

Elanders

Consumer Goods
Sweden

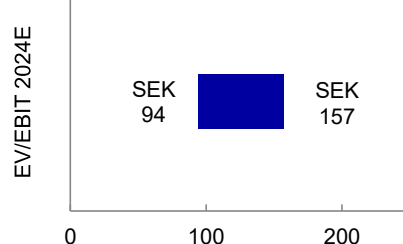
KEY DATA

Stock country	Sweden
Bloomberg	ELANB.SS
Reuters	ELANB.ST
Share price (close)	SEK 100.4
Free float	50%
Market cap. (bn)	EUR 0.31/SEK 3.55
Website	www.elanders.com
Next report date	21 Apr 2024

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	1%	1%	1%
EBIT (adj)	1%	1%	1%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Carl Ragnerstam
Associate DirectorGustav Berneblad
Analyst

Bright spots despite an overall hazy outlook

Elanders presented a decent Q4 2023 report with 13% lower sales y/y, driven by the cocktail of discontinued businesses, normalising freight rates in the Air & Sea business and broad-based weaker demand. While the demand outlook remains hazy, we are encouraged by Elanders ramping up larger customers in Fashion & Lifestyle for H1 2024, along with its margin-accretive acquisition of Kammac – which ought to make the group more robust, given Kammac's complementary characteristics. Strong cash flow in Q4, supported by a solid working capital release, leads us to pencil in lease-adjusted net debt/EBITDA of 2.5x for 2024. Our fair value range for the share increases to SEK 94-157 (90-154).

Q4 2023 results

Net sales were SEK 3,574m in Q4 2023, down 13% y/y (-11% organically, 3% above our expectations), partly driven by Elanders phasing out its buy-and-sell operations, as well as exiting the unprofitable sections of the road transportation operations in Germany. Due to the broad-based decline in demand for almost all customer segments – especially Electronics and Fashion & Lifestyle – along with a normalisation of freight rates, Elanders suffered a 13% decline in organic growth for Supply Chain Solutions. Despite a favourable market for online print, the decline in traditional print is weighing on Print & Packaging Solutions, which saw 9% lower organic growth in the quarter. Adjusted EBITA was SEK 289m in Q4 (-13% y/y), implying a margin of 8.1% (flat y/y). Elanders is still suffering from overcapacity in the US and Europe. Positively, cash flow from operating activities grew by 17% y/y, supported by a solid working capital release of SEK 162m.

Estimates and valuation

Following the better-than-feared report, we raise adjusted EBITA by 1% for 2024E-25E. Despite the company continuing to see broad-based weakness, along with tough comps versus last year, we are somewhat encouraged by Elanders ramping up larger customers within Fashion & Lifestyle during H1 2024. Its margin-accretive acquisition of Kammac – a complementary offering in terms of customer segments and geographical exposure – should make it a more robust company. We raise our multiples-based fair value range to SEK 94-157 (90-154), implying 11-13x EVEBIT for 2024E.

SUMMARY TABLE - KEY FIGURES

SEKm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	11,050	11,732	14,974	13,866	14,404	14,988	15,508
EBITDA (adj)	1,426	1,497	1,967	2,076	2,345	2,397	2,439
EBIT (adj)	546	596	877	832	1,010	1,083	1,125
EBIT (adj) margin	4.9%	5.1%	5.9%	6.0%	7.0%	7.2%	7.3%
EPS (adj, SEK)	9.19	9.56	13.95	10.05	11.99	15.18	16.65
EPS (adj) growth	29.0%	4.0%	46.0%	-27.9%	19.3%	26.6%	9.7%
DPS (ord, SEK)	3.10	3.60	4.15	4.15	5.00	5.20	5.50
EV/Sales	0.6	0.9	0.8	0.8	0.8	0.7	0.6
EV/EBIT (adj)	13.0	17.9	13.6	14.0	11.0	9.9	8.9
P/E (adj)	13.0	18.2	10.7	9.6	8.4	6.6	6.0
P/BV	1.5	1.9	1.4	0.9	0.9	0.8	0.7
Dividend yield (ord)	2.6%	2.1%	2.8%	4.3%	5.0%	5.2%	5.5%
FCF Yield bef A&D, lease	23.2%	3.5%	0.1%	16.6%	13.2%	14.8%	16.5%
Net debt	2,854	4,511	6,560	8,191	7,484	7,155	6,374
Net debt/EBITDA	2.0	3.0	3.4	4.2	3.2	3.0	2.6
ROIC after tax	5.8%	5.4%	5.8%	4.7%	5.8%	6.6%	7.0%

Source: Company data and Nordea estimates

Q4 deviation

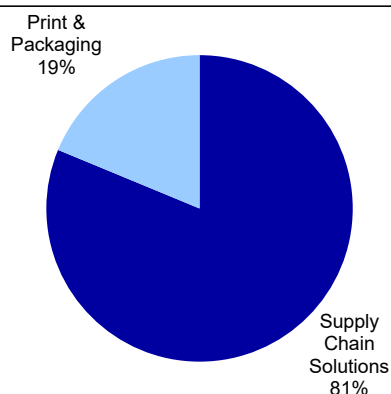
Net sales were SEK 3,574m in Q4 2023, down 13% y/y (-11% organically; 3% above our expectations), partly driven by Elanders phasing out its buy-and-sell operations, as well as exiting the unprofitable sections of the road transportation operations in Germany. Additionally, with a broad-based decline in nearly all customer segments – particularly Electronics and Fashion & Lifestyle, along with a normalisation of freight rates, Elanders suffered a 13% decline in organic growth for Supply Chain Solutions. Despite a favourable market in online print, the decline in traditional print is weighing on Print & Packaging Solutions, which saw a negative 9% organic growth for the quarter. Adjusted EBITA was SEK 289m in Q4 (down 13% y/y), implying a margin of 8.1% (flat y/y). Elanders is still suffering from overcapacity in both the US and Europe. Positively, cash flow from operating activities grew by 17% y/y, supported by a solid working capital release of SEK 162m.

