

ITAB

INTERIM REPORT
JANUARY - MARCH 2018

Q1

JANUARY-MARCH 2018

- ▶ Net sales amounted to SEK 1,481 million (1,520)
 - ▶ Operating profit amounted to SEK 90 million (111)
 - ▶ Profit after financial items amounted to SEK 75 million (99)
 - ▶ Profit after tax amounted to SEK 56 million (74)
 - ▶ Earnings per share amounted to SEK 0.51 (0.70)
 - ▶ Cash flow from operating activities amounted to SEK 110 million (-28)
 - ▶ The company's net debt was SEK 2,131 million (1,787)
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- ▶ Agreement entered into regarding delivery of digital systems in Spain.
 - ▶ Considerable interest in ITAB's all-inclusive concept including digital products for the physical shop.
 - ▶ The Group has been positively impacted with a net effect of SEK 15 million due in part to the sale of a property and structuring work in Belgium.

EVENTS AFTER THE END OF THE PERIOD

- ▶ Agreement entered with one of Sweden's fastest growing low price chain for delivery of shop concepts.



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ITAB's showroom has been built up to show customers and other stakeholders ITAB's products and solutions for the future store.

CEO ULF ROSTEDT'S COMMENTS

The retail sector is changing in several markets, particular the non-food segment with the focus on fashion. This is most evident in Scandinavia, where a number of major chains have invested less and are evaluating new solutions. We have initiated a number of measures aimed at adapting 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 have invested considerable resources in product development and our working method in order to strengthen ITAB's position in the shops of the future.



FIRST QUARTER

During the first quarter, sales decreased by 3% compared to the same period last year. Currency-adjusted sales fell by 4%. Sales were higher in NorthEast, Central Europe and Southern Europe, although they have fallen slightly in the UK. Sales have decreased significantly in Scandinavia, as have lighting sales. In Scandinavia, the market in the non-food segment, with the focus on fashion, has remained cautious, which has also affected our sales in this quarter. In particular, a number of major non-food chains have invested significantly less. It is clearly noticeable that the sector is undergoing a period of change and new solutions are being evaluated.

Profits have been adversely affected by the sales trend and the product mix during the quarter. In our opinion, the market is more volatile than before and it is difficult to adapt to this in the short term. This, along with the trend within raw materials, has had a negative impact on profits. Operating profit includes the sale of a property and structuring work in Belgium, which have had a positive net impact on profit during the period amounting to SEK 15 million.

MEASURES TO ADJUST THE GROUP'S COST SITUATION

We were not satisfied with the final quarter of 2017, with the result that a series of measures have been implemented in order to adapt the cost situation to the prevailing market situation. We have introduced a cost rationalisation programme, the effects of which we are now beginning to see. The work regarding capital efficiency has been intensified during the first quarter of the year, which has had a positive impact on cash flow during the period.

INITIATIVES TO ADAPT THE GROUP TO FUTURE MARKET CONDITIONS

Initiatives are continuing relating to our position in the shops of the future. During the first quarter, and with the assistance of a renowned global analysis company, we have conducted extensive market analysis of all the European markets in which we currently operate. This study shows that the European market will grow by around 3% per year over the coming years. The market outside of Europe is generally expected to grow more. In Europe, investments will primarily grow within the food sector and the DIY sector, whereas investments

in fashion are going to decrease. The study also shows that renovations and re-profiling will increase in all sectors, while the number of square metres per shop will decrease. The omnichannel experience, i.e. the combination of shops and e-commerce, is important for the continued profitability and survival of retail chains. Based on the analysis, we have commenced the work by focusing on selected areas. We will develop our work within cross-selling and the cultivation of new customers. ITAB can see considerable potential in several of our existing customers choosing to utilise a larger proportion of the offer. We will also need to implement internal adaptations in order to cope with this sales trend, at the same time as preserving our entrepreneurial driving force. We will be working more intensively to position ITAB as a brand for the shops of the future.

We will focus efforts on moving closer to several of the major e-commerce companies, which are indicating that they will be establishing physical shops in future in order to get closer to the consumer.

The rationalisation work is continuing in our production facilities in order to increase our flexibility. This is becoming increasingly important, as project-based sales with shorter lead times are becoming more common.

