) times

\*Adopted by the Board of Directors and communicated at the Capital Markets Day on 3 May 2018.

### Financial information

Current financial information is available at [about.clasohlson.com/en/investors](http://about.clasohlson.com/en/investors).

### Press and analyst conference

The report will be presented on Wednesday, 13 March at 09:00 a.m. at Sveavägen 52 in Stockholm. The presentation can also be followed live via web broadcast and teleconference.

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

### Calendar

5 Jun 2019	Year-end Report 2018/19
4 Sep 2019	Three-month Report 2019/20
7 Sep 2019	AGM
4 Dec 2019	Six-month Report 2019/20
11 Mar 2020	Nine-month Report 2019/20
3 Jun 2020	Year-end Report 2019/20

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## Distribution of sales

MSEK	3 Months				9 Months			
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	Percentage change		May 2018 - Jan 2019	May 2017 - Jan 2018	Percentage change	
			SEK	local currency			SEK	local currency
Sweden	1,264	1,194	6	6	3,062	2,908	5	5
Norway	1,190	1,111	7	3	2,882	2,614	10	5
Finland	369	353	4	0	856	796	8	1
Outside Nordic countries	92	88	5	1	229	209	10	4
<b>Total*</b>	<b>2,915</b>	<b>2,746</b>	<b>6</b>	<b>4</b>	<b>7,030</b>	<b>6,528</b>	<b>8</b>	<b>5</b>
<b>*Of which comprise online sales.</b>	<b>148</b>	<b>98</b>	<b>51</b>	<b>48</b>	<b>337</b>	<b>223</b>	<b>51</b>	<b>47</b>

## Distribution of sales increase

Per cent	3 Months		9 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018
Comparable units in local currency	2	2	2	2
New stores	2	2	3	3
Exchange-rate effects	2	2	3	3
<b>Total</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>8</b>

### Third quarter

Sales increased by 6 per cent to 2,915 MSEK (2,746). Organic sales increased by 4 per cent compared with the preceding year. Sales in comparable units and local currency increased by 2 per cent. Online sales increased 51 per cent to 148 MSEK (98). During the quarter, the store network was expanded by 1 store (1). At the end of the quarter, the total number of stores was 238, representing a net increase of 14 stores compared with the year-earlier period (11).

### Nine-month period

Sales increased by 8 per cent to 7,030 MSEK (6,528). Organic sales increased by 5 per cent compared with the preceding year. Sales in comparable units and local currency increased by 2 per cent. Online sales increased by 51 per cent to 337 MSEK (223). During the nine-month period, the store network was expanded by 9 stores (8) net.

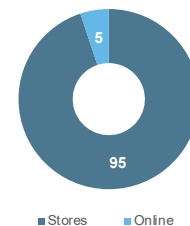
## Retail trade development\*

	Q3 17/18	Q4 17/18	Q1 18/19	Q2 18/19	Q3 18/19
<b>Sweden</b>					
Retail**	2.8	4.3	2.0	2.2	1.3
Consumer Confidence	7.5	1.7	-1.3	2.0	-6.4
<b>Norway</b>					
Retail**	3.5	2.5	2.4	2.7	2.0
Consumer Confidence	10.3	9.2	19.6	6.6	14.1
<b>Finland</b>					
Retail**	3.6	-3.1	3.0	2.4	1.3
Consumer Confidence	23.7	24.6	23.3	19.5	16.3

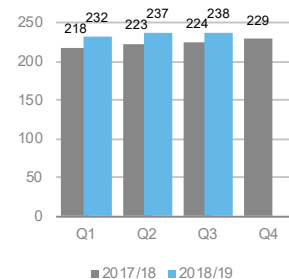
\*Source: HUI, Konjunkturinstitutet, Office for National Statistics, Opinion, Statistikcentralen, Statistisk centralbyrå, Trading Economics.

\*\*Increase in % compared with the same quarter in the preceding year, measured at current prices.

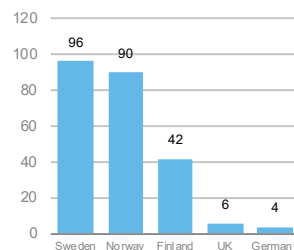
## Distribution of sales, %



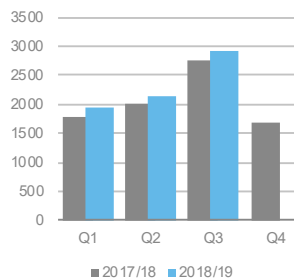
## Total number of stores



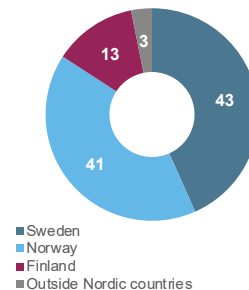
## Distribution of number of stores



## Sales, MSEK



## Distribution of sales, %



## Results

Consolidated Income Statement						
	3 Months		9 Months		12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
<b>MSEK</b>						
Sales	2,914.8	2,745.9	7,030.1	6,527.6	8,713.2	8,210.7
Cost of goods sold	-1,736.3	-1,625.1	-4,200.2	-3,860.7	-5,266.1	-4,926.6
<b>Gross profit</b>	<b>1,178.5</b>	<b>1,120.8</b>	<b>2,829.9</b>	<b>2,666.9</b>	<b>3,447.2</b>	<b>3,284.1</b>
Selling expenses	-799.9	-706.8	-2,246.2	-1,911.7	-2,914.3	-2,579.7
Administrative expenses	-62.4	-64.7	-202.2	-180.5	-258.8	-237.1
Other operating income/expenses	-211.1	-0.1	-210.8	-0.5	-209.3	1.0
<b>Operating profit</b>	<b>105.2</b>	<b>349.2</b>	<b>170.7</b>	<b>574.2</b>	<b>64.7</b>	<b>468.3</b>
Specification of change in profits						
MSEK	3 Months		9 Months			
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018		
Operating profit corresponding period previous year			349.2	574.2		
Profit from sales			18.2	9.8		
Change in gross margin			-11.3	-42.3		
Increased administrative expenses, excluding strategy overview and CO100+			-6.2	-18.6		
Non-recurring costs, costs linked to the CO100+ action programme and sCORE			-37.6	-143.3		
Change in expansion costs stores			5.8	7.9		
Change in depreciation			-2.2	-6.8		
Change in other operating income/expense			-210.8	-210.3		
<b>Operating profit actual period</b>			<b>105.2</b>	<b>170.7</b>		

### Third quarter

Earnings for the quarter were affected by non-recurring costs and costs linked to the CO100+ action programme of approximately 50 MSEK (10), as well as the costs for the closure of the store network in the UK and Germany totalling 210 MSEK (0).

The gross margin was 40.4 per cent (40.8). The gross margin was negatively affected by commercial investments and increased sourcing costs during the quarter. This was largely offset by a stronger sales currency (NOK), positive effects of currency hedging (NOK), comprising both currency forwards and exchange-rate effects related to delays in inventory and a weaker purchasing currency (USD).

The share of selling expenses increased by 1.7 percentage points to 27.4 per cent (25.7) as a result of costs related to the CO100+ action programme and commercial investments.

Operating profit amounted to 105 MSEK (349). Operating profit was affected by costs totalling approximately 260 MSEK (10) as described at the start of this section. Underlying operating profit amounted to 363 MSEK (359). The operating margin was 3.6 per cent (12.7).

Profit after financial items totalled 104 MSEK (349).

Depreciation for the period amounted to 59 MSEK (57).

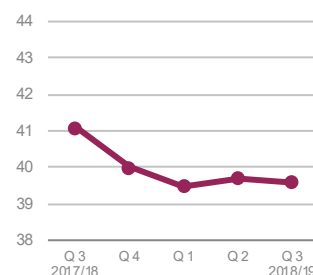
Spot exchange rates for key currencies averaged 1.06 for NOK and 9.03 for USD, compared with 1.02 and 8.28, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of the expected flow in each currency every month, with six-month maturities.

