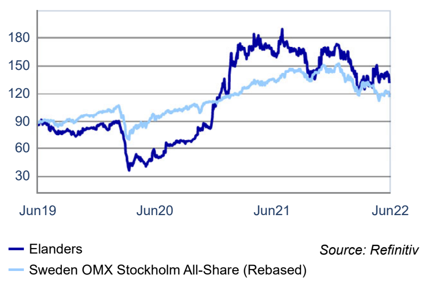
Elanders

Consumer Goods
Sweden

KEY DATA

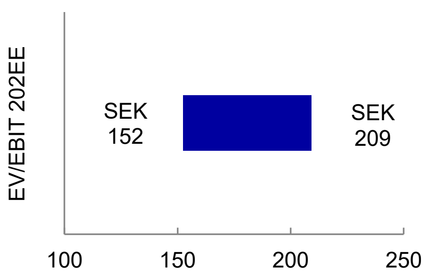
Stock country	Sweden
Bloomberg	ELANB SS
Reuters	ELANb.ST
Share price (close)	SEK 131.8
Free Float	50%
Market cap. (bn)	EUR 0.44/SEK 4.66
Website	www.elanders.com
Next report date	12 Jul 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	0%	0%	0%
EBIT (adj)	0%	-6%	-5%

Source: Nordea estimates

Nordea Markets - Analysts
Carl Ragnerstam
Analyst

Victor Hansen
Analyst

Auto recovery but consumer uncertainty

Elanders will present its Q2 report on 12 July. We expect a solid Q2 report with 4.5% group organic growth and EBIT up by 21% y/y. Recently, we have seen a fair amount of end-market news, with on the positive side Automotive production rates starting to normalise but on the other hand weaker consumer sentiment that might hamper its Fashion & Lifestyle segment. Our current base estimates imply that the Automotive recovery should offset a more muted Fashion & Lifestyle market, which together with normalised production rates should expand group margins by 40% y/y in 2022 and drive earnings growth of 23%. We marginally cut our multiples-based equity fair value range to SEK 152-209 (153-209).

Solid Q2 expected

We expect a solid Q2 report with group sales of SEK 3,179m, up 15% y/y of which 4.5% is organic and 10.4% is M&A. For Supply Chain Solutions, we expect yet another strong quarter, with 10% organic growth driven by ongoing high demand within Electronics and Fashion & Lifestyle. Meanwhile, automotive may be burdened by chip shortages among its customers. For Print & Packaging, however, we model -15% organic sales growth primarily owing to one customer insourcing logistics (subscription boxes). At the group level, we forecast adjusted EBIT of SEK 159m, up 21% y/y and implying a margin of 5.0% (+24 bp y/y). As to margins, we expect Q2 to be burdened by inefficient production and fuel cost headwinds while consolidation of the margin-accretive acquisition of Bergen Logistics should offset these.

Minor negative revisions owing to uncertainities

During the past two weeks, we have seen positive newsflow from many European automotive manufacturers regarding the component shortage situation. We believe that Daimler, one of Elanders' more important customers, will run its production at normalised levels from June onwards. On the negative side, we have seen data points indicating weaker consumer sentiment in Europe and the US in various subsegments. As things stand, we believe that demand within Elanders' Fashion & Lifestyle segment is holding up well and in fact growing. Yet, this could quickly change. As of Q1 2022, Automotive, Life Science and Industry which we view as more favourable NTM represent 47% of group sales. Fashion & Lifestyle and Electronics, two end markets facing greater uncertainty, represent 53% of group sales.

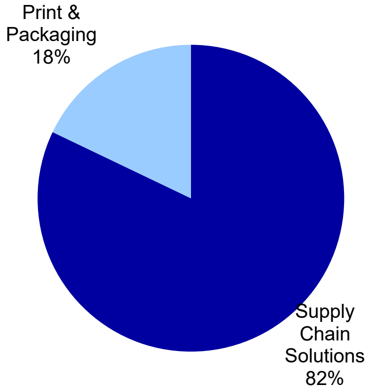
SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	10,742	11,254	11,050	11,732	13,268	13,835	14,372
EBITDA (adj)	725	1,409	1,426	1,465	1,746	1,788	1,834
EBIT (adj)	458	509	546	564	734	845	898
EBIT (adj) margin	4.3%	4.5%	4.9%	4.8%	5.5%	6.1%	6.2%
EPS (adj, SEK)	7.16	7.13	9.19	8.65	11.86	13.20	14.27
EPS (adj) growth	33.9%	-0.4%	29.0%	-5.8%	37.1%	11.2%	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	0.7	0.7
EV/EBIT (adj)	12.3	13.9	13.0	20.2	14.2	12.0	10.9
P/E (adj)	12.2	12.2	13.0	20.1	11.1	10.0	9.2
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%	3.8%	10.1%	10.6%
Net debt	2,539	3,994	2,854	5,249	5,767	5,438	5,090
Net debt/EBITDA	3.5	3.2	2.0	3.5	3.3	3.0	2.8
ROIC after tax	5.8%	5.9%	6.4%	5.4%	5.6%	6.6%	7.1%

