Press release from Elanders AB (publ) 2019-10-21

January - September

- Net sales increased by six percent to MSEK 8,350 (7,852), of which two percentage points were organic growth.
- EBITA increased to MSEK 424 (353), which corresponded to an EBITA margin of 5.1 (4.5) percent. Excluding the effects of implementing IFRS 16, EBITA increased to MSEK 398 (353) which corresponds to an EBITA margin of 4.8 (4.5) percent.
- The result before tax increased to MSEK 275 (234). Excluding the effects of IFRS 16, the result before tax increased to MSEK 298 (234), which was an improvement of 27 percent.
- The net result increased to MSEK 197 (150) or SEK 5.45 (4.17) per share. Excluding the effects of IFRS 16, the net result increased to MSEK 214 (150) which corresponds to SEK 5.95 (4.17) per share.
- Operating cash flow increased to MSEK 1,080 (144). Excluding the effects of IFRS 16, operating cash flow increased to MSEK 556 (144).

Third quarter

- Net sales increased by MSEK 8 to MSEK 2,825 (2,817), but the organic growth decreased by three percent.
- EBITA increased to MSEK 169 (154), which corresponded to an EBITA margin of 6.0 (5.5) percent. Excluding the effects of IFRS 16, EBITA increased to 161 (154) which corresponds to an EBITA margin of 5.7 (5.5) percent.
- The result before tax increased to MSEK 118 (114). Excluding the effects of IFRS 16, the result before tax increased to MSEK 127 (114), which was an improvement of 11 percent.
- The net result increased to MSEK 88 (75) or SEK 2.43 (2.07) per share. Excluding the effects of IFRS 16, the net result increased to MSEK 94 (75) which corresponds to SEK 2.61 (2.07) per share.
- Operating cash flow increased to MSEK 439 (52). Excluding the effects of IFRS 16, operating cash flow amounted to MSEK 260 (52).

Financial overview	January - September			Third quarter		
	2019	2019 excl. IFRS 16[1]	2018	2019	2019 excl. IFRS 16[1]	2018
Net sales, MSEK	8,350	8,350	7,852	2,825	2,825	2,817
EBITDA, MSEK	1,070	545	508	387	208	206
EBITA, MSEK [2]	424	398	353	169	161	154
EBITA-margin, %	5.1	4.8	4.5	6.0	5.7	5.5
Operating cash flow, MSEK	1,080	556	144	439	260	52
Net debt at the end of the period, MSEK	4,272	2,296	2,890	4,272	2,296	2,890
Net debt/EBITDA ratio [3]	3.0	3.2	4.3	2.8	2.8	3.5
Return on capital employed, % [3]	7.1	9.1	7.6	8.5	11.2	10.1

[1] Excluding the effect from the transition to IFRS 16, which means that the same accounting principles as 2018 have been used. IFRS 16 is effective from 1 January 2019 and has affected the accounting of the Group's lease agreements. For more details, see page 13.
[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

Despite a somewhat waning demand in the third quarter from some of our customers I am pleased that once again we can present both an improved result and better margins. Due to this improvement and a strong cash flow in the third quarter we will soon achieve one of our financial goals - a net debt / EBITDA ratio under 3.0, both with and without the effects of the implementation of IFRS 16. The organic reduction in net sales in the third quarter was due in part to lower demand from customers in Automotive and Electronics and in part because we have consciously prioritized more profitable business. Demand in Fashion & Lifestyle, however, continued to be good during the quarter.

Net sales contracted in the business area Supply Chain Solutions during the quarter while profitability improved. This is the business area where we see the greatest potential to increase profitability by optimizing our processes, focusing on the most profitable segments and services as well as taking over more of our customers' value chains. In the third quarter we also reorganized our largest subsidiary LGI and reduced the number of divisions in order to better clarify result and customer ownership.

The positive trend in business area Print & Packaging Solutions continued during the third quarter with an improved result and organic growth even without our business with subscription boxes in the US that also showed strong organic growth. We increased our share of the contracting German print market and renewed our contract with one of our largest customers in Great Britain. However, certain operations in the US have run into some challenges of both lower net sales and results due to the trade war between the US and China. Fortunately this result reduction has been compensated by improvement in Europe.

During the year we have further invested in our Global Sales organization which primarily works with business on Group level that comprise broad sections of our business areas and at finding new customers for our operations both locally and globally. We are currently holding several interesting discussions with potential customers that we hope will lead to new business in the future.

Our forward-looking focus is on reducing debt while we continue to work on improving profitability. This will provide us with a more stable platform in the face of a possible downturn in the economy.

Magnus Nilsson
President and Chief Executive Officer

GROUP

Our business
Elanders is a global supplier with a broad range of services of integrated solutions in supply chain management. The business is run through two business areas, Supply Chain Solutions and Print & Packaging Solutions. The Group has almost 7,000 employees and operates in some 20 countries on four continents. Our 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 & Lifestyle, Industrial and Health Care & Life Science.

Net sales and result
January - September
Net sales increased by six percent to MSEK 8,350 (7,852) compared to the same period last year. Cleared of exchange rate fluctuations and effects of acquisitions and divestures of operations, net sales grew organically by two percent and was generated by both business areas. EBITA, i.e. the operating result adjusted for amortization on assets identified in conjunction with acquisitions, increased to MSEK 424 (353), which corresponded to an EBITA margin of 5.1 (4.5) percent. The improved result compared to last year is in part due to the fact that previously problematic customer projects in Supply Chain Solutions are now in balance, and in part the effects of implementing IFRS 16, where around MSEK 26 that refers to the interest component of rental and leasing costs is now recognized in net financial items instead of, as previously, in the operating result. The problematic customer projects had a substantial negative effect on the result in the third and fourth quarters of 2017 as well as the first quarter 2018. When results in foreign subsidiaries were converted into Swedish krona changes in exchange rates affected EBITA positively by MSEK 22. Excluding the effects of implementing IFRS 16, EBITA increased to MSEK 398 (353) and the EBITA margin to 4.8 (4.5) percent.

