

ITAB

YEAR-END REPORT JANUARY - DECEMBER 2017

Q4

OCTOBER – DECEMBER 2017

- ▶ Income amounted to SEK 1,641 million (1,766)
- ▶ Operating profit amounted to SEK 118 million (53)
- ▶ Profit after financial items amounted to SEK 99 million (58)
- ▶ Profit after tax amounted to SEK 80 million (30)
- ▶ Earnings per share amounted to SEK 0.77 (0.21)
- ▶ Cash flow from operating activities amounted to SEK 180 million (244)
- ▶ The company's net debt was SEK 2,130 million (1,722)

JANUARY – DECEMBER 2017

- ▶ Income amounted to SEK 6,381 million (5,417)
- ▶ Operating profit amounted to SEK 500 million (371)
- ▶ Profit after financial items amounted to SEK 432 million (361)
- ▶ Profit after tax amounted to SEK 329 million (260)
- ▶ Earnings per share amounted to SEK 3.11 (2.36)
- ▶ Cash flow from operating activities amounted to SEK 190 million (396)
- ▶ The company's net debt was SEK 2,130 million (1,722)

- ▶ The Board propose a dividend of SEK 1.75 per share (1.75).
- ▶ A number of major non-food chains, primarily in Scandinavia, have invested less and are evaluating new solutions.
- ▶ Strong gross margin is providing long-term conditions for product development and marketing activities.
- ▶ Considerable interest in ITAB's digital offer and increased efficiency in stores.
- ▶ The Group has been positively impacted with a net effect of SEK 35 million due to the revaluation of the additional purchase price as well as structural costs. During 2016, the Group incurred costs of a non-recurring nature amounting to SEK 95 million.



For more information:
Ulf Rostedt, CEO +46 70-694 86 82
Other contacts:
Samuel Wingren CFO +46 70-848 43 00

Click & Collect is one of ITAB's solutions for the shops of the future. At present, the product is adapted for both the food and the non-food segments.

CEO ULF ROSTEDT'S COMMENTS

The retail sector is changing and the non-food segment in particular is cautious in several markets. A number of major chains, primarily in Scandinavia, have invested less and are evaluating new solutions. We have initiated a number of measures to adapt the Group to the current market situation. In the longer term we have a positive view of the change in the sector, and in recent years we have invested considerable resources in product development and our working method in order to strengthen ITAB's position in the shops of the future. We have doubled our sales of self-checkout solutions during the year.

FOURTH QUARTER

During the fourth quarter, sales decreased by 7% compared to the same period last year. Currency-adjusted sales fell by 6%. Sales have improved in the UK, Central Europe and Southern Europe, while NorthEast has not developed as well and Scandinavia has been much worse.

The Scandinavian market has been cautious in the non-food segment, which has affected our sales. In particular, a number of major non-food chains have invested significantly less. This also applies to our lighting sales, which have not developed as well due to the cautious attitude on the part of some of our major customers.

Operating profit includes a revaluation of the additional purchase price in relation to the acquisition of La Fortezza, as well as structural costs that have had a net impact on profits during the period amounting to SEK 35 million.

The trend in steel prices has had a negative impact on profits, as have slightly higher sales and administration costs.

JANUARY - DECEMBER

During the year, sales increased by 18% compared to last year, while currency-adjusted sales rose by 17%.

UK, Central Europe and NorthEast have developed better while Scandinavia has not developed as well. Lighting sales have not developed as well as last year due to cautious demand in certain markets. Within La Fortezza, sales have been slightly below our expectations as a result of a weak start to the year.

In the Scandinavian market and within lighting, this is mainly due to a number of major customers rapidly cutting back their investment programmes. It is clearly noticeable that the sector is undergoing a period of change and new solutions are being evaluated. It has been difficult to compensate for this in the short term. We are currently witnessing the same pattern in Scandinavia that we saw in the UK a couple of years ago.

The food segment is continuing to invest in line with our expectations. Here, more and more chains are selecting more efficient checkout solutions, and the majority of markets are witnessing a number of different installations of self-checkout solutions. We have doubled our sales of self-checkout solutions during the year. We believe that the market will achieve

even higher growth as regards self-checkouts in the years ahead.

In the UK and Central Europe, we are continuing to advance our position from a strategic perspective. In the UK, where we consider that the change in the retail sector is at the cutting edge, our sales increased markedly. The shop experience is becoming increasingly important, and several of our existing customers are choosing to utilise a larger proportion of our offer in order to achieve a more efficient and more attractive shop environment. Sales in the UK are increasingly project-based, resulting in shorter lead times. Sales of this type fit in well with our skills and organisational model, with local, flexible units close to the customer.

In Central Europe, and above all in Germany, we have also witnessed strong growth during the year. The companies we acquired in Germany have developed according to plan, and we are achieving the anticipated synergies.

MARKETING ACTIVITIES

Over recent years, considerable resources have been invested in product development and initiatives aimed at ensuring that the organisation will be well prepared for the development that is taking place in the retail sector. We have launched a lighting range with linear products, mainly for the food segment. A digital all-inclusive offer for the physical shop has been conducted, for example including checkout arena, piri, endless aisle and click & collect*. The shop experience is becoming more interactive, with the focus being placed on the consumer experience. The level of interest in our digital offer is strong among both national and international retail chains. Increased digitisation in the physical shop is driving forward our sales and development. Installations are taking place in combination with the rest of our offer.

THE FUTURE

La Fortezza has now been part of the Group for more than a year and we have been working to integrate the operation. We are now intensifying this work by offering ITAB's product portfolio to its customers, as well as streamlining the operation in order to adapt it to ITAB's strategy and to position the companies for the future. La Fortezza's customers are positive towards ITAB's acquisition of the companies, and many discussions regarding extended collaborations are being conducted with both existing and new customers.



The market in the Scandinavian non-food segment is still cautious. In the UK market, project-based sales are becoming increasingly important, with rapid, flexible delivery methods being required. Our organisation, with local, flexible units close to the customer, is well equipped for sales of this type. We believe that this will become increasingly common in more markets. At the same time, several of our customers are expanding across large parts of the world, and our global presence is becoming even more important. We have commenced the construction of a new production facility in China during the year. The facility is expected to be in operation during the second half of 2018, and we will primarily be supplying our European customers' establishments in Asia and, in the long term, other customers in the Asian market as well.

