Elanders

Consumer Goods
Sweden

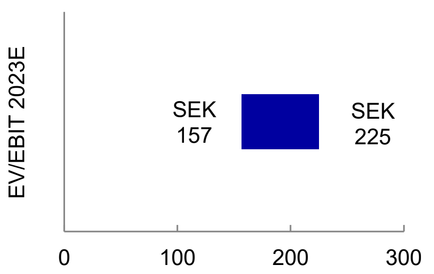
KEY DATA

Stock country	Sweden
Bloomberg	ELANB SS
Reuters	ELANb.ST
Share price (close)	SEK 157.0
Free Float	50%
Market cap. (bn)	EUR 0.49/SEK 5.55
Website	www.elanders.com
Next report date	21 Apr 2023

PERFORMANCE

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

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	0%	0%	1%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Carl Ragnerstam
Analyst

Gustav Berneblad
Analyst

Margins overshadowed by accounting issue

On 13 April, Elanders published preliminary Q1 2023 numbers, suggesting a 16% y/y EBITA uplift and margins up 50 bp y/y, with the former on a par with our expectations and the latter some 20 bp ahead. While headline figures were solid, an accounting issue in its US operation was uncovered, leading to a SEK 70m non-cash charge in Q1. This will inevitably cast doubt on the company's internal controls, since a similar incident was discovered in late 2019. Nevertheless, it notably has no cash flow impact, and we believe that the market will instead focus on the impressive y/y margin uptick, despite volumes coming under pressure in the important Supply Chain division. Owing to minor revisions, we lower our multiples-based fair value range slightly to SEK 157-225 (158-226).

A solid margin beat, despite volumes under pressure

On 13 April, Elanders communicated its preliminary numbers for Q1 2023. Group sales came in at SEK 3,589m, corresponding to a y/y increase of 6.5%. According to our assumptions (not disclosed in the press release), the growth was -4.5% organic, 0.5% M&A and 8.4% FX – altogether 5% below our expectations. Organically, we believe the drop was driven by Supply Chain Solutions and soft Electronics and buy and sell volumes, but we also believe that Print & Packaging continued to grow organically, owing to the ramp-up of new customer contracts. Adjusted EBITA was SEK 217m, up 16% y/y, implying a margin of 6.0% (+50 bp y/y). EBITA in absolute numbers was on a par with our expectation of SEK 218m, while the margin came in 20 bp ahead of us. We believe that Supply Chain Solutions was the main driver, with a 59 bp y/y uplift, owing to a more efficient workflow and lower buy and sell volumes, which tend to be margin-dilutive.

Important margin beat, but unfortunate lack of internal control

While the headline numbers were solid and – importantly – showed a healthy EBITA margin beat, the company also disclosed details about an accounting issue. The disclosure said the company will take a SEK 70m non-recurring charge with no cash flow impact in Q1, owing to historically inflated earnings (of SEK 70m) from its subscription boxes business in the US during 2019-22, 50% of which is related to 2022. This is regrettable, as it mars the company's quality control reputation – especially since a similar incident was unearthed in late 2019/early 2020 in Elanders' LGI operations.

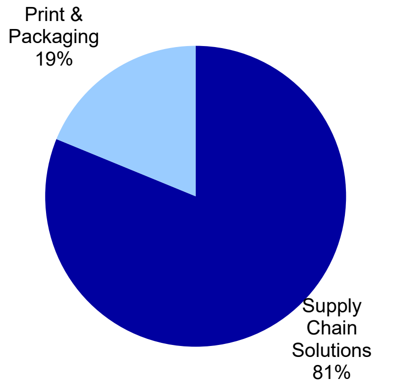
SUMMARY TABLE - KEY FIGURES

SEKm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	11,254	11,050	11,732	14,974	15,514	16,019	16,650
EBITDA (adj)	1,409	1,426	1,497	1,967	2,034	2,095	2,150
EBIT (adj)	509	546	596	877	996	1,055	1,105
EBIT (adj) margin	4.5%	4.9%	5.1%	5.9%	6.4%	6.6%	6.6%
EPS (adj, SEK)	7.13	9.19	9.56	13.95	13.04	15.29	16.69
EPS (adj) growth	-0.4%	29.0%	4.0%	46.0%	-6.6%	17.3%	9.1%
DPS (ord, SEK)	0.00	3.10	3.60	4.15	4.40	5.00	5.20
EV/Sales	0.6	0.6	1.0	0.8	0.8	0.8	0.7
EV/EBIT (adj)	13.9	13.0	19.1	14.4	12.9	11.7	10.7
P/E (adj)	12.2	13.0	18.2	10.7	12.0	10.3	9.4
P/BV	1.1	1.5	1.9	1.4	1.4	1.2	1.1
Dividend yield (ord)	0.0%	2.6%	2.1%	2.8%	2.8%	3.2%	3.3%
FCF Yield bef A&D, lease	16.7%	23.2%	3.5%	0.3%	13.1%	9.8%	10.3%
Net debt	3,994	2,854	5,249	7,276	7,252	6,769	6,269
Net debt/EBITDA	3.2	2.0	3.5	3.8	3.7	3.2	2.9
ROIC after tax	5.9%	6.4%	5.7%	5.8%	6.1%	6.6%	7.0%

Source: Company data and Nordea estimates

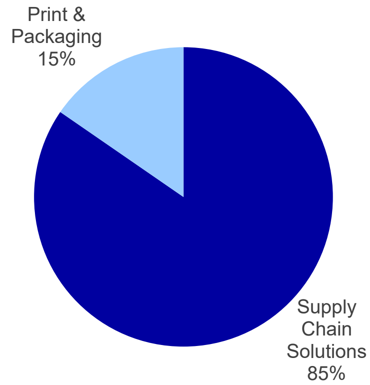
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%), 2022



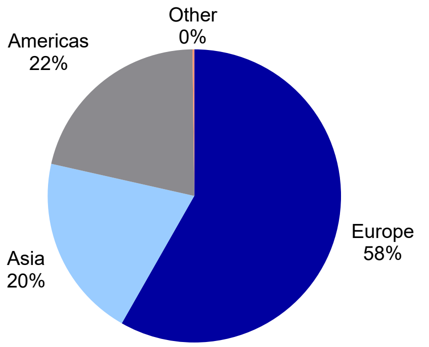
Source: Company data and Nordea estimates

