

Frukt & Grönt

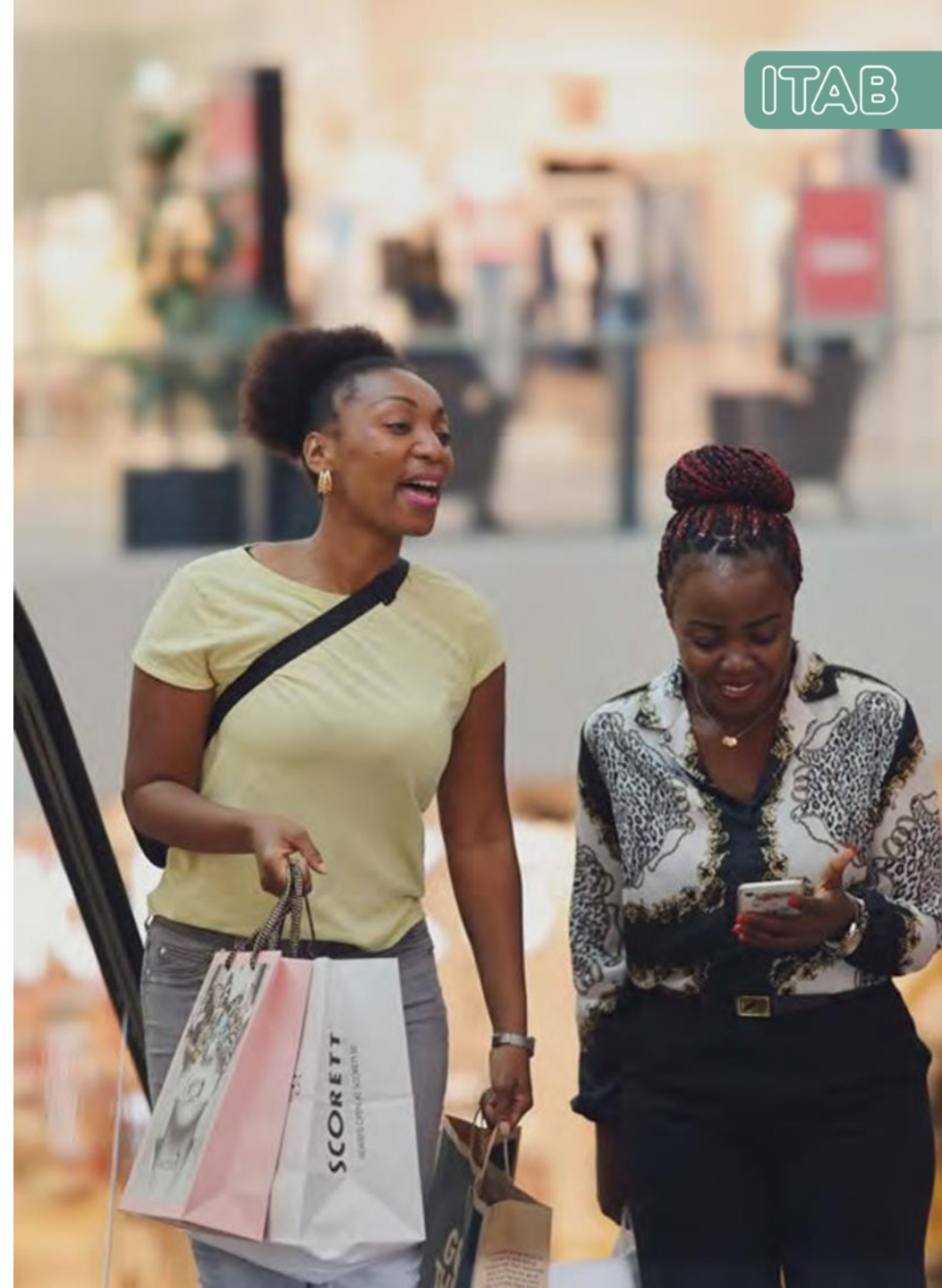
Interim Report Q3 2024

ITAB Shop Concept AB (publ)

