Elanders AB (publ) | Year-end Report 2018

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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.

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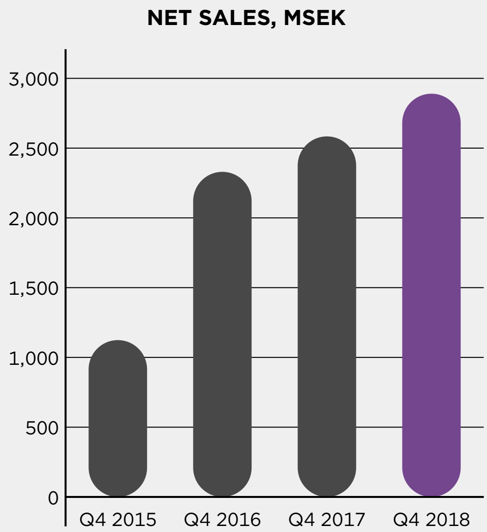
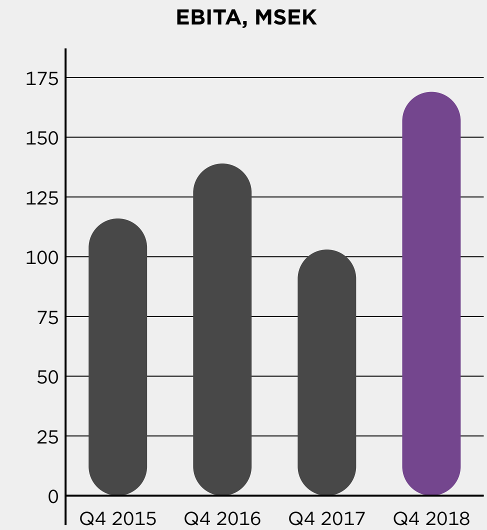
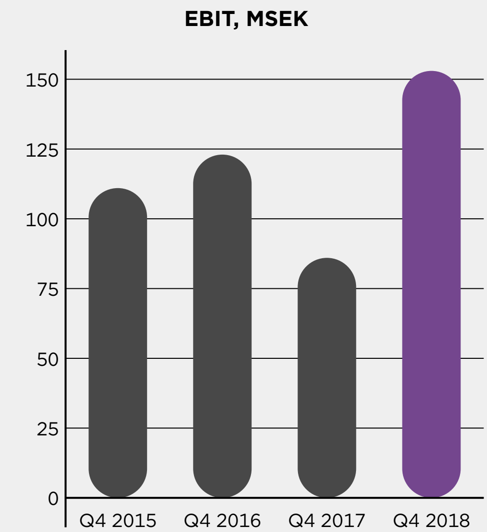






JANUARY – DECEMBER

- Net sales increased by 15 percent to MSEK 10,742 (9,342), of which nine percentage points were organic growth.
- EBITA increased to MSEK 523 (371), which corresponded to an EBITA margin of 4.9 (4.0) percent.
- The operating result increased to MSEK 459 (308), which was an improvement of 49 percent from the previous year. The result last year included one-off items of MSEK –28 which consisted primarily of costs for redundancies.
- The result before tax increased to MSEK 366 (230).
- The net result increased to MSEK 259 (165) or SEK 7.18 (4.65) per share. The net result includes a one-off deferred tax expense of around MSEK 11 due to the revaluation of deferred tax assets according to the new company tax rate in Sweden.
- Operating cash flow increased to MSEK 538 (–115). Cash flow includes a positive one-off effect of about MSEK 85 from sales of accounts receivable, i.e. factoring.
- As of 1 January 2019 there has been a change in the composition of Elanders' business areas. Business area e-Commerce Solutions has ceased to exist as a standalone business area having been integrated into Print & Packaging Solutions.
- Bernd Schwenger from LGI became a member of Group Management and Kevin Rogers left it.
- New three year credit agreement signed with the Group's two principle Swedish banks.
- The Board proposes a dividend of SEK 2.90 (2.60) per share for 2018.

FOURTH QUARTER

- Net sales increased to MSEK 2,890 (2,584), which was an increase of twelve percent, of which five percentage points were organic growth.
- EBITA increased to MSEK 169 (103), which corresponded to an EBITA margin of 5.9 (4.0) percent.
- The operating result increased to MSEK 153 (86), which was an improvement of 78 percent compared to the same period last year.
- The result before tax increased to MSEK 132 (68).
- The net result increased to MSEK 108 (45) or SEK 3.01 (1.24) per share.
- Operating cash flow increased to MSEK 393 (5). Cash flow includes a positive one-off effect of about MSEK 85 from sales of accounts receivable, i.e. factoring.

COMMENTS BY THE CEO

The positive trend we discerned at the end of the second and third quarters continued into the fourth, which led Elanders to once again deliver, in terms of results, our best quarter ever. Strong organic growth continues, amounting to five percent in the quarter. Business area Supply Chain Solutions is behind most of the increase in sales and growth has been generated through both new and existing customers. The US combined print and supply chain business with subscription boxes also continues to grow well, net sales more than doubling compared to last year.

Business area Supply Chain Solutions presented an operating result for the fourth quarter that was clearly better than the same period last year. This is a tangible sign that the projects we have previously had problems with are now in balance. Organic growth continued and amounted to five percent for the quarter.

The market for business area Print & Packaging Solutions continues to be troubled by intense price pressure due to overcapacity. Despite this, the business area grew organically, even without the US subscription box business. This business continues to show strong growth and net sales more than doubled in 2018 compared to 2017 and amounted to USD 45 million. The result for the quarter was considerably better than in previous years, despite a slight negative effect on the result from the divestiture of operations in Beijing, China.

Business area e-Commerce Solutions ended the year on a strong note with an operating result for the quarter on par with last year's but the margin was better. The result for the entire year was tangibly better than the previous year.

As part of our plan to be more selective with what we offer in order to successively raise margins, improve cash flow and tie up less capital we continue to review and streamline our current operations. During the quarter we divested, for example, print operations in Beijing, China and the majority of shares in Logworks, our staffing service in LGI. The sales did not have any material impact on the result in 2018. The divestitures represent a loss of approximately MSEK 100 in external sales.

