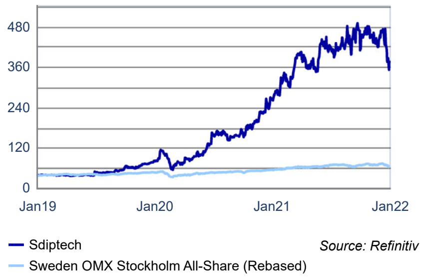
Sdiptech

Capital Goods
Sweden

KEY DATA

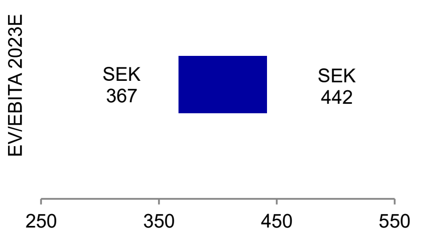
Stock country	Sweden
Bloomberg	SDIPB SS
Reuters	SDIPb.ST
Share price (close)	SEK 383.5
Free Float	56%
Market cap. (bn)	EUR 1.30/SEK 13.56
Website	www.sdiptech.se
Next report date	10 Feb 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	-2%	2%	2%
EBIT (adj)	1%	3%	1%

Source: Nordea estimates

Nordea Markets - Analysts
Victor Hansen
Analyst

Carl Ragnerstam
Analyst

Thirsting for acquisitions

We expect a solid quarterly report for Sdiptech on 10 February. We pencil in 17% y/y sales growth and an EBITA* margin up 5 pp, owing to business mix, putting us at the lower end of the 19-20% margin guidance. In our M&A scenario, we estimate that EBITA is capable of rising another 37% by 2024, reducing EV/EBITA to 15x. We make only minor 2021 estimate revisions but increase 2022E-23E EBITA by 1-3%, mostly due to FX. We lower our multiples-based fair value range to SEK 367-442 (402-508), owing to stock market turbulence, representing 21.2x 2023E EV/EBITA at the midpoint.

Quarterly expectations

We expect Sdiptech to deliver Q4 net sales of SEK 707m, which represents 17% y/y growth (of which roughly 5% is organic, 8% M&A, 3% FX), despite supply chain turbulence slightly impacting deliveries. For EBITA*, we pencil in SEK 152m for a 21.5% margin (up 5 pp y/y), mainly owing to business mix, with W&E and SIS up 5 pp and 3 pp, respectively. This puts us at the lower end of the FY21 margin guidance of 19-20% (from late October).

Meaningful upside to estimates from M&A

Acquisitions are an integral part of Sdiptech's business model, with four closed in both 2021 and 2020. Looking to FY2022, we forecast 10% sales growth from M&A, i.e. SEK 260m, of which ~100m is from deals already closed. In total, this represents an estimated EBITA add from M&A of SEK 54m, versus the financial target of SEK 120-150m, which we believe indicates likely upside to our estimates. In our M&A scenario, we find 37% additional upside to 2024E EBITA, capable of reducing EV/EBITA to 15x 2024E (13x 2025E) while keeping net debt constant at 2x EBITDA.

Estimate revisions

We trim our FY2021 estimates by 1% for sales and 2% for adj. EBITA, mostly owing to lower-than-projected M&A in Q4. For 2022-23E, we raise sales by 2% and EBITA by 1-3%, mainly due to FX and 1 pp higher M&A growth.

Valuation

The share is trading at 20x EV/ EBITA 2023E, versus key peers at 21x. Our equity valuation suggests a multiple range of 20x-24x (EV/EBITA 2023E), representing a relative range of -5% to +15% compared to key peers.

SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	1,078	1,496	1,826	2,088	2,677	3,159	3,553
EBITDA (adj)	204	213	358	403	559	731	821
EBIT (adj)	156	143	222	310	422	565	634
EBIT (adj) margin	14.5%	9.6%	12.1%	14.9%	15.8%	17.9%	17.9%
EPS (adj, SEK)	2.74	3.68	4.86	5.41	8.44	11.89	13.48
EPS (adj) growth	7.0%	34.1%	32.2%	11.3%	56.0%	41.0%	13.4%
DPS (ord, SEK)	0.00	0.00	0.00	0.00	0.00	0.00	5.40
EV/Sales	1.6	1.3	1.9	4.4	5.5	4.6	4.0
EV/EBIT (adj)	10.8	13.8	15.7	29.6	34.6	25.5	22.5
P/E (adj)	16.9	11.3	15.4	42.5	45.5	32.2	28.4
P/BV	1.4	1.2	1.9	4.6	5.5	4.7	4.1
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%
FCF Yield bef A&D, lease	2.8%	4.3%	9.4%	5.3%	2.4%	3.5%	4.1%
Net debt	254	694	1,176	1,311	994	793	647
Net debt/EBITDA	1.2	3.3	3.3	3.3	1.8	1.1	0.8
ROIC after tax	10.4%	6.9%	7.8%	8.3%	9.4%	11.5%	12.1%

Source: Company data and Nordea estimates

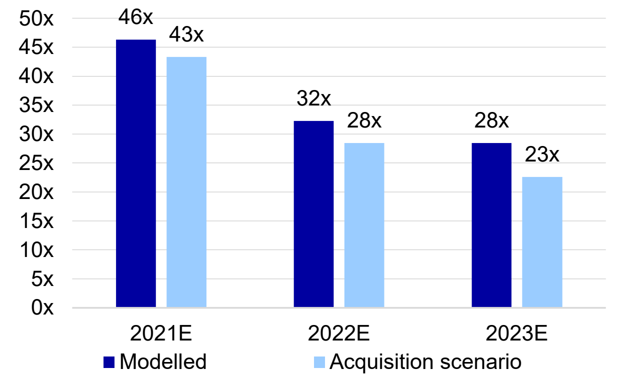
M&A scenario

M&A SCENARIO AND VALUATION

SEKm	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**
Extra scenario M&A spend	200	770	760	720	900
Total annual M&A spend	**956**	**1,017**	**1,145**	**1,166**	**1,347**
Net debt / EBITDA post acquisitions	2.1	2.0	2.0	2.0	2.0
Scenario: acquisition assumptions					
EV/sales	1.2	1.4	1.4	1.4	1.4
EV/EBITA	7.0	7.0	7.0	7.0	7.0
EBITA margin	17%	20%	20%	20%	20%
Target company sales	**163**	**554**	**548**	**511**	**633**
Target company EBITA	**29**	**110**	**109**	**103**	**129**
Depreciation	5	18	18	17	21
Scenario: acquired sales and EBITA (50/50)	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**
Accumulated added sales	82	440	991	1,521	2,092
Accumulated added EBITA	14	84	193	299	414
Depreciation	3	15	33	50	69
After acquisitions	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**
Sales	**2,758**	**3,599**	**4,544**	**5,508**	**6,527**
Adj. EBITA	**485**	**711**	**897**	**1,101**	**1,316**
EBITDA	576	829	1,047	1,283	1,531
Acquired sales	3%	14%	28%	38%	47%
Acquired EBITA	3%	13%	27%	37%	46%
Net financials	-33	-50	-63	-79	-101
Pre-tax profit	402	590	744	914	1,086
Tax	-89	-114	-144	-176	-209
Net profit	313	476	601	738	877
EPS (SEK)	**8.85**	**13.47**	**16.99**	**20.87**	**24.79**
Financing cost (2.5%)	5	24	43	61	84
Free cash flow	329	539	714	884	1,065
whereof from acq companies	10	63	154	240	335
Dividend (unchanged in scenario)	0	0	0	191	219
Net debt after acquisitions	1,184	1,662	2,093	2,566	3,067
Net debt/EBITDA	**2.1x**	**2.0x**	**2.0x**	**2.0x**	**2.0x**
Share price (SEK)	383.5				
No. of shares (m)	35.4	35.4	35.4	35.4	35.4
Market cap	13,562				
EV (incl. lease & earn-outs)	**14,746**	**15,224**	**15,655**	**16,128**	**16,629**
P/E	43.3x	28.5x	22.6x	18.4x	15.5x
EV/EBITA (adj.)	30.4x	21.4x	17.5x	14.6x	12.6x

