



A YEAR MARKED BY HARD COMPETITION AND FOCUS ON CHANGE

“KappAhl’s activities in the full year 2018/19 have been marked by intensive work to meet hard competition and declining footfall. They were also characterised by development to adapt to the industry’s transformation, in both the short and long-term.” Read the full CEO statement on the next page.

- Sales in the quarter increased by 6.7 per cent to SEK 1 322 (1 239) million. For the full year, September-August, sales increased by 3.0 per cent to SEK 4 901 (4 760) million.
- Gross margin for the quarter was 56.8 (59.2) per cent. For the full year, September-August, it was 59.5 (61,8) per cent.
- Operating profit for the quarter increased to SEK 108 (66) million. For the full year, September-August, it was SEK 168 (282) million. Adjusted for non-recurring costs of SEK 43 million the operating profit was SEK 211 (282) million.
- During the quarter KappAhl’s majority owner, Mellby Gård AB, submitted a public takeover bid to all KappAhl’s shareholders. On October 7, Mellby Gård AB declared the offer unconditional and to be fulfilled since Mellby Gård AB controls more than 90 percent of the KappAhl shares. Mellby Gård also announced that they will work to delist the KappAhl shares from Nasdaq Stockholm.

	Fourth Quarter (June-August)			Twelve months (Sep-Aug)		
	2018/2019	2017/2018	Change	2018/2019	2017/2018	Change
Net sales, SEK million	1 322	1 239	83	4 901	4 760	141
Gross margin, %	56,8	59,2	-2,4	59,5	61,8	-2,3
Operating profit/loss, SEK million	108	66	42	168	282	-114
Operating margin, %	8,2	5,3	2,9	3,4	5,9	-2,5
Adjusted operating profit/loss, SEK million	108	66	42	211	282	-71
Adjusted operating margin, %	8,2	5,3	2,9	4,3	5,9	-1,6
Profit after tax, SEK million	96	49	47	141	224	-83
Earnings per share, SEK	1,25	0,64	0,61	1,83	2,92	-1,09
Cash flow from operating activities, SEK million	36	-47	83	201	294	-93

For further
information

Elisabeth Peregi, President and Chief Executive Officer. Tel. +46 704 71 56 31.
Peter Andersson, Chief Financial Officer. Tel. +46 703 31 55 70.

Charlotte Högberg, Head Corporate Communications. Tel. +46 704 71 56 31.
Email charlotte.hogberg@kappahl.com.

ELISABETH PEREGI, PRESIDENT AND CEO: A YEAR MARKED BY HARD COMPETITION AND FOCUS ON CHANGE



Elisabeth Peregi
President and Chief Executive Officer

KappAhl's activities in the full year 2018/19 have been marked by hard work to meet hard competition and declining footfall. They were also characterised by development to meet the industry's transformation, in both the short and long-term.

Sales in the fourth quarter increased by 6.7 per cent compared with the same period of the previous year, a considerable improvement compared with the weak sales we reported in the third quarter. Total sales for the year increased by 3.0 per cent, which is mainly attributable to new stores and exchange rate effects. During the year we opened ten KappAhl stores and closed nine, opened our first KappAhl Kids store and ten new Newbie stores and closed two. Sales in Poland continue to grow, this year by a total of 17 per cent and business in the United Kingdom and Norway is also showing a positive trend. Ecommerce was 5,5 (4,7) per cent of sales and has grown by 20 per cent for the year.

Throughout the year competition has been very tough in all markets, with increasing price reductions as a consequence. This, along with increasing purchase prices, has had a negative impact on the gross margin in all quarters. At the close of the financial year inventory value had increased by SEK 90 million, mainly due to a higher dollar exchange rate.

We see clear effects from the SEK 100 million performance enhancement programme launched during the second quarter. Operating profit in the fourth quarter was positively impacted through lower costs both in store and administrative functions, with a total effect for the year of about SEK 32 million. We will see the full effect in the next financial year. As we announced in the previous interim report, the performance enhancement programme will be extended. In the present situation we will add another SEK 50 million where rents and store areas, other overhead expenses and continued review of the organisation will account for approximately equal amounts. Work is continuing to identify more performance enhancement opportunities.

Our vital sustainability work, Responsible Fashion, has this year achieved several important interim targets. As of this autumn, our entire denim range is manufactured in more sustainable material (grown with more sustainable methods) and through more sustainable production processes (less water, energy and chemicals). We have augmented our efforts to achieve the UN climate goals by being an initiator of the Swedish Textile Initiative for Climate Action (STICA) and as a new partner in the textile recycling company Re:newcell increasing our contribution to the work of creating industrial methods for recycling textiles.

The year's operating profit was SEK 168 (282) million, corresponding to an operating margin of 3.4 (5.9) per cent. The operating profit adjusted for non-recurring costs of SEK 43 million, referring to the performance enhancement programme, was SEK 211 (282) million.

