

Elanders

Consumer Goods
Sweden

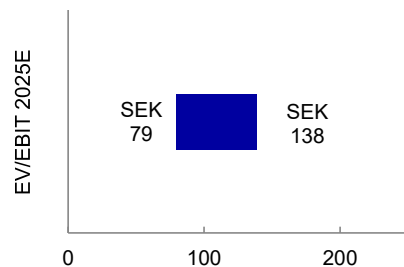
KEY DATA

Stock country	Sweden
Bloomberg	ELANB SS
Reuters	ELANb.ST
Share price (close)	SEK 97.80
Free float	50%
Market cap. (bn)	EUR 0.30/SEK 3.46
Website	www.elanders.com
Next report date	

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-1%	-2%	-2%
EBIT (adj)	-2%	1%	0%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Carl Ragnerstam
DirectorGustav Berneblad
Analyst

Moving in the right direction

Elanders presented a decent Q2 2024 report with flat organic sales y/y, partly supported by easier comps. While the overall demand outlook remains hazy, there are several bright spots, with Fashion in Europe turning positive, coupled with Electronics and Healthcare showing 6% and 16% y/y organic growth, respectively. Elanders reiterated its outlook of improved demand for H2 2024. Along with easier comps and additional margin-enhancing activities, we expect margins to continue recovering and double-digit y/y earnings growth for Q3 and Q4. After acquiring the last 20% of Bergen Logistics, Elanders' lease-adjusted net debt/EBITDA is now close to 3.6x for 2024E. We believe the earnings decline has bottomed out, however, and continue to argue that the company is likely to better capitalise on the returning demand.

Q2 2024

Q2 net sales of SEK 3,504m were up 2% y/y (0% organic), driven by recent M&A and supported by easier comps, while negatively impacted by the exit of low profitability businesses. Demand from several of the larger end markets remains muted within Supply Chain Solutions, but Q2 offered several bright spots, e.g. Fashion in Europe returning to growth. This was supported by Elanders ramping up two larger customers, while Electronics and Healthcare continue to develop positively. As such, with volumes stabilising, along with cost initiatives and the recent margin-accretive acquisition (Bishopsgate), Supply Chain Solutions saw a sequential q/q 120bp adjusted EBITA margin increase. This put adjusted EBITA at SEK 215m, up 2% y/y, which implies a margin of 6.1%, up 5bp y/y.

Estimates and valuation

We lower our sales estimates by 1-2% for 2024-26, partly due to Elanders announcing the exit of a larger part of its business related to subscription boxes. We keep 2024E-26E adjusted EBITA fairly unchanged, however, and we are still encouraged by the cost initiatives related to Bergen Logistics, where the company now consolidates its warehouses, which should lead to SEK ~37m in annual costs savings. We therefore continue to expect Elanders to maintain a firmer margin from here on. We lower our multiples-based fair value range to SEK 79-138 (SEK 83-142), implying 2025E EV/EBITDA of ~10-12x.

SUMMARY TABLE - KEY FIGURES

SEKm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	11,050	11,732	14,974	13,866	14,171	14,741	15,304
EBITDA (adj)	1,426	1,497	1,967	2,078	2,325	2,408	2,492
EBIT (adj)	546	596	877	834	866	1,026	1,072
EBIT (adj) margin	4.9%	5.1%	5.9%	6.0%	6.1%	7.0%	7.0%
EPS (adj, SEK)	9.19	9.56	13.95	10.11	7.36	10.89	13.07
EPS (adj) growth	29.0%	4.0%	46.0%	-27.6%	-27.2%	48.0%	20.0%
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	0.9	0.8	0.7
EV/EBIT (adj)	13.0	17.9	13.6	13.9	13.9	11.5	10.3
P/E (adj)	13.0	18.2	10.7	9.5	13.3	9.0	7.5
P/BV	1.5	1.9	1.4	0.9	0.9	0.8	0.8
Dividend yield (ord)	2.6%	2.1%	2.8%	4.3%	5.1%	5.3%	5.6%
FCF Yield bef A&D, lease	22.7%	4.2%	3.8%	9.6%	31.6%	23.9%	27.4%
Net debt	2,854	4,511	6,560	8,191	8,575	8,321	7,556
Net debt/EBITDA	2.0	3.0	3.4	4.2	3.8	3.5	3.0
ROIC after tax	5.8%	5.4%	5.8%	4.7%	4.6%	5.3%	5.7%

Source: Company data and Nordea estimates

Q2 deviation

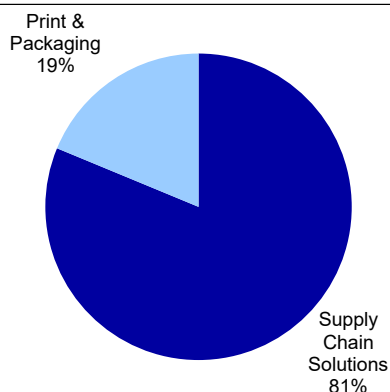
Net sales came in at SEK 3,503m for Q2 2024, up 2% y/y (0% organic), supported by recent M&A, but negatively affected by the exit of low-profitability businesses. Meanwhile, Elanders continues to experience broad-based pressure from several of its key end markets. On the bright side, the company noted positive growth for Fashion in Europe – likely supported by the company ramping up two new customers. Elanders also said that it has seen a slight increase in demand from Electronics, while the smaller Health Care segment showed positive organic growth. Following the weaker profitability in Supply Chain Solutions in Q1 2024, the segment saw a q/q sequential margin uplift of 120bp in Q2 – here, the company is continuing to take action to raise its profitability. To the contrary, profitability in Print & Packaging Solutions came in slightly below expectations.

