



INTERIM REPORT
JANUARY - SEPTEMBER 2016

Q3

JANUARY – SEPTEMBER 2016

- ▶ Income amounted to SEK 3,651 million (3,839)
- ▶ Operating profit amounted to SEK 318 million (386)
- ▶ Profit after financial items amounted to SEK 303 million (362)
- ▶ Profit after tax amounted to SEK 230 million (275)
- ▶ Earnings per share amounted to SEK 2.15 (2.51)
- ▶ Cash flow from operating activities amounted to SEK 152 million (168)
- ▶ The company's net debt was SEK 1,164 million (918)

JULY – SEPTEMBER 2016

- ▶ Income amounted to SEK 1,353 million (1,389)
- ▶ Operating profit amounted to SEK 147 million (168)
- ▶ Profit after financial items amounted to SEK 143 million (157)
- ▶ Profit after tax amounted to SEK 108 million (119)
- ▶ Earnings per share amounted to SEK 1.01 (1.10)
- ▶ Cash flow from operating activities amounted to SEK 58 million (113)
- ▶ The company's net debt was SEK 1,164 million (918)

IMPORTANT EVENTS

- ▶ ITAB has acquired Pikval Group in Finland
- ▶ ITAB has acquired MB Shop Design in Hillerstorp, Sweden
- ▶ ITAB has through subsidiary signed an agreement to acquire LICHTSPIEL Lichtprojekte und Design GmbH in Germany
- ▶ ITAB delivers a test installation of the self-checkout system EasyFlow to a major grocery chain in the US
- ▶ 3:1 split of shares in ITAB
- ▶ ITAB's convertible oversubscribed

IMPORTANT EVENTS AFTER THE PERIOD

- ▶ ITAB receive customary approval for the acquisition of La Fortezza Group with head office in Italy

CEO ULF ROSTEDT'S COMMENTS

The Group has had one of its best quarters to date, both in respect of sales and earnings, despite slightly poorer growth compared to last year. We are continuing to advance our position from a strategic perspective, and ITAB has conducted a number of acquisitions during the year in order to supplement and strengthen our market position. Several of our customers are choosing to use a larger proportion of our all-inclusive offer in order to achieve a more efficient store refurbishment process, which is in line with our business concept of offering complete shop concepts. Our offer is competitive and we will continue to develop the concept in order to create more effective and more attractive shop environments for our customers.



Currency-adjusted sales during the first nine months of the year fell by approximately 2% compared with last year. Sales have developed better than last year in Central Europe and NorthEast, although not quite as well in the Benelux region and the lighting segment. Scandinavia and the UK are on a par with last year.

During the third quarter, the UK, Central Europe and NorthEast have developed better than last year. The UK has had one of its best quarters to date in the local currency, which is pleasing bearing in mind the current uncertainty resulting from Brexit. Scandinavia, the Benelux region and the lighting segment have not developed as well as last year.

Profit after financial items decreased by 16% during the first nine months of the year. The poorer earnings can primarily be explained by the sales trend, an unfavourable sales mix and the change in the exchange rate, which has had a negative impact on the Group's profit of almost SEK 10 million. The Group has also incurred costs of a non-recurring nature in conjunction with acquisitions and property sales.

The gross margin is continuing to improve, which indicates that the long-term work aimed at streamlining all parts of our operation in order to improve our offer has produced results. In order to satisfy future market requirements, we have conducted investments totalling almost SEK 133 million (55) during the period. For example, we have invested in land in China, where we are making preparations for the construction of a new production facility.

STRATEGIC APPROACH

During the year, we have conducted a number of acquisitions that complement our existing business. Through the acquisition of Pikval in Finland and MB Shop Design in Hillerstorp, Sweden, we are strengthening our expertise and market position within concept sales, primarily in the Finnish and Scandinavian market.

Through the acquisition of Lichtspiel Lichtprojekte und Design GmbH in Germany, we are intensifying our marketing activities regar-

ding lighting in the German and Central European market. The acquisitions are in line with the Group's continued focus on sales of holistic concepts to the retail trade.

The focus on our self-checkout concept is continuing. ITAB has shifted from being a product supplier to also operating as a concept supplier in the checkout sector, which will believe is the right direction for the future. During the period, we have conducted a first-time installation of EasyFlow with higher capacity for an even larger range. 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 and systems in the lighting segment.

"The UK has had one of its best quarters to date in the local currency, which is pleasing bearing in mind the current uncertainty resulting from Brexit."

STRATEGIC APPROACH AFTER THE END OF THE PERIOD

We have been awarded competition approval and completed our largest acquisition to date after the end of the period. La Fortezza currently holds a leading position in the southern European market, and has long-term business relations with several of southern Europe's major retail chains. Thanks to this acquisition, La Fortezza can offer its customers ITAB's product portfolio with products primarily in the checkout arena and professional lighting systems. La Fortezza has developed strongly during the autumn, in line with our expectations. The deal will be concluded during October. For more information about La Fortezza, see page 4.

THE FUTURE

We are expecting good growth in future. Despite a slightly weaker first six months, the third quarter of the year has developed on a par with last year. Our sales in the local currency in the UK have not been affected by Brexit to any appreciable extent during the third quarter.

However, it is difficult to judge how this will affect us in future. I feel a sense of security in the Group's geographic spread. It means that we are not affected to such a great extent by events in one particular area.

During the remainder of the year, we are planning to implement streamlining and rationalisation measures within the Group as a result of the acquisitions that have been made during the year.

Thanks to our experiences, we have considerable confidence in our all-inclusive concept for the years ahead. We will continue our long-term work aimed at streamlining all parts of our operation, in order to improve our offer.

