

# Six-month report 2020/21

## Second quarter – 1 August to 31 October

- Sales declined 6% to 2,036 MSEK (2,165), organic growth down 1% and down 1% in comparable units
- Online sales increased by 25% to 148 MSEK (119)
- Operating profit totalled 148 MSEK (133). Excluding the effect of IFRS 16, operating profit totalled 130 MSEK (107)
- The operating margin was 7.3% (6.1). Excluding the effect of IFRS 16, the operating margin was 6.4% (4.9)
- Net debt/EBITDA excluding the effect of IFRS 16 (12 months) amounted to -0.3 times (0.6)
- Profit after tax totalled 105 MSEK (91).
- Earnings per share amounted to 1.65 SEK (1.43)

## Six months – 1 May to 31 October

- Sales declined 2% to 4,111 MSEK (4,209), organic growth up 3% and up 4% in comparable units
- Online sales increased by 43% to 332 MSEK (232)
- Operating profit totalled 314 MSEK (212). Excluding the effect of IFRS 16, operating profit totalled 277 MSEK (159)
- The operating margin was 7.6% (5.0). Excluding the effect of IFRS 16, the operating margin was 6.7% (3.8)
- Profit after tax totalled 221 MSEK (139)
- Earnings per share amounted to 3.49 SEK (2.21)

## Events after the end of the reporting period

- Sales in November decreased 4% to 960 MSEK (995), organic growth of 2% and up 2% in comparable units
- Online sales in November increased by 64% to 110 MSEK (67)



+43%

GROWTH ONLINE  
MAY - OCTOBER

+7.6%

OPERATING MARGIN  
MAY - OCTOBER

	3 Months			6 Months			12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	Percentage change	May 2020 - Oct 2020	May 2019 - Oct 2019	Percentage change	Nov 2019 - Oct 2020	May 2019 - Apr 2020
Sales, MSEK	2,036	2,165	-6	4,111	4,209	-2	8,659	8,758
Operating profit, MSEK	148	133	11	314	212	48	651	549
Operating profit, excl. IFRS 16, MSEK	130	107	22	277	159	74	572	454
Profit after tax, MSEK	105	91	15	221	139	59	458	376
Gross margin, %	41.8	41.1	0.7 p.p	40.2	39.7	0.5 p.p	40.1	39.8
Operating margin, %	7.3	6.1	1.1 p.p	7.6	5.0	2.6 p.p	7.5	6.3
Operating margin, excl. IFRS 16, %	6.4	4.9	1.5 p.p	6.7	3.8	2.9 p.p	6.6	5.2
Return on capital employed, %	-	-	-	16.6	-	-	16.6	13.5
Return on equity, %	-	-	-	25.3	-	-	25.3	21.4
Cashflow from operating activities, MSEK	73.2	145.1	-	653.5	454.9	-	1,482.5	1,283.9
Equity/assets ratio, %	33.9	25.0	8.9 p.p	33.9	25.0	8.9 p.p	33.9	30.5
Equity/assets ratio, excl. IFRS 16, %	52.2	39.7	12.4 p.p	52.2	39.7	12.4 p.p	52.2	51.0
Net debt/EBITDA ratio	-	-	-	-	-	-	1.2	1.8
Net debt/EBITDA excl. IFRS 16 ratio	-	-	-	-	-	-	-0.3	0.0
Earnings per share before dilution, SEK	1.65	1.43	15	3.49	2.21	58	7.23	5.94

\*The 2020/21 financial year comprises the period from 1 May 2020 to 30 April 2021.

This is information that Clas Ohlson AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was submitted for publication, through the agency of the contact person indicated, on 2 December 2020 at 07:00 a.m. (CET).

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# Improved result in an uncertain world

As we now summarise the first six months of our financial year, which were largely dominated by the coronavirus pandemic, I am very proud of what we have succeeded to achieve through our extensive joint efforts. Among many other things, we saw improved operating profit of 314 MSEK for the first six months, compared to 212 MSEK the preceding year, and many initiatives that will strengthen the company moving forward.

Apart from working in various ways to ensure a safe working environment for our employees and a safe shopping experience for our customers, we have countered major fluctuations in consumer patterns with relevant products and flexible customer interaction. For example, we have further improved the Click & Collect delivery alternative, reducing the delivery time from two hours to 30 minutes, and since October, we have offered our Swedish customers convenient and fossil-free delivery of online orders using Instabox. In September, we also launched Club Clas in our strongly growing Norwegian market.

At the same time, we are maintaining a high pace in the development of our business by investing in our digital skills, our digital customer interaction and our technical infrastructure to manage, for example, the increased online shopping volumes and efficient supply chain for our stores. In September, the implementation of a new inventory management system had a negative impact on our online sales, with temporarily longer delivery times, but ultimately a more efficient and more automated logistics chain is a key element to profitable growth. In October, our online sales were already back in line with our long-term targets.

Our efforts have proven to be robust. We have met those new buying patterns that our different customer groups show also during this high-intensity period, that for us begins in November and lasts until Christmas. Online sales in November have been very strong while we have seen continued fluctuations in customer traffic in our stores where many stores have been negatively affected by current restrictions.

## Effective cost control and continued impact of a weak Norwegian Krone

Organic sales decreased 1 per cent (1) during the second quarter. Online growth was 25 per cent (21). The Norwegian operations continue to deliver very strongly, with organic growth of 8 per cent for the quarter, but the NOK trend continued to negatively impact us also during this quarter. As previously, the Swedish operations were affected by lower footfall in certain urban locations, a trend that was intensified in direct connection with the stricter regional coronavirus restrictions that came into force at the end of October. In Finland, we continued strengthening Clas Ohlson's market position. Our online traffic continued to increase, driven not least by new, older target groups choosing to shop online. Sales on other platforms, such as MatHem and Kolonial, continued to perform very positively. Sales of our products on MatHem increased nearly 140 per cent during the second quarter, compared with the corresponding period last year. The gross margin improved to 41.8 per cent for the quarter compared with 41.1 per cent in the preceding year.

Excluding IFRS 16, operating profit improved to 130 MSEK (107) and the operating margin increased to 6.4 per cent (4.9). With more efficient inventory control and a consistent cost focus, we were able to offset the effects of weaker sales, while at the same time securing a well-balanced inventory level. The supply chain performed well ahead of our most important sales months of November and December. Our goal-oriented efforts also led to a strong cash position and good financial preparedness. As announced earlier, we believe that the



**BASED ON OUR GROWTH STRATEGY, WE ARE ADDRESSING MORE INTENSE COMPETITION AND NEW PURCHASING PATTERNS BY DEVELOPING OUR CUSTOMER OFFERING AND OPTIMISING OUR COST STRUCTURE.**

fluctuations in the currency market mainly relating to NOK, will have a negative impact on profitability for the financial year.

**Efforts by committed employees are yielding results**

Based on our growth strategy, we are addressing more intense competition and new purchasing patterns by developing our customer offering and optimising our cost structure. During the current 2020/21 financial year, the remaining cost reductions of approximately 150-160 MSEK will be realised. In a time of major uncertainty, it is reassuring that we have done our homework in this respect. We continuously review our store network, and we open, close and refurbish our stores to give them the right conditions to contribute to our profitability. Winning the Store Chain of the Year and Multi-experience of the Year awards at the Retail Awards in September was a proof of successful development of our business, while at the same time pursuing cost-saving activities. Yet another proof is the attention we have received for our new, ambitious sustainability targets, which state that we will be climate neutral as a company across our value chain by 2045.

Clas Ohlson is a stable business on many levels and, in addition to a strong financial position, we have a large and loyal customer base, and employees who are committed to our customers and the continued success of our company. According to our most recent employee survey, commitment among our employees has further increased from an already high level and I think that says something about the decisiveness with which we are addressing the challenges of the coronavirus pandemic. That said, we continue to be humble about the near and more distant future. The current focus for all of us is to offer practical products and services that will make our customers' Christmas a little simpler, smarter and more sustainable.

I would like to extend my warm gratitude and appreciation to all the fantastic employees, customers and shareholders that I have had the privilege of working with during my time at Clas Ohlson. It has been an incredibly intensive journey, during which we as a team have established an entirely new platform for long-term profitable growth. I am convinced that Clas Ohlson is going toward a bright future, in which further customer and shareholder value will be generated over time under the leadership of my successor Kristofer Tonström, who will take over on 8 February 2021.



**Lotta Lyrå**

President and CEO of Clas Ohlson AB

In 2018, we presented our five-year growth strategy: **Clas Ohlson 100 more years**. Under this strategy, we will leverage the strength of our relevant offerings and large, loyal customer base, to play a greater and more important role in every home and grow profitability in the Nordic market. We do this by providing a unique customer offering, outstanding customer service and by conducting operations in a smart and simple manner.



**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.
- The dividend is to comprise at least 50 per cent of earnings per share after tax, with consideration for the company's financial position.
- Net debt in relation to EBITDA to fall below two (2) times.

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

To continue to link the earnings trend for the 2020/21 financial year to the established financial targets, operating margin and net debt/EBITDA are also stated excluding the effects of IFRS 16.

