



INTERIM REPORT APRIL - JUNE 2018

August 21, 2018



Today's presenters

JAKOB HOLM, CEO



- Joined Sdiptech in 2014
- Holds 258,749 ordinary shares, 1,040 preference shares, 189,000 buy options
- Background: Axholmen (founder), General Electric, Accenture
- Education: M.Sc. in Systems Engineering from KTH Royal Institute of Technology

BENGT LEJDSTRÖM, CFO



- Joined Sdiptech in 2018
- Holds 25,200 ordinary shares and 57,600 buy options
- Background: CFO Lagercrantz Group, Interim Justitia, Acando
- Education: M.Sc. in Business Economics from Stockholm School of Economics



MARKET

- Expanding infrastructures - continuous need to develop and maintain
- Western Europe – current focus on Scandinavia and UK

OPERATING MODEL

- Strong niches - businesses with documented history of profitability
- Decentralized - preserve entrepreneurial spirit, decision making closest to customer

GROWTH STRATEGY

- Organic growth – supported by positive market trends and product development
- Acquisitions to add additional niched products and services in our core markets

GOALS

- Become a leading European business group with focus on niche infrastructure technologies
- Continue on set path and pace and reach SEK 600-800 million EBITA in 2021

Sdipotech in brief

Core business of niched services and products for infrastructures

Tailored Installations

Percent of EBITA¹

39%



No of employees **642**

- Elevators (local)
Renovation and service
- Elevators (global)
New installations
- Cooling
- Uninterrupted power supply
- Wastewater treatment
- Electrical automation
- Roof maintenance
- Security

Niche Products & Services

Percent of EBITA¹

61%



No of employees **335**

- Electrical power quality
- Shell completion
- Vibration monitoring
- Climate control
- District heating and
water metering
- Water cleaning
- Radio communication
- Site services



1) EBITA* excluding central units. RTM.

Quarterly highlights

Strong growth

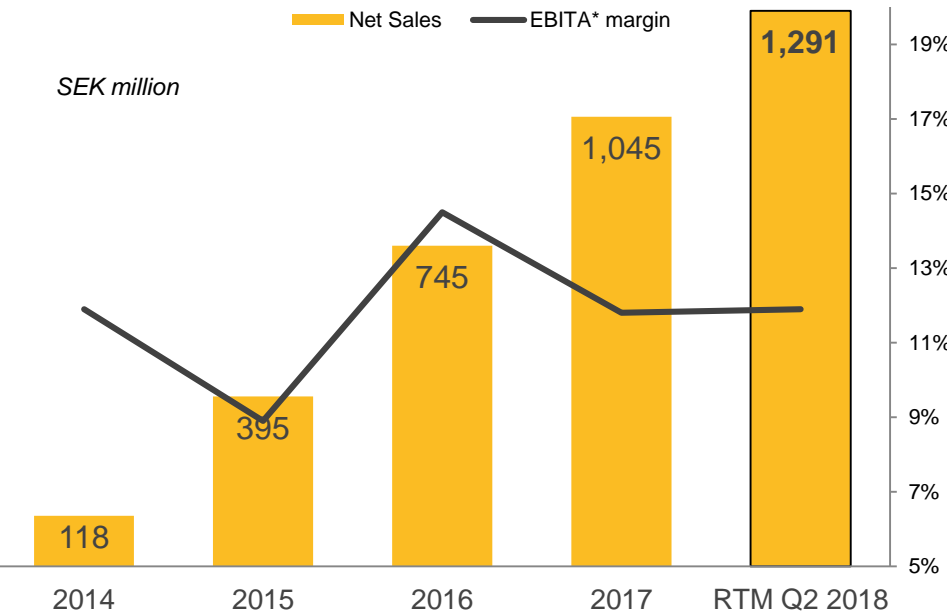
- Strong growth in both business areas
 - Organic growth in net sales of 13% in the second quarter, and 10% in the first six months of 2018
 - Net sales increased 58% to SEK 378 million
 - Good profitability improvement in Installations and continued profitable growth in Product & Services
 - EBITA* in the second quarter 2018 increased with 128% to SEK 44.1 million
 - EBITA* margin increased to 11.7% (8.0%)

