

# ITAB SHOP CONCEPT

## Transformational acquisition

ITAB's proposed acquisition of French company HMY looks a solid match to us, with attractive deal fundamentals, creating a clear European market leader in the retail store-fittings segment. It is set to double the size of ITAB, and management sees major synergies, suggesting EPS accretion of 45–50% by 2026–2027e. Awaiting the deal's completion, we reiterate our SEK23–30 fair value, with the new ITAB/HMY suggesting further significant upside by 2027e.

**Next step in Industrial roll-up.** ITAB announced the next step in its industrial roll-up, proposing the acquisition of the French store fittings group Financière HMY, doubling the size of the company. HMY looks to be a good match with ITAB, strengthening the South European footprint and adding the Middle East and Latin America. The deal values HMY at EUR320m (2023: EV/sales 0.77x, EV/adj. EBITDA 6.4x), with indicated deal synergies of EUR30m by 2027e, which even adjusting for the dilution effect of the already completed new issue, suggests considerable EPS accretion of 45–50% for 2026–2027e, a post-synergy 2027e EV/EBITDA of c4x and a solid ROIC of 21–22%.

**Financing secured.** The HMY acquisition still requires the usual French work council consultation and approval by the competition authorities, suggesting deal closure by Q1 2025 at the latest, with ITAB already having secured both the equity and debt financing.

**Q3 preview.** As we await final clearance of the acquisition before consolidating HMY, so our updated forecasts relate mainly to FX moves and the dilution effect of the completed direct new issue on EPS. ITAB is due to present its Q3 report at 07:00 CET on 29 October; we expect another solid quarter, with 5% revenue growth to SEK1,605m and adj. EBIT margin expansion of 55bp to 9.0%, for adj. EBIT of SEK144m.

**Fair value unchanged at SEK23–30.** We find the positive share-price reaction to the proposed HMY deal logical looking at the deal fundamentals, but have not updated our fair value range, awaiting the deal's finalisation. However, assuming full delivery of the 2027e synergies would suggest EPS of SEK3.50–3.70 for the combined ITAB/HMY, which if it was valued in line with ITAB's historical valuation points to upside potential of SEK35–40/share by 2027e.

Year-end Dec	2020	2021	2022	2023	2024e	2025e	2026e
Revenue (SEKm)	5,323	6,087	6,868	6,139	6,568	7,096	7,522
EBITDA adj (SEKm)	578	644	704	686	865	923	970
EBIT adj (SEKm)	320	382	443	432	613	671	714
PTP (SEKm)	0	147	348	385	572	673	730
EPS rep (SEK)	-0.13	0.44	0.78	1.25	1.66	1.80	1.96
EPS adj (SEK)	1.18	1.20	1.21	1.28	1.65	1.80	1.96
DPS (SEK)	0.00	0.00	0.50	0.75	0.93	1.07	1.15
Revenue growth (%)	-12.2	14.4	12.8	-10.6	7.0	8.0	6.0
EBITDA growth adj (%)	16.3	11.4	9.3	-2.6	26.1	6.6	5.1
EPS growth adj (%)	79.8	1.7	0.8	6.5	28.6	9.2	8.5
EBITDA margin adj (%)	10.9	10.6	10.3	11.2	13.2	13.0	12.9
EV/Sales adj (x)	0.68	0.68	0.51	0.53	0.98	0.94	0.83
EV/EBITDA adj (x)	6.3	6.5	4.9	4.7	7.5	7.2	6.4
EV/EBIT adj (x)	11.3	10.9	7.9	7.5	10.5	9.9	8.7
P/E adj (x)	10.0	11.2	9.1	9.4	18.4	16.9	15.5
P/Book (x)	1.16	1.10	0.80	0.86	1.70	1.74	1.65
ROE (%)	nm	4.2	5.7	8.6	10.3	10.2	10.5
Dividend yield (%)	0.0	0.0	4.5	6.2	3.1	3.5	3.8

Source: Company (historical figures), DNB Markets (estimates)

ITAB versus OMXS30 (12m)



Source: FactSet

### SUMMARY

Share price (SEK)	30.4
Tickers	ITAB SS

### CAPITAL STRUCTURE

No. of shares (m)	215.0
No. of shares fully dil. (m)	216.3
Market cap. (SEKm)	6,537
NIBD adj end-2024e (SEKm)	-661
Enterprise value adj (SEKm)	5,876
Net debt/EBITDA adj (x)	-0.58
Free float (%)	61

Source: Company, DNB Markets (estimates)

### NEXT EVENT

Q3 2024	29/10/2024
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### ESTIMATE CHANGES (SEKm), (SEK)

Year-end Dec	2024e	2025e	2026e
Sales (old)	6,617	7,193	7,626
Sales (new)	6,568	7,096	7,522
Change (%)	-0.7	-1.4	-1.4
Consensus	6,616	7,141	7,537
EPS adj (old)	1.79	2.03	2.22
EPS adj (new)	1.65	1.80	1.96
Change (%)	-7.5	-11.1	-12.0
Consensus	1.80	2.02	2.18

Source: DNB Markets, Bloomberg

This report has been commissioned and paid for by Itab Shop Concept, and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

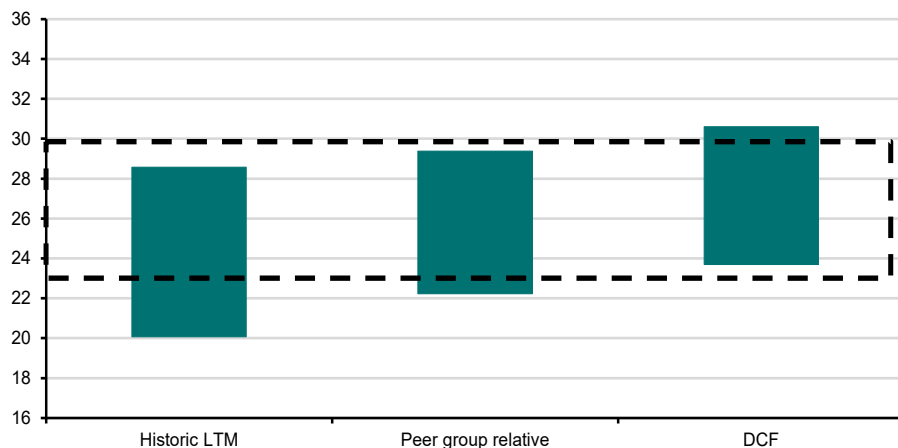
### ANALYST

Karl-Johan Bonnevier

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# Overview

## Valuation (SEK)



Source: FactSet, DNB Markets

## Valuation methodology

- The low end of our fair value range of SEK23 is based on blending ITAB's historical LTM average multiples applied to our 2025–2026 forecasts and the low-end of our conservative DCF and low-range peer group relative valuation.
- The top end of our fair value range of SEK30 is based on blending the top-range of the relative peer group valuation, and our higher end DCF.

Source: DNB Markets

## Downside risks to our fair value

- Market demand not recovering as expected post-recession.
- Consumer confidence weakness affecting market demand more than expected and ITAB not able to offset it.
- Acquisition ambitions not paying off.
- Limited free float and small-cap status imply liquidity constraints that could cap interest in the name.

Source: DNB Markets

## DNB Markets estimates

- Even in a more challenging business environment with potentially slower demand, we see the 'One ITAB' strategy helping the company to achieve close to its own financial targets.
- We believe ITAB could return to the M&A fold and take further steps in its sector roll-up, with multiple sources of value-creation.
- We believe ITAB's strategy has gone largely unnoticed by the financial community given limited analyst coverage and institutional ownership (domestic and international).

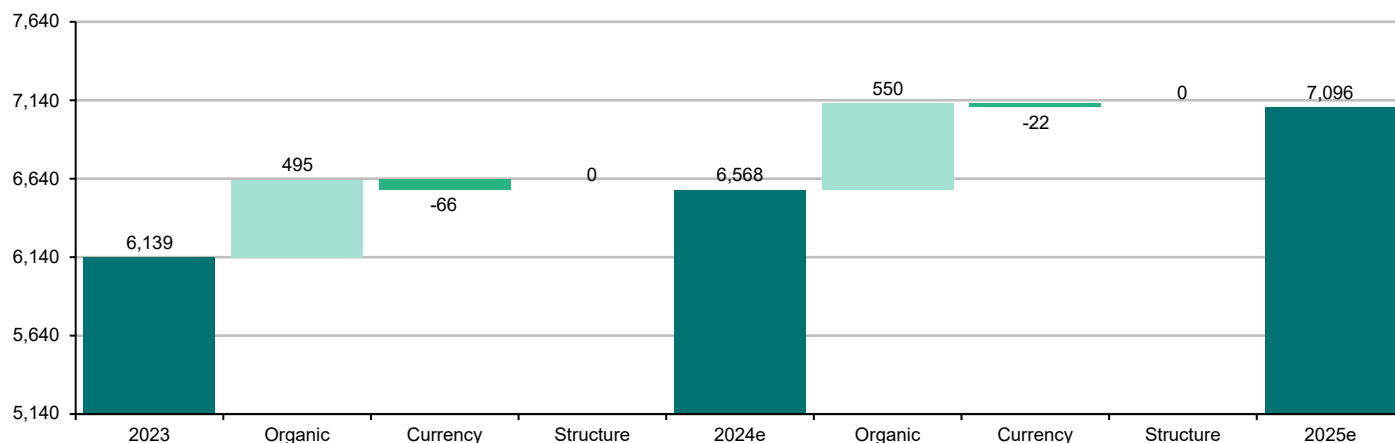
Source: DNB Markets

## Upside risks to our fair value

- ITAB achieving its financial targets.
- Expansion into new countries and product offerings.
- Maintaining its strong acquisition track record and prices paid.
- EBIT margins well above the internal target, driven by the ongoing mix shift.

Source: DNB Markets

## Net sales bridge 2023–2025e (SEKm)



Source: Company (historical figures), DNB Markets (estimates)

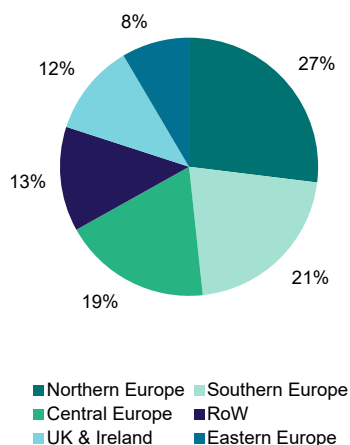
# Company overview and SWOT analysis

## Company description

- ITAB is the leading European supplier of retail solutions including consultative design services, custom-made interiors, checkout systems, consumer guidance solutions, professional lighting systems and interactive digital solutions for the physical store.

