

INTERIM REPORT Q3 1 APRIL - 31 DECEMBER 2016

THIRD QUARTER (1 OCTOBER - 31 DECEMBER 2016)

- **Net sales** increased by 16 percent and amounted to SEK 1,819 million (1,570).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 39 percent and amounted to SEK 160 million (117) corresponding to an EBITA-margin of 8.8 percent (7.4).
- **Operating profit** increased by 45 percent and amounted to SEK 132 million (92) corresponding to an operating margin of 7.3 percent (5.8).
- **Profit after tax** increased by 38 percent and amounted to SEK 98 million (71).
- **Earnings per share before dilution** amounted to SEK 1.40 (1.05). For the 12-month period, earnings per share before dilution amounted to SEK 6.05 (4.90).

THE PERIOD (1 APRIL - 31 DECEMBER 2016)

- **Net sales** increased by 16 percent and amounted to SEK 5,237 million (4,524).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 33 percent and amounted to SEK 522 million (394) corresponding to an EBITA-margin of 10.0 percent (8.7).
- **Operating profit** increased by 35 percent and amounted to SEK 441 million (326) corresponding to an operating margin of 8.4 percent (7.2).
- **Profit after tax** increased by 34 percent and amounted to SEK 332 million (248).
- **Earnings per share before dilution** amounted to SEK 4.85 (3.65).
- **Return on working capital (P/WC)** amounted to 50 percent and **return on equity** amounted to 26 percent (26).
- **The equity ratio** amounted to 39 percent (35).
- **Cash flow from operating activities** amounted to SEK 391 million (329). For the 12-month period, cash flow per share amounted to SEK 8.00 (7.50).
- Since the start of the financial year we have completed nine acquisitions, of which two after the end of the period, with total annual sales of about SEK 480 million.

GROUP SUMMARY SEKm	3 months ending			9 months ending			12 months ending		
	31 Dec 16	31 Dec 15	Δ	31 Dec 16	31 Dec 15	Δ	31 Dec 16	31 Mar 16	Δ
Net sales	1,819	1,570	16%	5,237	4,524	16%	6,868	6,155	12%
EBITA	160	117	39%	522	394	33%	664	536	24%
EBITA-margin %	8.8	7.4		10.0	8.7		9.7	8.7	
Profit after financial items	126	87	45%	426	315	35%	534	423	26%
Profit for the period	98	71	38%	332	248	34%	417	333	25%
Earnings per share (EPS), SEK	1.40	1.05	33%	4.85	3.65	33%	6.05	4.85	25%
Cash flow per share from operating activities, SEK							8.00	7.10	13%
Return on equity, %							26	20	
The equity ratio, %							39	40	

All data in this report refer to continuing operations, excluding the distribution of AddLife, unless otherwise stated. All figures regarding the income statement refer to continuing operations retroactively from 1 April 2014. All figures regarding the balance sheet refer to continuing operations from 31 March 2016 without retroactivity for earlier periods.

CEO'S COMMENTS

INCREASED SALES AND STRONG PROFIT GROWTH DURING THE THIRD QUARTER

Addtech enjoyed good demand during the third quarter, and the economic situation in the markets where we operate has stabilised. We continued to grow in all our four business areas, through both good organic growth and contribution from implemented acquisitions. Increased sales of our products and solutions combined with successful efficiency improvements enabled continued strong growth in profits and an improved operating margin compared to the previous year. In the third quarter, sales increased by 16 percent and EBITA increased by 39 percent.

Demand for production components from Nordic manufacturing companies increased on the whole during the quarter, but the business situation continues to differ between customer segments. Demand from machinery manufacturers, the engineering industry and medical technology was relatively stable, while it grew in customer segments such as special vehicles, electronics and transport. The market situation remained weak in oil and gas and weakened somewhat in telecom and wind power. From an overall perspective, the business climate for production components in our markets outside the Nordics was positive. Sales of products to industrial aftermarket customers in the Nordics have generally been stable. Demand from customers within infrastructure such as electricity transmission and electricity distribution remained at the same level as in the previous year. Business remained positive for electricity-related products in building and installation.

