

# INTERIM REPORT 1 APRIL - 30 JUNE 2021

## FIRST QUARTER

- **Net sales** increased by 17 percent and amounted to SEK 3,279 million (2,805).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 31 percent and amounted to SEK 402 million (306) corresponding to an EBITA margin of 12.3 percent (10.9).
- **Operating profit** increased by 37 percent and amounted to SEK 332 million (243) corresponding to an operating margin of 10.1 percent (8.7).
- **Profit after tax** increased by 36 percent and amounted to SEK 250 million (184) and **earnings per share before/after dilution** amounted to SEK 0.90 (0.65). For the latest twelve month period earnings per share before/after dilution amounted to SEK 2.85 (3.00).
- **Return on working capital (P/WC)** amounted to 56 percent (54).
- **Return on equity** amounted to 24 percent (29) and the **equity ratio** amounted to 35 percent (34).
- **Cash flow from operating activities** amounted to SEK 208 million (324). For the latest twelve month period, **cash flow per share from operating activities** amounted to SEK 5.15 (4.40).
- **Since the start of the financial year eight acquisitions have been completed**, of which four after the end of the period, with total annual sales of about SEK 565 million.

Group Summary SEKm	3 months			Rolling 12 months	
	30 Jun 2021	30 Jun 2020	Δ	30 Jun 2021	31 Mar 2021
Net sales	3,279	2,805	17%	11,810	11,336
EBITA	402	306	31%	1,347	1,251
EBITA-margin %	12.3	10.9		11.4	11.0
Profit after financial items	318	233	37%	1,022	937
Profit for the period	250	184	36%	795	729
Earnings per share before dilution, SEK	0.90	0.65	38%	2.85	2.60
Earnings per share after dilution, SEK	0.90	0.65	38%	2.85	2.60
Cash flow from operating activities per share, SEK	-	-		5.15	5.60
Return on equity, %	24	29		24	23
Equity ratio, %	35	34		35	35

All calculations of key figures for SEK per share has been restated to take the share split (4:1) completed in September 2020 into account.

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

# CEO'S COMMENTS

## FIRST QUARTER – A very good start to the new year

The market was very strong during the first quarter and the organic increase in sales amounted to 11 percent. A combination of continued high acquisition rate, good cost control and our companies having handled price increases from suppliers well has resulted in an earnings growth of 31 percent with favourable margins. As a result of the strong market situation, all business areas enjoyed good development over the quarter, even when taking generally favourable comparisons into account.

## MARKET TREND

Demand was very strong in most customer segments and geographies. Demand is partly strengthened by the current situation with global component shortages and extended lead times, leading many customers to build safety stocks as a consequence. The high growth also comes with some challenges, in the form of a strained supply chain, and higher prices for raw materials and transportation. Sales of input components to manufacturing companies in special vehicles and the mechanical industry increased sharply and have now returned to pre-pandemic levels. The market situation remained favourable in wind power and electronics, while the situation was stable in infrastructure products for rebuilding and expanding national and regional grids, as well as for medical technology products. Demand for aftermarket products for the manufacturing industry rose and the rate of investment in the forest and sawmill industries remained strong. The marine sector remained weak, while we saw a positive development in electricity-related products from building and installation customers.

From a geographical perspective, the market situation in Sweden, Denmark and Finland was highly favourable and we also observed a positive trend in Norway. Our operations outside the Nordic region, which were impacted hardest during the pandemic, generally experienced a significantly better market situation during the quarter.

## ACQUISITIONS

During the beginning of the financial year, acquisition activity was high in all business areas. During the quarter we completed four acquisitions, adding total annual sales of approximately SEK 300 million. Following the end of the quarter, we have signed agreements for four more acquisitions, three of which have been completed. With a strong balance sheet and an attractive pipeline of ongoing projects, we perceive favourable opportunities for continuing to maintain a good acquisition pace also in the future.

## OUTLOOK

We leave the first quarter with a very good order backlog and we generally expect demand to persist, but to settle at a high level as the global supply chains stabilise. We also estimate that cost levels will gradually rise as the level of activity among companies increases. Our decentralised model, where the companies' drive and proximity to customers and suppliers is absolutely crucial, and the fact that we hold very good positions in structurally driven areas of development, make me feel highly confident that Addtech will continue to generate profitable growth over the rest of the financial year.

Niklas Stenberg  
President and CEO



# GROUP DEVELOPMENT

## Sales development

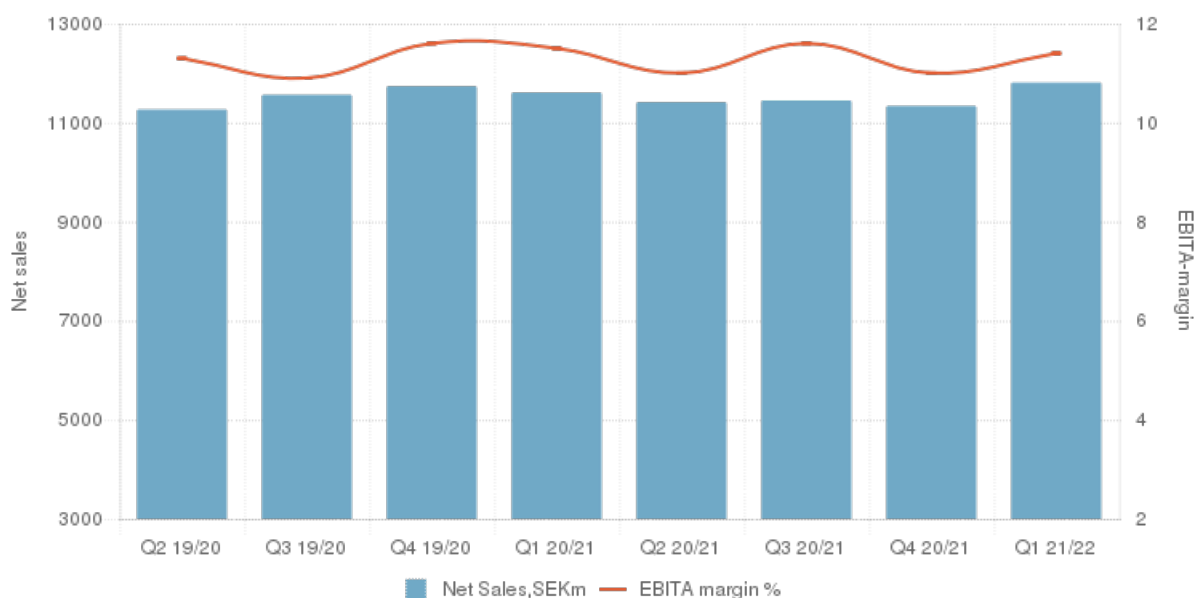
Net sales in the Addtech Group increased during the period by 17 percent to SEK 3,279 million (2,805). The organic growth amounted to 11 percent and acquired growth amounted to 8 percent. Exchange rate changes had a negative effect of 2 percent on net sales, corresponding to SEK 61 million.