Improvement program is paying off

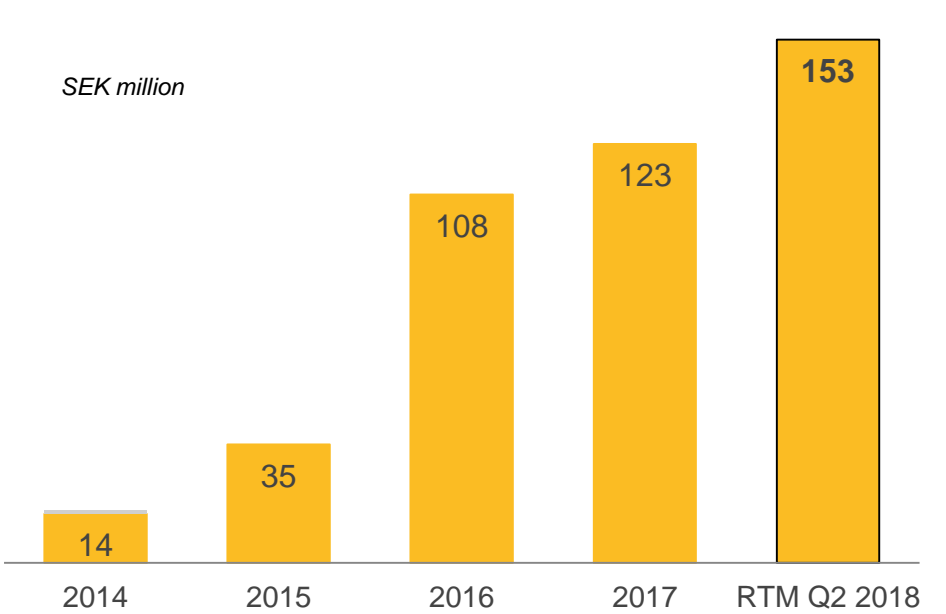
- **Status:** Elevator profitability program showing good progress, and a continued positive trend from last quarter
- **Profit levels:** EBITA* continues to improve, profit in this quarter exceeds Q2 2017
- **Outlook:** Continued improvements, but to further enhance profitability an extension of the program is likely

Group Financials – RTM Overview

Group Net Sales



Group EBITA*



Quarter, half-year, and RTM

Financial development Group - remaining operations

Q2 2018 (Q2 2017)

Net Sales

SEK 378 million

+58% (239 million)

EBITA*

SEK 44 million

+128% (19 million)

Jan-Jun 2018 (Jan-Jun 2017)

Net Sales

SEK 716 million

+52% (470 million)

EBITA*

SEK 78 million

+65% (47 million)

RTM Q2 2018 (FY 2017)

Net Sales

SEK 1,291 million

+24% (1,045 million)

EBITA*

SEK 153 million

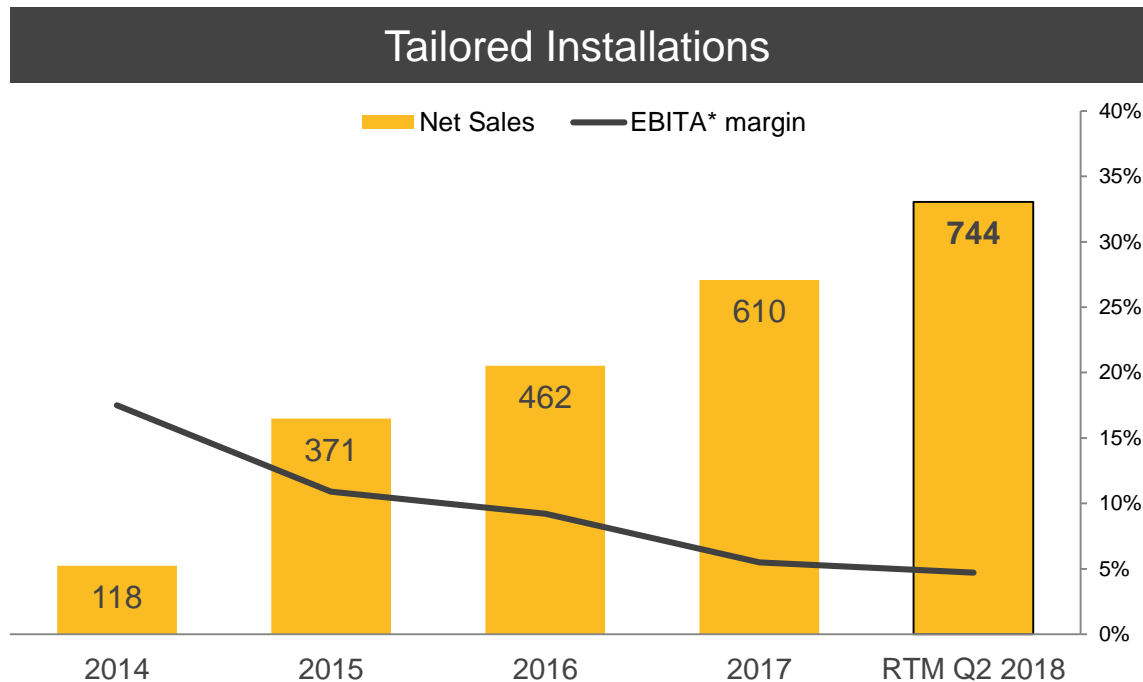
+25% (122 million)

