



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

sprou

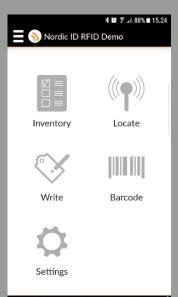
- Cartons, paper bags or plastic packaging
- Buttons, zippers, rivets, buckles, eyelets, molded plastic badges, etc...
- An emerging area: RFID

RADIO FREQUENCY IDENTIFICATION



Software





CONNECTED BLUETOOTH 00:21:AD:13:00:D0 100% 🛢

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



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





FINANCIAL PERFORMANCE



Q4-2021



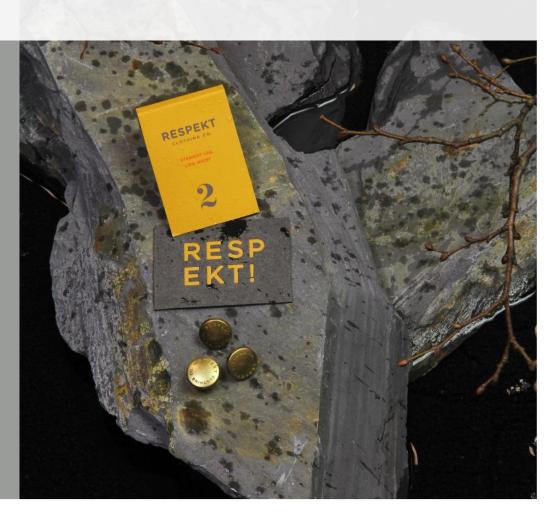
- Order Income +12% to MSEK 211 (189)
- Sales +35% to MSEK 234 (173)
- Operating profit MSEK 40,1 (21,2)
- Net Profit MSEK 30,3 (14,5)



Accumulated 2021



- Sales +28% to MSEK 788 (618).
- Sales excl currency effects MSEK 824 (618) = an underlying increase of 33%.
- Operating profit MSEK 119,6 (50,8).
- Profit for the period MSEK 87,4 (33,5).
- Earnings per share SEK 7,67 (2,94).
- Net cash amounted toMSEK 75,1 (24,8).



