



SOUND SALES GROWTH AND PERFORMANCE ON A LEVEL WITH LAST YEAR

“Sales for the quarter were marked by a more balanced offer in which both the Christmas trade and subsequent clearance sales had a good structure. Full-price sales at the start of the season were also satisfactory, largely thanks to well-filled stores and a broader offer...”

Read the full CEO statement on the next page.

- Sales in the quarter increased by 6.3 per cent. In the first half year sales increased by 4.3 per cent.
- The gross margin for the quarter was 57.5 (58.8) per cent. For the first half year it was 60.4 (61.8) per cent.
- Operating profit for the quarter decreased to SEK 2 (5) million. In the first half year it was SEK 55 (95) million.
- A programme aiming at improving earnings by more than SEK 100 million was initiated.
- Elisabeth Peregi, the new President and Chief Executive Officer of KappAhl will take up her position on 7 April 2019.

	Second Quarter (Dec-Feb)			Halfyear (Sep-Feb)		
	2018/2019	2017/2018	Change	2018/2019	2017/2018	Change
Net sales, SEK million	1 185	1 115	70	2 379	2 280	99
Gross margin, %	57,5	58,8	-1,3	60,4	61,8	-1,4
Operating profit/loss, SEK million	2	5	-3	55	95	-40
Operating margin, %	0,2	0,4	-0,2	2,3	4,2	-1,9
Profit after tax, SEK million	-1	5	-6	40	81	-41
Earnings per share, SEK	-0,02	0,07	-0,09	0,51	1,05	-0,54
Cash flow from operating activities, SEK million	-73	-87	14	-19	51	-70

For further information

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PETER ANDERSSON, ACTING CEO & CFO: SOUND SALES GROWTH AND PERFORMANCE ON LEVEL WITH LAST YEAR



*Peter Andersson
Acting President/CEO and
Chief Financial Officer*

KappAhl, founded in 1953 in Gothenburg, is one of the leading Nordic fashion chains with 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 www.kappahl.com

KappAhl's sales in the second quarter increased by 6.3 per cent compared with the previous year. We are taking market share in all markets and seeing how the changes in the supply chain and offer that we carried out started to have an effect. Sales for the quarter were marked by a more balanced offer in which both the Christmas trade and subsequent clearance sales had a good structure. Continued negative impact of tough competitive pressure, Christmas trade that got under way later due to Black Friday and the ever-earlier clearance sale start meant a period of discounted sales that was somewhat more extensive than previous years. Full-price sales at the start of the season were satisfactory, very much thanks to well-filled stores and a broader range.

Childrenswear sales has continued to grow and Newbie continues to be strong. Womenswear has successively improved during the quarter and we see that Menswear has a more integrated and attractive offer today than a year ago. Our eCommerce sales increased in the first quarter by 14 per cent and made up over five per cent of KappAhl's total sales. More than half of eCommerce was supplied via Click&Collect, which also contributed to extra sales in stores.

The closing inventories are higher than the previous year, as we decided to take home a larger amount of goods earlier for the season start in order to broaden the offer. We also note that the contents of the inventories have gradually improved.

The gross margin was 57.5 (58.8) per cent, partly due to costly marketing activities and increased purchasing prices. The operating profit for the quarter thus landed at SEK 2 (5) million.

The physical store will be an important distribution channel also in the future for KappAhl. Work on optimising the store network continued in the quarter, including renegotiation of rents, locations and store areas. The work of creating a more flexible store portfolio also saw an important addition when our first KappAhl Kids opened on 28 February in Stockholm. The entire children's range occupies the more than 300 square-metre store, which also offers full access to the entire KappAhl range via Shop Online in Store and Click&Collect. The store has had a good reception. With increased flexibility in our store portfolio, when we find the right store location, we can easily choose which concept is most relevant just there. During the quarter, we also closed two stores in Finland and one in Norway.

A programme aiming at improving earnings by more than one hundred million kronor has been initiated. The programme mainly means that we continue to tackle structural challenges to increase efficiency and productivity. Work on closing stores that do not contribute to profitability is intensifying, which will mean our closing around 20 stores in the coming year. A review of staffing and structure of the administrative organisation throughout the Group will entail staff reductions of about 50 positions during the year, 40 of which will be positions at the head office and distribution centre in Mölndal. We are continuing the work of scrutinising costs; we are improving our supply chain and streamlining market penetration. The merging of our store inventories and eCommerce inventories, which will be implemented in the spring, will mean considerable efficiency improvements in inventory operation and increased customer value through faster and more flexible services.

