



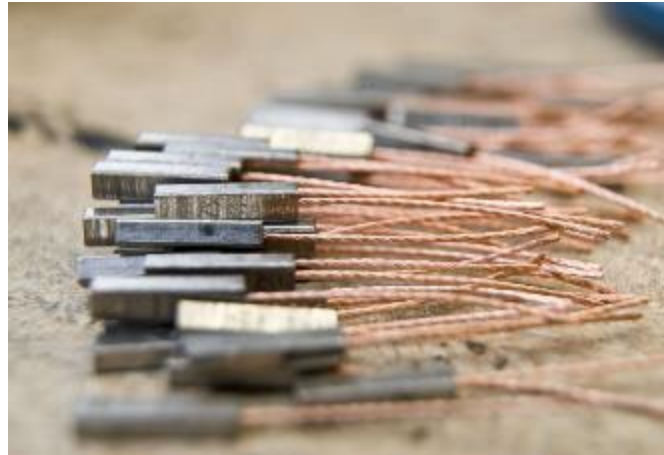
ADDTECH

INTERIM REPORT 1 APRIL – 31 DECEMBER 2021

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

GOOD ORGANIC GROWTH IN ALL BUSINESS AREAS

Net sales
SEK 3,586 m, +24%



EBITA-margin
12.8%
From 10.6%

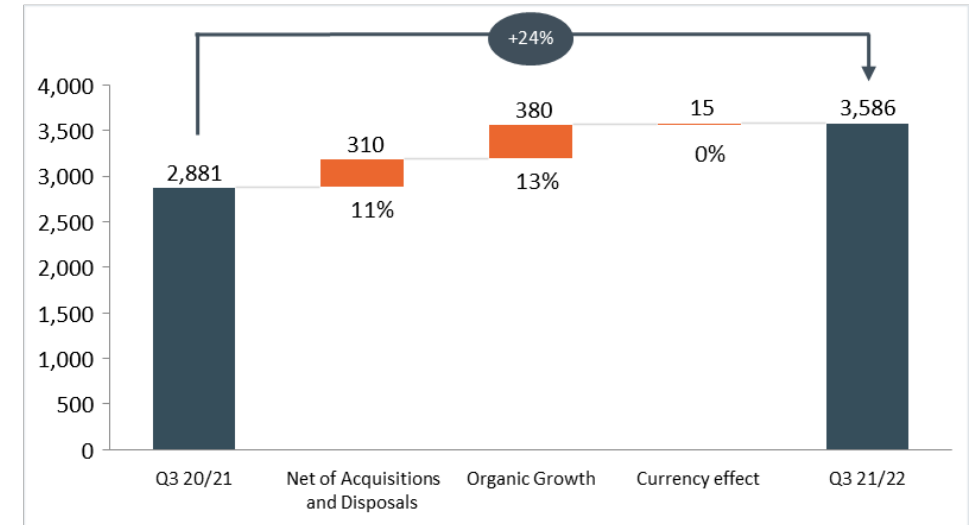
- Strong demand in key market segments
- Strained supply chains well handled
- Organic sales growth of 13%
- Several project deliveries towards the end of the period
- EBITA growth of 51% with strengthened margins
- Record high P/WC of 66%

