

YEAR-END REPORT 1 APRIL 2020 - 31 MARCH 2021

FOURTH QUARTER (1 JANUARY - 31 MARCH 2021)

- **Net sales** amounted to SEK 2,927 million (3,038).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** amounted to SEK 335 million (407) corresponding to an EBITA margin of 11.4 percent (13.4).
- **Operating profit** amounted to SEK 266 million (352) corresponding to an operating margin of 9.1 percent (11.6).
- **Profit after tax** amounted to SEK 190 million (265) and **earnings per share before/after dilution** amounted to SEK 0.65 (0.95).

FULL YEAR (1 APRIL 2020 - 31 MARCH 2021)

- **Net sales** amounted to SEK 11,336 million (11,735).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** amounted to SEK 1,251 million (1,364) corresponding to an EBITA margin of 11.0 percent (11.6).
- **Operating profit** amounted to SEK 989 million (1,161) corresponding to an operating margin of 8.7 percent (9.9).
- **Profit after tax** amounted to SEK 729 million (873) and **earnings per share before/after dilution** amounted to SEK 2.60 (3.20).
- **Return on working capital (P/WC)** amounted to 52 percent (56).
- **Return on equity** amounted to 23 percent (32) and the **equity ratio** amounted to 35 percent (36).
- **Cash flow from operating activities** amounted to SEK 1,503 million (1,117). **Cash flow per share from operating activities** amounted to SEK 5.60 (4.15).
- **During the year, we have completed 14 acquisitions** and closed another four after the end of the year. In total, this equals approximately SEK 1,450 million in annual sales.
- The Board of Directors proposes a **dividend** of SEK 1.20 (1.00) per share.

Group Summary	3 months			Rolling 12 months		
	31 Mar 2021	31 Mar 2020	Δ	31 Mar 2021	31 Mar 2020	Δ
SEKm						
Net sales	2,927	3,038	-4%	11,336	11,735	-3%
EBITA	335	407	-18%	1,251	1,364	-8%
EBITA-margin %	11.4	13.4		11.0	11.6	
Profit after financial items	251	333	-24%	937	1,105	-15%
Profit for the period	190	265	-28%	729	873	-17%
Earnings per share before dilution, SEK	0.65	0.95	-32%	2.60	3.20	-19%
Earnings per share after dilution, SEK	0.65	0.95	-32%	2.60	3.20	-19%
Cash flow from operating activities per share, SEK	-	-		5.60	4.15	
Return on equity, %	23	32		23	32	
Equity ratio, %	35	36		35	36	

All calculations of key figures for SEK per share has been restated to take the share split (4:1) completed in September 2020 into account.

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

CEO'S COMMENTS

In many ways, the 2020/2021 financial year was extraordinary, mainly due to the effects of the Covid-19 pandemic. On the whole, we can assert that Addtech demonstrated a favourable resilience and, given the high pace of business and good cost control, we managed to maintain a respectable operating margin. Despite the uncertainty, we also carried out 14 successful acquisitions in attractive niche areas. All of this combined, again shows the strength and stability of our long-term business model. Following two years strongly influenced by external factors, during which our employees truly demonstrated their capacity to identify new opportunities and adapt quickly to new circumstances, we now look ahead to a new year. Better equipped than ever and with a good order backlog.

FOURTH QUARTER – Continued favourable demand

The recovery in demand continued in the fourth quarter, with a positive trend in most key segments. The most positive impact derived from the favourable market situation in segments including the forest industry and wind power, as well as a continued clear recovery in the engineering industry and special vehicles. As expected, the strengthened market situation was partly offset by a reduced number of project deliveries during the quarter, which mainly affected the Automation business area. In the Energy business area, the inflow of new projects involving infrastructure products for the national and regional grids decreased from very high levels, as had been expected. Our belief remains that this market will continue to be favourable for a long time to come. On the whole, all of the business areas developed according to plan, although sales were slightly down on a very strong fourth quarter last year.

Maintaining a good cost control and our long-term streamlining measures, we managed to achieve an operating margin for the quarter that was almost in line with last year's strong closing, adjusted for revaluations of contingent purchase considerations, which impacted this year's quarter negatively by SEK 15 million and the previous year positively by SEK 30 million.

FULL-YEAR – Good hedge gave stable outcome

Due to the pandemic, the business climate over the year was weak in several of the Group's markets, with demand recovering sequentially. Overall, sales and earnings for the full-year decreased for comparable units. Adjusted for the sharp slowdown in scrubber-related sales, and with the sales and profits contributed by completed acquisitions, both sales and earnings increased, with an improved margin.

In particular, the pandemic has posed challenges for our units operating in the marine, special vehicles and mechanical industry segments. At the same time, other segments with great development potential have performed well, such as transmission, wind power and the forest and sawmill industries. The business situation has generally been stable in electronics, data and telecom as well as medical technology. Towards the end of the financial year, the business situation normalised, and demand increased in most of the Group's important market segments.

Geographically, Sweden and Denmark had a stable development, viewed over the full-year. Finland has been negatively affected by the deteriorating business situation, particularly in the mechanical industry, and Norway by the lack of willingness to invest in oil and gas. Countries outside the Nordic region are hardest hit by pandemic shut-downs and restrictions. However, over the second half of the financial year, the market situation for our companies with operations in these markets improved sequentially.

Throughout the year, the units experiencing a deteriorating business situation worked actively with measures on costs and working capital. These measures are ongoing and, in total, the adjustments have encompassed 250 employees. The measures entail a cost level better adapted to current sales volumes and will offset the costs that are expected to recur as the companies' marketing activities gradually increase as volumes improve.

For the full-year, cash flow was significantly better than for the preceding year, at SEK 1,503 million (1,117), thanks to stable margins and measures for more efficient working capital. We managed to achieve a P/WC of 52 percent despite the fact that the accumulated operating profit for the year decreased. Our liquidity remains good, and we have satisfactory credit head room for continued investment opportunities.

ACQUISITIONS – Strong acquisition pace

We have maintained a strong acquisition pace which proves the strength of our acquisition strategy. A total of 14 acquisitions were made during the year and four more after the end of the year. In total, these 18 acquisitions add approximately SEK 1,450 million to sales and approximately 420 new employees to the Group.

Acquisitions of successful, market-leading companies in various technical niches represent an important part of our growth strategy. Several of this year's acquisitions also have a clear sustainability profile and thus fit well into our long-term sustainability vision. We continue to see good acquisition opportunities, both in the Nordic region and in selected parts of Europe.

OUTLOOK – Catalyst for sustainable growth

Our decentralised organisational structure and entrepreneurial culture, with decisions made close to the customer, has once again shown its strength and the past financial year is also clear proof of the strength of our business model. The starting position for the current year is good, the order backlog is well filled, with demand remaining favourable in April. However, we are humbled by the situation surrounding the development of the pandemic. There is also some uncertainty about how the ongoing supply chain constraints will affect our companies' delivery capacity in the upcoming quarters.

We are continuing our development towards the new normal, where sustainable technology solutions and digitalisation are increasingly coming into focus. We are very well positioned to take advantage of the growth opportunities in selected segments and niches in structurally driven development areas. By balancing organic growth and acquisitions with good cost control, we will continue to be a catalyst for sustainable growth.

