



Interim report

1 January – 30 September 2022



SELECTED FINANCIAL INFORMATION

Period	Net sales	EBITA*	EBIT	Earnings for the period after tax	Earnings ¹⁾ per ordinary share after dilution
July-September 2022	856.8 MSEK (646.2)	170.8 MSEK (119.3)	176.5 MSEK (102.5)	126.5 MSEK (77.0)	3.43 Kr (2.05)
January-September 2022	2,487.7 MSEK (1,969.8)	475.5 MSEK (355.9)	469.9 MSEK (281.7)	321.1 MSEK (199.9)	8.68 Kr (5.53)
LTM September 2022	3,236.8 MSEK (2,574.1)	629.0 MSEK (456.8)	522.6 MSEK (358.8)	368.1 MSEK (242.8)	9.90 Kr (6.42)

1) based on average number of shares after deduction of minority interests and dividends to preference shareholders

THIRD QUARTER 2022

- Net sales increased by 33% to SEK 856.8 million (646.2). In total for the Group, organic sales change was -4.5%, where of currency effects of +1.0%.
- Operating profit EBITA* increased by 43% to SEK 170.8 million (119.3), corresponding to an EBITA* margin of 19.9% (18.5). Organic EBITA* change for the Group was -6.8%, where of currency effects of +2.0%.
- Operating profit, EBIT, increased by 72% and amounted to SEK 176.5 million (102.5). Changes in contingent considerations have contributed a net of SEK 28.9 million (-0.7).
- Profit after tax for the Group increased by 64% and amounted to SEK 126.5 million (77.0) during the period, of which 126.2 million (76.8) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 114.7 million (75.4), corresponding to a cash conversion of 59% (77).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 3.45 (2.07). After dilution, earnings per ordinary share amounted to SEK 3.43 (2.05).
- Operating profit, EBIT, increased by 67% and amounted to SEK 469,9 million (281.7). Changes in contingent considerations have contributed a net of SEK 61 million (-3.2).
- Profit after tax for the Group increased by 61% and amounted to SEK 321.1 million (199.9) during the period, of which SEK 320.3 million (199.2) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 363.2 million (141.9), corresponding to a cash conversion of 72% (50).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 8.72 (5.40). After dilution, earnings per ordinary share amounted to SEK 8.68 (5.35).
- During the period January to September acquisitions of Agrosistemi Srl, Temperature Electronics Ltd, Resource Data Management Ltd and e-I-m- Kragelund A/S was made. The acquisitions include the Group's first business units in Italy and Denmark.
- On March 8, management subscribed for 216,100 newly issued class B Sdipotech shares, which constituted the exercise of the long-term incentive program with warrants of series 2018/2022. The issue entails that the company has received SEK 14.5 million in equity. The total outstanding number of class B shares after the issue amounts to 33,601,348.

FIRST NINE MONTHS 2022

- Net sales increased by 26% to SEK 2,487.7 million (1,969.8) In total for the Group, organic sales growth was +5.9%, whereof currency effects of +4.0%.
- Operating profit EBITA* increased by 34% to SEK 475.5 million (355.9), corresponding to an EBITA* margin of 19.1% (18.1). Organic EBITA* change for the Group was -1.1%, where of currency effects of +3.6%.

SIGNIFICANT EVENTS AFTER REPORTING DATE

- No significant events are noted.

KEY RATIOS (for definitions, please refer to page 23) (SEK million)	3 months		9 months		12 months	
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan-Dec 2021
EBITA* margin	19.9%	18.5%	19.1%	18.1%	19.4%	18.7%
Financial net debt/EBITDA, multiple	1.80	1.05	1.80	1.05	1.80	1.20
Return on capital employed	11.5%	10.6%	11.5%	10.6%	11.5%	10.0%
Return on equity	14.0%	11.0%	14.0%	11.0%	14.0%	10.3%
Cash flow generation	59%	77%	72%	50%	80%	71%

) EBITA is the Group's adjusted operating profit, see also see page 24.



COMMENTS BY THE CEO

GOOD DEMAND AND CONTINUED MARGIN EXPANSION

Net sales grew by 33 percent during the quarter and amounted to SEK 857 M (646). At the same time, EBITA* increased by 43 percent to SEK 171m (119). The margin expansion continued as planned and the EBITA* margin grew to 19.9 percent (18.5). Excluding the electric car charger unit, in which the result was lower than last year after important investments, the Group's net sales increased organically by 2.8 percent excluding currency effects and EBITA* increased organically by 9.3 percent.

QUARTER

We can establish a strong performance of the Group in the quarter. Continued strong growth, continued margin expansion, and good organic growth for the Group in general. In addition, important investments in our business for electric car chargers have been put in place.

The Group's profitability continues to increase as planned and the EBITA* margin was 19.9 percent (18.5). Profitability increased in comparable units which shows that our measures to deal with inflation are working. Also, acquired units contributed positively. The margin is in line with previous communication that the Group's profitability will be established around 20 percent in EBITA* margin.

Given the larger investment we are making in 1 of our 37 business units, it is justified to look at the development in the other 36. Excluding the unit for electric car chargers, the Group grows organically in a satisfactory manner:

- Net sales increased organically 2.8 percent excl. currency
- EBITA* increased organically 9.3 percent excl. currency

This illustrates that demand from our customers remains stable and that we handle material shortages in a satisfactory way to secure deliveries to customers. As said, the profit increase shows that our measures to deal with inflation are working well.

Development of the business unit for electric car chargers

Our electric car charger unit in UK thus reported a lower result in the quarter than last year, mainly driven by a temporary drop in revenue. The reason is that the production of a new technology platform was delayed due to component shortages. The new technology meets, among other things, the new British regulations for electric car chargers that came into force on July 1. The delay affects parts of the product line. In addition, we are also moving production from China to the UK.

Production of the new technology is now underway, and volumes will be scaled up in the near future. Compared to last year, we expect lower revenue from electric car chargers also in the fourth quarter. The timing for investments in new technology and new production is good as we see that 2022 is a softer year as orders for new chargers have been hampered by a lack of new vehicles.

The new technology includes both new hardware and software and further sharpens our position with product features that are not currently on the market. With production at home, we double our capacity, shorten lead times, reduce our climate footprint and, not least, eliminate geopolitical risk exposure.

The deployment of charging infrastructure is facing significant growth. The UK has introduced a principled ban on new petrol and diesel cars from 2030. The UK Government estimates that home chargers need to increase from today's 170,000 to 6 million by 2030. It is difficult to know exactly how many charging points will be required, but the estimate gives an indication of the size of the pent-up need.

ACQUISITIONS

In the quarter, no new acquisitions were completed, which is entirely a matter of timing. Our pipeline is strong, and we look forward to welcoming additional well-managed companies to our group in the coming quarter.

In fact, this year we have stepped down from three out of seven acquisition processes that have begun. The companies in question were in many parts very good, but overall, they ultimately did not live up to the criteria we set for new companies. Stepping down from three out of seven given deals shows our discipline for quality.

OUTLOOK

Our order intake is still good. We believe that the impact of material shortages will continue to decrease and that we can continue to catch up with delayed order volumes. We have handled increased material prices well, which can be seen in the improvement in our EBITA* margin.

We work continuously to balance effective working capital with the goal of counteracting component deficiencies. In the quarter, cash flow amounted to 59 percent after extra build-up of safety stocks. But our cash generation remains strong and the 80 percent cash flow generation we have achieved over the past twelve months is representative of the Group.

As in the previous interim report, our acquisition pipeline is strong after a long period of processing of new markets. As we have already achieved SEK 125 million in acquired EBITA for 2022, we see good opportunities to exceed our annual acquisition target of SEK 120–150 million, without compromising our strong focus on quality.

By conclusion, I would like to extend a big thank you to all dedicated employees for your commitment and strong efforts.



Jakob Holm
CEO, Sdiptech AB (publ.)



OVERVIEW OF OPERATIONS

JULY - SEPTEMBER

Net sales

Net sales amounted to SEK 856.8 million (646.2) during the period. Sales in comparable units, amounted to SEK 616.4 million (646.2), which corresponded to an organic change of -4.5% for the period, whereof +1.0% in currency effects. Excluding the Group's unit for electric car chargers, however, organic growth was +2.8%, excl currency effects.

Non-comparable units contributed SEK 240.4 million (-) to net sales for the period. Also see Business areas, page 6, for more detailed information.

Earnings

Operating profit, EBIT, amounted to SEK 176.5 million (102.5) during the quarter. In the quarter, a revaluation of contingent consideration took place, resulting in other revenue, and thus increased EBIT, of SEK 28.9 million (-0.7), see further note 5.

Operating profit EBITA* amounted to SEK 170.8 million (119.3) in total for the Group, corresponding to an EBITA* margin of 19.9 (18.5). The margin gain stems from both organic growth and from acquired units.

EBITA* in comparable units, amounted to SEK 122.0 million (130.9), corresponding to an organic change of -6.8%, whereof +2.0% in currency effects. Excluding the Group's electric car charger unit, organic profit growth was +9.3% excluding currency effects. Non-comparable units contributed SEK 60.1 million (-) to the profit for the period.

Acquisition costs amounted to SEK 1.2 million (5.5) in connection with acquisition activities during the period.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -59.0 million (-34.0), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -17.7 million (-10.6).

Net financial items consist of exchange rate differences of SEK 9.6 million (5.5) and SEK -36.2 million (-12.2) in interest expense, of which discount rates relating to contingent considerations of SEK -9.6 million (-6.0). Other financial expenses amounted to SEK 0 million (-0.6). For more information, see Note 3.

Profit after tax increased by 64% and amounted to SEK 126.5 million (77.0).

Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 3.45 (2.07). After dilution, earnings per ordinary share amounted to SEK 3.43 (2.05).

JANUARY - SEPTEMBER

Net sales

Net sales amounted to SEK 2,487.7 million (1,969.8) during the period. Sales in comparable units, amounted to SEK 1,972.9 million (1,873.2), which corresponded to an organic change of +5.3% for the period, whereof +4.0% in currency effects. Non-comparable units contributed SEK 514.7 million (96.6) to Net sales for the period. Also see Business areas, page 6, for more detailed information.

