

Elanders AB (publ)
2020-10-23
January - September 2020

- Net sales were MSEK 8,164 (8,350), which was an organic reduction of two percentage points compared to the same period last year.
- Adjusted EBITA was MSEK 342 (394) and the adjusted EBITA-margin was 4.2 (4.7) percent.
- Operating cash flow increased to MSEK 1,090 (1,080), of which acquisitions and divestitures of companies were MSEK 0 (-5).

Third Quarter 2020

- Net sales increased to MSEK 2,778 (2,825). Organically net sales increased by three percentage points compared to the same period last year.
- Adjusted EBITA increased to MSEK 190 (159) and the adjusted EBITA-margin was 6.8 (5.6) percent.
- The result before tax increased to MSEK 147 (118), which is an improvement of 25 percent.
- The adjusted net result increased to MSEK 101 (81) or SEK 2.83 (2.23) per share.
- Operating cash flow increased to MSEK 455 (439).
- Obvious signs of recovery in the third quarter compared to the previous quarter.
- Several important customer contracts have been renewed. Net sales for these amount to MSEK 500-700 annually.
- Strong cash flow in recent quarters has contributed to the adjusted net debt / EBITDA ratio now is down to 2.6.
- In October 2020 Elanders signed a contract to acquire 70 percent of the shares in Azalea Global IT AB, a Swedish company operating in Value Recovery Services.
- Eckhard Busch, one of the representatives of LGI in Group Management, has decided to retire and will therefore leave Group Management.

Financial Overview	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 adjusted, MSEK ¹⁾	965	1,040	390	377	1,360	1,435
EBITA adjusted, MSEK ^{1) 2)}	342	394	190	159	511	563
EBITA-margin adjusted, % ¹⁾	4.2	4.7	6.8	5.6	4.6	5.0
EBITA, MSEK ²⁾	342	424	190	169	331	413
EBITA-margin, %	4.2	5.1	6.8	6.0	3.0	3.7
Result before tax, MSEK	203	275	147	118	144	216
Result after tax, MSEK	136	197	101	88	92	153
Earnings per share adjusted, SEK ¹⁾	3.78	4.86	2.83	2.23	6.08	7.16
Earnings per share, SEK	3.78	5.45	2.83	2.43	2.52	4.19
Operating cash flow, MSEK	1,090	1,080	455	439	1,465	1,454
Net debt at the end of the period, MSEK	3,567	4,272	3,567	4,272	3,567	3,961
Net debt/EBITDA adjusted, ratio ^{1) 3)}	2.77	3.08	2.29	2.83	2.62	2.76

¹⁾ One-off items have been excluded in the adjusted measures.

²⁾ EBITA refers to Earnings before interest, taxes and amortization; operating result plus amortization of assets identified in conjunction with acquisitions.

³⁾ Return ratios have been annualized (the result has been recalculated to correspond to the result for a 12-month period).

COMMENTS FROM THE CEO

I am very pleased that despite the COVID-19 pandemic we are able to present our best quarter ever. We can also see that the measures we took regarding costs last year are giving effects now that sales have recovered somewhat. Our improved margins in Supply Chain Solutions are proof of that. We can also clearly see that our business model is robust and can handle drastic variances in demand and still generate strong cash flows.

During the quarter we could see obvious signs of recovery in several of the customer segments that were previously hit hard by the COVID-19 pandemic, even if some segments are still under last year's levels. Recovery in Supply Chain Solutions was particularly apparent in Automotive in July and September. In August, which is the big vacation month in Germany, several Automotive customers closed down production longer than originally planned. Recovery in Fashion & Lifestyle grew stronger as of July and in the third quarter the segment was on the same level as last year. The number of requests for tenders has increased considerably and we are preparing tenders for several interesting projects. Demand in customer segments Electronics and Health Care & Life Science is lower than previous quarters. Net sales in Health Care & Life Science regarding personal protective equipment amounted to around 15 million USD in the third quarter compared to 45 million in the second.

We have also seen strong recovery in the quarter in business area Print & Packaging Solutions, which has led to a result in line with last year. The COVID-19 pandemic continues to be tough on the competition and the number of bankruptcies has grown. This creates opportunities for us to gain market shares. During the third quarter we won new, important business.

Sales to new customers has suffered due to limited possibilities impossible to hold meetings in person or take business trips because of the restrictions imposed by the COVID-19 pandemic. Therefore we are very pleased that we have renewed a number of substantial customer contracts during the period, among them in Electronics and Health Care & Life Science. These contracts are the equivalent of around MSEK 500-700 in annual net sales. The two largest contracts run for five, respectively ten years, where the first one has an option to extend it for two more years. At the same time a number of large and long rental agreements have been renewed that run parallel to the customer contracts. The renewal of these contracts has a negative effect on net debt. We also won new business in assembling, storing and delivering battery cells for one of our customer's electric car models. The volumes are small to begin with but have potential to grow.

We continue to make investments in sustainable services that contribute to a circular economy. The acquisition of the Swedish company Azalea Global IT AB ("Azalea") is part of this. Azalea is specialized in Value Recovery Services and manages the entire chain from purchasing used IT equipment and restoring and resetting it to then selling it. We believe with our customer base there is a lot of growth potential in this field since many of our customers want to reduce their environmental impact by buying used IT equipment.

The strong cash flow in recent years in combination with a low rate of investments has resulted in decreasing net debt. This means that as of the fourth quarter we will lower our interest rate costs by around MSEK 5. Our liquidity continues to be good with more than SEK 1.4 billion in cash and granted, but unutilized, credit lines.

With respect to the future, we expect sales can continue to go up and down due to the uncertainty surrounding the COVID-19 pandemic and this is also reflected in our customers' forecasts.

I would also like to take the opportunity to give a hearty thanks to Eckhard Busch, one of the representatives in Group Management for our subsidiary LGI, who has now decided to retire.

Magnus Nilsson
President and Chief Executive Officer

GROUP

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.

