

### Fourth quarter – 1 February to 30 April 2019

- Sales increased 4% to 1,742 MSEK (1,683), organic sales up 2% and unchanged in comparable units
- Online sales increased 33%
- Operating loss, including non-recurring costs, costs linked to the CO100+ action programme and the closure of the store network in the UK and Germany totalled -77 MSEK (-106)
- Underlying operating loss amounted to -52 MSEK (-61)
- Loss after tax totalled -62 MSEK (-86)
- Earnings per share amounted to -0.98 SEK (-1.36)

### Financial year – 1 May 2018 to 30 April 2019

- Sales increased 7% to 8,772 MSEK (8,211), organic sales up 4% and up 1% in comparable units
- Online sales increased 47%
- Operating profit, including non-recurring costs, costs linked to the CO100+ action programme, implementation of the sCORE business system and the closure of the store network in the UK and Germany totalled 94 MSEK (468)
- A non-recurring cost of 210 MSEK was charged to earnings as a result of the closure of the store network in the UK and Germany. The closure is expected to generate a positive earnings effect of approximately 75 MSEK per year, with full effect expected after the second quarter 2019/20
- Underlying operating profit amounted to 497 MSEK (538)
- Profit after tax totalled 72 MSEK (358)
- Earnings per share amounted to 1.13 SEK (5.66)
- The proposed dividend is 6.25 SEK per share (6.25), which will be distributed as two separate payments of 3,125 SEK



The Clas Fix it service is popular among customers, and its continued roll-out is planned for several geographic areas.

**+4%**

*Organic growth*

**+47%**

*Online sales*

### Events after the end of the reporting period

- In May, sales increased 6 per cent to 641 MSEK (604)

	3 Months			12 Months		
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	Percentage change	May 2018 - Apr 2019	May 2017 - Apr 2018	Percentage change
Sales, MSEK	1,742	1,683	4	8,772	8,211	7
Operating profit, MSEK	-77	-106	28	94	468	-80
Underlying operating profit, MSEK	-52	-61	15	497	538	-8
Profit before tax, MSEK	-77	-106	28	92	467	-80
Profit after tax, MSEK	-62	-86	28	72	358	-80
Gross margin, %	38.2	36.7	1.5 p.p	39.8	40.0	-0.2 p.p
Operating margin, %	-4.4	-6.3	1.9 p.p	1.1	5.7	-4.6 p.p
Return on capital employed, %	-	-	-	4.1	21.0	-16.9 p.p
Return on equity, %	-	-	-	3.5	16.0	-12.5 p.p
Cashflow from operating activities, MSEK	-327.0	-399.0	-	312.0	372.8	-
Equity/assets ratio, %	49.0	53.9	-4.9 p.p	49.0	53.9	-4.9 p.p
Net debt/EBITDA ratio	-	-	-	0.5	-0.2	-
Earnings per share before dilution, SEK	-0.98	-1.36	28	1.13	5.66	-80

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

This information is such that Clas Ohlson AB (publ) is obliged to publish pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was submitted for publication, through the agency of the contact person set out to the right, on 5 June 2019 at 7:00 a.m. (CEST).

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# We are pursuing our strategic plan for long-term profitable growth

## First stage of CO100+ action programme completed

The structural change in the Nordic retail sector is continuing and all growth in sales of consumer durables is now online. At the same time, it is important to bear in mind that the majority of retail sales is still through physical stores. Clas Ohlson is meeting this trend with a continued high pace of implementation of the strategic growth and cost initiatives of its CO100+ action programme.

Our strengthened online shopping platform with an expanded online capacity was specially prioritized with the aim of meeting online growth and reaching our important milestone of doubling online sales every second year. In the fourth quarter, online sales increased 33 per cent compared with the year-earlier period, and full-year growth was 47 per cent. In 2018/19, Clas Ohlson's stores accounted for around 95 per cent of our total sales, and it is pleasing to report that the stores also posted higher sales on an annual basis. This confirms the strength of the store network and affirms my view that the stores play a key, but different, role in an increasingly digitalised customer experience. We posted organic growth of 2 per cent for the quarter and 4 per cent for the full-year.

During the quarter, the gross margin strengthened to 38.2 per cent (36.7). This confirms the increasing efficacy of our campaigns and that the ongoing optimisation of our assortment is delivering results in terms of sales per square metre. We also reported an improved operating profit in the fourth quarter, both underlying and total. The operating margin for the full-year amounted to 3.5 per cent excluding costs for the closure of the store network in the UK and Germany. The underlying operating margin of 5.7 per cent was also in line with what was previously communicated. The results should take into account that, in accordance with our plan, we invested around 2 per cent, corresponding to approximately 180 MSEK, of the operating margin in our strategic initiative.

## High level of activity in growth and cost initiatives

Clas Ohlson is continuing efforts to strengthen its service levels, availability and convenience, with the overall aim of creating a more unique customer offering and thereby increasing sales per customer. Clas Fix it, which was launched in November 2018, is sought after and popular among customers. We are continuing to evaluate and fine tune this service offering in parallel with planning the roll-out of the service to more geographic areas.

During the quarter, we also decided to phase out and replace single-use plastic items in the range during 2019. The initiative is part of our long-term sustainability agenda, whereby products with a negative environmental impact are being continuously phased out.

## Focus on cost savings

Given rapidly changing customer requirements and increasing competition, we have taken a number of tough decisions as part of the implementation of CO100+ that have impacted our employees. Creating a more efficient organisation was one of the previously communicated key areas for cost reductions in the CO100+ action programme, and a total of 150–200 roles will be affected. The first redundancies were made during the quarter. Approximately 65 roles have so far been affected at Clas Ohlson's various offices and at the Insjön distribution centre. The measures are necessary for creating a more efficient



In the fourth quarter, Clas Ohlson continued to actively pursue the growth and cost initiatives of CO100+ with the aim of creating profitable growth in line with our long-term goals.

organisation with the right skills mix and the prerequisites to leverage the opportunities gained from digitalisation, data-driven decision making and automation.

Closure of the store network in the UK and Germany is proceeding according to plan. At the end of the quarter, we had closed all of the German stores and the closure of UK stores was continuing in line with the agreements with the property owners. The discontinuation costs were charged to the 2018/19 financial year and once the process has been completed, we estimate a positive annual earnings impact of around 75 MSEK, with full effect from the second half of 2019/20.

Optimising our store network remains a priority. Actions include testing a new store format to increase relevance based on customer demand and thereby sales growth. We are also addressing a structural problem that affects the entire sector, namely rental terms. At the same time as the retail sector is undergoing globalisation with increased competition, we have noted that the cost per square metre for retail premises has not been adjusted and that property owners are thus unaffected by the change in market conditions. This key issue must be resolved by the retail sector and property owners together. In line with the above, we have initiated a major review of all our rental agreements in the Nordic region with the aim of ensuring that the terms and conditions better match retail conditions today and in the future. This is also necessary from a wider perspective – to ensure vibrant city centres and shopping centres moving forward.

