NILÖRNGRUPPEN 2016





ADDING VALUE TO YOUR BRAND

ANDING · DESIGN · PRODUCT DEVELOPMENT · LOGISTICS

NILÖRNGRUPPEN

Branding within the fashion and clothing industry

- Nilörngruppen provides labels, packaging and accessories
- Added value by Branding & Design
- Global and cost efficient solutions
- Adding value to your brand
- Complete service within branding including design, manufacturing, logistics and service

EDIUM

FORGET

• Vision: To be the best label and branding company worldwide.

PRODUCT DESCRIPTION

Labels

72

MANNERS

MAN

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



Packaging and accessories

To strengthen the brand and convey a feeling, it is important that the product is delivered in a suitable packaging

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- Cartons, paper bags or plastic containers
- Buttons, zippers, rivets, buckles, eyelets, molded plastic badges, etc.
- An emerging area: security features which show authenticity

CUSTOMERS

Great diversity among customers



- Nilörngruppen's sales are mainly to fashion and textile companies which are brand-owners
- Nilörngruppen's customers have their production with external suppliers, particularly in Asia
- Nilorn had more than a thousand customers in 2016
- Nilorn has a broad customer base with several of the leading fashion and branding companies



Central part of Nilörngruppen Operation

- Total solutions for branding
- Approx. 90 percent of Nilörngruppen's supply comes from the production partners.
- Delivery through an efficient logistics system
- A well-functioning logistics system and the network of producers are key competitive advantages for Nilörngruppen

Nilörngruppen continues to provide services that strengthen our customers' brands and products

- The Nilörngruppen is focusing on organic growth
- Offer a broad concept and sell more products to existing large customers in existing markets
- Expansion of the sales force
- Establishing a local presence in new markets
- Further developing the supplier network
- Examples of key markets where Nilorn currently has a limited presence: Netherlands, France, Italy and Spain
- Nilörngruppen is well positioned for continued profitable growth





As a responsible company in the fashion and clothing industry, environmental responsibity and sustainability is a natural part of the business

- Nilorn has prepared an environmental policy that the Group should:
 - Provide a good and safe working environment
 - Be cautious with environmentally harmful products and to reuse and recycle materials
 - Selling products which are easy to use, energy efficient and environmentally friendly
 - Using power in a responsible way and with utmost restraint
 - · Keeping staff informed of environmental issues
 - Study the new environmental standards
 - Choosing suppliers who themselves have a clear environmental policy, and comply with Swedish and European laws, regulations and recommendations
 - Continuously monitor and adapt the environment Description
 - Nilörngruppen's environmental policy has a broad perspective on environmental work both internally and at suppliers



- Fashion and clothing industry is an industry that has become increasingly global
- Strategic decisions concerning trademarks and designs are often taken from the headquarters, where production often takes place in low cost regions
- Local presence required to ensure just-in-time deliveries
- Customers are mainly branding and fashion companies in Europe
- Nilörngruppen's platform with efficient logistics and low-cost production is scalable and well suited to meet customer needs



The market is generally characterized by a high degree of competition and a large number of suppliers.

Some competitors are part of larger groups, while the majority are smaller private companies.

Among the competitors are the following actors:

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



Q4-2017

- Order Income increased by 22% to SEK 169 million (138)
- Turnover increased by 19% to SEK 174 million (146)
- Operating profit was 22.1 (19.6) million
- The period results was 15.4 (16.1) million
- The result per share was to 1.35 (1.42) SEK
- Cash flow from the current activity was 24.5 (18.3) million

SIGNIFICANT EVENTS Q4 & after



- Continued strong development
 - Turnover & results
 - Orders received
- Strong growth in England
- Good growth on the Scandinavian and German market
- Expected production to start in Bangladesh H1-2017.
- New sustainability manager employeed
- Proposed dividend 3,6 (3,0)
 SEK/share

Q4-2016 accumulated

- Order Income increased 18% to 638 (540) million
- Turnover increased 16% to 610 (527) million
- Operating profit was 75.0 (50.8) million
- The period results was 56.2 (39.0) million
- The result per share was 4.93 (3.42) SEK
- Cash flow from the current activity was 54.5 (32.4) million

