



Q2 REPORT APRIL – JUNE 2021

July 22, 2021



Creating sustainable, efficient and safe societies

Today's presenters

Jakob Holm

CEO



- Joined Sdiptech in 2014
- Holds 329,749 ordinary shares, 1,040 preference shares, 176,000 warrants
- 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 72,800 ordinary shares, 500 preference shares, 83,100 warrants
- Background: CFO Lagercrantz Group, Intrum Justitia, Acando
- Education: M.Sc. in Business Economics from Stockholm School of Economics

➔ **Business overview**

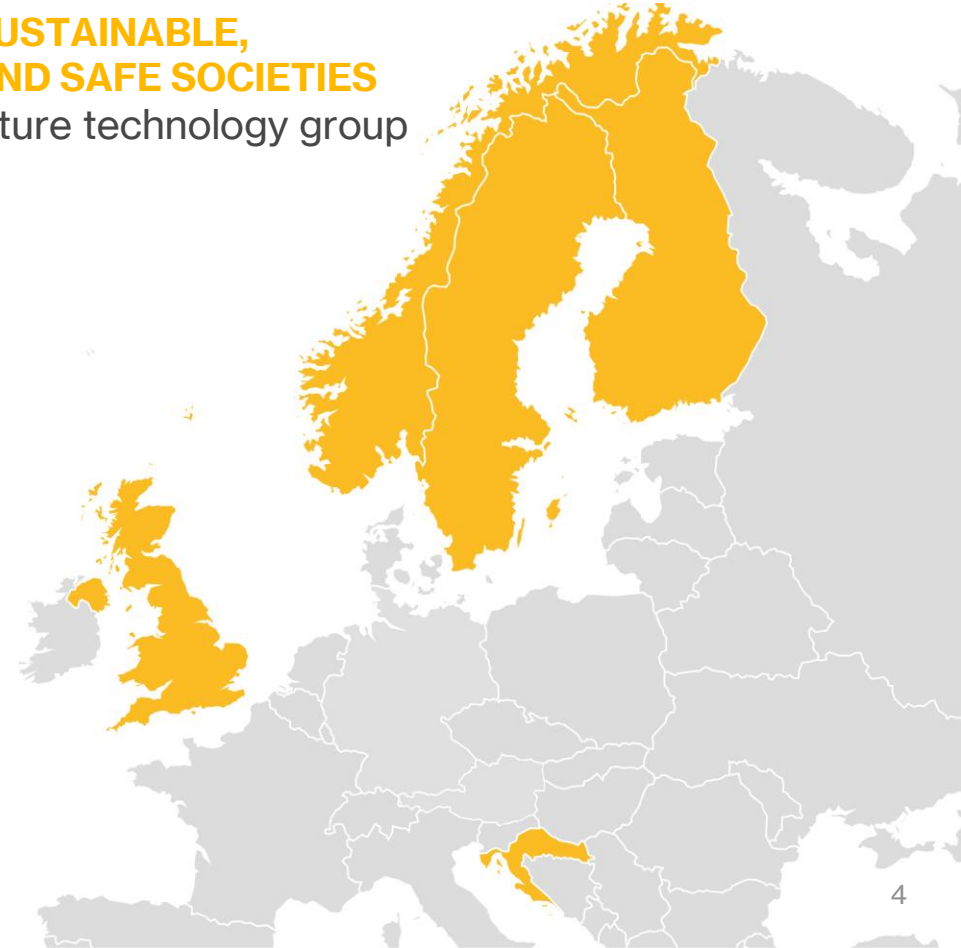
Second quarter

Financial development

Outlook



**CREATING SUSTAINABLE,
EFFICIENT AND SAFE SOCIETIES**
An infrastructure technology group



2,444

MSEK Net Sales
LTM Q2 2021

17.6%

EBITA*-margin
LTM Q2 2021

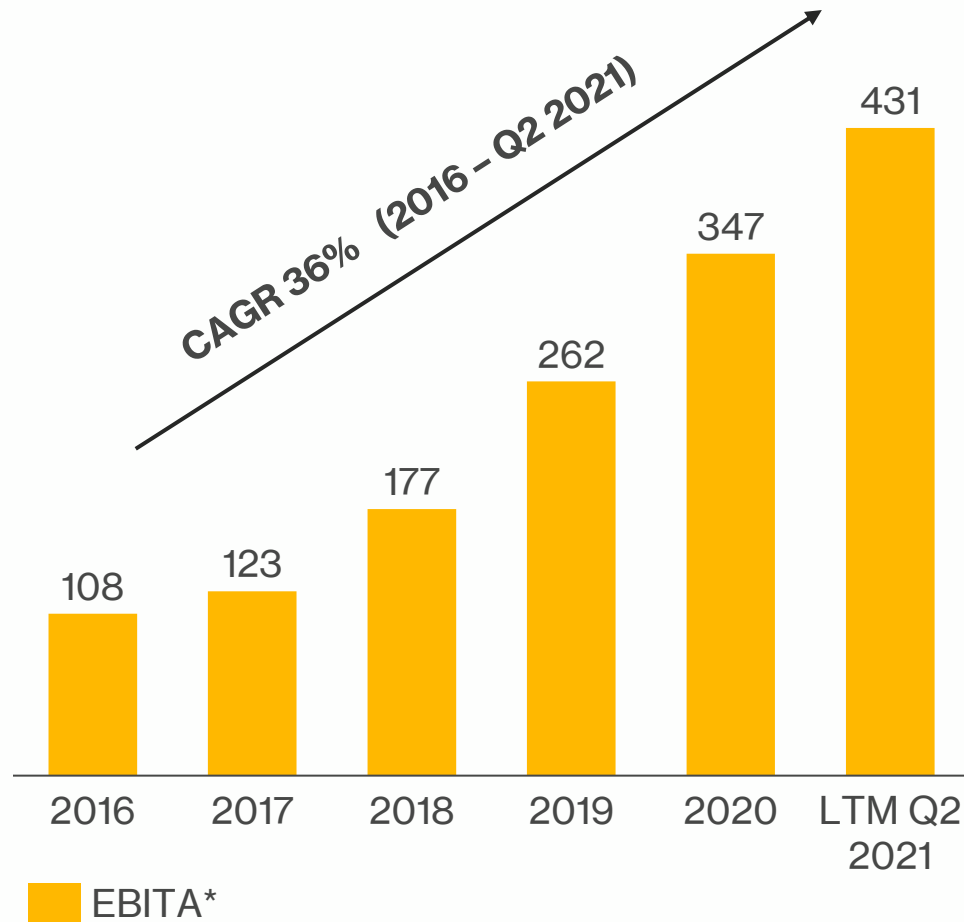
43%

Growth EBITA*
LTM Q2 2021

36%

CAGR EBITA*
2016 – Q2 2021

Sdiptech's overall goal is to create value by increasing profits every year



- Sdiptech's **overall goal is to create sustainable, long-term value growth** by consistently increasing profits, every year
- Sdiptech's business model is designed to **acquire** niched companies and **develop** them to their full potential
- Our focus is on defensible **high-margin positions**
- Sdiptech's markets are defined by **long-term investment needs**
 - More sustainable, efficient and safe societies
 - Under-dimensioned and aging infrastructures

Business overview

→ **Second quarter**

Financial development

Outlook

Acquisition in the quarter - Welcome Ficon Oy



- An add-on acquisition to Hilltip Oy
- Annual sales of EUR 1.8 million, with good profitability
- Products for snow and ice clearing of roads and land
- Resource efficiency where larger vehicles are not needed or can operate
- Will be included in the Special Infrastructure Solutions business area from June 2021

Additional value creating activities in Q2

Divestment of Austrian elevator business:

- Multiple approx. 12xEBIT (2020)

- Approx. SEK 80m in divested sales

- Approx. SEK 10m in divested EBIT

- Approx. 12% EBIT margin

Nasdaq Stockholm, Large Cap

- First day of trading on main market 11th June

- Increased awareness internationally

- Quality stamp



Four long-term sustainability goals

Financial sustainability

- All companies that will be acquired by Sdiptech must contribute to one or more of the UN's global goals for sustainable development

Environmental sustainability

- Sdiptech shall reduce its carbon dioxide intensity (CO₂e/turnover) from its own operations by 50% within five years (between 2021 and 2026)