Earnings

Operating profit, EBIT, amounted to SEK 469.9 million (281.7) during the period. Other income, regarding a revaluation of contingent consideration and a changed discount rate for contingent considerations, in the period amounted to SEK 61.1 million (-3.2), for more info see Note 5.

Operating profit EBITA* amounted to SEK 475.5 million (355.9) in total for the Group, corresponding to an EBITA* margin of 19.1% (18.1).

EBITA* in comparable units, amounted to SEK 385.1 million (389.1), which corresponded to an organic change of -1.1%, whereof +3.6% in currency effects. Non-comparable units contributed SEK 130.4 million (5.9) to the profit for the period.

Acquisition costs amounted to SEK 15.7 million (22.8) in connection with acquisition activities during the period.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -153.2 million (-99.4), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -46.6 million (-28.0).

Net financial items consist of exchange rate differences of SEK 6.3 million (16.6) and SEK -71.1 million (-35.0) in interest expense, of which discount rates relating to contingent considerations of SEK -21.4 million (-14.0). Other financial expenses amounted to SEK -1.7 million (-3.3). For more information, see Note 3.

Profit after tax increased by 61% and amounted to SEK 321.1 million (199.9). Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 8.72 (5.40). After dilution, earnings per ordinary share amounted to SEK 8.68 (5.35).

Acquisitions

During the first nine months of the financial year, Sdipotech made four acquisitions. On January 31, all shares were acquired in Agrosistemi Srl on January 31, 2022. The company specializes in the treatment and recovery of biological sludge originated by wastewater treatment. Agrosistemi has an annual turnover of EUR 8.5 million, and an operating income, EBIT, of EUR 2.0 million and is Sdipotech's first business unit in Italy. Agrosistemi and is part of the Resource Efficiency business area.

On 25 March 2022, Sdipotech acquired 91% of the shares in Temperature Electronics Ltd and TEL UK Ltd (TEL). The companies specialize in airflow control and monitors that can reduce energy usage by up to 85% for laboratories. TEL has an annual turnover of GBP 5.2 million, with good profitability. TEL is part of the Special Infrastructure Solutions business area.

On May 13, 2022, Sdipotech acquired all shares in Resource Data Management Ltd (RDM). The company specializes in control and monitoring of cooling and building management systems. RDM is an addition to Sdipotech's operations in cooling, air and climate control. Customer segments and technology complement our current market and offerings. Headquartered in Glasgow, RDM has annual sales of GBP 14 million and pre-tax operating profit of GBP 3.5 million. RDM is part of the Special Infrastructure business area.

On June 1, 2022, Sdipotech acquired 80% of the shares in e-l-m Kragelund A/S in Denmark. ELM develops and manufactures innovative tools for forklifts. The company is headquartered in

Kragelund, near Horsens, Denmark, and has an operating profit of approximately DKK 32 million. ELM is Sdiptech's first business unit in Denmark and is part of the Special Infrastructure Solutions business area.

Group EBITA* (SEK m)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan - Dec 2021
Water & Energy	65.2	64.7	218.3	174.8	293.1	249.6
Special Infrastructure Solutions	116.9	66.2	297.1	220.3	390.6	313.8
Business areas	182.2	130.9	515.4	395.1	683.7	563.4
Central units	-11.4	-11.6	-39.9	-39.1	-54.9	-54.1
Total	170.8	119.3	475.5	355.9	629.0	509.3

BUSINESS AREAS AND CENTRAL UNITS

Infrastructure is in focus around the world for many reasons. Examples of areas we have identified as particularly important for the development of society, and that therefore are showing good demand, are water and sanitation, power and energy, bioeconomy, waste management, air & climate control, transport and safety and security. We have therefore for a long time directed our acquisition work towards these areas. Apart from previously identified areas water and sanitation and power and energy we have chosen to add bioeconomy and waste management. In connection with this, the Water & Energy business area changed name to Resource Efficiency as of January 2022.

During the previous financial year, seven out of a total of nine units in the business area Property Technical Services were divested, whereupon a re-organization resulted in the remaining operations being reported under Special Infrastructure Solutions as of the third quarter of 2021.

For a description of the business areas' operations and which companies are included in each business area, see Description Business areas, page 22.

RESOURCE EFFICIENCY

Comments on the financial performance:

The business area's sales increased by 10% for the quarter to SEK 283.9 million (258.5) compared to the previous year. The increase in sales is mainly due to acquisitions and good sales in most units in the business area. However, the Group's operations in charging equipment for electric vehicles had a weaker development, mainly driven by a temporary loss on the revenue side. The reason is that the production launch of a new technology platform was delayed due to component shortages. Production of the new technology is now underway. In addition to new features, the new technology meets the UK regulations for electric car chargers, which were updated on 1 July.

EBITA* for the quarter increased by 0.8% to SEK 65.2 million (64.7). The weaker development in the business unit for charging equipment for electric vehicles was fully compensated by growth attributable to acquired units and to good organic profit development in the majority of other units within the business area.

The EBITA* margin during the quarter decreased to 23.0% (25.0) due to the effect of the lower sales in the Group's charging equipment for electric vehicles.

Resource Efficiency (SEK m)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan-Dec 2021
Net sales	283.9	258.5	961.1	726.9	1,262.4	1,028.2
EBITA*	65.2	64.7	218.3	174.8	293.1	249.6
EBITA* margin %	23.0%	25.0%	22.7%	24.0%	23.2%	24.3%

SPECIAL INFRASTRUCTURE SOLUTIONS

Comments on the financial performance:

The business area's sales in the quarter increased by 48% to SEK 572.9 million (387.8). The increase in sales is mainly due to acquisitions and good sales in several units. Not the least the Group's operations in road maintenance equipment, especially for wintertime, had a strong development. However, the operations in transport cooling solutions, and tools for forklifts, experienced difficulties in delivering their products due to customers lack of vehicles.

EBITA* for the quarter increased by 77% to SEK 117.0 million (66.2), mainly through contributions from acquired units and continued good development in, among other units, the Group's operations for road maintenance equipment.

The EBITA* margin increased during the quarter to 20.4% (17.1), primarily through contributions from acquired entities, but also from organic profit development in the majority of other units in the business area.

Special Infrastructure Solutions (SEK m)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan-Dec 2021
Net sales	572.9	387.8	1 526.6	1 243.1	1,974.2	1,690.7
EBITA*	117.0	66.2	297.1	220.3	390.6	313.8
EBITA* margin %	20.4%	17.1%	19.5%	17.7%	19.8%	18.6%

CENTRAL UNITS – GROUP-WIDE FUNCTIONS

Central units consist of the Group's parent company, Sdipotech AB and the Group's holding companies. The Parent Company's revenue consists of management fees, directed to the subsidiaries for the Parent Company's services. The costs consist of costs for central functions such as management, acquisition teams, group finance and other central functions.

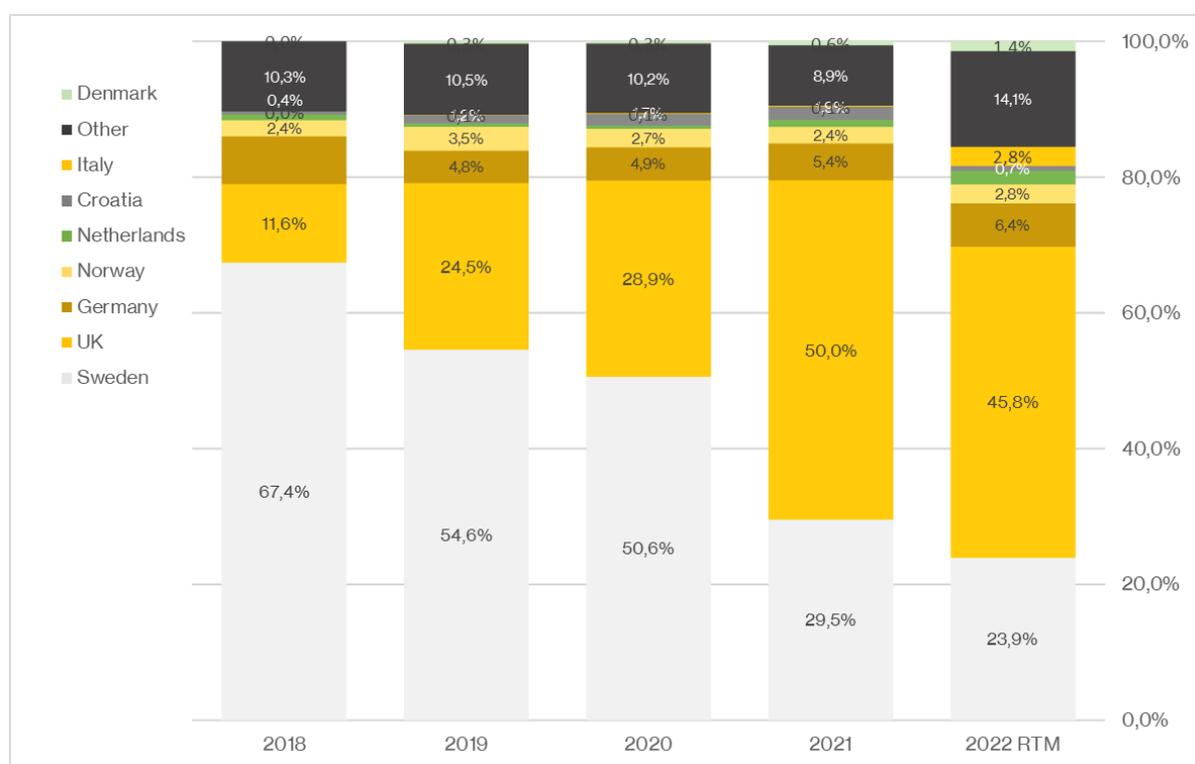
Comment:

EBITA* was SEK -11.4 million (-11.6) for the quarter.