The result before tax increased to MSEK 275 (234). Excluding the effects of implementing IFRS 16, the result before tax increased to MSEK 298 (234), which was a 27 percent improvement in the result. The improvement primarily came from operations but lower financial costs also contributed to the higher result.

Third quarter
Net sales increased by MSEK 8 to MSEK 2,825 (2,817) compared to the same period last year. Cleared of exchange rate fluctuations and effects of acquisitions and divestures of operations, organic sales contracted by three percent. The decrease was mainly in Electronics, Industrial and Automotive while there was an increase in Fashion & Lifestyle. EBITA, i.e. the operating result adjusted for amortization on assets identified in conjunction with acquisitions, increased to MSEK 169 (154), which corresponded to an EBITA margin of 6.0 (5.5) percent. When results in foreign subsidiaries were converted into Swedish krona changes in exchange rates affected EBITA positively by MSEK 7. Excluding the effects of implementing IFRS 16, EBITA increased to MSEK 161 (154) and the EBITA margin to 5.7 (5.5) percent.

The result before tax increased to MSEK 118 (114) but was affected negatively by around MSEK 8 due to the implementation of IFRS 16. Excluding the effects of implementing IFRS 16, the result before tax increased to MSEK 127 (114), which was an 11 percent improvement in the result. The improvement came from both operations and lower financial costs but it was also boosted by positive effects in exchange rates.

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.

	January - September		Third quarter		Full year
Supply Chain Solutions	**2019**	**2018 1)**	**2019**	**2018 1)**	**2018 1)**
Net sales, MSEK	6,576	6,256	2,214	2,274	8,525
EBITDA, MSEK	882	392	322	166	540
EBITA, MSEK	346	285	141	130	401
EBITA-margin, %	5.3	4.6	6.4	5.7	4.7
Operating result, MSEK	311	244	130	116	347
Operating margin, %	4.7	3.9	5.8	5.1	4.1
Average number of employees	5,498	5,784	5,512	5,901	5,815

1) The figures for the comparison period have been adjusted to reflect the new structure of business areas. The figures for 2018 have not been adjusted for IFRS 16 since the transition to IFRS 16 have been based on the Modified retrospective approach.
2) EBITA refers to Earnings before interest, taxes and amortization; operating result plus amortization of assets identified in conjunction with acquisitions.

While demand in business area Supply Chain Solutions slowed somewhat during the quarter in Automotive, Electronics and Industrial it increased in Fashion & Lifestyle. All in all organic net sales contracted by six percent during the quarter through a combination of lower demand and conscious prioritization of more profitable business. Focus is now on increasing profitability in general and particularly in Industrial.

Excluding the effects of IFRS 16, EBITA increased by MSEK 40 to MSEK 325 (285) and the EBITA margin to 4.9 (4.6) percent during the period January – September 2019. EBITA increased by MSEK 4 to MSEK 134 (130) and the EBITA margin to 6.1 (5.7) percent during the quarter.

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.

	January - September		Third quarter		Full year
Print & Packaging Solutions	**2019**	**2018 1)**	**2019**	**2018 1)**	**2018 1)**
Net sales, MSEK	1,827	1,617	623	551	2,243
EBITDA, MSEK	212	129	74	42	205
EBITA, MSEK	103	81	37	27	142
EBITA-margin, %	5.6	5.0	5.9	4.8	6.3
Operating result, MSEK	97	74	35	24	133
Operating margin, %	5.3	4.6	5.6	4.4	5.9
Average number of employees	1,199	1,363	1,192	1,359	1,327

1) The figures for the comparison period have been adjusted to reflect the new structure of business areas. The figures for 2018 have not been adjusted for IFRS 16 since the transition to IFRS 16 have been based on the Modified retrospective approach.
2) EBITA refers to Earnings before interest, taxes and amortization; operating result plus amortization of assets identified in conjunction with acquisitions.

In business area Print & Packaging Solutions there was strong growth in operations in Germany and the subscription box business which meant that the business area on the whole grew organically by 11 percent during the nine month period. Even without subscription box operations the business area had organic growth of nearly five percent, which was a result of some new business and an increase in market shares, primarily on the highly competitive German market.

Excluding the effects of IFRS 16, EBITA increased by MSEK 17 to MSEK 98 (81) and the EBITA margin to 5.4 (5.0) percent during the period January – September 2019. EBITA increased by MSEK 8 to MSEK 35 (27) and the EBITA margin was 5.6 (4.8) percent during the quarter.

Important events during the period

Factoring
Since the fourth quarter 2018 Elanders has used factoring, i.e. sales of our accounts receivable, as part of our long-term financing. Working together with one of the Group's principle banks factoring is applied without recourse and comprises some of our business in Germany. The entire facility amounts to MEUR 50, of which at least 70 percent, i.e. MEUR 35, will probably be utilized. The financial terms for factoring are better than the rest of our financing. During the third quarter an additional MEUR 6 was utilized of the facility and a total of MEUR 20 has now been utilized compared to MEUR 8 at the beginning of the year.

Three business areas become two
As of 1 January 2019, Elanders has two business areas, Supply Chain Solutions and Print & Packaging Solutions since e-Commerce Solutions was integrated into Print & Packaging Solutions.

Investments and depreciation

January - September
Net investments for the period amounted to MSEK 108 (120) and was mainly related to production equipment. Depreciation, amortization and write-downs amounted to MSEK 687 (202). Excluding the effects from IFRS 16, depreciation, amortization and write-downs amounted MSEK 188 (202).