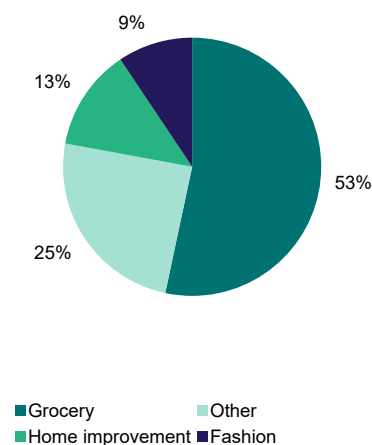
Source: DNB Markets

## Revenues by region (LTM Q2 2024)



Source: Company

## Revenues by business area (LTM Q2 2024)



Source: Company

## Financial targets

- Growth – average net sales (CAGR) of 4-8% p.a. over a business cycle combining organic growth and strategic acquisitions.
- Profitability – average EBIT margin of 7–9% over a business cycle.
- Capital efficiency – average cash conversion ratio (OpCF to EBITDA) of ≥80% over a business cycle.
- Dividend – ≥30% of EPS over time adjusted for investment requirements and share buybacks.

Source: Company

## Key management

- Andrés Elgaard – president and CEO.
- Ulrika Bergmo Sköld – CFO.
- Jan Andersson – SVP Nordic.
- Andrea Ciotti – SVP South Europe.
- Roy French – SVP UK & Baltics.
- Nick Hughes – CCO.
- Mikael Nadelmann – COO.
- Frida Karlsson – general counsel.
- Klaus Schmid – SVP Central Europe.

Source: Company

## Largest shareholders

- Acapital ITAB HoldCo AB – 25.4% of capital and votes.
- Pomona-gruppen – 17.7%.
- Petter Fägersten – 11.5%.
- Anna Benjamin – 6.6%.
- Svolder – 5.8%.
- ITAB Shop Concept holding of own shares 4,400,00 C-shares (2.0% of capital) excluded above.

Source: Company

## SWOT analysis

### Strengths

- One of the largest companies in the European retail store fittings industry, having deployed a sector roll-up strategy actively consolidating the fragmented market.
- Strong financials allowing the use of all capital allocation tools, even as profitability still has some way to go to reach its targets, recently starting share buybacks.

### Opportunities

- Move from a product focus to solutions and systems orientation holds the potential to become a preferred supplier to a larger part of the European retail sector.
- Promising growth platforms in Retail Technology and Lighting.

Source: DNB Markets

### Weaknesses

- General retail under pressure making hurdles for new investments, including in ITAB's offering, harder to justify.
- External commodity prices inflation need to be balanced.
- Volume sensitivity still being more of a product sales company and a service and systems provider to the sector.

### Threats

- Competitive and fragmented market, with key customers generally being larger with a high cost focus putting pressure on the supplier base.
- Structural decline for physical shops making for lower investment requirements.

## ESG overview

### Sustainability assessment

	Positive	Negative
Conclusions	<ul style="list-style-type: none"> <li>■ With increasing customer focus on sustainability and innovation, collaboration for a sustainable future has become a key differentiator for ITAB and is an integrated part of its 'One ITAB' strategy.</li> <li>■ This includes external opportunities such as the development of carbon assessment services for customers' operation and internal focus on sustainable product development and efficiency in the value chain as well as safeguarding good working conditions and business ethics.</li> </ul>	<ul style="list-style-type: none"> <li>■ We assess ITAB's ESG-related risks to be well-addressed by the company and primarily related to working conditions, efficiency, business ethics and development of new solutions.</li> <li>■ In a wider context, unsuccessful acquisitions and quality failures could result in reputational damage and loss of business.</li> </ul>
Actions being taken by company	<ul style="list-style-type: none"> <li>■ ITAB's updated materiality analysis (2023) reiterated its sustainability focus targeted on good working conditions, efficiency in the value chain, business ethics and sustainable business development, with KPIs added that are followed up quarterly.</li> <li>■ ITAB has linked its sustainability work to the UN Sustainable Development Goals, highlighting eleven of the 17 goals in its operations (SDG 3, 5, 6, 7, 8, 9, 10, 12, 13, 16 and 17).</li> <li>■ ITAB uses EcoVadis to assess its sustainability programme independently and take guidance on how to develop a roadmap for the future, receiving a Bronze medal with a score 58/100 in May 2023.</li> </ul>	<ul style="list-style-type: none"> <li>■ Like many other companies, ITAB does not score well in the EU Taxonomy scoring. Only its lighting manufacturing (9% of net sales) is eligible, as a 'climate change mitigator'. However, its current light sources do not meet the requirement of being in the two top classes. This implies a group alignment to Taxonomy of 0% for net sales and operating expenses and &lt;1% for capital expenditure.</li> </ul>

### Key ESG drivers

Short-term	<ul style="list-style-type: none"> <li>■ With sustainability an increasing customer focus, it has also become an integrated part of ITAB's strategy work.</li> <li>■ ITAB has established baselines, adding further metrics during 2023, to able to fully meet the CBAM and CSRD legislations and advanced towards some of its goals of 2022–2023.</li> <li>■ ITAB has turned sustainability into a business proposition towards its clients, such as offering carbon assessment and its Retail Lighting operation offering advanced energy-saving solutions based on the latest LED technology.</li> </ul>	<ul style="list-style-type: none"> <li>■ In 2022 ITAB established a baseline for good working conditions with KPIs such as Total Frequency Rate (TFR) for accidents and a Lost Time Severity Rate (LTSR) reporting a 2023 TFR improvement to 8.23 (12.8) and LTSR of 0.29 (0.28). With a target of zero accidents, this still leaves some work to do.</li> <li>■ Risk of reputational damage from partners failing to deliver on ESG factors, potentially limiting its product offering.</li> </ul>
Long-term	<ul style="list-style-type: none"> <li>■ With benchmarks established in 2022 for Scope 1 and 2 greenhouse gas emissions, ITAB is working actively towards its own target to achieve a 50% absolute reduction by 2030, seeing a 23% Scope 1 and 10% Scope 2 reduction in 2023.</li> <li>■ ITAB's goal is to source 100% of its electricity needs from renewable sources by 2025. For 2023, 38% was sustainably generated (29% in 2021).</li> </ul>	<ul style="list-style-type: none"> <li>■ Risk of ITAB failing to keep up with growing consumer ESG demands.</li> <li>■ Challenge to get its sustainability work recognised in standard models such as the EU Taxonomy.</li> <li>■ With acquisitions being a central part of ITAB's growth, there is a risk that unsuccessful acquisitions could result in adverse outcomes.</li> </ul>

Source: DNB Markets

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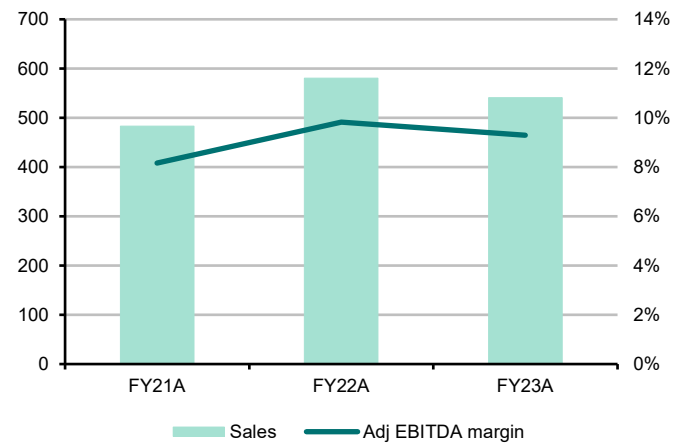
# HNY acquisition

Figure 1: HNY acquisition accounting (prel) September 2024

SEKm	2023	2024e	2025e	2026e	2027e
Revenues	6116	6421	6742	7080	7660
EBITA	306	339	373	410	447
margin %	5.0	5.3	5.5	5.8	5.8
+ Synergy potential			57	170	339
- Interest cost (6.0%)		-217	-217	-217	-217
Pretax impact	306	122	213	362	569
EPS impact		0.34	0.60	1.02	1.60
Imp on pre-deal est (%)		19.3	29.8	46.1	
RoIC (%)		9.4	11.9	16.0	21.7
	<b>2023</b>			<b>2026e</b>	
EV/Sales	0.59			0.51	
EV/EBITDA	6.4			4.1	
Acquisition cost	3616				

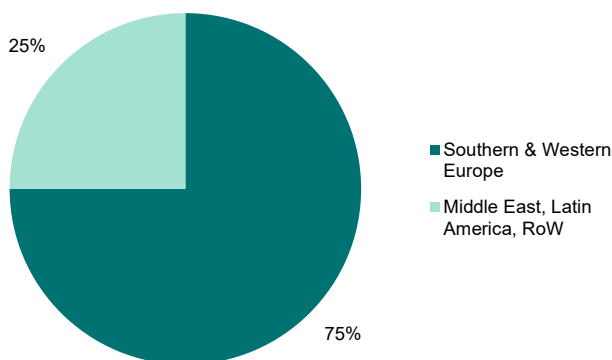
Source: Company (historic data), DNB Markets (estimates and compilation)

Figure 2: HMY revenues (EURm) and adj. EBITDA margin (%)



