

### Second quarter – 1 Aug to 31 Oct 2019

- Sales in the Nordics increased by 3% to 2,145 MSEK (2,089), organic growth up 3% and total sales were unchanged at 2,165 MSEK (2,157), organic growth up 1%
- Online sales increased 21% to 115 MSEK (95)
- Operating profit, including non-recurring costs and costs linked to the CO100+ action programme, totalled 133 MSEK (33). Excluding the effect of IFRS 16, operating profit amounted to 107 MSEK
- Underlying operating profit amounted to 153 MSEK (124) (excl IFRS 16)
- The operating margin was 6.1% (1.6)
- Net debt/EBITDA excluding the effect of IFRS 16 (12 months) amounted to 0.6 times (0.5)
- Profit after tax totalled 91 MSEK (25)
- Earnings per share amounted to 1.43 SEK (0.40)
- A partnership with Kolonial.no, Norway's largest online food retailer, started in September

### Six months – 1 May to 31 October 2019

- Sales in the Nordics increased by 4% to 4,157 MSEK (3,978), organic growth up 4% and total sales increased 2% to 4,209 MSEK (4,115), organic growth up 2%
- Operating profit, including non-recurring items and costs linked to CO100+ action programme, totalled 212 MSEK (65). Excluding the effect of IFRS 16, operating profit amounted to 159 MSEK
- Underlying operating profit amounted to 244 MSEK (186) (excl IFRS 16)
- The operating margin was 5.0% (1.6)
- Profit after tax totalled 139 MSEK (55)
- Earnings per share amounted to 2.21 SEK (0.87)

### Events after the reporting period

- In November, sales in the Nordics increased by 4% to 988 MSEK (948), organic growth up 4% and total sales increased by 2% to 995 MSEK (979), organic growth up 2%
- Online sales in November increased by 7% to 65 MSEK (61)



After only a three-month partnership, one in ten deliveries from Kolonial.no contain a Clas Ohlson product.

**+3%**  
Organic growth  
in the Nordics

**6.1%**  
Operating margin

	3 Months			6 Months			12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	Percentage change	May 2019 - Oct 2019	May 2018 - Oct 2018	Percentage change	Nov 2018 - Oct 2019	May 2018 - Apr 2019
Sales, MSEK	2,165	2,157	0	4,209	4,115	2	8,866	8,772
Operating profit, MSEK	133	33	296	212	65	224	241	94
Operating profit, excl. IFRS 16, MSEK	107	33	220	159	65	145	188	94
Underlying operating profit, MSEK	153	124	23	244	186	31	555	497
Profit after tax, MSEK	91	25	259	139	55	154	156	72
Gross margin, %	41.1	41.6	-0.5 p.p	39.7	40.1	-0.4 p.p	39.6	39.8
Operating margin, %	6.1	1.6	4.6 p.p	5.0	1.6	3.4 p.p	2.7	1.1
Operating margin, excl. IFRS 16, %	4.9	1.6	3.4 p.p	3.8	1.6	2.2 p.p	2.1	1.1
Cashflow from operating activities, MSEK	145.1	-61.0	-	454.9	-89.1	-	856.0	312.0
Equity/assets ratio, %	25.0	42.8	-17.9 p.p	25.0	42.8	-17.9 p.p	25.0	49.0
Equity/assets ratio, excl. IFRS 16, %	39.7	42.8	-3.1 p.p	39.7	42.8	-3.1 p.p	39.7	49.0
Net debt/EBITDA ratio	-	-	-	-	-	-	3.3	0.5
Net debt/EBITDA excl. IFRS 16 ratio	-	-	-	-	-	-	0.6	0.5
Earnings per share before dilution, SEK	1.43	0.40	262	2.21	0.87	155	2.47	1.13

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

This information is such that Clas Ohlson AB (publ) is obliged to publish pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was submitted for publication, through the agency of the contact person set out above, on 4 December 2019 at 7:00 a.m. (CET).

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# Important steps towards long-term profitable growth

## We are growing organically in the Nordics

A challenging market climate in our Nordic home markets has dominated the autumn. Accordingly, it is gratifying to state that we increased our sales in the Nordics organically by 3 per cent during the quarter, driven by growth in Sweden, Norway and Finland, both in stores and online.

Offering customers availability and convenience are essential to our continued journey of growth. The major upgrade of our online shopping platform in mid-October was thus a key step. It provides an enhanced customer experience on mobile, tablet and computer, and offers a more scalable platform to enable a faster pace of development going forward.

We can also see short-term results. Online sales for November, with Black Friday accounting for our best day ever in terms of online sales, shows that customers value the investments in an improved digital experience and more attractive campaigns.

The gross margin was 41.1 per cent (41.6) for the quarter and was mainly impacted by the stronger purchasing currency in USD.

## Lower costs enable profitable growth

Since our CO100+ action programme started, we have maintained a high pace of change to achieve a lower cost base and a more efficient organisation. This time last year we presented a clear online strategy for our markets outside the Nordics and we have now closed our stores in the UK and Germany. We have also completed the organisational review that we announced in February and we are now seeing the full effect of this ahead of the next financial year. Alongside this, we are continuing to work on other important initiatives, for example, reviewing our purchasing costs.

The measures implemented under the CO100+ framework are a key reason that the underlying operating profit for the second quarter improved 23 per cent from 124 MSEK to 153 MSEK. We are moving in the right direction, in line with our plan, for achieving our operating margin target of 4-6 per cent for the current year.

## Interplay between channels driving our business

The majority of our sales continue to take place in store. For this reason, we are working intensively to continuously improve both the store network's profitability and the in-store experience.

Another important focus area is offering our products in several channels. We quickly saw that our new partnership from the start of September with Kolonial.no, Norway's largest online food retailer, was positively received by customers, following the same trend we noted for MatHem in Sweden. We also carried out an exciting pilot project with Amazon in the UK and were pleased with the outcome. We intend to expand our product range to scale up this business.

We also see continuing rising demand for our Clas Fix it service. We are continuing to streamline and develop our offering as well as prepare for the roll-out to more geographical regions in Sweden.



It has been confirmed many times over that our CO100+ action programme is generating the effects we had hoped for, as can be seen in the profitability trend for the quarter for example

## Focus on growth and customer experience

It has been confirmed many times over that our CO100+ action programme is generating the effects we had hoped for, as can be seen in the profitability trend for the quarter for example. In a short space of time, we have created a more flexible cost structure and established new ways of interacting with our customers in stores, online and in customers' homes.

An important focus area moving forward in the implementation of CO100+ is to further improve and link our product offering together with our service offering. This will allow us to create unique added value for our customers and as basis for higher sales.

I am proud of what we, all the employees at Clas Ohlson, have achieved together in this quarter. The important Christmas shopping period is now under way. We have made meticulous preparations to deliver the optimal customer experience both in store and online. By combining a distinct focus on daily operations and continuing the implementation of CO100+ we will create a profitable Clas Ohlson and value for our shareholders.

Lotta Lyrå  
President and CEO of Clas Ohlson AB

## Financial targets/framework

- Sales will increase organically an average of 5 per cent annually over a five-year period.
- Operating margin will amount to 6–8 per cent within a five-year period. *During the 2018/19 and 2019/20 financial years, approximately 1–2 per cent of the underlying operating margin are expected to be invested in strategic initiatives in the CO100+ action programme.\**
- The dividend is to comprise at least 50 per cent of earnings per share after tax, with consideration for the company's financial position. *Over the first two years, 2018/2019 and 2019/2020, the ambition is that the dividend will be maintained on a level with the 2016/17 financial year, in absolute terms.*
- Net debt in relation to EBITDA is to fall below two (2) times.\*

\* To continue to link the earnings trend for the 2019/20 financial year to the established financial targets, operating margin and net debt/EBITDA are also stated excluding the effects of IFRS 16.

