

INTERIM REPORT 1 APRIL - 30 JUNE 2019

FIRST QUARTER

- **Net sales** increased by 22 percent and amounted to SEK 2,934 million (2,395).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 31 percent and amounted to SEK 341 million (260) corresponding to an EBITA-margin of 11.6 percent (10.9).
- **Operating profit** increased by 32 percent and amounted to SEK 292 million (221) corresponding to an operating margin of 10.0 percent (9.2).
- **Profit after tax** increased by 40 percent and amounted to SEK 226 million (162) and **earnings per share before dilution** amounted to SEK 3.35 (2.35). For the most recent 12-month period, earnings per share before dilution amounted to SEK 10.85 (7.95).
- **Return on working capital (P/WC)** amounted to 54 percent (53).
- **Return on equity** amounted to 31 percent (27).
- **The equity ratio** amounted to 35 percent (39).
- **Cash flow from operating activities** amounted to SEK 253 million (52). For the most recent 12-month period, cash flow per share from operating activities amounted to SEK 10.30 (7.55).
- During the period, we have completed six acquisitions, of which one after the end of the period, with total annual sales of about SEK 540 million.

All figures in this report may have been affected by the introduction of IFRS 16 Leases. Read more about how Addtech has applied this new standard, and how the introduction affects the figures and other information presented in the report under Other information on page 8.

SEKm	3 months		Rolling 12 months		
	30 Jun 2019	30 Jun 2018	Δ	30 Jun 2019	31 Mar 2019
Net sales	2,934	2,395	22%	10,687	10,148
EBITA	341	260	31%	1,165	1,085
EBITA-margin %	11.6	10.9		10.9	10.7
Profit after financial items	286	205	40%	947	865
Profit for the period	226	162	40%	737	672
Earnings per share before dilution, SEK	3.35	2.35	43%	10.85	9.85
Earnings per share after dilution, SEK	3.35	2.35	43%	10.80	9.80
Cash flow from operating activities per share, SEK	-	-		10.30	7.80
Return on equity, %	31	27		31	29
Equity ratio, %	35	39		35	36

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

CEO'S COMMENTS

FIRST QUARTER - A GOOD START TO THE NEW YEAR

Over all, the new financial year is off to a good start, particularly taking into account the strong comparison figures from the preceding year and this year's Easter in April. Good organic growth of 12 percent generated excellent earnings growth and stronger margins. All of the business areas hold favourable positions and continue to experience good market conditions. In particular, we have succeeded to take good positions in segments with continuously very good growth. In some areas, however, we are now experiencing that the strong tailwind has abated.

MARKET DEVELOPMENT - VARYING CIRCUMSTANCES

The business climate has been favourable in most customer segments and geographies, while the circumstances in the market have more clearly begun to vary. In particular, demand for production components for the mechanical industry has shown signs of evening out at a high level, as has demand in the special vehicles segment. A partial explanation for this is the long lead times previously occurring for certain components. These leadtimes were reduced in early 2019, resulting in decreased demand during the quarter, despite of continued high production rate.

The marine segment has continued to grow strongly, and accounts for just over half of the Group's organic growth in the first quarter. Demand for our products and services regarding environmental improvement solutions, has been very strong and is now expected to remain at this high level for at least the remainder of the financial year.

From a geographical perspective, our best market situation was in Norway and Finland. Our sales in Sweden and Denmark were stable and our operations outside the Nordic region continued to perform well. However, our units in the UK continue to experience some uncertainty due to Brexit.

ACQUISITIONS

We acquired five companies during the quarter, together contributing annual sales of about SEK 530 million. With our sound finances and strong pipeline with a favourable spread in terms of both on geography and segments, we see good opportunities for further acquisitions.

OUTLOOK - CONTINUED FOCUS ON DEVELOPMENT AREAS

Our business model, with a mix of trade products, customised products and solutions and proprietary brands, represents a very important part of our success. This mix affords us flexibility with regard to customers' needs and decreases our risks. In recent years, we have seen a shift in this mix. As shown in the model presented in our recently published annual report for the 2018/2019 financial year, our proprietary products and customised solutions now account for approximately 65 percent of our business, while 35 percent consists of trade products. Trade products will always be an important part of our business. At the same time, the trend confirms that we are really succeeding in adding increasing value for our customers and that our investments in proprietary products and brands have been successful.

Looking ahead, we generally expect demand to persist, although evening out at a high level. External uncertainty affects us as it does everyone else, although, in the longer-term perspective, we still perceive many business opportunities within structurally driven areas of development such as the environment and climate, infrastructure and Industry 4.0.

