

INTERIM REPORT 1 APRIL - 30 SEPTEMBER 2017

SECOND QUARTER (1 JULY - 30 SEPTEMBER 2017)

- **Net sales** increased by 14 percent and amounted to SEK 1,892 million (1,658).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 17 percent and amounted to SEK 213 million (183) corresponding to an EBITA margin of 11.2 percent (11.0).
- **Operating profit** increased by 16 percent and amounted to SEK 181 million (156) corresponding to an operating margin of 9.6 percent (9.4).
- **Profit after tax** increased by 12 percent and amounted to SEK 135 million (121) and **earnings per share before dilution** amounted to SEK 1.95 (1.80).

PERIOD (1 APRIL - 30 SEPTEMBER 2017)

- **Net sales** increased by 13 percent and amounted to SEK 3,871 million (3,418).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 18 percent and amounted to SEK 427 million (362) corresponding to an EBITA margin of 11.0 percent (10.6). The profit includes items affecting comparability amounting to a net total of SEK +12 million, and adjusted EBITA amounted to SEK 415 million (362), corresponding to an EBITA margin of 10.7 percent (10.6).
- **Operating profit** increased by 17 percent and amounted to SEK 362 million (309) corresponding to an operating margin of 9.4 percent (9.0).
- **Profit after tax** increased by 19 percent and amounted to SEK 278 million (234) and **earnings per share before dilution** amounted to SEK 4.05 (3.45).
- **Return on working capital** amounted to 53 percent (48) and **return on equity** amounted to 29 percent (24).
- **The equity ratio** amounted to 36 percent (38).
- Since the start of the financial year we have completed six acquisitions, of which three after the end of the period, with total annual sales of about SEK 480 million.

GROUP SUMMARY	3 months			6 months			Rolling 12 months	
	30 Sep 2017	30 Sep 2016	Δ	30 Sep 2017	30 Sep 2016	Δ	30 Sep 2017	31 Mar 2017
Net sales	1,892	1,658	14%	3,871	3,418	13%	7,631	7,178
EBITA	213	183	17%	427	362	18%	780	715
EBITA margin, %	11.2	11.0		11.0	10.6		10.2	10.0
Profit after financial items	173	155	12%	350	300	17%	630	580
Profit for the period	135	121	12%	278	234	19%	494	450
Earnings per share before dilution, SEK	1.95	1.80	8%	4.05	3.45	17%	7.20	6.60
Cash flow from operating activities per share, SEK	-	-		-	-		7.10	8.25
Return on equity, %	29	24		29	24		29	28
Equity ratio, %	36	38		36	38		36	39

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

CEO'S COMMENTS

STRONG GROWTH IN POSITIVE MARKETS

The market was very strong during the quarter and the Group had an organic increase in sales of 9 percent and an improved operating margin. Our Components and Industrial Process business areas improved their earnings and operating margins as a result of organic growth and acquisitions. The Energy and Power Solutions business areas also experienced growth and continue to provide high operating margins.

The overall demand for our products and solutions was at a high level in most of the markets in which our businesses operate. From a geographical perspective, the highest rate of growth was in Finland, while the business situation also improved from an already high level in both Denmark and Sweden. In Norway, demand was overall stable and business outside the Nordic region remained good.

Sales of production components to manufacturing companies continued to increase, especially in customer segments such as special vehicles, wind power and shipping. Demand was also good from customers in the areas of machine manufacturing, medical technology and electronics, while it was slightly weaker in telecom and oil & gas. Demand for aftermarket products for the production and process industry was positive, with increased sales to the sawmill industry, paper & pulp and machine manufacturers.

Demand from Nordic electricity grid companies, in both electricity transmission and electricity distribution, remained stable at a high level. Sales of electricity-related products within building and installation developed positively.

ACQUISITIONS

We continuously evaluate acquisitions of independent, profitable technology companies with market-leading niche positions and smaller bolt-on acquisitions that can strengthen the market positions of our existing companies. Since the beginning of the financial year, we have completed six acquisitions, three of which were made after the end of the quarter. The acquisitions together contribute annual sales of approximately SEK 480 million. We have good opportunities to make further acquisitions, not least in view of our strong balance sheet.

