

INTERIM REPORT 1 APRIL - 31 DECEMBER 2018

THIRD QUARTER (1 OCTOBER - 31 DECEMBER 2018)

- **Net sales** increased by 26 percent and amounted to SEK 2,551 million (2,030).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 29 percent and amounted to SEK 246 million (190) corresponding to an EBITA margin of 9.7 percent (9.4).
- **Operating profit** increased by 31 percent and amounted to SEK 203 million (155) corresponding to an operating margin of 7.9 percent (7.7).
- **Profit after tax** increased by 36 percent and amounted to SEK 156 million (115) and **earnings per share before dilution** amounted to SEK 2.25 (1.70).

PERIOD (1 APRIL - 31 DECEMBER 2018)

- **Net sales** increased by 23 percent and amounted to SEK 7,284 million (5,901).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 26 percent and amounted to SEK 776 million (617 including items affecting comparability of SEK +12 million) corresponding to an EBITA margin of 10.7 percent (10.5).
- **Operating profit** increased by 26 percent and amounted to SEK 650 million (517) corresponding to an operating margin of 8.9 percent (8.8).
- **Profit after tax** increased by 25 percent and amounted to SEK 492 million (393) and **earnings per share before dilution** amounted to SEK 7.20 (5.75).
- **Return on working capital (P/WC)** amounted to 53 percent (53) and **return on equity** amounted to 29 percent (29).
- **The equity ratio** amounted to 35 percent (36).
- **Cash flow from operating activities** amounted to SEK 320 million (388).
- **Fourteen acquisitions** have been completed since the start of the financial year with total annual sales of about SEK 960 million.

GROUP SUMMARY	3 months			9 months			Rolling 12 months		
	31 Dec 2018	31 Dec 2017	Δ	31 Dec 2018	31 Dec 2017	Δ	31 Dec 2018	31 Mar 2018	Δ
Net sales	2,551	2,030	26%	7,284	5,901	23%	9,405	8,022	17%
EBITA	246	190	29%	776	617	26%	997	838	19%
EBITA margin, %	9.7	9.4		10.7	10.5		10.6	10.5	
Profit after financial items	193	147	31%	619	497	25%	787	665	18%
Profit for the period	156	115	36%	492	393	25%	625	526	19%
Earnings per share before dilution, SEK	2.25	1.70	32%	7.20	5.75	25%	9.15	7.70	19%
Earnings per share after dilution, SEK	2.30	1.65	39%	7.20	5.70	26%	9.15	7.65	20%
Cash flow from operating activities per share, SEK	-	-		-	-		7.05	8.05	
Return on equity, %	29	29		29	29		29	28	
Equity ratio, %	35	36		35	36		35	39	

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

CEO'S COMMENTS

STRONG PROFIT GROWTH AND HIGH DEMAND

The third quarter was characterised by continued high activity in the market, and I proudly point out that the Group recorded an organic sales growth of 9 percent. EBITA increased strongly by 29 percent in the quarter, which is better than the increase we profited from earlier in the year. All business areas contributed to the improvement. The EBITA margin increased to 9.7 percent. Both acquisitions and higher sales contributed to the improved EBITA margin.

MARKET DEVELOPMENT

Demand for our products and solutions remained firm in most of our markets, and no clear indications of economic downturn in our business areas have been identified. Geographically, the highest growth rate was reached in Norway, while the business climate improved from an already high level in Finland. Also, in Denmark and Sweden, overall demand was positive, as was the business climate outside the Nordic region. Our UK units are experiencing a degree of Brexit-related uncertainty.

As a result of firm demand in our various customer segments, we increased sales of production components to manufacturers such as special vehicles, machinery, electronics, wind power and medical. Demand was stable in the telecom segment, and increased slightly in oil & gas.

Developments in the marine segment remained highly positive. Demand for aftermarket products for the forest and process industry showed a favourable trend, as did sales to the manufacturing industry. Sales of infrastructure products to power grid companies in the Nordic region increased, while demand for niche products in electric power distribution and electricity-related products from construction and installation customers remained stable.

ACQUISITIONS

We continuously evaluate acquisitions of independent, profitable technology companies with market-leading niche positions as well as bolt-on acquisitions via our existing companies, in order to strengthen market positions and profitability in attractive segments. Since the beginning of the financial year, we have made fourteen acquisitions, two of which were completed after the end of the quarter. Of the businesses acquired, eleven were independent companies and three bolt-on acquisitions, twelve based in the Nordic region, one in the UK and one in the Netherlands. The acquisitions together add annual sales of around SEK 960 million and bring 276 employees to the Group.

