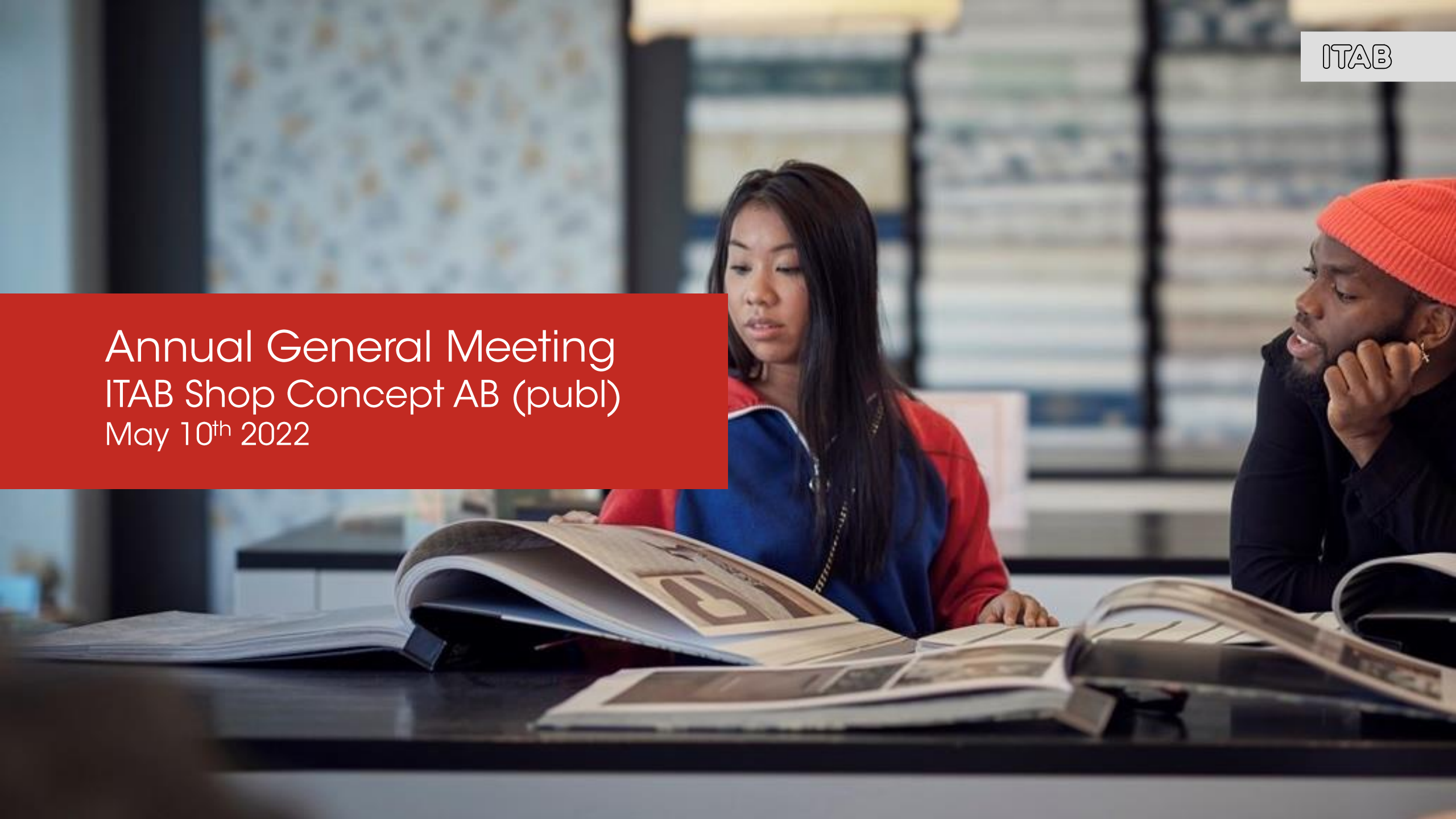


Annual General Meeting
ITAB Shop Concept AB (publ)
May 10th 2022



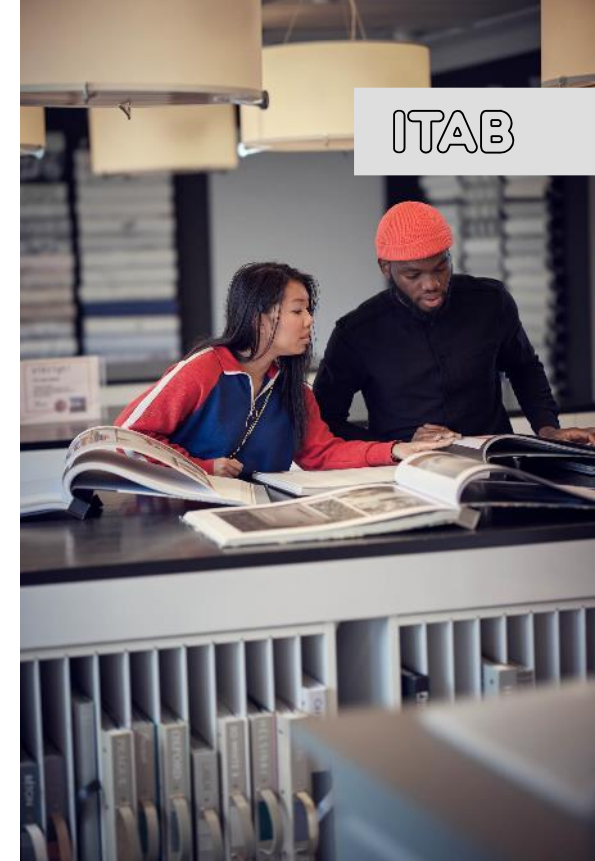
TODAY'S AGENDA AND PRESENTERS

- ▶ Introduction to ITAB and our strategy execution
- ▶ Value proposition
- ▶ Movement towards being a solution provider
- ▶ Financial summary 2021 and first quarter 2022
- ▶ Questions & answers



Introduction to ITAB

2 MEN
1 WOMEN
CHILDREN
0 WOMEN
HOMEWARE
CAFÉ



ITAB

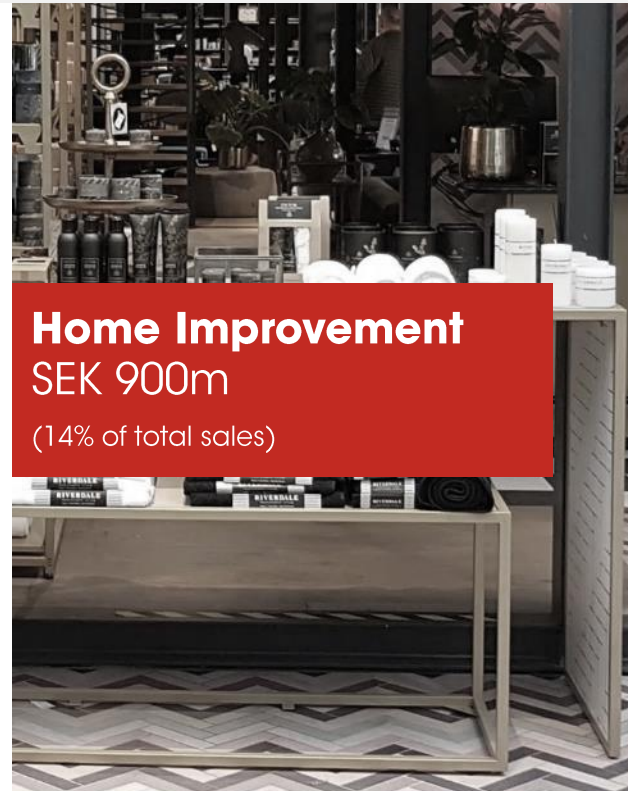
We are what we create
together with our customers