Adjusted Income Statements

MSEK	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Net sales	8,164	8,350	2,778	2,825	11,068	11,254
Operating expenses, adjusted	-7,200	-7,310	-2,388	-2,448	-9,709	-9,819
EBITDA adjusted	965	1,040	390	377	1,360	1,435
Depreciations and write-downs	-623	-646	-201	-218	-849	-872
EBITA adjusted	342	394	190	159	511	563
Amortization of assets identified in conjunction with acquisitions	-39	-41	-13	-14	-53	-54
EBIT adjusted	303	353	177	146	458	508
Adjustment for errors in customer projects	-	30	-	10	-87	-58
Adjustment for restructuring program	-	-	-	-	-92	-92
EBIT	303	383	177	156	279	359
Net financial items	-100	-109	-30	-37	-134	-143
Result after financial items	203	275	147	118	144	216
Income tax	-67	-78	-45	-30	-52	-63
Result for the period	136	197	101	88	92	153
Adjustments as above	-	-30	-	-10	180	150
Tax attributable to adjustments	-	9	-	3	-54	-45
Adjusted result for the period	136	176	101	81	218	258
Adjusted result for the period attributable to:						
- parent company shareholders	134	172	100	79	215	253
- non-controlling interests	2	4	1	2	3	5
<i>Adjusted earnings per share, SEK</i>	3.78	4.86	2.83	2.23	6.08	7.16

Net sales and result

January - September

Net sales fell by two percent to MSEK 8,164 (8,350) compared to the same period last year. Cleared of exchange rate fluctuations, net sales still contracted by two percent.

After a weaker demand during the second quarter, as a result of the coronavirus and customers closing their production plants due to component shortages, all the segments recovered in the third quarter. The drop in net sales in Europe during the second quarter was partially compensated by some one-off business consisting of procuring, quality ensuring and shipping personal protective equipment from Asia to North and South America. The volume of these one-time deals diminished considerably in the third quarter.

Supply Chain Solutions had negative organic growth of four percent during the period. Operations in Asia showed strong growth generated primarily in customer segment Health Care & Life Science. The growth was partially driven by the one-off business mentioned above. Operations in Europe contracted, largely due to a decline in demand from Automotive, Fashion & Lifestyle and Industrial but showed signs of recovery from the second quarter in the third.

Net sales in business area Print & Packaging Solutions grew organically somewhat due to higher activity in the business with subscription boxes in the USA. Without this business net sales in Print & Packaging Solutions contracted by close to eight percent organically. The business area was affected negatively by the pandemic during the second quarter but could also see signs of recovery in the third.

Adjusted EBITA, i.e. the operating result adjusted for amortization on assets identified in conjunction with acquisitions along with one-off items, contracted to MSEK 342 (394), which corresponded to an EBITA margin of 4.2 (4.7) percent.

Third quarter

Net sales decreased by two percent to MSEK 2,778 (2,825) compared to the same period last year. Cleared of exchange rate fluctuations, net sales increased by three percentage points. The growth was primarily driven by the business with subscription boxes in the USA which is part of Print & Packaging Solutions.

Adjusted EBITA, i.e. the operating result adjusted for amortization on assets identified in conjunction with acquisitions along with one-off items, increased to MSEK 190 (159), which corresponded to an EBITA margin of 6.8 (5.6) percent. The improved profitability stemmed from a better cost situation and higher volumes. European operations in Supply Chain Solutions performed much better than in the same period last year.

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.

Supply Chain Solutions	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Net sales, MSEK	6,294	6,576	2,130	2,214	8,493	8,775
EBITDA adjusted, MSEK ¹⁾	825	852	329	312	1,106	1,132
EBITA adjusted, MSEK ^{1) 2)}	309	316	162	131	402	408
EBITA-margin adjusted, % ¹⁾	4.9	4.8	7.6	5.9	4.7	4.7
EBITA, MSEK ²⁾	309	346	162	141	229	265
EBITA-margin, %	4.9	5.3	7.6	6.4	2.7	3.0
Average number of employees	5,141	5,498	4,969	5,512	5,216	5,485

¹⁾ One-off items have been excluded in the adjusted measures.

²⁾ EBITA refers to Earnings before interest, taxes and amortization; operating result plus amortization of assets identified in conjunction with acquisitions.

Recovery began to show in the third quarter in customer segments Automotive and Fashion & Lifestyle. These customer segments were hit hardest in the second quarter when factories and stores closed to reduce the spread of the coronavirus. Recovery was most apparent in Europe.

The measures taken regarding costs in 2019 are giving clear effects now that sales have recovered somewhat. This made it possible for Supply Chain Solutions to show margins for the third quarter higher than the long-term goal for the Group as a whole.

The customer segments that have come through the pandemic best are Electronics and Health Care & Life Science, where demand has been stable and in certain cases even grown. In many companies a large number of employees were ordered to work at home during the pandemic to reduce the spread of the coronavirus. This created a strong demand for laptops, computer accessories and network equipment. The pandemic also increased the demand for personal protective equipment. Demand in these customer segments declined somewhat in the third quarter compared to the previous quarter.

The activity on the customer side has increased and the number of requests for tenders is on the rise. However, sales to new customers is difficult when the possibilities to hold meetings in person or take business trips are limited.

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, value-added services and just-in-time deliveries.

Print & Packaging Solutions	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Net sales, MSEK	1,935	1,827	672	623	2,672	2,564
EBITDA adjusted, MSEK ¹⁾	162	212	68	74	286	335
EBITA adjusted, MSEK ^{1) 2)}	57	103	35	37	143	188
EBITA-margin adjusted, % ¹⁾	3.0	5.6	5.1	5.9	5.4	7.3
EBITA, MSEK ²⁾	57	103	35	37	136	182
EBITA-margin, %	3.0	5.6	5.1	5.9	5.1	7.1
Average number of employees	1,176	1,199	1,151	1,192	1,184	1,201

¹⁾ One-off items have been excluded in the adjusted measures.

²⁾ EBITA refers to Earnings before interest, taxes and amortization; operating result plus amortization of assets identified in conjunction with acquisitions

Customer segments Automotive and Industrial recovered in the third quarter compared to the previous quarter which meant Print & Packaging Solutions could present a result equal to the same period last year. The subscription box business in the USA continued to show strong growth, which meant the business area as a whole grew by six percent organically during the first nine months. Net sales contracted in all the other units. Without the subscription box business, net sales were down organically by eight percent, primarily due to the outbreak of COVID-19.

