

# ITAB

INTERIM REPORT  
JANUARY - JUNE 2015

## Q2

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### JANUARY – JUNE 2015

- ▶ Income amounted to SEK 2,450 million (1,762)
- ▶ Operating profit amounted to SEK 218 million (126)
- ▶ Profit after financial items amounted to SEK 205 million (111)
- ▶ Profit after tax amounted to SEK 156 million (84)
- ▶ Earnings per share amounted to SEK 4.22 (2.27)
- ▶ Cash flow from operating activities amounted to SEK 55 million (47)
- ▶ The company's net debt was SEK 993 million (955)

### APRIL – JUNE 2015

- ▶ Income amounted to SEK 1,299 million (899)
- ▶ Operating profit amounted to SEK 123 million (68)
- ▶ Profit after financial items amounted to SEK 115 million (61)
- ▶ Profit after tax amounted to SEK 88 million (46)
- ▶ Earnings per share amounted to SEK 2.36 (1.25)
- ▶ Cash flow from operating activities amounted to SEK 55 million (67)
- ▶ The company's net debt was SEK 993 million (955)

### IMPORTANT EVENTS

- ▶ ITAB has entered into a global cooperation agreement with Toshiba Global Commerce Solutions Inc. in the United States for the sale of self-checkout systems
- ▶ Installation of self-checkout solutions in the French market
- ▶ Acquisition of JPD in Latvia

# CEO ULF ROSTEDT'S COMMENTS

ITAB has had its strongest first half-year to date, both in terms of sales and earnings. During the period, we have entered into a strategically important partnership agreement with Toshiba for the sale of self-checkout systems. The acquired operations have been integrated in the Group and have continued to generate growth in volume and profitability. Our offer is competitive and we will continue to develop our concept in order to create more effective and more attractive shop environments for our customers.



Currency-adjusted sales during the first half-year rose by 29% compared to last year, and profit after financial items increased by 85%.

The Group's positive sales growth has continued during the second quarter of the year, and currency-adjusted sales increased by 34%. Profit after financial items increased by 89%.

Sales have developed positively on all markets. The businesses that were acquired at the end of last year and the start of this year have been integrated into the Group and have contributed to the sales trend. There is considerable interest in our self-checkout concept, and we have advanced our market position during the period. Lighting sales have developed positively compared to last year. We are now starting to see the results of the establishment and integration of the lighting business that has been implemented in existing markets.

The improved results are primarily due to higher sales and increased capacity in our production facilities, but also to the long-term rationalisation work being implemented in the Group.

## MARKETING ACTIVITIES

During the period, we have continued our market expansion activities and marketing activities, primarily within lighting and self-checkouts. At the start of the year, we participated with our self-checkout concept at NRF in New York, a major trade fair for technical solutions in the retail sector. There is considerable interest in the products, as they provide the conditions for streamlining and cost savings in stores.

The proportion of LED products within lighting is continuing to increase. We are continuing to invest in product development in this area. During the last year we launched a new concept for linear LED products. Through acquisitions and the establishment of our own

lighting companies, we have a good basis for the continued development of lighting sales. We can offer our customers a combination of local lighting expertise with global sourcing of lighting products.

## STRATEGIC APPROACH

We have entered into a global partnership agreement with Toshiba, one of the world's largest suppliers of POS systems. Toshiba will be selling and integrating our self-checkout concept, primarily on the American market. For us, this agreement confirms the potential we see in our self-checkout solutions.

We will be supplying and installing self-checkout solutions in Auchan's flagship store in Paris after the summer. Auchan is one of Europe's largest retail chains, with around 3,000 stores.

At the start of the year, we acquired JPD in Latvia, which focuses primarily on concept sales to the non-food segment in the European market. This is in line with the Group's continued investments in concept and lighting sales, and will further strengthen ITAB's customer offer in the European market.

*"As in previous years, volumes are expected to be lower at the start of the year before gradually increasing."*

## THE FUTURE

Our markets have continued to develop positively and we are expecting continued good growth in the future. We will continue our long-term work aimed at streamlining all parts of our operation, in order to improve our offer. As in previous years, volumes are expected to be lower at the start of the year before gradually increasing.

In the long term, we believe that our customers will be on the lookout for more effective

solutions, both for shops but also for the process of establishing shops. Thanks to our experiences, we have considerable confidence in our self-checkout concept for the years ahead. We also consider that the Group is well prepared, both in terms of expertise and capacity, to meet the high rate of development being witnessed as regards LED products in the lighting segment.

Our combination of local and flexible production coupled with centralised volume production enables the Group to meet specific requirements and preferences from different customers in different markets. We have the strength and the capacity to expand in line with our major customers. Our global presence is becoming even more important, as several of our customers are expanding significantly around the world.

Our all-inclusive offer, which includes shop concepts, checkouts, self-checkout solutions and professional lighting systems, alongside our working model and geographic presence, will lead to better business both for ITAB and for our customers.