Many privately owned companies view Addtech as an attractive buyer, as they keep their decentralised responsibilities while simultaneously benefiting from support for development via an active, long-term owner. Addtech's acquisition process is well integrated in the organisation and we have the financial capacity to maintain a normal pace of acquisition going forward. We see high potential for further acquisitions both in the Nordic region and in northern Europe.



Niklas Stenberg
President and CEO

GROUP DEVELOPMENT

SALES DEVELOPMENT

Net sales in the Addtech Group increased in the third quarter by 26 percent to SEK 2,551 million (2,030). The organic growth amounted to 9 percent, acquired growth amounted to 15 percent and disposal affected by -1 percent. Exchange rate changes affected net sales by 3 percent, corresponding to SEK 65 million.

Net sales in the Addtech Group increased during the period by 23 percent to SEK 7,284 million (5,901). The organic growth amounted to 8 percent, acquired growth amounted to 13 percent and disposal affected by -1 percent. Exchange rate changes affected net sales by 3 percent, corresponding to SEK 224 million.

PROFIT DEVELOPMENT

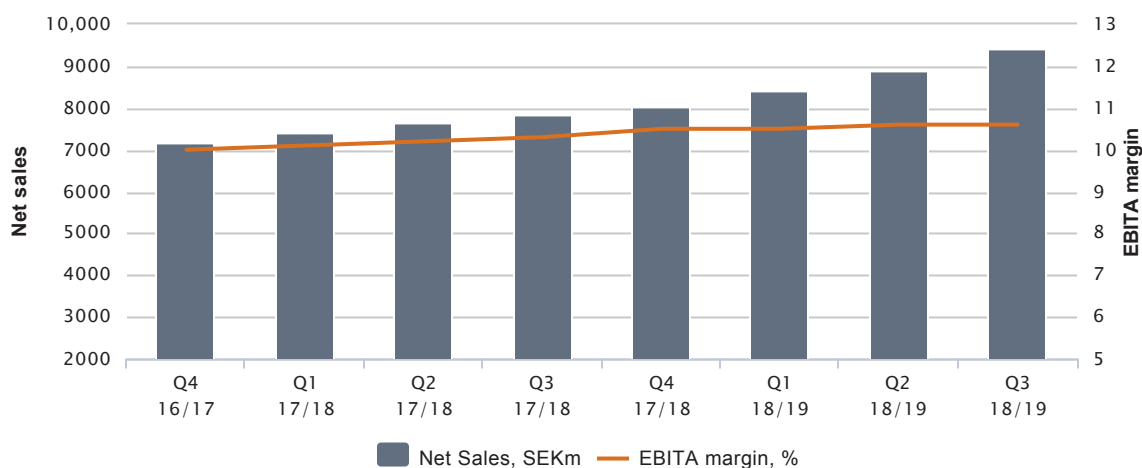
Operating profit increased during the quarter by 31 percent to SEK 203 million (155) and the operating margin amounted to 7.9 percent (7.7). Net financial items amounted to SEK -10 million (-8) and profit after financial items increased by 31 percent to SEK 193 million (147).

Profit after tax increased by 36 percent to SEK 156 million (115) corresponding to earnings per share before dilution of SEK 2.25 (1.70). For the latest twelve month period, earnings per share before dilution amounted to SEK 9.15 (7.50).

Operating profit increased during the period by 26 percent to SEK 650 million (517 including items affecting comparability of SEK +12 million) and the operating margin amounted to 8.9 percent (8.8). Net financial items were SEK -31 million (-20) and profit after financial items increased by 25 percent to SEK 619 million (497).

Profit after tax for the period increased by 25 percent to SEK 492 million (393) and the effective tax rate amounted to 20 percent (21). Earnings per share before dilution for the period amounted to SEK 7.20 (5.75).

Net sales and EBITA margin, rolling 12 months



DEVELOPMENT IN THE BUSINESS AREAS

COMPONENTS

Net sales in Components in the third quarter increased by 25 percent to SEK 962 million (767) and EBITA increased by 37 percent to SEK 93 million (68). Net sales during the period increased by 30 percent to SEK 2,802 million (2,153) and EBITA increased by 45 percent to SEK 298 million (205).

