



ADDTECH

YEAR END REPORT 1 APRIL 2020– 31 MARCH 2021

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

CLEAR VISION FOR FUTURE GROWTH

Leading technical solutions for a sustainable tomorrow



- Increased share of value-add
- Catalyst for sustainable growth
- Adding passion for people and entrepreneurship

FULL YEAR 2020/2021

HIGHLIGHTS

Net sales
SEK 11,336 m, -3%



EBITA margin
11.0%
From 11.6%

- Favourable business spread gave stable outcome
- Adjusted for scrubber-related volumes, both sales and earnings increased with improved margin
- Measures implemented to adapt cost level to current sales volumes
- Strong cash flow from stable margins and more efficient working capital
- 14 new companies acquired during the year
- Board proposes dividend of 1.20 SEK (1.00)

QUARTER 4

HIGHLIGHTS

Net sales
SEK 2,927 m, -4%



EBITA margin
11.4%
From 13.4%

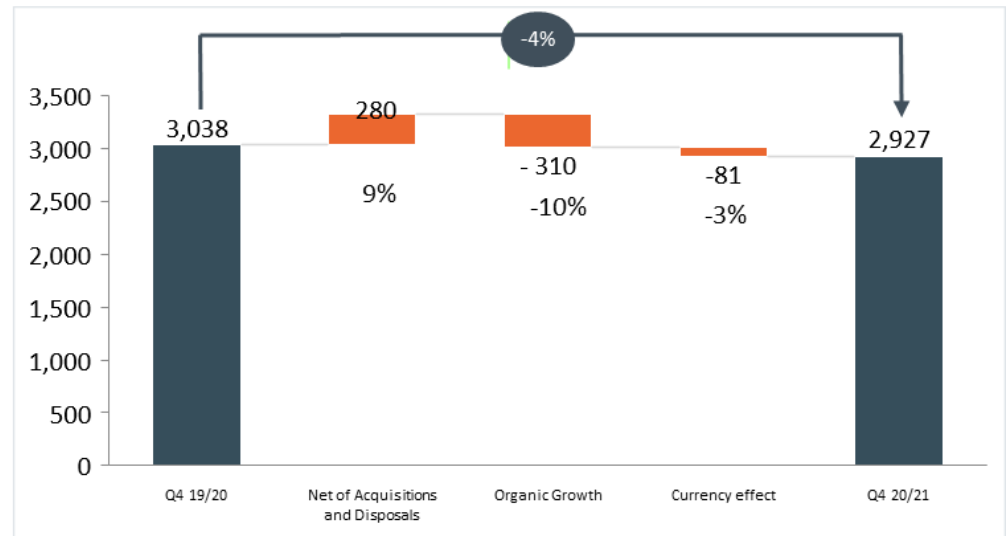
- Continued favourable demand with positive trends in most key segments
- Fewer project deliveries and decreased inflow of new projects related to power grids affected sales negatively
- Operating margin almost in line with last year's strong closing adjusted for revaluations of purchase considerations
- Positive effects from cost- and long-term streamlining measures

QUARTER 4

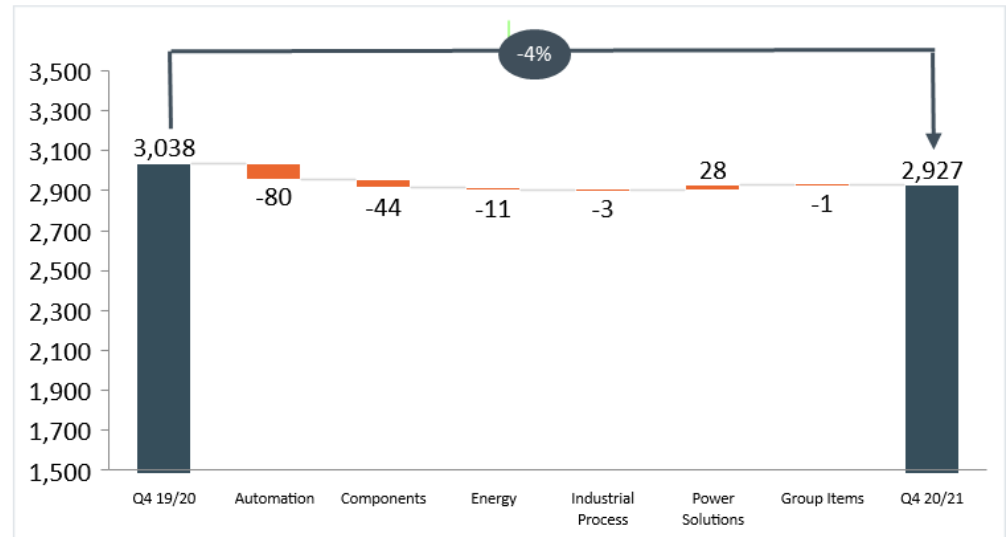
RECOVERY IN DEMAND CONTINUES

- Net sales decreased compared to last year's strong closing
- All business areas developing according to plan. Limited effect in the quarter from component shortage
- Favourable market situation in forest industry and wind power – clear recovery in the engineering industry and special vehicle
- Fewer project deliveries mainly affecting sales volumes in Automation
- Decreased inflow, from high levels, of new projects involving infrastructure products for power grids within Energy

