

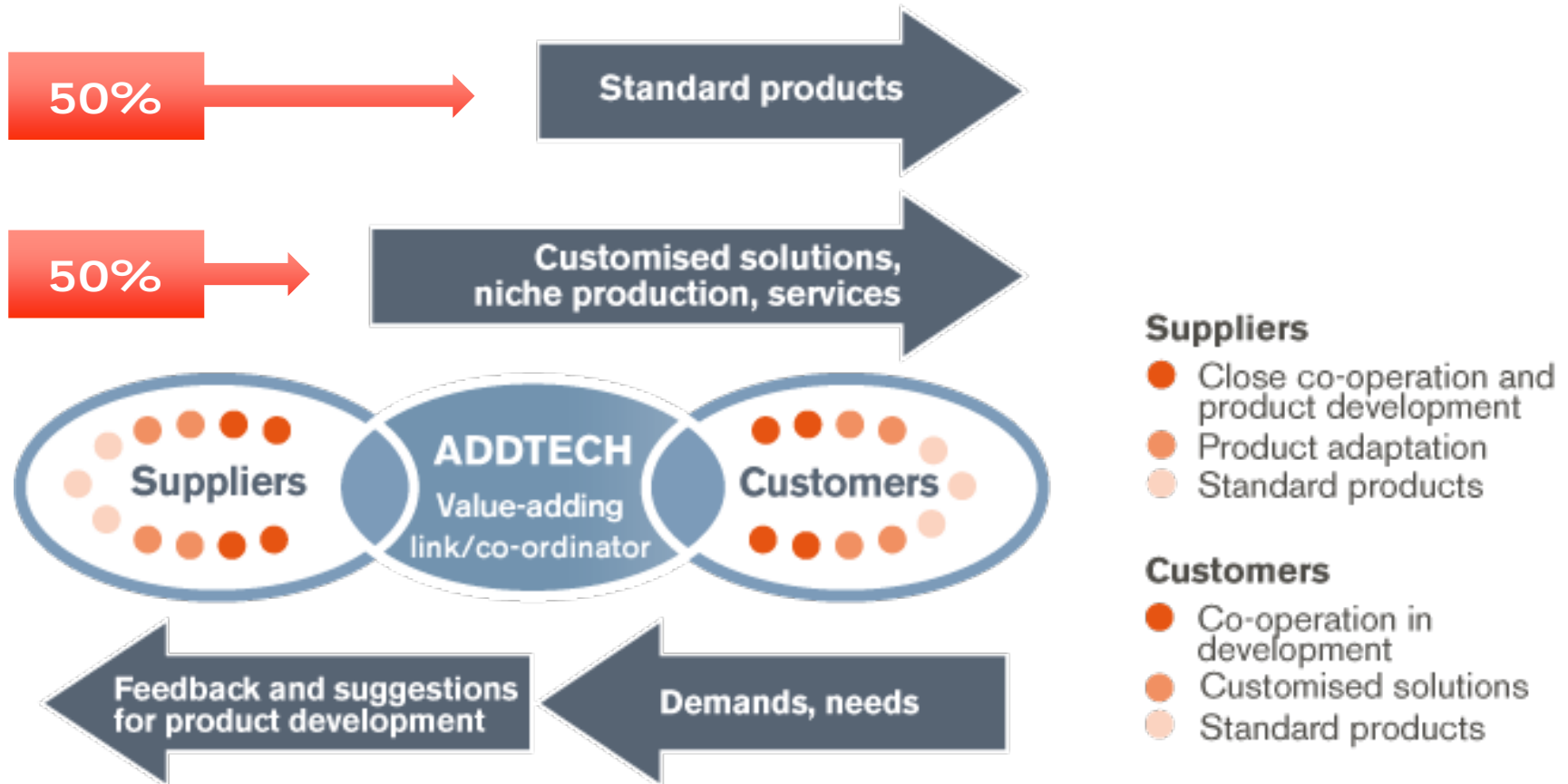
# Presentation of Addtech

# Addtech in brief

- A technology trading company
- Refining link between suppliers and customers
  - Focus on "Added Value" in product
  - Middle to low-sized volume
- From standard products to own-brand
  - Some own manufacturing
- The Nordic region
  - Other markets with unique offer
- Revenue above SEK 6,500m
  - About 120 decentralised subsidiaries

# Addtech - Business model & Focus

B2B trading of technical products



Value **Adding Tech** Provider

Provides technical and economical value added

# Strategies for profitable growth

Profitable growth is achieved through continuous business and organisational development





