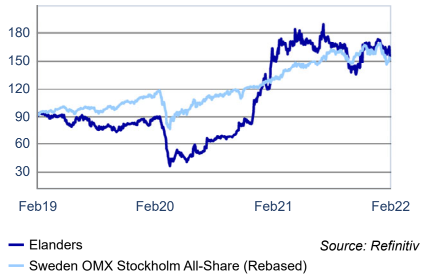
Elanders

Consumer Goods
Sweden

KEY DATA

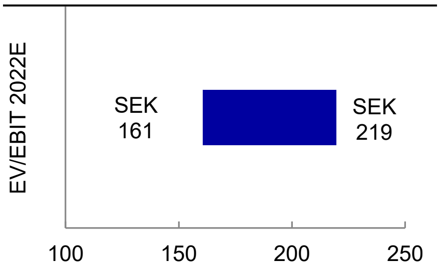
Stock country	Sweden
Bloomberg	ELANB SS
Reuters	ELANb.ST
Share price (close)	SEK 155.4
Free Float	50%
Market cap. (bn)	EUR 0.53/SEK 5.49
Website	www.elanders.com
Next report date	21 Apr 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	2%	2%	2%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

Nordea Markets - Analysts
Carl Ragnerstam
Analyst

Victor Hansen
Analyst

Less cyclical and more forward-leaning

Elanders presented a decent Q4 report with 16% organic growth for Supply Chain and with group earnings and margins clearly improving sequentially, despite temporary headwinds. Entering 2022, we expect Elanders to gradually improve its margins, as raw material inflations should be offset and fewer supply chain issues should lead to an acceleration of earnings growth, back up to double digits. Through the consolidation of Bergen, Elanders has improved its organic growth profile and made 65% of its group revenue non-cyclical. As such, we lower our multiples-based equity value range to SEK 161-219 (169-223).

Supply Chain the sole organic driver in Q4

Elanders presented a mixed Q4 report. Group sales were strong at SEK 3,364m, up 17% y/y (~7% organic and 11% M&A). Organic growth was solely driven by Supply Chain Solutions, which grew organically by 16% owing to a strong Fashion & Lifestyle market, a healthy recovery within the electronics segment and higher-than-usual buy and sell volumes. Print & Packaging, on the other hand, contracted organically, primarily owing to a customers' insourcing of low-margin contract logistics – which we see as a positive development. Despite the strong organic growth, group adjusted EBIT contracted by 7% y/y, but this is an improvement and somewhat better than we expected. The margin contracted by 173 bp y/y, reaching 6.7% – we note that it was burdened by 100-200 bp from raw material inflation, higher freight rates, and an unfavourably volatile production.

65% non-cyclical revenues and a better organic profile

Following the report, we make minor earnings revisions for 2022-23 and reiterate that Q3 2021 was the clear earnings and margin trough, which was confirmed by Q4. Despite higher sick leave related to Omicron, which has added extra costs of SEK 15m in Q1, we expect Q1 to be another step in the right direction, reaching almost flat y/y EBIT. From Q2, we expect Elanders to enjoy full raw material/freight rate compensation, likely less volatile production as supply chains improve, and y/y earnings growth of 24-78% driven by the Bergen Logistics acquisition. Despite Elanders making a huge transition with the acquisition of Bergen Logistics – around 30% of sales now come from Fashion & Lifestyle, and around 65% of Elanders' revenue is now non-cyclical – the share is trading at 2023E EV/EBITA of ~11.5x , i.e. a 30% discount to the logistics sector.

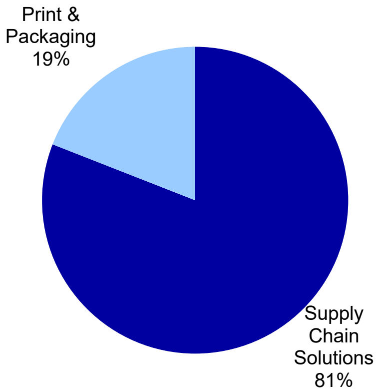
SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	10,742	11,254	11,050	11,732	13,127	13,682	14,208
EBITDA (adj)	725	1,409	1,426	1,465	1,792	1,805	1,841
EBIT (adj)	458	509	546	564	785	867	909
EBIT (adj) margin	4.3%	4.5%	4.9%	4.8%	6.0%	6.3%	6.4%
EPS (adj, SEK)	7.16	7.13	9.19	8.65	13.27	13.63	14.49
EPS (adj) growth	33.9%	-0.4%	29.0%	-5.8%	53.3%	2.8%	6.3%
DPS (ord, SEK)	2.90	0.00	3.10	4.00	4.60	4.80	5.00
EV/Sales	0.5	0.6	0.6	1.0	0.9	0.8	0.7
EV/EBIT (adj)	12.3	13.9	13.0	20.2	14.3	12.6	11.6
P/E (adj)	12.2	12.2	13.0	20.1	11.7	11.4	10.7
P/BV	1.1	1.1	1.5	1.9	1.5	1.4	1.3
Dividend yield (ord)	3.3%	0.0%	2.6%	2.3%	3.0%	3.1%	3.2%
FCF Yield bef A&D, lease	9.5%	16.7%	23.2%	3.5%	4.2%	8.8%	9.1%
Net debt	2,539	3,994	2,854	5,249	5,716	5,373	5,018
Net debt/EBITDA	3.5	3.2	2.0	3.5	3.2	3.0	2.7
ROIC after tax	5.8%	5.9%	6.4%	5.4%	6.0%	6.8%	7.1%

Source: Company data and Nordea estimates

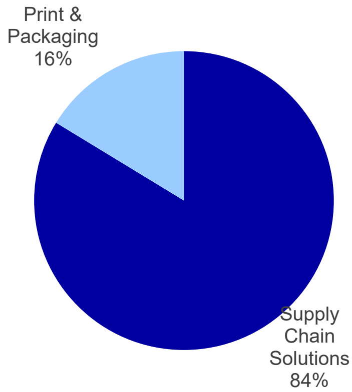
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%)



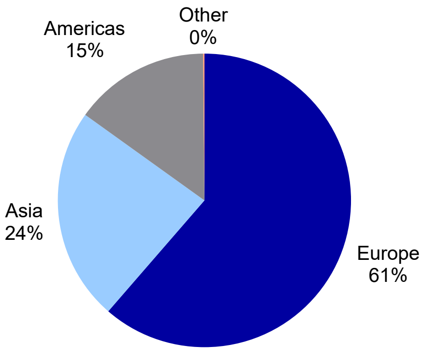
Source: Company data and Nordea estimates