## Profit development

EBITA for the period amounted to SEK 402 million (306), representing an increase of 31 percent. Operating profit increased during the period by 37 percent to SEK 332 million (243) and the operating margin amounted to 10.1 percent (8.7). Net financial items were SEK -14 million (-10) and profit after financial items increased by 37 percent to SEK 318 million (233).

Profit after tax for the period increased by 36 percent to SEK 250 million (184) and the effective tax rate amounted to 21 percent (21). Earnings per share before/after dilution for the period amounted to SEK 0.90 (0.65). For the latest twelve month period, earnings per share before/after dilution amounted to SEK 2.85 (3.00).

## Net sales and EBITA margin, rolling 12 months



# DEVELOPMENT IN THE BUSINESS AREAS

## AUTOMATION

Net sales in Automation increased by 13 percent to SEK 657 million (583) and EBITA increased by 38 percent to SEK 69 million (50).

### Market

The Automation business area enjoyed very good demand in all segments of significance to the business area, such as the engineering industry, medical technology, the defence industry and in data and telecom. Sales increased sequentially over the quarter and growth was favourable even compared to last year which was only marginally impacted by the pandemic. The market situation was favourable in all geographies with the strongest recovery being seen in the units outside the Nordic region, which were also the units hit hardest by shutdowns last year.

## COMPONENTS

Net sales in Components increased by 16 percent to SEK 574 million (496) and EBITA increased by 31 percent to SEK 66 million (50).

### Market

The Components business area experienced a very strong start to the year, with comparisons of the totals being largely relevant as numerous positive effects of the pandemic affected the outcome in the preceding year. The market situation was highly favourable in Denmark, Finland and Sweden during the quarter, and it developed positively in Norway too. Demand was favourable in important customer segments, such as the engineering industry, special vehicles, medical technology, wind power and electronics.

## ENERGY

Net sales in Energy increased by 2 percent to SEK 700 million (683) and EBITA increased by 11 percent to SEK 90 million (81).

### Market

It was a good first quarter for the Energy business area. The market situation in infrastructure products for the rebuilding and expansion of national and regional grids was stable at a high level, although the delivery of new projects decreased from very high levels, as expected. In wind power, demand remained favourable and the market situation was beneficial for the units active in sales of niche products for power distribution, as well as in building and installation.

## INDUSTRIAL PROCESS

Net sales in Industrial Process increased by 23 percent to SEK 823 million (669) and EBITA increased by 56 percent to SEK 114 million (73).

### Market

The Industrial Process business area experienced a good start to the new financial year, even when taking into account that large parts of the operations were impacted severely negatively by the pandemic in the preceding financial year. The business situation was highly favourable in the engineering industry, special vehicles and the process industry as a whole. Demand for forest industry projects remained favourable while activity remained low for the companies exposed to the marine segment.

## POWER SOLUTIONS

Net sales in Power Solutions increased by 39 percent to SEK 529 million (381) and EBITA increased by 50 percent to SEK 75 million (50).

### Market

The business area Power Solutions as a whole had a very positive development in the first quarter, even when taking into account that large parts of the operations were impacted severely negatively by the pandemic in the preceding financial year. The business situation for products in special vehicles was highly favourable and demand continued to increase, while it remained stable in wind power. The market situation was favourable for the companies operating in power supply and in customised battery solutions.

# OTHER FINANCIAL INFORMATION

## Profitability, financial position and cash flow

The return on equity at the end of the period was 24 percent (29), and return on capital employed was 16 percent (19). Return on working capital P/WC (EBITA in relation to working capital) amounted to 56 percent (54).

At the end of the period the equity ratio amounted to 35 percent (34). Equity per share, excluding non-controlling interest, totalled SEK 12.60 (11.00). The Group's net debt at the end of the period amounted to SEK 2,877 million (2,855), excluding pension liabilities of SEK 336 million (328). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions amounted to 0.8 (0.9).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 1,999 million (1,949) at 30 June 2021.

Cash flow from operating activities amounted to SEK 208 million (324) during the period. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 261 million (730). Investments in non-current assets totalled SEK 14 million (16) and disposal of non-current assets amounted to SEK 3 million (1). Repurchase of call options amounted to SEK 3 million (0) and exercised call options totalled SEK 7 million (17).

## Employees

At the end of the period, the number of employees was 3,230 compared to 3,133 at the beginning of the financial year. During the period, completed acquisitions resulted in an increase of the number of employees by 100. The average number of employees in the latest 12-month period was 3,109.

