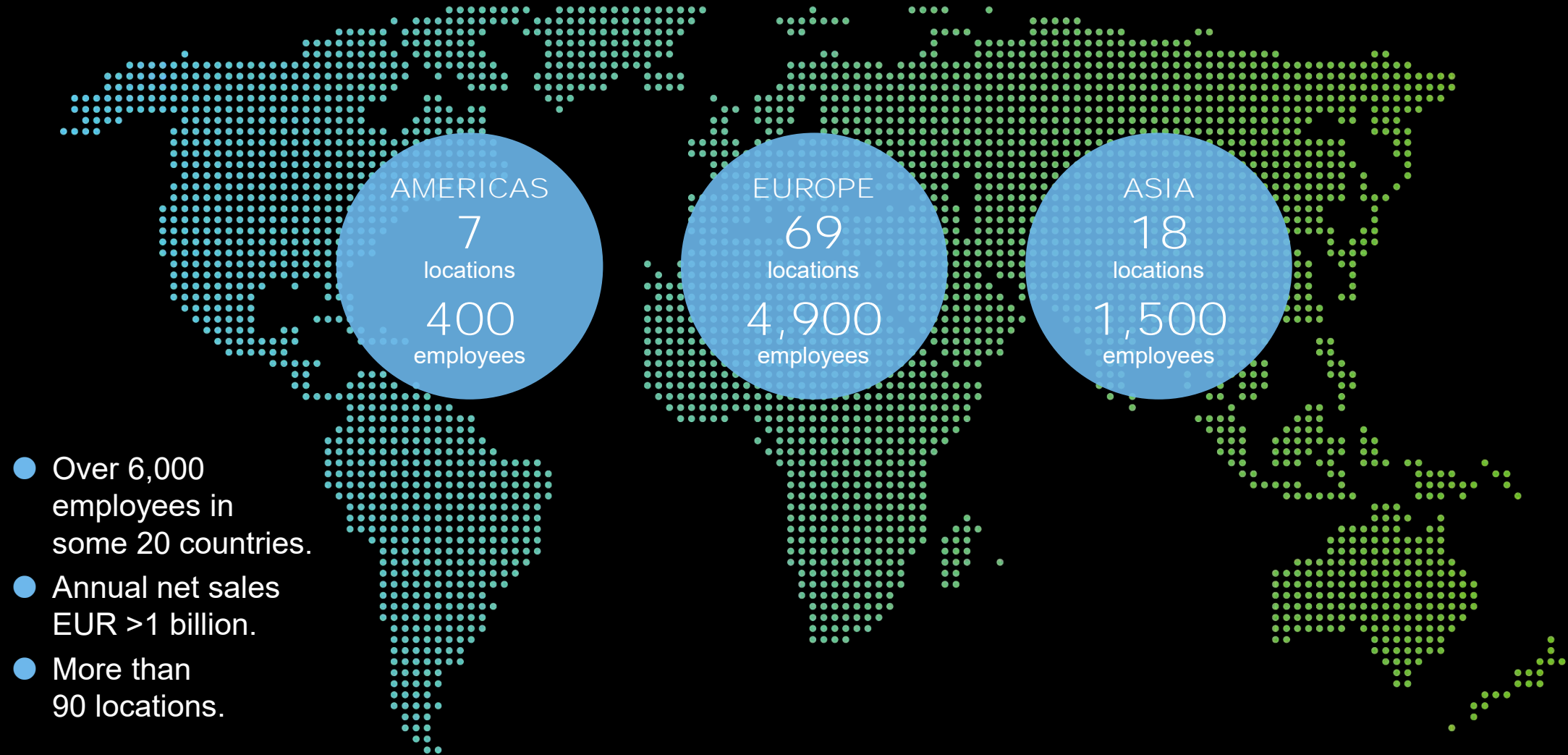


# YEAR-END REPORT | January – December 2020 | 29 January 2021



# Elanders today



- Over 6,000 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

# Operational highlights and financials Q4



# Fourth quarter 2020

	January - December		Fourth quarter	
	2020	2019	2020	2019
Net sales, MSEK	11,050	11,254	2,886	2,904
EBITDA, MSEK	1,431	1,285	466	215
EBITDA adjusted, MSEK <sup>1)</sup>	1,431	1,435	466	395
EBITA, MSEK <sup>2)</sup>	598	413	256	-11
EBITA margin, % <sup>2)</sup>	5.4	3.7	8.9	-0.4
EBITA adjusted, MSEK <sup>1) 2)</sup>	598	563	256	169
EBITA margin adjusted, % <sup>1) 2)</sup>	5.4	5.0	8.9	5.8
Result before tax, MSEK	414	216	211	-59
Result after tax, MSEK	292	153	156	-44
Earnings per share, SEK	8.12	4.19	4.33	-1.26
Earnings per share adjusted, SEK	8.12	7.16	4.33	2.29
Net debt, closing balance, MSEK	2,854	3,961	2,854	3,961
Net debt / EBITDA, ratio <sup>3)</sup>	1.99	3.08	1.53	4.60
Net debt / EBITDA adjusted, ratio <sup>1) 3)</sup>	1.99	2.76	1.53	2.51
Net debt / EBITDA, ratio excl. IFRS 16 <sup>3)</sup>	1.52	3.74	0.95	18.85
Operating cash flow, MSEK	1,783	1,454	693	374

<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 annualized.

