

Six-month report 2021/22

Second quarter – 1 August to 31 October

- Sales increased by 4% to 2,117 MSEK (2,036), organic growth up 3% and up 3% in comparable units
- Online sales increased by 36% to 202 MSEK (148)
- Operating profit amounted to 204 MSEK (148). Excluding the effect of IFRS 16, operating profit totalled 185 MSEK (130)
- The operating margin was 9.6% (7.3). Excluding the effect of IFRS 16, the operating margin was 8.7% (6.4)
- Net debt/EBITDA excluding the effect of IFRS 16 (12 months) amounted to -0.8 times (-0.3)
- Profit after tax totalled 148 MSEK (105)
- Earnings per share amounted to 2.34 SEK (1.65)
- Non-recurrent payment from Fora of 25 MSEK, recognised as other operating income

Six months – 1 May to 31 October

- Sales increased 2% to 4,172 MSEK (4,111), organic growth up 1% and unchanged in comparable units
- Online sales increased by 27% to 421 MSEK (332)
- Operating profit totalled 351 MSEK (314). Excluding the effect of IFRS 16, operating profit totalled 313 MSEK (277)
- The operating margin was 8.4% (7.6). Excluding the effect of IFRS 16, the operating margin was 7.5% (6.7)
- Profit after tax totalled 251 MSEK (221)
- Earnings per share amounted to 3.97 SEK (3.49)

Events after the end of the reporting period

- Sales in November increased by 6% to 1,021 MSEK (960), an organic increase of 4% and an increase of 4% in comparable units
- Online sales in November increased by 9 per cent to 121 MSEK (111)



185
MSEK

OPERATING PROFIT FOR
THE QUARTER (EXCL IFRS 16)

+6.9%

OPERATING MARGIN
FOR R12 (EXCL IFRS 16)

	3 Months			6 Months			12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	Percentage change	May 2021 - Oct 2021	May 2020 - Oct 2020	Percentage change	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Sales, MSEK	2,117	2,036	4	4,172	4,111	2	8,346	8,284
Operating profit, MSEK	204	148	38	351	314	12	646	608
Operating profit, excl. IFRS 16, MSEK	185	130	42	313	277	13	573	538
Profit after tax, MSEK	148	105	42	251	221	14	452	421
Gross margin, %	43.1	41.8	1.3 p.p	41.3	40.2	1.1 p.p	41.1	40.5
Operating margin, %	9.6	7.3	2.4 p.p	8.4	7.6	0.8 p.p	7.7	7.3
Operating margin, excl. IFRS 16, %	8.7	6.4	2.3 p.p	7.5	6.7	0.7 p.p	6.9	6.5
Return on capital employed, %	-	-	-	-	-	-	15.6	15.2
Return on equity, %	-	-	-	-	-	-	20.6	21.0
Cashflow from operating activities, MSEK	268	73	266	667	654	2	1,301	1,288
Equity/assets ratio, %	31.7	33.9	-2.1 p.p	31.7	33.9	-2.1 p.p	31.7	35.8
Equity/assets ratio, excl. IFRS 16, %	47.2	52.2	-5.0 p.p	47.2	52.2	-5.0 p.p	47.2	55.2
Net debt/EBITDA ratio	-	-	-	-	-	-	0.9	1.1
Net debt/EBITDA excl. IFRS 16 ratio	-	-	-	-	-	-	-0.8	-0.7
Earnings per share before dilution, SEK	2.34	1.65	42	3.97	3.49	14	7.13	6.65

* The 2021/22 financial year comprises the period from 1 May 2021 to 30 April 2022.

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 set out above, on 8 December 2021 at 07:00 a.m. (CET).

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A quarter with continued high profitability

We are currently in the midst of the most intense period of the year and we are approaching Christmas sales with great self-confidence, having closed the best second quarter in terms of earnings in Clas Ohlson's 103-year history. Even after adjustments for the large non-recurrent item – the insurance payment of 25 MSEK that we, like many other companies, received from Fora during the quarter – earnings are at a record level. Operating profit for the second quarter totalled 204 MSEK. Total sales for the quarter increased by four per cent and online sales increased by 36 per cent. In November we observed a good start of Christmas sales with a total sales increase of six per cent and an online increase of nine per cent. Compared to 2019, the increase in online sales was 86 per cent and for the first time in the financial year we saw an increase in customer traffic in November to our physical stores compared to the previous year.

Customer-focused value creation

The key to our strong result is that we work relentlessly with things that we ourselves can impact. We see that the focus areas we defined for the financial year; strengthening key product categories, capturing traffic both online and in stores and growing e-commerce, are developing positively. When customer footfall in physical stores remains at lower levels than we are accustomed to, the importance of delivering on our customer promise becomes greater than ever. We make everyday life easier for our customers in all kinds of homes, which means it is essential that we understand the various needs of our customers and are able to solve their problems with the right products and the right service. Our co-workers who meet customers every day do a fantastic job of putting the customer first and ensuring that the customer receives a complete solution. This can be seen in our customer satisfaction surveys and that average sales per customer are continuing to rise. We are also taking further steps in developing our range and observe a good performance in many product categories. During this dark time of the year, lighting is a particularly important category and our sales of, for example, solar cell lighting and garden lighting increased by 48 per cent and 17 per cent respectively, compared with last year. In terms of our overall range, customer satisfaction is increasing and our product reviews are continuing to improve.

The Club Clas loyalty programme reached one million members in Norway in November, just a year after it was launched. We now have a total of 3.8 million club members in our three Nordic markets. Club Clas plays a central role in our strategy for long-term growth because it enables us to provide customers with a more relevant offering and we can make use of customer data to also develop new products and services that our customers want.

Higher availability with improved logistics

Another central aspect is to offer a higher availability of our products in all sales channels. As a result of investments in automation and inventory control last year, we succeeded in further cutting lead times for online orders, at the same time as volumes are increasing. A prime example of our enhanced capacity is at our distribution centre, where we during Black Week and Cyber Monday handled considerably more orders compared with the previous year and despite that processed a large share within one day and 94 per cent within three days. Due to effective forward planning regarding our supplier orders, we secured well-balanced inventory levels ahead of the second quarter of the year. Based on the same good planning, we can now bring an attractive offering to our customers during the most important sales period of the year. We are also glad to now see signs that previously



THE CLUB CLAS LOYALTY PROGRAMME ACHIEVED A MILLION MEMBERS IN NORWAY IN NOVEMBER, JUST A YEAR AFTER IT WAS LAUNCHED.

rising freight prices have started to stabilise. We use several different tools to offset cost increases and freight prices had a limited impact on our gross margin during the quarter.

Well-positioned for sustainable growth

Clas Ohlson has been in Nordic homes for more than a hundred years, and I am convinced that we have a key role to play for at least a hundred more years. Our strong financial position is a solid starting point and another basic prerequisite is our ambitious work to be a positive force for the planet, people and society. We have a Code of Conduct that clearly defines the demands we make on ourselves and our partners, and we have a well-functioning control apparatus for monitoring compliance with our Code of Conduct, something that we are continuously developing. For a few months now, we have expanded our factory inspections by adding more comprehensive environmental audits. This enables us to reduce our climate impact in collaboration with our suppliers. Another area in which we want to make a difference is our assortment that will help our customers make more conscious choices. An example of this is that, we have converted our range of candles from paraffin to stearin. In the past 12 months alone, this has saved 350 tonnes of fossil emissions and we are making similar progress in several product areas.