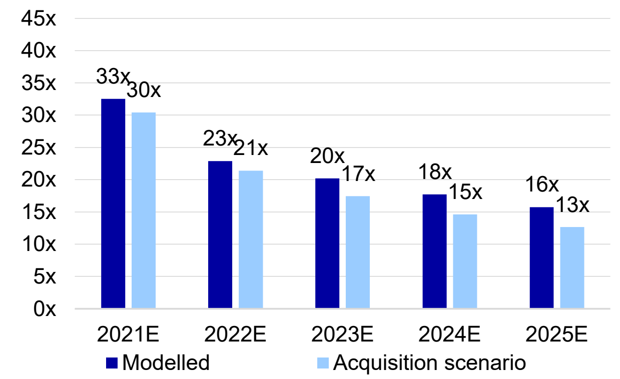
Source: Company data and Nordea estimates

P/E VALUATION: MODELLED VS SCENARIO (x)



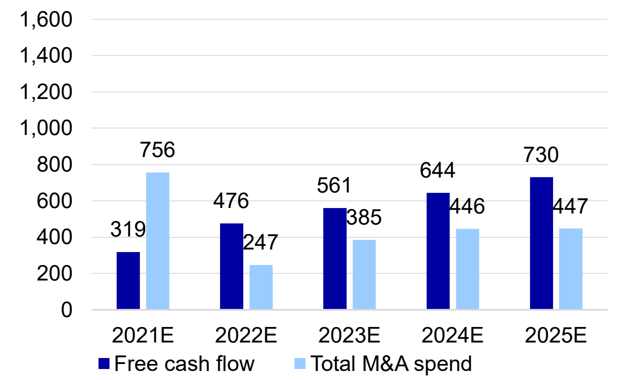
Source: Nordea estimates

EV/EBITA VALUATION: MODELLED VS SCENARIO (x)



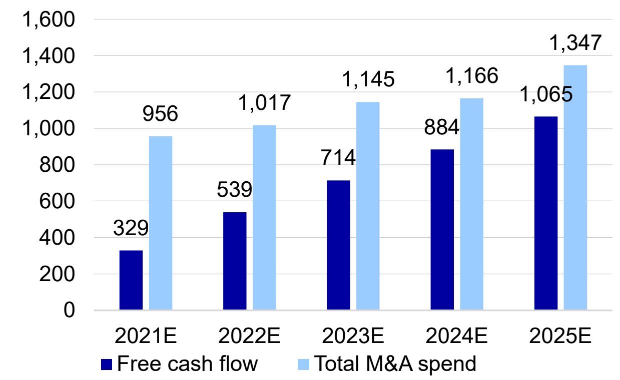
Source: Nordea estimates

MODELLED: FCF (PRE-M&A) AND M&A SPEND (SEKm)



Source: Nordea estimates

SCENARIO: FCF (PRE-M&A) AND M&A SPEND (SEKm)



Source: Nordea estimates

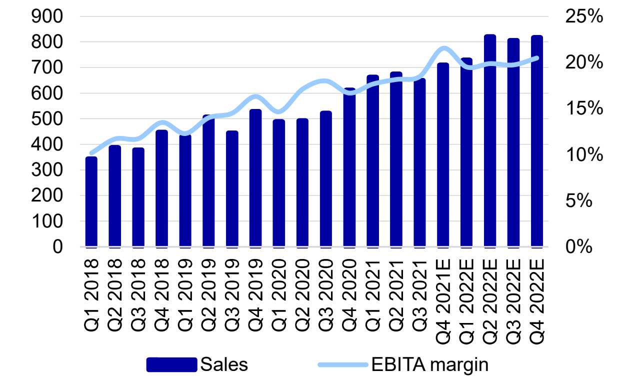
CURRENT ESTIMATES AND VALUATION

SEKm	2021E	2022E	2023E	2024E	2025E
Sales	**2,677**	**3,159**	**3,553**	**3,987**	**4,435**
Sales growth	28%	18%	12%	12%	11%
Organic	10%	5%	4%	4%	4%
FX	0%	4%	0%	0%	0%
M&A	18%	9%	8%	9%	8%
Adj. EBITA	**470**	**627**	**704**	**803**	**901**
Adj. EBITA margin	17.6%	19.9%	19.8%	20.1%	20.3%
Depreciation	88	104	117	131	146
Adj. EBITDA	559	731	821	934	1,048
EPS (SEK)	8.44	11.89	13.48	15.62	17.66
Net debt (incl. lease & earn-outs)	**994**	**793**	**647**	**668**	**634**
Net debt / (adj.) EBITDA	1.8x	1.1x	0.8x	0.7x	0.6x
Acquisition spend	756	247	385	446	447
Share price (SEK)	383.50				
No. of shares (m)	35.4	35.4	35.4	35.4	35.4
Market cap	13,562				
EV (incl. lease & earn-outs)	**15,302**	**14,355**	**14,209**	**14,230**	**14,196**
P/E (adj.)	46.3x	32.2x	28.4x	24.6x	21.7x
EV/EBITA (adj.)	32.5x	22.9x	20.2x	17.7x	15.7x

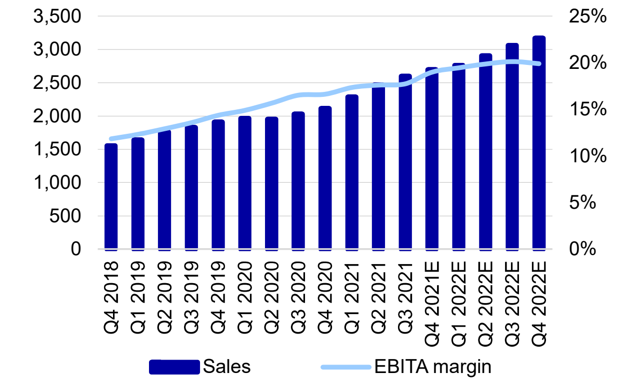
Source: Company data and Nordea estimates

