

# ITAB

YEAR-END REPORT  
JANUARY - DECEMBER 2015

## Q4

---

### JANUARY – DECEMBER 2015

- ▶ Income amounted to SEK 5,193 million (3,938)
- ▶ Operating profit amounted to SEK 508 million (325)
- ▶ Profit after financial items amounted to SEK 476 million (288)
- ▶ Profit after tax amounted to SEK 374 million (218)
- ▶ Earnings per share amounted to SEK 10.32 (6.03)
- ▶ Cash flow from operating activities amounted to SEK 411 million (277)
- ▶ The company's net debt was SEK 721 million (880)
- ▶ The Board propose a dividend of SEK 5.00 per share (2.50)

### OCTOBER – DECEMBER 2015

- ▶ Income amounted to SEK 1,354 million (1,151)
- ▶ Operating profit amounted to SEK 122 million (104)
- ▶ Profit after financial items amounted to SEK 114 million (93)
- ▶ Profit after tax amounted to SEK 99 million (70)
- ▶ Earnings per share amounted to SEK 2.80 (1.99)
- ▶ Cash flow from operating activities amounted to SEK 243 million (166)
- ▶ The company's net debt was SEK 721 million (880)

### 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 year, both in terms of sales and earnings. The acquired operations have been integrated in the Group and have continued to generate growth in volume and profitability. The acquisitions, alongside other growth, have provided good opportunities for synergy effects in the Group. 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.



During the year, currency-adjusted sales increased by 25% compared to last year, and profit after financial items increased by 65%.

During the final quarter of the year, the Group's positive sales growth has continued and currency-adjusted sales increased by 14%. Profit after financial items increased by 23% during the quarter.

Sales have developed positively in all markets except for Central Europe, which has developed on par with last year. 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 trend. We have advanced our market position from a strategic perspective, with several of our customers choosing to use a larger proportion of our all-inclusive offer in order to achieve a more efficient establishment process, which is in line with our business concept of offering complete shop concepts.

The earnings trend is primarily due to increased sales volumes, increased capacity in the Group's production facilities and synergy effects in conjunction with acquisitions. The improvement in earnings can also be ascribed to the long-term rationalisation work being implemented in the Group.

## MARKETING ACTIVITIES

There continues to be considerable interest in our self-checkout concept, as it provides the conditions for streamlining and cost savings in stores. Several MoveFlow and TwinFlow installations were conducted during the period in major chains around Europe.

During the year, 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 in the American market. For us, this agreement confirms the potential we see in our self-checkout solutions. We have jointly initiated intensive marketing work in the European and American markets.

Through our partnership agreement with Toshiba, we will be supplying a back-office test of EasyFlow to the Carrefour supermarket chain in Spain. The back-office test means that Carrefour is choosing to conduct a test installation outside of the store environment in order to evaluate the system.

At the start of 2016, working alongside Toshiba, we participated with our self-checkout concept at NRF in New York, a major trade fair for technical solutions in the retail sector. Here we had the opportunity to present our products to the American market, the world's largest market for self-checkout solutions.

## STRATEGIC APPROACH

At the start of the year, we acquired JPD in Latvia. This acquisition 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.

Auchan has opened its flagship store in Paris, with ITAB supplying self-checkout solutions. This is the largest self-checkout arena in Europe. The French market is one of the largest markets in Europe for self-checkout solutions, and Auchan is one of Europe's largest retail chains with around 3,000 stores. According to Auchan, half of the customers in the store opt for the self-checkouts, and savings to date amount to around 30%. At the end of the year, we started establishing a company in France, with the aim of strengthening our position on the French market.

## 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 and retain our profit level. 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. 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. ITAB's global presence is becoming even more important, as several of our customers are expanding into larger parts of the world. We currently enjoy a financial position that provides good opportunities for continued expansion in the future.

*"ITAB's global presence is becoming even more important, as several of our customers are expanding into larger parts of the world. We currently enjoy a financial position that provides good opportunities for continued expansion in the future."*

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 February 2016

A handwritten signature in black ink, reading "Ulf Rostedt". The signature is written in a cursive, flowing style.