ELANDERS: Q2 DEVIATION TABLE

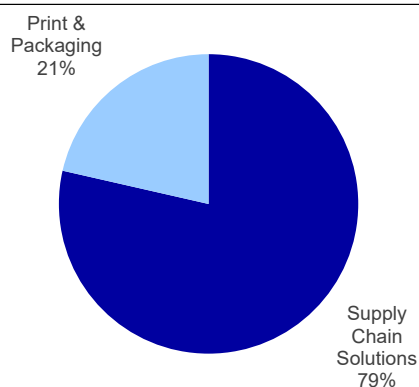
	Actual	NDA est.	Deviation		Actual		Actual	
SEKm	Q2 24	Q2 24E	vs. actual		Q1 24	q/q	Q2 23	y/y
Net sales	3,503	3,613	(110)	-3%	3,268	7%	3,450	2%
Gross profit	582	611	(29)	-5%	565	3%	573	2%
EBITA	168	202	(34)	-17%	155	9%	196	-14%
Amortisation of intangibles	(27)	(27)	-	0%	(26)	4%	(23)	17%
EBIT	141	175	(34)	-20%	129	10%	173	-18%
Adj. EBITA	215	217	(2)	-1%	180	19%	210	2%
Adj. EBIT	188	190	(2)	-1%	154	22%	187	1%
Adj. EBITA margin	6.1%	6.0%		0.1pp	5.5%	0.6pp	6.1%	0.1pp
Adj. EBIT margin	5.4%	5.3%		0.1pp	4.7%	0.6pp	5.4%	-0.1pp
Supply Chain Solutions	2,861	2,961	(100)	-3%	2,627	9%	2,815	2%
Print & Packaging Solutions	673	686	(13)	-2%	679	-1%	675	0%
Group functions	13	11	2	18%	13	0%	12	8%
Eliminations	(43)	(45)	2	-4%	(50)	-14%	(52)	-17%
Group net sales	3,504	3,613	(109)	-3%	3,269	7%	3,450	2%
Supply Chain Solutions	189	176	13	7%	142	33%	175	8%
Print & Packaging Solutions	41	49	(8)	-17%	51	-20%	42	-2%
Group functions	(15)	(8)	(7)		(13)	18%	(7)	114%
Adj group EBITA	215	217	(2)	-1%	180	20%	210	2%
Supply Chain Solutions	6.6%	5.9%		0.7pp	5.4%	1pp	6.2%	0.4pp
Print & Packaging Solutions	6.1%	7.2%		-1.1pp	7.5%	-1pp	6.2%	-0.1pp
Adj EBITA margin	6.1%	6.0%		0.1pp	5.5%	1pp	6.1%	0.0pp

Source: Company data and Nordea estimates

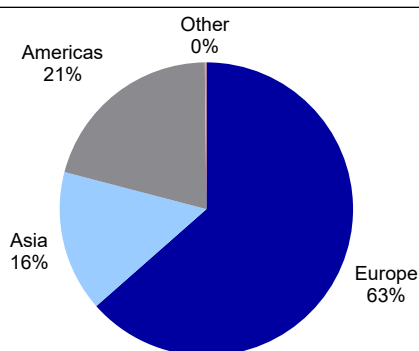
Selected charts

ELANDERS: REVENUE SPLIT BY SEGMENT (%), 2023


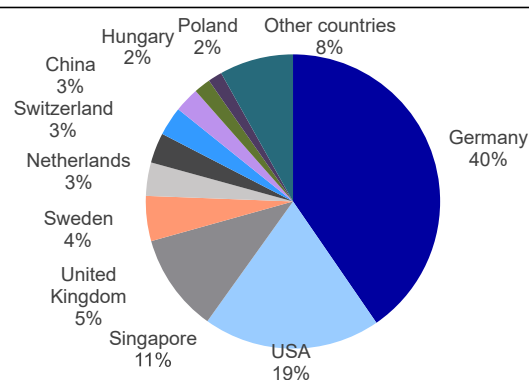
Source: Company data and Nordea estimates

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


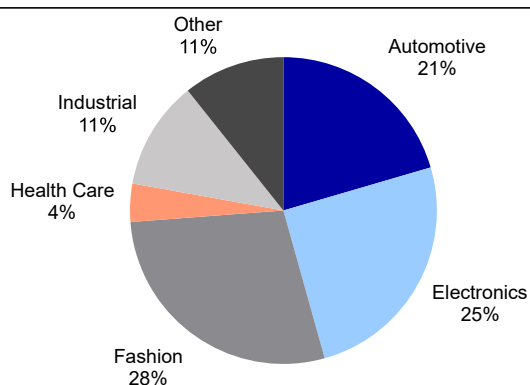
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY REGION (%), 2023


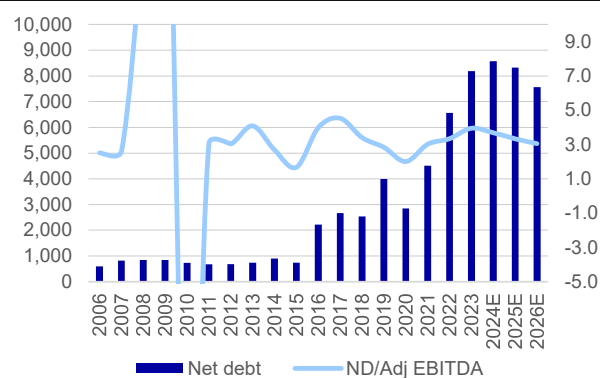
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY COUNTRY (%), 2023


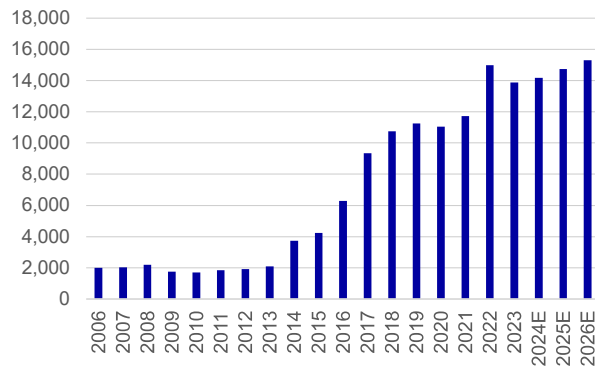
Source: Company data and Nordea estimates

