

Presentation of Addtech

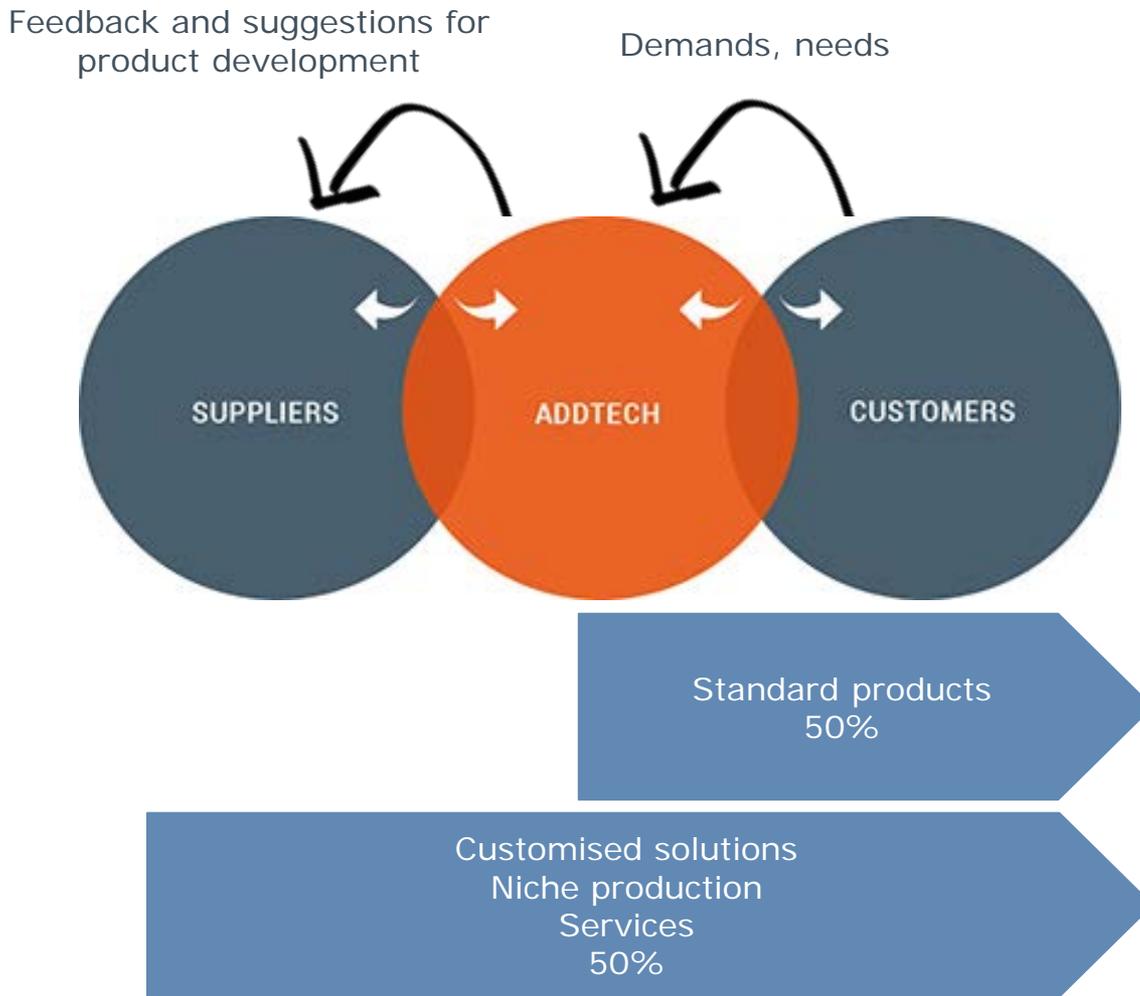
Addtech in brief

- 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 8,000m
 - About 130 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

1 April – 30 June 2018

1 April – 30 June 2018

- Net sales increased by 21% to SEK 2,395 m (1,979)
 - For comparable units 9%
 - Acquired growth 8%
 - Currency effects 4%
- EBITa increased by 22% to SEK 260 m (214 including items affecting comparability of +12 million)
 - EBITa-margin 10.9% (10.8)
- Operating profit increased by 22% to SEK 221 m (181)
 - Operating margin 9,2% (9.1)