<p><b>Q2 presentation, 2 December 9:00 a.m.</b></p> <p>The report will be presented at 9:00 a.m. via a webcast teleconference. For more information, visit <a href="https://about.clasohlson.com">https://about.clasohlson.com</a></p> <p><b>Financial information</b></p> <p>Current financial information is available at <a href="https://about.clasohlson.com/en/investors">about.clasohlson.com/en/investors</a></p> <p>This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the English version, the former shall have precedence</p>	<p><b>Calendar</b></p> <table border="1"> <tr> <td>10 March</td> <td>Nine-month Report 2020/21</td> </tr> <tr> <td>2 June 2021</td> <td>Year-end Report 2020/21</td> </tr> <tr> <td>8 Sep 2021</td> <td>Three-month Report 2020/21</td> </tr> <tr> <td>8 Dec 2021</td> <td>Six-month Report 2020/21</td> </tr> </table>	10 March	Nine-month Report 2020/21	2 June 2021	Year-end Report 2020/21	8 Sep 2021	Three-month Report 2020/21	8 Dec 2021	Six-month Report 2020/21	<p><b>Contents</b></p> <table border="1"> <tr> <td>Financial statements</td> <td>11</td> </tr> <tr> <td>Key ratios</td> <td>17</td> </tr> <tr> <td>Quarterly overview</td> <td>18</td> </tr> <tr> <td>Accounting policies</td> <td>20</td> </tr> <tr> <td>Alternative performance</td> <td>21</td> </tr> <tr> <td>The share</td> <td>24</td> </tr> <tr> <td>Key ratio definitions</td> <td>25</td> </tr> <tr> <td>Glossary</td> <td>27</td> </tr> <tr> <td>Store overview</td> <td>28</td> </tr> <tr> <td>Clas Ohlson in brief</td> <td>29</td> </tr> </table>	Financial statements	11	Key ratios	17	Quarterly overview	18	Accounting policies	20	Alternative performance	21	The share	24	Key ratio definitions	25	Glossary	27	Store overview	28	Clas Ohlson in brief	29
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Sales

Distribution of sales

MSEK	3 Months				6 Months			
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	Percentage change		May 2020 - Oct 2020	May 2019 - Oct 2019	Percentage change	
			SEK	organic			SEK	organic
Sweden	921	973	-5	-5	1,849	1,910	-3	-3
Norway	861	889	-3	8	1,765	1,721	3	15
Finland	242	283	-15	-11	470	525	-11	-8
Outside the Nordics*	12	20	-39	-36	26	52	-50	-48
<b>Total</b>	<b>2,036</b>	<b>2,165</b>	<b>-6</b>	<b>-1</b>	<b>4,111</b>	<b>4,209</b>	<b>-2</b>	<b>3</b>
<b>Of which online sales</b>	<b>148</b>	<b>119</b>	<b>25</b>	<b>30</b>	<b>332</b>	<b>232</b>	<b>43</b>	<b>50</b>

\*Affected by store optimization in UK and Germany.

Distribution of sales increase

Per cent	3 Months		6 Months	
	Aug 2020 - Oct 2020	May 2020 - Oct 2020	Aug 2020 - Oct 2020	May 2020 - Oct 2020
Comparable units in local currency	-1	4	-1	4
Change in store network	0	-1	0	-1
Exchange-rate effects*	-5	-5	-5	-5
<b>Total</b>	<b>-6</b>	<b>-2</b>	<b>-6</b>	<b>-2</b>

\*Average exchange-rate for the Norwegian krone during the quarter was 0.96 compared to 1.07 the year-earlier period.

Second quarter

Sales declined by 6 per cent to 2,036 MSEK (2,165). Organic sales declined 1 per cent compared with the preceding year. Sales in comparable units and local currency declined 1 per cent. Online sales increased by 25 per cent to 148 MSEK (119). At the end of the quarter, the total number of stores was 228, a reduction of a net four stores compared with the year-earlier period (a net reduction of five stores in the previous year). For a store overview see page 28.

Six months

Sales declined by 2 per cent to 4,111 MSEK (4,209). Organic sales increased 3 per cent compared with the preceding year. Sales in comparable units and local currency increased 4 per cent. Online sales increased by 43 per cent to 332 MSEK (232). During the first six months, the store network was unchanged (previous year unchanged).

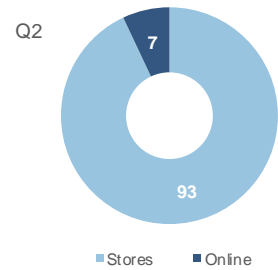
Retail trade development\*

%	Q2 19/20	Q3 19/20	Q4 19/20	Q1 20/21	Q2 20/21
<b>Sweden</b>					
Retail**	1.0	3.4	0.5	4.7	4.0
Consumer Confidence	-1.1	-1.9	-1.4	-1.5	2.2
<b>Norway</b>					
Retail**	1.0	-0.1	0.5	13.2	10.7
Consumer Confidence	-3.2	-3.5	-6.5	-2.0	-3.6
<b>Finland</b>					
Retail**	1.0	0.6	0.3	6.7	5.6
Consumer Confidence	-6.2	-4.6	-5.8	-4.8	-6.0

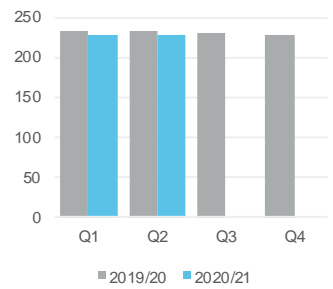
\*Source: Eurostat, Opinion AS, Trading Economics, SCB, SSB, STAT.

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

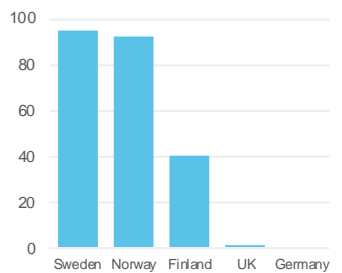
Distribution per sales channel, %



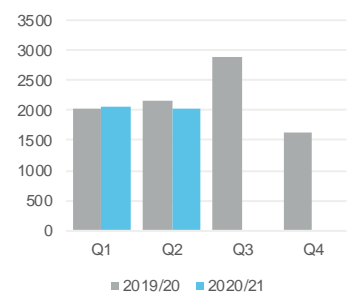
Total number of stores



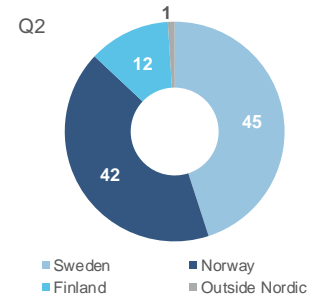
Distribution of number of stores



Sales, MSEK



Distribution of sales, %



## Results

### Consolidated Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
Sales	2,036	2,165	4,111	4,209	8,659	8,758
Cost of goods sold	-1,185	-1,275	-2,457	-2,539	-5,186	-5,268
<b>Gross profit</b>	<b>852</b>	<b>891</b>	<b>1,653</b>	<b>1,670</b>	<b>3,473</b>	<b>3,490</b>
Selling expenses	-651	-700	-1,235	-1,342	-2,613	-2,720
Administrative expenses	-50	-58	-100	-116	-205	-221
Other operating income/expenses	-3	-0	-4	-0	-4	-0
<b>Operating profit</b>	<b>148</b>	<b>133</b>	<b>314</b>	<b>212</b>	<b>651</b>	<b>549</b>

### Specification of change in profits

MSEK	3 Months	6 Months
	Aug 2020 - Oct 2020	May 2020 - Oct 2020
Operating profit corresponding period previous year	132.6	212.0
Profit from sales	-34.6	2.7
Change in gross margin	11.6	22.6
Increased administrative expenses, excluding CO100+	6.9	11.0
Costs linked to the CO100+ action programme	46.0	84.6
Change in expansion costs stores	-1.9	0.4
Change in depreciation, excl IFRS 16	-1.8	0.9
Change in other operating income/expenses	-2.7	-4.1
Accounting policy effect, IFRS 16	-8.3	-16.1
<b>Operating profit actual period</b>	<b>147.8</b>	<b>314.0</b>

### Second quarter

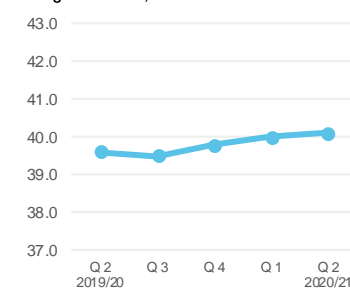
The gross margin was 41.8 per cent (41.1). During the quarter, the gross margin was positively impacted by an improved product mix and lower campaign intensity, as well as effects from currency hedging (NOK) from currency forwards and exchange-rate effects related to delays in inventory. This was largely offset by a weaker sales currency (NOK) and a stronger purchasing currency (USD) in relation to the Swedish krona as well as higher sourcing costs related to the implementation of a new inventory control system.

