

## YEAR-END REPORT 1 APRIL 2019 - 31 MARCH 2020

### FOURTH QUARTER (1 JANUARY - 31 MARCH 2020)

- **Net sales** increased by 6 percent and amounted to SEK 3,038 million (2,864).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 32 percent and amounted to SEK 407 million (309) corresponding to an EBITA margin of 13.4 percent (10.8).
- **Operating profit** increased by 35 percent and amounted to SEK 352 million (260) corresponding to an operating margin of 11.6 percent (9.1).
- **Profit after tax** increased by 47 percent and amounted to SEK 265 million (180) and **earnings per share before dilution** amounted to SEK 3.90 (2.65).
- The cyberattack that hit the Group in October 2019 is not expected to have affected net sales, although it did affect EBITA with direct expenses by approximately SEK 10 million in the fourth quarter. These direct expenses are recognised as Group items.
- The outbreak of the COVID-19 pandemic had a limited effect on the outcome for the quarter.

### FULL YEAR (1 APRIL 2019 - 31 MARCH 2020)

- **Net sales** increased by 16 percent and amounted to SEK 11,735 million (10,148).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 26 percent and amounted to SEK 1,364 million (1,085) corresponding to an EBITA margin of 11.6 percent (10.7).
- **Operating profit** increased by 28 percent and amounted to SEK 1,161 million (910) corresponding to an operating margin of 9.9 percent (9.0).
- **Profit after tax** increased by 30 percent and amounted to SEK 873 million (672) and **earnings per share before dilution** amounted to SEK 12.85 (9.85).
- **Return on working capital (P/WC)** amounted to 56 percent (53).
- **Return on equity** amounted to 32 percent (29) and the **equity ratio** amounted to 36 percent (36).
- **Cash flow from operating activities** amounted to SEK 1,117 million (524), of which the implementation of IFRS 16 has resulted in an increase of SEK 154 million. **Cash flow per share from operating activities** amounted to SEK 16.65 (7.80).
- The cyberattack that hit the Group in October 2019 is estimated to have impacted net sales for the financial year by approximately SEK 130 million and EBITA by approximately SEK 100 million.
- During the year, we have completed twelve acquisitions and closed another three after the end of the year. In total, this equals approximately SEK 1,200 million in annual sales.
- The Board of Directors has decided to postpone the decision regarding the proposal on dividend for the time being.

Group Summary SEKm	3 months			Rolling 12 months		
	31 Mar 2020	31 Mar 2019	Δ	31 Mar 2020	31 Mar 2019	Δ
Net sales	3,038	2,864	6%	11,735	10,148	16%
EBITA	407	309	32%	1,364	1,085	26%
EBITA-margin %	13.4	10.8		11.6	10.7	
Profit after financial items	333	246	35%	1,105	865	28%
Profit for the period	265	180	47%	873	672	30%
Earnings per share before dilution, SEK	3.90	2.65	47%	12.85	9.85	30%
Earnings per share after dilution, SEK	3.90	2.60	50%	12.80	9.80	31%
Cash flow from operating activities per share, SEK	-	-		16.65	7.80	
Return on equity, %	32	29		32	29	
Equity ratio, %	36	36		36	36	

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

Figures in this report may have been affected by the introduction of IFRS 16 Leases. Read more about how Addtech has applied this new standard, and how the introduction affects the figures and other information presented in the report under Other disclosures on page 11.

# CEO'S COMMENTS

*We conclude the 2019/2020 financial year as highly successful. Despite the cautious mood of the market, an extensive cyberattack in the third quarter and the end of the financial year being pervaded in many ways by the outbreak of the COVID-19 pandemic, we delivered strong profitable growth, both organically and through acquisitions of several new companies in different technical niches.*

## **FOURTH QUARTER – A STRONG FINALE IN TROUBLED TIMES**

The outbreak of the COVID-19 pandemic had a limited effect on the outcome for the quarter. Sales increased by 6 percent, of which organic sales decreased by almost 1 percent, compared with the very strong organic growth of the preceding financial year. We achieved a 32-percent growth in profit and the EBITA margin improved to 13.4 percent (10.8). All business areas contributed to the growth in profit. Non-recurring effects and revaluations of contingent purchase considerations had a positive impact on earnings totalling approximately SEK 50 million. Thanks to the amazing efforts of our employees and the strong support of our customers, the financial effects of the cyberattack were not as extensive as previously feared. We experienced no negative impact on sales and direct expenses amounted to about only SEK 10 million in the fourth quarter.

## **FULL-YEAR – CHALLENGING BUT PROVING THE STRENGTH OF OUR BUSINESS MODEL**

Given the year's challenges, we can be particularly satisfied with exceeding our own ambitious targets for the year. I cannot express adequately how immensely impressed I am by all of our employees. Again my warmest gratitude for your invaluable efforts during the year!

Sales increased by 16 percent, distributed evenly between organic and acquired growth. We continued to deliver profitable growth, where margin improvements in organic sales contributing in particular to an increase in total operating profit by 28 percent and a record-high EBITA margin of 11.6 percent (10.7). All business areas contributed to growth in sales and earnings, with Industrial Process at the fore.

Our cash flow strengthened significantly, mainly due to improved margins and effects from changes in working capital. Cash flow from operating activities amounted to SEK 1,117 million (524). We also secured an extension of our credit framework by a net SEK 1,300 million to a total of SEK 3,800 million in the fourth quarter. We have no repayments planned for the upcoming 12-month period.

In most geographical markets, underlying demand was generally favourable throughout the financial year. In the Nordic region, we had the strongest growth in Finland and Norway, while growth was stable in Sweden and Denmark. Outside the Nordic region, the market situation varied. Our units in central Europe developed positively overall, while political and economic uncertainties in the UK resulted in a weak trend in our operations there.

In terms of customer segments, demand for production components and solutions for special vehicles and the engineering sector levelled off, while demand in electronics, medical technology and wind power increased. Demand for aftermarket products for the forestry and process industries remained, on the whole, stable, while sales to the manufacturing industry declined. Sales were strong for products in the areas of emissions measurement and purification, scrubber solutions in particular, which accounted for slightly more than half of the Transport segment. Demand for scrubber solutions decreased gradually over the year, mainly due to the decreasing price difference between various fuels. Sales of electricity-related products to building & installation customers was stable, while demand for infrastructure products increased.

The cyberattack put our business model and our employees to the test. Once again, our decentralised model and entrepreneur-driven culture, showed tremendous strength, with their amazing capacity for initiative and strong local customer connections. Combined with an increased spread, both geographically and across different market segments, this helps us handling with the varying challenges we face. Right now, the foremost challenge confronting us is the ongoing COVID-19 pandemic. Towards the end of the financial year, all units have again demonstrated their capacity for adaptation by preparing plans of action to be ready to act if and when required.

## **ACQUISITIONS – CENTRAL ELEMENT OF GROWTH STRATEGY**

Acquisitions of successful, market-leading companies in various technical niches represent a key part of our growth strategy. During the financial year, a total of 12 companies were acquired, four of which were closed in the fourth quarter, while three more were acquired after the end of the financial year. In total, these acquisitions contribute to annual sales of approximately SEK 1,200 million, and adding some 260 new employees to the Group. It is worth noting that several of these acquisitions have a clear connection to sustainability, including our largest acquisition to date, the Valutec Group, which is a world-leading manufacturer of timber kilns to the forest industry, and Caligo Industria OY, which delivers proprietary flue gas purification and heat recovery systems. Despite the uncertainty around the world, we are keeping our acquisition process active, although we have temporarily slowed the pace. In the longer term, we are continuing to see good acquisition opportunities in several geographic markets.

## **OUTLOOK – CONTINUED OPPORTUNITIES DESPITE AN UNCERTAIN WORLD**

At the end of March, several units experienced reduced demand due to the COVID-19 pandemic, particularly in special vehicles and parts of the engineering sector. Other units experienced increased demand instead, driven by customers with medical technology products for which demand increased due to the pandemic, and customers securing their inventories in preparation for anticipated shortages of components. This trend continued in April. Our sales declined for comparable units by about 5 percent month-on-month and demand for comparable units declined by about 15 percent. Parts of the decrease are also explained by lower activity in scrubber installations. Despite all of the prevailing uncertainty, we are receiving deliveries from suppliers worldwide, we are continuing to deliver products and solutions to our customers, and we have a good order backlog.

