

Elanders

Consumer Goods
Sweden

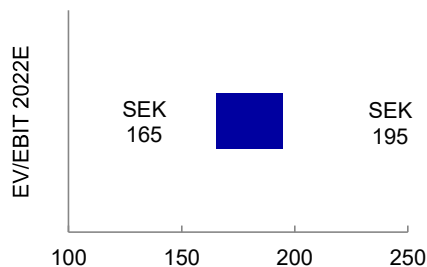
KEY DATA

Stock country	Sweden
Bloomberg	ELANB.SS
Reuters	ELANb.ST
Share price (close)	SEK 180.0
Free Float	50%
Market cap. (bn)	EUR 0.63/SEK 6.36
Website	www.elanders.com
Next report date	20 Oct 2021

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	0%	0%	0%
EBIT (adj)	-3%	-2%	-2%

Source: Nordea estimates

Nordea Markets - Analysts

Carl Ragnerstam
AnalystVictor Hansen
Analyst

Focus on fashion improves organic profile

Elanders presented a solid Q2 report, with its margin increasing roughly 230 bp y/y, although somewhat below our expectations. Nonetheless, the margin has continued to improve, and we expect a group EBIT margin of 6.1% and ~30% EBIT growth for 2021E, driven by an organic growth recovery and efficiency measures. With ITG, its strong fashion & lifestyle brand, Elanders is continuously winning interesting new contracts, most recently RevolutionRace and Stronger. These contracts will not only improve the company's organic growth profile, but also diversify and balance its cyclical automotive exposure. We lower our multiples-based SOTP valuation range to SEK 165-195 (173-203).

6% organic growth, despite challenging comparisons

Group sales totalled SEK 2,769m, down 1.6% y/y, ~6% of which was organic, driven by all segments. Supply Chain Solutions grew an impressive 4% organically, despite challenging comparisons, driven by a strong recovery from its automotive, industrial and retail subsegments, together with continued high e-commerce growth. Print & Packaging grew ~13% organically, thanks to a strong recovery in the legacy printing business and subscription boxes, but partly offset by its photobook business, which contracted by double digits. Adjusted EBIT totalled SEK 132m, up 224% y/y, implying a margin of 4.8% (229 bp y/y), which was 6% below our expectations. Supply Chain Solutions continued to strengthen its margin, thanks to a return to organic growth and cost-cutting measures, while Print & Packaging was burdened by the soft photobook volumes.

Interesting new customer contracts

Following the report, we make minor earnings downgrades of 2-3%, solely related to the disappointing performance of the photobook business. On a positive note, Elanders signed several interesting customer contracts with fast-growing e-commerce players during the quarter, clearly showcasing its strong brand within fashion & lifestyle logistics services. According to media reports, new customers include RevolutionRace and Stronger; we estimate the initial contract values at SEK 50-60m. Given the growth prospects of the two companies, we expect upside over the coming years.

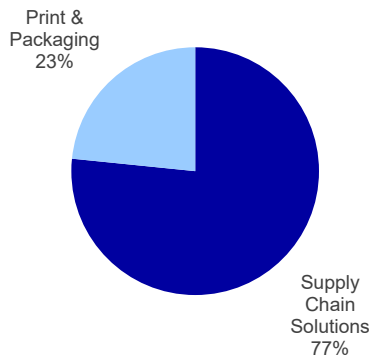
SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	9,342	10,742	11,254	11,050	11,345	11,878	12,207
EBITDA (adj)	589	725	1,409	1,426	1,587	1,647	1,686
EBIT (adj)	334	458	509	546	694	768	812
EBIT (adj) margin	3.6%	4.3%	4.5%	4.9%	6.1%	6.5%	6.6%
EPS (adj, SEK)	5.35	7.16	7.13	9.19	11.82	13.60	14.01
EPS (adj) growth	-39.2%	33.9%	-0.4%	29.0%	28.6%	15.0%	3.1%
DPS (ord, SEK)	2.60	2.90	0.00	3.10	4.00	4.60	4.80
EV/Sales	0.6	0.5	0.6	0.6	0.8	0.7	0.7
EV/EBIT (adj)	16.7	12.3	13.9	13.0	13.0	11.3	10.3
P/E (adj)	15.3	12.2	12.2	13.0	15.2	13.2	12.8
P/BV	1.2	1.1	1.1	1.5	2.0	1.8	1.6
Dividend yield (ord)	3.2%	3.3%	0.0%	2.6%	2.2%	2.6%	2.7%
FCF Yield bef A&D, lease	-9.0%	9.5%	16.7%	23.2%	4.1%	7.5%	7.7%
Net debt	2,665	2,539	3,994	2,854	2,673	2,312	1,965
Net debt/EBITDA	4.7	3.5	3.2	2.0	1.7	1.4	1.2
ROIC after tax	4.5%	5.8%	5.9%	6.4%	8.9%	9.7%	10.3%

Source: Company data and Nordea estimates

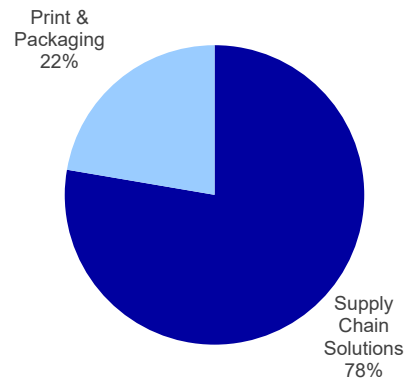
Quarterly charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%)



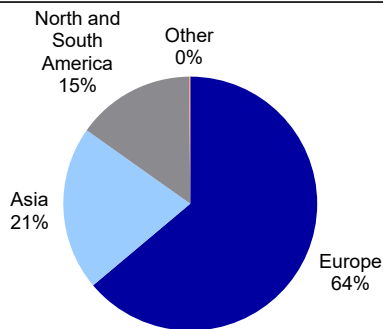
Source: Company data and Nordea estimates

ELANDERS: EBITA SPLIT BY SEGMENT (%)