QUARTER 3: NET SALES DEVELOPMENT

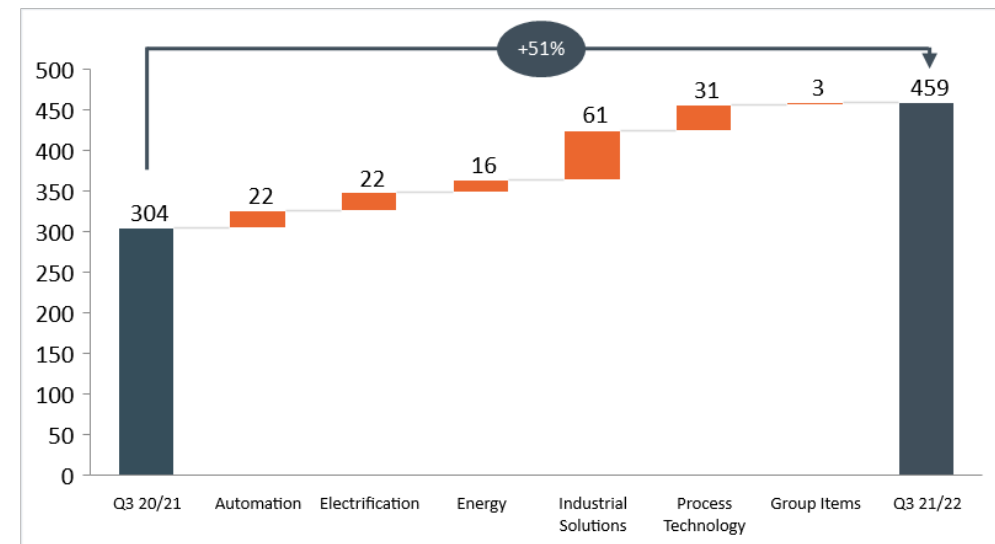
STRONG CUSTOMER DEMAND

- High activity in all business areas – net sales up 24% of which 13% organic
 - Strong position in strategically selected growth areas
 - Strained supply chains well handled
 - Several project deliveries towards the end of the period
- Strong market situation in key market segments
 - Very strong market situation in the forest- and sawmill industry
 - Sales of input components to manufacturing companies remains fundamentally strong
 - The market for infrastructure products for rebuilding and expanding power grids further strengthened from high levels