29th October 2024

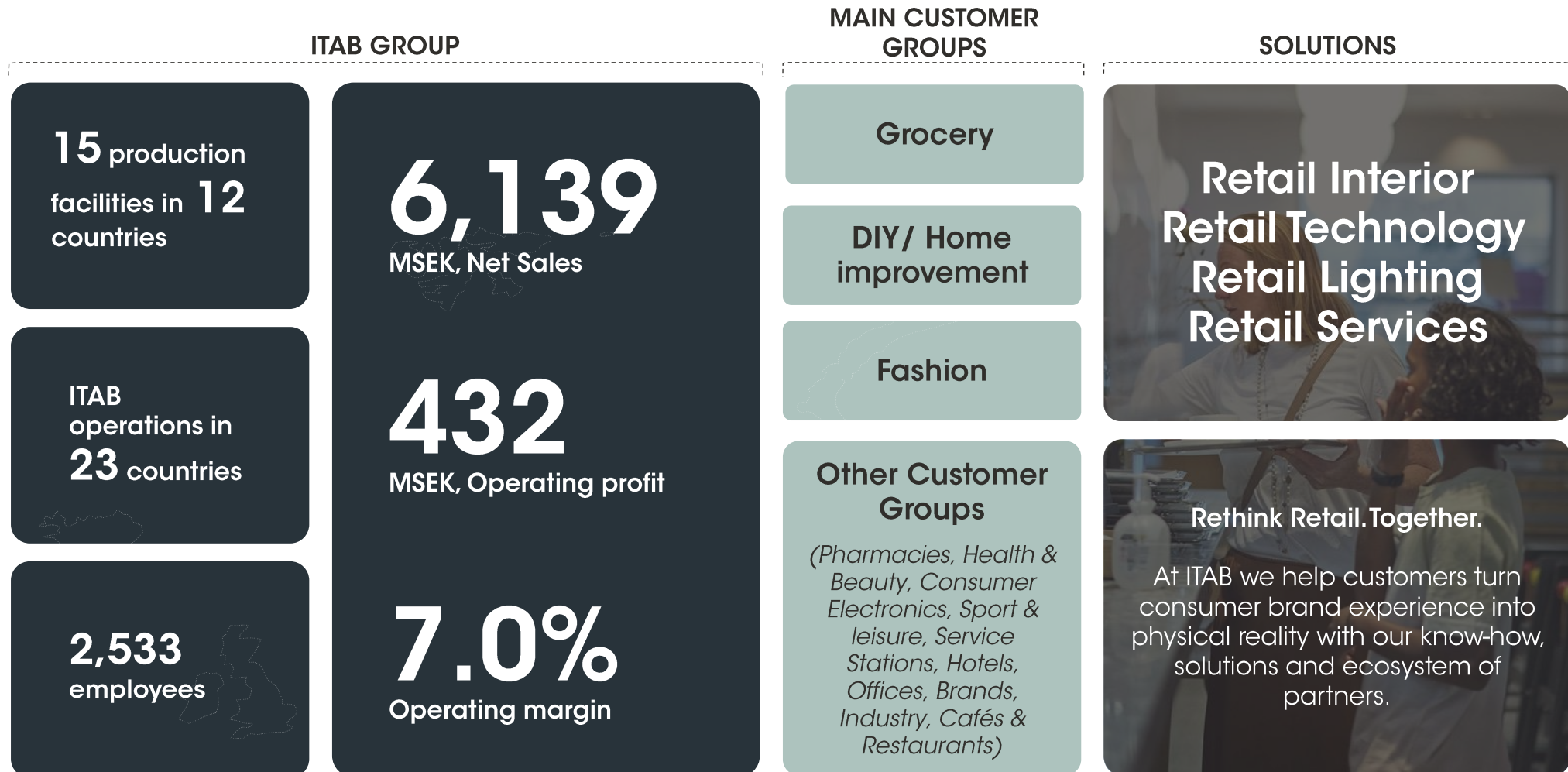
Agenda

- ▶ Introduction to ITAB Group
- ▶ Retail in Transformation
- ▶ Intended acquisition of HMY
- ▶ Interim Report Q3 2024
- ▶ Questions & Answers



Introduction to ITAB Group

ITAB at a glance in 2023



Numbers refer to the Financial Year 2023.

Leader in Europe with global reach ...

Grocery

MSEK 3,226 (53% of 2023 sales)

Home improvement

MSEK 769 (13% of 2023 sales)

Fashion

MSEK 589 (10% of 2023 sales)

Other

MSEK 1,555 (24% of 2023 sales)



Carrefour

ICA

Morrisons
Since 1899

TESCO

coop

IKEA

coop
BYGG

LEROY MERLIN

BRICOMAN

TOKMANNI

H&M

C&A

UNI
QLO

PANDORA

expert



COSTA
COFFEE

CIRCLE

APOTEK

XXL

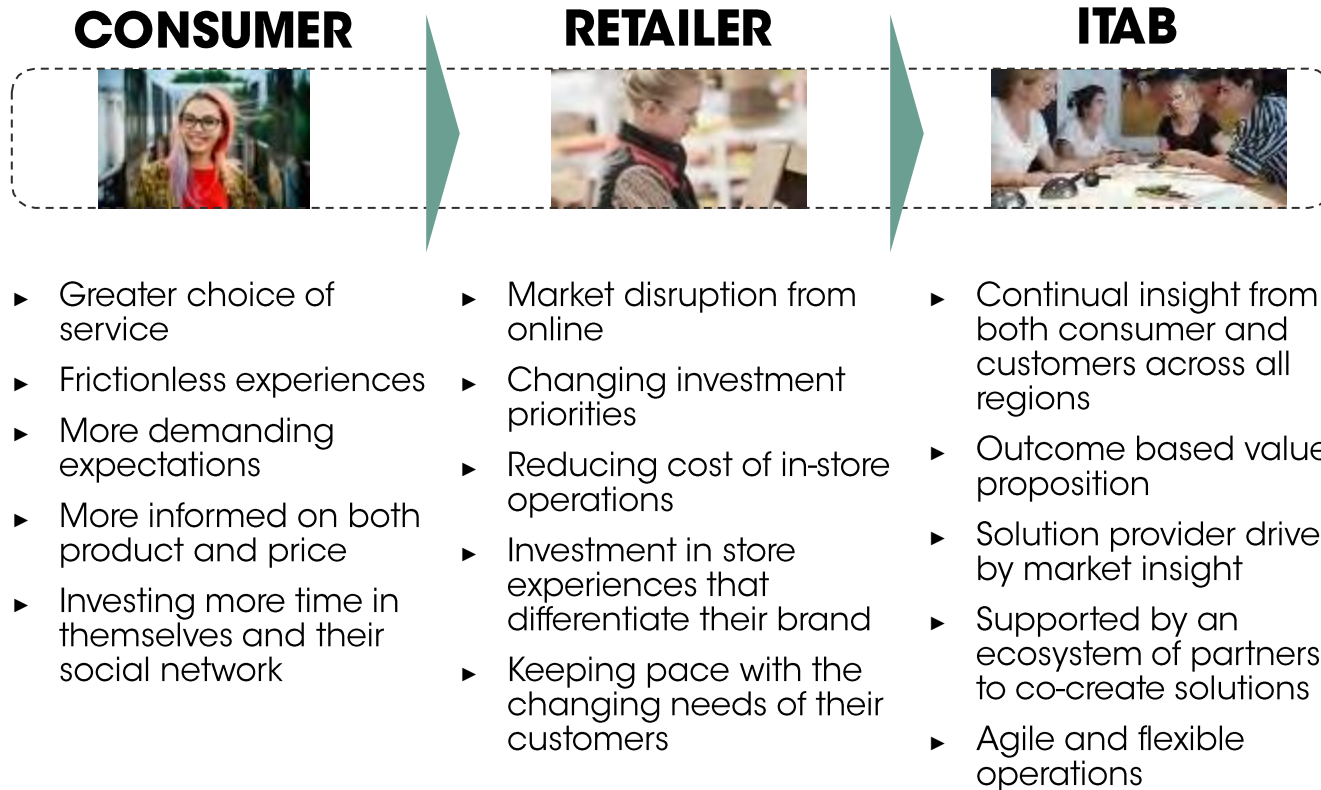
Note: Numbers refer to Financial Year 2023.

