

Presentation of Addtech

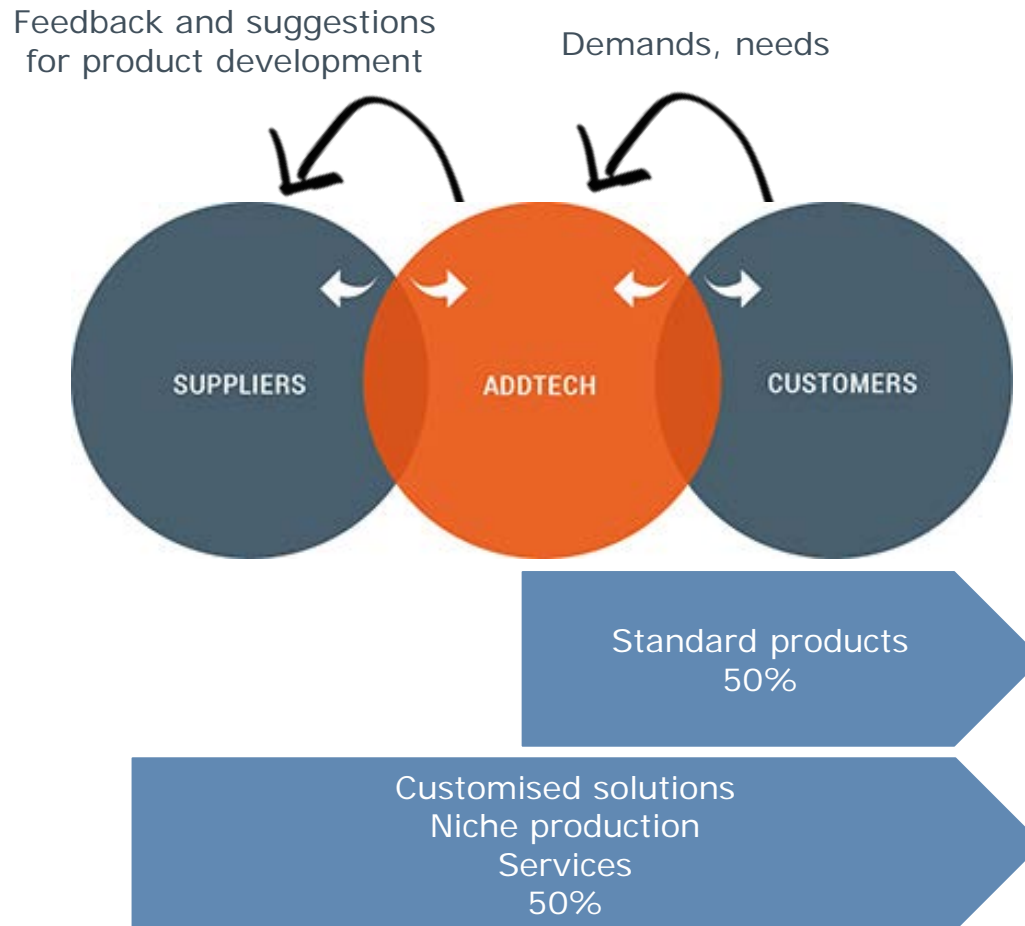
Addtech in brief

- 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 7,500m
 - 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 Q3

1 April 2017 – 31 December 2017

1 April 2017–31 December 2017

3rd quarter

- Net sales increased by 12% to SEK 2,030m (1,819)
 - For comparable units +6%
 - Acquired growth +8%
 - Disposal -2%
 - Currency effects -0%

9 months

- Net sales increased by 13% to SEK 5,901m (5,237)
 - For comparable units +7%
 - Acquired growth +7%
 - Disposal -1%
 - Currency effects +0%

1 April 2017–31 December 2017

3rd quarter

- EBITA increased by 19% to SEK 190m (160)
 - EBITA margin 9.4% (8.8)
- Operating profit increased by 17% to SEK 155m (132)
 - Operating margin 7.7% (7.3)

9 months

- EBITA increased by 18% to SEK 617 (522)
 - EBITA margin 10.5% (10.0)
 - The profit includes items affecting comparability amounting to a net total of SEK +12 million and adjusted EBITA amounted to SEK 605 million (522), corresponding to an EBITA margin of 10.3% (10.0)
- Operating profit increased by 17% to SEK 517m (441)
 - Operating margin 8.8 % (8.4)

