Press release from Elanders AB (publ) 2017-10-19

January-September

- Net sales increased by 71 percent to MSEK 6,758 (3,956), of which 5 percentage points were organic.
- EBITA, not including one-off items, increased to MSEK 297 (254), which was an improvement in the result by 17 percent. Including one-off items EBITA increased to MSEK 269 (245).
- The operating result, not including one-off items, increased to MSEK 250 (230). Including one-off items the operating result increased to MSEK 222 (221).
- The result before tax, not including one-off items, was MSEK 191 (210). Including one-off items the result before tax was MSEK 163 (197).
- The net result was MSEK 120 (138) or SEK 3.41 (4.89) per share.
- Not including the purchase price of acquisitions, operating cash flow amounted to MSEK -97 (303), and including the purchase price of acquisitions, operating cash flow amounted to MSEK -119 (-1,497), of which MSEK -262 (0) consisted of greater working capital in the form of accounts receivable due to the settlement of a factoring debt during the first quarter.
- The increase in net sales is primarily due to the acquisition of LGI, which was consolidated into the Elanders Group at the end of July 2016.
- The operating result includes one-off items of MSEK -28 (-9) attributable mainly to redundancy costs.

Third quarter

- Net sales increased to MSEK 2,355 (1,878), which was an increase of 25 percent, of which 10 percentage points were organic.
- EBITA, not including one-off items, was MSEK 83 (115). Including one-off items EBITA was MSEK 55 (112).
- The operating result, not including one-off items, was MSEK 68 (103). Including one-off items the operating result was MSEK 40 (100).
- The result before tax, not including one-off items, was MSEK 48 (91). Including one-off items the result before tax was MSEK 20 (86).
- The net result was MSEK 14 (58) or SEK 0.39 (2.04) per share.
- Not including the purchase price of acquisitions, operating cash flow amounted to MSEK 16 (201), and including acquisitions was MSEK -6 (-1,565).
- The operating result includes one-off items of MSEK -28 (-3) attributable mainly to redundancy costs.

COMMENTS BY THE CEO

The strong organic growth in the Group continued during the third quarter, primarily driven by Supply Chain Solutions. Other important factors in the quarter were the start-up of several new, major customer projects, consolidation of units and a temporary slowdown in Europe in the customer segment Automotive, which had a negative effect on Supply Chain Solutions and Print & Packaging Solutions.

The strong growth in Supply Chain Solutions was largely generated by new business. Implementation of this new business has turned out to be more extensive than we first realized and has led to high start-up costs which had a negative effect on the result. We have also had costs for moving and consolidating our units in Singapore as well as the establishment of two new units, one in Germany and one in the US. We anticipate a positive outcome of these activities next year but most likely even the coming fourth quarter will be negatively impacted by these start-up costs, which was also communicated in the press release on 10 October regarding the result for the third quarter.

Print & Packaging Solutions continues to struggle with intense price pressure and diminishing volumes, which was particularly noticeable during the quarter in customer segment Automotive. This means we need to hasten the transition to further reduce our dependency on conventional printing. The action taken in the Swedish operations in September, when 50 employees were made redundant, is part of this process and we intend to continue streamlining and taking measures to lower costs.

During the quarter there has been a change in management in e-Commerce Solutions due to the negative development in the business area and we are currently reviewing this business. Focus is on ensuring sales in the fourth quarter.

On the positive side Supply Chain Solutions continues to grow organically. We have secured several major deals with new customers during the year, one of which was sealed in the third quarter. This business is planned to start in the middle of 2018 and will generate annual sales of around MSEK 100. In October, we also acquired Asiapack in Hong Kong, as part of expanding our offer within supply chain management. In general, we continue to be very active regarding new sales and we are involved in several different request for proposals.

Magnus Nilsson
President and Chief Executive Officer

FINANCIAL OVERVIEW

	January-September			Third quarter		
MSEK	**2017**	**2016**	**2015**	**2017**	**2016**	**2015**
Net sales	6,758	3,956	3,113	2,355	1,878	1,041
Operating expenses	-6,536	-3,735	-2,932	-2,315	-1,779	-977
Operating result	**222**	**221**	**181**	**40**	**100**	**64**
Net financial items	-59	-24	-27	-20	-14	-9
Result before tax	**163**	**197**	**154**	**20**	**86**	**55**

GROUP

Our business
Elanders is a global supplier of integrated solutions in supply chain management, print & packaging and e-commerce. The Group operates in some 20 countries on four continents. Our most important markets are China, Germany, Singapore, Sweden, the United Kingdom and the USA. Our major customers are active in the areas Automotive, Electronics, Fashion & Lifestyle, Industrial and Health Care & Life Science.

