

three-month report 2019/20

First quarter – 1 May to 31 July 2019

- Sales increased 4% to 2,044 MSEK (1,958), organic growth up 4% and up 4% in comparable units
- Online sales increased 20% to 112 MSEK (93)
- Operating profit, including non-recurring costs and costs linked to the CO100+ action programme, totalled 79 MSEK (32). Excluding the effect of the new accounting standard IFRS 16, operating profit amounted to 52 MSEK
- Underlying operating profit amounted to 91 MSEK (62), excluding the effect of IFRS 16
- The operating margin amounted to 3.9% (1.6), excluding the effect of IFRS 16, the operating margin amounted to 2.6%
- Net debt/EBITDA excluding the effect of IFRS 16 (12 months) amounted to 0.0 times (-0,1)
- Profit after tax totalled 49 MSEK (30)
- Earnings per share amounted to 0.77 SEK (0.47)



Through the new partnership with Kolonial, Norway's largest online food retailer, Clas Ohlson is offering its Norwegian customers a unique complete offering with convenient home deliveries.

Events after the end of the reporting period

- In August, sales increased 2% to 740 MSEK (725), organic growth up 2% and up 3% in comparable units
- Online sales in August increased 36% to 35 MSEK (25)

+4%

Organic growth

+20%

Online sales

	3 Months			12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Percentage change	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Sales, MSEK	2,044	1,958	4	8,858	8,772
Operating profit, MSEK	79	32	148	141	94
Operating profit, excl. IFRS 16, MSEK	52	32	64	114	94
Underlying operating profit, MSEK	91	62	47	526	497
Profit before tax, MSEK	63	32	98	123	92
Profit after tax, MSEK	49	30	64	91	72
Gross margin, %	38.1	38.5	-0.4 p.p	39.7	39.8
Operating margin, %	3.9	1.6	2.3 p.p	1.6	1.1
Operating margin, excl. IFRS 16, %	2.6	1.6	0.9 p.p	1.3	1.1
Return on capital employed, %	–	–	–	5.2	4.1
Return on equity, %	–	–	–	4.7	3.5
Cashflow from operating activities, MSEK	309.8	-28.1	–	649.9	312.0
Equity/assets ratio, %	31.0	56.8	-25.8 p.p	31.0	49.0
Equity/assets ratio, excl. IFRS 16, %	50.8	56.8	-6.0 p.p	50.8	49.0
Net debt/EBITDA ratio	–	–	–	4.4	0.5
Net debt/EBITDA excl. IFRS 16 ratio	–	–	–	0.0	0.5
Earnings per share before dilution, SEK	0.77	0.47	64	1.43	1.13

The 2019/20 financial year comprises the period from 1 May 2019 to 30 April 2020.

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 contact person set out above, on 4 September 2019 at 7:00 a.m. (CEST).

Contact person: Niklas Carlsson
Group Head of Communications
Tel: +46 76 724 21 68 or ir@clasohlson.se

A good summer and new steps towards a unique position in the retail market

Strong range and successful campaigns

Looking back on the summer, I can see that we were highly successful in offering our customers a relevant product range at the right price, which gave us a total organic sales increase of 4 per cent for the quarter. Online sales increased 20 per cent and operating profit* improved to 79 MSEK, 32 MSEK year-on-year. This is a positive sales trend, with healthy sales of seasonal products also impacting the inventory value in the right direction. The inventory value of 1,955 MSEK is lower than in the preceding quarter, but slightly higher year-on-year. The inventory level reflects the preparations for upcoming campaigns and largely comprises consumables that are part of our ordinary range for which there is continued high demand. We can also see a strong cash flow for the first quarter.

A unique and complete offering – new partnership with Kolonial

In a broader perspective, we continue to see the same rapid pace of change in the retail sector as previously. This change is being driven by digitalisation, new customer behaviour and global competition. For this reason, we are continuing to leave no stone unturned to build a Clas Ohlson with long-term profitability, and we are implementing our strategic plan including both growth and efficiency initiatives at a fast pace.

Proximity to the customer is set to become increasingly important and we are now taking further steps to establish a unique position in our Nordic home markets in terms of availability and convenience for our customers. Through a new partnership with Kolonial.no, Norway's largest online food retailer, we have the possibility to interact with our Norwegian customers in new channels and offer new smart delivery alternatives for our products right to their door. We have positive experience of our partnership with Mathem in Sweden, with one in ten customer deliveries now including a Clas Ohlson product, and we are looking forward to from today offer Clas Ohlson products through Kolonial's popular online shopping platform.

A profitable store network

Availability and convenience are also key words for our stores. The large growth in the industry is now taking place online, but we can see that stores will continue to play an important role going forward. The lion's share of our sales takes place in our stores and this means that profitable stores are necessary for our goal of sustainable profitable growth. Apart from serving as a key sales channel, the stores provide a customer experience, a service offering and the opportunity to collect products ordered online using Click & Collect – our most popular and most cost-effective delivery option.

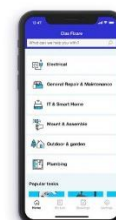
This means that we need to ensure that our stores are in locations where our customers want us to be, with the right format and with judicious balance between cost and revenue per square meter. Due to changing consumption pattern, we will change both the number of stores and their orientation at a faster pace. Some get bigger, others get smaller, some disappear and others will be added. As part of this work, we have decided to close four stores in Finland and one in Sweden. The continuous optimisation of our store network and securing flexible lease terms will remain priorities in future.

*Operating profit for the quarter was positively impacted by approximately 27 MSEK, due to the new accounting standard for leases, IFRS 16.



Proximity to the customer is set to become increasingly important and we are now taking further

steps to establish a unique position in our Nordic home markets.



The user-friendly app Clas Fixare, in which you can book the service with the same name, wins the design award Red Dot Award in both the "Apps" and "Interface & User Experience Design" category.

Continued focus on efficiency enhancements

As previously communicated, we are investing 1-2 per cent of the operating margin in our strategic initiatives over a two-year period. In addition to growth-driving initiatives, efficiency-enhancing measures equivalent to approximately 200-250 MSEK have been identified to date. We are following our plan and efficiency enhancements will remain in focus. However, the impact of these initiatives on the operations and our financial results will vary in line with them being fully realised.