Net Sales Growth, SEK m, 3 months



EBITA Growth per business area, SEK m

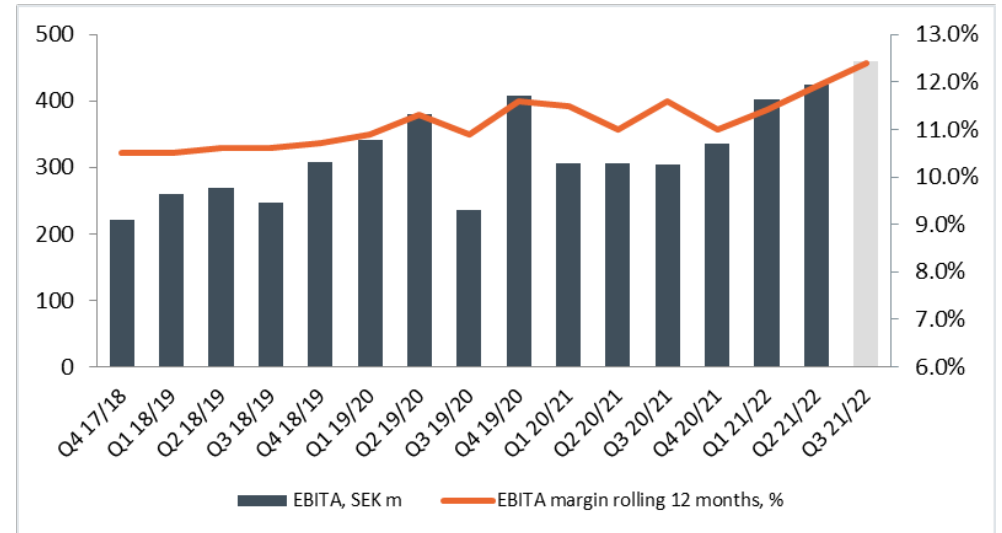


QUARTER 3: EBITA DEVELOPMENT

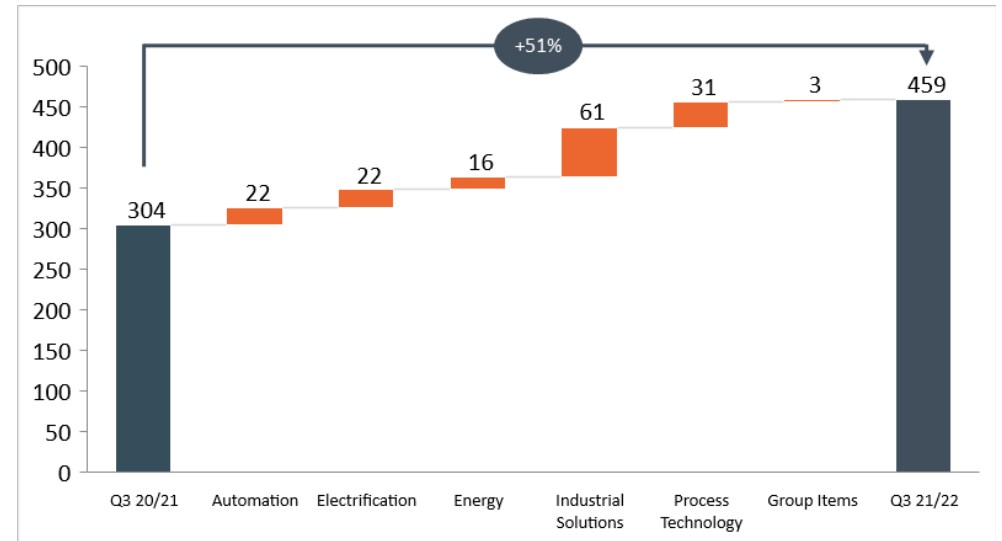
RECORD HIGH EBITA

- EBITA increased 51% to SEK 459 m (304)
- Strengthened EBITA-margin 12.8% (10.6)
- Good leverage from strong market demand
- Cost control remained but levels expected to gradually rise in line with promotional activities increasing further

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



EBITA Growth per business area, SEK m



GOOD ORGANIC GROWTH IN ALL BUSINESS AREAS



AUTOMATION

Net sales SEK 691 m (582) **+19%**
 EBITA SEK 76 m (54) **+40%**
 EBITA-margin **11.0%**

- Favourable market situation in all significant segments and geographies
- The positive situation within mechanical industry and medical technology remains
- Within the customer segments defence and process industry the demand was good and sales stable
- Strong trend in units outside the Nordic region



ELECTRIFICATION

Net sales SEK 677 m (539) **+26%**
 EBITA SEK 73 m (51) **+42%**
 EBITA-margin **10.7%**

- Favourable market situation in key segments electronics, energy and special vehicles
- Demand for customised battery solutions remained strong
- Positive trend in telecom
- Stable in wind power and medical technology



ENERGY

Net sales SEK 918 m (824) **+11%**
 EBITA SEK 114 m (98) **+16%**
 EBITA-margin **12.4%**

- The market situation remained strong among infrastructure products for national and regional power grids
- The business situation for niche products for electricity distribution, manufacturing industry, fibre-optic networks and for construction and installation products remained favourable
- Stable customer demand within wind power



INDUSTRIAL SOLUTIONS

Net sales SEK 722 m (460) **+57%**
 EBITA SEK 133 m (72) **+84%**
 EBITA-margin **18.4%**

- Very strong market situation within the forest and sawmill industry
- The market for ergonomic products and hydraulic solutions for special vehicles continued to develop positively
- Positive trend also for mechanical industry and in waste and recycling



PROCESS TECHNOLOGY

Net sales SEK 585 m (481) **+22%**
 EBITA SEK 74 m (43) **+73%**
 EBITA-margin **12.7%**

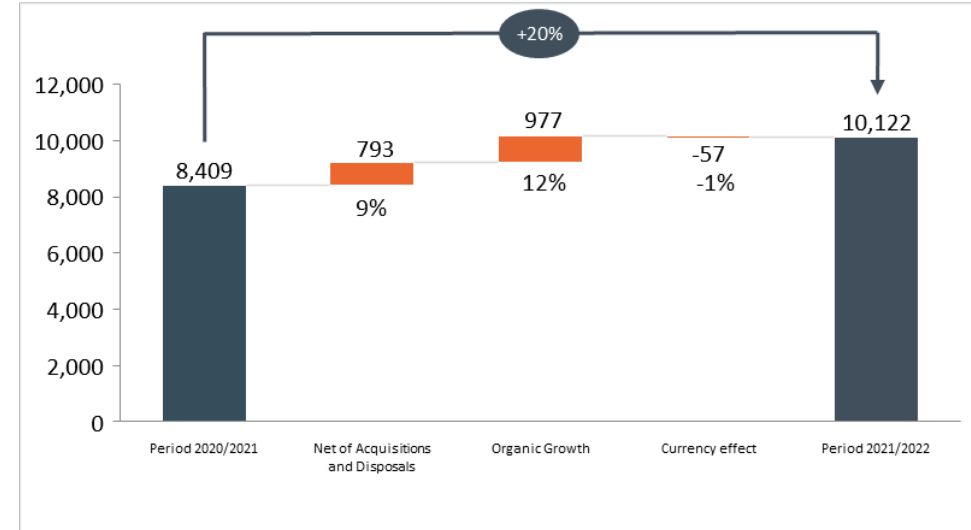
- High demand in the key market segments forestry, energy and mechanical industry
- Very good outcome in project-related sales