In summary, we have delivered a quarter with healthy profitability, at the same time as we are continuing to strengthen our relevance and competitiveness. This is important in a market that is characterized by rapid changes, where there is still uncertainty about the development of the pandemic with recently reintroduced restrictions in our sales markets. I am proud of how the entire organisation works every day to make things better and, with our long-term objectives as our compass, we are well-positioned for all customers who need help to improve their homes – both today and tomorrow.



Kristofer Tonström
President and CEO of Clas Ohlson AB

Strategic focus areas 2021/2022

- Strengthen key product categories
- Capture traffic
- Grow e-com

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

Q2 presentation, 8 December 9:00 a.m.

The report will be presented at 9:00 a.m. via a webcast teleconference. For more information, visit <https://about.clasohlson.com>

Financial information

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

Calendar

9 March 2022	Nine-month Report 2021/22
8 June 2022	Year-end Report 2021/22
7 September 2022	Three-month Report 2022/23
7 December 2022	Six-month Report 2022/23

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Sales

Distribution of sales

MSEK	3 Months				6 Months			
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	Percentage change		May 2021 - Oct 2021	May 2020 - Oct 2020	Percentage change	
			SEK	organic			SEK	organic
Sweden	974	921	6	6	1,901	1,849	3	3
Norway	883	861	3	-1	1,780	1,765	1	-2
Finland	247	242	2	5	465	470	-1	2
Outside the Nordics	13	12	8	4	27	26	1	-1
Total	2,117	2,036	4	3	4,172	4,111	2	1
Of which online sales	202	148	36	35	421	332	27	25

Distribution of sales increase

Per cent	3 Months		6 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020
Comparable units in local currency	3	0	0	0
Change in store network	0	0	1	1
Exchange-rate effects	1	0	1	1
Total	4	0	2	2

Second quarter

Sales increased 4 per cent to 2,117 MSEK (2,036). Organic sales increased by 3 per cent compared with the preceding year. Sales in comparable units and local currency increased by 3 per cent. Online sales increased 36 per cent to 202 MSEK (148). At the end of the quarter, the total number of stores was 228, which is unchanged compared with the year-earlier period (previous year unchanged). For a store overview see page 27.

Six months

Sales increased 2 per cent to 4,172 MSEK (4,111). Organic sales increased by 1 per cent compared with the preceding year. Sales in comparable units and local currency were unchanged compared with the preceding year. Online sales increased by 27 per cent to 421 MSEK (332). During the first six months, the store network was unchanged (previous year unchanged).

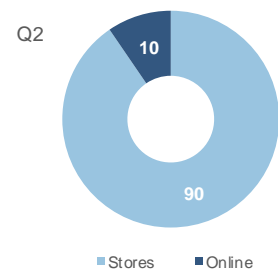
Retail trade development*

%	Q2 20/21	Q3 20/21	Q4 20/21	Q1 21/22	Q2 21/22
Sweden					
Retail**	4.0	2.9	12.7	11.0	11.0
Consumer Confidence	2.2	0.5	5.0	8.5	6.4
Norway					
Retail**	10.7	11.0	-2.6	3.4	2.8
Consumer Confidence	-3.6	-1.0	2.6	5.7	5.6
Finland					
Retail**	5.6	9.4	10.6	4.7	6.0
Consumer Confidence	-6.0	-3.4	0,0	3.9	4.2

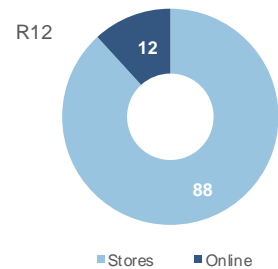
*Source: Eurostat, Opinion AS, Trading Economics, SCB, SSB, STAT.

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

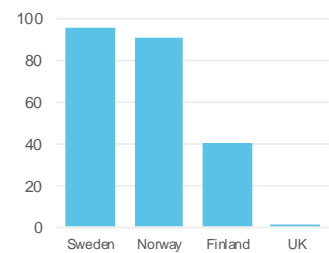
Distribution per sales channel, %



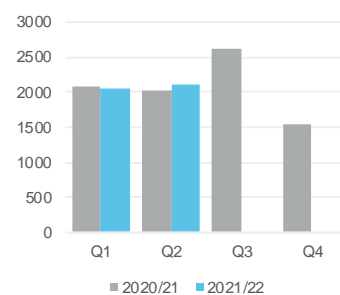
Distribution of sales R12, %



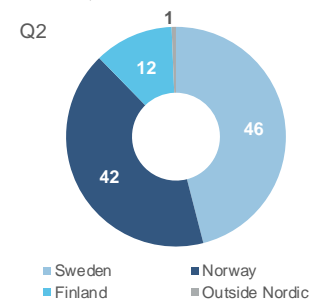
Distribution of number of stores



Sales, MSEK



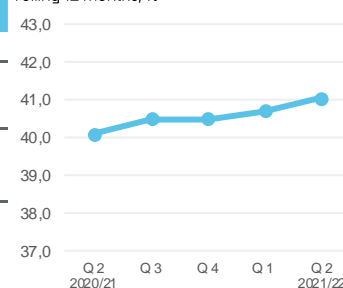
Distribution per sales channel, %



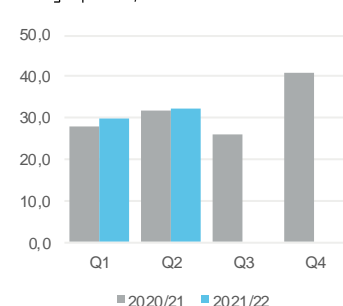
Results

Consolidated Income Statement						
MSEK	3 Months		6 Months		12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Sales	2,117	2,036	4,172	4,111	8,346	8,284
Cost of goods sold	-1,204	-1,185	-2,449	-2,457	-4,920	-4,929
Gross profit	912	852	1,724	1,653	3,426	3,356
Selling expenses	-680	-651	-1,294	-1,235	-2,607	-2,547
Administrative expenses	-51	-50	-100	-100	-195	-195
Other operating income/expenses	22	-3	22	-4	21	-5
Operating profit	204	148	351	314	646	608

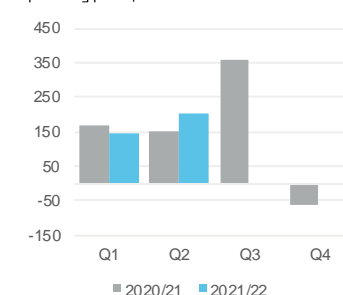
Gross margin, rolling 12 months, %



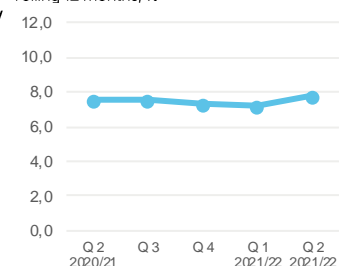
Share of selling expenses, %



Operating profit, MSEK



Operating margin, rolling 12 months, %



Specification of change in profits		
MSEK	3 Months	6 Months
	Aug 2021 - Oct 2021	May 2021 - Oct 2021
Operating profit corresponding period previous year	147.8	314.0
Profit from sales	6.9	-23.8
Change in gross margin	28.9	45.5
Increased administrative expenses	-1.1	0.3
Change in expansion costs stores	1.5	0.7
Change in depreciation, excl IFRS 16	-6.6	-13.8
Change in other operating income/expenses	25.2	26.3
Accounting policy effect, IFRS 16	1.9	2.2
Operating profit actual period	204.2	351.3