This year, it will be 20 years since Addtech was spun off as an independent listed company. Our average annual earnings growth has been 18 percent, demonstrating our ability to deliver long-term sustainable growth and favourable returns for shareholders. For us as a group, we have formulated a new vision to act as a guiding light for our continued successful growth – Leading technical solutions for a sustainable tomorrow. This vision provides inspiration for the entire group, while of course we continue to safeguard our strongly entrepreneurial culture based on decentralised responsibility.

Finally, I would like to thank all of our committed employees for their invaluable efforts over the year. We look forward to the coming year with great confidence and continued sustainable profitable growth.

Niklas Stenberg
President and CEO



GROUP DEVELOPMENT

Sales development

Net sales in the Addtech Group in the fourth quarter amounted to SEK 2,927 million (3,038). The organic effect amounted to -10 percent and acquired growth amounted to 9 percent. Exchange rate changes affected net sales negatively with 3 percent, corresponding to SEK 81 million.

Net sales in the Addtech Group during the financial year amounted to SEK 11,336 million (11,735). The organic effect amounted to -8 percent and acquired growth amounted to 7 percent. Exchange rate changes had a negative effect of 2 percent on net sales, corresponding to SEK 298 million.

Profit development

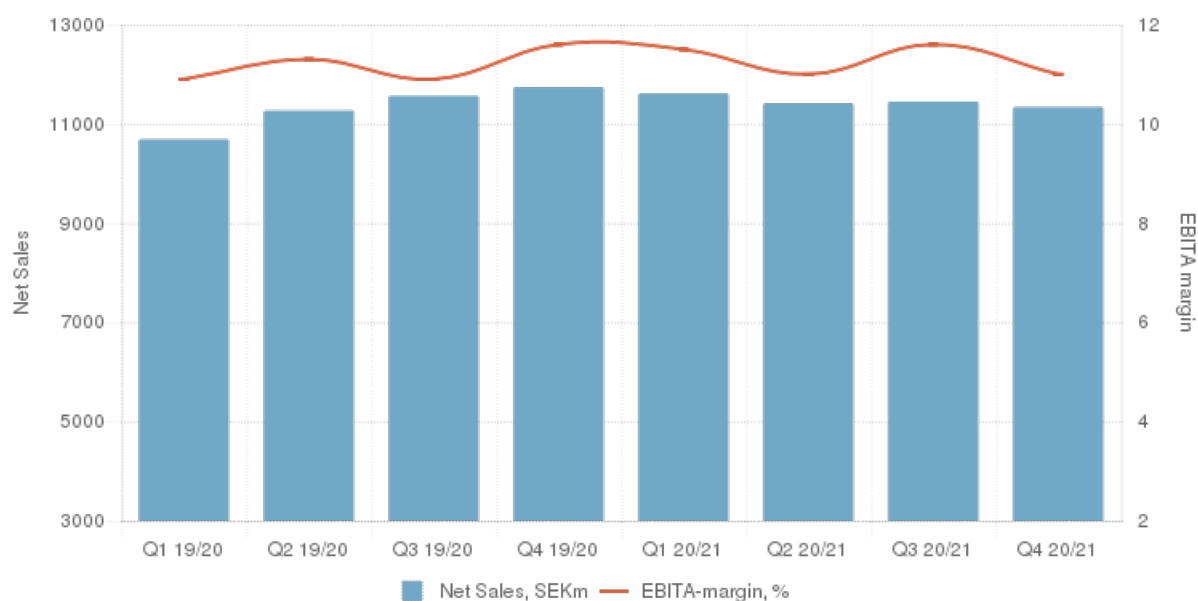
Operating profit during the quarter amounted to SEK 266 million (352) and the operating margin amounted to 9.1 percent (11.6). Net financial items amounted to SEK -15 million (-19) and profit after financial items amounted to SEK 251 million (333).

Profit after tax during the quarter amounted to SEK 190 million (265) corresponding to earnings per share before dilution of SEK 0.65 (0.95).

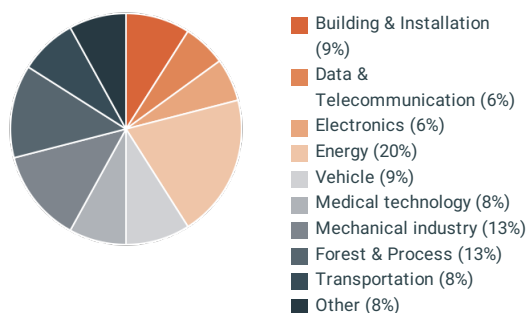
EBITA for the financial year amounted to SEK 1,251 million (1,364). Operating profit amounted to SEK 989 million (1,161) and the operating margin amounted to 8.7 percent (9.9). Net financial items were SEK -52 million (-56) and profit after financial items amounted to SEK 937 million (1,105).

Profit after tax for the financial year amounted to SEK 729 million (873) and the effective tax rate amounted to 22 percent (21). Earnings per share before dilution for the financial year amounted to SEK 2.60 (3.20).

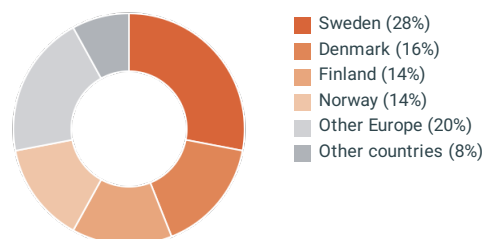
Net Sales and EBITA margin, rolling 12 months



Sales per customer segment



Sales per geographic market



DEVELOPMENT IN THE BUSINESS AREAS

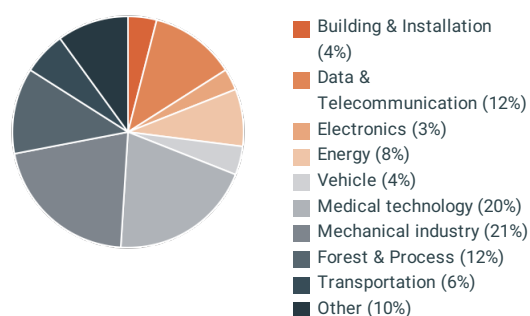
AUTOMATION

Net sales in Automation in the fourth quarter amounted to SEK 614 million (694) and EBITA amounted to SEK 77 million (99). Net sales during the financial year amounted to SEK 2,384 million (2,425) and EBITA amounted to SEK 245 million (267).

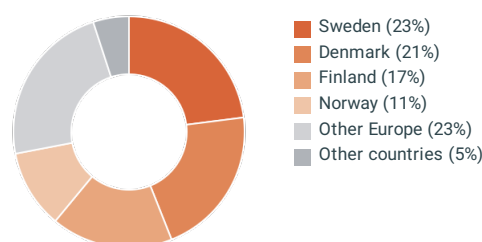
Market

Overall, the Automation business area was affected marginally negatively by Covid-19. Very tough comparisons with last year's final quarter and fewer planned deliveries of projects meant that sales decreased sequentially from the third quarter. Demand was good in the engineering industry, while the business situation was stable in other important segments such as medical technology, the defence industry, and data and telecom. The market situation among the companies operating in the markets outside the Nordic region remained affected by shut-downs and restrictions, although the market situation improved sequentially. Profit was affected positively in the quarter by a revaluation of contingent purchase considerations by approximately SEK 10 million, the margin was also being positively affected as a result of the year's streamlining measures.