### Financial information

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

### Q2 presentation 4 Dec at 9.00 a.m.

The report will be presented at 9:00 a.m. via a webcast teleconference. For more information, visit <https://about.clasohlson.com/webbsandning-201920-q2>

### Calendar

11 March 2020	Nine-month Report 2019/20
3 Jun 2020	Year-end Report 2019/20
9 sep 2020	Three-month Report 2020/21
2 dec 2020	Six-month Report 2020/21

## Sales

### Distribution of sales

MSEK	3 Months				6 Months			
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	Percentage change		May 2019 - Oct 2019	May 2018 - Oct 2018	Percentage change	
			SEK	organic			SEK	organic
Sweden	973	933	4	4	1,910	1,798	6	6
Norway	889	891	0	1	1,721	1,692	2	2
Finland	283	265	7	3	525	488	8	5
<b>Nordics</b>	<b>2,145</b>	<b>2,089</b>	<b>3</b>	<b>3</b>	<b>4,157</b>	<b>3,978</b>	<b>4</b>	<b>4</b>
Outside the Nordics	20	69	-70	-71	52	137	-62	-63
<b>Total</b>	<b>2,165</b>	<b>2,157</b>	<b>0</b>	<b>1</b>	<b>4,209</b>	<b>4,115</b>	<b>2</b>	<b>2</b>
<b>Of which comprise online sales</b>	<b>115</b>	<b>95</b>	<b>21</b>	<b>21</b>	<b>227</b>	<b>189</b>	<b>20</b>	<b>20</b>

### Distribution of sales increase

Per cent	3 Months		6 Months	
	Aug 2019 - Oct 2019	Aug 2019 - Oct 2019	May 2019 - Oct 2019	May 2019 - Oct 2019
Comparable units in local currency		1		3
Change in store network		0		-1
Exchange-rate effects		-1		0
<b>Total</b>		<b>0</b>		<b>2</b>

### Second quarter

Sales in the Nordics increased by 3 per cent to 2,145 MSEK (2,089). The organic increase in the Nordics was 3 per cent compared with the preceding year. Total sales were unchanged at 2,165 MSEK (2,157). The organic increase was 1 per cent. Sales in comparable units and local currency increased by 1 per cent. Online sales increased 21 per cent to 115 MSEK (95). During the quarter, the store network was unchanged (expanded by 5). At the end of the quarter, the total number of stores was 232, a reduction of a net five stores compared with the year-earlier period (expanded by 14).

### Six months

Sales in the Nordics increased by 4 per cent to 4,157 MSEK (3,978). The organic increase in the Nordics was 4 per cent compared with the preceding year. Total sales increased by 2 per cent to 4,209 MSEK (4,115). The organic increase was 2 per cent. Sales in comparable units and local currency increased by 3 per cent. Online sales increased by 20 per cent to 227 MSEK (189). During the first six months of the financial year, the net store network was unchanged (expanded by 8).

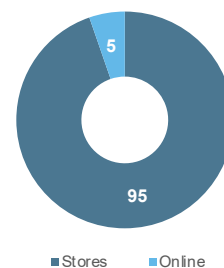
### Retail trade development\*

	Q2 18/19	Q3 18/19	Q4 18/19	Q1 19/20	Q2 19/20
<b>Sweden</b>					
Retail**	2.2	1.3	-0.2	3.9	1.0
Consumer Confidence	2.0	-6.4	-6.0	-5.7	-1.1
<b>Norway</b>					
Retail**	2.7	2.0	0.0	0.7	1.0
Consumer Confidence	6.6	14.1	13.0	12.8	-3.2
<b>Finland</b>					
Retail**	2.4	1.3	-0.1	1.3	1.0
Consumer Confidence	19.5	16.3	15.8	-3.4	-6.2

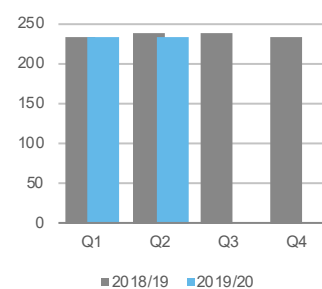
\*Source: HUI, Konjunkturinstitutet, Office for National Statistics, Opinion, Statistiskcentralen, Statistisk sentralbyrå, Trading Economics.

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

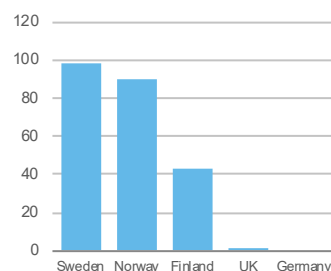
### Distribution per sales channel, %



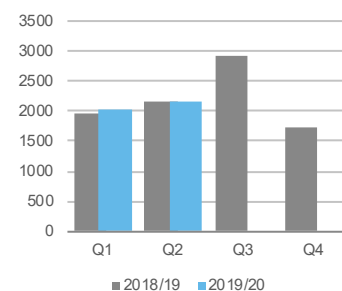
### Total number of stores



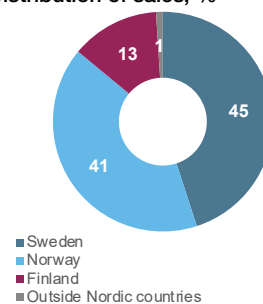
### Distribution of numbers of stores



### Sales, MSEK



### Distribution of sales, %



## Results

### Consolidated Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
Sales	2,165.4	2,157.1	4,209.4	4,115.3	8,866.4	8,772.3
Cost of goods sold	-1,274.8	-1,260.1	-2,539.1	-2,463.9	-5,352.7	-5,277.5
<b>Gross profit</b>	<b>890.6</b>	<b>897.0</b>	<b>1,670.3</b>	<b>1,651.4</b>	<b>3,513.7</b>	<b>3,494.8</b>
Selling expenses	-700.1	-787.2	-1,341.6	-1,446.4	-2,834.2	-2,939.0
Administrative expenses	-57.6	-76.8	-116.3	-139.8	-229.7	-253.2
Other operating income/expenses	-0.3	0.4	-0.3	0.3	-209.2	-208.6
<b>Operating profit</b>	<b>132.6</b>	<b>33.4</b>	<b>212.0</b>	<b>65.4</b>	<b>240.6</b>	<b>94.0</b>

### Specification of change in profits

MSEK	3 Months	6 Months
	Aug 2019 - Oct 2019	May 2019 - Oct 2019
Operating profit corresponding period previous year	33.4	65.4
Profit from sales	28.7	67.2
Change in gross margin	-12.7	-22.6
Increased administrative expenses, excluding strategy overview and CO100+	3.3	0.8
Non-recurring costs, costs linked to the CO100+ action programme and sCORE	44.7	36.1
Change in expansion costs stores	5.7	6.2
Change in depreciation, excl IFRS 16	4.6	6.9
Change in other operating income/expense	-0.7	-0.6
Changed accounting policy, IFRS 16	25.6	52.6
<b>Operating profit actual period</b>	<b>132.6</b>	<b>212.0</b>

### Second quarter

Earnings for the quarter were impacted by costs linked to the CO100+ action programme of approximately 46 MSEK (90).

The gross margin was 41.1 per cent (41.6). During the quarter, the gross margin was negatively affected by a stronger purchasing currency (USD) and product mix. This was offset by the positive effects of currency hedging (NOK) from currency forwards and exchange-rate effects related to the delay in inventory and lower sourcing costs.

The share of selling expenses declined 4.2 percentage points to 32.3 per cent (36.5). Excluding the effect of IFRS 16 of 1.1 percentage points, the share declined by 3.1 percentage points. The share of selling expenses was impacted by lower expenses in the UK and Germany and lower costs related to the CO100+ action programme.

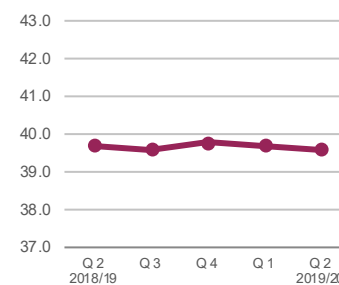
Operating profit amounted to 133 MSEK (33). IFRS 16 had a positive effect of 26 MSEK on operating profit, resulting in operating profit of 107 MSEK excluding this effect. Operating profit was affected by costs linked to the CO100+ action programme of a total of approximately 46 MSEK (90). Underlying operating profit amounted to 153 MSEK (124). The operating margin was 6.1 per cent (1.6). IFRS 16 had a positive effect on operating margin by 1.2 percentage points.

Profit after financial items totalled 116 MSEK (33). IFRS 16 had a positive effect on profit after financial items by 10 MSEK and profit after tax by 8 MSEK.

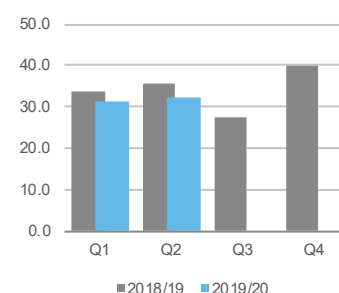
Depreciation for the period amounted to 167 MSEK (59), of which 113 MSEK pertained to depreciation of right-of-use assets in accordance with IFRS 16.

