



QUARTERLY REPORT

JANUARY – JUNE 2023

Delivering sustainable solutions

FROM END TO END AND BEYOND

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

The business is mainly run through two business areas, Supply Chain Solutions and Print & Packaging Solutions. The Group has over 7,000 employees and operates in some 20 countries on four continents. The 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, Health Care and Industrial.

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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.

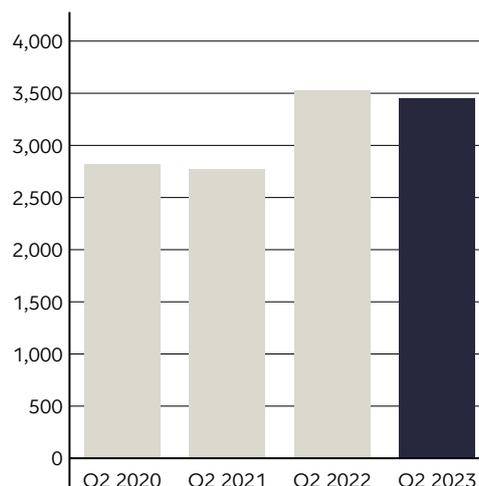
Further information can be found on Elanders' website www.elanders.com or requested via e-mail info@elanders.com. Questions concerning this report can be addressed to:

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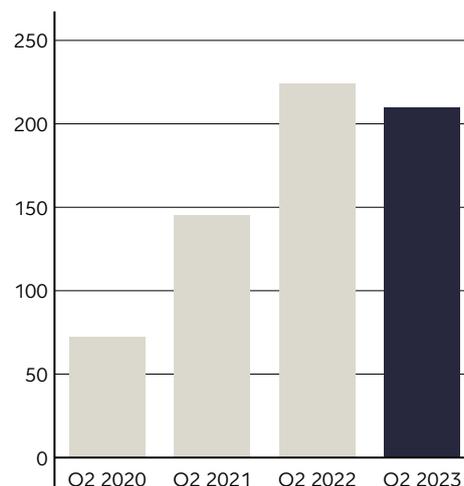
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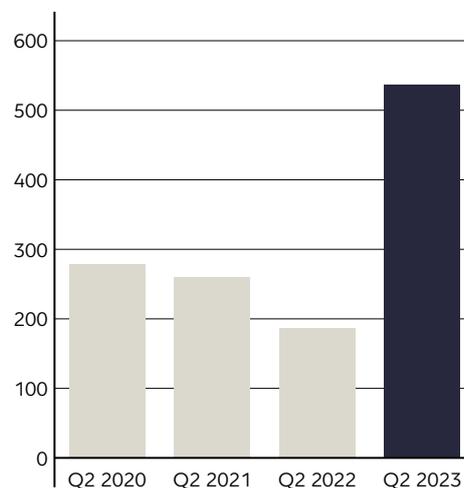
NET SALES, MSEK



ADJUSTED EBITA, MSEK



OPERATING CASHFLOW, MSEK



First six months 2023

- Net sales increased to MSEK 7,040 (6,897), which corresponded to an organic net sales reduction of five percent, excluding acquisitions and discontinued operations, and using unchanged exchange rates. The reduction is mainly due to normalized freight rates and linked to the Group's Air & Sea freight forwarding operations.
- Adjusted EBITA increased to MSEK 427 (410), which equaled an adjusted EBITA margin of 6.1 (6.0) percent.
- The period's reported result included one-off items of MSEK –81 (40). Most of these referred to the historical errors discovered in one of the Group's companies in North America, which were corrected in the first quarter. The remaining part refers to a provision for additional consideration for an acquisition that has developed better than expected.
- Adjusted net result amounted to MSEK 156 (191), corresponding to SEK 4.37 (5.19) per share.
- Reported net result amounted to MSEK 90 (231), corresponding to SEK 2.48 (6.32) per share.
- Operating cash flow increased to MSEK 1,049 (487).
- Cash conversion increased to 116.6 (52.0) percent.

Second quarter 2023

- Net sales were MSEK 3,450 (3,525), which corresponded to an organic net sales reduction of nine percent, excluding acquisitions and discontinued operations, and using unchanged exchange rates. The reduction is to a large extent due to normalized freight rates and linked to the Group's Air & Sea freight forwarding operations.
- Adjusted EBITA amounted to MSEK 210 (224), which equaled an adjusted EBITA margin of 6.1 (6.3) percent.
- The period's reported result included one-off items of MSEK –14 (40) which referred to a provision for additional consideration for an acquisition that has developed better than expected. Last year's one-off items mainly referred to a revaluation of shares in associated companies in connection with a merger.
- Adjusted net result amounted to MSEK 79 (103), corresponding to SEK 2.21 (2.77) per share.
- Reported net result amounted to MSEK 65 (143), corresponding to SEK 1.80 (3.91) per share.
- Operating cash flow increased to MSEK 536 (187).
- Cash conversion increased to 112.0 (36.8) percent.

Financial overview

	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Net sales, MSEK	7,040	6,897	3,450	3,525	15,118	14,974
EBITDA, MSEK	899	937	479	507	1,903	1,940
EBITDA excl. IFRS 16, MSEK	397	515	222	295	949	1,068
EBITA adjusted, MSEK ^{1) 3)}	427	410	210	224	982	966
EBITA-margin adjusted, % ^{1) 3)}	6.1	6.0	6.1	6.3	6.5	6.5
EBITA, MSEK ¹⁾	345	450	195	264	834	940
EBITA-margin, % ¹⁾	4.9	6.5	5.7	7.5	5.5	6.3
Result after tax adjusted, MSEK ³⁾	156	191	79	103	464	499
Earnings per share adjusted, SEK ³⁾	4.37	5.19	2.21	2.77	12.81	13.63
Result after tax, MSEK	90	231	65	143	345	487
Earnings per share, SEK	2.48	6.32	1.80	3.91	9.45	13.29
Operating cash flow, MSEK	1,049	487	536	187	1,772	1,210
Cash conversion, %	116.6	52.0	112.0	36.8	95.4	64.6
Net debt, MSEK	7,449	6,304	7,449	6,304	7,449	7,276
Net debt excl. IFRS 16, MSEK	3,055	3,005	3,055	3,005	3,055	3,022
Net debt/EBITDA ratio, times ²⁾	4.1	3.4	3.9	3.1	3.9	3.7
Net debt/EBITDA ratio adjusted, times ^{2) 4)}	3.2	3.2	3.2	2.9	2.8	2.8

¹⁾ EBITA refers to operating result plus amortization of assets identified in conjunction with acquisitions.

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

³⁾ One-off items have been excluded in the adjusted measures.

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

COMMENTS BY THE CEO

The second quarter was more challenging than the first quarter. Demand in North America is now also declining. On the positive side, Print & Packaging Solutions made a clearly better result this quarter than last year and cash flow improved significantly. We also continued to roll out the Bergen Logistics concept in more markets.