STRATEGICALLY IMPORTANT AGREEMENT DURING THE QUARTER

During the quarter, ITAB has entered into an agreement to supply digital systems to Consum in Spain. This agreement will run for two years and cover approximately 500 stores, and has an estimated value of SEK 60 million. This agreement is strategically important for ITAB, as it is the largest installation to date within the digital initiative regarding improved consumer experience. It is also an important step in the initiative relating to the cross-selling of ITAB's product portfolio in Southern Europe. Consum is one of Spain's five largest supermarket chains and has around 700 stores.

AGREEMENT AFTER THE END OF THE PERIOD

After the end of the period ITAB has signed an agreement with DollarStore in Sweden with an estimated value of SEK 100 million per year. ITAB will supply shop fittings, lighting, checkouts and entrance systems. The agreement also includes installation and project management. DollarStore is one of Sweden's fastest growing

low price chains with 70 stores in Sweden and is now expanding at a rate of around 30 stores a year. The agreement is in line with the efforts made by ITAB on cross-selling to both new and existing customers.

THE FUTURE

We are still witnessing a cautious attitude in several markets. The changes in the sector mean that the market is difficult to judge in the short term. We are monitoring it carefully and adapting ourselves to the prevailing conditions. We are also continuing to monitor the trend in steel prices, exchange rate fluctuations and the general political situation, which can change our conditions in the market.

Over recent years, we have made considerable investments in product development and initiatives aimed at ensuring that the organisation will be well prepared for the developments that are taking place in the retail sector. We have launched a lighting range comprising linear products, principally for the food segment. A digital all-inclusive offer for the physical shop has been developed, 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 digitalisation in the physical shop is driving forward our sales and development.

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. Last year, we commenced the construction of a new production facility in China. The facility is expected to be in operation during the second half of the year, 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.

Jönköping 7 May 2018

A handwritten signature in black ink that reads "Ulf Rostedt". The signature is written in a cursive, flowing style.

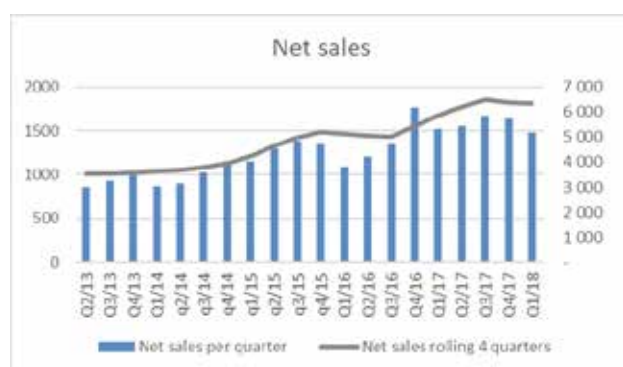
Ulf Rostedt,
Managing Director & CEO
ITAB Shop Concept AB

2018

SUMMARY Q1

- ▶ Net sales decreased by 3 % to SEK 1,481 million (1,520)
- ▶ Operating profit decreased by 19 % to SEK 90 million (111)*
- ▶ Profit after financial items decreased by 24 % to SEK 75 million (99)*
- ▶ Earnings per share decreased by 27 % to SEK 0.51 (0.70)

**) The Group has been positively impacted with a net effect of SEK 15 million due in part to the sale of a property and structuring work in Belgium.*



ITAB GROUP IN FIGURES

	3 MONTHS JAN-MAR 2018	3 MONTHS JAN-MAR 2017	ROLLING 12 MONTHS APR-MAR 2017/2018	FULL YEAR JAN-DEC 2017
Net sales, SEK m	1,481	1,520	6,342	6,381
Operating profit, SEK m*	90	111	479	500
Operating margin, %	6.1	7.3	7.6	7.8
Profit after net financial items, SEK m*	75	99	408	432
Profit margin, %	5.0	6.5	6.4	6.8
Net profit, SEK m	56	74	311	329
Earnings per share, SEK	0.51	0.70	2.92	3.11
Equity per share, SEK	17.36	15.47	17.36	16.26
Return on equity, %	12.1	18.4	18.7	20.5
Portion of risk-bearing capital, %	37.4	36.8	37.4	36.1
Cash flow from operating activities, SEK m	110	-28	328	190
Average no. employees	3,473	3,584	3,544	3,599

**) The Group has been positively impacted with a net effect of SEK 15 million due in part to the sale of a property and structuring work in Belgium. During Q4 2017 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.*

JANUARY-MARCH

Net sales and income

The Group's net sales amounted to SEK 1,481 million (1,520), which is a decrease of 3%. Currency-adjusted sales fell by 4%.