Spot exchange rates for key currencies averaged 1.07 for NOK and 9.71 for USD, compared with 1.09 and 9.02, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per

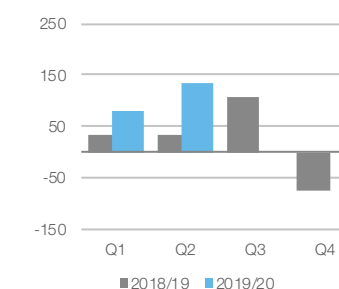
### Gross margin rolling 12 months, %



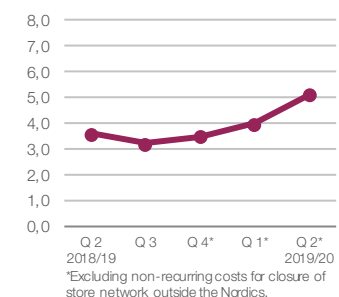
### Share of selling expenses, %



### Operating profit, MSEK



### Operating margin rolling 12 months, %





cent of the expected flow in each currency continuously, with three to nine-month maturities.

#### Six months

Earnings for the period were affected by non-recurring costs and costs linked to the CO100+ action programme totalling approximately 85 MSEK (120).

The gross margin was 39.7 per cent (40.1). The gross margin was negatively impacted by a stronger purchasing currency (USD), which was largely offset by positive effects from currency hedging (NOK) from currency forwards and exchange-rate effects related to the delay in inventory and lower sourcing costs.

The share of selling expenses declined 3.2 percentage points to 31.9 per cent (35.1). Excluding the effect of IFRS 16 of 1.1 percentage points, the share declined by 2.1 percentage points. The share of selling expenses was impacted by lower expenses in the UK and Germany and lower costs related to the CO100+ action programme.

Operating profit amounted to MSEK 212 (65). IFRS 16 had a positive effect of 53 MSEK on operating profit, resulting in operating profit of 159 MSEK excluding this effect. Operating profit was affected by non-recurring costs and costs linked to the CO100+ action programme totalling approximately 85 MSEK (120). Underlying operating profit amounted to 244 MSEK (186). The operating margin was 5.0 per cent (1.6). IFRS 16 had a positive effect on operating margin of 1.2 percentage points.

Profit after financial items amounted to 179 MSEK (65). IFRS 16 had a positive impact of 21 MSEK on profit after financial items and a positive impact of 16 MSEK on profit after tax.

Depreciation for the period amounted to 335 MSEK (118), of which 224 MSEK pertained to depreciation of right-of-use assets in accordance with IFRS 16.

Spot exchange rates for key currencies averaged 1.08 for NOK and 9.59 for USD, compared with 1.09 and 8.91, 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 continuously, with three to nine-month maturities.

#### Investments

Investments during the six-month period totalled 83 MSEK (117). Of this amount, investments in new or refurbished stores accounted for MSEK 24 (32). Investments in IT systems for the quarter amounted to 48 MSEK (52).

#### Financing and liquidity

Cash flow from operating activities during the six-month period totalled 455 MSEK (-89). Cash flow for the period, after investing and financing activities, was 4 MSEK (-5). Excluding the effect of IFRS 16, cash flow from operating activities amounted to 210 MSEK and cash flow from financing activities to -123 MSEK.

The average 12-month value of inventories was MSEK 2,036 (2,012). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 5.7 times (5.8).

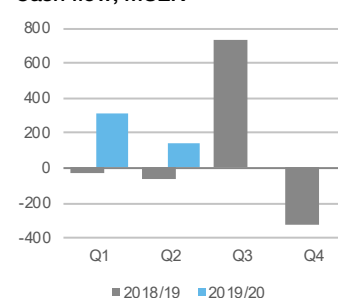
At the end of the period, the value of inventories was 2,257 MSEK (2,345).

The Group's net debt at the end of the period, meaning interest-bearing liabilities less cash and cash equivalents, amounted to 2,303 MSEK (net cash holdings last year 486). Net debt in relation to EBITDA amounted to 3.3 times. Excluding the effect of IFRS 16, net debt amounted to 251 MSEK and net debt in relation to EBITDA to 0.6 times, which is in accordance with our financial framework (below 2.0 times). Credits granted and loan commitments amounted to 850 MSEK, of which 357 MSEK had been utilised at the end of the period. The company's financial position remains strong. The equity/assets ratio was 25 per cent (43). Excluding the effect of IFRS 16, the equity/assets ratio amounted to 40 per cent.

#### Employees

The number of employees in the Group was approximately 5,000, recalculated to full-time equivalents, this corresponds to an average of 3,041 (3,061).

Cash flow, MSEK\*



\* from operating activities

## Seasonal fluctuations

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

## Parent Company

Parent Company sales during the six-month period amounted to 3,458 MSEK (3,261) and profit after financial items totalled 99 MSEK (25). Investments for the period amounted to 60 MSEK (84). Contingent liabilities for the Parent Company amounted to 217 MSEK (271).

## Events after the end of the reporting period

### Sales in November

Sales in the Nordics in November increased by 4 per cent to 988 MSEK (948). The organic increase in the Nordics was 4 per cent compared with the preceding year. Total sales increased by 2 per cent to 995 MSEK (979). The organic increase was 2 per cent. Sales in comparable units and local currency increased by 3 per cent. Online sales increased by 7 per cent to 65 MSEK (61).

Compared with the same month of the preceding year, the store portfolio was reduced by a net six stores (expanded by 11). At the end of the period, the total number of stores was 232.

## Distribution of sales

MSEK	Nov 2019	Nov 2018	Percentage change	
			SEK	organic
Sweden	453	435	4	4
Norway	405	395	2	4
Finland	130	118	11	7
<b>Nordics</b>	<b>988</b>	<b>948</b>	<b>4</b>	<b>4</b>
Outside the Nordics*	8	31	-75	-77
<b>Total**</b>	<b>995</b>	<b>979</b>	<b>2</b>	<b>2</b>

\*Effected by store optimization in UK and Germany.

\*\*Of which 65 Mkr (61) comprise online sales.

In the first seven months of the financial year (May-November), total sales increased by 2 per cent to 5,205 MSEK (5,094). Organic sales increased by 2 per cent compared with the preceding year. Sales in comparable units and local currency increased by 3 per cent. Online sales increased 17 per cent to 292 MSEK (249).

## Update on store network

The number of forthcoming, contracted store openings amounted to one store. For more information, refer to the summary on page 27.

A decision was made during the 2018/19 financial year to discontinue the store network in the UK and Germany. The work to close stores is proceeding to plan. All of the German stores have already been closed and two UK stores were closed during the quarter. In addition, a decision was made to close four stores in Finland and one store in Sweden during current fiscal year.

## Risks and uncertainties

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

When managed correctly, risks may lead to opportunities and add value to the business.

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

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

For a detailed description of the Group's risks and risk management, refer to pages 83-96 of the 2018/19 Annual Report. Apart from the risks described in the Annual Report, no other significant risks have arisen.

## 2018/2019 Annual General Meeting

The Annual General Meeting (AGM) of Clas Ohlson AB (publ) was held on Saturday, 7 September 2019 at the company's distribution centre in Insjön, in Leksand. The AGM adopted the balance sheet and income statement for the Parent Company and the Group for the 2018/19 financial year. At the AGM, the proposed dividend to shareholders of 6.25 SEK per share, divided in two payments, was approved. For more information, refer to the section *The share* on page 24.

Board members Kenneth Bengtsson, Mathias Haid, Margareta Lehmann, Håkan Lundstedt, Göran Näsholm, Charlotte Strömberg, Göran Sundström and Anne Thorsvedt Sjöberg were re-elected and Kenneth Bengtsson was re-elected Chairman of the Board. Accounting firm Deloitte, with Kent Åkerlund as Auditor in Charge, was elected for the period until the next AGM.



