INTERIM REPORT 1 APRIL - 31 DECEMBER 2017

THIRD QUARTER (1 OCTOBER - 31 DECEMBER 2017)

- **Net sales** increased by 12 percent and amounted to SEK 2,030 million (1,819).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 19 percent and amounted to SEK 190 million (160) corresponding to an EBITA margin of 9.4 percent (8.8).
- **Operating profit** increased by 17 percent and amounted to SEK 155 million (132) corresponding to an operating margin of 7.7 percent (7.3).
- **Profit after tax** increased by 17 percent and amounted to SEK 115 million (98) and **earnings per share before dilution** amounted to SEK 1.70 (1.40).

PERIOD (1 APRIL - 31 DECEMBER 2017)

- **Net sales** increased by 13 percent and amounted to SEK 5,901 million (5,237).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 18 percent and amounted to SEK 617 million (522) corresponding to an EBITA margin of 10.5 percent (10.0). The profit includes items affecting comparability amounting to a net total of SEK +12 million, and adjusted EBITA amounted to SEK 605 million (522), corresponding to an EBITA margin of 10.3 percent (10.0).
- **Operating profit** increased by 17 percent and amounted to SEK 517 million (441) corresponding to an operating margin of 8.8 percent (8.4).
- **Profit after tax** increased by 18 percent and amounted to SEK 393 million (332) and **earnings per share before dilution** amounted to SEK 5.75 (4.85).
- **Return on working capital (P/WC)** amounted to 53 percent (50) and **return on equity** amounted to 29 percent (26).
- **The equity ratio** amounted to 36 percent (39).
- **Cash flow from operating activities** amounted to SEK 388 million (391).
- **Eleven acquisitions, of which three after the end of the period,** have been completed since the start of the financial year with total annual sales of about SEK 700 million.

GROUP SUMMARY	3 months			9 months			Rolling 12 months	
SEKm	31 Dec 2017	31 Dec 2016	Δ	31 Dec 2017	31 Dec 2016	Δ	31 Dec 2017	31 Mar 2017
Net sales	2,030	1,819	12%	5,901	5,237	13%	7,842	7,178
EBITA	190	160	19%	617	522	18%	810	715
EBITA margin, %	9.4	8.8		10.5	10.0		10.3	10.0
Profit after financial items	147	126	16%	497	426	17%	651	580
Profit for the period	115	98	17%	393	332	18%	511	450
Earnings per share before dilution, SEK	1.70	1.40	21%	5.75	4.85	19%	7.50	6.60
Earnings per share after dilution, SEK	1.65	1.40	18%	5.70	4.85	18%	7.40	6.55
Cash flow from operating activities per share, SEK	-	-		-	-		8.20	8.25
Return on equity, %	29	26		29	26		29	28
Equity ratio, %	36	39		36	39		36	39

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

CEO'S COMMENTS

CONDITIONS FAVOURABLE FOR BUSINESS AND PROFIT GROWTH STILL STRONG

The third quarter was also characterised by favourable conditions for business, and stronger demand in most of our geographical markets and most customer segments. Our level of activity was high, with a strong increase in sales, both organically and through acquisitions. We achieved a profit growth of 19% for the quarter, which was in line with the increase we have had earlier in the year. The operating margin also continued to increase, compared with the previous year.

The Components Business Area delivered an outstanding quarter, through both organic growth and several new acquisitions. In the Energy Business Area, our experience is that the markets are relatively stable, but the quarter showed weaker results due to lower sales and increased competition. Industrial Process and Power Solutions continue to report strong and stable sales and profit growth.

During the quarter, Patrick Klerck was appointed Business Area Manager of Components. Patrik Klerck has been a member of the management team of Components for five years and has a solid experience from the Group. At the same time Anders Claeson, Executive Vice President and former Business Area Manager of Components, was appointed acting Business Area Manager of Industrial Process, replacing Johan Dyberg, who left the Group.

MARKET DEVELOPMENT

From a geographical perspective, the highest rate of growth was in Finland and Denmark, while the business situation also improved from an already high level in Sweden. Demand was generally stable in Norway, and business outside the Nordic region was still good. With regard to demand in our various customer segments, we increased sales of production components to manufacturers of, for example, special vehicles, machinery, electronics, wind power and marine vessels. Demand was stable in medical technology and oil & gas, but was lower in the telecom segment.

