Press release from Elanders AB (publ) 2019-07-16

First six months

- Net sales increased by ten percent to MSEK 5,525 (5,035), of which five percentage points were organic growth.
- EBITA increased to MSEK 255 (199), which corresponded to an EBITA margin of 4.6 (4.0) percent. Excluding the effects of implementing IFRS 16, EBITA increased to 237 (199) which corresponds to an EBITA margin of 4.3 (4.0) percent.
- The result before tax increased to MSEK 156 (120). Excluding the effects of IFRS 16, the result before tax increased to MSEK 172 (120), which was an improvement of 43 percent.
- The net result increased to MSEK 109 (76) or SEK 3.02 (2.10) per share. Excluding the effects of IFRS 16, the net result increased to MSEK 120 (76) which corresponds to SEK 3.34 (2.10) per share.
- Operating cash flow increased to MSEK 641 (92). Excluding the effects of IFRS 16, operating cash flow increased to MSEK 297 (92).

Second quarter

- Net sales increased by four percent to MSEK 2,719 (2,613), of which organic growth were just above zero percent.
- EBITA increased to MSEK 132 (116), which corresponded to an EBITA margin of 4.8 (4.4) percent. Excluding the effects of IFRS 16, EBITA increased to 122 (116) which corresponds to an EBITA margin of 4.5 (4.4) percent.
- The result before tax increased to MSEK 84 (74). Excluding the effects of IFRS 16, the result before tax increased to MSEK 91 (74), which was an improvement of 22 percent.
- The net result increased to MSEK 59 (42) or SEK 1.62 (1.15) per share. Excluding the effects of IFRS 16, the net result increased to MSEK 64 (42) which corresponds to SEK 1.77 (1.15) per share.
- Operating cash flow increased to MSEK 251 (127). Excluding the effects of IFRS 16, operating cash flow amounted to MSEK 77 (127).

Financial overview	First six months			Second quarter		
	2019	2019 excl. IFRS 16[1]	2018	2019	2019 excl. IFRS 16[1]	2018
Net sales, MSEK	5,525	5,525	5,035	2,719	2,719	2,613
EBITDA, MSEK	683	336	302	349	173	168
EBITA, MSEK [2]	255	237	199	132	122	116
EBITA-margin, %	4.6	4.3	4.0	4.8	4.5	4.4
Net debt at the end of the period, MSEK	4,587	2,513	2,915	4,587	2,513	2,915
Net debt/EBITDA ratio [3]	3.4	3.7	4.8	3.3	3.6	4.3
Return on capital employed, % [3]	6.9	8.0	6.4	6.5	8.3	7.3

[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 BY THE CEO

Demand from customers continued to be good in the beginning of the second quarter but declined in June which correlated with, among other things, holiday periods. The reduction was first and foremost noticeable in Supply Chain Solutions, in both Europe and Asia and all customer segments except Fashion & Lifestyle which grew substantially. Encouraging was that we retained the trust from several of our customers in most of the businesses that was tendered. We have also gained some new business and there is high activity responding to quotation requests both from current and new customers.

We continue to develop our offer in Supply Chain Solutions with unique and optimized solutions for our customers. A good example of this is a new project in the customer segment Fashion & Lifestyle which was launched in the second quarter. Via our sites in Munich and Shanghai we will handle a large portion of a customer’s global supply chain for some of its luxury items. This will include quality control, modifications, country adaptations, packaging, distribution, handling returns and other value-adding services.

Business area Print & Packaging Solutions continues to improve its result and we are constantly working on optimizing and developing our existing operations. Our investment in packaging production in Scotland, together with our existing labeling operations, is developing according to plan, creating a new platform with organic growth that compensates for the contracting volumes in traditional print. In addition, the positive trend of organic growth in our German operations continued in the second quarter. Our concept of digital production with inkjet technology in Germany and offset production Hungary is a strong concept that attracts many customers. Furthermore, our business with subscription boxes in the US showed strong organic growth in the quarter.

We continue to develop technical solutions and innovations and have generated new business during the quarter through our service area Value Recovery Services. This area provides services for handling used IT equipment in such a way that we maximize the value of reusing or recycling the items for our customers. To support this, we have our in-house developed platform handling certificates, calculate environmental impact and valuation of the equipment.