Johan Sjö
President and CEO



GROUP DEVELOPMENT

SALES DEVELOPMENT

Net sales in the Addtech Group increased in the second quarter by 14 percent to SEK 1,892 million (1,658). The organic growth amounted to 9 percent, acquired growth amounted to 7 percent and disposal affected by -2 percent. Exchange rate changes had a marginally negative effect on net sales, corresponding to SEK 2 million, and a marginally negative effect on operating profit.

Net sales in the Addtech Group increased during the period by 13 percent to SEK 3,871 million (3,418). The organic growth amounted to 6 percent, acquired growth amounted to 7 percent and disposal affected by -1 percent. Exchange rate changes had positive effect of 1 percent on net sales, corresponding to SEK 35 million, and a marginally positive effect on operating profit.

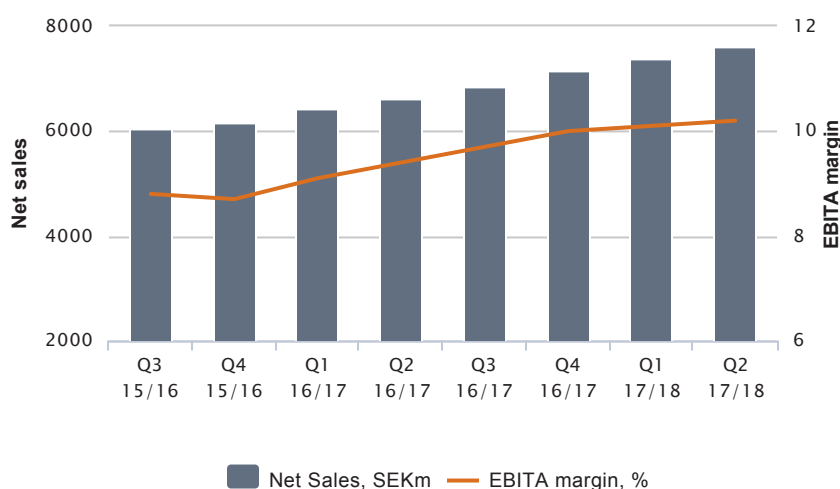
PROFIT DEVELOPMENT

Operating profit increased during the quarter by 16 percent to SEK 181 million (156) and the operating margin amounted to 9.6 percent (9.4). Net financial items amounted to SEK -8 million (-1) and profit after financial items increased by 12 percent to SEK 173 million (155). Profit after tax increased by 12 percent to SEK 135 million (121) corresponding to earnings per share before dilution of SEK 1.95 (1.80). For the latest twelve month period, earnings per share before dilution amounted to SEK 7.20 (5.70).

Operating profit increased during the period by 17 percent to SEK 362 million (309) and the operating margin amounted to 9.4 percent (9.0). 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 350 million (309), corresponding to an operating margin of 9.0 percent (9.0). Net financial items were SEK -12 million (-9) and profit after financial items increased by 17 percent to SEK 350 million (300).

Profit after tax for the period increased by 19 percent to SEK 278 million (234) and the effective tax rate amounted to 21 percent (22). Earnings per share before dilution for the period amounted to SEK 4.05 (3.45).

Net sales and EBITA margin, rolling 12 months



DEVELOPMENT IN THE BUSINESS AREAS

COMPONENTS

Net sales in Components increased in the second quarter by 31 percent to SEK 679 million (520) and EBITA increased by 59 percent to SEK 70 million (44). Net sales during the period increased by 26 percent to SEK 1,386 million (1,101) and EBITA increased by 50 percent to SEK 137 million (91).

Market

Nordic manufacturing companies increased their demand for production components during the quarter. Sales increased substantially and the good development of the market situation was evident in most major customer segments, such as machine manufacturers, special vehicles, energy and electronics. Increased sales in combination with completed acquisitions have resulted in strong earnings growth and very good development of the operating margin.

