



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

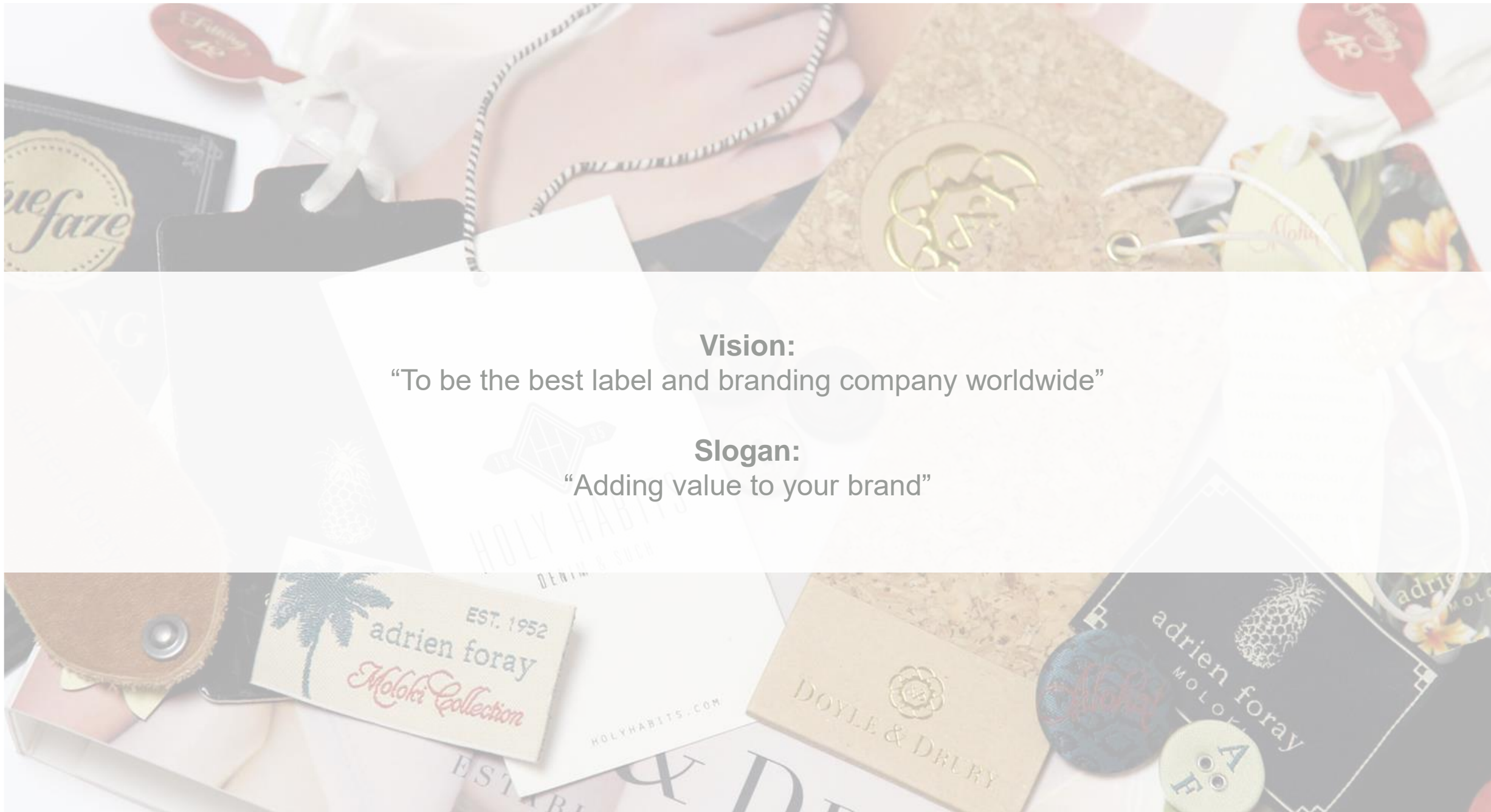
NILÖRNGRUPPEN
2022

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



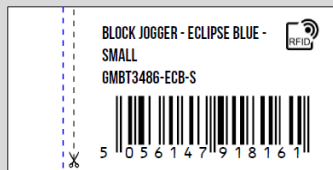
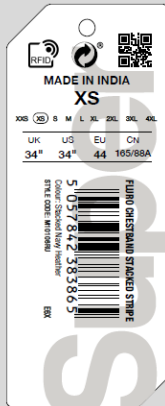
To strengthen the brand and convey a feeling it is important that the product is delivered in a attractive package