*Niklas Stenberg
President and CEO*



GROUP DEVELOPMENT

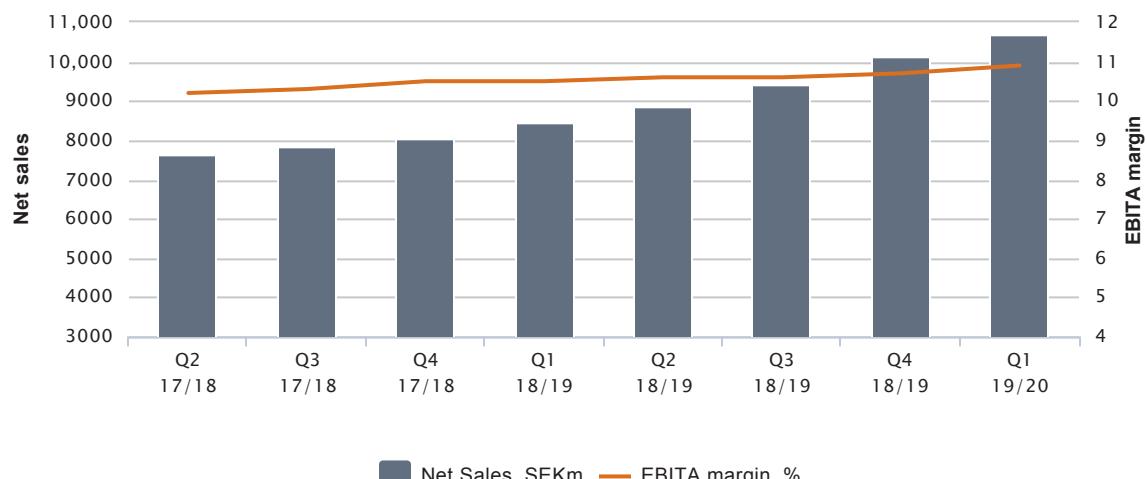
SALES DEVELOPMENT

Net sales in the Addtech Group increased during the period by 22 percent to SEK 2,934 million (2,395). The organic growth amounted to 12 percent, acquired growth amounted to 11 percent and disposal affected by -2 percent. Exchange rate changes had a positive effect of 1 percent on net sales, corresponding to SEK 37 million.

PROFIT DEVELOPMENT

EBITA for the period amounted to SEK 341 million, representing an increase of 31 percent. The introduction of IFRS 16 Leases had a negative impact on EBITA of SEK 1 million. Over the period, operating profit increased by 32 percent to SEK 292 million (221) and the operating margin amounted to 10.0 percent (9.2). Net financial items were negative in the amount of SEK 6 million (16), with the difference compared with the preceding year mainly being attributable to the revaluation of outstanding derivatives. The introduction of IFRS 16 Leases also affected net financial items negatively by SEK 2 million. Profit after financial items increased by 40 percent to SEK 286 million (205). Profit after tax for the period rose by 40 percent to SEK 226 million (162) and the effective tax rate was 21 percent (21). The effect of IFRS 16 on profit after tax amounted to a negative SEK 1 million. Earnings per share before dilution for the period amounted to SEK 3.35 (2.35).

Net sales and EBITA margin, rolling 12 months



DEVELOPMENT IN THE BUSINESS AREAS

AUTOMATION

Net sales in Automation increased by 25 percent to SEK 591 million (472) and EBITA increased by 23 percent to SEK 60 million (49).

Market

The Automation business area experienced a declining growth rate in underlying demand. Several acquisitions have contributed to volumes, while margins were affected somewhat negatively. For the business area's largest segments, mechanical industry and medical technology, involving deliveries of production components and automation solutions, the market situation remained favourable, although demand evened out at a high level. The data and telecommunications segment, with demand for fibre-optic components for communications networks in particular, was favourable.

COMPONENTS

Net sales in Components increased by 6 percent to SEK 504 million (474) and EBITA amounted to SEK 54 million (58).

Market

The market for production components remained at a stable level despite strong comparative figures from the preceding year. A reduction in the issue of long delivery times was reflected in somewhat lower demand in the first quarter, particularly in Sweden and Denmark. In Norway and Finland, the market situation remained favourable. Demand in mechanical industry and vehicles was stable with a somewhat lower rate of growth than previously. The business situation was good in the electronics industry, as well as in Energy (predominantly wind power), although this has been a period of fierce competition and pressured margins.

ENERGY

Net sales in Energy increased by 16 percent to SEK 619 million (535) and EBITA increased by 20 percent to SEK 67 million (56).

Market

In the business area's most important market segments, the business situation remained positive over the quarter. In the Nordic countries, demand for infrastructure products for national and regional grids remained high. Efforts to achieve a clearer customer focus and to enhance efficiency are continuing. The market situation for niche products in electricity distribution has been stable, although with somewhat slower growth. Cabling products for the manufacturing industry, as well as products for construction and installation, especially in public construction and industrial properties, experienced favourable demand.

INDUSTRIAL PROCESS

Net sales in Industrial Process increased by 62 percent to SEK 807 million (498) and EBITA increased by 107 percent to SEK 103 million (50).

Market

The business situation remained exceptionally strong in the marine segment with very strong demand and sales of products and services to environmental improvement solutions. Good leverage on organic growth had a positive impact on margins. The market situation in the manufacturing industry was favourable and there was good demand for products in the forest and process industry in all geographic markets.