We have made changes in our business areas as of 1 January 2019. e-Commerce Solutions, which was previously a standalone business area, was integrated into Print & Packaging Solutions. Meanwhile the Swedish operations in Print & Packaging Solutions were transferred to Supply Chain Solutions. This means that Elanders now only has two business areas - Supply Chain Solutions and Print & Packaging Solutions.

We have also made some changes in Group Management. Bernd Schwenger, who is currently responsible for business areas Automotive and Electronics in LGI, will become a new member. Because Andreas Bunz has announced he will be stepping down Bernd Schwenger will be taking over responsibility for the LGI Group later on in 2019. Kevin Rogers, who is currently one of the representatives in Group Management for business area Print & Packaging Solutions, has temporarily left Group Management in order to lead Elanders' operations in Beijing during the period of transition after its divestment to Edelmann GmbH.

We have noted that some of our customers feel the market is slightly more uncertain compared to last year. If demand should decline the new Elanders has, after the transformation over the past few years, a more flexible expense base that is easier to adjust.

Magnus Nilsson
President and Chief Executive Officer

FINANCIAL OVERVIEW

	Full year			Fourth quarter		
MSEK	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**
Net sales	10,742	9,342	6,285	2,890	2,584	2,330
Operating expenses	–10,283	–9,034	–5,941	–2,737	–2,498	–2,207
Operating result	**459**	**308**	**344**	**153**	**86**	**123**
Net financial items	–93	–78	–44	–21	–19	–20
Result before tax	**366**	**230**	**300**	**132**	**68**	**103**

GROUP

Our Business

Elanders is a global supplier with a broad range of services of integrated solutions in supply chain management. The Group has almost 7,000 employees and operates in some 20 countries on four continents. Our most important markets are China, Germany, Singapore, Sweden, the United Kingdom and the US. Our major customers are active in the areas Automotive, Electronics, Fashion & Lifestyle, Industrial and Health Care & Life Science. During the year the business has mainly been run through three business areas, Supply Chain Solutions, Print & Packaging Solutions and e-Commerce Solutions, each of them functioning more or less as an independent business.

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.

Net sales and result

Full year

Net sales increased by MSEK 1,400 to MSEK 10,742 (9,342) compared to the same period last year. Cleared of exchange rate fluctuations and effects of acquisitions and divestitures of operations, net sales grew organically by nine percent, mainly in Supply Chain Solutions. EBITA, i.e. the operating result adjusted for amortization on assets identified in conjunction with acquisitions, was MSEK 523 (371), which corresponded to an EBITA margin of 4.9 (4.0)%. When results in foreign subsidiaries were converted into Swedish krona changes in exchange rates affected the operating result positively by close to MSEK 20.

The improved result compared to last year is primarily due to getting previously problematic customer projects in Supply Chain Solutions under control, and the one-off items included in the result 2017. These 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. Now we have been able to raise customer prices and a number of streamlining measures have been taken. One-off items during the previous year refer mainly to costs for redundancies and amounted to MSEK 28. The tangibly better result than last year delivered by business area e-Commerce was another factor behind the improved result.

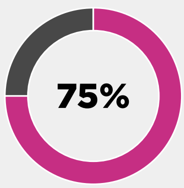
In June 2018 the Swedish government adopted the new tax proposal on company tax. The new rules became law on 1 January 2019 and entail a gradual lowering of company tax from 22.0 to 20.6%. As a consequence the Group's deferred taxes in the Swedish business were revaluated according to the new tax rate which led to a higher deferred tax expense and a negative effect of MSEK 11 on the net result in the second quarter.

Fourth quarter

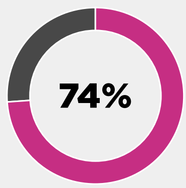
During the quarter net sales increased by MSEK 306 to MSEK 2,890 (2,584) compared to the same period last year. Cleared of exchange rate fluctuations and effects of acquisitions, net sales grew organically by five percent, mainly in Supply Chain Solutions. EBITA, i.e. the operating result adjusted for amortization on assets identified in conjunction with acquisitions, increased to MSEK 169 (103), which corresponded to an EBITA margin of 5.9 (4.0)%. When results in foreign subsidiaries were converted into Swedish krona changes in exchange rates affected the operating result positively by around MSEK 10.

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.



Share of net sales (12 months)



Share of EBITA (12 months)

	Full year		Fourth quarter	
	2018	**2017**	**2018**	**2017**
Net sales, MSEK	8,124	7,007	2,174	1,899
EBITA, MSEK	402	302	116	55
EBITA-margin, %	4.9	4.3	5.3	2.9
Operating result, MSEK	348	253	102	42
Operating margin, %	4.3	3.6	4.7	2.2
Average number of employees	5,649	5,055	5,773	5,362

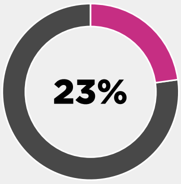
The positive trend from the second and third quarters continued in business area Supply Chain Solutions with a clearly better result and organic net sales growth.

A couple of the new customer projects had, at the end of last year and the beginning of this one, considerably higher initial costs than expected, which had a negative effect on the result. A large part of these expenses were for extra resources in the form of extra personnel, consultants and transportation that were necessary to start the projects. As previously communicated these projects were expected to generate a considerably better result during the third and fourth quarters of this year than the previous year, which can be seen in the figures for this quarter. Two new customer projects started up in the second half of the year - one in the third quarter and one in the fourth. Implemenation of the first project went better than planned and the second is progressing according to plan.

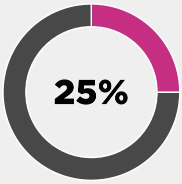
Group (cont.)

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 or just-in-time deliveries.



