

A long, multi-lane bridge spans across a wide body of water. The bridge is illuminated with lights along its length. The sky is a mix of blue and orange, suggesting a sunset or sunrise. The water is calm and reflects the light from the sky and the bridge. The overall mood is serene and expansive.

WE SUPPLY THE WORLD

Elanders Q1
Quarterly Report January – March 2016

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Cover: iStock by Getty Images. The Öresund Bridge is a railway and motorway bridge across the Öresund strait between Malmö Sweden and Copenhagen Denmark. It opened on 1 July 2000.

This document is a translation of the Swedish original. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail.

Further information can be found on Elanders' website www.elanders.com or requested via e-mail info@elanders.com.

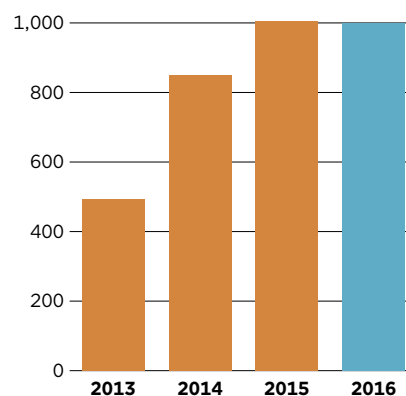
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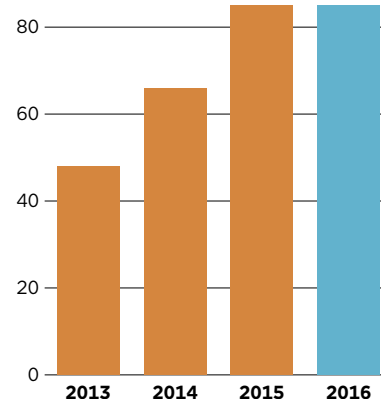
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NET SALES, MSEK



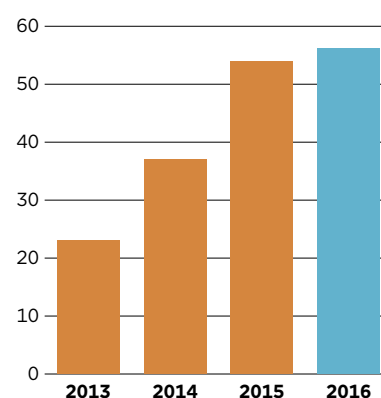
January - March

EBITDA, MSEK



January - March

OPERATING RESULT, MSEK



January - March

THE FIRST QUARTER

- Net sales amounted to MSEK 998 (1,006).
- The operating result before depreciation and write-downs (EBITDA) amounted to MSEK 85 (85).
- The operating result (EBIT) increased to MSEK 56 (54), while the operating margin increased to 5.6 (5.4)%.
- The result before tax increased to MSEK 51 (44), which is an improvement of 16%.
- The net result increased to MSEK 36 (27), which is an improvement of 29%, corresponding to SEK 1.34 (1.04) per share.
- Excluding acquisitions operating cash flow increased to MSEK 37 (16). Including acquisitions it amounted to MSEK 3 (16).

COMMENTS BY THE CEO

The first quarter was characterized by a somewhat uncertain market and it's difficult to discern a clear trend in the total market. Net sales in the first quarter declined slightly. However, the operating margin continued to improve as a result of the concentration and further development of our offer.

Supply Chain Solutions continues to be successful margins improved compared to last year. Our efforts to determinedly focus on underlying cash flows and reducing net debt in order to thereby lower financial costs improved the result before tax. Our strong financial position contributes to our ability to make acquisitions that can develop Elanders' offer and create organic growth.

Our transformation in the Print & Packaging segment is ongoing. At the beginning of the year Schmid Druck, which offers advanced packaging and special print solutions for marketing material, was integrated into the Group. The year has begun well for Schmid Druck and the Group sales team and its geographic range create a good platform to develop the acquired company's niche.

A number of large, and for Elanders important, customer contracts were renewed during the quarter. In addition, there are a number of interesting discussions taking place with both existing and potential customers about our offer of supply chain and print management services. We are also working on communicating more clearly to our customers what our integrated offer involves. There is a great deal of promise if we succeed in providing our customers with all or some of Elanders' broad product and service range. We are in the process of coordinating our operations and geography to take better advantage of this potential.



Magnus Nilsson
President and Chief Executive Officer



Supply Chain Solutions continues to be successful and margins improved compared to last year.

