

Elanders

Consumer Goods
Sweden

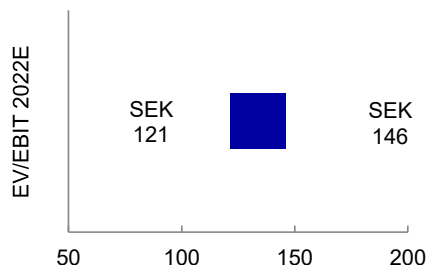
KEY DATA

Stock country	Sweden
Bloomberg	ELANB.SS
Reuters	ELANB.ST
Share price (close)	SEK 144.8
Free Float	50%
Market cap. (bn)	EUR 0.51/SEK 5.12
Website	www.elanders.com
Next report date	20 Jan 2022

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	0%	0%	0%
EBIT (adj)	-8%	-3%	-3%

Source: Nordea estimates

Nordea Markets - Analysts

Carl Ragnerstam
AnalystVictor Hansen
Analyst

Looking better already heading into Q4

Elanders presented a somewhat weak Q3 report with EBIT down by 37% y/y and missing our estimate by 22%. However, we argue that it was due to extraordinary and temporary circumstances, such as customers' production stops, which should luckily sequentially ease going into Q4. As such, we view this effect as temporary and continue to argue that one should focus on Elanders' appealing organic profile with its strong exposure to the fast-growing fashion & lifestyle market. Together with a recovery for Industry and Automotive in 2022 and lowered SG&A, we forecast this should drive 22% EBIT growth for 2022. We lower our multiples-based SOTP valuation range to SEK 121-146 (142-169).

Tough quarter due to customers' production stops

Elanders presented a somewhat soft set of numbers for Q3, with group sales of SEK 2,865m, up 3% y/y all of which was organic, driven by a large portion of buy and sell volumes and higher shipping rates. Print & Packaging was burdened by the fact that its largest customer within subscription boxes procured shipping themselves. Adjusted EBIT came in at SEK 111m, down 37% y/y and 22% below our forecast of SEK 143m, implying a margin of 3.9%, 110 bp below our estimate of 5.0%. Margins were negatively impacted by product mix, with a high portion of buy and sell volumes and volatile production owing to its customers' production stops within Industry, Automotive and Electronics. On the positive side, Elanders stated that the situation began to improve at the end of the quarter and disturbances are expected to diminish in Q4.

Looking better already in Q4

Amid the weak report, we downgrade our 2021E adjusted EBIT estimates by 8%. However, on the positive side, the company guides for less volatile production at the end of Q3 and going into Q4, which should lead to sequentially improved margins. Nonetheless, we take a somewhat cautious stance for Q4 and expect EBIT to be down by 14% y/y.

50% P/E discount to logistics companies

The share has taken a hit (-18%) over the past three months and it trades at ~11.5x P/E and ~10.5x EV/EBIT 2022E. This implies a discount of ~38% 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.

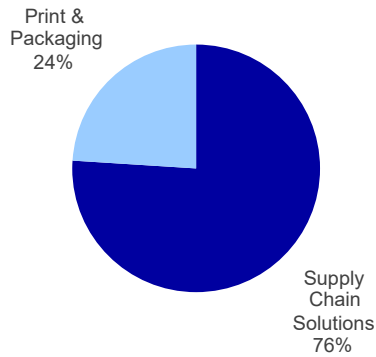
SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	9,342	10,742	11,254	11,050	11,317	11,834	12,162
EBITDA (adj)	589	725	1,409	1,426	1,469	1,587	1,626
EBIT (adj)	334	458	509	546	579	711	754
EBIT (adj) margin	3.6%	4.3%	4.5%	4.9%	5.1%	6.0%	6.2%
EPS (adj, SEK)	5.35	7.16	7.13	9.19	9.42	12.46	12.87
EPS (adj) growth	-39.2%	33.9%	-0.4%	29.0%	2.5%	32.3%	3.3%
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	0.7	0.6	0.6
EV/EBIT (adj)	16.7	12.3	13.9	13.0	13.7	10.7	9.7
P/E (adj)	15.3	12.2	12.2	13.0	15.4	11.6	11.2
P/BV	1.2	1.1	1.1	1.5	1.6	1.5	1.4
Dividend yield (ord)	3.2%	3.3%	0.0%	2.6%	2.8%	3.2%	3.3%
FCF Yield bef A&D, lease	-9.0%	9.5%	16.7%	23.2%	2.4%	8.5%	8.7%
Net debt	2,665	2,539	3,994	2,854	2,809	2,491	2,185
Net debt/EBITDA	4.7	3.5	3.2	2.0	1.9	1.6	1.3
ROIC after tax	4.5%	5.8%	5.9%	6.4%	7.4%	8.9%	9.5%

Source: Company data and Nordea estimates

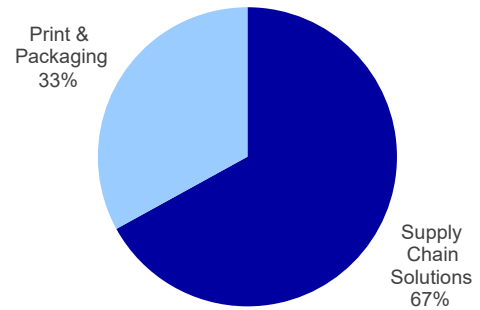
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%)