ITAB's global presence is becoming even more important, as several of our customers are expanding across large parts of the world. The acquisition of La Fortezza is part of our efforts to further strengthen our global presence. In parallel with this, we can see continued opportunities to develop our position in existing markets. In the long term, we believe that our customers will be on the look-out for more effective solutions, both for shops but also for the process of establishing shops.

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 our customers.

Jönköping, 2 November 2016

Ulf Rostedt,
Managing Director & CEO
ITAB Shop Concept AB

Q1-Q3 OVERVIEW

SUMMARY Q1-Q3

- ▶ Sales decreased by 5 % to SEK 3,651 million (3,839)
- ▶ Operating decreased by 18 % to SEK 318 million (386)
- ▶ Profit after financial items decreased by 16 % to SEK 303 million (362)
- ▶ Earnings per share decreased by 14 % to SEK 2.15 (2.51)

SUMMARY Q3

- ▶ Sales decreased by 3 % to SEK 1,353 million (1,389)
- ▶ Operating decreased by 13 % to SEK 147 million (168)
- ▶ Profit after financial items decreased by 9 % to SEK 143 million (157)
- ▶ Earnings per share decreased by 8 % to SEK 1.01 (1.10)

IMPORTANT EVENTS

- ▶ In July, ITAB entered into an agreement for the acquisition of **La Fortezza Group**, one of southern Europe's leading players within shop fittings, which has its head office in Bologna, Italy. The Group also has operations in France, Spain, Portugal, Russia, Argentina, Dubai and Malaysia. The deal was conditional on competition approval, which ITAB was awarded on 19 October, and the acquisition has therefore been completed. The purchase price for the shares is equivalent to 85 MEUR on a cash and debt free basis, with an additional purchase price of a maximum of 20 MEUR based on the company's performance until the end of 2017. ITAB anticipates funding the acquisition of La Fortezza via fully committed credit facilities at completion. La Fortezza had sales of 138 MEUR (approximately 1,300 MSEK) in 2015 and has approximately 630 employees. La Fortezza has a similar level of operating margin as ITAB and it is estimated that the acquisition will have a positive effect of 0.65 SEK on ITAB's annual earnings per share, before the effects of synergies. The takeover was realized in October. More information on page 4.
- ▶ ITAB has acquired **Pikval Group in Finland**, with subsidiaries in Finland, Sweden and Norway. The takeover was realized with immediate effect and the consideration for the shares amounts to EUR 6.5 million on a cash and debt free basis. In 2015 the company's turnover was EUR 17 million and the number of employees is approx. 100. The acquisition is expected to have a positive effect of SEK 0.1 earnings per share.
- ▶ ITAB has acquired **MB Shop Design AB in Hillerstorp**, Sweden. MB Shop Design has production in wood and metal, store-keeping and sales of shop fitting concepts to the retail chain stores in the Swedish and Danish market. The takeover was realized with immediate effect and the cash consideration is SEK 106 million. In 2015 the company's turnover was SEK 140 million and the number of employees is 75. The acquisition is expected to have a positive effect of 0.15 SEK earnings per share.
- ▶ ITAB has acquired **LICHTSPIEL Lichtprojekte und Design GmbH in Germany**. The company sells lighting products and light planning to retail chain stores primarily in Germany but also in the Central European market. The company reported sales of EUR 4 million and the cash consideration is EUR 2.3 million and an additional purchase price based on the company's profit for 2016 of max EUR 0.3 million. The takeover was realized with immediate effect. The acquisition has a marginal positive impact on earnings per share.
- ▶ ITAB delivers a test installation of the fully automatic self-check-out system EasyFlow to a major grocery chain in the United States. The delivery will be made in cooperation with Toshiba. The test applies to the installation of two EasyFlow in store. The delivery is of importance for ITAB since it is the first installation of self-checkout in the US market.

ITAB GROUP IN FIGURES

	3 MONTHS JUL-SEP 2016	3 MONTHS JUL-SEP 2015	9 MONTHS JAN-SEP 2016	9 MONTHS JAN-SEP 2015	ROLLING 12 MONTHS OKT-SEP 2015/2016	FULL YEAR JAN-DEC 2015
Net sales, SEK m	1,353	1,389	3,651	3,839	5,005	5,193
Operating profit, SEK m	147	168	318	386	440	508
Operating margin, %	10.9	12.1	8.7	10.1	8.8	9.8
Profit after net financial items, SEK m	143	157	303	362	417	476
Profit margin, %	10.6	11.3	8.3	9.4	8.3	9.2
Net profit after tax, SEK m	108	119	230	275	329	374
Earnings per share, SEK	1.01	1.10	2.15	2.51	3.08	3.44
Equity per share, SEK	14.40	13.73	14.40	13.73	14.40	14.38
Return on equity, %	29.4	33.4	20.2	26.1	21.9	26.2
Portion of risk-bearing capital, %	45.9	44.0	45.9	44.0	45.9	50.3
Cash flow from operating activities, SEK m	58	113	152	168	395	411
Average no. employees	3,028	2,842	2,938	2,796	2,900	2,829

ACQUISITION OF LA FORTEZZA GROUP

After the end of the period ITAB has received customary approval for the acquisition and it has been completed. La Fortezza Group is one of southern Europe's market leading players in shopfitting, with its head office in Bologna, Italy. The group also has operations in France, Spain, Portugal, Russia, Argentina, Dubai and Malaysia.