There has also been a change in Group Management and as of July 2019 Bernd Schwenger is responsible for LGI, which makes up the largest part of Supply Chain Solutions and Andreas Bunz, previously responsible for LGI, has left Group Management. Kevin Rogers has returned to Group Management and will be responsible for activities in Global Sales on Group level.

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

First six months

Net sales increased by ten percent to MSEK 5,525 (5,035) compared to the same period last year. Excluding exchange rate effects, acquisitions and divestures of operations, net sales grew organically by five percent, mainly in Supply Chain Solutions and subscription box operations in Print & Packaging Solutions in the US. EBITA, i.e. the operating result adjusted for amortization on assets identified in conjunction with acquisitions, increased to MSEK 255 (199), which corresponded to an EBITA margin of 4.6 (4.0) percent. The improved result compared to last year is partly due to the fact that previously problematic customer projects in Supply Chain Solutions are now in balance, and partly the effects of IFRS 16, where 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 of 2018. Excluding the effects of IFRS 16, EBITA increased to MSEK 237 (199) and the EBITA margin to 4.3 (4.0) percent. When results in foreign subsidiaries were converted into Swedish krona changes in exchange rates affected EBITA positively by MSEK 15.

The result before tax increased to MSEK 156 (120). Excluding the effects of IFRS 16, the result before tax increased to MSEK 172 (120), which was an improvement in the result of 43 percent. The improvement comes from both operations and lower financial costs.

Second quarter

Net sales increased by MSEK 106 to MSEK 2,719 (2,613) compared to the same period last year. Excluding exchange rate effects, acquisitions and divestures of operations, organic growth was very weak, just a little over zero percent, increasing in April and May but contracting in June. The reduction was mainly in Electronics 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 132 (116), which corresponded to an EBITA margin of 4.8 (4.4) percent. Excluding the effects of IFRS 16, EBITA increased to MSEK 122 (116) and the EBITA margin to 4.5 (4.4) percent. When results in foreign subsidiaries were converted into Swedish krona changes in exchange rates affected EBITA positively by MSEK 7.

The result before tax increased to MSEK 84 (74). Excluding the effects of IFRS 16, the result before tax increased to MSEK 91 (74), which was an improvement in the result of 22 percent. The improvement comes from both operations and lower financial costs but partly supported by movements 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.

	First six months		Second quarter		Full year
Supply Chain Solutions	**2019**	**2018 1)**	**2019**	**2018 1)**	**2018 1)**
Net sales, MSEK	4,361	3,982	2,131	2,077	8,525
EBITDA, MSEK	560	226	287	131	540
EBITA, MSEK	205	155	107	96	401
EBITA-margin, %	4.7	3.9	5.0	4.6	4.7
Operating result, MSEK	182	128	95	82	347
Operating margin, %	4.2	3.2	4.5	3.9	4.1
Average number of employees	5,492	5,726	5,545	5,787	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.

There was a good influx of orders received in business area Supply Chain Solutions during April and May but this declined in June largely due to holiday periods. The reduction was most evident in Electronics and Automotive, in both Europe and Asia. At the same Fashion & Lifestyle grew considerably during the quarter.

Excluding the effects of IFRS 16, EBITA increased by MSEK 35 to MSEK 190 (155) and the EBITA margin to 4.4 (3.9) percent during the first six months. EBITA increased by MSEK 3 to MSEK 99 (96) and the EBITA margin to 4.7 (4.6) percent during the quarter. At the same time EBITDA increased to MSEK 135 (131).

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.

	First six months		Second quarter		Full year
Print & Packaging Solutions	**2019**	**2018 1)**	**2019**	**2018 1)**	**2018 1)**
Net sales, MSEK	1,205	1,067	605	544	2,243
EBITDA, MSEK	138	86	69	44	205
EBITA, MSEK	66	54	33	28	142
EBITA-margin, %	5.5	5.1	5.4	5.1	6.3
Operating result, MSEK	62	49	31	25	133
Operating margin, %	5.2	4.6	5.1	4.6	5.9
Average number of employees	1,202	1,364	1,198	1,354	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 the combined print and supply chain business in the US with subscription boxes continued to show strong growth. Even without it the business area had organic growth of nearly four percent, which is a result of new business.

Excluding the effects of IFRS 16, EBITA increased by MSEK 9 to MSEK 63 (54) and the EBITA margin to 5.2 (5.1) percent during the first six months. EBITA increased by MSEK 3 to MSEK 31 (28) and the EBITA margin was 5.1 (5.1) percent during the quarter. EBITDA increased to MSEK 46 (44).

