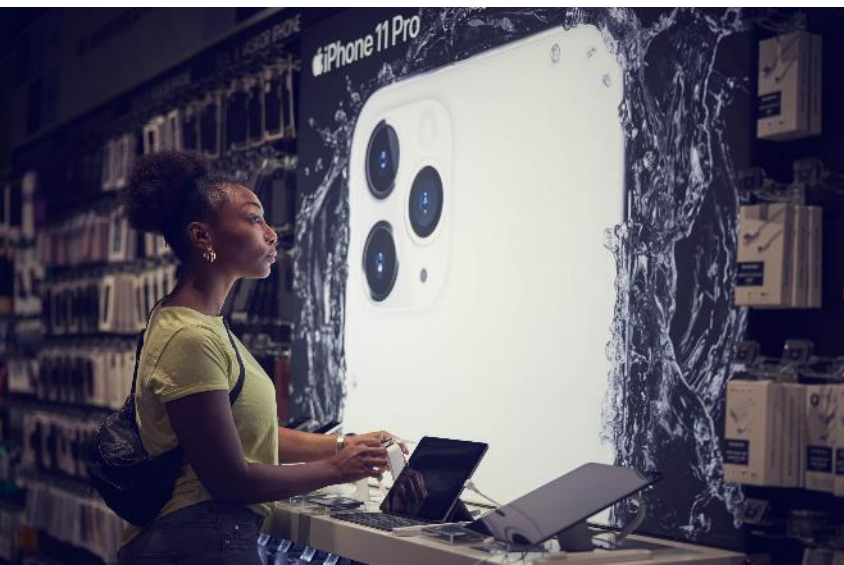




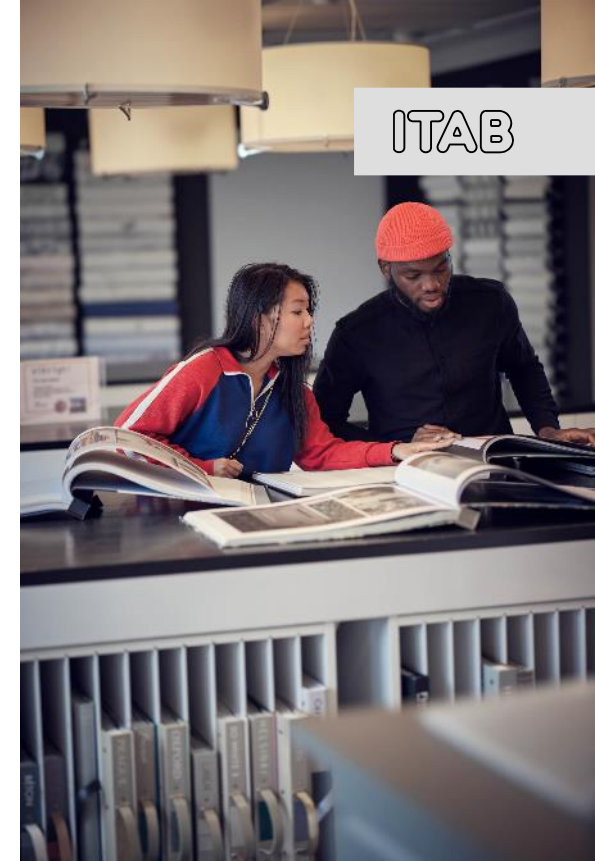
ITAB

ITAB Shop Concept AB (publ.)
For AGM May 11th 2021



2 MEN
1 WOMEN
CHILDREN
0 WOMEN
HOMEWARE
CAFÉ

Introduction to ITAB



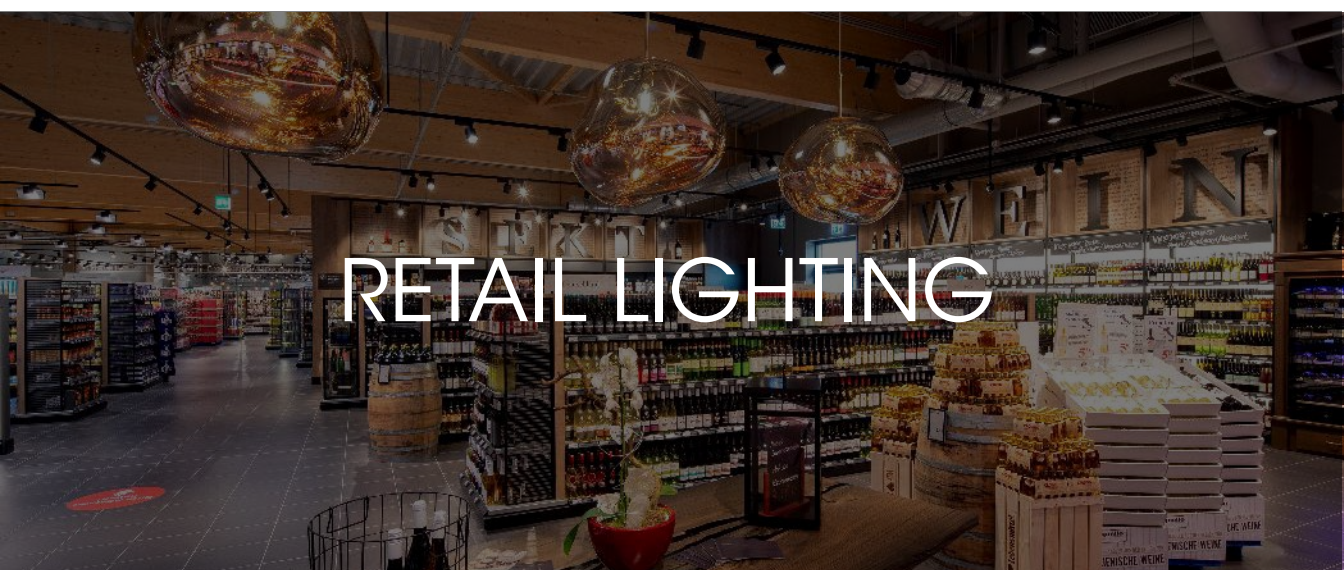
We are what we create
together with our customers