We are now intensifying work on our business plan. Focusing strongly on business model and brand strategy, we are taking a fresh approach to the challenges to create a womenswear range with improved relevance to our customers. We will also further develop our already strong childrenswear business. Examples of this to date are the opening of our first KappAhl Kids store in February and the continued growth of Newbie as a shop-in-shop at KappAhl and in its own stores and markets. What we need to do to be the first choice of each priority customer group is becoming increasingly clear.

Elisabeth Peregi
President and Chief Executive Officer

COMMENTS ON THE FOURTH QUARTER

+ 4.8%

comparable stores

Net sales and profit

KappAhl's net sales for the quarter were SEK 1,322 (1,239) million, an increase of 6.7 per cent. This is explained by the change in comparable stores, 4.8 per cent; new and closed stores, 1.3 per cent; and currency translation differences totalling 0.6 per cent.

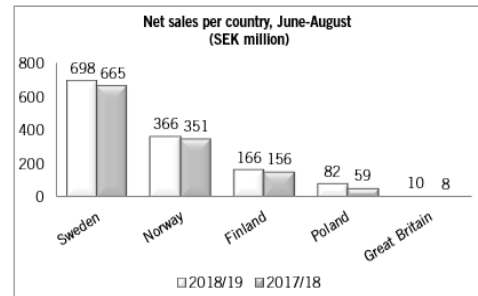
Gross profit for the quarter was SEK 751 (733) million, which corresponds to a gross margin of 56.8 (59.2) per cent.

Selling and administrative expenses for the quarter were SEK 643 (667) million. The cost decrease is mainly explained by the savings programme now being implemented to enhance earnings.

The operating profit was SEK 108 (66) million. This is equivalent to an operating margin of 8.2 (5.3) per cent.

Depreciation was SEK 41 (41) million.

Net financial income was SEK -4 (-1) million for the quarter. Profit before tax was SEK 104 (65) million and profit after tax was SEK 96 (49) million. Earnings per share for the quarter were SEK 1.25 (0.64).



+ SEK 42 million

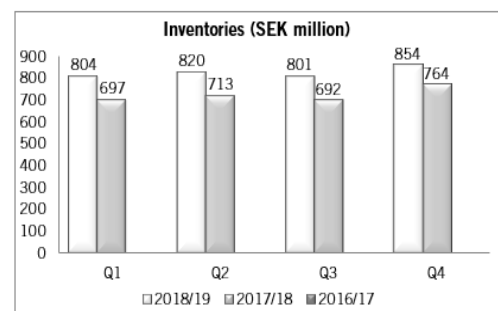
increased operating profit

Taxes

Tax for period amounts to SEK -8 (-16) million, the decrease is mainly due to capitalised deferred tax assets referring to loss carry-forwards attributable to Poland. The Group has net deferred tax assets of SEK 67 (61) million and deferred tax liabilities of SEK 137 (151) million. KappAhl recognises deferred tax assets referring to loss carry forwards attributable to Finland and Poland.

Inventories

Inventories at the end of the period were SEK 854 (764) million. The increase in inventories compared with the same period in the previous year is mainly due to a higher dollar exchange rate.

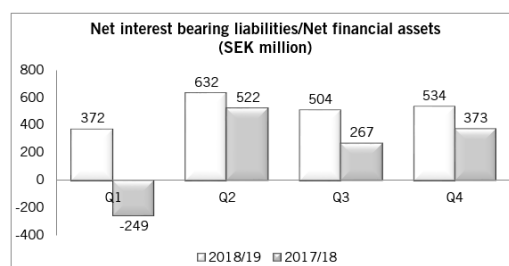


Cash flow

KappAhl's cash flow from operating activities before changes in working capital was SEK 96 (66) million. The change in cash flow mainly refers to an improved operating profit. Cash flow from changes in working capital was SEK -60 (-113) million. The Group's investments in the quarter amounted to SEK 43 (44) million and referred to investments in existing and newly opened stores, as well as digital investments. Cash flow from financing activities was SEK -24 (78) million.

Financing and liquidity

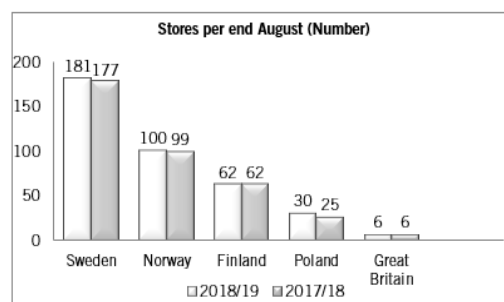
At the close of the period KappAhl had net interest-bearing liabilities of SEK 534 (373) million. Net interest-bearing liabilities/EBITDA was 1.6 for the past twelve months. The equity/assets ratio decreased to 52.4 (57.6) per cent.