The share of selling expenses declined 0.3 percentage points to 32.0 per cent (32.3). The share of selling expenses during the quarter was impacted by lower costs for store operation, including urban locations primarily in Sweden and Finland, where footfall has been lower owing to COVID-19 and lower costs in the UK and Germany.

Administrative expenses declined 8 MSEK to 50 MSEK (58), mainly due to a more optimised organisation and more efficient work methods.

Operating profit amounted to 148 MSEK (133). IFRS 16 had a positive effect of 17 MSEK on operating profit, resulting in operating profit of 130 MSEK excluding this effect (107). To date, the company has chosen to refrain from applying for state short-time work allowance in Sweden. Operating profit was positively impacted as a result of COVID-19 relief concerning reduction of employer's contributions and sick pay compensation totalling 2 MSEK. These have been reported as a reduction in cost of the items the subsidy pertains to once the criteria are deemed to have been met.

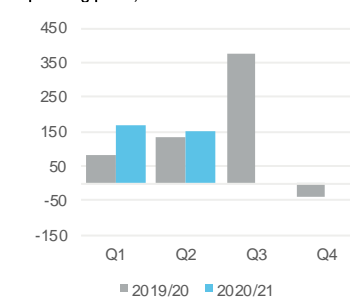
Gross margin, rolling 12 months, %



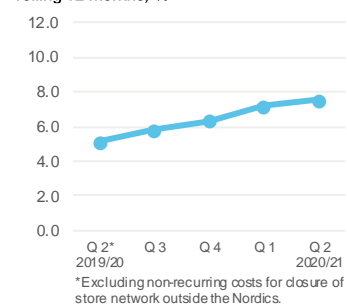
Share of selling expenses, %



Operating profit, MSEK



Operating margin, rolling 12 months, %





Spot exchange rates for key currencies averaged 0.96 for NOK and 8.80 for USD, compared with 1.07 and 9.71, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. Currency hedging that fell due during the quarter had a positive impact of 11 MSEK (NOK) on earnings and a negative impact on inventory value through an increase of 15 MSEK (USD). The company's policy is to hedge 50 per cent of the expected flow in each currency continuously, with three- to nine-month maturities.

The operating margin was 7.3 per cent (6.1). IFRS 16 had a positive effect on operating margin of 0.9 percentage points. Profit after financial items totalled 132 MSEK (116). IFRS 16 had a positive impact of 2 MSEK on profit after financial items and a positive impact of 2 MSEK on profit after tax.

Depreciation for the period totalled 179 MSEK (167), of which 123 MSEK (113) pertained to depreciation of right-of-use assets in accordance with IFRS 16.

### Six months

The gross margin was 40.2 per cent (39.7). During the period, the gross margin was positively impacted by an improved product mix and lower campaign intensity, effects from currency hedging (NOK) from currency forwards and exchange-rate effects related to delays in inventory, and lower sourcing costs. This was largely offset by a weaker sales currency (NOK) and a stronger purchasing currency (USD) in relation to the Swedish krona.

The share of selling expenses declined 1.9 percentage points to 30.0 per cent (31.9). The share of selling expenses during the period was impacted by lower costs for store operation, including urban locations primarily in Sweden and Finland, where footfall has been lower owing to COVID-19 and lower costs in the UK and Germany.

Administrative expenses declined 16 MSEK to 100 MSEK (116), mainly due to a more optimised organisation and more efficient work methods.

Operating profit amounted to 314 MSEK (212). IFRS 16 had a positive effect of 37 MSEK on operating profit, resulting in operating profit of 277 MSEK excluding this effect. Operating profit was positively impacted as a result of COVID-19 relief concerning reduction of employer's contributions and sick pay compensation totalling 11 MSEK. These have been reported as a reduction in cost of the items the subsidy pertains to once the criteria are deemed to have been met.

Spot exchange rates for key currencies averaged 0.97 for NOK and 9.08 for USD, compared with 1.08 and 9.59, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. Currency hedging that fell due during the quarter had a positive impact of 29 MSEK (NOK) on earnings and a negative impact on inventory value through an increase of 18 MSEK (USD). The company's policy is to hedge 50 per cent of the expected flow in each currency continuously, with three- to nine-month maturities.

The operating margin was 7.6 per cent (5.0). IFRS 16 had a positive effect on operating margin of 0.9 percentage points. Profit after financial items totalled 282 MSEK (179). IFRS 16 had a positive impact of 6 MSEK on profit after financial items and a positive impact of 4 MSEK on profit after tax.

Depreciation for the period totalled 353 MSEK (335), of which 243 MSEK (224) pertained to depreciation of right-of-use assets in accordance with IFRS 16.

## Investments

During the six-month period, investments in IT systems amounted to 115 MSEK (83). Of this amount, investments in new or refurbished stores accounted for 24 MSEK (24). Investments in IT systems for the period amounted to 50 MSEK (48). Other investments pertained primarily to further development and automation of the company's distribution systems, mainly linked to growing needs for rapid deliveries.

## Financing and liquidity

Cash flow from operating activities during the six-month period totalled 654 MSEK (455). Cash flow for the period after investing and financing activities was 185 MSEK (4). Excluding the effect of IFRS 16, cash flow from operating activities amounted to 368 MSEK (210).

The average 12-month value of inventories was 1,820 MSEK (2,036). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 5.9 times (5.7).

At the end of the period, the value of inventories was 1,898 MSEK (2,257). The lower level was mainly due to strict inventory control in the quarter. This has led to a balanced inventory level over time, with retained capacity to meet customer demand. As of 31 October, the effects of COVID-19 had not had any significant impact on the inventory value.

The Group's net debt at the end of the period, meaning interest-bearing liabilities less cash and cash equivalents, amounted to 1,625 MSEK (2,303). Excluding the effect of IFRS 16, the Group had net cash holdings of 263 MSEK. Liquidity was not impacted by COVID-19 relief for the postponement of VAT and tax payments. Excluding the effect of IFRS 16, net debt in relation to EBITDA was -0.3 times, which is in accordance with the company's financial framework. Credits granted and loan commitments amounted to 1,100 MSEK, of which 0.4 MSEK had been utilised at the end of the period. The company's financial position remains strong. The equity/assets ratio was 34 per cent (25). Excluding the effect of IFRS 16, the equity/assets ratio amounted to 52 per cent (40).

## Employees

The number of employees in the Group was approximately 4,520; recalculated to average full-time equivalents (FTEs), this corresponds to an average of 2,876 (3,041). Compared with the first quarter of 2020/21, this entailed an average decrease of 53 FTEs.

## 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.

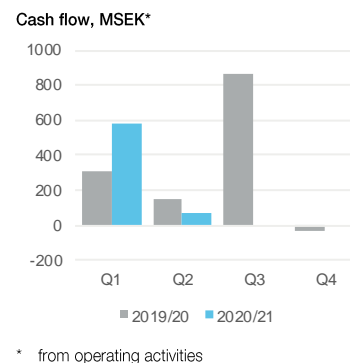
## Parent Company

Parent Company sales in the six-month period amounted to 3,354 MSEK (3,458) and profit after financial items amounted to 145 MSEK (99). Investments in the period amounted to 93 MSEK (60). Contingent liabilities for the Parent Company amounted to 184 MSEK (217).

## Events after the end of the reporting period

### Sales in November

In November, sales decreased by 4 per cent to 960 MSEK (995). Organic growth was 2 per cent compared with the preceding year. Sales in comparable units and local currency increased by 2 per cent. Compared to November last year, less trading days resulted in a negative calendar effect of approximately 2 percentage points. Online sales increased by 64 per cent to 110 MSEK (67).



Compared with the same month of the preceding year, the store portfolio decreased by a net of 2 stores (decrease of 6 in preceding year). At the end of the period, the total number of stores was 230. For a store overview see page 28.

### Distribution of sales

MSEK	Nov 2020	Nov 2019	Percentage change	
			SEK	organic
Sweden	419	453	-7	-7
Norway	420	405	4	15
Finland	115	130	-12	-8
Outside the Nordics	6	8	-19	-12
<b>Total</b>	<b>960</b>	<b>995</b>	<b>-4</b>	<b>2</b>
<b>Of which online sales</b>	<b>110</b>	<b>67</b>	<b>64</b>	<b>70</b>

In the first seven months of the financial year (May–November), sales decreased by 3 per cent to 5,070 MSEK (5,205). Organic growth was 3 per cent compared with the preceding year. Sales in comparable units and local currency increased by 3 per cent. Online sales increased by 48 per cent to 443 MSEK (299).

### 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 significant risks and risk management, refer to pages 41–45 of the 2019/20 Annual Report. Risks and uncertainties associated with COVID-19, its effects and potential impact on the Group's operations and earnings are routinely evaluated and monitored.

### Kristofer Tonström appointed as new President and CEO of Clas Ohlson

The Board of Directors of Clas Ohlson AB has appointed Kristofer Tonström as the new President and CEO of the company. Kristofer Tonström served most recently as president of the fashion company Filippa K and will assume his new position on 8 February 2021. The current President and CEO, Lotta Lyrå, announced her decision to leave the company on 4



June. After 4 December, the company's CFO, Pär Christiansen, will assume the role of Acting President for the period until Kristofer Tonström joins the company.