ELANDERS: SALES SPLIT BY END MARKET (%), 2023


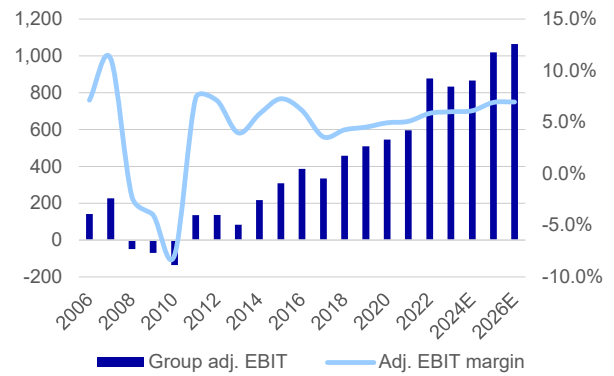
Source: Company data and Nordea estimates

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


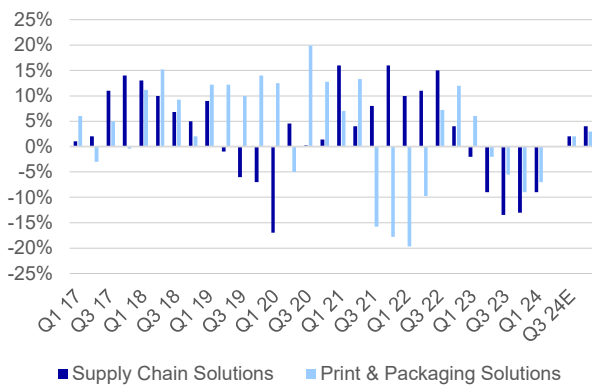
Source: Company data and Nordea estimates

ELANDERS: GROUP NET SALES DEVELOPMENT (SEKm)

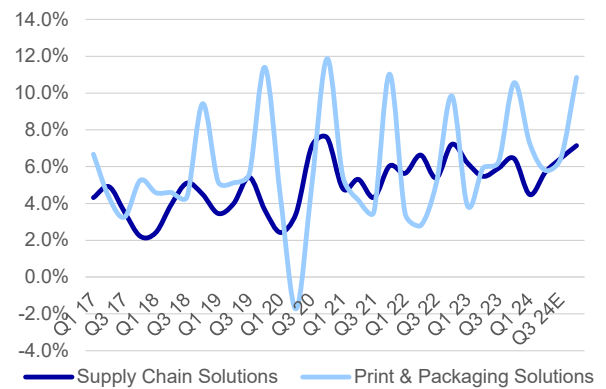
Source: Company data and Nordea estimates

ELANDERS: GROUP ADJUSTED EBIT (SEKm) AND 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

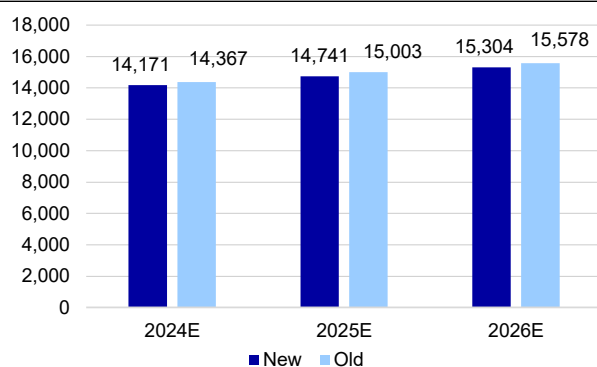
Estimate revisions

ELANDERS: ESTIMATE REVISIONS (SEKm; EPS IN SEK)

SEKm	New estimates			Old estimates			Difference %		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Net sales	14,171	14,741	15,304	14,367	15,003	15,578	-1%	-2%	-2%
EBITA	900	1,125	1,168	946	1,119	1,163	-5%	1%	0%
Amortisation of intangibles	-107	-98	-96	-107	-98	-96	0%	0%	0%
EBIT	793	1,026	1,072	839	1,021	1,067	-5%	1%	0%
Net financials	-511	-471	-404	-499	-450	-386	3%	5%	5%
PTP	282	556	667	340	571	681	-17%	-3%	-2%
Income tax	-90	-167	-200	-106	-171	-204	-15%	-3%	-2%
Net profit	192	389	467	234	400	476	-18%	-3%	-2%
Earnings per share (SEK)	5.31	10.89	13.07	6.50	11.20	13.33	-18%	-3%	-2%
Adj. EBITA	973	1,125	1,168	986	1,119	1,163	-1%	1%	0%
Adj. EBIT	866	1,026	1,072	879	1,021	1,067	-2%	1%	0%
Tax on EO	23	0	0	13	0	0	n.a	n.a	n.a
Adj. Net profit	288	389	467	287	400	476	0%	-3%	-2%
Adj. EPS	8	11	13	8	11	13	0%	-3%	-2%
Adj. EBITA margin	6.9%	7.6%	7.6%	6.9%	7.5%	7.5%	0.0pp	0.2pp	0.2pp
Adj. EBIT margin	6.1%	7.0%	7.0%	6.1%	6.8%	6.8%	0.0pp	0.2pp	0.2pp
Adj. Incremental margin	10.6%	28.2%	8.0%	9.1%	22.2%	8.0%	1.5pp	5.9pp	0.0pp
Net sales per segment									
Supply Chain Solutions	11,420	11,934	12,471	11,606	12,186	12,735	-2%	-2%	-2%
Print & Packaging Solutions	2,888	2,946	2,975	2,901	2,959	2,988	0%	0%	0%
Group functions	48	48	49	46	46	47	4%	4%	4%
Eliminations	-183	-187	-190	-185	-189	-192	-1%	-1%	-1%
Group net sales	14,173	14,741	15,304	14,368	15,003	15,578	-1%	-2%	-2%
Adj EBIT per segment									
Supply Chain Solutions	684	847	890	683	828	872	0%	2%	2%
Print & Packaging Solutions	225	222	225	233	230	233	-4%	-4%	-4%
Group functions	-79	-42	-43	-37	-37	-38	114%	14%	14%
Group EBIT	830	1,026	1,072	879	1,021	1,067	-6%	1%	0%
Adj. EBIT margin									
Supply Chain Solutions	6.0%	7.1%	7.1%	5.9%	6.8%	6.8%	0.1pp	0.3pp	0.3pp
Print & Packaging Solutions	7.8%	7.5%	7.6%	8.0%	7.8%	7.8%	-0.2pp	-0.2pp	-0.2pp
Group	5.6%	7.0%	7.0%	5.8%	6.8%	6.8%	-0.2pp	0.2pp	0.2pp

