



ADDTECH

# INTERIM REPORT 1 APRIL – 31 DECEMBER 2023

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

## QUARTER 3 HIGHLIGHTS

Net sales  
**SEK 4,960 m, +7%**



- Stable at a high level
- 7% net sales growth of which 2% was organic
- High customer activity with a positive book-to-bill
- EBITA growth of 7% with solid margins 13.6% (13.5)
- Strong cash flow and improved P/WC 68% (65)
- Continued positive view of the acquisition market



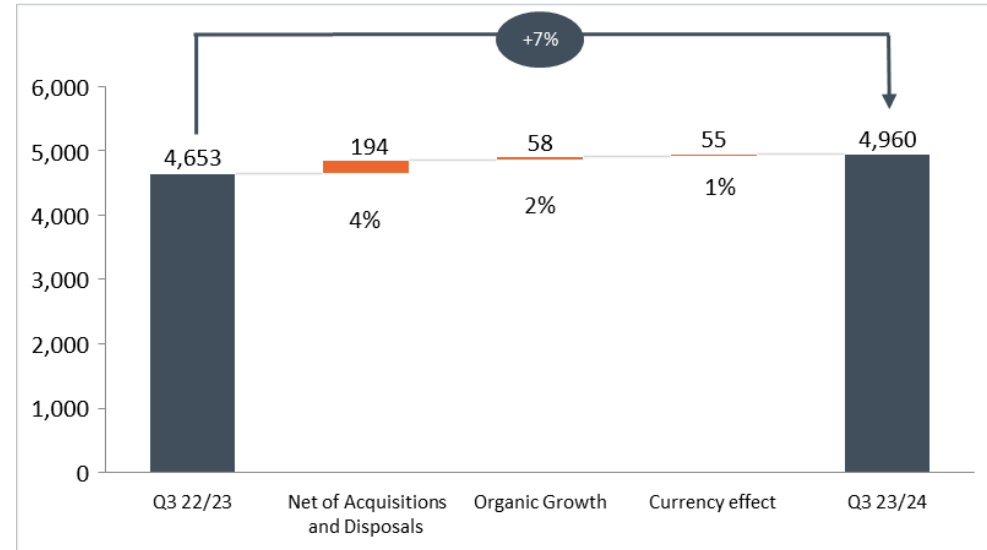
EBITA-margin  
**13.6%**  
From 13.5%

## QUARTER 3: NET SALES DEVELOPMENT

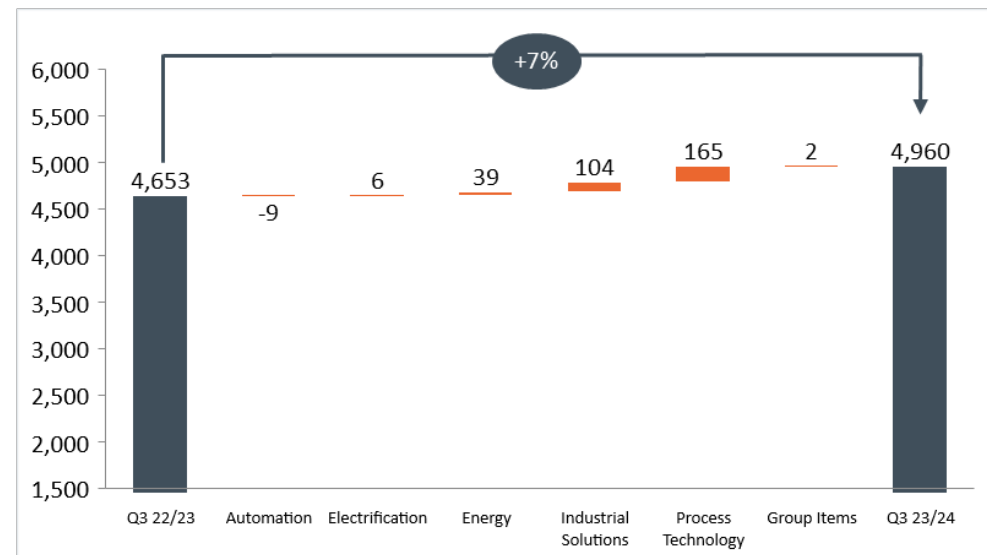
# HIGH CUSTOMER ACTIVITY

- Net sales increased by 7% of which 2% organic
  - Very challenging comparisons
  - Well-filled order backlog with good quality
- The overall business situation remained stable
  - Varies between segments
- Positive book-to-bill in the quarter