ELANDERS: EBITA SPLIT BY SEGMENT (%), 2022



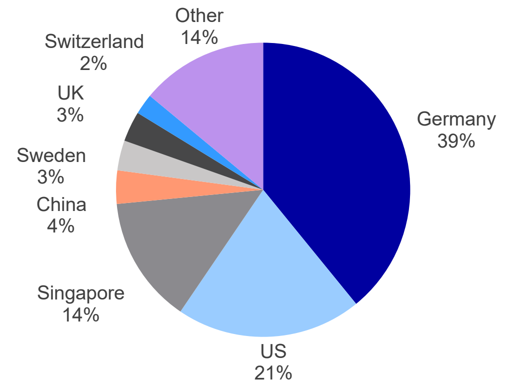
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%), 2022



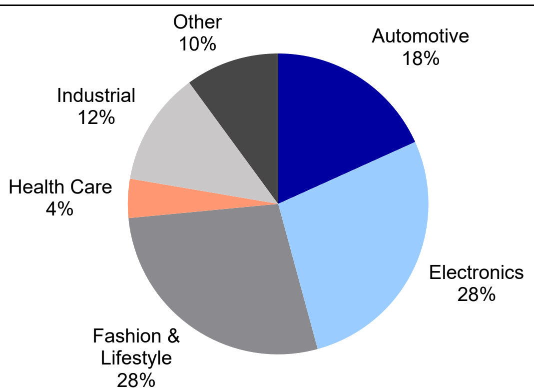
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%), 2022



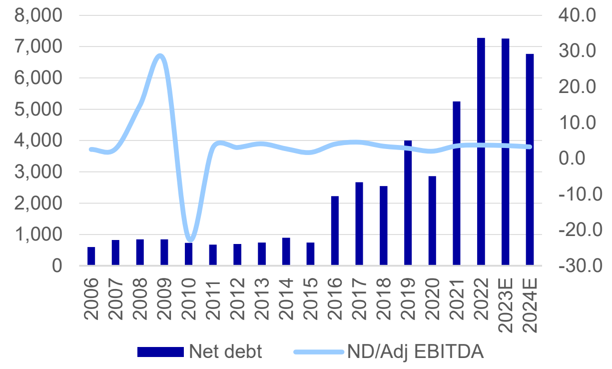
Source: Company data and Nordea estimates

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



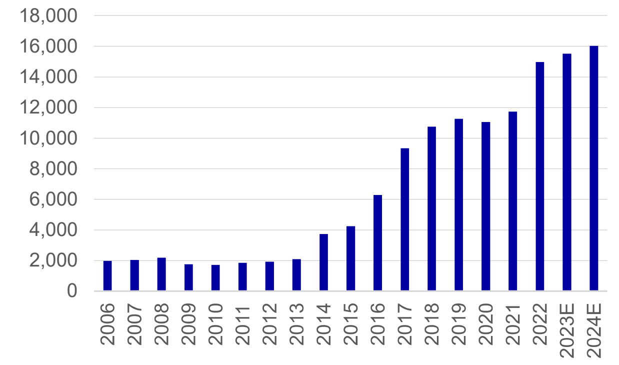
Source: Company data and Nordea estimates

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



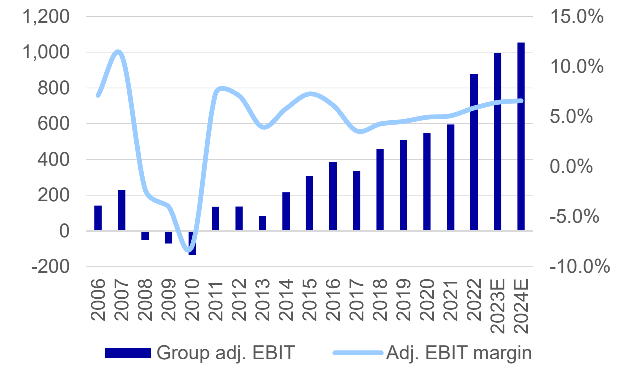
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)



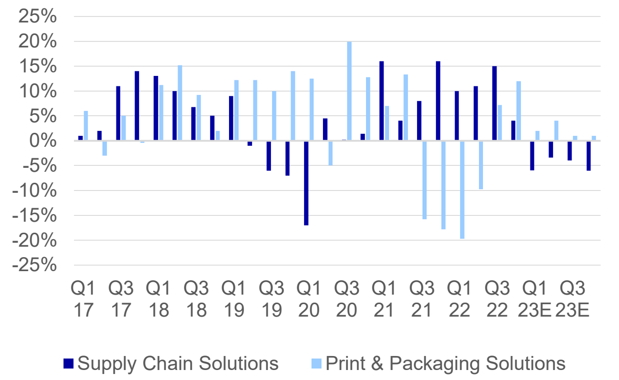
Source: Company data and Nordea estimates

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



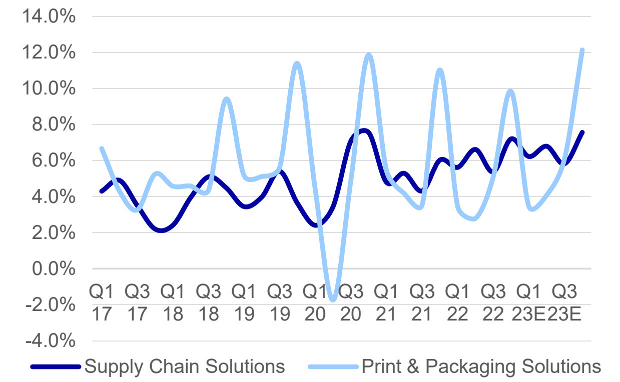
Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)



Source: Company data and Nordea estimates

ELANDERS: EBIT MARGIN DEVELOPMENT BY SEGMENT (%)