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



Retail in Transformation

Changing consumer expectations drive transformation in retail ...



... creating a cost vs experience dilemma and how to get the best return on capital



ITAB is well positioned to help retailers rethink retail, and improve their business

Outcome based value proposition

- ▶ With a focus on a value based outcome we can deliver measurable results to our customers
- ▶ Starting with the consumer to understand their evolving needs and how they shop across different sectors
- ▶ Coupled with understanding the retailer challenges and investment priorities
- ▶ ITAB uses its retail insights, store know-how, solutions and leading best practice with proven return on investment
- ▶ Utilizing our breadth of solutions to create consumer journeys that influence buying behavior



Desired Consumer Brand Experience

Improving the physical store experience, driving footfall and consumer retention



Increased Sales & Conversion

Creating an experience that influences consumer buying behaviour



Improved Efficiencies & Service

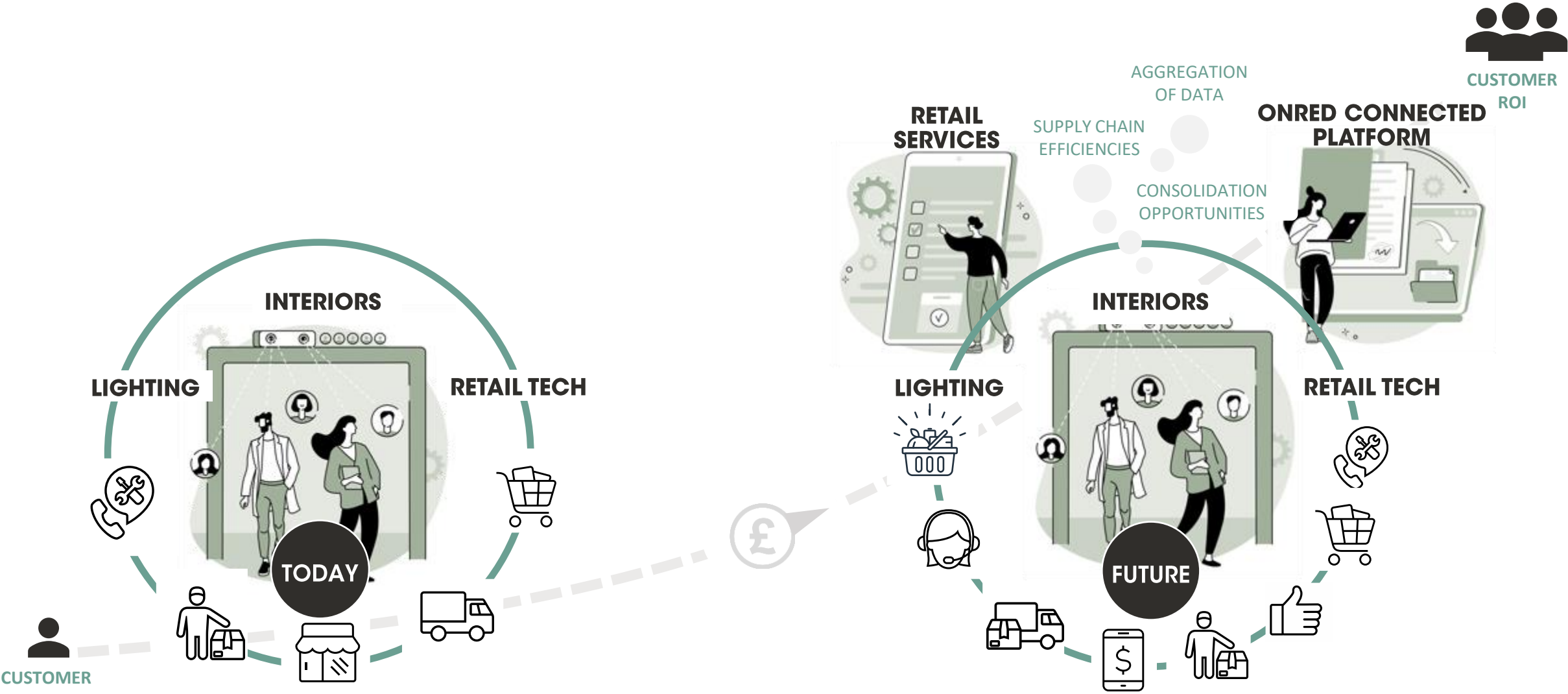
Seamless consumer journeys that increase throughput and service