Net Sales Growth, SEK m



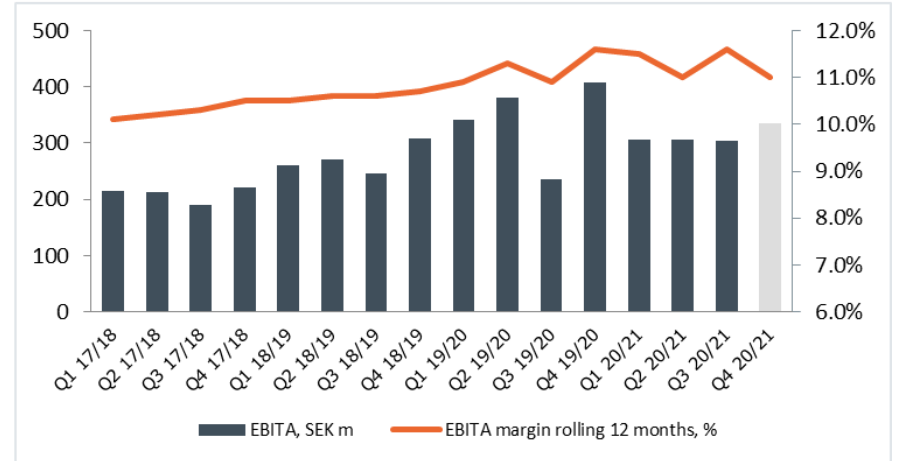
Net Sales Growth per Business Area, SEK m



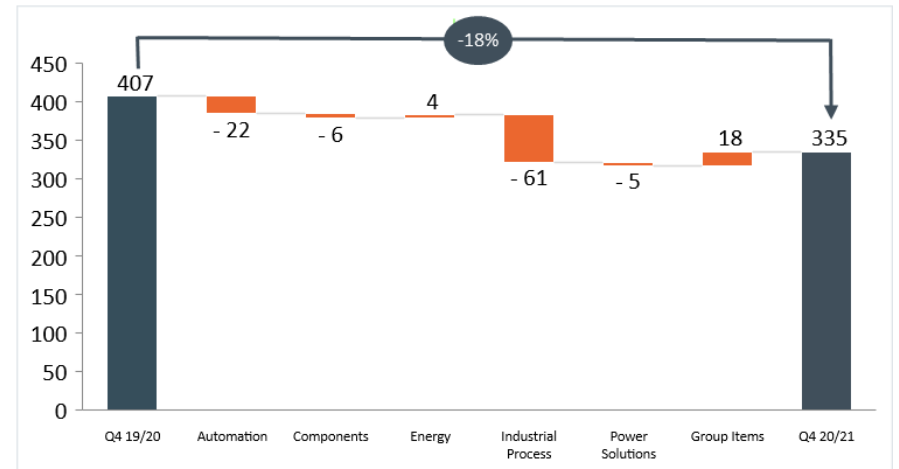
EBITA DECREASED TO SEK 335 M (407)

- EBITA margin amounted to 11.4 percent compared to a very strong margin last year
- EBITA was affected positively by cost- and efficiency measures and favourable contribution from acquisitions
- The EBITA margin was affected negatively by revaluations of purchase considerations of SEK -15 m (+30) and sharply reduced sales of scrubber installations

