

## Three-month report 2018/19

### First quarter – 1 May to 31 July 2018

- Sales increased by 10% to 1,958 MSEK (1,783), organic sales up 6% and up 3% in comparable units
- Online initiative yields results – sales growth totalled 60%
- sCORE business system implemented
- Strategy implemented in the CO100+ action programme, except from ongoing growth initiatives, efficiency improvement measures of 200–250 MSEK identified so far
- Operating profit, including non-recurring items and costs linked to CO100+ action programme, totalling 32 MSEK (100)
- Underlying operating profit amounted to 62 MSEK (100)
- Profit after tax totalled 30 MSEK (77)
- Earnings per share amounted to 0.47 SEK (1.22)
- Pär Christiansen took office as CFO on 1 July 2018



Clas Ohlson celebrated its 100th anniversary in June with lots of great offers and activities in our stores in all markets and online, something that was popular among many customers of all ages.

### Events after the end of the reporting period

- Sales in August increased by 8% to 725 MSEK (671), organic sales up 4%
- As previously communicated, operating margin for the current and next full-year are estimated to be about 4 – 6%

**+10%**  
sales

**+60%**  
Online sales

	3 Months			12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Percentage change	Aug 2017 - Jul 2018	May 2017 - Apr 2018
Sales, MSEK	1,958	1,783	10	8,386	8,211
Operating profit, MSEK	32	100	-68	400	468
Underlying operating profit, MSEK	62	100	-38	430	468
Profit before tax, MSEK	32	100	-68	399	467
Profit after tax, MSEK	30	77	-62	310	358
Gross margin, %	38.5	40.5	-2.0 p.p	39.5	40.0
Operating margin, %	1.6	5.6	-4.0 p.p	4.8	5.7
Return on capital employed, %	–	–	–	17.8	21.0
Return on equity, %	–	–	–	13.9	16.0
Equity/assets ratio, %	56.8	57.3	-0.5 p.p	56.8	53.9
Earnings per share before dilution, SEK	0.47	1.22	-62	4.91	5.66

The 2018/19 financial year comprises the period from 1 May 2018 to 30 April 2019. This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

This information is such that Clas Ohlson AB (publ) is obliged to publish pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was submitted for publication, through the agency of the contact person set out above, on 5 September 2018 at 07:00 a.m. (CET).

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## Stable underlying earnings in a challenging market climate

We have continued to implement our new strategy at a fast pace, and the initiative for profitable growth is being carried out according to plan. We are gradually beginning to see the positive effects of our work, which strengthens our conviction that we are on the right path.

In addition to continued stiff competition for our customers' wallets, the summer weather was a challenge for the retail sector in general. Clas Ohlson's strength is in its relevant product range both for different weather conditions and over time. Compared with the end of the fourth quarter, our levels of stock have decreased by approximately 100 MSEK.

The quarter's commercial investments drive traffic to our stores and online, which generates increased sales per customer and square metre both now and over time. In addition, we are increasing the turnover rate in our product range, and in particular further strengthening our position in our broad customer base prior to the Christmas shopping season. For the quarter, we delivered a stable underlying operating profit of 62 MSEK (100).

### Defined strategy in the CO100+ action programme

The way forward includes a continued clear focus on a number of selected strategic initiatives in the areas of "creating a unique customer offering, providing world-class service and simplifying and enhancing the efficiency of operations." All this to deliver on set goals of organic growth of 5 per cent and an operating margin of 6–8 per cent.

As previously communicated, we are investing 1–2 percentage points of the operating margin in our strategic initiatives over a two-year period, which means that the operating margin for the current and next full-year are estimated to be about 4–6 per cent.

This ongoing effort means that the strategic initiatives have been defined into an action programme: CO100+. In addition to initiatives intended to drive growth, efficiency-enhancing measures equivalent to approximately 200–250 MSEK have so far been identified, which successively will have effect during the two-year period 2018/19–2019/20 and full effect from the full year 2020/21.

### Intense focus on execution

As part of developing the customer offering and increase operational efficiency, we have now implemented a number of measures for generating tangible customer value and increased efficiency.

#### *More convenient for our customers*

After the positive reception of the Click & Collect concept in Norway, we are now launching this convenient solution in 92 Swedish stores. With that, Click & Collect will have been introduced across our entire Nordic home market. Through collaboration with Klarna, we have simplified check-out for our online customers.

#### *More in-depth collaboration increases availability for our customers*

We have initiated a number of strategic collaborations to provide customers with better availability and more complete offerings. In August we expanded our partnership with MatHem when the product range was increased from 700 to 2,000 products.



One of our most important initiatives to increase sales per square metre is ensuring that we have the right product mix.

We see great potential for growth in ‘non-food’ products online, which will be an important part of our aggressive growth goal of doubling our online sales every other year. “Hemma hos” in Oslo, which opened in June, is the first Clas Ohlson store where customers can experience parts of our product range in a home-like environment. This autumn, Clas Ohlson will initiate a collaboration with Amazon in which we use its platform to offer our products to customers in the UK.

#### *A more optimised product range*

One of our most important initiatives to increase sales per square metre is ensuring that we have the right product mix. In an initial step this summer, we drew up an action plan for products equivalent to 50 per cent of our sales. We are now initiating tests in our shops and beginning a dialogue with our suppliers. The outcome will result in products successively being phased out and new products being added.

#### *sCORE launched – enhanced internal efficiency and increased flexibility*

sCORE, which was initiated 2013/14, is now up and running. With sCORE, we have established a scalable platform for achieving efficiency gains in our supply chain and central administrative functions, while we can adapt the product range with greater flexibility to different areas and channels.

#### *Improved campaign precision*

Using advanced data analysis, we are tailoring our campaigns in a smarter, significantly more cost-effective way, taking into account product selection and size of discount in relation to effect.

### Profitable growth for 100 more years

We are now continuing our goal-oriented work on capitalising on the opportunities identified in our strategy review, which has been translated into a specific action programme. Clas Ohlson enjoys a uniquely strong market position in the Nordic region. With a strong financial position we are, under controlled conditions, continuing to develop our operations, generate growth and deliver shareholder value now and for the future. With sCORE, we now also have a scalable platform where powerful efficiency enhancements in central areas such as purchasing and administration will produce tangible effects on gross and operating margins. This will also result in increased scope for action in order to more quickly launch new products and services that will make our customers’ everyday life at home easier.