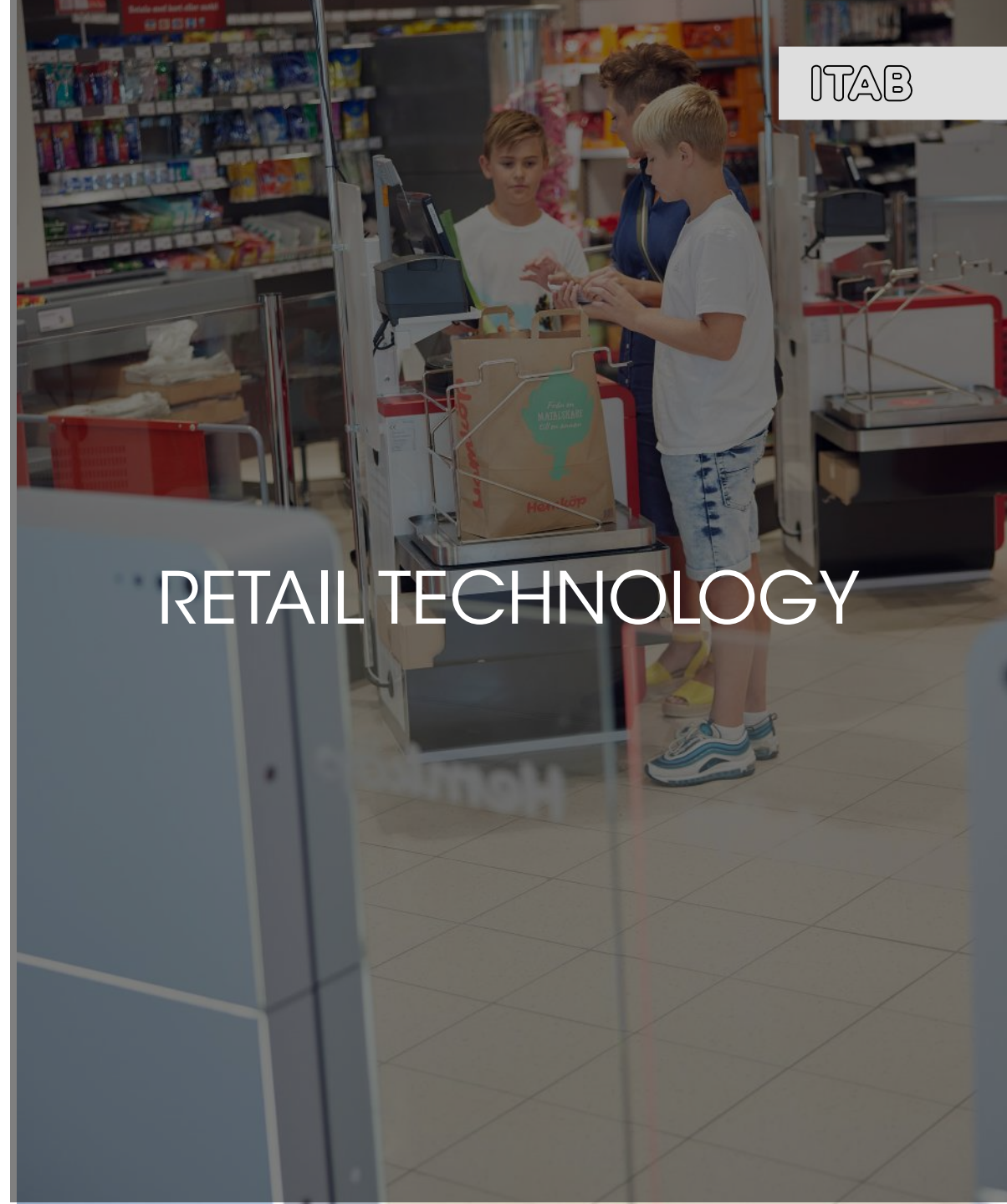


RETAIL INTERIORS

We co-create consumer convenience and inspiration



RETAIL LIGHTING

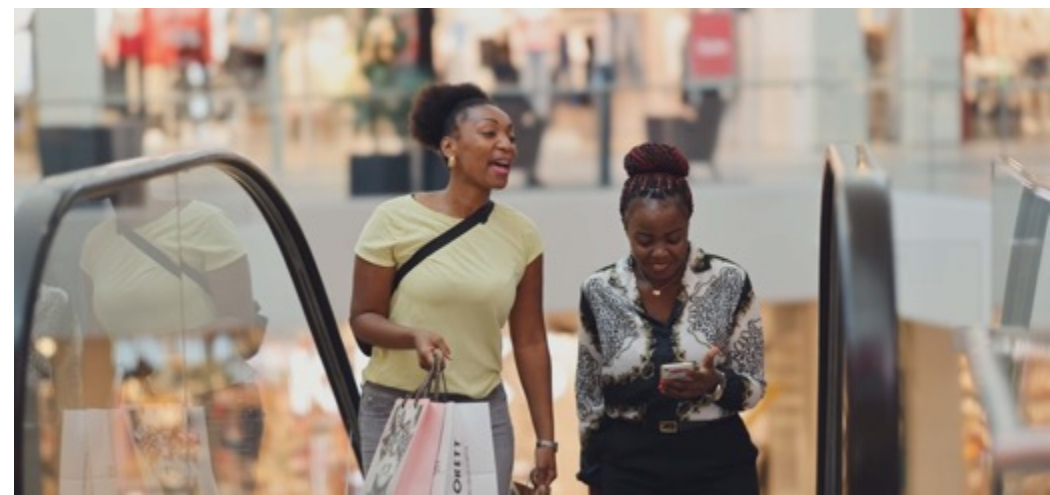
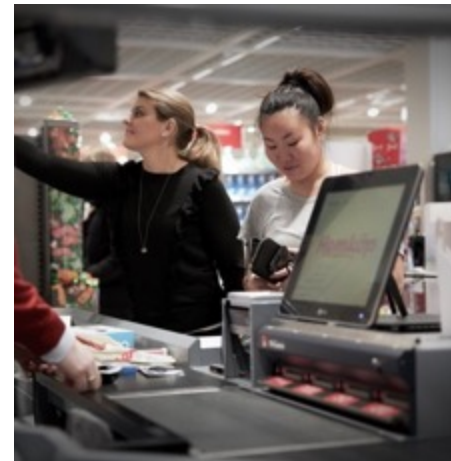


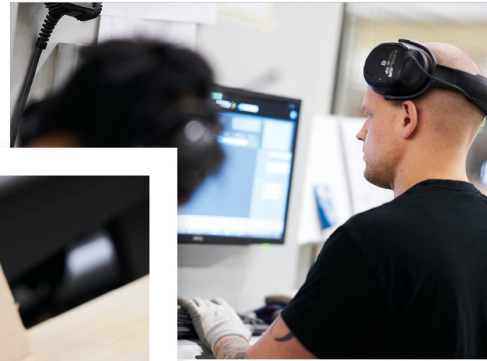
ITAB

RETAIL TECHNOLOGY

A EUROPEAN LEADER WITH GLOBAL REACH

- ▶ ITAB is a strategic partner to retailers, co-creating retail experiences and reducing operational costs. Providing consolidated services from ideation, concept creation, manufacturing and installation of complete shop fitting concepts and shop equipment through to installation and maintenance for retail stores
- ▶ A market leader in Europe with the broadest range of product and services that influence consumer behavior and help reduce operating costs
- ▶ With long standing customer relationships in essential retail market sectors across Europe, including Grocery, Home Improvement, Fashion, Pharmacies, Home Electronics, etc.
- ▶ Operates 19 production facilities in 14 countries with an average of 3,030 employees during 2020



