



ADDTECH

INTERIM REPORT 1 APRIL – 30 SEPTEMBER 2022

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

QUARTER 2 HIGHLIGHTS

Net sales
SEK 4,418 m, +36%



EBITA-margin
13.2%
From 13.1%

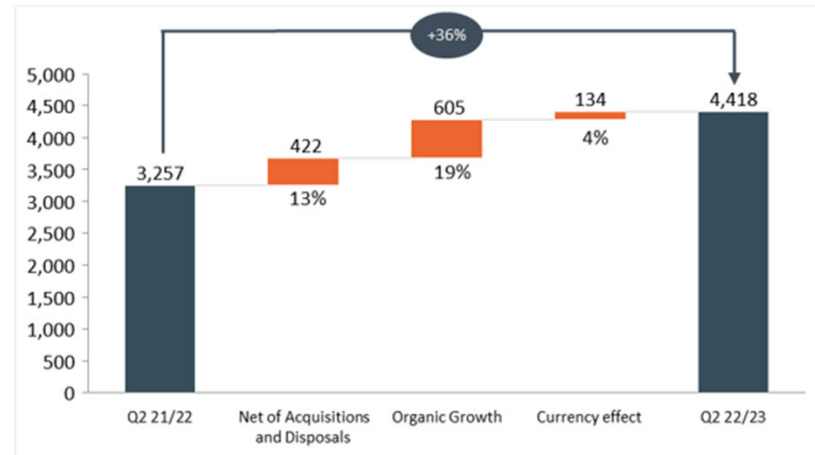
- Continued high customer activity in all business areas
- Organic sales growth of 19%
- Well-handled inflationary pressure – the high operating margin remained
- The order intake continued at high levels – slight decrease in order backlog as disruptions in value chains subside
- Highly uncertain macro situation but with no clear signs of a general slowdown in customer activity

QUARTER 2: NET SALES DEVELOPMENT

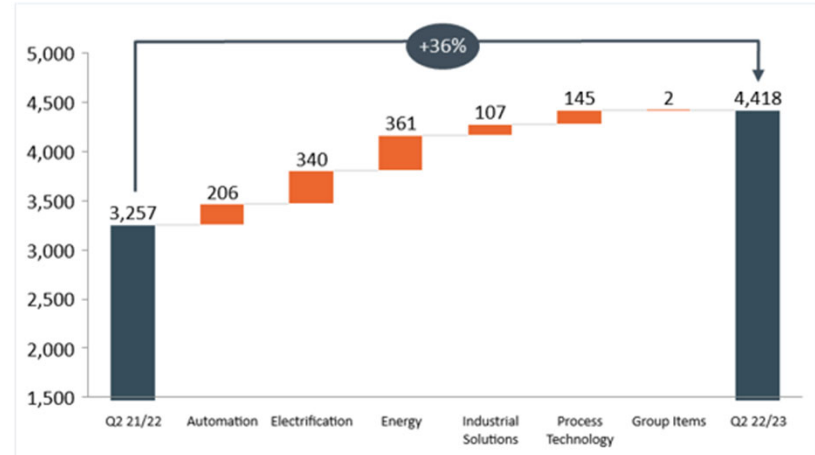
ANOTHER STRONG QUARTER

- Net sales increased by 36% of which 19% was organic growth
 - Continued high customer activity in all business areas
 - Extraordinary efforts from all companies with increased focus on an active customer- and supplier dialogue
 - Good delivery capacity despite the supply chain disruptions
 - Well-positioned to capture future potential in strategic areas with structural underlying growth

