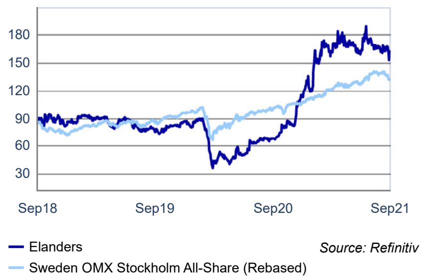
Elanders

Consumer Goods
Sweden

KEY DATA

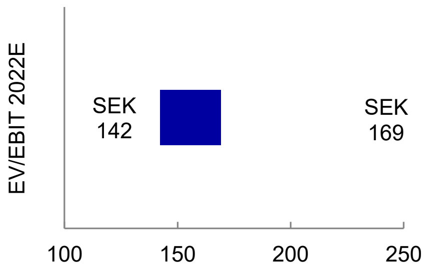
Stock country	Sweden
Bloomberg	ELANB SS
Reuters	ELANb.ST
Share price (close)	SEK 164.2
Free Float	50%
Market cap. (bn)	EUR 0.57/SEK 5.81
Website	www.elanders.com
Next report date	20 Oct 2021

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	0%	0%	0%
EBIT (adj)	-9%	-5%	-5%

Source: Nordea estimates

Nordea Markets - Analysts
Carl Ragnerstam
Analyst

Victor Hansen
Analyst

Short-term headwinds but long-term tailwinds

Elanders will present its Q3 2021 report on 20 October. We espect solid group organic growth of 5% but expect margins to take a hit in the short term, owing to volatile volumes related to its customers' component issues. We view this effect as temporary, however, and believe that the focus should be on Elanders' ambitions to improve its organic profile, such as with its strong fashion & lifestyle brand, ITG. Elanders is continuously winning interesting new contracts, most recently RevolutionRace and Stronger. These 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 142-169 (169-198).

Solid organic growth but margins should take a hit

We expect Elanders to deliver solid Q3 numbers, especially given the circumstances, with net sales of SEK 2,859m up 3% y/y, 4.6% of which is organic, 1.1% M&A and -2.7% FX. We expect customers' supply chain issues to temporarily burden Elanders' organic growth and margins for both Supply Chain Solutions and Print & Packaging. Its Automotive and Electronics end markets are especially impacted, which represent 20% and ~30% of group sales, respectively. The communicated production stops from several of Elanders' automotive customers, including Daimler, should lead to difficulties adjusting its costs, thereby creating margin pressure in the short term. On the positive side, these effects are somewhat offset by strong e-commerce developments; for instance, the company is gradually ramping up volumes for the fashion brands RevolutionRace and Stronger. As such, we estimate an adjusted EBIT of SEK 143m (-19% y/y), implying a margin of 5% (-136 bp y/y).

Earnings downgrades of 5-9%

Owing to increased production stops at several of Elanders' Automotive customers, along with general prudence about supply chain constraints in the Electronics sector, we downgrade 2021E-23E adjusted EBIT by 5-9%.

50% P/E discount to logistics companies

The share has seen roughly flat performance over the past three months and LTM up 37%, but it still trades at a discount of ~40% on 2022E EV/EBIT versus its broad logistics peer group and a ~50% discount on 2022E P/E. Compared to its key peers – ID Logistics and XPO – Elanders' 2022E P/E discount is ~70% and 30%, respectively.

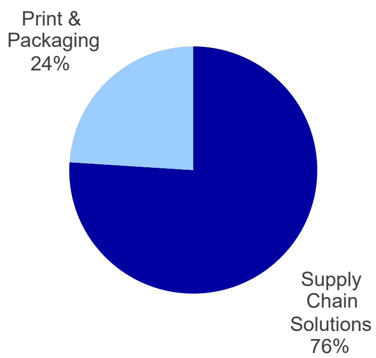
SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	9,342	10,742	11,254	11,050	11,333	11,822	12,149
EBITDA (adj)	589	725	1,409	1,426	1,526	1,609	1,648
EBIT (adj)	334	458	509	546	632	731	774
EBIT (adj) margin	3.6%	4.3%	4.5%	4.9%	5.6%	6.2%	6.4%
EPS (adj, SEK)	5.35	7.16	7.13	9.19	10.56	12.86	13.27
EPS (adj) growth	-39.2%	33.9%	-0.4%	29.0%	14.9%	21.7%	3.2%
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	0.6
EV/EBIT (adj)	16.7	12.3	13.9	13.0	13.5	11.2	10.2
P/E (adj)	15.3	12.2	12.2	13.0	15.5	12.8	12.4
P/BV	1.2	1.1	1.1	1.5	1.8	1.7	1.5
Dividend yield (ord)	3.2%	3.3%	0.0%	2.6%	2.4%	2.8%	2.9%
FCF Yield bef A&D, lease	-9.0%	9.5%	16.7%	23.2%	3.7%	7.8%	7.9%
Net debt	2,665	2,539	3,994	2,854	2,717	2,382	2,060
Net debt/EBITDA	4.7	3.5	3.2	2.0	1.8	1.5	1.2
ROIC after tax	4.5%	5.8%	5.9%	6.4%	8.1%	9.2%	9.8%