ELANDERS: EBITA SPLIT BY SEGMENT (%)



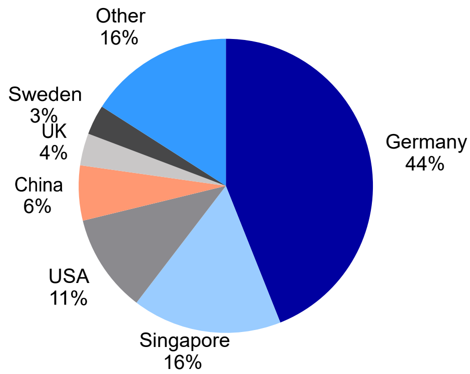
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%)



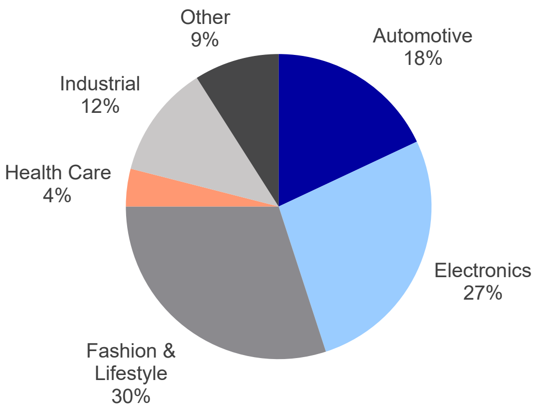
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%)



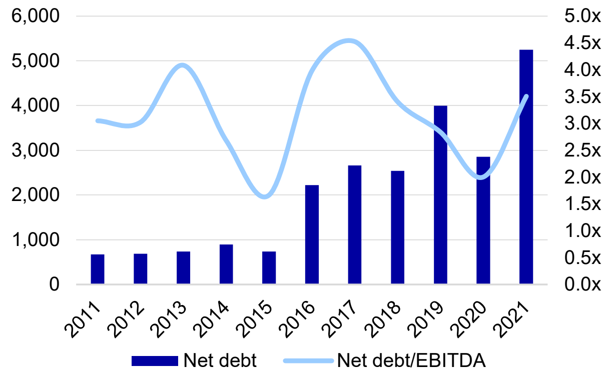
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%)



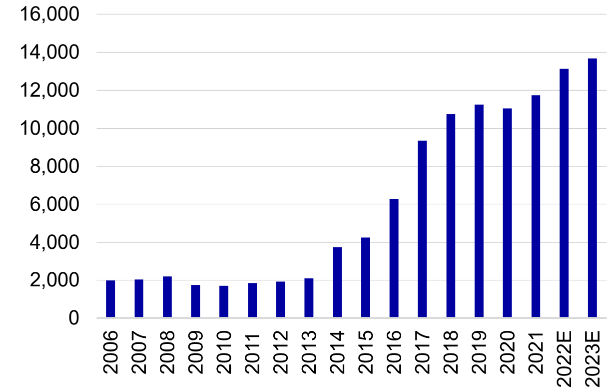
Source: Company data and Nordea estimates

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



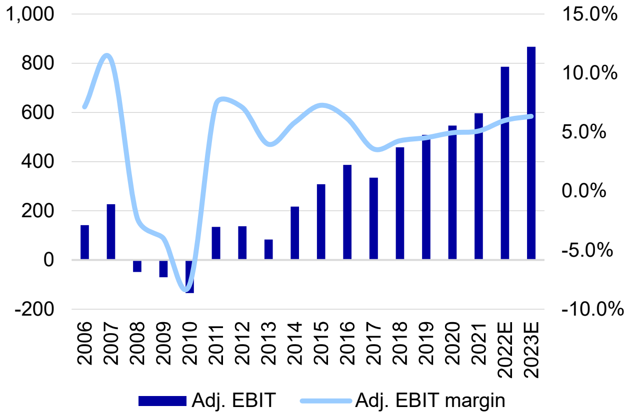
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)



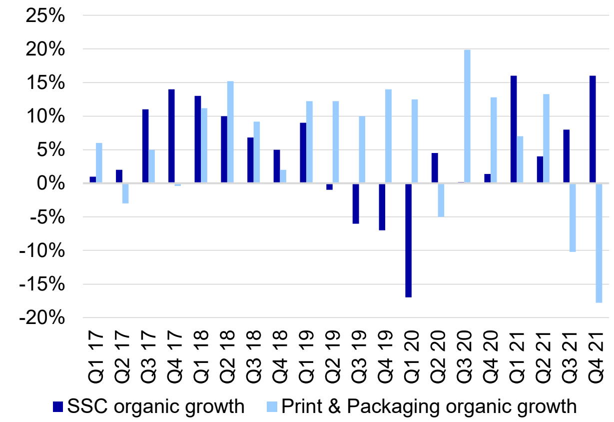
Source: Company data and Nordea estimates

ELANDERS: GROUP ADJ EBIT & EBIT MARGIN (SEKm AND %)



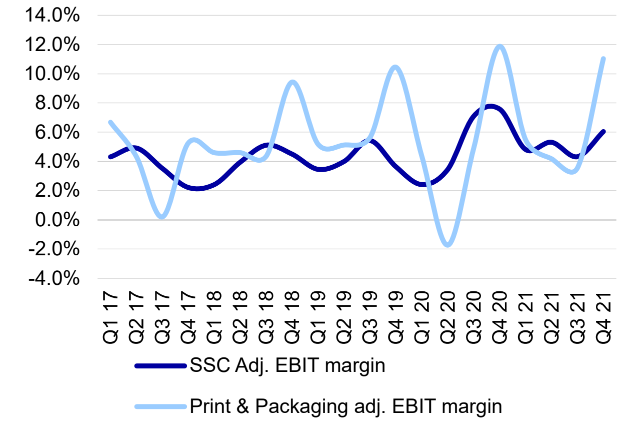
Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)



Source: Company data and Nordea estimates

ELANDERS: EBIT MARGIN DEVELOPMENT BY SEGMENT (%)



Source: Company data and Nordea estimates

Q4 deviation

Elanders presented a solid set of Q4 numbers. Group sales totalled SEK 3,364m, up 17% y/y and 7% above our estimate. Supply Chain Solutions sales were 10% above our estimate, while Print and Packaging sales were 6% below our estimate. Adjusted EBIT totalled SEK 225m, down 7% y/y, but 4% above our estimate of SEK 216m. All segments beat our estimates, and Supply Chain Solutions did so by 9%. Elanders said Supply Chain Solutions continued to benefit from high demand for e-commerce and lifestyle end markets. In the coming quarters, Elanders expects customers will try to compensate for production delays caused by component shortages.