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% within a five-year period.
- *For the first two years, we expect to invest approximately 1–2% of the underlying operating margin in strategic initiatives now being implemented in the CO 100+ action programme*
- The dividend is to comprise at least 50 per cent of earnings per share after tax, considering the company’s financial position
- *Over the first two years, the ambition is that the dividend will be maintained on a level with the 2016/17 financial year, in absolute terms*
- Net debt in relation to EBITDA to fall below two (2) times
- Set by the Board and communicated on the CMD 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 September at 8:30 a.m. in Clas Ohlson’s store at Drottninggatan 53 in Stockholm. The presentation can also be followed live via teleconference.

#### Calendar

8 Sep 2018	Annual General Meeting 2018
5 Dec 2018	Six-month Report 2018/19
13 Mar 2019	Nine-month Report 2018/19
5 Jun 2019	Year-end Report 2018/19
4 Sep 2019	Three-month Report 2019/20

#### Contents

Financial statements	8
Key ratios	12
Quarterly overview	13
Accounting policies	15
Alternative performance measures	16
The share	19
Key ratio definitions	20
Glossary	21
Store overview	22
Clas Ohlson in brief	23

## Sales

### Distribution of sales

MSEK	3 Months			
	May 2018 - Jul 2018	May 2017 - Jul 2017	Percentage change	
			SEK	local currency
Sweden	865	817	6	6
Norway	802	709	13	7
Finland	222	200	11	4
Outside Nordic countries	69	57	20	13
<b>Total*</b>	<b>1,958</b>	<b>1,783</b>	<b>10</b>	<b>6</b>

\*Of wich 93 Mkr (58) comprise online sales.

### Distribution of sales increase

Per cent	May 2018 - Jul 2018
Comparable units in local currency	3
New stores	3
Exchange-rate effects	4
<b>Total</b>	<b>10</b>

### First quarter

Sales for the first quarter increased 10 per cent to 1,958 MSEK (1,783). Organic sales increased by 6 per cent compared to the first quarter of the preceding year. Sales in comparable units and local currency increased by 3 per cent. Online sales for the first quarter increased by 60 per cent to 93 MSEK (58).

During the quarter, the store network was expanded by 3 stores (2). At the end of the quarter, the total number of stores was 232, representing a net increase of 14 stores compared with the year-earlier period (11).

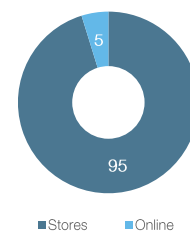
### Retail trade development<sup>1</sup>

	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Q1 18/19
<b>Sweden</b>					
Retail*	3.1	2.6	2.8	4.3	2.0
Consumer Confidence	3.5	2.9	7.5	1.7	-1.3
<b>Norway</b>					
Retail*	3.5	1.2	3.5	2.5	2.4
Consumer Confidence	11.1	11.6	10.3	9.2	19.6
<b>Finland</b>					
Retail*	0.0	0.0	3.6	-3.1	3.0
Consumer Confidence	23.6	23.4	23.7	24.6	23.3
<b>UK</b>					
Retail*	4.6	4.4	4.3	3.5	5.1
Consumer Confidence	-9.0	-9.7	-11.3	-8.7	-8.7

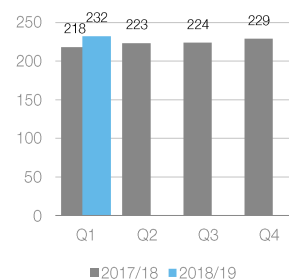
\* Increase in % compared with the same quarter in the preceding year, measured at current prices.

<sup>1</sup> Source: HUI, Konjunkturinstitutet, Office for National Statistics, Opinion, Statistikcentralen, Statistisk sentralbyrå, Trading Economics

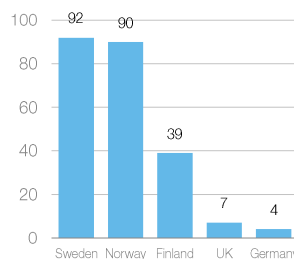
### Distribution per sales channel, %



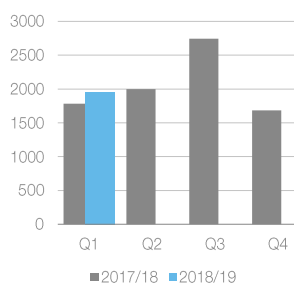
### Total number of stores



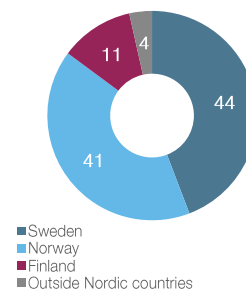
### Distribution of numbers of stores



### Sales, MSEK



### Distribution of sales, %



## Resultat

### Consolidated Income Statement

MSEK	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
Sales	1,958.1	1,782.6	8,386.3	8,210.7
Cost of goods sold	-1,203.8	-1,059.9	-5,070.5	-4,926.6
<b>Gross profit</b>	<b>754.4</b>	<b>722.7</b>	<b>3,315.8</b>	<b>3,284.1</b>
Selling expenses	-659.2	-572.6	-2,666.3	-2,579.7
Administrative expenses	-63.0	-49.8	-250.3	-237.1
Other operating income/expenses	-0.2	-0.2	1.0	1.0
<b>Operating profit</b>	<b>32.0</b>	<b>100.1</b>	<b>400.2</b>	<b>468.3</b>

### Specification of change in profits

MSEK	
<b>Operating profit May 2017 - July 2017</b>	<b>100.1</b>
Profit from sales	5.1
Decreased gross margin	-39.5
Increased administrative expenses, excluding strategy overview	-3.2
Non-recurring costs, costs linked to the CO100+ action programme and implementation of the business system sCORE	-30.0
Decreased expansion costs stores	2.1
Change in depreciation	-2.6
Change in other operating income/expense	0.0
<b>Operating profit May 2018 - July 2018</b>	<b>32.0</b>

### First quarter

Earnings for the quarter were affected by a combination of non-recurring costs, costs linked to the CO100+ action programme and implementation of the business system SCORE totalling 30 MSEK (0).