Source: Company data and Nordea estimates

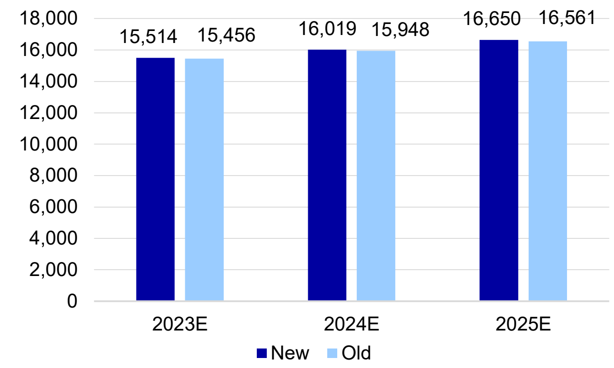
Estimate revisions

ELANDERS: ESTIMATE REVISIONS (SEKm; EPS IN SEK)

	New estimates			Old estimates			Difference %		
SEKm	**2023E**	**2024E**	**2025E**	**2023E**	**2024E**	**2025E**	**2023E**	**2024E**	**2025E**
Net sales	**15,514**	**16,019**	**16,650**	**15,456**	**15,948**	**16,561**	**0%**	**0%**	**1%**
Cost of goods sold	-13,306	-13,781	-14,324	-13,254	-13,719	-14,246	0%	0%	1%
Gross profit	**2,208**	**2,239**	**2,327**	**2,202**	**2,229**	**2,314**	**0%**	**0%**	**1%**
EBITA	1,002	1,119	1,160	1,073	1,118	1,158	-7%	0%	0%
Amortisation of intangibles	-76	-65	-55	-76	-65	-55	0%	0%	0%
EBIT	926	1,055	1,105	997	1,054	1,103	-7%	0%	0%
Net financials	-328	-277	-256	-299	-233	-233	10%	19%	10%
PTP	599	778	849	698	821	870	-14%	-5%	-2%
Income tax	-180	-233	-255	-209	-246	-261	-14%	-5%	-2%
Net profit	419	545	594	488	575	609	-14%	-5%	-2%
Earnings per share (SEK)	11	15	17	13	16	17	-15%	-5%	-2%
Adj. EBITA	1,072	1,119	1,160	1,073	1,118	1,158	0%	0%	0%
Adj. EBIT	**996**	**1,055**	**1,105**	**997**	**1,054**	**1,103**	**0%**	**0%**	**0%**
Tax on EO	21	0	0	0	0	0	n.a	n.a	n.a
Adj. Net profit	510	545	594	488	575	609	4%	-5%	-2%
Adj. EPS	14	15	17	13	16	17	5%	-5%	-2%
Adj. EBITA margin	6.9%	7.0%	7.0%	6.9%	7.0%	7.0%	0.0pp	0.0pp	0.0pp
Adj. EBIT margin	6.4%	6.6%	6.6%	6.4%	6.6%	6.7%	0.0pp	0.0pp	0.0pp
Adj. Incremental margin	22.0%	11.6%	8.0%	24.9%	11.6%	8.0%	-2.8pp	0.0pp	0.0pp
Net sales per segment									
Supply Chain Solutions	13,016	13,498	14,105	12,547	13,011	13,597	4%	4%	4%
Print & Packaging Solutions	2,610	2,637	2,663	3,021	3,051	3,081	-14%	-14%	-14%
Group functions	40	40	41	40	40	41	0%	0%	0%
Eliminations	-152	-155	-158	-152	-155	-158	0%	0%	0%
Group net sales	**15,514**	**16,019**	**16,650**	**15,456**	**15,948**	**16,561**	**0%**	**0%**	**1%**
Adj EBIT per segment									
Supply Chain Solutions	860	916	965	851	906	952	1%	1%	1%
Print & Packaging Solutions	178	181	184	188	191	194	-5%	-5%	-5%
Group functions	-42	-43	-44	-42	-43	-44	0%	0%	0%
Group EBIT	**996**	**1,055**	**1,105**	**997**	**1,054**	**1,103**	**0%**	**0%**	**0%**
Adj. EBIT margin									
Supply Chain Solutions	6.1%	6.8%	6.8%	6.8%	7.0%	7.0%	-0.7pp	-0.2pp	-0.2pp
Print & Packaging Solutions	6.8%	6.9%	6.9%	6.2%	6.3%	6.3%	0.6pp	0.6pp	0.6pp
Group	**6.0%**	**6.6%**	**6.6%**	**6.4%**	**6.6%**	**6.7%**	**-0.5pp**	**0.0pp**	**0.0pp**

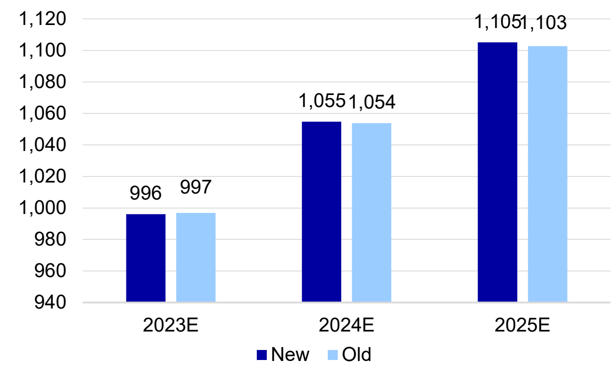
Source: Nordea estimates

NET SALES: NEW ESTIMATES VS. OLD ESTIMATES (SEKm)



Source: Nordea estimates

ADJUSTED EBIT: NEW ESTIMATES VS. OLD ESTIMATES (SEKm)