Group and divisional development

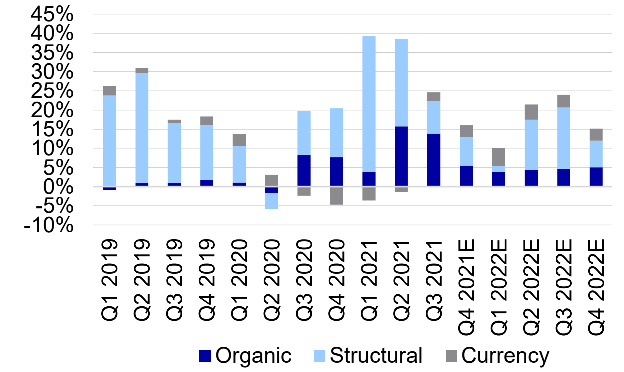
SDIPTECH: SALES (SEKm) AND EBITA* MARGIN (%)



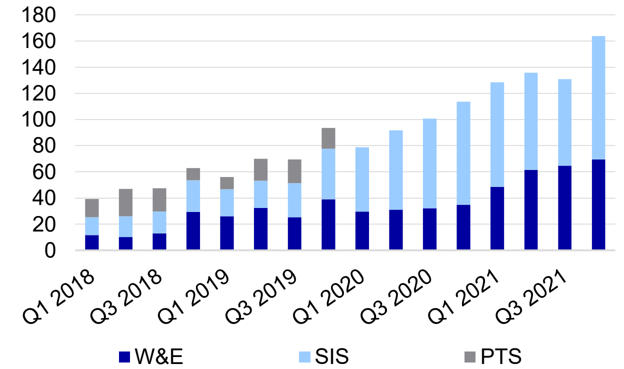
SDIPTECH: SALES (SEKm) AND EBITA* MARGIN (%), LTM



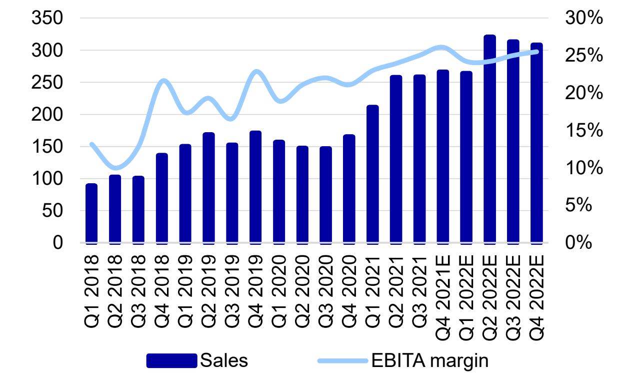
SDIPTECH: SALES GROWTH PER PARAMETER



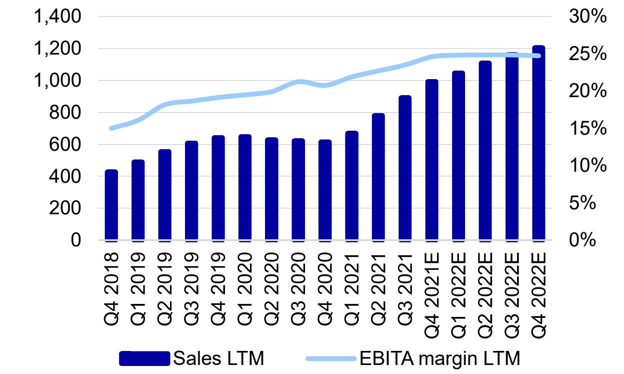
SDIPTECH: EBITA PER SEGMENT (SEKm)



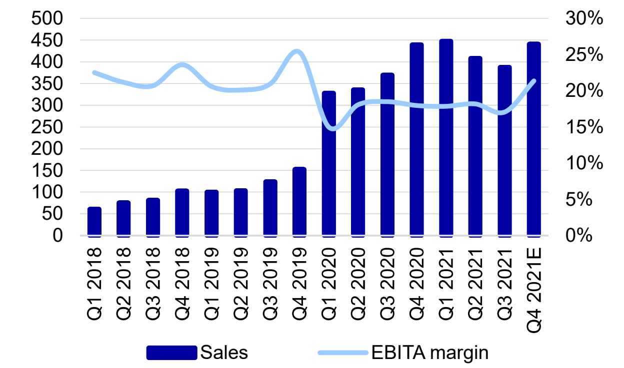
WATER & ENERGY: SALES (SEKm) AND EBITA* MARGIN (%)



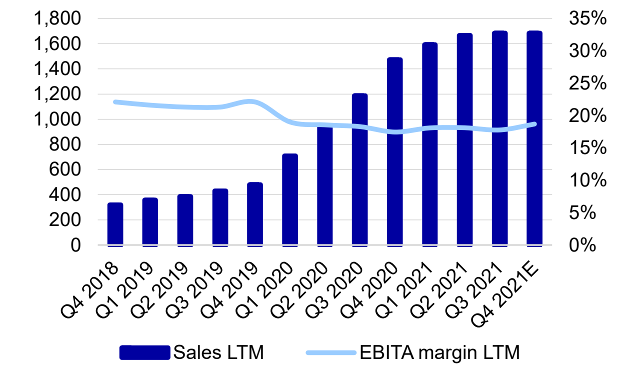
WATER & ENERGY: SALES (SEKm) AND EBITA* MARGIN (%), LTM



SPECIAL INFRASTRUCTURE SOLUTIONS: SALES (SEKm) AND EBITA* MARGIN (%)



SPECIAL INFRASTRUCTURE SOLUTIONS: SALES (SEKm) AND EBITA* MARGIN (%), LTM



* Sdiptech's own EBITA measure, adjusted for M&A costs and re-evaluation of earn-outs