Future development depends on many factors beyond our control, such as the spread of infection and political decisions. At this time, our main focus is on the health of our employees, on keeping our expenses in line with demand and on safeguarding our earnings and, not least, our cash flow. The Board of Directors also feels that it bears a significant responsibility in securing the Group's liquidity and cash flow and has therefore chosen, for the time being, to postpone the decision regarding the proposal on dividend due to the current uncertainty. The units noticing a slowdown have already put measures in place to protect their margins, liquidity and cash flow. We are proceeding on the basis of different conceivable future scenarios and are well prepared to respond effectively based on how the situation develops.

In times of crisis, companies with stable business models and strong financial positions are able to benefit from new opportunities that arise. For this reason, it is important that we continue to focus on our long-term goals, even during such times as the present. We have a favourable underlying momentum in the Group, with good positions in structurally driven areas of development, such as energy conversion and electrification. Over the year, we also clarified our long-term Sustainability Vision 2030, which supports the Paris Agreement and the UN 2030 Sustainable Development Agenda, reflecting our ambitious approach to halving our carbon dioxide emissions and increasing the proportion of women in the Group.

Finally, I would like to point out that Addtech has, over the years, successfully dealt with many difficult and uncertain situations through its strong corporate culture and ability to rapidly adapt. Accordingly, I am firmly convinced that we will also navigate through this societal crisis, continuing our long-term, sustainable and profitable growth.

Niklas Stenberg  
President and CEO



# GROUP DEVELOPMENT

## Sales development

Net sales in the Addtech Group increased in the fourth quarter by to SEK 3,038 million (2,864). The organic growth amounted to -1 percent and acquired growth amounted to 7 percent. Exchange rate changes affect net sales marginally positively, corresponding to SEK 8 million.

Net sales in the Addtech Group increased during the financial year by 16 percent to SEK 11,735 million (10,148). The organic growth amounted to 8 percent, acquired growth amounted to 8 percent and disposal affected by -1 percent. Exchange rate changes had a positive effect of 1 percent on net sales, corresponding to SEK 107 million.

## Profit development

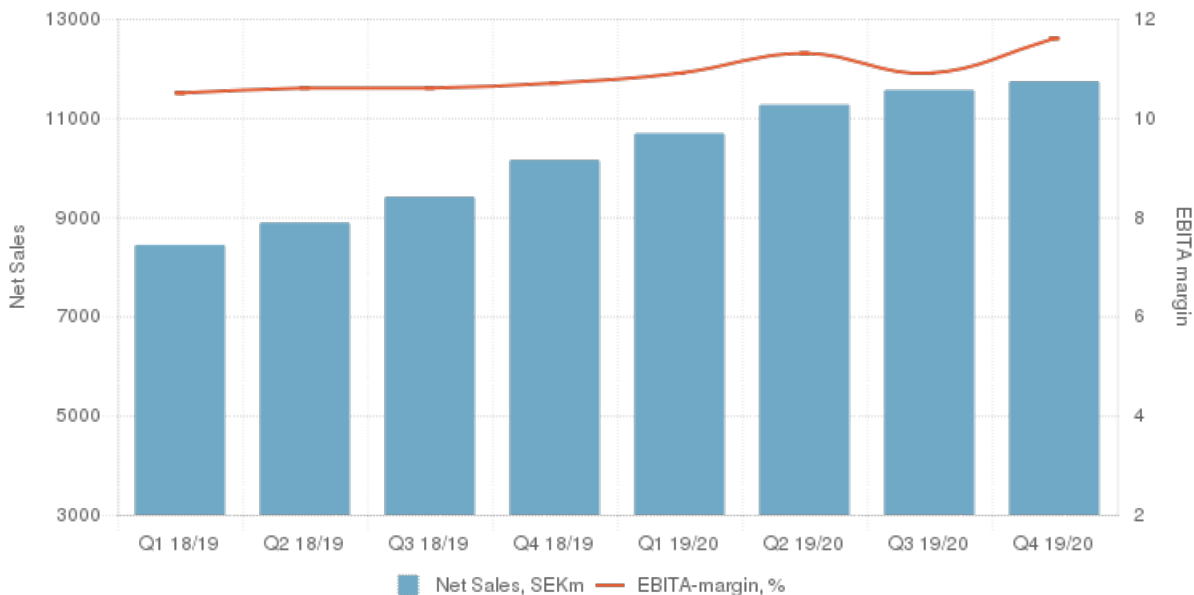
Operating profit increased during the quarter by 35 percent to SEK 352 million (260) and the operating margin amounted to 11.6 percent (9.1). Net financial items amounted to SEK -19 million (-14). Profit after financial items increased by 35 percent to SEK 333 million (246).

Profit after tax increased by 47 percent to SEK 265 million (180) corresponding to earnings per share before dilution of SEK 3.90 (2.65).

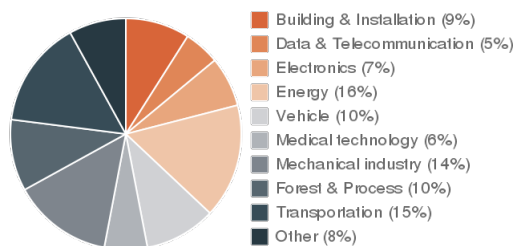
EBITA for the financial year amounted to SEK 1,364 million (1,085), representing an increase of 26 percent. The introduction of IFRS 16 had a positive impact on EBITA of SEK 5 million. Operating profit increased during the financial year by 28 percent to SEK 1,161 million (910) and the operating margin amounted to 9.9 percent (9.0). Net financial items were SEK -56 million (-45) and profit after financial items increased by 28 percent to SEK 1,105 million (865). The introduction of IFRS 16 affected net financial items negatively by SEK 8 million.

Profit after tax for the financial year increased by 30 percent to SEK 873 million (672) and the effective tax rate amounted to 21 percent (22). The effect of IFRS 16 on profit after tax amounted to SEK -3 million. Earnings per share before dilution for the financial year amounted to SEK 12.85 (9.85).

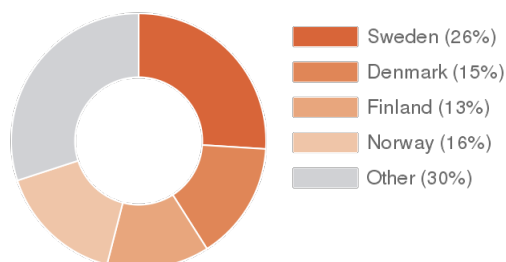
## Net Sales and EBITA margin, rolling 12 months



## Sales per customer segment



## Sales per geographic market



# DEVELOPMENT IN THE BUSINESS AREAS

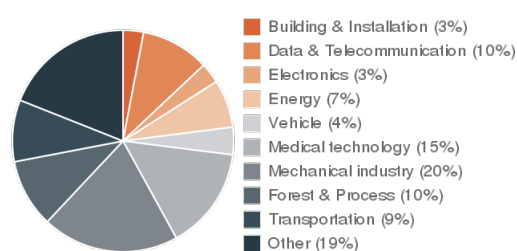
## AUTOMATION

Net sales in Automation increased in the fourth quarter by 26 percent to SEK 694 million (549) and EBITA increased by 91 percent to SEK 99 million (52). Net sales during the financial year increased by 25 percent to SEK 2,425 million (1,946) EBITA increased by 38 percent to SEK 267 million (194).

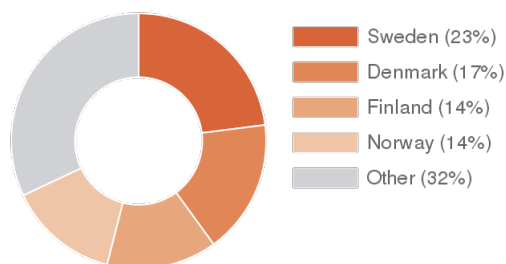
### Market

In the fourth quarter, the Automation business area experienced increased demand in key customer segments, including the mechanical industry, the defence industry and medical technology. This is partly explained by the recovery from the IT attack, as well as by the effects of customers experiencing increased demand for products towards the end of the quarter given the prevailing COVID-19 pandemic. Both volumes and profit growth were good, earnings were also affected positively by the revaluation of contingent purchase considerations by approximately SEK 30 million during the quarter.

