

RESULTS PREVIEW

14 January 2025
Sweden
Transportation

Research analysts:

Markus Almerud

Elanders

Share price: SEK84.6

Fair value range: SEK109.0–152.0

We expect organic growth to keep accelerating – Q4 preview

Expecting recovery in volumes to continue in Q4 and into 2025

After six quarters of no or negative organic growth Y/Y, Elanders posted 4% organic growth in Q3, and we estimate 5% organic growth in Q4. We expect electronics, industrials and health care to continue to grow, while we expect fashion will grow in Europe and decline in the US. We will look for any signs that Automotive has troughed.

Margin should continue to recover

With cost savings in the US fashion segment following the consolidation of Bergen Logistics' warehouse in Pennsylvania with the one in Atlanta, and closure of parts of the subscription box operations and the road operations, we expect the EBITA margin to continue to expand next year. For Q4(24), we expect the margin to be slightly lower Y/Y but higher Q/Q.

Road transport deconsolidation

On 16 December 2024, Elanders announced that it will close most of its road transport operations in Germany, including parts of its truck fleet. The closures will lower sales by around SEK900m starting from H2(25). We remove the road operation from our estimates, which leads to adj. EPS cuts of 4% for 2025e and 6% for 2026e.

Upcoming events

- Q4 Report: 28 Jan 2025
- Q1 Report: 23 Apr 2025
- AGM 2025: 23 Apr 2025
- Q2 Report: 11 Jul 2025

Structural growth drivers are intact

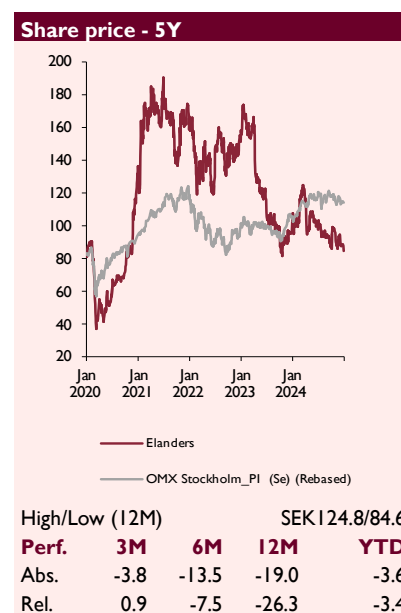
We expect secular trends such as reshoring and the build-up of alternative value chains to secure supply to continue, which in our view will drive investments into logistics. This should benefit companies such as Elanders. We believe that the pressure on organic growth experienced in the past year is cyclical rather than structural, and that the long-term growth drivers are intact.

Our fair value range is based on a mix of multiples and SOTP. Based on our estimates, we reach a fair value range of SEK109–152 (140–150).

Changes in this report			
	From	To	Chg
EPS adj. 2024e	9.3	9.8	+4%
EPS adj. 2025e	11.7	11.3	-4%
EPS adj. 2026e	14.4	13.6	-6%

Key facts	
No. shares (m)	35.4
Market cap. (USDm)	265
Market cap. (SEKm)	2,991
Net IB Debt. (SEKm)	9,062
Adjustments (SEKm)	10
EV (2024e) (SEKm)	12,064
Free float	35.0%
Avg. daily vol. ('000)	10
Risk	Medium Risk
Fiscal year end	December
Share price as of (CET)	13 Jan 2025 17:29

Key figures (SEK)	2023	2024e	2025e	2026e
Sales (m)	13,867	14,175	14,312	14,527
EBITDA (m)	1,967	2,225	2,296	2,427
EBIT (m)	724	847	905	1,015
EPS	7.01	7.38	8.31	10.6
EPS adj.	11.7	9.75	11.3	13.6
DPS	4.15	4.15	4.15	4.50
Sales growth Y/Y	-7%	2%	1%	1%
EPS adj. growth Y/Y	-29%	-17%	16%	21%
EBIT margin	5.2%	6.0%	6.3%	7.0%
P/E adj.	7.2	8.7	7.5	6.2
EV/EBIT	16.0	14.4	13.1	11.3
EV/EBITA	14.1	12.8	11.7	10.3
EV/EBITDA	5.9	5.5	5.1	4.7
P/BV	0.8	0.8	0.7	0.7
Dividend yield	4.9%	4.9%	4.9%	5.3%
FCF yield	53.5%	42.5%	48.9%	52.1%
Equity/Total Assets	24.7%	24.2%	25.3%	26.7%
ROCE	7.7%	6.4%	6.6%	7.5%
ROE adj.	10.8%	8.9%	9.9%	11.4%
Net IB debt/EBITDA	4.2	4.1	3.8	3.5



Source: Carnegie Research, FactSet, Millstream & company data

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Equity story

Near term: 6–12m

We expect organic growth to continue to recover throughout 2025. The recovery in volumes, together with implemented cost savings, will support the margin and we expect Elanders to reach its EBITA margin target of 7% during 2025. The closure of the road transportation business in Germany, which will be implemented from H2 2025, will further support the margin.

Long term: 5Y+

Since 2016 Elanders has transformed into a logistics provider from a printing group. We do not feel this is properly understood in the market. We expect the reshoring trend to continue, and that the diversification of supply chains will lead to increased investments in logistics, which will benefit companies such as Elanders and should change the perception of the stock. Furthermore, since at least 2019 cash flow has been very strong, which is also not reflected in the valuation, in our view.