Ulf Rostedt,  
Managing Director & CEO  
ITAB Shop Concept AB

## 2015 OVERVIEW

### Tord Johansson (1955-2015)

Tord Johansson, founder and one of ITAB's main owners passed away suddenly on 10 October at the age of 60. Tord has always been highly engaged in the business of the Group. With his strategic and industrial expertise, he has been of great importance for the development of the company. He had a unique ability

to engage excellent managers and employees around him. One of his great abilities was to create strong and skilled corporate managers, which he allowed to grow into their roles. Tord was a true entrepreneur and we will continue to run the companies in his spirit.



### SUMMARY 2015

- ▶ Sales rose 32 % to SEK 5,193 million (3,938)
- ▶ Operating profit rose 56 % to SEK 508 million (325)
- ▶ Profit after financial items rose 65 % to SEK 476 million (288)
- ▶ Earnings per share rose 71 % to SEK 10.32 (6.03)

### SUMMARY Q4

- ▶ Sales rose 18 % to SEK 1,354 million (1,151)
- ▶ Operating profit rose 17 % to SEK 122 million (104)
- ▶ Profit after financial items rose 23 % to SEK 114 million (93)
- ▶ Earnings per share rose 41 % to SEK 2.80 (1.99)

### IMPORTANT EVENTS 2015

- ▶ ITAB has acquired JPD in Latvia. JPD reported sales of SEK 105 million in 2014 and 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.

- ▶ 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.

### ITAB GROUP IN FIGURES

	3 MONTHS OCT-DEC 2015	3 MONTHS OCT-DEC 2014	FULL YEAR JAN-DEC 2015	FULL YEAR JAN-DEC 2014
Net sales, SEK m	1,354	1,151	5,193	3,938
Operating profit, SEK m	122	104	508	325
Operating margin, %	9.0	9.0	9.8	8.3
Profit after net financial items, SEK m	114	93	476	288
Profit margin, %	8.4	8.0	9.2	7.3
Net profit after tax, SEK m	99	70	374	218
Earnings per share, SEK	2.80	1.99	10.32	6.03
Equity per share, SEK	43.15	36.14	43.15	36.14
Return on equity, %	26.6	22.9	26.2	18.8
Portion of risk-bearing capital, %	50.3	46.2	50.3	46.2
Cash flow from operating activities, SEK m	243	166	411	277
Average no. employees	2,892	2,552	2,829	2,441

## JANUARY - DECEMBER

**Net sales and income**

Consolidated net sales amounted to SEK 5,193 million (3,938), representing an increase of 32 %. The Group's currency-adjusted net sales figures have risen by 25 % during the period compared to last year. Sales growth was better than in the previous year in all market except Central Europe which has been developed on par with last year. Sales of lighting systems surpassed last year's figure.

The Group's operating profit amounted to SEK 508 million (325), an increase of 56 % 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 721 million (880). The Group's cash and cash equivalents, including undrawn committed credit facilities, amounted to SEK 630 million (442) on closing day. The equity/assets ratio was 47 % (42). Cash flow from operating activities amounted to SEK 411 million (277). The improved cash flow is primarily due to the earnings trend and improved capital utilisation.

**Investments**

The Group's net investments amounted to SEK 166 million (172), of which SEK 56 million (92) 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 9.

**Employees**

The average number of employees at the end of the period was 2,829 (2,441).

**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 40 million (41) and profit after financial items to SEK 102 million (2).

## OCTOBER - DECEMBER

**Net sales and income**

Consolidated net sales during fourth quarter amounted to SEK 1,354 million (1,151), representing an increase of 18 %. The Group's operating profit amounted to SEK 122 million (104), an increase of 17 %.

**Investments**

The Group's net investments amounted to SEK 55 million (122), of which SEK 0 million (89) are attributable to acquisition.

**Employees**

The average number of employees at the end of the period was 2,892 (2,552).

**Parent Company**

The Parent Company's net sales amounted to SEK 14 million (9) and profit after financial items to SEK -10 million (-52).