La Fortezza was founded by the present owners in 1962. Today, the group has a leading position in the southern European market and has long-term relationships with several of southern Europe's large retail chains. According to its strategy, the group has expanded into new markets following its customers' expansions. La Fortezza provides production and sales, as well as project management for shopfitting concept. The group has production facilities in Italy, France, Russia and Argentina.

"We are looking forward to be a part of Europe's leading supplier of total concepts to the retail trade. It secures all of our futures and we can now offer a complete and cost effective total concept and that gives us a stronger customer offer", says Glauco Frascaroli, Chairman and CEO La Fortezza.

The acquisition gives ITAB a broader and stronger market position in Europe with local presence in southern Europe. Through the acquisition, La Fortezza can offer customers ITAB's product portfolio of products within the check-out arena and professional lighting systems. The acquisition is expected to create synergies mainly within purchasing and production. ITAB will also gain access to La Fortezza's strong position within FMCG and DIY and can develop the concept side for the specialist retail trade in southern Europe. The ITAB group also advances its global presence, which is becoming more and more important for its larger customers. The acquisition is in line with the group's strategy and continued investment in sales of a total concept for retail trade.

La Fortezza had sales of 138 MEUR (approximately 1,300 MSEK) in 2015 and has approximately 630 employees. La Fortezza has a similar level of operating margin as ITAB and it is estimated that the acquisition will have a positive effect of 0.65 SEK on ITAB's annual earnings per share, before the effects of synergies. The number of shares in ITAB amounts to 102,383,430. The purchase price for the shares is equivalent to 85 MEUR on a cash and debt free basis, with an additional purchase price of a maximum of 20 MEUR based on the company's performance until the end of 2017. ITAB anticipates funding the acquisition of La Fortezza via fully committed credit facilities at completion.



"The acquisition is in line with our strategy of offering a total concept for the retail trade in Europe. The acquisition further strengthens our market leading position in Europe and gives us a strong position in southern Europe. Through the acquisition, we can offer La Fortezza's customers a wider product portfolio in the form of checkouts, self-checkout systems and lighting products", says Ulf Rostedt, CEO ITAB Shop Concept AB.

Operations: Head office in Italy. Operations in France, Spain, Portugal, Russia, Argentina, Dubai and Malaysia.

Sales 2015: 138 MEUR (1,300 MSEK).

Profit: Estimated to have a positive effect of 0.65 SEK on annual earnings per ITAB-share. The number of shares in ITAB amounts to 102,383,430.

Operating margin: On a similar level to the ITAB group.

Number of employees: approx. 630 employees.

Operations: Sales and production of shopfittings and checkouts, primarily to southern Europe (75%). Main part of sales to FMCG and DIY.

58,000 m2 of production: In Italy, France, Russia and Argentina.

Customers: Carrefour, Auchan, Leroy Merlin, Intermarche etc.

Purchase price: 85 MEUR debt free basis + 20 MEUR additional purchase price based on the company's performance up to the end of 2017.



JANUARY - SEPTEMBER

Net sales and income

The Group's net sales amounted to SEK 3,651 million (3,839), which is a decrease of 5%. Currency-adjusted sales during the year fell by approximately 2% compared with last year. Sales have developed better than last year in Central Europe and NorthEast, although not quite as well in the Benelux region and the lighting segment. Scandinavia and the UK have developed on a par with last year. The Group's operating profit amounted to SEK 318 million (386), a decrease of 18%, while profit after financial items amounted to SEK 303 million (362), a decrease of 16%. The poorer earnings trend can primarily be explained by the sales trend, an unfavourable sales mix and the change in the exchange rate, which has had a negative impact on the Group's profit of almost SEK 10 million. The Group has also incurred costs of a non-recurring nature in conjunction with acquisitions and property sales.

Financial position

The net debt was SEK 1,164 million (918). The Group's cash and cash equivalents, including undrawn committed credit facilities, amounted to SEK 628 million (446) on closing day. The equity/assets ratio was 40% (41). Cash flow from current operations amounted to SEK 152 million (168).

Investments

The Group's net investments amounted to SEK 294 million (111), of which SEK 161 million (56) are attributable to corporate transactions during the period. For more information on corporate transactions, see Note 1 page 11.

Employees

The average number of employees at the end of the period was 2,938 (2,796).

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 32 million (26) and profit after financial items to SEK 314 million (112).

JULY - SEPTEMBER

Net sales and income

The Group's net sales amounted to SEK 1,353 million (1,389), which is a decrease of 3%. During the third quarter, the UK, Central Europe and North-East have developed better than last year while the other markets have not developed as well as last year. The Group's operating profit amounted to SEK 147 million (168), a decrease of 13%.

Investments

The Group's net investments amounted to SEK 69 million (26).

Employees

The average number of employees at the end of the period was 3,028 (2,842).

Parent Company

The Parent Company's net sales amounted to SEK 12 million (9) and profit after financial items to SEK 24 million (-19).

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 primarily the third but also the fourth quarter. The quarterly sales and earnings are presented in the diagrams on page 10.

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 60 of the 2015 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 46 of the 2015 Annual Report. No further significant risks have been identified.

3:1 split of shares in ITAB Shop Concept AB

From the 26 May 2016, shares in ITAB Shop Concept AB (publ) are traded following the 3:1 split. At the AGM on 11 May 2016, a decision was adopted to split the company's shares 3:1, which means that each share was divided into three shares of the same type.

Repurchase of Convertible debenture loan 2012/2016

During 2012, convertible bonds with a nominal value of SEK 40 million were issued to employees in the ITAB Group. This loan expired on 30 June 2016. Following a decision at the Annual General Meeting on 11 May 2016, all holders were given the option of selling the convertibles back to the company at an estimated market value. Holders of a nominal SEK 25.9 million decided to accept this offer. A further nominal SEK 0.5 million was repaid on the maturity date. Holders of a nominal SEK 13.6 million requested conversion of their claim to new shares. Through the conversion, 664 200 new Class B shares were issued. The dilution amounted to 0.6% of the share capital and 0.2% of the number of votes.

