

Press release

10 October 2017

Elanders makes additional acquisition in Asia, but expects lower result for the third quarter

Elanders has today signed a contract for the acquisition of 80% of the shares in the Hong Kong-based company Asiapack Limited. The acquisition is a complement to Elanders' existing operations in Asia, Mentor Media, and will provide new customer segments as well as broaden the product and service portfolio.

The acquisition of Asiapack Limited ("Asiapack") is part of our strategy to build a stable platform for continued strong organic growth in Supply Chain Solutions. Asiapack is based 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 fulfilment.

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 its presence. With the acquisition of Asiapack Elanders will have 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 starting from 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. Elanders has an option to acquire the remaining shares in 2020.

Elanders hereby also informs that the operating result for the third quarter 2017 will be lower than the third quarter in 2016. A number of factors have affected the result:

- Start-up costs for some of the new major projects have been more extensive than estimated. This will most likely have a negative effect on the operating result and operating margin for the fourth quarter as well.
- Result developments in the Swedish operations in Print & Packaging Solutions have been negative and as previously announced 50 employees were given notice in September.

The preliminary operating result for the third quarter 2017 is anticipated to be at MSEK 40 compared to MSEK 100 for the corresponding period in 2016. The operating result is expected to include one-off items of MSEK 28 (3) mainly attributable to the redundancies in Sweden and the change of the President of the business area e-Commerce Solutions.

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.

For more information, please visit www.elanders.com



The entire report for the period January to September 2017 will be published as planned on 19 October at 1:00 p.m., followed by a telephone conference the same day at 3 p.m.

Elanders AB (publ)

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This information is information that Elanders AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 09:30 CET on 10 October 2017.

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