



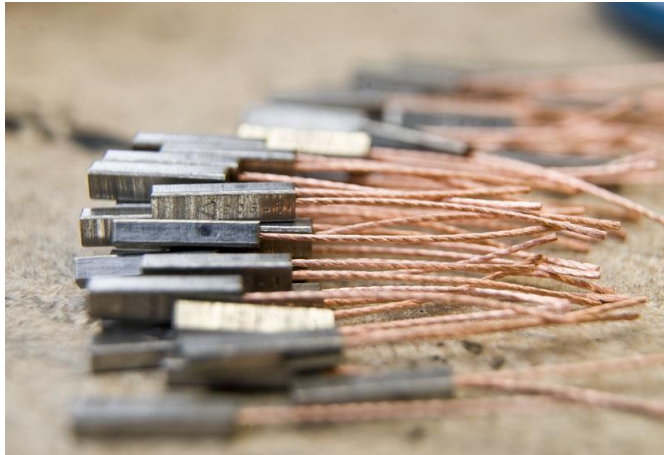
ADDTECH

INTERIM REPORT 1 APRIL – 30 JUNE 2021

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

A VERY GOOD START TO THE NEW YEAR

Net sales
3,279 SEKm, +17%



- Demand was very strong in most customer segments and geographies
- The high demand was partly strengthened by global component shortages and extended lead times
- Positive effects from good cost control and well handled price increases from suppliers
- Continued high acquisition activity with attractive pipeline of ongoing projects
- Demand expected to settle at high levels and cost levels will gradually rise as the level of activity among our companies increases



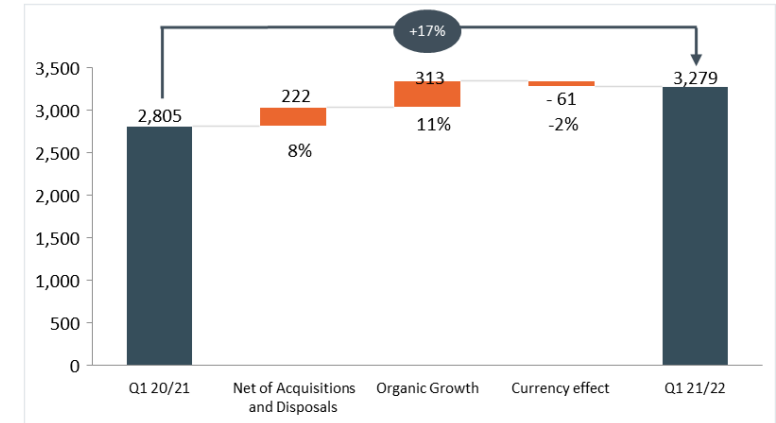
EBITA-margin
12.3%
From 10.9%

QUARTER 1: NET SALES

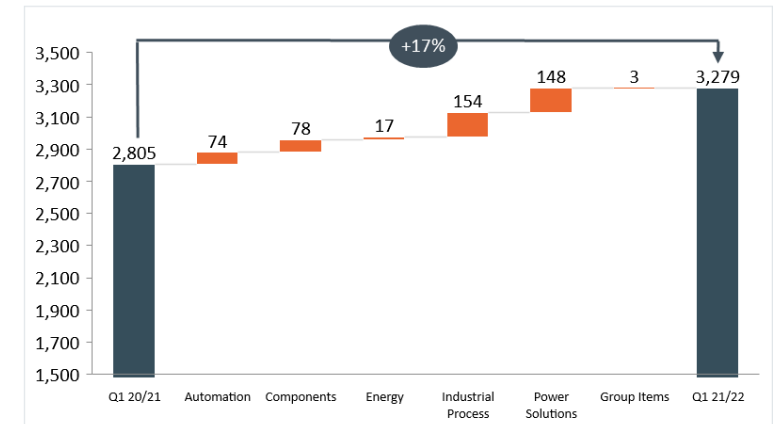
NET SALES INCREASED TO 3,279 SEKM (2,805), +17%

