

Press release

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ITAB publishes EBITDA guidance for the financial year 2020 and its mid-term profitability ambition and announces the intention to carry out a capital raise in order to strengthen ITAB's financial position

As a result of the evolving situation with Covid-19 and the consequent impact on our customers, ITAB has decided to provide preliminary EBITDA guidance for the financial year ending 31 December 2020, which is subject to change given the evolving situation with Covid-19.

ITAB currently expects EBITDA for the financial year ending 31 December 2020 to be in the range of 380 to 420 MSEK before non-recurring costs which amount to approximately 100 MSEK, primarily relating to operational restructuring costs. The total restructuring costs for the One ITAB transformation plan are estimated to be in the range of 275 to 325 MSEK during the financial years 2020 – 2022. However, the exact timing for when the restructuring costs will be incurred is not certain at this stage given the uncertainties related to current market conditions.

Furthermore, ITAB's Board of Directors has decided 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. Following the capital raise, the Board of Directors believes that ITAB will be better balanced in its financing between equity and debt elements. The funds from a capital raise will be used to both reduce current bank debt and fund the One ITAB transformation plan in order to enable ITAB to achieve its objective of becoming the leading retail solution provider, as described in the One ITAB strategy.

"We are happy to share this news since our refinancing is a key component in our transformation towards a strengthened market position and a more capital efficient operating model. Our ambition is that the One ITAB transformation plan will be fully implemented by mid 2022 with an incremental annualized improvement in EBITDA post implementation of approximately 270 to 330 MSEK, and with an associated capital release of 400 to 500 MSEK in the same period", says Andréas Elgaard, CEO & President of ITAB Group.

ITAB will provide further information in relation to the capital raise once available and report on any changes to the EBITDA guidance as deemed necessary.

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