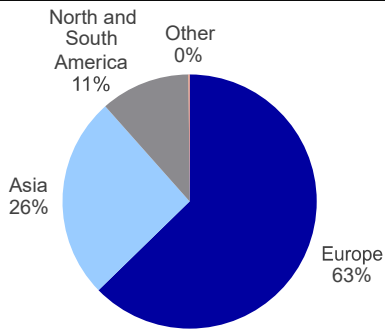
Source: Company data and Nordea estimates

ELANDERS: EBITA SPLIT BY SEGMENT (%)



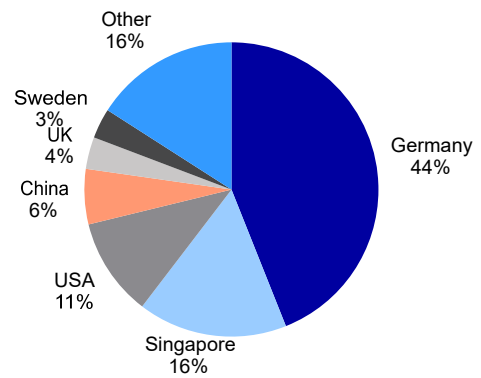
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%)



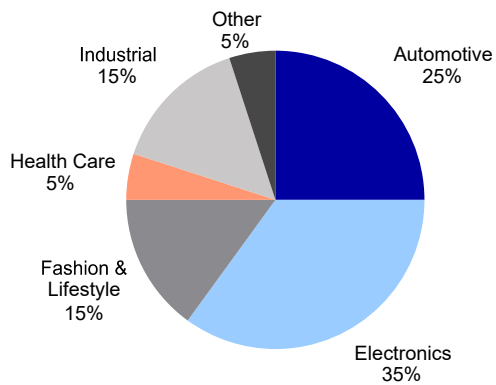
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%)



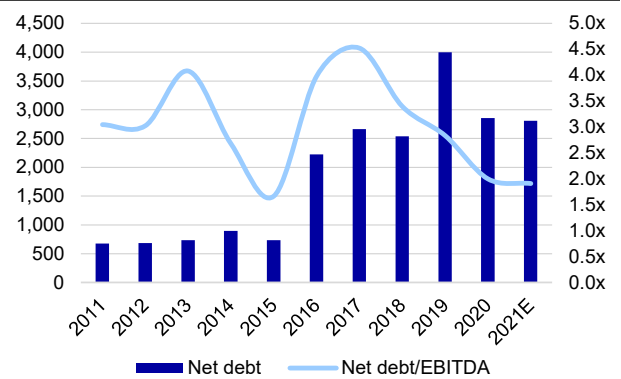
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%)



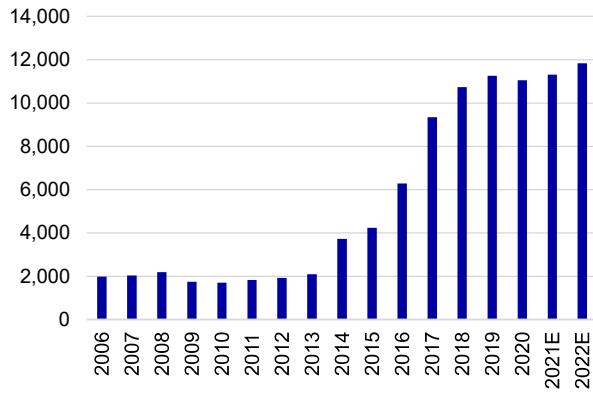
Source: Company data and Nordea estimates

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



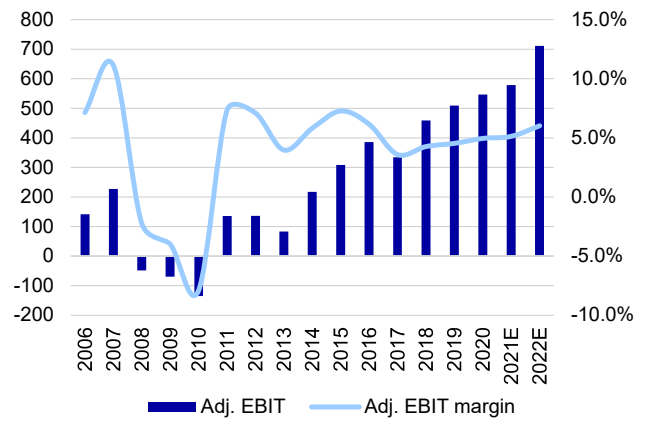
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)



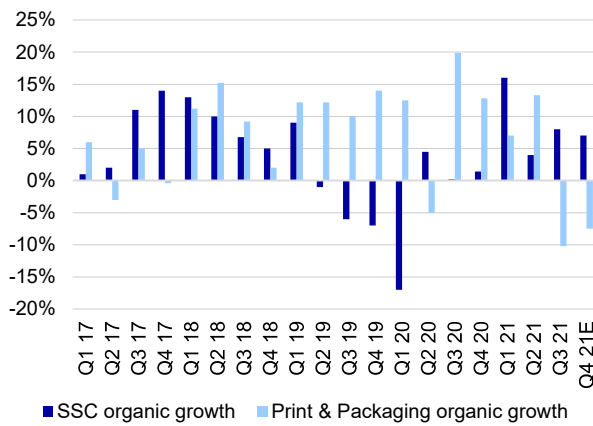
Source: Company data and Nordea estimates