ENERGY

Net sales in Energy increased in the second quarter by 7 percent to SEK 471 million (439) and EBITA increased by 6 percent to SEK 60 million (57). Net sales during the period increased by 6 percent to SEK 937 million (881) and EBITA increased by 1 percent to SEK 115 million (114).

Market

Demand for infrastructure products for the primary and regional grids in the Nordic region remained at a high level. Competition in this market has increased and our focus is to maintain sales at a good level and concentrate on business that provides a good operating margin. The business situation for niche products in the area of power distribution continued to be stable and demand for electrical installation products was at a high level. Sales of cable products to the manufacturing and wind power industries continued to increase.

INDUSTRIAL PROCESS

Net sales in Industrial Process increased in the second quarter by 6 percent to SEK 402 million (380) and EBITA increased by 18 percent to SEK 39 million (33). Net sales during the period increased by 7 percent to SEK 806 million (751) and EBITA increased by 12 percent to SEK 72 million (64).

Market

Demand increased slightly in a number of customer segments within the Nordic production and process industry. The business situation continued to be good in customer segments such as sawmill industry, paper & pulp and machine manufacturers. Increased requirements regarding the measurement and treatment of emissions have begun to increase demand from, for example, the market for shipping. The business situation for our operations outside the Nordic region was still good, especially in customer segments such as vehicles and energy. Selective efficiency measures will continue to be implemented to increase profitability.

POWER SOLUTIONS

Net sales in Power Solutions increased in the second quarter by 7 percent to SEK 343 million (322) and EBITA amounted to SEK 47 million (48). Net sales during the period increased by 8 percent to SEK 747 million (690) and EBITA increased by 4 percent to SEK 98 million (94).

Market

Overall, demand continued to be high, even in comparison with a very strong quarter in the previous year. Sales of control and ergonomics products to the special vehicle industry continued to increase. The demand for battery solutions was stable in most customer segments, while sales of power supply solutions to customers in, for example, the telecom and wind power industries, decreased slightly.

OTHER FINANCIAL INFORMATION

PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

The return on equity at the end of the period was 29 percent (24), and return on capital employed was 23 percent (18). Return on working capital P/WC (EBITA in relation to working capital) amounted to 53 percent (48).

At the end of the period the equity ratio amounted to 36 percent (38). Equity per share, excluding non-controlling interest, totalled SEK 25.70 (22.60). The Group's net debt at the end of the period amounted to SEK 1,135 million (833), excluding pension liabilities of SEK 218 million (201). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, amounted to 0.6 (0.5).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 529 million (857) at 30 September 2017.

Cash flow from operating activities amounted to SEK 136 million (214) during the period. Changes in working capital consist mainly of higher accounts receivable. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 140 million (90). Investments in non-current assets totalled SEK 16 million (27) and disposal of non-current assets amounted to SEK 1 million (2). Dividend from associated company amounted to SEK 3 million (3). Repurchase of treasury shares amounted to SEK 31 million (40) and repurchase of call options amounted to SEK 0 million (6). Exercised call options totalled SEK 21 million (0). During the second quarter, dividend of SEK 3.50 per share was paid, totalling SEK 235 million (218).

EMPLOYEES

At the end of the period, the number of employees was 2,262, 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 2,201.

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	100.0
Of which repurchased class B shares	1,335,049		2.0	1.4
Total number of shares after repurchases	66,863,447			

In accordance with a resolution of the August 2017 AGM, 24 members of management were offered the opportunity to acquire 300,000 call options on repurchased Class B shares. The programme was fully subscribed. Altogether, Addtech has four outstanding call option programmes for a total of 1,435,047 shares. Call options issued on repurchased shares entail a dilution effect of about 0.3 percent during the latest 12-month period. During the quarter, 200,000 treasury shares were repurchased. Addtech's own shareholdings are estimated to 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
2017/2021	300,000	300,000	0.4%	178.50	-	14 Sep 2020 - 4 Jun 2021
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	328,900	404,547	0.6%	116.70	94.50	17 Sep 2017 - 1 Jun 2018

ACQUISITIONS AND DISPOSAL

During the period, 1 April to 30 September 2017, the following acquisitions have been completed; Dovitech A/S and Altitech A/S to become part of the Components business area and Craig & Derricott Holdings Ltd to become part of the Power Solutions business area. The Group has also sold Batteriunion i Järfälla AB, formerly part of the Power Solutions Business Area.