## 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	12,885,744	128,857,440	4.7%	33.1%
Class B shares, 1 vote per share	259,908,240	259,908,240	95.3%	66.9%
<b>Total number of shares before repurchases</b>	<b>272,793,984</b>	<b>388,765,680</b>	<b>100.0%</b>	<b>100.0%</b>
Repurchased class B shares	-3,451,272		1.3%	0.9%
<b>Total number of shares after repurchases</b>	<b>269,342,712</b>			

Addtech has three outstanding call option programmes for a total of 3,400,000 shares. Call options issued on repurchased shares entail a dilution effect of about 0.4 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	Exercise price per option	Exercise price per share	Expiration period
2020/2024	250,000	1,000,000	0.4%	538.10	134.53	4 Sep 2023 - 5 Jun 2024
2019/2023	300,000	1,200,000	0.4%	321.80	80.45	5 Sep 2022 - 2 Jun 2023
2018/2022	300,000	1,200,000	0.4%	232.90	58.23	6 Sep 2021 - 3 Jun 2022
<b>Total</b>	<b>850,000</b>	<b>3,400,000</b>				

## Acquisitions and disposals

On 1 April, ESi Controls Ltd., Great Britain, was acquired to become part of the Power Solutions business area. ESi (Energy Saving Innovative) Controls is a UK based company designing and delivering energy efficient electronic controls for heating and smart building applications. ESi Controls Ltd. has sales of approximately GBP 8 million and has 15 employees.

On 1 April, Hydro-Material Oy, Finland, was acquired to become part of the Components business area. Hydro-Material delivers hydraulic solutions and cooling systems to primarily the market segments special vehicles and the manufacturing industry. Hydro-Material Oy has sales of approximately EUR 5 million and 5 employees.

On 3 May IETV Elektroteknik AB, Sweden, was acquired to become part of the Energy business area. IETV Elektroteknik AB is a knowledge company that offers qualified services in power supply to railways, hydropower and industry. IETV Elektroteknik AB has 38 employees and has annual sales of approximately SEK 80 million.

On 11 May, AVT Industriteknik AB, Sweden, was acquired to become part of the Automation business area. AVT designs and manufactures industrial automation equipment primarily for the manufacturing, pharma and automotive industry. The offering includes electrical and mechanical design, programming of PLC and industrial robots, vision technology, installation and service. The company has 42 employees and sales of around SEK 70 million.

Acquisitions completed as of the 2020/2021 financial year are distributed among the Group's business areas as follows:

Acquisitions 2020/2021	Closing	Net sales, SEKm*	Number of employees*	Business Area
Elkome Group Oy, Finland	April, 2020	85	38	Automation
Peter Andersson AB, Sweden	April, 2020	30	9	Energy
Valutec Group AB, Sweden	April, 2020	350	45	Industrial Process
Fluidcontrol Oy, Finland	September, 2020	41	20	Components
Kaptas Oy, Finland	September, 2020	41	27	Automation
Elsystem i Perstorp AB, Sweden	September, 2020	40	18	Automation
Martin Bruusgaard AS, Norway	September, 2020	108	30	Industrial Process
Satco Komponent AB, Sweden	October, 2020	18	2	Components
Skyltar & Märken Gruppen AB, Sweden	October, 2020	60	23	Energy
OF-Beteiligungs AG, Switzerland	December, 2020	170	35	Power Solutions
Powernor AS, Norway	January, 2021	35	6	Power Solutions
Synective Labs AB, Sweden	January, 2021	30	27	Automation
Impact Air Systems Ltd. and Impact Technical Services Ltd., Great Britain	January, 2021	95	33	Industrial Process
Fairfield Trading Company Ltd., Great Britain	March, 2021	37	8	Power Solutions
Acquisitions 2021/2022	Closing	Net sales, SEKm*	Number of employees*	Business Area
ESi Controls Ltd., Great Britain	April, 2021	95	15	Power Solutions
Hydro-Material Oy, Finland	April, 2021	50	5	Components
IETV Elektroteknik AB, Sweden	May, 2021	80	38	Energy
AVT Industriteknik AB, Sweden	May, 2021	70	42	Automation
EK Power Solutions AB, Sweden	July, 2021	40	25	Components
KZ moder AB, Sweden	July, 2021	100	29	Industrial Process
Finnchain Oy, Finland	July, 2021	70	20	Industrial Process
Tritech Solutions AB, Sweden	August, 2021	60	8	Automation

\* Avser bedömd situation på helårsbasis vid förvärvstidpunkten.

If all acquisitions which have taken effect during the period had been completed on 1 April 2021, their impact would have been an estimated SEK 75 million on Group net sales, about SEK 9 million on operating profit and about SEK 7 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 53 million. The contingent purchase considerations fall due for payment within three years and the outcome is subject to a maximum of SEK 64 million.

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

Revaluation of contingent consideration had a negative net effect of SEK 4 million (0) during the period. The impact on profits are reported under Other operating income and Other operating expenses, respectively.

According to the preliminary acquisitions analyses, the assets and liabilities included in the acquisitions were as follows, during the period:

SEKm	Carrying amount at acquisition date	Adjustment to fair value	Fair value
Intangible non-current assets	-	140	140
Other non-current assets	3	-	3
Inventories	54	-	54
Other current assets	151	-	151
Deferred tax liability/tax asset	-2	-28	-30
Other liabilities	-85	-	-85
<b>Acquired net assets</b>	<b>121</b>	<b>112</b>	<b>233</b>
Goodwill <sup>1)</sup>			140
Non-controlling interests <sup>2)</sup>			-
<b>Consideration <sup>3)</sup></b>			<b>373</b>
Less: cash and cash equivalents in acquired businesses			-71
Less: consideration not yet paid			-102
<b>Effect on the Group's cash and cash equivalents</b>			<b>200</b>

*1) Goodwill is justified by expected future sales trend and profitability as well as the personnel included in the acquired companies.*

*2) Non-controlling interests have been measured at fair value, which entails that goodwill is also reported for non-controlling interests.*

*3) The consideration is stated excluding acquisition expenses.*

## Parent Company

Parent Company net sales amounted to SEK 16 million (18) and profit after financial items was SEK -5 million (4). Net investments in non-current assets were SEK 0 million (0). The Parent Company's net financial assets were SEK 39 million (-346) at the end of the period.

