

INTERIM REPORT 1 APRIL - 30 SEPTEMBER 2018

SECOND QUARTER (1 JULY - 30 SEPTEMBER 2018)

- **Net sales** increased by 24 percent and amounted to SEK 2,338 million (1,892).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 27 percent and amounted to SEK 270 million (213) corresponding to an EBITA margin of 11.5 percent (11.2).
- **Operating profit** increased by 25 percent and amounted to SEK 226 million (181) corresponding to an operating margin of 9.7 percent (9.6).
- **Profit after tax** increased by 29 percent and amounted to SEK 174 million (135) and **earnings per share before dilution** amounted to SEK 2.60 (1.95).

PERIOD (1 APRIL - 30 SEPTEMBER 2018)

- **Net sales** increased by 22 percent and amounted to SEK 4,733 million (3,871).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 24 percent and amounted to SEK 530 million (427 including items affecting comparability of SEK +12 million) corresponding to an EBITA margin of 11.2 percent (11.0).
- **Operating profit** increased by 24 percent and amounted to SEK 447 million (362) corresponding to an operating margin of 9.5 percent (9.4).
- **Profit after tax** increased by 21 percent and amounted to SEK 336 million (278) and **earnings per share before dilution** amounted to SEK 4.95 (4.05). For the latest twelve month period earnings per share before dilution amounted to SEK 8.60 (7.20).
- **Return on working capital** amounted to 53 percent (53).
- **Return on equity** amounted to 29 percent (29) and **the equity ratio** amounted to 33 percent (36).
- **Cash flow from operating activities** amounted to SEK 145 million (136). For the latest twelve month period, cash flow per share from operating activities amounted to SEK 8.20 (7.10).
- Since the start of the financial year twelve acquisitions have been completed, of which one after the end of the period, with total annual sales of about SEK 890 million.

GROUP SUMMARY	3 months			6 months			Rolling 12 months		
	30 Sep 2018	30 Sep 2017	Δ	30 Sep 2018	30 Sep 2017	Δ	30 Sep 2018	31 Mar 2018	Δ
SEKm									
Net sales	2,338	1,892	24%	4,733	3,871	22%	8,884	8,022	11%
EBITA	270	213	27%	530	427	24%	941	838	12%
EBITA-margin %	11.5	11.2		11.2	11.0		10.6	10.5	
Profit after financial items	221	173	28%	426	350	22%	741	665	12%
Profit for the period	174	135	29%	336	278	21%	584	526	11%
Earnings per share before dilution, SEK	2.60	1.95	33%	4.95	4.05	22%	8.60	7.70	12%
Earnings per share after dilution, SEK	2.55	1.95	31%	4.90	4.05	21%	8.50	7.65	11%
Cash flow from operating activities per share, SEK	-	-		-	-		8.20	8.05	
Return on equity, %	29	29		29	29		29	28	
Equity ratio, %	33	36		33	36		33	39	

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

CEO'S COMMENTS

SECOND QUARTER – CONDITIONS FAVOURABLE FOR BUSINESS AND PROFIT GROWTH STILL STRONG

My introduction to the role as new CEO of Addtech has been quite busy. After eight years at Addtech, latterly as Business Area Manager, Power Solutions, the Group's strategy, business model and corporate culture is in my blood. I am now spending a great deal of time on getting to know the operations in the Group's other three business areas better. My impressions from these meetings are very positive. In addition, the business climate in most markets where our companies operate remains buoyant. Our organic growth of 5 percent during the quarter, along with several acquisitions, generated strong profit growth. The Group's operating margin continued to grow, and remained above 10 percent in all business areas during the second quarter.

MARKET DEVELOPMENT

The overall demand for our products and solutions remained good. From a geographical perspective, we recorded very strong sales growth in all the Nordic countries, and we also benefited from a business climate that remained positive for our operations outside the Nordic region.

With regard to the market in our various customer segments, sales of production components for manufacturing companies in machinery production, electronics, special vehicles and marine increased, with the two last-mentioned contributing significantly. Demand was also strong in wind power and medical technology. The oil & gas customer segment continued to show positive growth, but demand from customers in the telecom segment was weak.

Demand for aftermarket products for the manufacturing industry and for the forest and process industry showed positive growth. We recorded strong sales for electricity-related products for building and installation customers and demand for infrastructure products from power grid companies in the Nordic region was stable.

ACQUISITIONS

We are maintaining a high pace of acquisitions. With no less than twelve acquisitions since the beginning of the financial year the overall contribution of acquisitions to aggregate annual sales is approximately SEK 890 million. There are ongoing discussions about acquisitions of independent, profitable technology companies with market-leading niche positions, as well as smaller complementary acquisitions that can strengthen the market positions and profitability of our existing companies. There are great opportunities to make further acquisitions, not least considering our strong balance sheet.