Net Sales Growth, SEK m



Net Sales Growth per Business Area, SEK m

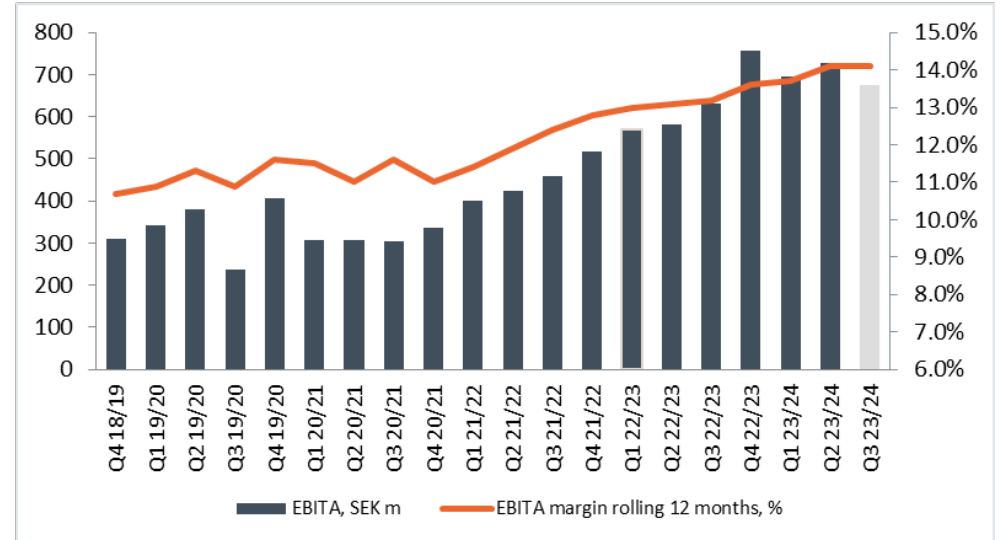


## QUARTER 3: EBITA DEVELOPMENT

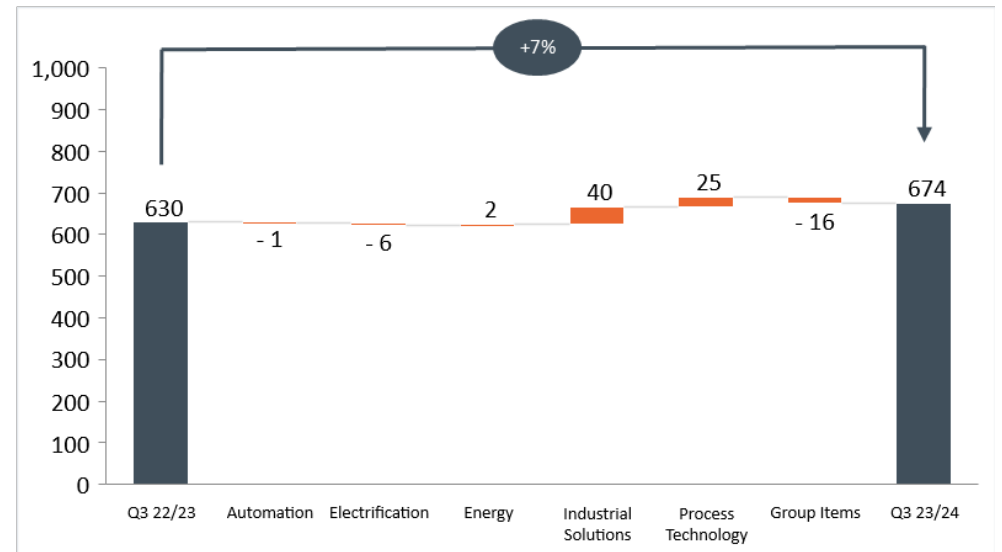
# MARGINS AT HIGH LEVELS

- 7% EBITA growth with margins at 13.6% (13.5)
  - Higher added value, improved product mix and good contributions from acquisitions
- Operating cash flow strengthened over the quarter
  - P/WC improved from high levels 68% (65)