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

RADIO FREQUENCY IDENTIFICATION



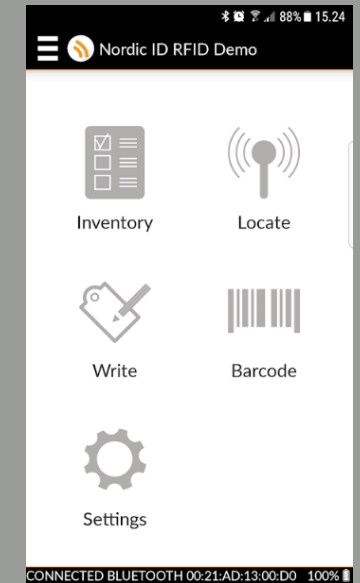
Labels



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

Q1-2022

- Order Income +38% to MSEK 283 (180)
- Sales +38% to MSEK 242 (175)
- Sales excl currency effects +29 % to MSEK 225 (175)
- Operating profit MSEK 40,2 (27,0)
- Net Profit MSEK 27,9 (19,6)
- Net cash (excl IFRS16) amounted to MSEK 65 (35).



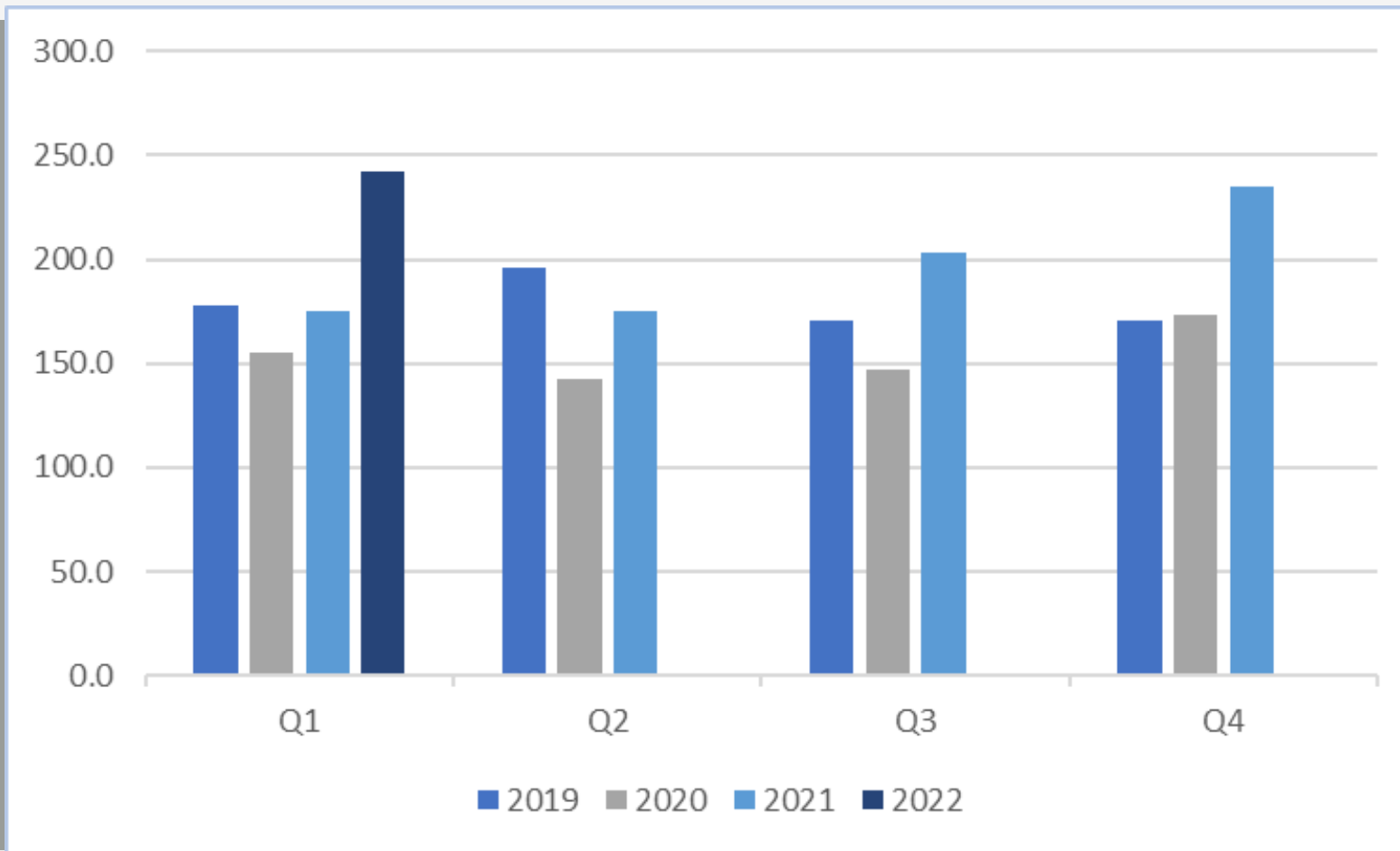
INCOME 2022



Amounts in SEK thousand	3 months				12 months			
	January - March		January - March		January - December		January - December	
	2022	2021	2021	2021	2020	2020	2020	2020
Net revenue	242 338	175 248		788 305	618 233			
Raw materials, supplies and goods for resale	-136 186	-93 862		-424 174	-346 109			
Gross profit	106 152	43.8%	81 386	46.4%	364 131	46.2%	272 124	44.0%
Other operating revenue	2 733		3 532		11 877		19 126	
Other external costs	-15 136	6.2%	-12 415	7.1%	-61 952	7.9%	-62 686	10.1%
Personnel costs	-45 767	18.9%	-38 449	21.9%	-163 878	20.8%	-146 640	23.7%
Depreciation, amortisation and impairment charges	-6 913		-6 200		-25 941		-25 854	
Other operating costs	-889		-815		-4 691		-5 307	
Operating profit	40 180	16.6%	27 039	15.4%	119 547	15.2%	50 763	8.2%
Net finance items	-957		-746		-3 343		-3 698	
Profit before taxes	39 223		26 293		116 204		47 065	
Taxes	-11 278	-4.7%	-6 673	-3.8%	-28 766	-3.6%	-13 551	-2.2%
Net profit for the period	27 945	11.5%	19 620	11.2%	87 438	11.1%	33 514	5.4%
Earnings per share, SEK	2.45		1.72		7.67		2.94	