## 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 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.

**Dividend policy**

The Board has decided to change ITABs' dividend policy. The previous wording was that dividends to shareholders would, over an extended period, follow the company's profits and correspond to 20-40 per cent of the company's profit after tax. The new policy states that dividends to shareholders will over an extended period follow the company's profits and correspond to at least 30 per cent of the company's profit after tax. Dividends will, however, be adjusted to the company's investment needs and share repurchase schemes when relevant. The Board propose a dividend of SEK 5.00 per share for the financial year 2015.

**Next reporting date**

The year-end report for the period January through March 2016 will be presented on Wednesday 11 May 2016.

This interim report has not been subject to a general review by the company's auditor.

# THE GROUP

## INCOME STATEMENT - SUMMARY

(SEK m)	3 MONTHS OCT-DEC 2015	3 MONTHS OCT-DEC 2014	FULL YEAR JAN-DEC 2015	FULL YEAR JAN-DEC 2014
Net sales	1 354	1 151	5 193	3 938
Cost of goods sold	-985	-840	-3 729	-2 827
<b>Gross profit</b>	<b>369</b>	<b>311</b>	<b>1 464</b>	<b>1 111</b>
Selling expenses	-195	-181	-757	-595
Administrating expenses	-57	-63	-221	-207
Other operating income and expenses <sup>1)</sup>	5	37	22	16
<b>Operating profit</b>	<b>122</b>	<b>104</b>	<b>508</b>	<b>325</b>
Financial income	1	1	3	3
Financial expenses	-9	-12	-35	-40
<b>Profit after financial items</b>	<b>114</b>	<b>93</b>	<b>476</b>	<b>288</b>
Tax expenses	-15	-23	-102	-70
<b>NET PROFIT FOR THE PERIOD</b>	<b>99</b>	<b>70</b>	<b>374</b>	<b>218</b>
Profit for the period attributable to:				
Parent Company shareholders	95	68	350	204
Non-controlling interests	4	2	24	14
Depreciation/amortisation for the period	22	22	88	83
Tax expense for the period amounts to	13%	25%	22%	24%
Earnings per share				
basic, SEK	2.80	1.99	10.32	6.03
diluted, SEK	2.74	1.95	10.11	5.92
Average number of outstanding shares <sup>2)</sup>				
basic (thousands)	33 906	33 906	33 906	33 906
diluted (thousands)	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 OCT-DEC 2015	3 MONTHS OCT-DEC 2014	FULL YEAR JAN-DEC 2015	FULL YEAR JAN-DEC 2014
<b>Net profit for the period</b>	<b>99</b>	<b>70</b>	<b>374</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	1	-3	1	-3
Tax on items that will not be reclassified	0	1	0	1
	1	-2	1	-2
<b>Items that may be reclassified to the income statement</b>				
Translation differences	-40	28	-32	86
Hedging of net investments, net	5	-4	5	-7
Cash flow hedges, net	5	4	0	7
Tax on items that may be reclassified	-2	0	-1	0
	-32	28	-28	86
<b>Total other comprehensive income after tax</b>	<b>-31</b>	<b>26</b>	<b>-27</b>	<b>84</b>
<b>Comprehensive income for the period</b>	<b>68</b>	<b>96</b>	<b>347</b>	<b>302</b>
Comprehensive income for the period attributable to:				
Parent Company shareholders	66	90	323	279
Non-controlling interests	2	6	24	23

