

Press release

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ITAB expects higher adjusted EBITDA result for the financial year 2020 compared to the preliminary guidance from 10 July 2020

ITAB Shop Concept AB (publ) ("ITAB") expects to report an adjusted EBITDA result, before non-recurring costs for the financial year ending 31 December 2020, which will be significantly higher than communicated in ITAB's preliminary guidance on 10 July 2020.

The improvement in results is explained by increased sales with higher profitability and earlier effects of the company's savings than previously anticipated. The uncertainty regarding distribution and production due to the ongoing pandemic has made it difficult to forecast with precision.

Adjusted EBITDA for the financial year 2020 before restructuring costs and certain items relating to non-recurring inventory write-downs is expected to amount to approximately SEK 575 million, compared to the range of SEK 380 - 420 million that was communicated on July 10, 2020. Non-recurring costs for the same period are expected to amount to approximately SEK 200 million, of which approximately SEK 75 million pertains to inventory write-downs, compared to the guidance of approximately SEK 100 million.

In addition to previously estimated non-recurring items for restructuring, the company has identified an extraordinary need to write down the inventory value by approximately SEK 75 million, of which approximately SEK 25 million is directly linked to restructuring and a further approximately SEK 50 million is of a non-recurring nature, which is primarily an effect of the reduced turnover linked to historically slow-moving stock and obsolescence.

Complete information will be presented in connection with ITAB's interim report for the fourth quarter of 2020, which will be published on February 9, at 1 p.m. The company makes no further comments before the interim report is released.

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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 18.00 p.m. on 28 January 2021.