



ITAB

# INTERIM REPORT – 6 MONTHS 1 January–30 June 2022

## SECOND QUARTER (1 April–30 June 2022)

- ▶ Net sales increased by 17 percent to SEK 1,745 million (1,488), of which currency-adjusted sales rose by 12 percent.
- ▶ Operating profit before depreciation and amortisation (EBITDA) excluding non-recurring items of SEK -17 million (-43) amounted to SEK 143 million (144). <sup>1)</sup>
- ▶ Operating profit amounted to SEK 55 million (38) and the operating margin was 3.2 percent (2.6). Operating profit was charged with non-recurring items of SEK -24 million (-43). <sup>1)</sup>
- ▶ Profit after financial items totalled SEK 36 million (16).
- ▶ Profit after tax amounted to SEK 23 million (9).
- ▶ Earnings per share totalled SEK 0.07 (0.03). <sup>2)</sup>
- ▶ Cash flow from operating activities amounted to SEK -4 million (-158).

## REPORTING PERIOD (1 January–30 June 2022)

- ▶ Net sales increased by 17 percent to SEK 3,518 million (3,011), of which currency-adjusted sales rose by 12 percent.
- ▶ Operating profit before depreciation and amortisation (EBITDA) excluding non-recurring items of SEK -28 million (-57) amounted to SEK 318 million (323). <sup>1)</sup>
- ▶ Operating profit amounted to SEK 147 million (140) and the operating margin was 4.2 percent (4.7). Operating profit was charged with non-recurring items of SEK -45 million (-57). <sup>1)</sup>
- ▶ Profit after financial items totalled SEK 123 million (85)
- ▶ Profit after tax amounted to SEK 84 million (59).
- ▶ Earnings per share totalled SEK 0.32 (0.34). <sup>2)</sup>
- ▶ Cash flow from operating activities amounted to SEK -63 million (-56).
- ▶ The equity/assets ratio at the end of the period was 46 percent (45).
- ▶ Net debt excluding lease liabilities amounted to SEK 820 million (415).

*"Price increases have resulted in organic growth of approximately 10 percent so far this year. At the same time, the gross margin has been negatively impacted since our price increases are not yet in balance with the prevailing cost increases and rapidly rising inflation."*

**Andréas Elgaard**  
President & CEO

[Read more on page 2](#)

## SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- ▶ The acquisition of Checkmark, one of the leading suppliers of technology solutions in areas such as checkouts in the Nordic region, further strengthens ITAB's market position.
- ▶ Due to the invasion of Ukraine, a decision was made to discontinue ITAB's current operations in Russia. These operations correspond to approximately 2.5 percent of the Group's annual sales.
- ▶ In connection with the annual financial statements for 2021, the Board adopted new financial targets focused on sustainable growth, increased profitability and capital efficiency. Read more on page 16.

## THE GROUP IN SUMMARY

For definitions, see pages 14–15

	SECOND QUARTER		Δ	REPORTING PERIOD		Δ	FULL YEAR		Δ
	APR–JUN 2022	APR–JUN 2021		JAN–JUN 2022	JAN–JUN 2021		ROLLING 12 MONTHS, 30 JUN 2022	JAN–DEC 2021	
Net sales, SEK million	1,745	1,488	17%	3,518	3,011	17%	6,752	6,245	8%
EBITDA excl. non-recurring items <sup>1)</sup> , SEK million	143	144	-1%	318	323	-2%	651	656	-1%
EBITDA margin, %	8.2	9.7		9.0	10.7		9.6	10.5	
Operating profit excl. non-recurring items <sup>1)</sup> , SEK million	79	81	-2%	192	197	-3%	385	390	-1%
Operating margin, %	4.5	5.5		5.5	6.6		5.7	6.2	
Profit after financial items excl. non-recurring items <sup>1)</sup> , SEK million	60	59	2%	168	142	18%	348	322	8%
Profit margin, %	3.4	4.0		4.8	4.7		5.2	5.2	
Profit after tax, SEK million	23	9	156%	84	59	42%	128	103	24%
Earnings per share, SEK <sup>2)</sup>	0.07	0.03	133%	0.32	0.34	-6%	0.49	0.50	-2%
Cash flow from operating activities, SEK million	-4	-158	N/A	-63	-56	N/A	-172	-165	N/A
Equity/assets ratio, %	46	45		46	45		46	46	
Interest-bearing net debt excl. lease liabilities, SEK million	820	415	405	820	415	405	820	609	211

<sup>1)</sup> Non-recurring items mainly consist of costs relating to transformation work under ITAB's One ITAB strategy. Refer to Note 4 on page 11.

<sup>2)</sup> In connection with ITAB's recapitalisation in 2021, the number of shares increased by 115,716,762 to a total of 218,100,192 shares.

# INCREASED SALES BUT MARGINS PUT UNDER PRESSURE

The start of 2022 has been characterised by uncertainty and operating challenges for ITAB as a result of rapidly rising costs for input goods, while transportation disruptions and shortages of critical components are placing high demands on our ability to ensure deliveries to customers. Combined, this is resulting in a highly challenging market situation, with many customers facing uncertainty. Our demand has so far been stable, but we are seeing customers expressing concern over the current economic development and a number of customers are being impacted by delays due to shortages among other suppliers. At the same time, we have noted increased interest in our solutions from both new and existing customers. To summarise the first six months of the year, our currency-adjusted net sales increased by 12 percent as a result of price increases and continued business from our customers, while operating profit (excluding non-recurring items) decreased by some 2 percent since our price adjustments and other cost-saving measures have not yet yielded full effect.

## FOCUS ON MARGIN-STRENGTHENING MEASURES AND INCREASED CAPITAL EFFICIENCY

Price increases have resulted in organic growth of approximately 10 percent so far this year. At the same time, the gross margin has been negatively impacted since our price increases are not yet in balance with the prevailing cost increases and rapidly rising inflation. Over the past few quarters, we have also taken other cost-saving measures in the operations to offset the negative effects on profit. While cost increases continue to occur at a highly rapid rate and are more unpredictable than in the past, our current assessment is that the customer price increases we have implemented and announced across the Group, along with our other initiatives to reduce our cost base, will strengthen the gross margin during the rest of the year, provided that demand continues. Adjusted for non-recurring items, EBITDA for the first six months amounted to SEK 318 million (323), corresponding to an EBITDA margin of 9.0 percent (10.7). Corresponding profit after financial items increased by 18 percent to SEK 168 million (142).

With the aim of increasing our capital efficiency, initiatives are being carried out across the Group to reduce our working capital. However, our cash flow during the beginning of the year was negatively impacted by increased raw material prices, longer lead times and higher inventory levels than normal with the aim of ensuring our delivery capacity to customers. Given the prevailing supply chain challenges, our assessment continues to be that the high level of mainly inventories, built up during the second half of 2021, could take a longer time to normalise and improve.

## DISCONTINUATION OF OPERATIONS IN RUSSIA

As we previously announced, we decided at the beginning of March 2022 to discontinue our Russian operations due to the Russian invasion of Ukraine. The process of discontinuing operations is under way, and the aim is for this to be done in a controlled manner for our employees, customers and partners, and in line with all sanctions and local legislation. So far, our review of our Russian operations has resulted in the value of non-current assets being impaired by SEK 7 million during the second quarter, but has otherwise had a limited impact on our earnings and financial position. Further impairment may take place in conjunction with the discontinuation of the operations and our hope is to be able to complete this in autumn 2022.

## OUR PRIORITIES MOVING FORWARD

Our proximity to our customers and our ability to rapidly adapt to external changes are the key to ITAB's success, and our goal is to continue to strengthen our customers' competitiveness. Our operational priorities for the rest of 2022 continue to be safeguarding our service level and delivery capacity by being proactive in our sales and purchasing efforts, while also continuously strengthening our margin through adapted price increases and other cost-saving measures. We are also continuing our efforts to increase our production efficiency and reduce our working capital requirements.

The current economic development caused by rising inflation and interest rates levels, the ongoing war in Ukraine and Russia's supply of gas to Europe creates uncertainty in the market. It is too early to predict the development for the remainder of 2022, but we see a risk for a slowdown in some parts of Europe. This is something that we must acknowledge and take action on if needed.