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



EBITA Growth per business area, SEK m

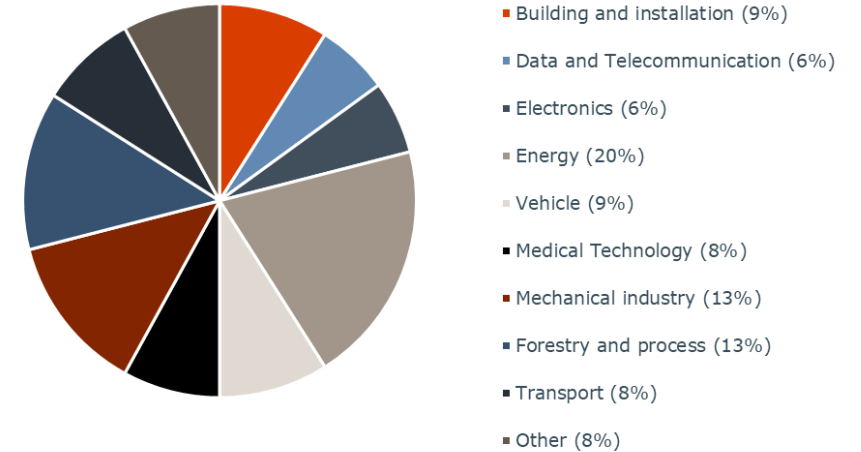


FULL YEAR 2020/2021

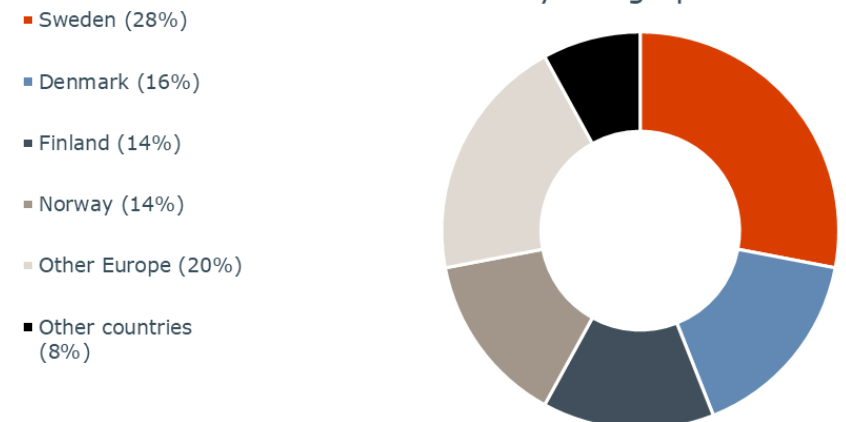
GOOD HEDGE GAVE STABLE OUTCOME

- The pandemic has posed challenges for our units operating in the marine, special vehicles and mechanical industry segments
- The business situation has generally been stable in electronics, data & telecom and medical technology
- The demand from the transmission-, wind power- and forest & sawmill sectors continues to be good
- Over the full-year, Sweden and Denmark have performed well
- The Finnish market has been negatively affected by the mechanical industry and Norway by a weaker oil & gas sector
- Countries outside the Nordic region are hardest hit by pandemic shut-downs and restrictions
- During the second half of the financial year the situation has in general improved sequentially

Sales per Customer Segment



Sales by Geographic Market

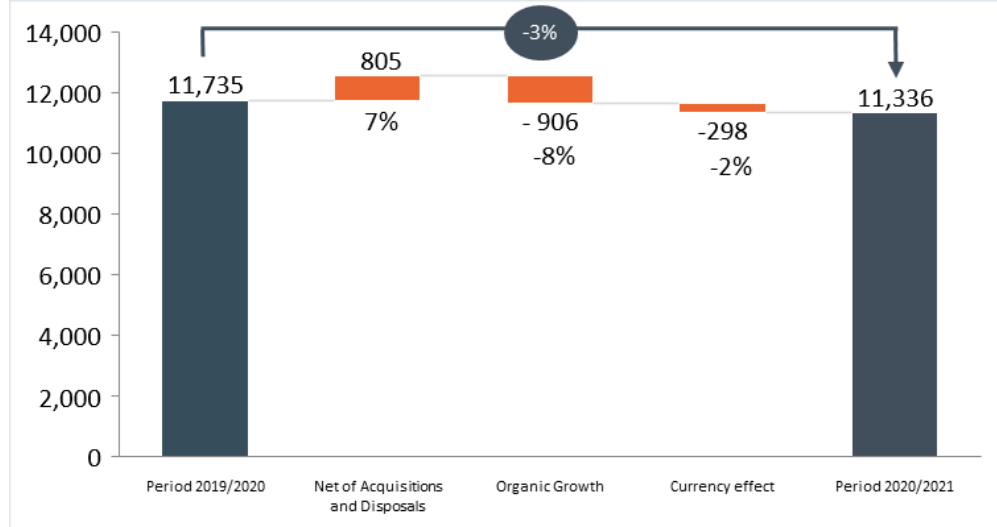


FULL YEAR 2020/2021

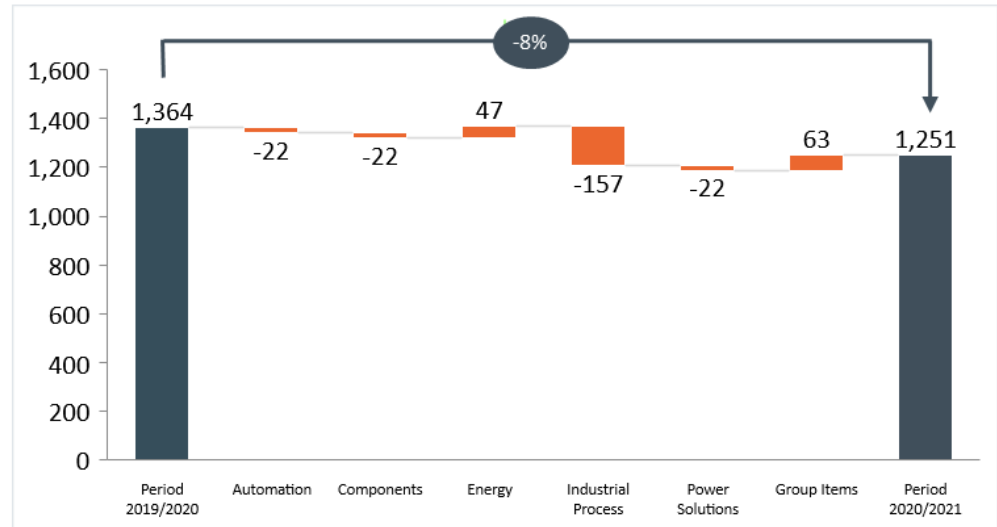
HIGH PACE OF BUSINESS AND GOOD COST CONTROL

- Net sales decreased by 3% to SEK 11,336 m (11,735)
- Weak business climate in several markets with demand varying between quarters
- Positive trend in most key segments during second half of the year
- Strong cost control. In total, approximately 250, corresponding to about 8%, of the Group's employees have been notified of redundancy and a further 120 employees are affected by short-term lay-offs
- Adjusted for scrubber-related volumes, both sales and earnings increased with improved margin
- EPS -19% to 2.60 (3.20)
- Proposed dividend of 1.20 (1.00)

Net Sales Growth, SEK m, 12 months



EBITA Growth per Business Area, SEK m, 12 months



AUTOMATION

Quarter 4

- Net sales decreased to SEK 614 m (694)
- EBITA decreased to SEK 77 m (99)
- Very tough comparisons with last year's final quarter
- Sales negatively affected by fewer project deliveries in the quarter
- Demand remains good in the engineering industry and stable in the other important segments
- Positive effects on margins from efficiency initiatives
- Non-recurring effect from revaluation of purchase considerations by approx. SEK +10 m

