



ITAB

2020
INTERIM REPORT
JANUARY - JUNE

THE INTERIM PERIOD JANUARY - JUNE 2020

- ▶ Net sales decreased -18% to SEK 2,558 million (3,134)
- ▶ Operating profit amounted to SEK 75 million (251)
- ▶ Profit after financial items amounted to SEK 34 million (208)
- ▶ Profit after tax amounted to SEK 22 million (156)
- ▶ Earnings per share amounted to SEK 0.23 (0.52)
- ▶ Cash flow from operating activities amounted to SEK 383 million (223)

In 2020, non-recurring items impacted the profit after financial items by SEK -42 million (75).

APRIL - JUNE 2020

- ▶ Net sales decreased -25% to SEK 1,142 million (1,531)
- ▶ Operating profit amounted to SEK 34 million (93)
- ▶ Profit after financial items amounted to SEK 7 million (72)
- ▶ Profit after tax amounted to SEK 4 million (54)
- ▶ Earnings per share amounted to SEK 0.04 (0.52)
- ▶ Cash flow from operating activities amounted to SEK 257 million (62)

In 2020, non-recurring items impacted the profit after financial items by SEK -30 million (36).

- ▶ Net debt amounted to SEK 2,149 million (2,644)
- ▶ Net debt excl. lease liability amounted to SEK 1,453 million (1,878)

IMPORTANT EVENTS DURING JANUARY - JUNE 2020

- ▶ The interim period 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).
- ▶ ITAB has renegotiated terms of its credit facilities and intends to enter into short-term shareholders' loans (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 and Ombori have developed the next generation of Ombori Grid, a digital platform, that together with our development partners Microsoft and Samsung will support retailers in their ambitions to create seamless multichannel experiences.
- ▶ ITAB Group appoints adviser with respect to its financial options to transform its business and consolidate its market position as the leading retail solution provider.

EVENTS AFTER THE REPORTING PERIOD

- ▶ ITAB's Board of Directors has decided to announce the intention to raise new capital in order to strengthen the company's balance sheet and provide additional financing flexibility, as well as to invest in the One ITAB transformation plan. The funds from a capital raise will be used to both reduce current bank debt and fund the One ITAB transformation plan.

I am convinced that ITAB will emerge even stronger from this crisis, and that we will be able to deliver good results for our customers, shareholders and employees as well as further strengthening our market leading position.

Andreas Elgaard
CEO & President

Read more on pg. 4

KEY RATIOS JANUARY - JUNE

SEK **2,558** millions
Net sales

SEK **75** millions
Operating profit

0,23 kr
Earnings per share

SEK **383** millions
Cash flow
Operating activities

KEY RATIOS APRIL - JUNE

SEK **1,142** millions
Net sales

SEK **34** millions
Operating profit

0,04 kr
Earnings per share

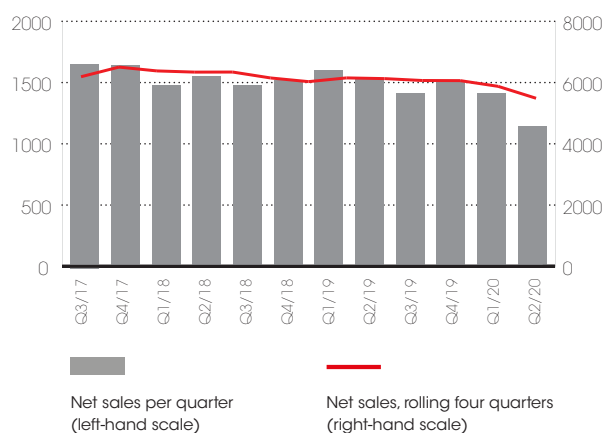
SEK **257** millions
Cash flow
Operating activities