Cash and cash equivalents as at 31 August 2019 amounted to SEK 46 (36) million. At the close of the period there was about SEK 550 (647) million in unutilised credit.

Store network and expansion

At the close of the period the total number of stores was 379 (369), of which 28 (22) Newbie Stores. Of the total number of stores there were 181 in Sweden, 100 in Norway, 62 in Finland, 30 in Poland and 6 in the United Kingdom.



Two stores were opened during the quarter and six were closed.

The work of seeking attractive store locations in existing markets is proceeding, but priority is given to optimising store areas for the Group as a whole.

Parent Company

Parent company net sales for the quarter were SEK 3 (12) million and pre-tax profit was SEK 15 (16) million. The parent company did not make any investments during the period.

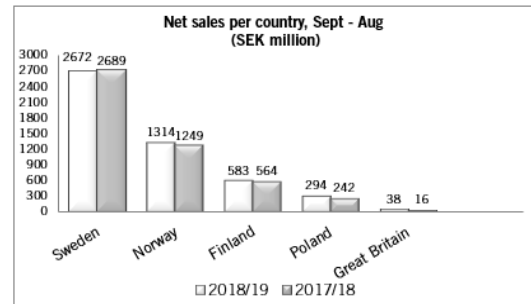
COMMENTS ON THE FULL YEAR

3.0%

increased net sales

Net sales and profit

KappAhl's net sales were SEK 4,901 (4,760) million for the full year. This is an increase of 3.0 per cent compared with the previous year. Sales in comparable stores are unchanged compared with the previous year. This is explained solely by new and closed stores, 1.5 per cent; and currency translation differences totalling 1.4 per cent.



Gross profit for the period was SEK 2,917 (2,942) million, which corresponds to a gross margin of 59.5 (61.8) per cent.

Selling and administrative expenses for the period were SEK 2,749 (2,660) million. The cost increase is partly explained by non-recurring costs of SEK 43 million for the programme started to enhance earnings. The programme has had a positive impact on costs in the fourth quarter.

The operating profit was SEK 168 (282) million. This is equivalent to an operating margin of 3.4 (5.9) per cent. Adjusted for non-recurring costs, the operating profit was SEK 211 (282) million.

Depreciation was SEK 158 (151) million.

Net financial income for the full year was SEK -13 (0) million. Pre-tax profit was SEK 155 (282) million and profit after tax was SEK 141 (224) million.

Earnings per share for the period were SEK 1.83 (2.92).

Cash flow

KappAhl's cash flow from operating activities before changes in working capital was SEK 228 (296) million for the year. The change is mainly due to a lower operating profit which is partially met by a lower amount of tax paid. Changes in working capital were SEK -27 (-2) million. Cash flow from investing activities was SEK -185 (-172) million and refers mainly to investments in existing and newly opened stores and digital investments. Cash flow from financing activities was SEK -7 (-325) million. The change in relation to the previous year refers mainly to the redemption of shares amounting to SEK 499 million that took place in the second quarter of 2017/2018.

Parent Company

Parent company net sales for the full year were SEK 15 (26) million and the pre-tax profit was SEK 54 (47) million. The parent company received dividend from subsidiaries of SEK 49 (50) million. Dividend of SEK 154 (154) million was distributed to the shareholders. The parent company did not make any investments during the period.

OTHER INFORMATION

Financial calendar

Annual General Meeting 6 December 2019

Q1, 19/20 18

December 2019

Q2, 17 March 2020

Q3, 24 June 2020

Q4, 7 October 2020

KappAhl. founded in 1953 in Gothenburg, is one of the leading Nordic fashion chains, with around 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, 58 per cent of the company's products are sustainability labelled.

In 2018/2019 net sales were SEK 4.9 billion and the number of employees was about 4,000 in ten countries. KappAhl is listed on Nasdaq Stockholm. More information at www.kappahl.com.

Related party transactions

During the full year there were transactions with associated companies. Purchases were made for SEK 2.1 million from companies in the Mellby Gård Group. The purchases were on commercial terms.

Risks and uncertainties

The most important strategic and operative risks that affect KappAhl's operations and industry are described in detail in the annual report for 2018/2019. The risks include competition in the fashion industry, economic fluctuations, fashion trends, weather conditions, store locations, changed customer behaviour and significant exchange rate fluctuations in currencies important for the company. The company has a customer-oriented business model where customer purchase patterns and behaviour are constantly analysed. The company's risk management is also described in the corporate governance report in the same annual report, under the section "Report on internal controls". The same applies to the Group's management of financial risks, which are described in the annual report for 2018/2019, Note 18. The reported risks are otherwise deemed to be unchanged in all essentials.

