



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

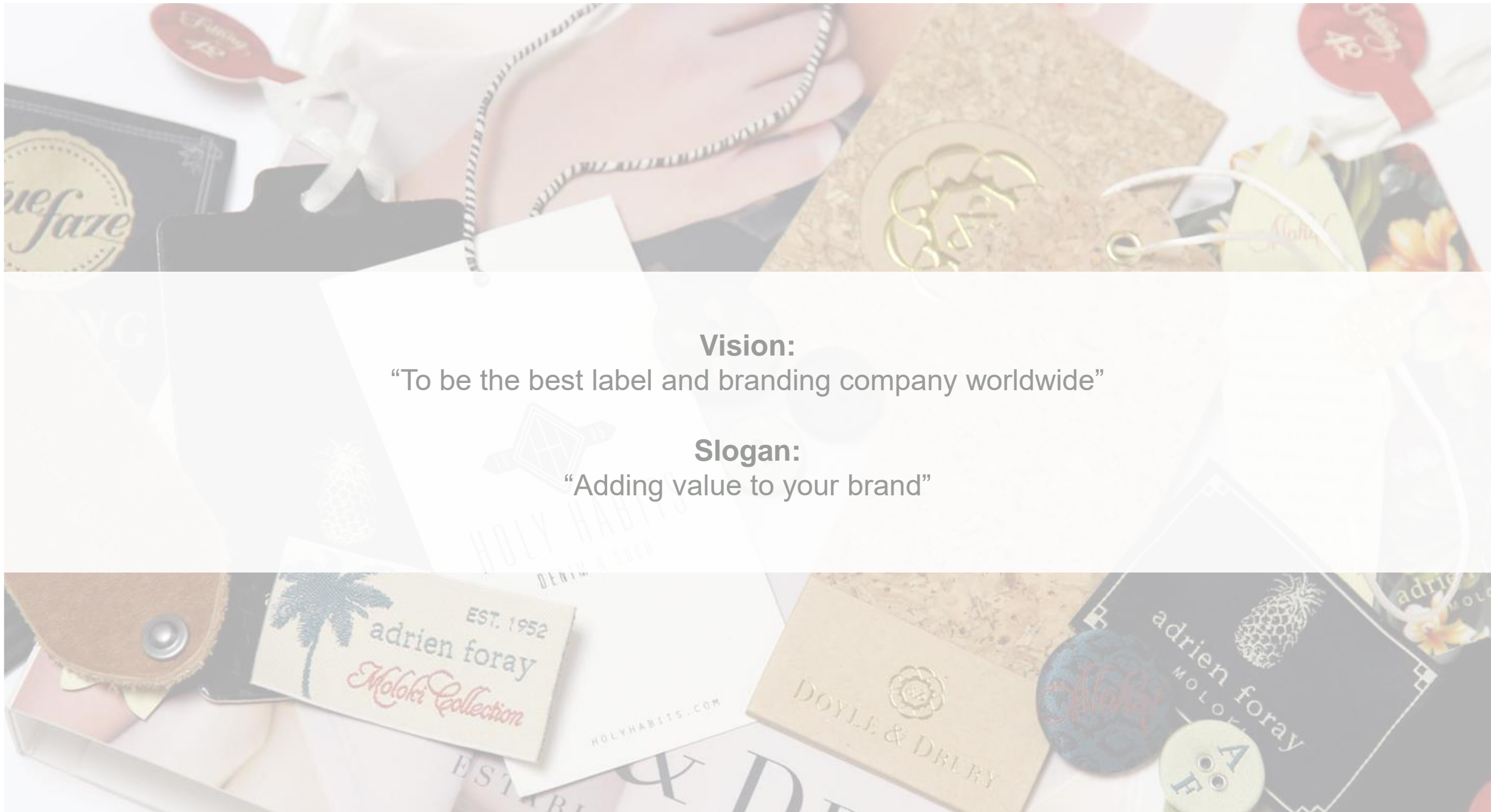
NILÖRNGRUPPEN
2022

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



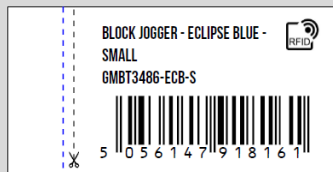
To strengthen the brand and convey a feeling it is important that the product is delivered in a attractive package

