



ADDTECH

## INTERIM REPORT 1 APRIL – 30 SEPTEMBER 2023

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

## QUARTER 2 HIGHLIGHTS

Net sales  
**SEK 4,879 m, +10%**



- Continued high customer activity
- 10% net sales growth of which 1%pt. was organic
- EBITA growth of 25% with very high margins 14.9% (13.2)
- Higher added value, improved product mix and a good contribution from acquisitions
- High cash conversion and improved P/WC 67% (66)
- Weaker macro situation



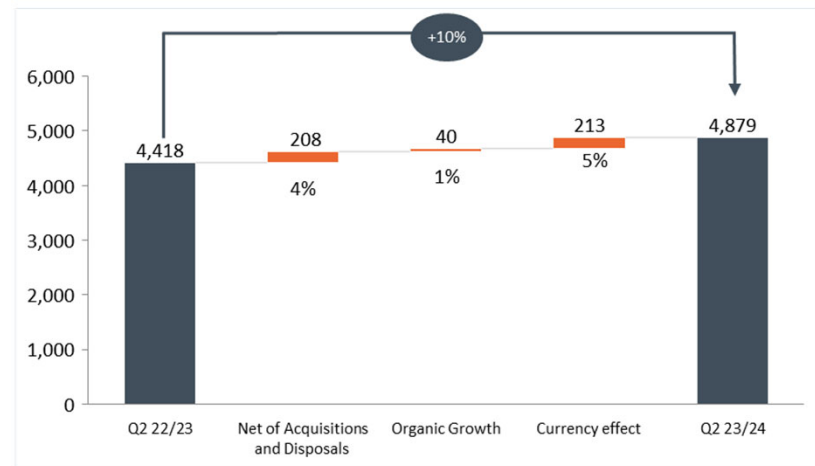
EBITA-margin  
**14.9%**  
From 13.2%

## QUARTER 2: NET SALES DEVELOPMENT

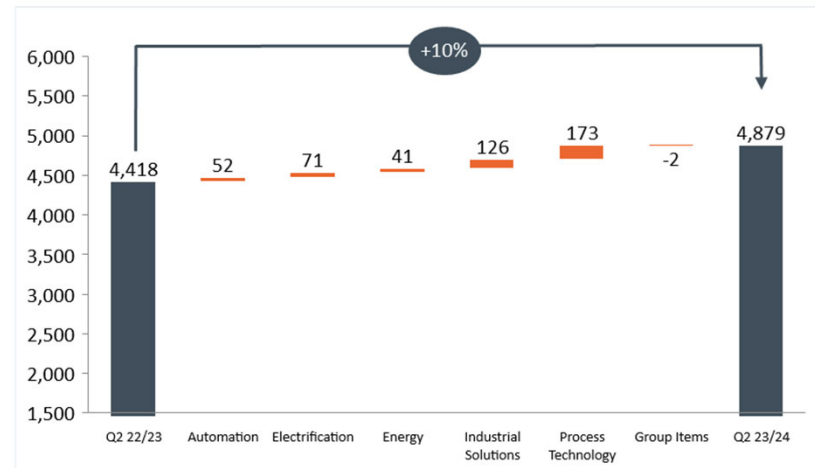
# HIGH CUSTOMER ACTIVITY

- Net sales increased by 10% of which 1% organic
  - Weaker organic sales growth in Energy
- Stable market situation in most key segments and geographies
  - No general decline in customer activity
- Well-filled order backlog with good quality
  - A somewhat decrease in volume due to the normalized order intake and uncertain macro situation

