

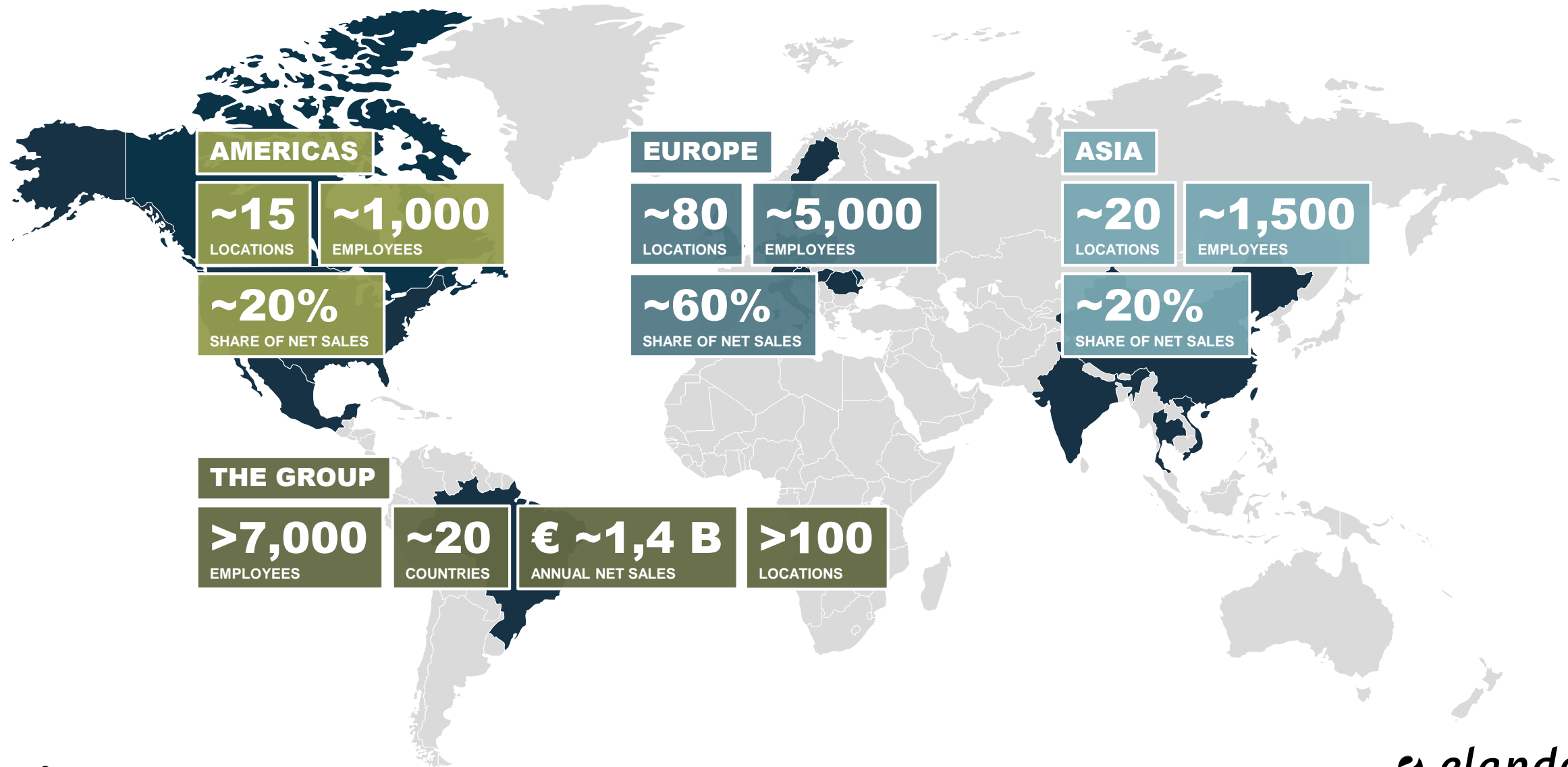


**17 October 2023**

# **QUARTERLY REPORT**

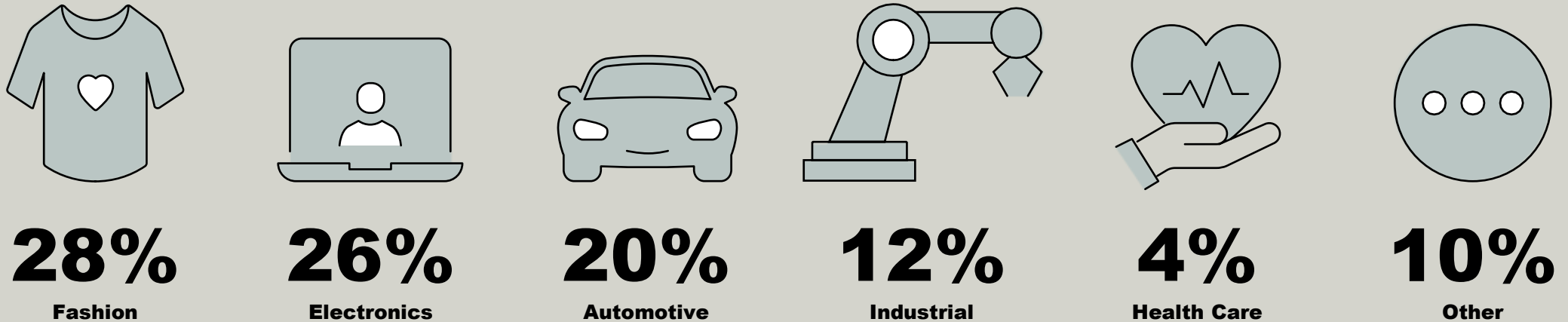
**January – September 2023**

# Elanders today



# Elanders' customer segments

Our customer segments' approximate share of total net sales\*



*\*As a percentage of rolling 12 months total net sales as of September 30, 2023*

# Operational highlights and financials Q3, 2023



# Third quarter 2023

	January - September		Third quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Net sales, MSEK	10,292	10,875	3,253	3,979	14,391	14,974
EBITDA, MSEK	1,399	1,403	500	466	1,937	1,940
EBITDA excl. IFRS 16, MSEK	635	762	238	246	941	1,068
EBITA adjusted, MSEK <sup>1) 3)</sup>	638	635	211	224	969	966
EBITA-margin adjusted, % <sup>1) 3)</sup>	6.2	5.8	6.5	5.6	6.7	6.5
EBITA, MSEK <sup>1)</sup>	556	666	211	216	830	940
EBITA-margin, % <sup>1)</sup>	5.4	6.1	6.5	5.4	5.8	6.3
Result after tax adjusted, MSEK <sup>3)</sup>	223	315	66	124	406	499
Earnings per share adjusted, SEK <sup>3)</sup>	6.19	8.52	1.83	3.33	11.30	13.63
Result after tax, MSEK	156	347	66	115	296	487
Earnings per share, SEK	4.32	9.42	1.83	3.10	8.19	13.29
Operating cash flow, MSEK	1,558	715	510	229	2,054	1,210
Cash conversion, %	112.7	54.2	105.7	58.6	107.0	64.6