The gross margin was 38.5 per cent (40.5). Compared to the corresponding quarter last year the gross margin was affected by the celebration of our 100th anniversary, which included particularly attractive customer offers on June 28 alongside an increased commercial initiative to drive traffic to shops and online. Also a slight increase in sourcing costs had a negative effect on margin. A stronger sales currency (NOK) and a weaker currency for purchasing (USD) fully offset the negative effects of currency hedging (NOK) comprising both currency forwards and exchange-rate effects related to delays in inventory.

The share of selling expenses increased by 1.6 percentage points to 33.7 per cent (32.1). In addition to costs related to the action programme, the share was affected by commercial initiatives.

As previously communicated, administrative expenses increased approximately 10 MSEK as a result of the strategic review, which is included in the total amount of 30 MSEK (0) mentioned in the first section of this page.

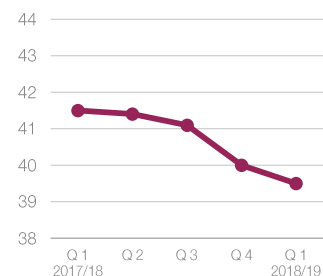
Operating profit amounted to 32 MSEK (100). The operating margin was 1.6 per cent (5.6). The operating profit was affected by the costs totalling 30 MSEK (0) in accordance with the first section of this page. The underlying operating profit amounted to 62 MSEK (100).

Profit after financial items totalled 32 MSEK (100).

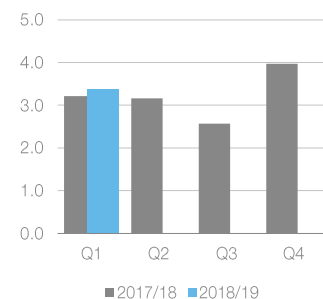
Depreciation for the period amounted to 59 MSEK (57).

Spot exchange rates for key currencies averaged 1.08 for NOK and 8.79 for USD, compared with 1.03 and 8.60, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of the expected flow in each currency every month, with six-month maturities.

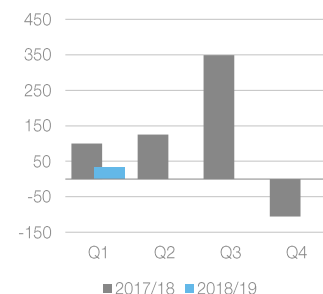
### Gross margin rolling 12 months, %



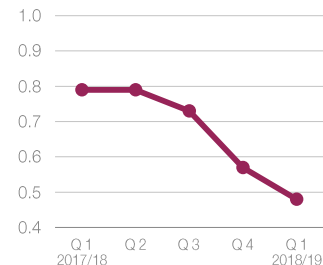
### Share of selling expenses, %



### Operating profit, MSEK



### Operating margin rolling 12 months, %



## Investments

Investments in the quarter totalled 49 MSEK (53). Of this amount, investments in new or refurbished stores accounted for 7 MSEK (15). Other investments were primarily IT and replacement investments. Investments in IT systems for the quarter amounted to 33 MSEK (30).

## Financing and liquidity

Cash flow from operating activities during the quarter totalled -28 MSEK (93). Cash flow for the quarter, after investing and financing activities, was -17 MSEK (45).

The average 12-month value of inventories was 1,935 MSEK (1,731). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 6.2 times (6.8).

At the end of the quarter, the value of inventories was 1,937 MSEK (1,696). The planned inventory expansion carried out ahead of implementing the inventory module in the new sCORE IT platform has been reduced in accordance with the plan. Inventory level at the end of the fourth quarter was 2,038 MSEK. Compared with the preceding year, 14 stores, net, were added.

The Group's net cash holdings, meaning cash and cash equivalents, less interest-bearing liabilities, amounted to 37 MSEK (668) at the end of the quarter. Credits granted and loan commitments amounted to 650 MSEK, of which 60 MSEK had been utilised at the end of the quarter. The company's financial position remains strong. The equity/assets ratio was 57 per cent (57).

## Employees

The number of employees in the Group was approximately 5,000; recalculated to full-time equivalents, this corresponds to an average of 2,997 (2,846). The increase was mainly related to new stores.

## Parent Company

Parent Company sales in the quarter amounted to 1,481 MSEK (1,431) and profit after financial items totalled MSEK 4 (69). Investments for the quarter totalled 42 MSEK (38). Contingent liabilities for the Parent Company amounted to 268 MSEK (245).

## Events after the end of the reporting period

### Sales in August

Sales in August increased by 8 per cent to 725 MSEK (671). Organic sales increased by 4 per cent compared with the preceding year. Sales in August in comparable units and local currency increased by 1 per cent. Online sales in August increased by 31 per cent to 25 MSEK (19).

Compared with the same month of the preceding year, the store portfolio was expanded net by 13 stores (12). At the end of the period, the total number of stores was 232.

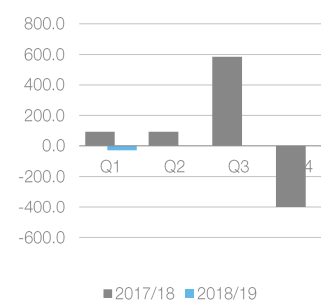
### Distribution of sales

MSEK	Aug 2018	Aug 2017	Percentage change	
			SEK	local currency
Sweden	302	296	2	2
Norway	312	277	13	6
Finland	89	78	14	4
Outside Nordic countries	22	20	11	0
<b>Total*</b>	<b>725</b>	<b>671</b>	<b>8</b>	<b>4</b>

\*Of wich 25 Mkr (19) comprise online sales.

Total sales for the first four months of the financial year (May–August) increased 9 per cent to 2,683 MSEK (2,454). Organic sales increased by 6 per cent compared

### Cash flow, MSEK\*



\* from operating activities



In August, all our employees gathered in Tällberg to celebrate Clas Ohlson's 100th anniversary and launch the new strategy internally.

with the preceding year. Sales in comparable units and local currency increased by 2 per cent. Online sales increased by 53 per cent to 119 MSEK (78).

### Update on store expansion

During the 2018/19 financial year, openings are planned for 10-15 new stores, net. The number of forthcoming, contracted store compared with the same quarter amounted to 8 stores. See the summary on page 22.

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

### Risks and uncertainties

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

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

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

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

The company's auditors have not reviewed this report.

