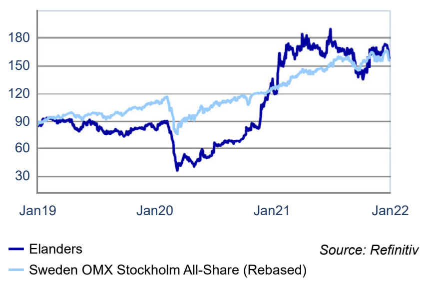
Elanders

Consumer Goods
Sweden

KEY DATA

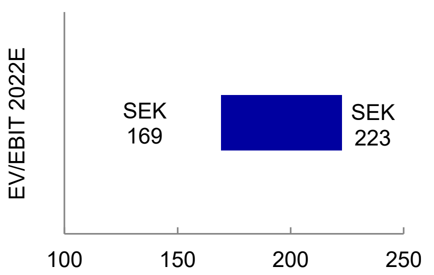
Stock country	Sweden
Bloomberg	ELANB SS
Reuters	ELANb.ST
Share price (close)	SEK 160.2
Free Float	50%
Market cap. (bn)	EUR 0.55/SEK 5.66
Website	www.elanders.com
Next report date	03 Feb 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	2%	9%	10%
EBIT (adj)	-1%	10%	15%

Source: Nordea estimates

Nordea Markets - Analysts
Carl Ragnerstam
Analyst

Victor Hansen
Analyst

A clearly improved growth profile

Elanders will present its Q4 report on 3 February. We expect Q4 to be a transitional quarter with muted ~2% group organic growth and a 110 bp y/y margin drop. On the positive side, we argue that Q4 will be a sequential step in the right direction. Entering 2022, we see an acceleration of Automotive-related volumes – together with the acquisition of Bergen Logistics, this should drive y/y EBIT growth of 31% and a 2020-23E EBIT CAGR of 17%. With the recent acquisitions on board, Elanders will not only dilute its Automotive market exposure but also increase its exposure to the fast-growing e-commerce market, from ~20% up to 30% of group sales, leading to a clearly improved organic growth profile. As such, we raise our multiples-based equity value range to SEK 169-223 (121-146).

Clearly a step in the right direction

We expect Q4 to be yet another transitional quarter for Elanders. We forecast group sales of SEK 3,153m, up 9% y/y (1.8% organic, 7.3% M&A and 0.4% FX). The sequentially unchanged and overall soft group organic growth should be a function of a 12% organic sales decline in Print & Packaging, owing to its subscription box customer insourcing some of the logistics, while we see continued decent 7% organic growth for Supply Chain Solutions where its Automotive and Electronics end markets are still burdened by component issues, offset by strong momentum for e-commerce. On the group level, we forecast adjusted EBIT of SEK 231m, down 5% y/y, implying a margin of 7.3% (down 110 bp y/y). While this is a sequential improvement, the margin will likely still be negatively impacted by inefficient and volatile production.

10-15% earnings upgrades driven by M&A

Ahead of Q4, we upgrade 2022E-23E adjusted EBIT by 10-15%, primarily due to the recent acquisitions of Bergen Logistics and Eijgenhuijsen Exploitatie adding net sales of SEK 860m and SEK 100m, respectively. We view the former as a transitionary platform acquisition, which not only strengthens Elanders' overall e-commerce offering but also its geographical presence in North America. Impressively, Bergen Logistics comes with a track record of 20-25% organic growth in the past few years and an EBITA margin of ~11.5%. We see plenty of opportunities for synergies, primarily related to cross-selling, as several of Elanders' current e-commerce customers with US expansion plans are seeking a logistics partner.

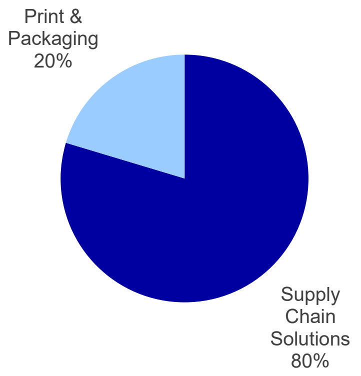
SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	9,342	10,742	11,254	11,050	11,521	12,883	13,421
EBITDA (adj)	589	725	1,409	1,426	1,465	1,747	1,806
EBIT (adj)	334	458	509	546	572	786	865
EBIT (adj) margin	3.6%	4.3%	4.5%	4.9%	5.0%	6.1%	6.4%
EPS (adj, SEK)	5.35	7.16	7.13	9.19	9.21	13.22	15.00
EPS (adj) growth	-39.2%	33.9%	-0.4%	29.0%	0.2%	43.6%	13.5%
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	0.9	0.7	0.7
EV/EBIT (adj)	16.7	12.3	13.9	13.0	17.8	12.3	10.7
P/E (adj)	15.3	12.2	12.2	13.0	17.4	12.1	10.7
P/BV	1.2	1.1	1.1	1.5	1.8	1.6	1.5
Dividend yield (ord)	3.2%	3.3%	0.0%	2.6%	2.5%	2.9%	3.0%
FCF Yield bef A&D, lease	-9.0%	9.5%	16.7%	23.2%	5.2%	9.1%	9.9%
Net debt	2,665	2,539	3,994	2,854	4,483	3,922	3,501
Net debt/EBITDA	4.7	3.5	3.2	2.0	3.0	2.2	1.9
ROIC after tax	4.5%	5.8%	5.9%	6.4%	6.4%	7.7%	8.5%

Source: Company data and Nordea estimates

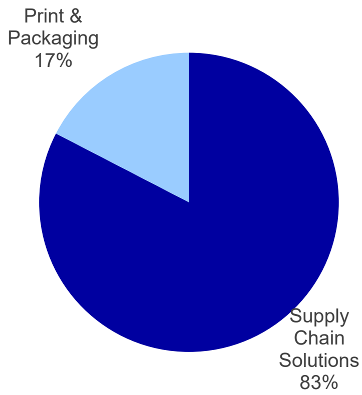
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%)