KappAhl's focus also in the future is to invest in strengthening the customer experience, in store and online, and to create an even more relevant and attractive offer for our customers.

Peter Andersson
Chief Financial Officer and acting President/CEO

COMMENTS ON THE SECOND QUARTER

6.3%

increased net sales

2.9%

Comparable stores

Net sales and profit

KappAhl's net sales for the quarter amounted to SEK 1,185 (1,115) million, an increase of 6.3 per cent. This is explained by the effect changes in comparable stores, 2.9 per cent; new and closed stores, 1.7 per cent; and currency translation differences totalling 1.7 per cent.

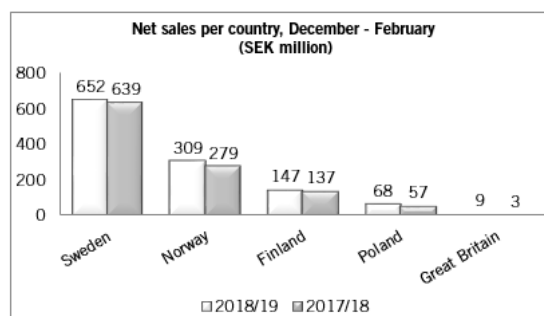
Gross profit for the quarter was SEK 681 (655) million, which corresponds to a gross margin of 57.5 (58.8) per cent.

Selling and administrative expenses for the quarter were SEK 679 (650) million. The cost increase is explained mainly by a larger number of stores and negative exchange rate impact.

The operating profit was SEK 2 (5) million. This is equivalent to an operating margin of 0.2 (0.4) per cent.

Depreciation was SEK 39 (36) million.

Net financial income was SEK -3 (0) million for the quarter. Profit before tax was SEK -1 (5) million and profit after tax was SEK -1 (5) million. Earnings per share for the quarter were SEK -0.02 (0.07).



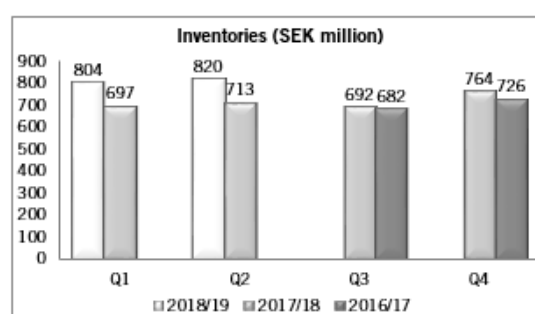
Taxes

Tax for the period amounted to SEK 0 (0) million. The Group has net deferred tax assets of SEK 60 (58) million and deferred tax liabilities of SEK 148 (149) million. KappAhl recognises deferred tax assets referring to loss carry forwards attributable to Finland. Deferred tax assets referring to losses in Poland are not measured.

Inventories

Inventories at the end of the period were SEK 820 (713) million. The increase in inventories consists mainly of a larger share of new goods, as we decided to take home a larger amount of goods earlier for the season start in order to broaden the offer in stores and in

eCommerce. Inventories are also affected by higher dollar exchange rates.



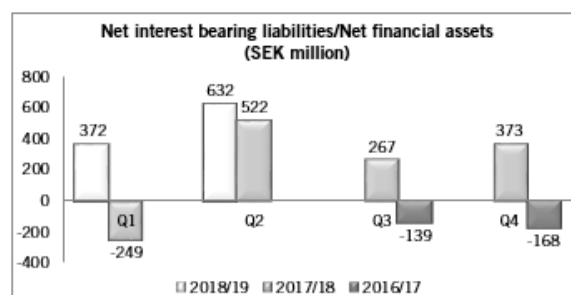
Cash flow

KappAhl's cash flow from operating activities before changes in working capital was SEK 11 (-14) million. The improved cash flow is mainly due to tax paid, where last year the Group made an additional payment of tax of SEK 36 million. Cash flow from changes in working capital was SEK -84 (-73) million. The Group's investments in the quarter were SEK 33 (34) million, referring to investment in existing stores and digital investments. Cash flow from financing activities was SEK 100 (-146) million. The use

of existing overdraft facilities increased and a dividend to shareholders of SEK 154 million has been conducted.