SEK **2,149** millions
Net debt
Excl. leasing

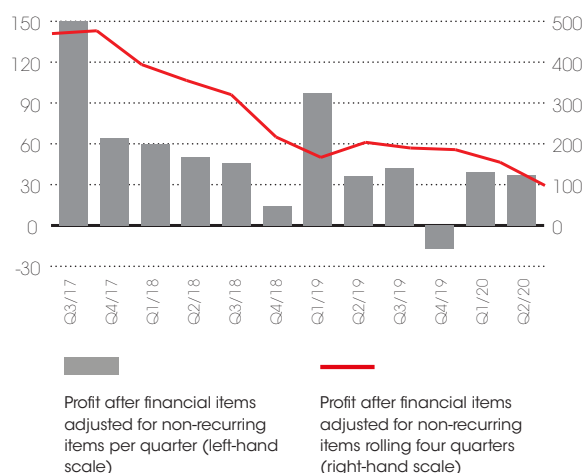
34,1%
Equity/assets ratio

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 APR-JUN 2020	3 MONTHS APR-JUN 2019	6 MONTHS JAN-JUN 2020	6 MONTHS JAN-JUN 2019	ROLLING 12 MONTHS JUL-JUN 2019/2020	FULL-YEAR JAN-DEC 2019
Net Sales, SEK million	1,142	1,531	2,558	3,134	5,488	6,064
Operating profit, SEK million*	34	93	75	251	81	257
Operating margin, %	3.0	6.0	2.9	8.0	1.5	4.2
Profit after net financial items, SEK million*	7	72	34	208	0	174
Profit margin, %	0.6	4.7	1.3	6.6	0.0	2.9
Profit after tax, SEK million	4	54	22	156	-14	120
Earnings per share, SEK	0.04	0.52	0.23	1.52	-0.12	1.17
Equity per share, SEK	16.84	17.47	16.84	17.47	16.84	17.07
Return on equity, %	0.8	12.1	2.7	18.2	-0.7	6.9
Equity/assets ratio, %	34.1	30.6	34.1	30.6	34.1	31.8
Share of risk-bearing capital, %	34.9	34.0	34.9	34.0	34.9	35.4
Cash flow from operating activities, SEK millions	257	62	383	223	638	478
Average no. employees, no.	3,075	3,261	3,121	3,287	3,164	3,247
*Non-recurring items, SEK million						
Structuring costs ¹⁾	-30	-6	-42	-9	-103	-70
Repayment of purchase price for the acquisition of the D. Lindner companies				42	0	42
Profits from sale of properties		42		42	2	44
Total non-recurring	-30	36	-42	75	-101	16
Impact of non-recurring items in the income statement						
Operating profit	-27	36	-39	75	-98	16
Profit after net financial items	-30	36	-42	75	-101	16

¹⁾ Structuring costs mainly consists of expenses relating to the new strategy transformation known as One ITAB.

CEO ANDRÉAS ELGAARD COMMENTS

Q2

The first half of 2020 has been overshadowed by the COVID-19 pandemic, where we have focused on ensuring the health and safety of our employees and customers. In line with the wide-ranging governmental measures aimed at preventing the spread of the virus, our operations have increasingly been affected in the form of reduced demand, the closing of some of our customers' operations as well as parts of our own operational activities. During the first half of the year, ITAB has taken a number of steps to implement extensive measures to adapt our business, such as cost adjustments, redundancy notices, temporary layoffs and redundancies. It has been painful to make decisions that have a negative impact on employees, at the same time, it is clear what incredible efforts our staff are making for each other and our customers in this unique situation. Our new strategy, One ITAB, with its associated transformation plan, is guiding us and helping us to balance short-term immediate needs with our long-term strategic direction.

For many of our customers in our most important customer segment, Grocery, there have been increased sales to consumers driven by altered consumer habits and anxiety regarding the risk of insufficient food supplies. Grocery stores have needed solutions from ITAB in order to ensure a safe environment for both consumers and staff. This relates to products that will act as contact barriers or solutions to avoid overcrowding and queueing. We have experienced reduced demand for our traditional products, as the focus among Grocery customers has been on short-term operational aspects and not on investing for the future.