ACQUISITIONS IMPLEMENTED

We continually evaluate acquisitions of both independent profitable technology companies with market-leading niche positions and smaller bolt-on acquisitions that can strengthen market positions and profitability in our existing companies. Since the start of the financial year we have completed nine acquisitions, two of which after the end of the quarter. Of these, six were independent companies and three were bolt-on acquisitions. In all, the acquisitions contribute with annual sales of about SEK 480 million and add 126 employees to the Group. Two of the acquisitions were made in Sweden, two in Finland and one each in Norway, Denmark, the UK, China and the US. With a good cash flow and strong balance sheet, we have favourable opportunities to carry out additional interesting acquisitions.

Johan Sjö

President and CEO

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 over 2 000 employees in approximately 120 subsidiaries that operate under their own brands. The Group has annual sales of about SEK 7 billion.

Addtech is listed on the Nasdaq Stockholm.

GROUP DEVELOPMENT

GROUP DEVELOPMENT IN THE THIRD QUARTER

Net sales in the Addtech Group increased during the third quarter by 16 percent to SEK 1,819 million (1,570). The organic growth amounted to 6 percent and acquired growth amounted to 7 percent. Exchange rate changes had a positive effect of 3 percent on net sales, corresponding to SEK 41 million and a positive effect of 3 percent on operating profit, corresponding to SEK 3 million.

Operating profit increased during the quarter by 45 percent to SEK 132 million (92) and the operating margin amounted to 7.3 percent (5.8). Net financial items amounted to SEK -6 million (-5) and profit after financial items increased by 45 percent to SEK 126 million (87). Profit after tax for the period increased by 38 percent to SEK 98 million (71) corresponding to earnings per share before dilution of SEK 1.40 (1.05).

GROUP DEVELOPMENT IN THE PERIOD

Net sales in the Addtech Group increased during the period by 16 percent to SEK 5,237 million (4,524). The organic growth amounted to 5 percent and acquired growth amounted to 10 percent. Exchange rate changes had a positive effect of 1 percent on net sales, corresponding to SEK 21 million, and a marginally positive effect on operating profit, corresponding to SEK 1 million.

Operating profit increased during the period by 35 percent to SEK 441 million (326) and the operating margin amounted to 8.4 percent (7.2). Net financial items were SEK -15 million (-11) and profit after financial items increased by 35 percent to SEK 426 million (315).

Profit after tax for the period increased by 34 percent to SEK 332 million (248) and the effective tax rate amounted to 22 percent (21). Earnings per share before dilution for the period amounted to SEK 4.85 (3.65).

DEVELOPMENT IN THE BUSINESS AREAS

COMPONENTS

Net sales in Components increased in the third quarter by 14 percent to SEK 579 million (509) and EBITA increased by 29 percent to SEK 38 million (29). Net sales during the period increased by 13 percent to SEK 1,680 million (1,487) and EBITA increased by 20 percent to SEK 129 million (107).

From an overall perspective, demand for production components from Nordic manufacturing companies increased somewhat during the quarter. The business situation in the Swedish and Danish markets remained positive and sales increased. In Finland the market stabilised in our customer segments, and we had a good development in our operations. In the Norwegian market, demand in oil and gas remained very weak, while it increased in other customers segments such as infrastructure and food.

ENERGY

Net sales in Energy increased in the third quarter by 19 percent to SEK 465 million (390) and EBITA increased by 44 percent to SEK 52 million (37). Net sales during the period increased by 24 percent to SEK 1,346 million (1,085) and EBITA increased by 55 percent to SEK 166 million (108).

In total, the underlying sales increased during the quarter, while demand remained at the same level as in the previous year. The infrastructure investments in national and regional networks in the Nordics increased, while demand for niche products in electrical power distribution was stable in Sweden, but somewhat weaker in Norway. The business situation for products in electrical installation was positive in most markets, including the UK.

INDUSTRIAL PROCESS

Net sales in Industrial Process increased in the third quarter by 16 percent to SEK 415 million (359) and EBITA increased by 7 percent to SEK 29 million (27). Net sales during the period increased by 9 percent to SEK 1,166 million (1,073) and EBITA increased by 6 percent to SEK 93 million (88).