POWER SOLUTIONS

Net sales in Power Solutions amounted to SEK 417 million (419) and EBITA increased by 14 percent to SEK 65 million (57).

Market

The business situation varied between different customer and product segments, although demand was generally stable compared with the first quarter last year. The companies in the business area's largest customer segment, special vehicles, experienced a slightly declining growth rate, at a very high level, in demand for control and ergonomics products. The market situation was favourable for customised batteries and wind power, and demand for products in power supply was stable.

OTHER FINANCIAL INFORMATION

PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

The return on equity at the end of the period was 31 percent (27), and return on capital employed was 21 percent (22). Return on working capital P/WC (EBITA in relation to working capital) amounted to 54 percent (53).

At the end of the period the equity ratio amounted to 35 percent (39). The implementation of IFRS 16 had a negative effect and increased the balance sheet total by SEK 530 million. Equity per share, excluding non-controlling interest, totalled SEK 40.60 (34.25). The Group's net debt at the end of the period amounted to SEK 2,282 million (1,246), excluding pension liabilities of SEK 313 million (229) including leasing liabilities from IFRS 16 totalling SEK 531 million. The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions but including leasing liabilities according to IFRS 16 totalled 0.8 (0.5).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 1,000 million (887) at 30 June 2019.

Cash flow from operating activities amounted to SEK 253 million (52) during the period, affected primarily from an increase of working capital mainly accounts receivables. The implementation of IFRS 16 has increased cash flow from operating activities by SEK 34 million and decreased cash flow from financing activities by the corresponding amount, on account of the fact that the amortization portion of lease payments is recognized as payments in the financing activities. Company acquisitions and divestments including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 249 million (140). Investments in non-current assets totalled SEK 33 million (13) and disposal of non-current assets amounted to SEK 2 million (1). Dividend from associated companies amounted to SEK 0 million (2). Repurchase of call options amounted to SEK 12 million (6) and the exercise of call options amounted to SEK 18 million (13).

EMPLOYEES

At the end of the period, the number of employees was 2,896, compared to 2,759 at the beginning of the financial year. During the period, completed acquisitions resulted in a net increase of the number of employees by 108. The average number of employees in the latest 12-month period was 2,697.

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
Repurchased class B shares	-993,418		1.5	1.0
Total number of shares after repurchases	67,205,078			

Addtech has three outstanding call option programmes for a total of 900,000 shares. Call options issued on repurchased shares entail a dilution effect of about 0.1 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	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
Total	900,000	900,000			

ACQUISITIONS AND DISPOSAL

On 1 April, Omni Ray AG, Switzerland, was acquired to become part of the Automation business area. Omni Ray AG is a Zürich-based technical trading company and service provider with a strong position on the Swiss market for automation solutions, mainly focused on industrial applications, infrastructure, transportation and medical industry. The company has a sales of about CHF 36 million and 65 employees.

On 1 April, Thurne Teknik AB, Sweden, was acquired to become part of the Industrial Process business area. Thurne Teknik is a leading supplier of components, equipment and advanced process systems to primarily the chemical and the pharmaceutical industry in the Nordic and Baltic regions. The company has sales of about SEK 100 million and 19 employees.

On 1 April, AB N.O. Rönne, Sweden, was acquired to become part of the Industrial Process business area. N.O.Rönne's main business is manufacturing of customized gaskets and seals by punching and cutting. The company has sales of about SEK 8 million and 4 employees.

On 6 May, Best Seating Systems Walter Tausch GmbH, Austria, was acquired to become part of the Power Solutions business area. The company is a niche player that supplies ergonomic driver's seats and peripheral components for trains, busses and off-highway machines in Central Europe. The company has sales of about EUR 2.1 million and 5 employees.

On 12 June, Thiims A/S, Denmark, was acquired to become part of the Automation business area. Thiims A/S develops and delivers components and solutions within the area of industrial communication, customized electronics and electro mechanics. The company has sales of around DKK 50 million and 15 employees.

Acquisitions completed as of the 2018/2019 financial year are distributed among the Group's business areas as follows:

Acquisitions (disposals)	Closing	Net sales, SEKm*	Number of employees*	Business Area
Synthecs Group, Netherlands**	April, 2018	145	50	Automation
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	Automation
TLS Energimätning AB, Sweden	July, 2018	50	9	Industrial Process
Diamond Point International (Europe) Ltd, Great Britain**	July, 2018	40	9	Automation
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
Omni Ray AG, Switzerland	April, 2019	330	65	Automation
Thurne Teknik AB, Sweden	April, 2019	100	19	Industrial Process
AB N.O. Rönne, Sweden	April, 2019	8	4	Industrial Process
Best Seating Systems Walter Tausch GmbH, Austria	May, 2019	23	5	Power Solutions
Thiim A/S, Denmark	June, 2019	70	15	Automation
Profelec Oy, Finland	July, 2019	6	2	Energy

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

**Previous to April 1, 2019, the company belonged to the Components business area.

If all acquisitions which have taken effect during the period had been completed on 1 April 2019, their impact would have been an estimated SEK 120 million on Group net sales, about SEK 2 million on operating profit and about SEK 1 million on profit after tax for the period.