ELANDERS: Q4 DEVIATION TABLE

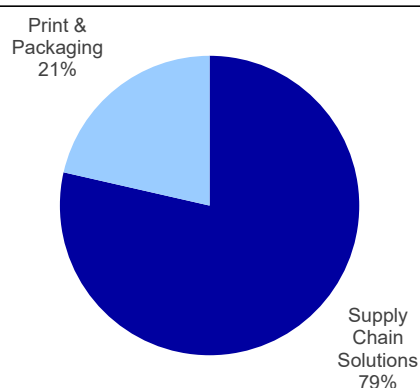
	Actual	NDA est.	Deviation		Actual	Actual		
SEKm	Q4 23	Q4 23E	vs. actual		Q3 23	q/q	Q4 22	y/y
Net sales	3,574	3,466	108	3%	3,253	10%	4,099	-13%
Gross profit	668	551	117	21%	582	15%	651	3%
EBITA	264	253	11	5%	211	25%	273	-3%
Amortisation of intangibles	(27)	(23)	(4)	17%	(23)	17%	(22)	23%
EBIT	237	230	7	3%	188	26%	251	-6%
Adj. EBITA	289	273	16	6%	211	37%	331	-13%
Adj. EBIT	262	250	12	5%	188	39%	309	-15%
Adj. EBITA margin	8.1%	7.9%		0.2pp	6.5%	1.6pp	8.1%	0.0pp
Adj. EBIT margin	7.3%	7.2%		0.1pp	5.8%	1.6pp	7.5%	-0.2pp
Supply Chain Solutions	2,855	2,705	150	6%	2,664	7%	3,259	-12%
Print & Packaging Solutions	757	795	(38)	-5%	624	21%	874	-13%
Group functions	12	10	2	20%	12	0%	11	9%
Eliminations	(50)	(45)	(5)	11%	(47)	6%	(45)	11%
Group net sales	3,574	3,466	108	3%	3,253	10%	4,099	-13%
Supply Chain Solutions	208	185	23	12%	178	17%	255	-18%
Print & Packaging Solutions	86	96	(10)	-10%	41	110%	88	-2%
Group functions	(5)	(8)	3		(8)	-38%	(12)	-58%
Adj group EBITA	289	273	16	6%	211	37%	331	-13%
Supply Chain Solutions	7.3%	6.8%		0.4pp	6.7%	1pp	7.8%	-0.5pp
Print & Packaging Solutions	11.4%	12.0%		-0.7pp	6.6%	5pp	10.1%	1.3pp
Adj EBITA margin	8.1%	7.9%		0.2pp	6.5%	2pp	8.1%	0.0pp

Source: Company data and Nordea estimates

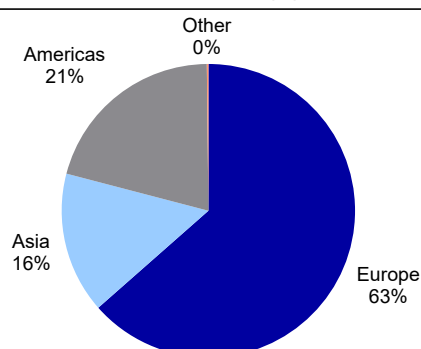
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%), 2023


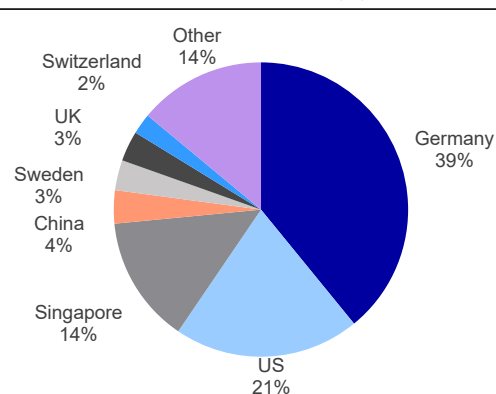
Source: Company data and Nordea estimates

ELANDERS: ADJUSTED EBIT SPLIT BY SEGMENT (%), 2023


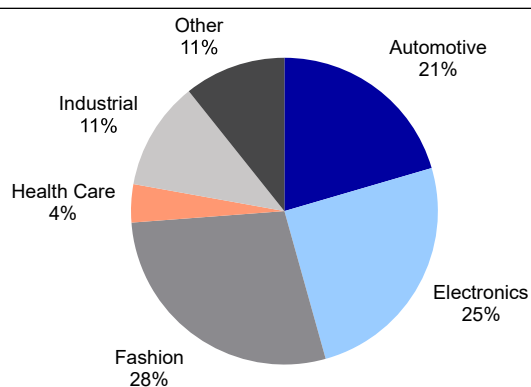
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%), 2023


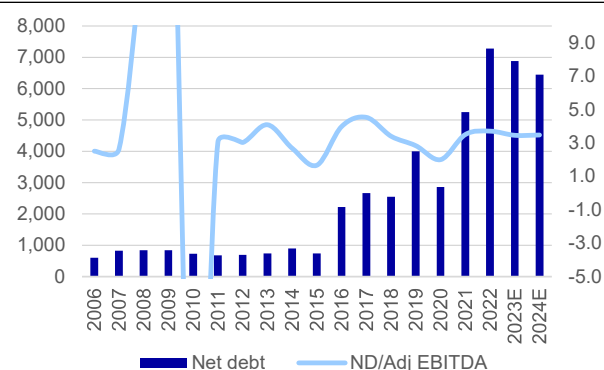
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%), 2022


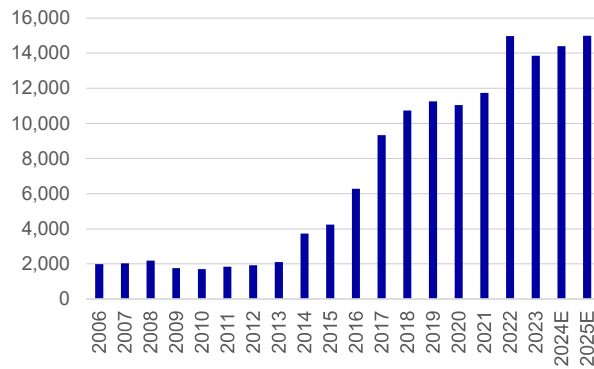
Source: Company data and Nordea estimates