PERIOD APRIL 1 – DECEMBER 31

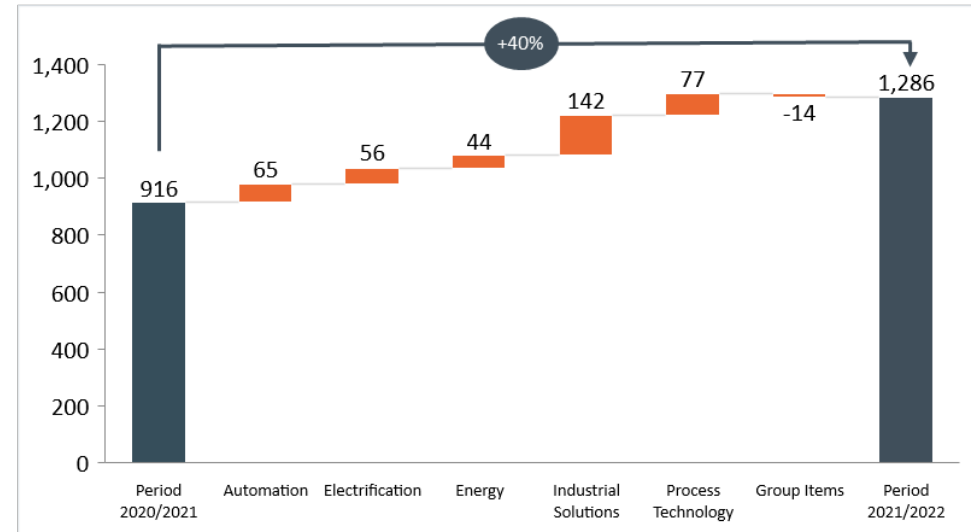
EBITA INCREASED 40%

- Net sales increased by 20% to SEK 10,122 m (8,409)
- The organic growth amounted to 12% and acquired growth amounted to 9%
- EBITA increased by 40% and amounted to SEK 1,286 m (916) corresponding to an EBITA margin of 12.7% (10.9)
- Operating profit increased by 47% and amounted to SEK 1,065 m (723) corresponding to an operating margin of 10.5% (8.6)
- Profit after tax increased by 47% and amounted to SEK 792 m (539)
- Earnings per share before dilution amounted to SEK 2.80 (1.95)
- Cash flow from operating activities amounted to SEK 805 m (1,050)

Net Sales Growth, SEK m, 9 months















EBITA Growth per Business Area, SEK m, 9 months



CAREFULLY SELECTED ACQUISITIONS

3 ACQUISITIONS IN THE THIRD QUARTER

	Acquisition	Business area	Access	Net sales, MSEK*	Employees*
	Esi Controls Ltd.	Energy	April 2021	95	15
	Hydro-Material Oy	Industrial Solutions	April 2021	50	5
	IETV Elektroteknik AB	Energy	May 2021	80	38
	AVT Industriteknik AB	Automation	May 2021	70	42
	EK Power Solutions AB	Electrification	July 2021	40	25
	KZ moder AB	Process Technology	July 2021	100	29
	Finnchain Oy	Process Technology	July 2021	70	20
	Tritech Solutions AB	Automation	August 2021	60	8
	Systemra Computer GmbH	Automation	September 2021	95	16
	ABH Stromschienen GmbH	Electrification	October 2021	100	22
	Ko Hartog Verkeerstechiek B.V.	Energy	October 2021	80	18
	Jolex AB	Electrification	November 2021	20	1