Sales were higher in NorthEast, Central Europe and Southern Europe, although they have fallen slightly in the UK. Sales have decreased significantly in Scandinavia, as have our lighting sales. Operating profit fell by 19% to SEK 90 million (111). Profits have been affected by the sales trend and the product mix during the quarter. The market is perceived as being more volatile than previously, it is difficult to adapt the Group in the short term and this is having an adverse effect on profits. The trend within raw materials has had a negative impact on profits. Operating profit includes the sale of a property and structuring work in Belgium, which have had a positive net impact on profit during the period amounting to SEK 15 million.

Profit after financial items fell by 24% to SEK 75 million (99). Profit after financial items is adversely affected by higher interest costs as a result of increased net debt in conjunction with acquisitions.

Financial position

The net debt was SEK 2,131 million (1,787) 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 837 million (833) on closing day. The equity/assets ratio was 33 % (32). Cash flow from current operations amounted to SEK 110 million (-28). The improved cash flow is due to the more effective management of operating capital.

Investments

Consolidated net investments/divestments amounted to SEK -10 million (43), of which SEK 0 million (18) can be attributed to corporate transactions during the period. For more information about corporate transactions, see Note 1 on page 11. A property in Belgium has been sold during 2018.

Employees

The average number of employees at the end of the period was 3,473 (3,584).

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 16 million (15) and profit after financial items to SEK -62 million (47).

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 70 of the 2017 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 55 and 41 of the 2017 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 con-

vertible 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 is applying the International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34, Interim Reporting, the Annual Accounts Act as well as the Swedish Financial Reporting Board's RFR 1, Supplementary Accounting Rules for Groups, and RFR 2, Accounting for Legal Entities.

The new standards IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers, are being applied as from 1 January 2018. The Group will not recalculate comparative figures for the 2017 financial year, in accordance with the standards' transitional rules. None of these standards have had any significant impact on the Group's financial performance and position. See information in the 2017 Annual Report and Note 2.

As regards other accounting principles that are applied, these correspond with the accounting principles that were 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 June 2018 will be presented on the 11 July 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 JAN-MAR 2018	3 MONTHS JAN-MAR 2017	ROLLING 12 MONTHS APR-MAR 2017/2018	FULL YEAR JAN-DEC 2017
Net sales	1,481	1,520	6,342	6,381
Cost of goods sold	-1,047	-1,068	-4,531	-4,552
Gross profit	434	452	1,811	1,829
Selling expenses	-283	-262	-1,092	-1,071
Administrating expenses	-74	-77	-302	-305
Other operating income and expenses	13	-2	62	47
Operating profit	90	111	479	500
Financial income	1	0	4	3
Financial expenses	-16	-12	-75	-71
Profit after financial items	75	99	408	432
Tax expenses	-19	-25	-97	-103
NET PROFIT FOR THE PERIOD	56	74	311	329
Net profit for the period attributable to:				
Parent Company shareholders	52	71	300	319
Non-controlling interests	4	3	11	10
Depreciation/amortisation for the period	35	33	141	139
Tax expense for the period amounts to	25%	25%	24%	24%
Earnings per share				
basic, SEK	0.51	0.70	2.92	3.11
diluted, SEK	0.51	0.69	2.91	3.09
Average number of outstanding shares ¹⁾				
basic (thousands)	102,383	102,383	102,383	102,383
diluted (thousands)	104,935	104,935	104,935	104,935