Change of the total number of shares and voting rights

The number of Class B shares in the company has been increased by 1,897,800 and the number of Class A shares has been reduced by 1,233,600. The number of voting rights has been decreased by 10,438,200. The change in the number of shares is a result of the completion and registration with the Swedish Companies Registration Office of a conversion of ITAB Shop Concept convertibles 2012/2016 and a conversion of Class B shares requested by shareholders in accordance with the conversion restriction introduced by the 2016 Annual General Assembly. The total number of shares in the company following the change is 102,383,430, which divides into 22,166,400 Class A shares and 80,217,030 Class B shares. The number of voting rights following the increase is 301,881,030.

Convertible debenture loan 2014/2018

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 602,004 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 49.83 (the recalculation has taken place as a result of the implemented share split 2:1 and 3:1).

Convertible debenture loan 2016/2020

On 11 May 2016, the Annual General Meeting of ITAB Shop Concept AB ("ITAB") decided to approve the Board's proposal to issue a maximum of 1,950,000 convertibles with a maximum total nominal value of SEK 275,000,000 with a term

from 1 July 2016 to 30 June 2020. Subscription applications were made in the period from 26 May to and including 8 June 2016. The level of interest in the convertible programme was considerable – approximately 440 employees in 13 countries decided to participate, and the issue was oversubscribed by more than 50 percent. Employees of the ITAB Group have been allocated 1,950,000 convertibles at an issue price of SEK 86, representing a nominal value of SEK 167,700,000. The interest rate is STIBOR 3M plus 2.20 percent and interest is paid annually in arrears. All convertibles can be converted into Class B shares in ITAB in the period from 1 June 2020 to and including 12 June 2020. If all the convertibles are converted into shares, the dilution effect on the share capital will be approximately 1.9 percent, and on the voting rights approximately 0.6 percent, based on the current total number of shares.

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.

Next reporting date

The year-end report for the period January through December 2016 will be presented on the 7 February 2017.

THE GROUP

INCOME STATEMENT - SUMMARY

(SEK m)	3 MONTHS JUL-SEP 2016	3 MONTHS JUL-SEP 2015	9 MONTHS JAN-SEP 2016	9 MONTHS JAN-SEP 2015	ROLLING 12 MONTHS OKT-SEP 2015/2016	FULL YEAR JAN-DEC 2015
Net sales	1,353	1,389	3,651	3,839	5,005	5,193
Cost of goods sold	-958	-986	-2,596	-2,744	-3,581	-3,729
Gross profit	395	403	1,055	1,095	1,424	1,464
Selling expenses	-195	-184	-567	-562	-762	-757
Administrating expenses	-55	-54	-166	-164	-223	-221
Other operating income and expenses ¹⁾	2	3	-4	17	1	22
Operating profit	147	168	318	386	440	508
Financial income	5	0	9	2	8	3
Financial expenses	-9	-11	-24	-26	-31	-35
Profit after financial items	143	157	303	362	417	476
Tax expenses	-35	-38	-73	-87	-88	-102
NET PROFIT FOR THE PERIOD	108	119	230	275	329	374
Net profit for the period attributable to:						
Parent Company shareholders	104	112	220	255	315	350
Non-controlling interests	4	7	10	20	14	24
Depreciation/amortisation for the period constitutes	28	23	77	66	99	88
Tax expense for the period amounts to	24%	24%	24%	24%	22%	22%
Earnings per share						
basic, SEK	1.01	1.10	2.15	2.51	3.08	3.44
diluted, SEK	1.00	1.08	2.11	2.46	3.02	3.37
Average number of outstanding shares ¹⁾						
basic (thousands)	102,383	101,719	101,985	101,719	101,924	101,719
diluted (thousands)	104,935	104,272	104,935	104,272	104,935	104,272

1) At the AGM on 11 May 2016, a decision was adopted to split the company's shares 3:1, which means that each share was divided into three shares of the same type. The record date for the share split was 27 May 2016. The number of shares in ITAB before was 33,906,410 and after 101,719,230. All comparative figures have been updated. The number of shares has after that increased by 664,200 shares to a total of 102,383,430 pieces per 30 June 2016. The change in the number of shares is a result of the completion and registration with the Swedish Companies Registration Office of a conversion of ITAB Shop Concept convertibles 2012/2016. During the period, the company has repurchased 1,287,018 convertible bonds of KV3B.

The Group has two outstanding convertible debenture schemes. In the first scheme, which runs during the period 1 July 2014 to 30 June 2018, conversion to a maximum of 602,004 Class B shares can take place during the period 1 to 11 June 2018 at a subscription price of SEK 49.83. In the second scheme, a subscription for convertible shares for employees was carried out during June 2016. The scheme is running during the period 1 July 2016 to 30 June 2020 and conversion to a maximum of 1,950,000 Class B shares can take place during the period 1 to 12 June 2020 at a subscription price of SEK 86.00. The total number of shares after full dilution will then be 104,935,434.