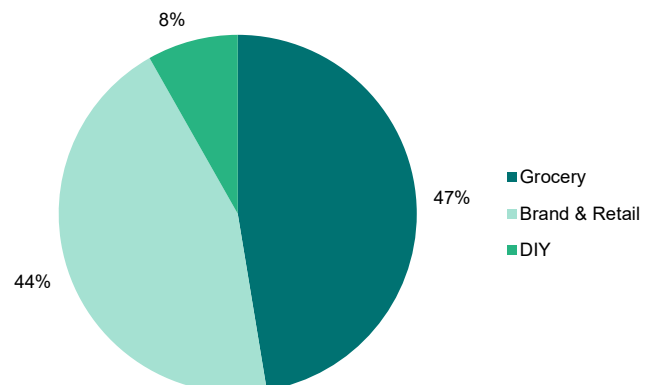
Source: Company

Figure 3: HMY geographical revenue breakdown 2023



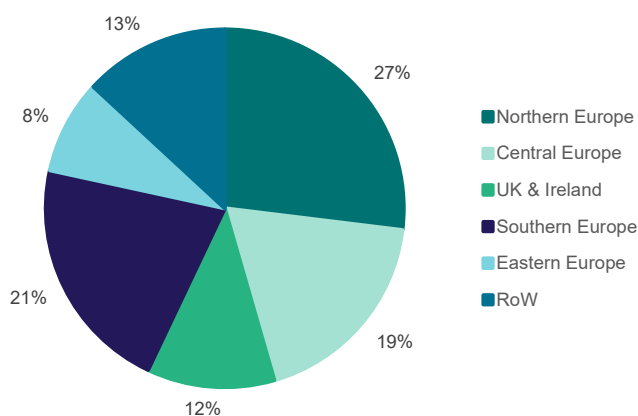
Source: Company

Figure 4: HMY customer segment revenue split 2023



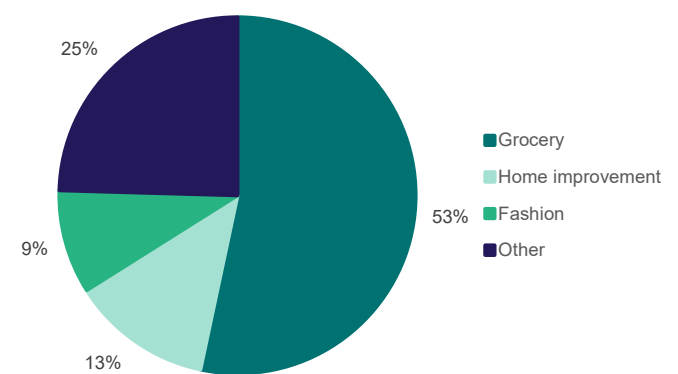
Source: Company

Figure 5: ITAB geographical revenue breakdown LTM Q2 2024



Source: DNB Markets (compilation), company (historical data)

Figure 6: ITAB customer segment revenue split LTM Q2 2024



Source: DNB Markets (compilation), company (historical data)

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## ITAB acquisition history

Figure 7: ITAB acquisition and disposal log

Year	Target	Price (SEKm)	Sales	OpP	OpP margin	EVS (x)	EVOpP (x)	comment
2024	Financière HMY (Fr)	3616	6116	568	9.3%	0.59	6.4	Leading European store fittings group (Fr, Sp, ME, LatAm)
	Signatrix GmbH (Ge)	23						German Retail AI startup (18% holding)
	Imola Retail Solutions Srl (It)	12						19% option to make operation whole owned utilised
2023	OmboriGrid AB	15						21% shareholding disposed
2022	Oy Checkmark Ltd (Fi)	53	117	19.1	16.4%	0.45	2.8	Nordic supplier of checkout and store guidance tech
2021	La Fortezza Sudamericana SA (Arg)	19						Remaining 15% of subsidiary in South America
	Imola Retail Solutions Srl (It)	57	510	30.0	5.9%	0.14	2.3	81% hld (+opt in 2024) in Cefla's unit for retail solutions
2019	Ombori Apps AB	15	21.0	0.4	1.8%	2.38	-	30% holding in digital shop experience company
2017	D&L Lichtplanung GmbH (It)	151	206	22.6	11.0%	0.73	6.7	Leading German store lighting company
2016	La Fortezza Group (It)	990	1291	116.2	9.0%	0.77	8.5	Leading Southern European store fittings company
	Pikval Group Oy (Fi)	61	159	12.7	8.0%	0.38	4.8	Finnish producer of concept store fittings (Fin, Sw & Dk)
	MB Shop Design i Hillerstorp	106	140	17.3	12.4%	0.76	6.1	Swedish producer of concept store fittings (Sw & Dk)
	LICHTSPIEL Lichtprojekte und Design	24	37	2.2	6.0%	0.64	10.7	German retail lighting company
2015	JDP (Latvia)	60	105	10.5	10.0%	0.58	5.8	Latvian store fitting company to European speciality retail
2014	Reklamepartner (No)	4	27.5			0.31		51% stake in Norwegian in-store promotion company
	Eurolys (No)	4	33			0.12		Assets from Norwegian lighting sales company
	New Store Europe BV (Ne)	12	200			0.06		Assets from Dutch bankruptcy
	New Store Europe Denmark AS (Dk)	9	139			0.06		Assets from Danish bankruptcy
	New Store Europe Sverige AB	8	100			0.08		Assets from Swedish bankruptcy
	New Store Europe Norge AS (No)	20	275			0.07		Assets from Norwegian bankruptcy
2012	Maxted Hld Group Ltd (UK)	22	130	2.6	2.0%	0.17	8.5	UK producers of wood store fittings
	Prolight Försäljnings AB	16	87	8.4	9.7%	0.38	3.9	Acq of 49% minority of retail lighting sales company
2011	Nordic Light Group AB	265	553	83	15.0%	0.48	3.2	Leading Scandinavian retail lighting company
2008	Scangineers BV (Ho)							Asset acq of producer of shop self-checkout systems
	Pan-Oston (Fi)							Finnish producer of cashier disks & entry/exit systems
	L-Form Logisitcs AB	7	20	good		0.35		Producer of entrance and flow systems
2007	Hansa Kontor Shopfitting	250	850	30	3.5%	0.29	8.4	Market leader in Europe for cashier desks (Ge, UK, Be)
	Sintek	15	50	good		0.30		Leading store fitter for pharmacies in Sweden
2006	Radford CGC (UK)	50	200	good		0.25		UK producer of cashier desks & entry/exit systems
	PharmaService (No)	14	40	good		0.35		Leading Norwegian producer of Pharmacy interiors
	City Group (UK)	88	300	18	6.0%	0.29	4.9	UK producer of complete store systems & concepts
	Novena (Lithuania)	18	60	good		0.30		Lithuanian producer of complete store systems
	PremOers (Ne)	15	45	good		0.33		Dutch project mgmt company for store concepts
2004	Lindco AS (No)		50	good				Leading Norwegian sales channel
	ABL Blansco (Cz)		120					Czech family owned low-cost manufacturer
	APOS Letovice (Cz)							
	Stenestams Industri		90					Swedish cashier desk manufacturer
	ITAB Shop Concept							Spin-off from XANO Industries. IPO and separate listing
2003	Sisustus AS (Est)							
	Södergrens Metallkonstr							
	Shop Equipe (Cz)		25					Czech development company
	Shop Equipe (Dk)							Danish shop fitting company
	Skandinavisk Inredning							
2001	Legra Baltic (Latvia)							
2000	ISC Inter Shop Center (Ne)		120					Assets from Dutch bankruptcy (Ahold as large customer)
1999	Sabina Inredningar							
1998	Expo Kaluste Oy (Fi)							
1996	Produktions AB R.Berg							
	RVA Hugin Sweda (Dk)							
	KB Design AS (No)							
1992	Metalltechnik met-o-matic							
1991	Legra ASA (No)		50					
	Super Service (Dk)							
1989	ABO Metall							
1988	Törnblom Nässjö							

Source: Company (historical data), DNB Markets (compilation and estimates in red)

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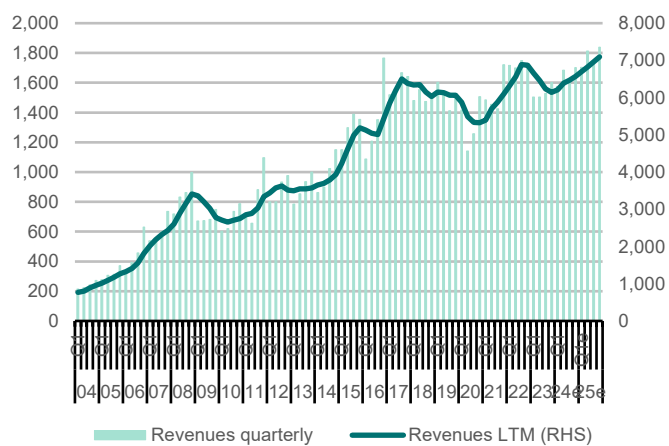
## Q3 preview

Figure 8: Q3 preview – DNB Markets’ forecasts versus results

Key highlights (SEKm, except per share data)	Q3e 2024			Deviation (%)		Deviation, Abs		Q3 2023	DNBe
	Actual	DNB	Cons.	DNB	Cons.	DNB	Cons.	Actual	2024e
<b>Net sales</b>		<b>1,604.6</b>	<b>1,633.0</b>		<b>-2%</b>		<b>-28</b>	<b>1,529.0</b>	<b>6,567.9</b>
Change YOY		4.9%	6.8%		-1.9pp			-12.6%	7.0%
Organic YOY		8.5%	10.4%		-1.9pp			-15.2%	8.1%
Acquired YOY		0.0%						0.0%	0.0%
FX / other YOY		-3.6%						2.6%	-1.1%
<b>Gross profit</b>		<b>469.8</b>	<b>482.6</b>		<b>-3%</b>		<b>-13</b>	<b>440.0</b>	<b>1,951.4</b>
Gross margin		29.3%	29.6%		-0.3pp			28.8%	29.7%
<b>EBITDA adjusted</b>		<b>207.3</b>	<b>212.5</b>		<b>-2%</b>		<b>-5</b>	<b>180.0</b>	<b>865.4</b>
Depr/Amort		-63.0						-51.0	-252.0
<b>EBIT adjusted</b>		<b>144.3</b>	<b>149.5</b>		<b>-3%</b>		<b>-5</b>	<b>129.0</b>	<b>613.4</b>
EBIT margin		9.0%	9.2%		-0.2pp			8.4%	9.3%
One-offs		0.0						0.0	0.0
EBIT reported		144.3	149.5		-3%		-5	129.0	613.4
Pretax profit		132.7	137.0		-3%			113.0	569.3
EPS		0.37	0.44		-15%			0.32	1.67
<b>FCF</b>		<b>51.4</b>						<b>189.0</b>	<b>392.8</b>

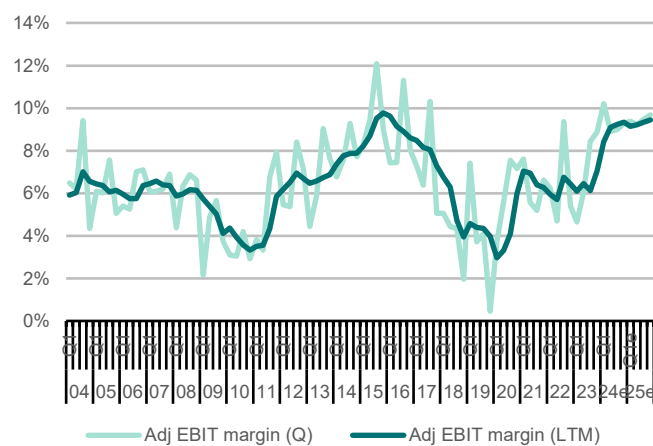
Source: DNB Markets (forecasts), company (historical data), Bloomberg (limited number of contributors)