Source: Company data and Nordea estimates

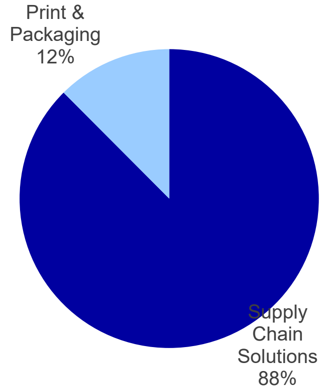
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%)



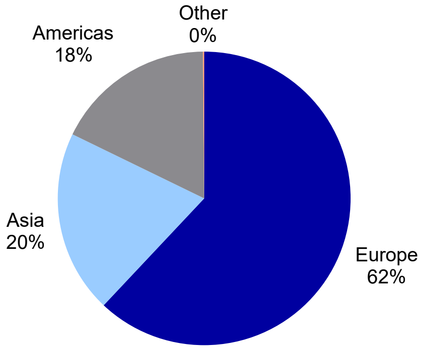
Source: Company data and Nordea estimates

ELANDERS: EBITA SPLIT BY SEGMENT (%)



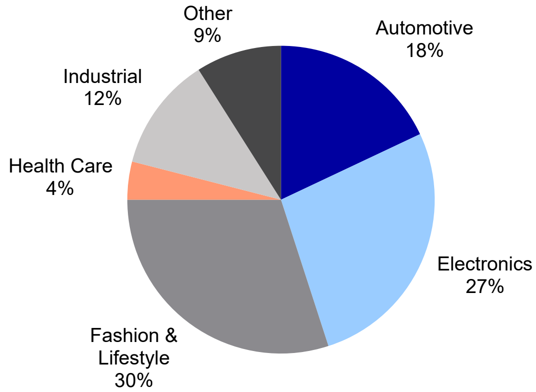
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%)



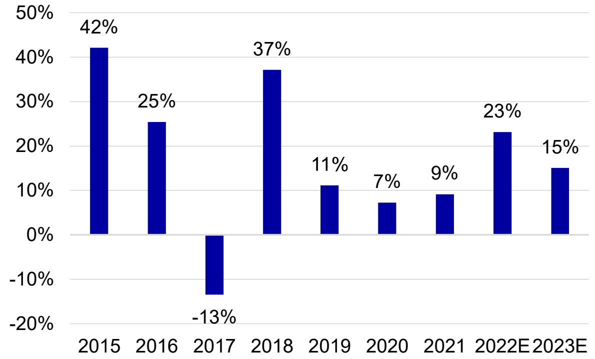
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%)



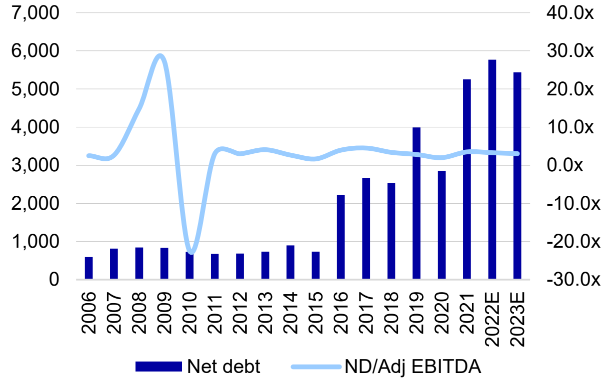
Source: Company data and Nordea estimates

ELANDERS: GROUP ADJ. EBIT GROWTH Y/Y (%)



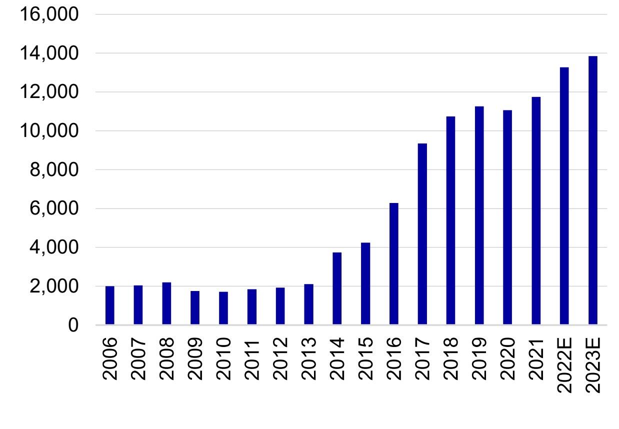
Source: Company data and Nordea estimates