Full year 2020/2021

- Net sales decreased to SEK 2,384 m (2,425)
- EBITA decreased to SEK 245 m (267)

	3 months ending			12 months ending		
	31 Mar 21	31 Mar 20	Δ	31 Mar 21	31 Mar 20	Δ
Net Sales, SEK m	614	694	-11%	2,384	2,425	-2%
EBITA, SEK m	77	99	-22%	245	267	-8%
EBITA-margin, %	12.5	14.3	-	10.3	11.0	-



AUTOMATION

- MOTION & DRIVES
- INDUSTRIAL IT & SENSORS
- FIBER-OPTIC COMMUNICATION

COMPONENTS

Quarter 4

- Net sales decreased to SEK 534 m (578)
- EBITA decreased to SEK 59 m (65)
- Solid end to the financial year despite tough comparisons to last year's final quarter
- In Denmark, the market situation was favourable, in Sweden and Finland it was stable, while Norway saw weakening demand due to lower investments within the oil- and gas industry
- Demand remained good in the wind power and electronic market. Within the special vehicle- and engineering industry the recovery continues

Full year 2020/2021

- Net sales decreased to SEK 2,015 m (2,082)
- EBITA decreased to SEK 196 m (218)

	3 months ending			12 months ending		
	31 Mar 21	31 Mar 20	Δ	31 Mar 21	31 Mar 20	Δ
Net Sales, SEK m	534	578	-8%	2,015	2,082	-3%
EBITA, SEK m	59	65	-8%	196	218	-10%
EBITA-margin, %	11.1	11.2	-	9.7	10.5	-



ENERGY

Quarter 4

- Net sales decreased to SEK 593 m (604)
- EBITA increased by 4 percent to SEK 82 m (78)
- The market situation in infrastructure products for rebuilding and expansion of national and regional grids remains good, although, as expected the inflow of new projects decreased from very high levels in the quarter
- In wind power, demand remained at high levels
- A minor revaluation of purchase considerations and currency differences have had a positive impact on margins for the quarter

Full year 2020/2021

- Net sales increased by 6 percent to SEK 2,566 m (2,412)
- EBITA increased by 16 percent to SEK 329 m (282)

	3 months ending			12 months ending		
	31 Mar 21	31 Mar 20	Δ	31 Mar 21	31 Mar 20	Δ
Net Sales, SEK m	593	604	-2%	2,566	2,412	6%
EBITA, SEK m	82	78	4%	329	282	16%
EBITA-margin, %	13.8	13.0	–	12.8	11.7	–



INDUSTRIAL PROCESS

Quarter 4:

- Net sales decreased marginally to SEK 729 m (732)
- EBITA decreased to SEK 52 m (113)
- Non-recurring effect from revaluation of purchase considerations by approx. SEK -31 m
- Demand for solutions for scrubber installations remained low and sales decreased by approximately 80 percent compared with the corresponding period in the preceding year
- The market situation developed favorably for the companies within special vehicles and the engineering sector. The demand for projects in the forest industry remained high

Full year 2020/2021

- Net sales decreased to SEK 2,785 m (3,204)
- EBITA decreased to SEK 288 m (445)

	3 months ending			12 months ending		
	31 Mar 21	31 Mar 20	Δ	31 Mar 21	31 Mar 20	Δ
Net Sales, SEK m	729	732	-1%	2,785	3,204	-13%
EBITA, SEK m	52	113	-54%	288	445	-35%
EBITA-margin, %	7.1	15.4	-	10.3	13.9	-



POWER SOLUTIONS

Quarter 4:

- Net sales increased by 6 percent to SEK 462 m (434)
- EBITA decreased to SEK 63 m (68)
- Sales of products in special vehicles developed positively with demand continuing to increase
- Demand was favourable for customised battery solutions as well as for data, telecom, medical technology and defense
- In wind power the business situation remained favourable while sales decreased within power supply

Full year 2020/2021

- Net sales decreased to SEK 1,606 m (1,630)
- EBITA decreased to SEK 209 m (231)

	3 months ending			12 months ending		
	31 Mar 21	31 Mar 20	Δ	31 Mar 21	31 Mar 20	Δ
Net Sales, SEK m	462	434	6%	1,606	1,630	-1%
EBITA, SEK m	63	68	-8%	209	231	-10%
EBITA-margin, %	13.5	15.7	-	13.0	14.2	-