For the subscription box business in the USA restrictions to reduce the spread of the coronavirus is challenging. At the same time courier services are having a hard time handling all the deliveries generated by the increase in e-commerce resulting from the COVID-19 pandemic.

The COVID-19 pandemic continues to be tough on competition in the industry and the number of bankruptcies has grown. This creates opportunities for Elanders to gain more market shares.

Important events during the period

The COVID-19 pandemic

The coronavirus, COVID-19, has quickly spread during 2020 and developed into a pandemic with a large number of infected. The measures taken by different governments to limit the spread of the virus has impacted financial activities and the Group's business in different ways:

- Many Group customers have experienced major disruptions in their supply chains, which has affected their, and even our, business negatively. These disruptions led to several customers in Automotive and Industrial shutting down production from the middle of March until May or June 2020.
- Demand dropped drastically in several of our customer segments and particularly in Europe, primarily in the second quarter.
- Because of the measures taken by authorities the Group had to close down a couple of our smaller production units in Italy and India during certain periods.
- The Group has received government grants in several of the countries where it is operating, as a part of governments' measures to lessen the negative effects of the coronavirus outbreak. The design of these relief packages has been different from one country to the next, but they have mostly been centered around reducing costs for employees and premises. During 2020 Elanders has received MSEK 50 in various forms of support, of which MSEK 11 in the third quarter. In addition to this, in some countries, employees have personally received federal aid connected to short term furloughs.

There is still a great deal of uncertainty about how long the coronavirus outbreak will continue, which makes it difficult to forecast its exact effect on Group business during the rest of 2020.

Changes in Group Management

Eckhard Busch, one of the representatives in Group Management for our subsidiary LGI, has decided to retire and leave the company. He has not been replaced. After the changes Group Management is as follows:

- Magnus Nilsson, President and CEO
- Andréas Wikner, CFO
- Bernd Schwenger, President, Supply Chain Solutions (LGI)
- Lim Kok Khoon, President, Supply Chain Solutions (Mentor Media)
- Sven Burkhard, President, Print & Packaging Solutions
- Kevin Rogers, President, Global Sales

Investments and depreciation

January - September

Net investments for the period amounted to MSEK 51 (108) and was mainly related to production equipment. Depreciation, amortization and write-downs amounted to MSEK 661 (687).

Third quarter

Net investments for the quarter amounted to MSEK 23 (27) and depreciation, amortization and write-downs amounted to MSEK 213 (232).

Financial position, cash flow and financing

January - September

Operating cash flow for the period increased to MSEK 1,090 (1,080) and was partly helped by a reduced working capital.

Net debt decreased to MSEK 3,567 compared to MSEK 3,961 at the beginning of the year. The change includes an increase of MSEK 36 due to changes in exchange rates since a large part of loans and leasing liabilities are in euros and a lesser amount in US dollars. Leverage, i.e. net debt / adjusted

EBITDA for a rolling 12-month period is now down to 2.6. Excluding effects from IFRS 16 net debt / adjusted EBITDA ratio is down to 2.5 (3.1).

The Group has a good liquidity buffer, both in the form of existing cash and unutilized credit facilities. Together, these amount to more than SEK 1.4 billion.

The Group's agreements with the main banks contain financial conditions that must be met to secure the financing. These consist, among other things, of investment levels and the net debt / EBITDA ratio. The calculations exclude IFRS 16 effects and certain one-off items. All financial conditions were with a good margin met as of the balance sheet date.

Third quarter

Operating cash flow for the quarter increased to MSEK 455 (439) and was partly helped by a reduced working capital, but also lower investments.

Personnel

January - September

The average number of employees during the period was 6,327 (6,708), whereof 141 (153) in Sweden. At the end of the period the Group had 6,084 (6,704) employees, whereof 137 (153) in Sweden.

Third quarter

The average number of employees during the quarter was 6,130 (6,716), whereof 138 (154) in Sweden.

PARENT COMPANY

The parent company has provided intragroup services. The average number of employees during the period was 10 (11) and at the end of the period 10 (11).

OTHER INFORMATION

Elanders' offer

Elanders offers integrated and customized solutions for handling all or part of our customers' supply chain. The Group can take complete responsibility for complex and global deliveries that may include purchasing, storage, configuration, production and distribution. We also offer order management solutions, payment flows and aftermarket services for our customers.

The services are provided by business-minded employees who, with their expertise and aided by intelligent IT solutions, contribute to developing our customers' offers which are often totally dependent on efficient product, component and service flows as well as traceability and information. In addition to our offer to the B2B market the Group sells photo products directly to consumers via our own brands, fotokasten and myphotobook.

Goal and strategy

Elanders' overall goal is to be a leader in global solutions in supply chain management 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 2019.

Since the Annual Report was published the coronavirus outbreak and the measures taken by different governments to prevent it spreading affected Group business negatively during the latter part of the first quarter, during the second quarter and partly during the third quarter. In addition to the already known effects the virus outbreak has an impact on macro financial uncertainty and a decline in financial activity. The extent and duration of this pandemic is unknown, but it is expected to further impact operations going forward.

Apart from the above, since the Annual report was signed, no other circumstances are 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 2019.

Seasonal variations

The Group's net sales, and thereby earnings, are affected by seasonal variations. Historically the fourth quarter has been somewhat stronger than the other quarters.

Transaction with related parties

The following significant 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, previously 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

In October Elanders signed a contract to acquire 70 percent of the shares in Azalea Global IT AB. Azalea has net sales of around MSEK 30 annually, good profitability and is specialized in Value Recovery Services. They manage the entire chain from purchasing used IT equipment and restoring and resetting it to then selling it to a network of customers. The acquisition of Azalea is a part of Elanders' investments within sustainable services that contribute to a circular economy. The acquisition will be finalized in the fourth quarter. The acquisition is not expected to have any material effect on the result per share or cash flow during the period. Elanders has an option to acquire the remaining shares in the company which can be used in 2024.

Besides what have been described in this report, no other major events have taken place between the balance sheet date and the date this report was signed.