ELANDERS: DEVIATION TABLE

SEKm	Actual Q4 21	NDA est. Q4 21E	Deviation vs. actual		Actual Q3 21	q/q	Actual Q4 20	y/y
Net sales	**3,364**	**3,153**	**211**	**7%**	**2,865**	**17%**	**2,886**	**17%**
Gross profit	514	416	98	23%	365	41%	484	6%
EBITA	228	214	14	7%	124	84%	256	-11%
Amortisation of intangibles	(19)	(13)	(6)	46%	(13)	46%	(13)	46%
EBIT	209	201	8	4%	111	88%	243	-14%
Earnings per share (SEK)	3.28	3.47	(0)	-5%	1.56	111%	4.36	-25%
Adj. EBITA	244	229	15	7%	124	97%	256	-5%
Adj. EBIT	**225**	**216**	**9**	**4%**	**111**	**103%**	**243**	**-7%**
Adj. EBITA margin	7.3%	7.3%		0.0pp	4.3%	2.9pp	8.9%	-1.6pp
Adj. EBIT margin	**6.7%**	**6.8%**		**-0.2pp**	**3.9%**	**2.8pp**	**8.4%**	**-1.7pp**
Supply Chain Solutions	2,684	2,437	247	10%	2,292	17%	2,114	27%
Print & Packaging Solutions	698	744	(46)	-6%	592	18%	792	-12%
Group functions	10	10	-	0%	10	0%	10	0%
Eliminations	(28)	(38)	10	-26%	(29)	-3%	(30)	-7%
Group net sales	**3,364**	**3,153**	**211**	**7%**	**2,865**	**17%**	**2,886**	**17%**
Supply Chain Solutions	162	149	13	9%	99	64%	160	1%
Print & Packaging Solutions	77	75	2	3%	21	267%	94	-18%
Group functions	(14)	(8)	(6)		(10)	40%	(11)	27%
Adj group EBIT	**225**	**216**	**9**	4%	**111**	**103%**	**243**	**-7%**
Supply Chain Solutions	6.0%	6.1%		-0.1pp	4.3%	8pp	7.6%	-1.5pp
Print & Packaging Solutions	11.0%	10.1%		1.0pp	3.5%	-96pp	11.9%	-0.8pp
Adj EBIT margin	**6.7%**	**6.8%**		**-0.2pp**	**3.9%**	**16pp**	**8.4%**	**-1.7pp**

Source: Company data and Nordea estimates

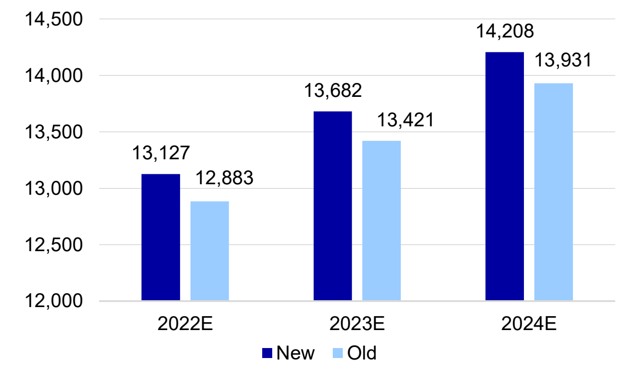
Estimate revisions

ELANDERS: ESTIMATE REVISIONS

	New estimates			Old estimates			Difference %		
SEKm	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Net sales	**13,127**	**13,682**	**14,208**	**12,883**	**13,421**	**13,931**	**2%**	**2%**	**2%**
Cost of goods sold	-11,312	-11,770	-12,223	-11,102	-11,546	-11,985	2%	2%	2%
Gross profit	**1,815**	**1,912**	**1,986**	**1,781**	**1,876**	**1,947**	**2%**	**2%**	**2%**
EBITA	861	931	964	838	909	943	3%	2%	2%
Amortisation of intangibles	-76	-65	-55	-52	-44	-38	n.a	n.a	n.a
EBIT	785	867	909	786	865	905	0%	0%	0%
Net financials	-104	-172	-171	-104	-101	-100	0%	71%	72%
PTP	681	694	738	681	764	**806**	0%	-9%	-8%
Income tax	-184	-208	-221	-184	-229	-242	0%	-9%	-8%
Net profit	497	486	516	497	535	**564**	0%	-9%	-8%
Earnings per share (SEK)	13	14	14	13	15	16	0%	-9%	-9%
Adj. EBITA	861	931	964	838	909	943	3%	2%	2%
Adj. EBIT	**785**	**867**	**909**	**786**	**865**	**905**	**0%**	**0%**	**0%**
Tax on EO	0	0	0	0	0	0	n.a	n.a	n.a
Adj. Net profit	497	486	516	497	535	564	0%	-9%	-8%
Adj. EPS	13	14	14	13	15	16	0%	-9%	-9%
Adj. EBITA margin	6.6%	6.8%	0.0%	6.5%	6.8%	6.8%	0.1pp	0.0pp	-6.8pp
Adj. EBIT margin	6.0%	6.3%	0.0%	6.1%	6.4%	6.5%	-0.1pp	-0.1pp	-6.5pp
Adj. Incremental margin	13.5%	14.7%	0.0%	14.6%	14.7%	8.0%	-1.0pp	0.0pp	-8.0pp
Net sales per segment									
Supply Chain Solutions	10,625	11,156	11,658	10,263	10,776	11,261	4%	4%	4%
Print & Packaging Solutions	2,594	2,620	2,647	2,713	2,740	2,767	-4%	-4%	-4%
Group functions	40	40	41	40	40	41	0%	0%	0%
Eliminations	-132	-135	-137	-132	-135	-137	0%	0%	0%
Group net sales	**13,127**	**13,682**	**14,208**	**12,883**	**13,421**	**13,931**	**2%**	**2%**	**2%**
Adj EBIT per segment									
Supply Chain Solutions	657	737	777	649	726	765	1%	2%	2%
Print & Packaging Solutions	160	162	165	169	171	174	-5%	-5%	-5%
Group functions	-32	-33	-33	-32	-33	-33	0%	0%	0%
Group EBIT	**785**	**867**	**909**	**786**	**865**	**905**	**0%**	**0%**	**0%**
Adj. EBIT margin									
Supply Chain Solutions	6.2%	6.6%	6.7%	6.3%	6.7%	6.8%	-0.1pp	-0.1pp	-0.1pp
Print & Packaging Solutions	6.2%	6.2%	6.2%	6.2%	6.3%	6.3%	-0.1pp	-0.1pp	-0.1pp
Group	**6.0%**	**6.3%**	**6.4%**	**6.1%**	**6.4%**	**6.5%**	**-0.1pp**	**-0.1pp**	**-0.1pp**

