

INTERIM REPORT 1 APRIL - 30 JUNE 2022

FIRST QUARTER (1 APRIL - 30 JUNE 2022)

- **Net sales** increased by 33 percent and amounted to SEK 4,376 million (3,279).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 42 percent and amounted to SEK 570 million (402) corresponding to an EBITA margin of 13.0 percent (12.3).
- **Operating profit** increased by 45 percent and amounted to SEK 482 million (332) corresponding to an operating margin of 11.0 percent (10.1).
- **Profit after tax** increased by 37 percent and amounted to SEK 344 million (250) and **earnings per share before/after dilution** amounted to SEK 1.20 (0.90). For the latest twelve month period earnings per share before dilution amounted to SEK 4.30 (2.85) and after dilution amounted to SEK 4.25 (2.85).
- **Return on working capital (P/WC)** amounted to 68 percent (56).
- **Return on equity** amounted to 30 percent (24) and the **equity ratio** amounted to 34 percent (35).
- **Cash flow from operating activities** amounted to SEK 281 million (208). For the latest twelve month period, **cash flow per share from operating activities** amounted to SEK 4.45 (5.15).
- **Since the start of the financial year six acquisitions have been completed**, of which one after the end of the period, with total annual sales of about SEK 530 million.

Group Summary SEKm	3 months			Rolling 12 months	
	30 Jun 2022	30 Jun 2021	Δ	30 Jun 2022	31 Mar 2022
Net sales	4,376	3,279	33%	15,135	14,038
EBITA	570	402	42%	1,971	1,803
EBITA-margin %	13.0	12.3		13.0	12.8
Profit after financial items	438	318	38%	1,553	1,433
Profit for the period	344	250	37%	1,211	1,117
Earnings per share before dilution, SEK	1.20	0.90	33%	4.30	4.00
Earnings per share after dilution, SEK	1.20	0.90	33%	4.25	3.95
Cash flow from operating activities per share, SEK	-	-		4.45	4.15
Return on equity, %	30	24		30	30
Equity ratio, %	34	35		34	34

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

CEO'S COMMENTS

FIRST QUARTER – VERY STRONG START TO THE FINANCIAL YEAR

The strong business situation continued across the board in the first quarter. Our strong position in structurally growing segments generated organic growth of 17 percent and EBITA growth of 42 percent. We maintained our high acquisition rate and we strengthened our operations with an additional five acquisitions during the period. Our companies continued to handle the high level of inflationary pressure in a highly satisfactory manner, and we defended our operating margins. Despite an uncertain macro situation, our customers willingness to invest remained high and the order books were further strengthened during the quarter.

MARKET TREND

The market situation remained strong in most of our important customer segments and geographies. Sales of input components for manufacturing companies in special vehicles, as well as in the medical and mechanical industries developed very well. The market situation in the forest and process industry, particularly the willingness to invest in the sawmill industry, remained very strong, as it did for infrastructure products for national and regional grids. Demand was stable in wind power, while the business situation was favourable in the segments for electronics, electricity-related products to customers within building and installation, as well as in the waste and recycling segment.

From a geographical perspective, the market situation was favourable throughout the Nordic countries, with the strongest development in Sweden. For our companies operating outside the Nordic region, the market situation was stable.

ACQUISITIONS

Acquisition activity remains at a high level in all business areas. During the quarter, we supplemented and strengthened the operations with an additional five acquisitions, adding combined annual sales of about SEK 500 million. Following the end of the quarter, we made one more acquisition. In line with the strategy, we continue to increase the proportion of acquisitions outside the Nordic region, often with a clear sustainability profile. One such carefully selected acquisition is the Arruti Group, which elevates our position from being a Nordic player in material for high-voltage transmission lines and substations to being a global player. We continue to take a positive view of the acquisition market and are working actively to fill and process our attractive pipeline with companies that are successful in our strategically selected segments.

OUTLOOK

We entered the first quarter under highly favourable conditions and leave it with demand remaining strong. At present, we do not see any clear signs of a slowdown in our operations, although we are, of course, following global developments closely. Despite the uncertain macro situation with rising inflation, higher policy rates and continued disruption in value chains, my confidence is undiminished with regard to our proven business model and its capacity to generate value during an upswing, while also withstanding challenges in tougher times. I am firmly convinced that our clear positions in segments with underlying structural growth, combined with our capacity for rapid adaptation will enable our companies to continue generating profitable growth in the future.

I wish you a pleasant summer!