# OTHER DISCLOSURES

## **Accounting policies**

The interim report has been prepared in accordance with IFRS as adopted by the EU, with IAS 34 Interim Financial Reporting being applied. Apart from in the financial statements and their accompanying notes, disclosures in accordance with IAS 34.16A also appear in other parts of the interim report. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the Securities Market Act, which is in accordance with the provisions of RFR 2 Accounting for Legal Entities.

In the interim report, the same accounting principles and bases of calculation have been applied as in the most recent annual report. The new and revised IFRS standards and IFRIC statements that come into force as of the 2021/2022 financial year have had no material effect on the Group's financial reports.

## **Governmental support measures**

Those governmental support measures that have been received or will be received as an effect of the COVID-19 pandemic will be recognized in the income statement when it is reasonably certain that the conditions for receiving the support have been met or will be met. These grants are recognised under other operating income or as a reduction in personnel expenses.

## **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 and reconciliation tables of the performance measures that Addtech uses, please see page 17-20.

## **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.

Please see section Risks and uncertainties (page 58-60) in the annual report for 2020/2021 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.



### **Events after the end of the period**

On 1 July, EK Power Solutions AB, Sweden, was acquired to become part of the Components business area. EK Power has a leading position in the development of power electronics and electric motor control. The customers are mainly high-tech OEM customers, primarily in the Nordic region, such as machine builders, special vehicles and defense. The company has 25 employees and sales of approximately SEK 40 million.

On 1 July, KZ moder AB ("KZ Group"), Sweden, was acquired to become part of the Industrial Process business area. KZ Group is a leading supplier of components, equipment and solutions for the water grid as well as treatment of water and wastewater, which reduce water leakage and unbilled water supply and control the quality of drinking water. KZ Group has 29 employees and sales of around SEK 100 million.

On 5 July, Finnchain Oy, Finland, was acquired to become part of the Industrial Process business area. Finnchain is a market leader in the design, manufacture and delivery of chain-driven sludge conveyor systems that optimize the cleaning of wastewater and desalination of seawater. Finnchain has 20 employees and sales of approximately EUR 7 million.

On 7 July, an agreement to acquire Trittech Solutions AB, Sweden, to become part of the Automation business area, was signed. Trittech Solutions delivers customized embedded computer systems, primarily to OEM-customers within industrial automation, medical technology, telecommunication and transportation. The company has 8 employees and sales of around SEK 60 million. The closing is estimated to take effect in August 2021.

Preliminary purchase price allocations have not yet been completed.

### **Stockholm July 16, 2021**

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 16 July 2021.

#### **Future information**

2021-08-26 Annual General Meeting 2021 will be held at IVA, Grev Turegatan 16, Stockholm at 2.00 p.m

2021-10-28 Interim report 1 April - 30 September 2021

2022-02-08 Interim report 1 April - 31 December 2021

2022-05-17 Year-end report 1 April 2021 - 31 March 2022

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## BUSINESS AREA

Net sales by business area	2021/2022		2020/2021		
	Quarterly data, SEKm				
	Q1	Q4	Q3	Q2	Q1
Automation	657	614	625	562	583
Components	574	534	498	487	496
Energy	700	593	657	633	683
Industrial Process	823	729	707	680	669
Power Solutions	529	462	398	365	381
Group items	-4	-5	-4	-4	-7
<b>Addtech Group</b>	<b>3,279</b>	<b>2,927</b>	<b>2,881</b>	<b>2,723</b>	<b>2,805</b>

EBITA by business area	2021/2022		2020/2021		
	Quarterly data, SEKm				
	Q1	Q4	Q3	Q2	Q1
Automation	69	77	58	60	50
Components	66	59	37	50	50
Energy	90	82	87	79	81
Industrial Process	114	52	86	77	73
Power Solutions	75	63	50	46	50
Group items	-12	2	-14	-6	2
<b>EBITA</b>	<b>402</b>	<b>335</b>	<b>304</b>	<b>306</b>	<b>306</b>
Depr. of intangible non-current assets	-70	-69	-66	-64	-63
– of which acquisitions	-67	-64	-62	-61	-60
<b>Operating profit</b>	<b>332</b>	<b>266</b>	<b>238</b>	<b>242</b>	<b>243</b>

Net sales	3 months		Rolling 12 months	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	31 Mar 2021
SEKm				
Automation	657	583	2,458	2,384
Components	574	496	2,093	2,015
Energy	700	683	2,583	2,566
Industrial Process	823	669	2,939	2,785
Power Solutions	529	381	1,754	1,606
Group items	-4	-7	-17	-20
<b>Addtech Group</b>	<b>3,279</b>	<b>2,805</b>	<b>11,810</b>	<b>11,336</b>

EBITA and EBITA margin	3 months				Rolling 12 months			
	30 Jun 2021		30 Jun 2020		30 Jun 2021		31 Mar 2021	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Automation	69	10.4	50	8.5	264	10.7	245	10.3
Components	66	11.5	50	10.2	212	10.1	196	9.7
Energy	90	12.9	81	11.9	338	13.1	329	12.8
Industrial Process	114	13.8	73	10.9	329	11.2	288	10.3
Power Solutions	75	14.2	50	13.1	234	13.3	209	13.0
Group items	-12		2		-30		-16	
<b>EBITA</b>	<b>402</b>	<b>12.3</b>	<b>306</b>	<b>10.9</b>	<b>1,347</b>	<b>11.4</b>	<b>1,251</b>	<b>11.0</b>
Depr. of intangible non-current assets	-70		-63		-269		-262	
– of which acquisitions	-67		-60		-254		-247	
<b>Operating profit</b>	<b>332</b>	<b>10.1</b>	<b>243</b>	<b>8.7</b>	<b>1,078</b>	<b>9.1</b>	<b>989</b>	<b>8.7</b>