Source: Company data and Nordea estimates

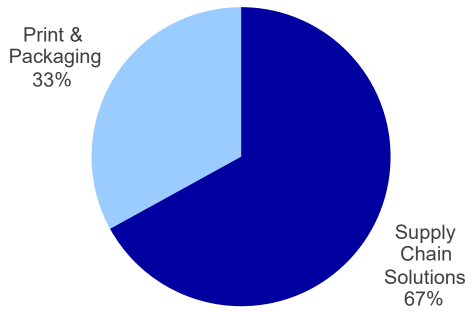
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%)



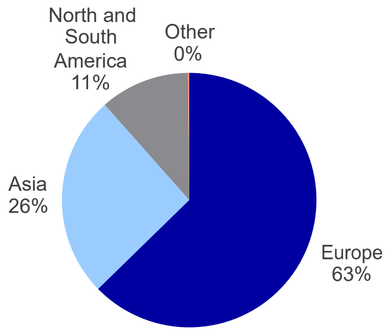
Source: Company data and Nordea estimates

ELANDERS: EBITA SPLIT BY SEGMENT (%)



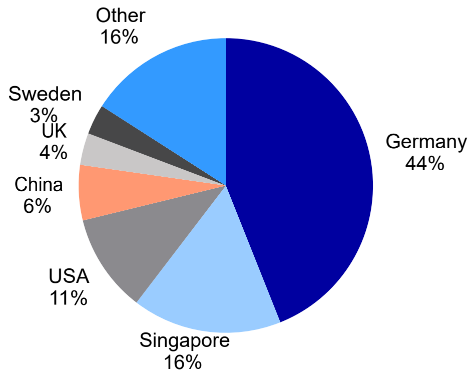
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%)



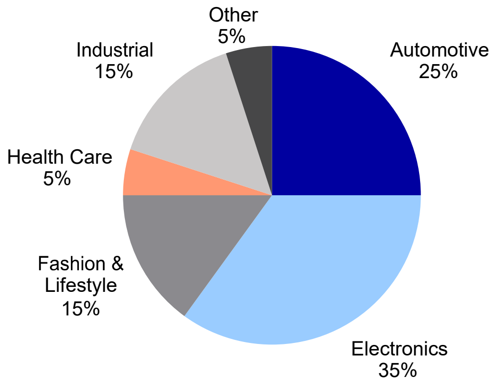
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%)



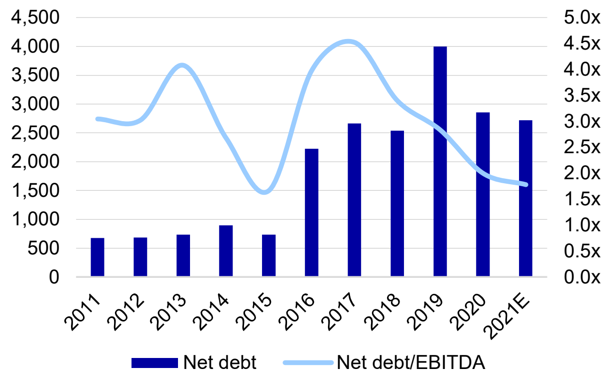
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%)



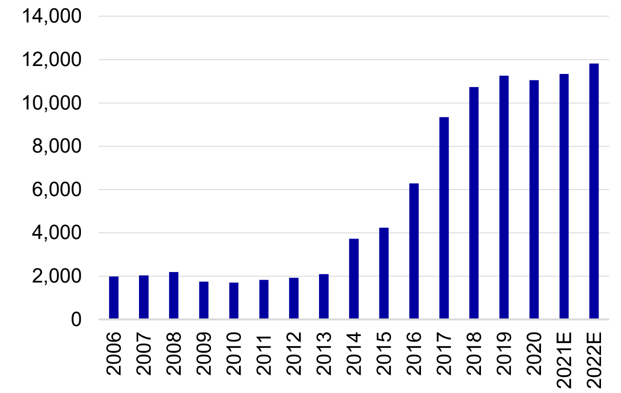
Source: Company data and Nordea estimates

ELANDERS: NET DEBT (SEKm) AND NET DEBT/EBITDA (x)