Addtech normally employs an acquisition structure comprising basic purchase consideration and contingent purchase consideration. The outcome of contingent purchase considerations is determined by the future results achieved in the companies and is subject to a set maximum level. Of considerations not yet paid for acquisitions during the period, the discounted value amounts to SEK 25 million. The contingent purchase considerations fall due for payment within four years and the outcome is subject to a maximum of SEK 35 million. If the conditions are not fulfilled, the outcome may fall within the range of SEK 0-35 million.

Transaction costs for acquisitions that resulted in an ownership transfer during the period, amounted to SEK 2 million (2) and are reported under Selling expenses.

For acquisitions that resulted in an ownership transfer during the period, transaction costs totalled SEK 12 million (0) and 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	0	120	120
Other non-current assets	9	-	9
Inventories	56	-	56
Other current assets	92	-	92
Deferred tax liability/tax asset	0	-15	-15
Other liabilities	-68	-51	-119
Acquired net assets	89	54	143
Goodwill			118
Non-controlling interests			-3
Consideration ¹⁾			258
Less: cash and cash equivalents in acquired businesses			-14
Less: consideration not yet paid			-41
Effect on the Group's cash and cash equivalents			203

1) The consideration is stated excluding acquisition expenses.

PARENT COMPANY

Parent Company net sales amounted to SEK 15 million (15) and profit after financial items was SEK -3 million (-19). Net investments in non-current assets were SEK 0 million (0). The Parent Company's net financial asset was SEK 94 million (165) 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.

As of 1 January 2019, IFRS 16 Leases has replaced standard IAS 17 Leases and related interpretations IFRIC 4, SIC 15 and SIC 27. IFRS 16 requires most leases to be reported in the balance sheet.

Addtech applied the simplified transition method, entailing comparative data for previous periods not being presented. The lease liability consists of the discounted remaining leasing fees as of 1 April 2019. For all contracts, the right-of-use asset corresponds to an amount equivalent to the lease liability adjusted for prepaid or accrued lease payments recognised in the balance sheet on the initial date of application. Accordingly, the transition to IFRS 16 entailed no effect on equity.

Addtech's leases consist mainly of leased premises but also vehicles and other leases (of, for example, production equipment and office equipment). The transition to IFRS 16 entailed an increase in the Group's total assets through the addition of right-of-use assets and lease liabilities. The lease fees previously reported as operating expenses was replaced by depreciation expenses on the rights-of-use which are reported in operating profit and interest on the lease liability, which is reported as a financial expense. The lease fee is divided between amortisation on the lease liability and interest payments.

Addtech has chosen to apply the relief rule regarding leases of less than 12 months and for contracts where the underlying asset has a low value. Accordingly, these will not be included in the amounts reported in the balance sheet, although they will still be reported as operating expenses in the income statement. In assessing contract duration where there are opportunities for extension or termination, both business strategy and contract-specific conditions are considered in determining whether the Group is reasonably secure in applying them.

On the transition to IFRS 16, all remaining lease fees were calculated applying the margin loan rate. The transition effect on the balance sheet as of 1 April 2019 entailed right-of-use assets of SEK 550 million arising on the asset side. On the liability side, lease liabilities totalling SEK 550 million arose, of which non-current liabilities amounted to SEK 408 million and current liabilities to SEK 142 million.

During the first quarter 2019 IFRS 16 has entailed increased depreciation expenses on property, plant and equipment amounting to SEK 35 million and increased interest amounting to SEK 2 million. These were previously reported as operating expenses.

The performance based figures for rolling 12 months exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period. In the Group's balance sheet and the table of key financial indicators, performance based figures for rolling 12 months as well as assets and liabilities are also presented as if IFRS 16 was never applied to illustrate the effect of the transition.

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 17-21.

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, risks and uncertainty factors are the same as in previous periods, please see section Risks and uncertainties (page 38-40) in the annual report for 2018/2019 for further details. The Parent Company is indirectly affected by the above risks and uncertainty factors due to its role in the organisation.

TRANSACTIONS WITH RELATED PARTIES

No transactions between Addtech and related parties that have significantly affected the Group's position and earnings have taken place during the period.

SEASONAL EFFECTS

Addtech's sales of high-tech products and solutions in the manufacturing industry and infrastructure are not subject to major seasonal variations. The number of production days and customers' demand and willingness to invest can vary over the quarters.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On 3 July, Finland, Profelec Oy was acquired to become part of the Energy business area. Profelec is a leading supplier of professional electronics in Finland and Baltic States representing several international high value brands in the areas of Test & Measurement and System Components. The company has sales of about EUR 0.6 million and 2 employees.