Source: Nordea estimates

Valuation

ELANDERS: PEER VALUATION TABLE

		Mcap.	Adj. EV/EBITDA		Adj. EV/EBITA		Adj. EV/EBIT		Adj. P/E		Div. yield		ND/EBITDA		ROIC	
Stock	**Rec.**	**SEKm**	**2023E**	**2024E**	**2023E**	**2024E**	**2023E**	**2024E**	**2023E**	**2024E**	**2023E**	**2024E**	**2023E**	**2024E**	**2023E**	**2024E**
Agility	-	54,114	10.8x	10.4x	-	-	16.2x	15.4x	1.9x	1.6x	33.5%	38.9%	-	-	6.6%	7.2%
CH Robinson	-	114,215	14.8x	13.6x	11.4x	12.5x	16.3x	15.6x	21.1x	18.9x	2.6%	2.6%	1.8x	1.8x	30.1%	33.2%
DSV	BUY	297,240	13.2x	11.7x	17.0x	14.9x	17.1x	15.0x	21.8x	18.3x	0.7%	0.7%	1.7x	1.8x	12.0%	13.1%
Elanders	NO RATING	5,770	6.4x	6.0x	12.1x	11.2x	13.0x	11.8x	12.5x	10.1x	2.7%	3.1%	3.5x	3.2x	6.1%	6.6%
Expeditors	-	175,489	12.6x	13.4x	11.1x	14.3x	13.3x	14.2x	20.3x	21.4x	1.2%	1.3%	-	-	35.3%	33.6%
ID Logistics	-	17,721	6.3x	5.8x	24.0x	21.0x	21.3x	19.1x	27.6x	21.8x	0.0%	0.0%	2.0x	1.7x	11.7%	14.1%
J.B Hunt	-	188,468	9.7x	9.0x	-	-	14.6x	13.6x	18.9x	17.3x	0.9%	1.0%	0.6x	0.5x	17.1%	16.9%
Kerry Logistics	-	28,646	4.5x	4.2x	-	-	7.1x	6.4x	8.4x	7.9x	3.7%	4.3%	-	-	0.0%	0.0%
Kuehne + Nagel	-	370,257	11.6x	12.0x	15.1x	17.5x	16.4x	17.8x	24.3x	26.5x	2.7%	2.8%	-	-	62.4%	69.8%
Landstar	-	66,726	12.8x	12.0x	-	-	14.6x	13.7x	19.6x	18.6x	0.7%	0.7%	-	-	37.6%	37.9%
Old Dominion	-	387,270	17.9x	16.6x	-	-	20.9x	19.3x	28.3x	25.5x	0.5%	0.5%	-	-	32.2%	31.7%
XPO Logistics	-	38,756	6.2x	5.6x	-	-	10.7x	9.0x	12.7x	10.3x	0.0%	0.0%	2.2x	1.8x	19.9%	21.1%
Average		**145,389**	**10.6x**	**10.0x**	**15.1x**	**15.2x**	**15.1x**	**14.3x**	**18.1x**	**16.5x**	**4.1%**	**4.6%**	**2.0x**	**1.8x**	**22.6%**	**23.8%**
Median		**90,471**	**11.2x**	**11.0x**	**13.6x**	**14.6x**	**15.4x**	**14.6x**	**20.0x**	**18.4x**	**1.1%**	**1.1%**	**1.9x**	**1.8x**	**18.5%**	**19.0%**
Elanders	**NO RATING**	**5,770**	**6.4x**	**6.0x**	**12.1x**	**11.2x**	**13.0x**	**11.8x**	**12.5x**	**10.1x**	**2.7%**	**3.1%**	**3.5x**	**3.2x**	**6.1%**	**6.6%**
vs. peer average	-	-	-39%	-40%	-20%	-27%	-14%	-17%	-31%	-39%	-1.4pp	1.9pp	79%	77%	-17pp	-12pp
vs. peer median	-	-	-43%	-46%	-11%	-23%	-15%	-19%	-37%	-45%	1.6pp	1.9pp	86%	78%	-12pp	-12pp

Source: Company data and Nordea estimates

Detailed estimates

ELANDERS: QUARTERLY ESTIMATES (SEKm; EPS IN SEK)

Elanders quarterly estimates (SEKm)	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23E	Q2 23E	Q3 23E	Q4 23E
Net sales	3,371	3,525	3,979	4,099	3,589	3,772	4,085	4,069
Cost of goods sold	-2,879	-3,000	-3,417	-3,448	-3,051	-3,244	-3,513	-3,499
Gross profit	492	525	562	651	538	528	572	570
Sales and administrative expenses	-338	-356	-380	-410	-358	-379	-388	-421
Other operating income	26	83	36	51	27	88	37	50
Other operating expenses	-16	-11	-26	-41	-80	-7	11	137
EBITDA	430	506	466	538	384	489	494	598
Depreciation	-33	-31	-30	-45	-47	-49	-53	-53
EBITA	187	263	216	273	147	250	251	355
Amortisation of intangible acq related assets	-22	-22	-23	-22	-19	-19	-19	-19
EBIT	165	241	193	251	128	231	232	336
Net financials	-36	-36	-42	-70	-81	-82	-82	-83
PTP	129	205	151	181	47	149	149	253
Income tax	-41	-63	-35	-41	-14	-45	-45	-76
Net profit	88	142	115	140	33	104	105	177
Earnings per share (SEK)	2.40	3.87	3.04	3.87	0.74	2.75	2.76	4.82
Adj. EBITDA	430	466	475	596	454	489	494	598
Adj. EBITA	187	223	225	331	217	250	251	355
Adj. EBIT	165	201	202	309	198	231	232	336
Tax on EO	0	-12	2	13	21	0	0	0
Adj. Net profit	88	170	109	95	-16	104	105	177
Adj. EPS	2.40	4.66	2.84	2.61	-0.65	2.75	2.76	4.82
Gross margin	14.6%	14.9%	14.1%	15.9%	15.0%	14.0%	14.0%	14.0%
EBITDA margin	12.8%	14.4%	11.7%	13.1%	10.7%	13.0%	12.1%	14.7%
EBITA margin	5.5%	7.5%	5.4%	6.7%	4.1%	6.6%	6.1%	8.7%
EBIT margin	4.9%	6.8%	4.9%	6.1%	3.6%	6.1%	5.7%	8.3%
Incremental margin	5.8%	14.4%	7.4%	5.7%	-17.0%	-4.2%	36.3%	-279.4%
Adj. EBITDA margin	12.8%	13.2%	11.9%	14.5%	12.6%	13.0%	12.1%	14.7%
Adj. EBITA margin	5.5%	6.3%	5.7%	8.1%	6.0%	6.6%	6.1%	8.7%
Adj. EBIT margin	4.9%	5.7%	5.1%	7.5%	5.5%	6.1%	5.7%	8.3%
Adj. Incremental margin	5.8%	14.4%	7.4%	5.7%	-17.0%	-4.2%	36.3%	-279.4%