On the whole, demand from the production industry in the Nordics increased during the quarter, but the business situation varied between different customer and product segments. Investments in the Nordic process industry increased, while sales to customers in oil and gas decreased. Demand in the ship market developed well, and it remained stable in other segments such as machinery manufacturers and medical technology customers. The business situation for our operations outside the Nordics remained favourable, especially in customer segments such as vehicles and energy. Selective cost adjustments are being implemented in the operations that have lower demand.

POWER SOLUTIONS

Net sales in Power Solutions increased in the third quarter by 15 percent to SEK 362 million (314) and EBITA increased by 61 percent to SEK 46 million (29). Net sales during the period increased by 18 percent to SEK 1,052 million (888) and EBITA increased by 43 percent to SEK 140 million (98).

The business area had good demand for the majority of its niche products during the quarter. The business situation was particularly good for controls and ergonomics products for the special vehicles industry, which is the largest customer segment in the business area. Other segments such as electronics and medical technology were stable, while demand decreased from customers in telecom and wind power.

DEVELOPMENT IN TOTAL

PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

The return on equity at the end of the period was 26 percent (26), and return on capital employed was 20 percent (20). Return on working capital P/WC (EBITA in relation to working capital) amounted to 50 percent.

At the end of the period the equity ratio amounted to 39 percent (35). Equity per share, excluding non-controlling interest, totalled SEK 23.65 (25.35). The Group's net debt at the end of the period amounted to SEK 753 million (1,227), excluding pension liabilities of SEK 217 million (319). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, amounted to 0.5 (0.7).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 950 million (427) at 31 December 2016.

Cash flow from operating activities amounted to SEK 391 million (329) during the period. Company acquisitions and disposals including settlement of additional purchase consideration regarding acquisitions implemented in previous years amounted to SEK 152 million (587). Investments in non-current assets totalled SEK 44 million (59) and disposal of non-current assets amounted to SEK 3 million (5). Dividend from associated company amounted to SEK 3 million (0). Repurchase of treasury shares amounted to SEK 40 million (45) and repurchase of call options amounted to SEK 6 million (0). Exercised and issued call options totalled SEK 7 million (61). Dividends paid to the shareholders of the Parent Company totalled SEK 218 million (217), corresponding to SEK 3.25 (3.25) per share. The dividend was paid out in the second quarter.

EMPLOYEES

At the end of the period, the number of employees was 2,142, compared to 2,076 at the beginning of the financial year. During the period, implemented acquisitions increased the number of employees by 126. The average number of employees in the latest 12-month period was 2,110.

OWNERSHIP STRUCTURE

At the end of the period the share capital stood at 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	3,237,564	32,375,640	4.7	33.3
Class B shares, 1 vote per share	64,960,932	64,960,932	95.3	66.7
Total number of shares before repurchases	68,198,496	97,336,572	100.0	100.0
Of which repurchased class B shares	1,498,930		2.2	1.5
Total number of shares after repurchases	66,699,566			

The share price on 31 December 2016 was SEK 142.50, to be compared with SEK 134.25 on 30 September 2016.

The average number of treasury shares held during the period was 1,346,325 (1,579,537), which covers the Company's obligation in the outstanding call options programme. The average purchase price for repurchased shares amounts to SEK 81.17 per share.

Addtech has four outstanding call option programmes for a total of 1,489,930 shares. Call options issued on repurchased shares entail a dilution effect of about 0.3 percent during the latest 12-month period.

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
2013/2017	91,332	337,930	0.5%	106.13	85.90	19 Sep 2016 - 2 Jun 2017

ACQUISITIONS

During the period 1 April to 30 September 2016, following acquisitions have been completed; Elektro-Tukku Oy to become part of the Components business area, E.T.S Portsmouth Limited to become part of the Energy business area, Sammet Dampers Oy to become part of the Industrial Process business area and Poryan China Company Ltd to become part of the Power Solutions business area.

On 3 October, Penlink AB was acquired to become part of the Components business area. Penlink delivers products and solutions in the fields of rotating transmission and electro optics. The company has five employees and sales of around SEK 25 million.