Over the past two years, we have worked intensively on numerous measures to adapt our cost structure by adjusting our operations and coordinating our production, purchasing and the Group's other resources and to stabilise our financial position. Now that we have completed this phase, I can report that our employees have created the conditions for ITAB to stand significantly stronger in a time of major challenges in our operating environment by establishing a more efficient cost structure. It would have been much more difficult for us to handle the current market dynamics without the measures we have implemented. The next phase of our transition to become the leading solution provider in the retail sector is now under way. Our ambition is to increase the proportion of services and solutions in Retail Technology, and further strengthen our digital offerings. We are developing new capabilities to further streamline operations and make ITAB more scalable and flexible for the future.

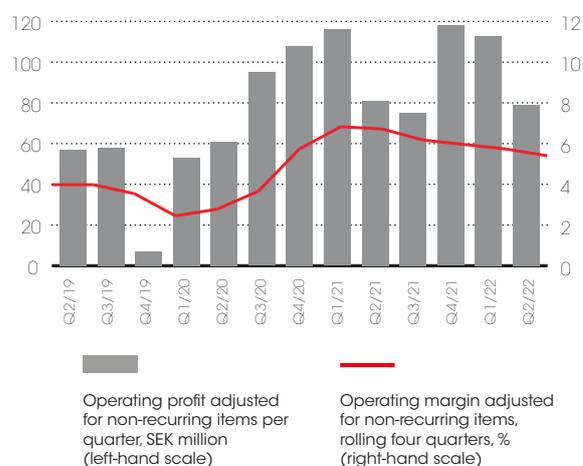
Jönköping, July 2022

**Andréas Elgaard**  
President & CEO  
ITAB Shop Concept AB

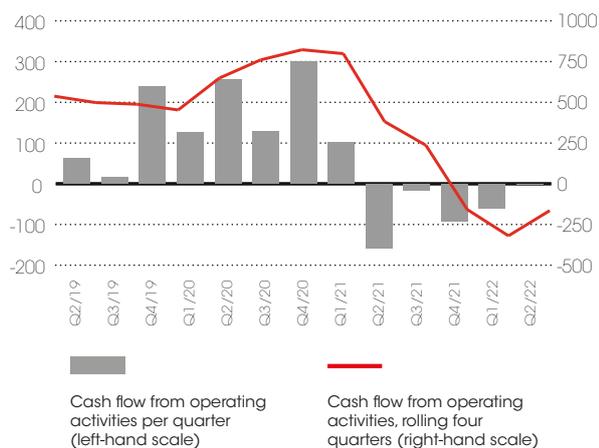
► **NET SALES** (SEK million)



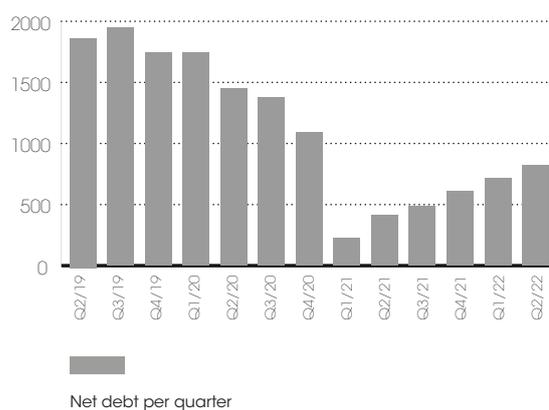
► **OPERATING PROFIT AND OPERATING MARGIN**  
(adjusted for non-recurring items <sup>1)</sup>)



► **CASH FLOW FROM OPERATING ACTIVITIES**  
(SEK million)



► **NET DEBT** (SEK million)  
(excluding lease liabilities)



<sup>1)</sup> Non-recurring items mainly consist of costs relating to transformation work under ITAB's One ITAB strategy. Refer to Note 4 on page 11.

# DEVELOPMENT IN 2022

## JANUARY–JUNE

### Net sales

#### Second quarter

The Group's net sales increased by 17 percent to SEK 1,745 million (1,488) in the second quarter of the year. Currency-adjusted sales increased by 12 percent, of which the acquisition of Checkmark in the first quarter contributed 2 percent and organic growth was 10 percent.

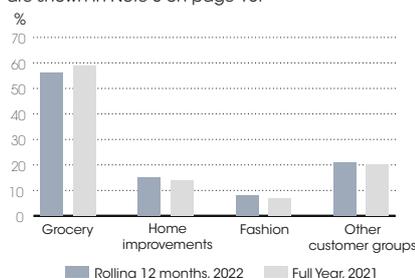
Most of the Group's sales increase compared with the corresponding quarter in the preceding year was attributable to implemented customer price increases to offset the continued rising costs for input goods. Sales increased in all geographic markets except the UK & Ireland, where demand was more cautious and certain customer projects were postponed due to delivery disruptions and component shortages. The aim is that these projects will be delivered during the coming quarters. Sales to all of the Group's customer groups increased.

#### Reporting period

Net sales for the full reporting period increased by 17 percent to SEK 3,518 million (3,011). Currency-adjusted sales for the period increased by 12 percent, of which the acquisition of Checkmark in the first quarter contributed 2 percent and organic growth was 10 percent.

To date, organic growth during the year has mainly been the result of implemented price increases and stable underlying demand in most of the Group's geographic markets and customer groups. The shortages of raw materials and certain components as well as global logistics disruptions continued to impact ITAB's delivery capacity and had a certain negative impact on net sales, with postponed deliveries of customer projects, primarily in the UK & Ireland. The greatest sales increase so far during the year took place in Central Europe (by approximately SEK 260 million). Growth was largest in Fashion and Home Improvements, but sales to Grocery and Other customer groups also increased during the start of the year.

Sales by customer group and geographic area are shown in Note 3 on page 10.



### Earnings

#### Second quarter

Operating profit for the second quarter amounted to SEK 55 million (38). Earnings were impacted by non-recurring items of SEK -24 million (-43), of which SEK -7 million pertained to impairment of the value of non-current assets in the Russian operations (see below). The remaining non-recurring items primarily pertained to restructuring costs attributable to the transformation work under the One ITAB strategy, the first phase of which is now complete. Operating profit excluding these non-recurring items totalled SEK 79 million (81), corresponding to an operating margin of 4.5 percent (5.5). EBITDA excluding non-recurring items of SEK -17 million totalled SEK 143 million (144).

Profit for the quarter was positively impacted by implemented price increases. However, these price adjustments have not fully offset the relatively high costs for input goods and rising inflation in combination with long lead times, shortages of certain electronic components and a temporarily unfavourable product and customer mix. This had a negative impact on the gross margin for the quarter. The price for some raw materials stabilised

somewhat in the quarter, while operating costs for shipping and energy continued to rise.

Profit after financial items increased to SEK 36 million (16). Due to the refinancing carried out on 30 June 2022 (see below), financial expenses for the quarter were charged with a fee for early repayment of loans and the remainder of the accrued financing costs for previous loan agreements of approximately SEK 7 million.

Profit after tax increased to SEK 23 million (9), corresponding to earnings per share of SEK 0.07 (0.03).

#### Reporting period

The Group's operating profit for the full reporting period amounted to SEK 147 million (140). Profit for the period was impacted by non-recurring items of SEK -45 million (-57), mainly pertaining to restructuring costs attributable to transformation work under the One ITAB strategy, and impairment of the value of non-current assets in the Russian operations in the second quarter of SEK -7 million (see below). Operating profit excluding these non-recurring items totalled SEK 192 million (197), corresponding to an operating margin of 5.5 percent (6.6). EBITDA excluding non-recurring items of SEK -28 million totalled SEK 318 million (323).

Profit for the full reporting period was positively impacted by the sales increase enabled by implemented price increases. Continued shortages of certain electronic components and rapidly rising prices for raw materials, shipping and energy as well as lockdowns in China due to the COVID-19 pandemic had negatively impacted the gross margin during the year. While it is difficult to predict the continued impact of increased inflation, the assessment is that the customer price increases implemented and announced across the Group, the increased proportion of coordinated purchasing and other cost-saving measures will strengthen the gross margin during the remainder of the year, provided that demand remains.

Profit after financial items increased by 45 percent to SEK 123 million (85). Current financial expenses were lower in the period than in the preceding year, partly due to changed loan terms and the discontinuation of interest rate swaps during the first quarter of 2021. Due to the refinancing carried out on 30 June 2022 (see below), financial expenses were charged with a fee for early repayment of loans and the remainder of the accrued financing costs for previous loan agreements of approximately SEK 7 million during the second quarter.