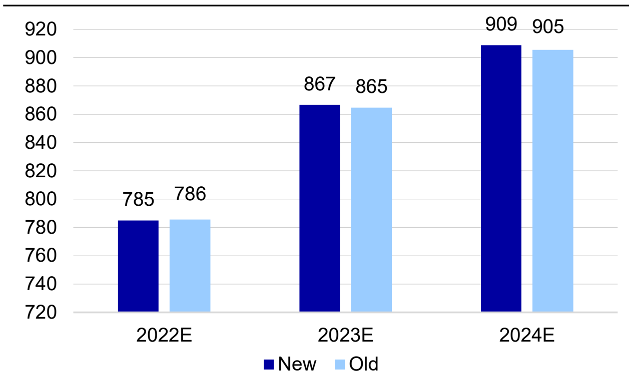
Source: Nordea estimates

NET SALES: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

ADJUSTED EBIT: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

Valuation

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	-	67,723	20.2x	18.3x	-	-	29.6x	27.0x	42.8x	37.5x	1.3%	1.8%	-	-	3.3%	3.4%
CH Robinson	-	110,642	11.5x	12.5x	-	-	12.6x	13.9x	14.9x	15.9x	2.4%	2.5%	0.9x	1.1x	23.4%	21.4%
DSV	BUY	310,615	14.6x	14.6x	17.8x	17.9x	17.8x	18.0x	22.3x	22.5x	0.3%	0.3%	1.3x	1.2x	14.9%	14.2%
Elanders		5,495	6.3x	6.0x	13.1x	11.7x	14.3x	12.6x	11.7x	11.4x	3.0%	3.1%	3.2x	3.0x	6.0%	6.8%
Expeditors	-	178,066	11.8x	14.2x	-	-	12.6x	14.9x	18.1x	21.2x	1.0%	1.0%	-	-	33.9%	26.0%
ID Logistics	-	19,584	8.0x	7.3x	27.9x	23.3x	24.7x	22.2x	38.3x	33.5x	0.0%	0.0%	1.7x	1.4x	0.0%	0.0%
J.B Hunt	-	189,105	11.4x	10.8x	-	-	17.0x	15.6x	22.5x	20.4x	0.6%	0.7%	0.6x	0.5x	19.6%	19.8%
Kerry Logistics	-	42,104	7.3x	6.3x	-	-	11.0x	11.1x	14.9x	12.4x	2.5%	2.5%	-	-	12.9%	14.2%
Huehne & Nagel	-	316,907	10.2x	11.9x	11.7x	13.7x	13.4x	16.9x	18.6x	22.8x	3.1%	2.7%	-	-	44.2%	31.2%
Landstar	-	57,071	10.3x	11.5x	-	-	11.5x	13.3x	15.0x	16.7x	1.8%	0.7%	-	-	39.3%	34.0%
Old Dominion	-	342,980	19.4x	17.5x	-	-	22.7x	20.6x	30.9x	27.4x	0.3%	0.4%	-	-	29.5%	29.0%
XPO Logistics	-	70,671	8.5x	7.9x	-	-	13.2x	11.7x	14.4x	12.7x	0.0%	0.0%	2.4x	2.0x	18.0%	18.2%
Average		**142,580**	**11.6x**	**11.6x**	**17.6x**	**16.7x**	**16.7x**	**16.5x**	**22.0x**	**21.2x**	**1.4%**	**1.3%**	**1.7x**	**1.5x**	**20.4%**	**18.2%**
Median		**90,656**	**10.9x**	**11.7x**	**15.4x**	**15.8x**	**13.8x**	**15.2x**	**18.4x**	**20.8x**	**1.1%**	**0.9%**	**1.5x**	**1.3x**	**18.8%**	**19.0%**
Elanders		**5,495**	**6.3x**	**6.0x**	**13.1x**	**11.7x**	**14.3x**	**12.6x**	**11.7x**	**11.4x**	**3.0%**	**3.1%**	**3.2x**	**3.0x**	**6.0%**	**6.8%**
vs. peer average	-	-	-46%	-48%	-26%	-30%	-14%	-24%	-47%	-46%	1.6pp	2.2pp	91%	95%	-14pp	-12pp
vs. peer median	-	-	-42%	-48%	-15%	-26%	3%	-18%	-36%	-45%	1.8pp	2.2pp	116%	129%	-13pp	-12pp
vs. ID Logistics	-	-	-22%	-18%	-53%	-50%	-42%	-43%	-69%	-66%	3.0pp	3.1pp	91%	119%	6pp	7pp
vs. XPO Logistics	-	-	-26%	-23%	nm	nm	9%	7%	-19%	-11%	3.0pp	3.1pp	32%	50%	-12pp	-11pp