THREE YEAR OVERVIEW

MSEK	First quarter			Full year		
	2016	2015	2014	2015	2014	2013
Net sales	998	1,006	850	4,236	3,730	2,096
Operating expenses	-942	-952	-813	-3,944	-3,555	-1,965
Operating result	56	54	37	292	175	131
Net financial items	-6	-10	-9	-33	-35	-29
Result after financial items	51	44	28	259	140	102

GROUP

Our Business

Elanders is a global supplier of integrated solutions in the areas supply chain management, print & packaging and e-commerce. The Group operates in more than 15 countries on four continents. Our most important markets are China, Germany, Singapore, Sweden, United Kingdom and the USA. Our major

customers are primarily automotive, consumer electronics or white goods manufacturers.

Net sales and result

Compared to the same period last year net sales decreased by MSEK 8 to MSEK 998 (1,006), i.e. 1%. Cleared of exchange rate changes and acquisitions

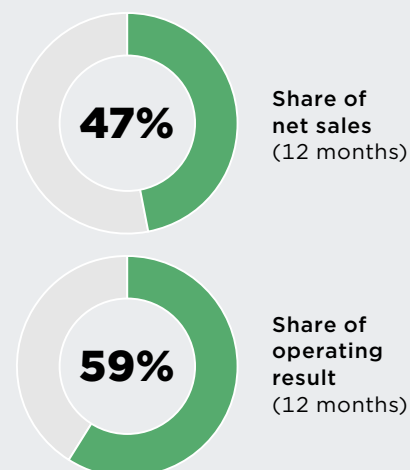
net sales contracted by around 2%, of which acquisitions were 1.5%. The operating result increased slightly to MSEK 56 (54), corresponding to an operating margin of 5.6 (5.4)%. Exchange rates changes in relation to the Swedish krona had no significant effect on the result.

Supply Chain Solutions

Elanders is one of the leading companies in the world in Global Supply Chain Management. Our services include taking responsibility for and optimizing customers' material and information flows, everything from sourcing and procurement combined with warehousing to after sales service.

The positive trend from last year continued in business area Supply Chain Solutions. Margins clearly improved even though net sales diminished slightly in

the business area during the quarter. Our highest priority is on developing current customers and creating new business with new and existing customers that includes services from all our business areas. It is also vital to broaden Supply Chain Solutions' customer base to include more companies outside of the consumer electronics trade and reduce Elanders' dependence on that industry. In addition, we continue to look for acquisitions that supplements existing operations.



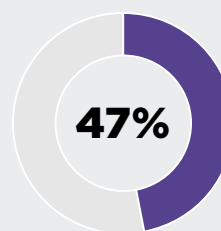
Supply Chain Solutions	First quarter		Last 12 months	Full year 2015
	2016	2015		
Net sales, MSEK	460.5	465.3	2,040.2	2,045.0
Operating result, MSEK	36.6	29.1	189.4	181.9
Operating margin, %	7.9	6.3	9.3	8.9
ROCE (moving 12 months), %	43.4	25.9	43.4	42.1
Average number of employees	1,405	1,439	1,422	1,430

Group

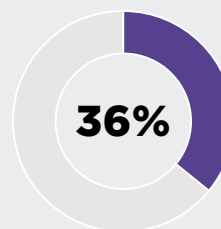
Print & Packaging Solutions

Through its innovative force and global presence the business area Print & Packaging offers cost-effective solutions that can handle customer's local and global needs for printed material and packaging, often in combination with advanced order platforms on the Internet or just-in-time deliveries.

The market for business area Print & Packaging has continued to be characterized by tough price pressure, contracting total volumes and overcapacity. Print & Packaging Asia has continued to struggle with diminishing demand from one of its larger customers which has affected both net sales and the result negatively. The Brazilian operations are going through a transition from focus on printing to focus on supply chain.



Share of net sales (12 months)



Share of operating result (12 months)

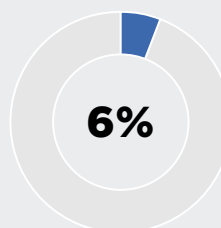
Print & Packaging Solutions	First quarter		Last 12 months	Full year 2015
	2016	2015		
Net sales, MSEK	511.6	514.3	2,051.0	2,053.7
Operating result, MSEK	24.6	30.0	116.9	122.3
Operating margin, %	4.8	5.8	5.7	6.0
ROCE (moving 12 months), %	7.4	4.6	7.4	7.7
Average number of employees	1,720	1,688	1,684	1,676

e-Commerce Solutions

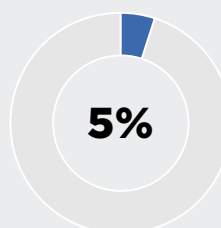
fotokasten, myphotobook and dlo|m are the Group's brands in e-Commerce. Through the technical solutions for e-commerce provided by dlo|m, fotokasten and myphotobook offer a broad range of photo products primarily to consumers.