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



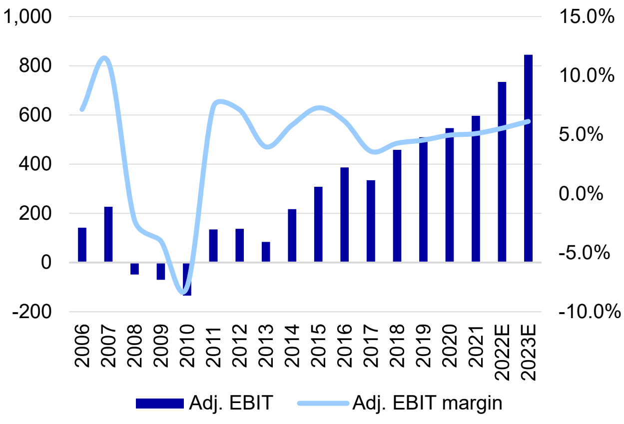
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)



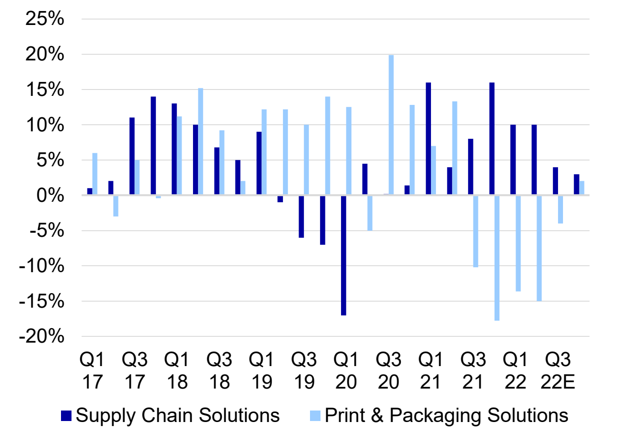
Source: Company data and Nordea estimates

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



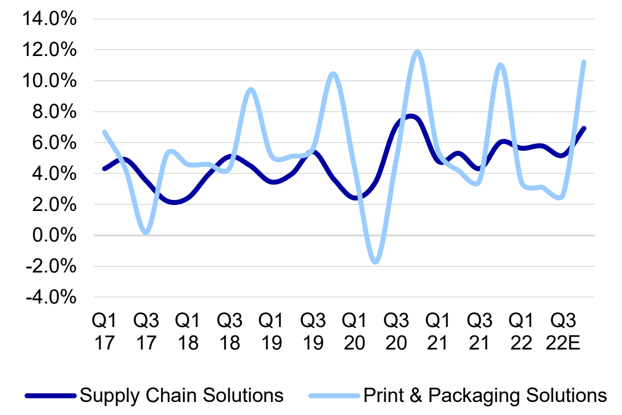
Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)



Source: Company data and Nordea estimates

ELANDERS: EBIT MARGIN DEVELOPMENT BY SEGMENT (%)