Key risks:

- Downturn in business cycle
- Outsourcing of logistics services will decrease
- Online print growth declines
- Difficulties to integrate made acquisitions or that future acquisitions fall short of expectations

Company description

Elanders is a global logistics company offering a broad service range of integrated solutions within supply chain management. The business is mainly operated through two business areas, Supply Chain Solutions and Print & Packaging Solutions. In Supply Chain Solutions (~80% of sales) it handles and optimises customers flows of raw materials, components, ready products, money and information throughout the entire lifecycle of the products, from suppliers and manufacturers to the end customer. Elanders has more than 100 years of experience in printing services.

Key industry drivers

- Business cycle
- Reshoring and investments in the logistics
- Continuous diversification of value chains

Industry outlook

- We expect a gradual recovery of the general business environment throughout 2025
- We expect continuous reshoring and build-up of alternative supply chains

Largest shareholders

Carl Bennet	50.2%
Svolder	12.1%
Fjärde AP-fonden	8.5%

Cyclicality

Cyclicality: N/A

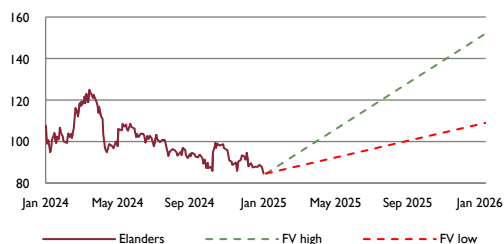
Key peers

Kuehne & Nagel, DSV, DHL, Schenker

Valuation and methodology

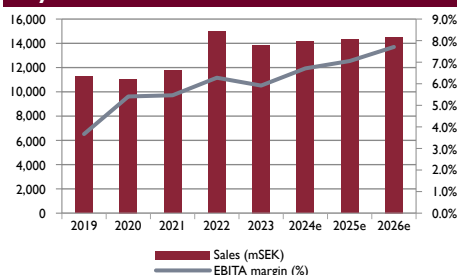
Our fair value range is based on a mix of multiples and sum-of-the-parts (SOTP). In our multiples-based analysis we apply a P/E of 16x and EV/EBITA of 14x on 2026e earnings, which is largely in line with peers, in upside and downside scenarios, and discount the values back to today. In our SOTP we use EV/EBITA 14x for Supply Chain Solutions and 13x for Print & packaging Solutions, with the higher multiple for Supply Chain Solutions explained by the higher underlying growth rate.

Fair value range 12m

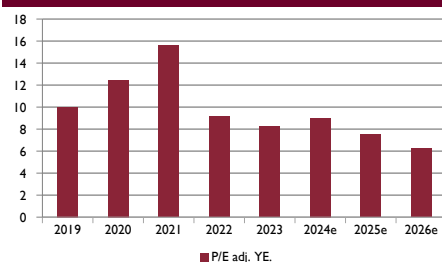


The upper part of the range reflects a recovery in sales throughout 2025 with continued growth in 2026, with a 3-year sales CAGR of 2% and an EBITA CAGR of 6%. The lower part of the range assumes a slower recovery with a 3-year sales CAGR of 0% and an EBITA CAGR of 4%.

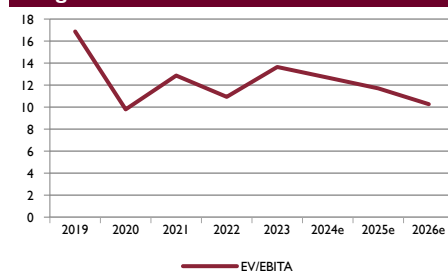
Key metrics



PE 12m forward



Long term valuation trend

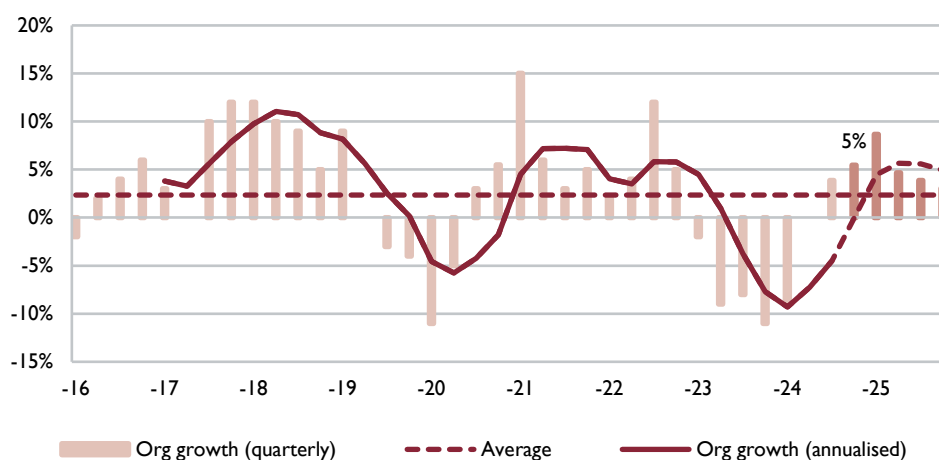


Source: Carnegie Research & company data

Elanders in key charts

Organic growth has troughed, and we expect it to continue to accelerate in coming quarters

