

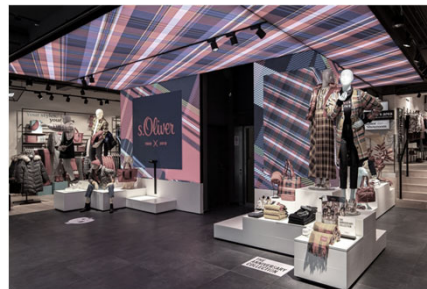
ITAB

Welcome to
ITAB





**We are what we create
together with our customers**



Grocery

SEK 3,053 million

Year: 2019





Home improvements

SEK 913 million

Year: 2019





ITAB

Fashion

SEK 824 million

Year: 2019



PANDORA™
MARKS & SPENCER





Other
SEK 1,274 million

Year: 2019



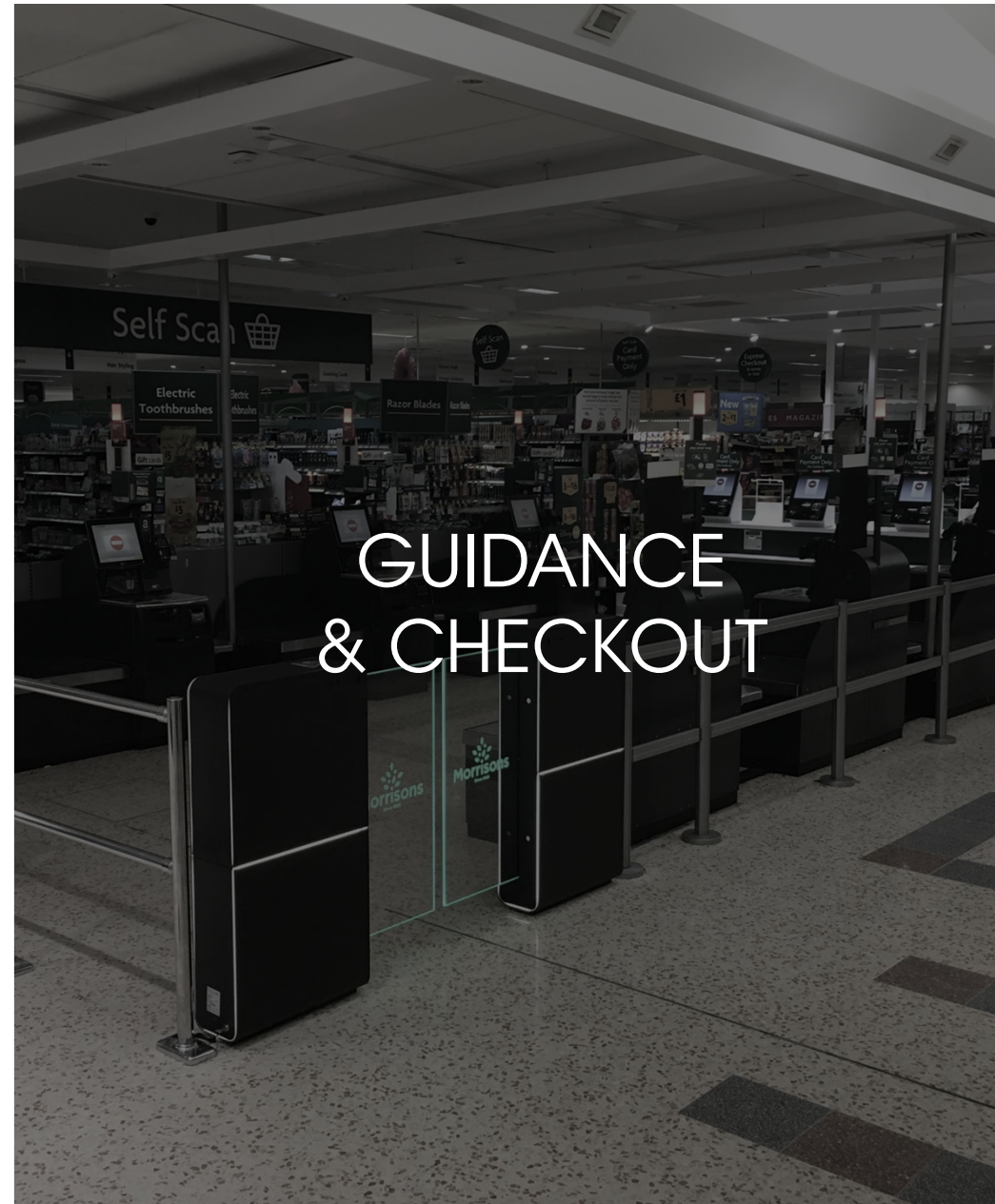


INTERIOR