Net debt, MSEK	7,022	7,227	7,022	7,227	7,022	7,276
Net debt excl. IFRS 16, MSEK	2,875	3,231	2,875	3,231	2,875	3,022
Net debt/EBITDA ratio, times <sup>2)</sup>	3.8	3.9	3.5	3.9	3.6	3.7
Net debt/EBITDA ratio adjusted, times <sup>2) 4)</sup>	3.0	3.3	3.0	3.2	2.7	2.8

<sup>1)</sup> EBITA refers to Earnings before interest, taxes and amortization; operating result plus amortization of assets identified in conjunction with acquisitions.

<sup>2)</sup> Return ratios have been annualized (the result has been recalculated to correspond to the result for a 12-month period).

<sup>3)</sup> One-off items have been excluded in the adjusted measures.

<sup>4)</sup> Net debt / EBITDA ratio adjusted excludes IFRS 16 effects and one-off items.

## ● A challenging market

- All regions and majority of our customer segments are now showing softer demand.
- Despite lower demand, the Group's EBITA margin improved.

## ● Negative organic growth, mainly due to a normalization of freight prices within the Air & Sea freight forwarding operations

## ● Significantly improved cash-flow / cash conversion

- Adjusted for dividend and currency effects, net debt (excluding IFRS 16 effects) has decreased by SEK 400+ million this year.
- Working capital has decreased by SEK 200+ million this year.

