

ITAB SHOP CONCEPT

Awaiting HMY deal finalisation

The Q3 report was mixed, suggesting a 5–3% cut to our 2024–2026e EPS. This is, however, overshadowed by the proposed transformational acquisition of HMY (which looks like a solid match to us) creating a European market leader in the retail store-fittings area. Awaiting deal completion, we have updated our fair value for the new issue dilution effect to SEK22–28 (23–30).

Q3 results. ITAB's Q3 was mixed (partly against tough YOY comparables), showing slower revenue growth than in H1 of 1.6% YOY (organic +4.2%), with a narrowing adjusted EBIT margin to 5.8% (-264bp), for adjusted EBIT of SEK90m (down 30% YOY), well below our expectation. A weaker product and customer mix with more traditional products (rather than loss-prevention and technology solutions) affected the mix with postponed projects part of the reason. FCF generation remained solid.

Next step in Industrial roll-up. ITAB's proposed acquisition of the French store fittings group Financière HMY is potentially transformational. HMY looks to be a good match with ITAB in our view, strengthening the South European footprint and doubling the size of the company. 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 adjusted for the dilution effect of the directed new issue, suggests considerable EPS accretion for 2026–2027e, a post-synergy 2027e EV/EBITDA of c4x and a solid ROIC of 21–22%.

Forecast update. Given that we await the finalisation of the HMY acquisition before integrating it into our forecasts, the negative Q3 mix effect on profit margins implies a 5–3% cut to our adjusted EPS for 2024–2026e. However, assuming a completion of the HMY acquisition and full achievement of the 2027e synergies would suggest a 2027e EPS of SEK3.50–3.80, indicating the potential for the combined ITAB/HMY, in our view.

Fair value adjusted to SEK22–28. As we have yet to integrate HMY into our forecast, we have updated our fair value range for the dilution effect from directed new issue.

| Year-end Dec | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|
| Revenue (SEKm) | 5,323 | 6,087 | 6,868 | 6,139 | 6,502 | 7,100 | 7,527 |
| EBITDA adj (SEKm) | 578 | 644 | 704 | 686 | 795 | 868 | 930 |
| EBIT adj (SEKm) | 320 | 382 | 443 | 432 | 543 | 620 | 678 |
| PTP (SEKm) | 0 | 147 | 348 | 385 | 471 | 594 | 691 |
| EPS rep (SEK) | -0.13 | 0.44 | 0.78 | 1.25 | 1.37 | 1.64 | 1.90 |
| EPS adj (SEK) | 1.18 | 1.20 | 1.21 | 1.28 | 1.57 | 1.74 | 1.90 |
| DPS (SEK) | 0.00 | 0.00 | 0.50 | 0.75 | 0.70 | 0.80 | 0.90 |
| Revenue growth (%) | -12.2 | 14.4 | 12.8 | -10.6 | 5.9 | 9.2 | 6.0 |
| EBITDA growth adj (%) | 16.3 | 11.4 | 9.3 | -2.6 | 15.8 | 9.3 | 7.2 |
| EPS growth adj (%) | 79.8 | 1.7 | 0.8 | 6.5 | 22.2 | 10.8 | 9.2 |
| EBITDA margin adj (%) | 10.9 | 10.6 | 10.3 | 11.2 | 12.2 | 12.2 | 12.4 |
| EV/Sales adj (x) | 0.68 | 0.68 | 0.51 | 0.53 | 0.83 | 0.80 | 0.70 |
| EV/EBITDA adj (x) | 6.3 | 6.5 | 4.9 | 4.7 | 6.8 | 6.5 | 5.7 |
| EV/EBIT adj (x) | 11.3 | 10.9 | 7.9 | 7.5 | 10.0 | 9.2 | 7.8 |
| P/E adj (x) | 10.0 | 11.2 | 9.1 | 9.4 | 16.6 | 15.0 | 13.7 |
| P/Book (x) | 1.16 | 1.10 | 0.80 | 0.86 | 1.47 | 1.52 | 1.43 |
| ROE (%) | nm | 4.2 | 5.7 | 8.6 | 8.5 | 9.5 | 10.4 |
| Dividend yield (%) | 0.0 | 0.0 | 4.5 | 6.2 | 2.7 | 3.1 | 3.5 |

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

ITAB versus OMXS30 (12m)



Source: FactSet

SUMMARY

| | |
|-------------------|---------|
| Share price (SEK) | 26.0 |
| Tickers | ITAB SS |

CAPITAL STRUCTURE

| | |
|------------------------------|-------|
| No. of shares (m) | 253.2 |
| No. of shares fully dil. (m) | 254.5 |
| Market cap. (SEKm) | 6,584 |
| NIBD adj end-2024e (SEKm) | -573 |
| Enterprise value adj (SEKm) | 6,010 |
| Net debt/EBITDA adj (x) | -0.50 |
| Free float (%) | 55 |

Source: Company, DNB Markets (estimates)

NEXT EVENT

| | |
|---------|------------|
| Q4 2024 | 07/02/2025 |
|---------|------------|

ESTIMATE CHANGES (SEKm), (SEK)

| Year-end Dec | 2024e | 2025e | 2026e |
|---------------|-------|-------|-------|
| Sales (old) | 6,568 | 7,096 | 7,522 |
| Sales (new) | 6,502 | 7,100 | 7,527 |
| Change (%) | -1.0 | 0.1 | 0.1 |
| Consensus | 6,600 | 7,109 | 7,502 |
| EPS adj (old) | 1.65 | 1.80 | 1.96 |
| EPS adj (new) | 1.57 | 1.74 | 1.90 |
| Change (%) | -5.0 | -3.6 | -3.0 |
| Consensus | 1.76 | 1.94 | 2.10 |

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

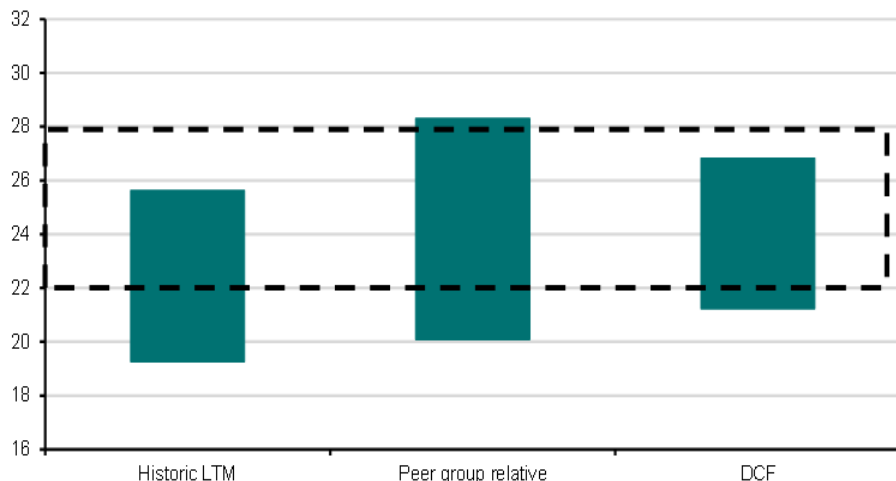
ANALYST

Karl-Johan Bonnevier

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Overview

Valuation (SEK)



Source: FactSet, DNB Markets

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

- We believe ITAB returning to the M&A fold with the proposed HNY acquisition could a transformational step in its sector roll-up, adding 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

Valuation methodology

- The low end of our fair value range of SEK22 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 SEK28 is based on blending the top-range of the relative peer group valuation, and our higher end DCF.
- HNY impact - assuming full achievement of the 2027e synergies would suggest EPS of SEK3.50–3.80 for the combined ITAB/HMY.

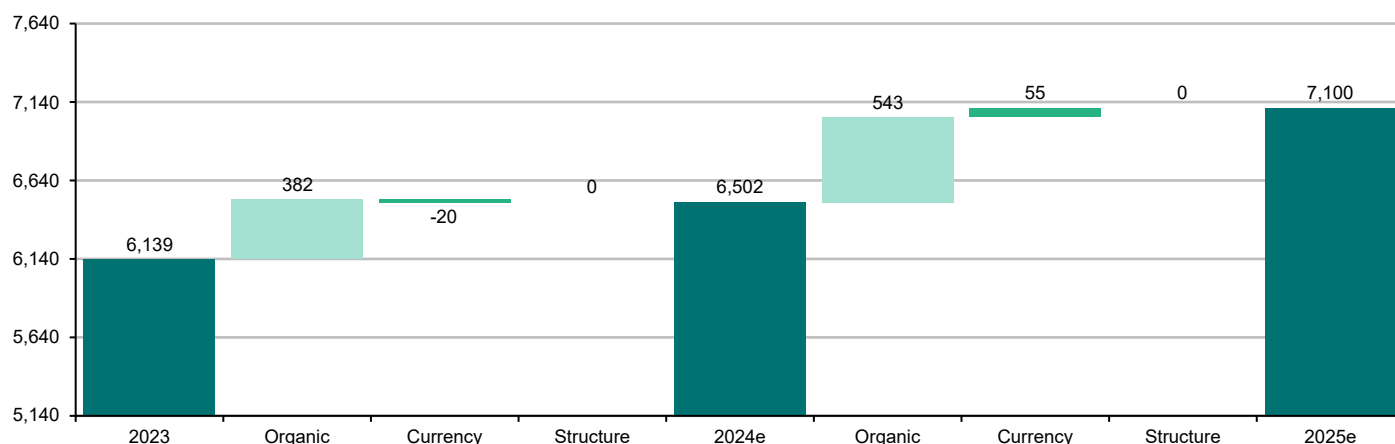
Source: DNB Markets

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)

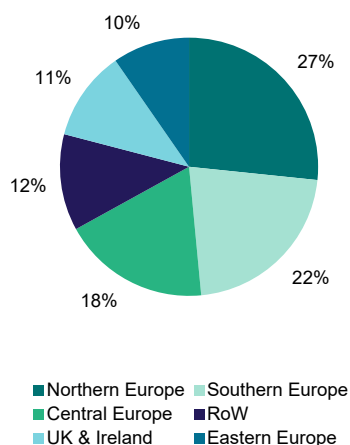
Company overview and SWOT analysis

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.

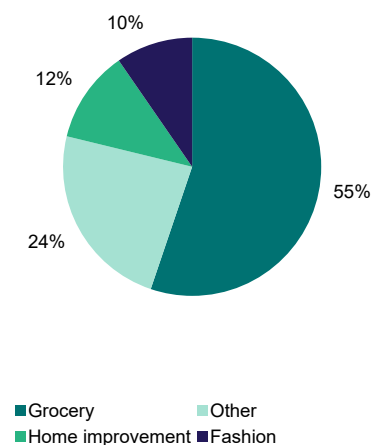
Source: DNB Markets

Revenues by region (LTM Q3 2024)



Source: Company

Revenues by business area (LTM Q3 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 – 22.2% of capital and votes.
- Pomona-gruppen – 15.8%.
- Petter Fägersten – 10.4%.
- Anna Benjamin – 5.6%.
- Stig-Olof Simonsson – 5.4%.
- ITAB Shop Concept holding of own shares 4,400,00 C-shares (1.8% 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 needs 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 large 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"> ■ 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. ■ 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. | <ul style="list-style-type: none"> ■ 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. ■ In a wider context, unsuccessful acquisitions and quality failures could result in reputational damage and loss of business. |
| Actions being taken by company | <ul style="list-style-type: none"> ■ 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. ■ 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). ■ 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. | <ul style="list-style-type: none"> ■ 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 <1% for capital expenditure. |

Key ESG drivers

| | | |
|------------|---|---|
| Short-term | <ul style="list-style-type: none"> ■ With sustainability an increasing customer focus, it has also become an integrated part of ITAB's strategy work. ■ 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. ■ 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. | <ul style="list-style-type: none"> ■ 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. ■ Risk of reputational damage from partners failing to deliver on ESG factors, potentially limiting its product offering. |
| Long-term | <ul style="list-style-type: none"> ■ 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. ■ 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). | <ul style="list-style-type: none"> ■ Risk of ITAB failing to keep up with growing consumer ESG demands. ■ Challenge to get its sustainability work recognised in standard models such as the EU Taxonomy. ■ With acquisitions being a central part of ITAB's growth, there is a risk that unsuccessful acquisitions could result in adverse outcomes. |