# Interim report Q2

1 April 2016 – 30 September 2016

# 1 April 2016–30 September 2016

## 2<sup>nd</sup> quarter

- Net sales increased by 12% to SEK 1,658m (1,482)
  - For comparable units +2%
  - Acquired growth +10%
  - Currency effects +0%

## 6 months

- Net sales increased by 16% to SEK 3,418m (2,954)
  - For comparable units +5%
  - Acquired growth +12%
  - Currency effects -1%

# 1 April 2016–30 September 2016

## 2<sup>nd</sup> quarter

- EBITa increased by 24% to SEK 183m (147)
  - EBITa-margin 11.0% (9.9)
- Operating profit increased by 24% to SEK 156m (125)
  - Operating margin 9.4% (8.5)

## 6 months

- EBITa increased by 31% to SEK 362m (277)
  - EBITa-margin 10.6% (9.4)
- Operating profit increased by 32% to SEK 309m (234)
  - Operating margin 9.0% (7.9)

# 1 April 2016 – 30 September 2016

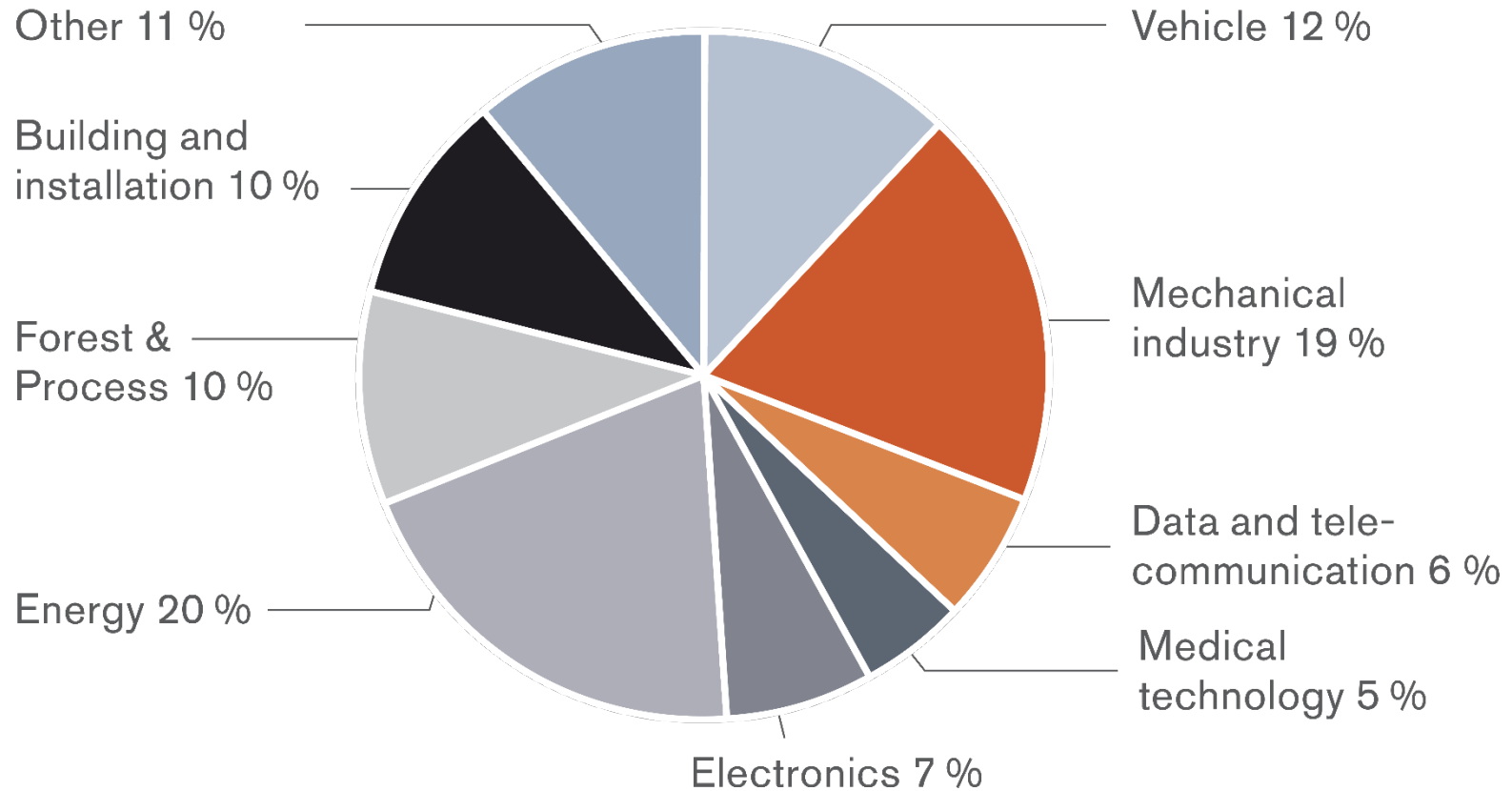
- Addtech continued to develop very well in the second quarter. Despite the challenging state of the market, we continue to grow.
- Compared to the corresponding quarter of the previous year, which was relatively strong, sales increased by 12 percent and EBITA increased by 24 percent. As a result our operating margin was further strengthened.
- The increase in earnings is equal parts attributable to acquisitions as to organic growth with good cost control. The selective cost reductions that have been implemented are now having a positive effect on earnings.
- Overall, the underlying demand was stable for the Group during the quarter, but the market situation varies depending on geographical region and customer segment.
- Demand for production components from Nordic manufacturing companies remained stable at a high level in most customer segments, such as machinery manufacturers, the engineering industry and medical technology.
- Business from customers within special vehicles, transport and wind power improved.



