

Presentation of Addtech

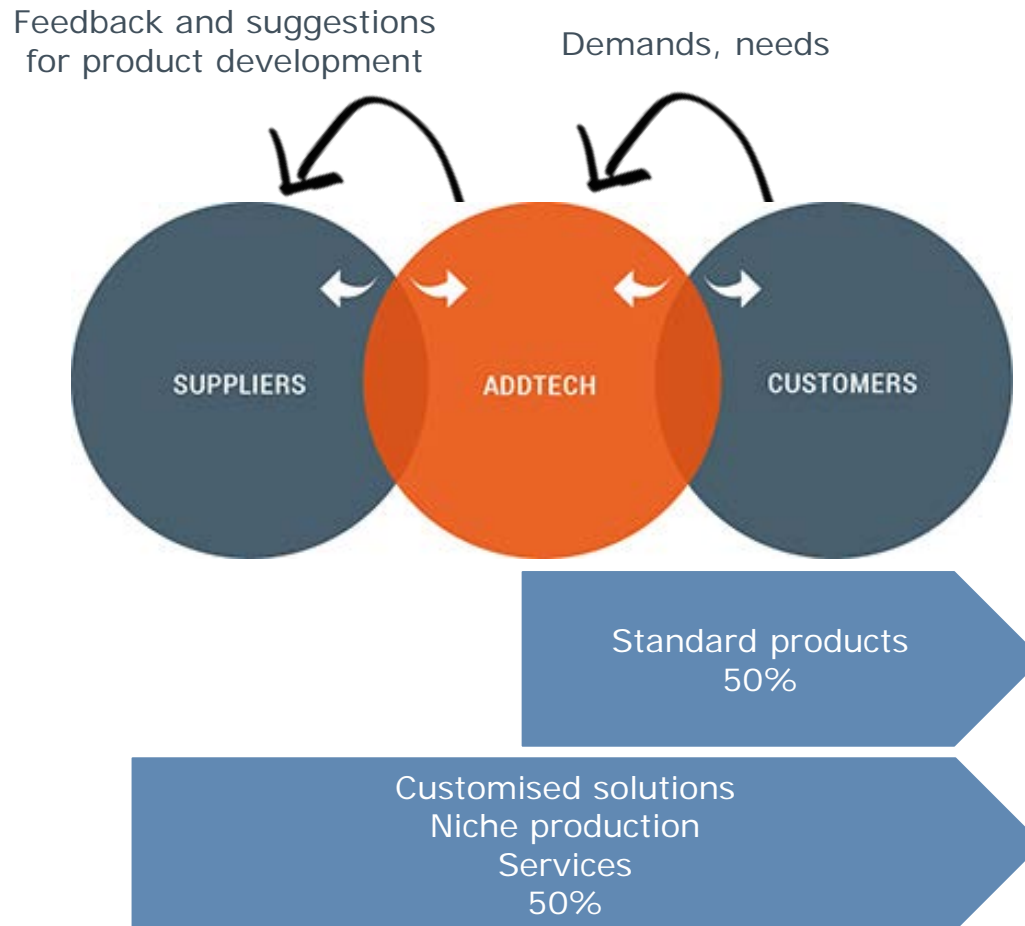
Addtech in brief

- 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 over SEK 7,000m
 - About 120 decentralised subsidiaries

Value **Adding Tech** Provider

Provides technical and economical value added

Addtech - Business model and focus



B2B trading – Value Adding link between suppliers and customers



Interim report Q1

1 April 2017 – 30 June 2017

1 April 2017–30 June 2017

- Net sales increased by 12% to SEK 1,979m (1,760)
 - For comparable units +4%
 - Acquired growth +6%
 - Currency effects +2%
- EBITa increased by 19% to SEK 214m (179)
 - EBITa-margin 10.8% (10.2)
 - The profit includes items affecting comparability amounting to a net total of SEK +12 million, and adjusted EBITA amounted to SEK 202 million (179), corresponding to an EBITA margin of 10.2% (10.2).
- Operating profit increased by 18% to SEK 181m (153)
 - Operating margin 9.1% (8.7)