Source: Refinitiv and Nordea estimates

Detailed estimates

ELANDERS: QUARTERLY ESTIMATES

(SEKm)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Net sales	2,734	2,769	2,865	3,364	3,115	3,198	3,249	3,566
Cost of goods sold	-2,352	-2,386	-2,500	-2,850	-2,694	-2,760	-2,794	-3,064
Gross profit	382	383	365	514	420	438	455	502
Sales and administrative expenses	-265	-259	-264	-331	-300	-297	-297	-349
Other operating income	17	12	15	38	19	14	17	40
Other operating expenses	-6	-5	-5	-12	-17	31	24	86
EBITDA	341	343	342	456	372	436	449	534
Depreciation	-23	-21	-41	-38	-40	-42	-42	-46
EBITA	142	145	124	228	142	204	217	298
Amortisation of intangible acq related assets	-14	-13	-13	-19	-19	-19	-19	-19
EBIT	128	132	111	209	123	185	198	279
Net financials	-25	-22	-23	-28	-26	-26	-26	-26
PTP	103	110	88	181	97	159	172	253
Income tax	-35	-24	-31	-61	-26	-43	-46	-68
Net profit	68	86	57	120	71	116	126	185
Earnings per share (SEK)	1.95	2.35	1.56	3.25	1.88	3.09	3.32	4.97
Adj. EBITDA	341	343	342	472	372	436	449	534
Adj. EBITA	142	145	124	244	142	204	217	298
Adj. EBIT	128	132	111	225	123	185	198	279
Tax on EO	0	0	0	5	0	0	0	0
Adj. Net profit	68	86	57	109	71	116	126	185
Adj. EPS	1.95	2.35	1.56	2.95	1.88	3.09	3.32	4.97
Gross margin	14.0%	13.8%	12.7%	15.3%	13.5%	13.7%	14.0%	14.1%
EBITDA margin	12.5%	12.4%	11.9%	13.6%	12.0%	13.6%	13.8%	15.0%
EBITA margin	5.2%	5.2%	4.3%	6.8%	4.6%	6.4%	6.7%	8.4%
EBIT margin	4.7%	4.8%	3.9%	6.2%	3.9%	5.8%	6.1%	7.8%
Incremental margin	37.7%	-162.2%	-75.9%	-7.1%	-1.4%	12.4%	22.7%	34.7%
Adj. EBITDA margin	12.5%	12.4%	11.9%	14.0%	12.0%	13.6%	13.8%	15.0%
Adj. EBITA margin	5.2%	5.2%	4.3%	7.3%	4.6%	6.4%	6.7%	8.4%
Adj. EBIT margin	4.7%	4.8%	3.9%	6.7%	3.9%	5.8%	6.1%	7.8%
Adj. Incremental margin	37.7%	-162.2%	-75.9%	-7.1%	-1.4%	12.4%	22.7%	34.7%

Source: Company data and Nordea estimates

ELANDERS: QUARTERLY SALES AND EBIT BRIDGE

(SEKm)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Net sales								
Supply Chain Solutions	2,060	2,168	2,292	2,684	2,472	2,591	2,680	2,882
Print & Packaging Solutions	694	622	592	698	662	628	592	712
Group functions	10	10	10	10	10	10	10	10
Eliminations	-29	-31	-29	-28	-29	-32	-33	-38
Total sales	**2,735**	**2,769**	**2,865**	**3,364**	**3,115**	**3,198**	**3,249**	**3,566**
Sales bridge								
Volume	14%	6%	3%	7%	3%	5%	5%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	1%	2%	9%	11%	10%	9%	3%
FX	-8%	-9%	-2%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	**6%**	**-2%**	**3%**	**17%**	**14%**	**15%**	**13%**	**6%**
Sales bridge								
Volume	353	169	107	200	75	141	134	111
Price/Mix	0	0	0	0	0	0	0	0
Structural	11	30	43	268	305	288	250	91
FX	-202	-243	-63	10	0	0	0	0
Other	0	0	0	0	0	0	0	0
Total growth	**163**	**-44**	**87**	**478**	**380**	**429**	**384**	**202**
Growth per segment quarterly								
(%)	**Q1 21**	**Q2 21**	**Q3 21**	**Q4 21**	**Q1 22E**	**Q2 22E**	**Q3 22E**	**Q4 22E**
Supply Chain Solutions								
Volume	16%	4%	8%	16%	7%	8%	6%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	1%	1%	2%	11%	13%	12%	11%	3%
FX	-9%	-9%	-2%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	**8%**	**-4%**	**8%**	**27%**	**20%**	**20%**	**17%**	**7%**
Print & Packaging Solutions								
Volume	7%	13%	-10%	-18%	-10%	-5%	0%	2%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	0%	0%	5%	5%	6%	0%	0%
FX	-6%	-6%	-2%	1%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	1%	8%	-12%	-12%	-5%	1%	0%	2%
EBIT per segment quarterly								
(SEKm)	**Q1 21**	**Q2 21**	**Q3 21**	**Q4 21**	**Q1 22E**	**Q2 22E**	**Q3 22E**	**Q4 22E**
Supply Chain Solutions	99	115	99	146	102	163	186	206
Print & Packaging Solutions	38	26	21	77	28	30	21	81
Group functions	-9	-9	-10	-14	-7	-8	-9	-8
Group EBIT	**128**	**132**	**111**	**209**	**123**	**185**	**198**	**279**
Adj. EBIT per segment quarterly								
Supply Chain Solutions	99	115	99	162	102	163	186	206
Print & Packaging Solutions	38	26	21	77	28	30	21	81
Group functions	-9	-9	-10	-14	-7	-8	-9	-8
Adj group EBIT	**129**	**132**	**111**	**225**	**123**	**185**	**198**	**279**
EBIT margin per segment quarterly								
Supply Chain Solutions	4.8%	5.3%	4.3%	5.4%	4.1%	6.3%	6.9%	7.1%
Print & Packaging Solutions	5.5%	4.2%	3.5%	11.0%	4.2%	4.7%	3.5%	11.4%
EBIT margin	**4.7%**	**4.8%**	**3.9%**	**6.2%**	**3.9%**	**5.8%**	**6.1%**	**7.8%**
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	4.8%	5.3%	4.3%	6.0%	4.1%	6.3%	6.9%	7.1%
Print & Packaging Solutions	5.5%	4.2%	3.5%	11.0%	4.2%	4.7%	3.5%	11.4%
Adj EBIT margin	**4.7%**	**4.8%**	**3.9%**	**6.7%**	**3.9%**	**5.8%**	**6.1%**	**7.8%**

