



YEAR-END REPORT JANUARY – DECEMBER 2018

February 12, 2019



Today's presenters

JAKOB HOLM, CEO



- Joined Sdipotech 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



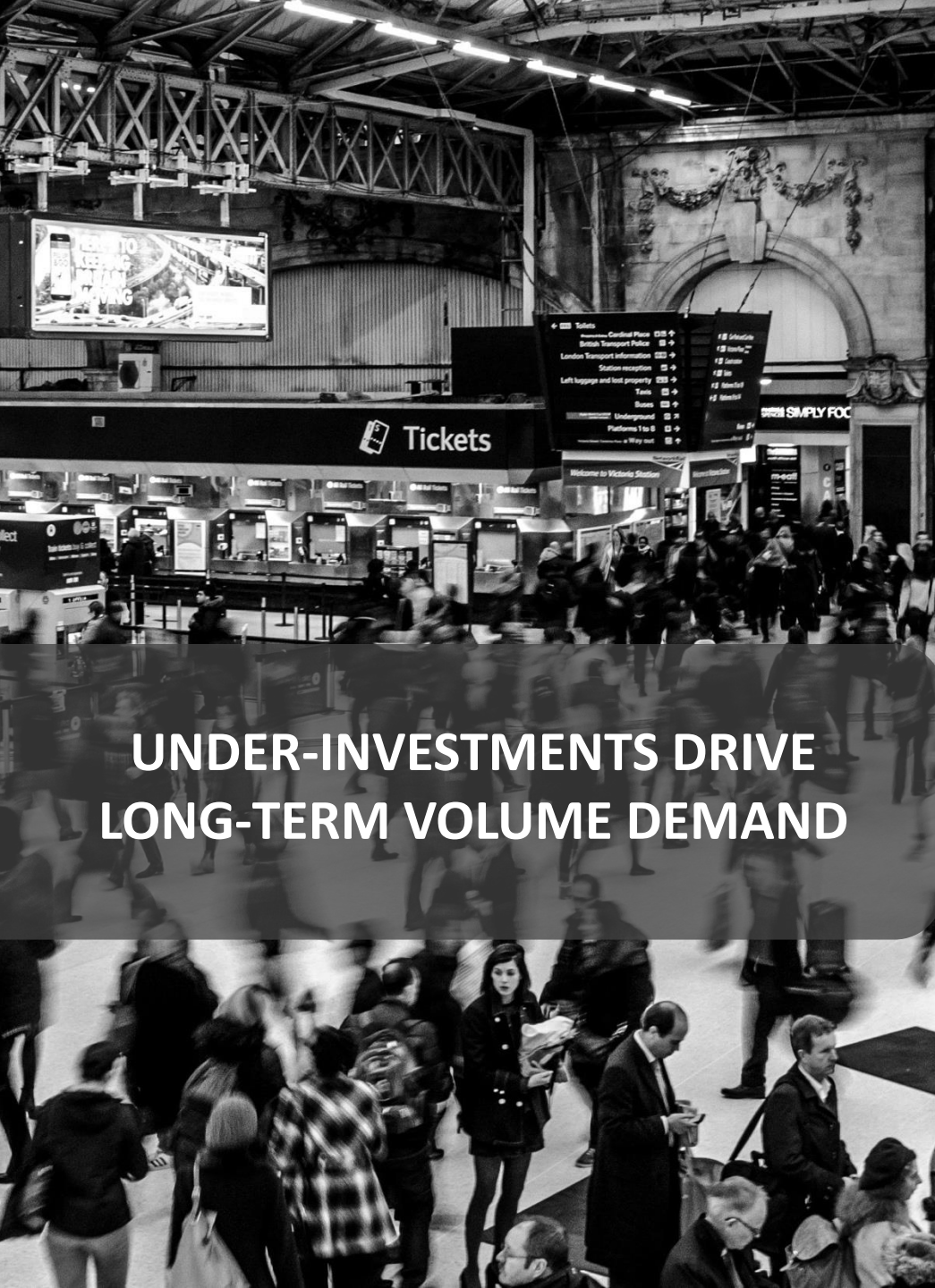
- Joined Sdipotech in 2018
- Holds 25,200 ordinary shares and 57,600 buy options
- Background: CFO Lagercrantz Group, Interim Justitia, Acando
- Education: M.Sc. in Business Economics from Stockholm School of Economics