COVID-19

ITAB has been affected by COVID-19 during the first half of 2020, initially as a result of our Chinese operations being closed for around six weeks due to governmental decisions, which had follow-on effects for parts of our European operations. From March, this was followed by extensive measures in other countries in which we have operations and by the retail sector being shut down in large parts of the world, which affected us negatively. This shutdown created major challenges for us, and we took steps at an early stage to safeguard liquidity and to reduce our costs. These measures are entailing a lot of work in all parts of the organisation, in circumstances where our internal collaboration has been put to the test. We are continually implementing further measures in line with developments within our operations. For example, our factories in Italy, France, Russia and Argentina have been closed for much of the period from the end of March to the beginning of June. In other countries, too, we have had limited potential to conduct operations as normal, despite the fact that we have had outstanding orders for customers.

OUR DEVELOPMENT

Last year began very strongly, with sales at an all-time high in both January and February. The first half of last year also included a number of positive developments that have no equivalent this year. Instead, 2020 is being completely dominated by the effects of the COVID-19 pandemic. The results for the first half of the year reflect the general trend in recent years in our sector, characterised by squeezed margins as a result of stiff price competition driven by reduced demand, as well as the fact that long-term customer programmes have been replaced by projects with smaller volumes. 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. Demand for ITAB's solutions and products has been negatively affected, yet the crisis is also leading to new, creative initiatives within ITAB. Examples include solutions to manage queues, stop the spread of infection and resolve the delivery of goods ordered

online. Screens for the protection of personnel, mobile queueing systems to reduce queueing in groups and ensuring limited numbers of people in shops are other examples of solutions that didn't exist just a few months ago. During the second quarter, in particular, we have recorded significant sales of COVID-19 related solutions aimed at protecting and improving the situation for both staff and customers in shops.

In total, the Group's sales fell by 18% during the first half of the year (also currency-adjusted 18%) compared to last year. All of our geographic markets declined, with Southern Europe reporting the largest reduction. At customer group level, the downward trend continued for Fashion. 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 118 million, compared to SEK 176 million last year. The majority of the reduction in profits is due to lower sales, primarily of our fitting solutions, also lighting solutions have decreased markedly.

We have continued to focus on reducing the Group's debt, which is manifesting itself in an improved cash flow. The cash flow from operating activities was SEK 383 million (223), while the cash flow after investments stood at just over SEK 356 million (327) during the period.

FUTURE PROSPECTS

At the start of February 2020, ITAB's Board of Directors decided to approve the new One ITAB strategy, with its associated transformation plan. By building on our values, strengths and competence, One ITAB is intended to establish a business model that has the ability to deliver innovative solutions that generate clear value for our customers.

The transformation plan encompasses activities which entail adapting our organisation and restructuring our value chain. We are implementing a consolidation and simplification process within ITAB, with the focus on promoting synergies from our operational activities. 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 ways of working and system support.

The work on implementing the transformation plan was launched during the first quarter as planned, supported by a structured changed management and clarified internal structure. We are seeing a number of positive signs that the restructuring work is starting to bear fruit and that it will strengthen our position as one of the leading players in our industry. We are continuing to reduce capital employed and net debt, and have reduced our workforce. During spring, we have identified savings within our purchasing operations that will have an impact over the next few years. We are also working to develop our value chain, with particular focus on reducing fixed costs. Of course, the effects of COVID-19 are affecting the transformation work, as costly changes and investments have been postponed while other cost savings have been able to be accelerated.



I am convinced that ITAB will emerge even stronger from this crisis, and that we will be able to deliver good results for our customers, shareholders and employees as well as further strengthening our market leading position.

Andréas Elgaard
CEO & President
ITAB Shop Concept AB

JANUARY - JUNE

Net sales

Interim period

The Group's net sales decreased with 18% to SEK 2,558 million (3,134). Currency-adjusted sales fell by 18%. Sales have decreased on all geographic markets compared with last year. The largest decrease was in Southern Europe. Sales have been greatly affected by the COVID-19 situation. Sales per geographic area are presented in Note 2.