The road ahead is not straight, but we are seeing the positive effects of the work and activities that we have conducted to date, which strengthens our belief that we are on the right track. Accordingly, we will do more of what we have said we will do and maintain a high pace in the implementation of our plan to create even greater value for our customers and shareholders in the form of sustainable profitable growth.

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, 2018/2019 and 2019/2020, 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.

** For the 2019/20 financial year, operating margin and net debt/EBITDA will also be stated excluding the effects of IFRS 16.

Financial information

Current financial information is available at about.clasohlson.com/en/investors.

Press and analyst conference

The report will be presented on Wednesday, 4 September at 9:00 a.m. at Sveavägen 52 in Stockholm. The presentation can also be followed live via web broadcast and teleconference.

Calendar

7 Sep 2019	AGM
4 Dec 2019	Six-month Report 2019/20
11 March 2020	Nine-month Report 2019/20
3 Jun 2020	Year-end Report 2019/20

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Sales

Distribution of sales

MSEK	3 Months			
	May 2019 - Jul 2019	May 2018 - Jul 2018	Percentage change	
			SEK	local currency
Sweden	937	865	8	8
Norway	832	802	4	3
Finland	243	222	9	6
Outside Nordic countries	32	69	-53	-54
Total	2,044	1,958	4	4
Of which comprise online sales	112	93	20	19

Distribution of sales increase

Per cent	May 2019 - Jul 2019
Comparable units in local currency	4
New stores	0
Exchange-rate effects	0
Total	4

First quarter

Sales increased by 4 per cent to 2,044 MSEK (1,958). Organic sales increased 4 per cent compared with the preceding year. Sales in comparable units and local currency increased 4 per cent. Online sales increased 20 per cent to 112 MSEK (93). During the quarter, the store network was unchanged (increase of 3 last year). At the end of the quarter, the total number of stores was 232, which was unchanged compared with the year-earlier period (14).

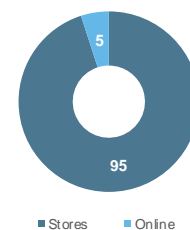
Retail trade development*

	Q1 18/19	Q2 18/19	Q3 18/19	Q4 18/19	Q1 19/20
Sweden					
Retail**	2.0	2.2	1.3	-0.2	3.9
Consumer Confidence	-1.3	2.0	-6.4	-6.0	-5.7
Norway					
Retail**	2.4	2.7	2.0	0,0	0.7
Consumer Confidence	19.6	6.6	14.1	13.0	12.8
Finland					
Retail**	3.0	2.4	1.3	-0.1	1.3
Consumer Confidence	23.3	19.5	16.3	15.8	-3.4

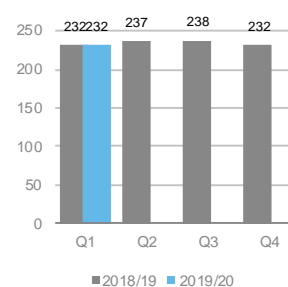
*Source: HUI, Konjunkturinstitutet, Office for National Statistics, Opinion, Statistikcentralen, Statistisk centralbyrå, Trading Economics.

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

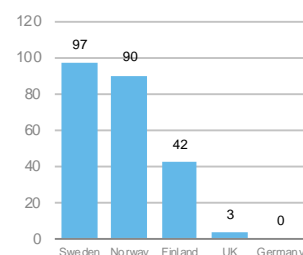
Distribution of sales, %



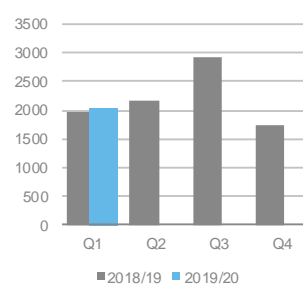
Total number of stores



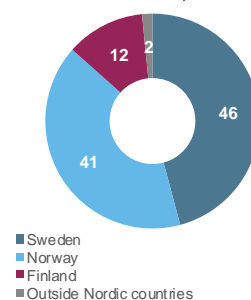
Distribution of number of stores



Sales, MSEK



Distribution of sales, %



Results

MSEK	3 Months		12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Sales	2,044.0	1,958.1	8,858.1	8,772.3
Cost of goods sold	-1,264.3	-1,203.8	-5,338.0	-5,277.5
Gross profit	779.7	754.4	3,520.1	3,494.8
Selling expenses	-641.5	-659.2	-2,921.2	-2,939.0
Administrative expenses	-58.7	-63.0	-248.9	-253.2
Other operating income/expenses *	-0.1	-0.2	-208.5	-208.6
Operating profit	79.4	32.0	141.5	94.0

* Closure of store network outside the Nordics.

**IFRS 16 has affected the Income statement from 1 May 2019.

MSEK	3 Months
	May 2019 - Jul 2019
Operating profit corresponding period previous year	32.0
Profit from sales	38.5
Change in gross margin	-9.9
Increased administrative expenses, excluding strategy overview and CO100+	-2.5
Non-recurring costs, costs linked to the CO100+ action programme and sCORE	-8.6
Change in expansion costs stores	0.5
Change in depreciation, excl IFRS 16	2.3
Change in other operating income/expense	0.1
Changed accounting policy, IFRS 16	27.0
Operating profit actual period	79.4

First quarter

Earnings for the quarter were impacted by costs linked to the CO100+ action programme of approximately 39 MSEK (30).

The gross margin was 38.1 per cent (38.5). During the quarter, the gross margin was negatively affected by a stronger purchasing currency (USD). This was offset by the positive effects of currency hedging (NOK) from currency forwards and exchange-rate effects related to the delay in inventory, price effects and improved profitability in our campaigns and a strengthened sales currency (NOK).

The share of selling expenses declined 2.3 percentage points to 31.4 per cent (33.7). Excluding the effect of IFRS 16 of 1.2 percentage points, the share declined by 1.1 percentage points. The share of selling expenses was impacted by lower expenses in the UK and Germany, which was partially offset by costs linked to the CO100+ action programme.