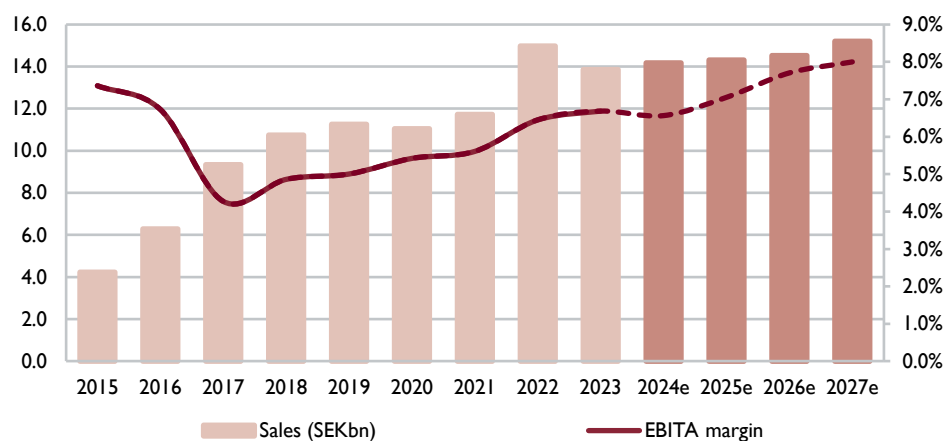
Elanders organic growth



Source: Company data, Carnegie Research

With organic growth returning, cost savings materialising and the closure of unprofitable units, we expect the margin to expand in the coming years

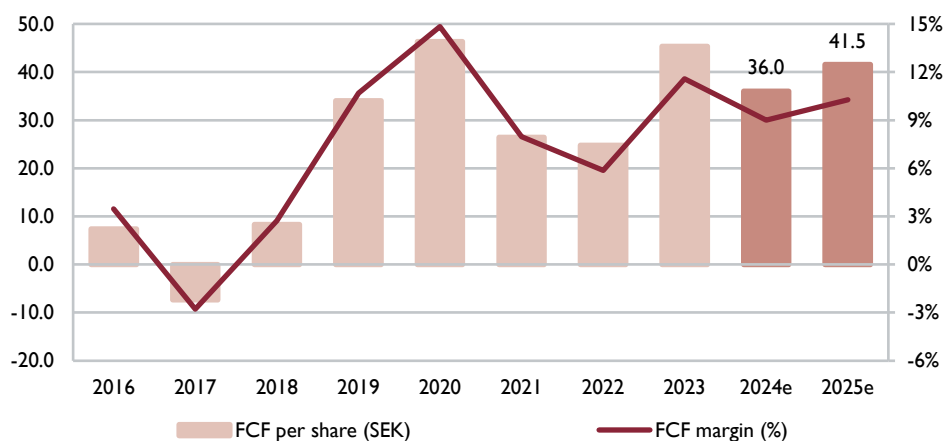
Elanders sales and EBITA margin



Source: Company data, Carnegie Research

Elanders has generated SEK25–48 FCF per share since 2019 and we expect the strong cash flow generation to continue

Elanders FCF per share and FCF margin



Source: Company data, Carnegie Research

Valuation and risks

Our fair value range is based on upside and downside scenarios applied to multiples-based and sum-of-the-parts valuations. Based on our estimates, we arrive at a fair value range of SEK109–152 (140–150).

Assumptions

Our multiples-based approach returns values of SEK131–156 per share. We use a P/E of 16x and an EV/EBITA of 14x, largely in line with peers, to which we apply our 2026 estimates and discount the values back to today.

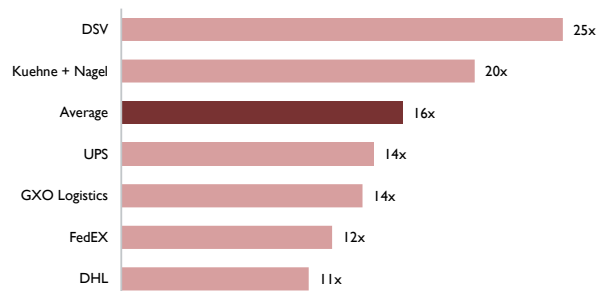
Our upside scenario is based on a recovery in sales throughout 2025 with continued growth in 2026, with a 3-year sales CAGR of 2% and an EBITA CAGR of 6%, while our downside scenario is based on a 3-year sales CAGR of 0% and an EBITA CAGR of 4%.