Net sales and result
January-September
Net sales increased by MSEK 2,802 to MSEK 6,758 (3,956) compared to the same period last year. This increase is primarily due to the acquisition LGI which has been consolidated into the Elanders Group since the end of July 2016. Cleared of exchange rate fluctuations and effects of the acquisition of LGI and other acquisitions, net sales grew by 5% mainly in Supply Chain Solutions. EBITA, i.e. the operating result adjusted for amortization on assets identified in conjunction with acquisitions, increased to MSEK 269 (245), which corresponded to an EBITA margin of 4.0 (6.2)%. The decrease in the EBITA margin stems primarily from consolidating LGI which historically has largely had a lower operating margin than Elanders. The reason for this is that in addition to contract logistics LGI also offers transportation and freight services, areas where margins are lower. One-off items affecting comparability that affected EBITA negatively amounted to MSEK 28 (9) during the period.

Third quarter
Net sales during the quarter increased by MSEK 477 to MSEK 2,355 (1,878) compared to the same period last year. Cleared of exchange rate fluctuations and effects of the acquisition of LGI and other acquisitions, organic growth was 10%, mainly in Supply Chain Solutions. EBITA, i.e. the operating result adjusted for amortization on assets identified in conjunction with acquisitions, was MSEK 55 (112), which corresponded to an EBITA margin of 2.3 (6.0)%. One-off items affecting comparability that affected EBITA negatively were MSEK 28 (3).

Supply Chain Solutions
Elanders is one of the leading companies in the world in Global Supply Chain Management. Our services include taking responsibility for and optimizing customers' material and information flows, everything from sourcing and procurement combined with warehousing to after sales service.

	January-September		Third quarter		Last	Full year
Supply Chain Solutions	**2017**	**2016**	**2017**	**2016**	**12 months**	**2016**
Net sales, MSEK	5,108	2,339	1,818	1,358	6,766	3,998
EBITA, MSEK	247	176	71	89	354	283
EBITA-margin, %	4.8	7.5	3.9	6.6	5.2	7.1
Operating result, MSEK	211	163	59	81	306	258
Operating margin, %	4.1	7.0	3.3	5.9	4.5	6.4
Average number of employees	4,952	2,166	5,050	3,679	4,922	2,832

The positive trend regarding net sales growth continued in business area Supply Chain Solutions, which grew organically by 5% during the first nine months of the year and close to 11% during the third quarter.

The cost of initiating several of the new, major customer projects that started up during the year has been higher than expected. This, together with the fact that one of our largest customers closed down for longer than anticipated during the summer months, led to a weak result in the third quarter. The result was also weighed down by costs for broaden our customer base to include other segments in order to reduce dependency on Automotive and Electronics as well as for the move and consolidating our sites in Singapore. Also included in the result are one-off costs of MSEK 5 regarding redundancies.

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.

Print & Packaging Solutions	January-September 2017	2016	Third quarter 2017	2016	Last 12 months	Full year 2016
Net sales, MSEK	1,592	1,547	520	500	2,191	2,146
EBITA, MSEK	67	88	4	29	115	137
EBITA-margin, %	4.2	5.7	0.7	5.8	5.3	6.4
Operating result, MSEK	59	81	1	26	105	127
Operating margin, %	3.7	5.3	0.2	5.3	4.8	5.9
Average number of employees	1,525	1,650	1,533	1,600	1,538	1,632

The market for Print & Packaging Solutions continues to be characterized by tough price pressure and overcapacity. Lower net sales in Europe and Asia were partially compensated by organic growth in the US where conversion of parts of the operations into combined print and supply chain management facilities has increased sales. This supply chain business in the US is still included in Print & Packaging Solutions and is the underlying factor in the rise in sales. Excluding this business organic net sales contracted.

During the quarter 50 employees within Print & Packaging Solutions in Sweden were given notice. This is part of the continuous process of streamlining and consolidation within the Group to adjust to shrinking volumes, mainly in conventional printing. In total, one-off items attributable to the redundancies have charged the result by MSEK 16.

Spreckley Limited in Great Britain, which offers packaging, marketing material and labels to the British market, was acquired in the third quarter. The company is operating in Nottingham. Spreckley has some 20 employees and had net sales of MGBP 2.3 in the twelve-month period that ended on 31 March 2017.

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.

e-Commerce Solutions	January-September 2017	2016	Third quarter 2017	2016	Last 12 months	Full year 2016
Net sales, MSEK	108	120	36	36	215	227
EBITA, MSEK	-20	-1	-10	-3	6	24
EBITA-margin, %	-18.2	-1.1	-28.3	-8.2	2.7	10.5
Operating result, MSEK	-23	-5	-11	-4	1	19
Operating margin, %	-21.0	-4.1	-30.7	-11.6	0.7	8.4
Average number of employees	67	63	68	63	66	63

The business area has substantial seasonal sales variations and the fourth quarter is normally by far the strongest.

A change in management was made during the quarter and a review of the operations is in progress. Focus is primarily on ensuring Christmas sales in the fourth quarter. The change in management created one-off costs of MSEK 5.