## STATEMENTS OF FINANCIAL POSITION - SUMMARY

(SEK m)	2015 31 DEC	2014 31 DEC
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	623	552
Other intangible assets	132	125
	<b>755</b>	<b>677</b>
Property, plant and equipment	549	546
Deferred tax assets	47	47
Financial non-current receivables	1	2
<b>Total non-current assets</b>	<b>1 352</b>	<b>1 272</b>
<b>Current assets</b>		
Inventories	859	821
Current receivables	844	826
Cash and cash equivalents	258	124
<b>Total current assets</b>	<b>1 961</b>	<b>1 771</b>
<b>TOTAL ASSETS</b>	<b>3 313</b>	<b>3 043</b>
<b>Equity and liabilities</b>		
Equity attributable to Parent Company's shareholders	1 463	1 225
Non-controlling interests	83	63
Deferred tax liability	52	49
Other non-current liabilities	163	195
Current liabilities	1 552	1 511
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 313</b>	<b>3 043</b>
Interest-bearing net debt represents	721	880
of which convertible debenture loans make up	69	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	Other reserves <sup>1)</sup>	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				204	204	14	218
Other comprehensive income			77	-2	75	9	84
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>			<b>77</b>	<b>202</b>	<b>279</b>	<b>23</b>	<b>302</b>
Dividend				-51	-51	-6	-57
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				350	350	24	374
Other comprehensive income			-28	1	-27	0	-27
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>			<b>-28</b>	<b>351</b>	<b>323</b>	<b>24</b>	<b>347</b>
Dividends				-85	-85	-4	-89
<b>EQUITY 31 DECEMBER 2015</b>	<b>42</b>	<b>291</b>	<b>-51</b>	<b>1 181</b>	<b>1 463</b>	<b>83</b>	<b>1 546</b>

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

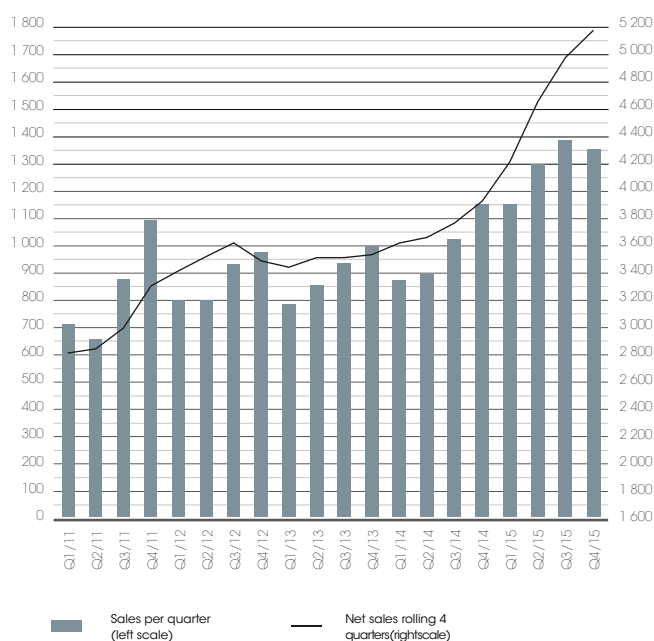
## STATEMENTS OF CASH FLOWS - SUMMARY

(SEK m)	3 MONTHS OCT-DEC 2015	3 MONTHS OCT-DEC 2014	FULL YEAR JAN-DEC 2015	FULL YEAR JAN-DEC 2014
<b>Operating profit</b>	<b>122</b>	<b>104</b>	<b>508</b>	<b>325</b>
Interest paid and received, tax paid and adjustments for items not included in the cash flow	-5	-50	-42	-67
<b>Cash flow from operating activities before changes in working capital</b>	<b>117</b>	<b>54</b>	<b>466</b>	<b>258</b>
<b>Change in working capital</b>				
Change in inventories	56	55	-31	0
Change in operating receivables	272	196	-13	41
Change in operating liabilities	-203	-139	-11	-22
<b>Cash flow from operating activities</b>	<b>243</b>	<b>166</b>	<b>411</b>	<b>277</b>
<b>Investing activities</b>				
Acquisition of companies and businesses, note 1	0	-89	-56	-92
Other net investments	-55	-33	-110	-80
<b>Cash flow after investing activities</b>	<b>188</b>	<b>44</b>	<b>245</b>	<b>105</b>
<b>Financing activities</b>				
Paid dividend to shareholders	0	0	-85	-51
Paid dividend to non-controlling interests	0	-4	-4	-6
Cash flow from other financing activities	-177	-90	-20	-91
<b>Cash flow for the period</b>	<b>11</b>	<b>-50</b>	<b>136</b>	<b>-43</b>
Cash and cash equivalents at the start of the period	253	165	124	142
Translation differences on cash and cash equivalents	-6	9	-2	25
<b>Cash and cash equivalents at the end of the period</b>	<b>258</b>	<b>124</b>	<b>258</b>	<b>124</b>
<b>Cash flow from operating activities per share</b>	<b>7.04</b>	<b>4.91</b>	<b>12.12</b>	<b>8.18</b>