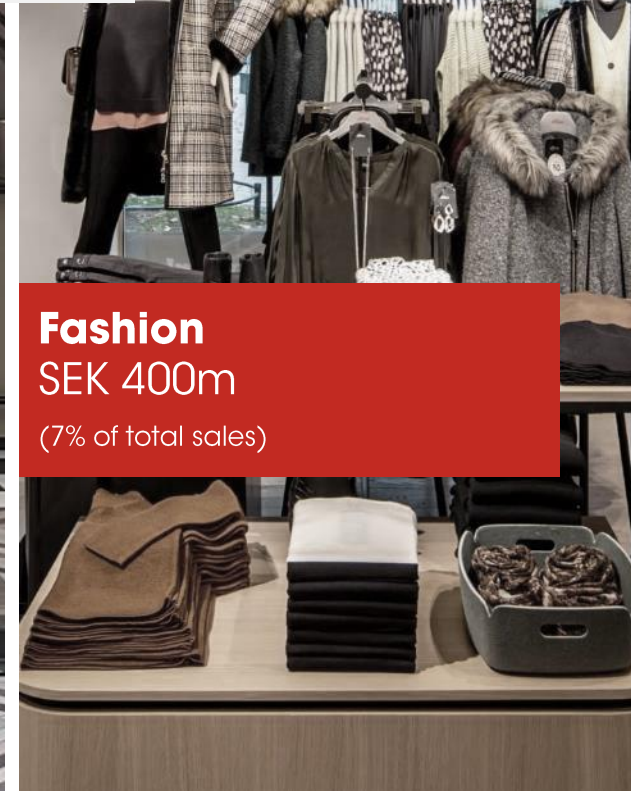
Leader in Europe with global reach



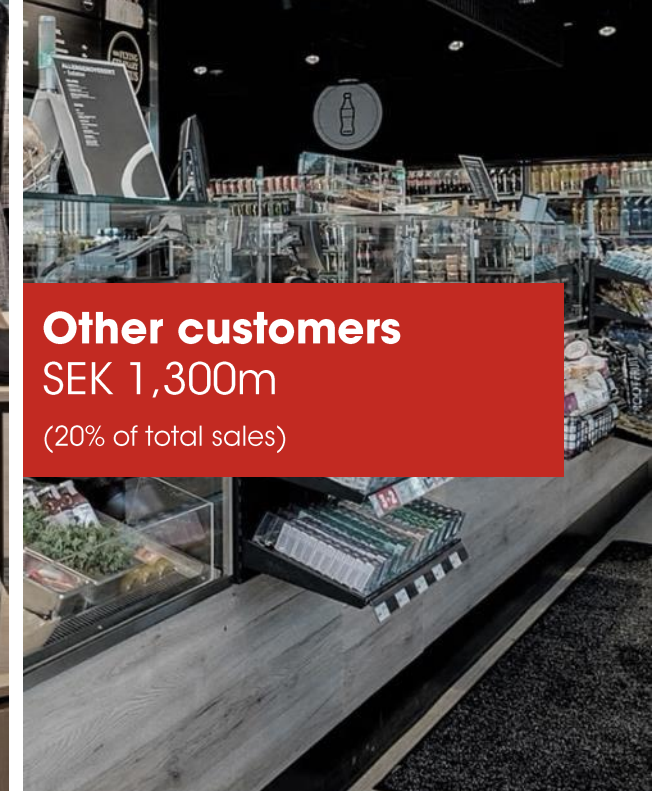
Grocery
SEK 3,700m
(59% of total sales)



Home Improvement
SEK 900m
(14% of total sales)



Fashion
SEK 400m
(7% of total sales)



Other customers
SEK 1,300m
(20% of total sales)



Note: All figures are approximative and refer to full year 2021.

ITAB TODAY

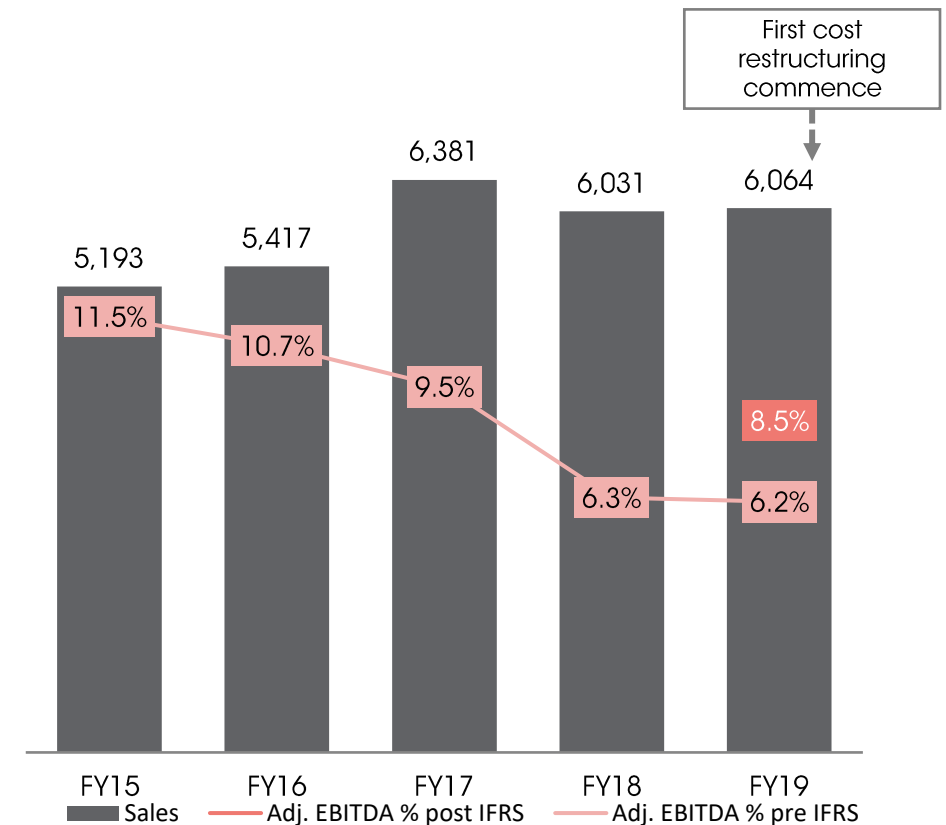
- ▶ Strategic partner to retailers, co-creating retail experiences that drive measurable results that create return of investment
- ▶ Consolidated services range from concept creation, manufacturing and installation to end-to-end maintenance and after-care services
- ▶ Support multiple retailing sectors with focus on Grocery and DIY/Home Improvement
- ▶ Activities span 15 production facilities with around 2,900 employees in 24 countries
- ▶ Decision to discontinue all activity in Russia communicated in March 2022