On 9 November, Itek AS was acquired to become part of the Industrial Process business area. Itek is a leading supplier in Norway of energy efficient solutions and systems for clean air, process cooling and dust collection. The company has 13 employees and sales of around NOK 60 million.

On 12 December, the net assets of Carmac Inc. were acquired to become part of the Power Solutions business area. Carmac supplies drivers' seats and accessories to dealers/retailers and small OEMs. The acquisition of the net assets adds two employees and sales of about USD 1 million.

Had the acquisitions been completed on 1 April 2016, their impact would have been an estimated SEK 232 million on Group net sales, about SEK 26 million on operating profit and about SEK 18 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 46 million, which is due for payment within one to three years. The amounts are estimated to be able to reach a maximum total of SEK 51 million. Of the consideration not yet paid for acquisitions during the period, the discounted value amounts to SEK 43 million.

For acquisitions that resulted in an ownership transfer during the period, transaction costs totalled SEK 7 million (5) and are reported under selling expenses.

During the period, SEK 7 million (0) was recognised under other operating income, because estimated contingent consideration regarding earlier acquisitions deviated from actual outcomes. During the period other operating expense of SEK 2 million (0) was recognised in the revaluation of liabilities for contingent but as yet unpaid consideration.

The Group's goodwill at the time of the acquisition, regarding the expected future sales trend and profitability, is the amount by which the acquisition value exceeds the fair value of net assets acquired. On 31 December 2016 goodwill amounted to SEK 990 million, compared to SEK 1,380 million on 31 December 2015. The Group's goodwill is assessed annually for impairment, and no needs for impairment have been identified.

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	118	118
Other non-current assets	6	-	6
Inventories	23	-	23
Other current assets	160	-	160
Deferred tax liability/tax asset	0	-25	-25
Other liabilities	-93	-	-93
Acquired net assets	96	93	189
Goodwill			105
Non-controlling interests			-2
Consideration ¹⁾			292
Less: cash and cash equivalents in acquired businesses			-97
Less: consideration not yet paid			-54
Effect on the Group's cash and cash equivalents			141

1) The consideration is stated excluding acquisition expenses.

PARENT COMPANY

Parent Company net sales amounted to SEK 39 million (44) and profit after financial items was SEK -11 million (7). Net investments in non-current assets were SEK 0 million (1). The Parent Company's net financial liabilities was SEK 89 million (+37) at the end of the period.

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.

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 (1995:1554) and the Securities Market Act (2007:528), in compliance with recommendation RFR 2 Accounting for Legal Entities, of the Swedish Financial Reporting Board. The new and revised IFRS standards and IFRIC interpretations that come into force as of the 2016/2017 financial year have had no material effect on the Group's financial reports. 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.

NOMINATION COMMITTEE

The 2016 Annual General Meeting authorised the Board Chairman to establish a nomination committee for upcoming elections to the Board, by appointing members from among representatives of the five shareholders who controlled the largest number of votes in the Company at 31 December 2016, to serve with the Chairman on the nomination committee. In accordance with the above, the committee comprises these appointed members: Anders Börjesson (Chairman of the Board), Tom Hedelius, Åsa Nisell (appointed by Swedbank Robur Fonder), Martin Wallin (appointed by Lannebo Fonder) and Johan Strandberg (appointed by SEB Investmant Management). Information on how to contact the committee is available on the Addtech website.

ALTERNATIVE PERFORMANCE 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 17.

EVENTS AFTER THE END OF THE PERIOD

On 2 January 2017, Sensor Nordic AB and Sensor ECS AB was acquired to become part of the Components business area. The Sensor-companies deliver products and solutions in the fields of sensor, control and drives. The Companies have 30 employees and sales of around SEK 160 million.

On 2 January 2017, Vallentin Elektronik A/S was acquired to become part of the Components business area. Vallentin is a technology trading company that supplies thermal solutions for OEM/built-in to customers, mainly in the Danish market in the area of electronics. The company has four employees and sales of about DKK 15 million.

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.

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 19-21) in Addtech's 2015/2016 annual report for further details. The Parent Company is indirectly affected by the above risks and uncertainty factors due to its role in the organisation.