### A new year with new preconditions but the same long-term goals

When closing the books for the 2018/19 financial year, we note that Clas Ohlson has reached the halfway point of the change period. In the first phase of the CO100+ action programme, we prioritised initiatives for long-term growth, but we also initiated and completed savings alternatives in purchasing and administration to secure an enhanced and more flexible cost structure. We expect full effect during the fiscal year from the important steps taken in indirect purchasing, which account for one third of total cost savings or approximately 70 MSEK. As previously announced, the goal is to reduce annual costs by 200–250 MSEK, with full effect from the 2020/21 financial year.

We are now entering the second phase of our change, and four of eight quarters remain of CO100+. As previously communicated, the full-year operating margin is estimated at about 4–6%. Non-recurring costs, primarily pertaining to redundancies, will impact the start of the year. Prioritising profitability is a necessity, not least with regard to the competitive situation prevailing in the retail market, but also due to a possible economic downturn. Clas Ohlson continues to actively pursue a high pace of change to create profitable growth in line with our long-term goals.



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 is 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.

#### Financial information

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

#### Press and analyst conference

The report will be presented on Wednesday, 5 June at 09:00 a.m. at Sveavägen 52 in Stockholm. The presentation can also be followed live via web broadcast and teleconference.

#### Calendar

4 Sep 2019	Three-month Report 2019/20
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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## Distribution of sales

MSEK	3 Months				12 Months			
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	Percentage change		May 2018 - Apr 2019	May 2017 - Apr 2018	Percentage change	
			SEK	local currency			SEK	local currency
Sweden	791	749	6	6	3,853	3,658	5	5
Norway	689	673	2	-0	3,571	3,287	9	4
Finland	208	202	3	-1	1,064	998	7	1
Outside Nordic countries	54	59	-9	-13	284	268	6	0
<b>Total*</b>	<b>1,742</b>	<b>1,683</b>	<b>4</b>	<b>2</b>	<b>8,772</b>	<b>8,211</b>	<b>7</b>	<b>4</b>
*Of which comprise online sales.	96	72	33	30	432	295	47	43

## Distribution of sales increase

Per cent	3 Months		12 Months	
	Feb 2019 - Apr 2019	May 2018 - Apr 2019	Feb 2019 - Apr 2019	May 2018 - Apr 2019
Comparable units in local currency	0	1		
New stores	2	3		
Exchange-rate effects	2	3		
<b>Total</b>	<b>4</b>	<b>7</b>		

### Fourth quarter

Sales increased 4 per cent to 1,742 MSEK (1,683). Organic sales increased 2 per cent compared with the preceding year. Sales in comparable units and local currency were unchanged. Online sales increased 33 per cent to 96 MSEK (72). During the quarter, the store network was decreased by 6 stores (increase: 5). At the end of the quarter, the total number of stores was 232, representing a net increase of three stores compared with the year-earlier period (13).

### Financial year

Sales increased 7 per cent to 8,772 MSEK (8,211). Organic sales increased 4 per cent compared with the preceding year. Sales in comparable units and local currency increased 1 per cent. Online sales increased 47 per cent to 432 MSEK (295). During the financial year, the store network was expanded by 3 stores (13).

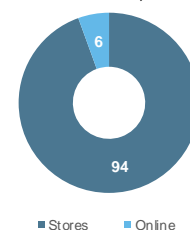
## Retail trade development\*

	Q4 17/18	Q1 18/19	Q2 18/19	Q3 18/19	Q4 18/19
<b>Sweden</b>					
Retail**	4.3	2.0	2.2	1.3	-0.2
Consumer Confidence	1.7	-1.3	2.0	-6.4	-6.0
<b>Norway</b>					
Retail**	2.5	2.4	2.7	2.0	0,0
Consumer Confidence	9.2	19.6	6.6	14.1	13.0
<b>Finland</b>					
Retail**	-3.1	3.0	2.4	1.3	-0.1
Consumer Confidence	24.6	23.3	19.5	16.3	15.8

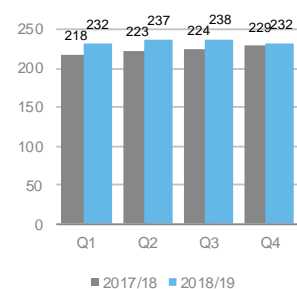
\*Source: HUI, Konjunkturinstitutet, Office for National Statistics, Opinion, Statistiskcentralen, Statistisk centralbyrå, Trading Economics.

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

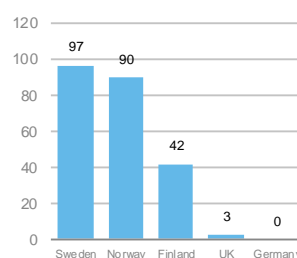
## Distribution of sales, %



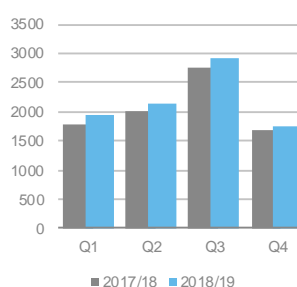
## Total number of stores



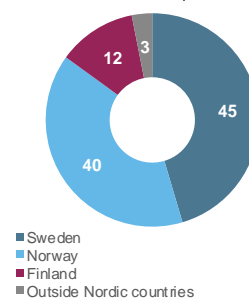
## Distribution of number of stores



## Sales, MSEK



## Distribution of sales, %



## Results

### Consolidated Income Statement

MSEK	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Sales	1,742.2	1,683.1	8,772.3	8,210.7
Cost of goods sold	-1,077.3	-1,065.9	-5,277.5	-4,926.6
Gross profit	<b>664.8</b>	<b>617.3</b>	<b>3,494.8</b>	<b>3,284.1</b>
Selling expenses	-692.7	-668.1	-2,939.0	-2,579.7
Administrative expenses	-51.0	-56.6	-253.2	-237.1
Other operating income/expenses *	2.2	1.5	-208.6	1.0
Operating profit	<b>-76.6</b>	<b>-105.9</b>	<b>94.0</b>	<b>468.3</b>

### Specification of change in profits

MSEK	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Operating profit corresponding period previous year				
		-105.9		468.3
Profit from sales		-8.3		1.5
Change in gross margin		28.4		-13.9
Increased administrative expenses, excluding strategy overview and CO100+		-1.0		-19.6
Non-recurring costs, costs linked to the CO100+ action programme and sCORE		20.3		-123.0
Change in expansion costs stores		-6.3		1.6
Change in depreciation		-4.6		-11.3
Change in other operating income/expense		0.8		-209.6
<b>Operating profit actual period</b>		<b>-76.6</b>		<b>94.0</b>

### Fourth quarter

Earnings for the quarter were affected by non-recurring costs and costs linked to the CO100+ action programme of approximately 25 MSEK (45).

The gross margin was 38.2 per cent (36.7). During the quarter, the gross margin was positively impacted by price effects and improved profitability from our campaigns, as well as positive effects from currency hedging (NOK), comprising both currency forwards and exchange-rate effects related to delays in inventory and a stronger sales currency (NOK). These were partly offset by a stronger purchasing currency (USD) and higher sourcing costs.