Source: Company data and Nordea estimates

ELANDERS: ANNUAL ESTIMATES

(SEKm)	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net sales	9,342	10,742	11,254	11,050	11,732	13,127	13,682	14,208
Cost of goods sold	-8,008	-9,331	-9,780	-9,532	-10,088	-11,312	-11,770	-12,223
Gross profit	1,334	1,411	1,474	1,518	1,644	1,815	1,912	1,986
Sales and administrative expenses	-1,067	-1,034	-1,145	-1,050	-1,119	-1,243	-1,286	-1,324
Other operating income	79	112	66	13	82	89	92	94
Other operating expenses	-38	-30	-33	-44	-28	124	149	154
EBITDA	563	747	1,260	1,426	1,482	1,792	1805	1841
Depreciation	-192	-203	-156	-169	-123	-171	-239	-232
EBITA	371	522	416	599	639	861	931	964
Amortisation of intangible acq related assets	-63	-64	-56	-53	-59	-76	-65	-55
EBIT	308	458	360	546	580	785	867	909
Net financials	-80	-93	-143	-131	-98	-104	-172	-171
PTP	228	365	217	415	482	681	694	738
Income tax	-64	-107	-63	-86	-151	-184	-208	-221
Net profit	164	258	154	329	331	497	486	516
Earnings per share (SEK)	4.64	7.19	4.19	9.19	9.11	13.27	13.63	14.49
Adj. EBITDA	589	747	1,409	1,426	1,498	1,792	1805	1841
Adj. EBITA	397	522	565	599	655	861	931	964
Adj. EBIT	334	458	509	546	596	785	867	909
Tax on EO	7	0	43	0	5	0	0	0
Adj. Net profit	197	258	346	329	352	497	486	516
Adj. EPS	5.55	7.16	9.79	9.19	9.70	13.27	13.63	14.49
Gross margin	14.3%	13.1%	13.1%	13.7%	14.0%	13.8%	14.0%	14.0%
EBITDA margin	6.0%	7.0%	11.2%	12.9%	12.6%	13.6%	13.2%	13.0%
EBITA margin	4.0%	4.9%	3.7%	5.4%	5.4%	6.6%	6.8%	6.8%
EBIT margin	3.3%	4.3%	3.2%	4.9%	4.9%	6.0%	6.3%	6.4%
Incremental margin	-1.3%	10.7%	-19.1%	-91.2%	5.0%	14.7%	14.7%	8.0%
Adj. EBITDA margin	6.3%	7.0%	12.5%	12.9%	12.8%	13.6%	13.2%	13.0%
Adj. EBITA margin	4.2%	4.9%	5.0%	5.4%	5.6%	6.6%	6.8%	6.8%
Adj. EBIT margin	3.6%	4.3%	4.5%	4.9%	5.1%	6.0%	6.3%	6.4%
Adj. Incremental margin	-1.7%	8.9%	10.0%	-18.1%	7.3%	13.5%	14.7%	8.0%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL SALES AND EBIT BRIDGE

(SEKm)	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net sales								
Supply Chain Solutions	7,007	8,526	8,775	8,408	9,204	10,625	11,156	11,658
Print & Packaging Solutions	2,220	2,244	2,564	2,728	2,606	2,594	2,620	2,647
Group functions	35	47	37	40	40	40	40	41
Eliminations	-129	-75	-122	-126	-117	-132	-135	-137
Total sales	**9,342**	**10,946**	**11,254**	**11,050**	**11,733**	**13,127**	**13,682**	**14,208**
Sales bridge								
Volume	7%	8%	1%	0%	7%	4%	4%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	42%	1%	0%	0%	3%	8%	0%	0%
FX	0%	5%	4%	-2%	-4%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	**49%**	**15%**	**5%**	**-2%**	**6%**	**12%**	**4%**	**4%**
Sales bridge								
Volume	405	848	69	14	828	461	551	523
Price/Mix	0	0	0	0	0	0	0	0
Structural	2,624	48	-51	5	352	933	0	0
FX	28	503	477	-227	-497	0	0	0
Other	0	0	0	0	0	0	0	0
Total growth	**3,058**	**1,399**	**495**	**-208**	**684**	**1,394**	**551**	**523**
Growth per segment annual								
(%)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Supply Chain Solutions								
Volume	10%	8%	-2%	-3%	11%	6%	5%	5%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	65%	1%	0%	0%	4%	9%	0%	0%
FX	1%	6%	4%	-1%	-5%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	**75%**	**22%**	**3%**	**-4%**	**9%**	**15%**	**5%**	**5%**
Print & Packaging Solutions								
Volume	2%	9%	12%	10%	-3%	-3%	1%	1%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	2%	0%	-2%	0%	1%	3%	0%	0%
FX	0%	4%	4%	-4%	-3%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	3%	1%	14%	6%	-4%	0%	1%	1%
EBIT per segment annual								
(SEKm)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Supply Chain Solutions	253	346	220	435	459	657	737	777
Print & Packaging Solutions	93	132	174	147	162	160	162	165
Group functions	-32	-20	-34	-36	-42	-32	-33	-33
Group EBIT	**308**	**458**	**360**	**546**	**579**	**785**	**867**	**909**
Adj. EBIT per segment annual								
Supply Chain Solutions	258	346	362	435	475	657	737	777
Print & Packaging Solutions	109	132	181	147	162	160	162	165
Group functions	-32	-20	-34	-36	-42	-32	-33	-33
Adj group EBIT	**334**	**458**	**509**	**546**	**596**	**785**	**867**	**909**
EBIT margin per segment annual								
Supply Chain Solutions	3.6%	4.1%	2.5%	5.2%	5.0%	6.2%	6.6%	6.7%
Print & Packaging Solutions	4.2%	5.9%	6.8%	5.4%	6.2%	6.2%	6.2%	6.2%
EBIT margin	**3.3%**	**4.2%**	**3.2%**	**4.9%**	**4.9%**	**6.0%**	**6.3%**	**6.4%**
Adj. EBIT margin per segment annual								
Supply Chain Solutions	3.7%	4.1%	4.1%	5.2%	5.2%	6.2%	6.6%	6.7%
Print & Packaging Solutions	4.9%	5.9%	7.1%	5.4%	6.2%	6.2%	6.2%	6.2%
Adj EBIT margin	**3.6%**	**4.2%**	**4.5%**	**4.9%**	**5.1%**	**6.0%**	**6.3%**	**6.4%**