Jönköping, 9 July 2015

Ulf Rostedt,  
Managing Director & CEO  
ITAB Shop Concept AB

# JANUARY - JUNE OVERVIEW

## SUMMARY JANUARY-JUNE

- ▶ Sales rose 39 % to SEK 2,450 million (1,762)
- ▶ Operating profit rose 73 % to SEK 218 million (126)
- ▶ Profit after financial items rose 85 % to SEK 205 million (111)
- ▶ Earnings per share rose 86% to SEK 4.22 (2.27)

## SUMMARY Q2

- ▶ Sales rose 44 % to SEK 1,299 million (899)
- ▶ Operating profit rose 81 % to SEK 123 million (68)
- ▶ Profit after financial items rose 89% to SEK 115 million (61)
- ▶ Earnings per share rose 89 % to SEK 2.36 (1.25)

## IMPORTANT EVENTS Q1

- ▶ ITAB has acquired JPD in Latvia. JPD reported sales of SEK 105 million in 2014, and the acquisition is deemed to have a positive impact of SEK 0.5 in terms of earnings per share in 2015. JPD is mainly focused on concept sales to retail chain stores in the European market.
- ▶ ITAB has entered into an agreement for the delivery of self-checkout solutions to Auchan's flagship store in Paris. ITAB's 16 MoveFlow and 10 TwinFlow systems have been chosen by Auchan for its new store. Auchan is one of Europe's largest retail chains, with around 3,000 stores.

## IMPORTANT EVENTS Q2

- ▶ ITAB has entered into a global cooperation agreement with Toshiba, which is one of the world's largest suppliers of POS systems with a global presence and cutting-edge expertise in application software and system integration to the retail sector. According to the agreement, Toshiba will sell and integrate ITAB's self-checkout concept primarily in the U.S. market, which is the world leader in self-checkout solutions for stores, but also globally in markets where ITAB currently does not have a presence.
- Toshiba has operations and business partners around the world and is one of the largest players in the U.S. market with a recognised high level of quality and a wide customer base across the retail sector.
- The first step in this partnership is that Toshiba will integrate ITAB's self-checkout concept in its global product portfolio. The agreement also presents opportunities for future collaboration in the development of the retail checkout area.

## ITAB GROUP IN FIGURES

	3 MONTHS APR-JUN 2015	3 MONTHS APR-JUN 2014	6 MONTHS JAN-JUN 2015	6 MONTHS JAN-JUN 2014	ROLLING 12 MONTHS APR-MAR 2014/2015	FULL YEAR JAN-DEC 2014
Net sales, SEK m	1,299	899	2,450	1,762	4,626	3,938
Operating profit, SEK m	123	68	218	126	417	325
Operating margin, %	9.5	7.6	8.9	7.2	9.0	8.3
Profit after net financial items, SEK m	115	61	205	111	382	288
Profit margin, %	8.9	6.8	8.4	6.3	8.2	7.3
Net profit after tax, SEK m	88	46	156	84	290	218
Earnings per share, SEK	2.36	1.25	4.22	2.27	7.98	6.03
Equity per share, SEK	37.94	30.78	37.94	30.78	37.94	36.14
Return on equity, %	24.7	16.4	22.5	15.1	22.5	18.8
Portion of risk-bearing capital, %	42.3	42.1	42.3	42.1	42.3	46.2
Cash flow from operating activities, SEK m	55	67	55	47	285	277
Average no. employees	2,813	2,358	2,768	2,352	2,649	2,441

## JANUARY-JUNE

### Net sales and income

Consolidated net sales amounted to SEK 2,450 million (1,762), representing an increase of 39 %. The Group's currency-adjusted net sales figures have risen by 29 % during the period compared to last year. Sales growth was better than in the previous year in all market areas. Sales of lighting systems surpassed last year's figure.

The Group's operating profit amounted to SEK 218 million (126), an increase of 73 % compared to last year. The improvement in earnings is primarily due to increased sales volumes and increased capacity in the Group's production facilities.

### Financial position

The net debt was SEK 993 million (955). The Group's cash and cash equivalents, including undrawn committed credit facilities, amounted to SEK 387 million (242) on closing day. The equity/assets ratio was 39 % (39).

Cash flow from operating activities amounted to SEK 55 million (47).

### Investments

The Group's net investments amounted to SEK 85 million (33), of which SEK 56 million (3) are attributable to corporate transactions during the period. At the beginning of the year, ITAB acquired all shares in JPD in Latvia. For more information on corporate transactions, see Note 1 page 8.

### Employees

The average number of employees at the end of the period was 2,768 (2,352).

### Parent Company

The Parent Company ITAB Shop Concept AB's operations consist primarily of Group-wide functions. The Parent Company's net sales amounted to SEK 17 million (21) and profit after financial items to SEK 131 million (42).

## APRIL-JUNE

### Net sales and income

Consolidated net sales amounted to SEK 1,299 million (899), representing an increase of 44 %. The Group's operating profit amounted to SEK 123 million (68), an increase of 81 %.

### Investments

The Group's net investments amounted to SEK 18 million (18), of which SEK 3 million (3) are attributable to acquisition made during 2013 and 2014.

### Employees

The average number of employees at the end of the period was 2,813 (2,358).

### Parent Company

The Parent Company's net sales amounted to SEK 8 million (11) and profit after financial items to SEK 95 million (-3).