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. No further amount has been utilized during the second quarter.

Three business areas become two

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

Investments and depreciation

First six months

Net investments for the period amounted to MSEK 81 (79) and was mainly related to production equipment. Depreciation and amortization amounted to MSEK 455 (135). Excluding the effects from IFRS 16, depreciation and amortization amounted MSEK 126 (135).

Second quarter

For the quarter net investments amounted to MSEK 53 (41) and was mainly related to production equipment. Depreciation and amortization amounted to MSEK 231 (68). Excluding the effects from IFRS 16, depreciation and amortization amounted MSEK 64 (68).

Financial position, cash flow and financing

First six months

The operating cash flow increased to MSEK 641 (92) of which the effects of IFRS 16 were MSEK 345. 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 297 (92).

Net debt increased to MSEK 4,587 compared to MSEK 2,539 at the end 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 123 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 2,513 compared to MSEK 2,539 at the end of the year. The change in net debt includes an increase of MSEK 67 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 3.3 (5.2).

Second quarter

The operating cash flow increased to MSEK 251 (127), of which the effects of IFRS 16 were MSEK 174. 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 amounted to MSEK 77 (127).

Personnel

First six months

The average number of employees during the period was 6,704 (7,101), whereof 152 (198) in Sweden. At the end of the period the Group had 6,764 (7,170) employees, whereof 157 (189) in Sweden.

Second quarter

The average number of employees during the quarter was 6,753 (7,151), whereof 155 (196) 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

Changes in Group Management
As of July 2019, Bernd Schwenger is responsible for LGI, which makes up the largest part of Supply Chain Solutions and Andreas Bunz, previously responsible for LGI, has left Group Management. Kevin Rogers has returned to Group Management and will be responsible for activities in Global Sales on Group level. The above change was previously announced in a separate press release.

Bernd Schwenger has been at LGI since 2018 after working at Amazon Logistics where he was in charge of building up the organization. He has also held a number of leading positions in HP.

Kevin Rogers, who was previously a representative in Group Management for business area Print & Packaging Solutions, has during a takeover period led Elanders' former operations in Beijing after its sales to Edelmann GmbH.

After these changes Elanders Group Management consists of the following members;

- Magnus Nilsson, President and CEO
- Andréas Wikner, CFO
- Bernd Schwenger, responsible for Supply Chain Solutions (LGI)
- Eckhard Busch, representative for Supply Chain Solutions (LGI)
- Lim Kok Khoon, responsible for Supply Chain Solutions (Mentor Media)
- Peter Sommer, responsible for Print & Packaging Solutions
- Kevin Rogers, responsible for Global Sales

No other 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.

Review by the company auditors

The company auditors have not reviewed this report.

Financial calendar

Q3 2019	21 October 2019
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

Conference call

In connection to the issuing of the Quarterly Report for the second quarter 2019 Elanders will hold a Press and Analysts conference call on July 16 at 09:00 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 6573
Germany:	+49 (0)69 2222 13426
UK:	+44 (0)330 336 9104
USA:	+1 929-477-0630

Participant Passcode: 496649

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

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.

Mölndal, 16 July 2019

Carl Bennet Chairman	Johan Stern Vice chairman	Pam Fredman
Dan Frohm	Erik Gabrielson	Linus Karlsson
Cecilia Lager	Anne Lenerius	Caroline Sundewall

Martin Schubach	Magnus Nilsson President and CEO

Contact information

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

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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

	First six months		Second quarter		Full year
MSEK	**2019**	**2018**	**2019**	**2018**	**2018**
Net sales	5,525	5,035	2,719	2,613	10,742
Cost of products and services sold	-4,766	-4,396	-2,344	-2,274	-9,330
Gross profit	**759**	**639**	**375**	**339**	**1,412**
Sales and administrative expenses	-546	-503	-268	-252	-1,034
Other operating income	23	47	12	18	111
Other operating expenses	-8	-16	-1	-5	-30
Operating result	**228**	**167**	**118**	**100**	**459**
Net financial items	-71	-47	-34	-26	-93
Result after financial items	**156**	**120**	**84**	**74**	**366**
Income tax	-47	-44	-25	-32	-108
Result for the period	**109**	**76**	**59**	**42**	**259**
Result for the period attributable to:					
- parent company shareholders	107	74	57	41	254
- non-controlling interests	2	2	2	1	5
Earnings per share, SEK [1] [2]	*3.02*	*2.10*	*1.62*	*1.15*	*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