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan-Dec 2021
Group-wide functions and eliminations (SEK m)						
EBITA*	-11.4	-11.6	-39.9	-39.1	-54.9	-54.1

GEOGRAPHICAL DISTRIBUTION OF SALES

Over the years, Sdipotech has acquired units outside Sweden; in Norway, Finland, the UK, and Croatia (with significant operations in Germany) and during the last 12 months also in the Netherlands, Italy and Denmark. The Group's business units have customers primarily locally and regionally in their respective geographies, but some exports also occur. Below are the Group's sales, broken down by the geographies where the customers have their main operations.



COMMENTS ON THE FINANCIAL DEVELOPMENT

FINANCIAL POSITION JANUARY - SEPTEMBER

Cash Flow

Cash flow from operating activities after changes in working capital, amounted to SEK 363.2 million (141.9) during the period. Cash flow generation, expressed as a percentage of profit before tax adjusted for non-cash items, increased during the period to 72% (50). Cash flow from the good earnings is burdened during the period by continued inventory build-up to ensure capacity for the increased sales and uncertainties mainly linked to possible component shortages. During the period, this inventory build-up amounted to SEK 91.9 million (40.0).

Cash flow from investing activities amounted to SEK -1,218.1 million (-709.5). The cash flow effect of completed acquisitions during the period amounted to SEK 850.8 million (-820.5), also see Note 6. Cash flow related to payment of contingent considerations on acquisitions from previous years, including both instalments as well as final settlement, amounted to SEK -222.8 million (-106.3) during the period. Investments in property, plant and equipment amounted to SEK 67.9 million (-17.3) and investments in intangible fixed assets of SEK 65.6 million (-2.2) were made during the period. The latter primarily concerns the development of the next generation of electric car chargers.

Cash flow from financing activities amounted to SEK 867.4 million (553.5). The redemption of warrants of series 2018/2021 contributed SEK 14.5 million to equity (13.3). Gross borrowing amounted to SEK 1,702.0 million (657.1) while amortisation has been made of -797.7 (-542.8). Dividend on the preference share amounted to SEK -10.5 million (-10.5).

Liabilities

Interest-bearing liabilities including contingent considerations and lease liabilities amounted to SEK 3,678.5 million (1,907.5). The two largest items within interest-bearing liabilities consisted of SEK 2,162.5 million (785.8) in liabilities to credit institutions, and SEK 1,261.4 million (937.2) in deferred payments of purchase prices for acquisitions, so-called contingent consideration payments.

These contingent considerations are classified as interest-bearing as they are presented at net present value, but they do not give rise to any actual interest payments that are charged to the Group's cash flow. However, a discounted interest rate is booked as a financial expense for the period. The Group's Financial expenses includes this interest rate of SEK -21.4 million (-14.0) for the period.

Revaluation of liabilities relating to contingent considerations has resulted in an income of SEK 61.1 million which includes revaluation related ongoing contingent purchase prices of SEK 30.0 million and revaluation in the final settlement of agreed contingent consideration of SEK -6.9 million (-3.2) and an increase in the discount rate of one percentage point, which entails a reduced debt of SEK 38.0 million (-). The contingent consideration payments are recognised in accordance with IFRS at the present value of the estimated fair value based on the remaining term and expected outcome. The remeasurement is recognised net under other income or other external expenses.

During the period, the result was charged with SEK -3.5 million (-2.7) regarding discount rates in accordance with IFRS 16 regarding leasing liabilities.

Net debt, consisting of interest-bearing liabilities less cash and cash equivalents in remaining operations, amounted to SEK 3,290.0 million (1,626.2).

The financial net debt, according to the calculation method above but only for liabilities to credit institutions, amounted to SEK 1,774.0 million (504.5).

The key ratio Financial net debt in relation to EBITDA, which is calculated on a rolling twelve-month basis, amounted to 1.80 (1.05) as of September 30.

Financing

The Group renewed its credit agreements in the second quarter of 2022. These agreements, with two different financial institutions, run for three years with an option to extend. The agreed credit volume currently amounts to a total of SEK 2,100 million and GBP 36 million (corresponding to approximately SEK 450m). In addition, there is the possibility of additional financing within the framework of the agreements. The credits run at variable interest rates in 3-6 months intervals. However, the Group has agreements on so-called interest rate swaps, corresponding to approximately 20% of the agreed credit volume, with a 2-year maturity. In addition, the Group uses currency swaps, for a balanced exposure to GBP and EUR. Currently, these volumes amount to approximately SEK 583 million and SEK 350 million respectively.

Parent Company

The Parent Company Sdiptech AB's internal net sales, containing mainly, management fee amounted to SEK 13.7 million (11.5) for the period and profit after financial items amounted to SEK -21.7 million (-45.0).

OTHER INFORMATION

Employees

The number of employees at the end of September was 2,024 (1,629). Acquisitions completed during the last twelve months increased the number of employees by 405.

Incentive programme

Incentive programs for executives and senior executives in the Group in the form of warrants were introduced in 2018, divided into three series: series 2018/2021, series 2018/2022 and series 2018/2023. In 2021, a corresponding incentive program was introduced for warrants of series 2021/2024. At the 2022 AGM, it was decided on another program, series 2022/2025. However, this will not be implemented.

Series 2018/2022 was redeemed in March 2022 and newly issued shares were subscribed for, whereby the Group received SEK 14.5 million in equity. Series 2018/2021 was redeemed in March 2021 and newly issued shares were subscribed for, whereby the Group received SEK 13.3 million in equity.

As of September 30, 190,590 warrants of series 2018/2023 and 325,981 warrants of series 2021/2024 are outstanding, after repurchases. The subscription price for new Class B shares subscribed for under these warrants amounts to SEK 75.20 and 463.00 SEK per share, respectively.

Risks and uncertainty factors

Through its operations, the Group and the Parent Company are exposed to various types of financial risks, mainly related to loans and receivables. The financial risks consist of:

- Liquidity- and financing risk
- Interest rate risk
- Currency risk
- Customer- and counterparty risk

In February 2022, Russia's armed forces invaded Ukraine, which apart from causing great human suffering also affecting global trade and the financial markets. For Sdiptech, however, the

direct business exposure in Russia and Ukraine is negligible. In addition to this, we see no significant impact on demand. Ultimately, the long-term economic consequences, including the consequences for the financial markets in general and the Group in particular, depend on the duration of the crisis and the measures taken by governments, central banks, and other public authorities. Should the situation worsen because of the war in Ukraine, risks such as increased raw material and energy prices, component shortages and availability problems can materialize and have a negative impact on the Group's possibilities to conduct its business, which would have a negative effect on the Group's earnings and financial position.

During 2022, inflation has risen sharply in most of the countries in which the Group's companies operate. This has resulted in higher prices for inputs and personnel for the Group's companies. Most of the cost increases have been or will be compensated for by increased prices towards the customer.

However, there is a certain delay between these events, as the Group's companies to some extent have contracts with customers that regulate these processes over time. Rising inflation has also led central banks to raise their key interest rates, with increased borrowing costs as a result. This affects the Group to the extent that loan interest rates are variable

For more detailed information on risk factors, please refer to Note 16 of the Annual Report 2021.

Related-party transactions

No related party transactions occur within the group.

Events after the end of the reporting period

No significant events after the end of the reporting period.

CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan - Dec 2021
Net sales	2	856.8	646.2	2,487.7	1,969.8	3,236.8	2,718.9
Other operating income	2	33.3	3.6	75.0	16.4	81.7	23.1
Total income		890.1	649.8	2,562.7	1,986.2	3,318.5	2,742.0
Operating expenses							
Materials, contracting and subcontracting		-333.1	-285.5	-994.9	-832.2	-1,315.3	-1,152.6
Other external expenses		-68.8	-53.0	-220.5	-205.8	-332.6	-317.9
Employee expenses		-252.7	-174.8	-724.2	-567.1	-922.6	-765.5
Depreciation and amortisation of tangible non-current assets		-35.9	-21.3	-91.5	-64.9	-117.0	-90.4
Depreciation and amortisation of intangible non-current assets		-23.1	-12.7	-61.7	-34.5	-78.4	-51.2
Operating profit		176.5	102.5	469.9	281.7	552.6	364.4
Profit/loss from financial items	3						
Financial income		10.0	5.6	6.7	17.5	1.0	11.8
Financial expenses		-29.7	-12.7	-72.7	-38.2	-85.7	-51.2
Profit after financial items		156.8	95.4	403.9	261.0	467.9	325.0
Tax on profit for the period		-30.3	-18.4	-82.8	-61.1	-99.8	-78.1
Profit for the period		126.5	77.0	321.1	199.9	368.1	246.9
Profit attributable to:							
Parent Company's shareholders		126.2	76.8	320.3	199.2	367.0	245.9
Non-controlling interests		0.3	0.2	0.8	0.7	1.1	1.0
Earnings per share (average number), attributable to the Parent Company's shareholders during the period, less dividends to preference shareholders (in SEK per share)							
Earnings per share (before dilution)		3.45	2.07	8.72	5.40	9.95	6.62
Earnings per share (after dilution)		3.43	2.05	8.68	5.35	9.90	6.55
EBITA*		170.8	119.3	475.5	355.9	629.0	509.3
Average number of common shares		35,600,421	35,363,927	35,534,656	34,945,355	35,491,623	35,050,858
Average number of common shares after dilution		35,730,541	35,704,145	35,678,929	35,275,074	35,640,896	35,385,015
Number of ordinary shares at the end of the period		35,601,348	33,363,927	35,601,348	35,363,927	35,601,348	35,363,927

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan - Dec 2021
Profit for the period	126.5	77.0	321.1	199.9	368.1	246.9
Other comprehensive income for the period						
Changes in accumulated translation differences	4.7	3.6	37.2	34.8	57.9	55.5
Comprehensive income for the period	131.2	80.6	358.3	234.7	426.0	302.4
Attributable to:						
Parent Company's shareholders	130.9	80.4	357.5	234.0	424.9	301.4
Non-controlling interest	0.3	0.2	0.8	0.7	1.1	1.0