The share of selling expenses increased 0.1 percentage points to 39.8 per cent (39.7).

Operating loss amounted to SEK -77 MSEK (-106). Operating loss was affected by costs totalling approximately 25 MSEK (45) as detailed at the start of this section. Underlying operating loss amounted to -52 MSEK (-61). The operating margin was -4.4 per cent (-6.3).

Loss after financial items totalled -77 MSEK (-106).

Depreciation for the period amounted to 60 MSEK (56).

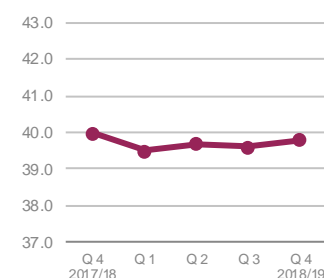
Spot exchange rates for key currencies averaged 1.08 for NOK and 9.29 for USD, compared with 1.06 and 8.24, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of the expected flow in each currency every month, with six-month maturities.

### Financial year

Earnings for the period were affected by non-recurring costs, costs linked to the CO100+ action programme and implementation of the sCORE business system of approximately 195 MSEK (70), as well as the costs for the closure of the store network in the UK and Germany totalling about 210 MSEK (0).

The gross margin was 39.8 per cent (40.0). Compared with the year-earlier period, the gross margin was negatively impacted by increased commercial investments, higher sourcing costs and negative currency hedging effects (NOK), comprising both currency

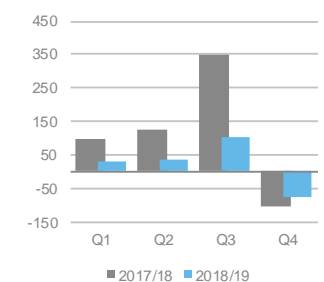
### Gross margin, rolling 12 months, %



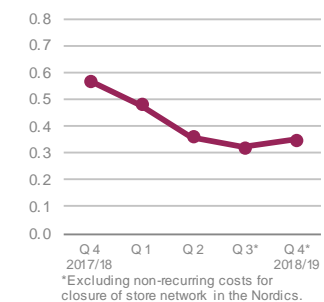
### Share of selling expenses, %



### Operating profit, MSEK



### Operating margin, rolling 12 months, %



forwards and exchange-rate effects related to delays in inventory. This was somewhat offset by a strong sales currency (NOK) and a weaker purchasing currency (USD).

The share of selling expenses increased 2.1 percentage points to 33.5 per cent (31.4). In addition to costs related to the CO100+ action programme, the share was affected by commercial initiatives and the costs of building up capacity and capability.

The strategic review had an impact on administrative expenses of approximately 20 MSEK (30), which is included in the approximately 195 MSEK (70) described at the start of this section.

Operating profit amounted to 94 MSEK (468). Operating profit was affected by costs totalling approximately 405 MSEK (70) as described at the start of this section. Underlying operating profit amounted to 497 MSEK (538). The operating margin was 1.1 per cent (5.7).

Profit after financial items totalled 92 MSEK (467).

Depreciation for the period amounted to 237 MSEK (226).

Spot exchange rates for key currencies averaged 1.08 for NOK and 9.03 for USD, compared with 1.03 and 8.31, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of the expected flow in each currency every month, with six-month maturities.

## Investments

During the financial year, investments amounted to 211 MSEK (preceding year 497 MSEK, including the acquisition of MatHem of 224 MSEK). Of this amount, investments in new or refurbished stores accounted for 51 MSEK (82). Other investments were primarily IT and replacement investments. During the financial year, investments in IT systems amounted to 105 MSEK (124).

## Financing and liquidity

Cash flow from operating activities during the financial year totalled 312 MSEK (373). After investing and financing activities, cash flow for the period was -11 MSEK (-514).

The average 12-month value of inventories was MSEK 2,049 (1,869). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 5.9 times (6.5).

At the end of the period, the value of inventories was 1,987 MSEK (2,038).

The Group's net debt at the end of the period, meaning interest-bearing liabilities less cash and cash equivalents, amounted to 178 MSEK (net cash holdings last year 116). Credits granted and loan commitments amounted to 750 MSEK, of which 283 MSEK had been utilised at the end of the period. The cash dividend paid to Clas Ohlson's shareholders in September 2018 totalled 395 MSEK (395). The company's financial position remains strong. The equity/assets ratio was 49 per cent (54).

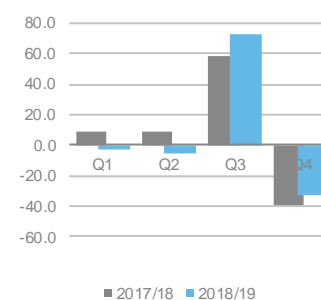
## Employees

The average number of employees in the Group was approximately 5,000; recalculated to full-time equivalents, this corresponds to an average of 3,099 (2,951). The increase was mainly related to new stores.

## Parent Company

Parent Company sales during the financial year amounted to 6,788 MSEK (6,444) and profit after financial items totalled 247 MSEK (298). Investments during the period totalled 170 MSEK (403). Contingent liabilities for the Parent Company amounted to 237 MSEK (273).

Cash flow, MSEK\*



\* from operating activities

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

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

## Organisational review for long-term profitable growth

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

## Kinnevik becomes a new owner of MatHem

In February 2019, Kinnevik became a new owner of MatHem through an investment of around 900 MSEK in a new share issue and the purchase of existing shares. Following the transaction, Clas Ohlson's shareholding in MatHem was 8 per cent (10). The partnership is progressing as planned with unchanged terms.

## Events after the end of the reporting period

### Sales in May

In May, sales increased 6 per cent to 641 MSEK (604). Organic sales increased 5 per cent compared with the preceding year. Sales in comparable units and local currency increased 5 per cent compared with the preceding year. Online sales increased 26 per cent to 36 MSEK (28).

Compared with the same month of the preceding year, the store portfolio was expanded by a net of 1 stores (14). At the end of the period, the total number of stores was 232.

### Distribution of sales

MSEK	May 2019	May 2018	Percentage change	
			SEK	local currency
Sweden	299	271	10	10
Norway	254	240	6	5
Finland	78	72	8	4
Outside Nordic countries*	10	21	-53	-55
<b>Total**</b>	<b>641</b>	<b>604</b>	<b>6</b>	<b>5</b>

\*Effected by store optimization in UK and Germany.

\*\*Of which 36 Mkr (28) comprise online sales.

## Dividend proposal

The Board of Directors proposes that a dividend of 6.25 SEK per share (6.25) be distributed for the 2018/19 financial year, comprised of two separate payments of 3.125 SEK. The first payment is proposed to be in September 2019 and the second payment in January 2020. The proposed dividend amounts to a total of 410 MSEK (410), representing 573 per cent (115) of the financial year's profit after tax.

