

Presentation of Addtech

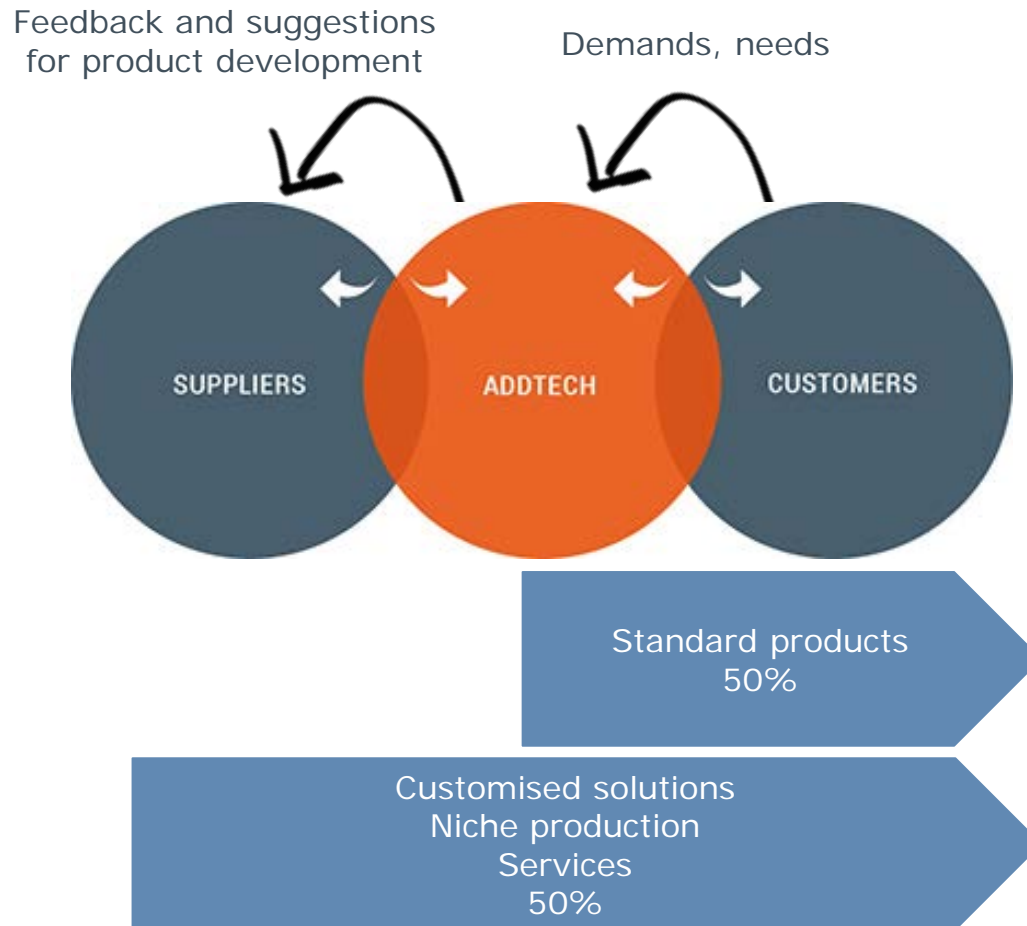
Addtech in brief

- 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 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

Strategies for profitable growth

Profitable growth is achieved through continuous business and organisational development





Interim report Q3

1 April 2016 – 31 December 2016

1 April 2016–31 December 2016

3rd quarter

- Net sales increased by 16% to SEK 1,819m (1,570)
 - For comparable units +6%
 - Acquired growth +7%
 - Currency effects +3%

9 months

- Net sales increased by 16% to SEK 5,237m (4,524)
 - For comparable units +5%
 - Acquired growth +10%
 - Currency effects +1%

1 April 2016–31 December 2016

3rd quarter

- EBITa increased by 39% to SEK 160m (117)
 - EBITa-margin 8.8% (7.4)
- Operating profit increased by 45% to SEK 132m (92)
 - Operating margin 7.3% (5.8)