1 April 2017–31 December 2017

- The third quarter was also characterised by favourable conditions for business, and stronger demand in most of our geographical markets and most customer segments.
 - Our level of activity was high, with a strong increase in sales, both organically and through acquisitions.
 - We achieved a profit growth of 19% for the quarter, which was in line with the increase we have had earlier in the year. The operating margin also continued to increase, compared with the previous year.
- The Components Business Area delivered an outstanding quarter, through both organic growth and several new acquisitions.
 - In the Energy Business Area, our experience is that the markets are relatively stable, but the quarter showed weaker results due to lower sales and increased competition.
 - Industrial Process and Power Solutions continue to report strong and stable sales and profit growth.

1 April 2017–31 December 2017

- During the quarter, Patrick Klerck was appointed Business Area Manager of Components. Patrik Klerck has been a member of the management team of Components for five years and has a solid experience from the Group.
- At the same time Anders Claeson, Executive Vice President and former Business Area Manager of Components, was appointed acting Business Area Manager of Industrial Process, replacing Johan Dyberg, who left the Group.
- From a geographical perspective, the highest rate of growth was in Finland and Denmark, while the business situation also improved from an already high level in Sweden.
 - Demand was generally stable in Norway, and business outside the Nordic region was still good.

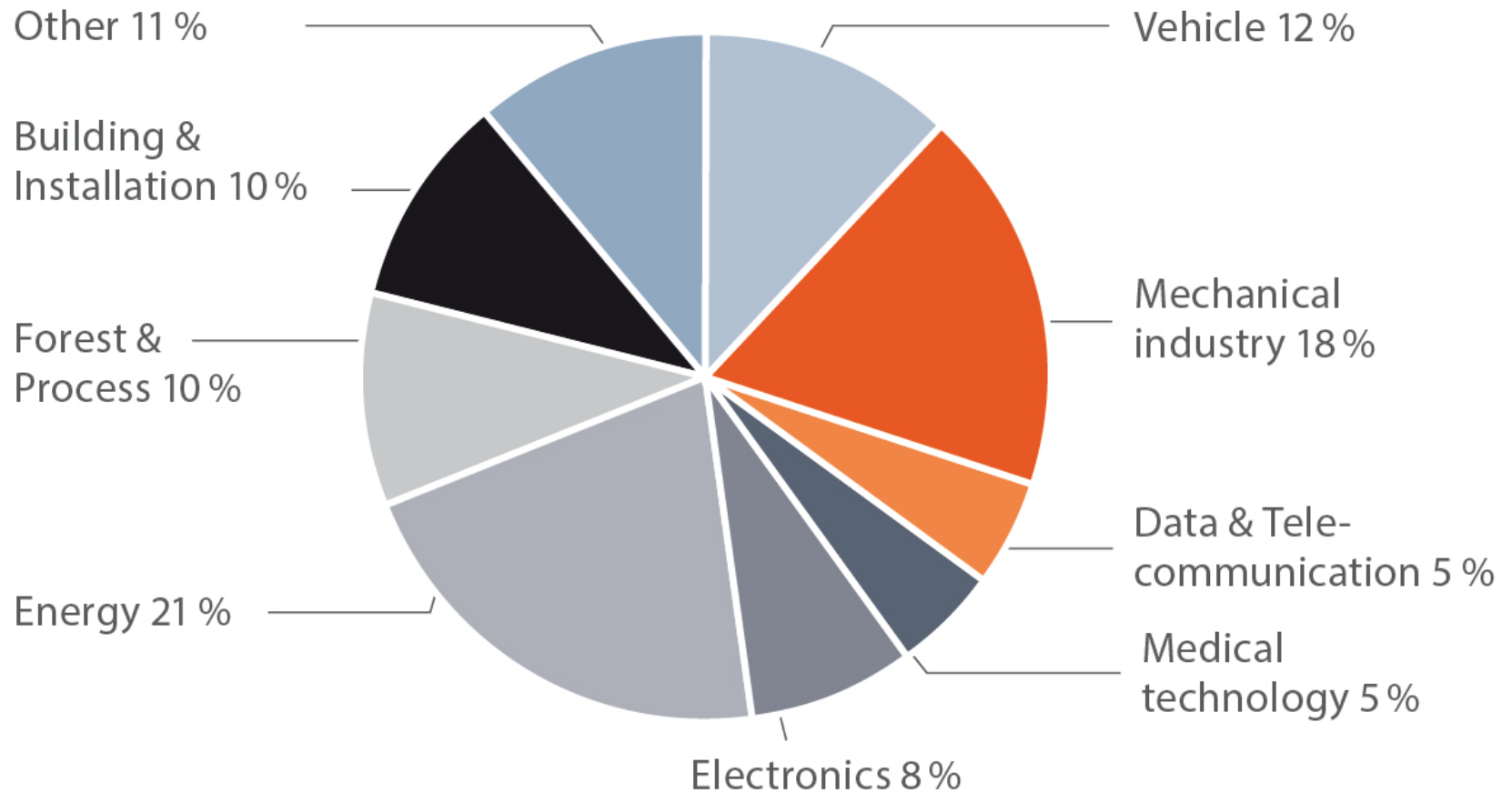
1 April 2017–31 December 2017

- With regard to demand in our various customer segments, we increased sales of production components to manufacturers of, for example, special vehicles, machinery, electronics, wind power and marine vessels.
 - Demand was stable in medical technology and oil & gas, but was lower in the telecom segment.
 - Demand for aftermarket products for the manufacturing industry showed an upward trend, while the pace of investment in the process industry was stable.
 - Sales of infrastructure products for the primary and regional grids in the Nordic region fell during the quarter, whereas sales of niche products in power distribution remained stable.
 - Demand for electricity-related products from customers in building and installation continued to develop positively.