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
Non-current assets				
<i>Intangible non-current assets</i>				
Goodwill	4	3,985.5	2,771.7	3,183.3
Other intangible assets		1,022.7	528.7	664.8
<i>Tangible non-current assets</i>				
Tangible non-current assets		358.5	214.2	239.6
Right-of-use assets		254.7	180.7	195.9
<i>Financial non-current assets</i>				
Other financial non-current assets		10.9	11.0	10.6
Total non-current assets		5,632.2	3,706.3	4,294.2
Current assets				
Completed products and goods for resale		531.9	313.5	323.7
Accounts receivable		644.9	472.3	498.2
Other receivables		102.4	47.1	66.3
Current tax assets		36.9	24.0	40.9
Prepaid expenses and accrued income		172.0	83.3	99.8
Cash and cash equivalents		388.5	281.3	368.8
Total current assets		1,876.5	1,221.5	1,397.7
Total assets		7,508.7	4,927.8	5,691.9
Shareholders' equity				
Shareholders' equity attributable to Parent Company's shareholders				
Share capital		0.9	0.9	0.9
Other contributed capital		1,576.1	1,555.0	1,555.8
Reserves		0.9	0.9	0.9
Profit/loss brought forward including earnings for the period		1,313.8	910.5	966.8
Total equity attributable to Parent Company's shareholders		2,891.7	2,467.3	2,524.4
Non-controlling interests		5.5	4.4	4.8
Total shareholders' equity		2,897.2	2,471.8	2,529.1
Long term liabilities				
Interest-bearing long-term liabilities	5	3,337.9	1,579.5	2,082.9
Non-interest-bearing long-term liabilities		228.3	125.0	150.9
Total long term liabilities		3,566.2	1,704.5	2,233.8
Short term liabilities				
Interest-bearing short-term liabilities	5	340.6	328.0	413.2
Non-interest-bearing short-term liabilities		704.6	423.4	515.8
Sum short term liabilities		1,045.2	751.4	929.0
Total liabilities		4,611.4	2,445.9	3,162.8
Total shareholders' equity and liabilities		7,508.7	4,927.8	5,691.9

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(SEK m)	Shareholders' equity attributable to Parent Company shareholders					Total	Non-controlling interests	Shareholders' equity
	Note	Share capital	Other contr. capital	Reserves	Retained earnings			
Opening balance, January 1 2021		0.9	1.062.1	0.9	651.6	1.715.5	40.1	1.755.6
Income for the period		-	-	-	199.2	199.2	0.7	199.9
Other comprehensive income for the period		-	-	-	34.6	34.6	0.2	34.8
Total income for the period		-	-	-	233.8	233.8	0.9	234.7
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-10.5	-10.5	-	-10.5
Share issue of ordinary shares series B		-	485.8	-	-	485.8	-	485.8
Share issue expenses		-	-8.9	-	-	-8.9	-	-8.9
Share premiums		-	16.1	-	-	16.1	-	16.1
Change in non-controlling interests		-	-	-	35.6	35.6	-35.6	-
Dividend paid to non-controlling interests		-	-	-	-	-	-1.0	-1.0
Total shareholder transactions		-	492.9	-	25.1	518.0	-36.6	481.4
Closing balance, September 30 2021		0.9	1,555.0	0.9	910.5	2,467.3	4.4	2,471.8
Opening balance, October 1 2021		0.9	1,555.0	0.9	910.5	2,467.3	4.4	2,471.8
Income for the period		-	-	-	46.7	46.7	0.3	47.0
Other comprehensive income for the period		-	-	-	20.7	20.7	-	20.7
Total income for the period		-	-	-	67.4	67.4	0.3	67.7
Shareholder transactions								
Share premiums		-	0.8	-	-	0.8	-	0.8
Dividend paid to preference shareholders	7	-	-	-	-3.5	-3.5	-	-3.5
Dividend paid to non-controlling interests		-	-	-	-7.6	-7.6	-	-7.6
Total shareholder transactions		-	0.8	-	-11.1	-10.3	-1.0	-10.3
Closing balance, December 31 2021		0.9	1,555.8	0.9	966.8	2,524.4	4.7	2,529.1
Opening balance, January 1 2022		0.9	1,555.8	0.9	966.8	2,524.4	4.7	2,529.1
Income for the period		-	-	-	320.3	320.3	0.8	321.1
Other comprehensive income for the period		-	-	-	37.2	37.2	-	37.2
Total income for the period		-	-	-	357.5	357.5	0.8	358.3
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-10.5	-10.5	-	-10.5
Share issue of ordinary shares series B		-	20.7	-	-	20.7	-	20.7
Share premiums		-	-0.3	-	-	-0.3	-	-0.3
Total shareholder transactions		-	20.4	-	-10.5	9.9	-	9.9
Closing balance, September 30 2022		0.9	1,576.1	0.9	1,313.8	2,891.7	5.5	2,897.2

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Continued operations					
Earnings after financial items	156.8	95.4	403.9	261.0	325.0
Adjustment for items not included in cash flow ¹⁾	38.3	2.7	101.5	23.0	214.7
Paid taxes	-30.1	-9.6	-76.4	-88.3	-94.1
Cash flow from continuing operations before change in working capital	165.0	88.5	429.0	195.7	445.6
Cash flow from change in working capital					
Increase(-)/decrease(+) in stock	-25.5	-10.2	-91.9	-40.0	-39.4
Increase(-)/decrease(+) in operating receivables	-27.6	15.2	-4.2	-31.5	-45.7
Increase(+)/decrease(-) in operating liabilities	2.8	-18.1	30.3	17.7	24.8
Cash flow from current operations	114.7	75.4	363.2	141.9	385.3
Investing activities					
Acquisitions of subsidiaries	-17.0	-123.2	-850.8	-820.5	-1,160.4
Acquisitions of subsidiaries, paid contingent considerations	-30.9	-0.7	-222.8	-106.3	-108.9
Divestment of subsidiaries	-	-	-11.0	-71.2	-71.2
Consideration paid for divestment of subsidiaries	-	-	-	381.7	381.7
Acquisition of non-controlling interest	-	-	-	-73.7	-73.7
Acquisitions of intangible non-current assets	-49.1	-	-65.6	-2.2	-8.9
Acquisitions of tangible non-current assets	-28.5	-8.9	-67.9	-17.3	-42.2
Cash flow from investing activities	-125.5	-132.8	1 218.1	-709.5	-1,083.6
Financing activities					
Warrant program	-0.3	-0.4	-0.3	16.1	16.8
New share issue	6.5	-	21.0	476.9	477.0
Loans raised	-	-	1 702.0	657.1	1,090.4
Amortisation of loans	-13.2	-11.9	-797.9	-542.8	-736.3
Amortisation of lease liability	-27.8	-13.7	-46.9	-43.3	-57.3
Dividends paid	-3.5	-3.5	-10.5	-10.5	-20.6
Cash flow from financing activities	-38.3	-29.5	867.4	553.5	770.0
Cash flow for the period	-49.1	-86.9	12.5	-14.1	71.7
Cash and cash equivalents at beginning of year	436.3	369.5	368.8	279.5	279.5
Exchange rate difference in cash and cash equivalents	1.3	-1.3	7.2	15.9	17.6
Cash and cash equivalents at end of period	388.5	281.3	388.5	281.3	368.8

1) Adjustment for items included in profit or loss after financial items but which are not cash flow affecting consists substantially without depreciation and amortization of, and revaluation of, contingent considerations,

PARENT COMPANY INCOME STATEMENT

(SEK m)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan - Dec 2021
Net sales	4.6	3.8	13.7	11.5	17.5	15.4
Other operating income	-	-	0.7	-	0.7	-
Total income	4.6	3.8	14.4	11.5	18.2	15.4
Operating expenses						
Other external expenses	-4.6	-5.4	-15.8	-20.6	-21.4	-26.2
Employee expenses	-9.9	-8.8	-34.2	-30.3	-45.1	-41.3
Depreciation of tangible and intangible non-current assets	-0.2	-0.1	-0.5	-0.4	-0.6	-0.6
Operating profit	-10.1	-10.5	-36.1	-39.8	-49.0	-52.7
Profit/loss from financial items						
Result from participation in Group companies	-	-	-	-19.0	-	-19.0
Result from participation in associated companies	-	-	-	3.6	-	3.6
Financial income	4.5	2.1	14.6	10.5	18.8	14.8
Financial expenses	-	-0.1	-0.2	-0.3	-0.3	-0.4
Profit/loss after financial items	-5.6	-8.6	-21.7	-45.0	-30.5	-53.7
Group contributions received	-	-	-	-	75.0	75.0
Group contributions provided	-	-	-	-	-27.5	-27.6
Tax on profit	0.3	-	0.6	-	0.6	-
Profit/loss for the period	-5.3	-8.6	-21.2	-45.0	17.4	-6.3

PARENT COMPANY BALANCE SHEET

(SEK m)	30 Sep 2022	30 Sep 2021	31 Dec 2021
Non-current assets			
<i>Intangible non-current assets</i>			
Other intangible non-current assets	0.1	0.2	0.2
<i>Tangible non-current assets</i>			
Tangible non-current assets	1.3	1.6	1.5
<i>Financial non-current assets</i>			
Financial non-current assets	0.5	25.6	25.7
Receivables, Group companies	1,841.0	1,765.8	1,683.0
Total non-current assets	1,842.9	1,793.2	1,710.3
Current assets			
Receivables, Group companies	941.6	790.5	1,162.0
Trade receivables	0.3	0.3	0.3
Other receivables	0.8	1.7	1.2
Prepaid expenses and accrued income	2.8	3.1	3.3
Cash and cash equivalents	6.3	17.0	6.1
Total current assets	951.8	812.7	1,172.8
Total assets	2,794.7	2,605.9	2,883.2
Shareholders' equity			
Share capital	0.9	0.9	0.9
Share premium reserve	1,576.2	1,555.0	1,555.8
Retained earnings including profit/loss for the period	184,6	180.5	215.7
Total shareholder's equity	1,761.7	1,736.4	1,772.4
Liabilities			
Short-term liabilities to Group companies	761.0	721.2	664.0
Short-term liabilities	6.5	43.5	91.4
Total liabilities	265.6	104.8	355.3
Total equity and liabilities	1,033.1	869.5	1,110.8
Shareholders' equity	2,794.7	2,605.9	2,883.2

NOTES

ACCOUNTING PRINCIPLES IN ACCORDANCE WITH IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (EU). This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Annual Accounts Act.