Third quarter
For the quarter net investments amounted to MSEK 27 (41). Depreciation, amortization and write-downs amounted to MSEK 232 (68). Excluding the effects from IFRS 16, depreciation, amortization and write-downs amounted MSEK 61 (68).

Financial position, cash flow and financing

January - September
The operating cash flow increased to MSEK 1,080 (144) of which the effects of IFRS 16 were MSEK 524. The effect of IFRS 16 on operating cash flow refers primarily to the amortized portion of leasing fees that were previously included in the operating cash flow. This amortization is now included in the financing activities in cash flow. Excluding IFRS 16 effects, operating cash flow increased to MSEK 556 (144). The improvement was foremost related to decreased working capital.

Net debt increased to MSEK 4,272 compared to MSEK 2,539 at the beginning of the year. The change in net debt includes an increase of MSEK 2,043 attributable to the implementation of IFRS 16 and refers to adjustment of the opening balance. In addition to this, debt has increased by MSEK 199 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, which have both strengthened against the Swedish krona.

Excluding the effects of IFRS 16, net debt contracted to MSEK 2,296 compared to MSEK 2,539 at the beginning of the year. The change in net debt includes an increase of MSEK 101 attributable to changed exchange rates. Leverage, i.e. net debt / EBITDA for a rolling 12-month period, excluding IFRS 16 effects, is now down to 3.0 (4.4). Including effects from IFRS 16 and with an extrapolation of the effects over a twelve-month period this net debt / EBITDA is also around 3.0.

Third quarter
The operating cash flow increased to MSEK 439 (52), of which the effects of IFRS 16 were MSEK 179. The effect of IFRS 16 on operating cash flow refers primarily to the amortized portion of leasing fees that were previously included in the operating cash flow. This amortization is now included in the financing activities in cash flow. Excluding IFRS 16 effects, operating cash flow increased to MSEK 260 (52). The improvement was foremost related to decreased working capital.

Personnel

January - September

The average number of employees during the period was 6,708 (7,158), whereof 153 (190) in Sweden. The decrease in the number of employees is mainly attributable to employees in the operations divested in 2018. At the end of the period the Group had 6,704 (7,246) employees, whereof 153 (160) in Sweden.

Third quarter

The average number of employees during the quarter was 6,716 (7,271), whereof 154 (175) in Sweden.

PARENT COMPANY

The parent company has provided intragroup services. The average number of employees during the period was 11 (11) and at the end of the period 11 (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 managing ordering 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 2018. Circumstances in the world around us 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 2018.

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.
- Related parties to Peter Sommer, 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
No significant events have occurred after the balance sheet date until the day this report was signed.

Forecast
No forecast is given for 2019.

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, except for the standards with mandatory effective date 1 January 2019, where the significant differences for the Group are presented below.

Leases
International Accounting Standards Boards (IASB) has issued a new standard, IFRS 16 “Leases”, which is effective from 1 January 2019. The standard concerns the accounting of operating lease agreements where the Group has large commitments in terms of rental contracts for premises and leasing of machinery and equipment as well as vehicles. The transition to IFRS 16 has been based on the Modified retrospective approach, which means that the comparison periods have not been adjusted for IFRS 16. The standard has had a significant effect on the Group’s total assets and liabilities and the effects on opening balances as of 1 January 2019 are presented on page 13 in this report. Furthermore, the above application means that the figures for the current year will not be fully comparable with previous years.

The new accounting principles in short; The leases are recognized as a right-of-use asset with a corresponding lease liability. Short-term leases and leases for which the underlying asset is of low value are exempted. Each lease payment is divided into amortization and financial cost. The financial cost is allocated over the lease term, so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognized under each period. The Group’s lease liabilities are recognized at the present value of the future lease payments. Discounting of the future lease payments are made with the interest rate implicit in the lease, if this rate can easily be determined. Otherwise, the Group’s incremental borrowing rate is applied.

The Group’s right-of-use assets are recognized at cost, and initially comprise the present value of the lease liability, adjusted for lease payments made at or before the commencement date. Restoration costs are included in the asset if a corresponding provision for restoration costs exist. The right-of-use asset is depreciated on a straight-line basis over the asset’s useful life or the lease term, whichever is the shortest.

Nomination committee for the Annual General Meeting 2020
The nomination committee for the Annual General Meeting on 28 April 2020 is as follows:

Carl Bennet, Chair	Carl Bennet AB
Hans Hedström	Carnegie Funds
Carl Gustafsson	Didner & Gerge Funds
Fredrik Carlsson	Svolder
Sophie Nachemson-Ekwall	Representative from the smaller shareholders

Shareholders who would like to submit proposals to Elanders' 2020 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 2020

Elanders AB's Annual General Meeting will be held on April 28, 2020, Gothia Towers, Mässans gata 24, Gothenburg, 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, 2020.