Bid from Mellby Gård

During the quarter KappAhl's majority owner, Mellby Gård AB, submitted a public takeover bid to all KappAhl's shareholders. On October 7, Mellby Gård AB declared the offer unconditional and to be fulfilled since Mellby Gård AB controls more than 90 percent of the KappAhl shares. Mellby Gård also announced that they will work to delist the KappAhl shares from Nasdaq Stockholm. Mellby Gård AB further announced that they will redeem the remaining shares through a compulsory redemption procedure and work to delist the KappAhl shares from Nasdaq Stockholm.

Annual General Meeting

The Annual General Meeting is intended to be held at the company's head office in Mölndal on 6 December, at 10.00. The annual report will be available on the company's website on 11 November. The Board intends to return about any dividend proposal.

Post balance sheet events

Other than the bid from Mellby Gård (above), no significant events have taken place after the balance sheet date up to the date on which this report was signed.

This report has not been reviewed by the company's auditors.

Mölndal, 9 October 2019

KappAhl AB (publ)

Elisabeth Peregi
President and Chief Executive Officer

This information is information that KappAhl AB is obliged to disclose pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was released for public disclosure, through the agency of President and Chief Executive Officer Elisabeth Peregi on 9 October 2019 at 07.30 CET.

CONSOLIDATED INCOME STATEMENT

Amounts in SEK million	Q4 2018/2019	Q4 2017/2018	Sept-Aug 2018/2019	Sept-Aug 2017/2018
Net sales	1 322	1 239	4 901	4 760
Cost of goods sold	-571	-506	-1 985	-1 818
Gross profit	751	733	2 917	2 942
Selling expenses	-598	-606	-2 548	-2 432
Administrative expenses	-45	-61	-201	-228
Other operating income	-	-	-	-
Other operating expenses	-	-	-	-
Operating profit	108	66	168	282
Financial income	2	2	9	8
Financial expenses	-6	-3	-22	-8
Total net financial expense	-4	-1	-13	0
Profit/loss before taxes	104	65	155	282
Taxes	-8	-16	-14	-58
Net profit/loss for the period	96	49	141	224
Profit attributable to parent company shareholders	96	49	141	224
Earnings per share, SEK	1,25	0,64	1,83	2,92

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million	Q4 2018/2019	Q4 2017/2018	Sept-Aug 2018/2019	Sept-Aug 2017/2018
Net profit/loss for the period	96	49	141	224
Items not to be recognised in net profit for the year				
Actuarial gains/losses	-35	-18	-35	-18
Tax relating to actuarial gains/losses	7	4	7	4
Total items not to be recognised in net profit for the year	-28	-14	-28	-14
Items to be recognised in income				
Translation differences for the period	2	6	1	14
Cash flow hedges – value change	0	-6	0	15
Cash flow hedges returned to profit	-7	0	-15	27
Tax attributable to other comprehensive income	2	1	3	-9
Total items that have been reposted or may be reposted to the net profit for the year	-3	1	-11	47
Total comprehensive income attributable to parent company's shareholders	65	36	102	257

CONSOLIDATED BALANCE SHEET

Amounts in SEK million

2019-Aug-31 2018-Aug-31

ASSETS		
Non-current assets		
Intangible assets*	1 423	1 405
Tangible assets	418	424
Deferred tax assets	67	61
Total non-current assets	1 908	1 890
Current assets		
Inventories	854	764
Other operating receivables	226	170
Cash and cash equivalents	46	36
Total current assets	1 126	970
Total assets	3 034	2 860
EQUITY AND LIABILITIES		
Equity	1 589	1 647
Non-current liabilities		
Interest-bearing long-term liabilities	80	57
Deferred tax liabilities	138	151
Total non-current liabilities	218	208
Current liabilities		
Interest-bearing current liabilities	500	353
Non-interest-bearing current liabilities	727	652
Total current liabilities	1 227	1 005
Total equity and liabilities	3 034	2 860
*of which goodwill	696	696
*of which trademarks	610	610

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK million	Q4 2018/2019	Q4 2017/2018	Sept-Aug 2018/2019	Sept-Aug 2017/2018
Opening equity	1 530	1 610	1 647	2 042
Net profit/loss for the year	96	49	141	224
Other comprehensive income				
Year's translation differences	2	7	1	15
Cash flow hedges - value changes	0	-6	0	15
Cash flow hedges - recognized in income	-7	0	-15	27
Actuarial gains/losses	-35	-18	-35	-18
Tax attributable to item in other comprehensive income	9	5	11	-5
Total other comprehensive income	-31	-12	-39	34
Total comprehensive income	65	37	102	258
Transactions with shareholders				
Redemption of shares	-	-	-	-499
Dividend	-	-	-154	-154
Ownership cost connected with the takeover offer	-8	-	-8	-
Tax assignable to costs in connection with the takeover offer	2	-	2	-
Total transactions with shareholders	-6	-	-160	-653
Closing equity	1 589	1 647	1 589	1 647