## Assurance

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

Insjön, 4 December 2019

Lotta Lyrå  
President and CEO

Kenneth Bengtsson  
Chairman of the Board

Mathias Haid

Margareta Lehmann

Håkan Lundstedt

Göran Näsholm

Charlotte Strömberg

Göran Sundström

Anne Thorstvedt Sjöberg

Lasse Zwetsloot  
Employee representative  
Handels

Caroline Östning  
Employee representative  
Unionen

## Review report

### Introduction

We have reviewed the interim report for Clas Ohlson AB (publ) for the period 1 May 2019 – 31 October 2019. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

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

### Conclusion

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

Insjön, 4 December 2019

Deloitte AB

Kent Åkerlund  
Authorized Public Accountant

# Financial statements

## Consolidated Income Statement \*\*

MSEK	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
Sales	2,165.4	2,157.1	4,209.4	4,115.3	8,866.4	8,772.3
Cost of goods sold	-1,274.8	-1,260.1	-2,539.1	-2,463.9	-5,352.7	-5,277.5
<b>Gross profit</b>	<b>890.6</b>	<b>897.0</b>	<b>1,670.3</b>	<b>1,651.4</b>	<b>3,513.7</b>	<b>3,494.8</b>
Selling expenses	-700.1	-787.2	-1,341.6	-1,446.4	-2,834.2	-2,939.0
Administrative expenses	-57.6	-76.8	-116.3	-139.8	-229.7	-253.2
Other operating income/expenses *	-0.3	0.4	-0.3	0.3	-209.2	-208.6
<b>Operating profit</b>	<b>132.6</b>	<b>33.4</b>	<b>212.0</b>	<b>65.4</b>	<b>240.6</b>	<b>94.0</b>
Financial income	0.0	0.3	0.1	0.6	0.6	1.1
Financial expense	-16.7	-0.8	-33.4	-1.4	-35.3	-3.3
<b>Profit after financial items</b>	<b>116.0</b>	<b>32.9</b>	<b>178.7</b>	<b>64.6</b>	<b>205.9</b>	<b>91.9</b>
Income tax	-25.3	-7.9	-39.2	-9.9	-49.7	-20.3
<b>Profit for the period</b>	<b>90.7</b>	<b>25.0</b>	<b>139.4</b>	<b>54.8</b>	<b>156.3</b>	<b>71.6</b>

\* Closure of store network outside the Nordics.

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

## Consolidated Comprehensive Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
Profit for the period	90.7	25.0	139.4	54.8	156.3	71.6
Other comprehensive income, net of tax:						
Items that later can be reversed back to the Consolidated income statement:						
Exchange rate differences	-9.7	10.6	-14.3	-4.7	-8.3	1.3
Cash flow hedging	13.4	-0.9	18.3	13.9	11.4	7.0
<b>Total</b>	<b>3.7</b>	<b>9.7</b>	<b>4.0</b>	<b>9.2</b>	<b>3.1</b>	<b>8.3</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	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total other comprehensive income, net of tax</b>	<b>3.7</b>	<b>9.7</b>	<b>4.0</b>	<b>9.2</b>	<b>3.1</b>	<b>8.3</b>
<b>Total comprehensive income for the period</b>	<b>94.4</b>	<b>34.8</b>	<b>143.4</b>	<b>64.0</b>	<b>159.4</b>	<b>79.9</b>
<b>Profit for the period attributable to:</b>						
Owners of the parent	90.5	25.3	139.5	55.0	157.2	72.7
Non-controlling interests	0.1	-0.2	-0.1	-0.2	-0.9	-1.1
<b>Comprehensive income attributable to:</b>						
Owners of the parent	94.3	35.1	143.5	64.2	160.3	81.0
Non-controlling interests	0.1	-0.2	-0.1	-0.2	-0.9	-1.1

## Data per share

	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
Number of shares before dilution	63,220,430	63,217,794	63,220,401	63,217,689	63,219,108	63,217,741
Number of shares after dilution	63,244,316	63,223,648	63,243,668	63,223,653	63,238,050	63,230,062
Number of shares at end of period	63,220,430	63,217,794	63,220,430	63,217,794	63,220,430	63,217,794
Earnings per share before dilution, SEK	1.43	0.40	2.21	0.87	2.47	1.13
Earnings per share after dilution, SEK	1.43	0.40	2.20	0.87	2.47	1.13
Comprehensive income per share, SEK	1.49	0.55	2.27	1.01	2.52	1.26

## Consolidated Balance Sheet

MSEK	31 Oct 2019	31 Oct 2018	30 Apr 2019
<b>Assets</b>			
Intangible assets	495.2	454.5	476.9
Tangible assets	850.6	1,010.8	911.6
Right-of-use assets	1,936.5	0.0	0.0
Securities held as fixed assets	225.3	224.5	225.3
Non-current receivables	62.8	15.7	21.5
Inventories	2,257.2	2,345.0	1,987.3
Other receivables	208.4	349.7	249.4
Liquid assets	106.7	109.9	105.0
<b>Total assets</b>	<b>6,142.9</b>	<b>4,510.1</b>	<b>3,976.9</b>
<b>Equity and liabilities</b>			
Equity attributable to owners of the parent	1,527.7	1,925.4	1,940.8
Equity attributable to non-controlling interests	6.5	7.1	6.6
Total equity	1,534.2	1,932.5	1,947.3
Long-term lease liabilities, interest-bearing	1,596.0	0.0	0.0
Long-term liabilities, Non-interest-bearing	203.8	211.7	204.8
Current lease liabilities, interest-bearing	456.5	0.0	0.0
Current liabilities, interest-bearing	357.3	596.0	283.1
Current liabilities, Non interest-bearing	1,995.1	1,770.0	1,541.7
<b>Total equity and liabilities</b>	<b>6,142.9</b>	<b>4,510.1</b>	<b>3,976.9</b>

## Consolidated Cash Flow

MSEK	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
Operating profit	132.6	33.4	212.0	65.4	240.6	94.0
Adjustment for items not included in cash flow	139.9	56.2	301.4	111.4	522.1	332.1
Interest received	0.0	0.3	0.1	0.6	0.6	1.1
Interest paid	-16.7	-0.8	-33.4	-1.4	-35.3	-3.3
Tax paid	-17.8	-21.5	-32.8	-54.2	-83.1	-104.5
<b>Cash flow from operating activities before changes in working capital</b>	<b>238.0</b>	<b>67.7</b>	<b>447.3</b>	<b>121.8</b>	<b>645.0</b>	<b>319.5</b>
Change in working capital	-93.0	-128.7	7.6	-210.9	211.0	-7.6
<b>Cash flow from operating activities</b>	<b>145.1</b>	<b>-61.0</b>	<b>454.9</b>	<b>-89.1</b>	<b>856.0</b>	<b>312.0</b>
Investments in intangible assets	-37.2	-19.0	-47.8	-51.9	-100.8	-104.9
Investments in tangible assets	-23.4	-48.9	-35.2	-64.9	-76.0	-105.8
Investments in securities held as fixed assets	0.0	0.0	0.0	0.0	-0.8	-0.8
Change in current investments	0.0	0.0	0.3	0.1	0.3	0.1
<b>Cash flow from investing activities</b>	<b>-60.6</b>	<b>-67.9</b>	<b>-82.7</b>	<b>-116.7</b>	<b>-177.4</b>	<b>-211.4</b>
Change in current liabilities, interest-bearing	238.7	535.9	74.2	596.0	-238.7	283.1
Repayment of lease liabilities	-123.1	0.0	-245.1	0.0	-245.1	0.0
Sale of own shares	2.8	0.0	2.8	0.0	2.8	0.0
Capital contribution from minority	0.0	0.5	0.0	0.5	0.0	0.5
Change in longterm assets	-1.6	-0.8	-2.3	-0.8	-2.1	-0.6
Dividend to shareholders	-197.9	-395.1	-197.9	-395.1	-197.9	-395.1
<b>Cash flow from financing activities</b>	<b>-81.1</b>	<b>140.5</b>	<b>-368.3</b>	<b>200.6</b>	<b>-680.9</b>	<b>-112.0</b>
<b>Cash flow for the period</b>	<b>3.4</b>	<b>11.6</b>	<b>3.9</b>	<b>-5.3</b>	<b>-2.3</b>	<b>-11.5</b>
Liquid assets at the start of the period	104.6	97.3	105.0	115.8	109.9	115.8
Exchange rate difference for liquid assets	-1.2	1.0	-2.1	-0.7	-0.8	0.6
<b>Liquid assets at the end of the period</b>	<b>106.7</b>	<b>109.9</b>	<b>106.7</b>	<b>109.9</b>	<b>106.7</b>	<b>105.0</b>

## Sales by segment

	3 Months		6 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018
<b>MSEK</b>				
Sweden	973.4	932.8	1,910.2	1,798.2
Norway	889.1	890.7	1,721.5	1,692.4
Finland	282.6	265.1	525.3	487.5
Outside Nordic countries	20.4	68.6	52.4	137.2
Group functions	853.0	847.6	1,547.4	1,463.2
Sales to other segments	-853.0	-847.6	-1,547.4	-1,463.2
<b>Total</b>	<b>2,165.4</b>	<b>2,157.1</b>	<b>4,209.4</b>	<b>4,115.3</b>

