NILÖRNGRUPPEN 2018







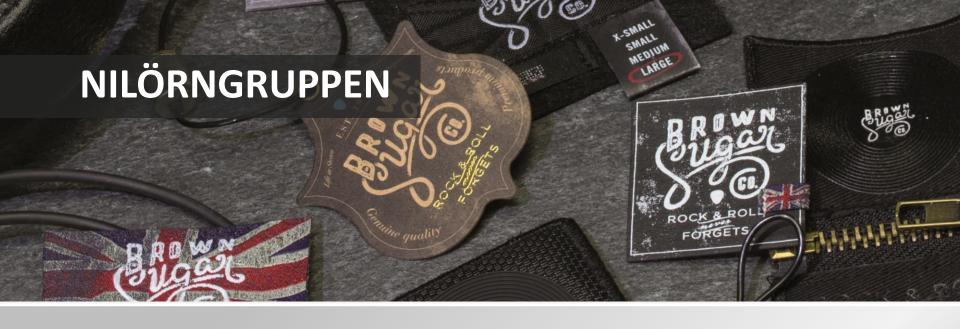


ADDING VALUE TO YOUR BRAND

BRANDING · DESIGN · PRODUCT DEVELOPMENT · LOGISTICS



- Labels, packaging and accessories
- Adding value within Branding & Design
- Global and cost efficient solutions
- Branding including:
 - Design
 - Production
 - Logistic
 - Services



Vision:

"To be the best label and branding company worldwide"

Slogan:

"Adding value to your brand"

HISTORICAL OVERVIEW

Long term experience from the business

1970

· Design studio in Borås

1980

Design and production of labels

1990

- International expansion through acquisitions
- 1998 listed at Stockholm stock exchange

2000

- Continuing international expansion
- Closing production
- Establish in Turkey
- Increased focus on design, partners and logistic solutions

2010

- Focus on the clients
- Central European warehouse in Germany
- Establishment in Bangladesh, Shanghai, Hong Kong and Pakistan
- Good growth and increased profitability
- Relisted on Stockholm Stock exchange





Labels are the core business, accounting for the bulk of sales

- Woven labels
- Textile labels
- Hang tags
- Embossed labels
- Barcode labels
- Labels with care instructions
- RFID



To strengthen the brand and convey a feeling it is important that the product is delivered in a attractive package

- Cartons, paper bags or plastic containers
- Buttons, zippers, rivets, buckles, eyelets, molded plastic badges, etc.
- An emerging area: RFID

CUSTOMERS

Great diversity among customers



















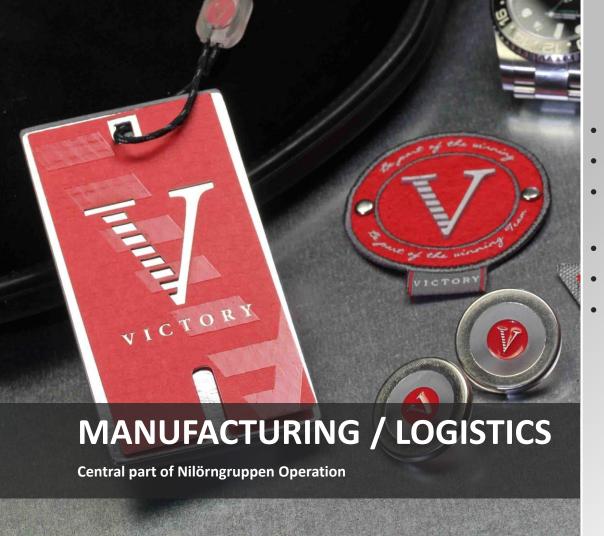








- Sales are mainly to European fashion and textile companies
- Most of them are brand-owners
- · Customers produce garment with external suppliers, thereof mainly based in Asia
- Nilorn has more than 1,000 customers
- Nilorn has a broad customer base within Europes leading fashion and branding companies



- Total solutions
- Local supply
- 85 percent from external production partners
- Wide network of producers
- An efficient logistics system
- A KEY competitive advantage for Nilorn

ENVIRONMENT

An important part and a competitive advantage

Environmental responsibity and sustainability is a natural part of the business











- Nilorn environmental policy:
 - Good and safe working environment
 - Be cautious with environmentally harmful products
 - Reuse and recycle materials
 - Offer energy efficient and environmentally friendly products
 - Using power in a responsible way and with utmost restraint
 - Keeping staff informed of environmental issues
 - Study the new environmental standards
 - Choosing suppliers that have a clear environmental policy
 - Continuously monitor and adapt the environment Description
 - Nilörngruppen's environmental policy has a wide perspective



- Has become increasingly global
- Strategic decisions are taken at headquarters
- Production often in low cost regions
- Customers are mainly European branding and fashion companies
- High degree of competition and a large number of suppliers
- Larger groups and many small private companies
- Fragmented



