



ITAB

2020

INTERIM REPORT

JANUARY - MARCH

JANUARY - MARCH 2020

- ▶ Net sales decreased -12% to SEK 1,416 million (1,603)
- ▶ Operating profit amounted to SEK 41 million (158)
- ▶ Profit after financial items amounted to SEK 27 million (136)
- ▶ Profit after tax amounted to SEK 18 million (102)
- ▶ Earnings per share amounted to SEK 0.19 (1.00)
- ▶ Cash flow from operating activities amounted to SEK 126 million (161)
- ▶ Net debt amounted to SEK 2,472 million (2,758)
- ▶ Net debt excl. lease liability amounted to SEK 1,741 million (2,056)

In 2020, non-recurring items impacted the profit after financial items by SEK -12 million (39).

IMPORTANT EVENTS DURING THE PERIOD

- ▶ The first quarter was overshadowed by the Covid-19 pandemic, where focus has been on ensuring the health and safety of our employees and customers. Extensive measures in the form of cost adjustments, redundancy notices, temporary layoffs and redundancies has been made to adapt our operations to the reduced demand caused by the pandemic (see pg. 5).
- ▶ A new Group structure and extended Group Management has been introduced to support the transformation of ITAB. A new CFO and a new COO has been assigned.

ITAB has a competitive advantage thanks to its versatile portfolio of products and services, which is making things easier in the current demanding market situation.

Andréas Elgaard
CEO

Read more on pg. 4

KEY RATIOS

SEK **1,416** millions
Net sales

SEK **41** millions
Operating profit

0.19 kr
Earnings per share

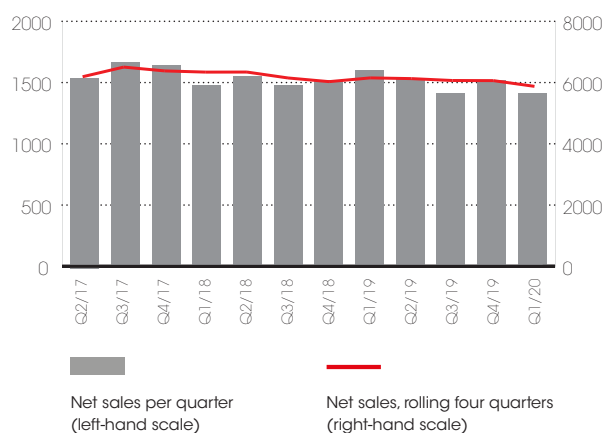
SEK **126** millions
Cash flow
Operating activities

SEK **1,741** millions
Net debt
Excl. leasing

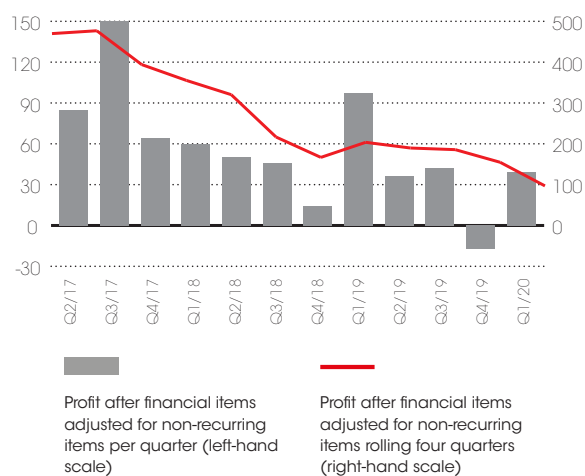
32%
Equity/assets ratio

At ITAB we help customers turn consumer brand experience into physical reality with our know-how, solutions and ecosystem of partners.