Investments and depreciation

January-September

Net investments for the period amounted to MSEK 158 (1,827), of which acquisitions amounted to MSEK 22 (1,800). Depreciation, amortization and write-downs amounted to MSEK 190 (107).

Third quarter

For the quarter net investments amounted to MSEK 54 (1,787), of which acquisitions amounted to MSEK 22 (1,766). Depreciation, amortization and write-downs amounted to MSEK 64 (52).

Financial position, cash flow and financing

Group net debt per 30 September 2017 was MSEK 2,597 compared to MSEK 2,224 at the start of the year. Included in the net change is an increase of MEUR 27.5, equal to MSEK 262, which refers to a repayment of a factoring debt. A subsidiary previously used factoring as a finance form by transferring accounts receivable to a finance institute. This factoring debt has now been replaced with conventional bank credits. As a result of this repayment accounts receivable and net debt grew in equal amounts, which had a negative effect on cash flow from operating activities. Cleared of this item and exchange rate effects net debt increased by MSEK 134 during the period.

Operating cash flow, excluding acquisitions, for the period January-September amounted to MSEK -97 (303) and MSEK -119 (-1,497) including acquisitions, of which -262 (0) consisted of increased working capital in the form of accounts receivable due to a repayment of a factoring debt. Cleared of this one-off effect and the purchase price of acquisitions, operating cash flow was MSEK 165 (303). For the third quarter, operating cash flow, excluding acquisitions amounted to MSEK 16 (201) and MSEK -6 (-1,565) including acquisitions.

Personnel

January-September

The average number of employees during the period was 6,556 (3,888), whereof 245 (275) in Sweden. At the end of the period the Group had 6,708 (6,472) employees, whereof 242 (269) in Sweden.

Third quarter

The average number of employees during the quarter was 6,663 (5,351), whereof 244 (275) in Sweden.

Important events during the period and after the balance sheet day

Redundancies in Sweden

During the quarter 50 employees within Print & Packaging Solutions in Sweden were given notice. This is part of the continuous process of streamlining and consolidation within the Group to adjust to shrinking volumes, mainly in conventional printing.

Acquisition of Asiapack and result for the third quarter

After the balance sheet day Elanders published a press release on 10 October 2017 flagging a lower result in the third quarter. At the same time a contract to acquire 80% of the shares in the Hong Kong-based company Asiapack Limited (”Asiapack”) along with the option to buy the rest of the shares in 2020 was announced. The acquisition is a complement to Elanders’ existing operations in Asia, Mentor Media, and will provide new customer segments as well as broaden our range.

Elanders’ acquisition of Asiapack is part of our strategy to build a good platform for continued strong organic growth in Supply Chain Solutions. Asiapack is domiciled in Hong Kong and has a subsidiary in Shenzhen, China. The company’s customers are international corporations that purchase large volumes in China. Asiapack has specialized in added-value services such as product configuration, consolidation and packaging of products. Asiapack is expected to generate net sales of around MSEK 70 in 2017 and currently has some 220 employees. Elanders was established on the Chinese market back in 2005 and the acquisition further increases our presence. With the acquisition of Asiapack Elanders has close to 1,000 employees in China. Asiapack will become part of the business area

Supply Chain Solutions and is expected to contribute positively to earnings per share as of 1 January 2018, as well as improve the business area's operating margin somewhat. The purchase price for the shares is around MSEK 50 on a debt-free basis and the acquisition will be financed through cash and loans.

No other important events have occurred after the balance sheet day up to the day this report was signed.

PARENT COMPANY

The parent company has provided intragroup services during the period. The average number of employees during the period was 11 (9) and at the end of the period 11 (9).

OTHER INFORMATION

Elanders' offer

Elanders offers global integrated solutions in supply chain management, print & packaging and e-commerce. 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 its own brands fotokasten and myphotobook.

Goal and strategy

Elanders' overall goal is to be a leader in global solutions in supply chain management, print & packaging and e-commerce 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 2016. 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 2016.

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.

Transaction with related parties

The following 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.

Forecast
No forecast is given for 2017.

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.

The primary alternative performance measures that are presented in this report are EBITDA, EBITA, return on capital employed, net debt and operating cash flow. Definitions of these performance measures are found on page 19 along with a reconciliation with financial information in accordance with IFRS on pages 17-18 in this report.

International Accounting Standards Boards (IASB) has issued new and revised standards, such as IFRS 9, IFRS 15, and IFRS 16. IFRS 9 “Financial Instruments” has a mandatory effective date 1 January 2018 and is not expected to have any significant effect on the Group financial reports.

