



Q3 REPORT JULY – SEPTEMBER 2020

October 22, 2020



→ **Business overview**

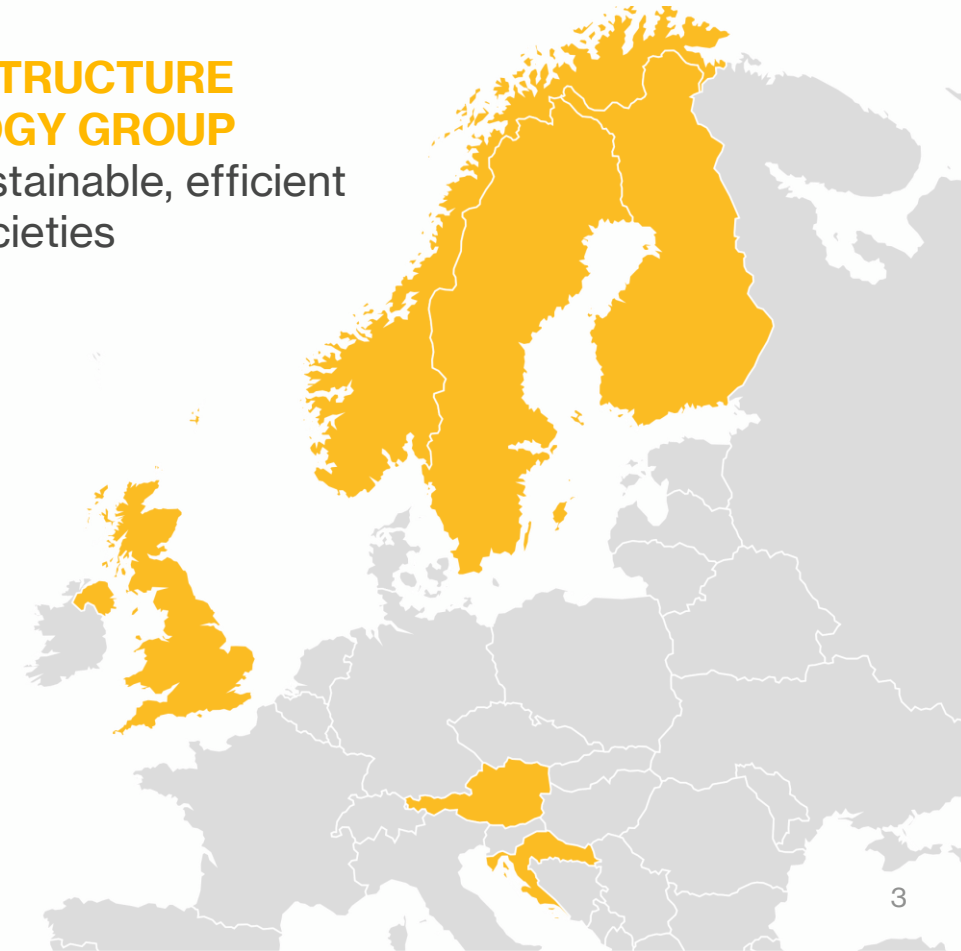
Market situation

Financial Development



AN INFRASTRUCTURE TECHNOLOGY GROUP

Creating sustainable, efficient
and safe societies



1,997

MSEK Net Sales
LTM Q3 2020

16.5%

EBITA*-margin
LTM Q3 2020

40%

Growth EBITA*
LTM Q3 2020

1,358

Employees

34

Business
Units

Strategic positioning and Business model

- We deliver niched technical products and services to critical needs in the **infrastructure sector**
- We **acquire and develop** small and medium-sized companies to reach their full-potential
- We focus on **niche positions** in high-margin markets with strong drivers for long-term growth
- We are organized in a **decentralized structure** so that important decisions are made closest to our customers



Business Areas



Water & Energy

- Water & Sanitation
- Power & Energy



36%

Share of total EBITA*

621

Revenue
(MSEK)

21%

EBITA*
-margin

13

Business
Units



Special Infrastructure Solutions

- Air & Climate control
- Safety & Security
- Transportation



48%

Share of total EBITA*

640

Revenue
(MSEK)

28%

EBITA*
-margin

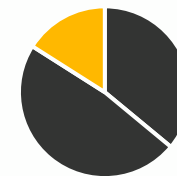
12

Business
Units



Property Technical Services

- Elevators
- Other property technical services



16%

Share of total EBITA*

736

Revenue
(MSEK)

8%

EBITA*
-margin

9

Business
Units

Business overview

→ **Market situation**

Financial Development

Catching up on delays. Demand solid. Confident outlook.



Q3

Solid underlying demand, critical needs in infrastructure.
Catching up on delayed orders.