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK million	Q4 2018/2019	Q4 2017/2018	Sept-Aug 2018/2019	Sept-Aug 2017/2018
Cash flow from operating activities				
Operating profit	108	66	168	282
Adjustments for non-cash items	14	41	171	169
Paid interest	-4	-2	-12	-7
Paid tax	-22	-39	-99	-147
Cash flow from operating activities before changes in working capital	96	66	228	296
Cash flow from changes in working capital				
Decrease (+) Increase (-) in inventories	-53	-72	-90	-38
Decrease (+) Increase (-) in operating receivables	-13	15	-23	23
Decrease (-) Increase (+) in operating expenses	6	-56	86	13
Cash flow from operating activities	36	-47	201	294
Cash flow from investing activities	-43	-44	-185	-172
Cash flow from investing activities	-43	-44	-185	-172
Change in bank overdraft facility	-24	78	147	328
Redemption of shares	-	-	-	-499
Dividend	-	-	-154	-154
Cash flow from financing activities	-24	78	-7	-325
Cash flow for the period	-32	-14	9	-203
Cash and cash equivalents at beginning of the period	76	54	36	238
Exchange rate differences in cash and cash equivalents	1	-4	1	1
Cash and cash equivalents at the end of the period	46	36	46	36

PARENT COMPANY INCOME STATEMENT

Amounts in SEK million	Q4 2018/2019	Q4 2017/2018	Sept-Aug 2018/2019	Sept-Aug 2017/2018
Net sales	3	12	15	26
Gross profit	3	12	15	26
Other operating charges	-4	-17	-23	-38
Operating profit	-1	-5	-8	-12
Result from participations in group companies	16	22	64	72
Financial income	12	6	38	17
Financial expenses	-12	-6	-40	-29
Profit/loss before taxes	15	16	54	47
Taxes	-3	-4	-1	1
Net profit/loss for the period	12	13	53	48

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY

Amounts in SEK million	Q4 2018/2019	Q4 2017/2018	Sept-Aug 2018/2019	Sept-Aug 2017/2018
Net profit/loss for the period	12	13	53	48
Items not to be recognised in net profit for the year	-	-	-	-
Total items not to be recognised in net profit for the year	-	-	-	-
Items to be recognised in income	-	-	-	-
Total items to be recognised in income	-	-	-	-
Total other comprehensive income	12	13	53	48

PARENT COMPANY BALANCE SHEET - SUMMARY

Amounts in SEK million	2019-Aug-31	2018-Aug-31
ASSETS		
Non-current assets		
Financial assets	2 714	2 711
Deferred tax assets	2	2
Total non-current assets	2 716	2 713
Current assets		
Other operating receivables	7	17
Cash and cash equivalents	17	16
Total current assets	24	32
Total assets	2 740	2 745
EQUITY AND LIABILITIES		
Equity	1 250	1 356
Non-current liabilities		
Interest-bearing long-term liabilities	-	-
Total non-current liabilities	-	-
Current liabilities		
Interest-bearing current liabilities	813	644
Non-interest-bearing current liabilities	677	745
Total current liabilities	1 490	1 389
Total equity and liabilities	2 740	2 745

NOTES

Note 1 Accounting policies

The Group applies International Financial Reporting Standards, IFRS, as adopted by the EU.

The accounting policies applied are consistent with what is stated in the annual report for 2017/2018 with the exception that as of 1 September 2018 the Group applies IFRS 15 and IFRS 9.

IFRS 15 is the new standard for revenue recognition and replaces IAS 18 Revenue and IAS 11 Construction contracts. KappAhl has applied the modified retrospective transition method, which means that comparative figures are not restated. Introduction of the new standard has not had any material impact on KappAhl's income statement or balance sheet. Recognition of rights of return on the balance sheet has been changed and as of 1 September 2018 they are recorded gross on the balance sheet. Estimated rights of return are recognised as a provision and the cost of goods sold referring to the recognised right of return increases the inventory instead of as before being recorded net in the liability for the provision for estimated returns. At year-end the inventory had increased by SEK 3 million as a result of this change.

IFRS 9 Financial instruments has replaced most of the guidance in IAS 39. In accordance with the standard, comparative figures have not been restated. The new standard updates classification, recognition and impairment testing for financial assets and imposes new requirements on application of hedge accounting, as well as entailing increased disclosure requirements and changes in presentation. There are no transition effects on KappAhl's income statement or balance sheet from this standard. The current hedging situation meets the hedge accounting conditions for application of IFRS 9 and KappAhl has updated the documentation around hedging in accordance with IFRS 9.