Second quarter

The gross margin increased by 1.3 percentage points to 43.1 per cent (41.8). During the period, the gross margin was positively impacted by a weaker purchasing currency (USD) in relation to SEK, reduced sourcing costs and stronger sales currency (NOK). This was largely offset by effects attributable to currency hedging (NOK) from both currency forwards and exchange-rate effects relating to inventory delays. The reduced sourcing costs were primarily attributable to more efficient logistics and goods management, which were offset by a slight cost increase for higher sea freight.

The share of selling expenses increased 0.1 of a percentage point to 32.1 per cent (32.0).

Administrative expenses increased by 1 MSEK to -51 MSEK (-50). There was a continued major focus on costs related to the high uncertainty caused by the ongoing pandemic.

Operating profit totalled 204 MSEK (148). IFRS 16 had a positive effect of 19 MSEK on operating profit, resulting in operating profit of 185 MSEK excluding this effect (130). 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 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. Afa Försäkring decided to make a non-recurrent payment through Fora of surplus in the collectively agreed AGS health insurance, related to a favourable performance on the stock exchange and previous changes in the health insurance system.

Accordingly, the company received 25 MSEK from Fora, which was recognised as other operating income during the quarter.

Spot exchange rates for key currencies averaged 1.00 for NOK and 8.66 for USD, compared with 0.96 and 8.80, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. Currency hedging that fell due during the quarter had a negative impact of 2 MSEK (NOK) on earnings and a positive impact on inventory value through a decrease of 7 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 9.6 per cent (7.3). IFRS 16 had a positive effect on operating margin of 0.9 (0.9) of a percentage point. Profit after financial items totalled 188 MSEK (132). IFRS 16 had a positive impact of 4 MSEK on profit after financial items and a positive impact of 3 MSEK on profit after tax.

Depreciation for the period totalled 187 MSEK (179), of which 125 MSEK (123) pertained to depreciation of right-of-use assets in accordance with IFRS 16.

Six months

The gross margin increased by 1.1 percentage points to 41.3 per cent (40.2). During the period, the gross margin was positively impacted by a weaker purchasing currency (USD) in relation to SEK, reduced sourcing costs and stronger sales currency (NOK). This was largely offset by the effects of currency hedging (NOK) from currency forwards and exchange-rate effects related to delays in inventory and product mix and higher campaign intensity.

The share of selling expenses increased 1.0 percentage point to 31.0 per cent (30.0). The share increased mainly as a result of more normalised costs for store operations, with lower costs during the preceding year as a result of the COVID-19 pandemic.

Administrative expenses were unchanged compared with the preceding year. There was a continued major focus on costs related to the high uncertainty caused by the ongoing pandemic.

Operating profit totalled 351 MSEK (314). IFRS 16 had a positive effect of 39 MSEK on operating profit, resulting in operating profit of 313 MSEK excluding this effect (277). Operating profit was positively impacted as a result of COVID-19 relief concerning reduction of employer's contributions and sick pay compensation totalling 4 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. Afa Försäkring decided to make a non-recurrent payment through Fora of surplus in the collectively agreed AGS health insurance, related to a favourable performance on the stock exchange and previous changes in the health insurance system. Accordingly, the company received 25 MSEK from Fora, which was recognised as other operating income during the period.

Spot exchange rates for key currencies averaged 1.00 for NOK and 8.56 for USD, compared with 0.97 and 9.08, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. Currency hedging that fell due during the period had a negative impact of 11 MSEK (NOK) on earnings and a positive impact on inventory value through a decrease of 8 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 8.4 per cent (7.6). IFRS 16 had a positive effect on operating margin of 0.9 of a percentage point. Profit after financial items totalled 319 MSEK (282).

IFRS 16 had a positive impact of 8 MSEK on profit after financial items and a positive impact of 6 MSEK on profit after tax.

Depreciation for the period totalled 374 MSEK (353), of which 250 MSEK (243) pertained to depreciation of right-of-use assets in accordance with IFRS 16.

Investments

Investments during the six-month period amounted to 83 MSEK (115). Of this amount, investments in new or refurbished stores accounted for 29 MSEK (24). Investments in IT systems for the period amounted to 24 MSEK (50). Other investments pertained primarily to further development and automation of the company's distribution systems, mainly linked to growing needs for rapid deliveries. The shares in Mathem were measured at fair value amounting to 279 MSEK, a decrease of 21 MSEK during the quarter and MSEK 26 during the six-month period.

Financing and liquidity

Cash flow from operating activities during the six-month period totalled 667 MSEK (654). Cash flow for the period, after investing and financing activities, was 131 MSEK (185). Excluding the effect of IFRS 16, cash flow from operating activities amounted to 412 MSEK (368).

The average 12-month value of inventories was 1,797 MSEK (1,820). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 5.7 times (5.9).

At the end of the period, the value of inventories was 2,114 MSEK (1,898). Despite a period of disruption to inbound transports, the company is well-equipped ahead of the upcoming Christmas shopping period. As of 31 October, the effects of COVID-19 had not had any significant impact on the total inventory value.

The Group's net debt at the end of the period, meaning interest-bearing liabilities less cash and cash equivalents, amounted to 1,285 MSEK (1,625). Excluding the effect of IFRS 16, the Group had net cash holdings of 665 MSEK (263). 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 -0.8 times (-0.3), which is in accordance with the company's financial framework. Credits granted and loan commitments amounted to 650 MSEK, of which 0 MSEK had been utilised at the end of the period. The company's financial position remains strong. The equity/assets ratio was 32 per cent (34). Excluding the effect of IFRS 16, the equity/assets ratio amounted to 47 per cent (52).

Employees

The number of employees in the Group was approximately 4,500. Recalculated to average full-time equivalents (FTEs), this corresponds to an average of 2,985 (2,876). This is in line with the first quarter of 2021/22.

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 for the financial year amounted to 3,351 MSEK (3,354) and profit after financial items totalled 97 MSEK (145). Investments for the period amounted to 55 MSEK (93). Contingent liabilities for the Parent Company amounted to 186 MSEK (184).



Events after the end of the reporting period

Sales in November

Sales in November increased by 6 per cent to 1,021 MSEK (960). Organic sales increased by 4 per cent compared with the preceding year. Sales in comparable units and local currency increased by 4 per cent. Online sales in November increased by 9 per cent to 121 MSEK (111). Compared to November last year, more trading days resulted in a positive calendar effect of 2 percentage points. Compared with the same month of the preceding year, the store portfolio remained unchanged (decrease of 2 in preceding year). At the end of the period, the total number of stores was 230 (230). For a store overview see page 27.