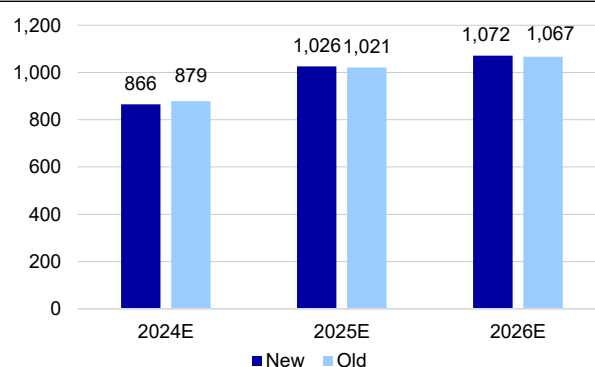
Source: Nordea estimates

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



Source: Nordea estimates

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



Source: Nordea estimates

Valuation

ELANDERS: PEER VALUATION TABLE

Stock	Rec.	Mcap.	Adj. EV/EBITDA		Adj. EV/EBITA		Adj. EV/EBIT		Adj. P/E		Div. yield		ND/EBITDA		ROIC	
			2024E	2025E	2024E	2025E	2024E	2025E	2024E	2025E	2024E	2025E	2024E	2025E	2024E	2025E
CH Robinson	-	106,591	16.9x	15.0x	19.3x	16.1x	19.4x	17.1x	23.9x	20.5x	2.9%	3.1%	2.2x	1.9x	19.2%	21.9%
DSV	BUY	282,840	13.3x	12.4x	17.7x	16.4x	17.7x	16.5x	22.5x	19.3x	0.7%	0.7%	1.7x	1.9x	11.3%	11.9%
Elanders		3,458	5.2x	4.9x	12.4x	10.5x	13.9x	11.5x	13.3x	9.0x	5.1%	5.3%	3.8x	3.5x	4.6%	5.3%
Expeditors	-	177,681	16.3x	15.5x	18.4x	17.6x	17.7x	16.9x	24.5x	23.0x	1.2%	1.2%	-	-	35.2%	39.1%
ID Logistics	-	28,044	7.3x	6.7x	24.5x	22.3x	24.2x	22.3x	36.8x	31.1x	0.0%	0.0%	1.7x	1.4x	7.2%	8.2%
J.B Hunt	-	179,910	10.9x	9.2x	-	-	19.9x	15.5x	26.6x	19.7x	1.1%	1.1%	0.7x	0.6x	11.9%	14.9%
Kerry Logistics	-	17,707	5.0x	4.8x	-	-	8.1x	7.9x	8.7x	8.4x	4.0%	4.2%	0.0x	-	8.4%	9.4%
Kuehne + Nagel	-	364,553	12.7x	12.4x	20.3x	21.1x	18.8x	18.0x	25.4x	24.0x	3.1%	3.2%	-	-	32.5%	33.8%
Landstar	-	67,750	17.9x	14.6x	-	-	21.2x	17.2x	29.1x	23.1x	0.7%	0.8%	-	-	28.4%	36.1%
Old Dominion	-	433,659	19.7x	17.2x	-	-	24.1x	20.6x	32.3x	27.3x	0.6%	0.7%	-	-	28.9%	30.6%
XPO Logistics	-	130,782	12.5x	10.6x	-	-	20.0x	16.2x	29.8x	22.6x	0.0%	0.0%	2.5x	1.9x	12.0%	14.8%
Average		151,618	11.7x	10.8x	18.8x	17.4x	17.5x	15.8x	23.5x	19.6x	2.1%	2.3%	1.8x	1.9x	17.1%	19.3%
Median		118,686	12.6x	11.5x	18.9x	17.0x	19.1x	16.7x	24.9x	21.6x	1.1%	1.2%	1.7x	1.9x	11.9%	14.9%
Elanders		3,458	5.2x	4.9x	12.4x	10.5x	13.9x	11.5x	13.3x	9.0x	5.1%	5.3%	3.8x	3.5x	4.6%	5.3%
vs. peer average	-	-	-56%	-55%	-34%	-39%	-20%	-27%	-43%	-54%	3.1pp	4.1pp	109%	86%	-13pp	-10pp
vs. peer median	-	-	-59%	-57%	-34%	-38%	-27%	-31%	-47%	-58%	4.0pp	4.1pp	118%	80%	-7pp	-10pp

