ADDTECH

INTERIM REPORT 1 APRIL - 30 JUNE 2017

FIRST QUARTER

- **Net sales** increased by 12 percent and amounted to SEK 1,979 million (1,760).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 19 percent and amounted to SEK 214 million (179) corresponding to an EBITA-margin of 10.8 percent (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 percent (10.2).
- **Operating profit** increased by 18 percent and amounted to SEK 181 million (153) corresponding to an operating margin of 9.1 percent (8.7).
- **Profit after financial items** increased by 22 percent and amounted to SEK 177 million (145).
- **Profit after tax** increased by 26 percent and amounted to SEK 143 million (113) and **earnings per share before dilution** amounted to SEK 2.10 (1.65). For the most recent 12-month period, earnings per share before dilution amounted to SEK 7.05 (5.30).
- **Return on working capital (P/WC)** amounted to 53 percent (47).
- **Return on equity** amounted to 28 percent (22).
- **The equity ratio** amounted to 39 percent (40).
- **Cash flow from operating activities** amounted to SEK 85 million (104). For the most recent 12-month period, cash flow per share from operating activities amounted to SEK 7.95 (7.70).
- During the period, we have completed three acquisitions with total annual sales of about SEK 225 million.

GROUP SUMMARY	3 months			Rolling 12 months		
SEKm	30 Jun 2017	30 Jun 2016	Δ	30 Jun 2017	31 Mar 2017	Δ
Net sales	1,979	1,760	12%	7,397	7,178	3%
EBITA	214	179	19%	750	715	5%
EBITA-margin %	10.8	10.2		10.1	10.0	
Profit after financial items	177	145	22%	612	580	6%
Profit for the period	143	113	26%	480	450	7%
Earnings per share before dilution, SEK	2.10	1.65	27%	7.05	6.60	7%
Cash flow from operating activities per share, SEK	-	-		7.95	8.25	-4%
Return on equity, %	28	22		28	28	
Equity ratio, %	39	40		39	39	

Comparisons in parentheses refer to the corresponding period of the previous year, unless stated otherwise.

CEO'S COMMENTS

A GOOD START TO 2017/2018

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.

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.

ACQUISITIONS

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.

Johan Sjö
President and CEO

GROUP DEVELOPMENT

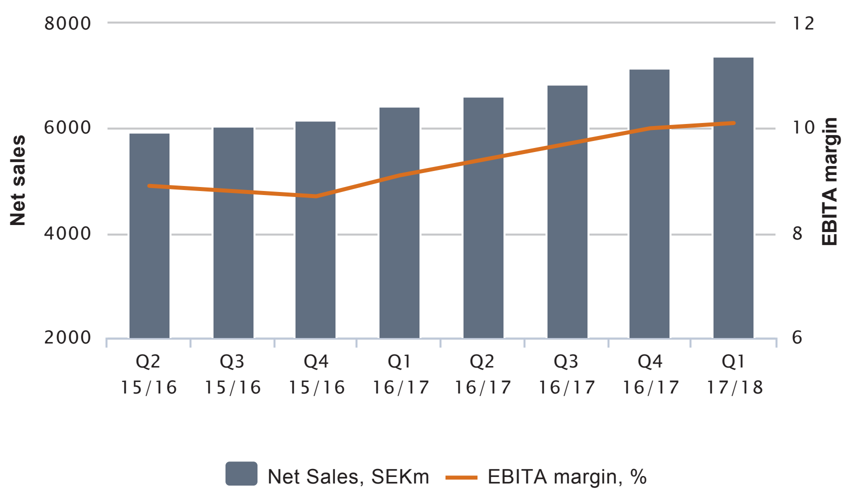
SALES DEVELOPMENT

Net sales in the Addtech Group increased during the period by 12 percent to SEK 1,979 million (1,760). The organic growth amounted to 4 percent and acquired growth amounted to 6 percent. Exchange rate changes had a positive effect of 2 percent on net sales, corresponding to SEK 38 million, and a positive effect of 2 percent on operating profit, corresponding to SEK 3 million.

