

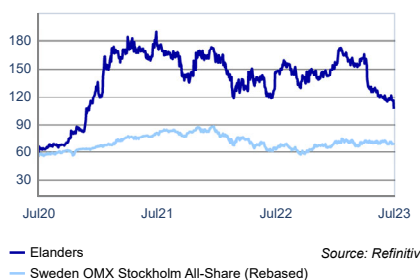
Elanders

Consumer Goods
Sweden

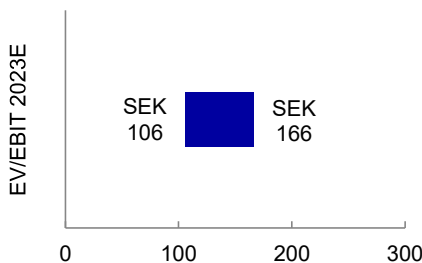
KEY DATA

Stock country	Sweden
Bloomberg	ELANB.SS
Reuters	ELANb.ST
Share price (close)	SEK 108.2
Free float	50%
Market cap. (bn)	EUR 0.32/SEK 3.83
Website	www.elanders.com
Next report date	17 Oct 2023

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	-4%	-4%	-4%
EBIT (adj)	-6%	-5%	-4%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Carl Ragnerstam
Associate DirectorGustav Berneblad
Analyst

Market outlook remains uncertain

Elanders presented a somewhat soft Q2 2023 report with -9% organic growth, owing to Supply Chain Solutions, as the Air & Sea operations saw a normalisation of freight rates. Diminishing demand was evident in all larger customer segments and the market outlook remains uncertain. Following recent investments, the overcapacity in the US and Europe is weighing on profitability, with group adjusted EBIT declining by 7% y/y. Positively, a slight recovery in demand was seen in Electronics by the end of the quarter, and Elanders is expected to release an additional SEK 250m in working capital during 2023. We lower adjusted EBIT by 4-6% for 2023E-25E and adjust our fair value range to SEK 106-166 (125-190), implying ~13-16x EV/EBIT for 2023E.

Overcapacity to weigh on profitability

Net sales in Q2 were SEK 3,450m, down 2% y/y (-9% organically) and 5% below our estimate of SEK 3,635m. Print & Packaging Solutions held up decently, as online print continued to develop positively, whereas Supply Chain Solutions suffered from less demand and freight rates in the Air & Sea operations were lower. Following recent investments, Elanders now suffers from overcapacity in the US and Europe within Supply Chain Solutions, which burdened profitability in Q2; however, it made positive comments on strong interest from new customers. Adjusted EBIT was SEK 186m in Q2, down 7% y/y and 7% below our estimate. This implies a margin of 5.4%, down ~30 bp y/y. Cash flow stood out as a clear positive in the quarter, with operating cash flow up 187% y/y to SEK 536m. Additionally, Elanders confidently reiterated its message of a working capital release of SEK 400m for 2023.

Estimates and valuation

Following the report, we lower our adjusted EBIT estimates by 4-6% for 2023-25 following the soft commentary around the market uncertainty within Supply Chain Solutions. Elanders noted diminishing demand in all larger customer segments, which accelerated during the second half of Q2. Positively, the company commented on a slight uptick in demand within Electronics in Europe, where the inflow of products is picking up and as retailers have sold lots of their stock. We lower our multiples-based fair value range to SEK 106-166 (125-190), implying ~13-16x EV/EBIT for 2023E.

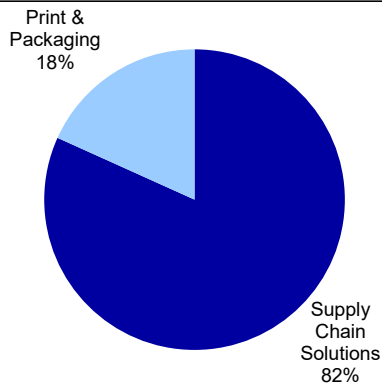
SUMMARY TABLE - KEY FIGURES

SEKm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	11,254	11,050	11,732	14,974	14,635	15,157	15,773
EBITDA (adj)	1,409	1,426	1,497	1,979	2,064	2,003	2,072
EBIT (adj)	509	546	596	877	915	974	1,039
EBIT (adj) margin	4.5%	4.9%	5.1%	5.9%	6.3%	6.4%	6.6%
EPS (adj, SEK)	7.13	9.19	9.56	13.95	11.94	13.77	15.46
EPS (adj) growth	-0.4%	29.0%	4.0%	46.0%	-14.4%	15.4%	12.2%
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	0.7	0.6
EV/EBIT (adj)	13.9	13.0	19.1	14.4	12.0	10.8	9.6
P/E (adj)	12.2	13.0	18.2	10.7	9.1	7.9	7.0
P/BV	1.1	1.5	1.9	1.4	1.0	0.9	0.8
Dividend yield (ord)	0.0%	2.6%	2.1%	2.8%	4.1%	4.6%	4.8%
FCF Yield bef A&D, lease	16.7%	23.2%	3.5%	0.1%	19.6%	14.9%	16.0%
Net debt	3,994	2,854	5,249	7,276	7,157	6,649	6,109
Net debt/EBITDA	3.2	2.0	3.5	3.7	3.6	3.3	2.9
ROIC after tax	5.9%	6.4%	5.7%	5.8%	5.6%	6.3%	6.8%

