



Q1 REPORT JAN – MAR 2022

April 29, 2022



Creating sustainable, efficient and safe societies

Today's presenters

Jakob Holm

CEO



- Joined Sdiptech in 2014
- 401,228 Class B shares (through Currussel AB), 940 Preference shares and 113,000 warrants
- Background: Axholmen, General Electric, Accenture
- Education: M.Sc. in Systems Engineering from KTH Royal Institute of Technology

Bengt Lejdström

CFO

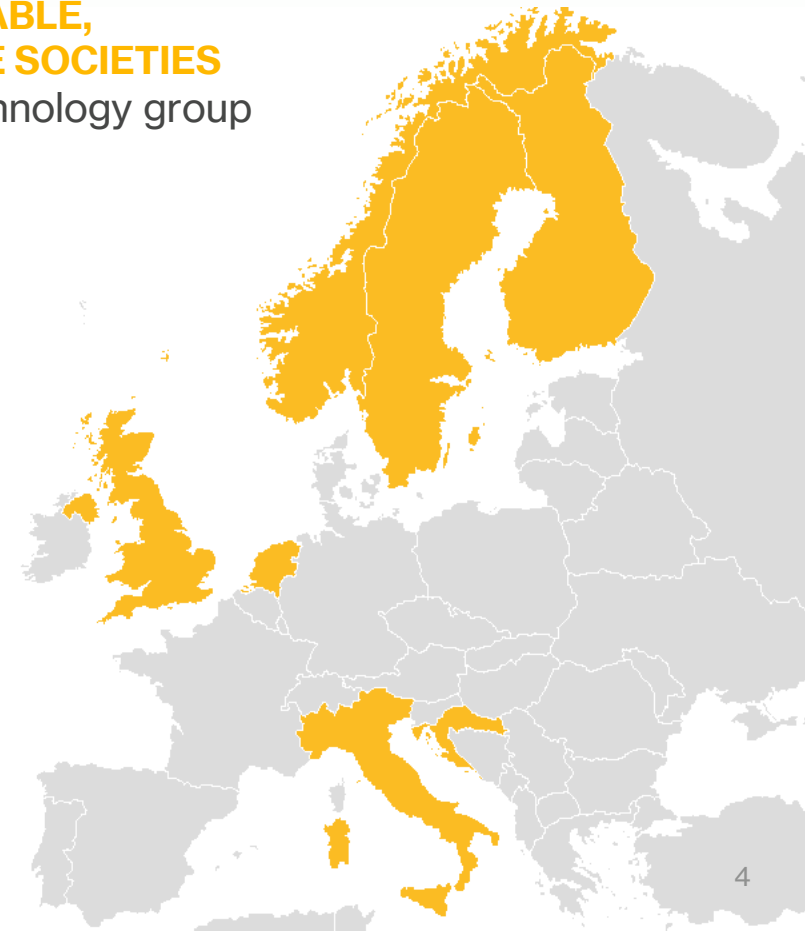


- Joined Sdiptech in 2018
- 101,705 Class B shares, 500 Preference shares and 60,100 warrants
- Background: CFO Lagercrantz Group, Intrum Justitia, Acando
- Education: M.Sc. in Business Economics from Stockholm School of Economics