Addtech's business model and uniquely strong corporate culture have long proved to be highly successful. I look forward with great enthusiasm to continue to develop our excellent business together with all my colleagues, with focus on sustainable profitable growth.

Niklas Stenberg
President and CEO



GROUP DEVELOPMENT

SALES DEVELOPMENT

Net sales in the Addtech Group increased in the second quarter by 24 percent to SEK 2,338 million (1,892). The organic growth amounted to 5 percent, acquired growth amounted to 15 percent and disposal affected marginally negative. Exchange rate changes had positive effect of 4 percent on net sales, corresponding to SEK 85 million.

Net sales in the Addtech Group increased during the period by 22 percent to SEK 4,733 million (3,871). The organic growth amounted to 7 percent, acquired growth amounted to 12 percent and disposal affected by -1 percent. Exchange rate changes had a positive effect of 4 percent on net sales, corresponding to SEK 159 million.

PROFIT DEVELOPMENT

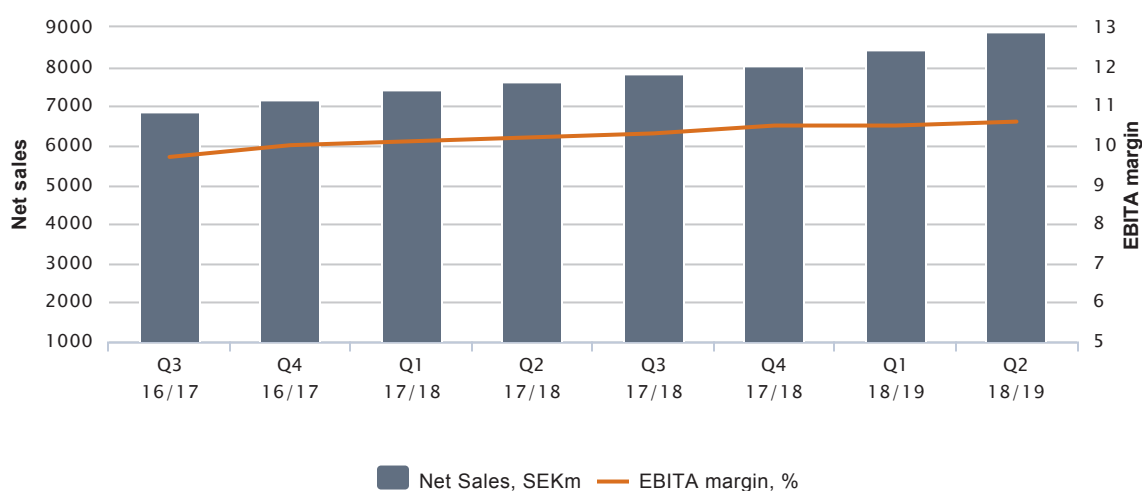
Operating profit increased during the quarter by 25 percent to SEK 226 million (181) and the operating margin amounted to 9.7 percent (9.6). Net financial items amounted to SEK -5 million (-8) and profit after financial items increased by 28 percent to SEK 221 million (173).

Profit after tax increased by 29 percent to SEK 174 million (135) corresponding to earnings per share before dilution of SEK 2.60 (1.95).

Operating profit increased during the period by 24 percent SEK 447 million (362 including items affecting comparability of SEK +12 million) and the operating margin amounted to 9.5 percent (9.4). Net financial items were SEK -21 million (-12) and profit after financial items increased by 22 percent to SEK 426 million (350).

Profit after tax for the period increased by 21 percent to SEK 336 million (278) and the effective tax rate amounted to 21 percent (21). Earnings per share before dilution for the period amounted to SEK 4.95 (4.05). For the latest twelve month period, earnings per share before dilution amounted to SEK 8.60 (7.20).

Net sales and EBITA margin, rolling 12 months



DEVELOPMENT IN THE BUSINESS AREAS

COMPONENTS

Net sales in Components increased in the second quarter by 32 percent to SEK 894 million (679) and EBITA increased by 39 percent to SEK 98 million (70). Net sales during the period increased by 33 percent to SEK 1,840 million (1,386) and EBITA increased by 50 percent to SEK 205 million (137).

Market

Higher sales, combined with several acquisitions, generated healthy profit growth and a continued increase in operating margin. At our businesses in Sweden and Finland, demand for production components from Nordic manufacturing companies was high. In Denmark, the business situation was stable and demand in Norway continued to increase from a previous low level, thanks to an improved demand from customers in oil & gas and also due to increased investments infrastructure. The market was strong in Components' most important customer segments, including machinery production, electronics, special vehicles and wind power.

