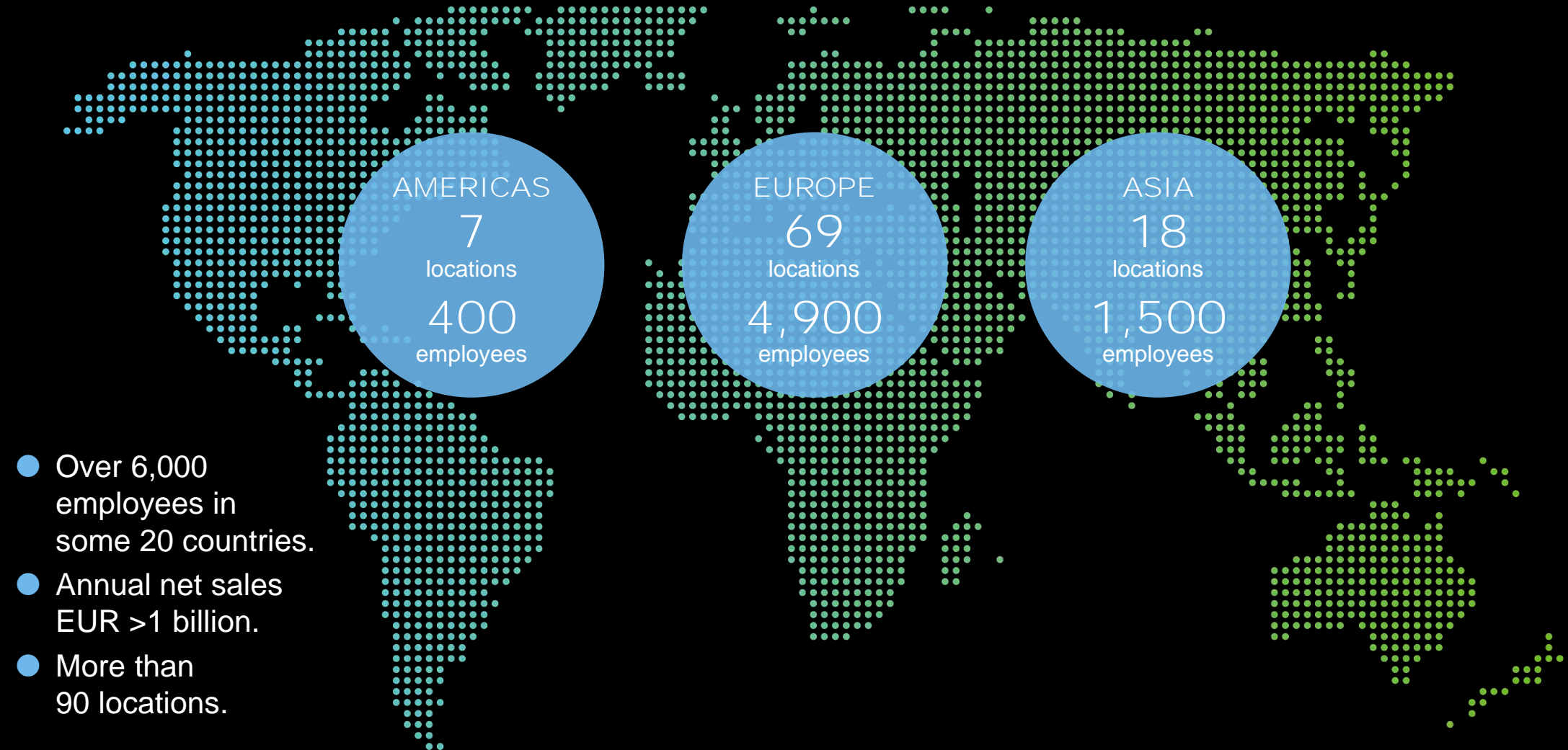


QUARTERLY REPORT | January – September 2020 | 23 October 2020



Elanders today



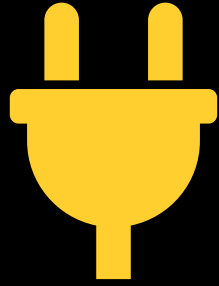
Our major customer segments

Our major customer segments' approximate share of total net sales



25%

Automotive



35%

Electronics



15%

Fashion & Lifestyle



<5%

Health Care &
Life Science



15%

Industrial

Operational highlights and financials Q3



Third quarter 2020

	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Net sales, MSEK	8,164	8,350	2,778	2,825	11,068	11,254
EBITDA, MSEK	965	1,070	390	387	1,180	1,285
EBITDA adjusted, MSEK ¹⁾	965	1,040	390	377	1,360	1,435
EBITA, MSEK ²⁾	342	424	190	169	331	413
EBITA margin, % ²⁾	4.2	5.1	6.8	6.0	3.0	3.7