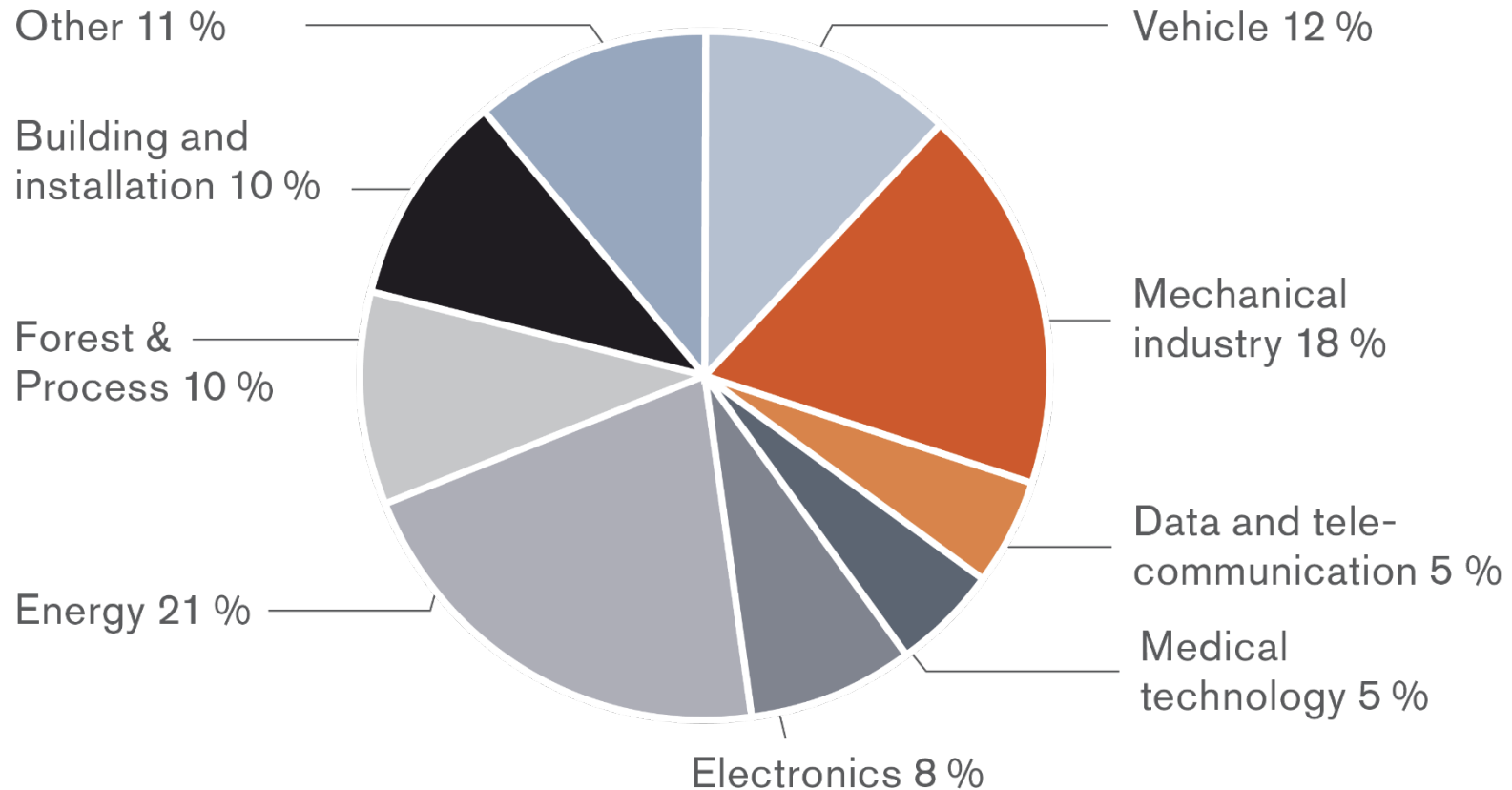
1 April 2017 – 30 June 2017

- The first quarter of the year produced good growth with a retained operating margin, even in comparison with a strong quarter in the preceding year.
- The 4 percent organic growth in sales generated good profit growth, and the contribution made by our completed acquisitions fulfilled expectations.
- Addtech enjoyed good demand, and the economy in the markets where we operate remains positive.
- Sales of production components to manufacturing companies improved, and the largest growth in demand comes from manufacturers of special vehicles in segments such as forklift trucks, mining, the forest industry and contracting machinery.
- Other customer segments such as machinery manufacture, medical technology, wind power and electronics experienced a favourable business climate.
- The market for products to customers in telecom as well as oil and gas remained weak, however.