Niklas Stenberg
President and CEO



GROUP DEVELOPMENT

Sales development

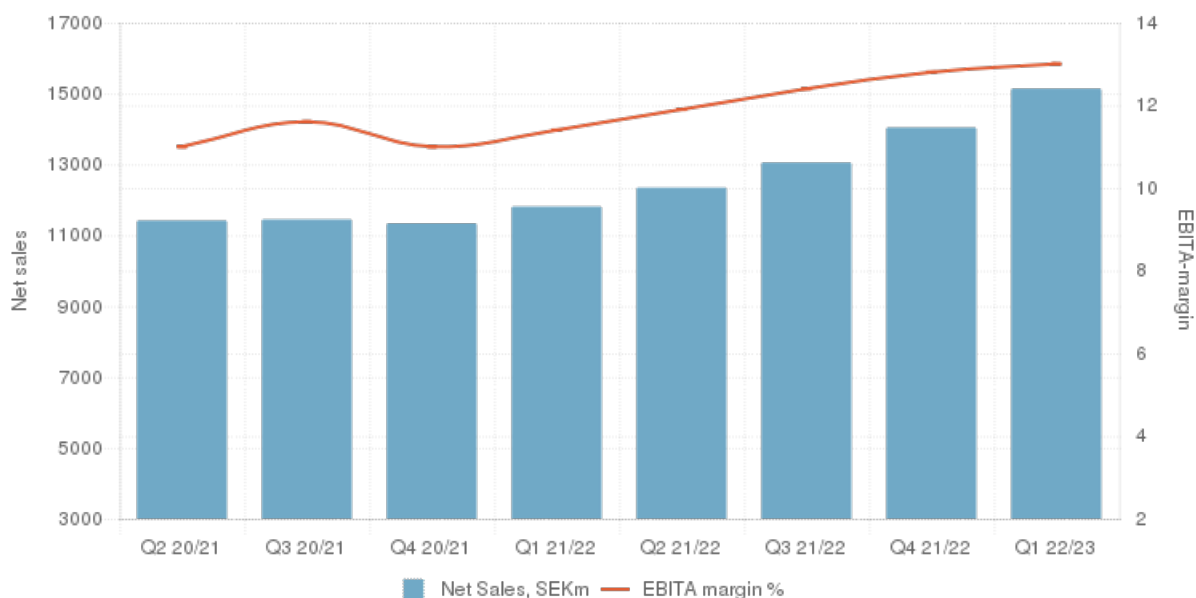
Net sales in the Addtech Group increased in the first quarter by 33 percent to SEK 4,376 million (3,279). The organic growth amounted to 17 percent and acquired growth amounted to 13 percent. Exchange rate changes affect net sales positively with 3 percent, corresponding to SEK 99 million.

Profit development

EBITA for the period amounted to SEK 570 million (402), representing an increase of 42 percent. Operating profit increased during the period by 45 percent to SEK 482 million (332) and the operating margin amounted to 11.0 percent (10.1). Net financial items were SEK -44 million (-14) and profit after financial items increased by 38 percent to SEK 438 million (318).

Profit after tax for the period increased by 37 percent to SEK 344 million (250) and the effective tax rate amounted to 22 percent (21). Earnings per share before/after dilution for the period amounted to SEK 1.20 (0.90). For the latest twelve month period, earnings per share before dilution amounted to SEK 4.30 (2.85) and after dilution to SEK 4.25 (2.85).

Net sales and EBITA margin, rolling 12 months



DEVELOPMENT IN THE BUSINESS AREAS

AUTOMATION

Net sales in Automation increased by 28 percent to SEK 761 million (593) and EBITA increased by 63 percent to SEK 91 million (56).

Market

On the whole, the market situation was beneficial for the Automation business area in the first quarter. The rate at which demand rose abated slightly, although no signs of a slowdown. There was a favourable business situation in all segments of importance for the business area, such as the process industry, mechanical industry and medical technology, and demand clearly increased for the companies operating in the defence industry. Favourable incremental margins in comparable units provided good leverage on the operating margin.

ELECTRIFICATION

Net sales in Electrification increased by 54 percent to SEK 929 million (602) and EBITA increased by 57 percent to SEK 114 million (73).

Market

The Electrification business area had a strong first quarter, with a good business situation for input components in the largest segments, such as electronics, energy, special vehicles and telecom. Demand increased in the defence industry, as well as for special battery modules where the acquisition effect was also significant.

ENERGY

Net sales in Energy increased by 34 percent to SEK 1,251 million (937) and EBITA increased by 34 percent to SEK 156 million (116).

Market

The business situation for the Energy business area was highly favourable in the first quarter. Sales of infrastructure products for the expansion of national and regional power grids increased from already high levels. The market situation for the units operating in sales of niche products for electricity distribution, the manufacturing industry, expansion of fiber-optic networks and building and installation was favourable, while it remained stable in wind power.

INDUSTRIAL SOLUTIONS

Net sales in Industrial Solutions increased by 26 percent to SEK 788 million (625) and EBITA increased by 44 percent to SEK 132 million (92).

Market

On the whole, the business situation for the Industrial Solutions business area was very strong during the first quarter. For the business area's companies exposed to the forest and sawmill industry, as well as for those exposed to the waste and recycling segment, the market situation remained favourable during the quarter. For companies operating in control and ergonomics products developed in-house, as well as in hydraulic solutions for special vehicles, demand was stable, as it was for components for the mechanical industry.