Source: Company data and Nordea estimates

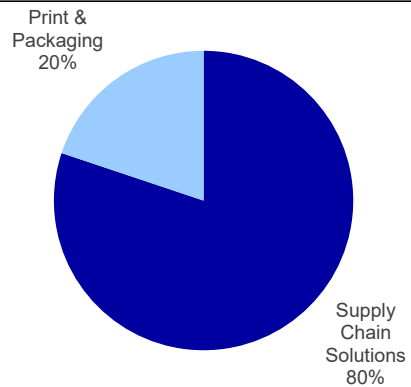
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%)



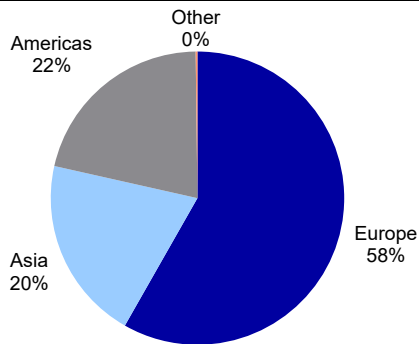
Source: Company data and Nordea estimates

ELANDERS: EBITA SPLIT BY SEGMENT (%)



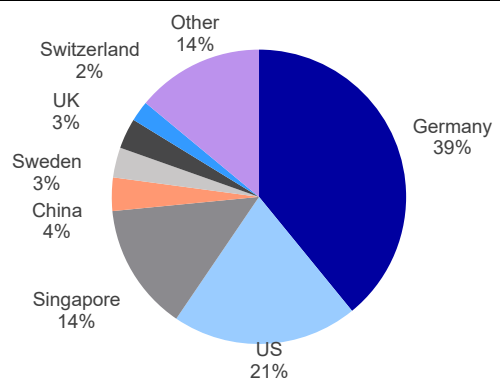
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%)



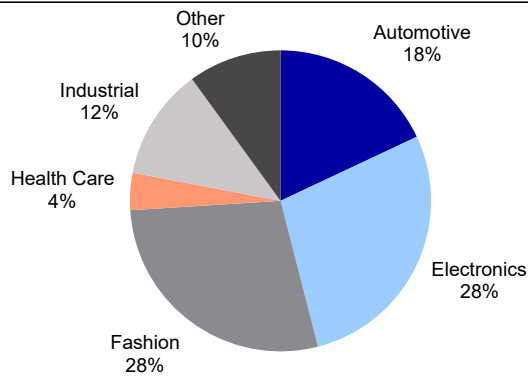
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%)



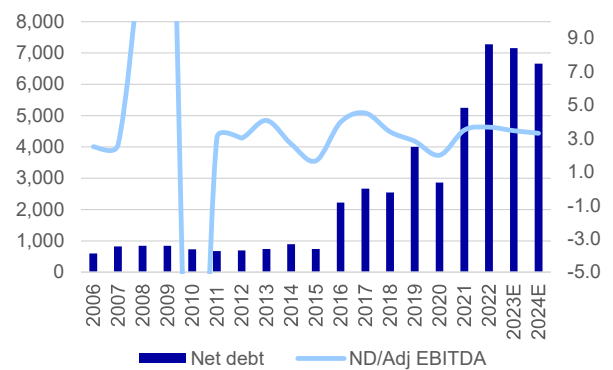
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%)



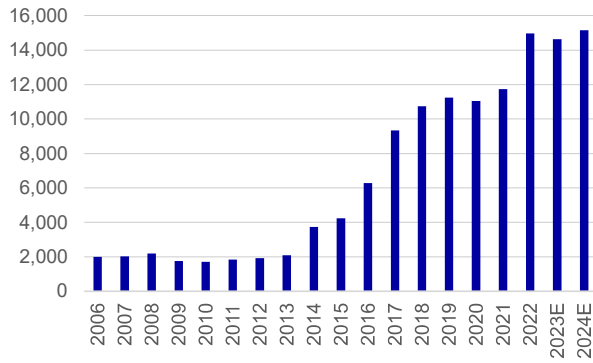
Source: Company data and Nordea estimates

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



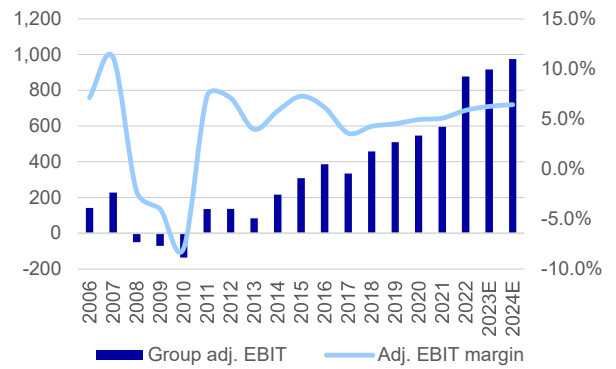
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)



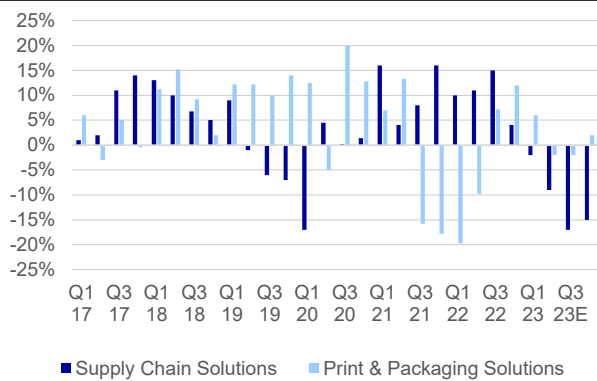
Source: Company data and Nordea estimates