ENERGY

Net sales in Energy increased in the second quarter by 21 percent to SEK 571 million (471) and EBITA increased by 7 percent to SEK 64 million (60). Net sales during the period increased by 18 percent to SEK 1,106 million (937) and EBITA increased by 4 percent to SEK 120 million (115).

Market

The market for infrastructure products for the primary and regional grids in the Nordic region was good, but increased competition has made efficiency measures in certain areas necessary during the year. The business climate for niche products in electrical power distribution remained stable. Sales of cable products for the manufacturing industry and electrical installation products continued to increase.

INDUSTRIAL PROCESS

Net sales in Industrial Process increased in the second quarter by 23 percent to SEK 497 million (402) and EBITA increased by 28 percent to SEK 50 million (39). Net sales during the period increased by 23 percent to SEK 995 million (806) and EBITA increased by 40 percent to SEK 100 million (72).

Market

Business conditions remained especially favourable in the marine market as a result of stricter requirements for measuring and reducing emissions. This continued to generate very strong organic growth in the quarter. Demand also increased in the forest and process industry, and was stable in the manufacturing industry, especially in the mechanical industry and special vehicle customer segments.

POWER SOLUTIONS

Net sales in Power Solutions increased in the second quarter by 11 percent to SEK 380 million (343) and EBITA increased by 21 percent to SEK 56 million (47). Net sales during the period increased by 7 percent to SEK 799 million (747) and EBITA increased by 16 percent to SEK 113 million (98).

Market

Business conditions continued to vary between the different customer and product segments, but overall demand was stable during the quarter. A continuance of very strong sales of control and ergonomics products in the business area's biggest customer segment, special vehicles. Demand improved in the wind power market, and the electronics market was stable in customised batteries as well as in power supplies.

OTHER FINANCIAL INFORMATION

PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

The return on equity at the end of the period was 29 percent (29), and return on capital employed was 21 percent (23). Return on working capital P/WC (EBITA in relation to working capital) amounted to 53 percent (53).

At the end of the period the equity ratio amounted to 33 percent (36). Equity per share, excluding non-controlling interest, totalled SEK 31.40 (25.70). The Group's net debt at the end of the period amounted to SEK 1,953 million (1,135), excluding pension liabilities of SEK 252 million (218). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, amounted to 0.9 (0.6).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 378 million (529) at 30 September 2018.

Cash flow from operating activities amounted to SEK 145 million (136) during the period. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 500 million (140). Investments in non-current assets totalled SEK 28 million (16) and disposal of non-current assets amounted to SEK 5 million (1). Dividend from associated company amounted to SEK 2 million (3). Repurchase of treasury shares amounted to SEK 38 million (31) and repurchase of call options amounted to SEK 11 million (0). Exercised call options totalled SEK 18 million (21). During the second quarter, dividend of SEK 4.00 (3.50) per share was paid, totalling SEK 269 million (235).

EMPLOYEES

At the end of the period, the number of employees was 2,654, compared to 2,358 at the beginning of the financial year. During the period, completed acquisitions and disposal resulted in a net increase of the number of employees by 256. The average number of employees in the latest 12-month period was 2,407.

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	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%
Total number of shares before repurchases	68,198,496	97,263,996	100.0%	100.0%
Repurchased class B shares	1,229,824		1.8%	1.3%
Total number of shares after repurchases	66,968,672			

In accordance with a resolution of the August 2018 AGM, 24 members of management were offered the opportunity to acquire 300,000 call options on repurchased Class B shares. The programme was fully subscribed. Addtech has four outstanding call option programmes for a total of 1,233,330 shares. Call options issued on repurchased shares entail a dilution effect of about 0.2 percent during the latest 12-month period. During the quarter, 200,000 treasury shares were repurchased. Addtech's own shareholding is estimated to meet the needs of the outstanding call option programmes.

Outstanding programme	Number of options	Corresponding number of shares	Proportion of total shares	Initial exercise price	Adjusted exercise price	Expiration period
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	300,000	300,000	0.4%	159.00	-	16 Sep 2019 - 5 Jun 2020
2015/2019	271,000	333,330	0.5%	154.50	125.10	17 Sep 2018 - 3 Jun 2019
Total	1,171,000	1,233,330				

ACQUISITIONS AND DISPOSAL

During the period, 1 April to 30 June 2018 the following acquisitions were completed, Synthecs Group, Scanwill Fluid Power ApS and Willtech ApS to become part of business area Components, Xi Instrument AB to become part of business area Energy and KRV AS became part of business area Industrial Process.

During the second quarter, seven company acquisition took place:

On 2 July, Duelco A/S, Denmark, was acquired to become part of business area Energy. Duelco is a well-established supplier of products for electrical distribution to customers in installation, industry, electric power supply, wind power and railway. The company has sales of about DKK 110 million and 30 employees.