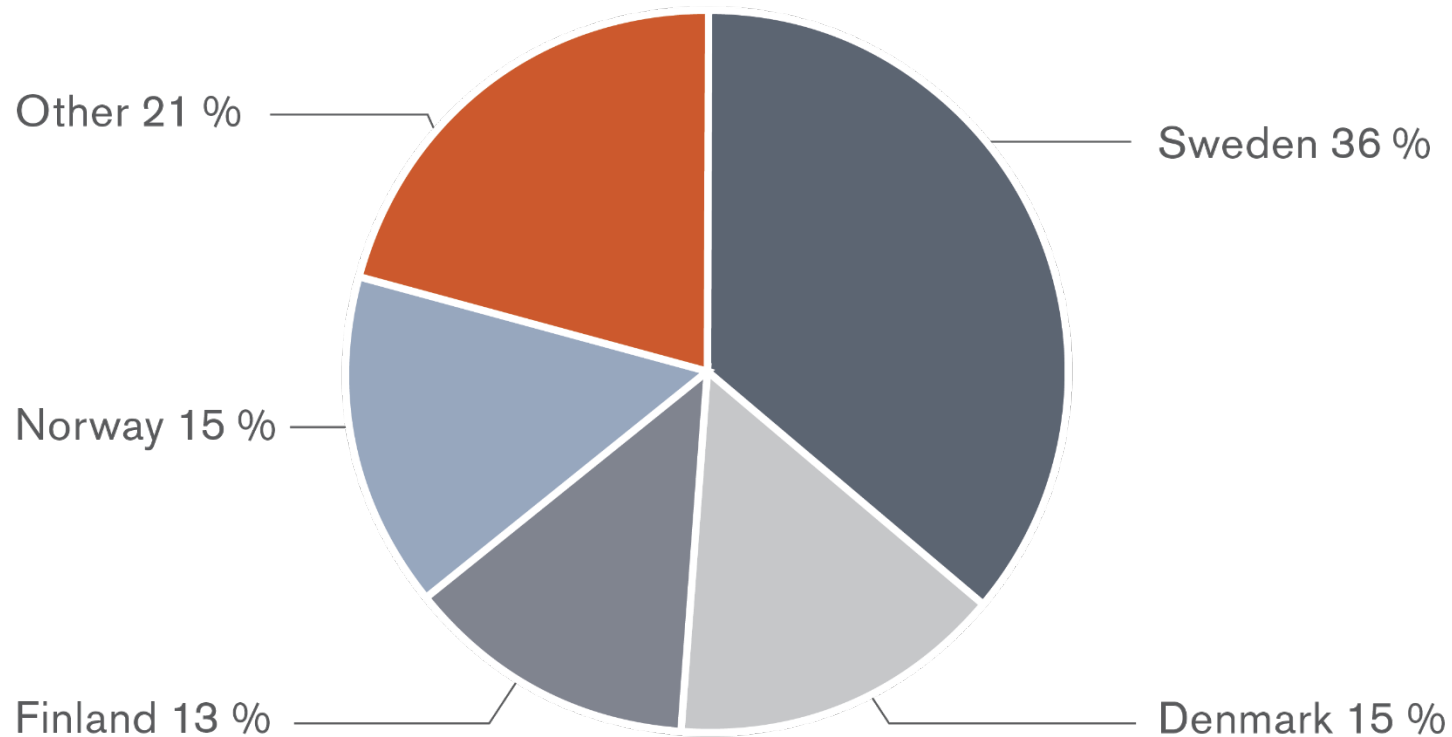
1 April 2017–31 December 2017

- Strengthening our market positions through acquisitions gives Addtech better opportunities to create long-term sustainable growth.
- We have maintained a high pace of acquisitions, and since the start of the financial year we have made eleven acquisitions, three of which were completed after the end of the quarter.
 - Three acquisitions were made in Sweden, three in Denmark, two in Finland and one in each of Norway, the United Kingdom and Belgium.
 - The acquisitions together contribute annual sales of approximately SEK 700 million.
- We are in ongoing discussions of acquisitions of not only independent, profitable technology companies with market-leading niche positions, but also smaller complementary acquisitions that can strengthen the market positions and profitability of our existing companies.
 - Our strong balance sheet offers excellent scope for us to continue to acquire attractive companies.

Customer segments 2016/2017



Geographical market 2016/2017



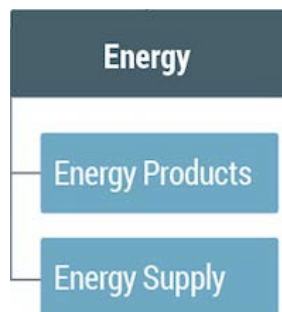
Components



	3rd quarter		9 months		2016/2017	
Net sales	767	33%	2,153	28%	2,355	16%
EBITA	68	81%	205	59%	187	25%
ROS	8.9%	6.5%	9.5%	7.7%	8.0%	7.4%

