



YEAR-END REPORT JANUARY – DECEMBER 2019

February 11, 2020



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, General Electric, Accenture
- Education: M.Sc. in Systems Engineering from KTH Royal Institute of Technology

**Bengt
Lejdström**

CFO



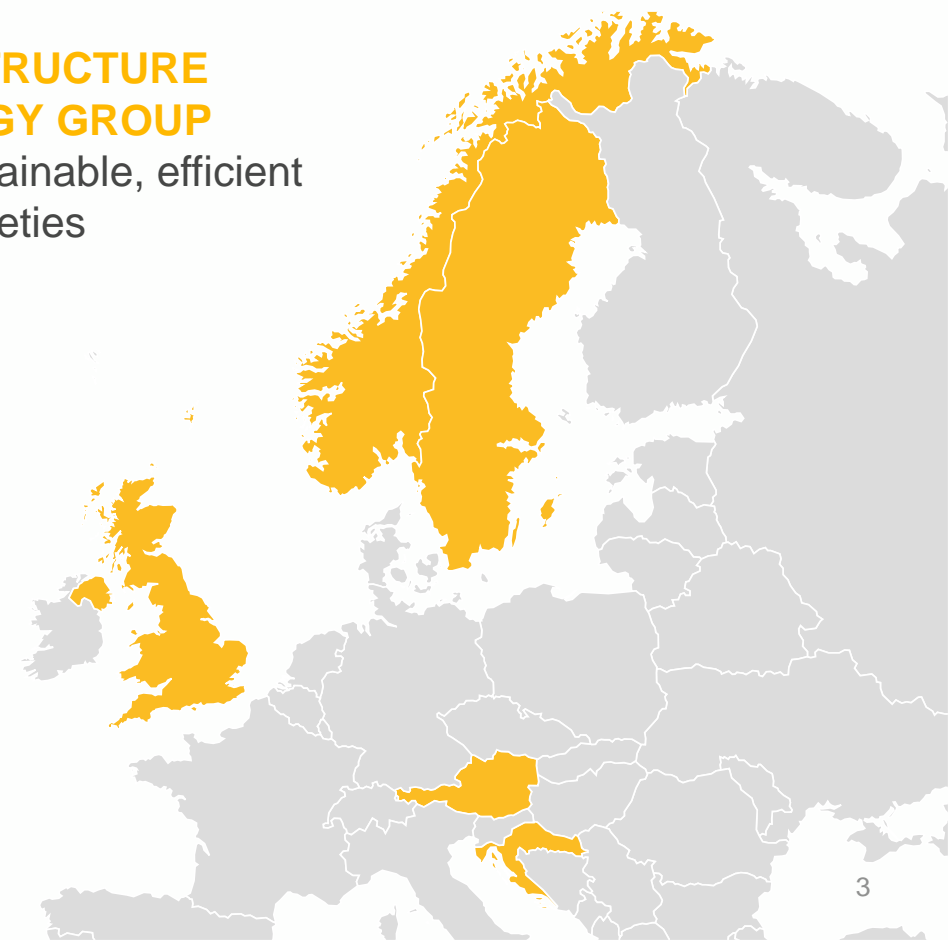
- Joined SdipTech in 2018
- Holds 45,200 ordinary shares, 2,500 preference shares, 68,400 buy options
- Background: CFO Lagercrantz Group, Intrum Justitia, Acando
- Education: M.Sc. in Business Economics from Stockholm School of Economics



**AN INFRASTRUCTURE
TECHNOLOGY GROUP**

Creating sustainable, efficient
and safe societies

1,825	14.4%	48%	1,263	32
MSEK Net Sales 2019	EBITA*-margin 2019	Growth EBITA* 2019	Employees	Business Units



The infrastructure challenge

Business Areas

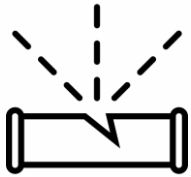
Current trading

Drivers for the infrastructure challenge

- Aging infrastructure and a need to rebuild
- Capacity requirements continue to grow
- Growing urban population increases shortage and strain
- Stricter regulations and inherent human drive for sustainability, efficiency and safety

