

## YEAR-END REPORT 1 APRIL 2016 - 31 MARCH 2017

### FOURTH QUARTER (1 JANUARY - 31 MARCH 2017)

- **Net sales** increased by 19 percent and amounted to SEK 1,941 million (1,631).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 35 percent and amounted to SEK 193 million (142) corresponding to an EBITA-margin of 10.0 percent (8.7).
- **Operating profit** increased by 39 percent and amounted to SEK 163 million (117) corresponding to an operating margin of 8.4 percent (7.2).
- **Profit after tax** increased by 39 percent and amounted to SEK 118 million (85) and **earnings per share before dilution** amounted to SEK 1.75 (1.25).

### FULL YEAR (1 APRIL 2016 - 31 MARCH 2017)

- **Net sales** increased by 17 percent and amounted to SEK 7,178 million (6,155).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 34 percent and amounted to SEK 715 million (536) corresponding to an EBITA-margin of 10.0 percent (8.7).
- **Operating profit** increased by 36 percent and amounted to SEK 604 million (443) corresponding to an operating margin of 8.4 percent (7.2).
- **Profit after tax** increased by 35 percent and amounted to SEK 450 million (333) and **earnings per share before dilution** amounted to SEK 6.60 (4.85).
- **Return on working capital (P/WC)** amounted to 53 percent (44) and **return on equity** amounted to 28 percent (20).
- **The equity ratio** amounted to 39 percent (40).
- **Cash flow from operating activities** amounted to SEK 551 million (474) and **cash flow from operating activities per share** amounted to SEK 8.25 (7.10).
- Since the start of the financial year we have completed ten acquisitions with total annual sales of about SEK 500 million.
- **The Board of Directors** proposes a dividend of SEK 3.50 per share (3.25 includes Addlife). The Board has decided on a new dividend policy which has the objective of proposing a dividend that exceeds 30 percent of average Group profit after tax over a business cycle.

GROUP SUMMARY SEKm	3 months			Rolling 12 months		
	2016/2017	2015/2016	Δ	2016/2017	2015/2016	Δ
Net sales	1,941	1,631	19%	7,178	6,155	17%
EBITA	193	142	35%	715	536	34%
EBITA-margin %	10.0	8.7		10.0	8.7	
Profit after financial items	154	108	42%	580	423	37%
Profit for the period	118	85	39%	450	333	35%
Earnings per share before dilution, SEK	1.75	1.25	40%	6.60	4.85	36%
Cash flow from operating activities per share, SEK	-	-		8.25	7.10	16%
Return on equity, %	28	20		28	20	
The equity ratio, %	39	40		39	40	

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

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

## A STRONG END TO A SUCCESSFUL YEAR

The fourth quarter was a strong end to a year of profit growth in all four of our business areas. The business situation has improved and we have strengthened our positions in the majority of our markets. Our strong profit growth and improved operating margin come from increased sales of our products and solutions combined with successful efficiency work. In addition, the acquisitions we have completed contributed as expected.

## EXCEEDS FINANCIAL TARGETS

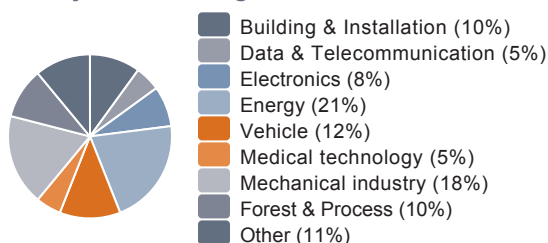
Thanks to both our strong organic growth of 10 percent and favourable contributions from acquisitions, our sales grew by 19 percent in the fourth quarter. EBITA increased by 35 percent, and we achieved an EBITA margin of 10 percent.

If we look at the development during the year, we are pleased to note that we have reached our financial targets of growth combined with profitability. We increased sales by 17 percent, EBITA by 34 percent, and achieved an EBITA margin of 10 percent. Return on working capital was 53 percent, and return on equity was 28 percent.

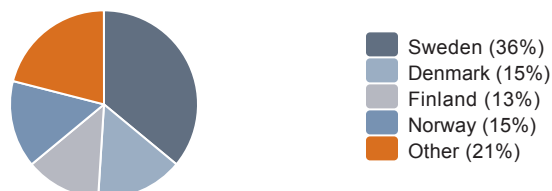
## ADDECH'S MARKET DEVELOPMENT

Half of Addtech's sales consist of sales of production components to manufacturing companies and half consist of sales of products and solutions to end-customers. The latter part has grown more rapidly during the year, driven by the increase in infrastructure investments among Nordic electricity network companies. The pace of investment is high, and it is difficult to assess whether it will continue to rise. The energy customer segment also includes the wind power industry, which has had rising demand during the year and the quarter. Investments in oil and gas remain at a low level, but we believe that the lowest point has passed.