IFRS 15 ”Revenue from Contracts with Customers” has a mandatory effective date 1 January 2018. Our previous assessments showed that the standard will not entail any material difference on the Group's result but that net sales and cost of products and services sold may be affected. After further analysis, management's current assessment is that the standard will not entail any material impact on net sales and cost of products and services sold. Furthermore, management's analysis of the impact of the standard on the financial reports shows that there are costs related to fulfilling contracts that in the future may be capitalized, instead of, as current principles, being expensed. However, the assessment is that the effect of costs for fulfilling contracts only will be material in exceptional cases, on very large projects, and that no effects of the transition exist. Otherwise, management's assessment is that the standard will primarily affect the disclosures presented in the financial statements. The transition to IFRS 15 will be based on the Modified Retrospective Approach, where any adjustments are reported from January 1, 2018 and beyond.

IFRS 16 “Leases” has a mandatory effective date 1 January 2019. The new standard will affect primarily the accounting for 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 current assessment by the company’s management is that the new standard will have a significant effect on the Group’s total assets and liabilities, but the extent of the impact is still uncertain.

Nomination committee for the Annual General Meeting 2018
The nomination committee for the Annual General Meeting on 27 April 2018 is as follows:

Carl Bennet, Chair	Carl Bennet AB
Hans Hedström	Carnegie Funds
Claes Murander	Lannebo Funds
Carl Gustafsson	Didner & Gerge Funds

In addition, there will also be a representative from the smaller shareholders, who will in turn be appointed by the Swedish Shareholders’ Association. The name of the person appointed has not yet been communicated to Elanders.

Shareholders who would like to submit proposals to Elanders’ 2018 Nomination Committee, can contact the Nomination Committee by e-mail at valberedning@elanders.com or by mail: Elanders AB, Att: Nomination Committee, Box 137, SE-435 23 Mölnlycke, Sweden.

Annual General Meeting 2018
Elanders AB's Annual General Meeting will be held on April 27, 2018, Gothia Towers, Mässans gata 24, Gothenburg, Sweden. Shareholders wishing to have a matter addressed at the Annual General Meeting on April 27, 2018 can submit their proposal to Elanders' Board Chairman by e-mail: arsstamma@elanders.com, or by mail: Elanders AB, Box 137, SE-435 23 Mölnlycke, 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 27, 2018.

Financial calendar
Q4 2017	25 January 2018
Annual Report 2017	23 March 2018
Q1 2018	27 April 2018
Annual General Meeting 2018	27 April 2018
Q2 2018	13 July 2018
Q3 2018	19 October 2018

Conference call
In connection to the issuing of the Quarterly report for the third quarter 2017 Elanders will hold a Press and Analysts conference call on 19 October 2017 at 15.00 CET, hosted by President and CEO Magnus Nilsson and CFO Andréas Wikner. Please see below details in order to join the conference:

Sweden:	+46 (0)8 5065 3942
Germany:	+49 (0)69 2222 2018
UK:	+44 (0)330 336 9411
USA:	+1 719-457-1036

Participant code: 1021416

Agenda
14.50	Conference number is opened
15.00	Review of the quarterly report
15.20	Q&A
16.00	End of the conference

During the telephone conference a presentation will be held. To access the presentation, please use this link:

https://www.elanders.com/presentations

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

Questions concerning this report can be put to:

Magnus Nilsson
President and CEO
Phone +46 31 750 07 50

Andréas Wikner
Chief Financial Officer
Phone +46 31 750 07 50

Elanders AB (publ)
(Company ID 556008-1621)
P.O. Box 137,
435 23 Mölnlycke, Sweden
Phone +46 31 750 00 00

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.

AUDITOR'S REPORT

Elanders AB (publ) corp. reg. no. 556008-1621

Introduction
We have reviewed the condensed interim financial information (interim report) of Elanders AB as of 30 September 2017 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg, 19 October 2017

PricewaterhouseCoopers

Magnus Willfors
Authorized Public Accountant

GROUP

Group - Income Statements

MSEK	January-September 2017	2016	Third quarter 2017	2016	Last 12 months	Full year 2016
Net sales	6,758	3,956	2,355	1,878	9,086	6,285
Cost of products and services sold	-5,768	-3,198	-2,061	-1,559	-7,659	-5,091
Gross profit	**991**	**758**	**294**	**320**	**1,427**	**1,194**
Sales and administrative expenses	-802	-590	-258	-249	-1,094	-882
Other operating income	63	59	19	33	104	100
Other operating expenses	-30	-6	-15	-3	-92	-68
Operating result	**222**	**221**	**40**	**100**	**345**	**344**
Net financial items	-59	-24	-20	-14	-79	-44
Result after financial items	**163**	**197**	**20**	**86**	**266**	**300**
Income tax	-43	-60	-6	-28	-66	-83
Result for the period	**120**	**138**	**14**	**58**	**200**	**217**
Result for the period attributable to:						
- parent company shareholders	120	138	14	58	200	217
Earnings per share, SEK [1] [2] [3]	*3.41*	*4.89*	*0.39*	*2.04*	*5.73*	*7.35*
Average number of shares, in thousands [3]	*35,358*	*28,224*	*35,358*	*28,224*	*34,905*	*29,555*
Outstanding shares at the end of the year, in thousands [3]	*35,358*	*28,224*	*35,358*	*28,224*	*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.
[3] Historic number of shares have been adjusted for the bonus issue element in the new share issue in 2016.