Today's presentation

MARKET TRENDS

NEW BUSINESS AREAS

YEAR-END UPDATE



UNDER-INVESTMENTS DRIVE LONG-TERM VOLUME DEMAND

- **Aging infrastructure** and a need to rebuild
 - **Urbanization** increases shortage & strain
 - **Capacity requirements** continue to grow
-
- **Investment priority** for nations worldwide
\$2.000 billion in UK & Sweden coming 20 years



A STRIVE FOR BETTER SOCIETIES DRIVES TECHNICAL IMPROVEMENTS

- We expect and demand increasing **Sustainability, Efficiency & Safety**
- Consumer expectations rise
- Policy-makers adapt with regulations
- Implemented in infrastructure
- Specialists and niche companies ideal home for the technical advancements

OFFERING

Niched solutions for infrastructures

MARKET

Strong underlying trends – volume and improvements – drive long-term growth

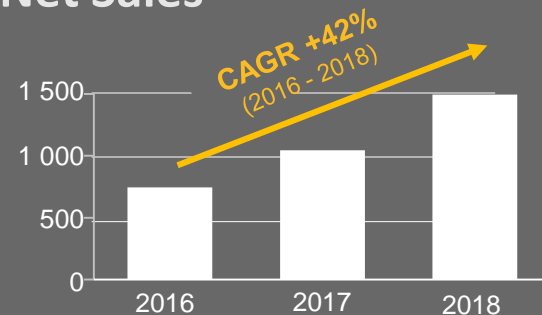
Employees

1 050

Units

29

Net Sales



Today's presentation

MARKET TRENDS

NEW BUSINESS AREAS

YEAR-END UPDATE

Three new Business Areas from January 2019

**TAILORED
INSTALLATIONS**

**NICHED PRODUCTS
& SERVICES**



NEW BUSINESS AREAS

WATER & ENERGY



**SPECIAL INFRASTRUCTURE
SOLUTIONS**



**PROPERTY TECHNICAL
SERVICES**



WATER & ENERGY

Sub-segments:

- Water & Sanitation
- Power & Energy

SALES (2018): **427.9 MSEK**

EBITA*-% (2018): **15.0 %**

NO. OF UNITS: **12**

ACQUISITIONS: **6 (past 15 mths)**



SPECIAL INFRASTRUCTURE SOLUTIONS

Sub-segments:

- Air & Climate control
- Safety & Security
- Transportation

SALES (2018): **319.6 MSEK**

EBITA*-% (2018): **22.1 %**

NO. OF UNITS: **9**

ACQUISITIONS: **4 (past 15 mths)**



Service
Entreprenad
Energioptimering

FRIGOTECH

OPTYMA SECURITY SOLUTIONS



CLIFF MODELS



PROPERTY TECHNICAL SERVICES

Sub-segments:

- Elevator
- Other

SALES (2018): **749.0 MSEK**

EBITA*-% (2018): **8.2 %**

NO. OF UNITS: **8**

ACQUISITIONS: **0 (past 15 mths)**



Today's presentation

MARKET TRENDS

NEW BUSINESS AREAS

YEAR-END UPDATE

Quarterly highlights

Continued strong growth

- Net sales increased 27% to SEK 419.2m
- EBITA* in the quarter increased with 19% to SEK 56.5m and EBITA* margin to 13.5%