Preliminary purchase price allocations has not yet been completed.

Stockholm, 12 July 2019

Niklas Stenberg
President and CEO

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 12 July 2019.

FUTURE INFORMATION

2019-08-29 The Annual General Meeting 2019
2019-09-19 Capital Markets Day
2019-10-24 Interim report 1 april - 30 september 2019
2020-02-05 Interim report 1 april - 31 december 2019
2020-05-13 Year-end report 1 april 2019 - 31 mars 2020

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BUSINESS AREAS

Net sales by business area		2019/2020			2018/2019			
Quarterly data, SEKm		Q1	Q4	Q3	Q2	Q1		
Automation	591	549	481	444	472			
Components	504	553	482	451	474			
Energy	619	644	607	571	535			
Industrial Process	807	707	603	497	498			
Power Solutions	417	414	384	380	419			
Group items	-4	-3	-6	-5	-3			
Addtech Group	2,934	2,864	2,551	2,338	2,395			
EBITA by business area		2019/2020			2018/2019			
Quarterly data, SEKm		Q1	Q4	Q3	Q2	Q1		
Automation	60	52	48	45	49			
Components	54	64	45	53	58			
Energy	67	70	54	64	56			
Industrial Process	103	71	48	50	50			
Power Solutions	65	54	56	56	57			
Parent Company and Group items	-8	-2	-5	2	-10			
EBITA	341	309	246	270	260			
Depr. of intangible non-current assets	-49	-49	-43	-44	-39			
– of which acquisitions	-47	-47	-42	-42	-38			
Operating profit	292	260	203	226	221			
Net sales		3 months		Rolling 12 months				
SEKm		30 Jun 2019	30 Jun 2018	30 Jun 2019	31 Mar 2019			
Automation		591	472	2,065	1,946			
Components		504	474	1,990	1,960			
Energy		619	535	2,441	2,357			
Industrial Process		807	498	2,614	2,305			
Power Solutions		417	419	1,595	1,597			
Group items		-4	-3	-18	-17			
Addtech Group		2,934	2,395	10,687	10,148			
EBITA and EBITA margin		3 months		Rolling 12 months				
		30 Jun 2019	30 Jun 2018	30 Jun 2019	31 Mar 2019			
		SEKm	%	SEKm	%	SEKm		
Automation	60	10.2	49	10.3	205	9.9	194	10.0
Components	54	10.7	58	12.3	215	10.8	220	11.2
Energy	67	10.9	56	10.4	255	10.5	244	10.4
Industrial Process	103	12.8	50	10.0	272	10.4	219	9.5
Power Solutions	65	15.7	57	13.7	231	14.5	223	14.0
Group items	-8	-10			-13		-15	
EBITA	341	11.6	260	10.9	1,165	10.9	1,085	10.7
Depr. of intangible non-current assets	-49	-39			-185		-175	
– of which acquisitions	-47	-38			-178		-169	
Operating profit	292	10.0	221	9.2	980	9.2	910	9.0

DISAGGREGATION OF REVENUE

SEKm	3 months							Addtech Group
	Automation	Components	Energy	Industrial Process	Power Solutions	Group items	30 Jun 2019	
Sweden	172	216	193	211	265	-1	1,056	
Denmark	127	139	145	167	23	-3	598	
Finland	100	96	48	146	28	0	418	
Norway	57	51	160	165	27	0	460	
Europe	133	2	72	62	49	0	318	
Other countries	2	0	1	56	25	0	84	
Total	591	504	619	807	417	-4	2,934	

SEKm	3 months							Addtech Group
	Automation	Components	Energy	Industrial Process	Power Solutions	Group items	30 Jun 2018	
Sweden	150	209	173	171	290	-1	992	
Denmark	123	133	94	133	8	-2	489	
Finland	95	80	40	59	28	0	302	
Norway	57	50	164	61	26	0	358	
Europe	45	2	64	59	47	-	217	
Other countries	2	0	0	15	20	0	37	
Total	472	474	535	498	419	-3	2,395	

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	30 Jun 2019	30 Jun 2018	30 Jun 2019	31 Mar 2019
Net sales	2,934	2,395	10,687	10,148
Cost of sales	-2,029	-1,650	-7,405	-7,025
Gross profit	905	745	3,282	3,123
Selling expenses	-459	-395	-1,741	-1,677
Administrative expenses	-171	-133	-603	-565
Other operating income and expenses	17	4	42	29
Operating profit	292	221	980	910
- as % of net sales	10.0	9.2	9.2	9.0
Financial income and expenses	-6	-16	-33	-45
Profit after financial items	286	205	947	865
- as % of net sales	9.7	8.6	8.9	8.5
Income tax expense	-60	-43	-210	-193
Profit for the period	226	162	737	672
Profit for the period attributable to:				
Equity holders of the Parent Company	224	159	726	660
Non-controlling interests	2	3	11	12
Earnings per share before dilution, SEK	3.35	2.35	10,85	9.85
Earnings per share after dilution, SEK	3.35	2.35	10.80	9.80
Average number of shares after repurchases, '000s	67,112	67,053	67,061	67,047
Number of shares at end of the period, '000s	67,205	67,135	67,205	67,057