Automation - Sales per customer segment



Automation - Sales per geographic market



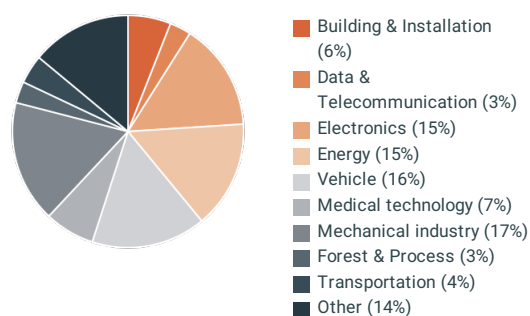
COMPONENTS

Net sales in Components in the fourth quarter amounted to SEK 534 million (578) and EBITA amounted to SEK 59 million (65). Net sales during the financial year amounted to SEK 2,015 million (2,082) and EBITA amounted to SEK 196 million (218).

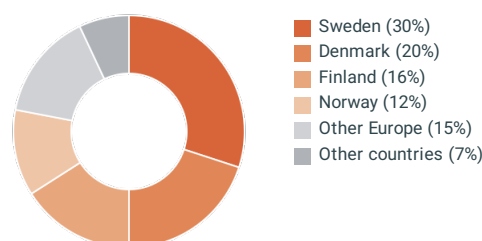
Market

The Components business area was marginally negatively affected by Covid-19 and ended the financial year stably despite tough comparisons with the fourth quarter of the preceding year. The market situation in Denmark was favourable in the quarter and stable in Sweden and Finland, while the business situation in Norway was weak due to the low willingness to invest in oil and gas. Demand remained good in the wind power market, as well as in electronics, and the recovery continued in the special vehicle and engineering industries. This year's cost savings have had an effect on the margin trend, which was back to normal levels for the quarter.

Components - Sales per customer segment



Components - Sales per geographic market



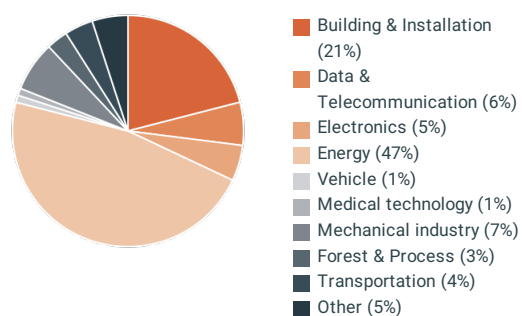
ENERGY

Net sales in Energy in the fourth quarter amounted to SEK 593 million (604) and EBITA increased by 4 percent to SEK 82 million (78). Net sales during the financial year increased by 6 percent to SEK 2,566 million (2,412) and EBITA increased by 16 percent to SEK 329 million (282).

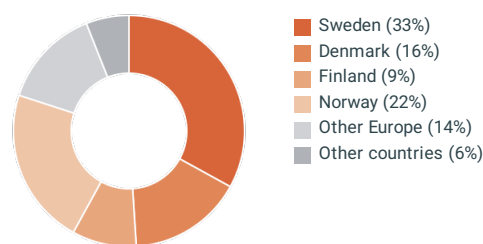
Market

The Energy business area was affected marginally negatively by Covid-19. The market situation in infrastructure products for the rebuilding and expansion of national and regional grids remains favourable, although the inflow of new projects decreased from very high levels, as expected. Long permit periods and lack of consulting capacity affect how quickly the build-out can occur. In wind power, demand remained at high levels and the market situation continued to recover for the units active in sales of niche products for power distribution, as well as in building and installation. A minor revaluation of contingent purchase considerations and currency differences have had a positive effect on the margin for the quarter.

Energy - Sales per customer segment



Energy - Sales per geographic market



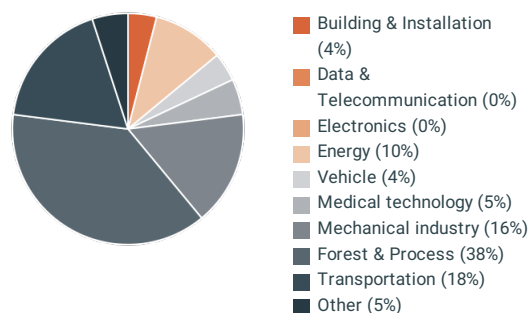
INDUSTRIAL PROCESS

Net sales in Industrial Process in the fourth quarter amounted to SEK 729 million (732) and EBITA amounted to SEK 52 million (113). Net sales during the financial year amounted to SEK 2,785 million (3,204) and EBITA amounted to SEK 288 million (445).

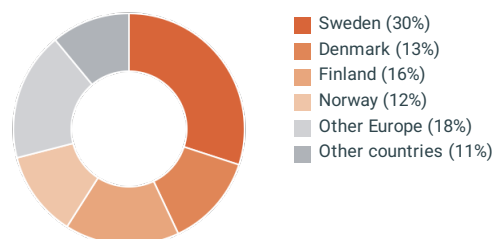
Market

The Industrial Process business area was affected strongly negatively by effects of Covid-19, primarily due to the continued low demand for scrubber installation solutions, where sales decreased by about 80 percent compared with the same period in the preceding year. The market situation for the companies in special vehicles and the engineering industry continued to develop positively. The business situation in the process industry and demand for projects in the forest industry also remained favourable. Profits were negatively affected by a revaluation of contingent purchase considerations of approximately SEK 31 million for the quarter.

Industrial Process - Sales per customer segment



Industrial Process - Sales per geographic market



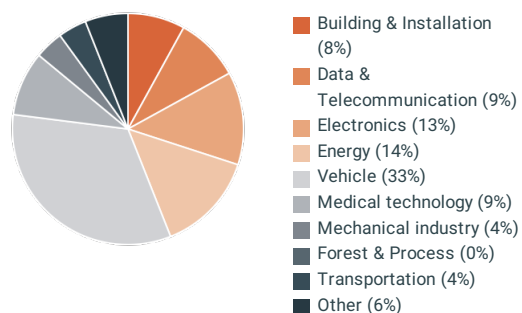
POWER SOLUTIONS

Net sales in Power Solutions increased in the fourth quarter by 6 percent to SEK 462 million (434) and EBITA amounted to SEK 63 million (68). Net sales during the financial year amounted to SEK 1,606 million (1,630) and EBITA amounted to SEK 209 million (231).

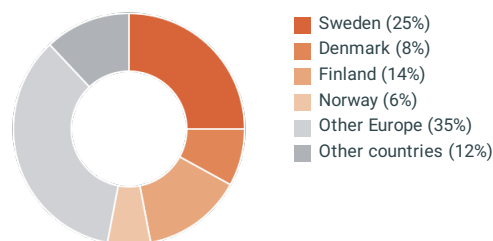
Market

The Power Solutions business area was affected moderately negatively by the effects of Covid-19. Sales of products in special vehicles also developed positively in the fourth quarter, with demand continuing to increase. Demand was favourable for customized battery solutions, as well as in data and telecom, medical technology and defence. The business situation in wind power was stable during the quarter, while sales decreased for the companies operating in power supply. Margins have recovered to normal levels thanks to cost savings and the recovery in special vehicles.