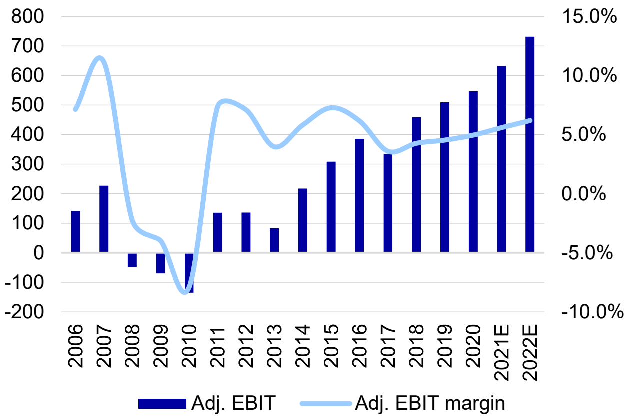
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)



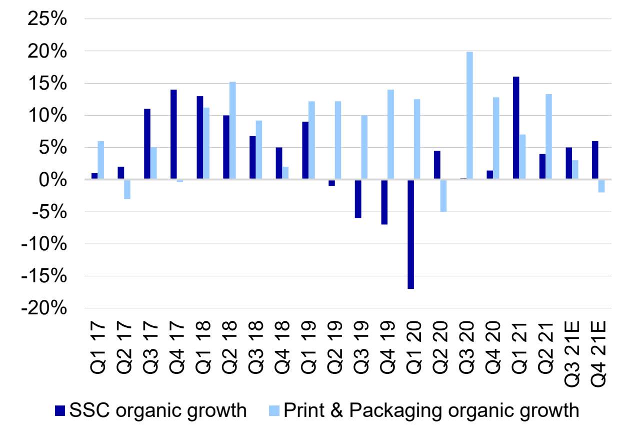
Source: Company data and Nordea estimates

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



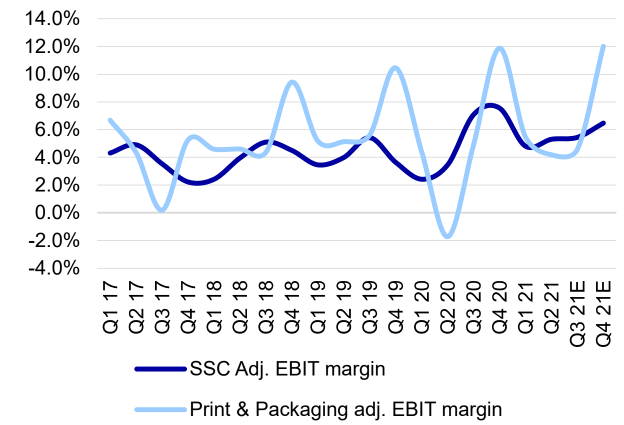
Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)



Source: Company data and Nordea estimates

ELANDERS: EBIT MARGIN DEVELOPMENT BY SEGMENT (%)