Elevator improvement successful

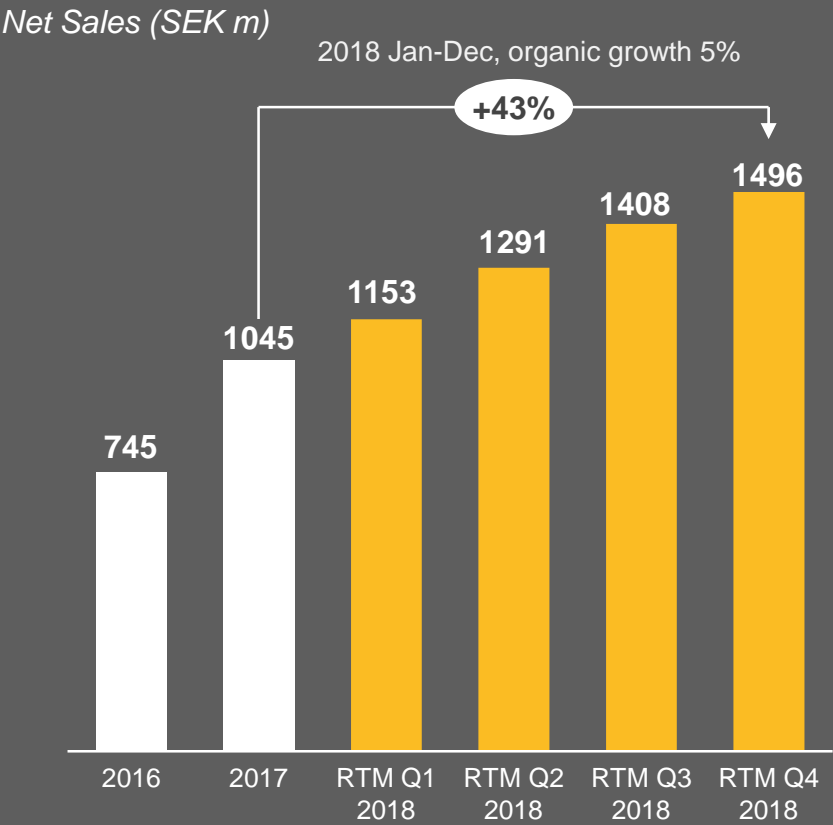
- Improvement program have led to both nominal EBITA* improvements as well as on the EBITA* margin
- Activities focused primarily on price increases and measures to strengthen the aftermarket offering, but also measures to reduce expenses

Outlook is positive

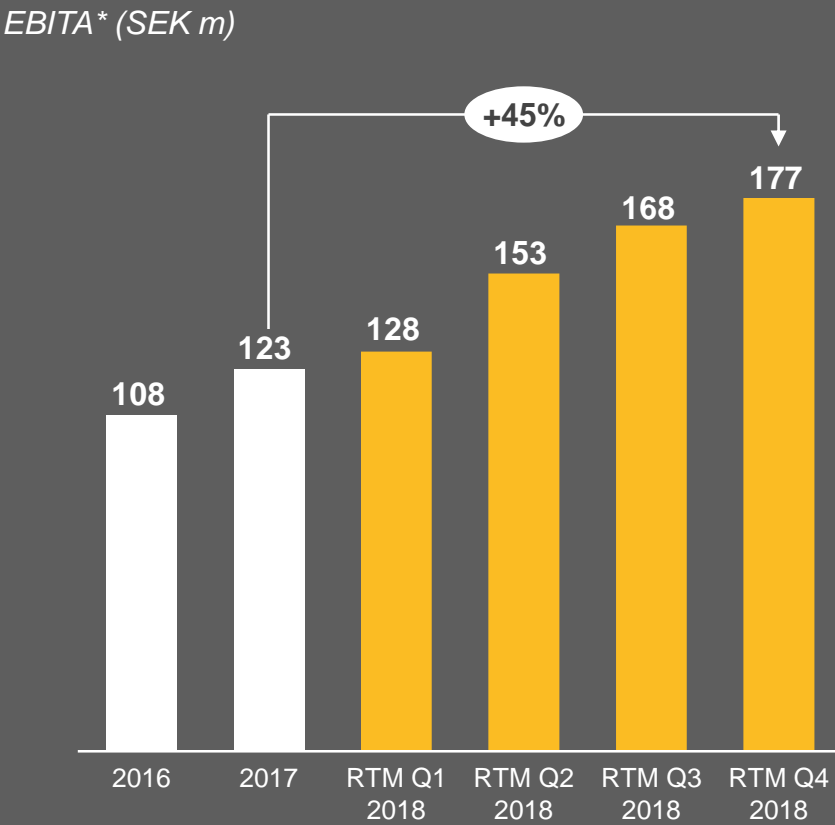
- Coming quarters, unchanged positive view on growing profit levels
- Newly added acquisitions contribute with results

Growth in 2018 +43% and organic growth +5%

Group Net sales



Group EBITA*



Quarter and FY

Financial development Group - remaining operations

	Q4 2018 (Q4 2017)	Jan-Dec 2018 (Jan-Dec 2017)
Net Sales (SEKm)	+27% 419 (331)	+43% 1 496 (1 045)
EBITA* (SEKm)	+19% 57 (48)	+45% 177 (122)
EBITA* margin	13.5% (14.3%)	11.8% (11.7%)
Net bank debt/EBITDA		0.59 (-0.25)
Net debt/EBITDA ¹⁾		3.02 (1.37)