On 2 July, Fibersystem AB, Sweden, was acquired to become part of business area Components. Fibersystem is a high-tech cyber security innovation company that develops fiber optic transmission solutions and IT security products. The company has sales of about SEK 140 million and 12 employees.

On 2 July, TLS Energimätning AB, Sweden, was acquired to become part of business area Industrial Process. TLS Energimätning delivers measurement equipment for heat, cooling and water for thermal power plants and waterworks in the Swedish, Norwegian and Danish markets. The company has sales of about SEK 50 million and 9 employees.

On 3 July, Diamond Point International (Europe) Ltd, Great Britain, was acquired to become part of business area Components. Diamond Point develops, manufactures and markets innovative embedded computer systems for demanding OEM-applications. The company has sales of about GBP 3,5 million and 9 employees.

On 3 July, Power Technic ApS, Denmark, was acquired to become part of business area Power Solutions. Power Technic is a well-established supplier of power supply products mainly for the Danish market. The company has sales of about DKK 35 million and 6 employees.

On 4 July, Prisma Teknik AB and Prisma Light AB, Sweden, was acquired to become part of business area Energy. Prisma Teknik AB is a leading supplier of advanced pedestrian crossing signals, elbow switches for demanding environments and instruments for measuring crankshaft deflection. Prisma Light AB develops and supplies LED lighting for outdoor environments. The companies have together sales of about SEK 70 million and 27 employees.

On 11 September, Nordautomation Oy, Finland, was acquired to become part of business area Industrial Process. Nordautomation is the Nordic market leader in designing, manufacturing and delivering of log handling equipment. The company has sales of about EUR 15 million and 85 employees.

On 31 August, Solar Supply System AB, Sweden, which was part of business area Power Solutions, was sold. The company has annual sales of about SEK 80 million and 5 employees.

The purchase price allocation calculations for the acquisitions completed during the period 1 April – 30 September 2017 have now been finalised. No significant adjustments have been made to the calculations. Acquisitions completed as of the 2017/2018 financial year are distributed among the Group's business areas as follows:

Acquisitions (disposals)	Closing	Net sales, SEKm*	Number of employees*	Business Area
Dovitech A/S, Denmark	April, 2017	100	5	Components
Craig & Derricott Holdings Ltd, Great Britain	April, 2017	110	90	Power Solutions
Altitech A/S, Denmark	June, 2017	15	5	Components
(Batteriunion i Järfälla AB, Sweden)	(June, 2017)	(140)	(16)	(Power Solutions)
Mobile Control Systems Companies, Belgium	October, 2017	50	17	Power Solutions
Ingenjörskfirma Pulsteknik AB, Sweden	November, 2017	50	10	Components
Sensor ECS A/S, Denmark	November, 2017	155	9	Components
Fintronic Oy (assets and liabilities), Finland	December, 2017	7	1	Components
STIGAB Stig Ödlund AB, Sweden	December, 2017	115	12	Components
Finn-Jiit Oy, Finland	January, 2018	40	10	Components
2 Wave Systems AB, Sweden	January, 2018	16	2	Components
IPAS AS, Norway	January, 2018	40	10	Energy
SyntheCS Group, Netherlands	April, 2018	145	50	Components
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	Components
TLS Energimätning AB, Sweden	July, 2018	50	9	Industrial Process
Diamond Point International (Europe) Ltd, Great Britain	July, 2018	40	9	Components
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

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

If all acquisitions had been completed on 1 April 2018, the impact would have been an estimated SEK 388 million on Group net sales, about SEK 21 million on operating profit and about SEK 14 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 71 million. The contingent purchase considerations fall due for payment within three years and the outcome is subject to a maximum of SEK 99 million. If the conditions are not fulfilled, the outcome may fall within the range of SEK 0-99 million.

Transaction costs for acquisitions that resulted in an ownership transfer during the period, amounted to SEK 5 million (3) and are reported under Selling expenses.

Revaluation of contingent consideration had a positive net effect of SEK 2 million (2) 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:

	Carrying amount at acquisition date	Adjustment to fair value	Fair value
Intangible non-current assets	9	284	293
Other non-current assets	60	3	63
Inventories	59	-	59
Other current assets	262	-	262
Deferred tax liability/tax asset	-5	-63	-68
Other liabilities	-217	-15	-232
Acquired net assets	168	209	377
Goodwill			280
Non-controlling interests			-
Consideration ¹⁾			657
Less: cash and cash equivalents in acquired businesses			-91
Less: consideration not yet paid			-99
Effect on the Group's cash and cash equivalents			467

1) The consideration is stated excluding acquisition expenses.