## OTHER DISCLOSURES

### Seasonal variations

ITAB's operations are affected to a certain extent by seasonal variations. The sales volumes are often lower at the start of the year and then gradually increase during the year. As a result, sales and earnings are generally higher during the third and fourth quarters. The quarterly sales and earnings are presented in the diagrams on page 8.

### Risks and uncertainties

The Group's significant risks and uncertainties include business risks and financial risks. The Group's significant financial risks are more fully discussed in Note 4 on page 59 of the 2014 Annual Report.

ITAB's business risks are associated with our own operations, customers and suppliers, as well as other external factors. Some of the most significant business risks are summarised on page 45 of the 2014 Annual Report. No further significant risks have been identified.

### Convertible debenture loan

During the period 4 June to 14 June 2012, a subscription for convertible shares was carried out in which all ITAB employees had the right to subscribe, for a maximum total of SEK 40 million. The offer was considerably oversubscribed. The allocation was 650,406 convertibles that can be converted at a rate of SEK 61.50 during the period 1 June 2016 to 10 June 2016.

During the period 22 May to 2 June 2014, a subscription for convertible shares was carried out in which all ITAB employees had the right to subscribe, for a maximum total of SEK 30 million. The offer was considerably oversubscribed. The allocation totalled 100,334 convertibles, and during the period 1 June 2018 to 11 June 2018 each convertible can be converted to two Class B shares at a conversion rate of SEK 149.50 (the recalculation has taken place as a result of the implemented share split 2:1).

### Accounting policies

ITAB applies the 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, additional accounting principles consolidated Group and RFR 2, Accounting for Legal Entities. The accounting policies that have been applied are consistent with the accounting policies used in the preparation of the most recent annual report.

### Estimates and judgements

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

### Financial assets and liabilities

ITAB has derivative financial instruments measured 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 the fair value is measured using discounted future cash flows according to the terms and due dates of the contracts where all variables, such as discount rates and exchange rates, are obtained from market listings for calculations.

Additional considerations are recognised as financial liabilities and are categorised as Level 3. These are based on each contract's parameters which are mainly linked to the anticipated performance of the acquired companies over the next few years. The additional considerations have been recognised at estimated fair value and are re-measured through the income statement.

Recognised value is considered to constitute a reasonable estimate of the actual value of all financial assets and liabilities. For other financial assets and financial liabilities, please refer to the most recent annual report. No financial assets or financial liabilities have been transferred between the valuation categories and the same valuation techniques have been used throughout the year. Otherwise refers to the most recent annual report.

### Related party transactions

ITAB has not entered into any related party transactions that have significantly affected the company's financial position and results.

### Events after the closing day

No significant events have occurred after the closing day.

### Next reporting date

The interim report for the period January through September 2015 will be presented on Tuesday 3 November 2015.

This report has not been subject to review by the company's auditors.

We, the undersigned, declare that the half-yearly report for the period 1 January 2015 - 30 June 2015 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 9 July 2015

Tord Johansson  
Chairman of the Board

Anna Benjamin  
Board member

Sune Lantz  
Board member

Anders Moberg  
Board member

Fredrik Rapp  
Board member

Stig-Olof Simonsson  
Board member

Lottie Svedenstedt  
Board member

Ulf Rostedt  
Managing Director & CEO

# THE GROUP

## INCOME STATEMENT - SUMMARY

(SEK m)	3 MONTHS APR-JUN 2015	3 MONTHS APR-JUN 2014	6 MONTHS JAN-JUN 2015	6 MONTHS JAN-JUN 2014	ROLLING 12 MONTHS JUL-JUN 2014/2015	FULL YEAR JAN-DEC 2014
Net sales	1,299	899	2,450	1,762	4,626	3,938
Cost of goods sold	-935	-637	-1,758	-1,255	-3,330	-2,827
<b>Gross profit</b>	<b>364</b>	<b>262</b>	<b>692</b>	<b>507</b>	<b>1,296</b>	<b>1,111</b>
Selling expenses	-194	-140	-378	-273	-700	-595
Administrating expenses	-54	-48	-110	-96	-221	-207
Other operating income and expenses <sup>1)</sup>	7	-6	14	-12	42	16
<b>Operating profit</b>	<b>123</b>	<b>68</b>	<b>218</b>	<b>126</b>	<b>417</b>	<b>325</b>
Financial income	-1	1	2	1	2	3
Financial expenses	-7	-8	-15	-16	-37	-40
<b>Profit after financial items</b>	<b>115</b>	<b>61</b>	<b>205</b>	<b>111</b>	<b>382</b>	<b>288</b>
Tax expenses	-27	-15	-49	-27	-92	-70
<b>NET PROFIT FOR THE PERIOD</b>	<b>88</b>	<b>46</b>	<b>156</b>	<b>84</b>	<b>290</b>	<b>218</b>
Profit for the period attributable to:						
Parent Company shareholders	80	42	143	76	271	204
Non-controlling interests	8	4	13	8	19	14
Depreciation/amortisation for the period	22	21	43	41	85	83
Tax expense for the period amounts to	24%	24%	24%	24%	24%	24%
Earnings per share						
basic, SEK	2.36	1.25	4.22	2.27	7.98	6.03
diluted, SEK	2.31	1.23	4.13	2.23	7.82	5.92
Average number of outstanding shares <sup>2)</sup>						
basic (thousands)	33,906	33,906	33,906	33,906	33,906	33,906
diluted (thousands)	34,757	34,757	34,757	34,757	34,757	34,757

1) In the last quarter of 2014, other operating income and expenses included a positive impact from acquisitions of SEK 43 million. In 2014, expenses in conjunction with these acquisitions are listed under cost of goods sold as well as sales and administration costs. The net effect of acquisition-related income and expenses was SEK 15 million.