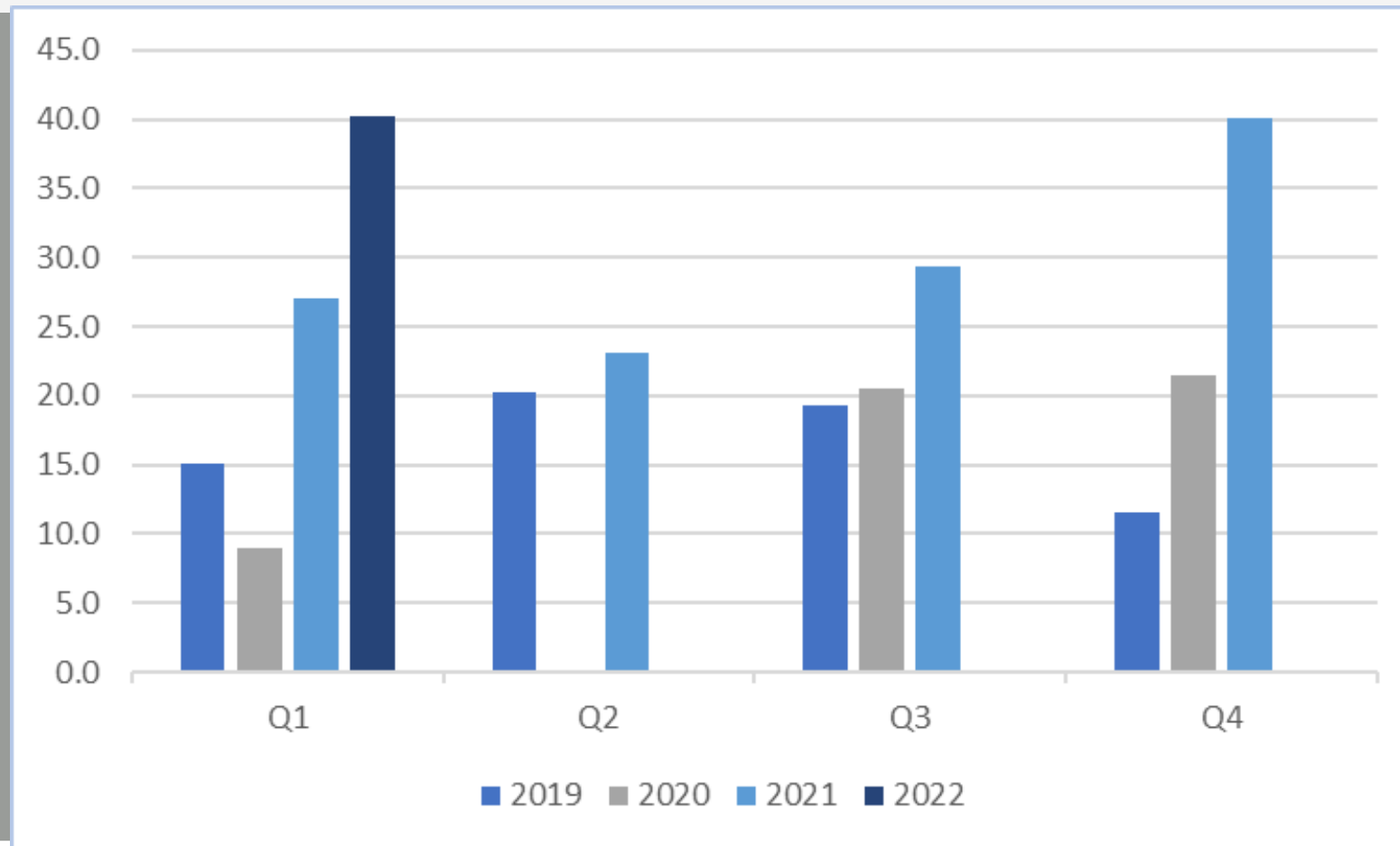
QUARTERLY COMPARISON - Sales

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	January - March		January - December	
	2022	2021	2021	2020
Amounts in SEK thousand				
Cash flow from operating activities before changes in working capital	38 360	27 856	114 460	49 116
Cash from changes in working capital	-45 892	-14 968	-35 635	25 610
Cash flow from operating activities	-7 532	12 888	78 825	74 726
Cash flow from investment activities	-2 864	-4 244	-11 740	-9 984
Cash flow from financing activities	-894	3 968	-21 945	-24 320
Cash flow for the year	-11 290	12 612	45 140	40 422

BALANCE SHEET



Consolidated Balance Sheet

Amounts in SEK thousand	2022-03	2021-03	2021-12	2020-12
Assets				
Intangible non-current assets	26 113	23 997	25 617	23 486
Other non-current assets	129 577	135 012	133 320	132 597
Inventories	169 694	112 614	145 917	106 648
Trade receivables	144 125	93 911	114 216	72 012
Other current assets	27 628	19 101	20 747	21 324
Cash and cash equivalents	105 838	80 586	116 367	66 276
Total assets	602 975	465 221	556 184	422 343
Equity and liabilities				
Equity	306 783	233 965	278 258	209 810
Long-term interest-bearing liabilities	41 850	30 831	46 078	51 274
Long-term non-interest-bearing liabilities	5 611	4 924	5 766	4 681
Current interest-bearing liabilities	29 486	50 912	29 583	28 179
Current non-interest-bearing liabilities	219 245	144 589	196 499	128 399
Total equity and liabilities	602 975	465 221	556 184	422 343