## Actual

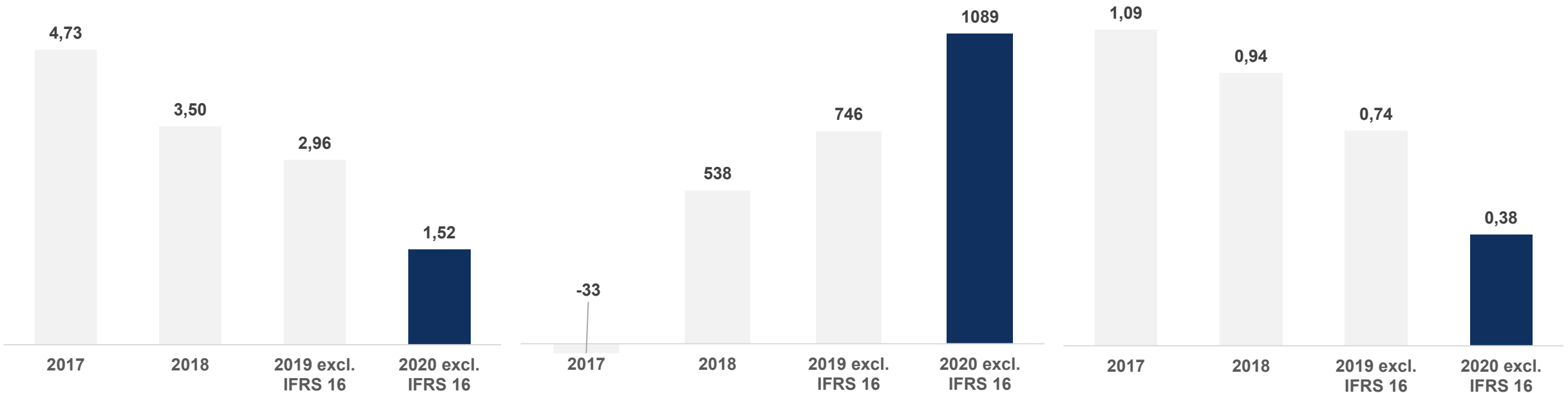
- Best year and quarter ever!
- Continued strong demand in almost all customer segments. Net sales grew organically by 5.5 percent.
- Lower demand from retail was compensated by higher demand from e-commerce.
- We continue to invest in additional e-commerce business within Fashion & Lifestyle, which is steadily growing. This year a new site will be opened in Oberhausen, Germany, dedicated for e-commerce business.
- Our cost saving program in 2019 improved the margins for Supply Chain Solutions this year.
- Print & Packaging Solutions including the photobook business had a really strong quarter and gained additional market shares.
- This year's strong cash-flow has significantly reduced our leverage. As a result, the Group will benefit from lower interest rates going forward. The stronger financial position also increases the possibility to do more acquisitions.

# Stronger financial position

## NET DEBT / EBITDA ADJ.

## OPERATING CASH FLOW (MSEK)

## NET GEARING



### Comments:

- Rolling 12 months 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

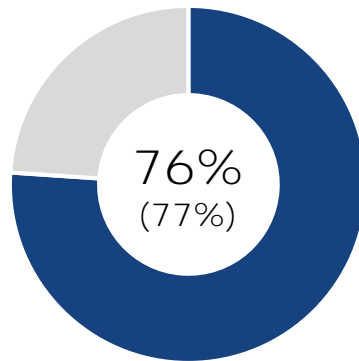
## Supply Chain Solutions *(excl. one-off items)*

Key figures	Oct-Dec 2020	Oct-Dec 2019
Net sales, SEK million	2 144	2 199
EBITA adjusted, SEK million	172	92
EBITA margin adjusted, %	8.1	4.2

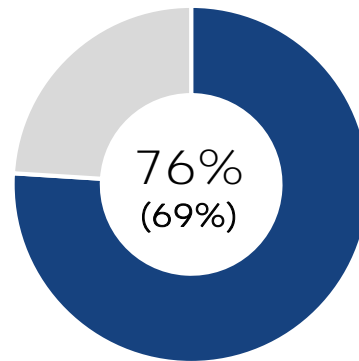
## Print & Packaging Solutions *(excl. one-off items)*

Key figures	Oct-Dec 2020	Oct-Dec 2019
Net sales, SEK million	792	737
EBITA adjusted, SEK million	95	86
EBITA margin adjusted, %	12.1	11.6