Second quarter

The Group's net sales decreased by 25% to SEK 1,141 million (1,531). Sales have decreased on all geographic markets compared with last year. Currency-adjusted sales decreased by 24%. Sales have decreased most in Southern and Northern Europe. Sales in the second quarter have been greatly affected by the COVID-19 situation. Sales per geographic area are presented in Note 2.

Result

Interim period

Operating profit decreased to SEK 75 million (251). Result after financial items decreased to SEK 34 million (208). Non-recurring items with impact on profit after fin. items amounted to SEK -42 million (75).

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 interim period. During February, ITAB participated in the EuroShop shop fitting trade fair, which impacted on the Group's earnings during the interim period.

Non-recurring items comprise restructuring costs, which have had an impact on profits amounting to SEK -40 million and other non-recurring items amounting to SEK -2 million. These costs can be attributed to the transformation work, in the form of a new strategy known as One ITAB.

Second quarter

Operating profit decreased to SEK 34 million (93). Profit after financial items decreased to SEK 7 million (72). Non-recurring items with impact on profit after fin. items amounted to SEK -30 million (36).

The result have been negatively affected, principally as a result of reduced sales. Due to the COVID-19 outbreak, five of the Group's factories have been completely or partially closed during the interim period.

Non-recurring items comprise restructuring costs, which have had an impact on profits amounting to SEK -29 million and other non-recurring items amounting to SEK -2 million. 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 interim period January - June amounted to SEK 383 million (223) and for the second quarter to SEK 257 million (62). The improved cashflow is due to reduced working

capital mainly attributable to the decrease in sales. Net debt excluding lease liability decreased to SEK 1,453 million (1,878). Net debt including lease liability decreased to SEK 2,149 million (2,644).

ITAB and Nordea have reached an agreement regarding restructuring the current credit agreement. The overall facility with Nordea will remain at 175 MEUR (200), and the borrowing conditions will be temporarily adapted to the prevailing market situation, which is being affected by COVID-19. ITAB has also reached agreement to enter into a short-term shareholder loan amounting to SEK 140 million with related companies of three of the Board's members and principal owners. The shareholder loan, which is intended to safeguard liquidity in conjunction with the repayment of convertible loans to employees, is subject to approval at an Extraordinary General Meeting on 22 July 2020.

The Group's cash and cash equivalents, including undrawn committed credit facilities, amounted to SEK 736 million (904) on the balance sheet date. Solidity amounted to 34% (31) and the share of risk-bearing capital was 35% (34).

Investments

Interim period

Consolidated net investments amounted to SEK 27 million (-104), of which SEK 0 million (-141) relates to properties and SEK 0 million (-41) is attributable to corporate transactions during the period.

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

Second quarter

The Group's net investments amounted to SEK 7 million (-116), of which SEK 0 million (-141) relates to properties and SEK 0 million (1) is attributable 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 interim period amounted to 3,121 (3,287) and for the second quarter to 3,075 (3,261).

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 for the interim period amounted to SEK 72 million (79) and for the second quarter to SEK 59 million (69) and refers to income from subsidiaries. Profit after financial items for the interim period amounted to SEK 56 million (87) and for the second quarter amounted to SEK 133 million (136).

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 summarised 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

ITAB's convertible debenture loan 2016/2020, signed by the employees, ran until 30 June 2020. No conversions were conducted and the nominal value of SEK 167,700,000 was repaid in all 30 June 2020.

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 categorised 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 recognised 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.

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. 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 September 2020 will be presented on Tuesday 27 October 2020.

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

We, the undersigned, declare that the half-yearly report for the period 1 January 2020 - 30 June 2020 provides a fair and true view of the Parent company's and Group's business activities, position and financial results and describes significant risks and uncertainties that the companies within the Group face.