Demand for aftermarket products for the manufacturing industry showed an upward trend, while the pace of investment in the process industry was stable. Sales of infrastructure products for the primary and regional grids in the Nordic region fell during the quarter, whereas sales of niche products in power distribution remained stable. Demand for electricity-related products from customers in building and installation continued to develop positively.

ACQUISITIONS

Strengthening our market positions through acquisitions gives Addtech better opportunities to create long-term sustainable growth. We have maintained a high pace of acquisitions, and since the start of the financial year we have made eleven acquisitions, three of which were completed after the end of the quarter. Three acquisitions were made in Sweden, three in Denmark, two in Finland and one in each of Norway, the United Kingdom and Belgium. The acquisitions together contribute annual sales of approximately SEK 700 million. We are in ongoing discussions of acquisitions of not only independent, profitable technology companies with market-leading niche positions, but also smaller complementary acquisitions that can strengthen the market positions and profitability of our existing companies. Our strong balance sheet offers excellent scope for us to continue to acquire attractive companies.

Johan Sjö
President and CEO

GROUP DEVELOPMENT

SALES DEVELOPMENT

Net sales in the Addtech Group increased in the third quarter by 12 percent to SEK 2,030 million (1,819). The organic growth amounted to 6 percent, acquired growth amounted to 8 percent and disposal affected by -2 percent. Exchange rate changes affected net sales by 0 percent, corresponding to SEK -15 million.

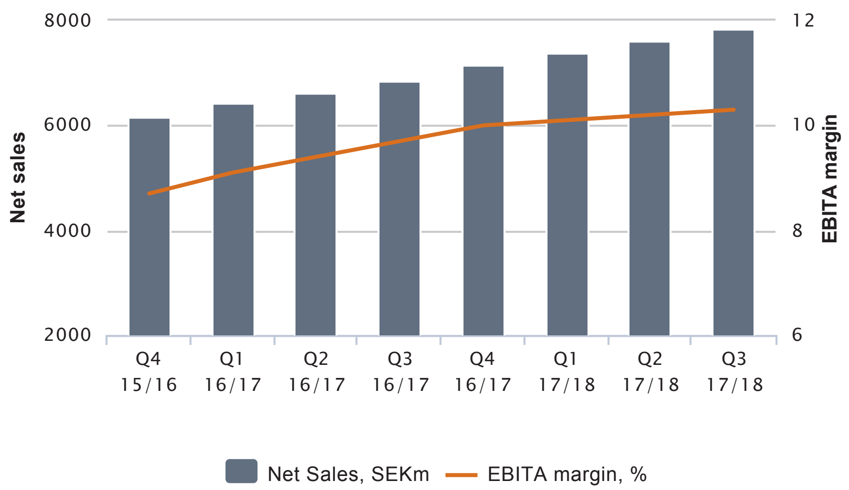
Net sales in the Addtech Group increased during the period by 13 percent to SEK 5,901 million (5,237). The organic growth amounted to 7 percent, acquired growth amounted to 7 percent and disposal affected by -1 percent. Exchange rate changes affected net sales by 0 percent, corresponding to SEK 20 million.

PROFIT DEVELOPMENT

Operating profit increased during the quarter by 17 percent to SEK 155 million (132) and the operating margin amounted to 7.7 percent (7.3). Net financial items amounted to SEK -8 million (-6) and profit after financial items increased by 16 percent to SEK 147 million (126). Profit after tax increased by 17 percent to SEK 115 million (98) corresponding to earnings per share before dilution of SEK 1.70 (1.40). For the latest twelve month period, earnings per share before dilution amounted to SEK 7.50 (6.05).

Operating profit increased during the period by 17 percent to SEK 517 million (441) and the operating margin amounted to 8.8 percent (8.4). The profit includes items affecting comparability amounting to a net total of SEK +12 million, which are reported under Other operating income and expenses under Group items. Adjusted operating profit amounted to SEK 505 million (441), corresponding to an operating margin of 8.6 percent (8.4). Net financial items were SEK -20 million (-15) and profit after financial items increased by 17 percent to SEK 497 million (426). Profit after tax for the period increased by 18 percent to SEK 393 million (332) and the effective tax rate amounted to 21 percent (22). Earnings per share before dilution for the period amounted to SEK 5.75 (4.85).

Net sales and EBITA margin, rolling 12 months



DEVELOPMENT IN THE BUSINESS AREAS

COMPONENTS

Net sales in Components increased in the third quarter by 33 percent to SEK 767 million (579) and EBITA increased by 81 percent to SEK 68 million (38). Net sales during the period increased by 28 percent to SEK 2,153 million (1,680) and EBITA increased by 59 percent to SEK 205 million (129).