### Annual General Meeting 2020

On Saturday, 12 September 2020, Clas Ohlson AB held its Annual General Meeting (AGM) for the 2019/20 financial year through early voting (postal voting) in accordance with the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198). Accordingly, shareholders participated in the Meeting by voting in advance on the motions to the Meeting and submitting questions. The AGM adopted the balance sheets and income statements for the Parent Company and Group for the 2019/20 financial year. For further information, refer to the Share section on page 24.

Board members Kenneth Bengtsson, Mathias Haid, Håkan Lundstedt, Charlotte Strömberg, Göran Sundström and Anne Thorsvedt Sjöberg were re-elected. Mengmeng Du and Patrik Hofbauer were elected as new members of the Board. Kenneth Bengtsson was re-elected as Chairman of the Board. Accounting firm Deloitte, with Johan Telander as Auditor in Charge, was re-elected for the period until the next AGM.

### Assurance

The six-month report provides a fair review of the Parent Company's and the Group's operations, position and earnings and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Insjön, 2 December 2020

Lotta Lyrå  
President and CEO

Kenneth Bengtsson  
Chairman of the Board

Mengmeng Du

Mathias Haid

Patrik Hofbauer

Håkan Lundstedt

Charlotte Strömberg

Göran Sundström

Anne Thorstvedt Sjöberg

Lasse Zwetsloot  
Employee representative  
Handels

Caroline Östning  
Employee representative  
Unionen

**Review report**

We have reviewed the interim report for Clas Ohlson AB (publ) for the period 1 May 2020 – 31 October 2020. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on the interim financial information based on our review.

**Focus and scope of the review**

We conducted our review in accordance with the Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Insjön, 2 December 2020

Deloitte AB

Johan Telander  
Authorised Public Accountant

# Financial statements

## Consolidated Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
Sales	2,036.2	2,165.4	4,110.6	4,209.4	8,659.5	8,758.3
Cost of goods sold	-1,184.7	-1,274.8	-2,457.3	-2,539.1	-5,186.3	-5,268.1
<b>Gross profit</b>	<b>851.5</b>	<b>890.6</b>	<b>1,653.3</b>	<b>1,670.3</b>	<b>3,473.1</b>	<b>3,490.2</b>
Selling expenses	-651.1	-700.1	-1,234.6	-1,341.6	-2,613.0	-2,720.0
Administrative expenses	-49.7	-57.6	-100.4	-116.3	-204.9	-220.8
Other operating income/expenses	-3.0	-0.3	-4.4	-0.3	-4.1	-0.0
<b>Operating profit</b>	<b>147.8</b>	<b>132.6</b>	<b>314.0</b>	<b>212.0</b>	<b>651.2</b>	<b>549.2</b>
Financial income	0.1	0.0	0.1	0.1	0.2	0.1
Financial expenses	-16.0	-16.7	-32.2	-33.4	-66.4	-67.6
<b>Profit after financial items</b>	<b>131.8</b>	<b>116.0</b>	<b>281.9</b>	<b>178.7</b>	<b>585.0</b>	<b>481.8</b>
Income tax	-27.2	-25.3	-60.7	-39.2	-127.3	-105.8
<b>Profit for the period</b>	<b>104.6</b>	<b>90.7</b>	<b>221.2</b>	<b>139.4</b>	<b>457.7</b>	<b>375.9</b>

## Consolidated Comprehensive Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
Profit for the period	104.6	90.7	221.2	139.4	457.7	375.9
Other comprehensive income, net of tax:						
Items that later can be reversed back to the Consolidated income statement:						
Exchange rate differences	-7.9	-9.7	-17.1	-14.3	-55.7	-52.9
Cash flow hedging	13.9	13.4	-32.1	18.3	-15.5	34.9
<b>Total</b>	<b>6.0</b>	<b>3.7</b>	<b>-49.1</b>	<b>4.0</b>	<b>-71.2</b>	<b>-18.0</b>
Items that later can not be reversed back to the Consolidated income statement:						
Revaluation 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>6.0</b>	<b>3.7</b>	<b>-49.1</b>	<b>4.0</b>	<b>-71.2</b>	<b>-18.0</b>
<b>Total comprehensive income for the period</b>	<b>110.5</b>	<b>94.4</b>	<b>172.1</b>	<b>143.4</b>	<b>386.5</b>	<b>357.9</b>
<b>Profit for the period attributable to:</b>						
Owners of the parent	104.4	90.5	221.1	139.5	457.9	376.3
Non-controlling interests	0.2	0.1	0.1	-0.1	-0.3	-0.4
<b>Comprehensive income attributable to:</b>						
Owners of the parent	110.3	94.2	172.0	143.5	386.8	358.3
Non-controlling interests	0.2	0.1	0.1	-0.1	-0.3	-0.4

## Data per share

	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
Number of shares before dilution	63,345,417	63,220,430	63,345,244	63,220,401	63,303,265	63,273,680
Number of shares after dilution	63,411,287	63,244,316	63,422,294	63,243,668	63,378,913	63,297,575
Number of shares at end of period	63,345,417	63,220,430	63,345,417	63,220,430	63,345,417	63,337,447
Earnings per share before dilution, SEK	1.65	1.43	3.49	2.21	7.23	5.94
Earnings per share after dilution, SEK	1.65	1.43	3.49	2.20	7.22	5.94
Comprehensive income per share, SEK	1.74	1.49	2.72	2.27	6.11	5.66

## Consolidated Balance Sheet

MSEK	31 Oct 2020	31 Oct 2019	30 Apr 2020
<b>Assets</b>			
Intangible assets	552.2	495.2	543.2
Tangible assets	768.5	850.6	780.6
Right-of-use assets	1,798.1	1,936.5	2,059.9
Securities held as fixed assets	252.3	225.3	252.3
Non-current receivables	75.0	62.8	75.4
Inventories	1,897.6	2,257.2	1,811.2
Other receivables	118.0	208.4	179.8
Cash and cash equivalents	263.5	106.7	80.1
<b>Total assets</b>	<b>5,725.2</b>	<b>6,142.9</b>	<b>5,782.4</b>
<b>Equity and liabilities</b>			
Equity attributable to owners of the parent	1,932.3	1,527.7	1,756.9
Equity attributable to non-controlling interests	6.2	6.5	6.2
Total equity	1,938.5	1,534.2	1,763.1
Long-term lease liabilities, interest bearing	1,435.5	1,596.0	1,672.5
Long-term liabilities, non-interest bearing	222.8	203.8	232.1
Current lease liabilities, interest bearing	453.0	456.5	523.7
Current liabilities, interest bearing	0.4	357.3	67.2
Current liabilities, non-interest bearing	1,674.9	1,995.1	1,523.8
<b>Total equity and liabilities</b>	<b>5,725.2</b>	<b>6,142.9</b>	<b>5,782.4</b>

Consolidated Cash Flow						
	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
<b>MSEK</b>						
Operating profit	147.8	132.6	314.0	212.0	651.2	549.2
Adjustment for items not included in cash flow	175.9	139.9	352.2	301.4	740.8	689.9
Interest received	0.1	0.0	0.1	0.1	0.2	0.1
Interest paid	-16.0	-16.7	-32.2	-33.4	-66.5	-67.7
Tax paid	-26.6	-17.8	-36.8	-32.8	-72.9	-68.9
<b>Cash flow from operating activities before changes in working capital</b>	<b>281.1</b>	<b>238.0</b>	<b>597.3</b>	<b>447.3</b>	<b>1,252.8</b>	<b>1,102.7</b>
Change in working capital	-207.9	-93.0	56.2	7.6	229.7	181.1
<b>Cash flow from operating activities</b>	<b>73.2</b>	<b>145.1</b>	<b>653.5</b>	<b>454.9</b>	<b>1,482.5</b>	<b>1,283.9</b>
Investments in intangible assets	-16.2	-37.2	-49.6	-47.8	-145.3	-143.5
Investments in tangible assets	-34.3	-23.4	-65.8	-35.2	-91.4	-60.8
Investments in securities held as fixed assets	0.0	0.0	0.0	0.0	-27.0	-27.0
Change in current investments	0.0	0.0	0.0	0.3	0.1	0.3
<b>Cash flow from investing activities</b>	<b>-50.5</b>	<b>-60.6</b>	<b>-115.4</b>	<b>-82.7</b>	<b>-263.6</b>	<b>-231.0</b>
Change in current liabilities, interest-bearing	0.4	238.7	-66.8	74.2	-356.9	-215.9
Repayment of lease liabilities	-120.4	-123.1	-285.8	-245.1	-507.5	-466.8
Change in longterm debt	0.0	0.0	0.0	0.0	-4.5	-4.5
Sale of own shares	0.0	2.8	0.0	2.8	8.2	11.0
Capital contribution from minority	0.0	0.0	0.0	0.0	0.0	0.0
Change in longterm assets	0.0	-1.6	0.0	-2.3	0.7	-1.6
Dividend to shareholders	0.0	-197.9	0.0	-197.9	-197.6	-395.5
<b>Cash flow from financing activities</b>	<b>-120.0</b>	<b>-81.1</b>	<b>-352.6</b>	<b>-368.3</b>	<b>-1,057.5</b>	<b>-1,073.2</b>
<b>Cash flow for the period</b>	<b>-97.3</b>	<b>3.4</b>	<b>185.5</b>	<b>3.9</b>	<b>161.3</b>	<b>-20.3</b>
Liquid assets at the start of the period	360.2	104.6	80.1	105.0	106.7	105.0
Exchange rate difference for liquid assets	0.7	-1.2	-2.1	-2.1	-4.7	-4.6
<b>Cash and cash equivalents at the end of the period</b>	<b>263.5</b>	<b>106.7</b>	<b>263.5</b>	<b>106.7</b>	<b>263.5</b>	<b>80.1</b>