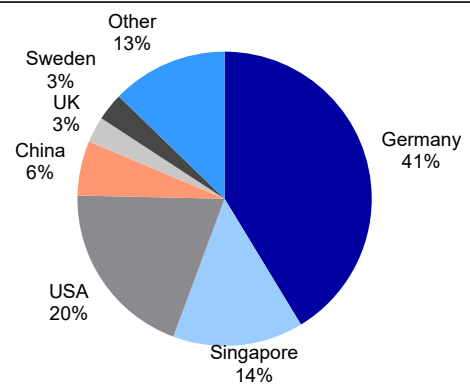
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%)



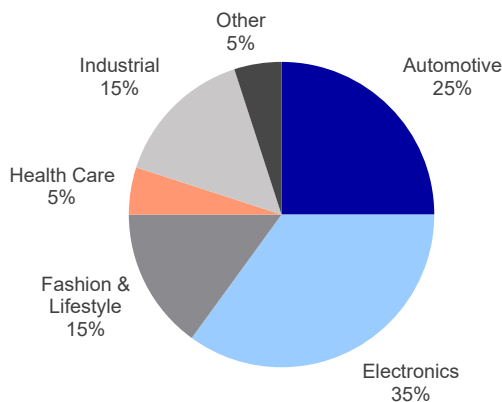
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%)



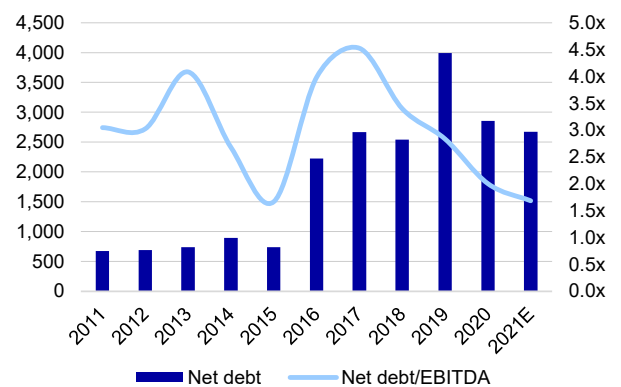
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%)



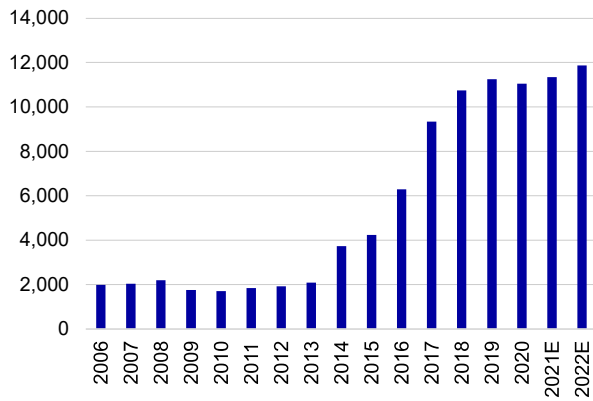
Source: Company data and Nordea estimates

ELANDERS: GROUP LEVERAGE (SEKm), NET DEBT/EBITDA



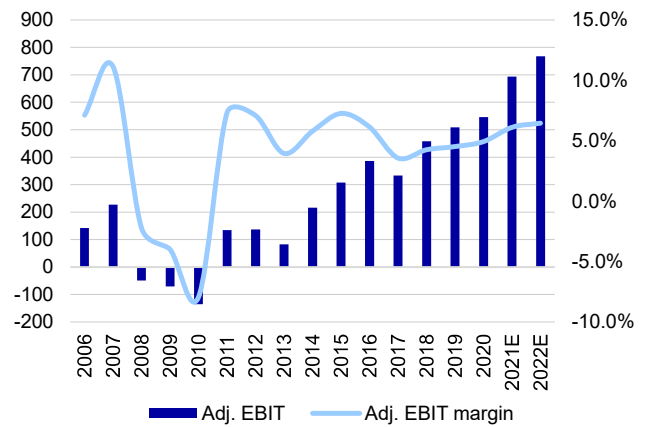
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)



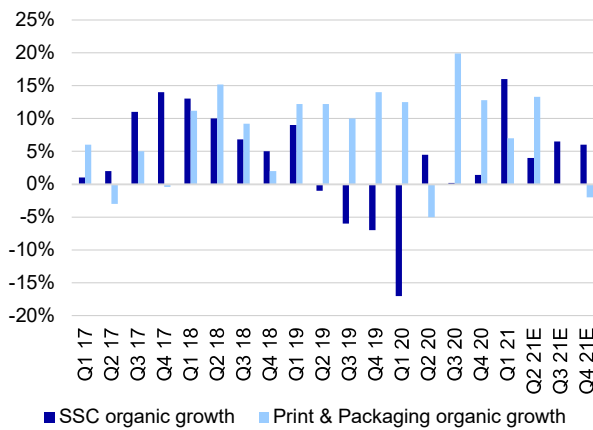
Source: Company data and Nordea estimates

ELANDERS: GROUP ADJUSTED EBIT AND EBIT MARGIN (SEKm AND %)



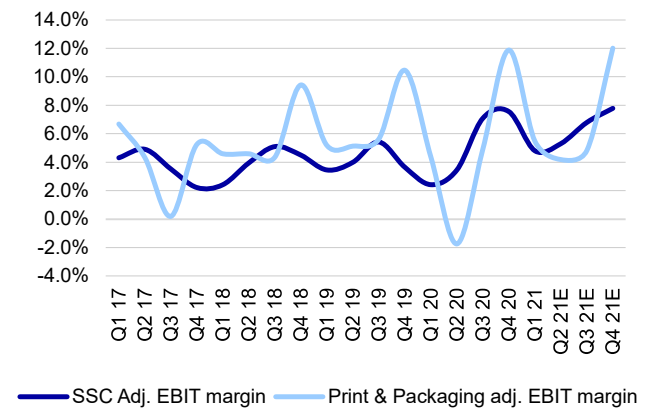
Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)



Source: Company data and Nordea estimates

ELANDERS: EBIT MARGIN DEVELOPMENT BY SEGMENT (%)



Source: Company data and Nordea estimates

Q2 deviation

Net sales totalled SEK 2,769m, down 2% y/y, 6% of which was organic. This is 2% below our expectations of SEK 2,836m. Supply Chain Solutions sales were 3% below our estimate while Print & Packaging sales were 2% below our estimate. Adjusted EBIT totalled SEK 132m, up 124% y/y and 6% below our estimate. Supply Chain Solutions' adjusted EBIT beat our expectations by 4%, while Print & Packaging fell 33% short. Management flagged good demand from automotive and industrial customers, albeit with some disturbances from semiconductor shortages, while also highlighting a clear recovery in demand from fashion & lifestyle customers, particularly from retail stores.

