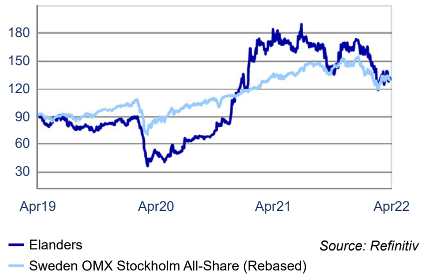
Elanders

Consumer Goods
Sweden

KEY DATA

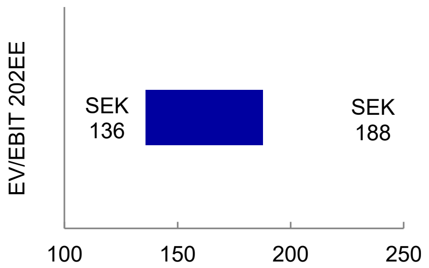
Stock country	Sweden
Bloomberg	ELANB SS
Reuters	ELANb.ST
Share price (close)	SEK 131.8
Free Float	50%
Market cap. (bn)	EUR 0.45/SEK 4.66
Website	www.elanders.com
Next report date	21 Apr 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	-2%	-2%	-2%
EBIT (adj)	-15%	-5%	-4%

Source: Nordea estimates

Nordea Markets - Analysts

Carl Ragnerstam
Analyst

Victor Hansen
Analyst

Automotive-exposure dilution is paying off

Elanders will present its Q1 report on 21 April. We expect a somewhat muted quarter with a 13% y/y EBIT contraction owing to elevated sick leave rates and inefficient production. 2022 will inevitably be a challenging year for Elanders – rapidly increasing fuel and paper prices will temporarily hamper margins while accelerated component issues for its automotive customers will lead to further production shutdowns. Luckily, Elanders has diluted its Automotive exposure significantly over the past few years, down to less than 20% of group sales, and thus should still manage to deliver low single-digit organic growth for 2022E. Owing to the earnings cuts, we lower our multiples-based equity value range to SEK 136-188 (161-219).

Somewhat muted Q1

We expect a somewhat muted Q1 report, given the circumstances, with group sales of SEK 3,060m, up 12% y/y (0.7% organic, 11.2% M&A). The sequential slowdown in organic growth from ~7% in Q4 2021 down to 0.7% in Q1 2022 is a function of toughening comparisons, in general, but also more challenging market conditions, i.e. component issues, particularly in its automotive end-markets. One customer's insourcing of logistics services within subscription boxes is also hampering organic growth rates for Print & Packaging Solutions. We expect group adjusted EBIT of SEK 112m, -13% y/y, implying a margin of 3.7% (-103 bp y/y). The main margin headwinds for Q1 should be the Omicron outbreak in January and February, leading to elevated sick leave rates, volatile production levels implying overall inefficiencies and higher fuel costs and paper price headwinds.

Substantial downgrades owing to inflation and automotive

The level of uncertainty related to demand, inflation and component sourcing has inevitably increased due to the conflict in Ukraine. Component shortages are especially tough for the automotive industry, where several of Elanders' customers have guided for increased production shutdowns. Regarding inflation, we argue that Elanders is generally good at passing price increase through to its customers, but rapidly increasing fuel and paper prices, together with a lag until price increases are fully materialised, might impact the margin for one or two quarters. As such, we downgrade our 2022-24 adjusted EBIT estimates by 4-15%.

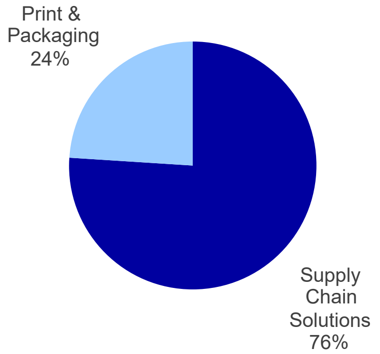
SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	10,742	11,254	11,050	11,732	12,814	13,403	13,916
EBITDA (adj)	725	1,409	1,426	1,465	1,672	1,758	1,803
EBIT (adj)	458	509	546	564	669	824	875
EBIT (adj) margin	4.3%	4.5%	4.9%	4.8%	5.2%	6.1%	6.3%
EPS (adj, SEK)	7.16	7.13	9.19	8.65	10.88	12.78	13.81
EPS (adj) growth	33.9%	-0.4%	29.0%	-5.8%	25.7%	17.6%	8.1%
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	0.8	0.8	0.7
EV/EBIT (adj)	12.3	13.9	13.0	20.2	15.6	12.3	11.2
P/E (adj)	12.2	12.2	13.0	20.1	12.1	10.3	9.5
P/BV	1.1	1.1	1.5	1.9	1.3	1.2	1.1
Dividend yield (ord)	3.3%	0.0%	2.6%	2.3%	3.5%	3.6%	3.8%
FCF Yield bef A&D, lease	9.5%	16.7%	23.2%	3.5%	3.5%	9.7%	10.3%
Net debt	2,539	3,994	2,854	5,249	5,780	5,469	5,137
Net debt/EBITDA	3.5	3.2	2.0	3.5	3.5	3.1	2.8
ROIC after tax	5.8%	5.9%	6.4%	5.4%	5.2%	6.5%	6.9%