Source for all charts on this page: Company data and Nordea estimates

Estimate revisions

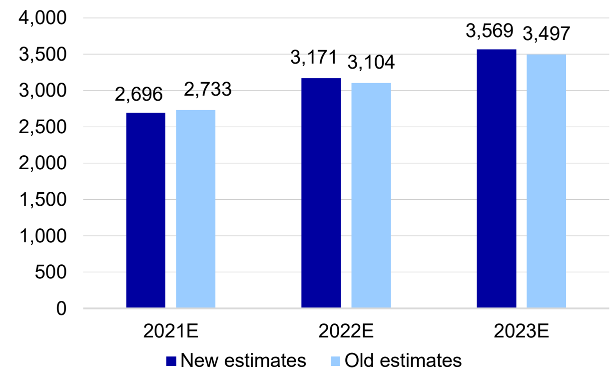
SDIPTECH: ESTIMATE REVISIONS

	New estimates			Old estimates			Δ		
SEKm	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**
Sales									
WE	993	1,205	1,359	1,006	1,176	1,327	-1%	2%	2%
SIS	1,684	1,954	2,194	1,707	1,916	2,154	-1%	2%	2%
Other	19	12	16	19	12	16	-	-	-
Group	**2,696**	**3,171**	**3,569**	**2,733**	**3,104**	**3,497**	**-1%**	**2%**	**2%**
Sales bridge									
Organic	7.2%	4.5%	4.2%	7.1%	4.7%	4.2%	0.1pp	-0.2pp	0.0pp
Structural	14.3%	9.8%	8.2%	16.3%	9.0%	8.4%	-2.0pp	0.8pp	-0.2pp
Currency	6.8%	3.8%	0.0%	6.6%	0.3%	0.0%	0.2pp	3.5pp	0.0pp
Sales growth	**28.2%**	**18.0%**	**12.5%**	**29.9%**	**14.0%**	**12.6%**	**-1.7pp**	**4.1pp**	**-0.1pp**
EBITA* bridge									
WE	244	298	329	248	288	326	-1%	3%	1%
SIS	314	377	423	319	368	418	-1%	2%	1%
Central costs	-50	-46	-47	-50	-46	-47	0%	0%	0%
Group EBITA*	**508**	**629**	**706**	**517**	**610**	**698**	**-2%**	**3%**	**1%**
M&A Costs	-21	-12	-16	-22	-12	-16	-	-	-
Non M&A Amortization	9	10	14	9	12	16	-	-	-
Revaluation of earn-outs	-28	0	0	-28	0	0	-	-	-
EBITA	**468**	**627**	**704**	**475**	**610**	**697**	**-1%**	**3%**	**1%**
Adjusted EBITA	**470**	**627**	**704**	**481**	**610**	**697**	**-2%**	**3%**	**1%**
EBITA* Margin									
WE	24.6%	24.7%	24.3%	24.6%	24.5%	24.6%	0.0pp	0.2pp	-0.3pp
SIS	18.7%	19.3%	19.3%	18.7%	19.2%	19.4%	0.0pp	0.1pp	-0.1pp
Group	**19.0%**	**19.9%**	**19.9%**	**19.0%**	**19.7%**	**20.0%**	**-0.1pp**	**0.2pp**	**-0.2pp**
Sales bridge - WE	**61%**	**21%**	**13%**	**63%**	**17%**	**13%**	**-2.1pp**	**4.4pp**	**-0.1pp**
Organic	13%	5%	5%	12%	5%	5%	1.1pp	0.1pp	0.0pp
Structural	48%	13%	8%	52%	12%	8%	-3.3pp	0.8pp	-0.2pp
Currency	0%	4%	0%	0%	0%	0%	0.1pp	3.5pp	0.0pp
Sales bridge - SIS	**14%**	**16%**	**12%**	**16%**	**12%**	**12%**	**-1.6pp**	**3.8pp**	**-0.1pp**
Organic	8%	4%	4%	7%	5%	4%	0.8pp	-0.4pp	0.0pp
Structural	7%	11%	8%	10%	8%	8%	-2.5pp	2.7pp	-0.2pp
Currency	-1%	1%	0%	-1%	0%	0%	0.1pp	1.5pp	0.0pp

* Sdiptech's own EBITA measure, adjusted for M&A costs and re-evaluation of earn-outs

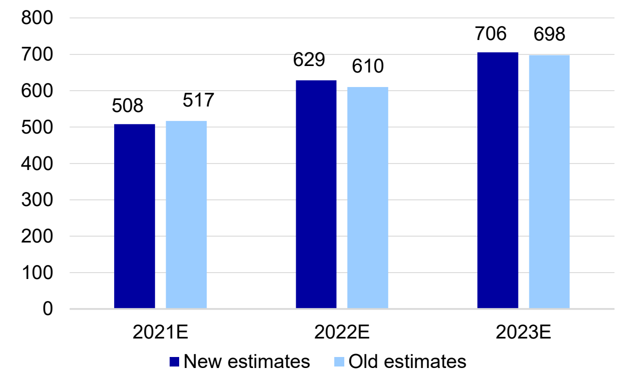
Source: Nordea estimates

GROUP SALES: NEW VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

ADJUSTED EBITA*: NEW VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

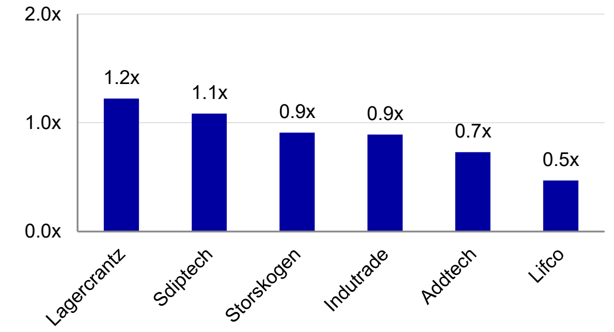
Valuation

KEY COMPOUNDERS: PEER VALUATION TABLE

		Mcap.	EV/EBITDA		adj. EV/EBITA		adj. EV/EBIT		adj. P/E		Div. yield		ND/EBITDA		ROIC	
Stock	**Rec.**	**SEKm**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**
Addtech	BUY	42,539	20.8x	18.5x	24.1x	21.4x	28.1x	24.9x	36.0x	32.2x	1.1%	1.3%	0.7x	0.3x	17.4%	25.7%
Indutrade	HOLD	81,250	20.2x	18.4x	24.3x	22.3x	24.6x	22.6x	30.3x	27.8x	0.9%	1.0%	0.9x	0.6x	16.7%	17.0%
Lagercrantz	HOLD	19,945	17.9x	16.3x	21.8x	19.9x	25.1x	22.9x	31.4x	28.7x	1.6%	1.7%	1.2x	0.9x	13.1%	13.9%
Lifco	HOLD	90,843	21.8x	20.2x	23.9x	22.3x	27.6x	25.8x	36.0x	34.0x	0.8%	0.9%	0.5x	0.1x	16.6%	17.1%
Sdiptech	N.R.	13,562	19.7x	17.4x	23.0x	20.2x	25.5x	22.5x	32.2x	28.4x	0.0%	1.4%	1.1x	0.8x	11.5%	12.1%
Storskogen	BUY	70,145	18.9x	15.5x	23.6x	19.1x	25.2x	20.3x	32.8x	25.1x	0.5%	0.6%	0.9x	1.3x	12.3%	12.9%
Average		**53,047**	**19.9x**	**17.7x**	**23.4x**	**20.9x**	**26.0x**	**23.2x**	**33.1x**	**29.4x**	**0.8%**	**1.1%**	**0.9x**	**0.7x**	**14.6%**	**16.4%**
Median		**56,342**	**19.9x**	**17.9x**	**23.7x**	**20.8x**	**25.3x**	**22.8x**	**32.5x**	**28.6x**	**0.9%**	**1.1%**	**0.9x**	**0.7x**	**14.9%**	**15.4%**
Sdiptech	**N.R.**	**13,562**	**19.7x**	**17.4x**	**23.0x**	**20.2x**	**25.5x**	**22.5x**	**32.2x**	**28.4x**	**0.0%**	**1.4%**	**1.1x**	**0.8x**	**11.5%**	**12.1%**
vs. peer average		-74%	-1%	-2%	-2%	-3%	-2%	-3%	-3%	-3%	-0.8pp	0.3pp	23%	19%	-3.1pp	-4.3pp
vs. peer median		-76%	-1%	-3%	-3%	-3%	1%	-1%	-1%	0%	-0.9pp	0.3pp	20%	18%	-3.3pp	-3.3pp