Stockholm, 2 February 2017

Johan Sjö
President and CEO

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

BUSINESS AREAS

Net sales by business area	2016/2017				2015/2016		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Components	579	520	581	542	509	480	498
Energy	465	439	442	402	390	371	324
Industrial Process	415	380	371	351	359	357	357
Power Solutions	362	322	368	338	314	277	297
Group items	-2	-3	-2	-2	-2	-3	-4
Addtech Group	1,819	1,658	1,760	1,631	1,570	1,482	1,472

EBITA by business area	2016/2017				2015/2016		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Components	38	44	47	42	29	43	35
Energy	52	57	57	41	37	37	34
Industrial Process	29	33	31	28	27	34	27
Power Solutions	46	48	46	38	29	35	34
Parent Company and Group items	-5	1	-2	-7	-5	-2	0
EBITA	160	183	179	142	117	147	130
Depr. of intangible non-current assets	-28	-27	-26	-25	-25	-22	-21
– of which acquisitions	-27	-26	-25	-24	-23	-20	-19
Op. profit	132	156	153	117	92	125	109
Net fin. Items	-6	-1	-8	-9	-5	-4	-2
Profit after fin. items	126	155	145	108	87	121	107

Net sales	3 months ending		9 months ending		12 months ending	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15	31 Dec 16	31 Mar 16
Components	579	509	1,680	1,487	2,222	2,029
Energy	465	390	1,346	1,085	1,748	1,487
Industrial Process	415	359	1,166	1,073	1,516	1,423
Power Solutions	362	314	1,052	888	1,390	1,226
Group items	-2	-2	-7	-9	-8	-10
Addtech Group	1,819	1,570	5,237	4,524	6,868	6,155

EBITA and EBITA-margin	3 months ending				9 months ending				12 months ending			
	31 Dec 16		31 Dec 15		31 Dec 16		31 Dec 15		31 Dec 16		31 Mar 16	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Components	38	6.5	29	5.7	129	7.7	107	7.2	171	7.7	149	7.4
Energy	52	11.3	37	9.4	166	12.4	108	9.9	207	11.9	149	10.1
Industrial Process	29	6.9	27	7.4	93	8.0	88	8.1	121	7.9	116	8.1
Power Solutions	46	12.7	29	9.1	140	13.3	98	11.0	178	12.8	136	11.1
Group items	-5		-5		-6		-7		-13		-14	
EBITA	160	8.8	117	7.4	522	10.0	394	8.7	664	9.7	536	8.7
Depr. of intangible non-current assets	-28		-25		-81		-68		-106		-93	
– of which acquisitions	-27		-23		-78		-62		-102		-86	
Op. profit	132	7.3	92	5.8	441	8.4	326	7.2	558	8.1	443	7.2
Net fin. items	-6		-5		-15		-11		-24		-20	
Profit after fin. items	126		87		426		315		534		423	

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15	31 Dec 16	31 Mar 16
Continuing operations						
Net sales	1,819	1,570	5,237	4,524	6,868	6,155
Cost of sales	-1,255	-1,091	-3,594	-3,112	-4,726	-4,244
Gross profit	564	479	1,643	1,412	2,142	1,911
Selling expenses	-327	-289	-919	-809	-1,210	-1,100
Administrative expenses	-113	-100	-308	-279	-413	-384
Other operating income and expenses	8	2	25	2	39	16
Operating profit	132	92	441	326	558	443
- as % of net sales	7.3	5.8	8.4	7.2	8.1	7.2
Financial income and expenses	-6	-5	-15	-11	-24	-20
Profit after financial items	126	87	426	315	534	423
- as % of net sales	7.0	5.6	8.1	7.0	7.8	6.9
Income tax expense	-28	-16	-94	-67	-117	-90
Profit for the period, continuing operations	98	71	332	248	417	333
Discontinued operations						
Profit for the period, discontinued operations	-	25	-	59	1,577	1,636
Profit for the period	98	96	332	307	1,994	1,969
Profit for the period attributable to:						
Equity holders of the Parent Company	94	90	325	292	1,983	1,950
Non-controlling interests	4	6	7	15	11	19
Earnings per share before dilution, SEK						
Continuing operations	1.40	1.05	4.85	3.65	6.05	4.85
Discontinued operations	-	0.30	-	0.75	23.60	24.35
Total earnings per share before dilution	1.40	1.35	4.85	4.40	29.65	29.20
Earnings per share after dilution, SEK						
Continuing operations	1.40	1.10	4.85	3.65	6.05	4.85
Discontinued operations	-	0.30	-	0.75	23.60	24.35
Total earnings per share after dilution	1.40	1.40	4.85	4.40	29.65	29.20
Average number of shares after repurchases, '000s	66,693	66,636	66,852	66,619	66,879	66,703
Number of shares at end of the period, '000s	66,700	66,958	66,700	66,958	66,700	66,958