POWER SOLUTIONS

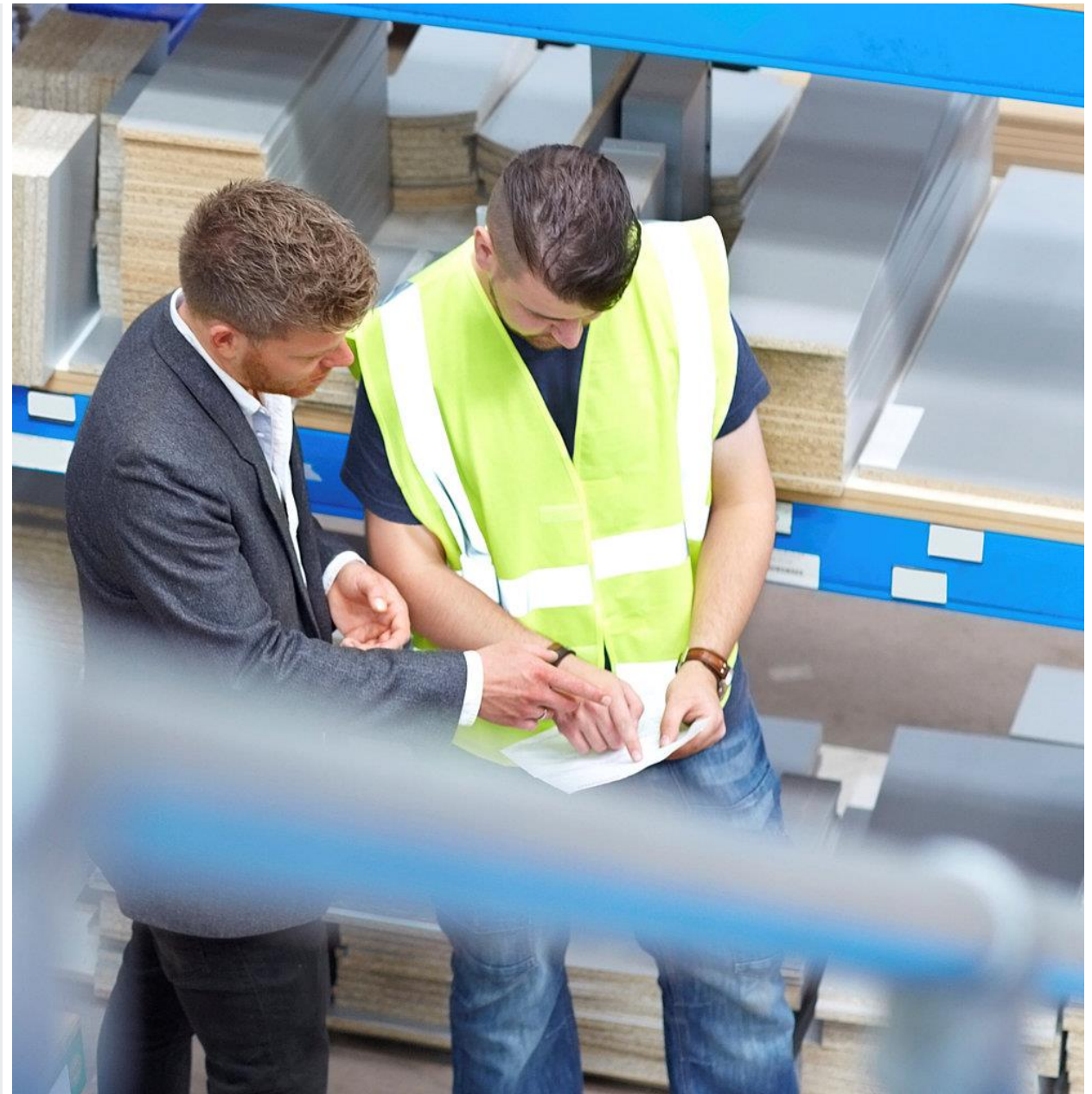
- BATTERY SYSTEMS
- CUSTOMISED SOLUTIONS
- POWER SYSTEMS

	Acquisitions	Business Area	Access	Net Sales, SEK m*	Number of employees*
	Elkome Group Oy	Automation	April, 2020	85	38
	Peter Andersson AB	Energy	April, 2020	30	9
	Valutec Group AB	Industrial Process	April, 2020	350	45
	Fluidcontrol Oy	Components	September, 2020	41	20
	Kaptas Oy	Automation	September, 2020	41	27
	Elsystem i Perstorp AB	Automation	September, 2020	40	18
	Martin Bruusgaard AS	Industrial Process	September, 2020	108	30
	Satco Komponent AB	Components	October, 2020	18	2
	Skyltar & Märken Gruppen AB	Energy	October, 2020	60	23
	OF-Beteiligungs AG	Power Solutions	December, 2020	170	35
	Powernor AS	Power Solutions	January, 2021	35	6
	Synective Labs AB	Automation	January, 2021	30	27
	Impact Air Systems Ltd. och Impact Technical Services Ltd.	Industrial Process	January, 2021	95	33
	Fairfield Trading Company Ltd.	Power Solutions	March, 2021	37	8
	Hydro-Material Oy	Components	April, 2021	52	5
	ESi Controls Ltd.	Power Solutions	April, 2021	93	15
	IETV Elektroteknik AB	Energy	May, 2021	80	38
	AVT Industriteknik AB	Automation	May, 2021	70	42

- 14 acquisitions since beginning of business year
- 4 acquisitions since end of business year
- SEK 1,450 m yearly turnover