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



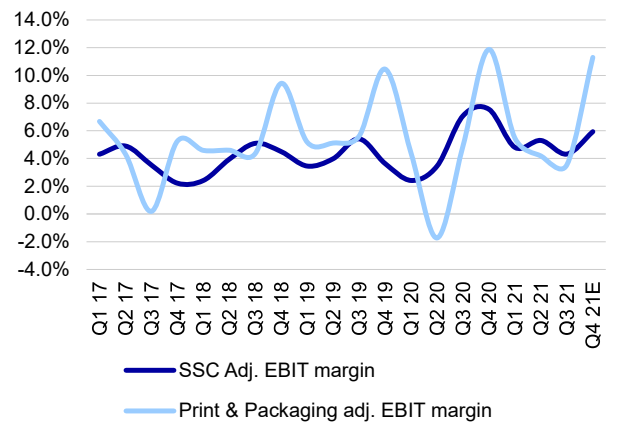
Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)



Source: Company data and Nordea estimates

ELANDERS: EBIT MARGIN DEVELOPMENT BY SEGMENT (%)



Source: Company data and Nordea estimates

Q3 2021 deviation

Elanders presented a somewhat soft set of numbers for Q3, with group sales of SEK 2,865m, up 3% y/y. The growth, which was entirely organic, was driven by a large portion of buying and selling of components as well as higher shipping rates. As we flagged in our preview, we note that the Automotive, Industrial and Electronics segments experienced headwinds from the semiconductor shortage. Adjusted EBIT came in at SEK 111m, down 37% y/y and 22% below our forecast of SEK 143m, implying a margin of 3.9%, which was 110 bp below our estimate of 5.0%. Margins were negatively impacted by product mix, with a high portion of buying and selling volumes typically diluting margins and also due to shipping rates for freight forwarding volumes and component shortages. On the positive side, Elanders said that the situation started to improve at the end of the quarter and disturbances are expected to diminish in Q4.

ELANDERS: DEVIATION TABLE

SEKm	Actual	NDA est.	Deviation		Actual	Actual		
	Q3 21	Q3 21E	vs. actual		Q2 21	q/q	Q3 20	y/y
Net sales	2,865	2,859	6	0%	2,769	3%	2,778	3%
Gross profit	365	402	(37)	-9%	383	-5%	419	-13%
EBITA	126	156	(30)	-19%	145	-13%	190	-34%
Amortisation of intangibles	(15)	(13)	(2)	15%	(13)	15%	(13)	15%
EBIT	111	143	(32)	-22%	132	-16%	177	-37%
Earnings per share (SEK)	1.54	2.27	(1)	-32%	2.35	-34%	3.87	-60%
Adj. EBITA	126	156	(30)	-19%	145	-13%	190	-34%
Adj. EBIT	111	143	(32)	-22%	132	-16%	177	-37%
Adj. EBITA margin	4.4%	5.5%		-1.1pp	5.2%	-0.8pp	6.8%	-2.4pp
Adj. EBIT margin	3.9%	5.0%		-1.1pp	4.8%	-0.9pp	6.4%	-2.5pp
Supply Chain Solutions	2,292	2,203	89	4%	2,168	6%	2,130	8%
Print & Packaging Solutions	592	681	(89)	-13%	622	-5%	672	-12%
Group functions	10	10	-	0%	10	0%	10	0%
Eliminations	(29)	(35)	6	-17%	(31)	-6%	(34)	-15%
Group net sales	2,865	2,859	6	0%	2,769	3%	2,778	3%
Supply Chain Solutions	99	120	(21)	-17%	115	-14%	151	-34%
Print & Packaging Solutions	21	31	(10)	-33%	26	-19%	33	-36%
Group functions	(10)	(8)	(2)	25%	(9)	11%	(7)	43%
Adj group EBIT	110	143	(33)	-23%	132	-17%	177	-38%
Supply Chain Solutions	4.3%	5.4%		-1.1pp	5.3%	113pp	7.1%	-2.8pp
Print & Packaging Solutions	3.5%	4.6%		-1.0pp	4.2%	104pp	4.9%	-1.4pp
Adj EBIT margin	3.8%	5.0%		-1.2pp	4.8%	117pp	6.4%	-2.5pp