Financing and liquidity

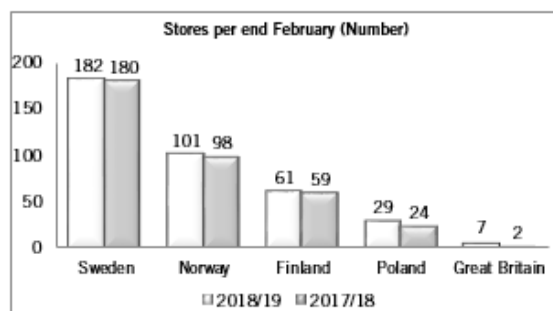
At the close of the period, KappAhl had net interest-bearing liabilities of SEK 632 million (522). Net interest-bearing liabilities/EBITDA was 1.6 for the past twelve months. The equity/assets ratio decreased to 51.9 (52.9) per cent.



Cash and cash equivalents amounted to SEK 53 (38) million as at 28 February 2019. At the period close, there were unutilised credit facilities of about SEK 421 (485) million.

Store network and expansion

At the close of the period the total number of stores was 380 (363), of which 27 (17) Newbie Store. Of the total number of stores there were 182 in Sweden, 101 in Norway, 61 in Finland, 29 in Poland and 7 in the United Kingdom.



During the quarter one store was opened and three 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 2 (4) million and pre-tax profit was SEK 41 (45) 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.

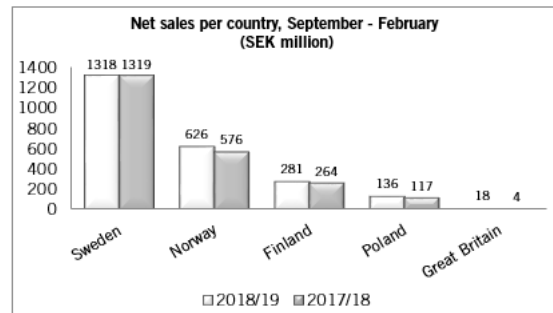
COMMENTS ON THE HALF YEAR

4.3 %

increased net sales

Net sales and profit

KappAhl's net sales were SEK 2,379 (2,280) million for the half year. This is an increase of 4.3 per cent compared with the previous year. This is explained by the change in comparable stores of 0.5 per cent, new and closed stores, 1.6 per cent; and currency translation differences totalling 2.2 per cent.



Gross profit for the half year was SEK 1,436 (1,408) million, which corresponds to a gross margin of 60.4 (61.8) per cent.

Selling and administrative expenses for the period were SEK 1,381 (1,313) million.

The operating profit was SEK 55 (95) million. This is equivalent to an operating margin of 2.3 (4.2) per cent.

Depreciation was SEK 77 (67) million.

Net financial income for the half year was SEK -6 (1) million. Pre-tax profit was SEK 49 (96) million and profit after tax was SEK 40 (81) million.

Earnings per share for the period were SEK 0.51 (1.05).

Cash flow

KappAhl's cash flow from operating activities before changes in working capital was SEK 85 (74) million for the year. The change is due to a lower operating profit and a lower amount of tax paid. The increased inventories in the half year is the main reason for reduced cash flow from changes in working capital, which amounted to SEK -104 (-23) million for the half year. Cash flow from investing activities was SEK -85 (-92) million and refers mainly to investments in existing and newly opened stores. Cash flow from financing activities was SEK 121 (-163) million. The use of existing overdraft facilities increased and a dividend to shareholders of SEK 154 million has been conducted.

Parent Company

Parent company net sales for the half year were SEK 6 (10) million and pre-tax profit was SEK 39 (32) 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

Related party transactions

During the half year, transactions took place with associated companies. Purchases were made for SEK 2.1 million from companies in the Mellby Gård Group. The purchases were on commercial terms. In August 2017 the principal owner, Mellby Gård AB offered the previous President and Group Management options with a maturity of three years. In May 2018 a further 75,000 options with a maturity of three years were issued from Mellby Gård AB to Acting President/CEO and Chief Financial Officer Peter Andersson. For further information concerning this transaction please refer to the Annual Report for 2017/2018, Note 22.

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 2017/2018. 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 2017/2018, Note 18. The reported risks are otherwise deemed to be unchanged in all essentials.

Events after the balance sheet date

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.