Source: Company data and Nordea estimates

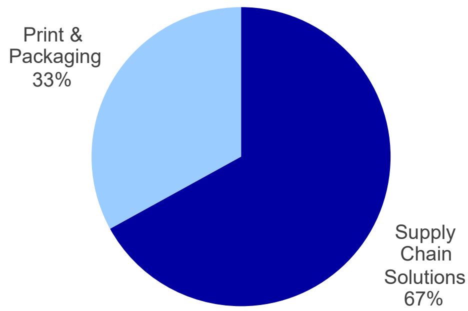
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%)



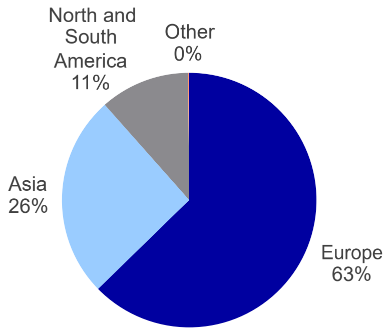
Source: Company data and Nordea estimates

ELANDERS: EBITA SPLIT BY SEGMENT (%)



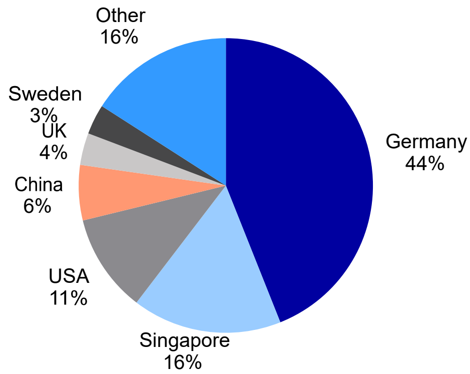
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%)



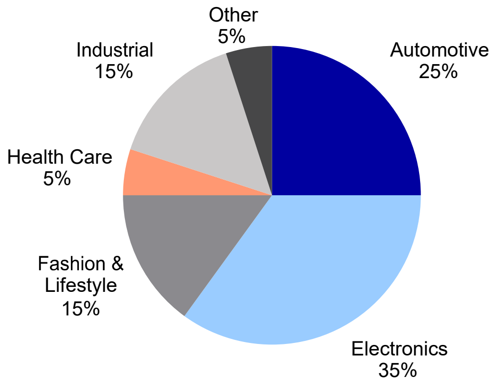
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%)



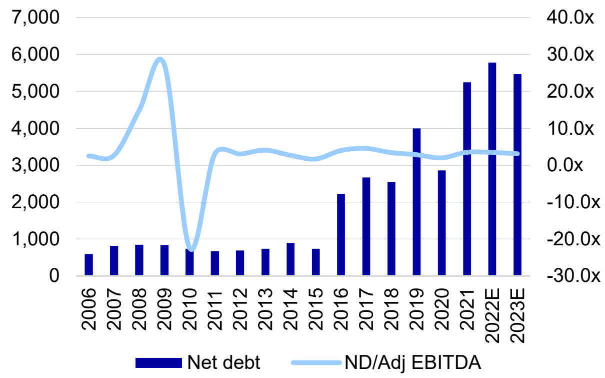
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%)



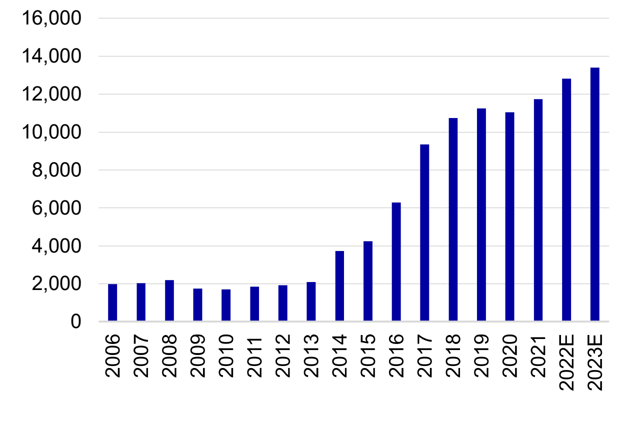
Source: Company data and Nordea estimates