Sales by customer segment



Sales by geographic market



Demand for production components increased overall during the quarter, and the business situation was good in most customer segments, such as mechanical industry, electronics and medical technology. The largest growth in demand comes from manufacturers of special vehicles in segments such as forklift trucks, mining, the forest industry and construction. Business from telecom customers remained weak. Sales of products to the industrial aftermarket, such as the mechanical industry and the forest and process industries showed positive development in the Nordics and the rest of Europe. Demand from the shipping market was very good during the quarter. The business situation stayed positive for electricity-related products in building and installation.

## ACQUISITIONS

Our pace of acquisitions remains high, and we completed a total of ten acquisitions during the financial year – adding annual sales of about SEK 500 million. We have discussions about acquisitions of both independent technology companies with market-leading niche positions and smaller bolt-on acquisitions that can reinforce our market positions and profitability in our existing companies. Many privately owned companies want to sell their businesses to Addtech to retain their decentralised responsibility while receiving support to develop through an active, long-term owner.

Johan Sjö  
President and CEO

# GROUP DEVELOPMENT

## SALES DEVELOPMENT

Net sales in the Addtech Group increased during the fourth quarter by 19 percent to SEK 1,941 million (1,631). The organic growth amounted to 10 percent and acquired growth amounted to 7 percent. Exchange rate changes had a positive effect of 2 percent on net sales, corresponding to SEK 25 million, and a marginally positive effect on operating profit.

Net sales in the Addtech Group increased during the financial year by 17 percent to SEK 7,178 million (6,155). The organic growth amounted to 7 percent and acquired growth amounted to 9 percent. Exchange rate changes had a positive effect of 1 percent on net sales, corresponding to SEK 46 million, and a marginally positive effect on operating profit.

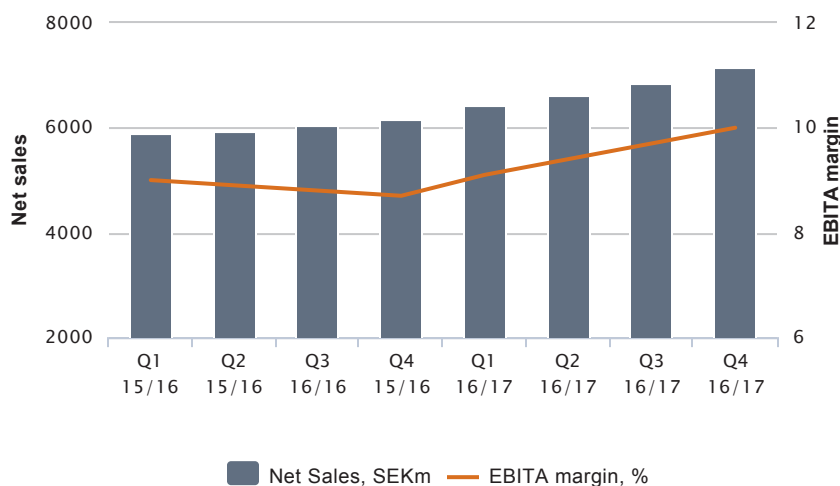
## PROFIT DEVELOPMENT

Operating profit increased during the quarter by 39 percent to SEK 163 million (117) and the operating margin amounted to 8.4 percent (7.2). Net financial items amounted to SEK -9 million (-9) and profit after financial items increased by 42 percent to SEK 154 million (108). Profit after tax increased by 39 percent to SEK 118 million (85) corresponding to earnings per share before dilution of SEK 1.75 (1.25).

Operating profit increased during the financial year by 36 percent to SEK 604 million (443) and the operating margin amounted to 8.4 percent (7.2). Net financial items were SEK -24 million (-20) and profit after financial items increased by 37 percent to SEK 580 million (423).

Profit after tax for the financial year increased by 35 percent to SEK 450 million (333) and the effective tax rate amounted to 22 percent (21). Earnings per share before dilution for the financial year amounted to SEK 6.60 (4.85).

Net sales and EBITA margin, rolling 12 months



# DEVELOPMENT IN THE BUSINESS AREAS

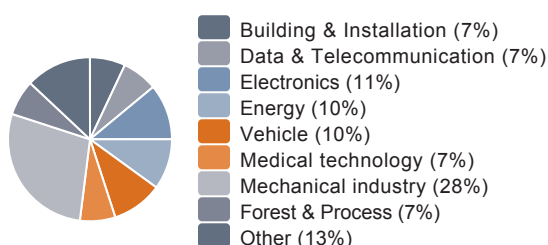
## COMPONENTS

Net sales in Components increased in the fourth quarter by 25 percent to SEK 675 million (542) and EBITA increased by 40 percent to SEK 58 million (42). Net sales during the financial year increased by 16 percent to SEK 2,355 million (2,029) and EBITA increased by 25 percent to SEK 187 million (149).