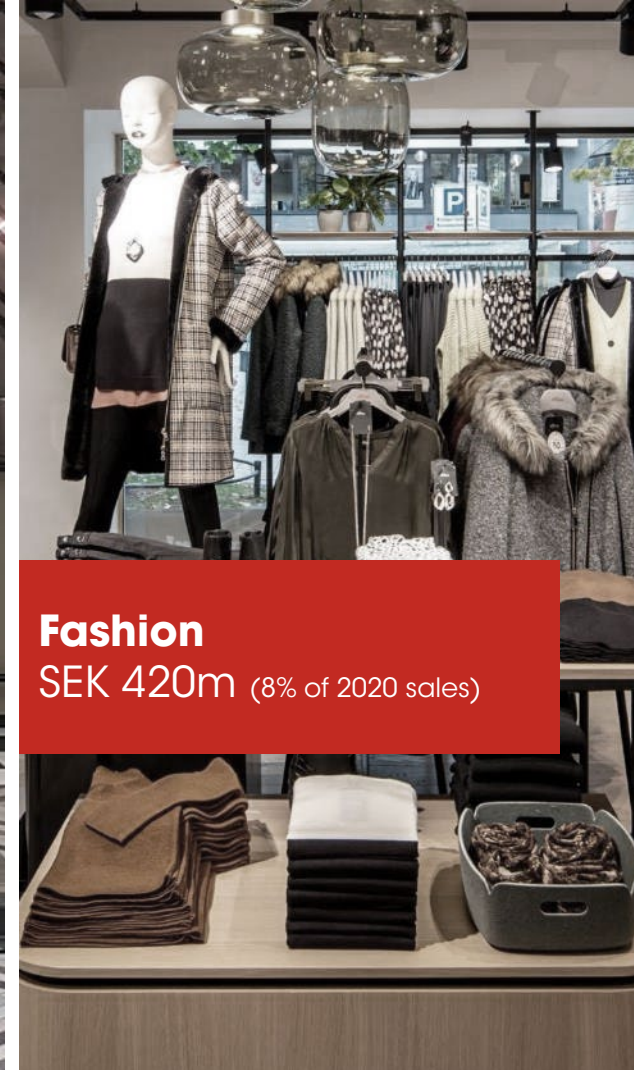




Grocery
SEK 3,094m (58% of 2020 sales)



Home improvement
SEK 733m (14% of 2020 sales)



Fashion
SEK 420m (8% of 2020 sales)



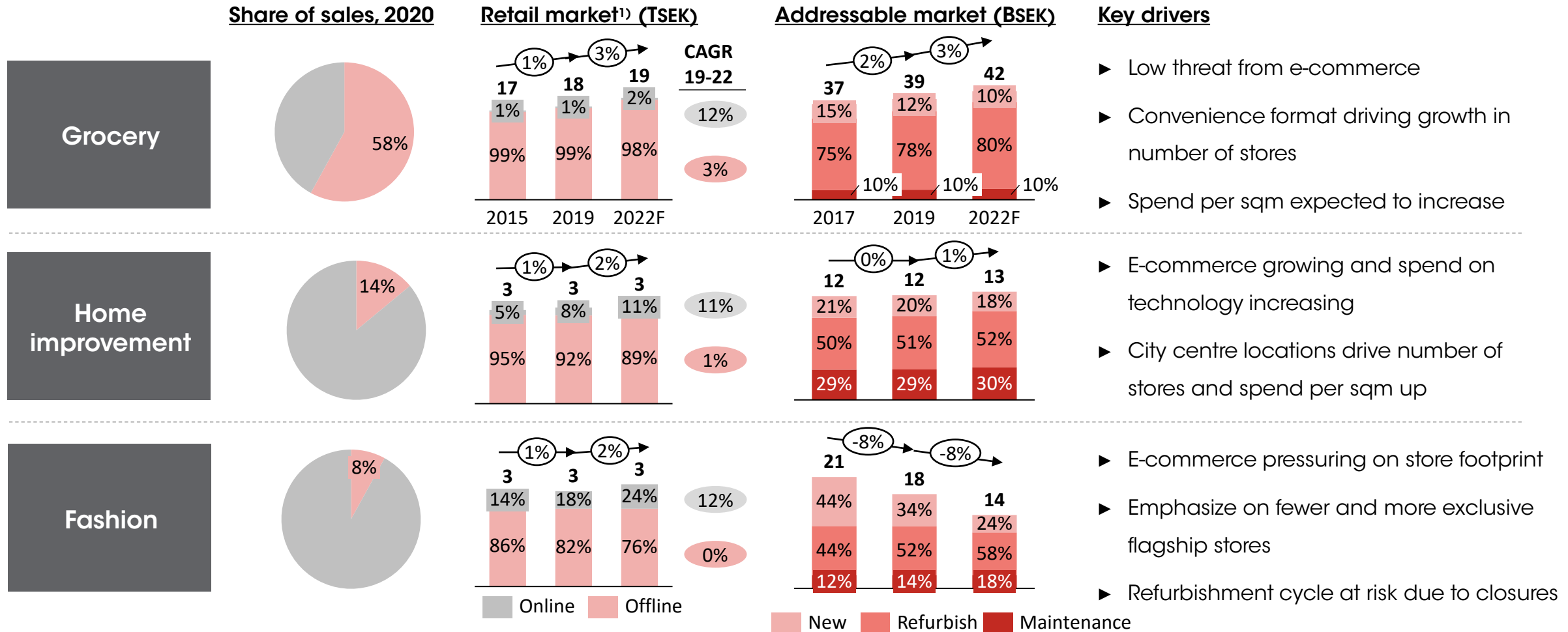
Other
SEK 1,076m (20% of 2020 sales)