Implementation of IFRS 16 will mean that almost all leases will be recognised in the lessee's balance sheet, as there is no longer any distinction made between operating and finance leases. Under the new standard an asset (the right to use a leased asset) and a financial liability referring to the obligation to make lease payments must be recognised. Short-term leases and leases where the underlying asset has a low value are exempted. In the past year KappAhl has reviewed all the Group's leases in response to the new rules in IFRS 16. The standard will mainly impact the reporting of the Group's operating leases, above all leases for premises. IFRS 16 will be applied by KappAhl as of 1 September 2019 and KappAhl has decided to use the simplified transition method, which means that comparative figures will not be restated. Thus the opening balance for 2019/2020 has been restated in accordance with the new standard. For leases previously classified as operating leases with KappAhl as the lessee, there are obligations that refer to short-term leases and to leases where the underlying asset has a low value. These will be recognised as an expense on a straight-line basis over the lease term. For the remaining lease obligations previously classified as operating leases, KappAhl will recognise rights of use amounting to approximately SEK 2,245 million as at 1 September 2019 and lease liabilities of approximately SEK 2,245 million. Consequently, no transition effect will be presented in equity. The costs of these leases will be recognised in the income statement as depreciation or interest expense, which will impact performance indicators such as EBITDA, operating profit and net financial income. More details concerning implementation effects will be presented in KappAhl's annual report for 2018/2019.

This report has been prepared in accordance with IAS 34. The report for the parent company was prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2, Accounting for Legal Entities.

KappAhl currently has no outstanding share-based incentive programmes.

Note 2 Calculation of earnings per share

Earnings per share is restated for comparison periods. The number of shares has been adjusted to allow for the effect of redemption of warrants.

Note 3 Financial assets and liabilities measured at fair value

The Group's financial instruments consist of trade receivables, other receivables, cash and cash equivalents, trade payables, interest-bearing liabilities, currency forwards and interest rate derivatives. The carrying amounts of trade receivables and trade payables represent a reasonable estimate of their fair values. Group loans are measured at amortised cost.

Fair value hierarchy:

The Group applies IFRS 13 for financial instruments measured at fair value in the balance sheet and uses the following hierarchy to classify instruments on the basis of the valuation technique:

- Level 1 - Quoted prices (unadjusted) on active markets for identical assets or liabilities
- Level 2 - Other inputs than the quoted prices included in Level 1, that are observable for the asset or liability either direct (i.e. as prices) or indirect (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability in question that are not based on observable market data (non-observable inputs)

The Group holds financial instruments in the form of currency derivatives that are measured at fair value in the balance sheet. Fair value measurement of currency forwards is based on published forward rates on an active market. The derivatives are recognised at fair value based on level 2 inputs in the fair value hierarchy. The fair value of financial derivative instruments was SEK 0 (21) million for currency forwards.

The Group also holds financial instruments in level 3 in the form of investments in unlisted shares in the company Renewcell AB. The fair value of these investments amounted to SEK 3 (0) million.

NUMBER OF STORES PER COUNTRY

	2019-Aug-31	2019-May-31	2019-feb-28	2018-nov-30	2018-Aug-31
Sweden	181	183	182	181	177
Norway	100	101	101	102	99
Finland	62	62	61	63	62
Poland	30	32	29	29	25
Great Britain	6	5	7	7	6
Total	379	383	380	382	369

SALES PER COUNTRY

Amounts in SEK million	Q4 2018/2019	Q4 2017/2018	Change SEK %	Change local currency %
Sweden	698	665	5,1%	5,1%
Norway	366	351	4,3%	4,0%
Finland	166	156	6,5%	3,6%
Poland	82	59	37,6%	33,0%
Great Britain	10	8	20,6%	17,3%
Total	1 322	1 239	6,7%	-

Amounts in SEK million	Sep-Aug 2018/2019	Sep-Aug 2017/2018	Change SEK %	Change local currency %
Sweden	2 672	2 689	-0,6%	-0,6%
Norway	1 314	1 249	5,2%	2,3%
Finland	583	564	3,3%	-1,0%
Poland	294	242	21,2%	17,4%
Great Britain	38	16	139,6%	129,4%
Total	4 901	4 760	3,0%	-