Figure 9: Revenues quarterly and LTM (SEKm)



Source: DNB Markets (forecasts), company (historical data)

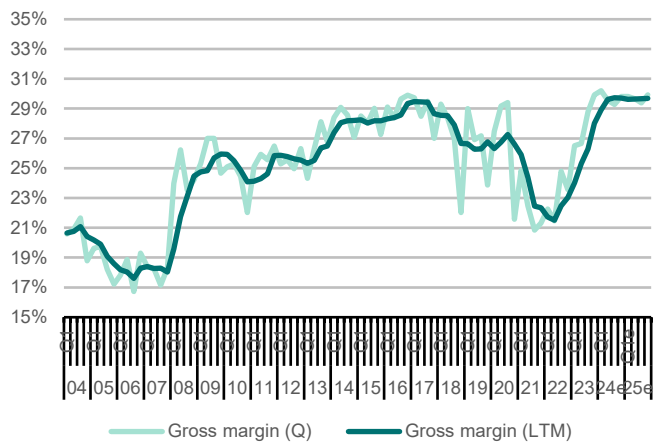
Figure 10: EBIT margin quarterly and LTM



Source: DNB Markets (forecasts), company (historical data)

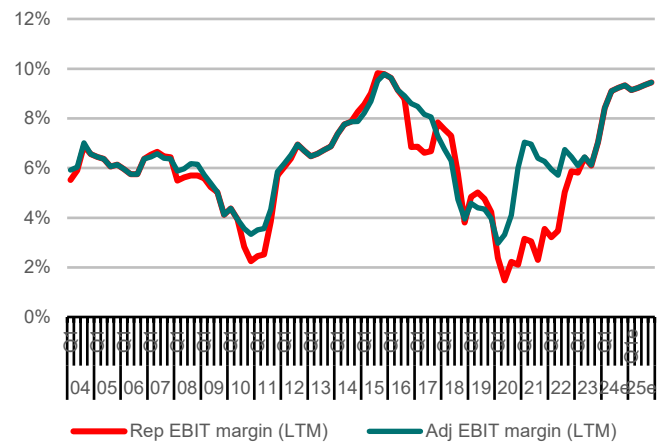
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**Figure 11: Gross margin quarterly and LTM (%)**



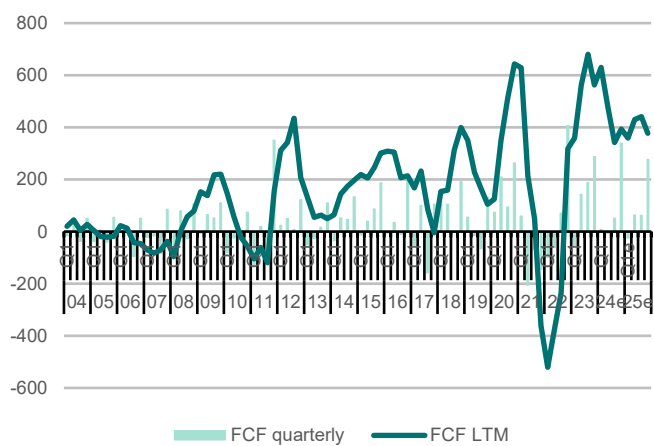
Source: DNB Markets (forecasts), company (historical data)

**Figure 12: EBIT margin report and adjusted LTM (%)**



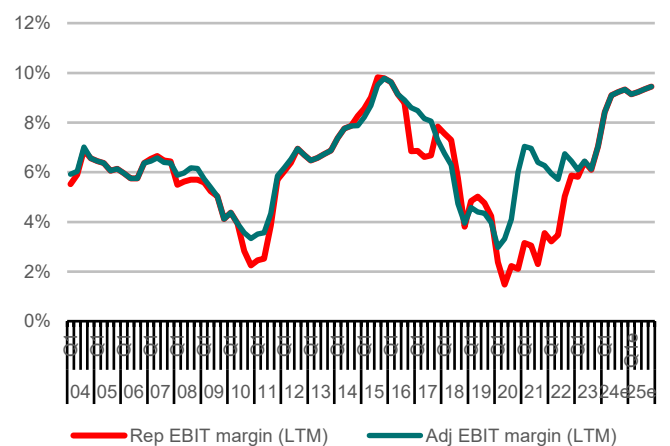
Source: DNB Markets (forecasts), company (historical data)

**Figure 13: FCF quarterly and LTM (SEKm)**



Source: DNB Markets (forecasts), company (historical data)

**Figure 14: Net debt IFRS16 adj. (SEKm) and net debt/EBITDA (RHS)**



Source: DNB Markets (forecasts), company (historical data)



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## Valuation and performance

Figure 15: ITAB – peer group valuation (x) and performance (%)

Security Name	Price	M CAP	EV	EV/SALES			EV/EBITDA			EV/EBIT		
	LFX	EURm	EURm	+1y	+2y	+3y	+1y	+2y	+3y	+1y	+2y	+3y
<b>ITAB SHOP CONCEPT (DNB est)</b>	30.40	679	744	<b>0.99</b>	<b>1.01</b>	<b>0.96</b>	<b>7.5</b>	<b>7.8</b>	<b>7.5</b>	<b>10.6</b>	<b>10.5</b>	<b>9.6</b>
ITAB SHOP CONCEPT AB	30.40	594	625	1.16	1.08	1.02	8.9	8.3	8.0	12.5	11.5	10.9
<b>SME Industrial peers</b>												
ALLIGO AB-B	142.80	643	850	1.05	0.99	0.95	7.6	6.6	6.2	14.0	11.2	10.1
ALIMAK AB	113.20	1,077	1,311	2.19	2.11	2.03	11.3	10.0	9.5	16.1	13.2	12.1
BERGMAN & BEVING AB	294.50	712	878	1.94	1.86	1.78	13.2	12.5	11.8	22.7	21.0	19.6
COOR SERVICE MANAGEMENT	46.14	390	578	0.53	0.51	0.49	7.6	6.9	6.5	13.0	10.9	9.9
ELANDERS AB-B	93.70	293	1,063	0.87	0.83	0.80	5.6	5.2	5.0	15.1	12.4	11.5
FAGERHULT AB	66.30	1,037	1,213	1.65	1.57	1.49	11.0	10.1	9.3	16.6	14.7	13.3
FASADGRUPPEN AB	41.60	182	291	0.69	0.64	0.61	7.5	5.6	4.9	10.8	7.4	6.4
GREEN LANDSCAPING AB	81.10	407	601	1.04	0.98	0.94	8.3	7.6	7.2	15.1	13.7	12.7
INWIDO AB	189.30	969	1,080	1.47	1.39	1.31	11.2	9.7	8.7	15.7	12.8	11.3
MOMENTUM GROUP AB-B	181.40	810	841	3.37	3.15	3.04	23.2	21.5	20.5	34.3	31.0	29.5
NETEL HOLDING AB	22.10	95	149	0.50	0.46	0.44	6.8	5.6	5.1	9.5	7.5	6.7
NEDERMAN HOLDING AB	222.00	690	762	1.62	1.53	1.45	10.6	9.5	9.1	15.0	12.9	12.2
NORVA24 GROUP AB	29.50	477	605	1.97	1.78	1.69	9.5	8.2	7.6	19.0	15.6	14.2
NOTE AB	114.50	293	302	0.96	0.88	0.79	8.0	6.8	6.0	10.7	9.0	7.8
NORDIC WATERPROOFING AB	167.80	357	426	1.18	1.12	1.08	10.8	8.6	8.1	16.3	11.9	11.1
OEM INTL AB-B	118.40	1,451	1,419	3.06	2.91	2.77	19.5	18.5	17.6	22.3	20.9	19.7
PRICER AB-B	10.86	157	149	0.66	0.57	0.49	7.7	6.8	6.0	10.7	9.2	7.9
SCANFIL OYJ	7.17	470	464	0.62	0.58	0.54	6.6	6.2	5.9	9.1	8.4	7.8
SITOWISE GROUP PLC	2.78	100	180	0.93	0.89	0.85	9.4	7.4	6.6	23.3	14.5	11.6
<i>Average sub-group</i>				<i>1.35</i>	<i>1.27</i>	<i>1.21</i>	<i>10.1</i>	<i>9.0</i>	<i>8.3</i>	<i>16.0</i>	<i>13.3</i>	<i>12.1</i>
<b>Nordic Retail peers</b>												
HENNES & MAURITZ AB-B SHS	170.95	24,519	29,232	1.38	1.33	1.28	8.0	7.4	7.1	17.3	15.2	14.2
AXFOOD AB	284.90	5,463	6,356	0.85	0.81	0.79	10.3	9.6	9.3	19.6	17.9	16.9
XXL ASA	64.40	109	336	0.53	0.48	0.46	10.0	4.7	3.5	-11.9	40.0	11.2
CLAS OHLSON AB-B SHS	169.90	981	1,076	1.10	1.06	1.02	7.0	6.5	6.2	11.9	11.4	10.9
TOKMANNI GROUP CORP	11.23	657	1,405	0.89	0.86	0.81	6.5	5.9	5.5	14.7	12.4	11.1
EUROPRIS ASA	66.40	948	1,217	1.31	1.17	1.13	7.6	6.9	6.2	12.9	12.0	10.4
KID ASA	153.20	532	669	2.19	2.03	1.90	7.9	7.2	6.6	14.1	12.4	11.2
BYGGMAX GROUP AB	41.90	218	445	0.80	0.74	0.70	5.5	5.0	4.5	24.7	16.6	11.4
MATAS A/S	124.80	641	1,058	0.96	0.90	0.85	6.7	5.8	5.4	14.5	11.4	10.0
BILIA AB-A SHS	121.20	1,032	1,644	0.50	0.47	0.46	7.5	7.1	6.8	15.2	12.3	11.6
ELEKTRO IMPORTOREN AS	9.36	40	86	0.64	0.59	0.54	6.9	5.4	4.5	23.6	13.0	9.5
<i>Average sub-group</i>				<i>1.01</i>	<i>0.95</i>	<i>0.90</i>	<i>7.6</i>	<i>6.5</i>	<i>6.0</i>	<i>14.2</i>	<i>15.9</i>	<i>11.7</i>
<b>Total peer group</b>				<b>1.23</b>	<b>1.16</b>	<b>1.10</b>	<b>9.3</b>	<b>8.1</b>	<b>7.5</b>	<b>15.4</b>	<b>14.2</b>	<b>12.0</b>