Net Sales Growth, SEK m



Net Sales Growth per Business Area, SEK m

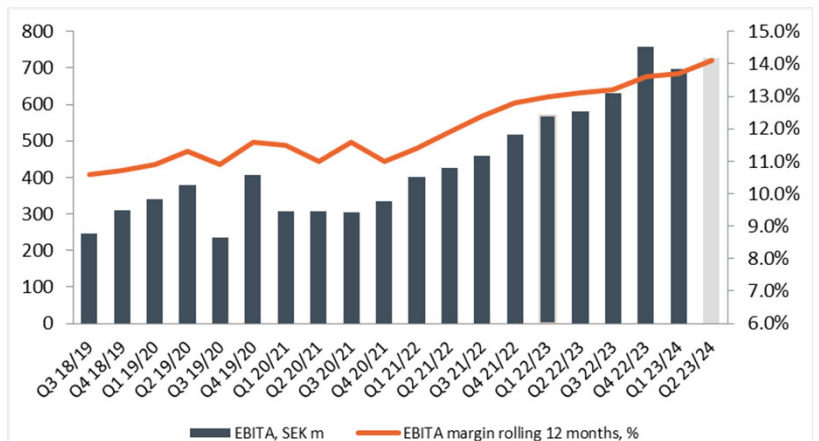


## QUARTER 2: EBITA DEVELOPMENT

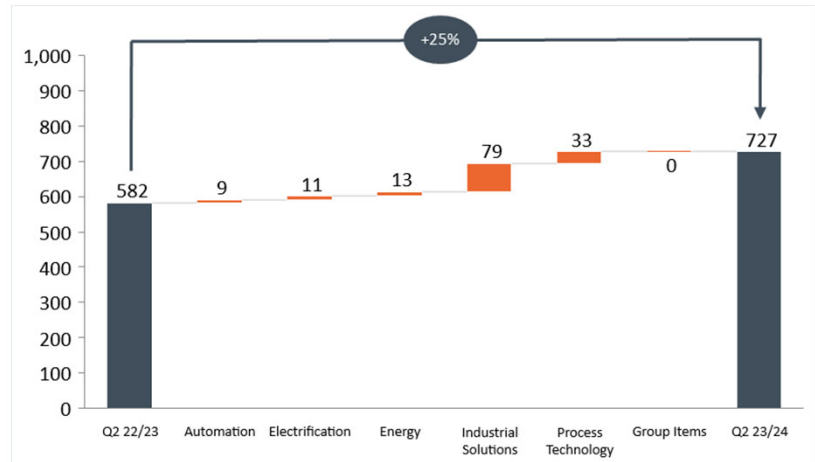
# STRONG MARGINS

- 25% EBITA growth with very strong margins of 14.9% (13.2)
  - Contributions from all business areas
  - Higher added value, improved product mix and good contributions from acquisitions
- Operating cash flow strengthened over the quarter
  - P/WC improved from high levels 67% (66)

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



EBITA Growth per business area, SEK m



## QUARTER 2: BUSINESS AREA DEVELOPMENT

# STRENGTHENED PROFITABILITY ACROSS THE LINE



### AUTOMATION

Net sales SEK 862 m (810) **+6%**  
EBITA SEK 114 m (105) **+9%**  
EBITA-margin **13.2%**

- Stable market conditions
- The strong demand for companies delivering to the defence industry continues
- Stable sales in the process- and mechanical industry – decreased in medical technology against very tough comparisons
- Improved product mix strengthened margins



### ELECTRIFICATION

Net sales SEK 1,029 m (958) **+7%**  
EBITA SEK 137 m (126) **+8%**  
EBITA-margin **13.3%**

- The business situation was stable but with variations in demand between segments
- The good demand remains within defence-, special vehicles- and the electronic production segments
- A somewhat weaker business situation in data & telecom and building & installation while wind power stable
- Demand weakened for medical technology and electronics



### ENERGY

Net sales SEK 1,297 m (1,256) **+3%**  
EBITA SEK 172 m (159) **+8%**  
EBITA-margin **13.2%**

- The demand for infrastructure products for electric transmission continues to be very strong
- Weaker organic growth related to decreased volume business
- Positive market situation for niche products for electric power distributions, manufacturing industry and building & installation
- The weaker business situation for fiber optic networks and wind power remains



### INDUSTRIAL SOLUTIONS

Net sales SEK 835 m (709) **+18%**  
EBITA SEK 194 m (115) **+69%**  
EBITA-margin **23.3%**