Share of net sales (12 months)



Share of EBITA (12 months)

	Full year		Fourth quarter	
	2018	**2017**	**2018**	**2017**
Net sales, MSEK	2,504	2,220	658	628
EBITA, MSEK	134	103	45	36
EBITA-margin, %	5.3	4.6	6.8	5.7
Operating result, MSEK	127	92	43	33
Operating margin, %	5.1	4.2	6.6	5.3
Average number of employees	1,436	1,525	1,308	1,526

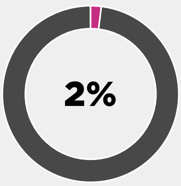
The market for Print & Packaging Solutions continues to be characterized by tough price pressure and overcapacity. Despite this both results and profitability have improved, primarily through cost control and a better product mix. Lower net sales in Europe and Asia are compensated by organic growth in North America where part of the operations there have been transformed into a combined print and supply chain management unit. The section of the combined operations that provides supply chain services is still included in Print & Packaging Solutions and is the underlying factor behind the increase in net sales in the business area as a whole. In two years this section has skyrocketed from nearly zero to USD 45 (18) million in annual sales. In the fourth quarter it generated net sales of close to USD 13 (8) million.

All structural measures in the Swedish operations in the business area have been carried out and this is expected to have some positive effects on the result in 2019. At the same time the Swedish business is investing in supply chain management and has, for instance, started up a logistics unit in Borås. Because of this the Swedish operations have been integrated into business area Supply Chain Solutions as of 1 January 2019. One-off costs of around MSEK 16 attributable to the redundancy costs for Swedish personnel are included in the comparable numbers for the entire year for the business area.

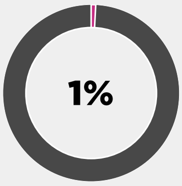
On 15 October 2018 Elanders signed a contract with the Edelmann Group, a global German packaging company with operations in, for instance, China, Germany, India and the US to transfer its Beijing, China operations in Print & Packaging Solutions to Edelmann. This unit had nearly 170 employees and annual net sales of around MSEK 80. The deal was concluded in the fourth quarter.

e-Commerce Solutions

fotokasten, myphotobook and d|o|m are the Group's brands in e-Commerce. Through the technical solutions for e-commerce provided by d|o|m, fotokasten and myphotobook offer a broad range of photo products primarily to consumers.



Share of net sales (12 months)



Share of EBITA (12 months)

	Full year		Fourth quarter	
	2018	**2017**	**2018**	**2017**
Net sales, MSEK	205	208	92	101
EBITA, MSEK	8	–1	17	18
EBITA-margin, %	3.8	–0.6	17.9	18.1
Operating result, MSEK	5	–5	16	17
Operating margin, %	2.3	–2.5	17.5	17.3
Average number of employees	57	67	48	68

The business area has substantial seasonal sales variations and the fourth quarter is normally by far the strongest, which was true even for 2018. The business area's result for the entire year was clearly better than the previous year, in part because of the measures taken to increase efficiency.

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

Important events during the period

Redundancies in Sweden

In April 2018 employees in Swedish Print & Packaging Solutions were given notice as a result of the decision to close down Elanders' last offset operations in Sweden. In total, some 70 employees were given notice of redundancy. The restructuring has not generated any significant extra costs. The shutdown is part of the streamlining and consolidation process in the Group necessary to adjust to decreasing total volumes, mainly in conventional printing.

Corporate income tax in Sweden

In June 2018 the Swedish government adopted the new tax proposal on corporate income tax. The new rules will be effective on 1 January 2019 and entail a gradual lowering of corporate income tax from 22.0 to 20.6%. As a consequence the Group's deferred taxes in Sweden were revaluated using the new corporate tax rate which led to higher deferred tax costs and a negative effect on the net result of MSEK 11.

Divestiture of Elanders' operations in Beijing, China

On 15 October 2018 Elanders signed a contract with the Edelmann Group, a global German packaging company with operations in, for instance, China, Germany, India and the US, 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 20 and a minor negative effect on the operating result.

The Edelmann Group has operations in nine countries, around 3,000 employees and offers packaging solutions for pharmaceuticals, cosmetics and other consumer products.

Divestiture of the majority of shares in Logworks

In a press release on 28 November 2018 Elanders announced the divestiture of 51% of shares in Logworks, Elanders' staffing service in Germany that employs around 500 people. The divestiture had a very minor positive effect on cash flow and the result, and the deal was concluded in the fourth quarter 2018.

Factoring

Elanders has decided to implement 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%, i.e. MEUR 35, will probably be utilized. The financial terms for factoring are better than the rest of our financing.

When this factoring is implemented, which in part took place in the fourth quarter of 2018 and will in part take place in the first quarter of 2019, it will have a material effect on the company's financial key ratios. This facility will have a positive one-off effect on cash flow from daily operations for the same amount as the level of utilization. At the same time it will reduce receivables and net debt as well as improve the ratio of net debt/EBITDA. Of the total facility MEUR 8 was utilized during the fourth quarter.

Investments and depreciation

Full year

Net investments for the period amounted to MSEK 137 (262), of which acquisitions and divestments amounted to MSEK –24 (67). Depreciation and amortization amounted to MSEK 266 (255).

Fourth quarter

For the quarter net investments amounted to MSEK 17 (104), of which acquisitions and divestments amounted to MSEK –24 (45). Investments include investments in the entirely automated warehouse in business area Supply Chain Solutions. Depreciation and amortization amounted to MSEK 64 (65).

Financial position, cash flow and financing

The net debt decreased to MSEK 2,539 compared to MSEK 2,665 at last year end. Included in the net change is an increase of MSEK 121 due to changes in currency rates, since a big part of the financing is in euro and a smaller part in USD, which both have strengthen against the Swedish krona. The change also includes a reduction of around MSEK 85 due to factoring. Leverage, i.e. net debt/ EBITDA for a rolling 12 month period, is now down to 3.50 from 5.23 in June.

Operating cash flow for the year amounted to MSEK 538 (–115). The comparison figure includes a one-off effect of MSEK –262 related to a repayment of a factoring debt which increased the accounts receivable with corresponding amount. The figures for the year include a positive one-off effect of MSEK 85 attributable to the sales of accounts receivable in connection with going over to factoring. The cash flow also includes MSEK 24 (–67) related to acquisitions and divestments.