PROFIT DEVELOPMENT

Operating profit increased during the period by 18 percent to SEK 181 million (153) and the operating margin amounted to 9.1 percent (8.7). The profit includes items affecting comparability amounting to a net total of SEK +12 million, which are reported under Other operating income and expenses under Group items. Adjusted operating profit amounted to SEK 169 million (153), corresponding to an operating margin of 8.5 percent (8.7). Net financial items amounted to SEK -4 million (-8) and profit after financial items increased by 22 percent to SEK 177 million (145). Profit after tax for the period increased by 26 percent to SEK 143 million (113) and the effective tax rate amounted to 19 percent (22). Earnings per share before dilution for the period amounted to SEK 2.10 (1.65).

Net sales and EBITA margin, rolling 12 months



DEVELOPMENT IN THE BUSINESS AREAS

COMPONENTS

Net sales in Components increased by 22 percent to SEK 707 million (581) and EBITA increased by 42 percent to SEK 67 million (47).

Market

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

Net sales in Energy increased by 5 percent to SEK 466 million (442) and EBITA amounted to SEK 55 million (57).

Market

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

Net sales in Industrial Process increased by 9 percent to SEK 404 million (371) and EBITA increased by 6 percent to SEK 33 million (31).

Market

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

Net sales in Power Solutions increased by 10 percent to SEK 404 million (368) and EBITA increased by 11 percent to SEK 51 million (46).

Market

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.

OTHER FINANCIAL INFORMATION

PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

The return on equity at the end of the period was 28 percent (22), and return on capital employed was 23 percent (17). Return on working capital P/WC (EBITA in relation to working capital) amounted to 53 percent (47).

At the end of the period the equity ratio amounted to 39 percent (40). Equity per share, excluding non-controlling interest, totalled SEK 27.40 (24.05). The Group's net debt at the end of the period amounted to SEK 945 million (652), excluding pension liabilities of SEK 218 million (200). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, amounted to 0.5 (0.4).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 721 million (735) at 30 June 2017.

Cash flow from operating activities amounted to SEK 85 million (104) during the period. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 172 million (75). Investments in non-current assets totalled SEK 9 million (10) and disposal of non-current assets amounted to SEK 1 million (1). Dividend from associated company amounted to SEK 3 million (3). Repurchase of call options amounted to SEK 0 million (6) and the exercise of call options amounted to SEK 18 million (0).

EMPLOYEES

At the end of the period, the number of employees was 2,254, compared to 2,176 at the beginning of the financial year. During the period, completed acquisitions and disposal resulted in a net increase of the number of employees by 84. The average number of employees in the latest 12-month period was 2,170.

OWNERSHIP STRUCTURE

At the end of the period the share capital amounted to SEK 51.1 million.

Class of shares	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Class A shares, 10 votes per share	3,229,500	32,295,000	4.7	33.2
Class B shares, 1 vote per share	64,968,996	64,968,996	95.3	66.8
Total number of shares before repurchases	**68,198,496**	**97,263,996**	**100.0**	**100.0**
Of which repurchased class B shares	1,161,002		1.7	1.2
Total number of shares after repurchases	**67,037,494**			

Addtech has three outstanding call option programmes for a total of 1,161,000 shares. Call options issued on repurchased shares entail a dilution effect of about 0.2 percent during the latest 12-month period. Addtech’s own shareholdings fully meet the needs of the outstanding call option programmes.