## Long-term incentive plans

### End of performance period, Long-term Incentive Plan, LTI 2016

The qualification and performance periods for the LTI 2016 long-term incentive plan ran from 1 May 2016 until 30 April 2019. After the end of the reporting period, a total of 2,636 shares were allotted on 2 May in accordance with the AGM's resolution regarding share



Our strengthened online shopping platform with an expanded online capacity was specially prioritised with the aim of meeting online growth and reaching our important milestone of doubling online sales every second year.

matching of one share per share purchased to those participants who remained employed after the three-year qualification period.

The established performance criteria regarding average sales growth and increased earnings per share for the period 2016–2019 were not achieved, meaning that no options were allotted to the participants and, accordingly, the LTI 2016 has been concluded.

#### LTI 2019 and utilisation of authorisation to buy back shares

In May 2019, the long-term incentive plan LTI 2019 was introduced under the same structure as LTI 2018. Senior management will purchase shares in LTI 2019 in mid-June. The exercise price for the conditional employee stock options has been set at SEK 77.50 per share, with exercise possible, following the three-year qualification period between June 2022 and April 2026.

On 8 September 2018, the Annual General Meeting of Clas Ohlson AB authorised the Board of Directors to acquire a maximum of 860,000 shares during the period until the next Annual General Meeting to secure the company's commitment in connection with the introduction of a share-based incentive programme, LTI 2019. The total number of shares required to secure the undertaking for LTI 2019 is estimated at 780,000. The entire LTI 2019 undertaking can be secured by using shares that were bought back to secure previous LTI plans where the need has been recalculated.

As per 30 April 2019, the company's holding of Clas Ohlson treasury shares amounted to 2,382,206 shares, corresponding to 4 per cent of the total number of registered shares.

#### Update on store network

10–15 new stores, net, were planned during the 2018/19 financial year. During the financial year, the store network was expanded by 3 stores. The number of forthcoming, contracted store openings amounted to four stores. See the summary on page 26.

A decision was made during the financial year to discontinue the store network in the UK and Germany. Closure of the store network is proceeding to plan. At the end of the quarter, we had closed all of the German stores and the closure of UK stores was continuing in line with Clas Ohlson's agreements with the property owners.

#### Risks and uncertainties

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

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

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

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

Insjön, 5 June 2019

Lotta Lyrå  
President and CEO



# Financial statements

## Consolidated Income Statement

MSEK	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Sales	1,742.2	1,683.1	8,772.3	8,210.7
Cost of goods sold	-1,077.3	-1,065.9	-5,277.5	-4,926.6
<b>Gross profit</b>	<b>664.8</b>	<b>617.3</b>	<b>3,494.8</b>	<b>3,284.1</b>
Selling expenses	-692.7	-668.1	-2,939.0	-2,579.7
Administrative expenses	-51.0	-56.6	-253.2	-237.1
Other operating income/expenses *	2.2	1.5	-208.6	1.0
<b>Operating profit</b>	<b>-76.6</b>	<b>-105.9</b>	<b>94.0</b>	<b>468.3</b>
Financial income	0.1	0.2	1.1	0.7
Financial expense	-0.3	-0.6	-3.3	-1.9
<b>Profit after financial items</b>	<b>-76.9</b>	<b>-106.3</b>	<b>91.9</b>	<b>467.1</b>
Income tax **	15.1	20.6	-20.3	-109.3
<b>Profit for the period</b>	<b>-61.8</b>	<b>-85.7</b>	<b>71.6</b>	<b>357.8</b>

\* Closure of store network outside the Nordics.

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

## Consolidated Comprehensive Income Statement

MSEK	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
<b>Profit for the period</b>	<b>-61.8</b>	<b>-85.7</b>	<b>71.6</b>	<b>357.8</b>
Other comprehensive income, net of tax:				
Items that later can be reversed back to the Consolidated income statement:				
Exchange rate differences	15.1	58.5	1.3	54.3
Cash flow hedging	2.4	6.1	7.0	-9.3
<b>Total</b>	<b>17.5</b>	<b>64.6</b>	<b>8.3</b>	<b>45.0</b>
Items that later can not be reversed back to the Consolidated				
Reevaluation of net pension obligations	0.0	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total other comprehensive income, net of tax</b>	<b>17.5</b>	<b>64.6</b>	<b>8.3</b>	<b>45.0</b>
<b>Total comprehensive income for the period</b>	<b>-44.3</b>	<b>-21.1</b>	<b>79.9</b>	<b>402.8</b>
Profit for the period attributable to:				
Owners of the parent	-60.6	-85.7	72.7	357.8
Non-controlling interests	-1.2	0.0	-1.1	0.0
Comprehensive income attributable to:				
Owners of the parent	-43.1	-21.1	81.0	402.8
Non-controlling interests	-1.2	0.0	-1.1	0.0

## Data per share

	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Number of shares before dilution	63,217,794	63,208,135	63,217,741	63,200,598
Number of shares after dilution	63,229,963	63,234,209	63,230,062	63,311,743
Number of shares at end of period	63,217,794	63,208,135	63,217,794	63,208,135
Earnings per share before dilution, SEK	-0.98	-1.36	1.13	5.66
Earnings per share after dilution, SEK	-0.98	-1.36	1.13	5.65
Comprehensive income per share, SEK	-0.70	-0.33	1.26	6.37

## Consolidated Balance Sheet

MSEK	30 Apr 2019	30 Apr 2018
<b>Assets</b>		
Intangible assets	476.9	428.2
Tangible assets	911.6	1,041.3
Securities held as fixed assets	225.3	224.5
Non-current receivables	21.5	14.9
Inventories	1,987.3	2,038.0
Other receivables	249.4	336.9
Liquid assets	105.0	115.8
<b>Total assets</b>	<b>3,976.9</b>	<b>4,199.7</b>
<b>Equity and liabilities</b>		
Equity attributable to owners of the parent	1,940.8	2,263.9
Equity attributable to non-controlling interests	6.6	-
Total equity	1,947.3	2,263.9
Long-term liabilities, Non-interest-bearing	204.8	227.4
Current liabilities, interest-bearing	283.1	-
Current liabilities, Non interest-bearing	1,541.7	1,708.4
<b>Total equity and liabilities</b>	<b>3,976.9</b>	<b>4,199.7</b>