For the fourth quarter the operating cash flow amounted to MSEK 393 (5). This includes a positive one-off effect of MSEK 85 attributable to the sales of accounts receivable in connection with going over to factoring. The cash flow also includes MSEK 24 (–45) related to acquisitions and divestments.

A new credit agreement has been signed with the Group's principle banks. The new contract matures in three years with an option for a one-year extension.

Personnel

Full year

The average number of employees during the period was 7,153 (6,658), whereof 180 (241) in Sweden. At the end of the period the Group had 6,652 (6,997) employees, whereof 153 (224) in Sweden. The decrease in the number of employees at the end of the year is because of divestments.

Fourth quarter

The average number of employees during the fourth quarter was 7,140 (6,966), whereof 149 (230) in Sweden.

PARENT COMPANY

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

OTHER INFORMATION

Elanders' offer

Elanders offers global integrated solutions in supply chain management. Elanders can take an overall responsibility for complex and global deliveries comprising procurement, warehousing, configuration, production and distribution. Our offer also includes order management, payment solutions and after sales services for our clients.

The services are provided by business-oriented employees. They use their expertise and our intelligent IT solutions to develop our customers' offers, which are often completely dependent on efficient product, component and service flows as well as traceability and information.

In addition to our offer to B2B markets the Group also sells photo products directly to consumers through the 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 2017. 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 2017.

Seasonal variations

The Group's net sales, and thereby income, are affected by seasonal variations. Historically the fourth quarter has been the strongest for Elanders before the acquisition of LGI. Nowadays the seasonal variations are not as high as before.

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

In a press release on 15 January 2019 Elanders announced the expansion of Group Management to include Bernd Schwenger from LGI. Because Andreas Bunz has announced he will be stepping down Bernd Schwenger will take over responsibility for the LGI Group later on in 2019.

Bernd Schwenger, who is currently responsible for business areas Automotive and Electronics in LGI, was previously in charge of building up Amazon Logistics operations in Germany. He has also held a number of management positions at HP.

Kevin Rogers, who was previously one of the representatives in Group Management for business area Print & Packaging Solutions, has temporarily left Group Management in order to lead Elanders' operations in Beijing during the period of transition after its divestment to Edelmann GmbH.

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

Magnus Nilsson, President and CEO

Andréas Wikner, CFO

Andreas Bunz, responsible for Supply Chain Solutions (LGI)

Eckhard Busch, representative for Supply Chain Solutions (LGI)

Bernd Schwenger, representative for Supply Chain Solutions (LGI)

Lim Kok Khoon, responsible for Supply Chain Solutions (Mentor Media)

Peter Sommer, responsible for Print & Packaging Solutions

No other major events have taken place between the balance sheet date and the date this report was signed.

Forecast

No forecast is given for 2019.

Review and 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 2018, where the significant differences for the Group are presented below.

IFRS 9 "Financial Instruments" had mandatory effective date 1 January

2018. The standard includes a model for classification, measurement and reporting of financial assets and liabilities. IFRS 9 introduces a new write-down model based on expected credit losses and considering forward information. The use of the new model has not had any significant effect on the Group and recalculation of comparative figures for 2017 has therefore not been considered necessary. Furthermore, the new rules in the standard regarding hedge accounting have not had any significant impact on the Group.

IFRS 15 "Revenue from Contracts with Customers" had mandatory effective date 1 January 2018. The standard has not entailed any material impact on the Group's net sales and cost of products and services sold. In accordance with IFRS 15 revenue is recognized when the customer receives control over the goods or services and has the possibility to use and receive the benefit from the goods or services. The Group's revenues from service contracts are normally recognized when final delivery is made, or when contractual partial deliveries are made. The increased disclosure requirements according to IFRS 15 have been considered and disclosures related to disaggregation of revenue are presented on pages 14–15. The transition to IFRS 15 has been based on the Modified retrospective approach.

International Accounting Standards Boards (IASB) has also issued new and revised standards that have not yet come into effect and the most significant one for Elanders is IFRS 16 "Leases", which will be effective from 1 January 2019. This will primarily affect the accounting of the Group's operating lease agreements where there are large commitments in terms of rental contracts for premises and leasing of machinery and equipment. Both types of agreements often have an agreement period between 3–10 years. The transition to IFRS 16 will be based on the Modified retrospective approach. The standard will have a significant effect on the Group's total assets and liabilities and the calculated effects on opening balances 1 January 2019 are presented on page 17.

Review by the company auditors

The company auditors have not reviewed this report.

Nomination committee for the Annual General Meeting 2019

The nomination committee for the Annual General Meeting on 29 April 2019 is as follows:

Carl Bennet, Chair, Carl Bennet AB

Hans Hedström, Carnegie Funds

Carl Gustafsson, Didner & Gerge Funds

Göran Espelund, Lannebo Funds

Sophie Nachemson-Ekwall, Representative from the smaller shareholders

Shareholders who would like to submit proposals to Elanders' 2019 Nomination Committee, can contact the Nomination Committee by e-mail at valberedning@elanders.com or by mail: Elanders AB, Att: Nomination Committee, Flöjelbergsgatan 1 C, SE-431 35 Mölndal, Sweden.

Annual General Meeting 2019

Elanders AB's Annual General Meeting will be held on April 29, 2019, Gothia Towers, Mässans gata 24, Gothenburg, Sweden. Shareholders wishing to have a matter addressed at the Annual General Meeting on April 29, 2019, can submit their proposal to Elanders' Board Chairman by e-mail: arsstamma@elanders.com, or by mail: Elanders AB, Flöjelbergsgatan 1 C, 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, 2019.