Multiple-based calculations

<u>P/E based</u>	Upside	Downside
2026 EPS (SEK)	10.6	9.3
P/E multiple	16x	16x
Value end of 2025 (SEK)	170	149
PV per share	158	139
<u>EV/EBIT based</u>		
2026 EBITA (SEKm)	1,120	1,052
EV/EBITA multiple	14x	14x
EV end 2025 (SEKbn)	15.7	14.7
PV EV (SEKbn)	14.6	13.7
Current net debt (SEKbn)	9.0	9.0
Equity value (SEKbn)	5.5	4.6
No shares (m)	35	35
Value per share (SEK)	156	131

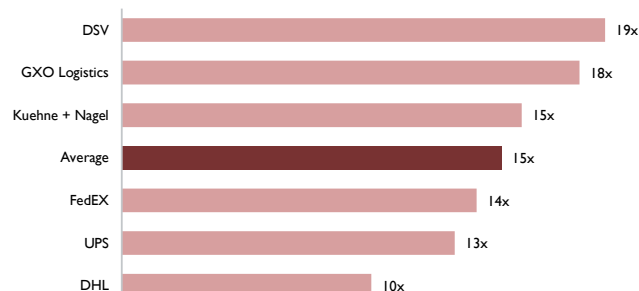
Source: Carnegie Research

P/E 2025e Elanders peers



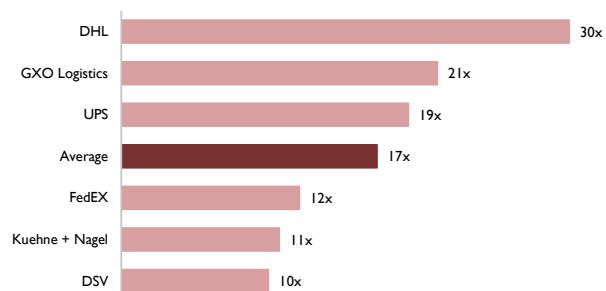
Source: Factset, Carnegie Research

EV/EBIT 2025e Elanders peers



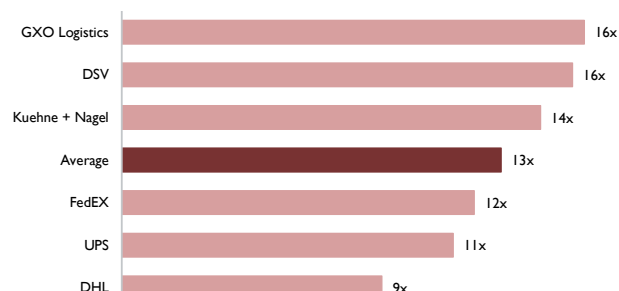
Source: Factset, Carnegie Research

P/E 2026e Elanders peers



Source: Factset, Carnegie Research

EV/EBIT 2026e Elanders peers



Source: Factset, Carnegie Research

In our SOTP, we reach a valuation range of SEK83–148 using an EV/EBITA of 14x for Supply Chain Solutions and 13x for Print and Packaging Solutions, with the higher multiple for Supply Chain Solutions explained by the higher underlying growth rate.

Our upside scenario is based on a recovery in sales throughout 2025 with continued growth in 2026, with a 3-year sales CAGR of 2% and an EBITA CAGR of 6%, while our downside scenario is based on a 3-year sales CAGR of 0% and an EBITA CAGR of 4%.

SOTP

<u>Supply Chain Solutions</u>	Upside	Downside
2026 EBITA (SEKm)	927	772
EV/EBITA multiple	14x	14x
EV end 2025 (SEKbn)	13.0	10.8
PV EV (SEKbn)	12.1	10.0
Pro rata net debt (SEKbn)	7.2	7.2
Equity value (SEKbn)	4.8	2.8
No shares (m)	35	35
Value per share (SEK)	136	79
 <u>Print & Packaging Solutions</u>		
2026 EBITA (SEKm)	235	212
EV/EBITA multiple	13x	13x
EV end 2025 (SEKbn)	3.0	2.8
PV EV (SEKbn)	2.8	2.6
Pro rata net debt (SEKbn)	1.9	1.9
Equity value (SEKbn)	1.0	0.7
No shares (m)	35	35
Value per share (SEK)	27	20
 <u>Corporate</u>		
2026 EBITA (SEKm)	-42	-42
EV/EBITA multiple	14	14
EV end 2025 (SEKbn)	-0.6	-0.6
PV EV (SEKbn)	-0.5	-0.5
No shares (m)	35	35
Value per share (SEK)	-15	-15
 <u>Summary</u>		
Supply Chain	136	79
Print & Packaging	27	20
Koncern	-15	-15
Total	148	83

Source: Carnegie Research

Risks

Elanders faces several potential risks that could impact its operations and financial performance. Below we have outlined the risks that we consider to be the most significant for the company. Note that the list should not be considered exhaustive, and is presented in no particular order.

- **Market and economic risks:** Demand in end markets is cyclical as end markets such as fashion, electronics. Even though Supply Chain Solutions is affected by structural growth drivers, which should drive growth over time, swings could be substantial in the short term. While digital print drives growth in Paper & Packaging Solutions, the continuous decrease of traditional print works in the opposite direction.
- **Operational risks:** Price changes in transportation costs have had significant impact on sales and earnings in the past couple of years and could do so again. The component shortage in 2021–22 that followed the pandemic particularly impacted the automotive and market and made sales unpredictable and volatile.
- **Strategic risks:** Elanders is active in contract logistics and is as such dependent on its customers outsourcing all or parts of its supply chain. If customers would start to insource these services to a large extent, we could see sales getting under secular pressure. In Print & Packaging solutions we could see a faster deterioration of traditional printing services and a slower pickup of digital print than we have expected.
- **Regulatory and compliance risks:** Trade barriers, sanctions or tariffs could pose a risk to global trade, which could decrease volumes for contract logistics providers. Harsher environmental and climate regulations could also make trade more difficult. work in the same direction.
- **Technological risks:** Elanders is often deeply integrated in its customers' operations and as such it is vulnerable to the increase in cyber-attacks. It is also highly dependent on IT Infrastructure and on advanced IT systems for core operations. Finally, if warehouse automation keeps increasing it could lead to a concentration to the largest players that has been able to invest heavily in automation systems.

