Q1 REPORT
JANUARY – MARCH 2020

April 29, 2020

SDIPTECH

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

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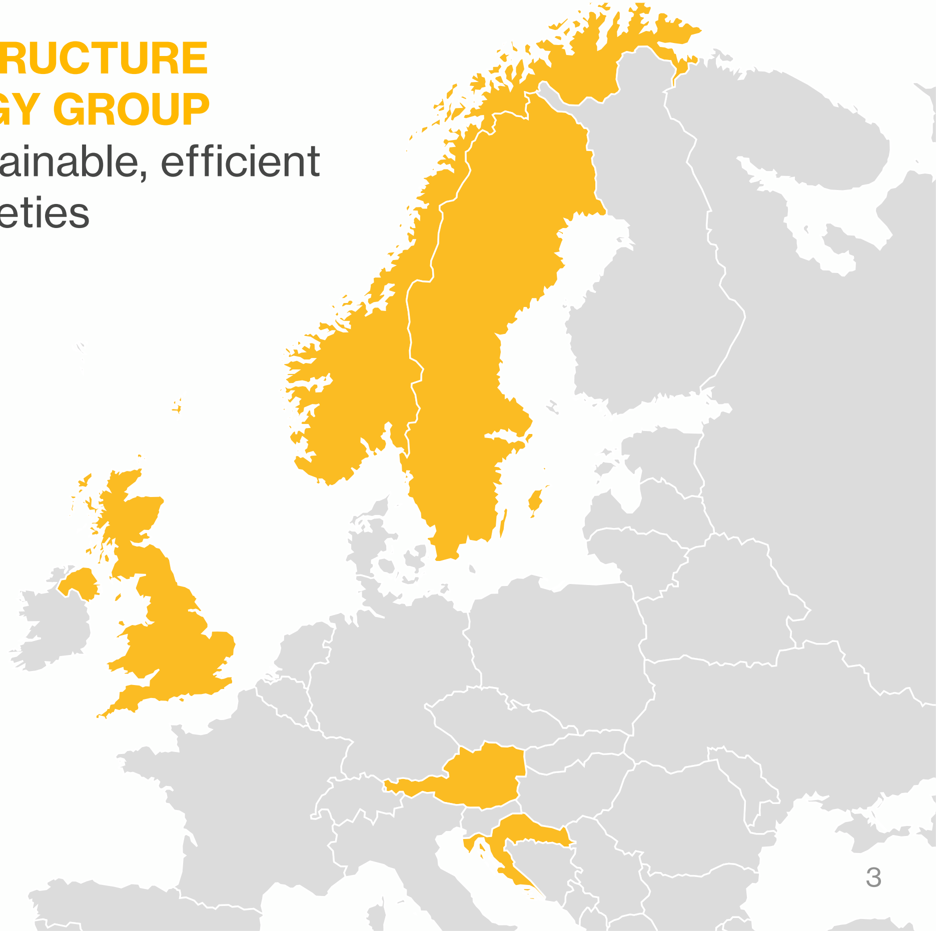
AN INFRASTRUCTURE TECHNOLOGY GROUP

Creating sustainable, efficient and safe societies



1,888	14.9%	44%	1,262	32
MSEK Net Sales LTM Q1 2020	EBITA*-margin LTM Q1 2020	Growth EBITA* LTM Q1 2020	Employees	Business Units

Sources: Sdiptech Financial reports, LTM Q1 2020

➡ **The infrastructure challenge**

Business Areas

Market situation

Current trading

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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**

Sources: EurEau, Eurostat, Oxford Economics & Global Infrastructure Hub

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

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The infrastructure challenge