PARENT COMPANY

Parent Company net sales amounted to SEK 30 million (27) and profit after financial items was SEK -11 million (-6). Net investments in non-current assets were SEK 0 million (0). The Parent Company's financial net debt was SEK 147 million (41) at the end of the period.

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.

IFRS 9, Financial Instruments, deals with classification, measurement and recognition of financial assets and liabilities and introduces new rules for hedge accounting. It has been applied with effect from 1 April 2018. IFRS 9 introduces, for example, a new model for recognition of impairment losses that is based on expected credit losses and that takes forward-looking information into account.

During 2017/2018, Addtech analysed the impact, if any, on introduction of the new standard. The judgement is that the new impairment recognition model had no material impact on the Group's financial position, based on historical information regarding bad debts. Because the Group does not use hedge accounting, the relevant parts of IFRS 9 do not affect Addtech's financial statements.

IFRS 15, Revenue from Contracts with Customers, introduces new requirements for recognition of revenue. The Group began to apply the standard as of 1 April 2018 with the forward-looking retroactive transition method under IFRS 15. An analysis of the impact of IFRS 15 in the Group was carried out in 2017/2018. The conclusion from the analysis was that IFRS 15 will not have any impact on accrual accounting of the Group's revenue. IFRS 15 introduces increased disclosure requirements – see table Net sales by the subsidiaries geographical location, under the heading Disaggregation of revenue. This table presents a disaggregation of the Group's income and included for the first time in the interim report for the first quarter of 2018/2019.

At the end of the interim report period, the Group's assessment is that no changes are necessary in the analysis relating to IFRS 9 and IFRS 15 for presentation in the 2017/2018 Annual Report.

IFRS 16 Leases will be applied as of 1 April 2019. Work on identifying and evaluating current leases and the impact of the new standard is in progress. When the standard enters into effect, Addtech will apply the modified retrospective transition method.

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 of the performance measures that Addtech uses, please see page 19.

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. Risk and uncertainty factors are the same as in previous periods, please see section Risks and uncertainties (page 38-40) in the annual report for 2017/2018 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.

EVENTS AFTER THE END OF THE PERIOD

On October 4, Wood Recycling Sweden AB, Sweden, was acquired to become part of the Industrial Process business area. Wood Recycling designs, constructs and delivers wearing and spare parts for bark shredders for the Swedish market. The company has sales of about SEK 7 million and 2 employees.

Preliminary purchase price allocations has not yet been completed.

AFFIRMATION

The Board of Directors and the President deem that the interim report on the first six months gives a true and fair picture of the Company's and the Group's operations, position and earnings, and describes the significant risks and uncertainty factors to which the Company and the Group are exposed.

Stockholm, 25 October 2018

Anders Börjesson
Chairman of the Board

Eva Elmstedt
Director

Kenth Eriksson
Director

Henrik Hedelius
Director

Ulf Mattsson
Director

Malin Nordesjö
Director

Johan Sjö
Director

Niklas Stenberg
President

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 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 25 October 2018.

FUTURE INFORMATION

2019-02-07 Interim report 1 April - 31 December 2018

2019-05-15 Year-end report 1 April 2018- 31 March 2019

FOR FURTHER INFORMATION, PLEASE CONTACT:

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BUSINESS AREAS

Net sales by business area	2018/2019				2017/2018	
Quarterly data, SEKm	Q2	Q1	Q4	Q3	Q2	Q1
Components	894	946	848	767	679	707
Energy	571	535	467	442	471	466
Industrial Process	497	498	445	426	402	404
Power Solutions	380	419	365	398	343	404
Group items	-4	-3	-4	-3	-3	-2
Addtech Group	2,338	2,395	2,121	2,030	1,892	1,979

EBITA by business area	2018/2019				2017/2018	
Quarterly data, SEKm	Q2	Q1	Q4	Q3	Q2	Q1
Components	98	107	79	68	70	67
Energy	64	56	56	44	60	55
Industrial Process	50	50	38	32	39	33
Power Solutions	56	57	50	50	47	51
Parent Company and Group items	2	-10	-2	-4	-3	8
EBITA	270	260	221	190	213	214
Depr. of intangible non-current assets	-44	-39	-37	-35	-32	-33
– of which acquisitions	-42	-38	-36	-34	-31	-32
Op. profit	226	221	184	155	181	181

Net sales	3 months		6 months		Rolling 12 months	
SEKm	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017	30 Sep 2018	31 Mar 2018
Components	894	679	1,840	1,386	3,455	3,001
Energy	571	471	1,106	937	2,015	1,846
Industrial Process	497	402	995	806	1,866	1,677
Power Solutions	380	343	799	747	1,562	1,510
Group items	-4	-3	-7	-5	-14	-12
Addtech Group	2,338	1,892	4,733	3,871	8,884	8,022

