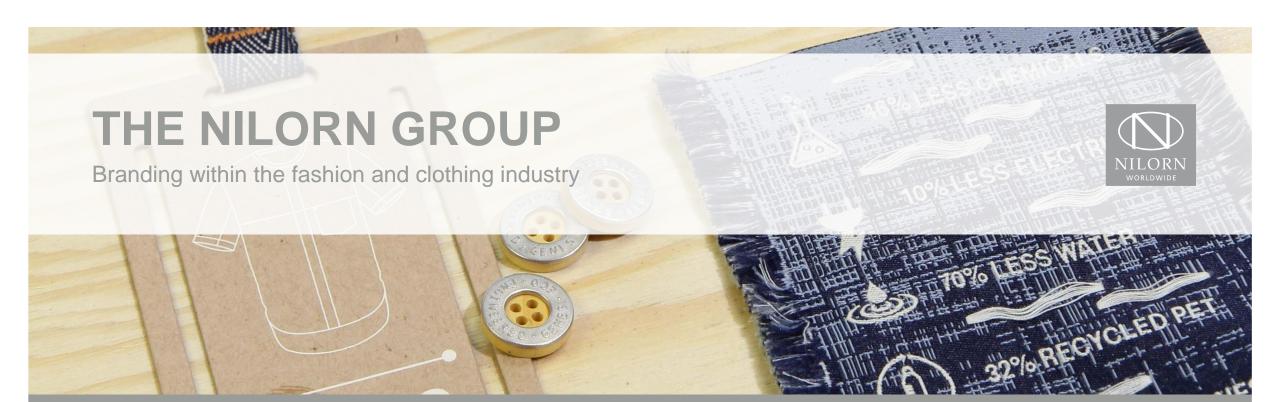




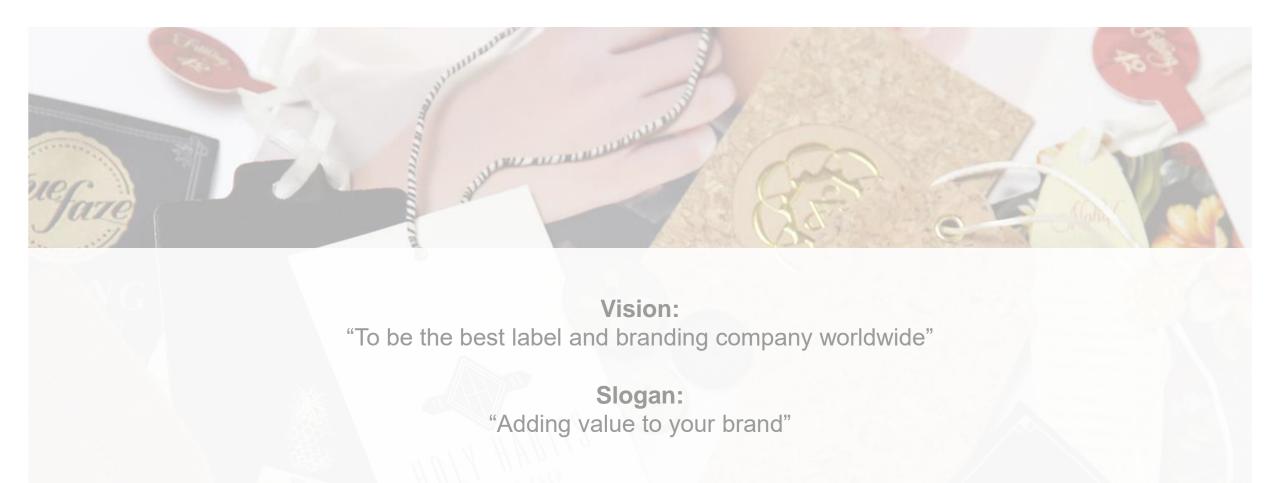
ADDING VALUE TO YOUR BRAND

BRANDING · DESIGN · PRODUCT DEVELOPMENT · LOGISTICS

NILÖRNGRUPPEN 2021



- Nilorn provides labels, packaging and accessories
- Value added by Branding & Design
- Global as well as cost and time effective solutions
- Complete service of branding including the design, manufacturing, logistics and service





# HISTORICAL OVERVIEW

Operating with extensive experience



**1980s** • Design and production of labels

**1990s** • International expansion through acquisitions

• 1998 listed at Stockholm stock exchange

**2000s** • Continuing international expansion

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

2010s • 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
- Sustainability is a focus area





