



ADDTECH

YEAR END REPORT 1 APRIL 2022 – 31 MARCH 2023

Niklas Stenberg, President and CEO, and Malin Enarson, CFO

QUARTER 4 HIGHLIGHTS

Net sales
SEK 5,267 m, +34%



EBITA-margin
14.4%
From 13.2%

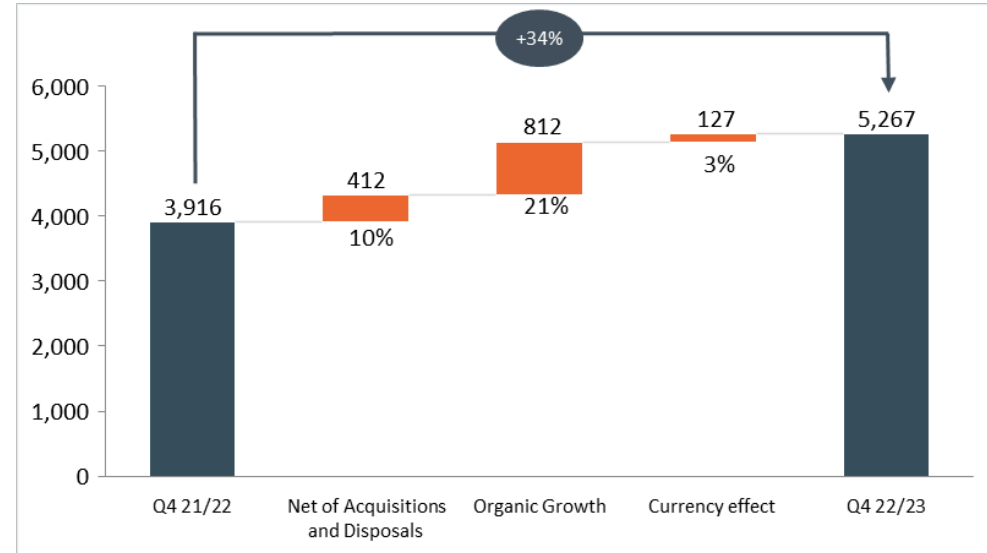
- Very strong quarter with solid contributions from all business areas
- Continued high customer activity
- Organic sales growth of 21%
- Order backlog remains at a high level and is of good quality
- EBITA growth of 47%
- Profit margin increased despite continued inflationary pressure
- The highly uncertain macro situation remains

QUARTER 4: NET SALES DEVELOPMENT

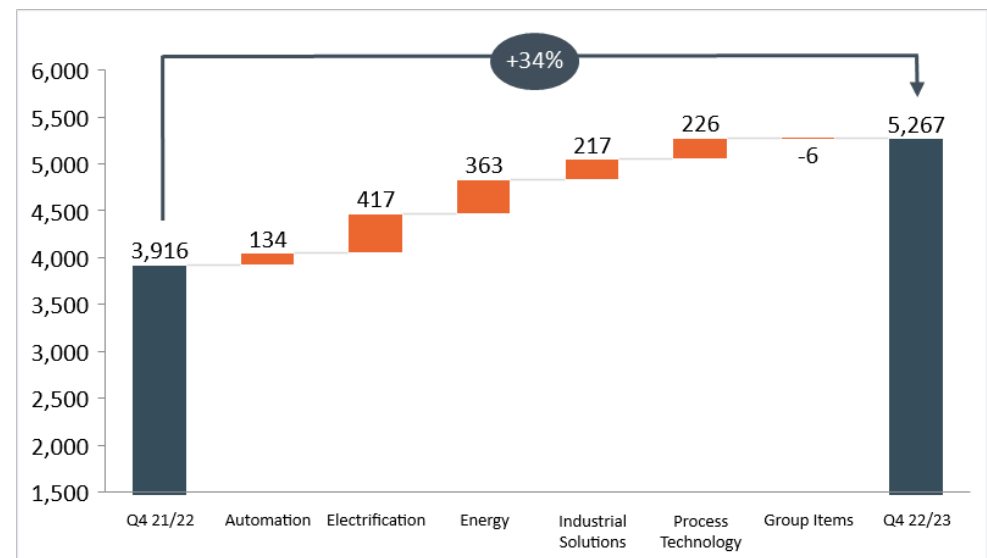
HIGH CUSTOMER ACTIVITY

- Net sales increased by 34% of which 21% was organic growth
 - High customer activity in most customer segments and geographies
 - Overall good delivery capacity
 - Order backlog remains at a high level despite strong invoicing in the quarter
 - Currently no clear signs of a general slowdown in demand