## ● Current net debt and high interest rates put pressure on the bottom line

# Third quarter 2023

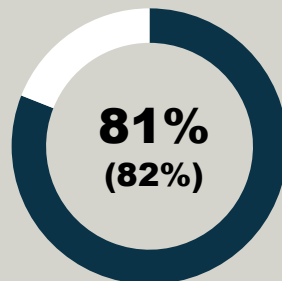
## Supply Chain Solutions

Key figures	Q3 2023	Q3 2022
Net sales, SEK million	2,664	3,325
EBITA adjusted, SEK million	178	200
EBITA margin adjusted, %	6.7	6.0
EBITA, SEK million	178	200
EBITA margin, %	6.7	6.0
Cash conversion, %	119.3	57.6

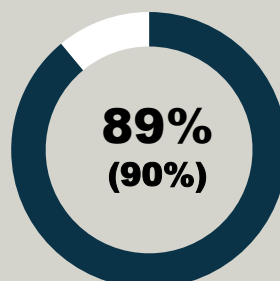
### Challenging quarter for Supply Chain Solutions

- Negative growth, mainly due to a normalization of freight prices within the Air & Sea operations but also weaker demand
- Continued weak demand in Asia for high value-added services.
- Overcapacity in our warehouses in Europe and North America is putting pressure on margins. Despite a weak market, we see a slight increased interest from new customers.
- Huge improvement in cash conversion.

Share of total net sales  
(rolling 12m)



Share of EBITA  
(rolling 12m)



# Third quarter 2023

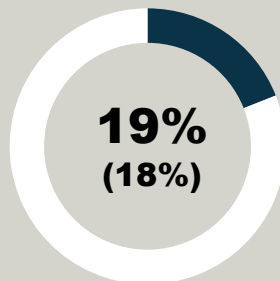
## Print & Packaging Solutions

Key figures	Q3 2023	Q3 2022
Net sales, SEK million	624	686
EBITA adjusted, SEK million	41	37
EBITA margin adjusted, %	6.6	5.4
EBITA, SEK million	41	28
EBITA margin, %	6.6	4.1
Cash conversion, %	124.6	-13.6

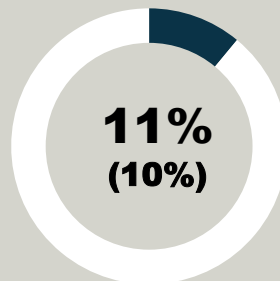
### Improved profitability in Print & Packaging Solutions

- Significantly improved margins despite negative growth
- Price increases towards customers combined with stabilized energy and material prices helped to improve margins
- Growth in online print volumes compensated for decrease in traditional print volumes



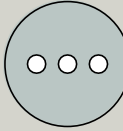
Share of total net sales  
(rolling 12m)



Share of EBITA  
(rolling 12m)



# Customer segments

FASHION		<b>28%</b>	Weakened demand in North America and still a soft market in Europe. High activity on the customer-side and several new customers obtained.
ELECTRONICS		<b>26%</b>	Weak demand in both Europe and Asia. Technical Logistics, part of our Life Cycle Management services, continues to grow.
AUTOMOTIVE		<b>20%</b>	Price increases have improved earnings. Productivity negatively affected by lack of components and material.
INDUSTRIAL		<b>12%</b>	Stable, but some signs of weakened demand
HEALTH CARE		<b>4%</b>	Overall stable demand, but some customers are experiencing a weakening demand.
OTHER		<b>10%</b>	Our online print area continued to show organic growth in Q3.





# Business development 2023

- The Bergen Logistics business concept has been introduced in three of our sites in the first half of this year.
- Our new Medtech site in Germany opened up in Q3.
- Our new Medtech site in USA and an additional site in Mexico will be opened in Q4.
- Elanders' subsidiary ReuseIT has together with Kjell & Company launched a unique solution that allows consumers to easily hand in and get paid for used IT equipment.