EBITA adjusted, MSEK ^{1) 2)}	342	394	190	159	511	563
EBITA margin adjusted, % ^{1) 2)}	4.2	4.7	6.8	5.6	4.6	5.0
Result before tax, MSEK	203	275	147	118	144	216
Result after tax, MSEK	136	197	101	88	92	153
Earnings per share, SEK	3.78	5.45	2.83	2.43	2.52	4.19
Earnings per share adjusted, SEK	3.78	4.86	2.83	2.23	6.08	7.16
Net debt, closing balance, MSEK	3,567	4,272	3,567	4,272	3,567	3,961
Net debt / EBITDA, ratio ³⁾	2.77	2.99	2.29	2.76	3.02	3.08
Net debt / EBITDA adjusted, ratio ^{1) 3)}	2.77	3.08	2.29	2.83	2.62	2.76
Operating cash-flow, MSEK	1,090	1,080	455	439	1,465	1,454

¹⁾ In adjusted results one-off items have been excluded

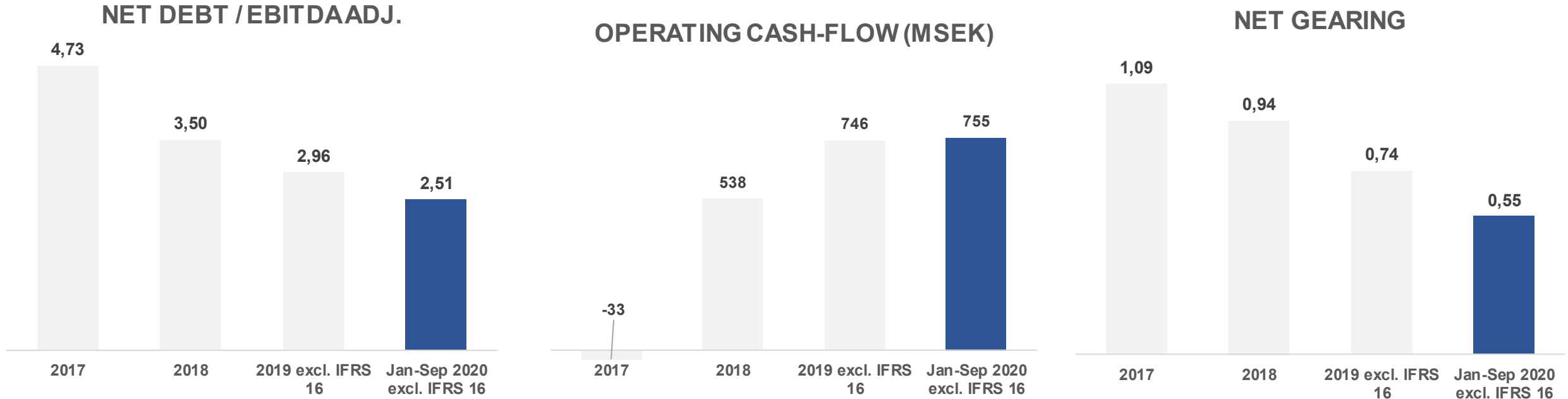
²⁾ EBITA equals the operating profit plus amortization of assets identified in conjunction with acquisitions.