PROCESS TECHNOLOGY

Net sales in Process Technology increased by 24 percent to SEK 654 million (527) and EBITA increased by 13 percent to SEK 87 million (77).

Market

For the Process Technology business area as a whole, the market situation was favourable in the first quarter of the year. The business situation was particularly favourable for the companies active in medical technology and in the forest and process industries, particularly regarding the sawmill market. Demand for aftermarket and service components, as well as for projects in the energy segment, was stable, as it was in the mechanical industry and special vehicles, while it increased somewhat in the marine segment.

OTHER FINANCIAL INFORMATION

Profitability, financial position and cash flow

The return on equity at the end of the period was 30 percent (24), and return on capital employed was 21 percent (16). Return on working capital P/WC (EBITA in relation to working capital) amounted to 68 percent (56).

At the end of the period the equity ratio amounted to 34 percent (35). Equity per share, excluding non-controlling interest, totalled SEK 16.50 (12.60). The Group's net debt at the end of the period amounted to SEK 4,305 million (2,877), excluding pension liabilities of SEK 248 million (336). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions amounted to 0.9 (0.8).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 1,902 million (1,999) at 30 June 2022. Before the end of June, additional credits totalling SEK 3,500 million were granted. These became available on 30 June 2022, at which time SEK 2,500 million was also repaid. As a result, Addtech had a total credit framework of SEK 4,800 million as of 30 June 2022.

Cash flow from operating activities amounted to SEK 281 million (208) during the period. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 778 million (261). Investments in non-current assets totalled SEK 36 million (14) and disposal of non-current assets amounted to SEK 1 million (3). Repurchase of call options amounted to SEK 3 million (3) and exercised call options totalled SEK 11 million (7).

Employees

At the end of the period, the number of employees was 3,753 compared to 3,556 at the beginning of the financial year. During the period, completed acquisitions resulted in an increase of the number of employees by 177. The average number of employees in the latest 12-month period was 3,434.

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	12,885,744	128,857,440	4.7%	33.1%
Class B shares, 1 vote per share	259,908,240	259,908,240	95.3%	66.9%
Total number of shares before repurchases	272,793,984	388,765,680	100.0%	100.0%
Repurchased class B shares	-3,168,272		1.2%	0.8%
Total number of shares after repurchases	269,625,712			

Addtech has three outstanding call option programmes for a total of 2,968,070 shares. Call options issued on repurchased shares entail a dilution effect of about 0.3 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 per option	Exercise price per share	Expiration period
2021/2025	768,070	768,070	0.3%	214.40	214.40	9 Sep 2024 - 11 Jun 2025
2020/2024	250,000	1,000,000	0.4%	538.10	134.53	4 Sep 2023 - 5 Jun 2024
2019/2023	300,000	1,200,000	0.4%	321.80	80.45	5 Sep 2022 - 2 Jun 2023
Total	1,318,070	2,968,070				

Acquisitions and disposals

On 1 April, Intertrafo Oy, Finland, was acquired by Tampereen Sähköpalvelu Oy to become part of the Energy business area. Intertrafo designs, manufactures and commissions transformers on the Finnish market. The company has 15 employees and sales of around EUR 3 million.

On 1 April, Electric Control Systems Automation AS, Norway, was acquired to become part of the Process Technology business area. ECS is an international provider of system integration and automation solutions tailored to customer needs. The company offers complete process control systems using IoT as well as produces automation control panels, both with the aim to increase productivity and improve the data analysis capability within the process industry. The company has 31 employees and sales of around NOK 70 million.

On 4 April, 88 percent of the shares in Impulseradar Sweden AB, Sweden, was acquired to become part of the Industrial Solutions business area. Impulse is a leading developer and manufacturer of ground radar instruments and related software that enables investigation and mapping of features and structures below the surface. The equipment is used in several application areas such as infrastructure projects, road and bridge inspections and utility mapping. The company has 27 employees and sales of around SEK 80 million.

On 5 May, C.K. Environment A/S, Denmark, was acquired to become part of the Process Technology business area. C.K. Environment is a leading provider of instrumentation and solutions for measuring and analyzing of gasses, liquids, particles, humidity and temperature. The company offers both complete customized solutions as well as components and service to a wide range of industrial customers. The company has 14 employees and sales of around DKK 30 million.

On 3 June, Arruti Group, Spain, was acquired to become part of the Energy business area. Arruti Group consists of four companies that develop, manufacture and sell components as well as equipment components for electrical transmission lines and substations. The company is well established as a supplier to grid operators in Europe, parts of South America and Canada. The company has 90 employees and sales of around EUR 27 million.