PRE-PANDEMIC 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

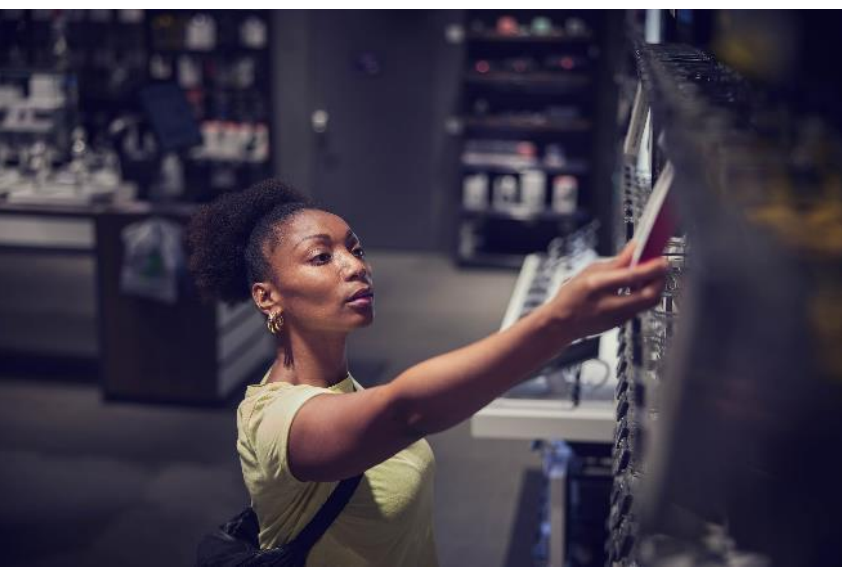
Revenue and Adj. EBITDA margin development (SEK m)





ITAB

One ITAB – Better Together



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



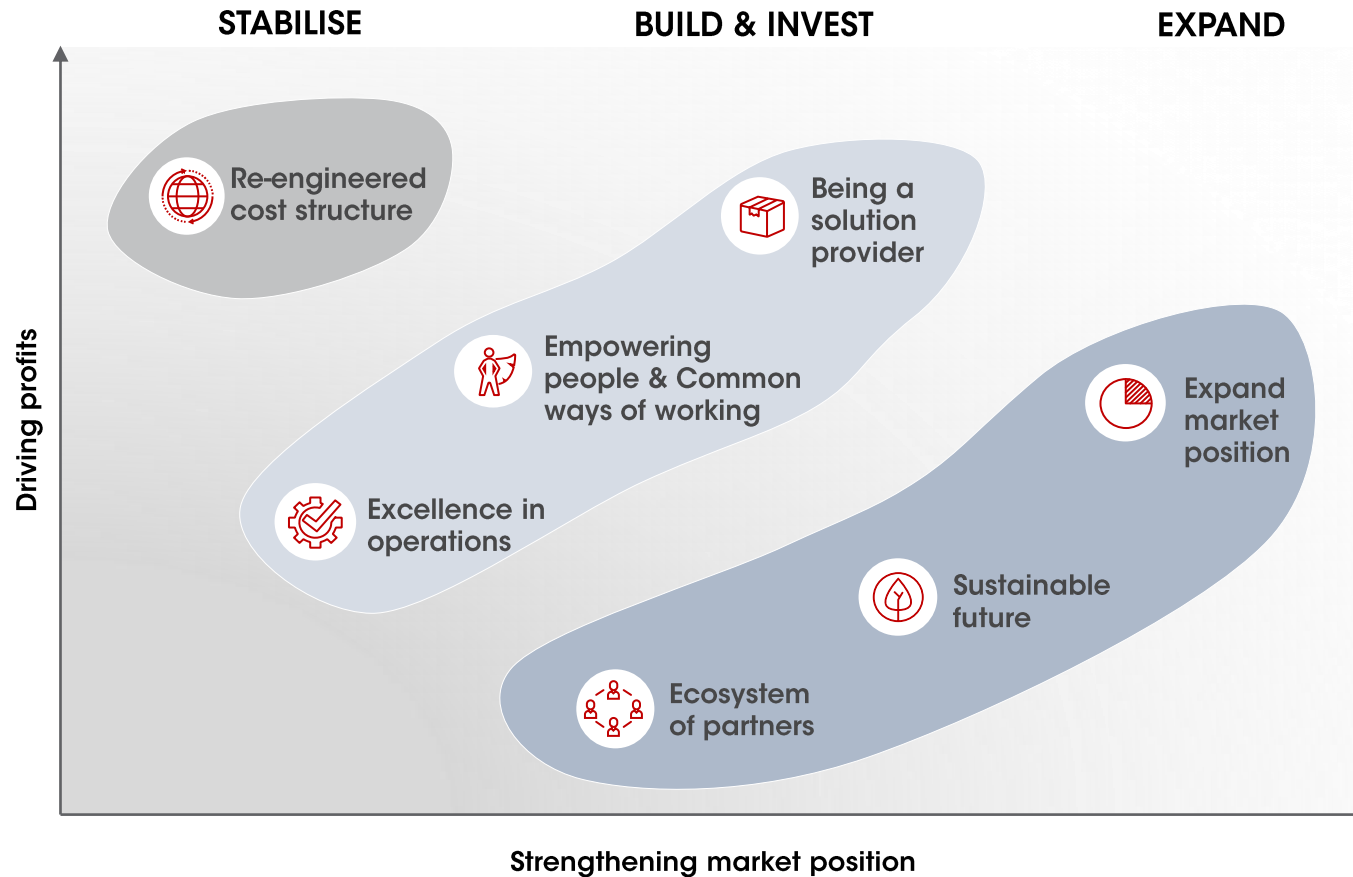
- ▶ Market disruption from online
- ▶ Changing investment priorities
- ▶ Reducing cost of in-store operations
- ▶ Investment in store experiences that differentiate their brand
- ▶ Keeping pace with the change needs of their customers

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

ONE ITAB STRATEGIC PRIORITIES AIMED AT BECOMING THE LEADING SOLUTION PROVIDER



One ITAB execution is sequenced to mitigate risk and manage resources:

- ▶ *Stabilise* phase focus on securing a solid foundation for change with financial stability and funding of investments, 2020-2022
- ▶ *Build & Invest* focus on creating new capabilities aimed at transforming ITAB to become the leading solution provider, 2021-2023
- ▶ *Expand* leverage the new capabilities and aims at organic and acquired growth, 2022-2026

Rethink Retail.Together.