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



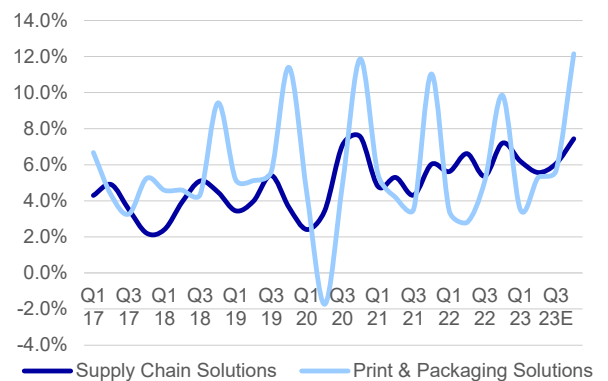
Source: Company data and Nordea estimates

ELANDERS: ORGANIC GROWTH BY SEGMENT (%)



Source: Company data and Nordea estimates

ELANDERS: EBIT MARGIN DEVELOPMENT BY SEGMENT (%)



Source: Company data and Nordea estimates

Q2 deviation

Group sales decreased 2% y/y in Q2 2023, although they were down 9% organically (excluding discontinued operations). By segment, Supply Chain Solutions' sales were 5% below our estimate and Print & Packaging came in 3% short. Adjusted EBIT was 7% below our forecast, driven by Supply Chain Solutions, which was burdened by lower demand and overcapacity, specifically in the US and Europe. Positively, despite easier comps, Print & Packaging Solutions saw a y/y adjusted EBIT margin uplift of 250 bp. Additionally, cash flow was strong in the quarter, with operating cash flow being up 187% y/y, reaching SEK 536m in Q2. In terms of outlook, the company commented that it continues to be uncertain and that diminishing demand could be seen in all the major customer segments and markets within Supply Chain Solutions.

ELANDERS: Q2 DEVIATION TABLE

SEKm	Actual NDA est.		Deviation		Actual		Actual	
	Q2 23	Q2 23E	vs. actual		Q1 22	q/q	Q2 22	y/y
Net sales	3,450	3,632	(182)	-5%	3,589	-4%	3,525	-2%
Gross profit	573	508	65	13%	525	9%	525	9%
EBITA	195	220	(25)	-11%	146	33%	263	-26%
Amortisation of intangibles	(23)	(19)	(4)	21%	(19)	21%	(22)	5%
EBIT	172	201	(29)	-15%	127	35%	241	-29%
Adj. EBITA	210	220	(10)	-5%	214	-2%	223	-6%
Adj. EBIT	187	201	(14)	-7%	195	-4%	201	-7%
Adj. EBITA margin	6.1%	6.1%		0.0pp	6.0%	0.1pp	6.3%	-0.2pp
Adj. EBIT margin	5.4%	5.5%		-0.1pp	5.4%	0.0pp	5.7%	-0.3pp
Supply Chain Solutions	2,887	3,036	(149)	-5%	2,979	-3%	2,914	-1%
Print & Packaging Solutions	603	624	(21)	-3%	645	-7%	643	-6%
Group functions	12	10	2	20%	12	0%	10	20%
Eliminations	(52)	(38)	(14)	37%	(47)	11%	(43)	21%
Group net sales	3,450	3,632	(182)	-5%	3,589	-4%	3,524	-2%
Supply Chain Solutions	161	186	(25)	-13%	185	-13%	193	-17%
Print & Packaging Solutions	32	26	6	21%	23	41%	18	78%
Group functions	(7)	(11)	4		(12)	-44%	(10)	-30%
Adj group EBIT	186	201	(15)	-8%	195	-5%	201	-7%
Supply Chain Solutions	5.6%	6.1%		-0.5pp	6.2%	-1pp	6.6%	-1.0pp
Print & Packaging Solutions	5.3%	4.2%		1.1pp	3.5%	2pp	2.8%	2.5pp
Adj EBIT margin	5.4%	5.5%		-0.2pp	5.4%	0pp	5.7%	-0.3pp