Market

Demand for production components from Nordic manufacturing companies increased during the quarter. Good volume growth and favourable market conditions were recorded in most major customer segments, including machine manufacturing, special vehicles, energy and electronics. Demand was solid in all the business area's geographical markets during the quarter. Sales increased in Sweden, Norway and Finland and was stable in Denmark. Higher sales, in combination with acquisitions, have created strong earnings growth and good operating margins.

ENERGY

Net sales in Energy in the third quarter increased by 37 percent to SEK 607 million (442) and EBITA increased by 23 percent to SEK 54 million (44). Net sales during the period increased by 24 percent to SEK 1,713 million (1,379) and EBITA increased by 10 percent SEK 174 million (159).

Market

The market for infrastructure products for the primary and regional grids remained favourable in the Nordic region. The underlying demand in this market is positive and sales growth over the quarter was good, but increased competition in combination with continued efficiency measures adversely affected operating income. The business climate in niche products for electric power distribution and the manufacturing industry, as well as for products in building and distribution, remained stable at a high level.

INDUSTRIAL PROCESS

Net sales in Industrial Process in the third quarter increased by 42 percent to SEK 603 million (426) and EBITA increased by 48 percent to SEK 48 million (32). Net sales during the period increased by 30 percent to SEK 1,598 million (1,232) and EBITA increased by 42 percent to SEK 148 million (104).

Market

Demand for products for emission measurement and cleaning in the marine segment continued to rise considerably in the third quarter. Demand also increased in most customer segments in the Nordic process industry. Sales to the manufacturing industry remained stable. Developments for our operations outside the Nordic region were highly positive. Overall, we recorded very satisfactory organic growth.

POWER SOLUTIONS

Net sales in Power Solutions in the third quarter amounted to SEK 384 million (398) and EBITA increased by 11 percent to SEK 56 million (50). Net sales during the period amounted to SEK 1,183 million (1,145) and EBITA increased by 14 percent to SEK 169 million (148).

Market

Demand was stable during the quarter, but business conditions varied among customers and product segments. Demand improved in the wind power market and the business climate in the electronics market was stable. In telecom, sales on the systems side increased but were still low on the operator side. The biggest customer segment in the business area, special vehicles, experienced high demand, and we increased sales of our own-developed control and ergonomics products.

OTHER FINANCIAL INFORMATION

PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

The return on equity at the end of the period was 29 percent (29), and return on capital employed was 21 percent (22). Return on working capital P/WC (EBITA in relation to working capital) amounted to 53 percent (53).

At the end of the period the equity ratio amounted to 35 percent (36). Equity per share, excluding non-controlling interest, totalled SEK 33.05 (27.30). The Group's net debt at the end of the period amounted to SEK 1,808 million (1,232), excluding pension liabilities of SEK 252 million (240). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, amounted to 0.8 (0.7).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 477 million (528) at 31 December 2018.

Cash flow from operating activities amounted to SEK 320 million (388) during the period. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 555 million (381). Investments in non-current assets totalled SEK 49 million (35) and disposal of non-current assets amounted to SEK 10 million (3). Dividend from associated company amounted to SEK 2 million (4). Repurchase of treasury shares amounted to SEK 38 million (31) and repurchase of call options amounted to SEK 11 million (5). Exercised and issued call options totalled SEK 27 million (33). Dividends paid to the shareholders of the Parent Company totalled SEK 269 million (235), corresponding to SEK 4.00 (3.50) per share. The dividend was paid out in the second quarter.

EMPLOYEES

At the end of the period, the number of employees was 2,684 compared to 2,358 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 258. The average number of employees in the latest 12-month period was 2,501.

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	100.0%	100.0%
Of which repurchased class B shares	1,189,972		1.7%	1.2%
Total number of shares after repurchases	67,008,524			

Addtech has four outstanding call option programmes, see table below. Call options issued on repurchased shares entail a dilution effect of about 0.2 percent during the latest 12-month period. Addtech's own shareholding is 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
2018/2022	300,000	300,000	0.4%	232.90	-	6 Sep 2021 - 3 Jun 2022
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	238,600	293,478	0.4%	154.50	125.10	17 Sep 2018 - 3 Jun 2019
Totat	1,138,600	1,193,478				

ACQUISITIONS AND DISPOSAL

During the period 1 April to 30 September 2018, the following acquisitions have been completed; Synthecs-group, Scanwill Fluid Power ApS and Willtech ApS, Fibersystem AB and Diamond Point International (Europe) Ltd to become part of the Components business area, Xi Instrument AB, Duelco A/S, Prisma Teknik AB and Prisma Light AB to become part of the Energy business area, KRV AS, TLS Energimätning AB and Nordautomation Oy to become part of the Industrial Process business area and Power Technic ApS to become part of the Power Solutions business area. The Group has also sold Solar Supply System AB, formerly part of the Power Solutions Business Area.