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


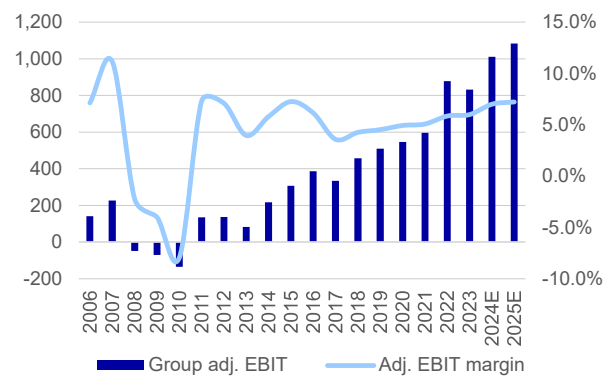
Source: Company data and Nordea estimates

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


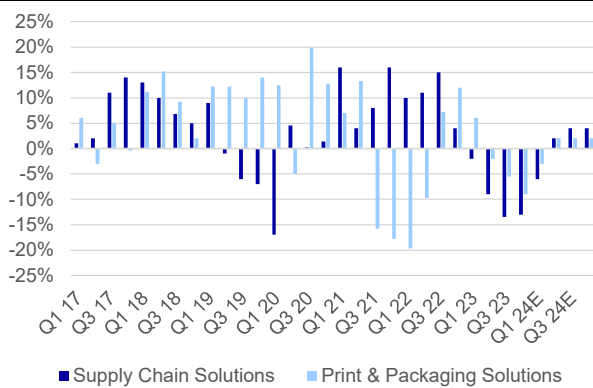
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)

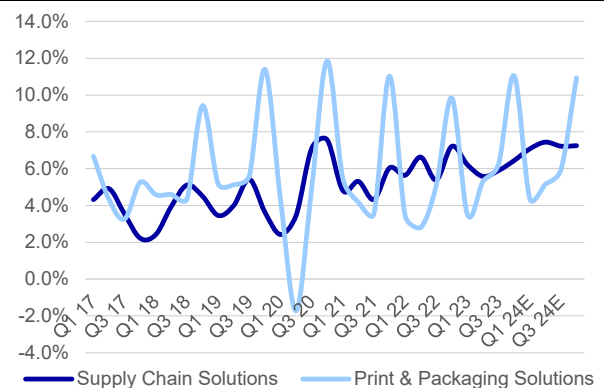
Source: Company data and Nordea estimates

ELANDERS: GROUP ADJUSTED EBIT (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

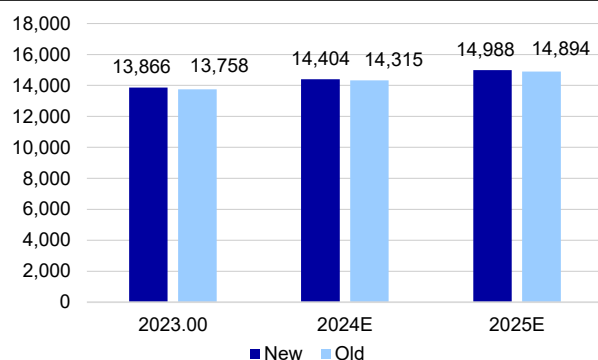
Estimate revisions

ELANDERS: ESTIMATE REVISIONS (SEKm; EPS IN SEK)

SEKm	New estimates			Old estimates			Difference %		
	2023	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Net sales	13,866	14,404	14,988	13,758	14,315	14,894	1%	1%	1%
EBITA	820	1,094	1,155	808	1,086	1,145	1%	1%	1%
Amortisation of intangibles	-95	-84	-71	-91	-84	-71	4%	0%	0%
EBIT	725	1,010	1,083	717	1,002	1,074	1%	1%	1%
Net financials	-326	-399	-311	-324	-337	-305	1%	18%	2%
PTP	399	611	772	393	664	769	1%	-8%	0%
Income tax	-140	-183	-232	-139	-199	-231	0%	-8%	0%
Net profit	259	428	541	254	465	538	2%	-8%	0%
Earnings per share (SEK)	7.03	11.99	15.18	7.07	13.04	15.11	-1%	-8%	0%
Adj. EBITA	927	1,094	1,155	910	1,086	1,145	2%	1%	1%
Adj. EBIT	832	1,010	1,083	819	1,002	1,074	2%	1%	1%
Tax on EO	38	0	0	36	0	0	n.a	n.a	n.a
Adj. Net profit	403	428	541	392	465	538	3%	-8%	0%
Adj. EPS	11	12	15	11	13	15	1%	-8%	0%
Adj. EBITA margin	6.7%	7.6%	7.7%	6.6%	7.6%	7.7%	0.1pp	0.0pp	0.0pp
Adj. EBIT margin	6.0%	7.0%	7.2%	6.0%	7.0%	7.2%	0.0pp	0.0pp	0.0pp
Adj. Incremental margin	4.1%	33.2%	12.5%	4.8%	32.7%	12.5%	-0.7pp	0.4pp	0.0pp
Net sales per segment									
Supply Chain Solutions	11,385	11,870	12,404	11,235	11,714	12,241	1%	1%	1%
Print & Packaging Solutions	2,629	2,670	2,723	2,667	2,741	2,796	-1%	-3%	-3%
Group functions	48	44	44	46	40	40	4%	10%	10%
Eliminations	-196	-180	-184	-191	-180	-184	3%	0%	0%
Group net sales	13,866	14,404	14,988	13,758	14,315	14,894	1%	1%	1%
Adj EBIT per segment									
Supply Chain Solutions	687	860	929	672	852	921	2%	1%	1%
Print & Packaging Solutions	177	182	186	174	181	185	2%	1%	1%
Group functions	-32	-32	-33	-35	-32	-33	-8%	0%	0%
Group EBIT	832	1,010	1,083	811	1,002	1,074	3%	1%	1%
Adj. EBIT margin									
Supply Chain Solutions	6.0%	7.2%	7.5%	6.0%	7.3%	7.5%	0.1pp	0.0pp	0.0pp
Print & Packaging Solutions	6.7%	6.8%	6.8%	6.5%	6.6%	6.6%	0.2pp	0.2pp	0.2pp
Group	5.2%	7.0%	7.2%	5.2%	7.0%	7.2%	0.0pp	0.0pp	0.0pp