The drop in demand has primarily hit business area Supply Chain Solutions. The largest part of the decrease in sales was attributable to the Group's Air & Sea freight forwarding operations. This was due to a normalization of freight rates, and was expected. The drop in volume combined with some overcapacity in both the USA and Europe, which has arisen after the investments made before inflation began to soar, have put pressure on our margin. However, we see continued strong interest from new customers and expect to successively fill up unutilized capacity. A decline in volumes compared to the previous quarter is now becoming apparent even in North America, particularly in Fashion which is the Group's largest customer segment. There were major fluctuations in volumes from Automotive in Europe due to a continued shortage of components in their supply chain. However, our efforts to improve profitability in Automotive are beginning to bear fruit and have, among other things, compensated for the otherwise weaker market development. The closure of unprofitable road transportation operations in Germany, which we announced in the fourth quarter 2022, has now been concluded. The closure will have a positive effect on our margin going forward but a negative effect on net sales. We continue to expand the Bergen Logistics concept and at the end of the second quarter we started doing deliveries from Shenzhen in China.

Excluding one-off items, business area Print & Packaging Solutions showed a clear improvement compared to previous year despite a challenging market. We have now implemented higher

prices for most of our customers to compensate for the higher energy and material costs. Access to material has also stabilized, which increases efficiency in production. We continue to see a strong demand for online print which compensates for the declining demand for more traditional printed matter.

The higher interest rates and current net debt incur higher interest expenses. In order to counteract the negative effects of this, we continue to work actively to improve our cash flow and reduce our working capital. This is apparent in, among other things, the Group's cash conversion, i.e. the Group's ability to generate cash flows from results, which has significantly improved compared to the same period last year.

The Group's environmental work is progressing and right now we're mapping carbon emissions in our value chain, i.e. scope 3, which is going very well. We hope to have a result in the autumn so that we can then make a commitment within the Science Based Targets initiative, aimed at getting our climate targets approved in the coming years.



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 over 7,000 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, Health Care and Industrial.

NET SALES AND RESULT

First six months

Net sales increased by MSEK 143 to MSEK 7,040 (6,897) compared to the same period last year. Cleared of exchange rate fluctuations, discontinued operations and acquisitions, net sales contracted organically by five percent. The reduction is mainly linked to business area Supply Chain Solutions and primarily due to lower freight rates in the Group's Air & Sea operations.

The market continues to be very uncertain. Many Group customers are finding it difficult to maintain volumes or grow at the same pace as previously. This affects large parts of the Group. A decline in volumes is now becoming apparent even in North America, particularly in Fashion which is the Group's largest customer segment. There were major fluctuations in volumes from Automotive in Europe due to a continued shortage of components in their supply chain. During the second quarter the closure of unprofitable road transportation operations in Germany, which we announced in the fourth quarter 2022, was concluded. This will have a positive effect on our margin going forward but a negative effect on net sales.

Excluding one-off items business area Print & Packaging Solutions presented a clearly better result than for the same period last year. This is in part due to the implemented higher prices for most of our customers to compensate for higher energy and material costs and in part because access to material has also stabilized, which increases efficiency in production.

Adjusted EBITA, i.e. the operating result adjusted for amortization of assets identified in conjunction with acquisitions and one-off items, increased by MSEK 17 to MSEK 427 (410). The improvement in the result is primarily due to changes in exchange rates that had a positive effect on adjusted EBITA by about MSEK 26. With one-off items included EBITA contracted from MSEK 450 to MSEK 345.

The period's one-off items amounted to net MSEK -81 (40). These were mainly a result of correcting historical errors in reporting from a subsidiary in business area Print & Packaging Solutions. These errors were corrected in the first quarter. The remaining part refers to a provision for additional consideration for an acquisition that has developed better than expected. Last year's positive one-off items mainly referred to a revaluation of shares in associated companies in connection with a merger.

Higher net debt and higher interest rates continued to have a growing impact on the income statement where interest expenses have increased considerably compared to last year.

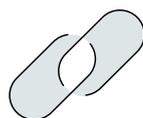
Second quarter

Net sales contracted by MSEK 75 to MSEK 3,450 (3,525) compared to the same period last year. Cleared of acquisitions and discontinued operations and using unchanged exchange rates net sales contracted organically by nine percent. The reduction is mainly due to a weaker market and lower freight rates in the Group's Air & Sea operations.

Adjusted EBITA, i.e. the operating result adjusted for amortization of assets identified in conjunction with acquisitions and one-off items, contracted by MSEK 14 to MSEK 210 (224).

The period's reported result included one-off items of MSEK -14 (40) which referred to a provision for additional consideration for an acquisition that has developed better than expected. Last year's positive one-off items referred to a revaluation of shares in associated companies in connection with a merger.

Higher net debt and higher interest rates continued to have a growing impact on the income statement where interest expenses have increased considerably compared to last year.



Supply Chain Solutions

Elanders is one of the leading companies in the world in global solutions for supply chain management. The range of services includes, among other things, taking responsibility for and optimizing customers' material and product flows, everything from sourcing and procurement combined with warehousing to after sales service.

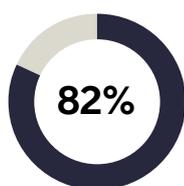
Net sales contracted organically in business area Supply Chain Solutions by nine percent compared to the same quarter last year, excluding acquisitions, discontinued operations and using unchanged exchange rates. Subscription box operations, which were previously part of business area Print & Packaging Solutions, are as of January 1, 2023, part of Supply Chain Solutions. The reduction in net sales in the business area was primarily due to a weaker market and lower freight rates in Air & Sea.

The market outlook continues to be uncertain. Diminishing demand could be discerned in the second quarter in all the major customer segments and markets, and this accelerated in the second half of the quarter. A decline in volumes is now apparent even in North America, particularly in Fashion which is the Group's largest customer segment. Several customers

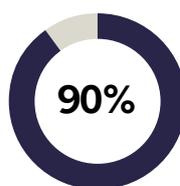
in Automotive are still struggling with disturbances in their material and component flows. The somewhat weaker demand combined with the overcapacity the Group now has in both the USA and Europe, after the investments made before inflation began to soar, has put some pressure on profitability.

The closure of unprofitable road transportation operations in Germany, which we announced in the fourth quarter 2022, is now concluded. This business worked primarily with customers in Automotive and Industrial.

The second quarter result did not contain any one-off items. In the result from the corresponding quarter last year were positive one-off items of net MSEK 40 that referred mainly to a revaluation of shares in associated companies in connection with a merger.



Share of net sales
(Last 12 months)



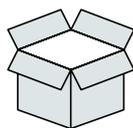
Share of EBITA
(Last 12 months)

Supply Chain Solutions

	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Net sales, MSEK	5,866	5,683	2,887	2,914	12,450	12,267
EBITDA, MSEK	858	839	423	459	1,700	1,682
EBITA adjusted, MSEK ^{1) 2)}	387	388	182	212	842	843
EBITA-margin adjusted, % ^{1) 2)}	6.6	6.8	6.3	7.3	6.8	6.9
EBITA, MSEK ¹⁾	387	428	182	252	794	835
EBITA-margin, %	6.6	7.5	6.3	8.7	6.4	6.8
Cash conversion, %	90.1	36.2	99.6	15.2	86.2	59.2
Average number of employees	5,928	5,830	5,888	5,908	5,946	5,897

¹⁾ EBITA refers to operating result plus amortization of assets identified in conjunction with acquisitions.