COMPETITORS:

- Avery Dennison (US)
- A-TEX (DK)
- Checkpoint Systems (US)
- Cadica Group (IT)
- Byways Group (UK)
- LabelOn (UK)
- Rudholm & Haak (SWE)



- Efficient logistics and scalable low-cost production
- Local presence to ensure just-in-time deliveries
- A user-friendly system that gives good control
- Design
- Client oriented and flexible organization
- Being global acting local
- Goal to be best in class in Sustainability
- One stop shop

Nilörn provides services that strengthen brands and products

- Focusing on organic growth
 - Offer a broad concept
 - More products to existing customers
 - Attract new customers who want efficient service
- Open to acquisitions
- Further developing the supplier network
- Expansion of sales force
- Establishing a local presence in new markets
- Potential markets: Netherlands, France, Italy and Spain

Nilörngruppen is well positioned for continued profitable growth

















STUDIOS



Q1-2018

- Order Income: +7% to MSEK 215 (201) (adjusted for currency effects and consolidated +1 % to MSEK 202)
- Revenue: +8% to MSEK 171(159) (adjusted for currency effects and consolidated -2% to MSEK 156)
- Operating profit: MSEK 13,4 (17,5)
- The net results: MSEK 9,3 (13,2)
- The result per share: SEK 0,82 (1,16)
- Cash flow from the operating activities: MSEK -5,4 (-1,8)

INCOME Q1-2018

	3 months			
	January - March			
Amounts in SEK thousand	2018		2017	
Net revenue	156 137		159 279	
Raw materials, supplies and goods for resale	-84 841		-85 713	
Gross profit	71 296	45.7%	73 566	46.2%
Other operating revenue	1 659		1 746	
Other external costs	-22 517	14.4%	-23 333	14.6%
Personnel costs	-34 142	21.9%	-32 096	20.2%
Depreciation, amortisation and impairment charges	-1 742		-1 206	
Other operating costs	-1 198		-1 130	
Operating profit	13 356	8.6%	17 547	11.0%
Net finance items	-995		-180	
Profit before taxes	12 361		17 367	
Taxes	-3 037	-1.9%	-4 139	-2.6%
Net profit for the period	9 324	6.0%	13 228	8.3%
Earnings per share, SEK	0.82		1.16	

CASH FLOW Q1-2018

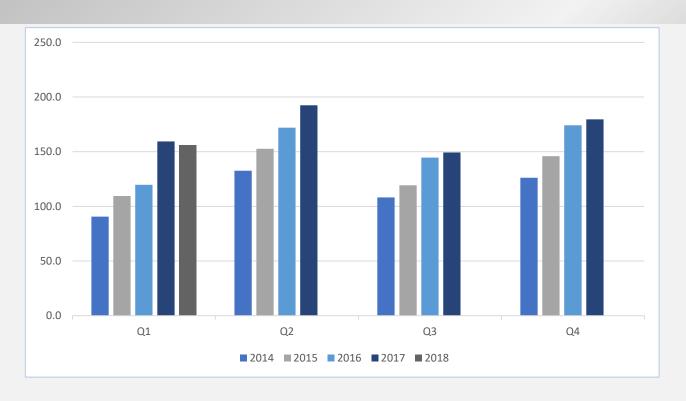
Consolidated Cash Flow Statement	January - March	
Amounts in SEK thousand	2 018	2 017
Cash flow from operating activities before changes in working capital	11 046	18 567
Cash from changes in working capital	-16 431	-20 380
Cash flow from operating activities	<i>-</i> 5 385	-1 813
Cash flow from investment activities	-1 554	-8 515
Cash flow from financing activities	16 446	18 406
Cash flow for the year	9 507	8 078



- Negativ currency impact on revenue MSEK15
- Negative calendar effects due to Easter holiday and Chinese NY
 - RFID (Radio Frequency Identification)