ELANDERS: DEVIATION TABLE

SEKm	Actual	NDA est.	Deviation		Actual	Actual		
	Q2 21	Q2 21E	vs. actual		Q1 21	q/q	Q2 20	y/y
Net sales	2,769	2,836	(67)	-2%	2,734	1%	2,814	-2%
Gross profit	383	406	(23)	-6%	382	0%	277	38%
EBITA	145	151	(6)	-4%	142	2%	72	101%
Amortisation of intangibles	(13)	(11)	(2)	18%	(14)	-4%	(13)	0%
EBIT	132	140	(8)	-6%	128	3%	59	124%
Earnings per share (SEK)	2.38	2.28	0	4%	1.95	22%	0.54	343%
Adj. EBITA	145	151	(6)	-4%	142	2%	72	101%
Adj. EBIT	132	140	(8)	-6%	128	3%	59	124%
Adj. EBITA margin	5.2%	5.3%		-0.1pp	5.2%	0.1pp	2.6%	2.7pp
Adj. EBIT margin	4.8%	4.9%		-0.2pp	4.7%	0.1pp	2.1%	2.7pp
Supply Chain Solutions	2,168	2,228	(60)	-3%	2,060	5%	2,259	-4%
Print & Packaging Solutions	622	632	(10)	-2%	694	-10%	578	8%
Group functions	10	10	-	0%	10	0%	10	0%
Eliminations	(31)	(33)	2	-6%	(29)	7%	(33)	-6%
Group net sales	2,769	2,836	(67)	-2%	2,735	1%	2,814	-2%
Supply Chain Solutions	115	111	4	4%	99	16%	78	47%
Print & Packaging Solutions	26	39	(13)	-33%	38	-32%	-10	-360%
Group functions	(9)	(9)	-	0%	(9)	6%	(9)	0%
Adj group EBIT	132	140	(8)	-6%	129	3%	59	124%
Supply Chain Solutions	5.3%	5.0%		0.3pp	4.8%	-34pp	3.5%	1.9pp
Print & Packaging Solutions	4.2%	6.1%		-1.9pp	5.5%	195pp	-1.7%	5.9pp
Adj EBIT margin	4.8%	4.9%		-0.2pp	4.7%	18pp	2.1%	2.7pp

Source: Company data and Nordea estimates

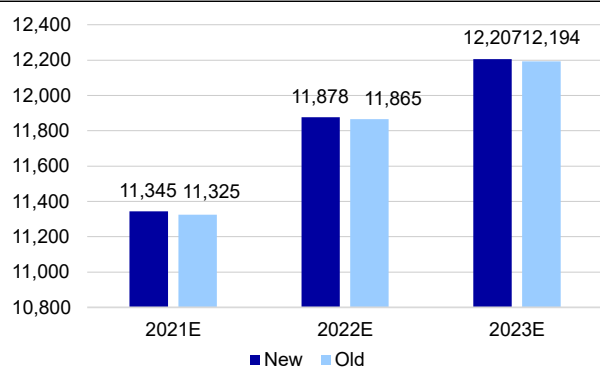
Estimate revisions

ELANDERS: ESTIMATE REVISIONS

SEKm	New estimates			Old estimates			Difference %		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Net sales	11,345	11,878	12,207	11,325	11,865	12,194	0%	0%	0%
Cost of goods sold	-9,757	-10,218	-10,501	-9,740	-10,207	-10,490	0%	0%	0%
Gross profit	1,585	1,660	1,706	1,583	1,658	1,704	0%	0%	0%
EBITA	746	813	849	764	827	864	-2%	-2%	-2%
Amortisation of intangibles	-53	-44	-38	-47	-39	-33	13%	13%	13%
EBIT	694	768	812	717	788	831	-3%	-2%	-2%
Net financials	-99	-76	-98	-99	-76	-98	0%	0%	0%
PTP	595	692	713	618	712	733	-4%	-3%	-3%
Income tax	-166	-208	-214	-169	-214	-220	-2%	-3%	-3%
Net profit	429	485	499	449	498	513	-5%	-3%	-3%
Earnings per share (SEK)	11.82	13.60	14.01	12.40	13.98	14.40	-5%	-3%	-3%
Adj. EBITA	746	813	849	764	827	864	-2%	-2%	-2%
Adj. EBIT	694	768	812	717	788	831	-3%	-2%	-2%
Tax on EO	0	0	0	0	0	0	n.a	n.a	n.a
Adj. Net profit	429	485	499	449	498	513	-5%	-3%	-3%
Adj. EPS	11.82	13.60	14.01	12.40	13.98	14.40	-5%	-3%	-3%
Adj. EBITA margin	6.6%	6.8%	7.0%	6.7%	7.0%	7.1%	-0.2pp	-0.1pp	-0.1pp
Adj. EBIT margin	6.1%	6.5%	6.6%	6.3%	6.6%	6.8%	-0.2pp	-0.2pp	-0.2pp
Adj. Incremental margin	50.1%	14.0%	13.2%	62.4%	13.0%	13.2%	-12.3pp	1.0pp	0.0pp
Net sales per segment									
Supply Chain Solutions	8,691	9,143	9,417	8,691	9,143	9,417	0%	0%	0%
Print & Packaging Solutions	2,748	2,830	2,887	2,737	2,819	2,876	0%	0%	0%
Group functions	40	40	41	40	40	41	0%	0%	0%
Eliminations	-133	-136	-138	-135	-138	-140	-1%	-1%	-1%
Group net sales	11,346	11,878	12,207	11,333	11,865	12,194	0%	0%	0%
Adj EBIT per segment									
Supply Chain Solutions	539	606	647	542	609	650	0%	0%	0%
Print & Packaging Solutions	188	197	199	205	213	216	-8%	-8%	-8%
Group functions	-34	-35	-35	-34	-35	-35	0%	0%	0%
Group EBIT	694	768	812	714	788	831	-3%	-2%	-2%
Adj. EBIT margin									
Supply Chain Solutions	6.2%	6.6%	6.9%	6.3%	6.7%	6.9%	-0.1pp	0.0pp	0.0pp
Print & Packaging Solutions	6.9%	6.9%	6.9%	7.5%	7.6%	7.5%	-0.6pp	-0.6pp	-0.6pp
Group	6.1%	6.5%	6.6%	6.3%	6.6%	6.8%	-0.2pp	-0.2pp	-0.2pp