2) On 7 May 2014, the Annual General Meeting declared a two-for-one stock split, which means that each share was divided into two shares of the same type. The record date for the share split was 23 May 2014. After the completed split, the number of shares in ITAB totalled 33,906,410, of which 7,800,000 are Class A shares and 26,106,410 are Class B shares. All comparative figures have been updated.

The Group has two outstanding convertible debenture schemes. In the first scheme, which runs during the period 1 July 2012 to 30 June 2016, conversion to a maximum of 650,406 Class B shares can take place during the period 1 to 10 June 2016 at a subscription price of SEK 61.50. In the second scheme, a subscription for convertible shares for employees was carried out during June 2014. The scheme runs during the period 1 July 2014 to 30 June 2018 and conversion to a maximum of 200,668 Class B shares can take place during the period 1 to 11 June 2018 at a subscription price of SEK 149.50. The total number of shares after full dilution will then be 34,757,484.

## STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME - SUMMARY

(SEK m)	3 MONTHS APR-JUN 2015	3 MONTHS APR-JUN 2014	6 MONTHS JAN-JUN 2015	6 MONTHS JAN-JUN 2014	ROLLING 12 MONTHS JUL-JUN 2014/2015	FULL YEAR JAN-DEC 2014
<b>Net profit for the period</b>	<b>88</b>	<b>46</b>	<b>156</b>	<b>84</b>	<b>290</b>	<b>218</b>
<b>Other comprehensive income:</b>						
<b>Items that will not be reclassified to the income statement</b>						
Actuarial gains and losses on defined-benefit pension commitments	-	-	-	-	-3	-3
Tax on items that will not be reclassified	-	-	-	-	1	1
	-	-	-	-	-2	-2
<b>Items that may be reclassified to the income statement</b>						
Translation differences	-12	33	11	32	65	86
Hedging of net investments, net	0	-3	2	-4	-1	-7
Cash flow hedges, net	-8	-6	-9	-8	6	7
Tax on items that may be reclassified	2	2	2	3	-1	0
	-18	26	6	23	69	86
<b>Total other comprehensive income after tax</b>	<b>-18</b>	<b>26</b>	<b>6</b>	<b>23</b>	<b>67</b>	<b>84</b>
<b>Comprehensive income for the period</b>	<b>70</b>	<b>72</b>	<b>162</b>	<b>107</b>	<b>357</b>	<b>302</b>
Comprehensive income for the period attributable to:						
Parent Company shareholders	66	66	147	98	328	279
Non-controlling interests	4	6	15	9	29	23

## STATEMENTS OF FINANCIAL POSITION - SUMMARY

(SEK m)	2015 30 JUN	2014 30 JUN	2014 31 DEC
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets			
Goodwill	634	518	552
Other intangible assets	129	117	125
	<b>763</b>	<b>635</b>	<b>677</b>
Property, plant and equipment	530	496	546
Deferred tax assets	46	26	47
Financial non-current receivables	3	1	2
<b>Total non-current assets</b>	<b>1 342</b>	<b>1 158</b>	<b>1 272</b>
<b>Current assets</b>			
Inventories	901	791	821
Current receivables	1 039	749	826
Cash and cash equivalents	239	106	124
<b>Total current assets</b>	<b>2 179</b>	<b>1 646</b>	<b>1 771</b>
<b>TOTAL ASSETS</b>	<b>3 521</b>	<b>2 804</b>	<b>3 043</b>
<b>Equity and liabilities</b>			
Equity attributable to Parent Company's shareholders	1 287	1 044	1 225
Non-controlling interests	78	49	63
Deferred tax liability	56	49	49
Other non-current liabilities	183	141	185
Current liabilities	1 917	1 521	1 521
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 521</b>	<b>2 804</b>	<b>3 043</b>
Interest-bearing net debt represents	993	955	880
of which convertible debenture loans make up	69	40	69

The Group's pledged assets and contingent liabilities refer to the most recent annual accounts, as no major changes have occurred during the year.