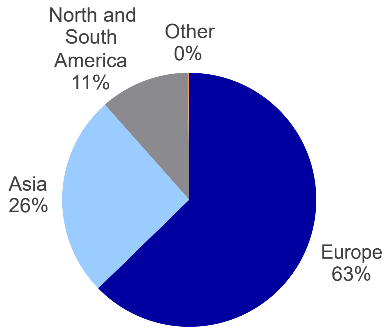
Source: Company data and Nordea estimates

ELANDERS: EBITA SPLIT BY SEGMENT (%)



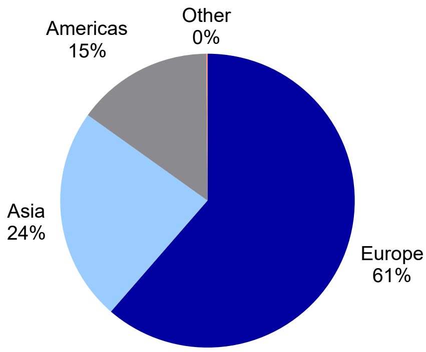
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%)



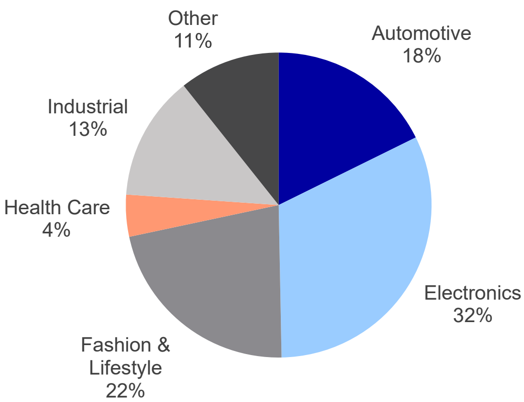
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%)



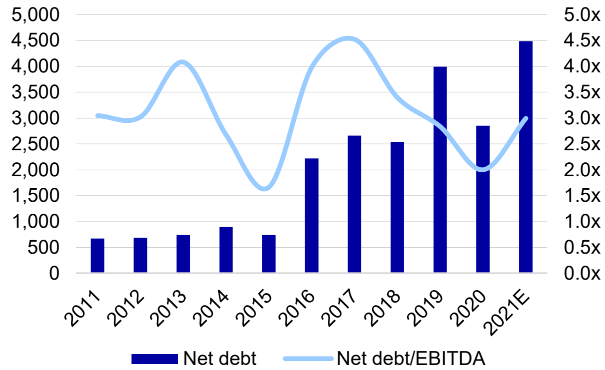
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%)



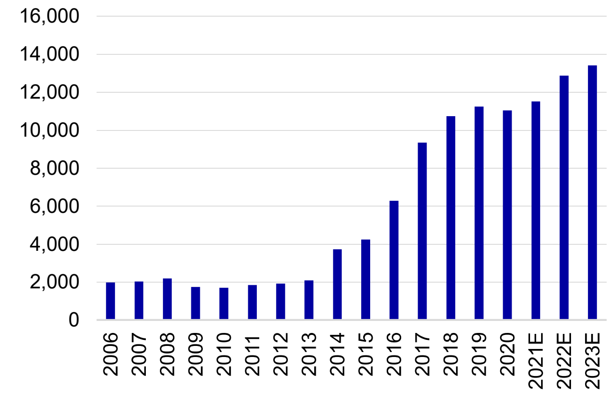
Source: Company data and Nordea estimates

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



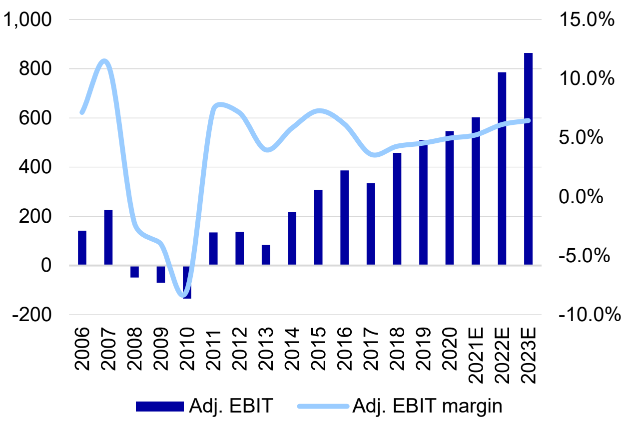
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)



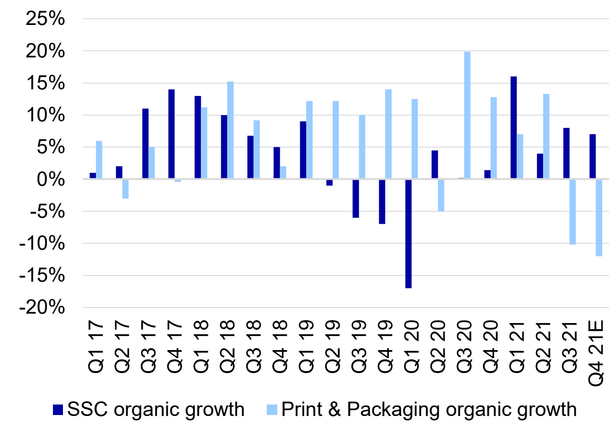
Source: Company data and Nordea estimates