Net Sales Growth, SEK m



Net Sales Growth per Business Area, SEK m

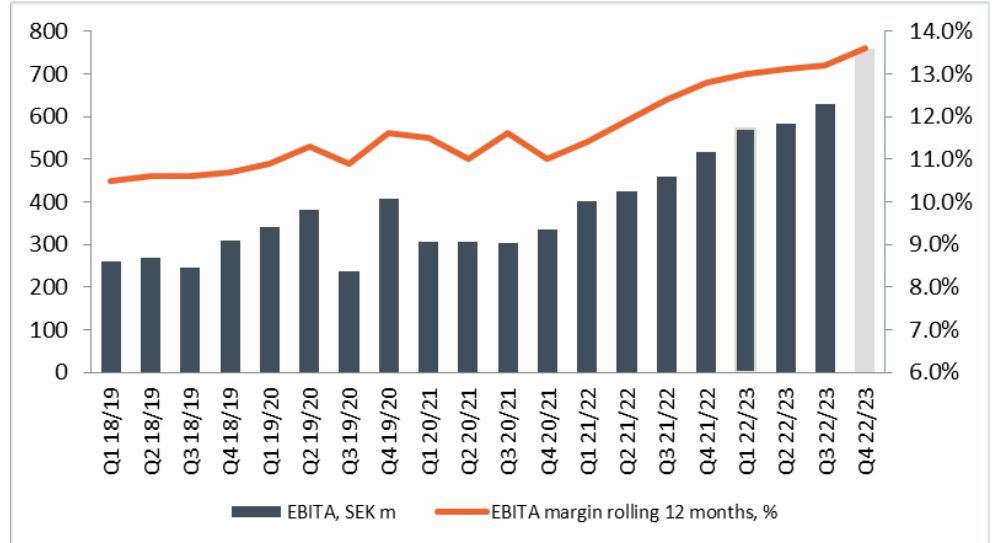


QUARTER 4: EBITA DEVELOPMENT

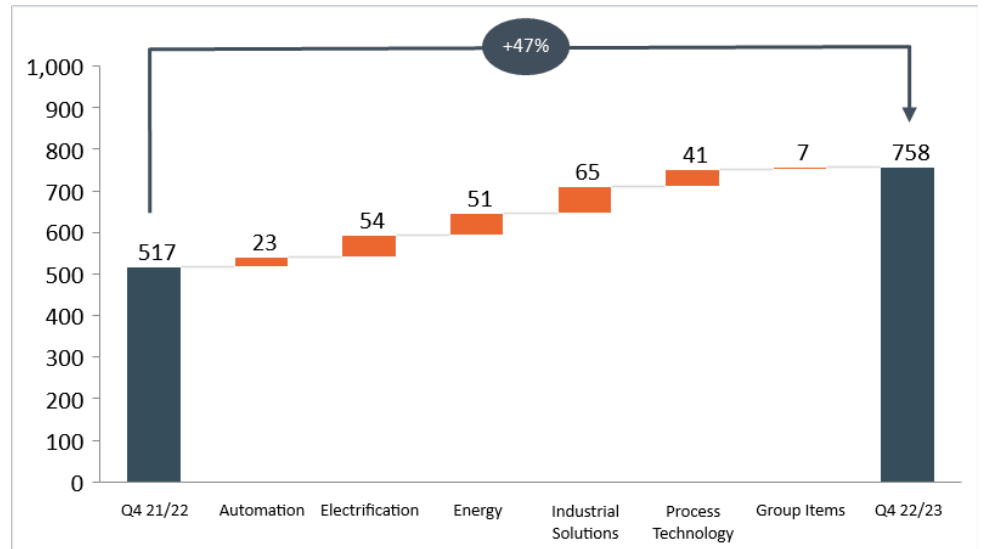
STRONG QUARTERLY RESULT

- 47% EBITA growth with a margin of 14.4%
 - Solid contribution from, and margins increased, in all business areas
 - Continued focus on cost control and active customer and supplier dialogue
 - Operating cash flow strengthened over the quarter
 - P/WC remained at a high level

EBITA, SEK m and EBITA margin rolling 12 months, %



EBITA Growth per business area, SEK m



SOLID CONTRIBUTION ACROSS THE BOARD



AUTOMATION

Net sales SEK 962 m (828) **+16%**
 EBITA SEK 126 m (103) **+21%**
 EBITA-margin **13.1%**

- Favourable business situation with a good sales trend
- Strong demand in defense and medical technology segments - stable in process industry and mechanical industry
- Good margins on organic growth



ELECTRIFICATION

Net sales SEK 1,149 m (732) **+57%**
 EBITA SEK 143 m (89) **+62%**
 EBITA-margin **12.5%**

- Good sales growth both organically and from acquisitions
- Strongest development within the electronics, special vehicles, defense and medical technology segments
- High demand for specially adapted battery modules
- Stable demand in energy and telecoms



ENERGY

Net sales SEK 1,355 m (992) **+37%**
 EBITA SEK 176 m (125) **+40%**
 EBITA-margin **12.9%**

- Strong sales growth in both business units
- Sales of infrastructure products for electric transmission continued to be very good
- The business situation for building and installation products, products for electric power distributions and fiber optic networks continued to be positive



INDUSTRIAL SOLUTIONS

Net sales SEK 937 m (720) **+30%**
 EBITA SEK 190 m (125) **+52%**
 EBITA-margin **20.2%**

- Highly favourable business situation
- Very good sales to forest and sawmill industry – completion of a large number of projects had a positive impact on the operating margin
- Lower demand for long projects – order backlog remained at a very good level
- Stable business situation in waste and recycling - positive development in special vehicles



PROCESS TECHNOLOGY

Net sales SEK 875 m (649) **+35%**
 EBITA SEK 125 m (84) **+51%**
 EBITA-margin **14.4%**

- Very strong quarter
- The demand for projects as well as after-market components and services in the energy- and process industry was particularly favourable
- Forest- and mechanical industry remains stable
- The positive trend within the marine segment continued

FULL YEAR 2022/2023
HIGHLIGHTS

Net sales
SEK 18,714 m, +33%



EBITA-margin
13.6%
From 12.8%

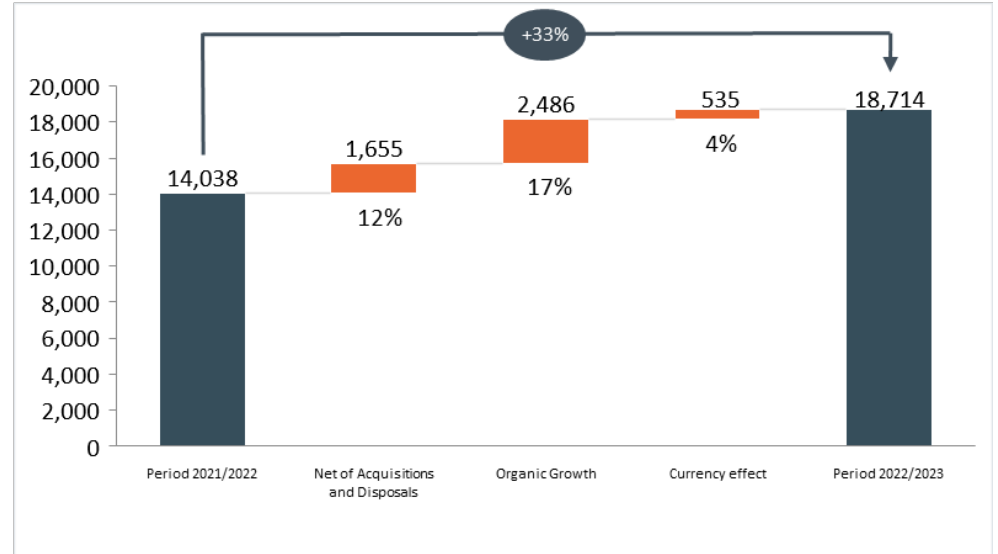
- Very strong year with a high level of growth and profitability in all business areas
- Strong demand and favourable order situation in all key customer segments
- Record high organic sales growth of 17%
- Very satisfying EBITA growth of 41%
- Ten carefully selected acquisitions to strengthen and complement our niche strategies
- Science Based Targets initiative