Distribution of sales	Month				Accumulated			
	Percentage change		Percentage change		Percentage change		Percentage change	
MSEK	Nov 2021	Nov 2020	SEK	organic	May-Nov 2021	May-Nov 2020	SEK	organic
Sweden	471	419	12	12	2,371	2,268	5	5
Norway	434	420	3	-3	2,214	2,185	1	-2
Finland	111	115	-4	-2	576	585	-2	1
Outside the Nordics	6	6	-3	-7	33	33	1	-2
Total	1,021	960	6	4	5,193	5,070	2	1
Of which online sales	121	111	9	7	542	443	22	21

Sales in the first seven months of the financial year (May-November) increased by 2 per cent to 5,193 MSEK (5,070). Organic sales increased by 1 per cent compared with the preceding year. Sales in comparable units and local currency increased by 1 per cent. Online sales increased by 22 per cent to 542 MSEK (443).

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 conduct 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 2020/21 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.

Annual General Meeting 2021

On Friday, 10 September 2021, Clas Ohlson AB held its Annual General Meeting (AGM) for the 2020/21 financial year through advance 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 2020/21 financial year. For further information, refer to the Share section on page 23.

The AGM re-elected Board members Kenneth Bengtsson, Mengmeng Du, Mathias Haid, Patrik Hofbauer, Håkan Lundstedt, Charlotte Strömberg, Göran Sundström and Anne Thorstvedt Sjöberg. 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, 8 December 2021

Kristofer Tonström
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

Auditor's review report

We have reviewed the interim report for Clas Ohlson AB (publ) for the period 1 May 2021 – 31 October 2021. 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, 8 December 2021

Deloitte AB

Johan Telander
Authorised Public Accountant

Financial statements

Consolidated Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Sales	2,116.8	2,036.2	4,172.4	4,110.6	8,346.2	8,284.4
Cost of goods sold	-1,204.3	-1,184.7	-2,448.7	-2,457.3	-4,920.0	-4,928.6
Gross profit	912.5	851.5	1,723.7	1,653.3	3,426.2	3,355.8
Selling expenses	-679.7	-651.1	-1,293.8	-1,234.6	-2,606.7	-2,547.5
Administrative expenses	-50.7	-49.7	-100.4	-100.4	-195.2	-195.2
Other operating income/expenses*	22.2	-3.0	21.9	-4.4	21.4	-5.0
Operating profit	204.2	147.8	351.3	314.0	645.6	608.2
Financial income	0.3	0.1	0.5	0.1	0.7	0.3
Financial expenses	-16.5	-16.0	-32.9	-32.2	-64.3	-63.6
Profit after financial items	188.0	131.8	319.0	281.9	582.0	544.9
Income tax	-39.9	-27.2	-67.6	-60.7	-130.5	-123.6
Profit for the period	148.1	104.6	251.4	221.2	451.5	421.3

*Non-recurring payment of consolidation fund from FORA during Q2 amounted to 24.9 MSEK

Consolidated Comprehensive Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Profit for the period	148.1	104.6	251.4	221.2	451.5	421.3
Other comprehensive income, net of tax:						
Items that later can be reversed back to the Consolidated income statement:						
Exchange rate differences	11.3	-7.9	-5.6	-17.1	29.5	18.0
Cash flow hedging	-27.7	13.9	9.9	-32.1	-18.6	-60.6
Total	-16.3	6.0	4.3	-49.1	10.9	-42.5
Items that later can not be reversed back to the Consolidated income statement:						
Change in fair value of financial assets	-21.4	0.0	-26.5	0.0	27.1	53.5
Total	-21.4	0.0	-26.5	0.0	27.1	53.5
Total other comprehensive income, net of tax	-37.7	6.0	-22.1	-49.1	37.9	11.0
Total comprehensive income for the period	110.3	110.5	229.3	172.1	489.4	432.3
Profit for the period attributable to:						
Owners of the parent	148.1	104.4	251.4	221.1	451.9	421.7
Non-controlling interests	0.0	0.2	0.0	0.1	-0.4	-0.3
Comprehensive income attributable to:						
Owners of the parent	110.3	110.3	229.3	172.0	489.8	432.7
Non-controlling interests	0.0	0.2	0.0	0.1	-0.4	-0.3

Data per share

	3 Months		6 Months		12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Number of shares before dilution	63,351,333	63,345,417	63,351,237	63,345,244	63,348,351	63,345,330
Number of shares after dilution	63,412,290	63,411,287	63,409,482	63,422,294	63,365,083	63,356,993
Number of shares at end of period	63,351,333	63,345,417	63,351,333	63,345,417	63,351,333	63,345,417
Earnings per share before dilution, SEK	2.34	1.65	3.97	3.49	7.13	6.65
Earnings per share after dilution, SEK	2.33	1.65	3.96	3.49	7.13	6.65
Comprehensive income per share, SEK	1.74	1.74	3.62	2.72	7.73	6.82

Consolidated Balance Sheet

MSEK	31 Oct 2021	31 Oct 2020	30 Apr 2021
Assets			
Intangible assets	511.6	552.2	538.3
Tangible assets	763.0	768.5	786.8
Right-of-use assets	1,828.6	1,798.1	1,915.0
Securities held as fixed assets	279.4	252.3	305.8
Non-current receivables	103.6	75.0	109.4
Inventories	2,114.1	1,897.6	1,831.7
Other receivables	130.1	118.0	106.6
Cash and cash equivalents	665.1	263.5	533.8
Total assets	6,395.4	5,725.2	6,127.4
Equity and liabilities			
Equity attributable to owners of the parent	2,029.7	1,932.3	2,189.4
Equity attributable to non-controlling interests*	0.0	6.2	5.8
Total equity	2,029.7	1,938.5	2,195.2
Long-term lease liabilities, interest bearing	1,441.2	1,435.5	1,542.7
Long-term liabilities, non-interest bearing	212.9	222.8	209.9
Current lease liabilities, interest bearing	509.2	453.0	498.8
Current liabilities, interest bearing	0.0	0.4	0.0
Current liabilities, non-interest bearing	2,202.5	1,674.9	1,680.7
Total equity and liabilities	6,395.4	5,725.2	6,127.4

*100% of the shares in C/O P Investment AB was acquired during the 6 month period.