Financial calendar

- Annual Report 2018
  27 March 2019
- Q1 2019
  29 April 2019
- Annual General Meeting 2019
  29 April 2019
- Q2 2019
  16 July 2019
- Q3 2019
  21 October 2019

Consolidated Financial Statements

INCOME STATEMENTS

MSEK	Full year 2018	Full year 2017	Fourth quarter 2018	Fourth quarter 2017
Net sales	10,742	9,342	2,890	2,584
Cost of products and services sold	–9,330	–8,008	–2,500	–2,240
Gross profit	**1,412**	**1,334**	**390**	**343**
Sales and administrative expenses	–1,034	–1,067	–272	–265
Other operating income	111	79	41	15
Other operating expenses	–30	–38	–6	–8
Operating result	**459**	**308**	**153**	**86**
Net financial items	–93	–78	–21	–19
Result after financial items	**366**	**230**	**132**	**68**
Income tax	–108	–65	–24	–23
Result for the period	**259**	**165**	**108**	**45**
Result for the period attributable to:				
– parent company shareholders	254	164	107	44
– non-controlling interests	5	1	1	1
Earnings per share, SEK [1) 2)]	*7.18*	*4.65*	*3.01*	*1.24*
Average number of shares, in thousands	*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*

1) Earnings per share before and after dilution.
2) Earnings per share calculated by dividing the result for the period attributable to parent company shareholders by the average number of outstanding shares during the period.

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	Full year 2018	Full year 2017	Fourth quarter 2018	Fourth quarter 2017
Result for the period	**259**	**165**	**108**	**45**
Items that will not be reclassified to the income statement				
Actuarial gains/losses on defined benefit pensions plans, after tax	1	–1	1	0
Items that will be reclassified to the income statement				
Translation differences, after tax	121	–73	7	44
Cash flow hedges, after tax	0	1	0	1
Hedging of net investment abroad, after tax	–33	37	–5	–5
Other comprehensive income	**88**	**–36**	**3**	**40**
Total comprehensive income for the period	**347**	**129**	**111**	**85**
Total comprehensive income attributable to:				
– parent company shareholders	342	128	109	84
– non-controlling interests	5	1	2	1

STATEMENTS OF CASH FLOW

	Full year		Fourth quarter	
MSEK	**2018**	**2017**	**2018**	**2017**
Result after financial items	**366**	**230**	**132**	**68**
Adjustments for items not included in cash flow	213	258	56	89
Paid tax	–127	–134	–26	–14
Changes in working capital	3	–418	201	–66
Cash flow from operating activities	**455**	**–64**	**363**	**76**
Net investments in intangible and tangible assets	–161	–196	–41	–60
Acquired and divested operations	24	–67	24	–45
Change in long-term receivables	–1	1	0	0
Cash flow from investing activities	**–137**	**–262**	**–17**	**–104**
Amortization of loans	–159	–106	–39	–27
New loans	–	326	–	64
Other changes in long- and short-term borrowing	–66	243	–99	94
Dividend to shareholders	–93	–92	–	–
Cash flow from financing activities	**–318**	**371**	**–138**	**131**
Cash flow for the period	**0**	**45**	**208**	**103**
Liquid funds at the beginning of the period	679	651	509	561
Translation difference	43	–17	6	15
Liquid funds at the end of the period	**722**	**679**	**722**	**679**
Net debt at the beginning of the period	**2,665**	**2,224**	**2,890**	**2,597**
Translation difference in net debt	121	16	–4	39
Net debt in acquired and divested operations	41	–13	41	–14
Change in net debt	–288	438	–388	43
Net debt at the end of the period	**2,539**	**2,665**	**2,539**	**2,665**
Operating cash flow	**538**	**–115**	**393**	**5**

STATEMENTS OF FINANCIAL POSITION

	31 Dec.	
MSEK	**2018**	**2017**
ASSETS		
Intangible assets	3,218	3,136
Tangible assets	789	828
Other fixed assets	267	247
Total fixed assets	**4,274**	**4,211**
Inventories	468	390
Accounts receivable	1,762	1,795
Other current assets	511	333
Cash and cash equivalents	722	679
Total current assets	**3,463**	**3,198**
Total assets	**7,737**	**7,409**
EQUITY AND LIABILITIES		
EQUITY	**2,707**	**2,453**
Liabilities		
Non-interest-bearing long-term liabilities	199	208
Interest-bearing long-term liabilities	2,442	2,504
Total long-term liabilities	**2,642**	**2,712**
Non-interest-bearing short-term liabilities	1,569	1,403
Interest-bearing short-term liabilities	819	840
Total short-term liabilities	**2,388**	**2,243**
Total equity and liabilities	**7,737**	**7,409**

STATEMENTS OF CHANGES IN EQUITY

MSEK	Equity attributable to parent company shareholders	Equity attributable to non-controlling interests	Total equity
Opening balance on 1 Jan. 2017	**2,411**	**–**	**2,411**
Dividend to shareholders	–92	–	–92
Change in non-controlling interests	–	5	5
Total comprehensive income for the period	128	1	129
Closing balance on 31 Dec. 2017	**2,447**	**6**	**2,453**
Opening balance on 1 Jan. 2018	**2,447**	**6**	**2,453**
Dividend to shareholders	–92	–1	–93
Total comprehensive income for the period	342	5	347
Closing balance on 31 Dec. 2018	**2,697**	**10**	**2,707**

SEGMENT REPORTING

The three 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.

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.

NET SALES

	Full year		Fourth quarter	
MSEK	**2018**	**2017**	**2018**	**2017**
Supply Chain Solutions	8,124	7,007	2,174	1,899
Print & Packaging Solutions	2,504	2,220	658	628
e-Commerce Solutions	205	208	92	101
Group functions	46	35	12	6
Eliminations	–137	–128	–46	–50
Group net sales	**10,742**	**9,342**	**2,890**	**2,584**

OPERATING RESULT

	Full year		Fourth quarter	
MSEK	**2018**	**2017**	**2018**	**2017**
Supply Chain Solutions	348	253	102	42
Print & Packaging Solutions	127	92	43	33
e-Commerce Solutions	5	-5	16	17
Group functions	–21	–32	–8	–7
Group operating result	**459**	**308**	**153**	**86**

In 2017 the operating result has been charged with one-off items of MSEK 28 primarily referring to redundancy costs, of which MSEK 5 within Supply Chain Solutions, MSEK 16 within Print & Packaging Solutions, MSEK 5 within e-Commerce Solutions and MSEK 2 within Group functions.