Source: Company data and Nordea estimates

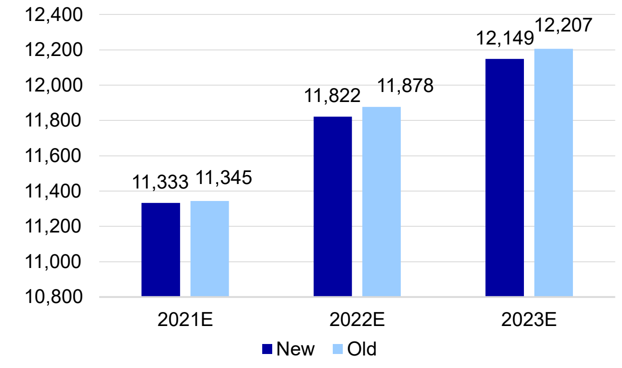
Estimate revisions

ELANDERS: ESTIMATE REVISIONS

	New estimates			Old estimates			Difference %		
SEKm	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**
Net sales	11,333	11,822	12,149	11,345	11,878	12,207	0%	0%	0%
Cost of goods sold	-9,747	-10,170	-10,451	-9,757	-10,218	-10,501	0%	0%	0%
Gross profit	**1,584**	**1,652**	**1,698**	**1,585**	**1,660**	**1,706**	**0%**	**0%**	**0%**
EBITA	685	775	812	746	813	849	-8%	-5%	-4%
Amortisation of intangibles	-53	-44	-38	-53	-44	-38	0%	0%	0%
EBIT	632	731	774	694	768	812	-9%	-5%	-5%
Net financials	-99	-76	-98	-99	-76	-98	0%	0%	0%
PTP	533	655	676	595	692	713	-10%	-5%	-5%
Income tax	-149	-197	-203	-166	-208	-214	-10%	-5%	-5%
Net profit	384	459	473	429	485	499	-10%	-5%	-5%
Earnings per share (SEK)	10.56	12.86	13.27	11.82	13.60	14.01	-11%	-5%	-5%
Adj. EBITA	685	775	812	746	813	849	-8%	-5%	-4%
Adj. EBIT	**632**	**731**	**774**	**694**	**768**	**812**	**-9%**	**-5%**	**-5%**
Tax on EO	0	0	0	0	0	0	n.a	n.a	n.a
Adj. Net profit	384	459	473	429	485	499	-10%	-5%	-5%
Adj. EPS	10.56	12.86	13.27	11.82	13.60	14.01	-11%	-5%	-5%
Adj. EBITA margin	6.0%	6.6%	6.7%	6.6%	6.8%	7.0%	-0.5pp	-0.3pp	-0.3pp
Adj. EBIT margin	5.6%	6.2%	6.4%	6.1%	6.5%	6.6%	-0.5pp	-0.3pp	-0.3pp
Adj. Incremental margin	30.4%	20.2%	13.1%	50.1%	14.0%	13.2%	-19.7pp	6.3pp	0.0pp
Net sales per segment									
Supply Chain Solutions	8,659	9,066	9,338	8,691	9,143	9,417	0%	-1%	-1%
Print & Packaging Solutions	2,768	2,851	2,908	2,748	2,830	2,887	1%	1%	1%
Group functions	40	40	41	40	40	41	0%	0%	0%
Eliminations	-133	-136	-138	-133	-136	-138	0%	0%	0%
Group net sales	**11,334**	**11,822**	**12,149**	**11,346**	**11,878**	**12,207**	**0%**	**0%**	**0%**
Adj EBIT per segment									
Supply Chain Solutions	478	570	610	539	606	647	-11%	-6%	-6%
Print & Packaging Solutions	188	196	199	188	197	199	0%	0%	0%
Group functions	-34	-35	-35	-34	-35	-35	0%	0%	0%
Group EBIT	**633**	**731**	**774**	**694**	**768**	**812**	**-9%**	**-5%**	**-5%**
Adj. EBIT margin									
Supply Chain Solutions	5.5%	6.3%	6.5%	6.2%	6.6%	6.9%	-0.7pp	-0.3pp	-0.3pp
Print & Packaging Solutions	6.8%	6.9%	6.8%	6.9%	6.9%	6.9%	-0.1pp	-0.1pp	-0.1pp
Group	**5.6%**	**6.2%**	**6.4%**	**6.1%**	6.5%	6.6%	**-0.5pp**	**-0.3pp**	**-0.3pp**

