

Elanders

Consumer Goods
Sweden

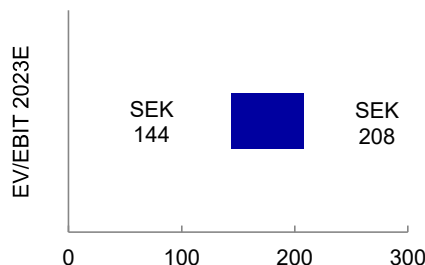
KEY DATA

Stock country	Sweden
Bloomberg	ELANB SS
Reuters	ELANB.ST
Share price (close)	SEK 139.8
Free Float	50%
Market cap. (bn)	EUR 0.45/SEK 4.94
Website	www.elanders.com
Next report date	17 Oct 2022

PERFORMANCE



VALUATION APPROACH (SEK/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	2%	0%	0%
EBIT (adj)	2%	-3%	-3%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Carl Ragnerstam
AnalystGustav Berneblad
Analyst

Expecting a solid Q3 but cautious outlook ahead

Elanders will present its Q3 report on 17 October. We expect solid Q3 results, with a ~5% y/y increase in group organic sales, driven by broad-based price increases, along with the new contract and easier comparables within Supply Chain solutions. We find Elanders' increased consumer exposure to Fashion & Lifestyle (27% of Q2 LTM sales versus 18% in 2019) as less favourable today, due to worsening consumer sentiment amid higher interest rates, inflation and energy prices. We therefore expect increased pressure on consumers heading into Q4 and 2023, and subsequently lower 2023E-24E EBIT by 3% and marginally cut our multiples-based equity fair value range to SEK 144-208 (149-212).

Expecting Q2 momentum to spill over into Q3

On 17 October, we expect Elanders to present a solid Q3 report, with group sales of SEK 3,549m, up 24% y/y (~5 pp organic, ~10 pp M&A and ~9 pp FX), with a continued strong contribution from Bergen Logistics. For Supply Chain solutions, we expect organic growth of ~4% y/y, driven by price increases and improvements within automotive. For Print & Packaging Solutions, we model 8% organic sales growth because Elanders is facing easier comparables following one customer insourcing logistics (subscription boxes) in Q3 2021 along with a positive contribution from the newly announced contract for online print (annual sales of SEK 100m). On the group level, we forecast Q3 adjusted EBIT of SEK 181m, up 63% y/y for a group margin of 5.1% (up 1.2 pp y/y), partly driven by last year's margin-accretive acquisitions.

Worsening consumer sentiment in H2

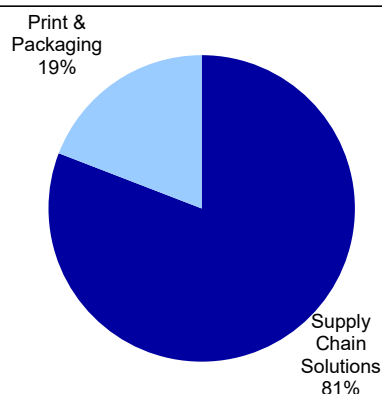
Following its recent acquisitions, Elanders has increased its consumer exposure primarily towards Fashion & Lifestyle, representing 27% of LTM group sales in Q2 2022 versus 18% in 2019. Given the worsening consumer sentiment amid higher interest rates, general price inflation and energy prices – which has strengthened due to recent profit warnings and negative guidance from consumer-related names – we remain less optimistic heading into Q4 and 2023. With automotive's elevated backlogs on almost three years of pent-up demand due to low industry volumes during to the COVID-19 pandemic and supply chain disruptions, we make smaller revisions, raising adjusted EBIT by 2% for 2022E (driven by Q3 revisions). We lower our EBIT estimates, however, by 3% for 2023-24. We therefore marginally cut our multiples-based equity fair value range to SEK 144-208 (149-212), implying 11.5-14x EV/EBIT for 2023E.

SUMMARY TABLE - KEY FIGURES

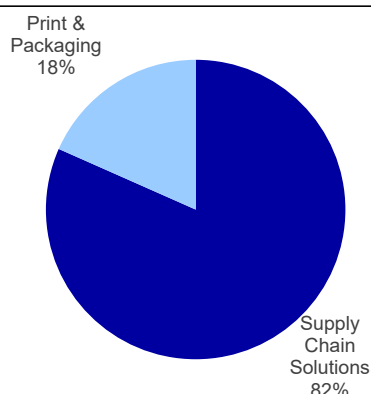
SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	10,742	11,254	11,050	11,732	14,292	14,635	15,197
EBITDA (adj)	725	1,409	1,426	1,497	1,862	1,932	1,990
EBIT (adj)	458	509	546	596	834	905	961
EBIT (adj) margin	4.3%	4.5%	4.9%	5.1%	5.8%	6.2%	6.3%
EPS (adj, SEK)	7.16	7.13	9.19	9.56	13.25	13.68	15.43
EPS (adj) growth	33.9%	-0.4%	29.0%	4.0%	38.7%	3.2%	12.8%
DPS (ord, SEK)	2.90	0.00	3.10	3.50	4.60	4.80	5.00
EV/Sales	0.5	0.6	0.6	1.0	0.8	0.7	0.6
EV/EBIT (adj)	12.3	13.9	13.0	19.1	12.9	11.4	10.2
P/E (adj)	12.2	12.2	13.0	18.2	10.5	10.2	9.1
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%	2.0%	3.3%	3.4%	3.6%
FCF Yield bef A&D, lease	9.5%	16.7%	23.2%	3.5%	4.4%	11.4%	11.0%
Net debt	2,539	3,994	2,854	5,249	5,773	5,287	4,820
Net debt/EBITDA	3.5	3.2	2.0	3.5	3.0	2.7	2.4
ROIC after tax	5.8%	5.9%	6.4%	5.7%	6.4%	7.1%	7.7%