Financial calendar

Q4 2019	28 January 2020
Annual Report 2019	20 March 2020
Q1 2020	28 April 2020
Annual General Meeting 2020	28 April 2020
Q2 2020	15 July 2020
Q3 2020	22 October 2020

Conference call

In connection to the issuing of the Quarterly Report for the third quarter 2019 Elanders will hold a Press and Analysts conference call on October 21 at 15:00 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:	+1 929-477-0338

Participant Passcode: 707987

Agenda

14:50	Conference number is opened
15:00	Presentation of quarterly results
15:20	Q&A
16:00	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

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 2019 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, 21 October 2019

PricewaterhouseCoopers AB

Magnus Willfors
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 2019	January - September 2018	Third quarter 2019	Third quarter 2018	Full year 2018
Net sales	8,350	7,852	2,825	2,817	10,742
Cost of products and services sold	-7,163	-6,831	-2,397	-2,435	-9,330
Gross profit	**1,187**	**1,021**	**429**	**382**	**1,412**
Sales and administrative expenses	-834	-762	-288	-259	-1,034
Other operating income	41	70	17	23	111
Other operating expenses	-11	-24	-2	-8	-30
Operating result	**383**	**305**	**156**	**138**	**459**
Net financial items	-109	-71	-37	-24	-93
Result after financial items	**275**	**234**	**118**	**114**	**366**
Income tax	-78	-84	-30	-39	-108
Result for the period	**197**	**150**	**88**	**75**	**259**
Result for the period attributable to:					
- parent company shareholders	193	147	86	73	254
- non-controlling interests	4	3	2	2	5
Earnings per share, SEK [1) 2)]	*5.45*	*4.17*	*2.43*	*2.07*	*7.18*
Average number of shares, in thousands	*35,358*	*35,358*	*35,358*	*35,358*	*35,358*
Outstanding shares at the end of the year, in thousands	*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 2019	January - September 2018	Third quarter 2019	Third quarter 2018	Full year 2018
Result for the period	**197**	**150**	**88**	**75**	**259**
Items that will not be reclassified to the income statement					
Remeasurements after tax	-0	-0	-0	-0	1
Items that will be reclassified to the income statement					
Translation differences after tax	149	114	77	-37	121
Hedging of net investment abroad after tax	-18	-29	-10	3	-33
Other comprehensive income	**131**	**85**	**67**	**-34**	**88**
Total comprehensive income for the period	**328**	**235**	**155**	**41**	**347**
Total comprehensive income attributable to:					
- parent company shareholders	324	232	153	40	342
- non-controlling interests	4	3	2	1	5

Group - Statements of Cash Flow

MSEK	January - September 2019	January - September 2018	Third quarter 2019	Third quarter 2018	Full year 2018
Result after financial items	**275**	**234**	**118**	**114**	**366**
Adjustments for items not included in cash flow	687	156	245	92	213
Paid tax	-79	-101	-15	-36	-127
Changes in working capital	117	-197	65	-137	3
Cash flow from operating activities	**1,000**	**92**	**414**	**33**	**455**
Net investments in intangible and tangible assets	-102	-120	-26	-41	-161
Acquisition of operations	-5	-	-	-	24
Change in long-term receivables	-2	-	-2	-	-1
Cash flow from investing activities	**-108**	**-120**	**-27**	**-41**	**-137**
Amortization of borrowing debts	-68	-86	-23	-29	-115
Amortization of lease liabilities	-505	-34	-173	-12	-44
Other changes in long- and short-term borrowing	-104	34	-54	-19	-66
Dividend to shareholders	-104	-93	-	-	-93
Cash flow from financing activities	**-782**	**-179**	**-250**	**-60**	**-318**
Cash flow for the period	**111**	**-208**	**136**	**-68**	**0**
Liquid funds at the beginning of the period	722	679	721	596	679
Translation difference	55	37	30	-19	43
Liquid funds at the end of the period	**888**	**509**	**888**	**509**	**722**
Net debt at the beginning of the period	**2,539**	**2,665**	**4,587**	**2,915**	**2,665**
Effect of applying IFRS 16 on net debt at the beginning of the period	2,043	-	-	-	-
Translation difference in net debt	199	124	76	-21	121
Net debt in acquired and divested operations	-	-	-	-	41
Change in net debt	-509	101	-391	-4	-288
Net debt at the end of the period	**4,272**	**2,890**	**4,272**	**2,890**	**2,539**
Operating cash flow	**1,080**	**144**	**439**	**52**	**538**

Group – Statements of Financial Position

MSEK	30 Sep. 2019	30 Sep. 2018	31 Dec. 2018
Assets			
Intangible assets	3,320	3,230	3,218
Tangible assets	2,692	815	789
Other fixed assets	278	253	267
Total fixed assets	**6,290**	**4,298**	**4,274**
Inventories	457	413	468
Accounts receivable	1,735	2,040	1,762
Other current assets	560	636	511
Cash and cash equivalents	888	509	722
Total current assets	**3,641**	**3,598**	**3,463**
Total assets	**9,931**	**7,896**	**7,737**
Equity and liabilities			
Equity	**2,931**	**2,596**	**2,707**
Liabilities			
Non-interest-bearing long-term liabilities	201	207	199
Interest-bearing long-term liabilities	3,845	186	2,442
Total long-term liabilities	**4,046**	**393**	**2,642**
Non-interest-bearing short-term liabilities	1,639	1,694	1,569
Interest-bearing short-term liabilities	1,315	3,213	819
Total short-term liabilities	**2,954**	**4,907**	**2,388**
Total equity and liabilities	**9,931**	**7,896**	**7,737**

Group – Statements of Changes in Equity

MSEK	January - September 2019	January - September 2018	Full year 2018
Opening balance	**2,707**	**2,453**	**2,453**
Dividend to parent company shareholders	-103	-92	-92
Dividend to non-controlling interests	-1	-1	-1
Total comprehensive income for the period	328	235	347
Closing balance	**2,931**	**2,596**	**2,707**
Attributable to:			
- parent company shareholders	2,918	2,587	2,697
- non-controlling interests	13	8	10

Effect of applying IFRS 16

IFRS 16 "Leases" is effective from 1 January 2019 and affect the accounting of the Group's lease agreements where there are large commitments in terms of rental contracts for premises and leasing of machinery and equipment. The transition to IFRS 16 is based on the Modified retrospective approach. The standard has a significant effect on the Group's total assets and liabilities and the effects on opening balances 1 January 2019, income statement first quarter 2019 and a reconciliation of reported operating lease obligations are presented below. The effect of applying IFRS 16 deviate from the preliminary effects presented in the annual report related to some minor adjustments in the assumptions.