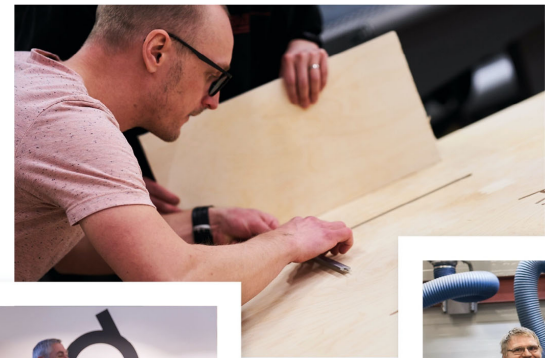
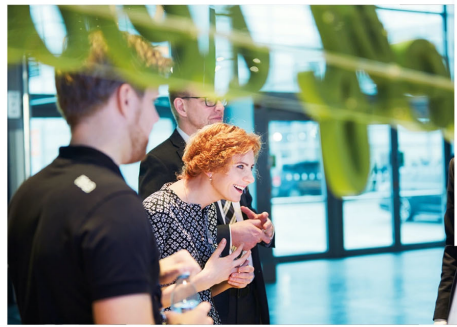
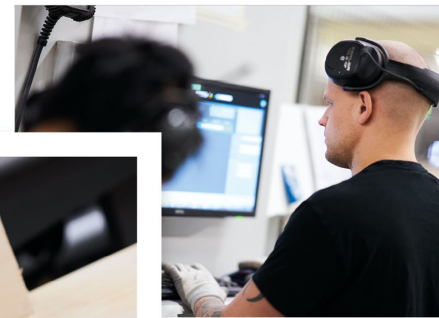
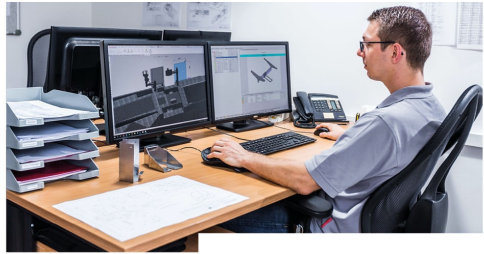
We **co-create** consumer convenience and inspiration



LIGHTING



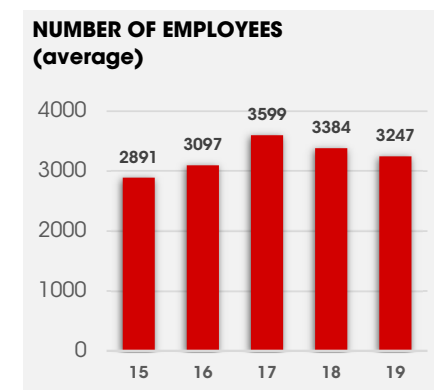
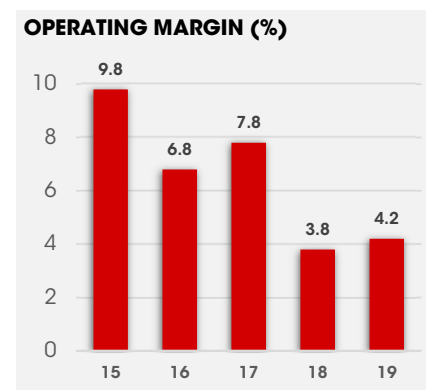
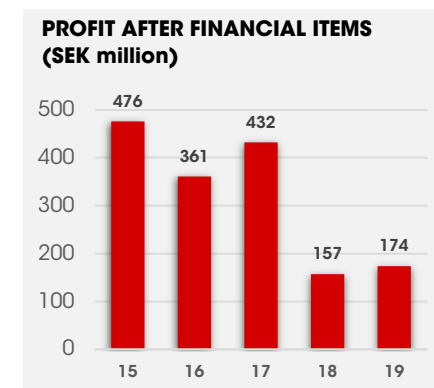
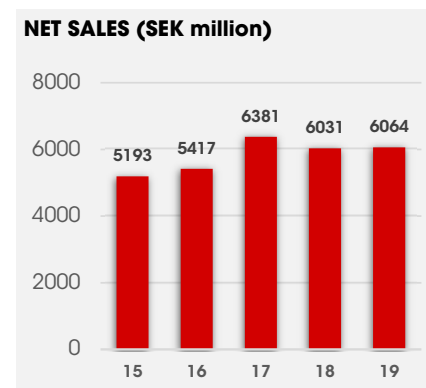
GUIDANCE & CHECKOUT