INCOME 2021

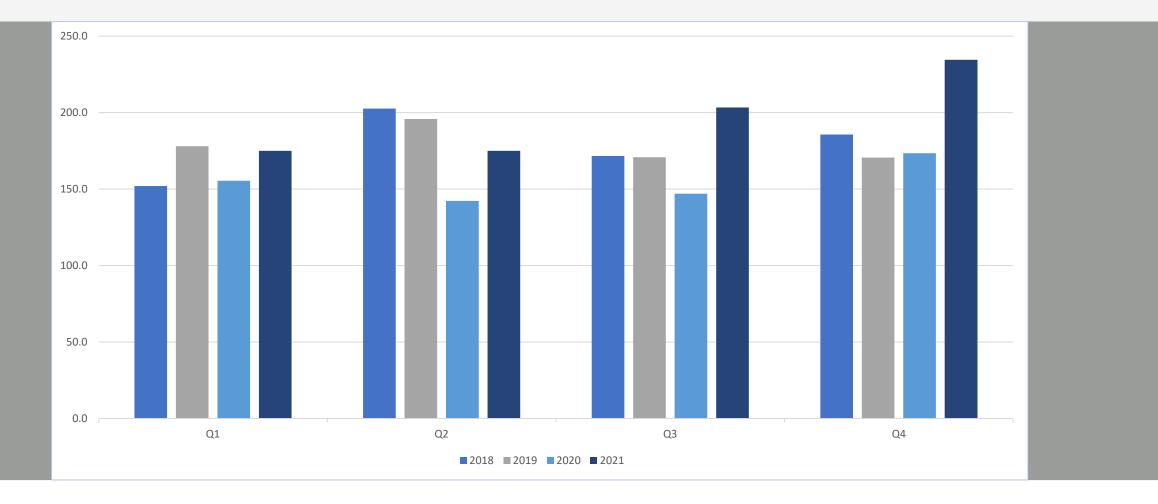


	3 months October - December				12 months			
					Jan			
Amounts in SEK thousand	2021		2020		2020		2019	
Netrevenue	234 458		173 392		788 305		618 233	
Raw materials, supplies and goods for resale	-127 993		-96 961		-424 174		-346 109	
Gross profit	106 465	45.4%	76 430	44.1%	364 131	46.2%	272 123	44.0%
Other operating revenue	4 784		5 432		11 877		19 126	
Other external costs	-19 418	8.3%	-16 136	9.3%	-61 953	7.9%	-62 686	10.1%
Personnel costs	-42 946	18.3%	-36 198	20.9%	-163 876	20.8%	-146 640	23.7%
Depreciation, amortisation and impairment charges	-6 972		-5 760		-25 941		-25 854	
Other operating costs	-1 793		-2 524		-4 691		-5 307	
Operating profit	40 120	17.1%	21 245	12.3%	119 547	15.2%	50 763	8.2%
Net finance items	-1 153		-975		-3 343		-3 698	
Profit before taxes	38 967		20 270		116 204		47 065	
Taxes	-8 617	-3.7%	-5 730	-3.3%	-28 766	-3.6%	-13 551	-2.2%
Net profit for the period	30 350	12.9%	14 540	8.4%	87 438	11.1%	33 515	5.4%
Earnings per share, SEK	2.66		1.28		7.67		2.94	

QUARTERLY COMPARISON - Sales



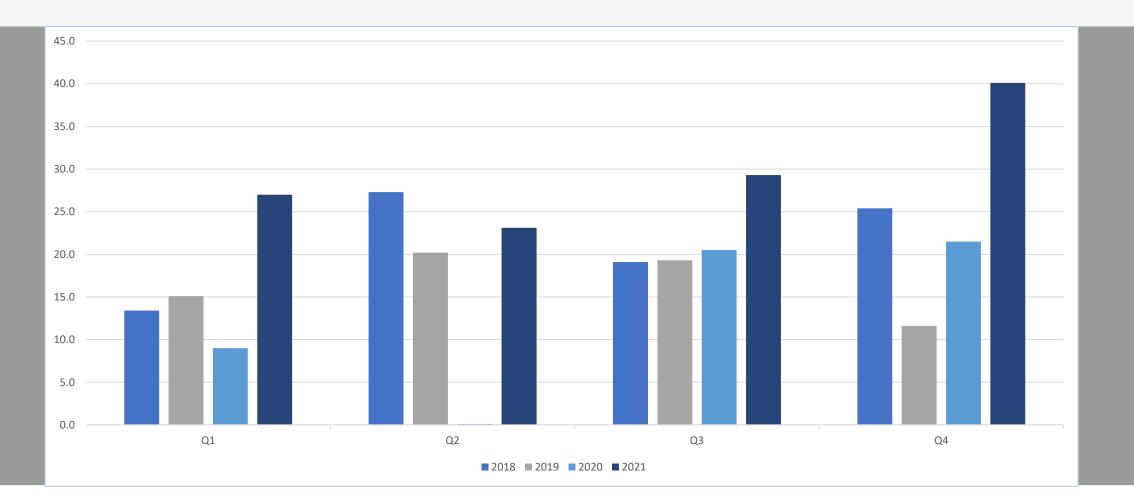
Q2 and Q4 are historically the strongest revenue quarters



QUARTERLY COMPARISON - Operating Profit



Q2 and Q4 are historically the strongest revenue quarters



CASH FLOW



Consolidated Cash Flow Statement	October -	December	January -	December
Amounts in SEK thousand	2021	2020	2021	2020
Cash flow from operating activities before changes in working capital	38 173	18 252	114 460	49 116
Cash from changes in working capital	-19 821	5 045	-35 635	25 609
Cash flow from operating activities	18 352	23 297	78 825	74 725
Cash flow from investment activities	-3 034	261	-11 740	-9 984
Cash flow from financing activities	688	-28 220	-21 945	-36 540
Cash flow for the year	16 006	-4 662	45 140	28 201