Group - Statements of Comprehensive Income

MSEK	January-September 2017	2016	Third quarter 2017	2016	Last 12 months	Full year 2016
Result for the period	**120**	**138**	**14**	**58**	**200**	**217**
Items that not will be reclassified to the income statement						
Actuarial gains/losses on defined benefit pensions plans, net after tax	-1	-	-0	-	4	5
Items that will be reclassified to the income statement						
Translation differences, net after tax	-117	42	-46	41	-69	90
Cash flow hedges, net after tax	0	-0	0	-0	-1	-1
Hedging of net investment abroad, net after tax	42	-2	15	-4	19	-25
Other comprehensive income, net after tax	**-75**	**39**	**-31**	**37**	**-46**	**69**
Total comprehensive income for the period	**45**	**177**	**-17**	**95**	**154**	**286**
Total comprehensive income attributable to:						
- parent company shareholders	45	177	-17	95	154	286

Group - Statements of Cash Flow

MSEK	January-September 2017	2016	Third quarter 2017	2016	Last 12 months	Full year 2016
Result after financial items	**163**	**197**	**20**	**86**	**266**	**300**
Adjustments for items not included in cash flow	169	67	97	34	250	148
Paid tax	-119	-70	-21	-30	-153	-104
Changes in working capital	-353	42	-88	88	-408	-13
Cash flow from operating activities	**-140**	**236**	**8**	**178**	**-45**	**331**
Net investments in intangible and tangible assets	-136	-28	-32	-21	-221	-113
Acquisition of operations	-22	-1,800	-22	-1,766	-19	-1,796
Payments received regarding long-term holdings	1	1	0	0	2	2
Cash flow from investing activities	**-158**	**-1,827**	**-54**	**-1,787**	**-238**	**-1,907**
Amortization of loans	-79	-53	-26	-0	-718	-692
New loans	262	1,911	-	1,911	262	1,911
Other changes in long- and short-term borrowing	148	-130	42	-176	88	-190
New share issue	-	-	-	-	695	695
Dividend to parent company shareholders	-92	-58	-	-	-92	-58
Cash flow from financing activities	**239**	**1,669**	**16**	**1,735**	**236**	**1,666**
Cash flow for the period	**-58**	**78**	**-30**	**126**	**-46**	**90**
Liquid funds at the beginning of the period	651	529	601	489	628	529
Translation difference	-31	21	-10	13	-20	32
Liquid funds at the end of the period	**561**	**628**	**561**	**628**	**561**	**651**
Net debt at the beginning of the period	**2,224**	**738**	**2,580**	**785**	**2,921**	**738**
Translation difference in net debt	-23	43	-33	35	-25	40
Net debt in acquired operations	1	462	1	466	1	462
Change in net debt	395	1,678	49	1,636	-300	983
Net debt at the end of the period	**2,597**	**2,921**	**2,597**	**2,921**	**2,597**	**2,224**
Operating cash flow	**-119**	**-1,497**	**-6**	**-1,565**	**-50**	**-1,428**

Group – Statements of Financial Position

MSEK	30 Sep 2017	30 Sep 2016	31 Dec 2016
Assets			
Intangible assets	3,029	3,104	3,081
Tangible assets	800	768	806
Other fixed assets	233	258	241
Total fixed assets	**4,061**	**4,130**	**4,128**
Inventories	365	292	295
Accounts receivable	1,784	1,361	1,396
Other current assets	313	302	312
Cash and cash equivalents	561	628	651
Total current assets	**3,024**	**2,583**	**2,654**
Total assets	**7,085**	**6,713**	**6,782**
Equity and liabilities			
Equity	**2,365**	**1,607**	**2,411**
Liabilities			
Non-interest-bearing long-term liabilities	200	257	233
Interest-bearing long-term liabilities	2,477	2,666	2,646
Total long-term liabilities	**2,677**	**2,922**	**2,879**
Non-interest-bearing short-term liabilities	1,362	1,301	1,263
Interest-bearing short-term liabilities	681	883	228
Total short-term liabilities	**2,043**	**2,184**	**1,492**
Total equity and liabilities	**7,085**	**6,713**	**6,782**

Group – Statements of Changes in Equity

MSEK	Equity attributable to parent company shareholders	Total equity
Opening balance on 1 Jan. 2016	**1,488**	**1,488**
New share issue	695	695
Dividend to parent company shareholders	-58	-58
Total comprehensive income for the period	286	286
Closing balance on 31 Dec. 2016	**2,411**	**2,411**
Opening balance on 1 Jan. 2016	**1,488**	**1,488**
Dividend to parent company shareholders	-58	-58
Total comprehensive income for the period	177	177
Closing balance on 30 Sep. 2016	**1,607**	**1,607**
Opening balance on 1 Jan. 2017	**2,411**	**2,411**
Dividend to parent company shareholders	-92	-92
Total comprehensive income for the period	45	45
Closing balance on 30 Sep. 2017	**2,365**	**2,365**

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.