## Operating profit by segment

	3 Months		6 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018
<b>MSEK</b>				
Sweden	40.0	38.5	78.5	74.0
Norway	37.5	37.6	72.6	71.4
Finland	9.1	8.4	16.9	15.6
Outside Nordic countries	0.6	2.1	1.6	4.2
Group functions	45.4	-53.2	42.4	-99.8
<b>Total</b>	<b>132.6</b>	<b>33.4</b>	<b>212.0</b>	<b>65.4</b>



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

MSEK	31 Oct 2019	31 Oct 2018
Securities held as fixed assets, valued at fair value at the beginning of the year	225.3	224.5
Acquisition**	0.0	0.0
Revaluation during the year	0.0	0.0
<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	6 Months	
	May 2019 - Oct 2019	May 2018 - Oct 2018
Equity brought forward	1,947.3	2,263.9
Change in accounting policy IFRS 16	-167.1	0,0
<i>Adjusted equity at start of year</i>	1,780.2	2,263.9
Dividend to shareholders	-395.8	-395.1
Sale of own shares	2.8	0.0
Paid-in option premiums:		
Value of employee services	3.6	-0.4
Total comprehensive income	143.4	64.0
<i>Comprehensive income attributable to non-controlling interests</i>	6.5	7.1
<b>Equity carried forward</b>	<b>1,534.2</b>	<b>1,932.5</b>

### Forward contracts

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

MSEK	31 Oct 2019	31 Oct 2018
<b>Sell/buy</b>		
NOK/SEK	7.9	-3.0
NOK/USD	18.8	15.3
SEK/USD	0.0	0.0
<b>Total</b>	<b>26.7</b>	<b>12.3</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 31 October 2019 there are positive market values in the currency pairs. Forward contracts with negative market value totalled 0.0 MSEK (3.2), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to 26.7 MSEK (15.5), which is recognized in the item Other receivables. The company hedge the expected flow in each currency every month, with three to nine-month maturities. A deferred tax liability of 5.7 MSEK (2.7) was taken into account and the remaining fair value of 21.0 MSEK (9.6) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of 18.8 MSEK (15.3) is allocated on the currency pair NOK/SEK with 15,1 MSEK (-1.7) and on the currency pair SEK/USD with 3.7 MSEK (17.1).

## Key ratios

	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
Sales growth, %	0.4	7.9	2.3	8.8	3.8	6.8
Gross margin, %	41.1	41.6	39.7	40.1	39.6	39.8
Operating margin, %	6.1	1.6	5.0	1.6	2.7	1.1
Operating margin, excl IFRS 16, %	4.9	1.6	3.8	1.6	2.1	1.1
Return on capital employed, %	-	-	-	-	5.9	4.1
Return on equity, %	-	-	-	-	8.8	3.5
Equity/assets ratio, %	25.0	42.8	25.0	42.8	25.0	49.0
Equity/assets ratio, excl IFRS 16, %	39.7	42.8	39.7	42.8	39.7	49.0
Net debt/EBITDA	-	-	-	-	3.3	0.5
Net debt/EBITDA, excl IFRS 16	-	-	-	-	0.6	0.5
Sales per sq.m in stores, SEK thousand	7.9	7.8	15.3	14.8	32.1	30.8
Number of stores at period end	232	237	232	237	232	232
Number of employees at period end	3,041	3,061	3,041	3,061	3,041	3,099
<b>Data per share</b>						
Number of shares before dilution	63,220,430	63,217,794	63,220,401	63,217,689	63,219,108	63,217,741
Number of shares after dilution	63,244,316	63,223,648	63,243,668	63,223,653	63,238,050	63,230,062
Number of shares at period end	63,220,430	63,217,794	63,220,430	63,217,794	63,220,430	63,217,794
Earnings per share before dilution, SEK	1.43	0.40	2.21	0.87	2.47	1.13
Earnings per share after dilution, SEK	1.43	0.40	2.20	0.87	2.47	1.13
Comprehensive income per share, SEK	1.49	0.55	2.27	1.01	2.52	1.26
Cash flow per share*, SEK	2.29	-0.96	7.20	-1.41	13.54	4.93
Cash flow per share excl IFRS 16*, SEK	0.35	-0.96	3.32	-1.41	9.66	4.93
Equity per share, SEK	24.27	30.57	24.27	30.57	24.27	30.80

\* From the operating activities.

## Quarterly overview

MSEK	Q2 17/18	Q3 17/18	Q4 17/18	Q1 18/19	Q2 18/19	Q3 18/19	Q4 18/19	Q1 19/20	Q2 19/20
Sales	1,999.1	2,745.9	1,683.1	1,958.1	2,157.1	2,914.8	1,742.2	2,044.0	2,165.4
Cost of goods sold	-1,175.7	-1,625.1	-1,065.9	-1,203.8	-1,260.1	-1,736.3	-1,077.3	-1,264.3	-1,274.8
<b>Gross profit</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>	<b>779.7</b>	<b>890.6</b>
Selling expenses	-632.3	-706.8	-668.1	-659.2	-787.2	-799.9	-692.7	-641.5	-700.1
Administrative expenses	-65.9	-64.7	-56.6	-63.0	-76.8	-62.4	-51.0	-58.7	-57.6
Other operating income/expenses	-0.2	-0.2	1.5	-0.2	0.4	-211.1	2.2	-0.1	-0.3
<b>Operating profit</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>	<b>79.4</b>	<b>132.6</b>
Financial income	0.1	0.3	0.2	0.3	0.3	0.5	0.1	0.0	0.0
Financial expense	-0.5	-0.5	-0.6	-0.6	-0.8	-1.6	-0.3	-16.7	-16.7
<b>Profit after financial items</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>	<b>62.7</b>	<b>116.0</b>
Income tax	-28.7	-78.6	20.6	-1.9	-7.9	-25.5	15.1	-13.9	-25.3
<b>Profit for the period</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>48.8</b>	<b>90.7</b>
<b>Assets</b>									
Intangible assets	376.4	401.4	428.2	446.7	454.5	478.4	476.9	472.9	495.2
Tangible assets	1,037.7	1,029.2	1,041.3	1,007.5	1,010.8	980.1	911.6	879.1	850.6
Right-of-use assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,008.4	1,936.5
Securities held as fixed assets	0.0	224.0	224.5	224.5	224.5	225.3	225.3	225.3	225.3
Non-current receivables	18.5	18.5	14.9	14.8	15.7	15.6	21.5	65.1	62.8
Inventories	2,067.8	1,880.3	2,038.0	1,936.6	2,345.0	1,983.2	1,987.3	1,954.8	2,257.2
Other receivables	257.8	222.6	336.9	310.3	349.7	346.2	249.4	180.6	208.4
Liquid assets	295.8	584.0	115.8	97.3	109.9	184.7	105.0	104.6	106.7
<b>Total assets</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>5,891.0</b>	<b>6,142.9</b>
<b>Equity and liabilities</b>									
Equity attributable to owners of the parent	2,026.3	2,285.3	2,263.9	2,293.2	1,925.4	1,984.6	1,940.8	1,821.9	1,527.7
Equity attributable to non-controlling interests	0.0	0.0	0.0	0.0	7.1	7.4	6.6	6.3	6.5
Total equity	2,026.3	2,285.3	2,263.9	2,293.2	1,932.5	1,992.0	1,947.3	1,828.3	1,534.2
Long-term lease liabilities, interest-bearing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,669.1	1,596.0
Long-term liabilities, Non-interest-bearing	236.0	231.2	227.4	223.6	211.7	211.6	204.8	205.5	203.8
Current lease liabilities, interest-bearing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	468.0	456.5
Current liabilities, Interest-bearing	0.0	0.0	0.0	60.1	596.0	0.0	283.1	118.5	357.3
Current liabilities, Non interest-bearing	1,791.9	1,843.4	1,708.4	1,460.9	1,770.0	2,009.8	1,541.7	1,601.6	1,995.1
<b>Total equity and liabilities</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>5,891.0</b>	<b>6,142.9</b>
<b>Key ratios for the period</b>									
Gross margin, %	41.2	40.8	36.7	38.5	41.6	40.4	38.2	38.1	41.1
Operating margin, %	6.2	12.7	-6.3	1.6	1.6	3.6	-4.4	3.9	6.1
Operating margin, excl. IFRS 16, %	6.2	12.7	-6.3	1.6	1.6	3.6	-4.4	2.6	4.9
Earnings per share before dilution, SEK	1.52	4.28	-1.36	0.47	0.40	1.24	-0.98	0.77	1.43
Earnings per share after dilution, SEK	1.51	4.27	-1.36	0.47	0.40	1.24	-0.98	0.77	1.43
Equity per share, SEK	32.06	36.16	35.82	36.27	30.57	31.51	30.80	28.92	24.27