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.

DISAGGREGATION OF REVENUE, FULL YEAR 2018

MSEK	Supply Chain Solutions	Print & Packaging Solutions	e-Commerce Solutions	Total
Total net sales	8,124	2,504	205	10,833
Less: net sales to group companies	–15	–76	–0	–91
Net sales	**8,109**	**2,428**	**205**	**10,742**

MSEK	Supply Chain Solutions	Print & Packaging Solutions	e-Commerce Solutions	Group
Geographic markets				
Europe	5,071	1,682	204	6,957
Asia	2,614	60	–	2,673
North and South America	374	648	0	1,022
Other	51	38	1	89
Net sales	**8,109**	**2,428**	**205**	**10,742**
Main revenue streams				
Sourcing and procurement services	2,391	20	–	2,411
Freight and transportation services	2,670	294	–	2,964
Other contract logistics services	2,735	376	–	3,111
Other work/services	313	1,738	205	2,256
Net sales	**8,109**	**2,428**	**205**	**10,742**
Customer segments				
Automotive	1,972	506	–	2,478
Electronics	3,451	70	–	3,521
Fashion & Lifestyle	1,161	425	–	1,586
Health Care & Life Science	191	203	–	394
Industrial	914	698	–	1,612
Other	420	526	205	1,151
Net sales	**8,109**	**2,428**	**205**	**10,742**

DISAGGREGATION OF REVENUE (CONT.)

DISAGGREGATION OF REVENUE, FOURTH QUARTER 2018

MSEK	Supply Chain Solutions	Print & Packaging Solutions	e-Commerce Solutions	Total
Total net sales	2,174	658	92	2,924
Less: net sales to group companies	–4	–30	–0	–34
Net sales	**2,170**	**628**	**92**	**2,890**

MSEK	Supply Chain Solutions	Print & Packaging Solutions	e-Commerce Solutions	Group
Geographic markets				
Europe	1,324	434	92	1,850
Asia	733	3	–	737
North and South America	101	183	0	284
Other	11	8	0	19
Net sales	**2,170**	**628**	**92**	**2,890**
Main revenue streams				
Sourcing and procurement services	647	20	–	667
Freight and transportation services	677	88	–	765
Other contract logistics services	765	125	–	890
Other work/services	81	395	92	568
Net sales	**2,170**	**628**	**92**	**2,890**
Customer segments				
Automotive	397	122	–	519
Electronics	1,000	42	–	1,042
Fashion & Lifestyle	227	130	–	357
Health Care & Life Science	42	58	–	100
Industrial	268	140	–	408
Other	236	136	92	464
Net sales	**2,170**	**628**	**92**	**2,890**

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 31 December 2018 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 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 Elanders' subsidiary LGI signed a contract with Adecco for the divestiture of 51% 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	0
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**

EFFECT OF APPLYING IFRS 16

IFRS 16 ”Leases” will be effective from 1 January 2019 and will affect the accounting of the Group’s operating 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 will be based on the Modified retrospective approach. The standard will have a significant effect on the Group’s total assets and liabilities and the calculated preliminary effects on opening balances 1 January 2019 are presented below:

MSEK	Closing balance 31 December 2018	Preliminary effect IFRS 16	Opening balance 1 January 2019
ASSETS			
Fixed assets	4,274	1,938	6,212
Current assets	3,463	–	3,463
Total assets	**7,737**	**1,938**	**9,675**
EQUITY AND LIABILITIES			
Equity	**2,707**	**–**	**2,707**
Liabilities			
Non-interest-bearing long-term liabilities	199	–	199
Interest-bearing long-term liabilities	2,442	1,354	3,796
Total long-term liabilities	**2,642**	**1,354**	**3,996**
Non-interest-bearing short-term liabilities	1,569	–	1,569
Interest-bearing short-term liabilities	819	584	1,403
Total short-term liabilities	**2,388**	**584**	**2,972**
Total equity and liabilities	**7,737**	**1,938**	**9,675**

Based on the information and the lease agreements that the group had in the beginning of 2019, and by using exchange rates per 31 December 2018, the implementation of IFRS 16 would primarily the have following effects on the group’s income statement on a yearly basis:

MSEK	Estimated effect (approximately)
EBITDA	+650
EBITA	+30
Net financial items	–50
Net result	–15

Initially applying IFRS 16 will have a negative effect on the net result as well as the result per share since rights-of-use are straight-line depreciated while the interest component of leasing payments decreases over time.

Parent Company's Financial Statements

INCOME STATEMENTS

	Full year		Fourth quarter	
MSEK	**2018**	**2017**	**2018**	**2017**
Net sales	41	35	10	7
Operating expenses	–60	–67	–12	–13
Operating result	**–19**	**–32**	**–2**	**–6**
Net financial items	18	249	–11	96
Result after financial items	**–1**	**217**	**–13**	**90**
Income tax	–6	–18	–1	–1
Result for the period	**–7**	**199**	**–14**	**89**

STATEMENTS OF COMPREHENSIVE INCOME

	Full year		Fourth quarter	
MSEK	**2018**	**2017**	**2018**	**2017**
Result for the period	**7**	**199**	**–14**	**89**
Other comprehensive income	–	–	–	–
Total comprehensive income for the period	**7**	**199**	**–14**	**89**

BALANCE SHEETS

	31 Dec.	
MSEK	**2018**	**2017**
ASSETS		
Fixed assets	4,423	4,461
Current assets	508	471
Total assets	**4,930**	**4,932**
EQUITY, PROVISIONS AND LIABILITIES		
Equity	1,649	1,747
Provisions	3	3
Long-term liabilities	2,187	2,184
Short-term liabilities	1,092	998
Total equity, provisions and liabilities	**4,930**	**4,932**