Market

Higher sales, in combination with several acquisitions, have created strong earnings growth and very good development of the operating margin. The market for production components for Nordic manufacturing companies remained favourable in Sweden, Denmark and Finland, while the Norwegian market overall was stable. The strong demand came from most major customer segments, including machinery production, wind energy, special vehicles and electronics.

ENERGY

Net sales in Energy in the third quarter amounted to SEK 442 million (465) and EBITA amounted to SEK 44 million (52). Net sales during the period increased by 2 percent to SEK 1,379 million (1,346) and EBITA amounted to SEK 159 million (166).

Market

Sales of infrastructure products to the primary and regional grids in the Nordic region declined during the quarter, in comparison with a very strong quarter in the previous year. The underlying demand in this market is found to be relatively stable, but the level of sales in the quarter combined with increased competition had a negative impact on operating profit. The conditions for business in niche products for power distribution was more stable during the quarter. On the other hand, sales of products for building and installation, and for the manufacturing and wind power industries, increased.

INDUSTRIAL PROCESS

Net sales in Industrial Process increased in the third quarter by 3 percent to SEK 426 million (415) and EBITA increased by 13 percent to SEK 32 million (29). Net sales during the period increased by 6 percent to SEK 1,232 million (1,166) and EBITA increased by 12 percent to SEK 104 million (93).

Market

Sales to the manufacturing industry rose during the quarter and demand in customer segments such as machinery production and special vehicles showed a further increase. Overall, investments in the Nordic process industry were stable. Business conditions continued to be especially favourable in the marine market as a result of stricter requirements for measuring and removal of emissions. Selective efficiency measures are ongoing to improve profitability.

POWER SOLUTIONS

Net sales in Power Solutions increased in the third quarter by 10 percent to SEK 398 million (362) and EBITA increased by 10 percent to SEK 50 million (46). Net sales during the period increased by 9 percent to SEK 1,145 million (1,052) and EBITA increased by 6 percent to SEK 148 million (140).

Market

All in all, demand increased during the quarter, but business conditions varied from one customer to another, and among product segments. Higher sales of control and ergonomics products for the special vehicle industry, which is the business area’s biggest customer segment, contributed strongly. Demand for battery solutions was strong in most customer segments, while sales of power supply solutions to customers in, for example, the telecommunications and wind power industries, remained weak.

OTHER FINANCIAL INFORMATION

PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

The return on equity at the end of the period was 29 percent (26), and return on capital employed was 22 percent (20). Return on working capital P/WC (EBITA in relation to working capital) amounted to 53 percent (50).

At the end of the period the equity ratio amounted to 36 percent (39). Equity per share, excluding non-controlling interest, totalled SEK 27.30 (23.65). The Group's net debt at the end of the period amounted to SEK 1,232 million (753), excluding pension liabilities of SEK 240 million (217). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, amounted to 0.7 (0.5).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 528 million (950) at 31 December 2017.

Cash flow from operating activities amounted to SEK 388 million (391) during the period. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 381 million (152). Investments in non-current assets totalled SEK 35 million (44) and disposal of non-current assets amounted to SEK 3 million (3). Dividend from associated company amounted to SEK 4 million (3). Repurchase of treasury shares amounted to SEK 31 million (40) and repurchase of call options amounted to SEK 5 million (6). Exercised and issued call options totalled SEK 33 million (7). Dividends paid to the shareholders of the Parent Company totalled SEK 235 million (218), corresponding to SEK 3.50 (3.25) per share. The dividend was paid out in the second quarter.

EMPLOYEES

At the end of the period, the number of employees was 2,307, compared to 2,176 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 133. The average number of employees in the latest 12-month period was 2,238.

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**	**100.0**
Of which repurchased class B shares	1,243,291		1.8	1.3
Total number of shares after repurchases	**66,955,205**			

Addtech has four outstanding call option programmes, see table below. 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 are 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
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	350,000	430,500	0.6%	154.50	125.10	17 Sep 2018 - 3 Jun 2019
2014/2018	208,800	256,824	0.4%	116.70	94.50	17 Sep 2017 - 1 Jun 2018
Total	**1,158,800**	**1,287,324**				

ACQUISITIONS AND DISPOSAL

During the period 1 April to 30 September 2017, the following acquisitions have been completed; Dovitech A/S and Altitech A/S to become part of the Components business area and Craig & Derricott Holdings Ltd to become part of the Power Solutions business area. The Group has also sold Batteriunion i Järfälla AB, formerly part of the Power Solutions Business Area.