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



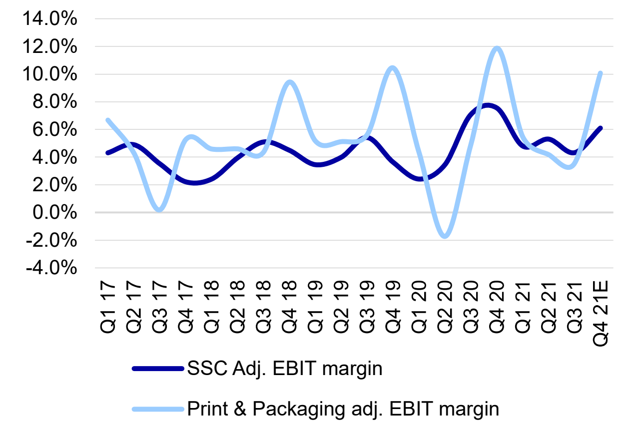
Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)



Source: Company data and Nordea estimates

ELANDERS: EBIT MARGIN DEVELOPMENT BY SEGMENT (%)



Source: Company data and Nordea estimates

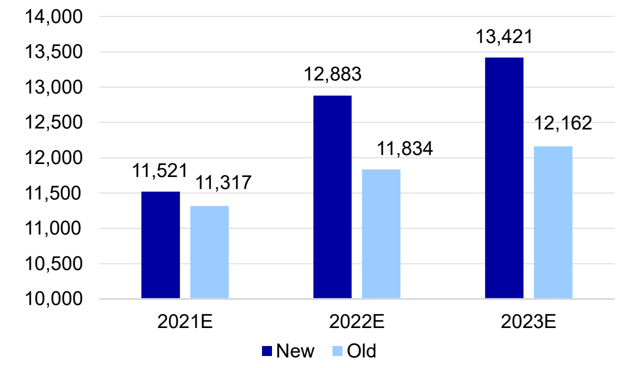
Estimate revisions

ELANDERS: ESTIMATE REVISIONS

	New estimates			Old estimates			Difference %		
SEKm	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**
Net sales	11,521	12,883	13,421	11,317	11,834	12,162	2%	9%	10%
Cost of goods sold	-9,975	-11,102	-11,546	-9,772	-10,180	-10,462	2%	9%	10%
Gross profit	**1,546**	**1,781**	**1,876**	**1,582**	**1,654**	**1,700**	**-2%**	**8%**	**10%**
EBITA	639	838	909	631	755	792	1%	11%	15%
Amortisation of intangibles	-53	-52	-44	-53	-44	-38	0%	18%	18%
EBIT	587	786	865	579	711	754	1%	10%	15%
Net financials	-96	-104	-101	-96	-76	-98	0%	37%	3%
PTP	491	681	764	483	635	656	2%	7%	16%
Income tax	-141	-184	-229	-141	-190	-197	0%	-3%	16%
Net profit	350	497	535	342	444	459	2%	12%	16%
Earnings per share (SEK)	9.63	13.22	15.00	9.42	12.46	12.87	2%	6%	17%
Adj. EBITA	654	838	909	631	755	792	4%	11%	15%
Adj. EBIT	**602**	**786**	**865**	**579**	**711**	**754**	**4%**	**10%**	**15%**
Tax on EO	4	0	0	0	0	0	n.a	n.a	n.a
Adj. Net profit	369	497	535	342	444	459	8%	12%	16%
Adj. EPS	10.18	13.22	15.00	9.42	12.46	12.87	8%	6%	17%
Adj. EBITA margin	5.7%	6.5%	6.8%	5.6%	6.4%	6.5%	0.1pp	0.1pp	0.3pp
Adj. EBIT margin	5.2%	6.1%	6.4%	5.1%	6.0%	6.2%	0.1pp	0.1pp	0.2pp
Adj. Incremental margin	11.9%	13.5%	14.7%	12.3%	25.6%	13.2%	-0.5pp	-12.1pp	1.5pp
Net sales per segment									
Supply Chain Solutions	8,957	10,263	10,776	8,769	9,181	9,457	2%	12%	14%
Print & Packaging Solutions	2,652	2,713	2,740	2,636	2,741	2,796	1%	-1%	-2%
Group functions	40	40	40	40	40	41	0%	-1%	-1%
Eliminations	-127	-132	-135	-127	-130	-132	0%	2%	2%
Group net sales	**11,522**	**12,883**	**13,421**	**11,318**	**11,834**	**12,162**	**2%**	**9%**	**10%**
Adj EBIT per segment									
Supply Chain Solutions	462	649	726	447	567	608	3%	14%	19%
Print & Packaging Solutions	160	169	171	167	181	184	-4%	-7%	-7%
Group functions	-51	-32	-33	-36	-37	-37	42%	-13%	-13%
Group EBIT	**571**	**786**	**865**	**578**	**711**	**754**	**-1%**	**10%**	**15%**
Adj. EBIT margin									
Supply Chain Solutions	5.2%	6.3%	6.7%	5.1%	6.2%	6.4%	0.1pp	0.1pp	0.3pp
Print & Packaging Solutions	6.0%	6.2%	6.3%	6.3%	6.6%	6.6%	-0.3pp	-0.4pp	-0.3pp
Group	**5.1%**	**6.1%**	**6.4%**	**5.1%**	6.0%	6.2%	**0.0pp**	**0.1pp**	**0.2pp**