KEY FINANCIAL INDICATORS



KEY FINANCIAL INDICATORS	1 January – 31 March		1 January – 31 December				
	2022	2021	2021	2020	2019	2018	2017
Revenue growth, %	38.3	12.7	27.5	-13.6	0.5	7.5	11.5
Operating margin, %	16.6	15.4	15.2	8.2	9.3	12.0	12.1
Profit margin, %	16.2	15.0	14.7	7.6	8.8	11.8	12.1
Average equity	292.5	221.9	354.0	198.3	183.7	167.3	145.9
Return on equity, %	29.9	15.1	35.8	16.9	25.7	42.3	44.6
Equity ratio, %	50.9	50.3	50.0	49.7	45.3	53.0	49.2
Interest-bearing net cash (liabilities –), MSEK*	34.5	-1.2	86.8	38.1	-89.6	-2.5	9.2
Earnings per share, SEK	1.72	1.72	7.67	2.94	4.14	6.20	5.70
Equity per share, SEK	26.91	20.52	24.41	18.40	16.37	15.85	13.50
Dividend per share, SEK**	-	5.00	5.00*	2.00	0.00	4.00	4.00
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	564	526	553	499	494	482	446

* Interest-bearing net cash (liabilities –), has been effected by 31 MSEK by the introduction of IFRS 16

** Proposed dividend for 2021

CEO'S SUMMARY



- An underlying organic growth of 29 % and operating profit of SEK40,2m.
- Strong bounce back in retail
- 12-months rolling:
 - TO MSEK 855 (788)
 - OP MSEK 133 (120)
- Increased sales and good margins, even though higher cost
- Increase prices in raw material, energy and freight
- Germany, Italy, France and Spain
- Production perform well (Portugal, Bangladesh, Hong Kong, UK)
- Challenges in Hong Kong / Shanghai due to current lock down



CEO'S SUMMARY



- Structural improvements within:
 - CSR
 - Sourcing
 - Purchase
 - Compliance
 - Material
 - IT.
- Fantastic job among our employees to cope with increased volumes, delivery challenges and at the same time organizational changes.



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

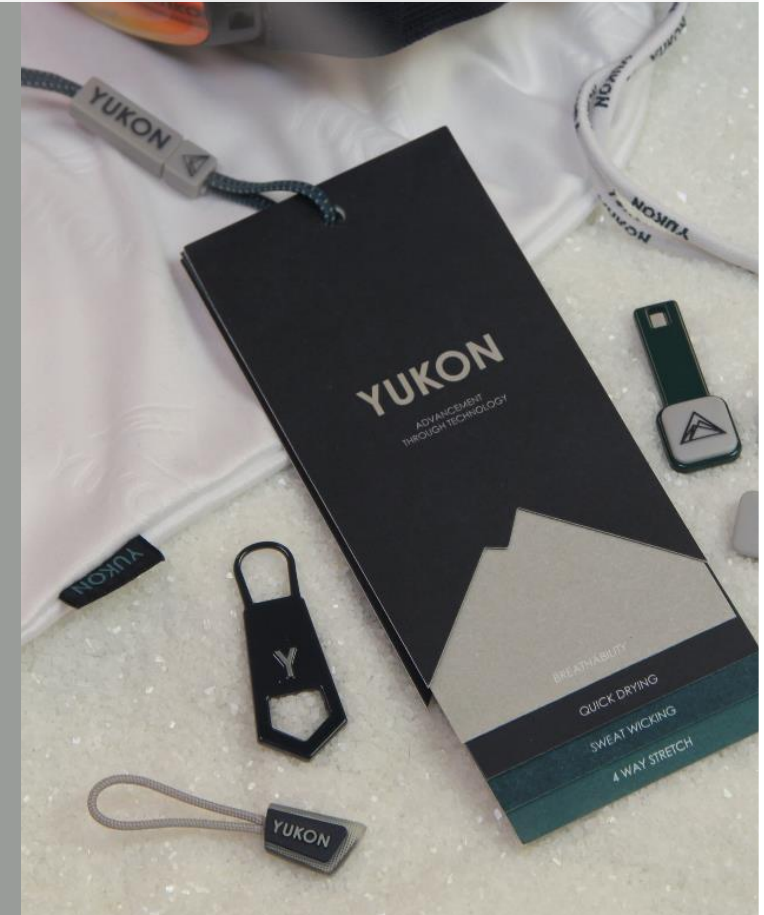
Result 2021-12

- Revenue increase of 32 percent
- Operating margin 15 percent

Result 2020-12

- Revenue decline of 9 percent
- Operating margin 8 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!