On 4 October, Wood Recycling Sweden AB, Sweden, was acquired to become part of the Industrial Process business area. Wood Recycling designs, constructs and delivers wearing and spare parts for bark hogs in the Swedish market. The company has sales of about SEK 7 million and 2 employees.

The purchase price allocation calculations for the acquisitions completed during the period 1 April – 31 December 2017 have now been finalised. No significant adjustments have been made to the calculations. Acquisitions completed as of the 2017/2018 financial year are distributed among the Group's business areas as follows:

Acquisitions (disposals)	Closing	Net sales, SEKm*	Number of employees*	Business Area
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 Companies, Belgium	October, 2017	50	17	Power Solutions
Ingenjörfirma Pulsteknik AB, Sweden	November, 2017	50	10	Components
Sensor ECS A/S, Denmark	November, 2017	155	9	Components
Fintronic Oy (assets and liabilities), Finland	December, 2017	7	1	Components
STIGAB Stig Ödlund AB, Sweden	December, 2017	115	12	Components
Finn-Jiit Oy, Finland	January, 2018	40	10	Components
2 Wave Systems AB, Sweden	January, 2018	16	2	Components
IPAS AS, Norway	January, 2018	40	10	Energy
Synthecs Group, Netherlands	April, 2018	145	50	Components
Xi Instrument AB, Sweden	April, 2018	13	2	Energy
KRV AS, Norway	April, 2018	55	27	Industrial Process
Scanwill Fluid Power ApS, & Willtech ApS, Denmark	April, 2018	15	4	Components
Duelco A/S, Denmark	July, 2018	150	30	Energy
Prisma Teknik AB and Prisma Light AB, Sweden	July, 2018	70	27	Energy
Fibersystem AB, Sweden	July, 2018	140	12	Components
TLS Energimätning AB, Sweden	July, 2018	50	9	Industrial Process
Diamond Point International (Europe) Ltd, Great Britain	July, 2018	40	9	Components
Power Technic ApS, Denmark	July, 2018	50	6	Power Solutions
(Solar Supply Sweden AB, Sweden)	(August, 2018)	(80)	(5)	(Power Solutions)
Nordautomation Oy, Finland	September, 2018	155	85	Industrial Process
Wood Recycling Sweden AB, Sweden	October, 2018	7	2	Industrial Process
Nylund Industrial Electronics (assets and liabilities), Finland	January, 2019	35	3	Components
Birepo A/S, Denmark	January, 2019	35	10	Components

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

If all the acquisitions had been completed on 1 April 2018, their impact would have been an estimated SEK 606 million on Group net sales, about SEK 37 million on operating profit and about SEK 26 million on profit after tax for the period.

Addtech normally employs an acquisition structure comprising basic purchase consideration and contingent consideration. The outcome of contingent purchase considerations is determined by the future earnings reached by the companies and is subject to a fixed maximum level. Of considerations not yet paid for acquisitions during the period, the discounted value amounts to SEK 72 million. The contingent purchase considerations fall due for payment within three years and the outcome is subject to a maximum of SEK 99 million. If the conditions are not fulfilled, the outcome may fall within the range of SEK 0-99 million.

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

Revaluation of contingent consideration had a positive net effect of SEK 11 million (8) during the period. The impact on profits are reported under Other operating income and Other operating expenses, respectively.

According to the preliminary acquisition 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	9	286	295
Other non-current assets	60	2	62
Inventories	59	-	59
Other current assets	262	-	262
Deferred tax liability/tax asset	-4	-64	-68
Other liabilities	-218	-14	-232
Acquired net assets	168	210	378
Goodwill			281
Non-controlling interests			-
Consideration ¹⁾			659
Less: cash and cash equivalents in acquired businesses			-91
Less: consideration not yet paid			-70
Effect on the Group's cash and cash equivalents			498

1) The consideration is stated excluding acquisition expenses.

PARENT COMPANY

Parent Company net sales amounted to SEK 45 million (44) during the period and profit after financial items was SEK -12 million (-13). Net investments in non-current assets were SEK 0 million (0). The Parent Company's net financial debt was SEK 150 million (43) at the end of the period.