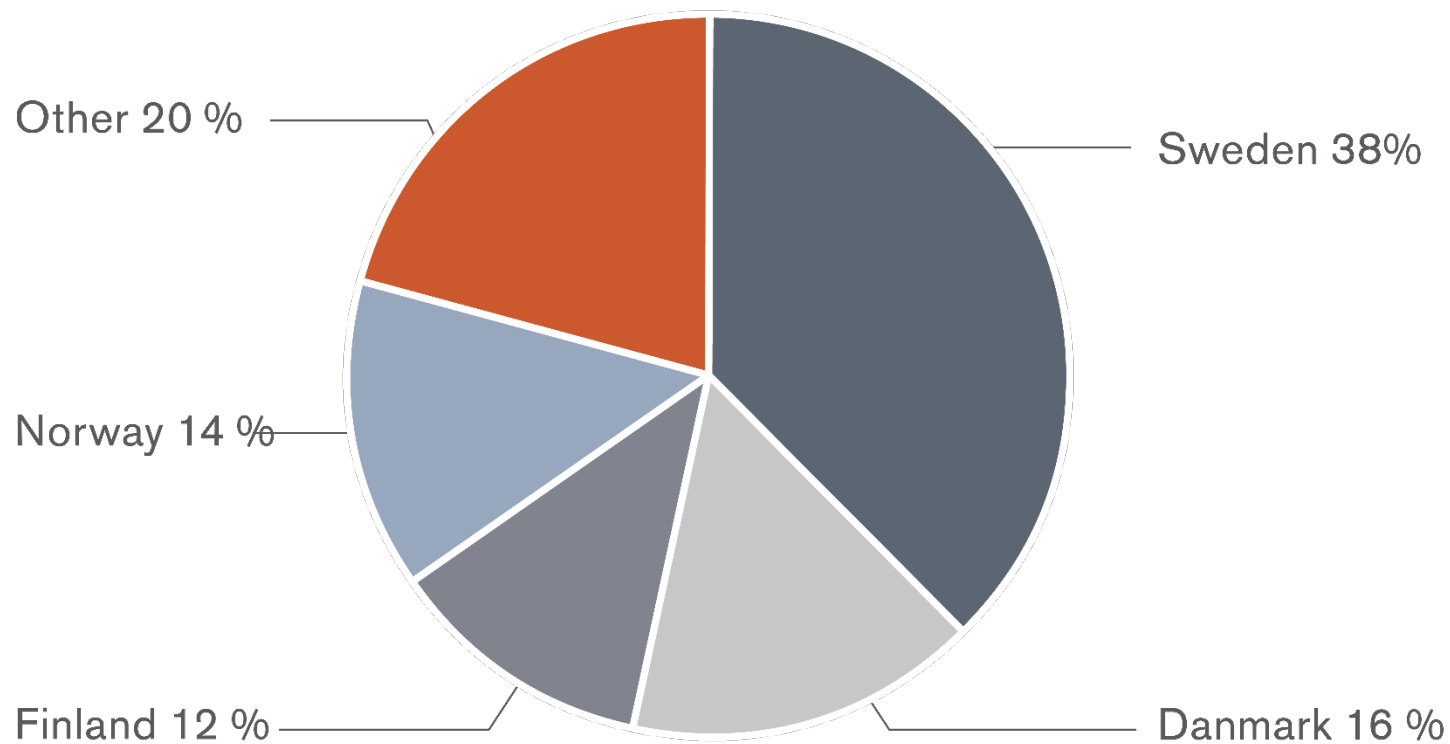
# 1 April 2016 – 30 September 2016

- Demand for products in telecom fell considerably, and investments in oil and gas in Norway remained at a low, yet stable, level. However, demand is growing in other areas in the Norwegian market, such as infrastructure and the food industry.
- Demand from industrial aftermarket customers generally remained unchanged.
- Customers in electricity transmission have increased their investments, while demand from customers in electricity distribution remained at a high and stable level.
- The market for electricity-related products in building and installation developed well.
- Since the start of the financial year we have completed five acquisitions, of which one after the end of the period, with total annual sales of about SEK 230 million and 77 employees.
- With a robust cash flow and a strong balance sheet our ambition is to continue growing and acquiring profitable technology companies with market-leading niche positions.

# Customer segments 2015/2016



# Net sales by geographical market



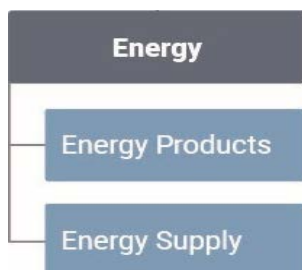
# Components

Components
Denmark
Finland
Norway
Sweden
MI Group

	2nd quarter		6 months		2015/2016	
Net sales	520	8%	1,101	13%	2,029	7%
EBITA	44	3%	91	16%	149	-3%
ROS	8.5%	8.9%	8.3%	8.0%	7.4%	8.2%

- All in all, demand for production components from Nordic manufacturing companies was stable during the quarter.
- The market within oil and gas in Norway is still very weak, but other customer segments in the Norwegian market are displaying growth.