SEK 200 m

Total annual turnover

41

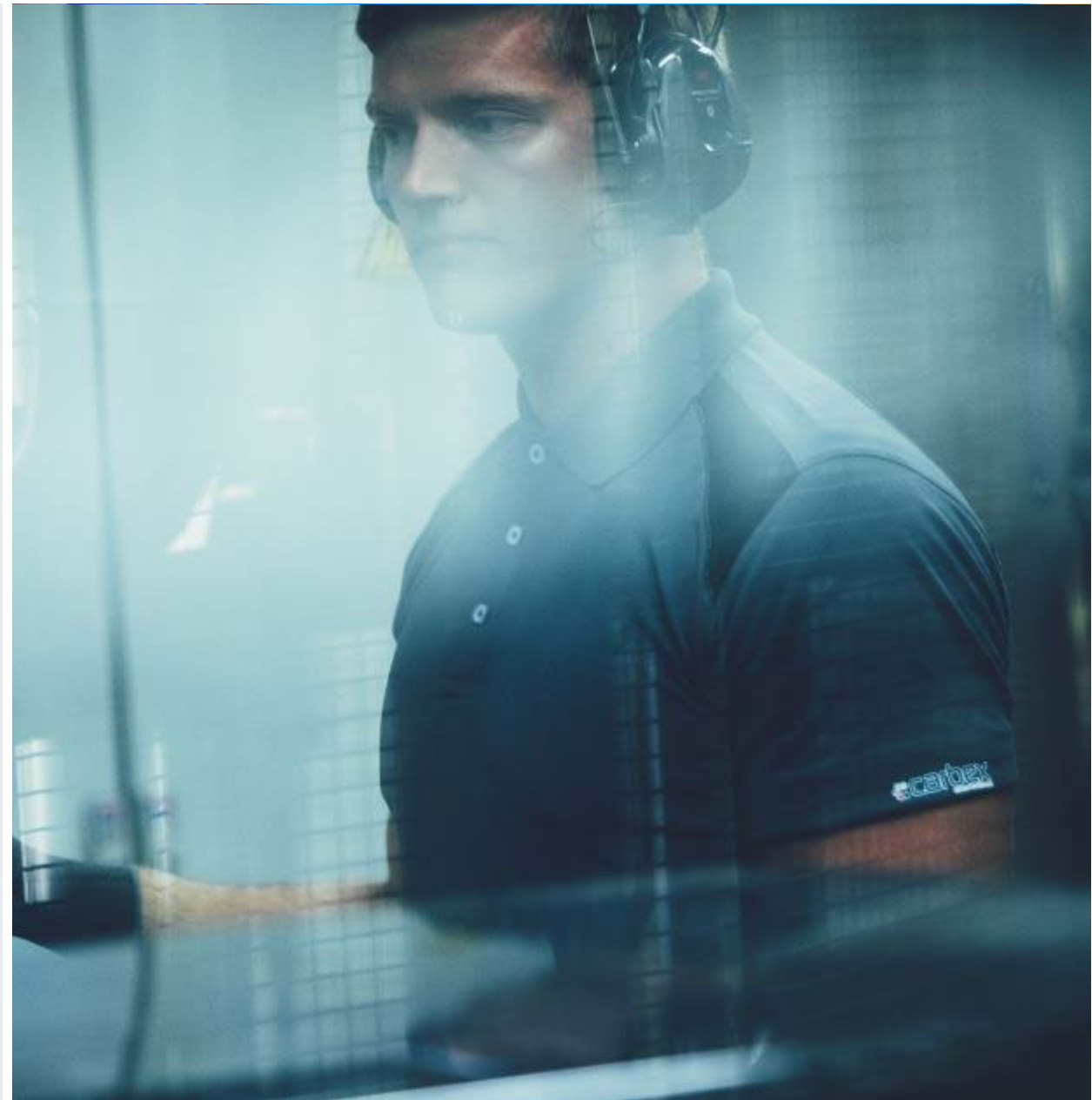
New employees

12 companies

acquired since the beginning of the financial year – adding an annual turnover of SEK 860 m and 239 new colleagues