STATEMENT OF OTHER COMPREHENSIVE INCOME - SUMMARY

(SEK m)	3 MONTHS JUL-SEP 2016	3 MONTHS JUL-SEP 2015	9 MONTHS JAN-SEP 2016	9 MONTHS JAN-SEP 2015	ROLLING 12 MONTHS OKT-SEP 2015/2016	FULL YEAR JAN-DEC 2015
Net profit for the period	108	119	230	275	329	374
Other comprehensive income:						
Items that will not be reclassified to the income statement						
Actuarial gains and losses on defined-benefit pension commitments	-	-	-	-	1	1
Tax on items that will not be reclassified	-	-	-	-	0	0
	-	-	-	-	1	1
Items that may be reclassified to the income statement						
Translation differences	16	-3	20	8	-20	-32
Hedging of net investments, net	-4	-2	-2	0	3	5
Cash flow hedges, net	-10	4	-25	-5	-20	0
Tax on items that may be reclassified	3	-1	6	1	4	-1
	5	-2	-1	4	-33	-28
Total other comprehensive income after tax	5	-2	-1	4	-32	-27
Comprehensive income for the period	113	117	229	279	297	347
Comprehensive income for the period attributable to:						
Parent Company shareholders	109	110	217	257	283	323
Non-controlling interests	4	7	12	22	14	24

STATEMENTS OF FINANCIAL POSITION - SUMMARY

(SEK m)	2016 30-SEP	2015 30-SEP	2015 31-DEC
Assets			
Non-current assets			
Goodwill	689	637	623
Other intangible assets	127	131	132
	816	768	755
Property, plant and equipment	713	535	549
Deferred tax assets	50	45	47
Financial non-current assets	2	1	1
Total non-current assets	1,581	1,349	1,352
Current assets			
Inventories	1,016	928	859
Current receivables	1,076	1,111	844
Cash and cash equivalents	273	253	258
Total current assets	2,365	2,292	1,961
TOTAL ASSETS	3,946	3,641	3,313
Equity and liabilities			
Equity attributable to Parent Company's shareholders	1,474	1,397	1,463
Non-controlling interests	90	81	83
Deferred tax liabilities	64	56	52
Other non-current liabilities	454	262	193
Current liabilities	1,864	1,845	1,522
TOTAL EQUITY AND LIABILITIES	3,946	3,641	3,313
Interest-bearing net debt represents	1,164	918	721
of which convertible debenture loans make up	185	69	69

Pledged assets in acquired companies amount to SEK 35 million; otherwise, the Group's pledged assets and contingent liabilities refer to the most recent annual accounts, as there have been no other major changes during the year.

STATEMENT OF CHANGES IN EQUITY - SUMMARY

(SEK m)	Share capital	Other contributed capital	Other reserves ^{*)}	Profit brought forward	Attributable to the Parent Company's shareholders	Attributable to non-controlling interests	Total equity
SHAREHOLDERS' EQUITY 1 JAN 2015	42	291	-23	915	1,225	63	1,288
Net profit for the period				255	255	20	275
Other comprehensive income			2		2	2	4
COMPREHENSIVE INCOME JAN-SEP 2015			2	255	257	22	279
Dividend				-85	-85	-4	-89
SHAREHOLDERS' EQUITY 30 SEP 2015	42	291	-21	1,085	1,397	81	1,478
Net profit for the period				95	95	4	99
Other comprehensive income			-30	1	-29	-2	-31
COMPREHENSIVE INCOME OCT-DEC 2015			-30	96	66	2	68
Dividend							
SHAREHOLDERS' EQUITY 31 DEC 2015	42	291	-51	1,181	1,463	83	1,546
Net profit for the period				220	220	10	230
Other comprehensive income			-3		-3	2	-1
COMPREHENSIVE INCOME JAN-SEP 2016			-3	220	217	12	229
Dividend				-170	-170		-175
Effect of convertible loan issued KV5B		11			11		11
Repurchase of convertible debentures KV3B				-61	-61		-61
Conversion of convertible debenture loan KV3B	1	13			14		14
SHAREHOLDERS' EQUITY 30 SEP 2016	43	315	-54	1,170	1,474	90	1,564

* Other reserves comprise a translation reserve and a hedging reserve.