Outstanding programme	Number of options	Corresponding number of shares	Proportion of total shares	Initial exercise price	Adjusted exercise price	Expiration period
2016/2020	300,000	300,000	0.4%	159.00	-	16 Sep 2019 - 5 Jun 2020
2015/2019	350,000	430,500	0.6%	154.50	125.10	17 Sep 2018 - 3 Jun 2019
2014/2018	350,000	430,500	0.6%	116.70	94.50	17 Sep 2017 - 1 Jun 2018

ACQUISITIONS AND DISPOSAL

On 3 April 2017, Dovitech A/S, Denmark, was acquired to become part of the Components business area. Dovitech delivers inductive special solutions as well as electromechanical- and automation products. The company has sales of around DKK 80 million and five employees.

On 6 April 2017, Craig & Derricott Holdings Ltd, Great Britain, was acquired to become part of the Power Solutions business area. Craig & Derricott is engaged in design, manufacturing and marketing of low voltage electrical control equipment and switchgear for the UK market and export markets. The company has sales of about GBP 10 million and 90 employees.

On 2 June 2017, Altitech A/S, Denmark, was acquired to become part of the Components business area. Altitech is a technology trading company that supplies specially made stands for machines and protectors as well as automation solutions to Danish industrial companies. The company has sales of about DKK 10 million and five employees. The operation will be included in an existing company.

On 12 June 2017, Batteriunion i Järfälla AB, which was part of the Power Solutions business area, was sold. The company has annual sales of about SEK 140 million and 16 employees.

Acquisitions and disposals (information in parentheses) completed as of the 2016/2017 financial year are distributed among the Group's business areas as follows:

Acquisitions (disposals)	Time	Net sales, SEKm*	Number of employees*	Business Area
Sammet Dampers Oy, Finland	April, 2016	45	12	Industrial Process
Poryan China Company Ltd, China	April, 2016	50	22	Power Solutions
E.T.S. Portsmouth Ltd, Great Britain	April, 2016	100	35	Energy
Elektro-Tukku Oy, Finland	May, 2016	8	3	Components
Penlink AB, Sweden	October, 2016	25	5	Components
Itek AS, Norway	November, 2016	65	13	Industrial Process
Carmac Inc (assets and liabilities), USA	December. 2016	10	2	Power Solutions
Sensor Companies, Sweden	January, 2017	160	30	Components
Vallentin Elektronik A/S, Denmark	January, 2017	20	4	Components
EX-Tekniikka Oy, Finland	March, 2017	20	3	Components
Dovitech A/S, Denmark	April, 2017	100	5	Components
Craig & Derricott Holdings Ltd, Great Britain	April, 2017	110	90	Power Solutions
Altitech A/S, Denmark	June, 2017	15	5	Components
(Batteriunion i Järfälla AB, Sweden)	(June, 2017)	(140)	(16)	(Power Solutions)

* Refers to assessed condition at the time of acquisition and disposal, respectively, on a full-year basis.

If all the acquisitions had been completed on 1 April 2017, their impact would have been an estimated SEK 61 million on Group net sales, about SEK 6 million on operating profit and about SEK 4 million on profit after tax for the period.

The amount of contingent consideration depends on future results achieved in the companies. The estimated outcome for the year's acquisitions amounts to SEK 62 million, which is due for payment within one to two years. The amounts are estimated to be able to reach a maximum total of SEK 72 million. Of the contingent consideration not yet paid for acquisitions during the period, the discounted value amounts to SEK 57 million.

Transaction costs for acquisitions that resulted in an ownership transfer during the period, amounted to SEK 3 million (5) and are reported under Selling expenses.

During the period contingent consideration was net revalued to SEK 1 million (5). The impact on profits are reported under Other operating income and Other operating expenses, respectively.

According to the preliminary acquisitions analyses, the assets and liabilities included in the acquisitions were as follows, during the period:

	Carrying amount at acquisition date	Adjustment to fair value	Fair value
Intangible non-current assets	0	108	108
Other non-current assets	4	-	4
Inventories	24	-	24
Other current assets	58	-	58
Deferred tax liability/tax asset	0	-20	-20
Other liabilities	-67	-8	-75
Acquired net assets	**19**	**80**	**99**
Goodwill			104
Non-controlling interests			-
Consideration 1)			**203**
Less: cash and cash equivalents in acquired businesses			-5
Less: consideration not yet paid			-59
Effect on the Group's cash and cash equivalents			**139**

1) The consideration is stated excluding acquisition expenses.