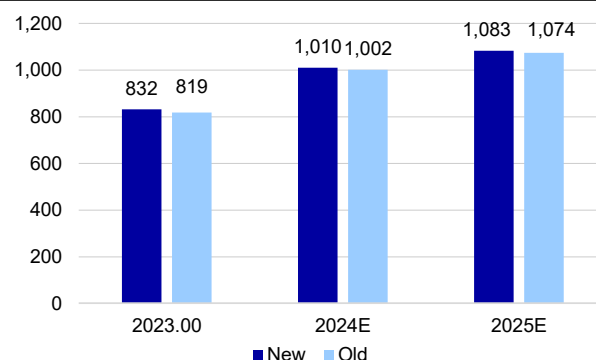
Source: Nordea estimates

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

Stock	Rec.	Mcap.	Adj. EV/EBITDA		Adj. EV/EBITA		Adj. EV/EBIT		Adj. P/E		Div. yield		ND/EBITDA		ROIC	
		SEKm	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E
Agility	-	52,480	10.5x	10.0x	-	-	15.1x	14.9x	1.5x	1.4x	26.8%	35.7%	-	-	6.2%	6.5%
CH Robinson	-	104,231	15.3x	14.2x	15.8x	13.6x	18.1x	16.2x	22.1x	19.2x	2.9%	3.1%	1.8x	1.4x	30.1%	35.1%
DSV	BUY	297,000	12.7x	12.8x	16.2x	16.7x	16.2x	16.8x	21.4x	20.4x	0.7%	0.7%	1.4x	1.7x	12.6%	12.2%
Elanders		3,550	5.6x	4.7x	12.5x	10.1x	14.0x	11.0x	9.6x	8.4x	4.3%	5.0%	4.2x	3.2x	4.7%	5.8%
Expeditors	-	194,296	17.3x	16.3x	20.2x	17.6x	18.9x	17.7x	26.1x	24.0x	1.1%	1.2%	-	-	33.8%	24.4%
ID Logistics	-	22,968	6.6x	6.2x	21.2x	19.2x	21.8x	20.0x	28.5x	24.0x	0.0%	0.0%	1.7x	1.4x	0.0%	0.0%
J.B Hunt	-	219,704	11.7x	10.3x	-	-	19.9x	16.5x	26.0x	21.3x	0.8%	0.9%	0.6x	0.4x	14.4%	15.8%
Kerry Logistics	-	20,896	5.8x	5.6x	-	-	10.3x	9.2x	12.4x	11.1x	2.4%	2.7%	-	-	5.5%	6.1%
Kuehne + Nagel	-	428,262	13.9x	13.6x	24.6x	27.4x	20.4x	19.4x	27.4x	26.7x	2.7%	3.0%	-	-	134.6%	142.0%
Landstar	-	72,897	15.7x	14.2x	-	-	18.7x	16.6x	25.3x	22.2x	0.6%	0.7%	-	-	33.2%	37.2%
Old Dominion	-	449,256	18.8x	16.8x	-	-	22.4x	19.7x	29.7x	25.7x	0.4%	0.4%	-	-	32.7%	33.1%
XPO Logistics	-	103,842	10.2x	8.7x	-	-	16.6x	13.2x	25.3x	18.1x	0.0%	0.0%	2.3x	2.0x	14.1%	15.9%
Average		164,115	12.0x	11.1x	18.4x	17.5x	17.7x	15.9x	21.3x	18.5x	3.6%	4.4%	2.0x	1.7x	26.8%	27.8%
Median		104,036	12.2x	11.6x	18.2x	17.2x	18.4x	16.5x	25.3x	20.9x	1.0%	1.1%	1.7x	1.6x	14.3%	15.9%
Elanders		3,550	5.6x	4.7x	12.5x	10.1x	14.0x	11.0x	9.6x	8.4x	4.3%	5.0%	4.2x	3.2x	4.7%	5.8%
vs. peer average	-	-	-53%	-57%	-32%	-42%	-21%	-31%	-55%	-55%	0.8pp	3.9pp	109%	88%	-22pp	-10pp
vs. peer median	-	-	-54%	-59%	-31%	-41%	-24%	-34%	-62%	-60%	3.4pp	3.9pp	139%	100%	-10pp	-10pp

Source: LSEG Data & Analytics and Nordea estimates

Detailed estimates

ELANDERS: QUARTERLY ESTIMATES (SEKm; EPS IN SEK)

(SEKm)	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
Net sales	3,371	3,525	3,979	4,099	3,589	3,450	3,253	3,574	3,381	3,531	3,683	3,809
Cost of goods sold	-2,879	-3,000	-3,417	-3,448	-3,064	-2,877	-2,671	-2,906	-2,823	-2,934	-3,035	-3,139
Gross profit	492	525	562	651	525	573	582	668	558	597	648	670
Sales and administrative expenses	-338	-356	-380	-410	-405	-401	-413	-432	-370	-398	-455	-447
Other operating income	26	83	36	51	25	24	26	55	54	56	63	93
Other operating expenses	-16	-11	-26	-41	-18	-24	-8	-54	-26	-12	-4	-17
EBITDA	430	506	466	538	420	479	500	569	541	573	586	644
Depreciation	-33	-31	-30	-33	-26	-27	-27	-30	-44	-46	-48	-50
Leases	-210	-212	-220	-232	-245	-257	-262	-275	-260	-263	-265	-275
EBITA	187	263	216	273	149	195	211	264	237	264	273	320
Amortisation of intangible acq related assets	-22	-22	-23	-22	-22	-23	-23	-27	-21	-21	-21	-21
EBIT	165	241	193	251	127	172	188	237	216	243	252	299
Net financials	-36	-36	-42	-70	-77	-73	-82	-94	-106	-102	-98	-94
PTP	129	205	151	181	50	99	106	143	111	141	154	205
Income tax	-41	-63	-35	-41	-25	-34	-39	-42	-33	-42	-46	-62
Net profit	88	142	115	140	25	65	67	101	77	99	108	144
Earnings per share (SEK)	2.40	3.87	3.04	3.87	0.68	1.80	1.86	2.70	2.16	2.77	3.03	4.03
Adj. EBITDA	430	466	475	596	488	493	500	594	541	573	586	644
Adj. EBITA	187	223	225	331	217	209	211	289	237	264	273	320
Adj. EBIT	165	201	202	309	195	186	188	262	216	243	252	299
Tax on EO	0	-12	2	13	34	5	0	7	0	0	0	0
Adj. Net profit	88	170	109	95	-9	56	67	84	77	99	108	144
Adj. EPS	2.40	4.66	2.84	2.61	-0.29	1.54	1.86	2.20	2.16	2.77	3.03	4.03
Gross margin	14.6%	14.9%	14.1%	15.9%	14.6%	16.6%	17.9%	18.7%	16.5%	16.9%	17.6%	17.6%
EBITDA margin	12.8%	14.4%	11.7%	13.1%	11.7%	13.9%	15.4%	15.9%	16.0%	16.2%	15.9%	16.9%
EBITA margin	5.5%	7.5%	5.4%	6.7%	4.2%	5.7%	6.5%	7.4%	7.0%	7.5%	7.4%	8.4%
EBIT margin	4.9%	6.8%	4.9%	6.1%	3.5%	5.0%	5.8%	6.6%	6.4%	6.9%	6.8%	7.8%
Incremental margin	5.8%	14.4%	7.4%	5.7%	-17.3%	92.0%	0.7%	2.6%	-42.7%	87.8%	14.9%	26.2%
Adj. EBITDA margin	12.8%	13.2%	11.9%	14.5%	13.6%	14.3%	15.4%	16.6%	16.0%	16.2%	15.9%	16.9%
Adj. EBITA margin	5.5%	6.3%	5.7%	8.1%	6.1%	6.1%	6.5%	8.1%	7.0%	7.5%	7.4%	8.4%
Adj. EBIT margin	4.9%	5.7%	5.1%	7.5%	5.4%	5.4%	5.8%	7.3%	6.4%	6.9%	6.8%	7.8%
Adj. Incremental margin	5.8%	14.4%	7.4%	5.7%	-17.3%	92.0%	0.7%	2.6%	-42.7%	87.8%	14.9%	26.2%