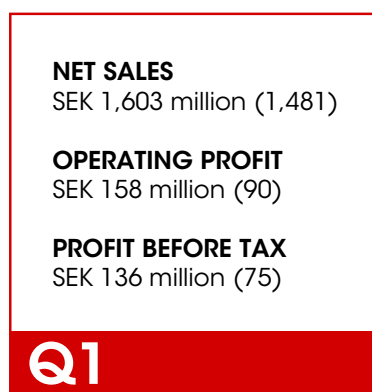
ITAB in 2019

ITAB FINANCIAL PERFORMANCE 2019

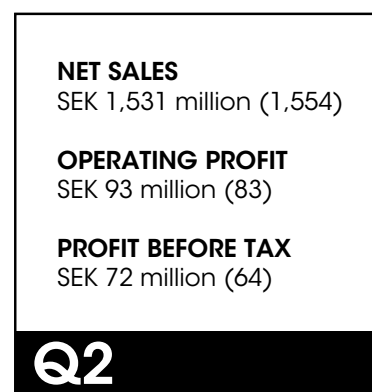
- ▶ **Net sales**
increased 1% SEK 6,064 million (6,031)
- ▶ **Profit after financial items**
increased 11% SEK 174 million (157)
- ▶ **Earnings per share**
increased 33 % SEK 1,17 kr (0,88)
- ▶ **Cash flow from operating activities**
decreased to SEK 478 million (500).
- ▶ **Interest-bearing net debt**
excl. IFRS16 Leases decreased SEK 1,755 million (2,104)



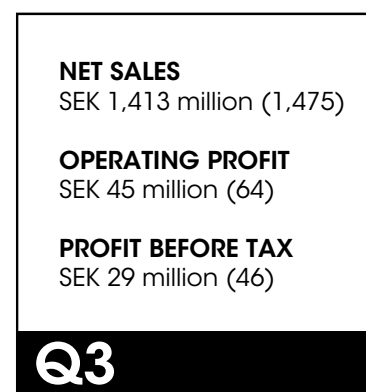
ITAB QUARTERLY PERFORMANCE 2019



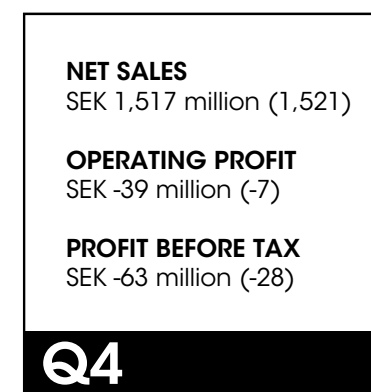
- ▶ Strong quarter. Sales all-time high
- ▶ The result was positively impacted by non-recurring items SEK 39 million (repayment of purchase price)



- ▶ The result was positively impacted by SEK 36 million in profits mostly from sale of properties.
- ▶ Important agreements were signed with Megamark Group and Circle K.



- ▶ New CEO
- ▶ A new five-year bank contract was signed with Nordea, to the amount of MEUR 200.