QUARTERLY INCOME STATEMENT

Amounts in SEK million	2018/2019				2017/2018				2016/2017				2015/2016				2014/2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1194	1185	1200	1322	1166	1115	1242	1239	1261	1189	1217	1248	1165	1116	1195	1248	1174	1133	1132	1149
Cost of goods sold	-438	-504	-470	-571	-413	-460	-441	-506	-437	-489	-442	-491	-401	-462	-420	-524	-431	-478	-433	-490
Gross profit	756	681	730	751	753	655	801	733	824	700	775	757	764	654	775	724	743	655	699	659
Selling expenses	-653	-625	-672	-598	-607	-594	-625	-606	-626	-602	-606	-568	-597	-570	-614	-574	-606	-604	-612	-563
Administrative expenses	-51	-54	-52	-45	-56	-56	-55	-61	-54	-51	-50	-50	-50	-53	-58	-51	-42	-42	-45	-44
Other operating income	-	-	-	-	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit	52	2	6	108	90	5	121	66	144	47	119	139	117	31	103	99	95	9	42	52
Financial income	1	3	3	2	2	2	2	2	4	4	0	0	0	0	0	1	0	0	0	1
Financial expenses	-3	-6	-7	-6	-1	-2	-2	-3	-5	0	-9	-15	-2	-2	0	-5	-8	-3	-5	-6
Total net financial expense	-2	-3	-4	-4	1	0	0	-1	-1	4	-9	-15	-2	-2	0	-4	-8	-3	-5	-5
Profit/loss before taxes	50	-1	2	104	91	5	121	65	143	51	110	124	115	29	103	95	87	6	37	47
Taxes	-9	0	4	-8	-14	0	-27	-16	-36	-17	-29	17	-32	-15	-14	-36	-26	-9	-14	-17
Net profit	41	-1	6	96	77	5	94	49	107	34	81	141	83	14	89	59	61	-3	23	30
Operating margin	4,4%	0,2%	0,5%	8,2%	7,8%	0,4%	9,7%	5,3%	11,4%	4,0%	9,8%	11,1%	10,0%	2,8%	8,6%	7,9%	8,1%	0,8%	3,7%	4,5%
Earnings per share, SEK	0,53	-0,02	0,08	1,25	1,00	0,07	1,22	1,22	1,39	0,44	1,05	1,84	1,08	0,18	1,16	0,77	0,81	-0,04	0,30	0,39
Number of stores	382	380	383	379	363	363	369	369	368	357	357	356	373	370	373	368	377	373	372	368

YEARLY INCOME STATEMENT

Amounts in SEK million	Sep-Aug 2017/2018	Sep-Aug 2017/2018	Sep-Aug 2016/2017	Sep-Aug 2015/2016	Sep-Aug 2014/2015
Net sales	4 901	4 760	4 916	4 724	4 588
Cost of goods sold	-1 985	-1 818	-1 860	-1 806	-1 832
Gross profit	2 917	2 942	3 056	2 918	2 756
Selling expenses	-2 548	-2 432	-2 403	-2 356	-2 385
Administrative expenses	-201	-228	-205	-212	-173
Other operating income	-	-	-	-	-
Operating profit	168	282	448	350	198
Financial income	9	8	1	1	1
Financial expenses	-22	-8	-22	-10	-22
Total net financial expense	-13	0	-21	-9	-21
Profit/loss before taxes	155	282	427	341	177
Taxes	-14	-58	-63	-96	-66
Net profit/loss for the year	141	224	364	245	111
Operating margin	3,4%	5,9%	9,1%	7,4%	4,3%
Earnings per share after dilution, SEK	1,83	2,92	4,74	3,19	1,45

DEFINITIONS

Some information in this report used by company management and analysts to assess the Group's development has not been prepared in accordance with IFRS.

The company management considers that this information makes it easier for investors to analyse the Group's performance and financial structure. Investors should regard this information as a complement to rather than a replacement for financial reporting in accordance with IFRS.

Key figures and ratios	Definition/calculation	Purpose
Margins		
Gross margin	Gross profit as a percentage of net sales	Gross margin is used to measure profitability of goods distribution
Operating margin	Operating profit as a percentage of net sales	Operating margin is used to measure operative profitability
Adjusted operating margin	Adjusted operating profit as a percentage of net sales	Adjusted operating margin is used to measure operative profitability excluding items affecting comparability
Return		
Return on equity	12-month rolling profit for the period as a percentage of average equity	This key ratio shows return on owners' invested capital from the point of view of the owners
Return on capital employed	12-months rolling operating profit plus financial income as a percentage of capital employed	This key ratio is the central measure of return on all capital used in the business
Capital structure		
Net interest-bearing liabilities/Net financial assets	Interest-bearing liabilities minus cash and cash equivalents	Used to measure the capacity for repaying interest-bearing liabilities with available cash and cash equivalents if these fell due on the date of the calculation
Net interest-bearing liabilities/EBITDA (multiple)	Net interest bearing liabilities / EBITDA for immediately preceding twelve-month period	Net debt / EBITDA gives an estimate of the company's capacity to pay its interest bearing liabilities
Equity-assets ratio	Equity / balance sheet total at the close of the period	This key ratio shows financial risk, expressed as the proportion of total capital that is financed by the owners
Average equity	Equity at the close of the period and equity at the close of the period of comparison in the previous year, divided by two	Average equity is used when calculating the key ratio return on equity
Capital employed	Balance sheet total less non-interest bearing debt including deferred tax liabilities at the close of the period and for the period of comparison in the previous year divided by two	Capital employed measures the use of capital and effectiveness
Data per share		
Equity per share	Equity / number of shares	Equity per share measures the company's net value per share and determines whether a company increases the shareholders' wealth over time
Earnings per share	Profit after tax / average number of shares	This key ratio is used to assess the development of the investment from the point of view of the owners
Earnings per share after dilution	Profits after tax / average number of shares after full dilution	This key ratio is used to assess the development of the investment from the point of view of the owners
Other definitions		
Gross profit	Net sales less cost of goods sold	Gross profit is used to measure profitability of goods distribution
Operating profit (EBIT)	Profit before net financial income and income tax	This key ratio makes it possible to compare profitability regardless of corporate tax rate and independent of the company's financing structure
Adjusted operating profit	Profit before net financial income and income tax adjusted by items affecting comparability	This key figure increases the comparability of EBIT
Operating profit (EBITDA)	Operating profit before amortisation and impairment	This key ratio is used to measure cash flow from operating activities, regardless of the effects of financing and valuation of non-current assets
Sales in comparable stores	Change in sales in comparable units (on a like-for-like basis) after adjustment for opened/closed stores and foreign exchange effects	This key ratio makes it possible to analyse sales excluding opened/closes stores and foreign exchange effects
Interest coverage ratio (multiple)	Operating profit plus interest income / interest expense, for the preceding twelve—month period	This key ratio shows the company's capacity to cover its financial expenses
Overhead expenses as a percentage of sales	Selling expenses and administration expenses / Net sales	The key ratio shows the realiton of the company's overhead expenses to sales