Insjön, 5 September 2018

Lotta Lyrå  
President and CEO

# Financial statements

## Consolidated Income Statement

MSEK	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
Sales	1,958.1	1,782.6	8,386.3	8,210.7
Cost of goods sold	-1,203.8	-1,059.9	-5,070.5	-4,926.6
<b>Gross profit</b>	<b>754.4</b>	<b>722.7</b>	<b>3,315.8</b>	<b>3,284.1</b>
Selling expenses	-659.2	-572.6	-2,666.3	-2,579.7
Administrative expenses	-63.0	-49.8	-250.3	-237.1
Other operating income/expenses	-0.2	-0.2	1.0	1.0
<b>Operating profit</b>	<b>32.0</b>	<b>100.1</b>	<b>400.2</b>	<b>468.3</b>
Financial income	0.3	0.1	0.9	0.7
Financial expense	-0.6	-0.3	-2.2	-1.9
<b>Profit after financial items</b>	<b>31.7</b>	<b>99.9</b>	<b>398.9</b>	<b>467.1</b>
Income tax	-1.9	-22.5	-88.7	-109.3
<b>Profit for the period</b>	<b>29.7</b>	<b>77.4</b>	<b>310.2</b>	<b>357.8</b>

## Consolidated Comprehensive Income Statement

MSEK	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
Profit for the period	29.7	77.4	310.2	357.8
Other comprehensive income, net of tax: Items that later can be reversed back to the Consolidated income statement:				
Exchange rate differences	-15.3	-9.0	48.0	54.3
Cash flow hedging	14.8	-28.1	33.6	-9.3
<b>Total</b>	<b>-0.5</b>	<b>-37.1</b>	<b>81.6</b>	<b>45.0</b>
Items that later can not be reversed back to the Consolidated income statement:				
Reevaluation of net pension obligations	0.0	0.0	0.0	0.0
<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>-0.5</b>	<b>-37.1</b>	<b>81.6</b>	<b>45.0</b>
<b>Total comprehensive income for the period</b>	<b>29.2</b>	<b>40.3</b>	<b>391.8</b>	<b>402.8</b>

## Data per share

	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
Number of shares before dilution	63,217,584	63,188,439	63,207,944	63,200,598
Number of shares after dilution	63,222,147	63,374,737	63,269,483	63,311,743
Number of shares at end of period	63,217,794	63,199,135	63,217,794	63,208,135
Earnings per share before dilution, SEK	0.47	1.22	4.91	5.66
Earnings per share after dilution, SEK	0.47	1.22	4.90	5.65
Comprehensive income per share, SEK	0.46	0.64	6.20	6.37

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



## Consolidated Balance Sheet

MSEK	31 Jul 2018	31 Jul 2017	30 Apr 2018
<b>Assets</b>			
Intangible assets	446.7	360.8	428.2
Tangible assets	1,007.5	1,036.3	1,041.3
Securities held as fixed assets	224.5	0.0	224.5
Non-current receivables	14.8	18.5	14.9
Inventories	1,936.6	1,695.6	2,038.0
Other receivables	310.3	230.4	336.9
Liquid assets	97.3	668.4	115.8
<b>Total assets</b>	<b>4,037.7</b>	<b>4,010.1</b>	<b>4,199.7</b>
<b>Equity and liabilities</b>			
Equity	2,293.2	2,297.7	2,263.9
Long-term liabilities, Non-interest-bearing	223.6	233.4	227.4
Current liabilities, interest-bearing	60.1	0.0	0.0
Current liabilities, Non interest-bearing	1,460.9	1,479.0	1,708.4
<b>Total equity and liabilities</b>	<b>4,037.7</b>	<b>4,010.1</b>	<b>4,199.7</b>

## Consolidated Cash Flow

MSEK	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
Operating profit	32.0	100.1	400.2	468.3
Adjustment for items not included in cash flow	55.2	66.2	197.6	208.6
Interest received	0.3	0.1	0.9	0.7
Interest paid	-0.6	-0.3	-2.2	-1.9
Tax paid	-32.7	-29.5	-135.0	-131.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>54.2</b>	<b>136.6</b>	<b>461.4</b>	<b>543.9</b>
Change in working capital	-82.3	-43.2	-210.2	-171.0
<b>Cash flow from operating activities</b>	<b>-28.1</b>	<b>93.4</b>	<b>251.3</b>	<b>372.8</b>
Investments in intangible assets	-32.9	-29.6	-127.3	-124.0
Investments in tangible assets	-16.0	-23.1	-141.6	-148.8
Investments in securities held as fixed assets	0.0	0.0	-224.5	-224.5
Change in current investments	0.1	0.0	0.1	0.1
<b>Cash flow from investing activities</b>	<b>-48.8</b>	<b>-52.7</b>	<b>-493.3</b>	<b>-497.2</b>
Change in current liabilities, interest-bearing	60.1	0.0	60.1	0.0
Repurchase of own shares	0.0	-20.9	0.0	-20.9
Sale of own shares	0.0	25.1	1.1	26.1
Dividend to shareholders	0.0	0.0	-395.0	-395.0
<b>Cash flow from financing activities</b>	<b>60.1</b>	<b>4.2</b>	<b>-333.9</b>	<b>-389.8</b>
<b>Cash flow for the period</b>	<b>-16.8</b>	<b>44.9</b>	<b>-575.9</b>	<b>-514.2</b>
Liquid assets at the start of the period	115.8	625.1	668.4	625.1
Exchange rate difference for liquid assets	-1.7	-1.6	4.8	4.9
<b>Liquid assets at the end of the period</b>	<b>97.3</b>	<b>668.4</b>	<b>97.3</b>	<b>115.8</b>

## Sales by segment

	3 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017
<b>MSEK</b>		
Sweden	865.4	816.6
Norway	801.7	708.9
Finland	222.5	200.0
Outside Nordic countries	68.6	57.2
Group functions	615.6	614.0
Sales to other segments	-615.6	-614.0
<b>Total</b>	<b>1,958.1</b>	<b>1,782.6</b>

## Operating profit by segment

	3 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017
<b>MSEK</b>		
Sweden	35.5	33.5
Norway	33.8	29.8
Finland	7.2	6.3
Outside Nordic countries	2.1	1.7
Group functions	-46.6	28.8
<b>Total</b>	<b>32.0</b>	<b>100.1</b>

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

MSEK	31 Jul 2018	31 Jul 2017
Securities held as fixed assets, valued at fair value at the beginning of the year	224.5	0.0
Acquisition	0.0	0.0
Revaluation during the year	0.0	0.0
<b>Securities held as fixed assets, valued at fair value at the end of the period</b>	<b>224.5</b>	<b>0.0</b>