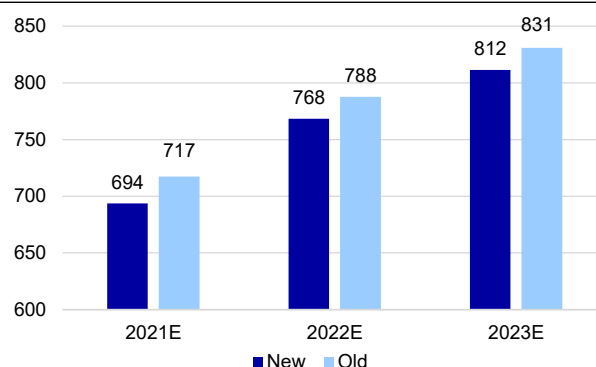
Source: Nordea estimates

NET SALES: NEW ESTIMATES VERSUS OLD ESTIMATES (SEKm)



Source: Nordea estimates

ADJUSTED EBIT: NEW ESTIMATES VERSUS OLD ESTIMATES (SEKm)



Source: Nordea estimates

Valuation

ELANDERS: PEER VALUATION TABLE

Stock	Rec.	Mcap.	Adj. EV/EBITDA		Adj. EV/EBITA		Adj. EV/EBIT		Adj. P/E		Div. yield		ND/EBITDA		ROIC	
		SEKm	2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E
Agility	-	59,699	12.7x	11.3x	-	-	21.2x	18.9x	26.9x	22.1x	1.8%	1.4%	-	-	7.1%	8.1%
CH Robinson	-	105,900	13.6x	13.6x	-	-	15.0x	15.0x	18.2x	18.4x	2.2%	2.4%	1.0x	0.9x	23.4%	21.8%
DSV	NO RATING	354,315	22.9x	19.8x	29.4x	25.1x	30.4x	26.0x	39.3x	34.4x	0.3%	0.4%	1.5x	1.2x	11.9%	11.5%
Elanders	NO RATING	6,732	5.8x	5.3x	12.4x	10.9x	13.2x	11.4x	15.9x	13.6x	2.1%	2.4%	1.6x	1.3x	9.1%	10.0%
Expeditors	-	185,893	13.9x	16.1x	-	-	14.7x	17.0x	21.2x	24.5x	0.8%	0.9%	-	-	39.0%	28.9%
ID Logistics	-	14,171	7.3x	6.8x	25.0x	22.2x	24.6x	21.1x	37.7x	32.1x	0.0%	0.0%	1.6x	1.3x	0.0%	0.0%
J.B Hunt	-	150,120	11.9x	10.6x	-	-	18.7x	16.4x	25.1x	21.5x	0.7%	0.7%	0.8x	0.6x	17.4%	17.5%
Kerry Logistics	-	47,199	10.1x	9.3x	-	-	16.7x	14.5x	23.5x	22.3x	1.6%	1.7%	0.0x	-	6.6%	7.1%
Huehne & Nagel	-	362,864	15.5x	16.0x	24.9x	23.7x	22.2x	24.1x	28.3x	32.6x	1.7%	1.9%	-	-	35.1%	34.4%
Landstar	-	49,785	11.5x	12.4x	-	-	12.8x	14.0x	17.7x	18.8x	0.5%	0.5%	-	-	38.3%	30.8%
Old Dominion	-	256,520	19.7x	17.7x	-	-	24.0x	21.7x	33.1x	29.3x	0.3%	0.4%	-	-	26.6%	26.1%
XPO Logistics	-	137,490	11.0x	10.1x	-	-	19.9x	17.2x	22.6x	20.0x	0.0%	0.0%	2.7x	1.9x	11.2%	13.1%
Average		144,224	13.0x	12.4x	22.9x	20.5x	19.4x	18.1x	25.8x	24.1x	1.0%	1.1%	1.3x	1.2x	18.8%	17.4%
Median		121,695	12.3x	11.9x	25.0x	23.0x	19.3x	17.1x	24.3x	22.2x	0.8%	0.8%	1.5x	1.3x	14.6%	15.3%
Elanders	NO RATING	6,732	5.8x	5.3x	12.4x	10.9x	13.2x	11.4x	15.9x	13.6x	2.1%	2.4%	1.6x	1.3x	9.1%	10.0%
vs. peer average	-	-	-56%	-57%	-46%	-47%	-32%	-37%	-38%	-44%	1.1pp	1.6pp	23%	9%	-10pp	-5.3pp
vs. peer median	-	-	-53%	-55%	-50%	-53%	-32%	-33%	-35%	-39%	1.3pp	1.6pp	6%	4%	-6pp	-5.3pp
vs. ID Logistics	-	-	-21%	-21%	-50%	-51%	-46%	-46%	-58%	-58%	2.1pp	2.4pp	2%	-1%	9pp	10pp
vs. XPO Logistics	-	-	-48%	-47%	nm	nm	-34%	-34%	-30%	-32%	2.1pp	2.4pp	-39%	-30%	-2pp	-3pp