On 9 October 2017, The Mobile Control Systems Companies, Belgium, were acquired to become part of the Power Solutions business area. Mobile Control Systems develops and supplies electronic throttle- and transmission controls for on and off highway vehicle OEMs. The companies have sales of around EUR 5 million, and 17 employees.

On 1 November 2017, Ingenjörsfirma Pulsteknik AB, Sweden, was acquired to become part of the Components business area. Pulsteknik delivers products and solutions in the field of sensor, control and drives. The business is mainly focused on the Nordic OEM and automation market. The company has sales of around SEK 50 million, and ten employees.

On 7 November 2017, Sensor ECS A/S, Denmark, was acquired to become part of the Components business area. Sensor ECS delivers embedded industrial and medical computer systems. The business is mainly focused on the Nordic OEM industry and health care. The company has sales of around DKK 120 million, and nine employees.

On 1 December 2017, the assets of Fintronic OY, Finland, were acquired to become part of the Components business area and part of an existing company. The business has sales of around SEK 7 million and one employee.

On 1 December 2017, STIGAB Stig Ödlund AB, Sweden, was acquired to become part of the Components business area. STIGAB delivers products and solutions in the field of joysticks, sensors, switches and other electromechanical components. The business is mainly focused on the Nordic OEM market. The company has sales of around SEK 115 million, and twelve employees.

If all the acquisitions had been completed on 1 April 2017, their impact would have been an estimated SEK 450 million on Group net sales, about SEK 42 million on operating profit and about SEK 30 million on profit after tax for the period.

Acquisitions and disposals (information in parentheses) completed as of the 2016/2017 financial year are distributed among the Group's business areas as follows:

Acquisitions (disposals)	Closing	Net sales, SEKm*	Number of employees*	Business Area
Sammet Dampers Oy, Finland	April, 2016	45	12	Industrial Process
Poryan China Company Ltd, China	April, 2016	50	22	Power Solutions
E.T.S. Portsmouth Ltd, Great Britain	April, 2016	100	35	Energy
Elektro-Tukku Oy, Finland	May, 2016	8	3	Components
Penlink AB, Sweden	October, 2016	25	5	Components
Itek AS, Norway	November, 2016	65	13	Industrial Process
Carmac Inc (assets and liabilities), USA	December. 2016	10	2	Power Solutions
Sensor Companies, Sweden	January, 2017	160	30	Components
Vallentin Elektronik A/S, Denmark	January, 2017	20	4	Components
EX-Tekniikka Oy, Finland	March, 2017	20	3	Components
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
Ingenjörsfirma 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

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

The amount of contingent consideration depends on future results achieved in the companies. The estimated outcome of the year's acquisitions amounts to SEK 146 million, which is due for payment within one to four years. The amounts are estimated to be able to reach a maximum total of SEK 178 million. Of the contingent consideration not yet paid for acquisitions during the period, the discounted value amounts to SEK 138 million.

Transaction costs for acquisitions that resulted in an ownership transfer during the period, amounted to SEK 6 million (7) and are reported under Selling expenses.

During the period contingent consideration was net revalued by SEK 8 million (5). The impact on profits is 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	0	300	300
Other non-current assets	9	-	9
Inventories	54	-	54
Other current assets	171	-	171
Deferred tax liability/tax asset	-1	-65	-66
Other liabilities	-148	-8	-156
Acquired net assets	**85**	**227**	**312**
Goodwill			292
Non-controlling interests			-
Consideration 1)			**604**
Less: cash and cash equivalents in acquired businesses			-41
Less: consideration not yet paid			-184
Effect on the Group's cash and cash equivalents			**379**

1) The consideration is stated excluding acquisition expenses.

PARENT COMPANY

Parent Company net sales amounted to SEK 44 million (39) during the period and profit after financial items was SEK -13 million (-11). Net investments in non-current assets were SEK 0 million (0). The Parent Company's net financial debt was SEK 43 million (89) at the end of the period.