FULL YEAR 2022/2023

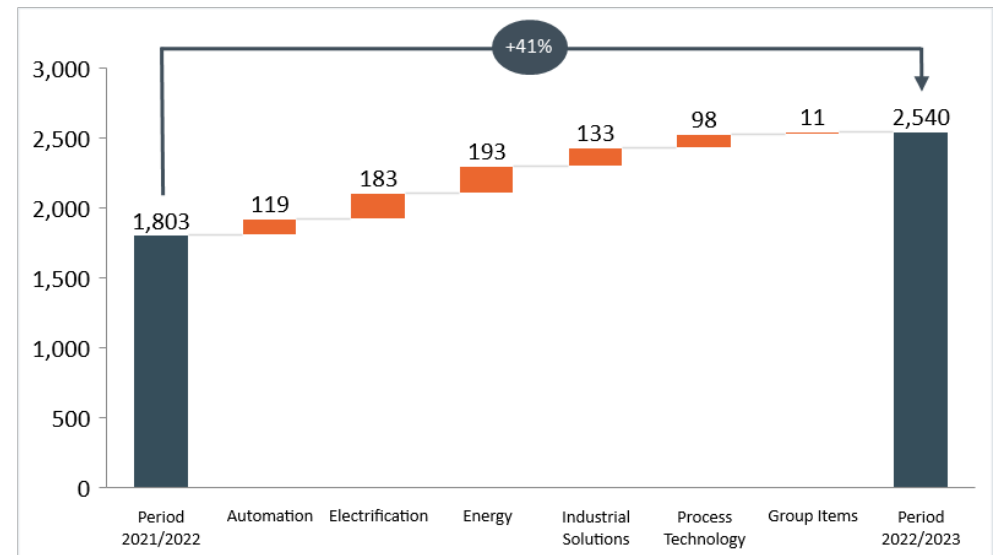
RECORD YEAR

- Net sales increased by 33% to SEK 18,714 m (14,038)
- The organic growth amounted to 17% and acquired growth amounted to 12%
- EBITA increased by 41% and amounted to SEK 2,540 m (1,803) corresponding to an EBITA margin of 13.6% (12.8)
- Operating profit increased by 44% and amounted to SEK 2,167 m (1,501) corresponding to an operating margin of 11.6% (10.7)
- Profit after tax increased by 39% and amounted to SEK 1,554 m (1,117)
- Cash flow from operating activities amounted to SEK 1,911 m (1,121)
- Earnings per share before dilution amounted to SEK 5.55 (4.00)
- Board proposes dividend of 2.50 SEK (1.80)

Net Sales Growth, SEK m, 12 months



EBITA Growth per business area, SEK m, 12 months



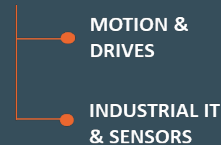
AUTOMATION

CUTTING-EDGE EXPERTISE IN AUTOMATED PROCESSES

Very solid year with improved margins

- Net sales increased by 26%
 - High customer activity
 - Positive impact from value chain disruptions easing
- EBITA growth of 38%
 - EBITA-margin 12.5% (11.4)
- Acquisitions:

Strengthen the position within the fast-growing segment of Industrial IoT wireless connectivity



The companies within Automation are well positioned to capture the potential of strong driving forces, such as Industry 4.0, intelligent cities, an ageing population and the Industrial Internet of Things

Examples of products

Solutions for industrial communications, control systems, computers, sensors, vision products, motor drives, linear units, transmissions and components



- Mechanical industry 27%
- Medical technology 17%
- Forestry & Process 11%
- Electronics 7%
- Energy 7%
- Other 7%


BROAD OFFERING FOR CUSTOMERS' TECHNICAL LEAP

Strong growth in all business units

- Net sales increased by 54%
 - High demand in all customer segments
 - Mix of both organic and acquired growth
- Record high EBITA growth of 58%
 - EBITA-margin 12.4% (12.1)

Acquisitions:

Focus on integration of last years large acquisitions




ELECTRIFICATION

- BATTERY SYSTEMS
- CONNECTIVITY SOLUTIONS
- POWER & MOBILITY

The companies within Electrification are already well positioned to respond to the strong drivers of electrification and CO₂-reduction

Examples of products

Battery solutions, power supply components, powertrains, cabling, electric brushes, electronic components, HMI and media conversion



- Electronics 25%
- Energy 14%
- Vehicles 13%
- Medical technology 13%
- Mechanical industry 10%
- Other

TECHNICAL EXPERTISE FOR THE ELECTRIFICATION OF SOCIETY

High customer activity in key segments

- Net sales increased by 37%
 - The will to invest among grid owners remains – the positive trend expected to continue
- EBITA growth of 41%
 - EBITA-margin 12.9% (12.5)
- Acquisitions:

The acquisitions of Arruti Group and Allied Insulators elevated Addtech from being a Nordic, to becoming a global player, in material for high-voltage transmission lines and substations



ENERGY



One of the key drivers right now is the ongoing electrification of society. With our strong offering, we contribute to the expansion of the infrastructure that will constitute the energy system of the future

Examples of products

Transformers, insulators and insulator chains, power line steel, fuses, relays, cable, thermostats, lighting control, crossing signals, safety-enhancing outdoor lighting, signs and traffic control equipment



- Energy 46%
- Building & Installation 21%
- Data & Telecom 8%
- Transport 7%
- Mechanical industry 6%
- Other

EXPERTISE THAT MITIGATES SOCIETY'S ENVIRONMENTAL IMPACT

Strong growth despite challenging comparisons

- Net sales increased by 21%
 - Solid growth across segments
 - Large number of project deliveries
- EBITA growth of 29%
 - EBITA-margin 18.1% (16.9)
- Acquisitions:

Two acquisitions completed that strengthen the value proposition within electric drive systems as well as the infrastructure segment



INDUSTRIAL SOLUTIONS



Future growth areas are the increased use of wood, ergonomic products and waste & recycling systems

Examples of products

Timber dryers, timber conveyors, lifting chains, waste and recycling systems, ergonomic driver's seats, joysticks, controls, pedals, hydraulic solutions, electric drive systems and surface treatment machines



- Vehicles 38%
- Forestry & Process 31%
- Mechanical industry 9%
- Transport 7%
- Building & Installation 3%
- Other

FOR A REDUCED ENVIRONMENTAL IMPACT FROM INDUSTRY

Another strong year

- Net sales increased by 27%
 - High activity across the board
 - Solid recovery in the marine segment
- EBITA growth of 33%
 - EBITA-margin 13.5% (12.9)
 - Improved margins despite high inflationary pressure
- Acquisitions:

Four important acquisitions to further strengthen the offering that supports the industry in reducing its environmental impact and switching to green technology