The Board of Directors and the President certify that the half-yearly report provides a true and fair view of the parent company's and the Group's business, financial position and performance and describes material risks and uncertainties to which the parent company and the Group are exposed.

Mölnadal, 20 March 2019

KappAhl AB (publ)

Anders Bülow, Chair

Pia Rudengren

Kicki Olivensjö

Thomas Gustafsson

Marie-Louise Jansson Bring

Göran Bille

Susanne Holmberg

Cecilia Kocken

Johanna Bergqvist

Peter Andersson, CFO and Acting President/CEO

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 Acting President/CEO and Chief Financial Officer, Peter Andersson, on 20 March 2019 at 07.30 CET.

Financial calendar

Third quarter 2018/19
26 June 2019

Fourth quarter 2018/19
9 October 2019.

Presentation of the Q2 report

A presentation of the report, which will also be made available via the web and as a telephone conference, will be given for analysts, media and investors today at 09.00 at Helio GT 30, Grev Turegatan 30 in Stockholm. To notify attendance at the event, please email hearings@financialhearings.com. To participate by telephone please call +46 8 505 583 52 about 5 minutes before the start. The webcast can be accessed via www.kappahl.se, under the heading "Financial information", select "Reports & presentations".

CONSOLIDATED INCOME STATEMENT

Amounts in SEK million	Q2 2018/2019	Q2 2017/2018	Sept-Feb 2018/2019	Sept-Feb 2017/2018	Latest 12 months Mar-Feb
Net sales	1 185	1 115	2 379	2 280	4 860
Cost of goods sold	-504	-460	-943	-872	-1 889
Gross profit	681	655	1 436	1 408	2 971
Selling expenses	-625	-594	-1 277	-1 201	-2 509
Administrative expenses	-54	-56	-104	-112	-220
Other operating income	-	-	-	-	-
Other operating expenses	-	0	-	0	0
Operating profit	2	5	55	95	242
Financial income	3	2	4	4	8
Financial expenses	-6	-2	-10	-3	-15
Total net financial expense	-3	0	-6	1	-7
Profit/loss before taxes	-1	5	49	96	235
Taxes	0	0	-9	-15	-52
Net profit/loss for the period	-1	5	40	81	183
Profit attributable to parent company shareholders	-1	5	40	81	183
Earnings per share, SEK Note 2	-0,02	0,07	0,51	1,05	2,37

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million	Q2 2018/2019	Q2 2017/2018	Sept-Feb 2018/2019	Sept-Feb 2017/2018	Latest 12 months Mar-Feb
Net profit/loss for the period	-1	5	40	81	183
Items not to be recognised in net profit for the year					
Actuarial gains/losses	0	0	0	0	-18
Tax relating to actuarial gains/losses	0	0	0	0	4
Total items not to be recognised in net profit for the year	0	0	0	0	-14
Items to be recognised in income					
Translation differences for the period	1	3	-4	2	8
Cash flow hedges – value change	5	5	9	11	13
Cash flow hedges returned to profit	-5	6	-15	22	-10
Tax attributable to other comprehensive income	0	-2	1	-7	-1
Total items that have been reposted or may be reposted to the net profit for the year	1	12	-9	28	10
Total comprehensive income attributable to parent company's shareholders	0	17	31	109	180

CONSOLIDATED BALANCE SHEET

Amounts in SEK million

	2019-Feb-28	2018-Feb-28	2018-Aug-31
ASSETS			
Non-current assets			
Intangible assets*	1 418	1 385	1 405
Tangible assets	412	446	424
Deferred tax assets	60	58	61
Total non-current assets	1 890	1 889	1 890
Current assets			
Inventories	820	713	764
Other operating receivables	171	194	170
Cash and cash equivalents	53	38	36
Total current assets	1 044	945	970
Total assets	2 934	2 834	2 860
EQUITY AND LIABILITIES			
Equity	1 524	1 498	1 647
Non-current liabilities			
Interest-bearing long-term liabilities	57	45	57
Deferred tax liabilities	148	149	151
Total non-current liabilities	205	194	208
Current liabilities			
Interest-bearing current liabilities	629	515	353
Non-interest-bearing current liabilities	577	627	652
Total current liabilities	1 206	1 142	1 005
Total equity and liabilities	2 934	2 834	2 860
*of which goodwill	696	696	696
*of which trademarks	610	610	610