Jönköping 10 July 2020

Anders Moberg
Chairman of the Board

Anna Benjamin
Board member

Jan Frykhammar
Board member

Petter Fägersten
Board member

Fredrik Rapp
Board member

Eva Karlsson
Board member

Roberto Monti
Board member

Ruifger de Vries
Board member

Andréas Elgaard
CEO & President

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.

Average number of employees

Number of worked hours divided by normal annual working time.

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.

► INCOME STATEMENT IN SUMMARY

(SEK millions)	3 MONTHS APR-JUN 2020	3 MONTHS APR-JUN 2019	6 MONTHS JAN-JUN 2020	6 MONTHS JAN-JUN 2019	ROLLING 12 MONTHS JUL-JUN 2019/2020	FULL-YEAR JAN-DEC 2019
Revenue from contracts with customers, Note 2	1,142	1,531	2,558	3,134	5,488	6,064
Costs of goods sold	-809	-1,119	-1,836	-2,257	-4,020	-4,441
Gross Profit	333	412	722	877	1,468	1,623
Selling expenses	-230	-290	-509	-579	-1,113	-1,183
Administrating expenses	-67	-74	-140	-146	-280	-286
Other operating income and expenses	-2	45	2	99	6	103
Operating profit	34	93	75	251	81	257
Financial income	-2	2	6	4	9	7
Financial expenses	-25	-23	-47	-47	-90	-90
Profit after financial items	7	72	34	208	0	174
Tax expenses	-3	-18	-12	-52	-14	-54
NET PROFIT FOR THE PERIOD	4	54	22	156	-14	120
Net Profit for the period related to:						
Parent Company shareholders	3	54	23	156	-13	120
Non-controlling interests	1	0	-1	0	-1	0
Depreciation during the period amounts to	67	64	135	126	284	275
Tax rate during the period amounts to	39%	25%	35%	25%	-	31%
Earnings per share						
basic, SEK	0.04	0.52	0.23	1.52	-0.12	1.17
diluted, SEK	0.04	0.52	0.23	1.51	-0.12	1.17
Average number of outstanding shares ¹⁾						
before dilution, thousands	102,383	102,383	102,383	102,383	102,383	102,383
after dilution, thousands	102,383	104,333	102,383	104,333	102,383	104,333

¹⁾ Up until 30 June 2020, the Group had one outstanding convertible programme. The programme ran during the period 1 July 2016 to 30 June 2020 and conversion to a maximum of 1,950,000 Class B shares could take place during the period 1-12 June 2020 at a subscription price of SEK 86.00. No conversions were conducted and the convertible debenture was repaid 30 June 2020.

► STATEMENT OF OTHER COMPREHENSIVE INCOME IN SUMMARY

(SEK millions)	3 MONTHS APR-JUN 2020	3 MONTHS APR-JUN 2019	6 MONTHS JAN-JUN 2020	6 MONTHS JAN-JUN 2019	ROLLING 12 MONTHS JUL-JUN 2019/2020	FULL-YEAR JAN-DEC 2019
Net profit for the period	4	54	22	156	-14	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	-88	8	-43	59	-54	48
Hedging of net investments, net	9	-2	1	-4	3	-2
Cash flow hedges, net	7	-7	-7	-21	2	-12
Tax on items that may be reclassified	-4	1	1	5	-1	3
	-76	0	-48	39	-50	37
Total other comprehensive income after tax	-76	0	-48	39	-55	32
Comprehensive income for the period	-72	54	-26	195	-69	152
Comprehensive income for the period attributable to:						
Parent Company shareholders	-63	56	-23	191	-64	150
Non-controlling interests	-9	-2	-3	4	-5	2