C.K. ENVIRONMENT



PROCESS TECHNOLOGY

- PROCESS SYSTEMS
- EMISSION CONTROL
- PROCESS CONTROL

We see great business opportunities in the industry's challenge to reduce its environmental impact. There is an increased demand for technical solutions that control and analyze industrial processes - where our companies are at the forefront

Examples of products

Transport and lifting chains, systems for waste water treatment, complete systems and instruments for gas and liquid analysis, monitoring and purification of flue gases, instruments and valves for regulation and monitoring of pressure, flows and energy

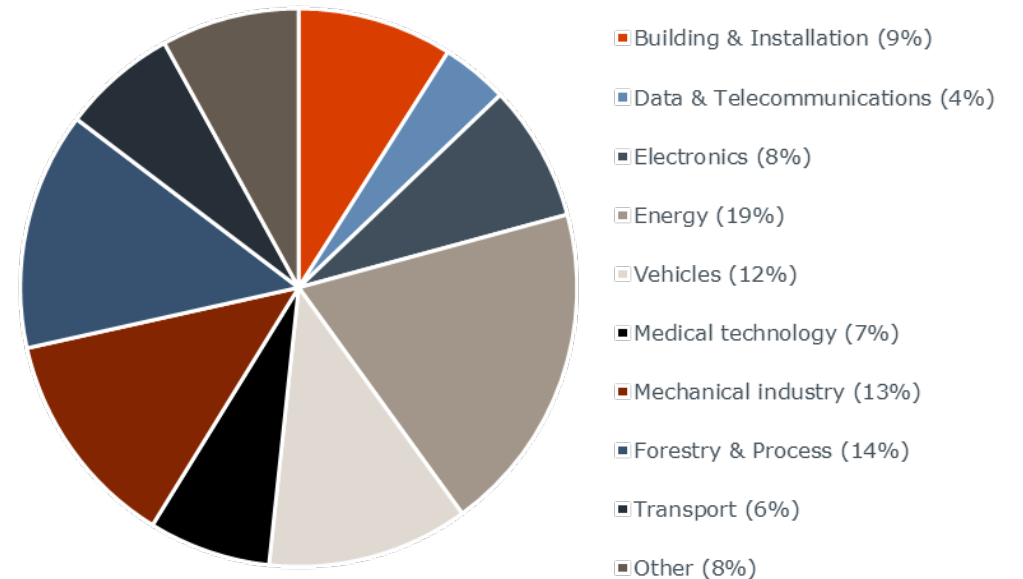


- Forestry & Process 36%
- Mechanical industry 15%
- Transport 15%
- Energy 14%
- Medical technology 7%
- Other







STRONG DEMAND IN KEY SEGMENTS AND GEOGRAPHIES

- Sales of input components and solutions to manufacturing companies in special vehicles, electronics and medical- and mechanical industry remains highly favourable
- Continued strong demand situation for our companies active in the expansion of regional and national grids
- The demand for electricity-related products for building and installation, defense, rail and marine industries have had a positive development throughout the year
- The favourable market situation in the process industry remains while the will to invest in large projects within the sawmill industry have come down

Stable and well-diversified customer segments



10 COMPANIES ACQUIRED – ANOTHER FOUR AFTER CLOSING

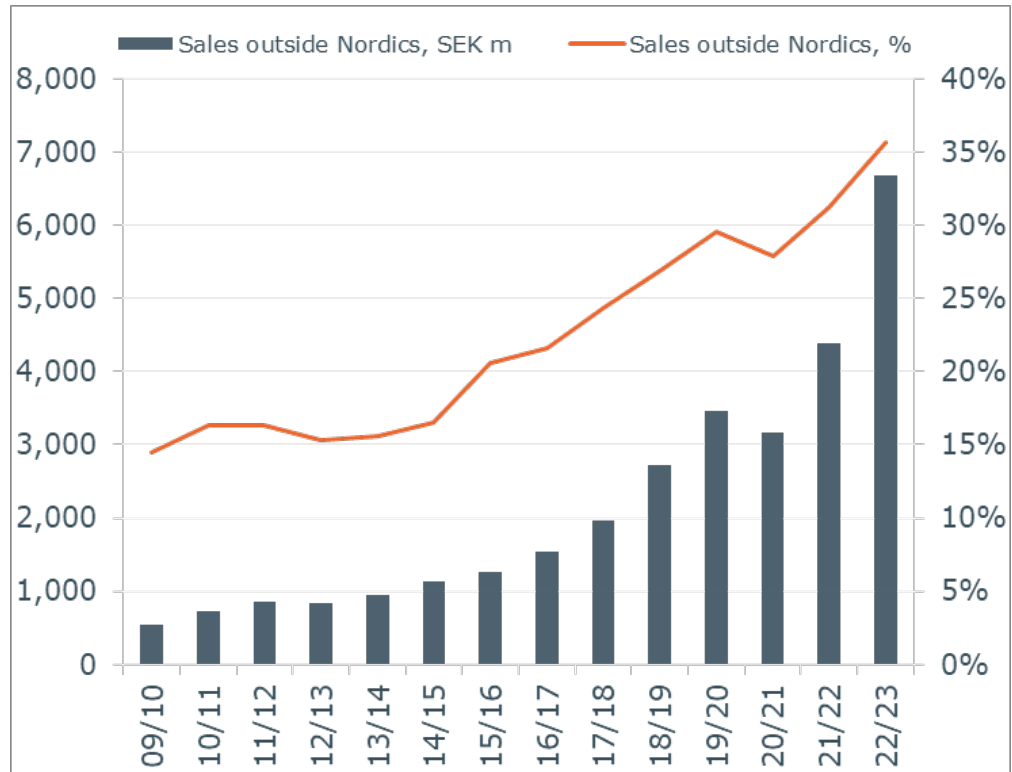
Acquisition	Business area	Access	Net sales, SEKm*	Employees*
 Intertrafo Oy	Energy	April 2022	30	15
 Electric Control Systems Automation AS	Process Technology	April 2022	75	31
 Impulseradar Sweden AB	Industrial Solutions	April 2022	80	27
 C.K. Environment A/S	Process Technology	May 2022	40	14
 Arruti Group	Energy	June 2022	280	90
 Gotapack International AB	Process Technology	July 2022	25	5
 Allied Insulators Ltd.	Energy	August 2022	75	15
 Advanced Valve Solutions B.V.	Process Technology	December 2022	140	27
 MCS Europe Group B.V.	Automation	January 2023	75	19
 Drivhuset AB	Industrial Solutions	January 2023	35	7
 INDAG Maschinenbau GmbH	Process Technology	April 2023	55	40
 Clyde Holding Ltd.	Process Technology	April 2023	150	49
 Feritech Global Ltd.	Industrial Solutions	May 2023	55	21
 Electrum Automation AB	Electrification	June 2023	80	22