TWO YEARS OF STRATEGY EXECUTION

Stabilise – Cost & Capital restructuring

- ▶ Sourcing volume consolidation
- ▶ SG&A reduction
- ▶ Manufacturing footprint consolidation
- ▶ Reduced net debt
- ▶ Reduction of fixed cost
- ▶ Simplify

Build & Invest – Scalable solution provider capabilities

- ▶ Development of Value proposition
- ▶ Roll out of new Go-to-Market model with sales trainings
- ▶ Services, Technology and Solution sales ambitions set
- ▶ Excellence in Operations
- ▶ Develop and implement One ITAB operating model supported by shared IT
- ▶ Amplify

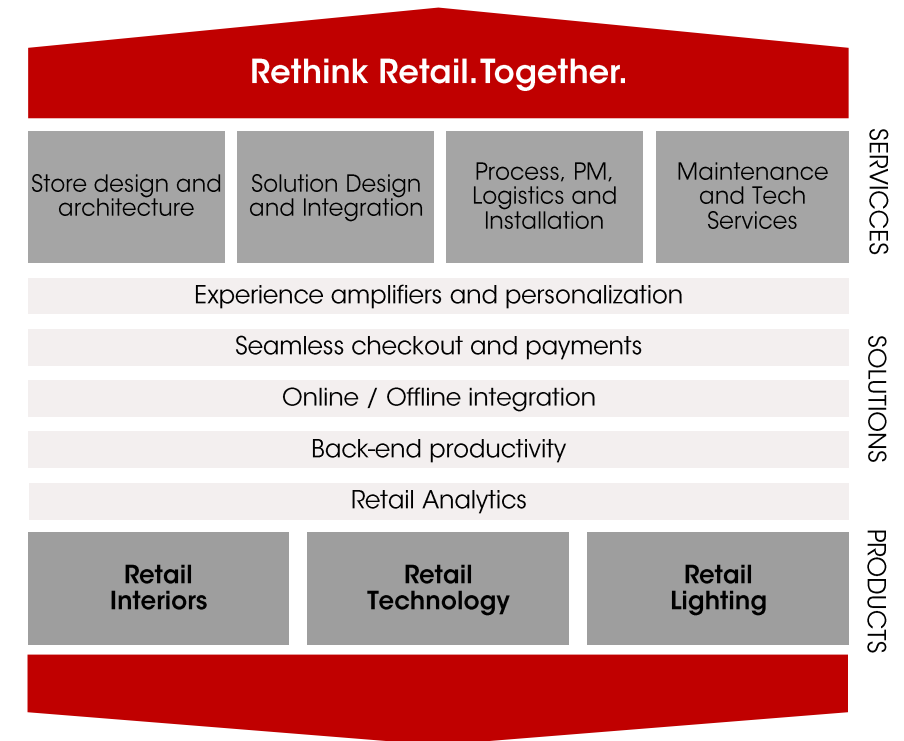
EXPAND OUR MARKET POSITION THROUGH TECHNOLOGY AND SERVICES AND STRATEGIC M&A

Market Expansion Approach:

- ▶ Focusing on European retailers.
- ▶ 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:

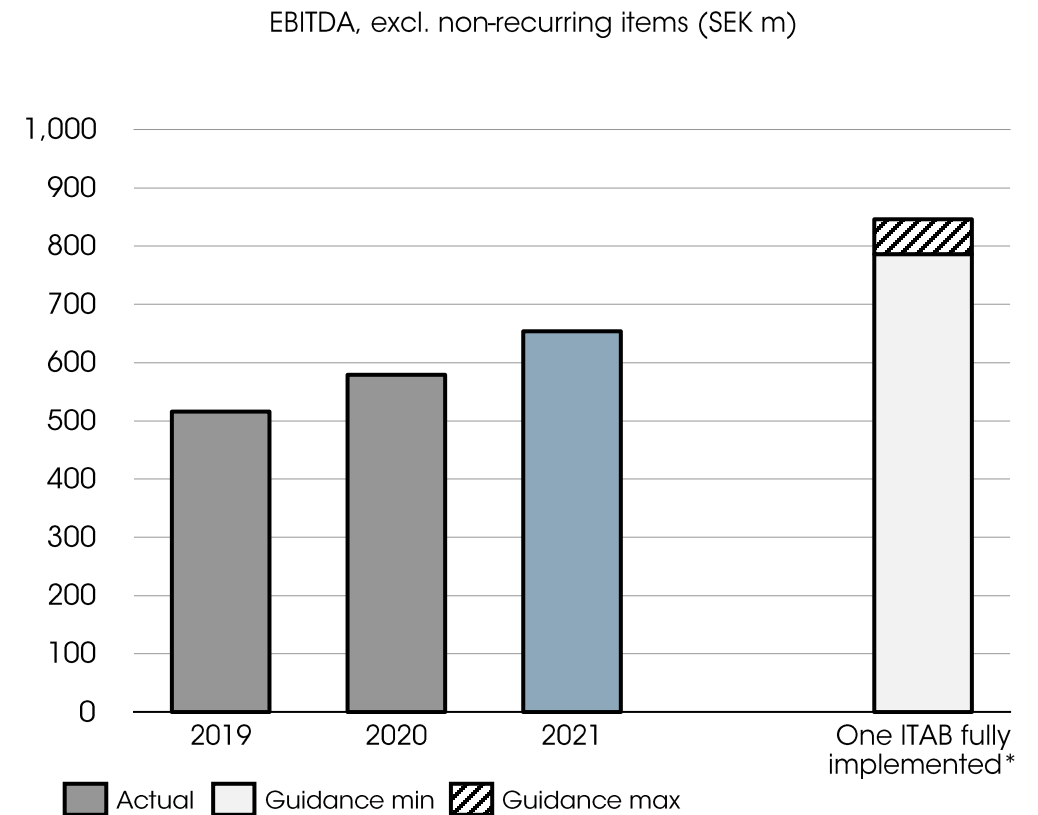
- ▶ Build capabilities to scale existing services across our regions.
- ▶ Extend our services reach to support more areas of the retail value chain that impact of the physical store.
- ▶ Invest in our retail technology portfolio relating to optimizing seamless store experience and efficiency.
- ▶ Bundle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

GUIDANCE – EXPECTED FINANCIAL OUTCOME FROM THE TRANSFORMATION PLAN

- ▶ In 2022 we expect to conclude the “Stabilise” phase of the One ITAB program
- ▶ Our guidance in 2020 remains; Incremental annualised improvement in EBITDA post implementation of SEK 270-330m compared to 2019, and SEK 400-500m in capital release.
- ▶ We have started to invest in new capabilities to take further steps towards our wished position



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

WE ARE ON OUR WAY

		2019	2021
STRENGTHENED GROCERY POSITION	► Grocery sector % of sales	49%	59%
INCREASED RATIO OF RETAIL TECHNOLOGY	► Retail Technology % of sales	22%	27%
SIGNIFICANTLY LOWER NET DEBT	► Net debt including leasing	2.5 BSEK	1.3 BSEK
IMPROVED PROFITABILITY	► Adjusted profit margin before tax	2.6%	5.2%

Value proposition



VALUE BASED OUTCOME APPROACH HELPS DRIVE MEASURABLE RESULTS

Together with our customers we help to identify:

- ▶ The changing needs of their consumers
- ▶ The benefits associated with addressing these needs
- ▶ An approach that delivers benefits in the short, medium and long term

ITAB supports with overall insights, know-how, solutions and leading best practice with proven return on investment.