Net Debt/EBITDA

1.77 RTM Q2 2018 (1.37 FY 2017)

Quarter and RTM

Financial development in Tailored Installations



	Q2 2018 (Q2 2017)	Jan-Jun 2018 (Jan-Jun 2017)	RTM Q2 2018 (FY 2017)
Net Sales (MSEK)	219.4 (148.6)	418.6 (284.4)	743.7 (609.5)
EBITA* (MSEK)	18.2 (9.3)	25.7 (24.9)	34.6 (33.8)
EBITA* margin	8.3% (6.3%)	6.1% (8.8%)	4.7% (5.5%)

Quarter

- Sales in the quarter increased with 48% to SEK 219.4 million
- EBITA* increased with 96% to SEK 18.2 million, when compared to Q2 2017
- EBITA* margin increased to 8.3% (6.3%) mainly due to recovery in elevators

Elevator improvement program

- Programme of measures was initiated in Q4 2017 to improve profitability
- The positive trend shift from Q1 is holding up and profitability continues to improve

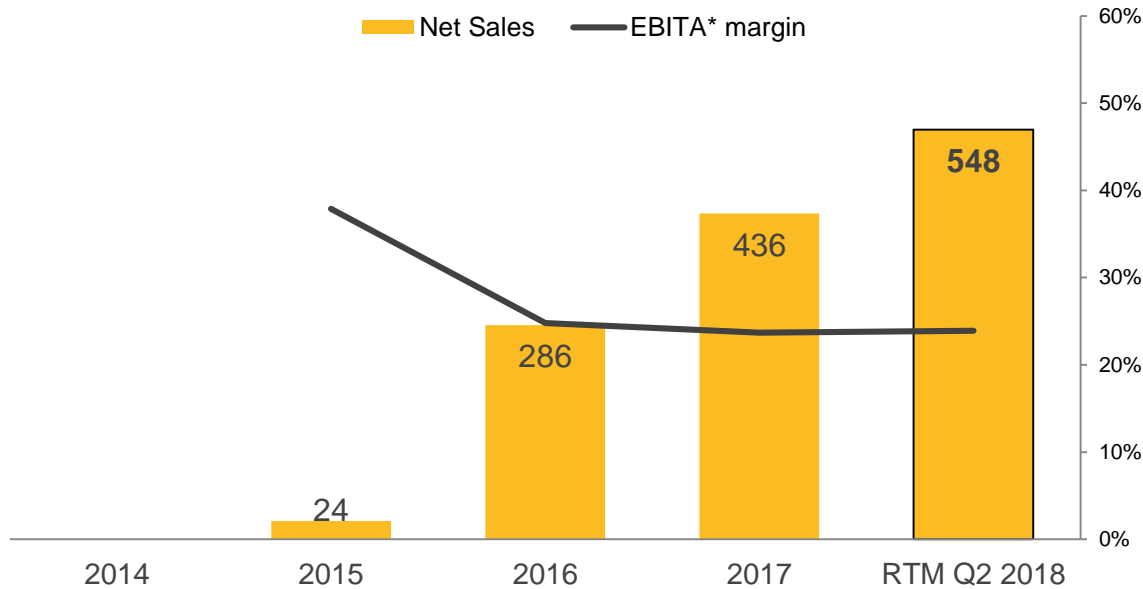
Other

- Other companies in the business area are in line with previous year
- Total number of companies: 13

Quarter and RTM

Financial development in Niche Products & Services

Niche Products & Services



Q2 2018
(Q2 2017)

Jan-Jun 2018
(Jan-Jun 2017)