Social sustainability

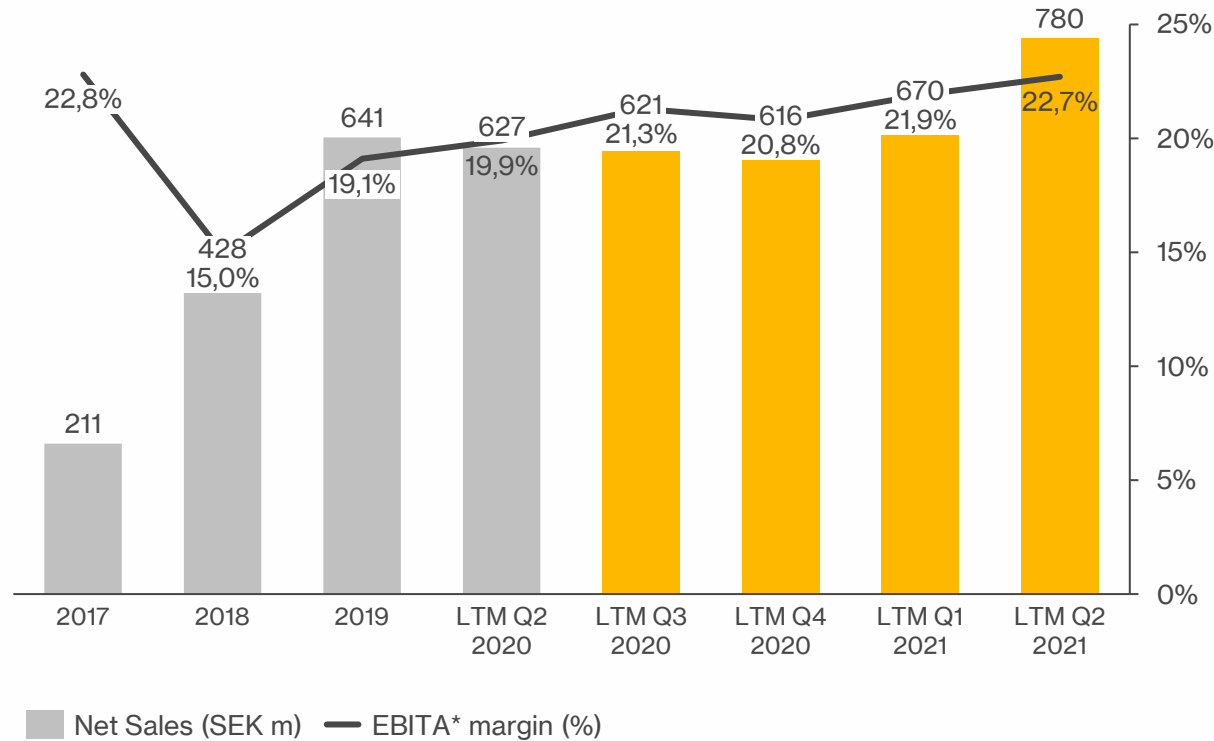
- By 2030, Sdiptech shall be gender equal (men and women represented in the range of 40–60%) in leading positions

Governance

- All companies within the Sdiptech Group must have incentives that are linked to sustainability-related goals