The purchase price allocation calculations for the acquisitions completed during the period 1 April - 30 June 2021 have now been finalised. No significant adjustments have been made to the calculations. Acquisitions completed as of the 2021/2022 financial year are distributed among the Group's business areas as follows:

Acquisitions 2021/2022	Closing	Acquired share, %	Net		Business Area
			sales, SEKm*	Number of employees*	
ESi Controls Ltd., Great Britain	April, 2021	100	95	15	Energy
Hydro-Material Oy, Finland	April, 2021	100	50	5	Industrial Solutions
IETV Elektroteknik AB, Sweden	May, 2021	100	80	38	Energy
AVT Industriteknik AB, Sweden	May, 2021	100	70	42	Automation
EK Power Solutions AB, Sweden	July, 2021	100	40	25	Electrification
KZ moder AB, Sweden	July, 2021	100	100	29	Process Technology
Finnchain Oy, Finland	July, 2021	90	70	20	Process Technology
Tritech Solutions AB, Sweden	August, 2021	100	60	8	Automation
Systemra Computer GmbH, Germany	September, 2021	100	95	16	Automation
ABH Stromschienen GmbH, Germany	October, 2021	100	100	22	Electrification
Ko Hartog Verkeerstechiek B.V., Netherlands	October, 2021	100	80	18	Energy
Jolex AB, Sweden	November, 2021	100	20	1	Electrification
Fey Elektronik GmbH, Germany	March, 2022	90	570	160	Electrification
Acquisitions 2022/2023	Closing	Acquired share, %	Net		Business Area
Intertrafo Oy, Finland	April, 2022	100	30	15	Energy
Electric Control Systems Automation AS, Norway	April, 2022	100	75	31	Process Technology
Impulseradar Sweden AB, Sweden	April, 2022	88	80	27	Industrial Solutions
C.K. Environment A/S, Denmark	May, 2022	100	40	14	Process Technology
Arruti Group, Spain	June, 2022	100	280	90	Energy
Gotapack International AB, Sweden	July, 2022	100	25	5	Process Technology

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

If all acquisitions which have taken effect during the period had been completed on 1 April 2022, their impact would have been an estimated SEK 165 million on Group net sales, about SEK 32 million on operating profit and about SEK 24 million on profit after tax for the period.

Addtech normally employs an acquisition structure comprising basic purchase consideration and contingent consideration. The outcome of contingent purchase considerations is determined by the future earnings reached by the companies and is subject to a fixed maximum level. Of considerations not yet paid for acquisitions during the period, the discounted value amounts to SEK 84 million. The contingent purchase considerations fall due for payment within three years and the outcome is subject to a maximum of SEK 109 million.

Transaction costs for acquisitions that resulted in an ownership transfer during the period, amounted to SEK 3 million (3) and are reported under Selling expenses.

Revaluation of contingent consideration had a positive net effect of SEK 4 million (-4) during the period. The impact on profits 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:

Fair value SEKm	30 June 2022	30 June 2021
Intangible non-current assets	368	140
Other non-current assets	32	3
Inventories	121	54
Other current assets	241	151
Deferred tax liability/tax asset	-88	-30
Other liabilities	-110	-85
Acquired net assets	564	233
Goodwill ¹⁾	366	140
Non-controlling interests ²⁾	-28	-
Consideration ³⁾	902	373
Less: cash and cash equivalents in acquired businesses	-71	-71
Less: consideration not yet paid	-175	-102
Effect on the Group's cash and cash equivalents	656	200

1) Goodwill is justified by expected future sales trend and profitability as well as the personnel included in the acquired companies.

2) Non-controlling interests have been measured at fair value, which entails that goodwill is also reported for non-controlling interests.

3) The consideration is stated excluding transaction costs for the acquisitions.

Parent Company

Parent Company net sales amounted to SEK 20 million (16) and profit after financial items was SEK -38 million (-5). Net investments in non-current assets were SEK 0 million (0). The Parent Company's financial net assets was SEK -2 million (39) at the end of the period.

OTHER DISCLOSURES

Accounting policies

The interim report has been prepared in accordance with IFRS as adopted by the EU, with IAS 34 Interim Financial Reporting being applied. Apart from in the financial statements and their accompanying notes, disclosures in accordance with IAS 34.16A also appear in other parts of the interim report. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the Securities Market Act, which is in accordance with the provisions of RFR 2 Accounting for Legal Entities.

In the interim report, the same accounting principles and bases of calculation have been applied as in the most recent annual report. There are no new IFRS or IFRIC pronouncements endorsed by the EU that are applicable for Addtech or that have a significant impact on the Group's result of operations and position in 2022/2023.

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 17-20.

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 limited direct exposure to the countries involved in the conflict in Ukraine. One of our subsidiaries has a minor business in Russia where work is currently underway according to an orderly decommissioning plan. Addtech assess also the indirect effects as limited for the time being. Addtech is closely monitoring developments in the conflict and currently finds it difficult to assess the future effect of sanctions against Russia and the implications that the conflict could have on the economic situation in Europe.

Please see section Risks and uncertainties (page 56-58) in the annual report for 2021/2022 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 or the parent company's position and its 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.

