



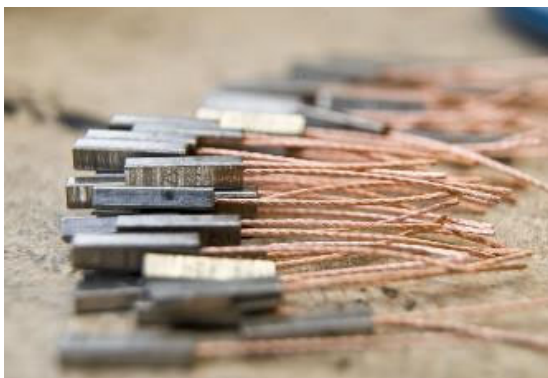
ADDTECH

INTERIM REPORT 1 APRIL – 30 JUNE 2022

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

QUARTER 1 HIGHLIGHTS

Net sales
SEK 4,376 m, +33%



EBITA-margin
13.0%
From 12.3%

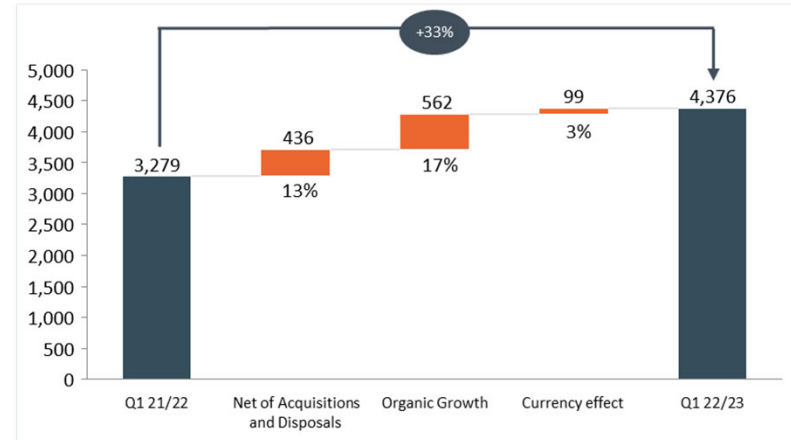
- The strong business situation continued across the board
- Organic sales growth of 17%
- Well-handled inflationary pressure – the high margin levels remained
- High acquisition rate continues
- Order books strengthened further during the quarter
- Uncertain macro situation but with no clear signs of a slowdown in our operations

QUARTER 1: NET SALES DEVELOPMENT

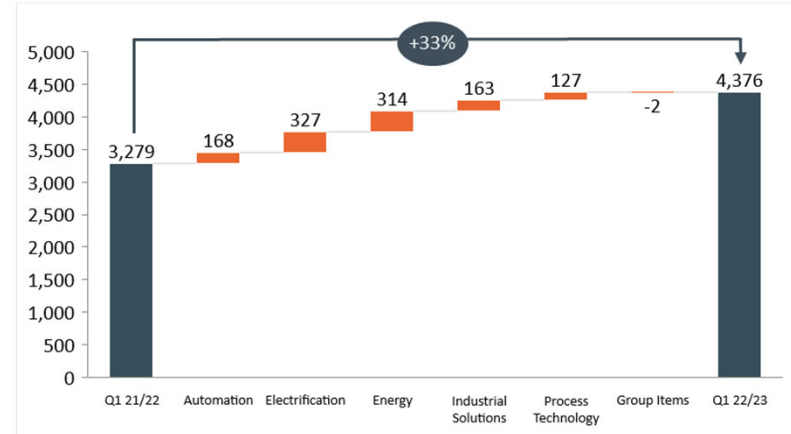
A VERY STRONG START TO THE NEW FINANCIAL YEAR

- Net sales increased by 33% of which 17% was organic growth
 - Strong underlying demand in all important segments
 - Good delivery capacity despite continued supply chain disruptions
 - Extraordinary efforts from all companies
 - Well-positioned to capture future potential in strategic areas with structural underlying growth