### Market

Increased sales of production components to Nordic manufacturing companies combined with acquisitions generated strong profit growth during the quarter. Demand increased in all our major customer segments, such as the mechanical industry, electronics, wind energy and special vehicles. The business situation improved in both Sweden and Finland and stayed positive in Denmark. The Norwegian oil and gas market was weak, but thanks to good demand in infrastructure and the food industry, the business situation was stable overall.

Components - Customer segment



Components - Geographic market



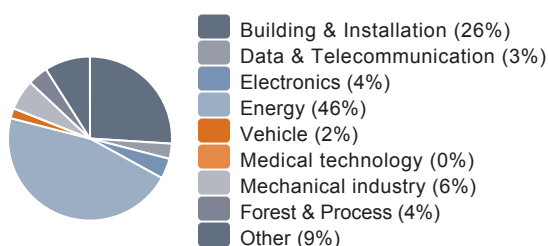
## ENERGY

Net sales in Energy increased in the fourth quarter by 15 percent to SEK 461 million (402) and EBITA increased by 40 percent to SEK 59 million (41). Net sales during the financial year increased by 22 percent to SEK 1,807 million (1,487) and EBITA increased by 50 percent to SEK 225 million (149).

### Market

The market has been favourable throughout the financial year. During the quarter demand increased somewhat more from an already high level. Acquisitions and above all greater efficiency in our operations generated very favourable profit growth. Infrastructure investments in national and regional networks in the Nordic countries have continued to increase, and they are at a high level in Sweden in particular. Demand for niche products in electrical power distribution remained stable. Sales of products in the areas of electrical installation and electrical safety developed well in the Nordics and Great Britain.

Energy - Customer segment



Energy - Geographic market



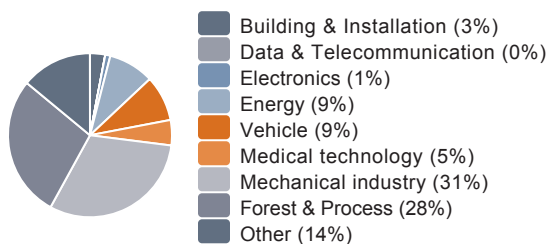
## INDUSTRIAL PROCESS

Net sales in Industrial Process increased in the fourth quarter by 20 percent to SEK 419 million (351) and EBITA increased by 17 percent to SEK 32 million (28). Net sales during the financial year increased by 11 percent to SEK 1,585 million (1,423) and EBITA increased by 9 percent to SEK 125 million (116).

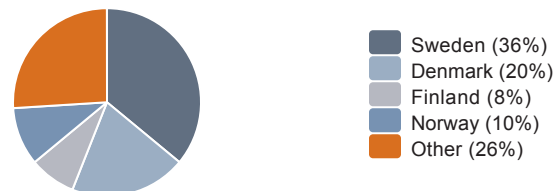
### Market

Sales to the production industry in the Nordics increased overall during the quarter, and demand increased from the majority of customer segments. Investments in the Nordic process and manufacturing industry grew. Demand in the shipping market improved, while the business situation in oil and gas remained weak. The situation for our operations outside the Nordics remained good, especially in customer segments such as vehicles and energy. Efficiency improvements are being implemented in several operations to meet the Group's demands on profit growth, profitability and development.

Industrial Process - Customer segment



Industrial Process - Geographic market



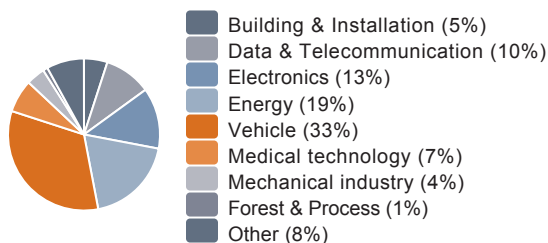
## POWER SOLUTIONS

Net sales in Power Solutions increased in the fourth quarter by 14 percent to SEK 387 million (338) and EBITA increased by 24 percent to SEK 47 million (38). Net sales during the financial year increased by 17 percent to SEK 1,439 million (1,226) and EBITA increased by 38 percent to SEK 187 million (136).

### Market

All in all, demand was good, and profit growth in the quarter was driven by a very strong organic sales increase. Greater demand for controls and ergonomics products for the special vehicles industry – the largest customer segment in this business area – made a strong contribution. The market for solutions with new battery technology and power supply solutions in the Nordic markets continued to improve. Demand decreased, however, from telecom and wind power customers.