Source: Company data and Nordea estimates

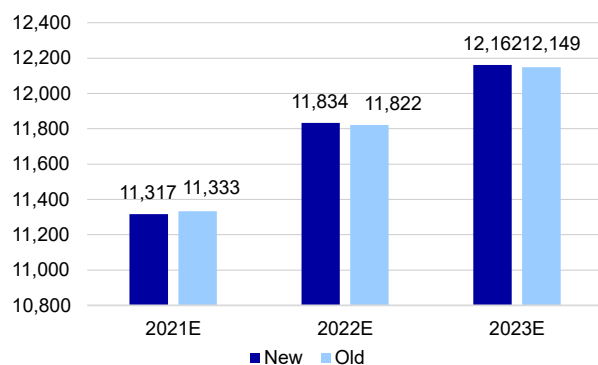
Estimate revisions

ELANDERS: ESTIMATE REVISIONS

SEKm	New estimates			Old estimates			Difference %		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Net sales	11,317	11,834	12,162	11,333	11,822	12,149	0%	0%	0%
Cost of goods sold	-9,772	-10,180	-10,462	-9,747	-10,170	-10,451	0%	0%	0%
Gross profit	1,582	1,654	1,700	1,584	1,652	1,698	0%	0%	0%
EBITA	631	755	792	685	775	812	-8%	-3%	-2%
Amortisation of intangibles	-53	-44	-38	-53	-44	-38	0%	0%	0%
EBIT	579	711	754	632	731	774	-8%	-3%	-3%
Net financials	-96	-76	-98	-99	-76	-98	-3%	0%	0%
PTP	483	635	656	533	655	676	-9%	-3%	-3%
Income tax	-141	-190	-197	-149	-197	-203	-5%	-3%	-3%
Net profit	342	444	459	384	459	473	-11%	-3%	-3%
Earnings per share (SEK)	9.42	12.46	12.87	10.56	12.86	13.27	-11%	-3%	-3%
Adj. EBITA	631	755	792	685	775	812	-8%	-3%	-2%
Adj. EBIT	579	711	754	632	731	774	-8%	-3%	-3%
Tax on EO	0	0	0	0	0	0	n.a	n.a	n.a
Adj. Net profit	342	444	459	384	459	473	-11%	-3%	-3%
Adj. EPS	9.42	12.46	12.87	10.56	12.86	13.27	-11%	-3%	-3%
Adj. EBITA margin	5.6%	6.4%	6.5%	6.0%	6.6%	6.7%	-0.5pp	-0.2pp	-0.2pp
Adj. EBIT margin	5.1%	6.0%	6.2%	5.6%	6.2%	6.4%	-0.5pp	-0.2pp	-0.2pp
Adj. Incremental margin	12.3%	25.6%	13.2%	30.4%	20.2%	13.1%	-18.1pp	5.3pp	0.1pp
Net sales per segment									
Supply Chain Solutions	8,769	9,181	9,457	8,659	9,066	9,338	1%	1%	1%
Print & Packaging Solutions	2,636	2,741	2,796	2,768	2,851	2,908	-5%	-4%	-4%
Group functions	40	40	41	40	40	41	0%	0%	0%
Eliminations	-127	-130	-132	-133	-136	-138	-5%	-5%	-5%
Group net sales	11,318	11,834	12,162	11,334	11,822	12,149	0%	0%	0%
Adj EBIT per segment									
Supply Chain Solutions	447	567	608	478	570	610	-7%	0%	0%
Print & Packaging Solutions	167	181	184	188	196	199	-11%	-8%	-8%
Group functions	-36	-37	-37	-34	-35	-35	6%	6%	6%
Group EBIT	578	711	754	633	731	774	-9%	-3%	-3%
Adj. EBIT margin									
Supply Chain Solutions	5.1%	6.2%	6.4%	5.5%	6.3%	6.5%	-0.4pp	-0.1pp	-0.1pp
Print & Packaging Solutions	6.3%	6.6%	6.6%	6.8%	6.9%	6.8%	-0.4pp	-0.3pp	-0.3pp
Group	5.1%	6.0%	6.2%	5.6%	6.2%	6.4%	-0.5pp	-0.2pp	-0.2pp