Source: Company data and Nordea estimates

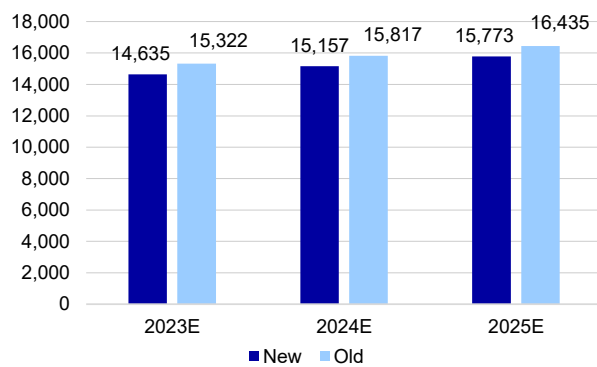
Estimate revisions

ELANDERS: ESTIMATE REVISIONS

	New estimates			Old estimates			Difference %		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
SEKm									
Net sales	14,635	15,157	15,773	15,322	15,817	16,435	-4%	-4%	-4%
EBITA	909	1,039	1,094	977	1,090	1,140	-7%	-5%	-4%
Amortisation of intangibles	-76	-65	-55	-76	-65	-55	0%	0%	0%
EBIT	833	974	1,039	901	1,025	1,085	-8%	-5%	-4%
Net financials	-304	-273	-253	-324	-277	-256	-6%	-1%	-1%
PTP	529	701	787	578	749	829	-8%	-6%	-5%
Income tax	-173	-210	-236	-183	-225	-249	-6%	-6%	-5%
Net profit	356	491	551	395	524	580	-10%	-6%	-5%
Earnings per share (SEK)	10	14	15	11	15	16	-9%	-6%	-5%
Adj. EBITA	991	1,039	1,094	1,045	1,090	1,140	-5%	-5%	-4%
Adj. EBIT	915	974	1,039	969	1,025	1,085	-6%	-5%	-4%
Tax on EO	27	0	0	22	0	0	n.a	n.a	n.a
Adj. Net profit	465	491	551	484	524	580	-4%	-6%	-5%
Adj. EPS	13	14	15	13	15	16	-3%	-6%	-5%
Adj. EBITA margin	6.8%	6.9%	6.9%	6.8%	6.9%	6.9%	0.0pp	0.0pp	0.0pp
Adj. EBIT margin	6.3%	6.4%	6.6%	6.3%	6.5%	6.6%	-0.1pp	-0.1pp	0.0pp
Adj. Incremental margin	-11.4%	11.2%	10.6%	26.6%	11.3%	9.7%	-37.9pp	-0.1pp	0.9pp
Net sales per segment									
Supply Chain Solutions	12,071	12,542	13,107	12,714	13,184	13,777	-5%	-5%	-5%
Print & Packaging Solutions	2,695	2,749	2,804	2,727	2,755	2,782	-1%	0%	1%
Group functions	44	44	45	42	42	43	5%	5%	5%
Eliminations	-175	-179	-182	-161	-164	-168	9%	9%	9%
Group net sales	14,635	15,157	15,773	15,322	15,817	16,435	-4%	-4%	-4%
Adj EBIT per segment									
Supply Chain Solutions	765	821	883	829	884	944	-8%	-7%	-6%
Print & Packaging Solutions	190	193	197	184	185	187	3%	4%	6%
Group functions	-39	-40	-41	-43	-44	-45	-9%	-9%	-9%
Group EBIT	915	974	1,039	969	1,025	1,085	-6%	-5%	-4%
Adj. EBIT margin									
Supply Chain Solutions	6.3%	6.5%	6.7%	6.5%	6.7%	6.9%	-0.2pp	-0.2pp	-0.1pp
Print & Packaging Solutions	7.0%	7.0%	7.0%	6.7%	6.7%	6.7%	0.3pp	0.3pp	0.3pp
Group	5.7%	6.4%	6.6%	5.9%	6.5%	6.6%	-0.2pp	-0.1pp	0.0pp

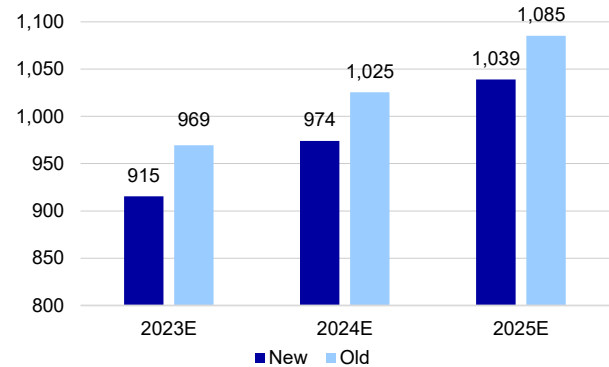
Source: Nordea estimates

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

Stock	Rec.	Mcap. SEKm	Adj. EV/EBITDA		Adj. EV/EBITA		Adj. EV/EBIT		Adj. P/E		Div. yield		ND/EBITDA		ROIC	
			2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E
Agility	-	60,502	12.2x	11.7x	-	-	18.3x	17.3x	2.2x	1.9x	30.0%	34.8%	-	-	6.6%	7.2%
CH Robinson	-	121,973	16.5x	14.8x	16.5x	14.8x	18.9x	17.3x	24.8x	21.3x	2.5%	2.6%	1.9x	1.8x	26.9%	31.3%
DSV	BUY	344,640	14.2x	13.7x	17.9x	17.5x	17.9x	17.5x	23.3x	22.1x	0.6%	0.6%	1.6x	1.9x	13.0%	12.7%
Elanders		4,123	5.5x	5.4x	11.4x	10.4x	12.4x	11.1x	9.8x	8.5x	3.8%	4.3%	3.6x	3.3x	5.6%	6.3%
Expeditors	-	200,288	14.4x	15.5x	14.1x	15.3x	15.3x	16.5x	22.5x	23.9x	1.1%	1.2%	-	-	34.2%	33.9%
ID Logistics	-	19,653	6.4x	5.9x	22.5x	22.6x	21.6x	19.0x	26.3x	21.6x	0.0%	0.0%	1.9x	1.6x	11.7%	14.1%
J.B Hunt	-	204,828	10.7x	9.7x	-	-	17.2x	15.2x	22.8x	19.7x	0.9%	0.9%	0.7x	0.5x	16.4%	16.8%
Kerry Logistics	-	21,689	4.1x	3.8x	-	-	7.3x	6.1x	7.8x	6.1x	2.9%	3.5%	-	-	0.0%	0.0%
Kuehne + Nagel	-	383,931	11.0x	11.9x	18.6x	21.0x	15.3x	16.8x	23.1x	25.6x	3.4%	2.7%	-	-	106.4%	109.0%
Landstar	-	76,228	15.4x	14.4x	-	-	17.5x	16.6x	23.8x	21.7x	0.6%	0.6%	-	-	35.8%	36.1%
Old Dominion	-	441,767	21.7x	19.3x	-	-	26.0x	22.9x	35.1x	30.2x	0.4%	0.4%	-	-	30.4%	30.8%
XPO Logistics	-	73,515	10.3x	8.9x	-	-	18.7x	15.3x	25.9x	19.2x	0.0%	0.0%	2.7x	2.3x	12.3%	14.1%
Average		162,761	11.9x	11.3x	16.8x	16.9x	17.2x	16.0x	20.6x	18.5x	3.9%	4.3%	2.1x	1.9x	24.9%	26.0%
Median		99,101	11.6x	11.8x	17.2x	16.4x	17.7x	16.7x	23.2x	21.4x	1.0%	1.1%	1.9x	1.8x	14.7%	15.4%
Elanders		4,123	5.5x	5.4x	11.4x	10.4x	12.4x	11.1x	9.8x	8.5x	3.8%	4.3%	3.6x	3.3x	5.6%	6.3%
vs. peer average	-	-	-54%	-52%	-32%	-38%	-28%	-30%	-53%	-54%	-0.1pp	3.2pp	76%	74%	-19pp	-9pp
vs. peer median	-	-	-53%	-54%	-34%	-36%	-30%	-34%	-58%	-60%	2.8pp	3.2pp	89%	80%	-9pp	-9pp