Source: Company data and Nordea estimates

ELANDERS: QUARTERLY SALES AND EBIT BRIDGE

Elanders sales bridge quarterly (SEKm)	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23E	Q2 23E	Q3 23E	Q4 23E
Net sales								
Supply Chain Solutions	2,769	2,914	3,325	3,259	3,028	3,183	3,488	3,317
Print & Packaging Solutions	637	643	686	874	589	617	625	780
Group functions	10	10	11	11	10	10	10	10
Eliminations	-45	-43	-43	-45	-38	-38	-38	-38
Total sales	**3,371**	**3,524**	**3,979**	**4,099**	**3,589**	**3,772**	**4,085**	**4,069**
Sales bridge								
Volume	3%	6%	13%	6%	-5%	-2%	-3%	-5%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	20%	14%	16%	4%	0%	0%	0%	0%
FX	6%	7%	9%	12%	8%	7%	4%	1%
Other	0%	0%	0%	0%	2%	2%	2%	2%
Total growth	**23%**	**27%**	**39%**	**22%**	**6%**	**7%**	**3%**	**-1%**
Sales bridge								
Volume	53	166	373	175	-146	-68	-122	-181
Price/Mix	0	0	0	0	0	0	0	0
Structural	540	384	471	148	16	16	0	0
FX	164	205	270	412	285	240	148	50
Other	0	0	0	0	0	0	0	0
Total growth	**758**	**755**	**1,114**	**735**	**154**	**188**	**25**	**-131**
Growth per segment quarterly (%)	**Q1 22**	**Q2 22**	**Q3 22**	**Q4 22**	**Q1 23E**	**Q2 23E**	**Q3 23E**	**Q4 23E**
Supply Chain Solutions								
Volume	10%	11%	15%	4%	-6%	-3%	-4%	-6%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	24%	16%	21%	6%	1%	1%	0%	0%
FX	6%	7%	10%	12%	9%	7%	4%	1%
Other	0%	0%	0%	0%	6%	5%	5%	7%
Total growth	**34%**	**34%**	**45%**	**21%**	**9%**	**9%**	**5%**	**2%**
Print & Packaging Solutions								
Volume	-20%	-10%	7%	12%	2%	4%	1%	1%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	5%	6%	0%	0%	0%	0%	0%	0%
FX	6%	7%	9%	13%	7%	5%	3%	1%
Other	0%	0%	0%	0%	-16%	-13%	-13%	-13%
Total growth	-8%	3%	16%	25%	-8%	-4%	-9%	-11%
EBIT per segment quarterly (SEKm)	**Q1 22**	**Q2 22**	**Q3 22**	**Q4 22**	**Q1 23E**	**Q2 23E**	**Q3 23E**	**Q4 23E**
Supply Chain Solutions	156	233	179	187	119	216	203	251
Print & Packaging Solutions	22	18	26	76	20	25	38	95
Group functions	-13	-10	-12	-12	-11	-11	-10	-10
Group EBIT	**165**	**241**	**193**	**251**	**128**	**231**	**232**	**336**
Adj. EBIT per segment quarterly								
Supply Chain Solutions	156	193	179	235	189	216	203	251
Print & Packaging Solutions	22	18	35	86	20	25	38	95
Group functions	-13	-10	-12	-12	-11	-11	-10	-10
Adj group EBIT	**165**	**201**	**202**	**309**	**198**	**231**	**232**	**336**
EBIT margin per segment quarterly								
Supply Chain Solutions	5.6%	8.0%	5.4%	5.7%	3.9%	6.8%	5.8%	7.6%
Print & Packaging Solutions	3.5%	2.8%	3.8%	8.7%	3.5%	4.1%	6.1%	12.1%
EBIT margin	**4.9%**	**6.8%**	**4.9%**	**6.1%**	**3.6%**	**6.1%**	**5.7%**	**8.3%**
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	5.6%	6.6%	5.4%	7.2%	6.2%	6.8%	5.8%	7.6%
Print & Packaging Solutions	3.5%	2.8%	5.1%	9.8%	3.5%	4.1%	6.1%	12.1%
Adj EBIT margin	**4.9%**	**5.7%**	**5.1%**	**7.5%**	**5.5%**	**6.1%**	**5.7%**	**8.3%**

Source: Company data and Nordea estimates

ELANDERS: ANNUAL ESTIMATES (SEKm; EPS IN SEK)