The business area has substantial seasonal sales variations and the fourth quarter is by and far the strongest.

Generally all earnings for the year occurs in this quarter. Sales are just under last year's level and the result is lower as well. The reduction in the result compared with last year is primarily due to lower volumes from one of the Group's B2B customers as well as the periodizing of marketing campaigns. The campaign conducted in March this year was held in April last year.



Share of net sales (12 months)



Share of operating result (12 months)

e-Commerce Solutions	First quarter		Last 12 months	Full year 2015
	2016	2015		
Net sales, MSEK	43.3	46.0	234.3	237.0
Operating result, MSEK	0.6	2.6	16.4	18.4
Operating margin, %	1.4	5.7	7.0	7.8
ROCE (moving 12 months), %	10.8	17.2	10.8	13.6
Average number of employees	64	63	67	67

Important events during the period **Book VAT**

In February 2010 the European Court of Justice handed down a decision in the so-called Graphic Procédé case. In Sweden this is of particular importance for the differentiating line between printing companies production of products (printed matter) and services as well as applying so-called book VAT, i.e. a VAT rate of six percent. From 2010 to 2012 Elanders submitted claims for VAT refunds to the Swedish Tax Agency pertaining to the period 2004 to 2007. The reason for this is that some of Elanders' net sales subject to VAT during that period pertained to products and not services according to the differentiating line now considered correct. At the same time in the years from 2011 to 2013 the Swedish Tax Agency made consequential amendments regarding many of Elanders' customers who have then demanded compensation from Elanders.

On 22 December 2015 the Supreme Court of Sweden rendered a judgement which stated that customers have the legal right to demand compensation from the printing company as a result of the consequential amendments made by the Swedish Tax Agency on them. Nonetheless, this verdict is not expected to have any negative effect on either Elanders' result or financial position. The sum

Elanders can be required to pay to customers has already been reported as an interest-bearing liability and is included in net debt.

Acquisitions

In December 2015 Elanders signed an agreement to acquire Schmid Druck, a niched packaging company in Germany. The business is consolidated into the Elanders Group as of 1 January 2016. In 2015 net sales in Schmid Druck were some MEUR 8.5 and the company reached an EBITDA level of MEUR 1.6 million. The acquisition is expected to contribute positively to Elanders' operating result already in 2016. The purchase price was EUR 4.5 million on a cash and debt-free basis and almost all of it has been settled in the beginning of January 2016. Acquisition costs were around MSEK 2 and charged the result in 2015.

Investments and depreciation

Net investments for the period amounted to MSEK 44 (2) Mkr, investments in 2016 includes acquisitions amounting to MSEK 34. Depreciation and write-downs amounted to MSEK 29 (31).

Financial position, cash flow and financing

Group net debt as of 31 March 2016 amounted to MSEK 750 compared

to MSEK 738 at the beginning of the year. In the net change is an increase of MSEK 34 referring to payment of purchase sum for the acquisition of Schmid Druck. Operating cash flow, excluding acquisitions, for the period amounted to MSEK 37 (16).

Net debt in relation to rolling twelve month EBITDA increased to 1.8, compared to 1.7 at the beginning of the year.

At the end of June 2015 Elanders signed a new one-year contract for financing with our two principle banks. The contract contains an option for an extension of a another year. The facilities amounts to MEUR 30, MSEK 476 AND MUSD 75, i.e. a total of SEK 1.4 billion. All bank financing is recognized as short-term, even if it is long-term in its nature, since the duration of the agreement is only one year. At the beginning of April Elanders sought to use the option to extend the existing contract. However, an extension requires the approval of the banks.

Personnel

The average number of employees during the period was 3,198 (3,198), of which 276 (273) were in Sweden. At the end of the period the Group had 3,173 (3,146) employees, of which 278 (275) in Sweden.

PARENT COMPANY

The parent company has provided joint Group services during the period. The average number of employees during the

period was 9 (7) and at the end of the year 9 (7).

OTHER INFORMATION

Elanders' offer

Elanders offers global integrated solutions in the areas supply chain management, print & packaging and e-commerce. Elanders can take an overall responsibility for complex and global deliveries encompassing procurement, warehousing, configuration, production and distribution. Our offer also includes order management, payment solutions and after sales services for our clients.

The services are provided by business-oriented employees. They use their expertise and our intelligent IT solutions to develop our customers' offers, which are often completely dependent on efficient product, component and service flows as well as traceability and information.