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 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
Net sales												
Supply Chain Solutions	2,769	2,914	3,325	3,259	2,979	2,887	2,664	2,855	2,776	2,944	3,080	3,071
Print & Packaging Solutions	637	643	686	874	645	603	624	757	639	621	637	772
Group functions	10	11	11	11	12	12	12	12	11	11	11	11
Eliminations	-45	-43	-43	-45	-47	-52	-47	-50	-45	-45	-45	-45
Total sales	3,371	3,525	3,979	4,099	3,589	3,450	3,253	3,574	3,381	3,531	3,683	3,809
Sales bridge												
Volume	3%	6%	13%	6%	-1%	-8%	-12%	-12%	-6%	2%	4%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Structural	20%	14%	16%	4%	0%	0%	0%	7%	8%	9%	9%	3%
FX	6%	7%	9%	12%	8%	8%	6%	4%	3%	1%	0%	0%
Other	0%	0%	0%	0%	-2%	-3%	-12%	-12%	-12%	-10%	0%	0%
Total growth	23%	27%	39%	22%	6%	-2%	-18%	-13%	-6%	2%	13%	7%
Growth per segment quarterly (%)												
Supply Chain Solutions												
Volume	10%	11%	15%	4%	-2%	-9%	-14%	-13%	-6%	2%	4%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Structural	24%	16%	21%	6%	1%	1%	0%	9%	10%	11%	11%	4%
FX	6%	7%	10%	12%	9%	9%	6%	4%	3%	1%	0%	0%
Other	0%	0%	0%	0%	0%	-1%	-12%	-12%	-14%	-12%	0%	0%
Total growth	34%	34%	45%	21%	8%	-1%	-20%	-12%	-7%	2%	16%	8%
Print & Packaging Solutions												
Volume	-20%	-10%	7%	12%	6%	-2%	-6%	-9%	-3%	2%	2%	2%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Structural	5%	6%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
FX	6%	7%	9%	13%	7%	6%	5%	3%	2%	1%	0%	0%
Other	0%	0%	0%	0%	-11%	-11%	-8%	-7%	0%	0%	0%	0%
Total growth	-8%	3%	16%	25%	1%	-6%	-9%	-13%	-1%	3%	2%	2%
EBIT per segment quarterly (SEKm)												
Supply Chain Solutions	156	233	179	187	185	161	157	164	196	219	222	222
Print & Packaging Solutions	22	18	26	76	-45	18	39	79	28	32	38	84
Group functions	-13	-10	-12	-12	-12	-7	-8	-5	-8	-8	-8	-8
Group EBIT	165	241	193	251	127	172	188	237	216	243	252	299
Adj. EBIT per segment quarterly												
Supply Chain Solutions	156	193	179	235	185	161	157	184	196	219	222	222
Print & Packaging Solutions	22	18	35	86	23	32	39	84	28	32	38	84
Group functions	-13	-10	-12	-12	-12	-7	-8	-5	-8	-8	-8	-8
Adj group EBIT	165	201	202	309	195	186	188	262	216	243	252	299
EBIT margin per segment quarterly												
Supply Chain Solutions	5.6%	8.0%	5.4%	5.7%	6.2%	5.6%	5.9%	5.7%	7.1%	7.4%	7.2%	7.2%
Print & Packaging Solutions	3.5%	2.8%	3.8%	8.7%	-7.0%	3.0%	6.3%	10.4%	4.4%	5.2%	5.9%	10.9%
EBIT margin	4.9%	6.8%	4.9%	6.1%	3.5%	5.0%	5.8%	6.6%	6.4%	6.9%	6.8%	7.8%
Adj. EBIT margin per segment quarterly												
Supply Chain Solutions	5.6%	6.6%	5.4%	7.2%	6.2%	5.6%	5.9%	6.4%	7.1%	7.4%	7.2%	7.2%
Print & Packaging Solutions	3.5%	2.8%	5.1%	9.8%	3.5%	5.3%	6.3%	11.1%	4.4%	5.2%	5.9%	10.9%
Adj EBIT margin	4.9%	5.7%	5.1%	7.5%	5.4%	5.4%	5.8%	7.3%	6.4%	6.9%	6.8%	7.8%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL ESTIMATES (SEKm; EPS IN SEK)