- Very positive sales trend within the forest and sawmill industry – margins hiked due to a large number of completed projects
- The low demand for new projects within the sawmill industry remains
- Stable business situation in special vehicles and mechanical industry



### PROCESS TECHNOLOGY

Net sales SEK 863 m (690) **+25%**  
EBITA SEK 124 m (91) **+37%**  
EBITA-margin **14.4%**

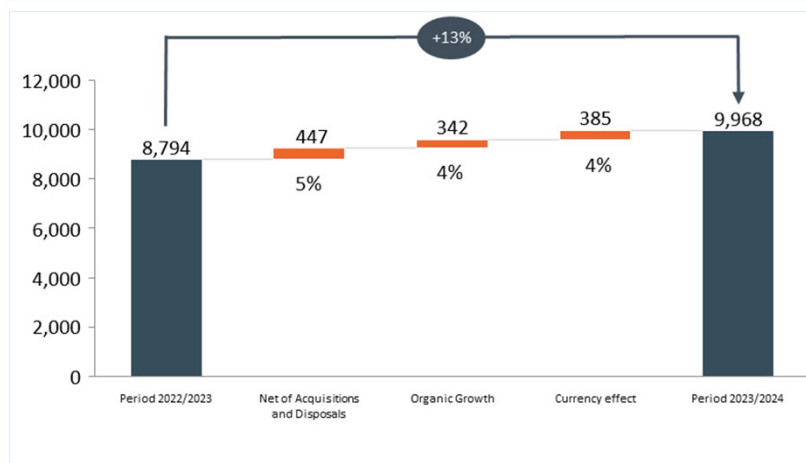
- Good business situation with strong demand in medical technology, energy and the marine segment
- In the mechanical industry the demand decreased from a high level
- The forest and process industry was stable – where demand in the chemical industry and for after-market components offset the decline in forestry

PERIOD 1 APRIL – 30 SEPTEMBER

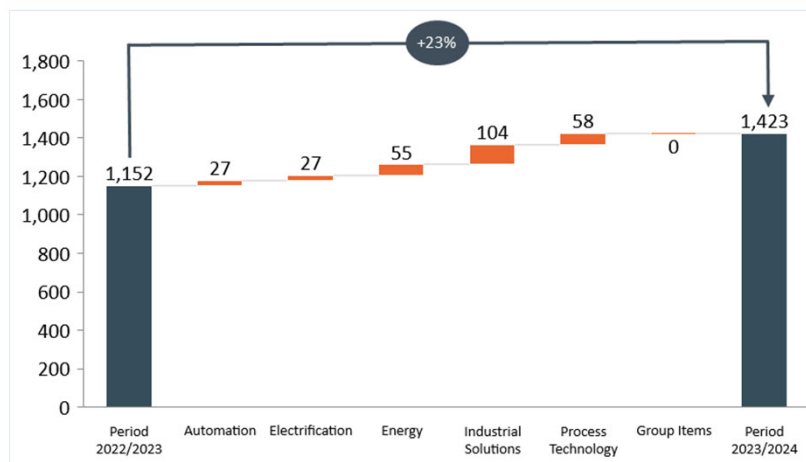
# EARNINGS PER SHARE 3.00 SEK (2.50)

- Net sales increased by 13% to SEK 9,968 m (8,794)
- The organic growth amounted to 4 % and acquired growth amounted to 5%
- EBITA increased by 23% and amounted to SEK 1,423 m (1,152) corresponding to an EBITA margin of 14.3% (13.1)
- Operating profit increased by 25% and amounted to SEK 1,213 m (971) corresponding to an operating margin of 12.2% (11.0)
- Profit after tax increased by 19% and amounted to SEK 839 m (706)
- Cash flow from operating activities amounted to SEK 1,150 m (524)
- Earnings per share before dilution amounted to SEK 3.00 (2.50)

Net Sales Growth, SEK m, 6 months



EBITA Growth per business area, SEK m, 6 months



# OUR ACQUISITION PACE IS ACCORDING TO PLAN

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

- Six companies acquired during first half of the year
- In total about SEK 465 m and 149 new employees added
- One additional acquisition signed after closing
- Clear focus on companies with more value-add and higher profitability