Water & Energy



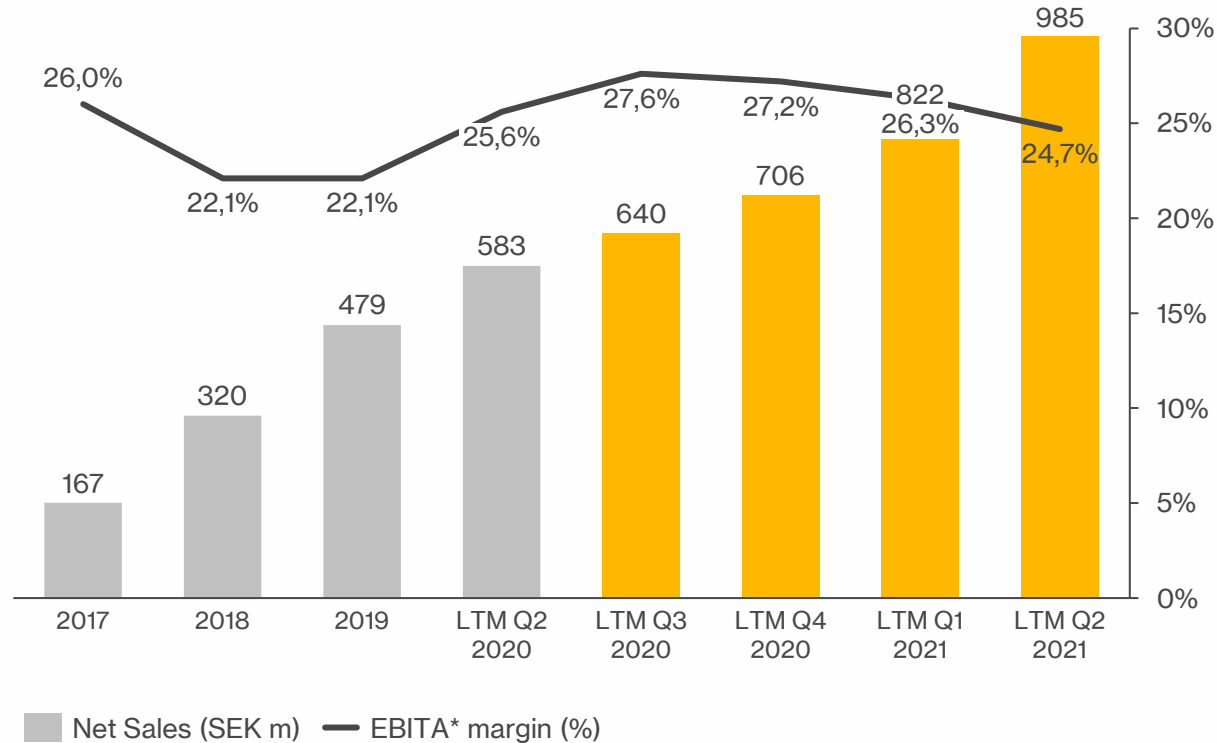
Quarter

- Sales increased by 74.6% to SEK 257.4m (147.4)
 - Largely driven by the newly acquired unit Rolec
 - A solid growth in the entire business area
- EBITA* increased by 98.1% to SEK 61.6m (31.1)
 - Positive contribution from Rolec
 - Last year, units in Water & Energy more affected by the restrictions. These units are now back to normal, hence a strong recovery on profits.
- EBITA* margin continuing increasing, to 23.9% (21.1)
 - Mainly after positive contribution from Rolec, which performed strongly during the period