Source: Company data and Nordea estimates

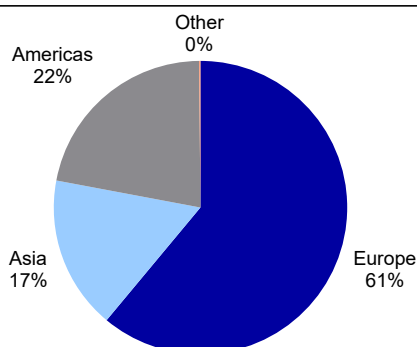
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%), 2022E


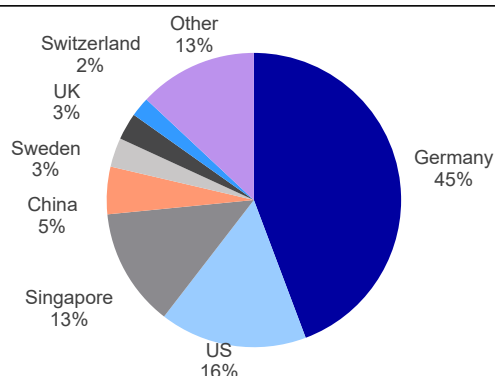
Source: Company data and Nordea estimates

ELANDERS: ADJUSTED EBIT SPLIT BY SEGMENT (%), 2022E


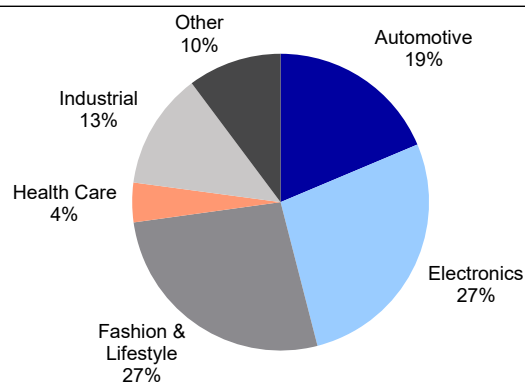
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%), 2022E


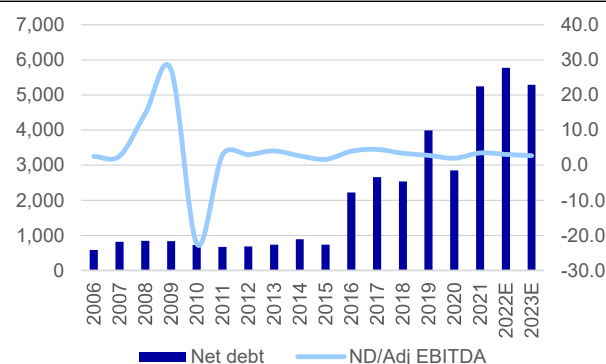
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%), 2021


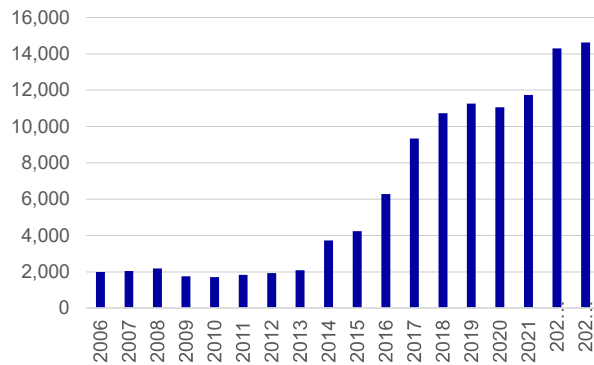
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%), Q2 LTM 2022


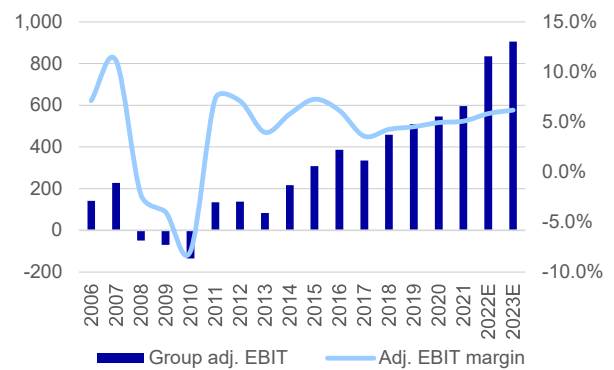
Source: Company data and Nordea estimates

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


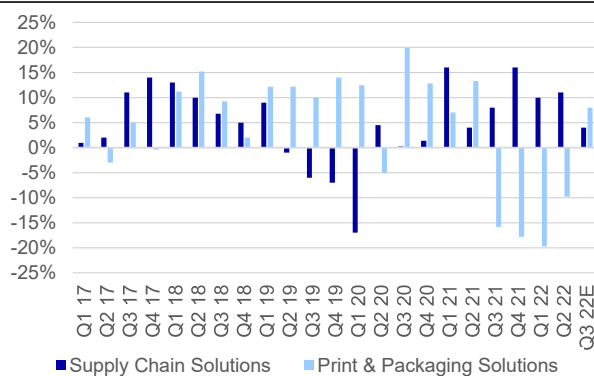
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)