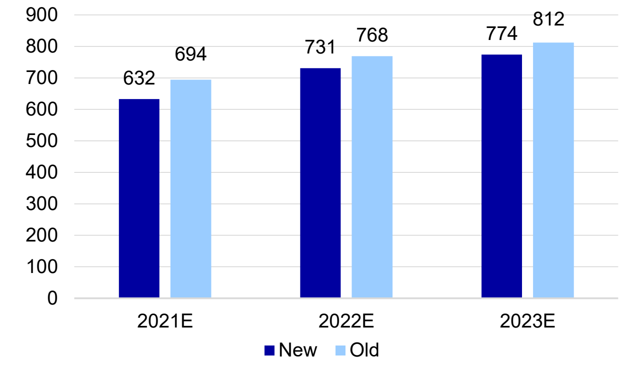
Source: Nordea estimates

NET SALES: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

ADJUSTED EBIT: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

Valuation

LOGISTICS: PEER VALUATION TABLE

		Mcap.	Adj. EV/EBITDA		Adj. EV/EBITA		Adj. EV/EBIT		Adj. P/E		Div. yield		ND/EBITDA		ROIC	
Stock	**Rec.**	**SEKm**	**2021E**	**2022E**	**2021E**	**2022E**	**2021E**	**2022E**	**2021E**	**2022E**	**2021E**	**2022E**	**2021E**	**2022E**	**2021E**	**2022E**
Agility	-	63,770	13.5x	12.0x	-	-	22.4x	20.0x	28.7x	23.6x	1.7%	1.3%	-	-	7.1%	8.1%
CH Robinson	-	100,040	12.0x	12.6x	-	-	13.2x	13.8x	16.3x	16.8x	2.3%	2.5%	1.0x	0.9x	24.3%	21.6%
DSV	NO RATING	380,880	24.5x	21.2x	31.4x	26.9x	32.5x	27.8x	42.2x	37.0x	0.3%	0.4%	1.5x	1.2x	11.9%	11.5%
Elanders		5,806	5.6x	5.1x	12.5x	10.6x	13.5x	11.2x	15.5x	12.8x	2.4%	2.8%	1.8x	1.5x	8.1%	9.2%
Expeditors	-	178,987	11.9x	14.5x	-	-	12.3x	15.7x	17.9x	22.2x	0.9%	0.9%	-	-	41.2%	28.4%
ID Logistics	-	18,027	8.9x	8.1x	29.8x	26.6x	30.2x	26.3x	46.0x	38.3x	0.0%	0.0%	1.7x	1.4x	0.0%	0.0%
J.B Hunt	-	155,954	12.2x	10.9x	-	-	19.1x	16.8x	25.9x	22.4x	0.7%	0.7%	0.7x	0.5x	17.3%	17.8%
Kerry Logistics	-	34,148	6.6x	5.8x	-	-	11.3x	10.1x	13.5x	15.1x	3.0%	3.2%	-	-	12.7%	13.9%
Huehne & Nagel	-	398,443	15.0x	16.4x	20.7x	23.9x	19.9x	23.7x	28.3x	33.0x	1.8%	1.8%	-	-	45.2%	41.2%
Landstar	-	53,423	12.0x	12.9x	-	-	13.3x	14.5x	18.0x	19.0x	0.6%	0.6%	-	-	39.4%	32.4%
Old Dominion	-	299,947	21.5x	19.6x	-	-	25.9x	23.2x	35.6x	31.7x	0.3%	0.3%	-	-	29.4%	29.4%
XPO Logistics	-	83,379	11.1x	10.7x	-	-	18.8x	17.6x	20.2x	18.2x	0.0%	0.0%	3.1x	2.7x	8.7%	15.3%
Average		**147,734**	**12.9x**	**12.5x**	**23.6x**	**22.0x**	**19.4x**	**18.4x**	**25.7x**	**24.2x**	**1.2%**	**1.2%**	**1.6x**	**1.4x**	**20.4%**	**19.1%**
Median		**91,710**	**12.0x**	**12.3x**	**25.2x**	**25.2x**	**18.9x**	**17.2x**	**23.0x**	**22.3x**	**0.8%**	**0.8%**	**1.6x**	**1.3x**	**15.0%**	**16.5%**
Elanders		**5,806**	**5.6x**	**5.1x**	**12.5x**	**10.6x**	**13.5x**	**11.2x**	**15.5x**	**12.8x**	**2.4%**	**2.8%**	**1.8x**	**1.5x**	**8.1%**	**9.2%**
vs. peer average	-	-	-57%	-59%	-47%	-52%	-30%	-39%	-39%	-47%	1.3pp	2.0pp	9%	7%	-12pp	-7.3pp
vs. peer median	-	-	-53%	-59%	-51%	-58%	-29%	-35%	-33%	-43%	1.7pp	2.0pp	9%	10%	-7pp	-7.3pp
vs. ID Logistics	-	-	-37%	-37%	-58%	-60%	-55%	-57%	-66%	-67%	2.4pp	2.8pp	3%	2%	8pp	9pp
vs. XPO Logistics	-	-	-50%	-52%	nm	nm	-28%	-36%	-23%	-30%	2.4pp	2.8pp	-42%	-46%	-1pp	-6pp

Source: Refinitiv and Nordea estimates

Detailed estimates

ELANDERS: QUARTERLY ESTIMATES

(SEKm)	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21E	Q4 21E
Net sales	2,572	2,814	2,778	2,886	2,734	2,769	2,859	2,972
Cost of goods sold	-2,234	-2,537	-2,359	-2,402	-2,352	-2,386	-2,456	-2,553
Gross profit	338	277	419	484	382	383	402	418
Sales and administrative expenses	-285	-272	-247	-246	-265	-259	-252	-252
Other operating income	-28	10	13	18	17	12	13	18
Other operating expenses	-13	-11	-7	-13	-6	-5	-20	44
EBITDA	292	278	390	466	341	343	377	465
Depreciation	-39	-41	-39	-50	-23	-21	-43	-45
EBITA	81	72	190	256	142	145	156	242
Amortisation of intangible acq related assets	-14	-13	-13	-13	-14	-13	-13	-13
EBIT	67	59	177	243	128	132	143	229
Net financials	-39	-30	-30	-32	-25	-22	-26	-26
PTP	28	29	147	211	103	110	117	203
Income tax	-13	-9	-9	-55	-35	-24	-33	-57
Net profit	15	20	138	156	68	86	84	146
Earnings per share (SEK)	0.42	0.54	3.87	4.36	1.95	2.35	2.27	3.99
Adj. EBITDA	292	278	390	466	341	343	377	465
Adj. EBITA	81	72	190	256	142	145	156	242
Adj. EBIT	67	59	177	243	128	132	143	229
Tax on EO	0	0	0	0	0	0	0	0
Adj. Net profit	15	20	138	156	68	86	84	146
Adj. EPS	0.42	0.54	3.87	4.36	1.95	2.35	2.27	3.99
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%	13.2%	15.7%
EBITA margin	3.1%	2.6%	6.8%	8.9%	5.2%	5.2%	5.5%	8.1%
EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	5.0%	7.7%
Incremental margin	18.4%	-62.1%	-44.7%	-1483.3%	37.7%	-162.2%	-42.0%	-16.5%
Adj. EBITDA margin	11.4%	9.9%	14.0%	16.1%	12.5%	12.4%	13.2%	15.7%
Adj. EBITA margin	3.1%	2.6%	6.8%	8.9%	5.2%	5.2%	5.5%	8.1%
Adj. EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	5.0%	7.7%
Adj. Incremental margin	18.4%	-62.1%	-44.7%	-1483.3%	37.7%	-162.2%	-42.0%	-16.5%

