

INTERIM MANAGEMENT STATEMENT Q1 1 APRIL – 30 JUNE 2014



PRODUCT DESCRIPTION

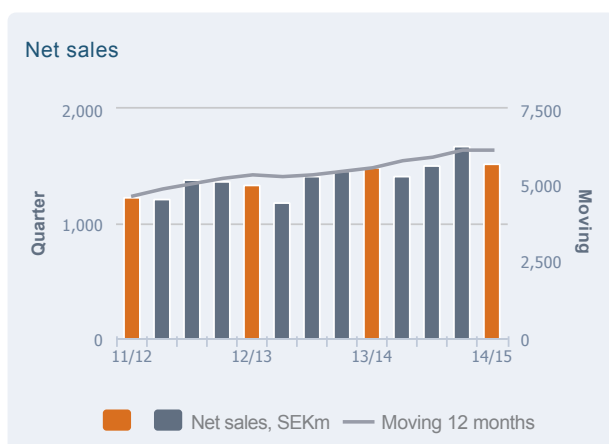
The item shown is a Klikseal, which is a patented and Swedish-made product that combines the principle of an ordinary rubber grommet with several of the advantages of an ordinary cable gland (cable fitting). The product is used in electrical installations and helps to reduce the assembly time by up to 90%.



INTERIM MANAGEMENT STATEMENT

1 April - 30 June 2014 (3 months)

- **Net sales** rose by 2 percent to SEK 1,529 million (1,500).
- **Operating profit** fell by 5 percent to SEK 127 million (133) and the operating margin amounted to 8.3 percent (8.9).
- **Profit after financial items** fell by 4 percent to SEK 119 million (124) and profit after tax amounted to SEK 91 million (93).
- **Earnings per share** (EPS) totalled SEK 1.35 (1.40). For the most recent 12-month period, earnings per share was SEK 5.45 (5.00).
- **Cash flow from operations** reached SEK 95 million (74). For the most recent 12-month period, cash flow per share amounted to SEK 7.55 (5.65).
- **Return on equity** was 28 percent (30) and the equity ratio was 43 percent (38).
- **Since the start** of the financial year five acquisitions made by the Group have taken effect, three of which after the end of the period, adding sales of about SEK 485 million on an annual basis.



Net sales in the first quarter rose by 2 percent to SEK 1,529 million (1,500). Comparable units fell 2 percent and acquired growth totalled 3 percent. Exchange rate changes in the quarter had a positive effect of 1 percent on net sales, corresponding to SEK 20 million, and a positive effect of 1 percent, corresponding to SEK 1 million, on operating profit.

During the start of the financial year the business climate for the Group was relatively stable on the whole, but the fragmented market in terms of geography, customer segments and product segments prevails. Demand for production components from Nordic manufacturing companies in the Components and Industrial Solutions business areas was slightly more positive during the period than before, particularly in the Swedish market. Customers in the vehicle, engineering and electronics industries remained hesitant, while other customer segments developed more favourably. The Energy business area experienced a largely stable business climate during the period, but is adversely affected by lower demand for products for electric power distribution and transmission, as stated in the Year-end report for 2013/2014. Demand for the Life Science business area has generally continued to develop well. In total, the Group's sales for comparable units decreased slightly compared to the strong first quarter of the preceding year. During the first quarter the Group assumed ownership of two acquisitions, adding sales of about SEK 45 million on an annual basis. After the interim period, a further three acquisitions took effect, adding annual sales of about SEK 440 million.

During the interim period, operating profit fell by 5 percent to SEK 127 million (133) and the operating margin stood at 8.3 percent (8.9). The operating margin before amortisation of intangible non-current assets equalled 9.6 percent (10.1). Net financial items were SEK -8 million (-9) and profit after financial items decreased by 4 percent to SEK 119 million (124). Profit after tax for the interim period fell by 2 percent to SEK 91 million (93) and EPS fell to SEK 1.35 (1.40). The effective tax rate was 23 percent (25).

DEVELOPMENT IN THE BUSINESS AREAS

ADDTECH COMPONENTS

Addtech Components markets and sells components and subsystems in mechanics, electromechanics, hydraulics and electronics as well as automation solutions to customers in manufacturing.