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT											
SEKm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Total revenue	**3,730**	**4,237**	**6,285**	**9,342**	**10,742**	**11,254**	**11,050**	**11,732**	**13,127**	**13,682**	**14,208**
Revenue growth	77.9%	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	6.2%	11.9%	4.2%	3.8%
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	293	427	519	563	725	1,260	1,426	1,481	1,792	1,805	1,841
Depreciation and impairments PPE	-99	-115	-132	-192	-203	-844	-827	-843	-931	-874	-878
of which leased assets	0	0	0	0	0	-688	-658	-720	-760	-700	-700
EBITA	194	312	387	371	522	416	599	638	861	931	964
Amortisation and impairments	-19	-20	-40	-63	-64	-56	-53	-58	-76	-65	-55
EBIT	175	292	347	308	458	360	546	580	785	867	909
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	-35	-33	-44	-80	-93	-143	-131	-98	-104	-172	-171
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	**140**	**259**	**303**	**228**	**365**	**217**	**415**	**482**	**681**	**694**	**738**
Reported taxes	-52	-85	-82	-64	-107	-63	-86	-151	-184	-208	-221
Net profit from continued operations	88	174	221	164	258	154	329	331	497	486	516
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	-1	-5	-6	-4	-9	-28	-4	-4
Net profit to equity	88	174	221	163	253	148	325	322	469	482	512
EPS, SEK	**3.49**	**6.18**	**7.48**	**4.61**	**7.16**	**4.19**	**9.19**	**9.11**	**13.27**	**13.63**	**14.49**
DPS, SEK	1.10	2.20	2.60	2.60	2.90	0.00	3.10	4.00	4.60	4.80	5.00
of which ordinary	1.10	2.20	2.60	2.60	2.90	0.00	3.10	4.00	4.60	4.80	5.00
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	7.8%	10.1%	8.3%	6.0%	6.7%	11.2%	12.9%	12.6%	13.6%	13.2%	13.0%
EBITA	5.2%	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	5.4%	6.6%	6.8%	6.8%
EBIT	4.7%	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	4.9%	6.0%	6.3%	6.4%
Adjusted earnings											
EBITDA (adj)	335	443	558	589	725	1,409	1,426	1,465	1,792	1,805	1,841
EBITA (adj)	236	328	426	397	522	565	599	622	861	931	964
EBIT (adj)	217	308	386	334	458	509	546	564	785	867	909
EPS (adj, SEK)	5.16	6.75	8.80	5.35	7.16	7.13	9.19	8.65	13.27	13.63	14.49
Adjusted profit margins in percent											
EBITDA (adj)	9.0%	10.5%	8.9%	6.3%	6.7%	12.5%	12.9%	12.5%	13.6%	13.2%	13.0%
EBITA (adj)	6.3%	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	5.3%	6.6%	6.8%	6.8%
EBIT (adj)	5.8%	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	4.8%	6.0%	6.3%	6.4%
Performance metrics											
CAGR last 5 years											
Net revenue	16.3%	20.0%	27.9%	37.2%	38.7%	24.7%	21.1%	13.3%	7.0%	5.0%	4.8%
EBITDA	40.8%	74.6%	21.4%	21.9%	32.4%	33.9%	27.3%	23.3%	26.1%	20.0%	7.9%
EBIT	n.m.	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	10.8%	20.6%	13.6%	20.3%
EPS	n.m.	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	4.0%	23.5%	13.8%	28.2%
DPS	n.m.	n.m.	39.1%	34.1%	29.4%	n.m.	7.1%	9.0%	12.1%	10.6%	n.m.
Average last 5 years											
Average EBIT margin	3.6%	5.6%	5.5%	4.7%	4.6%	4.2%	4.1%	4.2%	4.7%	5.2%	5.8%
Average EBITDA margin	8.0%	9.4%	8.9%	7.7%	7.4%	8.3%	9.2%	10.1%	11.5%	12.8%	13.1%

VALUATION RATIOS - ADJUSTED EARNINGS											
SEKm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
P/E (adj)	6.9	9.4	12.1	15.3	12.2	12.2	13.0	20.1	11.7	11.4	10.7
EV/EBITDA (adj)	5.4	5.7	9.6	9.4	7.8	5.0	5.0	7.8	6.3	6.0	5.7
EV/EBITA (adj)	7.6	7.7	12.6	14.0	10.8	12.5	11.8	18.3	13.1	11.7	10.9
EV/EBIT (adj)	8.3	8.2	13.9	16.7	12.3	13.9	13.0	20.2	14.3	12.6	11.6