The efficiency measures that were conducted last year, with particular focus on Belgium and Finland, have still not produced the planned effect. These measures will provide a good position in future, but in our judgement this will take longer than anticipated. We will continue our long-term work within the Group aimed at streamlining all parts of the operation, in order to improve our offer. We are continuing to closely monitor the trend in steel prices, rapid exchange rate fluctuations and the general political situation, which can change our conditions in the market.

Investments in product development and our position in the shop of the future are continuing, in order to further strengthen our offer to the customer. We will continue the work throughout the entire Group aimed at offering existing customers a larger proportion of our product portfolio. However, the changes in the sector mean that the market is difficult to judge in the short term. Our all-inclusive offer comprising many innovative solutions, alongside our working model and geographic presence, will lead to better business both for our customers and for ITAB.

Jönköping 6 February 2018

A handwritten signature in black ink, which appears to read 'Ulf Rostedt'. The signature is written in a cursive, flowing style.

*Ulf Rostedt,
Managing Director & CEO
ITAB Shop Concept AB*

2017 OVERVIEW

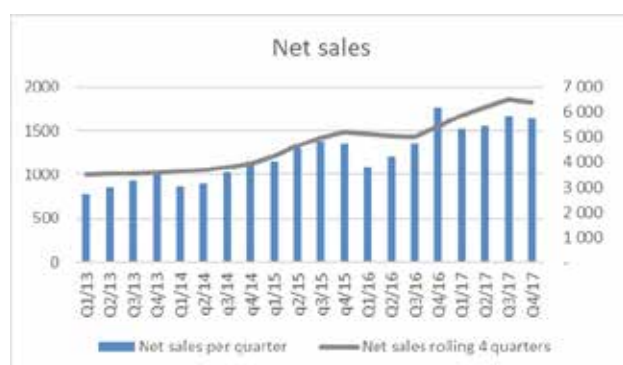
SUMMARY Q4

- ▶ Sales decreased by 7 % to SEK 1,641 million (1,766)
- ▶ Operating profit increased by 123 % to SEK 118 million (53)*
- ▶ Profit after financial items increased by 71 % to SEK 99 million (58)*
- ▶ Earnings per share increased by 267 % to SEK 0.77 (0.21)

SUMMARY 2017

- ▶ Sales increased by 18 % to SEK 6,381 million (5,471)
- ▶ Operating profit increased by 35 % to SEK 500 million (371)*
- ▶ Profit after financial items increased by 20% to SEK 432 million (361)*
- ▶ Earnings per share increased by 32 % to SEK 3.11 (2.36)

*) The Group has been positively impacted with a net effect of SEK 35 million due to the revaluation of the additional purchase price in conjunction with the acquisition of La Fortezza, as well as structural costs. During 2016, the Group incurred costs of a non-recurring nature amounting to SEK 95 million.



ITAB GROUP IN FIGURES

	3 MONTHS OCT-DEC 2017	3 MONTHS OCT-DEC 2016	FULL-YEAR JAN-DEC 2017	FULL YEAR JAN-DEC 2016
Net sales, SEK m	1,641	1,766	6,381	5,417
Operating profit, SEK m*	118	53	500	371
Operating margin, %	7.2	3.0	7.8	6.8
Profit after net financial items, SEK m*	99	58	432	361
Profit margin, %	6.0	3.3	6.8	6.7
Net profit, SEK m	80	30	329	260
Earnings per share, SEK	0.77	0.21	3.11	2.36
Equity per share, SEK	16.26	14.77	16.26	14.77
Return on equity, %	19.7	5.8	20.5	16.5
Portion of risk-bearing capital, %	36.1	35.7	36.1	35.7
Cash flow from operating activities, SEK m	180	244	190	396
Average no. employees	3,572	3,601	3,599	3,097

*) The Group has been positively impacted with a net effect of SEK 35 million due to the revaluation of the additional purchase price in conjunction with the acquisition of La Fortezza, as well as structural costs. During 2016, the Group incurred costs of a non-recurring nature amounting to SEK 95 million.

OCTOBER-DECEMBER

Net sales and income

The Group's net sales amounted to SEK 1,641 million (1,766), which is a decrease of 7%. Currency-adjusted sales fell by 6%. Sales have improved in the UK, Central Europe and Southern Europe, while NorthEast has not developed as well and Scandinavia has been much worse.

Operating profit amounted to SEK 118 million (53), an increase of 123%. The payment for the acquisition of La Fortezza included a conditional additional purchase price. Due to results, the maximum additional purchase price will not need to be paid. The valuation period in accordance with IFRS 3 point 58 has passed, and an impairment of SEK 45 million from the liability item is therefore taking place via the income statement. This item affects the profit row Other operating income and expenses by SEK 45 million. Structural costs have had an impact on profits amounting to SEK 10 million (89).

Profit after financial items amounted to SEK 99 million (58), an increase of 71%. Profit after financial items is adversely affected by higher interest costs as a result of increased net debt in conjunction with acquisitions, as well as by negative currency effects when translating financial assets and liabilities in foreign currencies.

Investments

The Group's net investments amounted to SEK 75 million (625), of which SEK 1 million (576) are attributable to corporate transactions during the period.

Employees

The average number of employees at the end of the period was 3,572 (3,601).

Parent Company

The Parent Company's net sales amounted to SEK 26 million (15) and profit after financial items to SEK -48 million (-61).

JANUARY - DECEMBER

Net sales and profit

The Group's net sales amounted to SEK 6,381 million (5,417), which is an increase of 18%. Currency-adjusted sales rose by 17%. Sales have devel-

oped better than last year in UK, Central Europe and NorthEast while Scandinavia has not developed as well. La Fortezza has developed slightly below our expectations as a result of a weak start to the year. Lighting sales have not developed as well as last year due to somewhat cautious demand in certain markets.

The gross margin has continued to improve, showing that the long-term rationalisation work being implemented in all parts of the operation has produced results.

Operating profit rose by 35% to SEK 500 million (371). Profits have been impacted by SEK 45 million due to the revaluation of the additional purchase price in conjunction with the acquisition of La Fortezza, and structural costs have been impacted by almost SEK 10 million (95).

