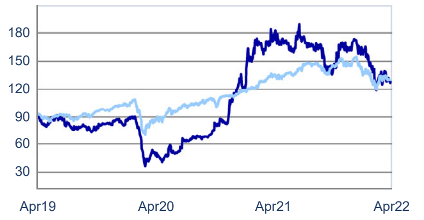
Elanders

Consumer Goods
Sweden

KEY DATA

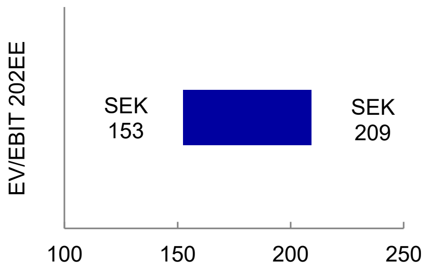
Stock country	Sweden
Bloomberg	ELANB SS
Reuters	ELANb.ST
Share price (close)	SEK 129.4
Free Float	50%
Market cap. (bn)	EUR 0.45/SEK 4.58
Website	www.elanders.com
Next report date	12 Jul 2022

PERFORMANCE



Elanders
Sweden OMX Stockholm All-Share (Rebased)
Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	3%	3%	3%
EBIT (adj)	10%	9%	9%

Source: Nordea estimates

Nordea Markets - Analysts
Carl Ragnerstam
Analyst

Victor Hansen
Analyst

Saved by Bergen Logistics

Elanders presented a strong Q1 report with 2% group organic growth but EBIT growing by 29% y/y, which is impressive given the end-market uncertainties. Q1 also showed the strength of Elanders' deliberate diversification away from automotive in recent years and its ability to ramp up new customer contracts. As such, we upgrade our 2022-24 EBIT estimates by 9-10%. Despite the large acquisition of Bergen Logistics, Elanders still has a solid balance sheet with net debt/EBITDA of 3.5x LTM and 2.7x excluding IFRS 16 pro forma. Owing to our earnings upgrades, we lift our multiples-based equity fair value range to SEK 153-209 (136-188).

An overall strong Q1 report

Elanders presented a strong Q1 report with group sales of SEK 3,371m, up 23% y/y (+2% organically) and 10% ahead of our estimate. The main organic growth was driven by Supply Chain Solutions, which grew by 10% organically driven by its subsidiary LGI – despite the automotive market headwinds – while Mentor Media grew more modestly. Print & Packaging Solutions continued to face tough comparisons, as its subscription box customer insourced the logistics. Adjusted EBIT was SEK 165m, up 29% y/y, implying a margin of 4.9% (+21 bp y/y). We find this really impressive given the volatile production in automotive, the Omicron outbreak in January/ February and the paper price headwind. We believe that the main margin driver was the consolidation of the highly profitable acquisition of Bergen Logistics, which performed strongly during Q1.

9-10% earning upgrades

On the back of the report, we upgrade our 2022-24 adjusted EBIT estimates by 9-10%, as Elanders managed to offset the inflationary headwinds as well as the automotive end-market uncertainties with bravura during Q1. We also upgrade our estimates as the newly acquired company, Bergen Logistics, is seemingly significantly outperforming our initial expectations in terms of both organic growth and margins.

25-56% discount to logistics peers

Elanders trades at ~11x 2023E EV/EBIT and a P/E of ~9x, implying 25% and 56% discounts to the wider European logistics peer group, respectively.

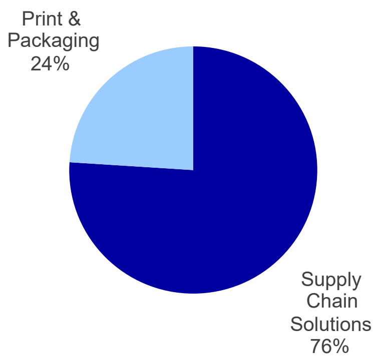
SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	10,742	11,254	11,050	11,732	13,224	13,840	14,375
EBITDA (adj)	725	1,409	1,426	1,465	1,746	1,839	1,886
EBIT (adj)	458	509	546	564	735	897	950
EBIT (adj) margin	4.3%	4.5%	4.9%	4.8%	5.6%	6.5%	6.6%
EPS (adj, SEK)	7.16	7.13	9.19	8.65	11.87	14.23	15.30
EPS (adj) growth	33.9%	-0.4%	29.0%	-5.8%	37.2%	19.8%	7.6%
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	0.7	0.7
EV/EBIT (adj)	12.3	13.9	13.0	20.2	14.1	11.2	10.1
P/E (adj)	12.2	12.2	13.0	20.1	10.9	9.1	8.5
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%	3.6%	3.7%	3.9%
FCF Yield bef A&D, lease	9.5%	16.7%	23.2%	3.5%	4.0%	11.0%	11.6%
Net debt	2,539	3,994	2,854	5,249	5,764	5,402	5,018
Net debt/EBITDA	3.5	3.2	2.0	3.5	3.3	2.9	2.7
ROIC after tax	5.8%	5.9%	6.4%	5.4%	5.7%	7.0%	7.5%