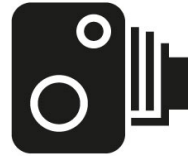


Examples of infrastructure challenges



23%

distribution losses in
freshwater networks¹⁾



14-25%

reduction of car crashes
after speed camera
installation²⁾



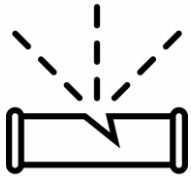
54%

increase in mobile malware
variants 2017 to 2018³⁾

\$ 14.8 trillion
= 27x Sweden's GDP

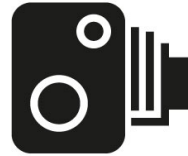
infrastructure investment need in Europe
2016-2040⁴⁾

Sdiptech solutions to examples of infrastructure challenges



23%

distribution losses in
freshwater networks¹⁾



14-25%

reduction of car crashes
after speed camera
installation²⁾



54%

increase in mobile malware
variants 2017 to 2018³⁾



1) EurEau; 2) Cochrane; 3) Symantec

Strategic positioning and Business model

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



**Creating sustainable,
efficient and safe societies**

Brexit: Impact is expected to be small and manageable



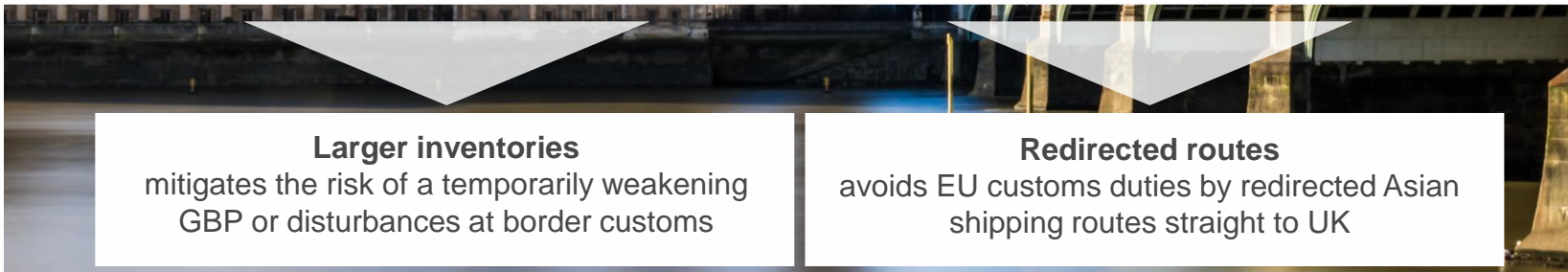
Export to UK

Our exporting companies have a low share of revenue to UK
Potential loss or disturbance in sales for the group is expected to be insignificant



Import to UK

Our UK based companies do have a share of purchases with origin outside the UK



The infrastructure challenge

Business Areas

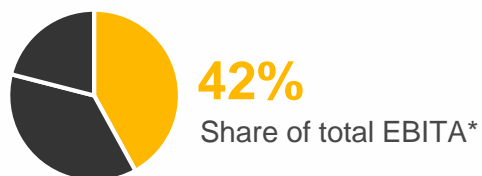
Current trading

Business Areas



Water & Energy

- Water & Sanitation
- Power & Energy



641
Revenue
(MSEK)

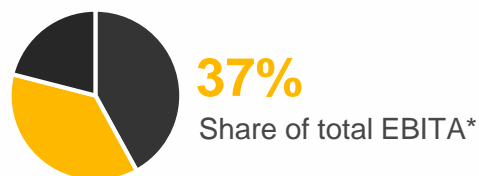
19%
EBITA*-
margin

13
Business
Units



Special Infrastructure Solutions

- Air & Climate control
- Safety & Security
- Transportation



479
Revenue
(MSEK)

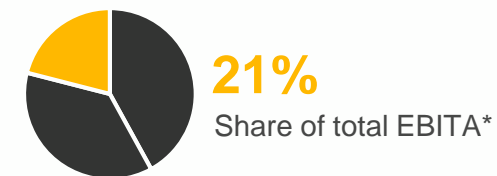
22%
EBITA*-
margin

10
Business
Units



Property Technical Services

- Elevators
- Other property technical services



705
Revenue
(MSEK)

9%
EBITA*-
margin

9
Business
Units

Business Areas



**Niched technology, solutions and services
to the Infrastructure sector**



Water & Energy

641

Net Sales
(MSEK)