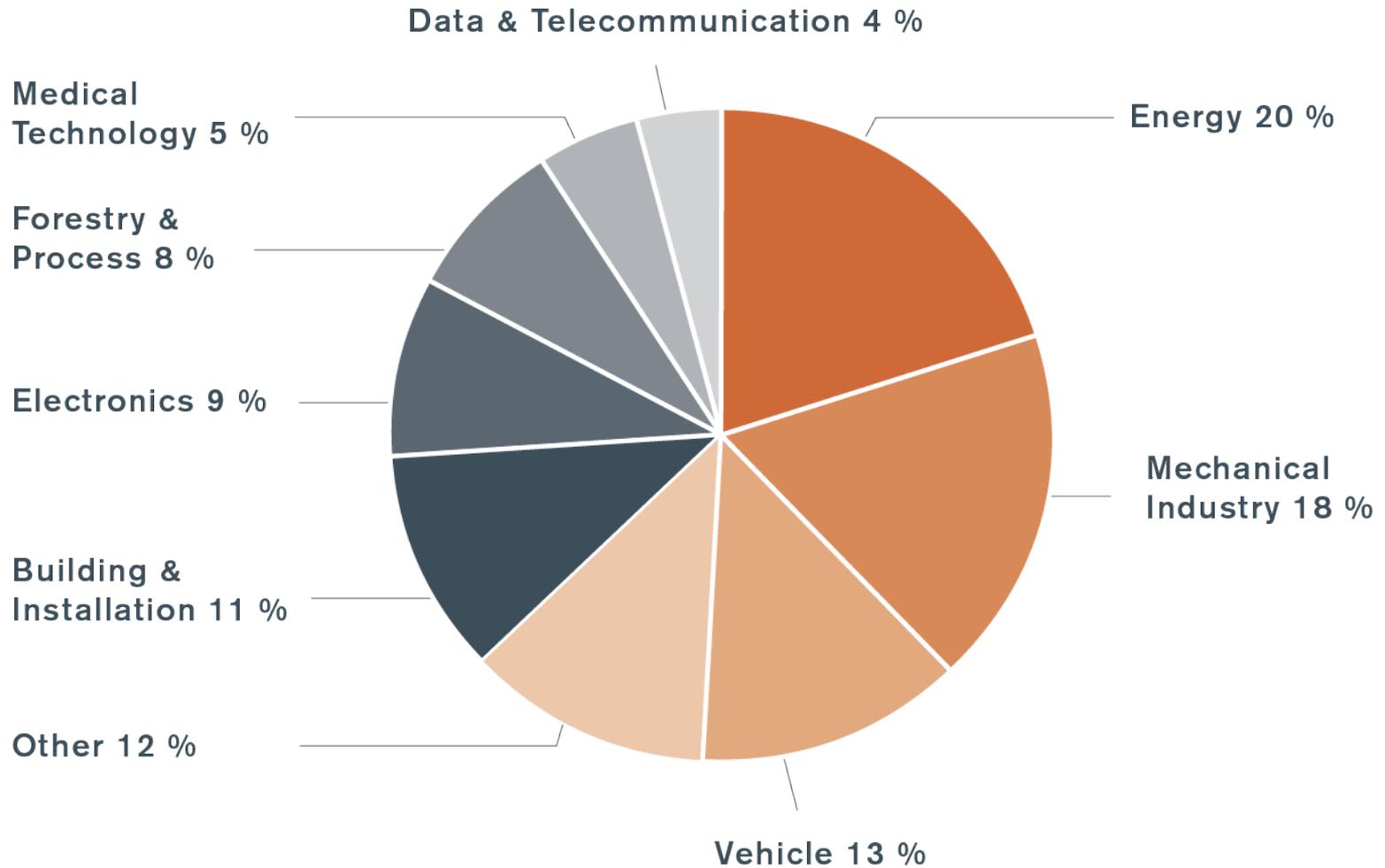
1 April – 30 June 2018

- The market performed very strongly during the quarter and the Group recorded an organic increase of 9 percent in sales.
- Combined with the effect of several completed acquisitions, the overall profit growth was 22 percent.
- The operating margin continued to improve, especially in view of the positive non-recurring impact we recorded in the first quarter of last year.
- It is very positive that all four business areas generated an EBITA margin of more than 10 percent.
- Sales of production components to manufacturing companies continued to increase, especially in customer segments such as special vehicles, machinery production, electronics and marine vessels. Demand was also firm from customers in medical technology and wind power, but weak in telecom.
- From a low level, the oil & gas customer segment in Norway showed an improvement. There was also a positive upswing in demand for aftermarket products for the manufacturing industry and for the forest and process industry.