Power Solutions - Sales per customer segment



Power Solutions - Sales per geographic market



OTHER FINANCIAL INFORMATION

Profitability, financial position and cash flow

The return on equity at the end of the financial year was 23 percent (32), and return on capital employed was 15 percent (21). Return on working capital P/WC (EBITA in relation to working capital) amounted to 52 percent (56).

At the end of the financial year the equity ratio amounted to 35 percent (36). Equity per share, excluding non-controlling interest, totalled SEK 11.95 (11.25). The Group's net debt at the end of the financial year amounted to SEK 2,798 million (2,253), excluding pension liabilities of SEK 336 million (332). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions amounted to 0.8 (0.7).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 2,119 million (2,407) at 31 March 2021.

Cash flow from operating activities amounted to SEK 1,503 million (1,117) during the financial year. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 1,219 million (430). Investments in noncurrent assets totalled SEK 90 million (109) and disposal of non-current assets amounted to SEK 11 million (6). Repurchase of treasury shares amounted to SEK 0 million (42) and repurchase of call options amounted to SEK 23 million (23). Exercised and issued call options totalled SEK 48 million (39). Dividends paid to the shareholders of the Parent Company totalled SEK 269 million (336), corresponding to SEK 1.00 (1.25) per share. The dividend was paid out in the second quarter.

Employees

At the end of the financial year, the number of employees was 3,133, compared to 2,981 at the beginning of the financial year. During the financial year, completed acquisitions resulted in an increase of the number of employees by 321. The average number of employees in the latest 12-month period was 3,068.

Ownership structure

At the end of the financial year the share capital amounted to SEK 51.1 million.

Class of shares	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Class A shares, 10 votes per share	12,885,744	128,857,440	4.7%	33.1%
Class B shares, 1 vote per share	259,908,240	259,908,240	95.3%	66.9%
Total number of shares before repurchases	272,793,984	388,765,680	100.0%	100.0%
Repurchased class B shares	-3,519,272		1.3%	0.9%
Total number of shares after repurchases	269,274,712			

Addtech has four outstanding call option programmes for a total of 3,590,000 shares. Call options issued on repurchased shares entail a dilution effect of about 0.3 percent during the latest 12-month period. Addtech's own 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	Exercise price per option	Exercise price per share	Expiration period
2020/2024	250,000	1,000,000	0.4%	538.10	134.53	4 Sep 2023 - 5 Jun 2024
2019/2023	300,000	1,200,000	0.4%	321.80	80.45	5 Sep 2022 - 2 Jun 2023
2018/2022	300,000	1,200,000	0.4%	232.90	58.23	6 Sep 2021 - 3 Jun 2022
2017/2021	47,500	190,000	0.1%	178.50	44.62	14 Sep 2020 - 4 Jun 2021
Total	897,500	3,590,000				

Acquisitions and disposals

During the period, 1 April to 31 December 2020 the following acquisitions were completed: Elkome Group Oy, Kaptas Oy and Elsystem i Perstorp AB was acquired to become part of the Automation business area. Fluidcontrol Oy and Satco Komponent AB was acquired to become part of the Components business area. Peter Andersson AB and Skyltar & Märken Gruppen AB was acquired to become part of the Energy business area. Valutec Group AB and Martin Bruusgaard AS was acquired to become part of the Industrial Process business area. OF-Beteiligungs AG was acquired to become part of the Power Solutions business area.

On 4 January, Synective Labs AB, Sweden, was acquired to become part of the Automation business area. Synective Labs are specialized in high performance systems, creating optimized hardware and software designs within FPGA and ASIC designs. The company has 27 employees and sales of around SEK 30 million.

On 5 January, Powernor AS, Norway, was acquired to become part of the Power Solutions business area. Powernor is based in Norway, where they specify, design and deliver complete UPS systems with battery backup in demanding applications for hospitals, infrastructure and industry. Powernor has a turnover of approximately NOK 35 million and have 6 employees.

On 21 January, Impact Air Systems Ltd. and Impact Technical Services Ltd., Great Britain, was acquired to become part of the Industrial Process business area. Impact provides waste and trim extraction and separation systems to various industries and recycling facilities around the world. The company's bespoke solutions contribute to a more sustainable management of waste and the circular economy. The company has 33 employees and sales of around GBP 8 million.

On 2 March, Fairfield Trading Company Ltd., Great Britain, was acquired to become part of the Power Solutions business area. Fairfield Trading Company Ltd. is a distributor specialising in the supply of batteries for a wide range of markets. The company has sales of about GBP 3 million and 8 employees.

The purchase price allocation calculations for the acquisitions completed during the period 1 April 2019 - 31 March 2020 have now been finalised. No significant adjustments have been made to the calculations. Acquisitions completed as of the 2019/2020 financial year are distributed among the Group's business areas as follows:

Acquisitions (disposals)	Closing	Net sales, SEKm*	Number of employees*	Business Area
Omni Ray AG, Switzerland	April, 2019	330	65	Automation
Thurne Teknik AB, Sweden	April, 2019	100	19	Industrial Process
AB N.O. Rönne, Sweden	April, 2019	8	4	Industrial Process
Best Seating Systems Walter Tausch GmbH, Austria	May, 2019	23	5	Power Solutions
Thiim A/S, Denmark	June, 2019	70	15	Automation
Profelec Oy, Finland	July, 2019	6	2	Energy
BKC Products Ltd., Great Britain	August, 2019	12	5	Industrial Process
Promector Oy, Finland	August, 2019	24	20	Automation
Wireco-NB Oy, Finland	February, 2020	23	6	Energy
Caligo Industria Oy, Finland	February, 2020	70	9	Industrial Process
DMC Digital Motor Control GmbH, Germany	March, 2020	30	10	Power Solutions
Q-tronic B.V., Netherlands	March, 2020	45	10	Power Solutions
Elkome Group Oy, Finland	April, 2020	85	38	Automation
Peter Andersson AB, Sweden	April, 2020	30	9	Energy
Valutec Group AB, Sweden	April, 2020	350	45	Industrial Process
Fluidcontrol Oy, Finland	September, 2020	41	20	Components
Kaptas Oy, Finland	September, 2020	41	27	Automation
Elsystem i Perstorp AB, Sweden	September, 2020	40	18	Automation
Martin Bruusgaard AS, Norway	September, 2020	108	30	Industrial Process
Satco Komponent AB, Sweden	October, 2020	18	2	Components
Skyltar & Märken Gruppen AB, Sweden	October, 2020	60	23	Energy
OF-Beteiligungs AG, Switzerland	December, 2020	170	35	Power Solutions
Powernor AS, Norway	January, 2021	35	6	Power Solutions
Synective Labs AB, Sweden	January, 2021	30	27	Automation
Impact Air Systems Ltd. och Impact Technical Services Ltd., Great Britain	January, 2021	95	33	Industrial Process
Fairfield Trading Company Ltd., Great Britain	March, 2021	37	8	Power Solutions
Hydro-Material Oy, Finland	April, 2021	52	5	Components
ESi Controls Ltd., Great Britain	April, 2021	93	15	Power Solutions
IETV Elektroteknik AB, Sweden	May, 2021	80	38	Energy
AVT Industriteknik AB, Sweden	May, 2021	70	42	Automation

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

If all acquisitions which have taken effect during the financial year had been completed on 1 April 2020, their impact would have been an estimated SEK 1,080 million on Group net sales, about SEK 100 million on operating profit and about SEK 80 million on profit after tax for the period.