Net sales

MSEK	January-September 2017	2016	Third quarter 2017	2016	Last 12 months	Full year 2016
Supply Chain Solutions	5,108	2,339	1,818	1,358	6,766	3,998
Print & Packaging Solutions	1,592	1,547	520	500	2,191	2,146
e-Commerce Solutions	108	120	36	36	215	227
Group functions	29	21	10	6	34	27
Eliminations	-79	-72	-29	-22	-120	-113
Group net sales	**6,758**	**3,956**	**2,355**	**1,878**	**9,086**	**6,285**

Operating result

MSEK	January-September 2017	2016	Third quarter 2017	2016	Last 12 months	Full year 2016
Supply Chain Solutions	211	163	59	81	306	258
Print & Packaging Solutions	59	81	1	26	105	127
e-Commerce Solutions	-23	-5	-11	-4	1	19
Group functions	-25	-18	-9	-3	-67	-60
Group operating result	**222**	**221**	**40**	**100**	**345**	**344**

During 2016 the operating result in Group functions has been charged with one-off items attributable to acquisitions, book VAT recognized as revenue and provision for settlement costs for a dispute in the US amounting to net MSEK 39.

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

Financial assets and liabilities measured at fair value

The financial instruments recognized at fair value in the Group's report on financial position are derivatives identified as hedging instruments. The derivatives consist of forward contracts and are used for hedging purposes. Valuation at fair value of forward contracts is based on published forward rates on an active market. All derivates are therefore included in level 2 in the fair value hierarchy. Since all the financial instruments recognized at fair value are included in level 2 there have been no transfers between valuation levels.

Derivative instruments in hedge accounting relationships recognized at fair value is presented under other current assets and non-interest bearing short-term liabilities. These items gross are below MSEK 1 both per 30 September 2017 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.

Acquisition of operations in 2017

In July 2017 Elanders signed an agreement to acquire Spreckley Limited, a niched packaging company in the UK. The business is consolidated into the Elanders Group as of August 2017. For the 12 months period that ended on March 31, 2017, Spreckley reported net sales of approximately MGBP 2.3. The company employs around 20 people and is consolidated in the business area Print & Packaging Solutions. The purchase price was MGBP 2.3, where 85% is paid at the time for the acquisition and 15% 18 months after the acquisition, if certain conditions are met. Goodwill related to the acquisition amounted to MGBP 1.7 and other identified amortizable intangible assets amounted to MGBP 1. The acquisition's effect on the group's liquid funds was MSEK -22.

PARENT COMPANY

Parent Company – Income Statements

MSEK	January-September 2017	2016	Third quarter 2017	2016	Last 12 months	Full year 2016
Net sales	28	23	11	8	33	28
Operating expenses	-54	-50	-21	-26	-72	-68
Operating result	**-26**	**-27**	**-10**	**-18**	**-39**	**-40**
Net financial items	153	44	36	4	244	135
Result after financial items	**127**	**18**	**26**	**-14**	**205**	**95**
Income tax	-17	1	-6	0	-11	7
Result for the period	**111**	**19**	**20**	**-13**	**194**	**101**

Parent Company - Statements of Comprehensive Income

MSEK	January-September 2017	2016	Third quarter 2017	2016	Last 12 months	Full year 2016
Result for the period	**111**	**19**	**20**	**-13**	**194**	**101**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	**111**	**19**	**20**	**-13**	**194**	**101**

Parent Company - Balance Sheets

MSEK	30 Sep 2017	30 Sep 2016	31 Dec 2016
Assets			
Fixed assets	4,302	4,045	4,046
Current assets	262	180	421
Total assets	**4,564**	**4,225**	**4,467**
Equity, provisions and liabilities			
Equity	1,659	862	1,640
Provisions	3	3	3
Long-term liabilities	2,155	2,370	2,362
Short-term liabilities	747	991	462
Assets	**4,564**	**4,225**	**4,467**

Parent Company - Statements of Changes in Equity

MSEK	Share capital	Statutory reserve	Unrestricted equity	Total equity
Opening balance on 1 Jan. 2016	**265**	**332**	**304**	**902**
New share issue	88	-	606	695
Dividend	-	-	-58	-58
Total comprehensive income for the period	-	-	101	101
Closing balance on 31 Dec. 2016	**354**	**332**	**953**	**1,640**
Opening balance on 1 Jan. 2016	**265**	**332**	**304**	**902**
Dividend	-	-	-58	-58
Total comprehensive income for the period	-	-	19	19
Closing balance on 30 Sep. 2016	**265**	**332**	**265**	**862**
Opening balance on 1 Jan. 2017	**354**	**332**	**953**	**1,640**
Dividend	-	-	-92	-92
Total comprehensive income for the period	-	-	111	111
Closing balance on 30 Sep. 2017	**354**	**332**	**972**	**1,659**