Forecast

No forecast is given for 2020.

Accounting principles

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. For the government grants that Elanders received during the reporting period, the accounting principle described below has been applied.

Government grants

Government grants are recognized in the balance sheet as prepaid income when there is reasonable assurance that grants will be received and that Elanders will meet the conditions associated with the grants. Grants are reported as a cost reduction and accrued over the same periods as the related costs that the grant is intended to compensate.

Nomination committee for the Annual General Meeting 2021

The nomination committee for the Annual General Meeting on 28 April 2021 is as follows:

Carl Bennet, Chair	Carl Bennet AB
Hans Hedström	Carnegie Funds
Carl Gustafsson	Didner & Gerge Funds
Fredrik Carlsson	Svolder

Shareholders who would like to submit proposals to Elanders' 2021 Nomination Committee, can contact the Nomination Committee by e-mail at valberedning@elanders.com or by mail: Elanders AB, Att: Nomination Committee, Flöjelbergsgatan 1C, SE-431 35 Mölndal, Sweden.

Annual General Meeting 2021

Elanders AB's Annual General Meeting will be held on 28 April 2021, Södra Porten Konferenscenter, Flöjelbergsgatan 1C, Mölndal, Sweden. Shareholders wishing to have a matter addressed at the Annual General Meeting can submit their proposal to Elanders' Board Chairman by e-mail: arsstamma@elanders.com, or by mail: Elanders AB, Flöjelbergsgatan 1C, SE-431 35 Mölndal, Sweden. To ensure inclusion in the notice and thus in the Annual General Meeting's agenda, proposals must be received by the company not later than February 28, 2021.

Financial calendar

Fourth quarter 2020	28 January 2021
Annual Report 2020	19 March 2021
First quarter 2021	28 April 2021
Annual General Meeting	28 April 2021
Second quarter 2021	15 July 2021
Third quarter 2021	20 October 2021

Conference call

In connection to the issuing of the Quarterly Report for the third quarter 2020 Elanders will hold a Press and Analysts conference call on 23 October 2020 at 09:30 CET, hosted by President and CEO Magnus Nilsson and CFO Andréas Wikner.

To join this event, please use the below Click to Join link 5-10 minutes prior to start time, where you will be asked to enter your phone number and registration details. Our Event Conferencing system will call you on the phone number you provide and place you into the event. Please note that the Click to Join link will be active 15 minutes prior to the event.

[CLICK TO JOIN](#)

Use the Click to Join option above for the easiest way to join your conference or use one of the access numbers below:

Sweden: +46 (0)8 5033 6546
Germany: +49 (0)69 2222 10763
UK: +44 (0)330 336 9401
USA: +1 646-828-8195

Participant Passcode: 376733

Agenda

09.20 Conference number is opened
09.30 Presentation of quarterly results
09.50 Q&A
10.30 End of the conference

During the conference call a presentation will be held. To access the presentation, please use this link:

<https://www.elanders.com/presentations>

AUDITOR'S REPORT

Elanders AB (publ) corp. reg. no. 556008-1621

Introduction

We have reviewed the condensed interim financial information (interim report) of Elanders AB as of 30 September 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg, 23 October 2020

PricewaterhouseCoopers AB

Magnus Wilfors
Authorized Public Accountant
Auditor in Charge

Tomas Hilmarsson
Authorized Public Accountant

Contact information

Further information can be found on Elanders' website www.elanders.com or requested via e-mail info@elanders.com.

Questions concerning this report can be put to:

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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.

GROUP
Group – Income Statements

MSEK	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Net sales	8,164	8,350	2,778	2,825	11,068	11,254
Cost of products and services sold	-7,076	-7,163	-2,359	-2,397	-9,693	-9,780
Gross profit	1,088	1,187	419	429	1,375	1,474
Sales and administrative expenses	-805	-834	-247	-288	-1,116	-1,144
Other operating income	51	41	13	17	74	63
Other operating expenses	-31	-11	-7	-2	-55	-34
Operating result	303	383	177	156	279	359
Net financial items	-100	-109	-30	-37	-134	-143
Result after financial items	203	275	147	118	144	216
Income tax	-67	-78	-45	-30	-52	-63
Result for the period	136	197	101	88	92	153
Result for the period attributable to:						
- parent company shareholders	134	193	100	86	89	148
- non-controlling interests	2	4	1	2	3	5
<i>Earnings per share, SEK ^{1) 2)}</i>	3.78	5.45	2.83	2.43	2.52	4.19
<i>Average number of shares, in thousands</i>	35,358	35,358	35,358	35,358	35,358	35,358
<i>Outstanding shares at the end of the year, in thousands</i>	35,358	35,358	35,358	35,358	35,358	35,358

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.

Group - Statements of Comprehensive Income

MSEK	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Result for the period	136	197	101	88	92	153
<i>Items that will not be reclassified to the income statement</i>						
Remeasurements after tax	-0	-0	-0	-0	-10	-10
<i>Items that will be reclassified to the income statement</i>						
Translation differences after tax	-73	149	-48	77	-155	67
Hedging of net investment abroad after tax	5	-18	7	-10	13	-11
Other comprehensive income	-68	131	-41	67	-152	46
Total comprehensive income for the period	68	328	60	155	-61	199
Total comprehensive income attributable to:						
- parent company shareholders	66	324	59	153	-63	194
- non-controlling interests	2	4	1	2	2	5