PARENT COMPANY

Parent Company net sales amounted to SEK 14 million (13) and profit after financial items was SEK 1 million (-5). Net investments in non-current assets were SEK 0 million (0). The Parent Company's net financial asset was SEK 245 million (176) at the end of the period.

OTHER DISCLOSURES

ACCOUNTING POLICIES

This interim report was prepared as per International Financial Reporting Standards (IFRS) and IAS 34 Interim Financial Reporting. The accounting policies and basis for calculations applied in the latest annual report were also used here. The interim report for the parent company was prepared in accordance with the Swedish Annual Accounts Act and the Securities Market Act, in compliance with recommendation RFR 2 Accounting for Legal Entites, of the Swedish Financial Reporting Board. The new and revised IFRS standards and IFRIC interpretations that come into force as of the 2017/2018 financial year have had no material effect on the Group's financial reports. New IFRS standards will come into force in the 2018/2019 financial year. For more information, see Note 1 Accounting and valuation policies in the annual report for 2016/2017. Disclosure in accordance with IAS 34.16A is presented both in the financial statements and related notes, as well as in other parts of the interim report.

ALTERNATIVE PERFOMANCE MEASURES

The Company presents certain financial measures in the interim report that are not defined according to IFRS. The Company believes that these measures provide valuable supplemental information to investors and the Company's management as they allow for evaluation of trends and the Company's performance. Since all companies do not calculate financial measures in the same way, they are not always comparable to measures used by other companies. These financial measures should therefore not be considered to be a replacement for measurements as defined under IFRS. For definitions of the performance measures that Addtech uses, please see page 15.

RISKS AND FACTORS OF UNCERTAINTY

Addtech's profit and financial position, as well as its strategic position, are affected by a number of internal factors under Addtech's control and by a number of external factors over which Addtech has limited influence. The most important risk factors for Addtech are the state of the economy, combined with structural change and the competitive situation. Risk and uncertainty factors are the same as in previous periods, please see section Risks and uncertainties (page 22-25) in the annual report for 2016/2017 for further details. The Parent Company is indirectly affected by the above risks and uncertainty factors due to its role in the organisation.

TRANSACTIONS WITH RELATED PARTIES

No transactions between Addtech and related parties that have significantly affected the Group's position and earnings have taken place during the period.

SEASONAL EFFECTS

Addtech's sales of high-tech products and solutions in the manufacturing industry and infrastructure are not subject to major seasonal variations. The number of production days and customers' demand and willingness to invest can vary over the quarters.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No other events of significance to the Group occurred after the end of the reporting period.

Stockholm, 14 July 2017

Johan Sjö
President and CEO

This report has not been subject to review by the company's auditor.

FURTHER INFORMATION

PUBLICATION
This information is information that Addtech AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 8.30 a.m CET on 14 July 2017.

FINANCIAL CALENDER

2017-08-31	The Annual General Meeting 2017
2017-10-26	Interim report 1 April - 30 September 2017
2018-02-06	Interim report 1 April - 31 December 2017
2018-05-15	Year-end report 1 April - 31 March 2018

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BUSINESS AREAS

Net sales by business area	2017/2018				2016/2017
Quarterly data, SEKm	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Components	707	675	579	520	581
Energy	466	461	465	439	442
Industrial Process	404	419	415	380	371
Power Solutions	404	387	362	322	368
Group items	-2	-1	-2	-3	-2
Addtech Group	**1,979**	**1,941**	**1,819**	**1,658**	**1,760**