Source: Company data and Nordea estimates

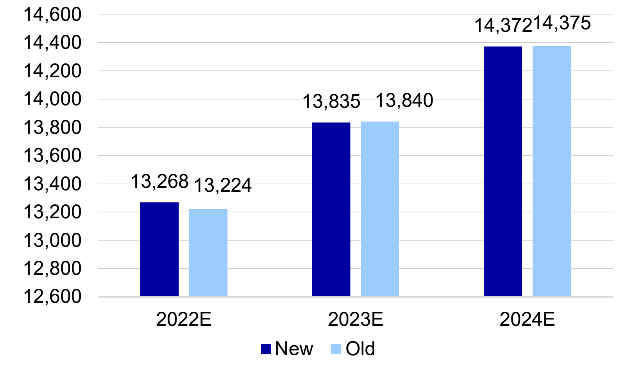
Estimate revisions

ELANDERS: ESTIMATE REVISIONS

	New estimates			Old estimates			Difference %		
SEKm	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Net sales	**13,268**	**13,835**	**14,372**	**13,224**	**13,840**	**14,375**	**0%**	**0%**	**0%**
Cost of goods sold	-11,397	-11,902	-12,364	-11,359	-11,906	-12,367	0%	0%	0%
Gross profit	**1,871**	**1,933**	**2,009**	**1,865**	**1,934**	**2,009**	**0%**	**0%**	**0%**
EBITA	813	912	955	814	964	1,007	0%	-5%	-5%
Amortisation of intangibles	-79	-67	-57	-79	-67	-57	n.a	n.a	n.a
EBIT	734	845	898	735	897	950	0%	-6%	-5%
Net financials	-114	-172	-171	-114	-172	-171	0%	0%	0%
PTP	620	672	727	621	724	**779**	0%	-7%	-7%
Income tax	-174	-202	-218	-174	-217	-234	0%	-7%	-7%
Net profit	446	471	509	447	507	**545**	0%	-7%	-7%
Earnings per share (SEK)	12	13	14	12	14	15	0%	-7%	-7%
Adj. EBITA	813	912	955	814	964	1,007	0%	-5%	-5%
Adj. EBIT	**734**	**845**	**898**	**735**	**897**	**950**	**0%**	**-6%**	**-5%**
Tax on EO	0	0	0	0	0	0	n.a	n.a	n.a
Adj. Net profit	446	471	509	447	507	545	0%	-7%	-7%
Adj. EPS	12	13	14	12	14	15	0%	-7%	-7%
Adj. EBITA margin	6.1%	6.6%	0.0%	6.2%	7.0%	0.0%	0.0pp	-0.4pp	0.0pp
Adj. EBIT margin	5.5%	6.1%	0.0%	5.6%	6.5%	0.0%	0.0pp	-0.4pp	0.0pp
Adj. Incremental margin	9.0%	19.5%	0.0%	9.3%	26.3%	0.0%	-0.3pp	-6.8pp	0.0pp
Net sales per segment									
Supply Chain Solutions	10,893	11,437	11,952	10,793	11,387	11,899	1%	0%	0%
Print & Packaging Solutions	2,483	2,508	2,533	2,538	2,564	2,589	-2%	-2%	-2%
Group functions	40	40	41	40	40	41	0%	0%	0%
Eliminations	-148	-151	-154	-148	-151	-154	0%	0%	0%
Group net sales	**13,268**	**13,835**	**14,372**	**13,224**	**13,840**	**14,375**	**0%**	**0%**	**0%**
Adj EBIT per segment									
Supply Chain Solutions	643	752	803	636	796	847	1%	-6%	-5%
Print & Packaging Solutions	134	137	139	137	140	142	-2%	-2%	-2%
Group functions	-43	-44	-45	-38	-39	-40	13%	13%	13%
Group EBIT	**734**	**845**	**898**	**735**	**897**	**950**	**0%**	**-6%**	**-5%**
Adj. EBIT margin									
Supply Chain Solutions	5.9%	6.6%	6.7%	5.9%	7.0%	7.1%	0.0pp	-0.4pp	-0.4pp
Print & Packaging Solutions	5.4%	5.5%	5.5%	5.4%	5.4%	5.5%	0.0pp	0.0pp	0.0pp
Group	**5.5%**	**6.1%**	**6.2%**	**5.6%**	**6.5%**	**6.6%**	**0.0pp**	**-0.4pp**	**-0.4pp**