Source: Company data and Nordea estimates

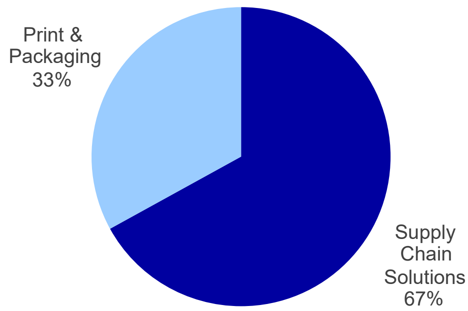
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%)



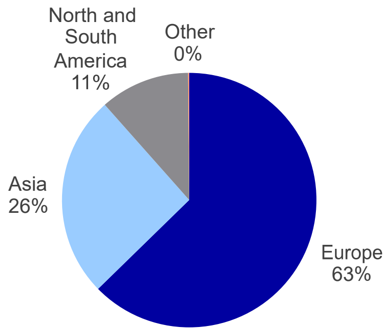
Source: Company data and Nordea estimates

ELANDERS: EBITA SPLIT BY SEGMENT (%)



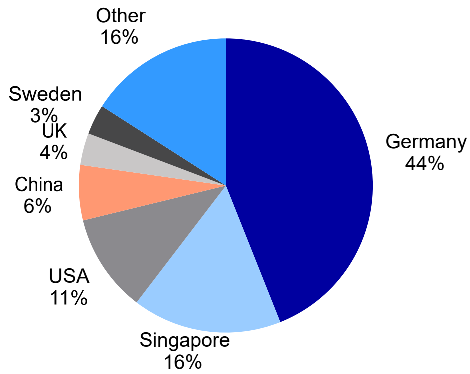
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%)



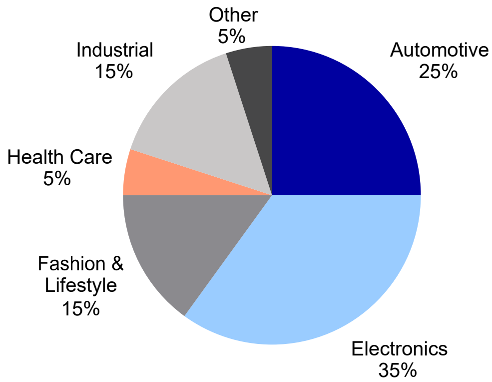
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%)



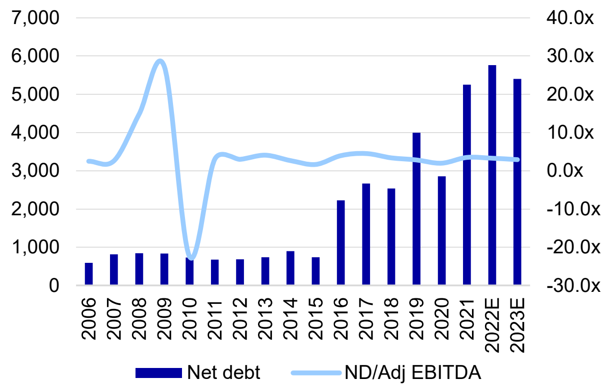
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%)



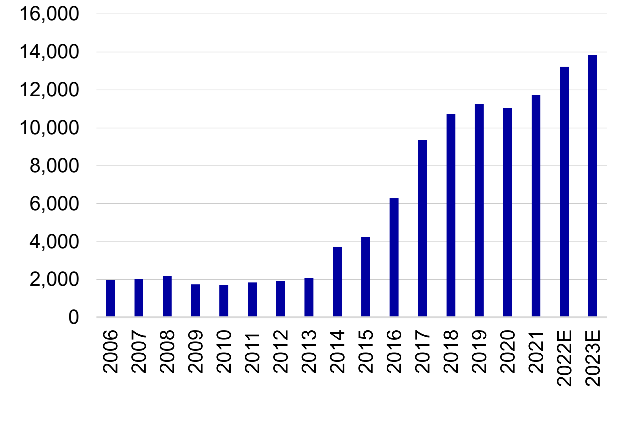
Source: Company data and Nordea estimates

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



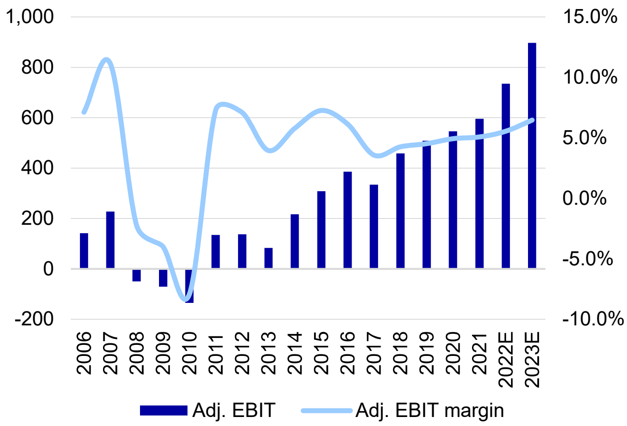
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)