**INDAG**

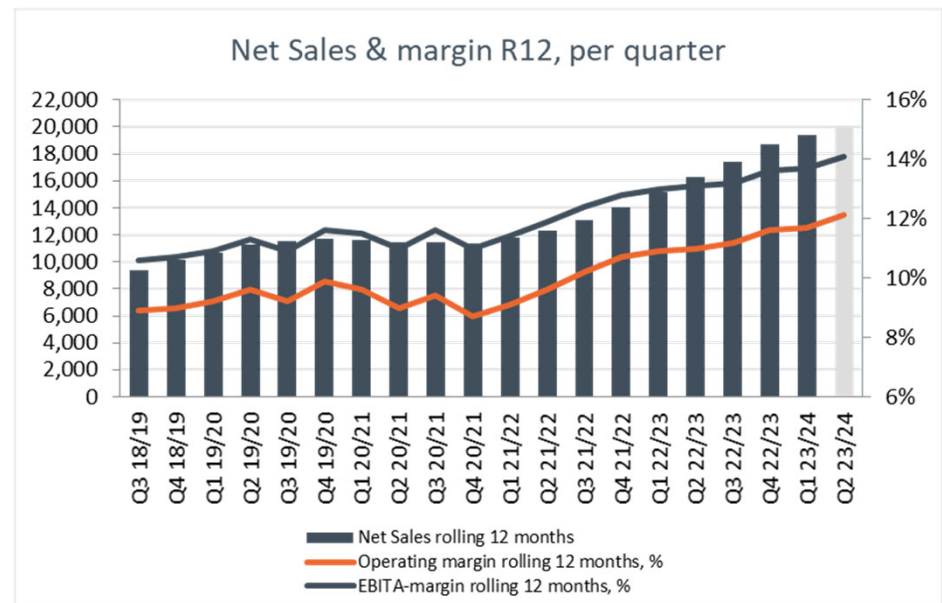
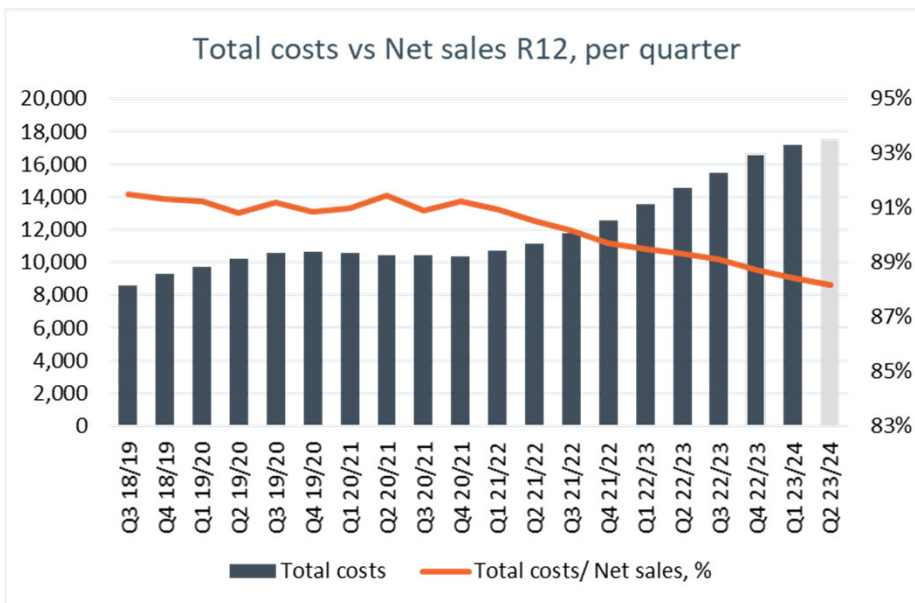