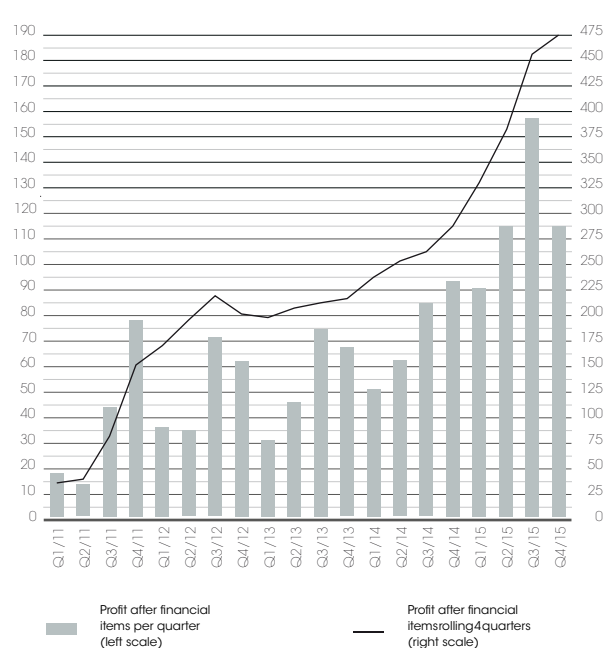
## KEY RATIOS

	3 MONTHS OCT-DEC 2015	3 MONTHS OCT-DEC 2014	FULL YEAR JAN-DEC 2015	FULL YEAR JAN-DEC 2014
Operating margin, %	9.0	9.0	9.8	8.3
Profit margin, %	8.4	8.0	9.2	7.3
Share price at end of period, SEK	302.00	131.00	302.00	131.00
Basic earnings per share, SEK	2.80	1.99	10.32	6.03
Diluted earnings per share, SEK	2.74	1.95	10.11	5.92
Cash flow from operating activities per share, SEK	7.04	4.91	12.12	8.18
Balance sheet total, SEK m	3,313	3,043	3,313	3,043
Interest-bearing net debt, SEK m	721	880	721	880
Equity attributable to the Parent Company's shareholders, SEKm	1,463	1,225	1,463	1,225
Equity per share, SEK	43.15	36.14	43.15	36.14
Equity/assets ratio, %	46.7	42.3	46.7	42.3
Portion of risk-bearing capital, %	50.3	46.2	50.3	46.2
Return on equity, %	26.6	22.9	26.2	18.8
Return on capital employed, %	20.8	19.6	22.8	16.0
Return on total assets, %	13.9	13.4	15.0	11.3
Interest-coverage ratio, multiple	16.4	11.5	16.6	9.9
Net investments, SEK m	55	122	166	172
Net investments (excl. business acquisitions), SEK m	55	33	110	80
Average number of employees	2,892	2,552	2,829	2,441

▼ SALES (SEK m)



▼ PROFIT/LOSS (SEK m)