Source: Company data and Nordea estimates

ELANDERS: QUARTERLY SALES AND EBIT BRIDGE

(SEKm)	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21E	Q4 21E
Net sales								
Supply Chain Solutions	1,905	2,259	2,130	2,114	2,060	2,168	2,203	2,228
Print & Packaging Solutions	686	578	672	792	694	622	681	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**	**2,859**	**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	126	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**	**81**	**86**
Growth per segment quarterly								
(%)	**Q1 20**	**Q2 20**	**Q3 20**	**Q4 20**	**Q1 21**	**Q2 21**	**Q3 21E**	**Q4 21E**
Supply Chain Solutions								
Volume	-17%	5%	0%	1%	16%	4%	5%	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%**	**3%**	**5%**
Print & Packaging Solutions								
Volume	13%	-5%	20%	13%	7%	13%	3%	-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%	1%	-3%
EBIT per segment quarterly								
(SEKm)	**Q1 20**	**Q2 20**	**Q3 20**	**Q4 20**	**Q1 21**	**Q2 21**	**Q3 21E**	**Q4 21E**
Supply Chain Solutions	46	78	151	160	99	115	120	144
Print & Packaging Solutions	30	-10	33	94	38	26	31	93
Group functions	-9	-9	-7	-11	-9	-9	-8	-8
Group EBIT	**67**	**59**	**177**	**243**	**128**	**132**	**143**	**229**
Adj. EBIT per segment quarterly								
Supply Chain Solutions	46	78	151	160	99	115	120	144
Print & Packaging Solutions	30	-10	33	94	38	26	31	93
Group functions	-9	-9	-7	-11	-9	-9	-8	-8
Adj group EBIT	**67**	**59**	**177**	**243**	**129**	**132**	**143**	**229**
EBIT margin per segment quarterly								
Supply Chain Solutions	2.4%	3.5%	7.1%	7.6%	4.8%	5.3%	5.4%	6.5%
Print & Packaging Solutions	4.4%	-1.7%	4.9%	11.9%	5.5%	4.2%	4.6%	12.0%
EBIT margin	**2.6%**	**2.1%**	**6.4%**	**8.4%**	**4.7%**	**4.8%**	**5.0%**	**7.7%**
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	2.4%	3.5%	7.1%	7.6%	4.8%	5.3%	5.4%	6.5%
Print & Packaging Solutions	4.4%	-1.7%	4.9%	11.9%	5.5%	4.2%	4.6%	12.0%
Adj EBIT margin	**2.6%**	**2.1%**	**6.4%**	**8.4%**	**4.7%**	**4.8%**	**5.0%**	**7.7%**

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	11,333	11,822	12,149
Cost of goods sold	-5,091	-8,008	-9,331	-9,780	-9,532	-9,747	-10,170	-10,451
Gross profit	1,194	1,334	1,411	1,474	1,518	1,584	1,652	1,698
Sales and administrative expenses	-881	-1,067	-1,034	-1,145	-1,050	-1,028	-1,063	-1,083
Other operating income	100	79	112	66	13	60	61	62
Other operating expenses	-67	-38	-30	-33	-44	13	80	98
EBITDA	519	563	747	1,260	1,426	1,526	1,609	1648
Depreciation	-132	-192	-203	-156	-169	-131	-178	-174
EBITA	387	371	522	416	599	685	775	812
Amortisation of intangible acq related assets	-40	-63	-64	-56	-53	-53	-44	-38
EBIT	347	308	458	360	546	632	731	774
Net financials	-44	-80	-93	-143	-131	-99	-76	-98
PTP	303	228	365	217	415	533	655	676
Income tax	-82	-64	-107	-63	-86	-149	-197	-203
Net profit	221	164	258	154	329	384	459	473
Earnings per share (SEK)	7.26	4.64	7.19	4.19	9.19	10.56	12.86	13.27
Adj. EBITDA	558	589	747	1,409	1,426	1,526	1,609	1648
Adj. EBITA	426	397	522	565	599	685	775	812
Adj. EBIT	386	334	458	509	546	632	731	774
Tax on EO	11	7	0	43	0	0	0	0
Adj. Net profit	271	197	258	346	329	384	459	473
Adj. EPS	9.15	5.55	7.16	9.79	9.19	10.56	12.86	13.27
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%	13.5%	13.6%	13.6%
EBITA margin	6.2%	4.0%	4.9%	3.7%	5.4%	6.0%	6.6%	6.7%
EBIT margin	5.5%	3.3%	4.3%	3.2%	4.9%	5.6%	6.2%	6.4%
Incremental margin	2.7%	-1.3%	10.7%	-19.1%	-91.2%	30.4%	20.2%	13.1%
Adj. EBITDA margin	8.9%	6.3%	7.0%	12.5%	12.9%	13.5%	13.6%	13.6%
Adj. EBITA margin	6.8%	4.2%	4.9%	5.0%	5.4%	6.0%	6.6%	6.7%
Adj. EBIT margin	6.1%	3.6%	4.3%	4.5%	4.9%	5.6%	6.2%	6.4%
Adj. Incremental margin	3.8%	-1.7%	8.9%	10.0%	-18.1%	30.4%	20.2%	13.1%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL SALES AND EBIT BRIDGE