Automation - Sales per customer segment



Automation - Sales per geographic market



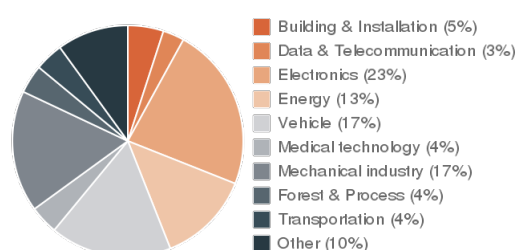
## COMPONENTS

Net sales in Components increased in the fourth quarter by 4 percent to SEK 578 million (553) and EBITA increased by 2 percent and amounted to SEK 65 million (64). Net sales during the financial year increased by 6 percent to SEK 2,082 million (1,960) and EBITA amounted to SEK 218 million (220).

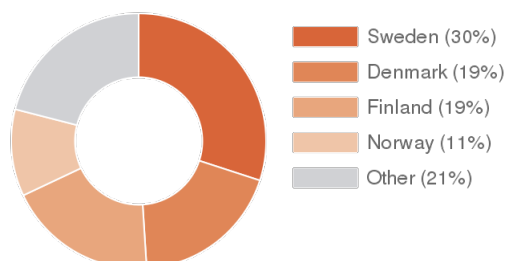
### Market

Stable volume growth despite tough comparisons with the fourth quarter of the preceding year. Demand for production components from Nordic manufacturing companies was high, partly due to customers securing their inventories in preparation for anticipated component shortages, but also from customers with increased demand in the current situation. The business situation was favourable in Norway and Denmark, varying in Finland and levelling off somewhat in Sweden. Market segments where development was positive were transport, defence, medical technology, wind power and projects in electrification.

Components - Sales per customer segment



Components - Sales per geographic market



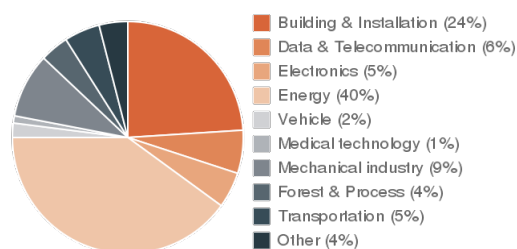
## ENERGY

Net sales in Energy in the fourth quarter amounted to SEK 604 million (644) and EBITA increased by 12 percent to SEK 78 million (70). Net sales during the financial year increased by 2 percent to SEK 2,412 million (2,357) and EBITA increased by 16 percent to SEK 282 million (244).

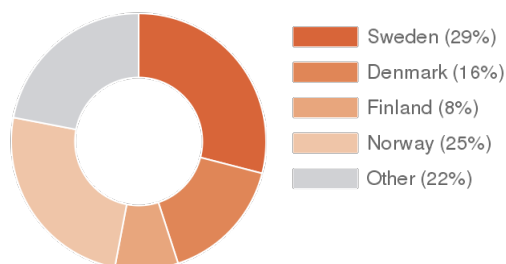
### Market

Demand for infrastructure products for national and regional grids and for wind power held at high levels and the market situation remained stable throughout the quarter. The units that are active in sales of niche products for electrical power distribution, the expansion of the fibre-optic network, as well as building & installation continued to experience a certain decline in demand. Clearer customer focus and efficiency measures had a positive effect on operating margins throughout the year.

Energy - Sales per customer segment



Energy - Sales per geographic market



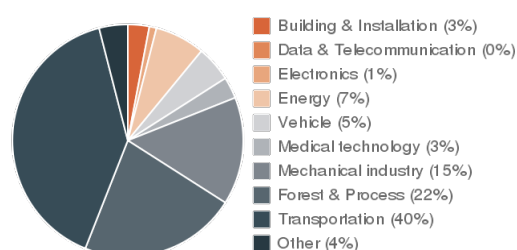
## INDUSTRIAL PROCESS

Net sales in Industrial Process increased in the fourth quarter by 4 percent to SEK 732 million (707) and EBITA increased by 60 percent to SEK 113 million (71). Net sales during the financial year increased by 39 percent to SEK 3,204 million (2,305) and EBITA increased by 103 percent to SEK 445 million (219).

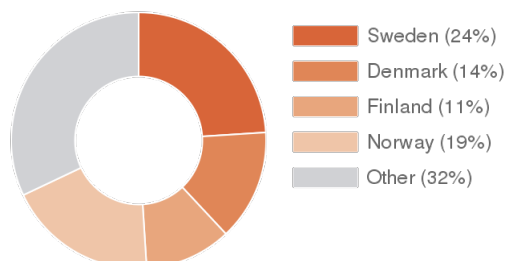
### Market

Sales of products and services for environmental improvement solutions in the marine segment was good in the final quarter of the year, while demand for new projects remained considerably lower. During the quarter, organic growth provided very good leverage on the margins and non-recurring effects, from service agreements with high margins and exchange rate effects, had a positive impact on earnings of approximately SEK 20 million. The market situation in special vehicles and the engineering sector continued to decline, while the business situation in the process industry was, on the whole, stable.

Industrial Process - Sales per customer segment



Industrial Process - Sales per geographic market



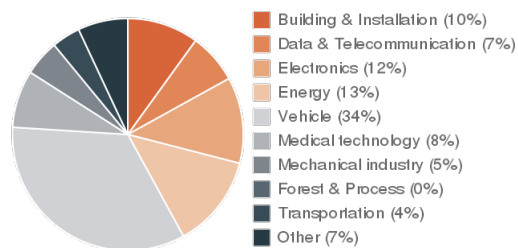
## POWER SOLUTIONS

Net sales in Power Solutions increased in the fourth quarter by 5 percent to SEK 434 million (414) and EBITA increased by 27 percent to SEK 68 million (54). Net sales during the financial year increased by 2 percent to SEK 1,630 million (1,597) and EBITA increased by 4 percent to SEK 231 million (223).

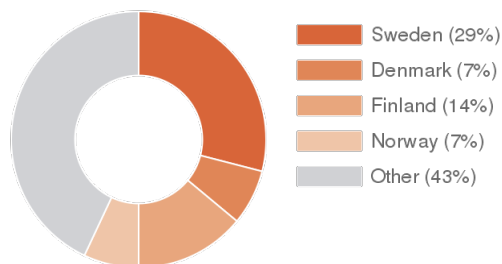
### Market

During the quarter, demand was very good for the business area as a whole. For customised battery solutions, the market situation remained highly favourable, particularly in medical technology. The business situation remained favourable for the units operating in power supply and wind power. Demand for control and ergonomics products in the business area's largest customer segment, special vehicles, was favourable, particularly with regard to components for several customers' stocks of spare parts.

Power Solutions - Sales per customer segment



Power Solutions - Sales per geographic market





# OTHER FINANCIAL INFORMATION

## Profitability, financial position and cash flow

The return on equity at the end of the financial year was 32 percent (29), and return on capital employed was 21 percent (21). Return on working capital P/WC (EBITA in relation to working capital) amounted to 56 percent (53).

At the end of the financial year the equity ratio amounted to 36 percent (36). The implementation of IFRS 16 had a negative effect and increased the balance sheet total by SEK 624 million. Equity per share, excluding non-controlling interest, totalled SEK 44.95 (36.80). The Group's net debt at the end of the financial year amounted to SEK 2,253 million (1,700), excluding pension liabilities of SEK 332 million (260), including leasing liabilities from IFRS 16 totalling SEK 627 million. The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions but including leasing liabilities according to IFRS 16, amounted to 0.7 (0.7).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 2,407 million (566) at 31 March 2020. Before the end of the financial year, additional credits totalling SEK 1,500 million were granted. These became available on 31 March 2020, at which time SEK 200 million was also repaid. As a result, Addtech had a total credit framework of SEK 3,800 million as of 31 March 2020.

Cash flow from operating activities amounted to SEK 1,117 million (524) during the financial year. The implementation of IFRS 16 has increased cash flow from operating activities by SEK 154 million and decreased cash flow from financing activities by the corresponding amount, on account of the fact that the amortization portion of lease payments is recognized as payments in the financing activities. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 430 million (645). Investments in noncurrent assets totalled SEK 109 million (94) and disposal of non-current assets amounted to SEK 6 million (12). Dividend from associated companies amounted to SEK 1 million (2). Repurchase of treasury shares amounted to SEK 42 million (38) and repurchase of call options amounted to SEK 23 million (11). Exercised and issued call options totalled SEK 39 million (33). Dividends paid to the shareholders of the Parent Company totalled SEK 336 million (269), corresponding to SEK 5.00 (4.00) per share. The dividend was paid out in the second quarter.