19%

EBITA*-
margin

42%

Share of total
EBITA*

13

Business
Units

UNIPOWER

**CENTRAL
BYGGARNA**
i ÅKERSBERGA AB

C M
CENTRALMONTAGE AB

HYDRO
Standard AB

HANSA

P Polyproject

TOPAS
VATTEN

MT MULTITECH
SITE SERVICES

Eurotech

VERA
KLIPPAN

Water Treatment Products
speciality chemicals & technical solutions

PWS
Pure Water Scandinavia

STEDET FOR AUTOMASJON
RIA



Special Infrastructure Solutions

479

Net Sales
(MSEK)

22%

EBITA*-
margin

37%

Share of total
EBITA*

10

Business
Units

FRIGOTECH

OPTYMA SECURITY SOLUTIONS

STORADIO.AERO



CLIFF MODELS



KSS
Klimat & Styrssystem

THORS
TRADING AB

RedSpeed®
International Ltd.

cryptify

@auger

Property Technical Services

705

Net Sales
(MSEK)

9%

EBITA*-
margin

21%

Share of total
EBITA*

9

Business
Units

Service elevators, Stockholm



ManKan Hiss AB



S:TERIKS HISS



HissPartner

Service elevators, Vienna



Aufzüge Friedl

New elevators, Europe



METUS
DIZALA

Other, Property Technical Services



CASTELLA[®]
ENTREPRENAD

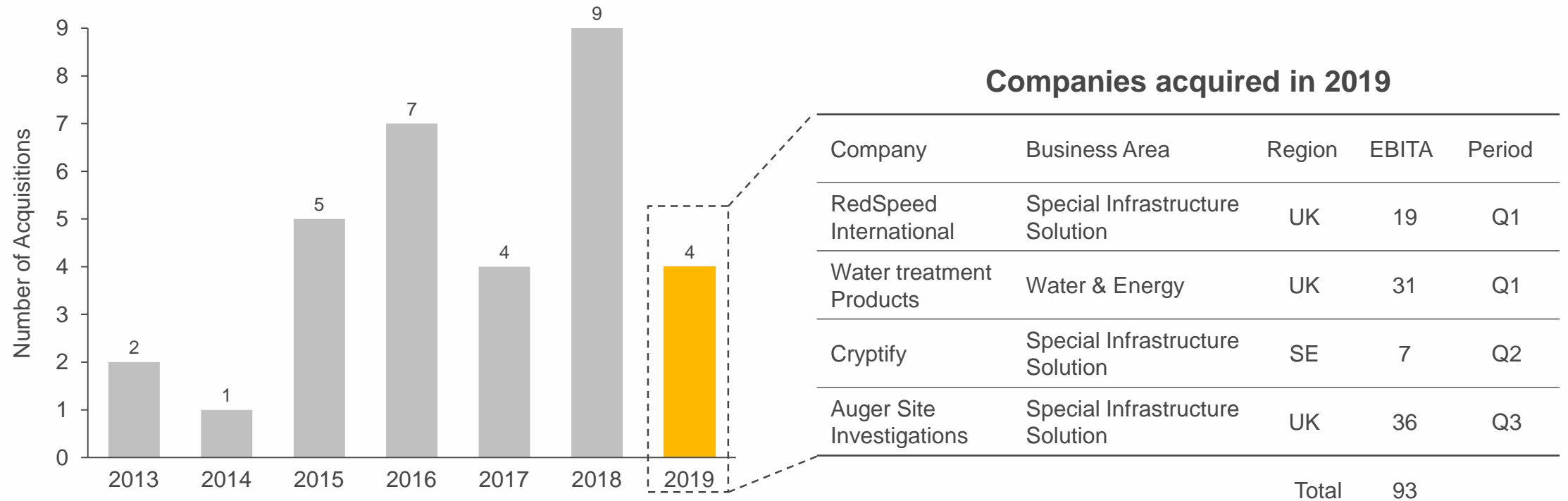


compact[®]
LIFTSYSTEMS



TELLO
Service Partner AB

Acquisitions



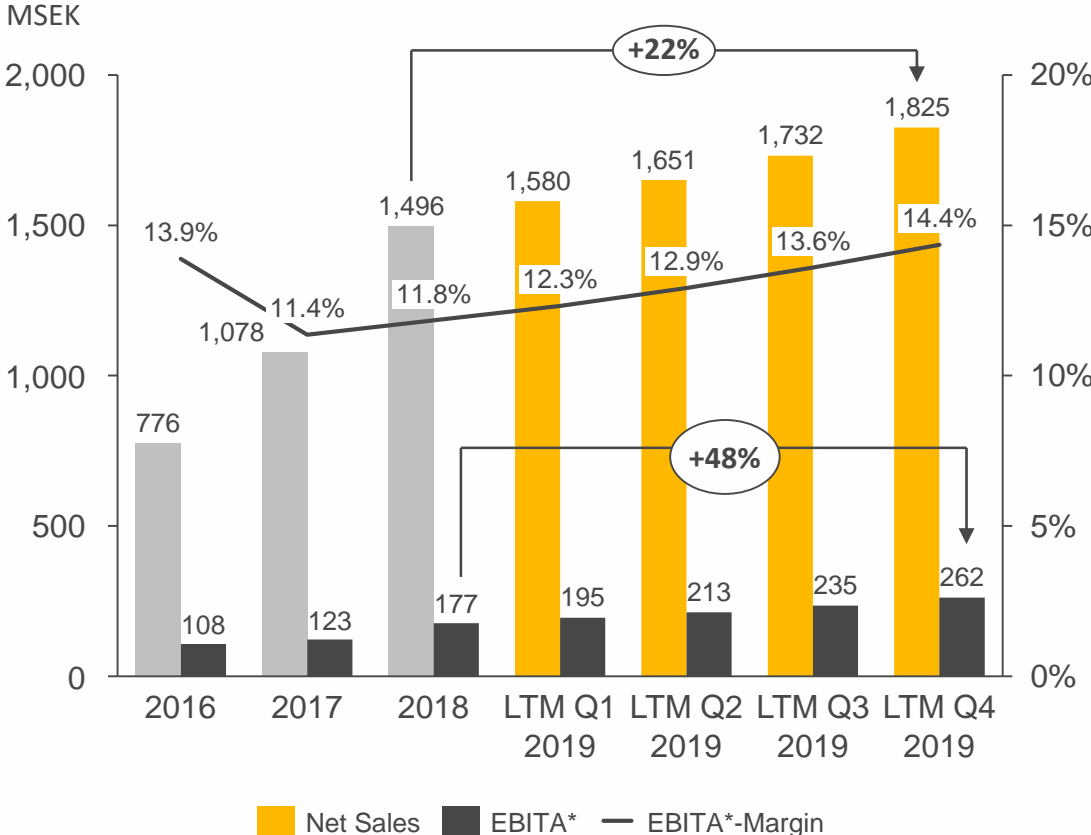
The infrastructure challenge

Business Areas

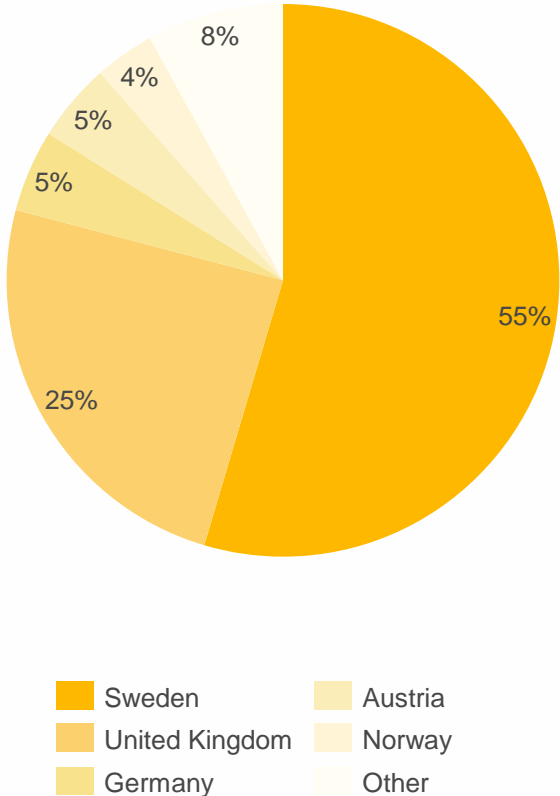
Current trading

Financial Development

Group Sales & EBITA*



Sales Distribution¹⁾



Sources: Sdiptech Financial reports
 Notes: 1) Based on revenue for FY 2019

Quarterly highlights

Sales growth beyond expectations

- Net sales increased 22% to SEK 513m
- Water & Energy performed well and matched the strong end of 2018
- Organic sales growth of 6% for Special Infrastructure Solution
- Property Technical Services organic sales growth of 5% completes the action programme within the elevator operations