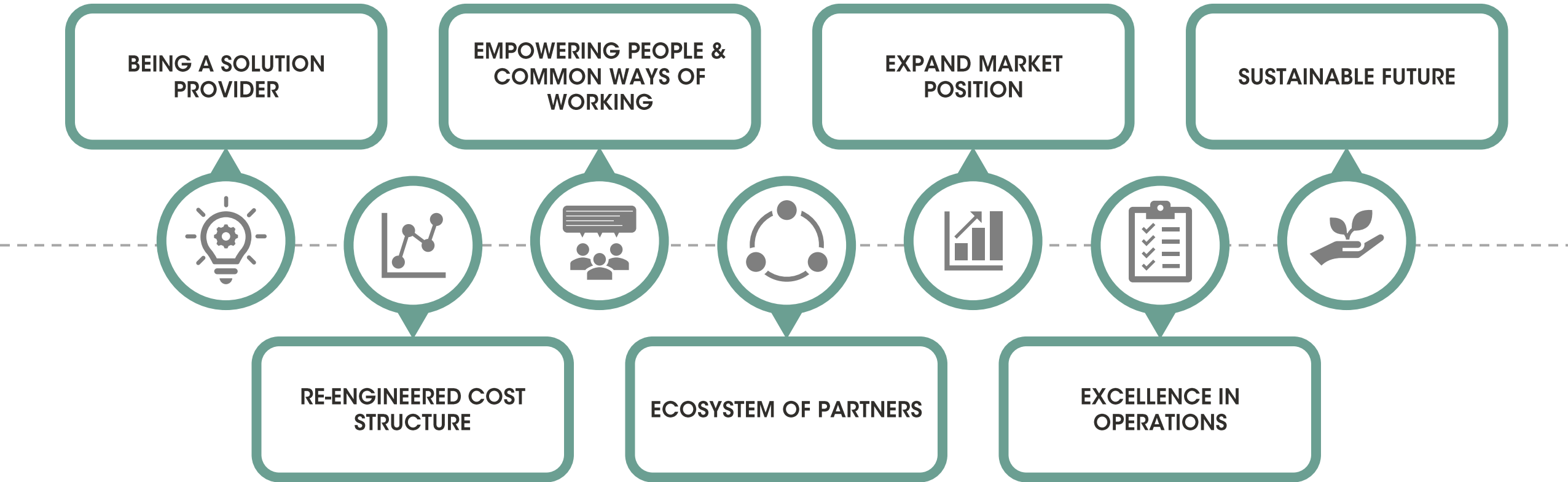
Reduced Operational Cost

Efficient operating models to help reduce cost instore running costs

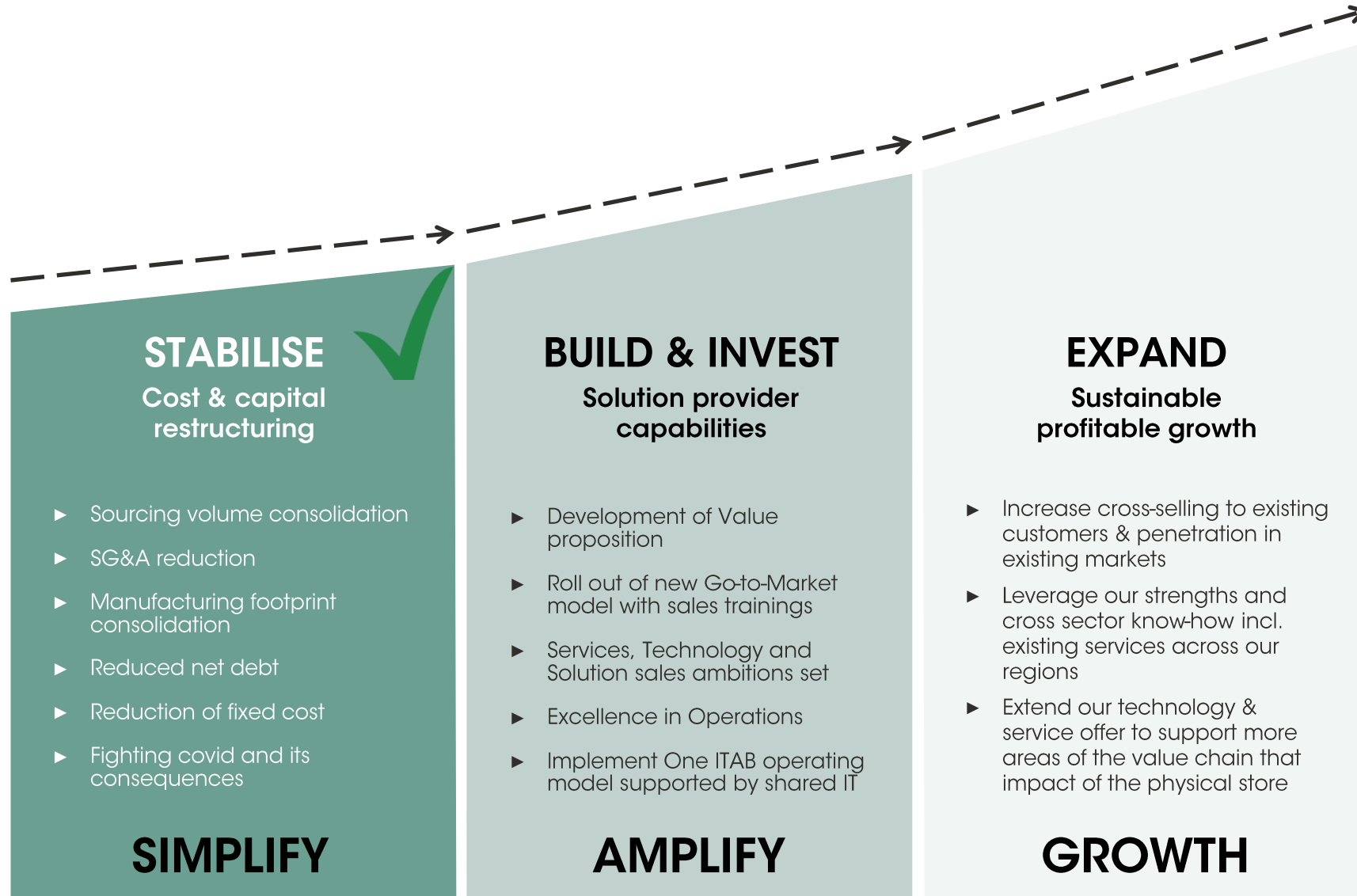
Supporting our growing influence on the consumer journey and retail operations