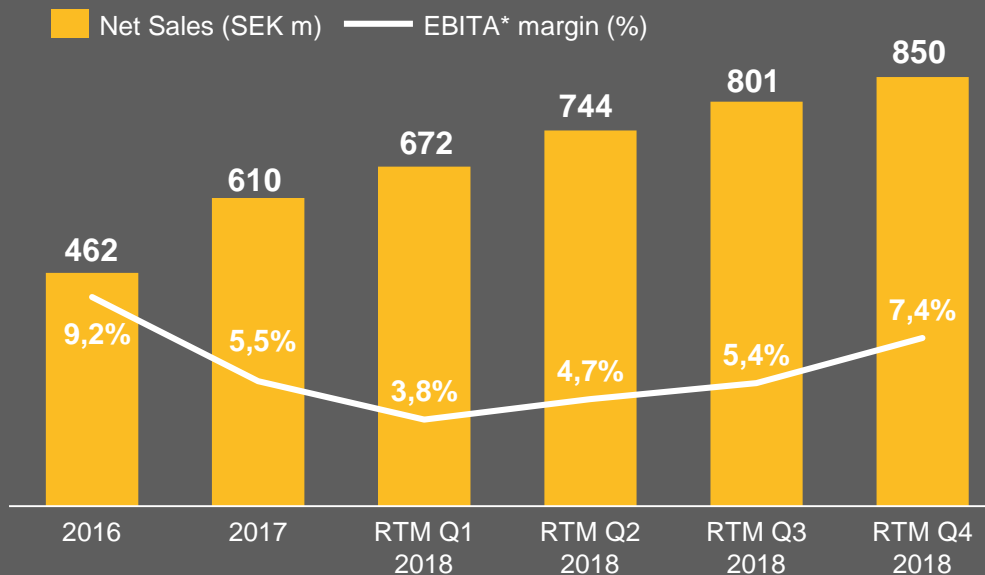
1) Comment on the Net debt/EBITDA ratio.

At a share of 49%, Net debt consists of debt related to “conditional considerations for acquisitions” (Swe: tilläggsköpeskillningar). These debts are sized for profit growth, i.e. current Net debt is based on future EBITDA levels higher than the current EBITDA levels used in the ratio.

Quarter and FY

Financial development in Tailored Installations

Tailored Installations



	Q4 2018 (Q4 2017)	Jan-Dec 2018 (Jan-Dec 2017)
Net Sales (SEKm)	229.6 (179.9)	850.3 (609.5)
EBITA* (SEKm)	22.4 (2.7)	63.1 (33.8)
EBITA* margin	9.8% (1.5%)	7.4% (5.5%)

Quarter

- Continued strong growth in sales, in the quarter increased with 28% to 229.6 SEKm
- EBITA* increased with 730% to 22.4 SEKm
- EBITA* margin increased to 9.8% (1.5%)

Elevators

- Successful improvement program has resulted in increased profitability
- Strong growth and demand in non-Nordic units