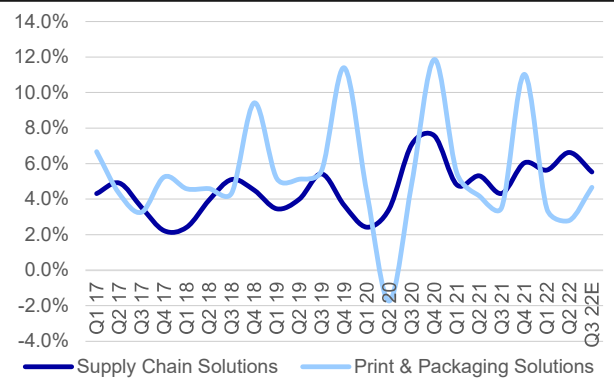
Source: Company data and Nordea estimates

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

Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)

Source: Company data and Nordea estimates

ELANDERS: ADJUSTED EBIT MARGIN DEVELOPMENT BY SEGMENT (%)

Source: Company data and Nordea estimates

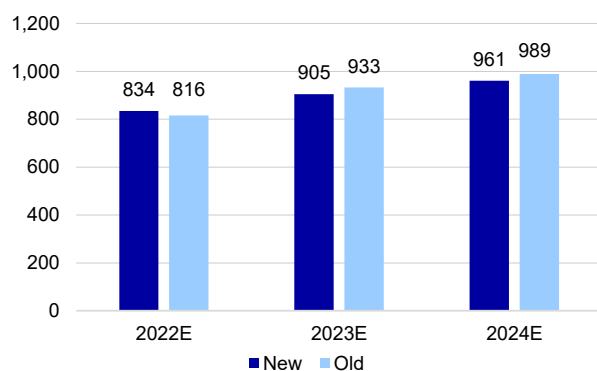
Estimate revisions

ELANDERS: ESTIMATE REVISIONS (SEKm; EPS IN SEK)

SEKm	New estimates			Old estimates			Difference %		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Net sales	14,292	14,635	15,197	14,044	14,640	15,207	2%	0%	0%
Cost of goods sold	-12,194	-12,551	-13,073	-12,023	-12,594	-13,081	1%	0%	0%
Gross profit	2,099	2,084	2,124	2,021	2,046	2,125	4%	2%	0%
EBITA	956	981	1,026	938	1,002	1,048	2%	-2%	-2%
Amortisation of intangibles	-82	-76	-65	-82	-70	-59	n.a	n.a	n.a
EBIT	874	905	961	856	933	989	2%	-3%	-3%
Net financials	-124	-174	-176	-124	-172	-171	0%	1%	3%
PTP	750	731	785	732	760	818	2%	-4%	-4%
Income tax	-216	-219	-235	-211	-228	-245	2%	-4%	-4%
Net profit	534	512	549	521	532	572	3%	-4%	-4%
Earnings per share (SEK)	14	14	15	14	15	16	3%	-8%	-4%
Adj. EBITA	916	981	1,026	898	1,002	1,048	2%	-2%	-2%
Adj. EBIT	834	905	961	816	933	989	2%	-3%	-3%
Tax on EO	-12	0	0	-12	0	0	n.a	n.a	n.a
Adj. Net profit	482	512	549	469	532	572	3%	-4%	-4%
Adj. EPS	13	14	15	13	15	16	3%	-8%	-4%
Adj. EBITA margin	6.4%	6.7%	6.7%	6.4%	6.8%	6.9%	0.0pp	-0.1pp	-0.1pp
Adj. EBIT margin	5.8%	6.2%	6.3%	5.8%	6.4%	6.5%	0.0pp	-0.2pp	-0.2pp
Adj. Incremental margin	9.3%	20.8%	9.9%	9.5%	19.5%	9.9%	-0.2pp	1.3pp	0.0pp
Net sales per segment									
Supply Chain Solutions	11,653	11,914	12,450	11,465	12,038	12,580	2%	-1%	-1%
Print & Packaging Solutions	2,757	2,833	2,861	2,697	2,724	2,751	2%	4%	4%
Group functions	40	40	40	40	40	41	0%	-1%	-1%
Eliminations	-159	-152	-155	-159	-162	-165	0%	-6%	-6%
Group net sales	14,291	14,635	15,197	14,043	14,640	15,207	2%	0%	0%
Adj EBIT per segment									
Supply Chain Solutions	715	777	831	703	818	872	2%	-5%	-5%
Print & Packaging Solutions	161	170	173	155	158	161	4%	8%	8%
Group functions	-42	-42	-43	-42	-43	-44	0%	-2%	-2%
Group EBIT	834	905	961	816	933	989	2%	-3%	-3%
Adj. EBIT margin									
Supply Chain Solutions	6.5%	6.5%	6.7%	6.5%	6.8%	6.9%	0.0pp	-0.3pp	-0.3pp
Print & Packaging Solutions	5.8%	6.0%	6.0%	5.8%	5.8%	5.8%	0.1pp	0.2pp	0.2pp
Group	6.1%	6.2%	6.3%	6.1%	6.4%	6.5%	0.0pp	-0.2pp	-0.2pp