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK million

	Q2 2018/2019	Q2 2017/2018	Sept-Feb 2018/2019	Sept-Feb 2017/2018	Sep-Aug 2017/2018
Opening equity	1 678	2 135	1 647	2 042	2 042
Net profit/loss for the year	-1	5	40	81	225
Other comprehensive income					
Year's translation differences	1	3	-4	2	14
Cash flow hedges - value changes	5	5	9	11	15
Cash flow hedges - recognized in income	-5	6	-15	22	27
Actuarial gains/losses	0	-	0	-	-18
Tax attributable to item in other comprehensive income	0	-2	1	-7	-5
Total other comprehensive income	1	12	-9	27	33
Total comprehensive income	0	17	31	109	258
Transactions with shareholders					
Redemption of shares	-	-499	-	-499	-499
Dividend	-154	-154	-154	-154	-154
Total transactions with shareholders	-154	-653	-154	-653	-653
Closing equity	1 524	1 498	1 524	1 498	1 647

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK million	Q2 2018/2019	Q2 2017/2018	Sept-Feb 2018/2019	Sept-Feb 2017/2018
Cash flow from operating activities				
Operating profit	2	5	55	95
Adjustments for non-cash items	39	38	81	70
Paid interest	-3	0	-4	1
Paid tax	-27	-57	-47	-92
Cash flow from operating activities before changes in working capital	11	-14	85	74
Cash flow from changes in working capital				
Decrease (+) Increase (-) in inventories	-16	-16	-56	12
Decrease (+) Increase (-) in operating receivables	-7	-40	-8	-12
Decrease (-) Increase (+) in operating expenses	-61	-17	-40	-23
Cash flow from operating activities	-73	-87	-19	51
Cash flow from investing activities	-33	-34	-85	-92
Cash flow from investing activities	-33	-34	-85	-92
Change in bank overdraft facility	254	507	275	490
Redemption of shares	-	-499	-	-499
Dividend	-154	-154	-154	-154
Cash flow from financing activities	100	-146	121	-163
Cash flow for the period	-6	-267	17	-204
Cash and cash equivalents at beginning of the period	59	302	36	238
Exchange rate differences in cash and cash equivalents	0	4	0	4
Cash and cash equivalents at the end of the period	53	38	53	38

PARENT COMPANY INCOME STATEMENT

Amounts in SEK million	Q2 2018/2019	Q2 2017/2018	Sept-Feb 2018/2019	Sept-Feb 2017/2018	Latest 12 months Mar-Feb
Net sales	2	4	6	10	22
Gross profit	2	4	6	10	22
Other operating charges	-8	-6	-14	-15	-37
Operating profit	-6	-2	-8	-5	-15
Result from participations in group companies	49	50	49	50	70
Financial income	7	5	15	8	24
Financial expenses	-9	-8	-17	-21	-25
Profit/loss before taxes	41	45	39	32	54
Taxes	2	2	2	5	-2
Net profit/loss for the period	43	47	41	37	52

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY

Amounts in SEK million	Q2 2018/2019	Q2 2017/2018	Sept-Feb 2018/2019	Sept-Feb 2017/2018	Latest 12 months Mar-Feb
Net profit/loss for the period	43	47	41	37	52
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	43	47	41	37	52

PARENT COMPANY BALANCE SHEET - SUMMARY

Amounts in SEK million	2019-Feb-28	2018-Feb-28	2018-Aug-31
ASSETS			
Non-current assets			
Financial assets	2 711	2 711	2 711
Deferred tax assets	2	5	2
Total non-current assets	2 713	2 716	2 713
Current assets			
Other operating receivables	4	53	17
Cash and cash equivalents	17	15	16
Total current assets	21	68	32
Total assets	2 734	2 784	2 745
EQUITY AND LIABILITIES			
Equity	1 243	1 344	1 356
Non-current liabilities			
Interest-bearing long-term liabilities	-	-	-
Total non-current liabilities	-	-	-
Current liabilities			
Interest-bearing current liabilities	806	871	644
Non-interest-bearing current liabilities	685	569	745
Total current liabilities	1 491	1 440	1 389
Total equity and liabilities	2 734	2 784	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. IFRS 15 has replaced IAS 18 Revenue and IAS 11 Construction contracts. IFRS 15 is based on the principle that revenue is recognised when the customer obtains control over a good or service - a principle that has replaced the earlier principle that revenue is recognised when risks and rewards have been transferred to the buyer. IFRS 9 Financial instruments has replaced most of the guidance in IAS 39. The new standard updates classification, recognition and impairment testing for financial assets and imposes new requirements on application of hedge accounting. The Group's analysis has shown that the implementation of IFRS 9 and IFRS 15 will not have any material impact on the Group's financial statements. Hence no transition effects will arise as a consequence of the introduction of these financial reporting standards.