## Employees

At the end of the financial year, the number of employees was 2,981, compared to 2,759 at the beginning of the financial year. During the financial year, completed acquisitions resulted in an increase of the number of employees by 170. The average number of employees in the latest 12-month period was 2,913.

## Ownership structure

At the end of the financial year 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	3,229,500	32,295,000	4.7%	33.2%
Class B shares, 1 vote per share	64,968,996	64,968,996	95.3%	66.8%
<b>Total number of shares before repurchases</b>	<b>68,198,496</b>	<b>97,263,996</b>	<b>100.0%</b>	<b>100.0%</b>
Repurchased class B shares	-1,049,918		1.5%	1.1%
<b>Total number of shares after repurchases</b>	<b>67,148,578</b>			

Addtech has four outstanding call option programmes for a total of 1,007,000 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	Expiration period
2019/2023	300,000	300,000	0.4%	321.80	5 Sep 2022 - 2 Jun 2023
2018/2022	300,000	300,000	0.4%	232.90	6 Sep 2021 - 3 Jun 2022
2017/2021	300,000	300,000	0.4%	178.50	14 Sep 2020 - 4 Jun 2021
2016/2020	107,000	107,000	0.2%	159.00	16 Sep 2019 - 5 Jun 2020
<b>Total</b>	<b>1,007,000</b>	<b>1,007,000</b>			



## Acquisitions and disposals

During the period, 1 April to 31 December 2019 the following acquisitions were completed; Omni Ray AG, Thiim A/S and Promector Oy to become part of the Automation business area, Thurne Teknik AB, AB N.O. Rönne and BKC Products Ltd. to become part of the Industrial Process business area, Best Seating Systems Walter Tausch GmbH to become part of the Power Solutions business area and Profelec Oy to become part of the Energy business area.

On 3 February Wireco-NB Oy, Finland, was acquired to become part of the Energy business area. Wireco is a supplier of special cables and cable accessories for industrial and mining applications, mainly in Finland. The company has sales of about EUR 2.2 million and 6 employees.

On 27 February Caligo Industria Oy, Finland, was acquired to become part of the Industrial Process business area. Caligo develops and supplies flue gas cleaning and heat recovery systems mainly to combined heat and powerplants and the wood processing industry in the Nordics and in France. The company has sales of about EUR 6.3 million and 9 employees.

On 2 March DMC Digital Motor Control GmbH, Germany, and Q-tronic B.V, Netherlands, was acquired to become part of the Power Solutions business area. DMC designs and produces electrical motor controllers for battery driven applications including electrical vehicles. Q-tronic provide electrical component solutions and subsystems for electrical vehicles in mainly Benelux countries. Together DMC and Q-tronic has sales of about EUR 7 million and 20 employees.

The purchase price allocation calculations for the acquisitions completed during the period 1 April 2018 - 31 March 2019 have now been finalised. No significant adjustments have been made to the calculations. Acquisitions completed as of the 2018/2019 financial year are distributed among the Group's business areas as follows:

Acquisitions (disposals)	Closing	Net sales, SEKm*	Number of employees*	Business Area
Synthecs Group, Netherlands**	April, 2018	145	50	Automation
Xi Instrument AB, Sweden	April, 2018	13	2	Energy
KRV AS, Norway	April, 2018	55	27	Industrial Process
Scanwill Fluid Power ApS, & Willtech ApS, Denmark	April, 2018	15	4	Components
Duelco A/S, Denmark	July, 2018	150	30	Energy
Prisma Teknik AB and Prisma Light AB, Sweden	July, 2018	70	27	Energy
Fibersystem AB, Sweden**	July, 2018	140	12	Automation
TLS Energimätning AB, Sweden	July, 2018	50	9	Industrial Process
Diamond Point International (Europe) Ltd, Great Britain**	July, 2018	40	9	Automation
Power Technic ApS, Denmark	July, 2018	50	6	Power Solutions
(Solar Supply Sweden AB, Sweden)	(August, 2018)	(80)	(5)	(Power Solutions)
Nordautomation Oy, Finland	September, 2018	155	85	Industrial Process
Wood Recycling Sweden AB, Sweden	October, 2018	7	2	Industrial Process
Nylund Industrial Electronics (assets and liabilities), Finland	January, 2019	35	3	Components
Birepo A/S, Denmark	January, 2019	35	10	Components
Omni Ray AG, Switzerland	April, 2019	330	65	Automation
Thurne Teknik AB, Sweden	April, 2019	100	19	Industrial Process
AB N.O. Rönne, Sweden	April, 2019	8	4	Industrial Process
Best Seating Systems Walter Tausch GmbH, Austria	May, 2019	23	5	Power Solutions
Thiim A/S, Denmark	June, 2019	70	15	Automation
Profelec Oy, Finland	July, 2019	6	2	Energy
BKC Products Ltd., Great Britain	August, 2019	12	5	Industrial Process
Promector Oy, Finland	August, 2019	24	20	Automation
Wireco-NB Oy, Finland	February, 2020	23	6	Energy
Caligo Industria Oy, Finland	February, 2020	70	9	Industrial Process
DMC Digital Motor Control GmbH, Germany	March, 2020	30	10	Power Solutions
Q-tronic B.V, Netherlands	March, 2020	45	10	Power Solutions
Elkome Group Oy, Finland	April, 2020	85	38	Automation
Peter Andersson AB, Sweden	April, 2020	30	9	Energy
Valutec Group AB, Sweden	April, 2020	350	45	Industrial Process

\* Refers to assessed condition at the time of acquisition and disposal, respectively, on a full-year basis.

\*\*Previous to April 1, 2019, the company belonged to the Components business area.

If all acquisitions which have taken effect during the financial year had been completed on 1 April 2019, their impact would have been an estimated SEK 750 million on Group net sales, about SEK 40 million on operating profit and about SEK 20 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 financial year, the discounted value amounts to SEK 67 million. The contingent purchase considerations fall due for payment within three years and the outcome is subject to a maximum of SEK 94 million.

Transaction costs for acquisitions that resulted in an ownership transfer during the financial year, amounted to SEK 7 million (7) and are reported under Selling expenses.

Revaluation of contingent consideration had a positive net effect of SEK 52 million (8) during the financial year. 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 year:

SEKm	Carrying amount at acquisition date	Adjustment to fair value	Fair value
Intangible non-current assets	2	214	216
Other non-current assets	13	-	13
Inventories	82	-	82
Other current assets	175	-	175
Deferred tax liability/tax asset	0	-36	-36
Other liabilities	-116	-52	-168
<b>Acquired net assets</b>	<b>156</b>	<b>126</b>	<b>282</b>
Goodwill <sup>1)</sup>			211
Non-controlling interests			-3
<b>Consideration <sup>2)</sup></b>			<b>490</b>
Less: cash and cash equivalents in acquired businesses			-65
Less: consideration not yet paid			-73
<b>Effect on the Group's cash and cash equivalents</b>			<b>352</b>

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

2) The consideration is stated excluding acquisition expenses.

## Parent Company

Parent Company net sales amounted to SEK 71 million (62) and profit after financial items was SEK -41 million (-16). Net investments in non-current assets were SEK 0 million (0). The Parent Company's financial net debt was SEK 341 million (175) at the end of the financial year.

# OTHER DISCLOSURES

## Accounting policies

This interim report was prepared in accordance with IFRS and IAS 34 Interim Financial Reporting. Disclosures under IAS 34.16A are made not only in the financial statements, with associated notes, but also in other parts of the interim report. The interim report for the parent company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which complies with recommendation RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The same accounting policies and basis for calculations as in the latest annual report have been applied in this interim report, with the exception of the amended accounting policies described below.

As of 1 January 2019, IFRS 16 Leases has replaced standard IAS 17 Leases and related interpretations IFRIC 4, SIC 15 and SIC 27. IFRS 16 requires most leases to be reported in the balance sheet.