INCOME

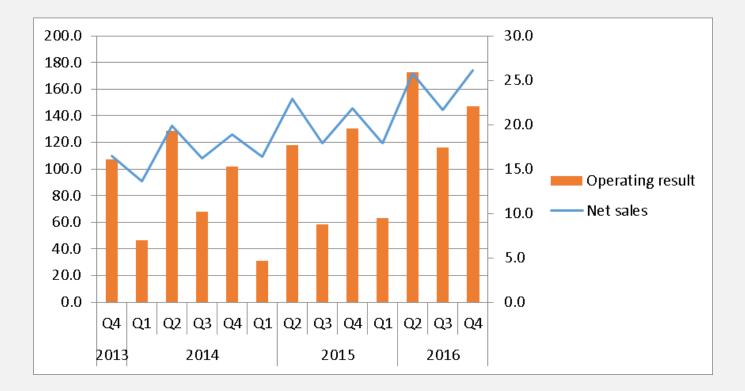
Amounts in SEK thousand	October -	December	January - December		
	2016	2015	2016	2015	
Net revenue	174,222	145,945	610,477	527,159	
Raw materials, supplies and goods for resale	-91,060	-75,791	-324,372	-277,756	
Gross profit	83,162	70,154	286,105	249,403	
Other operating revenue	2,284	1,329	5,616	6,589	
Other external costs	-24,950	-20,633	-84,500	-81,582	
Personnel costs	-35,397	-28,777	-123,714	-113,112	
Depreciation, amortisation and impairment charges	-1,229	-1,116	-4,622	-4,119	
Other operating costs	-1,729	-1,348	-3,873	-6,353	
Operating profit	22,141	19,609	75,012	50,826	
Net finance items	-761	-169	-1,073	-763	
Profit before taxes	21,380	19,440	73,939	50,063	
Taxes	-5,964	-3,303	-17,717	-11,030	
Net profit for the period	15,416	16,137	56,222	39,033	

QUARTERLY INCOME STATEMENT

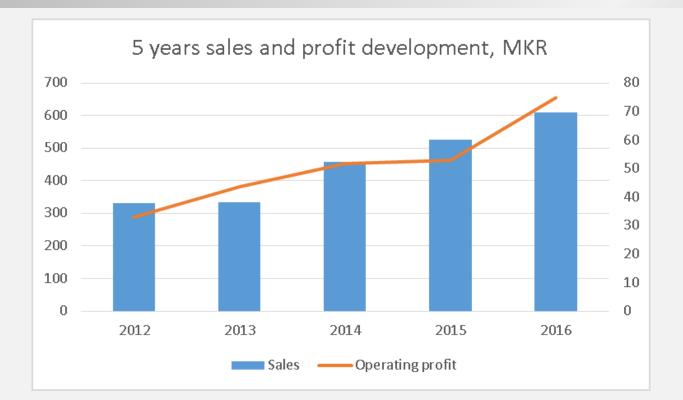
Amount in MSEK)	2016				2015				2014				2013			
	Q1	Q2	Q3	Q4												
NetSales	119.7	171.9	144.6	174.2	109.4	152.6	119.2	145.9	90.6	132.6	108.2	126.1	74.6	109.8	88.5	109.9
COGS	-61.4	-94.5	-77.3	-91.1	-58.2	-81.6	-62.2	-76.8	-46.8	-70.6	-55.7	-65.7	-37.0	-57.2	-46.2	-54.9
Gross profit	58.3	77.4	67.3	83.1	51.2	71.0	57.0	69.1	43.8	62.0	52.5	60.4	37.6	52.6	42.3	55.0
Gross margin	48.7%	45.0%	46.5%	47.7%	46.8%	46.5%	47.8%	47.4%	48.3%	46.8%	48.5%	47.9%	50.4%	47.9%	47.8%	50.0%
Other income	0.9	1.2	1.2	2.3	1.2	1.4	2.6	1.3	0.5	0.7	0.9	1.6	0.4	0.8	0.6	1.2
Operating costs	-48.4	-51.7	-50.1	-62.1	-46.8	-53.7	-49.8	-49.5	-36.8	-42.8	-42.5	-45.9	-32.1	-37.7	-35.4	-39.6
Depreciation	-1.3	-1.0	-1.0	-1.2	-0.9	-1.0	-1.0	-1.3	-0.5	-0.6	-0.7	-0.8	-0.5	-0.5	-0.5	-0.5
Operating result	9.5	25.9	17.4	22.1	4.7	17.7	8.8	19.6	7.0	19.3	10.2	15.3	5.4	15.2	7.0	16.1
Operating margin	7.9%	15.1%	12.0%	12.7%	4.3%	11.6%	7.4%	13.4%	7.7%	14.6%	9.4%	12.1%	7.2%	13.8%	7.9%	14.6%
Operating result / share	0.8	2.3	1.5	1.9	0.4	1.6	0.8	1.7	0.6	1.7	0.9	1.3	0.5	1.3	0.6	1.4