RIGHT NOW

High delivery levels.
Extra high profitability.

FURTHER AHEAD

Resilience provides confidence on the long-term outlook.
Reintroduce normal costs levels when possible.

Drivers for sustainable infrastructure

- **New efforts towards a more sustainable** society when restarting the economy
- Stricter regulations and inherent human drive for **sustainability, efficiency and safety**
- **The infrastructure** sector is under invested
 - **Aging infrastructure** and a need to rebuild
 - **Capacity requirements** continue to grow
 - **Growing urban population** increases shortage and strain

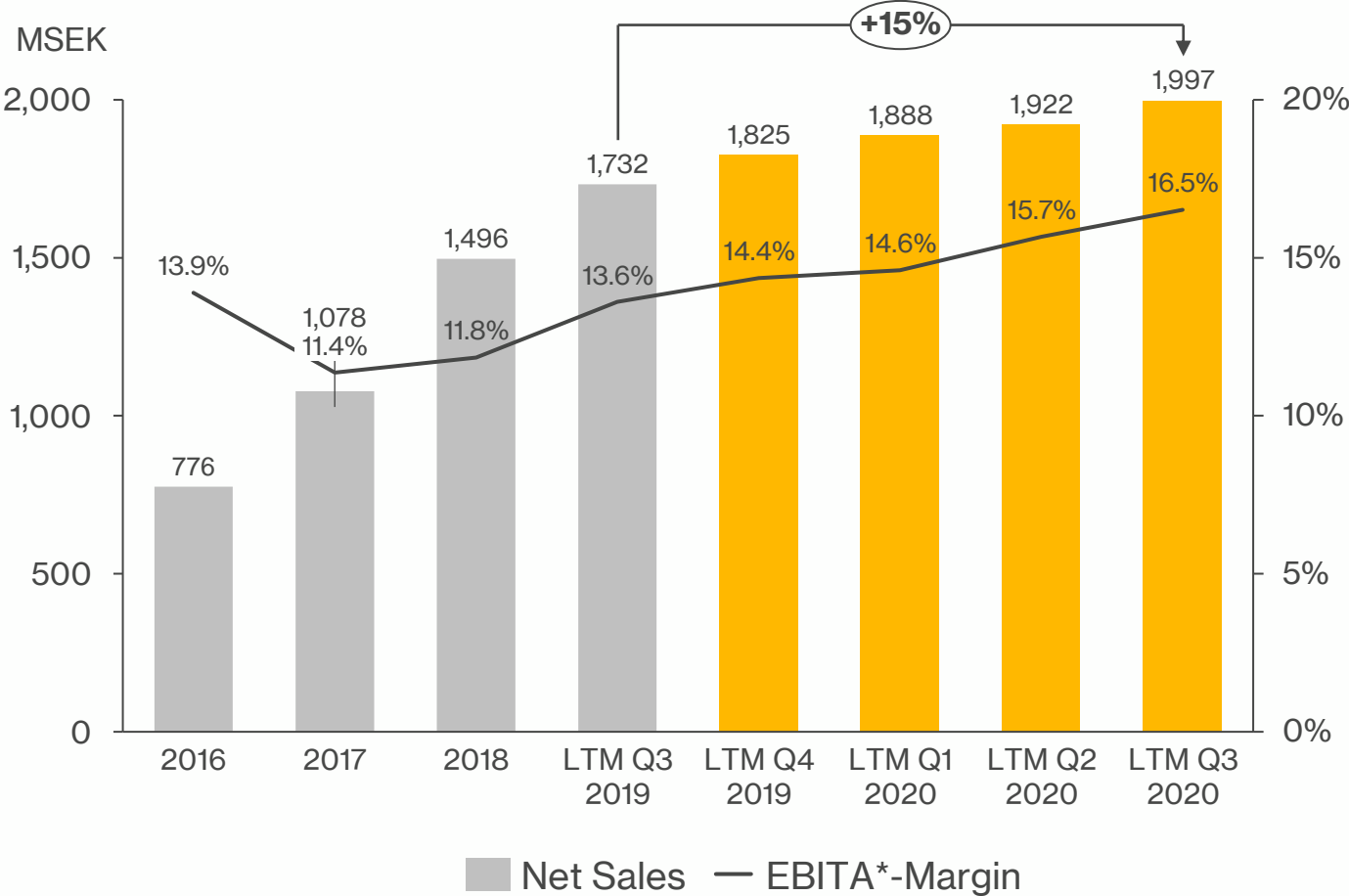


Business overview