²⁾ One-off items have been excluded in the adjusted measures.



Print & Packaging Solutions

Through its innovative force and global presence, the business area Print & Packaging Solutions 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.

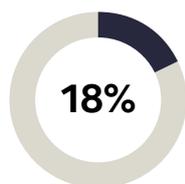
Net sales contracted organically in business area Print & Packaging by two percent compared to the same quarter last year, excluding acquisitions and using unchanged exchange rates. Subscription box operations, which were previously part of business area Print & Packaging Solutions, are as of January 1, 2023, part of Supply Chain Solutions.

The prioritized area online print continued to develop positively during the quarter. There were also positive effects from increased prices, while material supplies continue to be stable.

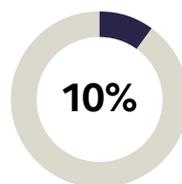
Barring one-off items, the business area reported a clearly better result compared to the same period last year. Several

companies in the business area presented improved results. The one-off item that charged the result for the quarter was a provision for additional consideration for an acquisition that has developed better than expected.

Otherwise work on optimizing the business area's production apparatus continues. Traditional offset capacity suited for long series is successively being replaced by digital print equipment that provides greater flexibility and is better suited to shorter series. Investing in online print is a crucial component in this transition. There is considerable demand in this area which partially or completely compensates for the dwindling demand for more traditional printed matter.



Share of net sales
(Last 12 months)



Share of EBITA
(Last 12 months)

Print & Packaging Solutions

	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Net sales, MSEK	1,249	1,280	603	643	2,808	2,839
EBITDA, MSEK	60	120	62	58	244	304
EBITA adjusted, MSEK ^{1) 2)}	60	46	35	21	185	171
EBITA-margin adjusted, % ^{1) 2)}	4.8	3.6	5.8	3.3	6.6	6.0
EBITA, MSEK ¹⁾	-22	46	21	21	84	152
EBITA-margin, %	-1.8	3.6	3.4	3.3	3.0	5.4
Cash conversion, %	193.5	11.7	72.0	81.5	81.9	32.0
Average number of employees	1,226	1,334	1,218	1,337	1,284	1,339

¹⁾ EBITA refers to operating result plus amortization of assets identified in conjunction with acquisitions.

²⁾ One-off items have been excluded in the adjusted measures.

IMPORTANT EVENTS DURING THE PERIOD

Historical errors in USA

Elanders has had historical errors in the reporting from one of its subsidiaries. This was attributable to the operations in Atlanta, USA, which belongs to the business area Print & Packaging Solutions.

The errors amount to MSEK –67 and the operating result for the first quarter of 2023 was charged with the corresponding amount. About half of the effect related to year 2022 and the remainder to years 2019–2021. This will not have a negative impact on future cash flows.

Structural measures in Germany

In December 2022, it was decided that parts of the Group's road transport operations in Germany would be discontinued. The business was part of the business area Supply Chain Solutions and had had profitability problems for a long time. These structural measures entailed one-off costs of approximately MSEK 50, which were charged to last year's earnings. These costs relate to termination wages, provision for onerous contracts as well as remaining rental costs for existing premises. The structural measures are expected to generate annual savings of MSEK 35 with full effect from 2023.

At the end of the second quarter, the closure was fully concluded. As a result of this closure, sales will decrease by MSEK 400 on an annual basis, of which MSEK 200 during 2023, with start in the second quarter.

The war in Ukraine and its aftermath

Russia invaded Ukraine in February 2022. Some of the Group's customers have subcontractors in Ukraine and Russia. These customers have therefore experienced problems with their supply chain. At the same time, inflation has increased sharply, and an energy crisis has emerged.

There is still a great deal of uncertainty about how long this will last and the extent of it. It is thus difficult to predict the exact impact in the coming year. Increased sanctions, scope of the war and electricity shortage could have a significant impact on the Group's operations.

Semiconductor and raw material shortage

The semiconductor and raw material shortage that has existed in some industries has had a negative impact on the Group's business in recent years. The shortage has at times created uneven capacity utilization in production when shift patterns have changed on short notice.

INVESTMENTS AND DEPRECIATION

First six months

Net investments for the period amounted to MSEK 68 (82). Depreciation, amortization and write-downs amounted to MSEK 600 (531).

Second quarter

Net investments for the period amounted to MSEK 37 (43). Depreciation, amortization and write-downs amounted to MSEK 306 (266).

FINANCIAL POSITION, CASH FLOW AND FINANCING

First six months

Operating cash flow for the period increased to MSEK 1,049 (487). This was mainly due to less tied up working capital this year and more tied up working capital in the corresponding period last year.

Net debt increased by MSEK 173 to MSEK 7,449 compared to MSEK 7,276 at the beginning of the year. Of the net debt increase, MSEK 396 accounted for currency effects, which related to the weakened Swedish krona. Net debt also includes debts related to put and call options measured at fair value and earn-outs. The increase in net debt includes changes in the value for these options of approximately MSEK 70, primarily related to the positive development in Bergen Logistics.

Excluding the effects from IFRS 16, net debt amounted to MSEK 3,055 compared to MSEK 3,022 at the beginning of the year. The increase was mainly due to changes in exchange rates, as the Group's financing is mainly in euros and US dollars.

Over a rolling 12-month period, the net debt/EBITDA ratio was 3.9 compared to 3.7 at the beginning of the year. The increase in the ratio is primarily due to the signing of several new long-term leases and the weakened Swedish krona. The new leases generate a somewhat skewed view of the net debt/EBITDA ratio. The entire leasing liability is reported directly while the EBITDA contribution is slight, particularly if the leases run for 10–15 years and especially in the beginning of the first year. Excluding the effects from IFRS 16 and acquisition costs and adjusted for proforma results for acquisitions and one-off items, the net debt/EBITDA ratio was 2.8 (3.1).

The Group's credit agreement contains financial covenants that must be met to secure the financing. The most important covenant is the net debt/EBITDA ratio that is calculated excluding IFRS 16 effects but adjusted for proforma results in acquisitions and excluding one-off items. This financial covenant was met by a good margin per the balance sheet date.

Several central banks have both carried out and announced further interest rate hikes, which will lead to increased interest expenses in the future since Group financing is largely based on a floating interest rate.

Second quarter

Operating cash flow for the period increased to MSEK 536 (187). This was mainly due to less tied up working capital this year and more tied up working capital in the corresponding period last year.

PERSONNEL

First six months

The average number of employees during the period was 7,168 (7,177), whereof 164 (164) in Sweden. At the end of the period the Group had 7,065 (7,273) employees, whereof 162 (173) in Sweden.

Second quarter

The average number of employees during the period was 7,119 (7,258), whereof 161 (169) in Sweden.

PARENT COMPANY

The parent company has provided intragroup services. The average number of employees during the period was 13 (13) and at the end of the period 14 (13).

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.

Sustainability is an integrated part of Elanders' business and strategy and Elanders considers it a responsibility and a business opportunity that provides great opportunities to create value and improve profitability. Not only for Elanders or the Group's customers but society at large.