## STATEMENT OF CHANGES IN EQUITY - SUMMARY

(SEK m)	Share capital	Other contributed capital	Translation and hedging reserves	Profit brought forward	Attributable to the Parent Company's shareholders	Attributable to non-controlling interests	Total equity
<b>EQUITY 1 JANUARY 2014</b>	<b>42</b>	<b>291</b>	<b>-100</b>	<b>764</b>	<b>997</b>	<b>42</b>	<b>1 039</b>
Net profit for the period				76	76	8	84
Other comprehensive income			22	0	22	1	23
<b>COMPREHENSIVE INCOME JAN-JUN 2014</b>			<b>22</b>	<b>76</b>	<b>98</b>	<b>9</b>	<b>107</b>
				-51	-51	-2	-53
<b>EQUITY 30 JUNE 2014</b>	<b>42</b>	<b>291</b>	<b>-78</b>	<b>789</b>	<b>1 044</b>	<b>49</b>	<b>1 093</b>
Net profit for the period				128	128	6	134
Other comprehensive income			55	-2	53	8	61
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>			<b>55</b>	<b>126</b>	<b>181</b>	<b>14</b>	<b>195</b>
Dividends						-4	-4
Acquisition of non-controlling interests						4	4
<b>EQUITY 31 DECEMBER 2014</b>	<b>42</b>	<b>291</b>	<b>-23</b>	<b>915</b>	<b>1 225</b>	<b>63</b>	<b>1 288</b>
Net profit for the period				143	143	13	156
Other comprehensive income			4	0	4	2	6
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>			<b>4</b>	<b>143</b>	<b>147</b>	<b>15</b>	<b>162</b>
				-85	-85	0	-85
<b>EQUITY 30 JUNE 2015</b>	<b>42</b>	<b>291</b>	<b>-19</b>	<b>973</b>	<b>1 287</b>	<b>78</b>	<b>1 365</b>

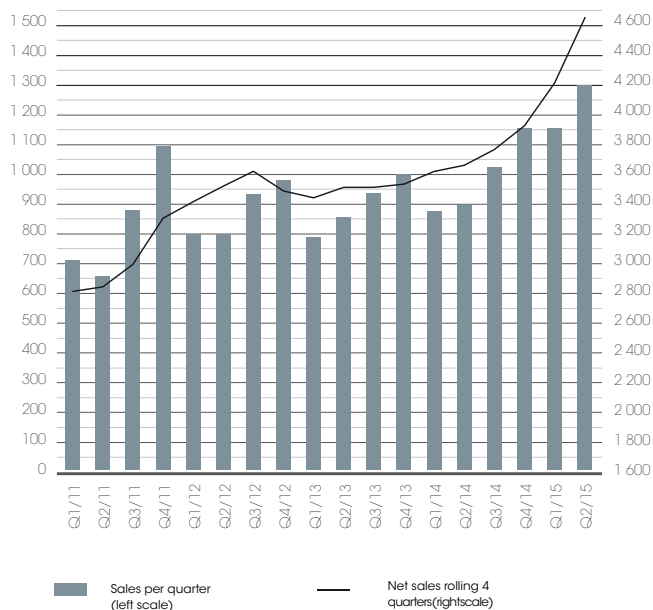
## STATEMENTS OF CASH FLOWS - SUMMARY

(SEK m)	3 MONTHS APR-JUN 2015	3 MONTHS APR-JUN 2014	6 MONTHS JAN-JUN 2015	6 MONTHS JAN-JUN 2014	ROLLING 12 MONTHS JUL-JUN 2014/2015	FULL YEAR JAN-DEC 2014
<b>Operating profit</b>	<b>123</b>	<b>68</b>	<b>218</b>	<b>126</b>	<b>417</b>	<b>325</b>
Interest paid and received, tax paid and adjustments for items not included in the cash flow	-18	-6	-29	-16	-80	-67
<b>Cash flow from operating activities before changes in working capital</b>	<b>105</b>	<b>62</b>	<b>189</b>	<b>110</b>	<b>337</b>	<b>258</b>
<b>Change in working capital</b>						
Change in inventories	-3	-42	-57	-64	7	0
Change in operating receivables	-173	24	-211	-53	-117	41
Change in operating liabilities	126	23	134	54	58	-22
<b>Cash flow from operating activities</b>	<b>55</b>	<b>67</b>	<b>55</b>	<b>47</b>	<b>285</b>	<b>277</b>
<b>Investing activities</b>						
Acquisition of companies and businesses, note 1	-3	-3	-56	-3	-145	-92
Other net investments	-15	-15	-29	-30	-79	-80
<b>Cash flow after investing activities</b>	<b>-37</b>	<b>49</b>	<b>-30</b>	<b>14</b>	<b>61</b>	<b>105</b>
<b>Financing activities</b>						
Paid dividend to shareholders	-85	-51	-85	-51	-85	-51
Cash flow from other financing activities	43	-24	225	-2	130	-97
<b>Cash flow for the period</b>	<b>-5</b>	<b>-26</b>	<b>110</b>	<b>-39</b>	<b>106</b>	<b>-43</b>
Cash and cash equivalents at the start of the period	254	126	124	142	106	142
Translation differences on cash and cash equivalents	-10	6	5	3	27	25
<b>Cash and cash equivalents at the end of the period</b>	<b>239</b>	<b>106</b>	<b>239</b>	<b>106</b>	<b>239</b>	<b>124</b>
<b>Cash flow from operating activities per share</b>	<b>1,62</b>	<b>1,96</b>	<b>1,62</b>	<b>1,36</b>	<b>8,44</b>	<b>8,18</b>