Strong organic profit growth, margin increase and cash flow

- Organic profit growth of 21% for the quarter, in fixed currencies
- EBITA* increased 48% to SEK 84m and EBITA* margin increased to 16% (14%)
- Earnings per share increased 154% to SEK 1.65 (0.65)
- Strong cash flow, SEK 104m (58) from operating activities, corresponding to a cash generation of 128% (112%)

Outlook is positive

- The long-term demand in our segments is solid as investment needs are significant, no strong signs of a downturn
- Coming quarters unchanged positive view on growing profit levels
- Continue to work with unchanged goals and ambitions

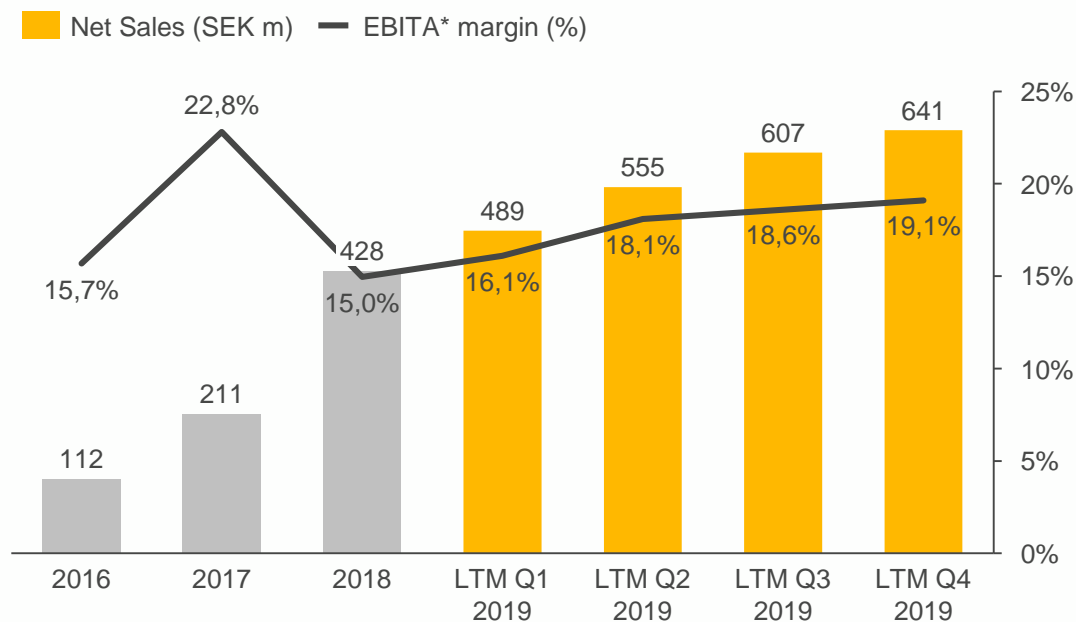
Quarter and LTM - Financial development

	Q4 2019 (Q4 2018)	LTM Q4 2019 (LTM Q4 2018)
Net Sales (SEKm)	+22% 513 (419)	+22% 1,825 (1,496)
EBITA* (SEKm)	+48% 84 (57)	+48% 262 (177)
EBITA* margin	16% (14%)	14% (12%)
EPS ¹⁾ , SEK/share	1.65 (0.65)	4.87 (2.59)
Cash flow, ops (SEKm)	104 (58)	313 (89)
Net bank debt/EBITDA	1.21 (0.59)	
Net debt/EBITDA ²⁾	3.11 (3.02)	

1) EPS after deduction of dividends to preference shareholders

2) Net debt/EBITDA ratio: At a share of 47%, Net debt consists of debt related to “conditional considerations for acquisitions” (Swe: tilläggsköpeskillingar). These debts are sized for profit growth, i.e. current Net debt is based on future EBITDA levels higher than the current EBITDA levels used in the ratio.