## Sales by segment

	3 Months		6 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019
<b>MSEK</b>				
Sweden	921.1	973.4	1,849.0	1,910.2
Norway	861.1	889.1	1,765.5	1,721.5
Finland	241.6	282.6	469.7	525.3
Outside Nordic countries	12.4	20.4	26.3	52.4
Group functions	768.4	853.0	1,504.6	1,547.4
Sales to other segments	-768.4	-853.0	-1,504.6	-1,547.4
<b>Total</b>	<b>2,036.2</b>	<b>2,165.4</b>	<b>4,110.6</b>	<b>4,209.4</b>

## Operating profit by segment

	3 Months		6 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019
<b>MSEK</b>				
Sweden	38.0	40.0	76.1	78.5
Norway	36.3	37.5	74.5	72.6
Finland	7.8	9.1	15.1	16.9
Outside Nordic countries	0.4	0.6	0.8	1.6
Group functions	65.3	45.4	147.5	42.4
<b>Total</b>	<b>147.8</b>	<b>132.6</b>	<b>314.0</b>	<b>212.0</b>

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

The table below indicates fair value for financial assets in the Group. The financial instruments are categorized on three levels:

Level 1: Fair value established based on listed prices in an active market for the same instrument.

Level 2: Fair value established based on valuation techniques with observable marked data, either directly (as a price) or indirectly (derived from a price) and not included in Level 1.

Level 3: Fair value established using valuation techniques, with significant input from data that is not observable in the market.

MSEK	31 Oct 2020	31 Oct 2019
Securities held as fixed assets, valued at fair value at the beginning of the year	252.3	225.3
Acquisition*	0.0	0.0
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>252.3</b>	<b>225.3</b>

\*In February 2020 shares amounting to 27MSEK was acquired in Mathem.

### Valuation method for securities held as fixed assets, level 3:

Company: Mathem

Valuation Method:

Applying a multiple of 1.7 times the company's last twelve months revenues as per 30 September 2020.

The multiple is referenced from a peer group of inventory-holding e-commerce retailers.

Equity value of 252.3 MSEK.

Value changes are accounted for in Other comprehensive income.

### Change in equity

MSEK	6 Months	
	May 2020 - Oct 2020	May 2019 - Oct 2019
Equity brought forward	1,763.1	1,947.3
Change in accounting policy IFRS 16	0,0	-167.1
<i>Adjusted equity at start of year</i>	1,763.1	1,780.2
Dividend to shareholders	0,0	-395.8
Sale of own shares	0.0	2.8
Paid-in option premiums:		
Value of employee services	3.4	3.6
Total comprehensive income	172.1	143.4
<b>Equity carried forward</b>	<b>1,938.5</b>	<b>1,534.2</b>
<i>Of which equity attributable to non-controlling interests</i>	<b>6.2</b>	<b>6.5</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 Oct 2020	31 Oct 2019
<b>Sell/buy</b>		
NOK/SEK	4.1	7.9
NOK/USD	3.0	18.8
SEK/USD	0.0	0.0
<b>Total</b>	<b>7.1</b>	<b>26.7</b>

Forward contracts belong to the derivative 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 October 2020 there are positive and negative market values in the currency pairs. Forward contracts with negative market value totalled 4.1 MSEK (0.0), which was recognized in the item Current liabilities, non-interest bearing. Forward contracts with positive market values amounted to 11.1 MSEK (26.7), which is recognized in the item Other receivables. The company hedge the expected flow in each currency every month, with three to nine-month maturities. A deferred tax liability of 1.5 MSEK (5.7) was taken into account and the remaining fair value of 5.6 MSEK (21.0) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of 3.0 MSEK (18.8) is allocated on the currency pair NOK/SEK with 6.0 MSEK (15.1) and on the currency pair SEK/USD with -3.0 MSEK (3.7).

## Key ratios

	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
Sales growth, %	-6.0	0.4	-2.3	2.3	-2.3	-0.2
Gross margin, %	41.8	41.1	40.2	39.7	40.1	39.8
Operating margin, %	7.3	6.1	7.6	5.0	7.5	6.3
Operating margin, excl IFRS 16, %	6.4	4.9	6.7	3.8	6.6	5.2
Return on capital employed, %	-	-	-	-	16.6	13.5
Return on equity, %	-	-	-	-	25.3	21.4
Equity/assets ratio, %	33.9	25.0	33.9	25.0	33.9	30.5
Equity/assets ratio, excl IFRS 16, %	52.2	39.7	52.2	39.7	52.2	51.0
Net debt/EBITDA	-	-	-	-	1.2	1.8
Net debt/EBITDA, excl IFRS 16	-	-	-	-	-0.3	-
Sales per sq.m in stores, SEK thousand	7.5	7.7	15.0	14.9	31.0	31.9
Number of stores at period end	228	232	228	232	228	228
Number of employees at period end	2,876	3,041	2,876	3,041	2,876	2,987
<b>Data per share</b>						
Number of shares before dilution	63,345,417	63,220,430	63,345,244	63,220,401	63,303,265	63,273,680
Number of shares after dilution	63,411,287	63,244,316	63,422,294	63,243,668	63,378,913	63,297,575
Number of shares at period end	63,345,417	63,220,430	63,345,417	63,220,430	63,345,417	63,337,447
Earnings per share before dilution, SEK	1.65	1.43	3.49	2.21	7.23	5.94
Earnings per share after dilution, SEK	1.65	1.43	3.49	2.20	7.22	5.94
Comprehensive income per share, SEK	1.74	1.49	2.72	2.27	6.11	5.66
Cash flow per share*, SEK	1.16	2.29	10.32	7.20	23.42	20.29
Cash flow per share excl IFRS 16*, SEK	-0.73	0.35	5.80	3.32	15.40	12.91
Equity per share, SEK	30.60	24.27	30.60	24.27	30.60	27.84

