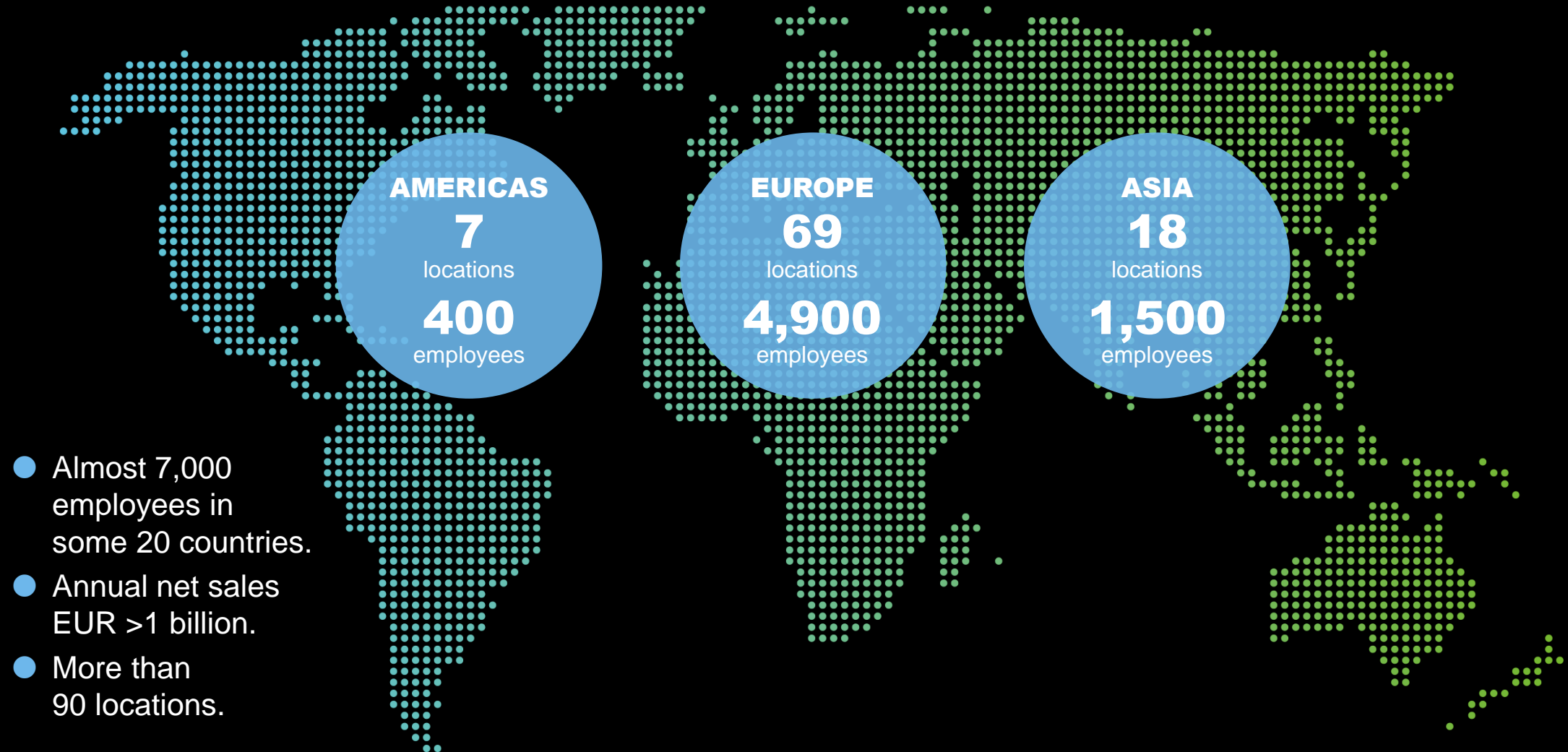


# QUARTERLY REPORT | January – March 2020 | 28 April 2020



# Elanders today



- Almost 7,000 employees in some 20 countries.
- Annual net sales EUR >1 billion.
- More than 90 locations.