Elanders annual estimates (SEKm)	2018	2019	2020	2021	2022	2023E	2024E	2025E
Net sales	10,742	11,254	11,050	11,732	14,974	15,514	16,019	16,650
Cost of goods sold	-9,331	-9,780	-9,532	-10,088	-12,744	-13,306	-13,781	-14,324
Gross profit	1,411	1,474	1,518	1,644	2,230	2,208	2,239	2,327
Sales and administrative expenses	-1,034	-1,145	-1,050	-1,119	-1,484	-1,545	-1,583	-1,633
Other operating income	112	66	13	82	196	203	208	214
Other operating expenses	-30	-33	-44	-28	-94	61	191	198
EBITDA	747	1,260	1,426	1,482	1,940	1,964	2,095	2,150
Depreciation	-203	-156	-169	-123	-139	-202	-270	-265
EBITA	522	416	599	639	939	1002	1,119	1,160
Amortisation of intangible acq related assets	-64	-56	-53	-59	-89	-76	-65	-55
EBIT	458	360	546	580	850	926	1,055	1,105
Net financials	-93	-143	-131	-98	-184	-328	-277	-256
PTP	365	217	415	482	666	599	778	849
Income tax	-107	-63	-86	-151	-180	-180	-233	-255
Net profit	258	154	329	331	485	419	545	594
Earnings per share (SEK)	7.19	4.19	9.19	9.11	13.19	11.06	15.29	16.69
Adj. EBITDA	747	1,409	1,426	1,498	1,967	2,034	2,095	2,150
Adj. EBITA	522	565	599	655	966	1,072	1,119	1,160
Adj. EBIT	458	509	546	596	877	996	1,055	1,105
Tax on EO	0	43	0	5	7	21	0	0
Adj. Net profit	258	346	329	352	520	510	545	594
Adj. EPS	7.16	9.79	9.19	9.70	14.16	13.63	15.29	16.69
Gross margin	13.1%	13.1%	13.7%	14.0%	14.9%	14.2%	14.0%	14.0%
EBITDA margin	7.0%	11.2%	12.9%	12.6%	13.0%	12.7%	13.1%	12.9%
EBITA margin	4.9%	3.7%	5.4%	5.4%	6.3%	6.5%	7.0%	7.0%
EBIT margin	4.3%	3.2%	4.9%	4.9%	5.7%	6.0%	6.6%	6.6%
Incremental margin	10.7%	-19.1%	-91.2%	5.0%	8.3%	14.1%	25.5%	8.0%
Adj. EBITDA margin	7.0%	12.5%	12.9%	12.8%	13.1%	13.1%	13.1%	12.9%
Adj. EBITA margin	4.9%	5.0%	5.4%	5.6%	6.5%	6.9%	7.0%	7.0%
Adj. EBIT margin	4.3%	4.5%	4.9%	5.1%	5.9%	6.4%	6.6%	6.6%
Adj. Incremental margin	8.9%	10.0%	-18.1%	7.3%	8.7%	22.0%	11.6%	8.0%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL SALES AND EBIT BRIDGE

Elanders sales bridge annual (SEKm)	2018	2019	2020	2021	2022	2023E	2024E	2025E
Net sales								
Supply Chain Solutions	8,526	8,775	8,408	9,204	12,267	13,016	13,498	14,105
Print & Packaging Solutions	2,244	2,564	2,728	2,606	2,840	2,610	2,637	2,663
Group functions	47	37	40	40	42	40	40	41
Eliminations	-75	-122	-126	-117	-176	-152	-155	-158
Total sales	**10,946**	**11,254**	**11,050**	**11,733**	**14,973**	**15,514**	**16,019**	**16,650**
Sales bridge								
Volume	8%	1%	0%	7%	7%	-4%	3%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	1%	0%	0%	4%	13%	0%	0%	0%
FX	5%	4%	-2%	-4%	9%	5%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
Total growth	**15%**	**5%**	**-2%**	**6%**	**28%**	**4%**	**3%**	**4%**
Sales bridge								
Volume	848	69	14	791	768	-517	508	634
Price/Mix	0	0	0	0	0	0	0	0
Structural	48	-51	5	390	1,543	31	0	0
FX	503	477	-227	-497	1,051	722	0	0
Other	0	0	0	0	0	0	0	0
Total growth	**1,399**	**495**	**-208**	**684**	**3,362**	**237**	**508**	**634**
Growth per segment annual (%)	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Supply Chain Solutions								
Volume	8%	-2%	-3%	11%	10%	-5%	4%	5%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	1%	0%	0%	4%	16%	0%	0%	0%
FX	6%	4%	-1%	-5%	9%	5%	0%	0%
Other	0%	0%	0%	0%	0%	3%	0%	0%
Total growth	**22%**	**3%**	**-4%**	**9%**	**33%**	**6%**	**4%**	**5%**
Print & Packaging Solutions								
Volume	9%	12%	10%	-4%	-3%	2%	1%	1%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	-2%	0%	3%	3%	0%	0%	0%
FX	4%	4%	-4%	-3%	9%	4%	0%	0%
Other	0%	0%	0%	0%	0%	-14%	0%	0%
Total growth	1%	14%	6%	-4%	9%	-8%	1%	1%
EBIT per segment annual (SEKm)	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Supply Chain Solutions	346	220	435	459	755	790	916	965
Print & Packaging Solutions	132	174	147	162	142	178	181	184
Group functions	-20	-34	-36	-42	-47	-42	-43	-44
Group EBIT	**458**	**360**	**546**	**579**	**850**	**926**	**1,055**	**1,105**
Adj. EBIT per segment annual								
Supply Chain Solutions	346	362	435	475	763	860	916	965
Print & Packaging Solutions	132	181	147	162	161	178	181	184
Group functions	-20	-34	-36	-42	-47	-42	-43	-44
Adj group EBIT	**458**	**509**	**546**	**596**	**877**	**996**	**1055**	**1105**
EBIT margin per segment annual								
Supply Chain Solutions	4.1%	2.5%	5.2%	5.0%	6.2%	6.1%	6.8%	6.8%
Print & Packaging Solutions	5.9%	6.8%	5.4%	6.2%	5.0%	6.8%	6.9%	6.9%
EBIT margin	**4.2%**	**3.2%**	**4.9%**	**4.9%**	**5.7%**	**6.0%**	**6.6%**	**6.6%**
Adj. EBIT margin per segment annual								
Supply Chain Solutions	4.1%	4.1%	5.2%	5.2%	6.2%	6.6%	6.8%	6.8%
Print & Packaging Solutions	5.9%	7.1%	5.4%	6.2%	5.7%	6.8%	6.9%	6.9%
Adj EBIT margin	**4.2%**	**4.5%**	**4.9%**	**5.1%**	**5.9%**	**6.4%**	**6.6%**	**6.6%**