Profit after tax increased to SEK 84 million (59), corresponding to earnings per share of SEK 0.32 (0.34).

#### Guidance from 10 July 2020

On 10 July 2020, ITAB issued guidance regarding an earnings improvement and its total restructuring costs upon the implementation of the first phase of the Group's One ITAB strategy and transformation. The aim of this phase was to stabilise and strengthen the Group's earnings and financial position, partly through savings in purchasing, sales and administration and fixed costs for production. Based on the conditions prevailing at that time, the guidance indicated an underlying annualised EBITDA improvement of SEK 270–330 million (compared with EBITDA of SEK 516 million for 2019) once this phase of the One ITAB transformation is fully implemented, which was expected to take place in the middle of 2022.

The total restructuring costs for One ITAB in the 2020–2022 financial years were estimated at SEK 275–325 million. The majority of these non-recurring costs are now settled. However, since some measures have been more comprehensive than planned, such as the reconstruction and

closure of production operations in France, certain costs have exceeded the original estimates. Consequently, restructuring costs to date total approximately SEK 355 million, of which about SEK 70 million pertains to impairment losses related to restructuring. These losses were initially difficult to assess and not entirely included in the original cost estimate. Some additional restructuring costs may arise during the coming quarters, but are not expected to be material.

At the middle of 2022, we can ascertain that the first phase of the One ITAB transformation is concluded in accordance with the guidance. To date, annualised cost savings of approximately SEK 255 million have been achieved, and the remaining estimated savings are expected to be realised in autumn 2022 and 2023, mainly in the form of lower rental costs for discontinued production facilities. Due to changed conditions in the Group's operating environment that were not known at the time the guidance was issued (including delivery disruptions, component shortages and increased raw material prices due to the COVID-19 pandemic, Russia's invasion of Ukraine, and rapidly rising inflation), the Group's EBITDA has so far not been impacted to the corresponding extent from the One ITAB transformation. The measures implemented have made it possible for ITAB to remain strong in a time of significant external disruptions and are now enabling investments in new capabilities to make ITAB even stronger going forward.

### Cash flow, financing and liquidity

Cash flow from operating activities amounted to SEK -4 million (-158) for the second quarter and SEK -63 million (-56) for the full reporting period. Cash flow was negatively impacted by an increase in inventories with the aim of satisfying customer needs despite disruptions to the supply of raw materials and component shortages combined with longer lead times. At the same time, rising raw material prices have impacted the value of inventories. The short-term consequences of the major global uncertainty are difficult to remedy, but the Group's businesses are working actively with a number of measures to minimise the negative effects and gradually reduce working capital in the Group.

Net debt excluding lease liabilities amounted to SEK 820 million (415). Net debt including lease liabilities amounted to SEK 1,388 million (1,034). Indebtedness has increased during the last 12 months compared with a historically low level immediately following the recapitalisation. This is a consequence of the increased working capital requirement as a result of sales growth, supply disruptions and the rising prices of raw materials and components. ITAB's financial position remains strong.

The Group's cash and cash equivalents, including granted unutilised credits, amounted to SEK 977 million (957) on the balance sheet date on 30 June 2022. The equity/assets ratio was 46 percent (45).

#### New long-term and expanded credit agreements

On 30 June 2022, ITAB signed new long-term, expanded agreements with Nordea Bank and Swedbank concerning credit facilities for the Group totalling approximately EUR 150 million. This corresponds to an increase of approximately EUR 40 million compared with the current level. The agreements pertain to both bank loans and operating credits and extend for three years, with an option for an extension of an additional one plus one year.

The new bank loan is a so-called unsecured bank loan, and upon repayment of the previous loans on 7 July 2022, all of the ITAB companies' previously pledged shares and corporate mortgages were

thus released by Nordea Bank and the Swedish Export Credit Corporation. Thereafter, neither the Group nor the Parent Company have any pledged shares or corporate mortgages (refer also to Note 32 in ITAB's Annual Report for 2021).

#### Investments

The Group's net investments during the second quarter amounted to SEK 67 million (37), of which SEK 34 million (19) was attributable to corporate acquisitions. The Group's net investments for the full reporting period amounted to SEK 102 million (72), of which SEK 60 million (42) was attributable to corporate acquisitions during the year. For more information on corporate acquisitions, refer to Note 2 on page 10.

#### Employees

The average number of employees amounted to 2,884 (2,936) for the second quarter and 2,904 (2,944) for the full reporting period.

#### Parent Company

The Parent Company ITAB Shop Concept AB's operations mainly consist of Group-wide functions. The Parent Company's net sales pertain to revenue from subsidiaries and amounted to SEK 40 million (46) for the second quarter and SEK 84 million (92) for the full reporting period. Profit after financial items totalled SEK -89 million (62) for the quarter and SEK -78 million (21) for the reporting period. Profit includes dividends from subsidiaries of SEK 8 million (46) for both the quarter and the full reporting period. Impairment of shares and receivables from subsidiaries had an impact of SEK -87 million (-8) on earnings for the quarter and SEK -89 million (-8) on earnings for the reporting period. Of this impairment, SEK -86 million pertained to the revaluation of intra-Group assets in Russia.

Due to the refinancing carried out on 30 June 2022 (see above), financial expenses for both the quarter and the reporting period were charged with a fee for early repayment of loans and the remainder of the accrued financing costs for previous loan agreements of approximately SEK 7 million.

#### Acquisitions

On 28 February 2022, ITAB Group acquired, through its Finnish subsidiary ITAB Finland Holding Oy, all of the shares of Oy Checkmark Ltd. Checkmark is one of the leading suppliers of retail technology solutions

for checkouts and store guidance for retailers in the Nordic region. The acquisition further strengthens ITAB's market position and creates opportunities for a broader product and solution offering for new and existing customers as well as providing distinct synergies.

Checkmark has annual sales of approximately EUR 12 million and 44 employees. Closing took place immediately and the acquisition was consolidated in the Group as of 1 March 2022.

Refer to Note 2 on page 10.

#### Discontinuation of operations in Russia

ITAB decided at the beginning of March 2022 to discontinue its operations in Russia due to the Russian regime's invasion of Ukraine. The Group has a production facility and sales offices in Russia with a total of some 125 employees. Total sales in Russia amounted to approximately SEK 170 million in 2021, corresponding to about 2.5 percent of ITAB's total annual sales. The Russian operations' net sales to date in 2022 amount to approximately RUB 840 million. At the end of June 2022, the Group's property, plant and equipment and intangible assets, inventories and accounts receivable in Russia amounted to approximately RUB 766 million.

The process of discontinuing the Russian operations is under way, and the aim is for this to be done with due considerations towards employees, customers and partners. In conjunction with this process, preliminary impairment testing of the Group's assets in Russia has been carried out, and the value of the non-current assets was impaired by SEK 7 million during the second quarter. This impairment has been recognised as a non-recurring item in the income statement. Further impairment may take place when the discontinuation of the operations is completed during the year.

#### OTHER INFORMATION

##### 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 ITAB's Annual Report for 2021. ITAB's business risks are associated with its own operations, customers, suppliers and other external factors. A

summary of some of ITAB's significant business risks is available in the Annual Report for 2021 on pages 37–42. Sustainability risks are described on page 8 of the Group's Sustainability Report for 2021. In addition, the outcome of ongoing strategy and transition work within the framework of One ITAB and the ongoing discontinuation of operations in Russia may affect the future valuation of specific balance sheet items. Like other global companies, ITAB is affected by geopolitical conditions such as Russia's ongoing invasion of Ukraine and the COVID-19 pandemic. The risks that are most prominent from a short-term perspective are the continued impact of the war and the pandemic on the supply of components and other input goods, disruptions in supply chains, and the impact of inflation and economic developments on customers and suppliers.

##### Estimates and judgements

The preparation of the interim report requires Group management to make assessments and estimates as well as assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome may deviate from these estimates and judgements. The ongoing military conflict in Ukraine and the subsequent sanctions between countries, the decision to discontinue ITAB's operations in Russia, the pandemic and restructuring in connection with One ITAB affect the Group's assessments of impairment of assets as well as estimates of lease liabilities and right of use when determining the lease term. Other critical assessments and sources of uncertainty in estimates when preparing this interim report are the same as in the most recent Annual Report.