\*According to level three in the fair value hierarchy

### Change in equity

(attributable to the Parent company shareholders)

MSEK	3 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017
Equity brought forward	2,263.9	2,250.7
Repurchase of own shares	0.0	-20.9
Sale of own shares	0.0	25.1
Paid-in option premiums:		
Value of employee services	0.0	2.5
Total comprehensive income	29.2	40.3
<b>Equity carried forward</b>	<b>2,293.2</b>	<b>2,297.7</b>

### Forward contracts

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

MSEK	31 Jul 2018	31 Jul 2017
<b>Sell/buy</b>		
NOK/SEK	-2.0	-1.6
NOK/USD	14.5	-27.5
SEK/USD	1.0	-0.4
<b>Total</b>	<b>13.5</b>	<b>-29.5</b>

Forward contracts belong to the derivative category, which is used for hedging purposes. All derivatives are measured at fair value, established by using forward contract prices on balance-sheet date, meaning, level 2 in the fair value hierarchy according to IFRS 13. As per 31 July 2018 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled 2.5 MSEK (29.9), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to 16.0 MSEK (0.3), which is recognized in the item Other receivables. The company hedges the expected flow in each currency every month, with six-month maturities. A deferred tax liability of 3.0 MSEK (previous year a deferred tax asset 6.5) was taken into account and the remaining fair value of 10.5 MSEK (-23.0) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of 14.5 MSEK (-27.5) is allocated on the currency pair NOK/SEK with -3.2 MSEK (6.8) and on the currency pair SEK/USD with -17.8 MSEK (-34.3).

## Key ratios

	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
Sales growth, %	9.9	1.1	4.7	2.8
Gross margin, %	38.5	40.5	39.5	40.0
Operating margin, %	1.6	5.6	4.8	5.7
Return on capital employed, %	-	-	17.8	21.0
Return on equity, %	-	-	13.9	16.0
Equity/assets ratio, %	56.8	57.3	56.8	53.9
Net debt/EBITDA	-	-	-0.1	-
Sales per sq.m in stores, SEK thousand	7.0	7.0	31.1	30.8
Number of stores at period end	232	218	232	229
Number of employees at period end	2,997	2,846	2,997	2,951
<b>Data per share</b>				
Number of shares before dilution	63,217,584	63,188,439	63,207,944	63,200,598
Number of shares after dilution	63,222,147	63,374,737	63,269,483	63,311,743
Number of shares at period end	63,217,794	63,199,135	63,217,794	63,208,135
Earnings per share before dilution, SEK	0.47	1.22	4.91	5.66
Earnings per share after dilution, SEK	0.47	1.22	4.90	5.65
Comprehensive income per share, SEK	0.46	0.64	6.20	6.37
Cash flow per share*, SEK	-0.44	1.48	3.98	5.90
Equity per share, SEK	36.27	36.36	36.27	35.82

\* From the operating activities

## Quarterly overview

MSEK	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Q1 18/19
Sales	1,763.5	1,956.6	2,695.2	1,574.8	1,782.6	1,999.1	2,745.9	1,683.1	1,958.1
Cost of goods sold	-1,074.5	-1,144.1	-1,567.3	-912.7	-1,059.9	-1,175.7	-1,625.1	-1,065.9	-1,203.8
<b>Gross profit</b>	<b>689.0</b>	<b>812.5</b>	<b>1,127.9</b>	<b>662.2</b>	<b>722.7</b>	<b>823.3</b>	<b>1,120.8</b>	<b>617.3</b>	<b>754.4</b>
Selling expenses	-563.0	-634.4	-684.7	-603.2	-572.6	-632.3	-706.8	-668.1	-659.2
Administrative expenses	-49.4	-49.4	-51.3	-43.0	-49.8	-65.9	-64.7	-56.6	-63.0
Other operating income/expenses	-1.2	-1.8	-1.9	1.5	-0.2	-0.2	-0.2	1.5	-0.2
<b>Operating profit</b>	<b>75.4</b>	<b>127.0</b>	<b>390.0</b>	<b>17.5</b>	<b>100.1</b>	<b>124.9</b>	<b>349.2</b>	<b>-105.9</b>	<b>32.0</b>
Financial income	0.2	0.1	0.0	0.4	0.1	0.1	0.3	0.2	0.3
Financial expense	-0.1	-0.5	-0.5	-0.5	-0.3	-0.5	-0.5	-0.6	-0.6
<b>Profit after financial items</b>	<b>75.5</b>	<b>126.5</b>	<b>389.5</b>	<b>17.4</b>	<b>99.9</b>	<b>124.5</b>	<b>349.0</b>	<b>-106.3</b>	<b>31.7</b>
Income tax	-17.6	-30.2	-84.6	2.2	-22.5	-28.7	-78.6	20.6	-1.9
<b>Profit for the period</b>	<b>57.9</b>	<b>96.4</b>	<b>305.0</b>	<b>19.5</b>	<b>77.4</b>	<b>95.8</b>	<b>270.4</b>	<b>-85.7</b>	<b>29.7</b>

### Assets

Intangible assets	285.6	297.6	321.3	340.2	360.8	376.4	401.4	428.2	446.7
Tangible assets	1,104.6	1,101.8	1,075.8	1,064.3	1,036.3	1,037.7	1,029.2	1,041.3	1,007.5
Securities held as fixed assets	0.0	0.0	0.0	0.0	0.0	0.0	224.0	224.5	224.5
Non-current receivables	18.2	18.6	18.4	18.5	18.5	18.5	18.5	14.9	14.8
Inventories	1,720.6	1,988.8	1,616.6	1,630.7	1,695.6	2,067.8	1,880.3	2,038.0	1,936.6
Other receivables	263.8	269.0	213.3	220.6	230.4	257.8	222.6	336.9	310.3
Liquid assets	494.7	220.2	753.3	625.1	668.4	295.8	584.0	115.8	97.3
<b>Total assets</b>	<b>3,887.4</b>	<b>3,896.0</b>	<b>3,998.8</b>	<b>3,899.4</b>	<b>4,010.1</b>	<b>4,054.1</b>	<b>4,360.0</b>	<b>4,199.7</b>	<b>4,037.7</b>