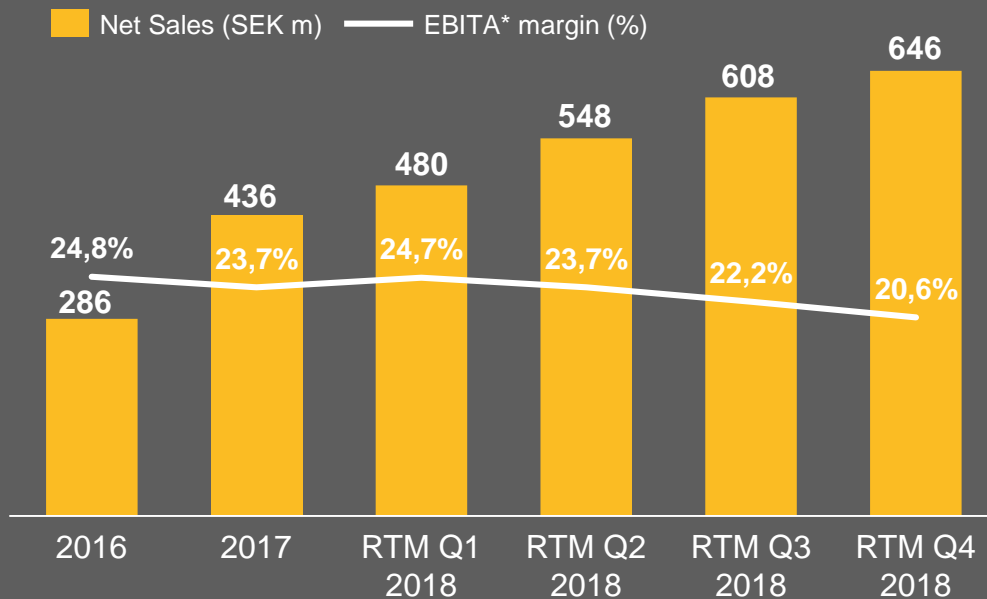
Other

- Other companies in the business area are in line with previous year
- Acquisitions during 2018:
Centralmontage i Nyköping AB in Q1,
Optyma Security Systems in Q1
- Total number of units: 13

Quarter and FY

Financial development in Niche Products & Services

Niche Products & Services



Quarter

- Continued strong growth in sales, in the quarter increased with 25% to 189.6 SEKm
- The profitability last year was exceptionally strong at 27.8% and during 2018 we have guided a normalized profit level at ca. 20%
- EBITA* margin for the quarter came in better than expected at 21.3%. In total EBITA* for the quarter decreased to 40.4 SEKm (42.1).

Other

- Acquisitions during 2018:
Storadio Aero AB in Q1,
Multitech Site Services Ltd in Q1,
KSS Klimat- & Styrsystem AB in Q2,
Rogaland Industri Automasjon AS early in Q3,
Vera Klippan AB in Q4 and
Pure Water Scandinavia AB in Q4
- Total number of units: 15

	Q4 2018 (Q4 2017)	Jan-Dec 2018 (Jan-Dec 2017)
Net Sales (SEKm)	189.6 (151.2)	646.0 (435.7)
EBITA* (SEKm)	40.4 (42.1)	133.3 (104.2)
EBITA* margin	21.3% (27.8%)	20.6% (23.9%)

Acquisitions

Eight acquisitions completed in 2018

Completed	Company	Business area	Country
Q1-19	RedSpeed International Ltd	Special Infrastructure Solutions	UK
Q4-18	Pure Water Scandinavia AB	Water & Energy	SE
Q4-18	Vera Klippan AB	Water & Energy	SE
Q3-18	Rogaland Industri Automasjon AS	Water & Energy	NO
Q2-18	KSS Klimat- & Styrssystem AB	Special Infrastructure Solutions	SE
Q1-18	Centralmontage i Nyköping AB	Water & Energy	SE
Q1-18	Storadio Aero AB (former Aviolinx)	Special Infrastructure Solutions	SE
Q1-18	Optyma Security systems Ltd	Special Infrastructure Solutions	UK
Q1-18	Multitech Site services Ltd	Water & Energy	UK

Acquisitions

Recent acquisitions

Pure Water Scandinavia AB

- Pure Water Scandinavia is a leading product company in the niche of ultrapure water. The company's products are used by companies such as hospitals, energy companies and laboratories.
- Through the acquisition, we complement the Group's offering within the water segment.
- Net Sales: SEK 32m



RedSpeed International Ltd

- RedSpeed International is a leading supplier of solutions to the traffic enforcement industry, specialising in the development, manufacturing and maintenance of digital enforcement cameras.
- Through the acquisition, we complement the Group's offering in the special infrastructure solution segment.
- Net Sales: GBP 5.6m