The Interim Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, which is in accordance with the provisions of RFR 2, Accounting for Legal Entities.

The same accounting principles and calculation bases have been applied for the Group and the Parent Company as in the preparation of the most recent annual report for the 2021 financial year.

As a result of rounding off, differences in summaries may appear in the interim report.

New and amended standards for the financial year 2022

New or amended IFRS are not expected to have any significant effects.

NOTE 1 IMPORTANT ESTIMATES AND ASSUMPTIONS ON APPLICATION OF THE GROUP'S ACCOUNTING PRINCIPLES

Estimates and assumptions are continuously assessed based on historical experience and other factors, including expectations of future events considered reasonable under prevailing conditions. For more detailed information, please refer to Note 1 of the Annual Report 2021.

Valuation of financial assets and liabilities

Estimates of fair value in the operations primarily affect the Group's goodwill, liabilities related to deferred payments on acquisitions and the Parent Company's shareholdings in subsidiaries. Goodwill is reported in the consolidated balance sheet at acquisition value minus any accumulated write-downs. Financial assets and liabilities in the balance sheet are reported at acquisition value, unless otherwise stated.

In the case of acquisitions, components of the purchase consideration are usually linked to the acquired company's financial results for a period after the acquisition. The book value of liabilities to sellers in the form of contingent consideration can be affected both positively and negatively because of assessments of each company's financial results for the remaining period. Liabilities for contingent additional purchase prices that arise in business acquisitions are measured at fair value through profit or loss.

NOTE 2 SEGMENT REPORTING

Sdiptech reports profit from operations in two segments: Resource Efficiency and Special Infrastructure Solutions.

RESOURCE EFFICIENCY

Companies within Resource Efficiency provide niche products and services that contribute to the use of resources, such as water, energy, minerals, forest and food, in an efficient and sustainable way. The main geographic markets are northern Europe and the United Kingdom.

SPECIAL INFRASTRUCTURE SOLUTIONS

The companies within Special Infrastructure Solutions provide niche products and services for specialised needs in air and climate control, safety and surveillance and transport systems. The main geographic markets are northern Europe and the United Kingdom.

During the previous financial year, seven out of a total of nine units in the business area Property Technical Services were divested, whereupon a re-organization resulted in the remaining operations being reported under Special Infrastructure Solutions as of the third quarter of 2021.

Central units – Group-wide functions

Group-wide functions and eliminations consist of the Group's Parent Company, Sdiptech AB, the Group's holding companies, which also includes items affecting earnings, such as revaluation of contingent consideration and write-down of goodwill.

Segment information, Group

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan - Dec 2021
Net Sales (SEK m)						
Resource Efficiency	283.9	258.5	961.1	726.9	1,262.4	1,028.2
Special Infrastructure Solutions	572.9	387.8	1,526.6	1,243.1	1,974.2	1,690.8
Total Net Sales	856.8	646.2	2,487.7	1,969.8	3,236.8	2,718.9
Group Operating profit (SEK m)						
Resource Efficiency	54.5	60.4	195.2	165.3	267.5	237.6
Special Infrastructure Solutions	105.6	59.6	269.3	201.1	344.0	275.8
Segment total	160.1	120.0	464.5	366.4	611.5	513.4
Central units	16.2	-17.5	5.4	-84.7	-59.1	-149.2
Total	176.5	102.5	469.9	281.7	552.6	364.4
Net financials	-19.8	-7.1	-66.0	-20.7	-84.7	-39.4
Profit before tax	156.8	95.4	403.9	261.0	467.9	325.0

Revenue from agreements with customers (SEK m)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan - Dec 2021
<i>Resource Efficiency</i>						
Products	185.1	202.6	682.8	548.9	914.7	780.8
Installation, direct	48.7	32.5	142.7	90.3	179.1	126.7
Installation, over time	6.0	11.9	18.4	49.7	37.8	69.1
Service, direct	28.5	3.2	83.6	12.9	84.3	13.6
Service, over time	9.9	4.0	19.6	14.4	28.6	23.4
Distribution	5.7	4.3	14.0	10.5	18.1	14.6
Sum Sales Resource Efficiency	283.9	258.5	961.1	726.9	1,262.7	1,028.2
<i>Special Infrastructure Solutions</i>						
Products	333.9	159.1	780.5	456.0	971.0	646.5
Installation, direct	69.5	76.2	220.4	244.3	342.2	366.1
Installation, over time	46.2	25.7	154.6	141.5	202.8	189.7
Service, direct	120.0	116.7	333.8	346.9	379.3	392.4
Service, over time	0.1	7.8	28.8	44.6	66.3	82.1
Distribution	3.1	2.3	8.4	9.7	12.7	14.0
Sum Sales Special Infrastructure Solutions	572.9	387.8	1,526.6	1,243.0	1,974.4	1,690.7
<i>Sum Products</i>	<i>519.0</i>	<i>361.7</i>	<i>1,463.3</i>	<i>1,004.8</i>	<i>1,885.8</i>	<i>1,427.3</i>
<i>Sum Installation, direct</i>	<i>118.2</i>	<i>108.7</i>	<i>363.1</i>	<i>334.6</i>	<i>521.3</i>	<i>492.8</i>
<i>Sum Installation, over time</i>	<i>52.2</i>	<i>37.6</i>	<i>173.0</i>	<i>191.3</i>	<i>240.5</i>	<i>258.8</i>
<i>Sum Service, direct</i>	<i>148.5</i>	<i>119.8</i>	<i>417.4</i>	<i>358.8</i>	<i>463.6</i>	<i>406.0</i>
<i>Sum Service, over time</i>	<i>10.0</i>	<i>11.9</i>	<i>48.4</i>	<i>59.0</i>	<i>94.9</i>	<i>105.5</i>
<i>Sum Distribution</i>	<i>8.8</i>	<i>6.6</i>	<i>22.4</i>	<i>20.1</i>	<i>30.9</i>	<i>28.6</i>
Total sales	856.8	646.2	2,487.7	1,969.8	3,236.8	2,718.9

Other income (SEK m)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan - Dec 2021
Resource Efficiency	1.4	0.9	4.2	3.6	9.9	9.3
Special Infrastructure Solutions	3.0	2.7	8.8	9.3	9.8	10.3
Business areas	4.4	3.6	13.0	12.8	19.7	19.6
Central units	29.0	-	62.1	3.6	62.0	3.5
Total	33.3	3.6	75.0	16.4	81.7	23.1

NOTE 3 FINANCIAL INCOME AND COST

(SEK m)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan - Dec 2021
<i>Financial income</i>						
Interest income	0.3	0.1	0.4	0.8	-	0.4
Net exchange gain	9.6	5.5	6.3	16.6	16.6	11.4
Other financial income	0.2	-	0.1	-	-0.1	-
Total financial income	10.0	5.6	6.7	17.5	1.0	11.8
<i>Financial cost</i>						
Interest expense on financial liabilities to credit institutions	-25.2	-5.3	-46.1	-18.3	-53.9	-26.0
Discount rate for lease liabilities	-1.4	-0.9	-3.5	-2.7	-4.9	-4.1
Discount rate on contingent considerations	-9.6	-6.0	-21.4	-14.0	-24.8	-17.3
Other financial cost	6.4	-0.6	-1.7	-3.3	-2.2	-3.8
Total financial cost	-29.7	-12.7	-72.7	-38.2	-85.7	-51.2
Net financial cost	-19.8	-7.1	-66.0	-20.7	-84.7	-39.4

The Group's net financial items consist of interest expenses divided into interest expenses relating to financial liabilities to credit institutions as well as discount rates regarding leasing liabilities in accordance with IFRS 16 and contingent consideration. These conditional purchase considerations are classified as interest-bearing as they are presented at net present value, but they do not give rise to any actual interest payments that are charged to the Group's cash flow. In addition, the Group is affected by exchange rate differences regarding internal and external loans in foreign currency.

NOTE 4 GOODWILL

(SEK m)	30 Sep 2022	30 Sep 2021	31 Dec 2021
Ingående balans vid årets början	3,183.3	2,268.4	2,268.4
Acquisitions for the period	699.5	686.2	1,041.9
Adj. of preliminary acquisition analysis	12.8	-9.4	-9.4
Currency translation effects	-	-244.9	-244.9
Operations held for sale	89.8	71.4	127.3
Carrying amount at end of period	3,985.5	2,771.7	3,183.3

Compared to 31 December 2021 goodwill increased by SEK 802.2 million and amount to SEK 3,985.5 million as per September 30, 2022. During January to September 2022 acquisitions were made which has led to an increase in goodwill of SEK 699.5 million.

NOTE 5 INTEREST-BEARING LIABILITIES

(SEK m)	30 Sep 2022	30 Sep 2021	31 Dec 2021
Liabilities to credit institutions	2,150.8	773.9	1,156.6
Leases	180.8	128.7	135.0
Contingent consideration	1,004.4	675.1	789.6
Other non-current liabilities	1.9	1.8	1.7
Total non-current interest-bearing liabilities	3,337.9	1,579.5	2,082.9
Liabilities to credit institutions	11.7	11.9	10.2
Leases	71.4	53.5	60.8
Contingent consideration	257.0	262.1	341.7
Other current liabilities	0.5	0.5	0.5
Total current interest-bearing liabilities	340.6	328.0	413.2

Contingent consideration payments refer to various types of obligations to the selling party that are linked to conditions based on the acquired company's results for a specific period after the acquisition. The contingent purchase prices are classified as Level 3 in the fair value hierarchy. The liabilities are reported at the present value of the expected outcome based on the assessed fair value at the balance sheet date based on outcomes and future forecasts.