**NYHET!**  
Nu kan du köpa begagnat hos Kjell

★★★★★ 4.7  
Datanering, testning och rekonditionering  
**reuseit**  
think green

**Kjell & Company** Meny Välkommen! Vad söker du idag? Handla av en säljare Hej Daniel

**PREMIÄR!**  
Köp en begagnad mobil hos Kjell & Company

**PREMIÄR!**  
Panta hos Kjell och få en slant för din mobil, dator och surfplatta



## Panta din dator, surfplatta eller mobil hos oss

Få värdet plus 10 % när du väljer värdecheck – direkt i butik

Värdera, lämna in i butik och få betalt. Svårare är det inte. Hur mycket din dator, surfplatta eller mobil är värd kan du få reda på här och nu, utan att vara medlem eller ange din mejladress.

# Going forward

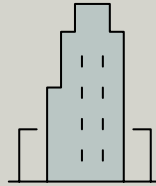
- Elanders' global footprint and diversified customer base helps in a challenging market.
- Even if the market is challenging, there are a lot of opportunities for growth.
- Our investments in additional capacity combined with the roll-out of the Bergen Logistics concept will be an important engine for future growth.
- There will be a continued focus on cash-flow generation.

# Questions?



# This is Elanders

HQ GOTHENBURG, SWEDEN



NASDAQ OMX STOCKHOLM

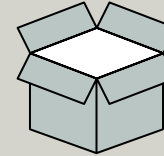


## TWO BUSINESS AREAS



**80%**

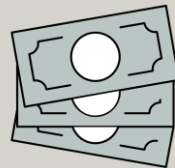
Supply Chain Solutions



**20%**

Print & Packaging Solutions

## GLOBAL OPERATIONS



**~1.4**

Annual net sales, EUR billion



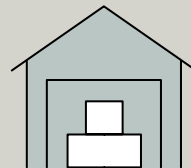
**>7,000**

Number of employees



**>100**

Locations, total



**~1,500,000**

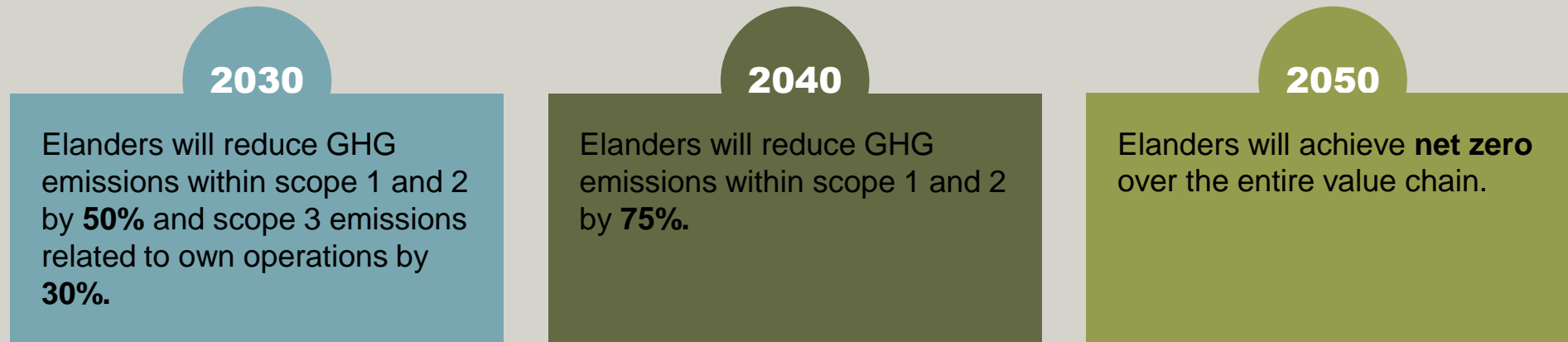
Total m<sup>2</sup> of production and warehouse space



**~20**

Number of countries, presence

# Reduction targets for greenhouse gas (GHG) emissions



*The baseline for above targets is year 2021.*

# Elanders' business proposal

1

We develop **efficient end-to-end solutions** that makes life easier for our customers

2

With our global footprint we can offer both **local and global solutions** and also help local companies to act global

We have a very **entrepreneurial approach** to everything we do which makes it possible for us to deliver fast, flexible and bespoke solutions

3

Our deep integration into our clients processes makes us a **solid long time partner** and we have been serving the majority of our big clients for more than **20 years**