MSEK	Closing balance 31 December 2018	Effect IFRS 16	Opening balance 1 January 2019
Fixed assets	4,274	2,043	6,317
Current assets	3,463	-	3,463
Fixed assets	**7,737**	**2,043**	**9,780**
Equity	**2,707**	**-**	**2,707**
Long-term liabilities	2,642	1,444	4,085
Short-term liabilities	2,388	599	2,987
Total equity and liabilities	**7,737**	**2,043**	**9,780**

MSEK	Jan - Sep 2019	Effect IFRS 16	Jan – Sep 2019 excl effect IFRS 16	Jan - Sep 2018
Net sales	8,350	-	8,350	7,852
EBITDA	1,070	-525	545	508
Operating result	383	-26	357	305
Result after financial items	275	24	298	234
Result for the period	**197**	**17**	**214**	**150**

MSEK	Third quarter 2019	Effect IFRS 16	Third quarter 2019 excl effect IFRS 16	Third quarter 2018
Net sales	2,825	-	2,825	2,817
EBITDA	387	-179	208	206
Operating result	156	-9	147	138
Result after financial items	118	8	127	114
Result for the period	**88**	**6**	**94**	**75**

MSEK	Reconciliation leases from IAS 17 to IFRS 16
Operating lease obligations as of 31 December 2018	2,046
Discounting effect to net present value	-190
Short term and assets of low value exceptions	-81
Effect from extension options	268
Effect on the lease liability as of 1 January 2019	**2,043**
Finance leases per 31 December 2018	147
Lease liability according to IFRS 16 as of 1 January 2019	**2,190**

The Group's average discount rate used for transition is 3.1 percent. The discount rate for the various agreements is in the range of 2.5 to 7.35 percent and is dependent on the currency, jurisdiction and the contract length.

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.

Until 31 December 2018 Elanders had three business areas, Supply Chain Solutions, Print & Packaging Solutions and e-Commerce Solutions. As of 1 January 2019, e-Commerce Solutions was integrated into Print & Packaging Solutions and the Swedish operations that was earlier included in Print & Packaging Solutions is now included in Supply Chain Solutions. In 2018, the Swedish operations had net sales of MSEK 398.

The comparison periods have been adjusted to reflect the current segments.

Net sales per segment

	January - September		Third quarter		Last	Full year
MSEK	**2019**	**2018**	**2019**	**2018**	**12 months**	**2018**
Supply Chain Solutions	6,576	6,256	2,214	2,274	8,844	8,525
Print & Packaging Solutions	1,827	1,617	623	551	2,453	2,243
Group functions	28	35	9	12	40	46
Eliminations	-81	-57	-21	-19	-97	-73
Group net sales	**8,350**	**7,852**	**2,825**	**2,817**	**11,240**	**10,742**

Operating result per segment

	January - September		Third quarter		Last	Full year
MSEK	**2019**	**2018**	**2019**	**2018**	**12 months**	**2018**
Supply Chain Solutions	311	244	130	116	414	346
Print & Packaging Solutions	97	74	35	24	156	133
Group functions	-25	-13	-9	-2	-32	-21
Group operating result	**383**	**305**	**156**	**138**	**537**	**459**

Recalculated quarters 2018 – Net sales per segment

MSEK	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**Full year**
Supply Chain Solutions	1,906	2,077	2,274	2,269	8,525
Print & Packaging Solutions	523	544	551	626	2,243
Group functions	11	12	12	12	46
Eliminations	-18	-20	-20	-17	-73
Group net sales	**2,422**	**2,613**	**2,817**	**2,890**	**10,742**

Recalculated quarters 2018 – Operating result per segment

MSEK	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**Full year**
Supply Chain Solutions	46	82	116	102	346
Print & Packaging Solutions	24	25	24	59	133
Group functions	-3	-7	-2	-8	-21
Group operating result	**68**	**100**	**138**	**153**	**459**

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. Income 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.

For comparability between the quarters, adjustments have been made regarding historical figures for net sales per customer segment due to that some customers were moved between the customer segments.

January - September

	Supply Chain Solutions		Print & Packaging Solutions		Total	
MSEK	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Total net sales	6,576	6,256	1,827	1,617	8,403	7,873
Less: net sales to group companies	-14	-13	-38	-9	-52	-22
Net sales	**6,561**	**6,243**	**1,789**	**1,608**	**8,350**	**7,852**

	Supply Chain Solutions		Print & Packaging Solutions		Total	
MSEK	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Customer segments						
Automotive	1,641	1,588	297	259	1,938	1,847
Electronics	2,704	2,454	33	24	2,737	2,478
Fashion & Lifestyle	959	934	543	386	1,502	1,320
Health Care & Life Science	177	167	37	37	214	204
Industrial	751	749	493	517	1,244	1,266
Other	329	351	386	385	714	736
Net sales	**6,561**	**6,243**	**1,789**	**1,608**	**8,350**	**7,852**
Main revenue streams						
Sourcing and procurement services	1,954	1,744	-	-	1,954	1,744
Freight and transportation services	1,873	1,993	306	206	2,178	2,199
Other contract logistics services	2,530	1,970	282	252	2,812	2,222
Other work/services	205	537	1,201	1,151	1,407	1,687
Net sales	**6,561**	**6,243**	**1,789**	**1,608**	**8,350**	**7,852**
Geographic markets						
Europe	4,140	4,048	1,153	1,058	5,293	5,106
Asia	2,082	1,880	9	57	2,091	1,937
North and South America	333	274	621	464	955	738
Other	6	42	5	29	11	71
Net sales	**6,561**	**6,243**	**1,789**	**1,608**	**8,350**	**7,852**