##### Related party transactions

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

In connection with the offset issue in the first quarter of 2021, SEK 100 million in shareholder loans was converted into equity and the remaining shareholder loan of SEK 40 million was repaid. For more information, see Note 6 on page 11.

##### Events after the end of the reporting period

No significant events have taken place after the end of the reporting period.

The Board of Directors and the President hereby verify that the six-month report for the 1 January–30 June 2022 period provides a true and fair view of the Parent Company's and the Group's operations, financial position and results, and describes significant risks and uncertainties that the Parent Company and the companies in the Group face.

Jönköping, 13 July 2022

Anders Moberg  
Chairman of the Board

Anna Benjamin  
Board member

Jan Frykhammar  
Board member

Petter Fägersten  
Board member

Roberto Monti  
Board member

Fredrik Rapp  
Board member

Vegard Søraunet  
Board member

Andréas Elgaard  
President & CEO

# THE GROUP IN SUMMARY



## ► INCOME STATEMENT

(SEK million)	Note	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
Revenue from contracts with customers	3	1,745	1,488	3,518	3,011	6,752	6,245
Costs of goods sold		-1,300	-1,087	-2,598	-2,165	-4,998	-4,565
<b>Gross profit</b>		<b>445</b>	<b>401</b>	<b>920</b>	<b>846</b>	<b>1,754</b>	<b>1,680</b>
Selling expenses		-312	-277	-610	-543	-1,168	-1,101
Administrative expenses		-95	-86	-180	-158	-360	-338
Other operating income and expenses		17	0	17	-5	5	-17
<b>Operating profit</b>	4	<b>55</b>	<b>38</b>	<b>147</b>	<b>140</b>	<b>231</b>	<b>224</b>
Financial income		2	0	9	4	19	14
Financial expenses	5	-21	-22	-33	-59	-56	-82
<b>Profit after financial items</b>	4	<b>36</b>	<b>16</b>	<b>123</b>	<b>85</b>	<b>194</b>	<b>156</b>
Tax expenses		-13	-7	-39	-26	-66	-53
<b>NET PROFIT FOR THE PERIOD</b>		<b>23</b>	<b>9</b>	<b>84</b>	<b>59</b>	<b>128</b>	<b>103</b>
<b>Net profit for the period attributable to:</b>							
Parent Company shareholders		15	8	69	57	107	95
Non-controlling interests		8	1	15	2	21	8
Depreciation and amortisation for the period amount to		71	63	143	126	292	275
Tax expenses for the period account for		37%	48%	32%	31%	34%	34%
Earnings per share, SEK <sup>1)</sup>		0.07	0.03	0.32	0.34	0.49	0.50
Average number of outstanding shares, thousand <sup>1)</sup>	6	218,100	218,100	218,100	168,507	218,100	191,396
Number of outstanding shares, thousand <sup>1)</sup>	6	218,100	218,100	218,100	218,100	218,100	218,100

<sup>1)</sup> On 9 February 2021, the Board decided to implement an offset issue and rights issue based on the issue authorisation decided at an Extraordinary General Meeting of ITAB Shop Concept AB on 15 January 2021. On 12 March 2021, ITAB announced that the recapitalisation had been fully completed and that the rights issue of SEK 768 million had been fully subscribed. The number of shares in ITAB increased by a total of 115,716,762 and totals 218,100,192 shares after the issues.

## ► STATEMENT OF OTHER COMPREHENSIVE INCOME

(SEK million)	Note	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
<b>NET PROFIT FOR THE PERIOD</b>		<b>23</b>	<b>9</b>	<b>84</b>	<b>59</b>	<b>128</b>	<b>103</b>
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Items that will not be reclassified to the income statement</b>							
Revaluation of defined-benefit pension commitments		-	-	-	-	-2	-2
Tax relating to items not to be reclassified		-	-	-	-	0	0
		-	-	-	-	-2	-2
<b>Items that may be reclassified to the income statement</b>							
Translation differences		145	-20	176	48	246	118
Hedging of net investments, net	5	-6	0	-8	0	-9	-1
Cash flow hedges, net	5	4	9	18	14	25	21
Tax on items that may be reclassified		1	-2	-2	-3	-4	-5
		<b>144</b>	<b>-13</b>	<b>184</b>	<b>59</b>	<b>258</b>	<b>133</b>
<b>Total other comprehensive income after tax</b>		<b>144</b>	<b>-13</b>	<b>184</b>	<b>59</b>	<b>256</b>	<b>131</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>167</b>	<b>-4</b>	<b>268</b>	<b>118</b>	<b>384</b>	<b>234</b>
<b>Comprehensive income for the period attributable to:</b>							
Parent Company shareholders		151	-3	242	111	344	213
Non-controlling interests		16	-1	26	7	40	21

## ► STATEMENT OF FINANCIAL POSITION

(SEK million)	Note	30 JUN 2022	30 JUN 2021	31 DEC 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
<i>Intangible assets</i>				
Goodwill		1,735	1,618	1,644
Other intangible assets		106	131	112
		<b>1,841</b>	<b>1,749</b>	<b>1,756</b>
Property, plant and equipment		1,340	1,372	1,366
Participations in associated companies		10	12	11
Deferred tax assets		99	99	117
Financial non-current receivables		17	18	18
<b>Total non-current assets</b>		<b>3,307</b>	<b>3,250</b>	<b>3,268</b>
<b>Current assets</b>				
Inventories		1,426	956	1,176
Current receivables		1,519	1,239	1,372
Cash and cash equivalents		328	444	208
<b>Total current assets</b>		<b>3,273</b>	<b>2,639</b>	<b>2,756</b>
<b>TOTAL ASSETS</b>		<b>6,580</b>	<b>5,889</b>	<b>6,024</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to Parent Company shareholders	6	2,896	2,552	2,654
Non-controlling interests		154	114	128
Deferred tax liabilities		45	41	45
Other non-current liabilities	5	1,160	1,212	1,143
Current liabilities	5	2,325	1,970	2,054
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,580</b>	<b>5,889</b>	<b>6,024</b>
Interest-bearing net debt		1,388	1,034	1,239
Interest-bearing net debt excluding lease liabilities		820	415	609

## ► STATEMENT OF CHANGES IN EQUITY

(SEK million)	Note	Share capital	Other contributed capital	Other reserves <sup>1)</sup>	Profit brought forward	Attributable to Parent Company shareholders	Attributable to non-controlling interests	Total equity
<b>EQUITY AS OF 1 JANUARY 2021</b>		43	304	-78	1,338	1,607	118	1,725
Net profit for the period					57	57	2	59
Other comprehensive income				54		54	5	59
<b>Comprehensive income January–June 2021</b>				<b>54</b>	<b>57</b>	<b>111</b>	<b>7</b>	<b>118</b>
Acquisition of non-controlling interests	2				1	1	-22	-21
Acquisition of partly owned companies	2						11	11
New and offset issue	6	48	785			833		833
<b>EQUITY AS OF 30 JUNE 2021</b>		<b>91</b>	<b>1,089</b>	<b>-24</b>	<b>1,396</b>	<b>2,552</b>	<b>114</b>	<b>2,666</b>
Net profit for the period					38	38	6	44
Other comprehensive income				66	-2	64	8	72
<b>Comprehensive income July–December 2021</b>				<b>66</b>	<b>36</b>	<b>102</b>	<b>14</b>	<b>116</b>
<b>EQUITY AS OF 31 DECEMBER 2021</b>		<b>91</b>	<b>1,089</b>	<b>42</b>	<b>1,432</b>	<b>2,654</b>	<b>128</b>	<b>2,782</b>
Net profit for the period					69	69	15	84
Other comprehensive income				173		173	11	184
<b>Comprehensive income January–June 2022</b>				<b>173</b>	<b>69</b>	<b>242</b>	<b>26</b>	<b>268</b>
<b>EQUITY AS OF 30 JUNE 2022</b>		<b>91</b>	<b>1,089</b>	<b>215</b>	<b>1,501</b>	<b>2,896</b>	<b>154</b>	<b>3,050</b>

<sup>1)</sup> Other reserves consist of translation reserve and hedging reserve.