Contingent consideration (SEK m)	30 Sep 2022	30 Sep 2021	31 Dec 2021
Opening balance	1,131.4	694.8	694.8
Acquisitions	361.7	305.2	435.4
Paid purchase considerations relating previous acquisitions	-219.6	-106.3	-108.9

Interest expenses (discount effect due to present value calculation)	21.4	14.0	17.6
Revaluation via operating profit	-61.1	3.2	43.0
Exchange differences	27.6	26.3	49.5
Carrying amount at period end	1,261.5	937.2	1,131.4

Revaluation of liabilities for contingent consideration was generated during the year in other income of SEK 22.4 million (-3.2). The revaluation during the period is related to the final settlement of five agreed contingent purchase prices where the outcome that formed the basis for the calculation deviated from the assessment at the last revaluation, which amounts to SEK -6.9 million (-3.2) and a reduced provision for one business unit, which amounts to SEK 30.0 million (-). The contingent consideration is recognized in accordance with IFRS at the present value of estimated fair value based on the remaining maturity and expected outcome.

The contingent purchase prices are discounted by present value calculation. On June 30, 2022, the discount rate was adjusted from two to three percentage points, resulting in a reduction in debt of SEK 38.0 million (-). The adjustment of the discount rate takes place when the Group's borrowing rate has been increased, due to the increased policy rate.

NOTE 6 BUSINESS ACQUISITIONS

PRELIMINARY ACQUISITION ANALYSIS. regarding acquisitions during January to September 2022						
(SEK m)	Agrosistemi¹	TEL UK²	RDM³	ELM⁴	Other	Sum
Intangible non-current assets	5.1	-	-	-	-	5.1
Tangible non-current assets	24.8	0.6	35.9	45.0	-	106.3
Inventories and work in progress	1.0	-	-	-	-	1.0
Cash and cash equivalents	-	11.1	59.8	34.7	-	105.6
Trade receivables ⁵⁾	42.9	16.8	27.2	-	-	86.9
Other current assets	28.3	27.5	45.1	40.8	-	141.7
Other long-term liabilities	14.7	20.7	53.3	0.1	0.3	89.1
Deferred tax	-5.8	-9.6	-0.6	-31.8	-	-47.8
Current tax liability	-4.9	-2.8	-3.2	-8.6	-	-19.5
Other current liabilities	-26.6	-23.1	-34.2	-34.8	-	-118.7
Net identifiable assets and liabilities	79.5	41.2	183.3	45.4	0.3	120.7
Consolidated goodwill	72.5	121.3	215.0	287.9	2.7	699.4
Brand	14.2	10.5	17.7	37.9	-	80.3
Customer relations	71.3	55.0	67.0	33.8	-	227.1
IPR	-	-	-	28.2	-	28.2
Deferred tax liability	-20.5	-12.4	-16.1	-22.0	-	-71.0
Total calculated purchase price	217.0	215.6	466.9	411.2	3.0	1,313.7
Cash and cash equivalents	103.0	154.9	390.8	300.3	3.0	952.0
Contingent consideration	114.0	60.7	76.1	110.9	-	361.7
Total consideration	217.0	215.6	466.9	411.2	3.0	1,313.7
Liquidity impact on the Group	Agrosistemi¹	TEL UK²	RDM³	ELM⁴	Other	Sum
Acquired cash and cash equivalents	42.9	16.8	27.2	-	-	86.9
Transferred consideration	-103.0	-154.9	-390.8	-300.3	-3.0	-952.0
Total liquidity impact	-60.1	-138.1	-363.6	-300.3	-3.0	-865.1
Other information⁶	Agrosistemi¹	TEL UK²	RDM³	ELM⁴	Other	Sum
Run rate Net sales	89.1	64.5	172.9	274.7	-	601.2
Run rate profit before tax	21.0	16.1	43.2	45.1	-	125.4
The acquired units' contribution to the Group's sales and earnings	Agrosistemi¹	TEL UK²	RDM³	ELM⁴	Other	Sum
Acquired units' contribution to the Group's sales	70.0	54.5	87.4	93.8	2.9	308.7
Acquired units' contribution to the Group's profit before tax	21.3	23.3	27.9	11.3	1.2	85.1
Transaction costs, including stamp fee	-1.5	-4.1	-6.9	-1.5	-	-14.2
Depreciation and write-downs of intangible assets	-3.2	-2.3	-1.9	-2.2	-	-9.5

¹⁾ Agrosistemi S.r.l and Amaltea S.a.r.l.s

²⁾ Temperature Electronics Ltd and TEL UK Ltd

³⁾ Resource Data Management Group Ltd with subsidiaries

⁴⁾ e-I-m Kragelund A/S

⁵⁾ The receivables are measured at fair value no provision for bad debts is recognized

⁶⁾ Run rate is based on sales and operating profit before tax. on a 12-month basis, at the time of acquisition. For foreign acquisitions, the result has been recalculated based on the price at the time of acquisition.

Acquisition accounting

The acquisition analysis is preliminary. The acquisition analysis is kept open for 12 months from the date of entry. During the period, retroactively adjustments of the preliminary amounts reported at the time of acquisition take place so that new information about the facts and circumstances that existed at the time of acquisition and which, if known, would have affected the calculation of the amounts recognised at that time.

Goodwill consists of the amount by which the consolidated acquisition value of the shares in acquired subsidiaries exceeds the fair value of the net assets included in the acquisition analysis at the time of acquisition and is mainly attributable to synergies and other intangible assets that do not meet the criteria separately. Goodwill stems from each company's good conditions for continued growth in combination with good cash flows. The acquired unit's expected contribution to complement and broaden the Group's offering, sales channels and synergies in infrastructure and contribute to the Group's continued growth.

Transaction costs for acquisitions are expensed during the period they arise, and the services are performed. These costs, together with costs for divestments, are recognized in the income statement under the item "Other external costs". Acquisition and divestment costs for the period January to September 2022 amounted to SEK 15.7 million (22.7), see also page 24.

Description of acquisitions during the period January – September 2022

Sdiptech AB (publ) acquired all shares in Agrosistemi Srl and Amaltea Sarl on January 31, 2022. Agrosistemi specialized in the treatment and recovery of biological sludge originated by wastewater purification with over 30 years of experience. The company is located in Piacenza, Italy, and has developed a patented treatment process that is used to clear sludge from harmful substances and convert it into high-quality organic fertilizer products. This makes it possible to replace synthetic fertilizers with organic ones, while recovering valuable resources that would otherwise be lost. The use of more organic products in soils also helps fight desertification, which is a growing problem in much of the world. Agrosistemi has an annual turnover of EUR 8.5 million, with an EBIT of EUR 2.0 million. Agrosistemi is Sdiptech's first business unit in Italy and adds complementary focus areas and expertise in waste management and bioeconomy to the Group.

At the date of the transaction, the company is valued at EUR 14 million on a cash and debt-free basis, of which EUR 8.6 million is paid on the date of entry and financed from own resources and bank credits. The final purchase price, which will be settled at the end of the earn-out period running until December 31, 2029, will be between EUR 7.0 and 25.7 million, depending on the company's performance during the earn-out period. A final total purchase price higher than the current value of EUR 8.6 million also assumes a higher level of profit than the current one. Agrosistemi has 22 employees at the time of the acquisition.

The contingent consideration for Agrosistemi is estimated to SEK 114 million at the time of acquisition. The assessment is made based on assessment of outcome of profits based on forecasts for the company until the end of the period of the earn out. The reference point for growth is calculated on normalized annual profit at the time of acquisition. Agrosistemi is part of the business area Resource & Efficiency.

On 25 March 2022, Sdiptech acquired 91 percent of Temperature Electronics Ltd and TEL UK Ltd (TEL). TEL has over 50 years of experience in specializing in the design and manufacture of electronic airflow monitor and control. TEL's airflow monitors and controls are operating in thousands of laboratories across the world, ensuring a safe working environment for laboratory personnel. The fume cupboard airflow- and room controllers also help customers to reduce the energy usage by up to 85 percent, as well as operating costs. With a growing need for environmentally friendly solutions, TEL's product range and services are developed to meet this demand, introducing energy-saving products for new and existing laboratories and other industrial working environments. The company has an annual turnover of GBP 5.2 million with good profitability.

At the date of the transaction, the company is valued at GBP 14 million on a cash and debt free basis. Financing is done with own resources and bank credits. The final purchase price including earn-out costs for 91 per cent of the company's shares, which are settled after five years, will be between GBP 12.0 and GBP 17.5 million, depending on the company's earnings performance during the earn-out period. A final total purchase price higher than the current value of GBP 12 million requires a higher level of earnings than the current one. Under the agreement, Sdiptech can buy the remaining 9 percent of the shares during the years 2028 to 2034. The valuation of the remaining shares depends on the company's profit growth. TEL UK has 9 employees at the time of the acquisition.

The estimated contingent consideration for TEL UK amounts to SEK 61 million at the time of acquisition. The assessment is based on an assessment of the likely outcome based on forecasts for the company from the time of acquisition until the end of the period of the conditional purchase price and for the acquisition of the remaining share of shares, whereupon no holding is recognized in respect of the minority shares instead a financial liability is recognized. The liability is recognized as a contingent purchase price at the present value of the redemption amount for the shares, which is dependent on the company's earnings development. TEL UK is part of the Special Infrastructure Solutions business area.

On May 13, 2022, Sdiptech acquired all shares in Resource Data Management Ltd (RDM), a specialist product provider within refrigeration control and monitoring as well as building management systems. RDM has built a globally strong position within grocery retail with customers being large grocery chains in the UK, US, and Asia. The products are used in food value chains and are renowned for both high performance and for ability to reduce energy consumption. All products, hardware and software, are developed and manufactured in-house. RDM is an interesting addition to Sdiptech's business within refrigeration, air and climate control and the customer segments and technology complements Sdiptech's current market and offerings. RDM has its headquarters in Glasgow and has an annual turnover of GBP 14 million, and a pre-tax operating income of GBP 3.5 million.