³⁾ The key ratios have been annualised

Actual

- Our best quarterly result ever!
- Signs of recovery in almost all customer segments and sales grew organically by three percent.
- Increased activity on the customer side with more requests for quotes especially in the Fashion & Lifestyle segment.
- Our cost saving actions in 2019 resulted in improved margins for Supply Chain Solutions when sales recovered.
- Print & Packaging Solutions showed a strong recovery and gained additional market shares.
- Several important customer agreements were renewed (annual sales SEK 500-700 million).
- The strong cash flow has led to lower leverage, which means that the Group can benefit from lower interest rates going forward.
- The investments in Life Cycle Management continue. In October Elanders acquired Azalea IT, a Swedish company, specialized in network equipment and servers.

Stronger financial position



Comments:

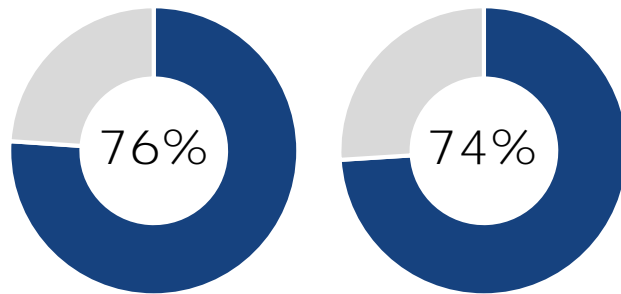
- Rolling 12 month data
- Historic data shows that Elanders normally has a strong cash flow and can handle temporary increases in net debt in connection with acquisitions or larger investments

Our business areas

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

Key figures	Jan-Sep 2020	Jan-Sep 2019
Net sales, SEK million	6,294	6,576
EBITA adjusted, SEK million	309	316
EBITA margin adjusted, %	4.9	4.8

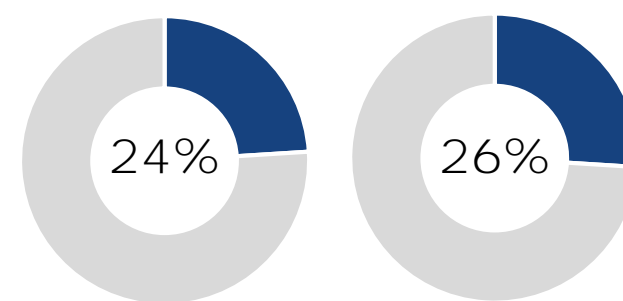
Share of total net sales (rolling 12m) Share of EBITA adjusted (rolling 12m)



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

Key figures	Jan-Sep 2020	Jan-Sep 2019
Net sales, SEK million	1,935	1,827
EBITA adjusted, SEK million	57	103
EBITA margin adjusted, %	3.0	5.6

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



Sales by customer segments

Net sales per quarter

MSEK	2020			2019		
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter
Customer segments						
Automotive	546	340	576	538	637	648
Electronics	775	915	733	1,028	922	857
Fashion & Lifestyle	630	511	549	510	521	512
Health Care & Life Science	220	524	80	84	77	65
Industrial	405	318	404	433	428	404
Other	203	206	230	311	240	234
Net sales	2,778	2,814	2,572	2,904	2,825	2,719

Automotive

- It was a mixed picture for Automotive in the third quarter with a strong demand in July, followed by lower demand than normal in August and then a strong demand in September.
- Some of the car manufacturers are expecting a challenging market also in 2021.

Electronics

- The sales in Electronics decreased somewhat, which partly probably was a consequence of the high volumes in the second quarter, when the demand increased when people were starting to work and study more from home.
- We have renewed one of our most important contracts for another 5+2 years with a yearly sales value of MEUR 40-50.
- We still expect the volumes for Electronics to be stable going forward, but at a lower level than in Q2.

Sales by customer segments (cont.)