ITAB



CORE SEGMENT GROCERY IS EXPECTED TO GROW AND OUTWEIGH DECLINE IN FASHION

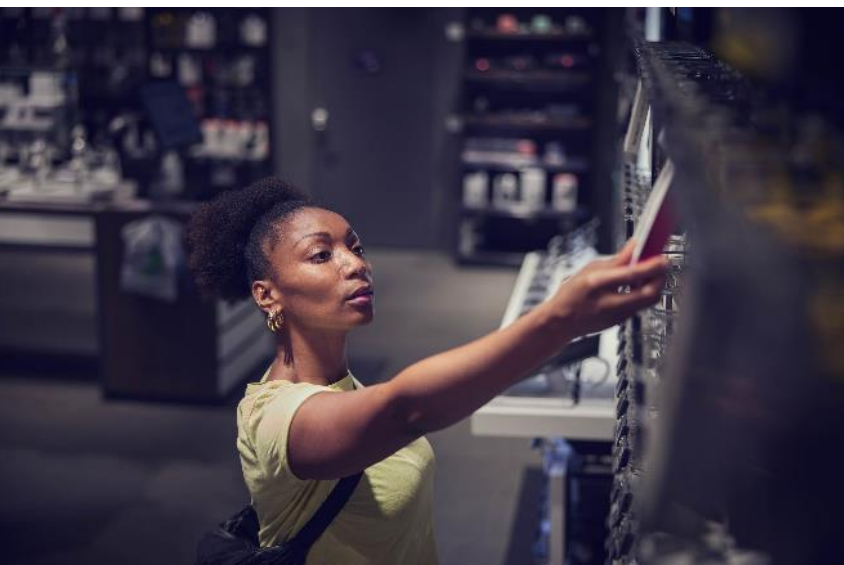
► High exposure to Grocery segment favorable, and a high degree of refurbishment and maintenance across segments limits cyclicality





ITAB

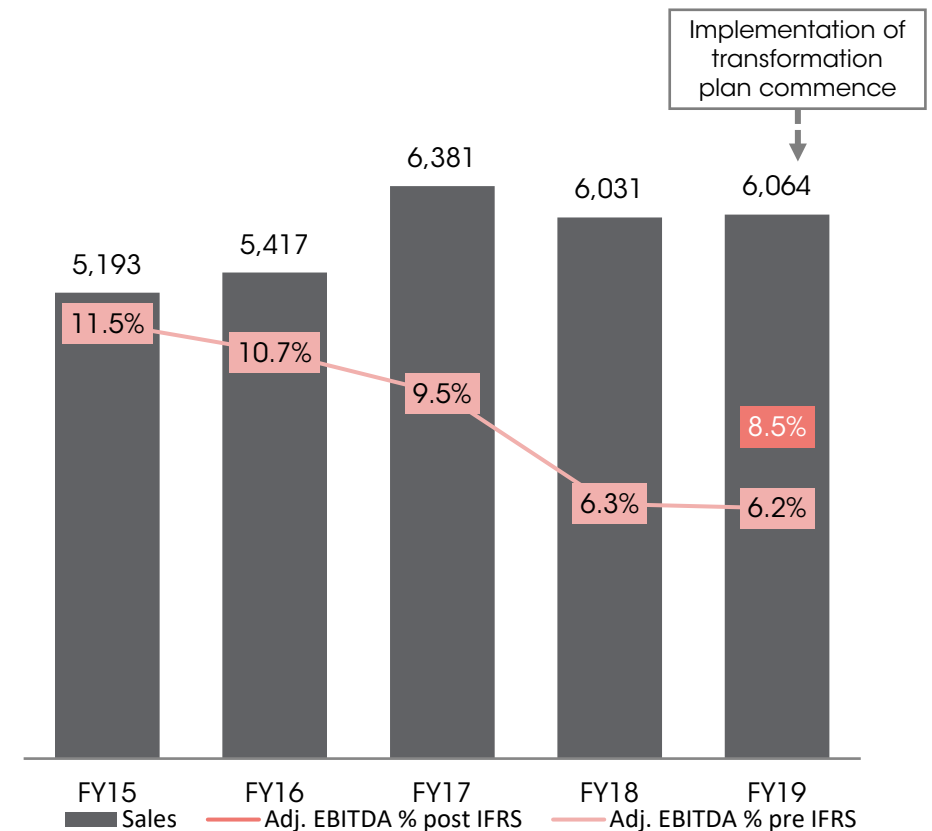
One ITAB – Better Together



RECENT YEARS PERFORMANCE IMPLIED A NEED FOR CHANGE

- ▶ Acquisitions have driven growth historically
- ▶ Turnover stable, but underlying business has changed
- ▶ From Programmes to Projects
- ▶ Profit decline between FY17 and FY18
- ▶ SG&A ratio historically high
- ▶ Significant potential to be realised from the One ITAB transformation plan

Revenue and Adj. EBITDA¹ margin development (SEKm)



BUILT ON CONSUMER AND RETAIL INSIGHT

CONSUMER



- ▶ 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

RETAIL



- ▶ Market disruption from online
- ▶ 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

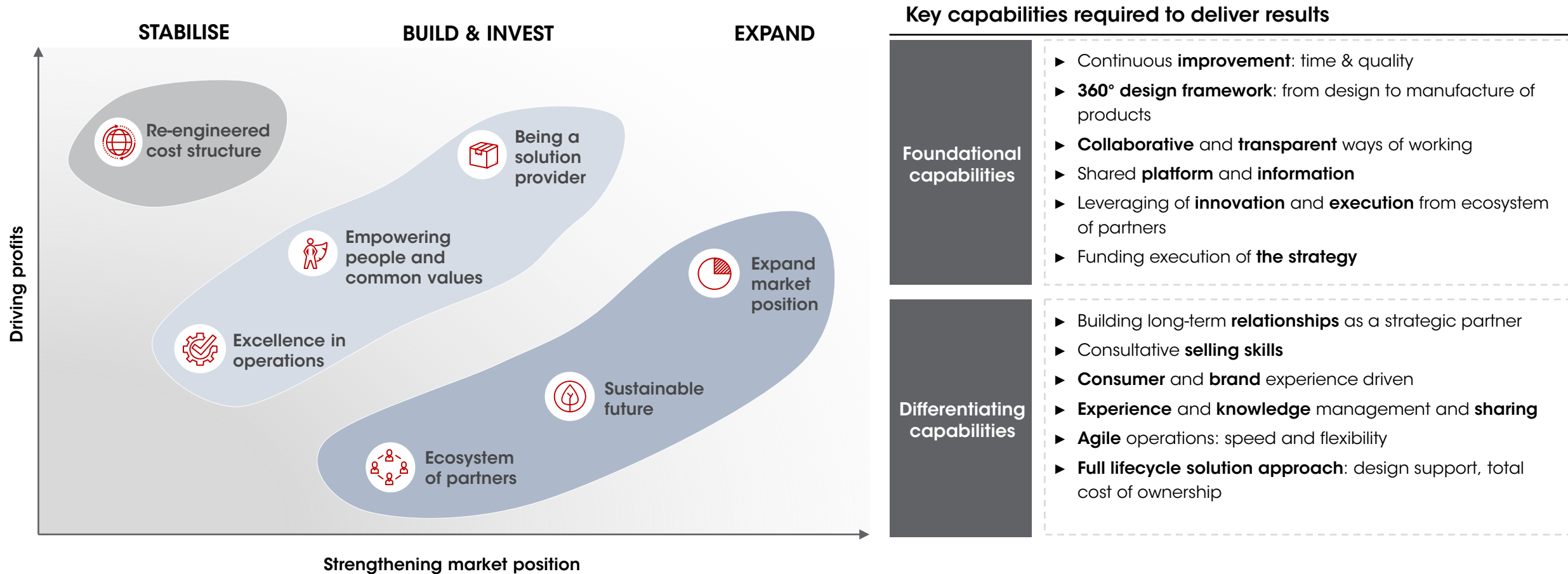
ITAB



- ▶ Continual insight from consumer and customers across all regions
- ▶ Outcome based value proposition
- ▶ Solution provider driven by market insight
- ▶ Supported by a network of eco-partners to build outcome-based solutions
- ▶ Agile and flexible operations
- ▶ Global presence with local approach