Interim figures

Carnegie estimates	2023	2024					2025												
SEKm	Q4	Q1	Q2	Q3	Q4e	Q1e	Q2e	Q3e	Q4e	2023	2024e	2025e	2026e	2027e					
Sales	3,574	3,268	3,503	3,598	3,806	3,464	3,640	3,512	3,696	13,867	14,175	14,312	14,527	15,200					
Growth	-13%	-9%	2%	11%	6%	6%	4%	-2%	-3%	-7%	2%	1%	1%	5%					
Organic	-11%	-9%	0%	4%	5%	9%	5%	4%	3%	-9%	0%	5%	5%	5%					
Acquisitions	-2%	1%	-1%	-3%	0%	-1%	1%	0%	0%	-5%	-1%	0%	0%	0%					
Currency	0%	0%	2%	10%	1%	-2%	-2%	-6%	-6%	7%	3%	-4%	-3%	0%					
Adj EBITA	289	180	215	237	299	215	244	247	303	927	931	1,010	1,120	1,216					
Adj EBITA margin	8.1%	5.5%	6.1%	6.6%	7.8%	6.2%	6.7%	7.0%	8.2%	6.7%	6.6%	7.1%	7.7%	8.0%					
PPA	-26	-26	-27	-27	-25	-26	-26	-26	-27	-96	-105	-105	-105	-105					
EO	-25	-25	-47	138	-45	0	0	0	0	-107	21	0	0	0					
EBIT	238	129	141	348	229	189	218	221	276	724	847	905	1,015	1,111					
EBIT margin	6.7%	3.9%	4.0%	9.7%	6.0%	5.4%	6.0%	6.3%	7.5%	5%	6%	6%	7%	7%					
Net financials	-95	-111	-136	-134	-133	-117	-116	-116	-120	-326	-514	-469	-457	-442					
Pre-tax Profit	143	18	5	214	95	72	102	105	156	398	332	435	557	669					
Tax	-42	-10	-3	-26	-30	-23	-33	-34	-50	-140	-69	-139	-178	-214					
Tax rate	30%	56%	60%	12%	32%	32%	32%	32%	32%	35%	21%	32%	32%	32%					
Net profit	100	8	2	188	65	49	70	72	106	258	263	296	379	455					
EPS (SEK)	2.65	0.23	0.03	5.26	1.86	1.38	1.94	2.00	2.99	7.0	7.4	8.3	10.6	12.8					
EPS Adj (SEK)	4.14	1.44	1.70	2.12	3.43	2.11	2.68	2.73	3.75	11.7	9.8	11.3	13.6	15.7					
Sales	2024																		
SEKm	Q4	Q1	Q2	Q3	Q4e										2023	2024e	2025e	2026e	2027e
Supply Chain Solutions	2,781	2,627	2,861	2,977	3,014	2,809	2,973	2,871	2,879	11,102	11,479	11,533	11,660	12,243					
Print & Packaging	833	679	673	656	832	693	698	676	857	2,913	2,840	2,924	3,011	3,102					
Other	-40	-38	-31	-35	-40	-38	-31	-35	-40	-149	-144	-144	-144	-144					
Group	3,574	3,268	3,503	3,598	3,806	3,464	3,640	3,512	3,696	13,866	14,175	14,312	14,527	15,200					
Organic sales growth	2024																		
Y/Y	Q4	Q1	Q2	Q3	Q4e										2023	2024e	2025e	2026e	2027e
Supply Chain Solutions	-13%	-9%	0%	5%	7%	10%	5%	4%	3%	-10%	1%	5%	5%	5%					
Print & Packaging	-9%	-7%	0%	-2%	0%	3%	3%	3%	3%	-3%	-2%	3%	3%	3%					
Group	-11%	-9%	0%	4%	5%	9%	5%	4%	3%	-9%	0%	5%	5%	5%					
Adj EBITA	2024																		
SEKm	Q4	Q1	Q2	Q3	Q4e										2023	2024e	2025e	2026e	2027e
Supply Chain Solutions	204	142	189	214	227	183	214	212	217	753	772	826	927	1,014					
Print & Packaging	90	51	41	32	77	45	45	44	91	208	201	226	235	244					
Group items	-5	-13	-15	-9	-5	-13	-15	-9	-5	-34	-42	-42	-42	-42					
Group	289	180	215	237	299	215	244	247	303	927	931	1,010	1,120	1,216					
Adj EBIT margin	2024																		
SEKm	Q4	Q1	Q2	Q3	Q4e										2023	2024e	2025e	2026e	2027e
Supply Chain Solutions	7.3%	5.4%	6.6%	7.2%	7.5%	6.5%	7.2%	7.4%	7.5%	6.8%	6.7%	7.2%	8.0%	8.3%					
Print & Packaging	10.8%	7.5%	6.1%	4.9%	9.2%	6.5%	6.5%	6.5%	10.7%	7.1%	7.1%	7.7%	7.8%	7.9%					
Group	8.1%	5.5%	6.1%	6.6%	7.8%	6.2%	6.7%	7.0%	8.2%	6.7%	6.6%	7.1%	7.7%	8.0%					