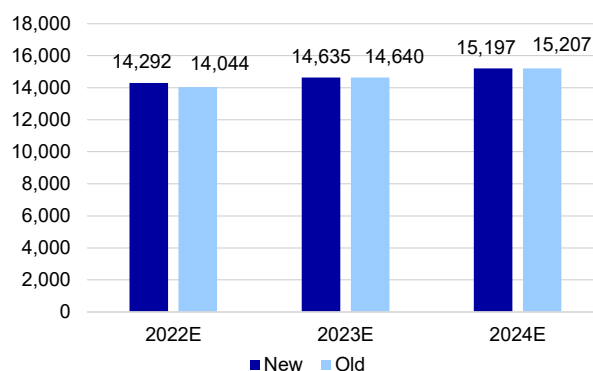
Source: Nordea estimates

NET SALES: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

ADJUSTED EBIT: NEW ESTIMATES VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

Valuation

ELANDERS: PEER VALUATION TABLE

Stock	Rec.	Mcap.	Adj. EV/EBITDA		Adj. EV/EBITA		Adj. EV/EBIT		Adj. P/E		Div. yield		ND/EBITDA		ROIC	
		SEKm	2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E
Agility	-	65,964	16.4x	12.4x	-	-	23.7x	17.2x	3.5x	2.2x	-	-	-	-	0.0%	0.0%
CH Robinson	-	131,798	8.6x	11.4x	-	-	9.2x	12.4x	10.8x	14.5x	2.1%	2.2%	1.0x	1.1x	24.7%	21.2%
DSV	BUY	217,920	7.8x	10.7x	28.1x	25.9x	9.3x	14.0x	30.2x	11.2x	0.4%	0.4%	1.9x	1.5x	19.8%	11.4%
Elanders		5,028	5.8x	5.4x	12.5x	11.8x	13.0x	11.5x	18.2x	10.7x	2.6%	2.0%	3.2x	2.0x	5.8%	5.9%
Expeditors	-	165,968	6.8x	9.4x	-	-	7.0x	9.9x	11.5x	15.5x	1.3%	1.4%	-	-	43.0%	28.4%
ID Logistics	-	16,087	7.1x	6.2x	24.2x	21.0x	23.3x	20.9x	27.1x	22.9x	0.0%	0.0%	2.5x	2.0x	0.0%	0.0%
J.B Hunt	-	190,329	8.9x	8.8x	-	-	12.9x	12.9x	16.7x	16.6x	0.9%	0.9%	0.6x	0.6x	21.3%	18.7%
Kerry Logistics	-	31,069	3.9x	4.5x	-	-	4.9x	6.5x	5.7x	7.3x	5.7%	4.5%	0.3x	-	15.6%	13.1%
Huehne & Nagel	-	281,797	5.3x	8.0x	5.9x	7.8x	6.4x	10.7x	9.2x	15.0x	6.3%	3.8%	-	-	52.7%	34.4%
Landstar	-	59,766	8.5x	10.6x	-	-	9.4x	12.0x	12.8x	15.4x	0.7%	0.8%	-	-	40.1%	30.5%
Old Dominion	-	338,339	14.2x	14.1x	-	-	16.4x	16.2x	22.8x	22.0x	0.4%	0.4%	-	-	35.2%	33.0%
XPO Logistics	-	64,315	5.8x	5.6x	-	-	8.4x	8.2x	8.8x	8.7x	0.0%	0.0%	2.0x	1.5x	14.7%	13.9%
Average		130,698	8.3x	8.9x	17.7x	16.6x	12.0x	12.7x	14.8x	13.5x	1.8%	1.5%	1.6x	1.4x	22.7%	17.5%
Median		98,881	7.5x	9.1x	18.4x	16.4x	9.3x	12.2x	12.2x	14.7x	0.9%	0.9%	1.9x	1.5x	20.5%	16.3%
Elanders		5,028	5.8x	5.4x	12.5x	11.8x	13.0x	11.5x	18.2x	10.7x	2.6%	2.0%	3.2x	2.0x	5.8%	5.9%
vs. peer average	-	-	-30%	-40%	-29%	-29%	8%	-10%	23%	-21%	0.7pp	1.1pp	93%	38%	-17pp	-10pp
vs. peer median	-	-	-22%	-41%	-32%	-28%	39%	-6%	49%	-27%	1.7pp	1.1pp	64%	35%	-15pp	-10pp
vs. ID Logistics	-	-	-18%	-13%	-48%	-44%	-44%	-45%	-33%	-53%	2.6pp	2.0pp	25%	-2%	6pp	6pp
vs. XPO Logistics	-	-	1%	-4%	nm	nm	54%	40%	107%	23%	2.6pp	2.0pp	59%	36%	-9pp	-8pp

Source: Company data and Nordea estimates

Detailed estimates

ELANDERS: QUARTERLY ESTIMATES (SEKm; EPS IN SEK)