- The customer demand during the quarter has been very strong in most segments and geographies – partly strengthened by the global component shortages and extended lead times
- Sales of input components to manufacturing companies increased sharply and have now returned to pre-pandemic levels
- The rate of investment in the forest industry remained strong while the marine sector remained weak
- The market situation in Sweden, Denmark and Finland was highly favorable – positive trend in Norway
- Organic growth contributed 11 percent of total sales growth and the acquired by 8 percent

Net Sales Growth, SEK m



Net Sales Growth per Business Area, SEK m

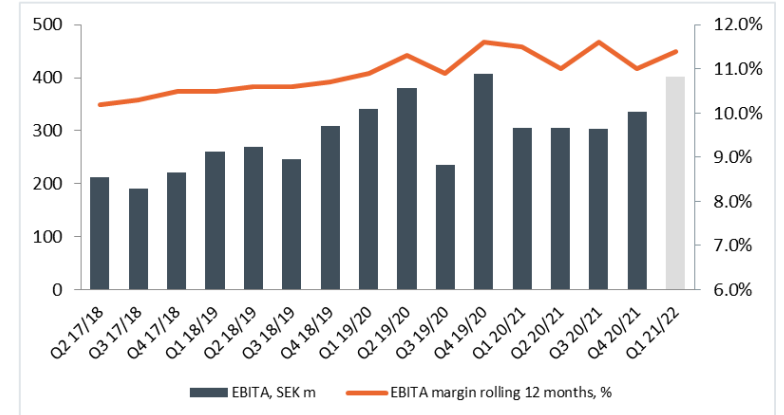


QUARTER 1: EBITA-DEVELOPMENT

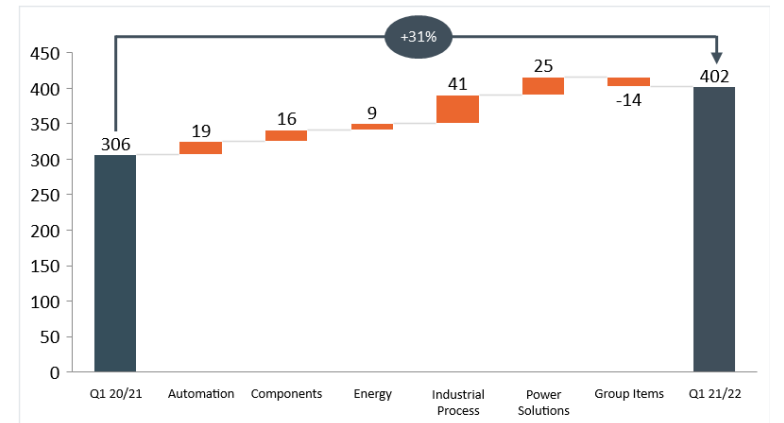
EBITA INCREASED TO 402 SEKM (306), +31%

- High organic sales growth, high acquisition rate, good cost control and well handled price increases from suppliers
- The EBITA-margin amounted to 12.3 percent, an increase of 1.4 percentage points compared to same period last year
- Operating profit increased by 37 percent to 332 SEKm (243)

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



EBITA Growth per business area, SEK m



AUTOMATION

QUARTER 1:

- Net sales increased by 13 percent to 657 SEKm (583)
- EBITA increased by 38 percent to 69 SEKm (50)
- A very good start to the year with sequential increase of net sales over the quarter
- Very good demand in all segments of significance such as the engineering industry, medical technology, the defence industry and in data and telecom
- The market situation was favourable in all geographies with the strongest recovery being seen in the units outside the Nordic region

	3 months ending			12 months ending	
	30 June 21	30 June 20	Δ	30 June 21	31 Mar 21
Net Sales, SEK m	657	583	13%	2,458	2,384
EBITA, SEK m	69	50	38%	264	245
EBITA-margin, %	10.4	8.5	–	10.7	10.3



AUTOMATION

● MOTION & DRIVES

● INDUSTRIAL IT & SENSORS

● FIBER-OPTIC COMMUNICATION



COMPONENTS

QUARTER 1:

- Net sales increased by 16 percent to 574 SEKm (496)
- EBITA increased by 31 percent to 66 SEKm (50)
- A very strong quarter for the business area with largely relevant comparative figures on the total
- Demand was favourable in important customer segments such as the engineering industry, special vehicles, medical technology, wind power and electronics
- The market situation was highly favourable in Denmark, Finland and Sweden and developed positively in Norway

	3 months ending			12 months ending	
	30 June 21	30 June 20	Δ	30 June 21	31 Mar 21
Net Sales, SEK m	574	496	16%	2,093	2,015
EBITA, SEK m	66	50	31%	212	196
EBITA-margin, %	11.5	10.2	–	10.1	9.7



COMPONENTS

- DENMARK
- FINLAND
- NORWAY
- SWEDEN

ENERGY

Kvartal 1:

- Net sales increased by 2 percent to 700 SEKm (683)
- EBITA increased by 11 percent to 90 SEKm (81)
- The market situation for infrastructure products for national and regional grids was stable at high levels - delivery of new projects in the segment decreased from very high levels
- 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

	3 months ending			12 months ending	
	30 June 21	30 June 20	Δ	30 June 21	31 Mar 21
Net Sales, SEK m	700	683	2%	2,583	2,566
EBITA, SEK m	90	81	11%	338	329
EBITA-margin, %	12.9	11.9	–	13.1	12.8



INDUSTRIAL PROCESS

Quarter 1:

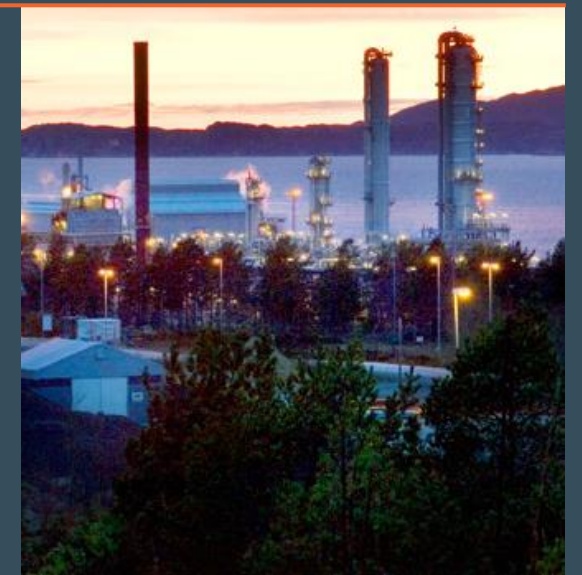
- Net sales increased by 23 percent to 823 SEKm (669)
- EBITA increased by 56 percent to 114 MSEK (73)
- Good start to the new financial year with the business situation being favourable in the engineering industry, special vehicles and the process industry
- Demand for forest industry projects remained favourable while activity levels remained low within the marine segment

	3 months ending			12 months ending	
	30 June 21	30 June 20	Δ	30 June 21	31 Mar 21
Net Sales, SEK m	823	669	23%	2,939	2,785
EBITA, SEK m	114	73	56%	329	288
EBITA-margin, %	13.8	10.9	–	11.2	10.3



INDUSTRIAL PROCESS

- PROCESS TECHNOLOGY
- INDUSTRIAL SOLUTIONS



POWER SOLUTIONS

QUARTER 1:

- Net sales increased by 39 percent to 529 SEKm (381)
- EBITA increased by 50 percent to 75 SEKm (50)
- Also adjusted for negative pandemic effects in the previous year, the business area's development was very positive during the quarter
- The business situation for special vehicles was very favourable and the demand continued to increase
- The market situation was favourable for the companies operating in power supply and customised battery solutions and stable for those active in wind power









	3 months ending			12 months ending	
	30 June 21	30 June 20	Δ	30 June 21	31 Mar 21
Net Sales, SEK m	529	381	39%	1,754	1,606
EBITA, SEK m	75	50	50%	234	209
EBITA-margin, %	14.2	13.1	–	13.3	13.0