Source: Refinitiv and Nordea estimates

ELANDERS: SOTP

SOTP Segment	Sales, SEKm		Adj. EBIT, SEKm		EBIT-margin, (%)		EV/EBIT, 22'E (x)		EV/S	EV, SEKm		Per share, SEK		
	21E	22E	21E	22E	21E	22E	Low	High		22E	Low	High	Low	High
Supply Chain Solutions	8,691	8,691	539	539	6.2%	6.2%	12.0x	13.5x	0.74	6,473	7,282	183	206	
Print & Packaging Solutions	2,748	2,748	188	188	6.9%	6.9%	11.0x	12.5x	0.75	2,072	2,355	59	67	
Eliminations/group functions	-93	-93	-34	-34	n.a	n.a	11.5x	13.0x	n.a	-391	-442	-11	-13	
Group	11,346	11,346	694	694	6.1%	6.1%	11.8x	13.3x	0.72	8,154	9,195	231	260	
Net debt												2,312	65	
Equity value 2021E											5,842	6,883	165	195
Upside to value range													-13%	2%
Number of shares														35.4

Source: Nordea estimates

Detailed estimates

ELANDERS: QUARTERLY ESTIMATES

(SEKm)	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21E	Q3 21E	Q4 21E
Net sales	2,572	2,814	2,778	2,886	2,734	2,769	2,870	2,972
Cost of goods sold	-2,234	-2,537	-2,359	-2,402	-2,352	-2,386	-2,466	-2,553
Gross profit	338	277	419	484	382	383	404	418
Sales and administrative expenses	-285	-272	-247	-246	-265	-259	-253	-252
Other operating income	-28	10	13	18	17	12	13	18
Other operating expenses	-13	-11	-7	-13	-6	-5	12	73
EBITDA	292	278	390	466	341	343	410	495
Depreciation	-39	-41	-39	-50	-23	-21	-43	-45
EBITA	81	72	190	256	142	145	189	271
Amortisation of intangible acq related assets	-14	-13	-13	-13	-14	-13	-13	-13
EBIT	67	59	177	243	128	132	176	258
Net financials	-39	-30	-30	-32	-25	-22	-26	-26
PTP	28	29	147	211	103	110	150	232
Income tax	-13	-9	-9	-55	-35	-24	-42	-65
Net profit	15	20	138	156	68	86	108	167
Earnings per share (SEK)	0.42	0.54	3.87	4.36	1.95	2.35	2.94	4.58
Adj. EBITDA	292	278	390	466	341	343	410	495
Adj. EBITA	81	72	190	256	142	145	189	271
Adj. EBIT	67	59	177	243	128	132	176	258
Tax on EO	0	0	0	0	0	0	0	0
Adj. Net profit	15	20	138	156	68	86	108	167
Adj. EPS	0.42	0.54	3.87	4.36	1.95	2.35	2.94	4.58
Gross margin	13.1%	9.8%	15.1%	16.8%	14.0%	13.8%	14.1%	14.1%
EBITDA margin	11.4%	9.9%	14.0%	16.1%	12.5%	12.4%	14.3%	16.6%
EBITA margin	3.1%	2.6%	6.8%	8.9%	5.2%	5.2%	6.6%	9.1%
EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	6.1%	8.7%
Incremental margin	18.4%	-62.1%	-44.7%	-1483.3%	37.7%	-162.2%	-1.3%	17.6%
Adj. EBITDA margin	11.4%	9.9%	14.0%	16.1%	12.5%	12.4%	14.3%	16.6%
Adj. EBITA margin	3.1%	2.6%	6.8%	8.9%	5.2%	5.2%	6.6%	9.1%
Adj. EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	6.1%	8.7%
Adj. Incremental margin	18.4%	-62.1%	-44.7%	-1483.3%	37.7%	-162.2%	-1.3%	17.6%

Source: Company data and Nordea estimates

ELANDERS: QUARTERLY SALES AND EBIT BRIDGE

(SEKm)	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21E	Q3 21E	Q4 21E
Net sales								
Supply Chain Solutions	1,905	2,259	2,130	2,114	2,060	2,168	2,235	2,228
Print & Packaging Solutions	686	578	672	792	694	622	660	771
Group functions	10	10	10	10	10	10	10	10
Eliminations	-29	-33	-34	-30	-29	-31	-35	-38
Total sales	2,572	2,814	2,778	2,886	2,735	2,769	2,870	2,972
Sales bridge								
Volume	-11%	2%	5%	4%	14%	6%	5%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	0%	0%	0%	0%	1%	1%	1%
FX	2%	1%	-6%	-6%	-8%	-9%	-3%	-1%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	-8%	3%	-2%	-1%	6%	-2%	3%	3%
Sales bridge								
Volume	-299	60	116	137	353	169	137	103
Price/Mix	0	0	0	0	0	0	0	0
Structural	0	0	0	5	11	30	30	18
FX	66	35	-163	-164	-202	-243	-75	-35
Other	0	0	0	0	0	0	0	0
Total growth	-234	95	-47	-22	163	-44	92	86
Growth per segment quarterly (%)								
Supply Chain Solutions								
Volume	-17%	5%	0%	1%	16%	4%	7%	6%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	0%	0%	0%	1%	1%	1%	1%
FX	2%	2%	-4%	-6%	-9%	-9%	-3%	-1%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	-15%	6%	-4%	-4%	8%	-4%	5%	5%
Print & Packaging Solutions								
Volume	13%	-5%	20%	13%	7%	13%	0%	-2%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	0%	0%	0%	0%	0%	0%	0%
FX	2%	1%	-12%	-5%	-6%	-6%	-2%	-1%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	15%	-4%	8%	7%	1%	8%	-2%	-3%
EBIT per segment quarterly (SEKm)								
Supply Chain Solutions	46	78	151	160	99	115	152	173
Print & Packaging Solutions	30	-10	33	94	38	26	32	93
Group functions	-9	-9	-7	-11	-9	-9	-8	-8
Group EBIT	67	59	177	243	128	132	176	258
Adj. EBIT per segment quarterly								
Supply Chain Solutions	46	78	151	160	99	115	152	173
Print & Packaging Solutions	30	-10	33	94	38	26	32	93
Group functions	-9	-9	-7	-11	-9	-9	-8	-8
Adj group EBIT	67	59	177	243	129	132	176	258
EBIT margin per segment quarterly								
Supply Chain Solutions	2.4%	3.5%	7.1%	7.6%	4.8%	5.3%	6.8%	7.8%
Print & Packaging Solutions	4.4%	-1.7%	4.9%	11.9%	5.5%	4.2%	4.8%	12.0%
EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	6.1%	8.7%
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	2.4%	3.5%	7.1%	7.6%	4.8%	5.3%	6.8%	7.8%
Print & Packaging Solutions	4.4%	-1.7%	4.9%	11.9%	5.5%	4.2%	4.8%	12.0%
Adj EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	6.1%	8.7%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL ESTIMATES