Elanders quarterly estimates								
(SEKm)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
Net sales	2,734	2,769	2,865	3,364	3,371	3,525	3,549	3,848
Cost of goods sold	-2,352	-2,386	-2,500	-2,850	-2,879	-3,000	-3,052	-3,263
Gross profit	382	383	365	514	492	525	497	585
Sales and administrative expenses	-265	-259	-264	-331	-338	-356	-325	-340
Other operating income	17	12	15	38	26	83	18	43
Other operating expenses	-6	-5	-5	-12	-16	-11	-9	-1
EBITDA	341	343	342	456	421	499	437	546
Depreciation	-23	-21	-41	-38	-44	-46	-46	-50
EBITA	142	145	124	228	187	263	200	306
Amortisation of intangible acq related assets	-14	-13	-13	-19	-22	-22	-19	-19
EBIT	128	132	111	209	165	241	181	287
Net financials	-25	-22	-23	-28	-36	-36	-26	-26
PTP	103	110	88	181	129	205	155	261
Income tax	-35	-24	-31	-61	-41	-63	-42	-70
Net profit	68	86	57	120	88	142	113	190
Earnings per share (SEK)	1.95	2.35	1.56	3.25	2.40	3.87	2.98	5.13
Adj. EBITDA	341	343	342	472	421	459	437	546
Adj. EBITA	142	145	124	244	187	223	200	306
Adj. EBIT	128	132	111	225	165	201	181	287
Tax on EO	0	0	0	5	0	-12	0	0
Adj. Net profit	68	86	57	109	88	170	113	190
Adj. EPS	1.95	2.35	1.56	2.95	2.40	4.66	2.98	5.13
Gross margin	14.0%	13.8%	12.7%	15.3%	14.6%	14.9%	14.0%	15.2%
EBITDA margin	12.5%	12.4%	11.9%	13.6%	12.5%	14.2%	12.3%	14.2%
EBITA margin	5.2%	5.2%	4.3%	6.8%	5.5%	7.5%	5.6%	7.9%
EBIT margin	4.7%	4.8%	3.9%	6.2%	4.9%	6.8%	5.1%	7.4%
Incremental margin	37.7%	-162.2%	-75.9%	-7.1%	5.8%	14.4%	10.3%	16.1%
Adj. EBITDA margin	12.5%	12.4%	11.9%	14.0%	12.5%	13.0%	12.3%	14.2%
Adj. EBITA margin	5.2%	5.2%	4.3%	7.3%	5.5%	6.3%	5.6%	7.9%
Adj. EBIT margin	4.7%	4.8%	3.9%	6.7%	4.9%	5.7%	5.1%	7.4%
Adj. Incremental margin	37.7%	-162.2%	-75.9%	-7.1%	5.8%	14.4%	10.3%	16.1%

Source: Company data and Nordea estimates

ELANDERS: QUARTERLY SALES AND EBIT BRIDGE

Elanders Sales bridge Quarterly (SEKm)								
	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
Net sales								
Supply Chain Solutions	2,060	2,168	2,292	2,684	2,769	2,914	2,883	3,088
Print & Packaging Solutions	694	622	592	698	637	643	689	788
Group functions	10	10	10	10	10	10	10	10
Eliminations	-29	-31	-29	-28	-45	-43	-33	-38
Total sales	2,735	2,769	2,865	3,364	3,371	3,524	3,549	3,848
Sales bridge								
Volume	14%	6%	3%	7%	3%	6%	5%	1%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	1%	2%	9%	20%	14%	10%	3%
FX	-8%	-9%	-2%	0%	6%	7%	9%	10%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	6%	-2%	3%	17%	23%	27%	24%	14%
Sales bridge								
Volume	353	169	69	199	53	166	135	18
Price/Mix	0	0	0	0	0	0	0	0
Structural	11	30	80	268	540	384	288	114
FX	-202	-243	-63	10	164	205	261	352
Other	0	0	0	0	0	0	0	0
Total growth	163	-44	87	478	758	755	684	484
Growth per segment quarterly (%)								
Supply Chain Solutions								
Volume	16%	4%	8%	16%	10%	11%	4%	0%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	1%	1%	2%	11%	24%	16%	13%	4%
FX	-9%	-9%	-2%	0%	6%	7%	9%	11%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	8%	-4%	8%	27%	34%	34%	26%	15%
Print & Packaging Solutions								
Volume	7%	13%	-16%	-18%	-20%	-10%	8%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	0%	6%	5%	5%	6%	0%	0%
FX	-6%	-6%	-2%	1%	6%	7%	8%	9%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	1%	8%	-12%	-12%	-8%	3%	16%	13%
EBIT per segment quarterly (SEKm)								
	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
Supply Chain Solutions	99	115	99	146	156	233	159	207
Print & Packaging Solutions	38	26	21	77	22	18	32	89
Group functions	-9	-9	-10	-14	-13	-10	-10	-9
Group EBIT	128	132	111	209	165	241	181	287
Adj. EBIT per segment quarterly								
Supply Chain Solutions	99	115	99	162	156	193	159	207
Print & Packaging Solutions	38	26	21	77	22	18	32	89
Group functions	-9	-9	-10	-14	-13	-10	-10	-9
Adj group EBIT	129	132	111	225	165	201	181	287
EBIT margin per segment quarterly								
Supply Chain Solutions	4.8%	5.3%	4.3%	5.4%	5.6%	8.0%	5.5%	6.7%
Print & Packaging Solutions	5.5%	4.2%	3.5%	11.0%	3.5%	2.8%	4.7%	11.3%
EBIT margin	4.7%	4.8%	3.9%	6.2%	4.9%	6.8%	5.1%	7.4%
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	4.8%	5.3%	4.3%	6.0%	5.6%	6.6%	5.5%	6.7%
Print & Packaging Solutions	5.5%	4.2%	3.5%	11.0%	3.5%	2.8%	4.7%	11.3%
Adj EBIT margin	4.7%	4.8%	3.9%	6.7%	4.9%	5.7%	5.1%	7.4%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL ESTIMATES (SEKm; EPS IN SEK)