STRATEGIC PRIORITIES TO TRANSFORM THE BUSINESS AND DRIVE GROWTH

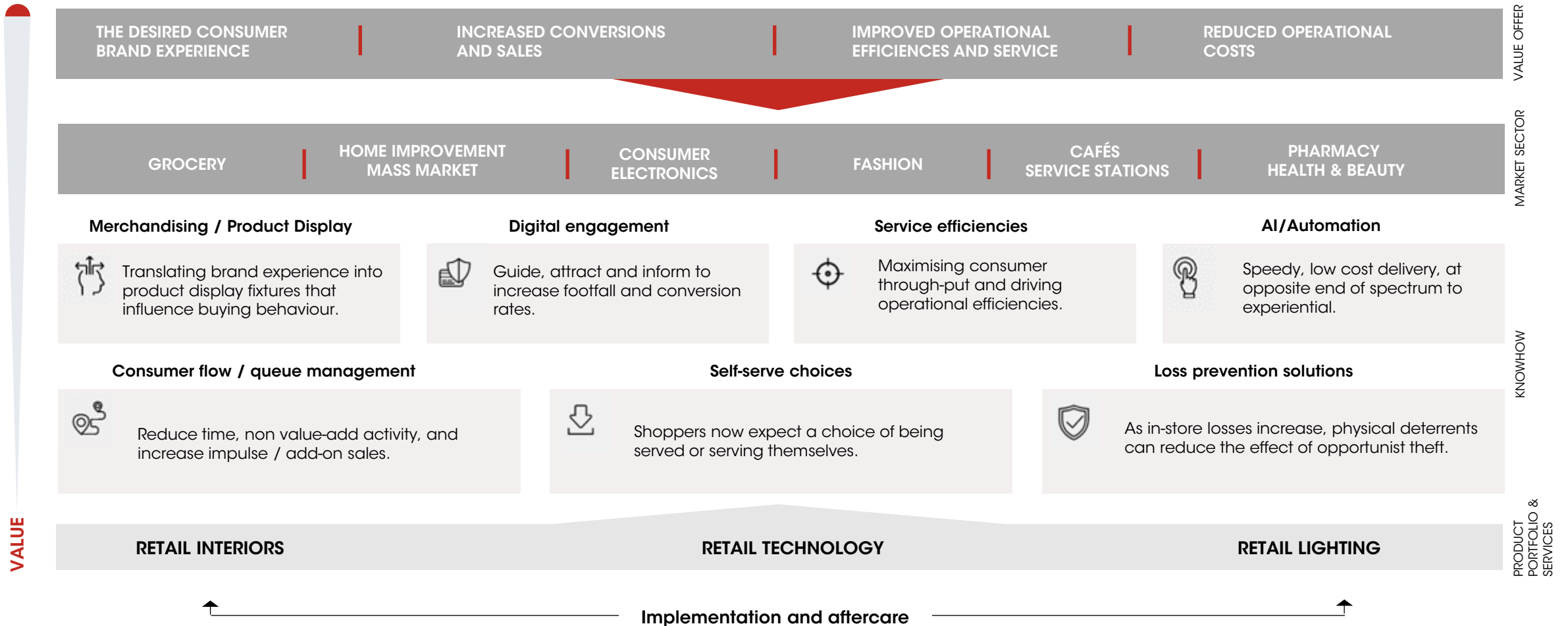


At ITAB we help customers turn
consumer brand experience into
physical reality with our know-how,
solutions and ecosystem of partners

Rethink Retail. Together.

PROVIDING SOLUTIONS THAT DRIVES INCREASED RETAILER VALUE AND RETURN

► A flexible approach driven by insight innovation across multiple touchpoints of the consumer journey



VALUE

VALUE OFFER

MARKET SECTOR

KNOWHOW

PRODUCT PORTFOLIO & SERVICES

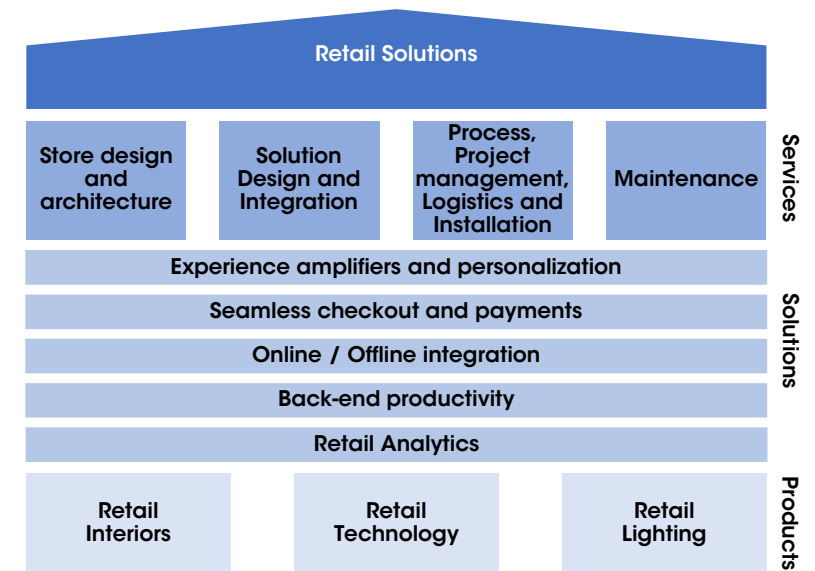
BUILD ON OUR STRENGTHS AND EXPAND THE OFFER IN CONNECTED RETAIL TECHNOLOGY AND SERVICES

Market Expansion Approach

- ▶ Focusing on European retailers and support them globally when relevant (Grocery, Convenience, Service stations, Pharmacy, DIY/Home improvement)
- ▶ Increase cross-selling conversion to existing customers
- ▶ Increase penetration in existing markets before opening new markets
- ▶ Leverage our strengths and cross sector know-how through solution sales and delivery

Offer Expansion Approach

- ▶ Build capabilities to scale existing services across our regions
- ▶ Extend our services reach to support more areas of the retail value chain that impact of the physical store
- ▶ Invest in our retail technology portfolio relating to optimizing seamless store experience and efficiency
- ▶ Bundle and integrate own and third party solutions to meet the changing retail needs



Grow contracted recurring revenues associated with services, software and data from connected retail technology

CHALLENGES TO MITIGATE

Transformation is hard work, these challenges makes it harder...