RISKS AND UNCERTAINTIES

Elanders divides risks into business risks (customer concentration, operational risk, risks in operating expenses, contracts and disputes), financial risks (currency, interest, financing/liquidity and credit risk) as well as circumstantial risks (pandemics, business cycle sensitivity and wars and conflicts). These risks, together with a sensitivity analysis, are described in detail in the Annual Report 2022.

In conjunction with the war in Ukraine, the inflation has increased sharply and an energy crisis has emerged. These are also risks that may have a significant impact on the Group's operations.

In addition to what has been described above, other external circumstances that has occurred since the Annual Report was published are not 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 2022.

SUSTAINABILITY

Sustainability is an integrated part of Elanders' business and strategy and Elanders considers it a responsibility and a business opportunity that provides great opportunities to create value and improve profitability. Not only for Elanders or the Group's customers but society at large. The demands regarding CSR made on major, multinational companies are just as high for their partners. Elanders' sustainability work is largely governed by the very high demands made by customers who in their own environmental and quality documentation stipulate requirements that suppliers must meet as well.

The investments Elanders is making in sustainable services, among them Renewed Tech, enables Elanders to take an active role and further contribute to a circular economy. In Renewed Tech, Elanders takes care of used IT equipment, renovating and restoring it. Then the equipment is sold to end customers that in this way reduce their environmental impact by purchasing used IT equipment. Elanders has the last few years, as part of this effort, made two acquisitions in Renewed Tech.

Reduction targets for greenhouse gas emissions

Elanders has committed to targets regarding reduction of greenhouse gas (GHG) emissions. The GHG reduction targets are both short- and long term.

- By year 2030, Elanders will reduce GHG emissions within scope 1 and 2 by 50 percent and scope 3 emissions related to own operations by 30 percent.
- By year 2040, Elanders will reduce GHG emissions within scope 1 and 2 by 75 percent.
- By year 2050, Elanders will achieve net zero over the entire value chain.

The baseline for above targets is year 2021. For 2021, emissions within scope 1 and 2 were approximately 27 and 14 thousand tons of CO₂e respectively. For 2022, greenhouse gas emissions within scope 1 and 2 were 25 and 13 thousand tons CO₂e respectively.

Data for scope 3 emissions is currently being gathered and calculated.

SEASONAL VARIATIONS

The Group's net sales, and thereby income, 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.
- The Group leases properties in two subsidiaries, where the properties are wholly or partly owned by minority shareholders within the Elanders Group.

Remuneration is considered on par with the market for all of these transactions.

EVENTS AFTER THE BALANCE SHEET DATE

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 2023.

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.

REVIEW BY COMPANY AUDITORS

The company auditors have not reviewed this report.

DECLARATION BY THE BOARD

The Board of Directors of Elanders AB (publ) hereby declares that this half-year report gives a true and fair view of the parent company's and Group's operations, financial position and result and describes significant risks and uncertainties that the parent company and companies within the Group are facing.

FINANCIAL CALENDAR

Third quarter 2023	17 October 2023
Fourth quarter 2023	30 January 2024 (changed from 23 January 2024)
Annual Report 2023	25 March 2024
First quarter 2024	19 April 2024
Annual General Meeting 2024	19 April 2024
Second quarter 2024	12 July 2024

CONFERENCE CALL

In connection with issuing the report on the second quarter 2023, Elanders will hold a press and analysts conference call on 12 July 2023, at 09:00 CET, hosted by Magnus Nilsson, President and CEO, and Andréas Wikner, CFO.

We invite fund managers, analysts and the media to participate in the conference call.

To join, register your details using the registration link below.

Once registered, you will receive a separate email containing dial in number(s) and PINs.

[Register for the conference call here.](#)

Agenda

- 08:50 Conference number is opened
- 09:00 Presentation of quarterly results
- 09:20 Q&A
- 10:00 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>

MÖLNDAL, 12 JULY 2023

Dan Frohm
Chairman

Carl Bennet
Vice chairman

Ulrika Dellby

Eva Elmstedt

Erik Gabrielson

Anna Hallberg

Anne Lenerius

Johan Trouvé

Irene Planting

Martin Schubach

Magnus Nilsson
President and CEO

CONSOLIDATED FINANCIAL STATEMENTS

Income statements

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Net sales	7,040	6,897	3,450	3,525	15,118	14,974
Cost of products and services sold	-5,941	-5,879	-2,877	-3,000	-12,806	-12,744
Gross profit	1,098	1,018	573	525	2,311	2,231
Sales and administrative expenses	-806	-694	-401	-356	-1,596	-1,484
Other operating income	48	110	24	83	136	197
Other operating expenses	-41	-28	-24	-11	-108	-95
Operating result	299	406	172	241	743	849
Net financial items	-150	-71	-73	-36	-262	-183
Result after financial items	149	335	99	206	481	666
Income tax	-59	-104	-34	-63	-135	-180
Result for the period	90	231	65	143	345	487
Result for the period attributable to:						
– parent company shareholders	88	224	64	138	334	470
– non-controlling interests	2	8	1	5	11	17
<i>Earnings per share, SEK ¹⁾²⁾</i>	<i>2.48</i>	<i>6.32</i>	<i>1.80</i>	<i>3.91</i>	<i>9.45</i>	<i>13.29</i>
<i>Average number of shares, in thousands</i>	<i>35,358</i>	<i>35,358</i>	<i>35,358</i>	<i>35,358</i>	<i>35,358</i>	<i>35,358</i>
<i>Outstanding shares at the end of the year, in thousands</i>	<i>35,358</i>	<i>35,358</i>	<i>35,358</i>	<i>35,358</i>	<i>35,358</i>	<i>35,358</i>

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.

Statements of comprehensive income

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Result for the period	90	231	65	143	345	487
<i>Items that will not be reclassified to the income statement</i>						
Remeasurements after tax	0	-2	0	-1	20	18
<i>Items that will be reclassified to the income statement</i>						
Translation differences after tax	175	277	168	217	270	371
Hedging of net investment abroad after tax	-22	-56	-25	-45	-31	-65
Other comprehensive income	153	219	143	171	259	324
Total comprehensive income for the period	243	450	208	314	604	811
Total comprehensive income attributable to:						
– parent company shareholders	241	442	207	309	593	794
– non-controlling interests	2	8	1	5	11	17