At the date of the transaction, the company is valued at GBP 30 million on a cash and debt free basis. Financing is done with own funds and bank credits. The final purchase price including earn-out costs, which will be settled after 2 years, will amount to between



GBP 30 and 41 million, depending on the company's earnings performance during the earn-out period. A final total purchase price higher than the current value of GBP 30 million assumes a higher level of earnings than the current one. Of the initial purchase price of GBP 30 million, GBP 0.5 million will be paid with B-shares in Sdipotech AB (publ.) The shares are allocated through a non-cash issue of 21,321 new ordinary shares of series B, which was resolved by Sdipotech's Board of Directors on July 5, 2022. At the time of the acquisition, RDM has 130 employees.

The estimated contingent purchase price for RDM amounts to SEK 76 million at the time of acquisition after calculating the present value. The assessment is based on an assessment of the likely outcome based on forecasts for the company from the time of acquisition until the end of the period of the contingent purchase price. RDM is part of the Special Infrastructure Solutions business area.

On June 1, 2022, Sdipotech acquired 80 percent of the shares e-l-m- Kragelund A/S in Denmark (ELM). develops and manufactures innovative attachments for forklifts. Customers are forklift manufacturers and distributors across Europe and the US, targeting the transportation, logistics and warehousing industry. ELM is known in the market for high quality and for product innovation contributing to more efficient and safe goods handling. ELM is headquartered in Kragelund, near Horsens, Denmark, and has an operating profit of approx. DKK 32 million. ELM is Sdipotech's first business unit in Denmark and is part of the Special Infrastructure Solutions business area.

At the date of the transaction, the company is valued at DKK 300 million. Financing is done with own funds and bank credits. The final purchase price including the exercise under option of the remaining 20 percent of the company's shares is dependent on the company's earnings development during the earn-out period. According to the agreement, Sdipotech can buy the remaining 20 percent of the shares after 4 years. The valuation of the remaining shares depends on the company's profit growth and the assessment value at the time of acquisition amounts to SEK 111 million after present value calculation. At the time of the acquisition, ELM has 167 employees.

If the acquired units for the year had been consolidated as of January 1, 2022, net sales for the period January to September would have amounted to approximately SEK 2,628 million and EBITA* would have amounted to approximately SEK 525 million

NOTE 7 DIVIDENDS

In March 2015, 1.750.000 preference shares were issued with an issue price of SEK 100 per share. Dividend amounts to SEK 8 per year, divided into quarterly payments. Redemption price is SEK 120 during 0–24 months after the exhibition, SEK 110 during month 25–48, and SEK 105 thereafter. Dividends on preference shares require a general meeting resolution. The holders of the preference shares have no right to demand redemption or demand a dividend. The dividend on preference shares is regulated in the Articles of Association. The dividend amounts to SEK 14.0 million annually, divided into SEK 3.5 million per quarter, with payment in March, June, September, and December.

COMPANIES PER BUSINESS AREA

WATER & ENERGY

The companies within Resource & Efficiency provide niche products and services that contribute to the use of resources, such as water, energy, minerals, forests and food, in an efficient and sustainable manner. The principal geographic markets today are Northern Europe, the United Kingdom and Italy.

The companies included in Resource & Efficiency (in alphabetical order)

- Agrosistemi Srl (as of Jan-22) Treatment and recovery of biological sludge
- CentralByggarna i Åkersberga AB Producer of customised switching stations and electrical automation
- Centralmontage i Nyköping AB Producer of customised switching stations and electrical automation
- EuroTech Sire System AB Installation and service of uninterruptible power supply
- Hansa Vibrations & Omgivningskontroll AB Performs vibration measurements in infrastructure projects
- Hydrostandard Mätteknik Nordic AB Replacement, renovation and calibration of water meters
- Multitech Site Services Ltd Temporary infrastructure such as temporary electricity, water, fire protection and lighting
- Polyproject Environment AB Installations and components for water treatment in industry and municipalities
- Pure Water Scandinavia AB Producer of ultra-pure water products
- Rogaland Industri Automasjon AS Control and regulating systems for water and sewerage systems
- Rolec Services Ltd (One Stop Europe Ltd) Development and manufacture of charging equipment and systems for electric vehicles
- Topas Vatten AB Installation and service of smaller water and wastewater treatment plants
- Unipower AB Measuring systems for monitoring of power quality
- Vera Klippan AB Producer of large-dimension cisterns for larger water and sewerage systems
- Wake Power Distribution Ltd (IDE Systems) Temporary power distribution and monitoring systems
- Water Treatment Products Ltd Preparation and manufacture of water treatment products

SPECIAL INFRASTRUCTURE SOLUTIONS

The companies within Special Infrastructure Solutions provide niched products and services for specialised needs in air and climate control, security and surveillance and transport systems. The principal geographic markets are Northern Europe and the United Kingdom

The companies included in Infrastructure Solutions (in alphabetical order):

- Alerter Group Ltd Emergency communications systems for disabled people
- Auger Site Investigations Ltd Specialised in claims management of underground infrastructure
- Castella Entreprenad AB Contracts for shell completion and internal plaster walls
- Certus Technologies Holding B.V. (as of Oct -21) Systems for automation in ports, terminals and logistics distribution center
- Cliff Models AB Prototypes for industrial product development
- Cryptify AB Software solution for secure communication
- e-l-m- Kragelund A/S (as of Jun -22) Development and manufacturing of innovative attachments for forklifts
- Ficon Oy Specializes in hydraulic products for snow and ice clearing
- Frigotech AB Installation and service of refrigeration units
- GAH (Refrigeration) Ltd Manufacture and service of transportation refrigeration solutions
- Oy Hilltip Ab Manufacturer of road maintenance equipment, special winter
- KSS Klimat & Styrsystem AB Indoor climate control, ventilation and energy efficiency
- Medicvent AB System for evacuation of noxious gases
- Metus d.o.o. Production of special elevators for customer-specific needs and resource supply to global elevator manufacturers
- Optyma Security Systems Ltd Integrated security systems for public and private environments
- RedSpeed International Ltd Digital cameras for speed monitoring and traffic enforcement
- Resource Data Management Ltd Specialist product provider within refrigeration control and monitoring (as of Jun -22)
- Storadio Aero AB Infrastructure and operational liaison centre for backup air traffic communications
- Stockholmradio AB Radio-based services for shipping, now a part of Storadio Aero AB
- TEL UK Ltd (as of Mar -22) Design and manufacture of electronic airflow monitor and control
- Thors Trading AB Durable products in carbon steel material for racing and harness racing

DEFINITIONS ALTERNATIVE PERFORMANCE MEASURES

Sdipitech presents alternative financial ratios in addition to the financial ratios established by IFRS in order to better understand the development of the business and the financial position. However, such ratios shall not be considered as a substitute for the key ratios required under IFRS. The alternative key figures presented in this report are described below.

EBITA*	<p>EBITA* is the Group's operating performance measure and is calculated as EBITA before acquisition costs and disposal costs and before profit from revaluation of contingent consideration and sale results from divestments, items affecting non-material corrections to previous years' results in the subsidiaries; less depreciation and amortization that are not acquisition-related but originate from the intangible assets of the operating units. EBITA* is indicated by an asterisk.</p> <p>The key figure increases the comparability of EBITA over time as it is adjusted for the impact of items affecting comparability. The key figure is also used in the internal follow-up and constitutes a central financial objective for the business.</p>
EBITA* margin	EBITA* in relation to net sales.
EBITDA	Operating profit before depreciation and impairment losses.
EBITA	<p>Operating profit after depreciation of property, plant and equipment before impairment losses.</p> <p>The key figure enables comparisons of profitability over time regardless of depreciation and amortization of acquisition-related intangible assets and regardless of the corporate tax rate and the company's financing structure. However, depreciation on tangible assets is included, which is a measure of a resource consumption that is necessary to generate the result.</p>
Financial net debt/EBITDA	Calculated as average financial net debt to credit institutions and other financial debt for the past four quarters, in relation to EBITDA for the past four quarters. Financial net debt includes short-term and long-term interest-bearing liabilities less cash and cash equivalents, but excluding debt related to the contingent consideration payments for acquisitions
Net debt/EBITDA	Calculated as average net debt for the past four quarters, in relation to EBITDA for the last four quarters. Net debt includes short-term and long-term interest-bearing liabilities less cash and cash equivalents. Parts of the interest-bearing liabilities are debt related to the contingent consideration payments for acquisitions, which are regulated at the end of the earnout periods depending on the earnings trend during those periods. A payment of the debt at the current booked value requires higher earnings levels than the current level.
Capital employed	Calculated as average shareholders' equity and interest-bearing net debt for the past four quarters less cash and cash equivalents and short-term investments.
Return on capital employed	Calculated as EBITA for the four most recent quarters on closing day, in relation to average capital employed for the four most recent quarters on closing day.
Return on equity	Calculated as average profit after tax, attributable to the Parent Company's shareholders, adjusted for dividend to preference shares, for the four most recent quarters in relation to average equity, attributable to the Parent Company's shareholders, adjusted for preference capital, for the four most recent quarters on closing day.
Cash flow generation	Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.
Earnings per ordinary share (number per end of period)	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the number of ordinary shares per the end of the period.

ALTERNATIVE PERFORMANCE MEASURES

To facilitate monitoring of the Group's operations, alternative performance measures are presented in the interim report. The alternative performance measures presented in this interim report relate to EBITA*, EBITDA, Net debt/EBITDA, Financial net debt/EBITDA, return on capital employed, Cash flow generation, Earnings per ordinary share and earnings per ordinary share after dilution.