9 months

- EBITa increased by 33% to SEK 522m (394)
 - EBITa-margin 10.0% (8.7)
- Operating profit increased by 35% to SEK 441m (326)
 - Operating margin 8.4% (7.2)

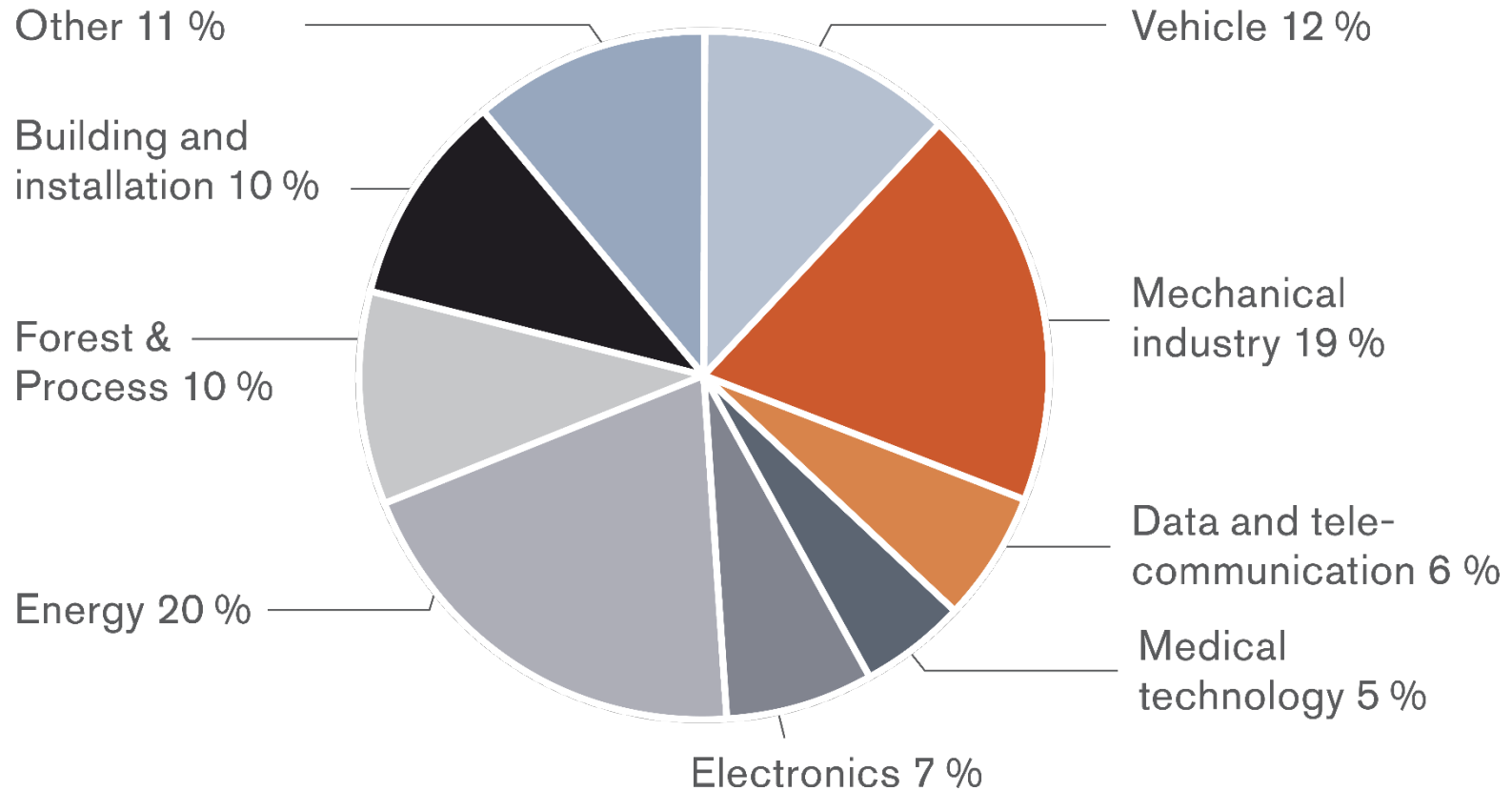
1 April 2016 – 31 December 2016

- 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.