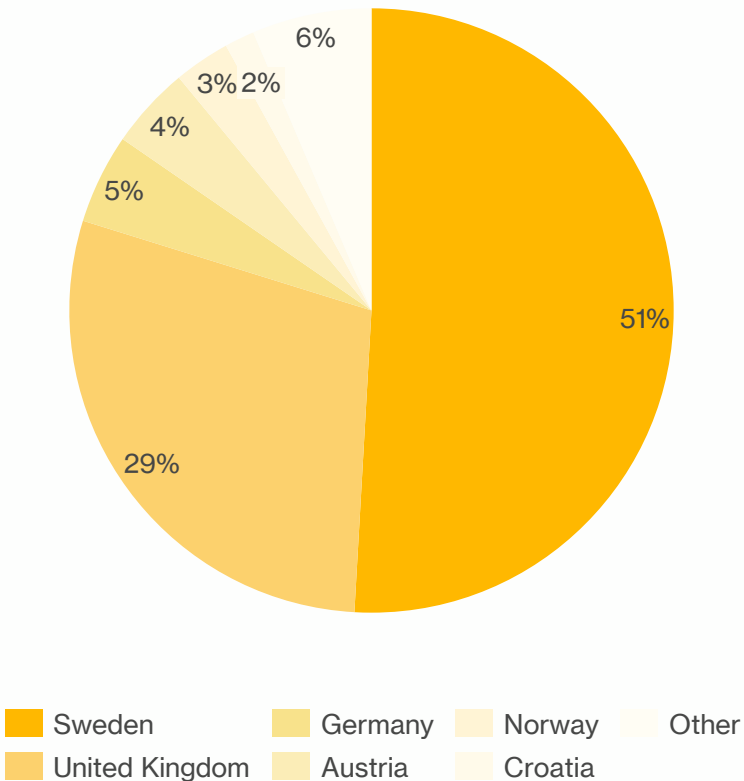
Market situation

➔ **Financial Development**

Group sales & EBITA*-margin

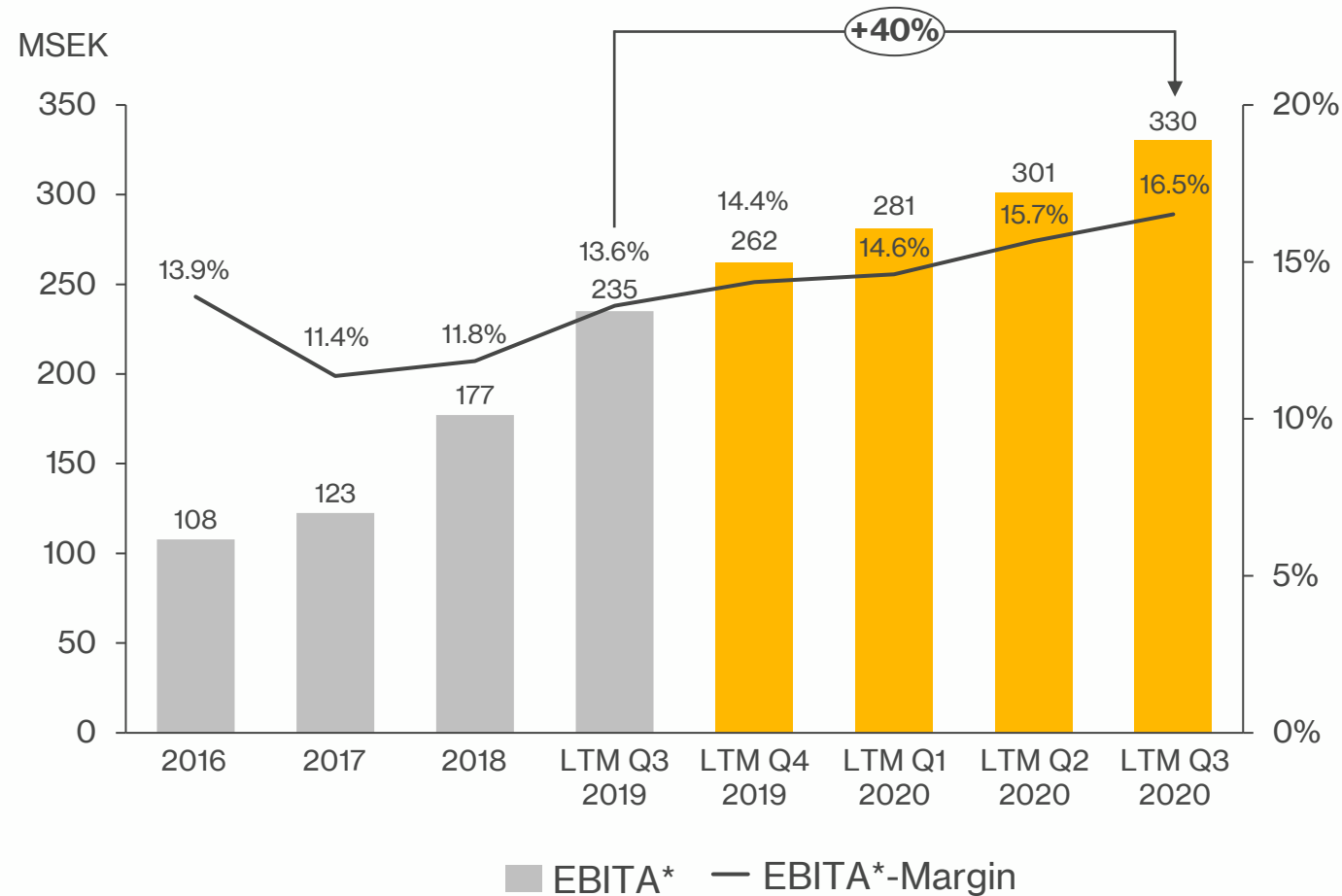


Sales by country



Sources: Sdiptech Financial reports, LTM Q3 2020

EBITA* & EBITA*-margin



Quarter

- Operating profit EBITA* increased by 45%.
- EBITA* margin of 18.0%.
- Organic EBITA* growth was 19%.

YTD

- Operating profit EBITA* increased by 38%.
- EBITA* margin of 18.0%.
- Organic profit growth of 18%
- Goal of 5–10 percent will be exceeded for 2020.

Quarter and LTM


Q3 2020

516SEKm
NET SALES
(+17%)

93SEKm
EBITA*
(+45%)

18%
EBITA*
MARGIN

2.44
EPS ¹⁾
SEK/Share

75SEKm