BALANCE SHEET



Consolidated Balance Sheet						
Amounts in SEK thousand	2021-12	2020-12	2020-12	2019-12		
Assets						
Intangible non-current assets	25 617	23 486	23 486	21 251		
Other non-current assets	133 320	131 591	131 591	159 526		
Inventories	145 917	106 648	106 648	119 007		
Trade receiveables	114 216	72 012	72 012	59 382		
Other current assets	20 632	21 323	21 323	20 571		
Cash and cash equivalents	116 367	66 276	54 056	32 292		
Total assets	556 069	421 336	409 116	412 029		
Equity and liabilities						
Equity	278 259	209 809	209 809	186 700		
Long-term interest-bearing liabilites	46 131	51 274	51274	-		
Long-term non-interest-bearing liabilities	5 713	3 594	3 594	50 917		
Current interest-bearing liabilities	29 583	28 179	15 959	$74\ 084$		
Current non-interest-bearing liabilities	196 383	128 480	128 480	100 328		
Total equity and liabilities	556 069	421 336	409 116	412 029		

KEY FINANCIAL INDICATORS



	1 January – 31 December							
KEY FINANCIAL INDICATORS	2021	2020	2019	2018	2017	2016	2015	
Revenue growth, %	27.5	-13.6	0.5	7.5	11.5	15.8	15.2	
Operating margin, %	15.2	8.2	9.3	12.0	12.1	12.3	9.6	
Profit margin, %	14.7	7.6	8.8	11.8	12.1	12.1	9.5	
Average equity	244.0	198.3	183.7	167.3	145.9	125.6	113.8	
Return on equity, %	35.8	16.9	25.7	42.3	44.6	44.8	34.3	
Equity ratio, %	50.0	51.3	45.3	53.0	49.2	50.8	48.8	
Interest-bearing net cash (liabilities –), MSEK*	40.7	-13.2	-89.6	-2.5	9.2	9.7	5.0	
Interest-bearing net cash (liabilities –), MSEK, excl IFRS16	74.1	24.8	-33.6	-2.5	9.2	9.7	5.0	
Earnings per share, SEK	7.67	2.94	4.14	6.20	5.70	4.93	3.42	
Equity per share, SEK	24.40	18.40	16.37	15.85	13.50	12.08	9.94	
Dividend per share, SEK**	5.00	2.00	-	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	540	520	502	482	446	358	335	

* Interest-bearing net cash (liabilities –), has been effected by 38 MSEK by the introduction of IFRS 16

** Proposed dividend for 2021

CEO'S SUMMARY

- An underlying organic growth of 33% and operating profit of SEK129,6m.
- Best year in the past
 - TO 715 Msek (2019)
 - OP 85,2 (2018)
- Increased sales and good margins, even though higher cost
- Increase prices in raw material, energy and freight
- E-commerce and Sports continue to go well, & retailers bounced back
- Production perform well (Portugal, Bangladesh, Hong Kong, UK)
- 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 * ÉBITDA

Result 2020-12

- Revenue decline of 9 percent
- Operating margin 8 percent

Result 2019-12

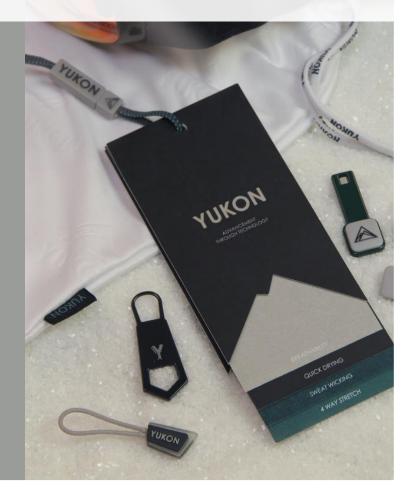
- Revenue growth of 0,4 percent
- Operating margin 9 percent

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!