Consolidated Cash Flow						
	3 Months		6 Months		12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
MSEK						
Operating profit	204.2	147.8	351.3	314.0	645.6	608.2
Adjustment for items not included in cash flow	189.7	175.9	374.2	352.2	740.1	718.1
Interest received	0.3	0.1	0.5	0.1	0.7	0.2
Interest paid	-16.5	-16.1	-32.9	-32.2	-64.2	-63.5
Tax paid	-21.7	-26.6	-48.3	-36.8	-102.3	-90.8
Cash flow from operating activities before changes in working capital	356.0	281.1	644.9	597.3	1,219.9	1,172.3
Change in working capital	-88.2	-207.9	22.0	56.2	81.3	115.5
Cash flow from operating activities	267.8	73.2	666.9	653.5	1,301.3	1,287.8
Investments in intangible assets	-10.4	-16.2	-24.4	-49.6	-57.4	-82.6
Investments in tangible assets	-23.9	-34.3	-52.9	-65.8	-132.8	-145.7
Investments in securities held as fixed assets	0.0	0.0	-6.3	0.0	-6.3	0.0
Change in current investments	0.1	0.0	0.1	0.0	0.5	0.4
Cash flow from investing activities	-34.2	-50.5	-83.5	-115.4	-196.0	-227.9
Change in current liabilities, interest-bearing	0.0	0.4	0.0	-66.8	-0.4	-67.2
Repayment of lease liabilities	-128.1	-120.4	-255.1	-285.8	-507.6	-538.3
Change in longterm assets	0.0	0.0	0.8	0.0	0.6	-0.2
Dividend to shareholders	-198.3	0.0	-198.3	0.0	-198.3	0.0
Cash flow from financing activities	-326.3	-120.0	-452.6	-352.6	-705.7	-605.8
Cash flow for the period	-92.7	-97.3	130.8	185.5	399.5	454.1
Liquid assets at the start of the period	756.6	360.2	533.8	80.1	263.5	80.1
Exchange rate difference for liquid assets	1.2	0.7	0.5	-2.1	2.1	-0.4
Cash and cash equivalents at the end of the period	665.1	263.5	665.1	263.5	665.1	533.8

Sales by segment

	3 Months		6 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020
MSEK				
Sweden	973.6	921.1	1,900.5	1,849.0
Norway	882.8	861.1	1,780.2	1,765.5
Finland	246.9	241.6	464.9	469.7
Outside Nordic countries	13.5	12.4	26.7	26.3
Group functions	738.7	768.4	1,450.9	1,504.6
Sales to other segments	-738.7	-768.4	-1,450.9	-1,504.6
Total	2,116.8	2,036.2	4,172.4	4,110.6

Operating profit by segment

	3 Months		6 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020
MSEK				
Sweden	40.0	38.0	78.1	76.1
Norway	37.7	36.3	76.2	74.5
Finland	8.7	7.8	16.4	15.1
Outside Nordic countries	0.4	0.4	1.2	0.8
Group functions	117.4	65.3	179.4	147.5
Total	204.2	147.8	351.3	314.0

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 market 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 2021	31 Oct 2020
Securities held as fixed assets, valued at fair value at the beginning of the year	305.8	252.3
Change in fair value	-26.5	0.0
Securities held as fixed assets, valued at fair value at the end of the period	279.4	252.3

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

Company: Mathem

Valuation Method:

Applying a multiple of 1.5 times the company's last twelve months revenues as per 31 June 2021.

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

Equity value of 279.4 MSEK.

Value changes are accounted for in Other comprehensive income.

Change in equity

MSEK	6 Months	
	May 2021 - Oct 2021	May 2020 - Oct 2020
Equity brought forward	2,195.2	1,763.1
Dividend to shareholders	-395.9	0,0
Acquired non-controlling interest	-1.2	0,0
Paid-in option premiums:		
Value of employee services	2.4	3.4
Total comprehensive income	229.3	172.1
Equity carried forward	2,029.7	1,938.5
<i>Of which equity attributable to non-controlling interests*</i>	<i>0.0</i>	<i>6.2</i>

*100% of the shares in C/O P Investment AB was acquired during the 6 month period.

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 2021	31 Oct 2020
Sell/buy		
NOK/SEK	-8.7	4.1
NOK/USD	-7.9	3.0
SEK/USD	0.0	0.0
Total	-16.6	7.1

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 2021 there are positive and negative market values in the currency pairs. Forward contracts with negative market value totalled 17.1 MSEK (4.1), which was recognized in the item Current liabilities, non-interest bearing. Forward contracts with positive market values amounted to 0.5 MSEK (11.1), 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 asset of 3.6 MSEK (deferred tax liability 1.5) was taken into account and the remaining fair value of -13.0 MSEK (5.6) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of -7.9 MSEK (3.0) is allocated on the currency pair NOK/SEK with -5.8 MSEK (6.0) and on the currency pair SEK/USD with -2.2 MSEK (-3.0).

Key ratios

	3 Months		6 Months		12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Sales growth, %	4.0	-6.0	1.5	-2.3	-3.6	-5.7
Gross margin, %	43.1	41.8	41.3	40.2	41.1	40.5
Operating margin, %	9.6	7.3	8.4	7.6	7.7	7.3
Operating margin, excl IFRS 16, %	8.7	6.4	7.5	6.7	6.9	6.5
Return on capital employed, %	-	-	-	-	15.6	15.2
Return on equity, %	-	-	-	-	20.6	21.0
Equity/assets ratio, %	31.7	33.9	31.7	33.9	31.7	35.8
Equity/assets ratio, excl IFRS 16, %	47.2	52.2	47.2	52.2	47.2	55.2
Net debt/EBITDA	-	-	-	-	0.9	1.1
Net debt/EBITDA, excl IFRS 16	-	-	-	-	-0.8	-0.7
Sales per sq.m in stores, SEK thousand	7.8	7.7	15.3	15.6	30.1	29.4
Number of stores at period end	228	228	228	228	228	228
Number of employees at period end	2,985	2,876	2,985	2,876	2,985	3,013
Data per share						
Number of shares before dilution	63,351,333	63,345,417	63,351,237	63,345,244	63,348,351	63,345,330
Number of shares after dilution	63,412,290	63,411,287	63,409,482	63,422,294	63,365,083	63,356,993
Number of shares at period end	63,351,333	63,345,417	63,351,333	63,345,417	63,351,333	63,345,417
Earnings per share before dilution, SEK	2.34	1.65	3.97	3.49	7.13	6.65
Earnings per share after dilution, SEK	2.33	1.65	3.96	3.49	7.13	6.65
Comprehensive income per share, SEK	1.74	1.74	3.62	2.72	7.73	6.82
Cash flow per share*, SEK	4.23	1.16	10.53	10.32	20.54	20.33
Cash flow per share excl IFRS 16*, SEK	2.21	-0.73	6.50	5.80	12.53	11.83
Equity per share, SEK	32.04	30.60	32.04	30.60	32.04	34.65