## Parent Company Income Statement

MSEK	Note	3 Months		6 Months		12 Months	
		Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
Sales		1,826.5	1,780.4	3,457.7	3,261.4	6,984.1	6,787.8
Cost of goods sold	1	-1,351.8	-1,309.2	-2,553.0	-2,416.7	-5,114.8	-4,978.5
<b>Gross profit</b>		<b>474.6</b>	<b>471.2</b>	<b>904.7</b>	<b>844.7</b>	<b>1,869.3</b>	<b>1,809.4</b>
Selling expenses	1	-351.7	-381.6	-702.2	-697.3	-1,438.3	-1,433.4
Administrative expenses	1	-48.7	-67.3	-101.6	-123.5	-185.6	-207.5
Other operating income/expenses		0.0	-0.1	0.2	-0.4	-200.0	-200.6
<b>Operating profit</b>		<b>74.3</b>	<b>22.2</b>	<b>101.1</b>	<b>23.5</b>	<b>45.5</b>	<b>-32.1</b>
Dividends from group companies		0.0	0.0	0.0	3.2	279.0	282.2
Financial income		0.0	0.3	0.1	0.6	1.9	2.4
Financial expense		-1.6	-1.2	-2.5	-1.9	-5.7	-5.1
<b>Profit after financial items</b>		<b>72.7</b>	<b>21.4</b>	<b>98.6</b>	<b>25.4</b>	<b>320.6</b>	<b>247.4</b>
Appropriations		0.0	0.0	0.0	0.0	41.2	41.2
<b>Profit before tax</b>		<b>72.7</b>	<b>21.4</b>	<b>98.6</b>	<b>25.4</b>	<b>361.8</b>	<b>288.7</b>
Income tax		-15.9	-4.0	-21.7	-4.9	-19.9	-3.1
<b>Profit for the period</b>		<b>56.8</b>	<b>17.4</b>	<b>76.9</b>	<b>20.6</b>	<b>341.9</b>	<b>285.6</b>

## Parent Company Comprehensive Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
Profit for the period	56.8	17.4	76.9	20.6	341.9	285.6
Other comprehensive income, net of tax:						
Items that later can be reversed back to the Consolidated income statement:						
Income from hedge of net investment in foreign operations	0.0	1.7	-0.3	-3.0	-5.5	-8.2
<b>Other comprehensive income, net of tax</b>	<b>0.0</b>	<b>1.7</b>	<b>-0.3</b>	<b>-3.0</b>	<b>-5.5</b>	<b>-8.2</b>
<b>Total comprehensive income</b>	<b>56.8</b>	<b>19.1</b>	<b>76.6</b>	<b>17.6</b>	<b>336.4</b>	<b>277.4</b>

### Note 1 Depreciations

	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
Depreciations for the period	38.8	39.2	79.4	78.7	161.8	161.1

## Parent Company Balance Sheet

MSEK	31 Oct 2019	31 Oct 2018	30 Apr 2019
<b>Assets</b>			
Intangible assets	495.2	454.5	476.9
Tangible assets	618.2	691.6	655.4
Financial assets	271.0	368.4	268.9
Inventories	1,596.4	1,574.6	1,364.2
Other receivables	382.5	353.0	296.1
Liquid assets	38.2	38.0	33.4
<b>Total assets</b>	<b>3,401.5</b>	<b>3,480.1</b>	<b>3,095.0</b>
<b>Equity and liabilities</b>			
Equity	452.1	507.4	764.8
Untaxed reserves	994.5	1,035.7	994.5
Provisions	44.8	47.2	49.9
Long-term liabilities, non-interest-bearing	5.0	5.0	5.0
Current liabilities, interest-bearing	357.3	596.0	283.1
Current liabilities, non interest-bearing	1,548.0	1,288.8	997.6
<b>Total equity and liabilities</b>	<b>3,401.5</b>	<b>3,480.1</b>	<b>3,095.0</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 2018/19 Annual Report on page 107.

The same accounting policies and calculation methods are applied as in the latest annual report except that IFRS 16 is now applied. For a more detailed description of the accounting policies applied to the Group and Parent Company in this interim report, refer to the 2018/19 Annual Report, pages 102-107.

### New accounting policies for 2019/20 and onward

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

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

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

At the transition date, 1 May 2019, Clas Ohlson decided to apply the modified retrospective approach whereby the lease liability was measured at the present value of future lease payments and the right-of-use asset was measured as if IFRS 16 has been applied since commencement. In accordance with the standard, comparative figures have not been restated. The cumulative effect of the transition was recognised as an adjustment to the opening balance of retained earnings as per 1 May 2019. On transition, Clas Ohlson applies the exemption rules that do not include low-value assets and leases with a term of less than 12 months. The exemptions will be applied further on.

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

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

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

Reconciliation of operating lease commitments (MSEK)	
Operating lease commitments at 30 April 2019	2 663
Discounting by applying the Group's incremental borrowingrate (where applicable, the implicit interest rate is used)	-249
Short-term leases that are expensed	-119
Non-lease components	-502
Adjustment regarding extension options or termination clauses	466
Lease liability recognised in 1 May 2019	2259

Effects on the balance sheet 1 May 2019 (MSEK)	
Right-of-use assets	2 120
Deferred tax assets	46
Prepaid expenses	-77
Equity	-170
Long-term lease liabilities	1779
Short-term lease liabilities	480



## Alternative performance measures

This section contains a reconciliation of certain alternative performance measures (APMs) with the closest reconcilable items in the financial statements. As analysis tools, APMs are limited, and must be considered in their context and not as a replacement of financial measures prepared in accordance with IFRS. APMs are presented to improve an investor's evaluation of the operations, as an aid in forecasts of forthcoming periods, and to simplify meaningful comparisons of earnings between periods. Management uses these APMs, for example, to evaluate the operating activities compared with previous results, for internal planning and forecasts and to calculate certain performance-related remuneration. For definitions, refer to page 25. The APMs recognised in this quarterly report may differ from similarly named measures used by other companies.

	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
<b>Return on equity</b>						
Net profit for the period	-	-	-	-	156.3	71.6
Average equity	-	-	-	-	1,776.2	2,062.1
<b>Return on equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.8%</b>	<b>3.5%</b>

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

<b>Return on capital employed</b>						
Operating profit	-	-	-	-	240.6	94.0
Interest income	-	-	-	-	0.6	1.1
Average capital employed	-	-	-	-	4,108.5	2,345.2
<b>Return on capital employed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.9%</b>	<b>4.1%</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	890.6	897.0	1,670.3	1,651.4	3,513.7	3,494.8
Sales	2,165.4	2,157.1	4,209.4	4,115.3	8,866.4	8,772.3
<b>Gross margin</b>	<b>41.1%</b>	<b>41.6%</b>	<b>39.7%</b>	<b>40.1%</b>	<b>39.6%</b>	<b>39.8%</b>

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

<b>Gross profit, MSEK</b>						
Sales	2,165.4	2,157.1	4,209.4	4,115.3	8,866.4	8,772.3
Cost of goods sold	-1,274.8	-1,260.1	-2,539.1	-2,463.9	-5,352.7	-5,277.5
<b>Gross profit</b>	<b>890.6</b>	<b>897.0</b>	<b>1,670.3</b>	<b>1,651.4</b>	<b>3,513.7</b>	<b>3,494.8</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	1,534.2	1,932.5	1,534.2	1,932.5	1,534.2	1,947.3
Number of shares at end of period (millions of share)	63.22	63.22	63.22	63.22	63.22	63.22
<b>Equity per share</b>	<b>24.27</b>	<b>30.57</b>	<b>24.27</b>	<b>30.57</b>	<b>24.27</b>	<b>30.80</b>

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

<b>EBITDA, MSEK</b>						
Operating profit	132.6	33.4	212.0	65.4	240.6	94.0
Depreciation	-166.9	-58.7	-335.2	-117.8	-454.3	-230.3
<b>EBITDA</b>	<b>299.5</b>	<b>92.2</b>	<b>547.2</b>	<b>183.3</b>	<b>694.9</b>	<b>324.3</b>

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

<b>EBITDA excl IFRS 16, MSEK</b>						
Operating profit excl IFRS 16	107.0	33.4	159.4	65.4	188.0	94.0
Depreciation excl IFRS 16	-54.1	-58.7	-111.0	-117.8	-230.0	-230.3
<b>EBITDA excl IFRS 16</b>	<b>161.2</b>	<b>92.2</b>	<b>270.4</b>	<b>183.3</b>	<b>418.0</b>	<b>324.3</b>

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

	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
<b>Sales growth, MSEK</b>						
Sales actual period	2,165.4	2,157.1	4,209.4	4,115.3	8,866.4	8,772.3
Sales previous period	2,157.1	1,999.1	4,115.3	3,781.6	8,544.4	8,210.7
<b>Sales growth</b>	<b>0.4%</b>	<b>7.9%</b>	<b>2.3%</b>	<b>8.8%</b>	<b>3.8%</b>	<b>6.8%</b>

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

#### Average inventory value, MSEK

<b>Average inventory value</b>	-	-	-	-	<b>2,036.0</b>	<b>2,049.0</b>
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Reason for use: Shows average inventory value over the past 12 months.