\* From the operating activities

# Quarterly overview

MSEK	Q2 18/19	Q3 18/19	Q4 18/19	Q1 19/20	Q2 19/20	Q3 19/20	Q4 19/20	Q1 20/21	Q2 20/21
Sales	2,157.1	2,914.8	1,742.2	2,044.0	2,165.4	2,905.4	1,643.5	2,074.3	2,036.2
Cost of goods sold	-1,260.1	-1,736.3	-1,077.3	-1,264.3	-1,274.8	-1,741.2	-987.8	-1,272.6	-1,184.7
<b>Gross profit</b>	<b>897.0</b>	<b>1,178.5</b>	<b>664.8</b>	<b>779.7</b>	<b>890.6</b>	<b>1,164.1</b>	<b>655.7</b>	<b>801.7</b>	<b>851.5</b>
Selling expenses	-787.2	-799.9	-692.7	-641.5	-700.1	-732.2	-646.2	-583.4	-651.1
Administrative expenses	-76.8	-62.4	-51.0	-58.7	-57.6	-53.6	-50.9	-50.7	-49.7
Other operating income/expenses	0.4	-211.1	2.2	-0.1	-0.3	-0.3	0.6	-1.4	-3.0
<b>Operating profit</b>	<b>33.4</b>	<b>105.2</b>	<b>-76.6</b>	<b>79.4</b>	<b>132.6</b>	<b>378.0</b>	<b>-40.9</b>	<b>166.2</b>	<b>147.8</b>
Financial income	0.3	0.5	0.1	0.0	0.0	0.1	0.0	0.1	0.1
Financial expenses	-0.8	-1.6	-0.3	-16.7	-16.7	-16.6	-17.6	-16.2	-16.0
<b>Profit after financial items</b>	<b>32.9</b>	<b>104.1</b>	<b>-76.9</b>	<b>62.7</b>	<b>116.0</b>	<b>361.5</b>	<b>-58.5</b>	<b>150.1</b>	<b>131.8</b>
Income tax	-7.9	-25.5	15.1	-13.9	-25.3	-78.6	12.0	-33.5	-27.2
<b>Profit for the period</b>	<b>25.0</b>	<b>78.6</b>	<b>-61.8</b>	<b>48.8</b>	<b>90.7</b>	<b>282.9</b>	<b>-46.5</b>	<b>116.6</b>	<b>104.6</b>
<b>Assets</b>									
Intangible assets	454.5	478.4	476.9	472.9	495.2	526.9	543.2	556.6	552.2
Tangible assets	1,010.8	980.1	911.6	879.1	850.6	820.4	780.6	774.6	768.5
Right-of-use assets	0.0	0.0	0.0	2,008.4	1,936.5	2,126.6	2,059.9	1,927.4	1,798.1
Securities held as fixed assets	224.5	225.3	225.3	225.3	225.3	225.3	252.3	252.3	252.3
Non-current receivables	15.7	15.6	21.5	65.1	62.8	60.4	75.4	73.0	75.0
Inventories	2,345.0	1,983.2	1,987.3	1,954.8	2,257.2	1,820.6	1,811.2	1,701.4	1,897.6
Other receivables	349.7	346.2	249.4	180.6	208.4	160.5	179.8	77.0	118.0
Liquid assets	109.9	184.7	105.0	104.6	106.7	230.4	80.1	360.2	263.5
<b>Total assets</b>	<b>4,510.1</b>	<b>4,213.4</b>	<b>3,976.9</b>	<b>5,891.0</b>	<b>6,142.9</b>	<b>5,971.1</b>	<b>5,782.4</b>	<b>5,722.4</b>	<b>5,725.2</b>
<b>Equity and liabilities</b>									
Equity attributable to owners of the parent	1,925.4	1,984.6	1,940.8	1,821.9	1,527.7	1,804.0	1,756.9	1,819.0	1,932.3
Equity attributable to non-controlling interests	7.1	7.4	6.6	6.3	6.5	6.5	6.2	6.0	6.2
Total equity	1,932.5	1,992.0	1,947.3	1,828.3	1,534.2	1,810.4	1,763.1	1,825.0	1,938.5
Long-term lease liabilities, interest bearing	0.0	0.0	0.0	1,669.1	1,596.0	1,722.3	1,672.5	1,545.7	1,435.5
Long-term liabilities, non-interest bearing	211.7	211.6	204.8	205.5	203.8	202.2	232.1	218.8	222.8
Current lease liabilities, interest bearing	0.0	0.0	0.0	468.0	456.5	511.7	523.7	471.1	453.0
Current liabilities, interest bearing	596.0	0.0	283.1	118.5	357.3	0.0	67.2	0.0	0.4
Current liabilities, non-interest bearing	1,770.0	2,009.8	1,541.7	1,601.6	1,995.1	1,724.4	1,523.8	1,661.8	1,674.9
<b>Total equity and liabilities</b>	<b>4,510.1</b>	<b>4,213.4</b>	<b>3,976.9</b>	<b>5,891.0</b>	<b>6,142.9</b>	<b>5,971.1</b>	<b>5,782.4</b>	<b>5,722.4</b>	<b>5,725.2</b>
<b>Key ratios for the period</b>									
Gross margin, %	41.6	40.4	38.2	38.1	41.1	40.1	39.9	38.7	41.8
Operating margin, %	1.6	3.6	-4.4	3.9	6.1	13.0	-2.5	8.0	7.3
Operating margin, excl. IFRS 16, %	1.6	3.6	-4.4	2.6	4.9	12.2	-3.7	7.1	6.4
Earnings per share before dilution, SEK	0.40	1.24	-0.98	0.77	1.43	4.47	-0.73	1.84	1.65
Earnings per share after dilution, SEK	0.40	1.24	-0.98	0.77	1.43	4.47	-0.73	1.84	1.65
Equity per share, SEK	30.57	31.51	30.80	28.92	24.27	28.58	27.84	28.81	30.60



## Parent Company Income Statement

MSEK	Note	3 Months		6 Months		12 Months	
		Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
Sales		1,689.5	1,826.5	3,353.6	3,457.7	6,854.8	6,958.8
Cost of goods sold	1	-1,222.1	-1,351.8	-2,439.1	-2,553.0	-4,972.0	-5,085.9
<b>Gross profit</b>		<b>467.4</b>	<b>474.7</b>	<b>914.5</b>	<b>904.7</b>	<b>1,882.8</b>	<b>1,872.9</b>
Selling expenses	1	-338.8	-351.7	-678.9	-702.2	-1,433.7	-1,457.0
Administrative expenses	1	-40.3	-48.7	-85.4	-101.6	-160.8	-177.0
Other operating income/expenses		-2.5	0.0	-3.5	0.2	-4.2	-0.5
<b>Operating profit</b>		<b>85.8</b>	<b>74.3</b>	<b>146.7</b>	<b>101.1</b>	<b>284.2</b>	<b>238.6</b>
Dividends from group companies		0.0	0.0	0.0	0.0	0.0	0.0
Financial income		0.0	0.0	0.1	0.1	1.0	1.0
Financial expenses		-1.1	-1.6	-1.7	-2.5	-4.6	-5.5
<b>Profit after financial items</b>		<b>84.8</b>	<b>72.7</b>	<b>145.0</b>	<b>98.6</b>	<b>280.6</b>	<b>234.1</b>
Appropriations		0.0	0.0	0.0	0.0	-10.0	-10.0
<b>Profit before tax</b>		<b>84.8</b>	<b>72.7</b>	<b>145.0</b>	<b>98.6</b>	<b>270.5</b>	<b>224.1</b>
Income tax		-18.2	-15.9	-31.7	-21.7	-59.0	-49.0
<b>Profit for the period</b>		<b>66.6</b>	<b>56.8</b>	<b>113.4</b>	<b>76.9</b>	<b>211.5</b>	<b>175.1</b>

## Parent Company Comprehensive Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
Profit for the period	66.6	56.8	113.4	76.9	211.5	175.1
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	0.0	0.0	0.0	-0.3	0.0	-0.3
<b>Other comprehensive income, net of tax</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.0</b>	<b>-0.3</b>
<b>Total comprehensive income</b>	<b>66.6</b>	<b>56.8</b>	<b>113.3</b>	<b>76.6</b>	<b>211.5</b>	<b>174.8</b>

## Note 1 Depreciations

	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
Depreciations for the period	43.1	38.8	84.3	79.4	163.0	158.1

## Parent Company Balance Sheet

MSEK	31 Oct 2020	31 Oct 2019	30 Apr 2020
<b>Assets</b>			
Intangible assets	552.2	495.2	543.2
Tangible assets	580.5	618.2	582.5
Financial assets	298.2	271.0	298.1
Inventories	1,377.2	1,596.4	1,310.5
Other receivables	115.1	382.5	113.7
Liquid assets	182.4	38.2	23.3
<b>Total assets</b>	<b>3,105.4</b>	<b>3,401.5</b>	<b>2,871.2</b>
<b>Equity and liabilities</b>			
Equity	674.8	452.1	558.0
Untaxed reserves	1,004.5	994.5	1,004.5
Provisions	48.9	44.8	50.1
Long-term liabilities, non-interest bearing	0.5	5.0	0.5
Current liabilities, interest bearing	0.4	357.3	67.2
Current liabilities, non-interest bearing	1,376.4	1,548.0	1,191.0
<b>Total equity and liabilities</b>	<b>3,105.4</b>	<b>3,401.5</b>	<b>2,871.2</b>

**Accounting policies****Compliance with regulation and reporting standards**

Clas Ohlson applies the International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretation Committee (IFRIC) 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 the notes and elsewhere in this interim report.

**Basis for reporting**

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 2019/20 Annual Report on page 70.

For the consolidated financial statements, the same accounting policies and calculation methods as in the latest annual report are applied. No new or revised IFRS and interpretations applied from 1 May 2020 have had any discernible effect on the consolidated financial statements.

For a more detailed description of the accounting policies applied to the Group and Parent Company in this interim report, refer to the 2019/20 Annual Report, pages 65-70.

# 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 25. The APMs recognised in this quarterly report may differ from similarly named measures used by other companies.

	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
<b>Return on equity</b>						
Net profit for the period, MSEK	-	-	-	-	457.7	375.9
Average equity, MSEK	-	-	-	-	1,806.9	1,758.0
<b>Return on equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.3%</b>	<b>21.4%</b>

Reason for use: Return on equity is a measure of profitability in relation to the book value 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, MSEK	-	-	-	-	651.2	549.2
Interest income, MSEK	-	-	-	-	0.2	0.1
Average capital employed, MSEK	-	-	-	-	3,930.8	4,056.1
<b>Return on capital employed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.6%</b>	<b>13.5%</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, MSEK	851.5	890.6	1,653.3	1,670.3	3,473.1	3,490.2
Sales, MSEK	2,036.2	2,165.4	4,110.6	4,209.4	8,659.5	8,758.3
<b>Gross margin</b>	<b>41.8%</b>	<b>41.1%</b>	<b>40.2%</b>	<b>39.7%</b>	<b>40.1%</b>	<b>39.8%</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	2,036.2	2,165.4	4,110.6	4,209.4	8,659.5	8,758.3
Cost of goods sold	-1,184.7	-1,274.8	-2,457.3	-2,539.1	-5,186.3	-5,268.1
<b>Gross profit</b>	<b>851.5</b>	<b>890.6</b>	<b>1,653.3</b>	<b>1,670.3</b>	<b>3,473.1</b>	<b>3,490.2</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, MSEK	1,938.5	1,534.2	1,938.5	1,534.2	1,938.5	1,763.1
Number of shares at end of period (millions of share)	63.35	63.22	63.35	63.22	63.35	63.34
<b>Equity per share</b>	<b>30.60</b>	<b>24.27</b>	<b>30.60</b>	<b>24.27</b>	<b>30.60</b>	<b>27.84</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>EBITDA, MSEK</b>						
Operating profit	147.8	132.6	314.0	212.0	651.2	549.2
Depreciation	179.0	166.9	352.9	335.2	704.9	687.3
<b>EBITDA</b>	<b>326.7</b>	<b>299.5</b>	<b>666.8</b>	<b>547.2</b>	<b>1,356.1</b>	<b>1,236.5</b>

Reason for use: Measures the operative financial performance before depreciation.