Source: Bloomberg (consensus), DNB Markets (estimates in red)  
 Note: Share prices correct as of 9:20 CET on 27 September 2024

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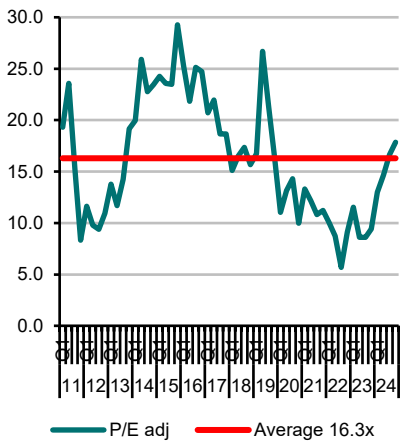
Figure 16: ITAB – peer group valuation (x) and performance (%) continued

Security Name	P/E			FCF Yield			P/BV	RoE	Div.Y	Performance (%)		
	+1y	+2y	+3y	+1y	+2y	+3y				+1y	+1y	+1y
<b>ITAB SHOP CONCEPT (DNB est)</b>	<b>18.2</b>	<b>16.8</b>	<b>15.5</b>	<b>5.6%</b>	<b>4.9%</b>	<b>5.6%</b>	<b>167%</b>	<b>8.7%</b>	<b>2.8%</b>	29.7	19.5	265.2
ITAB SHOP CONCEPT AB	17.0	15.2	14.0	4.9%	5.1%	5.8%	205%	11.9%	2.9%	29.7	19.5	265.2
<b>SME Industrial peers</b>												
ALLIGO AB-B	14.4	10.7	9.5	8.6%	12.1%	13.9%	184%	12.0%	2.9%	3.3	-2.1	39.7
ALIMAK AB	17.5	14.8	13.3	6.1%	6.8%	7.3%	166%	9.3%	2.3%	5.0	1.1	67.7
BERGMAN & BEVING AB	34.4	29.5	25.6	4.9%	5.2%	6.8%	350%	10.2%	1.4%	-7.3	1.2	89.1
COOR SERVICE MANAGEMENT	12.8	10.6	8.5	11.3%	14.0%	15.4%	281%	17.2%	6.5%	9.0	-2.7	11.0
ELANDERS AB-B	11.7	8.5	7.0	18.2%	40.2%	49.0%	85%	5.5%	5.1%	0.1	-8.5	-3.1
FAGERHULT AB	20.4	16.8	14.9	6.0%	6.7%	7.6%	157%	7.5%	2.7%	4.7	-3.4	33.7
FASADGRUPPEN AB	12.1	6.2	5.4	0.0%	10.9%	14.9%	90%	7.5%	4.1%	-17.4	-33.9	-27.8
GREEN LANDSCAPING AB	17.9	14.6	12.7	3.5%	8.7%	9.9%	272%	14.5%	0.0%	5.9	3.2	21.2
INWIDO AB	19.5	15.4	13.3	4.3%	6.3%	7.8%	203%	10.2%	3.0%	7.6	30.2	76.5
MOMENTUM GROUP AB-B	40.4	35.4	33.0	2.2%	2.9%	3.5%	1025%	26.1%	0.7%	9.9	5.6	81.4
NETEL HOLDING AB	11.6	7.7	6.3	-	-	-	90%	7.4%	2.3%	-3.9	33.9	187.0
NEDERMAN HOLDING AB	20.2	16.3	14.6	7.1%	7.2%	7.4%	295%	15.4%	1.9%	7.2	-0.4	17.2
NORVA24 GROUP AB	21.8	17.6	15.5	0.1%	5.8%	7.4%	245%	11.0%	0.0%	-5.8	3.7	51.3
NOTE AB	13.8	11.0	9.4	12.1%	5.7%	7.3%	204%	15.1%	0.0%	-11.9	-20.7	-26.1
NORDIC WATERPROOFING AB	17.5	12.6	11.7	5.5%	7.2%	8.3%	339%	11.8%	3.1%	3.8	4.1	3.7
OEM INTL AB-B	26.9	25.3	23.9	3.2%	3.4%	3.6%	707%	26.5%	1.4%	-2.3	0.0	58.6
PRICER AB-B	14.5	12.9	10.3	6.7%	6.0%	4.7%	165%	12.0%	0.0%	-6.4	-15.9	35.6
SCANFIL OYJ	10.8	10.2	9.2	14.7%	9.6%	10.2%	160%	15.0%	3.5%	-5.3	-2.7	-11.9
SITOWISE GROUP PLC	27.0	16.4	10.5	6.6%	12.5%	15.1%	82%	1.7%	0.7%	18.8	-4.8	-22.1
<i>Average sub-group</i>	<i>18.9</i>	<i>14.9</i>	<i>13.0</i>	<i>6.4%</i>	<i>9.6%</i>	<i>11.3%</i>	<i>259%</i>	<i>12.2%</i>	<i>2.3%</i>	<i>-0.1</i>	<i>-2.3</i>	<i>32.8</i>
<b>Nordic Retail peers</b>												
HENNES & MAURITZ AB-B SHS	22.0	18.7	16.9	7.0%	8.1%	8.8%	611%	27.4%	3.9%	3.1	1.6	7.4
AXFOOD AB	23.8	21.5	20.0	6.1%	7.5%	7.8%	855%	35.8%	3.1%	5.2	2.7	11.1
XXL ASA	-	-	8.1	-1.5%	43.4%	61.2%	60%	-27.8%	0.0%	-8.7	-14.4	5.4
CLAS OHLSON AB-B SHS	14.3	13.3	12.6	8.7%	8.8%	8.6%	458%	37.0%	3.6%	-0.4	-3.8	44.9
TOKMANNI GROUP CORP	12.9	9.5	8.1	5.2%	10.9%	12.2%	243%	18.9%	6.1%	1.7	-14.5	-12.9
EUOPRIS ASA	12.8	12.0	10.3	12.1%	13.5%	-	273%	22.7%	5.6%	0.2	-7.3	14.3
KID ASA	16.0	13.7	12.1	8.0%	11.9%	-	435%	28.3%	5.3%	3.1	4.6	79.9
BYGGMAX GROUP AB	29.2	11.0	8.6	16.3%	4.5%	10.8%	103%	3.3%	1.4%	0.2	18.2	45.9
MATAS A/S	14.0	10.5	8.4	3.6%	13.7%	15.0%	128%	8.8%	1.9%	-0.3	5.9	29.2
BILIA AB-A SHS	12.8	9.7	8.7	6.8%	12.4%	15.3%	221%	17.9%	5.2%	-7.7	-14.4	14.6
ELEKTRO IMPORTOREN AS	-	15.3	7.6	26.5%	21.2%	24.7%	-	-0.3%	0.0%	2.6	-6.2	-28.5
<i>Average sub-group</i>	<i>17.5</i>	<i>13.5</i>	<i>11.0</i>	<i>9.0%</i>	<i>14.2%</i>	<i>18.3%</i>	<i>339%</i>	<i>15.6%</i>	<i>3.3%</i>	<i>-0.1</i>	<i>-2.5</i>	<i>19.2</i>
<b>Total peer group</b>	<b>18.5</b>	<b>14.5</b>	<b>12.3</b>	<b>7.3%</b>	<b>11.2%</b>	<b>13.5%</b>	<b>285%</b>	<b>13.4%</b>	<b>2.6%</b>	<b>-0.1</b>	<b>-2.4</b>	<b>28.1</b>

Source: Bloomberg (consensus), DNB Markets (estimates in red)  
 Note: Share prices correct as of as of 9:20 CET on 27 September 2024

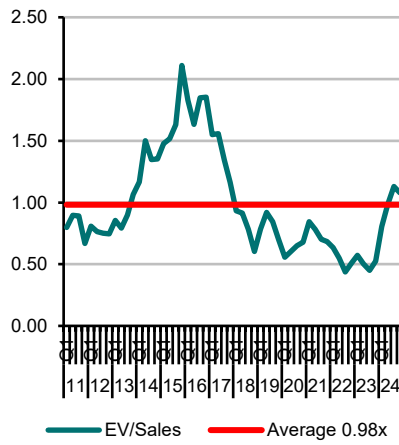
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Figure 17: ITAB – P/E LTM (x)



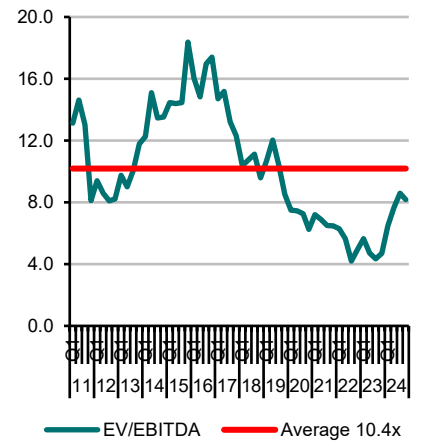
Source: Bloomberg (price data), Company (historical figures), DNB Markets (further calculations)

Figure 18: ITAB – EV/sales LTM (x)



Source: Bloomberg (price data), Company (historical figures), DNB Markets (further calculations)

Figure 19: ITAB – EV/EBITDA LTM (x)



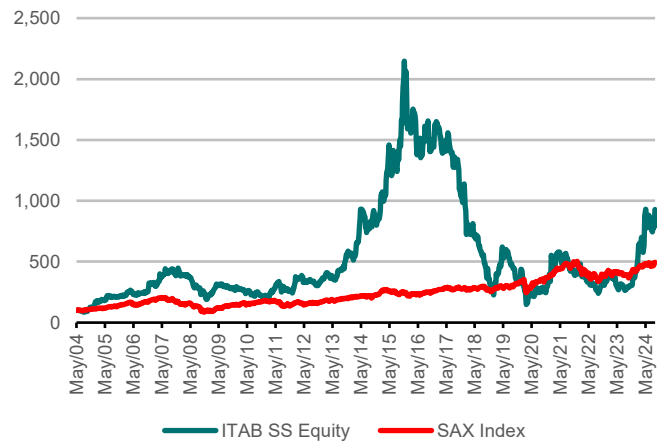
Source: Bloomberg (price data), Company (historical figures), DNB Markets (further calculations)