- In total, all fourteen adding SEK 1,200 m and 382 new employees to the Group
- Clear focus on companies with high added value and a clear sustainability profile
- Increased number of acquisitions outside the Nordics

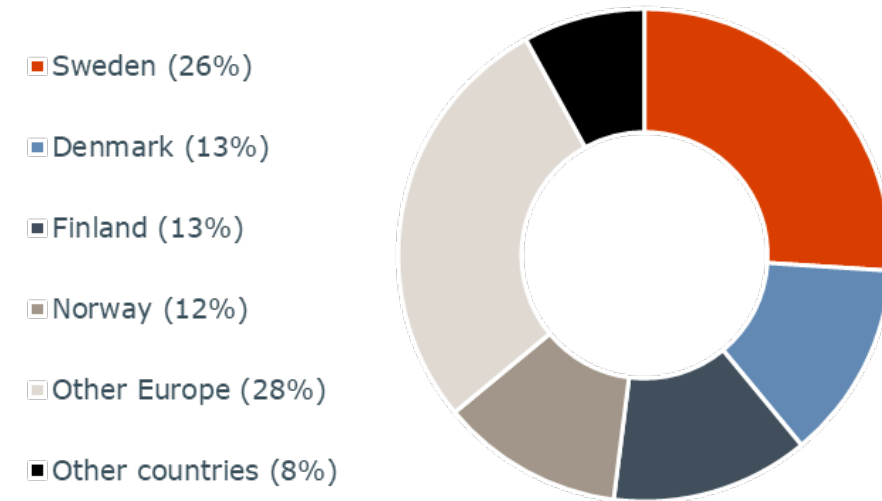


ACCELERATED INTERNATIONAL EXPANSION

Increased sales outside the Nordics

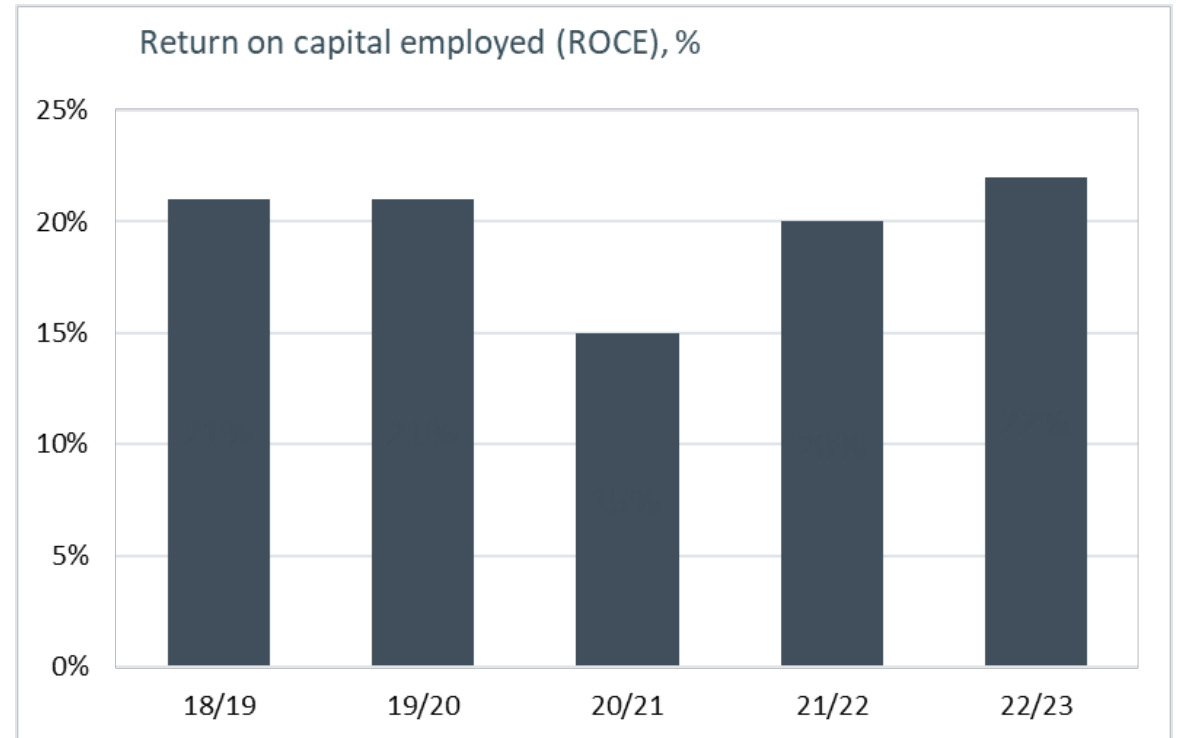
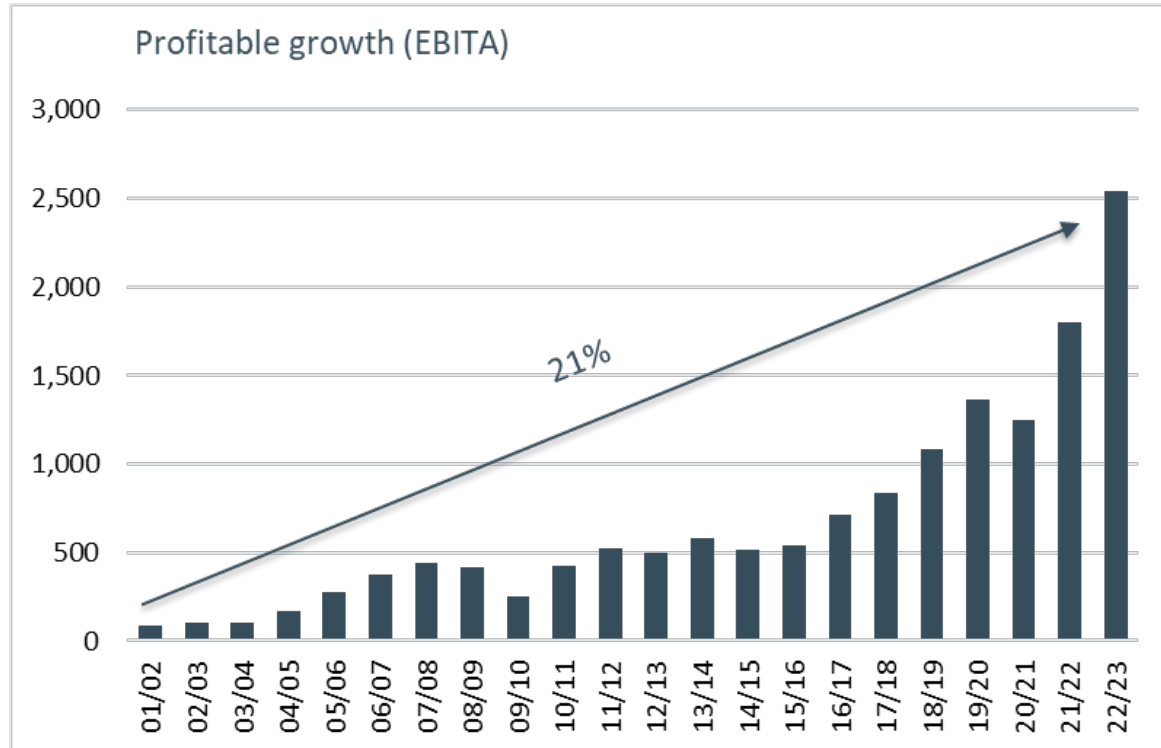