<b>EBITDA excl IFRS 16, MSEK</b>						
Operating profit excl IFRS 16	130.4	107.0	277.4	159.4	571.9	453.8
Depreciation excl IFRS 16	55.9	54.1	110.1	111.0	214.8	215.7
<b>EBITDA excl IFRS 16</b>	<b>186.4</b>	<b>161.2</b>	<b>387.5</b>	<b>270.4</b>	<b>786.7</b>	<b>669.5</b>

Reason for use: Measures the operative financial performance before depreciation.

	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
<b>Sales growth, MSEK</b>						
Sales actual period	2,036.2	2,165.4	4,110.6	4,209.4	8,659.5	8,758.3
Sales previous period	2,165.4	2,157.1	4,209.4	4,115.3	8,866.4	8,772.3
<b>Sales growth</b>	<b>-6.0%</b>	<b>0.4%</b>	<b>-2.3%</b>	<b>2.3%</b>	<b>-2.3%</b>	<b>-0.2%</b>

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

#### Average inventory value, MSEK

<b>Average inventory value</b>	-	-	-	-	1,819.6	1,968.1
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Reason for use: Shows average inventory value over the past 12 months.

#### Cash flow from operating activities per share, SEK

Cash flow from operating activities, MSEK	73.2	145.1	653.5	454.9	1,482.5	1,283.9
Number of shares before the dilution (millions of share)	63.35	63.22	63.35	63.22	63.30	63.27
<b>Cash flow from operating activities per share</b>	<b>1.16</b>	<b>2.29</b>	<b>10.32</b>	<b>7.20</b>	<b>23.42</b>	<b>20.29</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.

#### Cash flow from operating activities per share excl IFRS 16, SEK

Cash flow from operating activities excl IFRS 16, MSEK	-46.4	22.2	367.7	209.7	975.1	817.1
Number of shares before the dilution (millions of share)	63.35	63.22	63.35	63.22	63.30	63.27
<b>Cash flow from operating activities per share excl IFRS 16, SEK</b>	<b>-0.73</b>	<b>0.35</b>	<b>5.80</b>	<b>3.32</b>	<b>15.40</b>	<b>12.91</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, MSEK

Interest bearing liabilities	-	-	-	-	1,888.9	2,263.4
Cash and cash equivalents	-	-	-	-	263.5	80.1
<b>Total Net debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,625.4</b>	<b>2,183.3</b>

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

#### Net debt excl IFRS 16, MSEK

Interest bearing liabilities excl lease liabilities	-	-	-	-	0.4	67.2
Cash and cash equivalents	-	-	-	-	263.5	80.1
<b>Total Net debt excl IFRS 16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-263.1</b>	<b>-12.9</b>

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

#### Working capital, MSEK

Total current assets	2,279.1	2,572.4	2,279.1	2,572.4	2,279.1	2,071.0
-Cash and cash equivalents	-263.5	-106.7	-263.5	-106.7	-263.5	-80.1
-Current non-interest bearing liabilities	-1,674.9	-1,995.1	-1,674.9	-1,995.1	-1,674.9	-1,523.8
<b>Working capital</b>	<b>340.7</b>	<b>470.5</b>	<b>340.7</b>	<b>470.5</b>	<b>340.7</b>	<b>467.1</b>

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

#### Operating margin

Operating profit, MSEK	147.8	132.6	314.0	212.0	651.2	549.2
Sales, MSEK	2,036.2	2,165.4	4,110.6	4,209.4	8,659.5	8,758.3
<b>Operating margin</b>	<b>7.3%</b>	<b>6.1%</b>	<b>7.6%</b>	<b>5.0%</b>	<b>7.5%</b>	<b>6.3%</b>

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

#### Operating margin excl IFRS 16

Operating profit excl IFRS 16, MSEK	130.4	107.0	277.4	159.4	571.9	453.8
Sales, MSEK	2,036.2	2,165.4	4,110.6	4,209.4	8,659.5	8,758.3
<b>Operating margin excl IFRS 16</b>	<b>6.4%</b>	<b>4.9%</b>	<b>6.7%</b>	<b>3.8%</b>	<b>6.6%</b>	<b>5.2%</b>

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

	3 Months		6 Months		12 Months	
	Aug 2020 - Oct 2020	Aug 2019 - Oct 2019	May 2020 - Oct 2020	May 2019 - Oct 2019	Nov 2019 - Oct 2020	May 2019 - Apr 2020
<b>Equity/assets ratio</b>						
Total equity, MSEK	1,938.5	1,534.2	1,938.5	1,534.2	1,938.5	1,763.1
Total assets, MSEK	5,725.2	6,142.9	5,725.2	6,142.9	5,725.2	5,782.4
<b>Equity/Assets ratio</b>	<b>33.9%</b>	<b>25.0%</b>	<b>33.9%</b>	<b>25.0%</b>	<b>33.9%</b>	<b>30.5%</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.

#### Equity/assets ratio excl IFRS 16

Total equity excl IFRS 16, MSEK	2,068.8	1,684.8	2,068.8	1,684.8	2,068.8	1,899.4
Total assets excl IFRS 16, MSEK	3,967.0	4,241.0	3,967.0	4,241.0	3,967.0	3,722.6
<b>Equity/assets ratio excl IFRS 16</b>	<b>52.2%</b>	<b>39.7%</b>	<b>52.2%</b>	<b>39.7%</b>	<b>52.2%</b>	<b>51.0%</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	5,725.2	6,142.9	5,725.2	6,142.9	5,725.2	5,782.4
Long-term non-interest bearing liabilities	-222.8	-203.8	-222.8	-203.8	-222.8	-232.1
Current non-interest bearing liabilities	-1,674.9	-1,995.1	-1,674.9	-1,995.1	-1,674.9	-1,523.8
<b>Capital employed</b>	<b>3,827.4</b>	<b>3,944.0</b>	<b>3,827.4</b>	<b>3,944.0</b>	<b>3,827.4</b>	<b>4,026.4</b>

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

#### Comprehensive income per share, SEK

Comprehensive income for the period, MSEK	110.5	94.4	172.1	143.4	386.5	357.9
Average number of shares before dilution (millions of share)	63.35	63.22	63.35	63.22	63.30	63.27
<b>Comprehensive income per share</b>	<b>1.74</b>	<b>1.49</b>	<b>2.72</b>	<b>2.27</b>	<b>6.11</b>	<b>5.66</b>

Reason for use: Measures the comprehensive income in relation to average number of shares before dilution.

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

Net profit for the period, MSEK	104.6	90.7	221.2	139.4	457.7	375.9
Number of shares before dilution (millions of share)	63.35	63.22	63.35	63.22	63.30	63.27
Number of shares after dilution (millions of share)	63.41	63.24	63.42	63.24	63.38	63.30
<b>Number of shares before dilution</b>	<b>1.65</b>	<b>1.43</b>	<b>3.49</b>	<b>2.21</b>	<b>7.23</b>	<b>5.94</b>
<b>Number of shares after dilution</b>	<b>1.65</b>	<b>1.43</b>	<b>3.49</b>	<b>2.20</b>	<b>7.22</b>	<b>5.94</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 October 2020, the share price was SEK 79.0 and the total market capitalisation amounted to 5,004 MSEK.

## Number of shares

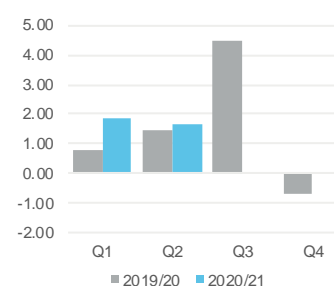
The number of registered shares totalled 65,600,000 (5,760,000 Series A shares and 59,840,000 Series B shares), unchanged from the preceding year. On 31 October 2020, the company held 2,254,583 shares (2,379,570), corresponding to 3.4 per cent of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buy-back, was 63,345,417 (63,220,430).