## Consolidated Cash Flow

MSEK	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Operating profit	-76.6	-105.9	94.0	468.3
Adjustment for items not included in cash flow	-42.8	34.1	332.1	208.6
Interest received	0.1	0.2	1.1	0.7
Interest paid	-0.3	-0.6	-3.3	-1.9
Tax paid	-40.8	-41.8	-104.5	-131.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>-160.5</b>	<b>-114.1</b>	<b>319.5</b>	<b>543.9</b>
Change in working capital	-166.5	-284.9	-7.6	-171.0
<b>Cash flow from operating activities</b>	<b>-327.0</b>	<b>-399.0</b>	<b>312.0</b>	<b>372.8</b>
Investments in intangible assets	-16.8	-35.3	-104.9	-124.0
Investments in tangible assets	-21.1	-39.1	-105.8	-148.8
Investments in securities held as fixed assets	0.0	-0.5	-0.8	-224.5
Change in current investments	0.0	0.0	0.1	0.1
<b>Cash flow from investing activities</b>	<b>-37.9</b>	<b>-74.8</b>	<b>-211.4</b>	<b>-497.2</b>
Change in current liabilities, interest-bearing	283.1	0.0	283.1	0.0
Repurchase of own shares	0.0	0.0	0.0	-20.9
Sale of own shares	0.0	0.0	0.0	26.1
Capital contribution from minority	0.0	0.0	0.5	0.0
Change in longterm assets	0.3	0.1	-0.6	0.0
Dividend to shareholders	0.0	0.0	-395.1	-395.0
<b>Cash flow from financing activities</b>	<b>283.4</b>	<b>0.0</b>	<b>-112.0</b>	<b>-389.8</b>
<b>Cash flow for the period</b>	<b>-81.5</b>	<b>-473.8</b>	<b>-11.5</b>	<b>-514.2</b>
Liquid assets at the start of the period	184.7	584.0	115.8	625.1
Exchange rate difference for liquid assets	1.8	5.7	0.6	4.9
<b>Liquid assets at the end of the period</b>	<b>105.0</b>	<b>115.8</b>	<b>105.0</b>	<b>115.8</b>

## Sales by segment

MSEK	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Sweden	791.4	749.1	3,853.4	3,657.6
Norway	689.1	672.5	3,571.4	3,286.8
Finland	207.5	202.1	1,063.9	998.1
Outside Nordic countries	54.1	59.3	283.5	268.2
Group functions	566.8	454.9	2,934.4	2,783.9
Sales to other segments	-566.8	-454.9	-2,934.4	-2,783.9
<b>Total</b>	<b>1,742.2</b>	<b>1,683.1</b>	<b>8,772.3</b>	<b>8,210.7</b>

## Operating profit by segment

	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
MSEK				
Sweden	35.7	30.9	158.2	150.3
Norway	34.7	28.5	150.0	138.6
Finland	6.7	6.8	34.1	32.0
Outside Nordic countries	1.6	2.8	8.7	9.1
Group functions	-155.3	-175.0	-257.0	138.2
<b>Total</b>	<b>-76.6</b>	<b>-105.9</b>	<b>94.0</b>	<b>468.3</b>

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

MSEK	30 Apr 2019	30 Apr 2018
Securities held as fixed assets, valued at fair value at the beginning of the year	224.5	0.0
Acquisition**	0.8	224.5
Revaluation during the year	0.0	0.0
<b>Securities held as fixed assets, valued at fair value at the end of the period</b>	<b>225.3</b>	<b>224.5</b>

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

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

### Change in equity

MSEK	12 Months	
	May 2018 - Apr 2019	May 2017 - Apr 2018
Equity brought forward	2,263.9	2,250.7
Dividend to shareholders	-395.1	-395.0
Repurchase of own shares	0.0	-20.9
Capital contribution from minority	0.5	0.0
Change in minority share	0.7	0.0
Sale of own shares	0.0	26.1
Paid-in option premiums:		
Value of employee services	-2.7	0.2
Total comprehensive income	79.9	402.8
<i>Comprehensive income attributable to non-controlling interests</i>	6.6	-
<b>Equity carried forward</b>	<b>1,947.3</b>	<b>2,263.9</b>

### Forward contracts

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

MSEK	30 Apr 2019	30 Apr 2018
<b>Sell/buy</b>		
NOK/SEK	-6.1	-10.7
NOK/USD	8.5	4.4
SEK/USD	1.1	0.8
<b>Total</b>	<b>3.5</b>	<b>-5.5</b>

Forward contracts belong to the derivate category, which is used for hedging purposes. All derivatives are measured at fair value, established by using forward contract prices on balance-sheet date, meaning, level 2 in the fair value hierarchy according to IFRS 13. As per 30 April 2019 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled 6.1 MSEK (14.1), which was recognized in the item Current liabilities, non-interest-bearing.

Forward contracts with positive market values amounted to 9.6 MSEK (8.6), which is recognized in the item Other receivables. The company hedge the expected flow in each currency every month, with six-month maturities. A deferred tax liability of 0.8 MSEK (previous year a deferred tax asset 1.2) was taken into account and the remaining fair value of 2.7 MSEK (-4.3) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of 8.5 MSEK (4.4) is allocated on the currency pair NOK/SEK with -9.8 MSEK (-18,0) and on the currency pair SEK/USD with 18.3 MSEK (22.4).

## Key ratios

	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Sales growth, %	3.5	6.9	6.8	2.8
Gross margin, %	38.2	36.7	39.8	40.0
Operating margin, %	-4.4	-6.3	1.1	5.7
Return on capital employed, %	-	-	4.1	21.0
Return on equity, %	-	-	3.5	16.0
Equity/assets ratio, %	49.0	53.9	49.0	53.9
Net debt/EBITDA	-	-	0.5	-0.2
Sales per sq.m in stores, SEK thousand	6.1	6.2	30.8	30.8
Number of stores at period end	232	229	232	229
Number of employees at period end	3,099	2,951	3,099	2,951
<b>Data per share</b>				
Number of shares before dilution	63,217,794	63,208,135	63,217,741	63,200,598
Number of shares after dilution	63,229,963	63,234,209	63,230,062	63,311,743
Number of shares at period end	63,217,794	63,208,135	63,217,794	63,208,135
Earnings per share before dilution, SEK	-0.98	-1.36	1.13	5.66
Earnings per share after dilution, SEK	-0.98	-1.36	1.13	5.65
Comprehensive income per share, SEK	-0.70	-0.33	1.26	6.37
Cash flow per share*, SEK	-5.17	-6.31	4.93	5.90
Equity per share, SEK	30.80	35.82	30.80	35.82
Share price 30 April, SEK	79	96	79	96
Dividend per share, SEK	-	-	6,25**	6.25
P/E ratio, ggr	-	-	70	17
Yield, %	-	-	7.9	6.5
Dividend proportion, %	-	-	553	110

\* From the operating activities.