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	3 months		Rolling 12 months	
	30 Jun 2019	30 Jun 2018	30 Jun 2019	31 Mar 2019
Profit for the period	226	162	737	672
Components that will be reclassified to profit for the year				
Cash flow hedges	1	0	1	0
Foreign currency translation differences for the period	26	50	13	37
Components that will not be reclassified to profit for the year				
Actuarial effects of the net pension obligation	-	-	-24	-24
Other comprehensive income	27	50	-10	13
Total comprehensive income	253	212	727	685
Total comprehensive income attributable to:				
Equity holders of the Parent Company	250	209	714	672
Non-controlling interests	3	3	13	13

CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	30 Jun 2019	30 Jun 2019*	30 Jun 2018	31 Mar 2019
Goodwill	1,896	1,896	1,540	1,767
Other intangible non-current assets	1,272	1,272	1,052	1,186
Property, plant and equipment	816	286	210	270
Financial non-current assets	57	57	33	45
Total non-current assets	4,041	3,511	2,835	3,268
Inventories	1,580	1,580	1,214	1,417
Current receivables	2,058	2,058	1,713	2,065
Cash and cash equivalents	233	233	223	295
Total current assets	3,871	3,871	3,150	3,777
Total assets	7,912	7,382	5,985	7,045
Total equity	2,782	2,783	2,349	2,520
Interest-bearing provisions	313	313	229	260
Non-interest-bearing provisions	361	361	329	353
Non-current interest-bearing liabilities	1,170	779	388	719
Non-current non-interest-bearing liabilities	3	3	12	12
Total non-current liabilities	1,847	1,456	958	1,344
Non-interest-bearing provisions	47	47	37	47
Current interest-bearing liabilities	1,345	1,205	1,081	1,277
Current non-interest-bearing liabilities	1,891	1,891	1,560	1,857
Total current liabilities	3,283	3,143	2,678	3,181
Total equity and liabilities	7,912	7,382	5,985	7,045

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	30 Jun 2019	30 Jun 2019*	30 Jun 2018	31 Mar 2019
Opening balance	2,520	2,520	2,131	2,131
Exercised, issued and repurchased options	6	6	7	22
Repurchase of treasury shares	-	-	-	-38
Dividend, ordinary	-	-	-	-269
Dividend, non-controlling interests	0	0	-1	-9
Change non-controlling interests	3	3	-	-2
Total comprehensive income	253	254	212	685
Closing balance	2,782	2,783	2,349	2,520

*The figures in the balance sheet exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	30 Jun 2019	30 Jun 2018	30 Jun 2019	31 Mar 2019
Profit after financial items	286	205	947	865
Adjustment for items not included in cash flow	74	69	199	229
Income tax paid	-45	-27	-248	-230
Changes in working capital	-62	-195	-207	-340
Cash flow from operating activities	253	52	691	524
Net investments in non-current assets	-31	-10	-101	-80
Acquisitions and disposals	-249	-140	-754	-645
Cash flow from investing activities	-280	-150	-855	-725
Dividend paid to shareholders	-	-	-269	-269
Repurchase of own shares/change of options	6	7	-17	-16
Other financing activities	-40	112	461	579
Cash flow from financing activities	-34	119	175	294
Cash flow for the period	-61	21	11	93
Cash and cash equivalents at beginning of period	295	192	223	192
Exchange differences on cash and cash equivalents	-1	10	-1	10
Cash and cash equivalents at end of period	233	223	233	295

FAIR VALUES ON FINANCIAL INSTRUMENTS

SEKm	30 Jun 2019			31 Mar 2019		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives - fair value, hedge instruments	4	4	-	2	2	-
Derivatives - fair value through profit	9	9	-	1	1	-
Total financial assets at fair value per level	13	13	-	3	3	-
Derivatives - fair value, hedge instruments	0	0	-	0	0	-
Derivatives - fair value through profit	3	3	-	2	2	-
Contingent considerations - fair value through profit	177	-	177	198	-	198
Total financial liabilities at fair value per level	180	3	177	200	2	198

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 2019	31 Mar 2019
Opening balance	198	215
Acquisitions during the year	24	84
Reversed through profit or loss	-12	-8
Consideration paid	-36	-105
Interest expenses	2	10
Exchange differences	1	2
Closing balance	177	198