### Nine-month period

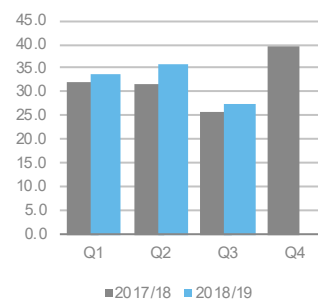
Earnings for the period were affected by non-recurring costs, costs linked to the CO100+ action programme and implementation of the sCORE business system of approximately 170 MSEK (25), as well as the costs for the discontinuation of the store network in the UK and Germany totalling 210 MSEK (0).

The gross margin was 40.3 per cent (40.9). Compared with the year-earlier period, the gross margin was impacted by negative currency hedging effects (NOK), comprising both currency forwards and exchange-rate effects related to delays in inventory, higher sourcing costs and increased commercial investments. This was somewhat offset by a strong sales currency (NOK) and weaker purchasing currency (USD).

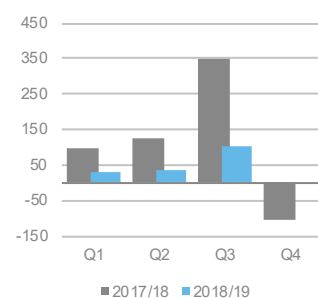
Gross margin, rolling 12 months, %



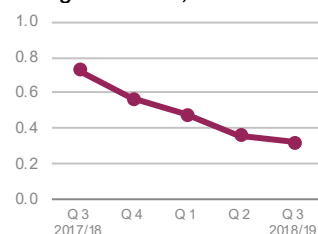
Share of selling expenses, %



Operating profit, MSEK



Operating margin, rolling 12 months, %



\*Excluding non-recurring costs for closure of stores outside the Nordics.

The share of selling expenses increased by 2.7 percentage points to 32.0 per cent (29.3). In addition to costs related to the CO100+ action programme, the share was affected by commercial initiatives and the costs of building up capacity and capability.

Administrative expenses increased approximately 20 MSEK as a result of the strategic review, which are included in the approximately 170 MSEK (25) described at the start of this section.

Operating profit amounted to 171 MSEK (574). Operating profit was affected by costs totalling approximately 380 MSEK (25) as described at the start of this section. Underlying operating profit amounted to 549 MSEK (599). The operating margin was 2.4 per cent (8.8).

Profit after financial items totalled 169 MSEK (573).

Depreciation for the period amounted to 177 MSEK (170).

Spot exchange rates for key currencies averaged 1.07 for NOK and 8.95 for USD, compared with 1.02 and 8.33, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of the expected flow in each currency every month, with six-month maturities.

## Investments

During the nine-month period, investments amounted to 174 MSEK (preceding year 422 MSEK, including the acquisition of MatHem of 224 MSEK). Of this amount, investments in new or refurbished stores accounted for 41 MSEK (67). Other investments were primarily IT and replacement investments. During the nine-month period, investments in IT systems amounted to 88 MSEK (89).

## Financing and liquidity

Cash flow from operating activities during the nine-month period totalled 639 MSEK (772). After investing and financing activities, cash flow for the period was 70 MSEK (-40).

The average 12-month value of inventories was MSEK 1,973 (1,788). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 5.7 times (6.8).

At the end of the period, the value of inventories was 1,983 MSEK (1,880). The value of inventories was impacted by the underlying sales increase and an expanded online product range that both require higher capacity. Compared with the preceding year, 14 stores, net, were also added. The inventory value is again at a satisfactory level after the planned inventory accumulation was implemented in the first quarter of 2018/19 in conjunction with the implementation of the sCORE business system.

The Group's net cash holdings, meaning cash and cash equivalents less interest-bearing liabilities, amounted to 185 MSEK (584) at the end of the period. Credits granted and loan commitments amounted to 750 MSEK, of which 0 MSEK had been utilised at the end of the period. The cash dividend paid to Clas Ohlson's shareholders in September 2018 totalled 395 MSEK (395). The company's financial position remains strong. The equity/assets ratio was 47 per cent (52).

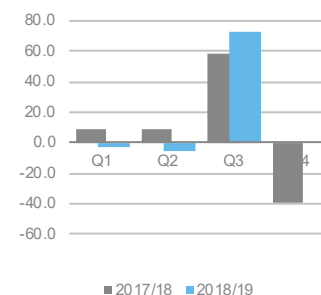
## Employees

The average number of employees in the Group was approximately 5,000; recalculated to full-time equivalents, this corresponds to an average of 3,100 (2,907). The increase was mainly related to new stores.

## Parent Company

Parent Company sales in the nine-month period amounted to 5,430 MSEK (5,240) and the loss after financial items totalled -31 MSEK (373). Investments during the period totalled 133 MSEK (348). Contingent liabilities for the Parent Company amounted to 265 MSEK (254).

Cash flow, MSEK\*



\* From operating activities.

## New direction for Clas Ohlson's international market presence

The Board has decided on a new direction for the international market presence. This decision entails that the store network in the UK and Germany will be discontinued and that, in line with the new direction, Clas Ohlson's presence in these markets will be concentrated to online shopping. The closure of the store network outside the Nordic region impacted the quarter's earnings by a non-recurring cost of 210 MSEK and is expected to generate a positive earnings effect of approximately 75 MSEK per year, with full effect after the second quarter 2019/20.



During the quarter, it was decided to concentrate the store network to the Nordic home market. Outside the Nordic region, a scalable business model is being created with lower financial risk exposure through a focus on online shopping.

## Events after the end of the reporting period

### Sales in February

Sales in February increased by 5 per cent to 545 MSEK (518). Organic sales increased by 2 per cent compared with the preceding year. Sales in comparable units and local currency was unchanged. Online sales increased by 47 per cent to 27 MSEK (18).

Compared with the same month of the preceding year, the store portfolio was expanded by a net of 13 stores (12). At the end of the period, the total number of stores was 238.

### Distribution of sales

MSEK	Feb 2019	Feb 2018	Percentage change	
			SEK	local currency
Sweden	246	232	6	6
Norway	214	204	5	0
Finland	66	64	4	-2
Outside Nordic countries*	19	18	4	-2
<b>Total**</b>	<b>545</b>	<b>518</b>	<b>5</b>	<b>2</b>

\*Effected by store optimization in the UK.

\*\*Of which 27 Mkr (18) comprise online sales.

In the first ten months of the financial year (May-February), sales increased by 8 per cent to 7,575 MSEK (7,046). Organic sales increased by 4 per cent compared with the preceding year. Sales in comparable units and local currency increased by 1 per cent. Online sales increased by 51 per cent to 363 MSEK (241).

### Organisational review for long-term profitable growth

After the end of the reporting period, the company decided to create a more efficient organisation to ensure long-term profitable growth. A total of 150-200 positions are estimated to be affected by the change, primarily at the company's head office and distribution centre in Insjön. The decision is part of the CO100+ action programme, which is expected to reduce the company's annual costs by 200-250 MSEK, with full effect from the 2020/21 financial year.

### Kinnevik new owner of MatHem

In February, Kinnevik became the new owner in MatHem with an investment of approximately 900 MSEK through a new share issue and purchase of existing shares. Following the transaction, Clas Ohlson's holding in MatHem amounts to 8 per cent (10). The co-operation runs according to plan with unchanged terms.

### Update on store expansion

10-15 new stores, net, were planned during the 2018/19 financial year. During the first nine months of the financial year, the store network was expanded by nine stores. The number of forthcoming, contracted store openings amounted to 5 stores. See the summary on page 23.

As part of optimising the UK store network, initiated during the 2016/17 financial year, the Croydon store was closed at the end of August 2018. During the quarter, a

decision was made to close the store network in the UK and Germany and after the end of the period, one store in Manchester was closed.