Statements of cash flow

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Result after financial items	149	335	99	206	481	666
Adjustments for items not included in cash flow	675	472	313	204	1,315	1,112
Paid tax	-121	-77	-91	-38	-240	-196
Changes in working capital	143	-309	88	-216	-24	-476
Cash flow from operating activities	846	420	410	156	1,532	1,106
Net investments in intangible and tangible assets	-66	-81	-37	-43	-214	-229
Acquired and divested operations	-	-	-	-	-44	-44
Change in long-term receivables	-2	-1	0	0	-4	-2
Cash flow from investing activities	-68	-82	-37	-43	-261	-274
Amortization of borrowing debts	-64	-61	-33	71	-124	-121
Amortization of lease liabilities	-438	-374	-226	-191	-838	-774
New loans	0	-	0	-	-5	-5
Other changes in long- and short-term borrowing	-33	25	112	20	80	138
Dividend to shareholders	-147	-127	-147	-127	-156	-136
Cash flow from financing activities	-682	-537	-294	-227	-1,043	-898
Cash flow for the period	96	-199	79	-115	228	-67
Liquid funds at the beginning of the period	904	898	921	828	764	898
Translation difference	30	65	30	50	38	72
Liquid funds at the end of the period	1,030	764	1,030	764	1,030	904
Net debt at the beginning of the period	7,276	5,249	7,283	5,377	6,304	5,249
Translation difference	396	406	346	324	655	665
Acquired and divested operations	-	-	-	-	-4	-4
Changes with cash effect	-604	-66	-203	47	-925	-387
Changes with no cash effect	380	715	22	556	1,418	1,753
Net debt at the end of the period	7,449	6,304	7,449	6,304	7,449	7,276
Operating cash flow	1,049	487	536	187	1,772	1,210

Statements of financial position

MSEK	30 Jun.		31 Dec. 2022
	2023	2022	
ASSETS			
Intangible assets	5,108	4,767	4,923
Tangible assets	5,100	3,964	4,970
Other fixed assets	496	430	453
Total fixed assets	10,704	9,160	10,345
Inventories	494	570	619
Accounts receivable	1,999	2,015	2,139
Other current assets	678	639	567
Cash and cash equivalents	1,030	764	904
Total current assets	4,201	3,988	4,229
Total assets	14,904	13,148	14,574
EQUITY AND LIABILITIES			
EQUITY	3,910	3,522	3,870
LIABILITIES			
Non-interest-bearing long-term liabilities	272	276	271
Interest-bearing long-term liabilities	7,421	6,191	7,229
Total long-term liabilities	7,693	6,467	7,500
Non-interest-bearing short-term liabilities	2,243	2,283	2,253
Interest-bearing short-term liabilities	1,058	877	951
Total short-term liabilities	3,301	3,160	3,204
Total equity and liabilities	14,904	13,148	14,574

Statements of changes in equity

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Opening balance	3,870	3,304	3,849	3,440	3,522	3,304
Dividend to parent company shareholders	-147	-127	-147	-127	-147	-127
Dividend to non-controlling interests	-	-	-	-	-9	-9
Change in fair value of put and call option to acquire non-controlling interest	-56	-105	0	-105	-60	-108
Total comprehensive income for the period	243	450	208	314	604	811
Closing balance	3,910	3,522	3,910	3,522	3,910	3,870
Equity attributable to						
- parent company shareholders	3,872	3,486	3,872	3,486	3,872	3,834
- non-controlling interests	38	36	38	36	38	36

Segment reporting

The Group has defined two operating segments which are the same as the two business areas Supply Chain Solutions and Print & Packaging Solutions. The reporting is consistent with the internal reporting provided to the highest executive decision-maker in the Group, the Chief Executive Officer of the Elanders Group. The operations

within each operating 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 takes place on market terms and have been eliminated in the Group's total sales.

NET SALES PER SEGMENT

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Supply Chain Solutions	5,866	5,683	2,887	2,914	12,450	12,267
Print & Packaging Solutions	1,249	1,280	603	643	2,808	2,839
Group functions	24	23	12	11	46	45
Eliminations	-99	-88	-52	-43	-187	-177
Group net sales	7,040	6,897	3,450	3,525	15,118	14,974

OPERATING RESULT PER SEGMENT

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Supply Chain Solutions	346	389	161	233	712	755
Print & Packaging Solutions	-27	40	18	18	75	142
Group functions	-20	-23	-7	-10	-44	-47
Group operating result	299	406	172	241	743	849

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 hand-

ling 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.

FIRST SIX MONTHS

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	2023	2022	2023	2022	2023	2022
Total net sales	5,866	5,683	1,249	1,280	7,115	6,962
Less: net sales to group companies	-41	-39	-34	-27	-75	-66
Net sales	5,825	5,644	1,215	1,253	7,040	6,897

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	2023	2022	2023	2022	2023	2022
Customer segments						
Automotive	1,242	1,161	258	211	1,499	1,373
Electronics	1,833	1,686	31	42	1,864	1,728
Fashion	1,829	1,694	132	280	1,962	1,974
Health Care	229	260	21	42	250	302
Industrial	525	617	297	265	822	883
Other	168	226	475	411	643	637
Net sales	5,825	5,644	1,215	1,253	7,040	6,897
Main revenue streams						
Sourcing and procurement services	1,115	1,002	-	-	1,115	1,002
Freight and transportation services	1,805	1,934	-	114	1,805	2,048
Other contract logistics services	2,664	2,473	126	227	2,789	2,699
Other work/services	241	235	1,089	912	1,330	1,147
Net sales	5,825	5,644	1,215	1,253	7,040	6,897
Geographic markets						
Europe	3,289	3,340	1,033	871	4,322	4,211
Asia	1,243	1,179	18	19	1,261	1,198
North and South America	1,284	1,117	161	360	1,445	1,477
Other	8	8	4	2	12	10
Net sales	5,825	5,644	1,215	1,253	7,040	6,897

Disaggregation of revenue (cont.)

SECOND QUARTER

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	2023	2022	2023	2022	2023	2022
Total net sales	2,887	2,914	603	643	3,490	3,557
Less: net sales to group companies	-22	-19	-18	-13	-40	-32
Net sales	2,865	2,895	585	630	3,450	3,525

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	2023	2022	2023	2022	2023	2022
Customer segments						
Automotive	590	577	142	119	732	696
Electronics	983	877	11	17	994	893
Fashion	875	871	68	139	943	1,010
Health Care	109	131	10	22	120	153
Industrial	235	324	132	130	367	453
Other	72	116	221	204	294	320
Net sales	2,865	2,895	585	630	3,450	3,525
Main revenue streams						
Sourcing and procurement services	638	523	-	-	638	523
Freight and transportation services	820	995	-	57	820	1,052
Other contract logistics services	1,291	1,260	58	111	1,350	1,371
Other work/services	116	116	527	462	643	578
Net sales	2,865	2,895	585	630	3,450	3,525
Geographic markets						
Europe	1,544	1,683	499	434	2,043	2,117
Asia	710	612	9	10	718	622
North and South America	607	596	76	186	683	781
Other	4	4	2	1	6	5
Net sales	2,865	2,895	585	630	3,450	3,525

Disaggregation of revenue (cont.)