Third quarter

	Supply Chain Solutions		Print & Packaging Solutions		Total	
MSEK	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Total net sales	2,214	2,274	623	551	2,837	2,825
Less: net sales to group companies	-5	-4	-6	-4	-11	-8
Net sales	**2,209**	**2,270**	**616**	**547**	**2,825**	**2,817**

	Supply Chain Solutions		Print & Packaging Solutions		Total	
MSEK	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Customer segments						
Automotive	546	566	91	90	637	655
Electronics	910	961	12	6	922	967
Fashion & Lifestyle	327	351	194	136	521	488
Health Care & Life Science	65	56	12	12	77	68
Industrial	259	244	169	164	428	408
Other	102	92	138	139	240	231
Net sales	**2,209**	**2,270**	**616**	**547**	**2,825**	**2,817**
Main revenue streams						
Sourcing and procurement services	708	681	-	-	708	681
Freight and transportation services	623	701	106	73	729	774
Other contract logistics services	821	700	105	82	925	783
Other work/services	57	188	406	392	463	579
Net sales	**2,209**	**2,270**	**616**	**547**	**2,825**	**2,817**
Geographic markets						
Europe	1,382	1,416	393	358	1,775	1,775
Asia	698	739	2	18	700	757
North and South America	127	103	219	160	346	263
Other	2	11	2	11	4	22
Net sales	**2,209**	**2,270**	**616**	**547**	**2,825**	**2,817**

Last 12 months and full year 2018

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	Last 12 months	Full year 2018	Last 12 months	Full year 2018	Last 12 months	Full year 2018
Total net sales	8,844	8,525	2,453	2,243	11,297	10,768
Less: net sales to group companies	-19	-17	-39	-9	-58	-26
Net sales	**8,826**	**8,508**	**2,414**	**2,234**	**11,240**	**10,742**

MSEK	Supply Chain Solutions		Print & Packaging Solutions		Total	
	Last 12 months	Full year 2018	Last 12 months	Full year 2018	Last 12 months	Full year 2018
Customer segments						
Automotive	2,169	2,115	371	333	2,540	2,449
Electronics	3,704	3,455	75	65	3,779	3,520
Fashion & Lifestyle	1,297	1,271	712	555	2,008	1,826
Health Care & Life Science	223	212	52	53	275	265
Industrial	1,012	1,010	628	652	1,640	1,662
Other	422	445	576	576	998	1,020
Net sales	**8,826**	**8,508**	**2,414**	**2,234**	**11,240**	**10,742**
Main revenue streams						
Sourcing and procurement services	2,601	2,391	20	20	2,621	2,411
Freight and transportation services	2,549	2,670	394	294	2,943	2,964
Other contract logistics services	3,339	2,778	362	333	3,701	3,111
Other work/services	337	668	1,638	1,587	1,975	2,256
Net sales	**8,826**	**8,508**	**2,414**	**2,234**	**11,240**	**10,742**
Geographic markets						
Europe	5,559	5,467	1,584	1,490	7,143	6,957
Asia	2,816	2,614	12	60	2,828	2,674
North and South America	434	374	805	648	1,239	1,022
Other	17	53	13	37	30	89
Net sales	**8,826**	**8,508**	**2,414**	**2,234**	**11,240**	**10,742**

Net sales per quarter

MSEK	2019			2018		
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter
Customer segments						
Automotive	637	648	652	602	655	613
Electronics	922	857	958	1,042	967	813
Fashion,&,Lifestyle	521	512	469	506	488	431
Health Care & Life Science	77	65	73	61	68	73
Industrial	428	404	413	396	408	447
Other	240	234	241	284	231	235
Net,sales,	**2,825**	**2,719**	**2,806**	**2,890**	**2,817**	**2,613**

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 derivates 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 2019 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.

Divestiture of operations in 2018

In October 2018 Elanders signed a contract with the Edelmann Group to transfer its Beijing, China operations in Print & Packaging Solutions to Edelmann. This unit had nearly 170 employees and annual net sales of around MSEK 80. The deal was concluded in the fourth quarter and had a positive effect on cash flow of about MSEK 23 and a minor negative effect on the operating result.

In November 2018 Elanders' subsidiary LGI signed a contract with Adecco for the divestiture of 51 percent of the shares in Logworks, Elanders' staffing services in Germany that employs around 500 people. The sales had a positive effect on cash flow of MSEK 1 and a minor positive effect on the result, and the deal was concluded in the fourth quarter.

Assets and liabilities in divestments

MSEK	**Book value in the Group**
Tangible assets	-17
Inventory	-6
Accounts receivable	-33
Other current assets	-6
Cash and cash equivalents	-41
Accounts payable	15
Other non-interest-bearing liabilities	-24
Total	**-64**
Cash and cash equivalents received	65
Effect on cash and cash equivalents for the group	**24**

PARENT COMPANY

Parent Company – Income Statements

	January - September		Third quarter		Full year
MSEK	**2019**	**2018**	**2019**	**2018**	**2018**
Net sales	28	35	9	12	41
Operating expenses	-54	-51	-18	-14	-60
Operating result	**-26**	**-16**	**-9**	**-2**	**-19**
Net financial items	57	29	15	20	18
Result after financial items	**31**	**13**	**6**	**18**	**-1**
Income tax	-1	-6	1	-3	-6
Result for the period	**30**	**7**	**7**	**15**	**-7**

Parent Company - Statements of Comprehensive Income

	January - September		Third quarter		Full year
MSEK	**2019**	**2018**	**2019**	**2018**	**2018**
Result for the period	**30**	**7**	**7**	**15**	**-7**
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	**30**	**7**	**7**	**15**	**-7**