VALUATION RATIOS - REPORTED EARNINGS											
SEKm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
P/E	10.2	10.2	14.2	17.8	12.2	20.8	13.0	19.1	11.7	11.4	10.7
EV/Sales	0.48	0.60	0.85	0.60	0.52	0.63	0.64	0.97	0.86	0.80	0.74
EV/EBITDA	6.1	5.9	10.3	9.9	7.8	5.6	5.0	7.7	6.3	6.0	5.7
EV/EBITA	9.3	8.1	13.9	15.0	10.8	17.0	11.8	17.9	13.1	11.7	10.9
EV/EBIT	10.3	8.7	15.5	18.1	12.3	19.7	13.0	19.7	14.3	12.6	11.6
Dividend yield (ord.)	3.1%	3.5%	2.4%	3.2%	3.3%	0.0%	2.6%	2.3%	3.0%	3.1%	3.2%
FCF yield	-14.9%	12.7%	-50.2%	-11.3%	10.3%	38.8%	38.1%	-5.4%	18.0%	21.5%	21.9%
FCF Yield bef A&D, lease adj	13.1%	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	3.5%	4.2%	8.8%	9.1%
Payout ratio	21.3%	32.6%	29.6%	48.6%	40.5%	0.0%	33.7%	46.2%	34.7%	35.2%	34.5%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	1,297	1,269	3,081	3,136	3,218	3,229	3,085	4,517	4,441	4,376	4,321
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	1,297	1,269	3,081	3,136	3,218	3,229	3,085	2,017	1,941	1,876	1,821
of which goodwill	0	0	0	0	0	0	0	2,500	2,500	2,500	2,500
Tangible assets	583	533	1,047	1,075	1,056	2,139	2,255	3,372	3,027	3,035	3,048
of which leased assets	0	0	0	0	0	1,207	1,164	1,081	736	713	690
Shares associates	0	0	0	0	0	0	0	352	352	352	352
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	297	0	0	0	0
Total non-current assets	1,880	1,802	4,128	4,211	4,274	5,368	5,637	8,241	7,820	7,764	7,721
Inventory	254	266	295	390	468	335	233	400	448	466	484
Accounts receivable	844	825	1,396	1,795	1,762	1,740	624	1,822	2,039	2,125	2,207
Short-term leased assets	0	0	0	0	0	658	720	438	700	700	700
Other current assets	136	139	312	333	511	448	324	0	0	0	0
Cash and bank	457	529	651	679	722	655	1,101	898	987	1,307	1,639
Total current assets	1,690	1,758	2,654	3,197	3,463	3,836	3,002	3,558	4,173	4,599	5,030
Assets held for sale	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**3,570**	**3,560**	**6,782**	**7,408**	**7,737**	**9,204**	**8,639**	**11,799**	**11,993**	**12,362**	**12,751**
Shareholders equity	1,348	1,488	2,411	2,453	2,707	2,777	2,908	3,304	3,632	3,951	4,294
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	4	0	28	32	36
Total Equity	1,348	1,488	2,411	2,453	2,707	2,777	2,912	3,304	3,660	3,983	4,330
Deferred tax	86	83	233	208	199	320	188	0	0	0	0
Long term interest bearing debt	25	20	2,646	2,504	2,442	2,214	1,990	4,413	4,413	4,413	4,413
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	253	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	1,259	1,278	913	830	807	784
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	111	103	2,879	2,712	2,641	3,793	3,456	5,579	5,243	5,220	5,197
Short-term provisions	0	0	0	0	1	1	0	0	0	0	0
Accounts payable	784	722	1,263	1,403	1,569	1,597	1,588	1,457	1,630	1,699	1,765
Current lease debt	0	0	0	0	0	639	639	639	639	639	639
Other current liabilities	0	0	0	0	1	1	0	0	0	0	0
Short term interest bearing debt	1,327	1,247	228	840	819	398	44	821	821	821	821
Total current liabilities	2,111	1,969	1,491	2,243	2,390	2,636	2,271	2,917	3,090	3,159	3,225
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**3,570**	**3,560**	**6,781**	**7,408**	**7,738**	**9,206**	**8,639**	**11,800**	**11,993**	**12,362**	**12,751**
Balance sheet and debt metrics											
Net debt	895	738	2,223	2,665	2,539	3,994	2,854	5,249	5,716	5,373	5,018
of which lease debt	0	0	0	0	0	1,898	1,917	1,552	1,469	1,446	1,423
Working capital	449	507	740	1,115	1,171	925	-407	765	856	892	926
Invested capital	2,329	2,309	4,868	5,326	5,445	6,293	5,230	9,006	8,676	8,656	8,648
Capital employed	2,700	2,755	5,285	5,797	5,968	7,287	6,863	10,090	10,363	10,663	10,987
ROE	7.4%	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	10.4%	13.5%	12.7%	12.4%
ROIC	7.1%	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	5.4%	6.0%	6.8%	7.1%
ROCE	9.2%	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	6.7%	7.7%	8.2%	8.4%
Net debt/EBITDA	3.1	1.7	4.3	4.7	3.5	3.2	2.0	3.5	3.2	3.0	2.7
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	37.8%	41.8%	35.6%	33.1%	35.0%	30.2%	33.7%	28.0%	30.3%	32.0%	33.7%
Net gearing	66.4%	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	158.9%	156.2%	134.9%	115.9%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
SEKm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
EBITDA (adj) for associates	**293**	**427**	**519**	**563**	**725**	**1,260**	**1,426**	**1,481**	**1,792**	**1,805**	**1,841**
Paid taxes	-61	-85	-104	-133	-127	-114	-41	-128	-184	-208	-221
Net financials	0	0	0	0	1	-143	-131	-98	-104	-172	-171
Change in provisions	0	0	0	0	1	0	-1	253	-253	0	0
Change in other LT non-IB	0	0	0	0	0	0	-297	297	0	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	20	-66	-71	-75	-149	229	310	-603	0	0	0
Funds from operations (FFO)	**251**	**276**	**344**	**355**	**451**	**1,232**	**1,266**	**1,202**	**1,251**	**1,425**	**1,449**
Change in NWC	-89	-8	-13	-419	4	104	461	-139	-91	-36	-34
Cash flow from operations (CFO)	**162**	**269**	**331**	**-64**	**455**	**1,336**	**1,727**	**1,063**	**1,160**	**1,389**	**1,415**
Capital expenditure	-44	-46	-112	-196	-161	-133	-88	-128	-171	-205	-213
Free cash flow before A&D	**118**	**223**	**219**	**-260**	**294**	**1,203**	**1,639**	**935**	**989**	**1,183**	**1,201**
Proceeds from sale of assets	-252	4	-1,794	-67	24	-7	-28	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	-1,267	0	0	0
Free cash flow	-134	227	-1,575	-327	318	1,196	1,611	-332	989	1,183	1,201
Free cash flow bef A&D, lease adj	118	223	219	-260	294	515	981	215	229	483	501
Dividends paid	-18	-29	-58	-92	-93	-129	58	-112	-141	-163	-170
Equity issues / buybacks	121	0	695	0	0	0	0	0	0	0	0
Net change in debt	223	-125	1,029	462	-225	-1,152	-1,119	0	0	0	0
Other financing adjustments	0	0	0	0	0	1	-655	-720	-759	-700	-700
Other non-cash adjustments	49	0	31	-15	43	17	532	1,609	0	0	0
Change in cash	241	72	122	28	43	-67	446	-203	89	321	332
Cash flow metrics											
Capex/D&A	37.1%	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	17.0%	21.9%	22.9%
Capex/Sales	1.2%	1.1%	1.8%	2.1%	1.5%	1.2%	0.8%	1.1%	1.3%	1.5%	1.5%
Key information											
Share price year end (/current)	36	63	106	82	87	87	120	174	155	155	155
Market cap.	899	1,787	3,140	2,899	3,083	3,083	4,229	6,152	5,495	5,495	5,495
Enterprise value	1,795	2,525	5,363	5,564	5,622	7,077	7,087	11,401	11,239	10,899	10,549
Diluted no. of shares, year-end (m)	25.2	28.2	29.6	35.4	35.4	35.4	35.4	35.4	35.4	35.4	35.4

Source: Company data and Nordea estimates

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