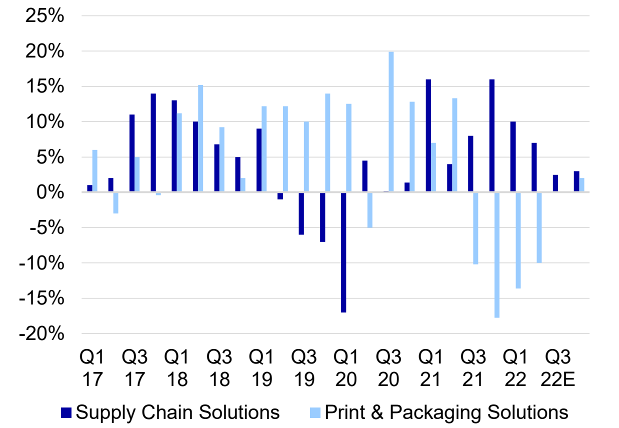
Source: Company data and Nordea estimates

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



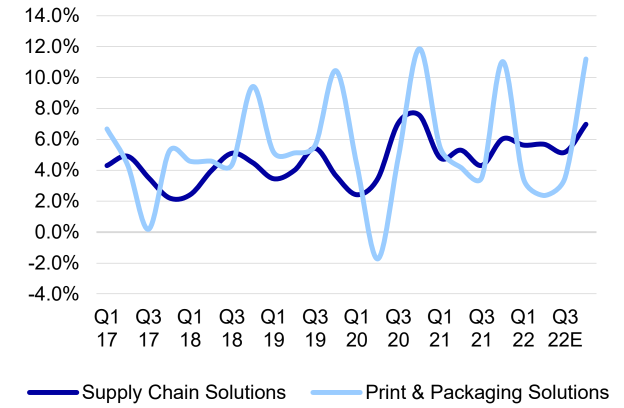
Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)



Source: Company data and Nordea estimates

ELANDERS: EBIT MARGIN DEVELOPMENT BY SEGMENT (%)



Source: Company data and Nordea estimates

Q1 2022 deviation

Net sales were SEK 3,371m in Q1, up 23% y/y (+2% organically) and 10% ahead of our SEK 3,060m estimate. There was a significant beat (16% above our estimate) in Supply Chain Solutions, while Print & Packaging fell 8% short of expectations. Adjusted EBIT of SEK 165m was up 29% y/y and beat our SEK 112m estimate by 48%. The adjusted EBIT margin was 4.9% versus our 3.7% estimate. Here too, the beat came mainly from Supply Chain Solutions, where the newly acquired Bergen Logistics was likely a large contributor. Net debt/EBITDA was 3.5x LTM and 2.7x excluding IFRS 16 pro forma, which implies decent M&A headroom still.

ELANDERS: DEVIATION TABLE

	Actual	NDA est.	Deviation		Actual		Actual	
SEKm	**Q1 22**	**Q1 22E**	**vs. actual**		**Q4 21**	**q/q**	**Q1 21**	**y/y**
Net sales	**3,371**	**3,060**	**311**	**10%**	**3,364**	**0%**	**2,734**	**23%**
Gross profit	492	413	79	19%	514	-4%	382	29%
EBITA	187	131	56	43%	228	-18%	142	32%
Amortisation of intangibles	(22)	(19)	(3)	16%	(19)	16%	(14)	63%
EBIT	165	112	53	48%	209	-21%	128	29%
Earnings per share (SEK)	2.42	1.66	1	46%	3.25	-26%	1.95	24%
Adj. EBITA	187	131	56	43%	244	-23%	142	32%
Adj. EBIT	**165**	**112**	**53**	**48%**	**225**	**-27%**	**128**	**29%**
Adj. EBITA margin	5.5%	4.3%		1.3pp	7.3%	-1.7pp	5.2%	0.4pp
Adj. EBIT margin	**4.9%**	**3.7%**		**1.2pp**	**6.7%**	**-1.8pp**	**4.7%**	**0.2pp**
Supply Chain Solutions	2,769	2,389	380	16%	2,684	3%	2,060	34%
Print & Packaging Solutions	637	690	(53)	-8%	698	-9%	694	-8%
Group functions	11	10	1	10%	10	10%	10	10%
Eliminations	(45)	(29)	(16)	55%	(28)	61%	(29)	55%
Group net sales	**3,371**	**3,060**	**311**	**10%**	**3,364**	**0%**	**2,735**	**23%**
Supply Chain Solutions	156	87	69	78%	162	-4%	99	58%
Print & Packaging Solutions	22	31	(9)	-30%	77	-71%	38	-42%
Group functions	(13)	(7)	(6)		(14)	-7%	(9)	53%
Adj group EBIT	**165**	**112**	**53**	48%	**225**	**-27%**	**129**	**28%**
Supply Chain Solutions	5.6%	3.7%		2.0pp	6.0%	-197pp	4.8%	0.8pp
Print & Packaging Solutions	3.5%	4.5%		-1.1pp	11.0%	109pp	5.5%	-2.0pp
Adj EBIT margin	**4.9%**	**3.7%**		**1.2pp**	**6.7%**	**-124pp**	**4.7%**	**0.2pp**