Net sales in Addtech Components increased by 3 percent to SEK 411 million (399). Operating profit rose by 8 percent and amounted to SEK 31 million (28).

Demand for production components from Nordic manufacturing companies was relatively stable during the quarter, but the differences between various customer segments and geographic areas remain. All in all, the Swedish operations had slightly more stable demand than previously, and the Norwegian operations in, above all, oil and gas and the marine segment, continued to develop well. In Denmark and Finland the business climate was somewhat weaker during the period.

ADDTECH ENERGY

Addtech Energy markets and sells battery solutions, electric power distribution products and products for electrical safety, electrical installations and connection technology. Its customers are in the energy and telecom sectors and the commercial vehicle industry.

Net sales in Addtech Energy totalled SEK 459 million (496), which is a 7 percent decrease. Operating profit fell by 16 percent and reached SEK 44 million (52).

During the start of the financial year the business area was affected by lower demand for products for electric power distribution and transmission. Following the high pace of deliveries in the preceding year, investment levels have been lower, which our customers had previously announced. In the longer term, however, their investment plans remain in place. The market for products in electrical installation showed signs of a greater willingness to invest during the quarter, and the business situation for battery and power supply solutions in the Nordic markets also improved during the quarter.

ADDTECH INDUSTRIAL SOLUTIONS

Addtech Industrial Solutions markets and sells machine components, products made of polymeric materials, electric motors and transmissions, customer-specific products in electromechanics as well as equipment and consumables for the manufacturing industry. Products under own brands are marketed and sold to local and global industrial customers.

Net sales in Addtech Industrial Solutions increased 11 percent to SEK 312 million (280). Operating profit amounted to SEK 23 million (22).

On the whole during the first quarter, demand from the business area's customers developed positively. Operations outside the Nordics experienced more favourable business conditions than our Nordic operations. The business climate for products to the special vehicles industry improved, but remains weak in the mining segment. Demand was stable in segments such as forestry, paper/pulp, products made of polymeric materials and machine components to industrial aftermarket customers, while sales of electric motor solutions rose during the quarter.

ADDTECH LIFE SCIENCE

Addtech Life Science markets and sells instruments, consumables and services to laboratories in healthcare and research, diagnostic equipment for the healthcare sector and process and analysis equipment to industry.

Net sales for Addtech Life Science were SEK 349 million (327), which is a 7 percent increase. Operating profit amounted to SEK 33 million (33).

Demand continued to increase during the period for the business area as a whole. The good market conditions for diagnostic equipment and reagents from the Nordic healthcare sector continued. Demand for equipment to healthcare and research laboratories was stable on the whole. Sales of measuring and analysis instruments to the Nordic process industry developed well, especially in the marine segment. To secure future growth, certain companies in diagnostics and process technology have invested in new sales staff.

GROUP DEVELOPMENT

PROFITABILITY, FINANCIAL POSITION AND CASH FLOW

The return on equity at the end of the period was 28 percent (30), and return on capital employed was 23 percent (24). Return on working capital P/WC (operating profit in relation to working capital) amounted to 45 percent (45).

At the end of the period the equity ratio stood at 43 percent (38). Equity per share, excluding non-controlling interest, totalled SEK 21.95 (18.55). The Group's net debt at the end of the period stood at SEK 452 million (552), excluding pension liabilities of SEK 253 million (247). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, totalled 0.3 (0.4).

Cash and cash equivalents, consisting of cash and bank balances together with approved but non-utilised credit facilities, totalled SEK 744 million (659) at 30 June 2014.

Cash flow from operating activities reached SEK 95 million (74) during the period. Company acquisitions including settlement of additional purchase consideration regarding acquisitions implemented in previous years amounted to SEK 21 million (80). Investments in non-current assets totalled SEK 11 million (11) and disposal of non-current assets was SEK 1 million (1). The exercise of call options totalled SEK 18 million (8). During the period, tax was repaid regarding the 2012/2013 financial year.

EMPLOYEES

At the end of the period, the number of employees was 2,165, compared to 2,150 at the beginning of the financial year. During the period, implemented acquisitions led to an increase of 9 in the number of employees. The average number of employees during the latest 12-month period was 2,126 (1,902).