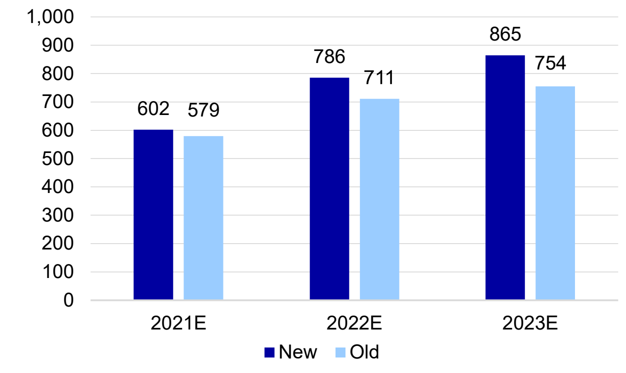
Source: Nordea estimates

NET SALES: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

ADJUSTED EBIT: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

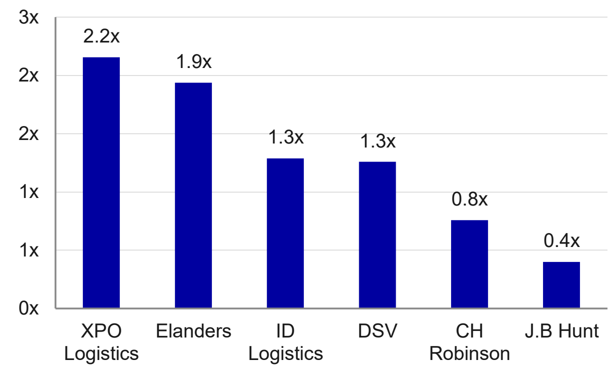
Valuation

ELANDERS: PEER VALUATION TABLE

		Mcap.	Adj. EV/EBITDA		Adj. EV/EBITA		Adj. EV/EBIT		Adj. P/E		Div. yield		ND/EBITDA		ROIC	
Stock	**Rec.**	**SEKm**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**
Agility	-	64,603	19.4x	17.6x	-	-	28.4x	25.9x	40.8x	35.7x	1.3%	1.9%	-	-	3.3%	3.4%
CH Robinson	-	127,516	13.3x	14.7x	-	-	14.5x	16.1x	17.7x	19.3x	2.0%	2.1%	0.8x	0.8x	22.2%	18.0%
DSV	BUY	317,400	15.4x	14.8x	19.0x	18.2x	19.1x	18.2x	23.9x	22.9x	0.3%	0.3%	1.4x	1.3x	14.3%	14.4%
Elanders		5,615	5.5x	5.1x	11.4x	10.1x	12.2x	10.6x	12.0x	10.6x	2.9%	3.0%	2.2x	1.9x	7.7%	8.5%
Expeditors	-	192,273	12.6x	15.2x	-	-	13.5x	15.9x	19.2x	22.5x	0.9%	0.9%	-	-	33.7%	25.9%
ID Logistics	-	19,816	8.3x	7.7x	26.2x	23.3x	25.7x	23.3x	41.2x	35.4x	0.0%	0.0%	1.6x	1.3x	0.0%	0.0%
J.B Hunt	-	189,126	12.1x	11.3x	-	-	18.0x	16.4x	24.3x	22.1x	0.6%	0.7%	0.5x	0.4x	18.4%	19.5%
Kerry Logistics	-	40,479	7.3x	6.2x	-	-	11.3x	14.1x	14.0x	14.9x	2.4%	2.1%	-	-	17.0%	19.2%
Huehne & Nagel	-	325,784	11.2x	12.4x	12.9x	15.2x	15.2x	17.7x	21.2x	24.3x	2.9%	2.6%	-	-	44.2%	31.2%
Landstar	-	57,369	11.6x	12.1x	-	-	12.9x	13.8x	16.9x	17.8x	0.6%	0.6%	-	-	34.3%	0.0%
Old Dominion	-	345,431	20.1x	17.8x	-	-	23.6x	21.0x	32.2x	28.1x	0.3%	0.3%	-	-	30.3%	29.0%
XPO Logistics	-	73,566	8.6x	8.0x	-	-	13.4x	12.2x	15.0x	13.2x	0.0%	0.0%	2.6x	2.2x	17.3%	13.3%
Average		**146,582**	**12.1x**	**11.9x**	**17.4x**	**16.7x**	**17.3x**	**17.1x**	**23.2x**	**22.2x**	**1.2%**	**1.2%**	**1.5x**	**1.3x**	**20.2%**	**15.2%**
Median		**100,541**	**11.9x**	**12.3x**	**15.9x**	**16.7x**	**14.9x**	**16.2x**	**20.2x**	**22.3x**	**0.8%**	**0.8%**	**1.5x**	**1.3x**	**17.8%**	**16.2%**
Elanders		**5,615**	**5.5x**	**5.1x**	**11.4x**	**10.1x**	**12.2x**	**10.6x**	**12.0x**	**10.6x**	**2.9%**	**3.0%**	**2.2x**	**1.9x**	**7.7%**	**8.5%**
vs. peer average	-	-	-55%	-57%	-34%	-40%	-30%	-38%	-48%	-52%	1.7pp	2.2pp	48%	49%	-13pp	-7.7pp
vs. peer median	-	-	-54%	-59%	-28%	-39%	-18%	-35%	-41%	-52%	2.1pp	2.2pp	53%	52%	-10pp	-7.7pp
vs. ID Logistics	-	-	-34%	-34%	-56%	-57%	-53%	-55%	-71%	-70%	2.9pp	3.0pp	43%	50%	8pp	9pp
vs. XPO Logistics	-	-	-36%	-37%	nm	nm	-9%	-13%	-20%	-20%	2.9pp	3.0pp	-13%	-10%	-10pp	-5pp