Source: Refinitiv and Nordea estimates

Detailed estimates

ELANDERS: QUARTERLY ESTIMATES

(SEKm)	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23E	Q4 23E
Net sales	3,371	3,525	3,979	4,099	3,589	3,450	3,733	3,863
Cost of goods sold	-2,879	-3,000	-3,417	-3,448	-3,064	-2,877	-3,192	-3,249
Gross profit	492	525	562	651	525	573	541	614
Sales and administrative expenses	-338	-356	-380	-410	-405	-401	-354	-373
Other operating income	26	83	36	51	25	24	43	83
Other operating expenses	-16	-11	-26	-41	-18	-24	-14	-6
EBITDA	430	506	466	550	438	493	473	578
Depreciation	-33	-31	-30	-45	-47	-45	-49	-50
EBITA	187	263	216	273	146	191	235	337
Amortisation of intangible acq related assets	-22	-22	-23	-22	-19	-19	-19	-19
EBIT	165	241	193	251	127	172	216	318
Net financials	-36	-36	-42	-70	-77	-73	-77	-77
PTP	129	205	151	181	50	99	139	241
Income tax	-41	-63	-35	-41	-25	-34	-42	-72
Net profit	88	142	115	140	25	65	97	169
Earnings per share (SEK)	2.40	3.87	3.04	3.87	0.69	1.81	2.55	4.58
Adj. EBITDA	430	466	475	608	506	507	473	578
Adj. EBITA	187	223	225	331	214	205	235	337
Adj. EBIT	165	201	202	309	195	186	216	318
Tax on EO	0	-12	2	13	34	5	0	0
Adj. Net profit	88	170	109	95	-9	56	97	169
Adj. EPS	2.40	4.66	2.84	2.61	-0.28	1.55	2.55	4.58
Gross margin	14.6%	14.9%	14.1%	15.9%	14.6%	16.6%	14.5%	15.9%
EBITDA margin	12.8%	14.4%	11.7%	13.4%	12.2%	14.3%	12.7%	15.0%
EBITA margin	5.5%	7.5%	5.4%	6.7%	4.1%	5.5%	6.3%	8.7%
EBIT margin	4.9%	6.8%	4.9%	6.1%	3.5%	5.0%	5.8%	8.2%
Incremental margin	5.8%	14.4%	7.4%	5.7%	-17.3%	92.0%	-9.3%	-28.6%
Adj. EBITDA margin	12.8%	13.2%	11.9%	14.8%	14.1%	14.7%	12.7%	15.0%
Adj. EBITA margin	5.5%	6.3%	5.7%	8.1%	6.0%	5.9%	6.3%	8.7%
Adj. EBIT margin	4.9%	5.7%	5.1%	7.5%	5.4%	5.4%	5.8%	8.2%
Adj. Incremental margin	5.8%	14.4%	7.4%	5.7%	-17.3%	92.0%	-9.3%	-28.6%

Source: Company data and Nordea estimates

ELANDERS: QUARTERLY SALES AND EBIT BRIDGE

(SEKm)	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23E	Q4 23E
Net sales								
Supply Chain Solutions	2,769	2,914	3,325	3,259	2,979	2,887	3,133	3,073
Print & Packaging Solutions	637	643	686	874	645	603	628	818
Group functions	10	11	11	11	12	12	10	10
Eliminations	-45	-43	-43	-45	-47	-52	-38	-38
Total sales	3,371	3,525	3,979	4,099	3,589	3,450	3,733	3,863
Sales bridge								
Volume	3%	6%	13%	6%	-1%	-8%	-15%	-11%
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%	8%	8%	6%
Other	0%	0%	0%	0%	-2%	-3%	0%	0%
Total growth	23%	27%	39%	22%	6%	-2%	-6%	-6%
Sales bridge								
Volume	53	167	373	175	-17	-283	-575	-465
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	294	329	229
Other	0	0	0	0	-67	-101	0	0
Total growth	758	756	1,114	735	216	-75	-246	-236
Growth per segment quarterly (%)								
Supply Chain Solutions								
Volume	10%	11%	15%	4%	-2%	-9%	-17%	-15%
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%	9%	9%	6%
Other	0%	0%	0%	0%	0%	-1%	3%	3%
Total growth	34%	34%	45%	21%	8%	-1%	-6%	-6%
Print & Packaging Solutions								
Volume	-20%	-10%	7%	12%	6%	-2%	-2%	2%
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%	6%	6%	4%
Other	0%	0%	0%	0%	-11%	-11%	-13%	-13%
Total growth	-8%	3%	16%	25%	1%	-6%	-8%	-6%
EBIT per segment quarterly (SEKm)								
Supply Chain Solutions	156	233	179	187	185	161	190	229
Print & Packaging Solutions	22	18	26	76	-45	18	36	99
Group functions	-13	-10	-12	-12	-12	-7	-10	-10
Group EBIT	165	241	193	251	127	172	216	318
Adj. EBIT per segment quarterly								
Supply Chain Solutions	156	193	179	235	185	161	190	229
Print & Packaging Solutions	22	18	35	86	23	32	36	99
Group functions	-13	-10	-12	-12	-12	-7	-10	-10
Adj group EBIT	165	201	202	309	195	186	216	318
EBIT margin per segment quarterly								
Supply Chain Solutions	5.6%	8.0%	5.4%	5.7%	6.2%	5.6%	6.1%	7.5%
Print & Packaging Solutions	3.5%	2.8%	3.8%	8.7%	-7.0%	3.0%	5.7%	12.1%
EBIT margin	4.9%	6.8%	4.9%	6.1%	3.5%	5.0%	5.8%	8.2%
Adj. EBIT margin per segment quarterly								
Supply Chain Solutions	5.6%	6.6%	5.4%	7.2%	6.2%	5.6%	6.1%	7.5%
Print & Packaging Solutions	3.5%	2.8%	5.1%	9.8%	3.5%	5.3%	5.7%	12.1%
Adj EBIT margin	4.9%	5.7%	5.1%	7.5%	5.4%	5.4%	5.8%	8.2%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL ESTIMATES