Sales per geographic market 2022/2023

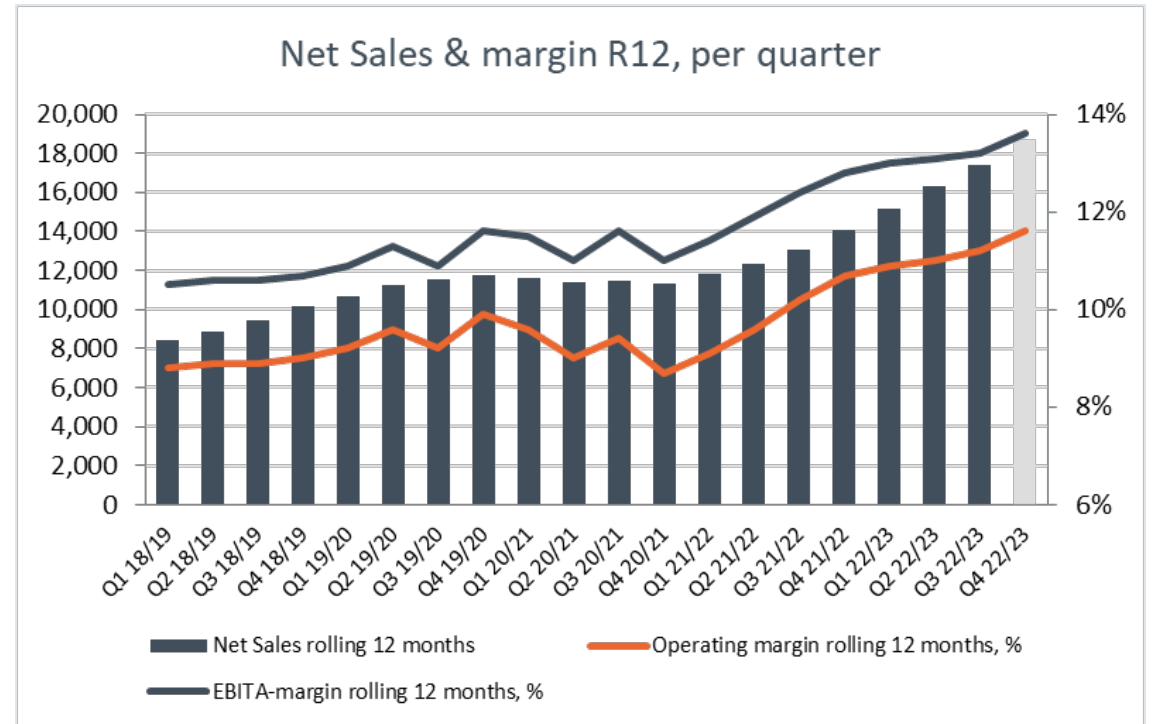
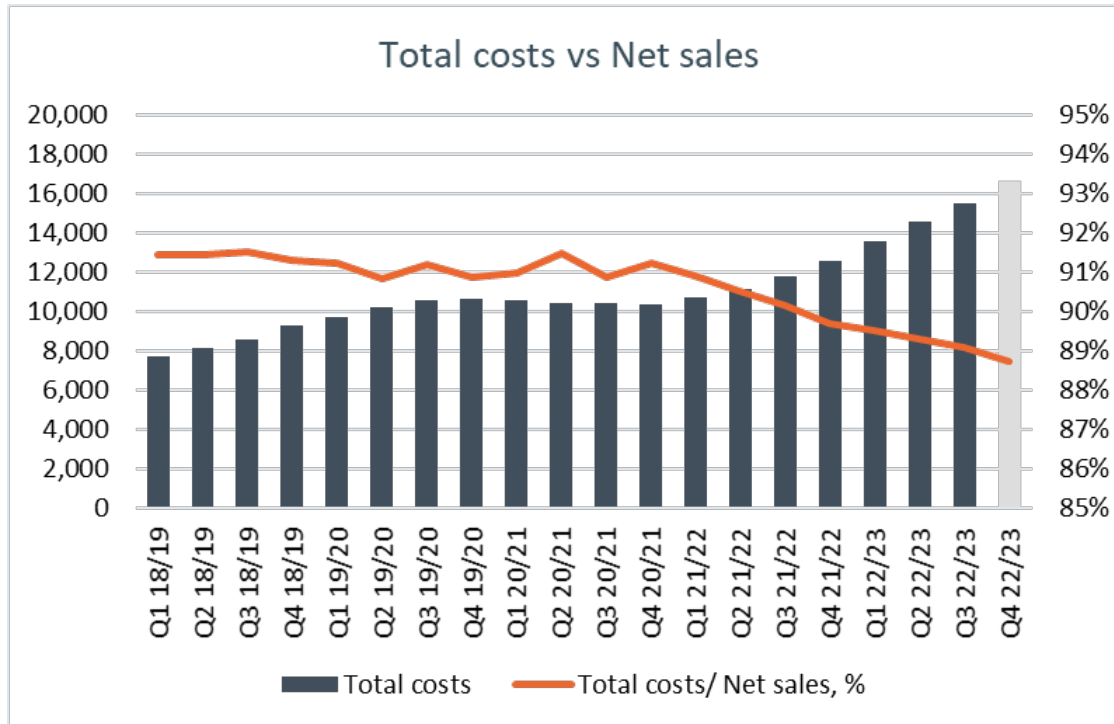


- As a whole, the Nordic markets developed strongly over the year
- Our important markets, DACH, the UK and Benelux strengthened over the year