POWER SOLUTIONS

- BATTERY SYSTEMS
- CUSTOMISED SOLUTIONS
- POWER SYSTEMS

FOUR ACQUISITIONS IN THE FIRST QUARTER

Förvärv	Affärsområde	Tillträde	Nettoomsättning, MSEK*	Antal anställda*
 ESi Controls Ltd.	Power Solutions	April, 2021	95	15
 Hydro-Material Oy	Components	April, 2021	50	5
 IETV Elektroteknik AB	Energy	May, 2021	80	38
 AVT Industriteknik AB	Automation	May, 2021	70	42
 EK Power Solutions AB	Components	July, 2021	40	25
 KZ moder AB	Industrial Process	July, 2021	100	29
 Finnchain Oy	Industrial Process	July, 2021	70	20
 Trittech Solutions AB	Automation	August, 2021	60	8

300 SEKm

Total annual turnover

100

New employees

After the end of the quarter, four more acquisitions were signed, of which three have been completed

With a strong balance sheet and an attractive pipeline of ongoing projects, we see good opportunities to maintain a high acquisition rate

FINANCIAL POSITION



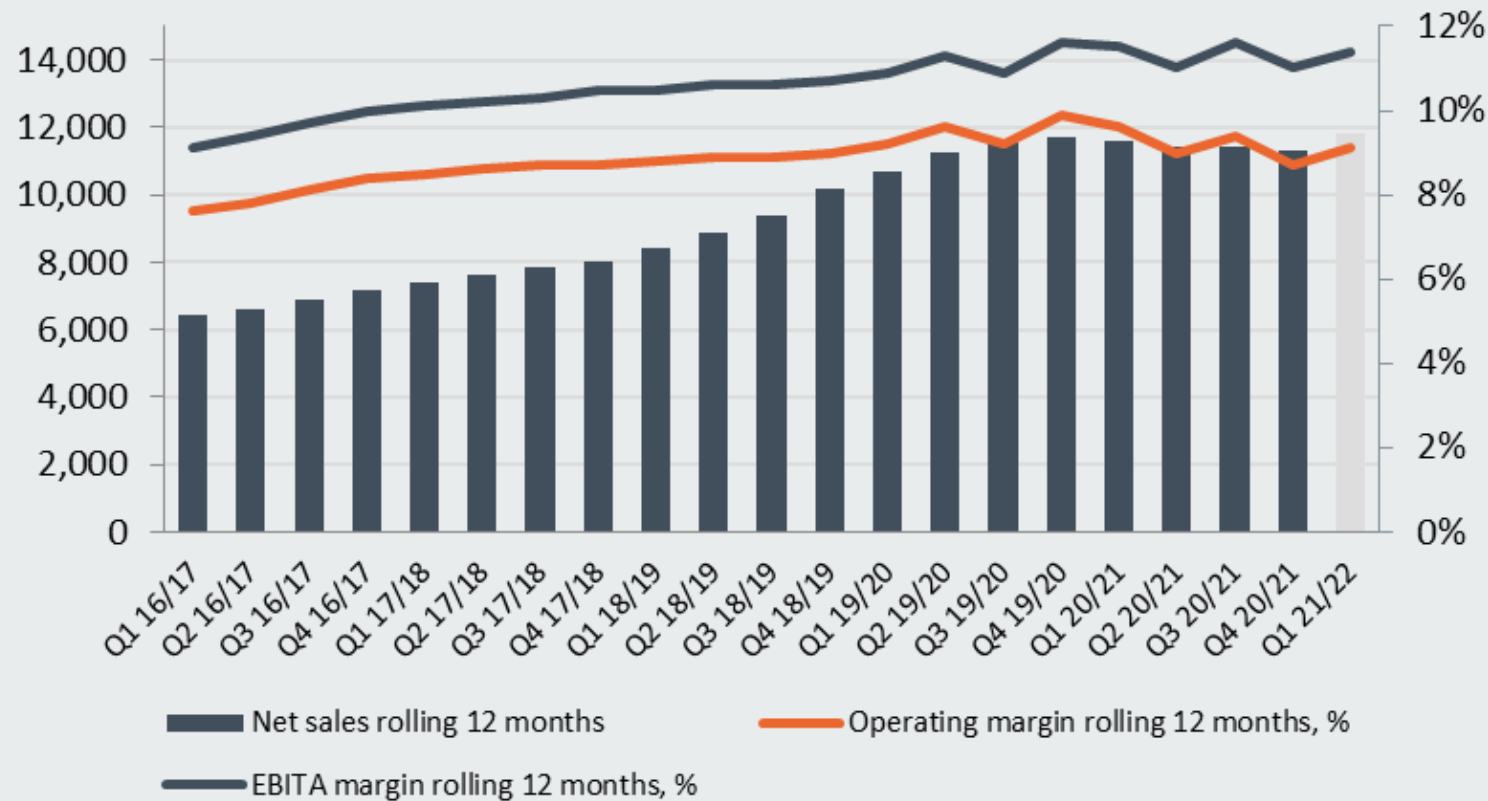
INCOME STATEMENT, CONDENSED

(SEKm)	3 months ending		12 months ending	
	30 June 21	30 June 20	30 June 21	31 Mar 20
Net Sales	3,279	2,805	11,810	11,336
Cost of sales & op. expenses	-2,951	-2,556	-10,738	-10,343
Other operating items	4	-6	6	-4
Operating profit	332	243	1,078	989
Financial income & expenses	-14	-10	-56	-52
Profit after financial items	318	233	1,022	937
Income tax expense	-68	-49	-227	-208
Net profit	250	184	795	729
Earnings per share, SEK	0.90	0.65	2.85	2.60
EBIT margin, %	10.1	8.7	9.1	8.7
EBITA margin, %	12.3	10.9	11.4	11.0

NET SALES & MARGIN

30/6 2021 R12	
Net Sales	11,810 Ksek
EBITA	1,347 kSEK
EBITA margin	11.4 %
Operating profit	1,078 kSEK
Operating margin	9.1 %