Other

- Acquisitions Q2 2021: 0
- Total number of units: 14

Special Infrastructure Solutions



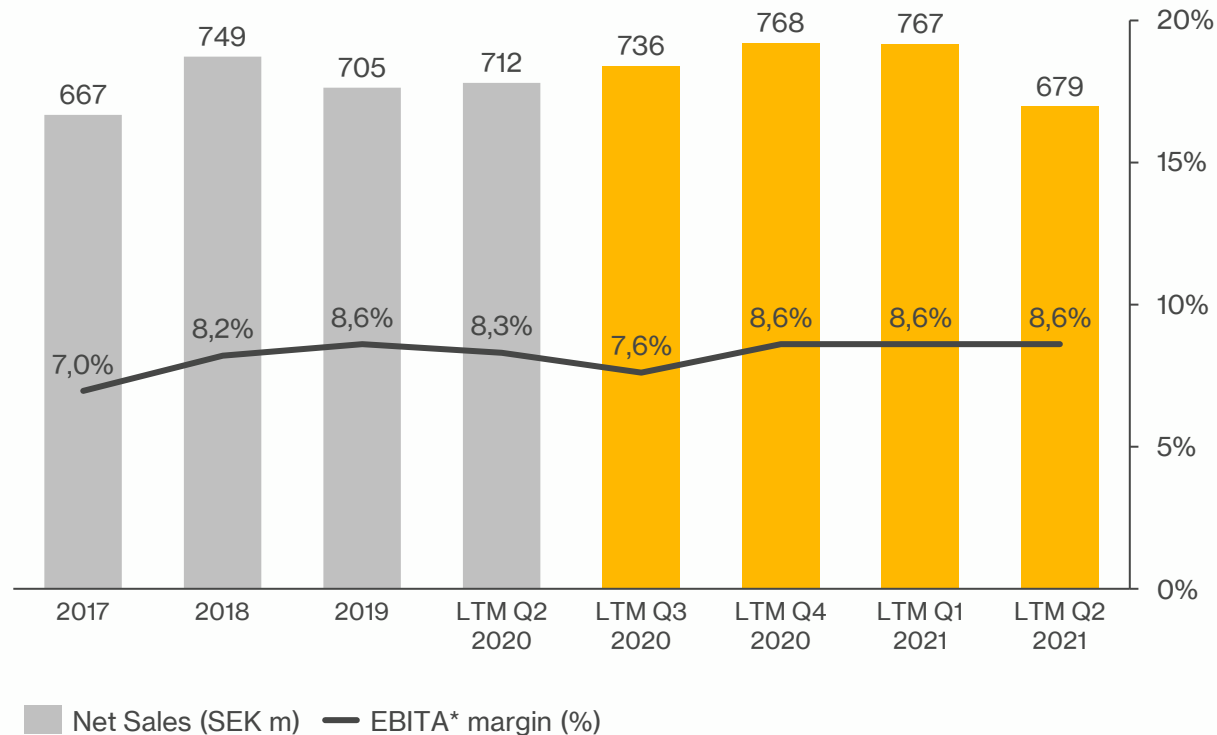
Quarter

- Sales increased by 115.5% to SEK 305.2m (141.6)
 - Largely driven by the acquired units Hilltip and GAH
 - Increased demand as a result of easing restrictions
- EBITA* increased by 66.2% to SEK 68.8m (41.4)
 - Positive contribution from acquisitions
 - Extra high comparables on profits due to cost savings and government subsidies last year
- EBITA* margin decreased to 22.5% (29.2)
 - Unusual high profitability last year
 - Newly acquired GAH which has, as planned, a lower margin than the other units in the business area

Other

- Acquisitions Q2 2021: 4th of June-21: Ficon Oy, an add-on acquisition to Hilltip Oy
- Total number of units: 13

Property Technical Services



Quarter

- Sales decreased with -47.1% to SEK 102.8m (194.4)
 - Driven by divestments, two units compared to nine units last year
- EBITA* decreased by -72.2% to SEK 5.4m (19.4)
 - Same as for sales
- EBITA* margin was 5.3% (10.0)
 - After acquisitions, only small business remains and therefore more fluctuating numbers

Other

- Acquisitions Q2 2021: None (6 divestments)
- Total number of units: 2

Business overview
Second quarter
➔ **Financial development**
Outlook

Important financial comments

Comparables from last year, Q2 2020, affected by the pandemic

- Last year, net sales was lower than usual (85-95% of planned orders) due to the pandemic
 - Leading to an extra high organic sales growth this quarter
- Last year, extra high profitability due to cost reductions and covid related government grants
 - Leading to an extra low organic EBITA* growth this quarter
- Disregarding the extraordinary comparables, the development of sales and profits are solid and normal