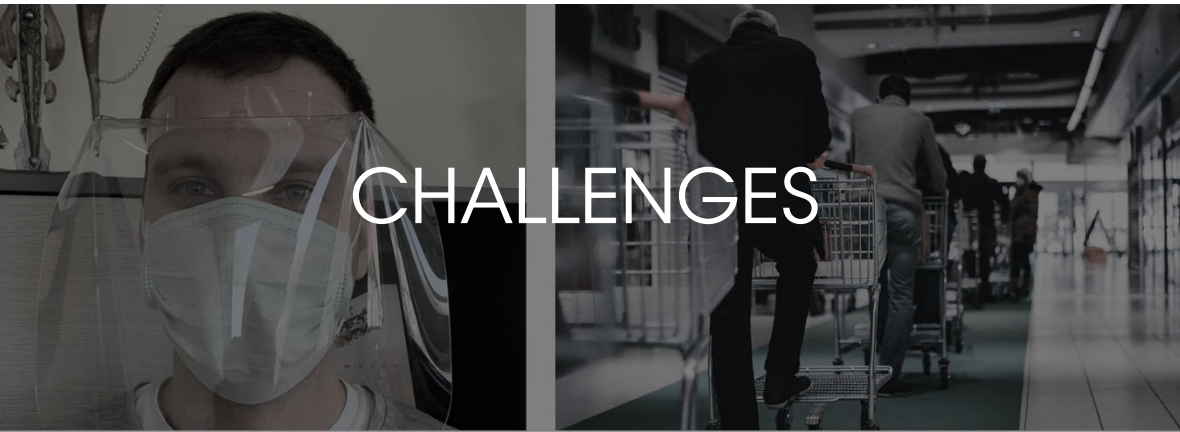
- ▶ Organizational changes which aim to align the group to its future direction.
- ▶ The result was negatively impacted by restructuring costs to the amount of SEK 46 million

QUARTERLY RESULTS

Q1 2020

- ▶ **Net sales**
decreased -12% to SEK 1,416 million (1,603)
- ▶ **Profit after financial items** *(adjusted for non-recurring items)*
amounted to SEK 39 million (97)
- ▶ **Earnings per share**
amounted to SEK 0,19 kr (1,00)
- ▶ **Cash flow from operating activities**
decreased to SEK 126 million (161)
- ▶ **Interest-bearing net debt**
excl. IFRS16 Leases decreased SEK 1,741 million (2,056)





CHALLENGES

COVID-19 a change that will lead to a **new normal**



FUTURE



OPPORTUNITIES

”

We are great, but not
good enough...

”

The future ITAB



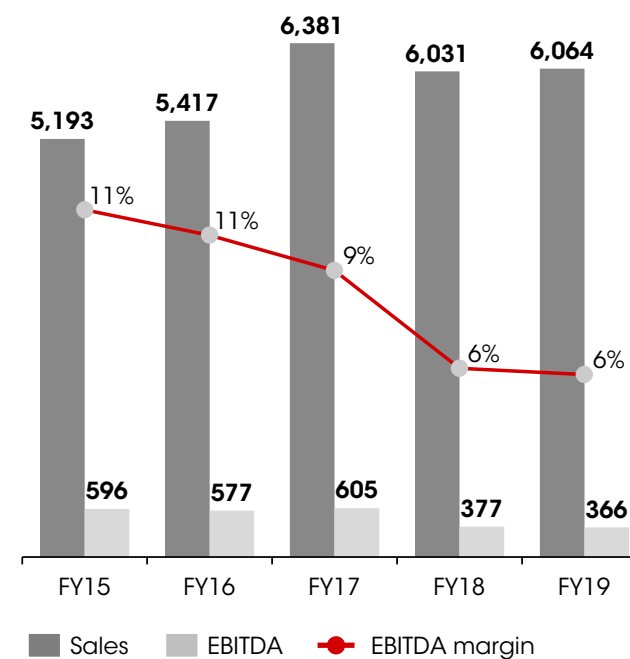
ITAB

A new direction for
ITAB **built on insight**

LAST FIVE YEARS IMPLY A NEED FOR CHANGE

- ▶ Acquisitions have driven growth historically
- ▶ Many years of negative organic growth
- ▶ Turnover stable, but underlying business has changed
- ▶ From Programmes to Projects
- ▶ Profit in decline since 2015
- ▶ SG&A ratio historically high
- ▶ Potential waiting to be released