→ **First quarter** Financial development Outlook



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



2,844

MSEK Net Sales
LTM Q1 2022

18.9%

EBITA*-margin
LTM Q1 2022

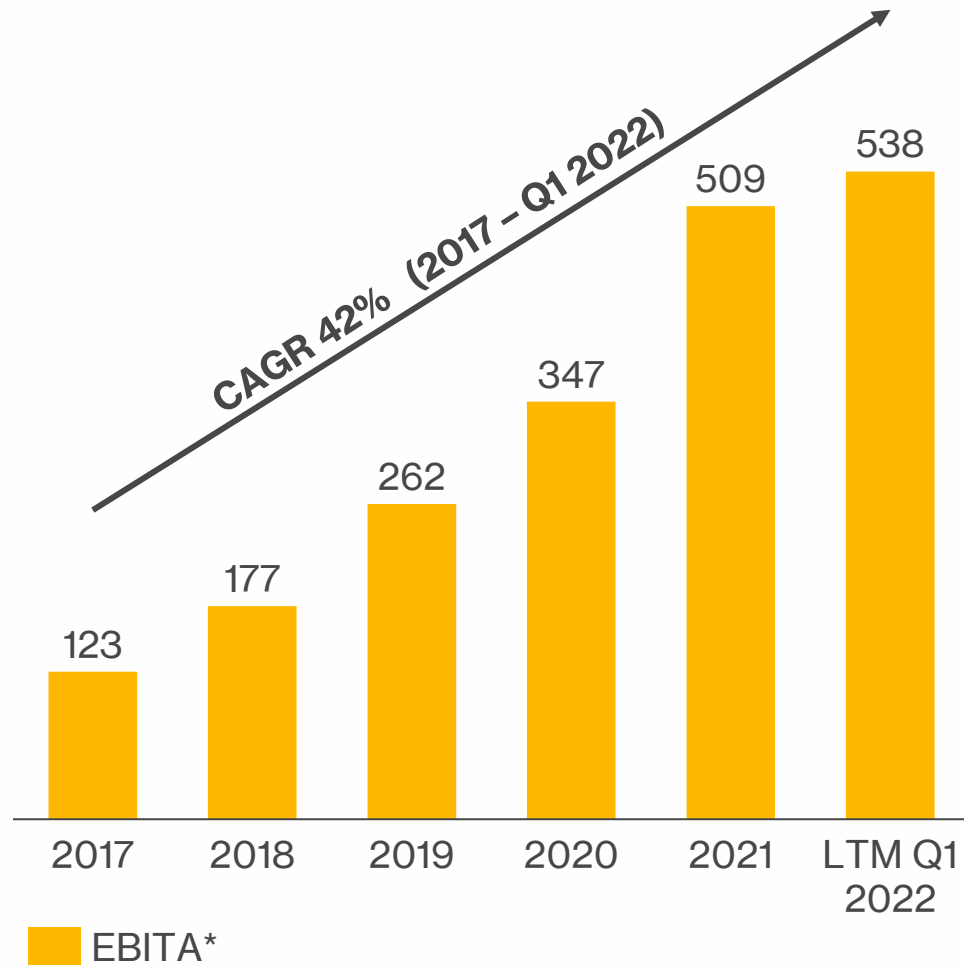
37%

Growth EBITA*
LTM Q1 2022

42%

CAGR EBITA*
2017 – Q1 2022

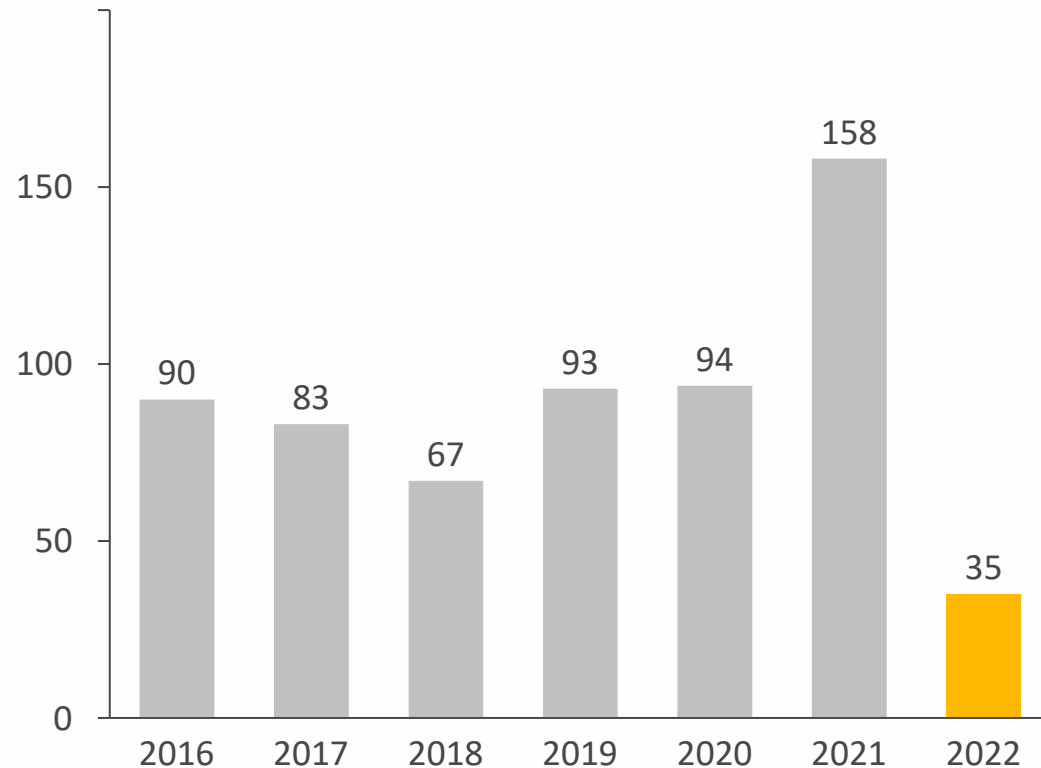
Sdiptech's overall goal is to create value by increasing profits every year