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



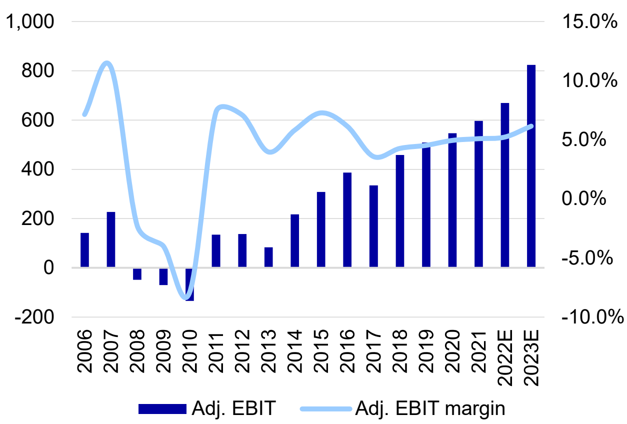
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)



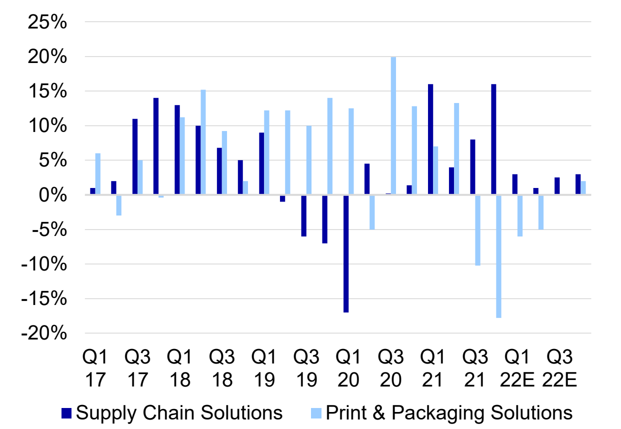
Source: Company data and Nordea estimates

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



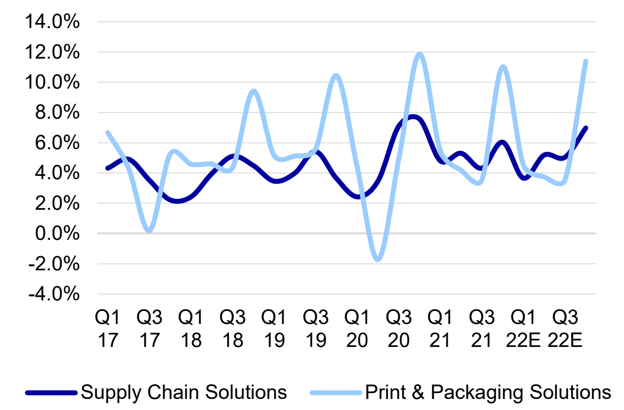
Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)



Source: Company data and Nordea estimates

ELANDERS: EBIT MARGIN DEVELOPMENT BY SEGMENT (%)