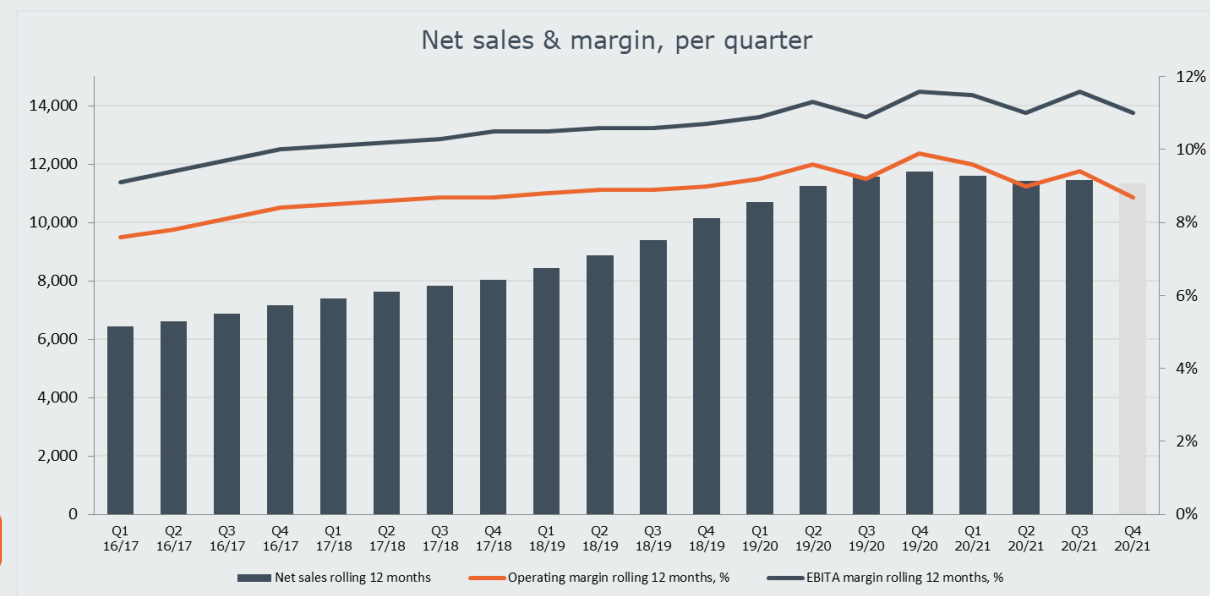


FINANCIAL POSITION



INCOME STATEMENT, CONDENSED

(SEKm)	3 months ending		12 months ending	
	31 Mar 21	31 Mar 20	31 Mar 21	31 Mar 20
Net Sales	2,927	3,038	11,336	11,735
Cost of sales & op. expenses	-2,675	-2,737	-10,343	-10,664
Other operating items	14	51	-4	90
Operating profit	266	352	989	1,161
Financial income & expenses	-15	-19	-52	-56
Profit after financial items	251	333	937	1,105
Income tax expense	-61	-68	-208	-232
Net profit	190	265	729	873
Earnings per share, SEK	0.65	0.95	2.60	3.20
EBIT margin, %	9.1	11.6	8.7	9.9
EBITA margin, %	11.4	13.4	11.0	11.6