Addtech applied the simplified transition method, entailing comparative data for previous periods not being presented. The lease liability consists of the discounted remaining leasing fees as of 1 April 2019. For all contracts, the right-of-use asset corresponds to an amount equivalent to the lease liability adjusted for prepaid or accrued lease payments recognised in the balance sheet on the initial date of application. Accordingly, the transition to IFRS 16 entailed no effect on equity.

Addtech's leases consist mainly of leased premises but also vehicles and other leases (of, for example, production equipment and office equipment). The transition to IFRS 16 entailed an increase in the Group's total assets through the addition of right-of-use assets and lease liabilities. The lease fees previously reported as operating expenses was replaced by depreciation expenses on the rights-of-use which are reported in operating profit and interest on the lease liability, which is reported as a financial expense. The lease fee is divided between amortisation on the lease liability and interest payments.

Addtech has chosen to apply the relief rule regarding leases of less than 12 months and for contracts where the underlying asset has a low value. Accordingly, these will not be included in the amounts reported in the balance sheet, although they will still be reported as operating expenses in the income statement. In assessing contract duration where there are opportunities for extension or termination, both business strategy and contract-specific conditions are considered in determining whether the Group is reasonably secure in applying them.

On the transition to IFRS 16, all remaining lease fees were calculated applying the margin loan rate. The transition effect on the balance sheet as of 1 April 2019 entailed right-of-use assets of SEK 550 million arising on the asset side. On the liability side, lease liabilities totalling SEK 550 million arose, of which non-current liabilities amounted to SEK 408 million and current liabilities to SEK 142 million.

During the period IFRS 16 has entailed increased depreciation expenses on property, plant and equipment amounting to SEK 157 million and increased interest amounting to SEK 8 million. The lease fees were previously reported as operating expenses.

The effect of IFRS 16 is included in the Group's income statement, statement of comprehensive income and key financial indicators per share. In the Group's balance sheet, cash flow statement and in the key financial indicators figures are presented including and excluding IFRS 16 to illustrate the effect of the transition. The comparative financial information has not been restated.

## 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 22-25.

### **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 four operating subsidiaries within the UK as well as a few other subsidiaries doing business with the UK. The effects of Brexit are to this date unknown, but all affected subsidiaries are closely monitoring the developments. Addtech Group's total exposure to possible negative effects from Brexit are not considered material.

The risk of being exposed to various types of IT incidents, that is, the risk that critical data or one or more of the IT systems used is somehow rendered unusable or locked, fails or is destroyed, has greatly increased in recent times. During the year, Addtech was subject to a cyberattack that brought to light the importance of having a detailed IT strategy with a relevant level of security. Following the cyberattack in October, a survey has been conducted of the Group's operational IT risks and a new IT strategy is being implemented.

To date, the impact of the COVID-19 pandemic on Addtech has been limited. Overall, fourth quarter demand was in line with expectations. We are monitoring the recommendations issued by the appropriate authorities and are taking relevant health precautions to protect our personnel and to mitigate the contagion in society. The pandemic is affecting the entire global market and will also have an impact on Addtech over the next financial year. Challenges are appearing in the supply chain and uncertainties prevail regarding some of our customers' prospects of keeping their operations running at full capacity. Although the extent to which Addtech will be affected cannot currently be determined, we are nonetheless preparing and implementing measures to meet a presumed drop in sales over the upcoming quarters. To be able to act quickly in the event of a slowdown, all companies in the Group have prepared action plans and cost-saving programmes ready to be executed to protect earnings, liquidity and cash flow.

Beside this, risks and uncertainty factors are the same as in previous periods, please see section Risks and uncertainties (page 38-40) in the annual report for 2018/2019 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 position and 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.

### **Annual General Report 2019/2020**

The annual report for 2019/2020 will be published on Addtech's website [www.addtech.com](http://www.addtech.com) in July 2020. A printed version will be distributed to the shareholders who request this.

### **Annual General Meeting 2020**

The Annual General Meeting (AGM) of Addtech AB will take place at 2:00 p.m on Friday 28 August 2020 at IVA at the address Grev Turegatan 16 in Stockholm. A notice of the AGM will be published in July 2020 and will also be available on [www.addtech.com](http://www.addtech.com).

The Board of Directors has decided to postpone the decision regarding the proposal on dividend for the time being due to the current uncertainty regarding the effects of the COVID-19 pandemic on the Group's liquidity and cash flow.

### **Significant events after the end of the financial year**

On 1 April, Elkome Group Oy, Finland, was acquired to become part of the Automation business area. Elkome develops, integrates and delivers solutions for applications in industrial IoT primarily for industrial production, smart cities and infrastructure. The offering includes customized computer systems, test systems, info kiosks, software, sensors and industrial communication. The company has sales of about EUR 8 million and 38 employees.

On 2 April Peter Andersson AB, Sweden, was acquired to become part of the Energy business area. Andersson System supplies both trading products and own products within electrical accessories for office and kitchen environments, to the Swedish and Norwegian markets. The products are sold through retailers of office furniture, office interiors, AV equipment, computer accessories and kitchen furnishings. The company has sales of about SEK 30 million and 9 employees.

On 8 April Valutec Group AB, Sweden, was acquired to become part of the Industrial Process business area. Valutec is one of the world's leading manufacturers of timber kilns to the forest industry. The company has sales of about SEK 350 million and 45 employees

Preliminary purchase price allocations have not yet been completed.

### ***Stockholm May 13, 2020***

Niklas Stenberg  
CEO and President

### **FURTHER INFORMATION**

#### **Publication**

This information is information that Addtech AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 8.15 a.m CET on 13 May 2020.

#### **Future information**

July 2020 Annual Report 2019/2020  
2020-07-14 Interim report 1 April - 30 June 2020  
2020-08-28 Annual General Meeting 2020 will be held at IVA, Grev Turegatan 16, Stockholm at 2.00 p.m  
2020-10-23 Interim report 1 April - 30 September 2020  
2021-02-04 Interim report 1 April - 31 December 2020

#### **For further information, please contact:**

Niklas Stenberg, President and CEO, +46 8 470 49 00  
Malin Enarson, CFO, +46 705 979 473

# REVIEW REPORT

## INTRODUCTION

We have reviewed the summary interim financial information (year-end report) of Addtech AB (publ.), corp.ID 556302-9726, as of 31 March 2020 and the twelve-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 13 May 2020

KPMG AB

KPMG AB

Joakim Thilstedt  
Authorised Public Accountant  
Auditor in Charge

Jonas Eriksson  
Authorised Public Accountant

# BUSINESS AREAS

Net sales by business area	2019/2020				2018/2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Automation	694	588	552	591	549	481	444	472
Components	578	489	511	504	553	482	451	474
Energy	604	596	593	619	644	607	571	535
Industrial Process	732	800	865	807	707	603	497	498
Power Solutions	434	377	402	417	414	384	380	419
Group items	-4	-4	-6	-4	-3	-6	-5	-3
<b>Addtech Group</b>	<b>3,038</b>	<b>2,846</b>	<b>2,917</b>	<b>2,934</b>	<b>2,864</b>	<b>2,551</b>	<b>2,338</b>	<b>2,395</b>

EBITA by business area	2019/2020				2018/2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Automation	99	51	57	60	52	48	45	49
Components	65	41	58	54	64	45	53	58
Energy	78	62	75	67	70	54	64	56
Industrial Process	113	95	134	103	71	48	50	50
Power Solutions	68	36	62	65	54	56	56	57
Group items	-16	-49	-6	-8	-2	-5	2	-10
<b>EBITA</b>	<b>407</b>	<b>236</b>	<b>380</b>	<b>341</b>	<b>309</b>	<b>246</b>	<b>270</b>	<b>260</b>
Depr. of intangible non-current assets	-55	-48	-51	-49	-49	-43	-44	-39
– of which acquisitions	-49	-47	-49	-47	-47	-42	-42	-38
<b>Operating profit</b>	<b>352</b>	<b>188</b>	<b>329</b>	<b>292</b>	<b>260</b>	<b>203</b>	<b>226</b>	<b>221</b>

Net sales	3 months		Rolling 12 months	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
Automation	694	549	2,425	1,946
Components	578	553	2,082	1,960
Energy	604	644	2,412	2,357
Industrial Process	732	707	3,204	2,305
Power Solutions	434	414	1,630	1,597
Group items	-4	-3	-18	-17
<b>Addtech Group</b>	<b>3,038</b>	<b>2,864</b>	<b>11,735</b>	<b>10,148</b>