Elanders annual estimates (SEKm)								
	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net sales	9,342	10,742	11,254	11,050	11,732	14,292	14,635	15,197
Cost of goods sold	-8,008	-9,331	-9,780	-9,532	-10,088	-12,194	-12,551	-13,073
Gross profit	1,334	1,411	1,474	1,518	1,644	2,099	2,084	2,124
Sales and administrative expenses	-1,067	-1,034	-1,145	-1,050	-1,119	-1,359	-1,400	-1,441
Other operating income	79	112	66	13	82	170	173	178
Other operating expenses	-38	-30	-33	-44	-28	-37	48	100
EBITDA	563	747	1,260	1,426	1,482	1,902	1,932	1,990
Depreciation	-192	-203	-156	-169	-123	-186	-190	-259
EBITA	371	522	416	599	639	956	981	1,026
Amortisation of intangible acq related assets	-63	-64	-56	-53	-59	-82	-76	-65
EBIT	308	458	360	546	580	874	905	961
Net financials	-80	-93	-143	-131	-98	-124	-174	-176
PTP	228	365	217	415	482	750	731	785
Income tax	-64	-107	-63	-86	-151	-216	-219	-235
Net profit	164	258	154	329	331	534	512	549
Earnings per share (SEK)	4.64	7.19	4.19	9.19	9.11	14.39	13.68	15.43
Adj. EBITDA	589	747	1,409	1,426	1,498	1,862	1,932	1,990
Adj. EBITA	397	522	565	599	655	916	981	1,026
Adj. EBIT	334	458	509	546	596	834	905	961
Tax on EO	7	0	43	0	5	-12	0	0
Adj. Net profit	197	258	346	329	352	482	512	549
Adj. EPS	5.55	7.16	9.79	9.19	9.70	12.93	13.68	15.43
Gross margin	14.3%	13.1%	13.1%	13.7%	14.0%	14.7%	14.2%	14.0%
EBITDA margin	6.0%	7.0%	11.2%	12.9%	12.6%	13.3%	13.2%	13.1%
EBITA margin	4.0%	4.9%	3.7%	5.4%	5.4%	6.7%	6.7%	6.7%
EBIT margin	3.3%	4.3%	3.2%	4.9%	4.9%	6.1%	6.2%	6.3%
Incremental margin	-1.3%	10.7%	-19.1%	-91.2%	5.0%	11.5%	9.1%	9.9%
Adj. EBITDA margin	6.3%	7.0%	12.5%	12.9%	12.8%	13.0%	13.2%	13.1%
Adj. EBITA margin	4.2%	4.9%	5.0%	5.4%	5.6%	6.4%	6.7%	6.7%
Adj. EBIT margin	3.6%	4.3%	4.5%	4.9%	5.1%	5.8%	6.2%	6.3%
Adj. Incremental margin	-1.7%	8.9%	10.0%	-18.1%	7.3%	9.3%	20.8%	9.9%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL SALES AND EBIT BRIDGE