Power Solutions - Customer segment



Power Solutions - Geographic market



# OTHER FINANCIAL INFORMATION

## PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

The return on equity at the end of the financial year was 28 percent (20), and return on capital employed was 23 percent (16). Return on working capital P/WC (EBITA in relation to working capital) amounted to 53 percent (44).

At the end of the financial year the equity ratio amounted to 39 percent (40). Equity per share, excluding non-controlling interest, totalled SEK 25.45 (22.10). The Group's net debt at the end of the year amounted to SEK 801 million (623), excluding pension liabilities of SEK 210 million (199). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, amounted to 0.5 (0.4).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 818 million (754) at 31 March 2017.

Cash flow from operating activities amounted to SEK 551 million (474) during the financial year. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 335 million (623). Investments in non-current assets totalled SEK 68 million (90) and disposal of non-current assets amounted to SEK 5 million (24). 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 18 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.

## EMPLOYEES

At the end of the financial year, the number of employees was 2,176, compared to 2,076 at the beginning of the financial year. During the financial year, implemented acquisitions increased the number of employees by 129. The average number of employees in the latest 12-month period was 2,133.

## OWNERSHIP STRUCTURE

At the end of the financial year 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
<b>Total number of shares before repurchases</b>	<b>68,198,496</b>	<b>97,336,572</b>	<b>100.0</b>	<b>100.0</b>
Of which repurchased class B shares	1,374,721		2.0	1.4
<b>Total number of shares after repurchases</b>	<b>66,823,775</b>			

Addtech has four outstanding call option programmes for a total of 1,374,721 shares. Call options issued on repurchased shares entail a dilution effect of about 0.3 percent during the latest 12-month period. Addtech's own shareholdings fully 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
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	57,762	213,721	0.3%	106.13	85.90	19 Sep 2016 - 2 Jun 2017

## ACQUISITIONS

During the first three quarters of the financial year, 1 April to 31 December 2016, following acquisitions have been completed; Elektro-Tukku Oy and Penlink AB to become part of the Components business area, E.T.S Portsmouth Limited to become part of the Energy business area, Sammet Dampers Oy and Itek AS to become part of the Industrial Process business area and Poryan China Company Ltd and Carmac Inc to become part of the Power Solutions business area.

### Acquisitions during the fourth quarter

On 2 January 2017, Sensor Control Nordic AB and Sensor ECS AB, Sweden, were 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 sales of around SEK 160 million and 30 employees.

On 2 January 2017, Vallentin Elektronik A/S, Denmark, 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 area of electronics. The company has sales of about DKK 15 million and four employees.

On 1 March 2017, Ex-teknikka Oy, Finland, was acquired to become part of the Components business area. Ex-Tekniikka Oy is a technology trading company that supplies Ex products for OEM installation as well as process industry. The company has sales of about EUR 2 million and three employees.

### Total Acquisitions

Acquisitions	Time	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

\* Refers to assessed condition at the time of acquisition on a full-year basis.

If all the acquisitions had been completed on 1 April 2016, their impact would have been an estimated SEK 528 million on Group net sales, about SEK 55 million on operating profit and about SEK 39 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 94 million, which is due for payment within one to four years. The amounts are estimated to be able to reach a maximum total of SEK 105 million. Of the contingent consideration not yet paid for acquisitions during the financial year, the discounted value amounts to SEK 84 million.

For acquisitions that resulted in an ownership transfer during the financial year, transaction costs totalled SEK 7 million (3) and are reported under selling expenses.

During the financial year contingent consideration was net revalued to SEK 12 million (10). The impact on profits is recognised in 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 year:

	Carrying amount at acquisition date	Adjustment to fair value	Fair value
Intangible non-current assets	0	242	242
Other non-current assets	6	-	6
Inventories	37	-	37
Other current assets	229	-	229
Deferred tax liability/tax asset	2	-50	-48
Other liabilities	-119	-	-119
<b>Acquired net assets</b>	<b>155</b>	<b>192</b>	<b>347</b>
Goodwill			220
Non-controlling interests			-2
<b>Consideration <sup>1)</sup></b>			<b>565</b>
Less: cash and cash equivalents in acquired businesses			-141
Less: consideration not yet paid			-108
<b>Effect on the Group's cash and cash equivalents</b>			<b>316</b>

1) The consideration is stated excluding acquisition expenses.

## PARENT COMPANY

Parent Company net sales amounted to SEK 54 million (58) and profit after financial items was SEK 312 million (200). Net investments in non-current assets were SEK 0 million (2). The Parent Company's net financial liabilities was SEK 88 million (+21) 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 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.