EBITA and EBITA-margin	3 months				6 months				Rolling 12 months			
	30 Sep 2018		30 Sep 2017		30 Sep 2018		30 Sep 2017		30 Sep 2018		31 Mar 2018	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Components	98	11.0	70	10.4	205	11.1	137	9.9	352	10.2	284	9.5
Energy	64	11.2	60	12.7	120	10.8	115	12.3	220	10.9	215	11.7
Industrial Process	50	10.2	39	9.8	100	10.1	72	8.9	170	9.2	142	8.5
Power Solutions	56	14.7	47	13.5	113	14.2	98	13.1	213	13.7	198	13.1
Group items	2		-3		-8		5		-14		-1	
EBITA	270	11.5	213	11.2	530	11.2	427	11.0	941	10.6	838	10.5
Depr. of intangible non-current assets	-44		-32		-83		-65		-155		-137	
– of which acquisitions	-42		-31		-80		-63		-150		-133	
Op. profit	226	9.7	181	9.6	447	9.5	362	9.4	786	8.9	701	8.7

DISAGGREGATION OF REVENUE

Net sales by the subsidiaries geographical location

3 months						
30 sep 2018						
SEKm	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	336	197	171	248	-2	950
Denmark	233	116	112	20	-2	479
Finland	169	35	66	24	0	294
Norway	105	143	63	21	0	332
Europe	50	80	61	47	-	238
Other countries	1	0	24	20	0	45
Total	894	571	497	380	-4	2,338

Net sales by the subsidiaries geographical location

6 months						
30 sep 2018						
SEKm	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	695	370	342	538	-3	1,942
Denmark	489	210	245	28	-4	968
Finland	344	75	125	52	0	596
Norway	212	307	124	47	0	690
Europe	97	144	120	94	-	455
Other countries	3	0	39	40	0	82
Total	1,840	1,106	995	799	-7	4,733

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEKm	3 months		6 months		Rolling 12 months	
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017	30 Sep 2018	31 Mar 2018
Net sales	2,338	1,892	4,733	3,871	8,884	8,022
Cost of sales	-1,615	-1,309	-3,265	-2,667	-6,120	-5,522
Gross profit	723	583	1,468	1,204	2,764	2,500
Selling expenses	-378	-300	-773	-636	-1,501	-1,364
Administrative expenses	-126	-100	-259	-210	-504	-455
Other operating income and expenses	7	-2	11	4	27	20
Operating profit	226	181	447	362	786	701
- as % of net sales	9.7	9.6	9.5	9.4	8.9	8.7
Financial income and expenses	-5	-8	-21	-12	-45	-36
Profit after financial items	221	173	426	350	741	665
- as % of net sales	9.5	9.1	9.0	9.0	8.4	8.3
Income tax expense	-47	-38	-90	-72	-157	-139
Profit for the period	174	135	336	278	584	526
Profit for the period attributable to:						
Equity holders of the Parent Company	172	132	331	272	573	514
Non-controlling interests	2	3	5	6	11	12
Earnings per share before dilution, SEK	2.60	1.95	4.95	4.05	8.60	7.70
Earnings per share after dilution, SEK	2.55	1.95	4.90	4.05	8.50	7.65
Average number of shares after repurchases, '000s	67,110	67,006	67,082	66,966	67,008	66,950
Number of shares at end of the period, '000s	66,969	66,863	66,969	66,863	66,969	66,992

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	3 months		6 months		Rolling 12 months	
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017	30 Sep 2018	31 Mar 2018
Profit for the period	174	135	336	278	584	526
<i>Items that may be reclassified to profit or loss</i>						
Cash flow hedges	-1	-1	-1	-1	0	0
Foreign currency translation differences for the period	-40	10	10	-10	135	115
<i>Items that will not be reclassified to profit or loss</i>						
Actuarial effects of the net pension obligation	-18	-	-18	-	-25	-7
Other comprehensive income	-59	9	-9	-11	110	108
Total comprehensive income	115	144	327	267	694	634
Total comprehensive income attributable to:						
Equity holders of the Parent Company	113	142	322	262	679	619
Non-controlling interests	2	2	5	5	15	15

CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	30 Sep 2018	30 Sep 2017	31 Mar 2018
Goodwill	1,736	1,201	1,456
Other intangible non-current assets	1,223	831	1,007
Property, plant and equipment	253	186	207
Financial non-current assets	47	30	32
Total non-current assets	3,259	2,248	2,702
Inventories	1,289	1,020	1,118
Current receivables	1,778	1,421	1,507
Cash and cash equivalents	246	166	192
Total current assets	3,313	2,607	2,817
Total assets	6,572	4,855	5,519
Total equity	2,150	1,759	2,131
Interest-bearing provisions	252	218	229
Non-interest-bearing provisions	361	282	322
Non-current interest-bearing liabilities	762	256	411
Non-current non-interest-bearing liabilities	11	13	11
Total non-current liabilities	1,386	769	973
Non-interest-bearing provisions	26	49	31
Current interest-bearing liabilities	1,437	1,045	958
Current non-interest-bearing liabilities	1,573	1,233	1,426
Total current liabilities	3,036	2,327	2,415
Total equity and liabilities	6,572	4,855	5,519