DESIRED CONSUMER BRAND EXPERIENCE

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



INCREASE CONVERSION AND SALES

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



IMPROVE EFFICIENCIES AND SERVICE

Create a seamless consumer journey that increases throughput and improves service levels



REDUCE OPERATIONAL COST

Efficient consumer journeys can influence store operating models and staff efficiency reducing cost

UNDERSTANDING CONSUMER BEHAVIOUR IS THE STARTING POINT OF BEING A SOLUTION PROVIDER

- ▶ New channels have accelerated during covid which has provided consumers with even more choice in how they shop than ever before
- ▶ Consumers are more informed and more demanding of the service experiences across all channels
- ▶ Consumer needs are ever changing creating multiple consumer journeys 24-7



RETAILERS ADAPT TO THE EVER-CHANGING CONSUMER BEHAVIOUR

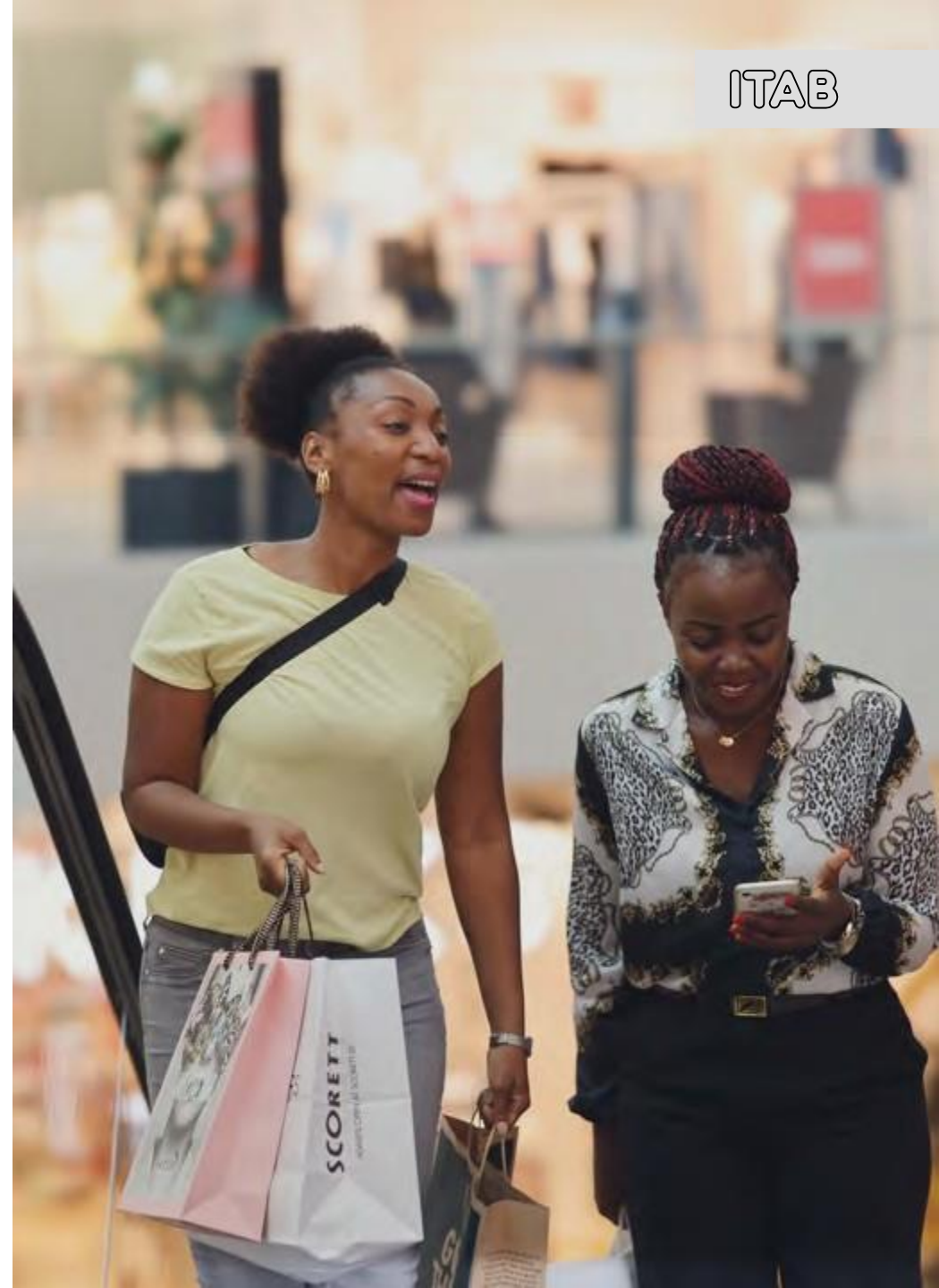
- ▶ Online experience sets expectations on relevance in all channels including the store
- ▶ Increased choice is driving shopping behaviour and creating demanding expectations
- ▶ Need to create a seamless online/offline experience is challenging to current cost structure
- ▶ Inflation accelerate the need for retailers to stay relevant and reduce the cost of operations and service
- ▶ Overall investment priorities are changing and every instore investment needs to payback and create a form of measurable ROI