Cash flow, ops
(59% conv.)


**LTM Q3
2020**

1,997
SEKm
NET SALES
(+15%)

330SEKm
EBITA*
(+40%)

16.5%
EBITA*
MARGIN

6.81
EPS ¹⁾
SEK/Share

400SEKm
Cash flow, ops
(105% conv.)

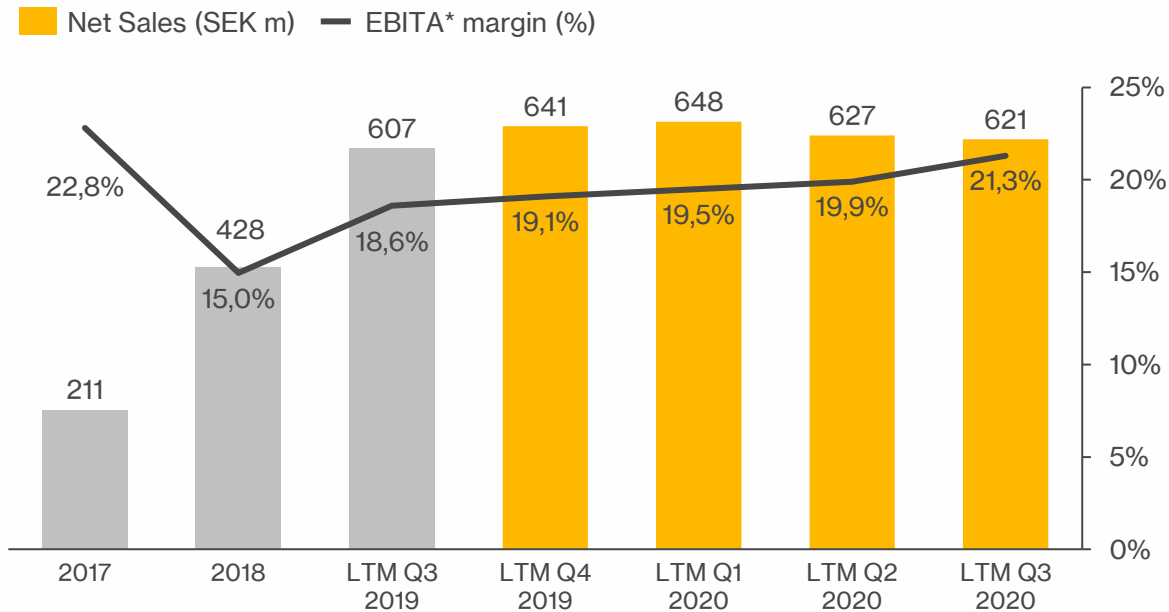
0.87 Net bank debt/EBITDA

2.62 Net debt/EBITDA ²⁾

1) EPS after dilution and deduction of dividends to preference shareholders

2) Net debt/EBITDA ratio: At a share of 46%, Net debt consists of debt related to “conditional considerations for acquisitions” (Swe: tilläggsköpeskillingar). These debts are sized for profit growth, i.e. current Net debt is based on future EBITDA levels higher than the current EBITDA levels used in the ratio.