Group - Statements of Cash Flow

MSEK	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Result after financial items	203	275	147	118	144	216
Adjustments for items not included in cash flow	624	687	191	245	1,068	1,131
Paid tax	-25	-79	-56	-15	-60	-114
Changes in working capital	214	117	109	65	200	104
Cash flow from operating activities	1,017	1,000	391	414	1,353	1,337
Net investments in intangible and tangible assets	-51	-102	-23	-26	-82	-133
Acquisition of operations	-	-5	-	-	-	-5
Change in long-term receivables	-	-2	-	-2	-	-2
Cash flow from investing activities	-51	-108	-23	-27	-82	-140
Amortization of borrowing debts	-75	-68	-27	-23	-146	-140
Amortization of lease liabilities	-498	-505	-161	-173	-674	-681
Other changes in long- and short-term borrowing	-193	-104	-187	-54	-421	-333
Dividend to shareholders	-	-104	-	-	-	-104
Transactions with shareholders with non-controlling interests	58	-	-	-	33	-25
Cash flow from financing activities	-708	-782	-375	-250	-1,208	-1,282
Cash flow for the period	257	111	-6	136	62	-84
Liquid funds at the beginning of the period	655	722	909	721	888	722
Translation difference	-20	55	-10	30	-58	17
Liquid funds at the end of the period	893	888	893	888	893	655
Net debt at the beginning of the period	3,961	2,539	3,412	4,587	4,272	2,539
Effect of applying IFRS 16 at the beginning of the period	-	2,043	-	-	-	2,043
Translation difference	36	199	11	76	-70	93
Changes with cash effect	-926	-790	-344	-387	-1,198	-1,062
Changes with no cash effect	497	281	489	-4	563	348
Net debt at the end of the period	3,567	4,272	3,567	4,272	3,567	3,961
Operating cash flow	1,090	1,080	455	439	1,465	1,454

Group – Statements of Financial Position

MSEK	30 Sep.		31 Dec.
	2020	2019	2019
Assets			
Intangible assets	3,187	3,320	3,229
Tangible assets	2,509	2,692	2,486
Other fixed assets	304	278	311
Total fixed assets	6,001	6,290	6,026
Inventories	399	457	335
Accounts receivable	1,598	1,735	1,740
Other current assets	391	560	448
Cash and cash equivalents	893	888	655
Total current assets	3,282	3,641	3,179
Total assets	9,283	9,931	9,205
Equity and liabilities			
Equity	2,903	2,931	2,777
Liabilities			
Non-interest-bearing long-term liabilities	201	201	214
Interest-bearing long-term liabilities	3,629	3,845	3,579
Total long-term liabilities	3,830	4,046	3,793
Non-interest-bearing short-term liabilities	1,719	1,639	1,597
Interest-bearing short-term liabilities	831	1,315	1,037
Total short-term liabilities	2,550	2,954	2,635
Total equity and liabilities	9,283	9,931	9,205

Group – Statements of Changes in Equity

MSEK	January - September		Third quarter		Last 12	Full year
	2020	2019	2020	2019	months	2019
Opening balance	2,777	2,707	2,843	2,776	2,931	2,707
Dividend to parent company shareholders	-	-103	-	-	-	-103
Dividend to non-controlling interests	-	-1	-	-	-	-1
Transactions with shareholders with non-controlling interests	58	-	-	-	33	-25
Total comprehensive income for the period	68	328	60	155	-61	199
Closing balance	2,903	2,931	2,903	2,931	2,903	2,777
Attributable to:						
- parent company shareholders	2,884	2,918	2,884	2,918	2,884	2,777
- non-controlling interests	19	13	19	13	19	-

Segment reporting

The two 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 market terms.

Net sales per segment

MSEK	January- September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Supply Chain Solutions	6,294	6,576	2,130	2,214	8,493	8,775
Print & Packaging Solutions	1,935	1,827	672	623	2,672	2,564
Group functions	30	28	10	9	40	38
Eliminations	-96	-81	-34	-21	-137	-122
Group net sales	8,164	8,350	2,778	2,825	11,068	11,254

Operating result per segment

MSEK	January- September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Supply Chain Solutions	274	311	151	130	182	219
Print & Packaging Solutions	53	97	33	35	130	174
Group functions	-25	-25	-7	-9	-34	-34
Group operating result	303	383	177	156	279	359

Disaggregation of revenue

Revenue has been divided into geographic markets, main revenue streams and customer segments since these are the categories the Group uses to present and analyze revenue in other contexts. Revenue for each category is presented per reportable segment. The Group's customer contracts are easy to identify and products and services in a contract are largely connected and dependent on each other, and therefore part of an integrated offer.

Main revenue streams are presented based on the internal names used in the Group. Sourcing & Procurement services refer to the purchase and procurement of products for customers as well as handling the flows connected to these products. Freight and transportation services refer to revenue from freight and transportation with our own trucks as well as pure freight forwarding. Other supply chain services such as fulfilment, kitting, warehousing, assembly and after sales services are presented under Other contract logistics services. Other work/services refer to pure print services and other services that do not fit into any of the first three categories.

Intra-group invoicing regarding group functions is reported net in net sales to group companies.

January - September

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	2020	2019	2020	2019	2020	2019
Total net sales	6,294	6,576	1,935	1,827	8,230	8,403
Less: net sales to group companies	-19	-14	-46	-38	-65	-52
Net sales	6,275	6,561	1,890	1,789	8,164	8,350

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	2020	2019	2020	2019	2020	2019
Customer segments						
Automotive	1,234	1,641	228	297	1,462	1,938
Electronics	2,388	2,704	36	33	2,424	2,737
Fashion & Lifestyle	914	959	776	543	1,690	1,502
Health Care & Life Science	786	177	38	37	824	214
Industrial	675	751	451	493	1,126	1,244
Other	277	329	361	386	639	714
Net sales	6,275	6,561	1,890	1,789	8,164	8,350
Main revenue streams						
Sourcing and procurement services	2,222	1,954	-	-	2,222	1,954
Freight and transportation services	1,496	1,873	535	306	2,031	2,178
Other contract logistics services	2,378	2,530	258	282	2,635	2,812
Other work/services	179	205	1,097	1,201	1,276	1,407
Net sales	6,275	6,561	1,890	1,789	8,164	8,350
Geographic markets						
Europe	3,522	4,140	1,023	1,153	4,545	5,293
Asia	1,821	2,082	16	9	1,837	2,091
North and South America	926	333	846	621	1,772	955
Other	6	6	4	5	10	11
Net sales	6,275	6,561	1,890	1,789	8,164	8,350

Third quarter

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	2020	2019	2020	2019	2020	2019
Total net sales	2,130	2,214	672	623	2,802	2,837
Less: net sales to group companies	-7	-5	-17	-6	-23	-11
Net sales	2,123	2,209	655	616	2,778	2,825