If all the acquisitions had been completed on 1 April 2017, their impact would have been an estimated SEK 118 million on Group net sales, about SEK 11 million on operating profit and about SEK 8 million on profit after tax for the period.

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)	Closing	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)
Mobile Control Systems SA, Belgium	October, 2017	50	17	Power Solutions
Sensor ECS A/S, Denmark	November, 2017	155	9	Components
Ingenjörfirma Pulsteknik AB, Sweden	November, 2017	50	10	Components

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

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 58 million.

Transaction costs for acquisitions that resulted in an ownership transfer during the period, amounted to SEK 3 million (6) and are reported under Selling expenses.

During the period contingent consideration was net revalued by SEK 2 million (3). 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			-58
Effect on the Group's cash and cash equivalents			140

1) The consideration is stated excluding acquisition expenses.

PARENT COMPANY

Parent Company net sales amounted to SEK 27 million (25) during the period and profit after financial items was SEK -6 million (-3). Net investments in non-current assets were SEK 0 million (0). The Parent Company's net financial debt was SEK 41 million (85) 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 Entities, 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 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 16.

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

On 4 October 2017, an agreement to acquire Sensor ECS A/S, Denmark, to become part of the Components business area, was signed. Sensor ECS delivers embedded industrial and medical computer systems. The business is mainly focused on the Nordic OEM industry and health care. The company has sales of around DKK 120 million, and nine employees. The closing is estimated to take effect in November 2017.

On 9 October 2017, Mobile Control Systems SA, Belgium, was acquired to become part of the Power Solutions business area. Mobile Control Systems develops and supplies electronic throttle- and transmission controls for on and off highway vehicle OEMs. The company has sales of around EUR 5 million, and 17 employees.

On 24 October 2017, an agreement to acquire Ingenjörfirma Pulsteknik AB, Sweden, to become part of the Components business area, was signed. Pulsteknik delivers products and solutions in the field of sensor, control and drives. The business is mainly focused on the Nordic OEM and automation market. The company has sales of around SEK 50 million, and ten employees. The closing is estimated to take effect in November 2017.

AFFIRMATION

The Board of Directors and the President deem that the interim report on the first six months gives a true and fair picture of the Company's and the Group's operations, position and earnings, and describes the significant risks and uncertainty factors to which the Company and the Group are exposed.

Stockholm, 26 October 2017

Anders Börjesson
Chairman of the Board

Eva Elmstedt
Director

Kenth Eriksson
Director

Henrik Hedelius
Director

Ulf Mattsson
Director

Malin Nordesjö
Director

Johan Sjö
President and Director

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 26 October 2017.

FUTURE INFORMATION

2018-02-06 Interim report 1 April - 31 December 2017
2018-05-15 Year-end report 1 April 2017 - 31 March 2018

FOR FURTHER INFORMATION, PLEASE CONTACT:

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BUSINESS AREAS

Net sales by business area	2017/2018				2016/2017	
	Q2	Q1	Q4	Q3	Q2	Q1
Quarterly data, SEKm						
Components	679	707	675	579	520	581
Energy	471	466	461	465	439	442
Industrial Process	402	404	419	415	380	371
Power Solutions	343	404	387	362	322	368
Group items	-3	-2	-1	-2	-3	-2
Addtech Group	1,892	1,979	1,941	1,819	1,658	1,760