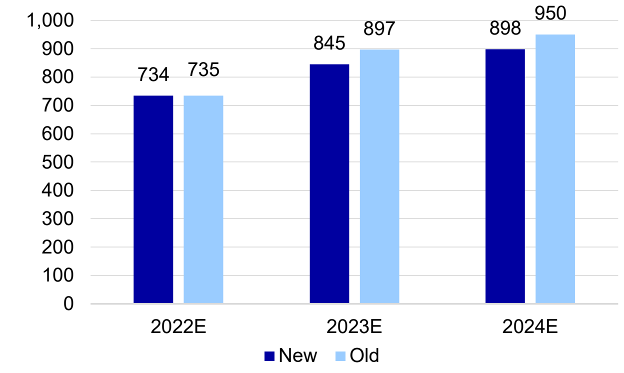
Source: Nordea estimates

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	-	80,977	22.0x	20.8x	-	-	31.3x	30.4x	56.0x	53.3x	1.1%	1.5%	-	-	3.5%	3.5%
CH Robinson	-	129,693	11.3x	12.8x	-	-	12.2x	14.0x	14.0x	16.3x	2.1%	2.2%	1.1x	1.1x	21.9%	19.3%
DSV	BUY	250,800	9.7x	10.0x	11.6x	12.4x	11.6x	12.4x	14.3x	15.6x	0.8%	0.8%	1.2x	1.0x	16.1%	14.2%
Elanders		4,660	6.0x	5.5x	12.8x	10.5x	14.2x	11.3x	11.1x	9.3x	3.5%	3.6%	3.3x	2.9x	5.7%	7.0%
Expeditors	-	165,458	8.1x	10.6x	-	-	8.4x	11.2x	13.0x	16.9x	1.2%	1.2%	-	-	37.6%	24.9%
ID Logistics	-	15,356	6.3x	5.6x	20.3x	17.5x	20.5x	17.8x	27.1x	23.0x	0.0%	0.0%	2.0x	1.6x	0.0%	0.0%
J.B Hunt	-	171,860	9.5x	9.2x	-	-	13.7x	13.2x	17.4x	16.3x	0.9%	1.0%	0.6x	0.6x	21.1%	19.1%
Kerry Logistics	-	41,752	5.4x	5.7x	-	-	7.1x	8.5x	10.6x	11.5x	3.1%	2.6%	0.5x	0.2x	12.8%	12.4%
Huehne & Nagel	-	284,273	5.9x	8.7x	7.5x	9.2x	7.2x	11.7x	11.9x	18.0x	4.4%	3.5%	-	-	75.0%	49.7%
Landstar	-	54,036	8.6x	10.7x	-	-	9.5x	12.2x	12.2x	15.1x	0.7%	0.7%	-	-	40.3%	30.5%
Old Dominion	-	280,675	13.8x	13.0x	-	-	15.9x	15.0x	21.9x	20.2x	0.5%	0.5%	-	-	33.0%	30.8%
XPO Logistics	-	57,010	6.0x	5.7x	-	-	8.8x	8.3x	9.1x	8.6x	0.0%	0.0%	2.1x	1.6x	16.8%	15.8%
Average		**128,046**	**9.4x**	**9.9x**	**13.0x**	**12.4x**	**13.4x**	**13.8x**	**18.2x**	**18.7x**	**1.5%**	**1.5%**	**1.6x**	**1.3x**	**23.6%**	**18.9%**
Median		**105,335**	**8.4x**	**9.6x**	**12.2x**	**11.4x**	**11.9x**	**12.3x**	**13.5x**	**16.3x**	**1.0%**	**1.1%**	**1.2x**	**1.1x**	**18.9%**	**17.4%**
Elanders		**4,660**	**6.0x**	**5.5x**	**12.8x**	**10.5x**	**14.2x**	**11.3x**	**11.1x**	**9.3x**	**3.5%**	**3.6%**	**3.3x**	**2.9x**	**5.7%**	**7.0%**
vs. peer average	-	-	-36%	-44%	-1%	-15%	6%	-19%	-39%	-50%	2.0pp	2.5pp	112%	125%	-18pp	-10pp
vs. peer median	-	-	-28%	-43%	5%	-8%	19%	-9%	-18%	-43%	2.5pp	2.5pp	185%	168%	-13pp	-10pp
vs. ID Logistics	-	-	-6%	-2%	-37%	-40%	-30%	-37%	-59%	-60%	3.5pp	3.6pp	64%	80%	6pp	7pp
vs. XPO Logistics	-	-	-1%	-3%	nm	nm	62%	35%	22%	8%	3.5pp	3.6pp	57%	84%	-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	3,179	3,179	3,539
Cost of goods sold	-2,352	-2,386	-2,500	-2,850	-2,879	-2,743	-2,734	-3,041
Gross profit	382	383	365	514	492	436	445	498
Sales and administrative expenses	-265	-259	-264	-331	-338	-295	-291	-346
Other operating income	17	12	15	38	26	13	16	40
Other operating expenses	-6	-5	-5	-12	-16	6	-29	77
EBITDA	341	343	342	456	421	409	392	523
Depreciation	-23	-21	-41	-38	-44	-41	-41	-46
EBITA	142	145	124	228	187	178	161	287
Amortisation of intangible acq related assets	-14	-13	-13	-19	-22	-19	-19	-19
EBIT	128	132	111	209	165	159	142	268
Net financials	-25	-22	-23	-28	-36	-26	-26	-26
PTP	103	110	88	181	129	133	116	242
Income tax	-35	-24	-31	-61	-41	-36	-31	-65
Net profit	68	86	57	120	88	97	84	177
Earnings per share (SEK)	1.95	2.35	1.56	3.25	2.40	2.55	2.16	4.75
Adj. EBITDA	341	343	342	472	421	409	392	523
Adj. EBITA	142	145	124	244	187	178	161	287
Adj. EBIT	128	132	111	225	165	159	142	268
Tax on EO	0	0	0	5	0	0	0	0
Adj. Net profit	68	86	57	109	88	97	84	177
Adj. EPS	1.95	2.35	1.56	2.95	2.40	2.55	2.16	4.75
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%	12.9%	12.3%	14.8%
EBITA margin	5.2%	5.2%	4.3%	6.8%	5.5%	5.6%	5.1%	8.1%
EBIT margin	4.7%	4.8%	3.9%	6.2%	4.9%	5.0%	4.5%	7.6%
Incremental margin	37.7%	-162.2%	-75.9%	-7.1%	5.8%	6.6%	9.7%	33.9%
Adj. EBITDA margin	12.5%	12.4%	11.9%	14.0%	12.5%	12.9%	12.3%	14.8%
Adj. EBITA margin	5.2%	5.2%	4.3%	7.3%	5.5%	5.6%	5.1%	8.1%
Adj. EBIT margin	4.7%	4.8%	3.9%	6.7%	4.9%	5.0%	4.5%	7.6%
Adj. Incremental margin	37.7%	-162.2%	-75.9%	-7.1%	5.8%	6.6%	9.7%	33.9%

