

Press release

19 October 2020

Elanders continues to invest in Life Cycle Services and makes acquisition

Today Elanders signed a contract to acquire 70 percent of the shares in Azalea Global IT AB ("Azalea"). Azalea has net sales of around MSEK 30 annually, good profitability and is specialized in Value Recovery Services. They manage the entire chain from purchasing used IT equipment and restoring and resetting it to then selling it to a network of customers. The acquisition of Azalea is a part of Elanders' investments within sustainable services that contribute to a circular economy.

Value Recovery Services makes up an important part of Elanders' service area Life Cycle Services and through it Elanders helps its customers handle their outdated IT equipment such as cell phones, computers, network equipment, servers, monitors and printers. Since a large part of these products' environmental impact comes from the manufacturing process the goal is to extend their lives as long as possible. In cases where a product has reached the end of its useful life, it is recycled in the most environmentally friendly way. Elanders also ensures that all sensitive data is erased from the equipment to prevent company secrets or personal information from coming into the wrong hands. Currently many items are only used three or four years before being sent to recycling. Significant environmental gains are instead generated by restoring and reusing them another three or four years.

Elanders has been active for many years in Value Recovery Services on the European and Asian markets. The acquisition of the Swedish company Azalea Global IT AB ("Azalea") provides Elanders with a stronger foothold on the Nordic market. Azalea is specialized in Value Recovery Services and manages the entire chain from purchasing used IT equipment and restoring and resetting it to then selling it to a network of customers. Many of these customers want to reduce their environmental impact by buying used IT equipment.

"Developing services and solutions for a circular economy is a vital part of our sustainable work. The acquisition of Azalea is an important component in this work and will enable us to speed up the development of these kinds of services. The goal is to create a global platform, where we can offer our customers both local and global solutions. In order to do this we need a global network of sites and global logistics solutions that can ensure both safe transportation of IT equipment and the capacity to restore it locally in each respective country. This we have, and it's one of our strengths. We see significant opportunities for growth in this area and have a very interesting customer base that includes many of the largest companies in the world in which we perceive substantial opportunities for new sales," says Magnus Nilsson, President and CEO of Elanders.

"Demand for our services has never been greater and with Elanders as our owner we can offer our customers optimal solutions for global IT reuse. Today many companies and other organizations recycle fully functioning IT equipment, which leads to an unnecessary toll on our environment. Reusing instead of recycling generates major environmental gains. In addition, our customers are often surprised over how high the second-hand value of some IT equipment actually is. We see great opportunities to accelerate our growth in the Nordic region and even globally together with Elanders," says Henrik Cohn, MD of Azalea.

Elanders offers a broad range of services and total solutions in supply chain management. The business is run through two business areas, Supply Chain Solutions and Print & Packaging Solutions. The Group has more than 6,000 employees and operates in some 20 countries on four continents. Our most important markets are China, Germany, Singapore, Sweden, the United Kingdom and the USA. Our major customers are active in the areas Automotive, Electronics, Fashion & Lifestyle, Industrial and Health Care & Life Science.

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The acquisition of 70 percent of the shares in Azalea will be finalized in the fourth quarter. The acquisition is not expected to have any material effect on the result per share or cash flow during the period. Elanders has an option to acquire the remaining shares in the company which can be used in 2024.

For further questions, please contact

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This information is information that Elanders AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 12:00 CET on 19 October 2020.

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