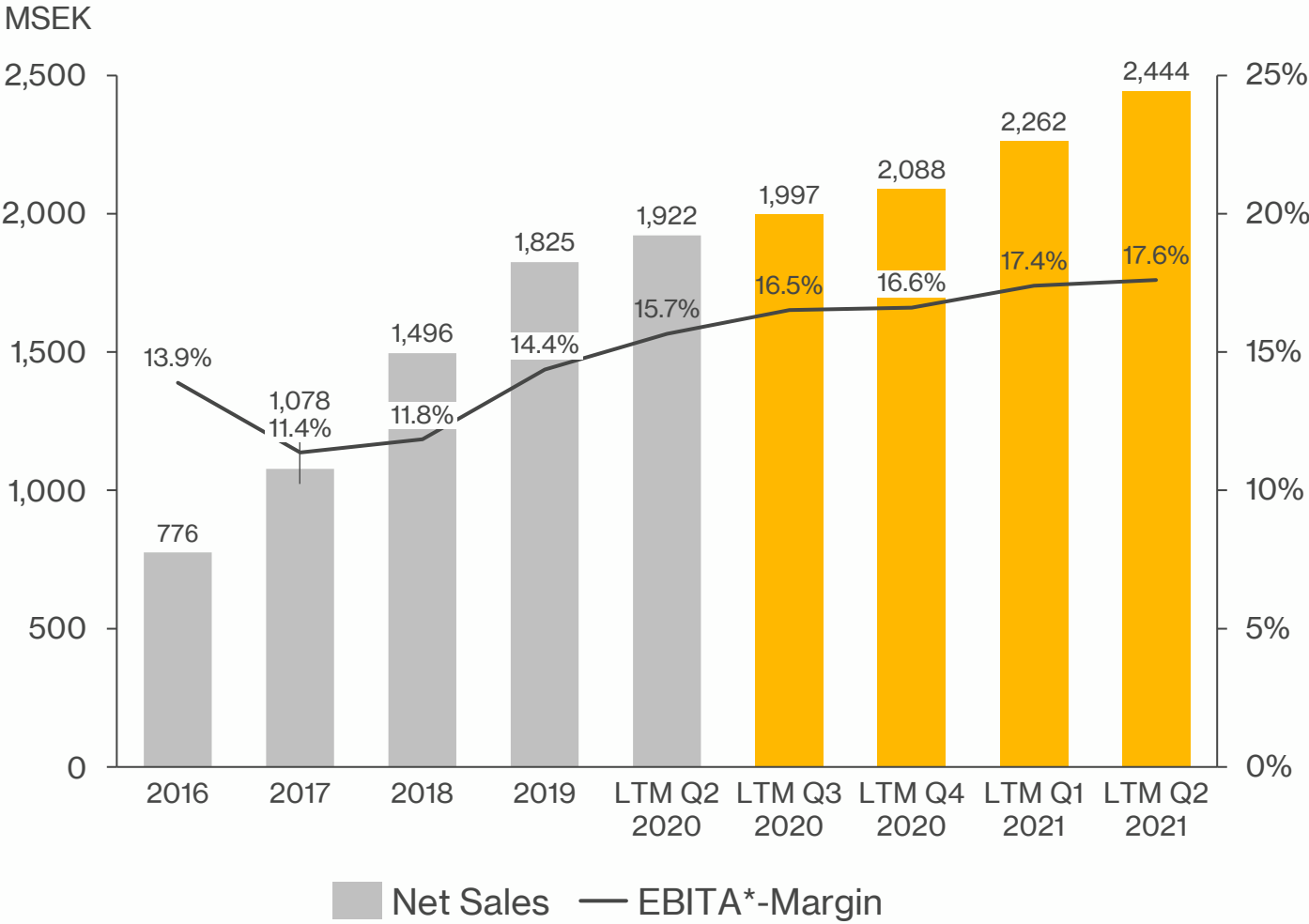
Cash flow

- An increased number of accounts receivable due to strong sales
- Deferred tax from 2020
- A preventive inventory build-up to secure supplies of components and materials

Divestments

- Accounted capital loss of SEK 20 million
 - Due to release of goodwill for future profits from divestments of the Swedish and Austrian elevator business