Addtech normally employs an acquisition structure comprising basic purchase consideration and contingent consideration. The outcome of contingent purchase considerations is determined by the future earnings reached by the companies and is subject to a fixed maximum level. Of considerations not yet paid for acquisitions during the financial year, the discounted value amounts to SEK 205 million. The contingent purchase considerations fall due for payment within three years and the outcome is subject to a maximum of SEK 263 million.

Transaction costs for acquisitions that resulted in an ownership transfer during the financial year, amounted to SEK 12 million (7) and are reported under Selling expenses.

Revaluation of contingent consideration had a negative net effect of SEK -9 million (52) during the financial year. The impact on profits are reported under Other operating income and Other operating expenses, respectively.

According to the finalised acquisitions analyses, the assets and liabilities included in the acquisitions were as follows, during the year:

SEKm	Carrying amount at acquisition	Adjustment to fair	Fair value
	date	value	
Intangible non-current assets	26	778	804
Other non-current assets	35	-	35
Inventories	138	-	138
Other current assets	444	-	444
Deferred tax liability/tax asset	-5	-156	-161
Other liabilities	-236	-31	-267
Acquired net assets	402	591	993
Goodwill ¹⁾			773
Non-controlling interests ²⁾			-163
Consideration ³⁾			1,603
Less: cash and cash equivalents in acquired businesses			-285
Less: consideration not yet paid			-199
Effect on the Group's cash and cash equivalents			1,119

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

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

3) The consideration is stated excluding acquisition expenses.

With the acquisition of Valutec Group AB comes a commitment to acquire the remaining 14 percent of the company and this commitment is valued to SEK 111 million. With the acquisition of Martin Bruusgaard AS comes a commitment to acquire the remaining 20 percent of the company and this commitment is valued to SEK 27 million. These commitments are reported as a non-current interest-bearing liability.

Parent Company

Parent Company net sales amounted to SEK 58 million (71) and profit after financial items was SEK 378 million (-41). Net investments in non-current assets were SEK 0 million (0). The Parent Company's financial net debt was SEK 286 million (341) at the end of the financial year.

OTHER DISCLOSURES

Accounting policies

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

In the interim report, the same accounting principles and bases of calculation have been applied as in the most recent annual report, with the exception of the amended accounting principles described below.

New and amended standards for the 2020/2021 financial year

Other new or amended IFRS are not expected to have any significant effects on the Addtech Group.

Governmental support measures

Those governmental support measures that have been received or will be received as an effect of the Covid-19 pandemic will be recognized in the income statement when it is reasonably certain that the conditions for receiving the support have been met or will be met.

Alternative performance measures

The Company presents certain financial measures in the interim report that are not defined according to IFRS. The Company believes that these measures provide valuable supplemental information to investors and the Company's management as they allow for evaluation of trends and the Company's performance. Since all companies do not calculate financial measures in the same way, they are not always comparable to measures used by other companies. These financial measures should therefore not be considered to be a replacement for measurements as defined under IFRS. For definitions and reconciliation tables of the performance measures that Addtech uses, please see page 22-25.

Risks and factors of uncertainty

Addtech's profit and financial position, as well as its strategic position, are affected by a number of internal factors under Addtech's control and by a number of external factors over which Addtech has limited influence. The most important risk factors are the state of the economy, combined with structural change and the competitive situation.

The Covid-19 pandemic that erupted during the beginning of 2020 affects the entire world market and also affect Addtech. Addtech continues to follow the recommendations of the relevant authorities and takes relevant health precautions to protect staff and reduce the spread of infection in society. There are challenges in the supply chain and uncertainties exist about our customers' ability to keep their businesses running at full capacity. All companies in the Group have action plans and cost-cutting programs ready to be executed to protect earnings, liquidity and cash flow if the situation should change.

Addtech has a few operating subsidiaries within the UK as well as a few other subsidiaries doing business with the UK. Addtech Group's total exposure to possible negative effects from Brexit is not considered material.

Beside this, risks and uncertainty factors are the same as in previous periods, please see section Risks and uncertainties (page 41-43) in the annual report for 2019/2020 for further details.

The Parent Company is indirectly affected by the above risks and uncertainty factors due to its role in the organisation.

Effects of the Covid-19 pandemic

After the outbreak of the Covid-19 pandemic the Swedish government has decided on a number of government support measures. The same has also been decided in other countries where the Addtech group operates. Addtech has analyzed the conditions for these support measures and has applied where the criterias are judged to be met.

At the end of the fourth quarter, approximately 250 of the Group's total approximately 3,100 employees have been notified of redundancy and a further 120 employees are affected by short-term lay-offs. For the group in total EBITA was marginally positively affected during the fourth quarter and during the period there has been a positive effect of approximately the equivalent of 0.4% of sales due to governmental support measures. These grants are recognised under other operating income, or as a reduction in personnel expenses, depending on local practices in different countries.

Sales are estimated to have been moderately negatively affected during the fourth quarter and in the period as a whole, with a sequential improvement after the first six-month period. It is primarily sales in the special vehicles, the marine and the mechanical industry segments that have been affected. No significant write-downs have been done due to the current pandemic.

Transactions with related parties

No transactions between Addtech and related parties that have significantly affected the Group's position and earnings have taken place during the period.

Seasonal effects

Addtech's sales of high-tech products and solutions in the manufacturing industry and infrastructure are not subject to major seasonal variations. The number of production days and customers' demand and willingness to invest can vary over the quarters.

Annual Report 2020/2021

The annual report for 2020/2021 will be published on Addtech's website www.addtech.com in July 2021. A printed version will be distributed to the shareholders who request this.

Annual General Meeting 2021

The Annual General Meeting (AGM) of Addtech AB will take place at 2:00 p.m on Thursday 26 August 2021. A notice of the AGM will be published in July 2021 and will also be available on www.addtech.com.

The Board of Directors proposes dividend of SEK 1.20 (1.00) per share, which corresponds to a dividend payment of about SEK 323 million (269), which is in line with Addtech's dividend policy with the objective of a dividend that exceeds 30 percent of average Group profit after tax over a business cycle.

Events after the end of the financial year

On 1 April, ESi Controls Ltd., Great Britain, was acquired to become part of the Power Solutions business area. ESi (Energy Saving Innovative) Controls is a UK based company designing and delivering energy efficient electronic controls for heating and smart building applications. ESi Controls Ltd. has a turnover of approximately GBP 8 million and have 15 employees.

On 1 April, Hydro-Material Oy, Finland, was acquired to become part of the Component business area. Hydro-Material delivers hydraulic solutions and cooling systems to primarily the market segments special vehicles and the manufacturing industry. Hydro-Material Oy has sales of approximately EUR 5 million and 5 employees.