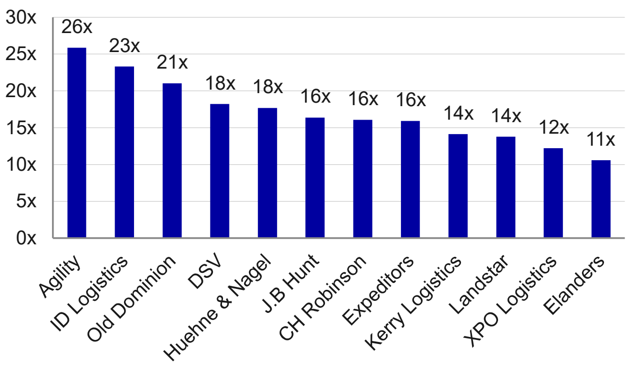
Source: Refinitiv and Nordea estimates

2023E NET DEBT/EBITDA (x)



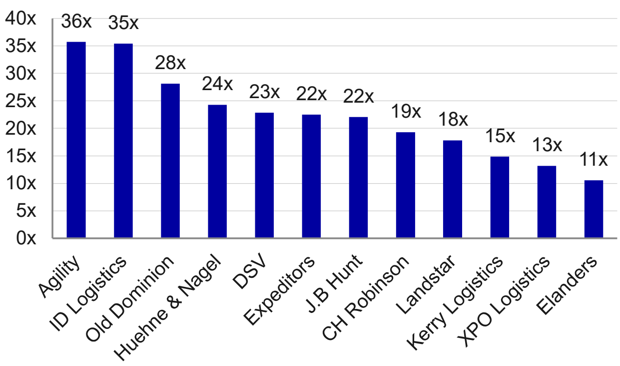
Source: Refinitiv and Nordea estimates

2023E EV/EBITA (x)



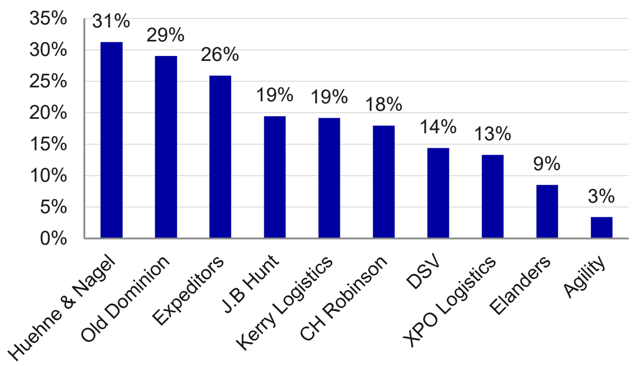
Source: Refinitiv and Nordea estimates

2023E P/E (x)



Source: Refinitiv and Nordea estimates

2023E ROIC (%)



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	3,153
Cost of goods sold	-2,234	-2,537	-2,359	-2,402	-2,352	-2,386	-2,500	-2,737
Gross profit	338	277	419	484	382	383	365	416
Sales and administrative expenses	-285	-272	-247	-246	-265	-259	-264	-267
Other operating income	-28	10	13	18	17	12	15	19
Other operating expenses	-13	-11	-7	-13	-6	-5	-5	47
EBITDA	292	278	390	466	341	343	342	455
Depreciation	-39	-41	-39	-50	-23	-21	-41	-47
EBITA	81	72	190	256	142	145	124	229
Amortisation of intangible acq related assets	-14	-13	-13	-13	-14	-13	-13	-13
EBIT	67	59	177	243	128	132	111	216
Net financials	-39	-30	-30	-32	-25	-22	-23	-26
PTP	28	29	147	211	103	110	88	190
Income tax	-13	-9	-9	-55	-35	-24	-31	-51
Net profit	15	20	138	156	68	86	57	139
Earnings per share (SEK)	0.42	0.54	3.87	4.36	1.95	2.35	1.56	3.78
Adj. EBITDA	292	278	390	466	341	343	342	470
Adj. EBITA	81	72	190	256	142	145	124	244
Adj. EBIT	67	59	177	243	128	132	111	231
Tax on EO	0	0	0	0	0	0	0	4
Adj. Net profit	15	20	138	156	68	86	57	128
Adj. EPS	0.42	0.54	3.87	4.36	1.95	2.35	1.56	3.47
Gross margin	13.1%	9.8%	15.1%	16.8%	14.0%	13.8%	12.7%	13.2%
EBITDA margin	11.4%	9.9%	14.0%	16.1%	12.5%	12.4%	11.9%	14.4%
EBITA margin	3.1%	2.6%	6.8%	8.9%	5.2%	5.2%	4.3%	7.3%
EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	3.9%	6.8%
Incremental margin	18.4%	-62.1%	-44.7%	-1483.3%	37.7%	-162.2%	-75.9%	-10.1%
Adj. EBITDA margin	11.4%	9.9%	14.0%	16.1%	12.5%	12.4%	11.9%	14.9%
Adj. EBITA margin	3.1%	2.6%	6.8%	8.9%	5.2%	5.2%	4.3%	7.7%
Adj. EBIT margin	2.6%	2.1%	6.4%	8.4%	4.7%	4.8%	3.9%	7.3%
Adj. Incremental margin	18.4%	-62.1%	-44.7%	-1483.3%	37.7%	-162.2%	-75.9%	-10.1%