LAST 12 MONTHS AND FULL YEAR 2022

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	Last 12 months	Full year 2022	Last 12 months	Full year 2022	Last 12 months	Full year 2022
Total net sales	12,450	12,267	2,808	2,839	15,258	15,106
Less: net sales to group companies	-77	-75	-64	-56	-141	-131
Net sales	12,373	12,192	2,744	2,782	15,118	14,974

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	Last 12 months	Full year 2022	Last 12 months	Full year 2022	Last 12 months	Full year 2022
Customer segments						
Automotive	2,348	2,268	500	453	2,848	2,721
Electronics	4,169	4,022	73	84	4,242	4,106
Fashion	3,765	3,630	437	585	4,202	4,215
Health Care	485	517	72	94	558	611
Industrial	1,185	1,277	569	537	1,754	1,814
Other	421	479	1,093	1,029	1,514	1,508
Net sales	12,373	12,192	2,744	2,782	15,118	14,974
Main revenue streams						
Sourcing and procurement services	2,675	2,562	-	-	2,675	2,562
Freight and transportation services	3,962	4,091	121	235	4,083	4,326
Other contract logistics services	5,259	5,068	313	414	5,573	5,483
Other work/services	477	471	2,310	2,133	2,787	2,605
Net sales	12,373	12,192	2,744	2,782	15,118	14,974
Geographic markets						
Europe	6,750	6,801	2,165	2,003	8,915	8,804
Asia	2,950	2,886	40	42	2,991	2,928
North and South America	2,653	2,486	532	731	3,185	3,217
Other	20	19	8	6	27	25
Net sales	12,373	12,192	2,744	2,782	15,118	14,974

NET SALES PER QUARTER

MSEK	2023			2022		
	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Customer segments						
Automotive	732	768	691	657	696	677
Electronics	994	869	1,132	1,246	893	835
Fashion	943	1,018	1,182	1,058	1,010	964
Health Care	120	130	151	157	153	149
Industrial	367	455	471	461	453	429
Other	294	349	472	399	320	317
Net sales	3,450	3,589	4,099	3,979	3,525	3,371

Financial assets and liabilities measured at fair value

The financial instruments recognized at fair value in the Group's report on financial position consist primarily of derivatives, contingent considerations related to acquisitions and conditional put and call options regarding non-controlling interests.

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. Derivatives for hedging purposes are recognized at fair value and are presented under other current assets and non-interest-bearing current liabilities. Changes in the value of cash flow hedges are reported in particular categories under other comprehensive income until the hedged item is recorded in the income statement. Any result on hedge instruments attributable to the effective part of the hedge are recorded as equity under hedge provisions. Any result on hedge instruments attributable to the ineffective part of the hedge are recorded in the income statement. These items are gross less than MSEK 1 both as of June 30, 2023, and the comparison periods.

Contingent considerations are recognized as financial liabilities

and at fair value on the acquisition date. Contingent considerations are remeasured at each reporting period with any change recognized in profit or loss for the year. As of June 30, 2023, the fair value of contingent earn-outs amounts to MSEK 71, compared with MSEK 53 as of December 31, 2022. The increase is due to revaluations during the second quarter as a result of the acquired company's positive development as well as exchange rate fluctuations.

Mandatory put/call options related to acquisitions of non-controlling interests are initially recognized as a financial liability at the present value of the strike price applicable at the period where the option can first be exercised. Changes in fair value for these liabilities are recognized in equity. As of June 30, 2023, the fair value of contingent earn-outs amounts to MSEK 563, compared with MSEK 486 as of December 31, 2022. The increase is due to revaluations made as well as exchange rate fluctuations.

The fair value of other financial assets and liabilities valued at their amortized purchase price is estimated to be equivalent to their book value.

Acquisitions and divestments of operations

Elanders has not made any acquisitions or divestments of operations during the first six months 2023.

Bonds Worldwide Holdings Ltd

In July 2022, Elanders signed acquired all the shares in the British Bonds Worldwide Holdings Limited with its subsidiaries Bonds Worldwide Express Limited and Bonds Technical Couriers Limited (together "Bonds"). Bonds is a leading player in the United Kingdom in special transportation and installation of advanced technical equipment. The company was privately owned and had net sales of around MGBP 5 in 2021 with good profitability.

The acquisition allows Elanders to offer unique solutions for special transportation as well as installation and returns of advanced technical equipment. The acquisition is also a step in increasing the portion of value-added services, particularly to customers in Electronics and Health Care. Bonds is now part of the business area Supply Chain Solutions and Elanders' sub-group LGI.

The purchase price amounted to about MGBP 5 on a cash- and debt-free basis. The acquisition has been financed with existing credit lines and the acquisition-related costs were less than MSEK 2.

The purchase price allocation is preliminary.

PRELIMINARY PURCHASE PRICE ALLOCATION (PPA) BONDS

	Recorded values in acquired operations	Adjustments to fair value	Recorded value in the Group
MSEK			
Intangible assets	-	7	7
Other assets	10	-	10
Current assets excluding cash and cash equivalents	13	-	13
Cash and cash equivalents	14	-	14
Other non-interest bearing liabilities	-14	-4	-17
Interest bearing liabilities	-8	-	-8
Identifiable net assets	16	3	20
Goodwill			47
Total	16	3	67
Less:			
Unpaid purchase price			-7
Cash and cash equivalents in acquisitions			-14
Negative effect on cash and cash equivalents for the Group			45

QUARTERLY DATA

Quarterly data

	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Net sales, MSEK	3,450	3,589	4,099	3,979	3,525	3,371	3,364	2,865	2,769
EBITDA, MSEK	479	420	538	466	507	430	456	328	343
EBITDA excl. IFRS 16, MSEK	222	175	306	246	295	220	266	156	176
EBITA adjusted, MSEK	210	217	331	224	224	187	244	127	145
EBITA-margin adjusted, %	6.1	6.0	8.1	5.6	6.3	5.5	7.3	4.4	5.2
EBITA, MSEK	195	149	273	216	264	187	228	126	145
EBITA-margin, %	5.7	4.2	6.7	5.4	7.5	5.5	6.8	4.4	5.2
Operating result, MSEK	172	127	251	193	241	165	209	111	132
Operating margin, %	5.0	3.5	6.1	4.8	6.8	4.9	6.2	3.9	4.8
Result after financial items, MSEK	99	50	181	150	206	129	181	88	110
Result after tax, MSEK	65	25	140	115	143	88	120	57	86
Earnings per share, SEK ¹⁾	1.80	0.69	3.87	3.10	3.91	2.42	3.28	1.54	2.38
Operating cash flow, MSEK	536	512	495	229	187	300	-680	208	260
Cash flow per share, SEK ²⁾	11.59	12.34	12.31	7.08	4.42	7.47	13.50	6.81	6.40
Depreciation and write-downs, MSEK	306	294	287	273	266	265	247	218	211
Net investments, MSEK	37	31	94	98	43	39	1,222	91	20
Goodwill, MSEK	3,827	3,674	3,655	3,685	3,505	3,347	3,305	2,584	2,500
Total assets, MSEK	14,904	14,562	14,574	14,792	13,148	12,131	11,800	9,303	8,810
Equity, MSEK	3,910	3,849	3,870	3,780	3,522	3,440	3,304	3,122	3,024
Equity per share, SEK	109.52	107.85	108.46	105.72	98.60	96.44	92.67	87.55	84.85
Net debt, MSEK	7,449	7,283	7,276	7,227	6,304	5,377	5,249	3,253	3,071
Net debt excl. IFRS 16, MSEK	3,055	2,895	3,022	3,231	3,005	2,532	2,539	1,336	1,298
Capital employed, MSEK	11,359	11,132	11,147	11,007	9,826	8,817	8,553	6,375	6,095
Return on total assets, % ³⁾	5.9	4.1	6.8	6.3	8.7	5.8	8.4	5.1	6.0
Return on equity, % ³⁾	6.6	2.5	14.5	12.1	16.0	10.2	14.6	7.2	11.1
Return on capital employed, % ³⁾	6.1	4.6	9.1	7.4	10.4	7.6	11.2	7.1	8.6
Debt/equity ratio	1.9	1.9	1.9	1.9	1.8	1.6	1.6	1.0	1.0
Equity ratio, %	26.2	26.4	26.6	25.6	26.8	28.4	28.0	33.6	34.3
Interest coverage ratio ⁴⁾	2.8	3.6	4.5	5.5	6.0	6.0	6.3	6.8	7.1
Number of employees at the end of the period	7,065	7,275	7,245	7,337	7,273	7,182	7,019	6,234	6,107

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 the last 12 month period.