► STATEMENT OF FINANCIAL POSITION IN SUMMARY

(SEK millions)	2020 30-JUN	2019 30-JUN	2019 31-DEC
Assets			
Non-current assets			
<i>Intangible assets</i>			
Goodwill	1,662	1,679	1,669
Other intangible assets	161	171	168
	1,823	1,850	1,837
Property, plant and equipment	1,480	1,636	1,606
Deferred tax assets	105	103	107
Financial non-current assets	24	9	23
Total non-current assets	3,432	3,598	3,573
Current assets			
Inventory	887	984	926
Current receivables	883	1,327	1,095
Cash and cash equivalents	230	368	302
Total current assets	2,000	2,679	2,323
TOTAL ASSETS	5,432	6,277	5,896
Equity and liabilities			
Equity attributable to Parent Company's shareholders	1,725	1,789	1,748
Non-controlling interests	125	132	128
Deferred tax liabilities	45	47	48
Other non-current liabilities	1,382	2,155	1,989
Current liabilities	2,155	2,154	1,983
TOTAL EQUITY AND LIABILITIES	5,432	6,277	5,896
Interest-bearing net debt amounts to	2,149	2,644	2,509
of which convertible debenture loans are included at	0	164	165
Net debt excluding lease liability	1,453	1,878	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				156	156	0	156
Other comprehensive income			35		35	4	39
COMPREHENSIVE INCOME JAN-JUN 2019			35	156	191	4	195
SHAREHOLDERS' EQUITY 30 JUN 2019	43	315	44	1,387	1,789	132	1,921
Net profit for the period				-36	-36	0	-36
Other comprehensive income			0	-5	-5	-2	-7
COMPREHENSIVE INCOME JAN-DEC 2019			0	-41	-41	-2	-43
Dividends							
Acquisition of non-controlling interests, Note 1					0	-2	-2
SHAREHOLDERS' EQUITY 31 DECEMBER 2019	43	315	44	1,346	1,748	128	1,876
Net profit for the period				23	23	-1	22
Other comprehensive income			-46	0	-46	-2	-48
COMPREHENSIVE INCOME JAN-JUN 2020			-46	23	-23	-3	-26
Effect of repayment convertible debenture loan KV5B		-11		11	0		0
SHAREHOLDERS' EQUITY 30 JUN 2020	43	304	-2	1,380	1,725	125	1,850

* Other reserves consist of translation reserve and hedging reserve.

► STATEMENT OF CASH FLOWS IN SUMMARY

(SEK millions)	3 MONTHS APR-JUN 2020	3 MONTHS APR-JUN 2019	6 MONTHS JAN-JUN 2020	6 MONTHS JAN-JUN 2019	ROLLING 12 MONTHS JUL-JUN 2019/2020	FULL-YEAR JAN-DEC 2019
Operating profit	34	93	75	251	81	257
Paid and received interest, tax and adjustments for items not included in the cash flow.	73	-92	97	-65	190	28
Cash flow from operating activities before changes in working capital	107	1	172	186	271	285
Changes in working capital						
Changes in inventories	24	13	21	61	50	90
Changes in operating receivables	188	56	138	-109	410	163
Changes in operating liabilities	-62	-8	52	85	-93	-60
Cash flow from operating activities	257	62	383	223	638	478
Investing activities						
Acquisition of companies and operations, Note 1	0	-1	0	41	-14	27
Disposal properties	-	141	-	141	0	141
Other sales / investments	-7	-24	-27	-78	-83	-134
Cash flow after investing activities	250	178	356	327	541	512
Financing activities						
Amortised convertible loan KV5B	-168	-	-168	-	-168	-
Cash flow from other financing activities	-127	-68	-252	-241	-500	-489
Cash flow for the period	-45	110	-64	86	-127	23
Cash and cash equivalents at the start of the period	290	260	302	271	368	271
Translation differences on cash and cash equivalents	-15	-2	-8	11	-11	8
Cash and cash equivalents at the end of the period	230	368	230	368	230	302
¹⁾ Cash flow from operating activities excluding effect of IFRS16 leasing.	217	35	312	171	494	353