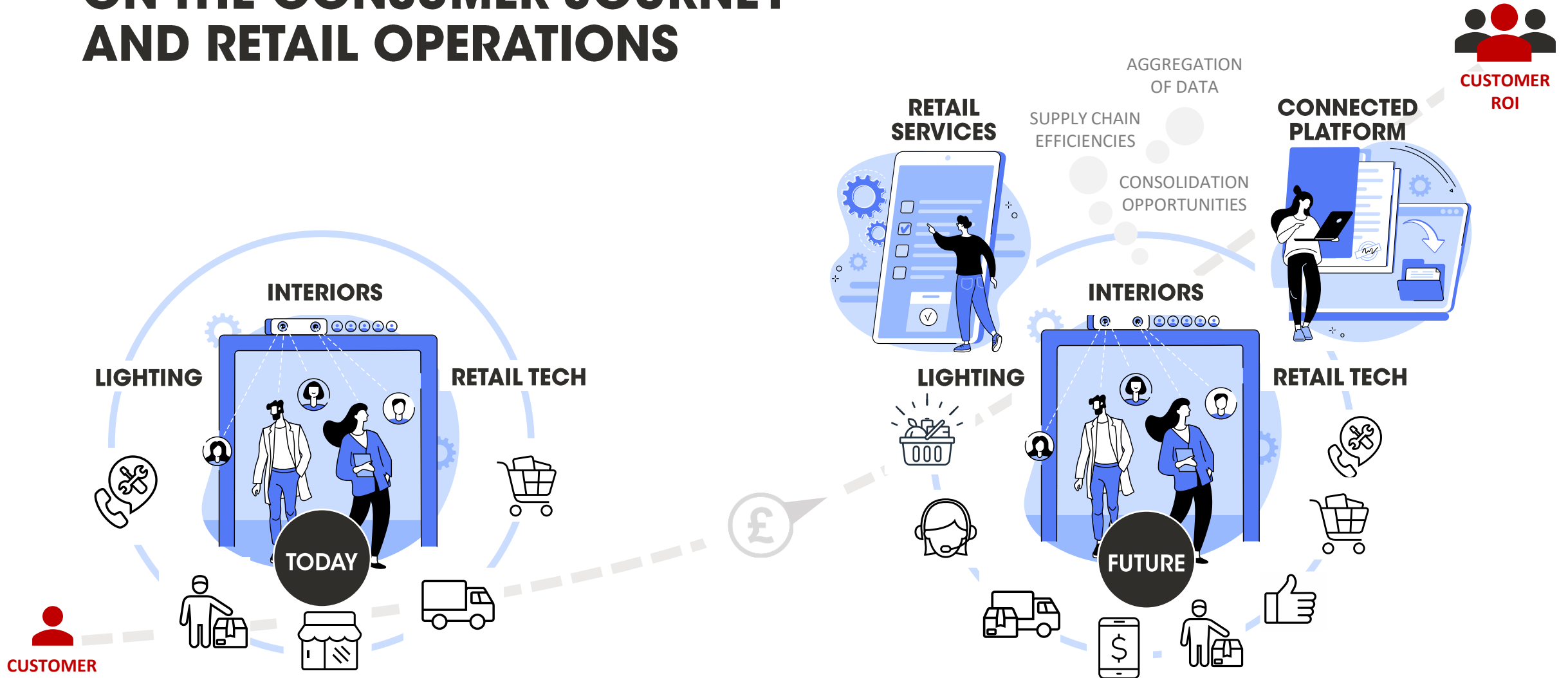
PANDEMIC BOOSTED ALREADY CHANGING CONSUMER BEHAVIOUR

Covid accelerated a number of consumer behaviours in how they choose to shop, which has resulted in retailers having to evolve their approach to remain relevant.

- ▶ The need to increase demand on omni-channel especially Food-To-Go is now more important than ever to fulfil consumer needs
- ▶ In-store experience is even more demanding to ensure consumers can be attracted and provided with a relevant experience
- ▶ The need to maximise capacity and efficiency on distribution and fulfilment networks through solutions that delivers reduced cost of operations



ITAB'S EVOLVING INFLUENCE ON THE CONSUMER JOURNEY AND RETAIL OPERATIONS



Movement towards being a Solution Provider



la Panetteria

ITAB













We love...

House beautiful

House beautiful

Vibrant
BLUES

The finest carpets
CURATED

Choose from
a range of
premium carpet
brands, from
rich and
luxurious to
light and
practical.

Wool carpet

Kisset

soft collection

COUNTRY LIVING

the floor room

Find your
carpet

£24.99m

£27.99m

£32.99m

La selezione di
BIOBOTTEGA

BIOLOGICI

SENZA SOLFITI

LA CANTINA

BIODINAMICI

LIQUORI BIOLOGICI





Financial summary 2021 and First quarter 2022

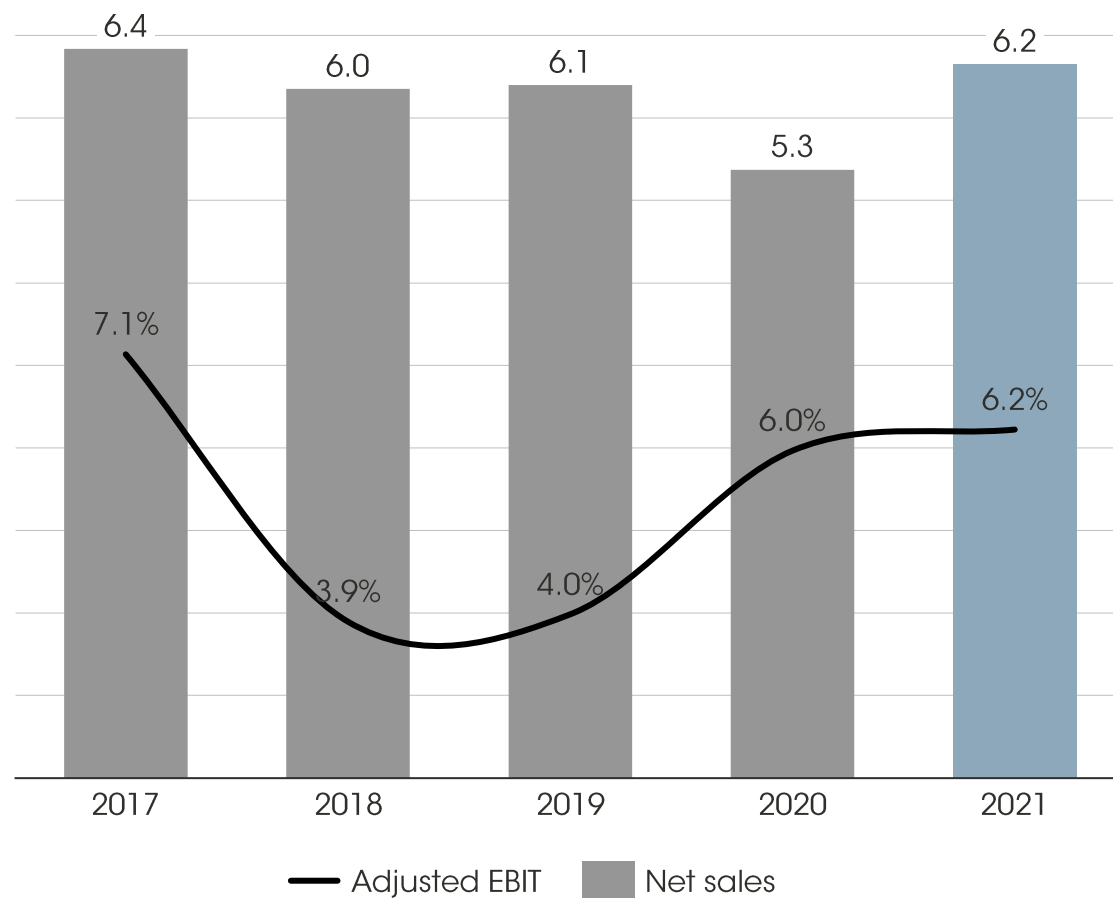
HIGHLIGHTS FROM THE YEAR

- ▶ Positive sales and profit development despite operational challenges concerning availability of critical components and material
- ▶ Increased inventory due to strong sales growth, increased costs and ambition to maintain our delivery capacity
- ▶ Transformation work and investments for the future according to plan
- ▶ Financial position strengthened after the refinancing in Q1 2021
- ▶ On-going effort to establish ITAB as the leading retail solution provider