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15	31 Dec 16	31 Mar 16
Profit for the period	98	96	332	307	1,994	1,969
<i>Components that will be reclassified to profit for the year</i>						
Cash flow hedges	1	0	2	-1	1	-2
Foreign currency translation differences for the period	-20	-42	56	-79	77	-58
<i>Components that will not be reclassified to profit for the year</i>						
Actuarial effects of the net pension obligation	-12	-	-12	-	22	34
Other comprehensive income	-31	-42	46	-80	100	-26
Total comprehensive income	67	54	378	227	2,094	1,943
Total comprehensive income attributable to:						
Equity holders of the Parent Company	64	49	371	215	2,081	1,925
Non-controlling interests	3	5	7	12	13	18

CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	31 Dec 16	31 Dec 15	31 Mar 16
Goodwill	990	1,380	856
Other intangible non-current assets	699	928	642
Property, plant and equipment	184	224	168
Financial non-current assets	30	33	27
Total non-current assets	1,903	2,565	1,693
Inventories	960	1,098	874
Current receivables	1,167	1,229	1,098
Cash and cash equivalents	152	166	140
Total current assets	2,279	2,493	2,112
Total assets	4,182	5,058	3,805
Total equity	1,615	1,791	1,514
Interest-bearing provisions	217	319	199
Non-interest-bearing provisions	247	281	242
Non-current interest-bearing liabilities	39	47	41
Non-current non-interest-bearing liabilities	14	0	0
Total non-current liabilities	517	647	482
Non-interest-bearing provisions	16	8	13
Current interest-bearing liabilities	867	1,346	721
Current non-interest-bearing liabilities	1,167	1,266	1,075
Total current liabilities	2,050	2,620	1,809
Total equity and liabilities	4,182	5,058	3,805

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	1 Apr 16-31 Dec 16	1 Apr 15-31 Dec 15	1 Apr 15-31 Mar 16
Amount at beginning of period	1,514	1,539	1,539
Issue in kind	-	234	234
Exercised, issued and repurchased options	1	61	61
Repurchase of treasury shares	-40	-45	-45
Dividend, ordinary	-218	-219	-219
Dividend, non-controlling interests	-8	-7	-8
Change non-controlling interests	2	1	-1
Option debt, acquisition	-9	-	-
Distribution of AddLife	-5	-	-1,990
Total comprehensive income	378	227	1,943
Amount at end of period	1,615	1,791	1,514

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15	31 Dec 16	31 Mar 16
Profit after financial items	126	87	426	315	534	423
Profit from discontinued operations after financial items	-	32	-	77	1,581	1,658
Adjustment for items not included in cash flow*	42	48	112	132	-1,433	-1,413
Income tax paid	-45	-63	-89	-123	-126	-160
Changes in working capital	54	84	-58	-72	-20	-34
Cash flow from operating activities	177	188	391	329	536	474
Net investments in non-current assets	-16	-21	-38	-54	-50	-66
Acquisitions and disposals	-62	-176	-152	-587	-188	-623
Discontinued operations, Net affecting liquidity	-	-	-	-	337	337
Cash flow from investing activities	-78	-197	-190	-641	99	-352
Dividend paid to shareholders	-	-	-218	-217	-218	-217
Repurchase of own shares/change of options	7	-	-39	-45	-39	-45
Other financing activities	-80	61	62	672	-400	210
Cash flow from financing activities	-73	61	-195	410	-657	-52
Cash flow for the period	26	52	6	98	-22	70
Cash and cash equivalents at beginning of period	128	122	140	83	166	83
Exchange differences on cash and cash equivalents	-2	-8	6	-15	8	-13
Cash and cash equivalents at end of period	152	166	152	166	152	140