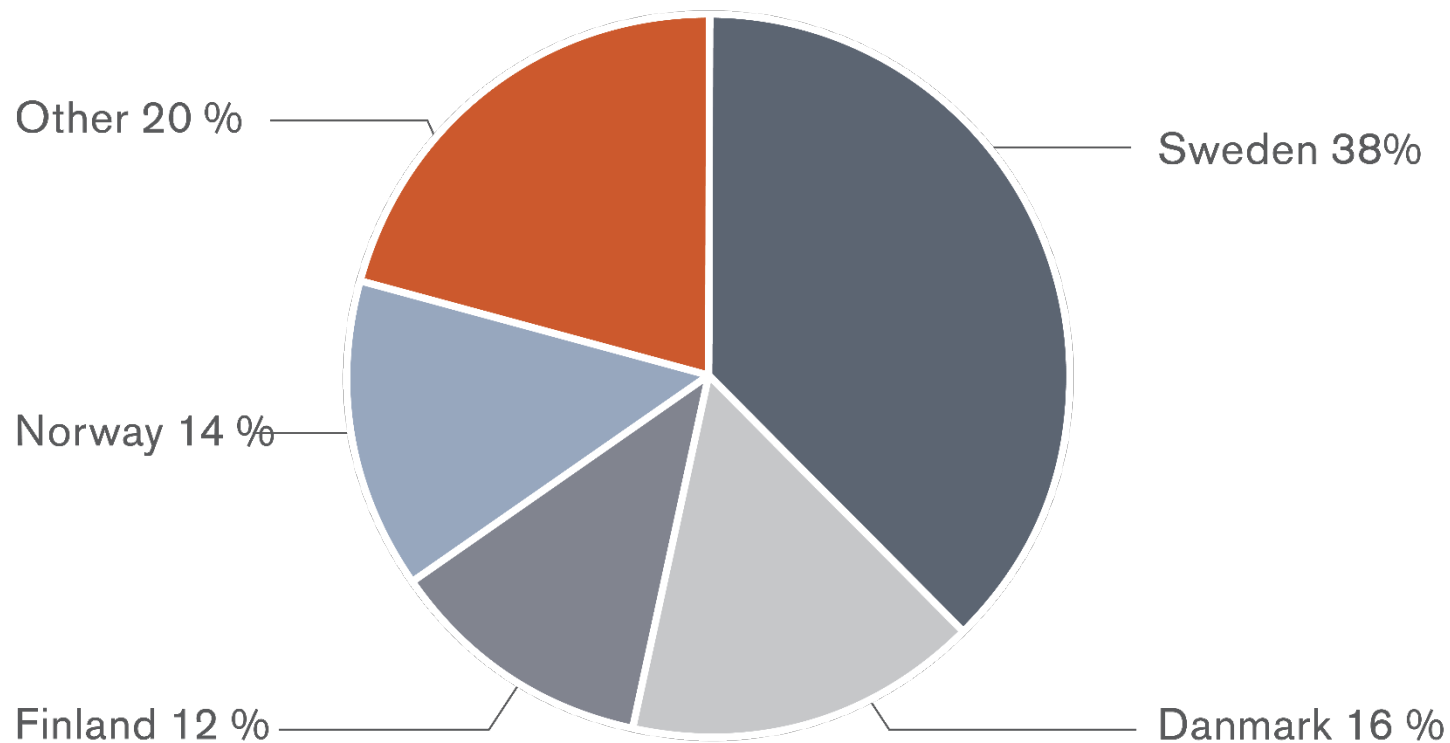
1 April 2016 – 31 December 2016

- 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.
- 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.

Customer segments 2015/2016



Net sales by geographical market



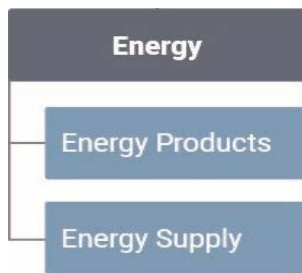
Components



	3rd quarter		9 months		2015/2016	
Net sales	579	14%	1,680	13%	2,029	7%
EBITA	38	29%	129	20%	149	-3%
ROS	6.5%	5.7%	7.7%	7.2%	7.4%	8.2%

- 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.