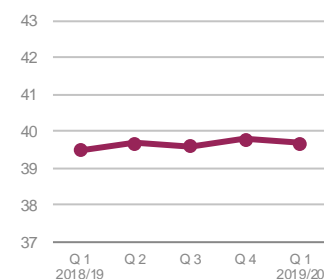
Operating profit amounted to 79 MSEK (32). IFRS 16 had a positive effect of 27 MSEK on operating profit, resulting in operating profit of 52 MSEK excluding this effect. Operating profit was affected by costs linked to the CO100+ action programme of a total of approximately 39 MSEK (30). Underlying operating profit amounted to 91 MSEK (62). The operating margin was 3.9 per cent (1.6). IFRS 16 had a positive effect on operating margin by 1.3 percentage points.

Profit after financial items totalled 63 MSEK (32). IFRS 16 had a positive effect on profit after financial items by 11 MSEK and profit after tax by 9 MSEK.

Depreciation for the period amounted to 168 MSEK (59), of which 111 MSEK pertained to depreciation of right-of-use assets in accordance with IFRS 16.

Spot exchange rates for key currencies averaged 1.09 for NOK and 9.47 for USD, compared with 1.08 and 8.79, 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.

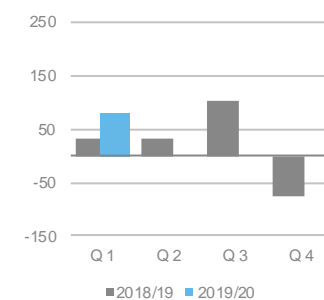
Gross margin, rolling 12 months, %



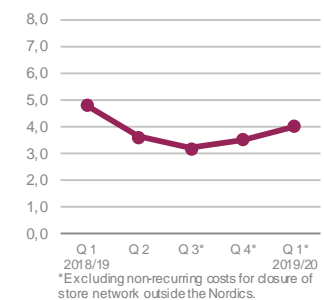
Share of selling expenses, %



Operating profit, MSEK



Operating margin, rolling 12 months, %



Investments

Investments for the quarter totalled 22 MSEK (49). Of this amount, investments in new or refurbished stores accounted for MSEK 8 (7). Investments in IT systems for the quarter amounted to 11 MSEK (33).

Financing and liquidity

Cash flow from operating activities for the quarter totalled 310 MSEK (-28). Cash flow for the quarter, after investing and financing activities, was 1 MSEK (-17). Excluding the effect of IFRS 16, cash flow from operating activities amounted to 187 MSEK and cash flow from financing activities to -165 MSEK.

The average 12-month value of inventories was MSEK 2,062 (1,935). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 5.7 times (6.2).

At the end of the quarter, the value of inventories was 1,955 MSEK (1,937).

The Group's net debt at the end of the period, meaning interest-bearing liabilities less cash and cash equivalents, amounted to 2,151 MSEK (net cash holdings last year 37). Net debt in relation to EBITDA amounted to 4.4 times. Excluding the effect of IFRS 16, net debt amounted to 14 MSEK and net debt in relation to EBITDA to 0 times, which is in accordance with our financial framework. Credits granted and loan commitments amounted to 850 MSEK, of which 119 MSEK had been utilised at the end of the period. The company's financial position remains strong. The equity/assets ratio was 31 per cent (57). Excluding the effect of IFRS 16, the equity/assets ratio amounted to 51 per cent.

Employees

The number of employees in the Group was approximately 5,000, recalculated to full-time equivalents, this corresponds to an average of 3,034 (2,997). Compared to the fourth quarter 2018/19 this represents a decrease by 65 fulltime employees in average.

Parent Company

Parent Company sales for the quarter amounted to 1,631 MSEK (1,481) and profit after financial items totalled 26 MSEK (4). Investments in the quarter amounted to 13 MSEK (42). Contingent liabilities for the Parent Company amounted to 234 MSEK (268).

Events after the end of the reporting period

Sales in August

In August, sales increased 2 per cent to 740 MSEK (725). Organic sales increased 2 per cent compared with the preceding year. Sales in comparable units and local currency increased 3 per cent compared with the preceding year. Online sales increased 36 per cent to 35 MSEK (25).

Compared with the same month of the preceding year, the store portfolio was reduced by a net 1 store (expanded by 13). At the end of the period, the total number of stores was 231.

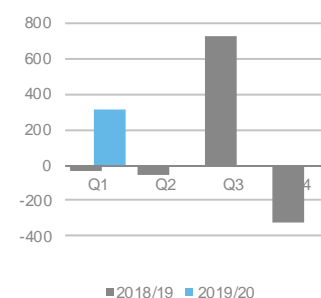
Distribution of sales

MSEK	Aug 2019	Aug 2018	Percentage change	
			SEK	local currency
Sweden	322	302	7	7
Norway	315	312	1	2
Finland	94	89	5	3
Total Nordic countries	731	703	4	4
Outside Nordic countries*	9	22	-62	-62
Total**	740	725	2	2

*Effected by store optimization in UK and Germany.

**Of which 35 Mkr (25) comprise online sales.

Cash flow, MSEK*



* from operating activities

In the first four months of the financial year (May-August), total sales increased by 4 per cent to 2,784 MSEK (2,683). Organic sales increased 3 per cent compared with the preceding year. Sales in comparable units and local currency increased by 4 per cent. Online sales increased 23 per cent to 147 MSEK (119).

Update on store network

The number of forthcoming, contracted store openings amounted to four stores. See the summary on page 25.

A decision was made during the 2018/19 financial year to discontinue the store network in the UK and Germany. The work to close stores is proceeding to plan. All of the German stores have already been closed and the closure of UK stores was continuing in line with Clas Ohlson's agreements with the property owners. In addition, a decision was made to close four stores in Finland and one store in Sweden during current fiscal year.