Profit after financial items rose by 20% to SEK 432 million (361). Profit after financial items is adversely affected by higher interest costs as a result of increased net debt in conjunction with acquisitions, as well as by negative currency effects when translating financial assets and liabilities in foreign currencies.

Financial position

The net debt was SEK 2,130 million (1,722) the increase is due to the acquisitions made as well as higher capital tied up. The Group's cash and cash equivalents, including undrawn committed credit facilities, amounted to SEK 929 million (887) on closing day. The equity/assets ratio was 32 % (31). Cash flow from current operations amounted to SEK 190 million (396). The worsening cash flow is primarily due to increased capital tied up in accounts receivable and inventory.

Investments

The Group's net investments amounted to SEK 295 million (919), of which SEK 101 million (737) are attributable to corporate transactions during the period. For more information on corporate transactions, see Note 1 page 11.

Employees

The average number of employees at the end of the period was 3,599 (3,097).

Parent Company

The Parent Company ITAB Shop Concept AB's operations consist primarily of Group-wide functions. The Parent Company's net sales amounted to SEK 74 million (47) and refers to income from

subsidiaries. Profit after financial items amounted to SEK 285 million (253) includes dividends from subsidiaries of SEK 362 M (355).

OTHER DISCLOSURES

Seasonal variations

ITAB's operations are affected to a certain extent by seasonal variations. The sales volumes are often lower at the start of the year and then gradually increase during the year. As a result, sales and earnings are generally higher during primarily the third but also the fourth quarter.

The quarterly sales and earnings are presented in the diagrams on page 3.

Risks and uncertainties

The Group's significant risks and uncertainties include business risks and financial risks. The Group's significant financial risks are more fully discussed in Note 4 on page 64 of the 2016 Annual Report.

ITAB's business risks are associated with our own operations, customers and suppliers, as well as other external factors. Some of the most significant business risks are summarised on page 50 of the 2016 Annual Report.

No further significant risks have been identified.

Convertible debenture loan 2014/2018

During the period 22 May to 2 June 2014, a subscription for convertible shares was carried out in which all ITAB employees had the right to subscribe, for a maximum total of SEK 30 million. The offer was considerably oversubscribed. The allocation totalled 602,004 convertibles, and during the period 1 June 2018 to 11 June 2018 each convertible can be converted to Class B shares at a conversion rate of SEK 49,83 (the recalculation has taken place as a result of the implemented share split 2:1 and 3:1).

Convertible debenture loan 2016/2020

On 11 May 2016, the Annual General Meeting of ITAB Shop Concept AB decided to approve the Board's proposal to issue a maximum of 1,950,000 convertibles with a maximum total nominal value of SEK 275,000,000 with a term from 1 July 2016 to 30 June 2020. The level of interest in the convertible programme was considerable – approximately 440 employees in 13 countries decided to participate, and the issue was oversubscribed by more than 50 percent. Employees of the ITAB

Group have been allocated 1,950,000 convertibles at an issue price of SEK 86, representing a nominal value of SEK 167,700,000. The interest rate is STIBOR 3M plus 2.20 percent and interest is paid annually in arrears. All convertibles can be converted into Class B shares in ITAB in the period from 1 June 2020 to and including 12 June 2020. If all the convertibles are converted into shares, the dilution effect on the share capital will be approximately 1.9 percent, and on the voting rights approximately 0.6 percent, based on the current total number of shares.

Accounting policies

ITAB applies the International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, additional accounting principles consolidated Group and RFR 2, Accounting for Legal Entities.

The accounting policies that have been applied are consistent with the accounting policies used in the preparation of the most recent annual report.

Estimates and judgements

The preparation of the interim report requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. However, the actual results may ultimately differ from those estimates and judgements. The critical judgements and sources of uncertainty in the estimates used in the preparation of this interim report are the same as in the most recent annual report.

Financial assets and liabilities

ITAB has derivative financial instruments measured at fair value. The derivative instruments consist of foreign exchange forward contracts and interest rate swaps used for hedging purposes.

All derivative instruments are categorised as Level 2 and the fair value is measured using discounted future cash flows according to the terms and due dates of the contracts where all variables, such as discount rates and exchange rates, are obtained from market listings for calculations.

Additional considerations are recognised as financial liabilities and are categorised as Level 3. These are based on each contract's parameters which are mainly linked to the anticipated performance of the acquired companies over the next

few years. The additional considerations have been recognised at estimated fair value and are re-measured through the income statement.

Recognised value is considered to constitute a reasonable estimate of the actual value of all financial assets and liabilities. No financial assets or financial liabilities have been transferred between the valuation categories and the same valuation techniques have been used throughout the year. Otherwise refers to the most recent annual report.

Related party transactions

ITAB has not entered into any related party transactions that have significantly affected the company's financial position and results.

Next reporting date

The interim report for the period January through March 2018 will be presented on the 7 May 2018.

This report has not been subject to a general review by the company's auditor.

KEY FIGURES

Key figures included in this report derive primarily from the disclosure requirements according to IFRS and the Annual Accounts Act. In addition, reference is made to a number of key ratios that are not defined within the IFRS regulations or directly in the income statement or balance sheet, with the aim of illustrating the company's profit trend, financial position and how the company has invested its capital. The main alternative key ratios presented in this report are interest-bearing net debt, proportion of risk-bearing capital and return on capital employed.

Key ratios are defined below and in Note 27 in the 2016 annual report.

DEFINITIONS

Portion of risk-bearing capital

Equity plus provisions for deferred tax liabilities as well as convertible debenture loans in relation to total capital.

Return on equity

The net profit for the period attributable to the Parent Company's shareholders in relation to average equity attributable to the Parent Company's shareholders.

Return on capital employed

Profit after financial items plus financial expenses in relation to average balance sheet total minus non-interest-bearing liabilities.

Return on total capital

Profit after financial items plus financial expenses in relation to average total capital

Equity per share

Equity at the end of the period attributable to the Parent Company's shareholders in relation to the number of shares at the end of the period

Cash flow from operating activities per share

Cash flow from operating activities in relation to average number of shares

Earnings per share, basic

Net profit for the period attributable to the Parent Company's shareholders in relation to average number of shares

Earnings per share, diluted

Net profit for the period attributable to the Parent Company's shareholders with an addition for costs attributable to convertible loans in relation to the number of shares, including shares are added on conversion of outstanding convertible debenture schemes.