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	**4,237**	**6,285**	**9,342**	**10,742**	**11,254**	**11,050**	**11,732**	**14,974**	**15,514**	**16,019**	**16,650**
Revenue growth	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	6.2%	27.6%	3.6%	3.3%	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	427	519	563	725	1,260	1,426	1,481	1,940	1,964	2,095	2,150
Depreciation and impairments PPE	-115	-132	-192	-203	-844	-827	-843	-1,001	-962	-976	-990
of which leased assets	0	0	0	0	-688	-658	-720	-862	-760	-770	-780
EBITA	312	387	371	522	416	599	638	939	1,002	1,119	1,160
Amortisation and impairments	-20	-40	-63	-64	-56	-53	-58	-89	-76	-65	-55
EBIT	292	347	308	458	360	546	580	850	926	1,055	1,105
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	-33	-44	-80	-93	-143	-131	-98	-184	-328	-277	-256
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	**259**	**303**	**228**	**365**	**217**	**415**	**482**	**666**	**599**	**778**	**849**
Reported taxes	-85	-82	-64	-107	-63	-86	-151	-180	-180	-233	-255
Net profit from continued operations	174	221	164	258	154	329	331	485	419	545	594
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	-1	-5	-6	-4	-9	-19	-28	-4	-4
Net profit to equity	174	221	163	253	148	325	322	466	391	541	590
EPS, SEK	**6.18**	**7.48**	**4.61**	**7.16**	**4.19**	**9.19**	**9.11**	**13.19**	**11.06**	**15.29**	**16.69**
DPS, SEK	2.20	2.60	2.60	2.90	0.00	3.10	3.60	4.15	4.40	5.00	5.20
of which ordinary	2.20	2.60	2.60	2.90	0.00	3.10	3.60	4.15	4.40	5.00	5.20
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	10.1%	8.3%	6.0%	6.7%	11.2%	12.9%	12.6%	13.0%	12.7%	13.1%	12.9%
EBITA	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	5.4%	6.3%	6.5%	7.0%	7.0%
EBIT	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	4.9%	5.7%	6.0%	6.6%	6.6%
Adjusted earnings											
EBITDA (adj)	443	558	589	725	1,409	1,426	1,497	1,967	2,034	2,095	2,150
EBITA (adj)	328	426	397	522	565	599	654	966	1,072	1,119	1,160
EBIT (adj)	308	386	334	458	509	546	596	877	996	1,055	1,105
EPS (adj, SEK)	6.75	8.80	5.35	7.16	7.13	9.19	9.56	13.95	13.04	15.29	16.69
Adjusted profit margins in percent											
EBITDA (adj)	10.5%	8.9%	6.3%	6.7%	12.5%	12.9%	12.8%	13.1%	13.1%	13.1%	12.9%
EBITA (adj)	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	5.6%	6.5%	6.9%	7.0%	7.0%
EBIT (adj)	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	5.1%	5.9%	6.4%	6.6%	6.6%
Performance metrics											
CAGR last 5 years											
Net revenue	20.0%	27.9%	37.2%	38.7%	24.7%	21.1%	13.3%	9.9%	7.6%	7.3%	8.5%
EBITDA	74.6%	21.4%	21.9%	32.4%	33.9%	27.3%	23.3%	28.1%	22.1%	10.7%	8.6%
EBIT	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	10.8%	22.5%	15.1%	24.0%	15.1%
EPS	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	4.0%	23.4%	9.1%	29.6%	12.7%
DPS	n.m.	39.1%	34.1%	29.4%	n.m.	7.1%	6.7%	9.8%	8.7%	n.m.	10.9%
Average last 5 years											
Average EBIT margin	5.6%	5.5%	4.7%	4.6%	4.2%	4.1%	4.2%	4.7%	5.1%	5.7%	6.0%
Average EBITDA margin	9.4%	8.9%	7.7%	7.4%	8.3%	9.2%	10.1%	11.4%	12.5%	12.9%	12.9%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	9.4	12.1	15.3	12.2	12.2	13.0	18.2	10.7	12.0	10.3	9.4
EV/EBITDA (adj)	5.7	9.6	9.4	7.8	5.0	5.0	7.6	6.4	6.3	5.9	5.5
EV/EBITA (adj)	7.7	12.6	14.0	10.8	12.5	11.8	17.4	13.0	12.0	11.1	10.2
EV/EBIT (adj)	8.2	13.9	16.7	12.3	13.9	13.0	19.1	14.4	12.9	11.7	10.7

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	10.2	14.2	17.8	12.2	20.8	13.0	19.1	11.4	14.2	10.3	9.4
EV/Sales	0.60	0.85	0.60	0.52	0.63	0.64	0.97	0.84	0.83	0.77	0.71
EV/EBITDA	5.9	10.3	9.9	7.8	5.6	5.0	7.7	6.5	6.5	5.9	5.5
EV/EBITA	8.1	13.9	15.0	10.8	17.0	11.8	17.9	13.4	12.8	11.1	10.2
EV/EBIT	8.7	15.5	18.1	12.3	19.7	13.0	19.7	14.8	13.9	11.7	10.7
Dividend yield (ord.)	3.5%	2.4%	3.2%	3.3%	0.0%	2.6%	2.1%	2.8%	2.8%	3.2%	3.3%
FCF yield	12.7%	-50.2%	-11.3%	10.3%	38.8%	38.1%	-5.4%	15.7%	26.8%	23.7%	24.4%
FCF Yield bef A&D, lease adj	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	3.5%	0.3%	13.1%	9.8%	10.3%
Payout ratio	32.6%	29.6%	48.6%	40.5%	0.0%	33.7%	37.7%	29.7%	33.7%	32.7%	31.2%