\*\* Proposed dividend

## Quarterly overview

MSEK	Q4 16/17	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Q1 18/19	Q2 18/19	Q3 18/19	Q4 18/19
Sales	1,574.8	1,782.6	1,999.1	2,745.9	1,683.1	1,958.1	2,157.1	2,914.8	1,742.2
Cost of goods sold	-912.7	-1,059.9	-1,175.7	-1,625.1	-1,065.9	-1,203.8	-1,260.1	-1,736.3	-1,077.3
<b>Gross profit</b>	<b>662.2</b>	<b>722.7</b>	<b>823.3</b>	<b>1,120.8</b>	<b>617.3</b>	<b>754.3</b>	<b>897.0</b>	<b>1,178.5</b>	<b>664.8</b>
Selling expenses	-603.2	-572.6	-632.3	-706.8	-668.1	-659.2	-787.2	-799.9	-692.7
Administrative expenses	-43.0	-49.8	-65.9	-64.7	-56.6	-63.0	-76.8	-62.4	-51.0
Other operating income/expenses	1.5	-0.2	-0.2	-0.2	1.5	-0.2	0.4	-211.1	2.2
<b>Operating profit</b>	<b>17.5</b>	<b>100.1</b>	<b>124.9</b>	<b>349.2</b>	<b>-105.9</b>	<b>32.0</b>	<b>33.4</b>	<b>105.2</b>	<b>-76.6</b>
Financial income	0.4	0.1	0.1	0.3	0.2	0.3	0.3	0.5	0.1
Financial expense	-0.5	-0.3	-0.5	-0.5	-0.6	-0.6	-0.8	-1.6	-0.3
<b>Profit after financial items</b>	<b>17.4</b>	<b>99.9</b>	<b>124.5</b>	<b>349.0</b>	<b>-106.3</b>	<b>31.7</b>	<b>32.9</b>	<b>104.1</b>	<b>-76.9</b>
Income tax	2.2	-22.5	-28.7	-78.6	20.6	-1.9	-7.9	-25.5	15.1
<b>Profit for the period</b>	<b>19.5</b>	<b>77.4</b>	<b>95.8</b>	<b>270.4</b>	<b>-85.7</b>	<b>29.7</b>	<b>25.0</b>	<b>78.6</b>	<b>-61.8</b>
<b>Assets</b>									
Intangible assets	340.2	360.8	376.4	401.4	428.2	446.7	454.5	478.4	476.9
Tangible assets	1,064.3	1,036.3	1,037.7	1,029.2	1,041.3	1,007.5	1,010.8	980.1	911.6
Securities held as fixed assets	0.0	0.0	0.0	224.0	224.5	224.5	224.5	225.3	225.3
Non-current receivables	18.5	18.5	18.5	18.5	14.9	14.8	15.7	15.6	21.5
Inventories	1,630.7	1,695.6	2,067.8	1,880.3	2,038.0	1,936.6	2,345.0	1,983.2	1,987.3
Other receivables	220.6	230.4	257.8	222.6	336.9	310.3	349.7	346.2	249.4
Liquid assets	625.1	668.4	295.8	584.0	115.8	97.3	109.9	184.7	105.0
<b>Total assets</b>	<b>3,899.4</b>	<b>4,010.1</b>	<b>4,054.1</b>	<b>4,360.0</b>	<b>4,199.7</b>	<b>4,037.7</b>	<b>4,510.1</b>	<b>4,213.4</b>	<b>3,976.9</b>
<b>Equity and liabilities</b>									
Equity attributable to owners of the parent	2,250.7	2,297.7	2,026.3	2,285.3	2,263.9	2,293.2	1,925.4	1,984.6	1,940.8
Equity attributable to non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	7.1	7.4	6.6
Total equity	2,250.7	2,297.7	2,026.3	2,285.3	2,263.9	2,293.2	1,932.5	1,992.0	1,947.3
Long-term liabilities, Non-interest-bearing	226.8	233.4	236.0	231.2	227.4	223.6	211.7	211.6	204.8
Current liabilities, Interest-bearing	0.0	0.0	0.0	0.0	0.0	60.1	596.0	0.0	283.1
Current liabilities, Non interest-bearing	1,421.9	1,479.0	1,791.9	1,843.4	1,708.4	1,460.9	1,770.0	2,009.8	1,541.7
<b>Total equity and liabilities</b>	<b>3,899.4</b>	<b>4,010.1</b>	<b>4,054.1</b>	<b>4,360.0</b>	<b>4,199.7</b>	<b>4,037.7</b>	<b>4,510.2</b>	<b>4,213.4</b>	<b>3,976.9</b>
<b>Key ratios for the period</b>									
Gross margin, %	42.0	40.5	41.2	40.8	36.7	38.5	41.6	40.4	38.2
Operating margin, %	1.1	5.6	6.2	12.7	-6.3	1.6	1.6	3.6	-4.4
Earnings per share before dilution, SEK	0.31	1.22	1.52	4.28	-1.36	0.47	0.40	1.24	-0.98
Earnings per share after dilution, SEK	0.31	1.22	1.51	4.27	-1.36	0.47	0.40	1.24	-0.98
Equity per share, SEK	35.68	36.36	32.06	36.16	35.82	36.27	30.57	31.51	30.80

### 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	
		Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Sales		1,358.2	1,204.0	6,787.8	6,444.1
Cost of goods sold	1	-992.0	-1,004.2	-4,978.5	-4,817.6
<b>Gross profit</b>		<b>366.2</b>	<b>199.8</b>	<b>1,809.4</b>	<b>1,626.5</b>
Selling expenses	1	-323.1	-344.3	-1,433.4	-1,244.9
Administrative expenses	1	-30.8	-39.6	-207.5	-195.8
Other operating income/expenses		-13.2	0.6	-200.6	1.0
<b>Operating profit</b>		<b>-1.0</b>	<b>-183.5</b>	<b>-32.1</b>	<b>186.8</b>
Dividends from group companies		279.0	108.8	282.2	112.7
Financial income		1.3	0.8	2.4	1.3
Financial expense		-0.9	-0.7	-5.1	-2.7
<b>Profit after financial items</b>		<b>278.4</b>	<b>-74.6</b>	<b>247.4</b>	<b>298.0</b>
Appropriations		41.2	12.8	41.2	12.8
<b>Profit before tax</b>		<b>319.6</b>	<b>-61.8</b>	<b>288.7</b>	<b>310.8</b>
Income tax		-10.5	38.2	-3.1	-45.7
<b>Profit for the period</b>		<b>309.1</b>	<b>-23.6</b>	<b>285.6</b>	<b>265.1</b>

#### Parent Company Comprehensive Income Statement

MSEK	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Profit for the period	309.1	-23.6	285.6	265.1
Other comprehensive income, net of tax:				
Items that later can be reversed back to the Consolidated income statement:				
Income from hedge of net investment in foreign operations	-3.7	11.6	-8.2	11.3
<b>Other comprehensive income, net of tax</b>	<b>-3.7</b>	<b>11.6</b>	<b>-8.2</b>	<b>11.3</b>
<b>Total comprehensive income</b>	<b>305.4</b>	<b>-12.0</b>	<b>277.4</b>	<b>276.4</b>

#### Note 1 Depreciations

	3 Months		12 Months	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Depreciations for the period	41.7	36.4	161.1	151.5



## Parent Company Balance Sheet

MSEK	30 Apr 2019	30 Apr 2018
<b>Assets</b>		
Intangible assets	476.9	428.2
Tangible assets	655.4	713.8
Financial assets	268.9	423.0
Inventories	1,364.2	1,327.6
Other receivables	296.1	348.5
Liquid assets	33.4	36.9
<b>Total assets</b>	<b>3,095.0</b>	<b>3,278.1</b>
<b>Equity and liabilities</b>		
Equity	764.8	885.3
Untaxed reserves	994.5	1,035.7
Provisions	49.9	50.7
Long-term liabilities, Non-interest-bearing	5.0	5.0
Current liabilities, interest-bearing	283.1	-
Current liabilities, Non interest-bearing	997.6	1,301.4
<b>Total equity and liabilities</b>	<b>3,095.0</b>	<b>3,278.1</b>