# Our major customer segments

Our major customer segments' approximate share of total net sales



**25%**

**Automotive**



**35%**

**Electronics**



**15%**

**Fashion & Lifestyle**



**<5%**

**Health Care &  
Life Science**











**15%**

**Industrial**

# Market development



# Customer segments – market indicators

Customer segments	Primary market for Elanders	Trend in the market	Trend for Elanders	Comments
<b>Automotive</b>	Europe			Car sales volumes is going down dramatically because of the Coronavirus pandemic, which has forced the car manufacturers to close-down their factories. Most of the car manufacturers have now announced that they will reopen again soon, but they will probably start from low volumes.
<b>Electronics</b>	Worldwide			There is an increased demand for laptops, network equipment and accessories due to many people working from home and home-schooling. We expect a positive trend in the second quarter.
<b>Fashion &amp; Lifestyle</b>	Europe & USA			There is a dramatic drop in sales for retail stores due to the pandemic. Online sales increase, but cannot compensate for the drop in retail. Elanders has an organic growth in fulfilment of subscription boxes in the USA, but the pandemic is expected to impact the sale there in the second quarter.
<b>Industrial</b>	Europe			The pandemic affects all segments, but the impact on the Industrial segment was not as hard as for Automotive. Heavy equipment was affected negatively though. Some of the customers within Industrial have announced that they will start or has already started the production in Europe again.

# Operational highlights and financials Q1



# January - March 2020

	January - March		Last 12 months	Full year 2019
	2020	2019		
Net sales, MSEK	2,572	2,806	11,020	11,254
EBITDA, MSEK	297	334	1,248	1,285
EBITDA adjusted, MSEK <sup>1)</sup>	297	324	1,408	1,435
EBITA, MSEK <sup>2)</sup>	81	123	371	413
EBITA margin, % <sup>2)</sup>	3.1	4.4	3.4	3.7
EBITA adjusted, MSEK <sup>1)2)</sup>	81	113	530	563
EBITA margin adjusted, % <sup>1)2)</sup>	3.1	4.0	4.8	5.0
Result before tax, MSEK	28	73	171	216
Result after tax, MSEK	15	50	118	153
Earnings per share, SEK	0.43	1.40	3.23	4.19
Earnings per share adjusted, SEK	0.43	1.20	6.38	7.16
Net debt, closing balance, MSEK	3,911	4,358	3,911	3,961
Net debt / EBITDA, ratio <sup>3)</sup>	3.29	3.26	3.13	3.08
Net debt / EBITDA adjusted, ratio <sup>1)3)</sup>	3.29	3.36	2.78	2.76
Operating cash-flow, MSEK	356	390	1,421	1,454

<sup>1)</sup> In adjusted results one-off items have been excluded

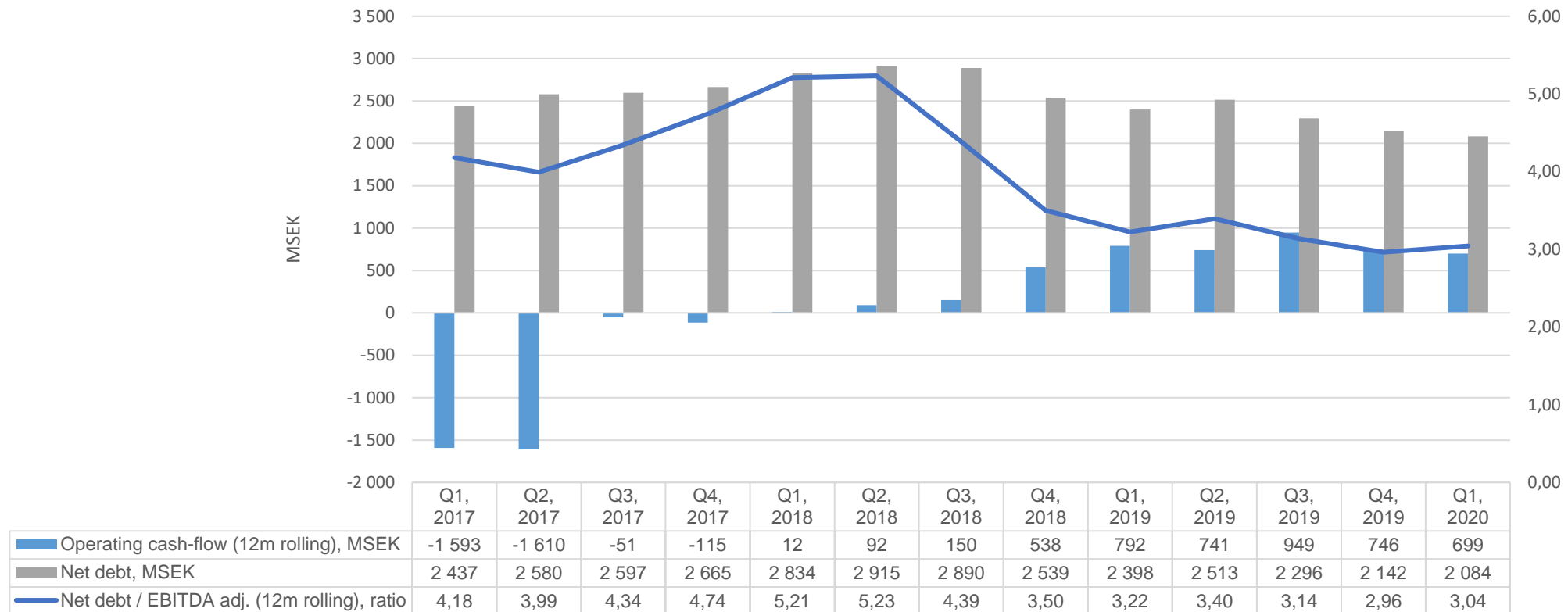
<sup>2)</sup> EBITA equals the operating profit plus amortization of assets identified in conjunction with acquisitions.