Net Sales Growth, SEK m



Net Sales Growth per Business Area, SEK m

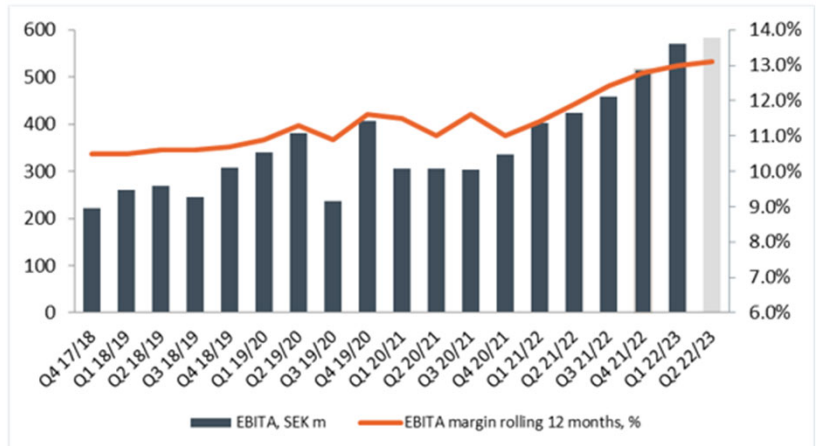


QUARTER 2: EBITA DEVELOPMENT

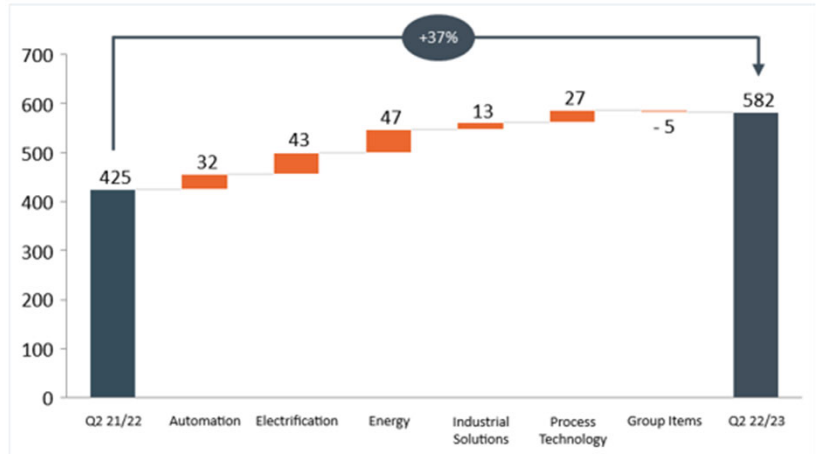
HIGH EARNINGS GROWTH

- 37% EBITA GROWTH WITH A MARGIN OF 13.2%
 - Strong contribution from all business areas
 - Active efforts to offset high inflationary pressure
 - Operating margins remained at high levels
 - Despite increased inventory levels operating cash flow strengthened compared to same quarter last year
 - P/WC remained at high levels

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



EBITA Growth per business area, SEK m



QUARTER 2: BUSINESS AREA DEVELOPMENT

HIGH CUSTOMER ACTIVITY IN ALL BUSINESS AREAS



AUTOMATION

Net sales SEK 810 m (604) **+34%**
EBITA SEK 105 m (73) **+44%**
EBITA-margin **12.9%**

- Very good market situation
- Continued good market situation in process industry, mechanical industry and medical technology
- Demand clearly increased for the companies operating in the defence industry
- Positive effects on sales from subsiding disruptions in the value chains



ELECTRIFICATION

Net sales SEK 958 m (618) **+55%**
EBITA SEK 126 m (83) **+51%**
EBITA-margin **13.2%**

- Strong second quarter
- Good business situation for input components to electronics-, energy-, special vehicles and telecom segments
- Demand increased in the defence industry and for specially adapted battery modules



ENERGY

Net sales SEK 1,256 m (895) **+40%**
EBITA SEK 159 m (112) **+42%**
EBITA-margin **12.6%**

- Positive business situation with stable demand at a high level
- Sales of infrastructure products for electric transmission continued to increase from high levels
- The business situation for niche products for manufacturing industry, fiber-optic networks and for building- and installation products remained favourable – somewhat weaker in windpower



INDUSTRIAL SOLUTIONS

Net sales SEK 709 m (602) **+18%**
EBITA SEK 115 m (102) **+12%**
EBITA-margin **16.2%**

- Business situation remains strong
- The forest- and sawmill industry segment continued to be strong but with a lower demand for long projects. Orderbooks remain solid
- The demand for ergonomic products, hydraulic solutions for special vehicles and components to the mechanical industry was stable – positive development in the waste- and recycling segment



PROCESS TECHNOLOGY

Net sales SEK 690 m (545) **+27%**
EBITA SEK 91 m (64) **+41%**
EBITA-margin **13.1%**

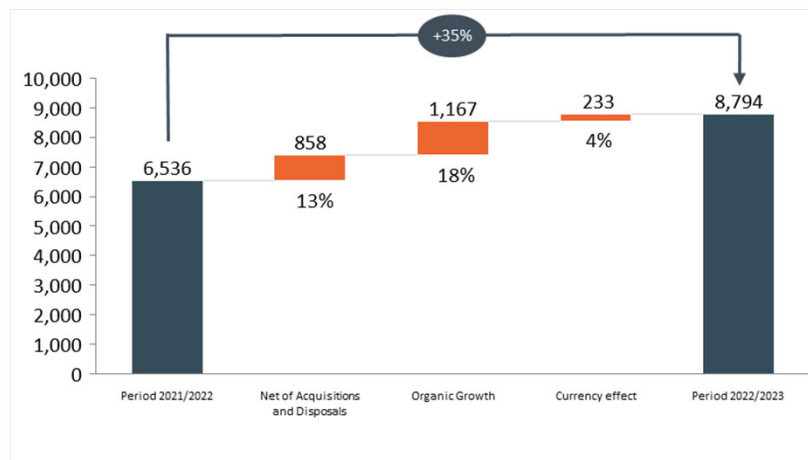
- Very strong second quarter
- Demand in the medical technology, forest- and process industry was highly favourable
- The business situation for after-market components related to projects in the energy segment, mechanical industry and special vehicle was stable
- Positive trend in the marine segment