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

RADIO FREQUENCY IDENTIFICATION



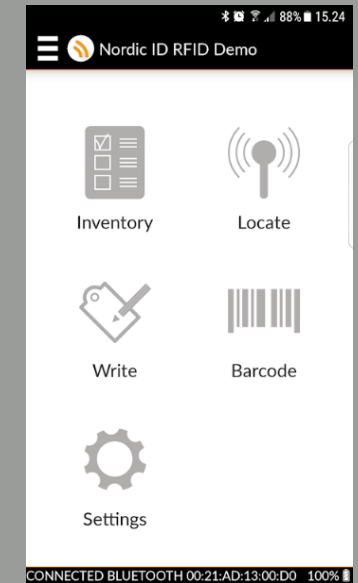
Labels



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 2,0 Billion labels in 2021

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)



A collage of various clothing tags and labels. The background is a light, textured surface. In the foreground, several tags are visible: a black tag with a gold 'adrien foray' logo, a white tag with a gold 'adrien foray' logo, a white tag with a gold 'adrien foray' logo, a white tag with a gold 'adrien foray' logo, a white tag with a gold 'adrien foray' logo, a white tag with a gold 'adrien foray' logo, a white tag with a gold 'adrien foray' logo, a white tag with a gold 'adrien foray' logo, a white tag with a gold 'adrien foray' logo, a white tag with a gold 'adrien foray' logo. The text 'FINANCIAL PERFORMANCE' is centered in a bold, black, sans-serif font.

FINANCIAL PERFORMANCE

HOLY HABITS
DENIM & SUCH

EST. 1952
adrien foray
Molokai Collection

HOLYHABITS.COM

DOYLE & DRURY

adrien foray
MOLOKAI

Q3-2022

- Order Income -3% to MSEK 230 (236)
- Sales +14% to MSEK 232 (203)
- Sales excl currency effects +2 % to MSEK 206 (203)
- Operating profit MSEK 37,0 (29,3)
- Net Profit MSEK 28,0 (20,8)



Q3-2022, accumulated

- Order Income +28% to MSEK 755 (587)
- Sales +34% to MSEK 744 (554)
- Sales excl currency effects +22 % to MSEK 675 (554)
- Operating profit MSEK 122,1 (79,4)
- Net Profit MSEK 91,9 (57,1)