Source: DNB Markets

Q3 review and update

Figure 1: Q3 results – DNB Markets’ forecasts versus results

| Key highlights (SEKm, except per share data) | Q3 2024 | | | Deviation (%) | | Deviation, Abs | | Q3 2023 | DNBe |
|---|----------------|----------------|----------------|---------------|-------------|----------------|------------|----------------|----------------|
| | Actual | DNB | Cons. | DNB | Cons. | DNB | Cons. | Actual | 2024e |
| Net sales | 1,553.0 | 1,580.6 | 1,621.0 | -2% | -4% | -28 | -68 | 1,529.0 | 6,501.7 |
| Change YOY | 1.6% | 3.4% | 6.0% | -1.8pp | -4.4pp | | | -12.6% | 5.9% |
| Organic YOY | 4.2% | 6.0% | 8.6% | -1.8pp | -4.4pp | | | -15.2% | 6.3% |
| Acquired YOY | 0.0% | 0.0% | | 0.0pp | | | | 0.0% | 0.0% |
| FX / other YOY | -2.6% | -2.6% | | 0.0pp | | | | 2.6% | -0.3% |
| Gross profit | 437.0 | 462.8 | 479.1 | -6% | -9% | -26 | -42 | 440.0 | 1,900.8 |
| Gross margin | 28.1% | 29.3% | 29.6% | -1.1pp | -1.4pp | | | 28.8% | 29.2% |
| EBITDA adjusted | 154.0 | 202.0 | 211.0 | -24% | -27% | -48 | -57 | 180.0 | 794.6 |
| Depr/Amort | -64.0 | -63.0 | | -2% | | -1 | | -51.0 | -252.0 |
| EBIT adjusted | 90.0 | 139.0 | 148.0 | -35% | -39% | -49 | -58 | 129.0 | 542.6 |
| EBIT margin | 5.8% | 8.8% | 9.1% | -3.0pp | -3.3pp | | | 8.4% | 8.3% |
| One-offs | -21.0 | 0.0 | | - | | -21 | | 0.0 | -46.0 |
| EBIT reported | 69.0 | 139.0 | 148.0 | -50% | -53% | -70 | -79 | 129.0 | 496.6 |
| Pretax profit | 73.0 | 127.3 | 136.0 | -43% | -46% | -54 | | 113.0 | 471.2 |
| EPS | 0.18 | 0.36 | 0.41 | -50% | -56% | -0.2 | | 0.32 | 1.37 |
| FCF | 91.0 | 80.1 | | 14% | | 11 | | 189.0 | 320.8 |

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

ITAB's Q3 report was mixed, on the promising side in our view, showing further signs that the positive demand trend over the past couple of quarters is gaining momentum, but a weak customer and product mix in the quarter affected the gross margin negatively, creating a substantial earnings shortfall versus our expectations. On the positive side, the much-improved capital efficiency looks to be more of a structural improvement, leaving the financials in good shape, awaiting the finalisation of the HMY acquisition.

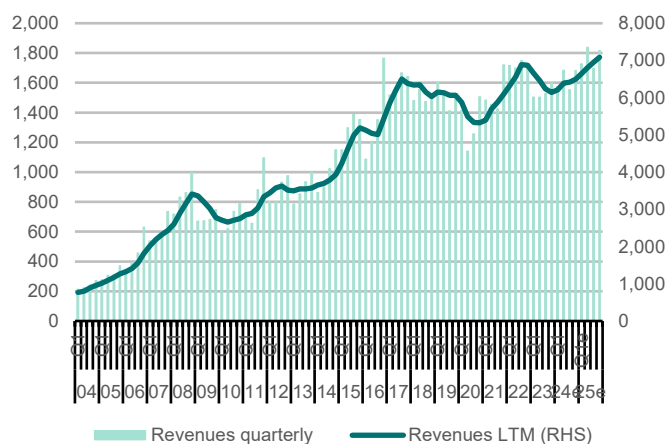
Q3 revenue growth levelled off compared to the very strong H1. However, it still showed an increase by 1.6% YOY (organic +4.2%), but with a narrowing adj. EBIT margin of 5.8% (-264bp YOY), albeit against tough YOY comparables, giving an adjusted EBIT of SEK90m (-30% YOY), 35% below our expectation. Looking at the sales mix, Grocery (up 17% YOY) and Home Improvement (up 11% YOY) showed strength, with Home Improvement (-33% YOY) and the Other (-14% YOY) segments weakened.

Geographically, it was also the regions that saw the weakest trends in Q3 2023 that realised the best YOY improvements, namely Eastern Europe (+70% YOY) and Southern Europe (+11% YOY), while particularly Rest of World was weaker (down 29% YOY), benefiting from the delivery of a large Australian loss-prevention solutions order in H2 last year. Management still indicates its retail customers remain cautious, with investment decisions in new stores and upgrading existing stores; however, the trend appears to be reversing, with increasing interest for operational efficiency solutions such as self-check-outs and other self-service solutions, with interest in technical and digital solutions for loss-prevention remaining significant. Still, competition is described as fierce across segments and geographies.

Our earlier view that ITAB (pre-HMY) should return to organic growth in 2024 is set to be realised and our updated forecast scenario suggests the company should be able to reach the mid-to-higher end of its financial target of 4–8% revenue growth during the year and with a strengthening outlook for 2025.

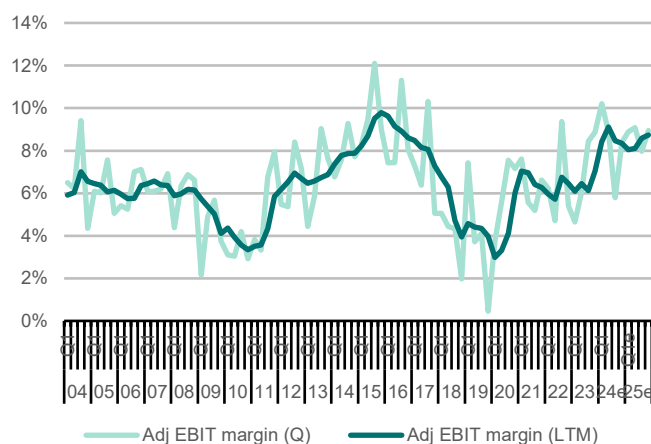
31 October 2024

Figure 2: Revenues quarterly and LTM (SEKm)



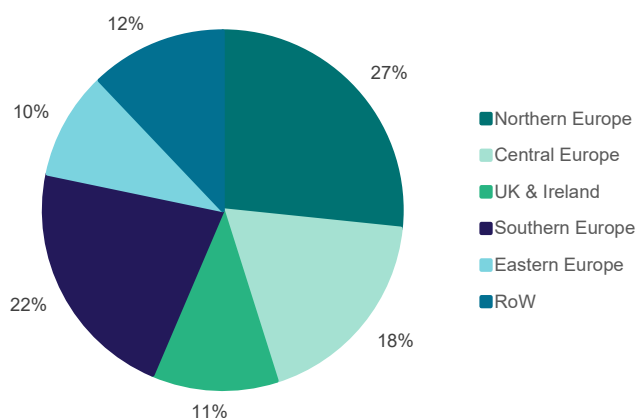
Source: DNB Markets (forecasts), company (historical data)

Figure 3: EBIT margin quarterly and LTM



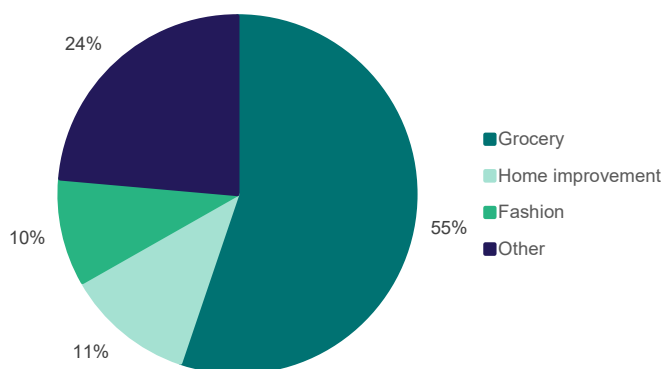
Source: DNB Markets (forecasts), company (historical data)

Figure 4: Geographical revenue breakdown LTM Q3 2024



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

Figure 5: Customer segment revenue split LTM Q3 2024



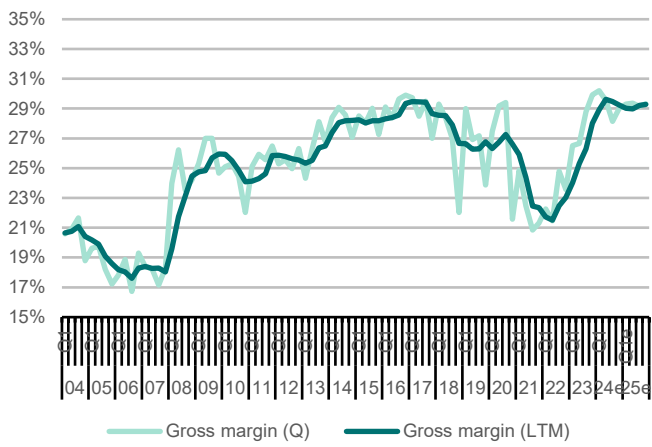
Source: DNB Markets (compilation), company (historical data)

With the lower mix of loss-prevention and technical solutions in Q3 and the normally higher material content in the traditional business of customised shop fittings and conventional check-outs, the Q3 gross margin saw some headwind, being down 64bp YOY, to 28.1%. ITAB still highlights a continued healthy gross margin within the respective product categories, implying this being a natural product and customer mix issue. The company also indicated that some loss-prevention and technology solutions contracts saw postponement in delivery to customers in Q3, highlighting the project-based nature of ITAB’s operation and the potential adverse effects related to it on a quarterly basis.

Even though moderating from the Q2 record level, the LTM EBIT margin remains strong at 8.5% for the period ending Q3 2024 (LTM Q2: 9.1%), firmly within ITAB’s own financial target of 7–9%. In a scenario with recovering volumes, a stable gross margin contribution, and continued high operating efficiency, we would not be surprised if ITAB opts to raise its financial target for the EBIT margin, particularly with the addition of HMY. Management is not writing this off but also reminded us of its recent profit margin history and high volatility, the project nature of the business and its seasonality, suggesting ITAB needs to prove that the current LTM level is sustainable before new and higher targets can be detailed and enacted. However, the OneITAB transformation has created a more scalable operation, from which we are now seeing the benefits, with potential further improvements when volume growth reemerges. The transformational acquisition of HMY only adds to the equation.

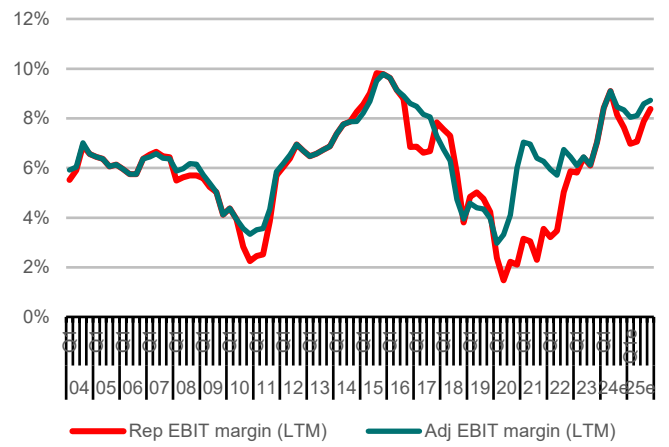
31 October 2024

Figure 6: Gross margin quarterly and LTM (%)



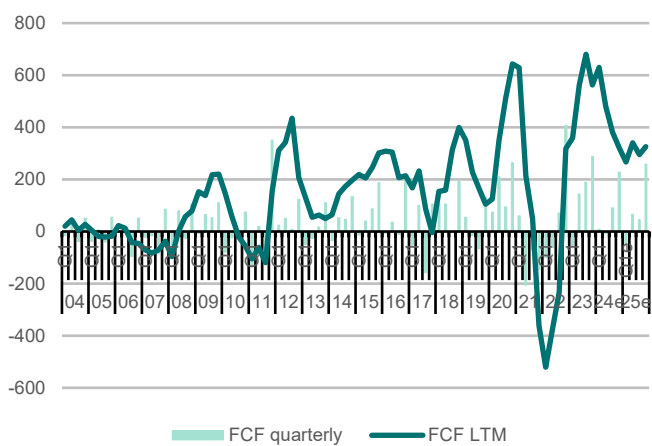
Source: DNB Markets (forecasts), company (historical data)

Figure 7: EBIT margin report and adjusted LTM (%)



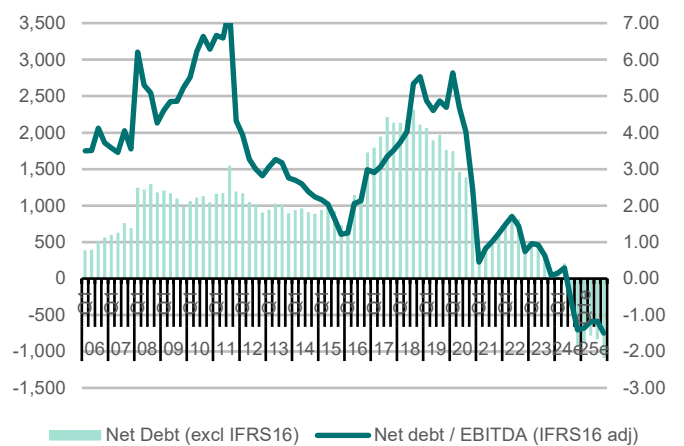
Source: DNB Markets (forecasts), company (historical data)