OTHER DISCLOSURES

ACCOUNTING POLICIES

This interim report was prepared in accordance with IFRS and IAS 34 Interim Financial Reporting. Disclosures under IAS 34.16A are made not only in the financial statements, with associated notes, but also in other parts of the interim report. The interim report for the parent company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which complies with recommendation RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The same accounting policies and basis for calculations as in the latest annual report have been applied in this interim report, with the exception of the amended accounting policies described below.

IFRS 9, Financial Instruments, deals with classification, measurement and recognition of financial assets and liabilities and introduces new rules for hedge accounting. It has been applied with effect from 1 April 2018. IFRS 9 introduces, for example, a new model for recognition of impairment losses that is based on expected credit losses and that takes forward-looking information into account.

During 2017/2018, Addtech analysed the impact, if any, on introduction of the new standard. The judgement is that the new impairment recognition model had no material impact on the Group's financial position, based on historical information regarding bad debts. Because the Group does not use hedge accounting, the relevant parts of IFRS 9 do not affect Addtech's financial statements.

IFRS 15, Revenue from Contracts with Customers, introduces new requirements for recognition of revenue. The Group began to apply the standard as of 1 April 2018 with the forward-looking retroactive transition method under IFRS 15. An analysis of the impact of IFRS 15 in the Group was carried out in 2017/2018. The conclusion from the analysis was that IFRS 15 will not have any impact on accrual accounting of the Group's revenue. IFRS 15 introduces increased disclosure requirements – see table Net sales by the subsidiaries geographical location, under the heading Disaggregation of revenue. This table presents a disaggregation of the Group's income and included for the first time in the interim report for the first quarter of 2018/2019.

At the end of the interim report period, the Group's assessment is that no changes are necessary in the analysis relating to IFRS 9 and IFRS 15 for presentation in the 2017/2018 Annual Report.

IFRS 16 Leases will be applied as of 1 April 2019. Work on identifying and evaluating current leases and the impact of the new standard is in progress. When the standard enters into effect, Addtech will apply the modified retrospective transition method.

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 18.

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. Addtech has four operating subsidiaries within the UK as well as a few other subsidiaries doing business with the UK. The effects of Brexit are to this date unknown, but all affected subsidiaries are closely monitoring the developments. Addtech Group's total exposure to possible negative effects from Brexit are not considered material. Beside this, risk and uncertainty factors are the same as in previous periods, please see section Risks and uncertainties (page 38-40) in the annual report for 2017/2018 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.

NOMINATION COMMITTEE

The 2018 Annual General Meeting authorised the Board Chairman to establish a nomination committee for upcoming elections to the Board, by appointing members among representatives of the five shareholders who controlled the largest number of votes in the Company at 31 December 2018, to serve with the Chairman on the nomination committee. In accordance with the above, the committee comprises these appointed members: Anders Börjesson (Chairman of the Board), Tom Hedelius, Åsa Nisell (appointed by Swedbank Robur Fonder), Mats Gustafsson (appointed by Lannebo Fonder) and Johan Strandberg (appointed by SEB Investmant Management). Information on how to contact the committee is available on the Addtech website.

EVENTS AFTER THE END OF THE PERIOD

On 2 January, the assets of Nylund Industrial Electronics, Finland, were acquired to become part of the Components business area and part of an existing company. The business has sales of about MEUR 3.4 million and 3 employees.

On 29 January, Birepo A/S, Denmark, was acquired to become part of the Components business area. Birepo develops and delivers customized locks and security solutions under its own brand. The business is mainly focused on industrial applications, infrastructure, energy and transportation. The company has sales of about DKK 25 million and 10 employees.

Preliminary purchase price allocations has not yet been completed.

Stockholm 7 February 2019

Niklas Stenberg
CEO and President

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 8.15 a.m CET on 7 February 2019.

FUTURE INFORMATION

2019-05-15 Year-end report 1 April 2018 - 31 March 2019
2019-07-12 Interim report 1 April - 30 June 2019
2019-08-29 Annual General Meeting 2019
will be held at Näringslivets hus, Storgatan 19, Stockholm at 2.00 p.m.