KEY FINANCIAL INDICATORS

	12 months ending					
	30 Jun 2019*	30 Jun 2019**	31 Mar 2019	30 Jun 2018	31 Mar 2018	31 Mar 2017
Net sales, SEKm	10,687	10,687	10,148	8,438	8,022	7,178
EBITDA, SEKm	1,216	1,216	1,137	929	881	755
EBITA, SEKm	1,165	1,165	1,085	884	838	715
EBITA-margin, SEKm	10.9	10.9	10.7	10.5	10.5	10.0
Operating profit, SEKm	980	980	910	741	701	604
Operating margin, %	9.2	9.2	9.0	8.8	8.7	8.4
Profit after financial items, SEKm	947	947	865	693	665	580
Profit for the period, SEKm	737	737	672	545	526	450
Working capital	2,159	2,159	2,029	1,678	1,591	1,362
Return on working capital (P/WC), %	54	54	53	53	53	53
Return on equity, %	31	31	29	27	28	28
Return on capital employed, %	21	22	21	22	22	23
Equity ratio, %	35	38	36	39	39	39
Net debt, incl pensions, SEKm	2,595	2,064	1,960	1,475	1,405	1,011
Net debt, incl pensions / equity ratio, multiple	0.9	0.7	0.8	0.6	0.7	0.6
Net debt, incl pensions / EBITDA, multiple	2.1	1.7	1.7	1.6	1.6	1.3
Net debt excl. pensions, SEKm	2,282	1,751	1,700	1,246	1,176	801
Net debt, excl pensions / equity ratio, multiple	0.8	0.6	0.7	0.5	0.6	0.5
Interest coverage ratio, multiple	22.6	22.6	22.1	22.6	22.7	23.9
Average number of employees*	2,697	2,697	2,590	2,332	2,283	2,133
Number of employees at end of the period	2,896	2,896	2,759	2,449	2,358	2,176

*Performance based figures for rolling 12 months in the income statement exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period

**Performance based figures for rolling 12 months in the income statement as well as the figures in the balance sheet exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period

For definitions of key financial indicators, see page 20

KEY FINANCIAL INDICATORS PER SHARE

SEK	12 months ending				
	30 Jun 2019	31 Mar 2019	30 Jun 2018	31 Mar 2018	31 Mar 2017
Earnings per share before dilution	10.85	9.85	7.95	7.70	6.60
Earnings per share after dilution	10.80	9.80	7.90	7.65	6.55
Cash flow from operating activities per share	10.30	7.80	7.55	8.05	8.25
Shareholders' equity per share	40.60	36.80	34.25	31.10	25.45
Share price at the end of the period	282.00	193.00	198.20	168.00	148.50
Average number of shares after repurchases, '000s	67,061	67,047	66,982	66,950	66,824
Average number of shares adjusted for repurchases and dilution, '000s	67,157	67,189	67,136	67,178	67,008
Number of shares outstanding at end of the period, '000s	67,205	67,057	67,135	66,992	66,824

PARENT COMPANY INCOME STATEMENT

SEKm	3 months		Rolling 12 months	
	30 Jun 2019	30 Jun 2018	30 Jun 2019	31 Mar 2019
Net sales	15	15	62	62
Administrative expenses	-24	-25	-83	-84
Operating profit/loss	-9	-10	-21	-22
Interest income and expenses and similar items	6	-9	21	6
Profit after financial items	-3	-19	0	-16
Appropriations	-	-	278	278
Profit before taxes	-3	-19	278	262
Income tax expense	0	4	-63	-59
Profit for the period	-3	-15	215	203
 Total comprehensive income	 -3	 -15	 215	 203

PARENT COMPANY BALANCE SHEET

SEKm	30 Jun 2019	30 Jun 2018	31 Mar 2019
Property, plant and equipment	1	2	1
Non-current financial assets	2,902	2,973	2,988
Total non-current assets	2,903	2,975	2,989
Current receivables	639	132	821
Cash and bank balances	-	-	0
Total current assets	639	132	821
Total assets	3,542	3,107	3,810
 Equity	 663	 733	 659
Untaxed reserves	447	431	447
Provisions	16	15	15
Non-current liabilities	813	463	864
Current liabilities	1,603	1,465	1,825
Total equity and liabilities	3,542	3,107	3,810

DEFINITIONS

Return on equity²

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)¹

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.

Return on capital employed¹

Profit before tax 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 20-21.

EBITA¹

Operating profit before amortisation of intangible assets.

EBITA is used to analyse the profitability generated by operating activities, see reconciliation table on page 20-21.

EBITA-margin¹

EBITA as a percentage of net sales.

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

EBITDA¹

Operating profit before depreciation and amortisation.

EBITDA is used to analyse the profitability generated by operating activities, see reconciliation table on page 20-21.

Equity per share¹

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 debt¹

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/EBITDA¹

Net financial debt divided by EBTIDA.

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 items¹

Finance income minus finance costs.

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

Acquired growth¹

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 20-21.

Cash flow from operating activities per share¹

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 assets¹

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 pensions¹

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 20-21.

Net debt excluding pensions/ equity ratio^{1 2}

Net debt excluding pensions divided by shareholders' equity.

A measure used to analyse financial risk, see reconciliation table on page 20-21.

Organic growth¹

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 a change in volumes, product range and price for similar products between different periods, see reconciliation table on page 20-21.