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	2020	2019	2020	2019	2020	2019
Customer segments						
Automotive	467	546	79	91	546	637
Electronics	763	910	13	12	775	922
Fashion & Lifestyle	357	327	273	194	630	521
Health Care & Life Science	203	65	17	12	220	77
Industrial	243	259	162	169	405	428
Other	91	102	112	138	203	240
Net sales	2,123	2,209	655	616	2,778	2,825
Main revenue streams						
Sourcing and procurement services	649	708	-	-	649	708
Freight and transportation services	557	623	195	106	752	729
Other contract logistics services	858	821	91	105	949	925
Other work/services	59	57	370	406	428	463
Net sales	2,123	2,209	655	616	2,778	2,825
Geographic markets						
Europe	1,294	1,382	349	393	1,643	1,775
Asia	573	698	7	2	580	700
North and South America	255	127	298	219	553	346
Other	2	2	1	2	3	4
Net sales	2,123	2,209	655	616	2,778	2,825

Last 12 months and full year 2019

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	Last 12 months	Full year 2019	Last 12 months	Full year 2019	Last 12 months	Full year 2019
Total net sales	8,493	8,775	2,672	2,564	11,166	11,339
Less: net sales to group companies	-31	-26	-66	-59	-97	-85
Net sales	8,462	8,749	2,606	2,505	11,068	11,254

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	Last 12 months	Full year 2019	Last 12 months	Full year 2019	Last 12 months	Full year 2019
Customer segments						
Automotive	1,674	2,081	326	396	2,000	2,477
Electronics	3,399	3,715	53	50	3,452	3,765
Fashion & Lifestyle	1,216	1,261	983	751	2,199	2,012
Health Care & Life Science	853	244	55	55	909	299
Industrial	919	995	639	682	1,559	1,677
Other	401	452	549	573	950	1,025
Net sales	8,462	8,749	2,606	2,505	11,068	11,254
Main revenue streams						
Sourcing and procurement services	2,947	2,679	-	-	2,947	2,679
Freight and transportation services	2,012	2,388	649	420	2,661	2,808
Other contract logistics services	3,248	3,401	337	361	3,585	3,762
Other work/services	254	280	1,621	1,725	1,875	2,005
Net sales	8,462	8,749	2,606	2,505	11,068	11,254
Geographic markets						
Europe	4,798	5,415	1,512	1,642	6,310	7,057
Asia	2,625	2,886	19	12	2,644	2,898
North and South America	1,031	439	1,070	845	2,101	1,283
Other	8	9	6	7	13	15
Net sales	8,462	8,749	2,606	2,505	11,068	11,254

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

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 30 September 2020 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.

QUARTERLY DATA

	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
Net sales, MSEK	2,778	2,814	2,572	2,904	2,825	2,719	2,806	2,890	2,817
EBITDA, MSEK	390	278	297	215	387	349	334	217	206
EBITDA adjusted, MSEK	390	278	297	395	377	339	324	217	206
EBITDA excl. IFRS 16, MSEK	222	105	115	28	208	173	163	217	206
EBITA, MSEK	190	72	81	-11	169	132	123	169	154
EBITA adjusted, MSEK	190	72	81	169	159	122	113	169	154
EBITA-margin, %	6.8	2.6	3.1	-0.4	6.0	4.8	4.4	5.9	5.5
EBITA-margin adjusted, %	6.8	2.6	3.1	5.8	5.6	4.5	4.0	5.9	5.5
Operating result, MSEK	177	59	67	-25	156	118	110	153	138
Operating margin, %	6.4	2.1	2.6	-0.8	5.5	4.3	3.9	5.3	4.9
Result after financial items, MSEK	147	29	28	-59	118	84	73	132	114
Result after tax, MSEK	101	19	15	-44	88	59	50	108	75
Earnings per share, SEK ¹⁾	2.83	0.52	0.43	-1.26	2.43	1.62	1.40	3.01	2.07
Earnings per share adjusted, SEK ¹⁾	2.83	0.52	0.43	2.29	2.23	1.42	1.20	3.01	2.07
Operating cash flow, MSEK	455	279	356	374	439	251	390	393	52
Cash flow per share, SEK ²⁾	11.07	9.21	8.47	9.51	11.70	6.54	10.05	10.27	0.94
Depreciation and write-downs, MSEK	213	219	229	240	232	231	224	64	68
Net investments, MSEK	23	13	15	32	27	53	28	17	41
Goodwill, MSEK	2,479	2,479	2,603	2,480	2,539	2,497	2,476	2,439	2,440
Total assets, MSEK	9,283	9,140	9,732	9,205	9,931	9,823	9,749	7,737	7,896
Equity, MSEK	2,903	2,843	2,972	2,777	2,931	2,776	2,818	2,707	2,596
Equity per share, SEK	81.56	79.89	83.54	78.54	82.52	78.20	79.38	76.28	73.16
Net debt, MSEK	3,567	3,412	3,911	3,961	4,272	4,587	4,358	2,539	2,890
Net debt excl. IFRS 16, MSEK	1,630	1,831	2,084	2,142	2,296	2,513	2,398	2,539	2,890
Capital employed, MSEK	6,470	6,254	6,882	6,738	7,203	7,363	7,176	5,246	5,486
Return on total assets, % ³⁾	7.6	1.6	4.3	neg.	7.3	5.3	5.3	8.0	7.0
Return on equity, % ³⁾	14.0	2.6	2.1	neg.	12.1	8.2	7.2	16.1	11.4
Return on capital employed, % ³⁾	11.1	3.6	4.0	neg.	8.5	6.5	6.1	11.4	10.1
Debt/equity ratio	1.2	1.2	1.3	1.4	1.5	1.7	1.6	0.9	1.1
Equity ratio, %	31.3	31.1	30.5	30.2	29.5	28.3	28.9	35.0	32.9
Interest coverage ratio ⁴⁾	2.4	2.1	2.5	2.7	4.3	4.6	4.9	5.3	4.7
Number of employees at the end of the period	6,084	6,234	6,528	6,664	6,704	6,764	6,788	6,652	7,246

¹⁾ There is no dilution.