Source: Company data, Carnegie Research

Interim figures

	2024e	2024e		2025e	2025e		2026e	2026e	
Elanders - Estimate changes	Old	New	Chg	Old	New	Chg	Old	New	Chg
Sales	14,175	14,175	0%	14,762	14,312	-3%	15,449	14,527	-6%
Growth	2%	2%	+0 bps	4%	1%	-317 bps	5%	1%	-316 bps
Organic	0%	0%	+0 bps	5%	5%	+0 bps	5%	5%	-1 bps
Acq/div	3%	3%	+0 bps	-1%	-4%	-317 bps	0%	-3%	-314 bps
Currency	-1%	-1%	+0 bps	0%	0%	+0 bps	0%	0%	+0 bps
Adj EBITA	931	931	0%	1,031	1,010	-2%	1,160	1,120	-3%
Adj EBITA margin	6.6%	6.6%	+0 bps	7.0%	7.1%	+7 bps	7.5%	7.7%	+20 bps
PPA	-105	-105	0%	-105	-105	0%	-105	-105	0%
EO	66	21	-68%	0	0	n.m	0	0	n.m
EBIT	892	847	-5%	926	905	-2%	1,055	1,015	-4%
EBIT margin	6.3%	6.0%	-32 bps	6.3%	6.3%	+5 bps	6.8%	7.0%	+16 bps
Pre-tax profit	377	332	-12%	459	435	-5%	599	557	-7%
Net profit	293	263	-10%	312	296	-5%	407	379	-7%
EPS	8.2	7.4	-11%	8.8	8.3	-5%	11.4	10.6	-7%
EPS adj	9.8	9.8	0%	11.7	11.3	-4%	14.4	13.6	-6%
Sales									
Supply Chain Solutions	11,479	11,479	0%	11,983	11,533	-4%	12,582	11,660	-7%
Print & Packaging Solutions	2,840	2,840	0%	2,924	2,924	0%	3,011	3,011	0%
Other	-144	-144	0%	-144	-144	0%	-144	-144	0%
Group	14,175	14,175	0%	14,762	14,312	-3%	15,449	14,527	-6%
Organic sales growth									
Supply Chain Solutions	1%	1%	+0 bps	5%	5%	+0 bps	5%	5%	+0 bps
Print & Packaging Solutions	-2%	-2%	+0 bps	3%	3%	+0 bps	3%	3%	+0 bps
Group	0%	0%	+0 bps	5%	5%	+0 bps	5%	5%	-1 bps
Adj. EBITA									
Supply Chain Solutions	772	772	0%	847	826	-3%	967	927	-4%
Print & Packaging Solutions	201	201	0%	226	226	0%	235	235	0%
Other	-42	-42	0%	-42	-42	0%	-42	-42	0%
Group	931	931	0%	1,031	1,010	-2%	1,160	1,120	-3%
Adj. EBITA margin									
Supply Chain Solutions	6.7%	6.7%	+0 bps	7.1%	7.2%	+9 bps	7.7%	8.0%	+26 bps
Print & Packaging Solutions	7.1%	7.1%	+0 bps	7.7%	7.7%	+0 bps	7.8%	7.8%	+0 bps
Group	6.6%	6.6%	+0 bps	7.0%	7.1%	+7 bps	7.5%	7.7%	+20 bps