➡ **Business Areas**

Market situation

Current trading

Business Areas

- Water & Sanitation
- Power & Energy

41%
Share of total EBITA*

648	**20%**	**13**
Revenue (MSEK)	EBITA*-margin	Business Units

- Air & Climate control
- Safety & Security
- Transportation

41%
Share of total EBITA*

544	**24%**	**10**
Revenue (MSEK)	EBITA*-margin	Business Units

- Elevators
- Other property technical services

18%
Share of total EBITA*

696	**8%**	**9**
Revenue (MSEK)	EBITA*-margin	Business Units

Sources: Sdiptech Financial reports, LTM Q1 2020

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The infrastructure challenge
Business Areas
➡ **Market situation**
Current trading

Corona: causing delays, but in general the demand is solid in our industry and we have started to catch up delays as restrictions in our main markets begin to ease

Q1
Continued stable demand for our offers

- Early actions to build inventory
- Increased sales in some areas
- Delayed deliveries due to local restrictions, solid order books

RIGHT NOW
Solid demand from customers, some delays due to local restrictions, which however begin to ease

Delivery-KPI as of 29th of April 2020:
- Sweden: just over 90%
- UK: c. 70%
- Germany & Austria: c. 85%
- Norway: 100%

FURTHER AHEAD
Gradual catch up of backlog, impossible to predict details but confident about the long-term outlook

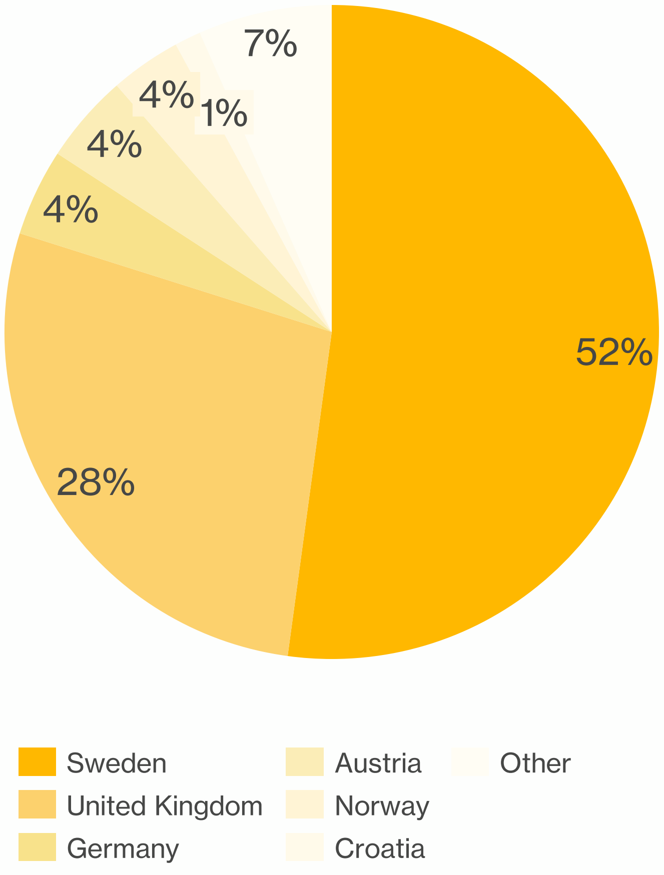
- A continued fundamental need for improved infrastructure
- Scale-up of our production capacity
- Flexible organisation model

Based on our knowledge of the current situation, we see no reason to revise our growth targets for organic profit growth of 5-10 per cent for 2020 and for the longer term.

Source Sdiptech: Delivery-KPI = % level of delivery of planned orders, 100% equals full delivery.
KPI is reported by each business unit on a weekly basis throughout the corona pandemic.