STATEMENTS OF CHANGES IN EQUITY

MSEK	Share capital	Statutory reserve	Unrestricted equity	Total equity
Opening balance on 1 Jan. 2017	**354**	**332**	**953**	**1,640**
Dividend	–	–	–92	–92
Total comprehensive income for the period	–	–	199	199
Closing balance on 31 Dec. 2017	**354**	**332**	**1,061**	**1,747**
Opening balance on 1 Jan. 2018	**354**	**332**	**1,061**	**1,747**
Dividend	–	–	–92	–92
Total comprehensive income for the period	–	–	–7	–7
Closing balance on 31 Dec. 2018	**354**	**332**	**962**	**1,649**

QUARTERLY DATA

MSEK	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4
Net sales	2,890	2,817	2,613	2,422	2,584	2,355	2,264	2,139	2,330
EBITDA	217	206	168	134	151	104	155	152	187
EBITA	169	154	116	83	103	55	108	105	139
EBITA-margin, %	5.9	5.5	4.4	3.4	4.0	2.3	4.8	4.9	6.0
Operating result	153	138	100	68	86	40	93	90	123
Operating margin, %	5.3	4.9	3.8	2.8	3.3	1.7	4.1	4.2	5.3
Result after financial items	132	114	74	46	68	20	73	69	103
Result after tax	108	75	42	34	45	14	54	53	79
Earnings per share, SEK [1) 2)]	3.01	2.07	1.15	0.95	1.24	0.39	1.52	1.49	2.37
Operating cash flow	393	52	127	–34	5	–6	47	–161	69
Cash flow per share, SEK [2) 3)]	10.27	0.94	2.85	–1.17	2.14	0.23	1.12	–5.31	2.83
Depreciation and write-downs	64	68	68	67	65	64	63	63	65
Net investments	17	41	41	38	104	54	73	31	79
Goodwill	2,439	2,440	2,466	2,429	2,337	2,261	2,269	2,264	2,272
Total assets	7,737	7,896	7,850	7,684	7,409	7,085	7,058	7,064	6,782
Equity	2,707	2,596	2,554	2,559	2,453	2,365	2,382	2,454	2,411
Equity per share, SEK [2)]	76.28	73.16	72.02	72.17	69.21	66.88	67.38	69.39	71.87
Net debt	2,539	2,890	2,915	2,834	2,665	2,597	2,580	2,437	2,224
Capital employed	5,246	5,486	5,469	5,392	5,118	4,961	4,962	4,890	4,635
Return on total assets, % [4)]	8.0	7.0	6.3	5.1	4.8	2.3	5.3	5.2	7.3
Return on equity, % [4)]	16.1	11.4	6.4	5.4	7.3	2.3	8.9	8.7	15.8
Return on capital employed, % [4)]	11.4	10.1	7.3	5.2	6.8	3.2	7.5	7.5	10.7
Debt/equity ratio	0.9	1.1	1.1	1.1	1.1	1.1	1.1	1.0	0.9
Equity ratio, %	35.0	32.9	32.5	33.3	33.1	33.4	33.8	34.7	35.6
Interest coverage ratio [5)]	5.3	4.7	3.7	3.8	4.1	4.5	5.5	6.4	7.8
Number of employees at the end of the period	6,652	7,246	7,170	7,085	6,997	6,708	6,589	6,501	6,444

1) There is no dilution.
2) Historic number of shares have been adjusted for the bonus issue element in the new share issue in 2016.
3) Cash flow per share refers to cash flow from operating activities.
4) Return ratios have been annualized (the result has been recalculated to correspond to the result for a 12 month period).
5) Interest coverage ratio calculation is based on a moving 12 month period.

Five Year Overview

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 [3)]	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	3.5	4.7	4.3	1.7	3.1
Debt/equity ratio	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.
3) Proposed by the board.

FIVE YEAR OVERVIEW – FOURTH QUARTER

	2018	2017	2016	2015	2014
Net sales, MSEK	2,890	2,584	2,330	1,124	1,099
EBITA, MSEK	169	103	139	116	76
Result after tax, MSEK	108	45	79	73	45
Earnings per share, SEK [1) 2)]	3.01	1.24	2.37	2.60	1.60
Cash flow from operating activities per share, SEK [2)]	10.27	2.14	2.83	8.32	5.64
Equity per share, SEK [2)]	76.28	69.21	71.87	52.72	47.75
Return on equity, % [3)]	16.1	7.3	15.8	20.0	14.0
Return on capital employed, % [3)]	11.4	6.8	10.7	19.2	12.5
EBITA-margin, %	5.9	4.0	6.0	10.3	6.9
Operating margin, %	5.3	3.3	5.3	9.9	6.4
Average number of shares, in thousands [2)]	35,358	35,358	33,549	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 issues in 2014 and 2016.
3) Return ratios have been annualized (the result has been recalculated to correspond to the result for a 12 month period).

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – QUARTERLY DATA

MSEK	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4
Operating result	153	138	100	68	86	40	93	90	123
Depreciation, amortization and write-downs	64	68	68	67	65	64	63	63	65
EBITDA	**217**	**206**	**168**	**134**	**151**	**104**	**155**	**152**	**187**
Operating result	153	138	100	68	86	40	93	90	123
Amortization of assets identified in conjunction with acquisitions	16	16	16	16	17	15	16	15	16
EBITA	**169**	**154**	**116**	**83**	**103**	**55**	**108**	**105**	**139**
Cash flow from operating activities	363	33	101	–41	76	8	40	–188	95
Net financial items	21	24	26	22	19	20	20	22	20
Paid tax	26	36	42	23	14	21	61	37	34
Net investments	–17	–41	–41	–38	–104	–54	–73	–31	–79
Operating cash flow	**393**	**52**	**127**	**–34**	**5**	**–6**	**47**	**–161**	**69**
Average total assets	7,817	7,873	7,767	7,547	7,247	7,072	7,061	6,923	6,748
Average cash and cash equivalents	–616	–552	–574	–616	–620	–581	–657	–682	–639
Average non-interest-bearing liabilities	–1,835	–1,844	–1,763	–1,676	–1,587	–1,529	–1,478	–1,478	–1,527
Average capital employed	**5,366**	**5,477**	**5,430**	**5,255**	**5,040**	**4,962**	**4,926**	**4,763**	**4,581**
Annualized operating result	614	552	399	271	344	159	371	359	490
Return on capital employed, %	**11.4**	**10.1**	**7.3**	**5.2**	**6.8**	**3.2**	**7.5**	**7.5**	**10.7**
Interest-bearing long-term liabilities	2,442	186	2,575	2,559	2,504	2,477	2,563	2,595	2,647
Interest-bearing short-term liabilities	819	3,213	935	826	840	681	618	555	228
Cash and cash equivalents	–722	–509	–596	–552	–679	–561	–601	–713	–651
Net debt	**2,539**	**2,890**	**2,915**	**2,834**	**2,665**	**2,597**	**2,580**	**2,437**	**2,224**