In addition to our offer to B2B markets the Group also sells photo products directly to consumers through its own brands fotokasten and myphotobook.

Goal and strategy

Elanders' overall goal is to be a leader in global solutions in supply chain management, print & packaging and e-commerce with a world class integrated offer. Our strategy is to work in niches in each busi-

ness area where the company can attain a leading position in the market. We will achieve this goal by being best at meeting customers' demands for efficiency and delivery. In order to be successful we need to continuously develop our offer as technology and customer needs evolve. Acquisitions play an important role in our company's development and provide competence, broader product and service offers and enlarge our customer base.

Risks and uncertainties

Elanders divides risks into circumstantial risk (the future of our products/services and business cycle sensitivity), financial risk (currency, interest, financing and credit risks) as well as business risk (customer concentration, operational risks, risks in operating expenses as well as contracts and disputes). These risks, together with a sensitivity analysis, are described in detail in the Annual Report 2015. Circumstances in the world around us since the Annual Report was published are not believed to have caused any significant risks or influenced the way in which the Group works with these compared to the description in the Annual Report 2015.

Seasonal variations

The Group's net sales, and thereby income, are affected by seasonal variations. Historically the fourth quarter has been the strongest.

Events after the balance sheet date

No significant events have occurred after the balance sheet date until the day this report was signed.

Forecast

No forecast is given for 2016.

Review and accounting principles

The company auditors have not reviewed this report. The quarterly report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting and for the parent company in accordance with the Annual Accounts Act.

The same accounting principles and calculation methods as those in the last Annual Report have been used.

Future reports from Elanders

- Q2 2016, 13 July 2016
- Q3 2016, 20 October 2016
- Q4 2016, 26 January 2017

Consolidated financial statements

INCOME STATEMENTS

MSEK	First quarter		Last 12 months	Full year 2015
	2016	2015		
Net sales	998.1	1,005.7	4,228.5	4,236.1
Cost of products and services sold	-782.0	-778.6	-3,255.1	-3,252.0
Gross profit	216.1	227.2	973.1	984.1
Sales and administrative expenses	-173.5	-186.6	-704.4	-717.6
Other operating income	15.4	18.1	48.4	51.1
Other operating expenses	-2.0	-4.8	-22.9	-25.7
Operating result	56.1	53.9	294.1	291.9
Net financial items	-5.5	-9.6	-28.4	-32.6
Result after financial items	50.6	44.2	265.7	259.3
Income tax	-15.1	-16.8	-83.1	-84.8
Result for the period	35.5	27.5	182.6	174.5
Result for the period attributable to:				
- parent company shareholders	35.5	27.5	182.6	174.5
<i>Earnings per share, SEK^{1) 2)}</i>	<i>1.34</i>	<i>1.04</i>	<i>6.88</i>	<i>6.58</i>
<i>Average number of shares, in thousands</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>
<i>Outstanding shares at the end of the year, in thousands</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>

¹⁾ Earnings per share before and after dilution.

²⁾ Earnings per share calculated by dividing the result for the year by the average number of outstanding shares during the year.

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	First quarter		Last 12 months	Full year 2015
	2016	2015		
Result for the period	35.5	27.5	182.6	174.5
Translation differences, net after tax	-31.5	111.9	-104.7	38.7
Cash flow hedges, net after tax	0.1	0.1	0.1	0.1
Hedging of net investment abroad, net after tax	13.0	-54.3	23.4	-43.9
Total items that may be reclassified to the income statement	-18.4	57.7	-81.2	-5.1
Other comprehensive income	-18.4	57.7	-81.2	-5.1
Total comprehensive income for the period	17.1	85.2	101.4	169.4
Total comprehensive income attributable to:				
- parent company shareholders	17.1	85.2	101.4	169.4