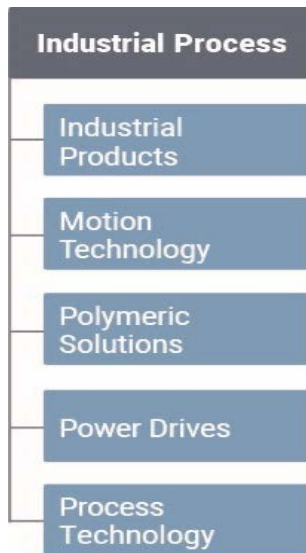
Energy



	3rd quarter		9 months		2015/2016	
Net sales	465	19%	1,346	24%	1,487	10%
EBITA	52	44%	166	55%	149	7%
ROS	11.3%	9.4%	12.4%	9.9%	10.1%	10.4%

- 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



	3rd quarter		9 months		2015/2016	
Net sales	415	16%	1,166	9%	1,423	1%
EBITA	29	7%	93	6%	116	28%
ROS	6.9%	7.4%	8.0%	8.1%	8.1%	6.4%

- 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

Power Solutions
Storage & Power
Customised solutions

	3rd quarter		9 months		2015/2016	
Net sales	362	15%	1,052	18%	1,226	13%
EBITA	46	61%	140	43%	136	0%
ROS	12.7%	9.1%	13.3%	11.0%	11.1%	12.4%

- 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.

Addtech The Group

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
Net Sales	1,819	1,570	5,237	4,524	6,868	6,155
Cost of sales & op. Expenses	-1,695	-1,480	-4,821	-4,200	-6,349	-5,728
Other operating items	8	2	25	2	39	16
Operating profit	132	92	441	326	558	443
Financial income & expenses	-6	-5	-15	-11	-24	-20
Profit after financial items	126	87	426	315	534	423
Income tax expense	-28	-16	-94	-67	-117	-90
Net profit	98	71	332	248	417	333
Earnings per share, SEK	1.40	1.05	4.85	3.65	6.05	4.85
EBIT-margin, %	7.3	5.8	8.4	7.2	8.1	7.2
EBITa-margin, %	8.8	7.4	10.0	8.7	9.7	8.7

Addtech The Group

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	119	426	392	2,115	2,081
Adj. for non cash items	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 investment 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
Dividend paid	-	-	-218	-217	-218	-217
Repurchase of own shares/options	7	-	-39	-45	-39	-45
Other financing activities	-80	61	62	672	-400	210
Period's cash flow	26	52	6	98	-22	70

* 12 months includes discontinued operations

Addtech The Group

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
Non-current financial assets	30	33	27
Inventories	960	1,098	874
Current receivables	1,167	1,229	1,098
Cash and cash equivalents	152	166	140
Total assets	4,182	5,058	3,805
Total equity	1,615	1,791	1,514
Interest-bearing provisions & liabilities	1,123	1,712	961
Non-interest-bearing prov. & liabilities	1,444	1,555	1,330
Total equity & liabilities	4,182	5,058	3,805

Addtech The Group

Key financial indicators

(SEKm)	31 Dec 16	31 Mar 16	31 Dec 15
Total equity (SEKm)	1,615	1,514	1,791
Equity per share, SEK	23.65	22.10	25.35
Equity ratio, %	39	40	35
Return on equity, %	26	20	26
Return on capital employed, %	20	16	20
Financial net debt (SEKm)	970	822	1,546
- of which pension liability	217	199	319
- of which other liabilities	753	623	1,227
Financial net debt / EBITDA	1.4	1.4	2.2
Net debt / equity ratio, times	0.5	0.4	0.7
Interest coverage ratio, times	22	20	25
Average number of employees	2,110	2,386	2,360
Number of employees at end of period	2,142	2,076	2,503