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 83-96 of the 2018/19 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, 4 September 2019

Lotta Lyrå
President and CEO

Financial statements

Consolidated Income Statement ***

MSEK	3 Months		12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Sales	2,044.0	1,958.1	8,858.1	8,772.3
Cost of goods sold	-1,264.3	-1,203.8	-5,338.0	-5,277.5
Gross profit	779.7	754.4	3,520.1	3,494.8
Selling expenses	-641.5	-659.2	-2,921.2	-2,939.0
Administrative expenses	-58.7	-63.0	-248.9	-253.2
Other operating income/expenses *	-0.1	-0.2	-208.5	-208.6
Operating profit	79.4	32.0	141.5	94.0
Financial income	0.0	0.3	0.9	1.1
Financial expense	-16.7	-0.6	-19.5	-3.3
Profit after financial items	62.7	31.7	122.9	91.9
Income tax **	-13.9	-1.9	-32.2	-20.3
Profit for the period	48.8	29.7	90.6	71.6

* Closure of store network outside the Nordics.

** Deferred tax has in Q1 2018/19 been recalculated with 5.1 MSEK due to changed tax rate in Sweden.

***IFRS 16 has affected the Income statement from 1 May 2019.

Consolidated Comprehensive Income Statement

MSEK	3 Months		12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Profit for the period	48.8	29.7	90.6	71.6
Other comprehensive income, net of tax:				
Items that later can be reversed back to the Consolidated income statement:				
Exchange rate differences	-4.6	-15.3	12.0	1.3
Cash flow hedging	4.8	14.8	-3.0	7.0
Total	0.2	-0.5	9.0	8.3
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
Total	0.0	0.0	0.0	0.0
Total other comprehensive income, net of tax	0.2	-0.5	9.0	8.3
Total comprehensive income for the period	49.0	29.2	99.6	79.9
Profit for the period attributable to:				
Owners of the parent	49.0	29.7	91.9	72.7
Non-controlling interests	-0.2	0.0	-1.3	-1.1
Comprehensive income attributable to:				
Owners of the parent	49.2	29.2	100.9	81.0
Non-controlling interests	-0.2	0.0	-1.3	-1.1

Data per share

	3 Months		12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Number of shares before dilution	63,220,373	63,217,584	63,218,444	63,217,741
Number of shares after dilution	63,239,693	63,222,147	63,232,344	63,230,062
Number of shares at end of period	63,220,430	63,217,794	63,220,430	63,217,794
Earnings per share before dilution, SEK	0.77	0.47	1.43	1.13
Earnings per share after dilution, SEK	0.77	0.47	1.43	1.13
Comprehensive income per share, SEK	0.77	0.46	1.58	1.26

Consolidated Balance Sheet

MSEK	31 Jul 2019	31 Jul 2018	30 Apr 2019
Assets			
Intangible assets	472.9	446.7	476.9
Tangible assets	879.1	1,007.5	911.6
Right-of-use assets	2,008.4	0.0	0.0
Securities held as fixed assets	225.3	224.5	225.3
Non-current receivables	65.1	14.8	21.5
Inventories	1,954.8	1,936.6	1,987.3
Other receivables	180.6	310.3	249.4
Liquid assets	104.6	97.3	105.0
Total assets	5,891.0	4,037.7	3,976.9
Equity and liabilities			
Equity attributable to owners of the parent	1,821.9	2,293.2	1,940.8
Equity attributable to non-controlling interests	6.3	0.0	6.6
Total equity	1,828.3	2,293.2	1,947.3
Long-term lease liabilities, interest-bearing	1,669.1	0.0	0.0
Long-term liabilities, Non-interest-bearing	205.5	223.6	204.8
Current lease liabilities, interest-bearing	468.0	0.0	0.0
Current liabilities, interest-bearing	118.5	60.1	283.1
Current liabilities, Non interest-bearing	1,601.6	1,460.9	1,541.7
Total equity and liabilities	5,891.0	4,037.7	3,976.9

Consolidated Cash Flow

MSEK	3 Months		12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Operating profit	79.4	32.0	141.5	94.0
Adjustment for items not included in cash flow	161.6	55.2	438.5	332.1
Interest received	0.0	0.3	0.9	1.1
Interest paid	-16.7	-0.6	-19.5	-3.3
Tax paid	-15.0	-32.7	-86.7	-104.5
Cash flow from operating activities before changes in working capital	209.2	54.2	474.6	319.5
Change in working capital	100.6	-82.3	175.3	-7.6
Cash flow from operating activities	309.8	-28.1	649.9	312.0
Investments in intangible assets	-10.6	-32.9	-82.6	-104.9
Investments in tangible assets	-11.8	-16.0	-101.6	-105.8
Investments in securities held as fixed assets	0.0	0.0	-0.8	-0.8
Change in current investments	0.3	0.1	0.3	0.1
Cash flow from investing activities	-22.1	-48.8	-184.7	-211.4
Change in current liabilities, interest-bearing	-164.6	60.1	58.5	283.1
Repayment of lease liabilities	-122.0	0.0	-122.0	0.0
Capital contribution from minority	0.0	0.0	0.5	0.5
Change in longterm assets	-0.7	0.0	-1.3	-0.6
Dividend to shareholders	0.0	0.0	-395.1	-395.1
Cash flow from financing activities	-287.2	60.1	-459.3	-112.0
Cash flow for the period	0.5	-16.8	5.9	-11.5
Liquid assets at the start of the period	105.0	115.8	97.3	115.8
Exchange rate difference for liquid assets	-0.9	-1.7	1.4	0.6
Liquid assets at the end of the period	104.6	97.3	104.6	105.0

Sales by segment

MSEK	3 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018
Sweden	936.8	865.4
Norway	832.4	801.7
Finland	242.7	222.5
Outside Nordic countries	32.0	68.6
Group functions	694.4	615.6
Sales to other segments	-694.4	-615.6
Total	2,044.0	1,958.1

Operating profit by segment

MSEK	3 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018
Sweden	38.5	35.5
Norway	35.1	33.8
Finland	7.8	7.2
Outside Nordic countries	1.0	2.1
Group functions	-3.0	-46.6
Total	79.4	32.0