FIVE YEAR OVERVIEW

Five year overview – First six months

	2023	2022	2021	2020	2019
Net sales, MSEK	7,040	6,897	5,504	5,386	5,525
EBITDA, MSEK	899	937	684	574	683
EBITA adjusted, MSEK	427	410	287	153	235
EBITA-margin adjusted, %	6.1	6.0	5.2	2.8	4.2
EBITA, MSEK	345	450	287	153	255
EBITA-margin, %	4.9	6.5	5.2	2.8	4.6
Result after tax, MSEK	90	231	154	35	109
Earnings per share, SEK ¹⁾	2.48	6.32	4.29	0.96	3.02
Cash flow from operating activities per share, SEK	23.93	11.88	9.76	17.68	16.59
Equity per share, SEK	109.52	98.60	84.85	79.89	78.20
Return on equity, % ²⁾	4.6	13.2	10.2	2.4	7.9
Return on capital employed, % ²⁾	5.3	8.7	9.4	3.8	6.9
Operating margin, %	4.3	5.9	4.7	2.3	4.1
Average number of shares, in thousands	35,358	35,358	35,358	35,358	35,358

¹⁾ There is no dilution.

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

Five year overview – Second quarter

	2023	2022	2021	2020	2019
Net sales, MSEK	3,450	3,525	2,769	2,814	2,719
EBITDA, MSEK	479	507	343	278	349
EBITA adjusted, MSEK	210	224	145	72	132
EBITA-margin adjusted, %	6.1	6.3	5.2	2.6	4.5
EBITA, MSEK	195	264	145	72	122
EBITA-margin, %	5.7	7.5	5.2	2.6	4.8
Result after tax, MSEK	65	143	86	19	59
Earnings per share, SEK ¹⁾	1.80	3.91	2.38	0.52	1.62
Cash flow from operating activities per share, SEK	11.59	4.42	6.40	9.21	6.54
Equity per share, SEK	109.52	98.60	84.85	79.89	78.20
Return on equity, % ²⁾	6.6	16.0	11.1	2.6	8.2
Return on capital employed, % ²⁾	6.1	10.4	8.6	3.6	6.5
Operating margin, %	5.0	6.8	4.8	2.1	4.3
Average number of shares, in thousands	35,358	35,358	35,358	35,358	35,358

¹⁾ There is no dilution.

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

Five year overview – Full year

	2022	2021	2020	2019	2018
Net sales, MSEK	14,974	11,733	11,050	11,254	10,742
EBITDA, MSEK	1,940	1,468	1,431	1,285	725
EBITA adjusted, MSEK	966	658	598	563	523
EBITA-margin adjusted, %	6.5	5.6	5.4	5.0	4.9
EBITA, MSEK	940	641	598	413	523
EBITA-margin, %	6.3	5.5	5.4	3.7	4.9
Result after financial items, MSEK	666	482	414	216	366
Result after tax, MSEK	487	331	292	153	259
Earnings per share, SEK ¹⁾	13.29	9.12	8.12	4.19	7.18
Cash flow from operating activities per share, SEK	31.27	30.07	48.80	37.81	12.88
Equity per share, SEK	108.46	92.67	81.65	78.54	76.28
Dividends per share, SEK	4.15	3.60	3.10	–	2.90
Return on total assets, %	11.6	6.3	6.4	4.2	6.6
Return on equity, %	13.0	10.4	9.9	5.3	9.8
Return on capital employed, %	8.3	8.5	8.6	5.0	8.5
Net debt/EBITDA ratio, times	3.7	3.6	2.0	3.1	3.5
Net debt/EBITDA excl. IFRS 16 ratio, times	2.8	3.3	1.5	3.7	3.5
Debt/equity ratio, times	1.9	1.6	1.0	1.4	0.9
Equity ratio, %	26.6	28.0	33.6	30.2	35.0
Average number of shares, in thousands	35,358	35,358	35,358	35,358	35,358

¹⁾ There is no dilution.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Reconciliation of alternative performance measures – Financial overview

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Operating result	299	406	172	241	743	849
Depreciation, amortization and write-downs	600	531	306	266	1,160	1,091
EBITDA	899	937	479	507	1,903	1,940
Operating result	299	406	172	241	743	849
Amortization of assets identified in conjunction with acquisitions	46	44	23	22	92	90
EBITA	345	450	195	264	834	940
Adjustments for one-off items	81	-40	14	-40	148	26
EBITA adjusted	427	410	210	224	982	966
EBITA-margin, %	4.9	6.5	5.7	7.5	5.5	6.3
EBITA-margin adjusted, %	6.1	6.0	6.1	6.3	6.5	6.5
Cash flow from operating activities	846	420	410	156	1,532	1,106
Net financial items	150	71	73	36	262	183
Paid tax	121	77	91	38	240	196
Net investments	-68	-82	-37	-43	-261	-274
Operating cash flow	1,049	487	536	187	1,772	1,210
Cash conversion, %	116.6	52.0	112.0	36.8	95.4	64.6
Interest-bearing long-term liabilities	7,421	6,191	7,421	6,191	7,421	7,229
Interest-bearing short-term liabilities	1,058	877	1,058	877	1,058	951
Cash and cash equivalents	-1,030	-764	-1,030	-764	-1,030	-904
Net debt	7,449	6,304	7,449	6,304	7,449	7,276
Net debt/EBITDA ratio, times	4.1	3.4	3.9	3.1	3.9	3.7
Operating result excl. IFRS 16	251	372	149	224	654	775
Depreciation, amortization and write-downs excl. IFRS 16	146	144	73	71	295	293
EBITDA excl. IFRS 16	397	515	222	295	949	1,068
Interest-bearing long-term liabilities excl. IFRS 16	3,908	3,604	3,908	3,604	3,908	3,747
Interest-bearing short-term liabilities excl. IFRS 16	177	164	177	164	177	179
Cash and cash equivalents	-1,030	-764	-1,030	-764	-1,030	-904
Net debt excl. IFRS 16	3,055	3,005	3,055	3,005	3,055	3,022
Net debt/EBITDA ratio excl. IFRS 16, times	3.8	2.9	3.4	2.5	3.2	2.8