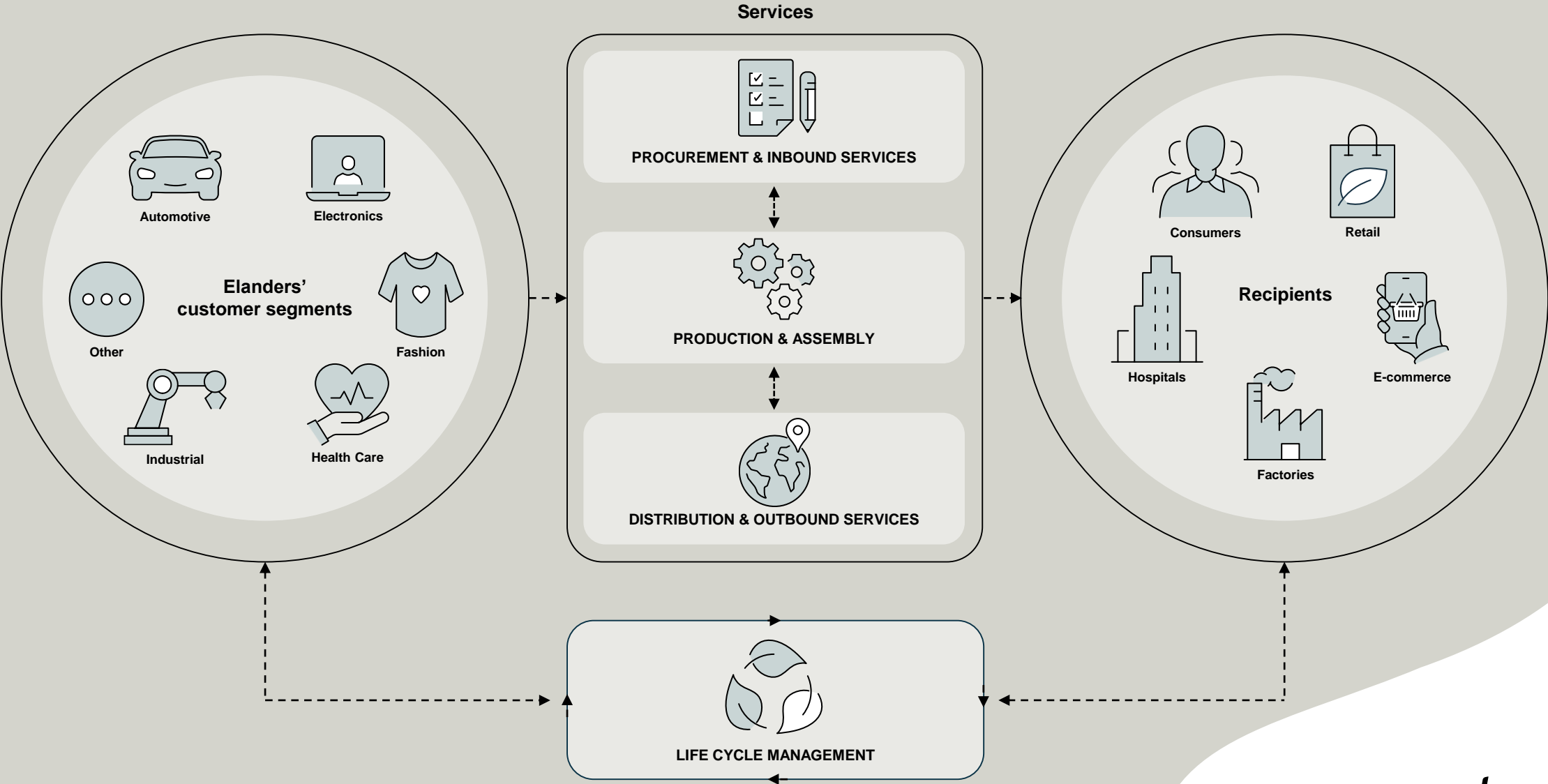
4

When it comes to **sustainability** we always try to deliver the best solution for our clients and also to develop unique solutions when it comes to **life cycle management**.