	First six months		Second quarter		Full year
MSEK	**2019**	**2018**	**2019**	**2018**	**2018**
Result for the period	**109**	**76**	**59**	**42**	**259**
Items that will not be reclassified to the income statement					
Actuarial gains/losses on defined benefit pensions plans, after tax	-0	-0	-0	-0	1
Items that will be reclassified to the income statement					
Translation differences, after tax	72	150	3	72	121
Hedging of net investment abroad, after tax	-8	-32	1	-26	-33
Other comprehensive income	**64**	**118**	**4**	**46**	**88**
Total comprehensive income for the period	**173**	**194**	**63**	**88**	**347**
Total comprehensive income attributable to:					
- parent company shareholders	171	192	61	87	342
- non-controlling interests	2	2	2	1	5

Group - Statements of Cash Flow

	First six months		Second quarter		Full year
MSEK	**2019**	**2018**	**2019**	**2018**	**2018**
Result after financial items	**156**	**120**	**84**	**74**	**366**
Adjustments for items not included in cash flow	442	63	217	44	213
Paid tax	-64	-65	-39	-42	-127
Changes in working capital	53	-60	-31	24	3
Cash flow from operating activities	**587**	**58**	**231**	**101**	**455**
Net investments in intangible and tangible assets	-76	-79	-53	-41	-161
Acquisition of operations	-5	-	-	-	-24
Payments received regarding long-term holdings	-	0	-	0	-1
Cash flow from investing activities	**-81**	**-79**	**-53**	**-41**	**-137**
Amortization of loans	-377	-80	-191	-41	-159
Other changes in long- and short-term borrowing	-51	54	107	93	-66
Dividend to shareholders	-104	-93	-104	-93	-93
Cash flow from financing activities	**-532**	**-119**	**-188**	**-40**	**-318**
Cash flow for the period	**-26**	**-140**	**-10**	**20**	**0**
Liquid funds at the beginning of the period	722	679	731	552	679
Translation difference	25	56	1	24	43
Liquid funds at the end of the period	**721**	**596**	**721**	**596**	**722**
Net debt at the beginning of the period	**2,539**	**2,665**	**4,358**	**2,834**	**2,665**
Effect of applying IFRS 16 on net debt at the beginning of the period	2,043	-	-	-	-
Translation difference in net debt	123	145	53	48	121
Net debt in acquired and divested operations	-	-	-	-	41
Change in net debt	-118	105	176	33	-288
Net debt at the end of the period	**4,587**	**2,915**	**4,587**	**2,915**	**2,539**
Operating cash flow	**641**	**92**	**251**	**127**	**538**

Group – Statements of Financial Position

MSEK	30 Jun. 2019	30 Jun. 2018	31 Dec. 2018
Assets			
Intangible assets	3,275	3,281	3,218
Tangible assets	2,841	850	789
Other fixed assets	271	254	267
Total fixed assets	**6,387**	**4,385**	**4,274**
Inventories	434	412	468
Accounts receivable	1,737	1,872	1,762
Other current assets	545	585	511
Cash and cash equivalents	721	596	722
Total current assets	**3,436**	**3,465**	**3,463**
Total assets	**9,823**	**7,850**	**7,737**
Equity and liabilities			
Equity	**2,776**	**2,554**	**2,707**
Liabilities			
Non-interest-bearing long-term liabilities	200	211	199
Interest-bearing long-term liabilities	3,931	2,575	2,442
Total long-term liabilities	**4,131**	**2,786**	**2,642**
Non-interest-bearing short-term liabilities	1,538	1,575	1,569
Interest-bearing short-term liabilities	1,377	935	819
Total short-term liabilities	**2,915**	**2,510**	**2,388**
Total equity and liabilities	**9,823**	**7,850**	**7,737**

Group – Statements of Changes in Equity

MSEK	First six months 2019	First six months 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
Periodens totalresultat	173	194	347
Closing balance	**2,776**	**2,554**	**2,707**
Varav hänförligt till:			
- moderbolagets aktieägare	2,764	2,547	2,697
- aktieägare utan bestämmande inflytande	12	7	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	First six months 2019	Effect IFRS 16	First six months 2019 excl effect IFRS 16	First six monts 2018
Net sales	5,525	-	5,525	5,035
EBITDA	683	-346	336	302
Operating result	228	-17	210	167
Result after financial items	156	15	172	120
Result for the period	**109**	**11**	**120**	**76**

