



ADDING VALUE TO YOUR BRAND
BRANDING · DESIGN · PRODUCT DEVELOPMENT · LOGISTICS

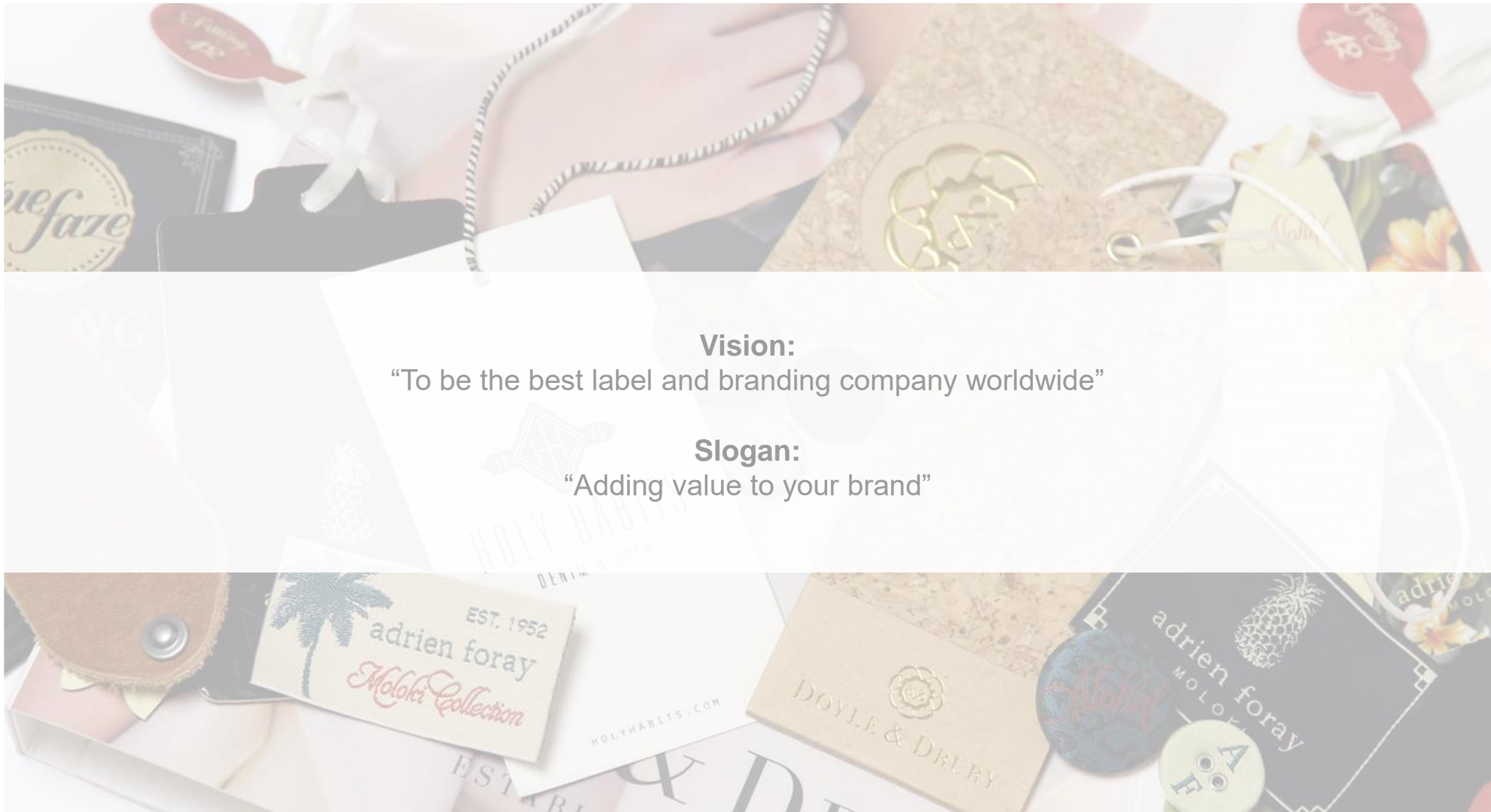
NILÖRNGRUPPEN
2021

THE NILORN GROUP

Branding within the fashion and clothing industry



- 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



Vision:

“To be the best label and branding company worldwide”

Slogan:

“Adding value to your brand”

HISTORICAL OVERVIEW

Operating with extensive experience

- 1970s • Design studio in Borås
- 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

PRODUCT DESCRIPTION

Packaging and accessories



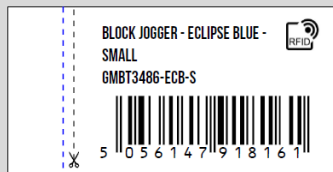
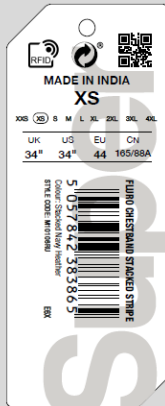
To strengthen the brand and convey a feeling it is important that the product is delivered in a attractive package