(SEKm)	2016	2017	2018	2019	2020	2021E	2022E	2023E
Net sales	6,285	9,342	10,742	11,254	11,050	11,345	11,878	12,207
Cost of goods sold	-5,091	-8,008	-9,331	-9,780	-9,532	-9,757	-10,218	-10,501
Gross profit	1,194	1,334	1,411	1,474	1,518	1,585	1,660	1,706
Sales and administrative expenses	-881	-1,067	-1,034	-1,145	-1,050	-1,029	-1,068	-1,089
Other operating income	100	79	112	66	13	60	62	62
Other operating expenses	-67	-38	-30	-33	-44	74	114	132
EBITDA	519	563	747	1,260	1,426	1,588	1,647	1686
Depreciation	-132	-192	-203	-156	-169	-132	-178	-175
EBITA	387	371	522	416	599	746	813	849
Amortisation of intangible acq related assets	-40	-63	-64	-56	-53	-53	-44	-38
EBIT	347	308	458	360	546	694	768	812
Net financials	-44	-80	-93	-143	-131	-99	-76	-98
PTP	303	228	365	217	415	595	692	713
Income tax	-82	-64	-107	-63	-86	-166	-208	-214
Net profit	221	164	258	154	329	429	485	499
Earnings per share (SEK)	7.26	4.64	7.19	4.19	9.19	11.82	13.60	14.01
Adj. EBITDA	558	589	747	1,409	1,426	1,588	1,647	1686
Adj. EBITA	426	397	522	565	599	746	813	849
Adj. EBIT	386	334	458	509	546	694	768	812
Tax on EO	11	7	0	43	0	0	0	0
Adj. Net profit	271	197	258	346	329	429	485	499
Adj. EPS	9.15	5.55	7.16	9.79	9.19	11.82	13.60	14.01
Gross margin	19.0%	14.3%	13.1%	13.1%	13.7%	14.0%	14.0%	14.0%
EBITDA margin	8.3%	6.0%	7.0%	11.2%	12.9%	14.0%	13.9%	13.8%
EBITA margin	6.2%	4.0%	4.9%	3.7%	5.4%	6.6%	6.8%	7.0%
EBIT margin	5.5%	3.3%	4.3%	3.2%	4.9%	6.1%	6.5%	6.6%
Incremental margin	2.7%	-1.3%	10.7%	-19.1%	-91.2%	50.1%	14.0%	13.2%
Adj. EBITDA margin	8.9%	6.3%	7.0%	12.5%	12.9%	14.0%	13.9%	13.8%
Adj. EBITA margin	6.8%	4.2%	4.9%	5.0%	5.4%	6.6%	6.8%	7.0%
Adj. EBIT margin	6.1%	3.6%	4.3%	4.5%	4.9%	6.1%	6.5%	6.6%
Adj. Incremental margin	3.8%	-1.7%	8.9%	10.0%	-18.1%	50.1%	14.0%	13.2%

Source: Company data and Nordea estimates

ELANDERS: SALES AND EBIT BRIDGE ANNUALLY

(SEKm)	2016	2017	2018	2019	2020	2021E	2022E	2023E
Net sales								
Supply Chain Solutions	3,999	7,007	8,526	8,775	8,408	8,691	9,143	9,417
Print & Packaging Solutions	2,146	2,220	2,244	2,564	2,728	2,748	2,830	2,887
Group functions	28	35	47	37	40	40	40	41
Eliminations	-112	-129	-75	-122	-126	-133	-136	-138
Total sales	6,287	9,342	10,946	11,254	11,050	11,346	11,878	12,207
Sales bridge								
Volume	1%	7%	8%	1%	0%	7%	5%	3%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	44%	42%	1%	0%	0%	1%	0%	0%
FX	1%	0%	5%	4%	-2%	-5%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	48%	49%	15%	5%	-2%	3%	5%	3%
Sales bridge								
Volume	63	405	848	69	14	763	511	325
Price/Mix	0	0	0	0	0	0	0	0
Structural	1,885	2,624	48	-51	5	89	18	0
FX	62	28	503	477	-227	-555	0	0
Other	0	0	0	0	0	0	0	0
Total growth	2,011	3,058	1,399	495	-208	297	529	325
Growth per segment annual (%)								
Supply Chain Solutions								
Volume	4%	10%	8%	-2%	-3%	8%	5%	3%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	88%	65%	1%	0%	0%	1%	0%	0%
FX	3%	1%	6%	4%	-1%	-6%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	95%	75%	22%	3%	-4%	3%	5%	3%
Print & Packaging Solutions								
Volume	-1%	2%	9%	12%	10%	4%	3%	2%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	4%	2%	0%	-2%	0%	0%	0%	0%
FX	0%	0%	4%	4%	-4%	-3%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	5%	3%	1%	14%	6%	1%	3%	2%
EBIT per segment annual (SEKm)								
Supply Chain Solutions	259	253	346	220	435	539	606	647
Print & Packaging Solutions	127	93	132	174	147	188	197	199
Group functions	-59	-32	-20	-34	-36	-34	-35	-35
Group EBIT	347	308	458	360	546	694	768	812
Adj. EBIT per segment annual								
Supply Chain Solutions	264	258	346	362	435	539	606	647
Print & Packaging Solutions	127	109	132	181	147	188	197	199
Group functions	-93	-32	-20	-34	-36	-34	-35	-35
Adj group EBIT	318	334	458	509	546	694	768	812
EBIT margin per segment annual								
Supply Chain Solutions	6.5%	3.6%	4.1%	2.5%	5.2%	6.2%	6.6%	6.9%
Print & Packaging Solutions	5.9%	4.2%	5.9%	6.8%	5.4%	6.9%	6.9%	6.9%
EBIT margin	5.5%	3.3%	4.2%	3.2%	4.9%	6.1%	6.5%	6.6%
Adj. EBIT margin per segment annual								
Supply Chain Solutions	6.6%	3.7%	4.1%	4.1%	5.2%	6.2%	6.6%	6.9%
Print & Packaging Solutions	5.9%	4.9%	5.9%	7.1%	5.4%	6.9%	6.9%	6.9%
Adj EBIT margin	5.1%	3.6%	4.2%	4.5%	4.9%	6.1%	6.5%	6.6%