QUARTERLY FINANCIAL STATEMENTS AND KPIS

(SEK m)	2015 OCT-DEC	2014 OCT-DEC	2015 JUL-SEP	2014 JUL-SEP	2015 APR-JUN	2014 APR-JUN	2015 JAN-MAR	2014 JAN-MAR
Net sales	1 354	1 151	1 389	1 025	1 299	899	1 151	863
Cost of goods sold	-985	-840	-986	-732	-935	-637	-823	-618
<b>Gross profit</b>	<b>369</b>	<b>311</b>	<b>403</b>	<b>293</b>	<b>364</b>	<b>262</b>	<b>328</b>	<b>245</b>
Selling expenses	-195	-181	-184	-141	-194	-140	-184	-133
Administrating expenses	-57	-63	-54	-48	-54	-48	-56	-48
Other operating income and expenses	5	37	3	-9	7	-6	7	-6
<b>Operating profit</b>	<b>122</b>	<b>104</b>	<b>168</b>	<b>95</b>	<b>123</b>	<b>68</b>	<b>95</b>	<b>58</b>
Financial items	-8	-11	-11	-11	-8	-7	-5	-8
<b>Profit after financial items</b>	<b>114</b>	<b>93</b>	<b>157</b>	<b>84</b>	<b>115</b>	<b>61</b>	<b>90</b>	<b>50</b>
Tax expenses	-15	-23	-38	-20	-27	-15	-22	-12
<b>NET PROFIT FOR THE PERIOD</b>	<b>99</b>	<b>70</b>	<b>119</b>	<b>64</b>	<b>88</b>	<b>46</b>	<b>68</b>	<b>38</b>
Net profit for the period attributable to:								
Parent Company shareholders	95	68	112	60	80	42	63	34
Non-controlling interests	4	2	7	4	8	4	5	4
Operating margin, %	9,0	9,0	12,1	9,3	9,5	7,6	8,2	6,8
Basic earnings per share, SEK	2,80	1,99	3,30	1,76	2,36	1,25	1,86	1,02
Diluted earnings per share, SEK	2,74	1,95	3,24	1,73	2,31	1,23	1,82	1,01
Return on equity, %	26,6	22,9	33,4	22,0	24,7	16,4	19,9	13,6
Equity per share, SEK	43,15	36,14	41,19	33,49	37,94	30,78	38,50	30,35
Cash flow from operating activities per share	7,04	4,91	3,45	1,90	1,62	1,96	0,00	-0,60



# PARENT COMPANY

## INCOME STATEMENT - SUMMARY

(SEK m)	3 MTHS	3 MTHS	12 MTHS	12 MTHS
	OCT-DEC	OCT-DEC	JAN-DEC	JAN-DEC
	2015	2014	2015	2014
Net sales <sup>1)</sup>	14	9	40	41
Cost of goods sold	-2	-3	-10	-10
<b>Gross profit</b>	<b>12</b>	<b>6</b>	<b>30</b>	<b>31</b>
Selling expenses	-5	-7	-21	-22
Administrating expenses	-6	-8	-25	-25
Other operating income and expenses	3	-4	14	-9
<b>Operating profit</b>	<b>4</b>	<b>-13</b>	<b>-2</b>	<b>-25</b>
Profit from participations in Group companies	-18	-1	135	112
Financial income and expenses	4	-38	-31	-85
<b>Profit after financial items</b>	<b>-10</b>	<b>-52</b>	<b>102</b>	<b>2</b>
Year-end appropriations	15	56	15	56
<b>Profit before tax</b>	<b>5</b>	<b>4</b>	<b>117</b>	<b>58</b>
Tax expenses for the period	4	12	4	12
<b>NET PROFIT FOR THE PERIOD</b>	<b>9</b>	<b>16</b>	<b>121</b>	<b>70</b>
Other comprehensive income	-	-	-	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>9</b>	<b>16</b>	<b>121</b>	<b>70</b>

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

## BALANCE SHEET - SUMMARY

(SEK m)	2015	2014
	31 DEC	31 DEC
<b>Non-current assets</b>		
Property, plant and equipment	6	1
Financial assets	1 350	1 164
Deferred tax assets	17	13
<b>Total non-current assets</b>	<b>1 373</b>	<b>1 178</b>
<b>Current assets</b>		
Current receivables	290	412
Cash and bank balance	0	0
<b>Total current assets</b>	<b>290</b>	<b>412</b>
<b>TOTAL ASSETS</b>	<b>1 663</b>	<b>1 590</b>
Equity		
Restricted equity	49	49
Non-restricted equity	616	580
<b>TOTAL EQUITY</b>	<b>665</b>	<b>629</b>
Untaxed reserves	0	0
Non-current liabilities	52	79
Current liabilities	947	882
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 663</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 time of acquisition it was considered 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

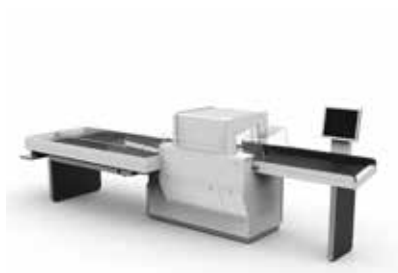
- Market presence
- ITAB Offices/Production

## 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 22 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.

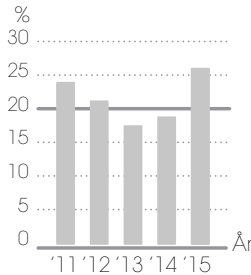


▲ ITAB Shop Concept is a leader in the market for retail checkouts in Europe and is also one of Europe's largest suppliers of shop fittings and lighting systems.