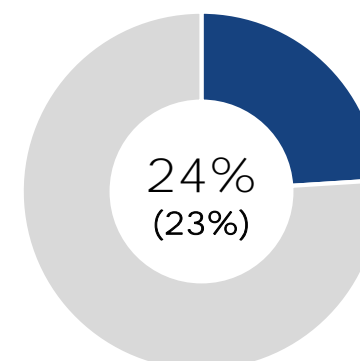
Share of total net sales  
(rolling 12m)



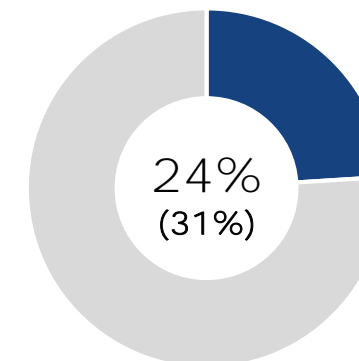
Share of EBITA adjusted  
(rolling 12m)



Share of total net sales  
(rolling 12m)



Share of EBITA adjusted  
(rolling 12m)



# Sales by customer segments

## Net sales per quarter

MSEK	2020				2019	
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter
<b>Customer segments</b>						
Automotive	563	546	340	576	538	637
Electronics	817	775	915	733	1,028	922
Fashion & Lifestyle	670	630	511	549	510	521
Health Care & Life Science	99	220	524	80	84	77
Industrial	440	405	318	404	433	428
Other	298	203	206	230	311	240
<b>Net sales</b>	<b>2,886</b>	<b>2,778</b>	<b>2,814</b>	<b>2,572</b>	<b>2,904</b>	<b>2,825</b>

### Automotive

- Our Automotive clients experienced a steady demand and did not close longer than usual during the holidays. Going forward they still have a back-log in the order book.
- There is a risk that lack of electronic components will put some pressure on their manufacturing capacity.

### Electronics

- The sales in Electronics increased somewhat compared to Q3 due to seasonality. Sales in Q4 is normally strong. The decrease compared to last year was mainly due to lost buy & sell business.
- We expect the demand to continue to be stable going forward.



# Sales by customer segments (cont.)

## Net sales per quarter

MSEK	2020				2019	
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter
<b>Customer segments</b>						
Automotive	563	546	340	576	538	637
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### Fashion & Lifestyle

- The volumes in the Fashion & Lifestyle segment were higher than last year due to the growth in the subscription box fulfilment business in the USA. We could also see that the volumes for our e-commerce customers continue to grow.
- We expect the demand for the segment to be stable going forward. However, any new COVID-19 restrictions, e.g. lock-downs, might affect the retail volumes negatively.

### Health Care & Life Science

- The one-off business with personal protective equipment for the North and South American market boosted sales in Q2 and Q3. In Q4 the effect on net sales was very small.

# Sales by customer segments (cont.)

## Net sales per quarter

MSEK	2020				2019	
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter
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### Industrial

- The sales volumes to the customers in the Industrial segment remained stable in the fourth quarter, but the forecast going forward is still a bit uncertain given the ongoing COVID-19 pandemic.

# Going forward

- After a strong Q3 we followed up with an even stronger Q4. All the actions we have made on the cost-side really paid-off in improved margins.
- We have strengthened our financial position and the Group's cash and cash equivalents together with unutilized credit facilities now amounts to more than SEK 1.7 billion.
- After a strong quarter and a significantly improved financial position we are carefully optimistic going forward. However, the COVID-19 pandemic 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 market has started to normalize and we have a lot of requests from both existing and new customers.
- The Swedish Krona is getting stronger, which might put pressure on the result this year, as almost all of our earnings are in euro and US dollars.

# 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 m<sup>2</sup> 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

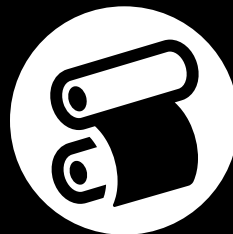
After-Sales Services

Return Logistics

SERVICES – INTEGRATED SOLUTIONS



SUPPLY CHAIN



PRINT &  
PACKAGING



E-COMMERCE



BUSINESS  
INNOVATIONS

# Our Business Model – Linked to sustainability

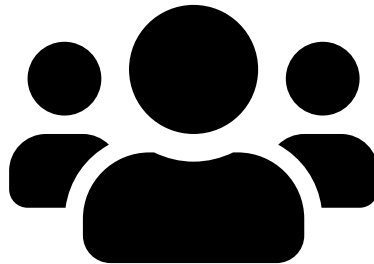
CUSTOMERS IN CORE INDUSTRIES

OPERATIONS

SERVICES – INTEGRATED SOLUTIONS



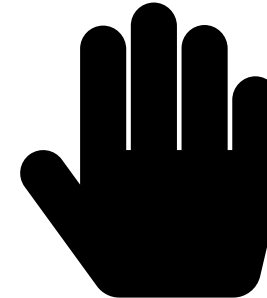
**Environment and  
climate**



**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**