Source: Company data 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 24	Q2 24	Q3 24E	Q4 24E
Net sales	3,371	3,525	3,979	4,099	3,589	3,450	3,253	3,574	3,268	3,503	3,611	3,789
Cost of goods sold	-2,879	-3,000	-3,417	-3,448	-3,064	-2,877	-2,671	-2,906	-2,703	-2,921	-2,975	-3,122
Gross profit	492	525	562	651	525	573	582	668	565	582	635	667
Sales and administrative expenses	-338	-356	-380	-410	-405	-401	-413	-432	-441	-468	-424	-430
Other operating income	26	83	36	51	25	24	26	55	31	27	41	68
Other operating expenses	-16	-11	-26	-41	-18	-24	-8	-54	-27	-1	-26	-9
EBITDA	430	506	466	538	421	480	501	569	461	514	605	673
Depreciation	-33	-31	-30	-33	-26	-27	-27	-30	-25	-47	-47	-49
Leases	-210	-212	-220	-232	-245	-257	-262	-275	-281	-299	-304	-300
EBITA	187	263	216	273	150	196	212	264	155	168	254	323
Amortisation of intangible acq related assets	-22	-22	-23	-22	-22	-23	-23	-27	-26	-27	-27	-27
EBIT	165	241	193	251	128	173	189	237	129	141	227	296
Net financials	-36	-36	-42	-70	-77	-73	-82	-94	-111	-135	-134	-132
PTP	129	205	151	181	51	100	107	143	18	6	93	165
Income tax	-41	-63	-35	-41	-25	-34	-39	-42	-10	-3	-28	-49
Net profit	88	142	115	140	26	66	68	101	8	3	65	115
Earnings per share (SEK)	2.40	3.87	3.04	3.87	0.68	1.83	1.88	2.69	0.20	0.06	1.82	3.23
Adj. EBITDA	430	466	475	596	489	494	501	594	486	561	605	673
Adj. EBITA	187	223	225	331	218	210	212	289	180	215	254	323
Adj. EBIT	165	201	202	309	196	187	189	262	154	188	227	296
Tax on EO	0	-12	2	13	34	5	0	7	14	24	0	0
Adj. Net profit	88	170	109	95	-9	57	68	83	-4	74	65	115
Adj. EPS	2.40	4.66	2.84	2.61	-0.29	1.57	1.88	2.19	-0.13	2.05	1.82	3.23
Gross margin	14.6%	14.9%	14.1%	15.9%	14.6%	16.6%	17.9%	18.7%	17.3%	16.6%	17.6%	17.6%
EBITDA margin	12.8%	14.4%	11.7%	13.1%	11.7%	13.9%	15.4%	15.9%	14.1%	14.7%	16.8%	17.8%
EBITA margin	5.5%	7.5%	5.4%	6.7%	4.2%	5.7%	6.5%	7.4%	4.7%	4.8%	7.0%	8.5%
EBIT margin	4.9%	6.8%	4.9%	6.1%	3.6%	5.0%	5.8%	6.6%	3.9%	4.0%	6.3%	7.8%
Incremental margin	5.8%	14.4%	7.4%	5.7%	-17.2%	90.7%	0.6%	2.7%	-0.3%	-60.4%	10.7%	27.6%
Adj. EBITDA margin	12.8%	13.2%	11.9%	14.5%	13.6%	14.3%	15.4%	16.6%	14.9%	16.0%	16.8%	17.8%
Adj. EBITA margin	5.5%	6.3%	5.7%	8.1%	6.1%	6.1%	6.5%	8.1%	5.5%	6.1%	7.0%	8.5%
Adj. EBIT margin	4.9%	5.7%	5.1%	7.5%	5.4%	5.4%	5.8%	7.3%	4.7%	5.4%	6.3%	7.8%
Adj. Incremental margin	5.8%	14.4%	7.4%	5.7%	-17.2%	90.7%	0.6%	2.7%	-0.3%	-60.4%	10.7%	27.6%

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 23	Q4 23	Q1 24	Q2 24	Q3 24E	Q4 24E
Net sales												
Supply Chain Solutions	2,769	2,914	3,325	3,259	2,903	2,815	2,603	2,781	2,627	2,861	2,954	2,977
Print & Packaging Solutions	637	643	686	874	719	675	686	833	679	673	690	846
Group functions	10	11	11	11	12	12	12	12	13	13	11	11
Eliminations	-45	-43	-43	-45	-47	-52	-47	-50	-50	-43	-45	-45
Total sales	3,371	3,525	3,979	4,099	3,587	3,450	3,254	3,576	3,269	3,504	3,611	3,789
Sales bridge												
Volume	3%	6%	13%	6%	-1%	-8%	-12%	-12%	-9%	0%	2%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Structural	20%	14%	16%	4%	-2%	-2%	1%	4%	5%	8%	12%	5%
FX	6%	7%	9%	12%	8%	8%	6%	4%	0%	1%	-2%	-2%
Other	0%	0%	0%	0%	0%	-1%	-13%	-8%	-6%	-6%	-1%	-1%
Total growth	23%	27%	39%	22%	6%	-2%	-18%	-13%	-9%	2%	11%	6%
Growth per segment quarterly (%)												
Supply Chain Solutions												
Volume	10%	11%	15%	4%	-2%	-9%	-14%	-13%	-9%	0%	2%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Structural	24%	16%	21%	6%	-2%	-2%	2%	5%	7%	10%	15%	7%
FX	6%	7%	10%	12%	9%	9%	6%	4%	1%	1%	-2%	-2%
Other	0%	0%	0%	0%	0%	-1%	-16%	-11%	-8%	-8%	-2%	-2%
Total growth	34%	34%	45%	21%	5%	-3%	-22%	-15%	-10%	2%	13%	7%
Print & Packaging Solutions												
Volume	-20%	-10%	7%	12%	6%	-2%	-6%	-9%	-7%	0%	2%	3%
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%	0%	1%	-1%	-1%
Other	0%	0%	0%	0%	0%	1%	1%	1%	1%	-1%	0%	0%
Total growth	-8%	3%	16%	25%	13%	5%	0%	-5%	-6%	0%	1%	2%
EBIT per segment quarterly (SEKm)												
Supply Chain Solutions	156	233	179	187	180	154	154	159	92	134	191	213
Print & Packaging Solutions	22	18	26	76	-40	26	43	83	49	39	45	92
Group functions	-13	-10	-12	-12	-12	-7	-8	-5	-13	-32	-8	-8
Group EBIT	165	241	193	251	128	173	189	237	129	141	227	296
Adj. EBIT per segment quarterly												
Supply Chain Solutions	156	193	179	235	180	154	154	179	118	163	191	213
Print & Packaging Solutions	22	18	35	86	28	40	43	88	49	39	45	92
Group functions	-13	-10	-12	-12	-12	-7	-8	-5	-13	-50	-8	-8
Adj group EBIT	165	201	202	309	196	187	189	262	154	152	227	296
EBIT margin per segment quarterly												
Supply Chain Solutions	5.6%	8.0%	5.4%	5.7%	6.2%	5.5%	5.9%	5.7%	3.5%	4.7%	6.5%	7.1%
Print & Packaging Solutions	3.5%	2.8%	3.8%	8.7%	-5.6%	3.9%	6.3%	10.0%	7.3%	5.8%	6.5%	10.9%
EBIT margin	4.9%	6.8%	4.9%	6.1%	3.6%	5.0%	5.8%	6.6%	3.9%	4.0%	6.3%	7.8%
Adj. EBIT margin per segment quarterly												
Supply Chain Solutions	5.6%	6.6%	5.4%	7.2%	6.2%	5.5%	5.9%	6.4%	4.5%	5.7%	6.5%	7.1%
Print & Packaging Solutions	3.5%	2.8%	5.1%	9.8%	3.9%	5.9%	6.3%	10.6%	7.3%	5.8%	6.5%	10.9%
Adj EBIT margin	4.9%	5.7%	5.1%	7.5%	5.5%	5.4%	5.8%	7.3%	4.7%	4.3%	6.3%	7.8%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL ESTIMATES (SEKm; EPS IN SEK)