Events after the end of the period

On 1 July, Gotapack International AB, Sweden, was acquired to become part of the Process Technology business area. Gotapack has strong industry expertise in equipment, spare parts and service to the pharmaceutical industry. The main products include processing and packaging machinery. The company has 5 employees and sales of around SEK 25 million.

A preliminary purchase price allocation has not yet been completed.

Stockholm July 15, 2022

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. The information was submitted for publication, through the agency of the contact persons set out below, at 8.15 a.m CET on 15 July 2022.

Future information

2022-08-25 Annual General Meeting 2022 will be held at IVA, Grev Turegatan 16, Stockholm at 2.00 p.m

2022-10-27 Interim report 1 April - 30 September 2022

2023-02-02 Interim report 1 April - 31 December 2022

2023-05-17 Year-end report 1 April 2022 - 31 March 2023

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BUSINESS AREA

Net sales by business area	2022/2023		2021/2022		
	Q1	Q4	Q3	Q2	Q1
Quarterly data, SEKm					
Automation	761	828	691	604	593
Electrification	929	732	677	618	602
Energy	1,251	992	918	895	937
Industrial Solutions	788	720	722	602	625
Process Technology	654	649	585	545	527
Group items	-7	-5	-7	-7	-5
Addtech Group	4,376	3,916	3,586	3,257	3,279

EBITA by business area	2022/2023		2021/2022		
	Q1	Q4	Q3	Q2	Q1
Quarterly data, SEKm					
Automation	91	103	76	73	56
Electrification	114	89	73	83	73
Energy	156	125	114	112	116
Industrial Solutions	132	125	133	102	92
Process Technology	87	84	74	64	77
Group items	-10	-9	-11	-9	-12
EBITA	570	517	459	425	402
Depr. of intangible non-current assets	-88	-81	-77	-74	-70
– of which acquisitions	-84	-74	-73	-70	-67
Operating profit	482	436	382	351	332

Net sales	3 months		Rolling 12 months	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	31 Mar 2022
SEKm				
Automation	761	593	2,884	2,716
Electrification	929	602	2,956	2,629
Energy	1,251	937	4,056	3,742
Industrial Solutions	788	625	2,832	2,669
Process Technology	654	527	2,433	2,306
Group items	-7	-5	-26	-24
Addtech Group	4,376	3,279	15,135	14,038

EBITA and EBITA margin	3 months				Rolling 12 months			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		31 Mar 2022	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Automation	91	12.0	56	9.4	343	11.9	308	11.4
Electrification	114	12.2	73	12.1	359	12.2	318	12.1
Energy	156	12.5	116	12.4	507	12.5	467	12.5
Industrial Solutions	132	16.8	92	14.7	492	17.4	452	16.9
Process Technology	87	13.3	77	14.7	309	12.7	299	12.9
Group items	-10		-12		-39		-41	
EBITA	570	13.0	402	12.3	1,971	13.0	1,803	12.8
Depr. of intangible non-current assets	-88		-70		-320		-302	
– of which acquisitions	-84		-67		-301		-284	
Operating profit	482	11.0	332	10.1	1,651	10.9	1,501	10.7

DISAGGREGATION OF REVENUE

Net sales by the customers geographical location

SEKm	3 months						
	30 June 2022						
	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group items	Addtech Group
Sweden	191	309	310	286	150		1,246
Denmark	150	106	312	9	98		675
Finland	128	124	80	134	115		581
Norway	54	100	240	32	92		518
Other Europe	207	228	231	200	144		1,010
Other countries	30	60	77	127	52		346
Group items	1	2	1	0	3	-7	-
Total	761	929	1,251	788	654	-7	4,376

Net sales by the customers geographical location

SEKm	3 months						
	30 June 2021						
	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group items	Addtech Group
Sweden	142	209	249	235	110		945
Denmark	125	65	209	10	92		501
Finland	108	87	65	130	86		476
Norway	50	62	194	47	85		438
Other Europe	144	134	145	120	109		652
Other countries	24	44	74	82	43		267
Group items	0	1	1	1	2	-5	-
Total	593	602	937	625	527	-5	3,279

Net sales per customers segment

SEKm	3 months						
	30 June 2022						
	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group items	Addtech Group
Vehicle	51	142	21	268	36		518
Mechanical industry	209	100	87	77	110		583
Data & telecommunication	26	65	118	0	0		209
Medical technology	131	85	14	4	40		274
Electronics	57	200	61	3	6		327
Energy	50	139	494	7	99		789
Forest & Process	89	9	37	279	191		605
Building & installation	28	68	287	21	34		438
Transportation	29	16	83	58	104		290
Other	90	103	48	71	31		343
Group items	1	2	1	0	3	-7	-
Total	761	929	1,251	788	654	-7	4,376