- 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

Opportunity to reach annual acquisition target ahead of time

- Acquisitions, EBITA MSEK -



- Key investments are paying off
 - New markets **Italy** and the **Netherlands**
 - Strengthened local presence, Italy and UK
 - Expanded **Resource Efficiency** business area
- Acquisition **pipeline is stronger** than normal, high margin niche companies
- **Several projects** ongoing
- **Financial position** is good
- **Reach annual acquisition target before autumn**
(Target: SEK 120-150 million in acquired EBITA)

Acquisition in Q1: Welcome Agrosistemi

- Annual sales of EUR 8.5 million
- Specialising in the treatment and recovery of biological sludge originated by wastewater purification
- Contributes to SDG target: 2.4, 9.4, 11.6, 12.5, and 15.3
- Will be included in the Resource Efficiency business area from February 2022



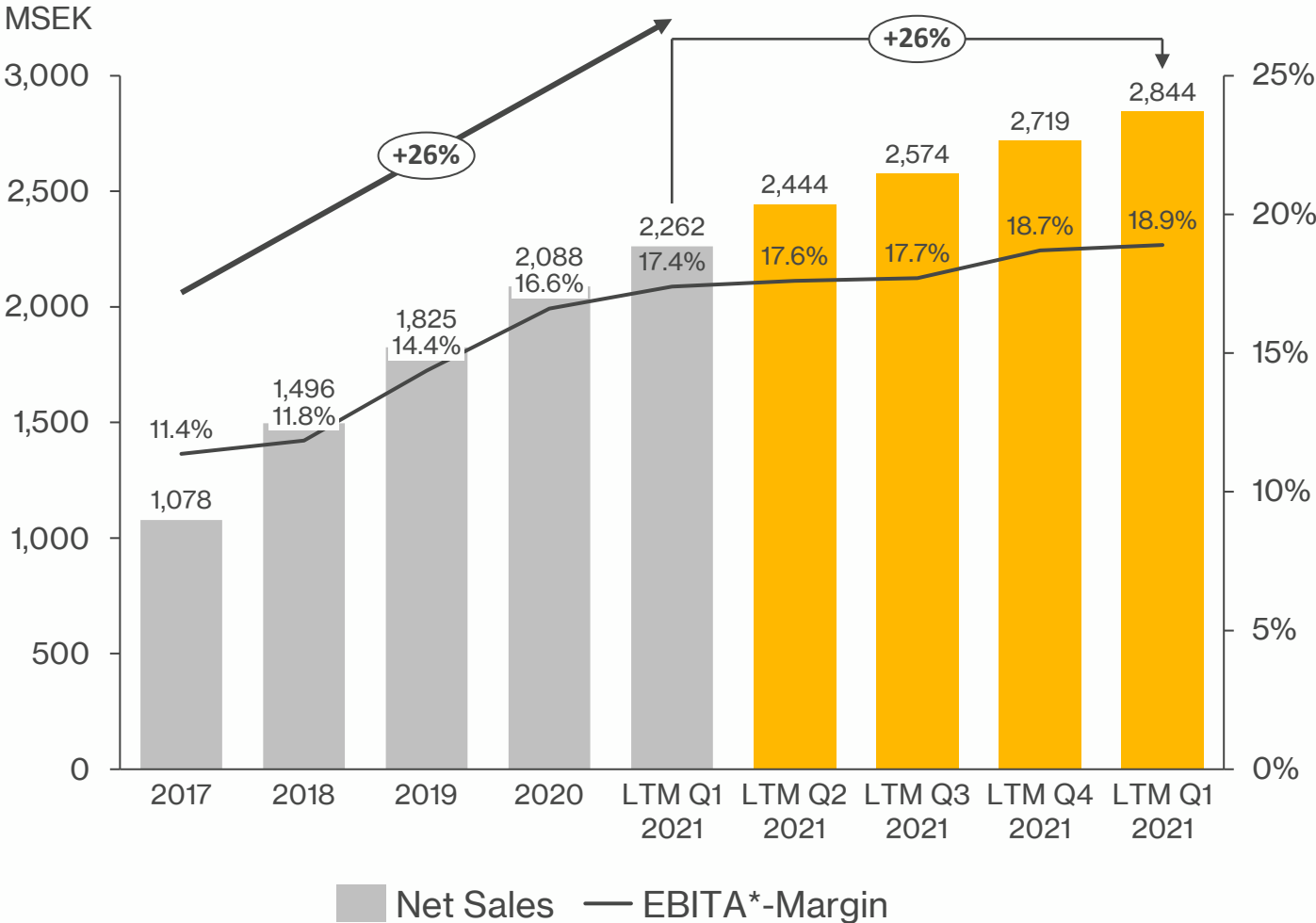
Acquisition in Q1: Welcome TEL

- Acquired 91 percent of the shares in Temperature Electronics Ltd and TEL UK Ltd (TEL)
- Annual sales of GBP 5.2 million
- Global provider of systems for evacuation of hazardous gases in laboratories. Reduce energy consumption up to 85% versus traditional products.
- Contributes to SDG target: 7.3, 8.8 and 9.4
- Included in the Special Infrastructure Solutions business area from March 2022