## Accounting policies

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

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

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

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

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

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

**IFRS 16 Leases** was adopted by the EU as of 31 October 2017. The standard replaces the preceding standard, IAS 17 including SIC and IFRIC related to lease accounting. The new standard entails extensive changes to the recognition of leases and differs materially from the current IAS 17. The Group will apply the standard from 1 May 2019. 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, the Group will apply the modified retrospective approach, resulting in a retrospective restatement of the right-of-use asset and lease liability discounted to present value. In accordance with the standard, comparative amounts will not be restated. The cumulative effect of the transition will be recognised as an adjustment to the opening balance of retained earnings at 1 May 2019. The Group will apply the optional exemptions that exist for not recognising short-term and low-value assets in the balance sheet. This entails that leases with a term of 12 months or less and leases with low-value assets are expensed straight-line basis over the lease term.

A preliminary assessment indicates an opening balance adjustment as of 1 May 2019, with the following estimated balance-sheet effects, without taking into consideration any adjustments of interim items related to right-of-use assets on the transition.

Right-of-use assets: 2,100 MSEK

Deferred tax assets: 50 MSEK

Lease liabilities: 2,300 MSEK

Retained earnings: -170 MSEK

Given the 2018/19 Group structure and exchange rates, Clas Ohlson expects the transition to result in an increase in operating profit for 2019/20 compared with application of the previous accounting policies. The expected increase in operating profit results from a portion of the lease expenses being recognised as an interest expense. EBITDA is expected to increase as a result of a portion of the lease expenses being recognised as depreciation. Cash flow is expected to increase from operating activities and decrease from financing activities due to the recognition of the principal repayment portion of lease payments as payments under financing activities.

Since the key indicators for the Group's financial targets and frameworks pertaining to the operating margin and leverage (net debt in relation to EBITDA) will be affected, initially, recognition will be presented including and excluding the effects of IFRS 16.

## 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	
	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
<b>Return on equity</b>				
Net profit for the period	–	–	71.6	357.8
Average equity	–	–	2,062.1	2,230.7
<b>Return on equity</b>	<b>–</b>	<b>–</b>	<b>3.5%</b>	<b>16.0%</b>

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

<b>Return on capital employed</b>				
Operating profit	–	–	94.0	468.3
Interest income	–	–	1.1	0.7
Average capital employed	–	–	2,345.2	2,230.7
<b>Return on capital employed</b>	<b>–</b>	<b>–</b>	<b>4.1%</b>	<b>21.0%</b>

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

<b>Gross margin</b>				
Gross profit	664.8	617.3	3,494.8	3,284.1
Sales	1,742.2	1,683.1	8,772.3	8,210.7
<b>Gross margin</b>	<b>38.2%</b>	<b>36.7%</b>	<b>39.8%</b>	<b>40.0%</b>

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

<b>Gross profit, MSEK</b>				
Sales	1,742.2	1,683.1	8,772.3	8,210.7
Cost of goods sold	-1,077.3	-1,065.9	-5,277.5	-4,926.6
<b>Gross profit</b>	<b>664.8</b>	<b>617.3</b>	<b>3,494.8</b>	<b>3,284.1</b>

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

<b>Equity per share, SEK</b>				
Total equity	1,947.3	2,263.9	1,947.3	2,263.9
Number of shares at end of period (millions of share)	63.22	63.21	63.22	63.21
<b>Equity per share</b>	<b>30.80</b>	<b>35.82</b>	<b>30.80</b>	<b>35.82</b>

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

<b>Sales growth</b>				
Sales actual period	1,742.2	1,683.1	8,772.3	8,210.7
Sales previous period	1,683.1	1,574.8	8,210.7	7,990.1
<b>Sales growth</b>	<b>3.5%</b>	<b>6.9%</b>	<b>6.8%</b>	<b>2.8%</b>

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

### Average inventory value, MSEK

Average inventory value	–	–	2,049.0	1,869.0
	3 Months		12 Months	

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

	Feb 2019 - Apr 2019	Feb 2018 - Apr 2018	May 2018 - Apr 2019	May 2017 - Apr 2018
Cash flow from operating activities	-327.0	-399.0	312.0	372.8
Number of shares before the dilution (millions of share)	63.22	63.21	63.22	63.20

### Cash flow from operating activities per share

	-5.17	-6.31	4.93	5.90
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Reason for use: Cash flow from operating activities per share measures the cash flow that the company generates per share before capital investments and cash flows attributable to the company's financing.

### Net debt, Mkr

Interest-bearing-liabilities	–	–	283.1	0.0
liquid assets	–	–	105.0	115.8
<b>Total Net debt</b>	<b>–</b>	<b>–</b>	<b>178.1</b>	<b>-115.8</b>

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

### Working capital, MSEK

Total current assets	2,341.7	2,490.7	2,341.7	2,490.7
-Cash and cash equivalents	-105.0	-115.8	-105.0	-115.8
-Current non-interest-bearing liabilities	-1,541.7	-1,708.4	-1,541.7	-1,708.4
<b>Working capital</b>	<b>695.0</b>	<b>666.5</b>	<b>695.0</b>	<b>666.5</b>

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

### Operating margin

Operating profit	-76.6	-105.9	94.0	468.3
Sales	1,742.2	1,683.1	8,772.3	8,210.7
<b>Operating margin</b>	<b>-4.4%</b>	<b>-6.3%</b>	<b>1.1%</b>	<b>5.7%</b>

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

### Equity/assets ratio

Total equity	1,947.3	2,263.9	1,947.3	2,263.9
Total assets	3,976.9	4,199.7	3,976.9	4,199.7
<b>Equity/Assets ratio</b>	<b>49.0%</b>	<b>53.9%</b>	<b>49.0%</b>	<b>53.9%</b>

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

### Capital employed, MSEK

Total assets	3,976.9	4,199.7	3,976.9	4,199.7
Long-term non-interest-bearing liabilities	-204.8	-227.4	-204.8	-227.4
Current non-interest-bearing liabilities	-1,541.7	-1,708.4	-1,541.7	-1,708.4
<b>Capital employed</b>	<b>2,230.5</b>	<b>2,263.9</b>	<b>2,230.5</b>	<b>2,263.9</b>

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

### Comprehensive income per share, SEK

Comprehensive income for the period	-44.3	-21.1	79.9	402.8
Average number of shares before dilution (millions of share)	63.22	63.21	63.22	63.20
<b>Comprehensive income per share</b>	<b>-0.70</b>	<b>-0.33</b>	<b>1.26</b>	<b>6.37</b>

**Underlying operating profit, MSEK**

Operating profit	-76.6	-105.9	94.0	468.3
Non-recurring costs and costs for action program CO100+	25.0	45.0	403.0	70.0

**Underlying operating profit**

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	-61.8	-85.7	71.6	357.8
Number of shares before dilution (millions of share)	63.22	63.21	63.22	63.20
Number of shares after dilution (millions of share)	63.23	63.23	63.23	63.31
<b>Number of shares before dilution</b>	<b>-0.98</b>	<b>-1.36</b>	<b>1.13</b>	<b>5.66</b>
<b>Number of shares after dilution</b>	<b>-0.98</b>	<b>-1.36</b>	<b>1.13</b>	<b>5.65</b>

\*Defined in accordance with IFRS

## The share

Clas Ohlson Series B shares have been listed on Nasdaq Stockholm since 1999 and are included in the Consumer Services sector index. At 30 April 2019, the share price was SEK 79 and the total market capitalisation amounted to 5,169 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 30 April 2019, the company held 2,382,206 shares (2,391,865) corresponding to 4 per cent (4) of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buy-back, was 63,217,794 (63,208,135).