QUARTERLY COMPARISON

Q2 and Q4 are historically the strongest revenue quarters



HISTORICAL DEVELOPMENT



BALANCE SHEET

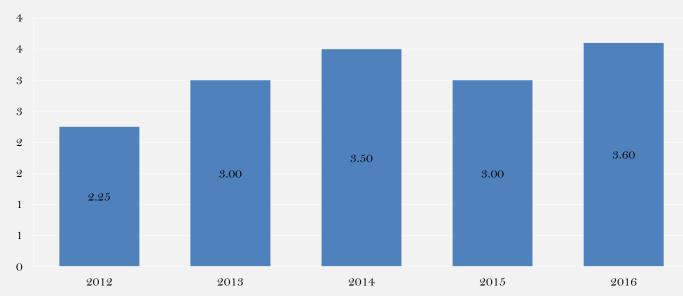
Amounts in SEK thousand	2016-12	2015-12	
Assets			
Intangible non-current assets	2 886	590	
Other non-current assets	46 642	38 796	
Inventories	88 891	80 068	
Trade receiveables	73 370	58 640	
Other current assets	24 282	22 722	
Cash and cash equivalents	35 210	31 548	
Total assets	271 281	232 364	
Equiity and liablities			
Equity	137 791	113 337	
Long-term interest-bearing liabilites	-	-	
Long-term non-interest-bearing liabilities	5 035	4 970	
Current interest-bearing liabilities	25 500	26 512	
Current non-interest-bearing liabilites	102 955	87 545	
Total equity and liabilities	271 281	232 364	

MULTI-YEAR OVERVIEW

Key figures

KEY FINANCIAL INDICATORS	2016	2015	2014	2013	2012
Revenue growth, %	15.8	15.2	19.5	15.9	2.9
Operating margin, %	12.3	9.6	11.3	11.4	10.0
Profit margin, %	12.1	9.5	11.2	11.5	10.0
Average equity	125.6	113.8	104.6	90.7	92.6
Return on equity, %	44.8	34.3	39.9	38.2	27.0
Equity ratio, %	50.8	48.8	53.3	55.5	55.8
Interest-bearing net cash/debt	9.7	5.0	32.1	36.6	28.3
Earnings per share, SEK	4.93	3.42	3.66	3.04	2.37
Equity per share, SEK	12.08	9.94	10.02	8.33	7.58
Dividend per share, SEK	*3.60	3.00	3.50	3.00	2.25
Average number of shares outstanding	11,401,988	11,401,988	11,401,988	11,401,988	11,401,988
Average number of employees	358	335	301	268	246

DIVIDEND HISTORY



Dividend / share, SEK

FINANCIAL TARGETS

Aim to grow faster than the market

- Nilorn strives for sustainable and profitable growth.
- Revenue growth in excess of 5 percent
- Operating margin of at least 10 percent
- Net debt should not exceed 2 * EBITDA

Result 2016-12

- Revenue growth of 16 percent
- Operating margin 12 percent

Result 2015-12

- Revenue growth of 15 percent
- Operating margin 10 percent

Result 2014-12

- Revenue growth of 20 percent
- Operating margin 11 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!