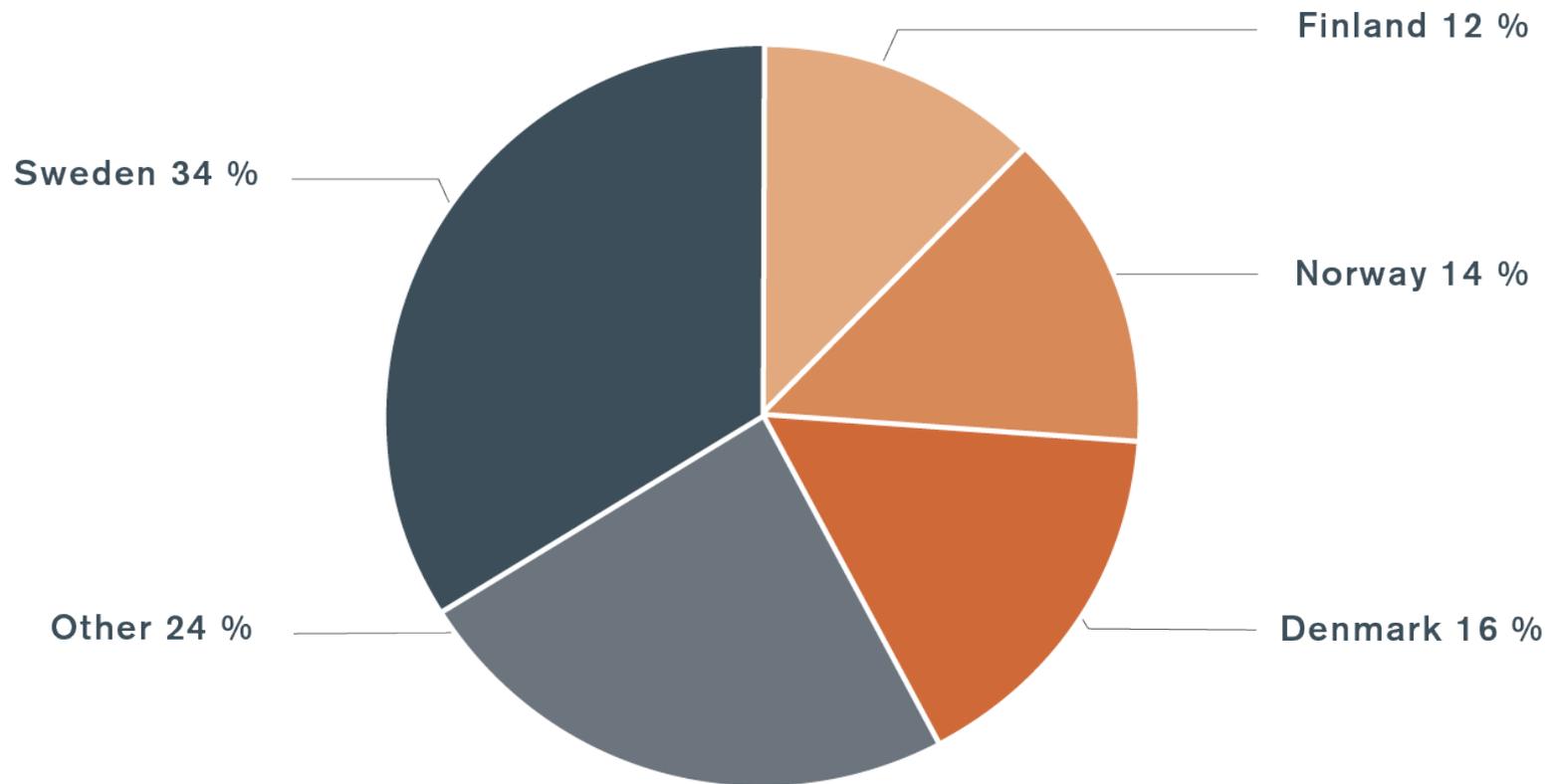
1 April – 30 June 2018

- Sales of infrastructure products to power grid companies in the Nordic region increased slightly overall, while demand from construction and installation customers for electricity-related products had good development.
- From a geographical perspective, the best market conditions overall were in Sweden and Finland.
- Our sales in Denmark increased slightly, while our businesses outside the Nordic region recorded strong demand.
- Thanks to bigger investment in oil & gas, as well as in infrastructure, sales also rose in Norway.
- In the early part of the financial year, our pace of acquisitions was high in all business areas.
- During the quarter, we completed four acquisitions that, in all, bring annual sales of around SEK 230 million to the Group.
- At the start of July, we made six additional acquisitions with total annual sales of approximately SEK 500 million.

Customer segments 2017/2018



Geographical market 2017/2018



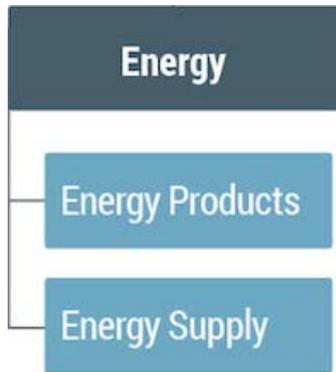
Components



	1th quarter		2017/2018	
Net sales	946	34%	3 001	27%
EBITA	107	61%	284	52%
EBITA-margin	11,3%	9,4%	9,5%	8,0%