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



EBITA Growth per business area, SEK m



## QUARTER 3: BUSINESS AREA DEVELOPMENT

# STABLE AT HIGH LEVELS



### AUTOMATION

Net sales SEK 868 m (877) **-1%**  
 EBITA SEK 104 m (105) **-1%**  
 EBITA-margin **11.9%**

- Stable net sales despite very tough comparisons and more extensive seasonal effects
- The business situation in medical technology weakened due to destocking effects and a normalization in demand from very high levels
- The demand was stable in the mechanical industry and developed positively in the process industry
- The strong market for companies delivering to the defence industry remains



### ELECTRIFICATION

Net sales SEK 1,007 m (1,001) **+1%**  
 EBITA SEK 112 m (118) **-4%**  
 EBITA-margin **11.2%**

- Stable net sales hampered by weaker performance in the battery group affecting several key segments
- Increased demand within electronic production, electrification of vehicles and towards the defense industry
- Slightly weaker business situation in building and installation, medical technology, electronics and mechanical industry



### ENERGY

Net sales SEK 1,306 m (1,267) **+3%**  
 EBITA SEK 171 m (169) **+1%**  
 EBITA-margin **13.1%**

- Positive business situation with stable net sales at high levels
- The demand for infrastructure products for electric transmission continues to be very strong
- Stable market situation for companies supplying building and installation and the mechanical industry – demand for fiber optic networks remained weak
- Positive trend in wind power and niche products for electric power distributions



### INDUSTRIAL SOLUTIONS

Net sales SEK 906 m (802) **+13%**  
 EBITA SEK 188 m (148) **+26%**  
 EBITA-margin **20.6%**

- Good business situation with strong sales within the forest and sawmill industry with high margins
- Some positive signs in demand for new projects within the sawmill industry
- Weaker business situation in special vehicles and the mechanical industry while waste management was stable












### PROCESS TECHNOLOGY

Net sales SEK 878 m (713) **+23%**  
 EBITA SEK 119 m (94) **+26%**  
 EBITA-margin **13.5%**

- Good business situation with strong sales towards the process industry, especially oil and gas, as well as energy- and marine segments
- Sales of after-market components declined and the demand within the forest industry and special vehicles weakened
- The medical technology and mechanical industry segments were stable

# POSITIVE VIEW OF THE ACQUISITION MARKET

Acquisition	Business area	Access	Net sales, SEKm*	Employees*
 INDAG Maschinenbau GmbH	Process Technology	April 2023	55	40
 Clyde Holding Ltd.	Process Technology	April 2023	150	49
 Feritech Global Ltd.	Industrial Solutions	May 2023	55	21
 Electrum Automation AB	Electrification	June 2023	80	22
 Darby Manufacturing Ltd.	Industrial Solutions	June 2023	50	14
 S. Tygesen Energi A/S	Energy	June 2023	75	3
 Control Cutter AS	Industrial Solutions	October 2023	160	18
 BV Teknik A/S	Automation	November 2023	85	24
 Kemic Vandrens A/S	Process Technology	January 2024	95	20

- Nine companies acquired during the first nine months
- In total about SEK 800 m and 211 new employees added