5

# Our end-to-end solution

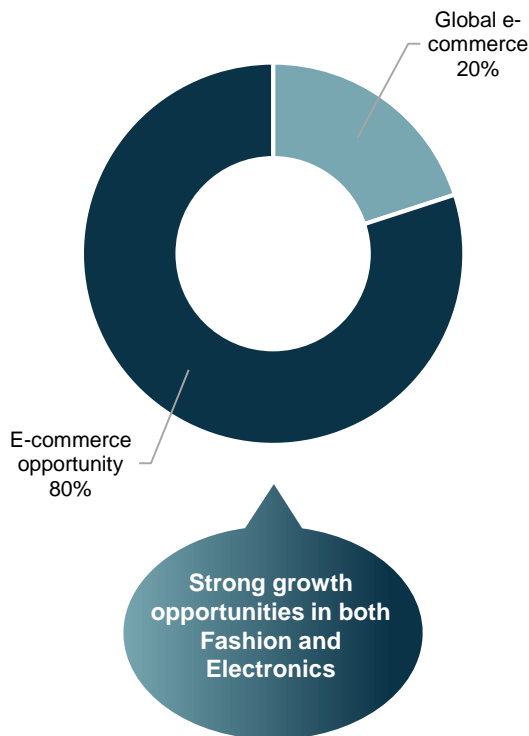
*Diversified customer base channelled into unified processes creates opportunities for multi-sites and knowledge sharing which benefits our clients.*



# Elanders' major growth opportunities

## E-COMMERCE

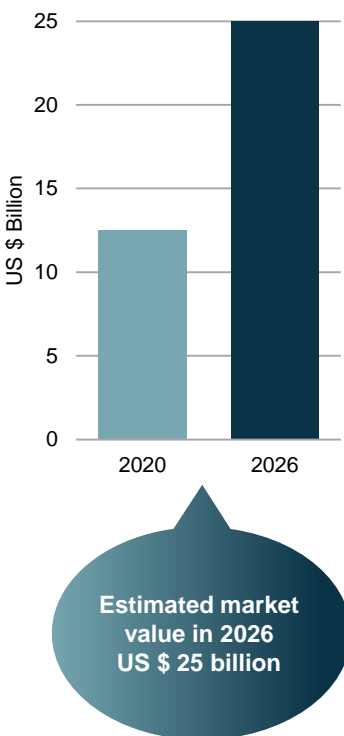
E-commerce penetration <sup>1)</sup>



<sup>1)</sup> Represents global e-commerce market.  
Source: Third-party industry research.

## LIFE CYCLE MANAGEMENT

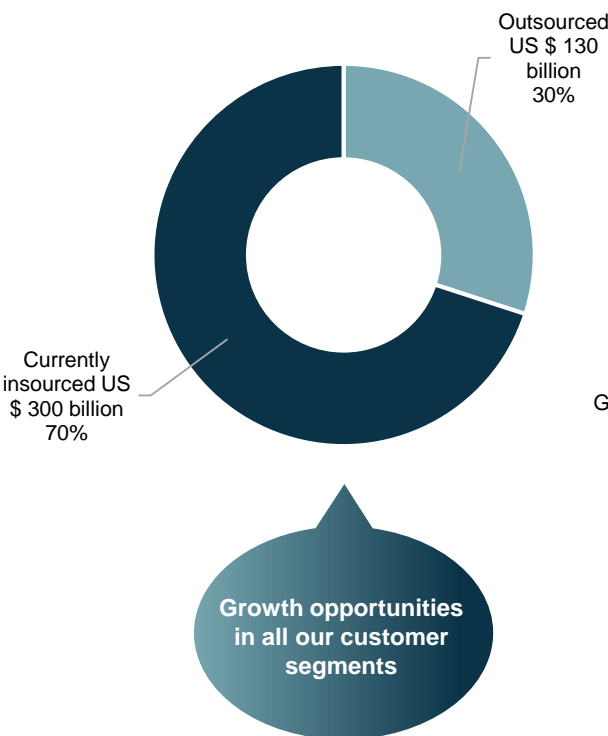
Renewed Tech (ITAD) <sup>2)</sup>



<sup>2)</sup> Represents global market.  
Source: Third-party industry research.