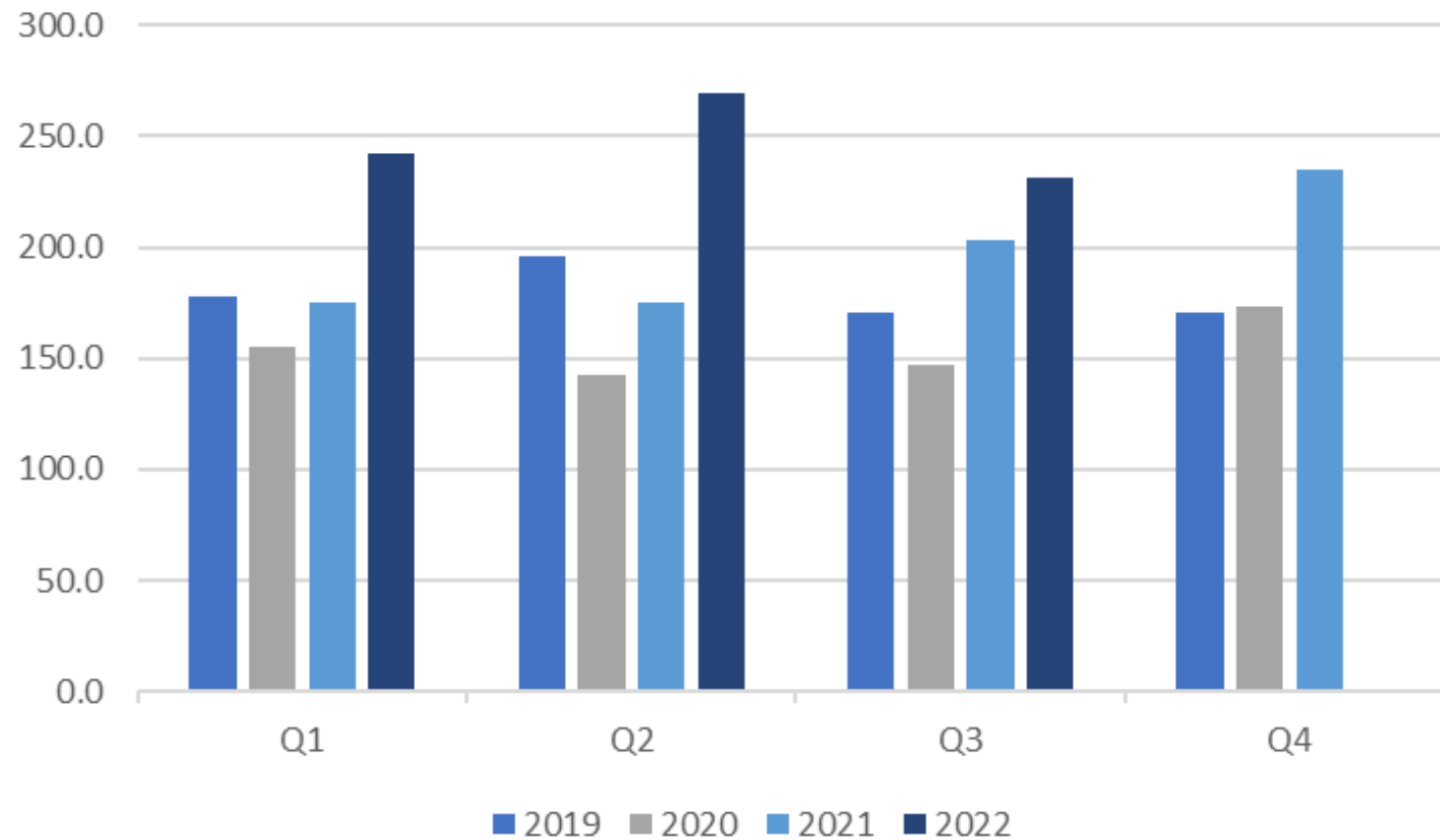
INCOME 2022



Amounts in SEK thousand	3 months				9 months			
	2022		2021		2022		2021	
	July - September				January - September			
Net revenue	232,024		203,442		743,500		553,847	
Raw materials, supplies and goods for resale	-127,583		-110,541		-414,615		-296,181	
Gross profit	104,441	45.0%	92,901	45.7%	328,885	44.2%	257,666	46.5%
Other operating revenue	8,192		1,813		18,133		7,093	
Other external costs	-16,006	6.9%	-15,143	7.4%	-52,908	7.1%	-42,535	7.7%
Personnel costs	-47,073	20.3%	-42,806	21.0%	-141,557	19.0%	-120,930	21.8%
Depreciation, amortisation and impairment charges	-8,384		-6,512		-23,045		-18,969	
Other operating costs	-4,121		-956		-7,394		-2,898	
Operating profit	37,049	16.0%	29,297	14.4%	122,114	16.4%	79,427	14.3%
Net finance items	-417		-615		-1,980		-2,190	
Profit before taxes	36,632		28,682		120,134		77,237	
Taxes	-8,661	-3.7%	-7,920	-3.9%	-28,239	-3.8%	-20,149	-3.6%
Net profit for the period	27,972	12.1%	20,762	10.2%	91,895	12.4%	57,088	10.3%
Earnings per share, SEK	2.45		1.82		8.06		5.01	