- ▶ Covid-19 is a new type of challenge and consequences are difficult to predict and plan for
- ▶ The ongoing change in retail is accelerating
- ▶ Disrupted supply chain logistics and accessibility to key electronic and plastic components and raw material (steel)
- ▶ Travel restrictions makes complex matters such as change and training difficult to manage
- ▶ Fierce competition and access to decision makers
- ▶ Transforming while performing



ONE YEAR WITH ONE ITAB

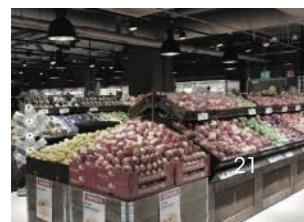
Executing on the One ITAB Strategy have so far meant...

- ▶ New group structure enabling collaboration and sharing
- ▶ Sourcing through group categories and shared decision making
- ▶ Start of capacity adjustments that will reduce our fixed costs (Sweden, Netherlands, France, Germany & China)
- ▶ Investment in our sales teams through new tools and training that will enable new differentiating capabilities
- ▶ Reduced SG&A and a new sales structure
- ▶ An operating model built on common ways of working that will guide our capability investments
- ▶ Expanded our market position through Cefla Retail Solutions
- ▶ Improved cash flow and underlying profitability





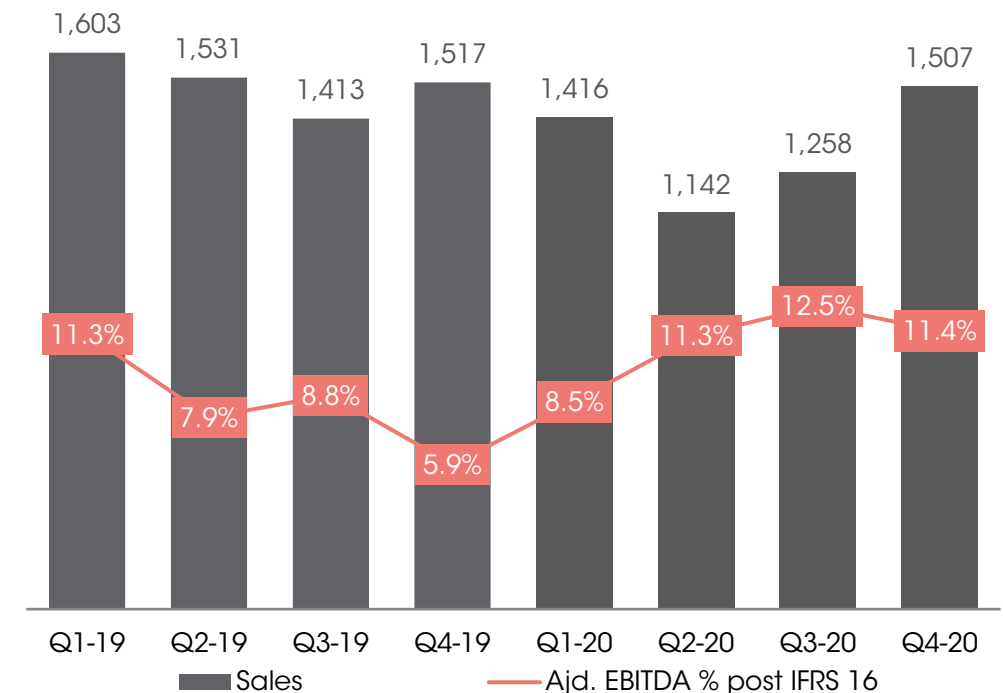
Financial outcome in 2020



REVENUE AND MARGIN DEVELOPMENT FY19-FY20

- ▶ Revenue declined during H1-20 due to negative impact of COVID-19, with growth recovering during the second half of the year
- ▶ Positive effect from cost-saving measures already being realised, with improved margin in FY20
- ▶ Improved Adj. EBITDA margin driven by positive effects from the implementation of the One ITAB transformation plan
 - Accelerated implementation of new organisation and delayering reducing SG&A
 - New organisation and simplified legal structure
 - Strong focus on cost reduction and efficiency in the organisation
 - Margin improvements from favorable product mix and development from COVID-19 solutions driving sales during H2-20

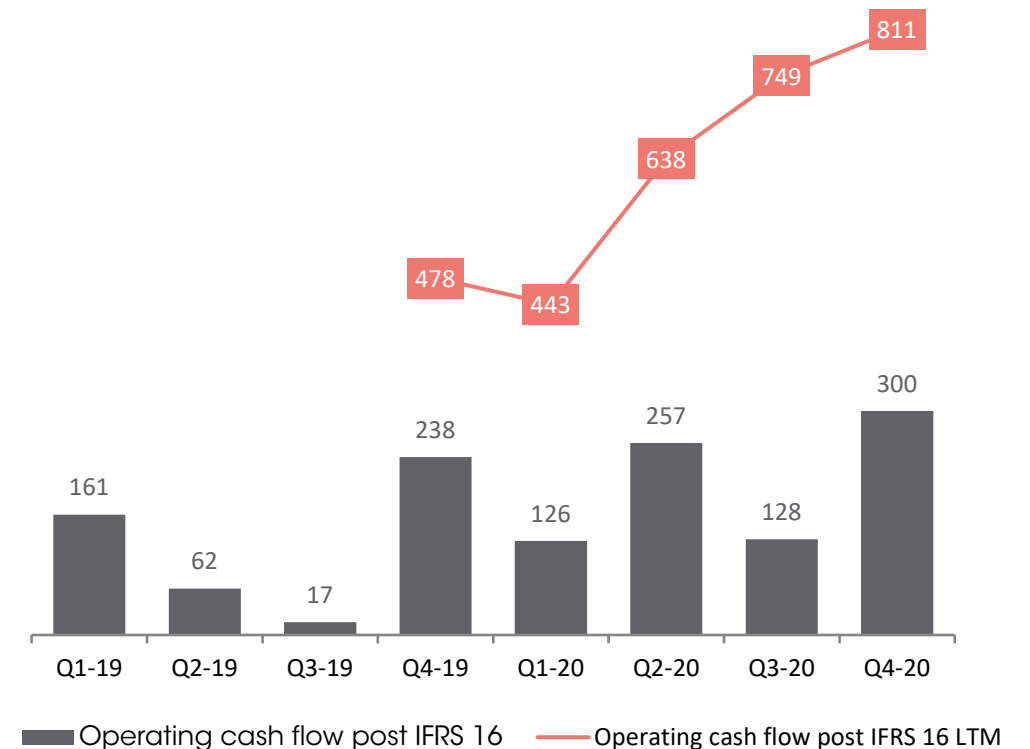
Quarterly revenue and margin development (SEKm)