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	2,437
Print & Packaging Solutions	686	578	672	792	694	622	592	744
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**	**3,153**
Sales bridge								
Volume	-11%	2%	5%	4%	14%	6%	3%	2%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	0%	0%	0%	0%	1%	2%	7%
FX	2%	1%	-6%	-6%	-8%	-9%	-2%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	**-8%**	**3%**	**-2%**	**-1%**	**6%**	**-2%**	**3%**	**9%**
Sales bridge								
Volume	-299	60	116	137	353	169	107	45
Price/Mix	0	0	0	0	0	0	0	0
Structural	0	0	0	5	11	30	43	212
FX	66	35	-163	-164	-202	-243	-63	11
Other	0	0	0	0	0	0	0	0
Total growth	**-234**	**95**	**-47**	**-22**	**163**	**-44**	**87**	**267**
Growth per segment quarterly								
(%)	**Q1 20**	**Q2 20**	**Q3 20**	**Q4 20**	**Q1 21**	**Q2 21**	**Q3 21**	**Q4 21E**
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%	8%
FX	2%	2%	-4%	-6%	-9%	-9%	-2%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	**-15%**	**6%**	**-4%**	**-4%**	**8%**	**-4%**	**8%**	**15%**
Print & Packaging Solutions								
Volume	13%	-5%	20%	13%	7%	13%	-10%	-12%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	0%	0%	0%	0%	0%	0%	5%
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%	-6%
EBIT per segment quarterly								
(SEKm)	**Q1 20**	**Q2 20**	**Q3 20**	**Q4 20**	**Q1 21**	**Q2 21**	**Q3 21**	**Q4 21E**
Supply Chain Solutions	46	78	151	160	99	115	99	149
Print & Packaging Solutions	30	-10	33	94	38	26	21	75
Group functions	-9	-9	-7	-11	-9	-9	-10	-8
Group EBIT	**67**	**59**	**177**	**243**	**128**	**132**	**111**	**216**
Adj. EBIT per segment quarterly								
Supply Chain Solutions	46	78	151	160	99	115	99	149
Print & Packaging Solutions	30	-10	33	94	38	26	21	75
Group functions	-9	-9	-7	-11	-9	-9	-10	-23
Adj group EBIT	**67**	**59**	**177**	**243**	**129**	**132**	**111**	**201**
EBIT margin per segment quarterly								
Supply Chain Solutions	2.4%	3.5%	7.1%	7.6%	4.8%	5.3%	4.3%	6.1%
Print & Packaging Solutions	4.4%	-1.7%	4.9%	11.9%	5.5%	4.2%	3.5%	10.1%
EBIT margin	**2.6%**	**2.1%**	**6.4%**	**8.4%**	**4.7%**	**4.8%**	**3.9%**	**6.8%**
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	2.4%	3.5%	7.1%	7.6%	4.8%	5.3%	4.3%	6.1%
Print & Packaging Solutions	4.4%	-1.7%	4.9%	11.9%	5.5%	4.2%	3.5%	10.1%
Adj EBIT margin	**2.6%**	**2.1%**	**6.4%**	**8.4%**	**4.7%**	**4.8%**	**3.9%**	**6.4%**

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	11,521	12,883	13,421
Cost of goods sold	-5,091	-8,008	-9,331	-9,780	-9,532	-9,975	-11,102	-11,546
Gross profit	1,194	1,334	1,411	1,474	1,518	1,546	1,781	1,876
Sales and administrative expenses	-881	-1,067	-1,034	-1,145	-1,050	-1,055	-1,173	-1,213
Other operating income	100	79	112	66	13	63	69	71
Other operating expenses	-67	-38	-30	-33	-44	31	108	131
EBITDA	519	563	747	1,260	1,426	1,481	1,747	1806
Depreciation	-132	-192	-203	-156	-169	-132	-193	-241
EBITA	387	371	522	416	599	639	838	909
Amortisation of intangible acq related assets	-40	-63	-64	-56	-53	-53	-52	-44
EBIT	347	308	458	360	546	587	786	865
Net financials	-44	-80	-93	-143	-131	-96	-104	-101
PTP	303	228	365	217	415	491	681	764
Income tax	-82	-64	-107	-63	-86	-141	-184	-229
Net profit	221	164	258	154	329	350	497	535
Earnings per share (SEK)	7.26	4.64	7.19	4.19	9.19	9.63	13.22	15.00
Adj. EBITDA	558	589	747	1,409	1,426	1,496	1,747	1806
Adj. EBITA	426	397	522	565	599	654	838	909
Adj. EBIT	386	334	458	509	546	602	786	865
Tax on EO	11	7	0	43	0	4	0	0
Adj. Net profit	271	197	258	346	329	369	497	535
Adj. EPS	9.15	5.55	7.16	9.79	9.19	10.18	13.22	15.00
Gross margin	19.0%	14.3%	13.1%	13.1%	13.7%	13.4%	13.8%	14.0%
EBITDA margin	8.3%	6.0%	7.0%	11.2%	12.9%	12.9%	13.6%	13.5%
EBITA margin	6.2%	4.0%	4.9%	3.7%	5.4%	5.5%	6.5%	6.8%
EBIT margin	5.5%	3.3%	4.3%	3.2%	4.9%	5.1%	6.1%	6.4%
Incremental margin	2.7%	-1.3%	10.7%	-19.1%	-91.2%	8.7%	14.6%	14.7%
Adj. EBITDA margin	8.9%	6.3%	7.0%	12.5%	12.9%	13.0%	13.6%	13.5%
Adj. EBITA margin	6.8%	4.2%	4.9%	5.0%	5.4%	5.7%	6.5%	6.8%
Adj. EBIT margin	6.1%	3.6%	4.3%	4.5%	4.9%	5.2%	6.1%	6.4%
Adj. Incremental margin	3.8%	-1.7%	8.9%	10.0%	-18.1%	11.9%	13.5%	14.7%