## OUTSOURCING

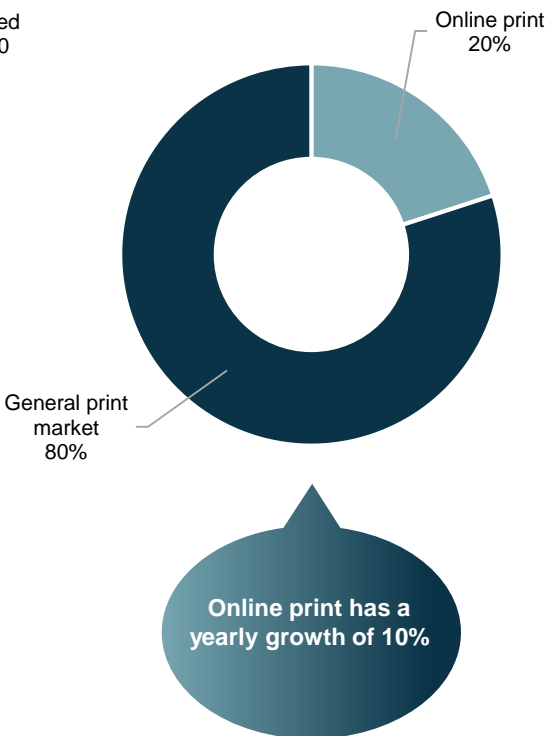
% of logistics services that is outsourced <sup>3)</sup>



<sup>3)</sup> Represents North America and Europe.  
Source: Third-party industry research.

## ONLINE PRINT

Print via e-commerce <sup>4)</sup>



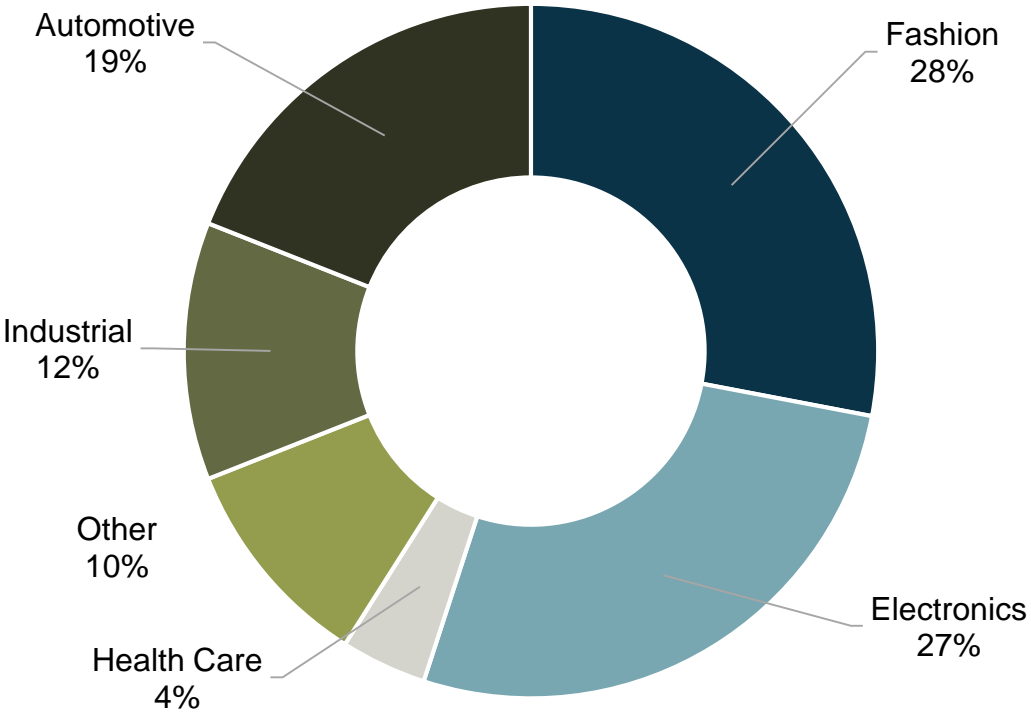
<sup>4)</sup> Represents North America and Europe.  
Source: zipcon consulting and management estimates.



# Balanced mix of high-growth and durable customer segments

**~65%**  
Less cyclical customers

ELANDERS' CUSTOMER SEGMENTS



KEY HIGHLIGHTS

Customer segment	Growth opportunity	Cyclicity
Fashion	High	Low
Electronics	High	Medium
Automotive	Medium	High
Industrial	Medium	High
Health Care	High	Low
Other	High	Low



**FROM END TO END AND BEYOND**