Securities held as fixed assets, valued at fair value*

MSEK	31 Jul 2019	31 Jul 2018
Securities held as fixed assets, valued at fair value at the beginning of the year	225.3	224.5
Acquisition**	0.0	0.0
Revaluation during the year	0.0	0.0
Securities held as fixed assets, valued at fair value at the end of the period	225.3	224.5

*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	3 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018
Equity brought forward	1,947.3	2,263.9
Change in accounting policy	-170.3	0,0
<i>Adjusted equity at start of year</i>	1,777.0	2,263.9
Paid-in option premiums:		
Value of employee services	2.3	0.0
Total comprehensive income	49.0	29.2
<i>Comprehensive income attributable to non-controlling interests</i>	6.3	-
Equity carried forward	1,828.3	2,293.2

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 Jul 2019	31 Jul 2018
Sell/buy		
NOK/SEK	-2.9	-2.0
NOK/USD	11.2	14.5
SEK/USD	1.3	1.0
Total	9.6	13.5

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 July 2019 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled 2.9 MSEK (2.5), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to 12.5 MSEK (16.0), 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 2.1 MSEK (3.0) was taken into account and the remaining fair value of 7.6 MSEK (10.5) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of 11.2 MSEK (14.5) is allocated on the currency pair NOK/SEK with -1.7 MSEK (-3.2) and on the currency pair SEK/USD with 12.9 MSEK (17.8).

Key ratios

	3 Months		12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Sales growth, %	4.4	9.9	5.6	6.8
Gross margin, %	38.1	38.5	39.7	39.8
Operating margin, %	3.9	1.6	1.6	1.1
Operating margin, excl IFRS 16, %	2.6	1.6	1.3	1.1
Return on capital employed, %	-	-	5.2	4.1
Return on equity, %	-	-	4.7	3.5
Equity/assets ratio, %	31.0	56.8	31.0	49.0
Equity/assets ratio, excl IFRS 16, %	50.8	56.8	50.8	49.0
Net debt/EBITDA	-	-	4.4	0.5
Net debt/EBITDA, excl IFRS 16	-	-	0.0	0.5
Sales per sq.m in stores, SEK thousand	7.4	7.0	31.3	30.8
Number of stores at period end	232	232	232	232
Number of employees at period end	3,034	2,997	3,034	3,099
Data per share				
Number of shares before dilution	63,220,373	63,217,584	63,218,444	63,217,741
Number of shares after dilution	63,239,693	63,222,147	63,232,344	63,230,062
Number of shares at period end	63,220,430	63,217,794	63,220,430	63,217,794
Earnings per share before dilution, SEK	0.77	0.47	1.43	1.13
Earnings per share after dilution, SEK	0.77	0.47	1.43	1.13
Comprehensive income per share, SEK	0.77	0.46	1.58	1.26
Cash flow per share*, SEK	4.90	-0.44	10.28	4.93
Cash flow per share excl IFRS 16*, SEK	2.96	-0.44	8.34	4.93
Equity per share, SEK	28.92	36.27	28.92	30.80

* From the operating activities.

Quarterly overview

MSEK	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Q1 18/19	Q2 18/19	Q3 18/19	Q4 18/19	Q1 19/20
Sales	1,782.6	1,999.1	2,745.9	1,683.1	1,958.1	2,157.1	2,914.8	1,742.2	2,044.0
Cost of goods sold	-1,059.9	-1,175.7	-1,625.1	-1,065.9	-1,203.8	-1,260.1	-1,736.3	-1,077.3	-1,264.3
Gross profit	722.7	823.3	1,120.8	617.3	754.3	897.0	1,178.5	664.8	779.7
Selling expenses	-572.6	-632.3	-706.8	-668.1	-659.2	-787.2	-799.9	-692.7	-641.5
Administrative expenses	-49.8	-65.9	-64.7	-56.6	-63.0	-76.8	-62.4	-51.0	-58.7
Other operating income/expenses	-0.2	-0.2	-0.2	1.5	-0.2	0.4	-211.1	2.2	-0.1
Operating profit	100.1	124.9	349.2	-105.9	32.0	33.4	105.2	-76.6	79.4
Financial income	0.1	0.1	0.3	0.2	0.3	0.3	0.5	0.1	0.0
Financial expense	-0.3	-0.5	-0.5	-0.6	-0.6	-0.8	-1.6	-0.3	-16.7
Profit after financial items	99.9	124.5	349.0	-106.3	31.7	32.9	104.1	-76.9	62.7
Income tax	-22.5	-28.7	-78.6	20.6	-1.9	-7.9	-25.5	15.1	-13.9
Profit for the period	77.4	95.8	270.4	-85.7	29.7	25.0	78.6	-61.8	48.8
Assets									
Intangible assets	360.8	376.4	401.4	428.2	446.7	454.5	478.4	476.9	472.9
Tangible assets	1,036.3	1,037.7	1,029.2	1,041.3	1,007.5	1,010.8	980.1	911.6	879.1
Right-of-use assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,008.4
Securities held as fixed assets	0.0	0.0	224.0	224.5	224.5	224.5	225.3	225.3	225.3
Non-current receivables	18.5	18.5	18.5	14.9	14.8	15.7	15.6	21.5	65.1
Inventories	1,695.6	2,067.8	1,880.3	2,038.0	1,936.6	2,345.0	1,983.2	1,987.3	1,954.8
Other receivables	230.4	257.8	222.6	336.9	310.3	349.7	346.2	249.4	180.6
Liquid assets	668.4	295.8	584.0	115.8	97.3	109.9	184.7	105.0	104.6
Total assets	4,010.1	4,054.1	4,360.0	4,199.7	4,037.7	4,510.1	4,213.4	3,976.9	5,891.0
Equity and liabilities									
Equity attributable to owners of the parent	2,297.7	2,026.3	2,285.3	2,263.9	2,293.2	1,925.4	1,984.6	1,940.8	1,821.9
Equity attributable to non-controlling interests	0.0	0.0	0.0	0.0	0.0	7.1	7.4	6.6	6.3
Total equity	2,297.7	2,026.3	2,285.3	2,263.9	2,293.2	1,932.5	1,992.0	1,947.3	1,828.3
Long-term lease liabilities, interest-bearing	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,669.1
Long-term liabilities, Non-interest-bearing	233.4	236.0	231.2	227.4	223.6	211.7	211.6	204.8	205.5
Current lease liabilities, interest-bearing	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	468.0
Current liabilities, Interest-bearing	0.0	0.0	0.0	0.0	60.1	596.0	0,0	283.1	118.5
Current liabilities, Non interest-bearing	1,479.0	1,791.9	1,843.4	1,708.4	1,460.9	1,770.0	2,009.8	1,541.7	1,601.6
Total equity and liabilities	4,010.1	4,054.1	4,360.0	4,199.7	4,037.7	4,510.2	4,213.4	3,976.9	5,891.0
Key ratios for the period									
Gross margin, %	40.5	41.2	40.8	36.7	38.5	41.6	40.4	38.2	38.1
Operating margin, %	5.6	6.2	12.7	-6.3	1.6	1.6	3.6	-4.4	3.9
Operating margin, excl. IFRS 16, %	5.6	6.2	12.7	-6.3	1.6	1.6	3.6	-4.4	2.6
Earnings per share before dilution, SEK	1.22	1.52	4.28	-1.36	0.47	0.40	1.24	-0.98	0.77
Earnings per share after dilution, SEK	1.22	1.51	4.27	-1.36	0.47	0.40	1.24	-0.98	0.77
Equity per share, SEK	36.36	32.06	36.16	35.82	36.27	30.57	31.51	30.80	28.92