* Includes discontinued operations for comparative periods

FAIR VALUES ON FINANCIAL INSTRUMENTS

SEKm	31 Dec 16			31 Dec 15			31 Mar 16		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives used in hedge accounting	2	2	-	0	0	-	1	1	-
Derivatives held for trading purposes	1	1	-	3	3	-	2	2	-
Total financial assets at fair value per level	3	3	-	3	3	-	3	3	-
Derivatives used in hedge accounting	1	1	-	1	1	-	3	3	-
Derivatives held for trading purposes	6	6	-	2	2	-	2	2	-
Contingent considerations	85	-	85	76	-	76	55	-	55
Total financial liabilities at fair value per level	92	7	85	79	3	76	60	5	55

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	31 Dec 16	31 Dec 15	31 Mar 16
Carrying amount, opening balance	55	31	31
Acquisitions during the year	42	59	54
Reversed through profit or loss	-5	1	-10
Consideration paid	-9	-16	-21
Interest expenses	2	2	2
Exchange differences	0	-1	-1
Carrying amount, closing balance	85	76	55

KEY FINANCIAL INDICATORS **

	12 months ending				
	31 Dec 16	31 Mar 16	31 Dec 15	31 Mar 15	31 Mar 14
Net sales, SEKm	6,868	6,155	6,066	5,719	6,089
EBITDA, SEKm	702	570	567	542	623
EBITA, SEKm	664	536	534	510	582
EBITA-margin, SEKm	9.7	8.7	8.8	8.9	9.6
Operating profit, SEKm	558	443	445	431	501
Operating margin, %	8.1	7.2	7.3	7.5	8.2
Profit after financial items, SEKm	534	423	429	408	475
Profit for the period, SEKm	417	333	336	321	369
Equity ratio, %	39	40	35	40	39
Return on equity, %	26	20	26	28	30
Return on working capital (P/WC), % *	50	38	40	44	47
Return on capital employed, %	20	16	20	23	24
Net debt, incl pensions, SEKm	970	822	1,546	828	776
Net debt, incl pensions / equity ratio, multiple	0.6	0.6	1.0	0.6	0.6
Net debt, incl pensions / EBITDA, multiple	1.4	1.4	2.2	1.2	1.2
Net debt excl. pensions, SEKm	753	623	1,227	510	524
Net debt, excl pensions / equity ratio, multiple	0.5	0.4	0.7	0.3	0.4
Interest coverage ratio, multiple	21.8	20.3	25.4	21.9	17.5
Average number of employees*	2,110	2,386	2,360	2,224	2,100
Number of employees at end of the period	2,142	2,076	2,503	2,286	2,150

* P/WC is from 1 April 2016 calculated as EBITA divided by working capital, previously calculated as operating profit divided by working capital. Average number of employees includes discontinued operations in the period 31 March 2016, and previous periods.

KEY FINANCIAL INDICATORS PER SHARE **

	12 months ending				
	31 Dec 16	31 Mar 16	31 Dec 15	31 Mar 15	31 Mar 14
Earnings per share (EPS), SEK	6.05	4.85	4.90	4.70	5.50
Diluted EPS, SEK	6.05	4.85	4.90	4.70	5.45
Cash flow per share, SEK	8.00	7.10	7.50	8.40	7.25
Shareholders' equity per share, SEK	23.65	22.10	25.35	22.60	20.10
Last price paid per share, SEK	142.50	112.00	143.75	115.75	101.75
Average number of shares after repurchases, '000s	66,879	66,703	66,528	66,288	66,003
Average number of shares adjusted for repurchases and dilution, '000s	67,078	66,809	66,621	66,615	66,457
Number of shares outstanding at end of the period, '000s	66,700	66,958	66,958	66,456	66,135

** All figures regarding the income statement refer to continuing operations excluding the distribution of AddLife retroactively from 1 April 2014. All figures regarding the balance sheet refer to continuing from 31 March 2016 without retroactivity for earlier periods.