Figure 20: ITAB – share price since IPO (SEK)



Source: Bloomberg (data), DNB Markets (compilation)  
Note: Share price correct as of 9:20 CET on 27 September 2024

Figure 21: ITAB relative to OMX All-share since IPO (indexed)



Source: Bloomberg (data), DNB Markets (compilation)  
Note: Share price correct as of 9:20 CET on 27 September 2024

Figure 22: ITAB share price – since January 2019 (SEK)



Source: Bloomberg (data), DNB Markets (compilation)  
Note: Share price correct as of 9:20 CET on 27 September 2024

Figure 23: ITAB relative to OMX All-share – since January 2019 (indexed)



Source: Bloomberg (data), DNB Markets (compilation)  
Note: Share price correct as of 9:20 CET on 27 September 2024

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### Forecast changes – P&L

(SEKm)	New			Old			Change		
	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Revenues	6,568	7,096	7,522	6,617	7,193	7,626	-49	-97	-104
Cost of sales	-4,617	-4,989	-5,281	-4,651	-5,057	-5,354	35	68	73
Gross profit	1,951	2,107	2,241	1,966	2,136	2,272	-14	-29	-31
Operating expenses	-1,086	-1,184	-1,271	-1,096	-1,204	-1,292	10	20	21
EBITDA	865	923	970	870	932	979	-5	-9	-10
EBITDA adj	865	923	970	870	932	979	-5	-9	-10
EBITDA margin (%)	13.2	13.0	12.9	13.2	13.0	12.8	0.0	0.0	0.0
Depreciation	-252	-252	-256	-252	-252	-256	0	0	0
EBITA	613	671	714	618	680	723	-5	-9	-10
EBIT	613	671	714	618	680	723	-5	-9	-10
EBIT adj	613	671	714	618	680	723	-5	-9	-10
Net interest	-41	3	16	-50	-36	-19	9	39	36
Net financial items	-41	3	16	-50	-36	-19	9	39	36
PBT	572	673	730	568	644	704	4	30	26
Taxes	-168	-195	-211	-167	-187	-204	-1	-9	-7
Minorities	-17	-21	-23	-17	-21	-23	0	-1	-1
Discontinued operations	1	0	0	1	0	0	0	0	0
Net profit	388	457	496	385	436	478	3	20	18
Adjustments to net profit	0	0	0	0	0	0	0	0	0
Net profit adj	388	457	496	385	436	478	3	20	18
<i>Per share data (SEK)</i>									
EPS	1.66	1.80	1.96	1.79	2.03	2.22	-0.13	-0.23	-0.27
EPS adj	1.65	1.80	1.96	1.79	2.03	2.22	-0.13	-0.23	-0.27
DPS ordinary	0.93	1.07	1.15	1.00	1.20	1.30	-0.07	-0.13	-0.15
DPS	0.93	1.07	1.15	1.00	1.20	1.30	-0.07	-0.13	-0.15
<i>Other key metrics (%)</i>									
Revenue growth	7.0	8.0	6.0	7.8	8.7	6.0	-0.8	-0.7	0.0
EBIT adj growth	42.0	9.3	6.4	43.1	10.0	6.4	-1.1	-0.7	0.0
EPS adj growth	28.6	9.2	8.5	39.0	13.6	9.6	-10.4	-4.5	-1.0
Avg. number of shares (m)	235	254	254	216	216	216	19	38	38
Capex	-138	-142	-150	-139	-144	-153	1	2	2
OpFCF	728	781	819	731	788	827	-4	-7	-8
NIBD adj	-661	-1,038	-1,467	200	-146	-554	-861	-892	-913

Source: DNB Markets

### Forecast changes – By segment and assumptions

(SEKm)	New			Old			Change		
	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
<b>Revenue</b>									
Northern Europe	1,765	1,907	2,021	1,777	1,933	2,049	-12	-26	-28
Central Europe	1,219	1,317	1,397	1,228	1,335	1,416	-9	-18	-19
UK & Ireland	758	819	868	764	831	881	-6	-11	-12
Southern Europe	1,404	1,516	1,608	1,414	1,537	1,630	-11	-21	-22
Eastern Europe	556	601	637	560	609	646	-4	-8	-9
RoW	865	935	991	873	948	1,005	-8	-13	-14
<b>Assumptions</b>									
Revenue org. % YOY	8.08	8.38	6.00	8.08	8.38	6.00	0.00	0.00	0.00
Currency impact % YOY	-1.07	-0.33	0.00	-0.29	0.35	0.00	-0.78	-0.68	0.00

Source: DNB Markets

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## Quarterly numbers

(SEKm)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024e	Q4 2024e	Q1 2025e	Q2 2025e	Q3 2025e
<b>Revenues</b>	<b>1,505</b>	<b>1,504</b>	<b>1,529</b>	<b>1,601</b>	<b>1,576</b>	<b>1,685</b>	<b>1,605</b>	<b>1,702</b>	<b>1,704</b>	<b>1,812</b>	<b>1,741</b>
Cost of sales	-1,106	-1,103	-1,089	-1,122	-1,100	-1,187	-1,135	-1,195	-1,196	-1,275	-1,230
<b>Gross profit</b>	<b>399</b>	<b>401</b>	<b>440</b>	<b>479</b>	<b>476</b>	<b>498</b>	<b>470</b>	<b>508</b>	<b>508</b>	<b>537</b>	<b>511</b>
Operating expenses	-261	-242	-260	-270	-253	-286	-263	-285	-286	-307	-283
<b>EBITDA</b>	<b>138</b>	<b>159</b>	<b>180</b>	<b>209</b>	<b>223</b>	<b>212</b>	<b>207</b>	<b>223</b>	<b>222</b>	<b>230</b>	<b>228</b>
Depreciation	-68	-68	-51	-67	-62	-62	-63	-65	-62	-63	-63
<b>EBITA</b>	<b>70</b>	<b>91</b>	<b>129</b>	<b>142</b>	<b>161</b>	<b>150</b>	<b>144</b>	<b>158</b>	<b>160</b>	<b>167</b>	<b>165</b>
<b>EBIT</b>	<b>70</b>	<b>91</b>	<b>129</b>	<b>142</b>	<b>161</b>	<b>150</b>	<b>144</b>	<b>158</b>	<b>160</b>	<b>167</b>	<b>165</b>
Net interest	-13	-13	-16	-5	-20	-7	-12	-2	2	1	0
Net financial items	-13	-13	-16	-5	-20	-7	-12	-2	2	1	0
<b>PBT</b>	<b>57</b>	<b>78</b>	<b>113</b>	<b>137</b>	<b>141</b>	<b>143</b>	<b>133</b>	<b>156</b>	<b>162</b>	<b>169</b>	<b>165</b>
Taxes	-16	-25	-34	-18	-38	-46	-39	-45	-47	-49	-48
Minorities	-1	-2	-4	-5	-4	-2	-5	-7	-5	-2	-6
Discontinued operations	-7	5	-5	0	1	0	0	0	0	0	0
<b>Net profit</b>	<b>33</b>	<b>56</b>	<b>70</b>	<b>114</b>	<b>100</b>	<b>95</b>	<b>89</b>	<b>104</b>	<b>110</b>	<b>117</b>	<b>111</b>
Adjustments to net profit	0	0	0	0	0	0	0	0	0	0	0
Net profit adj	33	56	70	114	100	95	89	104	110	117	111
Dividend paid	0	-109	0	0	0	-161	0	0	0	-218	0
Avg. number of shares (m)	220	220	220	219	216	216	254	254	254	254	254
<i>Per share data (SEK)</i>											
EPS	0.15	0.26	0.32	0.52	0.47	0.44	0.35	0.41	0.43	0.46	0.44
<b>EPS adj</b>	<b>0.18</b>	<b>0.23</b>	<b>0.34</b>	<b>0.52</b>	<b>0.46</b>	<b>0.44</b>	<b>0.35</b>	<b>0.41</b>	<b>0.43</b>	<b>0.46</b>	<b>0.44</b>
<i>Growth and margins (%)</i>											
Revenues, QOQ growth	-11.6	-0.1	1.7	4.7	-1.6	6.9	-4.8	6.1	0.1	6.4	-3.9
Revenues, YOY growth	-12.3	-11.5	-12.6	-5.9	4.7	12.0	4.9	6.3	8.1	7.6	8.5
EPS adj, YOY growth	-43.7	41.7	-18.5	78.6	151.0	88.9	2.5	-21.9	-5.5	4.9	24.5
Gross margin	26.5	26.7	28.8	29.9	30.2	29.6	29.3	29.8	29.8	29.7	29.4
EBITDA adj margin	9.2	10.6	11.8	13.1	14.1	12.6	12.9	13.1	13.0	12.7	13.1
Depreciation/revenues	-4.5	-4.5	-3.3	-4.2	-3.9	-3.7	-3.9	-3.8	-3.6	-3.5	-3.6
EBIT adj margin	4.7	6.1	8.4	8.9	10.2	8.9	9.0	9.3	9.4	9.2	9.5
Net profit margin	2.3	3.9	4.8	7.4	6.6	5.8	5.9	6.5	6.7	6.6	6.7

Source: Company (historical figures), DNB Markets (estimates)

## Adjustments to quarterly numbers

(SEKm)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024e	Q4 2024e	Q1 2025e	Q2 2025e	Q3 2025e
<b>EBITDA</b>	<b>138</b>	<b>159</b>	<b>180</b>	<b>209</b>	<b>223</b>	<b>212</b>	<b>207</b>	<b>223</b>	<b>222</b>	<b>230</b>	<b>228</b>
EBITDA adj	138	159	180	209	223	212	207	223	222	230	228
<b>EBITA</b>	<b>70</b>	<b>91</b>	<b>129</b>	<b>142</b>	<b>161</b>	<b>150</b>	<b>144</b>	<b>158</b>	<b>160</b>	<b>167</b>	<b>165</b>
EBITA adj	70	91	129	142	161	150	144	158	160	167	165
<b>EBIT</b>	<b>70</b>	<b>91</b>	<b>129</b>	<b>142</b>	<b>161</b>	<b>150</b>	<b>144</b>	<b>158</b>	<b>160</b>	<b>167</b>	<b>165</b>
EBIT adj	70	91	129	142	161	150	144	158	160	167	165
<b>Net profit</b>	<b>33</b>	<b>56</b>	<b>70</b>	<b>114</b>	<b>100</b>	<b>95</b>	<b>89</b>	<b>104</b>	<b>110</b>	<b>117</b>	<b>111</b>
Net profit adj	33	56	70	114	100	95	89	104	110	117	111