Effects of local restrictions

Sales distribution per country as of <u>29th of April 2020</u>



Source: Sdiptech Financial reports, LTM Q1 2020

Status as of <u>29th of April 2020</u>

SWEDEN Delivery-KPI: just over 90%	▪ Smaller impact, stable demand ▪ Slightly higher sickness absence in some units ▪ Partial delays due to extraordinary circumstances e.g. service at hospitals, project Roslagsbanan delayed
UK Delivery-KPI: c. 70%	▪ Stable underlying demand but strong restrictions in mobility and social distancing cause delays ▪ Short-term leave of staff applied to some extent ▪ This week, small steps to scale up in line with eased restrictions for prioritized workers
GERMANY & AUSTRIA Delivery-KPI: c. 85%	▪ Staff recalled from short-term leave after gradual reliefs in restrictions ▪ Germany: Partial delays due to general market uncertainty ▪ Austria: Improvements in mobility last two weeks, but market uncertainty still remains (e.g. reluctant customers waiting to restart)
NORWAY Delivery-KPI: 100%	▪ Predominately customers within municipal water treatment with unaffected conditions for delivery

Source: Sdiptech. Delivery-KPI = % level of delivery of planned orders, 100% equals full delivery. KPI is reported by each business unit on a weekly basis throughout the corona pandemic.

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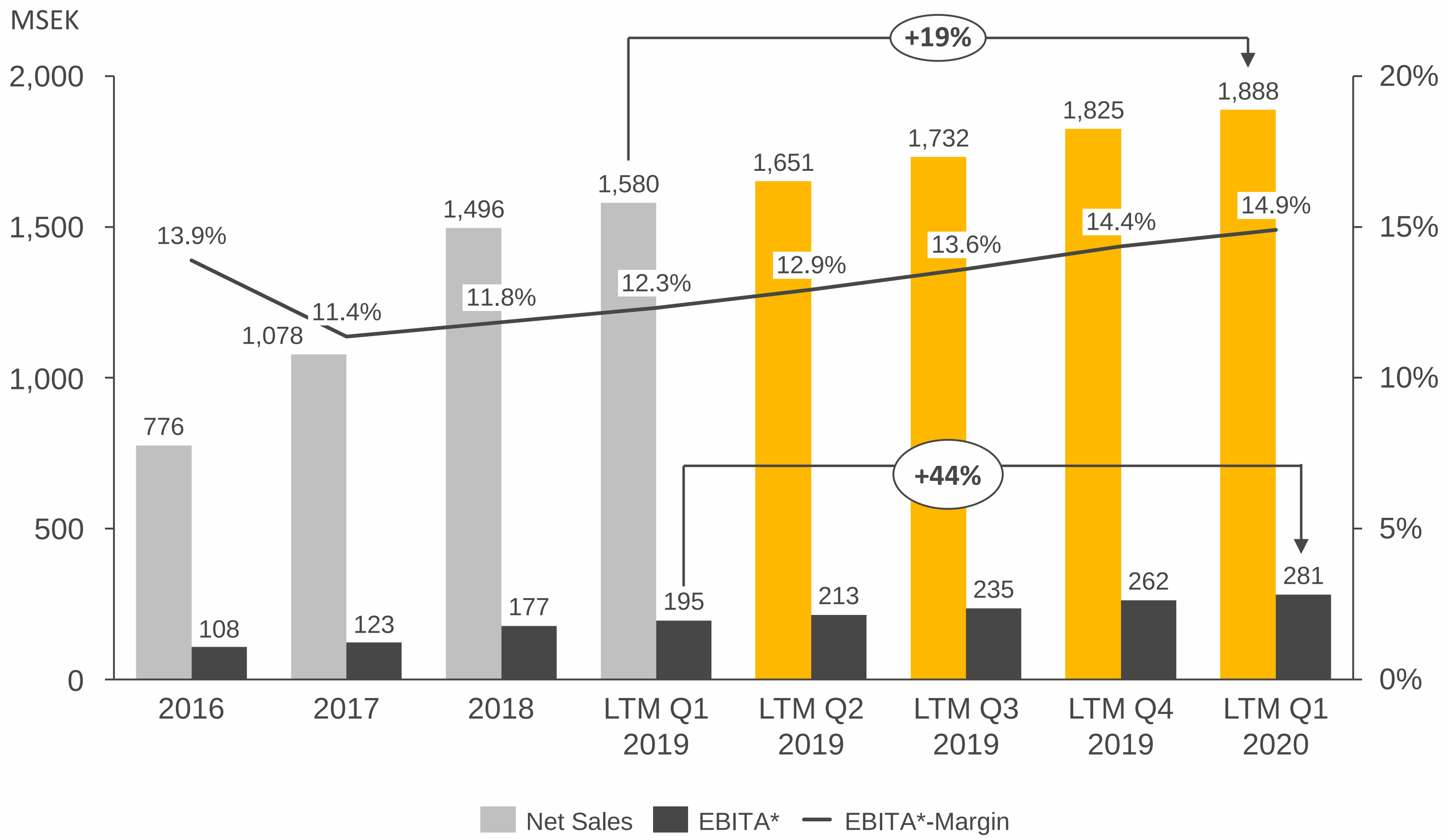
The infrastructure challenge
Business Areas
Market situation
➡ **Current trading**