Source: Carnegie Research, Company data

Financial statements

Profit & loss (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	9,342	10,742	11,254	11,050	11,733	14,975	13,867	14,175	14,312	14,527
COGS	-8,008	-9,330	-9,780	-9,479	-10,088	-12,744	-11,519	-11,798	-11,842	-11,923
Gross profit	1,334	1,412	1,474	1,572	1,645	2,231	2,348	2,376	2,470	2,604
Other income & costs	-771	-687	-189	-141	-177	-290	-381	-151	-174	-177
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	563	725	1,285	1,431	1,468	1,940	1,967	2,225	2,296	2,427
Depreciation PPE	-181	-191	-144	-142	-143	-173	-178	-195	-197	-200
Depreciation lease assets	0	0	-712	-674	-669	-812	-952	-1,063	-1,073	-1,090
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	-12	-11	-16	-18	-15	-16	-17	-15	-17	-18
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	371	523	413	598	641	940	820	952	1,010	1,120
Amortization acquisition related	-63	-64	-54	-52	-61	-91	-96	-105	-105	-105
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	308	459	359	546	580	849	724	847	905	1,015
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	-78	-93	-143	-132	-98	-183	-326	-514	-469	-457
of which interest income/expenses	-78	-93	-143	-132	-98	-183	-326	-514	-469	-457
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	231	366	216	414	482	666	398	332	435	557
Taxes	-66	-108	-63	-122	-151	-180	-140	-69	-139	-178
Post-tax minorities interest	-1	-5	-5	-5	-9	-17	-10	-2	-2	-3
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	165	254	148	287	322	470	248	261	294	376
Adjusted EBITDA	591	725	1,435	1,431	1,485	1,966	2,074	2,204	2,296	2,427
Adjusted EBITA	399	523	563	598	658	966	927	931	1,010	1,120
Adjusted EBIT	336	459	509	546	597	875	831	826	905	1,015
Adjusted net profit	248	318	308	339	395	580	413	345	399	481
Sales growth Y/Y	48.6%	15.0%	4.8%	-1.8%	6.2%	27.6%	-7.4%	2.2%	1.0%	1.5%
EBITDA growth Y/Y	9.2%	28.6%	77.3%	11.3%	2.6%	32.2%	1.4%	13.1%	3.2%	5.7%
EBITA growth Y/Y	-3.3%	40.8%	-21.1%	44.9%	7.3%	46.6%	-12.8%	16.0%	6.1%	10.9%
EBIT growth Y/Y	-10.4%	48.9%	-21.8%	52.2%	6.3%	46.4%	-14.7%	16.9%	6.9%	12.2%
EBITDA margin	6.0%	6.7%	11.4%	12.9%	12.5%	13.0%	14.2%	15.7%	16.0%	16.7%
EBITA margin	4.0%	4.9%	3.7%	5.4%	5.5%	6.3%	5.9%	6.7%	7.1%	7.7%
EBIT margin	3.3%	4.3%	3.2%	4.9%	4.9%	5.7%	5.2%	6.0%	6.3%	7.0%
Tax rate	28.4%	29.4%	29.1%	29.5%	31.3%	27.0%	35.3%	20.9%	32.0%	32.0%
Cash flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	563	725	1,285	1,431	1,468	1,940	1,967	2,225	2,296	2,427
Paid taxes	-134	-128	-114	-42	-128	-196	-242	-69	-139	-178
Change in NWC	-419	4	104	461	-139	-476	371	-21	-9	-15
Non cash adjustments	2	-53	204	8	-40	21	13	-138	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	14	548	1,480	1,857	1,162	1,289	2,109	1,997	2,148	2,234
Capex tangible assets	-178	-145	-111	-79	-111	-212	-165	-195	-197	-200
Capitalised development costs	0	0	0	0	0	0	0	0	0	0
Capex - other intangible assets	-18	-16	-22	-8	-17	-16	-13	-13	-13	-13
Acquisitions/divestments	-67	24	-5	-30	-1,267	-44	-832	-1,076	0	0
Other non-cash adjustments	1	-1	-2	1	0	-2	-2	0	0	0
Total investing activities	-262	-138	-140	-116	-1,394	-274	-1,012	-1,284	-210	-213
Net financial items	-78	-93	-143	-132	-98	-183	-326	-514	-469	-457
Lease payments	0	0	0	0	0	0	0	0	0	0
Dividend paid and received	-92	-93	-104	0	-112	-137	-165	-147	-147	-159
Share issues & buybacks	0	0	0	0	0	0	0	0	0	0
Change in bank debt	463	-225	-472	-460	814	12	562	803	-251	-319
Other cash flow items	0	0	-706	-600	-648	-774	-930	-1,061	-1,071	-1,087
Total financing activities	294	-410	-1,425	-1,192	-44	-1,081	-859	-919	-1,938	-2,022
Operating cash flow	14	548	1,480	1,857	1,162	1,289	2,109	1,997	2,148	2,234
Free cash flow	-260	294	1,204	1,638	935	877	1,605	1,275	1,469	1,565
Net cash flow	45	0	-84	550	-277	-67	237	-207	0	0
Change in net IB debt	-435	268	-308	232	-1,686	-819	-1,310	-2,072	-822	-771
Capex / Sales	1.9%	1.3%	1.0%	0.7%	0.9%	1.4%	1.2%	1.4%	1.4%	1.4%
NWC / Sales	10.4%	11.1%	10.0%	7.1%	5.6%	7.1%	8.9%	7.9%	8.0%	7.9%

Source: Carnegie Research & company data

Financial statements, cont.