Source: Company data and Nordea estimates

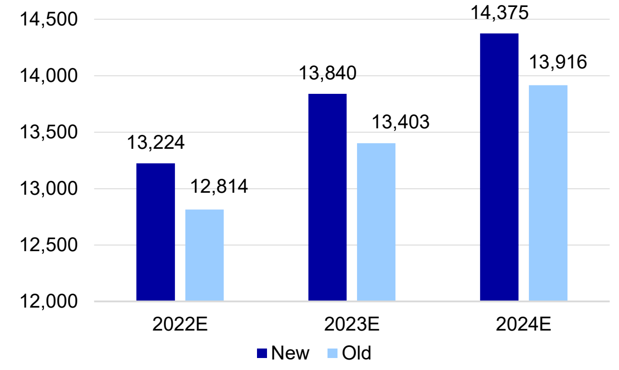
Estimate revisions

ELANDERS: ESTIMATE REVISIONS

	New estimates			Old estimates			Difference %		
SEKm	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**
Net sales	**13,224**	**13,840**	**14,375**	**12,814**	**13,403**	**13,916**	**3%**	**3%**	**3%**
Cost of goods sold	-11,359	-11,906	-12,367	-11,041	-11,530	-11,971	3%	3%	3%
Gross profit	**1,865**	**1,934**	**2,009**	**1,772**	**1,873**	**1,945**	**5%**	**3%**	**3%**
EBITA	814	964	1,007	745	889	930	9%	8%	8%
Amortisation of intangibles	-79	-67	-57	-76	-65	-55	n.a	n.a	n.a
EBIT	735	897	950	669	824	875	10%	9%	9%
Net financials	-114	-172	-171	-104	-172	-171	10%	0%	0%
PTP	621	724	779	565	652	**703**	10%	11%	11%
Income tax	-174	-217	-234	-153	-195	-211	14%	11%	11%
Net profit	447	507	545	413	456	**492**	8%	11%	11%
Earnings per share (SEK)	12	14	15	11	13	14	9%	11%	11%
Adj. EBITA	814	964	1,007	745	889	930	9%	8%	8%
Adj. EBIT	**735**	**897**	**950**	**669**	**824**	**875**	**10%**	**9%**	**9%**
Tax on EO	0	0	0	0	0	0	n.a	n.a	n.a
Adj. Net profit	447	507	545	413	456	492	8%	11%	11%
Adj. EPS	12	14	15	11	13	14	9%	11%	11%
Adj. EBITA margin	6.2%	7.0%	0.0%	5.8%	6.6%	0.0%	0.3pp	0.3pp	0.0pp
Adj. EBIT margin	5.6%	6.5%	0.0%	5.2%	6.1%	0.0%	0.3pp	0.3pp	0.0pp
Adj. Incremental margin	9.3%	26.3%	0.0%	6.8%	26.2%	0.0%	2.5pp	0.1pp	0.0pp
Net sales per segment									
Supply Chain Solutions	10,793	11,387	11,899	10,284	10,849	11,337	5%	5%	5%
Print & Packaging Solutions	2,538	2,564	2,589	2,622	2,648	2,675	-3%	-3%	-3%
Group functions	40	40	41	40	40	41	0%	0%	0%
Eliminations	-148	-151	-154	-132	-135	-137	12%	12%	12%
Group net sales	**13,224**	**13,840**	**14,375**	**12,814**	**13,403**	**13,916**	**3%**	**3%**	**3%**
Adj EBIT per segment									
Supply Chain Solutions	636	796	847	544	697	746	17%	14%	14%
Print & Packaging Solutions	137	140	142	157	160	162	-13%	-13%	-12%
Group functions	-38	-39	-40	-32	-33	-33	19%	19%	19%
Group EBIT	**735**	**897**	**950**	**669**	**824**	**875**	**10%**	**9%**	**9%**
Adj. EBIT margin									
Supply Chain Solutions	5.9%	7.0%	7.1%	5.3%	6.4%	6.6%	0.6pp	0.6pp	0.5pp
Print & Packaging Solutions	5.4%	5.4%	5.5%	6.0%	6.0%	6.1%	-0.6pp	-0.6pp	-0.6pp
Group	**5.6%**	**6.5%**	**6.6%**	**5.2%**	**6.1%**	**6.3%**	**0.3pp**	**0.3pp**	**0.3pp**

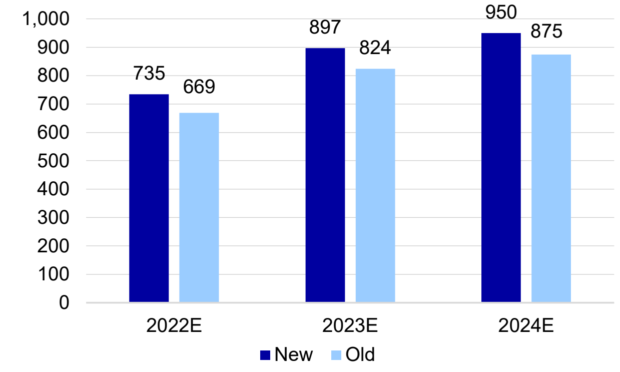
Source: Nordea estimates

NET SALES: NEW ESTIMATES VERSUS OLD ESTIMATES (SEKm)