► KEY RATIOS

	3 MONTHS APR-JUN 2020	3 MONTHS APR-JUN 2019	6 MONTHS JAN-JUN 2020	6 MONTHS JAN-JUN 2019	ROLLING 12 MONTHS JUL-JUN 2019/2020	FULL-YEAR JAN-DEC 2019
Operating margin, %	3.0	6.0	2.9	8.0	1.5	4.2
Profit margin, %	0.6	4.7	1.3	6.6	0.0	2.9
Share price at the end of the period, SEK	11.30	29.20	11.30	29.20	11.30	16.82
Earnings per share before dilution, SEK	0.04	0.52	0.23	1.52	-0.12	1.17
Earnings per share after dilution, SEK	0.04	0.52	0.23	1.51	-0.12	1.17
Cash flow from operating activities per share, SEK	2.51	0.59	3.74	2.17	6.25	4.68
Number of shares at the end of the period, SEK	102,383,430	102,383,430	102,383,430	102,383,430	102,383,430	102,383,430
Balance sheet total, SEK millions	5,432	6,277	5,432	6,277	5,432	5,896
Interest-bearing net debt, SEK millions	2,149	2,644	2,149	2,644	2,149	2,509
Interest-bearing net debt excl. lease liability, SEK millions	1,453	1,878	1,453	1,878	1,453	1,746
Equity related to the Parent Company's shareholders, SEK millions	1,725	1,789	1,725	1,789	1,725	1,748
Equity per share, SEK	16.84	17.47	16.84	17.47	16.84	17.07
Equity/assets ratio, %	34.1	30.6	34.1	30.6	34.1	31.8
Share of risk-bearing capital, %	34.9	34.0	34.9	34.0	34.9	35.4
Return on equity p.a., %	0.8	12.1	2.7	18.2	-0.7	6.9
Return on capital employed p.a., %	2.8	7.7	3.5	10.4	1.5	5.4
Return on total capital p.a., %	2.2	6.0	2.8	8.2	1.5	4.3
Interest-coverage ratio, multiple	1.3	4.3	1.7	5.5	1.0	2.9
Net investments/Divestments, SEK millions	7	-116	27	-104	97	-34
Net investments/Divestments, (excl. business acquisitions), SEK millions	7	-117	27	-63	83	-7
Average no. employees, no.	3,075	3,261	3,121	3,287	3,164	3,247

► QUARTERLY INCOME STATEMENTS AND KEY RATIOS

(SEK millions)	2020 APR-JUN	2019 APR-JUN	2019 JAN-MAR	2018 JAN-MAR	2019 OCT-DEC	2018 OCT-DEC	2019 JUL-SEP	2018 JUL-SEP
Net Sales	1,142	1,531	1,416	1,603	1,517	1,521	1,413	1,475
Costs of goods sold	-809	-1,119	-1,027	-1,138	-1,155	-1,186	-1,029	-1,077
Gross Profit	333	412	389	465	362	335	384	398
Selling expenses	-230	-290	-279	-289	-326	-297	-278	-265
Administrating expenses	-67	-74	-73	-72	-75	-66	-65	-75
Other operating income and expenses	-2	45	4	54	0	21	4	6
Operating profit	34	93	41	158	-39	-7	45	64
Financial items	-27	-21	-14	-22	-24	-21	-16	-18
Profit after financial items	7	72	27	136	-63	-28	29	46
Tax expenses	-3	-18	-9	-34	5	-11	-7	-11
NET PROFIT FOR THE PERIOD	4	54	18	102	-58	-39	22	35
Net Profit for the period related to:								
Parent Company shareholders	3	54	20	102	-58	-39	22	33
Non-controlling interests	1	0	-2	0	0	0	0	2
Operating margin, %	3.0	6.0	2.9	9.9	-2.6	-0.5	3.2	4.4
Earnings per share before dilution, SEK	0.04	0.52	0.19	1.00	-0.57	-0.38	0.22	0.32
Earnings per share after dilution, SEK	0.04	0.52	0.19	0.99	-0.56	-0.38	0.22	0.32
Return on equity, %	0.8	12.1	4.4	24.6	-13.1	-9.7	5.0	8.0
Equity per share, SEK	16.84	17.47	17.47	16.93	17.07	15.61	17.84	16.19
Cash flow from operating activities per share, SEK	2.51	0.59	1.23	1.58	2.34	2.17	0.17	0.31
Share price on closing day, SEK	11.30	29.20	7.87	20.25	16.82	15.00	23.75	24.40