- Higher sales, in combination with several acquisitions, have created strong earnings growth and very good development of the operating margin.
- The market for production components for Nordic manufacturing companies remained favourable in Sweden, Denmark and Finland, while the Norwegian market overall was stable.
- The strong demand came from most major customer segments, including machinery production, wind energy, special vehicles and electronics.

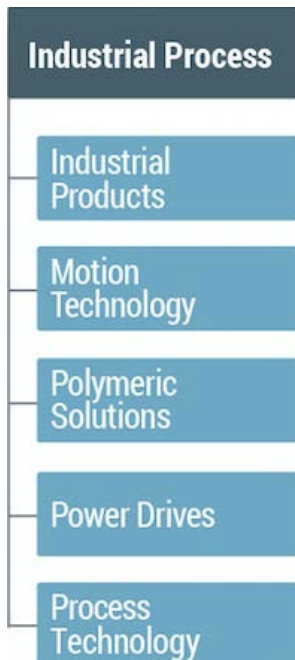
Energy



	3rd quarter		9 months		2016/2017	
Net sales	442	-5%	1,379	2%	1,807	22%
EBITA	44	-17%	159	-5%	225	50%
ROS	9.9%	11.3%	11.5%	12.4%	12.5%	10.1%

- Sales of infrastructure products to the primary and regional grids in the Nordic region declined during the quarter, in comparison with a very strong quarter in the previous year.
- The underlying demand in this market is found to be relatively stable, but the level of sales in the quarter combined with increased competition had a negative impact on operating profit.
- The conditions for business in niche products for power distribution was more stable during the quarter. On the other hand, sales of products for building and installation, and for the manufacturing and wind power industries, increased.