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	2,096	3,730	4,237	6,285	9,342	10,742	11,254	11,050	11,345	11,878	12,207
Revenue growth	8.9%	77.9%	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	2.7%	4.7%	2.8%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	178	293	427	519	563	725	1,260	1,426	1,587	1,647	1,686
Depreciation and impairments PPE	-90	-99	-115	-132	-192	-203	-844	-827	-842	-834	-837
of which leased assets	0	0	0	0	0	0	-688	-658	-710	-700	-700
EBITA	88	194	312	387	371	522	416	599	746	813	849
Amortisation and impairments	-8	-19	-20	-40	-63	-64	-56	-53	-52	-44	-38
EBIT	80	175	292	347	308	458	360	546	694	768	812
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-29	-35	-33	-44	-80	-93	-143	-131	-99	-76	-98
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	51	140	259	303	228	365	217	415	595	692	713
Reported taxes	-32	-52	-85	-82	-64	-107	-63	-86	-166	-208	-214
Net profit from continued operations	19	88	174	221	164	258	154	329	429	485	499
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	-1	-5	-6	-4	-11	-4	-4
Net profit to equity	19	88	174	221	163	253	148	325	418	481	495
EPS, SEK	0.81	3.49	6.18	7.48	4.61	7.16	4.19	9.19	11.82	13.60	14.01
DPS, SEK	0.80	1.10	2.20	2.60	2.60	2.90	0.00	3.10	4.00	4.60	4.80
of which ordinary	0.80	1.10	2.20	2.60	2.60	2.90	0.00	3.10	4.00	4.60	4.80
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	8.5%	7.8%	10.1%	8.3%	6.0%	6.7%	11.2%	12.9%	14.0%	13.9%	13.8%
EBITA	4.2%	5.2%	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	6.6%	6.8%	7.0%
EBIT	3.8%	4.7%	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	6.1%	6.5%	6.6%

Adjusted earnings

EBITDA (adj)	181	335	443	558	589	725	1,409	1,426	1,587	1,647	1,686
EBITA (adj)	91	236	328	426	397	522	565	599	746	813	849
EBIT (adj)	83	217	308	386	334	458	509	546	694	768	812
EPS (adj, SEK)	0.94	5.16	6.75	8.80	5.35	7.16	7.13	9.19	11.82	13.60	14.01

Adjusted profit margins in percent

EBITDA (adj)	8.6%	9.0%	10.5%	8.9%	6.3%	6.7%	12.5%	12.9%	14.0%	13.9%	13.8%
EBITA (adj)	4.3%	6.3%	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	6.6%	6.8%	7.0%
EBIT (adj)	4.0%	5.8%	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	6.1%	6.5%	6.6%

Performance metrics

CAGR last 5 years											
Net revenue	-0.9%	16.3%	20.0%	27.9%	37.2%	38.7%	24.7%	21.1%	12.5%	4.9%	2.6%
EBITDA	7.8%	40.8%	74.6%	21.4%	21.9%	32.4%	33.9%	27.3%	25.1%	23.9%	18.4%
EBIT	38.0%	n.m.	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	14.9%	20.1%	12.1%
EPS	n.m.	n.m.	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	9.6%	24.1%	14.4%
DPS	n.m.	n.m.	n.m.	39.1%	34.1%	29.4%	n.m.	7.1%	9.0%	12.1%	10.6%
Average last 5 years											
Average EBIT margin	2.0%	3.6%	5.6%	5.5%	4.7%	4.6%	4.2%	4.1%	4.4%	5.0%	5.5%
Average EBITDA margin	7.1%	8.0%	9.4%	8.9%	7.7%	7.4%	8.3%	9.2%	10.4%	11.8%	13.2%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	23.4	6.9	9.4	12.1	15.3	12.2	12.2	13.0	15.2	13.2	12.8
EV/EBITDA (adj)	6.9	5.4	5.7	9.6	9.4	7.8	5.0	5.0	5.7	5.3	5.0
EV/EBITA (adj)	13.8	7.6	7.7	12.6	14.0	10.8	12.5	11.8	12.1	10.7	9.8
EV/EBIT (adj)	15.1	8.3	8.2	13.9	16.7	12.3	13.9	13.0	13.0	11.3	10.3