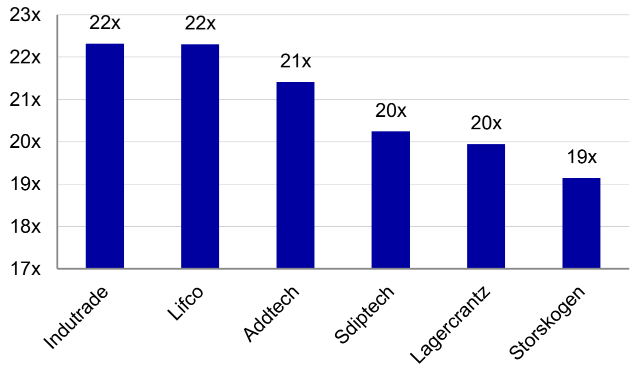
Source: Refinitiv and Nordea estimates

NET DEBT/EBITDA INC EARN-OUTS & LEASING (x), 2022E



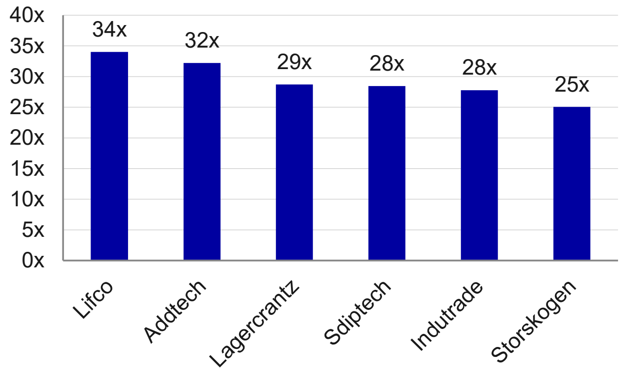
Source: Refinitiv and Nordea estimates

EV/EBITA (x), 2023E



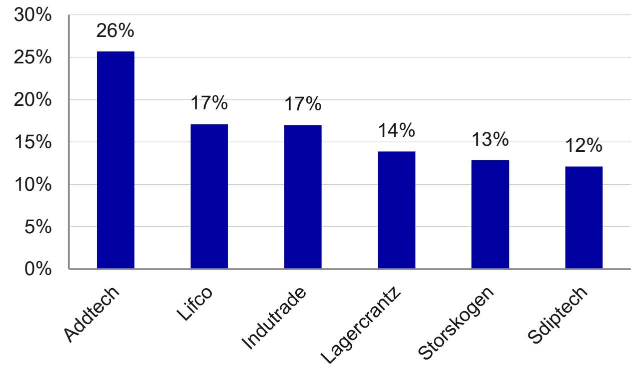
Source: Refinitiv and Nordea estimates

P/E (x), 2023E



Source: Refinitiv and Nordea estimates

ROIC (%), 2023E



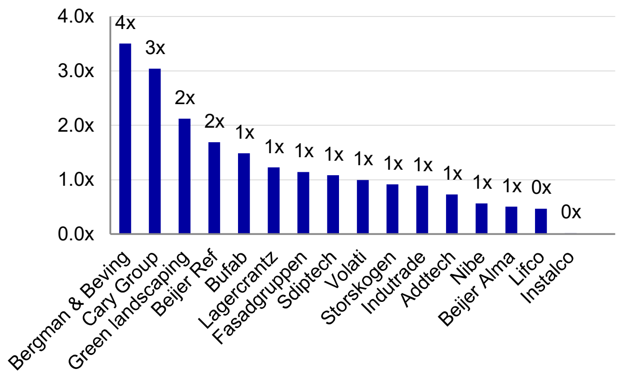
Source: Refinitiv and Nordea estimates

COMPOUNDERS: PEER VALUATION TABLE

		Mcap.	EV/EBITDA		adj. EV/EBITA		adj. EV/EBIT		adj. P/E		Div. yield		ND/EBITDA		ROIC	
Stock	**Rec.**	**SEKm**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**	**2022E**	**2023E**
Addtech	BUY	42,539	20.8x	18.5x	24.1x	21.4x	28.1x	24.9x	36.0x	32.2x	1.1%	1.3%	0.7x	0.3x	17.4%	25.7%
Bergman & Beving	-	3,255	9.0x	-	-	-	15.0x	-	13.9x	-	2.8%	-	3.5x	-	-	-
Beijer Alma	BUY	13,740	11.6x	10.7x	15.1x	14.0x	15.6x	14.4x	19.6x	18.3x	3.1%	3.4%	0.5x	0.4x	16.5%	16.8%
Beijer Ref	BUY	58,308	25.6x	20.9x	31.4x	25.4x	33.4x	27.2x	43.1x	34.8x	0.8%	0.9%	1.7x	1.2x	13.6%	15.2%
Bufab	-	12,767	15.8x	14.9x	18.9x	17.7x	19.7x	18.3x	24.5x	22.5x	1.0%	1.0%	1.5x	1.0x	13.2%	14.0%
Cary Group	-	10,693	18.6x	17.5x	26.1x	22.4x	24.6x	23.0x	34.9x	32.4x	0.6%	0.6%	3.0x	2.4x	17.5%	19.8%
Fasadgruppen	BUY	6,959	16.5x	13.7x	18.1x	15.2x	19.3x	16.3x	22.8x	20.1x	0.9%	1.1%	1.1x	0.6x	14.8%	16.5%
Green landscaping	-	4,026	11.8x	11.2x	16.7x	15.4x	23.6x	20.7x	23.7x	21.1x	0.0%	0.9%	2.1x	1.4x	-	-
Indutrade	HOLD	81,250	20.2x	18.4x	24.3x	22.3x	24.6x	22.6x	30.3x	27.8x	0.9%	1.0%	0.9x	0.6x	16.7%	17.0%
Instalco	BUY	15,919	15.3x	13.7x	17.8x	15.3x	18.0x	15.4x	23.2x	20.6x	1.2%	1.3%	0.0x	-0.4x	20.3%	22.4%
Lagercrantz	HOLD	19,945	17.9x	16.3x	21.8x	19.9x	25.1x	22.9x	31.4x	28.7x	1.6%	1.7%	1.2x	0.9x	13.1%	13.9%
Lifco	HOLD	90,843	21.8x	20.2x	23.9x	22.3x	27.6x	25.8x	36.0x	34.0x	0.8%	0.9%	0.5x	0.1x	16.6%	17.1%
Momentum	-	9,660	-	12.1x	-	-	14.9x	23.5x	14.4x	22.0x	2.3%	0.8%	-	2.3x	-	-
Nibe	BUY	167,731	27.0x	24.2x	32.1x	28.1x	34.5x	30.2x	44.9x	39.3x	0.5%	0.5%	0.6x	0.1x	16.9%	18.8%
Sdiptech	N.R.	13,562	19.7x	17.4x	23.0x	20.2x	25.5x	22.5x	32.2x	28.4x	0.0%	1.4%	1.1x	0.8x	11.5%	12.1%
Storskogen	BUY	70,145	18.9x	15.5x	23.6x	19.1x	25.2x	20.3x	32.8x	25.1x	0.5%	0.6%	0.9x	1.3x	12.3%	12.9%
Volati	BUY	13,690	16.6x	15.1x	21.3x	19.4x	22.7x	20.7x	34.0x	30.6x	0.7%	0.8%	1.0x	0.9x	15.2%	15.0%
Average		**37,355**	**17.9x**	**16.3x**	**22.5x**	**19.9x**	**23.4x**	**21.8x**	**29.3x**	**27.4x**	**1.1%**	**1.1%**	**1.3x**	**0.9x**	**15.4%**	**16.9%**
Median		**13,740**	**18.2x**	**15.9x**	**23.0x**	**19.9x**	**24.6x**	**22.6x**	**31.4x**	**28.1x**	**0.9%**	**1.0%**	**1.0x**	**0.8x**	**15.8%**	**16.6%**
Sdiptech	**N.R.**	**13,562**	**19.7x**	**17.4x**	**23.0x**	**20.2x**	**25.5x**	**22.5x**	**32.2x**	**28.4x**	**0.0%**	**1.4%**	**1.1x**	**0.8x**	**11.5%**	**12.1%**
vs. peer average		-64%	10%	7%	2%	2%	9%	3%	10%	4%	-1.1pp	0.3pp	-15%	-8%	-3.9pp	-4.8pp
vs. peer median		-1%	8%	9%	0%	1%	4%	0%	3%	1%	-0.9pp	0.4pp	4%	-5%	-4.3pp	-4.5pp