**FERITECH**

**ELECTRUM  
AUTOMATION AB**

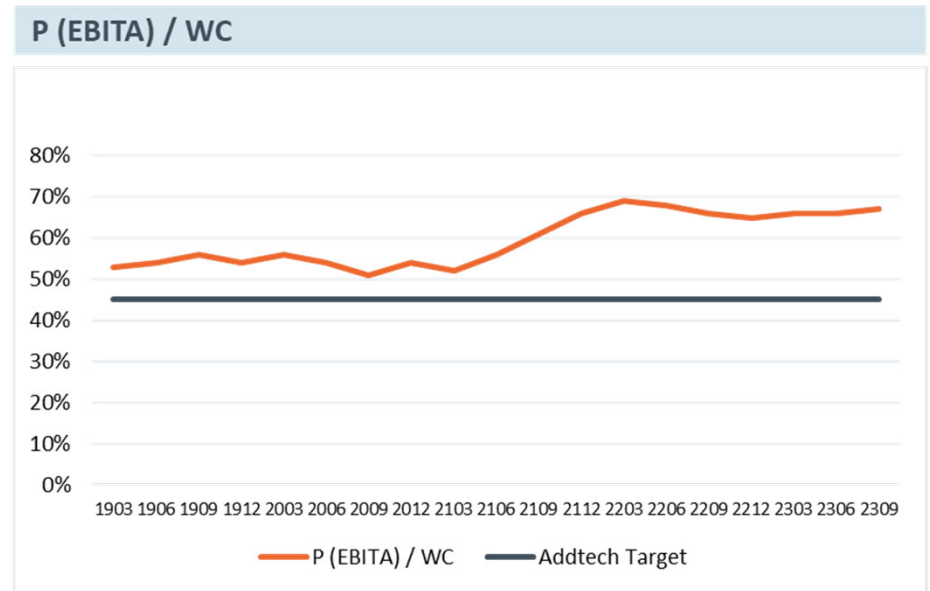
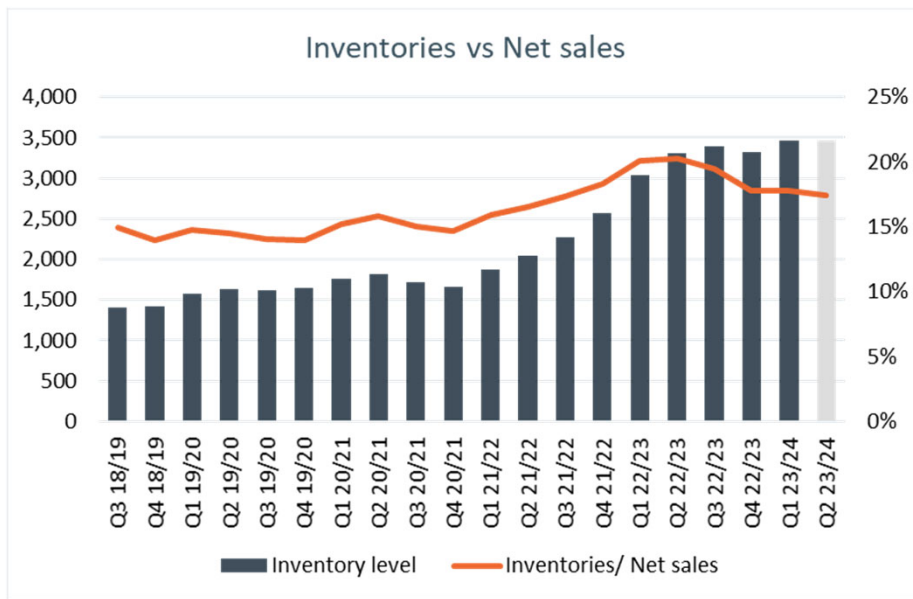