Interest-bearing net debt

Non-current and current interest-bearing liabilities minus interest-bearing assets as well as cash and cash equivalents

Interest coverage ratio

Income after financial items plus financial expenses in relation to financial expenses.

Operating margin

Operating profit in relation to net sales

Equity/assets ratio

Equity in relation to total capital

Total Capital, Balance sheet total

Total Equity and Liabilities

Profit margin

Profit after financial items in relation to net sales

Average number of employees

Number of working hours divided by normal annual working time.

THE GROUP

INCOME STATEMENT - SUMMARY

(SEK million)	3 MONTHS OCT-DEC 2017	3 MONTHS OCT-DEC 2016	FULL YEAR JAN-DEC 2017	FULL YEAR JAN-DEC 2016
Net sales	1,641	1,766	6,381	5,417
Cost of goods sold	-1,198	-1,327	-4,552	-3,923
Gross profit	443	439	1,829	1,494
Selling expenses	-290	-294	-1 071	-861
Administrating expenses	-78	-89	-305	-255
Other operating income and expenses	43	-3	47	-7
Operating profit	118	53	500	371
Financial income	2	19	3	28
Financial expenses	-21	-14	-71	-38
Profit after financial items	99	58	432	361
Tax expenses	-19	-28	-103	-101
NET PROFIT FOR THE PERIOD	80	30	329	260
Net profit for the period attributable to:				
Parent Company shareholders	79	21	319	241
Non-controlling interests	1	9	10	19
Depreciation/amortisation for the period	36	34	139	111
Tax expense for the period amounts to	18%	49%	24%	28%
Earnings per share				
basic, SEK	0.77	0.21	3.11	2.36
diluted, SEK	0.76	0.20	3.09	2.33
Average number of outstanding shares ¹⁾				
basic (thousands)	102,383	102,383	102,383	102,077
diluted (thousands)	104,935	104,935	104,935	104,935

1) The number of shares has after that increased by 664,200 shares to a total of 102,383,430 pieces during June 2016. The change in the number of shares is a result of the completion and registration with the Swedish Companies Registration Office of a conversion of ITAB Shop Concept convertibles 2012/2016. During 2016, the company has repurchased 1,287,018 convertible bonds of KV3B.

The Group has two outstanding convertible debenture schemes. In the first scheme, which runs during the period 1 July 2014 to 30 June 2018, conversion to a maximum of 602,004 Class B shares can take place during the period 1 to 11 June 2018 at a subscription price of SEK 49.83. In the second scheme, a subscription for convertible shares for employees was carried out during June 2016. The scheme is running during the period 1 July 2016 to 30 June 2020 and conversion to a maximum of 1,950,000 Class B shares can take place during the period 1 to 12 June 2020 at a subscription price of SEK 86.00. The total number of shares after full dilution will then be 104,935,434.

STATEMENT OF OTHER COMPREHENSIVE INCOME - SUMMARY

(SEK million)	3 MONTHS OCT-DEC 2017	3 MONTHS OCT-DEC 2016	FULL YEAR JAN-DEC 2017	FULL YEAR JAN-DEC 2016
Net profit for the period	80	30	329	260
Other comprehensive income:				
Items that will not be reclassified to the income statement				
Revaluation of defined-benefit pension commitments	-4	-3	-4	-3
Tax on items that will not be reclassified	1	1	1	1
	-3	-2	-3	-2
Items that may be reclassified to the income statement				
Translation differences	50	-5	21	15
Hedging of net investments, net	-6	3	-10	1
Cash flow hedges, net	4	28	5	3
Tax on items that may be reclassified	0	-7	1	-1
	48	19	17	18
Total other comprehensive income after tax	45	17	14	16
Comprehensive income for the period	125	47	343	276
Comprehensive income for the period attributable to:				
Parent Company shareholders	119	38	336	255
Non-controlling interests	6	9	7	21

STATEMENTS OF FINANCIAL POSITION - SUMMARY

(SEK million)	2017 31-DEC	2016 31-DEC
Assets		
Non-current assets		
Goodwill	1,576	1,436
Other intangible assets	176	161
	1,752	1,597
Property, plant and equipment	945	865
Deferred tax assets	105	101
Financial non-current assets	8	6
Total non-current assets	2,810	2,569
Current assets		
Inventories	1,174	1,036
Current receivables	1,388	1,306
Cash and cash equivalents	285	404
Total current assets	2,847	2,746
TOTAL ASSETS	5,657	5,315
Equity and liabilities		
Equity attributable to Parent Company's shareholders	1,664	1,512
Non-controlling interests	120	122
Deferred tax liabilities	72	77
Other non-current liabilities	1,558	1,268
Current liabilities	2,243	2,336
TOTAL EQUITY AND LIABILITIES	5,657	5,315
Interest-bearing net debt represents	2,130	1,722
of which convertible debenture loans make up	188	185

STATEMENT OF CHANGES IN EQUITY - SUMMARY

(SEK million)	Share capital	Other contrib- uted capital	Other reserves ^{*)}	Profit brought forward	Attributable to the Parent Company's shareholders	Attributable to non-control- ling interests	Total equity
SHAREHOLDERS' EQUITY 1 JAN 2016	42	291	-51	1,181	1,463	83	1,546
Net profit for the period				241	241	19	260
Other comprehensive income			16	-2	14	2	16
COMPREHENSIVE INCOME JAN-DEC 2016			16	239	255	21	276
Dividend				-170	-170	-5	-175
Acquisition of part-owned companies						23	23
Effect of convertible loan issued, KV5B		11			11		11
Repurchase of convertible debentures, KV3B				-61	-61		-61
Conversion of convertible debenture loan, KV3B	1	13			14		14
SHAREHOLDERS' EQUITY 31 DEC 2016	43	315	-35	1,189	1,512	122	1,634
Net profit for the period				319	319	10	329
Other comprehensive income			20	-3	17	-3	14
COMPREHENSIVE INCOME JAN-DEC 2017			20	316	336	7	343
Dividend				-179	-179		-179
Acquisition of non-controlling interests				-5	-5	-9	-14
SHAREHOLDERS' EQUITY 31 DEC 2017	43	315	-15	1,321	1,664	120	1,784

* Other reserves comprise a translation reserve and a hedging reserve.