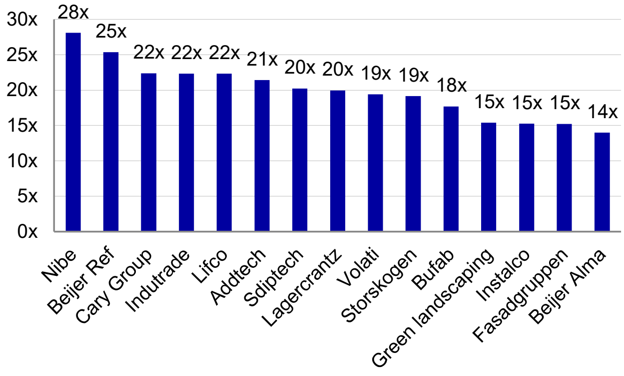
Source: Refinitiv and Nordea estimates

NET DEBT/EBITDA INC EARN-OUTS & LEASING (x), 2022E



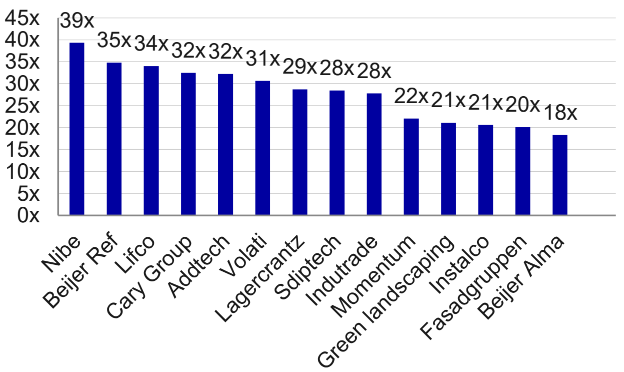
Source: Refinitiv and Nordea estimates

EV/EBITA (x), 2023E



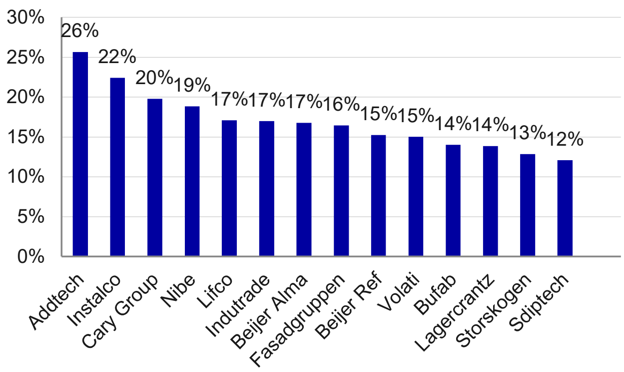
Source: Refinitiv and Nordea estimates

P/E (x), 2023E



Source: Refinitiv and Nordea estimates

ROIC (%), 2023E



Source: Refinitiv and Nordea estimates

Detailed estimates

SDIPTECH: DETAILED QUARTERLY ESTIMATES

SEKm	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021E
Net sales	484	483	516	604	658	665	646	707
- of which future M&A	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other operating income	4	8	6	7	4	9	4	3
Total sales	**488**	**492**	**522**	**612**	**662**	**675**	**650**	**710**
Direct expenses	-184	-188	-206	-247	-265	-282	-286	-296
Other external expenses	-49	-46	-50	-69	-70	-83	-53	-31
Employee expenses	-165	-157	-160	-187	-204	-188	-175	-207
D&A on tangible non-current assets	-17	-18	-14	-24	-23	-21	-21	-23
D&A on intangible non-current assets	-3	-4	-6	-7	-10	-12	-13	-14
Adjusted EBIT	**69**	**78**	**87**	**77**	**93**	**88**	**103**	**138**
Non-recurring items	0	0	0	0	-3	0	0	0
EBIT	**69**	**78**	**87**	**77**	**91**	**88**	**103**	**138**
Financial income	8	0	27	0	9	3	6	6
Financial expense	-9	-29	-7	-17	-14	-12	-13	-13
Pre-tax profit	**69**	**49**	**107**	**60**	**85**	**80**	**95**	**130**
Tax	-17	-11	-20	-17	-21	-22	-18	-25
Results from discontinued operations	0	0	0	0	0	0	0	0
Minorities	0	-1	-1	-4	-2	1	0	0
Net profit	**52**	**37**	**87**	**39**	**63**	**60**	**77**	**105**
Sales growth	**14.7%**	**7.7%**	**16.8%**	**17.8%**	**35.9%**	**37.6%**	**25.3%**	**17.0%**
of which organic	1.1%	-1.7%	8.2%	7.7%	3.9%	15.7%	3.6%	5.4%
of which structural	11.9%	10.4%	11.3%	12.3%	25.4%	16.9%	8.9%	8.4%
of which FX	1.7%	-1.0%	-2.6%	-2.2%	6.6%	5.0%	12.8%	3.1%
EBITA* growth	**37%**	**32%**	**45%**	**21%**	**64%**	**46%**	**29%**	**51%**
Adjusted EBITA growth	**117%**	**-27%**	**73%**	**-9%**	**44%**	**23%**	**25%**	**80%**
Sales per business area								
Water & Energy	157	147	147	165	211	257	259	266
Special Infrastructure Solutions	328	336	369	440	447	408	388	441
Property Technical Services	0	0	0	0	0	0	0	0
Other	4	8	6	7	4	9	4	3
Total	**488**	**492**	**522**	**612**	**662**	**675**	**650**	**710**
EBITA* per business area								
Water & Energy	30	31	32	35	49	62	65	69
Special Infrastructure Solutions	49	61	68	79	80	74	66	94
Property Technical Services	0	0	0	0	0	0	0	0
Other	-8	-9	-8	-13	-12	-15	-12	-11
Group EBITA*	**71**	**83**	**93**	**101**	**116**	**121**	**119**	**152**
Adjustment for revaluation of earn-outs	0	0	0	-13	-3	-20.3	-5.5	0
Acquisition costs	0	-2	-2	-5	-15	-2	-1	-3
Non-M&A-related amortisation & impairment	-	-	-	2	2	2	2	2
EBITA	**71**	**80**	**91**	**84**	**100**	**101**	**115**	**152**
Adjusted EBITA	**71**	**80**	**91**	**84**	**103**	**121**	**121**	**152**
EBITA* margin								
Water & Energy	18.9%	21.1%	22.0%	21.1%	23.0%	23.9%	25.0%	26.1%
Special Infrastructure Solutions	15.0%	18.1%	18.5%	18.0%	17.9%	18.2%	17.1%	21.4%
Property Technical Services	-	-	-	-	-	-	-	-
Group	**14.5%**	**16.8%**	**17.8%**	**16.5%**	**17.6%**	**17.9%**	**18.4%**	**21.5%**
EBITA margin	**14.5%**	**16.3%**	**17.4%**	**13.8%**	**15.2%**	**14.9%**	**17.7%**	**21.4%**
Adjusted EBITA margin	**14.5%**	**16.3%**	**17.4%**	**13.8%**	**15.6%**	**17.9%**	**18.6%**	**21.4%**