- The excellent profit growth and improved profit margin were the result of higher sales of production components to manufacturing companies, along with several acquisitions. Demand continued to rise from a high level in Sweden and Finland, but remained stable in Denmark.
- The market was good in most major customer segments, including machinery production, electronics, special vehicles and wind power.
- The business climate for our operations in Norway improved substantially from a low level, thanks to stronger demand from customers in oil & gas and increased investments in infrastructure.

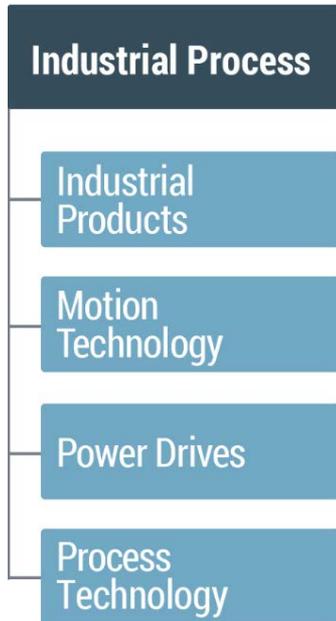
Energy



	1th quarter		2017/2018	
Net sales	535	15%	1 846	2%
EBITA	56	2%	215	-4%
EBITA-margin	10,4%	11,8%	11,7%	12,5%

- Demand for infrastructure products for the primary and regional grids in the Nordic region grew somewhat, but tougher competition had an impact on our margins.
- The business climate for niche products in electrical power distribution remained stable.
- Sales of products for construction and installation continued to rise, as did demand for products for the manufacturing industry.