On 3 May IETV Elektroteknik AB, Sweden, was acquired to become part of the Energy business area. IETV Elektroteknik AB is a knowledge company that offers qualified services in power supply to railways, hydropower and industry. IETV Elektroteknik AB has 38 employees and has annual sales of approximately SEK 80 million.

On 11 May, AVT Industriteknik AB, Sweden, was acquired to become part of the Automation business area. AVT designs and manufactures industrial automation equipment primarily for the manufacturing, pharma and automotive industry. The offering includes electrical and mechanical design, programming of PLC and industrial robots, vision technology, installation and service. The company has 42 employees and sales of around SEK 70 million.

Preliminary purchase price allocations have not yet been completed.

Stockholm May 18, 2021

Niklas Stenberg
CEO and President

FURTHER INFORMATION

Publication

This information is information that Addtech AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 8.15 a.m CET on 18 May 2021.

Future information

2021-07-16 Interim report 1 April - 30 June 2021
2021-08-26 Annual General Meeting 2021 will be held at 2.00 p.m
2021-10-28 Interim report 1 April - 30 September 2021
2022-02-08 Interim report 1 April - 31 December 2021

The Group's annual report for 2020/2021 will be published on Addtech's website in July 2021.

For further information, please contact:

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

REVIEW REPORT

INTRODUCTION

We have reviewed the summary interim financial information (year-end report) of Addtech AB (publ.), corp.ID 556302-9726, as of 31 March 2021 and the twelve-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

FOCUS AND SCOPE OF THE REVIEW

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that could have been identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

CONCLUSION

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

Stockholm, 18 May 2021

KPMG AB

KPMG AB

Joakim Thilstedt
Authorised Public Accountant
Auditor in Charge

Johanna Hagström Jerkeryd
Authorised Public Accountant

BUSINESS AREAS

Net sales by business area	2020/2021				2019/2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Quarterly data, SEKm								
Automation	614	625	562	583	694	588	552	591
Components	534	498	487	496	578	489	511	504
Energy	593	657	633	683	604	596	593	619
Industrial Process	729	707	680	669	732	800	865	807
Power Solutions	462	398	365	381	434	377	402	417
Group items	-5	-4	-4	-7	-4	-4	-6	-4
Addtech Group	2,927	2,881	2,723	2,805	3,038	2,846	2,917	2,934

EBITA by business area	2020/2021				2019/2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Quarterly data, SEKm								
Automation	77	58	60	50	99	51	57	60
Components	59	37	50	50	65	41	58	54
Energy	82	87	79	81	78	62	75	67
Industrial Process	52	86	77	73	113	95	134	103
Power Solutions	63	50	46	50	68	36	62	65
Group items	2	-14	-6	2	-16	-49	-6	-8
EBITA	335	304	306	306	407	236	380	341
Depr. of intangible non-current assets	-69	-66	-64	-63	-55	-48	-51	-49
– of which acquisitions	-64	-62	-61	-60	-49	-47	-49	-47
Operating profit	266	238	242	243	352	188	329	292

Net sales	3 months		Rolling 12 months	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
SEKm				
Automation	614	694	2,384	2,425
Components	534	578	2,015	2,082
Energy	593	604	2,566	2,412
Industrial Process	729	732	2,785	3,204
Power Solutions	462	434	1,606	1,630
Group items	-5	-4	-20	-18
Addtech Group	2,927	3,038	11,336	11,735

EBITA and EBITA-margin	3 months				Rolling 12 months			
	31 Mar 2021		31 Mar 2020		31 Mar 2021		31 Mar 2020	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Automation	77	12.5	99	14.3	245	10.3	267	11.0
Components	59	11.1	65	11.2	196	9.7	218	10.5
Energy	82	13.8	78	13.0	329	12.8	282	11.7
Industrial Process	52	7.1	113	15.4	288	10.3	445	13.9
Power Solutions	63	13.5	68	15.7	209	13.0	231	14.2
Group items	2		-16		-16		-79	
EBITA	335	11.4	407	13.4	1,251	11.0	1,364	11.6
Depr. of intangible non-current assets	-69		-55		-262		-203	
– of which acquisitions	-64		-49		-247		-192	
Operating profit	266	9.1	352	11.6	989	8.7	1,161	9.9

DISAGGREGATION OF REVENUE

Net sales by the subsidiaries		3 months					
geographical location		31 Mar 2021					
SEKm	Automation	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	192	228	192	273	243	-2	1,126
Denmark	129	131	132	102	25	-3	516
Finland	101	112	51	115	39	0	418
Norway	59	53	141	126	27	0	406
Other Europe	127	5	68	92	108	0	400
Other countries	6	5	9	21	20	0	61
Total	614	534	593	729	462	-5	2,927

Net sales by the subsidiaries		12 months					
geographical location		31 Mar 2021					
SEKm	Automation	Components	Energy	Industrial Process	Power Solutions	Group items	Addtech Group
Sweden	676	813	917	971	934	-9	4,302
Denmark	574	524	556	422	92	-9	2,159
Finland	410	440	211	531	141	-1	1,732
Norway	229	199	579	493	92	-1	1,591
Other Europe	469	18	261	254	272	0	1,274
Other countries	26	21	42	114	75	0	278
Total	2,384	2,015	2,566	2,785	1,606	-20	11,336

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

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

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
Net sales	2,927	3,038	11,336	11,735
Cost of sales	-2,016	-2,082	-7,863	-8,088
Gross profit	911	956	3,473	3,647
Selling expenses	-497	-483	-1,843	-1,869
Administrative expenses	-162	-172	-637	-707
Other operating income and expenses	14	51	-4	90
Operating profit	266	352	989	1,161
- as % of net sales	9.1	11.6	8.7	9.9
Financial income and expenses	-15	-19	-52	-56
Profit after financial items	251	333	937	1,105
- as % of net sales	8.6	11.0	8.3	9.4
Income tax expense	-61	-68	-208	-232
Profit for the period	190	265	729	873
Profit for the period attributable to:				
Equity holders of the Parent Company	183	262	706	862
Non-controlling interests	7	3	23	11
Earnings per share before dilution, SEK	0.65	0.95	2.60	3.20
Earnings per share after dilution, SEK	0.65	0.95	2.60	3.20
Average number of shares after repurchases, '000s	269,234	268,441	269,051	268,493
Number of shares after repurchases at end of the period, '000s	269,275	268,594	269,275	268,594

The number of shares has been restated to take the share split (4:1) completed in September 2020 into account, and has been used in all calculations of key figures for SEK per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

SEKm	3 months		Rolling 12 months	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
Profit for the period	190	265	729	873
<i>Items that may be reclassified to profit or loss</i>				
Cash flow hedges	3	2	-3	1
Foreign currency translation differences for the period	147	54	-142	59
<i>Items that will not be reclassified to profit or loss</i>				
Actuarial effects of the net pension obligation	39	37	15	-9
Other comprehensive income	189	93	-130	51
Total comprehensive income	379	358	599	924
Total comprehensive income attributable to:				
Equity holders of the Parent Company	369	353	580	910
Non-controlling interests	10	5	19	14