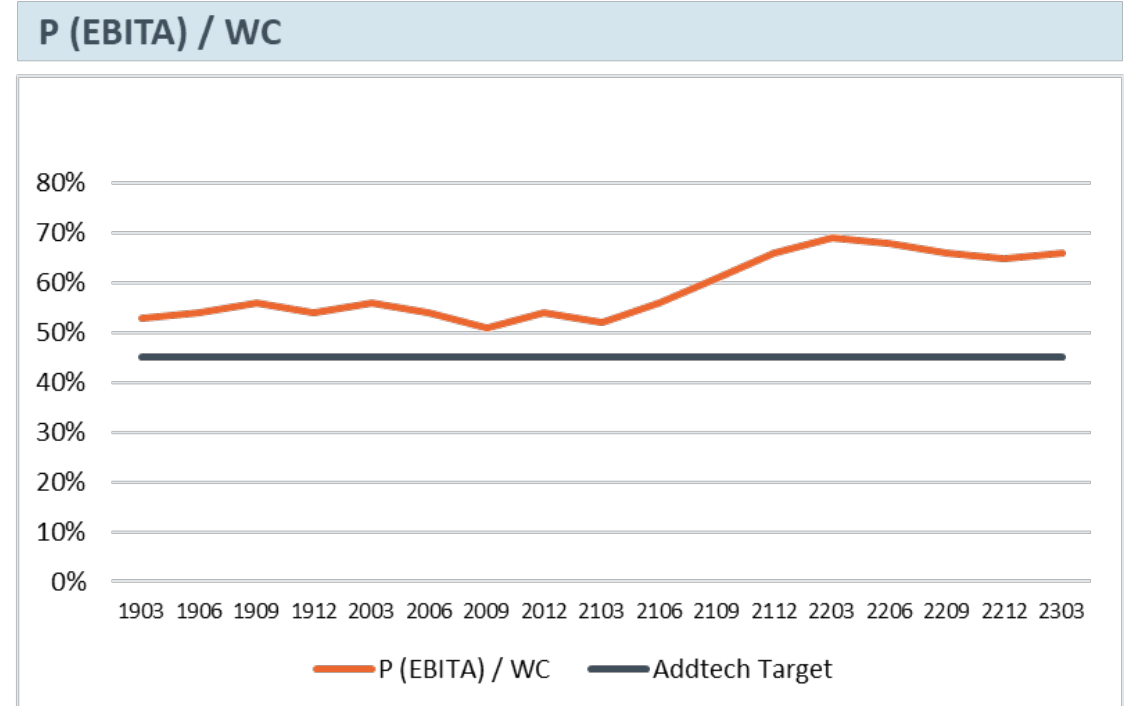
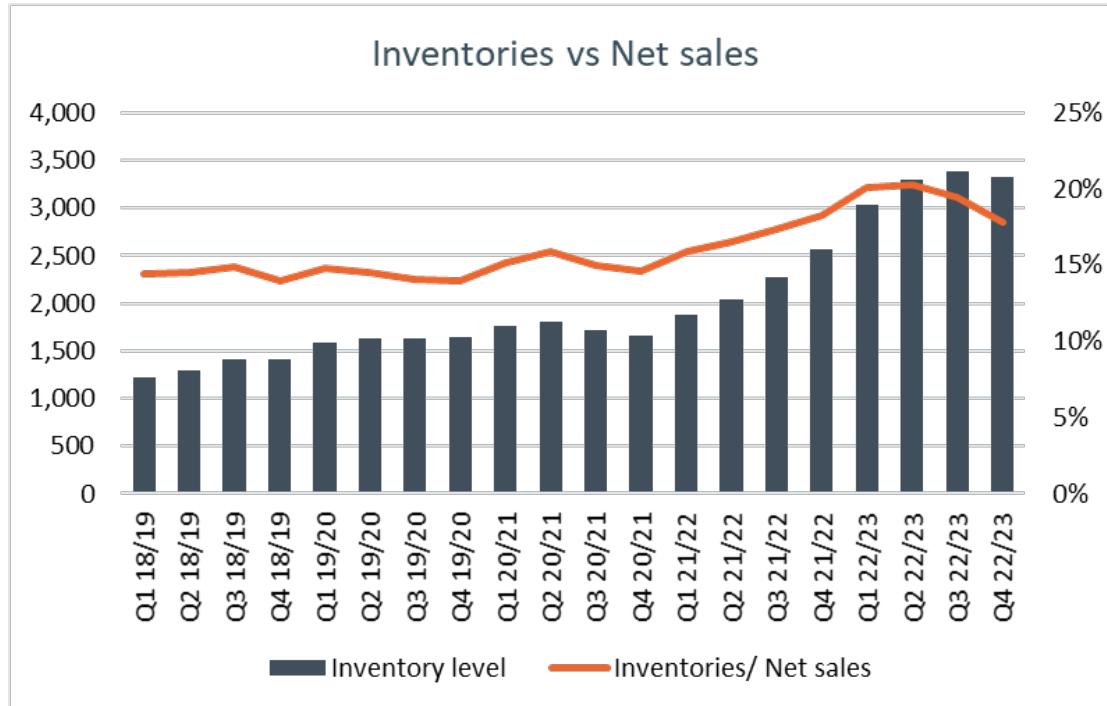
CONTINUED STRONG SHAREHOLDER VALUE CREATION