EBITA and EBITA-margin	3 months				Rolling 12 months			
	31 Mar 2020		31 Mar 2019		31 Mar 2020		31 Mar 2019	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Automation	99	14.3	52	9.4	267	11.0	194	10.0
Components	65	11.2	64	11.5	218	10.5	220	11.2
Energy	78	13.0	70	11.0	282	11.7	244	10.4
Industrial Process	113	15.4	71	10.0	445	13.9	219	9.5
Power Solutions	68	15.7	54	13.0	231	14.2	223	14.0
Group items	-16		-2		-79		-15	
<b>EBITA</b>	<b>407</b>	<b>13.4</b>	<b>309</b>	<b>10.8</b>	<b>1,364</b>	<b>11.6</b>	<b>1,085</b>	<b>10.7</b>
Depr. of intangible non-current assets	-55		-49		-203		-175	
– of which acquisitions	-49		-47		-192		-169	
<b>Operating profit</b>	<b>352</b>	<b>11.6</b>	<b>260</b>	<b>9.1</b>	<b>1,161</b>	<b>9.9</b>	<b>910</b>	<b>9.0</b>



# DISAGGREGATION OF REVENUE

Net sales by the subsidiaries		3 months					
geographical location		31 Mar 2020					
SEKm	Automation	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	200	234	174	210	271	-2	1,087
Denmark	153	144	150	119	27	-2	591
Finland	101	129	52	137	31	0	450
Norway	79	63	153	146	28	0	469
Europe	155	5	69	78	58	-	365
Other countries	6	3	6	42	19	0	76
<b>Total</b>	<b>694</b>	<b>578</b>	<b>604</b>	<b>732</b>	<b>434</b>	<b>-4</b>	<b>3,038</b>

Net sales by the subsidiaries		12 months					
geographical location		31 Mar 2020					
SEKm	Automation	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	714	832	774	800	1,007	-6	4,121
Denmark	557	546	568	540	97	-10	2,298
Finland	347	461	187	629	117	-1	1,740
Norway	245	227	593	686	107	-1	1,857
Europe	545	10	277	268	209	-	1,309
Other countries	17	6	13	281	93	0	410
<b>Total</b>	<b>2,425</b>	<b>2,082</b>	<b>2,412</b>	<b>3,204</b>	<b>1,630</b>	<b>-18</b>	<b>11,735</b>

Net sales by the subsidiaries		3 months					
geographical location		31 Mar 2019					
SEKm	Automation	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	189	241	194	191	266	-	1,081
Denmark	136	148	156	143	26	-3	606
Finland	105	104	50	108	23	-1	389
Norway	61	57	174	152	27	0	471
Europe	57	3	70	74	48	0	252
Other countries	1	-	-	39	24	1	65
<b>Total</b>	<b>549</b>	<b>553</b>	<b>644</b>	<b>707</b>	<b>414</b>	<b>-3</b>	<b>2,864</b>

Net sales by the subsidiaries		12 months					
geographical location		31 Mar 2019					
SEKm	Automation	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	657	857	772	720	1,052	-6	4,052
Denmark	485	536	491	522	75	-9	2,100
Finland	380	351	169	325	103	-1	1,327
Norway	223	205	639	373	101	-1	1,540
Europe	195	11	286	259	181	0	932
Other countries	6	-	-	106	85	0	197
<b>Total</b>	<b>1,946</b>	<b>1,960</b>	<b>2,357</b>	<b>2,305</b>	<b>1,597</b>	<b>-17</b>	<b>10,148</b>

# CONSOLIDATED INCOME STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
Net sales	3,038	2,864	11,735	10,148
Cost of sales	-2,082	-1,997	-8,088	-7,025
<b>Gross profit</b>	<b>956</b>	<b>867</b>	<b>3,647</b>	<b>3,123</b>
Selling expenses	-483	-457	-1,869	-1,677
Administrative expenses	-172	-155	-707	-565
Other operating income and expenses	51	5	90	29
<b>Operating profit</b>	<b>352</b>	<b>260</b>	<b>1,161</b>	<b>910</b>
- as % of net sales	11.6	9.1	9.9	9.0
Financial income and expenses	-19	-14	-56	-45
<b>Profit after financial items</b>	<b>333</b>	<b>246</b>	<b>1,105</b>	<b>865</b>
- as % of net sales	11.0	8.6	9.4	8.5
Income tax expense	-68	-66	-232	-193
<b>Profit for the period</b>	<b>265</b>	<b>180</b>	<b>873</b>	<b>672</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the Parent Company	262	177	862	660
Non-controlling interests	3	3	11	12
Earnings per share before dilution, SEK	3.90	2.65	12.85	9.85
Earnings per share after dilution, SEK	3.90	2.60	12.80	9.80
Average number of shares after repurchases, '000s	67,110	67,033	67,123	67,047
Number of shares after repurchases at end of the period, '000s	67,149	67,057	67,149	67,057

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	3 months		Rolling 12 months	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
<b>Profit for the period</b>	<b>265</b>	<b>180</b>	<b>873</b>	<b>672</b>
<i>Items that may be reclassified to profit or loss</i>				
Cash flow hedges	2	1	1	0
Foreign currency translation differences for the period	54	77	59	37
<i>Items that will not be reclassified to profit or loss</i>				
Actuarial effects of the net pension obligation	37	-6	-9	-24
<b>Other comprehensive income</b>	<b>93</b>	<b>72</b>	<b>51</b>	<b>13</b>
<b>Total comprehensive income</b>	<b>358</b>	<b>252</b>	<b>924</b>	<b>685</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Parent Company	353	247	910	672
Non-controlling interests	5	5	14	13

## CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	31 Mar 2020	31 Mar 2020*	31 Mar 2019
Goodwill	1,997	1,997	1,767
Other intangible non-current assets	1,243	1,243	1,186
Property, plant and equipment	936	313	270
Financial non-current assets	64	63	45
<b>Total non-current assets</b>	<b>4,240</b>	<b>3,616</b>	<b>3,268</b>
Inventories	1,642	1,642	1,417
Current receivables	2,261	2,261	2,065
Cash and cash equivalents	363	363	295
<b>Total current assets</b>	<b>4,266</b>	<b>4,266</b>	<b>3,777</b>
<b>Total assets</b>	<b>8,506</b>	<b>7,882</b>	<b>7,045</b>
<b>Total equity</b>	<b>3,076</b>	<b>3,079</b>	<b>2,520</b>
Interest-bearing provisions	332	332	260
Non-interest-bearing provisions	349	349	353
Non-current interest-bearing liabilities	2,154	1,695	719
Non-current non-interest-bearing liabilities	2	2	12
<b>Total non-current liabilities</b>	<b>2,837</b>	<b>2,378</b>	<b>1,344</b>
Non-interest-bearing provisions	46	46	47
Current interest-bearing liabilities	462	294	1,277
Current non-interest-bearing liabilities	2,085	2,085	1,857
<b>Total current liabilities</b>	<b>2,593</b>	<b>2,425</b>	<b>3,181</b>
<b>Total equity and liabilities</b>	<b>8,506</b>	<b>7,882</b>	<b>7,045</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	31 Mar 2020	31 Mar 2020*	31 Mar 2019
<b>Opening balance</b>	<b>2,520</b>	<b>2,520</b>	<b>2,131</b>
Exercised, issued and repurchased options	16	16	22
Repurchase of treasury shares	-42	-42	-38
Dividend, ordinary	-336	-336	-269
Dividend, non-controlling interests	-10	-10	-9
Change non-controlling interests	4	4	-2
Total comprehensive income	924	927	685
<b>Closing balance</b>	<b>3,076</b>	<b>3,079</b>	<b>2,520</b>

\*The figures in the balance sheet exclude the effect of IFRS 16. The comparative financial information has not been restated.

# CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months		
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2020*	31 Mar 2019
Profit after financial items	333	246	1,105	1,108	865
Adjustment for items not included in cash flow	76	82	354	197	229
Income tax paid	-86	-48	-273	-273	-230
Changes in working capital	127	-76	-69	-69	-340
<b>Cash flow from operating activities</b>	<b>450</b>	<b>204</b>	<b>1,117</b>	<b>963</b>	<b>524</b>
Net investments in non-current assets	-29	-43	-102	-102	-80
Acquisitions and disposals	-120	-90	-430	-430	-645
<b>Cash flow from investing activities</b>	<b>-149</b>	<b>-133</b>	<b>-532</b>	<b>-532</b>	<b>-725</b>
Dividend paid to shareholders	-	-	-336	-336	-269
Repurchase of own shares/change of options	8	6	-26	-26	-16
Other financing activities	-248	-30	-145	9	579
<b>Cash flow from financing activities</b>	<b>-240</b>	<b>-24</b>	<b>-507</b>	<b>-353</b>	<b>294</b>
<b>Cash flow for the period</b>	<b>61</b>	<b>47</b>	<b>78</b>	<b>78</b>	<b>93</b>
Cash and cash equivalents at beginning of period	316	238	295	295	192
Exchange differences on cash and cash equivalents	-14	10	-10	-10	10
<b>Cash and cash equivalents at end of period</b>	<b>363</b>	<b>295</b>	<b>363</b>	<b>363</b>	<b>295</b>

\*Cashflow exclude the effect of IFRS 16. The comparative financial information has not been restated.

## FAIR VALUES ON FINANCIAL INSTRUMENTS

SEKm	31 Mar 2020			31 Mar 2019		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives - fair value, hedge instruments	6	6	-	2	2	-
Derivatives - fair value through profit	5	5	-	1	1	-
<b>Total financial assets at fair value per level</b>	<b>11</b>	<b>11</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>
Derivatives - fair value, hedge instruments	1	1	-	0	0	-
Derivatives - fair value through profit	4	4	-	2	2	-
Contingent considerations - fair value through profit	151	-	151	198	-	198
<b>Total financial liabilities at fair value per level</b>	<b>156</b>	<b>5</b>	<b>151</b>	<b>200</b>	<b>2</b>	<b>198</b>

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	31 Mar 2020	31 Mar 2019
<b>Opening balance</b>	<b>198</b>	<b>215</b>
Acquisitions during the year	63	84
Reversed through profit or loss	-52	-8
Consideration paid	-65	-105
Interest expenses	3	10
Exchange differences	4	2
<b>Closing balance</b>	<b>151</b>	<b>198</b>

## KEY FINANCIAL INDICATORS

	12 months ending				
	31 Mar 2020	31 Mar 2020*	31 Mar 2019	31 Mar 2018	31 Mar 2017
Net sales, SEKm	11,735	11,735	10,148	8,022	7,178
EBITDA, SEKm	1,579	1,417	1,137	881	755
EBITA, SEKm	1,364	1,359	1,085	838	715
EBITA-margin, %	11.6	11.6	10.7	10.5	10.0
Operating profit, SEKm	1,161	1,156	910	701	604
Operating margin, %	9.9	9.9	9.0	8.7	8.4
Profit after financial items, SEKm	1,105	1,108	865	665	580
Profit for the period, SEKm	873	876	672	526	450
Working capital	2,415	2,415	2,029	1,591	1,362
Return on working capital (P/WC), %	56	56	53	53	53
Return on equity, %	32	32	29	28	28
Return on capital employed, %	21	23	21	22	23
Equity ratio, %	36	39	36	39	39
Net debt, incl pensions, SEKm	2,585	1,958	1,960	1,405	1,011
Net debt, incl pensions / equity ratio, multiple	0.8	0.6	0.8	0.7	0.6
Net debt, incl pensions / EBITDA, multiple	1.6	1.4	1.7	1.6	1.3
Net debt excl. pensions, SEKm	2,253	1,626	1,700	1,176	801
Net debt, excl pensions / equity ratio, multiple	0.7	0.5	0.7	0.6	0.5
Interest coverage ratio, multiple	20.5	24.0	22.1	22.7	23.9
Average number of employees	2,913	2,913	2,590	2,283	2,133
Number of employees at end of the period	2,981	2,981	2,759	2,358	2,176

\*Key financial indicators exclude the effect of IFRS 16. The comparative financial information has not been restated.

## KEY FINANCIAL INDICATORS PER SHARE

SEK	12 months ending			
	31 Mar 2020	31 Mar 2019	31 Mar 2018	31 Mar 2017
Earnings per share before dilution	12.85	9.85	7.70	6.60
Earnings per share after dilution	12.80	9.80	7.65	6.55
Cash flow from operating activities per share	16.65	7.80	8.05	8.25
Shareholders' equity per share	44.95	36.80	31.10	25.45
Share price at the end of the period	244.50	193.00	168.00	148.50
Average number of shares after repurchases, '000s	67,123	67,047	66,950	66,824
Average number of shares adjusted for repurchases and dilution, '000s	67,300	67,189	67,178	67,008
Number of shares outstanding at end of the period, '000s	67,149	67,057	66,992	66,824

For definitions of key financial indicators, see page 22-24.

## PARENT COMPANY INCOME STATEMENT

SEKm	3 months		Rolling 12 months	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
Net sales	24	17	71	62
Administrative expenses	-17	-19	-108	-84
<b>Operating profit/loss</b>	<b>7</b>	<b>-2</b>	<b>-37</b>	<b>-22</b>
Interest income and expenses and similar items	-7	-2	-4	6
<b>Profit after financial items</b>	<b>0</b>	<b>-4</b>	<b>-41</b>	<b>-16</b>
Appropriations	311	278	311	278
<b>Profit before taxes</b>	<b>311</b>	<b>274</b>	<b>270</b>	<b>262</b>
Income tax expense	-67	-61	-59	-59
<b>Profit for the period</b>	<b>244</b>	<b>213</b>	<b>211</b>	<b>203</b>
<b>Total comprehensive income</b>	<b>244</b>	<b>213</b>	<b>211</b>	<b>203</b>

## PARENT COMPANY BALANCE SHEET

SEKm	31 Mar 2020	31 Mar 2019
Intangible non-current assets	1	-
Property, plant and equipment	0	1
Non-current financial assets	2,808	2,988
<b>Total non-current assets</b>	<b>2,809</b>	<b>2,989</b>
Current receivables	1,044	821
Cash and bank balances	-	0
<b>Total current assets</b>	<b>1,044</b>	<b>821</b>
<b>Total assets</b>	<b>3,853</b>	<b>3,810</b>
<b>Equity</b>	<b>508</b>	<b>659</b>
Untaxed reserves	470	447
Provisions	15	15
Non-current liabilities	1,727	864
Current liabilities	1,133	1,825
<b>Total equity and liabilities</b>	<b>3,853</b>	<b>3,810</b>

## DEFINITIONS

### Return on equity<sup>2</sup>

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)<sup>1</sup>

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 25.*

### Return on capital employed<sup>1</sup>

Profit before tax 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 25.*

### EBITA<sup>1</sup>

Operating profit before amortisation of intangible assets.

*EBITA is used to analyse the profitability generated by operating activities, see reconciliation table on page 25.*

### EBITA-margin<sup>1</sup>

EBITA as a percentage of net sales.

*EBITA margin is used to show the degree of profitability in operating activities.*

### EBITDA<sup>1</sup>

Operating profit before depreciation and amortisation.

*EBITDA is used to analyse the profitability generated by operating activities, see reconciliation table on page 25.*

### Equity per share<sup>1</sup>

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 debt<sup>1</sup>

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/EBITDA<sup>1</sup>

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 items<sup>1</sup>

Finance income minus finance costs.

*Used to describe changes in the Group's financial activities.*

### Acquired growth<sup>1</sup>

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 25.*



**Cash flow from operating activities per share<sup>1</sup>**

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 assets<sup>1</sup>**

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 pensions<sup>1</sup>**

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 25.*

**Net debt excluding pensions/ equity ratio<sup>1 2</sup>**

Net debt excluding pensions divided by shareholders' equity.

*A measure used to analyse financial risk, see reconciliation table on page 25.*

**Organic growth<sup>1</sup>**

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 a change in volumes, product range and price for similar products between different periods, see reconciliation table on page 25.*

**Profit after financial items<sup>1</sup>**

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. Performance measures under IFRS.

**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 ratio<sup>1</sup>**

Earnings after net financial items plus interest expense and bank charges divided by interest expense and bank charges.