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

RADIO FREQUENCY IDENTIFICATION



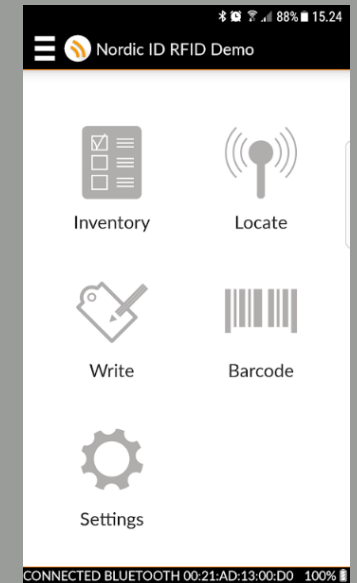
Labels



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



MARKET



- 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

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





FINANCIAL PERFORMANCE

Q3-2021

- Order Income +44% to MSEK 236 (162)
- Sales +38% to MSEK 203 (147)
- Operating profit MSEK 29,3 (20,4)
- Net Profit MSEK 20,8 (14,4)
- Earnings per share SEK 1,82 (1,26)



Accumulated 2021

- Order Income MSEK 587 (464)
- Sales +24% to MSEK 554 (445).
- Sales excl currency effects MSEK 591 (445) = an underlying increase of 33%.
- Operating profit MSEK 79,4 (29,5).
- Profit for the period MSEK 57,1 (19,0).
- Earnings per share SEK 5,00 (1,66).
- Cash flow from operating activities MSEK 59 (4).



INCOME 2021



Amounts in SEK thousand	3 months				9 months			
	July - September		January - September		January - September			
	2021	2020			2021	2020		
Net revenue	203,442	147,048			553,847	444,841		
Raw materials, supplies and goods for resale	-110,541	-78,198			-296,181	-249,148		
Gross profit	92,901	68,850	45.7%	46.8%	257,666	195,693	46.5%	44.0%
Other operating revenue	1,813	5,257			7,093	13,695		
Other external costs	-15,143	-13,554	7.4%	9.2%	-42,535	-46,550	7.7%	10.5%
Personnel costs	-42,806	-32,571	21.0%	22.1%	-120,930	-110,442	21.8%	24.8%
Depreciation, amortisation and impairment charges	-6,512	-6,646			-18,969	-20,094		
Other operating costs	-956	-887			-2,898	-2,783		
Operating profit	29,297	20,449	14.4%	13.9%	79,427	29,519	14.3%	6.6%
Net finance items	-615	-1,272			-2,190	-2,723		
Profit before taxes	28,682	19,177			77,237	26,796		
Taxes	-7,920	-4,773	-3.9%	-3.2%	-20,149	-7,821	-3.6%	-1.8%
Net profit for the period	20,762	14,404	10.2%	9.8%	57,088	18,975	10.3%	4.3%
Earnings per share, SEK	1.82	1.26			5.01	1.66		

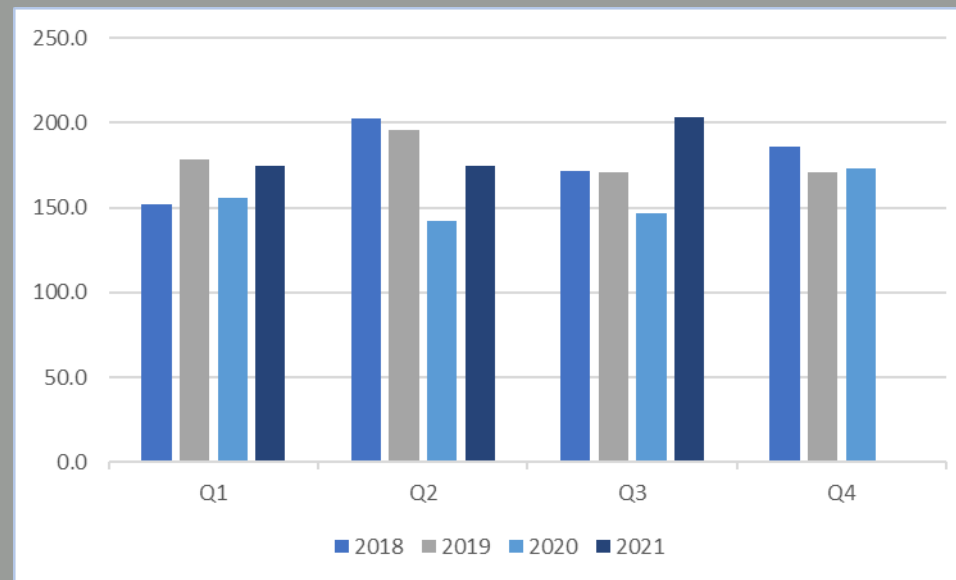
CASH FLOW



Consolidated Cash Flow Statement	July - September		January - September	
Amounts in SEK thousand	2021	2020	2021	2020
Cash flow from operating activities before changes in working capital	27,934	19,675	76,287	30,864
Cash from changes in working capital	-5,146	12,871	-15,814	20,564
Cash flow from operating activities	22,788	32,546	60,473	51,428
Cash flow from investment activities	-3,018	-1,526	-8,706	-10,245
Cash flow from financing activities	-482	-1,890	-22,633	-8,320
Cash flow for the year	19,288	29,130	29,134	32,863