Parent Company - Balance Sheets

	30 Sep.		31 Dec.
MSEK	**2019**	**2018**	**2018**
Assets			
Fixed assets	4,645	4,520	4,423
Current assets	202	364	508
Total assets	**4,847**	**4,884**	**4,930**
Equity, provisions and liabilities			
Equity	1,576	1,662	1,649
Provisions	3	3	3
Long-term liabilities	2,362	66	2,187
Short-term liabilities	906	3,153	1,092
Total equity, provisions and liabilities	**4,847**	**4,884**	**4,930**

Parent Company - Statements of Changes in Equity

	January - September		Full year
MSEK	**2019**	**2018**	**2018**
Opening balance	**1,649**	**1,747**	**1,747**
Dividend	-103	-92	-92
Total comprehensive income for the period	30	7	-7
Closing balance	**1,576**	**1,662**	**1,649**

QUARTERLY DATA

	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3
Net sales, MSEK	2,825	2,719	2,806	2,890	2,817	2,613	2,422	2,584	2,355
EBITDA, MSEK	387	349	334	217	206	168	134	151	104
EBITA, MSEK	169	132	123	169	154	116	83	103	55
EBITA-margin, %	6.0	4.8	4.4	5.9	5.5	4.4	3.4	4.0	2.3
Operating result, MSEK	156	118	110	153	138	100	68	86	40
Operating margin, %	5.5	4.3	3.9	5.3	4.9	3.8	2.8	3.3	1.7
Result after financial items, MSEK	118	84	73	132	114	74	46	68	20
Result after tax, MSEK	88	59	50	108	75	42	34	45	14
Earnings per share, SEK [1)]	2.43	1.62	1.40	3.01	2.07	1.15	0.95	1.24	0.39
Operating cash flow, MSEK	439	251	390	393	52	127	-34	5	-6
Cash flow per share, SEK [2)]	11.70	6.54	10.05	10.27	0.94	2.85	-1.17	2.14	0.23
Depreciation and write-downs, MSEK	232	231	224	64	68	68	67	65	64
Net investments, MSEK	27	53	28	17	41	41	38	104	54
Goodwill, MSEK	2,539	2,497	2,476	2,439	2,440	2,466	2,429	2,337	2,261
Total assets, MSEK	9,931	9,823	9,749	7,737	7,896	7,850	7,684	7,409	7,085
Equity, MSEK	2,931	2,776	2,818	2,707	2,596	2,554	2,559	2,453	2,365
Equity per share, SEK	82.52	78.20	79.38	76.28	73.16	72.02	72.17	69.21	66.88
Net debt at end of the period, MSEK	4,272	4,587	4,358	2,539	2,890	2,915	2,834	2,665	2,597
Capital employed, MSEK	7,203	7,363	7,176	5,246	5,486	5,469	5,392	5,118	4,961
Return on total assets, % [3)]	7.3	5.3	5.3	8.0	7.0	6.3	5.1	4.8	2.3
Return on equity, % [3)]	12.1	8.2	7.2	16.1	11.4	6.4	5.4	7.3	2.3
Return on capital employed, % [3)]	8.5	6.5	6.1	11.4	10.1	7.3	5.2	6.8	3.2
Debt/equity ratio	1.5	1.7	1.6	0.9	1.1	1.1	1.1	1.1	1.1
Equity ratio, %	29.5	28.3	28.9	35.0	32.9	32.5	33.3	33.1	33.4
Interest coverage ratio [4)]	4.3	4.6	4.9	5.3	4.7	3.7	3.8	4.1	4.5
Number of employees at the end of the period	6,704	6,764	6,788	6,652	7,246	7,170	7,085	6,997	6,708

[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

	2019	2018	2017	2016	2015
Net sales, MSEK	8,350	7,852	6,758	3,956	3,113
EBITA, MSEK	424	353	269	245	197
Result after tax, MSEK	197	150	120	138	101
Earnings per share, SEK [1) 2)]	5.45	4.17	3.41	4.89	3.58
Cash flow from operating activities per share, SEK [2)]	28.29	2.59	-3.95	8.35	1.18
Equity per share, SEK [2)]	82.52	73.16	66.88	56.93	51.19
Return on equity, % [3)]	9.2	11.6	6.7	12.0	9.7
Return on capital employed, % [3)]	7.1	7.6	6.1	10.4	10.4
EBITA-margin, %	5.1	4.5	4.0	6.2	6.3
Operating margin, %	4.6	3.9	3.3	5.6	5.8
Average number of shares, in thousands [2)]	35,358	35,358	35,358	28,224	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

	2019	2018	2017	2016	2015
Net sales, MSEK	2,825	2,817	2,355	1,878	1,041
EBITA, MSEK	169	154	55	112	69
Result after tax, MSEK	88	75	14	58	36
Earnings per share, SEK [1) 2)]	2.43	2.07	0.39	2.04	1.27
Cash flow from operating activities per share, SEK [2)]	11.70	0.94	0.23	6.30	-1.87
Equity per share, SEK [2)]	82.52	73.16	66.88	56.93	51.19
Return on equity, % [3)]	12.1	11.4	2.3	14.8	10.0
Return on capital employed, % [3)]	8.5	10.1	3.2	11.7	10.9
EBITA-margin, %	6.0	5.5	2.3	6.0	6.7
Operating margin, %	5.5	4.9	1.7	5.3	6.2
Average number of shares, in thousands [2)]	35,358	35,358	35,358	28,224	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