► NET SALES



► PROFIT AFTER FINANCIAL ITEMS (adjusted for non-recurring items)



► ITAB GROUP IN FIGURES

	3 MONTHS JAN-MAR 2020	3 MONTHS JAN-MAR 2019	ROLLING 12 MONTHS APR-MAR 2019/2020	FULL YEAR JAN-DEC 2019
Net Sales, SEK million	1,416	1,603	5,877	6,064
Operating profit, SEK million*	41	158	140	257
Operating margin, %	2.9	9.9	2.4	4.2
Profit after net financial items, SEK million*	27	136	65	174
Profit margin, %	1.9	8.5	1.1	2.9
Profit after tax, SEK million	18	102	36	120
Earnings per share, SEK	0.19	1.00	0.36	1.17
Equity per share, SEK	17.47	16.93	17.47	17.07
Return on equity, %	4.4	24.6	2.1	6.9
Equity/assets ratio, %	31.8	29.9	31.8	31.8
Share of risk-bearing capital, %	35.4	33.3	35.4	35.4
Cash flow from operating activities, SEK millions	126	161	443	478
Average no. employees, no.	3,183	3,256	3,211	3,247
Non-recurring items, SEK million				
Structuring costs	-12	-3	-79	-70
Repayment of purchase price for the acquisition of the D. Lindner companies	-	42	-	42
Profits from sale of properties	-	-	44	44
Total non-recurring	-12	39	-35	16

CEO ANDRÉAS ELGAARD COMMENTS Q1

The first quarter was overshadowed by the Covid-19 pandemic, where our focus has been on ensuring the health and safety of our employees and customers. We have also implemented extensive measures aimed at adapting our operations to the reduced demand caused by the pandemic, in the form of cost adjustments, redundancy notices, temporary layoffs and redundancies. It is painful to need to make decisions that have a negative impact on our employees, as it is clear in the current situation what incredible efforts our staff are making in these strained circumstances.

COVID-19

ITAB has been affected by Covid-19 during the first quarter, principally in our Chinese operations, which were closed for almost six weeks. This has consequences for parts of our European operations later in the quarter. Many of our customers in our largest customer group, Grocery, along with the Pharmacies & Health customer group, have witnessed considerable increases in sales as people have changed their consumption habits. However, the shutting down of large parts of Europe has created major challenges for us, and we took steps at an early stage to safeguard the company's liquidity and to reduce costs. Both the management and the Board of Directors are monitoring business developments closely and implementing further measures as required. It has become more difficult to predict developments in 2020, which is why the company is mainly working to secure liquidity and the safety of our employees.

OUR DEVELOPMENT

The first quarter of last year was very strong, with sales at an all-time high in both January and February. There were a number of positive events during the quarter that have no equivalent this year. The results for the first quarter of the year reflect the general trend in recent years, characterised by squeezed margins in our sector as a result of stiff price competition driven by reduced demand. As has previously been communicated, the trend is for long-term customer programmes to have been replaced by projects with smaller volumes, requiring adaptations to our working method in order to be cost-effective. We are continuing to see good demand for our more technical solutions, where our marketing activities are built on clarity in terms of how our solutions add value for our customers. ITAB has a competitive advantage thanks to its versatile portfolio of products and services, which is making things easier in the current demanding market situation. We also have an advantage in terms of our strength within those customer groups where the market has grown during the Covid-19 pandemic, such as Grocery and Pharmacies & Health.

Overall, the Group's sales fell by 12% during the first quarter (currency adjusted 13%) compared to last year. All of our geographic markets declined,

with Eastern and Southern Europe reporting the largest reductions. At customer group level, the downward trend continued for the Fashion customer group. The Home improvements customer group also lost a considerable amount in percentage terms, whereas our largest customer group, Grocery, declined relatively little.

Excluding non-recurring items, the operating profit is SEK 53 million, compared to SEK 119 million last year. The majority of the reduction in profit is due to lower sales in our lighting operation and lower sales to our customers in the Fashion customer group. We have also participated in EuroShop during the quarter, one of the world's largest trade fairs for shop fittings. Involvement in EuroShop is important for future sales, but has entailed increased costs this quarter.

We are continuing to focus on reducing the Group's debt. The cash flow from operating activities was SEK 126 million, while the cash flow after investments stood at just over SEK 100 million during the quarter, which, stripping out non-recurring items, is on a par with last year.