OWNERSHIP STRUCTURE

At the end of the financial year the share capital stood at SEK 51.1 million.

Class of shares	Number of shares
Class A shares	3,253,800
Class B shares	64,944,696
TOTAL NUMBER OF SHARES BEFORE REPURCHASES	68,198,496
Total number of repurchased class B shares	-1,740,000
TOTAL NUMBER OF SHARES AFTER REPURCHASES	66,458,496

The average purchase price for repurchased shares amounts to SEK 45.60 per share. The most recent price paid for the Addtech share on 15 July 2014 was SEK 123.75. The share price at 30 June 2014 was SEK 124.50.

ACQUISITIONS

During the period 1 April to 30 June 2014 two company acquisitions took place:

On 1 April GigaCom AB and GigaCom AS were acquired to become part of the Addtech Components business area. The GigaCom companies are technology trading companies that provide fiber optic components and systems in the Swedish and Norwegian markets. The companies have 6 employees and sales of about SEK 30 million.

Solar Supply Sweden AB was acquired on 5 May to join the Addtech Energy business area. Solar Supply is a technology trading company that markets and installs solar cell systems with related components in the Swedish market. Solar Supply has 3 employees and sales of about SEK 15 million.

The total consideration for the period's acquisitions was SEK 45 million. The combined effect of the acquisitions on the Addtech Group's net sales was SEK 9 million, on operating profit it was SEK 0 million and on profit after tax for the period it was SEK 0 million. The acquisitions would have had a further SEK 1 million impact on Group net sales with unchanged profit if they had been implemented on 1 April 2014.

According to the preliminary acquisition analyses, the assets and liabilities included in the acquisitions were as follows:

	Carrying amount at acquisition date	Adjustment to fair value	Fair value
Intangible non-current assets	-	22	22
Other non-current assets	0	-	0
Inventories	7	-	7
Other current assets	17	-	17
Deferred tax liability/tax asset	-	-5	-5
Other liabilities	-10	-	-10
ACQUIRED NET ASSETS	14	17	31
Goodwill			14
Non-controlling interests			-
CONSIDERATION ¹⁾			45
Less: cash and cash equivalents in acquired businesses			-8
Less: consideration not yet paid			-16
EFFECT ON THE GROUP'S CASH AND CASH EQUIVALENTS			21

1) The consideration is stated excluding acquisition expenses.

For acquisitions that resulted in ownership transfer during the interim period, transaction costs totalled SEK 0,1 million and are recognised in selling expenses.

Of the consideration not yet paid for acquisitions during the year, estimated fair value of contingent consideration amounts to SEK 9 million, which constitutes about 58 percent of the maximum outcome. The outcome depends on the results achieved in the companies and has a set maximum level.

Revaluation of liabilities for contingent, not yet paid, consideration added income of SEK 4 million (-1) during the period, which is recognised under other operating income.

ACCOUNTING POLICIES

In all material respects, this interim report was prepared in accordance with NASDAQ OMX Stockholm's guidelines on drawing up interim reporting. The accounting policies applied to the Group's income statement and balance sheet correspond to the accounting policies used in drawing up the most recent annual report. The financial statements and segment information correspond to how they are presented in the interim reports that are drawn up in accordance with IAS 34 so that comparisons can be made of the presented data between the quarters.

EVENTS AFTER THE END OF THE INTERIM PERIOD

Three company acquisitions took place after the end of the reporting period:

On 1 July Addtech acquired 90 percent of shares outstanding in Hans Følsgaard A/S to become part of business areas Components and Energy. Hans Følsgaard is a technology trading company that delivers components and systems to OEM customers and larger end users within the manufacturing industry and also products within infrastructure and power transmissions to e.g. electric producers and wind power manufacturers. Hans Følsgaard has 65 employees and sales of about DKK 300 million. The closing is estimated to take place in the beginning of July 2014.

Frameco AB was acquired on 1 July to join the Industrial Solutions business area. Frameco is a technology trading company that delivers ergonomic armrest solutions mainly to construction equipment and buses. Frameco has 5 employees and sales of about SEK 10 million.

On 4 July Tampereen Sähköpalvelu Oy (TSP) were acquired to become part of the Energy business area. TSP is a technology trading company that markets and sells components for electrical installations to OEM customers mainly on the Finnish market. TSP has 25 employees and sales of about EUR 7,5 million.