Figure 8: FCF quarterly and LTM (SEKm)



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

Figure 9: Net debt IFRS16 adj (SEKm) and net debt/EBITDA (RHS)

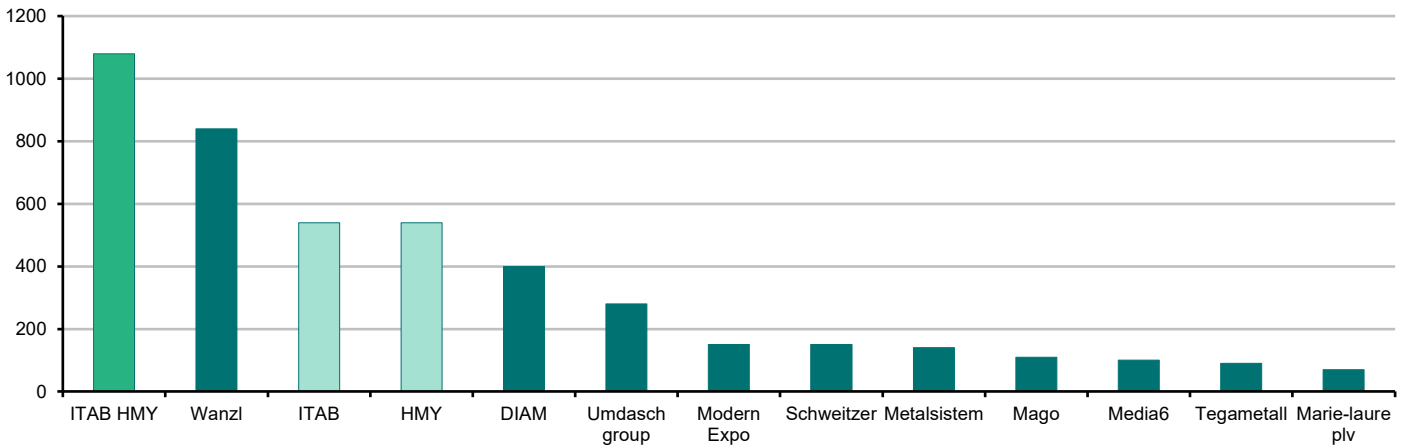


Source: DNB Markets (forecasts), company (historical data)

Next step in the Industrial roll-up

Given ITAB’s strong historical track record for acquisition-based growth and the still-fragmented European retail interior market, we have seen ITAB’s strong financials and strengthened own platform as the base for further industrial roll-up opportunities. Thus, we see significant potential in ITAB’s proposed acquisition of (or rather merger with) the French store fittings group Financière HMY, doubling the size of the company, creating a new European market leader.

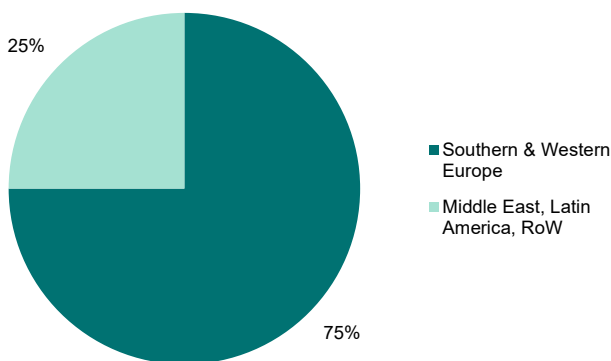
Figure 10: European companies in the retail store fittings market (EURm, global revenue)



Source: Based on management estimates and the latest actual available financial statements (figures rounded) and excluding other operations than retail store fittings solutions.

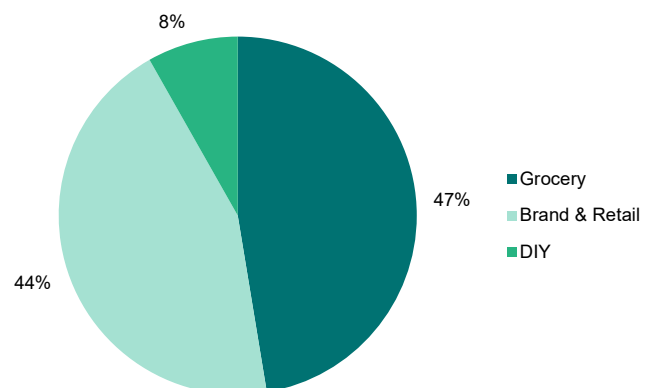
HMY looks to be a good match with ITAB, strengthening the South European footprint and adding the Middle East and Latin America, with the footprint largely being complementary. As with ITAB, we understand that during the challenging recent period (with lower end-customer demand), HMY worked on business improvements and efficiency measures. To us, this implies two companies that are coming out of the period stronger and more agile, which suggests a good time to take the next step in consolidating the fragmented European market.

Figure 11: HMY geographical revenue breakdown 2023



Source: Company

Figure 12: HMY customer segment revenue split 2023



Source: Company

The proposed deal is still conditional upon signing of a final and definitive share purchase agreement, necessary regulatory approvals, and other customary closing conditions. Thus, closing is expected to occur at end-Q4 2024 or the beginning of Q1 2025. ITAB confirms it has made all the relevant filings, with the consultation with the French unions setting the timeline for the other processes, now being seen to happen in early December.

The proposed acquisition 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

31 October 2024

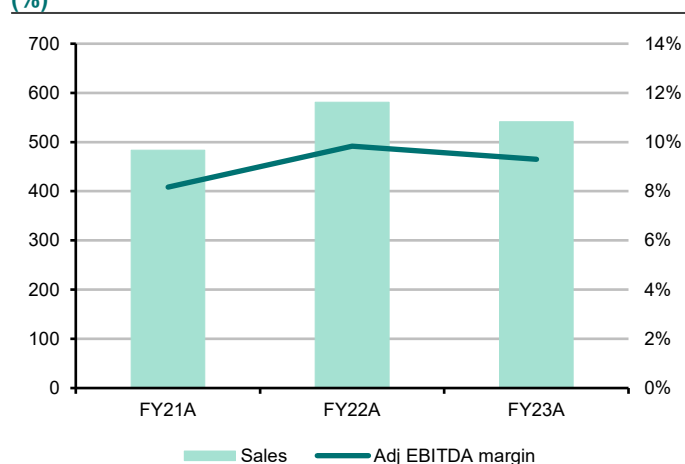
effect of the already completed new issues, suggests considerable EPS accretion of 40–55% for 2025–2027e, a post-synergy 2027e EV/EBITDA of c4x and a solid ROIC of 21–22%.

Figure 13: HNY acquisition accounting (preliminary) September 2024

| SEKm | 2023 | 2024e | 2025e | 2026e | 2027e |
|--------------------------------|-------------|-------------|-------------|--------------|-------------|
| Revenues | 6294 | 6608 | 6939 | 7286 | 7883 |
| EBIT bef goodwill | 315 | 349 | 384 | 421 | 460 |
| <i>margin %</i> | 5.0 | 5.3 | 5.5 | 5.8 | 5.8 |
| + Synergy potential | | | 58 | 174 | 349 |
| - Interest cost (6.0%) | | -172 | -172 | -172 | -172 |
| Pretax impact | 315 | 177 | 270 | 424 | 637 |
| EPS impact | | 0.50 | 0.76 | 1.19 | 1.79 |
| <i>Imp on pre-deal est (%)</i> | | 28.0 | 37.9 | 54.0 | |
| <i>RoIC (%)</i> | | 9.4 | 11.9 | 16.0 | 21.7 |
| | <u>2023</u> | | | <u>2026e</u> | |
| EV/Sales | 0.59 | | | 0.51 | |
| EV/EBITDA | 6.4 | | | 4.1 | |
| Acquisition cost | 3721 | | | | |

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

Figure 14: HMY revenues (EURm) and adj. EBITDA margin (%)



Source: Company

ITAB has already secured the relevant financing of the acquisition, looking at a new equity raise of SEK867m and securing binding commitments regarding debt financing from its banks, consisting of EUR255m long-term credit facility and to further strengthen the new group’s financial capacity a binding commitment has also been entered for a EUR100m revolving credit facility for general corporate purposes and the refinancing of its old facilities.

The equity was secured through a direct issue of new shares in an accelerated bookbuilding procedure that sold 38.2m shares (c18% dilution to old shareholders) at SEK22.70 (a 9.9% discount to the closing share price). The issue is indicated to have been well oversubscribed and added some new institutional shareholders including Handelsbanken Fonder, Nordea Fonder, AP3 and AP4 to its owners.

Awaiting the completion of the acquisition the new issue has created a strong balance sheet, with a net cash position of SEK392m at end-Q3, with the second tranche of the new issue adding a further gross SEK298m in October. On a pro forma RTM basis by end-2024e (assuming the completion of the HMY acquisition), ITAB would still have a solid financial position, with a net debt to EBITDA of c2.2x. Even as we would not expect any add-on acquisitions near-term, as the new ITAB/HMY group is integrated, at least the financials suggest there should be solid financial headroom when the new structure is integrated.

For an acquisition of this size, it will take some time to extract the full potential, with the deal synergies provisionally quantified at EUR30m by 2027e and also requiring still undisclosed integration costs to be fully realised (above the EUR10m indicated transaction costs). However, looking at 2027e with a full realisation of the suggested deal synergies, our sensitivity calculations would suggest the new ITAB/HMY group could achieve EPS of cSEK3.50–3.80, implying significant EPS accretion compared to our current EPS forecast of cSEK2.00 for 2027.

Forecast update awaiting HMY finalisation

Awaiting the finalisation of the HMY acquisition, we have yet to consolidate it into our forecasts, with our updated expectations still only relating to the current ITAB operations. With the Q3 negative mix effect likely to persist also into Q4, we have cut our adj. EPS by 5–3% for 2024–2026e.

Looking at our financial forecasts, excluding the HMY acquisition, we expect ITAB to achieve towards the higher end of its financial targets for 2024–2026 in revenue growth and profit margin expansion. Given that this implies quite optimistic organic growth assumptions, we believe it is fair to forecast that the cash conversion will be slightly weaker than ITAB’s financial target

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during the period; however, we still expect healthy FCF generation. Similarly, while awaiting the HMY finalisation, we have also included a slightly more conservative dividend distribution.

Figure 15: Financial targets – ITAB financial targets and DNB Markets estimates

| | Average | Reported - fiscal years | | | | ITAB Group target | DNB Markets' estimates | | |
|------------------------|-----------|-------------------------|-------|-------|--------|-------------------|------------------------|-------|-------|
| | 2003-2019 | 2020 | 2021 | 2022 | 2023 | | 2024e | 2025e | 2026e |
| Sales growth | 14.8% | -12.2% | 14.4% | 12.8% | -10.6% | 4-8% | 5.9% | 9.2% | 6.0% |
| Organic sales growth | 2.5% | -9.7% | 9.1% | 6.9% | -13.9% | - | 6.3% | 8.4% | 6.0% |
| EBIT margin | 6.4% | 6.0% | 6.3% | 6.5% | 7.0% | 7-9% | 8.3% | 8.7% | 9.0% |
| Cash conversion | 65% | 216% | -34% | 80% | 118% | >80% | 75% | 68% | 74% |
| Dividend of net profit | 26% | 0% | 0% | 41% | 58% | >30% | 44% | 46% | 47% |

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

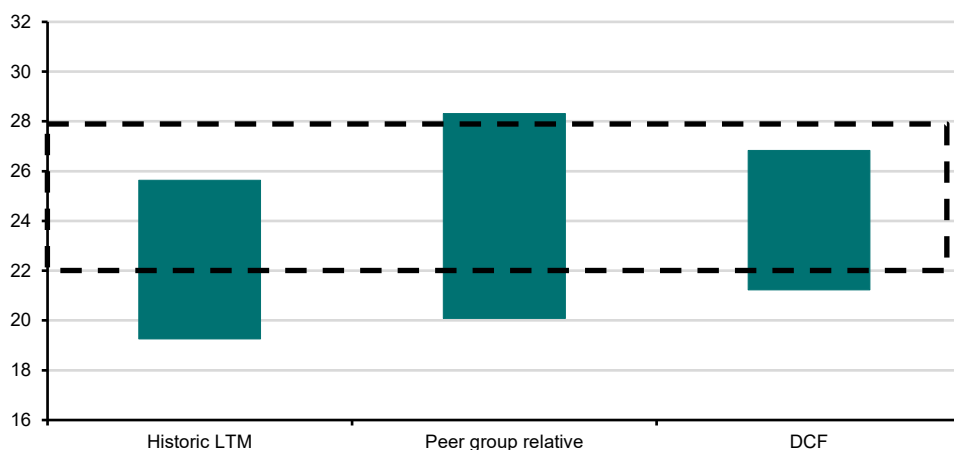
Recent performance

Although past performance is no guarantee of future results, we note the stock has risen 181% over the past 12 months, being one of the strongest performers in the Swedish SME universe, even as the recent performance has been slightly weaker (one month -12.0% and three months -2.9% respectively).