FUTURE PROSPECTS

We decided during the quarter to pursue a new strategy and associated transformation plan called One ITAB. Our One ITAB strategy is based on an in-depth understanding of the market's current and future needs, as well as a common focus for the Group, taking the thoughts and opinions of our employees, customers and consumers into consideration. The strategic vision is to develop a solution-based business model building on the Group's core values, skills and capacity to deliver innovative solutions. We have continued to perform activities aimed at adapting our organisation and restructuring parts of our value chain. We are now moving into a consolidation phase, where we will promote synergies between our operational companies. Our costs will decrease over the coming years, both through savings as well as through a simplified and less capital-intensive structure. Over time, we will also reduce our costs as a result of common working methods and system support. Our work on One ITAB will set the tone for the period 2020-2022 as well as for our financial development.



I am convinced that the conditions are excellent for winning market share in the long term. However, the current market situation, our transformation work and Covid-19 mean that our sales and earnings will be adversely affected, at least during the second and third quarters of 2020.

Andréas Elgaard

CEO

ITAB Shop Concept AB

JANUARY - MARCH

Net sales

The Group's net sales decreased with 12% to SEK 1,416 million (1,603). Currency-adjusted sales fell by 13%. Sales have decreased on all our geographic markets compared with last year. Due to the outbreak of Covid-19, the sales at the end of Q1 was partly effected. Sales per geographic area are presented in Note 2.

Result

Operating results decreased to SEK 41 million (158). Result after financial items decreased to SEK 27 million (136). Non-recurring items with impact on profit after fin. items amounted to SEK -12 million (39).

Earnings have been negatively affected, principally as a result of our reduced sales. Due to the Covid-19 outbreak, five of the Group's factories have been completely or partially closed during the latter part of the quarter. During February, ITAB participated in the EuroShop shop fitting trade fair, which impacted on the Group's earnings during the quarter.

Non-recurring items comprise restructuring costs, which have had an impact on profits amounting to SEK -12 million during 2020. These costs can be attributed to the transformation work, in the form of a new strategy known as One ITAB.

Cashflow, Financing and liquidity

Cash flow from operating activities during the year amounted to SEK 126 million (161). Net debt excluding lease liability decreased to SEK 1,741 million (2,056). Net debt including lease liability amounted to SEK 2,472 million (2,758).

The Group's cash and cash equivalents, including undrawn committed credit facilities, amounted to MSEK 1,017 (855) on the balance sheet date. Solidity amounted to 32 % (30) and the share of risk-bearing capital was 35 % (33).

Investments

Consolidated net investments amounted to SEK 20 million (12). SEK 0 million (-42) of which can be attributed to corporate transactions during the period.

For more information about corporate transactions, see Note 1 on page 12.

Employees

The average number of employees for the period amounted to 3,183 (3,256).

Covid-19

Our customers within Grocery and Pharmacy experience increased activity while most other customer segments experience a visible slowdown. It is difficult to predict the consequences of Covid-19 with any degree of certainty, but most of ITAB's companies notice signals of decline in demand due to the current concern. We are monitoring the course of events closely, while following the recommendations and complying with the decisions by local authorities in order to continuously adapt our operations on the markets where we are active.

ITAB has made changes to its operations, e.g. by implementing a personnel reduction, both through permanent as well as temporary measures that mainly includes:

- Temporary lay-offs and/or reduction of approximately 200 staff members with the support of state subsidies.
- Announcement of approximately 350 redundancies.

- Reductions of approximately 200 temporary workers.
- Review and control of all purchasing, inventory and receivables.
- Review, simplification and streamlining of our operations while maintaining our ability to deliver.

Parent company

The parent company ITAB Shop Concept AB's activities principally comprise Group-wide functions. The parent company's net sales amounted to SEK 13 million (10) referring to income from subsidiaries. The result after financial items amounted to SEK -77 million (-49).

Risks and uncertainties

The Group's significant risks and uncertainties include business risks, financial risks and sustainability risks.

A more detailed account of the Group's significant financial risks can be found in Note 4 of the annual report for 2019, on page 70.

ITAB's business risks are associated with the own operations, customers and suppliers, and other external factors. Some of the most significant business risks are summarized on page 55 of the 2019 Annual Report. Sustainability risks are described at page 25 of the 2019 Annual Report. In addition, the ongoing strategy work may have consequences for the future valuation of specific balance sheet items.

ITAB is affected by pandemics, just like other global companies, and the Group is being affected by Covid-19 in 2020. The most prominent risks in the shorter perspective are the pandemic's impact on customers and suppliers, as well as price and currency risks.