EBITA by business area	2017/2018				2016/2017
Quarterly data, SEKm	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Components	67	58	38	44	47
Energy	55	59	52	57	57
Industrial Process	33	32	29	33	31
Power Solutions	51	47	46	48	46
Parent Company and Group items	8	-3	-5	1	-2
EBITA	**214**	**193**	**160**	**183**	**179**
Depr. of intangible non-current assets	-33	-30	-28	-27	-26
– of which acquisitions	-32	-29	-27	-26	-25
Op. profit	**181**	**163**	**132**	**156**	**153**

Net sales	3 months		Rolling 12 months	
SEKm	**30 Jun 2017**	**30 Jun 2016**	**30 Jun 2017**	**31 Mar 2017**
Components	707	581	2,481	2,355
Energy	466	442	1,831	1,807
Industrial Process	404	371	1,618	1,585
Power Solutions	404	368	1,475	1,439
Group items	-2	-2	-8	-8
Addtech Group	**1,979**	**1,760**	**7,397**	**7,178**

EBITA and EBITA-margin	3 months				Rolling 12 months			
	30 Jun 2017		**30 Jun 2016**		**30 Jun 2017**		**31 Mar 2017**	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Components	67	*9.4*	47	*8.1*	207	*8.3*	187	*8.0*
Energy	55	*11.8*	57	*13.0*	223	*12.2*	225	*12.5*
Industrial Process	33	*8.1*	31	*8.3*	127	*7.8*	125	*7.9*
Power Solutions	51	*12.7*	46	*12.6*	192	*13.0*	187	*13.0*
Group items	8		-2		1		-9	
EBITA	**214**	***10.8***	**179**	***10.2***	**750**	***10.1***	**715**	***10.0***
Depr. of intangible non-current assets	-33		-26		-118		-111	
– of which acquisitions	-32		-25		-114		-107	
Op. profit	**181**	***9.1***	**153**	***8.7***	**632**	***8.5***	**604**	***8.4***

CONSOLIDATED INCOME STATEMENT, CONDENSED

	3 months		Rolling 12 months	
SEKm	**30 Jun 2017**	**30 Jun 2016**	**30 Jun 2017**	**31 Mar 2017**
Net sales	1,979	1,760	7,397	7,178
Cost of sales	-1,358	-1,201	-5,096	-4,939
Gross profit	**621**	**559**	**2,301**	**2,239**
Selling expenses	-336	-313	-1,264	-1,241
Administrative expenses	-110	-104	-438	-432
Other operating income and expenses	6	11	33	38
Operating profit	**181**	**153**	**632**	**604**
- as % of net sales	*9.1*	*8.7*	*8.5*	*8.4*
Financial income and expenses	-4	-8	-20	-24
Profit after financial items	**177**	**145**	**612**	**580**
- as % of net sales	*8.9*	*8.2*	*8.3*	*8.1*
Income tax expense	-34	-32	-132	-130
Profit for the period	**143**	**113**	**480**	**450**
Profit for the period attributable to:				
Equity holders of the Parent Company	140	110	470	440
Non-controlling interests	*3*	*3*	*10*	*10*
Earnings per share before dilution, SEK	2.10	1.65	7.05	6.60
Earnings per share after dilution, SEK	2.10	1.65	7.00	6.55
Average number of shares after repurchases, '000s	66,925	66,958	66,816	66,824
Number of shares at end of the period, '000s	67,037	66,958	67,037	66,824

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months		Rolling 12 months	
SEKm	**30 Jun 2017**	**30 Jun 2016**	**30 Jun 2017**	**31 Mar 2017**
Profit for the period	**143**	**113**	**480**	**450**
Components that will be reclassified to profit for the year				
Cash flow hedges	0	0	1	1
Foreign currency translation differences for the period	-20	36	-4	52
Components that will not be reclassified to profit for the year				
Actuarial effects of the net pension obligation	-	-	-10	-10
Other comprehensive income	**-20**	**36**	**-13**	**43**
Total comprehensive income	**123**	**149**	**467**	**493**
Total comprehensive income attributable to:				
Equity holders of the Parent Company	120	146	456	482
Non-controlling interests	3	3	11	11

CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	30 Jun 2017	30 Jun 2016	31 Mar 2017
Goodwill	1,196	932	1,101
Other intangible non-current assets	859	690	791
Property, plant and equipment	191	171	190
Financial non-current assets	29	30	27
Total non-current assets	**2,275**	**1,823**	**2,109**
Inventories	996	918	942
Current receivables	1,386	1,191	1,286
Cash and cash equivalents	173	184	178
Total current assets	**2,555**	**2,293**	**2,406**
Total assets	**4,830**	**4,116**	**4,515**
Total equity	**1,882**	**1,650**	**1,741**
Interest-bearing provisions	218	200	210
Non-interest-bearing provisions	290	249	278
Non-current interest-bearing liabilities	180	35	69
Non-current non-interest-bearing liabilities	13	0	18
Total non-current liabilities	**701**	**484**	**575**
Non-interest-bearing provisions	45	13	26
Current interest-bearing liabilities	938	802	910
Current non-interest-bearing liabilities	1,264	1,167	1,263
Total current liabilities	**2,247**	**1,982**	**2,199**
Total equity and liabilities	**4,830**	**4,116**	**4,515**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	30 Jun 2017	30 Jun 2016	31 Mar 2017
Opening balance	**1,741**	**1,514**	**1,514**
Exercised, issued and repurchased options	18	-6	12
Repurchase of treasury shares	-	-	-40
Dividend, ordinary	-	-	-218
Dividend, non-controlling interests	-	-	-8
Change non-controlling interests	-	2	2
Option debt, acquisition	-	-9	-9
Distribution of AddLife	-	-	-5
Total comprehensive income	123	149	493
Closing balance	**1,882**	**1,650**	**1,741**

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

	3 months		Rolling 12 months	
SEKm	**30 Jun 2017**	**30 Jun 2016**	**30 Jun 2017**	**31 Mar 2017**
Profit after financial items	177	145	612	580
Adjustment for items not included in cash flow	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 investments in non-current assets	-5	-6	-59	-60
Acquisitions and disposals	-172	-75	-432	-335
Cash flow from investing activities	**-177**	**-81**	**-491**	**-395**
Dividend paid to shareholders	-	-	-218	-218
Repurchase of own shares/change of options	18	-6	-4	-28
Other financing activities	76	21	175	120
Cash flow from financing activities	**94**	**15**	**-47**	**-126**
Cash flow for the period	**2**	**38**	**-6**	**30**
Cash and cash equivalents at beginning of period	178	140	184	140
Exchange differences on cash and cash equivalents	-7	6	-5	8
Cash and cash equivalents at end of period	**173**	**184**	**173**	**178**

FAIR VALUES ON FINANCIAL INSTRUMENTS

	30 Jun 2017			31 Mar 2017		
SEKm	**Carrying amount**	**Level 2**	**Level 3**	**Carrying amount**	**Level 2**	**Level 3**
Derivatives used in hedge accounting	**2**	2	-	**1**	1	-
Derivatives held for trading purposes	**4**	4	-	**2**	2	-
Total financial assets at fair value per level	**6**	**6**	**-**	**3**	**3**	**-**
Derivatives used in hedge accounting	**1**	1	-	**0**	0	-
Derivatives held for trading purposes	**-**	-	-	**1**	1	-
Contingent considerations	**146**	-	146	**105**	-	105
Total financial liabilities at fair value per level	**147**	**1**	**146**	**106**	**1**	**105**

The fair value and carrying amount are recognised in the balance sheet as shown in the table above.
For quoted securities, the fair value is determined on the basis of the asset's quoted price in an active market, level 1. As at the reporting date the Group had no items in this category.
For currency contracts and embedded derivatives, the fair value is determined on the basis of observable market data, level 2.
For contingent considerations, a cash-flow-based valuation is performed, which is not based on observable market data, level 3.
For the Group's other financial assets and liabilities, fair value is estimated to be the same as the carrying amount.