## ITAB'S FINANCIAL TARGETS

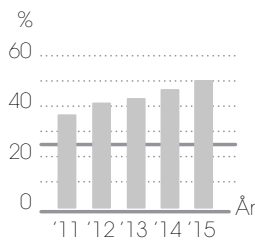
### RETURN ON EQUITY

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



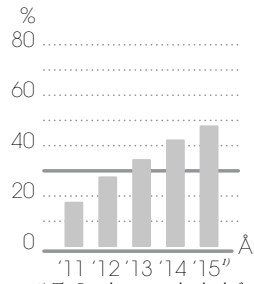
### RISK-BEARING CAPITAL

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 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.



1) The Board propose a dividend of SEK 5.00 per share for the financial year 2015.

## SHARE INFORMATION

- ▶ LISTING  
Nasdaq 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 302 (131)

## 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 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 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. At the end of 2015, we also started the establishing of a company in France.

### ▶ 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.

# Annual General Meeting 2016

The Annual General Meeting will be held on Wednesday 11 May 2016, at 5 p.m. at Kulturhuset Spira, Kulturgatan 3 in Jönköping. The annual report for 2015 will be available in mid-April at ITAB Shop Concept's head office and in digital format on the website [www.itab.se](http://www.itab.se). The annual report together with the material for the AGM will simultaneously be sent by post to shareholders.

## Proposal for dividend

The Board proposes to the Annual General Meeting a dividend of SEK 5.00 per share for the financial year 2015. Total dividend amounts to SEK 169.5 million based on the number of shares at the end of the financial year.

## Authorisation of repurchase of company shares

The Board will propose the Annual General Meeting to provide the Board with a renewed mandate to decide on share repurchases. Such a mandate would allow the Board to resolve on repurchasing of company shares up until the next Annual General Meeting. Any such repurchase may take place via the stock exchange or through offers to shareholders. The Board's mandate would include the option to transfer repurchased shares within the framework of the law.

## Authorisation of new share issue

The Board of Directors will propose that the AGM grants the Board renewed authorisation to make decisions regarding the new issue of class B shares amounting to at most one-tenth of the company's issued shares. Such a mandate would allow the Board to resolve on new share issues up until the next AGM. The terms and conditions of an issue, including the issue price, will be based on a market evaluation in which the issue price in each case is set as close to the market value as possible, less any discount that may be required to generate interest in the offering.

## Nomination Committee

At the 2015 AGM, a Nomination Committee was appointed comprising Anders Rudgård as chairman, Fredrik Rapp och Johan Storm. The Nomination Committee's task for the 2016 AGM is to propose candidates for Chairman of the Board and Board members, for the post of meeting chairman and auditors, as well as fees and other remuneration for the Board and auditors.

Jönköping 9th of February 2016

ITAB Shop Concept AB (publ)

The Board of Directors



As from Q1 2016, ITAB will no longer be sending out interim reports or year-end reports automatically. In future, the reports will be sent by e-mail to those who register their e-mail address at [ir@itab.se](mailto:ir@itab.se). In order to receive the reports in paper format, submit your postal address to [ir@itab.se](mailto:ir@itab.se) or on tel. +46 (0)36-31 73 00.

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 12.30 pm on 9 February 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](mailto:ir@itab.se) / [info@itab.se](mailto:info@itab.se)  
[www.itab.se](http://www.itab.se)

## FINANCIAL INFORMATION

Interim report Jan-Mar	11 May 2016
Annual General Meeting	11 May 2016
Interim report Jan-Jun	12 July 2016
Interim report Jan-Sep	2 November 2016
Year-end report 2016	7 February 2017