Source: Company data and Nordea estimates

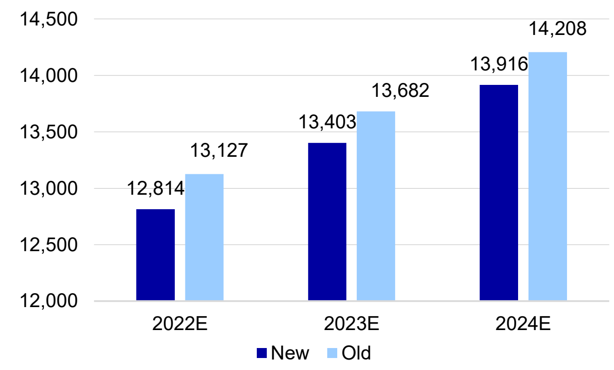
Estimate revisions

ELANDERS: ESTIMATE REVISIONS

	New estimates			Old estimates			Difference %		
SEKm	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**
Net sales	**12,814**	**13,403**	**13,916**	**13,127**	**13,682**	**14,208**	**-2%**	**-2%**	**-2%**
Cost of goods sold	-11,041	-11,530	-11,971	-11,312	-11,770	-12,223	-2%	-2%	-2%
Gross profit	**1,772**	**1,873**	**1,945**	**1,815**	**1,912**	**1,986**	**-2%**	**-2%**	**-2%**
EBITA	745	889	930	861	931	964	-13%	-5%	-4%
Amortisation of intangibles	-76	-65	-55	-76	-65	-55	n.a	n.a	n.a
EBIT	669	824	875	785	867	909	-15%	-5%	-4%
Net financials	-104	-172	-171	-104	-172	-171	0%	0%	0%
PTP	565	652	703	681	694	**738**	-17%	-6%	-5%
Income tax	-153	-195	-211	-184	-208	-221	-17%	-6%	-5%
Net profit	413	456	492	497	486	**516**	-17%	-6%	-5%
Earnings per share (SEK)	11	13	14	13	14	14	-18%	-6%	-5%
Adj. EBITA	745	889	930	861	931	964	-13%	-5%	-4%
Adj. EBIT	**669**	**824**	**875**	**785**	**867**	**909**	**-15%**	**-5%**	**-4%**
Tax on EO	0	0	0	0	0	0	n.a	n.a	n.a
Adj. Net profit	413	456	492	497	486	516	-17%	-6%	-5%
Adj. EPS	11	13	14	13	14	14	-18%	-6%	-5%
Adj. EBITA margin	5.8%	6.6%	0.0%	6.6%	6.8%	0.0%	-0.7pp	-0.2pp	0.0pp
Adj. EBIT margin	5.2%	6.1%	0.0%	6.0%	6.3%	0.0%	-0.8pp	-0.2pp	0.0pp
Adj. Incremental margin	6.8%	26.2%	0.0%	13.5%	14.7%	0.0%	-6.8pp	11.5pp	0.0pp
Net sales per segment									
Supply Chain Solutions	10,284	10,849	11,337	10,625	11,156	11,658	-3%	-3%	-3%
Print & Packaging Solutions	2,622	2,648	2,675	2,594	2,620	2,647	1%	1%	1%
Group functions	40	40	41	40	40	41	0%	0%	0%
Eliminations	-132	-135	-137	-132	-135	-137	0%	0%	0%
Group net sales	**12,814**	**13,403**	**13,916**	**13,127**	**13,682**	**14,208**	**-2%**	**-2%**	**-2%**
Adj EBIT per segment									
Supply Chain Solutions	544	697	746	657	737	777	-17%	-5%	-4%
Print & Packaging Solutions	157	160	162	160	162	165	-2%	-2%	-2%
Group functions	-32	-33	-33	-32	-33	-33	0%	0%	0%
Group EBIT	**669**	**824**	**875**	**785**	**867**	**909**	**-15%**	**-5%**	**-4%**
Adj. EBIT margin									
Supply Chain Solutions	5.3%	6.4%	6.6%	6.2%	6.6%	6.7%	-0.9pp	-0.2pp	-0.1pp
Print & Packaging Solutions	6.0%	6.0%	6.1%	6.2%	6.2%	6.2%	-0.2pp	-0.2pp	-0.2pp
Group	**5.2%**	**6.1%**	**6.3%**	**6.0%**	**6.3%**	**6.4%**	**-0.8pp**	**-0.2pp**	**-0.1pp**