Source: Nordea estimates

ADJUSTED EBIT: NEW ESTIMATES VERSUS 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	-	87,067	23.8x	22.5x	-	-	33.9x	32.9x	62.9x	59.9x	1.0%	1.4%	-	-	3.5%	3.5%
CH Robinson	-	126,847	12.6x	13.9x	-	-	13.7x	15.2x	16.5x	17.8x	2.0%	2.1%	1.1x	1.2x	20.9%	19.5%
DSV	BUY	278,160	11.8x	11.9x	14.4x	14.9x	14.4x	14.9x	17.9x	18.7x	0.3%	0.3%	1.2x	1.2x	14.4%	13.3%
Elanders		4,575	5.9x	5.4x	12.7x	10.4x	14.1x	11.2x	10.9x	9.1x	3.6%	3.7%	3.3x	2.9x	5.7%	7.0%
Expeditors	-	155,426	8.6x	10.6x	-	-	8.8x	11.1x	13.4x	17.1x	1.3%	1.3%	-	-	32.3%	26.2%
ID Logistics	-	17,602	6.4x	5.8x	23.5x	19.0x	20.0x	17.5x	32.1x	26.6x	0.0%	0.0%	1.5x	1.2x	0.0%	0.0%
J.B Hunt	-	172,516	9.8x	9.5x	-	-	14.0x	13.5x	18.8x	17.4x	0.9%	1.0%	0.6x	0.6x	20.6%	18.6%
Kerry Logistics	-	38,618	5.6x	5.9x	-	-	7.1x	9.3x	11.7x	11.4x	2.9%	2.2%	0.6x	0.2x	12.8%	12.4%
Huehne & Nagel	-	321,611	8.1x	10.4x	8.9x	10.5x	10.1x	14.3x	14.4x	21.8x	3.8%	3.2%	-	-	61.1%	41.4%
Landstar	-	51,251	8.9x	10.1x	-	-	9.9x	11.4x	13.0x	15.1x	1.9%	0.8%	-	-	39.6%	33.1%
Old Dominion	-	292,543	15.1x	14.0x	-	-	17.6x	16.3x	24.1x	22.2x	0.4%	0.5%	-	-	31.4%	30.1%
XPO Logistics	-	61,951	7.0x	6.6x	-	-	10.7x	9.8x	10.6x	9.7x	0.0%	0.0%	2.5x	2.0x	16.2%	16.4%
Average		**134,014**	**10.3x**	**10.5x**	**14.9x**	**13.7x**	**14.5x**	**14.8x**	**20.5x**	**20.6x**	**1.5%**	**1.4%**	**1.5x**	**1.3x**	**21.5%**	**18.5%**
Median		**106,957**	**8.8x**	**10.2x**	**13.6x**	**12.7x**	**13.8x**	**13.9x**	**15.5x**	**17.6x**	**1.1%**	**1.1%**	**1.2x**	**1.2x**	**18.4%**	**17.5%**
Elanders		**4,575**	**5.9x**	**5.4x**	**12.7x**	**10.4x**	**14.1x**	**11.2x**	**10.9x**	**9.1x**	**3.6%**	**3.7%**	**3.3x**	**2.9x**	**5.7%**	**7.0%**
vs. peer average	-	-	-42%	-48%	-14%	-24%	-3%	-25%	-47%	-56%	2.0pp	2.6pp	116%	122%	-16pp	-10pp
vs. peer median	-	-	-32%	-47%	-6%	-18%	2%	-20%	-29%	-48%	2.4pp	2.6pp	171%	151%	-13pp	-10pp
vs. ID Logistics	-	-	-8%	-6%	-46%	-45%	-29%	-36%	-66%	-66%	3.6pp	3.7pp	125%	146%	6pp	7pp
vs. XPO Logistics	-	-	-15%	-18%	nm	nm	32%	14%	3%	-7%	3.6pp	3.7pp	31%	49%	-11pp	-9pp

Source: Refinitiv and Nordea estimates

Detailed estimates

ELANDERS: QUARTERLY ESTIMATES

(SEKm)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22E	Q3 22E	Q4 22E
Net sales	2,734	2,769	2,865	3,364	3,371	3,145	3,168	3,539
Cost of goods sold	-2,352	-2,386	-2,500	-2,850	-2,879	-2,714	-2,725	-3,041
Gross profit	382	383	365	514	492	431	444	498
Sales and administrative expenses	-265	-259	-264	-331	-338	-292	-290	-346
Other operating income	17	12	15	38	26	13	16	40
Other operating expenses	-6	-5	-5	-12	-16	0	-23	79
EBITDA	341	343	342	456	421	402	397	526
Depreciation	-23	-21	-41	-38	-44	-41	-41	-46
EBITA	142	145	124	228	187	171	165	290
Amortisation of intangible acq related assets	-14	-13	-13	-19	-22	-19	-19	-19
EBIT	128	132	111	209	165	152	146	271
Net financials	-25	-22	-23	-28	-36	-26	-26	-26
PTP	103	110	88	181	129	126	120	245
Income tax	-35	-24	-31	-61	-41	-34	-33	-66
Net profit	68	86	57	120	88	92	88	179
Earnings per share (SEK)	1.95	2.35	1.56	3.25	2.40	2.41	2.26	4.80
Adj. EBITDA	341	343	342	472	421	402	397	526
Adj. EBITA	142	145	124	244	187	171	165	290
Adj. EBIT	128	132	111	225	165	152	146	271
Tax on EO	0	0	0	5	0	0	0	0
Adj. Net profit	68	86	57	109	88	92	88	179
Adj. EPS	1.95	2.35	1.56	2.95	2.40	2.41	2.26	4.80
Gross margin	14.0%	13.8%	12.7%	15.3%	14.6%	13.7%	14.0%	14.1%
EBITDA margin	12.5%	12.4%	11.9%	13.6%	12.5%	12.8%	12.5%	14.9%
EBITA margin	5.2%	5.2%	4.3%	6.8%	5.5%	5.4%	5.2%	8.2%
EBIT margin	4.7%	4.8%	3.9%	6.2%	4.9%	4.8%	4.6%	7.7%
Incremental margin	37.7%	-162.2%	-75.9%	-7.1%	5.8%	5.4%	11.7%	35.4%
Adj. EBITDA margin	12.5%	12.4%	11.9%	14.0%	12.5%	12.8%	12.5%	14.9%
Adj. EBITA margin	5.2%	5.2%	4.3%	7.3%	5.5%	5.4%	5.2%	8.2%
Adj. EBIT margin	4.7%	4.8%	3.9%	6.7%	4.9%	4.8%	4.6%	7.7%
Adj. Incremental margin	37.7%	-162.2%	-75.9%	-7.1%	5.8%	5.4%	11.7%	35.4%