## Risks and uncertainties

To develop an attractive and relevant customer offering and to ensure our competitiveness, we must understand how our business environment is changing. The operations that Clas Ohlson carries on entail risks that could negatively impact the Group to varying extents. These risks are divided into strategic, operational and financial risks.

When managed correctly, risks may lead to opportunities and add value to the business.

We work continuously to update the Group's risk situation through a systematic process in which risks are identified, evaluated, managed and reported. Priority is assigned to the risks assessed as having the greatest negative impact in terms of probability and conceivable effects on operations. This work contributes to the strategic and operational management of the company.

Risks of a strategic character primarily comprise risks associated with changes in the business environment and increased competition, shifts in technology and in customers' purchasing habits, market positioning, and product range and offering as well as growth. Operational risks are mainly risks associated with purchasing and products, sustainability, IT systems, logistics, key employees, leases, shrinkage and regulatory risks, while risks of a financial nature consist primarily of risks associated with changes in the economy, currency exposure, transport costs, raw material prices and salary inflation.

For a detailed description of the Group's risks and risk management, refer to pages 74–77 of the 2017/18 Annual Report. Apart from the risks described in the Annual Report, no other significant risks have arisen.

The company's auditors have not reviewed this report.

Insjön, 13 March 2019

Lotta Lyrå  
President and CEO



# Financial statements

Consolidated Income Statement						
	3 Months		9 Months		12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
<b>MSEK</b>						
Sales	2,914.8	2,745.9	7,030.1	6,527.6	8,713.2	8,210.7
Cost of goods sold	-1,736.3	-1,625.1	-4,200.2	-3,860.7	-5,266.1	-4,926.6
<b>Gross profit</b>	<b>1,178.5</b>	<b>1,120.8</b>	<b>2,829.9</b>	<b>2,666.9</b>	<b>3,447.2</b>	<b>3,284.1</b>
Selling expenses	-799.9	-706.8	-2,246.2	-1,911.7	-2,914.3	-2,579.7
Administrative expenses	-62.4	-64.7	-202.2	-180.5	-258.8	-237.1
Other operating income/expenses	-211.1	-0.1	-210.8	-0.5	-209.3	1.0
<b>Operating profit *</b>	<b>105.2</b>	<b>349.2</b>	<b>170.7</b>	<b>574.2</b>	<b>64.7</b>	<b>468.3</b>
Financial income	0.5	0.3	1.1	0.5	1.3	0.7
Financial expense	-1.6	-0.5	-3.0	-1.3	-3.6	-1.9
<b>Profit after financial items</b>	<b>104.1</b>	<b>349.0</b>	<b>168.8</b>	<b>573.4</b>	<b>62.5</b>	<b>467.1</b>
Income tax **	-25.5	-78.6	-35.4	-129.9	-14.8	-109.3
<b>Profit for the period</b>	<b>78.6</b>	<b>270.4</b>	<b>133.4</b>	<b>443.5</b>	<b>47.7</b>	<b>357.8</b>

\* Closure of store network outside the Nordics.

\*\* Deferred tax has in Q1 been recalculated with 5.1 MSEK due to changed tax rate in Sweden.

Consolidated Comprehensive Income Statement						
	3 Months		9 Months		12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
<b>MSEK</b>						
Profit for the period	78.6	270.4	133.4	443.5	47.7	357.8
Other comprehensive income, net of tax:						
Items that later can be reversed back to the Consolidated income statement:						
Exchange rate differences	-9.1	0.3	-13.8	-4.2	44.7	54.3
Cash flow hedging	-9.3	-9.3	4.6	-15.5	10.7	-9.3
<b>Total</b>	<b>-18.4</b>	<b>-9.1</b>	<b>-9.2</b>	<b>-19.7</b>	<b>55.4</b>	<b>45.0</b>
Items that later can not be reversed back to the Consolidated income statement:						
Reevaluation of net pension obligations	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total other comprehensive income, net of tax</b>	<b>-18.4</b>	<b>-9.1</b>	<b>-9.2</b>	<b>-19.7</b>	<b>55.4</b>	<b>45.0</b>
<b>Total comprehensive income for the period</b>	<b>60.2</b>	<b>261.3</b>	<b>124.2</b>	<b>423.9</b>	<b>103.1</b>	<b>402.8</b>
<b>Profit for the period attributable to:</b>						
Owners of the parent	78.3	270.4	133.3	443.5	47.6	357.8
Non-controlling interests	0.3	0.0	0.1	0.0	0.1	0.0
<b>Comprehensive income attributable to:</b>						
Owners of the parent	59.9	261.3	124.1	423.9	103.0	402.8
Non-controlling interests	0.3	0.0	0.1	0.0	0.1	0.0

## Data per share

	3 Months		9 Months		12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
	Number of shares before dilution	63,217,794	63,205,200	63,217,724	63,198,167	63,218,212
Number of shares after dilution	63,227,850	63,302,826	63,227,091	63,343,502	63,227,438	63,311,743
Number of shares at end of period	63,217,794	63,208,135	63,217,794	63,208,135	63,217,794	63,208,135
Earnings per share before dilution, SEK	1.24	4.28	2.11	7.02	0.75	5.66
Earnings per share after dilution, SEK	1.24	4.27	2.11	7.00	0.75	5.65
Comprehensive income per share, SEK	0.95	4.13	1.96	6.71	1.63	6.37

## Consolidated Balance Sheet

MSEK	31 Jan 2019	31 Jan 2018	30 Apr 2018
<b>Assets</b>			
Intangible assets	478.4	401.4	428.2
Tangible assets	980.1	1,029.2	1,041.3
Securities held as fixed assets	225.3	224.0	224.5
Non-current receivables	15.6	18.5	14.9
Inventories	1,983.2	1,880.3	2,038.0
Other receivables	346.2	222.6	336.9
Liquid assets	184.7	584.0	115.8
<b>Total assets</b>	<b>4,213.4</b>	<b>4,360.0</b>	<b>4,199.7</b>
<b>Equity and liabilities</b>			
Equity attributable to owners of the parent	1,984.6	2,285.3	2,263.9
Equity attributable to non-controlling interests	7.4	0.0	0.0
Total equity	1,992.0	2,285.3	2,263.9
Long-term liabilities, Non-interest-bearing	211.6	231.2	227.4
Current liabilities, Non interest-bearing	2,009.8	1,843.4	1,708.4
<b>Total equity and liabilities</b>	<b>4,213.4</b>	<b>4,360.0</b>	<b>4,199.7</b>