Source: Company (historical figures), DNB Markets (estimates)

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## Quarterly numbers by segment and assumptions

(SEKm)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024e	Q4 2024e	Q1 2025e	Q2 2025e	Q3 2025e
<b>Revenue</b>											
Northern Europe	409	342	348	409	496	469	365	435	536	504	396
Central Europe	293	312	318	246	292	332	334	262	316	357	362
UK & Ireland	151	136	204	189	183	160	214	201	198	172	232
Southern Europe	342	382	335	349	314	367	352	371	339	395	381
Eastern Europe	113	111	110	141	124	167	115	150	134	180	125
RoW	197	221	214	267	167	190	225	284	181	204	244
<b>Assumptions</b>											
Revenue org. % YOY	-17.04	-15.13	-15.23	-8.24	4.61	11.71	8.50	7.50	8.00	9.00	8.50
Structure impact % YOY	1.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency impact % YOY	3.00	3.60	2.60	2.31	0.11	0.32	-3.55	-1.17	0.12	-1.44	0.00

Source: Company (historical figures), DNB Markets (estimates)

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**Annual P&L**

<b>(SEKm)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
<b>Revenues</b>	<b>6,381</b>	<b>6,031</b>	<b>6,064</b>	<b>5,323</b>	<b>6,087</b>	<b>6,868</b>	<b>6,139</b>	<b>6,568</b>	<b>7,096</b>	<b>7,522</b>
Cost of sales	-4,552	-4,423	-4,441	-3,906	-4,727	-5,286	-4,420	-4,617	-4,989	-5,281
<b>Gross profit</b>	<b>1,829</b>	<b>1,608</b>	<b>1,623</b>	<b>1,417</b>	<b>1,360</b>	<b>1,582</b>	<b>1,719</b>	<b>1,951</b>	<b>2,107</b>	<b>2,241</b>
Operating expenses	-1,190	-1,236	-1,110	-1,047	-882	-918	-1,033	-1,086	-1,184	-1,271
<b>EBITDA</b>	<b>639</b>	<b>372</b>	<b>513</b>	<b>370</b>	<b>478</b>	<b>664</b>	<b>686</b>	<b>865</b>	<b>923</b>	<b>970</b>
Depreciation	-139	-142	-256	-258	-262	-261	-254	-252	-252	-256
<b>EBITA</b>	<b>500</b>	<b>230</b>	<b>257</b>	<b>112</b>	<b>216</b>	<b>403</b>	<b>432</b>	<b>613</b>	<b>671</b>	<b>714</b>
<b>EBIT</b>	<b>500</b>	<b>230</b>	<b>257</b>	<b>112</b>	<b>216</b>	<b>403</b>	<b>432</b>	<b>613</b>	<b>671</b>	<b>714</b>
Net interest	-68	-73	-83	-112	-69	-55	-47	-41	3	16
Net financial items	-68	-73	-83	-112	-69	-55	-47	-41	3	16
<b>PBT</b>	<b>432</b>	<b>157</b>	<b>174</b>	<b>0</b>	<b>147</b>	<b>348</b>	<b>385</b>	<b>572</b>	<b>673</b>	<b>730</b>
Taxes	-103	-60	-54	-22	-52	-105	-93	-168	-195	-211
Effective tax rate (%)	24	38	31		35	30	24	29	29	29
Minorities	-10	-7	0	1	-8	-20	-12	-17	-21	-23
Discontinued operations	0	0	0	0	8	-53	-7	1	0	0
<b>Net profit</b>	<b>319</b>	<b>90</b>	<b>120</b>	<b>-21</b>	<b>95</b>	<b>170</b>	<b>273</b>	<b>388</b>	<b>457</b>	<b>496</b>
Adjustments to net profit	-35	8	-16	208	166	40	0	0	0	0
Net profit adj	284	98	104	187	261	210	273	388	457	496
Dividend paid	-179	-179	0	0	0	0	-109	-161	-218	-270
Avg. number of shares	163	162	162	162	218	220	219	235	254	254
<i>Per share data (SEK)</i>										
EPS	2.01	0.57	0.76	-0.13	0.44	0.78	1.25	1.66	1.80	1.96
<b>EPS adj</b>	<b>1.79</b>	<b>0.62</b>	<b>0.65</b>	<b>1.18</b>	<b>1.20</b>	<b>1.21</b>	<b>1.28</b>	<b>1.65</b>	<b>1.80</b>	<b>1.96</b>
DPS ordinary	1.13	0.00	0.00	0.00	0.00	0.50	0.75	0.93	1.07	1.15
DPS	1.13	0.00	0.00	0.00	0.00	0.50	0.75	0.93	1.07	1.15
<i>Growth and margins (%)</i>										
Revenue growth	17.8	-5.5	0.5	-12.2	14.4	12.8	-10.6	7.0	8.0	6.0
EPS adj growth	-15.5	-65.5	6.1	79.8	1.7	0.8	6.5	28.6	9.2	8.5
Gross margin	28.7	26.7	26.8	26.6	22.3	23.0	28.0	29.7	29.7	29.8
EBITDA margin	10.0	6.2	8.5	7.0	7.9	9.7	11.2	13.2	13.0	12.9
EBITDA adj margin	9.5	6.3	8.2	10.9	10.6	10.3	11.2	13.2	13.0	12.9
Depreciation/revenues	-2.2	-2.4	-4.2	-4.8	-4.3	-3.8	-4.1	-3.8	-3.6	-3.4
EBIT margin	7.8	3.8	4.2	2.1	3.5	5.9	7.0	9.3	9.4	9.5
EBIT adj margin	7.3	3.9	4.0	6.0	6.3	6.5	7.0	9.3	9.4	9.5
PBT margin	6.8	2.6	2.9	0.0	2.4	5.1	6.3	8.7	9.5	9.7
Net profit margin	5.2	1.6	2.0	nm	1.7	2.8	4.6	6.2	6.7	6.9

Source: Company (historical figures), DNB Markets (estimates)

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## Adjustments to annual P&amp;L

(SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
<b>EBITDA</b>	<b>639</b>	<b>372</b>	<b>513</b>	<b>370</b>	<b>478</b>	<b>664</b>	<b>686</b>	<b>865</b>	<b>923</b>	<b>970</b>
Other EBITDA adjustments	-35	8	-16	208	166	40	0	0	0	0
EBITDA adj	604	380	497	578	644	704	686	865	923	970
<b>EBITA</b>	<b>500</b>	<b>230</b>	<b>257</b>	<b>112</b>	<b>216</b>	<b>403</b>	<b>432</b>	<b>613</b>	<b>671</b>	<b>714</b>
Other EBITA adjustments	-35	8	-16	208	166	40	0	0	0	0
EBITA adj	465	238	241	320	382	443	432	613	671	714
<b>EBIT</b>	<b>500</b>	<b>230</b>	<b>257</b>	<b>112</b>	<b>216</b>	<b>403</b>	<b>432</b>	<b>613</b>	<b>671</b>	<b>714</b>
Other EBIT adjustments	-35	8	-16	208	166	40	0	0	0	0
EBIT adj	465	238	241	320	382	443	432	613	671	714
<b>Net profit</b>	<b>319</b>	<b>90</b>	<b>120</b>	<b>-21</b>	<b>95</b>	<b>170</b>	<b>273</b>	<b>388</b>	<b>457</b>	<b>496</b>
Other EBIT adjustments	-35	8	-16	208	166	40	0	0	0	0
Net profit adj	284	98	104	187	261	210	273	388	457	496
<i>Per share data (SEK)</i>										
EPS	2.01	0.57	0.76	-0.13	0.44	0.78	1.25	1.66	1.80	1.96
Recommended adjustment	-0.22	0.05	-0.10	1.31	0.76	0.43	0.03	-0.00	0.00	0.00
EPS adj	1.79	0.62	0.65	1.18	1.20	1.21	1.28	1.65	1.80	1.96

Source: Company (historical figures), DNB Markets (estimates)

## Cash flow

(SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Net profit	319	90	120	-21	95	170	273	388	457	496
Depreciation and amortisation	139	142	256	258	262	261	254	252	252	256
Other non-cash adjustments	-115	-69	-330	58	-67	-44	-135	-23	-111	-109
Change in net working capital	-153	337	193	394	-589	15	287	-84	-79	-64
<b>Cash flow from operations (CFO)</b>	<b>190</b>	<b>500</b>	<b>239</b>	<b>689</b>	<b>-299</b>	<b>402</b>	<b>679</b>	<b>533</b>	<b>519</b>	<b>579</b>
Capital expenditure	-194	-100	-134	-45	-63	-84	-116	-138	-142	-150
Acquisitions/Investments	-101	-142	168	0	-40	-66	9	14	0	0
<b>Cash flow from investing (CFI)</b>	<b>-295</b>	<b>-242</b>	<b>34</b>	<b>-45</b>	<b>-103</b>	<b>-150</b>	<b>-107</b>	<b>-124</b>	<b>-142</b>	<b>-150</b>
<b>Free cash flow (FCF)</b>	<b>-105</b>	<b>258</b>	<b>273</b>	<b>644</b>	<b>-402</b>	<b>252</b>	<b>572</b>	<b>409</b>	<b>377</b>	<b>429</b>
Net change in debt	165	8	8	-33	37	3	-66	-46	-132	-132
Dividends paid	-179	-179	0	0	0	0	-109	-161	-218	-270
Other	0	-101	-250	-221	-852	293	-570	25	132	132
<b>Cash flow from financing (CFF)</b>	<b>-14</b>	<b>-272</b>	<b>-242</b>	<b>-254</b>	<b>-82</b>	<b>296</b>	<b>-750</b>	<b>623</b>	<b>-218</b>	<b>-270</b>
<b>Total cash flow (CFO+CFI+CFF)</b>	<b>-119</b>	<b>-14</b>	<b>31</b>	<b>390</b>	<b>-484</b>	<b>548</b>	<b>-178</b>	<b>1,032</b>	<b>159</b>	<b>158</b>
<i>FCFF calculation</i>										
Free cash flow	-105	258	273	644	-402	252	572	409	377	429
Less: net interest	68	73	83	112	69	55	47	41	-3	-16
Less: acquisitions	101	142	-168	0	40	66	-9	-14	0	0
<b>Growth (%)</b>										
CFO	-52.0	163.2	-52.2	188.3	-143.4	234.4	68.9	-21.5	-2.6	11.6
CFI	67.9	18.0	114.0	-232.4	-128.9	-45.6	28.7	-15.7	-14.6	-6.0
FCF	79.9	345.7	5.8	135.9	-162.4	162.7	127.0	-28.5	-7.8	13.7
CFF	-102.1	-1842.9	11.0	-5.0	67.7	461.0	-353.4	183.1	-135.0	-24.1