Financial Development

Group Sales & EBITA*



Sources: Sdiptech Financial reports, LTM Q1 2020

Quarter and LTM - Financial development

	Q1 2020 (Q1 2019)	LTM Q1 2020 (LTM Q1 2019)
Net Sales (SEKm)	+15% **484** (422)	+19% **1,888** (1,580)
EBITA* (SEKm)	+37% **71** (52)	+44% **281** (195)
EBITA* margin	14.6% (12.3%)	14.9% (12.3%)
EPS 1), SEK/share	1.59 (0.52)	5.94 (2.68)
Cash flow, ops (SEKm)	58 (58)	313 (140)
Net bank debt/EBITDA	1.16 (0.84)	
Net debt/EBITDA 2)	2.86 (3.30)	

1) EPS after dilution and 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.

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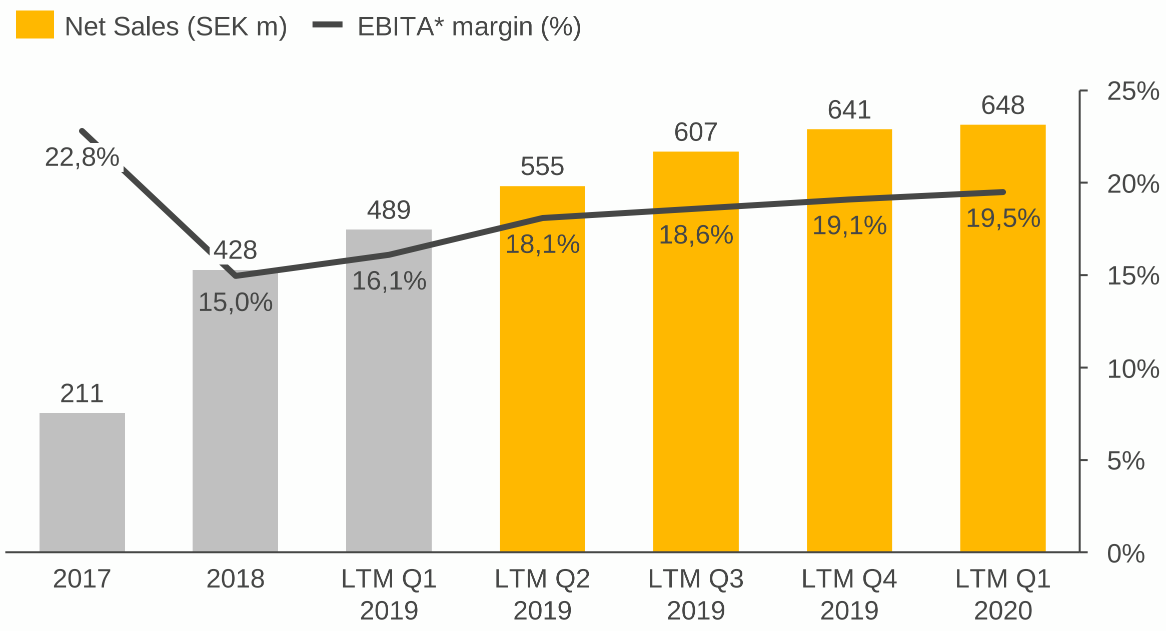
Financial Development Water & Energy