Fair value lowered to SEK22–28 (23–30)

Awaiting the finalisation of the HMY acquisition, our fair value does not reflect the value creation in the deal, and is only punished by the already completed new issue increasing the share count and diluting the fair value range, translating into an updated SEK22–28 (23–30) fair value. The valuation approaches utilised are ITAB’s historical LTM valuation multiples suggesting SEK19.25–25.60, the peer group valuation comparison of SEK20.00–28.30, and our DCF (which we consider conservative) of SEK21.30–26.80. We remind readers that our valuation methodology does not include any uncompleted value-creating acquisitions, such as HMY, or undisclosed capital allocation. As a sensitivity, expecting a completion of the HMY acquisition and full realisation of the indicating synergy potential would suggest a 2027e EPS of cSEK3.50–3.80.

Figure 16: ITAB fair value (SEK)



Source: DNB Markets

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Figure 17: ITAB acquisition and disposal log

| Year | Target | Price (SEKm) | Sales | OpP | OpP margin | EVS (x) | EVOP (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 w hole ow ned 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 |
| | Plkval 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 | Sw edish 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 Norw egian in-store promotion company |
| | Eurolys (No) | 4 | 33 | | | 0.12 | | Assets from Norw egian 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 Sw edish bankruptcy |
| | New Store Europe Norge AS (No) | 20 | 275 | | | 0.07 | | Assets from Norw egian 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 Sw eden |
| 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 Norw egian 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 Norw egian sales channel |
| | ABL Blansco (Cz) | | 120 | | | | | Czech family ow ned low -cost manufacturer |
| | APOS Letovice (Cz) | | | | | | | |
| | Stenestams Industri | | 90 | | | | | Sw edish 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 Sw eda (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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Figure 18: ITAB – peer group valuation (x) and performance (%)

| Security Name | Price LFX | M CAP EURm | EV EURm | EV/SALES | | | EV/EBITDA | | | EV/EBIT | | |
|------------------------------------|--------------|---------------|------------|-------------|-------------|-------------|-------------|------------|------------|-------------|-------------|-------------|
| | | | | +1y | +2y | +3y | +1y | +2y | +3y | +1y | +2y | +3y |
| ITAB SHOP CONCEPT (DNB est) | 26.00 | 568 | 633 | 0.86 | 0.87 | 0.83 | 7.1 | 7.1 | 6.7 | 10.3 | 9.7 | 8.6 |
| ITAB SHOP CONCEPT AB | 26.00 | 587 | 579 | 1.08 | 1.00 | 0.95 | 8.2 | 7.8 | 7.4 | 11.6 | 10.8 | 10.2 |
| SME Industrial peers | | | | | | | | | | | | |
| ALLIGO AB-B | 126.00 | 539 | 744 | 0.99 | 0.93 | 0.89 | 7.8 | 6.5 | 5.8 | 16.1 | 11.3 | 9.7 |
| ALIMAK AB | 122.20 | 1,124 | 1,341 | 2.27 | 2.21 | 2.11 | 11.4 | 10.4 | 9.7 | 16.3 | 14.0 | 12.8 |
| BERGMAN & BEVING AB | 299.50 | 722 | 872 | 2.01 | 1.89 | 1.81 | 13.7 | 12.5 | 11.8 | 23.3 | 20.8 | 19.5 |
| COOR SERVICE MANAGEMENT | 37.32 | 309 | 471 | 0.47 | 0.45 | 0.44 | 6.9 | 6.3 | 5.9 | 12.1 | 10.0 | 9.2 |
| ELANDERS AB-B | 97.20 | 297 | 1,076 | 0.87 | 0.83 | 0.80 | 5.3 | 5.1 | 4.8 | 14.0 | 12.7 | 11.6 |
| FAGERHULT AB | 60.00 | 896 | 1,057 | 1.55 | 1.50 | 1.42 | 10.8 | 9.7 | 8.9 | 16.5 | 14.5 | 13.0 |
| FASADGRUPPEN AB | 49.50 | 212 | 357 | 0.78 | 0.71 | 0.68 | 8.7 | 6.0 | 5.3 | 12.7 | 8.0 | 6.9 |
| GREEN LANDSCAPING AB | 77.50 | 377 | 579 | 1.02 | 0.96 | 0.92 | 8.1 | 7.3 | 6.9 | 14.9 | 13.5 | 12.3 |
| INWIDO AB | 193.40 | 969 | 1,067 | 1.48 | 1.39 | 1.30 | 10.7 | 9.3 | 8.1 | 15.1 | 12.5 | 11.0 |
| MOMENTUM GROUP AB-B | 180.00 | 785 | 803 | 3.35 | 3.15 | 3.04 | 22.4 | 21.2 | 20.3 | 33.1 | 30.7 | 29.2 |
| NETEL HOLDING AB | 16.74 | 72 | 126 | 0.44 | 0.41 | 0.39 | 6.9 | 5.4 | 4.8 | 10.5 | 7.3 | 6.4 |
| NEDERMAN HOLDING AB | 226.00 | 707 | 779 | 1.72 | 1.62 | 1.53 | 11.8 | 10.6 | 10.2 | 17.1 | 14.7 | 13.9 |
| NORVA24 GROUP AB | 31.15 | 487 | 614 | 2.02 | 1.82 | 1.74 | 9.7 | 8.4 | 7.8 | 19.5 | 16.0 | 14.6 |
| NOTE AB | 136.80 | 338 | 355 | 1.11 | 1.01 | 0.92 | 9.1 | 7.9 | 6.9 | 12.3 | 10.4 | 9.0 |
| NORDIC WATERPROOFING AB | 173.40 | 329 | 403 | 1.09 | 1.04 | 1.01 | 9.7 | 8.1 | 7.6 | 14.4 | 11.2 | 10.4 |
| OEM INTL AB-B | 124.60 | 1,510 | 1,475 | 3.29 | 3.14 | 2.99 | 20.3 | 19.6 | 18.5 | 23.3 | 22.3 | 21.0 |
| PRICER AB-B | 12.00 | 173 | 171 | 0.81 | 0.69 | 0.59 | 8.4 | 7.7 | 6.7 | 11.4 | 10.2 | 8.5 |
| SCANFIL OYJ | 7.91 | 516 | 540 | 0.68 | 0.61 | 0.57 | 7.1 | 6.5 | 6.1 | 9.8 | 8.8 | 8.3 |
| SITOWISE GROUP PLC | 2.86 | 95 | 176 | 0.91 | 0.87 | 0.83 | 9.2 | 7.4 | 6.5 | 24.5 | 15.0 | 11.6 |
| <i>Average sub-group</i> | | | | <i>1.38</i> | <i>1.30</i> | <i>1.23</i> | <i>10.3</i> | <i>9.1</i> | <i>8.4</i> | <i>16.5</i> | <i>13.6</i> | <i>12.3</i> |
| Nordic Retail peers | | | | | | | | | | | | |
| HENNES & MAURITZ AB-B SHS | 158.25 | 22,399 | 27,000 | 1.30 | 1.26 | 1.21 | 7.6 | 7.0 | 6.7 | 16.8 | 14.5 | 13.6 |
| AXFOOD AB | 237.90 | 4,388 | 5,358 | 0.73 | 0.69 | 0.67 | 9.2 | 8.3 | 8.0 | 17.9 | 16.2 | 15.0 |
| XXL ASA | 51.01 | 85 | 351 | 0.49 | 0.45 | 0.43 | 9.9 | 4.5 | 3.4 | -9.5 | 31.6 | 11.5 |
| CLAS OHLSON AB-B SHS | 175.10 | 976 | 1,071 | 1.12 | 1.08 | 1.04 | 7.0 | 6.6 | 6.4 | 12.1 | 11.6 | 11.0 |
| TOKMANNI GROUP CORP | 10.48 | 613 | 1,360 | 0.86 | 0.83 | 0.78 | 6.3 | 5.8 | 5.4 | 14.4 | 12.1 | 10.8 |
| EUROPRIS ASA | 68.10 | 931 | 1,265 | 1.27 | 1.16 | 1.12 | 7.5 | 6.9 | 6.2 | 13.0 | 12.2 | 10.5 |
| KID ASA | 151.40 | 523 | 663 | 2.19 | 2.02 | 1.89 | 7.9 | 7.2 | 6.7 | 14.4 | 12.6 | 11.3 |
| BYGGMAX GROUP AB | 44.68 | 228 | 446 | 0.83 | 0.77 | 0.74 | 5.8 | 5.1 | 4.8 | 27.8 | 16.5 | 12.4 |
| MATAS A/S | 122.80 | 634 | 1,067 | 0.96 | 0.90 | 0.84 | 6.6 | 5.8 | 5.4 | 14.2 | 11.3 | 10.0 |
| BILIA AB-A SHS | 125.80 | 1,028 | 1,559 | 0.51 | 0.47 | 0.45 | 8.4 | 7.3 | 6.8 | 16.0 | 12.1 | 10.8 |
| ELEKTRO IMPORTOREN AS | 10.05 | 43 | 88 | 0.66 | 0.61 | 0.56 | 7.1 | 5.5 | 4.6 | 24.4 | 13.5 | 9.8 |
| <i>Average sub-group</i> | | | | <i>0.99</i> | <i>0.93</i> | <i>0.89</i> | <i>7.6</i> | <i>6.4</i> | <i>5.9</i> | <i>14.7</i> | <i>14.9</i> | <i>11.5</i> |
| Total peer group | | | | 1.25 | 1.17 | 1.11 | 9.4 | 8.1 | 7.5 | 15.9 | 14.0 | 12.0 |

Source: Bloomberg (consensus), DNB Markets (estimates in red)
 Note: share prices correct as of market close on 31 October 2024

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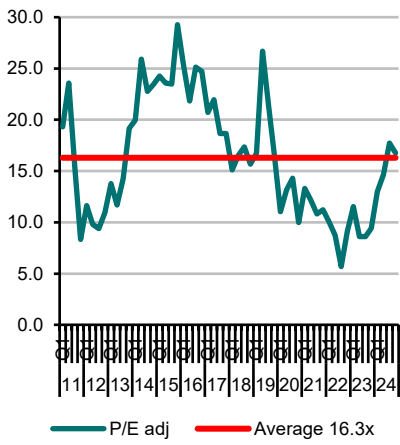
Figure 19: ITAB – peer group valuation (x) and performance (%) continued