Source: Company data and Nordea estimates

ELANDERS: QUARTERLY SALES AND EBIT BRIDGE

(%)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22E	Q3 22E	Q4 22E
Supply Chain Solutions								
Volume	16%	4%	8%	16%	10%	7%	3%	3%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	1%	1%	2%	11%	24%	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%**	**34%**	**19%**	**13%**	**6%**
Print & Packaging Solutions								
Volume	7%	13%	-10%	-18%	-14%	-10%	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%	-8%	-4%	0%	2%
EBIT per segment quarterly								
(SEKm)	**Q1 21**	**Q2 21**	**Q3 21**	**Q4 21**	**Q1 22**	**Q2 22E**	**Q3 22E**	**Q4 22E**
Supply Chain Solutions	99	115	99	146	156	146	134	199
Print & Packaging Solutions	38	26	21	77	22	14	21	80
Group functions	-9	-9	-10	-14	-13	-8	-9	-8
Group EBIT	**128**	**132**	**111**	**209**	**165**	**152**	**146**	**271**
Adj. EBIT per segment quarterly								
Supply Chain Solutions	99	115	99	162	156	146	134	199
Print & Packaging Solutions	38	26	21	77	22	14	21	80
Group functions	-9	-9	-10	-14	-13	-8	-9	-8
Adj group EBIT	**129**	**132**	**111**	**225**	**165**	**152**	**146**	**271**
EBIT margin per segment quarterly								
Supply Chain Solutions	4.8%	5.3%	4.3%	5.4%	5.6%	5.7%	5.2%	7.0%
Print & Packaging Solutions	5.5%	4.2%	3.5%	11.0%	3.5%	2.4%	3.5%	11.2%
EBIT margin	**4.7%**	**4.8%**	**3.9%**	**6.2%**	**4.9%**	**4.8%**	**4.6%**	**7.7%**
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	4.8%	5.3%	4.3%	6.0%	5.6%	5.7%	5.2%	7.0%
Print & Packaging Solutions	5.5%	4.2%	3.5%	11.0%	3.5%	2.4%	3.5%	11.2%
Adj EBIT margin	**4.7%**	**4.8%**	**3.9%**	**6.7%**	**4.9%**	**4.8%**	**4.6%**	**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	13,224	13,840	14,375
Cost of goods sold	-8,008	-9,331	-9,780	-9,532	-10,088	-11,359	-11,906	-12,367
Gross profit	1,334	1,411	1,474	1,518	1,644	1,865	1,934	2,009
Sales and administrative expenses	-1,067	-1,034	-1,145	-1,050	-1,119	-1,266	-1,316	-1,355
Other operating income	79	112	66	13	82	95	98	101
Other operating expenses	-38	-30	-33	-44	-28	40	180	195
EBITDA	563	747	1,260	1,426	1,482	1,746	1839	1886
Depreciation	-192	-203	-156	-169	-123	-172	-242	-236
EBITA	371	522	416	599	639	814	964	1007
Amortisation of intangible acq related assets	-63	-64	-56	-53	-59	-79	-67	-57
EBIT	308	458	360	546	580	735	897	950
Net financials	-80	-93	-143	-131	-98	-114	-172	-171
PTP	228	365	217	415	482	621	724	779
Income tax	-64	-107	-63	-86	-151	-174	-217	-234
Net profit	164	258	154	329	331	447	507	545
Earnings per share (SEK)	4.64	7.19	4.19	9.19	9.11	11.87	14.23	15.30
Adj. EBITDA	589	747	1,409	1,426	1,498	1,746	1839	1886
Adj. EBITA	397	522	565	599	655	814	964	1007
Adj. EBIT	334	458	509	546	596	735	897	950
Tax on EO	7	0	43	0	5	0	0	0
Adj. Net profit	197	258	346	329	352	447	507	545
Adj. EPS	5.55	7.16	9.79	9.19	9.70	11.87	14.23	15.30
Gross margin	14.3%	13.1%	13.1%	13.7%	14.0%	14.1%	14.0%	14.0%
EBITDA margin	6.0%	7.0%	11.2%	12.9%	12.6%	13.2%	13.3%	13.1%
EBITA margin	4.0%	4.9%	3.7%	5.4%	5.4%	6.2%	7.0%	7.0%
EBIT margin	3.3%	4.3%	3.2%	4.9%	4.9%	5.6%	6.5%	6.6%
Incremental margin	-1.3%	10.7%	-19.1%	-91.2%	5.0%	10.4%	26.3%	9.9%
Adj. EBITDA margin	6.3%	7.0%	12.5%	12.9%	12.8%	13.2%	13.3%	13.1%
Adj. EBITA margin	4.2%	4.9%	5.0%	5.4%	5.6%	6.2%	7.0%	7.0%
Adj. EBIT margin	3.6%	4.3%	4.5%	4.9%	5.1%	5.6%	6.5%	6.6%
Adj. Incremental margin	-1.7%	8.9%	10.0%	-18.1%	7.3%	9.3%	26.3%	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%	5%	6%	5%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	65%	1%	0%	0%	4%	12%	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%**	**17%**	**6%**	**5%**
Print & Packaging Solutions								
Volume	2%	9%	12%	10%	-3%	-5%	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%	-3%	1%	1%
EBIT per segment annual								
(SEKm)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Supply Chain Solutions	253	346	220	435	459	636	796	847
Print & Packaging Solutions	93	132	174	147	162	137	140	142
Group functions	-32	-20	-34	-36	-42	-38	-39	-40
Group EBIT	**308**	**458**	**360**	**546**	**579**	**735**	**897**	**950**
Adj. EBIT per segment annual								
Supply Chain Solutions	258	346	362	435	475	636	796	847
Print & Packaging Solutions	109	132	181	147	162	137	140	142
Group functions	-32	-20	-34	-36	-42	-38	-39	-40
Adj group EBIT	**334**	**458**	**509**	**546**	**596**	**735**	**897**	**950**
EBIT margin per segment annual								
Supply Chain Solutions	3.6%	4.1%	2.5%	5.2%	5.0%	5.9%	7.0%	7.1%
Print & Packaging Solutions	4.2%	5.9%	6.8%	5.4%	6.2%	5.4%	5.4%	5.5%
EBIT margin	**3.3%**	**4.2%**	**3.2%**	**4.9%**	**4.9%**	**5.6%**	**6.5%**	**6.6%**
Adj. EBIT margin per segment annual								
Supply Chain Solutions	3.7%	4.1%	4.1%	5.2%	5.2%	5.9%	7.0%	7.1%
Print & Packaging Solutions	4.9%	5.9%	7.1%	5.4%	6.2%	5.4%	5.4%	5.5%
Adj EBIT margin	**3.6%**	**4.2%**	**4.5%**	**4.9%**	**5.1%**	**5.6%**	**6.5%**	**6.6%**