**INDAG**



**FERITECH**



**ELECTRUM  
AUTOMATION AB**



**ControlCUTTER**

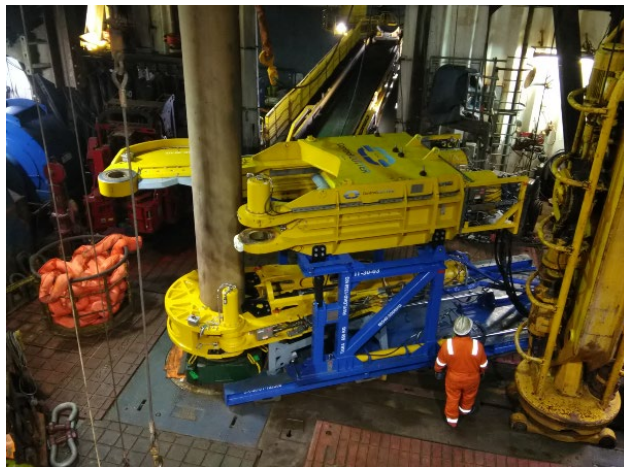


**KEMIC  
VANDRENS AS**

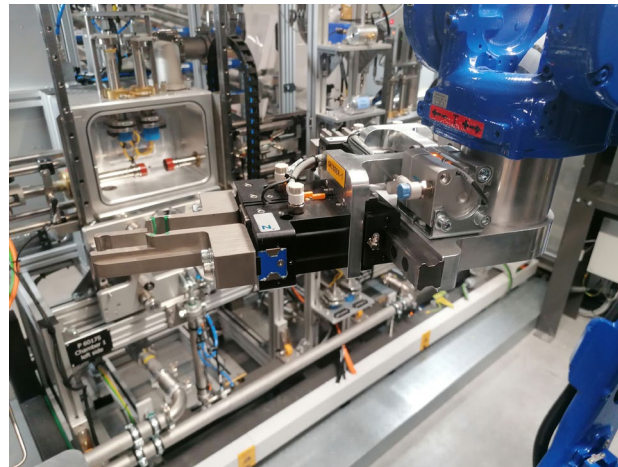
# FOCUS ON MORE VALUE-ADD AND HIGHER PROFITABILITY



Provides leading technical solutions to the global offshore market for the decommissioning of oil and gas wells. With patented solutions the company offers efficient, safe and reliable conductor recovery and subsea cutting.