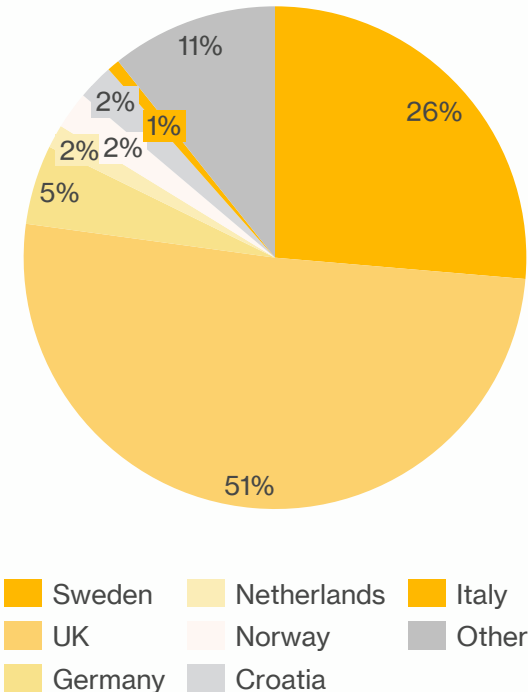


First quarter ➔ **Financial development** Outlook

Group sales & EBITA*-margin

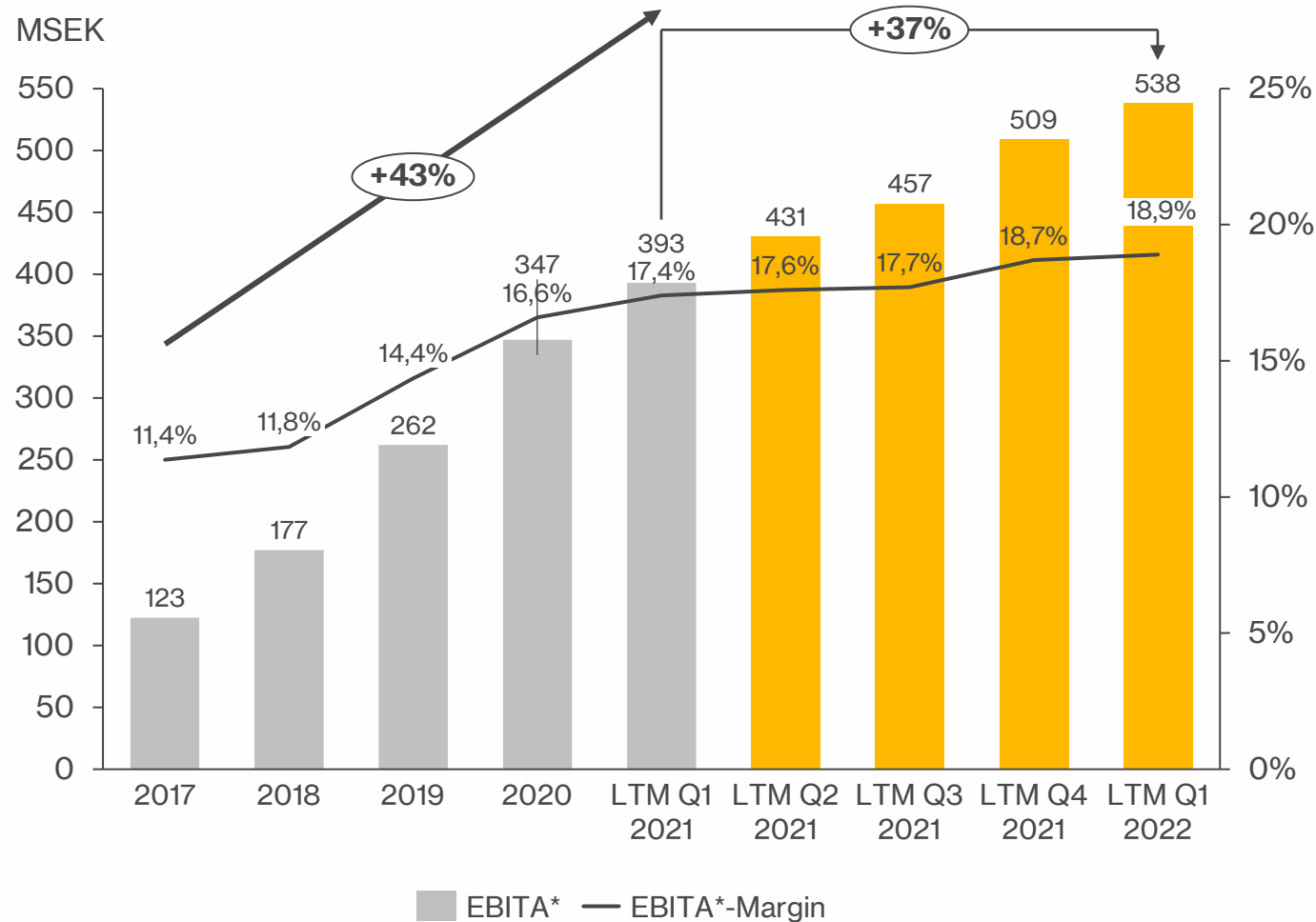


Sales by country, LTM Q1 2022



Sources: Sdiptech Financial reports, LTM Q3 2021