(SEKm)	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	Q4 24E
Net sales	3,371	3,525	3,979	4,099	3,589	3,450	3,253	3,574	3,268	3,503	3,611	3,789
Cost of goods sold	-2,879	-3,000	-3,417	-3,448	-3,064	-2,877	-2,671	-2,906	-2,703	-2,921	-2,975	-3,122
Gross profit	492	525	562	651	525	573	582	668	565	582	635	667
Sales and administrative expenses	-338	-356	-380	-410	-405	-401	-413	-432	-441	-468	-424	-430
Other operating income	26	83	36	51	25	24	26	55	31	27	41	68
Other operating expenses	-16	-11	-26	-41	-18	-24	-8	-54	-27	-1	-26	-9
EBITDA	430	506	466	538	421	480	501	569	461	514	605	673
Depreciation	-33	-31	-30	-33	-26	-27	-27	-30	-25	-47	-47	-49
Leases	-210	-212	-220	-232	-245	-257	-262	-275	-281	-299	-304	-300
EBITA	187	263	216	273	150	196	212	264	155	168	254	323
Amortisation of intangible acq related assets	-22	-22	-23	-22	-22	-23	-23	-27	-26	-27	-27	-27
EBIT	165	241	193	251	128	173	189	237	129	141	227	296
Net financials	-36	-36	-42	-70	-77	-73	-82	-94	-111	-135	-134	-132
PTP	129	205	151	181	51	100	107	143	18	6	93	165
Income tax	-41	-63	-35	-41	-25	-34	-39	-42	-10	-3	-28	-49
Net profit	88	142	115	140	26	66	68	101	8	3	65	115
Earnings per share (SEK)	2.40	3.87	3.04	3.87	0.68	1.83	1.88	2.69	0.20	0.06	1.82	3.23
Adj. EBITDA	430	466	475	596	489	494	501	594	486	561	605	673
Adj. EBITA	187	223	225	331	218	210	212	289	180	215	254	323
Adj. EBIT	165	201	202	309	196	187	189	262	154	188	227	296
Tax on EO	0	-12	2	13	34	5	0	7	14	24	0	0
Adj. Net profit	88	170	109	95	-9	57	68	83	-4	74	65	115
Adj. EPS	2.40	4.66	2.84	2.61	-0.29	1.57	1.88	2.19	-0.13	2.05	1.82	3.23
Gross margin	14.6%	14.9%	14.1%	15.9%	14.6%	16.6%	17.9%	18.7%	17.3%	16.6%	17.6%	17.6%
EBITDA margin	12.8%	14.4%	11.7%	13.1%	11.7%	13.9%	15.4%	15.9%	14.1%	14.7%	16.8%	17.8%
EBITA margin	5.5%	7.5%	5.4%	6.7%	4.2%	5.7%	6.5%	7.4%	4.7%	4.8%	7.0%	8.5%
EBIT margin	4.9%	6.8%	4.9%	6.1%	3.6%	5.0%	5.8%	6.6%	3.9%	4.0%	6.3%	7.8%
Incremental margin	5.8%	14.4%	7.4%	5.7%	-17.2%	90.7%	0.6%	2.7%	-0.3%	-60.4%	10.7%	27.6%
Adj. EBITDA margin	12.8%	13.2%	11.9%	14.5%	13.6%	14.3%	15.4%	16.6%	14.9%	16.0%	16.8%	17.8%
Adj. EBITA margin	5.5%	6.3%	5.7%	8.1%	6.1%	6.1%	6.5%	8.1%	5.5%	6.1%	7.0%	8.5%
Adj. EBIT margin	4.9%	5.7%	5.1%	7.5%	5.4%	5.4%	5.8%	7.3%	4.7%	5.4%	6.3%	7.8%
Adj. Incremental margin	5.8%	14.4%	7.4%	5.7%	-17.2%	90.7%	0.6%	2.7%	-0.3%	-60.4%	10.7%	27.6%