(SEKm)	2018	2019	2020	2021	2022	2023E	2024E	2025E
Net sales	10,742	11,254	11,050	11,732	14,974	14,635	15,157	15,773
Cost of goods sold	-9,331	-9,780	-9,532	-10,088	-12,744	-12,382	-13,039	-13,569
Gross profit	1,411	1,474	1,518	1,644	2,230	2,254	2,118	2,204
Sales and administrative expenses	-1,034	-1,145	-1,050	-1,119	-1,484	-1,533	-1,576	-1,629
Other operating income	112	66	13	82	196	175	180	185
Other operating expenses	-30	-33	-44	-28	-94	-62	252	278
EBITDA	747	1,260	1,426	1,482	1,952	1,982	2,003	2,072
Depreciation	-203	-156	-169	-123	-139	-190	-259	-253
EBITA	522	416	599	639	939	909	1,039	1,094
Amortisation of intangible acq related assets	-64	-56	-53	-59	-89	-76	-65	-55
EBIT	458	360	546	580	850	833	974	1,039
Net financials	-93	-143	-131	-98	-184	-304	-273	-253
PTP	365	217	415	482	666	529	701	787
Income tax	-107	-63	-86	-151	-180	-173	-210	-236
Net profit	258	154	329	331	485	356	491	551
Earnings per share (SEK)	7.19	4.19	9.19	9.11	13.19	9.62	13.77	15.46
Adj. EBITDA	747	1,409	1,426	1,498	1,979	2,064	2,003	2,072
Adj. EBITA	522	565	599	655	966	991	1,039	1,094
Adj. EBIT	458	509	546	596	877	915	974	1,039
Tax on EO	0	43	0	5	7	27	0	0
Adj. Net profit	258	346	329	352	520	465	491	551
Adj. EPS	7.16	9.79	9.19	9.70	14.16	12.70	13.77	15.46
Gross margin	13.1%	13.1%	13.7%	14.0%	14.9%	15.4%	14.0%	14.0%
EBITDA margin	7.0%	11.2%	12.9%	12.6%	13.0%	13.5%	13.2%	13.1%
EBITA margin	4.9%	3.7%	5.4%	5.4%	6.3%	6.2%	6.9%	6.9%
EBIT margin	4.3%	3.2%	4.9%	4.9%	5.7%	5.7%	6.4%	6.6%
Incremental margin	10.7%	-19.1%	-91.2%	5.0%	8.3%	4.9%	26.9%	10.6%
Adj. EBITDA margin	7.0%	12.5%	12.9%	12.8%	13.2%	14.1%	13.2%	13.1%
Adj. EBITA margin	4.9%	5.0%	5.4%	5.6%	6.5%	6.8%	6.9%	6.9%
Adj. EBIT margin	4.3%	4.5%	4.9%	5.1%	5.9%	6.3%	6.4%	6.6%
Adj. Incremental margin	8.9%	10.0%	-18.1%	7.3%	8.7%	-11.4%	11.2%	10.6%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL SALES AND EBIT BRIDGE