One ITAB strategy focuses on transforming ITAB into the leading Solution Provider with differentiating capabilities



Strategy execution update and our focus going forward



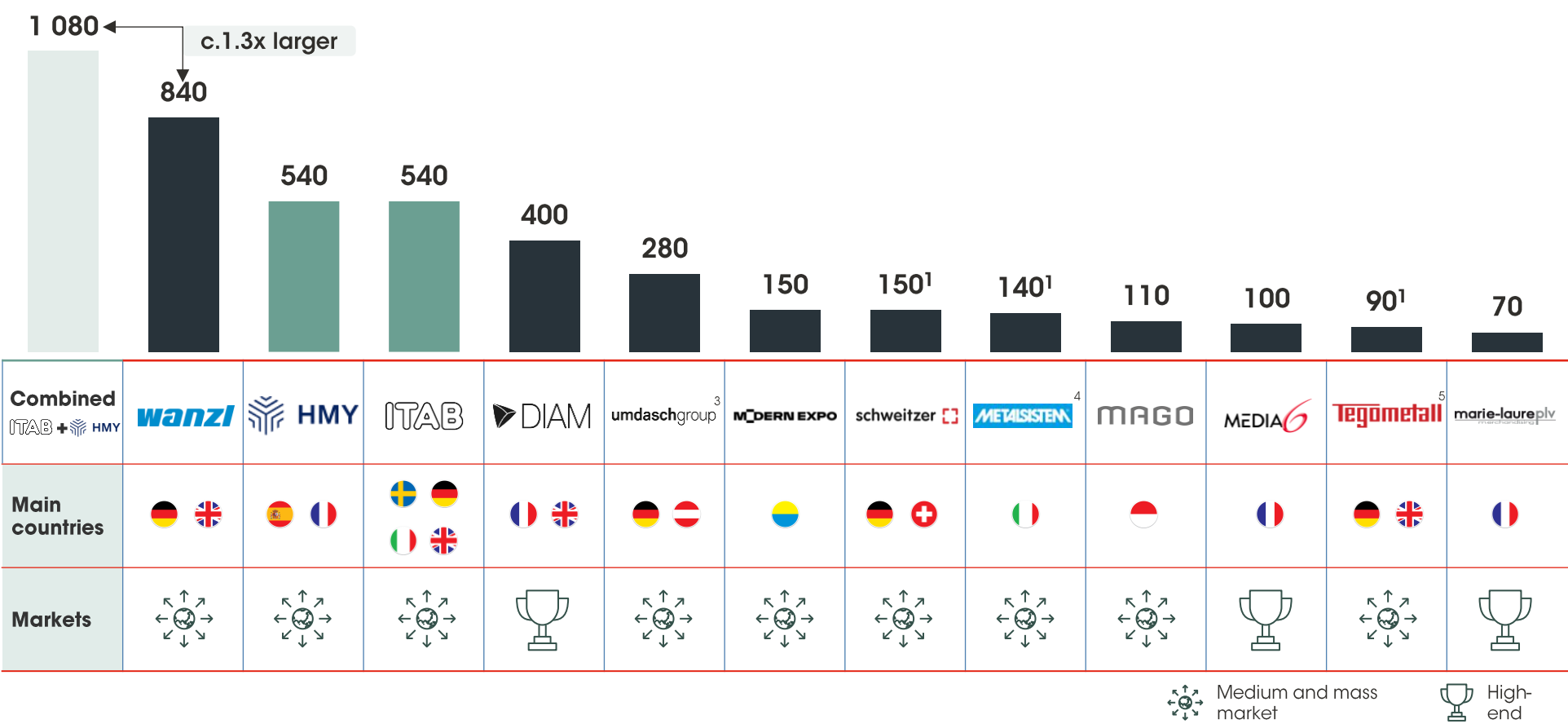
Rethink Retail. Together.

Intended acquisition of HMY

The intended acquisition of HMY combines two market leaders

ITAB and HMY are leading players in a large and highly fragmented market. The total addressable European market is estimated at ~10 BEUR¹, which gives continued growth opportunity also for the combined business.

Top 12 European players in the market (MEUR, global revenue²)



Notes: 1. Based on management estimates. 2. Based on FY23 actuals or latest actuals wherever available; Rounded to nearest €10m. 3. Excludes revenue from formworks and ventures. 4. Excludes revenue from photovoltaic systems and specific furnishing concepts. 5. Excludes revenue from TegoStock. Source: Public filings, management estimates.

The intended acquisition of HMY is a strategically and financially attractive opportunity for ITAB

Strategic rationale in brief

- ▶ Geographically complementary to ITAB, given HMY's strength in Spain, France, Middle East and South America
- ▶ HMY and ITAB together offers strengthened relevance to the combined customer base and will enable commercial synergies
- ▶ Significant increase in scale will lead to improved efficiency and synergies in both cost and capital
- ▶ Potential synergies of MEUR 30 p.a. will enhance EBITDA margins in the combined entity and improve profit per share
- ▶ The market in Europe offers the combined business continued room to grow, both organically and through acquisitions
- ▶ The intended acquisition is conditional upon necessary regulatory approvals as well as other customary closing conditions
- ▶ Closing is expected to occur during the end of the fourth quarter 2024 or beginning of the first quarter 2025

ILLUSTRATIVE

	ITAB	HMY	Potential synergies ²	Aggregated ¹
MEUR	FY23A	FY23A		
Net sales	543.8	541.2	20.0	1,105.0
Adj. EBIT	38.3	27.1 ³	30.0	95.4
% margin	7.0%	5.0%		8.6%
Net income	25.9	13.3 ⁴	22.5	49.2 ⁵
% margin	4.8%	2.5%		4.5%

Notes: FYE 31 Dec; ITAB financials converted from SEK to EUR based on exchange rate of 11.290 as of 24 September 2024.