SALES GROWTH OF 17 PERCENT AND ADJUSTED EBT INCREASED 55 PERCENT

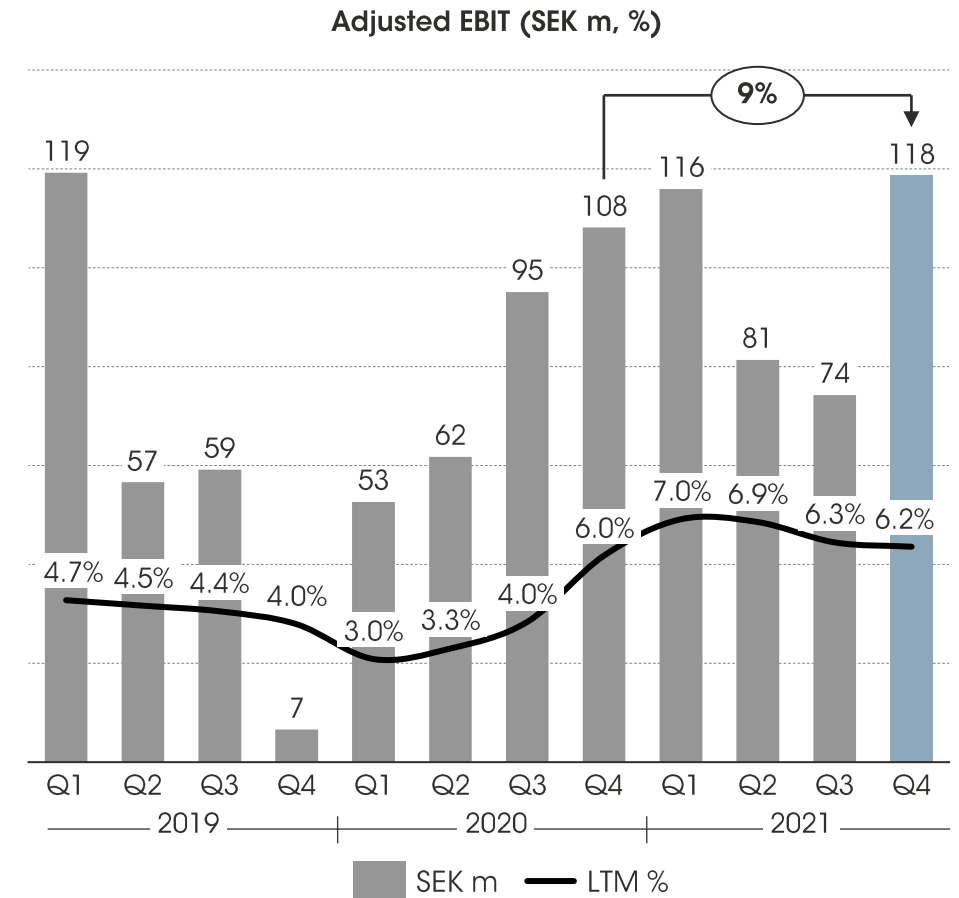
Net sales and adjusted EBIT (SEK billion, %)



SEK in million	2021	Change (%)
Net sales	6,245	+17%
Adjusted EBITDA	657	+13%
Adjusted EBIT	390	+23%
Adjusted EBT	322	+55%
Operating cash flow	-160	N/A
Net debt incl. leasing	1,239	-29%

IMPROVED PROFIT DRIVEN BY SALES GROWTH AND THE ONGOING ONE ITAB TRANSFORMATION

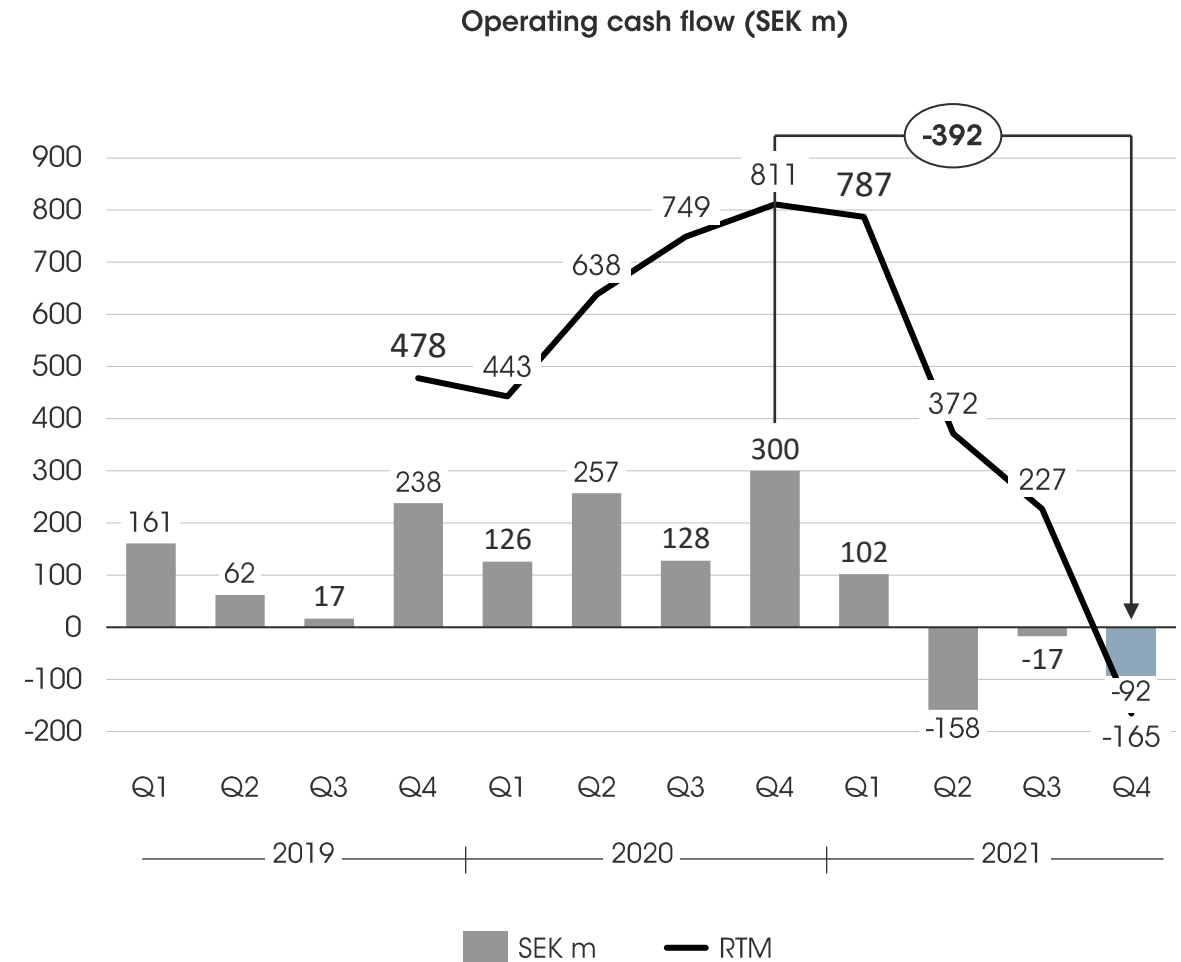
- ▶ Margin improvement related to restructuring of low-profit entities and improved customer and product mix
- ▶ SG&A has decreased through One ITAB transformation where we have realised sales synergies across the Group
- ▶ Gross margin in Q2-Q4 was negatively affected by supply and logistics disruptions and shortages of raw materials