## Consolidated Cash Flow

	3 Months		9 Months		12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
<b>MSEK</b>						
Operating profit	105.2	349.2	170.7	574.2	64.7	468.3
Adjustment for items not included in cash flow	263.5	57.6	375.0	174.5	409.0	208.6
Interest received	0.5	0.3	1.1	0.5	1.3	0.7
Interest paid	-1.6	-0.5	-3.0	-1.3	-3.6	-1.9
Tax paid	-9.5	-34.8	-63.7	-90.0	-105.5	-131.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>358.2</b>	<b>371.8</b>	<b>480.1</b>	<b>657.9</b>	<b>366.0</b>	<b>543.9</b>
Change in working capital	369.8	213.5	158.9	113.9	-126.0	-171.0
<b>Cash flow from operating activities</b>	<b>728.1</b>	<b>585.2</b>	<b>639.0</b>	<b>771.8</b>	<b>240.0</b>	<b>372.8</b>
Investments in intangible assets	-36.2	-34.3	-88.1	-88.7	-123.4	-124.0
Investments in tangible assets	-19.8	-39.2	-84.7	-109.7	-123.8	-148.8
Investments in securities held as fixed assets	-0.8	-224.0	-0.8	-224.0	-1.3	-224.5
Change in current investments	0.0	0.0	0.1	0.1	0.1	0.1
<b>Cash flow from investing activities</b>	<b>-56.8</b>	<b>-297.5</b>	<b>-173.5</b>	<b>-422.4</b>	<b>-248.4</b>	<b>-497.2</b>
Change in current liabilities, interest-bearing	-596.0	0.0	0.0	0.0	0.0	0.0
Repurchase of own shares	0.0	0.0	0.0	-20.9	0.0	-20.9
Sale of own shares	0.0	0.6	0.0	26.1	0.0	26.1
Capital contribution from minority	0.0	0.0	0.5	0.0	0.5	0.0
Change in longterm assets	0.0	0.0	-0.8	0.0	-0.8	0.0
Dividend to shareholders	0.0	0.0	-395.1	-395.0	-395.1	-395.0
<b>Cash flow from financing activities</b>	<b>-596.0</b>	<b>0.6</b>	<b>-395.4</b>	<b>-389.8</b>	<b>-395.4</b>	<b>-389.8</b>
<b>Cash flow for the period</b>	<b>75.3</b>	<b>288.3</b>	<b>70.0</b>	<b>-40.3</b>	<b>-403.8</b>	<b>-514.2</b>
Liquid assets at the start of the period	109.9	295.8	115.8	625.1	584.0	625.1
Exchange rate difference for liquid assets	-0.5	-0.1	-1.2	-0.7	4.4	4.9
<b>Liquid assets at the end of the period</b>	<b>184.7</b>	<b>584.0</b>	<b>184.7</b>	<b>584.0</b>	<b>184.7</b>	<b>115.9</b>

## Sales by segment

	3 Months		9 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018
<b>MSEK</b>				
Sweden	1,263.8	1,193.9	3,062.0	2,908.5
Norway	1,189.9	1,111.1	2,882.3	2,614.3
Finland	368.9	353.2	856.4	795.9
Outside Nordic countries	92.2	87.7	229.4	208.9
Group functions	904.4	891.5	2,367.6	2,329.0
Sales to other segments	-904.4	-891.5	-2,367.6	-2,329.0
<b>Total</b>	<b>2,914.8</b>	<b>2,745.9</b>	<b>7,030.1</b>	<b>6,527.6</b>

## Operating profit by segment

	3 Months		9 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018
<b>MSEK</b>				
Sweden	48.5	49.1	122.5	119.4
Norway	43.9	46.8	115.3	110.1
Finland	11.8	11.2	27.4	25.2
Outside Nordic countries	2.9	2.7	7.1	6.3
Group functions	-1.9	239.4	-101.6	313.2
<b>Total</b>	<b>105.2</b>	<b>349.2</b>	<b>170.7</b>	<b>574.2</b>

### Securities held as fixed assets, valued at fair value\*

MSEK	31 Jan 2019	31 Jan 2018
Securities held as fixed assets, valued at fair value at the beginning of the year	224.5	0.0
Acquisition**	0.8	224.0
Revaluation during the year	0.0	0.0
<b>Securities held as fixed assets, valued at fair value at the end of the period</b>	<b>225.3</b>	<b>224.0</b>

\*According to level three in the fair value hierarchy.

\*\*In December 2018 shares amounting to 0.8 MSEK was acquired in Mathem.

### Change in equity

MSEK	9 Months	
	May 2018 - Jan 2019	May 2017 - Jan 2018
Equity brought forward	2,263.9	2,250.7
Divident to shareholders	-395.1	-395.0
Repurchase of own shares	0,0	-20.9
Capital contribution from minority	0.5	0,0
Sale of own shares	0,0	26.1
Paid-in option premiums:		
Value of employee services	-1.6	0.5
Total comprehensive income	124.2	423.9
<i>Comprehensive income attributable to non-controlling interests</i>	<i>7.4</i>	<i>-</i>
<b>Equity carried forward</b>	<b>1,992.0</b>	<b>2,285.3</b>

### Forward contracts

As per balance-sheet date, outstanding cash-flow hedging existed according to the following table per currency pair (carrying amount and fair value)

MSEK	31 Jan 2019	31 Jan 2018
<b>Sell/buy</b>		
NOK/SEK	-1.7	-1.3
NOK/USD	2.1	-12.0
SEK/USD	0.0	0.0
<b>Total</b>	<b>0.4</b>	<b>-13.3</b>

Forward contracts belong to the derivate category, which is used for hedging purposes. All derivatives are measured at fair value, established by using forward contract prices on balance-sheet date, meaning, level 2 in the fair value hierarchy according to IFRS 13. As per 31 January 2019 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled 4.4 MSEK (13.4), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to 4.8 MSEK (0.0), which is recognized in the item Other receivables. The company hedge the expected flow in each currency every month, with six-month maturities. A deferred tax liability of 0.1 MSEK (previous year a deferred tax asset 2.9) was taken into account and the remaining fair value of 0.3 MSEK (-10.4) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of 2.1 MSEK (-12.0) is allocated on the currency pair NOK/SEK with 0.4 MSEK (-0.1) and on the currency pair SEK/USD with 2.1 MSEK (-12.0).

## Key ratios

	3 Months		9 Months		12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
Sales growth, %	6.1	1.9	7.7	1.8	7.5	2.7
Gross margin, %	40.4	40.8	40.3	40.9	39.6	40.0
Operating margin, %	3.6	12.7	2.4	8.8	0.7	5.7
Return on capital employed, %	-	-	-	-	2.9	21.0
Return on equity, %	-	-	-	-	2.2	16.0
Cashflow from operating activities, MSEK	728.1	585.2	639.0	771.8	240.0	372.8
Equity/assets ratio, %	47.3	52.4	47.3	52.4	47.3	53.9
Net debt/EBITDA	-	-	-	-	-0.6	-0.2
Sales per sq.m in stores, SEK thousand	10.4	10.4	25.1	25.3	31.4	30.8
Number of stores at period end	238	224	238	224	238	229
Number of employees at period end	3,100	2,907	3,100	2,907	3,100	2,951
<b>Data per share</b>						
Number of shares before dilution	63,217,794	63,205,200	63,217,724	63,198,167	63,218,212	63,200,598
Number of shares after dilution	63,227,850	63,302,826	63,227,091	63,343,502	63,227,438	63,311,743
Number of shares at period end	63,217,794	63,208,135	63,217,794	63,208,135	63,217,794	63,208,135
Earnings per share before dilution, SEK	1.24	4.28	2.11	7.02	0.75	5.66
Earnings per share after dilution, SEK	1.24	4.27	2.11	7.00	0.75	5.65
Comprehensive income per share, SEK	0.95	4.13	1.96	6.71	1.63	6.37
Cash flow per share*, SEK	11.52	9.26	10.11	12.21	3.80	5.90
Equity per share, SEK	31.51	36.16	31.51	36.16	31.51	35.82

\* From the operating activities.