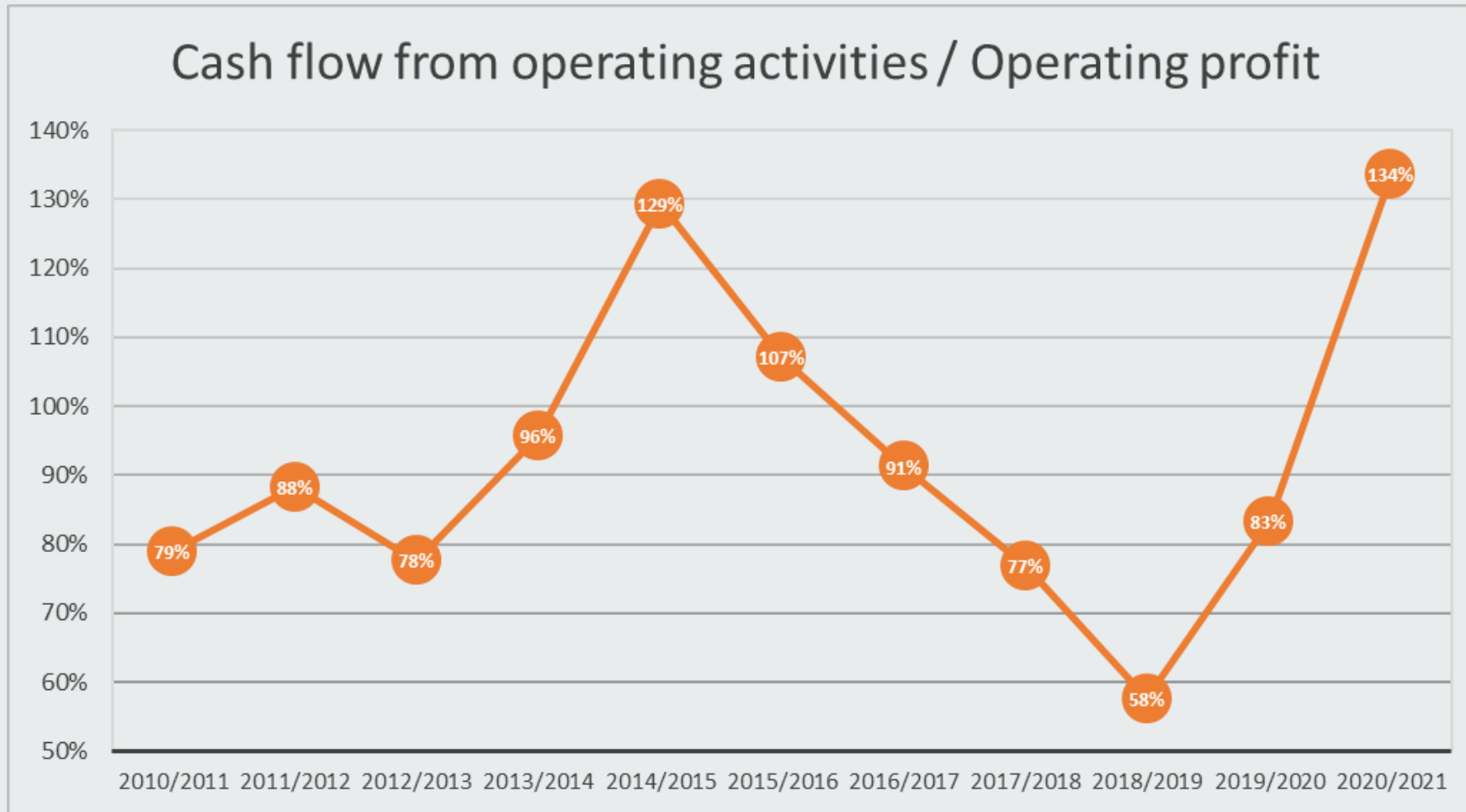


31/3 2021 R12	
Net Sales	11,336 kSEK
EBITA	1,251 kSEK
EBITA margin	11.0 %
Operating profit	989 kSEK
Operating margin	8.7 %

CASH FLOW STATEMENT, CONDENSED

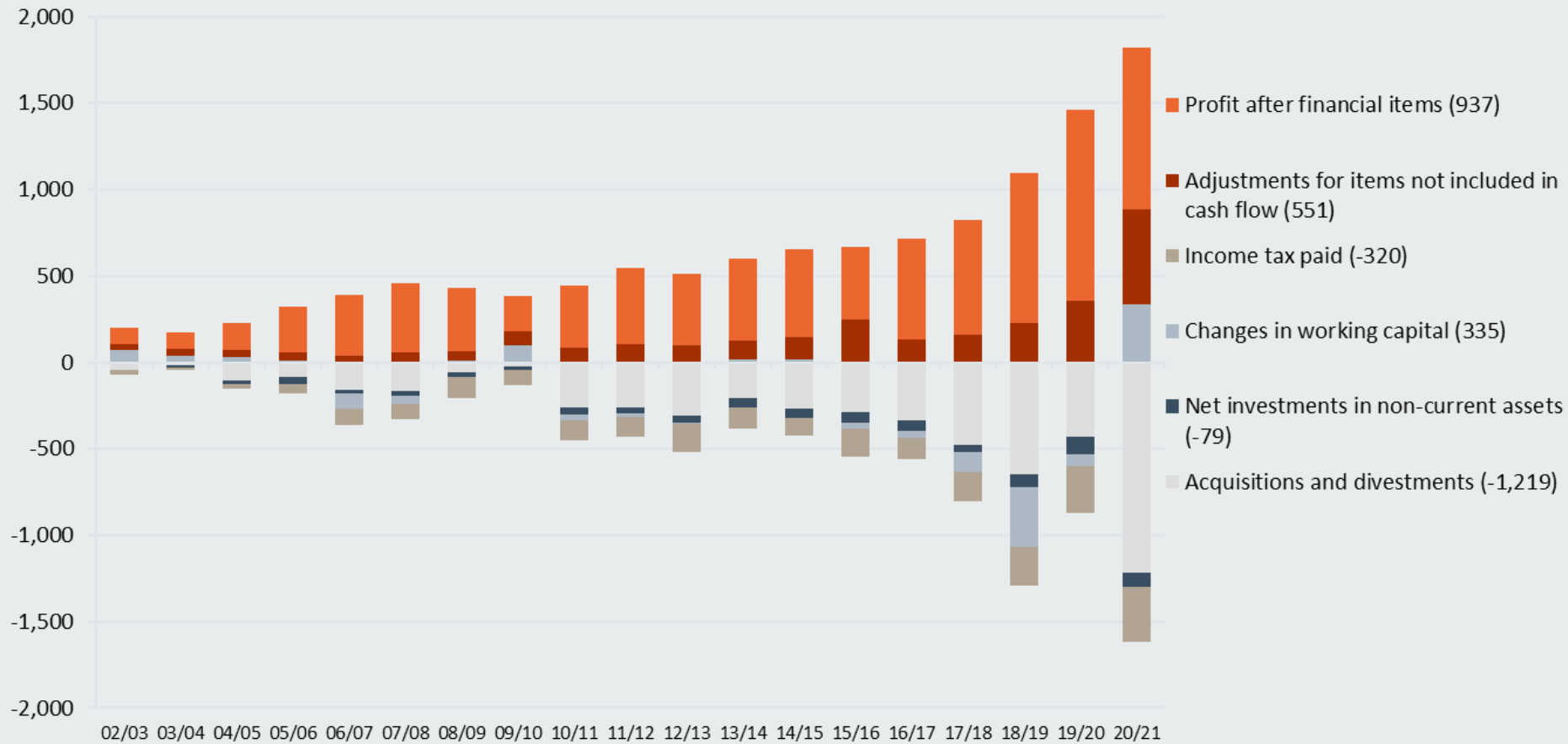
(SEKm)	3 months ending		12 months ending	
	31 Mar 21	31 Mar 20	31 Mar 21	31 Mar 20
Profit after financial items	251	333	937	1,105
Adj. for non cash items	151	76	551	354
Income tax paid	-81	-86	-320	-273
Changes in working capital	132	127	335	-69
Cash flow from operating activities	453	450	1,503	1,117
Net investment in non-current assets	-34	-29	-79	-102
Acquisitions and disposals	-165	-120	-1,219	-430
Dividend paid	-	-	-269	-336
Repurchase of own shares/options	5	8	25	-26
Other financing activities	-328	-248	106	-145
Period's cash flow	-69	61	67	78