Water & Energy



| | Q3 2020 (Q3 2019) | LTM Q3 2020 (LTM Q3 2019) |
|------------------|-------------------|---------------------------|
| Net Sales (SEKm) | 146.7 (152.5) | 621.4 (607.1) |
| EBITA* (SEKm) | 32.3 (25.3) | 132.1 (113.1) |
| EBITA* margin | 22.0% (16.6%) | 21.3% (18.6%) |

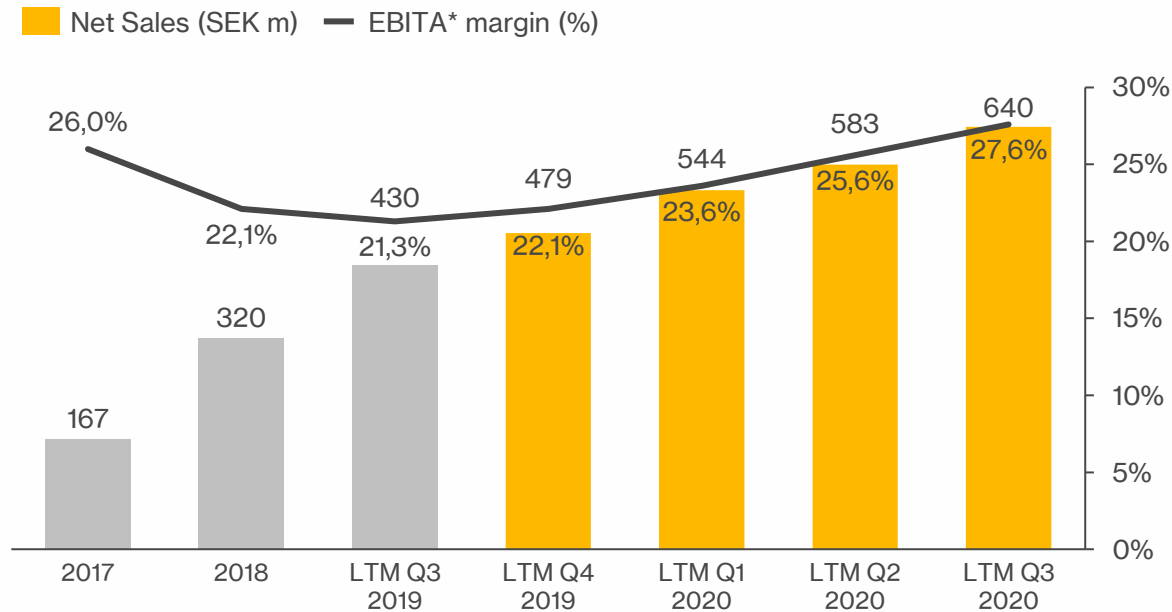
Quarter (all units comparable vs last year)

- Sales decreased by 4%.
- Continued stable demand,
- Some units within the sub-segment Energy saw temporary decrease in sales.
- EBITA* increased by 28%
- Strong profit trend in temporary electricity and water & sanitation.

Other

- The EBITA* margin guiding for the full year 2020 is increased from 17–20% to 19–21%.
- Acquisitions LTM Q3 2020: None
- Total number of units: 13

Special Infrastructure Solutions



| | Q3 2020 (Q3 2019) | LTM Q3 2020 (LTM Q3 2019) |
|------------------|-------------------|---------------------------|
| Net Sales (SEKm) | 180.8 (124.1) | 639.8 (429.5) |
| EBITA* (SEKm) | 53.3 (26.0) | 176.8 (91.5) |
| EBITA* margin | 29.5% (21.0%) | 27.6% (21.3%) |