Balance sheet (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Acquired intangible assets	2,337	2,439	2,480	2,413	3,305	3,655	4,452	5,205	5,205	5,205
Other fixed intangible assets	799	780	749	672	1,212	1,267	1,361	1,576	1,468	1,357
Capitalised development	0	0	0	0	0	0	0	0	0	0
Tangible assets	828	789	621	519	698	818	893	893	893	893
Lease assets	0	0	1,865	1,737	2,674	4,152	4,385	4,385	4,385	4,385
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	247	267	311	297	352	453	459	459	459	459
Fixed assets	4,211	4,274	6,026	5,637	8,241	10,345	11,551	12,519	12,410	12,300
Inventories (2)	390	468	335	233	400	619	349	357	360	366
Receivables (2)	1,571	1,762	1,740	1,344	1,822	2,139	2,038	2,083	2,103	2,135
Prepaid exp. & other NWC items (2)	505	446	360	302	410	529	520	527	531	536
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	53	65	88	22	28	38	67	67	67	67
Cash & cash equivalents (1)	679	722	655	1,101	898	904	1,107	900	900	900
Current assets	3,198	3,463	3,179	3,002	3,559	4,229	4,080	3,934	3,961	4,003
Total assets	7,409	7,737	9,205	8,639	11,800	14,574	15,630	16,453	16,371	16,303
Shareholders' equity	2,447	2,697	2,777	2,887	3,277	3,835	3,836	3,952	4,102	4,322
Minorities	6	10	0	21	27	36	28	30	32	35
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	2,453	2,707	2,777	2,908	3,304	3,870	3,864	3,982	4,134	4,357
Deferred tax	199	190	185	168	234	237	297	297	297	297
LT IB debt (1)	2,414	2,350	2,214	1,981	3,162	3,667	3,997	4,661	4,410	4,092
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	0	1,898	1,789	2,755	4,286	4,546	4,546	4,546	4,546
Other non-IB liabilities	100	101	135	127	118	112	182	182	182	182
LT liabilities	2,712	2,642	4,433	4,065	6,268	8,302	9,022	9,687	9,436	9,117
ST IB debt (1)	840	819	398	78	132	150	683	683	683	683
Payables (2)	652	795	678	642	875	893	673	688	695	705
Accrued exp. & other NWC items (2)	646	669	712	714	973	1,040	1,121	1,146	1,157	1,174
Other ST non-IB liabilities	105	105	208	232	248	320	267	267	267	267
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	2,243	2,388	1,996	1,666	2,228	2,402	2,744	2,784	2,802	2,830
Total equity and liabilities	7,409	7,737	9,205	8,639	11,800	14,574	15,630	16,453	16,371	16,303
Net IB debt (=1)	2,665	2,539	3,961	2,854	5,249	7,276	8,191	9,062	8,811	8,493
Net working capital (NWC) (=2)	1,168	1,212	1,046	523	784	1,355	1,113	1,134	1,143	1,157
Capital employed (CE)	5,751	5,909	7,283	6,745	9,343	11,901	13,067	13,850	13,751	13,655
Capital invested (CI)	5,132	5,219	6,761	5,863	8,673	11,247	12,205	13,194	13,094	12,998
Equity / Total assets	33%	35%	30%	34%	28%	27%	25%	24%	25%	27%
Net IB debt / EBITDA	4.7	3.5	3.1	2.0	3.6	3.8	4.2	4.1	3.8	3.5
Per share data (SEK)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Adj. no. of shares in issue YE (m)	35.36	35.36	35.36	35.36	35.36	35.36	35.36	35.36	35.36	35.36
Diluted no. of Shares YE (m)	35.36	35.36	35.36	35.36	35.36	35.36	35.36	35.36	35.36	35.36
EPS	5.07	7.18	4.18	8.12	9.12	13.3	7.01	7.38	8.31	10.6
EPS adj.	7.63	8.99	8.72	9.59	11.2	16.4	11.7	9.75	11.3	13.6
CEPS	12.9	14.7	30.4	33.1	34.2	44.1	42.2	46.4	47.7	50.6
DPS	2.60	2.90	2.90	3.10	3.60	4.15	4.15	4.15	4.15	4.50
BVPS	69.2	76.3	78.5	81.7	92.7	108.5	108.5	111.8	116.0	122.2
Performance measures	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
ROE	6.8%	9.9%	5.4%	10.1%	10.5%	13.2%	6.5%	6.7%	7.3%	8.9%
Adj. ROCE pre-tax	7.5%	9.9%	9.0%	8.9%	8.5%	9.7%	9.3%	7.0%	7.4%	8.2%
Adj. ROIC after-tax	5.8%	7.1%	6.7%	6.7%	6.2%	7.1%	5.1%	5.8%	5.2%	5.8%
Valuation	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
FCF yield	-8.7%	9.8%	40.1%	54.6%	31.2%	29.2%	53.5%	42.5%	48.9%	52.1%
Dividend yield YE	na	na	3.3%	2.6%	2.1%	2.8%	4.3%	4.7%	4.9%	5.3%
Dividend payout ratio	51.3%	40.4%	69.3%	38.2%	39.5%	31.2%	59.2%	56.3%	49.9%	42.3%
Dividend + buy backs yield YE	na	na	0.0%	2.7%	2.2%	3.1%	4.3%	4.7%	5.3%	5.5%
EV/Sales YE	na	na	0.63	0.64	0.97	0.84	0.84	0.86	0.83	0.79
EV/EBITDA YE	na	na	5.5	5.0	7.8	6.5	5.9	5.5	5.1	4.7
EV/EBITA YE	na	na	17.1	11.9	17.8	13.4	14.1	12.8	11.7	10.3
EV/EBITA adj. YE	na	na	12.5	11.9	17.3	13.0	12.5	13.1	11.7	10.3
EV/EBIT YE	na	na	19.7	13.0	19.7	14.8	16.0	14.4	13.1	11.3
P/E YE	na	na	20.8	14.7	19.1	11.3	13.7	11.9	10.2	8.0
P/E adj. YE	na	na	10.0	12.5	15.6	9.1	8.2	9.0	7.5	6.2
P/BV YE	na	na	1.11	1.46	1.88	1.38	0.88	0.79	0.73	0.69
Share price YE (SEK)			87.2	120	174	150	96.0	87.8	84.6	

Source: Carnegie Research & company data

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