- Acquisition activity at high level in all business areas
- Good pipeline

FINANCIAL POSITION

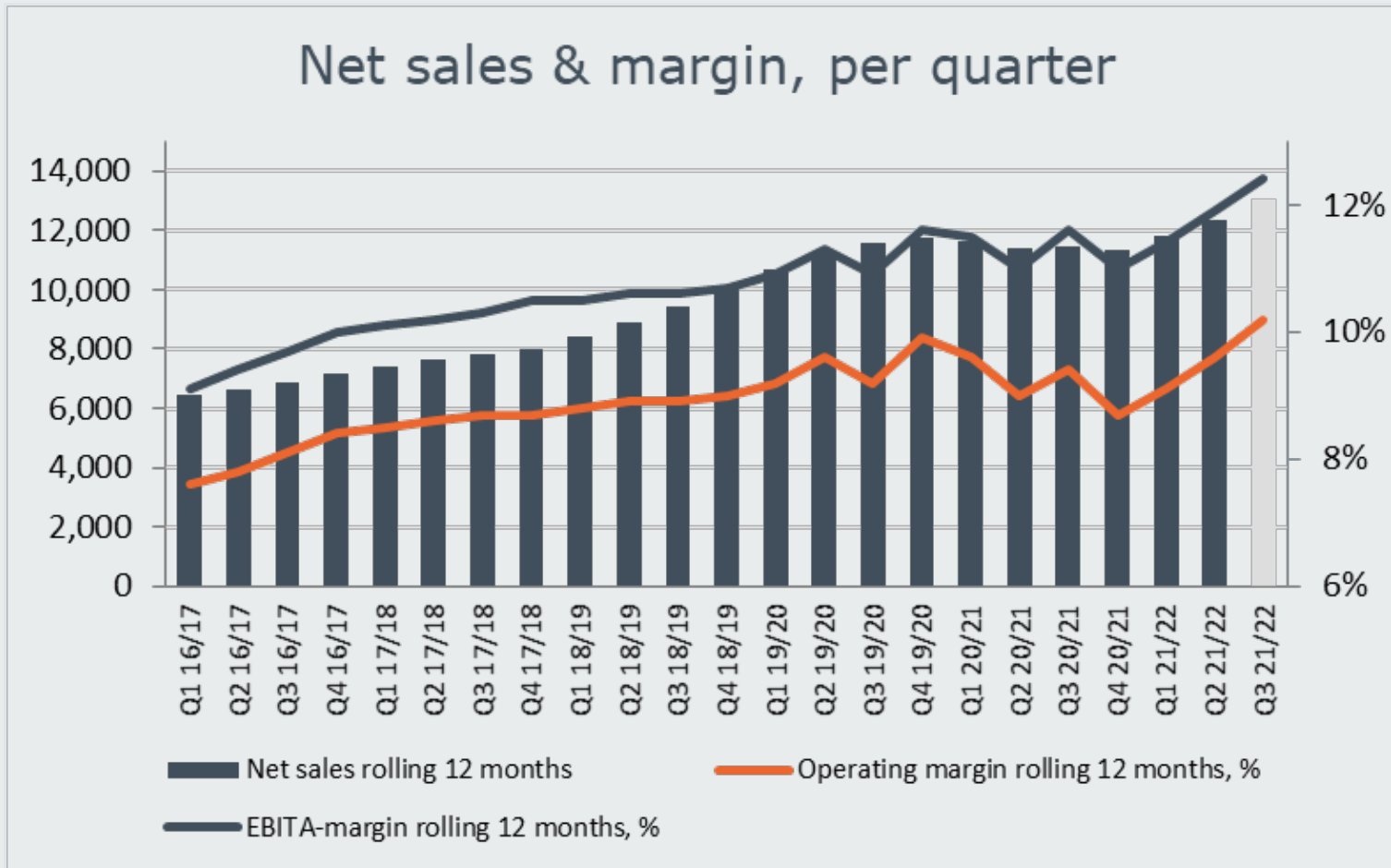


INCOME STATEMENT, CONDENSED

(SEKm)	3 months ending		9 months ending		12 months ending	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20	31 Dec 21	31 Mar 21
Net Sales	3,586	2,881	10,122	8,409	13,049	11,336
Cost of sales & op. expenses	-3,225	-2,633	-9,091	-7,668	-11,766	-10,343
Other operating items	21	-10	34	-18	48	-4
Operating profit	382	238	1,065	723	1,331	989
Financial income & expenses	-18	-12	-46	-37	-61	-52
Profit after financial items	364	226	1,019	686	1,270	937
Income tax expense	-85	-52	-227	-147	-288	-208
Net profit	279	174	792	539	982	729
Earnings per share, SEK	0.95	0.65	2.80	1.95	3.45	2.60
EBIT margin, %	10.7	8.3	10.5	8.6	10.2	8.7
EBITA margin, %	12.8	10.6	12.7	10.9	12.4	11.0