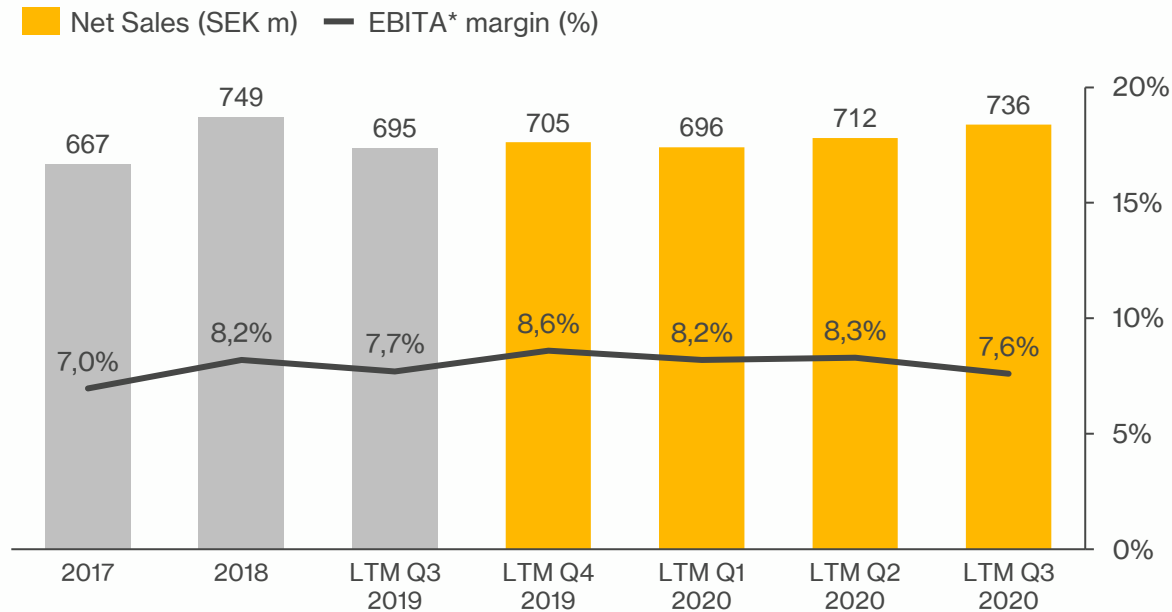
Quarter

- Strong growth in sales with 46% (10% in comparable units).
- Acquisitions and a good development in Air & Climate control contributed to the strong growth.
- EBITA* increased with 105% (+36% in comparable units).
- Several units at historically high profit margins due to scalable business models and cost reductions.

Other

- The EBITA* margin guiding for the full year 2020 is increased from 22–25% to 28–30%.
- Acquisitions LTM Q3 2020: Auger Site Investigations Ltd (August-19), Oy Hilltip Ab (June-20), Stockholmradio AB (June-20), Alerter Group Ltd (July-20).
- Total number of units: 12

Property Technical Services



| | Q3 2020 (Q3 2019) | LTM Q3 2020 (LTM Q3 2019) |
|------------------|-------------------|---------------------------|
| Net Sales (SEKm) | 188.4 (165.0) | 735.5 (695.4) |
| EBITA* (SEKm) | 15.0 (18.2) | 56.2 (53.8) |
| EBITA* margin | 8.0% (11.1%) | 7.6% (7.7%) |

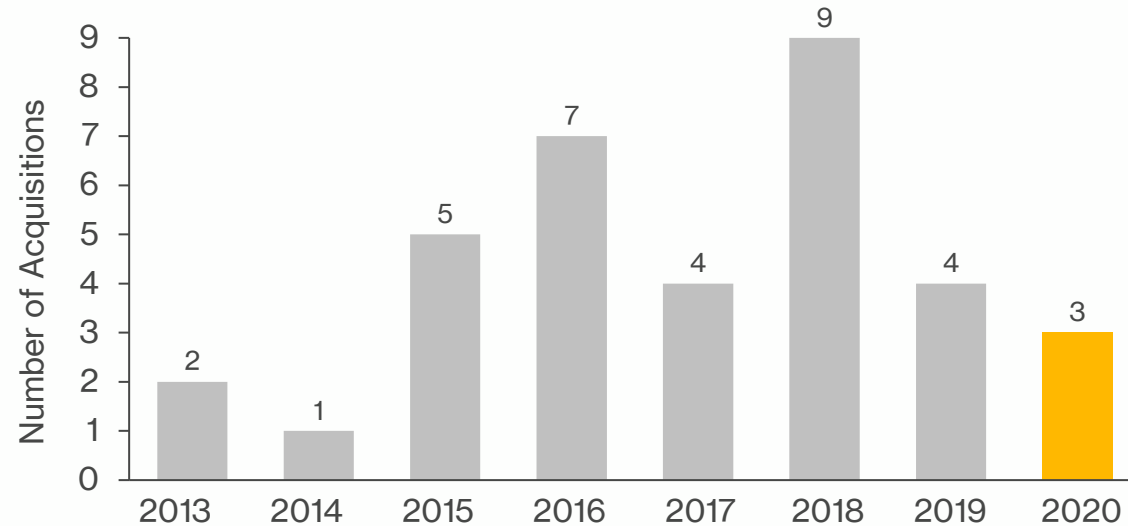
Quarter (all units comparable vs last year)

- Sales increased by 14%.
- The recovery from covid-19 has been faster than expected.
- EBITA* decreased with 18%.
- Good sales in business units within shell completion and some units within the sub-segment elevator.
- Business units in elevator and roof safety have seen lower profit margins, partly due to certain restructuring costs.