## ► STATEMENT OF CASH FLOWS

(SEK million)	Note	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
<b>Operating profit</b>		<b>55</b>	<b>38</b>	<b>147</b>	<b>140</b>	<b>231</b>	<b>224</b>
Interest paid and received, tax and adjustments for items not included in the cash flow		28	25	74	57	217	200
<b>Cash flow from operating activities before change in working capital</b>		<b>83</b>	<b>63</b>	<b>221</b>	<b>197</b>	<b>448</b>	<b>424</b>
<b>Change in working capital</b>							
Change in inventories		-42	-110	-149	-216	-355	-422
Change in operating receivables		45	-155	-62	-328	-128	-394
Change in operating liabilities		-90	44	-73	291	-137	227
<b>Cash flow from change in working capital</b>		<b>-87</b>	<b>-221</b>	<b>-284</b>	<b>-253</b>	<b>-620</b>	<b>-589</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>-4</b>	<b>-158</b>	<b>-63</b>	<b>-56</b>	<b>-172</b>	<b>-165</b>
<b>Investing activities</b>							
Acquisition/divestment of companies and operations	2	-34	-19	-60	-42	-58	-40
Other net investments		-33	-18	-42	-30	-75	-63
<b>Cash flow from investing activities</b>		<b>-67</b>	<b>-37</b>	<b>-102</b>	<b>-72</b>	<b>-133</b>	<b>-103</b>
<b>CASH FLOW AFTER INVESTING ACTIVITIES</b>		<b>-71</b>	<b>-195</b>	<b>-165</b>	<b>-128</b>	<b>-305</b>	<b>-268</b>
<b>Financing activities</b>							
New share issue	6	-	-1	-	733	-	733
Repayment of lease liabilities		-24	-30	-55	-60	-129	-134
Cash flow from other financing activities		149	-312	318	-813	279	-852
<b>Cash flow from financing activities</b>		<b>125</b>	<b>-343</b>	<b>263</b>	<b>-140</b>	<b>150</b>	<b>-253</b>
<b>CASH FLOW FOR THE PERIOD</b>		<b>54</b>	<b>-538</b>	<b>98</b>	<b>-268</b>	<b>-155</b>	<b>-521</b>
Cash and cash equivalents at the start of the period		254	993	208	692	444	692
Translation differences on cash and cash equivalents		20	-11	22	20	39	37
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>328</b>	<b>444</b>	<b>328</b>	<b>444</b>	<b>328</b>	<b>208</b>
<b>Cash flow from operating activities per share, SEK</b>		<b>-0,02</b>	<b>-0,72</b>	<b>-0,30</b>	<b>-0,33</b>	<b>-0,80</b>	<b>-0,86</b>

# THE PARENT COMPANY IN SUMMARY



## ► INCOME STATEMENT

(SEK million)	Note	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	FULL YEAR JAN–DEC 2021
Net sales <sup>1)</sup>		40	46	84	92	171
Costs of goods sold		-7	-7	-12	-11	-21
<b>Gross profit</b>		<b>33</b>	<b>39</b>	<b>72</b>	<b>81</b>	<b>150</b>
Selling expenses		-15	-15	-27	-24	-47
Administrative expenses		-19	-17	-33	-28	-56
Other operating income and expenses		8	1	10	1	4
<b>Operating profit</b>		<b>7</b>	<b>8</b>	<b>22</b>	<b>30</b>	<b>51</b>
Profit from participations in Group companies		-79	46	-81	38	-5
Financial income and expenses	5	-17	8	-19	-47	-59
<b>Profit after financial items</b>		<b>-89</b>	<b>62</b>	<b>-78</b>	<b>21</b>	<b>-13</b>
Year-end appropriations		-	-	-	-	-56
<b>Profit before tax</b>		<b>-89</b>	<b>62</b>	<b>-78</b>	<b>21</b>	<b>-69</b>
Tax expenses for the period		-	-	-	-	15
<b>NET PROFIT FOR THE PERIOD</b>		<b>-89</b>	<b>62</b>	<b>-78</b>	<b>21</b>	<b>-54</b>

## ► STATEMENT OF OTHER COMPREHENSIVE INCOME

Net profit for the period	-89	62	-78	21	-54
Other comprehensive income	-	-	-	-	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-89</b>	<b>62</b>	<b>-78</b>	<b>21</b>	<b>-54</b>

<sup>1)</sup> Pertains to revenue from subsidiaries.

## ► BALANCE SHEET

(SEK million)	Note	30 JUN 2022	30 JUN 2021	31 DEC 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		6	6	6
Financial assets		2,066	2,086	2,066
Deferred tax assets		32	17	32
<b>Total non-current assets</b>		<b>2,104</b>	<b>2,109</b>	<b>2,104</b>
<b>Current assets</b>				
Current receivables		717	164	502
Cash and bank balance		58	277	54
<b>Total current assets</b>		<b>775</b>	<b>441</b>	<b>556</b>
<b>TOTAL ASSETS</b>		<b>2,879</b>	<b>2,550</b>	<b>2,660</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Restricted equity		98	98	98
Non-restricted equity		1,647	1,800	1,725
<b>Total equity</b>	6	<b>1,745</b>	<b>1,898</b>	<b>1,823</b>
Non-current liabilities		629	589	541
Current liabilities		505	63	296
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,879</b>	<b>2,550</b>	<b>2,660</b>

## Note 1 – Accounting policies

ITAB applies International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting*, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 *Supplementary Accounting Rules for Groups* and RFR 2 *Accounting for Legal Entities*. The accounting policies applied correspond with the accounting policies used in the preparation of the most recent Annual Report.

## Note 2 – Corporate acquisitions and divestments

### Acquisitions in 2022

On 28 February 2022, ITAB Group acquired, through its Finnish subsidiary ITAB Finland Holding Oy, all of the shares of Oy Checkmark Ltd. Checkmark is one of the leading suppliers of retail technology solutions for checkouts and store guidance for retailers in the Nordic region. Checkmark has its head office in Pieksämäki in Finland and has subsidiaries in Sweden, Norway and Denmark. The Checkmark group has annual sales of approximately EUR 12 million and 44 employees. Closing took place immediately and the acquisition was consolidated in the Group as of 1 March 2022.

Expenses in connection with the acquisition are recognised on an ongoing basis as expenses. The acquisition had an impact of SEK 0 million on operating profit and SEK -20 million on cash flow in the first quarter and SEK -33 million in the second quarter. The preliminary effect of the acquisition was reported in Note 5 of ITAB's Annual Report for 2021.

Cash flow for the reporting period has also been impacted by partial payments of acquisitions from 2021 by a total of SEK -7 million, of which SEK -6 million in the first quarter.

### Acquisitions in 2021

#### Cefla Retail Solutions

ITAB Shop Concept AB's Italian subsidiary La Fortezza s.p.a. entered into an agreement with Cefla soc. coop. on 8 October 2020 to acquire 81 percent of Cefla's business unit for retail solutions ("Cefla Retail Solutions"). Cefla Retail Solutions primarily offers interior design and checkout solutions to its customers, which predominantly operate in the grocery sector in southern Europe. Through the acquisition and collaboration with Cefla, ITAB strengthens its leading position in Southern Europe and creates opportunities to offer ITAB's solutions to a wider customer base.

The business unit was transferred to a newly established Italian limited liability company, Imola Retail Solution Srl. ITAB owns 81 percent of Imola Retail Solution and Cefla owns the remaining 19 percent. ITAB has the right to acquire Cefla's minority stake in the aforementioned company three years after the transaction date. The acquisition is consolidated from 1 January 2021. Expenses in connection with the acquisition were expensed on an ongoing basis and impacted operating profit by SEK -1 million. The acquisition impacted cash flow by SEK -23 million during the first quarter and by SEK -6 million during the third quarter of 2021. The final acquisition calculation was recognised in Note 5 of ITAB's Annual Report for 2021.

#### Acquisition of non-controlling interest

In April 2021, a subsidiary acquired the remaining 15 percent of the partly owned company La Fortezza Sudamericana S.A. (Argentina). The purchase consideration amounted to EUR 2 million. The difference between the valued non-controlling interest prior to the acquisition and the purchase consideration was recognised directly in equity attributable to Parent Company shareholders (SEK 1 million). Cash flow in the second quarter of 2021 was impacted in an amount of SEK -19 million. Refer also to Note 5 in the Annual Report for 2021.