STATEMENTS OF CASH FLOWS - SUMMARY

(SEK million)	3 MONTHS OCT-DEC 2017	3 MONTHS OCT-DEC 2016	FULL YEAR JAN-DEC 2017	FULL YEAR JAN-DEC 2016
Operating profit	118	53	500	371
Interest paid and received, tax paid and adjustments for items not included in the cash flow	-59	27	-157	7
Cash flow from operating activities before changes in working capital	59	80	343	378
Change in working capital				
Change in inventories	33	91	-125	4
Change in operating receivables	278	213	-51	46
Change in operating liabilities	-190	-140	23	-32
Cash flow from operating activities	180	244	190	396
Investing activities				
Acquisition of companies and businesses, note 1	-1	-576	-101	-737
Other net investments	-74	-49	-194	-182
Cash flow after investing activities	105	-381	-105	-523
Financing activities				
Paid dividend to shareholders	-	-	-179	-170
Paid dividend to non-controlling interests	0	-	0	-5
Repurchase and conversion of convertible debentures KV3B	-	-	-	-87
Convertible debentures KV5B	-	-	-	168
Cash flow from other financing activities	-146	503	182	747
Cash flow for the period	-41	122	-102	130
Cash and cash equivalents at the start of the period	310	273	404	258
Translation differences on cash and cash equivalents	16	9	-17	16
Cash and cash equivalents at the end of the period	285	404	285	404
Cash flow from operating activities per share	1.76	2.39	1.86	3.88

KEY RATIOS

	3 MONTHS OCT-DEC 2017	3 MONTHS OCT-DEC 2016	FULL YEAR JAN-DEC 2017	FULL YEAR JAN-DEC 2016
Operating margin, %	7.2	3.0	7.8	6.8
Profit margin, %	6.0	3.3	6.8	6.7
Share price at end of period, SEK	51.75	81.25	51.75	81.25
Basic earnings per share, SEK	0.77	0.21	3.11	2.36
Diluted earnings per share, SEK	0.76	0.20	3.09	2.33
Cash flow from operating activities per share, SEK	1.76	2.39	1.86	3.88
Number of shares at the end of the period	102,383,430	102,383,430	102,383,430	102,383,430
Balance sheet total, SEK m	5,657	5,315	5,657	5,315
Interest-bearing net debt, SEK m	2,130	1,722	2,130	1,722
Equity attributable to the Parent Company's shareholders, SEK m	1,664	1,512	1,664	1,512
Equity per share, SEK	16.26	14.77	16.26	14.77
Equity/assets ratio, %	31.5	30.7	31.5	30.7
Portion of risk-bearing capital, %	36.1	35.7	36.1	35.7
Return on equity, %	19.7	5.8	20.5	16.5
Return on capital employed, %	11.2	8.6	12.4	13.6
Return on total capital, %	8.2	6.3	9.0	10.2
Interest coverage ratio, multiple	6.2	4.9	7.8	10.5
Net investments, SEK m	75	625	295	919
Net investments (excl. business acquisitions), SEK m	74	49	194	182
Average no. employees	3,572	3,601	3,599	3,097

QUARTERLY FINANCIAL STATEMENTS AND KPI'S

(SEK million)	2017 OCT-DEC	2016 OCT-DEC	2017 JUL-SEP	2016 JUL-SEP	2017 APR-JUN	2016 APR-JUN	2017 JAN-MAR	2016 JAN-MAR
Net sales	1,641	1,766	1,668	1,353	1,552	1,209	1,520	1,089
Cost of goods sold	-1,198	-1,327	-1,176	-958	-1,110	-866	-1,068	-772
Gross profit	443	439	492	395	442	343	452	317
Selling expenses	-290	-294	-256	-195	-263	-193	-262	-179
Administrating expenses	-78	-89	-67	-55	-83	-56	-77	-55
Other operating income and expenses	43	-3	3	2	3	-4	-2	-2
Operating profit	118	53	172	147	99	90	111	81
Financial items	-19	5	-22	-4	-15	-6	-12	-5
Profit after financial items	99	58	150	143	84	84	99	76
Tax expenses	-19	-28	-39	-35	-20	-20	-25	-18
NET PROFIT FOR THE PERIOD	80	30	111	108	64	64	74	58
Net profit for the period attributable to:								
Parent Company shareholders	79	21	109	104	60	60	71	56
Non-controlling interests	1	9	2	4	4	4	3	2
Operating margin, %	7.2	3.0	10.3	10.9	6.4	7.4	7.3	7.4
Basic earnings per share, SEK	0.77	0.21	1.05	1.01	0.59	0.59	0.70	0.55
Diluted earnings per share, SEK	0.76	0.20	1.06	1.00	0.58	0.59	0.68	0.54
Return on equity, %	19.7	5.8	28.8	29.4	15.9	16.8	18.4	15.0
Equity per share, SEK	16.26	14.77	15.09	14.40	14.22	13.22	15.47	14.81
Cash flow from operating activities per share, SEK	1.76	2.39	-0.86	0.57	1.23	0.74	-0.27	0.18
Share price at end of period, SEK	51.75	81.25	63.75	79.00	75.25	69.25	71.00	85.00

PARENT COMPANY

INCOME STATEMENT - SUMMARY

(SEK million)	3 MTHS OCT-DEC 2017	3 MTHS OCT-DEC 2016	FULL YEAR JAN-DEC 2017	FULL YEAR JAN-DEC 2016
Net sales ¹⁾	26	15	74	47
Cost of goods sold	-4	-2	-15	-11
Gross profit	22	13	59	36
Selling expenses	-7	-4	-31	-24
Administrating expenses	-9	-4	-37	-28
Other operating income and expenses	-4	-6	-7	-3
Operating profit	2	-1	-16	-19
Profit from participations in Group companies	-9	-43	346	312
Financial income and expenses	-41	-17	-45	-40
Profit after financial items	-48	-61	285	253
Year-end appropriations	61	62	61	62
Profit before tax	13	1	346	315
Tax expenses for the period	-2	-2	-2	-2
NET PROFIT FOR THE PERIOD	11	-1	344	313
STATEMENT OF OTHER COMPREHENSIVE INCOME				
Net profit for the period	11	-1	344	313
Other comprehensive income	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	11	-1	344	313

1) 100% of the parent company's net sales comes from subsidiary.