SEK million



CURRENT OPERATING MODEL IS NO LONGER VALID

- ▶ Today we are 45 operational companies
- ▶ Few or no ITAB group synergies leveraged
- ▶ Broad product portfolio with limited cross-sales
- ▶ Product oriented with solution ambition
- ▶ Large and diverse customer base
- ▶ Dispersed manufacturing footprint and supplier base



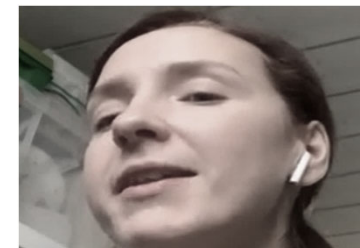
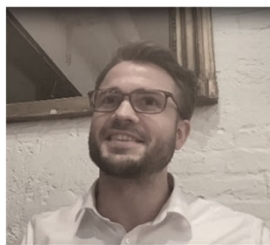
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If the rate of change on the outside exceeds the rate of change on the inside, the end is near

”



Co-creating **the future of ITAB** together



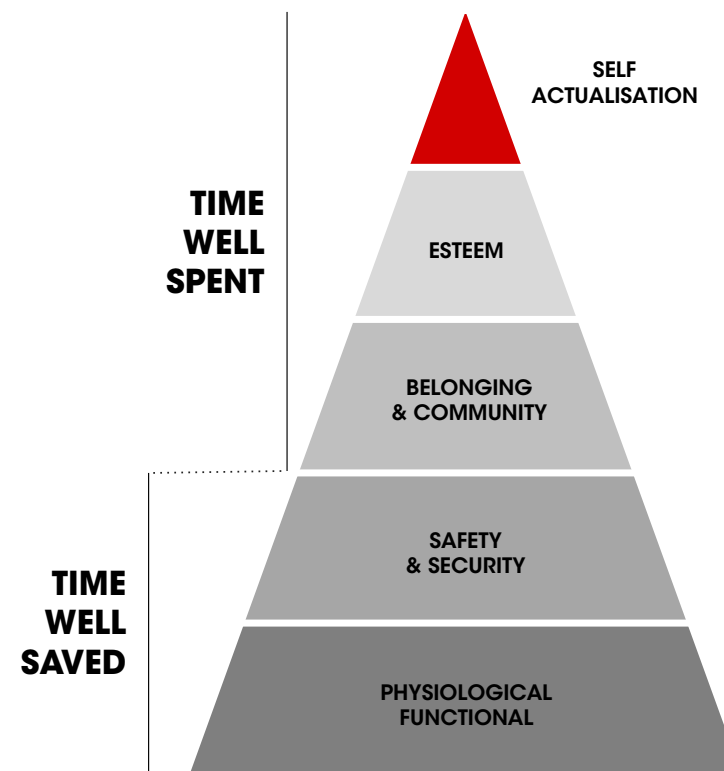
CHANGES IN CONSUMER BEHAVIOUR

- ▶ Billions of people are connected through networks
- ▶ Personalisation and guidance
- ▶ A seamless experience across channels
- ▶ Simplicity and convenience
- ▶ Experiences and self-fulfillment
- ▶ A healthier, more sustainable lifestyle



CONSUMER EXPECTATIONS REQUIRES RETAIL TO CHANGE

- ▶ Convenience is taking care of consumers in a seamless way – *Time well saved*
- ▶ Inspiration is making sure you engage in a meaningful way – *Time well spent*
- ▶ It's about understanding consumers expectations when they are in different moods and modes
- ▶ Retailers are experimenting and exploring new ways to stay relevant and to differentiate their store experience