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		12 Months	
		May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Sales		1,631.2	1,481.0	6,938.0	6,787.8
Cost of goods sold	1	-1,201.2	-1,107.5	-5,072.2	-4,978.5
Gross profit		430.0	373.5	1,865.8	1,809.3
Selling expenses	1	-350.5	-316.0	-1,467.9	-1,433.4
Administrative expenses	1	-52.9	-56.2	-204.2	-207.5
Other operating income/expenses		0.2	-	-200.3	-200.6
Operating profit		26.7	1.3	-6.6	-32.1
Dividends from group companies		0.0	3.2	279.0	282.2
Financial income		0.1	0.3	2.1	2.4
Financial expense		-0.9	-0.7	-5.3	-5.1
Profit after financial items		25.9	4.1	269.2	247.4
Appropriations		0.0	0.0	41.2	41.2
Profit before tax		25.9	4.1	310.5	288.7
Income tax		-5.7	-0.9	-7.9	-3.1
Profit for the period		20.1	3.2	302.5	285.6

Parent Company Comprehensive Income Statement					
MSEK		3 Months		12 Months	
		May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
	Profit for the period	20.1	3.2	302.5	285.6
	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	-0.3	-4.7	-3.8	-8.2
	Other comprehensive income, net of tax	-0.3	-4.7	-3.8	-8.2
	Total comprehensive income	19.8	-1.5	298.7	277.4

Note 1 Depreciations

	3 Months		12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Depreciations for the period	40.6	39.5	162.2	161.1

Parent Company Balance Sheet

MSEK	31 Jul 2019	31 Jul 2018	30 Apr 2019
Assets			
Intangible assets	472.9	446.7	476.9
Tangible assets	631.7	698.3	655.4
Financial assets	269.5	421.5	268.9
Inventories	1,359.9	1,281.0	1,364.2
Other receivables	302.0	240.4	296.1
Liquid assets	35.6	32.2	33.4
Total assets	3,071.6	3,120.1	3,095.0
Equity and liabilities			
Equity	786.9	883.8	764.8
Untaxed reserves	994.5	1,035.7	994.5
Provisions	49.0	49.1	49.9
Long-term liabilities, non-interest-bearing	5.0	5.0	5.0
Current liabilities, interest-bearing	118.5	60.1	283.1
Current liabilities, non interest-bearing	1,117.7	1,086.5	997.6
Total equity and liabilities	3,071.6	3,120.1	3,095.0

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 2018/19 Annual Report on page 107.

The same accounting policies and calculation methods are applied as in the latest annual report except that IFRS 16 is 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 2018/19 Annual Report, pages 102-107.

New accounting policies for 2019/20 and onward

As of 1 May 2019, Clas Ohlson began to apply IFRS 16 in its consolidated financial statements. The new standard primarily impacts the lessee's recognition of operating leases and entails that the leases that meet the definition of a lease in accordance with IFRS 16 are to be recognised in the balance sheet as a right-of-use asset instead of being expensed straight-line over the lease term. In addition, a financial liability connected to the lease is recognised.

The main impact of IFRS 16 on the Group's reporting is attributable to the recognition of leases for premises. On the transition date, Clas Ohlson had about 250 leases for the lease of store premises and warehouses. In addition, the company has a small number of cars and other assets that fall under the framework of IFRS 16. The effect in the small number of cases in which the Group is the lessor is not material.

The transition has resulted in extensive preparatory work within the Group, where a project group has been tasked with the assignment of compiling all lease contracts, implementing system solutions, the analysis of contract data and outcomes together with external accounting specialists, and arranging workshops and training courses together with affected parties in the Group.

At the transition date, 1 May 2019, Clas Ohlson decided to apply the modified retrospective approach whereby the lease liability was measured at the present value of future lease payments and the right-of-use asset was measured as if IFRS 16 has been applied since commencement. In accordance with the standard, comparative figures have not be restated. The cumulative effect of the transition was recognised as an adjustment to the opening balance of retained

earnings as per 1 May 2019. On transition, Clas Ohlson applies the exemption rules that do not include low-value assets and leases with a term of less than 12 months. The exemptions will be applied further on.

The lease term is the non-cancellable contract period where consideration is given to the opportunity to extend or terminate the contract and to how reasonably certain it is that this opportunity will be exercised. If it is not reasonably certain that an extension or termination will be made, the extension is not included in the calculation of the lease liability.

Clas Ohlson's right-of-use assets comprise nearly exclusively leased premises. IFRS 16 is not applied to the Parent Company's financial statements.

