

Press release

17 June 2016

Elanders makes strategic acquisition in Supply Chain and doubles Group net sales

Today Elanders signed a contract for the acquisition of all the shares in the German supply chain management company LGI Logistics Group International GmbH ("LGI"), which is one of the leading players in Industrial Contract Logistics in Germany. In 2015, LGI's net sales were around EUR 430 million, its normalized EBITDA was approximately EUR 29 million and it operated in ten countries, primarily in Europe with Germany as its main market. Through the acquisition, Elanders takes a major step forward in global supply chain management and the annual group net sales will increase from around SEK 4.2 to 8.3 billion, while the number of employees will rise from around 3,200 to 7,200 (pro forma 2015 level). The acquisition is expected to contribute positively to earnings per share already in the current year. The purchase price is calculated at MEUR 257 on a debt free basis.

Elanders has been looking for a complement to its existing operations in Supply Chain Solutions for some time. The investment criteria have been that the acquisition target would have a strong foothold in Europe or the US and a significant customer base that provides opportunities for existing Elanders to expand in other markets. LGI meets these criteria.

"Together with LGI we create a stable platform for future organic growth in Supply Chain Solutions, making our global offer more complete. We will now be able to offer Elanders' existing customers the same services in Europe as they today enjoy in Asia and the Americas. For LGI's customers the result will be the opposite, gaining access to Elanders' network in Asia and the Americas," says Magnus Nilsson, President and CEO of Elanders AB.

LGI is one of Germany's leading players in Industrial Contract Logistics and its long-term vision is to become one of the leading players in Europe. LGI was created as an offshoot from Hewlett Packard Deutschland GmbH in 1995 and has grown considerably since. Currently LGI has more than 45 facilities worldwide, whereof 35 in Germany. In addition to Germany, the company has operations in Austria, the Czech Republic, Great Britain, Hungary, the Netherlands, Poland, Russia, Sweden and in the US. LGI is specialized in value-adding services to customers in Automotive, Electronics, Healthcare & Life Science, Industrial, as well as Fashion & Lifestyle. The company has a particular focus on product and component flows with extremely short lead times and provides everything from pure logistic solutions to comprehensive supply chain management solutions. Customers in Fashion & Lifestyle were added to the customer base in 2013 when LGI acquired ITG GmbH from Deutsche Post.

"LGI has a good reputation on the market among both its customers and competitors. The acquisition is another step in the strategy Elanders has conducted in recent years of becoming a clear global player and to reduce Group dependency on traditional printing. After the acquisition, Supply Chain Solutions will make up three fourths of Group net sales. Through the acquisition our four customer groups Automotive; Electronics; Industrial Manufacturing as well as Retail, Fashion & Fast-Moving Consumer Goods will all be of approximately the same size," continues Magnus Nilsson.

Elanders is a global supplier of integrated solutions in the areas supply chain management, print & packaging and e-commerce. The Group operates in more than 15 countries on four continents. Our most important markets are China, Germany, Singapore, Sweden, United Kingdom and the USA. Our major customers are primarily automotive, consumer electronics or white goods manufacturers.

For more information, please visit www.elanders.com

“We have built up a business we are very proud of and together with Elanders we can broaden and strengthen our offer to our customers. Elanders’ strong position in Asia and Americas also creates new opportunities for us and our customers. Elanders’ capacity within Print & Packaging as well as its competence in e-Commerce will open up for further development of our customer base,” comments Andreas Bunz, President and CEO of LGI.

For further information regarding LGI please see the following website:

- www.lgi.de

The acquisition is conditional on receiving the necessary approvals by German and Austrian competition authorities. The acquisition will be financed through a combination of external loans and a new rights issue. Bridge financing will be arranged through Elanders’ existing bank contacts. As part of the financing plan, the Board of Elanders intends to propose a new issue of around MSEK 600 with preferential rights for existing shareholders. The entire amount of the new issue will be guaranteed by principle owner Carl Bennet AB. A detailed time plan and conditions will be announced later.

Telephone conference

Elanders will hold a conference call today the 17 of June 2016 at 14:00 CET for analysts, press and media. Please see the numbers below to participate in the conference:

Sweden: +46 8 5065 3937
Germany: +49 69 2222 10624
UK: +44 20 3427 1918
USA: +1 646 254 3365

Code: 4450329

Elanders AB (publ)

For further information please contact:

Magnus Nilsson, President and CEO, +46 31 750 07 50,
magnus.nilsson@elanders.com

Andréas Wikner, CFO, +46 31 750 07 50,
andreas.wikner@elanders.com

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