Source: Company data and Nordea estimates

ELANDERS: QUARTERLY SALES AND EBIT BRIDGE

(SEKm)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22E	Q3 22E	Q4 22E
Net sales								
Supply Chain Solutions	2,060	2,168	2,292	2,684	2,769	2,635	2,634	2,855
Print & Packaging Solutions	694	622	592	698	637	566	568	712
Group functions	10	10	10	10	10	10	10	10
Eliminations	-29	-31	-29	-28	-45	-32	-33	-38
Total sales	**2,735**	**2,769**	**2,865**	**3,364**	**3,371**	**3,179**	**3,179**	**3,539**
Sales bridge								
Volume	14%	6%	3%	7%	4%	4%	2%	3%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	1%	2%	9%	20%	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%**	**23%**	**15%**	**11%**	**5%**
Sales bridge								
Volume	353	169	107	200	96	123	64	84
Price/Mix	0	0	0	0	0	0	0	0
Structural	11	30	43	268	540	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**	**636**	**410**	**314**	**175**
Growth per segment quarterly								
(%)	**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%	10%	4%	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%**	**22%**	**15%**	**6%**
Print & Packaging Solutions								
Volume	7%	13%	-10%	-18%	-14%	-15%	-4%	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%	-9%	-4%	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	153	137	198
Print & Packaging Solutions	38	26	21	77	22	18	15	80
Group functions	-9	-9	-10	-14	-13	-11	-10	-9
Group EBIT	**128**	**132**	**111**	**209**	**165**	**159**	**142**	**268**
Adj. EBIT per segment quarterly								
Supply Chain Solutions	99	115	99	162	156	153	137	198
Print & Packaging Solutions	38	26	21	77	22	18	15	80
Group functions	-9	-9	-10	-14	-13	-11	-10	-9
Adj group EBIT	**129**	**132**	**111**	**225**	**165**	**159**	**142**	**268**
EBIT margin per segment quarterly								
Supply Chain Solutions	4.8%	5.3%	4.3%	5.4%	5.6%	5.8%	5.2%	6.9%
Print & Packaging Solutions	5.5%	4.2%	3.5%	11.0%	3.5%	3.1%	2.7%	11.2%
EBIT margin	**4.7%**	**4.8%**	**3.9%**	**6.2%**	**4.9%**	**5.0%**	**4.5%**	**7.6%**
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	4.8%	5.3%	4.3%	6.0%	5.6%	5.8%	5.2%	6.9%
Print & Packaging Solutions	5.5%	4.2%	3.5%	11.0%	3.5%	3.1%	2.7%	11.2%
Adj EBIT margin	**4.7%**	**4.8%**	**3.9%**	**6.7%**	**4.9%**	**5.0%**	**4.5%**	**7.6%**

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	13,268	13,835	14,372
Cost of goods sold	-8,008	-9,331	-9,780	-9,532	-10,088	-11,397	-11,902	-12,364
Gross profit	1,334	1,411	1,474	1,518	1,644	1,871	1,933	2,009
Sales and administrative expenses	-1,067	-1,034	-1,145	-1,050	-1,119	-1,271	-1,315	-1,355
Other operating income	79	112	66	13	82	95	98	100
Other operating expenses	-38	-30	-33	-44	-28	37	128	143
EBITDA	563	747	1,260	1,426	1,482	1,746	1788	1834
Depreciation	-192	-203	-156	-169	-123	-172	-243	-237
EBITA	371	522	416	599	639	813	912	955
Amortisation of intangible acq related assets	-63	-64	-56	-53	-59	-79	-67	-57
EBIT	308	458	360	546	580	734	845	898
Net financials	-80	-93	-143	-131	-98	-114	-172	-171
PTP	228	365	217	415	482	620	672	727
Income tax	-64	-107	-63	-86	-151	-174	-202	-218
Net profit	164	258	154	329	331	446	471	509
Earnings per share (SEK)	4.64	7.19	4.19	9.19	9.11	11.86	13.20	14.27
Adj. EBITDA	589	747	1,409	1,426	1,498	1,746	1788	1834
Adj. EBITA	397	522	565	599	655	813	912	955
Adj. EBIT	334	458	509	546	596	734	845	898
Tax on EO	7	0	43	0	5	0	0	0
Adj. Net profit	197	258	346	329	352	446	471	509
Adj. EPS	5.55	7.16	9.79	9.19	9.70	11.86	13.20	14.27
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%	12.9%	12.8%
EBITA margin	4.0%	4.9%	3.7%	5.4%	5.4%	6.1%	6.6%	6.6%
EBIT margin	3.3%	4.3%	3.2%	4.9%	4.9%	5.5%	6.1%	6.2%
Incremental margin	-1.3%	10.7%	-19.1%	-91.2%	5.0%	10.0%	19.5%	9.9%
Adj. EBITDA margin	6.3%	7.0%	12.5%	12.9%	12.8%	13.2%	12.9%	12.8%
Adj. EBITA margin	4.2%	4.9%	5.0%	5.4%	5.6%	6.1%	6.6%	6.6%
Adj. EBIT margin	3.6%	4.3%	4.5%	4.9%	5.1%	5.5%	6.1%	6.2%
Adj. Incremental margin	-1.7%	8.9%	10.0%	-18.1%	7.3%	9.0%	19.5%	9.9%