Contingent considerations	**30 Jun 2017**	**31 Mar 2017**
Opening balance	**105**	**55**
Acquisitions during the year	57	86
Reversed through profit or loss	-1	-12
Consideration paid	-16	-27
Interest expenses	2	3
Exchange differences	-1	0
Closing balance	**146**	**105**

KEY FINANCIAL INDICATORS **

	12 months ending				
	30 Jun 2017	31 Mar 2017	30 Jun 2016	31 Mar 2016	31 Mar 2015
Net sales, SEKm	7,397	7,178	6,443	6,155	5,719
EBITDA, SEKm	791	755	620	570	542
EBITA, SEKm	750	715	585	536	510
EBITA-margin, SEKm	10.1	10.0	9.1	8.7	8.9
Operating profit, SEKm	632	604	487	443	431
Operating margin, %	8.5	8.4	7.6	7.2	7.5
Profit after financial items, SEKm	612	580	461	423	408
Profit for the period, SEKm	480	450	363	333	321
Working capital	1,416	1,362	1,254	1,208	1,084
Return on working capital (P/WC), %	53	53	47	44	47
Return on equity, %	28	28	22	20	28
Return on capital employed, %	23	23	17	16	23
Equity ratio, %	39	39	40	40	40
Net debt, incl pensions, SEKm	1,163	1,011	852	822	828
Net debt, incl pensions / equity ratio, multiple	0.6	0.6	0.5	0.6	0.6
Net debt, incl pensions / EBITDA, multiple	1.5	1.3	1.4	1.4	1.2
Net debt excl. pensions, SEKm	945	801	652	623	510
Net debt, excl pensions / equity ratio, multiple	0.5	0.5	0.4	0.4	0.3
Interest coverage ratio, multiple	23.7	23.9	20.8	20.3	21.9
Average number of employees*	2,170	2,133	2,063	2,386	2,224
Number of employees at end of the period	2,254	2,176	2,128	2,076	2,286

* Average number of employees includes discontinued operations in the period 31 March 2016, and previous periods.

KEY FINANCIAL INDICATORS PER SHARE **

	12 months ending				
SEK	30 Jun 2017	31 Mar 2017	30 Jun 2016	31 Mar 2016	31 Mar 2015
Earnings per share before dilution	7.05	6.60	5.30	4.85	4.70
Earnings per share after dilution	7.00	6.55	5.30	4.85	4.70
Cash flow from operating activities per share	7.95	8.25	7.70	7.10	8.40
Shareholders' equity per share	27.40	25.45	24.05	22.10	22.60
Share price at the end of the period	160.50	148.50	106.00	112.00	115.75
Average number of shares after repurchases, '000s	66,816	66,824	66,800	66,703	66,288
Average number of shares adjusted for repurchases and dilution, '000s	66,958	67,008	67,011	66,809	66,615
Number of shares outstanding at end of the period, '000s	67,037	66,824	66,958	66,958	66,456

** All figures regarding the balance sheet refer to continuing from 31 March 2016 without retroactivity for earlier periods.

PARENT COMPANY INCOME STATEMENT

	3 months		Rolling 12 months	
SEKm	**30 Jun 2017**	**30 Jun 2016**	**30 Jun 2017**	**31 Mar 2017**
Net sales	14	13	55	54
Administrative expenses	-17	-16	-64	-63
Operating profit/loss	**-3**	**-3**	**-9**	**-9**
Profit from interests in Group companies	-	-	318	318
Interest income and expenses and similar items	4	-2	9	3
Profit after financial items	**1**	**-5**	**318**	**312**
Appropriations	-	-	-42	-42
Profit before taxes	**1**	**-5**	**276**	**270**
Income tax expense	0	1	-61	-60
Profit for the period	**1**	**-4**	**215**	**210**
Total comprehensive income	**1**	**-4**	**215**	**210**