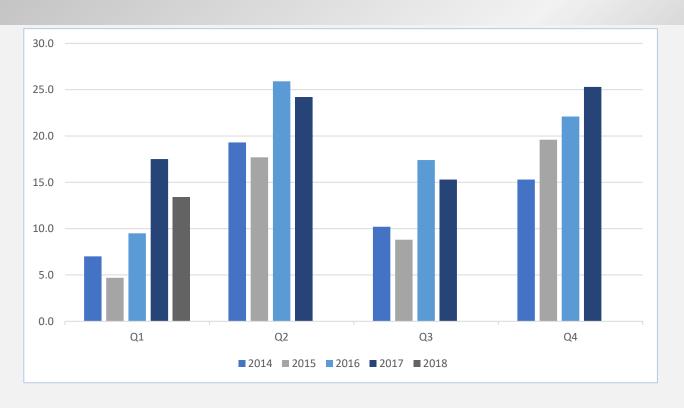
QUARTERLY COMPARISON- sales

Q2 and Q4 are historically the strongest revenue quarters

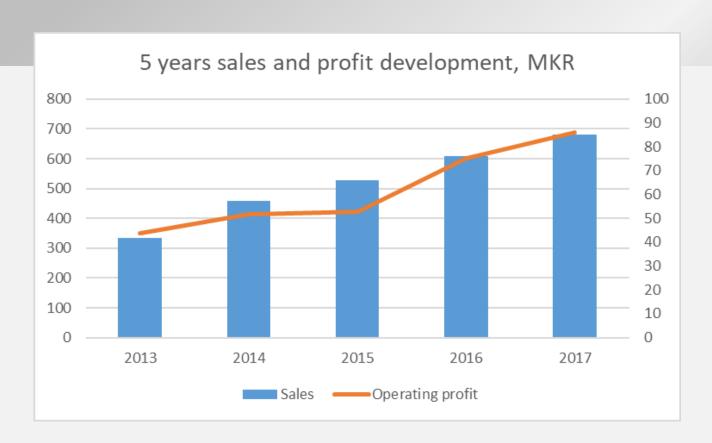


QUARTERLY COMPARISON- Operating Profit

Q2 and Q4 are historically the strongest revenue quarters



HISTORICAL DEVELOPMENT



BALANCE SHEET

Consolidated Balance Sheet				
Amounts in SEK thousand	2018-03	2017-03	2017-12	2016-12
Assets				
Intangible non-current assets	15 420	5 815	14 673	2 886
Other non-current assets	47 148	50 439	48 193	46 642
Inventories	111 672	92 989	110 017	88 891
Trade receiveables	91 049	89 949	76 238	73 370
Other current assets	21 838	30 051	18 658	24 282
Cash and cash equivalents	54 818	42 828	44 837	35 210
Total assets	341 945	312 071	312 616	271 281
Equity and liabilities				
Equity	166 569	149 471	153 913	137 791
Long-term interest-bearing liabilities	-	-	-	-
Long-term non-interest-bearing liabilities	1 312	2 150	1 242	5 035
Current interest-bearing liabilities	52 123	43 906	35 677	25 500
Current non-interest-bearing liabilities	121 941	116 544	121 784	102 955
Total equity and liabilities	341 945	312 071	312 616	271 281

KEY FINANCIAL INDICATORS

	1 January – 31 March			1 January – 31 December			
KEY FINANCIAL INDICATORS	2017	2016	2017	2016	2015	2014	2013
Revenue growth, %	-2.0	33.0	11.5	15.8	15.2	19.5	15.9
Operating margin, %	8.6	11.0	12.1	12.3	9.6	11.3	11.4
Profit margin, %	7.9	10.9	12.1	12.1	9.5	11.2	11.5
Average equity	160.2	143.6	145.9	125.6	113.8	104.6	90.7
Return on equity, %	5.8	9.2	44.6	44.8	34.3	39.9	38.2
Equity ratio, %	48.7	47.9	49.2	50.8	48.8	53.3	55.5
Interest-bearing net cash (liabilities –), MSEK	2.7	-1.1	9.2	9.7	5	32.1	36.6
Earnings per share, SEK	0.82	1.16	5.7	4.93	3.42	3.66	3.04
Equity per share, SEK	14.61	13.11	13.5	12.08	9.94	10.0225	8.325
Dividend per share, SEK	-	-	4.00	3.60	3.00	3.50	3.00
Average number of shares outstanding	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988
Number of shares outstanding at end of period	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988
Average number of employees	470	358	446.0	358	335	301	268

^{*}Dividend proposed by the Board of Directors for the 2017 financial year.

CEO'S SUMMARY

- Operations continue to develop favourable
- Good underlying increase
- Effect of Easter, Chinese NY and currency
- Slightly more challenging market
- E-commerce clients increase
- Strong trend in Sustainability
- Increasing interest for RFID
- Well positioned for the future



Nilorn strives for sustainable and profitable growth.

- Revenue growth in excess of 7 percent
- Operating margin of at least 10 percent
- Net debt should not exceed 2 * EBITDA

Result 2017-12

- Revenue growth of 13 percent
- Operating margin 12 percent

Result 2016-12

- Revenue growth of 16 percent
- Operating margin 12 percent

Result 2015-12

- Revenue growth of 15 percent
- Operating margin 10 percent

Nilörngruppen's goal is that 60-90 percent of profit after tax to be distributed



- The goal is that all our customers are satisfied with our creativity, products and services.
- If you invest in Nilörngruppen we promise to take care of your investment through long-term thinking, growth, stability and hard work!