	2018	2017	2016	2015	2014
Net sales, MSEK	10,742	9,342	6,285	4,236	3,730
EBITDA, MSEK	725	563	516	428	292
EBITA, MSEK	523	371	384	313	194
Result after financial items, MSEK	366	230	300	259	140
Result after tax, MSEK	259	165	217	175	88
Earnings per share, SEK [1) 2)]	7.18	4.65	7.35	6.18	3.27
Cash flow from operating activities per share, SEK [2)]	12.88	-1.81	11.19	9.52	6.03
Equity per share, SEK [2)]	76.28	69.21	68.19	52.72	47.75
Dividends per share, SEK [2)]	2.90	2.60	2.60	2.07	1.03
EBITA-margin, %	4.9	4.0	6.1	7.4	5.2
Return on total assets, %	6.6	4.3	6.7	8.2	5.9
Return on equity, %	9.8	6.8	12.4	12.1	7.4
Return on capital employed, %	8.5	6.2	10.0	12.6	8.7
Net debt/EBITDA ratio, times	3.5	4.7	4.3	1.7	3.1
Debt/equity ratio, times	0.9	1.1	0.9	0.5	0.7
Equity ratio, %	35.0	33.1	35.6	42.0	37.8
Average number of shares, in thousands [2)]	35,358	35,358	29,555	28,224	26,825

[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 2014 and 2016.

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – QUARTERLY DATA

MSEK	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3
Operating result	156	118	110	153	138	100	68	86	40
Depreciation, amortization and write-downs	232	231	224	64	68	68	67	65	64
EBITDA	**387**	**349**	**334**	**217**	**206**	**168**	**134**	**151**	**104**
Operating result	156	118	110	153	138	100	68	86	40
Amortization of assets identified in conjunction with acquisitions	14	14	13	16	16	16	16	17	15
EBITA	**169**	**132**	**123**	**169**	**154**	**116**	**83**	**103**	**55**
Cash flow from operating activities	414	231	355	363	33	101	-41	76	8
Net financial items	37	34	37	21	24	26	22	19	20
Paid tax	15	39	26	26	36	42	23	14	21
Net investments	-27	-53	-28	-17	-41	-41	-38	-104	-54
Operating cash flow	**439**	**251**	**390**	**393**	**52**	**127**	**-34**	**5**	**-6**
Average total assets	9,877	9,786	9,764	7,817	7,873	7,767	7,547	7,247	7,072
Average cash and cash equivalents	-805	-726	-726	-616	-552	-574	-616	-620	-581
Average non-interest-bearing liabilities	-1,789	-1,790	-1,805	-1,835	-1,844	-1,763	-1,676	-1,587	-1,529
Average capital employed	**7,283**	**7,270**	**7,233**	**5,366**	**5,477**	**5,430**	**5,255**	**5,040**	**4,962**
Annualized operating result	623	472	438	614	552	399	271	344	159
Return on capital employed, %	**8.5**	**6.5**	**6.1**	**11.4**	**10.1**	**7.3**	**5.2**	**6.8**	**3.2**
Interest-bearing long-term liabilities	3,845	3,931	3,833	2,442	186	2,575	2,559	2,504	2,477
Interest-bearing short-term liabilities	1,315	1,377	1,256	819	3,213	935	826	840	681
Cash and cash equivalents	-888	-721	-731	-722	-509	-596	-552	-679	-561
Net debt at the end of the period	**4,272**	**4,587**	**4,358**	**2,539**	**2,890**	**2,915**	**2,834**	**2,665**	**2,597**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – JANUARY - SEPTEMBER

MSEK	2019	2018	2017	2016	2015
Operating result	383	305	222	222	181
Amortization of assets identified in conjunction with acquisitions	41	48	47	24	16
EBITA	**424**	**353**	**269**	**245**	**197**
Average total assets	9,834	7,710	6,997	4,327	3,558
Average cash and cash equivalents	-780	-584	-632	-542	-414
Average non-interest-bearing liabilities	-1,807	-1,760	-1,504	-959	-825
Average capital employed	**7,248**	**5,366**	**4,862**	**2,826**	**2,319**
Annualized operating result	511	407	296	295	241
Return on capital employed, %	**7.1**	**7.6**	**6.1**	**10.4**	**10.4**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – THIRD QUARTER

MSEK	2019	2018	2017	2016	2015
Operating result	156	138	40	100	64
Amortization of assets identified in conjunction with acquisitions	14	16	15	12	5
EBITA	**169**	**154**	**55**	**112**	**69**
Average total assets	9,877	7,873	7,072	5,112	3,526
Average cash and cash equivalents	-805	-552	-581	-558	-389
Average non-interest-bearing liabilities	-1,789	-1,844	-1,529	-1,141	-794
Average capital employed	**7,283**	**5,477**	**4,962**	**3,412**	**2,344**
Annualized operating result	623	552	159	398	256
Return on capital employed, %	**8.5**	**10.1**	**3.2**	**11.7**	**10.9**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FULL YEAR

MSEK	2018	2017	2016	2015	2014
Operating result	459	308	344	292	175
Depreciation, amortization and write-downs	266	255	172	136	117
EBITDA	**725**	**563**	**516**	**428**	**292**
Operating result	459	308	344	292	175
Amortization of assets identified in conjunction with acquisitions	64	63	40	21	19
EBITA	**523**	**371**	**384**	**313**	**194**
Average total assets	7,792	7,154	5,132	3,559	3,017
Average cash and cash equivalents	-595	-639	-573	-418	-336
Average non-interest-bearing liabilities	-1,799	-1,532	-1,131	-816	-671
Average capital employed	**5,398**	**4,983**	**3,428**	**2,325**	**2,010**
Annualized operating result	459	308	344	292	175
Return on capital employed, %	**8.5**	**6.2**	**10.0**	**12.6**	**8.7**

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.
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.