* From the operating activities

Quarterly overview

MSEK	Q2 19/20	Q3 19/20	Q4 19/20	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21	Q1 21/22	Q2 21/22
Sales	2,165.4	2,905.4	1,643.5	2,074.3	2,036.2	2,635.3	1,538.5	2,055.6	2,116.8
Cost of goods sold	-1,274.8	-1,741.2	-987.8	-1,272.6	-1,184.7	-1,546.1	-925.2	-1,244.4	-1,204.3
Gross profit	890.6	1,164.1	655.7	801.7	851.5	1,089.2	613.3	811.2	912.5
Selling expenses	-700.1	-732.2	-646.2	-583.4	-651.1	-683.3	-629.7	-614.1	-679.7
Administrative expenses	-57.6	-53.6	-50.9	-50.7	-49.7	-46.8	-48.0	-49.7	-50.7
Other operating income/expenses	-0.3	-0.3	0.6	-1.4	-3.0	-0.9	0.3	-0.3	22.2
Operating profit	132.6	378.0	-40.9	166.2	147.8	358.3	-64.0	147.1	204.2
Financial income	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.3	0.3
Financial expenses	-16.7	-16.6	-17.6	-16.2	-16.0	-15.5	-15.9	-16.4	-16.5
Profit after financial items	116.0	361.5	-58.5	150.1	131.8	342.8	-79.8	131.0	188.0
Income tax	-25.3	-78.6	12.0	-33.5	-27.2	-78.0	15.1	-27.6	-39.9
Profit for the period	90.7	282.9	-46.5	116.6	104.6	264.8	-64.7	103.3	148.1
Assets									
Intangible assets	495.2	526.9	543.2	556.6	552.2	546.0	538.3	527.2	511.6
Tangible assets	850.6	820.4	780.6	774.6	768.5	764.2	786.8	772.5	763.0
Right-of-use assets	1,936.5	2,126.6	2,059.9	1,927.4	1,798.1	1,824.2	1,915.0	1,860.6	1,828.6
Securities held as fixed assets	225.3	225.3	252.3	252.3	252.3	270.3	305.8	300.8	279.4
Non-current receivables	62.8	60.4	75.4	73.0	75.0	72.1	109.4	101.0	103.6
Inventories	2,257.2	1,820.6	1,811.2	1,701.4	1,897.6	1,574.8	1,831.7	1,793.3	2,114.1
Other receivables	208.4	160.5	179.8	77.0	118.0	110.0	106.6	109.3	130.1
Liquid assets	106.7	230.4	80.1	360.2	263.5	956.7	533.8	756.6	665.1
Total assets	6,142.9	5,971.1	5,782.4	5,722.4	5,725.2	6,118.4	6,127.4	6,221.2	6,395.4
Equity and liabilities									
Equity attributable to owners of the parent	1,527.7	1,804.0	1,756.9	1,819.0	1,932.3	2,212.0	2,189.4	2,315.7	2,029.7
Equity attributable to non-controlling interests	6.5	6.5	6.2	6.0	6.2	6.1	5.8	0.0	0.0
Total equity	1,534.2	1,810.4	1,763.1	1,825.0	1,938.5	2,218.1	2,195.2	2,315.7	2,029.7
Long-term lease liabilities, interest bearing	1,596.0	1,722.3	1,672.5	1,545.7	1,435.5	1,446.9	1,542.7	1,483.4	1,441.2
Long-term liabilities, non-interest bearing	203.8	202.2	232.1	218.8	222.8	217.4	209.9	220.3	212.9
Current lease liabilities, interest bearing	456.5	511.7	523.7	471.1	453.0	470.6	498.8	499.9	509.2
Current liabilities, interest bearing	357.3	0.0	67.2	0.0	0.4	0.0	0.0	0.0	0.0
Current liabilities, non-interest bearing	1,995.1	1,724.4	1,523.8	1,661.8	1,674.9	1,765.3	1,680.7	1,701.9	2,202.5
Total equity and liabilities	6,142.9	5,971.1	5,782.4	5,722.4	5,725.2	6,118.4	6,127.4	6,221.2	6,395.4
Key ratios for the period									
Gross margin, %	41.1	40.1	39.9	38.7	41.8	41.3	39.9	39.5	43.1
Operating margin, %	6.1	13.0	-2.5	8.0	7.3	13.6	-4.2	7.2	9.6
Operating margin, excl. IFRS 16, %	4.9	12.2	-3.7	7.1	6.4	13.0	-5.3	6.2	8.7
Earnings per share before dilution, SEK	1.43	4.47	-0.73	1.84	1.65	4.18	-1.02	1.63	2.34
Earnings per share after dilution, SEK	1.43	4.47	-0.73	1.84	1.65	4.18	-1.02	1.63	2.33
Equity per share, SEK	24.27	28.58	27.84	28.81	30.60	35.02	34.65	36.55	32.04

Parent Company Income Statement

MSEK	Note	3 Months		6 Months		12 Months	
		Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Sales		1,712.3	1,689.5	3,351.4	3,353.6	6,694.1	6,696.3
Cost of goods sold	1	-1,216.5	-1,222.1	-2,400.4	-2,439.1	-4,754.4	-4,793.1
Gross profit		495.8	467.4	951.0	914.5	1,939.7	1,903.2
Selling expenses	1	-395.0	-338.8	-791.7	-678.9	-1,507.1	-1,394.3
Administrative expenses	1	-41.4	-40.3	-85.2	-85.4	-150.7	-150.9
Other operating income/expenses		23.9	-2.5	23.7	-3.5	23.0	-4.2
Operating profit		83.2	85.8	97.8	146.7	304.9	353.7
Dividends from group companies		0.0	0.0	0.0	0.0	329.5	329.5
Financial income		0.0	0.0	0.0	0.1	1.3	1.3
Financial expenses		-0.8	-1.1	-1.2	-1.7	-2.6	-3.0
Profit after financial items		82.5	84.8	96.6	145.0	633.0	681.4
Appropriations		0.0	0.0	-0.4	0.0	21.8	22.2
Profit before tax		82.5	84.8	96.2	145.0	654.8	703.6
Income tax		-17.5	-18.2	-20.4	-31.7	-72.8	-84.1
Profit for the period		65.0	66.6	75.8	113.4	582.0	619.5

Parent Company Comprehensive Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Profit for the period	65.0	66.6	75.8	113.4	582.0	619.5
Other comprehensive income, net of tax:						
Items that later can not be reversed back to the Consolidated income statement:						
Change in fair value of financial assets	-21.4	0.0	-26.5	0.0	27.1	53.6
Total	-21.4	0.0	-26.5	0.0	27.1	53.6
Other comprehensive income, net of tax	-21.4	0.0	-26.5	0.0	27.1	53.6
Total comprehensive income	43.6	66.6	49.3	113.3	609.0	673.1

Note 1 Depreciations

	3 Months		6 Months		12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Depreciations for the period	48.7	43.1	96.2	84.3	187.6	175.7

Parent Company Balance Sheet

MSEK	31 Oct 2021	31 Oct 2020	30 Apr 2021
Assets			
Intangible assets	511.6	552.2	538.3
Tangible assets	559.1	580.5	581.2
Financial assets	331.1	298.2	352.5
Inventories	1,531.0	1,377.2	1,332.9
Other receivables	131.8	115.1	191.5
Liquid assets	584.9	182.4	480.0
Total assets	3,649.5	3,105.4	3,476.4
Equity and liabilities			
Equity	887.0	674.8	1,231.2
Untaxed reserves	982.7	1,004.5	982.3
Provisions	53.9	48.9	57.3
Long-term liabilities, non-interest bearing	0.0	0.5	0.0
Current liabilities, interest bearing	0.0	0.4	0.0
Current liabilities, non-interest bearing	1,725.9	1,376.4	1,205.7
Total equity and liabilities	3,649.5	3,105.4	3,476.4

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 2020/21 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 2021 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 2020/21 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 24. The APMs recognised in this quarterly report may differ from similarly named measures used by other companies.