1) 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 JAN-MAR 2018	3 MONTHS JAN-MAR 2017	ROLLING 12 MONTHS JAN-MAR 2017/2018	FULL YEAR JAN-DEC 2017
Net profit for the period	56	74	311	329
Other comprehensive income:				
Items that will not be reclassified to the income statement				
Revaluation of defined-benefit pension commitments	-	-	-4	-4
Tax on items that will not be reclassified	-	-	1	1
	-	-	-3	-3
Items that may be reclassified to the income statement				
Translation differences	76	4	93	21
Hedging of net investments, net	-8	-3	-15	-10
Cash flow hedges, net	-4	5	-4	5
Tax on items that may be reclassified	3	-1	5	1
	67	5	79	17
Total other comprehensive income after tax	67	5	76	14
Comprehensive income for the period	123	79	387	343
Comprehensive income for the period attributable to:				
Parent Company shareholders	114	77	373	336
Non-controlling interests	9	2	14	7

STATEMENTS OF FINANCIAL POSITION - SUMMARY

(SEK million)	2018 31-MAR	2017 31-MAR	2016 31-DEC
Assets			
Non-current assets			
Goodwill	1,642	1,435	1,576
Other intangible assets	178	164	176
	1,820	1,599	1,752
Property, plant and equipment	952	855	945
Deferred tax assets	109	100	105
Financial non-current assets	9	6	8
Total non-current assets	2,890	2,560	2,810
Current assets			
Inventories	1,210	1,110	1,174
Current receivables	1,415	1,297	1,388
Cash and cash equivalents	270	365	285
Total current assets	2,895	2,772	2,847
TOTAL ASSETS	5,785	5,332	5,657
Equity and liabilities			
Equity attributable to Parent Company's shareholders	1,778	1,584	1,664
Non-controlling interests	129	115	120
Deferred tax liabilities	66	75	72
Other non-current liabilities	1,509	1,248	1,558
Current liabilities	2,303	2,310	2,243
TOTAL EQUITY AND LIABILITIES	5,785	5,332	5,657
Interest-bearing net debt represents	2,131	1,787	2,130
of which convertible debenture loans make up	189	186	188

STATEMENT OF CHANGES IN EQUITY - SUMMARY

(SEK million)	Share capital	Other contributed capital	Other reserves ^{*)}	Profit brought forward	Attributable to the Parent Company's shareholders	Attributable to non-controlling interests	Total equity
SHAREHOLDERS' EQUITY 1 JAN 2017	43	315	-35	1,189	1,512	122	1,634
Net profit for the period				71	71	3	74
Other comprehensive income			6	0	6	-1	5
COMPREHENSIVE INCOME JAN-MAR 2017			6	71	77	2	79
Acquisition of non-controlling interests				-5	-5	-9	-14
SHAREHOLDERS' EQUITY 31 MAR 2017	43	315	-29	1,255	1,584	115	1,699
Net profit for the period				248	248	7	255
Other comprehensive income			14	-3	11	-2	9
COMPREHENSIVE INCOME APR-DEC 2017			14	245	259	5	264
Dividend				-179	-179		-179
Acquisition of non-controlling interests					0		0
SHAREHOLDERS' EQUITY 31 DEC 2017	43	315	-15	1,321	1,664	120	1,784
Net profit for the period				52	52	4	56
Other comprehensive income			62	0	62	5	67
COMPREHENSIVE INCOME JAN-MAR 2018			62	52	114	9	123
SHAREHOLDERS' EQUITY 31 MAR 2018	43	315	47	1,373	1,778	129	1,907

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

STATEMENTS OF CASH FLOWS - SUMMARY

(SEK million)	3 MONTHS JAN-MAR 2018	3 MONTHS JAN-MAR 2017	ROLLING 12 MONTHS JAN-MAR 2017/2018	FULL YEAR JAN-DEC 2017
Operating profit	90	111	479	500
Interest paid and received, tax paid and adjustments for items not included in the cash flow	-61	-56	-162	-157
Cash flow from operating activities before changes in working capital	29	55	317	343
Change in working capital				
Change in inventories	1	-76	-48	-125
Change in operating receivables	76	-36	61	-51
Change in operating liabilities	4	29	-2	23
Cash flow from operating activities	110	-28	328	190
Investing activities				
Acquisition of companies and businesses, note 1		-18	-83	-101
Other net investments	10	-25	-159	-194
Cash flow after investing activities	120	-71	86	-105
Financing activities				
Paid dividend to shareholders			-179	-179
Paid dividend to non-controlling interests			0	0
Repurchase and conversion of convertible debentures KV3B			0	
Convertible debentures KV5B			0	
Cash flow from other financing activities	-145	35	2	182
Cash flow for the period	-25	-36	-91	-102
Cash and cash equivalents at the start of the period	285	404	365	404
Translation differences on cash and cash equivalents	10	-3	-4	-17
Cash and cash equivalents at the end of the period	270	365	270	285
Cash flow from operating activities per share	1,08	-0,27	3,21	1,86