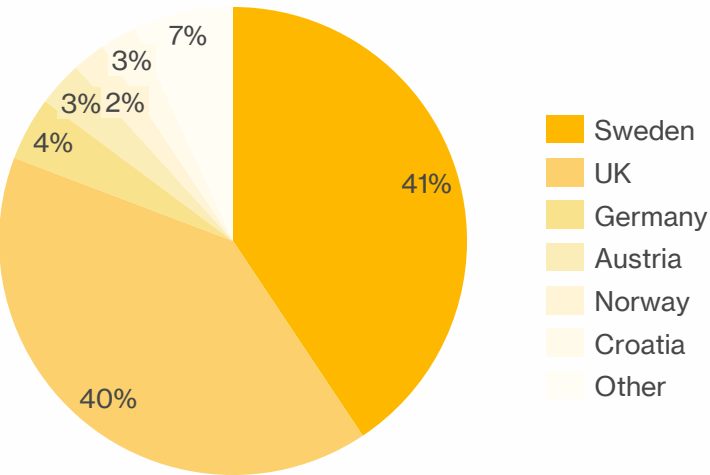
Group sales & EBITA*-margin



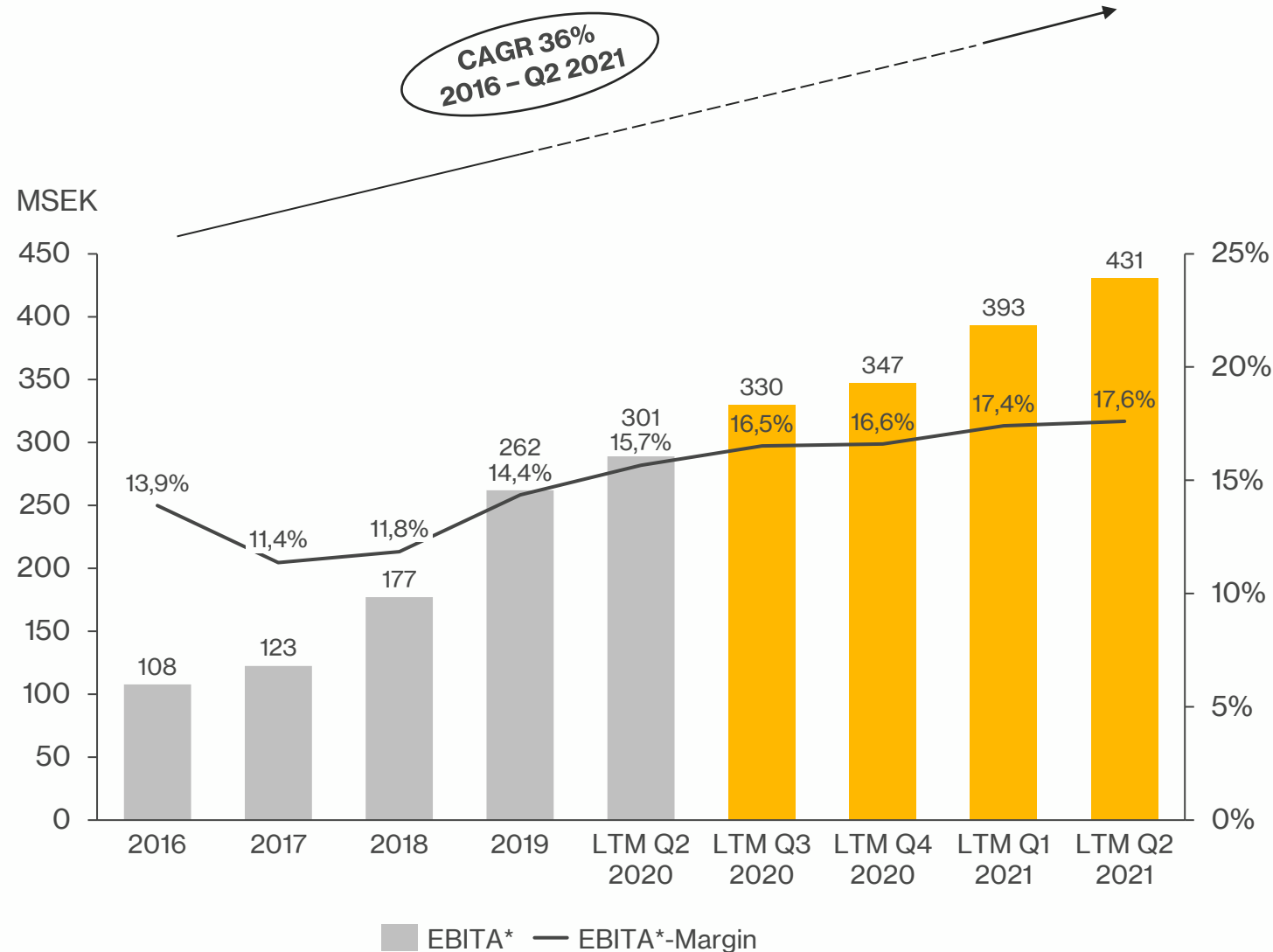
Sales increased by 37.6% in Q2

- Acquisitions +46.7%
- Divestments -23.4%
- Organic growth +15.7%
- Currency effects -1.4%

Sales by country



EBITA* & EBITA*-margin



Quarter

- Operating profit EBITA* increased by 46.1%
 - Acquisitions +64.5%
 - Divestments -4.5%
 - Organic growth -7.8%
 - Currency effects -0.5%
 - Increased Central costs -5.6%
- EBITA* margin of 18.1%

LTM

- Operating profit EBITA* increased by 42.9%

Guidance full year 2021

- EBITA* margin of 19-20%

Additional metrics


Q2 2021

EPS ¹⁾
(SEK per share)

1.59
(1.07)


LTM Q2
2021

6.79
(5.57)

**Cash conversion,
from ops**

26%
(180 %)

74%
(132 %)

**Net financial
debt/EBITDA**

0.99
(1.13)

**Net debt
/EBITDA²⁾**

2.95
(3.04)

1) EPS: earnings per ordinary share, after dilution and deduction of dividends to preference shareholders

2) Net debt/EBITDA ratio: At a share of 45%, 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.

Business overview

Second quarter

Financial development

→ **Outlook**

Looking ahead

Underlying demand from customers

- Organic sales growth 15.7% Q2-21
- 85-95% of planned orders in Q2-20, sales were back to normal in Q3-20

Profitability continue to increases

- Driven by acquisitions
- Guidance for 2021: EBITA* margin for the group 19-20% (17%)

Well-positioned versus strong drivers in societies

- Strong efforts towards more sustainable, efficient and safe societies continue

Continued uncertainties regarding the supply of goods

- Monitoring these risks and work with preventive stockpiling

Solid pipeline for 2021

- Well-capitalised for acquisitions, focus on high-quality businesses






Thank you for listening








Appendix

Management Team and Board of Directors

Management

	Jakob Holm CEO	321,749 (Class B) 1,040 (Pref) 126,000 (Warrants) Axholmen, General Electric, Accenture M.Sc. KTH Royal Institute of Technology		Fredrik Navjord Head of Water & Energy	36,569 (Class B) 35,000 (Warrants) Metric, Addtech, Volvo M.Sc. Chalmers University of Technology
	Bengt Lejdström CFO	72,800 (Class B) 500 (Pref) 45,600 (Warrants) Lagercrantz Group, Interim Justitia, Acando M.Sc. Stockholm School of Economics		Anders Mattson Head of Special Infrastructure Solution	22,800 (Class B) 45,600 (Warrants) Munters, Roland Berger, Bearingpoint M.Sc. Chalmers University of Technology
	Steven Gilsdorf Head of Acquisitions	25,285 (Class B) 45,600 (Warrants) GE Capital, Booz & Co., Bisnode MBA, London Business School			