ACQUISITIONS

Acquisitions completed as of the 2015/2016 financial year are distributed among the Group's business areas as follows:

Acquisitions	Time	Net sales, SEKm*	Number of employees*	Business Area
Dafine Engineering Oy, Finland	April, 2015	25	4	Energy
EB Elektro RE AS, Norway	July, 2015	85	20	Energy
CTM Lyng AS, Norway	September, 2015	135	55	Energy
Partco Oy, Finland	September, 2015	20	10	Components
RE CAB Embedded Computers AB, Sweden	October, 2015	100	18	Components
Kretsteknik Nordic AB (assets and liabilities), Sweden	October, 2015	25	1	Components
Enöque Svenska AB, Sweden	October, 2015	6	2	Energy
Powermec AB, Sweden	November, 2015	150	26	Power Solutions
Goodtech Products AS, Norway	February, 2016	85	23	Components
INL System AB, Sweden	March, 2016	12	2	Components
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 Limited, Great Britain	April, 2016	100	35	Energy
Elektro-Tukku Oy, Finland	May, 2016	8	3	Components
Penlink AB, Sweden	October, 2015	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	15	4	Components

* Refers to conditions at the time of acquisition on a full-year basis.

PARENT COMPANY INCOME STATEMENT

SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15	31 Dec 16	31 Mar 16
Net sales	14	15	39	44	53	58
Administrative expenses	-18	-20	-47	-54	-62	-69
Operating profit/loss	-4	-5	-8	-10	-9	-11
Profit from interests in Group companies	-	-	-	-	190	190
Interest income and expenses and similar items	-4	6	-3	17	1	21
Profit after financial items	-8	1	-11	7	182	200
Appropriations	-	-	-	-	-20	-20
Profit before taxes	-8	1	-11	7	162	180
Income tax expense	2	0	2	-2	-34	-38
Profit for the period	-6	1	-9	5	128	142
Total comprehensive income	-6	1	-9	5	128	142

PARENT COMPANY BALANCE SHEET

SEKm	31 Dec 16	31 Dec 15	31 Mar 16
Intangible non-current assets	0	0	0
Property, plant and equipment	3	4	4
Non-current financial assets	2,214	2,890	2,446
Total non-current assets	2,217	2,894	2,450
Current receivables	115	358	304
Cash and bank balances	-	-	-
Total current assets	115	358	304
Total assets	2,332	3,252	2,754
Equity	565	778	836
Untaxed reserves	375	355	375
Provisions	16	16	16
Non-current liabilities	189	404	390
Current liabilities	1,187	1,699	1,137
Total equity and liabilities	2,332	3,252	2,754

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 11.30 a.m CET on 2 February 2017.

Future information

2017-05-11 Year-end report 1 April 2016 - 31 March 2017

2017-07-14 Interim report 1 April - 30 June 2017

2017-08-31 The Annual General Meeting 2017 will be held at IVA, Grev Turegatan 16, Stockholm at 4.00 p.m.

The Group's 2016/2017 annual report will be published on Addtech's website in July 2017.

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DEFINITIONS

Return on equity²

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, where working capital consists of inventories, receivables and payables. The components are calculated as the average of the last 12 months. P/WC is from 1 April 2016 calculated as EBITA divided by working capital, previously calculated as operating profit 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.

EBITA¹

Operating profit before amortisation of intangible assets.

EBITA-margin

EBITA as a percentage of net sales.

EBITDA¹

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 ratio²

Net debt excluding pensions divided by shareholders' equity.

Interest coverage ratio

Profit after net financial items plus financial expenses divided by financial expenses.

Operating margin

Operating profit as a percentage of net sales.

Equity ratio²

Equity as a percentage of total assets.

Debt/equity ratio²

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.

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), diluted²

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.

¹The performance measure is operational and is not considered to be an alternative performance measure according to ESMA's guidelines.

²Minority interest is included in equity when the performance measures are calculated.