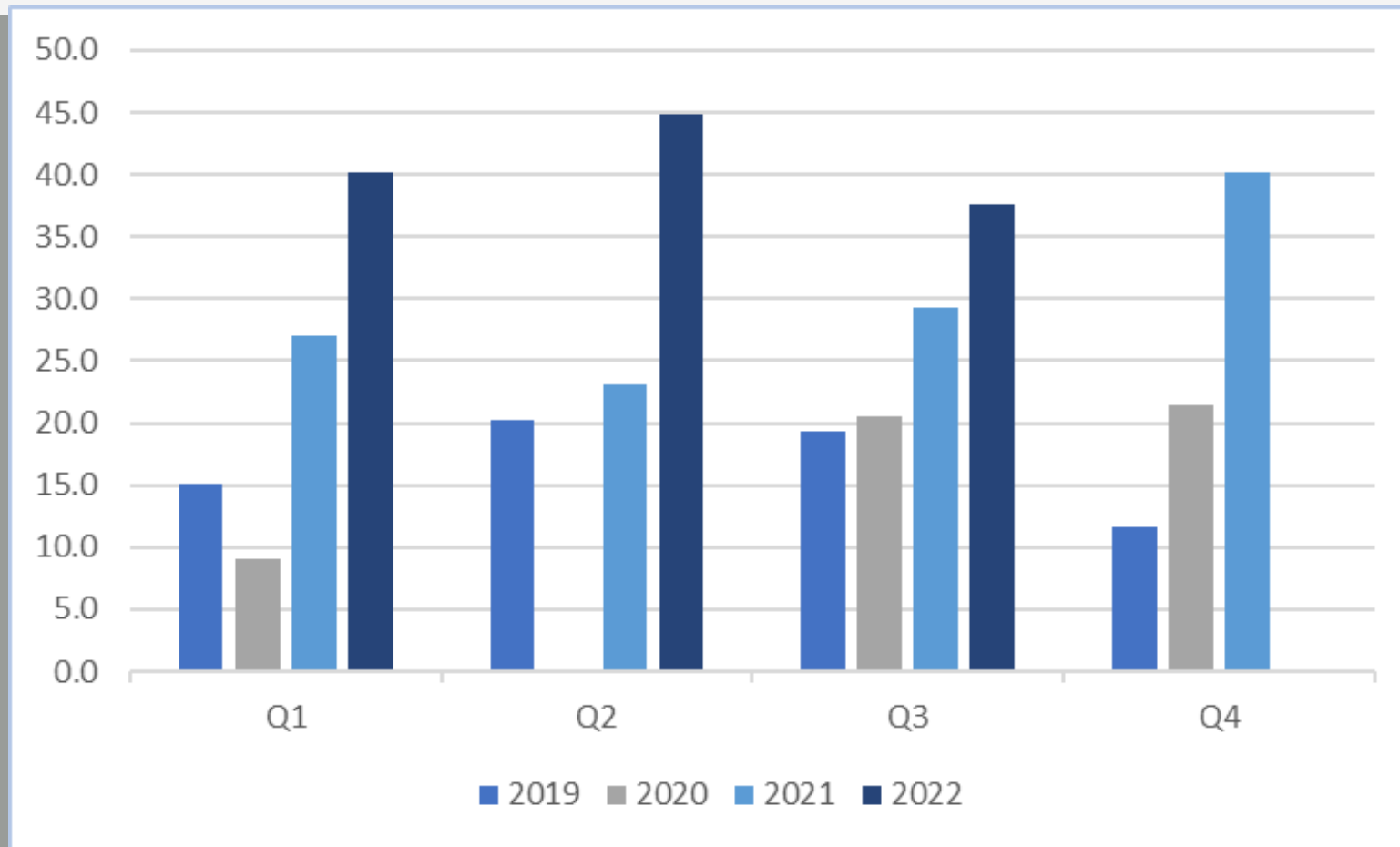
QUARTERLY COMPARISON - Sales

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	July - September		January - September	
	2022	2021	2022	2021
Amounts in SEK thousand				
Cash flow from operating activities before changes in working capital	33,845	27,934	114,727	76,287
Cash from changes in working capital	-20,543	-5,146	-84,694	-15,814
Cash flow from operating activities	13,303	22,788	30,034	60,473
Cash flow from investment activities	-5,449	-3,018	-12,499	-8,706
Cash flow from financing activities	-6,447	-482	-26,687	-22,633
Cash flow for the year	1,407	19,288	-9,152	29,134

BALANCE SHEET



Consolidated Balance Sheet

Amounts in SEK thousand

Assets

	2022-09	2021-09	2021-12	2020-12
Intangible non-current assets	27 211	24 698	25 617	23 486
Other non-current assets	130 855	134 714	133 320	132 597
Inventories	213 015	126 655	145 917	106 648
Trade receivables	131 806	108 657	114 216	72 012
Other current assets	37 465	27 321	20 748	21 323
Cash and cash equivalents	115 395	99 843	116 367	66 276

Total assets	655 747	521 888	556 185	422 342
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Equity and liabilities

Equity	333 288	248 344	278 258	209 809
Long-term interest-bearing liabilities	43 602	49 161	46 078	51 274
Long-term non-interest-bearing liabilities	5 370	5 094	5 766	4 601
Current interest-bearing liabilities	55 377	28 918	29 583	28 179
Current non-interest-bearing liabilities	218 110	190 371	196 500	128 479

Total equity and liabilities	655 747	521 888	556 185	422 342
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KEY FINANCIAL INDICATORS



KEY FINANCIAL INDICATORS	1 January – 30 Sept		1 January – 31 December				
	2022	2021	2021	2020	2019	2018	2017