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

Cash flow from operating activities	145.1	-61.0	454.9	-89.1	856.0	312.0
Number of shares before the dilution (millions of share)	63.22	63.22	63.22	63.22	63.22	63.22
<b>Cash flow from operating activities per share</b>	<b>2.29</b>	<b>-0.96</b>	<b>7.20</b>	<b>-1.41</b>	<b>13.54</b>	<b>4.93</b>

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

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

Cash flow from operating activities excl IFRS 16	22.2	-61.0	209.7	-89.1	610.7	312.0
Number of shares before the dilution (millions of share)	63.22	63.22	63.22	63.22	63.22	63.22
<b>Cash flow from operating activities per share excl IFRS 16, SEK</b>	<b>0.35</b>	<b>-0.96</b>	<b>3.32</b>	<b>-1.41</b>	<b>9.66</b>	<b>4.93</b>

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

#### Net debt, MSEK

Interest-bearing-liabilities	-	-	-	-	2,409.8	283.1
Cash and cash equivalents	-	-	-	-	106.7	105.0
<b>Total Net debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,303.0</b>	<b>178.1</b>

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

#### Net debt excl IFRS 16, MSEK

Interest-bearing-liabilities excl lease liabilities	-	-	-	-	357.3	283.1
Cash and cash equivalents	-	-	-	-	106.7	105.0
<b>Total Net debt excl IFRS 16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250.5</b>	<b>178.1</b>

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

#### Working capital, MSEK

Total current assets	2,572.4	2,804.6	2,572.4	2,804.6	2,572.4	2,341.7
-Cash and cash equivalents	-106.7	-109.9	-106.7	-109.9	-106.7	-105.0
-Current non-interest-bearing liabilities	-1,995.1	-1,770.0	-1,995.1	-1,770.0	-1,995.1	-1,541.7
<b>Working capital</b>	<b>470.5</b>	<b>924.8</b>	<b>470.5</b>	<b>924.8</b>	<b>470.5</b>	<b>695.0</b>

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

#### Operating margin

Operating profit	132.6	33.4	212.0	65.4	240.6	94.0
Sales	2,165.4	2,157.1	4,209.4	4,115.3	8,866.4	8,772.3
<b>Operating margin</b>	<b>6.1%</b>	<b>1.6%</b>	<b>5.0%</b>	<b>1.6%</b>	<b>2.7%</b>	<b>1.1%</b>

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

#### Operating margin excl IFRS 16

Operating profit excl IFRS 16	107.0	33.4	159.4	65.4	188.0	94.0
Sales	2,165.4	2,157.1	4,209.4	4,115.3	8,866.4	8,772.3
<b>Operating margin excl IFRS 16</b>	<b>4.9%</b>	<b>1.6%</b>	<b>3.8%</b>	<b>1.6%</b>	<b>2.1%</b>	<b>1.1%</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	1,534.2	1,932.5	1,534.2	1,932.5	1,534.2	1,947.3
Total assets	6,142.9	4,510.1	6,142.9	4,510.1	6,142.9	3,976.9
<b>Equity/Assets ratio</b>	<b>25.0%</b>	<b>42.8%</b>	<b>25.0%</b>	<b>42.8%</b>	<b>25.0%</b>	<b>49.0%</b>

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

	3 Months		6 Months		12 Months	
	Aug 2019 - Oct 2019	Aug 2018 - Oct 2018	May 2019 - Oct 2019	May 2018 - Oct 2018	Nov 2018 - Oct 2019	May 2018 - Apr 2019
<b>Equity/assets ratio excl IFRS 16</b>						
Total equity excl IFRS 16	1,684.8	1,932.5	1,684.8	1,932.5	1,684.8	1,947.3
Total assets excl IFRS 16	4,241.0	4,510.1	4,241.0	4,510.1	4,241.0	3,976.9
<b>Equity/assets ratio excl IFRS 16</b>	<b>39.7%</b>	<b>42.8%</b>	<b>39.7%</b>	<b>42.8%</b>	<b>39.7%</b>	<b>49.0%</b>

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

#### Capital employed, MSEK

Total assets	6,142.9	4,510.1	6,142.9	4,510.1	6,142.9	3,976.9
Long-term non-interest-bearing liabilities	-203.8	-211.7	-203.8	-211.7	-203.8	-204.8
Current non-interest-bearing liabilities	-1,995.1	-1,770.0	-1,995.1	-1,770.0	-1,995.1	-1,541.7
<b>Capital employed</b>	<b>3,944.0</b>	<b>2,528.5</b>	<b>3,944.0</b>	<b>2,528.5</b>	<b>3,944.0</b>	<b>2,230.5</b>

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

#### Comprehensive income per share, SEK

Comprehensive income for the period	94.4	34.8	143.4	64.0	159.4	79.9
Average number of shares before dilution (millions of share)	63.22	63.22	63.22	63.22	63.22	63.22
<b>Comprehensive income per share</b>	<b>1.49</b>	<b>0.55</b>	<b>2.27</b>	<b>1.01</b>	<b>2.52</b>	<b>1.26</b>

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

#### Underlying operating profit, MSEK

Operating profit excl IFRS 16	107.0	33.4	159.4	65.4	188.0	94.0
Non-recurring costs and costs for action program CO100+	46.0	90.7	84.5	120.7	366.9	403.0
<b>Underlying operating profit</b>	<b>153.1</b>	<b>124.1</b>	<b>243.9</b>	<b>186.1</b>	<b>555.0</b>	<b>497.0</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+

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

Net profit for the period	90.7	25.0	139.4	54.8	156.3	71.6
Number of shares before dilution (millions of share)	63.22	63.22	63.22	63.22	63.22	63.22
Number of shares after dilution (millions of share)	63.24	63.22	63.24	63.22	63.24	63.23
<b>Number of shares before dilution</b>	<b>1.43</b>	<b>0.40</b>	<b>2.21</b>	<b>0.87</b>	<b>2.47</b>	<b>1.13</b>
<b>Number of shares after dilution</b>	<b>1.43</b>	<b>0.40</b>	<b>2.20</b>	<b>0.87</b>	<b>2.47</b>	<b>1.13</b>

\*Defined in accordance with IFRS

# The share

Clas Ohlson Series B shares have been listed on Nasdaq Stockholm since 1999 and are included in the Consumer Services sector index. At 31 October 2019, the share price was SEK 92.85 and the total market capitalisation amounted to 5,652 MSEK.

## Number of shares

The number of registered shares totalled 65,600,000 (5,760,000 Series A shares and 59,840,000 Series B shares), unchanged from the preceding year. At 31 October 2019, the company held 2,379,570 shares (2,382,206) corresponding to 4 per cent (4) of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buy-back, was 63,220,430 (63,217,794).

## Dividend policy

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

The AGM held on 7 September 2019 approved the proposed dividend of 6.25 SEK per share, divided in two payments. The first payment was resolved at 3.13 SEK per share and the second payment at 3.12 SEK per share. The record dates were set as 10 September 2019 and 14 January 2020, respectively.