(SEKm)	2018	2019	2020	2021	2022	2023	2024E	2025E
Net sales	10,742	11,254	11,050	11,732	14,974	13,866	14,404	14,988
Cost of goods sold	-9,331	-9,780	-9,532	-10,088	-12,744	-11,518	-11,930	-12,605
Gross profit	1,411	1,474	1,518	1,644	2,230	2,348	2,473	2,383
Sales and administrative expenses	-1,034	-1,145	-1,050	-1,119	-1,484	-1,651	-1,669	-1,727
Other operating income	112	66	13	82	196	130	266	275
Other operating expenses	-30	-33	-44	-28	-94	-104	-59	152
EBITDA	747	1,260	1,426	1,482	1,940	1,969	2,345	2,468
Depreciation	-203	-156	-169	-123	-127	-110	-187	-263
Leases	-22	-688	-658	-720	-874	-1039	-1063	-1051
EBITA	522	416	599	639	939	820	1,094	1,155
Amortisation of intangible acq related assets	-64	-56	-53	-59	-89	-95	-84	-71
EBIT	458	360	546	580	850	725	1,010	1,083
Net financials	-93	-143	-131	-98	-184	-326	-399	-311
PTP	365	217	415	482	666	399	611	772
Income tax	-107	-63	-86	-151	-180	-140	-183	-232
Net profit	258	154	329	331	485	259	428	541
Earnings per share (SEK)	7.19	4.19	9.19	9.11	13.19	7.03	11.99	15.18
Adj. EBITDA	747	1,409	1,426	1,498	1,967	2,076	2,345	2,468
Adj. EBITA	522	565	599	655	966	927	1,094	1,155
Adj. EBIT	458	509	546	596	877	832	1,010	1,083
Tax on EO	0	43	0	5	7	38	0	0
Adj. Net profit	258	346	329	352	520	403	428	541
Adj. EPS	7.16	9.79	9.19	9.70	14.16	11.12	11.99	15.18
Gross margin	13.1%	13.1%	13.7%	14.0%	14.9%	16.9%	17.2%	15.9%
EBITDA margin	7.0%	11.2%	12.9%	12.6%	13.0%	14.2%	16.3%	16.5%
EBITA margin	4.9%	3.7%	5.4%	5.4%	6.3%	5.9%	7.6%	7.7%
EBIT margin	4.3%	3.2%	4.9%	4.9%	5.7%	5.2%	7.0%	7.2%
Incremental margin	10.7%	-19.1%	-91.2%	5.0%	8.3%	11.3%	53.1%	12.5%
Adj. EBITDA margin	7.0%	12.5%	12.9%	12.8%	13.1%	15.0%	16.3%	16.5%
Adj. EBITA margin	4.9%	5.0%	5.4%	5.6%	6.5%	6.7%	7.6%	7.7%
Adj. EBIT margin	4.3%	4.5%	4.9%	5.1%	5.9%	6.0%	7.0%	7.2%
Adj. Incremental margin	8.9%	10.0%	-18.1%	7.3%	8.7%	4.1%	33.2%	12.5%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL SALES AND EBIT BRIDGE

(SEKm)	2018	2019	2020	2021	2022	2023	2024E	2025E
Net sales								
Supply Chain Solutions	8,526	8,775	8,408	9,204	12,267	11,385	11,870	12,404
Print & Packaging Solutions	2,244	2,564	2,728	2,606	2,840	2,629	2,670	2,723
Group functions	47	37	40	40	43	48	44	44
Eliminations	-75	-122	-126	-117	-176	-196	-180	-184
Total sales	10,946	11,254	11,050	11,733	14,974	13,866	14,404	14,988
Sales bridge								
Volume	8%	1%	0%	7%	7%	-9%	1%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	1%	0%	0%	4%	13%	2%	7%	0%
FX	5%	4%	-2%	-4%	9%	7%	1%	0%
Other	0%	0%	0%	0%	0%	-7%	-6%	0%
Total growth	15%	5%	-2%	6%	28%	-7%	4%	4%
Growth per segment annual (%)								
Supply Chain Solutions								
Volume	8%	-2%	-3%	11%	10%	-10%	1%	5%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%
Structural	1%	0%	0%	4%	16%	3%	9%	0%
FX	6%	4%	-1%	-5%	9%	7%	1%	0%
Other	0%	0%	0%	0%	0%	-7%	-7%	0%
Total growth	22%	3%	-4%	9%	33%	-7%	4%	5%
Print & Packaging Solutions								
Volume	9%	12%	10%	-4%	-3%	-3%	1%	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%	5%	1%	0%
Other	0%	0%	0%	0%	0%	-9%	0%	0%
Total growth	1%	14%	6%	-4%	9%	-7%	2%	2%
EBIT per segment annual (SEKm)								
Supply Chain Solutions	346	220	435	459	755	667	860	929
Print & Packaging Solutions	132	174	147	162	142	90	182	186
Group functions	-20	-34	-36	-42	-47	-32	-32	-33
Group EBIT	458	360	546	579	850	725	1,010	1,083
Adj. EBIT per segment annual								
Supply Chain Solutions	346	362	435	475	763	687	860	929
Print & Packaging Solutions	132	181	147	162	161	177	182	186
Group functions	-20	-34	-36	-42	-47	-32	-32	-33
Adj group EBIT	458	509	546	596	877	832	1010	1083
EBIT margin per segment annual								
Supply Chain Solutions	4.1%	2.5%	5.2%	5.0%	6.2%	5.9%	7.2%	7.5%
Print & Packaging Solutions	5.9%	6.8%	5.4%	6.2%	5.0%	3.4%	6.8%	6.8%
EBIT margin	4.2%	3.2%	4.9%	4.9%	5.7%	5.2%	7.0%	7.2%
Adj. EBIT margin per segment annual								
Supply Chain Solutions	4.1%	4.1%	5.2%	5.2%	6.2%	6.0%	7.2%	7.5%
Print & Packaging Solutions	5.9%	7.1%	5.4%	6.2%	5.7%	6.7%	6.8%	6.8%
Adj EBIT margin	4.2%	4.5%	4.9%	5.1%	5.9%	6.0%	7.0%	7.2%