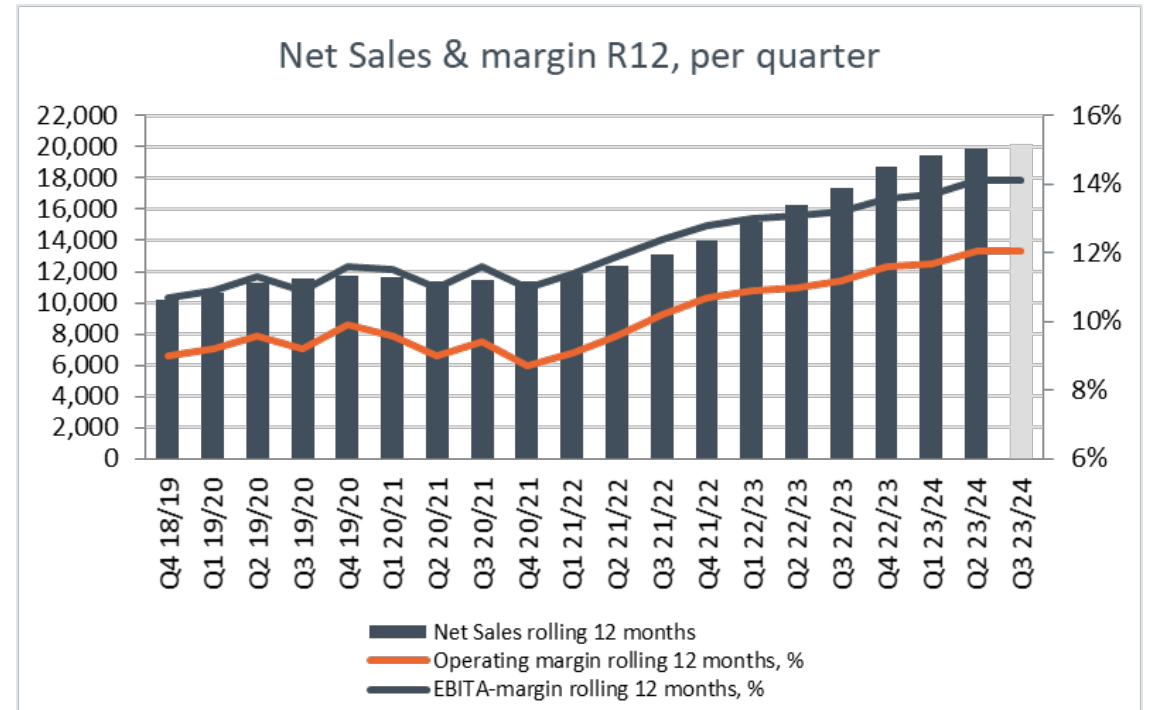
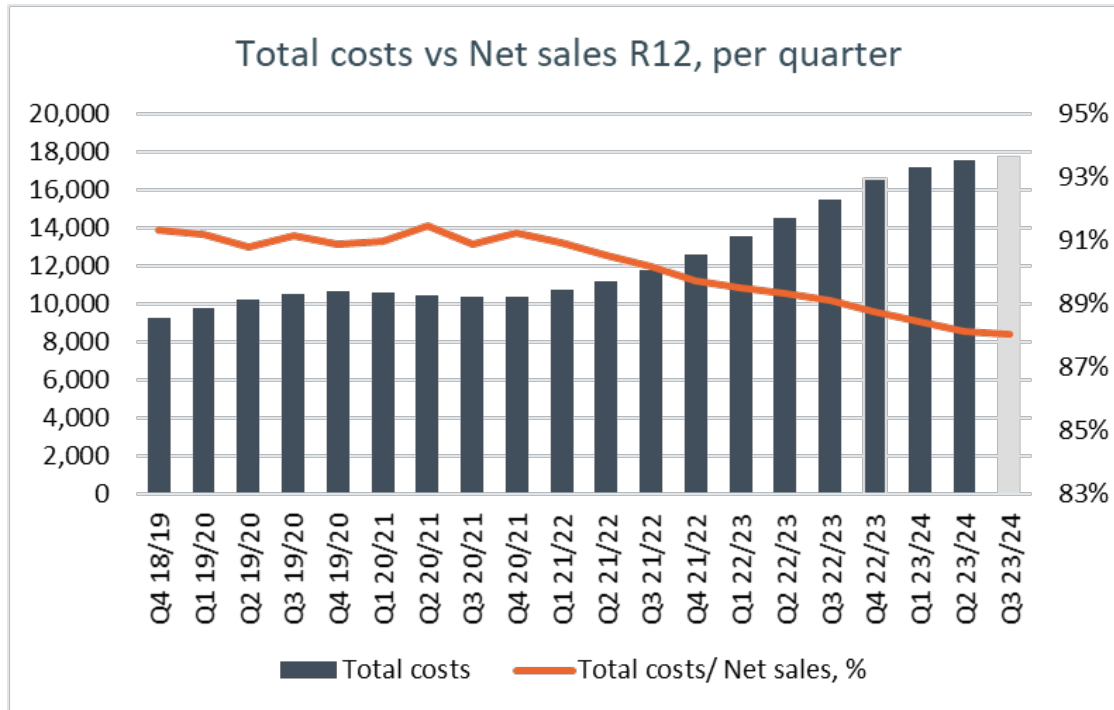
Designs and builds customized production solutions and other high-tech equipment for the automation industry with focus on medical technology.



Leading supplier of water purification plants and solutions. Offers design and construction of new-builds, mobile waterworks as well as renovation and service agreements.