KEY RATIOS

	Q4 2018/2019	Q4 2017/2018	Sept-Aug 2018/2019	Sept-Aug 2017/2018
Earnings per share, SEK	1,25	0,64	1,83	2,92
Total depreciation	41	41	158	151
Operating result (EBIT)	108	66	168	282
Gross margin	56,8%	59,2%	59,5%	61,8%
Operating margin	8,2%	5,3%	3,4%	5,9%
Interest coverage ratio	17,9	26,0	7,8	36,1
Net interest-bearing liabilities	534	373	534	373
Net interest-bearing liabilities/EBITDA	-	-	1,6	0,9
Equity/assets ratio	52,4%	57,6%	52,4%	57,6%
Equity per share, SEK	20,7	21,4	20,7	21,4
Return on equity	-	-	8,7%	12,2%
Return on capital employed	-	-	7,8%	13,0%
Number of shares	76 820 380	76 820 380	76 820 380	76 820 380

RECONCILIATION BETWEEN IFRS AND USED KEY RATIO DEFINITIONS

OPERATING PROFIT (EBITDA)

Amounts in SEK million	Q4 2018/2019	Q4 2017/2018	Sept-Aug 2018/2019	Sept-Aug 2017/2018
Operation profit	108	66	168	282
Depreciations and write-downs	41	41	158	151
Operation profit (EBITDA)	149	107	326	432

KAPPAHL'S 20 LARGEST SHAREHOLDERS AS AT 31 AUGUST

	Number of shares	Percentage of shares and votes 2019-Aug-31	Change compared with 2019-May-31
MELLBY GÅRD AB	22 721 692	29,58	0
Swedbank Robur fonder	5 122 454	6,67	0
BNY MELLON SA/NV (FORMER BNY), W8IMY	3 056 296	3,98	2 053 749
SEB	1 915 198	2,49	1 903 109
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1 760 702	2,29	-226 388
SEB Investment Management	1 689 810	2,20	-473 432
RBC INVESTOR SERVICES BANK S.A	1 638 000	2,13	1 638 000
CACEIS BANK, LUXEMBOURG BRANCH, W8IMY	1 528 214	1,99	1 528 214
BNY MELLON NA (FORMER MELLON), W9	1 526 897	1,99	-133 877
STATE STREET BANK AND TRUST CO, W9	1 463 475	1,91	-34 657
CBNY-DFA-INT SML CAP V	1 376 842	1,79	0
NORDEA LIVFÖRSÄKRING SVERIGE AB	1 363 021	1,77	286 713
SWEDBANK FÖRSÄKRING	1 219 278	1,59	428 096
JP MORGAN SECURITIES LLC, W9	1 162 680	1,51	1 162 680
CBNY-INT COR EQ POR DFA IN DIM GR I	1 134 782	1,48	0
NORDNET PENSIONS FÖRSÄKRING AB	959 796	1,25	50 063
MORGAN STANLEY & CO INTL PLC, W-8BEN	834 594	1,09	827 817
ABN AMRO GLOBAL CUSTODY SERVICES NV, W8IMY	795 901	1,04	795 901
ALCUR	792 413	1,03	792 413
Ulsmo Finans AS	620 000	0,81	40 000
Other	24 138 335	31,41	-10 638 401
Total	76 820 380	100,00	0,00