IFRS 16 Leases will replace IAS 17 Leases. The standard comes into force on 1 January 2019, but early application is permitted. The company management assesses that the standard will have a material effect on the Group's reported assets and liabilities referring to the Group's tenancy agreements for premises but has not yet quantified its effects. For further information please refer to the annual report for 2017/2018.

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 have been 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 holds financial instruments in the form of currency forwards 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 Group uses the following hierarchy to classify the instruments on the basis of the valuation technique:

1. Quoted prices (unadjusted) on active markets for identical assets or liabilities.
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).
3. Inputs for the asset or liability in question that are not based on observable market data (non-observable inputs).

The Group uses derivative financial instruments to manage currency risks. Hedge accounting is applied when there is an effective link between hedged flows and derivative financial instruments. The fair value of financial derivative instruments was SEK 9 (6) million for currency forwards. The Group hedges currency flows in USD, for which currency forwards have maturities of up to 6 months.

NUMBER OF STORES PER COUNTRY

	2019-Feb-28	2019-Nov-30	2018-Aug-31	2018-May-31	2018-Feb-28
Sweden	182	181	177	178	180
Norway	101	102	99	99	98
Finland	61	63	62	62	59
Poland	29	29	25	25	24
Great Britain	7	7	6	5	2
Total	380	382	369	369	363

SALES PER COUNTRY

Amounts in SEK million	Q2 2018/2019	Q2 2017/2018	Change SEK %	Change local currency %
Sweden	652	639	2,0%	2,0%
Norway	309	279	10,7%	6,3%
Finland	147	137	7,5%	3,5%
Poland	68	57	19,8%	18,2%
Great Britain	9	3	228,5%	211,4%
Total	1 185	1 115	6,3%	-

Amounts in SEK million	Sep-Feb 2018/2019	Sep-Feb 2017/2018	Change SEK %	Change local currency %
Sweden	1 318	1 319	0,0%	0,0%
Norway	626	576	8,7%	3,5%
Finland	281	264	6,1%	0,2%
Poland	136	117	15,9%	11,6%
Great Britain	18	4	391,7%	363,2%
Total	2 379	2 280	4,3%	-

QUARTERLY INCOME STATEMENT

Amounts in SEK million	2018/2019		2017/2018				2016/2017				2015/2016				2014/2015			
	Q1	Q2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1194	1 185	1166	1115	1242	1239	1261	1189	1217	1248	1165	1116	1195	1248	1174	1133	1132	1149
Cost of goods sold	-438	-504	-413	-460	-441	-506	-437	-489	-442	-491	-401	-462	-420	-524	-431	-478	-433	-490
Gross profit	756	681	753	655	801	733	824	700	775	757	764	654	775	724	743	655	699	659
Selling expenses	-653	-625	-607	-594	-625	-606	-626	-602	-606	-568	-597	-570	-614	-574	-606	-604	-612	-563
Administrative expenses	-51	-54	-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	90	5	121	66	144	47	119	139	117	31	103	99	95	9	42	52
Financial income	1	3	2	2	2	2	4	4	0	0	0	0	0	1	0	0	0	1
Financial expenses	-3	-6	-1	-2	-2	-3	-5	0	-9	-15	-2	-2	0	-5	-8	-3	-5	-6
Total net financial expense	-2	-3	1	0	0	-1	-1	4	-9	-15	-2	-2	0	-4	-8	-3	-5	-5
Profit/loss before taxes	50	-1	91	5	121	65	143	51	110	124	115	29	103	95	87	6	37	47
Taxes	-9	0	-14	0	-27	-16	-36	-17	-29	17	-32	-15	-14	-36	-26	-9	-14	-17
Net profit	41	-1	77	5	94	49	107	34	81	141	83	14	89	59	61	-3	23	30
Operating margin	4,4%	0,2%	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	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	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 2016/2017	Sep-Aug 2015/2016	Sep-Aug 2014/2015	Sep-Aug 2013/2014
Net sales	4 760	4 916	4 724	4 588	4 743
Cost of goods sold	-1 818	-1 860	-1 806	-1 832	-1 857
Gross profit	2 942	3 056	2 918	2 756	2 886
Selling expenses	-2 432	-2 403	-2 356	-2 385	-2 469
Administrative expenses	-228	-205	-212	-173	-145
Other operating income	-	-	-	-	-
Operating profit	282	448	350	198	272
Financial income	8	1	1	1	0
Financial expenses	-8	-22	-10	-22	-68
Total net financial expense	0	-21	-9	-21	-68
Profit/loss before taxes	282	427	341	177	204
Taxes	-58	-63	-96	-66	-75
Net profit/loss for the year	224	364	245	111	129
Operating margin	5,9%	9,1%	7,4%	4,3%	5,7%
Earnings per share after dilution, SEK	Note 2 2,92	4,73	3,19	1,45	1,71