OTHER DISCLOSURES

ACCOUNTING POLICIES

This interim report was prepared as per International Financial Reporting Standards (IFRS) and IAS 34 Interim Financial Reporting. The accounting policies and basis for calculations applied in the latest annual report were also used here. The interim report for the parent company was prepared in accordance with the Swedish Annual Accounts Act and the Securities Market Act, in compliance with recommendation RFR 2 Accounting for Legal Entites, of the Swedish Financial Reporting Board. The new and revised IFRS standards and IFRIC interpretations that come into force as of the 2017/2018 financial year have had no material effect on the Group's financial reports. New IFRS standards will come into force in the 2018/2019 financial year. Work with the new standards introduced in 2018, IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers, is proceeding according to plan. Our conclusion is that these standards will not have any significant effects that affect the balance sheet and income statement. For more information, see Note 1 Accounting and valuation policies in the annual report for 2016/2017. Disclosure in accordance with IAS 34.16A is presented both in the financial statements and related notes, as well as in other parts of the interim report.

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 17.

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 22-25) in the annual report for 2016/2017 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.

NOMINATION COMMITTEE

The 2017 Annual General Meeting authorised the Board Chairman to establish a nomination committee for upcoming elections to the Board, by appointing members among representatives of the five shareholders who controlled the largest number of votes in the Company at 31 December 2017, to serve with the Chairman on the nomination committee. In accordance with the above, the committee comprises these appointed members: Anders Börjesson (Chairman of the Board), Tom Hedelius, Åsa Nisell (appointed by Swedbank Robur Fonder), Martin Wallin (appointed by Lannebo Fonder) and Johan Strandberg (appointed by SEB Investmant Management). Information on how to contact the committee is available on the Addtech website.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On 2 January 2018, Finn-Jiit Oy, Finland, was acquired to become part of the Components business area. Finn-Jiit delivers customised subsystems in the field of machine components and flow technology. The business is mainly focused on the Nordic OEM market. The company has sales of around EUR 4 million, and ten employees.

On 2 January 2018, 2 Wave Systems AB, Sweden, was acquired to become part of the Components business area. 2 Wave Systems offers fibre and copper testing tools, and primarily has installation and telecom companies and network owners as customers. The company has sales of around SEK 16 million, and two employees. The operations will become part of an existing company.

On 3 January 2018, IPAS AS, Norway, was acquired to become part of the Energy business area. IPAS is a well established supplier of products and solutions within professional lighting to in Norway. The company is established in the segments industrial lighting, outdoor lighting and indoor lighting. The products are sold to installers, wholesalers, industry and municipalities. The company has sales of around NOK 40 million, and ten employees.

Stockholm 6 February 2018

Johan Sjö
CEO and 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 6 February 2018.

FUTURE INFORMATION

2018-05-15 Year-end report 1 April 2017 - 31 March 2018
2018-07-13 Interim report 1 April - 30 June 2018
2018-08-30 Annual General Meeting 2018 will be held at IVA, Grev Turegatan 16, Stockholm at 16.00
The Group's annual report for 2017/2018 will be published on Addtech's website in July 2018

FOR FURTHER INFORMATION, PLEASE CONTACT:

Johan Sjö, CEO and President, +46 8 470 49 00
Christina Kassberg, CFO, +46 8 470 49 00

BUSINESS AREAS

Net sales by business area	2017/2018			2016/2017			
Quarterly data, SEKm	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Components	767	679	707	675	579	520	581
Energy	442	471	466	461	465	439	442
Industrial Process	426	402	404	419	415	380	371
Power Solutions	398	343	404	387	362	322	368
Group items	-3	-3	-2	-1	-2	-3	-2
Addtech Group	**2,030**	**1,892**	**1,979**	**1,941**	**1,819**	**1,658**	**1,760**

EBITA by business area	2017/2018			2016/2017			
Quarterly data, SEKm	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Components	68	70	67	58	38	44	47
Energy	44	60	55	59	52	57	57
Industrial Process	32	39	33	32	29	33	31
Power Solutions	50	47	51	47	46	48	46
Parent Company and Group items	-4	-3	8	-3	-5	1	-2
EBITA	**190**	**213**	**214**	**193**	**160**	**183**	**179**
Depr. of intangible non-current assets	-35	-32	-33	-30	-28	-27	-26
– of which acquisitions	-34	-31	-32	-29	-27	-26	-25
Operating profit	**155**	**181**	**181**	**163**	**132**	**156**	**153**

Net sales	3 months		9 months		Rolling 12 months	
SEKm	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Mar 2017
Components	767	579	2,153	1,680	2,828	2,355
Energy	442	465	1,379	1,346	1,840	1,807
Industrial Process	426	415	1,232	1,166	1,651	1,585
Power Solutions	398	362	1,145	1,052	1,532	1,439
Group items	-3	-2	-8	-7	-9	-8
Addtech Group	**2,030**	**1,819**	**5,901**	**5,237**	**7,842**	**7,178**