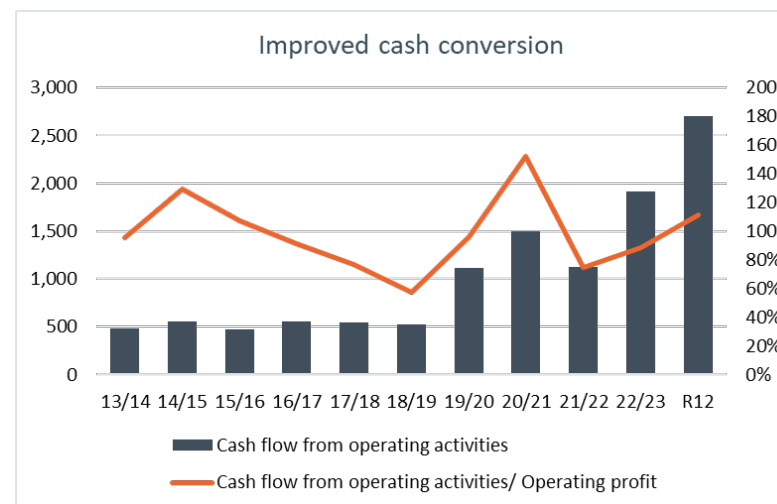
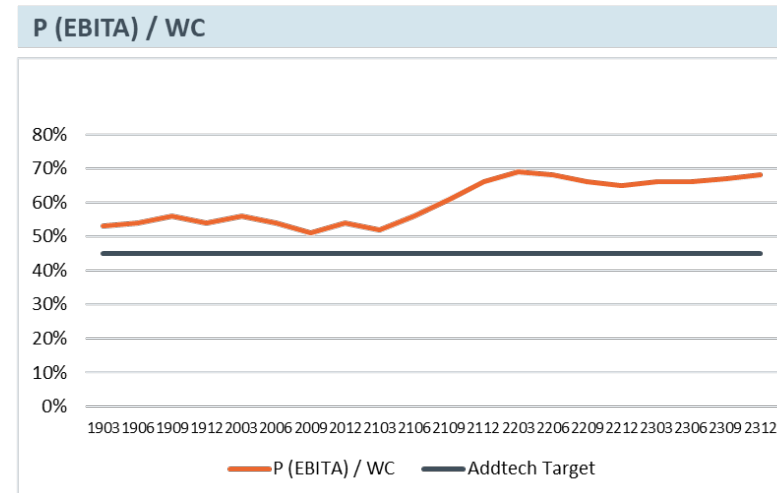
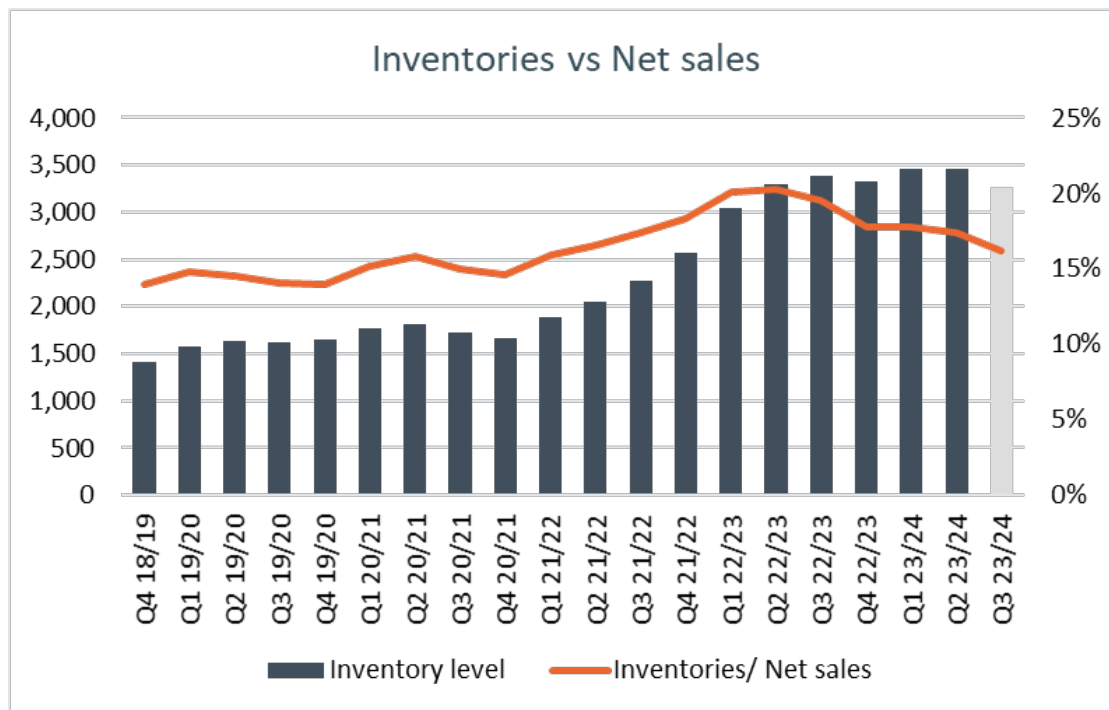