RTM Q2 2018
(FY 2017)

Net Sales (MSEK)	158.4 (90.8)	297.3 (185.1)	547.9 (435.7)
EBITA* (MSEK)	28.7 (17.7)	60.5 (34.9)	129.8 (104.2)
EBITA* margin	18.1% (19.5%)	20.3% (18.9%)	23.7% (23.5%)

Quarter

- Sales in the quarter increased with 74% to SEK 158.4 million
- EBITA* increased with 62% to SEK 28.7 million, when compared to Q2 2017 supported by strong market positions and good demand
- EBITA* margin decreased to 18.1% (19.5) and also decreased compared to RTM, due to very good profitability in the last six months 2017. A normalization to the first half year 2018 levels is expected.

Other

- Acquisitions:
KSS Klimat- & Styrsystem AB in Q2
Rogaland Industri Automasjon AS early in Q3
- Total number of companies: 13

Acquisitions

Six acquisitions closed in 2018 totaling SEK 60 million added EBITA

Process	Phase	Company	Operational niche	Country	EBITA (SEKm)
	Search / Contact	340 companies in total	Both areas	Multiple	-
	Bid discussions	3 companies	Niched products and services	Multiple	~60
	LOI	1 company*	Niched products and services	SE	<5
	Closed Q1	Centralmontage i Nyköping	Tailored Installations	SE	} ~60
	Closed Q1	Aviolinx Communication and services	Niched products and services	SE	
	Closed Q1	Optyma Security systems	Tailored Installations	UK	
	Closed Q1	Multitech Site services	Niched products and services	UK	
	Closed Q2	KSS Klimat- & Styrssystem	Niched products and services	SE	
	Closed Q3	Rogaland Industri Automasjon	Niched products and services	NO	

*) Time from LOI to Closing varies between one to two quarters, progress and current status varies across companies

Acquisitions

Niched Products & services

KSS Klimat- & Styrsystem AB

- KSS Klimat- & Styrsystem (KSS) designs and develops customized systems for indoor climate control and energy efficiency. KSS also performs service and system adaptations on existing installed systems.
- Advanced indoor climate control is clearly linked to both energy efficiency and cost reduction, and, in our assessment, demand will increase and remain favourable through periods of both prosperity and recession.

Financials

- Net sales: SEK 88 million
- EBITA: SEK 17 million



Service
Entreprenad
Energioptimering

Rogaland Industri Automasjon AS

- Rogaland Industri Automasjon AS designs and develops customized systems for control and regulation systems for water and sewage plants. Customers are found primarily in municipalities and industry.
- Through the acquisition, we expand the Group's offering in the water segment to Norway. The market for decontamination of water, soil and air is expected to increase as stricter environmental regulations are introduced and the focus on environmental issues increases.

Financials

- Net sales: NOK 40 million
- EBITA: NOK 7 million



– **STEDET FOR AUTOMASJON**





Thank you for listening!



Appendix

Sdiptech in brief

Management and board

Management



JAKOB HOLM
CEO

Shares:
258,749 (Class B), 1,040 (Pref),
189,000 (Buy options)
Experience:
Axholmen, General Electric, Accenture
M.Sc. KTH Royal Institute of Technology



BENGT LEJDSTRÖM
CFO

Shares:
25,200 (Class B), 57,699 (Buy options)
Experience:
Lagercrantz Group, Interim Justitia, Acando
M.Sc. Stockholm School of Economics



FREDRIK SEDERHOLM
President

Shares:
82,222 (Class B), 68,400 (Buy options)
Experience:
Assemblin, Caverion, Otis Elevator
M.Sc. Business Economics, Stockholm University



FREDRIK NAVJORD
President

Shares:
18,345 (Class B), 52,500 (Buy options)
Experience:
Metric, Addtech, Volvo
M.Sc. Chalmers University of Technology



ANDERS MATTSSON
President

Shares:
68,700 (Buy options)
Experience:
Munters
M.Sc. Chalmers University of Technology



KAMJAR HAJABDOLLAHI
Head of acquisitions

Shares:
46,700 (Class B), 12,349 (Pref)
Experience:
Orbion Consulting, Webpentus
Master of Law (LL.M.) Uppsala University

Board of Directors



JAN SAMUELSON
Chairman

Shares:
191,000 (Class B)
Experience:
Resurs Bank, Accent Equity Partners
M.Sc. Stockholm School of Economics