* Sdiptech's own EBITA measure, adjusted for M&A costs and re-evaluation of earn-outs

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	**n.a.**	**n.a.**	**412**	**776**	**1,078**	**1,496**	**1,826**	**2,088**	**2,677**	**3,159**	**3,553**
Revenue growth	n.a.	n.a.	n.a.	88.0%	39.0%	38.8%	22.0%	14.4%	28.2%	18.0%	12.5%
of which organic	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.8%	4.1%	7.2%	4.5%	4.2%
of which FX	n.a.	n.a.	n.a.	n.a.	7.9%	14.1%	4.5%	-1.1%	6.8%	3.8%	0.0%
EBITDA	0	0	61	120	204	213	358	403	556	731	821
Depreciation and impairments PPE	0	0	-3	-8	-15	-23	-67	-73	-88	-104	-117
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	59	111	189	190	291	330	468	627	704
Amortisation and impairments	0	0	0	0	-33	-47	-69	-20	-48	-62	-70
EBIT	n.a.	n.a.	59	111	156	143	222	310	419	565	634
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	-6	-7	-36	-17	-13	-26	-28	-26	-20
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**0**	**0**	**52**	**104**	**120**	**127**	**209**	**284**	**391**	**539**	**614**
Reported taxes	n.a.	n.a.	-12	-24	-27	-30	-44	-64	-86	-104	-118
Net profit from continued operations	0	0	40	80	93	96	165	220	305	435	496
Discontinued operations	0	0	0	0	0	33	0	0	0	0	0
Minority interests	0	0	-6	-10	-6	-4	-4	-6	-1	-1	-4
Net profit to equity	0	0	20	56	73	111	147	201	290	421	477
EPS, SEK	**n.a.**	**n.a.**	**0.99**	**2.56**	**2.74**	**3.68**	**4.86**	**6.24**	**8.36**	**11.89**	**13.48**
DPS, SEK	n.a.	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.40
of which ordinary	n.a.	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.40
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	n.a.	n.a.	14.8%	15.4%	18.9%	14.2%	19.6%	19.3%	20.8%	23.2%	23.1%
EBITA	n.a.	n.a.	14.2%	14.3%	17.5%	12.7%	15.9%	15.8%	17.5%	19.9%	19.8%
EBIT	n.a.	n.a.	14.2%	14.3%	14.5%	9.6%	12.1%	14.9%	15.7%	17.9%	17.9%
Adjusted earnings											
EBITDA (adj)	0	0	29	120	204	213	358	403	559	731	821
EBITA (adj)	0	0	27	111	189	190	291	330	470	627	704
EBIT (adj)	0	0	27	111	156	143	222	310	422	565	634
EPS (adj, SEK)	n.a.	n.a.	-0.59	2.56	2.74	3.68	4.86	5.41	8.44	11.89	13.48
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	n.a.	7.1%	15.4%	18.9%	14.2%	19.6%	19.3%	20.9%	23.2%	23.1%
EBITA (adj)	n.a.	n.a.	6.4%	14.3%	17.5%	12.7%	15.9%	15.8%	17.6%	19.9%	19.8%
EBIT (adj)	n.a.	n.a.	6.4%	14.3%	14.5%	9.6%	12.1%	14.9%	15.8%	17.9%	17.9%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	38.3%	28.1%	24.0%	18.9%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	45.8%	36.0%	29.1%	31.0%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	39.6%	30.4%	29.3%	34.7%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	44.7%	26.7%	34.1%	29.7%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.4%	13.0%	13.7%	14.8%	16.2%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17.1%	17.9%	18.9%	20.1%	21.6%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	16.9	11.3	15.4	42.5	45.5	32.2	28.4
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	8.3	9.3	9.7	22.8	26.1	19.7	17.4
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	8.9	10.4	12.0	27.8	31.0	23.0	20.2
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	10.8	13.8	15.7	29.6	34.6	25.5	22.5