QUARTERLY DATA

MSEK	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3
Net sales	2,355	2,264	2,139	2,330	1,878	1,079	998	1,124	1,041
EBITDA	104	155	152	187	152	92	85	154	95
EBITA	55	108	105	139	112	72	62	116	69
EBITA-margin, %	2.3	4.8	4.9	6.0	6.0	6.7	6.2	10.3	6.6
Operating result	40	93	90	123	100	66	56	111	64
Operating margin, %	1.7	4.1	4.2	5.3	5.3	6.1	5.6	9.9	6.2
Result after financial items	20	73	69	103	86	61	51	105	55
Result after tax	14	54	53	79	58	45	36	73	36
Earnings per share, SEK [1] [2]	0.39	1.52	1.49	2.37	2.04	1.59	1.26	2.60	1.27
Operating cash flow	-6	47	-161	69	-1,565	64	3	237	-24
Cash flow per share, SEK [2] [3]	0.23	1.12	-5.31	2.83	6.30	1.16	0.89	8.32	-1.87
Depreciation and write-downs	64	63	63	65	52	26	29	43	31
Net investments	54	73	31	79	1,787	-3	43	14	7
Goodwill	2,261	2,269	2,264	2,272	2,274	1,228	1,211	1,200	1,217
Total assets	7,085	7,058	7,064	6,782	6,713	3,510	3,524	3,560	3,547
Equity	2,365	2,382	2,454	2,411	1,607	1,512	1,505	1,488	1,445
Equity per share, SEK [2]	66.88	67.38	69.39	71.87	56.93	53.58	53.33	52.72	51.19
Net debt	2,597	2,580	2,437	2,224	2,921	785	750	738	951
Capital employed	4,961	4,962	4,890	4,635	4,528	2,297	2,255	2,226	2,396
Return on total assets, % [4]	2.3	5.3	5.2	7.3	7.8	7.5	6.4	12.6	7.3
Return on equity, % [4]	2.3	8.9	8.7	15.8	14.8	11.8	9.5	20.0	10.0
Return on capital employed, % [4]	3.2	7.5	7.5	10.7	11.7	11.6	10.0	19.2	10.9
Debt/equity ratio	1.1	1.1	1.0	0.9	1.8	0.5	0.5	0.5	0.7
Equity ratio, %	33.4	33.8	34.7	35.6	23.9	43.1	42.7	42.0	40.7
Interest coverage ratio [5]	4.5	5.5	6.4	7.8	11.0	16.1	14.3	12.7	10.0
Number of employees at the end of the period	6,708	6,589	6,501	6,444	6,472	3,101	3,173	3,177	3,182

[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 – JANUARY - SEPTEMBER

	2017	2016	2015	2014	2013
Net sales, MSEK	6,758	3,956	3,113	2,631	1,498
Result after tax, MSEK	120	138	101	43	35
Earnings per share, SEK [1] [2]	3.41	4.89	3.58	1.62	1.42
Cash flow from operating activities per share, SEK [2]	-3.95	8.35	1.18	0.10	1.17
Equity per share, SEK [2]	66.88	56.93	51.19	44.09	39.17
Return on equity, % [3]	6.7	12.0	9.7	5.0	4.9
Return on capital employed, % [3]	6.1	10.4	10.4	6.9	5.9
Operating margin, %	3.3	5.6	5.8	4.0	5.1
Average number of shares, in thousands [2]	35,358	28,224	28,224	26,359	24,900

FIVE YEAR OVERVIEW – THIRD QUARTER

	2017	2016	2015	2014	2013
Net sales, MSEK	2,355	1,878	1,041	870	493
Result after tax, MSEK	14	58	36	11	26
Earnings per share, SEK [1] [2]	0.39	2.04	1.27	0.40	1.04
Cash flow from operating activities per share, SEK [2]	0.23	6.30	-1.87	-0.98	0.62
Equity per share, SEK [2]	66.88	56.93	51.19	44.09	39.17
Return on equity, % [3]	2.3	14.8	10.0	3.3	5.3
Return on capital employed, % [3]	3.2	11.7	10.9	4.9	5.9
Operating margin, %	1.7	5.3	6.2	3.1	5.3
Average number of shares, in thousands [2]	35,358	28,224	28,224	28,224	24,900