1. The aggregated financial information presented in the table is for illustrative purposes only; HMY's financial information is prepared in accordance with French GAAP and is based on consolidated trial balances; The aggregated financial information is not financial pro forma and has not been audited or otherwise reviewed by the companies' auditors. 2. Annualised synergies, excluding restructuring / rationalisation costs; Yearly pre-tax synergies of MEUR 30 assumed including MEUR 20 of cost synergies and MEUR 10 EBITDA effect from commercial / revenue synergies of MEUR 20; Full synergy effect to be reached by 2027 with gradual materialisation from FY25 onwards; Applied to FY23 for illustrative purposes.

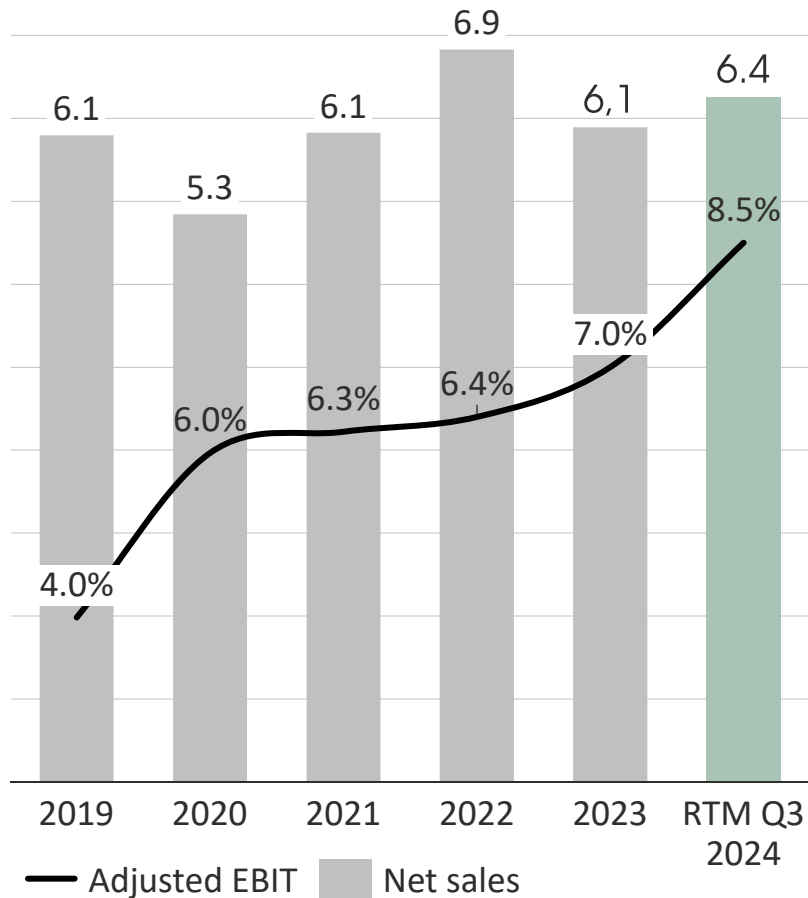
3. Extraordinary result is booked below EBIT (total extraordinary result was MEUR 9 in FY23A and includes the cost of restructuring and exiting business activities). 4. Excludes interest expenses based on current capital structure and other financial charges (incl. inventory and doubtful receivable provisions); Based on a 25% tax rate. 5. Includes impact of new debt issuance of MEUR 255; Assumes a tax rate of 25% for the group. Source: Company information.

Interim Report Q3 2024

January 1st-September 30th

Higher sales despite delays in customer projects, and margin impacted by lower sales of technical solutions

Net sales and adjusted EBIT (BnSEK, %)



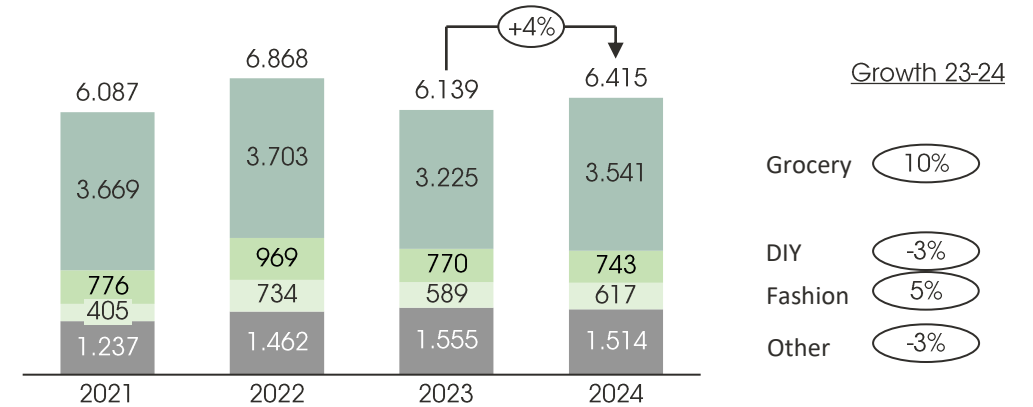
MSEK	Third quarter			Full year		
	Q3 2024	Q3 2023	Δ	RTM 2024	2023	Δ
Net sales	1,553	1,529	+2%	6,415	6,139	+4%
EBIT	69	129	-47%	522	432	+21%
EBIT margin, %	4.4	8.5		8.1	7.0	
Adj EBIT	90	129	-30%	543	432	+26%
Adj EBIT margin %	5.8	8.5		8.5	7.0	
Earnings per share (SEK)	0.19	0.32	-41%	1.6	1.24	+29%
Operating cash flow	160	229	-30%	677	810	-16%
Net debt excl. leasing ¹⁾	-392	306	-698	-392	45	-437