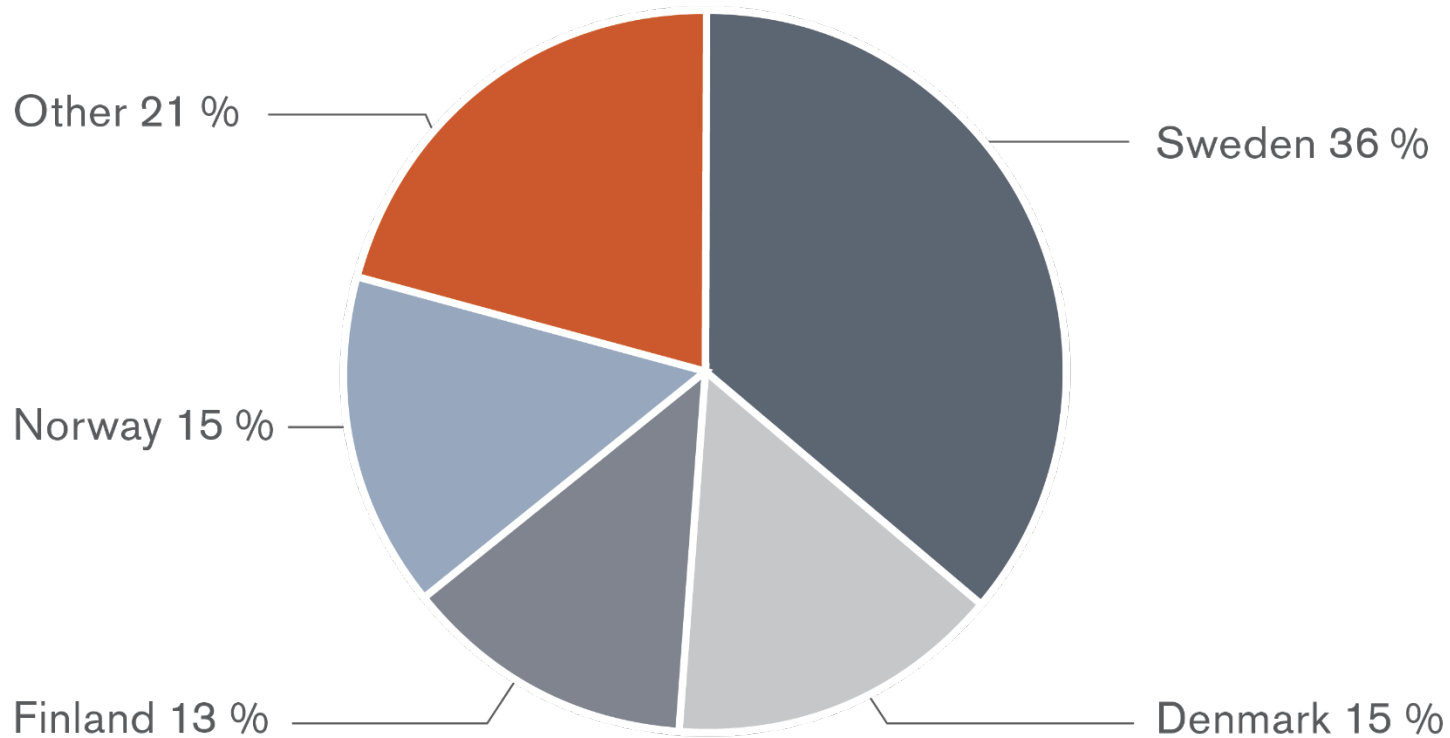
1 April 2017 – 30 June 2017

- Infrastructure investments among Nordic electricity network companies grew additionally somewhat from an already high level.
- In this market, demand from electricity transmission customers increased, while sales to electricity distribution customers stayed at a continued high and stable level.
- The market for electricity-related products in building and installation was positive.
- Sales of products to the industrial aftermarket, such as mechanical industry and the forest and process industries, increased somewhat, while demand from the shipping market was very good during the quarter.
- During the start of the financial year we have completed three acquisitions which add sales of about SEK 225 million on an annual basis.
 - With a strong balance sheet, we have good possibilities of completing additional acquisitions during the year.

Customer segments 2016/2017



Geographical market 2016/2017



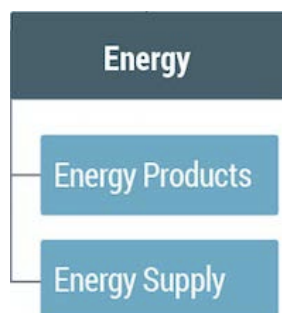
Components



	1st quarter		2016/2017	
Net sales	707	22%	2,355	16%
EBITA	67	42%	187	25%
ROS	9.4%	8.1%	8.0%	7.4%

- Demand for production components from Nordic manufacturing companies increased in most of our customer segments during the quarter.
- In Sweden and Denmark the business situation stayed positive as a whole, even when compared to a strong first quarter in the preceding year.
- We increased sales in the Finnish market, and the market in Norway is also largely better, despite a prevailing weak demand in oil and gas.