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	30 Sep 2018	30 Sep 2017	31 Mar 2018
Opening balance	2,131	1,741	1,741
Exercised, issued and repurchased options	7	21	31
Repurchase of treasury shares	-38	-31	-31
Dividend, ordinary	-269	-235	-235
Dividend, non-controlling interests	-6	-4	-9
Förändring innehav utan bestämmande inflytande	-2	-	-
Total comprehensive income	327	267	634
Closing balance	2,150	1,759	2,131

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEKm	3 months		6 months		Rolling 12 months	
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017	30 Sep 2018	31 Mar 2018
Profit after financial items	221	173	426	350	741	665
Adjustment for items not included in cash flow	25	50	94	83	170	159
Income tax paid	-59	-39	-86	-67	-188	-169
Changes in working capital	-94	-133	-289	-230	-175	-116
Cash flow from operating activities	93	51	145	136	548	539
Net investments in non-current assets	-11	-7	-21	-12	-52	-43
Acquisitions and disposals	-360	32	-500	-140	-837	-477
Cash flow from investing activities	-371	25	-521	-152	-889	-520
Dividend paid to shareholders	-269	-235	-269	-235	-269	-235
Repurchase of own shares/change of options	-38	-28	-31	-10	-21	0
Other financing activities	616	180	728	256	695	223
Cash flow from financing activities	309	-83	428	11	405	-12
Cash flow for the period	31	-7	52	-5	64	7
Cash and cash equivalents at beginning of period	223	173	192	178	166	178
Exchange differences on cash and cash equivalents	-8	0	2	-7	16	7
Cash and cash equivalents at end of period	246	166	246	166	246	192

FAIR VALUES ON FINANCIAL INSTRUMENTS

SEKm	30 Sep 2018			31 Mar 2018		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives - fair value, hedge instruments	0	0	-	2	2	-
Derivatives - fair value through profit	1	1	-	2	2	-
Total financial assets at fair value per level	1	1	-	4	4	-
Derivatives - fair value, hedge instruments	1	1	-	0	0	-
Derivatives - fair value through profit	3	3	-	5	5	-
Contingent considerations - fair value through profit	248	-	248	215	-	215
Total financial liabilities at fair value per level	252	4	248	220	5	215

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 Sep 2018	31 Mar 2018
Opening balance	215	105
Acquisitions during the year	70	152
Reversed through profit or loss	-2	-9
Consideration paid	-41	-49
Interest expenses	5	8
Exchange differences	1	8
Closing balance	248	215

KEY FINANCIAL INDICATORS

	12 months ending				
	30 Sep 2018	31 Mar 2018	30 Sep 2017	31 Mar 2017	31 Mar 2016
Net sales, SEKm	8,884	8,022	7,631	7,178	6,155
EBITDA, SEKm	988	881	822	755	570
EBITA, SEKm	941	838	780	715	536
EBITA-margin, SEKm	10.6	10.5	10.2	10.0	8.7
Operating profit, SEKm	786	701	657	604	443
Operating margin, %	8.9	8.7	8.6	8.4	7.2
Profit after financial items, SEKm	741	665	630	580	423
Profit for the period, SEKm	584	526	494	450	333
Working capital	1,791	1,591	1,469	1,362	1,208
Return on working capital (P/WC), %	53	53	53	53	44
Return on equity, %	29	28	29	28	20
Return on capital employed, %	21	22	23	23	16
Equity ratio, %	33	39	36	39	40
Net debt, incl pensions, SEKm	2,205	1,405	1,353	1,011	822
Net debt, incl pensions / equity ratio, multiple	1.0	0.7	0.8	0.6	0.6
Net debt, incl pensions / EBITDA, multiple	2.2	1.6	1.6	1.3	1.4
Net debt excl. pensions, SEKm	1,953	1,176	1,135	801	623
Net debt, excl pensions / equity ratio, multiple	0.9	0.6	0.6	0.5	0.4
Interest coverage ratio, multiple	21.6	22.7	23.9	23.9	20.3
Average number of employees*	2,407	2,283	2,201	2,133	2,386
Number of employees at end of the period	2,654	2,358	2,262	2,176	2,076

* Average number of employees includes discontinued operations in the period 31 March 2016.