¹⁾ During the third quarter 2024, the Group received MSEK 544 in issue proceeds from the directed share issue

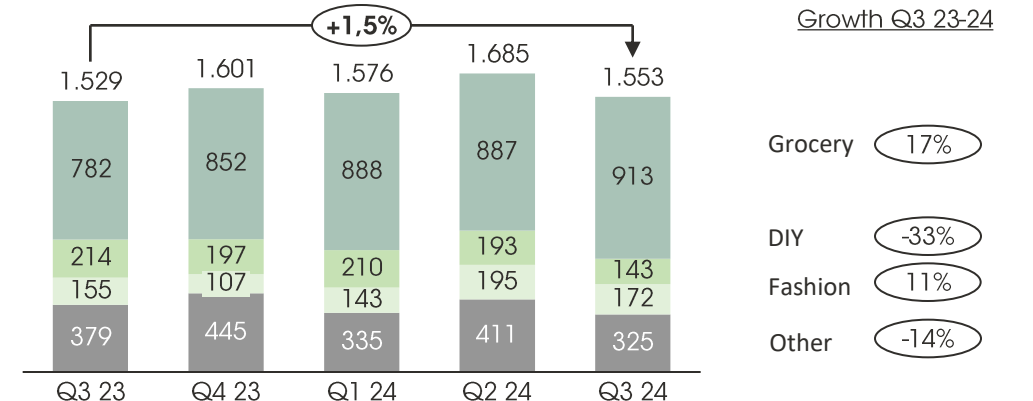
Quarterly growth of 2% in Q3 (4% RTM), driven by Grocery and Fashion segments

- ▶ Sales development was positive in Q3 with 2% growth, driven by Grocery and Fashion segments
- ▶ Most of our geographical markets are experiencing growth YTD but especially Northern and Eastern Europe (also Southern Europe in Q3)
- ▶ Sales growth in self-service solutions continues, while we have experienced a delay in some Loss Prevention (e.g. Smart Gates) projects impacting our product mix negatively in Q3.
- ▶ Onwards we see that customer spend is still not normalized, and the political landscape in Europe brings some uncertainty