MSEK	Second quarter 2019	Effect av IFRS 16	Second quarter 2019 excl effect IFRS 16	Second quarter 2018
Net sales	2,719	-	2,719	2,613
EBITDA	349	-176	173	168
Operating result	118	-9	109	100
Result after financial items	84	7	91	74
Result for the period	**59**	**5**	**64**	**42**

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

	First six months		Second quarter		Last	Full year
MSEK	**2019**	**2018**	**2019**	**2018**	**12 months**	**2018**
Supply Chain Solutions	4,361	3,982	2,131	2,077	8,904	8,525
Print & Packaging Solutions	1,205	1,067	605	544	2,381	2,243
Group functions	19	23	9	12	42	46
Eliminations	-60	-37	-26	-20	-95	-73
Group net sales	**5,525**	**5,035**	**2,719**	**2,613**	**11,232**	**10,742**

Operating result per segment

	First six months		Second quarter		Last	Full year
MSEK	**2019**	**2018**	**2019**	**2018**	**12 months**	**2018**
Supply Chain Solutions	182	128	95	82	400	346
Print & Packaging Solutions	62	49	31	25	145	133
Group functions	-16	-10	-8	-7	-27	-21
Group operating result	**228**	**167**	**118**	**100**	**519**	**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.

First six months

	Supply Chain Solutions		**Print & Packaging Solutions**		**Total**	
MSEK	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Total net sales	4,361	3,982	1,205	1,067	5,566	5,049
Less: net sales to group companies	-9	-9	-32	-6	-41	-15
Net sales	**4,352**	**3,974**	**1,172**	**1,061**	**5,525**	**5,035**

	Supply Chain Solutions		**Print & Packaging Solutions**		**Total**	
MSEK	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Customer segments						
Automotive	1,095	1,022	205	169	1,301	1,192
Electronics	1,794	1,493	21	18	1,815	1,511
Fashion & Lifestyle	632	583	349	250	981	832
Health Care & Life Science	112	111	25	25	137	136
Industrial	492	506	325	353	816	859
Other	227	259	248	246	475	506
Net sales	**4,352**	**3,974**	**1,172**	**1,061**	**5,525**	**5,035**
Main revenue streams						
Sourcing and procurement services	1,246	1,063	-	-	1,246	1,063
Freight and transportation services	1,249	1,293	200	132	1,449	1,424
Other contract logistics services	1,709	1,269	177	170	1,866	1,439
Other work/services	148	349	796	759	943	1,108
Net sales	**4,352**	**3,974**	**1,172**	**1,061**	**5,525**	**5,035**
Geographic markets						
Europe	2,758	2,632	760	700	3,518	3,332
Asia	1,385	1,141	7	39	1,392	1,180
North and South America	206	171	403	304	608	475
Other	4	30	3	18	7	49
Net sales	**4,352**	**3,974**	**1,172**	**1,061**	**5,525**	**5,035**

Second quarter

	Supply Chain Solutions		Print & Packaging Solutions		Total	
MSEK	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Total net sales	2,131	2,077	605	544	2,736	2,620
Less: net sales to group companies	-4	-4	-12	-3	-17	-7
Net sales	**2,126**	**2,072**	**593**	**541**	**2,719**	**2,613**

	Supply Chain Solutions		Print & Packaging Solutions		Total	
MSEK	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Customer segments						
Automotive	531	528	117	85	648	613
Electronics	847	806	10	7	857	813
Fashion & Lifestyle	334	296	178	135	512	431
Health Care & Life Science	55	60	9	13	65	73
Industrial	242	265	162	182	404	447
Other	117	117	116	118	234	235
Net sales	**2,126**	**2,072**	**593**	**541**	**2,719**	**2,613**
Main revenue streams						
Sourcing and procurement services	606	569	-	-	606	569
Freight and transportation services	625	664	102	72	728	736
Other contract logistics services	822	661	86	86	908	747
Other work/services	73	180	405	383	478	562
Net sales	**2,126**	**2,072**	**593**	**541**	**2,719**	**2,613**
Geographic markets						
Europe	1,362	1,347	380	351	1,742	1,698
Asia	654	621	3	20	657	641
North and South America	109	96	208	160	317	256
Other	2	8	2	11	3	18
Net sales	**2,126**	**2,072**	**593**	**541**	**2,719**	**2,613**