CONSOLIDATED BALANCE SHEET, CONDENSED

SEKm	31 Mar 2021	31 Mar 2020
Goodwill	2,727	1,997
Other intangible non-current assets	1,769	1,243
Property, plant and equipment	1,008	936
Other non-current assets	60	64
Total non-current assets	5,564	4,240
Inventories	1,661	1,642
Current receivables	2,161	2,261
Cash and cash equivalents	420	363
Total current assets	4,242	4,266
Total assets	9,806	8,506
Total equity	3,450	3,076
Interest-bearing provisions	336	332
Non-interest-bearing provisions	388	284
Non-current interest-bearing liabilities	2,056	2,154
Non-current non-interest-bearing liabilities	9	2
Total non-current liabilities	2,789	2,772
Non-interest-bearing provisions	56	46
Current interest-bearing liabilities	1,162	462
Current non-interest-bearing liabilities	2,349	2,150
Total current liabilities	3,567	2,658
Total equity and liabilities	9,806	8,506

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEKm	31 Mar 2021	31 Mar 2020
Opening balance	3,076	2,520
Exercised, issued and repurchased options	25	16
Repurchase of treasury shares	-	-42
Dividend, ordinary	-269	-336
Dividend, non-controlling interests	-4	-10
Change non-controlling interests	158	4
Option debt, acquisition	-135	-
Total comprehensive income	599	924
Closing balance	3,450	3,076

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEKm	3 months		Rolling 12 months	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
Profit after financial items	251	333	937	1,105
Adjustment for items not included in cash flow	151	76	551	354
Income tax paid	-81	-86	-320	-273
Changes in working capital	132	127	335	-69
Cash flow from operating activities	453	450	1,503	1,117
Net investments in non-current assets	-34	-29	-79	-102
Acquisitions and disposals	-165	-120	-1,219	-430
Cash flow from investing activities	-199	-149	-1,298	-532
Dividend paid to shareholders	-	-	-269	-336
Repurchase of own shares/change of options	5	8	25	-26
Other financing activities	-328	-248	106	-145
Cash flow from financing activities	-323	-240	-138	-507
Cash flow for the period	-69	61	67	78
Cash and cash equivalents at beginning of period	454	316	363	295
Exchange differences on cash and cash equivalents	35	-14	-10	-10
Cash and cash equivalents at end of period	420	363	420	363

FAIR VALUES ON FINANCIAL INSTRUMENTS

SEKm	31 Mar 2021			31 Mar 2020		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives - fair value, hedge instruments	2	2	-	6	6	-
Derivatives - fair value through profit	2	2	-	5	5	-
Total financial assets at fair value per level	4	4	-	11	11	-
Derivatives - fair value, hedge instruments	3	3	-	1	1	-
Derivatives - fair value through profit	4	4	-	4	4	-
Contingent considerations - fair value through profit	267	-	267	151	-	151
Total financial liabilities at fair value per level	274	7	267	156	5	151

The fair value and carrying amount are recognised in the balance sheet as shown in the table above.

For quoted securities, the fair value is determined on the basis of the asset's quoted price in an active market, level 1.

As at the reporting date the Group had no items in this category.

For currency contracts and embedded derivatives, the fair value is determined on the basis of observable market data, level 2.

For contingent considerations, a cash-flow-based valuation is performed, which is not based on observable market data, level 3.

For the Group's other financial assets and liabilities, fair value is estimated to be the same as the carrying amount.

Contingent considerations	31 Mar 2021	31 Mar 2020
Opening balance	151	198
Acquisitions during the year	170	63
Reversed through profit or loss	9	-52
Consideration paid	-64	-65
Interest expenses	9	3
Exchange differences	-8	4
Closing balance	267	151

KEY FINANCIAL INDICATORS

	12 months ending			
	31 Mar 2021	31 Mar 2020	31 Mar 2019	31 Mar 2018
Net sales, SEKm	11,336	11,735	10,148	8,022
EBITDA, SEKm	1,501	1,579	1,137	881
EBITA, SEKm	1,251	1,364	1,085	838
EBITA-margin, %	11.0	11.6	10.7	10.5
Operating profit, SEKm	989	1,161	910	701
Operating margin, %	8.7	9.9	9.0	8.7
Profit after financial items, SEKm	937	1,105	865	665
Profit for the period, SEKm	729	873	672	526
Working capital	2,416	2,415	2,029	1,591
Return on working capital (P/WC), %	52	56	53	53
Return on equity, %	23	32	29	28
Return on capital employed, %	15	21	21	22
Equity ratio, %	35	36	36	39
Financial net debt, SEKm	3,134	2,585	1,960	1,405
Debt / equity ratio, multiple	0.9	0.8	0.8	0.7
Financial net debt / EBITDA, multiple	2.1	1.6	1.7	1.6
Net debt excl. pensions, SEKm	2,798	2,253	1,700	1,176
Net debt, excl pensions / equity ratio, multiple	0.8	0.7	0.7	0.6
Interest coverage ratio, multiple	15.8	20.5	22.1	22.7
Average number of employees	3,068	2,913	2,590	2,283
Number of employees at end of the period	3,133	2,981	2,759	2,358

KEY FINANCIAL INDICATORS PER SHARE

SEK	12 months ending			
	31 Mar 2021	31 Mar 2020	31 Mar 2019	31 Mar 2018
Earnings per share before dilution	2.60	3.20	2.45	1.90
Earnings per share after dilution	2.60	3.20	2.45	1.90
Cash flow from operating activities per share	5.60	4.15	1.95	2.00
Shareholders' equity per share	11.95	11.25	9.20	7.80
Share price at the end of the period	130.00	61.13	48.25	42.00
Average number of shares after repurchases, '000s	269,051	268,493	268,187	267,799
Average number of shares adjusted for repurchases and dilution, '000s	269,969	269,200	268,755	268,710
Number of shares outstanding at end of the period, '000s	269,275	268,594	268,228	267,969

The number of shares has been restated to take the share split (4:1) completed in September 2020 into account, and has been used in all calculations of key figures for SEK per share.

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

PARENT COMPANY INCOME STATEMENT

SEKm	3 months		Rolling 12 months	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
Net sales	11	24	58	71
Administrative expenses	-18	-17	-73	-108
Operating profit/loss	-7	7	-15	-37
Interest income and expenses and similar items	396	-7	393	-4
Profit after financial items	389	0	378	-41
Appropriations	260	310	260	310
Profit before taxes	649	310	638	269
Income tax expense	-54	-68	-52	-60
Profit for the period	595	242	586	209
Total comprehensive income	595	242	586	209

PARENT COMPANY BALANCE SHEET

SEKm	31 Mar 2021	31 Mar 2020
Intangible non-current assets	1	1
Property, plant and equipment	0	0
Non-current financial assets	4,243	2,808
Total non-current assets	4,244	2,809
Current receivables	819	563
Cash and bank balances	-	-
Total current assets	819	563
Total assets	5,063	3,372
Restricted equity	69	69
Unrestricted equity	779	437
Total equity	848	506
Untaxed reserves	211	131
Provisions	14	15
Non-current liabilities	1,618	1,727
Current liabilities	2,372	993
Total equity and liabilities	5,063	3,372

DEFINITIONS

Return on equity^{1 2}

Earnings after tax divided by equity. The components are calculated as the average of the last 12 months.
Return on equity measures the return generated on owners' invested capital.