Source: Company (historical figures), DNB Markets (estimates)



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**Balance sheet**

<b>(SEKm)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
<b>Assets</b>	<b>5,657</b>	<b>5,364</b>	<b>5,896</b>	<b>5,519</b>	<b>6,024</b>	<b>6,576</b>	<b>5,768</b>	<b>7,029</b>	<b>7,289</b>	<b>7,538</b>
Inventories	1,174	1,019	926	698	1,176	1,030	793	869	869	869
Other receivables	1,388	1,219	1,095	900	1,372	1,244	1,033	1,133	1,213	1,276
Cash and cash equivalents	285	271	302	692	208	756	578	1,610	1,769	1,927
<b>Current assets</b>	<b>2,847</b>	<b>2,509</b>	<b>2,323</b>	<b>2,290</b>	<b>2,756</b>	<b>3,030</b>	<b>2,404</b>	<b>3,612</b>	<b>3,851</b>	<b>4,073</b>
Property, plant and equipment	1,058	1,048	1,736	1,486	1,512	1,649	1,445	1,417	1,439	1,465
Other intangible assets	1,752	1,807	1,837	1,743	1,756	1,897	1,919	2,000	2,000	2,000
<b>Non-current assets</b>	<b>2,810</b>	<b>2,855</b>	<b>3,573</b>	<b>3,229</b>	<b>3,268</b>	<b>3,546</b>	<b>3,364</b>	<b>3,417</b>	<b>3,439</b>	<b>3,465</b>
<b>Total assets</b>	<b>5,657</b>	<b>5,364</b>	<b>5,896</b>	<b>5,519</b>	<b>6,024</b>	<b>6,576</b>	<b>5,768</b>	<b>7,029</b>	<b>7,289</b>	<b>7,538</b>
<b>Equity and liabilities</b>	<b>5,657</b>	<b>5,364</b>	<b>5,896</b>	<b>5,519</b>	<b>6,024</b>	<b>6,576</b>	<b>5,768</b>	<b>7,029</b>	<b>7,289</b>	<b>7,538</b>
Total equity to the parent	1,664	1,698	1,748	1,607	2,654	3,012	3,049	4,192	4,431	4,656
Minority interests	120	128	128	118	128	157	159	153	175	198
<b>Total equity</b>	<b>1,784</b>	<b>1,826</b>	<b>1,876</b>	<b>1,725</b>	<b>2,782</b>	<b>3,169</b>	<b>3,208</b>	<b>4,345</b>	<b>4,605</b>	<b>4,854</b>
Other payables and accruals	1,458	1,163	1,209	1,354	1,795	1,571	1,391	1,574	1,574	1,574
<b>Total current liabilities</b>	<b>1,458</b>	<b>1,163</b>	<b>1,209</b>	<b>1,354</b>	<b>1,795</b>	<b>1,571</b>	<b>1,391</b>	<b>1,574</b>	<b>1,574</b>	<b>1,574</b>
Long-term debt	2,415	2,375	2,811	2,440	1,447	1,836	1,169	1,110	1,110	1,110
<b>Total non-current liabilities</b>	<b>2,415</b>	<b>2,375</b>	<b>2,811</b>	<b>2,440</b>	<b>1,447</b>	<b>1,836</b>	<b>1,169</b>	<b>1,110</b>	<b>1,110</b>	<b>1,110</b>
<b>Total liabilities</b>	<b>3,873</b>	<b>3,538</b>	<b>4,020</b>	<b>3,794</b>	<b>3,242</b>	<b>3,407</b>	<b>2,560</b>	<b>2,684</b>	<b>2,684</b>	<b>2,684</b>
<b>Total equity and liabilities</b>	<b>5,657</b>	<b>5,364</b>	<b>5,896</b>	<b>5,519</b>	<b>6,024</b>	<b>6,576</b>	<b>5,768</b>	<b>7,029</b>	<b>7,289</b>	<b>7,538</b>
<i>Key metrics</i>										
Net interest bearing debt	2,130	2,104	2,509	1,748	1,239	1,080	591	-500	-659	-817

Source: Company (historical figures), DNB Markets (estimates)

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**Valuation ratios**

(SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
<i>Enterprise value</i>										
Share price (SEK)		9.66	10.84	11.75	13.42	11.00	12.10	30.40	30.40	30.40
Number of shares (m)	158.9	158.9	158.9	158.9	218.1	218.1	218.0	234.1	253.2	253.2
Market capitalisation		1,536	1,722	1,868	2,927	2,399	2,637	7,117	7,698	7,698
Net interest bearing debt	2,130	2,104	2,509	1,748	1,239	1,080	591	-500	-659	-817
Adjustments to NIBD	0	0	0	0	0	0	0	-161	-379	-649
Net interest bearing debt adj	2,130	2,104	2,509	1,748	1,239	1,080	591	-661	-1,038	-1,467
EV		3,640	4,231	3,616	4,166	3,479	3,228	6,617	7,039	6,881
EV adj		3,640	4,231	3,616	4,166	3,479	3,228	6,456	6,660	6,231
<i>Valuation</i>										
EPS	2.01	0.57	0.76	-0.13	0.44	0.78	1.25	1.66	1.80	1.96
<b>EPS adj</b>	<b>1.79</b>	<b>0.62</b>	<b>0.65</b>	<b>1.18</b>	<b>1.20</b>	<b>1.21</b>	<b>1.28</b>	<b>1.65</b>	<b>1.80</b>	<b>1.96</b>
DPS ordinary	1.13	0.00	0.00	0.00	0.00	0.50	0.75	0.93	1.07	1.15
DPS	1.13	0.00	0.00	0.00	0.00	0.50	0.75	0.93	1.07	1.15
P/E		17.1	14.4	-88.9	30.8	14.1	9.7	18.4	16.9	15.5
P/E adj		15.7	16.6	10.0	11.2	9.1	9.4	18.4	16.9	15.5
P/B		0.90	0.99	1.16	1.10	0.80	0.86	1.70	1.74	1.65
Average ROE	18.7%	5.0%	6.5%	-1.2%	4.2%	5.7%	8.6%	10.3%	10.2%	10.5%
Earnings yield adj		5.8%	6.8%	-1.1%	3.2%	10.9%	10.5%	5.4%	5.9%	6.4%
Dividend yield		0.0%	0.0%	0.0%	0.0%	4.5%	6.2%	3.1%	3.5%	3.8%
EV/SALES		0.60	0.70	0.68	0.68	0.51	0.53	1.01	0.99	0.91
EV/SALES adj		0.60	0.70	0.68	0.68	0.51	0.53	0.98	0.94	0.83
EV/EBITDA		9.8	8.2	9.8	8.7	5.2	4.7	7.6	7.6	7.1
EV/EBITDA adj		9.6	8.5	6.3	6.5	4.9	4.7	7.5	7.2	6.4
EV/EBIT		15.8	16.5	32.3	19.3	8.6	7.5	10.8	10.5	9.6
EV/EBIT adj		15.3	17.6	11.3	10.9	7.9	7.5	10.5	9.9	8.7
EV/NOPLAT		15.8	16.5	32.3	19.3	8.6	7.5	10.8	10.5	9.6
EV/OpFCF (taxed)		13.0	11.7	6.8	7.2	5.6	5.7	9.1	9.0	8.4

Source: Company (historical figures), DNB Markets (estimates)

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## Key accounting ratios

	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
<i>Profitability (%)</i>										
ROA	5.8	1.6	2.1	-0.4	1.6	2.7	4.4	6.1	6.4	6.7
<i>Return on invested capital (%)</i>										
Net PPE/revenues	16.6	17.4	28.6	27.9	24.8	24.0	23.5	21.6	20.3	19.5
<i>Cash flow ratios (%)</i>										
FCF/revenues	-1.6	4.3	4.5	12.1	-6.6	3.7	9.3	6.2	5.3	5.7
CFO/revenues	3.0	8.3	3.9	12.9	-4.9	5.9	11.1	8.1	7.3	7.7
CFO/market capitalisation		32.6	13.9	36.9	-10.2	16.8	25.7	7.5	6.7	7.5
CFO/capex	97.9	500.0	178.4	1531.1	-474.6	478.6	585.3	386.6	365.7	384.9
CFO/current liabilities	13.0	43.0	19.8	50.9	-16.7	25.6	48.8	33.9	33.0	36.8
Cash conversion ratio	-32.9	286.7	227.5	-3066.7	-423.2	148.2	209.5	105.5	82.6	86.5
Capex/revenues	3.0	1.7	2.2	0.8	1.0	1.2	1.9	2.1	2.0	2.0
Capex/depreciation	139.6	70.4	52.3	17.4	24.0	32.2	45.7	54.7	56.3	58.8
OpFCF margin	6.4	4.6	6.0	10.0	9.5	9.0	9.3	11.1	11.0	10.9
Total payout ratio	56.2	0.0	0.0	0.0	0.0	64.1	59.9	56.2	59.2	58.5
<i>Leverage and solvency (x)</i>										
EBIT/interest payable	7.35	3.15	3.10	1.00	3.13	7.33	9.19	14.97	nm	nm
EBITA adj/interest payable	6.84	3.26	2.90	2.86	5.54	8.05	9.19	14.97	nm	nm
Cash coverage	9.40	5.10	6.18	3.30	6.93	12.07	14.60	21.12	-321.60	-59.25
Net debt/EBITDA	3.33	5.66	4.89	4.72	2.59	1.63	0.86	-0.58	-0.71	-0.84
LTD / (LTD + equity (MV))		0.61	0.62	0.57	0.33	0.43	0.31	0.13	0.13	0.13
<i>Cash conversion cycle</i>										
Inventory turnover days	94.1	84.1	76.1	65.2	90.8	71.1	65.5	68.7	63.6	60.1

Source: Company (historical figures), DNB Markets (estimates)

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## Important Information

Company: Itab Shop Concept  
 Coverage by Analyst: Karl-Johan Bonnevier  
 Date: 27/09/2024

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