BALANCE SHEET - SUMMARY

(SEK million)	2017 31-DEC	2016 31-DEC
Non-current assets		
Property, plant and equipment	9	7
Financial assets	2,228	2,277
Deferred tax assets	14	15
Total non-current assets	2,251	2,299
Current assets		
Current receivables	1,002	587
Cash and bank balance	0	0
Total current assets	1,002	587
TOTAL ASSETS	3,253	2,886
Equity		
Restricted equity	50	50
Non-restricted equity	887	722
TOTAL EQUITY	937	772
Non-current liabilities	1,357	988
Current liabilities	959	1,126
TOTAL EQUITY AND LIABILITIES	3,253	2,886

NOTE 1. ACQUISITION

2017

During July 2017, through subsidiaries, ITAB has acquired the companies D&L Lichtplanung GmbH and D. Lindner Lichttechnische Grosshandlung GmbH which have their registered offices in Menden, Germany. The acquisition also includes the assets and liabilities of U. Wallmeier Beleuchtungstechnik and Vockroth u. Wallmeier GbR Elektroinstallation. The deal was conditional on competition approval, which was awarded on 6 July 2017.

The acquired companies jointly comprise one of Germany's leading players as regards sales of lighting systems principally to the non-food segment in the German market. The companies are sales companies with expertise in light planning and design. This acquisition is a stage in the intensification of our marketing activities in the German market, as well as in the strengthening of ITAB's position. The acquisition is expected to generate synergies, and ITAB will be offering customers in Germany a combination of local lighting expertise with global sourcing of lighting products. The acquisition is in line with ITAB's strategy and continued investment in sales of a total concept for the retail sector.

The companies had a joint turnover of EUR 22 million during 2016 and have 50 employees. The purchase price for the shares, assets and liabilities amounts to the equivalent of around EUR 14 million on a debt-free basis, with a possible supplementary purchase price of a maximum of EUR 2 million. Expenses in conjunction with the acquisition are recognised continually as costs. The acquisition is expected to have a positive effect of SEK 0.15 on annual earnings per share, before synergy effects. The various companies within acquisition are not significant on their own, which is why they are reported jointly. Acquired net assets including financial liabilities, as well as intangible assets at their estimated fair value at the time of acquisition, amounted to SEK 67 million, of which SEK 102 million was goodwill. Goodwill that has arisen in the transaction consists primarily of the value of anticipated synergies and the value of the employees, which are not reported separately. The acquisition was incorporated as of 1 July 2017.

Acquisition of non-controlling interests 2017

In May 2016, 97.1% of the shares in Pikval Group Oy in Finland and its subsidiaries were acquired. The remaining 2.9% of the Pikval Group was acquired in January 2017. The purchase price was EUR 60 thousand. During 2017, Pikval Group Oy has changed its name to ITAB Finland Holding Oy. In the event of acquisitions, the entity theory is applied, which means that all assets and liabilities as well as income and expenses are included in their entirety, including for part-owned subsidiaries, at the time of the initial acquisition, which is why no additional goodwill is linked to the acquisition. The difference between valued holdings without a controlling influence prior to acquisition and the purchase price is recognised directly in equity attributable to the Parent Company's shareholders at SEK -0 million.

Via a subsidiary, the ITAB Group acquired 51% of Reklamepartner Graphics AS in Norway in December 2014. The remaining 49% of Reklamepartner was acquired in January 2017. The purchase price amounted to NOK 11 million, with a supplementary purchase price of a maximum of NOK 2 million based on the company's performance up to the end of 2020. In the event of acquisitions, the entity theory is applied, which means that all assets and liabilities as well as income and expenses are included in their entirety, including for part-owned subsidiaries, at the time of the initial acquisition, which is why no additional goodwill is linked to the acquisition. The difference between valued holdings without a controlling influence prior to acquisition and the purchase price is recognised directly in equity attributable to the Parent Company's shareholders at SEK -5 million.

The acquisitions have impacted on net investments for the year in the cash flow in the amount of SEK 60 million. Net investments for 2017 also include paid additional cash and cash equivalents from the acquisitions of the La Fortezza Group, the Pikval Group and the MB Shop Design Group from 2016, as well as the JPD companies from 2015, totalling SEK 41 million.

2016

La Fortezza Group

In July 2016, an agreement was entered into regarding the acquisition of all the shares in La Fortezza Group. The deal was conditional on competition approval, which was awarded, and the acquisition was incorporated as of 1 October 2016. La Fortezza Group is one of southern Europe's leading players within shop fittings, and has its head office in Bologna, Italy. La Fortezza conducts production and sales, as well as project management for concept shopfitting. The group has its own production facilities in Italy, France, Russia and Argentina. The Group also has operations in Spain, Portugal, Dubai and Malaysia. La Fortezza Group comprises the parent company La Fortezza SpA as well as seven wholly-owned and two part-owned subsidiary companies.

The acquisition is in line with ITAB's strategy of offering an all-inclusive concept to the retail trade. Thanks to the acquisition, ITAB is able to offer customers effective deliveries in Europe by utilising economies of scale in ITAB's and La Fortezza's production and logistics resources. Synergies are anticipated within these areas. By co-ordinating the product range, ITAB and La Fortezza can also offer a broader portfolio to the market.

The purchase price was equivalent to EUR 85 million on a debt-free basis, with a supplementary purchase price of a maximum of EUR 20 million based on the company's performance up to the end of 2017. The acquisition has been financed through newly arranged credit facilities. Final liquidity will be settled during the first half of 2017 and the supplementary purchase price will be settled in 2018.

La Fortezza had a turnover of EUR 138 million in 2015 and has around 600 employees. The Group has a

similar level of operating margin to ITAB and it is estimated that the acquisition will have a positive effect of SEK 0.65 on annual earnings per share, before synergy effects. La Fortezza has increased the ITAB Group's sales during the fourth quarter of 2016 by approximately SEK 300 million and profit after financial items by almost SEK 20 million. Expenses in conjunction with the acquisition have been recognised continually as costs and amount to almost SEK 10 million. Acquired net assets at their estimated fair value at the time of acquisition amounted to SEK 840 million, of which SEK 754 million was goodwill and SEK 31 million was intangible assets. Goodwill that has arisen in the transaction consists primarily of the value of anticipated synergies and the value of the employees, which are not reported separately.