### Equity and liabilities

Equity	2,166.8	1,921.0	2,218.9	2,250.7	2,297.7	2,026.3	2,285.3	2,263.9	2,293.2
Long-term liabilities, Non-interest-bearing	197.1	174.4	214.3	226.8	233.4	236.0	231.2	227.4	223.6
Current liabilities, Interest-bearing	0.0	120.3	0.0	0.0	0.0	0.0	0.0	0.0	60.1
Current liabilities, Non interest-bearing	1,523.6	1,680.3	1,565.5	1,421.9	1,479.0	1,791.9	1,843.4	1,708.4	1,460.9
<b>Total equity and liabilities</b>	<b>3,887.4</b>	<b>3,896.0</b>	<b>3,998.8</b>	<b>3,899.4</b>	<b>4,010.1</b>	<b>4,054.1</b>	<b>4,360.0</b>	<b>4,199.7</b>	<b>4,037.7</b>

### Key ratios for the period

Gross margin, %	39.1	41.5	41.8	42.0	40.5	41.2	40.8	36.7	38.5
Operating margin, %	4.3	6.5	14.5	1.1	5.6	6.2	12.7	-6.3	1.6
Earnings per share before dilution, SEK	0.91	1.53	4.84	0.31	1.22	1.52	4.28	-1.36	0.47
Earnings per share after dilution, SEK	0.91	1.53	4.83	0.31	1.22	1.51	4.27	-1.36	0.47
Equity per share, SEK	34.42	30.51	35.22	35.68	36.36	32.06	36.16	35.82	36.27

### Seasonal fluctuations

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

## Parent Company Income Statement

MSEK	Note	3 Months		12 Months	
		May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
Sales		1,481.0	1,431.5	6,493.7	6,444.1
Cost of goods sold	1	-1,107.5	-1,041.4	-4,883.7	-4,817.6
<b>Gross profit</b>		<b>373.5</b>	<b>390.2</b>	<b>1,610.0</b>	<b>1,626.5</b>
Selling expenses	1	-316.0	-277.6	-1,283.3	-1,244.9
Administrative expenses	1	-56.2	-43.0	-209.0	-195.8
Other operating income/expenses		-0.0	0.1	0.9	1.0
<b>Operating profit</b>		<b>1.3</b>	<b>69.5</b>	<b>118.5</b>	<b>186.8</b>
Dividends from group companies		3.2	0.0	115.9	112.7
Financial income		0.3	0.1	1.4	1.3
Financial expense		-0.7	-0.5	-3.0	-2.7
<b>Profit after financial items</b>		<b>4.1</b>	<b>69.2</b>	<b>232.9</b>	<b>298.0</b>
Appropriations		0.0	0.0	12.8	12.8
<b>Profit before tax</b>		<b>4.1</b>	<b>69.2</b>	<b>245.7</b>	<b>310.8</b>
Income tax		-0.9	-15.7	-31.0	-45.7
<b>Profit for the period</b>		<b>3.2</b>	<b>53.5</b>	<b>214.8</b>	<b>265.1</b>

## Parent Company Comprehensive Income Statement

MSEK	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
Profit for the period	3.2	53.5	214.8	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	-4.7	-4.8	11.5	11.3
<b>Other comprehensive income, net of tax</b>	<b>-4.7</b>	<b>-4.8</b>	<b>11.5</b>	<b>11.3</b>
<b>Total comprehensive income</b>	<b>-1.5</b>	<b>48.6</b>	<b>226.2</b>	<b>276.4</b>

### Note 1 Depreciations

	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
Depreciations for the period	39.5	38.3	152.6	151.5

## Parent Company Balance Sheet

MSEK	31 Jul 2018	31 Jul 2017	30 Apr 2018
<b>Assets</b>			
Intangible assets	446.7	360.8	428.2
Tangible assets	698.3	754.4	713.8
Financial assets	421.5	181.4	423.0
Inventories	1,281.0	1,115.0	1,327.6
Other receivables	240.4	192.5	348.5
Liquid assets	32.2	605.2	36.9
<b>Total assets</b>	<b>3,120.1</b>	<b>3,209.2</b>	<b>3,278.1</b>
<b>Equity and liabilities</b>			
Equity	883.8	1,053.8	885.3
Untaxed reserves	1,035.7	1,048.5	1,035.7
Provisions	49.1	49.7	50.7
Long-term liabilities, Non-interest-bearing	5.0	5.0	5.0
Current liabilities, interest-bearing	60.1	0.0	0.0
Current liabilities, Non interest-bearing	1,086.4	1,052.2	1,301.4
<b>Total equity and liabilities</b>	<b>3,120.1</b>	<b>3,209.2</b>	<b>3,278.1</b>

## Accounting policies

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

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

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 enters force for financial years that begin on 1 January 2018 or later (financial year 2018/19 for Clas Ohlson) and at that point replaces 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, enters force on 1 January 2018 or later, and where Clas Ohlson is concerned replaces both IAS 18 Revenue and IFRIC 13 Customer Loyalty Programmes. The majority – approximately 96 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 4 per cent of revenue relating to online shopping, the introduction of the new standard will not impact recognition of revenue concerning these portions.

IFRS 16 Leases, the new lease standard entering force on 1 January 2019 or later, with 2018/19 as the comparison year, will impact Clas Ohlson. The new standard differs materially from the current IAS 17. It applies to all leases, as well as to subletting. A linear operating cost is replaced with a "front-heavy" cost profile for each individual lease. Portfolios with a spread of maturities are impacted less. One project has been established and an analysis of how the reports will be impacted, in terms of amounts, will continue through 2018 and going forward. The transition method has not yet been selected.