²⁾ Cash flow per share refers to cash flow from operating activities.

³⁾ Return ratios have been annualized (the result has been recalculated to correspond to the result for a 12-month period).

⁴⁾ Interest coverage ratio calculation is based on a moving 12-month period.

FIVE YEAR OVERVIEW – JANUARY - SEPTEMBER

	2020	2019	2018	2017	2016
Net sales, MSEK	8,164	8,350	7,852	6,758	3,956
EBITDA, MSEK	965	1,070	508	412	328
EBITDA adjusted, MSEK	965	1,040	508	412	328
EBITA, MSEK	342	424	353	269	245
EBITA adjusted, MSEK	342	394	353	269	245
Result after tax, MSEK	136	197	150	120	138
Earnings per share, SEK ^{1) 2)}	3.78	5.45	4.17	3.41	4.89
Cash flow from operating activities per share, SEK ²⁾	28.75	28.29	2.59	-3.95	8.35
Equity per share, SEK ²⁾	81.56	82.52	73.16	66.88	56.93
Return on equity, % ³⁾	6.2	9.2	11.6	6.7	12.0
Return on capital employed, % ³⁾	6.2	7.1	7.6	6.1	10.4
EBITA-margin, %	4.2	5.1	4.5	4.0	6.2
EBITA-margin adjusted, %	4.2	4.7	4.5	4.0	6.2
Operating margin, %	3.7	4.6	3.9	3.3	5.6
Average number of shares, in thousands ²⁾	35,358	35,358	35,358	35,358	28,224

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 issue in 2016.

³⁾ Return ratios have been annualized (results are recalculated to correspond to a 12-month period).

FIVE YEAR OVERVIEW – THIRD QUARTER

	2020	2019	2018	2017	2016
Net sales, MSEK	2,778	2,825	2,817	2,355	1,878
EBITDA, MSEK	390	387	206	104	152
EBITDA adjusted, MSEK	390	377	206	104	152
EBITA, MSEK	190	169	154	55	112
EBITA adjusted, MSEK	190	159	154	55	112
Result after tax, MSEK	101	88	75	14	58
Earnings per share, SEK ^{1) 2)}	2.83	2.43	2.07	0.39	2.04
Cash flow from operating activities per share, SEK ²⁾	11.07	11.70	0.94	0.23	6.30
Equity per share, SEK ²⁾	81.56	82.52	73.16	66.88	56.93
Return on equity, % ³⁾	14.0	12.1	11.4	2.3	14.8
Return on capital employed, % ³⁾	11.1	8.5	10.1	3.2	11.7
EBITA-margin, %	6.8	6.0	5.5	2.3	6.0
EBITA-margin adjusted, %	6.8	5.6	5.5	2.3	6.0
Operating margin, %	6.4	5.5	4.9	1.7	5.3
Average number of shares, in thousands ²⁾	35,358	35,358	35,358	35,358	28,224

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 issue in 2016.

³⁾ Return ratios have been annualized (results are recalculated to correspond to a 12-month period).

FIVE YEAR OVERVIEW – FULL YEAR

	2019	2018	2017	2016	2015
Net sales, MSEK	11,254	10,742	9,342	6,285	4,236
EBITDA, MSEK	1,285	725	563	516	428
EBITDA adjusted, MSEK	1,435	725	563	516	428
EBITA, MSEK	413	523	371	384	313
EBITA adjusted, MSEK	563	523	371	384	313
Result after financial items, MSEK	216	366	230	300	259
Result after tax, MSEK	153	259	165	217	175
Earnings per share, SEK ^{1) 2)}	4.19	7.18	4.65	7.35	6.18
Cash flow from operating activities per share, SEK ²⁾	37.81	12.88	-1.81	11.19	9.52
Equity per share, SEK ²⁾	78.54	76.28	69.21	68.19	52.72
Dividends per share, SEK ²⁾	-	2.90	2.60	2.60	2.07
EBITA-margin, %	3.7	4.9	4.0	6.1	7.4
EBITA-margin adjusted, %	5.0	4.9	4.0	6.1	7.4
Return on total assets, %	4.2	6.6	4.3	6.7	8.2
Return on equity, %	5.3	9.8	6.8	12.4	12.1
Return on capital employed, %	5.0	8.5	6.2	10.0	12.6
Net debt/EBITDA ratio, times	3.1	3.5	4.7	4.3	1.7
Net debt/EBITDA adjusted ratio, times	2.8	3.5	4.7	4.3	1.7
Debt/equity ratio, times	1.4	0.9	1.1	0.9	0.5
Equity ratio, %	30.2	35.0	33.1	35.6	42.0
Average number of shares, in thousands ²⁾	35,358	35,358	35,358	29,555	28,224

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 2016.

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FINANCIAL OVERVIEW

MSEK	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Operating result	303	383	177	156	279	359
Depreciation, amortization and write-downs	661	687	213	232	901	927
Adjustments for one-off items	-	-30	-	-10	180	150
EBITDA adjusted	965	1,040	390	377	1,360	1,435
Operating result	303	383	177	156	279	359
Amortization of assets identified in conjunction with acquisitions	39	41	13	14	53	54
EBITA	342	424	190	169	331	413
Adjustments for one-off items	-	-30	-	-10	180	150
EBITA adjusted	342	394	190	159	511	563
EBITA-margin, %	4.2	5.1	6.8	6.0	3.0	3.7
EBITA-margin adjusted, %	4.2	4.7	6.8	5.6	4.6	5.0
Cash flow from operating activities	1,017	1,000	391	414	1,353	1,337
Net financial items	100	109	30	37	134	143
Paid tax	25	79	56	15	60	114
Net investments	-51	-108	-23	-27	-82	-140
Operating cash flow	1,090	1,080	455	439	1,465	1,454
Interest-bearing long-term liabilities	3,629	3,845	3,629	3,845	3,629	3,579
Interest-bearing short-term liabilities	831	1,315	831	1,315	831	1,037
Cash and cash equivalents	-893	-888	-893	-888	-893	-655
Net debt at the end of the period	3,567	4,272	3,567	4,272	3,567	3,961
Net debt/EBITDA adjusted ratio, times	2.8	3.0	2.3	2.8	2.6	2.8