| Security Name | P/E | | | FCF Yield | | | P/BV | RoE | Div.Y | Performance (%) | | |
|------------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|--------------|-------------|-----------------|-------------|-------------|
| | +1y | +2y | +3y | +1y | +2y | +3y | | | | +1y | +1y | +1y |
| ITAB SHOP CONCEPT (DNB est) | 16.6 | 15.0 | 13.7 | 5.3% | 4.9% | 6.3% | 147% | 8.0% | 2.7% | -12.0 | -2.9 | 181.4 |
| ITAB SHOP CONCEPT AB | 15.0 | 13.6 | 12.6 | 4.9% | 5.2% | 5.9% | 177% | 11.5% | 3.4% | -12.0 | -2.9 | 181.4 |
| SME Industrial peers | | | | | | | | | | | | |
| ALLIGO AB-B | 16.5 | 10.2 | 8.6 | 9.8% | 13.1% | 15.5% | 163% | 9.0% | 3.3% | -15.7 | -12.9 | 40.0 |
| ALIMAK AB | 19.6 | 15.7 | 14.1 | 6.4% | 6.9% | 7.2% | 177% | 9.2% | 2.2% | 6.7 | 6.5 | 84.5 |
| BERGMAN & BEVING AB | 35.2 | 29.4 | 25.9 | 4.1% | 5.0% | 9.5% | 367% | 10.5% | 1.3% | 2.7 | -3.8 | 103.9 |
| COOR SERVICE MANAGEMENT | 10.9 | 8.8 | 7.5 | 12.4% | 15.6% | 17.6% | 238% | 14.5% | 7.6% | -16.0 | -12.4 | -1.6 |
| ELANDERS AB-B | 12.7 | 10.0 | 8.0 | 14.4% | 41.8% | 48.9% | 86% | 7.3% | 4.5% | 5.4 | -3.3 | 16.5 |
| FAGERHULT AB | 20.5 | 16.5 | 14.3 | 6.3% | 7.4% | 8.2% | 141% | 6.3% | 3.0% | -9.8 | -10.5 | 3.9 |
| FASADGRUPPEN AB | 17.8 | 7.9 | 6.1 | -0.3% | 9.2% | 11.7% | 108% | 6.0% | 2.4% | 20.4 | -23.8 | 4.2 |
| GREEN LANDSCAPING AB | 18.9 | 13.5 | 11.7 | 4.9% | 7.9% | 9.0% | 259% | 14.3% | 0.0% | -5.1 | -4.5 | 31.9 |
| INWIDO AB | 19.2 | 15.5 | 13.3 | 4.5% | 6.2% | 7.7% | 207% | 10.4% | 3.0% | 3.1 | 9.5 | 70.1 |
| MOMENTUM GROUP AB-B | 40.1 | 35.2 | 32.9 | 2.5% | 3.1% | 3.6% | 948% | 25.8% | 0.7% | -0.8 | -0.3 | 86.2 |
| NETEL HOLDING AB | 14.1 | 7.1 | 5.6 | - | - | - | 72% | 4.7% | 1.8% | -18.5 | -17.3 | 164.2 |
| NEDERMAN HOLDING AB | 23.5 | 18.6 | 16.8 | 6.3% | 6.3% | 6.5% | 314% | 14.1% | 1.8% | 7.6 | 7.1 | 48.4 |
| NORVA24 GROUP AB | 22.1 | 17.8 | 15.8 | 0.1% | 5.5% | 7.1% | 253% | 11.0% | 0.0% | 4.7 | 0.7 | 64.4 |
| NOTE AB | 16.2 | 13.1 | 11.0 | 10.9% | 4.8% | 6.3% | 240% | 16.1% | 0.0% | 18.8 | -5.3 | -7.5 |
| NORDIC WATERPROOFING AB | 16.3 | 12.2 | 11.0 | 6.1% | 7.7% | 8.8% | 318% | 11.2% | 3.2% | -5.5 | -2.0 | -2.1 |
| OEM INTL AB-B | 28.2 | 27.1 | 25.6 | 3.2% | 3.3% | 3.5% | 749% | 26.9% | 1.4% | 6.4 | 1.8 | 73.5 |
| PRICER AB-B | 14.4 | 13.1 | 10.3 | 1.6% | 8.5% | 4.7% | 182% | 13.6% | 0.0% | 13.6 | -3.9 | 87.1 |
| SCANFIL OYJ | 12.8 | 11.2 | 10.0 | 8.5% | 9.2% | 8.6% | 176% | 14.7% | 3.2% | 9.0 | 8.2 | 3.7 |
| SITOWISE GROUP PLC | 27.4 | 13.3 | 9.4 | 6.5% | 12.7% | 15.8% | 79% | 1.5% | 0.4% | -5.0 | -8.0 | -3.6 |
| <i>Average sub-group</i> | <i>20.2</i> | <i>15.2</i> | <i>13.2</i> | <i>5.7%</i> | <i>9.7%</i> | <i>11.1%</i> | <i>259%</i> | <i>11.7%</i> | <i>2.1%</i> | <i>2.1</i> | <i>-4.9</i> | <i>43.6</i> |
| Nordic Retail peers | | | | | | | | | | | | |
| HENNES & MAURITZ AB-B SHS | 21.3 | 17.7 | 15.9 | 7.0% | 8.0% | 8.6% | 575% | 26.5% | 4.2% | -6.8 | -3.1 | 7.9 |
| AXFOOD AB | 21.0 | 19.1 | 17.2 | 5.6% | 8.9% | 9.5% | 687% | 33.8% | 3.7% | -18.1 | -11.7 | -4.9 |
| XXL ASA | - | - | 5.5 | -2.0% | 55.3% | 77.9% | 2378% | -24.2% | 0.0% | -18.6 | -40.2 | -30.7 |
| CLAS OHLSON AB-B SHS | 14.6 | 13.5 | 12.8 | 8.6% | 8.6% | 8.4% | 466% | 36.5% | 3.5% | 2.2 | 1.5 | 47.3 |
| TOKMANNI GROUP CORP | 12.0 | 9.0 | 7.6 | 5.6% | 11.6% | 13.1% | 227% | 18.7% | 6.5% | -6.0 | -8.0 | -18.4 |
| EUROPRIAS ASA | 13.1 | 12.2 | 10.3 | 11.4% | 10.8% | - | 274% | 22.2% | 4.9% | -1.3 | 1.9 | 5.0 |
| KID ASA | 16.3 | 13.9 | 12.3 | 8.2% | 12.4% | - | 435% | 27.8% | 5.3% | 0.7 | 16.4 | 68.9 |
| BYGGMAX GROUP AB | 28.9 | 13.0 | 9.7 | 16.9% | 10.1% | 14.1% | 110% | 2.8% | 1.2% | 7.7 | 20.5 | 58.5 |
| MATAS A/S | 13.6 | 10.4 | 8.4 | 3.6% | 12.8% | 14.2% | 126% | 8.9% | 1.9% | -0.8 | 4.9 | 34.6 |
| BILIA AB-A SHS | 14.4 | 9.7 | 8.3 | 7.7% | 11.7% | 14.9% | 230% | 15.4% | 5.1% | 2.9 | -7.3 | 19.4 |
| ELEKTRO IMPORTOREN AS | - | 16.5 | 8.2 | 24.7% | 19.7% | 23.0% | - | -0.3% | 0.0% | 5.3 | 2.8 | -16.9 |
| <i>Average sub-group</i> | <i>17.3</i> | <i>13.5</i> | <i>10.5</i> | <i>8.8%</i> | <i>15.5%</i> | <i>20.4%</i> | <i>551%</i> | <i>15.3%</i> | <i>3.3%</i> | <i>-3.0</i> | <i>-2.0</i> | <i>15.5</i> |
| Total peer group | 19.3 | 14.7 | 12.3 | 6.8% | 11.7% | 14.0% | 353% | 12.9% | 2.5% | 0.4 | -3.9 | 33.9 |

Source: Bloomberg (consensus), DNB Markets (estimates in red)
 Note: share prices correct as of market close on 31 October 2024

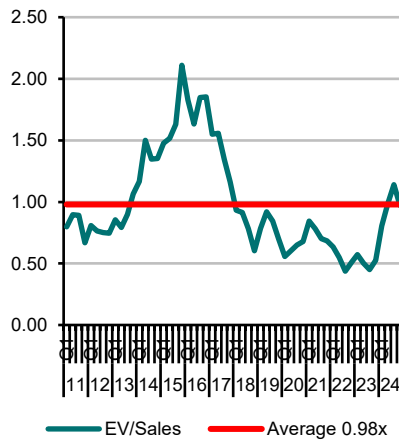
31 October 2024

Figure 20: ITAB – P/E LTM (x)



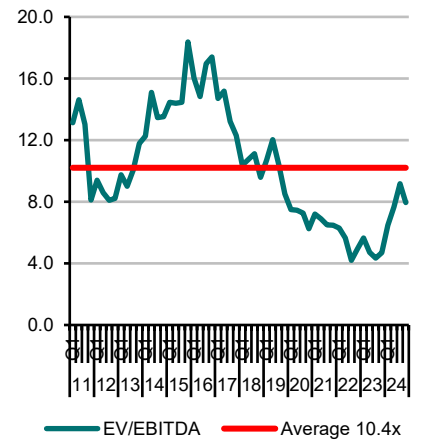
Source: Bloomberg (price data), Company (historical figures), DNB Markets (further calculations)

Figure 21: ITAB – EV/sales LTM (x)



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

Figure 22: ITAB – EV/EBITDA LTM (x)



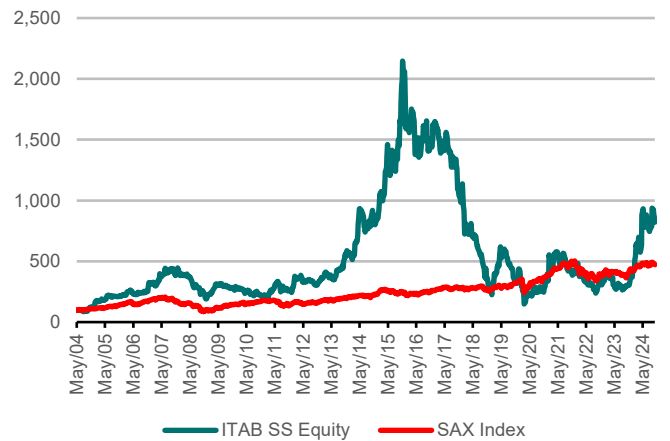
Source: Bloomberg (price data), Company (historical figures), DNB Markets (further calculations)

Figure 23: ITAB – share price since IPO (SEK)



Source: Bloomberg (data), DNB Markets (compilation)
Note: Share price correct as of market close on 31 October 2024

Figure 24: ITAB relative to OMX All-share since IPO (indexed)



Source: Bloomberg (data), DNB Markets (compilation)
Note: Share price correct as of market close on 31 October 2024

Figure 25: ITAB share price – since January 2019 (SEK)



Source: Bloomberg (data), DNB Markets (compilation)
Note: Share price correct as of market close on 31 October 2024

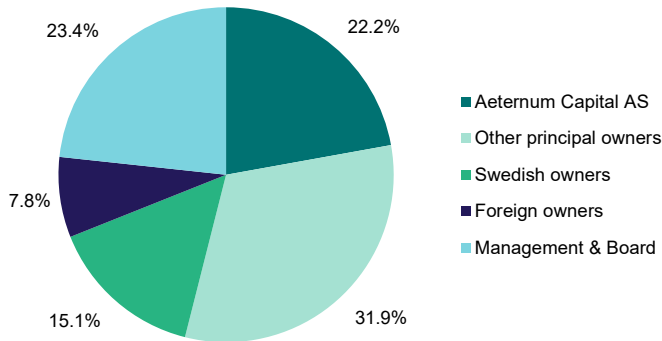
Figure 26: ITAB relative to OMX All-share – since January 2019 (indexed)



Source: Bloomberg (data), DNB Markets (compilation)
Note: Share price correct as of market close on 31 October 2024

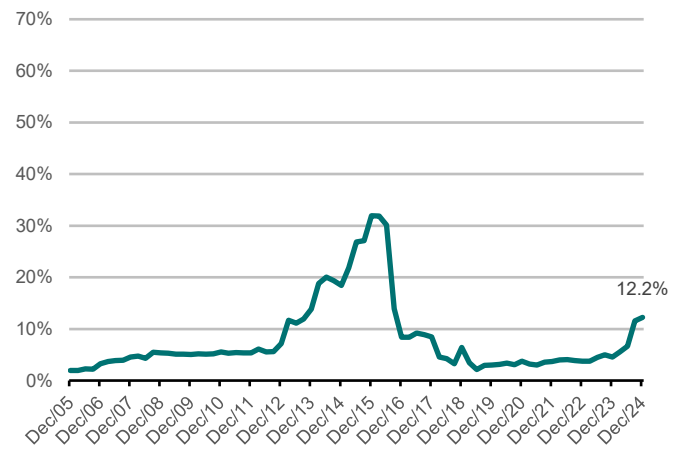
31 October 2024

Figure 27: ITAB ownership structure (October 2024)



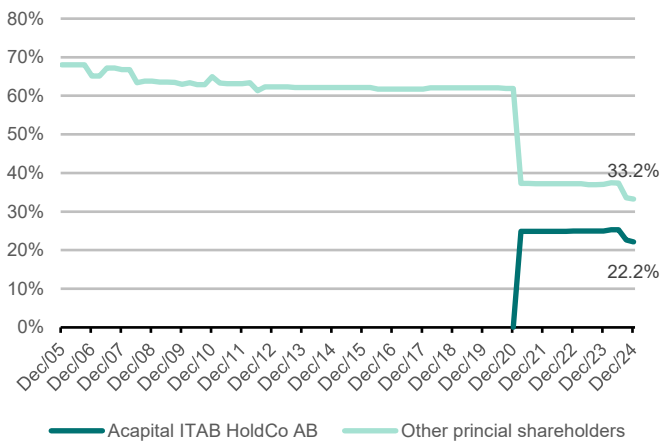
Source: Holdings

Figure 28: ITAB international ownership of free float



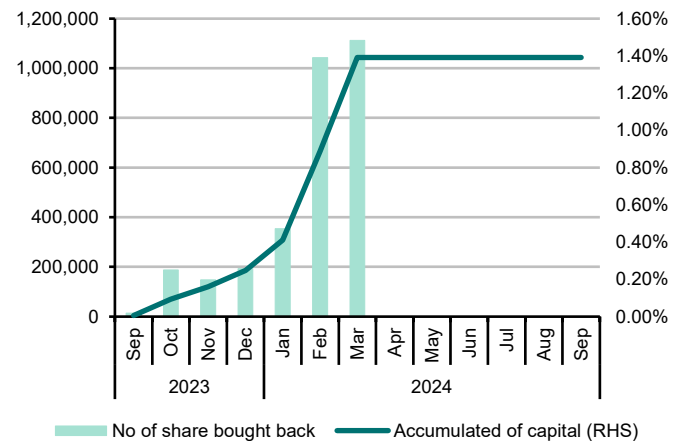
Source: Holdings (data), DNB Markets (compilation and further calculations)