- In Sweden and Denmark the business situation remains unchanged as a whole, even when compared to a strong first quarter this year and a strong second quarter last year.
- Overall, the Finnish market is weak, but our operations have continued to succeed in increasing their sales.

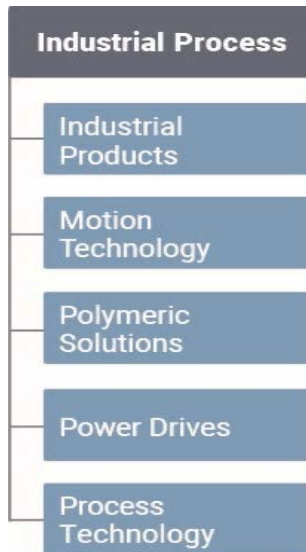
# Energy



	2nd quarter		6 months		2015/2016	
Net sales	439	19%	881	27%	1,487	10%
EBITA	57	54%	114	60%	149	7%
ROS	12.8%	9.9%	12.9%	10.2%	10.1%	10.4%

- The business area reported healthy organic growth during the quarter, good contributions from implemented acquisitions and a positive impact on earnings from cost reductions.
- Demand from customers in infrastructure and construction stayed positive during the quarter.
- Infrastructure investments in electrical power transmission rose for small projects, but remained at a low level in larger new-build projects.
- The sales of niche products in electrical power distribution were stable, while demand for products within electrical installation and electrical safety rose during the period.

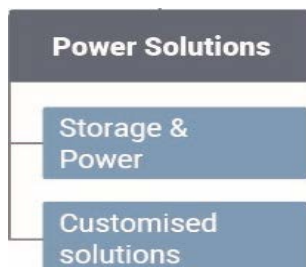
# Industrial Process



	2nd quarter		6 months		2015/2016	
Net sales	380	6%	751	5%	1,423	1%
EBITA	33	0%	64	6%	116	28%
ROS	8.8%	9.4%	8.6%	8.5%	8.1%	6.4%

- Overall, demand from the production industry in the Nordics was unchanged during the quarter, while it increased in the rest of Europe.
- Investments in the Nordic process industry, including in oil and gas, continued to decline.
- Demand in the field of energy and for products to the shipping market developed positively, whereas it was stable in other segments such as machinery manufacturers, medical technology customers and the sawmill industry.