*This performance indicator measures the Group's capacity through its business operations and finance income to generate a sufficiently large surplus to cover its finance costs, see reconciliation table on page 25.*

**Working capital<sup>1</sup>**

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 25.*

**Operating margin<sup>1</sup>**

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 profit<sup>1</sup>**

Operating income minus operating expenses.

*Used to describe the Group's earnings before interest and tax.*

**Debt/equity ratio<sup>1 2</sup>**

Financial net liabilities divided by equity.

*A measure used to analyse financial risk.*

**Equity ratio<sup>1 2</sup>**

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 employed<sup>1</sup>**

Total assets minus non-interest-bearing liabilities and provisions.

*Capital employed shows the size of the company's assets that have been lent to the company's owners or that have been lent out by lenders, see reconciliation table on page 25.*

**Outstanding shares**

Total number of shares less treasury shares repurchased by the Company.

<sup>1</sup>The performance measure is an alternative performance measure according to ESMA's guidelines.

<sup>2</sup>Minority interest is included in equity when the performance measures are calculated.

# RECONCILIATION TABLES ALTERNATIVE PERFORMANCE MEASURES

EBITA and EBITDA Addtech Group, SEKm	12 months ending				
	31 Mar 2020	31 Mar 2020*	31 Mar 2019	31 Mar 2018	31 Mar 2017
Operating profit (EBIT)	1,161	1,156	910	701	604
Amortization, intangible assets (+)	203	203	175	137	111
<b>EBITA</b>	<b>1,364</b>	<b>1,359</b>	<b>1,085</b>	<b>838</b>	<b>715</b>
Depreciation, tangible assets (+)	215	58	52	43	40
<b>EBITDA</b>	<b>1,579</b>	<b>1,417</b>	<b>1,137</b>	<b>881</b>	<b>755</b>

Working capital and return on working capital (P/WC) Addtech Group, SEKm	12 months ending				
	31 Mar 2020	31 Mar 2020*	31 Mar 2019	31 Mar 2018	31 Mar 2017
EBITA (12 months rolling)	1,364	1,359	1,085	838	715
Inventory, yearly average (+)	1,594	1,594	1,304	1,037	941
Accounts receivables, yearly average (+)	1,854	1,854	1,542	1,231	1,043
Accounts payables, yearly average (-)	1,033	1,033	817	677	622
<b>Working capital (average)</b>	<b>2,415</b>	<b>2,415</b>	<b>2,029</b>	<b>1,591</b>	<b>1,362</b>
<b>Return on working capital (R/RK) (%)</b>	<b>56%</b>	<b>56%</b>	<b>53%</b>	<b>53%</b>	<b>53%</b>

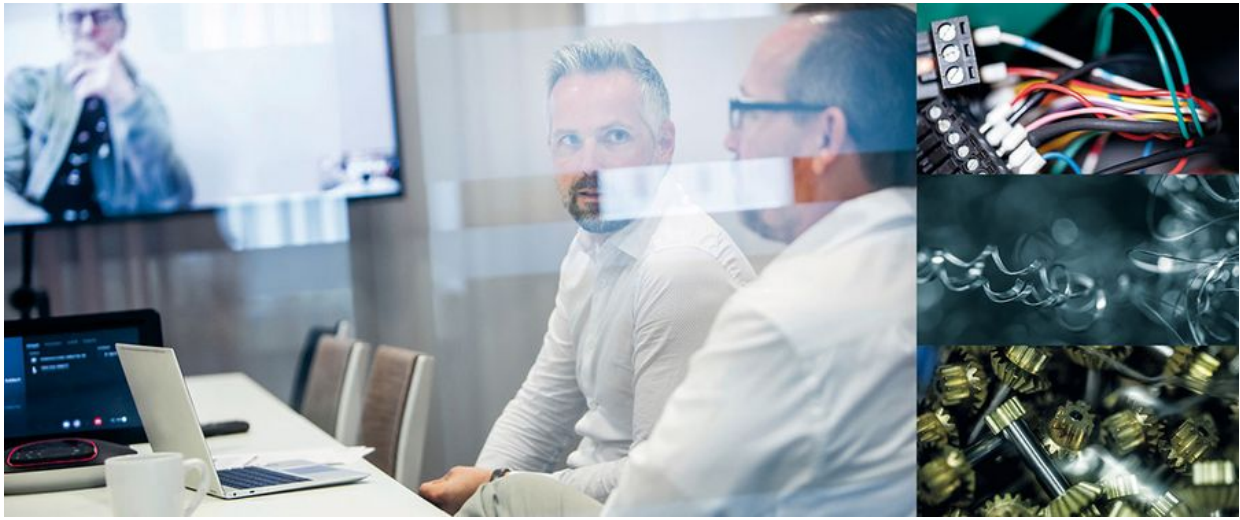
Acquired- and organic growth Addtech Group	3 months				12 months			
	31 Mar 2020		31 Mar 2019		31 Mar 2020		31 Mar 2019	
	SEKm	(%)	SEKm	(%)	SEKm	(%)	SEKm	(%)
<b>Acquired growth (SEKm,%)</b>	<b>193</b>	<b>(7%)</b>	<b>236</b>	<b>(11%)</b>	<b>774</b>	<b>(8%)</b>	<b>999</b>	<b>(12%)</b>
<b>Organic growth (SEKm,%)</b>	<b>-25</b>	<b>(-1%)</b>	<b>459</b>	<b>(22%)</b>	<b>765</b>	<b>(8%)</b>	<b>903</b>	<b>(11%)</b>
Divestments (SEKm,%)	-2	(0%)	-17	(-1%)	-59	(-1%)	-65	(-1%)
Exchange rate effect (SEKm,%)	8	(0%)	65	(3%)	107	(1%)	289	(4%)
<b>Total growth (SEKm,%)</b>	<b>174</b>	<b>(6%)</b>	<b>743</b>	<b>(35%)</b>	<b>1,587</b>	<b>(16%)</b>	<b>2,126</b>	<b>(26%)</b>

Interest coverage ratio Addtech Group, SEKm	12 months ending				
	31 Mar 2020	31 Mar 2020*	31 Mar 2019	31 Mar 2018	31 Mar 2017
Profit after financial items	1,105	1,108	865	665	580
Interest expenses and bank charges (+)	57	48	41	31	25
Total	1,162	1,156	906	696	605
<b>Interest coverage ratio</b>	<b>20.5</b>	<b>24.0</b>	<b>22.1</b>	<b>22.7</b>	<b>23.9</b>

Net debt excl. pensions and net debt, excl pensions/equity ratio Addtech Group, SEKm	12 months ending				
	31 Mar 2020	31 Mar 2020*	31 Mar 2019	31 Mar 2018	31 Mar 2017
Financial net debt	2,585	1,958	1,960	1,405	1,011
Pensions (-)	-332	-332	-260	-229	-210
<b>Net debt excluding pensions</b>	<b>2,253</b>	<b>1,626</b>	<b>1,700</b>	<b>1,176</b>	<b>801</b>
Equity	3,076	3,079	2,520	2,131	1,741
<b>Net debt to Equity ratio (excluding pensions)</b>	<b>0.7</b>	<b>0.5</b>	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>

Capital employed and return on capital employed Addtech Group, SEKm	12 months ending				
	31 Mar 2020	31 Mar 2020*	31 Mar 2019	31 Mar 2018	31 Mar 2017
Profit after financial items	1,105	1,108	865	665	580
Financial expenses (+)	79	71	62	71	39
Profit after financial items plus financial expenses	1,184	1,179	927	736	619
Total assets, yearly average (+)	7,926	7,475	6,324	4,996	4,143
Non-interest-bearing liabilities, yearly average (-)	-1,934	-1,934	-1,604	-1,319	-1,167
Non-interest-bearing provisions, yearly average (-)	-392	-392	-378	-335	-268
<b>Capital employed</b>	<b>5,600</b>	<b>5,149</b>	<b>4,342</b>	<b>3,342</b>	<b>2,708</b>
<b>Return on capital employed, %</b>	<b>21%</b>	<b>23%</b>	<b>21%</b>	<b>22%</b>	<b>23%</b>

\*Performance based figures exclude the effect of IFRS 16. The comparative financial information has not been restated.



## This is Addtech

Addtech is a Swedish, listed technology trading 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 some 130 companies in 20 countries, and have a long history of sustainable, profitable growth.

### Our vision

We are to be a leader in value-adding technology trading, 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 130 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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