Other

- Guiding: EBITA* margin approx. 8-10% on a full-year basis.
- Acquisitions LTM Q3 2020: None.
- Total number of units: 9

Acquisitions



| Companies acquired since 2020 | | | | |
|-------------------------------|---------------------------------|--------|-------|--------|
| Company | Business Area | Region | EBITA | Period |
| Hilltip Oy | Special Infrastructure Solution | FI | 26 | Q2 |
| Stockholm Radio AB | Special Infrastructure Solution | SE | 1 | Q2 |
| Alerter Group Ltd | Special Infrastructure Solution | UK | 10 | Q3 |

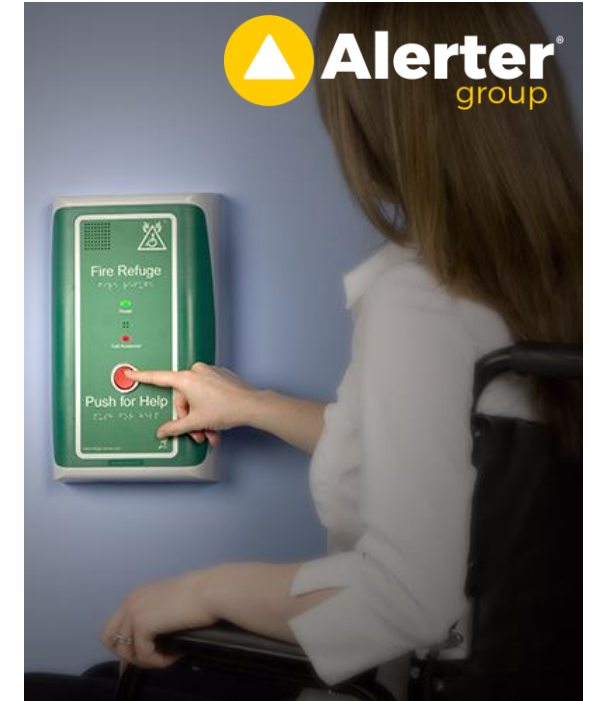
Activities

- Strong financial position with a good cash flow and solid credit facilities.
- So far acquired SEK 37 million EBITA.
- Acquisition target unchanged: SEK 90 million EBITA per year.
- The demand for these companies' products and services are continually strong, even in a recession.

Acquisitions in 2020 – Q3

Alerter Group Ltd

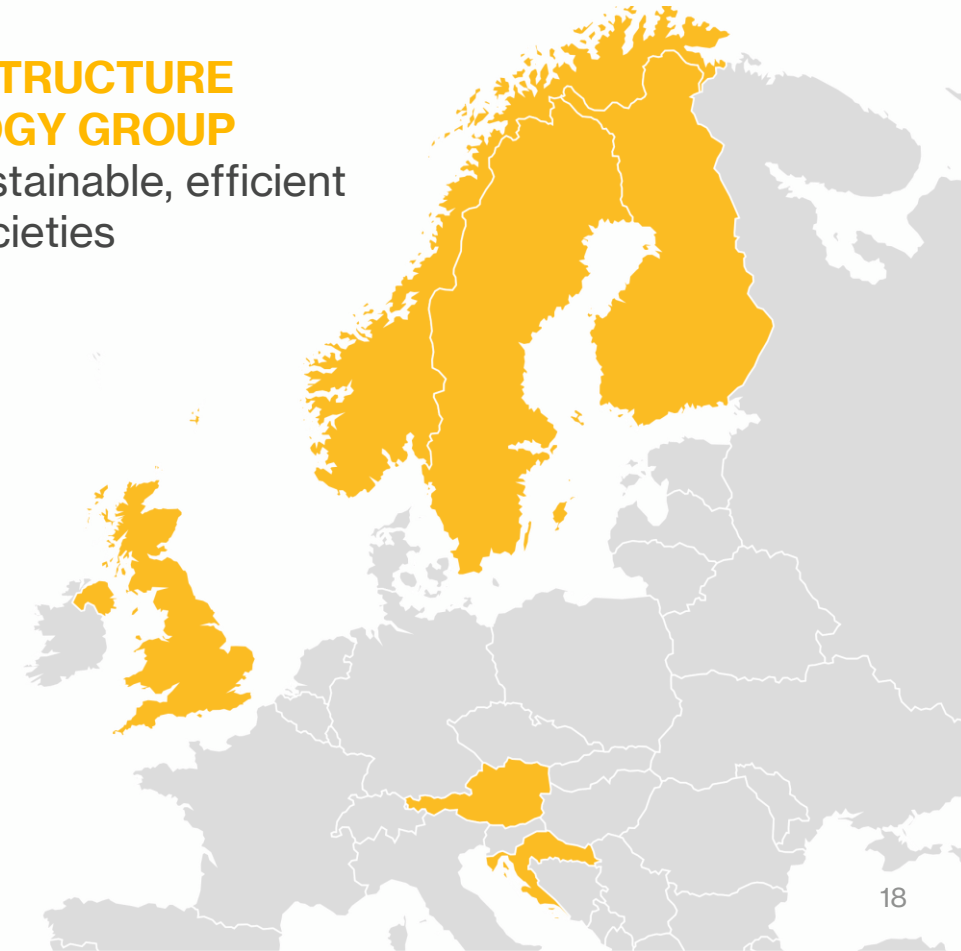
- Alerter Group specialise in radio-based fire alarm systems for deaf and hard of hearing, radio-based emergency disabled refuge systems.
- Their products help disabled people get a faster and safer chance to get out of a building, which could be a crucial factor in case of fire.
- Alerter Group contribute to a safer everyday life. Strong niche and market-leading position in the industry is well in line with our focus on creating more sustainable, efficient and safe societies.
- Included in Special Infrastructure Solutions and Sdiptech's 6th business unit in the UK.