APRIL 1 – SEPTEMBER 30

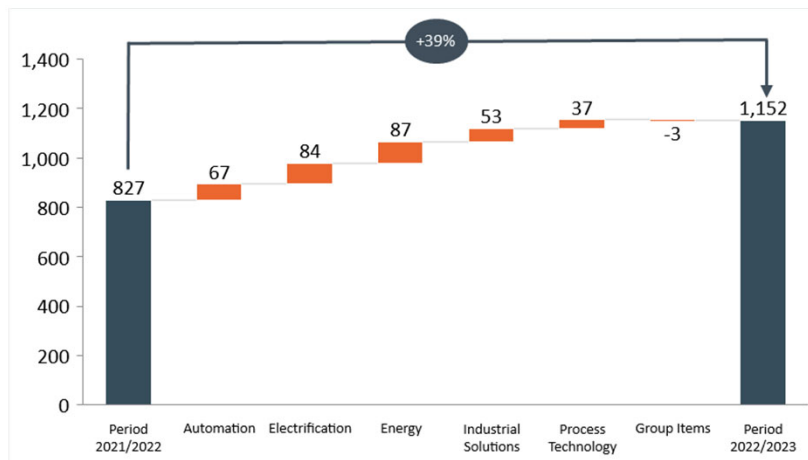
NET SALES INCREASED BY 35%

- Net sales increased by 35% to SEK 8,794 m (6,536)
- The organic growth amounted to 18% and acquired growth amounted to 13%
- EBITA increased by 39% and amounted to SEK 1,152 m (827) corresponding to an EBITA margin of 13.1% (12.7)
- Operating profit increased by 42% and amounted to SEK 971 m (683) corresponding to an operating margin of 11.0% (10.4)
- Profit after tax increased by 38% and amounted to SEK 706 m (513)
- Cash flow from operating activities amounted to SEK 524 m (435)
- Earnings per share before dilution amounted to SEK 2.50 (1.85)








Net Sales Growth, SEK m, 6 months



EBITA Growth per business area, SEK m, 6 months



THE ACQUISITION PACE CONTINUES ACCORDING TO PLAN

Acquisition	Business area	Access	Net sales, SEKm*	Employees*
 Intertrafo Oy	Energy	April 2022	30	15
 Electric Control Systems Automation AS	Process Technology	April 2022	75	31
 Impulseradar Sweden AB	Industrial Solutions	April 2022	80	27
 C.K. Environment A/S	Process Technology	May 2022	40	14
 Arruti Group	Energy	June 2022	280	90
 Gotapack International AB	Process Technology	July 2022	25	5
 Allied Insulators Ltd.	Energy	August 2022	75	15

- Two carefully selected acquisitions completed in the second quarter
- In total SEK 600 m and 197 new employees added during the fiscal year



FURTHER STRENGTHENED POSITION IN ELECTRIC TRANSMISSION



Country: UK

Employees: 15

Annual sales: SEK 75 m

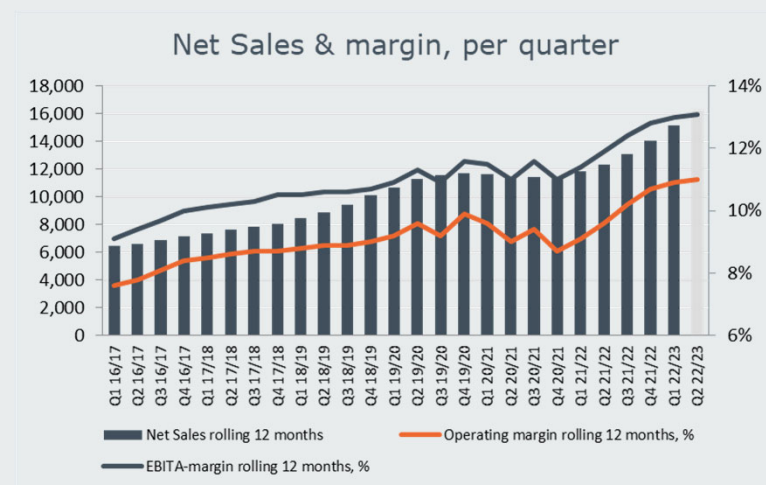
- Allied Insulators Ltd. is a leading supplier for electrical distribution- and transmission lines as well as substations
- Main market is UK but with exports to mainly Middle East and New Zealand
- Complements our operations in an excellent way and establishes us as a significant supplier of overhead line material to network owners outside the Nordic region
- Our Electric transmission group now comprises of six companies