## DISAGGREGATION OF REVENUE

Net sales by the subsidiaries geographical location		3 months 30 Jun 2021					
SEKm	Automation	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	204	218	236	309	270	-1	1,236
Denmark	154	156	175	102	30	-2	615
Finland	104	135	57	147	33	0	476
Norway	54	53	149	128	29	-1	412
Other Europe	134	7	73	113	137	0	464
Other countries	7	5	10	24	30	0	76
<b>Total</b>	<b>657</b>	<b>574</b>	<b>700</b>	<b>823</b>	<b>529</b>	<b>-4</b>	<b>3,279</b>

Net sales by the subsidiaries geographical location		3 months 30 Jun 2020					
SEKm	Automation	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	158	201	237	232	238	-4	1,062
Denmark	141	130	147	119	23	-3	557
Finland	93	106	63	140	29	0	431
Norway	63	48	169	100	26	0	406
Other Europe	121	5	56	44	50	-	276
Other countries	7	6	11	34	15	0	73
<b>Total</b>	<b>583</b>	<b>496</b>	<b>683</b>	<b>669</b>	<b>381</b>	<b>-7</b>	<b>2,805</b>

## CONSOLIDATED INCOME STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	31 Mar 2021
Net sales	3,279	2,805	11,810	11,336
Cost of sales	-2,275	-1,959	-8,179	-7,863
<b>Gross profit</b>	<b>1,004</b>	<b>846</b>	<b>3,631</b>	<b>3,473</b>
Selling expenses	-501	-447	-1,897	-1,843
Administrative expenses	-175	-150	-662	-637
Other operating income and expenses	4	-6	6	-4
<b>Operating profit</b>	<b>332</b>	<b>243</b>	<b>1,078</b>	<b>989</b>
- as % of net sales	10.1	8.7	9.1	8.7
Financial income and expenses	-14	-10	-56	-52
<b>Profit after financial items</b>	<b>318</b>	<b>233</b>	<b>1,022</b>	<b>937</b>
- as % of net sales	9.7	8.3	8.7	8.3
Income tax expense	-68	-49	-227	-208
<b>Profit for the period</b>	<b>250</b>	<b>184</b>	<b>795</b>	<b>729</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the Parent Company	243	179	770	706
Non-controlling interests	7	5	25	23
Earnings per share before dilution, SEK	0.90	0.65	2.85	2.60
Earnings per share after dilution, SEK	0.90	0.65	2.85	2.60
Average number of shares after repurchases, '000s	269,291	268,789	269,176	269,051
Number of shares at end of the period, '000s	269,343	269,022	269,343	269,275

The number of shares has been restated to take the share split (4:1) completed in September 2020 into account, and has been used in all calculations of key figures for SEK per share.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

SEKm	3 months		Rolling 12 months	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	31 Mar 2021
<b>Profit for the period</b>	<b>250</b>	<b>184</b>	<b>795</b>	<b>729</b>
<i>Components that will be reclassified to profit for the year</i>				
Cash flow hedges	-2	-1	-4	-3
Foreign currency translation differences for the period	-74	-158	-58	-142
<i>Components that will not be reclassified to profit for the year</i>				
Actuarial effects of the net pension obligation	-	-	15	15
<b>Other comprehensive income</b>	<b>-76</b>	<b>-159</b>	<b>-47</b>	<b>-130</b>
<b>Total comprehensive income</b>	<b>174</b>	<b>25</b>	<b>748</b>	<b>599</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Parent Company	168	23	725	580
Non-controlling interests	6	2	23	19

## CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	30 Jun 2021	30 Jun 2020	31 Mar 2021
Goodwill	2,845	2,442	2,727
Other intangible non-current assets	1,827	1,673	1,769
Property, plant and equipment	957	900	1,008
Other non-current assets	59	61	60
<b>Total non-current assets</b>	<b>5,688</b>	<b>5,076</b>	<b>5,564</b>
Inventories	1,878	1,765	1,661
Current receivables	2,351	2,020	2,161
Cash and cash equivalents	524	453	420
<b>Total current assets</b>	<b>4,753</b>	<b>4,238</b>	<b>4,242</b>
<b>Total assets</b>	<b>10,441</b>	<b>9,314</b>	<b>9,806</b>
<b>Total equity</b>	<b>3,627</b>	<b>3,150</b>	<b>3,450</b>
Interest-bearing provisions	336	328	336
Non-interest-bearing provisions	398	371	388
Non-current interest-bearing liabilities	2,228	1,972	2,056
Non-current non-interest-bearing liabilities	8	4	9
<b>Total non-current liabilities</b>	<b>2,970</b>	<b>2,675</b>	<b>2,789</b>
Non-interest-bearing provisions	54	52	56
Current interest-bearing liabilities	1,173	1,336	1,162
Current non-interest-bearing liabilities	2,617	2,101	2,349
<b>Total current liabilities</b>	<b>3,844</b>	<b>3,489</b>	<b>3,567</b>
<b>Total equity and liabilities</b>	<b>10,441</b>	<b>9,314</b>	<b>9,806</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	30 Jun 2021	30 Jun 2020	31 Mar 2021
<b>Opening balance</b>	<b>3,450</b>	<b>3,076</b>	<b>3,076</b>
Exercised, issued and repurchased options	4	17	25
Dividend, ordinary	-	-	-269
Dividend, non-controlling interests	-1	-	-4
Change non-controlling interests	-	130	158
Option debt, acquisition	-	-98	-135
Total comprehensive income	174	25	599
<b>Closing balance</b>	<b>3,627</b>	<b>3,150</b>	<b>3,450</b>

## CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	31 Mar 2021
Profit after financial items	318	233	1,022	937
Adjustment for items not included in cash flow	131	129	553	551
Income tax paid	-77	-60	-337	-320
Changes in working capital	-164	22	149	335
<b>Cash flow from operating activities</b>	<b>208</b>	<b>324</b>	<b>1,387</b>	<b>1,503</b>
Net investments in non-current assets	-11	-15	-75	-79
Acquisitions and disposals	-261	-730	-750	-1,219
<b>Cash flow from investing activities</b>	<b>-272</b>	<b>-745</b>	<b>-825</b>	<b>-1,298</b>
Dividend paid to shareholders	-	-	-269	-269
Repurchase of own shares/change of options	4	17	12	25
Other financing activities	178	513	-229	106
<b>Cash flow from financing activities</b>	<b>182</b>	<b>530</b>	<b>-486</b>	<b>-138</b>
<b>Cash flow for the period</b>	<b>118</b>	<b>109</b>	<b>76</b>	<b>67</b>
Cash and cash equivalents at beginning of period	420	363	453	363
Exchange differences on cash and cash equivalents	-14	-19	-5	-10
<b>Cash and cash equivalents at end of period</b>	<b>524</b>	<b>453</b>	<b>524</b>	<b>420</b>

## FAIR VALUES ON FINANCIAL INSTRUMENTS

SEKm	30 Jun 2021			31 Mar 2021		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives - fair value, hedge instruments	0	0	-	2	2	-
Derivatives - fair value through profit	4	4	-	2	2	-
<b>Total financial assets at fair value per level</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>
Derivatives - fair value, hedge instruments	6	6	-	3	3	-
Derivatives - fair value through profit	6	6	-	4	4	-
Contingent considerations - fair value through profit	264	-	264	267	-	267
<b>Total financial liabilities at fair value per level</b>	<b>276</b>	<b>12</b>	<b>264</b>	<b>274</b>	<b>7</b>	<b>267</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	30 Jun 2021	31 Mar 2021
<b>Opening balance</b>	<b>267</b>	<b>151</b>
Acquisitions during the year	53	170
Reversed through profit or loss	4	9
Consideration paid	-60	-64
Interest expenses	2	9
Exchange differences	-2	-8
<b>Closing balance</b>	<b>264</b>	<b>267</b>

## KEY FINANCIAL INDICATORS

	12 months ending				
	30 Jun 2021	31 Mar 2021	30 Jun 2020	31 Mar 2020	31 Mar 2019
Net sales, SEKm	11,810	11,336	11,606	11,735	10,148
EBITDA, SEKm	1,601	1,501	1,557	1,579	1,137
EBITA, SEKm	1,347	1,251	1,329	1,364	1,085
EBITA-margin, %	11.4	11.0	11.5	11.6	10.7
Operating profit, SEKm	1,078	989	1,112	1,161	910
Operating margin, %	9.1	8.7	9.6	9.9	9.0
Profit after financial items, SEKm	1,022	937	1,052	1,105	865
Profit for the period, SEKm	795	729	831	873	672
Working capital	2,395	2,416	2,448	2,415	2,029
Return on working capital (P/WC), %	56	52	54	56	53
Return on equity, %	24	23	29	32	29
Return on capital employed, %	16	15	19	21	21
Equity ratio, %	35	35	34	36	36
Net debt, incl pensions, SEKm	3,213	3,134	3,183	2,585	1,960
Net debt, incl pensions / equity ratio, multiple	0.9	0.9	1.0	0.8	0.8
Net debt, incl pensions / EBITDA, multiple	2.0	2.1	2.0	1.6	1.7
Net debt excl. pensions, SEKm	2,877	2,798	2,855	2,253	1,700
Net debt, excl pensions / equity ratio, multiple	0.8	0.8	0.9	0.7	0.7
Interest coverage ratio, multiple	17.4	15.8	18.7	20.5	22.1
Average number of employees	3,109	3,068	2,959	2,913	2,590
Number of employees at end of the period	3,230	3,133	3,022	2,981	2,759

## KEY FINANCIAL INDICATORS PER SHARE

SEK	12 months ending				
	30 Jun 2021	31 Mar 2021	30 Jun 2020	31 Mar 2020	31 Mar 2019
Earnings per share before dilution	2.85	2.60	3.00	3.20	2.45
Earnings per share after dilution	2.85	2.60	3.00	3.20	2.45
Cash flow from operating activities per share	5.15	5.60	4.40	4.15	1.95
Shareholders' equity per share	12.60	11.95	11.00	11.25	9.20
Share price at the end of the period	142.00	130.00	93.60	61.13	48.25
Average number of shares after repurchases, '000s	269,176	269,051	268,578	268,493	268,187
Average number of shares adjusted for repurchases and dilution, '000s	270,192	269,969	269,213	269,200	268,755
Number of shares outstanding at end of the period, '000s	269,343	269,275	269,022	268,594	268,228

The number of shares has been restated to take the share split (4:1) completed in September 2020 into account, and has been used in all calculations of key figures for SEK per share.

For definitions of key financial indicators, see page 17-19.

## PARENT COMPANY INCOME STATEMENT

SEKm	3 months		Rolling 12 months	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	31 Mar 2021
Net sales	16	18	56	58
Administrative expenses	-23	-16	-80	-73
<b>Operating profit/loss</b>	<b>-7</b>	<b>2</b>	<b>-24</b>	<b>-15</b>
Interest income and expenses and similar items	2	2	393	393
<b>Profit after financial items</b>	<b>-5</b>	<b>4</b>	<b>369</b>	<b>378</b>
Appropriations	-	-	260	260
<b>Profit before taxes</b>	<b>-5</b>	<b>4</b>	<b>629</b>	<b>638</b>
Income tax expense	1	-1	-50	-52
<b>Profit for the period</b>	<b>-4</b>	<b>3</b>	<b>579</b>	<b>586</b>
<b>Total comprehensive income</b>	<b>-4</b>	<b>3</b>	<b>579</b>	<b>586</b>