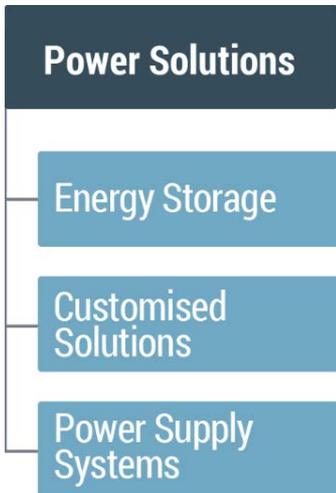
Industrial Process



	1th quarter		2017/2018	
Net sales	498	23%	1 677	6%
EBITA	50	53%	142	14%
EBITA-margin	10,0%	8,1%	8,5%	7,9%

- Demand increased in a number of customer segments within the Nordic production and process industry, and we recorded very strong organic growth during the quarter.
- The business climate in the manufacturing industry was favourable and demand in customer segments such as machinery production and special vehicles increased.
- Investments in the forest and process industry rose slightly, while sales of emission measurement products for the ship supply market increased sharply.

Power Solutions



	1th quarter		2017/2018	
Net sales	419	4%	1 510	5%
EBITA	57	11%	198	6%
EBITA-margin	13,7%	12,7%	13,1%	13,0%

- Underlying demand for the business area overall increased slightly. Sales of control and ergonomic products to the special vehicle industry continued to rise.
- Demand for battery solutions was split, with a decline in traditional battery systems for the telecom segment and growth in new types of battery technologies for several customer segments.
- Sales of power supply solutions to customers in telecom and wind power industries remained weak.

The Addtech Group

Income statement, condensed

(SEKm)	3 months ending		12 months ending	
	30 jun 18	30 jun 17	30 jun 18	31 mar 18
Net Sales	2 395	1 979	8 438	8 022
Cost of sales & op. expenses	-2 178	-1 804	-7 715	-7 341
Other operating items	4	6	18	20
Operating profit	221	181	741	701
Financial income & expenses	-16	-4	-48	-36
Profit after financial items	205	177	693	665
Income tax expense	-43	-34	-148	-139
Net profit	162	143	545	526
Earnings per share, SEK	2,35	2,10	7,95	7,70
EBIT margin, %	9,2	9,1	8,8	8,7
EBITA margin, %	10,9	10,8	10,5	10,5

The Addtech Group

Cash flow statement, condensed

(SEKm)	3 months ending		12 months ending	
	30 jun 18	30 jun 17	30 jun 18	31 mar 18
Profit after financial items	205	177	693	665
Adj. for non cash items	69	33	195	159
Income tax paid	-27	-28	-168	-169
Changes in working capital	-195	-97	-214	-116
Cash flow from operating activities	52	85	506	539
Net investment in non-current assets	-10	-5	-48	-43
Acquisitions and disposals	-140	-172	-445	-477
Dividend paid	-	-	-235	-235
Repurchase of own shares/options	7	18	-11	0
Other financing activities	112	76	259	223
Period's cash flow	21	2	26	7

The Addtech Group

Balance sheet, condensed

(SEKm)	30 jun 18	30 jun 17	31 mar 18
Goodwill	1 540	1 196	1 456
Other intangible non-current assets	1 052	859	1 007
Property, plant and equipment	210	191	207
Non-current financial assets	33	29	32
Inventories	1 214	996	1 118
Current receivables	1 713	1 386	1 507
Cash and cash equivalents	223	173	192
Total assets	5 985	4 830	5 519
Total equity	2 349	1 882	2 131
Interest-bearing provisions & liabilities	1 698	1 336	1 598
Non-interest-bearing prov. & liabilities	1 938	1 612	1 790
Total equity & liabilities	5 985	4 830	5 519

The Addtech Group

Key financial indicators

(SEKm)	30 Jun 18	31 Mar 18	30 Jun 17
Total equity (SEKm)	2 349	2 131	1 882
Equity per share, SEK	34,25	31,10	27,40
Equity ratio, %	39	39	39
Return on equity, %	27	28	28
Return on capital employed, %	22	22	23
Financial net debt (SEKm)	1 475	1 405	1 163
- of which pension liability	229	229	218
- of which other liabilities	1 246	1 176	945
Financial net debt / EBITDA	1,6	1,6	1,5
Net debt / equity ratio, times	0,5	0,6	0,5
Interest coverage ratio, times	23	23	24
Average number of employees	2 332	2 283	2 170
Number of employees at end of period	2 449	2 358	2 254