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	8,957	10,263	10,776
Print & Packaging Solutions	2,146	2,220	2,244	2,564	2,728	2,652	2,713	2,740
Group functions	28	35	47	37	40	40	40	40
Eliminations	-112	-129	-75	-122	-126	-127	-132	-135
Total sales	**6,287**	**9,342**	**10,946**	**11,254**	**11,050**	**11,522**	**12,883**	**13,421**
Sales bridge								
Volume	1%	7%	8%	1%	0%	6%	4%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	44%	42%	1%	0%	0%	3%	8%	0%
FX	1%	0%	5%	4%	-2%	-4%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	**48%**	**49%**	**15%**	**5%**	**-2%**	**4%**	**12%**	**4%**
Sales bridge								
Volume	63	405	848	69	14	674	428	535
Price/Mix	0	0	0	0	0	0	0	0
Structural	1,885	2,624	48	-51	5	296	933	0
FX	62	28	503	477	-227	-497	0	0
Other	0	0	0	0	0	0	0	0
Total growth	**2,011**	**3,058**	**1,399**	**495**	**-208**	**473**	**1,361**	**535**
Growth per segment annual								
(%)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Supply Chain Solutions								
Volume	4%	10%	8%	-2%	-3%	8%	5%	5%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	88%	65%	1%	0%	0%	3%	10%	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%**	**7%**	**15%**	**5%**
Print & Packaging Solutions								
Volume	-1%	2%	9%	12%	10%	-1%	-1%	1%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	4%	2%	0%	-2%	0%	1%	3%	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%	2%	1%
EBIT per segment annual								
(SEKm)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Supply Chain Solutions	259	253	346	220	435	462	649	726
Print & Packaging Solutions	127	93	132	174	147	160	169	171
Group functions	-59	-32	-20	-34	-36	-36	-32	-33
Group EBIT	**347**	**308**	**458**	**360**	**546**	**586**	**786**	**865**
Adj. EBIT per segment annual								
Supply Chain Solutions	264	258	346	362	435	462	649	726
Print & Packaging Solutions	127	109	132	181	147	160	169	171
Group functions	-93	-32	-20	-34	-36	-51	-32	-33
Adj group EBIT	**318**	**334**	**458**	**509**	**546**	**571**	**786**	**865**
EBIT margin per segment annual								
Supply Chain Solutions	6.5%	3.6%	4.1%	2.5%	5.2%	5.2%	6.3%	6.7%
Print & Packaging Solutions	5.9%	4.2%	5.9%	6.8%	5.4%	6.0%	6.2%	6.3%
EBIT margin	**5.5%**	**3.3%**	**4.2%**	**3.2%**	**4.9%**	**5.1%**	**6.1%**	**6.4%**
Adj. EBIT margin per segment annual								
Supply Chain Solutions	6.6%	3.7%	4.1%	4.1%	5.2%	5.2%	6.3%	6.7%
Print & Packaging Solutions	5.9%	4.9%	5.9%	7.1%	5.4%	6.0%	6.2%	6.3%
Adj EBIT margin	**5.1%**	**3.6%**	**4.2%**	**4.5%**	**4.9%**	**5.0%**	**6.1%**	**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**	**11,521**	**12,883**	**13,421**
Revenue growth	8.9%	77.9%	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	4.3%	11.8%	4.2%
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	1,480	1,747	1,806
Depreciation and impairments PPE	-90	-99	-115	-132	-192	-203	-844	-827	-841	-909	-897
of which leased assets	0	0	0	0	0	0	-688	-658	-709	-716	-700
EBITA	88	194	312	387	371	522	416	599	639	838	909
Amortisation and impairments	-8	-19	-20	-40	-63	-64	-56	-53	-52	-52	-44
EBIT	80	175	292	347	308	458	360	546	587	786	865
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	-104	-101
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**	**491**	**681**	**764**
Reported taxes	-32	-52	-85	-82	-64	-107	-63	-86	-141	-184	-229
Net profit from continued operations	19	88	174	221	164	258	154	329	350	497	535
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	-1	-5	-6	-4	-9	-30	-4
Net profit to equity	19	88	174	221	163	253	148	325	341	467	531
EPS, SEK	**0.81**	**3.49**	**6.18**	**7.48**	**4.61**	**7.16**	**4.19**	**9.19**	**9.63**	**13.22**	**15.00**
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%	12.8%	13.6%	13.5%
EBITA	4.2%	5.2%	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	5.5%	6.5%	6.8%
EBIT	3.8%	4.7%	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	5.1%	6.1%	6.4%
Adjusted earnings											
EBITDA (adj)	181	335	443	558	589	725	1,409	1,426	1,465	1,747	1,806
EBITA (adj)	91	236	328	426	397	522	565	599	624	838	909
EBIT (adj)	83	217	308	386	334	458	509	546	572	786	865
EPS (adj, SEK)	0.94	5.16	6.75	8.80	5.35	7.16	7.13	9.19	9.21	13.22	15.00
Adjusted profit margins in percent											
EBITDA (adj)	8.6%	9.0%	10.5%	8.9%	6.3%	6.7%	12.5%	12.9%	12.7%	13.6%	13.5%
EBITA (adj)	4.3%	6.3%	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	5.4%	6.5%	6.8%
EBIT (adj)	4.0%	5.8%	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	5.0%	6.1%	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%	12.9%	6.6%	4.6%
EBITDA	7.8%	40.8%	74.6%	21.4%	21.9%	32.4%	33.9%	27.3%	23.3%	25.4%	20.0%
EBIT	38.0%	n.m.	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	11.1%	20.6%	13.6%
EPS	n.m.	n.m.	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	5.2%	23.5%	16.0%
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%	4.8%	5.2%
Average EBITDA margin	7.1%	8.0%	9.4%	8.9%	7.7%	7.4%	8.3%	9.2%	10.1%	11.6%	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	17.4	12.1	10.7
EV/EBITDA (adj)	6.9	5.4	5.7	9.6	9.4	7.8	5.0	5.0	6.9	5.5	5.1
EV/EBITA (adj)	13.8	7.6	7.7	12.6	14.0	10.8	12.5	11.8	16.3	11.5	10.1
EV/EBIT (adj)	15.1	8.3	8.2	13.9	16.7	12.3	13.9	13.0	17.8	12.3	10.7