# MARGINS REMAIN AT HIGH LEVELS

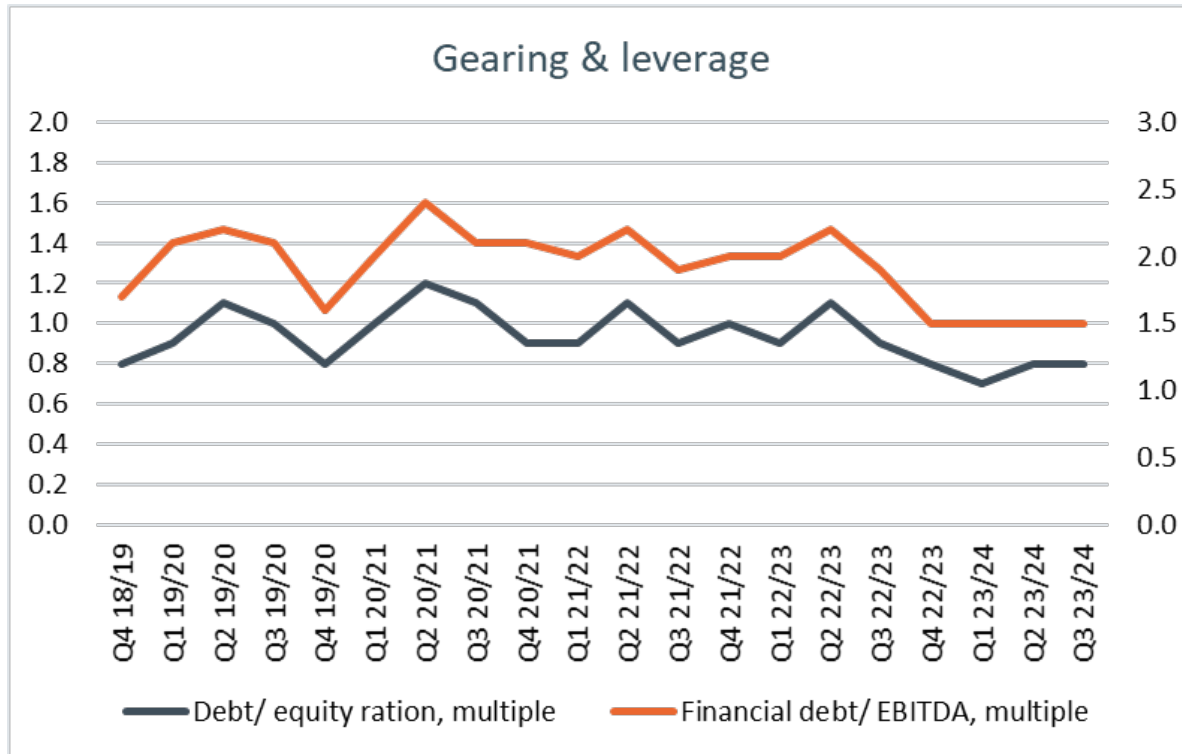




# CONTINUED REDUCTION OF INVENTORIES



# STRONG FINANCIAL POSITION



- Equity ratio 38% (35%)
- Leverage 1.5 (1.9)
- Gearing 0.8 (0.9)

# HIGHLY DIVERSIFIED BUSINESS



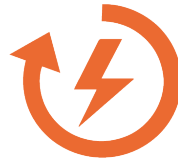
## AUTOMATION

- MOTION & DRIVES
- INDUSTRIAL IT & SENSORS



## ELECTRIFICATION

- BATTERY SYSTEMS
- CONNECTIVITY SOLUTIONS
- POWER & MOBILITY



## ENERGY

- ENERGY PRODUCTS
- ENERGY SUPPLY



## INDUSTRIAL SOLUTIONS

- MATERIAL PROCESSING
- VEHICLE SOLUTIONS



## PROCESS TECHNOLOGY

- PROCESS SYSTEMS
- EMISSION CONTROL
- PROCESS CONTROL

### KEY GROWTH DRIVERS

- Industry 4.0
- Smart production
- Internet of Things

- Decarbonisation
- Energy storage - batteries

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

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

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

# SUMMARY

- Stable quarter at a high level
- High customer activity with a positive book-to-bill
- EBITA growth of 7% with margins of 13.6% (13.5)
- Strengthened cash flow and improved P/WC
- Strong financial position
- In total nine acquisitions – three in the quarter – focus on value-add and higher profitability