Summary

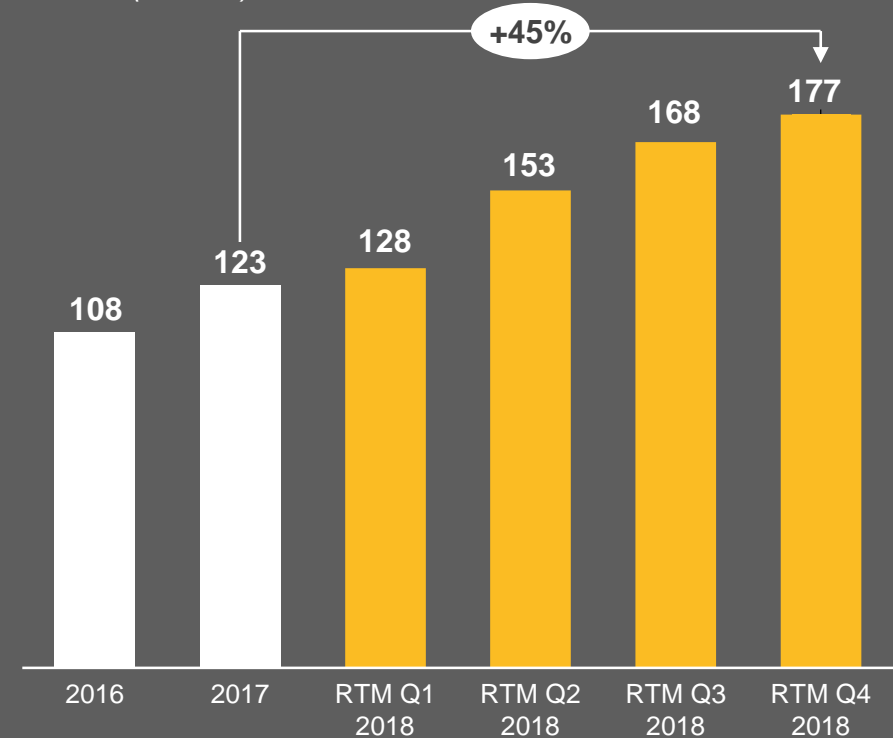
- Niche technology, solutions and services to the Infrastructure sector
- Growth driven by urbanization as well as improvements for increased sustainability, efficiency and safety

Outlook is positive

- The fourth quarter of the year underscored the positive trend and growth in the Group.
- Unchanged positive view on growing profit levels
- Newly added acquisitions contribute with results

Group EBITA*

EBITA* (SEK m)





Thank you for listening.



Appendix

Sdipotech 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

**Head of Property
Technical Services**

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



FREDRIK NAVJORD

**Head of
Water & Energy**

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



ANDERS MATTSSON

**Head of Special
Infrastructure Solutions**

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



Steven Gilsdorf

Head of Acquisitions

Shares:
68,400 (Buy options)
Experience:
GE Capital, Booz & Co., Bisnode
MBA, London Business School,

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

EBITA* → Net profit

	2018 Jan-Dec	2017 Jan-Dec	
Net Sales	1 496.2	1 045.1	
Operational costs	-1 319.0	-922.6	
Profit from operations, EBITA*	177.2	122.5	EBITA*, best representation of the profits from the ongoing operations
Acquisition costs	-21.1	-11.9	Direct costs related to acquisitions, occurs with irregularity
Earn-out debt adjustments	33.9	78.0	Adjustment of debt related to conditional considerations (“earn-out”) for acquisitions, booked as a revenue item
EBITA	189.9	188.6	
Goodwill writedown	-46.6	-33.0	Goodwill related to acquisitions reduced, booked as a cost item
EBIT	143.3	155.6	
Net interest expense	-10.2	-11.9	
Discounted interest	-6.3	-24.2	Discounted interest on conditional considerations (“earn-out”) for acquisitions, reduced from 5% to 2% in Q4 2017
EBT	126.8	119.5	
Tax	-30.5	-24.6	Tax (20.2% in 2018) based on EBT excluding GW writedown, earn-out debt adjustments, discounted interest and tax related to previous year
Net profit	96.3	94.9	

Alternative Key Figure

EBITA* introduced in Q1-2018

New Key Figure EBITA*

- EBITA* introduced from the first quarter 2018
- 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 31 December 2018

	SDIP A	SDIP B	PREF	CAPITAL %	VOTES %
Serendipity Group	2,000,000	12,581,711		45.53%	65.13%
Elementa Management		2,436,110		7.61%	4.87%
Swedbank Robur Fonder		2,061,000		6.44%	4.12%
Handelsbanken Fonder		1,420,000		4.43%	2.84%
Catella Fonder		748,243		2.34%	1.50%
Aktia		662,500		2.07%	1.32%
Avanza Pension		330,645	256,393	1.83%	1.17%
F Holmström Private Equity		579,248		1.81%	1.16%
AB Axel Granström		400,000		1.25%	0.80%
Nordnet Pensionsförsäkring		300,583	65,124	1.14%	0.73%
Others		6,757,605	1,428,483	25.55%	16.36%
Total	2,000,000	28,277,645	1,750,000	100.00%	100.00%