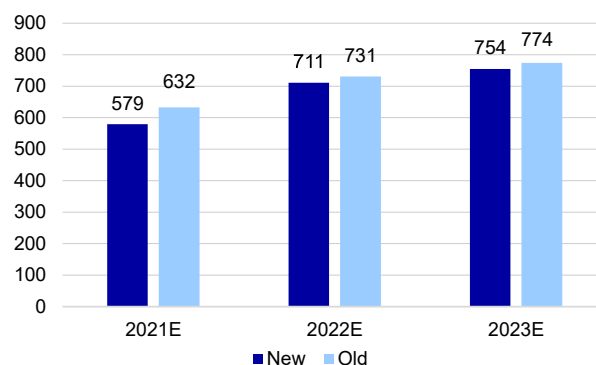
Source: Nordea estimates

NET SALES: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

ADJUSTED EBIT: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

Valuation

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	-	63,113	14.1x	14.2x	-	-	21.5x	22.0x	3.5x	25.6x	1.7%	1.4%	-	-	7.1%	8.1%
CH Robinson	-	104,272	12.2x	12.8x	-	-	13.4x	14.0x	16.5x	17.1x	2.2%	2.4%	1.0x	0.9x	24.3%	21.6%
DSV	NO RATING	346,380	22.4x	19.4x	28.7x	24.6x	29.7x	25.4x	38.4x	33.7x	0.3%	0.4%	1.5x	1.2x	11.9%	11.5%
Elanders		5,120	5.4x	4.8x	12.6x	10.1x	13.7x	10.7x	15.4x	11.6x	2.8%	3.2%	1.9x	1.6x	7.4%	8.9%
Expeditors	-	169,554	11.1x	13.5x	-	-	11.5x	14.6x	16.8x	20.8x	0.9%	1.0%	-	-	41.2%	28.4%
ID Logistics	-	17,482	8.7x	7.9x	29.1x	25.9x	29.5x	25.7x	46.6x	39.3x	0.0%	0.0%	1.7x	1.4x	0.0%	0.0%
J.B Hunt	-	155,960	12.0x	10.7x	-	-	18.8x	16.2x	25.5x	21.8x	0.7%	0.7%	0.7x	0.5x	17.3%	17.8%
Kerry Logistics	-	37,140	6.1x	6.1x	-	-	10.0x	9.4x	12.8x	13.6x	2.8%	3.0%	-	-	12.7%	13.9%
Huehne & Nagel	-	337,940	12.3x	13.3x	16.1x	16.8x	16.2x	18.2x	21.7x	25.0x	2.3%	2.4%	-	-	45.2%	41.2%
Landstar	-	51,877	11.4x	12.2x	-	-	12.7x	13.8x	17.1x	18.2x	0.6%	0.6%	-	-	39.4%	32.4%
Old Dominion	-	290,917	20.4x	18.4x	-	-	24.5x	22.0x	33.9x	30.1x	0.3%	0.3%	-	-	29.4%	29.4%
XPO Logistics	-	78,254	10.6x	10.3x	-	-	17.9x	16.9x	18.9x	16.8x	0.0%	0.0%	3.3x	3.0x	8.7%	15.3%
Average		138,167	12.2x	12.0x	21.6x	19.4x	18.3x	17.4x	22.2x	22.8x	1.2%	1.3%	1.7x	1.4x	20.4%	19.0%
Median		91,263	11.7x	12.5x	22.4x	20.7x	17.1x	16.5x	18.0x	21.3x	0.8%	0.8%	1.6x	1.3x	15.0%	16.5%
Elanders		5,120	5.4x	4.8x	12.6x	10.1x	13.7x	10.7x	15.4x	11.6x	2.8%	3.2%	1.9x	1.6x	7.4%	8.9%
vs. peer average	-	-	-56%	-60%	-42%	-48%	-25%	-38%	-31%	-49%	1.5pp	2.3pp	12%	8%	-13pp	-7.6pp
vs. peer median	-	-	-54%	-62%	-44%	-51%	-20%	-35%	-14%	-45%	2.0pp	2.3pp	17%	17%	-8pp	-7.6pp
vs. ID Logistics	-	-	-38%	-39%	-57%	-61%	-53%	-58%	-67%	-70%	2.8pp	3.2pp	11%	9%	7pp	9pp
vs. XPO Logistics	-	-	-49%	-53%	nm	nm	-23%	-37%	-18%	-31%	2.8pp	3.2pp	-43%	-47%	-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 21	Q4 21E
Net sales	2,572	2,814	2,778	2,886	2,734	2,769	2,865	2,949
Cost of goods sold	-2,234	-2,537	-2,359	-2,402	-2,352	-2,386	-2,500	-2,534
Gross profit	338	277	419	484	382	383	365	415
Sales and administrative expenses	-285	-272	-247	-246	-265	-259	-264	-250
Other operating income	-28	10	13	18	17	12	15	18
Other operating expenses	-13	-11	-7	-13	-6	-5	-5	24
EBITDA	292	278	390	466	341	343	342	444
Depreciation	-39	-41	-39	-50	-23	-21	-41	-44
EBITA	81	72	190	256	142	145	124	221
Amortisation of intangible acq related assets	-14	-13	-13	-13	-14	-13	-13	-13
EBIT	67	59	177	243	128	132	111	208
Net financials	-39	-30	-30	-32	-25	-22	-23	-26
PTP	28	29	147	211	103	110	88	182
Income tax	-13	-9	-9	-55	-35	-24	-31	-51
Net profit	15	20	138	156	68	86	57	131
Earnings per share (SEK)	0.42	0.54	3.87	4.36	1.95	2.35	1.56	3.56
Adj. EBITDA	292	278	390	466	341	343	342	444
Adj. EBITA	81	72	190	256	142	145	124	221
Adj. EBIT	67	59	177	243	128	132	111	208
Tax on EO	0	0	0	0	0	0	0	0
Adj. Net profit	15	20	138	156	68	86	57	131
Adj. EPS	0.42	0.54	3.87	4.36	1.95	2.35	1.56	3.56
Gross margin	13.1%	9.8%	15.1%	16.8%	14.0%	13.8%	12.7%	14.1%
EBITDA margin	11.4%	9.9%	14.0%	16.1%	12.5%	12.4%	11.9%	15.1%
EBITA margin	3.1%	2.6%	6.8%	8.9%	5.2%	5.2%	4.3%	7.5%
EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	3.9%	7.1%
Incremental margin	18.4%	-62.1%	-44.7%	-1483.3%	37.7%	-162.2%	-75.9%	-55.5%
Adj. EBITDA margin	11.4%	9.9%	14.0%	16.1%	12.5%	12.4%	11.9%	15.1%
Adj. EBITA margin	3.1%	2.6%	6.8%	8.9%	5.2%	5.2%	4.3%	7.5%
Adj. EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	3.9%	7.1%
Adj. Incremental margin	18.4%	-62.1%	-44.7%	-1483.3%	37.7%	-162.2%	-75.9%	-55.5%