Source: Company data and Nordea estimates

ELANDERS: ANNUAL SALES AND EBIT BRIDGE

(SEKm)	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net sales									
Supply Chain Solutions	8,526	8,775	8,408	9,204	12,267	11,102	11,420	11,934	12,471
Print & Packaging Solutions	2,244	2,564	2,728	2,606	2,840	2,913	2,888	2,946	2,975
Group functions	47	37	40	40	43	48	48	48	49
Eliminations	-75	-122	-126	-117	-176	-196	-183	-187	-190
Total sales	10,946	11,254	11,050	11,733	14,974	13,867	14,173	14,741	15,304
Sales bridge									
Volume	8%	1%	0%	7%	7%	-9%	-1%	5%	4%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%	0%
Structural	1%	0%	0%	4%	13%	1%	8%	0%	0%
FX	5%	4%	-2%	-4%	9%	7%	-1%	0%	0%
Other	0%	0%	0%	0%	0%	-6%	-4%	-1%	0%
Total growth	15%	5%	-2%	6%	28%	-7%	2%	4%	4%
Growth per segment annual (%)									
Supply Chain Solutions	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Volume	8%	-2%	-3%	11%	10%	-10%	-1%	6%	5%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%	0%
Structural	1%	0%	0%	4%	16%	1%	9%	0%	0%
FX	6%	4%	-1%	-5%	9%	7%	-1%	0%	0%
Other	0%	0%	0%	0%	0%	-7%	-5%	-1%	0%
Total growth	22%	3%	-4%	9%	33%	-9%	3%	5%	5%
Print & Packaging Solutions									
Volume	9%	12%	10%	-4%	-3%	-3%	0%	2%	1%
Price/Mix	0%	0%	0%	0%	0%	0%	0%	0%	0%
Structural	0%	-2%	0%	3%	3%	0%	0%	0%	0%
FX	4%	4%	-4%	-3%	9%	5%	-1%	0%	0%
Other	0%	0%	0%	0%	0%	1%	0%	0%	0%
Total growth	1%	14%	6%	-4%	9%	3%	-1%	2%	1%
EBIT per segment annual (SEKm)									
Supply Chain Solutions	346	220	435	459	755	647	629	847	890
Print & Packaging Solutions	132	174	147	162	142	112	225	222	225
Group functions	-20	-34	-36	-42	-47	-32	-61	-42	-43
Group EBIT	458	360	546	579	850	727	793	1,026	1,072
Adj. EBIT per segment annual									
Supply Chain Solutions	346	362	435	475	763	667	684	847	890
Print & Packaging Solutions	132	181	147	162	161	199	225	222	225
Group functions	-20	-34	-36	-42	-47	-32	-79	-42	-43
Adj group EBIT	458	509	546	596	877	834	830	1,026	1,072
EBIT margin per segment annual									
Supply Chain Solutions	4.1%	2.5%	5.2%	5.0%	6.2%	5.8%	5.5%	7.1%	7.1%
Print & Packaging Solutions	5.9%	6.8%	5.4%	6.2%	5.0%	3.8%	7.8%	7.5%	7.6%
EBIT margin	4.2%	3.2%	4.9%	4.9%	5.7%	5.2%	5.6%	7.0%	7.0%
Adj. EBIT margin per segment annual									
Supply Chain Solutions	4.1%	4.1%	5.2%	5.2%	6.2%	6.0%	6.0%	7.1%	7.1%
Print & Packaging Solutions	5.9%	7.1%	5.4%	6.2%	5.7%	6.8%	7.8%	7.5%	7.6%
Adj EBIT margin	4.2%	4.5%	4.9%	5.1%	5.9%	6.0%	5.9%	7.0%	7.0%

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	14,171	14,741	15,304
Revenue growth	48.4%	48.6%	15.0%	4.8%	-1.8%	6.2%	27.6%	-7.4%	2.2%	4.0%	3.8%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	519	563	725	1,260	1,426	1,481	1,940	1,971	2,253	2,408	2,492
Depreciation and impairments PPE	-132	-192	-203	-844	-827	-843	-1,001	-1,149	-1,352	-1,284	-1,324
of which leased assets	0	0	0	-688	-658	-720	-874	-1,039	-1,184	-1,112	-1,148
EBITA	387	371	522	416	599	638	939	822	900	1,125	1,168
Amortisation and impairments	-40	-63	-64	-56	-53	-58	-89	-95	-107	-98	-96
EBIT	347	308	458	360	546	580	850	727	793	1,026	1,072
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	-511	-471	-404
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	401	282	556	667
Reported taxes	-82	-64	-107	-63	-86	-151	-180	-140	-90	-167	-200
Net profit from continued operations	221	164	258	154	329	331	485	261	192	389	467
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	250	188	385	462
EPS, SEK	7.48	4.61	7.16	4.19	9.19	9.11	13.19	7.08	5.31	10.89	13.07
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%	15.9%	16.3%	16.3%
EBITA	6.2%	4.0%	4.9%	3.7%	5.4%	5.4%	6.3%	5.9%	6.4%	7.6%	7.6%
EBIT	5.5%	3.3%	4.3%	3.2%	4.9%	4.9%	5.7%	5.2%	5.6%	7.0%	7.0%

Adjusted earnings

EBITDA (adj)	558	589	725	1,409	1,426	1,497	1,967	2,078	2,325	2,408	2,492
EBITA (adj)	426	397	522	565	599	654	966	929	973	1,125	1,168
EBIT (adj)	386	334	458	509	546	596	877	834	866	1,026	1,072
EPS (adj, SEK)	8.80	5.35	7.16	7.13	9.19	9.56	13.95	10.11	7.36	10.89	13.07

Adjusted profit margins in percent

EBITDA (adj)	8.9%	6.3%	6.7%	12.5%	12.9%	12.8%	13.1%	15.0%	16.4%	16.3%	16.3%
EBITA (adj)	6.8%	4.2%	4.9%	5.0%	5.4%	5.6%	6.5%	6.7%	6.9%	7.6%	7.6%
EBIT (adj)	6.1%	3.6%	4.3%	4.5%	4.9%	5.1%	5.9%	6.0%	6.1%	7.0%	7.0%

Performance metrics

CAGR last 5 years											
Net revenue	27.9%	37.2%	38.7%	24.7%	21.1%	13.3%	9.9%	5.2%	4.7%	5.9%	5.5%
EBITDA	21.4%	21.9%	32.4%	33.9%	27.3%	23.3%	28.1%	22.1%	12.3%	11.1%	11.0%
EBIT	25.9%	21.1%	41.8%	15.6%	13.3%	10.8%	22.5%	9.7%	17.1%	13.5%	13.1%
EPS	20.1%	18.1%	54.5%	3.7%	8.3%	4.0%	23.4%	-0.2%	4.9%	3.5%	7.5%
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%	5.3%	5.7%	6.1%
Average EBITDA margin	8.9%	7.7%	7.4%	8.3%	9.2%	10.1%	11.4%	12.8%	13.8%	14.5%	15.1%

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	9.5	13.3	9.0	7.5
EV/EBITDA (adj)	9.6	9.4	7.8	5.0	5.0	7.1	6.0	5.6	5.2	4.9	4.4
EV/EBITA (adj)	12.6	14.0	10.8	12.5	11.8	16.3	12.3	12.5	12.4	10.5	9.5
EV/EBIT (adj)	13.9	16.7	12.3	13.9	13.0	17.9	13.6	13.9	13.9	11.5	10.3