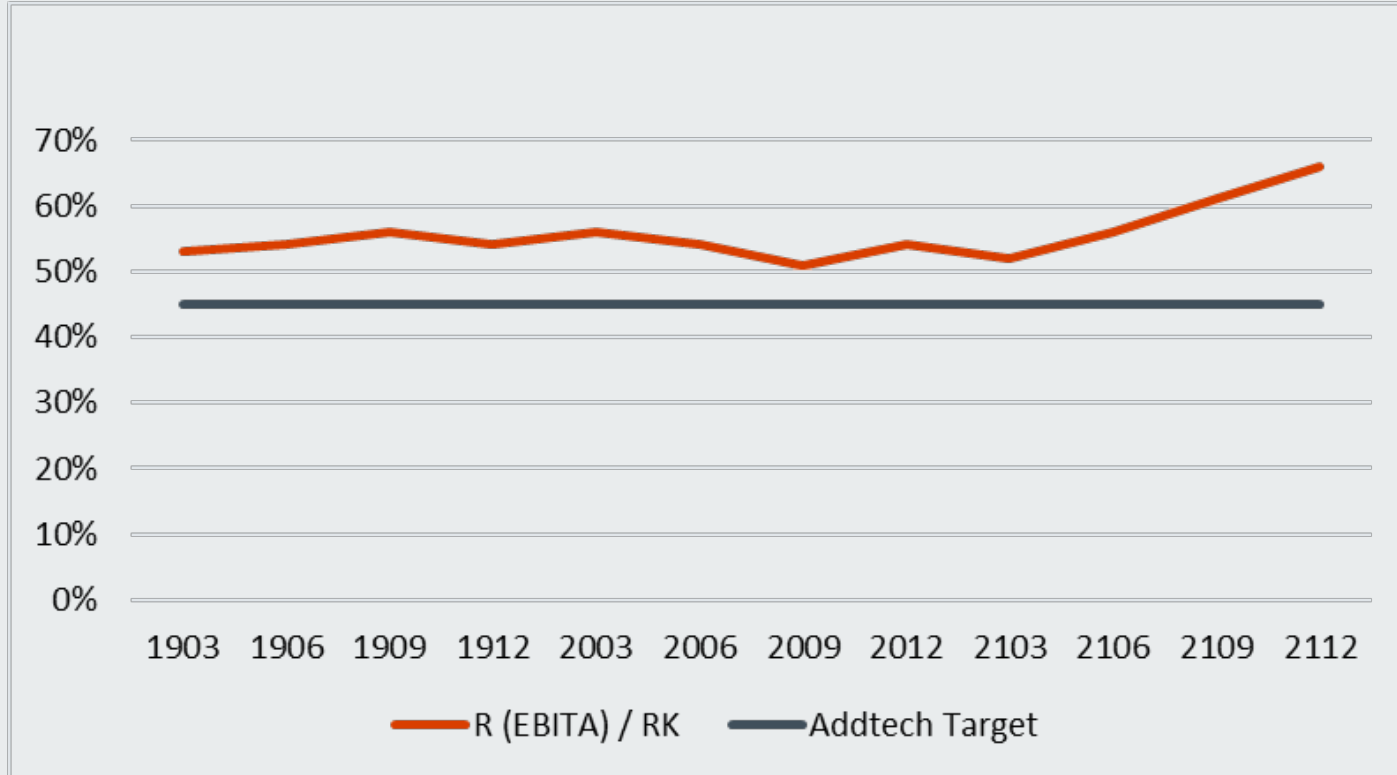
NET SALES & MARGIN

31/12 2021 R12	
Net Sales	13,049 SEKm
EBITA	1,621 SEKm
EBITA margin	12.4 %
Operating profit	1,331 SEKm
Operating margin	10.2 %



P (EBITA) / WC

R (EBITA) / RK



- **Record high P/WC 66%**
 - Positive effect from improved margins and EBITA
 - Negative effects from necessary working capital increases