Retail is not dead
Bad experience is dead



RETAILERS ADAPT TO NEW CONSUMER BEHAVIOUR

- ▶ Consumers online experience sets their instore expectations
- ▶ Consumers prefer smaller stores to the big boxes
- ▶ Formats are developed for smaller footprints and city locations
- ▶ Retailers move investments to their online channels with reduced focus on improvements in existing stores
- ▶ Investments in productivity and store experience need clear ROI
- ▶ Discount retailers follow their own logic










A MORE DYNAMIC COMPETITION

- ▶ Traditional competitors
- ▶ New type of competition
- ▶ Strategic partnerships
- ▶ Solution oriented to meet the changing retail demand

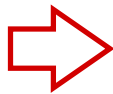
Product focused

GUIDANCE & CHECKOUT	 NCR  Diebold Nixdorf
INTERIORS	 HMY wanzl
LIGHTING	OLIVAL FAGERHULT

Solution focused

SOLUTION PROVIDERS	sigma <small>Retail Solutions</small>  hhglobal EYELEVEL
CONSUMER EXPERIENCE DESIGNERS	BLINK ARCHIEE
DIGITAL SIGNAGE	 Broadsign  ACM  ZETA DISPLAY SAMSUNG VISUALART
CLICK & COLLECT / LOGISTICS	 ups instabox
SAFETY, SECURITY & LOSS PREVENTION	GUNNEBO <small>For a safer world</small>
PAYMENT SOLUTION	iZettle  Apple Pay  amazon

CONSUMERS AT THE HEART OF OUR MARKET



ITAB

- ▶ Greater choice of service
- ▶ Frictionless experiences
- ▶ More demanding expectations
- ▶ More informed on both product and price
- ▶ Investing more time in themselves and their social network

- ▶ Market disruption from on-line
- ▶ Pressure on price and service
- ▶ Changing investment priorities
- ▶ Reducing cost of in-store operations
- ▶ Investment in store experiences that differentiate their brand
- ▶ Keeping pace with the change needs of their customers

- ▶ Outcome based value proposition
- ▶ Solution provider driven by market insight
- ▶ Close our customers stakeholders
- ▶ Supported by a network of partners
- ▶ Agile and flexible operations
- ▶ One view of ITAB



One ITAB
Better Together

”

At ITAB we help customers turn consumer brand experience into physical reality with our know-how, solutions and ecosystem of partners

”

Our 7 Strategic Priorities



1 BEING A SOLUTION PROVIDER

- ▶ Retailer outcome-based solution sales
- ▶ Co-create solutions together with customers and partners
- ▶ A more strategic and dynamic approach to service

2 DEVELOPING AN ECOSYSTEM OF PARTNERS

- ▶ Establish a network of partners to innovate and increase speed to market
- ▶ Focus on few strategic partners and reduce transactional suppliers
- ▶ Drive out complexity and improve predictability

3 EXCELLENCE IN OPERATIONS

- ▶ Focus on continuous improvements
- ▶ “First time right” and “in the agreed time”
- ▶ Reduce lead times and improve quality
- ▶ Common operational KPI's

4 SUSTAINABLE FUTURE

- ▶ Collaborate and continuously innovate for a sustainable future
- ▶ Focus on people, environment and society
- ▶ Clear improvement goals and sustainable options
- ▶ A more diverse and modern approach to our people

5 EXPANDING OUR MARKET POSITION

- ▶ Build on strengths and our core competence
- ▶ Secure that we act as one across ITAB and learn from each other
- ▶ Leverage our cross-sector experience, know how and portfolio of solutions
- ▶ Strengthen our prioritised markets

6

EMPOWERING PEOPLE & COMMON WAYS OF WORKING

- ▶ Secure that people have access to the right operational information
- ▶ Parallel, transparent and collaborative ways of working
- ▶ IT tools that support common processes

7 RE-ENGINEERED COST STRUCTURE

- ▶ Ensure profitable and sustainable growth
- ▶ Drive synergies and scale of economy
- ▶ Reduced fixed costs and optimizing supply chain
- ▶ A more lean and dynamic organization
- ▶ Focus on our core markets and capabilities