Convertible debentures 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 were 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.

As regards other accounting policies that are applied, these correspond with the accounting policies that were used in the preparation of the most recent Annual Report.

Estimates and judgements

The preparation of the interim report requires the 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. The actual results may ultimately differ from those estimates and judgements.

Other 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.

The ongoing pandemic may further influence assessments of the need for the impairment of assets, estimates of lease liabilities as well as the right to use when, and determination of leasing terms.

Financial assets and liabilities

ITAB holds derivative financial instruments that are accounted for at fair value. The derivative instruments consist of foreign exchange forward contracts and interest rate swaps used for hedging purposes.

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

Additional considerations are recognized as financial liabilities and categorized as Level 3. These are determined by the parameters of each contract, that mainly are linked to the anticipated performance of the acquired companies over the next few years. The additional considerations have been recognized at estimated fair value and are revaluated through the income statement.

Recognized 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. For more information, please refer to the most recent Annual Report.

Related party transactions

There have been no transactions between ITAB and related parties that have significantly affected the company's position and results.

Next report date

The interim report for the period January to June 2020 will be presented on Friday 10 July 2020.

KEY RATIOS

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. These financial measures are not always calculated in the same way by all companies. The main alternative key ratios presented in this report are interest-bearing net debt, proportion of risk-bearing capital and return on equity, capital employed and total capital.

Key ratios are defined below. Further definitions and reconciliation can be found on page 53 of the annual report for 2019.

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 the average number of outstanding shares.

Earnings per share

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

Earnings per share after dilution

Net profit for the period that is attributable to the Parent Company's shareholders plus costs attributable to convertible loans in relation to the number of shares, including shares that are added on conversion of outstanding convertibles.

Interest-bearing net debt

Non-current and current interest-bearing liabilities, including lease liabilities, minus interest-bearing assets as well as cash and cash equivalents.

Interest-bearing net debt excl. IFRS 16 Leasing

Non-current and current interest-bearing liabilities, excluding lease 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

Total equity and liabilities (balance sheet total).

Profit margin

Profit after financial items in relation to net sales.

Average number of employees

Number of worked hours divided by normal annual working time.

► INCOME STATEMENT IN SUMMARY

(SEK millions)	3 MONTHS JAN-MAR 2020	3 MONTHS JAN-MAR 2019	ROLLING 12 MONTHS APR-MAR 2019/2020	FULL YEAR JAN-DEC 2019
Revenue from contracts with customers, Note 2	1,416	1,603	5,877	6,064
Costs of goods sold	-1,027	-1,138	-4,330	-4,441
Gross Profit	389	465	1,547	1,623
Selling expenses	-279	-289	-1,173	-1,183
Administrating expenses	-73	-72	-287	-286
Other operating income and expenses	4	54	53	103
Operating profit	41	158	140	257
Financial income	8	2	13	7
Financial expenses	-22	-24	-88	-90
Profit after financial items	27	136	65	174
Tax expenses	-9	-34	-29	-54
NET PROFIT FOR THE PERIOD	18	102	36	120
Net Profit for the period related to:				
Parent Company shareholders	20	102	38	120
Non-controlling interests	-2	0	-2	0
Depreciation during the period amounts to	68	62	281	275
Tax rate during the period amounts to	34%	25%	46%	31%
Earnings per share				
basic, SEK	0.19	1.00	0.36	1.17
diluted, SEK	0.19	0.99	0.35	1.17
Average number of outstanding shares ¹⁾				
before dilution, thousands	102,383	102,383	102,383	102,383
after dilution, thousands	104,333	104,333	104,333	104,333

¹⁾ During June 2016 a subscription for convertible shares were conducted for employees. 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 1-12 June 2020 at a subscription price of SEK 86.00. The total number of shares after full dilution will then be 104,333,430.