Net Sales Growth, SEK m



Net Sales Growth per Business Area, SEK m

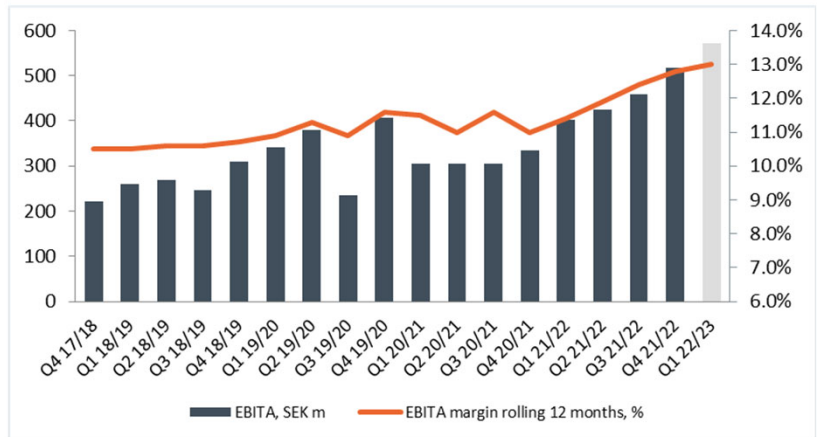


QUARTER 1: EBITA DEVELOPMENT

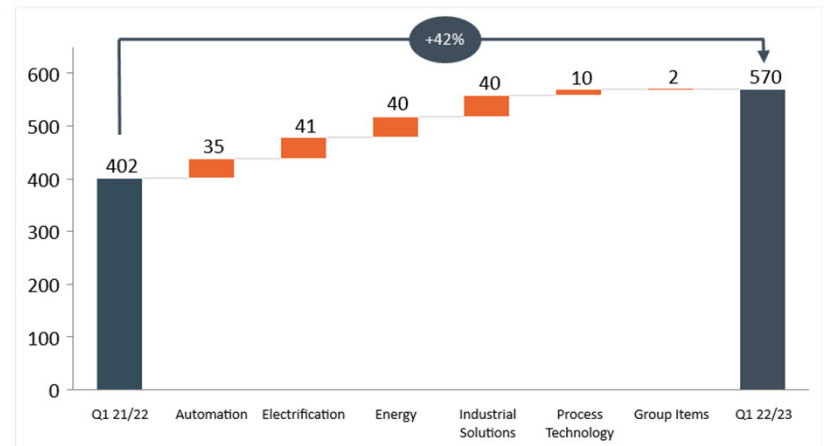
THE HIGH EARNINGS GROWTH CONTINUED

- 42% EBITA GROWTH
 - Strong growth in all business areas
 - Active efforts to offset high inflationary pressure
 - Operating margins remain at high levels
 - Favourable contribution from acquisitions

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



EBITA Growth per business area, SEK m



QUARTER 1: BUSINESS AREA DEVELOPMENT

STRONG CONTRIBUTION FROM ALL BUSINESS AREAS



AUTOMATION

Net sales SEK 761 m (593) **+28%**
 EBITA SEK 91 m (56) **+63%**
 EBITA-margin **12.0%**

- Favourable market situation
- Continued good market situation in process industry, mechanical industry and medical technology – no signs of a slowdown
- Demand clearly increased for the companies operating in the defence industry



ELECTRIFICATION

Net sales SEK 929 m (602) **+54%**
 EBITA SEK 114 m (73) **+57%**
 EBITA-margin **12.2%**

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



ENERGY

Net sales SEK 1 251 m (937) **+34%**
 EBITA SEK 156 m (116) **+34%**
 EBITA-margin **12.5%**

- Highly favourable business situation
- Sales of infrastructure products for the conversion and expansion of grids continued to increase from high levels
- The business situation for niche products for electricity distribution, manufacturing industry, fiber-optic networks and for building- and installation products remained favourable



INDUSTRIAL SOLUTIONS

Net sales SEK 788 m (625) **+26%**
 EBITA SEK 132 m (92) **+44%**
 EBITA-margin **16.8%**

- Very strong business situation
- The market situation within forest- and sawmill industry as well as the waste- and recycling segments remained favourable
- The demand for ergonomic products, hydraulic solutions for special vehicles and components to the mechanical industry was stable









PROCESS TECHNOLOGY

Net sales SEK 654 m (527) **+24%**
 EBITA SEK 87 m (77) **+13%**
 EBITA-margin **13.3%**

- Favourable market situation
- Demand in the medical technology, forest- and process industry was highly favourable – particularly in the sawmill industry
- The business situation for after-market components related to projects in the energy segment, mechanical industry and special vehicle was stable

FIVE ACQUISITIONS DURING THE FIRST QUARTER

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

- Additional one acquisition after the period
- In total SEK 530 m and 182 new employees added