Consolidated financial statements

STATEMENTS OF CASH FLOW

MSEK	First quarter		Last 12 months	Full year 2015
	2016	2015		
Result after financial items	50.6	44.2	265.7	259.3
Adjustments for items not included in cash flow	11.8	-10.2	123.6	101.6
Paid tax	-16.1	-27.1	-73.9	-84.9
Changes in working capital	-21.1	-25.6	-3.0	-7.5
Cash flow from operating activities	25.2	-18.7	312.4	268.5
Net investments in intangible and tangible assets	-10.2	-3.1	-53.0	-45.9
Acquisition of operations	-33.7	-	-33.7	-
Payments received regarding long-term holdings	0.6	1.0	3.9	4.3
Cash flow from investing activities	-43.3	-2.1	-82.9	-41.7
Amortization of loans	-25.4	-27.0	-105.3	-106.9
Changes in long- and short-term borrowing	43.0	-39.1	63.8	-18.2
Dividend to parent company shareholders	-	-	-29.2	-29.2
Cash flow from financing activities	17.6	-66.1	-70.7	-154.3
Cash flow for the period	-0.5	-86.9	158.9	72.5
Liquid funds at the beginning of the period	529.0	456.7	401.3	456.7
Translation difference	-6.3	31.5	-38.1	-0.3
Liquid funds at the end of the period	522.1	401.3	522.1	529.0
Net debt at the beginning of the period	737.7	895.3	945.2	895.3
Translation difference in net debt	-4.2	28.8	7.5	40.5
Net debt in acquired operations	-3.1	-	-3.1	-
Change in net debt	19.5	21.1	-199.7	-198.1
Net debt at the end of the period	750.0	945.2	750.0	737.7
Operating cash flow	3.5	15.9	331.9	344.3

STATEMENTS OF FINANCIAL POSITION

MSEK	March 31		Dec. 31 2015
	2016	2015	
ASSETS			
Intangible assets	1,277.9	1,313.6	1,268.8
Tangible assets	329.9	395.9	333.9
Other fixed assets	195.6	205.2	199.0
Total fixed assets	1,803.4	1,914.8	1,801.6
Inventories	271.6	261.6	265.9
Accounts receivable	778.1	900.4	824.6
Other current assets	149.0	151.1	138.7
Cash and cash equivalents	522.1	401.3	529.0
Total current assets	1,720.8	1,714.4	1,758.2
Total assets	3,524.2	3,629.2	3,559.8
EQUITY AND LIABILITIES			
EQUITY	1,505.1	1,432.9	1,488.0
Liabilities			
Non-interest-bearing long-term liabilities	84.4	86.5	83.2
Interest-bearing long-term liabilities	19.7	24.8	19.7
Total long-term liabilities	104.1	111.3	102.9
Non-interest-bearing current liabilities	662.7	763.4	721.9
Interest-bearing current liabilities	1,252.4	1,321.7	1,247.0
Total current liabilities	1,915.1	2,085.1	1,968.9
Total equity and liabilities	3,524.2	3,629.2	3,559.8

STATEMENTS OF CHANGES IN EQUITY

MSEK	Equity attributable to parent company share- holders	Total equity
Opening balance on 1 Jan. 2015	1,347.7	1,347.7
Dividend to parent company shareholders	-29.2	-29.2
Total comprehensive income for the year	169.4	169.4
Closing balance on 31 Dec. 2015	1,488.0	1,488.0
Opening balance on 1 Jan. 2015	1,347.7	1,347.7
Total comprehensive income for the period	85.2	85.2
Closing balance on 31 Mar. 2015	1,432.9	1,432.9
Opening balance on 1 Jan. 2016	1,488.0	1,488.0
Total comprehensive income for the period	17.1	17.1
Closing balance on 31 Mar. 2016	1,505.1	1,505.1

Consolidated financial statements

SEGMENT REPORTING

The three business areas are reported as reportable segments, since this is how the Group is governed and the President has been identified as the highest executive decision-maker. The operations within the business area Print & Packaging in each region are identified as operating segments. These have then been merged to create one reportable segment. In the other business areas the opera-

ting segments coincides with the reportable segments. The operations within each reportable segment have similar economic characteristics and resemble each other regarding the nature of their products and services, production processes and customer types. Sales between segments are made on markets terms.

NET SALES

MSEK	First quarter		Last 12 months	Full year 2015
	2016	2015		
Supply Chain Solutions	460.5	465.3	2,040.2	2,045.0
Print & Packaging Solutions	511.6	514.3	2,051.0	2,053.7
e-Commerce Solutions	43.3	46.0	234.3	237.0
Group functions	7.7	5.7	28.9	26.9
Eliminations	-25.0	-25.6	-125.9	-126.5
Group net sales	998.1	1,005.7	4,228.5	4,236.1

OPERATING RESULT

MSEK	First quarter		Last 12 months	Full year 2015
	2016	2015		
Supply Chain Solutions	36.6	29.1	189.7	181.9
Print & Packaging Solutions	24.6	30.0	116.9	122.3
e-Commerce Solutions	0.6	2.6	16.4	18.4
Group functions	-5.7	-7.8	-28.6	-30.7
Group operating result	56.1	53.9	294.1	291.9

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The financial instruments recognized at fair value in the Group's report on financial position are derivatives identified as hedging instruments. The derivatives consist of forward exchange and are used for hedging purposes. Valuation at fair value of forward exchange contracts is based on published forward rates on an active market. All derivatives

are therefore included in level 2 in the fair value hierarchy. Since all the financial instruments recognized at fair value are included in level 2 there have been no transfers between valuation levels. The table below presents fair value respective booked value per class of financial assets and liabilities, which are recorded gross.