The Group's annual report for 2018/2019 will be published on Addtech's website in July 2019

FOR FURTHER INFORMATION, PLEASE CONTACT:

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BUSINESS AREAS

Net sales by business area	2018/2019				2017/2018		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Components	962	894	946	848	767	679	707
Energy	607	571	535	467	442	471	466
Industrial Process	603	497	498	445	426	402	404
Power Solutions	384	380	419	365	398	343	404
Group items	-5	-4	-3	-4	-3	-3	-2
Addtech Group	2,551	2,338	2,395	2,121	2,030	1,892	1,979

EBITA by business area	2018/2019				2017/2018		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Components	93	98	107	79	68	70	67
Energy	54	64	56	56	44	60	55
Industrial Process	48	50	50	38	32	39	33
Power Solutions	56	56	57	50	50	47	51
Group items	-5	2	-10	-2	-4	-3	8
EBITA	246	270	260	221	190	213	214
Depr. of intangible non-current assets	-43	-44	-39	-37	-35	-32	-33
– of which acquisitions	-42	-42	-38	-36	-34	-31	-32
Operating profit	203	226	221	184	155	181	181

Net sales	3 months		9 months		Rolling 12 months	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Mar 2018
Components	962	767	2,802	2,153	3,650	3,001
Energy	607	442	1,713	1,379	2,180	1,846
Industrial Process	603	426	1,598	1,232	2,043	1,677
Power Solutions	384	398	1,183	1,145	1,548	1,510
Group items	-5	-3	-12	-8	-16	-12
Addtech Group	2,551	2,030	7,284	5,901	9,405	8,022

EBITA and EBITA margin	3 months				9 months				Rolling 12 months			
	31 Dec 2018		31 Dec 2017		31 Dec 2018		31 Dec 2017		31 Dec 2018		31 Mar 2018	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Components	93	9.7	68	8.9	298	10.6	205	9.5	377	10.3	284	9.5
Energy	54	8.9	44	9.9	174	10.1	159	11.5	230	10.6	215	11.7
Industrial Process	48	7.9	32	7.6	148	9.3	104	8.5	186	9.1	142	8.5
Power Solutions	56	14.7	50	12.7	169	14.3	148	13.0	219	14.1	198	13.1
Group items	-5		-4		-13		1		-15		-1	
EBITA	246	9.7	190	9.4	776	10.7	617	10.5	997	10.6	838	10.5
Depr. of intangible non-current assets	-43		-35		-126		-100		-163		-137	
– of which acquisitions	-42		-34		-122		-97		-158		-133	
Operating profit	203	7.9	155	7.7	650	8.9	517	8.8	834	8.9	701	8.7

DISAGGREGATION OF REVENUE

Net sales by the subsidiaries geographical location

3 months

31 Dec 2018

SEKm	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	387	208	187	248	-1	1,029
Denmark	248	125	134	21	-2	526
Finland	178	44	92	28	0	342
Norway	98	158	97	27	-1	379
Europe	49	72	65	39	-	225
Other countries	2	-	28	21	-1	50
Total	962	607	603	384	-5	2,551

Net sales by the subsidiaries geographical location

9 months

31 Dec 2018

SEKm	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	1,082	578	529	786	-4	2,971
Denmark	737	335	379	49	-6	1,494
Finland	522	119	217	80	0	938
Norway	310	465	221	74	-1	1,069
Europe	146	216	185	133	-	680
Other countries	5	-	67	61	-1	132
Total	2,802	1,713	1,598	1,183	-12	7,284

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEKm	3 months		9 months		Rolling 12 months	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Mar 2018
Net sales	2,551	2,030	7,284	5,901	9,405	8,022
Cost of sales	-1,763	-1,396	-5,028	-4,063	-6,487	-5,522
Gross profit	788	634	2,256	1,838	2,918	2,500
Selling expenses	-447	-359	-1,220	-995	-1,589	-1,364
Administrative expenses	-151	-124	-410	-334	-531	-455
Other operating income and expenses	13	4	24	8	36	20
Operating profit	203	155	650	517	834	701
- as % of net sales	7.9	7.7	8.9	8.8	8.9	8.7
Financial income and expenses	-10	-8	-31	-20	-47	-36
Profit after financial items	193	147	619	497	787	665
- as % of net sales	7.5	7.2	8.5	8.4	8.4	8.3
Income tax expense	-37	-32	-127	-104	-162	-139
Profit for the period	156	115	492	393	625	526
Profit for the period attributable to:						
Equity holders of the Parent Company	152	112	483	384	613	514
Non-controlling interests	4	3	9	9	12	12
Earnings per share before dilution, SEK	2.25	1.70	7.20	5.75	9.15	7.70
Earnings per share after dilution, SEK	2.30	1.65	7.20	5.70	9.15	7.65
Average number of shares after repurchases, '000s	66,990	66,890	67,051	66,940	67,033	66,950
Number of shares at end of the period, '000s	67,009	66,955	67,009	66,955	67,009	66,992