Board of Directors

	Jan Samuelson Chairman	326,000 (Class B) Resurs Holding, Stillfront Group, Accent Equity Partners, EF Education M.Sc. Stockholm School of Economics, LL.M. Stockholm University		Birgitta Henriksson Board Member	4,600 (Class B) Fogel & Partner, Stillfront Group, Carnegie B.Sc. Business Administration Uppsala University
	Eola Änggård Runsten Board Member	600 (Class B) AcadeMedia, EQT, SEB, B.Sc. Business Administration Stockholm School of Economics		Urban Doverholt Board Member	No holdings Assa Abloy, BAE Systems Hägglunds, M.Sc. KTH Royal Institute of Technology, IMD Lausanne
	Johnny Alvarsson Board Member	9,036 (Class B) Indutrade, Beijer Alma, Ericsson, Instalco, VBG M.Sc. Engineering Linköping University			

Ownership 30 June 2021

Owner	SDIP A	SDIP B	PREF	CAPITAL %	VOTES %
Ashkan Pouya	1,000,000	2,975,000		10.71%	23.54%
Swedbank Robur Fonder		3,397,798		9.16%	6.17%
Vulcan Value Partners, LLC		3,373,540		9.09%	6.12%
Invesco		2,581,680		6.96%	4.68%
Handelsbanken Fonder		2,182,787		5.88%	3.96%
Saeid Esmaeilzadeh	1,000,000	752,654		4.72%	19.51%
Kabouter Management LLC		1,473,782		3.97%	2.67%
Danske Invest (Lux)		1,065,000		2.87%	1.93%
ODIN Fonder		850,000		2.29%	1.54%
Nordnet Pensionsförsäkring		624,831	63,179	1.85%	1.25%
FORUM Family Office GmbH		651,982		1.76%	1.18%
Fredrik Holmström		625,021		1.68%	1.13%
Cliens Fonder		620,302		1.67%	1.13%
WCM Investment Management		555,106		1.50%	1.01%
Avanza Pension		338,779	172,548	1.38%	0.93%
Total	2,000,000	33,363,927	1,750,000	100.00%	100.00%

EBITA* → Net profit

	2021 YTD Q2	2020 YTD Q2	2021 LTM Jun	2020 Jan-Dec	
Net Sales	1,323.6	967.8	2,443.9	2 088.0	
Operational costs	-1,087.0	-814.3	-2,013.4	-1 740.7	
Profit from operations, EBITA*	236.6	153.5	430.5	347.3	EBITA*, best representation of the profits from the ongoing operations
Acquisition costs	-17.2	-2.2	-24.7	-9.6	Direct costs related to acquisitions
Earn-out debt adjustments	-2.5	-	-16.1	-13.5	Adjustment of debt related to conditional considerations ("earn-out") for acquisitions, booked as other revenue or external cost
Loss on divestments	-20.3	-	-20.3	-	Adjustment for reported loss on divestments
Amortisations non acquisition	4.4	2.3	8.1	6.0	Add back amortisation of intangible non-current asset non acquisition related
EBITA	201.0	153.6	377.6	330.2	
Amortisations & write-downs of intangible fixed assets	-21.8	-6.7	-34.9	-19.8	
EBIT	179.2	146.8	342.8	310.5	
Net financial income/expense	-15.0	-12.7	1.5	3.8	Jan-Dec 2020 incl SEK 26.9m as realisation of additional purchase consideration linked to the sale of the support operations in 2018
Currency effects	11.1	-9.6	3,4	-17.3	
Discounted interest	-9.8	-7.0	-15.6	-12.8	Discounted interest on conditional considerations ("earn-out") for acquisitions and discounted interest for leases according to IFRS 16
EBT	165.6	117.6	332.1	284.2	
Tax	-42.7	-27.4	-79.3	-64.0	Tax (22.5% Jan-Dec 2020) based on EBT earn-out debt adjust., discounted interest and tax related to previous year
Net profit	122.9	90.2	252.8	220.2	