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 21	Q4 21E
Net sales								
Supply Chain Solutions	1,905	2,259	2,130	2,114	2,060	2,168	2,292	2,249
Print & Packaging Solutions	686	578	672	792	694	622	592	728
Group functions	10	10	10	10	10	10	10	10
Eliminations	-29	-33	-34	-30	-29	-31	-29	-38
Total sales	2,572	2,814	2,778	2,886	2,735	2,769	2,865	2,949
Sales bridge								
Volume	-11%	2%	5%	4%	14%	6%	3%	3%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	0%	0%	0%	0%	1%	2%	1%
FX	2%	1%	-6%	-6%	-8%	-9%	-2%	-1%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	-8%	3%	-2%	-1%	6%	-2%	3%	2%
Sales bridge								
Volume	-299	60	116	137	353	169	107	81
Price/Mix	0	0	0	0	0	0	0	0
Structural	0	0	0	5	11	30	43	18
FX	66	35	-163	-164	-202	-243	-63	-35
Other	0	0	0	0	0	0	0	0
Total growth	-234	95	-47	-22	163	-44	87	63
Growth per segment quarterly (%)								
Supply Chain Solutions								
Volume	-17%	5%	0%	1%	16%	4%	8%	7%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	0%	0%	0%	1%	1%	2%	1%
FX	2%	2%	-4%	-6%	-9%	-9%	-2%	-1%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	-15%	6%	-4%	-4%	8%	-4%	8%	6%
Print & Packaging Solutions								
Volume	13%	-5%	20%	13%	7%	13%	-10%	-8%
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%	-12%	-8%
EBIT per segment quarterly (SEKm)								
Supply Chain Solutions	46	78	151	160	99	115	99	134
Print & Packaging Solutions	30	-10	33	94	38	26	21	82
Group functions	-9	-9	-7	-11	-9	-9	-10	-8
Group EBIT	67	59	177	243	128	132	111	208
Adj. EBIT per segment quarterly								
Supply Chain Solutions	46	78	151	160	99	115	99	134
Print & Packaging Solutions	30	-10	33	94	38	26	21	82
Group functions	-9	-9	-7	-11	-9	-9	-10	-8
Adj group EBIT	67	59	177	243	129	132	111	208
EBIT margin per segment quarterly								
Supply Chain Solutions	2.4%	3.5%	7.1%	7.6%	4.8%	5.3%	4.3%	5.9%
Print & Packaging Solutions	4.4%	-1.7%	4.9%	11.9%	5.5%	4.2%	3.5%	11.3%
EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	3.9%	7.1%
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	2.4%	3.5%	7.1%	7.6%	4.8%	5.3%	4.3%	5.9%
Print & Packaging Solutions	4.4%	-1.7%	4.9%	11.9%	5.5%	4.2%	3.5%	11.3%
Adj EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	3.9%	7.1%

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	11,317	11,834	12,162
Cost of goods sold	-5,091	-8,008	-9,331	-9,780	-9,532	-9,772	-10,180	-10,462
Gross profit	1,194	1,334	1,411	1,474	1,518	1,582	1,654	1,700
Sales and administrative expenses	-881	-1,067	-1,034	-1,145	-1,050	-1,038	-1,075	-1,097
Other operating income	100	79	112	66	13	62	64	64
Other operating expenses	-67	-38	-30	-33	-44	8	69	87
EBITDA	519	563	747	1,260	1,426	1,470	1,587	1,626
Depreciation	-132	-192	-203	-156	-169	-129	-176	-172
EBITA	387	371	522	416	599	631	755	792
Amortisation of intangible acq related assets	-40	-63	-64	-56	-53	-53	-44	-38
EBIT	347	308	458	360	546	579	711	754
Net financials	-44	-80	-93	-143	-131	-96	-76	-98
PTP	303	228	365	217	415	483	635	656
Income tax	-82	-64	-107	-63	-86	-141	-190	-197
Net profit	221	164	258	154	329	342	444	459
Earnings per share (SEK)	7.26	4.64	7.19	4.19	9.19	9.42	12.46	12.87
Adj. EBITDA	558	589	747	1,409	1,426	1,470	1,587	1,626
Adj. EBITA	426	397	522	565	599	631	755	792
Adj. EBIT	386	334	458	509	546	579	711	754
Tax on EO	11	7	0	43	0	0	0	0
Adj. Net profit	271	197	258	346	329	342	444	459
Adj. EPS	9.15	5.55	7.16	9.79	9.19	9.42	12.46	12.87
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%	13.0%	13.4%	13.4%
EBITA margin	6.2%	4.0%	4.9%	3.7%	5.4%	5.6%	6.4%	6.5%
EBIT margin	5.5%	3.3%	4.3%	3.2%	4.9%	5.1%	6.0%	6.2%
Incremental margin	2.7%	-1.3%	10.7%	-19.1%	-91.2%	12.3%	25.6%	13.2%
Adj. EBITDA margin	8.9%	6.3%	7.0%	12.5%	12.9%	13.0%	13.4%	13.4%
Adj. EBITA margin	6.8%	4.2%	4.9%	5.0%	5.4%	5.6%	6.4%	6.5%
Adj. EBIT margin	6.1%	3.6%	4.3%	4.5%	4.9%	5.1%	6.0%	6.2%
Adj. Incremental margin	3.8%	-1.7%	8.9%	10.0%	-18.1%	12.3%	25.6%	13.2%