### Divestments in 2021

In connection with the restructurings in the Group, ITAB sold 100 percent of the shares in the company Pulverlacken i Hillerstorp AB through a subsidiary in November 2021. The purchase consideration amounted to SEK 8 million. The divestment impacted operating profit by SEK 0 million and cash flow during the fourth quarter of 2021 by SEK 8 million. The final effects of the divestment were reported in Note 5 in the Annual Report for 2021.

## Note 3 – Revenue from contracts with customers by customer group and geographic area

Revenue recognition takes place when the Group satisfies a performance obligation 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 case 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. The largest customer accounts for 12 percent of external sales, and none of the ITAB Group's other customers account for more than 5 percent of external sales.

	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
<b>SALES BY CUSTOMER GROUP <sup>1)</sup></b>						
Grocery	965	898	1,895	1,778	3,797	3,680
Home Improvements	224	169	550	439	977	866
Fashion	155	96	324	181	559	416
Other customer groups	401	325	749	613	1,419	1,283
<b>TOTAL</b>	<b>1,745</b>	<b>1,488</b>	<b>3,518</b>	<b>3,011</b>	<b>6,752</b>	<b>6,245</b>

<sup>1)</sup> The customer groups are divided according to the industries in which the customers operate. Other customer groups largely consist of distributors, consumer electronics, pharmacies and health/beauty.

	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
<b>SALES BY GEOGRAPHIC AREA <sup>2)</sup></b>						
Northern Europe	457	370	940	797	1,641	1,498
Southern Europe	386	332	749	713	1,466	1,430
Central Europe	337	271	696	523	1,352	1,179
UK & Ireland	180	254	413	503	912	1,002
Eastern Europe	193	132	396	264	787	655
Rest of the World	192	129	324	211	594	481
<b>TOTAL</b>	<b>1,745</b>	<b>1,488</b>	<b>3,518</b>	<b>3,011</b>	<b>6,752</b>	<b>6,245</b>

<sup>2)</sup> Northern Europe consists of the Nordic countries. Southern Europe consists mainly of Italy, France and Spain. Central Europe's largest markets are Germany, the Netherlands and the Czech Republic. Eastern Europe's largest markets are the Baltic countries, Poland and Russia. USA, China, Argentina and Saudi Arabia account for almost half of the market in the Rest of the World.

## Note 4 – Non-recurring items

The Group's earnings were charged with non-recurring costs in accordance with the below. These primarily consist of restructuring costs in connection with the transformation work under ITAB's One ITAB strategy, of which approximately 50 percent pertains to personnel costs. Of the non-recurring items for the reporting period, approximately SEK 10 million pertained to the impairment of right-of-use assets in rental contracts in the first quarter.

NON-RECURRING ITEMS, SEK million	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
Restructuring	-17	-43	-38	-57	-147	-166
Impairment of non-current assets in Russia	-7	-	-7	-	-7	-
<b>Total non-recurring items</b>	<b>-24</b>	<b>-43</b>	<b>-45</b>	<b>-57</b>	<b>-154</b>	<b>-166</b>
<b>Impact of non-recurring items on profit and loss items in the income statement</b>						
Operating profit before depreciation and amortisation (EBITDA)	-17	-43	-28	-57	-128	-157
Operating profit	-24	-43	-45	-57	-154	-166
Profit after financial items	-24	-43	-45	-57	-154	-166

## Note 5 – Financial assets and liabilities

ITAB has derivative instruments measured at fair value. The derivative instruments consist of currency futures and interest rate swaps and are used for hedging purposes. All derivative instruments are classified in level 2 in accordance with IFRS 13 and fair value is calculated through discounted future cash flows according to the terms of the contracts and maturity dates, with all variables, such as discount rates and exchange rates, taken from market quotations for calculations.

The fair value of the derivative instruments for hedging purposes is recognised as a change in other comprehensive income. Any ineffective portion is recognised immediately in net financial items in the income statement.

In 2021, financial expenses were charged with SEK 6 million for hedges that have been assessed as ineffective after the refinancing in 2021, of which SEK 5 million during the first quarter and SEK 1 million during the second quarter.

Carrying amount is considered to be a reasonable estimate of fair value for all financial assets and liabilities. No financial assets and liabilities have been moved between the valuation categories and the valuation techniques are unchanged during the year. For other information, refer to ITAB's Annual Report for 2021.

## Note 6 – New and offset issues

On 9 February 2021, the Board decided to implement an off-set issue and rights issue based on the issue authorisation decided at the Extraordinary General Meeting of ITAB Shop Concept AB (publ) on 15 January 2021. Previous shareholder loans were converted into equity in conjunction with the offset issue. For more information about this shareholder loan, see Note 34 in the Annual Report for 2021.

On 12 March 2021, ITAB announced that the recapitalisation had been fully completed and that the rights issue of SEK 768 million had been fully subscribed. Through these issues, the number of shares increased by a total of 115,716,762 and amounts to 218,100,192 shares after the issues.

	NO. OF SHARES	SHARE CAPITAL, SEK MILLION	SHARE PREMIUM RESERVE, SEK MILLION	TOTAL, SEK MILLION
New share issue	102,383,430	42	726	768
Offset issue	13,333,332	6	94	100
Issue costs			-35	-35
	<b>115,716,762</b>	<b>48</b>	<b>785</b>	<b>833</b>

## Note 7 - Pledged assets and contingent liabilities

On 30 June 2022, ITAB signed new long-term, expanded agreements with Nordea Bank and Swedbank concerning credit facilities for the Group totalling approximately EUR 150 million. The new bank loan is a so-called unsecured bank loan, and upon repayment of the previous loans on 7 July 2022, all of the ITAB companies' previously pledged shares and corporate mortgages were thus released by Nordea Bank and the Swedish Export Credit Corporation. Thereafter, neither the Group nor the Parent Company have any pledged shares or corporate mortgages. No other material changes in pledged assets and contingent liabilities have occurred in 2022. Referer also to Note 32 in ITAB's Annual Report for 2021.

## ► QUARTERLY OVERVIEW FOR THE GROUP

(SEK million)	PER QUARTER							
	APR–JUN 2022	APR–JUN 2021	JAN–MAR 2022	JAN–MAR 2021	OCT–DEC 2021	OCT–DEC 2020	JUL–SEP 2021	JUL–SEP 2020
Revenue from contracts with customers	1,745	1,488	1,773	1,523	1,770	1,507	1,464	1,258
Costs of goods sold	-1,300	-1,087	-1,298	-1,078	-1,310	-1,182	-1,090	-888
<b>Gross profit</b>	<b>445</b>	<b>401</b>	<b>475</b>	<b>445</b>	<b>460</b>	<b>325</b>	<b>374</b>	<b>370</b>
Selling expenses	-312	-277	-298	-266	-308	-281	-250	-225
Administrative expenses	-95	-86	-85	-72	-102	-82	-78	-63
Other operating income and expenses	17	0	0	-5	-11	-8	-1	1
<b>Operating profit</b>	<b>55</b>	<b>38</b>	<b>92</b>	<b>102</b>	<b>39</b>	<b>-46</b>	<b>45</b>	<b>83</b>
Financial items	-19	-22	-5	-33	-5	-39	-8	-32
<b>Profit after financial items</b>	<b>36</b>	<b>16</b>	<b>87</b>	<b>69</b>	<b>34</b>	<b>-85</b>	<b>37</b>	<b>51</b>
Tax expenses	-13	-7	-26	-19	-10	8	-17	-18
<b>NET PROFIT FOR THE PERIOD</b>	<b>23</b>	<b>9</b>	<b>61</b>	<b>50</b>	<b>24</b>	<b>-77</b>	<b>20</b>	<b>33</b>
<i>Net profit for the period attributable to:</i>								
Parent Company shareholders	15	8	54	49	18	-76	20	32
Non-controlling interests	8	1	7	1	6	-1	0	1
Non-recurring items, SEK million	-24	-43	-21	-14	-79	-154	-30	-12
Operating profit excl. non-recurring items, SEK million	79	81	113	116	118	108	75	95
Operating margin excl. non-recurring items, %	4.5	5.5	6.3	7.6	6.7	7.2	5.1	7.6
Cash flow from operating activities, SEK million	-4	-158	-59	102	-92	300	-17	128
Earnings per share, SEK <sup>1)</sup>	0.07	0.03	0.25	0.38	0.09	-0.74	0.09	0.30
Equity per share, SEK <sup>1)</sup>	13.28	11.70	12.59	11.72	12.17	15.69	11.90	16.94
Return on equity per annum, %	2.1	1.2	8.0	9.5	2.8	neg.	3.1	7.3
Share price at the end of the period, recalculated after issues, SEK	10.16	15.70	12.40	16.84	13.42	11.75	13.44	8.74

<sup>1)</sup> In connection with ITAB's recapitalisation in 2021, the number of shares increased by 115,716,762 to a total of 218,100,192 shares.