EBITA and EBITA margin	3 months				9 months				Rolling 12 months			
	31 Dec 2017		31 Dec 2016		31 Dec 2017		31 Dec 2016		31 Dec 2017		31 Mar 2017	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Components	68	*8.9*	38	*6.5*	205	*9.5*	129	*7.7*	263	*9.3*	187	*8.0*
Energy	44	*9.9*	52	*11.3*	159	*11.5*	166	*12.4*	218	*11.8*	225	*12.5*
Industrial Process	32	*7.6*	29	*6.9*	104	*8.5*	93	*8.0*	136	*8.3*	125	*7.9*
Power Solutions	50	*12.7*	46	*12.7*	148	*13.0*	140	*13.3*	195	*12.7*	187	*13.0*
Group items	-4		-5		1		-6		-2		-9	
EBITA	**190**	***9.4***	**160**	***8.8***	**617**	***10.5***	**522**	***10.0***	**810**	***10.3***	**715**	***10.0***
Depr. of intangible non-current assets	-35		-28		-100		-81		-130		-111	
– of which acquisitions	-34		-27		-97		-78		-126		-107	
Operating profit	**155**	***7.7***	**132**	***7.3***	**517**	***8.8***	**441**	***8.4***	**680**	***8.7***	**604**	***8.4***

CONSOLIDATED INCOME STATEMENT, CONDENSED

	3 months		9 months		Rolling 12 months	
SEKm	**31 Dec 2017**	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2016**	**31 Dec 2017**	**31 Mar 2017**
Net sales	2,030	1,819	5,901	5,237	7,842	7,178
Cost of sales	-1,396	-1,255	-4,063	-3,594	-5,408	-4,939
Gross profit	**634**	**564**	**1,838**	**1,643**	**2,434**	**2,239**
Selling expenses	-359	-327	-995	-919	-1,317	-1,241
Administrative expenses	-124	-113	-334	-308	-458	-432
Other operating income and expenses	4	8	8	25	21	38
Operating profit	**155**	**132**	**517**	**441**	**680**	**604**
- as % of net sales	*7.7*	*7.3*	*8.8*	*8.4*	*8.7*	*8.4*
Financial income and expenses	-8	-6	-20	-15	-29	-24
Profit after financial items	**147**	**126**	**497**	**426**	**651**	**580**
- as % of net sales	*7.2*	*7.0*	*8.4*	*8.1*	*8.3*	*8.1*
Income tax expense	-32	-28	-104	-94	-140	-130
Profit for the period	**115**	**98**	**393**	**332**	**511**	**450**
Profit for the period attributable to:						
Equity holders of the Parent Company	112	94	384	325	499	440
Non-controlling interests	*3*	*4*	*9*	*7*	*12*	*10*
Earnings per share before dilution, SEK	1.70	1.40	5.75	4.85	7.50	6.60
Earnings per share after dilution, SEK	1.65	1.40	5.70	4.85	7.40	6.55
Average number of shares after repurchases, '000s	66,890	66,693	66,940	66,852	66,890	66,824
Number of shares at end of the period, '000s	66,955	66,700	66,955	66,700	66,955	66,824

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months		9 months		Rolling 12 months	
SEKm	**31 Dec 2017**	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2016**	**31 Dec 2017**	**31 Mar 2017**
Profit for the period	**115**	**98**	**393**	**332**	**511**	**450**
Components that will be reclassified to profit for the year						
Cash flow hedges	1	1	0	2	-1	1
Foreign currency translation differences for the period	11	-20	1	56	-3	52
Components that will not be reclassified to profit for the year						
Actuarial effects of the net pension obligation	-17	-12	-17	-12	-15	-10
Other comprehensive income	**-5**	**-31**	**-16**	**46**	**-19**	**43**
Total comprehensive income	**110**	**67**	**377**	**378**	**492**	**493**
Total comprehensive income attributable to:						
Equity holders of the Parent Company	105	64	367	371	478	482
Non-controlling interests	5	3	10	7	14	11

CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	31 Dec 2017	31 Dec 2016	31 Mar 2017
Goodwill	1,391	990	1,101
Other intangible non-current assets	991	699	791
Property, plant and equipment	195	184	190
Financial non-current assets	34	30	27
Total non-current assets	**2,611**	**1,903**	**2,109**
Inventories	1,085	960	942
Current receivables	1,354	1,167	1,286
Cash and cash equivalents	211	152	178
Total current assets	**2,650**	**2,279**	**2,406**
Total assets	**5,261**	**4,182**	**4,515**
Total equity	**1,873**	**1,615**	**1,741**
Interest-bearing provisions	240	217	210
Non-interest-bearing provisions	314	247	278
Non-current interest-bearing liabilities	457	39	69
Non-current non-interest-bearing liabilities	13	14	18
Total non-current liabilities	**1,024**	**517**	**575**
Non-interest-bearing provisions	37	16	26
Current interest-bearing liabilities	986	867	910
Current non-interest-bearing liabilities	1,341	1,167	1,263
Total current liabilities	**2,364**	**2,050**	**2,199**
Total equity and liabilities	**5,261**	**4,182**	**4,515**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	31 Dec 2017	31 Dec 2016	31 Mar 2017
Opening balance	**1,741**	**1,514**	**1,514**
Exercised, issued and repurchased options	28	1	12
Repurchase of treasury shares	-31	-40	-40
Dividend, ordinary	-235	-218	-218
Dividend, non-controlling interests	-7	-8	-8
Change non-controlling interests	-	2	2
Option debt, acquisition	-	-9	-9
Distribution of AddLife	-	-5	-5
Total comprehensive income	377	378	493
Closing balance	**1,873**	**1,615**	**1,741**

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

	3 months		9 months		Rolling 12 months	
SEKm	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Mar 2017
Profit after financial items	147	126	497	426	651	580
Adjustment for items not included in cash flow	29	42	112	112	134	134
Income tax paid	-65	-45	-132	-89	-166	-123
Changes in working capital	141	54	-89	-58	-71	-40
Cash flow from operating activities	**252**	**177**	**388**	**391**	**548**	**551**
Net investments in non-current assets	-16	-16	-28	-38	-50	-60
Acquisitions and disposals	-241	-62	-381	-152	-564	-335
Cash flow from investing activities	**-257**	**-78**	**-409**	**-190**	**-614**	**-395**
Dividend paid to shareholders	-	-	-235	-218	-235	-218
Repurchase of own shares/change of options	7	7	-3	-39	8	-28
Other financing activities	43	-80	299	62	357	120
Cash flow from financing activities	**50**	**-73**	**61**	**-195**	**130**	**-126**
Cash flow for the period	**45**	**26**	**40**	**6**	**64**	**30**
Cash and cash equivalents at beginning of period	166	128	178	140	152	140
Exchange differences on cash and cash equivalents	0	-2	-7	6	-5	8
Cash and cash equivalents at end of period	**211**	**152**	**211**	**152**	**211**	**178**

FAIR VALUES ON FINANCIAL INSTRUMENTS

	31 Dec 2017			31 Mar 2017		
SEKm	**Carrying amount**	**Level 2**	**Level 3**	**Carrying amount**	**Level 2**	**Level 3**
Derivatives used in hedge accounting	**1**	1	-	**1**	1	-
Derivatives held for trading purposes	**1**	1	-	**2**	2	-
Total financial assets at fair value per level	**2**	**2**	**-**	**3**	**3**	**-**
Derivatives used in hedge accounting	**1**	1	-	**0**	0	-
Derivatives held for trading purposes	**3**	3	-	**1**	1	-
Contingent considerations	**220**	-	220	**105**	-	105
Total financial liabilities at fair value per level	**224**	**4**	**220**	**106**	**1**	**105**

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 Dec 2017**	**31 Mar 2017**
Opening balance	**105**	**55**
Acquisitions during the year	139	86
Reversed through profit or loss	-8	-12
Consideration paid	-22	-27
Interest expenses	6	3
Exchange differences	0	0
Closing balance	**220**	**105**