Figure 29: Acapital ITAB HoldCo AB and the other principal shareholders (% of capital)



Source: Holdings (owner data), DNB Markets (compilation and calculations) Note: Capital ownership share adjusted for ITAB own holding of shares

Figure 30: ITAB share buybacks (number of shares and accumulated percentage of shares outstanding RHS)



Source: Nasdaq OMX (buyback data), DNB Markets (compilation and calculations)

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Figure 31: ITAB owner structure – 10 largest owners, board of directors and management (October 2024)

| 10 largest owners | Shares | Capital % | Chg YTD 2024 |
|----------------------------|---------------|------------------|---------------------|
| Aeternum Capital AS | 56,116,610 | 22.16 | 1,762,114 |
| Pomona-gruppen | 40,018,440 | 15.80 | 2,202,643 |
| Petter Fägersten | 26,262,112 | 10.37 | 1,541,850 |
| Anna Benjamin | 14,208,693 | 5.61 | 5,280 |
| Stig-Olof Simonsson | 13,727,871 | 5.42 | 2,535,461 |
| Svolder | 12,411,235 | 4.90 | -784,645 |
| Handelsbanken Fonder | 9,415,507 | 3.72 | 8,112,128 |
| Lannebo Kapitalförvaltning | 5,219,324 | 2.06 | -48,622 |
| ITAB Shop Concept | 4,400,000 | - | -541,748 |
| Nordea Funds | 3,813,379 | 1.51 | 3,875,732 |
| Total outstanding | 253,220,533 | | |

| Board of Directors | Shares | Capital % | Chg YTD 2024 |
|---------------------------|---------------|------------------|---------------------|
| Anders Moberg [Chairman] | 1,850,012 | 0.73 | 740,012 |
| Lars Kvarnsund | 15,012 | 0.01 | 15,012 |
| Petter Fägersten | 26,262,112 | 10.37 | 1,541,850 |
| Amelie De Geer | 20,000 | 0.01 | 20,000 |
| Madeleine Persson | 34,498 | 0.01 | 34,498 |
| Fredrik Rapp | 40,148,040 | 15.85 | 2,202,643 |
| Peder Strand | 56,116,610 | 22.16 | 1,762,114 |
| Vegard Søråunet | 56,116,610 | 22.16 | 1,762,114 |

| Group management | Shares | Capital % | Chg YTD 2024 |
|--|---------------|------------------|---------------------|
| Andreas Elgaard [CEO] | 700,000 | 0.28 | 0 |
| Ulrika Bergmo Sköld [CFO] | 103,480 | 0.04 | 0 |
| Jan Andersson [SVP Nordic] | 150,000 | 0.06 | 0 |
| Andrea Ciotti [SVP South Europe] | 20,000 | 0.01 | 0 |
| Roy French [SVP UK & Baltics] | 0 | 0.00 | 0 |
| Nick Hughes [Chief Commercial Officer] | 30,000 | 0.01 | 0 |
| Mikael Nadelmann [Chief Operating Officer] | 0 | 0.00 | 0 |
| Frida Karlsson [General Counsel] | 0 | 0.00 | 0 |
| Petra Axelsson [SVP Sustainability & People] | 0 | 0.00 | 0 |
| Klaus Schmid [SVP Central Europe] | 8,000 | 0.00 | 0 |

Source: Holdings (owner data), DNB Markets (compilation and further calculations)

Note: Capital ownership share adjusted for ITAB own holding of shares

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Forecast changes – P&L

| (SEKm) | New | | | Old | | | Change | | |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| | 2024e | 2025e | 2026e | 2024e | 2025e | 2026e | 2024e | 2025e | 2026e |
| Revenues | 6,502 | 7,100 | 7,527 | 6,568 | 7,096 | 7,522 | -66 | 4 | 5 |
| Cost of sales | -4,601 | -5,021 | -5,301 | -4,617 | -4,989 | -5,281 | 16 | -32 | -19 |
| Gross profit | 1,901 | 2,079 | 2,227 | 1,951 | 2,107 | 2,241 | -51 | -28 | -14 |
| Operating expenses | -1,152 | -1,236 | -1,296 | -1,086 | -1,184 | -1,271 | -66 | -52 | -25 |
| EBITDA | 749 | 843 | 930 | 865 | 923 | 970 | -117 | -79 | -39 |
| EBITDA adj | 795 | 868 | 930 | 865 | 923 | 970 | -71 | -54 | -39 |
| EBITDA margin (%) | 11.5 | 11.9 | 12.4 | 13.2 | 13.0 | 12.9 | -1.7 | -1.1 | -0.5 |
| Depreciation | -252 | -248 | -252 | -252 | -252 | -256 | 0 | 4 | 4 |
| EBITA | 497 | 595 | 678 | 613 | 671 | 714 | -117 | -75 | -35 |
| EBIT | 497 | 595 | 678 | 613 | 671 | 714 | -117 | -75 | -35 |
| EBIT adj | 543 | 620 | 678 | 613 | 671 | 714 | -71 | -50 | -35 |
| Net interest | -25 | -1 | 12 | -41 | 3 | 16 | 16 | -4 | -4 |
| Net financial items | -25 | -1 | 12 | -41 | 3 | 16 | 16 | -4 | -4 |
| PBT | 471 | 594 | 691 | 572 | 673 | 730 | -101 | -80 | -39 |
| Taxes | -137 | -160 | -189 | -168 | -195 | -211 | 31 | 35 | 22 |
| Minorities | -18 | -18 | -21 | -17 | -21 | -23 | -1 | 3 | 2 |
| Discontinued operations | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Net profit | 317 | 415 | 481 | 388 | 457 | 496 | -71 | -41 | -15 |
| Adjustments to net profit | 46 | 25 | 0 | 0 | 0 | 0 | 46 | 25 | 0 |
| Net profit adj | 363 | 440 | 481 | 388 | 457 | 496 | -25 | -16 | -15 |
| <i>Per share data (SEK)</i> | | | | | | | | | |
| EPS | 1.37 | 1.64 | 1.90 | 1.66 | 1.80 | 1.96 | -0.28 | -0.16 | -0.06 |
| EPS adj | 1.57 | 1.74 | 1.90 | 1.65 | 1.80 | 1.96 | -0.08 | -0.07 | -0.06 |
| DPS ordinary | 0.70 | 0.80 | 0.90 | 0.93 | 1.07 | 1.15 | -0.23 | -0.27 | -0.25 |
| DPS | 0.70 | 0.80 | 0.90 | 0.93 | 1.07 | 1.15 | -0.23 | -0.27 | -0.25 |
| <i>Other key metrics (%)</i> | | | | | | | | | |
| Revenue growth | 5.9 | 9.2 | 6.0 | 7.0 | 8.0 | 6.0 | -1.1 | 1.2 | 0.0 |
| EBIT adj growth | 25.6 | 14.3 | 9.4 | 42.0 | 9.3 | 6.4 | -16.4 | 5.0 | 3.0 |
| EPS adj growth | 22.2 | 10.8 | 9.2 | 28.6 | 9.2 | 8.5 | -6.4 | 1.6 | 0.7 |
| Avg. number of shares (m) | 232 | 254 | 254 | 235 | 254 | 254 | -3 | 0 | 0 |
| Capex | -145 | -142 | -151 | -138 | -142 | -150 | -7 | 0 | 0 |
| OpFCF | 649 | 726 | 780 | 728 | 781 | 819 | -78 | -55 | -39 |
| NIBD adj | -573 | -899 | -1,315 | -661 | -1,038 | -1,467 | 88 | 139 | 152 |

Source: DNB Markets

Forecast changes – By segment and assumptions

| (SEKm) | New | | | Old | | | Change | | |
|-----------------------|-------|-------|-------|-------|-------|-------|--------|-------|-------|
| | 2024e | 2025e | 2026e | 2024e | 2025e | 2026e | 2024e | 2025e | 2026e |
| Revenue | | | | | | | | | |
| Northern Europe | 1,756 | 1,918 | 2,033 | 1,765 | 1,907 | 2,021 | -9 | 11 | 12 |
| Central Europe | 1,199 | 1,311 | 1,389 | 1,219 | 1,317 | 1,397 | -20 | -7 | -7 |
| UK & Ireland | 749 | 818 | 867 | 758 | 819 | 868 | -9 | -1 | -1 |
| Southern Europe | 1,421 | 1,552 | 1,645 | 1,404 | 1,516 | 1,608 | 17 | 35 | 37 |
| Eastern Europe | 627 | 684 | 726 | 556 | 601 | 637 | 70 | 84 | 89 |
| RoW | 749 | 818 | 867 | 865 | 935 | 991 | -116 | -118 | -125 |
| Assumptions | | | | | | | | | |
| Revenue org. % YOY | 6.25 | 8.38 | 6.00 | 8.08 | 8.38 | 6.00 | -1.83 | 0.00 | 0.00 |
| Currency impact % YOY | -0.32 | 0.85 | 0.00 | -1.07 | -0.33 | 0.00 | 0.75 | 1.18 | 0.00 |

Source: DNB Markets

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Quarterly numbers

| (SEKm) | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024e | Q1 2025e | Q2 2025e | Q3 2025e | Q4 2025e |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenues | 1,504 | 1,529 | 1,601 | 1,576 | 1,685 | 1,553 | 1,688 | 1,731 | 1,844 | 1,703 | 1,823 |
| Cost of sales | -1,103 | -1,089 | -1,122 | -1,100 | -1,187 | -1,116 | -1,198 | -1,224 | -1,303 | -1,207 | -1,288 |
| Gross profit | 401 | 440 | 479 | 476 | 498 | 437 | 490 | 507 | 541 | 496 | 534 |
| Operating expenses | -242 | -260 | -270 | -253 | -286 | -304 | -309 | -317 | -312 | -299 | -308 |
| EBITDA | 159 | 180 | 209 | 223 | 212 | 133 | 181 | 190 | 230 | 198 | 226 |
| Depreciation | -68 | -51 | -67 | -62 | -62 | -64 | -64 | -61 | -62 | -62 | -63 |
| EBITA | 91 | 129 | 142 | 161 | 150 | 69 | 117 | 129 | 168 | 136 | 163 |
| EBIT | 91 | 129 | 142 | 161 | 150 | 69 | 117 | 129 | 168 | 136 | 163 |
| Net interest | -13 | -16 | -5 | -20 | -7 | 4 | -2 | 0 | 0 | -1 | -1 |
| Net financial items | -13 | -16 | -5 | -20 | -7 | 4 | -2 | 0 | 0 | -1 | -1 |
| PBT | 78 | 113 | 137 | 141 | 143 | 73 | 114 | 129 | 167 | 135 | 163 |
| Taxes | -25 | -34 | -18 | -38 | -46 | -23 | -30 | -35 | -45 | -36 | -44 |
| Minorities | -2 | -4 | -5 | -4 | -2 | -7 | -5 | -4 | -2 | -7 | -5 |
| Discontinued operations | 5 | -5 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit | 56 | 70 | 114 | 100 | 95 | 43 | 79 | 91 | 120 | 91 | 113 |
| Adjustments to net profit | 0 | 0 | 0 | 0 | 0 | 21 | 25 | 25 | 0 | 0 | 0 |
| Net profit adj | 56 | 70 | 114 | 100 | 95 | 64 | 104 | 116 | 120 | 91 | 113 |
| Dividend paid | -109 | 0 | 0 | 0 | -161 | -15 | 0 | 0 | -161 | 0 | 0 |
| Avg. number of shares (m) | 220 | 220 | 219 | 216 | 216 | 241 | 254 | 254 | 254 | 254 | 254 |
| <i>Per share data (SEK)</i> | | | | | | | | | | | |
| EPS | 0.26 | 0.32 | 0.52 | 0.47 | 0.44 | 0.18 | 0.31 | 0.36 | 0.47 | 0.36 | 0.45 |
| EPS adj | 0.23 | 0.34 | 0.52 | 0.46 | 0.44 | 0.27 | 0.41 | 0.46 | 0.47 | 0.36 | 0.45 |
| <i>Growth and margins (%)</i> | | | | | | | | | | | |
| Revenues, QOQ growth | -0.1 | 1.7 | 4.7 | -1.6 | 6.9 | -7.8 | 8.7 | 2.5 | 6.5 | -7.7 | 7.1 |
| Revenues, YOY growth | -11.5 | -12.6 | -5.9 | 4.7 | 12.0 | 1.6 | 5.4 | 9.8 | 9.4 | 9.6 | 8.0 |
| EPS adj, YOY growth | 41.7 | -18.5 | 78.6 | 151.0 | 88.9 | -22.4 | -21.5 | -0.8 | 7.2 | 35.1 | 8.8 |
| Gross margin | 26.7 | 28.8 | 29.9 | 30.2 | 29.6 | 28.1 | 29.0 | 29.3 | 29.4 | 29.1 | 29.3 |
| EBITDA adj margin | 10.6 | 11.8 | 13.1 | 14.1 | 12.6 | 9.9 | 12.2 | 12.4 | 12.4 | 11.6 | 12.4 |
| Depreciation/revenues | -4.5 | -3.3 | -4.2 | -3.9 | -3.7 | -4.1 | -3.8 | -3.5 | -3.4 | -3.6 | -3.5 |
| EBIT adj margin | 6.1 | 8.4 | 8.9 | 10.2 | 8.9 | 5.8 | 8.4 | 8.9 | 9.1 | 8.0 | 9.0 |
| Net profit margin | 3.9 | 4.8 | 7.4 | 6.6 | 5.8 | 3.2 | 5.0 | 5.5 | 6.6 | 5.8 | 6.5 |