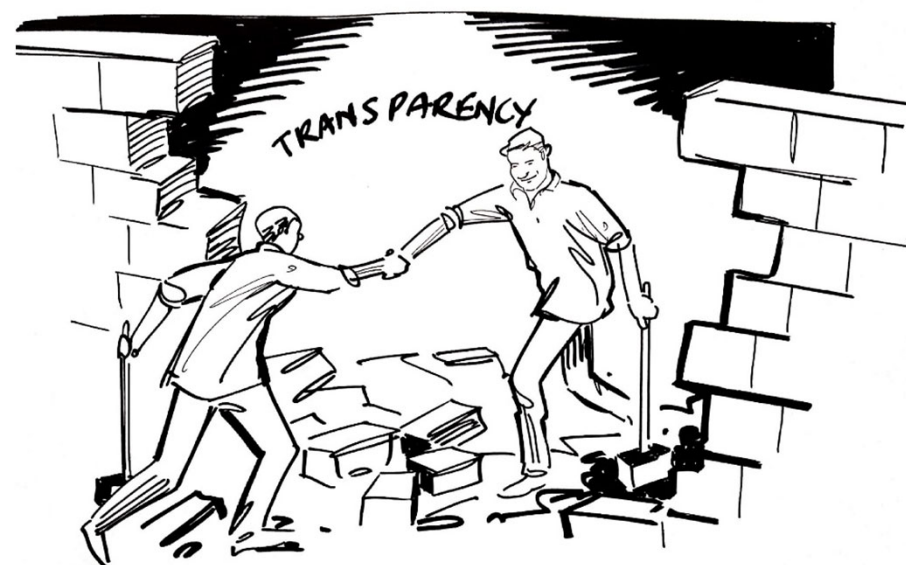
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The value of strategy
lies in its delivery

”

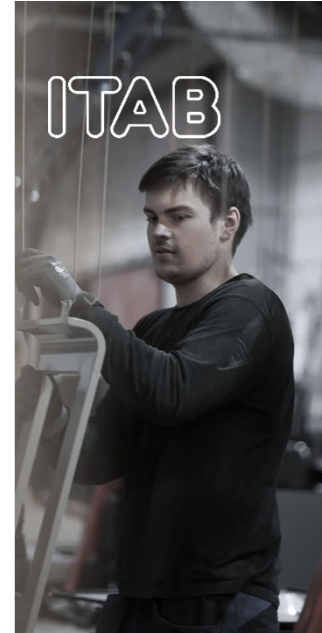
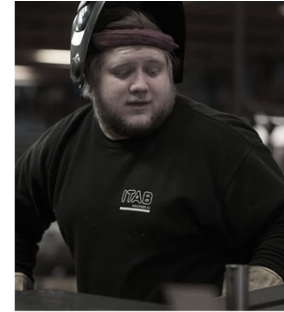
ONE ITAB REQUIRES NEW BUSINESS CAPABILITIES

- ▶ Relationship management
- ▶ Solution and service sales
- ▶ Design-for-manufacturing
- ▶ Agile and Lean operations
- ▶ Competence and knowledge sharing
- ▶ Shared information and IT
- ▶ Common core processes



BUILDING CHANGE EXECUTION CAPABILITIES

- ▶ A shared direction to guide us – One ITAB
- ▶ New group structure clarifies roles and responsibilities
- ▶ Extension of Group Management securing inclusion, diversity, decision making and execution
- ▶ New competence with experience from driving change at scale
- ▶ Partnering with external partners to secure expertise and capacity
- ▶ Linking targeted outcomes to incentives



EXPECTED OUTCOME AFTER ONE ITAB TRANSFORMATION

We will...

- ▶ Build on our strengths and focus on our core markets
- ▶ Create retailer value outcome through solution sales
- ▶ Invest in our people and new differentiating capabilities
- ▶ Strengthen our position as market leader in Europe
- ▶ Simplify our operational structure
- ▶ Optimise our footprint on landed cost
- ▶ Partner with fewer and more strategic suppliers
- ▶ Significantly reduce our debt
- ▶ Get back to historical profitability



” At ITAB we help customers turn consumer brand experience into physical reality with our know-how, solutions and ecosystem of partners ”

Thank you!