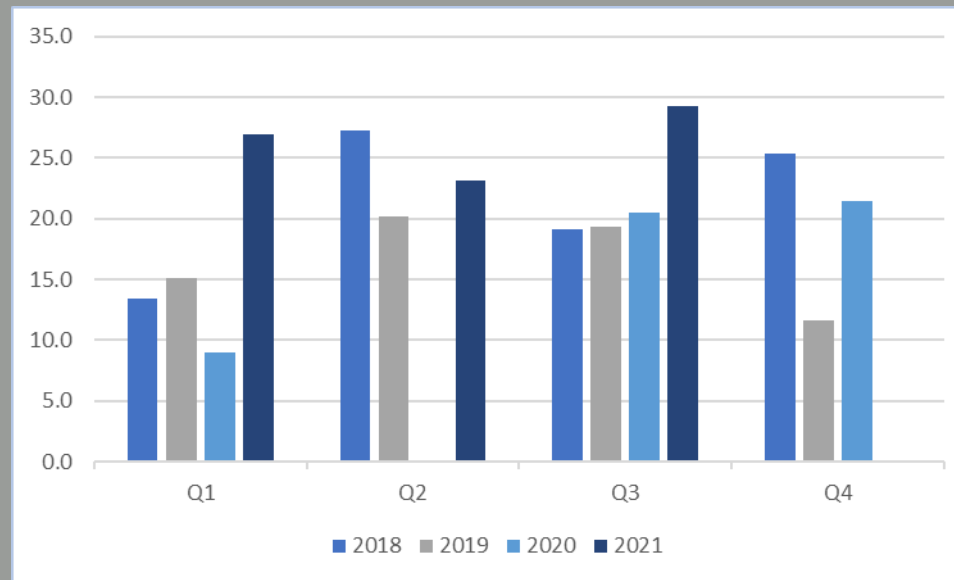
QUARTERLY COMPARISON - Sales

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	2021-09	2020-09	2020-12	2019-12
Assets				
Intangible non-current assets	24,698	23,817	23,486	21,251
Other non-current assets	134,714	145,956	132,597	159,877
Inventories	126,655	117,157	106,648	119,007
Trade receivables	108,657	83,071	72,012	59,382
Other current assets	27,321	21,142	21,324	20,571
Cash and cash equivalents	99,843	62,224	66,276	32,292
Total assets	521,888	453,368	422,343	412,380
Equity and liabilities				
Equity	248,344	202,749	209,809	186,700
Long-term interest-bearing liabilities	49,161	34,925	51,274	47,834
Long-term non-interest-bearing liabilities	5,094	2,951	4,601	3,502
Current interest-bearing liabilities	28,918	70,180	28,179	74,084
Current non-interest-bearing liabilities	190,371	142,563	128,480	100,260
Total equity and liabilities	521,888	453,368	422,343	412,380

KEY FINANCIAL INDICATORS



KEY FINANCIAL INDICATORS	1 January – 30 Sept		1 January – 31 December				
	2021	2020	2020	2019	2018	2017	2016
Revenue growth, %	24.5	3.5	-14.0	1.0	7.0	12.0	16.0
Revenue growth, % (local currency)	33.0	-16.0	-9.0	4.0	8.0	13.0	18.0
Operating margin, %	14.3	6.6	8.2	9.3	12.0	12.1	12.3
Profit margin, %	13.9	6.0	7.6	8.8	11.8	12.1	12.1
Average equity	229.1	194.7	198.3	183.7	167.3	145.9	125.6
Return on equity, %	24.9	9.7	16.9	25.7	42.3	44.6	44.8
Equity ratio, %	47.6	44.7	49.7	45.3	53.0	49.2	50.8
Interest-bearing net cash (liabilities -), MSEK*	21.8	-42.9	-13.2	-89.6	-2.5	9.2	9.7
Earnings per share, SEK	5.0	1.7	2.94	4.14	6.20	5.70	4.93
Equity per share, SEK	21.8	17.8	18.40	16.37	15.85	13.50	12.08
Dividend per share, SEK	2.0	0.0	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 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	531	502	499	494	482	446	358

* Interest-bearing net cash (liabilities -), has been effected by 37 MSEK by the introduction of IFRS 16

CEO'S SUMMARY



- An organic growth of 38% and operating profit of SEK39m.
- 12-months rolling
 - TO 727 Msek +18% (actual 2020 = 618MSEK , 2019 = 715 Msek)
 - OP 101 Mkr (2020 = 50,8 Msek, 2019 = 66,2 Msek)
- Best year in the past
 - TO 715 Msek (2019)
 - OP 85,2 (2018)
- Increased sales and good margins
- E-commerce and Sports is going very well, retailers continue to suffer
- Production perform well (Portugal, Bangladesh, Hong Kong, UK)
- Increase prices in raw material, and freight
- Lost client will affect coming year
- Structural improvements within CSR and Sourcing



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!