Revenue growth, %	34.2	24.5	27.5	-14.0	1.0	7.0	12.0
Revenue growth, % (local currency)	15.0	-16.0	33.0	-9.0	4.0	8.0	13.0
Operating margin, %	16.4	14.3	15.2	8.2	9.3	12.0	12.1
Profit margin, %	16.2	13.9	14.7	7.6	8.8	11.8	12.1
Average equity	305.8	229.1	244.0	198.3	183.7	167.3	145.9
Return on equity, %	30.1	24.9	35.8	16.9	25.7	42.3	44.6
Equity ratio, %	49.8	47.6	50.0	49.7	45.3	53.0	49.2
Interest-bearing net cash (liabilities –), MSEK*	16.4	21.8	40.7	-13.2	-89.6	-2.5	9.2
Earnings per share, SEK	8.1	5.0	7.67	2.94	4.14	6.20	5.70
Equity per share, SEK	29.2	21.8	24.40	18.40	16.37	15.85	13.50
Dividend per share, SEK	2.0	2.0	2.00	0.00	4.00	4.00	3.60
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	579	531	553	499	494	482	446

* Interest-bearing net cash (liabilities –), has been effected by 27 (37) MSEK by the introduction of IFRS 16

CEO'S SUMMARY



- An underlying organic growth of 2 % for the quarter and 15 % accumulated
- More tough comparison and a certain slow down
- 12-months rolling:
 - TO MSEK 978 (788), (pre pandemic 718 MSEK Year 2019)
 - OP MSEK 162 (120), (pre pandemic 85 MSEK year 2018)
- Order income -3 %, but accumulated +28 %
- Good margins even though higher cost
- Increase prices in energy
- Germany, Italy, France , Spain and USA
- Production perform well (Portugal, Bangladesh, Hong Kong, UK)
- Future hard to predict, slow down in retail? War? Energy?



CEO'S SUMMARY



- Structural improvements within:
 - CSR
 - Sourcing
 - Purchase
 - Compliance
 - Material
 - IT
- Our employees continue to do a great job, adopting to a new way of working, introduce new employees, cope with the increased volumes to cope with increased volumes



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!