EBITA* & EBITA*-margin



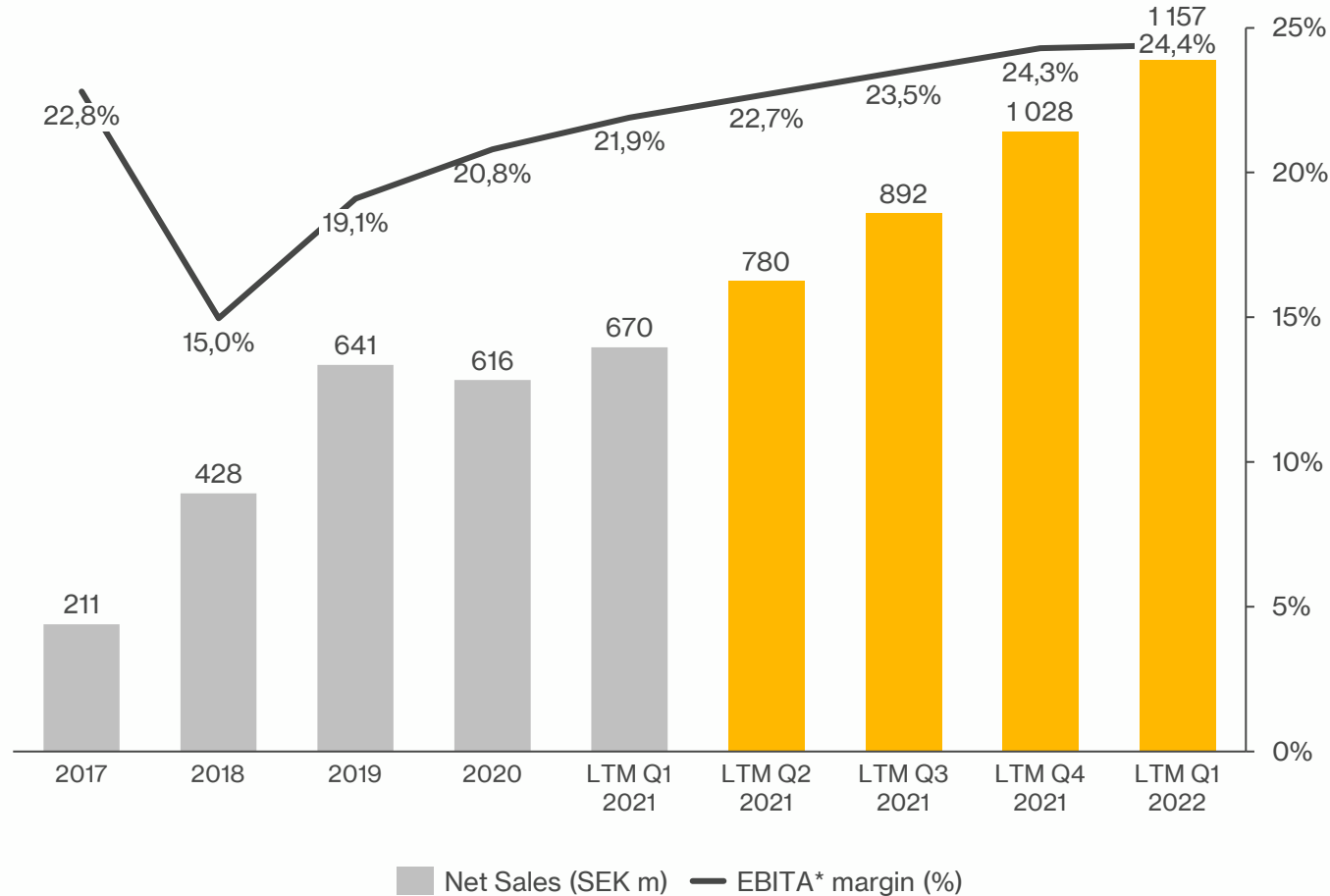
Quarter

- Sales increased by 19%, whereof +8% organic, excl currency effects
- EBITA* increased by 25%, whereof -1% organic, excl currency effects
- EBITA* margin of increased to 18.5% (17.6)