# PRODUCT DESCRIPTION

Labels





#### Labels are the core business and accounts for the bulk of sales

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



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 packaging
- Buttons, zippers, rivets, buckles, eyelets, molded plastic badges, etc...
- An emerging area: RFID

# RADIO FREQUENCY IDENTIFICATION





Labels





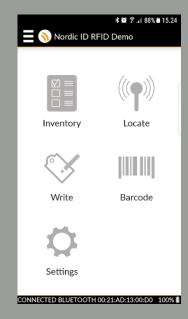




#### Hardware



#### Software



## WHY IS RFID ESSENTIAL?





- Increase stock accuracy
- Consumers want to buy whenever and wherever they are, and have it delivered anywhere
  - This becomes a huge logistical challenge for retailers and brand owners
- Next: Add on intelligent mirrors, security, self-checkout cashiers etc.



### **CUSTOMERS**

#### Broad customer base



- A broad customer base and a number of leading fashion and apparel companies
- Nilorn customers have their production with external suppliers
- More than 1000 customers and 20 000 users on our Web Ordering System
- Nilorn delivered ca 1.5 Billion labels in 2019

# MANUFACTURING/LOGISTICS

Key components of Nilorn's business





- Total solutions
- Local supply
- 85 percent from external production partners
- Wide network of producers
- An efficient logistics system

# Nilorn's Unique Selling Points

An important part of our business



- 1. Sustainability and CSR
- 2. Innovation
  - a) Technical / Material
  - b) Design
- 3. Responsive
- 4. Distribution network
- 5. WOS











- 6. Unique staff "The workplace"
- 7. Consistency and good quality

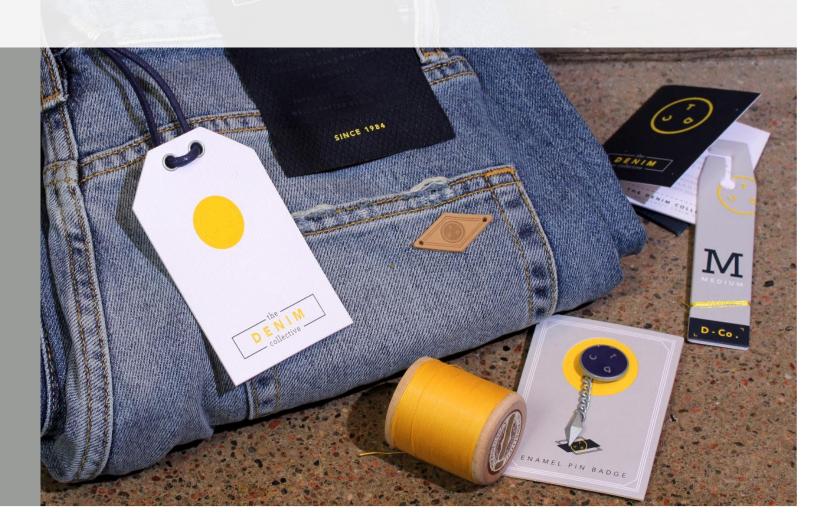


- Global
- Strategic decisions at headquarters
- Production often in low cost regions
- Mainly European branding and fashion companies
- Competitors: larger groups and many small private companies
- Fragmented

# **COMPETITORS**

NILORN WORLDWIDE

- Avery Dennison (US)
- Trimco Group
- Checkpoint Systems (US)
- Cadica Group (IT)
- Byways Group (UK)
- LabelOn (UK)
- Rudholm & Haak (SWE)
- Mainietti (IT)





### FINANCIAL PERFORMANCE



### Q2-2021

NILORN WORLDWIDE

- Order Income +73% to MSEK 171 (99)
- Sales +23% to MSEK 175 (142)
- Sales increased by 36% excluding currency effect
- Operating profit MSEK 23,1 (0,1)
- Net Profit MSEK 16,7 (-1,3)
- Earnings per share SEK 1,47 (-0,11)



### **Accumulated 2021**

NILORN WORLDWIDE

- Order Income MSEK 351 (302)
- Sales +17% to MSEK 350 (298).
- Sales excl currency effects MSEK 385 (298) = an underlying increase of 29%.
- Operating profit MSEK 50,1 (9,1).
- Profit for the period MSEK 36,3 (4,6).
- Earnings per share SEK 3,19 (0,40).
- Cash flow from operating activities MSEK 37,7 (18,9).