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

	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
<b>Return on equity</b>				
Net profit for the period	–	–	310.2	357.8
Average equity	–	–	2,227.4	2,230.7
<b>Return on equity</b>	<b>–</b>	<b>–</b>	<b>13.9%</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	–	–	400.2	468.3
Interest income	–	–	0.9	0.7
Average capital employed	–	–	2,253.3	2,230.7
<b>Return on capital employed</b>	<b>–</b>	<b>–</b>	<b>17.8%</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	754.4	722.7	3,315.8	3,284.1
Sales	1,958.1	1,782.6	8,386.3	8,210.7
<b>Gross margin</b>	<b>38.5%</b>	<b>40.5%</b>	<b>39.5%</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	1,958.1	1,782.6	8,386.3	8,210.7
Cost of goods sold	-1,203.8	-1,059.9	-5,070.5	-4,926.6
<b>Gross profit</b>	<b>754.4</b>	<b>722.7</b>	<b>3,315.8</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	2,293.2	2,297.7	2,293.2	2,263.9
Number of shares at end of period (millions of share)	63.22	63.20	63.22	63.21
<b>Equity per share</b>	<b>36.27</b>	<b>36.36</b>	<b>36.27</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	1,958.1	1,782.6	8,386.3	8,210.7
Sales previous period	1,782.6	1,763.5	8,009.2	7,990.1
<b>Sales growth</b>	<b>9.9%</b>	<b>1.1%</b>	<b>4.7%</b>	<b>2.8%</b>

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



	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
<b>Average inventory value, MSEK</b>				
<b>Average inventory value</b>	-	-	<b>1,934.5</b>	<b>1,869.0</b>

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

Cash flow from operating activities	-28.1	93.4	251.3	372.8
Number of shares before the dilution (millions of share)	63.22	63.19	63.21	63.20
<b>Cash flow from operating activities per share</b>	<b>-0.44</b>	<b>1.48</b>	<b>3.98</b>	<b>5.90</b>

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

#### Net debt, Mkr

Interest-bearing-liabilities	60.1	-	60.1	-
liquid assets	97.3	668.4	97.3	115.8
<b>Total Net debt</b>	<b>-37.2</b>	<b>-668.4</b>	<b>-37.2</b>	<b>-115.8</b>

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

#### Working capital, MSEK

Total current assets	2,344.1	2,594.5	2,344.1	2,490.7
-Cash and cash equivalents	-97.3	-668.4	-97.3	-115.8
-Current non-interest-bearing liabilities	-1,460.9	-1,479.0	-1,460.9	-1,708.4
<b>Working capital</b>	<b>786.0</b>	<b>447.1</b>	<b>786.0</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	32.0	100.1	400.2	468.3
Sales	1,958.1	1,782.6	8,386.3	8,210.7
<b>Operating margin</b>	<b>1.6%</b>	<b>5.6%</b>	<b>4.8%</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	2,293.2	2,297.7	2,293.2	2,263.9
Total assets	4,037.7	4,010.1	4,037.7	4,199.7
<b>Equity/Assets ratio</b>	<b>56.8%</b>	<b>57.3%</b>	<b>56.8%</b>	<b>53.9%</b>

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

#### Capital employed, MSEK

Total assets	4,037.7	4,010.1	4,037.7	4,199.7
Long-term non-interest-bearing liabilities	-223.6	-233.4	-223.6	-227.4
Current non-interest-bearing liabilities	-1,460.9	-1,479.0	-1,460.9	-1,708.4
<b>Capital employed</b>	<b>2,353.3</b>	<b>2,297.7</b>	<b>2,353.3</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	29.2	40.3	391.8	402.8
Average number of shares before dilution (millions of share)	63.22	63.19	63.21	63.20
<b>Comprehensive income per share</b>	<b>0.46</b>	<b>0.64</b>	<b>6.20</b>	<b>6.37</b>

#### Underlying operating profit, MSEK

Operating profit	32.0	100.1	400.2	468.3
Non-recurring costs and costs for action program CO100+	30.0	-	30.0	-
<b>Underlying operating profit</b>	<b>62.0</b>	<b>100.1</b>	<b>430.2</b>	<b>468.3</b>

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

	3 Months		12 Months	
	May 2018 - Jul 2018	May 2017 - Jul 2017	Aug 2017 - Jul 2018	May 2017 - Apr 2018
<b>Earnings per share (before and after dilution), SEK*</b>				
Net profit for the period	29.7	77.4	310.2	357.8
Number of shares before dilution (millions of share)	63.22	63.19	63.21	63.20
Number of shares after dilution (millions of share)	63.22	63.37	63.27	63.31
<b>Number of shares before dilution</b>	<b>0.47</b>	<b>1.22</b>	<b>4.91</b>	<b>5.66</b>
<b>Number of shares after dilution</b>	<b>0.47</b>	<b>1.22</b>	<b>4.90</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. The price paid on 31 July 2018 was 77 SEK per share.

### Number of shares

The number of registered shares totalled 65,600,000, unchanged from the preceding year. At 31 July 2018, the company held 2,382,206 shares (2,400,865) 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 (63,199,135).

### Dividend policy

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

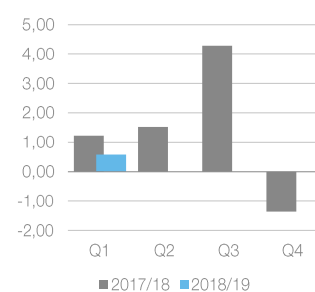
#### The largest shareholders 31 July 2018

Owner	Number of A-shares	Number of B-shares	Equity, %	Votes, %
Helena Tidstrand	1,368,060	6,179,828	12	17
Björn Haid	1,007,960	4,756,334	9	13
Johan Tidstrand	1,368,060	900,000	3	12
Peter Haid	1,007,960	3,785,243	7	12
Claus-Toni Haid	1,007,960	3,475,916	7	12
Nordea	0	3,911,099	6	3
If Skadeförsäkring AB	0	3,114,337	5	3
Swedbank Robur	0	2,133,654	3	2
Avanza	0	1,202,785	2	1
Handelsbanken AB	0	1,010,000	2	1
Other shareholders	0	29,370,804	44	24
<b>Total</b>	<b>5,760,000</b>	<b>59,840,000</b>	<b>100</b>	<b>100</b>

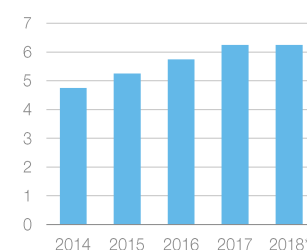
#### Aktiedata

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

#### Earnings per share, SEK



#### Dividend per share, SEK



\* Proposed dividend 6.25 SEK

## Key ratio definitions

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

### Average inventory value

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

### Capital employed

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

### Cash flow from operating activities

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

### Cash flow from operating activities per share

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

### Comprehensive income per share

Comprehensive income divided by average number of shares before dilution.

### Dividend yield

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

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

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

### EBITDA

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

### Equity/assets ratio

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

### Equity per share

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

### 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.

### Net debt

Interest-bearing-liabilities reduced by liquid assets.