	Q1 2020 (Q1 2019)	LTM Q1 2020 (LTM Q1 2019)
Net Sales (SEKm)	156.6 (150.2)	647.8 (489.2)
EBITA* (SEKm)	29.6 (26.1)	126.3 (78.6)
EBITA* margin	18.9% (17.4%)	19.5% (16.1%)

Quarter

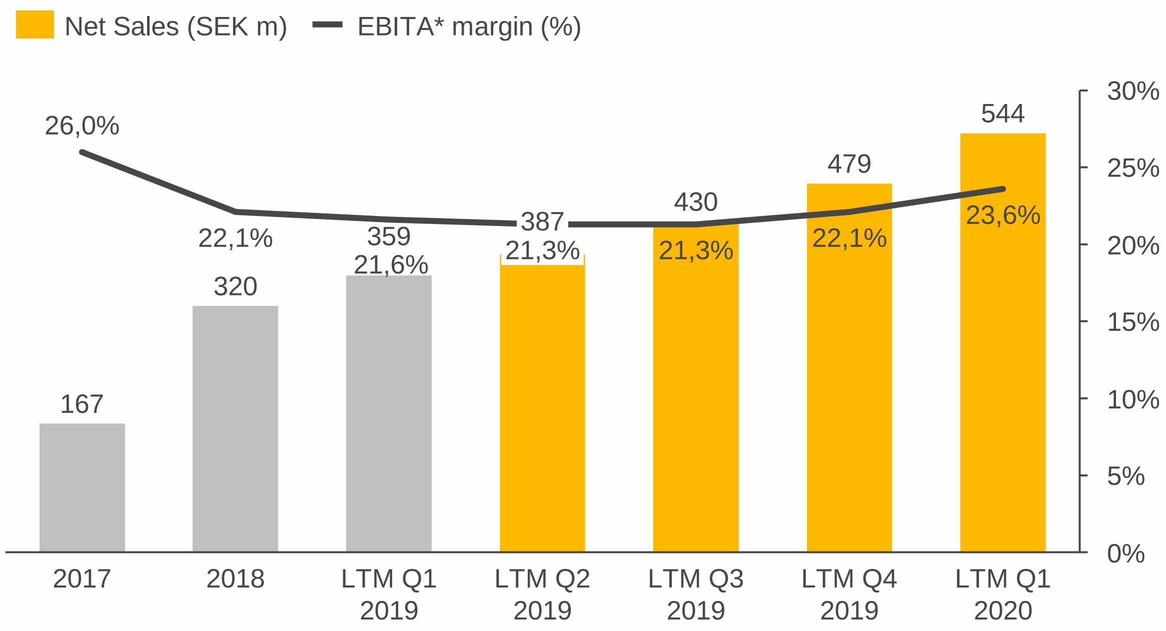
- Sales increased by 4%, of which an organic decrease of -3%.
- Some units affected by Covid-19, at the end of the quarter. This applies primarily to the UK, where parts of the staff have had difficulties getting to their workplaces due to local government decisions.
- EBITA* increased with 13%, of which organic was flat.
- Especially business units in the water treatment and disinfectant manufacturing sector saw increased profits.

Other

- Guiding provided in Apr-20: after a normalizing of the situation, we expect EBITA* margin to approx. 17-20% on a full-year basis.
- Acquisitions LTM Q1 2020: None
- Total number of units: 13

Sources: Sdiptech Financial reports

Financial Development Special Infrastructure Solutions



	Q1 2020 (Q1 2019)	LTM Q1 2020 (LTM Q1 2019)
Net Sales (SEKm)	165.0 (100.0)	544.4 (359.2)
EBITA* (SEKm)	43.4 (20.6)	128.7 (77.6)
EBITA* margin	26.3% (20.6%)	23.6% (21.6%)