Elanders Sales bridge Annual (SEKm)								
	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net sales								
Supply Chain Solutions	7,007	8,526	8,775	8,408	9,204	11,653	11,914	12,450
Print & Packaging Solutions	2,220	2,244	2,564	2,728	2,606	2,757	2,833	2,861
Group functions	35	47	37	40	40	40	40	40
Eliminations	-129	-75	-122	-126	-117	-159	-152	-155
Total sales	9,342	10,946	11,254	11,050	11,733	14,291	14,635	15,197
Sales bridge								
Volume	7%	8%	1%	0%	7%	4%	-1%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	42%	1%	0%	0%	4%	11%	0%	0%
FX	0%	5%	4%	-2%	-4%	8%	3%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	49%	15%	5%	-2%	6%	22%	2%	4%
Sales bridge								
Volume	405	848	69	14	791	372	-117	564
Price/Mix	0	0	0	0	0	0	0	0
Structural	2,624	48	-51	5	390	1,326	31	0
FX	28	503	477	-227	-497	982	429	0
Other	0	0	0	0	0	0	0	0
Total growth	3,058	1,399	495	-208	684	2,680	343	564
Growth per segment annual (%)								
Supply Chain Solutions								
Volume	10%	8%	-2%	-3%	11%	6%	-1%	5%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	65%	1%	0%	0%	4%	14%	0%	0%
FX	1%	6%	4%	-1%	-5%	9%	3%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	75%	22%	3%	-4%	9%	27%	2%	5%
Print & Packaging Solutions								
Volume	2%	9%	12%	10%	-4%	-5%	1%	1%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	2%	0%	-2%	0%	3%	3%	0%	0%
FX	0%	4%	4%	-4%	-3%	8%	2%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	3%	1%	14%	6%	-4%	6%	3%	1%
EBIT per segment annual (SEKm)								
Supply Chain Solutions	253	346	220	435	459	755	777	831
Print & Packaging Solutions	93	132	174	147	162	161	170	173
Group functions	-32	-20	-34	-36	-42	-42	-42	-43
Group EBIT	308	458	360	546	579	874	905	961
Adj. EBIT per segment annual								
Supply Chain Solutions	258	346	362	435	475	715	777	831
Print & Packaging Solutions	109	132	181	147	162	161	170	173
Group functions	-32	-20	-34	-36	-42	-42	-42	-43
Adj group EBIT	334	458	509	546	596	834	905	961
EBIT margin per segment annual								
Supply Chain Solutions	3.6%	4.1%	2.5%	5.2%	5.0%	6.5%	6.5%	6.7%
Print & Packaging Solutions	4.2%	5.9%	6.8%	5.4%	6.2%	5.8%	6.0%	6.0%
EBIT margin	3.3%	4.2%	3.2%	4.9%	4.9%	6.1%	6.2%	6.3%
Adj. EBIT margin per segment annual								
Supply Chain Solutions	3.7%	4.1%	4.1%	5.2%	5.2%	6.1%	6.5%	6.7%
Print & Packaging Solutions	4.9%	5.9%	7.1%	5.4%	6.2%	5.8%	6.0%	6.0%
Adj EBIT margin	3.6%	4.2%	4.5%	4.9%	5.1%	5.8%	6.2%	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	14,292	14,635	15,197
Revenue growth	77.9%	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	6.2%	21.8%	2.4%	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	1,902	1,932	1,990
Depreciation and impairments PPE	-99	-115	-132	-192	-203	-844	-827	-843	-946	-950	-964
of which leased assets	0	0	0	0	0	-688	-658	-720	-760	-760	-770
EBITA	194	312	387	371	522	416	599	638	956	981	1,026
Amortisation and impairments	-19	-20	-40	-63	-64	-56	-53	-58	-82	-76	-65
EBIT	175	292	347	308	458	360	546	580	874	905	961
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	-124	-174	-176
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	750	731	785
Reported taxes	-52	-85	-82	-64	-107	-63	-86	-151	-216	-219	-235
Net profit from continued operations	88	174	221	164	258	154	329	331	534	512	549
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	-1	-5	-6	-4	-9	-25	-28	-4
Net profit to equity	88	174	221	163	253	148	325	322	509	484	545
EPS, SEK	3.49	6.18	7.48	4.61	7.16	4.19	9.19	9.11	14.39	13.68	15.43
DPS, SEK	1.10	2.20	2.60	2.60	2.90	0.00	3.10	3.50	4.60	4.80	5.00
of which ordinary	1.10	2.20	2.60	2.60	2.90	0.00	3.10	3.50	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%	13.3%	13.2%	13.1%
EBITA	5.2%	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	5.4%	6.7%	6.7%	6.7%
EBIT	4.7%	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	4.9%	6.1%	6.2%	6.3%

Adjusted earnings

EBITDA (adj)	335	443	558	589	725	1,409	1,426	1,497	1,862	1,932	1,990
EBITA (adj)	236	328	426	397	522	565	599	654	916	981	1,026
EBIT (adj)	217	308	386	334	458	509	546	596	834	905	961
EPS (adj, SEK)	5.16	6.75	8.80	5.35	7.16	7.13	9.19	9.56	13.25	13.68	15.43

Adjusted profit margins in percent

EBITDA (adj)	9.0%	10.5%	8.9%	6.3%	6.7%	12.5%	12.9%	12.8%	13.0%	13.2%	13.1%
EBITA (adj)	6.3%	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	5.6%	6.4%	6.7%	6.7%
EBIT (adj)	5.8%	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	5.1%	5.8%	6.2%	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%	8.9%	6.4%	6.2%
EBITDA	40.8%	74.6%	21.4%	21.9%	32.4%	33.9%	27.3%	23.3%	27.6%	21.7%	9.6%
EBIT	n.m.	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	10.8%	23.2%	14.6%	21.7%
EPS	n.m.	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	4.0%	25.6%	13.8%	29.8%
DPS	n.m.	n.m.	39.1%	34.1%	29.4%	n.m.	7.1%	6.1%	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%	4.8%	5.2%	5.8%
Average EBITDA margin	8.0%	9.4%	8.9%	7.7%	7.4%	8.3%	9.2%	10.1%	11.5%	12.7%	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	18.2	10.5	10.2	9.1
EV/EBITDA (adj)	5.4	5.7	9.6	9.4	7.8	5.0	5.0	7.6	5.8	5.3	4.9
EV/EBITA (adj)	7.6	7.7	12.6	14.0	10.8	12.5	11.8	17.4	11.7	10.5	9.6
EV/EBIT (adj)	8.3	8.2	13.9	16.7	12.3	13.9	13.0	19.1	12.9	11.4	10.2

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	9.7	10.2	9.1
EV/Sales	0.48	0.60	0.85	0.60	0.52	0.63	0.64	0.97	0.75	0.70	0.65
EV/EBITDA	6.1	5.9	10.3	9.9	7.8	5.6	5.0	7.7	5.6	5.3	4.9
EV/EBITA	9.3	8.1	13.9	15.0	10.8	17.0	11.8	17.9	11.2	10.5	9.6
EV/EBIT	10.3	8.7	15.5	18.1	12.3	19.7	13.0	19.7	12.3	11.4	10.2
Dividend yield (ord.)	3.1%	3.5%	2.4%	3.2%	3.3%	0.0%	2.6%	2.0%	3.3%	3.4%	3.6%
FCF yield	-14.9%	12.7%	-50.2%	-11.3%	10.3%	38.8%	38.1%	-5.4%	18.5%	26.8%	26.6%
FCF Yield bef A&D, lease adj	13.1%	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	3.5%	4.4%	11.4%	11.0%
Payout ratio	21.3%	32.6%	29.6%	48.6%	40.5%	0.0%	33.7%	36.6%	34.7%	35.1%	32.4%