CASH FLOW RECOVERY



CASH FLOW R12

Cash flow from operating and investing activities



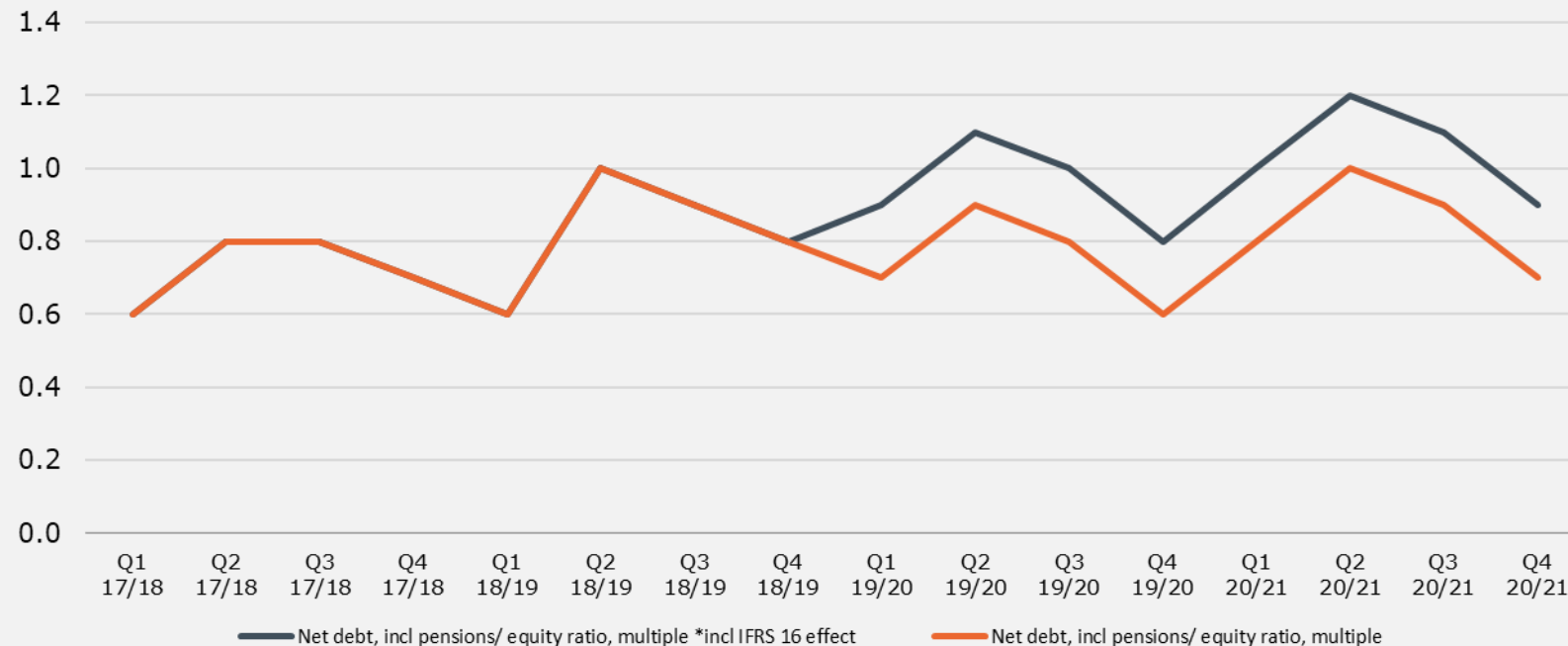
KEY FINANCIAL INDICATORS

(SEKm)	31 Mar 21	31 Mar 20
Total equity (SEKm)	3,450	3,076
Equity per share, SEK	11.95	11.25
Equity ratio, %	35	36
Return on working capital (P/WC), %	52	56
Return on equity, %	23	32
Return on capital employed, %	15	21
Financial net debt (SEKm)	3,134	2,585
- of which pension liability	336	332
- of which other liabilities	2,798	2,253
Financial net debt / EBITDA	2.1	1.6
Net debt / equity ratio, times	0.9	0.8
Interest coverage ratio, times	16	20
Average number of employees	3,068	2,913
Number of employees at end of period	3,133	2,981

- Strong acquisition pace and lower EBITDA but still satisfactory levels of key ratios**

- Equity ratio 35% (36%)
- Leverage 2.1 (1.6)
- Gearing 0.9 (0.8)

APPROACH TO NET DEBT / EQUITY RATIO



- Besides P/WC, no specific targets for gearing and debt
- Debt rate bound to move up and down periodically with business like ours
- Our target to acquire on our own cashflow is working well

KEY TAKE AWAYS

- **The recovery in demand continued in the fourth quarter**
 - Positive trend in most key segments
- **Efficiency measures support earnings performance**
 - Long-term cost reductions gradually replace short-term savings
- **High pace of business**
 - Fourteen acquisitions with a strong pipeline
- **Strong balance sheet**
 - Strong cash flow
 - Positive effects from improved working capital
- **Outlook**
 - Continued favourable demand expected but supply chain constraints create some uncertainty
 - Continued focus on maintaining good cost control
 - Sustainability and digitalization integrated in our model
 - Great confidence in our growth strategies, scalable business model and entrepreneurial corporate culture

Q&A