<sup>3)</sup> The key ratios have been annualised

## Actual

- Our Asian operations within Supply Chain Solutions was affected by the outbreak of the Coronavirus in the beginning of the quarter, but was able to recover quickly and had a strong end of the quarter. Initially the outbreak created disruptions in the supply chain for our Electronics customer, which affected both Asia and Europe.
- The real negative impact of the Coronavirus pandemic came when Europe was affected in a larger scale and when our customers there started to close down their production. Net sales in business area Supply Chain Solutions decreased by 17 percent organically as a consequence of the pandemic, but also from us being more selective in which business we should keep. The latter affected mainly the sales within Electronics, Automotive and Industrial.
- Print & Packaging Solutions was not significantly affected by the Coronavirus outbreak until the end of the quarter. Organic net sales increased by twelve percent mainly originating from the subscription box fulfilment business in the USA.
- We had a strong operating cash flow in the quarter and net debt decreased by MSEK 50, despite negative currency effects of some MSEK 220.

# Operating cash-flow and net debt (excl. IFRS 16 and one-off effects)



## Comments

- Historic data shows that Elanders normally has a strong cash-flow and can handle temporary increases in net debt in connection with acquisitions or bigger investments



# Our business areas

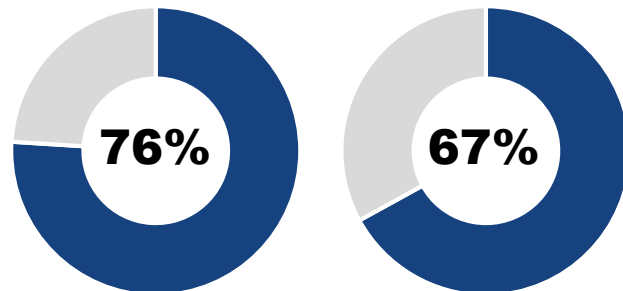
## Supply Chain Solutions *(excl. one-off items)*

Key figures	Jan-Mar 2020	Jan-Mar 2019
Net sales, SEK million	1,905	2,231
EBITA adjusted, SEK million	58	88
EBITA margin adjusted, %	3.0	3.9

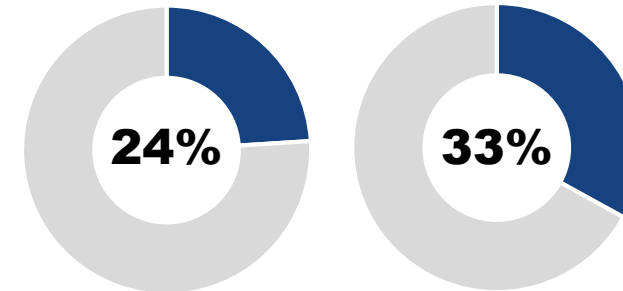
## Print & Packaging Solutions *(excl. one-off items)*

Key figures	Jan-Mar 2020	Jan-Mar 2019
Net sales, SEK million	686	599
EBITA adjusted, SEK million	32	33
EBITA margin adjusted, %	4.6	5.5

Share of total net sales (rolling 12m)    Share of EBITA adjusted (rolling 12m)



Share of total net sales (rolling 12m)    Share of EBITA adjusted (rolling 12m)



# Sales by customer segments

MSEK	2020	2019				2018
	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter
<b>Customer segment</b>						
Automotive	576	538	637	648	652	602
Electronics	733	1,028	922	857	958	1,042
Fashion & Lifestyle	549	510	521	512	469	506
Health Care & Life Science	80	84	77	65	73	61
Industrial	404	433	428	404	413	396
Other	230	311	240	234	241	284
<b>Net sales</b>	<b>2,572</b>	<b>2,904</b>	<b>2,825</b>	<b>2,719</b>	<b>2,806</b>	<b>2,890</b>

- Automotive decreased in comparison to the same period last year. In the end of the quarter, several customers decided to close down their production due to disruptions in the supply chain resulting in lack of components because of the Coronavirus.
- Electronics decreased in comparison to last year. The outbreak of the Coronavirus had a negative effect on net sales, both in Asia and in Europe, for the major part of the quarter. Lack of components resulted in disruptions in our customers' supply chain. At the same time we also got rid of some buy & sell business with low margin.
- Fashion & Lifestyle increased compared to last year, despite the drop in sales for retail. The increase mainly came from the subscription box fulfilment business in the USA, which showed significant growth. Online sales also increased, but could not compensate the drop in retail.
- Industrial was in line with last year. In the end of the quarter, several customers decided to close down their production due to lack of components, as a consequence of the Coronavirus pandemic.