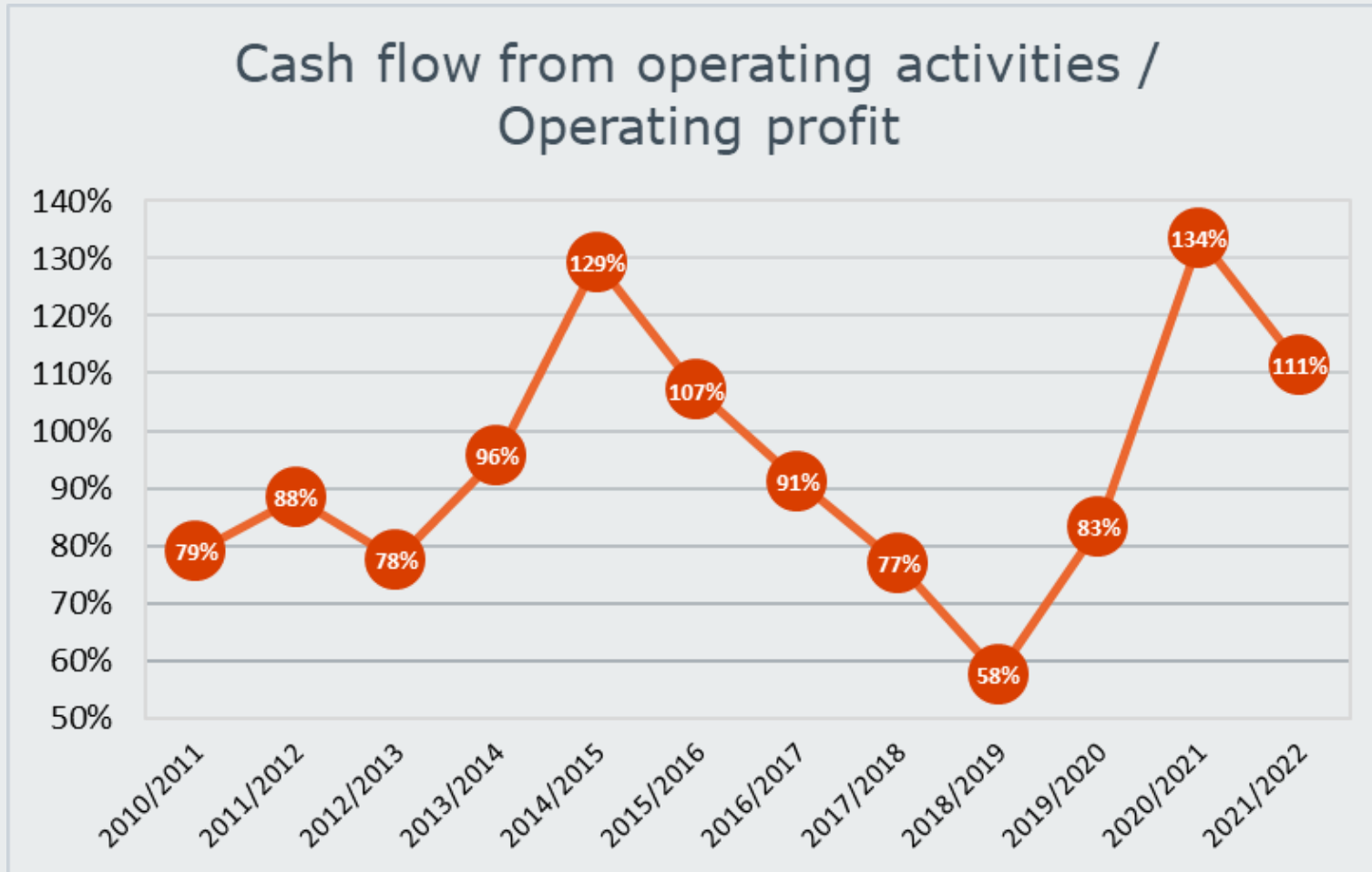
Net sales & margin, per quarter



CASH FLOW STATEMENT, CONDENSED

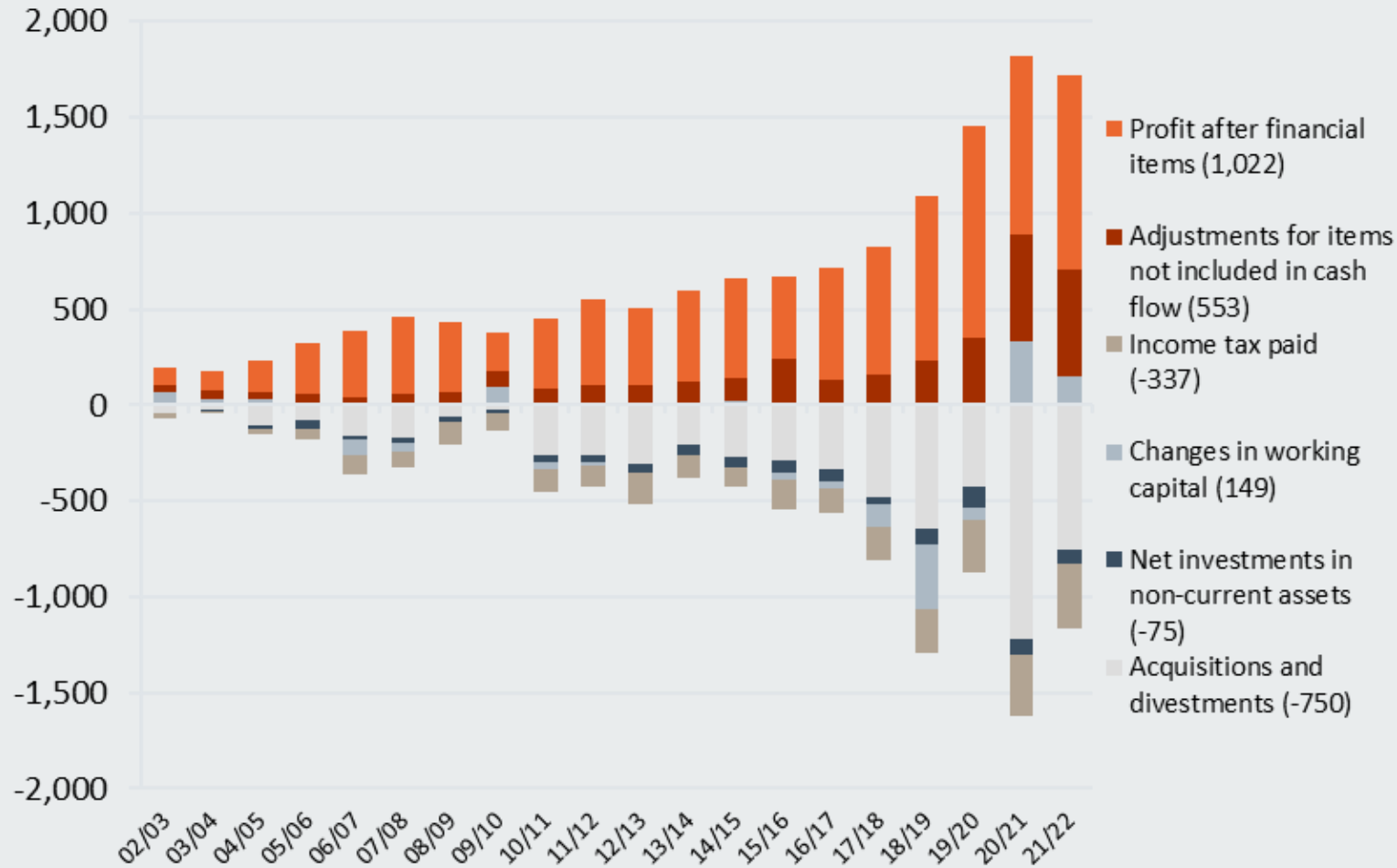
(SEKm)	3 months ending		12 months ending	
	30 June 21	30 June 20	30 June 21	31 Mar 21
Profit after financial items	318	233	1,022	937
Adj. for non cash items	131	129	553	551
Income tax paid	-77	-60	-337	-320
Changes in working capital	-164	22	149	335
Cash flow from operating activities	208	324	1,387	1,503
Net investment in non-current assets	-11	-15	-75	-79
Acquisitions and disposals	-261	-730	-750	-1,219
Dividend paid	-	-	-269	-269
Repurchase of own shares/options	4	17	12	25
Other financing activities	178	513	-229	106
Period's cash flow	118	109	76	67