## Quarterly overview

MSEK	Q3 16/17	Q4 16/17	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Q1 18/19	Q2 18/19	Q3 18/19
Sales	2,695.2	1,574.8	1,782.6	1,999.1	2,745.9	1,683.1	1,958.1	2,157.1	2,914.8
Cost of goods sold	-1,567.3	-912.7	-1,059.9	-1,175.7	-1,625.1	-1,065.9	-1,203.8	-1,260.1	-1,736.3
<b>Gross profit</b>	<b>1,127.9</b>	<b>662.2</b>	<b>722.7</b>	<b>823.3</b>	<b>1,120.8</b>	<b>617.3</b>	<b>754.3</b>	<b>897.0</b>	<b>1,178.5</b>
Selling expenses	-684.7	-603.2	-572.6	-632.3	-706.8	-668.1	-659.2	-787.2	-799.9
Administrative expenses	-51.3	-43.0	-49.8	-65.9	-64.7	-56.6	-63.0	-76.8	-62.4
Other operating income/expenses	-1.9	1.5	-0.2	-0.2	-0.2	1.5	-0.2	0.4	-211.1
<b>Operating profit</b>	<b>390.0</b>	<b>17.5</b>	<b>100.1</b>	<b>124.9</b>	<b>349.2</b>	<b>-105.9</b>	<b>32.0</b>	<b>33.4</b>	<b>105.2</b>
Financial income	0.0	0.4	0.1	0.1	0.3	0.2	0.3	0.3	0.5
Financial expense	-0.5	-0.5	-0.3	-0.5	-0.5	-0.6	-0.6	-0.8	-1.6
<b>Profit after financial items</b>	<b>389.5</b>	<b>17.4</b>	<b>99.9</b>	<b>124.5</b>	<b>349.0</b>	<b>-106.3</b>	<b>31.7</b>	<b>32.9</b>	<b>104.1</b>
Income tax	-84.6	2.2	-22.5	-28.7	-78.6	20.6	-1.9	-7.9	-25.5
<b>Profit for the period</b>	<b>305.0</b>	<b>19.5</b>	<b>77.4</b>	<b>95.8</b>	<b>270.4</b>	<b>-85.7</b>	<b>29.7</b>	<b>25.0</b>	<b>78.6</b>
<b>Assets</b>									
Intangible assets	321.3	340.2	360.8	376.4	401.4	428.2	446.7	454.5	478.4
Tangible assets	1,075.8	1,064.3	1,036.3	1,037.7	1,029.2	1,041.3	1,007.5	1,010.8	980.1
Securities held as fixed assets	0,0	0,0	0,0	0,0	224.0	224.5	224.5	224.5	225.3
Non-current receivables	18.4	18.5	18.5	18.5	18.5	14.9	14.8	15.7	15.6
Inventories	1,616.6	1,630.7	1,695.6	2,067.8	1,880.3	2,038.0	1,936.6	2,345.0	1,983.2
Other receivables	213.3	220.6	230.4	257.8	222.6	336.9	310.3	349.7	346.2
Liquid assets	753.3	625.1	668.4	295.8	584.0	115.8	97.3	109.9	184.7
<b>Total assets</b>	<b>3,998.8</b>	<b>3,899.4</b>	<b>4,010.1</b>	<b>4,054.1</b>	<b>4,360.0</b>	<b>4,199.7</b>	<b>4,037.7</b>	<b>4,510.1</b>	<b>4,213.4</b>
<b>Equity and liabilities</b>									
Equity attributable to owners of the parent	2,218.9	2,250.7	2,297.7	2,026.3	2,285.3	2,263.9	2,293.2	1,925.4	1,984.6
Equity attributable to non-controlling interests	0,0	0,0	0,0	0,0	0,0	0,0	0,0	7.1	7.4
Total equity	2,218.9	2,250.7	2,297.7	2,026.3	2,285.3	2,263.9	2,293.2	1,932.5	1,992.0
Long-term liabilities, Non-interest-bearing	214.3	226.8	233.4	236.0	231.2	227.4	223.6	211.7	211.6
Current liabilities, Interest-bearing	0,0	0,0	0,0	0,0	0,0	0,0	60.1	596.0	0.0
Current liabilities, Non interest-bearing	1,565.5	1,421.9	1,479.0	1,791.9	1,843.4	1,708.4	1,460.9	1,770.0	2,009.8
<b>Total equity and liabilities</b>	<b>3,998.8</b>	<b>3,899.4</b>	<b>4,010.1</b>	<b>4,054.1</b>	<b>4,360.0</b>	<b>4,199.7</b>	<b>4,037.7</b>	<b>4,510.2</b>	<b>4,213.4</b>
<b>Key ratios for the period</b>									
Gross margin, %	41.8	42.0	40.5	41.2	40.8	36.7	38.5	41.6	40.4
Operating margin, %	14.5	1.1	5.6	6.2	12.7	-6.3	1.6	1.6	3.6
Earnings per share before dilution, SEK	4.84	0.31	1.22	1.52	4.28	-1.36	0.47	0.40	1.24
Earnings per share after dilution, SEK	4.83	0.31	1.22	1.51	4.27	-1.36	0.47	0.40	1.24
Equity per share, SEK	35.22	35.68	36.36	32.06	36.16	35.82	36.27	30.57	31.51

### Seasonal fluctuations

Clas Ohlson's market and operations are influenced by consumer purchasing behaviour. The company's product range is particularly well suited to Christmas preparations and Christmas shopping, which means that the third quarter (November-January) is generally the strongest quarter of the financial year. This is followed by the second and first quarters and, finally, the fourth quarter, which is the weakest in terms of sales and profit.

## Parent Company Income Statement

MSEK	Note	3 Months		9 Months		12 Months	
		Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
Sales		2,168.2	2,085.7	5,429.6	5,240.1	6,633.6	6,444.1
Cost of goods sold	1	-1,569.8	-1,510.7	-3,986.4	-3,813.4	-4,990.7	-4,817.6
<b>Gross profit</b>		<b>598.4</b>	<b>575.0</b>	<b>1,443.2</b>	<b>1,426.7</b>	<b>1,642.9</b>	<b>1,626.5</b>
Selling expenses	1	-413.1	-327.3	-1,110.3	-900.6	-1,454.6	-1,244.9
Administrative expenses	1	-53.2	-55.5	-176.7	-156.2	-216.3	-195.8
Other operating income/expenses		-186.8	0.2	-187.3	0.4	-186.6	1.0
<b>Operating profit</b>		<b>-54.6</b>	<b>192.5</b>	<b>-31.1</b>	<b>370.3</b>	<b>-214.6</b>	<b>186.8</b>
Dividends from group companies		-	0.0	3.2	3.9	112.0	112.7
Financial income		0.5	0.3	1.1	0.5	1.8	1.3
Financial expense		-2.2	-0.9	-4.2	-2.1	-4.8	-2.7
<b>Profit after financial items</b>		<b>-56.4</b>	<b>191.9</b>	<b>-31.0</b>	<b>372.6</b>	<b>-105.6</b>	<b>298.0</b>
Appropriations		0.0	0.0	0.0	0.0	12.8	12.8
<b>Profit before tax</b>		<b>-56.4</b>	<b>191.9</b>	<b>-31.0</b>	<b>372.6</b>	<b>-92.8</b>	<b>310.8</b>
Income tax		12.3	-44.0	7.4	-84.0	45.7	-45.7
<b>Profit for the period</b>		<b>-44.1</b>	<b>147.8</b>	<b>-23.5</b>	<b>288.7</b>	<b>-47.1</b>	<b>265.1</b>

## Parent Company Comprehensive Income Statement

MSEK	3 Months		9 Months		12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
Profit for the period	-44.1	147.8	-23.5	288.7	-47.1	265.1
Other comprehensive income, net of tax:						
Items that later can be reversed back to the Consolidated income statement:						
Income from hedge of net investment in foreign operations	-1.5	0.8	-4.5	-0.3	7.1	11.3
<b>Other comprehensive income, net of tax</b>	<b>-1.5</b>	<b>0.8</b>	<b>-4.5</b>	<b>-0.3</b>	<b>7.1</b>	<b>11.3</b>
<b>Total comprehensive income</b>	<b>-45.6</b>	<b>148.6</b>	<b>-28.0</b>	<b>288.4</b>	<b>-40.0</b>	<b>276.4</b>

### Note 1 Depreciations

	3 Months		9 Months		12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
Depreciations for the period	40.6	38.5	119.3	115.1	155.7	151.5



## Parent Company Balance Sheet

MSEK	31 Jan 2019	31 Jan 2018	30 Apr 2018
<b>Assets</b>			
Intangible assets	478.4	401.4	428.2
Tangible assets	674.6	723.7	713.8
Financial assets	291.1	411.1	423.0
Inventories	1,341.7	1,225.3	1,327.6
Other receivables	254.0	151.3	348.5
Liquid assets	124.1	527.4	36.9
<b>Total assets</b>	<b>3,163.8</b>	<b>3,440.2</b>	<b>3,278.1</b>
<b>Equity and liabilities</b>			
Equity	460.6	897.6	885.3
Untaxed reserves	1,035.7	1,048.5	1,035.7
Provisions	55.1	52.3	50.7
Long-term liabilities, Non-interest-bearing	5.0	5.0	5.0
Current liabilities, Non interest-bearing	1,607.3	1,436.8	1,301.4
<b>Total equity and liabilities</b>	<b>3,163.8</b>	<b>3,440.2</b>	<b>3,278.1</b>

## Accounting policies

Clas Ohlson applies the International Financial Reporting Standards (IFRS) adopted by the EU. This interim report has been prepared in accordance with the Swedish Annual Accounts Act, IAS 34 Interim Financial Reporting and RFR 1 Supplementary Accounting Rules for Groups. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in both notes and elsewhere in this interim report.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2. The same accounting policies are applied as for the Group, except in those cases described under the section headed "Parent Company accounting policies" in the 2017/18 Annual Report on page 101. The same accounting policies and calculation methods are applied as in the latest annual report except that IFRS 9 and 15 are now applied.