KEY RATIOS

	3 MONTHS JAN-MAR 2018	3 MONTHS JAN-MAR 2017	ROLLING 12 MONTHS OCT-SEP 2017/2018	FULL YEAR JAN-DEC 2017
Operating margin, %	6.1	7.3	7.6	7.8
Profit margin, %	5.0	6.5	6.4	6.8
Share price at end of period, SEK	36.90	71.00	36.90	51.75
Basic earnings per share, SEK	0.51	0.70	2.92	3.11
Diluted earnings per share, SEK	0.51	0.69	2.91	3.09
Cash flow from operating activities per share, SEK	1.08	-0.27	3.21	1.86
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	5,785	5,332	5,785	5,657
Interest-bearing net debt, SEK m	2,131	1,787	2,131	2,130
Equity attributable to the Parent Company's shareholders, SEK m	1,778	1,584	1,778	1,664
Equity per share, SEK	17.36	15.47	17.36	16.26
Equity/assets ratio, %	33.0	31.9	33.0	31.5
Portion of risk-bearing capital, %	37.4	36.8	37.4	36.1
Return on equity, %	12.1	18.4	18.7	20.5
Return on capital employed, %	8.6	11.7	8.8	12.4
Return on total capital, %	6.4	8.4	8.5	9.0
Interest coverage ratio, multiple	5.3	9.0	7.0	7.8
Net investments, SEK m	-10	43	242	295
Net investments (excl. business acquisitions), SEK m	-10	25	159	194
Average no. employees	3,473	3,584	3,544	3,599

QUARTERLY FINANCIAL STATEMENTS AND KPIs

(SEK million)	2018 JAN-MAR	2017 JAN-MAR	2017 OKT-DEC	2016 OKT-DEC	2017 JUL-SEP	2016 JUL-SEP	2017 APR-JUN	2016 APR-JUN
Net sales	1,481	1,520	1,641	1,766	1,668	1,353	1,552	1,209
Cost of goods sold	-1,047	-1,068	-1,198	-1,327	-1,176	-958	-1,110	-866
Gross profit	434	452	443	439	492	395	442	343
Selling expenses	-283	-262	-290	-294	-256	-195	-263	-193
Administrating expenses	-74	-77	-78	-89	-67	-55	-83	-56
Other operating income and expenses	13	-2	43	-3	3	2	3	-4
Operating profit	90	111	118	53	172	147	99	90
Financial items	-15	-12	-19	5	-22	-4	-15	-6
Profit after financial items	75	99	99	58	150	143	84	84
Tax expenses	-19	-25	-19	-28	-39	-35	-20	-20
NET PROFIT FOR THE PERIOD	56	74	80	30	111	108	64	64
Net profit for the period attributable to:								
Parent Company shareholders	52	71	79	21	109	104	60	60
Non-controlling interests	4	3	1	9	2	4	4	4
Operating margin, %	6.1	7.3	7.2	3.0	10.3	10.9	6.4	7.4
Basic earnings per share, SEK	0.51	0.70	0.77	0.21	1.05	1.01	0.59	0.59
Diluted earnings per share, SEK	0.51	0.68	0.76	0.20	1.06	1.00	0.58	0.59
Return on equity, %	12.1	18.4	19.7	5.8	28.8	29.4	15.9	16.8
Equity per share, SEK	17.36	15.47	16.26	14.77	15.09	14.40	14.22	13.22
Cash flow from operating activities per share, SEK	1.08	-0.27	1.76	2.39	-0.86	0.57	1.23	0.74
Share price at end of period, SEK	36.90	71.00	51.75	81.25	63.75	79.00	75.25	69.25