The acquisition analyses are not yet complete and will be presented in the next interim report.

No other events of significance to the Group occurred after the end of the reporting period.

Stockholm, 16 July 2014

Johan Sjö
President and Director

This report has not been subject to review by the company's auditor. The half-year report for the period 1 April-30 September 2014 will be published on 5 November 2014.

The Annual General Meeting (AGM) of Addtech AB (publ.) will be held at 4.00 p.m. on 27 August 2014. For more information see Addtech's website.

For further information, please contact:
Johan Sjö President and CEO, +46 8 470 49 00
Kristina Willgård, CFO, +46 8 470 49 10

BUSINESS AREAS

Net sales by business area	2014/2015			2013/2014		
	Quarterly data, SEKm	Q1	Q4	Q3	Q2	Q1
Components		411	423	375	357	399
Energy		459	564	459	456	496
Industrial Solutions		312	318	292	283	280
Life Science		349	374	379	313	327
Parent Company and Group items		-2	-1	-3	0	-2
ADDTECH GROUP		1,529	1,678	1,502	1,409	1,500

Operating profit/loss by business area	2014/2015			2013/2014		
	Quarterly data, SEKm	Q1	Q4	Q3	Q2	Q1
Components		31	27	17	24	28
Energy		44	59	43	46	52
Industrial Solutions		23	30	16	25	22
Life Science		33	25	38	29	33
Parent Company and Group items		-4	-4	-4	-3	-2
OPERATING PROFIT/LOSS		127	137	110	121	133
Finance income and expenses		-8	-6	-7	-4	-9
PROFIT AFTER FINANCIAL ITEMS		119	131	103	117	124

Net sales by business area	3 months ending		12 months ending		
	SEKm	30 Jun 14	30 Jun 13	30 Jun 14	31 Mar 14
Components		411	399	1,566	1,554
Energy		459	496	1,938	1,975
Industrial Solutions		312	280	1,205	1,173
Life Science		349	327	1,415	1,393
Parent Company and Group items		-2	-2	-6	-6
ADDTECH GROUP		1,529	1,500	6,118	6,089

Operating profit/loss and operating margin by business area	3 months ending				12 months ending			
	30 Jun 14		30 Jun 13		30 Jun 14		31 Mar 14	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Components	31	7.4	28	7.1	99	6.3	96	6.2
Energy	44	9.6	52	10.6	192	9.9	200	10.1
Industrial Solutions	23	7.5	22	8.0	94	7.8	93	7.9
Life Science	33	9.4	33	10.2	125	8.8	125	9.0
Parent Company and Group items	-4		-2		-15		-13	
OPERATING PROFIT/LOSS	127	8.3	133	8.9	495	8.1	501	8.2
Finance income and expenses	-8		-9		-25		-26	
PROFIT AFTER FINANCIAL ITEMS	119		124		470		475	

GROUP SUMMARY

Income statement SEKm	3 months ending		12 months ending	
	30 Jun 14	30 Jun 13	30 Jun 14	31 Mar 14
Net sales	1,529	1,500	6,118	6,089
Cost of sales	-1,024	-999	-4,131	-4,106
GROSS PROFIT	505	501	1,987	1,983
Selling expenses	-283	-278	-1,141	-1,136
Administrative expenses	-99	-91	-366	-358
Other operating income and expenses	4	1	15	12
OPERATING PROFIT	127	133	495	501
- as % of net sales	8.3	8.9	8.1	8.2
Financial income and expenses	-8	-9	-25	-26
PROFIT AFTER FINANCIAL ITEMS	119	124	470	475
- as % of net sales	7.8	8.3	7.7	7.8
Income tax expense	-28	-31	-103	-106
PROFIT FOR THE PERIOD	91	93	367	369
<i>Attributable to:</i>				
Equity holders of the Parent Company	90	92	361	363
Non-controlling interests	1	1	6	6
Earnings per share (EPS), SEK*	1.35	1.40	5.45	5.50
Diluted EPS, SEK*	1.35	1.40	5.45	5.45
Average number of shares after repurchases, '000s	66,320	65,840	66,123	66,003
Number of shares at end of the period, '000s	66,458	65,946	66,458	66,135
Operating expenses include depreciation and amortisation				
- of property, plant and equipment in amounts of	-10	-10	-42	-42
- of intangible non-current assets in amounts of	-20	-18	-82	-80
* Calculated based on equity holders' portion of profit for the period.				