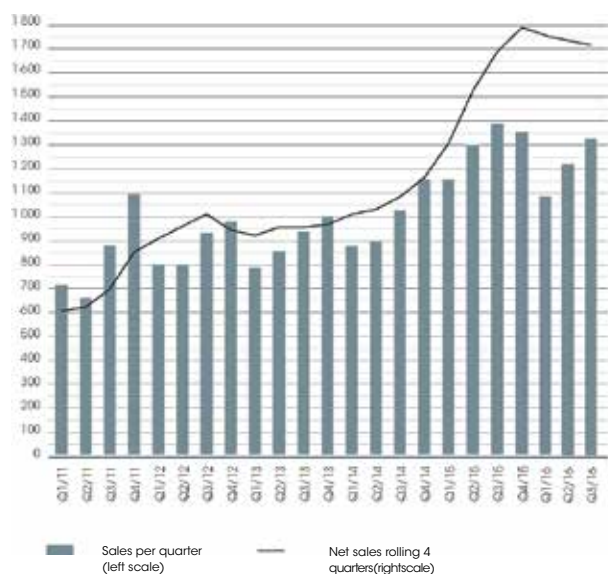
STATEMENTS OF CASH FLOWS - SUMMARY

(SEK m)	3 MONTHS JUL-SEP 2016	3 MONTHS JUL-SEP 2015	9 MONTHS JAN-SEP 2016	9 MONTHS JAN-SEP 2015	ROLLING 12 MONTHS OKT-SEP 2015/2016	FULL YEAR JAN-DEC 2015
Operating profit	147	168	318	386	440	508
Interest paid and received, tax paid and adjustments for items not included in the cash flow	0	-8	-20	-37	-26	-43
Cash flow from operating activities before changes in working capital	147	160	298	349	414	465
Change in working capital						
Change in inventories	-20	-30	-87	-87	-31	-31
Change in operating receivables	-136	-75	-167	-286	106	-13
Change in operating liabilities	67	58	108	192	-94	-10
Cash flow from operating activities	58	113	152	168	395	411
Investing activities						
Acquisition of companies and businesses, note 1	0	0	-161	-56	-161	-56
Other net investments	-69	-26	-133	-55	-188	-110
Cash flow after investing activities	-11	87	-142	57	46	245
Financing activities						
Paid dividend to shareholders	-	-	-170	-85	-170	-85
Paid dividend to non-controlling interests	-5	-4	-5	-4	-5	-4
Repurchase and conversion of convertible debentures KV3B	-	-	-47	-	-47	-
Convertible debentures KV5B	168	-	168	-	168	-
Cash flow from other financing activities	-145	-68	204	157	27	-20
Cash flow for the period	7	15	8	125	19	136
Cash and cash equivalents at the start of the period	261	239	258	124	253	124
Translation differences on cash and cash equivalents	5	-1	7	4	1	-2
Cash and cash equivalents at the end of the period	273	253	273	253	273	258
Cash flow from operating activities per share	0.57	1.15	1.49	1.69	3.84	4.04

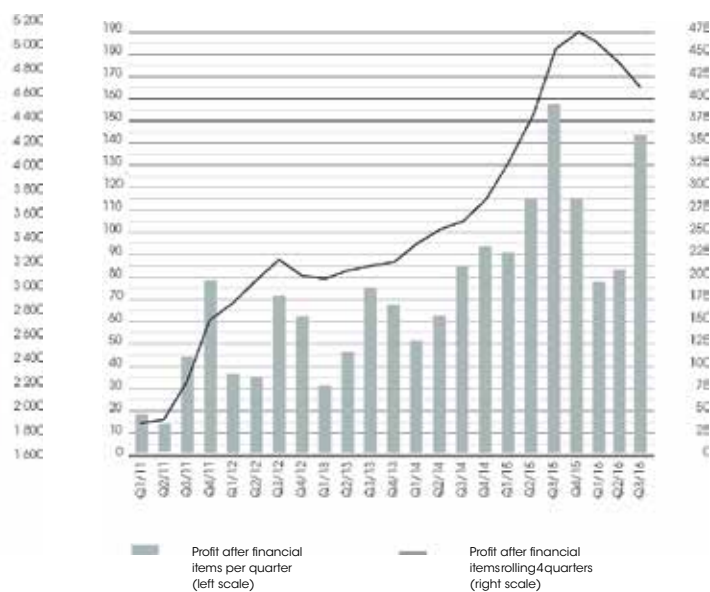
KEY RATIOS

	3 MONTHS JUL-SEP 2016	3 MONTHS JUL-SEP 2015	9 MONTHS JAN-SEP 2016	9 MONTHS JAN-SEP 2015	ROLLING 12 MONTHS OKT-SEP 2015/2016	FULL YEAR JAN-DEC 2015
Operating margin, %	10.9	12.1	8.7	10.1	8.8	9.8
Profit margin, %	10.6	11.3	8.3	9.4	8.3	9.2
Share price at end of period, SEK	79.00	71.00	79.00	71.00	79.00	100.67
Basic earnings per share, SEK	1.01	1.10	2.15	2.51	3.08	3.44
Diluted earnings per share, SEK	1.00	1.08	2.11	2.46	3.02	3.37
Cash flow from operating activities per share, SEK	0.57	1.15	1.49	1.69	3.84	4.04
Number of shares at the end of the period	102,383,430	101,719,230	102,383,430	101,719,230	102,383,430	101,719,230
Balance sheet total, SEK m	3,946	3,641	3,946	3,641	3,946	3,313
Interest-bearing net debt, SEK m	1,164	918	1,164	918	1,164	721
Equity attributable to the Parent Company's shareholders, SEKm	1,474	1,397	1,474	1,397	1,474	1,463
Equity per share, SEK	14.40	13.73	14.40	13.73	14.40	14.38
Equity/assets ratio, %	39.6	40.6	39.6	40.6	39.6	46.7
Share of risk-bearing capital, %	45.9	44.0	45.9	44.0	45.9	50.3
Return on equity, %	29.4	33.4	20.2	26.1	21.9	26.2
Return on capital employed, %	20.8	25.2	16.0	20.3	16.5	20.0
Return on total capital, %	15.9	18.5	12.2	15.1	12.5	15.0
Interest-coverage ratio, multiple	16.2	20.8	14.1	16.7	14.6	16.6
Net investments, SEK m	69	26	294	111	349	166
Net investments (excl. business acquisitions), SEK m	69	26	133	55	188	110
Average number of employees	3,028	2,842	2,938	2,796	2,900	2,829

▼ SALES (SEK m)



▼ PROFIT/LOSS (SEK m)