SIGNIFICANT IMPROVEMENT OF OPERATING CASH FLOW

- ▶ Increase in operating cash flow mainly attributable to reduction in net working capital
- ▶ Strong focus on cash management and actions in all regions to reduce inventory
- ▶ Cash flow positively affected due to the possibility to postpone tax and VAT payments in connection with COVID-19 related measures

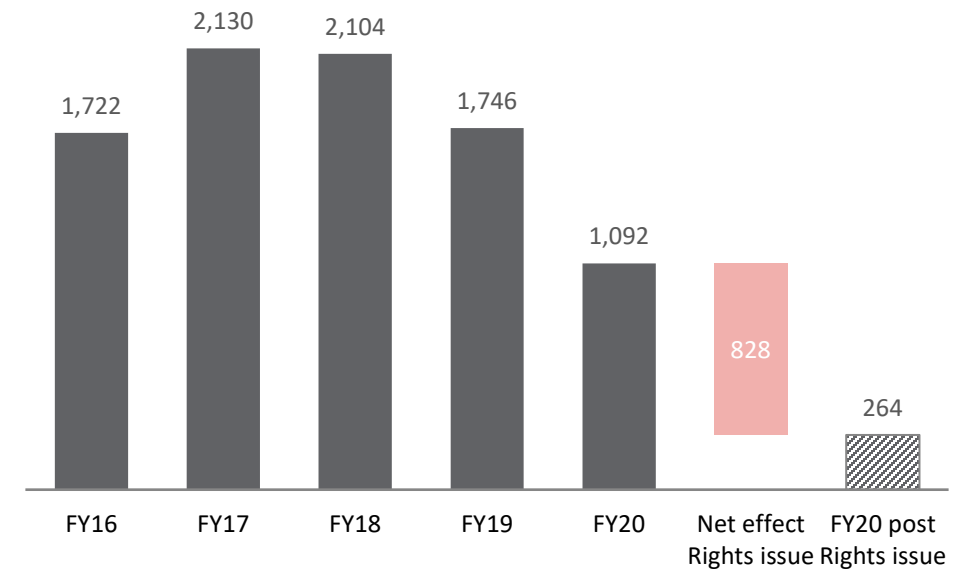
Development of operating cash flow (SEKm)



REDUCTION IN NET DEBT DRIVEN BY INCREASE IN OPERATING CASH FLOW AND THE RIGHTS ISSUE

- ▶ ITAB has successfully on reducing net debt with success since end of 2019
- ▶ Significant reduction in net debt Q4-20 mainly attributable to increase in operating cash flow
- ▶ Net debt will be reduced further following the rights issue with majority of proceeds used to repay short-term credit facility with Nordea
- ▶ Rights issue completed in March 2021 was over-subscribed

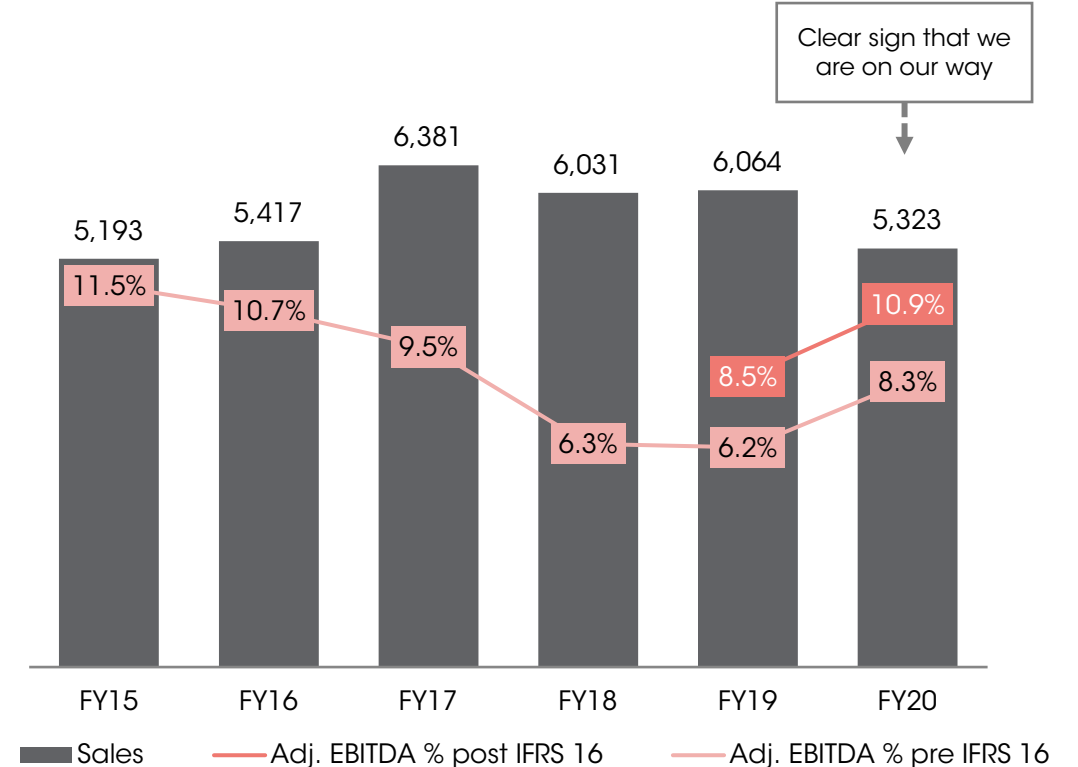
Net debt excl. IFRS 16 (SEKm)



ITAB FINANCIAL PERFORMANCE 2020

- ▶ **Net sales**
decreased -12% SEK 5,323 million (6,064)
- ▶ **EBITDA**
excl. non-recurring items SEK 578 million (516)
- ▶ **Operating profit**
excl. non-recurring items SEK 317 million (241)
- ▶ **Profit after financial items**
excl. non-recurring items SEK 208 million (158)
- ▶ **Cash flow from operating activities**
SEK 811 million (478)