PARENT COMPANY BALANCE SHEET

SEKm	**30 Jun 2017**	**30 Jun 2016**	**31 Mar 2017**
Intangible non-current assets	-	0	-
Property, plant and equipment	3	4	3
Non-current financial assets	2,659	2,636	2,482
Total non-current assets	**2,662**	**2,640**	**2,485**
Current receivables	98	66	416
Cash and bank balances	-	-	-
Total current assets	**98**	**66**	**416**
Total assets	**2,760**	**2,706**	**2,901**
Equity	**814**	**825**	**795**
Untaxed reserves	417	375	417
Provisions	16	16	15
Non-current liabilities	253	312	278
Current liabilities	1,260	1,178	1,396
Total equity and liabilities	**2,760**	**2,706**	**2,901**

DEFINITIONS

Return on equity[2]
Earnings after tax divided by equity. The components are calculated as the average of the last 12 months.

Return on working capital (P/WC)[1]
EBITA divided by working capital.

Return on capital employed
Profit before tax plus financial expenses as a percentage of capital employed. The components are calculated as the average of the last 12 months.

EBITA[1]
Operating profit before amortisation of intangible assets.

EBITA-margin
EBITA as a percentage of net sales.

EBITDA[1]
Operating profit before depreciation and amortisation.

Equity per share
Shareholders' share of equity divided by number of shares outstanding on the reporting periods end.

Financial net debt
The net of interest-bearing debt and provisions minus cash and cash equivalents.

Cash flow from operating activities per share
Cash flow from operating activities, divided by the average number of outstanding shares after repurchase.

Net debt excluding pensions
The net of interest-bearing debt and provisions excluding pensions minus cash and cash equivalents.

Net debt excluding pensions/ equity ratio[2]
Net debt excluding pensions divided by shareholders' equity.

Earnings per share (EPS)
Shareholders' share of profit for the period after tax, divided by the weighted average number of shares during the period. Performance measures under IFRS.

Earnings per share (EPS), diluted
Shareholders' share of profit for the period after tax, divided by the weighted average number of shares during the period, adjusted for the additional number of shares following exercise of outstanding warrants. Performance measures under IFRS.

Interest coverage ratio
Profit after net financial items plus financial expenses divided by financial expenses.

Working capital[1]
Working capital (WC) is measured through an annual average defined as inventories plus accounts receivable less accounts payable.

Operating margin
Operating profit as a percentage of net sales.

Equity ratio[2]
Equity as a percentage of total assets.

Debt/equity ratio[2]
Financial net liabilities divided by equity.

Capital employed
Total assets minus non-interest-bearing liabilities and provisions.

Outstanding shares
Total number of shares less treasury shares repurchased by the Company.

[1]The performance measure is an alternative performance measure according to ESMA's guidelines.
[2]Minority interest is included in equity when the performance measures are calculated.

ADDTECH IN BRIEF

Addtech is a technology trading group that provides technological and economic value added in the link between manufacturers and customers. Addtech operates in selected niches in the market for advanced technology products and solutions. Its customers primarily operate in the manufacturing industry and infrastructure. Addtech has about 2,200 employees in around 120 subsidiaries that operate under their own brands. The Group has annual sales of over SEK 7 billion and is listed on Nasdaq Stockholm.

VISION, BUSINESS CONCEPT AND STRATEGIES

VISION

Addtech's vision is to be the leading value-adding tech provider in Northern Europe.

BUSINESS CONCEPT

Addtech's business concept is to offer high-tech products and solutions to companies in the manufacturing and infrastructure sectors. We provide both technological and financial added value by being a capable partner for customers and manufacturers.

STRATEGIES

- Market-leading niche positions
- Operating mobility - flexibility and active ownership
- Growth through acquisitions

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