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	n.a.	n.a.	n.a.	n.a.	16.9	11.3	15.4	36.8	45.8	32.2	28.4
EV/Sales	n.a.	n.a.	n.a.	n.a.	1.57	1.33	1.91	4.39	5.45	4.56	4.01
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	8.3	9.3	9.7	22.8	26.3	19.7	17.4
EV/EBITA	n.a.	n.a.	n.a.	n.a.	8.9	10.4	12.0	27.8	31.2	23.0	20.2
EV/EBIT	n.a.	n.a.	n.a.	n.a.	10.8	13.8	15.7	29.6	34.8	25.5	22.5
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%
FCF yield	n.a.	n.a.	n.a.	n.a.	-8.7%	-19.1%	-14.5%	-2.3%	-0.9%	1.7%	1.3%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	2.8%	4.3%	9.4%	5.3%	2.4%	3.5%	4.1%
Payout ratio	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	40.1%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	0	0	288	806	1,068	1,477	1,969	2,539	2,869	3,029	3,296
of which R&D	n.a.	n.a.	0	0	8	15	59	0	0	0	0
of which other intangibles	n.a.	n.a.	0	0	5	10	40	271	400	449	543
of which goodwill	n.a.	n.a.	287	806	1,055	1,452	1,870	2,268	2,469	2,580	2,754
Tangible assets	0	0	19	50	81	108	258	319	352	336	338
of which leased assets	n.a.	n.a.	0	0	0	0	0	185	185	185	185
Shares associates	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Interest bearing assets	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Deferred tax assets	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other non-current assets	n.a.	n.a.	23	3	2	2	14	10	0	0	0
Total non-current assets	0	0	329	858	1,151	1,587	2,241	2,869	3,221	3,365	3,635
Inventory	n.a.	n.a.	28	34	63	96	117	215	281	332	373
Accounts receivable	n.a.	n.a.	75	156	217	309	333	375	479	565	636
Short-term leased assets	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other current assets	n.a.	n.a.	111	95	69	136	138	115	147	174	195
Cash and bank	n.a.	n.a.	89	126	330	325	156	279	1,353	1,801	2,333
Total current assets	0	0	303	411	679	866	745	984	2,261	2,872	3,537
Assets held for sale	0	0	167	0	0	0	0	n.a.	n.a.	n.a.	n.a.
Total assets	**0**	**0**	**799**	**1,269**	**1,830**	**2,453**	**2,986**	**3,853**	**5,482**	**6,237**	**7,172**
Shareholders equity	n.a.	n.a.	471	428	973	1,088	1,223	1,716	2,464	2,871	3,334
Of which preferred stocks	n.a.	n.a.	175	175	175	175	175	175	175	175	175
Of which equity part of hybrid debt	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Minority interest	n.a.	n.a.	26	33	33	33	36	40	41	42	46
Total Equity	n.a.	n.a.	497	461	1,006	1,121	1,259	1,756	2,505	2,913	3,379
Deferred tax	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	n.a.	n.a.	173	486	448	663	1,197	1,396	2,152	2,399	2,784
Pension provisions	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other long-term provisions	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other long-term liabilities	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Non-current lease debt	n.a.	n.a.	0	0	0	0	69	123	123	123	123
Convertible debt	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Shareholder debt	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Hybrid debt	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	173	493	459	678	1,283	1,588	2,344	2,591	2,976
Short-term provisions	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Accounts payable	n.a.	n.a.	77	98	137	180	227	263	336	397	447
Current lease debt	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other current liabilities	n.a.	n.a.	52	66	92	120	151	175	224	265	298
Short term interest bearing debt	n.a.	n.a.	0	152	136	355	66	72	72	72	72
Total current liabilities	0	0	129	316	365	655	445	509	633	734	816
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**0**	**0**	**799**	**1,269**	**1,830**	**2,453**	**2,986**	**3,853**	**5,482**	**6,237**	**7,172**
Balance sheet and debt metrics											
Net debt	0	0	84	512	254	694	1,176	1,311	994	793	647
of which lease debt	n.a.	n.a.	0	0	0	0	69	123	123	123	123
Working capital	0	0	85	122	120	241	210	267	347	409	460
Invested capital	0	0	414	980	1,271	1,828	2,451	3,136	3,568	3,774	4,095
Capital employed	0	0	670	1,098	1,590	2,139	2,591	3,346	4,852	5,507	6,359
ROE	n.a.	n.a.	n.a.	12.4%	10.5%	10.8%	12.7%	13.7%	13.9%	15.8%	15.4%
ROIC	n.m.	n.m.	9.6%	12.0%	10.4%	6.9%	7.8%	8.3%	9.4%	11.5%	12.1%
ROCE	n.m.	n.m.	7.9%	12.6%	11.6%	7.7%	9.4%	10.5%	10.3%	10.9%	10.7%
Net debt/EBITDA	n.m.	n.m.	1.4	4.3	1.2	3.3	3.3	3.3	1.8	1.1	0.8
Interest coverage	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.a.	n.a.	59.0%	33.7%	53.2%	44.4%	41.0%	44.5%	45.0%	46.0%	46.5%
Net gearing	n.a.	n.a.	16.9%	111.1%	25.2%	61.9%	93.5%	74.7%	39.7%	27.2%	19.1%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
SEKm	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
EBITDA (adj) for associates	**0**	**0**	**61**	**120**	**204**	**213**	**358**	**403**	**556**	**731**	**821**
Paid taxes	0	0	-12	-24	-27	-30	-44	-53	-86	-104	-118
Net financials	0	0	-6	-7	-36	-17	-13	-16	-28	-26	-20
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	-23	27	5	3	-10	56	10	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	0	0	33	43	-77	40	-10	-30	0	0	0
Funds from operations (FFO)	**0**	**0**	**54**	**158**	**69**	**210**	**281**	**359**	**452**	**602**	**683**
Change in NWC	0	0	-85	-36	1	-121	31	92	-79	-62	-51
Cash flow from operations (CFO)	**n.a.**	**n.a.**	**-32**	**122**	**70**	**89**	**313**	**451**	**373**	**539**	**632**
Capital expenditure	n.a.	n.a.	-110	-3	-30	-35	-100	-38	-54	-63	-71
Free cash flow before A&D	**0**	**0**	**-142**	**119**	**40**	**54**	**213**	**413**	**319**	**476**	**561**
Proceeds from sale of assets	0	0	0	0	0	0	0	0	311	0	0
Acquisitions	n.a.	n.a.	-53	-359	-161	-293	-542	-595	-756	-247	-385
Free cash flow	0	0	-195	-240	-121	-240	-330	-182	-127	229	175
Free cash flow bef A&D, lease adj	0	0	-142	119	40	54	213	413	319	476	561
Dividends paid	0	0	-14	-14	-14	-14	-14	-15	-14	-14	-14
Equity issues / buybacks	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	347	473	0	0
Net change in debt	n.a.	n.a.	254	291	346	253	174	53	756	247	385
Other financing adjustments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-26	-14	-14	-15
Other non-cash adjustments	0	0	44	-1	-6	-4	1	-4	0	0	0
Change in cash	0	0	89	37	204	-5	-169	123	1,074	448	532
Cash flow metrics											
Capex/D&A	n.a.	n.a.	n.m.	33.3%	63.0%	50.3%	73.5%	40.9%	39.2%	38.0%	38.0%
Capex/Sales	n.a.	n.a.	26.7%	0.4%	2.8%	2.3%	5.5%	1.8%	2.0%	2.0%	2.0%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	46	42	75	230	472	384	384
Market cap.	n.a.	n.a.	n.a.	n.a.	1,400	1,257	2,273	7,825	13,562	13,562	13,562
Enterprise value	n.a.	n.a.	n.a.	n.a.	1,687	1,984	3,485	9,176	14,597	14,397	14,254
Diluted no. of shares, year-end (m)	0.0	0.0	20.3	23.1	30.3	30.3	30.3	34.0	35.4	35.4	35.4

Source: Company data and Nordea estimates

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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea Markets Division, Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	**Nordea Markets Division, Research** Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	**Nordea Markets Division, Research** Visiting address: Grønjordsvej 10 DK-2300 Copenhagen S Denmark	**Nordea Markets Division, Research** Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			