### Dividend policy

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

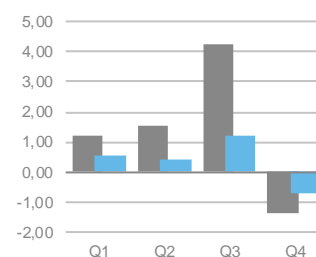
#### The largest shareholders 30 April 2019

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	4,249,322	6	4
If Skadeförsäkring AB	0	3,114,337	5	3
Swedbank Robur Fonder	0	2,133,654	3	2
Svenska Handelsbanken AB	0	1,006,500	2	1
Avanza pension	0	893,345	1	1
Övriga aktieägare	0	29,345,521	45	24
<b>Total</b>	<b>5,760,000</b>	<b>59,840,000</b>	<b>100</b>	<b>100</b>

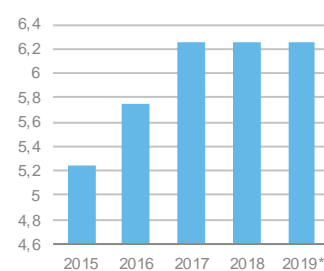
#### Share data

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

#### Earnings per share, SEK



#### Dividend per share, SEK



\*Proposed dividend

## Key ratio definitions

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

### Return on equity

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

### Return on capital employed

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

### Gross margin

Gross profit divided by sales for the period.

### Gross profit

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

### Dividend yield

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

### EBITDA

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

### Equity per share

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

### Non-recurring costs

Cost that is not regularly found in the business.

### Share of selling expenses, %

Selling expenses in relation to sales.

### Sales growth

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

### Average inventory value

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

### Cash flow from operating activities

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

\*Defined in accordance with IFRS.

### Cash flow from operating activities per share

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

### Net debt

Interest-bearing liabilities less cash and cash equivalents.

### Net debt/EBITDA

Net debt divided by EBITDA for the last 12 months.

### P/E ratio

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

### Working capital

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

### Operating margin

Operating profit divided by sales for the period.

### Operating profit

Operating profit comprises profit before financial items and tax.

### Equity/assets ratio

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

### Capital employed

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

### Comprehensive income per share

Comprehensive income divided by average number of shares before dilution.

### Underlying operating profit/loss

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

### Payout ratio

Dividend divided by earnings per share before dilution.

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

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

# 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

## New stores, fourth quarter – 1 February to 30 April 2019

- Kungälv, Sweden, March 2019

## Closed stores, fourth quarter – 1 February to 30 April 2019

- Manchester, UK, March 2019
- Hamburg, Germany, March 2019
- St Albans, UK, March 2019
- Hamburg, Germany, April 2019
- Hamburg, Germany, April 2019
- Hamburg, Germany, April 2019
- Ealing, UK, April 2019

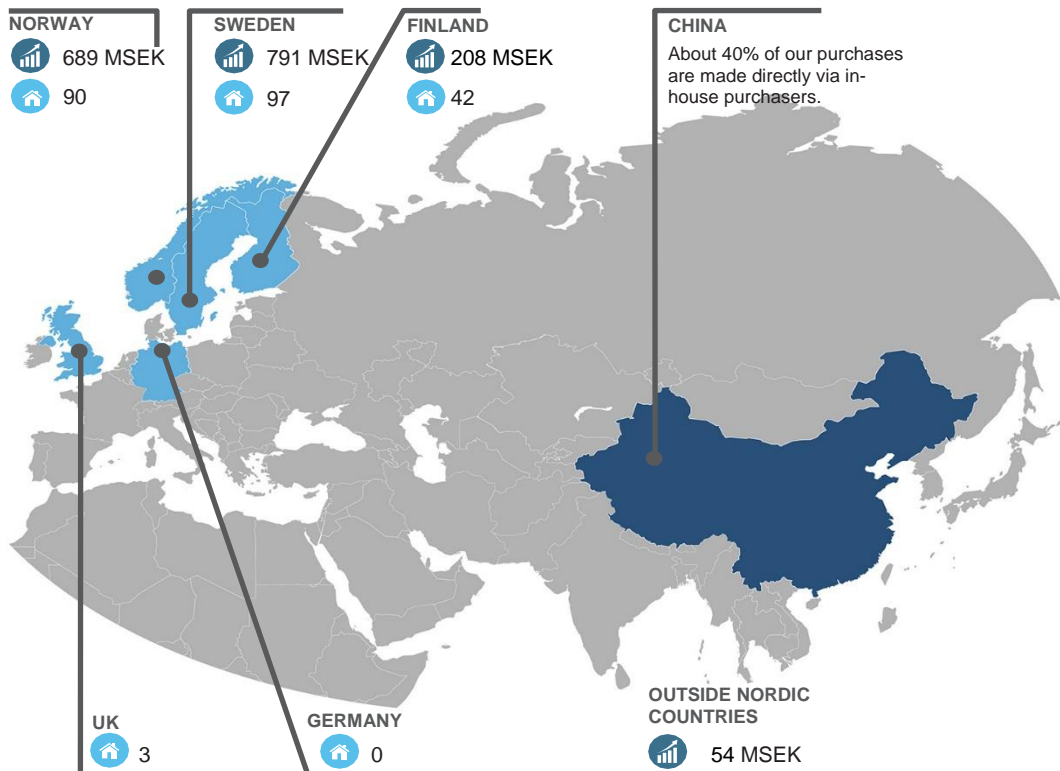


Clas Ohlson's new store at the new shopping centre, Kongahälla Shopping, in Kungälv offers the Collect in-store service, where the customer orders online and collects from the store within four hours.

## 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](http://about.clasohlson.com)



# 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 8 billion SEK. Our share is listed on Nasdaq Stockholm.

We will grow in the Nordic market, focusing on simplifying people's everyday lives at home through a combination of products, advice and supplementary services. A developed online business model, unique offering, world-class service and simplified, streamlined operations are critical parts of our 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

- 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

### Sustainability targets

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



### Operations

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

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

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