FINANCIAL POSITION



RESULT AND MARGINS

(SEKm)	3 months ending		6 months ending		12 months ending	
	30 Sept 22	30 Sept 21	30 Sept 22	30 Sept 21	30 Sept 22	31 Mar 22
Net Sales	4,418	3,257	8,794	6,536	16,296	14,038
Cost of sales & op. expenses	-3,923	-2,915	-7,827	-5,866	-14,555	-12,594
Other operating items	-6	9	4	13	48	57
Operating profit	489	351	971	683	1,789	1,501
Financial income & expenses	-25	-14	-69	-28	-109	-68
Profit after financial items	464	337	902	655	1,680	1,433
Income tax expense	-102	-74	-196	-142	-370	-316
Net profit	362	263	706	513	1,310	1,117
Earnings per share, SEK	1.30	0.95	2.50	1.85	4.65	4.00
EBIT margin, %	11.1	10.8	11.0	10.4	11.0	10.7
EBITA margin, %	13.2	13.1	13.1	12.7	13.1	12.8



CASHFLOW

(SEKm)	3 months ending		6 months ending		12 months ending	
	30 Sept 22	30 Sept 21	30 Sept 22	30 Sept 21	30 Sept 22	31 Mar 22
Profit after financial items	464	337	902	655	1,680	1,433
Adj. for non cash items	182	142	366	273	687	594
Income tax paid	-108	-88	-213	-165	-464	-416
Changes in working capital	-295	-164	-531	-328	-693	-490
Cash flow from operating activities	243	227	524	435	1,210	1,121
Net investment in non-current assets	-27	-19	-62	-30	-148	-116
Acquisitions and disposals	-204	-331	-982	-592	-1,529	-1,139
Dividend paid	-485	-323	-485	-323	-485	-323
Repurchase of own shares/options	-86	-33	-78	-29	-39	10
Other financing activities	597	435	1,208	613	1,055	460
Period's cash flow	38	-44	125	74	64	13

- Strengthened cashflow
- P/WC remained high at 66%

P (EBITA) / WC



KEY FINANCIAL INDICATORS

(SEKm)	30 Sept 22	31 Mar 22	30 Sept 21
Total equity (SEKm)	4,650	4,259	3,563
Equity per share, SEK	15.95	14.60	12.30
Equity ratio, %	32	34	32
Return on working capital (P/WC), %	66	69	61
Return on equity, %	31	30	26
Return on capital employed, %	21	20	17
Financial net debt (SEKm)	5,235	4,061	3,816
- of which pension liability	224	314	336
- of which other liabilities	5,011	3,747	3,480
Financial net debt / EBITDA	2.2	2.0	2.2
Net debt / equity ratio, times	1.1	1.0	1.1
Interest coverage ratio, times	19	22	19
Average number of employees	3,553	3,317	3,174
Number of employees at end of period	3,805	3,556	3,319

■ Financial position remained strong

- Equity ratio 32% (32%)
- Leverage 2.2 (2.2)
- Gearing 1.1 (1.1)

WELL PREPARED FOR THE FUTURE



AUTOMATION

- MOTION & DRIVES
- INDUSTRIAL IT & SENSORS



ELECTRIFICATION

- BATTERY SYSTEMS
- CONNECTIVITY SOLUTIONS
- POWER & MOBILITY



ENERGY

- ENERGY PRODUCTS
- ENERGY SUPPLY



INDUSTRIAL SOLUTIONS

- MATERIAL PROCESSING
- VEHICLE SOLUTIONS



PROCESS TECHNOLOGY

- PROCESS SYSTEMS
- EMISSION CONTROL
- PROCESS CONTROL

GROWTH DRIVERS

- Industry 4.0
- Smart cities
- Internet of Things

- Decarbonisation
- Energy storage - batteries

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

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

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

SUMMARY

- High customer activity in all business areas – organic sales growth of 19%
- Strong earnings growth - operational margins remained at a high level
- The order intake continued at a high level - slight decrease in order backlog as disruptions in value chains subside
- Further strengthened offer towards the electric transmission segment
- Highly uncertain macro situation - no clear signs of a general slowdown in customer activity

Q&A