Comments

- Due to increase in costs for components, raw material and logistics, which exceeded own price increases, profit development was less than sales growth.
- Pricing-related work will continue with the goal of achieving full compensation for increased costs.
- Direct business exposure in Russia and Ukraine is non-material

Resource Efficiency



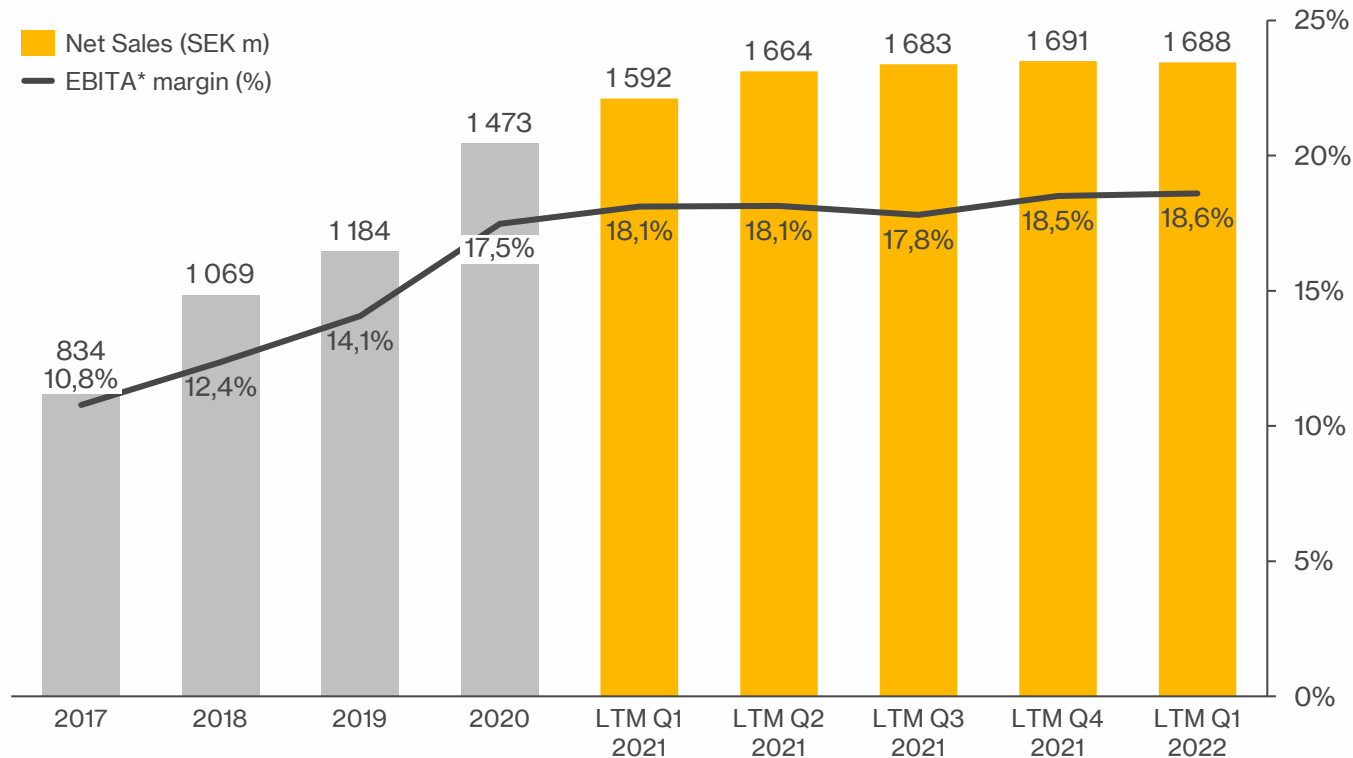
Quarter

- Sales increased by 61% to SEK 340m (211)
 - Partly driven by the newly acquired business units Agrosistemi and IDE
 - Also, solid organic growth in several business units, e.g. in EV charging and water treatment products
- EBITA* increased by 66% to SEK 81m (48)
 - Acquired: Positive margin contributions from Agrosistemi and IDE
 - Organic: Thanks to scalable business models, the increase in sales has a clear effect on the profits
- EBITA* margin increased to 23.8% (23.0)