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
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	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 (EBIT= earnings before interest and taxes)	This key ratio makes it possible to compare profitability regardless of corporate tax rate and independent of the company's financing structure
Operating profit (EBITDA)	Operating profit before amortisation and impairment (EBITA = earnings before interest, tax, depreciation and amortisation)	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 shows the realiton of the company's overhead expenses to sales

KEY RATIOS

	Q2 2018/2019	Q2 2017/2018	Sept-Feb 2018/2019	Sept-Feb 2017/2018	Latest 12 months Mar-Feb
Earnings per share, SEK	-0,02	0,07	0,51	1,05	2,37
Total depreciation	39	36	77	67	160
Operating result (EBIT)	2	5	55	95	242
Gross margin	57,5%	58,8%	60,4%	61,8%	61,1%
Operating margin	0,2%	0,4%	2,3%	4,2%	5,0%
Interest coverage ratio	0,8	3,9	5,9	30,4	16,7
Net interest-bearing liabilities	632	522	632	522	632
Net interest-bearing liabilities/EBITDA	-	-	-	-	1,6
Equity/assets ratio	51,9%	52,9%	51,9%	52,9%	51,9%
Equity per share, SEK	19,84	19,50	19,84	19,50	19,84
Return on equity	-	-	-	-	12,1%
Return on capital employed	-	-	-	-	10,9%
Number of shares	76 820 380	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	Q2 2018/2019	Q2 2017/2018	Sept-Feb 2018/2019	Sept-Feb 2017/2018	Latest 12 months Mar-Feb
Operation profit	2	5	55	95	242
Depreciations and write-downs	39	36	77	67	160
Operation profit (EBITDA)	41	41	131	162	402

KAPPAHL'S 20 LARGEST SHAREHOLDERS AS AT 28 FEBRUARY

	Number of shares	Percentage of shares and votes 2019-Feb-28	Change compared with 2018-Nov-30
Mellby Gård AB	22 721 692	29,58	0
Brown Brothers Harriman/LUX, W8IMY WPR	5 172 538	6,73	-771 724
Swedbank Robur fonder	5 122 454	6,67	0
SEB Investment Management	1 946 400	2,53	-128 589
Försäkringsaktiebolaget, Avanza Pension	1 938 203	2,52	623 849
BNY Mellon NA (former Mellon), W9	1 803 338	2,35	-106 733
State Street Bank and Trust Co, W9	1 443 634	1,88	-690 389
CBNY-DFA-INT SML CAP V	1 308 791	1,70	308 746
BNY Mellon SA/NV (former BNY), W8IMY	1 225 113	1,59	767 670
CBNY-INT COR EQ POR DFA IN DIM GR I	1 134 782	1,48	0
Nordea Livförsäkring Sverige AB	1 075 934	1,40	251 320
Swedbank Försäkring AB	788 897	1,03	516 928
CBNY-Norges Bank	717 316	0,93	75 280
Euroclear Bank S.A/N.V, W8-IMY	700 387	0,91	-11 221
Nordnet Pensionsförsäkring AB	631 365	0,82	276 749
Ulsmo Finans AS	580 000	0,76	110 000
SLB for SEF 2-Penser Yield	532 234	0,69	332 234
Morgan Stanley and CO LLC, W9	524 812	0,68	362 542
CBNY-DFA-CNTL SML CO S	488 702	0,64	0
Jonsson, Gunnar	452 100	0,59	229 750
Other	26 511 688	34,52	-2 146 412
Total	76 820 380	100,00	0,00