Quarter

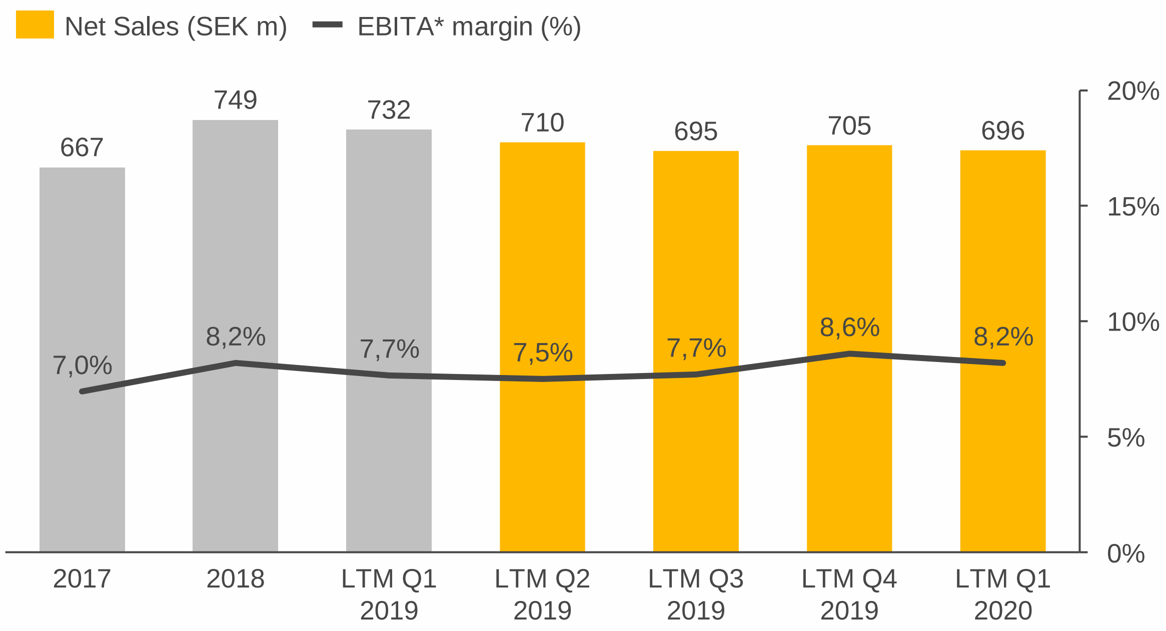
- Strong growth in sales, +65% in Q1, of which organic +18%.
- Sales increase driven by units within Safety & Security and Transportation, where one-off orders contributed to the strong growth, as well as increased demand of secure communication.
- EBITA* increased with 111%, of which organic +49%.
- Several units at historically high profit margins, due to scalable business models.
- Restrictions, mainly in the UK, is affecting the business units, but primarily by delayed deliveries.

Other

- Guiding provided in Apr-20: after a normalizing of the situation, we expect EBITA* margin to approx. 20-22% on a full-year basis.
- Acquisitions LTM Q1 2020: Cryptify AB (May-19), Auger Site Investigations (Aug-19).
- Total number of units: 10

Sources: Sdiptech Financial reports

Financial Development Property Technical Services



	Q1 2020 (Q1 2019)	LTM Q1 2020 (LTM Q1 2019)
Net Sales (SEKm)	162.8 (172.1)	695.5 (732.3)
EBITA* (SEKm)	5.6 (9.3)	56.8 (57.1)
EBITA* margin	3.4% (5.4%)	8.2% (7.8%)

Quarter

- Sales decreased 5%, due to an impact towards the end of the quarter from the effects of Covid-19.
- Impact mainly affecting the Group's markets in Austria and Germany, where decisions by the authorities have had an impact on the staff's mobility causing delays.
- EBITA* decreased 40% due to decrease in sales at the end of the quarter.
- Since the Covid-19 consequences for PTS are mainly delayed projects, business volumes are not expected to be affected to any great extent over time.