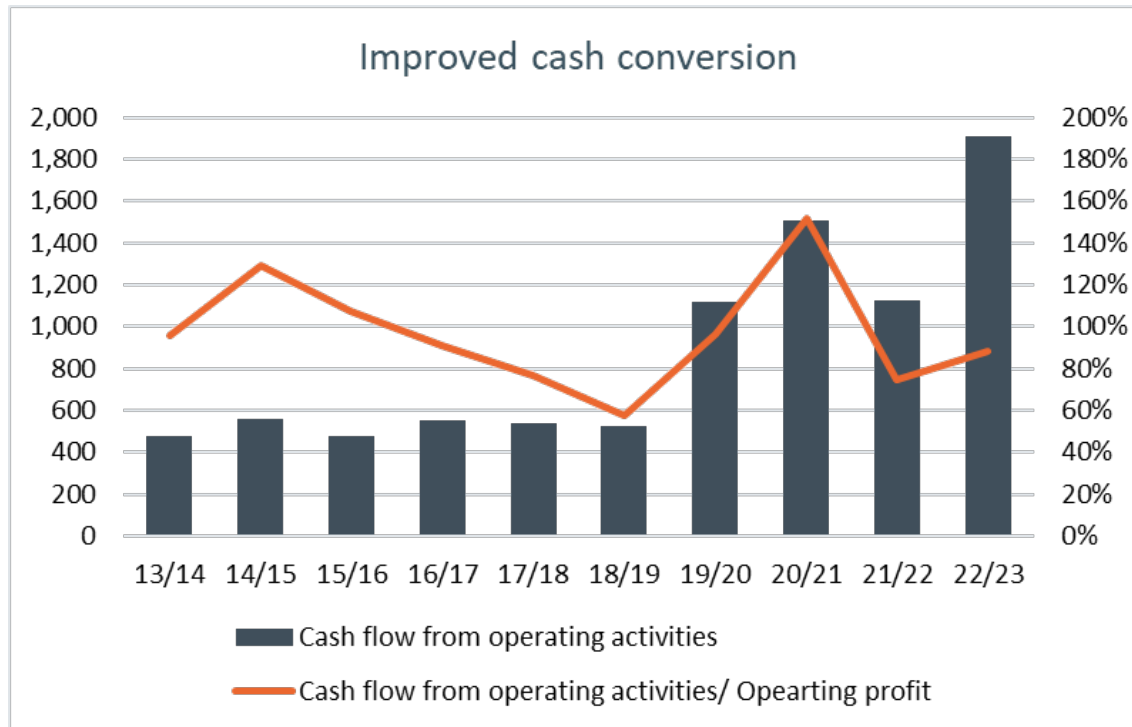
STRICT COST CONTROL AND GOOD LEVERAGE ON ORGANIC GROWTH AND ACQUISITIONS



IMPROVED INVENTORY LEVELS

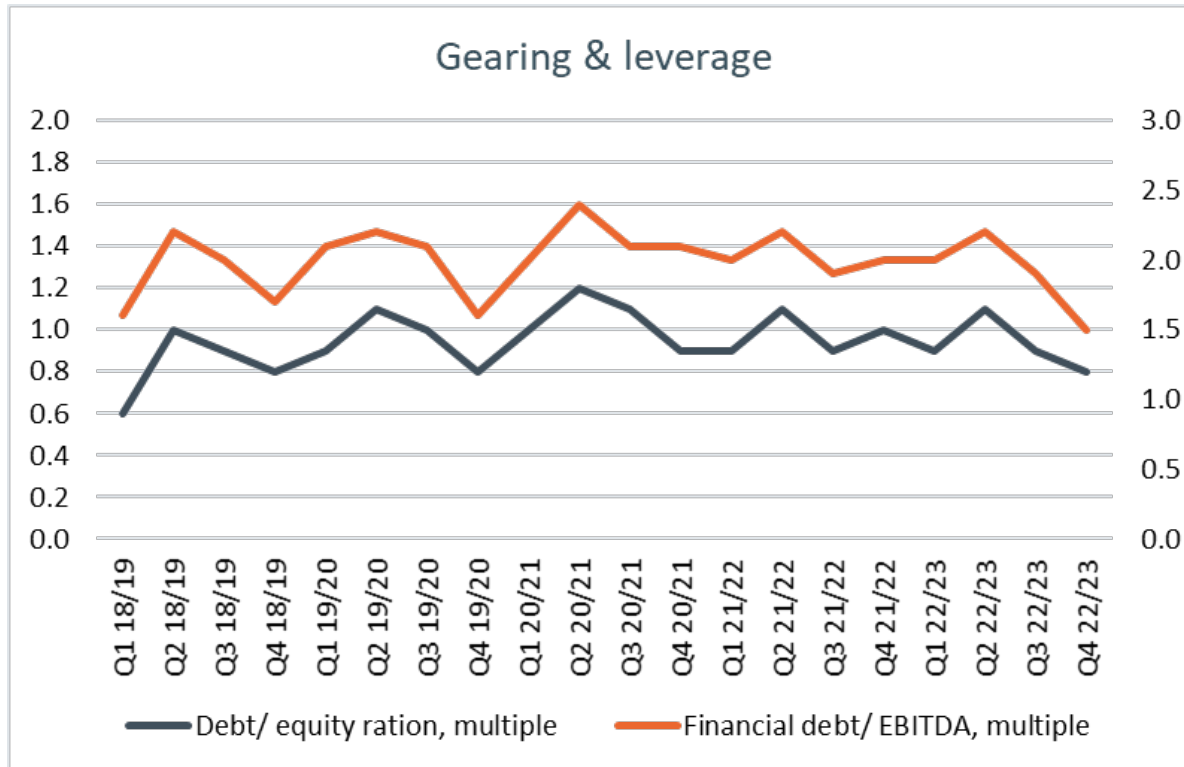


IMPROVED CASH CONVERSION



- Cash flow per share 7.10 SEK (4.15)
- Strong growth and improved cash conversion

LOW RISK BALANCE SHEET



- Equity ratio 36% (34%)
- Leverage 1.5 (2.0)
- Gearing 0.8 (1.0)

WELL POSITIONED FOR FUTURE GROWTH



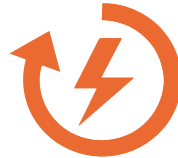
AUTOMATION

- MOTION & DRIVES
- INDUSTRIAL IT & SENSORS



ELECTRIFICATION

- BATTERY SYSTEMS
- CONNECTIVITY SOLUTIONS
- POWER & MOBILITY



ENERGY

- ENERGY PRODUCTS
- ENERGY SUPPLY



INDUSTRIAL SOLUTIONS

- MATERIAL PROCESSING
- VEHICLE SOLUTIONS



PROCESS TECHNOLOGY

- PROCESS SYSTEMS
- EMISSION CONTROL
- PROCESS CONTROL

KEY GROWTH DRIVERS

- Industry 4.0
- Smart cities
- Internet of Things

- Decarbonisation
- Energy storage - batteries

- Increased production of renewable energy
- Grid development
- Safety products

- Resource efficiency – recycling systems
- Increased focus on ergonomics
- Increased use of fiber-based materials

- Increased regulations – emissions air and water
- Efficiency and optimisation of industrial flows

SUMMARY

- A very strong Q4 concludes a successful year with high growth and profitability in all business areas
- Record-high full year organic sales growth of 17%
- The high customer activity remains in all key segments and geographies - no clear signs of a general slowdown in demand
- Despite high invoicing in Q4 - orderbooks remain well filled and of high quality
- Very strong earnings growth with improved margins
- Strengthened cashflow and continued strong financial position
- Strong start of the new year in M&A activities and the international expansion continues
- Highly uncertain macro situation