EBITA by business area	2017/2018				2016/2017	
	Q2	Q1	Q4	Q3	Q2	Q1
Quarterly data, SEKm						
Components	70	67	58	38	44	47
Energy	60	55	59	52	57	57
Industrial Process	39	33	32	29	33	31
Power Solutions	47	51	47	46	48	46
Parent Company and Group items	-3	8	-3	-5	1	-2
EBITA	213	214	193	160	183	179
Depr. of intangible non-current assets	-32	-33	-30	-28	-27	-26
– of which acquisitions	-31	-32	-29	-27	-26	-25
Operating profit	181	181	163	132	156	153

Net sales	3 months		6 months		Rolling 12 months	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	30 Sep 2017	31 Mar 2017
SEKm						
Components	679	520	1,386	1,101	2,640	2,355
Energy	471	439	937	881	1,863	1,807
Industrial Process	402	380	806	751	1,640	1,585
Power Solutions	343	322	747	690	1,496	1,439
Group items	-3	-3	-5	-5	-8	-8
Addtech Group	1,892	1,658	3,871	3,418	7,631	7,178

EBITA and EBITA margin	3 months				6 months				Rolling 12 months			
	30 Sep 2017		30 Sep 2016		30 Sep 2017		30 Sep 2016		30 Sep 2017		31 Mar 2017	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Components	70	10.4	44	8.5	137	9.9	91	8.3	233	8.8	187	8.0
Energy	60	12.7	57	12.8	115	12.3	114	12.9	226	12.2	225	12.5
Industrial Process	39	9.8	33	8.8	72	8.9	64	8.6	133	8.1	125	7.9
Power Solutions	47	13.5	48	14.8	98	13.1	94	13.7	191	12.7	187	13.0
Group items	-3		1		5		-1		-3		-9	
EBITA	213	11.2	183	11.0	427	11.0	362	10.6	780	10.2	715	10.0
Depr. of intangible non-current assets	-32		-27		-65		-53		-123		-111	
– of which acquisitions	-31		-26		-63		-51		-119		-107	
Operating profit	181	9.6	156	9.4	362	9.4	309	9.0	657	8.6	604	8.4

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEKm	3 months		6 months		Rolling 12 months	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	30 Sep 2017	31 Mar 2017
Net sales	1,892	1,658	3,871	3,418	7,631	7,178
Cost of sales	-1,309	-1,138	-2,667	-2,339	-5,267	-4,939
Gross profit	583	520	1,204	1,079	2,364	2,239
Selling expenses	-300	-279	-636	-592	-1,285	-1,241
Administrative expenses	-100	-91	-210	-195	-447	-432
Other operating income and expenses	-2	6	4	17	25	38
Operating profit	181	156	362	309	657	604
- as % of net sales	9.6	9.4	9.4	9.0	8.6	8.4
Financial income and expenses	-8	-1	-12	-9	-27	-24
Profit after financial items	173	155	350	300	630	580
- as % of net sales	9.1	9.3	9.0	8.8	8.3	8.1
Income tax expense	-38	-34	-72	-66	-136	-130
Profit for the period	135	121	278	234	494	450
Profit for the period attributable to:						
Equity holders of the Parent Company	132	121	272	231	481	440
Non-controlling interests	3	0	6	3	13	10
Earnings per share before dilution, SEK	1.95	1.80	4.05	3.45	7.20	6.60
Earnings per share after dilution, SEK	1.95	1.80	4.05	3.45	7.15	6.55
Average number of shares after repurchases, '000s	67,006	66,907	66,966	66,932	66,841	66,824
Number of shares at end of the period, '000s	66,863	66,670	66,863	66,670	66,863	66,824

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	3 months		6 months		Rolling 12 months	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	30 Sep 2017	31 Mar 2017
Profit for the period	135	121	278	234	494	450
<i>Components that will be reclassified to profit for the year</i>						
Cash flow hedges	-1	1	-1	1	-1	1
Foreign currency translation differences for the period	10	40	-10	76	-34	52
<i>Components that will not be reclassified to profit for the year</i>						
Actuarial effects of the net pension obligation	-	-	-	-	-10	-10
Other comprehensive income	9	41	-11	77	-45	43
Total comprehensive income	144	162	267	311	449	493
Total comprehensive income attributable to:						
Equity holders of the Parent Company	142	161	262	307	437	482
Non-controlling interests	2	1	5	4	12	11

CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	30 Sep 2017	30 Sep 2016	31 Mar 2017
Goodwill	1,201	949	1,101
Other intangible non-current assets	831	686	791
Property, plant and equipment	186	177	190
Financial non-current assets	30	31	27
Total non-current assets	2,248	1,843	2,109
Inventories	1,020	942	942
Current receivables	1,421	1,180	1,286
Cash and cash equivalents	166	128	178
Total current assets	2,607	2,250	2,406
Total assets	4,855	4,093	4,515
Total equity	1,759	1,545	1,741
Interest-bearing provisions	218	201	210
Non-interest-bearing provisions	282	248	278
Non-current interest-bearing liabilities	256	35	69
Non-current non-interest-bearing liabilities	13	0	18
Total non-current liabilities	769	484	575
Non-interest-bearing provisions	49	13	26
Current interest-bearing liabilities	1,045	926	910
Current non-interest-bearing liabilities	1,233	1,125	1,263
Total current liabilities	2,327	2,064	2,199
Total equity and liabilities	4,855	4,093	4,515

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	30 Sep 2017	30 Sep 2016	31 Mar 2017
Opening balance	1,741	1,514	1,514
Exercised, issued and repurchased options	21	-6	12
Repurchase of treasury shares	-31	-40	-40
Dividend, ordinary	-235	-218	-218
Dividend, non-controlling interests	-4	-4	-8
Change non-controlling interests	-	2	2
Option debt, acquisition	-	-9	-9
Distribution of AddLife	-	-5	-5
Total comprehensive income	267	311	493
Closing balance	1,759	1,545	1,741

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEKm	3 months		6 months		Rolling 12 months	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	30 Sep 2017	31 Mar 2017
Profit after financial items	173	155	350	300	630	580
Adjustment for items not included in cash flow	50	21	83	70	147	134
Income tax paid	-39	-15	-67	-44	-146	-123
Changes in working capital	-133	-51	-230	-112	-158	-40
Cash flow from operating activities	51	110	136	214	473	551
Net investments in non-current assets	-7	-16	-12	-22	-50	-60
Acquisitions and disposals	32	-15	-140	-90	-385	-335
Cash flow from investing activities	25	-31	-152	-112	-435	-395
Dividend paid to shareholders	-235	-218	-235	-218	-235	-218
Repurchase of own shares/ change of options	-28	-40	-10	-46	8	-28
Other financing activities	180	121	256	142	234	120
Cash flow from financing activities	-83	-137	11	-122	7	-126
Cash flow for the period	-7	-58	-5	-20	45	30
Cash and cash equivalents at beginning of period	173	184	178	140	128	140
Exchange differences on cash and cash equivalents	0	2	-7	8	-7	8
Cash and cash equivalents at end of period	166	128	166	128	166	178

FAIR VALUES ON FINANCIAL INSTRUMENTS

SEKm	30 Sep 2017			31 Mar 2017		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives used in hedge accounting	1	1	-	1	1	-
Derivatives held for trading purposes	1	1	-	2	2	-
Total financial assets at fair value per level	2	2	-	3	3	-
Derivatives used in hedge accounting	2	2	-	0	0	-
Derivatives held for trading purposes	2	2	-	1	1	-
Contingent considerations	146	-	146	105	-	105
Total financial liabilities at fair value per level	150	4	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 Sep 2017	31 Mar 2017
Opening balance	105	55
Acquisitions during the year	58	86
Reversed through profit or loss	-2	-12
Consideration paid	-17	-27
Interest expenses	3	3
Exchange differences	-1	0
Closing balance	146	105