Net sales per customers segment

SEKm	3 months						
	30 June 2021						
	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group items	Addtech Group
Vehicle	26	77	13	211	24		351
Mechanical industry	135	65	68	74	91		433
Data & telecommunication	47	46	85	0	0		178
Medical technology	136	69	10	4	33		252
Electronics	23	124	45	2	7		201
Energy	25	89	421	12	75		622
Forest & Process	78	3	20	207	148		456
Building & installation	25	40	174	23	16		278
Transportation	32	10	55	51	111		259
Other	66	78	45	40	20		249
Group items	0	1	1	1	2	-5	-
Total	593	602	937	625	527	-5	3,279

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	31 Mar 2022
Net sales	4,376	3,279	15,135	14,038
Cost of sales	-3,076	-2,275	-10,518	-9,717
Gross profit	1,300	1,004	4,617	4,321
Selling expenses	-613	-501	-2,236	-2,124
Administrative expenses	-215	-175	-793	-753
Other operating income and expenses	10	4	63	57
Operating profit	482	332	1,651	1,501
- as % of net sales	11.0	10.1	10.9	10.7
Financial income and expenses	-44	-14	-98	-68
Profit after financial items	438	318	1,553	1,433
- as % of net sales	10.0	9.7	10.3	10.2
Income tax expense	-94	-68	-342	-316
Profit for the period	344	250	1,211	1,117
Profit for the period attributable to:				
Equity holders of the Parent Company	329	243	1,160	1,074
Non-controlling interests	15	7	51	43
Earnings per share before dilution, SEK	1.20	0.90	4.30	4.00
Earnings per share after dilution, SEK	1.20	0.90	4.25	3.95
Average number of shares after repurchases, '000s	269,551	269,291	269,465	269,400
Number of shares at end of the period, '000s	269,626	269,343	269,626	269,528

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

SEKm	3 months		Rolling 12 months	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	31 Mar 2022
Profit for the period	344	250	1,211	1,117
<i>Components that will be reclassified to profit for the year</i>				
Cash flow hedges	1	-2	5	2
Foreign currency translation differences for the period	146	-74	319	99
<i>Components that will not be reclassified to profit for the year</i>				
Actuarial effects of the net pension obligation	55	-	73	18
Other comprehensive income	202	-76	397	119
Total comprehensive income	546	174	1,608	1,236
Total comprehensive income attributable to:				
Equity holders of the Parent Company	528	168	1,550	1,190
Non-controlling interests	18	6	58	46

CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	30 Jun 2022	30 Jun 2021	31 Mar 2022
Goodwill	3,719	2,845	3,306
Other intangible non-current assets	2,386	1,827	2,062
Property, plant and equipment	1,112	957	1,057
Other non-current assets	69	59	65
Total non-current assets	7,286	5,688	6,490
Inventories	3,039	1,878	2,569
Current receivables	3,369	2,351	2,931
Cash and cash equivalents	540	524	437
Total current assets	6,948	4,753	5,937
Total assets	14,234	10,441	12,427
Total equity	4,826	3,627	4,259
Interest-bearing provisions	248	336	314
Non-interest-bearing provisions	587	398	500
Non-current interest-bearing liabilities	3,165	2,228	2,136
Non-current non-interest-bearing liabilities	9	8	9
Total non-current liabilities	4,009	2,970	2,959
Non-interest-bearing provisions	73	54	72
Current interest-bearing liabilities	1,680	1,173	2,048
Current non-interest-bearing liabilities	3,646	2,617	3,089
Total current liabilities	5,399	3,844	5,209
Total equity and liabilities	14,234	10,441	12,427

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	30 Jun 2022	30 Jun 2021	31 Mar 2022
Opening balance	4,259	3,450	3,450
Exercised, issued and repurchased options	8	4	10
Repurchase of treasury shares	-	-	-
Dividend, ordinary	-	-	-323
Dividend, non-controlling interests	-2	-1	-15
Change, non-controlling interests	28	-	58
Option debt, acquisition	-13	-	-157
Total comprehensive income	546	174	1,236
Closing balance	4,826	3,627	4,259

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	31 Mar 2022
Profit after financial items	438	318	1,553	1,433
Adjustment for items not included in cash flow	184	131	647	594
Income tax paid	-105	-77	-444	-416
Changes in working capital	-236	-164	-562	-490
Cash flow from operating activities	281	208	1,194	1,121
Net investments in non-current assets	-35	-11	-140	-116
Acquisitions and disposals	-778	-261	-1,656	-1,139
Cash flow from investing activities	-813	-272	-1,796	-1,255
Dividend paid to shareholders	-	-	-323	-323
Repurchase of own shares/change of options	8	4	14	10
Other financing activities	611	178	893	460
Cash flow from financing activities	619	182	584	147
Cash flow for the period	87	118	-18	13
Cash and cash equivalents at beginning of period	437	420	524	420
Exchange differences on cash and cash equivalents	16	-14	34	4
Cash and cash equivalents at end of period	540	524	540	437