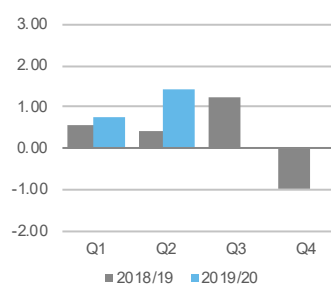
## The largest shareholders 31 October 2019

Owner	CLAS A	CLAS B	Kapital	Röster
Helena Tidstrand	1,368,060	6,179,828	11.5%	16.9%
Johan Tidstrand	1,368,060	900,000	3.5%	12.4%
Peter Haid	1,007,960	3,785,243	7.3%	11.8%
Mathias Haid	503,980	2,389,777	4.4%	6.3%
Charlotte Haid	503,980	2,378,167	4.4%	6.3%
Claus-Toni Haid	503,980	1,737,958	3.4%	5.8%
Grisha Haid	503,980	1,737,958	3.4%	5.8%
Nordea Fonder		4,163,222	6.3%	3.5%
If Skadeförsäkring AB		3,114,337	4.7%	2.7%
Swedbank Robur Fonder		1,102,500	1.7%	0.9%
Vanguard		1,073,843	1.6%	0.9%
Svenska Handelsbanken AB for PB		1,006,500	1.5%	0.9%
Norges Bank		646,254	1.0%	0.6%
Avanza Pension		564,853	0.9%	0.5%
Dimensional Fund Advisors		446,170	0.7%	0.4%
<b>Total top 15</b>	<b>5,760,000</b>	<b>31,226,610</b>	<b>56.4%</b>	<b>75.6%</b>
Other shareholders		28,619,178	43.6%	24.4%
<b>Total</b>	<b>5,760,000</b>	<b>59,845,788</b>	<b>100.0%</b>	<b>100.0%</b>

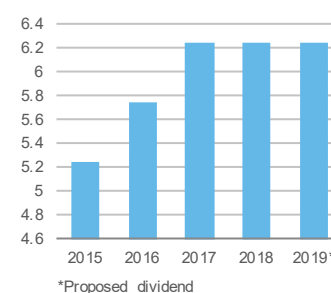
## Share data

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

## Earnings per share, SEK



## Dividend per share, SEK



## Key ratio definitions

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

### Return on equity

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

### Return on capital employed

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

### Gross margin

Gross profit divided by sales for the period.

### Gross profit

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

### Dividend yield

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

### EBITDA

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

### EBITDA excl IFRS 16

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

### Equity per share

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

### Non-recurring costs

Cost that is not regularly found in the business.

### Share of selling expenses, %

Selling expenses in relation to sales.

### Sales growth

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

### Average inventory value

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

### Cash flow from operating activities

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

### Cash flow from operating activities excl IFRS 16

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

### Cash flow from operating activities per share

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

### Net debt

Interest-bearing liabilities less cash and cash equivalents.

### Net debt excl IFRS 16

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

### Net debt/EBITDA

Net debt divided by EBITDA for the last 12 months.

### P/E ratio

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

### Working capital

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

### Operating margin

Operating profit divided by sales for the period.

### Operating margin excl IFRS 16

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

### Operating profit

Operating profit comprises profit before financial items and tax.

### Operating profit excl IFRS 16

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

### Organic growth

Sales growth in local currencies, excluding acquisitions.

#### Equity/assets ratio

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

#### Equity/assets ratio excl IFRS 16

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

#### Capital employed

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

#### Comprehensive income per share

Comprehensive income divided by average number of shares before dilution.

#### Underlying operating profit/loss

Operating profit excl effects relating to IFRS 16 adjusted for non-recurring costs and costs related to the CO100+ action programme.

#### Payout ratio

Dividend divided by earnings per share before dilution.

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

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

\* Defined in accordance with IFRS.

## Glossary

#### Clas Office

Our concept that facilitates purchases for our corporate customers.

#### Club Clas

Our loyalty program, our loyalty club.

#### CO100+

An action programme where our strategic initiatives have been defined. The programme contains initiatives to drive sales growth and cost reductions mainly in the following areas: A more optimised product range, enhanced purchasing efficiency, administration, logistics and customer offering.

#### Sales per square metre

Store sales in relation to the effective retail space. For new stores, a conversion has been made in relation to how long the store has been open.

#### GRI

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

#### Comparable units

Units that have been in operation during the current period and the entire year-earlier period.

#### Conversion rate

The percentage of visitors who make a purchase.

#### Omni-channel

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

#### Products for a more sustainable lifestyle

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

#### 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 during and after the end of the quarter

- Sweden, Stockholm Fältöversten, September 2019
- Finland, Helsinki Mall of Tripla, October 2019
- Finland, Seinäjoki Ideapark, November 2019 (moved)

## Closed stores

- UK, London, Kingston, August 2019
- UK, Liverpool, September 2019

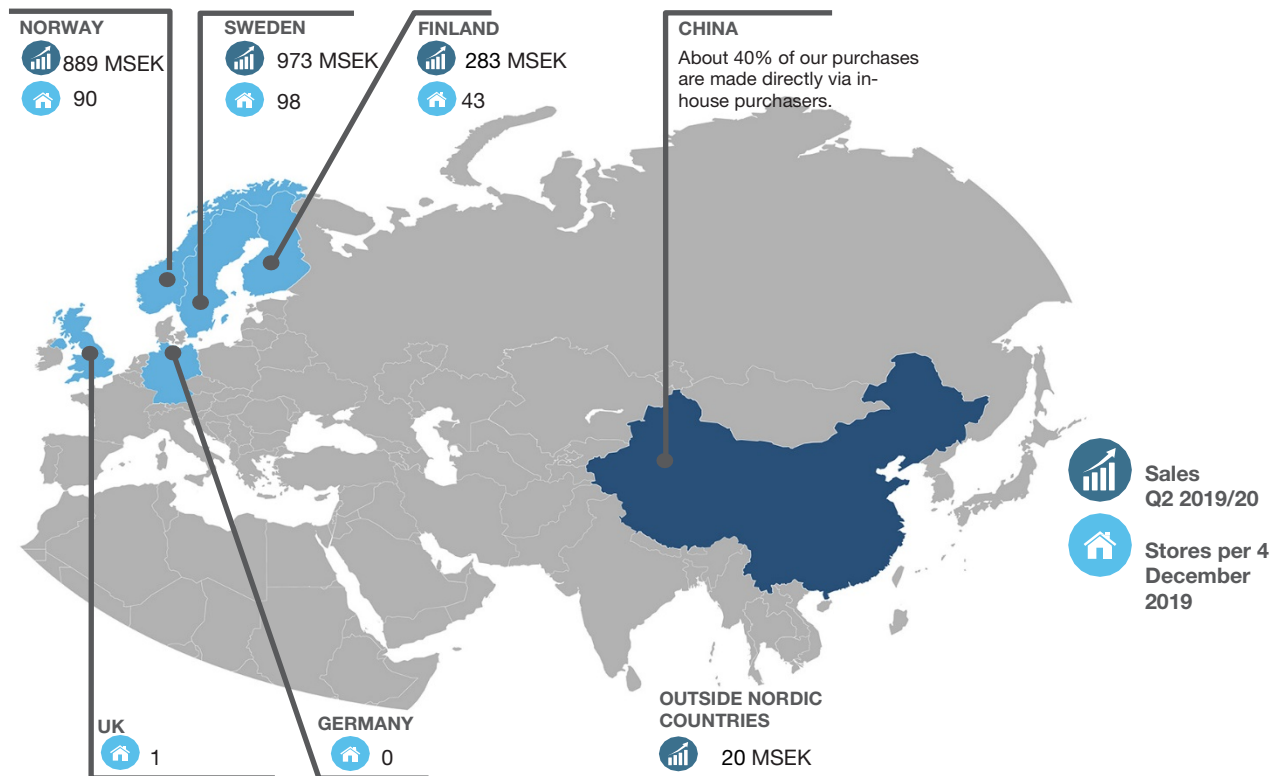
## Future store openings

- 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 opened its new store in the Mall of Tripla, the largest shopping mall in the Nordics, in Helsinki, Finland, in October.



# clas ohlson in brief

**OUR MISSION IS TO** help and inspire people to improve their everyday life by offering smart, simple, practical solutions at attractive prices.

Clas Ohlson was founded in 1918 as a mail order business based in Insjön, Dalarna, Sweden. Today, we are a retail company with customers in five markets, just over 5,000 employees, and sales of approximately 9 billion SEK. Our share is listed on Nasdaq Stockholm.

We will grow in the Nordic market, focusing on simplifying people's everyday lives at home through a combination of products, advice and supplementary services. A developed online business model, unique offering, world-class service and simplified, streamlined operations are critical parts of our new growth strategy. Leveraging the strength of our large, loyal customer base, we will now play a greater and more important role in every home.

Read more about us and our passion about simplifying life in every home at [about.clasohlson.com](http://about.clasohlson.com).

## Strategic focus areas

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

## Financial targets/framework

- Sales will increase organically an average of 5 per cent annually over a five-year period
- Operating margin will amount to 6–8 per cent within a five-year period
- Net debt in relation to EBITDA to fall below two (2) times
- The dividend is to comprise at least 50 per cent of earnings per share after tax, considering the company's financial position

## Focus areas Sustainability

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



## Operations

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

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

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