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	3 months		9 months		Rolling 12 months	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Mar 2018
Profit for the period	156	115	492	393	625	526
<i>Items that may be reclassified to profit or loss</i>						
Cash flow hedges	0	1	-1	0	-1	0
Foreign currency translation differences for the period	-50	11	-40	1	74	115
<i>Items that will not be reclassified to profit or loss</i>						
Actuarial effects of the net pension obligation	0	-17	-18	-17	-8	-7
Other comprehensive income	-50	-5	-59	-16	65	108
Total comprehensive income	106	110	433	377	690	634
Total comprehensive income attributable to:						
Equity holders of the Parent Company	103	105	425	367	677	619
Non-controlling interests	3	5	8	10	13	15

CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	31 Dec 2018	31 Dec 2017	31 Mar 2018
Goodwill	1,716	1,391	1,456
Other intangible non-current assets	1,169	991	1,007
Property, plant and equipment	255	195	207
Financial non-current assets	43	34	32
Total non-current assets	3,183	2,611	2,702
Inventories	1,403	1,085	1,118
Current receivables	1,674	1,354	1,507
Cash and cash equivalents	238	211	192
Total current assets	3,315	2,650	2,817
Total assets	6,498	5,261	5,519
Total equity	2,262	1,873	2,131
Interest-bearing provisions	252	240	229
Non-interest-bearing provisions	347	314	322
Non-current interest-bearing liabilities	704	457	411
Non-current non-interest-bearing liabilities	12	13	11
Total non-current liabilities	1,315	1,024	973
Non-interest-bearing provisions	35	37	31
Current interest-bearing liabilities	1,342	986	958
Current non-interest-bearing liabilities	1,544	1,341	1,426
Total current liabilities	2,921	2,364	2,415
Total equity and liabilities	6,498	5,261	5,519

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	31 Dec 2018	31 Dec 2017	31 Mar 2018
Opening balance	2,131	1,741	1,741
Exercised, issued and repurchased options	16	28	31
Repurchase of treasury shares	-38	-31	-31
Dividend, ordinary	-269	-235	-235
Dividend, non-controlling interests	-9	-7	-9
Change non-controlling interests	-2	-	-
Total comprehensive income	433	377	634
Closing balance	2,262	1,873	2,131

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEKm	3 months		9 months		Rolling 12 months	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Mar 2018
Profit after financial items	193	147	619	497	787	665
Adjustment for items not included in cash flow	53	29	147	112	194	159
Income tax paid	-96	-65	-182	-132	-219	-169
Changes in working capital	25	141	-264	-89	-291	-116
Cash flow from operating activities	175	252	320	388	471	539
Net investments in non-current assets	-16	-16	-37	-28	-52	-43
Acquisitions and disposals	-55	-241	-555	-381	-651	-477
Cash flow from investing activities	-71	-257	-592	-409	-703	-520
Dividend paid to shareholders	-	-	-269	-235	-269	-235
Repurchase of own shares/change of options	9	7	-22	-3	-19	0
Other financing activities	-119	43	609	299	533	223
Cash flow from financing activities	-110	50	318	61	245	-12
Cash flow for the period	-6	45	46	40	13	7
Cash and cash equivalents at beginning of period	246	166	192	178	211	178
Exchange differences on cash and cash equivalents	-2	0	0	-7	14	7
Cash and cash equivalents at end of period	238	211	238	211	238	192

FAIR VALUES ON FINANCIAL INSTRUMENTS

SEKm	31 Dec 2018			31 Mar 2018		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives - fair value, hedge instruments	1	1	-	2	2	-
Derivatives - fair value through profit	2	2	-	2	2	-
Total financial assets at fair value per level	3	3	-	4	4	-
Derivatives - fair value, hedge instruments	1	1	-	0	0	-
Derivatives - fair value through profit	1	1	-	5	5	-
Contingent considerations - fair value through profit	217	-	217	215	-	215
Total financial liabilities at fair value per level	219	2	217	220	5	215

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	31 Dec 2018	31 Mar 2018
Opening balance	215	105
Acquisitions during the year	70	152
Reversed through profit or loss	-11	-9
Consideration paid	-62	-49
Interest expenses	7	8
Exchange differences	-2	8
Closing balance	217	215