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**	**13,224**	**13,840**	**14,375**
Revenue growth	77.9%	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	6.2%	12.7%	4.7%	3.9%
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	1,746	1,839	1,886
Depreciation and impairments PPE	-99	-115	-132	-192	-203	-844	-827	-843	-932	-875	-879
of which leased assets	0	0	0	0	0	-688	-658	-720	-760	-700	-700
EBITA	194	312	387	371	522	416	599	638	814	964	1,007
Amortisation and impairments	-19	-20	-40	-63	-64	-56	-53	-58	-79	-67	-57
EBIT	175	292	347	308	458	360	546	580	735	897	950
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	-114	-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**	**621**	**724**	**779**
Reported taxes	-52	-85	-82	-64	-107	-63	-86	-151	-174	-217	-234
Net profit from continued operations	88	174	221	164	258	154	329	331	447	507	545
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	-1	-5	-6	-4	-9	-27	-4	-4
Net profit to equity	88	174	221	163	253	148	325	322	420	503	541
EPS, SEK	**3.49**	**6.18**	**7.48**	**4.61**	**7.16**	**4.19**	**9.19**	**9.11**	**11.87**	**14.23**	**15.30**
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%	13.2%	13.3%	13.1%
EBITA	5.2%	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	5.4%	6.2%	7.0%	7.0%
EBIT	4.7%	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	4.9%	5.6%	6.5%	6.6%
Adjusted earnings											
EBITDA (adj)	335	443	558	589	725	1,409	1,426	1,465	1,746	1,839	1,886
EBITA (adj)	236	328	426	397	522	565	599	622	814	964	1,007
EBIT (adj)	217	308	386	334	458	509	546	564	735	897	950
EPS (adj, SEK)	5.16	6.75	8.80	5.35	7.16	7.13	9.19	8.65	11.87	14.23	15.30
Adjusted profit margins in percent											
EBITDA (adj)	9.0%	10.5%	8.9%	6.3%	6.7%	12.5%	12.9%	12.5%	13.2%	13.3%	13.1%
EBITA (adj)	6.3%	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	5.3%	6.2%	7.0%	7.0%
EBIT (adj)	5.8%	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	4.8%	5.6%	6.5%	6.6%
Performance metrics											
CAGR last 5 years											
Net revenue	16.3%	20.0%	27.9%	37.2%	38.7%	24.7%	21.1%	13.3%	7.2%	5.2%	5.0%
EBITDA	40.8%	74.6%	21.4%	21.9%	32.4%	33.9%	27.3%	23.3%	25.4%	20.5%	8.4%
EBIT	n.m.	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	10.8%	19.0%	14.4%	21.4%
EPS	n.m.	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	4.0%	20.8%	14.7%	29.6%
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%	4.6%	5.1%	5.8%
Average EBITDA margin	8.0%	9.4%	8.9%	7.7%	7.4%	8.3%	9.2%	10.1%	11.4%	12.7%	13.0%