MSEK	March 31		Dec. 31 2015
	2016	2015	
Other current assets - Derivative instruments in hedge accounting relationships	0.2	0.1	0.1

The fair value of other financial assets and liabilities valued at their amortized purchase price is estimated to be equivalent to their book value.

ACQUISITION OF OPERATIONS IN 2016

SPECIFICATION OF ACQUISITIONS

Company	Acquisition date	Country	Number of employees
Schmid Druck & Medien GmbH	January 2016	Germany	75

In December 2015 Elanders signed an agreement to acquire Schmid Druck, a niched packaging company in Germany. The business is consolidated into the Elanders Group as of 1 January 2016. In 2015 net sales in Schmid Druck were some MEUR 8.5 and the company reached an EBITDA level of MEUR 1.6 million. The acquisition is expected to contribute positively to Elanders' operating result already in 2016. The

purchase price was EUR 4.5 million on a cash and debt-free basis and almost all of it has been settled in the beginning of January 2016. Acquisition costs were around MSEK 2 and charged the result in 2015. During the first quarter 2016 Schmid Druck have contributed with MEUR 2.4 to the net sales and MEUR 0.2 to the operating result.

ASSETS AND LIABILITIES IN ACQUISITIONS

	Recorded values in acquired operation	Adjustments to fair value	Recorded value in the Group
Fixed assets			
Inventory	9.9	7.9	17.8
Accounts receivable	4.8	-	4.8
Other current assets	5.8	-	5.8
Cash and cash equivalents	0.6	-	0.6
Accounts payable	3.1	-	3.1
Other liabilities	-2.2	-	-2.2
Identifiable net assets	-5.0	-1.4	-6.4
Goodwill	17.0	6.5	23.5
Total			17.8
			41.3
Less:			
Unpaid purchase sums			-4.5
Cash and cash equivalents in acquisitions			-3.1
Negative effect on cash and cash equivalents for the Group			33.7

Parent company's financial statements

INCOME STATEMENTS

MSEK	First quarter		Last 12 months	Full year 2015
	2016	2015		
Net sales	7.7	5.7	28.4	26.4
Operating expenses	-9.7	-12.6	-52.8	-55.7
Operating result	-2.0	-6.9	-24.4	-29.3
Net financial items	14.0	-70.2	167.7	83.5
Result after financial items	12.0	-77.1	143.3	54.2
Income tax	-3.7	16.9	-5.3	15.3
Result for the period	8.3	-60.2	138.0	69.5

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	First quarter		Last 12 months	Full year 2015
	2016	2015		
Result for the period	8.3	-60.2	138.0	69.5
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	8.3	-60.2	138.0	69.5

BALANCE SHEETS

MSEK	March 31		Dec. 31 2015
	2016	2015	
ASSETS			
Fixed assets	2,088.4	2,078.0	2,055.7
Current assets	161.5	154.4	212.8
Total assets	2,249.9	2,232.25	2,268.5
EQUITY, PROVISIONS AND LIABILITIES			
Equity	910.3	801.5	902.0
Provisions	2.9	2.9	2.9
Long-term liabilities	76.9	70.6	70.6
Current liabilities	1,259.7	1,357.5	1,293.0
Total equity, provisions and liabilities	2,249.9	2,232.5	2,268.5

STATEMENTS OF CHANGES IN EQUITY

MSEK	Share capital	Statutory reserve	Unrestricted equity	Total equity
Opening balance on 1 Jan. 2015	265.2	332.4	264.2	861.8
Dividend	-	-	-29.2	-29.2
Total comprehensive income for the year	-	-	69.5	69.5
Closing balance on 31 Dec. 2015	265.2	332.4	304.4	902.0
Opening balance on 1 Jan. 2015	265.2	332.4	264.2	861.8
Total comprehensive income for the period	-	-	-60.2	-60.2
Closing balance on 31 Mar. 2015	265.2	332.4	204.0	801.5
Opening balance on 1 Jan. 2016	265.2	332.4	304.4	902.0
Total comprehensive income for the period	-	-	8.3	8.3
Closing balance on 31 Mar. 2016	265.2	332.4	312.7	910.3