Statement of comprehensive income, SEKm	3 months ending		12 months ending	
	30 Jun 14	30 Jun 13	30 Jun 14	31 Mar 14
PROFIT FOR THE PERIOD	91	93	367	369
<i>Components that will be reclassified to profit for the year</i>				
Cash flow hedges	0	0	0	0
Foreign currency translation differences for the period	21	27	25	31
<i>Components that will not be reclassified to profit for the year</i>				
Actuarial effects of the net pension obligation	-	-	-	0
Other comprehensive income	21	27	25	31
TOTAL COMPREHENSIVE INCOME	112	120	392	400
<i>Attributable to:</i>				
Equity holders of the Parent Company	110	119	385	394
Non-controlling interests	2	1	7	6

Balance sheet, SEKm	30 Jun 14	31 Mar 14	30 Jun 13
Goodwill	804	785	748
Other intangible non-current assets	564	558	533
Property, plant and equipment	187	187	172
Financial non-current assets	21	20	15
TOTAL NON-CURRENT ASSETS	1,576	1,550	1,468
Inventories	771	709	728
Current receivables	1,031	1,137	1,019
Cash and cash equivalents	79	69	86
TOTAL CURRENT ASSETS	1,881	1,915	1,833
TOTAL ASSETS	3,457	3,465	3,301
TOTAL EQUITY	1,479	1,349	1,254
Interest-bearing provisions	253	252	247
Non-interest-bearing provisions	216	215	199
Non-current interest-bearing liabilities	19	14	27
TOTAL NON-CURRENT LIABILITIES	488	481	473
Non-interest-bearing provisions	5	6	10
Current interest-bearing liabilities	513	580	611
Current non-interest-bearing liabilities	972	1,049	953
TOTAL CURRENT LIABILITIES	1,490	1,635	1,574
TOTAL EQUITY AND LIABILITIES	3,457	3,465	3,301

Statement of changes in Group equity, SEKm	1 Apr 14–30 Jun 14			1 Apr 13–31 Mar 14			1 Apr 13–30 Jun 13		
	Equity excl. non- control- ling interests	Non- control- ling interests	Total equity	Equity excl. non- control- ling interests	Non- control- ling interests	Total equity	Equity excl. non- control- ling interests	Non- control- ling interests	Total equity
Amount at beginning of period	1,330	19	1,349	1,097	16	1,113	1,097	16	1,113
Exercised and issued call options	18	-	18	30	-	30	8	-	8
Repurchase of treasury shares	-	-	-	-15	-	-15	-	-	-
Dividend	-	-	-	-176	-3	-179	-	0	0
Change non-controlling interests	-	-	-	-	-	-	-	13	13
Total comprehensive income	110	2	112	394	6	400	119	1	120
AMOUNT AT END OF PERIOD	1,458	21	1,479	1,330	19	1,349	1,224	30	1,254

Cash flow statement SEKm	3 months ending		12 months ending	
	30 Jun 14	30 Jun 13	30 Jun 14	31 Mar 14
Profit after financial items	119	124	470	475
Adjustment for items not included in cash flow	28	30	108	110
Income tax paid	-3	-23	-101	-121
Changes in working capital	-49	-57	23	15
CASH FLOW FROM OPERATING ACTIVITIES	95	74	500	479
Net investments in non-current assets	-10	-10	-54	-54
Acquisitions and disposals	-21	-80	-146	-205
CASH FLOW FROM INVESTING ACTIVITIES	-31	-90	-200	-259
Dividend paid to shareholders	-	-	-176	-176
Repurchase of own shares	-	-	-15	-15
Other financing activities	-59	24	-121	-38
CASH FLOW FROM FINANCING ACTIVITIES	-59	24	-312	-229
CASH FLOW FOR THE PERIOD	5	8	-12	-9
Cash and cash equivalents at beginning of period	69	72	86	72
Exchange differences on cash and cash equivalents	5	6	5	6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	79	86	79	69