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	10.9	9.1	8.5
EV/EBITDA (adj)	5.4	5.7	9.6	9.4	7.8	5.0	5.0	7.8	5.9	5.4	5.1
EV/EBITA (adj)	7.6	7.7	12.6	14.0	10.8	12.5	11.8	18.3	12.7	10.4	9.6
EV/EBIT (adj)	8.3	8.2	13.9	16.7	12.3	13.9	13.0	20.2	14.1	11.2	10.1

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	10.9	9.1	8.5
EV/Sales	0.48	0.60	0.85	0.60	0.52	0.63	0.64	0.97	0.78	0.72	0.67
EV/EBITDA	6.1	5.9	10.3	9.9	7.8	5.6	5.0	7.7	5.9	5.4	5.1
EV/EBITA	9.3	8.1	13.9	15.0	10.8	17.0	11.8	17.9	12.7	10.4	9.6
EV/EBIT	10.3	8.7	15.5	18.1	12.3	19.7	13.0	19.7	14.1	11.2	10.1
Dividend yield (ord.)	3.1%	3.5%	2.4%	3.2%	3.3%	0.0%	2.6%	2.3%	3.6%	3.7%	3.9%
FCF yield	-14.9%	12.7%	-50.2%	-11.3%	10.3%	38.8%	38.1%	-5.4%	20.6%	26.3%	26.9%
FCF Yield bef A&D, lease adj	13.1%	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	3.5%	4.0%	11.0%	11.6%
Payout ratio	21.3%	32.6%	29.6%	48.6%	40.5%	0.0%	33.7%	46.2%	38.7%	33.7%	32.7%

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	4,438	4,371	4,314
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	1,938	1,871	1,814
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	3,021	3,030	3,044
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	7,811	7,753	7,710
Inventory	254	266	295	390	468	335	233	400	451	472	490
Accounts receivable	844	825	1,396	1,795	1,762	1,740	624	1,822	2,054	2,149	2,233
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	939	1,278	1,639
Total current assets	1,690	1,758	2,654	3,197	3,463	3,836	3,002	3,558	4,143	4,599	5,061
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**	**11,955**	**12,353**	**12,771**
Shareholders equity	1,348	1,488	2,411	2,453	2,707	2,777	2,908	3,304	3,582	3,923	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	27	31	35
Total Equity	1,348	1,488	2,411	2,453	2,707	2,777	2,912	3,304	3,609	3,954	4,329
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	1,642	1,719	1,785
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	3,102	3,179	3,245
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**	**11,955**	**12,353**	**12,771**
Balance sheet and debt metrics											
Net debt	895	738	2,223	2,665	2,539	3,994	2,854	5,249	5,764	5,402	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	862	902	937
Invested capital	2,329	2,309	4,868	5,326	5,445	6,293	5,230	9,006	8,673	8,656	8,647
Capital employed	2,700	2,755	5,285	5,797	5,968	7,287	6,863	10,090	10,312	10,634	10,986
ROE	7.4%	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	10.4%	12.2%	13.4%	13.2%
ROIC	7.1%	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	5.4%	5.7%	7.0%	7.5%
ROCE	9.2%	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	6.7%	7.2%	8.6%	8.8%
Net debt/EBITDA	3.1	1.7	4.3	4.7	3.5	3.2	2.0	3.5	3.3	2.9	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%	30.0%	31.8%	33.6%
Net gearing	66.4%	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	158.9%	159.7%	136.6%	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**	**1,746**	**1,839**	**1,886**
Paid taxes	-61	-85	-104	-133	-127	-114	-41	-128	-174	-217	-234
Net financials	0	0	0	0	1	-143	-131	-98	-114	-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**	**1,205**	**1,450**	**1,481**
Change in NWC	-89	-8	-13	-419	4	104	461	-139	-97	-40	-35
Cash flow from operations (CFO)	**162**	**269**	**331**	**-64**	**455**	**1,336**	**1,727**	**1,063**	**1,107**	**1,409**	**1,446**
Capital expenditure	-44	-46	-112	-196	-161	-133	-88	-128	-166	-208	-216
Free cash flow before A&D	**118**	**223**	**219**	**-260**	**294**	**1,203**	**1,639**	**935**	**941**	**1,202**	**1,230**
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	941	1,202	1,230
Free cash flow bef A&D, lease adj	118	223	219	-260	294	515	981	215	181	502	530
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	41	339	361
Cash flow metrics											
Capex/D&A	37.1%	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	16.4%	22.0%	23.0%
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	129	129	129
Market cap.	899	1,787	3,140	2,899	3,083	3,083	4,229	6,152	4,575	4,575	4,575
Enterprise value	1,795	2,525	5,363	5,564	5,622	7,077	7,087	11,401	10,366	10,008	9,629
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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