# Going forward

- The Group's cash and cash equivalents together with unutilized credit facilities amounts to more than SEK1.2 billion. This puts us in a good position to manage the consequences of that customers close down their production during a longer period, even though this closure would have a negative effect on the result.
- Measures have been taken to reduce costs to meet the temporary decrease in demand. This includes short-work for around 2 000 of our employees. We have also reduced the number of temporary workers. In parallel we have strengthened our liquidity by postponing investments and minimizing costs that are not considered critical for the operations.
- In the end of March and beginning of April we had to cease production in some of our smaller sites, Italy and India, due to government restrictions associated with the Coronavirus pandemic. In Italy we are now about to start production again.
- In the second quarter several of our sites in Europe will operate with reduced capacity as a consequence of customers keeping the factories closed or running at low speed. This will heavily impact the Group's turnover and result for the second quarter.
- We can also see that the Coronavirus pandemic creates new opportunities. We have been approached by many potential customers that we have not worked with before, who wants a stable and reliable partner in these uncertain times.

# Questions?



# This is Elanders

Elanders is a global supplier with a broad range of services of integrated solutions in supply chain management.

The business is run through two business areas, Supply Chain Solutions and Print & Packaging Solutions.

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



>1

Net sales, EUR billion



~20

Number of countries, presence



>90

Locations, total



>1,000,000

Total m<sup>2</sup> of production and warehouse space



~7,000

Employees

# The world of Elanders



# Our Business Model – The Integrated Offer

## CUSTOMERS IN CORE INDUSTRIES



**Automotive**



**Electronics**



**Fashion &  
Lifestyle**



**Health Care &  
Life Science**



**Industrial**

## OPERATIONS

Procurement

Production

Distribution

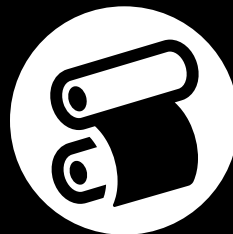
After-Sales Services

Return Logistics

## SERVICES – INTEGRATED SOLUTIONS



**SUPPLY CHAIN**



**PRINT &  
PACKAGING**



**E-COMMERCE**



**BUSINESS  
INNOVATIONS**

# Our Business Model – Linked to sustainability

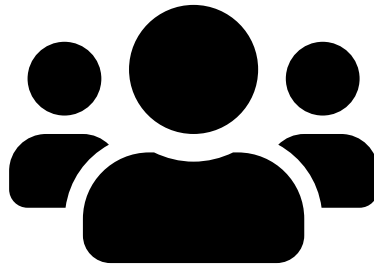
**CUSTOMERS IN CORE INDUSTRIES**

**OPERATIONS**

**SERVICES – INTEGRATED SOLUTIONS**



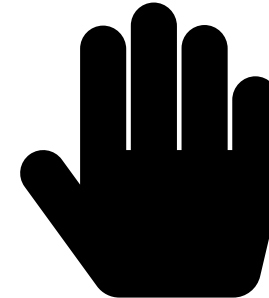
**Environment and  
climate**



**Employees**



**Social conditions  
and human rights**



**Ethics and  
anti-corruption**



# Some of our peers / major competitors in this industry



**Kuehne + Nagel**



**ID Logistics**



**XPO Logistics**



Global Transport and Logistics

**DSV**

<i>Country:</i>	Switzerland	France	USA	Denmark
<i>Turnover in equiv. MEUR (2019):</i>	23,000	1,534	15,000	12,000
<i>No of employees (2019):</i>	78,000	21,000	100,000	61 000
<i>Description:</i>	A logistics player that is very strong in Air & Sea freight. 25% of the turnover is in contract logistics.	An international contract logistics group with a client portfolio balanced between retail, industry, detail-picking, healthcare and e-commerce sectors	Active in contract logistics and transportation. Contract logistics is about 35% of the revenues. The remainder (65%) is transportation services including brokerage	A logistics company focusing on Air & Sea (53%), Road transportation (32%) and Solutions (15%).
<i>Type of company:</i>	Public	Public	Public	Public

**WE  
SUPPLY  
THE  
WORLD**