(SEKm)	2016	2017	2018	2019	2020	2021E	2022E	2023E
Net sales								
Supply Chain Solutions	3,999	7,007	8,526	8,775	8,408	8,659	9,066	9,338
Print & Packaging Solutions	2,146	2,220	2,244	2,564	2,728	2,768	2,851	2,908
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**	**11,334**	**11,822**	**12,149**
Sales bridge								
Volume	1%	7%	8%	1%	0%	7%	4%	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%**	**4%**	**3%**
Sales bridge								
Volume	63	405	848	69	14	751	467	323
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**	**285**	**484**	**323**
Growth per segment annual								
(%)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Supply Chain Solutions								
Volume	4%	10%	8%	-2%	-3%	7%	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%	5%	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)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Supply Chain Solutions	259	253	346	220	435	478	570	610
Print & Packaging Solutions	127	93	132	174	147	188	196	199
Group functions	-59	-32	-20	-34	-36	-34	-35	-35
Group EBIT	**347**	**308**	**458**	**360**	**546**	**632**	**731**	**774**
Adj. EBIT per segment annual								
Supply Chain Solutions	264	258	346	362	435	478	570	610
Print & Packaging Solutions	127	109	132	181	147	188	196	199
Group functions	-93	-32	-20	-34	-36	-34	-35	-35
Adj group EBIT	**318**	**334**	**458**	**509**	**546**	**633**	**731**	**774**
EBIT margin per segment annual								
Supply Chain Solutions	6.5%	3.6%	4.1%	2.5%	5.2%	5.5%	6.3%	6.5%
Print & Packaging Solutions	5.9%	4.2%	5.9%	6.8%	5.4%	6.8%	6.9%	6.8%
EBIT margin	**5.5%**	**3.3%**	**4.2%**	**3.2%**	**4.9%**	**5.6%**	**6.2%**	**6.4%**
Adj. EBIT margin per segment annual								
Supply Chain Solutions	6.6%	3.7%	4.1%	4.1%	5.2%	5.5%	6.3%	6.5%
Print & Packaging Solutions	5.9%	4.9%	5.9%	7.1%	5.4%	6.8%	6.9%	6.8%
Adj EBIT margin	**5.1%**	**3.6%**	**4.2%**	**4.5%**	**4.9%**	**5.6%**	**6.2%**	**6.4%**

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**	**11,333**	**11,822**	**12,149**
Revenue growth	8.9%	77.9%	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	2.6%	4.3%	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	1,526	1,609	1,648
Depreciation and impairments PPE	-90	-99	-115	-132	-192	-203	-844	-827	-841	-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	684	775	812
Amortisation and impairments	-8	-19	-20	-40	-63	-64	-56	-53	-52	-44	-38
EBIT	80	175	292	347	308	458	360	546	632	731	774
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**	**533**	**655**	**676**
Reported taxes	-32	-52	-85	-82	-64	-107	-63	-86	-149	-197	-203
Net profit from continued operations	19	88	174	221	164	258	154	329	384	459	473
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	373	455	469
EPS, SEK	**0.81**	**3.49**	**6.18**	**7.48**	**4.61**	**7.16**	**4.19**	**9.19**	**10.56**	**12.86**	**13.27**
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%	13.5%	13.6%	13.6%
EBITA	4.2%	5.2%	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	6.0%	6.6%	6.7%
EBIT	3.8%	4.7%	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	5.6%	6.2%	6.4%
Adjusted earnings											
EBITDA (adj)	181	335	443	558	589	725	1,409	1,426	1,526	1,609	1,648
EBITA (adj)	91	236	328	426	397	522	565	599	684	775	812
EBIT (adj)	83	217	308	386	334	458	509	546	632	731	774
EPS (adj, SEK)	0.94	5.16	6.75	8.80	5.35	7.16	7.13	9.19	10.56	12.86	13.27
Adjusted profit margins in percent											
EBITDA (adj)	8.6%	9.0%	10.5%	8.9%	6.3%	6.7%	12.5%	12.9%	13.5%	13.6%	13.6%
EBITA (adj)	4.3%	6.3%	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	6.0%	6.6%	6.7%
EBIT (adj)	4.0%	5.8%	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	5.6%	6.2%	6.4%
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%	4.8%	2.5%
EBITDA	7.8%	40.8%	74.6%	21.4%	21.9%	32.4%	33.9%	27.3%	24.1%	23.4%	17.9%
EBIT	38.0%	n.m.	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	12.7%	18.9%	11.1%
EPS	n.m.	n.m.	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	7.1%	22.8%	13.1%
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%	4.3%	4.9%	5.3%
Average EBITDA margin	7.1%	8.0%	9.4%	8.9%	7.7%	7.4%	8.3%	9.2%	10.2%	11.6%	13.0%