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	6,285	9,342	10,742	11,254	11,050	11,732	14,974	13,866	14,404	14,988	15,508
Revenue growth	48.4%	48.6%	15.0%	4.8%	-1.8%	6.2%	27.6%	-7.4%	3.9%	4.1%	3.5%
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	519	563	725	1,260	1,426	1,481	1,940	1,969	2,345	2,397	2,439
Depreciation and impairments PPE	-132	-192	-203	-844	-827	-843	-1,001	-1,149	-1,250	-1,242	-1,253
of which leased assets	0	0	0	-688	-658	-720	-874	-1,039	-1,063	-1,051	-1,057
EBITA	387	371	522	416	599	638	939	820	1,094	1,155	1,186
Amortisation and impairments	-40	-63	-64	-56	-53	-58	-89	-95	-84	-71	-61
EBIT	347	308	458	360	546	580	850	725	1,010	1,083	1,125
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	-44	-80	-93	-143	-131	-98	-184	-326	-399	-311	-277
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	303	228	365	217	415	482	666	399	611	772	848
Reported taxes	-82	-64	-107	-63	-86	-151	-180	-140	-183	-232	-254
Net profit from continued operations	221	164	258	154	329	331	485	259	428	541	594
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	-1	-5	-6	-4	-9	-19	-10	-4	-4	-5
Net profit to equity	221	163	253	148	325	322	466	249	424	537	589
EPS, SEK	7.48	4.61	7.16	4.19	9.19	9.11	13.19	7.03	11.99	15.18	16.65
DPS, SEK	2.60	2.60	2.90	0.00	3.10	3.60	4.15	4.15	5.00	5.20	5.50
of which ordinary	2.60	2.60	2.90	0.00	3.10	3.60	4.15	4.15	5.00	5.20	5.50
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	8.3%	6.0%	6.7%	11.2%	12.9%	12.6%	13.0%	14.2%	16.3%	16.0%	15.7%
EBITA	6.2%	4.0%	4.9%	3.7%	5.4%	5.4%	6.3%	5.9%	7.6%	7.7%	7.6%
EBIT	5.5%	3.3%	4.3%	3.2%	4.9%	4.9%	5.7%	5.2%	7.0%	7.2%	7.3%

Adjusted earnings

EBITDA (adj)	558	589	725	1,409	1,426	1,497	1,967	2,076	2,345	2,397	2,439
EBITA (adj)	426	397	522	565	599	654	966	927	1,094	1,155	1,186
EBIT (adj)	386	334	458	509	546	596	877	832	1,010	1,083	1,125
EPS (adj, SEK)	8.80	5.35	7.16	7.13	9.19	9.56	13.95	10.05	11.99	15.18	16.65

Adjusted profit margins in percent

EBITDA (adj)	8.9%	6.3%	6.7%	12.5%	12.9%	12.8%	13.1%	15.0%	16.3%	16.0%	15.7%
EBITA (adj)	6.8%	4.2%	4.9%	5.0%	5.4%	5.6%	6.5%	6.7%	7.6%	7.7%	7.6%
EBIT (adj)	6.1%	3.6%	4.3%	4.5%	4.9%	5.1%	5.9%	6.0%	7.0%	7.2%	7.3%

Performance metrics

CAGR last 5 years											
Net revenue	27.9%	37.2%	38.7%	24.7%	21.1%	13.3%	9.9%	5.2%	5.1%	6.3%	5.7%
EBITDA	21.4%	21.9%	32.4%	33.9%	27.3%	23.3%	28.1%	22.1%	13.2%	10.9%	10.5%
EBIT	25.9%	21.1%	41.8%	15.6%	13.3%	10.8%	22.5%	9.6%	22.9%	14.7%	14.2%
EPS	20.1%	18.1%	54.5%	3.7%	8.3%	4.0%	23.4%	-0.4%	23.4%	10.6%	12.8%
DPS	39.1%	34.1%	29.4%	n.m.	7.1%	6.7%	9.8%	7.4%	n.m.	10.9%	8.8%
Average last 5 years											
Average EBIT margin	5.5%	4.7%	4.6%	4.2%	4.1%	4.2%	4.7%	4.9%	5.6%	6.1%	6.5%
Average EBITDA margin	8.9%	7.7%	7.4%	8.3%	9.2%	10.1%	11.4%	12.8%	13.9%	14.5%	15.0%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	12.1	15.3	12.2	12.2	13.0	18.2	10.7	9.6	8.4	6.6	6.0
EV/EBITDA (adj)	9.6	9.4	7.8	5.0	5.0	7.1	6.0	5.6	4.7	4.5	4.1
EV/EBITA (adj)	12.6	14.0	10.8	12.5	11.8	16.3	12.3	12.5	10.1	9.3	8.4
EV/EBIT (adj)	13.9	16.7	12.3	13.9	13.0	17.9	13.6	14.0	11.0	9.9	8.9