KEY FINANCIAL INDICATORS **

	12 months ending				
	30 Sep 2017	31 Mar 2017	30 Sep 2016	31 Mar 2016	31 Mar 2015
Net sales, SEKm	7,631	7,178	6,619	6,155	5,719
EBITDA, SEKm	822	755	657	570	542
EBITA, SEKm	780	715	621	536	510
EBITA margin, %	10.2	10.0	9.4	8.7	8.9
Operating profit, SEKm	657	604	518	443	431
Operating margin, %	8.6	8.4	7.8	7.2	7.5
Profit after financial items, SEKm	630	580	495	423	408
Profit for the period, SEKm	494	450	390	333	321
Working capital	1,469	1,362	1,293	1,208	1,084
Return on working capital (P/WC), %	53	53	48	44	47
Return on equity, %	29	28	24	20	28
Return on capital employed, %	23	23	18	16	23
Equity ratio, %	36	39	38	40	40
Net debt, incl pensions, SEKm	1,353	1,011	1,034	822	828
Net debt, incl pensions / equity ratio, multiple	0.8	0.6	0.7	0.6	0.6
Net debt, incl pensions / EBITDA, multiple	1.6	1.3	1.6	1.4	1.2
Net debt excl. pensions, SEKm	1,135	801	833	623	510
Net debt, excl pensions / equity ratio, multiple	0.6	0.5	0.5	0.4	0.3
Interest coverage ratio, multiple	23.9	23.9	21.5	20.3	21.9
Average number of employees*	2,201	2,133	2,096	2,386	2,224
Number of employees at end of the period	2,262	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 **

SEK	12 months ending				
	30 Sep 2017	31 Mar 2017	30 Sep 2016	31 Mar 2016	31 Mar 2015
Earnings per share before dilution	7.20	6.60	5.70	4.85	4.70
Earnings per share after dilution	7.15	6.55	5.75	4.85	4.70
Cash flow from operating activities per share	7.10	8.25	8.20	7.10	8.40
Shareholders' equity per share	25.70	25.45	22.60	22.10	22.60
Share price at the end of the period	163.50	148.50	134.25	112.00	115.75
Average number of shares after repurchases, '000s	66,841	66,824	66,864	66,703	66,288
Average number of shares adjusted for repurchases and dilution, '000s	67,055	67,008	67,071	66,809	66,615
Number of shares outstanding at end of the period, '000s	66,863	66,824	66,670	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

SEKm	3 months		6 months		Rolling 12 months	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	30 Sep 2017	31 Mar 2017
Net sales	13	12	27	25	56	54
Administrative expenses	-18	-13	-35	-29	-69	-63
Operating profit/loss	-5	-1	-8	-4	-13	-9
Profit from interests in Group companies	-	-	-	-	318	318
Interest income and expenses and similar items	-2	3	2	1	4	3
Profit after financial items	-7	2	-6	-3	309	312
Appropriations	-	-	-	-	-42	-42
Profit before taxes	-7	2	-6	-3	267	270
Income tax expense	1	-1	1	0	-59	-60
Profit for the period	-6	1	-5	-3	208	210
Total comprehensive income	-6	1	-5	-3	208	210

PARENT COMPANY BALANCE SHEET

SEKm	30 Sep 2017	30 Sep 2016	31 Mar 2017
Intangible non-current assets	-	0	-
Property, plant and equipment	2	4	3
Non-current financial assets	2,444	2,176	2,482
Total non-current assets	2,446	2,180	2,485
Current receivables	173	93	416
Cash and bank balances	-	-	-
Total current assets	173	93	416
Total assets	2,619	2,273	2,901
Equity	544	565	795
Untaxed reserves	417	375	417
Provisions	15	16	15
Non-current liabilities	307	146	278
Current liabilities	1,336	1,171	1,396
Total equity and liabilities	2,619	2,273	2,901

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.

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.

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 capital¹

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 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.

¹The performance measure is an alternative performance measure according to ESMA's guidelines.

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

INTERIM REPORT

1 APRIL 2017 - 30 SEPTEMBER 2017



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 7.5 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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