	3 Months		6 Months		12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Return on equity						
Net profit for the period, MSEK	-	-	-	-	451.5	421.3
Average equity, MSEK	-	-	-	-	2,187.0	2,010.5
Return on equity	-	-	-	-	20.6%	21.0%

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, MSEK	-	-	-	-	645.6	608.2
Interest income, MSEK	-	-	-	-	0.7	0.3
Average capital employed, MSEK	-	-	-	-	4,149.0	3,994.7
Return on capital employed	-	-	-	-	15.6%	15.2%

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, MSEK	912.5	851.5	1,723.7	1,653.3	3,426.2	3,355.8
Sales, MSEK	2,116.8	2,036.2	4,172.4	4,110.6	8,346.2	8,284.4
Gross margin	43.1%	41.8%	41.3%	40.2%	41.1%	40.5%

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	2,116.8	2,036.2	4,172.4	4,110.6	8,346.2	8,284.4
Cost of goods sold	-1,204.3	-1,184.7	-2,448.7	-2,457.3	-4,920.0	-4,928.6
Gross profit	912.5	851.5	1,723.7	1,653.3	3,426.2	3,355.8

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, MSEK	2,029.7	1,938.5	2,029.7	1,938.5	2,029.7	2,195.2
Number of shares at end of period (millions of share)	63.35	63.35	63.35	63.35	63.35	63.35
Equity per share	32.04	30.60	32.04	30.60	32.04	34.65

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.

EBITDA, MSEK						
Operating profit	204.2	147.8	351.3	314.0	645.6	608.2
Depreciation	187.1	179.0	373.7	352.9	734.9	714.0
EBITDA	391.3	326.7	725.1	666.8	1,380.5	1,322.2

Reason for use: Measures the financial performance before depreciation, interest and tax.

EBITDA excl IFRS 16, MSEK						
Operating profit excl IFRS 16	185.1	130.4	312.6	277.4	573.0	537.8
Depreciation excl IFRS 16	62.5	55.9	123.9	110.1	241.6	227.8
EBITDA excl IFRS 16	247.6	186.4	436.5	387.5	814.6	765.6

Reason for use: Measures the financial performance before depreciation, interest and tax.

	3 Months		6 Months		12 Months	
	Aug 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Sales growth, MSEK						
Sales actual period	2,116.8	2,036.2	4,172.4	4,110.6	8,346.2	8,284.4
Sales previous period	2,036.2	2,165.4	4,110.6	4,209.4	8,659.5	8,758.3
Sales growth	4.0%	-6.0%	1.5%	-2.3%	-3.6%	-5.4%
Reason for use: The change in sales reflects the company's realised sales growth over time.						
Average inventory value, MSEK						
Average inventory value	-	-	-	-	1,796.6	1,731.4
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	267.8	73.2	666.9	653.5	1,301.3	1,287.8
Number of shares before the dilution (millions of share)	63.35	63.35	63.35	63.35	63.35	63.35
Cash flow from operating activities per share	4.23	1.16	10.53	10.32	20.54	20.33
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	139.8	-46.4	411.8	367.7	793.6	749.5
Number of shares before the dilution (millions of share)	63.35	63.35	63.35	63.35	63.35	63.35
Cash flow from operating activities per share excl IFRS 16, SEK	2.21	-0.73	6.50	5.80	12.53	11.83
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	-	-	-	-	1,950.4	2,041.5
Cash and cash equivalents	-	-	-	-	665.1	533.8
Total Net debt	-	-	-	-	1,285.3	1,507.8
Reason for use: Net debt shows the company's indebtedness over time.						
Net debt excl IFRS 16, MSEK						
Interest bearing liabilities excl lease liabilities	-	-	-	-	-	0.0
Cash and cash equivalents	-	-	-	-	665.1	533.8
Total Net debt excl IFRS 16	-	-	-	-	-665.1	-533.8
Reason for use: Net debt shows the company's indebtedness over time.						
Working capital, MSEK						
Total current assets	2,909.3	2,279.1	2,909.3	2,279.1	2,909.3	2,472.1
-Cash and cash equivalents	-665.1	-263.5	-665.1	-263.5	-665.1	-533.8
-Current non-interest bearing liabilities	-2,202.5	-1,674.9	-2,202.5	-1,674.9	-2,202.5	-1,680.7
Working capital	41.7	340.7	41.7	340.7	41.7	257.6
Reason for use: Working capital is used to measure the company's ability to meet short-term capital requirements.						
Operating margin						
Operating profit, MSEK	204.2	147.8	351.3	314.0	645.6	608.2
Sales, MSEK	2,116.8	2,036.2	4,172.4	4,110.6	8,346.2	8,284.4
Operating margin	9.6%	7.3%	8.4%	7.6%	7.7%	7.3%
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	185.1	130.4	312.6	277.4	573.0	537.8
Sales, MSEK	2,116.8	2,036.2	4,172.4	4,110.6	8,346.2	8,284.4
Operating margin excl IFRS 16	8.7%	6.4%	7.5%	6.7%	6.9%	6.5%
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 2021 - Oct 2021	Aug 2020 - Oct 2020	May 2021 - Oct 2021	May 2020 - Oct 2020	Nov 2020 - Oct 2021	May 2020 - Apr 2021
Equity/assets ratio						
Total equity, MSEK	2,029.7	1,938.5	2,029.7	1,938.5	2,029.7	2,195.2
Total assets, MSEK	6,395.4	5,725.2	6,395.4	5,725.2	6,395.4	6,127.4
Equity/Assets ratio	31.7%	33.9%	31.7%	33.9%	31.7%	35.8%

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	2,157.1	2,068.8	2,157.1	2,068.8	2,157.1	2,329.1
Total assets excl IFRS 16, MSEK	4,572.4	3,967.0	4,572.4	3,967.0	4,572.4	4,219.8
Equity/assets ratio excl IFRS 16	47.2%	52.2%	47.2%	52.2%	47.2%	55.2%

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	6,395.4	5,725.2	6,395.4	5,725.2	6,395.4	6,127.4
Long-term non-interest bearing liabilities	-212.9	-222.8	-212.9	-222.8	-212.9	-209.9
Current non-interest bearing liabilities	-2,202.5	-1,674.9	-2,202.5	-1,674.9	-2,202.5	-1,680.7
Capital employed	3,980.1	3,827.4	3,980.1	3,827.4	3,980.1	4,236.8

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	110.3	110.5	229.3	172.1	489.4	432.3
Average number of shares before dilution (millions of share)	63.35	63.35	63.35	63.35	63.35	63.35
Comprehensive income per share	1.74	1.74	3.62	2.72	7.73	6.82

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	148.1	104.6	251.4	221.2	451.5	421.3
Number of shares before dilution (millions of share)	63.35	63.35	63.35	63.35	63.35	63.35
Number of shares after dilution (millions of share)	63.41	63.41	63.41	63.42	63.37	63.36
Number of shares before dilution	2.34	1.65	3.97	3.49	7.13	6.65
Number of shares after dilution	2.33	1.65	3.96	3.49	7.13	6.65

*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 2021, the share price was SEK 92.40 and the total market capitalisation amounted to 5,854 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 2021, the company held 2,248,667 shares (2,254,583), 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 63,351,333 (63,345,417).