Last 12 months and full year 2018

	Supply Chain Solutions		Print & Packaging Solutions		Total	
MSEK	**Last 12 months**	**Full year 2018**	**Last 12 months**	**Full year 2018**	**Last 12 months**	**Full year 2018**
Total net sales	8,904	8,525	2,381	2,243	11,285	10,768
Less: net sales to group companies	-18	-17	-36	-9	-53	-26
Net sales	**8,886**	**8,508**	**2,345**	**2,234**	**11,232**	**10,742**

	Supply Chain Solutions		Print & Packaging Solutions		Total	
MSEK	**Last 12 months**	**Full year 2018**	**Last 12 months**	**Full year 2018**	**Last 12 months**	**Full year 2018**
Customer segments						
Automotive	2,188	2,165	369	333	2,558	2,499
Electronics	3,755	3,455	69	65	3,824	3,520
Fashion & Lifestyle	1,321	1,271	654	555	1,975	1,826
Health Care & Life Science	213	212	52	53	266	265
Industrial	996	1,010	624	652	1,620	1,662
Other	413	395	577	576	989	970
Net sales	**8,886**	**8,508**	**2,345**	**2,234**	**11,232**	**10,742**
Main revenue streams						
Sourcing and procurement services	2,574	2,391	20	20	2,594	2,411
Freight and transportation services	2,627	2,670	361	294	2,988	2,964
Other contract logistics services	3,218	2,778	340	333	3,558	3,111
Other work/services	467	668	1,624	1,587	2,091	2,256
Net sales	**8,886**	**8,508**	**2,345**	**2,234**	**11,232**	**10,742**
Geographic markets						
Europe	5,593	5,467	1,549	1,490	7,143	6,957
Asia	2,857	2,614	28	60	2,885	2,674
North and South America	409	374	746	648	1,156	1,022
Other	26	53	21	37	48	89
Net sales	**8,886**	**8,508**	**2,345**	**2,234**	**11,232**	**10,742**

Net sales per quarter

	2019		2018			
MSEK	**Second quarter**	**First quarter**	**Fourth quarter**	**Third quarter**	**Second quarter**	**First quarter**
Customer segments						
Automotive	648	652	602	655	613	579
Electronics	857	958	1,042	967	813	698
Fashion,&,Lifestyle	512	469	506	488	431	401
Health,Care,&,Life,Science	65	73	61	68	73	62
Industrial	404	413	396	408	447	412
Other	234	241	284	231	235	270
Net,sales,	**2,719**	**2,806**	**2,890**	**2,817**	**2,613**	**2,422**

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 June 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
Intangible assets	-17
Tangible assets	-6
Inventory	-33
Accounts receivable	-6
Other current assets	-41
Cash and cash equivalents	15
Accounts payable	-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

MSEK	First six months 2019	First six months 2018	Second quarter 2019	Second quarter 2018	Full year 2018
Net sales	19	23	9	12	41
Operating expenses	-36	-37	-18	-19	-60
Operating result	**-17**	**-14**	**-8**	**-7**	**-19**
Net financial items	42	9	38	4	18
Result after financial items	**24**	**-5**	**30**	**-3**	**-1**
Income tax	-2	-3	-2	-3	-6
Result for the period	**23**	**-8**	**28**	**-6**	**-7**

Parent Company - Statements of Comprehensive Income

MSEK	First six months 2019	First six months 2018	Second quarter 2019	Second quarter 2018	Ful year 2018
Result for the period	**23**	**-8**	**28**	**-6**	**-7**
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	**23**	**-8**	**28**	**-6**	**-7**

Parent Company - Balance Sheets

MSEK	30 Jun. 2019	30 Jun. 2018	31 Dec. 2018
Assets			
Fixed assets	4,612	4,530	4,423
Current assets	244	413	508
Total assets	**4,856**	**4,943**	**4,930**
Equity, provisions and liabilities			
Equity	1,568	1,648	1,649
Provisions	3	3	3
Long-term liabilities	2,333	2,266	2,187
Short-term liabilities	952	1,026	1,092
Total equity, provisions and liabilities	**4,856**	**4,943**	**4,930**