## PARENT COMPANY BALANCE SHEET

SEKm	30 Jun 2021	30 Jun 2020	31 Mar 2021
Intangible non-current assets	1	1	1
Property, plant and equipment	0	0	0
Non-current financial assets	4,394	3,679	4,243
<b>Total non-current assets</b>	<b>4,395</b>	<b>3,680</b>	<b>4,244</b>
Current receivables	528	466	819
Cash and bank balances	-	3	-
<b>Total current assets</b>	<b>528</b>	<b>469</b>	<b>819</b>
<b>Total assets</b>	<b>4,923</b>	<b>4,149</b>	<b>5,063</b>
Restricted equity	69	69	69
Unrestricted equity	779	457	779
<b>Total equity</b>	<b>848</b>	<b>526</b>	<b>848</b>
Untaxed reserves	211	131	211
Provisions	13	15	14
Non-current liabilities	1,846	1,462	1,618
Current liabilities	2,005	2,015	2,372
<b>Total equity and liabilities</b>	<b>4,923</b>	<b>4,149</b>	<b>5,063</b>



# DEFINITIONS

## **Return on equity<sup>1 2</sup>**

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

*Return on equity measures the return generated on owners' invested capital.*

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

EBITA divided by working capital.

*P/WC is used to analyse profitability and is a measure that encourages high EBITA and low working capital requirements, see the reconciliation table on page 20.*

## **Return on capital employed<sup>1</sup>**

Profit after financial items plus financial expenses as a percentage of capital employed. The components are calculated as the average of the last 12 months.

*Return on capital employed shows the Group's profitability in relation to externally financed capital and equity, see the reconciliation table on page 20.*

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

Operating profit before amortisation of intangible assets.

*EBITA is used to analyse the profitability generated by operating activities, see reconciliation table on page 20.*

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

EBITA as a percentage of net sales.

*EBITA margin is used to show the degree of profitability in operating activities.*

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

Operating profit before depreciation and amortisation.

*EBITDA is used to analyse the profitability generated by operating activities, see reconciliation table on page 20.*

## **Equity per share<sup>1</sup>**

Equity divided by number of shares outstanding at the reporting period's end.

*This measures how much equity is attributable to each share and is published to make it easier for investors to conduct analyses and make decisions.*

## **Financial net debt<sup>1</sup>**

The net of interest-bearing debt and provisions minus cash and cash equivalents.

*Net debt is used to monitor changes in debt, analyse the Group indebtedness and its ability to repay its debts using liquid funds generated from the Group's operating activities if all debt fell due for repayment today and any necessary refinancing.*

## **Financial net debt/EBITDA<sup>1</sup>**

Net financial debt divided by EBITDA.

*Net financial debt compared with EBITDA provides a performance measure for net debt in relation to cash-generating earnings in the business, i.e. it gives an indication of the business' ability to repay its debts. This measure is generally used by financial institutions to measure creditworthiness.*

## **Financial items<sup>1</sup>**

Financial income minus financial costs.

*Used to describe changes in the Group's financial activities.*

## **Acquired growth<sup>1</sup>**

Changes in net sales attributable to business acquisitions compared with the same period last year.

*Acquired growth is used as a component to describe the change in consolidated net sales in which acquired growth is distinguished from organic growth, divestments and exchange rate effects, see reconciliation table on page 20.*

**Cash flow from operating activities per share<sup>1</sup>**

Cash flow from operating activities, divided by the average number of outstanding shares after repurchase.

*This measure is used so investors can easily analyse the size of the surplus generated per share from operating activities.*

**Net investments in non-current assets<sup>1</sup>**

Investments in non-current assets minus sales of non-current assets.

*This measure is used to analyse the Group's investments in renewing and developing property, plant and equipment.*

**Net debt excluding pensions<sup>1</sup>**

The net of interest-bearing debt and provisions excluding pensions minus cash and cash equivalents.

*A measure used to analyse financial risk, see reconciliation table on page 20.*

**Net debt excluding pensions/ equity ratio<sup>1 2</sup>**

Net debt excluding pensions divided by shareholders' equity.

*A measure used to analyse financial risk, see reconciliation table on page 20.*

**Organic growth<sup>1</sup>**

Changes in net sales excluding currency effects, acquisitions and divestments compared with the same period last year.

*Organic growth is used to analyse underlying sales growth driven by change in volumes, product range and price for similar products between different periods, see reconciliation table on page 20.*

**Profit after financial items<sup>1</sup>**

Profit/loss for the period before tax.

*Used to analyse the business' profitability including financial activities.*

**Earnings per share (EPS)**

Shareholders' share of profit for the period after tax, divided by the weighted average number of shares during the period.

**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 in the event of outstanding options being used.

**Interest coverage ratio<sup>1</sup>**

Earnings after net financial items plus interest expenses and bank charges divided by interest expenses and bank charges.

*This performance indicator measures the Group's capacity through its business operations and financial income to generate a sufficiently large surplus to cover its financial costs, see reconciliation table on page 20.*

**Working capital<sup>1</sup>**

Working capital (WC) is measured through an annual average defined as inventories plus accounts receivable less accounts payable.

*Working capital is used to analyse how much working capital is tied up in the business, see reconciliation table on page 20.*

**Operating margin<sup>1</sup>**

Operating profit as a percentage of net sales.

*This measure is used to specify the percentage of sales that is left to cover interest and tax, and to provide a profit, after the company's costs have been paid.*

**Operating profit<sup>1</sup>**

Operating income minus operating expenses.

*Used to describe the Group's earnings before interest and tax.*

**Debt/equity ratio<sup>1 2</sup>**

Financial net liabilities divided by equity.

*A measure used to analyse financial risk.*

**Equity ratio<sup>1 2</sup>**

Equity as a percentage of total assets.

*The equity/assets ratio is used to analyse financial risk and show the percentage of assets that are funded with equity.*

**Capital employed<sup>1</sup>**

Total assets minus non-interest-bearing liabilities and provisions.