## 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 19.

## 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 the annual report for 2015/2016 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.

## DIVIDEND AND AMENDED DIVIDEND POLICY

Addtech's dividend policy is to propose a dividend that exceeds 50 percent of average Group profit after tax over a business cycle. The Board of Directors proposes dividend of SEK 3.50 (3.25 includes Addlife) per share. The year's proposed dividend represents a payout ratio that exceeds 50 percent.

Addtech has a successful record of making acquisitions. There are still good opportunities to make acquisitions with good returns benefiting Addtech's shareholders so therefore, the Board of Directors of Addtech has decided on an altered dividend policy. The new policy has the objective of proposing a dividend that exceeds 30 percent of average Group profit after tax over a business cycle. In the dividend proposal, the Group's equity, long-term financing and investment requirements, growth plans and other factors that the Company Board deems significant are considered.

## PROPOSAL TO THE ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Addtech AB will take place at 4:00 p.m on Thursday 31 August 2017 at IVA at the address Grev Turegatan 16 in Stockholm. A notice of the AGM will be published in July 2017 and will also be available on [www.addtech.com](http://www.addtech.com). The Board of Directors proposes dividend of SEK 3.50 (3.25 includes Addlife) per share, which corresponds to a dividend payment of SEK 234 million (218). The proposed record date for dividend is 25 August 2017, expected to be paid on 7 September 2017. In addition, the Board of Directors proposes that the AGM approves a renewed mandate to repurchase own shares corresponding to a maximum of 10 percent of all shares in the Company.

## **ANNUAL REPORT 2016/2017**

The annual report for 2016/2017 will be published on Addtech's website [www.addtech.com](http://www.addtech.com) in July 2017. A printed version will be distributed to the shareholders who request this.

## **SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD**

On 3 April 2017, Dovitech A/S, Denmark, was acquired to become part of the Components business area. Dovitech delivers inductive special solutions as well as electromechanical- and automation products. The company has sales of around DKK 80 million and five employees.

On 6 April 2017, Craig & Derricott Holdings Ltd, Great Britain, was acquired to become part of the Power Solutions business area. Craig & Derricott is engaged in design, manufacturing and marketing of low electrical control equipment and switchgear for the UK market and export markets. The company has sales of about GBP 10 million and 90 employees.

The Board of Directors of Addtech has decided on a new dividend policy. The new policy has the objective of proposing a dividend that exceeds 30 percent of average Group profit after tax over a business cycle.

### ***Stockholm, 11 May 2017***

Johan Sjö  
President and CEO

## **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 1.15 p.m CET on 11 May 2017.

### **FUTURE INFORMATION**

July 2017	Annual report 2016/2017
2017-07-14	Interim report 1 April - 30 June 2017
2017-08-31	The Annual General Meeting 2017
2017-10-26	Interim report 1 April - 30 September 2017
2018-02-06	Interim report 1 April - 31 December 2017

### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

Johan Sjö, CEO and President, +46 8 470 49 00  
Christina Kassberg, CFO, +46 8 470 49 00

## REVIEW REPORT

### INTRODUCTION

We have reviewed the summary interim financial information (year-end report) of Addtech AB (publ.) as of 31 March 2017 and the twelve-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 11 May 2017

KPMG AB

KPMG AB

Joakim Thilstedt  
*Authorised Public Accountant  
Auditor in Charge*

Jonas Eriksson  
*Authorised Public Accountant*

## BUSINESS AREAS

Net sales by business area	2016/2017				2015/2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Quarterly data, SEKm</b>								
Components	675	579	520	581	542	509	480	498
Energy	461	465	439	442	402	390	371	324
Industrial Process	419	415	380	371	351	359	357	357
Power Solutions	387	362	322	368	338	314	277	297
Group items	-1	-2	-3	-2	-2	-2	-3	-4
<b>Addtech Group</b>	<b>1,941</b>	<b>1,819</b>	<b>1,658</b>	<b>1,760</b>	<b>1,631</b>	<b>1,570</b>	<b>1,482</b>	<b>1,472</b>

EBITA by business area	2016/2017				2015/2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Quarterly data, SEKm</b>								
Components	58	38	44	47	42	29	43	35
Energy	59	52	57	57	41	37	37	34
Industrial Process	32	29	33	31	28	27	34	27
Power Solutions	47	46	48	46	38	29	35	34
Parent Company and Group items	-3	-5	1	-2	-7	-5	-2	0
<b>EBITA</b>	<b>193</b>	<b>160</b>	<b>183</b>	<b>179</b>	<b>142</b>	<b>117</b>	<b>147</b>	<b>130</b>
Depr. of intangible non-current assets	-30	-28	-27	-26	-25	-25	-22	-21
– of which acquisitions	-29	-27	-26	-25	-24	-23	-20	-19
<b>Op. profit</b>	<b>163</b>	<b>132</b>	<b>156</b>	<b>153</b>	<b>117</b>	<b>92</b>	<b>125</b>	<b>109</b>