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	14.2	17.8	12.2	20.8	13.0	19.1	11.4	13.7	8.4	6.6	6.0
EV/Sales	0.85	0.60	0.52	0.63	0.64	0.91	0.79	0.84	0.77	0.72	0.64
EV/EBITDA	10.3	9.9	7.8	5.6	5.0	7.2	6.1	5.9	4.7	4.5	4.1
EV/EBITA	13.9	15.0	10.8	17.0	11.8	16.8	12.7	14.2	10.1	9.3	8.4
EV/EBIT	15.5	18.1	12.3	19.7	13.0	18.4	14.0	16.0	11.0	9.9	8.9
Dividend yield (ord.)	2.4%	3.2%	3.3%	0.0%	2.6%	2.1%	2.8%	4.3%	5.0%	5.2%	5.5%
FCF yield	-50.2%	-11.3%	10.3%	38.8%	38.1%	-5.4%	15.7%	22.7%	43.1%	33.3%	46.3%
FCF Yield bef A&D, lease adj	7.0%	-9.0%	9.5%	16.7%	23.2%	3.5%	0.1%	16.6%	13.2%	14.8%	16.5%
Payout ratio	29.6%	48.6%	40.5%	0.0%	33.7%	37.7%	29.7%	41.3%	41.7%	34.3%	33.0%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	3,081	3,136	3,218	3,229	3,085	4,517	4,923	5,813	5,729	6,054	5,993
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	3,081	3,136	3,218	3,229	3,085	2,017	1,268	1,361	1,277	1,206	1,145
of which goodwill	0	0	0	0	0	2,500	3,655	4,452	4,452	4,848	4,848
Tangible assets	1,047	1,075	1,056	2,797	2,255	3,372	4,970	5,279	3,899	3,568	3,227
of which leased assets	0	0	0	1,865	1,737	2,674	4,152	4,536	3,099	2,718	2,341
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	287	341	387	393	393	393	393
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	11	11	66	66	66	66	66
Total non-current assets	4,128	4,211	4,274	6,026	5,637	8,241	10,345	11,551	10,087	10,080	9,679
Inventory	295	390	468	335	233	400	619	349	490	510	527
Accounts receivable	1,396	1,795	1,762	1,740	1,344	1,822	2,139	2,038	2,017	2,098	2,171
Short-term leased assets	0	0	0	0	0	0	0	0	1,051	1,057	1,054
Other current assets	312	333	511	448	324	438	567	586	533	555	574
Cash and bank	651	679	722	655	1,101	898	904	1,107	1,427	1,382	1,783
Total current assets	2,654	3,197	3,463	3,178	3,002	3,559	4,229	4,080	5,518	5,601	6,109
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	6,782	7,408	7,737	9,204	8,639	11,800	14,575	15,631	15,605	15,682	15,788
Shareholders equity	2,411	2,453	2,707	2,777	2,908	3,277	3,835	3,825	4,102	4,462	4,866
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	4	27	36	40	44	48	53
Total Equity	2,411	2,453	2,707	2,777	2,912	3,304	3,870	3,864	4,145	4,509	4,919
Deferred tax	233	208	199	320	188	234	237	374	374	374	374
Long term interest bearing debt	2,646	2,504	2,442	2,214	2,137	3,162	3,667	3,930	3,930	3,930	3,930
Pension provisions	0	0	0	0	0	99	78	78	78	78	78
Other long-term provisions	0	0	0	0	0	19	34	34	34	34	34
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	1,259	1,131	2,066	3,485	3,669	3,282	2,908	2,528
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	2,879	2,712	2,641	3,793	3,456	5,579	7,500	8,084	7,698	7,324	6,943
Short-term provisions	0	0	1	1	0	139	169	157	163	169	175
Accounts payable	1,263	1,403	1,569	1,597	1,588	875	893	850	883	919	951
Current lease debt	0	0	0	639	639	689	801	1,001	1,001	1,001	1,001
Other current liabilities	0	0	1	1	0	1,082	1,191	1,054	1,095	1,140	1,179
Short term interest bearing debt	228	840	819	398	44	132	150	620	620	620	620
Total current liabilities	1,491	2,243	2,390	2,636	2,271	2,917	3,204	3,682	3,762	3,849	3,926
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	6,781	7,408	7,738	9,206	8,639	11,800	14,574	15,630	15,605	15,682	15,788
Balance sheet and debt metrics											
Net debt	2,223	2,665	2,539	3,994	2,854	4,511	6,560	8,191	7,484	7,155	6,374
of which lease debt	0	0	0	1,898	1,770	2,755	4,286	4,670	4,283	3,909	3,529
Working capital	740	1,115	1,171	925	313	704	1,242	1,069	1,061	1,104	1,142
Invested capital	4,868	5,326	5,445	6,951	5,950	8,945	11,587	12,620	11,148	11,184	10,822
Capital employed	5,285	5,797	5,968	7,287	6,863	9,352	11,973	13,084	12,979	12,968	12,998
ROE	11.3%	6.7%	9.8%	5.4%	11.4%	10.4%	13.1%	6.5%	10.7%	12.5%	12.6%
ROIC	7.3%	4.5%	5.8%	5.6%	5.8%	5.4%	5.8%	4.7%	5.8%	6.6%	7.0%
ROCE	9.6%	6.0%	7.8%	7.7%	7.7%	7.4%	8.2%	6.6%	7.8%	8.3%	8.7%
Net debt/EBITDA	4.3	4.7	3.5	3.2	2.0	3.0	3.4	4.2	3.2	3.0	2.6
Interest coverage	7.9	3.9	4.9	2.5	4.2	5.9	4.6	2.2	2.5	3.5	4.1
Equity ratio	35.6%	33.1%	35.0%	30.2%	33.7%	27.8%	26.3%	24.5%	26.3%	28.5%	30.8%
Net gearing	92.2%	108.6%	93.8%	143.8%	98.0%	136.5%	169.5%	212.0%	180.5%	158.7%	129.6%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
EBITDA (adj) for associates	519	563	725	1,260	1,426	1,481	1,940	1,969	2,345	2,397	2,439
Paid taxes	-104	-133	-127	-114	-41	-128	-196	-242	-183	-232	-254
Net financials	0	0	1	-143	-131	-98	-184	-326	-399	-311	-277
Change in provisions	0	0	1	0	-1	257	25	-13	6	7	6
Change in other LT non-IB	0	0	0	0	-297	-55	-100	-6	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	-71	-75	-149	229	310	-254	98	29	0	0	0
Funds from operations (FFO)	344	355	451	1,232	1,266	1,202	1,582	1,411	1,769	1,861	1,913
Change in NWC	-13	-419	4	104	461	-139	-476	371	8	-43	-38
Cash flow from operations (CFO)	331	-64	455	1,336	1,727	1,063	1,106	1,782	1,776	1,818	1,875
Capital expenditure	-112	-196	-161	-133	-88	-128	-229	-180	-245	-240	-233
Free cash flow before A&D	219	-260	294	1,203	1,639	935	877	1,602	1,531	1,578	1,642
Proceeds from sale of assets	-1,794	-67	24	-7	-28	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	-1,267	-46	-832	0	-396	0
Free cash flow	-1,575	-327	318	1,196	1,611	-332	831	770	1,531	1,182	1,642
Free cash flow bef A&D, lease adj	219	-260	294	515	981	215	3	563	468	527	585
Dividends paid	-58	-92	-93	-129	58	-112	-136	-165	-147	-177	-184
Equity issues / buybacks	695	0	0	0	0	0	0	0	0	0	0
Net change in debt	1,029	462	-225	-1,152	-1,119	0	0	756	0	0	0
Other financing adjustments	0	0	0	1	-655	-720	-861	-110	-1,064	-1,051	-1,057
Other non-cash adjustments	31	-15	43	17	532	1,609	357	-119	0	0	0
Change in cash	122	28	43	-67	446	-203	6	203	320	-46	401
Cash flow metrics											
Capex/D&A	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	21.0%	14.5%	18.3%	18.3%	17.7%
Capex/Sales	1.8%	2.1%	1.5%	1.2%	0.8%	1.1%	1.5%	1.3%	1.7%	1.6%	1.5%
Key information											
Share price year end (/current)	106	82	87	87	120	174	150	96	100	100	100
Market cap.	3,140	2,899	3,083	3,083	4,229	6,152	5,304	3,398	3,550	3,550	3,550
Enterprise value	5,363	5,564	5,622	7,077	7,087	10,691	11,899	11,628	11,077	10,753	9,977
Diluted no. of shares, year-end (m)	29.6	35.4	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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