Note: EBIT adjustments of SEK 166m in FY21 relating to transformation, SEK 205m in FY20 relating to transformation plan and inventory write-down of non-recurring nature, and SEK 15m in FY19 as negative adjustment, relating to structuring costs, repayment of purchase price for the acquisition of the D. Lindner companies and profits from sale of properties.

NEGATIVE CASH FLOW DUE TO SALES GROWTH AND SUPPLY CHAIN DISTURBANCES

- ▶ Positive cash flow effects from improved EBITDA offset by increased working capital
- ▶ Increases in working capital due to:
 - ▶ Strong sales growth in 2021 by approx. SEK 900m
 - ▶ Rising commodity prices affect inventory values
 - ▶ Higher inventory levels than normal to secure service levels and delivery capacity
 - ▶ Build-up of Cefla Retail Solutions in 2021



FINANCIAL TARGETS – SUSTAINABLE PROFITABLE GROWTH AND CAPITAL EFFICIENCY

GROWTH

Average growth in net sales of 4-8 percent per annum over a business cycle. Growth is to be achieved by sustainable organic growth and strategic acquisitions.

4-8%

Sales growth

EARNINGS

Average EBIT margin (operating profit in relation to net revenue) of 7-9 percent over a business cycle.

7-9%

EBIT-margin

CAPITAL EFFICIENCY

Average cash conversion ratio (operational cash flow before depreciation and amortization) of at least 80 percent over a business cycle.

>80%

Cash conversion

DIVIDEND POLICY

Dividends over a longer period should follow the result and correspond to at least 30 percent of the company's profit after tax. However, dividends will be adjusted to the company's investment requirements and any share repurchase program.

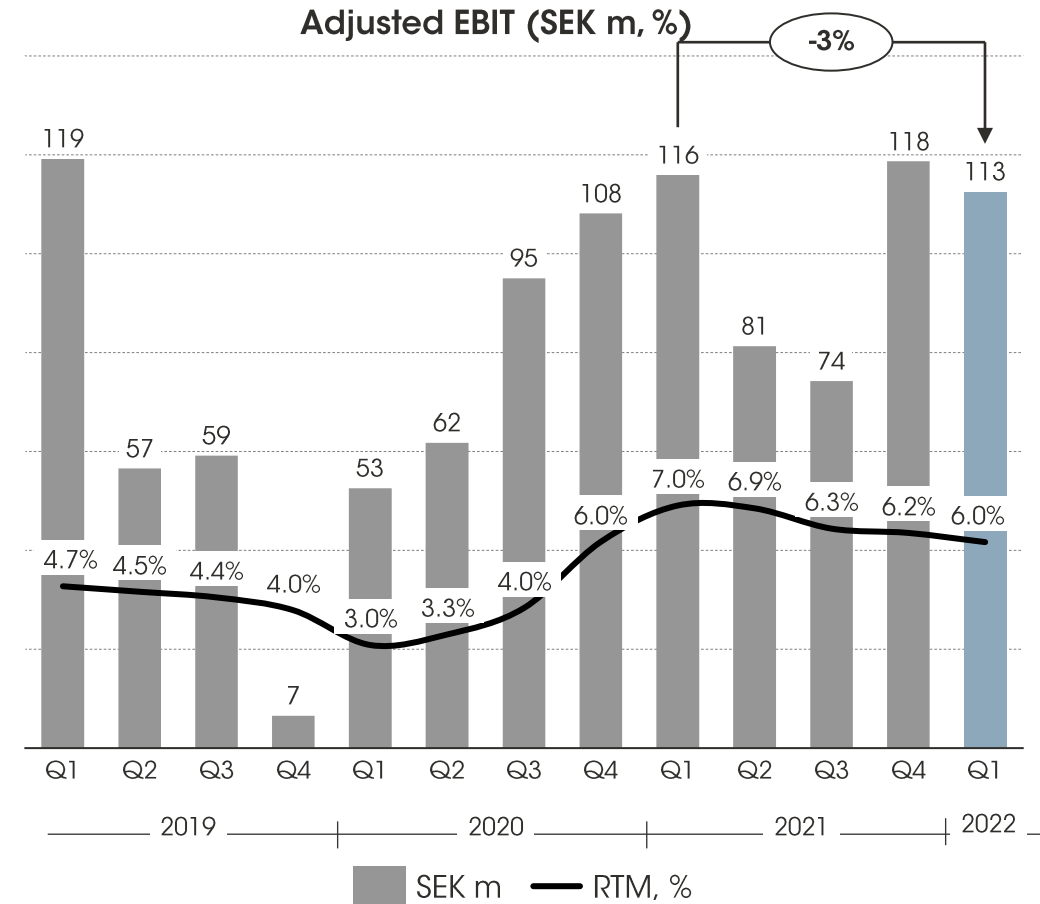
>30%

Proportion of profit after tax

Note: ITAB's financial targets refer to the average performance over a business cycle.

FIRST QUARTER 2022 – MAINTAINED EBIT DESPITE OPERATIONAL CHALLENGES

- ▶ Efforts to balance supply disturbances and increasing inflation through **price increases** and cost reductions
- ▶ Increased inventory to maintain our delivery capacity – efforts continue to reduce working capital over time
- ▶ Acquisition of Checkmark in Finland strengthens the market position for Retail Tech solutions in the Nordic region further
- ▶ Decision to discontinue the Group's operations in Russia
- ▶ Uncertainties in the world continues to affect our operating environment



Note: EBIT adjustments of SEK 21m in Q1 2022 and SEK 166m in FY21 relating to transformation, SEK 205m in FY20 relating to transformation plan and inventory write-down of non-recurring nature, and SEK 15m in FY19 as negative adjustment, relating to structuring costs, repayment of purchase price for the acquisition of the D. Lindner companies and profits from sale of properties.

Questions?