Net sales per RTM, MSEK

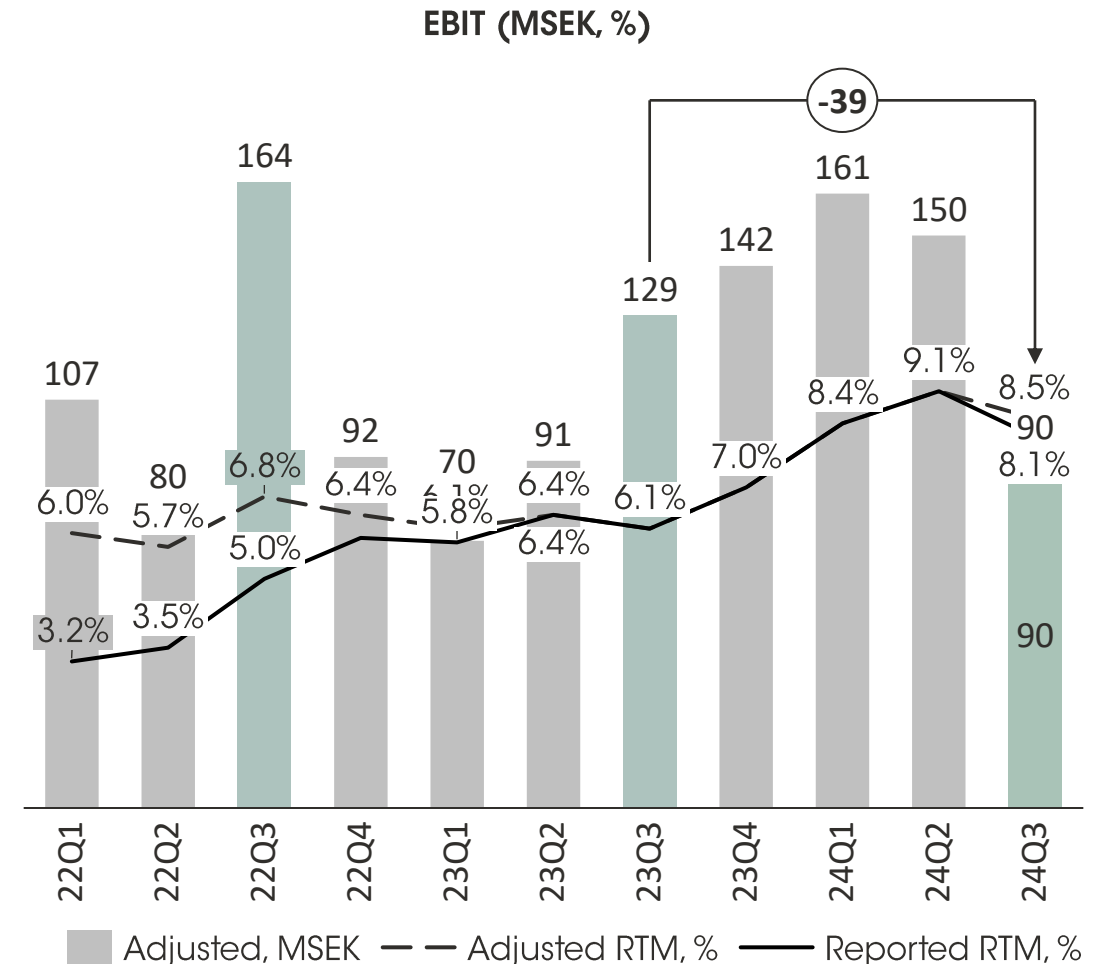


Net sales per quarter, MSEK



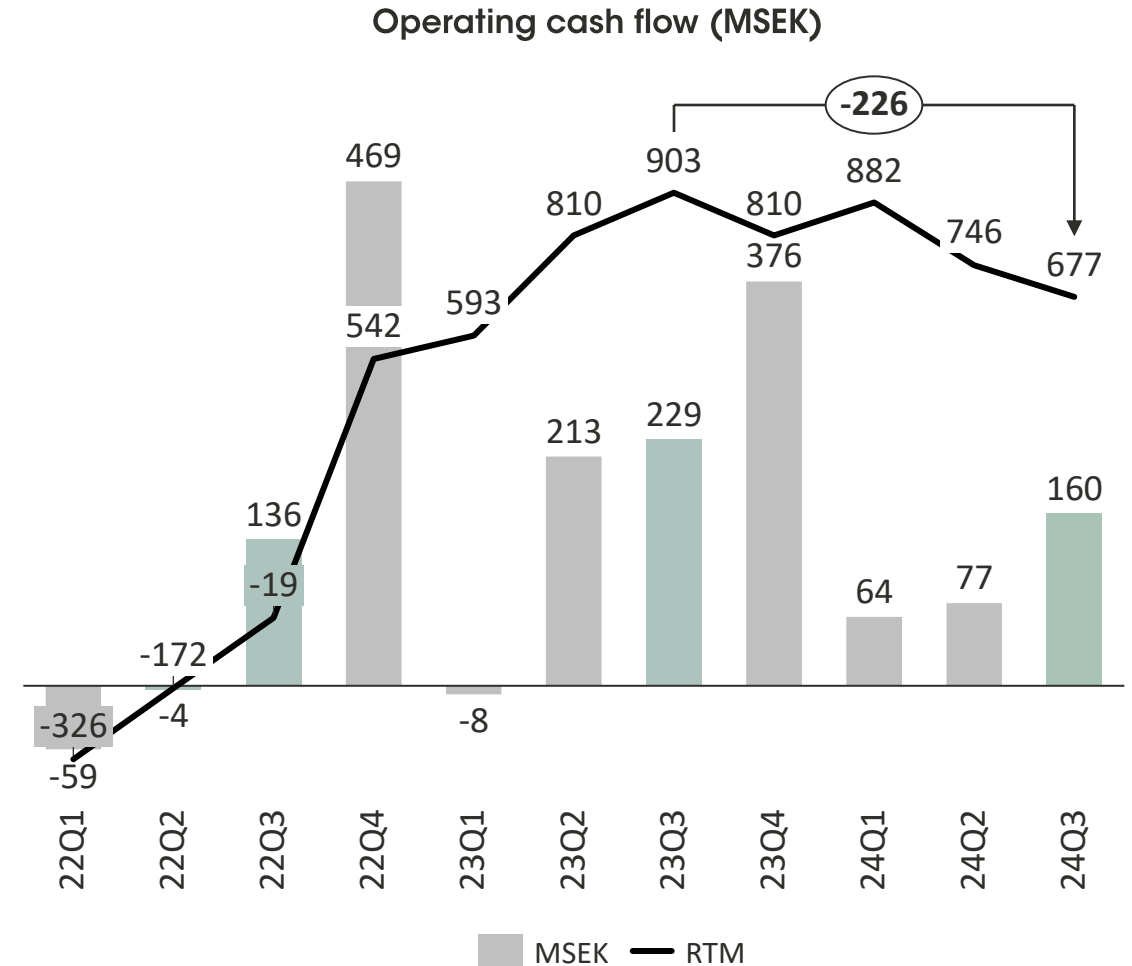
The historically strong profitability during the first two quarters was followed by a weaker third quarter

- ▶ Adjusted EBIT of MSEK 90 (129) in Q3 corresponding to an adj. EBIT margin of 5.8% (8.5). This result includes adjustments for non-recurring costs of MSEK -21, connected to the planned acquisition of HMY. For the full reporting period our adjusted EBIT is MSEK 401 (290) with an adj. EBIT margin of 8.3% (6.4)
- ▶ During Q3, our margin has been negatively affected by postponements of projects within loss prevention solutions, which is a very project-led area of our business. We continue to be active in this segment and see several opportunities onwards, in addition to signed agreements already announced
- ▶ We continue to focus on our sales efforts and organisational effectiveness – and the intended acquisition of HMY creates an even stronger platform for the future



Strong RTM cash flow (MSEK 677) driven by both profitability improvement and higher capital efficiency

- ▶ Cash flow for Q3 positive at MSEK 160 due to profitability and improving working capital
- ▶ RTM yearly operating cash flow amounts to MSEK 677, mainly due to profitability but also improved capital efficiency (operating capital has improved since September 2023 driven by both accounts receivable and inventory). Cash conversion RTM is 87%
- ▶ Inventory continues to be on a more normalized level
- ▶ Our focus on capital efficiency will continue



Main takeaways from Q3 2024

Intended acquisition of HMY strengthens our position in key markets

- ▶ Increased sales and stronger profitability for ITAB in the first nine months of the year, in which the historically strong start during the first two quarters was followed by a weaker third quarter
- ▶ The market is still somewhat cautious, but the assessment is that we are not losing any market shares and we have signed a number of new customer agreements in 2024 for loss prevention and self-service solutions, customised shop fittings, and traditional checkouts
- ▶ So far in 2024, currency-adjusted net sales have increased by approximately 7 percent and the adjusted operating margin (excluding non-recurring costs related to the intended acquisition of HMY) rose to 8.3 percent (6.4)
- ▶ Our strong gross margin and efforts to reduce the inventory levels and working capital continue to affect our cash flow positively
- ▶ We continue to focus on our sales efforts and the underlying earnings improvement – and the intended acquisition of HMY creates an even stronger platform for the future



Questions & Answers