Parent Company - Statements of Changes in Equity

MSEK	First six months 2019	First six months 2018	Full year 2018
Opening balance	**1,649**	**1,747**	**1,747**
Dividend	-103	-92	-92
Total comprehensive income for the period	23	-8	-7
Closing balance	**1,568**	**1,648**	**1,649**

QUARTERLY DATA

	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2
Net sales, MSEK	2,719	2,806	2,890	2,817	2,613	2,422	2,584	2,355	2,264
EBITDA, MSEK	349	334	217	206	168	134	151	104	155
EBITA, MSEK	132	123	169	154	116	83	103	55	108
EBITA-margin, %	4.8	4.4	5.9	5.5	4.4	3.4	4.0	2.3	4.8
Operating result, MSEK	118	110	153	138	100	68	86	40	93
Operating margin, %	4.3	3.9	5.3	4.9	3.8	2.8	3.3	1.7	4.1
Result after financial items, MSEK	84	73	132	114	74	46	68	20	73
Result after tax, MSEK	59	50	108	75	42	34	45	14	54
Earnings per share, SEK [1]	1.62	1.40	3.01	2.07	1.15	0.95	1.24	0.39	1.52
Operating cash flow, MSEK	251	390	393	52	127	-34	5	-6	47
Cash flow per share, SEK [2]	6.54	10.05	10.27	0.94	2.85	-1.17	2.14	0.23	1.12
Depreciation and write-downs, MSEK	231	224	64	68	68	67	65	64	63
Net investments, MSEK	53	28	17	41	41	38	104	54	73
Goodwill, MSEK	2,497	2,476	2,439	2,440	2,466	2,429	2,337	2,261	2,269
Total assets, MSEK	9,823	9,749	7,737	7,896	7,850	7,684	7,409	7,085	7,058
Equity, MSEK	2,776	2,818	2,707	2,596	2,554	2,559	2,453	2,365	2,382
Equity per share, SEK	78.20	79.38	76.28	73.16	72.02	72.17	69.21	66.88	67.38
Net debt at the end of the period, MSEK	4,587	4,358	2,539	2,890	2,915	2,834	2,665	2,597	2,580
Capital employed, MSEK	7,363	7,176	5,246	5,486	5,469	5,392	5,118	4,961	4,962
Return on total assets, % [3]	5.3	5.3	8.0	7.0	6.3	5.1	4.8	2.3	5.3
Return on equity, % [3]	8.2	7.2	16.1	11.4	6.4	5.4	7.3	2.3	8.9
Return on capital employed, % [3]	6.5	6.1	11.4	10.1	7.3	5.2	6.8	3.2	7.5
Debt/equity ratio	1.7	1.6	0.9	1.1	1.1	1.1	1.1	1.1	1.1
Equity ratio, %	28.3	28.9	35.0	32.9	32.5	33.3	33.1	33.4	33.8
Interest coverage ratio [4]	4.6	4.9	5.3	4.7	3.7	3.8	4.1	4.5	5.5
Number of employees at the end of the period	6,764	6,788	6,652	7,246	7,170	7,085	6,997	6,708	6,589

[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 – FIRST SIX MONTHS

	2019	2018	2017	2016	2015
Net sales, MSEK	5,525	5,035	4,403	2,077	2,072
EBITA, MSEK	255	199	214	133	128
Result after tax, MSEK	109	76	107	80	65
Earnings per share, SEK [1] [2]	3.02	2.10	3.02	2.85	2.31
Cash flow from operating activities per share, SEK [2]	16.59	1.65	-4.19	2.05	3.06
Equity per share, SEK [2]	78.20	72.02	67.38	53.58	49.92
Return on equity, % [3]	7.9	6.0	8.8	10.7	9.5
Return on capital employed, % [3]	6.9	6.4	7.6	10.8	10.3
EBITA-margin, %	4.6	4.0	4.8	6.4	6.2
Operating margin, %	4.1	3.3	4.1	5.9	5.6
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 – SECOND QUARTER