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Units








Thank you for listening









Appendix

Management Team and Board of Directors

Management

| | | | | | |
|---|--|--|---|--|--|
|  | Jakob Holm CEO | 258,749 (Class B) 1,040 (Pref) 189,000 (Buy options) Axholmen, General Electric, Accenture M.Sc. KTH Royal Institute of Technology |  | Fredrik Navjord Head of Water & Energy | 18,345 (Class B) 52,500 (Buy options) Metric, Addtech, Volvo M.Sc. Chalmers University of Technology |
|  | Bengt Lejdström CFO | 50,000 (Class B) 500 (Pref) 68,400 (Buy options) Lagercrantz Group, Interim Justitia, Acando M.Sc. Stockholm School of Economics |  | Anders Mattsson Head of Special Infrastructure Solution | 68,400 (Buy options) Munters, Roland Berger, Bearingpoint M.Sc. Chalmers University of Technology |
|  | Steven Gilsdorf Head of Acquisitions | 2,485 (Class B) 68,400 (Buy options) GE Capital, Booz & Co., Bisnode MBA, London Business School | | | |

Board of Directors

| | | | | | |
|---|---|---|---|---|--|
|  | Jan Samuelson Chairman | 236,000 (Class B) 90,000 (Buy options) Resurs Holding, Stillfront Group, Accent Equity Partners, EF Education M.Sc. Stockholm School of Economics, LL.M. Stockholm University |  | Birgitta Henriksson Board Member | 4,600 (Class B) Fogel & Partner, Stillfront Group, Carnegie B.Sc. Business Administration Uppsala University |
|  | Ashkan Pouya Board Member | 4,300,000 (Class B) 1,000,000 (Pref) Serendipity Group B.Sc. Business Administration Uppsala University |  | Urban Doverholt Board Member | No holdings Assa Abloy, BAE Systems Hägglunds, M.Sc. KTH Royal Institute of Technology, IMD Lausanne |
|  | Johnny Alvarsson Board Member | 18,200 (Class B) Indutrade, Beijer Alma, Ericsson, Instalco, VBG M.Sc. Engineering Linköping University |  | Eola Änggård Runsten Board Member | No holdings AcadeMedia, EQT, SEB, B.Sc. Business Administration Stockholm School of Economics |

Ownership 30 Sep 2020

| Owner | SDIP A | SDIP B | PREF | CAPITAL % | VOTES % |
|----------------------------|-----------|------------|-----------|-----------|---------|
| Ashkan Pouya | 1,000,000 | 4,300,000 | | 15.0% | 26.8% |
| Saeid Esmaeilzadeh | 1,000,000 | 3,243,690 | | 12.0% | 24.8% |
| Swedbank Robur Fonder | | 3,467,000 | | 9.8% | 6.5% |
| Handelsbanken Fonder | | 2,900,000 | | 8.2% | 5.4% |
| Invesco | | 2,241,522 | | 6.3% | 4.2% |
| Danske Invest (Lux) | | 1,040,000 | | 2.9% | 1.9% |
| Nordnet Pensionsförsäkring | | 718,052 | 65,772 | 2.2% | 1.5% |
| ODIN Fonder | | 730,000 | | 2.1% | 1.4% |
| Cliens Fonder | | 708,302 | | 2.0% | 1.3% |
| Avanza Pension | | 478,641 | 195,950 | 1.9% | 1.3% |
| FORUM Family Office GmbH | | 651,982 | | 1.8% | 1.2% |
| Fredrik Holmström | | 625,021 | | 1.8% | 1.2% |
| Fidelity Investments (FMR) | | 545,384 | | 1.5% | 1.0% |
| Aktia Asset Management | | 537,319 | | 1.5% | 1.0% |
| Catella Fonder | | 428,183 | | 1.2% | 0.8% |
| Total | 2,000,000 | 31,641,827 | 1,750,000 | 100.00% | 100.00% |