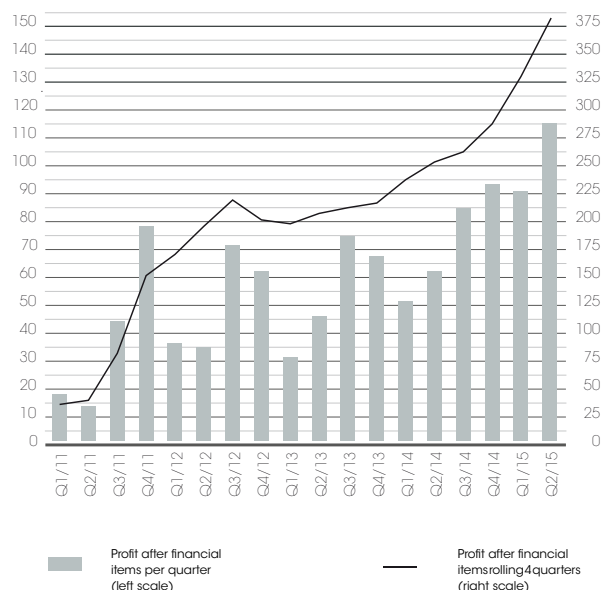
## KEY RATIOS

	3 MONTHS APR-JUN 2015	3 MONTHS APR-JUN 2014	6 MONTHS JAN-JUN 2015	6 MONTHS JAN-JUN 2014	ROLLING 12 MONTHS JUL-JUN 2014/2015	FULL YEAR JAN-DEC 2014
Operating margin, %	9.5	7.6	8.9	7.2	9.0	8.3
Profit margin, %	8.9	6.8	8.4	6.3	8.2	7.3
Share price at end of period, SEK	177.50	135.50	177.50	135.50	177.50	131.00
Basic earnings per share, SEK	2.36	1.25	4.22	2.27	7.98	6.03
Diluted earnings per share, SEK	2.31	1.23	4.13	2.23	7.82	5.92
Cash flow from operating activities per share, SEK	1.62	1.96	1.62	1.36	8.44	8.18
Balance sheet total, SEK m	3,521	2,804	3,521	2,804	3,521	3,043
Interest-bearing net debt, SEK m	993	955	993	955	993	880
Equity attributable to the Parent Company's shareholders, SEKm	1,287	1,044	1,287	1,044	1,287	1,225
Equity per share, SEK	37.94	30.78	37.94	30.78	37.94	36.14
Equity/assets ratio, %	38.8	39.0	38.8	39.0	38.8	42.3
Portion of risk-bearing capital, %	42.3	42.1	42.3	42.1	42.3	46.2
Return on equity, %	24.7	16.4	22.5	15.1	22.5	18.8
Return on capital employed, %	21.0	13.9	19.3	13.0	18.8	16.0
Return on total assets, %	14.2	10.0	13.3	9.3	13.1	11.3
Interest-coverage ratio, multiple	16.0	9.1	14.6	8.3	12.8	9.9
Net investments, SEK m	18	18	85	33	224	172
Net investments (excl. business acquisitions), SEK m	15	15	29	30	79	80
Average number of employees	2,813	2,358	2,768	2,352	2,649	2,441

▼ SALES (SEK m)



▼ PROFIT/LOSS (SEK m)



QUARTERLY FINANCIAL STATEMENTS AND KPIS

(SEK m)	2015 APR-JUN	2014 APR-JUN	2015 JAN-MAR	2014 JAN-MAR	2014 OCT-DEC	2013 OCT-DEC	2014 JULY-SEPT	2013 JULY-SEPT
Net sales	1,299	899	1,151	863	1,151	1,000	1,025	935
Cost of goods sold	-935	-637	-823	-618	-840	-732	-732	-672
<b>Gross profit</b>	<b>364</b>	<b>262</b>	<b>328</b>	<b>245</b>	<b>311</b>	<b>268</b>	<b>293</b>	<b>263</b>
Selling expenses	-194	-140	-184	-133	-181	-148	-141	-133
Administrating expenses	-54	-48	-56	-48	-63	-45	-48	-40
Other operating income and expenses	7	-6	7	-6	37	1	-9	-5
<b>Operating profit</b>	<b>123</b>	<b>68</b>	<b>95</b>	<b>58</b>	<b>104</b>	<b>76</b>	<b>95</b>	<b>85</b>
Financial items	-8	-7	-5	-8	-11	-9	-11	-11
<b>Profit after financial items</b>	<b>115</b>	<b>61</b>	<b>90</b>	<b>50</b>	<b>93</b>	<b>67</b>	<b>84</b>	<b>74</b>
Tax expenses	-27	-15	-22	-12	-23	-19	-20	-19
<b>NET PROFIT FOR THE PERIOD</b>	<b>88</b>	<b>46</b>	<b>68</b>	<b>38</b>	<b>70</b>	<b>48</b>	<b>64</b>	<b>55</b>
Net profit for the period attributable to:								
Parent Company shareholders	80	42	63	34	68	48	60	52
Non-controlling interests	8	4	5	4	2	0	4	3
Operating margin, %	9.5	7.6	8.2	6.8	9.0	7.6	9.3	9.0
Basic earnings per share, SEK	2.36	1.25	1.86	1.02	1.99	1.41	1.76	1.55
Diluted earnings per share, SEK	2.31	1.23	1.82	1.01	1.95	1.39	1.73	1.53
Return on equity, %	24.7	16.4	19.9	13.6	22.9	19.8	22.0	23.1
Equity per share, SEK	37.94	30.78	38.50	30.35	36.14	29.39	33.49	27.55
Cash flow from operating activities per share	1.62	1.96	0.00	-0.60	4.91	4.09	1.90	1.14