PARENT COMPANY

INCOME STATEMENT - SUMMARY

(SEK million)	3 MTHS JAN-MAR 2018	3 MTHS JAN-MAR 2017	FULL YEAR JAN-DEC 2017
Net sales ¹⁾	16	15	74
Cost of goods sold	-3	-3	-15
Gross profit	13	12	59
Selling expenses	-7	-7	-31
Administrating expenses	-8	-9	-37
Other operating income and expenses	-2	-4	-7
Operating profit	-4	-8	-16
Profit from participations in Group companies	6	54	346
Financial income and expenses	-64	1	-45
Profit after financial items	-62	47	285
Year-end appropriations	-	-	61
Profit before tax	-62	47	346
Tax expenses for the period	0	0	-2
NET PROFIT FOR THE PERIOD	-62	47	344
STATEMENT OF OTHER COMPREHENSIVE INCOME			
Net profit for the period	-62	47	344
Other comprehensive income	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-62	47	344

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

BALANCE SHEET - SUMMARY

(SEK million)	2018 31-MAR	2017 31-MAR	2017 31-DEC
Non-current assets			
Property, plant and equipment	10	7	9
Financial assets	2,231	2,276	2,228
Deferred tax assets	14	15	14
Total non-current assets	2,255	2,298	2,251
Current assets			
Current receivables	921	711	1,002
Cash and bank balance	0	0	0
Total current assets	921	711	1,002
TOTAL ASSETS	3,176	3,009	3,253
Equity			
Restricted equity	50	50	50
Non-restricted equity	825	769	887
TOTAL EQUITY	875	819	937
Non-current liabilities	1,324	976	1,357
Current liabilities	977	1,214	959
TOTAL EQUITY AND LIABILITIES	3,176	3,009	3,253

Not 1

2017

Acquisition of the D. Lindner companies

During July 2017, through subsidiaries, ITAB acquired the companies D&L Lichtplanung GmbH and D. Lindner Lichttechnische Grosshandlung GmbH, which have their registered offices in Menden, Germany. The acquisition also included 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 sector 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 continuing 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 Lindner companies increased the ITAB Group's sales during the second half of 2017 by approximately SEK 80 million and their operating margin is on a par with the rest of ITAB. The purchase price for the shares, assets and liabilities amounted 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 the 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, amounted to SEK 67 million at the time of acquisition, 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 participations, 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 April 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 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.

All the acquisitions in 2017 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.

Not 2

2016

Revenue from contracts with customers

The Group has opted to apply IFRS 15, Revenue from Contracts with Customers, as from 1 January 2018, prospective transition. Due to the effects of IFRS 15, the Group's revenue streams have been analysed by company and significant customers on the basis of the standard's five-step model. The Group and the Parent Company have not experienced any material effects from the implementation of IFRS 15. Revenue recognition takes place when the Group satisfies a performance commitment by transferring promised goods and the customer gains control of the asset. This normally takes place on delivery in accordance with applicable delivery terms. In the event of concept sales where a service assignment is included, revenue recognition for the projects takes place over time. The time for revenue recognition, both at a specific point and over time, corresponds with the previous accounting principles.

IFRS 15 stipulates extended disclosure requirements. During 2018, ITAB will further develop how the information can be displayed most fairly.

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

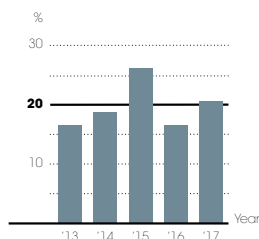


▲ ITAB Shop Concept is a leader in the market for retail checkouts in Europe and is also one of Europe's largest suppliers of shop fittings and lighting systems.

ITAB'S FINANCIAL TARGETS

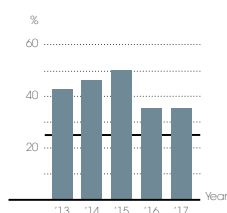
RETURN ON EQUITY

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



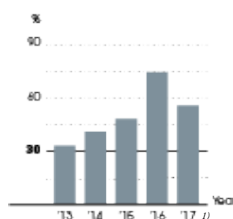
RISK-BEARING CAPITAL

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 36.90 (71.00)

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.



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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.

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FINANCIAL INFORMATION

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