# **INCOME 2021**



	3 months			6 months				
	April - June			January - June				
Amounts in SEK thousand	2021		2020		2021		2020	
Net revenue	175 157		142 321		350 405		297 793	
Raw materials, supplies and goods for resale	-91 778		-88 167		-185 640		-170 950	
Gross profit	83 379	47.6%	54 154	38.1%	164 765	47.0%	126 843	42.6%
Other operating revenue	1 748		6 888		5 280		8 438	
Other external costs	-14 977	8.6%	-18 061	12.7%	-27 392	7.8%	-32 996	11.1%
Personnel costs	-39 675	22.7%	-35 275	24.8%	-78 124	22.3%	-77 871	26.1%
Depreciation, amortisation and impairment charges	-6 257		-6 740		-12 457		-13 448	
Other operating costs	-1 127		-881		-1 942		-1 896	
Operating profit	23 091	13.2%	86	0.1%	50 130	14.3%	9 070	3.0%
Net finance items	-829		-565		-1 575		-1 451	
Profit before taxes	22 262		-479		48 555		7 619	
Taxes	-5 556	-3.2%	-798	-0.6%	-12 229	-3.5%	-3 048	-1.0%
Net profit for the period	16 706	9.5%	-1 277	-0.9%	36 326	10.4%	4 571	1.5%
Earnings per share, SEK	1.47		-0.11		3.19		0.40	

# **CASH FLOW**

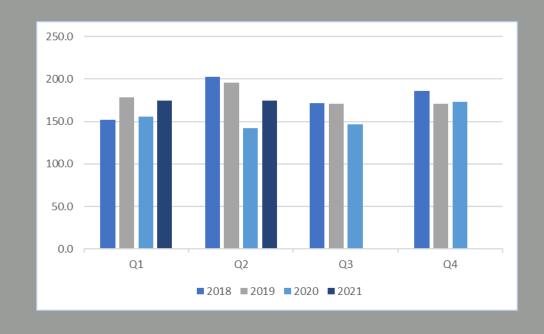


Consolidated Cash Flow Statement	April-June		January-June		
Amounts in SEK thousand	2021	2020	2021	2020	
Cash flow from operating activities before changes in working capital	20 497	2 166	48 353	11 189	
Cash from changes in working capital	4 301	12 407	-10 668	7 693	
Cash flow from operating activities	24 797	14 573	37 685	18 882	
Cash flow from investment activities	-1 444	-2 284	-5 688	-8 719	
Cash flow from financing activities	-26 119	-20 465	-22 151	-6 430	
Cash flow for the year	<i>-</i> 2 766	-8 176	9 846	3 733	

# **QUARTERLY COMPARISON** - Sales

Q2 and Q4 are historically the strongest revenue quarters

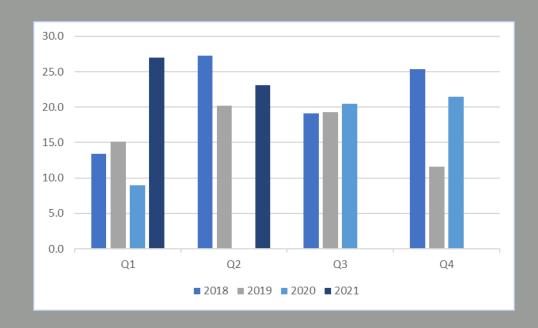




# **QUARTERLY COMPARISON** - Operating Profit



Q2 and Q4 are historically the strongest revenue quarters



# **BALANCE SHEET**



Consolidated Balance Sheet							
Amounts in SEK thousand	2021-06	2020-06	2020-12	2019-12			
Assets							
Intangible non-current assets	24 296	23 356	23 486	21 251			
Other non-current assets	136 832	152 340	132 597	159 877			
Inventories	114 698	116 881	106 648	119 007			
Trade receiveables	79 090	72 479	72 012	59 382			
Other current assets	23 910	17 328	21 324	20 571			
Cash and cash equivalents	78 205	35 171	66 276	32 292			
Total assets	457 031	417 555	422 343	412 380			
Equity and liabilities							
Equity	224 730	191 293	209 809	186 700			
		171 270	207 007	100 700			
Long-term interest-bearing liabilites	52 694	39 931	51274	47 834			
Long-term interest-bearing liabilites Long-term non-interest-bearing liabilities							
	52 694	39 931	51274	47 834			
Long-term non-interest-bearing liabilities	52 694 4 989	39 931 3 013	51274 4 601	47 834 3 502			