JOHNNY ALVARSSON
Board Member

Shares:
18,200 (Class B), 18,000 (Buy options)
Experience:
Indutrade, Elektronikgruppen, Zeteco
M.Sc. Linköping University Institute of Technology



ASHKAN POUYA
Board Member

Shares:
2,000,000 (Class A), 12,581,711 (Class B)*
Experience:
Serendipity Ixora, Serial entrepreneur
B.A. Business Administration



KATARINA LUNDBLAD PINNEKAMP
Board Member

Shares:
9,090 (Class B)
Experience:
ABB, Exeger
M.Sc. in Material Science



SAEID ESMAEILZADEH
Board Member

Shares:
2,000,000 (Class A), 12,581,711 (Class B)*
Experience:
Serendipity Ixora, Serial entrepreneur
Ph.D. in Materials Chemistry



MARKUS SJÖHOLM
Board Member

Shares:
15,000 (Class B)
Experience:
CapMan Buyout
LL.M. & M.Sc. In Economics

*) Through Serendipity Group AB

Consolidated Income statement

(SEK million)	Note	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Jan-Dec
Net sales		377.8	239.3	715.9	469.5	1,045.1
Other operating income		8.9	0.9	13.5	2.7	85.1
Total income		386.7	240.2	729.4	472.2	1,130.2
Operating expenses						
Direct expenses		-168.1	-101.6	-319.2	-202.2	-466.3
Other external expenses		-46.5	-31.0	-94.5	-55.9	-122.6
Employee expenses		-126.8	-84.8	-242.7	-161.7	-338.0
Depreciation and amortization of tangible non-current assets		-5.5	-3.5	-10.9	-6.3	-14.7
Depreciation and amortization of intangible non-current assets		-0.3	-0.1	-0.5	-0.1	-33.0
Operating profit		39.5	19.2	61.6	46.0	155.6
Profit/loss from financial items						
Financial income		0.1	0.8	5.1	1.2	1.3
Financial expenses		-5.1	-9.1	-8.8	-11.5	-37.4
Profit/loss after financial items		34.5	10.8	57.9	35.6	119.4
Tax on profit for the period		-7.1	-4.8	-13.3	-10.1	-24.6
Profit/loss for the period from remaining operations		27.4	6.1	44.6	25.5	94.9
Discontinued operations:						
Profit/loss for the period from discontinued operations		2.3	-3.1	77.0	-2.5	-1.7
Profit/loss for the period		29.7	2.9	121.6	23.0	93.2
Profit/loss attributable to remaining operations:						
Parent Company's shareholders		27.0	5.3	43.6	23.8	91.3
Non-controlling interests		0.4	0.8	1.0	1.8	3.6
Profit/loss attributable to discontinued operations:						
Parent Company's shareholders		1.7	-2.8	33.2	-2.5	-4.2
Non-controlling interests		0.7	-0.3	43.8	0.0	2.5
Earnings per share for remaining operations before and after dilution, based on earnings attributable to the Parent Company's shareholders during the year (expressed in SEK per share)		0.78	0.07	1.21	0.71	2.93
Earnings per share including discontinued operations before and after dilution, based on earnings attributable to Parent Company's shareholders during the year (expressed in SEK per share)		0.83	-0.04	2.31	0.60	2.70
EBITA*		44.1	19.3	78.4	47.5	122.5
Number of ordinary shares at end of period (Million)		30.3	30.3	30.3	30.3	30.3
Average number of ordinary shares (Million)		30.3	26.2	30.3	23.8	27.0