### Net debt/EBITDA

Net debt divided by EBITDA for the last 12 months.

### Non-recurring costs

Cost that is not regularly found in the business.

### Operating margin

Operating profit divided by sales for the period.

### Operating profit

Operating profit comprises profit before financial items and tax.

### Payout ratio

Dividend divided by earnings per share before dilution.

### P/E ratio

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

### 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.

### 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.

### Sales growth

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

### Underlying operating profit/loss

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

### Working capital

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

\*Defined in accordance with IFRS.

# Glossary

## Average receipt

Average amount per purchase.

## 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 sale growth and cost reductions mainly in the following areas: A more optimised range, enhanced purchasing efficiency, administration, logistics and customer offerings.

## 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.

## 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.

## Franchise

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

## GRI

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

## 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, excl acquisitions.

## Products for a more sustainable lifestyle

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

## 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.

## sCORE

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

## Store traffic

Number of visitors.

# Store overview

## New stores, first quarter – 1 May till 31 July 2018

- Tyresö, Sweden, opened 3 May 2018
- Sortland, Norway, opened 24 May 2018
- Ljungby, Sweden, opened 14 June 2018

## New stores after the end of the period

- Esbo, Finland, opened in August 2018

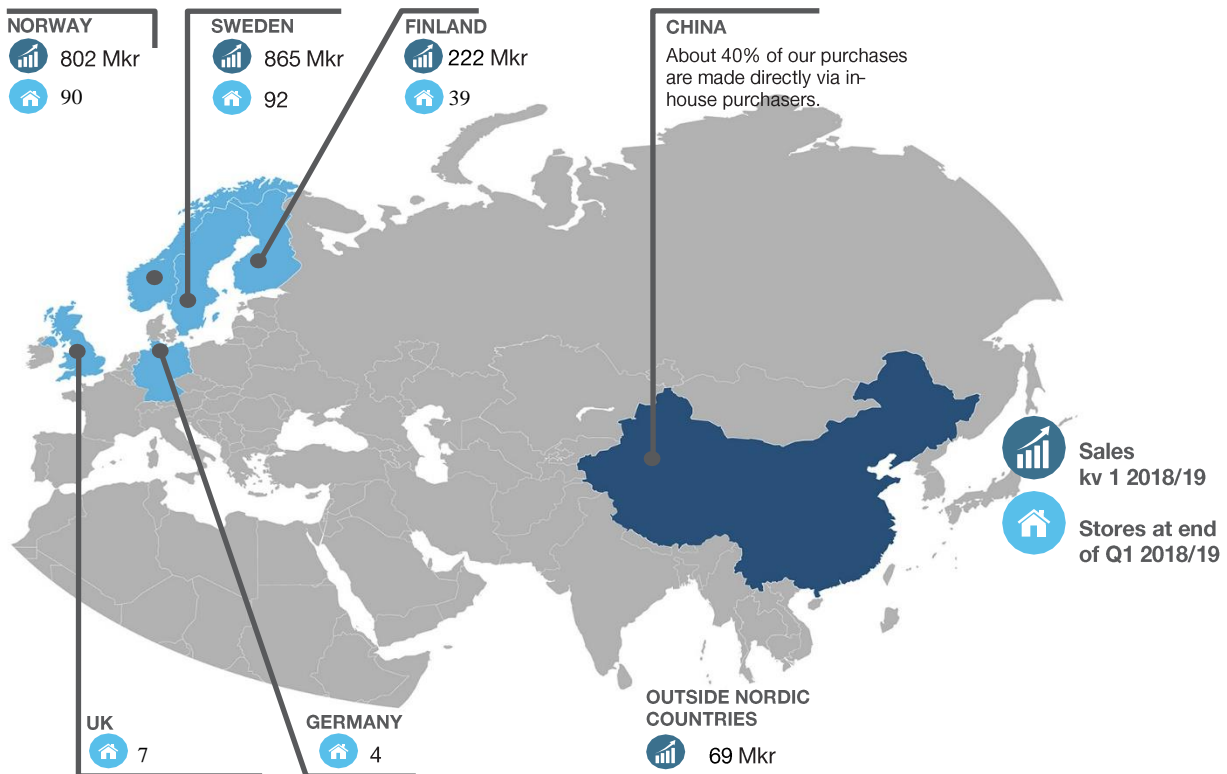
## Future store openings

- Stockholm, Sweden, scheduled to open in September 2018
- Helsinki, Finland, scheduled to open in September 2018
- Mölndal, Sweden, scheduled to open in September 2018
- Stockholm, Sweden, scheduled to open in October 2018
- Kristianstad, Sweden, scheduled to open in November 2018
- Kungälv, Sweden, scheduled to open in March 2019
- Helsinki, Finland, scheduled to open in autumn of 2019



In June, Clas Ohlson opened a Compact Store in Ljungby — a shop in a smaller format that is still full of smart products and solutions, including tool hire through the Hire from Clas service.

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





**THIS YEAR MARKS 100 YEARS** since Clas Ohlson was founded. Much has changed since then, but our idea of helping customers solve everyday practical problems is just as relevant now as it was then.

When Clas Ohlson founded his mail order company in 1918 in Insjön in Dalarna, he did so with the conviction that there were many more people like him – people living in the countryside who were interested in technology and new innovation but did not have access to the range of products available in the large towns and cities.

The first catalogue was a success and the company has continued to grow together with its customers over the years. And everything that initially could only be ordered by catalogue has been available in one of our stores since the end of the 1980s and via online shopping since the mid-1990s.

Clas Ohlson has grown to have approximately 5,000 employees in six markets and generate sales of just over 8 billion SEK. Our share is listed on Nasdaq Stockholm.

Read more about our history at [clasohlson100.com](http://clasohlson100.com) or where we are today at [about.clasohlson.com](http://about.clasohlson.com).



## Our mission

To help and inspire people to improve their everyday life by offering smart, simple, practical solutions at attractive prices.

## Financial objectives

- Sales will increase organically an average of 5 per cent 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, with consideration for the company's financial position. This is our dividend policy.

## 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
- 98% of suppliers are to comply with the requirements of our Code of Conduct

**We're turning 100**

In March, we kicked off the 100th anniversary celebration in our stores with great customer offerings and the premiere of the anniversary catalogue.

**Operations**

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

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

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