# PARENT COMPANY

## INCOME STATEMENT - SUMMARY

(SEK m)	3 MTHS JAN-MAR 2015	3 MTHS JAN-MAR 2014	6 MTHS JAN-MAR 2015	6 MTHS JAN-MAR 2014	12 MTHS JAN-DEC 2014
Net sales <sup>1)</sup>	8	11	17	21	41
Cost of goods sold	-3	-3	-5	-5	-10
<b>Gross profit</b>	<b>5</b>	<b>8</b>	<b>12</b>	<b>16</b>	<b>31</b>
Selling expenses	-6	-6	-11	-11	-22
Administrating expenses	-7	-7	-13	-12	-25
Other operating income and expenses	5	-1	12	-3	-9
<b>Operating profit</b>	<b>-3</b>	<b>-6</b>	<b>0</b>	<b>-10</b>	<b>-25</b>
Profit from participations in Group companies	88	23	149	78	112
Financial income and expenses	10	-20	-18	-26	-85
<b>Profit after financial items</b>	<b>95</b>	<b>-3</b>	<b>131</b>	<b>42</b>	<b>2</b>
Year-end appropriations	-	-	-	-	56
<b>Profit before tax</b>	<b>95</b>	<b>-3</b>	<b>131</b>	<b>42</b>	<b>58</b>
Tax expenses for the period	-	-	-	-	12
<b>NET PROFIT FOR THE PERIOD</b>	<b>95</b>	<b>-3</b>	<b>131</b>	<b>42</b>	<b>70</b>
Other comprehensive income	-	-	-	-	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>95</b>	<b>-3</b>	<b>131</b>	<b>42</b>	<b>70</b>

1) 100% of the parent company's income comes from subsidiary companies.

## BALANCE SHEET - SUMMARY

(SEK m)	2015 30 JUN	2014 30 JUN	2014 31 DEC
<b>Non-current assets</b>			
Property, plant and equipment	1	1	1
Financial assets	1,225	1,155	1,164
Deferred tax assets	13	1	13
<b>Total non-current assets</b>	<b>1,239</b>	<b>1,157</b>	<b>1,178</b>
<b>Current assets</b>			
Current receivables	586	276	412
Cash and bank balance	0	0	0
<b>Total current assets</b>	<b>586</b>	<b>276</b>	<b>412</b>
<b>TOTAL ASSETS</b>	<b>1,825</b>	<b>1,433</b>	<b>1,590</b>
Equity			
Restricted equity	49	49	49
Non-restricted equity	626	552	580
<b>TOTAL EQUITY</b>	<b>675</b>	<b>601</b>	<b>629</b>
Untaxed reserves	0	0	0
Non-current liabilities	71	55	79
Current liabilities	1,079	777	882
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,825</b>	<b>1,433</b>	<b>1,590</b>

## NOTE 1. ACQUISITION

At the start of the year, all the shares in JPD in Latvia were acquired. JPD focuses principally on concept sales to the non-food segment in the European market, and comprises three companies whose operations are sales, warehousing and timber production. The acquisition has been integrated with ITAB's existing operation in Latvia and is in line with the Group's continued focus on concept and lighting sales, and further strengthens ITAB's customer offer in the European market. JPD reported sales of SEK 105 million in 2014, and the acquisition is deemed to have a positive impact of SEK 0.5 in terms of earnings per share in 2015. JPD's average number of employees at the time of the acquisition was 97.

The cash consideration amounted to SEK 60 million with an additional conside-

ration based on the companies' performance over the next two years. Final liquidity will be regulated in 2017, and expenditure in connection with the acquisition has been reported continually as costs. The acquisition was incorporated as of 1 January 2015. The acquired net assets at their estimated fair value amounted to SEK 100 million at the time of the acquisition, of which goodwill made up SEK 82 million. Goodwill primarily comprises synergy effects in product supply, staff, customer contacts of strategic significance and a market leading position in select markets.

The net investments for the year include acquired cash and cash equivalents totalling SEK 7 million, as well as additional liquidity from acquisitions in 2013 and 2014 amounting to SEK 3 million.

# ITAB IN BRIEF



## ITAB'S BUSINESS CONCEPT

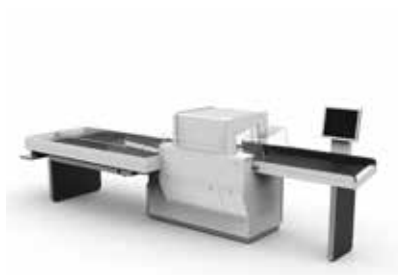
ITAB will offer complete shop concepts for retail chain stores. With its expertise, long-term business relationships and innovative products, ITAB will secure a market-leading position in selected markets.