## Dividend policy

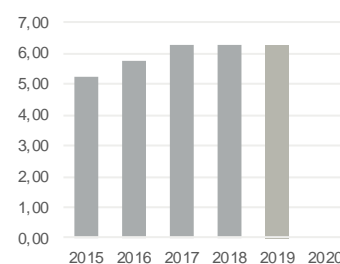
Clas Ohlson's dividend policy is that the dividend is to comprise at least 50 per cent of earnings per share after tax, taking into account the company's financial position. Macroeconomic trends and their impact on the retail sector as a result of COVID-19 remain uncertain. The Board and AGM has chosen to safeguard Clas Ohlson's solid financial position and flexibility. Accordingly, the AGM on 12 September resolved not to pay any dividend for the 2019/20 financial year.

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

Earnings per share, SEK



Dividend per share, SEK



## The largest shareholders per 31 October 2020

Owner	CLAS A	CLAS B	Capital	Votes
Haid family	3,023,880	12,029,103	22.9%	36.0%
Tidstrand family	2,736,120	7,079,828	15.0%	29.3%
Nordea Fonder		4,509,307	6.9%	3.8%
If Skadeförsäkring AB		2,973,238	4.5%	2.5%
JP Morgan Asset Management		1,453,056	2.2%	1.2%
Vanguard		1,074,470	1.6%	0.9%
Svenska Handelsbanken AB for PB		906,000	1.4%	0.8%
Norges Bank		885,688	1.4%	0.8%
SEB Fonder & Liv		572,226	0.9%	0.5%
Dimensional Fund Advisors		485,657	0.7%	0.4%
SHB Fonder & Liv		431,284	0.7%	0.4%
Avanza Pension		424,708	0.6%	0.4%
BlackRock		378,388	0.6%	0.3%
Acadian Asset Management		329,123	0.5%	0.3%
Segall Bryant & Hamill		322,412	0.5%	0.3%
<b>Total top 15</b>	<b>5,760,000</b>	<b>33,854,488</b>	<b>60.4%</b>	<b>77.9%</b>
Other shareholders		25,985,512	39.6%	22.1%
<b>Total</b>	<b>5,760,000</b>	<b>59,840,000</b>	<b>100.0%</b>	<b>100.0%</b>
Shares owned by Clas Ohlson		2,254,583	3.4%	1.9%

# 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.

## EBITDA excl IFRS 16

Operating profit/loss before interest, tax, impairment, depreciation and amortisation excl effect on operating expenses according to IFRS 16.

## Equity per share

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

## 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 excl IFRS 16

Operating profit adjusted for items not included in cash flow, interest, paid tax and change in working capital excl effect on operating expenses, interest and depreciation according to IFRS 16.

## 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 excl IFRS 16

Interest-bearing liabilities excl interest-bearing lease liabilities less cash and cash equivalents.

## Net debt/EBITDA

Net debt divided by EBITDA for the last 12 months.

## Organic growth

Sales growth in local currencies, excluding acquisitions.

## 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 margin excl IFRS 16

Operating profit, excl effects on operating expenses according to IFRS 16, divided by sales for the period.

## Operating profit

Operating profit comprises profit before financial items and tax.

## Operating profit excl IFRS 16

Operating profit comprises profit before financial items and tax excl effects on operating expenses according to IFRS 16.

**Equity/assets ratio**

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

**Equity/assets ratio excl IFRS 16**

Equity at the end of the period divided by the balance-sheet total (total assets) excl effects relating to equity and interest-bearing lease assets according to IFRS 16.

**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.

**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+**

The action programme from 2018 to 2020 in which our strategic initiatives were defined. The programme contained 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.

## **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.

## **Omni-channel**

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

## **Products for a more sustainable lifestyle**

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

## **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

## Update on store network

Clas Ohlson's ongoing review of the store network takes into consideration the market conditions, new customer behaviour patterns, demand projections and contracts signed with property owners. Geographic location, testing new store concepts and store sizes are continuously assessed and reviewed. On the reporting date, the number of contracted forthcoming store openings was one, and the total number of stores was 230 (232).

## Stores opened

- Norway, Trondheim – Sirkus, opened 13 August 2020
- Sweden, Uddevalla - Torp, opened 5 November 2020
- Norway, Sarpsborg – Borg Amfi, opened 5 November 2020

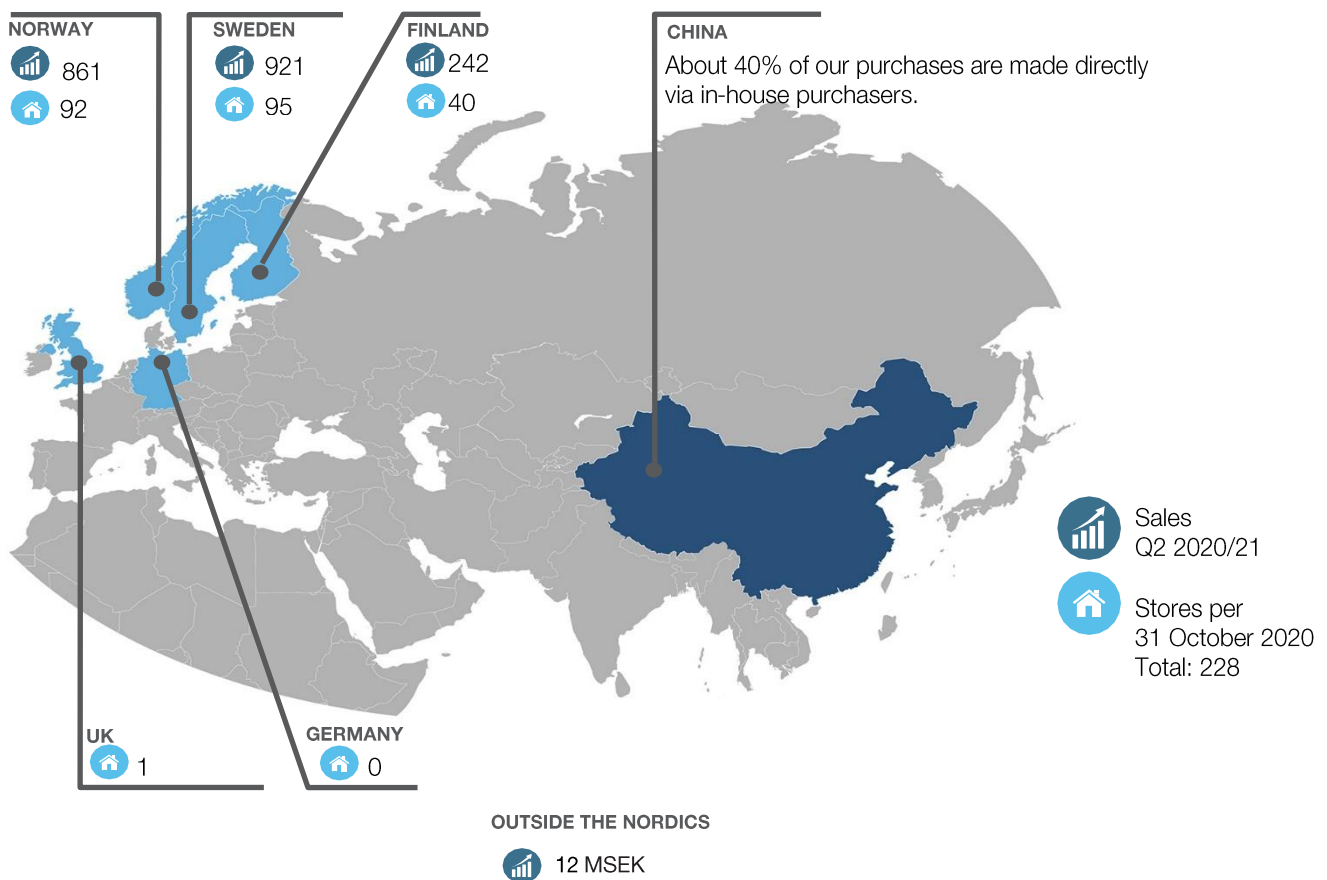
## Stores closed

- Sweden, Helsingborg – Kullagatan, August 2020

## Future store openings

- Sweden, Norrköping – Ingelsta, February 2021

For more information, refer to the detailed list on the website [about.clasohlson.com/en/about-us/stores-markets-sales-channels/our-stores/](https://about.clasohlson.com/en/about-us/stores-markets-sales-channels/our-stores/)



# Clas Ohlson in brief

Our mission is to help and inspire people to improve their everyday lives 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, approximately 4,500 employees, and sales of approximately 8.8 billion SEK. Our share is listed on Nasdaq Stockholm.

We will grow in 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 growth strategy. Leveraging the strength of our large, loyal customer base, we will 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](https://www.clasohlson.com).

#### Strategic focus areas\*

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

#### Financial targets/framework

- Sales will increase organically an average of 5% annually over a five-year period
- Operating margin will amount to 6–8% 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, considering the company's financial position.

#### Focus areas Sustainability

- The Planet: Climate neutral and fully circular by 2045
- People: A sustainable and long-term employer with happy co-workers
- Society: Contributing to a fair and prosperous society for future generations



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

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