# **KEY FINANCIAL INDICATORS**



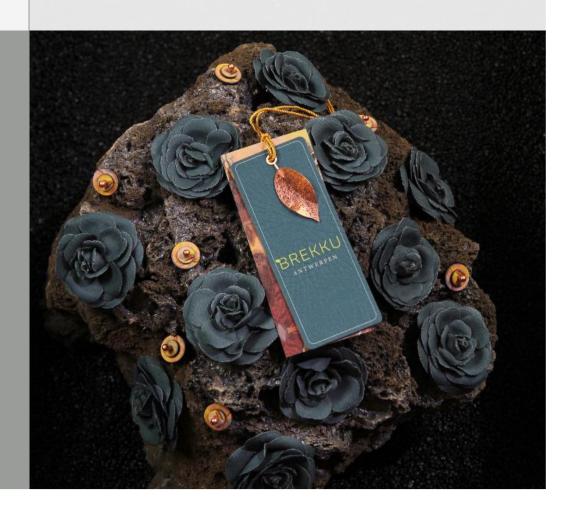
	1 January	– 30 June	1 January – 31 December				
KEY FINANCIAL INDICATORS	2021	2020	2020	2019	2018	2017	2016
Revenue growth, %	18	20	-14	1	8	12	16
Organtic growth %, (local currencies)	29	-21	9	4	8	13	18
Operating margin, %	14.3	3.0	8.2	9.3	12.0	12.1	12.3
Profit margin, %	13.9	2.6	7.6	8.8	11.8	12.1	12.1
Average equity	217.3	189.0	198.3	183.7	167.3	145.9	125.6
Return on equity, %	16.7	2.4	16.9	25.7	42.3	44.6	44.8
Equity ratio, %	49.2	45.8	51.3	45.3	53.0	49.2	50.8
Interest-bearing net cash (liabilities –), MSEK*	-3.1	-75.4	-13.2	-89.6	-2.5	9.2	9.7
Earnings per share, SEK	3.19	0.40	2.94	4.14	6.20	5.70	4.93
Equity per share, SEK	19.71	16.78	18.40	16.37	15.85	13.50	12.08
Dividend per share, SEK	2.00	0.00	0.00	4.00	4.00	3.60	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	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988
period Average number of employees	531	503	520	502	482	446	358

<sup>\*</sup> Interest-bearing net cash (liabilities –), has been effected by 40 MSEK by the introduction of IFRS 16

### **CEO'S SUMMARY**



- An organic growth of 36% and operating profit of SEK23m.
- The best H1 ever with Operating result of SEK50m! (second best H1 2017 SEK42m)
- Positively result due to increased sales and good margins
- E-commerce and Sports is going very well, retailers continue to suffer
- Nilorn Bangladesh continue to develop very well, but now suffer from Covid
- Increase prices in raw material and freight
- Structural improvements within CSR, sourcing and sales process
- Strong Balance sheet to catch the opportunities that will arise.



### FINANCIAL TARGETS

Aim to grow faster than the market



#### 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 2020-12**

- Revenue decline of 9 percent
- Operating margin 8 percent

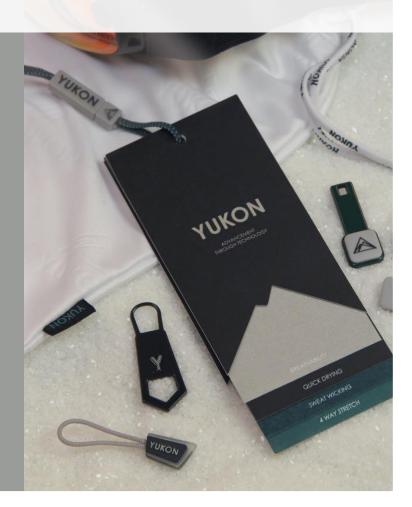
#### Result 2019-12

- Revenue growth of 0,4 percent
- Operating margin 9 percent

#### Result 2018-12

- Revenue growth of 7 percent
- Operating margin 12 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!