Other

- Guiding provided in Apr-20: after a normalizing of the situation EBITA* margin for the business area is expected to be in line with 2019, i.e. around 8-10%.
- Acquisitions LTM Q1 2020: None.
- Total number of units: 9

Sources: Sdiptech Financial reports

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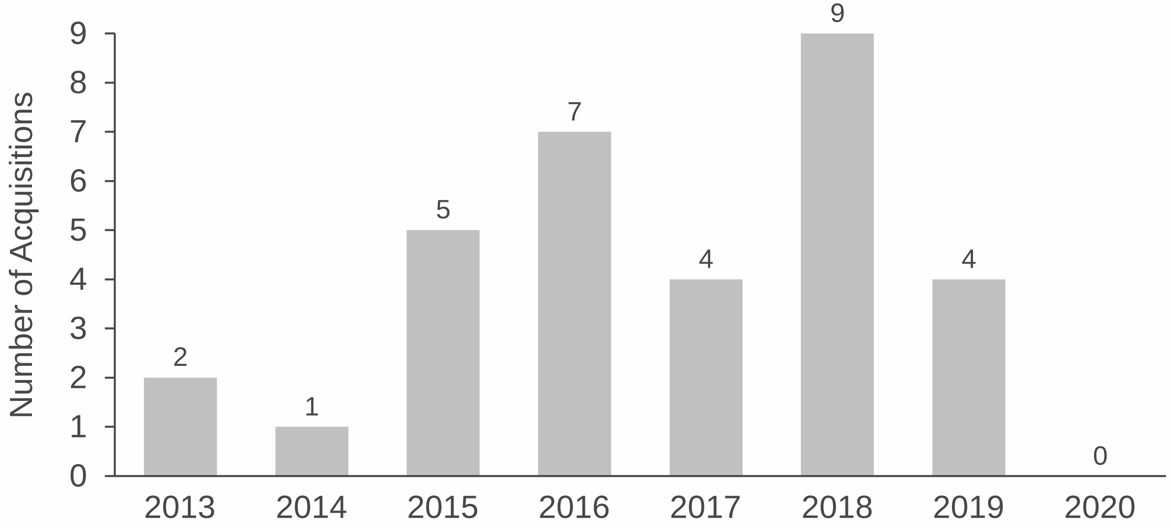
Acquisitions



Companies acquired since 2019

Company	Business Area	Region	EBITA	Period
RedSpeed International	Special Infrastructure Solution	UK	19	Q1
Water treatment Products	Water & Energy	UK	31	Q1
Cryptify	Special Infrastructure Solution	SE	7	Q2
Auger Site Investigations	Special Infrastructure Solution	UK	36	Q3

Activities

- Acquisition target unchanged: 90 Mkr EBITA per year.
- Core of business is to acquire and develop niche-companies offering products and services within the infrastructure sector.
- The demand for these companies' products and services are continually strong, even in a recession.
- Not waiting for a different state of the market.
- Selective view on acquisition target, strong pipeline.
- Strong financial position with a good cash flow and solid credit facilities.