QUARTERLY FINANCIAL STATEMENTS AND KPIS

(SEK m)	2016 JUL-SEP	2015 JUL-SEP	2016 APR-JUN	2015 APR-JUN	2016 JAN-MAR	2015 JAN-MAR	2015 OKT-DEC	2014 OKT-DEC
Net sales	1,353	1,389	1,209	1,299	1,089	1,151	1,354	1,151
Cost of goods sold	-958	-986	-866	-935	-772	-823	-985	-840
Gross profit	395	403	343	364	317	328	369	311
Selling expenses	-195	-184	-193	-194	-179	-184	-195	-181
Administrating expenses	-55	-54	-56	-54	-55	-56	-57	-63
Other operating income and expenses	2	3	-4	7	-2	7	5	37
Operating profit	147	168	90	123	81	95	122	104
Financial items	-4	-11	-6	-8	-5	-5	-8	-11
Profit after financial items	143	157	84	115	76	90	114	93
Tax expenses	-35	-38	-20	-27	-18	-22	-15	-23
NET PROFIT FOR THE PERIOD	108	119	64	88	58	68	99	70
Net profit for the period attributable to:								
Parent Company shareholders	104	112	60	80	56	63	95	68
Non-controlling interests	4	7	4	8	2	5	4	2
Operating margin, %	10.9	12.1	7.4	9.5	7.4	8.2	9.0	9.0
Basic earnings per share, SEK	1.01	1.10	0.59	0.79	0.55	0.62	0.93	0.66
Diluted earnings per share, SEK	1.00	1.08	0.59	0.77	0.54	0.61	0.91	0.65
Return on equity, %	29.4	33.4	16.8	24.7	15.0	19.9	26.6	22.9
Equity per share, SEK	14.40	13.73	13.22	12.65	14.81	12.83	14.38	12.05
Cash flow from operating activities per share, SEK	0.57	1.15	0.74	0.54	0.18	0.00	2.35	1.64
Share price at end of period, SEK	79.00	71.00	69.25	59.17	85.00	52.17	100.67	43.67

PARENT COMPANY

INCOME STATEMENT - SUMMARY

(SEK m)	3 MTHS	3 MTHS	9 MTHS	9 MTHS	12 MTHS
	JUL-SEP	JUL-SEP	JAN-SEP	JAN-SEP	JAN-DEC
	2016	2015	2016	2015	2015
Net sales ¹⁾	12	9	32	26	40
Cost of goods sold	-2	-3	-9	-8	-10
Gross profit	10	6	23	18	30
Selling expenses	-6	-5	-20	-16	-21
Administrating expenses	-7	-6	-24	-19	-25
Other operating income and expenses	0	-1	3	11	14
Operating profit	-3	-6	-18	-6	-2
Profit from participations in Group companies	39	4	355	153	135
Financial income and expenses	-12	-17	-23	-35	-31
Profit after financial items	24	-19	314	112	102
Year-end appropriations	-	-	-	-	15
Profit before tax	24	-19	314	112	117
Tax expenses for the period	0	-	0	-	4
NET PROFIT FOR THE PERIOD	24	-19	314	112	121
STATEMENT OF OTHER COMPREHENSIVE INCOME					
Net profit for the period	24	-19	314	112	121
Other comprehensive income	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	24	-19	314	112	121

1) 100% of the parent company's net sales comes from subsidiary

BALANCE SHEET - SUMMARY

(SEK m)	2016	2015	2015
	30-SEP	30-SEP	31-DEC
Non-current assets			
Property, plant and equipment	6	1	6
Financial assets	1,480	1,320	1,350
Deferred tax assets	17	13	17
Total non-current assets	1,503	1,334	1,373
Current assets			
Current receivables	625	482	290
Cash and bank balance	0	0	0
Total current assets	625	482	290
TOTAL ASSETS	2,128	1,816	1,663
Equity			
Restricted equity	50	49	49
Non-restricted equity	723	607	616
TOTAL EQUITY	773	656	665
Untaxed reserves	0	0	0
Non-current liabilities	273	69	52
Current liabilities	1,082	1,091	946
TOTAL EQUITY AND LIABILITIES	2,128	1,816	1,663

NOTE 1. ACQUISITION

2016

In April 2016 all the shares in Lichtspiel Lichtprojekte und Design GmbH in Germany were acquired via a subsidiary. Lichtspiel provides sales of lighting systems and lighting plans for the retail sector, primarily in the German market but also in the rest of Central Europe. The company is a sales company with expertise in light planning and design. The acquisition is a stage in the intensification of our marketing activities and reinforces ITAB's position in the German and Central European markets. Through the acquisition, ITAB can offer customers in Germany and Central Europe a combination of local lighting expertise with global sourcing of lighting products. At time of acquisition Lichtspiel's annual turnover was 36 MSEK and the average number of employees was 15. The purchase sum was 22 MSEK cash with an additional purchase sum maximised at 3 MSEK (0.3 MEUR) based on the company's profits in 2016. Final liquidity will be regulated in 2017 and expenses in conjunction with the acquisition are recognised as costs. The acquisition has a marginally positive effect on the earnings per share. The acquisition was incorporated as of 1st April 2016.

In May 2016 all the shares in MB Shop and Design AB in Hillerstorp, Sweden were acquired. The MB Shop Design group consists of 3 wholly owned and 1 part owned company (91%). MB shop Design conducts production in metal and wood, stockholding and sales of concept interiors for the retail sector in the Swedish and Danish markets. Through this acquisition, ITAB is strengthening its expertise and market position within concept sales in the Scandinavian market. The acquisition is in line with the Group's continued focus on sales of holistic concepts to the retail sector. MB Shop Design had a turnover of 140 MSEK in 2015 and has 75 employees. The acquisition is estimated to have a positive effect of 0.15 SEK on earnings per share. The purchase sum was 106 MSEK, of which 98 was regulated at the time of purchase. Final liquidity will be regulated during Autumn 2016 and expenses in conjunction with the acquisition are recognised as costs. The acquisition was incorporated as of 1st May 2016.