For a more detailed description of the accounting policies applied to the Group and Parent Company in this interim report, refer to the 2017/18 Annual Report, pages 98–102.

### New accounting policies for 2018/19 and onward

IFRS 9 Financial Instruments: Recognition and Measurement. The standard entered force on 1 January 2018 or later (2018/19 financial year for Clas Ohlson) and replaced IAS 39 Financial instruments: Recognition and Measurement. The standard is divided into three parts: classification and measurement, hedge accounting and impairment.

IFRS 15 Revenue from Contracts with Customers, the new revenue standard, entered into force on 1 January 2018, and where Clas Ohlson is concerned replaced both IAS 18 Revenue and IFRIC 13 Customer Loyalty Programmes. The majority – approximately 95 per cent – of all Clas Ohlson's sales are store sales. Recognition in accordance with current principles regarding store sales corresponds well with the principles in IFRS 15, which is based on revenue being recognised when control over a commodity transfers to the customer. Variable payments attributable to store sales, such as discounts and price reductions, are not impacted by the introduction of the new standard. Regarding the remaining 5 per cent of revenue relating to online shopping, the introduction of the new standard will not impact recognition of revenue concerning these portions.

IFRS 16 Leases, the new lease standard entering force on 1 January 2019 or later, with 2018/19 as the comparison year, will impact Clas Ohlson. The new standard differs materially from the current IAS 17. It applies to all leases, as well as to subletting. A linear operating cost is replaced with a "front-heavy" cost profile for each individual lease. Portfolios with a spread of maturities are impacted less. A project with analysis, implementation of systems and handling prior to the effective date in May 2019 is ongoing.

## Alternative performance measures

This section contains a reconciliation of certain alternative performance measures (APMs) with the closest reconcilable items in the financial statements. As analysis tools, APMs are limited, and must be considered in their context and not as a replacement of financial measures prepared in accordance with IFRS. APMs are presented to improve an investor's evaluation of the operations, as an aid in forecasts of forthcoming periods, and to simplify meaningful comparisons of earnings between periods. Management uses these APMs, for example, to evaluate the operating activities compared with previous results, for internal planning and forecasts and to calculate certain performance-related remuneration. For definitions, refer to page 23. The APMs recognised in this quarterly report may differ from similarly named measures used by other companies.

	3 Months		9 Months		12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
<b>Return on equity</b>						
Net profit for the period	-	-	-	-	47.7	357.8
Average equity	-	-	-	-	2,145.3	2,230.7
<b>Return on equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.2%</b>	<b>16.0%</b>

Reason for use: Return on equity is a measure of profitability in relation to the carrying amount of equity. Return on equity is also a measure of how investments are used to generate increased income

<b>Return on capital employed</b>						
Operating profit	-	-	-	-	64.7	468.3
Interest income	-	-	-	-	1.3	0.7
Average capital employed	-	-	-	-	2,293.3	2,230.7
<b>Return on capital employed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.9%</b>	<b>21.0%</b>

Reason for use: Return on capital employed is a measure of profitability after taking into account the amount of capital used. A higher return on capital employed indicates that capital is used more efficiently.

<b>Gross margin</b>						
Gross profit	1,178.5	1,120.8	2,829.9	2,666.9	3,447.2	3,284.1
Sales	2,914.8	2,745.9	7,030.1	6,527.6	8,713.2	8,210.7
<b>Gross margin</b>	<b>40.4%</b>	<b>40.8%</b>	<b>40.3%</b>	<b>40.9%</b>	<b>39.6%</b>	<b>40.0%</b>

Reason for use: Gross margin shows the difference between net sales and the cost of goods sold expressed as a percentage of net sales. Gross margin is affected by several factors, for example, product mix, price trend and cost reductions.

<b>Gross profit, MSEK</b>						
Sales	2,914.8	2,745.9	7,030.1	6,527.6	8,713.2	8,210.7
Cost of goods sold	-1,736.3	-1,625.1	-4,200.2	-3,860.7	-5,266.1	-4,926.6
<b>Gross profit</b>	<b>1,178.5</b>	<b>1,120.8</b>	<b>2,829.9</b>	<b>2,666.9</b>	<b>3,447.2</b>	<b>3,284.1</b>

Reason for use: Gross profit shows the difference between net sales and the cost of goods sold. Gross profit is affected by several factors, for example, product mix, price trend and cost reductions.

<b>Equity per share, SEK</b>						
Total equity	1,992.0	2,285.3	1,992.0	2,285.3	1,992.0	2,263.9
Number of shares at end of period (millions of share)	63.22	63.21	63.22	63.21	63.22	63.21
<b>Equity per share</b>	<b>31.51</b>	<b>36.16</b>	<b>31.51</b>	<b>36.16</b>	<b>31.51</b>	<b>35.82</b>

Reason for use: Equity per share measures the company's net value per share and determines whether a company increases its shareholders capital over time.

<b>Sales growth</b>						
Sales actual period	2,914.8	2,745.9	7,030.1	6,527.6	8,713.2	8,210.7
Sales previous period	2,745.9	2,695.2	6,527.6	6,415.2	8,102.4	7,990.1
<b>Sales growth</b>	<b>6.1%</b>	<b>1.9%</b>	<b>7.7%</b>	<b>1.8%</b>	<b>7.5%</b>	<b>2.8%</b>

Reason for use: The change in sales reflects the company's realised sales growth over time.

<b>Average inventory value, MSEK</b>						
<b>Average inventory value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,973.0</b>	<b>1,869.0</b>

	3 Months		9 Months		12 Months	
	Nov 2018 - Jan 2019	Nov 2017 - Jan 2018	May 2018 - Jan 2019	May 2017 - Jan 2018	Feb 2018 - Jan 2019	May 2017 - Apr 2018
<b>Cash flow from operating activities per share, SEK</b>						
Cash flow from operating activities	728.1	585.2	639.0	771.8	240.0	372.8
Number of shares before the dilution (millions of share)	63.22	63.21	63.22	63.20	63.22	63.20
<b>Cash flow from operating activities per share</b>	<b>11.52</b>	<b>9.26</b>	<b>10.11</b>	<b>12.21</b>	<b>3.80</b>	<b>5.90</b>

Reason for use: Cash flow from operating activities per share measures the cash flow that the company generates per share before capital investments and cash flows attributable to the company's financing.

#### Net debt, Mkr

Interest-bearing-liabilities	-	-	-	-	0.0	0.0
liquid assets	-	-	-	-	184.7	115.8
<b>Total Net debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-184.7</b>	<b>-115.8</b>

Reason for use: Net debt shows the company's indebtedness over time.