► STATEMENT OF OTHER COMPREHENSIVE INCOME IN SUMMARY

(SEK millions)	3 MONTHS JAN-MAR 2020	3 MONTHS JAN-MAR 2019	ROLLING 12 MONTHS APR-MAR 2019/2020	FULL YEAR JAN-DEC 2019
Net profit for the period	18	102	36	120
Other comprehensive income:				
Items that will not be reclassified to the income statement				
Revaluation of defined-benefit pension commitments	-	-	-6	-6
Tax relating to items not to be reclassified	-	-	1	1
	-	-	-5	-5
Items that may be reclassified to the income statement				
Translation differences	45	51	42	48
Hedging of net investments, net	-8	-2	-8	-2
Cash flow hedges, net	-14	-14	-12	-12
Tax on items that may be reclassified	5	4	4	3
	28	39	26	37
Total other comprehensive income after tax	28	39	21	32
Comprehensive income for the period	46	141	57	152
Comprehensive income for the period attributable to:				
Parent Company shareholders	40	135	55	150
Non-controlling interests	6	6	2	2

► STATEMENT OF FINANCIAL POSITION IN SUMMARY

(SEK millions)	2020 31-MAR	2019 31-MAR	2019 31-DEC
Assets			
Non-current assets			
<i>Intangible assets</i>			
Goodwill	1,745	1,661	1,669
Other intangible assets	169	172	168
	1,914	1,833	1,837
Property, plant and equipment	1,569	1,663	1,606
Deferred tax assets	110	102	107
Financial non-current assets	23	8	23
Total non-current assets	3,616	3,606	3,573
Current assets			
Inventory	947	996	926
Current receivables	1,186	1,384	1,095
Cash and cash equivalents	290	260	302
Total current assets	2,423	2,640	2,323
TOTAL ASSETS	6,039	6,246	5,896
Equity and liabilities			
Equity attributable to Parent Company's shareholders	1,788	1,733	1,748
Non-controlling interests	134	134	128
Deferred tax liabilities	50	53	48
Other non-current liabilities	2,065	2,191	1,989
Current liabilities	2,002	2,135	1,983
TOTAL EQUITY AND LIABILITIES	6,039	6,246	5,896
Interest-bearing net debt amounts to	2,472	2,758	2,509
of which convertible debenture loans are included at	166	163	165
Net debt excluding lease liability	1,741	2,056	1,746

► SUMMARY OF STATEMENT OF CHANGES IN EQUITY

(SEK millions)	Share capital	Other contributed capital	Other reserves ^{*)}	Profit brought forward	Attributable to Parent Company's shareholders	Related to holdings without controlling influence	Total equity
SHAREHOLDERS' EQUITY 1 JAN 2019	43	315	9	1,231	1,598	128	1,726
Net profit for the period				102	102	0	102
Other comprehensive income			33		33	6	39
COMPREHENSIVE INCOME JAN-MAR 2019			33	102	135	6	141
SHAREHOLDERS' EQUITY 31 MARCH 2019	43	315	42	1,333	1,733	134	1,867
Net profit for the period				18	18	0	18
Other comprehensive income			2	-5	-3	-4	-7
COMPREHENSIVE INCOME APR-DEC 2019			2	13	15	-4	11
Dividends							
Acquisition of non-controlling interests, Note 1				0	0	-2	-2
SHAREHOLDERS' EQUITY 31 DECEMBER 2019	43	315	44	1,346	1,748	128	1,876
Net profit for the period				20	20	-2	18
Other comprehensive income			20		20	8	28
COMPREHENSIVE INCOME JAN-MARCH 2020			20	20	40	6	46
SHAREHOLDERS' EQUITY 31 MARCH 2020	43	315	64	1,366	1,788	134	1,922

* Other reserves consist of translation reserve and hedging reserve.

► STATEMENT OF CASH FLOWS IN SUMMARY

	3 MONTHS JAN-MAR 2020	3 MONTHS JAN-MAR 2019	ROLLING 12 MONTHS APR-MAR 2019/2020	FULL YEAR JAN-DEC 2019
(SEK millions)				
Operating profit	41	158	140	257
Paid and received interest, tax and adjustments for items not included in the cash flow.	24	27	25	28
Cash flow from operating activities before changes in working capital	65	185	165	285
Changes in working capital				
Changes in inventories	-3	48	39	90
Changes in operating receivables	-50	-165	278	163
Changes in operating liabilities	114	93	-39	-60
Cash flow from operating activities	126	161	443	478
Investing activities				
Acquisition of companies and operations, Note 1	0	42	-15	27
Disposal properties	-	-	141	141
Other sales / investments	-20	-54	-100	-134
Cash flow after investing activities	106	149	469	512
Financing activities				
Cash flow from other financing activities	-125	-173	-441	-489
Cash flow for the period	-19	-24	28	23
Cash and cash equivalents at the start of the period	302	271	260	271
Translation differences on cash and cash equivalents	7	13	2	8
Cash and cash equivalents at the end of the period	290	260	290	302
¹⁾ Cash flow from operating activities excluding effect of IFRS16 leasing.	95	136	353	312