Quarterly data

QUARTERLY DATA

MSEK	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Net sales	998	1,124	1,041	1,066	1,006	1,099	870	910	850
EBITDA	85	154	95	93	85	101	56	69	66
Operating result	56	111	64	63	54	71	27	40	37
Operating margin, %	5.6	9.9	6.2	5.9	5.4	6.4	3.1	4.4	4.4
Result after financial items	51	105	55	55	44	62	18	32	28
Result after tax	36	73	36	38	27	45	11	15	16
Earnings per share, SEK ^{1) 2)}	1.34	2.77	1.35	1.43	1.04	1.70	0.43	0.61	0.69
Operating cash flow	3	237	-24	116	16	175	-21	81	-273
Cash flow per share, SEK ^{2) 3)}	0.95	8.86	-1.99	3.96	-0.71	6.00	-1.04	2.74	-1.55
Depreciation and write-downs	29	43	31	30	31	30	29	29	29
Net investments	43	14	7	19	2	7	8	10	270
Goodwill	1,211	1,200	1,217	1,209	1,224	1,205	1,168	1,150	1,127
Total assets	3,524	3,560	3,547	3,504	3,629	3,570	3,336	3,277	3,116
Equity	1,505	1,488	1,445	1,409	1,433	1,348	1,245	1,203	1,053
Equity per share, SEK ²⁾	56.76	56.11	54.48	53.13	54.03	50.82	46.93	45.36	45.01
Net debt	750	738	951	882	945	895	1,016	949	1,107
Capital employed	2,255	2,226	2,396	2,291	2,378	2,243	2,260	2,151	2,161
Return on total assets, % ⁴⁾	6.4	12.6	7.3	7.1	6.0	8.2	3.3	5.1	5.4
Return on equity, % ⁴⁾	9.5	20.0	10.0	10.7	7.9	14.0	3.7	5.3	6.2
Return on capital employed, % ⁴⁾	10.0	19.2	10.9	10.8	9.3	12.5	4.9	7.4	7.6
Debt/equity ratio	0.5	0.5	0.7	0.6	0.7	0.7	0.8	0.8	1.1
Equity ratio, %	42.7	42.0	40.7	40.2	39.5	37.8	37.3	36.7	33.8
Interest coverage ratio ⁵⁾	14.3	12.7	10.0	7.2	5.9	5.0	4.6	5.1	5.2
Number of employees at the end of the period	3,173	3,177	3,182	3,166	3,146	3,320	3,327	3,389	3,372

¹⁾ There is no dilution.

²⁾ Historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014.

³⁾ Cash flow per share refers to cash flow from operating activities.

⁴⁾ Return ratios have been annualized.

⁵⁾ Interest coverage ratio calculation is based on a moving 12 month period.

FIVE YEAR OVERVIEW – THE FULL YEAR

	2015	2014	2013	2012	2011
Net sales, MSEK	4,236	3,730	2,096	1,924	1,839
Result after financial items, MSEK	259	140	102	93	80
Result after tax, MSEK	175	88	70	45	60
Earnings per share, SEK ^{1) 2)}	6.58	3.48	2.99	1.99	3.00
Cash flow from operating activities per share, SEK ²⁾	10.13	6.42	5.48	9.64	4.20
Equity per share, SEK ²⁾	56.11	50.82	44.39	40.77	43.75
Dividends per share, SEK ²⁾	2.20 ³⁾	1.10	0.78	0.58	0.49
Operating margin, %	6.9	4.7	6.2	6.2	6.0
Return on total assets, %	8.2	5.9	5.6	5.6	5.5
Return on equity, %	12.1	7.4	7.0	4.8	7.1
Return on capital employed, %	12.6	8.7	7.7	7.4	7.1
Debt/equity ratio	0.5	0.7	0.7	0.7	0.8
Equity ratio, %	42.0	37.8	42.2	42.2	43.9
Average number of shares, in thousands ²⁾	26,518	25,204	23,395	22,279	20,102

¹⁾ There is no dilution.

²⁾ Historic number of shares and historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014. No adjustment of the historic number of shares has been made for the new share issue in 2012 since it did not entail any bonus issue element.

³⁾ Proposed by the board.

FIVE YEAR OVERVIEW – THE FIRST QUARTER

	2016	2015	2014	2013	2012
Net sales, MSEK	998	1,006	850	493	460
Result after tax, MSEK	36	27	16	11	10
Earnings per share, SEK ^{1) 2)}	1.34	1.04	0.69	0.45	0.49
Cash flow from operating activities per share, SEK ²⁾	0.95	-0.71	-1.55	-1.17	1.53
Equity per share, SEK ²⁾	56.76	54.03	45.01	40.35	43.87
Return on equity, % ³⁾	9.5	7.9	6.2	4.4	4.4
Return on capital employed, % ³⁾	10.0	9.3	7.6	5.4	5.0
Operating margin, %	5.6	5.4	4.4	4.6	4.2
Average number of shares, in thousands ²⁾	26,518	26,518	23,395	23,395	20,102

¹⁾ There is no dilution.