Financial Development Water & Energy



	Q4 2019 (Q4 2018)	LTM Q4 2019 (LTM Q4 2018)
Net Sales (SEKm)	170.7 (136.3)	641.4 (427.9)
EBITA* (SEKm)	39.0 (29.4)	122.8 (64.2)
EBITA* margin	22.8% (21.6%)	19.1% (15.0%)

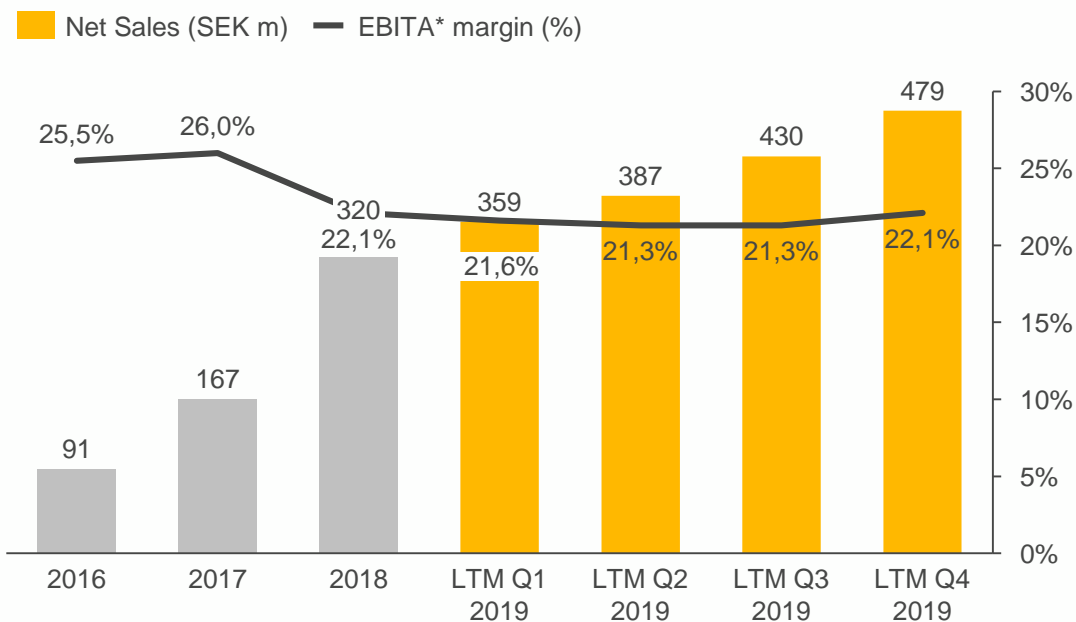
Quarter

- Strong growth in sales, +25%, due to acquisitions
- EBITA* increased with 33% to SEK 39m, of which organic +4%
- Increased EBITA* margin despite high comparative figures year-on-year, 22.8% vs 21.6%
- Strong demand in comparable units with scalable business models and high profitability, and from acquired units with higher profit margins than the average

Other

- Guiding provided in Feb-20: EBITA * margin for the business area is expected to be around 17–20% for the full year 2020
- Acquisitions during 2019: Water Treatment Products (Feb)
- Total number of units: 13

Financial Development Special Infrastructure Solutions



	Q4 2019 (Q4 2018)	LTM Q4 2019 (LTM Q4 2018)
Net Sales (SEKm)	152.4 (102.5)	479.4 (319.6)
EBITA* (SEKm)	38.6 (24.2)	105.9 (70.6)
EBITA* margin	25.3% (23.6%)	22.1% (22.1%)