Other

- Acquisitions Q1 2022: 1 (Agrosistemi)
- Total number of units: 16

Special Infrastructure Solutions



PTS merged with SIS, all numbers in SIS now including former PTS

- Seven divestments in former PTS in Q1 and Q2 2021
- Only two remaining business units from PTS in SIS

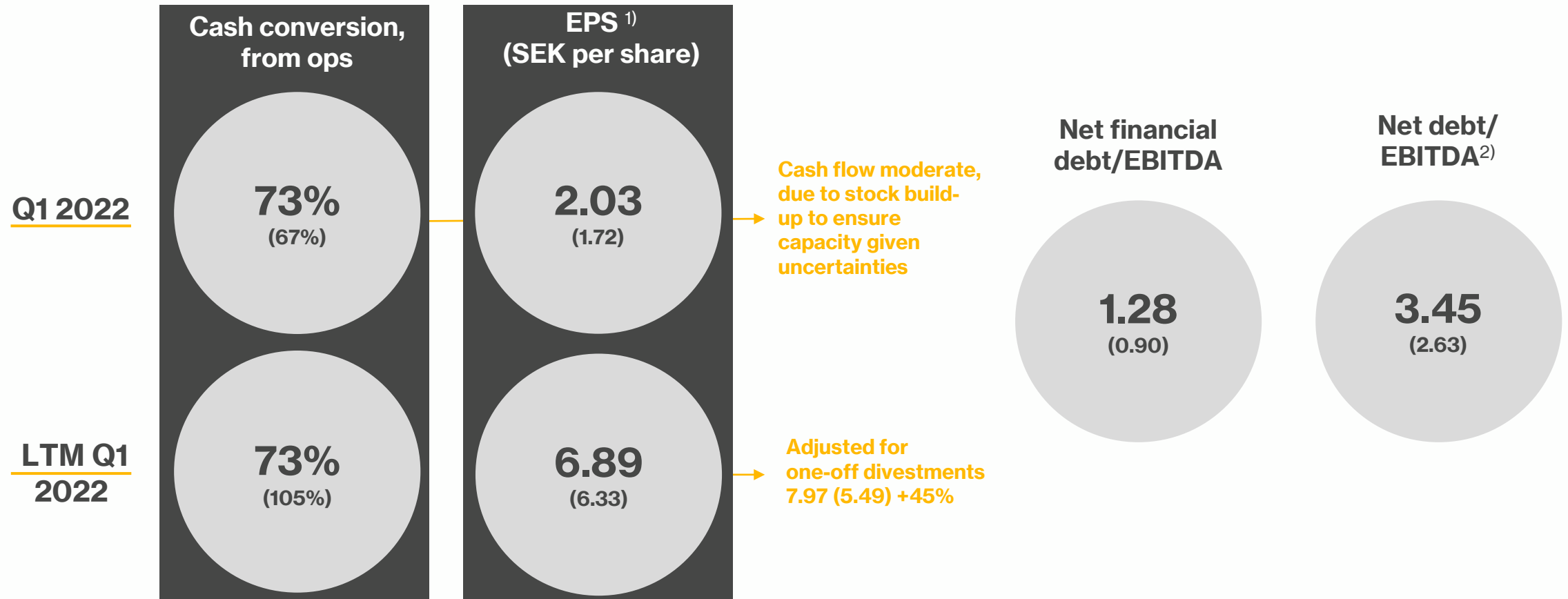
Quarter

- Sales decreased by -1% to SEK 442m (447)
 - Most business units saw good sales growth in the quarter.
 - Some, e.g. the Group's business unit within automation of container ports, experienced lower sales than expected due to Covid-19 related constraints
- EBITA* in line with previous year: SEK 80m (80)
 - Due to cost increases, lower margins were shown in several units
 - However, offset by the mix change in operations, through divestments and acquisitions.
- EBITA* margin increased to 18.0% (17.9)

Other

- Acquisitions Q1 2022: 1 (TEL UK)
- Total number of units: 17

Additional metrics



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

2) Net debt/EBITDA ratio: At a share of 48%, interest bearing 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.

First quarter
Financial development

→ **Outlook**

Looking ahead

Solid demand, infrastructure is always needed

- Unchanged view on a growing customer demand
- Mitigating material/component shortages, however delays will most likely occur as in Q1
- 30th June update UK regulations EV chargers. Major HW upgrade, potential customer hesitance in Q2.