Other acquisitions in 2016

In April 2016 all the shares in Lichtspiel Lichtprojekte und Design GmbH in Germany were acquired via a subsidiary. Lichtspiel provides sales of lighting systems and lighting plans for the retail sector, primarily in the German market but also in the rest of Central Europe. The company is a sales company with expertise in light planning and design. The acquisition is a stage in the intensification of our marketing activities and reinforces ITAB's position in the German and Central European markets. Through the acquisition, ITAB can offer customers in Germany and Central Europe a combination of local lighting expertise with global sourcing of lighting products. At time of acquisition, Lichtspiel's annual turnover was SEK 36 million and the average number of employees was 15. The purchase price was SEK 22 million cash with a supplementary purchase price of max. SEK 3 million (EUR 0.3 million). Final liquidity was settled during December 2016 and expenses in conjunction with the acquisition have been recognised continually as costs. The acquisition has a marginal positive effect on earnings per share. The acquisition was incorporated as of 1 April 2016. During autumn 2016, the company has merged with ITAB's German operation and synergies have been utilised.

In May 2016, all the shares in MB Shop Design AB in Hillerstorp, Sweden, were acquired. The MB Shop Design group comprises three wholly-owned and one part-owned company (91%). MB Shop Design conducts production in metal and wood, stockholding and sales of concept interiors for the retail sector in the Swedish and Danish markets. Through this acquisition, ITAB is strengthening its expertise and market position within concept sales in the Scandinavian market. The acquisition is in line with the Group's continued focus on sales of all-inclusive concepts to the retail sector. MB Shop Design had a turnover of SEK 140 million in 2015 and has 75 employees. The acquisition is estimated to have a positive annual effect of SEK 0.15 on earnings per share. The purchase price was SEK 106 million, of which 105 was settled during 2016. Final liquidity was settled in January 2017 and expenses in conjunction with the acquisition have been recognised continually as costs. The acquisition was incorporated as of 1 May 2016.

In May 2016, 97.1% of the shares in Pikval Group Oy in Finland, with subsidiaries in Finland, Sweden and Norway, were also acquired. Pikval Group conducts production in metal and wood, stockholding and sales, as well as project management of concept interiors for the retail sector, primarily in the Finnish but also in the Scandinavian market. Through this acquisition, ITAB is strengthening its expertise within concept sales above all in the Finnish market. The acquisition is in line with the Group's continued focus on sales of all-inclusive concepts to the retail sector. Pikval Group had a turnover of SEK 160 million in 2015 and has around 100 employees. The acquisition is estimated to have a positive annual effect of SEK 0.1 on earnings per share. During autumn 2016, the Pikval Group has been integrated with ITAB's existing Finnish company, during which synergy effects have been achieved. Restructuring costs have been incurred continually during 2016. The purchase price was equivalent to SEK 60 million on a debt-free basis. The direct cash flow effect from the acquisition amounted to SEK 27 million during the period. In conjunction with the acquisition, holdings without a controlling influence in the subsidiary company Pikval AB were also acquired. Final liquidity was settled in February 2017. Expenses in conjunction with the acquisition are continually recognised as costs. The acquisition was incorporated as of 1 May 2016.

The three acquisitions are not significant on their own, which is why they are reported jointly below. Acquired net assets at their estimated fair value at the time of acquisition amounted to SEK 157 million, of which SEK 59 million was goodwill. Goodwill primarily comprises synergy effects in production, logistics and personnel.

Acquisition 2016	Other		Total
	La Fortezza	acquisitions	
Intangible assets	31	4	35
Property, plant and equipment	137	82	219
Deferred tax assets	53	4	57
Inventory	106	60	166
Accounts receivables	344	72	416
Other current assets	136	7	143
Provisions	-56	-10	-66
Non-current liabilities	-103	-47	-150
Current liabilities	-540	-72	-612
Net identifiable assets and liabilities	108	100	208
Non-controlling interests	-22	-2	-24
Group goodwill	754	59	813
Purchase price incl. estimated conditional purchase price	840	157	997
Non-settled purchase price and estimated supplementary purchase price	-211	-4	-215
Cash and cash equivalents in the acquired companies	-64	0	-64
IMPACT FOR THE YEAR ON THE GROUP'S CASH AND CASH EQUIVALENT	565	153	718

In 2016, statement of cash flows investing activities include additional cash payments from acquisitions in 2015 of 19 MSEK.

NOTE 2. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	GROUP		PARENT COMPANY	
	31 DEC 2017	31 DEC 2016	31 DEC 2017	31 DEC 2016
Pledged assets and contingent liabilities				
Pledged assets	1,971	2,075	1,383	1,381
Contingent liabilities	180	154	983	478

ITAB IN BRIEF



ITAB'S BUSINESS CONCEPT

ITAB will offer complete shop concepts for retail chain stores. With its expertise, long-term business relationships and innovative products, ITAB will secure a market-leading position in selected markets.

GEOGRAPHIC PRESENCE

- Market presence
- ITAB Offices/Production
- La Fortezza Offices/Production

ABOUT ITAB

ITAB Shop Concept sells, develops, manufactures and installs complete shop fitting concepts for retail chain stores. The all-inclusive offer includes custom-made fitting concepts, innovative solutions for checkout arena and professional lighting systems. As part of the further development of the shopping experience, a uniform digital solution for the physical shop is developed.

Customers include the major players throughout most of Europe. Business operations are founded on long-term business relationships and delivery reliability in combination with streamlined production resources. ITAB is now a leader in the market for retail checkouts in Europe, as well as being one of Europe's largest suppliers of shop fittings and lighting systems.

ITAB has operations in approx. 30 countries and approx. 20 production facilities in Europe and China. ITAB also has a network of partners across large parts of Europe. Working in close collaboration with the customer, ITAB contributes its experience and expertise to the customer's specific

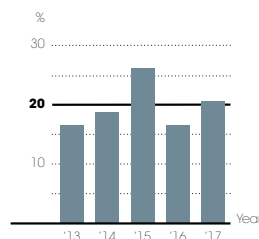


▲ ITAB Shop Concept is a leader in the market for retail checkouts in Europe and is also one of Europe's largest suppliers of shop fittings and lighting systems.