KEY FINANCIAL INDICATORS

	12 months ending				
	31 Dec 2018	31 Mar 2018	31 Dec 2017	31 Mar 2017	31 Mar 2016
Net sales, SEKm	9,405	8,022	7,842	7,178	6,155
EBITDA, SEKm	1,047	881	853	755	570
EBITA, SEKm	997	838	810	715	536
EBITA margin, %	10.6	10.5	10.3	10.0	8.7
Operating profit, SEKm	834	701	680	604	443
Operating margin, %	8.9	8.7	8.7	8.4	7.2
Profit after financial items, SEKm	787	665	651	580	423
Profit for the period, SEKm	625	526	511	450	333
Working capital	1,899	1,591	1,524	1,362	1,208
Return on working capital (P/WC), %	53	53	53	53	44
Return on equity, %	29	28	29	28	20
Return on capital employed, %	21	22	22	23	16
Equity ratio, %	35	39	36	39	40
Net debt, incl pensions, SEKm	2,060	1,405	1,472	1,011	822
Net debt, incl pensions / equity ratio, multiple	0.9	0.7	0.8	0.6	0.6
Net debt, incl pensions / EBITDA, multiple	2.0	1.6	1.7	1.3	1.4
Net debt excl. pensions, SEKm	1,808	1,176	1,232	801	623
Net debt, excl pensions / equity ratio, multiple	0.8	0.6	0.7	0.5	0.4
Interest coverage ratio, multiple	21.4	22.7	24.1	23.9	20.3
Average number of employees*	2,501	2,283	2,238	2,133	2,386
Number of employees at end of the period	2,684	2,358	2,307	2,176	2,076

* Average number of employees includes discontinued operations in the period 31 March 2016.

KEY FINANCIAL INDICATORS PER SHARE

SEK	12 months ending				
	31 Dec 2018	31 Mar 2018	31 Dec 2017	31 Mar 2017	31 Mar 2016
Earnings per share before dilution	9.15	7.70	7.50	6.60	4.85
Earnings per share after dilution	9.15	7.65	7.40	6.55	4.85
Cash flow from operating activities per share	7.05	8.05	8.20	8.25	7.10
Shareholders' equity per share	33.05	31.10	27.30	25.45	22.10
Share price at the end of the period	158.20	168.00	179.50	148.50	112.00
Average number of shares after repurchases, '000s	67,033	66,950	66,890	66,824	66,703
Average number of shares adjusted for repurchases and dilution, '000s	67,170	67,178	67,116	67,008	66,809
Number of shares outstanding at end of the period, '000s	67,009	66,992	66,955	66,824	66,958

PARENT COMPANY INCOME STATEMENT

SEKm	3 months		9 months		Rolling 12 months	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Mar 2018
Net sales	15	17	45	44	59	58
Administrative expenses	-20	-23	-65	-58	-78	-71
Operating profit/loss	-5	-6	-20	-14	-19	-13
Profit from interests in Group companies	-	-	-	-	258	258
Interest income and expenses and similar items	4	-1	8	1	9	2
Profit after financial items	-1	-7	-12	-13	248	247
Appropriations	-	0	-	0	-14	-14
Profit before taxes	-1	-7	-12	-13	234	233
Income tax expense	0	2	2	3	-53	-52
Profit for the period	-1	-5	-10	-10	181	181
Total comprehensive income	-1	-5	-10	-10	181	181

PARENT COMPANY BALANCE SHEET

SEKm	31 Dec 2018	31 Dec 2017	31 Mar 2018
Property, plant and equipment	1	2	2
Non-current financial assets	3,057	2,627	2,696
Total non-current assets	3,058	2,629	2,698
Current receivables	194	158	461
Cash and bank balances	-	-	-
Total current assets	194	158	461
Total assets	3,252	2,787	3,159
Equity	439	546	741
Untaxed reserves	431	417	431
Provisions	15	15	15
Non-current liabilities	745	493	591
Current liabilities	1,622	1,316	1,381
Total equity and liabilities	3,252	2,787	3,159

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 - 31 DECEMBER 2018



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 markets for advanced technology products and solutions. Its customers primarily operate in manufacturing industry and infrastructure. Addtech has about 2,600 employees in more than 130 subsidiaries that operate under their own brands. The Group has annual sales of about SEK 9.5 billion. Addtech is quoted 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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