ARUTTI – ELEVATES OUR POSITION TO BECOME A GLOBAL SUPPLIER IN A CLEAR GROWTH MARKET



- Arruti serves grid operators in Europe, parts of South America and Canada with components and equipment for electrical transmission lines and sub-stations
- Positions us to become a leading supplier to grid operators, also outside the Nordic region
- High potential from major reinforcement and expansion projects within transmission to meet the increasing demand for electrical energy
- Our Transmission lines group now comprises of five companies



Country: Spain
Employees: 90
Annual sales: 27 MEUR

NECKS 

MAXETA


ELEKTRO

 **EUROLAITE**
– A PART OF ADDTECH GROUP


Arruti Group

FINANCIAL POSITION



RESULT AND MARGINS

(SEKm)	3 months ending		12 months ending	
	30 June 22	30 June 21	30 June 22	31 Mar 21
Net Sales	4,376	3,279	15,135	14,038
Cost of sales & op. expenses	-3,904	-2,951	-13,547	-12,594
Other operating items	10	4	63	57
Operating profit	482	332	1,651	1,501
Financial income & expenses	-44	-14	-98	-68
Profit after financial items	438	318	1,553	1,433
Income tax expense	-94	-68	-342	-316
Net profit	344	250	1,211	1,117
Earnings per share, SEK	1.20	0.90	4.30	4.00
EBIT margin, %	11.0	10.1	10.9	10.7
EBITA margin, %	13.0	12.3	13.0	12.8



CASHFLOW

(SEKm)	3 months ending		12 months ending	
	30 June 22	30 June 21	30 June 22	31 Mar 22
Profit after financial items	438	318	1,553	1,433
Adj. for non cash items	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 investment in non-current assets	-35	-11	-140	-116
Acquisitions and disposals	-778	-261	-1,656	-1,139
Dividend paid	-	-	-323	-323
Repurchase of own shares/options	8	4	14	10
Other financing activities	611	178	893	460
Period's cash flow	87	118	-18	13

■ R/RK remained high at 68%

- Positive effect from high margins and EBITA
- Negative effects from necessary working capital increases and strong growth

P (EBITA) / WC



KEY FINANCIAL INDICATORS

(SEKm)	30 June 22	31 Mar 22	30 June 21
Total equity (SEKm)	4,826	4,259	3,627
Equity per share, SEK	16.50	14.60	12.60
Equity ratio, %	34	34	35
Return on working capital (P/WC), %	68	69	56
Return on equity, %	30	30	24
Return on capital employed, %	21	20	16
Financial net debt (SEKm)	4,553	4,061	3,213
- of which pension liability	248	314	336
- of which other liabilities	4,305	3,747	2,877
Financial net debt / EBITDA	2.0	2.0	2.0
Net debt / equity ratio, times	0.9	1.0	0.9
Interest coverage ratio, times	20	22	17
Average number of employees	3,434	3,317	3,109
Number of employees at end of period	3,753	3,556	3,230

- **Financial position remained strong**

- Equity ratio 34% (35%)
- Leverage 2.0 (2.0)
- Gearing 0.9 (0.9)

- **New credit facility secured**

FIVE AREAS WITH STRUCTURAL UNDERLYING GROWTH



AUTOMATION

- MOTION & DRIVES
- INDUSTRIAL IT & SENSORS



ELECTRIFICATION

- BATTERY SYSTEMS
- CONNECTIVITY SOLUTIONS
- POWER & MOBILITY



ENERGY

- ENERGY PRODUCTS
- ENERGY SUPPLY



INDUSTRIAL SOLUTIONS

- MATERIAL PROCESSING
- VEHICLE SOLUTIONS



PROCESS TECHNOLOGY

- PROCESS SYSTEMS
- EMISSION CONTROL
- PROCESS CONTROL

GROWTH DRIVERS

- Industry 4.0
- Smart cities
- Internet of Things

- Decarbonisation
- Energy storage - batteries

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

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

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

SUMMARY

- Very strong start to the new financial year
 - Continued strong customer demand in key segments – organic sales growth of 17%
 - Well-handled inflationary pressure – the high operational margins remained
 - Order books were further strengthened
 - Five carefully selected acquisitions to strengthen our offer in selected niches during the quarter
- Outlook
 - Uncertain macro situation with rising inflation, higher policy rates and continued disruptions in value chains
 - No clear signs of a slowdown in our operations

Q&A