Net sales per quarter

MSEK	2020			2019		
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter
Customer segments						
Automotive	546	340	576	538	637	648
Electronics	775	915	733	1,028	922	857
Fashion & Lifestyle	630	511	549	510	521	512
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Industrial	405	318	404	433	428	404
Other	203	206	230	311	240	234
Net sales	2,778	2,814	2,572	2,904	2,825	2,719

Fashion & Lifestyle

- The volumes in the Fashion & Lifestyle segment was higher than last year, which was partly due to growth in the subscription box fulfilment business in the USA combined with a recovery for our retail customers. We could also see that the volumes for our e-commerce customers continue to grow.
- Requests from new customers have increased and recently we secured a new important customer with a yearly sales value of MEUR 3.
- We expect the demand to be stable going forward. Any new COVID-19 restrictions, e.g. lock-downs, might affect the volumes negatively.

Health Care & Life Science

- Health Care & Life Science had a strong boost in sales in Q2, due to one-off business relating to personal protective equipment for the North and South American market. The business continued into the beginning of the third quarter, but were significantly less than before.
- Underlying business continues to show a stable demand and we have secured a new 10 year contract with our biggest customer.

Sales by customer segments (cont.)

Net sales per quarter

MSEK	2020			2019		
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter
Customer segments						
Automotive	546	340	576	538	637	648
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Other	203	206	230	311	240	234
Net sales	2,778	2,814	2,572	2,904	2,825	2,719

Industrial

- The sales to almost all customers in the Industrial segment recovered in the third quarter, but the forecast going forward is still a bit uncertain given the COVID-19 pandemic.

Going forward

- After our strong recovery in Q3 and improved financial position we are carefully optimistic going forward. We have also showed that our existing business model with both a diversified customer base and geographical spread can handle very challenging market conditions. However, COVID-19 will continue to make the market conditions uncertain, which we need to be prepared for, and we will continue to focus on generating strong cash flow to be able to handle these challenges.
- The Group's cash and cash equivalents together with unutilized credit facilities still amounts to more than SEK 1.4 billion and from a financial position we are stronger than we were when we entered the COVID-19 pandemic.
- We can see that the pandemic also 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. We can also see that some of our competitors in the print area have become insolvent, which already have benefited us with additional volumes from some of our customers.

Questions?



This is Elanders

Elanders offers a broad range of services and total solutions in supply chain management. The business is run through two business areas, Supply Chain Solutions and Print & Packaging Solutions. The Group has more than 6,000 employees and operates in some 20 countries on four continents. Our most important markets are China, Germany, Singapore, Sweden, the United Kingdom 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 m² of production and warehouse space



> 6,000

Employees, total

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

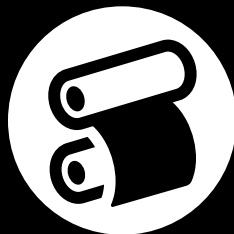
After-Sales Services

Return Logistics

SERVICES – INTEGRATED SOLUTIONS



SUPPLY CHAIN



PRINT &
PACKAGING



E-COMMERCE



BUSINESS
INNOVATIONS

Our Business Model – Linked to sustainability

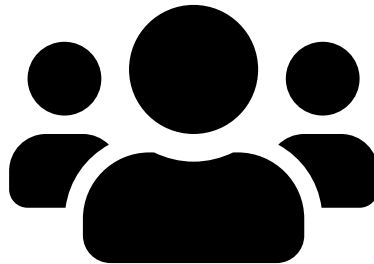
CUSTOMERS IN CORE INDUSTRIES

OPERATIONS

SERVICES – INTEGRATED SOLUTIONS



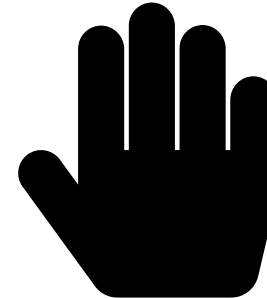
Environment and
climate



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**