In May 2016 ITAB acquired 97.1% of the shares in Pikval Group Oy in Finland with subsidiaries in Finland, Sweden and Norway. Pikval Group conducts production in metal and wood, stockholding and sales as well as project management of concept interiors for the retail sector, primarily in the Finnish but also in the Scandinavian markets. Through this acquisition, ITAB is strengthening its expertise and market position within concept sales primarily in the Finnish market. The acquisition is in line with the Group's continued focus on sales of holistic concepts to the retail sector. Pikval Group had a turnover of 160 MSEK in 2015 and has 100 employees. The acquisition is estimated to have a positive effect of 0.1 SEK on earnings per share. The purchase sum was equivalent to 60 MSEK on a debt free basis. The direct cash flow effect from the acquisition amounted to 27 MSEK. Expenses in conjunction with the acquisition are recognised as costs. The acquisition was incorporated as of 1st May 2016.

The three companies are not significant on their own, which is why they are reported jointly below. The acquisition analyses are preliminary because the assets in the acquired companies have not been conclusively analysed. Acquired net assets to estimated fair value at the time of acquisition amounted to 157 MSEK of which 58 MSEK was goodwill. Goodwill comprises primarily of synergy effects in product supply, staff, and a stronger market position. In 2016, net investments included acquired cash and cash equivalents of 4 MSEK and additional cash and cash equivalents from acquisitions in 2015 of 19 MSEK.

Acquisitions total	Fair value
Net identifiable assets and liabilities	99
Group goodwill	58
Purchase sum incl. estimated conditional purchase sum	157
Unregulated purchase sum and calculated additional purchase sum	-11
Cash and cash equivalents in the acquired companies	-4
Impact for the year on the Group's cash and cash equivalents	142

2015

At the start of 2015, 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 wood-based 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 turned over 105 MSEK in 2014 and the average number of employees at the time of the acquisition was 97.

The purchase sum was 60 MSEK cash with an additional purchase sum based on the company's profits over the next two years. Final liquidity will be regulated in 2017 and expenses in conjunction with the acquisition are recognised as costs. The acquisitions were incorporated as of 1 January 2015. Acquired net assets to estimated fair value at the time of acquisition amounted to 100 MSEK of which 82 MSEK was goodwill. Goodwill comprises primarily of synergy effects in product supply, staff, customer contacts of strategic significance and a market leading position in select markets. In 2015, net investments included acquired cash and cash equivalents of 7 MSEK and additional cash and cash equivalents from acquisitions in 2013 and 2014 of 3 MSEK.

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

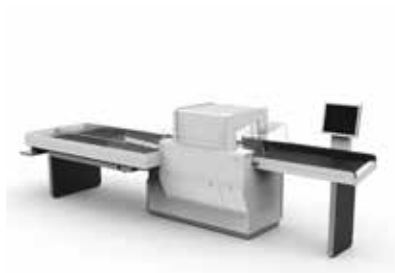
- Market presence
- ITAB Offices/Production

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 28 countries and 22 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.

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.

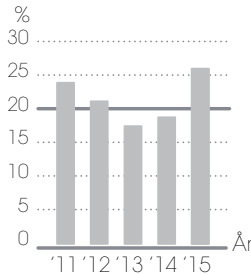


▲ ITAB Shop Concept is a leader in the market for retail checkouts in Europe and is also one of Europe's largest suppliers of shop fittings and lighting systems.

ITAB'S FINANCIAL TARGETS

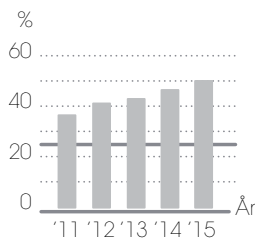
RETURN ON EQUITY

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



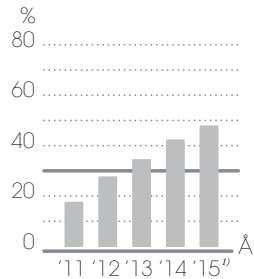
RISK-BEARING CAPITAL

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 at least 30% 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 Stockholm
Mid Cap list
- ▶ TICKER SYMBOL
ITAB B
- ▶ TRADING LOT
1 share
- ▶ SECTOR CLASSIFICATION
Industrial Goods
& Services
- ▶ ISIN CODE
SE0008375117
- ▶ SHARE PRICE ON
THE BALANCE SHEET DATE
SEK 79 (71)

From 26 May 2016, shares in ITAB Shop Concept AB (publ) are traded following the 3:1 split.

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 32% in 2015. Over the past five years, average growth was about 12% per year.

▶ GOALS

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

▶ REALISATION

ITAB retained its leading position in Northern Europe during 2015. As part of its work of following major customers into new markets, ITAB now has operations in the USA, Asia, Chile, India and Brazil. After the acquisition of La Fortezza Group, ITAB will have a leading position in Europe.

▶ 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.

Review report

ITAB Shop Concept AB (publ), corporate identity number 556292-1089

To the Board of ITAB Shop Concept AB (publ)

Introduction

We have reviewed the condensed interim report for ITAB Shop Concept AB (publ) as at September 30, 2016 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Jönköping, November 2, 2016

Ernst & Young AB

Stefan Engdahl

Authorized Public Accountant

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 in Swedish at 12 pm on 12 July 2016.



ITAB Shop Concept AB (publ)
Box 9054
SE-550 09 Jönköping
Instrumentvägen 2 (Visiting address)
Corp.reg.no. 556292-1089
Tel. +46 (0)36-31 73 00
ir@itab.se / info@itab.se
www.itab.se

FINANCIAL INFORMATION

Year-end report 2016	7 februari 2017
Interim report Jan-Mar 2017	9 maj 2017
Annual General Meeting 2017	9 maj 2017
Interim report Jan-Jun 2017	12 juli 2017
Interim report Jan-Sep 2017	1 november 2017
Year-end report 2017	6 februari 2018