Reconciliation of alternative performance measures – EBITA adjusted

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Supply Chain Solutions	387	428	182	252	794	835
Print & Packaging Solutions	-22	46	21	21	84	152
Group functions (incl. eliminations)	-20	-23	-7	-10	-44	-48
EBITA	345	450	195	264	834	940
Supply Chain Solutions	-	-40	-	-40	48	7
Print & Packaging Solutions	81	-	14	-	100	19
Group functions (incl. eliminations)	-	-	-	-	-	-
Adjustments of EBITA	81	-40	14	-40	148	26
Supply Chain Solutions	387	388	182	212	842	843
Print & Packaging Solutions	59	46	35	21	184	171
Group functions (incl. eliminations)	-20	-23	-7	-10	-44	-48
EBITA adjusted	427	410	210	224	982	966
<i>Specification of items affecting comparability that impact EBITA</i>						
Revaluation of shares in associated companies, Supply Chain Solutions	-	-50	-	-50	-	-50
Acquisition-related costs, Supply Chain Solutions	-	1	-	1	-	1
Restructuring costs, Supply Chain Solutions	-	9	-	9	48	56
Historical errors, Print & Packaging Solutions	67	-	-	-	67	-
Revaluation of additional consideration, Print & Packaging Solutions	14	-	14	-	33	19
Total	81	-40	14	-40	148	26

Reconciliation of alternative performance measures – Quarterly data

MSEK	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Operating result	172	127	251	193	241	165	209	111	132
Depreciation, amortization and write-downs	306	294	287	273	266	265	247	218	211
EBITDA	479	420	538	466	507	430	456	328	343
Operating result excl. IFRS 16	149	102	230	173	224	148	196	99	121
Depreciation, amortization and write-downs excl. IFRS 16	73	73	76	73	71	72	70	57	55
EBITDA excl. IFRS 16	222	175	306	246	295	220	266	156	176
Operating result	172	127	251	193	241	165	209	111	132
Amortization of assets identified in conjunction with acquisitions	23	23	23	23	22	22	19	15	14
EBITA	195	149	273	216	264	187	228	126	145
Cash flow from operating activities	410	436	435	250	156	264	477	241	226
Net financial items	73	77	70	42	36	36	28	23	22
Paid tax	91	30	85	34	38	39	37	35	31
Net investments	-37	-31	-94	-98	-43	-39	-1,222	-91	-20
Operating cash flow	536	512	495	229	187	300	-680	208	260
Cash conversion, %	112.0	121.9	91.9	58.6	36.8	69.8	103.9	83.8	76.1
Average total assets	14,733	14,568	14,683	13,970	12,640	11,965	10,551	9,057	8,931
Average cash and cash equivalents	-976	-913	-930	-860	-796	-863	-842	-764	-789
Average non-interest-bearing liabilities	-2,512	-2,516	-2,676	-2,694	-2,522	-2,417	-2,246	-2,058	-2,008
Average capital employed	11,245	11,139	11,077	10,417	9,321	8,685	7,464	6,235	6,134
Annualized operating result	690	507	1,003	770	965	659	837	443	526
Return on capital employed, %	6.1	4.6	9.1	7.4	10.4	7.6	11.2	7.1	8.6
Interest-bearing long-term liabilities	7,421	7,182	7,229	7,238	6,191	5,371	5,326	3,417	3,225
Interest-bearing short-term liabilities	1,058	1,022	951	945	877	835	821	622	588
Cash and cash equivalents	-1,030	-921	-904	-956	-764	-828	-898	-786	-743
Net debt	7,449	7,283	7,276	7,227	6,304	5,377	5,249	3,253	3,071

Reconciliation of alternative performance measures – First six months

MSEK	2023	2022	2021	2020	2019
Operating result	299	406	260	126	228
Amortization of assets identified in conjunction with acquisitions	46	44	27	26	27
EBITA	345	450	287	153	255
Average total assets	14,680	12,640	8,834	9,359	9,103
Average cash and cash equivalents	-952	-796	-1,339	-812	-725
Average non-interest-bearing liabilities	-2,516	-2,522	-1,931	-1,922	-1,783
Average capital employed	11,212	9,321	5,564	6,625	6,595
Annualized operating result	598	812	521	253	455
Return on capital employed, %	5.3	8.7	9.4	3.8	6.9

Reconciliation of alternative performance measures – Second quarter

MSEK	2023	2022	2021	2020	2019
Operating result	172	241	132	59	118
Amortization of assets identified in conjunction with acquisitions	23	22	14	13	14
EBITA	195	264	145	72	132
Average total assets	14,733	12,640	8,931	9,436	9,786
Average cash and cash equivalents	-976	-796	-789	-891	-726
Average non-interest-bearing liabilities	-2,512	-2,522	-2,008	-1,977	-1,790
Average capital employed	11,245	9,321	6,134	6,568	7,270
Annualized operating result	690	965	526	236	472
Return on capital employed, %	6.1	10.4	8.6	3.6	6.5

Reconciliation of alternative performance measures – Full year

MSEK	2022	2021	2020	2019	2018
Operating result	849	580	546	359	459
Depreciation, amortization and write-downs	1,091	888	885	927	266
EBITDA	1,940	1,468	1,431	1,285	725
Operating result	849	580	546	359	459
Amortization of assets identified in conjunction with acquisitions	90	61	52	54	64
EBITA	940	641	598	413	523
Average total assets	13,661	9,741	9,198	9,677	7,792
Average cash and cash equivalents	-847	-815	-944	-749	-595
Average non-interest-bearing liabilities	-2,599	-2,127	-1,912	-1,808	-1,799
Average capital employed	10,215	6,799	6,342	7,120	5,398
Operating result	849	580	546	359	459
Return on capital employed, %	8.3	8.5	8.6	5.0	8.5

PARENT COMPANY'S FINANCIAL STATEMENTS

Income statements

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Net sales	24	23	12	11	46	45
Operating expenses	-43	-48	-19	-24	-91	-96
Operating result	-20	-26	-7	-12	-45	-50
Net financial items	57	-21	49	-27	91	13
Result after financial items	37	-47	42	-39	46	-37
Income tax	8	12	7	10	10	14
Result for the period	45	-35	49	-29	56	-24

Statements of comprehensive income

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Result for the period	45	-35	49	-29	56	-24
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	45	-35	49	-29	56	-24

Balance sheets

MSEK	30 Jun.		31 Dec. 2022
	2023	2022	
ASSETS			
Fixed assets	5,474	5,458	5,335
Current assets	413	276	467
Total assets	5,887	5,734	5,802
EQUITY, PROVISIONS AND LIABILITIES			
Equity	1,763	1,854	1,866
Provisions	2	2	2
Long-term liabilities	3,228	3,033	3,170
Short-term liabilities	894	845	765
Total equity, provisions and liabilities	5,887	5,734	5,802

Statements of changes in equity

MSEK	First six months		Second quarter		Last 12 months	Full year 2022
	2023	2022	2023	2022		
Opening balance	1,866	2,017	1,861	2,010	1,854	2,017
Dividend	-147	-127	-147	-127	-147	-127
Total comprehensive income for the period	45	-35	49	-29	56	-24
Closing balance	1,763	1,854	1,763	1,854	1,763	1,866

FINANCIAL DEFINITIONS

Average number of employees

The number of employees at the end of each month divided 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.

Cash conversion

Operating cash flow excluding acquisitions in relation to EBITDA.

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.

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.

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