► KEY RATIOS

	3 MONTHS JAN-MAR 2020	3 MONTHS JAN-MAR 2019	ROLLING 12 MONTHS APR-MAR 2019/2020	FULL YEAR JAN-DEC 2019
Operating margin, %	2.9	9.9	2.4	4.2
Profit margin, %	1.9	8.5	1.1	2.9
Share price at the end of the period, SEK	7.87	20.25	7.87	16.82
Earnings per share before dilution, SEK	0.19	1.00	0.36	1.17
Earnings per share after dilution, SEK	0.19	0.99	0.36	1.17
Cash flow from operating activities per share, SEK	1.23	1.58	4.33	4.68
Number of shares at the end of the period, SEK	102,383,430	102,383,430	102,383,430	102,383,430
Balance sheet total, SEK millions	6,039	6,246	6,039	5,896
Interest-bearing net debt, SEK millions	2,472	2,758	2,472	2,509
Interest-bearing net debt excl. lease liability, SEK millions	1,741	2,056	1,741	1,746
Equity related to the Parent Company's shareholders, SEK millions	1,788	1,733	1,788	1,748
Equity per share, SEK	17.47	16.93	17.47	17.07
Equity/assets ratio, %	31.8	29.9	31.8	31.8
Share of risk-bearing capital, %	35.4	33.3	35.4	35.4
Return on equity p.a., %	4.4	24.6	2.1	6.9
Return on capital employed p.a., %	4.2	13.2	2.5	5.4
Return on total capital p.a., %	3.3	10.4	2.5	4.3
Interest-coverage ratio, multiple	2.2	6.6	1.8	2.9
Net investments, SEK millions	20	12	-26	-34
Net investments (excl. business acquisitions), SEK millions	20	54	-41	-7
Average no. employees, no.	3,183	3,256	3,211	3,247

► QUARTERLY INCOME STATEMENTS AND KEY RATIOS

(SEK millions)	2020 JAN-MAR	2019 JAN-MAR	2019 OCT-DEC	2018 OCT-DEC	2019 JUL-SEP	2018 JUL-SEP	2019 APR-JUN	2018 APR-JUN
Net Sales	1,416	1,603	1,517	1,521	1,413	1,475	1,531	1,554
Costs of goods sold	-1,027	-1,138	-1,155	-1,186	-1,029	-1,077	-1,119	-1,113
Gross Profit	389	465	362	335	384	398	412	441
Selling expenses	-279	-289	-326	-297	-278	-265	-290	-295
Administrating expenses	-73	-72	-75	-66	-65	-75	-74	-79
Other operating income and expenses	4	54	0	21	4	6	45	16
Operating profit	41	158	-39	-7	45	64	93	83
Financial items	-14	-22	-24	-21	-16	-18	-21	-19
Profit after financial items	27	136	-63	-28	29	46	72	64
Tax expenses	-9	-34	5	-11	-7	-11	-18	-19
NET PROFIT FOR THE PERIOD	18	102	-58	-39	22	35	54	45
Net Profit for the period related to:								
Parent Company shareholders	20	102	-58	-39	22	33	54	44
Non-controlling interests	-2	0	0	0	0	2	0	1
Operating margin, %	2.9	9.9	neg	neg	3.2	4.4	6.0	5.3
Earnings per share before dilution, SEK	0.19	1.00	-0.57	-0.38	0.22	0.32	0.52	0.43
Earnings per share after dilution, SEK	0.19	0.99	-0.56	-0.38	0.22	0.32	0.52	0.43
Return on equity, %	4.4	24.6	neg	neg	5.0	8.0	12.1	10.2
Equity per share, SEK	17.47	16.93	17.07	15.61	17.84	16.19	17.47	16.15
Cash flow from operating activities per share, SEK	1.23	1.58	2.34	2.17	0.17	0.31	0.59	1.32
Share price on closing day, SEK	7.87	20.25	16.82	15.00	23.75	24.40	29.20	35.50