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

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Adjustments to quarterly numbers

| (SEKm) | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024e | Q1 2025e | Q2 2025e | Q3 2025e | Q4 2025e |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| EBITDA | 159 | 180 | 209 | 223 | 212 | 133 | 181 | 190 | 230 | 198 | 226 |
| Other EBITDA adjustments | 0 | 0 | 0 | 0 | 0 | 21 | 25 | 25 | 0 | 0 | 0 |
| EBITDA adj | 159 | 180 | 209 | 223 | 212 | 154 | 206 | 215 | 230 | 198 | 226 |
| EBITA | 91 | 129 | 142 | 161 | 150 | 69 | 117 | 129 | 168 | 136 | 163 |
| Other EBITA adjustments | 0 | 0 | 0 | 0 | 0 | 21 | 25 | 25 | 0 | 0 | 0 |
| EBITA adj | 91 | 129 | 142 | 161 | 150 | 90 | 142 | 154 | 168 | 136 | 163 |
| EBIT | 91 | 129 | 142 | 161 | 150 | 69 | 117 | 129 | 168 | 136 | 163 |
| Other EBIT adjustments | 0 | 0 | 0 | 0 | 0 | 21 | 25 | 25 | 0 | 0 | 0 |
| EBIT adj | 91 | 129 | 142 | 161 | 150 | 90 | 142 | 154 | 168 | 136 | 163 |
| Net profit | 56 | 70 | 114 | 100 | 95 | 43 | 79 | 91 | 120 | 91 | 113 |
| Other EBIT adjustments | 0 | 0 | 0 | 0 | 0 | 21 | 25 | 25 | 0 | 0 | 0 |
| Net profit adj | 56 | 70 | 114 | 100 | 95 | 64 | 104 | 116 | 120 | 91 | 113 |

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

Quarterly numbers by segment and assumptions

| (SEKm) | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024e | Q1 2025e | Q2 2025e | Q3 2025e | Q4 2025e |
|------------------------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|
| Revenue | | | | | | | | | | | |
| Northern Europe | 342 | 348 | 409 | 496 | 469 | 335 | 456 | 545 | 513 | 367 | 493 |
| Central Europe | 312 | 318 | 246 | 292 | 332 | 316 | 259 | 321 | 363 | 346 | 280 |
| UK & Ireland | 136 | 204 | 189 | 183 | 160 | 192 | 214 | 201 | 175 | 211 | 231 |
| Southern Europe | 382 | 335 | 349 | 314 | 367 | 372 | 368 | 345 | 402 | 408 | 397 |
| Eastern Europe | 111 | 110 | 141 | 124 | 167 | 187 | 149 | 136 | 183 | 205 | 161 |
| RoW | 221 | 214 | 267 | 167 | 190 | 151 | 241 | 183 | 208 | 166 | 261 |
| Assumptions | | | | | | | | | | | |
| Revenue org. % YOY | -15.13 | -15.23 | -8.24 | 4.61 | 11.71 | 4.19 | 4.50 | 8.00 | 9.00 | 8.50 | 8.00 |
| Structure impact % YOY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Currency impact % YOY | 3.60 | 2.60 | 2.31 | 0.11 | 0.32 | -2.62 | 0.92 | 1.82 | 0.43 | 1.14 | 0.00 |

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

31 October 2024

Annual P&L

| (SEKm) | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenues | 6,381 | 6,031 | 6,064 | 5,323 | 6,087 | 6,868 | 6,139 | 6,502 | 7,100 | 7,527 |
| Cost of sales | -4,552 | -4,423 | -4,441 | -3,906 | -4,727 | -5,286 | -4,420 | -4,601 | -5,021 | -5,301 |
| Gross profit | 1,829 | 1,608 | 1,623 | 1,417 | 1,360 | 1,582 | 1,719 | 1,901 | 2,079 | 2,227 |
| Operating expenses | -1,190 | -1,236 | -1,110 | -1,047 | -882 | -918 | -1,033 | -1,152 | -1,236 | -1,296 |
| EBITDA | 639 | 372 | 513 | 370 | 478 | 664 | 686 | 749 | 843 | 930 |
| Depreciation | -139 | -142 | -256 | -258 | -262 | -261 | -254 | -252 | -248 | -252 |
| EBITA | 500 | 230 | 257 | 112 | 216 | 403 | 432 | 497 | 595 | 678 |
| EBIT | 500 | 230 | 257 | 112 | 216 | 403 | 432 | 497 | 595 | 678 |
| Net interest | -68 | -73 | -83 | -112 | -69 | -55 | -47 | -25 | -1 | 12 |
| Net financial items | -68 | -73 | -83 | -112 | -69 | -55 | -47 | -25 | -1 | 12 |
| PBT | 432 | 157 | 174 | 0 | 147 | 348 | 385 | 471 | 594 | 691 |
| Taxes | -103 | -60 | -54 | -22 | -52 | -105 | -93 | -137 | -160 | -189 |
| Effective tax rate (%) | 24 | 38 | 31 | | 35 | 30 | 24 | 29 | 27 | 27 |
| Minorities | -10 | -7 | 0 | 1 | -8 | -20 | -12 | -18 | -18 | -21 |
| Discontinued operations | 0 | 0 | 0 | 0 | 8 | -53 | -7 | 1 | 0 | 0 |
| Net profit | 319 | 90 | 120 | -21 | 95 | 170 | 273 | 317 | 415 | 481 |
| Adjustments to net profit | -35 | 8 | -16 | 208 | 166 | 40 | 0 | 46 | 25 | 0 |
| Net profit adj | 284 | 98 | 104 | 187 | 261 | 210 | 273 | 363 | 440 | 481 |
| Dividend paid | -179 | -179 | 0 | 0 | 0 | 0 | -109 | -176 | -161 | -203 |
| Avg. number of shares | 163 | 162 | 162 | 162 | 218 | 220 | 219 | 232 | 254 | 254 |
| <i>Per share data (SEK)</i> | | | | | | | | | | |
| EPS | 2.01 | 0.57 | 0.76 | -0.13 | 0.44 | 0.78 | 1.25 | 1.37 | 1.64 | 1.90 |
| EPS adj | 1.79 | 0.62 | 0.65 | 1.18 | 1.20 | 1.21 | 1.28 | 1.57 | 1.74 | 1.90 |
| DPS ordinary | 1.13 | 0.00 | 0.00 | 0.00 | 0.00 | 0.50 | 0.75 | 0.70 | 0.80 | 0.90 |
| DPS | 1.13 | 0.00 | 0.00 | 0.00 | 0.00 | 0.50 | 0.75 | 0.70 | 0.80 | 0.90 |
| <i>Growth and margins (%)</i> | | | | | | | | | | |
| Revenue growth | 17.8 | -5.5 | 0.5 | -12.2 | 14.4 | 12.8 | -10.6 | 5.9 | 9.2 | 6.0 |
| EPS adj growth | -15.5 | -65.5 | 6.1 | 79.8 | 1.7 | 0.8 | 6.5 | 22.2 | 10.8 | 9.2 |
| Gross margin | 28.7 | 26.7 | 26.8 | 26.6 | 22.3 | 23.0 | 28.0 | 29.2 | 29.3 | 29.6 |
| EBITDA margin | 10.0 | 6.2 | 8.5 | 7.0 | 7.9 | 9.7 | 11.2 | 11.5 | 11.9 | 12.4 |
| EBITDA adj margin | 9.5 | 6.3 | 8.2 | 10.9 | 10.6 | 10.3 | 11.2 | 12.2 | 12.2 | 12.4 |
| Depreciation/revenues | -2.2 | -2.4 | -4.2 | -4.8 | -4.3 | -3.8 | -4.1 | -3.9 | -3.5 | -3.3 |
| EBIT margin | 7.8 | 3.8 | 4.2 | 2.1 | 3.5 | 5.9 | 7.0 | 7.6 | 8.4 | 9.0 |
| EBIT adj margin | 7.3 | 3.9 | 4.0 | 6.0 | 6.3 | 6.5 | 7.0 | 8.3 | 8.7 | 9.0 |
| PBT margin | 6.8 | 2.6 | 2.9 | 0.0 | 2.4 | 5.1 | 6.3 | 7.2 | 8.4 | 9.2 |
| Net profit margin | 5.2 | 1.6 | 2.0 | nm | 1.7 | 2.8 | 4.6 | 5.2 | 6.1 | 6.7 |

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

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Adjustments to annual P&L

| (SEKm) | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| EBITDA | 639 | 372 | 513 | 370 | 478 | 664 | 686 | 749 | 843 | 930 |
| Other EBITDA adjustments | -35 | 8 | -16 | 208 | 166 | 40 | 0 | 46 | 25 | 0 |
| EBITDA adj | 604 | 380 | 497 | 578 | 644 | 704 | 686 | 795 | 868 | 930 |
| EBITA | 500 | 230 | 257 | 112 | 216 | 403 | 432 | 497 | 595 | 678 |
| Other EBITA adjustments | -35 | 8 | -16 | 208 | 166 | 40 | 0 | 46 | 25 | 0 |
| EBITA adj | 465 | 238 | 241 | 320 | 382 | 443 | 432 | 543 | 620 | 678 |
| EBIT | 500 | 230 | 257 | 112 | 216 | 403 | 432 | 497 | 595 | 678 |
| Other EBIT adjustments | -35 | 8 | -16 | 208 | 166 | 40 | 0 | 46 | 25 | 0 |
| EBIT adj | 465 | 238 | 241 | 320 | 382 | 443 | 432 | 543 | 620 | 678 |
| Net profit | 319 | 90 | 120 | -21 | 95 | 170 | 273 | 317 | 415 | 481 |
| Other EBIT adjustments | -35 | 8 | -16 | 208 | 166 | 40 | 0 | 46 | 25 | 0 |
| Net profit adj | 284 | 98 | 104 | 187 | 261 | 210 | 273 | 363 | 440 | 481 |
| <i>Per share data (SEK)</i> | | | | | | | | | | |
| EPS | 2.01 | 0.57 | 0.76 | -0.13 | 0.44 | 0.78 | 1.25 | 1.37 | 1.64 | 1.90 |
| Recommended adjustment | -0.22 | 0.05 | -0.10 | 1.31 | 0.76 | 0.43 | 0.03 | 0.20 | 0.10 | 0.00 |
| EPS adj | 1.79 | 0.62 | 0.65 | 1.18 | 1.20 | 1.21 | 1.28 | 1.57 | 1.74 | 1.90 |