## ► FULL-YEAR OVERVIEW FOR THE GROUP

(SEK million)	ROLLING 12 MONTHS AS OF							
	30 JUN 2022	31 MAR 2022	31 DEC 2021	30 SEP 2021	30 JUN 2021	31 MAR 2021	31 DEC 2020	30 SEP 2020
Revenue from contracts with customers	6,752	6,495	6,245	5,982	5,776	5,430	5,323	5,333
Costs of goods sold	-4,998	-4,785	-4,565	-4,437	-4,235	-3,957	-3,906	-3,879
<b>Gross profit</b>	<b>1,754</b>	<b>1,710</b>	<b>1,680</b>	<b>1,545</b>	<b>1,541</b>	<b>1,473</b>	<b>1,417</b>	<b>1,454</b>
Selling expenses	-1,168	-1,133	-1,101	-1,074	-1,049	-1,002	-1,015	-1,060
Administrative expenses	-360	-351	-338	-318	-303	-284	-285	-278
Other operating income and expenses	5	-12	-17	-14	-12	-14	-5	3
<b>Operating profit</b>	<b>231</b>	<b>214</b>	<b>224</b>	<b>139</b>	<b>177</b>	<b>173</b>	<b>112</b>	<b>119</b>
Financial items	-37	-40	-68	-102	-126	-131	-112	-97
<b>Profit after financial items</b>	<b>194</b>	<b>174</b>	<b>156</b>	<b>37</b>	<b>51</b>	<b>42</b>	<b>0</b>	<b>22</b>
Tax expenses	-66	-60	-53	-35	-36	-32	-22	-25
<b>NET PROFIT FOR THE PERIOD</b>	<b>128</b>	<b>114</b>	<b>103</b>	<b>2</b>	<b>15</b>	<b>10</b>	<b>-22</b>	<b>-3</b>
<i>Net profit for the period attributable to:</i>								
Parent Company shareholders	107	100	95	1	13	8	-21	-3
Non-controlling interests	21	14	8	1	2	2	-1	0
Non-recurring items, SEK million	-154	-173	-166	-241	-223	-207	-205	-97
Operating profit excl. non-recurring items, SEK million	385	387	390	380	400	380	317	216
Operating margin excl. non-recurring items, %	5.7	6.0	6.2	6.3	6.9	7.0	6.0	4.0
Cash flow from operating activities, SEK million	-172	-326	-165	227	372	787	811	749
Earnings per share, SEK <sup>1)</sup>	0.49	0.46	0.50	0.00	0.09	0.08	-0.21	-0.04
Equity per share, SEK <sup>1)</sup>	13.28	12.59	12.17	11.90	11.70	11.72	15.69	16.94
Return on equity per annum, %	4.0	3.8	4.0	0.0	0.6	0.5	neg.	neg.

<sup>1)</sup> In connection with ITAB's recapitalisation in 2021, the number of shares increased by 115,716,762 to a total of 218,100,192 shares.

# KEY RATIOS & DEFINITIONS



## ► KEY RATIOS

	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
Revenue from contracts with customers, SEK million	1,745	1,488	3,518	3,011	6,752	6,245
EBITDA, SEK million	126	101	290	266	523	499
EBITDA margin, %	7.2	6.8	8.2	8.8	7.7	8.0
EBITDA excl. non-recurring items, SEK million	143	144	318	323	651	656
EBITDA margin excl. non-recurring items, %	8.2	9.7	9.0	10.7	9.6	10.5
Operating profit, SEK million	55	38	147	140	231	224
Operating margin, %	3.2	2.6	4.2	4.7	3.4	3.6
Operating profit excl. non-recurring items, SEK million	79	81	192	197	385	390
Operating margin excl. non-recurring items, %	4.5	5.5	5.5	6.6	5.7	6.2
Profit after financial items, SEK million	36	16	123	85	194	156
Profit margin, %	2.1	1.1	3.5	2.8	2.9	2.5
Profit after financial items excl. non-recurring items, SEK million	60	59	168	142	348	322
Profit margin excl. non-recurring items, %	3.4	4.0	4.8	4.7	5.2	5.2
Profit after tax, SEK million	23	9	84	59	128	103
Cash flow from operating activities, SEK million	-4	-158	-63	-56	-172	-165
Earnings per share, SEK <sup>1)</sup>	0.07	0.03	0.32	0.34	0.49	0.50
Cash flow from operating activities per share, SEK <sup>1)</sup>	-0.02	-0.72	-0.30	-0.33	-0.80	-0.86
Number of shares at the end of the period, <sup>1)</sup>	218,100,192	218,100,192	218,100,192	218,100,192	218,100,192	218,100,192
Average number of shares <sup>1)</sup>	218,100,192	218,100,192	218,100,192	168,507,294	218,100,192	191,396,324
Share price at the end of the period, recalculated after issues, SEK	10.16	15.70	10.16	15.70	10.16	13.42
Balance sheet total, SEK million	6,580	5,889	6,580	5,889	6,580	6,024
Interest-bearing net debt, SEK million	1,388	1,034	1,388	1,034	1,388	1,239
Interest-bearing net debt excl. lease liabilities, SEK million	820	415	820	415	820	609
Equity attributable to Parent Company shareholders, SEK million	2,896	2,552	2,896	2,552	2,896	2,654
Equity per share, SEK <sup>1)</sup>	13.28	11.70	13.28	11.70	13.28	12.17
Equity/assets ratio, %	46.3	45.3	46.3	45.3	46.3	46.2
Return on equity per annum, %	2.1	1.2	5.0	5.1	4.0	4.0
Return on capital employed per annum, %	4.9	3.5	7.0	6.7	4.4	5.6
Return on total capital per annum, %	3.5	2.5	5.0	4.9	4.1	4.0
Interest-coverage ratio, multiple	2.8	1.7	4.7	2.4	4.5	2.9
Net investments, SEK million	67	37	102	72	133	103
Net investments excl. corporate acquisitions, SEK million	33	18	42	30	75	63
Average number of employees	2,884	2,936	2,904	2,944	2,910	2,930

<sup>1)</sup> In connection with ITAB's recapitalisation in 2021, the number of shares increased by 115,716,762 to a total of 218,100,192 shares.

## ▶ ALTERNATIVE PERFORMANCE MEASURES

Key ratios included in this report derive primarily from the disclosure requirements according to IFRS and the Swedish Annual Accounts Act. In addition, reference is made to a number of performance measures that are not defined in the IFRS regulations or directly in the income statement or balance sheet, with the aim of illustrating the company's profit trend and 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 performance measures presented in this report are EBITDA, interest-bearing net debt and return on equity, capital employed and total capital. The definitions of these as well as other key ratios can be found below.

### ▼ EBITDA (Operating profit before depreciation and amortisation)

Operating profit before depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

*A relevant profit measure to assess the profit trend of the company over time.*

(SEK million)	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
Operating profit	55	38	147	140	231	224
Depreciation and amortisation	71	63	143	126	292	275
<b>EBITDA</b>	<b>126</b>	<b>101</b>	<b>290</b>	<b>266</b>	<b>523</b>	<b>499</b>
Reversal of non-recurring items, Note 4	17	43	28	57	128	157
<b>EBITDA EXCL. NON-RECURRING ITEMS</b>	<b>143</b>	<b>144</b>	<b>318</b>	<b>323</b>	<b>651</b>	<b>656</b>

### ▼ Interest-bearing net debt

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

*A relevant measure to show ITAB's total loan financing. This measure is included in the covenants in ITAB's loan agreements with the company's banks.*

(SEK million)	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
Interest-bearing non-current liabilities	1,087	1,134	1,087	1,134	1,087	1,071
Interest-bearing current liabilities	639	347	639	347	639	380
Interest-bearing assets	-10	-3	-10	-3	-10	-4
Cash and cash equivalents	-328	-444	-328	-444	-328	-208
<b>INTEREST-BEARING NET DEBT</b>	<b>1,388</b>	<b>1,034</b>	<b>1,388</b>	<b>1,034</b>	<b>1,388</b>	<b>1,239</b>
Reversal of interest-bearing lease liabilities	-568	-619	-568	-619	-568	-630
<b>INTEREST-BEARING NET DEBT EXCL. LEASE LIABILITIES</b>	<b>820</b>	<b>415</b>	<b>820</b>	<b>415</b>	<b>820</b>	<b>609</b>

### ▼ Return on equity

Annualised net profit for the period attributable to the Parent Company's shareholders in relation to average equity attributable to the Parent Company's shareholders.