For a more detailed description of IFRS 16 and the effects on the consolidated financial statements, see the 2018/19 Annual Report, page 102.

Reconciliation of operating lease commitments (MSEK)

Operating lease commitments at 30 April 2019	2,663
Discounting by applying the Group's incremental borrowing rate (where applicable, the implicit interest rate is used)	-249
Short-term leases that are expensed	-119
Non-lease components	-502
Adjustment regarding extension options or termination clauses	466
Lease liability recognised on 1 May 2019	2,259

Effects on the balance sheet 1 May 2019 (MSEK)

Right-of-use assets	2,120
Deferred tax assets	46
Prepaid expenses	-77
Equity	-170
Long-term lease liabilities	1,779
Short-term lease liabilities	480

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

	3 Months		12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Return on equity				
Net profit for the period	–	–	90.6	71.6
Average equity	–	–	1,942.8	2,062.1
Return on equity	–	–	4.7%	3.5%

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.

Return on capital employed				
Operating profit	–	–	141.5	94.0
Interest income	–	–	0.9	1.1
Average capital employed	–	–	2,726.2	2,345.2
Return on capital employed	–	–	5.2%	4.1%

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.

Gross margin				
Gross profit	779.7	754.4	3,520.1	3,494.8
Sales	2,044.0	1,958.1	8,858.1	8,772.3
Gross margin	38.1%	38.5%	39.7%	39.8%

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.

Gross profit, MSEK				
Sales	2,044.0	1,958.1	8,858.1	8,772.3
Cost of goods sold	-1,264.3	-1,203.8	-5,338.0	-5,277.5
Gross profit	779.7	754.4	3,520.1	3,494.8

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.

Equity per share, SEK				
Total equity	1,828.3	2,293.2	1,828.3	1,947.3
Number of shares at end of period (millions of share)	63.22	63.22	63.22	63.22
Equity per share	28.92	36.27	28.92	30.90

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.

	3 Months		12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
EBITDA, MSEK				
Operating profit	79.4	32.0	141.5	94.0
Depreciation	-168.3	-59.1	-346.1	-236.9
EBITDA	247.7	91.1	487.6	330.9

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

EBITDA excl IFRS 16, MSEK

Operating profit excl IFRS 16	52.4	32.0	114.4	94.0
Depreciation excl IFRS 16	-56.8	-59.1	-234.6	-236.9
EBITDA excl IFRS 16	109.2	91.1	349.1	330.9

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

Sales growth, MSEK

Sales actual period	2,044.0	1,958.1	8,858.1	8,772.3
Sales previous period	1,958.1	1,782.6	8,386.3	8,210.7
Sales growth	4.4%	9.9%	5.6%	6.8%

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

Average inventory value, MSEK

Average inventory value	-	-	2,062.0	2,049.0
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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	309.8	-28.1	649.9	312.0
Number of shares before the dilution (millions of share)	63.22	63.22	63.22	63.22
Cash flow from operating activities per share	4.90	-0.44	10.28	4.93

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	187.4	-28.1	527.5	312.0
Number of shares before the dilution (millions of share)	63.22	63.22	63.22	63.22
Cash flow from operating activities per share excl IFRS 16, SEK	2.96	-0.44	8.34	4.93

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	-	-	2,255.6	283.1
Cash and cash equivalents	-	-	104.6	105.0
Total Net debt	-	-	2,151.0	178.1

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

Net debt excl IFRS 16, MSEK

Interest-bearing-liabilities excl lease liabilities	-	-	118.5	283.1
Cash and cash equivalents	-	-	104.6	105.0
Total Net debt excl IFRS 16	-	-	13.9	178.1

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

	3 Months		12 Months	
	May 2019 - Jul 2019	May 2018 - Jul 2018	Aug 2018 - Jul 2019	May 2018 - Apr 2019
Working capital, MSEK				
Total current assets	2,240.0	2,344.1	2,240.0	2,341.7
-Cash and cash equivalents	-104.6	-97.3	-104.6	-105.0
-Current non-interest-bearing liabilities	-1,601.6	-1,460.9	-1,601.6	-1,541.7
Working capital	533.8	786.0	533.8	695.0

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

Operating margin

Operating profit	79.4	32.0	141.5	94.0
Sales	2,044.0	1,958.1	8,858.1	8,772.3
Operating margin	3.9%	1.6%	1.6%	1.1%

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	52.4	32.0	114.4	94.0
Sales	2,044.0	1,958.1	8,858.1	8,772.3
Operating margin excl IFRS 16	2.6%	1.6%	1.3%	1.1%

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

Equity/assets ratio

Total equity	1,828.3	2,293.2	1,828.3	1,947.3
Total assets	5,891.0	4,037.7	5,891.0	3,976.9
Equity/Assets ratio	31.0%	56.8%	31.0%	49.0%

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	1,990.0	2,293.2	1,990.0	1,947.3
Total assets excl IFRS 16	3,915.7	4,037.7	3,915.7	3,976.9
Equity/assets ratio excl IFRS 16	50.8%	56.8%	50.8%	49.0%

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	5,891.0	4,037.7	5,891.0	3,976.9
Long-term non-interest-bearing liabilities	-205.5	-223.6	-205.5	-204.8
Current non-interest-bearing liabilities	-1,601.6	-1,460.9	-1,601.6	-1,541.7
Capital employed	4,083.9	2,353.3	4,083.9	2,230.5

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	49.0	29.2	99.6	79.9
Average number of shares before dilution (millions of share)	63.22	63.22	63.22	63.22
Comprehensive income per share	0.77	0.46	1.58	1.26

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

Underlying operating profit, MSEK

Operating profit excl IFRS 16	52.4	32.0	114.4	94.0
Non-recurring costs and costs for action program CO100+	38.6	30.0	411.6	403.0
Underlying operating profit	91.0	62.0	526.0	497.0

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	48.8	29.7	90.6	71.6
Number of shares before dilution (millions of share)	63.22	63.22	63.22	63.22
Number of shares after dilution (millions of share)	63.24	63.22	63.23	63.23
Number of shares before dilution	0.77	0.47	1.43	1.13
Number of shares after dilution	0.77	0.47	1.43	1.13

*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 July 2019, the share price was SEK 87 and the total market capitalisation amounted to 5,697 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 July 2019, the company held 2,379,570 shares (2,382,206) 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 63,220,430 (63,217,794).