Consolidated Balance sheet

(SEK million)	Note	2018 30 Jun	2017 30 Jun	2017 31 Dec
Non-current assets				
<i>Intangible non-current assets</i>				
Goodwill	3	1,389.1	912.5	1,055.1
Other intangible assets		16.3	0.4	13.3
<i>Tangible non-current assets</i>				
Tangible non-current assets		97.9	64.0	80.8
<i>Financial non-current assets</i>				
Other financial non-current assets		13.4	4.0	1.8
Total non-current assets		1,516.8	981.0	1,151.0
Current assets				
Completed products and goods for resale		90.6	48.1	63.2
Accounts receivable		259.8	169.1	216.9
Other receivables		55.7	15.0	15.6
Current tax assets		27.5	13.3	13.2
Prepaid expenses and accrued income		60.3	41.6	40.4
Cash and cash equivalents		217.5	488.6	330.0
Total current assets		711.4	775.7	679.3
Total assets		2,228.2	1,756.7	1,830.4
Shareholders' equity				
Shareholders' equity attributable to Parent Company's shareholders				
Capital		0.8	0.8	0.8
Other contributed capital		714.6	715.7	712.6
Reserves		9.5	0.4	0.8
Profit/ loss brought forward including earnings for the period		328.7	200.4	259.0
Total equity attributable to Parent Company's shareholders		1,053.6	917.3	973.2
Non-controlling interests		28.6	34.4	33.2
Total shareholders' equity		1,082.2	951.8	1,006.4
Liabilities				
Interest-bearing long-term liabilities	4	689.1	520.3	448.2
Non-interest bearing long-term liabilities		15.4	10.6	10.9
Interest-bearing short-term liabilities	4	164.6	99.5	135.7
Non-interest-bearing short-term liabilities		277.0	174.5	229.2
Total liabilities		1,146.0	804.9	824.0
Total equity and liabilities		2,228.2	1,756.7	1,830.4

Consolidated Cash flow statement

(SEK million)	Note	2018 Jan-Jun	2017 Jan-Jun	2017 Jan-Dec
Continuing operations				
Earnings after financial items		57.9	33.7	120.1
Adjustment for items not included in cash flow		5.1	13.6	-8.4
Paid taxes		-40.7	-28.0	-41.3
Cash flow from continuing operations before change in working capital		22.3	19.3	70.4
Cash flow from change in working capital				
Increase(-)/decrease(+) in operating receivables		-30.4	5.1	-17.0
Increase(+)/decrease(-) in operating liabilities		20.2	-2.9	16.4
Cash flow from current operations		12.1	21.5	69.8
Investing activities				
Acquisitions of subsidiaries		-180.3	-69.2	-160.8
Acquisitions of intangible non-current assets		-6.0	-	-9.9
Acquisitions of tangible non-current assets		-11.1	-12.6	-21.2
Investments in financial non-current assets		-	-0.5	-
Disposal of non-current financial assets		1.0	-	1.0
Cash flow from investing activities		-196.4	-82.3	-190.9
Financing activities				
New share issue		-	475.5	472.4
Option premiums		1.9	-	-
Loans raised		120.9	38.0	37.0
Amortization of loans		-41.9	-82.6	-163.8
Dividends paid		-7.0	-7.4	-20.3
Cash flow from financing activities		73.9	423.5	325.3
Cash flow for the period from remaining operations		-110.4	362.7	204.2
Cash flow for the period from discontinued operations		-4.4	-	-
Cash and cash equivalents at beginning of year		330.0	125.6	125.6
Exchange rate difference in cash and cash equivalents		2.3	0.3	0.2
Cash and cash equivalents at end of period from remaining operations		217.5	488.6	330.0

Alternative Key Figure

EBITA* introduced in Q1

New Key Figure EBITA*

- EBITA* introduced from the first quarter
- EBITA* consists of EBITA before transaction costs on acquisitions and before adjustment of liabilities for additional payments to sellers
- Appropriate to introduce as the Group's accounting can be simplified in conjunction with the divestment of the Support operations

The purpose of EBITA*

- Clarify the dynamics of the Group, and to facilitate for investors and other external parties
- Firstly, highlight the Group's operational result. Earnings trends can be made clearer as well as the underlying development in our business
- Secondly, to break out and separately report non-operational and irregular items
- As an effect, the Group's operational results as well as the irregular items are easier to follow

Ownership 30 June 2018

	SDIP A	SDIP B	PREF	CAPITAL %	VOTES %
Serendipity Group	2,000,000	12,581,711		45.53%	65.13%
Swedbank Robur Fonder		2,061,000		6.44%	4.12%
Elementa Management		1,721,298		5.37%	3.44%
Handelsbanken Fonder		1,350,000		4.22%	2.70%
Catella Fonder		770,000		2.40%	1.54%
Aktia		662,500		2.07%	1.32%
Avanza Pension		334,729	280,164	1.92%	1.23%
F Holmström Private Equity		579,248		1.81%	1.16%
Danica Pension		474,723	22,378	1.55%	0.99%
Nordea Liv & Pension		406,410	40	1.27%	0.81%
Others		7,336,026	1,447,418	27.42%	17.56%
Total	2,000,000	28,277,645	1,750,000	100%	100%