*This measure shows the return on the shareholders' capital invested in the ITAB Group.*

(SEK million)	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
Annualised net profit attributable to Parent Company shareholders	58	30	138	114	107	95
Equity attributable to Parent Company shareholders	2,896	2,552	2,896	2,552	2,896	2,654
Average equity attributable to Parent Company shareholders	2,821	2,554	2,765	2,238	2,689	2,393
<b>RETURN ON EQUITY, %</b>	<b>2.1</b>	<b>1.2</b>	<b>5.0</b>	<b>5.1</b>	<b>4.0</b>	<b>4.0</b>

### ▼ Return on capital employed

Annualised profit after financial items for the period plus financial borrowing costs in relation to average balance sheet total less non interest-bearing liabilities.  
*This measure is relevant for assessing ITAB's efficiency and added value from the business.*

(SEK million)	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
Annualised profit after financial items plus financial expenses	228	153	313	289	250	238
Average balance sheet total less non interest-bearing liabilities	4,615	4,356	4,488	4,292	5,633	4,266
<b>RETURN ON CAPITAL EMPLOYED, %</b>	<b>4.9</b>	<b>3.5</b>	<b>7.0</b>	<b>6.7</b>	<b>4.4</b>	<b>5.6</b>

### ▼ Return on total capital

Annualised profit after financial items for the period plus financial borrowing costs in relation to average total capital.  
*This measure is relevant for assessing the ability to generate profit on the Group's assets regardless of financing costs.*

(SEK million)	3 MONTHS APR–JUN 2022	3 MONTHS APR–JUN 2021	6 MONTHS JAN–JUN 2022	6 MONTHS JAN–JUN 2021	ROLLING 12 MONTHS, 30 JUN 2022	FULL YEAR JAN–DEC 2021
Annualised profit after financial items plus financial expenses	228	153	313	289	250	238
Average total capital	6,438	6,079	6,300	5,892	6,156	5,939
<b>RETURN ON TOTAL CAPITAL, %</b>	<b>3.5</b>	<b>2.5</b>	<b>5.0</b>	<b>4.9</b>	<b>4.1</b>	<b>4.0</b>

## ► OTHER DEFINITIONS

PERFORMANCE MEASURE	DEFINITION	MOTIVE
<b>EQUITY PER SHARE</b>	Equity at the end of the period attributable to Parent Company shareholders in relation to the number of shares at the end of the period.	Measure to describe how much equity belongs to the shareholders of the Parent Company.
<b>CASH FLOW FROM OPERATING ACTIVITIES PER SHARE</b>	Cash flow from operating activities in relation to the average number of outstanding shares.	This measure highlights ITAB's ability to generate cash flow and pay dividends to its shareholders.
<b>AVERAGE NUMBER OF EMPLOYEES</b>	Number of worked hours divided by normal annual working time.	This measure shows the size of ITAB's workforce.
<b>EARNINGS PER SHARE</b>	Net profit for the period attributable to Parent Company shareholders in relation to the average number of shares.	A valuation measure that highlights ITAB's ability to pay dividends to its shareholders.
<b>INTEREST-COVERAGE RATIO</b>	Profit after financial items plus financial interest expenses in relation to financial borrowing costs.	Shows ITAB's ability to cover its financial expenses.
<b>OPERATING MARGIN</b>	Operating profit in relation to revenue.	Relevant for assessing ITAB's efficiency and added value.
<b>EQUITY/ASSETS RATIO</b>	Equity in relation to total capital.	This measure highlights financial risk.
<b>TOTAL CAPITAL</b>	Total equity and liabilities (balance sheet total).	This measure highlights the size of the company's total assets.
<b>CURRENCY-ADJUSTED SALES</b>	Translation of the foreign subsidiaries' income statements are conducted at each period's average exchange rate. For comparison of profit excluding currency effects, the companies are recalculated at the previous year's average exchange rate for the same period. ITAB uses the European Central Bank's average exchange rates for the entire period for the relevant currencies that the bank provides exchange rates for.	Relevant for showing the sales and earnings trend without any effect from currency rates fluctuations.
<b>PROFIT MARGIN</b>	Profit after financial items in relation to revenue.	Relevant for assessing ITAB's efficiency and added value.

**At ITAB we help customers turn consumer brand experience into physical reality with our know-how, solutions and ecosystem of partners. Together with our customers, we create effective solutions that contribute to versatile and inspirational experiences. Our offering includes solution design, customised shop fittings, checkouts, consumer flow solutions, professional lighting systems and digitally interactive solutions for the physical store.**

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. The business operations are founded on long-term business relationships and delivery reliability in combination with streamlined production resources. ITAB is today the market leader in checkouts for retailers in Europe, and one of Europe's largest suppliers of shop fitting concepts and lighting systems.

ITAB has operations in 24 countries and 15 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 needs and requests.

ITAB offers solutions in the following areas with services for analysis, insight, design, logistics, installation and maintenance:



## ► RETAIL INTERIOR

ITAB co-creates modern store experiences with its customers through an iterative design process. Solutions that better display products, enable efficiency for both the consumer and the store with the help of innovative solutions and both traditional and environmentally friendly materials.



## ► RETAIL TECHNOLOGY

ITAB offers efficient and inspiring solutions for entrance and exit as well as in-store guidance via both digital and physical solutions. Traditional checkout and self-checkout solutions based on consumer analysis and insights create effective solutions, optimal flows and experiences.



## ► RETAIL LIGHTING

In line with increased knowledge about the way light affects people, lighting has become an increasingly central part of the store concept. During refurbishments and new construction, energy efficiency is also becoming increasingly important. ITAB develops, manufactures and sells complete professional lighting systems, light planning and light services.

## ► FINANCIAL TARGETS

### GROWTH

Average growth in net sales (CAGR) of 4-8 percent per annum over a business cycle. Growth is to be achieved by sustainable organic growth and strategic acquisitions.

# 4-8%

Sales growth

### EARNINGS

Average EBIT margin (operating profit in relation to net sales) of 7-9 percent over a business cycle.

# 7-9%

EBIT margin

### CAPITAL EFFICIENCY

Average cash conversion ratio (operational cash flow in relation to operating profit before depreciation and amortisation) of at least 80 percent over a business cycle.

# >80%

Cash conversion

### DIVIDEND POLICY

Dividends over a longer period should follow the result and correspond to at least 30 percent of the company's profit after tax. However, dividends will be adjusted to the company's investment requirements and any share repurchase program.

# >30%

Proportion of profit after tax



For further information:



**Andréas Elgaard**  
President & CEO  
+46-36 31 73 00



**Mats Karlqvist**  
Head of Investor Relations  
+46-70 660 31 32

ITAB Shop Concept AB (publ)  
Box 9054, SE-550 09 Jönköping  
Corp. Reg. No. 556292-1089  
Tel: +46-36 31 73 00  
info@itab.com • ir@itab.com  
itabgroup.com • itab.com

## SHARE INFORMATION

**Listing**  
Nasdaq Stockholm Mid Cap list

**ISIN**  
SE0015962097

**Ticker symbol**  
ITAB

**Share price on 30 Jun 2022**  
SEK 10.16

**Sector classification**  
Industrial Goods & Services

## FINANCIAL CALENDAR

Interim report 9 months – 1 Jan–30 Sep 2022      28 October 2022

Year-end report 2022 – 1 Jan–31 Dec 2022      8 February 2023

Annual Report 2022      March/April 2023

Annual General Meeting 2023      10 May 2023

The information in this report is such that ITAB Shop Concept AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU Regulation No 596/2014) and is published in accordance with the Swedish Securities Act (2007:528). The information was submitted for publication, through the agency of the contact persons set out, at **7:00 a.m. CEST on 13 July 2022**.

This report is in all respects a translation of the Swedish original interim report. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail.