



 **elanders**
GROUP

Quarterly Report

January - March 2017

Q1



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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.

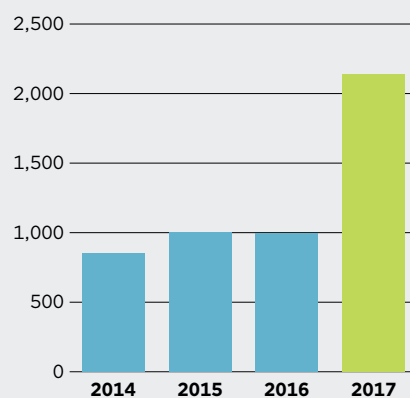
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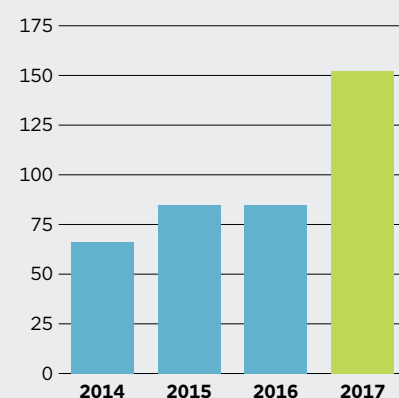
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NET SALES, MSEK



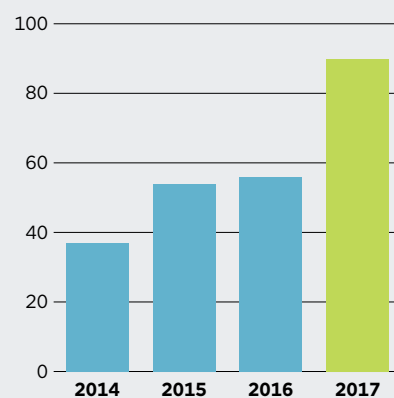
January - March

EBITDA, MSEK



January - March

EBIT, MSEK



January - March

FIRST QUARTER

- Net sales increased by 114 percent to MSEK 2,139 (998).
- EBITA, i.e. the operating result adjusted for amortization on assets identified in conjunction with acquisitions, increased to MSEK 105 (62).
- The operating result increased to MSEK 90 (56), which was an improvement of 61 percent.
- The result before tax increased to MSEK 69 (51), which was an improvement of 35 percent.
- The net result increased to MSEK 53 (36) or SEK 1.49 (1.26) per share.
- The increase in net sales and the result is primarily due to the acquisition of LGI, which has been consolidated into the Elanders Group since the end of July 2016. With the same exchange rates and comparable units organic growth was three percent.
- Operating cash flow amounted to MSEK –161 (3), of which –262 (0) consisted of increased working capital in the form of accounts receivable due to a repayment of a factoring debt. Cleared of this one-off effect and the purchase price of acquisitions, operating cash flow was MSEK 101 (37).
- New financial goals have been drawn up and consist of goals for sales growth, EBITA margin, net debt / EBITDA and return on capital employed.

COMMENTS BY THE CEO

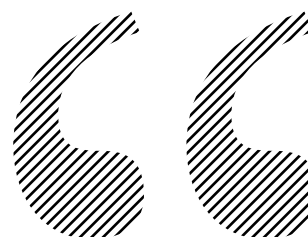
The first quarter of 2017 was characterized by a high degree of sales activity around new potential projects and customers. At the same time we noted a rise in the demand from our existing customers. Integration of LGI, our latest acquisition in Supply Chain Solutions, has continued and a great deal of internal resources and time have been spent in developing joint projects and identifying further synergies.

The first quarter developed mostly as planned although a major customer suffered a shortage of components, which led to a standstill in their production for a few days. This affected our net sales and result negatively. Despite this, organic growth was three percent due to the strong demand from existing customers and successful new sales. LGI developed according to plan during the quarter and secured new, vital contracts.

The quarter also went well for Print & Packaging Solutions, which both grew and improved margins. Our new concept, which entails converting site in Print & Packaging Solutions into combined print and supply chain management sites, continues to be highly prioritized since it both strengthens the individual operations and provides a more stable platform for growth. As previously communicated Elanders has initiated a strategic review of business area e-Commerce Solutions' future in the Group.



Magnus Nilsson
President and Chief Executive Officer



The first quarter of 2017 was characterized by a high degree of sales activity around new potential projects and customers.

FINANCIAL OVERVIEW

MSEK	First quarter			Full year		
	2017	2016	2015	2016	2015	2014
Net sales	2,139	998	1,006	6,285	4,236	3,730
Operating expenses	-2,050	-942	-952	-5,941	-3,944	-3,555
Operating result	90	56	54	344	292	175
Net financial items	-21	-5	-10	-44	-33	-35
Result before tax	69	51	44	300	259	140

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 approximately 20 countries on four continents. Our most important markets are China, Germany, Singapore, Sweden, United Kingdom and the USA. The major customers are active in Automotive, Electronics, Fashion & Lifestyle, Industrial and Health Care & Life Science.

Net sales and result

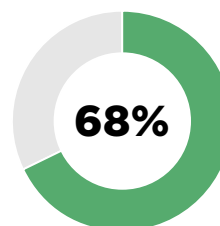
Net sales for the quarter increased by MSEK 1,141 to MSEK 2,139 (998) compared to the same period last year. This increase is primarily due to the new acquisition LGI which has been consolidated into the Elanders Group since the end of July 2016. Cleared of exchange rate effects and acquisitions net sales grew by 3% foremost in Print & Packaging Solutions. Supply Chain Solutions had a slightly positive growth. EBITA, i.e. the operating result adjusted

for amortization on assets identified in conjunction with acquisitions increased to MSEK 105 (62), which corresponded to an EBITA margin of 4.9 (6.2)%. The decrease in the EBITA margin stems primarily from consolidating LGI which in general has historically had a lower operating margin than Elanders. The reason for this is that in addition to contract logistics LGI also offers transportation and freight services, areas where margins are lower.

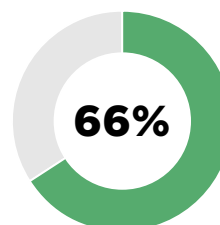
Supply Chain Solutions

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 continued in business area Supply Chain Solutions and the business area grew organically by 1% during the first quarter. Since the end of July the newly acquired LGI is a part of the business area and it reports organic growth in contrast to its comparable period as well. Integration is moving forward at full speed and several joint projects have already begun.



Share of net sales (12 months)



Share of operating result (12 months)

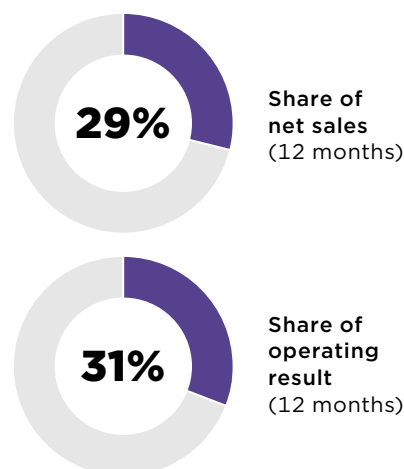
Supply Chain Solutions	First quarter		Last 12 months	Full year 2016
	2017	2016		
Net sales, MSEK	1,578	461	5,116	3,998
EBITA, MSEK	80	39	328	283
EBITA-margin, %	5.1	8.5	6.4	7.1
Operating result, MSEK	68	37	289	258
Operating margin, %	4.3	7.9	5.7	6.4
Average number of employees	4,875	1,405	3,699	2,832

Group

Print & Packaging Solutions

Through its innovative force and global presence the business area Print & Packaging offers cost-effective solutions that can handle customers' 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 Print & Packaging Solutions continues to be characterized by tough price pressure and overcapacity. Excluding acquisitions and using constant exchange rates net sales in the business area still increased in the first quarter of the year by 6%. The conversion of parts of the American operations into combined print and supply chain management sites is one of the growth factors and Elanders is also growing and winning market shares on almost all our markets right now.



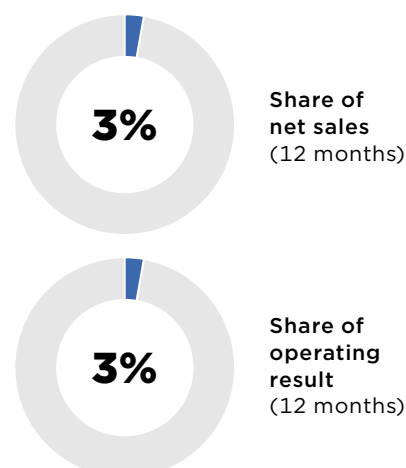
Print & Packaging Solutions	First quarter		Last 12 months	Full year 2016
	2017	2016		
Net sales, MSEK	539	512	2,173	2,146
EBITA, MSEK	38	27	149	137
EBITA-margin, %	7.1	5.3	6.8	6.4
Operating result, MSEK	36	25	139	127
Operating margin, %	6.7	4.8	6.4	5.9
Average number of employees	1,522	1,720	1,583	1,632

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. Normally all earnings for the year occur in this quarter. Both sales and the result for the current quarter are down from last year. The difference in the result stems mainly from a large customer campaign that was carried out in March and had a negative effect on the result but which is expected to produce positive effects in the second quarter.

In view of Elanders' new strategic direction a review of the business area e-Commerce's future in the Group has been launched. The business area's net sales are currently only around 3% of the Group's entire net sales and yet it is reported as a separate business area.



e-Commerce Solutions	First quarter		Last 12 months	Full year 2016
	2017	2016		
Net sales, MSEK	39	43	223	227
EBITA, MSEK	-5	2	18	24
EBITA-margin, %	-12.3	5.1	8.1	10.5
Operating result, MSEK	-6	1	13	19
Operating margin, %	-15.4	1.4	5.6	8.4
Average number of employees	64	64	63	63

Important events during the period

Disputes

As previously reported Elanders' subsidiary in California has been sued by a group of employees that demand indemnification because another employee from the same company installed a hidden camera in a changing room. They claim that the company knew or should have known about the situation. The company has denied any responsibility. Elanders has held negotiations with these employees in January and reached a settlement. Based on the result of the settlement another provision of around MSEK 30 was made, which affected the operating result for the fourth quarter of 2016. This dispute is now over and no further claims are expected.

Financial goals

In connection with acquisition of LGI the Group doubled in size and the focal point of operations shifted dramatically. As a result Elanders reviewed previous Group financial goals and drew up new ones.

The new goals are as follows:

- Net sales growth of 3–5 percent annually
- EBITA margin of at least 7 percent
- Return on capital employed of at least 10 percent
- Net debt/EBITDA quota no higher than 3

EBITA refers to operating result adjusted for amortization on assets identified in conjunction with acquisitions. The goal for net debt / EBITDA ratio of 3 may temporarily be exceeded if major acquisitions are made.

Investments and depreciation

Net investments for the quarter amounted to MSEK 31 (43), of which acquisitions amounted to MSEK 0 (34). Depreciation, amortization and write-downs amounted to MSEK 63 (29).

Financial position, cash flow and financing

Group net debt per 31 March 2017 was MSEK 2,437 compared to MSEK 2,224 at the start of the year. Included in the net change is an increase of MEUR 27.5, equal to MSEK 262, which refers to a repayment of a factoring debt.

A subsidiary previously used factoring as a finance form by transferring accounts receivable to a finance institute. This factoring debt has now been replaced with conventional bank credits. As a result of this repayment accounts receivable and net debt grew in equal amounts, which had a negative effect on cash flow from operating activities. Cleared of this item and exchange rate effects net debt contracted by around MSEK 40 during the period.

Operating cash flow for the period amounted to MSEK –161 (3), of which –262 (0) consisted of increased working capital in the form of accounts receivable due to a repayment of a factoring debt. Cleared of this one-off effect and the purchase price of acquisitions, operating cash flow was MSEK 101 (37).

Personnel

The average number of employees during the period was 6,470 (3,198), whereof 246 (276) in Sweden. At the end of the period the Group had 6,501 (3,173) employees, whereof 243 (278) in Sweden.

PARENT COMPANY

The parent company has provided intragroup services during the period.

The average number of employees during

the period was 11 (9) and at the end of the period 11 (9).

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 comprising 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 business 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. 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 2016. 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 2016.

Seasonal variations

The Group's net sales, and thereby income, are affected by seasonal variations. Historically the fourth quarter has been the strongest for Elanders before the acquisition of LGI.

Transaction with related parties

The following transactions with related parties have occurred during the period:

- One of the members of the Board, Erik Gabrielson, is a partner in the law firm Vinge, which provides the company with legal services.
- Related parties to Peter Sommer, a member of Group Management and Managing Director of Elanders GmbH, own shares in a property where Elanders GmbH runs most of its operations.

Remuneration is considered on par with the market for all of these transactions.

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 2017.

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. The primary alternative performance measures that are presented in this report are EBITDA, EBITA, return on capital employed, net debt and operating cash flow. Definitions of these performance measures are found on page 19 along with a reconciliation with financial information in accordance with IFRS on pages 17–18 in this report.

Financial calendar

- Q2 2017, 13 July 2017
- Q3 2017, 19 October 2017
- Q4 2017, 25 January 2018
- Annual Report 2017, 23 March 2018
- Q1 2018, 27 April 2018
- Annual General Meeting 2018, 27 April 2018

Consolidated Financial Statements

INCOME STATEMENTS

MSEK	First quarter		Last 12 months	Full year 2016
	2017	2016		
Net sales	2,139	998	7,426	6,285
Cost of products and services sold	-1,798	-782	-6,107	-5,091
Gross profit	341	216	1,320	1,194
Sales and administrative expenses	-269	-173	-977	-882
Other operating income	24	15	108	100
Other operating expenses	-7	-2	-73	-68
Operating result	90	56	377	344
Net financial items	-21	-5	-58	-44
Result after financial items	69	51	319	300
Income tax	-16	-15	-85	-83
Result for the period	53	36	235	217
Result for the period attributable to:				
- parent company shareholders	53	36	235	217
<i>Earnings per share, SEK^{1) 2) 3)}</i>	<i>1.49</i>	<i>1.26</i>	<i>7.48</i>	<i>7.35</i>
<i>Average number of shares, in thousands³⁾</i>	<i>35,358</i>	<i>28,224</i>	<i>31,338</i>	<i>29,555</i>
<i>Outstanding shares at the end of the year, in thousands³⁾</i>	<i>35,358</i>	<i>28,224</i>	<i>35,358</i>	<i>35,358</i>

¹⁾ Earnings per share before and after dilution.

²⁾ Earnings per share calculated by dividing the result for the period attributable to parent company shareholders by the average number of outstanding shares during the period.

³⁾ Historic number of shares have been adjusted for the bonus issue element in the new share issue in 2016.

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	First quarter		Last 12 months	Full year 2016
	2017	2016		
Result for the period	53	36	235	217
<i>Items that not will be reclassified to the income statement</i>				
Actuarial gains/losses on defined benefit pensions plans, net after tax	0	0	5	5
<i>Items that will be reclassified to the income statement</i>				
Translation differences, net after tax	-18	-31	103	90
Cash flow hedges, net after tax	1	0	0	-1
Hedging of net investment abroad, net after tax	7	13	-31	-25
Other comprehensive income, net after tax	-10	-18	77	69
Total comprehensive income for the period	43	17	312	286
Total comprehensive income attributable to:				
- parent company shareholders	43	17	312	286

Consolidated Financial Statements

STATEMENTS OF CASH FLOW

MSEK	First quarter		Last 12 months	Full year 2016
	2017	2016		
Result after financial items	69	51	319	300
Adjustments for items not included in cash flow	50	12	186	148
Paid tax	-37	-16	-126	-104
Changes in working capital	-270	-21	-262	-13
Cash flow from operating activities	-188	25	118	331
Net investments in intangible and tangible assets	-31	-10	-134	-113
Acquisition of operations	-	-34	-1,762	-1,796
Payments received regarding long-term holdings	0	1	2	2
Cash flow from investing activities	-31	-43	-1,894	-1,907
Amortization of loans	-27	-25	-694	-692
New loans	262	-	2,173	1,911
Other changes in long- and short-term borrowing	51	43	-182	-190
New share issue	-	-	695	695
Dividend to parent company shareholders	-	-	-58	-58
Cash flow from financing activities	286	18	1,934	1,666
Cash flow for the period	68	-1	158	90
Liquid funds at the beginning of the period	651	529	522	529
Translation difference	-6	-6	32	32
Liquid funds at the end of the period	713	522	713	651
Net debt at the beginning of the period	2,224	738	750	738
Translation difference in net debt	-8	-4	37	40
Net debt in acquired operations	-	-3	465	462
Change in net debt	221	-19	1,185	983
Net debt at the end of the period	2,437	750	2,437	2,224
Operating cash flow	-161	3	-1,592	-1,428

STATEMENTS OF FINANCIAL POSITION

MSEK	31 Mar.		31 Dec. 2016
	2017	2016	
ASSETS			
Intangible assets	3,054	1,278	3,081
Tangible assets	793	330	806
Other fixed assets	239	196	241
Total fixed assets	4,085	1,803	4,128
Inventories	326	272	295
Accounts receivable	1,662	778	1,396
Other current assets	278	149	312
Cash and cash equivalents	713	522	651
Total current assets	2,979	1,721	2,654
Total assets	7,064	3,524	6,782

STATEMENTS OF FINANCIAL POSITION (CONT.)

MSEK	31 Mar.		31 Dec. 2016
	2017	2016	
EQUITY AND LIABILITIES			
EQUITY	2,454	1,505	2,411
Liabilities			
Non-interest-bearing long-term liabilities	217	84	233
Interest-bearing long-term liabilities	2,595	20	2,646
Total long-term liabilities	2,812	104	2,879
Non-interest-bearing short-term liabilities	1,244	663	1,263
Interest-bearing short-term liabilities	555	1,252	228
Total short-term liabilities	1,798	1,915	1,492
Total equity and liabilities	7,064	3,524	6,782

LGI was acquired in July 2016 which explains most of the increase in all the balance items. At the same time the Group has refinanced resulting in a three-year financing plan with

Elanders' main banks. This has led to shift from short-term interest-bearing liabilities to long-term.

STATEMENTS OF CHANGES IN EQUITY

MSEK	Equity attributable to parent company shareholders	Total equity
Opening balance on 1 Jan. 2016	1,488	1,488
New share issue	695	695
Dividend to parent company shareholders	-58	-58
Total comprehensive income for the period	286	286
Closing balance on 31 Dec. 2016	2,411	2,411
Opening balance on 1 Jan. 2016	1,488	1,488
Total comprehensive income for the period	17	17
Closing balance on 31 Mar. 2016	1,505	1,505
Opening balance on 1 Jan. 2017	2,411	2,411
Total comprehensive income for the period	43	43
Closing balance on 31 Mar. 2017	2,454	2,454

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 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 2016
	2017	2016		
Supply Chain Solutions	1,578	461	5,116	3,998
Print & Packaging Solutions	539	512	2,173	2,146
e-Commerce Solutions	39	43	223	227
Group functions	9	8	28	27
Eliminations	-26	-25	-114	-113
Group net sales	2,139	998	7,426	6,285

OPERATING RESULT

MSEK	First quarter		Last 12 months	Full year 2016
	2017	2016		
Supply Chain Solutions	68	37	289	258
Print & Packaging Solutions	36	25	139	127
e-Commerce Solutions	-6	1	13	19
Group functions	-8	-6	-63	-60
Group operating result	90	56	377	344

During 2016 one-off items amounting to net MSEK 39 attributable to advisory costs in connections to acquisitions, book VAT recognized as revenue and provision for settlement

costs for a dispute in the US been charged to operating result for Group functions.

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 contracts and are used for hedging purposes. Valuation at fair value of forward 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.

Derivative instruments in hedge accounting relationships recognized at fair value is presented under other current assets and non-interest bearing short-term liabilities. These items gross are below MSEK 1 both per 31 March 2017 and the comparison periods.

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

Parent Company's Financial Statements

INCOME STATEMENTS

MSEK	First quarter		Last 12 months	Full year 2016
	2017	2016		
Net sales	9	8	29	28
Operating expenses	-17	-10	-75	-68
Operating result	-8	-2	-46	-40
Net financial items	43	14	164	135
Result after financial items	35	12	118	95
Income tax	-3	-4	8	7
Result for the period	33	8	126	101

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	First quarter		Last 12 months	Full year 2016
	2017	2016		
Result for the period	33	8	126	101
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	33	8	126	101

BALANCE SHEETS

MSEK	31 Mar.		31 Dec. 2016
	2017	2016	
ASSETS			
Fixed assets	4,296	2,088	4,046
Current assets	347	162	421
Total assets	4,643	2,250	4,467
EQUITY, PROVISIONS AND LIABILITIES			
Equity	1,673	910	1,640
Provisions	3	3	3
Long-term liabilities	2,322	77	2,362
Short-term liabilities	645	1,260	462
Total equity, provisions and liabilities	4,643	2,250	4,467

Parent Company's Financial Statements

STATEMENTS OF CHANGES IN EQUITY

MSEK	Share capital	Statutory reserve	Unrestricted equity	Total equity
Opening balance on 1 Jan. 2016	265	332	304	902
New share issue	88	-	606	695
Dividend	-	-	-58	-58
Total comprehensive income for the period	-	-	101	101
Closing balance on 31 Dec. 2016	354	332	953	1,640
Opening balance on 1 Jan. 2016	265	332	304	902
Total comprehensive income for the period	-	-	8	8
Closing balance on 31 Mar. 2016	265	332	313	910
Opening balance on 1 Jan. 2017	354	332	953	1,640
Total comprehensive income for the period	-	-	33	33
Closing balance on 31 Mar. 2017	354	332	986	1,673

QUARTERLY DATA

MSEK	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1
Net sales	2,139	2,330	1,878	1,079	998	1,124	1,041	1,066	1,006
EBITDA	152	187	152	92	85	154	95	93	85
EBITA	105	139	112	72	62	116	69	68	59
EBITA-margin, %	4.9	6.0	6.0	6.7	6.2	10.3	6.6	6.4	5.9
Operating result	90	123	100	66	56	111	64	63	54
Operating margin, %	4.2	5.3	5.3	6.1	5.6	9.9	6.2	5.9	5.4
Result after financial items	69	103	86	61	51	105	55	55	44
Result after tax	53	79	58	45	36	73	36	38	27
Earnings per share, SEK ^{1) 2)}	1.49	2.37	2.04	1.59	1.26	2.60	1.27	1.34	0.98
Operating cash flow	-161	69	-1,565	64	3	237	-24	116	16
Cash flow per share, SEK ^{2) 3)}	-5.31	2.83	6.30	1.16	0.89	8.32	-1.87	3.72	-0.67
Depreciation and write-downs	63	65	52	26	29	43	31	30	31
Net investments	31	79	1,787	-3	43	14	7	19	2
Goodwill	2,264	2,272	2,274	1,228	1,211	1,200	1,217	1,209	1,224
Total assets	7,064	6,782	6,713	3,510	3,524	3,560	3,547	3,504	3,629
Equity	2,454	2,411	1,607	1,512	1,505	1,488	1,445	1,409	1,433
Equity per share, SEK ²⁾	69.39	71.87	56.93	53.58	53.33	52.72	51.19	49.92	50.77
Net debt	2,437	2,224	2,921	785	750	738	951	882	945
Capital employed	4,890	4,635	4,528	2,297	2,255	2,226	2,396	2,291	2,378
Return on total assets, % ⁴⁾	5.2	7.3	7.8	7.5	6.4	12.6	7.3	7.1	6.0
Return on equity, % ⁴⁾	8.7	15.8	14.8	11.8	9.5	20.0	10.0	10.7	7.9
Return on capital employed, % ⁴⁾	7.5	10.7	11.7	11.6	10.0	19.2	10.9	10.8	9.3
Debt/equity ratio	1.0	0.9	1.8	0.5	0.5	0.5	0.7	0.6	0.7
Equity ratio, %	34.7	35.6	23.9	43.1	42.7	42.0	40.7	40.2	39.5
Interest coverage ratio ⁵⁾	6.4	7.8	11.0	16.1	14.3	12.7	10.0	7.2	5.9
Number of employees at the end of the period	6,501	6,444	6,472	3,101	3,173	3,177	3,182	3,166	3,146

¹⁾ There is no dilution.

²⁾ Historic number of shares have been adjusted for the bonus issue element in the new share issue in 2016.

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

⁴⁾ Return ratios have been annualized (the result has been recalculated to correspond to the result for a 12 month period).

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

Five Year Overview

FIVE YEAR OVERVIEW – FIRST QUARTER

	2017	2016	2015	2014	2013
Net sales, MSEK	2,139	998	1,006	850	493
Result after tax, MSEK	53	36	27	16	11
Earnings per share, SEK ^{1) 2)}	1.49	1.26	0.98	0.65	0.42
Cash flow from operating activities per share, SEK ²⁾	-5.31	0.89	-0.67	-1.46	-1.10
Equity per share, SEK ²⁾	69.39	53.33	50.77	42.29	37.91
Return on equity, % ³⁾	8.7	9.5	7.9	6.2	4.4
Return on capital employed, % ³⁾	7.5	10.0	9.3	7.6	5.4
Operating margin, %	4.2	5.6	5.4	4.4	4.6
Average number of shares, in thousands ²⁾	35,358	28,224	28,224	24,900	24,900

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 issues in 2014 and 2016.

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 (the result has been recalculated to correspond to the result for a 12 month period).

FIVE YEAR OVERVIEW – FULL YEAR

	2016	2015	2014	2013	2012
Net sales, MSEK	6,285	4,236	3,730	2,096	1,924
EBITDA, MSEK	516	428	292	229	209
Operating result, MSEK	344	292	175	131	119
Result after financial items, MSEK	300	259	140	102	93
Result after tax, MSEK	217	175	88	70	45
Earnings per share, SEK ^{1) 2)}	7.35	6.18	3.27	2.81	1.87
Cash flow from operating activities per share, SEK ²⁾	11.19	9.52	6.03	5.15	9.06
Equity per share, SEK ²⁾	81.58	52.72	47.75	41.71	38.31
Dividends per share, SEK ^{2) 3)}	2.60	2.07	1.03	0.73	0.54
Operating margin, %	5.5	6.9	4.7	6.2	6.2
Return on total assets, %	6.7	8.2	5.9	5.6	5.6
Return on equity, %	12.4	12.1	7.4	7.0	4.8
Return on capital employed, %	10.0	12.6	8.7	7.7	7.4
Net debt/EBITDA ratio	4.3	1.7	3.1	3.2	3.3
Debt/equity ratio	0.9	0.5	0.7	0.7	0.7
Equity ratio, %	35.6	42.0	37.8	42.2	42.2
Average number of shares, in thousands ²⁾	29,555	28,224	26,825	24,900	23,712

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 issues in 2014 and 2016.

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.

Reconciliation Alternative Performance Measures

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – QUARTERLY DATA

MSEK	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1
Operating result	90	123	100	66	56	111	64	63	54
Depreciation, amortization and write-downs	63	65	52	26	29	43	31	30	31
EBITDA	152	187	152	92	85	154	95	93	85
Operating result	90	123	100	66	56	111	64	63	54
Amortization of assets identified in conjunction with acquisitions	15	16	12	6	6	5	5	5	5
EBITA	105	139	112	72	62	116	69	68	59
Cash flow from operating activities	-188	95	178	33	25	235	-53	105	-19
Net financial items	22	20	14	5	6	6	9	8	10
Paid tax	37	34	30	24	16	9	27	21	27
Net investments	-31	-79	-1,787	3	-43	-14	-7	-19	-2
Operating cash flow	-161	69	-1,565	64	3	237	-24	116	16
Average total assets	6,923	6,748	5,112	3,517	3,542	3,543	3,526	3,567	3,600
Average cash and cash equivalents	-682	-639	-558	-505	-526	-451	-389	-403	-429
Average non-interest-bearing liabilities	-1,478	-1,527	-1,141	-736	-776	-782	-794	-829	-860
Average capital employed	4,763	4,581	3,412	2,276	2,240	2,311	2,344	2,334	2,311
Annualized operating result	359	490	398	263	224	444	256	252	216
Return on capital employed, %	7.5	10.7	11.7	11.6	10.0	19.2	10.9	10.8	9.3
Interest-bearing long-term liabilities	2,595	2,647	2,666	20	20	20	23	23	25
Interest-bearing short-term liabilities	555	228	883	1,254	1,252	1,247	1,301	1,264	1,322
Cash and cash equivalents	-713	-651	-628	-489	-522	-529	-372	-405	-401
Net debt	2,437	2,224	2,921	785	750	738	951	882	945

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FIRST QUARTER

MSEK	2017	2016	2015	2014	2013
Average total assets	6,923	3,542	3,600	2,790	2,244
Average cash and cash equivalents	-682	-526	-429	-244	-140
Average non-interest-bearing liabilities	-1,478	-776	-860	-577	-439
Average capital employed	4,763	2,240	2,311	1,969	1,666
Annualized operating result	359	224	216	150	90
Return on capital employed, %	7.5	10.0	9.3	7.6	5.4

Reconciliation Alternative Performance Measures

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FULL YEAR

MSEK	2016	2015	2014	2013	2012
Operating result	344	292	175	131	119
Depreciation, amortization and write-downs	172	136	117	98	90
EBITDA	516	428	292	229	209
Average total assets	5,132	3,559	3,017	2,363	2,133
Average cash and cash equivalents	-573	-418	-336	-192	-125
Average non-interest-bearing liabilities	-1,131	-816	-671	-461	-410
Average capital employed	3,428	2,325	2,010	1,710	1,598
Operating result	344	292	175	131	119
Return on capital employed, %	10.0	12.6	8.7	7.7	7.4

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.

EBITA

Earnings before interest, taxes and amortization; operating result plus amortization of assets identified in conjunction with acquisitions.

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.



In 2016 Elanders acquired the German contract logistics company LGI Logistics Group International. This acquisition made the business area Supply Chain Solutions the largest in Elanders and it now represents over 73 percent of total net sales in the Group. Elanders' presence in Europe is now considerably stronger and the Group has taken yet another major step towards becoming a leading global player in supply chain management.