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	8,769	9,181	9,457
Print & Packaging Solutions	2,146	2,220	2,244	2,564	2,728	2,636	2,741	2,796
Group functions	28	35	47	37	40	40	40	41
Eliminations	-112	-129	-75	-122	-126	-127	-130	-132
Total sales	6,287	9,342	10,946	11,254	11,050	11,318	11,834	12,162
Sales bridge								
Volume	1%	7%	8%	1%	0%	6%	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%	2%	5%	3%
Sales bridge								
Volume	63	405	848	69	14	709	494	325
Price/Mix	0	0	0	0	0	0	0	0
Structural	1,885	2,624	48	-51	5	102	18	0
FX	62	28	503	477	-227	-542	0	0
Other	0	0	0	0	0	0	0	0
Total growth	2,011	3,058	1,399	495	-208	269	512	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%	-5%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	95%	75%	22%	3%	-4%	4%	5%	3%
Print & Packaging Solutions								
Volume	-1%	2%	9%	12%	10%	0%	4%	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%	-3%	4%	2%
EBIT per segment annual (SEKm)								
Supply Chain Solutions	259	253	346	220	435	447	567	608
Print & Packaging Solutions	127	93	132	174	147	167	181	184
Group functions	-59	-32	-20	-34	-36	-36	-37	-37
Group EBIT	347	308	458	360	546	578	711	754
Adj. EBIT per segment annual								
Supply Chain Solutions	264	258	346	362	435	447	567	608
Print & Packaging Solutions	127	109	132	181	147	167	181	184
Group functions	-93	-32	-20	-34	-36	-36	-37	-37
Adj group EBIT	318	334	458	509	546	578	711	754
EBIT margin per segment annual								
Supply Chain Solutions	6.5%	3.6%	4.1%	2.5%	5.2%	5.1%	6.2%	6.4%
Print & Packaging Solutions	5.9%	4.2%	5.9%	6.8%	5.4%	6.3%	6.6%	6.6%
EBIT margin	5.5%	3.3%	4.2%	3.2%	4.9%	5.1%	6.0%	6.2%
Adj. EBIT margin per segment annual								
Supply Chain Solutions	6.6%	3.7%	4.1%	4.1%	5.2%	5.1%	6.2%	6.4%
Print & Packaging Solutions	5.9%	4.9%	5.9%	7.1%	5.4%	6.3%	6.6%	6.6%
Adj EBIT margin	5.1%	3.6%	4.2%	4.5%	4.9%	5.1%	6.0%	6.2%

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	11,317	11,834	12,162
Revenue growth	8.9%	77.9%	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	2.4%	4.6%	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	1,469	1,587	1,626
Depreciation and impairments PPE	-90	-99	-115	-132	-192	-203	-844	-827	-838	-832	-834
of which leased assets	0	0	0	0	0	0	-688	-658	-709	-700	-700
EBITA	88	194	312	387	371	522	416	599	631	755	792
Amortisation and impairments	-8	-19	-20	-40	-63	-64	-56	-53	-52	-44	-38
EBIT	80	175	292	347	308	458	360	546	579	711	754
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	-96	-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	483	635	656
Reported taxes	-32	-52	-85	-82	-64	-107	-63	-86	-141	-190	-197
Net profit from continued operations	19	88	174	221	164	258	154	329	342	444	459
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	-1	-5	-6	-4	-9	-4	-4
Net profit to equity	19	88	174	221	163	253	148	325	333	440	455
EPS, SEK	0.81	3.49	6.18	7.48	4.61	7.16	4.19	9.19	9.42	12.46	12.87
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%	13.0%	13.4%	13.4%
EBITA	4.2%	5.2%	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	5.6%	6.4%	6.5%
EBIT	3.8%	4.7%	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	5.1%	6.0%	6.2%

Adjusted earnings

EBITDA (adj)	181	335	443	558	589	725	1,409	1,426	1,469	1,587	1,626
EBITA (adj)	91	236	328	426	397	522	565	599	631	755	792
EBIT (adj)	83	217	308	386	334	458	509	546	579	711	754
EPS (adj, SEK)	0.94	5.16	6.75	8.80	5.35	7.16	7.13	9.19	9.42	12.46	12.87

Adjusted profit margins in percent

EBITDA (adj)	8.6%	9.0%	10.5%	8.9%	6.3%	6.7%	12.5%	12.9%	13.0%	13.4%	13.4%
EBITA (adj)	4.3%	6.3%	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	5.6%	6.4%	6.5%
EBIT (adj)	4.0%	5.8%	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	5.1%	6.0%	6.2%

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%	23.1%	23.0%	17.5%
EBIT	38.0%	n.m.	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	10.8%	18.2%	10.5%
EPS	n.m.	n.m.	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	4.7%	22.0%	12.5%
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%	4.2%	4.7%	5.1%
Average EBITDA margin	7.1%	8.0%	9.4%	8.9%	7.7%	7.4%	8.3%	9.2%	10.1%	11.5%	12.8%