Net sales	3 months		Rolling 12 months	
	2016/2017	2015/2016	2016/2017	2015/2016
<b>SEKm</b>				
Components	675	542	2,355	2,029
Energy	461	402	1,807	1,487
Industrial Process	419	351	1,585	1,423
Power Solutions	387	338	1,439	1,226
Group items	-1	-2	-8	-10
<b>Addtech Group</b>	<b>1,941</b>	<b>1,631</b>	<b>7,178</b>	<b>6,155</b>

EBITA and EBITA-margin	3 months				Rolling 12 months			
	2016/2017		2015/2016		2016/2017		2015/2016	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Components	58	8.7	42	7.7	187	8.0	149	7.4
Energy	59	12.8	41	10.3	225	12.5	149	10.1
Industrial Process	32	7.7	28	7.9	125	7.9	116	8.1
Power Solutions	47	12.1	38	11.2	187	13.0	136	11.1
Group items	-3		-7		-9		-14	
<b>EBITA</b>	<b>193</b>	<b>10.0</b>	<b>142</b>	<b>8.7</b>	<b>715</b>	<b>10.0</b>	<b>536</b>	<b>8.7</b>
Depr. of intangible non-current assets	-30		-25		-111		-93	
– of which acquisitions	-29		-24		-107		-86	
<b>Op. profit</b>	<b>163</b>	<b>8.4</b>	<b>117</b>	<b>7.2</b>	<b>604</b>	<b>8.4</b>	<b>443</b>	<b>7.2</b>

## CONSOLIDATED INCOME STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	2016/2017	2015/2016	2016/2017	2015/2016
Continuing operations				
Net sales	1,941	1,631	7,178	6,155
Cost of sales	-1,345	-1,131	-4,939	-4,244
<b>Gross profit</b>	<b>596</b>	<b>500</b>	<b>2,239</b>	<b>1,911</b>
Selling expenses	-322	-291	-1,241	-1,100
Administrative expenses	-124	-104	-432	-384
Other operating income and expenses	13	12	38	16
<b>Operating profit</b>	<b>163</b>	<b>117</b>	<b>604</b>	<b>443</b>
- as % of net sales	8.4	7.2	8.4	7.2
Financial income and expenses	-9	-9	-24	-20
<b>Profit after financial items</b>	<b>154</b>	<b>108</b>	<b>580</b>	<b>423</b>
- as % of net sales	7.9	6.7	8.1	6.9
Income tax expense	-36	-23	-130	-90
<b>Profit for the period, continuing operations</b>	<b>118</b>	<b>85</b>	<b>450</b>	<b>333</b>
Discontinued operations				
Profit for the period, discontinued operations	-	1,577	-	1,636
<b>Profit for the period</b>	<b>118</b>	<b>1,662</b>	<b>450</b>	<b>1,969</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the Parent Company	115	1,658	440	1,950
Non-controlling interests	3	4	10	19
<b>Earnings per share before dilution, SEK</b>				
Continuing operations	1.75	1.25	6.60	4.85
Discontinued operations	-	23.50	-	24.35
<b>Total earnings per share before dilution</b>	<b>1.75</b>	<b>24.75</b>	<b>6.60</b>	<b>29.20</b>
<b>Earnings per share after dilution, SEK</b>				
Continuing operations	1.70	1.25	6.55	4.85
Discontinued operations	-	23.50	-	24.35
<b>Total earnings per share after dilution</b>	<b>1.70</b>	<b>24.75</b>	<b>6.55</b>	<b>29.20</b>
Average number of shares after repurchases, '000s	66,738	66,958	66,824	66,703
Number of shares at end of the period, '000s	66,824	66,958	66,824	66,958

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	3 months		Rolling 12 months	
	2016/2017	2015/2016	2016/2017	2015/2016
<b>Profit for the period</b>	<b>118</b>	<b>1,662</b>	<b>450</b>	<b>1,969</b>
<i>Components that will be reclassified to profit for the year</i>				
Cash flow hedges	-1	-1	1	-2
Foreign currency translation differences for the period	-4	21	52	-58
<i>Components that will not be reclassified to profit for the year</i>				
Actuarial effects of the net pension obligation	2	34	-10	34
<b>Other comprehensive income</b>	<b>-3</b>	<b>54</b>	<b>43</b>	<b>-26</b>
<b>Total comprehensive income</b>	<b>115</b>	<b>1,716</b>	<b>493</b>	<b>1,943</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Parent Company	111	1,710	482	1,925
Non-controlling interests	4	6	11	18

## CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	31 Mar 2017	31 Mar 2016
Goodwill	1,101	856
Other intangible non-current assets	791	642
Property, plant and equipment	190	168
Financial non-current assets	27	27
<b>Total non-current assets</b>	<b>2,109</b>	<b>1,693</b>
Inventories	942	874
Current receivables	1,286	1,098
Cash and cash equivalents	178	140
<b>Total current assets</b>	<b>2,406</b>	<b>2,112</b>
<b>Total assets</b>	<b>4,515</b>	<b>3,805</b>
<b>Total equity</b>	<b>1,741</b>	<b>1,514</b>
Interest-bearing provisions	210	199
Non-interest-bearing provisions	278	242
Non-current interest-bearing liabilities	69	41
Non-current non-interest-bearing liabilities	18	0
<b>Total non-current liabilities</b>	<b>575</b>	<b>482</b>
Non-interest-bearing provisions	26	13
Current interest-bearing liabilities	910	721
Current non-interest-bearing liabilities	1,263	1,075
<b>Total current liabilities</b>	<b>2,199</b>	<b>1,809</b>
<b>Total equity and liabilities</b>	<b>4,515</b>	<b>3,805</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	2016/2017	2015/2016
<b>Opening balance 1 April 2016</b>	<b>1,514</b>	<b>1,539</b>
Issue in kind	-	234
Exercised, issued and repurchased options	12	61
Repurchase of treasury shares	-40	-45
Dividend, ordinary	-218	-219
Dividend, non-controlling interests	-8	-8
Change non-controlling interests	2	-1
Option debt, acquisition	-9	-
Distribution of AddLife	-5	-1,990
Total comprehensive income	493	1,943
<b>Closing balance 31 March 2017</b>	<b>1,741</b>	<b>1,514</b>

## CONSOLIDATED CASH FLOW STATEMENT, CONDENSED \*

SEKm	3 months		Rolling 12 months	
	2016/2017	2015/2016	2016/2017	2015/2016
Profit after financial items	154	108	580	423
Profit from discontinued operations after financial items	-	1,581	-	1,658
Adjustment for items not included in cash flow	22	-1,545	134	-1,413
Income tax paid	-34	-37	-123	-160
Changes in working capital	18	38	-40	-34
<b>Cash flow from operating activities</b>	<b>160</b>	<b>145</b>	<b>551</b>	<b>474</b>
Net investments in non-current assets	-22	-12	-60	-66
Acquisitions and disposals	-183	-36	-335	-623
Discontinued operations, Net affecting liquidity	-	337	-	337
<b>Cash flow from investing activities</b>	<b>-205</b>	<b>289</b>	<b>-395</b>	<b>-352</b>
Dividend paid to shareholders	-	-	-218	-217
Repurchase of own shares/change of options	11	-	-28	-45
Other financing activities	58	-462	120	210
<b>Cash flow from financing activities</b>	<b>69</b>	<b>-462</b>	<b>-126</b>	<b>-52</b>
<b>Cash flow for the period</b>	<b>24</b>	<b>-28</b>	<b>30</b>	<b>70</b>
Cash and cash equivalents at beginning of period	152	166	140	83
Exchange differences on cash and cash equivalents	2	2	8	-13
<b>Cash and cash equivalents at end of period</b>	<b>178</b>	<b>140</b>	<b>178</b>	<b>140</b>

\* Includes discontinued operations for comparative periods.

## FAIR VALUES ON FINANCIAL INSTRUMENTS

SEKm	31 Mar 2017			31 Mar 2016		
	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	2	2	-	2	2	-
<b>Total financial assets at fair value per level</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>
Derivatives used in hedge accounting	0	0	-	3	3	-
Derivatives held for trading purposes	1	1	-	2	2	-
Contingent considerations	105	-	105	55	-	55
<b>Total financial liabilities at fair value per level</b>	<b>106</b>	<b>1</b>	<b>105</b>	<b>60</b>	<b>5</b>	<b>55</b>

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	2016/2017	2015/2016
<b>Opening balance 1 April 2016</b>	<b>55</b>	<b>31</b>
Acquisitions during the year	86	54
Reversed through profit or loss	-12	-10
Consideration paid	-27	-21
Interest expenses	3	2
Exchange differences	0	-1
<b>Closing balance 31 March 2017</b>	<b>105</b>	<b>55</b>