► INCOME STATEMENT IN SUMMARY

(SEK millions)	3 MONTHS JAN-MAR 2020	3 MONTHS JAN-MAR 2019	FULL YEAR JAN-DEC 2019
Net sales ¹⁾	13	10	166
Costs of goods sold	-4	-3	-15
Gross Profit	9	7	151
Selling expenses	-11	-9	-56
Administrating expenses	-12	-9	-45
Other operating income and expenses	-2	4	2
Operating profit	-16	-7	52
Result from participations in Group companies	0	0	146
Financial income and expenses	-61	-42	-64
Profit after financial items	-77	-49	134
Year-end appropriations	-	-	-7
Profit before tax	-77	-49	127
Tax expenses for the period	0	0	-1
NET PROFIT FOR THE PERIOD	-77	-49	126

STATEMENT OF OTHER COMPREHENSIVE INCOME

Net profit for the period	-77	-49	126
Other comprehensive income	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-77	-49	126

¹⁾ 100% of the Parent Company's income relates to subsidiaries.

► BALANCE SHEET IN SUMMARY

(SEK millions)	2020 31-MAR	2019 31-MAR	2019 31-DEC
Non-current assets			
Property, plant and equipment	8	8	8
Financial non-current assets	2,134	2,151	2,135
Deferred tax assets	31	32	31
Total non-current assets	2,173	2,191	2,174
Current assets			
Current receivables	780	855	934
Cash and bank balance	3	0	0
Total current assets	783	855	934
TOTAL ASSETS	2,956	3,046	3,108
Shareholders' Equity			
Restricted equity	50	50	50
Non-restricted equity	945	847	1,022
Total equity	995	897	1,072
Non-current liabilities	1,361	1,412	1,260
Current liabilities	600	737	776
TOTAL EQUITY AND LIABILITIES	2,956	3,046	3,108

Note 1

2019

Acquisitions and divestment have affected 2019's net investment by a total of SEK 27 million. The 2019 net investments include paid additional purchase sum from the acquisition of the subsidiary Pulverlacken in Hillerstorp AB in Sweden and Reklamepartner A / S in Norway from previous years' acquisitions of SEK 1 million.

Acquisition 2019

Acquisition of associated companies

In July 2019, ITAB acquired a 30 percent stake in Ombori Apps AB to a purchase price of SEK 15 million. Ombori has developed a platform that provides opportunities for interaction between a digital store and the consumer and can be quickly adapted for different applications in the store. With Ombori as a long-term strategic partner, ITAB, in combination with other products and services, can continue to design and deliver unique stores with unique customer experiences. During 2018, Ombori Apps AB had sales of approximately SEK 7 million. Holdings in Ombori are managed as associated companies according to the equity method and are initially valued at cost. ITAB's reported value of the holding includes intangible assets and goodwill identified at the acquisition. Ombori conducts similar operations as the Group in general and the share of profit, including depreciation of surplus values, will therefore be reported in operating profit. Cash flow during the third quarter of 2019 was affected by the purchase price SEK 15 million.

Acquisition of shares without controlling influence in 2019

In July 2019, the remaining 10% of the jointly owned company La Fortezza Asia SDN was acquired through subsidiaries. BHD. (Malaysia). The purchase price was SEK

2 million. For acquisitions, the unit view is applied, which means that all assets and liabilities, as well as income and expenses, are included in their entirety even for partly owned subsidiaries at the first acquisition, so no further goodwill is linked to the acquisition. The difference between valued holdings without controlling influence prior to acquisition and purchase price is reported directly in equity attributable to the Parent Company's shareholders (SEK 0m). Cash flow during the third quarter of 2019 was affected by the purchase price of SEK 2 million.