(SEKm)	2018	2019	2020	2021	2022	2023E	2024E	2025E
Net sales								
Supply Chain Solutions	8,526	8,775	8,408	9,204	12,267	12,071	12,542	13,107
Print & Packaging Solutions	2,244	2,564	2,728	2,606	2,840	2,695	2,749	2,804
Group functions	47	37	40	40	43	44	44	45
Eliminations	-75	-122	-126	-117	-176	-175	-179	-182
Total sales	10,946	11,254	11,050	11,733	14,974	14,635	15,157	15,773
Sales bridge								
Volume	8%	1%	0%	7%	7%	-9%	4%	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%	8%	0%	0%
Other	0%	0%	0%	0%	0%	-1%	0%	0%
Total growth	15%	5%	-2%	6%	28%	-2%	4%	4%
Sales bridge								
Volume	848	69	14	791	769	-1,341	525	619
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	1,137	0	0
Other	0	0	0	0	0	-168	0	0
Total growth	1,399	495	-208	684	3,363	-341	525	619
Growth per segment annual (%)								
Supply Chain Solutions								
Volume	8%	-2%	-3%	11%	10%	-11%	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%	8%	0%	0%
Other	0%	0%	0%	0%	0%	1%	0%	0%
Total growth	22%	3%	-4%	9%	33%	-2%	4%	5%
Print & Packaging Solutions								
Volume	9%	12%	10%	-4%	-3%	1%	2%	2%
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%	6%	0%	0%
Other	0%	0%	0%	0%	0%	-12%	0%	0%
Total growth	1%	14%	6%	-4%	9%	-5%	2%	2%
EBIT per segment annual (SEKm)								
Supply Chain Solutions	346	220	435	459	755	765	821	883
Print & Packaging Solutions	132	174	147	162	142	108	193	197
Group functions	-20	-34	-36	-42	-47	-39	-40	-41
Group EBIT	458	360	546	579	850	833	974	1,039
Adj. EBIT per segment annual								
Supply Chain Solutions	346	362	435	475	763	765	821	883
Print & Packaging Solutions	132	181	147	162	161	190	193	197
Group functions	-20	-34	-36	-42	-47	-39	-40	-41
Adj group EBIT	458	509	546	596	877	915	974	1039
EBIT margin per segment annual								
Supply Chain Solutions	4.1%	2.5%	5.2%	5.0%	6.2%	6.3%	6.5%	6.7%
Print & Packaging Solutions	5.9%	6.8%	5.4%	6.2%	5.0%	4.0%	7.0%	7.0%
EBIT margin	4.2%	3.2%	4.9%	4.9%	5.7%	5.7%	6.4%	6.6%
Adj. EBIT margin per segment annual								
Supply Chain Solutions	4.1%	4.1%	5.2%	5.2%	6.2%	6.3%	6.5%	6.7%
Print & Packaging Solutions	5.9%	7.1%	5.4%	6.2%	5.7%	7.0%	7.0%	7.0%
Adj EBIT margin	4.2%	4.5%	4.9%	5.1%	5.9%	6.3%	6.4%	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	14,635	15,157	15,773
Revenue growth	13.6%	48.4%	48.6%	15.0%	4.8%	-1.8%	6.2%	27.6%	-2.3%	3.6%	4.1%
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	1,952	1,982	2,003	2,072
Depreciation and impairments PPE	-115	-132	-192	-203	-844	-827	-843	-1,013	-1,072	-964	-978
of which leased assets	0	0	0	0	-688	-658	-720	-874	-882	-770	-780
EBITA	312	387	371	522	416	599	638	939	909	1,039	1,094
Amortisation and impairments	-20	-40	-63	-64	-56	-53	-58	-89	-76	-65	-55
EBIT	292	347	308	458	360	546	580	850	833	974	1,039
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	-304	-273	-253
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	529	701	787
Reported taxes	-85	-82	-64	-107	-63	-86	-151	-180	-173	-210	-236
Net profit from continued operations	174	221	164	258	154	329	331	485	356	491	551
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	-1	-5	-6	-4	-9	-19	-16	-4	-4
Net profit to equity	174	221	163	253	148	325	322	466	340	487	547
EPS, SEK	6.18	7.48	4.61	7.16	4.19	9.19	9.11	13.19	9.62	13.77	15.46
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%	13.5%	13.2%	13.1%
EBITA	7.4%	6.2%	4.0%	4.9%	3.7%	5.4%	5.4%	6.3%	6.2%	6.9%	6.9%
EBIT	6.9%	5.5%	3.3%	4.3%	3.2%	4.9%	4.9%	5.7%	5.7%	6.4%	6.6%

Adjusted earnings

EBITDA (adj)	443	558	589	725	1,409	1,426	1,497	1,979	2,064	2,003	2,072
EBITA (adj)	328	426	397	522	565	599	654	966	991	1,039	1,094
EBIT (adj)	308	386	334	458	509	546	596	877	915	974	1,039
EPS (adj, SEK)	6.75	8.80	5.35	7.16	7.13	9.19	9.56	13.95	11.94	13.77	15.46

Adjusted profit margins in percent

EBITDA (adj)	10.5%	8.9%	6.3%	6.7%	12.5%	12.9%	12.8%	13.2%	14.1%	13.2%	13.1%
EBITA (adj)	7.7%	6.8%	4.2%	4.9%	5.0%	5.4%	5.6%	6.5%	6.8%	6.9%	6.9%
EBIT (adj)	7.3%	6.1%	3.6%	4.3%	4.5%	4.9%	5.1%	5.9%	6.3%	6.4%	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%	6.4%	6.1%	7.4%
EBITDA	74.6%	21.4%	21.9%	32.4%	33.9%	27.3%	23.3%	28.2%	22.3%	9.7%	7.8%
EBIT	n.m.	25.9%	21.1%	41.8%	15.6%	13.3%	10.8%	22.5%	12.7%	22.0%	13.7%
EPS	n.m.	20.1%	18.1%	54.5%	3.7%	8.3%	4.0%	23.4%	6.1%	26.9%	11.0%
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%	5.0%	5.6%	5.9%
Average EBITDA margin	9.4%	8.9%	7.7%	7.4%	8.3%	9.2%	10.1%	11.5%	12.7%	13.1%	13.1%

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	9.1	7.9	7.0
EV/EBITDA (adj)	5.7	9.6	9.4	7.8	5.0	5.0	7.6	6.4	5.3	5.2	4.8
EV/EBITA (adj)	7.7	12.6	14.0	10.8	12.5	11.8	17.4	13.0	11.1	10.1	9.1
EV/EBIT (adj)	8.2	13.9	16.7	12.3	13.9	13.0	19.1	14.4	12.0	10.8	9.6