KEY FINANCIAL INDICATORS **

	12 months ending				
	31 Dec 2017	31 Mar 2017	31 Dec 2016	31 Mar 2016	31 Mar 2015
Net sales, SEKm	7,842	7,178	6,868	6,155	5,719
EBITDA, SEKm	853	755	702	570	542
EBITA, SEKm	810	715	664	536	510
EBITA margin, %	10.3	10.0	9.7	8.7	8.9
Operating profit, SEKm	680	604	558	443	431
Operating margin, %	8.7	8.4	8.1	7.2	7.5
Profit after financial items, SEKm	651	580	534	423	408
Profit for the period, SEKm	511	450	417	333	321
Working capital	1,524	1,362	1,320	1,208	1,084
Return on working capital (P/WC), %	53	53	50	44	47
Return on equity, %	29	28	26	20	28
Return on capital employed, %	22	23	20	16	23
Equity ratio, %	36	39	39	40	40
Net debt, incl pensions, SEKm	1,472	1,011	970	822	828
Net debt, incl pensions / equity ratio, multiple	0.8	0.6	0.6	0.6	0.6
Net debt, incl pensions / EBITDA, multiple	1.7	1.3	1.4	1.4	1.2
Net debt excl. pensions, SEKm	1,232	801	753	623	510
Net debt, excl pensions / equity ratio, multiple	0.7	0.5	0.5	0.4	0.3
Interest coverage ratio, multiple	24.1	23.9	21.8	20.3	21.9
Average number of employees*	2,238	2,133	2,110	2,386	2,224
Number of employees at end of the period	2,307	2,176	2,142	2,076	2,286

* Average number of employees includes discontinued operations in the period 31 March 2016, and previous periods.

KEY FINANCIAL INDICATORS PER SHARE **

	12 months ending				
SEK	31 Dec 2017	31 Mar 2017	31 Dec 2016	31 Mar 2016	31 Mar 2015
Earnings per share before dilution	7.50	6.60	6.05	4.85	4.70
Earnings per share after dilution	7.40	6.55	6.05	4.85	4.70
Cash flow from operating activities per share	8.20	8.25	8.00	7.10	8.40
Shareholders' equity per share	27.30	25.45	23.65	22.10	22.60
Share price at the end of the period	179.50	148.50	142.50	112.00	115.75
Average number of shares after repurchases, '000s	66,890	66,824	66,879	66,703	66,288
Average number of shares adjusted for repurchases and dilution, '000s	67,116	67,008	67,078	66,809	66,615
Number of shares outstanding at end of the period, '000s	66,955	66,824	66,700	66,958	66,456

** All figures regarding the balance sheet refer to continuing from 31 March 2016 without retroactivity for earlier periods.

PARENT COMPANY INCOME STATEMENT

	3 months		9 months		Rolling 12 months	
SEKm	**31 Dec 2017**	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2016**	**31 Dec 2017**	**31 Mar 2017**
Net sales	17	14	44	39	59	54
Administrative expenses	-23	-18	-58	-47	-74	-63
Operating profit/loss	**-6**	**-4**	**-14**	**-8**	**-15**	**-9**
Profit from interests in Group companies	-	-	-	-	318	318
Interest income and expenses and similar items	-1	-4	1	-3	7	3
Profit after financial items	**-7**	**-8**	**-13**	**-11**	**310**	**312**
Appropriations	0	-	0	-	-42	-42
Profit before taxes	**-7**	**-8**	**-13**	**-11**	**268**	**270**
Income tax expense	2	2	3	2	-59	-60
Profit for the period	**-5**	**-6**	**-10**	**-9**	**209**	**210**
Total comprehensive income	**-5**	**-6**	**-10**	**-9**	**209**	**210**

PARENT COMPANY BALANCE SHEET

SEKm	**31 Dec 2017**	**31 Dec 2016**	**31 Mar 2017**
Intangible non-current assets	-	0	-
Property, plant and equipment	2	3	3
Non-current financial assets	2,627	2,214	2,482
Total non-current assets	**2,629**	**2,217**	**2,485**
Current receivables	158	115	416
Cash and bank balances	-	-	-
Total current assets	**158**	**115**	**416**
Total assets	**2,787**	**2,332**	**2,901**
Equity	**546**	**565**	**795**
Untaxed reserves	417	375	417
Provisions	15	16	15
Non-current liabilities	493	189	278
Current liabilities	1,316	1,187	1,396
Total equity and liabilities	**2,787**	**2,332**	**2,901**

DEFINITIONS

Return on equity[2]
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.

EBITA[1]
Operating profit before amortisation of intangible assets.

EBITA margin
EBITA as a percentage of net sales.

EBITDA[1]
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 ratio[2]
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 capital[1]
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 ratio[2]
Equity as a percentage of total assets.

Debt/equity ratio[2]
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.

[1]The performance measure is an alternative performance measure according to ESMA's guidelines.
[2]Minority interest is included in equity when the performance measures are calculated.

INTERIM REPORT

1 APRIL 2017 - 31 DECEMBER 2017

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 the market for advanced technology products and solutions. Its customers primarily operate in the manufacturing industry and infrastructure. Addtech has about 2,200 employees in around 120 subsidiaries that operate under their own brands. The Group has annual sales of over SEK 7.5 billion and is listed 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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