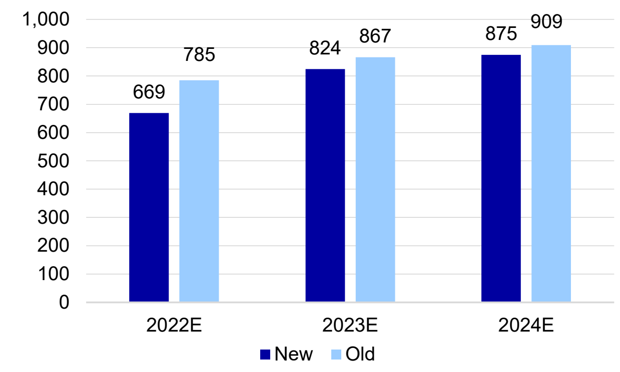
Source: Nordea estimates

NET SALES: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

ADJUSTED EBIT: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

Valuation

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	-	76,254	22.5x	20.4x	-	-	31.2x	28.5x	48.1x	42.1x	1.1%	1.6%	-	-	3.5%	3.5%
CH Robinson	-	124,286	12.6x	13.6x	-	-	13.7x	15.0x	16.4x	17.8x	2.1%	2.2%	1.1x	1.2x	22.6%	19.4%
DSV	BUY	265,320	11.3x	11.4x	13.8x	14.3x	13.8x	14.3x	17.0x	17.8x	0.4%	0.4%	1.2x	1.2x	14.4%	13.3%
Elanders		4,660	6.3x	5.8x	14.0x	11.4x	15.6x	12.3x	12.1x	10.3x	3.5%	3.6%	3.5x	3.1x	5.2%	6.5%
Expeditors	-	156,855	8.7x	10.8x	-	-	8.9x	11.3x	13.5x	16.9x	1.3%	1.3%	-	-	31.9%	26.3%
ID Logistics	-	18,997	6.8x	6.1x	25.0x	20.2x	21.3x	18.6x	34.0x	28.1x	0.0%	0.0%	1.5x	1.2x	0.0%	0.0%
J.B Hunt	-	178,292	10.6x	10.0x	-	-	15.6x	14.5x	20.7x	18.8x	0.7%	0.8%	0.6x	0.5x	19.8%	19.1%
Kerry Logistics	-	40,038	6.2x	6.2x	-	-	9.1x	8.7x	13.8x	11.9x	2.7%	2.6%	0.5x	0.0x	12.8%	12.4%
Huehne & Nagel	-	321,255	8.2x	10.4x	8.5x	10.1x	10.2x	14.4x	14.3x	20.1x	3.8%	3.2%	-	-	61.1%	41.4%
Landstar	-	48,633	8.7x	9.7x	-	-	9.7x	11.1x	12.7x	14.4x	2.0%	0.9%	-	-	39.6%	33.1%
Old Dominion	-	299,688	15.9x	14.6x	-	-	18.6x	16.9x	25.6x	23.1x	0.4%	0.5%	-	-	31.4%	30.1%
XPO Logistics	-	75,182	8.2x	7.7x	-	-	12.5x	11.5x	13.6x	12.4x	0.0%	0.0%	2.5x	2.0x	16.2%	16.4%
Average		**134,122**	**10.5x**	**10.6x**	**15.3x**	**14.0x**	**15.0x**	**14.8x**	**20.1x**	**19.5x**	**1.5%**	**1.4%**	**1.5x**	**1.3x**	**21.5%**	**18.5%**
Median		**100,270**	**8.7x**	**10.2x**	**13.9x**	**12.8x**	**13.7x**	**14.3x**	**15.4x**	**17.8x**	**1.2%**	**1.1%**	**1.2x**	**1.2x**	**18.0%**	**17.7%**
Elanders		**4,660**	**6.3x**	**5.8x**	**14.0x**	**11.4x**	**15.6x**	**12.3x**	**12.1x**	**10.3x**	**3.5%**	**3.6%**	**3.5x**	**3.1x**	**5.2%**	**6.5%**
vs. peer average	-	-	-40%	-45%	-8%	-18%	4%	-16%	-40%	-47%	2.0pp	2.6pp	124%	137%	-16pp	-11pp
vs. peer median	-	-	-28%	-43%	1%	-11%	14%	-14%	-21%	-42%	2.3pp	2.6pp	184%	162%	-13pp	-11pp
vs. ID Logistics	-	-	-9%	-6%	-44%	-43%	-27%	-34%	-64%	-63%	3.5pp	3.6pp	136%	160%	5pp	6pp
vs. XPO Logistics	-	-	-24%	-25%	nm	nm	25%	7%	-11%	-17%	3.5pp	3.6pp	38%	56%	-11pp	-10pp

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	3,060	3,046	3,168	3,539
Cost of goods sold	-2,352	-2,386	-2,500	-2,850	-2,647	-2,629	-2,725	-3,041
Gross profit	382	383	365	514	413	417	444	498
Sales and administrative expenses	-265	-259	-264	-331	-295	-283	-290	-346
Other operating income	17	12	15	38	19	13	16	40
Other operating expenses	-6	-5	-5	-12	-25	-5	-27	81
EBITDA	341	343	342	456	361	391	393	527
Depreciation	-23	-21	-41	-38	-40	-40	-41	-46
EBITA	142	145	124	228	131	161	162	291
Amortisation of intangible acq related assets	-14	-13	-13	-19	-19	-19	-19	-19
EBIT	128	132	111	209	112	142	143	272
Net financials	-25	-22	-23	-28	-26	-26	-26	-26
PTP	103	110	88	181	86	116	117	246
Income tax	-35	-24	-31	-61	-23	-31	-32	-67
Net profit	68	86	57	120	63	85	85	180
Earnings per share (SEK)	1.95	2.35	1.56	3.25	1.66	2.20	2.19	4.83
Adj. EBITDA	341	343	342	472	361	391	393	527
Adj. EBITA	142	145	124	244	131	161	162	291
Adj. EBIT	128	132	111	225	112	142	143	272
Tax on EO	0	0	0	5	0	0	0	0
Adj. Net profit	68	86	57	109	63	85	85	180
Adj. EPS	1.95	2.35	1.56	2.95	1.66	2.20	2.19	4.83
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%	11.8%	12.8%	12.4%	14.9%
EBITA margin	5.2%	5.2%	4.3%	6.8%	4.3%	5.3%	5.1%	8.2%
EBIT margin	4.7%	4.8%	3.9%	6.2%	3.7%	4.7%	4.5%	7.7%
Incremental margin	37.7%	-162.2%	-75.9%	-7.1%	-5.0%	3.6%	10.6%	36.2%
Adj. EBITDA margin	12.5%	12.4%	11.9%	14.0%	11.8%	12.8%	12.4%	14.9%
Adj. EBITA margin	5.2%	5.2%	4.3%	7.3%	4.3%	5.3%	5.1%	8.2%
Adj. EBIT margin	4.7%	4.8%	3.9%	6.7%	3.7%	4.7%	4.5%	7.7%
Adj. Incremental margin	37.7%	-162.2%	-75.9%	-7.1%	-5.0%	3.6%	10.6%	36.2%