Profitability: margin expansion to continue towards 20%

- Acquisitions. Continue to contribute positively. In line with our strategy towards high margin niche positions.
- Comparable units. Should achieve full compensation for cost increases, however an exact timing is hard to provide.
- Margin expansion expected to continue, profitability to establish around 20% in EBITA* margin for the Group

Acquisitions pipeline stronger than normal

- Investments in 2021 are paying off; geographic expansion as well as segment expansion
- Systematic and controlled work targeting high margin niche companies
- Opportunity to reach our yearly acquisition target already before autumn (target SEK 120-150 million)






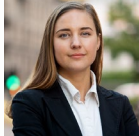
Thank you for listening








Appendix

Management Team and Board of Directors

Management

	Jakob Holm CEO	401,228 (Class B), 940 (Pref) 113,000 (Warrants) Axholmen, General Electric, Accenture M.Sc. KTH Royal Institute of Technology		Fredrik Navjord Head of Water & Energy	55,184 (Class B) 42,500 (Warrants) Metric, Addtech, Volvo M.Sc. Chalmers University of Technology
	Bengt Lejdström CFO	101,705 (Class B) 500 (Pref) 60,300 (Warrants) Lagercrantz Group, Interim Justitia, Acando M.Sc. Stockholm School of Economics		Anders Mattson Head of Special Infrastructure Solution	43,733 (Class B) 49,800 (Warrants) Munters, Roland Berger, Bearingpoint M.Sc. Chalmers University of Technology
	Steven Gilsdorf Head of Acquisitions	49,385 (Class B) 60,300 (Warrants) GE Capital, Booz & Co., Bisnode MBA, London Business School		My Lundberg Sustainability & IR Manager	5,673 (Class B) 7,460 (Warrants) Agency, Smartclip, Kärnhuset B.Sc. Università Cattolica del Sacro Cuore

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	8,000 (Class B) Indutrade, Beijer Alma, Ericsson, Instalco, VBG M.Sc. Engineering Linköping University			

Ownership 31 March 2022

Owner	SDIP A	SDIP B	PREF	CAPITAL %	VOTES %
Swedbank Robur Funds		3,376,909		9.05%	6.10%
Vulcan Value Partners, LLC		3,373,540		9.04%	6.10%
Handelsbanken Funds		2,519,347		6.75%	4.55%
Invesco		2,414,636		6.51%	4.38%
Saeid Esmailzadeh	1,000,000	1,065,630		5.53%	20.00%
Ashkan Pouya	1,000,000	1,016,967		5.40%	19.91%
Kabouter Management LLC		1,351,827		3.64%	2.45%
Danske Invest (Lux)		1,162,000		3.11%	2.10%
Vanguard		936,197		2.51%	1.69%
Fredrik Holmström		698,784		1.88%	1.27%
Clients Funds		700,302		1.88%	1.27%
ODIN Funds		600,000		1.61%	1.08%
FORUM Family Office GmbH		574,083		1.55%	1.04%
WCM Investment Management		555,106		1.50%	1.01%
Nordnet Pension Insurance		472,060	61,908	1.43%	0.97%
Total	2,000,000	33,580,027	1,750,000	100.00%	100.00%

EBITA* → Net profit

	2022 Q1	2021 Q1	LTM 2022 March	Full Year 2021	
Net Sales	783.7	658.3	2,844.3	2,718.9	
Operational costs	-638.8	-542.2	-2,306.2	-2,209.6	
Profit from operations, EBITA*	144.9	116.1	538.1	509.3	EBITA*, best representation of the profits from the ongoing operations
Acquisition costs	-3.9	-15.3	-15.0	-26.4	Direct costs related to acquisitions/divestments
Earn-out debt adjustments	-5.8	-2.5	-46.3	-43.0	Adjustment of debt related to conditional considerations ("earn-out") for acquisitions, booked as other revenue or external cost
Loss on divestments	-	-	-31.4	-31.4	Adjustment for reported loss on divestments
Items affecting comparability previous year	-	-	-3.7	-3.7	Adjustment for correction for previous years
Add back amortisations non acquisition	4.6	2.2	13.0	10.6	Add back amortisation of intangible non-current asset non acquisition related
EBITA	139.8	100.4	455.0	415.6	
Amortisations & write-downs of intangible fixed assets	-17.9	-9.7	-59.4	-51.2	
EBIT	121.9	90.7	395.6	364,4	
Net financial income/expense	-8.8	-8.7	-29.4	-29.4	
Currency effects	-0.1	8.3	3.0	11.4	
Discounted interest	-6.8	-5.0	-23.2	-21.4	Discounted interest on conditional considerations ("earn-out") for acquisitions and discounted interest for leases according to IFRS 16
EBT	106.2	85.3	345.9	325.0	
Tax	-30.1	-21.1	-87.1	-78.1	Tax (24.1% Jan-Dec 2021) based on EBT earn-out debt adjust., discounted interest and tax related to previous year
Net profit	76.1	64.2	258.5	246.9	