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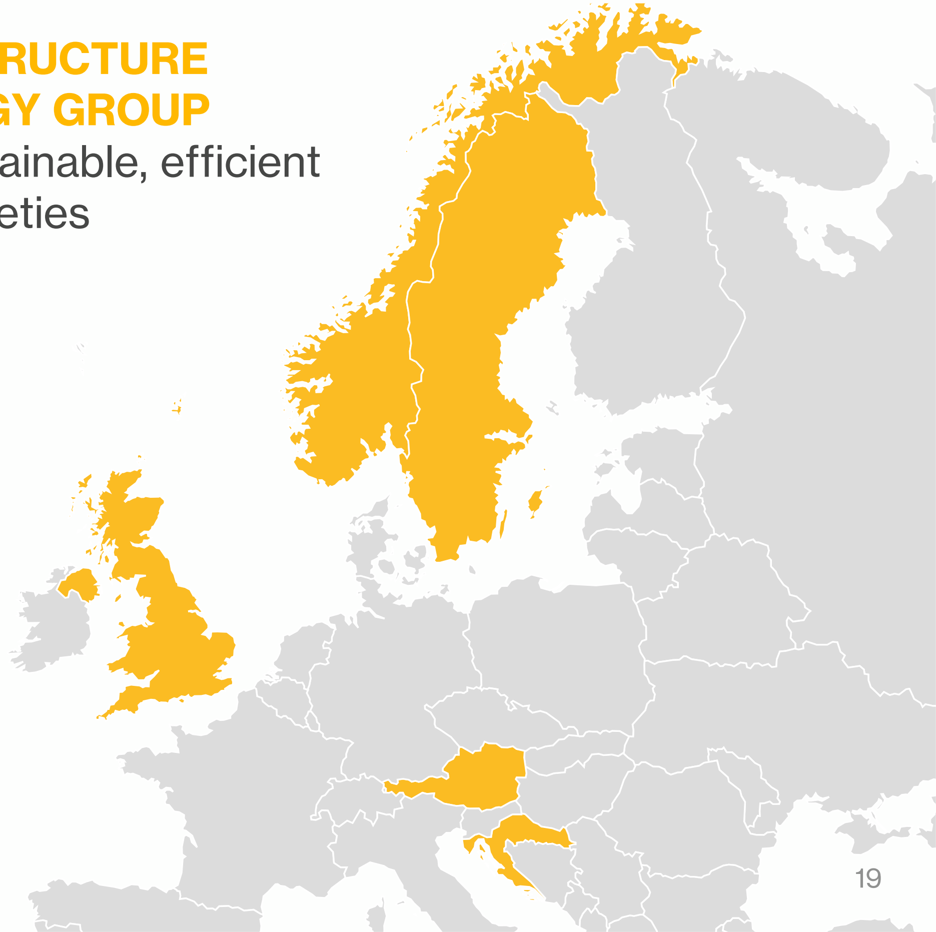

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Thank you for listening

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Appendix

SDIPTECH

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

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

Steven Gilsdorf
Head of Acquisitions

2,485 (Class B) 68,400 (Buy options)

GE Capital, Booz & Co., Bisnode
MBA, London Business School

Fredrik Navjord
Head of Water & Energy

18,345 (Class B) 52,500 (Buy options)

Metric, Addtech, Volvo
M.Sc. Chalmers University of Technology

Anders Mattsson
Head of Special Infrastructure Solution

68,400 (Buy options)

Munters, Roland Berger, Bearingpoint
M.Sc. Chalmers University of Technology

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

Ashkan Pouya
Board Member

5,435,000 (Class B) 1,000,000 (Pref)

Serendipity Group
B.Sc. Business Administration Uppsala University

Johnny Alvarsson
Board Member

18,200 (Class B) 18,000 (Buy options)

Indutrade, Bejier Alma, Ericsson, Instalco, VBG
M.Sc. Engineering Linköping 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

Birgitta Henriksson
Board Member

4,600 (Class B)

Brunswick, Stillfront Group, Carnegie
B.Sc. Business Administration Uppsala University

Urban Doverholt
Board Member

No holdings

Assa Abloy, BAE Systems Hägglunds,
M.Sc. KTH Royal Institute of Technology, IMD Lausanne

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Ownership 31 March 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	3,655,510		14.5%	27.3%
Swedbank Robur Fonder		2,921,000		9.1%	5.8%
Handelsbanken Fonder		2,850,000		8.9%	5.7%
Nordnet Pensionsförsäkring		703,220	68,188	2.4%	1.5%
Cliens Fonder		753,071		2.4%	1.5%
Catella Fonder		705,029		2.2%	1.4%
Elementa Management		638,461		2.0%	1.3%
Avanza Pension		386,431	225,285	1.9%	1.2%
Fredrik Holmström		579,248		1.8%	1.2%
Total	**2,000,000**	**28,277,645**	**1,750,000**	**100.00%**	**100.00%**

Sources: Modular Finance