Source: Company data and Nordea estimates

ELANDERS: QUARTERLY SALES AND EBIT BRIDGE

(%)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Supply Chain Solutions								
Volume	16%	4%	8%	16%	3%	1%	3%	3%
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%**	**16%**	**13%**	**13%**	**6%**
Print & Packaging Solutions								
Volume	7%	13%	-10%	-18%	-6%	-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%	-1%	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	87	126	131	199
Print & Packaging Solutions	38	26	21	77	31	24	21	81
Group functions	-9	-9	-10	-14	-7	-8	-9	-8
Group EBIT	**128**	**132**	**111**	**209**	**112**	**142**	**143**	**272**
Adj. EBIT per segment quarterly								
Supply Chain Solutions	99	115	99	162	87	126	131	199
Print & Packaging Solutions	38	26	21	77	31	24	21	81
Group functions	-9	-9	-10	-14	-7	-8	-9	-8
Adj group EBIT	**129**	**132**	**111**	**225**	**112**	**142**	**143**	**272**
EBIT margin per segment quarterly								
Supply Chain Solutions	4.8%	5.3%	4.3%	5.4%	3.7%	5.2%	5.0%	7.0%
Print & Packaging Solutions	5.5%	4.2%	3.5%	11.0%	4.5%	3.7%	3.5%	11.4%
EBIT margin	**4.7%**	**4.8%**	**3.9%**	**6.2%**	**3.7%**	**4.7%**	**4.5%**	**7.7%**
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	4.8%	5.3%	4.3%	6.0%	3.7%	5.2%	5.0%	7.0%
Print & Packaging Solutions	5.5%	4.2%	3.5%	11.0%	4.5%	3.7%	3.5%	11.4%
Adj EBIT margin	**4.7%**	**4.8%**	**3.9%**	**6.7%**	**3.7%**	**4.7%**	**4.5%**	**7.7%**

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	12,814	13,403	13,916
Cost of goods sold	-8,008	-9,331	-9,780	-9,532	-10,088	-11,041	-11,530	-11,971
Gross profit	1,334	1,411	1,474	1,518	1,644	1,772	1,873	1,945
Sales and administrative expenses	-1,067	-1,034	-1,145	-1,050	-1,119	-1,214	-1,261	-1,298
Other operating income	79	112	66	13	82	88	90	92
Other operating expenses	-38	-30	-33	-44	-28	23	121	135
EBITDA	563	747	1,260	1,426	1,482	1,672	1758	1803
Depreciation	-192	-203	-156	-169	-123	-167	-235	-228
EBITA	371	522	416	599	639	745	889	930
Amortisation of intangible acq related assets	-63	-64	-56	-53	-59	-76	-65	-55
EBIT	308	458	360	546	580	669	824	875
Net financials	-80	-93	-143	-131	-98	-104	-172	-171
PTP	228	365	217	415	482	565	652	703
Income tax	-64	-107	-63	-86	-151	-153	-195	-211
Net profit	164	258	154	329	331	413	456	492
Earnings per share (SEK)	4.64	7.19	4.19	9.19	9.11	10.88	12.78	13.81
Adj. EBITDA	589	747	1,409	1,426	1,498	1,672	1758	1803
Adj. EBITA	397	522	565	599	655	745	889	930
Adj. EBIT	334	458	509	546	596	669	824	875
Tax on EO	7	0	43	0	5	0	0	0
Adj. Net profit	197	258	346	329	352	413	456	492
Adj. EPS	5.55	7.16	9.79	9.19	9.70	10.88	12.78	13.81
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%	13.0%	13.1%	13.0%
EBITA margin	4.0%	4.9%	3.7%	5.4%	5.4%	5.8%	6.6%	6.7%
EBIT margin	3.3%	4.3%	3.2%	4.9%	4.9%	5.2%	6.1%	6.3%
Incremental margin	-1.3%	10.7%	-19.1%	-91.2%	5.0%	8.2%	26.2%	9.9%
Adj. EBITDA margin	6.3%	7.0%	12.5%	12.9%	12.8%	13.0%	13.1%	13.0%
Adj. EBITA margin	4.2%	4.9%	5.0%	5.4%	5.6%	5.8%	6.6%	6.7%
Adj. EBIT margin	3.6%	4.3%	4.5%	4.9%	5.1%	5.2%	6.1%	6.3%
Adj. Incremental margin	-1.7%	8.9%	10.0%	-18.1%	7.3%	6.8%	26.2%	9.9%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL SALES AND EBIT BRIDGE