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	10,893	11,437	11,952
Print & Packaging Solutions	2,220	2,244	2,564	2,728	2,606	2,483	2,508	2,533
Group functions	35	47	37	40	40	40	40	41
Eliminations	-129	-75	-122	-126	-117	-148	-151	-154
Total sales	**9,342**	**10,946**	**11,254**	**11,050**	**11,733**	**13,268**	**13,835**	**14,372**
Sales bridge								
Volume	7%	8%	1%	0%	7%	3%	4%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	42%	1%	0%	0%	3%	10%	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%**	**13%**	**4%**	**4%**
Sales bridge								
Volume	405	848	69	14	828	366	564	534
Price/Mix	0	0	0	0	0	0	0	0
Structural	2,624	48	-51	5	352	1,168	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**	**1,535**	**564**	**534**
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%	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%**	**18%**	**5%**	**5%**
Print & Packaging Solutions								
Volume	2%	9%	12%	10%	-3%	-8%	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%	-5%	1%	1%
EBIT per segment annual								
(SEKm)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Supply Chain Solutions	253	346	220	435	459	643	752	803
Print & Packaging Solutions	93	132	174	147	162	134	137	139
Group functions	-32	-20	-34	-36	-42	-43	-44	-45
Group EBIT	**308**	**458**	**360**	**546**	**579**	**734**	**845**	**898**
Adj. EBIT per segment annual								
Supply Chain Solutions	258	346	362	435	475	643	752	803
Print & Packaging Solutions	109	132	181	147	162	134	137	139
Group functions	-32	-20	-34	-36	-42	-43	-44	-45
Adj group EBIT	**334**	**458**	**509**	**546**	**596**	**734**	**845**	**898**
EBIT margin per segment annual								
Supply Chain Solutions	3.6%	4.1%	2.5%	5.2%	5.0%	5.9%	6.6%	6.7%
Print & Packaging Solutions	4.2%	5.9%	6.8%	5.4%	6.2%	5.4%	5.5%	5.5%
EBIT margin	**3.3%**	**4.2%**	**3.2%**	**4.9%**	**4.9%**	**5.5%**	**6.1%**	**6.2%**
Adj. EBIT margin per segment annual								
Supply Chain Solutions	3.7%	4.1%	4.1%	5.2%	5.2%	5.9%	6.6%	6.7%
Print & Packaging Solutions	4.9%	5.9%	7.1%	5.4%	6.2%	5.4%	5.5%	5.5%
Adj EBIT margin	**3.6%**	**4.2%**	**4.5%**	**4.9%**	**5.1%**	**5.5%**	**6.1%**	**6.2%**

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**	**13,268**	**13,835**	**14,372**
Revenue growth	77.9%	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	6.2%	13.1%	4.3%	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	1,788	1,834
Depreciation and impairments PPE	-99	-115	-132	-192	-203	-844	-827	-843	-932	-876	-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	813	912	955
Amortisation and impairments	-19	-20	-40	-63	-64	-56	-53	-58	-79	-67	-57
EBIT	175	292	347	308	458	360	546	580	734	845	898
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**	**620**	**672**	**727**
Reported taxes	-52	-85	-82	-64	-107	-63	-86	-151	-174	-202	-218
Net profit from continued operations	88	174	221	164	258	154	329	331	446	471	509
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	419	467	505
EPS, SEK	**3.49**	**6.18**	**7.48**	**4.61**	**7.16**	**4.19**	**9.19**	**9.11**	**11.86**	**13.20**	**14.27**
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%	12.9%	12.8%
EBITA	5.2%	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	5.4%	6.1%	6.6%	6.6%
EBIT	4.7%	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	4.9%	5.5%	6.1%	6.2%
Adjusted earnings											
EBITDA (adj)	335	443	558	589	725	1,409	1,426	1,465	1,746	1,788	1,834
EBITA (adj)	236	328	426	397	522	565	599	622	813	912	955
EBIT (adj)	217	308	386	334	458	509	546	564	734	845	898
EPS (adj, SEK)	5.16	6.75	8.80	5.35	7.16	7.13	9.19	8.65	11.86	13.20	14.27
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%	12.9%	12.8%
EBITA (adj)	6.3%	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	5.3%	6.1%	6.6%	6.6%
EBIT (adj)	5.8%	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	4.8%	5.5%	6.1%	6.2%
Performance metrics											
CAGR last 5 years											
Net revenue	16.3%	20.0%	27.9%	37.2%	38.7%	24.7%	21.1%	13.3%	7.3%	5.2%	5.0%
EBITDA	40.8%	74.6%	21.4%	21.9%	32.4%	33.9%	27.3%	23.3%	25.4%	19.8%	7.8%
EBIT	n.m.	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	10.8%	19.0%	13.0%	20.1%
EPS	n.m.	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	4.0%	20.8%	13.0%	27.8%
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%	5.0%	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	11.1	10.0	9.2
EV/EBITDA (adj)	5.4	5.7	9.6	9.4	7.8	5.0	5.0	7.8	6.0	5.7	5.3
EV/EBITA (adj)	7.6	7.7	12.6	14.0	10.8	12.5	11.8	18.3	12.9	11.1	10.2
EV/EBIT (adj)	8.3	8.2	13.9	16.7	12.3	13.9	13.0	20.2	14.2	12.0	10.9