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	15.5	12.8	12.4
EV/EBITDA (adj)	6.9	5.4	5.7	9.6	9.4	7.8	5.0	5.0	5.6	5.1	4.8
EV/EBITA (adj)	13.8	7.6	7.7	12.6	14.0	10.8	12.5	11.8	12.5	10.6	9.7
EV/EBIT (adj)	15.1	8.3	8.2	13.9	16.7	12.3	13.9	13.0	13.5	11.2	10.2

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	15.5	12.8	12.4
EV/Sales	0.60	0.48	0.60	0.85	0.60	0.52	0.63	0.64	0.75	0.69	0.65
EV/EBITDA	7.0	6.1	5.9	10.3	9.9	7.8	5.6	5.0	5.6	5.1	4.8
EV/EBITA	14.2	9.3	8.1	13.9	15.0	10.8	17.0	11.8	12.5	10.6	9.7
EV/EBIT	15.7	10.3	8.7	15.5	18.1	12.3	19.7	13.0	13.5	11.2	10.2
Dividend yield (ord.)	3.6%	3.1%	3.5%	2.4%	3.2%	3.3%	0.0%	2.6%	2.4%	2.8%	2.9%
FCF yield	-7.0%	-14.9%	12.7%	-50.2%	-11.3%	10.3%	38.8%	38.1%	15.9%	19.9%	20.0%
FCF Yield bef A&D, lease adj	12.1%	13.1%	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	3.7%	7.8%	7.9%
Payout ratio	98.4%	31.5%	35.6%	34.8%	56.4%	40.5%	0.0%	33.7%	37.9%	35.8%	36.2%

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	2,247	2,270
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	5,236	5,221
Inventory	107	254	266	295	390	468	335	233	170	177	182
Accounts receivable	387	844	825	1,396	1,795	1,762	1,740	634	1,360	1,419	1,458
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	236	243
Cash and bank	215	457	529	651	679	722	655	1,101	1,205	1,518	1,817
Total current assets	792	1,690	1,758	2,654	3,197	3,463	3,836	3,002	3,662	4,050	4,400
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**	**8,922**	**9,286**	**9,621**
Shareholders equity	1,039	1,348	1,488	2,411	2,453	2,707	2,777	2,908	3,172	3,485	3,791
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	3,187	3,504	3,814
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	1,629	1,699	1,746
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	2,312	2,382	2,429
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**	**8,922**	**9,286**	**9,621**
Balance sheet and debt metrics											
Net debt	739	895	738	2,223	2,665	2,539	3,994	2,854	2,717	2,382	2,060
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	133	137
Invested capital	1,847	2,329	2,309	4,868	5,326	5,445	6,293	5,240	5,388	5,370	5,358
Capital employed	1,993	2,700	2,755	5,285	5,797	5,968	7,287	6,863	7,105	7,399	7,687
ROE	1.9%	7.4%	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	12.3%	13.7%	12.9%
ROIC	3.2%	7.1%	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	8.1%	9.2%	9.8%
ROCE	4.4%	9.2%	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	9.1%	10.1%	10.3%
Net debt/EBITDA	4.2	3.1	1.7	4.3	4.7	3.5	3.2	2.0	1.8	1.5	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%	35.6%	37.5%	39.4%
Net gearing	71.1%	66.4%	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	85.3%	68.0%	54.0%

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**	**1,526**	**1,609**	**1,648**
Paid taxes	-57	-61	-85	-104	-133	-127	-114	-41	-149	-197	-203
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**	**1,575**	**1,337**	**1,347**
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**	**1,050**	**1,331**	**1,344**
Capital expenditure	-66	-44	-46	-112	-196	-161	-133	-88	-126	-177	-182
Free cash flow before A&D	**62**	**118**	**223**	**219**	**-260**	**294**	**1,203**	**1,639**	**923**	**1,154**	**1,161**
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	923	1,154	1,161
Free cash flow bef A&D, lease adj	62	118	223	219	-260	294	515	981	213	454	461
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	104	313	299
Cash flow metrics											
Capex/D&A	67.7%	37.1%	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	20.2%	20.8%
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	164	164	164
Market cap.	514	899	1,787	3,140	2,899	3,083	3,083	4,229	5,806	5,806	5,806
Enterprise value	1,253	1,795	2,525	5,363	5,564	5,622	7,077	7,087	8,538	8,206	7,889
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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