Source: Company data and Nordea estimates

BALANCE SHEET											
SEKm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Intangible assets	1,269	3,081	3,136	3,218	3,229	3,085	4,517	4,923	4,847	4,782	4,727
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	1,269	3,081	3,136	3,218	3,229	3,085	2,017	1,268	1,192	1,127	1,072
of which goodwill	0	0	0	0	0	0	2,500	3,655	3,655	3,655	3,655
Tangible assets	533	1,047	1,075	1,056	2,139	2,255	3,372	5,071	4,785	4,717	4,643
of which leased assets	0	0	0	0	1,207	1,164	1,081	2,000	1,714	1,611	1,498
Shares associates	0	0	0	0	0	0	352	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	297	0	0	0	0	0
Total non-current assets	1,802	4,128	4,211	4,274	5,368	5,637	8,241	10,346	9,984	9,851	9,723
Inventory	266	295	390	468	335	233	400	619	517	534	555
Accounts receivable	825	1,396	1,795	1,762	1,740	624	1,822	2,139	2,017	2,083	2,165
Short-term leased assets	0	0	0	0	658	720	438	567	770	780	790
Other current assets	139	312	333	511	448	324	0	0	0	0	0
Cash and bank	529	651	679	722	655	1,101	898	904	1,484	1,874	2,271
Total current assets	1,758	2,654	3,197	3,463	3,836	3,002	3,558	4,229	4,788	5,271	5,781
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**3,560**	**6,782**	**7,408**	**7,737**	**9,204**	**8,639**	**11,799**	**14,575**	**14,772**	**15,122**	**15,503**
Shareholders equity	1,488	2,411	2,453	2,707	2,777	2,908	3,304	3,870	4,064	4,449	4,863
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	4	0	19	47	51	55
Total Equity	1,488	2,411	2,453	2,707	2,777	2,912	3,304	3,889	4,111	4,500	4,918
Deferred tax	83	233	208	199	320	188	0	0	0	0	0
Long term interest bearing debt	20	2,646	2,504	2,442	2,214	1,990	4,413	5,268	5,268	5,268	5,268
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	253	271	271	271	271
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	1,259	1,278	913	1,961	1,878	1,785	1,682
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	103	2,879	2,712	2,641	3,793	3,456	5,579	7,500	7,417	7,324	7,221
Short-term provisions	0	0	0	1	1	0	0	0	0	0	0
Accounts payable	722	1,263	1,403	1,569	1,597	1,588	1,457	1,596	1,654	1,707	1,775
Current lease debt	0	0	0	0	639	639	639	639	639	639	639
Other current liabilities	0	0	0	1	1	0	0	0	0	0	0
Short term interest bearing debt	1,247	228	840	819	398	44	821	951	951	951	951
Total current liabilities	1,969	1,491	2,243	2,390	2,636	2,271	2,917	3,186	3,244	3,297	3,365
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**3,560**	**6,781**	**7,408**	**7,738**	**9,206**	**8,639**	**11,800**	**14,575**	**14,772**	**15,122**	**15,503**
Balance sheet and debt metrics											
Net debt	738	2,223	2,665	2,539	3,994	2,854	5,249	7,276	7,252	6,769	6,269
of which lease debt	0	0	0	0	1,898	1,917	1,552	2,600	2,517	2,424	2,321
Working capital	507	740	1,115	1,171	925	-407	765	1,162	880	909	945
Invested capital	2,309	4,868	5,326	5,445	6,293	5,230	9,006	11,508	10,864	10,760	10,668
Capital employed	2,755	5,285	5,797	5,968	7,287	6,863	10,090	12,708	12,847	13,143	13,458
ROE	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	10.4%	13.0%	9.9%	12.7%	12.7%
ROIC	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	5.7%	5.8%	6.1%	6.6%	7.0%
ROCE	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	7.0%	7.7%	7.8%	8.1%	8.3%
Net debt/EBITDA	1.7	4.3	4.7	3.5	3.2	2.0	3.5	3.8	3.7	3.2	2.9
Interest coverage	8.9	7.9	3.9	4.9	2.5	4.2	5.9	4.6	2.8	3.8	4.3
Equity ratio	41.8%	35.6%	33.1%	35.0%	30.2%	33.7%	28.0%	26.6%	27.5%	29.4%	31.4%
Net gearing	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	158.9%	187.1%	176.4%	150.4%	127.5%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
SEKm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
EBITDA (adj) for associates	**427**	**519**	**563**	**725**	**1,260**	**1,426**	**1,481**	**1,940**	**1,964**	**2,095**	**2,150**
Paid taxes	-85	-104	-133	-127	-114	-41	-128	-196	-180	-233	-255
Net financials	0	0	0	1	-143	-131	-98	-184	-328	-277	-256
Change in provisions	0	0	0	1	0	-1	253	18	0	0	0
Change in other LT non-IB	0	0	0	0	0	-297	297	0	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	-66	-71	-75	-149	229	310	-603	4	-50	0	0
Funds from operations (FFO)	**276**	**344**	**355**	**451**	**1,232**	**1,266**	**1,202**	**1,582**	**1,407**	**1,585**	**1,639**
Change in NWC	-8	-13	-419	4	104	461	-139	-476	282	-29	-36
Cash flow from operations (CFO)	**269**	**331**	**-64**	**455**	**1,336**	**1,727**	**1,063**	**1,106**	**1,688**	**1,556**	**1,603**
Capital expenditure	-46	-112	-196	-161	-133	-88	-128	-229	-202	-240	-250
Free cash flow before A&D	**223**	**219**	**-260**	**294**	**1,203**	**1,639**	**935**	**877**	**1,486**	**1,316**	**1,354**
Proceeds from sale of assets	4	-1,794	-67	24	-7	-28	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	-1,267	-46	0	0	0
Free cash flow	227	-1,575	-327	318	1,196	1,611	-332	831	1,486	1,316	1,354
Free cash flow bef A&D, lease adj	223	219	-260	294	515	981	215	15	726	546	574
Dividends paid	-29	-58	-92	-93	-129	58	-112	-136	-147	-156	-177
Equity issues / buybacks	0	695	0	0	0	0	0	0	0	0	0
Net change in debt	-125	1,029	462	-225	-1,152	-1,119	0	0	0	0	0
Other financing adjustments	0	0	0	0	1	-655	-720	-861	-760	-770	-780
Other non-cash adjustments	0	31	-15	43	17	532	1,609	357	0	0	0
Change in cash	72	122	28	43	-67	446	-203	6	580	390	397
Cash flow metrics											
Capex/D&A	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	21.0%	19.4%	23.1%	23.9%
Capex/Sales	1.1%	1.8%	2.1%	1.5%	1.2%	0.8%	1.1%	1.5%	1.3%	1.5%	1.5%
Key information											
Share price year end (/current)	63	106	82	87	87	120	174	150	157	157	157
Market cap.	1,787	3,140	2,899	3,083	3,083	4,229	6,152	5,304	5,551	5,551	5,551
Enterprise value	2,525	5,363	5,564	5,622	7,077	7,087	11,401	12,599	12,850	12,371	11,875
Diluted no. of shares, year-end (m)	28.2	29.6	35.4	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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