(%)	2017	2018	2019	2020	2021	2022E	2023E	2024E
Supply Chain Solutions								
Volume	10%	8%	-2%	-3%	11%	2%	6%	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%**	**12%**	**6%**	**5%**
Print & Packaging Solutions								
Volume	2%	9%	12%	10%	-3%	-2%	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%	1%	1%	1%
EBIT per segment annual								
(SEKm)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Supply Chain Solutions	253	346	220	435	459	544	697	746
Print & Packaging Solutions	93	132	174	147	162	157	160	162
Group functions	-32	-20	-34	-36	-42	-32	-33	-33
Group EBIT	**308**	**458**	**360**	**546**	**579**	**669**	**824**	**875**
Adj. EBIT per segment annual								
Supply Chain Solutions	258	346	362	435	475	544	697	746
Print & Packaging Solutions	109	132	181	147	162	157	160	162
Group functions	-32	-20	-34	-36	-42	-32	-33	-33
Adj group EBIT	**334**	**458**	**509**	**546**	**596**	**669**	**824**	**875**
EBIT margin per segment annual								
Supply Chain Solutions	3.6%	4.1%	2.5%	5.2%	5.0%	5.3%	6.4%	6.6%
Print & Packaging Solutions	4.2%	5.9%	6.8%	5.4%	6.2%	6.0%	6.0%	6.1%
EBIT margin	**3.3%**	**4.2%**	**3.2%**	**4.9%**	**4.9%**	**5.2%**	**6.1%**	**6.3%**
Adj. EBIT margin per segment annual								
Supply Chain Solutions	3.7%	4.1%	4.1%	5.2%	5.2%	5.3%	6.4%	6.6%
Print & Packaging Solutions	4.9%	5.9%	7.1%	5.4%	6.2%	6.0%	6.0%	6.1%
Adj EBIT margin	**3.6%**	**4.2%**	**4.5%**	**4.9%**	**5.1%**	**5.2%**	**6.1%**	**6.3%**

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**	**12,814**	**13,403**	**13,916**
Revenue growth	77.9%	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	6.2%	9.2%	4.6%	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	1,672	1,758	1,803
Depreciation and impairments PPE	-99	-115	-132	-192	-203	-844	-827	-843	-927	-870	-873
of which leased assets	0	0	0	0	0	-688	-658	-720	-760	-700	-700
EBITA	194	312	387	371	522	416	599	638	745	889	930
Amortisation and impairments	-19	-20	-40	-63	-64	-56	-53	-58	-76	-65	-55
EBIT	175	292	347	308	458	360	546	580	669	824	875
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**	**565**	**652**	**703**
Reported taxes	-52	-85	-82	-64	-107	-63	-86	-151	-153	-195	-211
Net profit from continued operations	88	174	221	164	258	154	329	331	413	456	492
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	385	452	488
EPS, SEK	**3.49**	**6.18**	**7.48**	**4.61**	**7.16**	**4.19**	**9.19**	**9.11**	**10.88**	**12.78**	**13.81**
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%	13.0%	13.1%	13.0%
EBITA	5.2%	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	5.4%	5.8%	6.6%	6.7%
EBIT	4.7%	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	4.9%	5.2%	6.1%	6.3%
Adjusted earnings											
EBITDA (adj)	335	443	558	589	725	1,409	1,426	1,465	1,672	1,758	1,803
EBITA (adj)	236	328	426	397	522	565	599	622	745	889	930
EBIT (adj)	217	308	386	334	458	509	546	564	669	824	875
EPS (adj, SEK)	5.16	6.75	8.80	5.35	7.16	7.13	9.19	8.65	10.88	12.78	13.81
Adjusted profit margins in percent											
EBITDA (adj)	9.0%	10.5%	8.9%	6.3%	6.7%	12.5%	12.9%	12.5%	13.0%	13.1%	13.0%
EBITA (adj)	6.3%	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	5.3%	5.8%	6.6%	6.7%
EBIT (adj)	5.8%	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	4.8%	5.2%	6.1%	6.3%
Performance metrics											
CAGR last 5 years											
Net revenue	16.3%	20.0%	27.9%	37.2%	38.7%	24.7%	21.1%	13.3%	6.5%	4.5%	4.3%
EBITDA	40.8%	74.6%	21.4%	21.9%	32.4%	33.9%	27.3%	23.3%	24.3%	19.4%	7.4%
EBIT	n.m.	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	10.8%	16.8%	12.5%	19.4%
EPS	n.m.	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	4.0%	18.7%	12.3%	27.0%
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%	4.5%	4.9%	5.6%
Average EBITDA margin	8.0%	9.4%	8.9%	7.7%	7.4%	8.3%	9.2%	10.1%	11.4%	12.6%	12.9%