Dividend policy

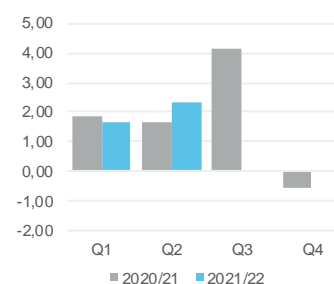
Clas Ohlson's dividend policy is that the dividend is to comprise at least 50 per cent of earnings per share after tax, taking into account the company's financial position.

The AGM held on 10 September 2021 approved the proposed dividend of 6.25 SEK per share, divided in two payments. The first payment was resolved at 3.13 SEK per share and the second payment at 3.12 SEK per share. The record dates were set as 14 September 2021 and 11 January 2022, respectively.

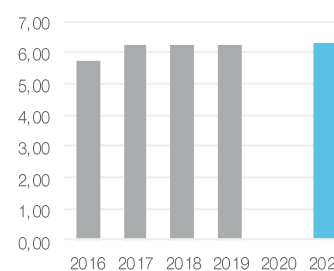
Share data

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 2021

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		5,678,232	8.7%	4.8%
If Skadeförsäkring AB		2,973,238	4.5%	2.5%
Vanguard		1,184,664	1.8%	1.0%
Svenska Handelsbanken AB for PB		911,500	1.4%	0.8%
Norges Bank		791,927	1.2%	0.7%
Fidelity International (FIL)		692,071	1.1%	0.6%
Nordnet Pensionsförsäkring		654,945	1.0%	0.6%
Dimensional Fund Advisors		647,128	1.0%	0.6%
SHB Fonder & Liv		570,958	0.9%	0.5%
SEB Fonder & Liv		547,435	0.8%	0.5%
BlackRock		534,189	0.8%	0.5%
Avanza Pension		413,866	0.6%	0.4%
Total top 15	5,760,000	34,709,084	61.7%	78.8%
Other shareholders		22,882,249	34.9%	19.5%
Total	5,760,000	57,591,333	96.6%	98.3%
Shares owned by Clas Ohlson		2,248,667	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 programme, our loyalty club.

Online sales

Sales whereby the customers shops via digital channels from Clas Ohlson or external partners.

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.

Cost of goods sold

Cost for purchases of goods and transport costs, customs and handling costs until the good is displayed in a store or delivered to the customer.

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 evaluated. On the reporting date, the number of contracted forthcoming store openings was zero, and the total number of stores was 230 (230).

Stores opened

- Norway, Fauske – Amfi Fauske, 30 September 2021
- Norway, Oslo – Holmlia Senter, 11 November 2021
- Norway, Elverum – Amfi Elverum, 18 November 2021

Stores closed

- Sweden, Ljungby – Ljungbyporten, 10 September 2021

Events after the reporting period

- Finland, Tampere – Hämeenkatu, scheduled to close May 2022

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

SWEDEN

974 MSEK
96

NORWAY

883 MSEK
91

FINLAND

247 MSEK
40

UK

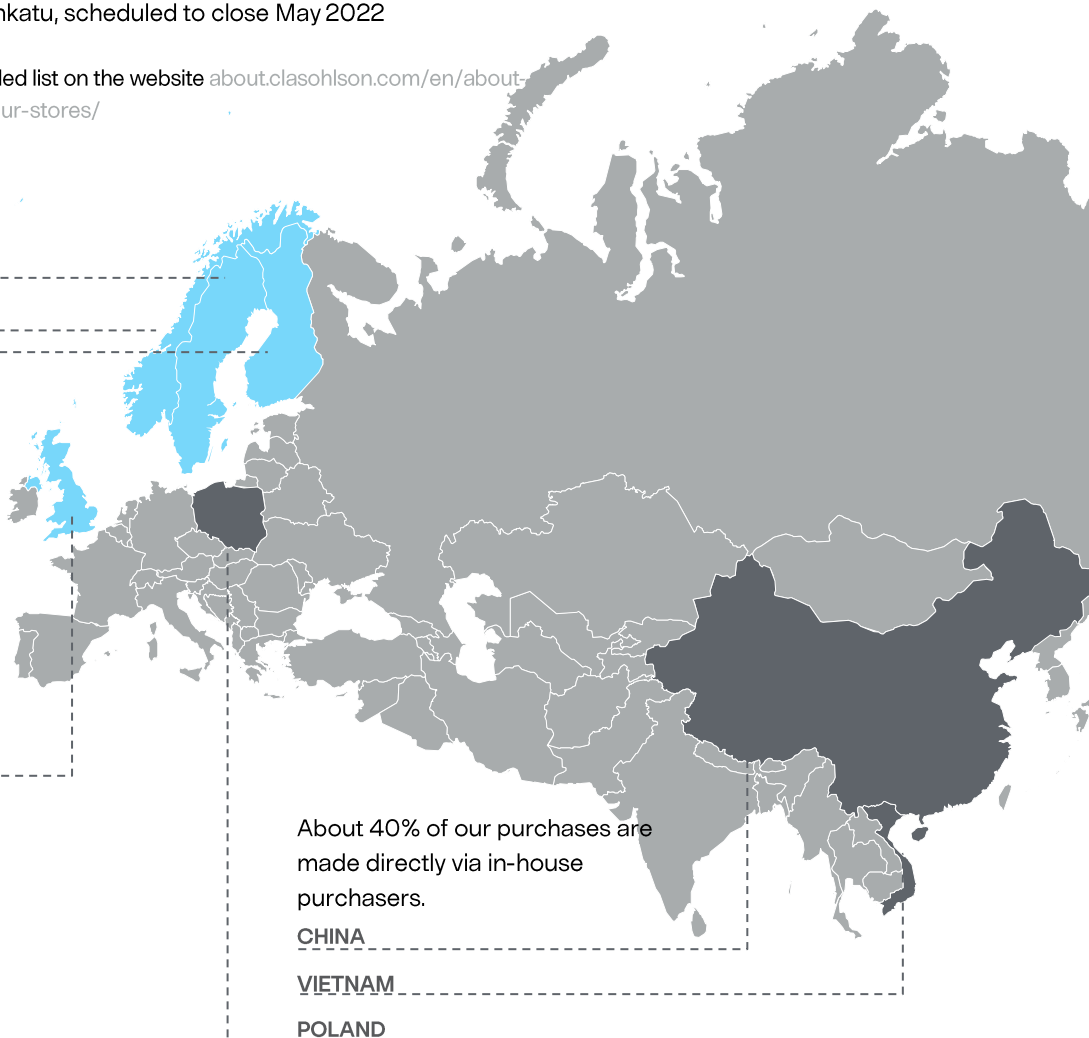
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OUTSIDE THE NORDICS

13 MSEK

Sales Q2 2021/22

Stores per 31 October 2021
Total: 228



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 four markets, approximately 4,500 employees, and sales of approximately 8.3 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).



Operations

Clas Ohlson works to help and inspire people to improve their everyday lives 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 via stores and online shopping in Sweden, Norway, Finland and the UK.



www.clasohlson.com

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