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – QUARTERLY DATA

MSEK	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
Operating result	177	59	67	-25	156	118	110	153	138
Depreciation, amortization and write-downs	213	219	229	240	232	231	224	64	68
EBITDA	390	278	297	215	387	349	334	217	206
Operating result	177	59	67	-25	156	118	110	153	138
Amortization of assets identified in conjunction with acquisitions	13	13	13	14	14	14	13	16	16
EBITA	190	72	81	-11	169	132	123	169	154
Cash flow from operating activities	391	326	300	336	414	231	355	363	33
Net financial items	30	30	39	35	37	34	37	21	24
Paid tax	56	-64	32	35	15	39	26	26	36
Net investments	-23	-13	-15	-32	-27	-53	-28	-17	-41
Operating cash flow	455	279	356	374	439	251	390	393	52
Average total assets	9,211	9,436	9,469	9,568	9,877	9,786	9,764	7,817	7,873
Average cash and cash equivalents	-901	-891	-764	-772	-805	-726	-726	-616	-552
Average non-interest-bearing liabilities	-1,948	-1,977	-1,895	-1,826	-1,789	-1,790	-1,805	-1,835	-1,844
Average capital employed	6,362	6,568	6,810	6,970	7,283	7,270	7,233	5,366	5,477
Annualized operating result	708	236	270	-98	623	472	438	614	552
Return on capital employed, %	11.1	3.6	4.0	neg.	8.5	6.5	6.1	11.4	10.1
Interest-bearing long-term liabilities	3,629	3,335	3,692	3,579	3,845	3,931	3,833	2,442	186
Interest-bearing short-term liabilities	831	985	1,091	1,037	1,315	1,377	1,256	819	3,213
Cash and cash equivalents	-893	-909	-873	-655	-888	-721	-731	-722	-509
Net debt at the end of the period	3,567	3,412	3,911	3,961	4,272	4,587	4,358	2,539	2,890

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – JANUARY - SEPTEMBER

MSEK	2020	2019	2018	2017	2016
Operating result	303	383	305	222	222
Amortization of assets identified in conjunction with acquisitions	39	41	48	47	24
EBITA	342	424	353	269	245
Average total assets	9,385	9,834	7,710	6,997	4,327
Average cash and cash equivalents	-891	-780	-584	-632	-542
Average non-interest-bearing liabilities	-1,958	-1,807	-1,760	-1,504	-959
Average capital employed	6,536	7,248	5,366	4,862	2,826
Annualized operating result	404	511	407	296	295
Return on capital employed, %	6.2	7.1	7.6	6.1	10.4

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – THIRD QUARTER

MSEK	2020	2019	2018	2017	2016
Operating result	177	156	138	40	100
Amortization of assets identified in conjunction with acquisitions	13	14	16	15	12
EBITA	190	169	154	55	112
Average total assets	9,211	9,877	7,873	7,072	5,112
Average cash and cash equivalents	-901	-805	-552	-581	-558
Average non-interest-bearing liabilities	-1,948	-1,789	-1,844	-1,529	-1,141
Average capital employed	6,362	7,283	5,477	4,962	3,412
Annualized operating result	708	623	552	159	398
Return on capital employed, %	11.1	8.5	10.1	3.2	11.7

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FULL YEAR

MSEK	2019	2018	2017	2016	2015
Operating result	359	459	308	344	292
Depreciation, amortization and write-downs	927	266	255	172	136
EBITDA	1,285	725	563	516	428
Operating result	359	459	308	344	292
Amortization of assets identified in conjunction with acquisitions	54	64	63	40	21
EBITA	413	523	371	384	313
Average total assets	9,677	7,792	7,154	5,132	3,559
Average cash and cash equivalents	-749	-595	-639	-573	-418
Average non-interest-bearing liabilities	-1,808	-1,799	-1,532	-1,131	-816
Average capital employed	7,120	5,398	4,983	3,428	2,325
Annualized operating result	359	459	308	344	292
Return on capital employed, %	5.0	8.5	6.2	10.0	12.6

PARENT COMPANY
Parent Company – Income Statements

MSEK	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Net sales	30	28	10	9	40	38
Operating expenses	-55	-54	-17	-18	-74	-74
Operating result	-25	-26	-7	-9	-34	-35
Net financial items	101	57	42	15	255	211
Result after financial items	76	31	35	6	221	176
Income tax	-7	-1	-4	1	-12	-5
Result for the period	69	30	31	7	210	171

Parent Company - Statements of Comprehensive Income

MSEK	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Result for the period	69	30	31	7	210	171
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	69	30	31	7	210	171

Parent Company - Balance Sheets

MSEK	30 Sep.		31 Dec 2019.
	2020	2019	
Assets			
Fixed assets	4,321	4,645	4,450
Current assets	98	202	198
Total assets	4,419	4,847	4,648
Equity, provisions and liabilities			
Equity	1,785	1,576	1,717
Provisions	7	3	8
Long-term liabilities	2,170	2,362	2,220
Short-term liabilities	457	906	702
Total equity, provisions and liabilities	4,419	4,847	4,648

Parent Company - Statements of Changes in Equity

MSEK	January - September		Third quarter		Last 12 months	Full year 2019
	2020	2019	2020	2019		
Opening balance	1,717	1,649	1,755	1,568	1,576	1,649
Dividend	-	-103	-	-	-	-103
Total comprehensive income for the period	69	30	31	7	210	171
Closing balance	1,785	1,576	1,785	1,576	1,785	1,717

DEFINITIONS

Average number of employees	The number of employees at the end of each month divided by 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 period attributable to parent company shareholders 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.
EBITA adjusted	Earnings before interest, taxes and amortization; operating result plus amortization of assets identified in conjunction with acquisitions adjusted for one-off items.
EBITDA	Earnings before interest, taxes, depreciation and amortization; operating result plus depreciation, amortization and write-downs of intangible assets and tangible fixed assets.
EBITDA adjusted	Earnings before interest, taxes, depreciation and amortization; operating result plus depreciation, amortization and write-downs of intangible assets and tangible fixed assets adjusted for one-off items.
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.