²⁾ Historic number of shares and historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014. No adjustment of the historic number of shares has been made for the new share issue in 2012 since it did not entail any bonus issue element.

³⁾ Return ratios have been annualized.

FINANCIAL DEFINITIONS

Average number of employees

The number of employees at the end of each month divided number of months.

Average number of shares

Weighted average number of shares outstanding during the period.

Capital employed

Total assets less liquid funds and non-interest bearing liabilities.

Debt/equity ratio

Net debt in relation to reported equity, including non-controlling interests.

Earnings per share

Result for the year divided by the average number of shares.

EBIT

Earnings before interest and taxes; operating result.

EBITDA

Earnings before interest, taxes, depreciation and amortization; operating result plus depreciation, amortization and write-downs of intangible assets and tangible fixed assets.

Equity ratio

Equity, including non-controlling interests, in relation to total assets.

Interest coverage ratio

Operating result plus interest income divided by interest costs.

Net debt

Interest bearing liabilities less liquid funds.

Operating cash flow

Cash flow from operating activities and investing activities, adjusted for paid taxes and financial items.

Operating margin

Operating result in relation to net sales.

Return on capital employed (ROCE)

Operating result in relation to average capital employed.

Return on equity

Result for the year in relation to average equity.

Return on total assets

Operating result plus financial income in relation to average total assets.

SPECIFIC TERMS

After-sales

Provision of services, support and spare parts after making an initial sale. This occurs for example in the provision of products which requires regular upgrades.

Business-to-business (B2B)

Sale of goods and services between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer.

Business-to-consumer (B2C)

Sale of goods and services between a company and consumers.

Digital print

The transfer of information to paper via a digital file that is then printed out with the help of a high-speed printer. This technique is a prerequisite for Print-on-demand and makes quick deliveries in small editions possible. Offset technique is still more efficient for larger editions.

e-Commerce

Orders are made via Web shop platforms by end customers themselves. This includes cases where Elanders sells directly to consumers and where we are subcontractors to e-commerce companies.

FMCG

Fast Moving Consumer Goods are products that are sold quickly and at relatively low cost. Examples include non-durable goods such as soft drinks, toiletries, processed foods

and other consumables. FMCG have a short shelf life, either as a result of high consumer demand or because the product deteriorates rapidly.

Fulfillment

This term used to describe a number of steps in the process between production and distribution. They can include assembly, configuration, bar-coding, packaging for end customers.

Just-in-time

Delivery precision – delivery exactly when the need arises. The concept also entails that customers do not need to store their publications. Often includes digital printing, see Print-on-demand.

Offset print

A printing method in which ink and water are spread out on a printing plate that is then pressed against a rubber blanket. This absorbs the ink and transfers it to the paper. The expression offset comes from the fact that the printing plate never touches the paper.

One stop shopping

With a single contact you gain access to Elanders' entire global and broad product range and can easily order the products and services that you need.

Outsourcing

Companies or organizations choose to let an external party handle an activity or a process. This activity or process is then said to be outsourced.

Packaging

A product manufactured to protect, handle, deliver and present an item.

Premedia

Our collective term for the work done before printing/publishing. The term includes layout, typography, image retouching and production of originals. In our world even other services are included such as: advertisement management, file management, quality assurance, printing plate production as well as database solutions for digital material.

Print-on-demand

With the help of high-speed printers printed matter can be produced as needed and in very small editions.

Reverse logistics

Normally, logistics deal with events that bring the product towards the customer. In the case of reverse logistics, the product goes back in the supply chain. For instance, goods move from the customer back to the distributor or to the manufacturer. The reverse logistics process includes the management of surplus equipment, returns as well as defective products including testing, dismantling, repairing, recycling or disposing the product.

Supply chain

The movement and storage of goods and or information from point of origin to end-users. Supply chain management can be defined as the design, planning, execution, control and monitoring of activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally.

Web-to-print (W2P)

A web-based order interface where the production and distribution of information and marketing material can easily be ordered and made accessible for editing and ordering via the Internet.

White-labeling

This is a concept that is the equivalent of private labeling where retailers sell products under their own brand (for example Coop, ICA, Tesco) although the items are produced by a supplier to them. White-labeling is based on the suppliers' perspective when they provide this kind of service.