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	13.6	18.4	9.0	7.5
EV/Sales	0.85	0.60	0.52	0.63	0.64	0.91	0.79	0.84	0.85	0.80	0.72
EV/EBITDA	10.3	9.9	7.8	5.6	5.0	7.2	6.1	5.9	5.4	4.9	4.4
EV/EBITA	13.9	15.0	10.8	17.0	11.8	16.8	12.7	14.2	13.4	10.5	9.5
EV/EBIT	15.5	18.1	12.3	19.7	13.0	18.4	14.0	16.0	15.2	11.5	10.3
Dividend yield (ord.)	2.4%	3.2%	3.3%	0.0%	2.6%	2.1%	2.8%	4.3%	5.1%	5.3%	5.6%
FCF yield	-50.2%	-11.3%	10.3%	38.8%	38.1%	-5.4%	15.7%	22.7%	26.4%	32.0%	47.0%
FCF Yield bef A&D, lease adj	7.0%	-9.0%	9.5%	16.7%	22.7%	4.2%	3.8%	9.6%	31.6%	23.9%	27.4%
Payout ratio	29.6%	48.6%	40.5%	0.0%	33.7%	37.7%	29.7%	41.1%	67.9%	47.7%	42.1%

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	6,220	6,517	6,421
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	1,425	1,327	1,230
of which goodwill	0	0	0	0	0	2,500	3,655	4,452	4,795	5,191	5,191
Tangible assets	1,047	1,075	1,056	2,797	2,255	3,372	4,970	5,279	5,491	5,121	4,704
of which leased assets	0	0	0	1,865	1,737	2,674	4,152	4,536	4,579	4,144	3,673
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	12,170	12,097	11,583
Inventory	295	390	468	335	233	400	619	349	397	413	429
Accounts receivable	1,396	1,795	1,762	1,740	1,344	1,822	2,139	2,038	1,984	2,064	2,143
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	312	333	511	448	324	438	567	586	524	545	566
Cash and bank	651	679	722	655	1,101	898	904	1,107	1,315	1,133	1,428
Total current assets	2,654	3,197	3,463	3,178	3,002	3,559	4,229	4,080	4,220	4,155	4,565
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	16,390	16,252	16,148
Shareholders equity	2,411	2,453	2,707	2,777	2,908	3,277	3,835	3,825	3,865	4,074	4,352
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	3,909	4,121	4,404
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	4,557	4,557	4,557
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	3,711	3,277	2,806
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	8,754	8,319	7,848
Short-term provisions	0	0	1	1	0	139	169	157	160	167	173
Accounts payable	1,263	1,403	1,569	1,597	1,588	875	893	850	869	904	938
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	1,077	1,121	1,164
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	3,727	3,812	3,896
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	16,390	16,252	16,148
Balance sheet and debt metrics											
Net debt	2,223	2,665	2,539	3,994	2,854	4,511	6,560	8,191	8,575	8,321	7,556
of which lease debt	0	0	0	1,898	1,770	2,755	4,286	4,670	4,712	4,278	3,807
Working capital	740	1,115	1,171	925	313	704	1,242	1,069	959	998	1,036
Invested capital	4,868	5,326	5,445	6,951	5,950	8,945	11,587	12,620	13,129	13,095	12,619
Capital employed	5,285	5,797	5,968	7,287	6,863	9,352	11,973	13,084	13,798	13,576	13,388
ROE	11.3%	6.7%	9.8%	5.4%	11.4%	10.4%	13.1%	6.5%	4.9%	9.7%	11.0%
ROIC	7.3%	4.5%	5.8%	5.6%	5.8%	5.4%	5.8%	4.7%	4.6%	5.3%	5.7%
ROCE	9.6%	6.0%	7.8%	7.7%	7.7%	7.4%	8.2%	6.7%	6.4%	7.5%	7.9%
Net debt/EBITDA	4.3	4.7	3.5	3.2	2.0	3.0	3.4	4.2	3.8	3.5	3.0
Interest coverage	7.9	3.9	4.9	2.5	4.2	5.9	4.6	2.2	1.6	2.2	2.7
Equity ratio	35.6%	33.1%	35.0%	30.2%	33.7%	27.8%	26.3%	24.5%	23.6%	25.1%	26.9%
Net gearing	92.2%	108.6%	93.8%	143.8%	98.0%	136.5%	169.5%	212.0%	219.4%	201.9%	171.6%

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	1,971	2,253	2,408	2,492
Paid taxes	-104	-133	-127	-114	-41	-128	-196	-242	-90	-167	-200
Net financials	0	0	1	-143	-131	-98	-184	-326	-511	-471	-404
Change in provisions	0	0	1	0	-1	257	25	-13	3	6	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	27	0	0	0
Funds from operations (FFO)	344	355	451	1,232	1,266	1,202	1,582	1,411	1,655	1,778	1,894
Change in NWC	-13	-419	4	104	461	-139	-476	371	281	-39	-38
Cash flow from operations (CFO)	331	-64	455	1,336	1,727	1,063	1,106	1,782	1,936	1,739	1,856
Capital expenditure	-112	-196	-161	-133	-88	-128	-229	-180	-167	-236	-230
Free cash flow before A&D	219	-260	294	1,203	1,639	935	877	1,602	1,769	1,503	1,626
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	-856	-396	0
Free cash flow	-1,575	-327	318	1,196	1,611	-332	831	770	913	1,107	1,626
Free cash flow bef A&D, lease adj	219	-260	294	515	962	258	200	325	1,092	826	949
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	627	0	0
Other financing adjustments	0	0	0	1	-655	-720	-861	-110	-1,185	-1,112	-1,148
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	208	-181	294
Cash flow metrics											
Capex/D&A	65.1%	76.9%	60.3%	14.8%	10.0%	14.2%	21.0%	14.5%	11.4%	17.1%	16.2%
Capex/Sales	1.8%	2.1%	1.5%	1.2%	0.8%	1.1%	1.5%	1.3%	1.2%	1.6%	1.5%
Key information											
Share price year end (/current)	106	82	87	87	120	174	150	96	98	98	98
Market cap.	3,140	2,899	3,083	3,083	4,229	6,152	5,304	3,398	3,458	3,458	3,458
Enterprise value	5,363	5,564	5,622	7,077	7,087	10,691	11,899	11,628	12,076	11,827	11,067
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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