#### Working capital, MSEK

Total current assets	2,514.0	2,686.9	2,514.0	2,686.9	2,514.0	2,490.7
-Cash and cash equivalents	-184.7	-584.0	-184.7	-584.0	-184.7	-115.8
-Current non-interest-bearing liabilities	-2,009.8	-1,843.4	-2,009.8	-1,843.4	-2,009.8	-1,708.4
<b>Working capital</b>	<b>319.5</b>	<b>259.4</b>	<b>319.5</b>	<b>259.4</b>	<b>319.5</b>	<b>666.5</b>

Reason for use: Working capital is used to measure the company's ability to meet short-term capital requirements.

#### Operating margin

Operating profit	105.2	349.2	170.7	574.2	64.7	468.3
Sales	2,914.8	2,745.9	7,030.1	6,527.6	8,713.2	8,210.7
<b>Operating margin</b>	<b>3.6%</b>	<b>12.7%</b>	<b>2.4%</b>	<b>8.8%</b>	<b>0.7%</b>	<b>5.7%</b>

Reason for use: The operating margin shows operating profit as a percentage of net sales and shows operational profitability.

#### Equity/assets ratio

Total equity	1,992.0	2,285.3	1,992.0	2,285.3	1,992.0	2,263.9
Total assets	4,213.4	4,360.0	4,213.4	4,360.0	4,213.4	4,199.7
<b>Equity/Assets ratio</b>	<b>47.3%</b>	<b>52.4%</b>	<b>47.3%</b>	<b>52.4%</b>	<b>47.3%</b>	<b>53.9%</b>

Reason for use: A high equity/assets ratio provides the financial scope and independence required for conducting the operations and managing variations in the need for working capital and for capitalising on business opportunities.

#### Capital employed, MSEK

Total assets	4,213.4	4,360.0	4,213.4	4,360.0	4,213.4	4,199.7
Long-term non-interest-bearing liabilities	-211.6	-231.2	-211.6	-231.2	-211.6	-227.4
Current non-interest-bearing liabilities	-2,009.8	-1,843.4	-2,009.8	-1,843.4	-2,009.8	-1,708.4
<b>Capital employed</b>	<b>1,992.0</b>	<b>2,285.3</b>	<b>1,992.0</b>	<b>2,285.3</b>	<b>1,992.0</b>	<b>2,263.9</b>

Reason for use: Capital employed measures the company's ability, in addition to cash balances and cash and cash equivalents, to meet the needs of the operations.

#### Comprehensive income per share, SEK

Comprehensive income for the period	60.2	261.3	124.2	423.9	103.1	402.8
Average number of shares before dilution (millions of share)	63.22	63.21	63.22	63.20	63.22	63.20
<b>Comprehensive income per share</b>	<b>0.95</b>	<b>4.13</b>	<b>1.96</b>	<b>6.71</b>	<b>1.63</b>	<b>6.37</b>

#### Underlying operating profit, MSEK

Operating profit	105.2	349.2	170.7	574.2	64.7	468.3
Non-recurring costs and costs for action program CO100+	257.7	10.0	378.4	25.0	423.4	70.0
<b>Underlying operating profit</b>	<b>362.9</b>	<b>359.2</b>	<b>549.1</b>	<b>599.2</b>	<b>488.1</b>	<b>538.3</b>

Reason for use: Underlying operating profit is intended to show operating profit adjusted for non-recurring expenses and costs associated with action program CO100+

#### Earnings per share (before and after dilution), SEK\*

Net profit for the period	78.6	270.4	133.4	443.5	47.7	357.8
Number of shares before dilution (millions of share)	63.22	63.21	63.22	63.20	63.22	63.20
Number of shares after dilution (millions of share)	63.23	63.30	63.23	63.34	63.23	63.31
<b>Number of shares before dilution</b>	<b>1.24</b>	<b>4.28</b>	<b>2.11</b>	<b>7.02</b>	<b>0.75</b>	<b>5.66</b>
<b>Number of shares after dilution</b>	<b>1.24</b>	<b>4.27</b>	<b>2.11</b>	<b>7.00</b>	<b>0.75</b>	<b>5.65</b>

\*Defined in accordance with IFRS

## The share

Clas Ohlson Series B shares have been listed on Nasdaq Stockholm since 1999 and are included in the Consumer Services sector index. At 31 January 2019, the share price was SEK 78.60 and the total market capitalisation amounted to 4,969 MSEK.

### Number of shares

The number of registered shares totalled 65,600,000 (5,760,000 Series A shares and 59,840,000 Series B shares), unchanged from the preceding year. At 31 January 2019, the company held 2,382,206 shares (2,391,865) corresponding to 4 per cent (4) of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buy-back, was 63,217,794 (63,208,135).

### Dividend policy

Clas Ohlson's dividend policy is that the dividend is to comprise at least 50 per cent of earnings per share after tax, taking into account the company's financial position.

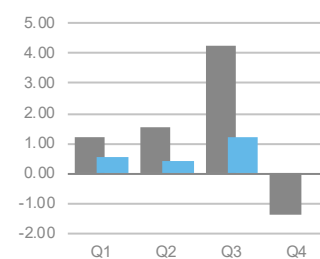
#### The largest shareholders 31 January 2019

Owner	Number of A-shares	Number of B-shares	Equity, %	Votes, %
Helena Tidstrand	1,368,060	6,179,828	12	17
Björn Haid	1,007,960	4,756,334	9	13
Johan Tidstrand	1,368,060	900,000	3	12
Peter Haid	1,007,960	3,785,243	7	12
Claus-Toni Haid	1,007,960	3,475,916	7	12
Nordea	0	4,557,383	7	4
If Skadeförsäkring AB	0	3,114,337	5	3
Swedbank Robur	0	2,133,654	3	2
Vanguard	0	1,031,683	2	1
Handelsbanken AB	0	1,006,500	2	1
Other shareholders	0	28,899,122	44	25
<b>Total</b>	<b>5,760,000</b>	<b>59,840,000</b>	<b>100</b>	<b>100</b>

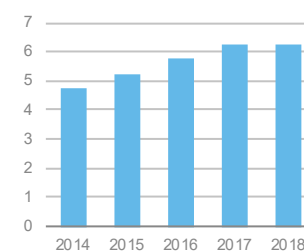
#### Share data

Listing	Nasdaq Stockholm Mid Cap
Ticker	Clas B
Industry	Consumer Services
ISIN code	SE0000584948

#### Earnings per share, SEK



#### Dividend per share, SEK



## Key ratio definitions

Clas Ohlson uses certain financial measures in this interim report that are not defined in accordance with IFRS. Clas Ohlson believes that these key ratios are relevant to users of the financial report as a supplement for assessing Clas Ohlson's performance. These financial measures are not always comparable with the measures used by other companies since not all companies calculate such financial measures in the same way. Accordingly, these financial measures are not to be regarded as a replacement for measures defined according to IFRS. The measures not defined according to IFRS are presented below, unless otherwise stated.

### Return on equity

Net profit for the period expressed as a percentage of average equity. Average equity is calculated as the total equity for the most recent 12 months divided by 12.

### Return on capital employed

Operating profit plus financial income expressed as a percentage of average capital employed. Average capital employed is calculated as the total capital employed for the most recent 12 months divided by 12.

### Gross margin

Gross profit divided by sales for the period.

### Gross profit

Gross profit is calculated as the total of sales less cost of goods sold.

### Dividend yield

Dividend per share divided by the year-end share price.

### EBITDA

Operating profit/loss before interest, tax, depreciation and amortisation.

### Equity per share

Equity divided by the number of shares outstanding at the end of the period.

### Non-recurring costs

Cost that is not regularly found in the business.

### Share of selling expenses, %

Selling expenses in relation to sales.

### Sales growth

Sales in relation to sales during the year-earlier period.

### Average inventory value

Average inventory value is calculated as the total inventories for the most recent 12 months divided by 12.

### Cash flow from operating activities

Operating profit adjusted for items not included in cash flow, interest, paid tax and change in working capital.