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**
Operating result	459	308	344	292	175
Return on capital employed, %	**8.5**	**6.2**	**10.0**	**12.6**	**8.7**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FOURTH QUARTER

MSEK	2018	2017	2016	2015	2014
Operating result	153	86	123	111	71
Amortization of assets identified in conjunction with acquisitions	16	17	16	5	5
EBITA	**169**	**103**	**139**	**116**	**76**
Average total assets	7,817	7,247	6,748	3,543	3,453
Average cash and cash equivalents	–616	–620	–639	–451	–397
Average non-interest-bearing liabilities	–1,835	–1,587	–1,527	–782	–804
Average capital employed	**5,366**	**5,040**	**4,581**	**2,311**	**2,252**
Annualized operating result	614	344	490	444	282
Return on capital employed, %	**11.4**	**6.8**	**10.7**	**19.2**	**12.5**

FINANCIAL DEFINITIONS

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

Average number of shares
Weighted average number of shares outstanding during the period.

Capital employed
Total assets less liquid funds and non-interest bearing liabilities.

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.

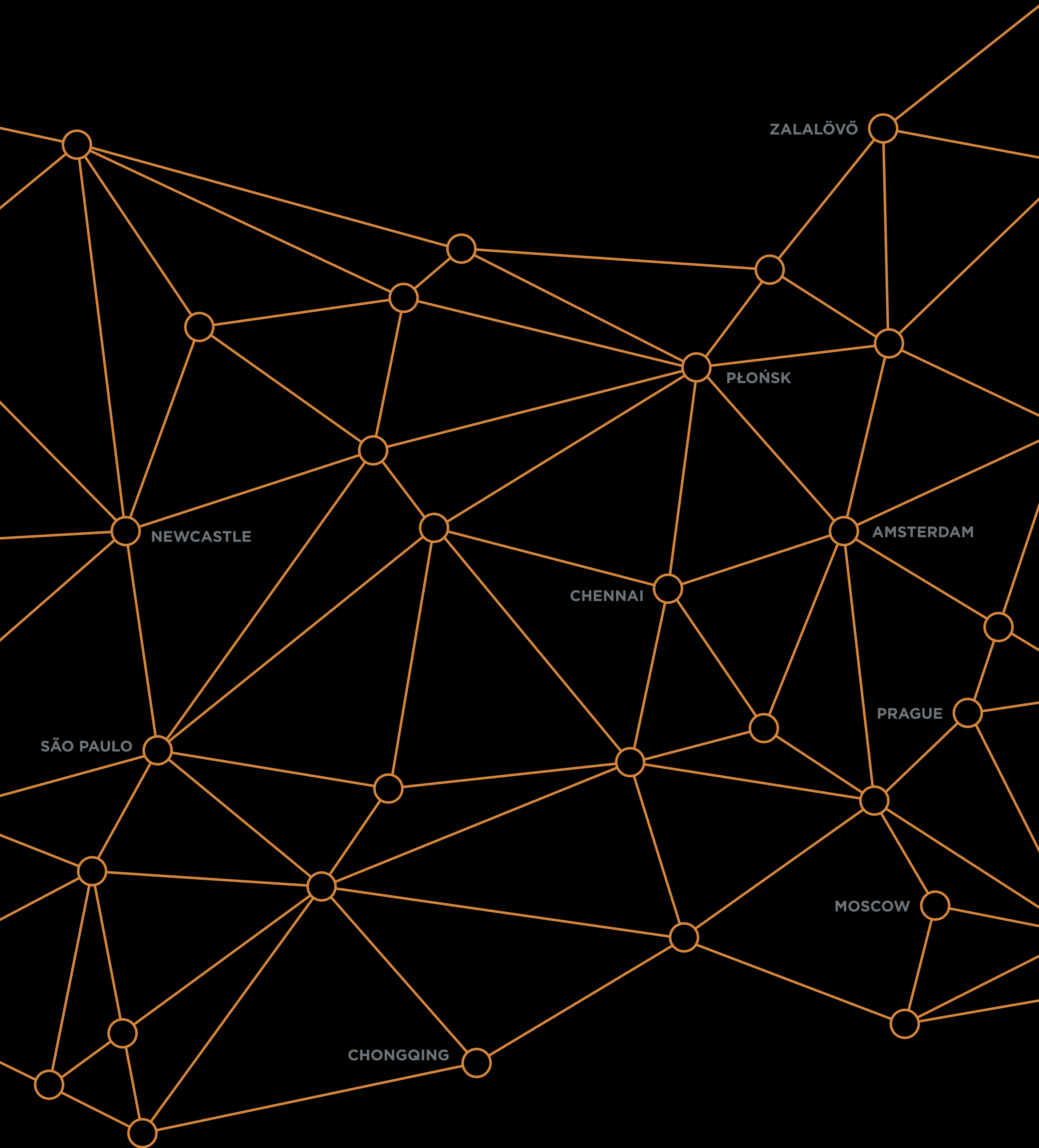
Operating cash flow
Cash flow from operating activities and investing activities, adjusted for paid taxes and financial items.

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.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