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	11.2	7.9	7.0
EV/Sales	0.60	0.85	0.60	0.52	0.63	0.64	0.97	0.84	0.75	0.69	0.63
EV/EBITDA	5.9	10.3	9.9	7.8	5.6	5.0	7.7	6.5	5.6	5.2	4.8
EV/EBITA	8.1	13.9	15.0	10.8	17.0	11.8	17.9	13.4	12.1	10.1	9.1
EV/EBIT	8.7	15.5	18.1	12.3	19.7	13.0	19.7	14.8	13.2	10.8	9.6
Dividend yield (ord.)	3.5%	2.4%	3.2%	3.3%	0.0%	2.6%	2.1%	2.8%	4.1%	4.6%	4.8%
FCF yield	12.7%	-50.2%	-11.3%	10.3%	38.8%	38.1%	-5.4%	15.7%	42.6%	35.0%	36.4%
FCF Yield bef A&D, lease adj	12.5%	7.0%	-9.0%	9.5%	16.7%	23.2%	3.5%	0.1%	19.6%	14.9%	16.0%
Payout ratio	32.6%	29.6%	48.6%	40.5%	0.0%	33.7%	37.7%	29.7%	36.9%	36.3%	33.6%

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	4,691	4,545	4,392
of which leased assets	0	0	0	0	1,207	1,164	1,081	2,000	1,592	1,489	1,376
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	9,890	9,680	9,471
Inventory	266	295	390	468	335	233	400	619	439	455	473
Accounts receivable	825	1,396	1,795	1,762	1,740	624	1,822	2,139	1,888	1,955	2,035
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	1,507	1,922	2,359
Total current assets	1,758	2,654	3,197	3,463	3,836	3,002	3,558	4,229	4,604	5,112	5,657
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	14,493	14,791	15,128
Shareholders equity	1,488	2,411	2,453	2,707	2,777	2,908	3,304	3,870	4,013	4,345	4,715
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	35	39	43
Total Equity	1,488	2,411	2,453	2,707	2,777	2,912	3,304	3,889	4,048	4,384	4,758
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	1,756	1,663	1,560
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	7,295	7,202	7,099
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	1,560	1,615	1,681
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	3,150	3,205	3,271
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	14,493	14,791	15,128
Balance sheet and debt metrics											
Net debt	738	2,223	2,665	2,539	3,994	2,854	5,249	7,276	7,157	6,649	6,109
of which lease debt	0	0	0	0	1,898	1,917	1,552	2,600	2,395	2,302	2,199
Working capital	507	740	1,115	1,171	925	-407	765	1,162	767	794	827
Invested capital	2,309	4,868	5,326	5,445	6,293	5,230	9,006	11,508	10,657	10,474	10,298
Capital employed	2,755	5,285	5,797	5,968	7,287	6,863	10,090	12,708	12,662	12,905	13,176
ROE	12.3%	11.3%	6.7%	9.8%	5.4%	11.4%	10.4%	13.0%	8.6%	11.7%	12.1%
ROIC	9.0%	7.3%	4.5%	5.8%	5.9%	6.4%	5.7%	5.8%	5.6%	6.3%	6.8%
ROCE	11.3%	9.6%	6.0%	7.8%	7.7%	7.7%	7.0%	7.7%	7.2%	7.6%	8.0%
Net debt/EBITDA	1.7	4.3	4.7	3.5	3.2	2.0	3.5	3.7	3.6	3.3	2.9
Interest coverage	8.9	7.9	3.9	4.9	2.5	4.2	5.9	4.6	2.7	3.6	4.1
Equity ratio	41.8%	35.6%	33.1%	35.0%	30.2%	33.7%	28.0%	26.6%	27.7%	29.4%	31.2%
Net gearing	49.6%	92.2%	108.6%	93.8%	143.8%	98.0%	158.9%	187.1%	176.8%	151.7%	128.4%

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	1,952	1,982	2,003	2,072
Paid taxes	-85	-104	-133	-127	-114	-41	-128	-196	-173	-210	-236
Net financials	0	0	0	1	-143	-131	-98	-184	-304	-273	-253
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	-8	-50	0	0
Funds from operations (FFO)	276	344	355	451	1,232	1,266	1,202	1,582	1,454	1,520	1,584
Change in NWC	-8	-13	-419	4	104	461	-139	-476	395	-27	-32
Cash flow from operations (CFO)	269	331	-64	455	1,336	1,727	1,063	1,106	1,849	1,492	1,552
Capital expenditure	-46	-112	-196	-161	-133	-88	-128	-229	-218	-152	-158
Free cash flow before A&D	223	219	-260	294	1,203	1,639	935	877	1,631	1,341	1,394
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	1,631	1,341	1,394
Free cash flow bef A&D, lease adj	223	219	-260	294	515	981	215	3	749	571	614
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	-882	-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	603	415	437
Cash flow metrics											
Capex/D&A	34.1%	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	20.8%	19.0%	14.7%	15.3%
Capex/Sales	1.1%	1.8%	2.1%	1.5%	1.2%	0.8%	1.1%	1.5%	1.5%	1.0%	1.0%
Key information											
Share price year end (/current)	63	106	82	87	87	120	174	150	108	108	108
Market cap.	1,787	3,140	2,899	3,083	3,083	4,229	6,152	5,304	3,826	3,826	3,826
Enterprise value	2,525	5,363	5,564	5,622	7,077	7,087	11,401	12,599	11,018	10,514	9,978
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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