Profit after financial items¹

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. 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 in the event of outstanding options being used.

Interest coverage ratio¹

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

This performance indicator measures the Group's capacity through its business operations and finance income to generate a sufficiently large surplus to cover its finance costs, see reconciliation table on page 20-21.

Working capital¹

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 20-21.

Operating margin¹

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 profit¹

Operating income minus operating expenses.

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

Debt/equity ratio^{1 2}

Financial net liabilities divided by equity.

A measure used to analyse financial risk.

Equity ratio^{1 2}

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 employed¹

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

Capital employed shows the size of the company's assets that have been lent to the company's owners or that have been lent out by lenders, see reconciliation table on page 20-21.

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.

RECONCILIATION TABLES ALTERNATIVE PERFORMANCE MEASURES

EBITA and EBITDA		12 months ending				
Addtech Group, SEKm		30 Jun 2019	31 Mar 2019	30 Jun 2018	31 Mar 2018	31 Mar 2017
Operating profit (EBIT)		980	910	741	701	604
Amortization, intangible assets (+)		185	175	143	137	111
EBITA		1,165	1,085	884	838	715
Depreciation, tangible assets (+)		51	52	45	43	40
EBITDA		1,216	1,137	929	881	755

Working capital and return on working capital (P/WC)		12 months ending				
Addtech Group, SEKm		30 Jun 2019	31 Mar 2019	30 Jun 2018	31 Mar 2018	31 Mar 2017
EBITA (12 months rolling)		1,165	1,085	884	838	715
Inventory, yearly average (+)		1,400	1,304	1,087	1,037	941
Accounts receivables, yearly average (+)		1,644	1,542	1,292	1,231	1,043
Accounts payables, yearly average (-)		885	817	701	677	622
Working capital (average)		2,159	2,029	1,678	1,591	1,362
Return on working capital (R/RK) (%)		54%	53%	53%	53%	53%

Acquired- and organic growth		3 months		12 months	
Addtech Group		30 Jun 2019	30 Jun 2018	30 Jun 2019	31 Mar 2019
Acquired growth (SEKm, %)		255 (11%)	192 (9%)	1,062 (13%)	999 (12%)
Organic growth (SEKm, %)		283 (12%)	172 (9%)	1,014 (12%)	903 (11%)
Divestments (SEKm, %)		-36 (-2%)	-22 (-1%)	-79 (-1%)	-65 (-1%)
Exchange rate effect (MSEK, %)		37 (1%)	74 (4%)	252 (3%)	289 (4%)
Total growth (SEKm, %)		539 (22%)	416 (21%)	2,249 (27%)	2,126 (26%)

Interest coverage ratio		12 months ending				
Addtech Group, SEKm		30 Jun 2019	31 Mar 2019	30 Jun 2018	31 Mar 2018	31 Mar 2017
Profit after financial items		947	865	693	665	580
Interest expenses and bank charges (+)		44	41	32	31	25
Total		991	906	725	696	605
Interest coverage ratio		22.6	22.1	22.6	22.7	23.9

Net debt excl. pensions and net debt, excl pensions/equity ratio		12 months ending					
Addtech Group, SEKm		30 Jun 2019*	30 Jun 2019**	31 Mar 2019	30 Jun 2018	31 Mar 2018	31 Mar 2017
Financial net debt		2,595	2,064	1,960	1,475	1,405	1,011
Pensions (-)		-313	-313	-260	-229	-229	-210
Net debt excluding pensions		2,282	1,751	1,700	1,246	1,176	801
Equity		2,782	2,783	2,520	2,345	2,131	1,741
Net debt to Equity ratio (excluding pensions)		0.8	0.6	0.7	0.5	0.6	0.5

Capital employed and return on capital employed		12 months ending					
Addtech Group, SEKm		30 Jun 2019*	30 Jun 2019*	31 Mar 2019	30 Jun 2018	31 Mar 2018	31 Mar 2017
Profit after financial items		947	947	865	693	665	580
Financial expenses (+)		56	56	62	80	71	39
Profit after financial items plus financial expenses		1,003	1,003	927	773	736	619
Total assets, yearly average (+)		6,800	6,694	6,324	5,290	4,996	4,143
Non-interest-bearing liabilities, yearly average (-)		-1,695	-1,695	-1,604	-1,377	-1,319	-1,167
Non-interest-bearing provisions, yearly average (-)		-388	-388	-378	-347	-335	-268
Capital employed		4,717	4,611	4,342	3,566	3,342	2,708
Return on capital employed, %		21%	22%	21%	22%	22%	23%

*Performance based figures for rolling 12 months in the income statement exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period

**Performance based figures for rolling 12 months in the income statement as well as the figures in the balance sheet exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period

INTERIM REPORT

1 APRIL - 30 JUNE 2019



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 2,900 employees in more than 130 subsidiaries that operate under their own brands. The Group has annual sales of more than SEK 10 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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