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	11.1	10.0	9.2
EV/Sales	0.48	0.60	0.85	0.60	0.52	0.63	0.64	0.97	0.79	0.73	0.68
EV/EBITDA	6.1	5.9	10.3	9.9	7.8	5.6	5.0	7.7	6.0	5.7	5.3
EV/EBITA	9.3	8.1	13.9	15.0	10.8	17.0	11.8	17.9	12.9	11.1	10.2
EV/EBIT	10.3	8.7	15.5	18.1	12.3	19.7	13.0	19.7	14.2	12.0	10.9
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%	20.1%	25.1%	25.6%
FCF Yield bef A&D, lease adj	13.1%	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	3.5%	3.8%	10.1%	10.6%
Payout ratio	21.3%	32.6%	29.6%	48.6%	40.5%	0.0%	33.7%	46.2%	38.8%	36.4%	35.0%

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	3,043
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	7,709
Inventory	254	266	295	390	468	335	233	400	452	472	490
Accounts receivable	844	825	1,396	1,795	1,762	1,740	624	1,822	2,061	2,149	2,232
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	936	1,242	1,567
Total current assets	1,690	1,758	2,654	3,197	3,463	3,836	3,002	3,558	4,149	4,562	4,989
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**	**11,960**	**12,315**	**12,698**
Shareholders equity	1,348	1,488	2,411	2,453	2,707	2,777	2,908	3,304	3,582	3,886	4,221
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	3,917	4,256
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	1,648	1,718	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	3,108	3,178	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**	**11,960**	**12,315**	**12,698**
Balance sheet and debt metrics											
Net debt	895	738	2,223	2,665	2,539	3,994	2,854	5,249	5,767	5,438	5,090
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	865	902	937
Invested capital	2,329	2,309	4,868	5,326	5,445	6,293	5,230	9,006	8,676	8,655	8,646
Capital employed	2,700	2,755	5,285	5,797	5,968	7,287	6,863	10,090	10,312	10,597	10,913
ROE	7.4%	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	10.4%	12.2%	12.5%	12.4%
ROIC	7.1%	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	5.4%	5.6%	6.6%	7.1%
ROCE	9.2%	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	6.7%	7.2%	8.1%	8.3%
Net debt/EBITDA	3.1	1.7	4.3	4.7	3.5	3.2	2.0	3.5	3.3	3.0	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%	30.0%	31.6%	33.2%
Net gearing	66.4%	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	158.9%	159.8%	138.8%	119.6%

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**	**1,746**	**1,788**	**1,834**
Paid taxes	-61	-85	-104	-133	-127	-114	-41	-128	-174	-202	-218
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**	**1,414**	**1,445**
Change in NWC	-89	-8	-13	-419	4	104	461	-139	-100	-37	-35
Cash flow from operations (CFO)	**162**	**269**	**331**	**-64**	**455**	**1,336**	**1,727**	**1,063**	**1,105**	**1,377**	**1,410**
Capital expenditure	-44	-46	-112	-196	-161	-133	-88	-128	-167	-208	-216
Free cash flow before A&D	**118**	**223**	**219**	**-260**	**294**	**1,203**	**1,639**	**935**	**938**	**1,169**	**1,195**
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	938	1,169	1,195
Free cash flow bef A&D, lease adj	118	223	219	-260	294	515	981	215	178	469	495
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	38	307	325
Cash flow metrics											
Capex/D&A	37.1%	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	16.5%	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	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	10,455	10,129	9,785
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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