# THE STRONG MARGIN TREND CONTINUES

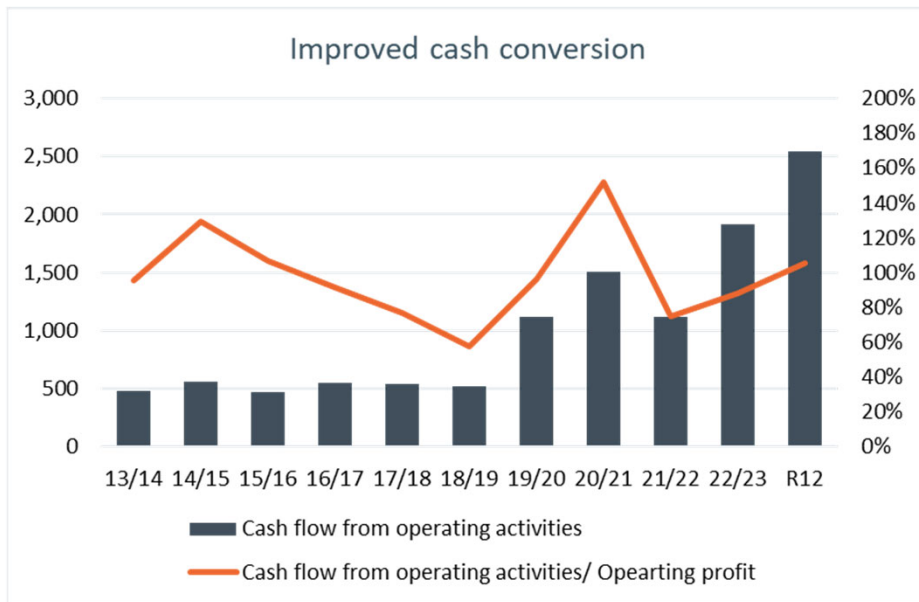




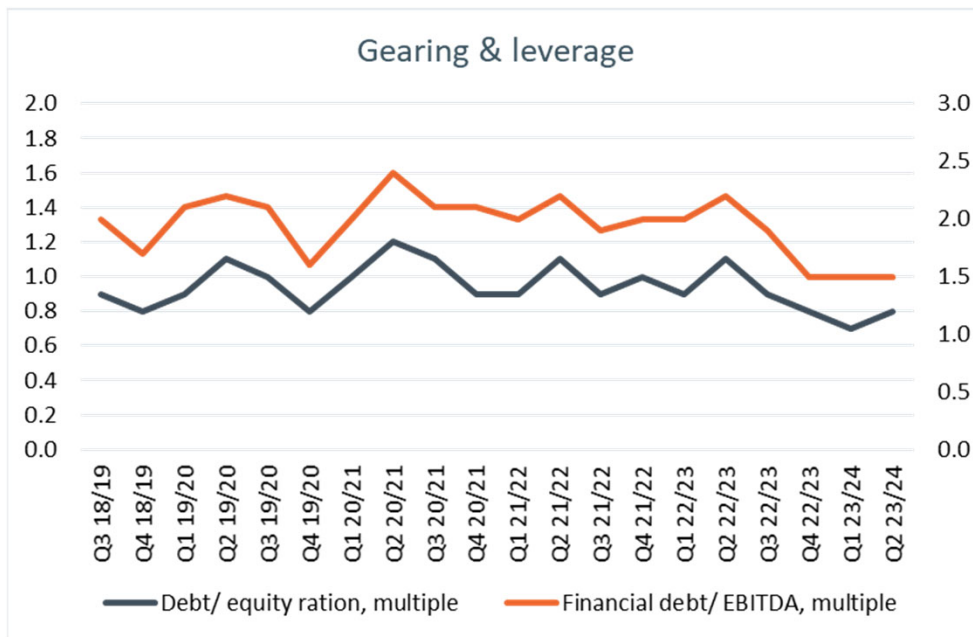
# STRONG RESULT AND FOCUS ON WORKING CAPITAL



# IMPROVED CASH CONVERSION



# LOW RISK BALANCE SHEET



- Equity ratio 36% (32%)
- Leverage 1.5 (2.2)
- Gearing 0.8 (1.1)

# FIVE AREAS FOR FUTURE GROWTH



## 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

- Continued high customer activity
- Stable market situation in most key segments and geographies
- EBITA growth of 25% with improved margins 14.9% (13.2) - solid contribution across the line
- Strong cash conversion and improved P/WC
- Acquisition pace according to plan – focus on value-add and higher profitability