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 | 317 | 415 | 481 |
| Depreciation and amortisation | 139 | 142 | 256 | 258 | 262 | 261 | 254 | 252 | 248 | 252 |
| Other non-cash adjustments | -115 | -69 | -330 | 58 | -67 | -44 | -135 | -29 | -106 | -103 |
| Change in net working capital | -153 | 337 | 193 | 394 | -589 | 15 | 287 | -74 | -90 | -64 |
| Cash flow from operations (CFO) | 190 | 500 | 239 | 689 | -299 | 402 | 679 | 466 | 468 | 566 |
| Capital expenditure | -194 | -100 | -134 | -45 | -63 | -84 | -116 | -145 | -142 | -151 |
| Acquisitions/Investments | -101 | -142 | 168 | 0 | -40 | -66 | 9 | 17 | 0 | 0 |
| Cash flow from investing (CFI) | -295 | -242 | 34 | -45 | -103 | -150 | -107 | -128 | -142 | -151 |
| Free cash flow (FCF) | -105 | 258 | 273 | 644 | -402 | 252 | 572 | 338 | 326 | 416 |
| Net change in debt | 165 | 8 | 8 | -33 | 37 | 3 | -66 | -19 | -124 | -124 |
| Dividends paid | -179 | -179 | 0 | 0 | 0 | 0 | -109 | -176 | -161 | -203 |
| Other | 0 | -101 | -250 | -221 | -852 | 293 | -570 | -42 | 124 | 124 |
| Cash flow from financing (CFF) | -14 | -272 | -242 | -254 | -82 | 296 | -750 | 560 | -161 | -203 |
| Total cash flow (CFO+CFI+CFF) | -119 | -14 | 31 | 390 | -484 | 548 | -178 | 897 | 165 | 213 |
| <i>FCFF calculation</i> | | | | | | | | | | |
| Free cash flow | -105 | 258 | 273 | 644 | -402 | 252 | 572 | 338 | 326 | 416 |
| Less: net interest | 68 | 73 | 83 | 112 | 69 | 55 | 47 | 25 | 1 | -12 |
| Less: acquisitions | 101 | 142 | -168 | 0 | 40 | 66 | -9 | -17 | 0 | 0 |
| Growth (%) | | | | | | | | | | |
| CFO | -52.0 | 163.2 | -52.2 | 188.3 | -143.4 | 234.4 | 68.9 | -31.4 | 0.4 | 21.0 |
| CFI | 67.9 | 18.0 | 114.0 | -232.4 | -128.9 | -45.6 | 28.7 | -19.7 | -10.9 | -6.0 |
| FCF | 79.9 | 345.7 | 5.8 | 135.9 | -162.4 | 162.7 | 127.0 | -40.9 | -3.6 | 27.6 |
| CFF | -102.1 | -1842.9 | 11.0 | -5.0 | 67.7 | 461.0 | -353.4 | 174.6 | -128.8 | -25.9 |

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

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Balance sheet

| (SEKm) | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets | 5,657 | 5,364 | 5,896 | 5,519 | 6,024 | 6,576 | 5,768 | 6,820 | 7,092 | 7,392 |
| Inventories | 1,174 | 1,019 | 926 | 698 | 1,176 | 1,030 | 793 | 886 | 886 | 886 |
| Other receivables | 1,388 | 1,219 | 1,095 | 900 | 1,372 | 1,244 | 1,033 | 1,083 | 1,173 | 1,237 |
| Cash and cash equivalents | 285 | 271 | 302 | 692 | 208 | 756 | 578 | 1,475 | 1,640 | 1,853 |
| Current assets | 2,847 | 2,509 | 2,323 | 2,290 | 2,756 | 3,030 | 2,404 | 3,445 | 3,699 | 3,976 |
| Property, plant and equipment | 1,058 | 1,048 | 1,736 | 1,486 | 1,512 | 1,649 | 1,445 | 1,374 | 1,392 | 1,415 |
| Other intangible assets | 1,752 | 1,807 | 1,837 | 1,743 | 1,756 | 1,897 | 1,919 | 2,001 | 2,001 | 2,001 |
| Non-current assets | 2,810 | 2,855 | 3,573 | 3,229 | 3,268 | 3,546 | 3,364 | 3,375 | 3,393 | 3,416 |
| Total assets | 5,657 | 5,364 | 5,896 | 5,519 | 6,024 | 6,576 | 5,768 | 6,820 | 7,092 | 7,392 |
| Equity and liabilities | 5,657 | 5,364 | 5,896 | 5,519 | 6,024 | 6,576 | 5,768 | 6,820 | 7,092 | 7,392 |
| Total equity to the parent | 1,664 | 1,698 | 1,748 | 1,607 | 2,654 | 3,012 | 3,049 | 4,078 | 4,332 | 4,610 |
| Minority interests | 120 | 128 | 128 | 118 | 128 | 157 | 159 | 135 | 153 | 175 |
| Total equity | 1,784 | 1,826 | 1,876 | 1,725 | 2,782 | 3,169 | 3,208 | 4,213 | 4,485 | 4,785 |
| Other payables and accruals | 1,458 | 1,163 | 1,209 | 1,354 | 1,795 | 1,571 | 1,391 | 1,529 | 1,529 | 1,529 |
| Total current liabilities | 1,458 | 1,163 | 1,209 | 1,354 | 1,795 | 1,571 | 1,391 | 1,529 | 1,529 | 1,529 |
| Long-term debt | 2,415 | 2,375 | 2,811 | 2,440 | 1,447 | 1,836 | 1,169 | 1,078 | 1,078 | 1,078 |
| Total non-current liabilities | 2,415 | 2,375 | 2,811 | 2,440 | 1,447 | 1,836 | 1,169 | 1,078 | 1,078 | 1,078 |
| Total liabilities | 3,873 | 3,538 | 4,020 | 3,794 | 3,242 | 3,407 | 2,560 | 2,607 | 2,607 | 2,607 |
| Total equity and liabilities | 5,657 | 5,364 | 5,896 | 5,519 | 6,024 | 6,576 | 5,768 | 6,820 | 7,092 | 7,392 |
| <i>Key metrics</i> | | | | | | | | | | |
| Net interest bearing debt | 2,130 | 2,104 | 2,509 | 1,748 | 1,239 | 1,080 | 591 | -397 | -562 | -775 |

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 | 26.00 | 26.00 | 26.00 |
| Number of shares (m) | 158.9 | 158.9 | 158.9 | 158.9 | 218.1 | 218.1 | 218.0 | 230.8 | 253.2 | 253.2 |
| Market capitalisation | | 1,536 | 1,722 | 1,868 | 2,927 | 2,399 | 2,637 | 6,000 | 6,584 | 6,584 |
| Net interest bearing debt | 2,130 | 2,104 | 2,509 | 1,748 | 1,239 | 1,080 | 591 | -397 | -562 | -775 |
| Adjustments to NIBD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -176 | -337 | -539 |
| Net interest bearing debt adj | 2,130 | 2,104 | 2,509 | 1,748 | 1,239 | 1,080 | 591 | -573 | -899 | -1,315 |
| EV | | 3,640 | 4,231 | 3,616 | 4,166 | 3,479 | 3,228 | 5,602 | 6,022 | 5,809 |
| EV adj | | 3,640 | 4,231 | 3,616 | 4,166 | 3,479 | 3,228 | 5,426 | 5,685 | 5,269 |
| <i>Valuation</i> | | | | | | | | | | |
| EPS | 2.01 | 0.57 | 0.76 | -0.13 | 0.44 | 0.78 | 1.25 | 1.37 | 1.64 | 1.90 |
| EPS adj | 1.79 | 0.62 | 0.65 | 1.18 | 1.20 | 1.21 | 1.28 | 1.57 | 1.74 | 1.90 |
| DPS ordinary | 1.13 | 0.00 | 0.00 | 0.00 | 0.00 | 0.50 | 0.75 | 0.70 | 0.80 | 0.90 |
| DPS | 1.13 | 0.00 | 0.00 | 0.00 | 0.00 | 0.50 | 0.75 | 0.70 | 0.80 | 0.90 |
| P/E | | 17.1 | 14.4 | -88.9 | 30.8 | 14.1 | 9.7 | 18.9 | 15.9 | 13.7 |
| P/E adj | | 15.7 | 16.6 | 10.0 | 11.2 | 9.1 | 9.4 | 16.6 | 15.0 | 13.7 |
| P/B | | 0.90 | 0.99 | 1.16 | 1.10 | 0.80 | 0.86 | 1.47 | 1.52 | 1.43 |
| Average ROE | 18.7% | 5.0% | 6.5% | -1.2% | 4.2% | 5.7% | 8.6% | 8.5% | 9.5% | 10.4% |
| Earnings yield adj | | 5.8% | 6.8% | -1.1% | 3.2% | 10.9% | 10.5% | 6.0% | 6.7% | 7.3% |
| Dividend yield | | 0.0% | 0.0% | 0.0% | 0.0% | 4.5% | 6.2% | 2.7% | 3.1% | 3.5% |
| EV/SALES | | 0.60 | 0.70 | 0.68 | 0.68 | 0.51 | 0.53 | 0.86 | 0.85 | 0.77 |
| EV/SALES adj | | 0.60 | 0.70 | 0.68 | 0.68 | 0.51 | 0.53 | 0.83 | 0.80 | 0.70 |
| EV/EBITDA | | 9.8 | 8.2 | 9.8 | 8.7 | 5.2 | 4.7 | 7.5 | 7.1 | 6.2 |
| EV/EBITDA adj | | 9.6 | 8.5 | 6.3 | 6.5 | 4.9 | 4.7 | 6.8 | 6.5 | 5.7 |
| EV/EBIT | | 15.8 | 16.5 | 32.3 | 19.3 | 8.6 | 7.5 | 11.3 | 10.1 | 8.6 |
| EV/EBIT adj | | 15.3 | 17.6 | 11.3 | 10.9 | 7.9 | 7.5 | 10.0 | 9.2 | 7.8 |
| EV/NOPLAT | | 15.8 | 16.5 | 32.3 | 19.3 | 8.6 | 7.5 | 11.3 | 10.1 | 8.6 |
| EV/OpFCF (taxed) | | 13.0 | 11.7 | 6.8 | 7.2 | 5.6 | 5.7 | 8.6 | 8.3 | 7.4 |

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 | 5.0 | 6.0 | 6.6 |
| <i>Return on invested capital (%)</i> | | | | | | | | | | |
| Net PPE/revenues | 16.6 | 17.4 | 28.6 | 27.9 | 24.8 | 24.0 | 23.5 | 21.1 | 19.6 | 18.8 |
| <i>Cash flow ratios (%)</i> | | | | | | | | | | |
| FCF/revenues | -1.6 | 4.3 | 4.5 | 12.1 | -6.6 | 3.7 | 9.3 | 5.2 | 4.6 | 5.5 |
| CFO/revenues | 3.0 | 8.3 | 3.9 | 12.9 | -4.9 | 5.9 | 11.1 | 7.2 | 6.6 | 7.5 |
| CFO/market capitalisation | | 32.6 | 13.9 | 36.9 | -10.2 | 16.8 | 25.7 | 7.8 | 7.1 | 8.6 |
| CFO/capex | 97.9 | 500.0 | 178.4 | 1531.1 | -474.6 | 478.6 | 585.3 | 321.1 | 329.4 | 376.0 |
| CFO/current liabilities | 13.0 | 43.0 | 19.8 | 50.9 | -16.7 | 25.6 | 48.8 | 30.5 | 30.6 | 37.0 |
| Cash conversion ratio | -32.9 | 286.7 | 227.5 | -3066.7 | -423.2 | 148.2 | 209.5 | 106.5 | 78.5 | 86.4 |
| Capex/revenues | 3.0 | 1.7 | 2.2 | 0.8 | 1.0 | 1.2 | 1.9 | 2.2 | 2.0 | 2.0 |
| Capex/depreciation | 139.6 | 70.4 | 52.3 | 17.4 | 24.0 | 32.2 | 45.7 | 57.6 | 57.3 | 59.7 |
| OpFCF margin | 6.4 | 4.6 | 6.0 | 10.0 | 9.5 | 9.0 | 9.3 | 10.0 | 10.2 | 10.4 |
| Total payout ratio | 56.2 | 0.0 | 0.0 | 0.0 | 0.0 | 64.1 | 59.9 | 50.7 | 48.8 | 47.4 |
| <i>Leverage and solvency (x)</i> | | | | | | | | | | |
| EBIT/interest payable | 7.35 | 3.15 | 3.10 | 1.00 | 3.13 | 7.33 | 9.19 | 19.58 | nm | nm |
| EBITA adj/interest payable | 6.84 | 3.26 | 2.90 | 2.86 | 5.54 | 8.05 | 9.19 | 21.40 | nm | nm |
| Cash coverage | 9.40 | 5.10 | 6.18 | 3.30 | 6.93 | 12.07 | 14.60 | 29.52 | 665.61 | -74.49 |
| Net debt/EBITDA | 3.33 | 5.66 | 4.89 | 4.72 | 2.59 | 1.63 | 0.86 | -0.53 | -0.67 | -0.83 |
| LTD / (LTD + equity (MV)) | | 0.61 | 0.62 | 0.57 | 0.33 | 0.43 | 0.31 | 0.15 | 0.14 | 0.14 |
| <i>Cash conversion cycle</i> | | | | | | | | | | |
| Inventory turnover days | 94.1 | 84.1 | 76.1 | 65.2 | 90.8 | 71.1 | 65.5 | 70.3 | 64.4 | 61.0 |

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

31 October 2024

Important Information

Company: Itab Shop Concept
 Coverage by Analyst: Karl-Johan Bonnevier
 Date: 31/10/2024

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|--------------------|-----|------|------|--------|-------|
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