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	15.4	11.6	11.2
EV/EBITDA (adj)	6.9	5.4	5.7	9.6	9.4	7.8	5.0	5.0	5.4	4.8	4.5
EV/EBITA (adj)	13.8	7.6	7.7	12.6	14.0	10.8	12.5	11.8	12.6	10.1	9.3
EV/EBIT (adj)	15.1	8.3	8.2	13.9	16.7	12.3	13.9	13.0	13.7	10.7	9.7

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	15.4	11.6	11.2
EV/Sales	0.60	0.48	0.60	0.85	0.60	0.52	0.63	0.64	0.70	0.64	0.60
EV/EBITDA	7.0	6.1	5.9	10.3	9.9	7.8	5.6	5.0	5.4	4.8	4.5
EV/EBITA	14.2	9.3	8.1	13.9	15.0	10.8	17.0	11.8	12.6	10.1	9.3
EV/EBIT	15.7	10.3	8.7	15.5	18.1	12.3	19.7	13.0	13.7	10.7	9.7
Dividend yield (ord.)	3.6%	3.1%	3.5%	2.4%	3.2%	3.3%	0.0%	2.6%	2.8%	3.2%	3.3%
FCF yield	-7.0%	-14.9%	12.7%	-50.2%	-11.3%	10.3%	38.8%	38.1%	16.2%	22.2%	22.4%
FCF Yield bef A&D, lease adj	12.1%	13.1%	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	2.4%	8.5%	8.7%
Payout ratio	98.4%	31.5%	35.6%	34.8%	56.4%	40.5%	0.0%	33.7%	42.5%	36.9%	37.3%

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	2,277	2,300	2,325
of which leased assets	0	0	0	0	0	0	1,207	1,175	1,152	1,129	1,106
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	5,310	5,288	5,276
Inventory	107	254	266	295	390	468	335	233	170	178	182
Accounts receivable	387	844	825	1,396	1,795	1,762	1,740	635	1,358	1,420	1,459
Short-term leased assets	0	0	0	0	0	0	658	709	700	700	700
Other current assets	82	136	139	312	333	511	448	324	226	237	243
Cash and bank	215	457	529	651	679	722	655	1,101	1,114	1,410	1,692
Total current assets	792	1,690	1,758	2,654	3,197	3,463	3,836	3,002	3,568	3,944	4,277
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	8,878	9,232	9,553
Shareholders equity	1,039	1,348	1,488	2,411	2,453	2,707	2,777	2,908	3,131	3,430	3,723
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	13	17	21
Total Equity	1,039	1,348	1,488	2,411	2,453	2,707	2,777	2,912	3,144	3,447	3,744
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	1,246	1,223	1,200
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	3,424	3,401	3,378
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	1,626	1,701	1,748
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	2,310	2,384	2,431
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	8,878	9,232	9,553
Balance sheet and debt metrics											
Net debt	739	895	738	2,223	2,665	2,539	3,994	2,854	2,809	2,491	2,185
of which lease debt	0	0	0	0	0	0	1,898	1,917	1,885	1,862	1,839
Working capital	175	449	507	740	1,115	1,171	925	-396	128	134	137
Invested capital	1,847	2,329	2,309	4,868	5,326	5,445	6,293	5,241	5,438	5,422	5,413
Capital employed	1,993	2,700	2,755	5,285	5,797	5,968	7,287	6,863	7,064	7,344	7,617
ROE	1.9%	7.4%	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	11.0%	13.4%	12.7%
ROIC	3.2%	7.1%	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	7.4%	8.9%	9.5%
ROCE	4.4%	9.2%	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	8.3%	9.9%	10.1%
Net debt/EBITDA	4.2	3.1	1.7	4.3	4.7	3.5	3.2	2.0	1.9	1.6	1.3
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%	35.3%	37.2%	39.0%
Net gearing	71.1%	66.4%	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	89.3%	72.2%	58.4%

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	1,469	1,587	1,626
Paid taxes	-57	-61	-85	-104	-133	-127	-114	-41	-141	-190	-197
Net financials	0	0	0	0	0	1	-143	-131	-96	-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	1,529	1,320	1,331
Change in NWC	3	-89	-8	-13	-419	4	104	461	-524	-6	-4
Cash flow from operations (CFO)	128	162	269	331	-64	455	1,336	1,727	1,005	1,315	1,327
Capital expenditure	-66	-44	-46	-112	-196	-161	-133	-88	-174	-178	-182
Free cash flow before A&D	62	118	223	219	-260	294	1,203	1,639	831	1,137	1,145
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	831	1,137	1,145
Free cash flow bef A&D, lease adj	62	118	223	219	-260	294	515	981	122	437	445
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	-709	-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	13	296	282
Cash flow metrics											
Capex/D&A	67.7%	37.1%	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	19.6%	20.3%	20.9%
Capex/Sales	3.2%	1.2%	1.1%	1.8%	2.1%	1.5%	1.2%	0.8%	1.5%	1.5%	1.5%
Key information											
Share price year end (/current)	22	36	63	106	82	87	87	120	145	145	145
Market cap.	514	899	1,787	3,140	2,899	3,083	3,083	4,229	5,120	5,120	5,120
Enterprise value	1,253	1,795	2,525	5,363	5,564	5,622	7,077	7,087	7,942	7,628	7,326
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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