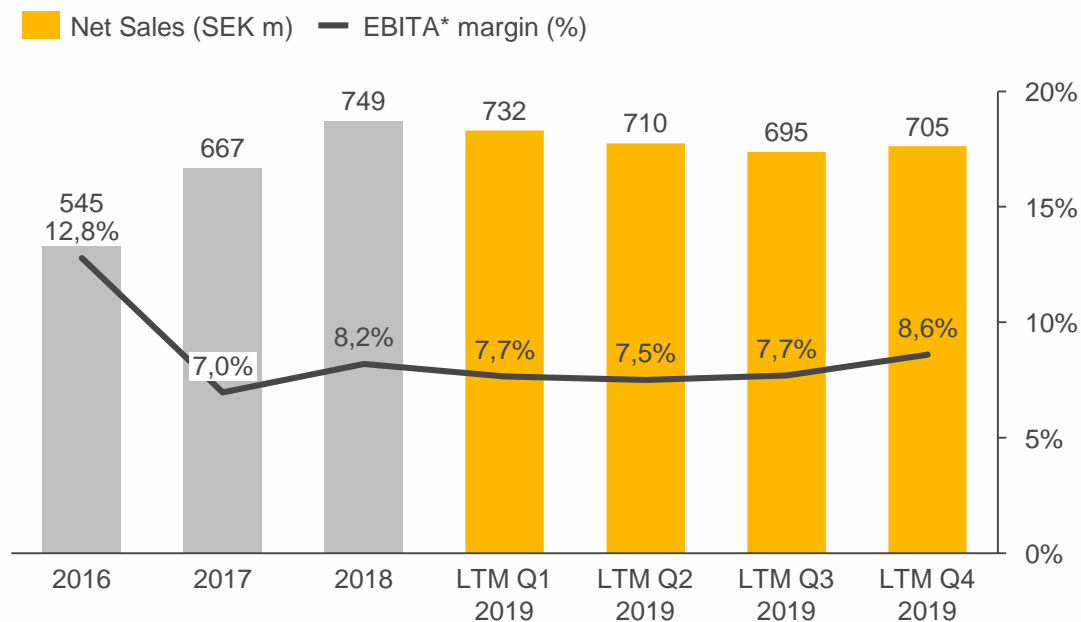
Quarter

- Continued strong growth in sales, +49% in Q4, of which organic +6%
- EBITA* increased with 60% to SEK 38.6m, of which organic +20%
- The EBITA* margin increased to 25.3%
- Strong growth in Air & Climate control and from acquired units with higher profit margins than the average

Other

- Guiding provided in Feb-20: EBITA * margin for the business area is expected to be around 20–22% for the full year 2020
- Acquisitions during 2019: RedSpeed (Jan), Cryptify AB (May), Auger Site Investigations (Aug)
- Total number of units: 10

Financial Development Property Technical Services



	Q4 2019 (Q4 2018)	LTM Q4 2019 (LTM Q4 2018)
Net Sales (SEKm)	190.0 (180.5)	704.8 (749.0)
EBITA* (SEKm)	16.0 (9.3)	60.5 (61.7)
EBITA* margin	8.4% (5.2%)	8.6% (8.2%)

Quarter

- Sales increased 5% organically to SEK 190m
- EBITA* increased 72% organically to SEK 16m
- EBITA* margin increased to 8.4% (5.2%)
- Strong improvement in earnings related to elevator operations with positive effects from the completed profitability program – highest levels since 2016

Other

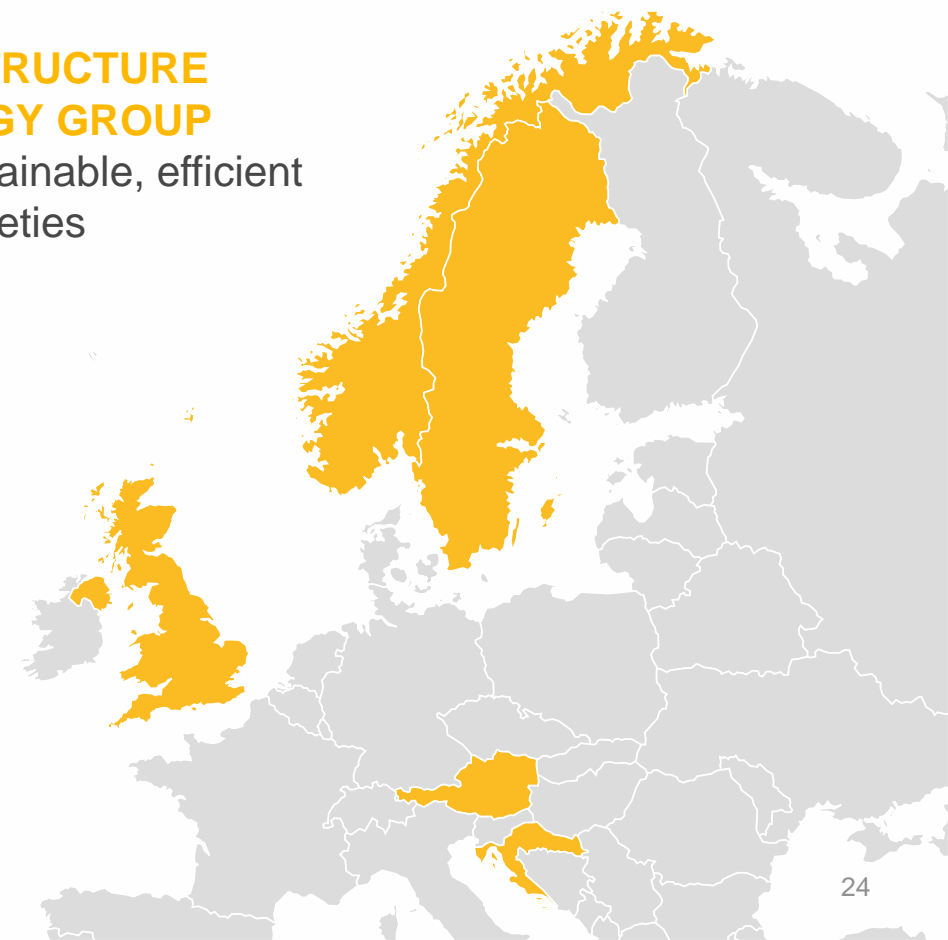
- Guiding provided in Feb-20: A continued normalization of the EBITA* margin for the business area towards 8–10%
- Acquisitions during 2019: None
- Total number of units: 9



