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## PRESS RELEASE

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Möln dal, 11 September 2019

### KappAhl publishes preliminary financial results for the fourth quarter 2018/2019

KappAhl AB's (publ.) majority shareholder, Mellby Gård AB, has made a public takeover bid for all shares in KappAhl, with the final date for acceptance on 20 September 2019. The independent bid committee has therefore decided to present some preliminary financial statements for the fourth quarter.

Preliminary net sales for June – August 2019 amount to SEK 1,322 million (1,239) with a preliminary operating profit of SEK 108 million (66). Preliminary net sales and operating profit for the full year 2018/2019, the period September 2018 – August 2019, amount to SEK 4,902 million (4,760) and SEK 211 (282) million respectively, adjusted for non-recurring costs of SEK 43 million, incurred in the third quarter.

#### *Selected key figures*

Amounts in SEK million	June 2019 - August 2019	June 2018 - August 2018	September 2018 - August 2019	September 2017 - August 2018
Net sales	1,322	1,239	4,902	4,760
Gross profit	749	733	2,915	2,942
Operating profit	108	66	168	282
Gross margin	56.7 %	59.2 %	59.5 %	61.8 %
Operating margin	8.2 %	5.3 %	3.4 %	5.9 %

Sales in the quarter increased by about 7 per cent compared with the same period of the previous year, which is a considerable improvement compared with the weak third-quarter sales reported by KappAhl. However, sales were associated with a large proportion of clearance sales and campaigns, which had some impact on the gross margin. The operating profit was positively impacted by the previously announced earnings improvement programme, which is delivering clear savings in both stores and administrative functions.

KappAhl's fourth quarter report for 2019 will be published at 07.30 (CET) on 9 October 2019.

*The information was released for public disclosure, through the agency of the contact persons below, at 3.50 pm CEST on 11 September 2019*

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**KappAhl**, founded in 1953 in Gothenburg, is one of the leading Nordic fashion chains, with more than 380 KappAhl and Newbie stores in Sweden, Norway, Finland, Poland and the United Kingdom, as well as Shop Online. Our mission is to offer value-for-money fashion of our own design with wide appeal. Today 57 per cent of the company's products are sustainability labelled. In 2017/2018 net sales were SEK 4.8 billion and the number of employees was about 4,000 in ten countries. KappAhl is listed on Nasdaq Stockholm. More information can be found at [com](http://com)