EBITA*

EBITA* consists of EBITA before acquisition costs and before amortisation and write-downs of intangible fixed assets that arose in connection with acquisitions as well as before remeasurements of contingent consideration payments and write-downs of goodwill. Amortisation and write-downs of intangible assets that are not acquisition-related but derive from the operating units' intangible assets are not reversed. During the fiscal year 2021, costs related to divestments of operations have also arisen, including capital gains/losses, which are recognised as other expenses. Apart from this, items affecting comparability relating to non-material adjustments of previous years' net profit in subsidiaries have been highlighted.

Acquisition and divestment costs, which mainly relate to external consultants, are expensed during the periods in which they arise, and the services are performed. During the period January to September 2022, the acquisition costs also include stamp duty of SEK 3.7 million (6.8), which is a non-recurring cost.

Adjustment items for EBITA*

The costs and revenues that are excluded when calculating EBITA* have historically amounted to the amounts below:

Acquisition cost (SEK m)	Q1	Q2	Q3	Q4	Total
2022	-3.9	-10.6	-1.2	-	-15.7
2021	-15.3	-1.9	-5.5	-3.7	-26.4
2020	-	-2.2	-2.2	-5.2	-9.6
Adjustment of liability for earnouts (SEK m)	Q1	Q2	Q3	Q4	Total
2022	-5,8	38.0	28.9	-	61.1
2021	-2,5	-	-0,7	-39,8	-43,0
2020	-	-	-	-13,5	-13,5

The remeasurement of liabilities relating to contingent consideration payments may entail corresponding revenues if liabilities have been written-down, or an expense if the liabilities have been written-up. The fact that these items vary over time is due to the development of the participating companies and future forecasts. An evaluation of this development compared with book values takes place every quarter and can result in various remeasurements that affect earnings. These adjustments are made so that the book values are as close to the fair values as possible, see also Note 1.

For acquisitions, part of the purchase price is allocated to goodwill and amortisable intangible assets, also see Note 4. The heading "Amortisation and write-downs of intangible fixed assets" includes any write-downs of goodwill. Amortisation, which is a result of Sdipitech allocating part of the purchase price to acquired intangible assets, such as trademarks, product rights, customer relations, etc. in connection with acquisitions, is also included under the heading. These assets are amortised over time, resulting in a cost. This type of allocation and resulting amortisation has increased over time and is expected to continue increasing in line with new acquisitions. As a rule of thumb, it can be stated that new amortisation of intangible assets that have arisen in connection with new acquisitions, is added at about 2% per year of the additional acquired companies' purchase price.

Effects on EBITA*, compared to EBITA, are distributed as follows:

EBITA* to EBIT bridge (SEK m)	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Jan - Dec 2021
EBITA*	170.8	119.3	475.5	355.9	629.0	509.3
Adjustment of liability for earnouts	28.9	-0.7	61.1	-3.2	21.3	-43.0
Acquisition and divestment cost	-1.2	-5.5	-15.7	-22.8	-19.4	-26.4
Result of divestments	-	-	-	-20.3	-11.1	-31.4
Adjustment of previous years, not material	-4.4	-	-4.4	-	-8.1	-3.7
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	5.4	2.1	15.1	6.5	19.2	10.6
EBITA	199.6	115.2	531.6	316.2	631.0	415.6
Non-acquisition-related amortization and write-downs of intangible fixed assets	-5.4	-2.1	-15.1	-6.5	-19.2	-10.6
Acquisition-related amortization and write-downs of intangible fixed assets	-17.7	-10.6	-46.6	-28.0	-59.2	-40.6
EBIT	176.5	102.5	469.9	281.7	552.6	364.4

EBITA* margin

EBITA* i relation till nettoomsättningen.

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Full year 2021
EBITA* in relation to Net Sales (SEK m)						
EBITA*	170.8	119.3	475.5	355.9	629.0	509.3
Net Sales	856.8	646.2	2,487.7	1,929.8	3,236.8	2,718.9
EBITA* margin %	19.9	18.5	19.1	18.1	19.4	18.7

EBITDA

Operating profit before depreciation and impairment losses.

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Full year 2021
EBITDA (SEK m)						
Operating profit	176.5	102.5	469.9	281.7	552.6	364.4
Depreciation and amortisation of tangible non-current assets	35.9	21.3	91.5	64.9	117.0	90.4
Depreciation and amortisation of intangible non-current assets	23.1	12.7	61.7	34.5	78.4	51.2
EBITDA	235.5	136.5	623.1	381.1	748.0	506.0

Financial net debt/EBITDA

Calculated as average financial net debt to credit institutions and other financial debt for the past four quarters, in relation to EBITDA for the past four quarters. Financial net debt includes short-term and long-term interest-bearing liabilities less cash and cash equivalents but excluding debt related to the contingent consideration payments for acquisitions.

Average interest-bearing financial net debt (SEK m)	Average	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Interest-bearing financial debt	1,710.4	2,162.5	2,170.3	1,342.1	1,166.9
Cash and cash equivalents	-365.6	-388.5	-436.3	-268.6	-368.8
Interest-bearing financial net debt	1,344.9	1,774.0	1,734.0	1,073.4	798.0

Average Financial net debt in relation to EBITDA (SEK m)	LTM Sep 2022	LTM Sep 2021	Full year 2021
Interest-bearing financial net debt	1,344.9	514.6	607.3
EBITDA	748.0	488.9	506.0
Financial net debt/EBITDA	1.80	1.05	1.20

Net debt/EBITDA

Calculated as average net debt for the last four quarters, in relation to EBITDA for the last four quarters. Net debt includes short-term and long-term interest-bearing liabilities less cash and cash equivalents. Parts of the interest-bearing liabilities are debt related to the contingent consideration payments for acquisitions which are regulated at the end of the earnout periods depending on the earnings trend during those periods. A payment of the debt at the current booked value requires higher earnings levels than the current level.

Average interest-bearing net debt (SEK m)	Average	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Interest-bearing liabilities	3,142.3	3,678.5	3,697.8	2,696.7	2,496.1
Cash and cash equivalents	-365.6	-388.5	-436.3	-268.6	-368.8
Interest-bearing net debt	2,776.7	3,290.0	3,261.5	2,428.1	2,127.3

Average net debt in relation to EBITDA (SEK m)	LTM Sep 2022	LTM Sep 2021	Full year 2021
Interest-bearing net debt	2,776.7	1,542.6	1,709.9
EBITDA	748.0	488.9	506.0
Net debt/EBITDA	3.71	3.16	3.38

Capital employed

Calculated as average shareholders' equity and interest-bearing liabilities for the last four quarters less cash and cash equivalents and short-term investments.

Average capital employed (SEK m)	Average	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Interest-bearing net debt	2,776.7	3,290.0	3,261.5	2,428.1	2,127.3
Shareholders' equity	2,702.1	2,897.3	2,763.7	2,618.4	2,529.1
Capital employed	5,478.9	6,187.3	6,025.1	5,046.5	4,656.5

Return on capital employed

Calculated as EBITA for the most recent four quarters on closing day in relation to average capital employed for the four most recent quarters on closing day.

	LTM Sep 2022	LTM Sep 2021	Full year 2021
Average EBITA in relation to average capital employed (SEK m)			
EBITA	631.0	400.5	415.6
Capital employed	5,478.9	3,783.5	4,144.3
Return on capital employed %	11.5	10.6	10.0

Return on equity

Calculated as average profit after tax, attributable to the Parent Company's shareholders, adjusted for dividend to preference shares, for the four most recent quarters in relation to average equity, attributable to the Parent Company's shareholders, adjusted for preference capital for the four most recent quarters on closing day.

	LTM Sep 2022	LTM Sep 2021	Full year 2021
Average adjusted net profit in relation to average equity (SEK m)			
Profit after tax, adjusted	352.8	224.5	231.7
Equity	2,521.9	2,043.0	2,245.2
Return on capital employed %	14.0	11.0	10.3

Cash flow generation.

Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Full year 2021
Cash flow generation %						
EBT	156.8	95.4	403.9	261.0	467.9	325.0
Adjustment for items not included in cash flow	38.3	2.7	101.5	23.0	293.2	214.7
Adjusted EBT	195.1	98.1	505.4	284.0	761.1	539.7
Cash flow from continuing operations	114.7	75.4	363.2	141.9	606.6	385.3
Cash flow generation %	58.8	76.9	71.9	50.0	79.9	71.4

Earnings per ordinary share (number share per end of period)

Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the total number of ordinary shares outstanding at end of the period.

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	LTM Sep 2022	Full year 2021
Earnings per ordinary share (SEK m)						
Profit/loss attributable to Parent Company's shareholders	126.2	76.8	320.3	199.2	367.0	245.9
Dividend paid to preference shareholders	-3.5	-3.5	-10.5	-10.5	-14.0	-14.0
Profit/loss attributable to Parent Company's shareholders	122.7	73.3	309.8	188.7	353.0	231.9
Number of ordinary shares outstanding (thousand)	35,601	35,364	35,601	35,364	35,601	35,364
Earnings per ordinary share	3.45	2.07	8.70	5.34	9.92	6.56

STOCKHOLM 27 OCTOBER 2022

Jakob Holm
President and CEO

This interim report has been the subject of a review by the company's auditors.



Auditor's report

Sdiptech AB (publ) corp. reg. no. 556672-4893

Introduction

We have reviewed the condensed interim financial information (interim report) of Sdiptech AB (publ) as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report 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 is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm 27 October 2022

Öhrlings PricewaterhouseCoopers AB

Anna Rosendal
Authorized Public Accountant
Auditor in charge

Andreas Skogh
Authorized Public Accountant



For additional information, please contact:

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Sdiptech AB (publ) is required to disclose this information pursuant to EU Market Use Regulation 596/2014. The information was provided by the above contact persons for publication on 27 October 2022 at 08.00 CEST.

UPCOMING REPORTS

Year-end report for 2022	10 February 2023
Annual Report 2022	24 April 2023
Interim report January - March 2023	4 May 2023
Annual General Meeting	22 May 2023

Payment of dividends to preference shareholders

For each preference share, an annual dividend of SEK 8.00 is paid, divided into four quarterly payments of SEK 2.00 each. The record dates for receipt of dividends of preference shares are

- 15 December 2022
- 15 March 2023