# Power Solutions



	2nd quarter		6 months		2015/2016	
Net sales	322	16%	690	20%	1,226	13%
EBITA	48	37%	94	36%	136	0%
ROS	14.8%	12.5%	13.7%	12.1%	11.1%	12.4%

- All in all, demand for the business area remained unchanged at a high level during the quarter, and previously implemented acquisitions have contributed according to plan.
- The business climate for products to the special vehicles industry and for customers in wind power increased.
- Customers in telecom reduced their demand significantly, while the market was more stable in the electronics and medical technology segments.

# Addtech The Group

## Income statement, condensed

(SEKm)	3 months ending		6 months ending		12 months ending	
	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15	30 Sep 16	31 Mar 16
<b>Net Sales</b>	<b>1,658</b>	<b>1,482</b>	<b>3,418</b>	<b>2,954</b>	<b>6,619</b>	<b>6,155</b>
Cost of sales & op. Expenses	-1,508	-1,356	-3,126	-2,720	-6,134	-5,728
Other operating items	6	-1	17	0	33	16
<b>Operating profit</b>	<b>156</b>	<b>125</b>	<b>309</b>	<b>234</b>	<b>518</b>	<b>443</b>
Financial income & expenses	-1	-4	-9	-6	-23	-20
<b>Profit after financial items</b>	<b>155</b>	<b>121</b>	<b>300</b>	<b>228</b>	<b>495</b>	<b>423</b>
Income tax expense	-34	-27	-66	-51	-105	-90
<b>Net profit</b>	<b>121</b>	<b>94</b>	<b>234</b>	<b>177</b>	<b>390</b>	<b>333</b>
Earnings per share, SEK	1.80	1.40	3.45	2.60	5.70	4.85
EBIT-margin, %	9.4	8.5	9.0	7.9	7.8	7.2
EBITa-margin, %	11.0	9.9	10.6	9.4	9.4	8.7



# Addtech The Group

## Cash flow statement, condensed

(SEKm)	3 months ending		6 months ending		12 months ending	
	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15	30 Sep 16	31 Mar 16
Profit after financial items	155	136	300	273	2,108	2,081
Adj. for non cash items	21	46	70	84	-1,427	-1,413
Income tax paid	-15	-39	-44	-60	-144	-160
Changes in working capital	-51	-66	-112	-156	10	-34
<b>Cash flow from operating activities</b>	<b>110</b>	<b>77</b>	<b>214</b>	<b>141</b>	<b>547</b>	<b>474</b>
Net investment in non-current assets	-16	-16	-22	-33	-55	-66
Acquisitions and disposals	-15	-366	-90	-411	-302	-623
Discontinued operations, Net affecting liquidity	-	-	-	-	337	337
Dividend paid	-218	-217	-218	-217	-218	-217
Repurchase of own shares/options	-40	-45	-46	-45	-46	-45
Other financing activities	121	610	142	611	-259	210
<b>Period's cash flow</b>	<b>-58</b>	<b>43</b>	<b>-20</b>	<b>46</b>	<b>4</b>	<b>70</b>

\* 12 months includes discontinued operations

# Addtech The Group

## Balance sheet, condensed

(SEKm)	30 Sep 16	30 Sep 15	31 Mar 16
Goodwill	949	1,308	856
Other intangible non-current assets	686	873	642
Property, plant and equipment	177	230	168
Non-current financial assets	31	29	27
Inventories	942	1,063	874
Current receivables	1,180	1,233	1,098
Cash and cash equivalents	128	122	140
<b>Total assets</b>	<b>4,093</b>	<b>4,858</b>	<b>3,805</b>
Total equity	1,545	1,700	1,514
Interest-bearing provisions & liabilities	1,162	1,679	961
Non-interest-bearing prov. & liabilities	1,386	1,479	1,330
<b>Total equity &amp; liabilities</b>	<b>4,093</b>	<b>4,858</b>	<b>3,805</b>

# Addtech The Group

## Key financial indicators

(SEKm)	30 Sep 16	31 Mar 16	30 Sep 15
Total equity (SEKm)	1,545	1,514	1,700
Equity per share, SEK	22.60	22.10	24.20
Equity ratio, %	38	40	35
Return on equity, %	24	20	27
Return on capital employed, %	18	16	21
Financial net debt (SEKm)	1,034	822	1,557
- of which pension liability	201	199	319
- of which other liabilities	833	623	1,239
Financial net debt / EBITDA	1.6	1.4	2.2
Net debt / equity ratio, times	0.5	0.4	0.7
Interest coverage ratio, times	21	20	24
Average number of employees	2,096	2,386	2,302
Number of employees at end of period	2,128	2,076	2,478