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.

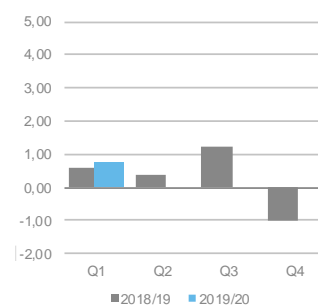
The largest shareholders 31 July 2019

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 Fonder	0	4,073,263	6	3
If Skadeförsäkring AB	0	3,114,337	5	3
Swedbank Robur Fonder	0	2,000,263	3	2
Svenska Handelsbanken AB	0	1,006,500	2	1
BNY Mellon SA/NV	0	890,157	1	1
Other shareholders	0	29,658,159	45	24
Total	5,760,000	59,840,000	100	100

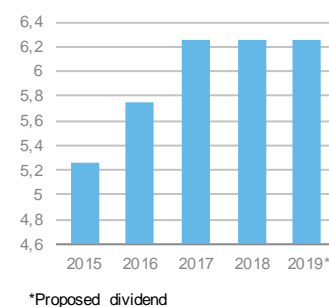
Share data

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.

EBITDA excl IFRS 16

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

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 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 costs, 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.

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 costs 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 costs 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 lease liabilities 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.

Underlying operating profit/loss

Operating profit excl effects relating to IFRS 16 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.

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 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

Closed stores after end of reporting period

- London, Kingston, UK, August 2019

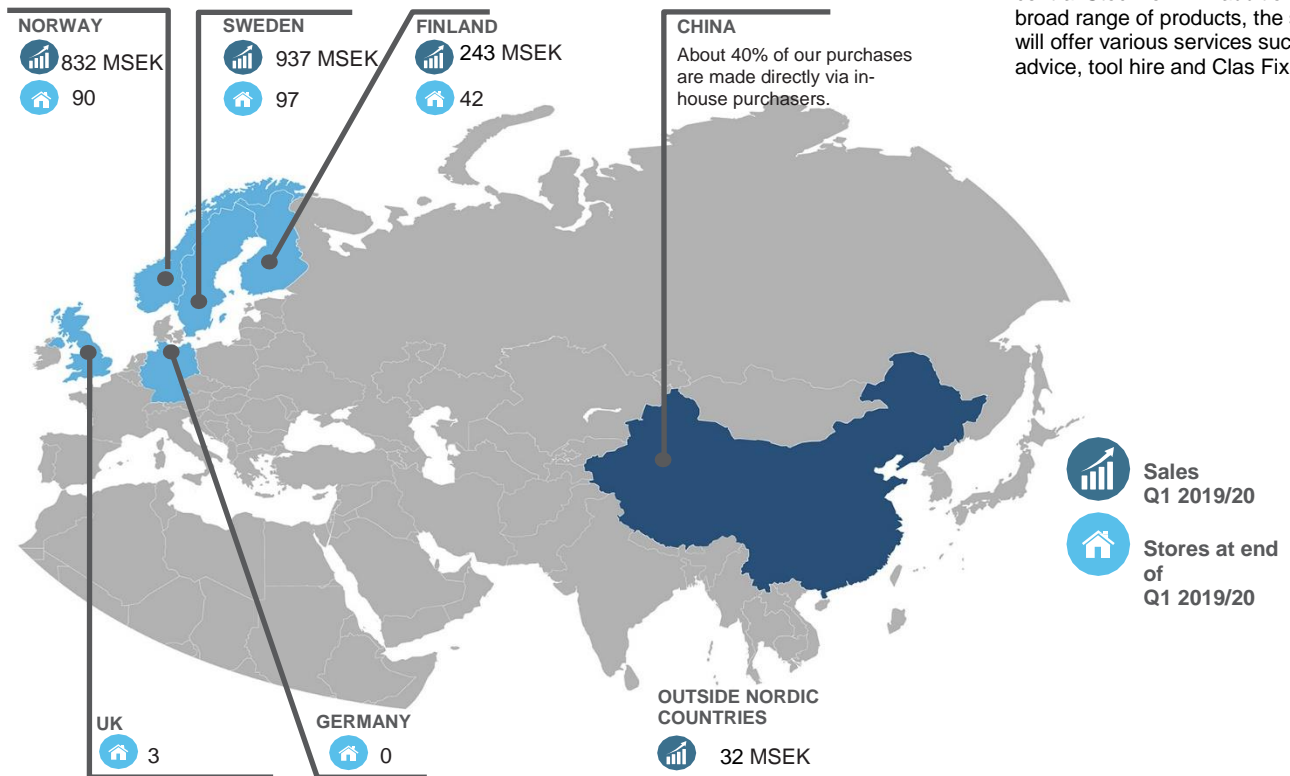
Future store openings

- Helsinki, Finland, scheduled to open in autumn of 2019
- Stockholm, Sweden, scheduled to open in September 2019
- Seinäjoki, Finland, scheduled to open in November 2019
- Uddevalla, Sweden, scheduled to open in October 2020

For more information, refer to the detailed list on the website about.clasohlson.com



In September, Clas Ohlson will open a Compact Store in the Fältöversten shopping centre in central Stockholm. In addition to a broad range of products, the store will offer various services such as advice, tool hire and Clas Fix it.



clas ohlson

in brief

OUR MISSION IS TO help and inspire people 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 9 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 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](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 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, considering the company's financial position

Focus areas Sustainability

- Develop the sustainability aspect of our product offering.
- Develop and market resource-efficient service offerings that promote a circular economy.
- Create opportunities to reduce the impact of carbon emissions from online shopping and home deliveries.



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

Clas Ohlson AB | SE-793 85 Insjön, Sweden | Telephone +46 (0)247-444 00 | Corp. Reg. No. 556035-8672