*Capital employed shows the size of the company's assets that have been lent out by the company's owners or that have been lent out by lenders, see reconciliation table on page 20.*

**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.

## RECONCILIATION TABLES ALTERNATIVE PERFORMANCE MEASURES

EBITA and EBITDA Addtech Group, SEKm	12 months ending				
	30 Jun 2021	31 Mar 2021	30 Jun 2020	31 Mar 2020	31 Mar 2019
Operating profit (EBIT)	1,078	989	1,112	1,161	910
Amortization, intangible assets (+)	269	262	217	203	175
<b>EBITA</b>	<b>1,347</b>	<b>1,251</b>	<b>1,329</b>	<b>1,364</b>	<b>1,085</b>
Depreciation, tangible assets (+)	254	250	228	215	52
<b>EBITDA</b>	<b>1,601</b>	<b>1,501</b>	<b>1,557</b>	<b>1,579</b>	<b>1,137</b>

Working capital and return on working capital (P/WC)					
Addtech Group, SEKm	30 Jun 2021	31 Mar 2021	30 Jun 2020	31 Mar 2020	31 Mar 2019
EBITA (12 months rolling)	1,347	1,251	1,329	1,364	1,085
Inventory, yearly average (+)	1,746	1,722	1,643	1,594	1,304
Accounts receivables, yearly average (+)	1,773	1,756	1,843	1,854	1,542
Accounts payables, yearly average (-)	1,124	1,062	1,038	1,033	817
<b>Working capital (average)</b>	<b>2,395</b>	<b>2,416</b>	<b>2,448</b>	<b>2,415</b>	<b>2,029</b>
<b>Return on working capital (R/RK) (%)</b>	<b>56%</b>	<b>52%</b>	<b>54%</b>	<b>56%</b>	<b>53%</b>

Acquired- and organic growth Addtech Group	3 months				12 months			
	30 Jun 2021		30 Jun 2020		30 Jun 2021		31 Mar 2021	
<b>Acquired growth (SEKm,%)</b>	<b>225</b>	<b>(8%)</b>	<b>130</b>	<b>(4%)</b>	<b>904</b>	<b>(8%)</b>	<b>809</b>	<b>(7%)</b>
<b>Organic growth (SEKm,%)</b>	<b>313</b>	<b>(11%)</b>	<b>-212</b>	<b>(-7%)</b>	<b>-381</b>	<b>(-3%)</b>	<b>-906</b>	<b>(-8%)</b>
Divestments (SEKm,%)	-3	(0%)	-1	(0%)	-6	(0%)	-4	(0%)
Exchange rate effect (SEKm,%)	-61	(-2%)	-46	(-1%)	-313	(-3%)	-298	(-2%)
<b>Total growth (SEKm,%)</b>	<b>474</b>	<b>(17%)</b>	<b>-129</b>	<b>(-4%)</b>	<b>204</b>	<b>(2%)</b>	<b>-399</b>	<b>(-3%)</b>

Interest coverage ratio Addtech Group	12 months ending				
	30 Jun 2021	31 Mar 2021	30 Jun 2020	31 Mar 2020	31 Mar 2019
Profit after financial items, SEKm	1,022	937	1,052	1,105	865
Interest expenses and bank charges, SEKm (+)	62	63	60	57	41
Total	1,084	1,000	1,112	1,162	906
<b>Interest coverage ratio, multiple</b>	<b>17.4</b>	<b>15.8</b>	<b>18.7</b>	<b>20.5</b>	<b>22.1</b>

Net debt excl. pensions and net debt, excl pensions/equity ratio Addtech Group	12 months ending				
	30 Jun 2021	31 Mar 2021	30 Jun 2020	31 Mar 2020	31 Mar 2019
Financial net debt, SEKm	3,213	3,134	3,183	2,585	1,960
Pensions, SEKm (-)	-336	-336	-328	-332	-260
<b>Net debt excluding pensions, SEKm</b>	<b>2,877</b>	<b>2,798</b>	<b>2,855</b>	<b>2,253</b>	<b>1,700</b>
Equity, SEKm	3,627	3,450	3,150	3,076	2,520
<b>Net debt to Equity ratio (excluding pensions), multiple</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>

Capital employed and return on capital employed					
Addtech Group, SEKm	30 Jun 2021	31 Mar 2021	30 Jun 2020	31 Mar 2020	31 Mar 2019
Profit after financial items	1,022	937	1,052	1,105	865
Financial expenses (+)	98	93	82	79	62
Profit after financial items plus financial expenses	1,120	1,030	1,134	1,184	927
Total assets, yearly average (+)	9,696	9,309	8,380	7,926	6,324
Non-interest-bearing liabilities, yearly average (-)	-2,247	-2,153	-1,995	-1,947	-1,604
Non-interest-bearing provisions, yearly average (-)	-437	-413	-383	-379	-378
<b>Capital employed</b>	<b>7,012</b>	<b>6,743</b>	<b>6,002</b>	<b>5,600</b>	<b>4,342</b>
<b>Return on capital employed, %</b>	<b>16%</b>	<b>15%</b>	<b>19%</b>	<b>21%</b>	<b>21%</b>



## This is Addtech

Addtech is a Swedish, listed technical solutions group that combines the flexibility and speed of a small company with the resources of a large company. We acquire, own and develop independent subsidiaries that sell various high-tech products and solutions to customers, primarily within industry and infrastructure. With in-depth expertise in a number of different niches, our subsidiaries generate added technical, financial and sustainable value for customers and suppliers alike, thus helping increase the efficiency and competitiveness of all involved. We currently own some 140 companies in 20 countries, and have a long history of sustainable, profitable growth.

### Our vision

We are to be the leader in value-creating technical solutions for a sustainable tomorrow, perceived as the most skilled and long-term partner of our customers, suppliers and employees.

### Business concept in brief

Addtech offers high-tech products and solutions for companies in the manufacturing and infrastructure sectors. Addtech contributes added technical and financial value by being a skilled and professional partner for customers and manufacturers.

### We build shareholder value through:

- our 140 subsidiaries and their capacity to generate earnings growth
- corporate governance that ensures the companies achieve even better results and development
- acquisitions that bring in new employees, customers and suppliers

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