CASH FLOW RECOVERY

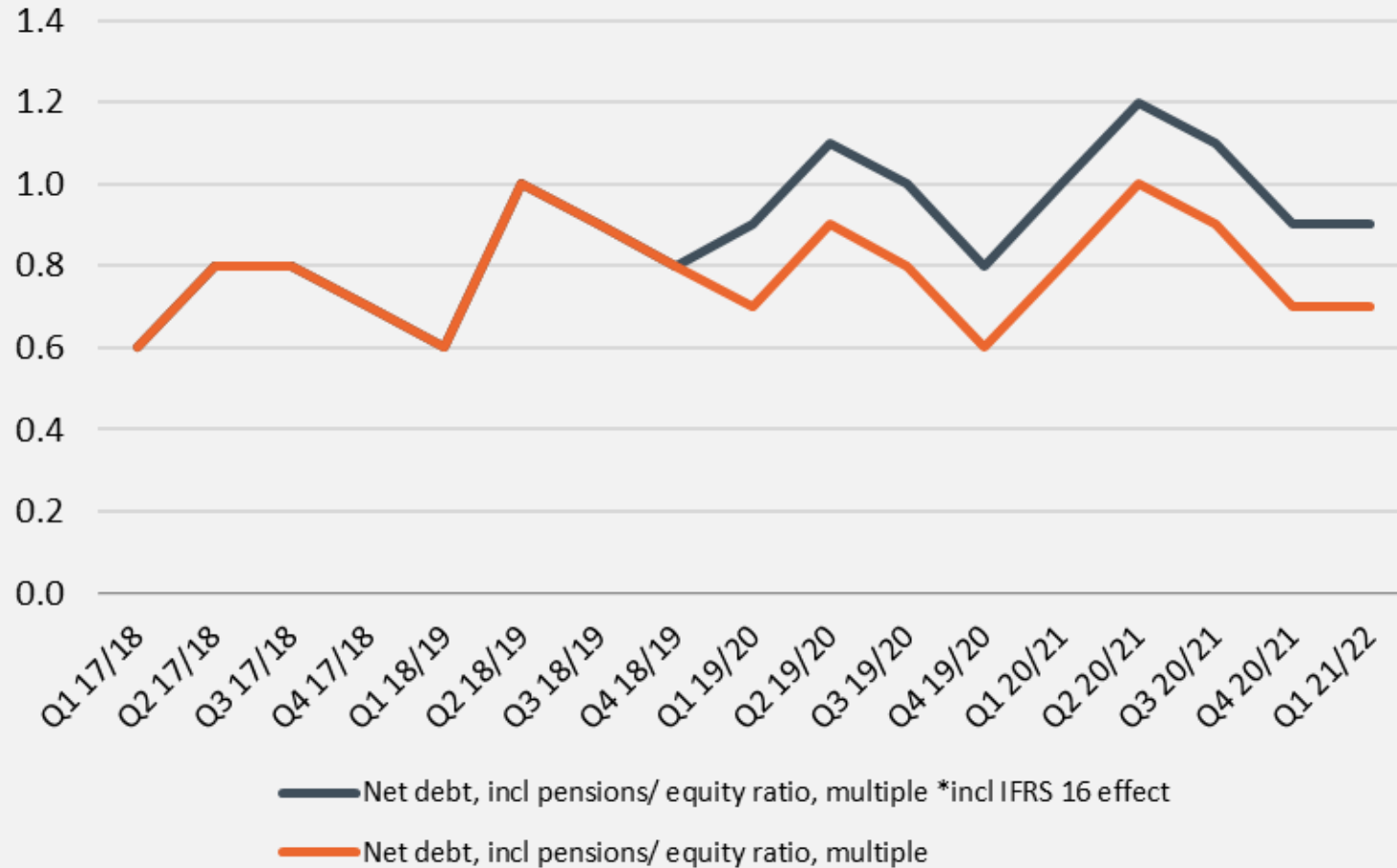


CASH FLOW R12

Cash flow from operating and investing activities



APPROACH TO NET DEBT / EQUITY RATIO



- Besides P/WC, no specific targets for gearing and debt
- Debt rate bound to move up and down periodically with business like ours
- Our target to acquire on our own cashflow is working well

KEY FINANCIAL INDICATORS

(SEKm)	30 June 21	31 Mar 21	30 June 20
Total equity (SEKm)	3,627	3,450	3,150
Equity per share, SEK	12.60	11.95	11.00
Equity ratio, %	35	35	34
Return on working capital (P/WC), %	56	52	54
Return on equity, %	24	23	29
Return on capital employed, %	16	15	19
Financial net debt (SEKm)	3,213	3,134	3,183
- of which pension liability	336	336	328
- of which other liabilities	2,877	2,798	2,855
Financial net debt / EBITDA	2.0	2.1	2.0
Net debt / equity ratio, times	0.9	0.9	1.0
Interest coverage ratio, times	17	16	19
Average number of employees	3,109	3,068	2,959
Number of employees at end of period	3,230	3,133	3,022

SUMMARY

- A very good start of the new year
 - All business areas enjoyed good development over the quarter – even when taking generally favourable comparisons into account
- High demand partly strengthened by the global component shortage and extended lead times
 - The market situation was very strong in most customer segments and geographies
- High acquisition activity in all business areas
 - Four acquisitions completed during the quarter and four more signed after the end of the period, of which three have been completed
- Outlook
 - The high demand is expected to persist, but to settle at high levels as the global supply chains stabilise
 - Cost levels expected to gradually rise as the level of activity among companies increases
 - With a strong balance sheet and an attractive pipeline of ongoing projects, we see good opportunities to maintain a high acquisition rate