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MSEK Net Sales 2019	EBITA*-margin 2019	Growth EBITA* 2019	Employees	Business Units











Thank you for listening







Appendix

Management Team and Board of Directors

Management

	Jakob Holm CEO	258,749 (Class B) 1,040 (Pref) 189,000 (Buy options) Axholmen, General Electric, Accenture M.Sc. KTH Royal Institute of Technology		Fredrik Navjord Head of Water & Energy	18,345 (Class B) 52,500 (Buy options) Metric, Addtech, Volvo M.Sc. Chalmers University of Technology
	Bengt Lejdström CFO	45,200 (Class B) 2,500 (Pref) 68,400 (Buy options) Lagercrantz Group, Interim Justitia, Acando M.Sc. Stockholm School of Economics		Anders Mattsson Head of Special Infrastructure Solution	68,400 (Buy options) Munters, Roland Berger, Bearingpoint M.Sc. Chalmers University of Technology
	Steven Gilsdorf Head of Acquisitions	2,485 (Class B) 68,400 (Buy options) GE Capital, Booz & Co., Bisnode MBA, London Business School		Fredrik Sederholm Head of Property Technical Services	82,222 (Class B) 68,400 (Buy options) Assemblin, Caverion, Otis Elevator M.Sc. Business Economics, Stockholm University

Board of Directors

	Jan Samuelson Chairman	236,000 (Class B) 90,000 (Buy options) Resurs Holding, Stillfront Group, Accent Equity Partners, EF Education M.Sc. Stockholm School of Economics, LL.M. Stockholm University		Markus Sjöholm Board Member	15,000 (Class B) CapMan Buyout. Lahti Precision Oy, Actone AB M.Sc Hanken School of Econ., LL.M. University of Helsinki
	Ashkan Pouya Board Member	5,435,000 (Class B) 1,000,000 (Pref) Serendipity Group B.Sc. Business Administration Uppsala University		Birgitta Henriksson Board Member	4,600 (Class B) Brunswick, Stillfront Group, Carnegie B.Sc. Business Administration Uppsala University
	Johnny Alvarsson Board Member	18,200 (Class B) 18,000 (Buy options) Indutrade, Beijer Alma, Ericsson, Instalco, VBG M.Sc. Engineering Linköping University		Urban Doverholt Board Member	No holdings Assa Abloy, BAE Systems Hägglunds, M.Sc. KTH Royal Institute of Technology, IMD Lausanne

Ownership 31 January 2020

Owner	SDIP A	SDIP B	PREF	CAPITAL %	VOTES %
Ashkan Pouya	1,000,000	5,435,000		20.1%	30.9%
Saeid Esmaeilzadeh	1,000,000	3,898,678		15.3%	27.8%
Swedbank Robur Fonder		2,921,000		9.1%	5.8%
Handelsbanken Fonder		2,500,000		7.8%	5.0%
Cliens Fonder		800,000		2.5%	1.6%
Catella Fonder		798,243		2.5%	1.6%
Nordnet Pensionsförsäkring		716,412	74,540	2.5%	1.6%
Aktia Asset Management		666,096		2.1%	1.3%
Elementa Management		622,057		1.9%	1.2%
Avanza Pension		397,722	216,359	1.9%	1.2%
Total	2,000,000	28,277,645	1,750,000	100.00%	100.00%