## KEY FINANCIAL INDICATORS \*\*

	12 months ending		
	31 Mar 2017	31 Mar 2016	31 Mar 2015
Net sales, SEKm	7,178	6,155	5,719
EBITDA, SEKm	755	570	542
EBITA, SEKm	715	536	510
EBITA-margin, SEKm	10.0	8.7	8.9
Operating profit, SEKm	604	443	431
Operating margin, %	8.4	7.2	7.5
Profit after financial items, SEKm	580	423	408
Profit for the period, SEKm	450	333	321
Working capital	1,362	1,208	1,084
Return on working capital (P/WC), %	53	44	47
Return on equity, %	28	20	28
Return on capital employed, %	23	16	23
Equity ratio, %	39	40	40
Net debt, incl pensions, SEKm	1,011	822	828
Net debt, incl pensions / equity ratio, multiple	0.6	0.6	0.6
Net debt, incl pensions / EBITDA, multiple	1.3	1.4	1.2
Net debt excl. pensions, SEKm	801	623	510
Net debt, excl pensions / equity ratio, multiple	0.5	0.4	0.3
Interest coverage ratio, multiple	23.9	20.3	21.9
Average number of employees*	2,133	2,386	2,224
Number of employees at end of the period	2,176	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		
	31 Mar 2017	31 Mar 2016	31 Mar 2015
Earnings per share before dilution	6.60	4.85	4.70
Earnings per share after dilution	6.55	4.85	4.70
Cash flow from operating activities per share	8.25	7.10	8.40
Shareholders' equity per share	25.45	22.10	22.60
Share price at the end of the period	148.50	112.00	115.75
Average number of shares after repurchases, '000s	66,824	66,703	66,288
Average number of shares adjusted for repurchases and dilution, '000s	67,008	66,809	66,615
Number of shares outstanding at end of the period, '000s	66,824	66,958	66,456

\*\* 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.

## PARENT COMPANY INCOME STATEMENT

SEKm	3 months		Rolling 12 months	
	2016/2017	2015/2016	2016/2017	2015/2016
Net sales	15	14	54	58
Administrative expenses	-16	-15	-63	-69
<b>Operating profit/loss</b>	<b>-1</b>	<b>-1</b>	<b>-9</b>	<b>-11</b>
Profit from interests in Group companies	318	190	318	190
Interest income and expenses and similar items	6	4	3	21
<b>Profit after financial items</b>	<b>323</b>	<b>193</b>	<b>312</b>	<b>200</b>
Appropriations	-42	-20	-42	-20
<b>Profit before taxes</b>	<b>281</b>	<b>173</b>	<b>270</b>	<b>180</b>
Income tax expense	-62	-36	-60	-38
<b>Profit for the period</b>	<b>219</b>	<b>137</b>	<b>210</b>	<b>142</b>
<b>Total comprehensive income</b>	<b>219</b>	<b>137</b>	<b>210</b>	<b>142</b>

## PARENT COMPANY BALANCE SHEET

SEKm	31 Mar 2017	31 Mar 2016
Intangible non-current assets	-	0
Property, plant and equipment	3	4
Non-current financial assets	2,482	2,446
<b>Total non-current assets</b>	<b>2,485</b>	<b>2,450</b>
Current receivables	416	304
Cash and bank balances	-	-
<b>Total current assets</b>	<b>416</b>	<b>304</b>
<b>Total assets</b>	<b>2,901</b>	<b>2,754</b>
<b>Equity</b>	<b>795</b>	<b>836</b>
Untaxed reserves	417	375
Provisions	15	16
Non-current liabilities	278	390
Current liabilities	1,396	1,137
<b>Total equity and liabilities</b>	<b>2,901</b>	<b>2,754</b>

# DEFINITIONS

## **Return on equity<sup>2</sup>**

Earnings after tax divided by equity. The components are calculated as the average of the last 12 months.

## **Return on working capital (P/WC)<sup>1</sup>**

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.

## **EBITA<sup>1</sup>**

Operating profit before amortisation of intangible assets.

## **EBITA-margin**

EBITA as a percentage of net sales.

## **EBITDA<sup>1</sup>**

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 ratio<sup>2</sup>**

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<sup>2</sup>**

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 capital<sup>1</sup>**

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 ratio<sup>2</sup>**

Equity as a percentage of total assets.

## **Debt/equity ratio<sup>2</sup>**

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.

<sup>1</sup>The performance measure is an alternative performance measure according to ESMA's guidelines.

<sup>2</sup>Minority interest is included in equity when the performance measures are calculated.

# YEAR-END REPORT

1 APRIL 2016-31 MARCH 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 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

### ADDTECH AB (PUBL.)

Org.nr: 556302-9726, Box 5112, 102 43 Stockholm, Visiting address: Birger Jarlsgatan 43  
Tel: +46 8 470 49 00, info@addtech.com