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	16.6	12.1	10.7
EV/Sales	0.60	0.48	0.60	0.85	0.60	0.52	0.63	0.64	0.88	0.75	0.69
EV/EBITDA	7.0	6.1	5.9	10.3	9.9	7.8	5.6	5.0	6.9	5.5	5.1
EV/EBITA	14.2	9.3	8.1	13.9	15.0	10.8	17.0	11.8	15.9	11.5	10.1
EV/EBIT	15.7	10.3	8.7	15.5	18.1	12.3	19.7	13.0	17.3	12.3	10.7
Dividend yield (ord.)	3.6%	3.1%	3.5%	2.4%	3.2%	3.3%	0.0%	2.6%	2.5%	2.9%	3.0%
FCF yield	-7.0%	-14.9%	12.7%	-50.2%	-11.3%	10.3%	38.8%	38.1%	-12.3%	21.7%	22.3%
FCF Yield bef A&D, lease adj	12.1%	13.1%	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	5.2%	9.1%	9.9%
Payout ratio	84.9%	21.3%	32.6%	29.6%	48.6%	40.5%	0.0%	33.7%	43.4%	34.8%	32.0%

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	4,053	4,001	3,957
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	3,373	3,321	3,277
of which goodwill	0	0	0	0	0	0	0	0	680	680	680
Tangible assets	515	583	533	1,047	1,075	1,056	2,139	2,255	2,601	2,578	2,559
of which leased assets	0	0	0	0	0	0	1,207	1,175	1,136	1,113	1,090
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	6,654	6,579	6,516
Inventory	107	254	266	295	390	468	335	233	230	258	268
Accounts receivable	387	844	825	1,396	1,795	1,762	1,740	635	1,383	1,546	1,611
Short-term leased assets	0	0	0	0	0	0	658	709	716	700	700
Other current assets	82	136	139	312	333	511	448	324	346	387	403
Cash and bank	215	457	529	651	679	722	655	1,101	-414	-41	356
Total current assets	792	1,690	1,758	2,654	3,197	3,463	3,836	3,002	2,261	2,849	3,338
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**	**8,915**	**9,428**	**9,854**
Shareholders equity	1,039	1,348	1,488	2,411	2,453	2,707	2,777	2,908	3,139	3,465	3,833
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	43	47
Total Equity	1,039	1,348	1,488	2,411	2,453	2,707	2,777	2,912	3,152	3,508	3,880
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	1,207	1,184
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	3,385	3,362
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	1,656	1,851	1,929
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	2,339	2,535	2,612
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**	**8,915**	**9,428**	**9,854**
Balance sheet and debt metrics											
Net debt	739	895	738	2,223	2,665	2,539	3,994	2,854	4,483	3,922	3,501
of which lease debt	0	0	0	0	0	0	1,898	1,917	1,885	1,846	1,823
Working capital	175	449	507	740	1,115	1,171	925	-396	303	339	353
Invested capital	1,847	2,329	2,309	4,868	5,326	5,445	6,293	5,241	6,957	6,918	6,869
Capital employed	1,993	2,700	2,755	5,285	5,797	5,968	7,287	6,863	7,071	7,388	7,737
ROE	1.9%	7.4%	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	11.3%	14.2%	14.5%
ROIC	3.2%	7.1%	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	6.4%	7.7%	8.5%
ROCE	4.4%	9.2%	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	8.2%	10.9%	11.4%
Net debt/EBITDA	4.2	3.1	1.7	4.3	4.7	3.5	3.2	2.0	3.0	2.2	1.9
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%	35.2%	36.8%	38.9%
Net gearing	71.1%	66.4%	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	142.2%	111.8%	90.2%

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**	**1,480**	**1,747**	**1,806**
Paid taxes	-57	-61	-85	-104	-133	-127	-114	-41	-141	-184	-229
Net financials	0	0	0	0	0	1	-143	-131	-96	-104	-101
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**	**1,540**	**1,459**	**1,476**
Change in NWC	3	-89	-8	-13	-419	4	104	461	-359	-36	-14
Cash flow from operations (CFO)	**128**	**162**	**269**	**331**	**-64**	**455**	**1,336**	**1,727**	**1,181**	**1,423**	**1,462**
Capital expenditure	-66	-44	-46	-112	-196	-161	-133	-88	-177	-193	-201
Free cash flow before A&D	**62**	**118**	**223**	**219**	**-260**	**294**	**1,203**	**1,639**	**1,004**	**1,230**	**1,260**
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	-1,700	0	0
Free cash flow	-36	-134	227	-1,575	-327	318	1,196	1,611	-696	1,230	1,260
Free cash flow bef A&D, lease adj	62	118	223	219	-260	294	515	981	295	514	560
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	-716	-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	-1,515	372	398
Cash flow metrics											
Capex/D&A	67.7%	37.1%	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	19.8%	20.1%	21.4%
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	174	160	160
Market cap.	514	899	1,787	3,140	2,899	3,083	3,083	4,229	5,664	5,664	5,664
Enterprise value	1,253	1,795	2,525	5,363	5,564	5,622	7,077	7,087	10,160	9,629	9,212
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

Disclaimer and legal disclosures

Origin of the report
This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report
This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report
All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice
The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources
This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability
Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information
The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest
Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.
Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: https://research.nordea.com/compliance

Distribution restrictions
The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Shareholding
Nordea analysts do not hold shares in the companies that they cover.
No holdings or other affiliations by analysts or associates.

Fair value and sensitivity
We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive.
It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material
This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest
Nordea has no market-making obligations in Elanders.

Investment banking transactions
In view of Nordea's position in its markets readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking services to the company/companies

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

12 Jan 2022, 03:24 CET

Nordea Bank Abp

Nordea Markets Division, Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea Markets Division, Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea Markets Division, Research
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea Markets Division, Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650