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	27.0	10.2	10.2	14.2	17.8	12.2	20.8	13.0	15.2	13.2	12.8
EV/Sales	0.60	0.48	0.60	0.85	0.60	0.52	0.63	0.64	0.80	0.73	0.68
EV/EBITDA	7.0	6.1	5.9	10.3	9.9	7.8	5.6	5.0	5.7	5.3	5.0
EV/EBITA	14.2	9.3	8.1	13.9	15.0	10.8	17.0	11.8	12.1	10.7	9.8
EV/EBIT	15.7	10.3	8.7	15.5	18.1	12.3	19.7	13.0	13.0	11.3	10.3
Dividend yield (ord.)	3.6%	3.1%	3.5%	2.4%	3.2%	3.3%	0.0%	2.6%	2.2%	2.6%	2.7%
FCF yield	-7.0%	-14.9%	12.7%	-50.2%	-11.3%	10.3%	38.8%	38.1%	15.2%	18.5%	18.7%
FCF Yield bef A&D, lease adj	12.1%	13.1%	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	4.1%	7.5%	7.7%
Payout ratio	98.4%	31.5%	35.6%	34.8%	56.4%	40.5%	0.0%	33.7%	33.8%	33.8%	34.3%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	1,156	1,297	1,269	3,081	3,136	3,218	3,229	3,085	3,033	2,989	2,951
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	1,156	1,297	1,269	3,081	3,136	3,218	3,229	3,085	3,033	2,989	2,951
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	515	583	533	1,047	1,075	1,056	2,139	2,255	2,227	2,248	2,271
of which leased assets	0	0	0	0	0	0	1,207	1,174	1,151	1,128	1,105
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	297	0	0	0
Total non-current assets	1,672	1,880	1,802	4,128	4,211	4,274	5,368	5,637	5,260	5,237	5,222
Inventory	107	254	266	295	390	468	335	233	170	178	183
Accounts receivable	387	844	825	1,396	1,795	1,762	1,740	634	1,361	1,425	1,465
Short-term leased assets	0	0	0	0	0	0	658	710	700	700	700
Other current assets	82	136	139	312	333	511	448	324	227	238	244
Cash and bank	215	457	529	651	679	722	655	1,101	1,249	1,587	1,912
Total current assets	792	1,690	1,758	2,654	3,197	3,463	3,836	3,002	3,708	4,128	4,504
Assets held for sale	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	2,464	3,570	3,560	6,782	7,408	7,737	9,204	8,639	8,968	9,365	9,726
Shareholders equity	1,039	1,348	1,488	2,411	2,453	2,707	2,777	2,908	3,216	3,556	3,888
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	4	15	19	23
Total Equity	1,039	1,348	1,488	2,411	2,453	2,707	2,777	2,912	3,231	3,575	3,911
Deferred tax	69	86	83	233	208	199	320	188	188	188	188
Long term interest bearing debt	432	25	20	2,646	2,504	2,442	2,214	1,990	1,990	1,990	1,990
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	1,259	1,278	1,245	1,222	1,199
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	502	111	103	2,879	2,712	2,641	3,793	3,456	3,423	3,400	3,377
Short-term provisions	0	0	0	0	0	1	1	0	0	0	0
Accounts payable	402	784	722	1,263	1,403	1,569	1,597	1,588	1,630	1,707	1,754
Current lease debt	0	0	0	0	0	0	639	639	639	639	639
Other current liabilities	0	0	0	0	0	1	1	0	0	0	0
Short term interest bearing debt	522	1,327	1,247	228	840	819	398	44	44	44	44
Total current liabilities	924	2,111	1,969	1,491	2,243	2,390	2,636	2,271	2,314	2,390	2,438
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	2,464	3,570	3,560	6,781	7,408	7,738	9,206	8,639	8,968	9,365	9,726
Balance sheet and debt metrics											
Net debt	739	895	738	2,223	2,665	2,539	3,994	2,854	2,673	2,312	1,965
of which lease debt	0	0	0	0	0	0	1,898	1,917	1,884	1,861	1,838
Working capital	175	449	507	740	1,115	1,171	925	-397	128	134	138
Invested capital	1,847	2,329	2,309	4,868	5,326	5,445	6,293	5,240	5,388	5,371	5,360
Capital employed	1,993	2,700	2,755	5,285	5,797	5,968	7,287	6,863	7,150	7,470	7,784
ROE	1.9%	7.4%	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	13.6%	14.2%	13.3%
ROIC	3.2%	7.1%	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	8.9%	9.7%	10.3%
ROCE	4.4%	9.2%	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	9.9%	10.5%	10.6%
Net debt/EBITDA	4.2	3.1	1.7	4.3	4.7	3.5	3.2	2.0	1.7	1.4	1.2
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	42.2%	37.8%	41.8%	35.6%	33.1%	35.0%	30.2%	33.7%	35.9%	38.0%	40.0%
Net gearing	71.1%	66.4%	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	82.7%	64.7%	50.2%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (adj) for associates	178	293	427	519	563	725	1,260	1,426	1,587	1,647	1,686
Paid taxes	-57	-61	-85	-104	-133	-127	-114	-41	-166	-208	-214
Net financials	0	0	0	0	0	1	-143	-131	-99	-76	-98
Change in provisions	0	0	0	0	0	1	0	-1	0	0	0
Change in other LT non-IB	0	0	0	0	0	0	0	-297	297	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	4	20	-66	-71	-75	-149	229	310	0	0	0
Funds from operations (FFO)	125	251	276	344	355	451	1,232	1,266	1,619	1,363	1,374
Change in NWC	3	-89	-8	-13	-419	4	104	461	-525	-6	-4
Cash flow from operations (CFO)	128	162	269	331	-64	455	1,336	1,727	1,094	1,357	1,370
Capital expenditure	-66	-44	-46	-112	-196	-161	-133	-88	-127	-178	-183
Free cash flow before A&D	62	118	223	219	-260	294	1,203	1,639	968	1,179	1,187
Proceeds from sale of assets	-98	-252	4	-1,794	-67	24	-7	-28	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	-36	-134	227	-1,575	-327	318	1,196	1,611	968	1,179	1,187
Free cash flow bef A&D, lease adj	62	118	223	219	-260	294	515	981	258	479	487
Dividends paid	-14	-18	-29	-58	-92	-93	-129	58	-110	-141	-163
Equity issues / buybacks	0	121	0	695	0	0	0	0	0	0	0
Net change in debt	91	223	-125	1,029	462	-225	-1,152	-1,119	0	0	0
Other financing adjustments	0	0	0	0	0	0	1	-655	-710	-700	-700
Other non-cash adjustments	6	49	0	31	-15	43	17	532	0	0	0
Change in cash	47	241	72	122	28	43	-67	446	148	338	324
Cash flow metrics											
Capex/D&A	67.7%	37.1%	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	20.3%	20.9%
Capex/Sales	3.2%	1.2%	1.1%	1.8%	2.1%	1.5%	1.2%	0.8%	1.1%	1.5%	1.5%
Key information											
Share price year end (/current)	22	36	63	106	82	87	87	120	180	180	180
Market cap.	514	899	1,787	3,140	2,899	3,083	3,083	4,229	6,364	6,364	6,364
Enterprise value	1,253	1,795	2,525	5,363	5,564	5,622	7,077	7,087	9,052	8,696	8,352
Diluted no. of shares, year-end (m)	23.4	25.2	28.2	29.6	35.4	35.4	35.4	35.4	35.4	35.4	35.4

Source: Company data and Nordea estimates

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