Return on working capital (P/WC)¹

EBITA divided by working capital.

P/WC is used to analyse profitability and is a measure that encourages high EBITA and low working capital requirements, see the reconciliation table on page 25.

Return on capital employed¹

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

Return on capital employed shows the Group's profitability in relation to externally financed capital and equity, see the reconciliation table on page 25.

EBITA¹

Operating profit before amortisation of intangible assets.

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

EBITA-margin¹

EBITA as a percentage of net sales.

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

EBITDA¹

Operating profit before depreciation and amortisation.

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

Equity per share¹

Equity divided by number of shares outstanding at the reporting period's end.

This measures how much equity is attributable to each share and is published to make it easier for investors to conduct analyses and make decisions.

Financial net debt¹

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

Net debt is used to monitor changes in debt, analyse the Group indebtedness and its ability to repay its debts using liquid funds generated from the Group's operating activities if all debt fell due for repayment today and any necessary refinancing.

Financial net debt/EBITDA¹

Net financial debt divided by EBITDA.

Net financial debt compared with EBITDA provides a performance measure for net debt in relation to cash-generating earnings in the business, i.e. it gives an indication of the business' ability to repay its debts. This measure is generally used by financial institutions to measure creditworthiness.

Financial items¹

Finance income minus finance costs.

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

Acquired growth¹

Changes in net sales attributable to business acquisitions compared with the same period last year.

Acquired growth is used as a component to describe the change in consolidated net sales in which acquired growth is distinguished from organic growth, divestments and exchange rate effects, see reconciliation table on page 25.

Cash flow from operating activities per share¹

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

This measure is used so investors can easily analyse the size of the surplus generated per share from operating activities.

Net investments in non-current assets¹

Investments in non-current assets minus sales of non-current assets.

This measure is used to analyse the Group's investments in renewing and developing property, plant and equipment.

Net debt excluding pensions¹

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

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

Net debt excluding pensions/ equity ratio^{1 2}

Net debt excluding pensions divided by shareholders' equity.

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

Organic growth¹

Changes in net sales excluding currency effects, acquisitions and divestments compared with the same period last year.

Organic growth is used to analyse underlying sales growth driven a change in volumes, product range and price for similar products between different periods, see reconciliation table on page 25.

Profit after financial items¹

Profit/loss for the period before tax.

Used to analyse the business' profitability including financial activities.

Earnings per share (EPS)

Shareholders' share of profit for the period after tax, divided by the weighted average number of shares during the period.

Earnings per share (EPS), diluted

Shareholders' share of profit for the period after tax, divided by the weighted average number of shares during the period, adjusted for the additional number of shares in the event of outstanding options being used.

Interest coverage ratio¹

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

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

Working capital¹

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

Working capital is used to analyse how much working capital is tied up in the business, see reconciliation table on page 25.

Operating margin¹

Operating profit as a percentage of net sales.

This measure is used to specify the percentage of sales that is left to cover interest and tax, and to provide a profit, after the company's costs have been paid.

Operating profit¹

Operating income minus operating expenses.

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

Debt/equity ratio^{1 2}

Financial net liabilities divided by equity.

A measure used to analyse financial risk.

Equity ratio^{1 2}

Equity as a percentage of total assets.

The equity/assets ratio is used to analyse financial risk and show the percentage of assets that are funded with equity.

Capital employed¹

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

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

Outstanding shares

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

¹The performance measure is an alternative performance measure according to ESMA's guidelines.

²Minority interest is included in equity when the performance measures are calculated.

RECONCILIATION TABLES ALTERNATIVE PERFORMANCE MEASURES

EBITA and EBITDA Addtech Group, SEKm	12 months ending			
	31 Mar 2021	31 Mar 2020	31 Mar 2019	31 Mar 2018
Operating profit (EBIT)	989	1,161	910	701
Amortization, intangible assets (+)	262	203	175	137
EBITA	1,251	1,364	1,085	838
Depreciation, tangible assets (+)	250	215	52	43
EBITDA	1,501	1,579	1,137	881

Working capital and return on working capital (P/WC) Addtech Group, SEKm	12 months ending			
	31 Mar 2021	31 Mar 2020	31 Mar 2019	31 Mar 2018
EBITA (12 months rolling)	1,251	1,364	1,085	838
Inventory, yearly average (+)	1,722	1,594	1,304	1,037
Accounts receivables, yearly average (+)	1,756	1,854	1,542	1,231
Accounts payables, yearly average (-)	1,062	1,033	817	677
Working capital (average)	2,416	2,415	2,029	1,591
Return on working capital (R/RK) (%)	52%	56%	53%	53%

Acquired- and organic growth Addtech Group	3 months				12 months			
	31 Mar 2021		31 Mar 2020		31 Mar 2021		31 Mar 2020	
	Acquired growth (SEKm,%)	281	(9%)	193	(7%)	809	(7%)	774
Organic growth (SEKm,%)	-310	(-10%)	-25	(-1%)	-906	(-8%)	765	(8%)
Divestments (SEKm,%)	-1	(0%)	-2	(0%)	-4	(0%)	-59	(-1%)
Exchange rate effect (SEKm,%)	-81	(-3%)	8	(0%)	-298	(-2%)	107	(1%)
Total growth (SEKm,%)	-111	(-4%)	174	(6%)	-399	(-3%)	1,587	(16%)

Interest coverage ratio Addtech Group	12 months ending			
	31 Mar 2021	31 Mar 2020	31 Mar 2019	31 Mar 2018
Profit after financial items, SEKm	937	1,105	865	665
Interest expenses and bank charges (+), SEKm	63	57	41	31
Total	1,000	1,162	906	696
Interest coverage ratio, multiple	15.8	20.5	22.1	22.7

Net debt excl. pensions and net debt, excl pensions/equity ratio Addtech Group	12 months ending			
	31 Mar 2021	31 Mar 2020	31 Mar 2019	31 Mar 2018
Financial net debt, SEKm	3,134	2,585	1,960	1,405
Pensions (-), SEKm	-336	-332	-260	-229
Net debt excluding pensions, SEKm	2,798	2,253	1,700	1,176
Equity, SEKm	3,450	3,076	2,520	2,131
Net debt to Equity ratio (excluding pensions), multiple	0.8	0.7	0.7	0.6

Capital employed and return on capital employed Addtech Group, SEKm	12 months ending			
	31 Mar 2021	31 Mar 2020	31 Mar 2019	31 Mar 2018
Profit after financial items	937	1,105	865	665
Financial expenses (+)	93	79	62	71
Profit after financial items plus financial expenses	1,030	1,184	927	736
Total assets, yearly average (+)	9,309	7,926	6,324	4,996
Non-interest-bearing liabilities, yearly average (-)	-2,153	-1,947	-1,604	-1,319
Non-interest-bearing provisions, yearly average (-)	-413	-379	-378	-335
Capital employed	6,743	5,600	4,342	3,342
Return on capital employed, %	15%	21%	21%	22%



This is Addtech

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

Our vision

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

Business concept in brief

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

We build shareholder value through:

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

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