FIVE YEAR OVERVIEW – FULL YEAR

	2016	2015	2014	2013	2012
Net sales, MSEK	6,285	4,236	3,730	2,096	1,924
EBITDA, MSEK	516	428	292	229	209
Operating result, MSEK	344	292	175	131	119
Result after financial items, MSEK	300	259	140	102	93
Result after tax, MSEK	217	175	88	70	45
Earnings per share, SEK [1] [2]	7.35	6.18	3.27	2.81	1.87
Cash flow from operating activities per share, SEK [2]	11.19	9.52	6.03	5.15	9.06
Equity per share, SEK [2]	81.58	52.72	47.75	41.71	38.31
Dividends per share, SEK [2]	2.60	2.07	1.03	0.73	0.54
Operating margin, %	5.5	6.9	4.7	6.2	6.2
Return on total assets, %	6.7	8.2	5.9	5.6	5.6
Return on equity, %	12.4	12.1	7.4	7.0	4.8
Return on capital employed, %	10.0	12.6	8.7	7.7	7.4
Net debt/EBITDA ratio	4.3	1.7	3.1	3.2	3.3
Debt/equity ratio	0.9	0.5	0.7	0.7	0.7
Equity ratio, %	35.6	42.0	37.8	42.2	42.2
Average number of shares, in thousands [2]	29,555	28,224	26,825	24,900	23,712

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. No adjustment of the historic number of shares has been made for the new share issue in 2012 since it did not entail any bonus issue element.
3) Return ratios have been annualized.

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – QUARTERLY DATA

MSEK	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3
Operating result	40	93	90	123	100	66	56	111	64
Depreciation, amortization and write-downs	64	63	63	65	52	26	29	43	31
EBITDA	**104**	**155**	**152**	**187**	**152**	**92**	**85**	**154**	**95**
Operating result	40	93	90	123	100	66	56	111	64
Amortization of assets identified in conjunction with acquisitions	15	16	15	16	12	6	6	5	5
EBITA	**55**	**108**	**105**	**139**	**112**	**72**	**62**	**116**	**69**
Cash flow from operating activities	8	40	-188	95	178	33	25	235	-53
Net financial items	20	20	22	20	14	5	6	6	9
Paid tax	21	61	37	34	30	24	16	9	27
Net investments	-54	-73	-31	-79	-1,787	3	-43	-14	-7
Operating cash flow	**-6**	**47**	**-161**	**69**	**-1,565**	**64**	**3**	**237**	**-24**
Average total assets	7,072	7,061	6,923	6,748	5,112	3,517	3,542	3,543	3,526
Average cash and cash equivalents	-581	-657	-682	-639	-558	-505	-526	-451	-389
Average non-interest-bearing liabilities	-1,529	-1,478	-1,478	-1,527	-1,141	-736	-776	-782	-794
Average capital employed	**4,962**	**4,926**	**4,763**	**4,581**	**3,412**	**2,276**	**2,240**	**2,311**	**2,344**
Annualized operating result	159	371	359	490	398	263	224	444	256
Return on capital employed, %	**3.2**	**7.5**	**7.5**	**10.7**	**11.7**	**11.6**	**10.0**	**19.2**	**10.9**
Interest-bearing long-term liabilities	2,477	2,563	2,595	2,647	2,666	20	20	20	23
Interest-bearing short-term liabilities	681	618	555	228	883	1,254	1,252	1,247	1,301
Cash and cash equivalents	-561	-601	-713	-651	-628	-489	-522	-529	-372
Net debt	**2,597**	**2,580**	**2,437**	**2,224**	**2,921**	**785**	**750**	**738**	**951**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – JANUARY - SEPTEMBER

MSEK	2017	2016	2015	2014	2013
Average total assets	6,997	4,327	3,558	2,900	2,310
Average cash and cash equivalents	-632	-542	-414	-276	-142
Average non-interest-bearing liabilities	-1,504	-959	-825	-605	-447
Average capital employed	**4,862**	**2,826**	**2,319**	**2,019**	**1,721**
Annualized operating result	296	295	241	139	103
Return on capital employed, %	**6.1**	**10.4**	**10.4**	**6.9**	**5.9**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – THIRD QUARTER

MSEK	2017	2016	2015	2014	2013
Average total assets	7,072	5,112	3,526	3,307	2,313
Average cash and cash equivalents	-581	-558	-389	-354	-108
Average non-interest-bearing liabilities	-1,529	-1,141	-794	-746	-440
Average capital employed	**4,962**	**3,412**	**2,344**	**2,206**	**1,764**
Annualized operating result	159	398	256	108	104
Return on capital employed, %	**3.2**	**11.7**	**10.9**	**4.9**	**5.9**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FULL YEAR

MSEK	2016	2015	2014	2013	2012
Operating result	344	292	175	131	119
Depreciation, amortization and write-downs	172	136	117	98	90
EBITDA	**516**	**428**	**292**	**229**	**209**
Average total assets	5,132	3,559	3,017	2,363	2,133
Average cash and cash equivalents	-573	-418	-336	-192	-125
Average non-interest-bearing liabilities	-1,131	-816	-671	-461	-410
Average capital employed	**3,428**	**2,325**	**2,010**	**1,710**	**1,598**
Annualized operating result	344	292	175	131	119
Return on capital employed, %	**10.0**	**12.6**	**8.7**	**7.7**	**7.4**

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 year 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.