CASH FLOW STATEMENT, CONDENSED

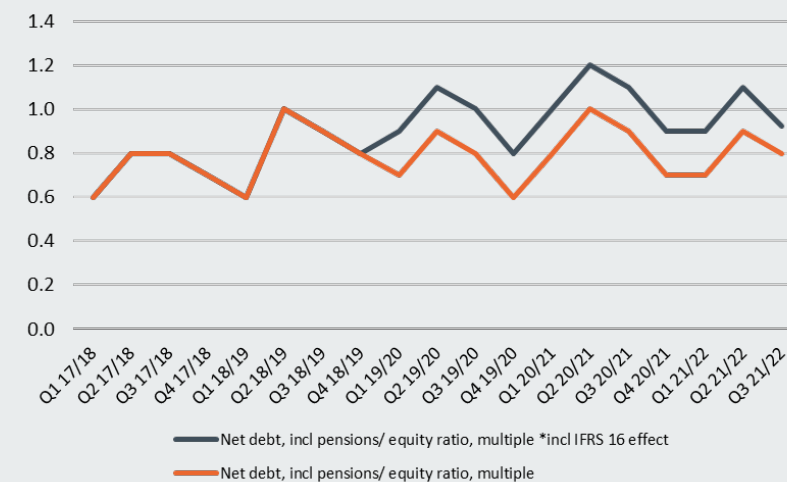
(SEKm)	3 months ending		9 months ending		12 months ending	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20	31 Dec 21	31 Mar 21
Profit after financial items	364	226	1,019	686	1,270	937
Adj. for non cash items	147	133	420	400	571	551
Income tax paid	-149	-100	-314	-239	-395	-320
Changes in working capital	8	224	-320	203	-188	335
Cash flow from operating activities	370	483	805	1,050	1,258	1,503
Net investment in non-current assets	-35	-16	-65	-45	-99	-79
Acquisitions and disposals	-119	-166	-711	-1,054	-876	-1,219
Dividend paid	-	-	-323	-269	-323	-269
Repurchase of own shares/options	32	25	3	20	8	25
Other financing activities	-259	-315	354	434	26	106
Period's cash flow	-11	11	63	136	-6	67

KEY FINANCIAL INDICATORS

(SEKm)	31 Dec 21	31 Mar 21	31 Dec 20
Total equity (SEKm)	3,952	3,450	3,084
Equity per share, SEK	13.65	11.95	10.60
Equity ratio, %	35	35	33
Return on working capital (P/WC), %	66	52	54
Return on equity, %	28	23	27
Return on capital employed, %	19	15	17
Financial net debt (SEKm)	3,643	3,134	3,363
- of which pension liability	344	336	387
- of which other liabilities	3,299	2,798	2,976
Financial net debt / EBITDA	1.9	2.1	2.1
Net debt / equity ratio, times	0.9	0.9	1.1
Interest coverage ratio, times	21	16	17
Average number of employees	3,240	3,068	3,025
Number of employees at end of period	3,381	3,133	3,103

■ Satisfactory levels of key ratios

- Equity ratio 35% (33%)
- Leverage 1.9 (2.1)
- Gearing 0.9 (1.1)



FIVE AREAS FOR FUTURE GROWTH



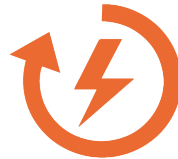
AUTOMATION

- MOTION & DRIVES
- INDUSTRIAL IT & SENSORS



ELECTRIFICATION

- BATTERY SYSTEMS
- CONNECTIVITY SOLUTIONS
- POWER & MOBILITY



ENERGY

- ENERGY PRODUCTS
- ENERGY SUPPLY



INDUSTRIAL SOLUTIONS

- MATERIAL PROCESSING
- VEHICLE SOLUTIONS



PROCESS TECHNOLOGY

- PROCESS SYSTEMS
- EMISSION CONTROL
- PROCESS CONTROL

GROWTH DRIVERS

- Industry 4.0
- Smart cities
- Internet of Things

- Decarbonisation
- Energy storage - batteries

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

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

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

SUMMARY

- Good organic growth in all business areas
 - Net sales increased with 24% of which 13% organic growth
 - Strained supply chains well handled
 - Several project deliveries towards the end of the period
 - Twelve acquisitions completed so far this financial year
- EBITA growth of 51% with continued high margins
 - Certain increase in costs due to higher prices for input goods and sales promotion activities
- Five areas for future growth
 - Sharpened niche strategies
 - Full focus on capturing the potential in selected growth areas
- Outlook
 - Strong order backlog
 - High level of demand expected to stabilize when lengthy supply chain lead times normalise
 - Costs associated with sales promotion activities expected to continue rising
 - Uncertainty remains as to how any further supply chain disruptions may affect our companies

Q&A