### Cash flow from operating activities per share

Cash flow from operating activities divided by the average number of shares before dilution.

### Net debt

Interest-bearing liabilities less cash and cash equivalents.

### Net debt/EBITDA

Net debt divided by EBITDA for the last 12 months.

### P/E ratio

Share price at year-end divided by earnings per share before dilution.

### Working capital

The total of current assets, minus cash and cash equivalents (inventories and current receivables), less current non-interest-bearing liabilities.

### Operating margin

Operating profit divided by sales for the period.

### Operating profit

Operating profit comprises profit before financial items and tax.

### Equity/assets ratio

Equity at the end of the period divided by the balance-sheet total (total assets).

### Capital employed

Balance-sheet total (total assets) less current liabilities and non-current liabilities, non-interest-bearing liabilities.

### Comprehensive income per share

Comprehensive income divided by average number of shares before dilution.

### Underlying operating profit/loss

Operating profit adjusted for non-recurring costs and costs related to the CO100+ action programme.

### Payout ratio

Dividend divided by earnings per share before dilution.

### Earnings per share (before and after dilution)\*

Profit for the period divided by the number of shares (before and after dilution).

\*Defined in accordance with IFRS.

# Glossary

## Clas Office

Our concept that facilitates purchases for our corporate customers.

## Club Clas

Our loyalty program, our loyalty club.

## CO100+

An action programme where our strategic initiatives have been defined. The programme contains initiatives to drive sales growth and cost reductions mainly in the following areas: A more optimised product range, enhanced purchasing efficiency, administration, logistics and customer offering.

## Franchise

Concept whereby we “rent” our brand to an external player, who operates a store under our name.

## Sales per square metre

Store sales in relation to the effective retail space. For new stores, a conversion has been made in relation to how long the store has been open.

## GRI

The Global Reporting Initiative, a global standard for sustainability reporting.

## Comparable units

Units that have been in operation during the current period and the entire year-earlier period.

## Conversion rate

The percentage of visitors who make a purchase.

## Nasdaq Stockholm

Marketplace for trading with securities, where Clas Ohlson’s Series B share is listed.

## Omni-channel

A shopping experience where customers perceive a seamless interaction between physical stores, the online store and telephone sales.

## Organic growth

Sales growth in local currencies, excluding acquisitions.

## Products for a more sustainable lifestyle

Products with a positive, or significantly lower, environmental impact throughout their life cycle than a standard product.

## sCORE

Systems for Clas Ohlson Retail Efficiency, our project for the introduction of a new business system.

## Average receipt

Average amount per purchase.

## Store traffic

Number of visitors.

## Code of Conduct

The standards we set for ourselves, and the suppliers of our products and services, regarding working conditions, workplace health and safety and the environment.

# Store overview

## New stores, third quarter – 1 November 2018 to 31 January 2019

- Kristianstad, Sweden, 22 November 2018

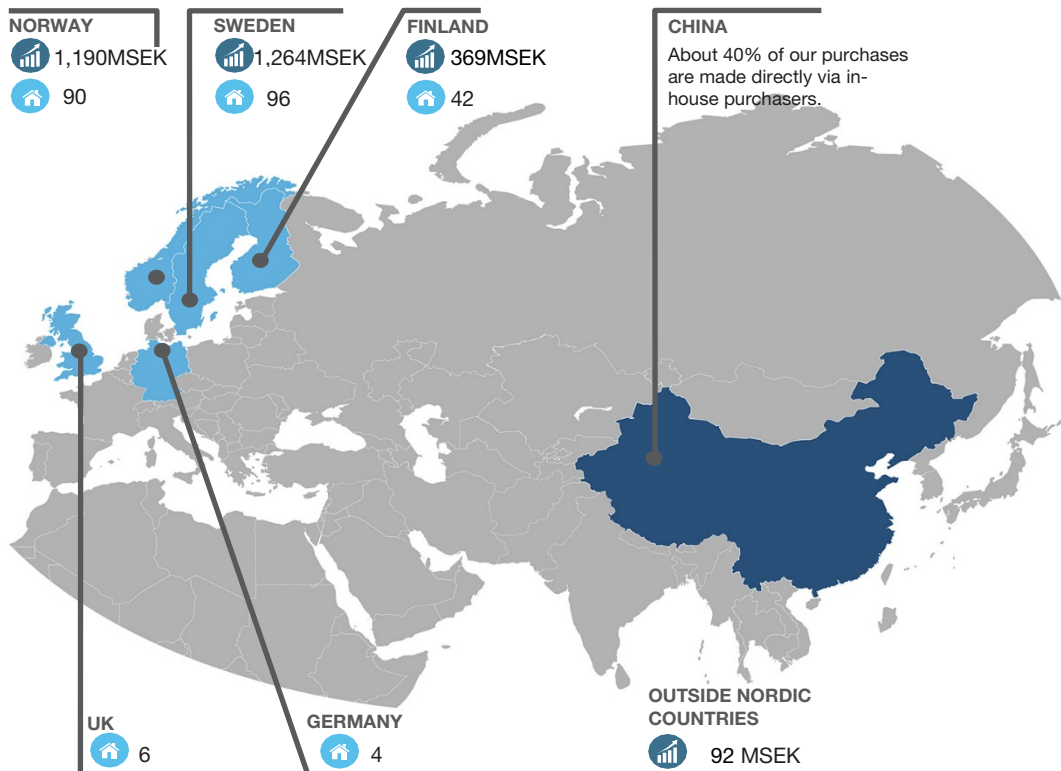
## Future store openings

- Kungälv, Sweden, scheduled to open in March 2019
- Turku, Finland, scheduled to open in May 2019
- Helsinki, Finland, scheduled to open in autumn of 2019
- Seinäjoki Ideapark, Finland, scheduled to open in November 2019
- Uddevalla, Sweden, scheduled to open in October 2020



Clas Ohlson opened a new store in the C4 Shopping centre, a large retail centre in Kristianstad, on 22 November.

For more information, refer to the detailed list on the website [about.clasohlson.com](http://about.clasohlson.com)



# clas ohlson

in brief

**OUR MISSION IS TO** help and inspire to improve their everyday life by offering smart, simple, practical solutions at attractive prices.

Clas Ohlson was founded in 1918 as a mail order business based in Insjön, Dalarna, Sweden. Today, we are a retail company with customers in five markets, just over 5,000 employees, and sales of approximately 8 billion SEK. Our share is listed on Nasdaq Stockholm.

We will grow on the Nordic market, focusing on simplifying people's everyday lives at home through a combination of products, advice and supplementary services. A developed online business model, unique offering, world-class service and simplified, streamlined operations are critical parts of our new growth strategy. Leveraging the strength of our large, loyal customer base, we will now play a greater and more important role in every home.

Read more about us and our passion about simplifying life in every home at [about.clasohlson.com](http://about.clasohlson.com).



## Strategic focus areas

- A unique customer offering
- Outstanding customer service
- Smartness and simplicity

## Financial targets

- Sales will increase organically an average of 5 per cent annually over a five-year period
- Operating margin will amount to 6–8 per cent within a five-year period
- Net debt in relation to EBITDA to fall below two (2) times
- The dividend is to comprise at least 50 per cent of earnings per share after tax, with consideration for the company's financial position

## Sustainability targets

- The proportion of products for a more sustainable lifestyle will represent at least 25 per cent of sales by 2020
- CO<sub>2</sub> emissions will gradually reduce relative to our sales
- All suppliers are to comply with the requirements of our Code of Conduct



## Operations

Clas Ohlson works to help and inspire people to improve their everyday life by offering smart, simple, practical solutions at attractive prices. Our customer offering comprises a base of hardware, electrical, multimedia, home and leisure products as well as a supplementary offering of services that simplify customers' daily lives at home. Operations are conducted in Sweden, Norway, Finland, the UK and Germany via stores and online shopping.

[www.clasohlson.com](http://www.clasohlson.com)

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