ITAB'S FINANCIAL TARGETS

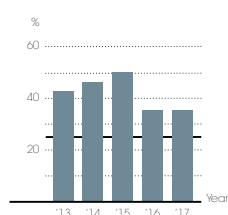
RETURN ON EQUITY

Over an extended period, ITAB will have a minimum 20% return on equity.



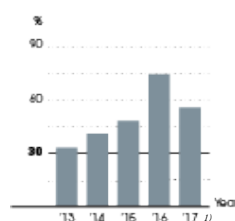
RISK-BEARING CAPITAL

ITAB will have at least 25% risk-bearing capital.



DIVIDENDS

ITAB's share dividends will, over an extended period, mirror the company's earnings and correspond to at least 30% of the company's profit after tax. The dividend will, however, be adjusted to the company's investment needs and share repurchase schemes when relevant.



1) 1) The Board proposes the AGM 2018 a dividend of SEK 1.75 per share for the fiscal year 2017.

SHARE INFORMATION

- ▶ LISTING
Nasdaq Stockholm
Mid Cap list
- ▶ TICKER SYMBOL
ITAB B
- ▶ TRADING LOT
1 share
- ▶ SECTOR CLASSIFICATION
Industrial Goods
& Services
- ▶ ISIN CODE
SE0008375117
- ▶ SHARE PRICE ON
THE BALANCE SHEET DATE
SEK 51.75 (81.25)

ITAB'S BUSINESS GOALS

▶ GOALS

ITAB will achieve an annual growth rate of at least 15% over an extended period.

▶ REALISATION

Sales increased by about 18% in 2017. Over the past five years, average growth was about 13% per year.

▶ GOALS

ITAB will maintain and enhance its market-leading position in Europe and develop market share in new markets.

▶ REALISATION

ITAB retained its leading position in Europe during 2017. ITAB is one of the leading players in Europe and now also has local market presence in Southern Europe. As part of its work of following major customers into new markets, ITAB also has operations in the Asia, South America and the USA.

▶ GOALS

ITAB will develop its all-inclusive offer of complete shop concepts through custom-made fitting concepts, innovative solutions for checkout arena and professional lighting systems.

▶ REALISATION

ITAB has been offering shop fitting concepts to retail chains for many years. In recent years, ITAB has extended its offer with both professional lighting systems, self-checkout systems and a digital offer for the physical store. ITAB is now an end-to-end supplier of complete shop concepts.

STRATEGIC DIRECTION

▶ LONG-TERM BUSINESS RELATIONS

ITAB will develop and nurture long-term business relations with chain stores within the food and non-food segments by working closely with its customers and their markets.

▶ COMPETENCE, COMMITMENT AND BUSINESSLIKE APPROACH

The competence, commitment and businesslike attitude that characterise the Group will instil trust and confidence in each and every customer.

▶ END-TO-END SOLUTIONS

ITAB will offer end-to-end solutions with responsibility for the entire process from concept, design, project management and construction to production, logistics and installation.

▶ MARKET EXPERTISE AND INNOVATIVE ABILITIES

ITAB will develop new concepts, products and solutions by utilising its extensive market expertise and innovative abilities while working closely with its customers.

▶ HIGHLY EFFICIENT AND FLEXIBLE PRODUCTION RESOURCES

ITAB will use its highly efficient and flexible production resources, assiduous logistics and selected partners to offer the market competitive terms coupled with precise delivery accuracy and quality.

▶ EXPANSION ON SELECTED MARKETS

ITAB will use its leading position in Northern Europe to cultivate conditions for further growth and expansion on other selected markets.

Annual General Meeting 2018

The Annual General Meeting will be held on Monday 7 May 2018, at 4 p.m. at ITABs head office in Jönköping. The annual report for 2017 will be available in mid-April at ITAB Shop Concept's head office and in digital format on the website www.itabgroup.com. The annual report together with the notice for the AGM will be published on www.itabgroup.com.

Proposal for dividend

The Board proposes to the Annual General Meeting a dividend of SEK 1.75 per share for the financial year 2017. Total dividend amounts to SEK 179.2 million based on the number of shares at the end of the financial year.

Authorisation of repurchase of company shares

The Board will propose the Annual General Meeting to provide the Board with a renewed mandate to decide on share repurchases. Such a mandate would allow the Board to resolve on repurchasing of company shares up until the next Annual General Meeting. Any such repurchase may take place via the stock exchange or through offers to shareholders. The Board's mandate would include the option to transfer repurchased shares within the framework of the law.

Authorisation of new share issue

The Board of Directors will propose that the AGM grants the Board renewed authorisation to make decisions regarding the new issue of class B shares amounting to at most one-tenth of the company's issued shares. Such a mandate would allow the Board to resolve on new share issues up until the next AGM. The terms and conditions of an issue, including the issue price, will be based on a market evaluation in which the issue price in each case is set as close to the market value as possible, less any discount that may be required to generate interest in the offering.

Nomination Committee

At the 2017 AGM, a Nomination Committee was appointed comprising Anders Rudgård as chairman, Fredrik Rapp och Johan Storm. The Nomination Committee's task for the 2018 AGM is to propose candidates for Chairman of the Board and Board members, for the post of meeting chairman and auditors, as well as fees and other remuneration for the Board and auditors.

Jönköping 6th of February 2018

ITAB Shop Concept AB (publ)

The Board of Directors

This document is a translation of the report for ITAB Shop Concept AB published in Swedish. In the event of discrepancy between the English text and the Swedish, the Swedish text shall prevail.

This report contains information that ITAB Shop Concept AB (publ) is required to disclose under the Swedish MAR. The information was submitted for publication in Swedish at 3 pm on 6 February 2018.

ITAB

ITAB Shop Concept AB (publ)
Box 9054
SE-550 09 Jönköping
Instrumentvägen 2 (Visiting address)
Corp.reg.no. 556292-1089
Tel. +46 (0)36-31 73 00
ir@itab.com / info@itab.com
www.itabgroup.com www.itab.com

FINANCIAL INFORMATION

Interim report Jan-Mar 2018	7 May 2018
AGM 2018	7 May 2018
Interim report Jan-Jun 2018	11 July 2018
Interim report Jan-Sep 2018	26 October 2018
Year-end report 2018	5 February 2019