	2019	2018	2017	2016	2015
Net sales, MSEK	2,719	2,613	2,264	1,079	1,066
EBITA, MSEK	132	116	108	72	68
Result after tax, MSEK	59	42	54	45	38
Earnings per share, SEK [1) 2)]	1.62	1.15	1.52	1.59	1.34
Cash flow from operating activities per share, SEK [2)]	6.54	2.85	1.12	1.16	3.72
Equity per share, SEK [2)]	78.20	72.02	67.38	53.58	49.92
Return on equity, % [3)]	8.2	6.4	8.9	11.8	10.7
Return on capital employed, % [3)]	6.5	7.3	7.5	11.6	10.8
EBITA-margin, %	4.8	4.4	4.8	6.6	6.4
Operating margin, %	4.3	3.8	4.1	6.1	5.9
Average number of shares, in thousands [2)]	35,358	35,358	35,358	28,224	28,224

[4)] There is no dilution
[5)] Historic number of shares and historic key ratios have been adjusted for the bonus issue element in the new share issue in 2016.
[6)] 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 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2
Operating result	118	110	153	138	100	68	86	40	93
Depreciation, amortization and write-downs	231	224	64	68	68	67	65	64	63
EBITDA	**349**	**334**	**217**	**206**	**168**	**134**	**151**	**104**	**155**
Operating result	118	110	153	138	100	68	86	40	93
Amortization of assets identified in conjunction with acquisitions	14	13	16	16	16	16	17	15	16
EBITA	**132**	**123**	**169**	**154**	**116**	**83**	**103**	**55**	**108**
Cash flow from operating activities	231	355	363	33	101	-41	76	8	40
Net financial items	34	37	21	24	26	22	19	20	20
Paid tax	39	26	26	36	42	23	14	21	61
Net investments	-53	-28	-17	-41	-41	-38	-104	-54	-73
Operating cash flow	**251**	**390**	**393**	**52**	**127**	**-34**	**5**	**-6**	**47**
Average total assets	9,786	9,764	7,817	7,873	7,767	7,547	7,247	7,072	7,061
Average cash and cash equivalents	-726	-726	-616	-552	-574	-616	-620	-581	-657
Average non-interest-bearing liabilities	-1,790	-1,805	-1,835	-1,844	-1,763	-1,676	-1,587	-1,529	-1,478
Average capital employed	**7,270**	**7,233**	**5,366**	**5,477**	**5,430**	**5,255**	**5,040**	**4,962**	**4,926**
Annualized operating result	472	438	614	552	399	271	344	159	371
Return on capital employed, %	**6.5**	**6.1**	**11.4**	**10.1**	**7.3**	**5.2**	**6.8**	**3.2**	**7.5**
Interest-bearing long-term liabilities	3,931	3,833	2,442	186	2,575	2,559	2,504	2,477	2,563
Interest-bearing short-term liabilities	1,377	1,256	819	3,213	935	826	840	681	618
Cash and cash equivalents	-721	-731	-722	-509	-596	-552	-679	-561	-601
Net debt at the end of the period	**4,587**	**4,358**	**2,539**	**2,890**	**2,915**	**2,834**	**2,665**	**2,597**	**2,580**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FIRST SIX MONTHS

MSEK	2019	2018	2017	2016	2015
Operating result	228	167	182	122	117
Amortization of assets identified in conjunction with acquisitions	27	32	32	12	11
EBITA	**255**	**199**	**214**	**134**	**128**
Average total assets	9,103	7,507	6,968	3,531	3,537
Average cash and cash equivalents	-725	-597	-655	-513	-431
Average non-interest-bearing liabilities	-1,783	-1,675	-1,484	-759	-839
Average capital employed	**6,595**	**5,235**	**4,829**	**2,259**	**2,267**
Annualized operating result	455	335	365	244	234
Return on capital employed, %	**6.9**	**6.4**	**7.6**	**10.8**	**10.3**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – SECOND QUARTER

MSEK	2019	2018	2017	2016	2015
Operating result	118	100	93	66	63
Amortization of assets identified in conjunction with acquisitions	14	16	16	6	5
EBITA	**132**	**116**	**108**	**72**	**68**
Average total assets	9,786	7,767	7,061	3,517	3,567
Average cash and cash equivalents	-726	-574	-657	-505	-403
Average non-interest-bearing liabilities	-1,790	-1,763	-1,478	-736	-829
Average capital employed	**7,270**	**5,430**	**4,926**	**2,276**	**2,334**
Annualized operating result	472	399	371	263	252
Return on capital employed, %	**6.5**	**7.3**	**7.5**	**11.6**	**10.8**

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.