FAIR VALUES ON FINANCIAL INSTRUMENTS

SEKm	30 Jun 2022			31 Mar 2022		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives - fair value, hedge instruments	9	9	-	6	6	-
Derivatives - fair value through profit	6	6	-	4	4	-
Total financial assets at fair value per level	15	15	-	10	10	-
Derivatives - fair value, hedge instruments	4	4	-	3	3	-
Derivatives - fair value through profit	36	36	-	12	12	-
Contingent considerations - fair value through profit	335	-	335	349	-	349
Total financial liabilities at fair value per level	375	40	335	364	15	349

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 2022	31 Mar 2022
Opening balance	349	267
Acquisitions during the year	83	170
Reversed through profit or loss	-4	-8
Consideration paid	-102	-96
Interest expenses	2	12
Exchange differences	7	4
Closing balance	335	349

KEY FINANCIAL INDICATORS

	12 months ending				
	30 Jun 2022	31 Mar 2022	30 Jun 2021	31 Mar 2021	31 Mar 2020
Net sales, SEKm	15,135	14,038	11,810	11,336	11,735
EBITDA, SEKm	2,257	2,077	1,601	1,501	1,579
EBITA, SEKm	1,971	1,803	1,347	1,251	1,364
EBITA-margin, %	13.0	12.8	11.4	11.0	11.6
Operating profit, SEKm	1,651	1,501	1,078	989	1,161
Operating margin, %	10.9	10.7	9.1	8.7	9.9
Profit after financial items, SEKm	1,553	1,433	1,022	937	1,105
Profit for the period, SEKm	1,211	1,117	795	729	873
Working capital	2,888	2,618	2,395	2,416	2,415
Return on working capital (P/WC), %	68	69	56	52	56
Return on equity, %	30	30	24	23	32
Return on capital employed, %	21	20	16	15	21
Equity ratio, %	34	34	35	35	36
Financial debt, SEKm	4,553	4,061	3,213	3,134	2,585
Debt / equity ratio, multiple	0.9	1.0	0.9	0.9	0.8
Financial debt/ EBITDA, multiple	2.0	2.0	2.0	2.1	1.6
Net debt excl. pensions, SEKm	4,305	3,747	2,877	2,798	2,253
Net debt, excl pensions / equity ratio, multiple	0.9	0.9	0.8	0.8	0.7
Interest coverage ratio, multiple	20.2	22.4	17.4	15.8	20.5
Average number of employees	3,434	3,317	3,109	3,068	2,913
Number of employees at end of the period	3,753	3,556	3,230	3,133	2,981

KEY FINANCIAL INDICATORS PER SHARE

SEK	12 months ending				
	30 Jun 2022	31 Mar 2022	30 Jun 2021	31 Mar 2021	31 Mar 2020
Earnings per share before dilution	4.30	4.00	2.85	2.60	3.20
Earnings per share after dilution	4.25	3.95	2.85	2.60	3.20
Cash flow from operating activities per share	4.45	4.15	5.15	5.60	4.15
Shareholders' equity per share	16.50	14.60	12.60	11.95	11.25
Share price at the end of the period	133.40	182.00	142.00	130.00	61.13
Average number of shares after repurchases, '000s	269,465	269,400	269,176	269,051	268,493
Average number of shares adjusted for repurchases and dilution, '000s	270,341	270,346	270,192	269,969	269,200
Number of shares outstanding at end of the period, '000s	269,626	269,528	269,343	269,275	268,594

For definitions of key financial indicators, see page 17-19.

PARENT COMPANY INCOME STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	31 Mar 2022
Net sales	20	16	68	64
Administrative expenses	-28	-23	-101	-96
Operating profit/loss	-8	-7	-33	-32
Interest income and expenses and similar items	-30	2	-31	1
Profit after financial items	-38	-5	-64	-31
Appropriations	-	-	295	295
Profit before taxes	-38	-5	231	264
Income tax expense	8	1	-48	-55
Profit for the period	-30	-4	183	209
Total comprehensive income	-30	-4	183	209

PARENT COMPANY BALANCE SHEET, CONDENSED

SEKm	30 Jun 2022	30 Jun 2021	31 Mar 2022
Intangible non-current assets	1	1	1
Property, plant and equipment	0	0	0
Non-current financial assets	5,362	4,394	4,646
Total non-current assets	5,363	4,395	4,647
Current receivables	1,027	528	1,050
Cash and bank balances	-	-	-
Total current assets	1,027	528	1,050
Total assets	6,390	4,923	5,697
Restricted equity	69	69	69
Unrestricted equity	653	779	675
Total equity	722	848	744
Untaxed reserves	302	211	302
Provisions	13	13	13
Non-current liabilities	2,718	1,846	1,684
Current liabilities	2,635	2,005	2,954
Total equity and liabilities	6,390	4,923	5,697

DEFINITIONS

Return on equity^{1 2}

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, see the reconciliation table on page 20.

Return on capital employed¹

Profit after financial items 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.

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.

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.

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 EBITDA.

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

Financial income minus financial 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.

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.

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.

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

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.

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 expenses and bank charges divided by interest expenses and bank charges.

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

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.

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 out by the company's owners or that have been lent out by lenders, see reconciliation table on page 20.