## GEOGRAPHIC PRESENCE

- Market presence
- ITAB Offices/Production

## 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 checkout arena and professional lighting systems. Customers include the major players throughout most of Europe.



ITAB has operations in 21 countries and 17 production facilities in Northern 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.



Business operations are founded on long-term business relationships and delivery reliability in combination with streamlined production resources. ITAB is now a leader in the market for retail checkouts in Europe, as well as being one of Europe's largest suppliers of shop fittings and lighting systems.

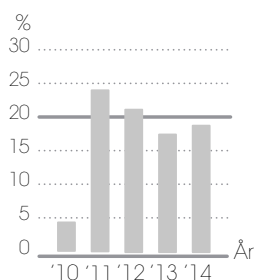


▲ ITAB Shop Concept is a leader in the market for retail checkouts in Europe and is also one of Europe's largest suppliers of shop fittings and lighting systems.

## ITAB'S FINANCIAL TARGETS

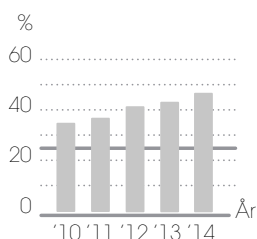
### RETURN ON EQUITY

Over an extended period, ITAB will have a minimum 20% return on equity.



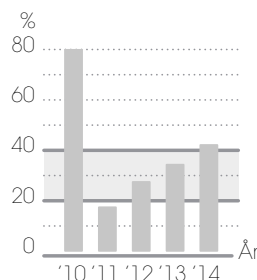
### RISK-BEARING CAPITAL

ITAB will have at least 25% risk-bearing capital.



### DIVIDENDS

ITAB's share dividends will, over an extended period, mirror the company's earnings and correspond to between 20% and 40% of the company's profit after tax. The dividend will, however, be adjusted to the company's investment needs and share repurchase schemes when relevant.



## SHARE INFORMATION

- ▶ LISTING  
Nasdaq OMX Stockholm  
Mid Cap list
- ▶ TICKER SYMBOL  
ITAB B
- ▶ TRADING LOT  
1 share
- ▶ SECTOR CLASSIFICATION  
Industrial Goods  
& Services
- ▶ ISIN CODE  
SE0005992567
- ▶ SHARE PRICE ON  
THE BALANCE SHEET DATE  
SEK 177.50 (135.50)

## ITAB'S BUSINESS GOALS

### ▶ GOALS

ITAB will achieve an annual growth rate of at least 15% over an extended period.

### ▶ REALISATION

Sales increased by approximately 10% in 2014. Over the past five years, average growth was about 9% per year.

### ▶ GOALS

ITAB will maintain and enhance its market-leading position in Northern Europe\* and develop market share in new markets.

\*Northern Europe includes the Nordic countries, the Baltic countries, the UK, Benelux, Poland, Germany, the Czech Republic, Slovakia, Hungary, Russia and Ukraine.

### ▶ REALISATION

ITAB retained its leading position in Northern Europe during 2014. As part of its work of following major customers into new markets, ITAB now has operations in the USA, Asia, Chile and India. At the end of 2014, we also started establishing a company in Brazil.

### ▶ GOALS

ITAB will develop its all-inclusive offer of complete shop concepts through custom-made fitting concepts, innovative solutions for checkout aisles and professional lighting systems.

### ▶ REALISATION

ITAB has been offering shop fitting concepts to retail chains for many years. In recent years, ITAB has extended its offer with both professional lighting systems and self-checkout systems. ITAB is now a one-stop supplier of complete shop concepts.

## STRATEGIC DIRECTION

### ▶ LONG-TERM BUSINESS RELATIONS

ITAB will develop and nurture long-term business relations with chain stores within the food and non-food segments by working closely with its customers and their markets.

### ▶ COMPETENCE, COMMITMENT AND BUSINESSLIKE APPROACH

The competence, commitment and businesslike attitude that characterise the Group will instil trust and confidence in each and every customer.

### ▶ END-TO-END SOLUTIONS

ITAB will offer end-to-end solutions with responsibility for the entire process from concept, design, project management and construction to production, logistics and installation.

### ▶ MARKET EXPERTISE AND INNOVATIVE ABILITIES

ITAB will develop new concepts, products and solutions by utilising its extensive market expertise and innovative abilities while working closely with its customers.

### ▶ HIGHLY EFFICIENT AND FLEXIBLE PRODUCTION RESOURCES

ITAB will use its highly efficient and flexible production resources, assiduous logistics and selected partners to offer the market competitive terms coupled with precise delivery accuracy and quality.

### ▶ EXPANSION ON SELECTED MARKETS

ITAB will use its leading position in Northern Europe to cultivate conditions for further growth and expansion on other selected markets.

B



This report contains information that ITAB Shop Concept AB (publ) is required to disclose under the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 10.30 am on 9 July 2015.

ITAB

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## FINANCIAL INFORMATION

Interim report, January - September  
Year-end report 2015

3 November  
9 February 2016