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	4,472	4,396	4,332
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	1,947	1,871	1,807
of which goodwill	0	0	0	0	0	0	0	2,500	2,525	2,525	2,525
Tangible assets	583	533	1,047	1,075	1,056	2,139	2,255	3,372	2,971	2,878	2,809
of which leased assets	0	0	0	0	0	1,207	1,164	1,081	676	583	480
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	7,795	7,626	7,492
Inventory	254	266	295	390	468	335	233	400	487	499	518
Accounts receivable	844	825	1,396	1,795	1,762	1,740	624	1,822	2,220	2,273	2,360
Short-term leased assets	0	0	0	0	0	658	720	438	760	770	780
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	930	1,333	1,707
Total current assets	1,690	1,758	2,654	3,197	3,463	3,836	3,002	3,558	4,397	4,875	5,365
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	12,192	12,500	12,857
Shareholders equity	1,348	1,488	2,411	2,453	2,707	2,777	2,908	3,304	3,689	4,010	4,386
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	25	53	57
Total Equity	1,348	1,488	2,411	2,453	2,707	2,777	2,912	3,304	3,714	4,063	4,443
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	747	654
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	5,160	5,067
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	1,775	1,818	1,887
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	3,235	3,278	3,347
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	12,192	12,500	12,857
Balance sheet and debt metrics											
Net debt	895	738	2,223	2,665	2,539	3,994	2,854	5,249	5,773	5,287	4,820
of which lease debt	0	0	0	0	0	1,898	1,917	1,552	1,469	1,386	1,293
Working capital	449	507	740	1,115	1,171	925	-407	765	932	954	991
Invested capital	2,329	2,309	4,868	5,326	5,445	6,293	5,230	9,006	8,727	8,580	8,483
Capital employed	2,700	2,755	5,285	5,797	5,968	7,287	6,863	10,090	10,417	10,683	10,970
ROE	7.4%	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	10.4%	14.5%	12.6%	13.0%
ROIC	7.1%	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	5.7%	6.4%	7.1%	7.7%
ROCE	9.2%	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	7.0%	8.1%	8.6%	8.9%
Net debt/EBITDA	3.1	1.7	4.3	4.7	3.5	3.2	2.0	3.5	3.0	2.7	2.4
Interest coverage	5.0	8.9	7.9	3.9	4.9	2.5	4.2	5.9	7.0	5.2	5.5
Equity ratio	37.8%	41.8%	35.6%	33.1%	35.0%	30.2%	33.7%	28.0%	30.3%	32.1%	34.1%
Net gearing	66.4%	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	158.9%	155.4%	130.1%	108.5%

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	1,902	1,932	1,990
Paid taxes	-61	-85	-104	-133	-127	-114	-41	-128	-216	-219	-235
Net financials	0	0	0	0	1	-143	-131	-98	-124	-174	-176
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	1,308	1,538	1,578
Change in NWC	-89	-8	-13	-419	4	104	461	-139	-155	-22	-37
Cash flow from operations (CFO)	162	269	331	-64	455	1,336	1,727	1,063	1,154	1,516	1,541
Capital expenditure	-44	-46	-112	-196	-161	-133	-88	-128	-177	-190	-228
Free cash flow before A&D	118	223	219	-260	294	1,203	1,639	935	977	1,325	1,313
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	-62	0	0
Free cash flow	-134	227	-1,575	-327	318	1,196	1,611	-332	915	1,325	1,313
Free cash flow bef A&D, lease adj	118	223	219	-260	294	515	981	215	217	565	543
Dividends paid	-18	-29	-58	-92	-93	-129	58	-112	-124	-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	-760	-770
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	32	403	374
Cash flow metrics											
Capex/D&A	37.1%	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	17.2%	18.5%	22.2%
Capex/Sales	1.2%	1.1%	1.8%	2.1%	1.5%	1.2%	0.8%	1.1%	1.2%	1.3%	1.5%
Key information											
Share price year end (/current)	36	63	106	82	87	87	120	174	140	140	140
Market cap.	899	1,787	3,140	2,899	3,083	3,083	4,229	6,152	4,943	4,943	4,943
Enterprise value	1,795	2,525	5,363	5,564	5,622	7,077	7,087	11,401	10,741	10,283	9,821
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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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea IB & Equity Division, Equity Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland Tel: +358 9 1651 Fax: +358 9 165 59710 Reg.no. 2858394-9 Satamaradankatu 5 Helsinki	Nordea IB & Equity Division, Equity Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Nordea IB & Equity Division, Equity Research Visiting address: Grønlandsvej 10 DK-2300 Copenhagen S Denmark Tel: +45 3333 3333 Fax: +45 3333 1520	Nordea IB & Equity Division, Equity Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway Tel: +47 2248 5000 Fax: +47 2256 8650