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

EBITDA and EBITDA	12 months ending				
	30 Jun 2022	31 Mar 2022	30 Jun 2021	31 Mar 2021	31 Mar 2020
Addtech Group, SEKm					
Operating profit according to Interim report	1,651	1,501	1,078	989	1,161
Amortization, intangible assets (+)	320	302	269	262	203
EBITA	1,971	1,803	1,347	1,251	1,364
Depreciation, tangible assets (+)	286	274	254	250	215
EBITDA	2,257	2,077	1,601	1,501	1,579

Working capital and return on working capital (P/WC)					
Addtech Group, SEKm	12 months ending				
	30 Jun 2022	31 Mar 2022	30 Jun 2021	31 Mar 2021	31 Mar 2020
EBITA (12 months rolling)	1,971	1,803	1,347	1,251	1,364
Inventory, yearly average (+)	2,314	2,058	1,746	1,722	1,594
Accounts receivables, yearly average (+)	2,283	2,078	1,773	1,756	1,854
Accounts payables, yearly average (-)	1,709	1,518	1,124	1,062	1,033
Working capital (average)	2,888	2,618	2,395	2,416	2,415
Return on working capital (P/WC) (%)	68%	69%	56%	52%	56%

Acquired- and organic growth								
Addtech Group	3 months				12 months			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		31 Mar 2022	
Acquired growth (SEKm,%)	436	(13%)	225	(8%)	1,209	(10%)	998	(9%)
Organic growth (SEKm,%)	562	(17%)	313	(11%)	1,928	(16%)	1,679	(15%)
Divestments (SEKm,%)	0	(0%)	-3	(0%)	-9	(0%)	-12	(0%)
Exchange rate effect (SEKm,%)	99	(3%)	-61	(-2%)	197	(2%)	37	(0%)
Total growth (SEKm,%)	1,097	(33%)	474	(17%)	3,325	(28%)	2,702	(24%)

Interest coverage ratio	12 months ending				
	30 Jun 2022	31 Mar 2022	30 Jun 2021	31 Mar 2021	31 Mar 2020
Addtech Group					
Profit after financial items, SEKm	1,553	1,433	1,022	937	1,105
Interest expenses and bank charges, SEKm (+)	81	67	62	63	57
Total	1,634	1,500	1,084	1,000	1,162
Interest coverage ratio, multiple	20.2	22.4	17.4	15.8	20.5

Net debt excl. pensions and net debt, excl pensions/equity ratio	12 months ending				
	30 Jun 2022	31 Mar 2022	30 Jun 2021	31 Mar 2021	31 Mar 2020
Addtech Group					
Financial net debt, SEKm	4,553	4,061	3,213	3,134	2,585
Pensions, SEKm (-)	-248	-314	-336	-336	-332
Net debt excluding pensions, SEKm	4,305	3,747	2,877	2,798	2,253
Equity, SEKm	4,826	4,259	3,627	3,450	3,076
Net debt to Equity ratio (excluding pensions), multiple	0.9	0.9	0.8	0.8	0.7

Capital employed and return on capital employed					
Addtech Group, SEKm	12 months ending				
	30 Jun 2022	31 Mar 2022	30 Jun 2021	31 Mar 2021	31 Mar 2020
Profit after financial items	1,553	1,433	1,022	937	1,105
Financial expenses (+)	187	152	98	93	79
Profit after financial items plus financial expenses	1,740	1,585	1,120	1,030	1,184
Total assets, yearly average (+)	11,887	11,001	9,696	9,309	7,926
Non-interest-bearing liabilities, yearly average (-)	-2,965	-2,705	-2,247	-2,153	-1,947
Non-interest-bearing provisions, yearly average (-)	-528	-485	-437	-413	-379
Capital employed	8,394	7,811	7,012	6,743	5,600
Return on capital employed, %	21%	20%	16%	15%	21%



This is Addtech

Addtech is a Swedish, listed technical solutions group that combines the flexibility and speed of a small company with the resources of a large company. We acquire, own and develop independent subsidiaries that sell various high-tech products and solutions to customers, primarily within industry and infrastructure. With in-depth expertise in a number of different niches, our subsidiaries generate added technical, financial and sustainable value for customers and suppliers alike, thus helping increase the efficiency and competitiveness of all involved. We currently own more than 140 companies in 20 countries, and have a long history of sustainable, profitable growth.

Our vision

We are to be the leader in value-creating technical solutions for a sustainable tomorrow, perceived as the most skilled and long-term partner of our customers, suppliers and employees.

Business concept in brief

Addtech offers high-tech products and solutions for companies in the manufacturing and infrastructure sectors. Addtech contributes added technical and financial value by being a skilled and professional partner for customers and manufacturers.

We build shareholder value through:

- our 140 subsidiaries and their capacity to generate earnings growth
- corporate governance that ensures the companies achieve even better results and development
- acquisitions that bring in new employees, customers and suppliers

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