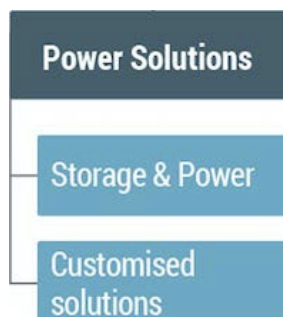
Industrial Process



	3rd quarter		9 months		2016/2017	
Net sales	426	3%	1,232	6%	1,585	11%
EBITA	32	13%	104	12%	125	9%
ROS	7.6%	6.9%	8.5%	8.0%	7.9%	8.1%

- Sales to the manufacturing industry rose during the quarter and demand in customer segments such as machinery production and special vehicles showed a further increase.
- Overall, investments in the Nordic process industry were stable. Business conditions continued to be especially favourable in the marine market as a result of stricter requirements for measuring and removal of emissions.
- Selective efficiency measures are ongoing to improve profitability.

Power Solutions



	3rd quarter		9 months		2016/2017	
Net sales	398	10%	1,145	9%	1,439	17%
EBITA	50	10%	148	6%	187	38%
ROS	12.7%	12.7%	13.0%	13.3%	13.0%	11.1%

- All in all, demand increased during the quarter, but business conditions varied from one customer to another, and among product segments.
- Higher sales of control and ergonomics products for the special vehicle industry, which is the business area's biggest customer segment, contributed strongly.
- Demand for battery solutions was strong in most customer segments, while sales of power supply solutions to customers in, for example, the telecommunications and wind power industries, remained weak.

The Addtech Group

Income statement, condensed

(SEKm)	3 months ending		9 months ending		12 months ending	
	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16	31 Dec 17	31 Mar 17
Net Sales	2,030	1,819	5,901	5,237	7,842	7,178
Cost of sales & op. expenses	-1,879	-1,695	-5,392	-4,821	-7,183	-6,612
Other operating items	4	8	8	25	21	38
Operating profit	155	132	517	441	680	604
Financial income & expenses	-8	-6	-20	-15	-29	-24
Profit after financial items	147	126	497	426	651	580
Income tax expense	-32	-28	-104	-94	-140	-130
Net profit	115	98	393	332	511	450
Earnings per share, SEK	1.70	1.40	5.75	4.85	7.50	6.60
EBIT margin, %	7.7	7.3	8.8	8.4	8.7	8.4
EBITA margin, %	9.4	8.8	10.5	10.0	10.3	10.0

The Addtech Group

Cash flow statement, condensed

(SEKm)	3 months ending		9 months ending		12 months ending	
	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16	31 Dec 17	31 Mar 17
Profit after financial items	147	126	497	426	651	580
Adj. for non cash items	29	42	112	112	134	134
Income tax paid	-65	-45	-132	-89	-166	-123
Changes in working capital	141	54	-89	-58	-71	-40
Cash flow from operating activities	252	177	388	391	548	551
Net investment in non-current assets	-16	-16	-28	-38	-50	-60
Acquisitions and disposals	-241	-62	-381	-152	-564	-335
Dividend paid	-	-	-235	-218	-235	-218
Repurchase of own shares/options	7	7	-3	-39	8	-28
Other financing activities	43	-80	299	62	357	120
Period's cash flow	45	26	40	6	64	30

The Addtech Group

Balance sheet, condensed

(SEKm)	31 Dec 17	31 Dec 16	31 Mar 17
Goodwill	1,391	990	1,101
Other intangible non-current assets	991	699	791
Property, plant and equipment	195	184	190
Non-current financial assets	34	30	27
Inventories	1,085	960	942
Current receivables	1,354	1,167	1,286
Cash and cash equivalents	211	152	178
Total assets	5,261	4,182	4,515
Total equity	1,873	1,615	1,741
Interest-bearing provisions & liabilities	1,683	1,123	1,189
Non-interest-bearing prov. & liabilities	1,705	1,444	1,585
Total equity & liabilities	5,261	4,182	4,515

The Addtech Group

Key financial indicators

(SEKm)	31 Dec 17	31 Mar 17	31 Dec 16
Total equity (SEKm)	1,873	1,741	1,615
Equity per share, SEK	27.30	25.45	23.65
Equity ratio, %	36	39	39
Return on equity, %	29	28	26
Return on capital employed, %	22	23	20
Financial net debt (SEKm)	1,472	1,011	970
- of which pension liability	240	210	217
- of which other liabilities	1,232	801	753
Financial net debt / EBITDA	1.7	1.3	1.4
Net debt / equity ratio, times	0.7	0.5	0.5
Interest coverage ratio, times	24	24	22
Average number of employees	2,238	2,133	2,110
Number of employees at end of period	2,307	2,176	2,142