Key financial indicators	12 months ending				
	30 Jun 14	31 Mar 14	30 Jun 13	31 Mar 13	31 Mar 12
Net sales, SEKm	6,118	6,089	5,567	5,403	5,200
Operating profit, SEKm	495	501	445	437	470
Profit after financial items, SEKm	470	475	414	408	447
Profit for the period, SEKm	367	369	330	323	327
Operating margin, %	8.1	8.2	8.0	8.1	9.0
Profit margin, %	7.7	7.8	7.4	7.6	8.6
Equity ratio, %*	43	39	38	36	36
Return on equity, %*	28	30	30	31	34
Return on working capital (P/WC), %	45	47	45	45	53
Return on capital employed, %*	23	24	24	25	32
Debt / equity ratio, multiple*	0.5	0.6	0.7	0.7	0.6
Financial net liabilities, SEKm	705	776	799	763	584
Net debt / EBITDA, multiple	1.1	1.2	1.4	1.4	1.0
Net debt excl. pensions, SEKm	452	524	552	523	339
Net debt / equity ratio, multiple*	0.3	0.4	0.4	0.5	0.3
Interest coverage ratio, multiple	18.2	17.5	14.2	14.2	15.8
Average number of employees	2,126	2,100	1,902	1,815	1,612
Number of employees at end of the period	2,165	2,150	2,081	2,011	1,700

* Key financial indicators are calculated based on equity that includes non-controlling interests.

Key financial indicators per share**	12 months ending				
	30 Jun 14	31 Mar 14	30 Jun 13	31 Mar 13	31 Mar 12
Earnings per share (EPS), SEK	5.45	5.50	5.00	4.85	4.90
Diluted EPS, SEK	5.45	5.45	4.95	4.85	4.85
Cash flow per share, SEK	7.55	7.25	5.65	5.20	6.30
Shareholders' equity per share, SEK*	21.95	20.10	18.55	16.70	14.90
Last price paid per share, SEK	124.50	101.75	75.00	72.33	60.67
Average number of shares after repurchases, '000s	66,123	66,003	65,544	65,394	65,832
Average number of shares adjusted for repurchases and dilution, '000s	66,520	66,457	65,693	65,533	66,000
Number of shares outstanding at end of the period, '000s	66,458	66,135	65,946	65,764	65,238

* Calculations based on proportion of equity attributable to the equity holders.

** Recalculation of historical key figures per share took place following the split into three shares in the third quarter.

ACQUISITIONS

Acquisitions completed during the 2013/2014 and 2014/2015 financial years are distributed among the Group's business areas as follows:

Acquisitions	Time	Net sales, SEKm*	Number of employees*	Business Area
Rutab AB, Sweden	April, 2013	150	40	Energy
Holger Eldfast AB, Sweden	July, 2013	15	2	Industrial Solutions
Vimex AS, Norway	August, 2013	14	7	Life Science
Sittab AB, Sweden	October, 2013	65	26	Industrial Solutions
Valnor AS, Norway	December, 2013	55	12	Components
GigaCom AB, Sweden	April, 2014	30	6	Components
Solar Supply Sweden AB, Sweden	May, 2014	15	3	Energy
Hans Følsgaard A/S, Denmark	July, 2014	360	65	Components/ Energy
Frameco AB, Sweden	July, 2014	10	5	Industrial Solutions
Tampereen Sähköpalvelu Oy, Finland	July, 2014	70	25	Energy

* Refers to conditions at the time of acquisition on a full-year basis.

This information is disclosed in accordance with the Swedish Securities Markets Act, the Swedish Financial Instruments Trading Act and/or the regulations of NASDAQ OMX Stockholm. The information was submitted for publication on 16 July 2014 at 08:00 a.m. (CET).

Value Adding Tech Provider

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 public sector. Addtech has about 2,000 employees in more than 100 subsidiaries that operate under their own brands. The Group has annual sales of over SEK 6 billion.

Addtech is listed on the NASDAQ OMX Stockholm.

ADDTECH

Addtech AB (publ), Box 5112, Birger Jarlsgatan 43, SE-111 45 Stockholm. Telephone +46 8 470 49 00, Fax +46 8 470 49 01
info@addtech.com, www.addtech.com, company number 556302-9726