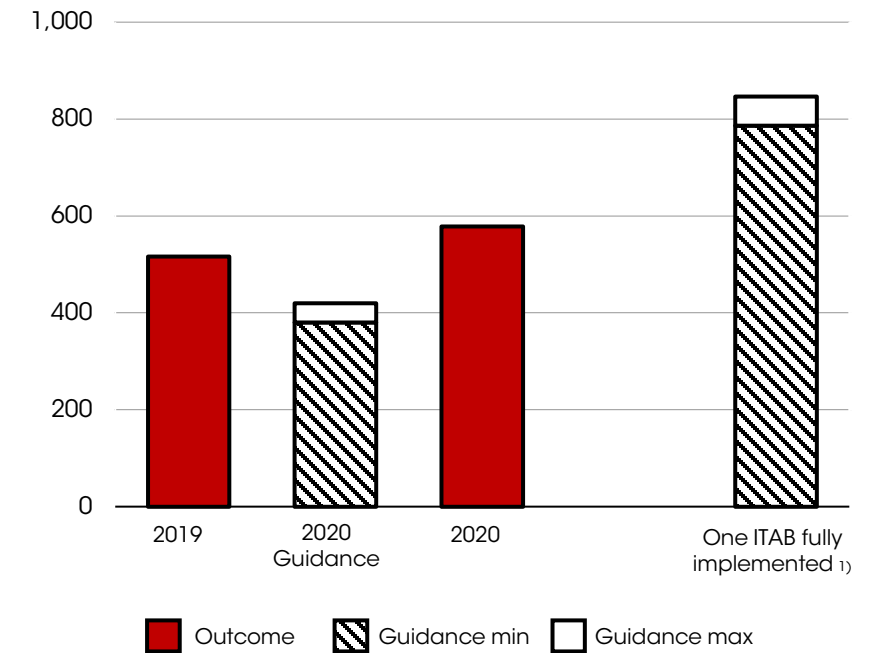
Revenue and Adj. EBITDA¹ margin development (SEKm)



EXPECTED FINANCIAL IMPLICATIONS OF THE TRANSFORMATION PLAN

- ▶ Initial focus of the transformation plan is on cost improvements, rather than growing revenue
- ▶ Substantial cost improvements as well as capital release expected from:
 - **One ITAB operating model:** One ITAB organisation with Group supply chain planning and control, common master data and systems / ERP, empowering people and common ways of working
 - **Cost structure and margin improvements:** S&M and G&A cost rationalisation, update of pricing model, delayering of the Group and portfolio streamlining
 - **Footprint:** Consolidation of widespread production footprint
 - **Capital efficiency:** Working capital release, sale and leaseback of property and/or sale of non-core assets
- ▶ Incremental annualised improvement in EBITDA post implementation of SEK 270-330m compared to 2019, and SEK 400-500m in capital release¹

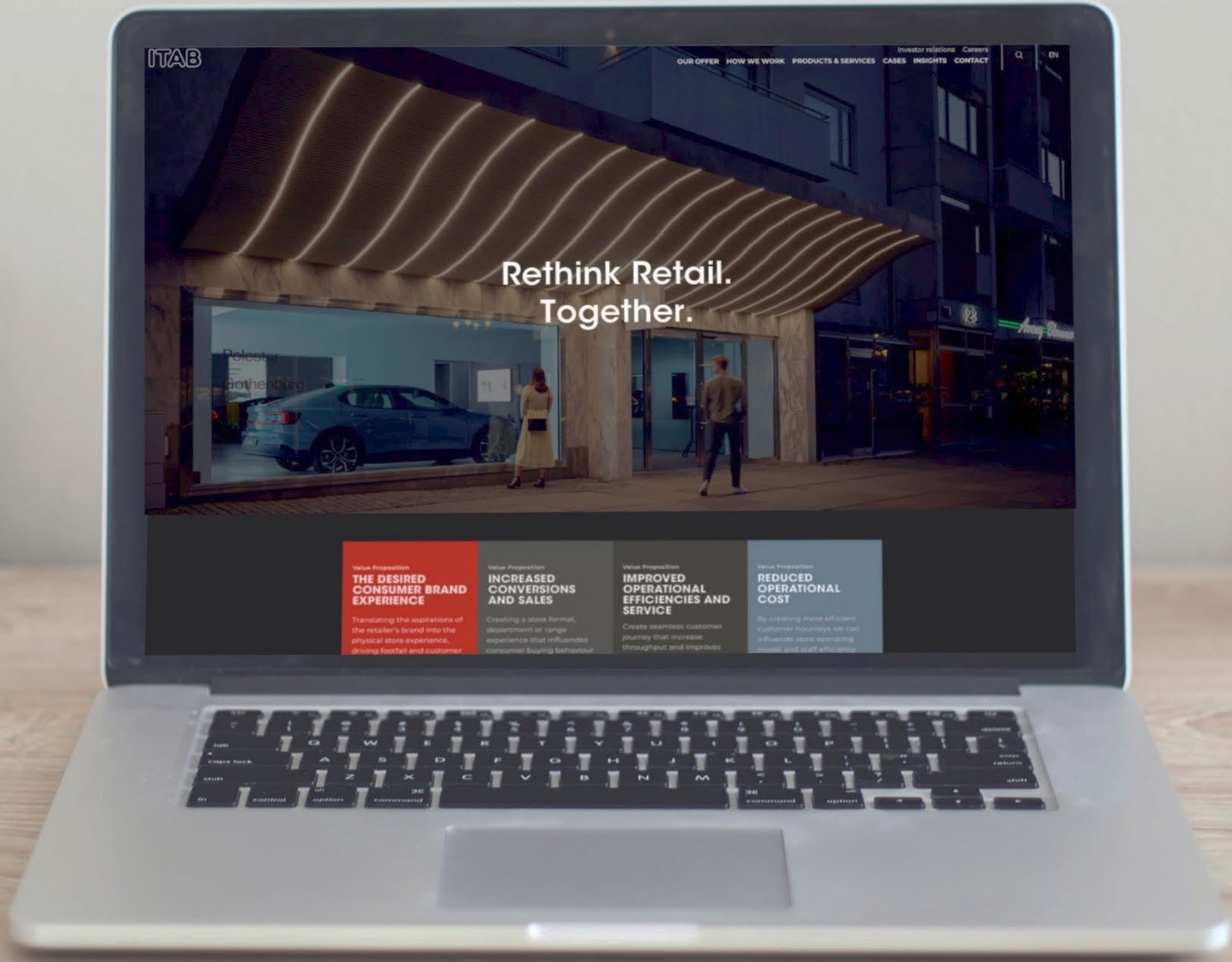
EBITDA, EXCL. NON-RECURRING ITEMS (SEK million)



1) Relates to annual rate once One ITAB has been implemented in full, which is planned for the middle of 2022.

Thank you!





Rethink Retail. Together.

Value Proposition
**THE DESIRED
CONSUMER BRAND
EXPERIENCE**

Translating the aspirations of the retailer's brand into the physical store experience, driving footfall and customer

Value Proposition
**INCREASED
CONVERSIONS
AND SALES**

Creating a store format, department or range, experience that influences consumer buying behaviour

Value Proposition
**IMPROVED
OPERATIONAL
EFFICIENCIES AND
SERVICE**

Create seamless customer journeys that increase throughput and improve

Value Proposition
**REDUCED
OPERATIONAL
COST**

By creating more efficient customer journeys, we can influence every operating model and staff efficiency