KEY FINANCIAL INDICATORS PER SHARE

	12 months ending				
SEK	30 Sep 2018	31 Mar 2018	30 Sep 2017	31 Mar 2017	31 Mar 2016
Earnings per share before dilution	8.60	7.70	7.20	6.60	4.85
Earnings per share after dilution	8.50	7.65	7.15	6.55	4.85
Cash flow from operating activities per share	8.20	8.05	7.10	8.25	7.10
Shareholders' equity per share	31.40	31.10	25.70	25.45	22.10
Share price at the end of the period	189.60	168.00	163.50	148.50	112.00
Average number of shares after repurchases, '000s	67,008	66,950	66,841	66,824	66,703
Average number of shares adjusted for repurchases and dilution, '000s	67,176	67,178	67,055	67,008	66,809
Number of shares outstanding at end of the period, '000s	66,969	66,992	66,863	66,824	66,958

PARENT COMPANY INCOME STATEMENT

SEKm	3 months		6 months		Rolling 12 months	
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017	30 Sep 2018	31 Mar 2018
Net sales	15	13	30	27	61	58
Administrative expenses	-20	-18	-45	-35	-81	-71
Operating profit/loss	-5	-5	-15	-8	-20	-13
Profit from interests in Group companies	-	-	-	-	258	258
Interest income and expenses and similar items	13	-2	4	2	4	2
Profit after financial items	8	-7	-11	-6	242	247
Appropriations	-	-	-	-	-14	-14
Profit before taxes	8	-7	-11	-6	228	233
Income tax expense	-2	1	2	1	-51	-52
Profit for the period	6	-6	-9	-5	177	181
Total comprehensive income	6	-6	-9	-5	177	181

PARENT COMPANY BALANCE SHEET

SEKm	30 Sep 2018	30 Sep 2017	31 Mar 2018
Property, plant and equipment	1	2	2
Non-current financial assets	3,052	2,444	2,696
Total non-current assets	3,053	2,446	2,698
Current receivables	201	173	461
Cash and bank balances	-	-	-
Total current assets	201	173	461
Total assets	3,254	2,619	3,159
Equity	431	544	741
Untaxed reserves	431	417	431
Provisions	15	15	15
Non-current liabilities	741	307	591
Current liabilities	1,636	1,336	1,381
Total equity and liabilities	3,254	2,619	3,159

DEFINITIONS

Return on equity²

Earnings after tax divided by equity. The components are calculated as the average of the last 12 months.

Return on working capital (P/WC)¹

EBITA divided by working capital.

Return on capital employed

Profit before tax plus financial expenses as a percentage of capital employed. The components are calculated as the average of the last 12 months.

EBITA¹

Operating profit before amortisation of intangible assets.

EBITA-margin

EBITA as a percentage of net sales.

EBITDA¹

Operating profit before depreciation and amortisation.

Equity per share

Shareholders' share of equity divided by number of shares outstanding on the reporting periods end.

Financial net debt

The net of interest-bearing debt and provisions minus cash and cash equivalents.

Cash flow from operating activities per share

Cash flow from operating activities, divided by the average number of outstanding shares after repurchase.

Net debt excluding pensions

The net of interest-bearing debt and provisions excluding pensions minus cash and cash equivalents.

Net debt excluding pensions/ equity ratio²

Net debt excluding pensions divided by shareholders' equity.

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 following exercise of outstanding warrants. Performance measures under IFRS.

Interest coverage ratio

Profit after net financial items plus financial expenses divided by financial expenses.

Working capital¹

Working capital (WC) is measured through an annual average defined as inventories plus accounts receivable less accounts payable.

Operating margin

Operating profit as a percentage of net sales.

Equity ratio²

Equity as a percentage of total assets.

Debt/equity ratio²

Financial net liabilities divided by equity.

Capital employed

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

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.

INTERIM REPORT

1 APRIL - 30 SEPTEMBER 2018



ADDTECH IN BRIEF

Addtech is a technology trading group that provides technological and economic value added in the link between manufacturers and customers. Addtech operates in selected niches in markets for advanced technology products and solutions. Its customers primarily operate in manufacturing industry and infrastructure. Addtech has about 2,600 employees in more than 130 subsidiaries that operate under their own brands. The Group has annual sales of about SEK 9 billion. Addtech is quoted on Nasdaq Stockholm.

VISION, BUSINESS CONCEPT AND STRATEGIES

VISION

Addtech's vision is to be the leading value-adding tech provider in Northern Europe.

BUSINESS CONCEPT

Addtech's business concept is to offer high-tech products and solutions to companies in the manufacturing and infrastructure sectors. We provide both technological and financial added value by being a capable partner for customers and manufacturers.

STRATEGIES

- Market-leading niche positions
- Operating mobility - flexibility and active ownership
- Growth through acquisitions

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