Repayment of purchase price for the D. Lindner companies

In 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. During February 2019, part of the purchase price was repaid, with ITAB receiving EUR 4 million as a result of shortcomings in vendor guarantees in the purchase agreement. The cash flow and operating profit have consequently been positively impacted by approximately SEK 42 million during the first quarter.

Divestment 2019

Divestment of subsidiary

In October 2019, ITAB, through subsidiaries, sold 100 percent of the shares in the property company Projektfins in Hillerstorp AB to a purchase price of SEK 3 million. Sales have affected operating profit by SEK 2 million and cash flow during the fourth quarter of 2019 was affected by the purchase price SEK 3 million.

Note 2

Income from agreements with customers divided by customer group and geographic market

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 projects are primarily short-term projects.

	3 MONTHS JAN-MAR 2020	3 MONTHS JAN-MAR 2019	ROLLING 12 MONTHS APR-MAR 2019/2020	FULL YEAR JAN-DEC 2019
Sales per customer group¹⁾				
Grocery	733	786	3,000	3,053
Home improvements	239	291	861	913
Fashion	161	225	760	824
Other customer categories	283	301	1,256	1,274
	1,416	1,603	5,877	6,064

¹⁾ The customer groups are divided up according to the sectors within which the customers operate. Almost half of Other customer categories are made up of consumer electronics, pharmacies and health/beauty.

	3 MONTHS JAN-MAR 2020	3 MONTHS JAN-MAR 2019	ROLLING 12 MONTHS APR-MAR 2019/2020	FULL YEAR JAN-DEC 2019
Sales per geographic area²⁾				
Northern Europe	434	465	1,604	1,635
Central Europe	257	275	990	1,008
UK & Ireland	253	266	1,132	1,145
Southern Europe	226	260	968	1,002
Eastern Europe	152	228	625	701
Rest of the world	94	109	558	573
	1,416	1,603	5,877	6,064

²⁾ Northern Europe consists of the Nordic countries. Central Europe's largest markets are Germany, the Netherlands and the Czech Republic. Southern Europe mainly comprises Italy, France and Spain. Eastern Europe's largest markets are Russia, the Baltic States and Poland. The USA, Argentina and China make up almost half the market for Rest of the world.

Note 3

Pledged assets and contingent liabilities

With regard to pledged assets and contingent liabilities, please refer to the Group's most recent annual accounts, as there have been no other major changes during the year.

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 the checkout area, professional lighting systems and interactive products. Customers include the major players throughout most of Europe.

ITAB works within a number of different areas that all contribute to realising the experience of a brand in physical environments. The aim is to improve the customer experience, increase sales/service and reduce costs for our customers. The work is based on extensive experience of the sector, customised innovative solutions and a network of selected business partners.

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 currently the market leader of checkouts to retailers in Europe, and one of Europe's largest suppliers of shop fitting concepts and lighting systems.

ITAB has operations in some 30 countries and has 18 production facilities in Europe, China and Argentina. 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 needs and requests.



► ALL-INCLUSIVE OFFER

ITAB works according to a model that entails the assumption of responsibility for the entire process – from initial idea to turnkey concept. ITAB is working to develop and improve the environment for chain-based customers, with the aim of creating a better experience for the consumer as well as improving efficiency.

► CHECKING IN AND OUT

Guidance & Checkout relate to solutions that are associated with checking in and checkout out in the shop. The correct mix of more efficient systems and functions delivers higher throughput and better choice and service for the consumer. ITAB develops entry and exit systems, checkouts and self-checkout solutions for retail chains.

► LIGHTING

Lighting systems have become an increasingly central part of the shop concept. During refurbishments and new construction, energy efficiency is becoming increasingly important. ITAB develops, manufactures and sells complete professional lighting systems, light planning and light services for the food and non-food sectors.





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SHARE INFORMATION

Listing

Nasdaq Stockholm
Mid Cap list

Sector classification

Industrial Goods
& Services

Ticker symbol

ITAB B

ISIN-code

SE0008375117

Trading lot

1 share

Share price on closing day

SEK 7.87 kr (20.25)

FINANCIAL INFORMATION

Annual General Meeting 2020

May 8 2020

Interim report Jan-Jun 2020

July 10 2020

Interim report Jan-Sep 2020

October 27 2020

Year-end report 2020

February 9 2021

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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