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	12.1	10.3	9.5
EV/EBITDA (adj)	5.4	5.7	9.6	9.4	7.8	5.0	5.0	7.8	6.3	5.8	5.5
EV/EBITA (adj)	7.6	7.7	12.6	14.0	10.8	12.5	11.8	18.3	14.0	11.4	10.6
EV/EBIT (adj)	8.3	8.2	13.9	16.7	12.3	13.9	13.0	20.2	15.6	12.3	11.2

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	12.1	10.3	9.5
EV/Sales	0.48	0.60	0.85	0.60	0.52	0.63	0.64	0.97	0.82	0.76	0.71
EV/EBITDA	6.1	5.9	10.3	9.9	7.8	5.6	5.0	7.7	6.3	5.8	5.5
EV/EBITA	9.3	8.1	13.9	15.0	10.8	17.0	11.8	17.9	14.0	11.4	10.6
EV/EBIT	10.3	8.7	15.5	18.1	12.3	19.7	13.0	19.7	15.6	12.3	11.2
Dividend yield (ord.)	3.1%	3.5%	2.4%	3.2%	3.3%	0.0%	2.6%	2.3%	3.5%	3.6%	3.8%
FCF yield	-14.9%	12.7%	-50.2%	-11.3%	10.3%	38.8%	38.1%	-5.4%	19.8%	24.7%	25.3%
FCF Yield bef A&D, lease adj	13.1%	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	3.5%	3.5%	9.7%	10.3%
Payout ratio	21.3%	32.6%	29.6%	48.6%	40.5%	0.0%	33.7%	46.2%	42.3%	37.5%	36.2%

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	437	457	474
Accounts receivable	844	825	1,396	1,795	1,762	1,740	624	1,822	1,990	2,082	2,161
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	923	1,211	1,520
Total current assets	1,690	1,758	2,654	3,197	3,463	3,836	3,002	3,558	4,049	4,450	4,855
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**	**11,869**	**12,213**	**12,576**
Shareholders equity	1,348	1,488	2,411	2,453	2,707	2,777	2,908	3,304	3,547	3,837	4,155
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	3,575	3,869	4,191
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	1,591	1,665	1,728
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	3,051	3,125	3,188
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**	**11,869**	**12,213**	**12,576**
Balance sheet and debt metrics											
Net debt	895	738	2,223	2,665	2,539	3,994	2,854	5,249	5,780	5,469	5,137
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	836	874	907
Invested capital	2,329	2,309	4,868	5,326	5,445	6,293	5,230	9,006	8,656	8,638	8,628
Capital employed	2,700	2,755	5,285	5,797	5,968	7,287	6,863	10,090	10,278	10,549	10,848
ROE	7.4%	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	10.4%	11.2%	12.2%	12.2%
ROIC	7.1%	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	5.4%	5.2%	6.5%	6.9%
ROCE	9.2%	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	6.7%	6.6%	7.9%	8.2%
Net debt/EBITDA	3.1	1.7	4.3	4.7	3.5	3.2	2.0	3.5	3.5	3.1	2.8
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%	29.9%	31.4%	33.0%
Net gearing	66.4%	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	158.9%	161.7%	141.4%	122.6%

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**	**1,672**	**1,758**	**1,803**
Paid taxes	-61	-85	-104	-133	-127	-114	-41	-128	-153	-195	-211
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**	**1,162**	**1,391**	**1,421**
Change in NWC	-89	-8	-13	-419	4	104	461	-139	-71	-38	-33
Cash flow from operations (CFO)	**162**	**269**	**331**	**-64**	**455**	**1,336**	**1,727**	**1,063**	**1,092**	**1,352**	**1,387**
Capital expenditure	-44	-46	-112	-196	-161	-133	-88	-128	-167	-201	-209
Free cash flow before A&D	**118**	**223**	**219**	**-260**	**294**	**1,203**	**1,639**	**935**	**925**	**1,151**	**1,179**
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	925	1,151	1,179
Free cash flow bef A&D, lease adj	118	223	219	-260	294	515	981	215	165	451	479
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	25	288	309
Cash flow metrics											
Capex/D&A	37.1%	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	16.6%	21.5%	22.5%
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	132	132	132
Market cap.	899	1,787	3,140	2,899	3,083	3,083	4,229	6,152	4,660	4,660	4,660
Enterprise value	1,795	2,525	5,363	5,564	5,622	7,077	7,087	11,401	10,469	10,161	9,833
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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