Energy



	1st quarter		2016/2017	
Net sales	466	5%	1,807	22%
EBITA	55	-4%	225	50%
ROS	11.8%	13.0%	12.5%	10.1%

- From an already high level, demand rose somewhat for the business area as a whole.
- We had growth in demand for infrastructure products to national and regional networks in the Nordics, and sales of niche products in electrical power distribution remained stable.
- Demand for cable products to the manufacturing industry grew.
- The business climate for electrical installation products was more hesitant in the Nordics, whereas it was more positive in Great Britain.

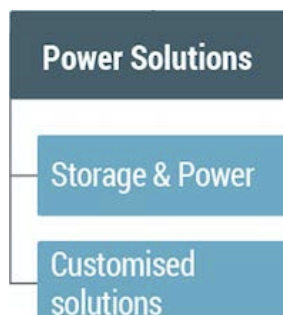
Industrial Process

Industrial Process
Industrial Products
Motion Technology
Polymeric Solutions
Power Drives
Process Technology

	1st quarter		2016/2017	
Net sales	404	9%	1,585	11%
EBITA	33	6%	125	9%
ROS	8.1%	8.3%	7.9%	8.1%

- On the whole, the market situation continued to improve during the quarter.
- Investments in the Nordic process industry increased, apart from in oil and gas.
- Demand in the shipping market, sawmill industry and from manufacturers of special vehicles developed favourably.
- The business climate within other segments, such as machinery manufacturers, medical device customers and energy was stable.
- Selective efficiency enhancement measures are being implemented to increase profitability.

Power Solutions



	1st quarter		2016/2017	
Net sales	404	10%	1,439	17%
EBITA	51	11%	187	38%
ROS	12.7%	12.6%	13.0%	11.1%

- On the whole, demand was at a stable level for the business area, but the business situation varied between different customer and product segments.
- Sales of controls and ergonomics products to the special vehicles industry continued to grow, and demand in the rail industry improved.
- Demand for battery solutions was stable within most customer segments.
- However, the market for power supply products in telecom and wind power remained weak.

The Addtech Group

Income statement, condensed

(SEKm)	3 months ending		12 months ending	
	30 Jun 17	30 Jun 16	30 Jun 17	31 Mar 17
Net Sales	1,979	1,760	7,397	7,178
Cost of sales & op. Expenses	-1,804	-1,618	-6,798	-6,612
Other operating items	6	11	33	38
Operating profit	181	153	632	604
Financial income & expenses	-4	-8	-20	-24
Profit after financial items	177	145	612	580
Income tax expense	-34	-32	-132	-130
Net profit	143	113	480	450
Earnings per share, SEK	2.10	1.65	7.05	6.60
EBIT-margin, %	9.1	8.7	8.5	8.4
EBITa-margin, %	10.8	10.2	10.1	10.0

The Addtech Group

Cash flow statement, condensed

(SEKm)	3 months ending		12 months ending	
	30 Jun 17	30 Jun 16	30 Jun 17	31 Mar 17
Profit after financial items	177	145	612	580
Adj. for non cash items	33	49	118	134
Income tax paid	-28	-29	-122	-123
Changes in working capital	-97	-61	-76	-40
Cash flow from operating activities	85	104	532	551
Net investment in non-current assets	-5	-6	-59	-60
Acquisitions and disposals	-172	-75	-432	-335
Dividend paid	-	-	-218	-218
Repurchase of own shares/options	18	-6	-4	-28
Other financing activities	76	21	175	120
Period's cash flow	2	38	-6	30

The Addtech Group

Balance sheet, condensed

(SEKm)	30 Jun 17	30 Jun 16	31 Mar 17
Goodwill	1,196	932	1,101
Other intangible non-current assets	859	690	791
Property, plant and equipment	191	171	190
Non-current financial assets	29	30	27
Inventories	996	918	942
Current receivables	1,386	1,191	1,286
Cash and cash equivalents	173	184	178
Total assets	4,830	4,116	4,515
Total equity	1,882	1,650	1,741
Interest-bearing provisions & liabilities	1,336	1,037	1,189
Non-interest-bearing prov. & liabilities	1,612	1,429	1,585
Total equity & liabilities	4,830	4,116	4,515

The Addtech Group

Key financial indicators

(SEKm)	30 Jun 17	31 Mar 17	30 Jun 16
Total equity (SEKm)	1,882	1,741	1,650
Equity per share, SEK	27.40	25.45	24.05
Equity ratio, %	39	39	40
Return on equity, %	28	28	22
Return on capital employed, %	23	23	17
Financial net debt (SEKm)	1,163	1,011	852
- of which pension liability	218	210	200
- of which other liabilities	945	801	652
Financial net debt / EBITDA	1.5	1.3	1.4
Net debt / equity ratio, times	0.5	0.5	0.4
Interest coverage ratio, times	24	24	21
Average number of employees	2,170	2,133	2,063
Number of employees at end of period	2,254	2,176	2,128