► INCOME STATEMENT IN SUMMARY

(SEK millions)	3 MONTHS APR-JUN 2020	3 MONTHS APR-JUN 2019	6 MONTHS JAN-JUN 2020	6 MONTHS JAN-JUN 2019	FULL YEAR JAN-DEC 2020
Net sales ¹⁾	59	69	72	79	166
Costs of goods sold	-4	-5	-8	-8	-15
Gross Profit	55	64	64	71	151
Selling expenses	-10	-19	-21	-28	-56
Administrating expenses	-13	-14	-25	-23	-45
Other operating income and expenses	-1	0	-3	4	2
Operating profit	31	31	15	24	52
Result from participations in Group companies	44	126	44	126	146
Financial income and expenses	58	-21	-3	-63	-64
Profit after financial items	133	136	56	87	134
Year-end appropriations	-	-	-	-	-7
Profit before tax	133	136	56	87	127
Tax expenses for the period	-	-	-	-	-1
NET PROFIT FOR THE PERIOD	133	136	56	87	126

STATEMENT OF OTHER COMPREHENSIVE INCOME

Net profit for the period	133	136	56	87	126
Other comprehensive income	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	133	136	56	87	126

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

► BALANCE SHEET IN SUMMARY

(SEK millions)	2020 30-JUN	2019 30-JUN	2019 31-DEC
Non-current assets			
Property, plant and equipment	7	8	8
Financial non-current assets	2 118	2 150	2 135
Deferred tax assets	31	32	31
Total non-current assets	2 156	2 190	2 174
Current assets			
Current receivables	623	1 004	934
Cash and bank balance	0	0	0
Total current assets	623	1 004	934
TOTAL ASSETS	2 779	3 194	3 108
Shareholders' Equity			
Restricted equity	50	50	50
Non-restricted equity	1 078	983	1 022
Total equity	1 128	1 033	1 072
Non-current liabilities	728	1 340	1 260
Current liabilities	923	821	776
TOTAL EQUITY AND LIABILITIES	2 779	3 194	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 Projektfinans 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 APR-JUN 2020	3 MONTHS APR-JUN 2019	6 MONTHS JAN-JUN 2020	6 MONTHS JAN-JUN 2019	FULL-YEAR JAN-DEC 2019
Sales per customer group¹⁾					
Grocery	701	719	1,434	1,505	3,053
Home improvements	143	231	382	522	913
Fashion	88	228	249	453	824
Other customer categories	210	353	493	654	1,274
	1,142	1,531	2,558	3,134	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 APR-JUN 2020	3 MONTHS APR-JUN 2019	6 MONTHS JAN-JUN 2020	6 MONTHS JAN-JUN 2019	FULL-YEAR JAN-DEC 2019
Sales per geographic area²⁾					
Northern Europe	322	420	756	885	1,635
UK & Ireland	218	280	471	546	1,145
Central Europe	211	248	468	523	1,008
Southern Europe	156	267	382	527	1,002
Eastern Europe	127	140	279	368	701
Rest of the world	108	176	202	285	573
	1,142	1,531	2,558	3,134	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, Australia, China and Argentina 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 11,30 kr (29.20)

FINANCIAL INFORMATION

Interim report Jan-Sep 2020

Year-end report 2020

October 27 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.

This information is such information that ITAB Shop Concept AB (publ) is obliged to make public under the EU's Market Abuse Regulation. The information was submitted for publication at **1 pm July 10 2020**.