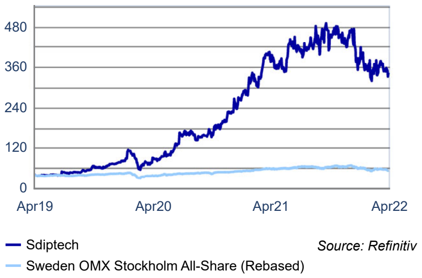
Sdiptech

Capital Goods
Sweden

KEY DATA

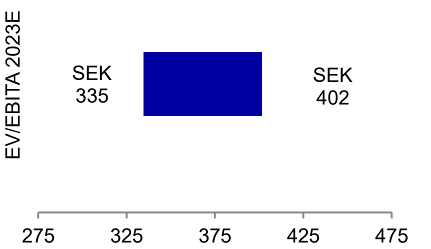
Stock country	Sweden
Bloomberg	SDIPB SS
Reuters	SDIPb.ST
Share price (close)	SEK 346.6
Free Float	56%
Market cap. (bn)	EUR 1.19/SEK 12.33
Website	www.sdiptech.se
Next report date	

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	0%	1%	1%
EBIT (adj)	-2%	3%	2%

Source: Nordea estimates

Nordea Markets - Analysts
Victor Hansen
Analyst

Carl Ragnerstam
Analyst

On track to surpass its M&A target

Sdiptech delivered a solid Q1 report, with EBITA* in line with our expectations. As a result, we make only limited revisions to reflect the current trading of key companies and further price hikes to mitigate the ongoing cost inflation. For 2022E-24E, we raise sales by 0-1% and revise EBITA by -2% to +3%. Sdiptech expects to reach its annual M&A EBITA target before autumn, thus providing at least SEK 50-80m upside to our estimates (run rate). The share is trading at 18x EV/EBITA 2023E, versus key peers at 21x. Our equity valuation of SEK 335-402 (340-416) suggests a multiple range of 17.5-21x EV/EBITA for 2023E.

Q1 outcome

EBITA* increased 25% y/y, in line with our expectations, driven largely by M&A, as organic growth was -1% excluding FX (+5%) due to cost inflation temporarily affecting the margin. Sales increased 19% y/y, 4% more than we forecasted and despite tough comparisons due to earlier divestments, which will drag less on growth in Q2. Sdiptech said Rolec (EV chargers) performed well, while newly acquired Certus (port automation) suffered from delayed projects, which was also the case in Q4 2021. Operating cash flow was a healthy SEK 145m (up 34% y/y), despite some WC build-up. Sdiptech reiterated its margin guidance of 20% EBITA* over time, which compares to our estimate of 19.7% for FY 2022 and 18.7% for Q2.

Strong M&A outlook

Sdiptech expects to reach its annual acquired EBITA target (SEK 120-150m, run rate) before autumn and we thus see additional EBITA upside beyond SEK 150m this year. Thus far, the company has added SEK 37m in EBITA YTD (pro forma) and we include an additional SEK 32m from future M&A in 2022, which thereby suggests SEK 50-80m upside to our estimates. We think these targets are achievable, given net debt/EBITDA of 1.3x in Q1.

Estimate revisions

We update our forecasts to take a soft Q2 for Rolec into account, and also expect weak performance for the recently acquired Certus in Q2-Q3 due to likely project delays. We leave our 2022 group sales estimates largely unchanged (RE up 4% and SIS down 2%) and cut EBITA by 2% as we lower our short-term margin estimate for SIS. For 2023E-24E, we raise sales by 1% and EBITA* by 2%, partly due to additional price hikes and easier comparisons amid temporary demand hiccups in 2022.

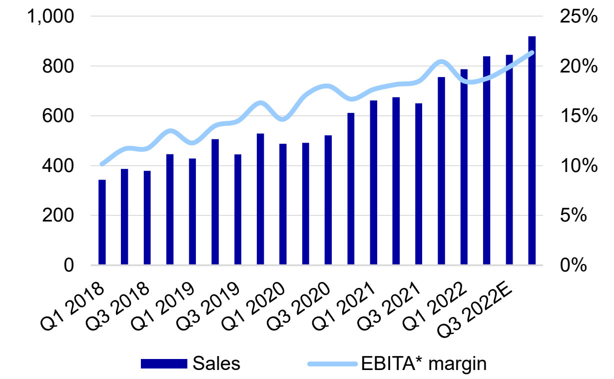
SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	1,496	1,826	2,088	2,719	3,377	3,843	4,284
EBITDA (adj)	213	358	403	509	781	924	1,025
EBIT (adj)	143	222	310	367	586	702	777
EBIT (adj) margin	9.6%	12.1%	14.9%	13.5%	17.4%	18.3%	18.1%
EPS (adj, SEK)	3.68	4.86	5.41	6.76	10.59	12.84	14.37
EPS (adj) growth	34.1%	32.2%	11.3%	24.9%	56.7%	21.3%	11.9%
DPS (ord, SEK)	0.00	0.00	0.00	0.00	0.00	5.10	5.70
EV/Sales	1.3	1.9	4.4	6.9	4.2	3.7	3.4
EV/EBIT (adj)	13.8	15.7	29.6	51.3	24.5	20.4	18.6
P/E (adj)	11.3	15.4	42.5	69.8	32.7	27.0	24.1
P/BV	1.2	1.9	4.6	6.6	4.3	3.7	3.4
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	1.6%
FCF Yield bef A&D, lease	4.3%	9.4%	5.3%	2.0%	3.3%	4.3%	4.9%
Net debt	694	1,176	1,311	2,127	2,010	1,961	2,082
Net debt/EBITDA	3.3	3.3	3.3	4.2	2.6	2.1	2.0
ROIC after tax	6.9%	7.8%	8.3%	6.9%	8.9%	10.0%	10.3%

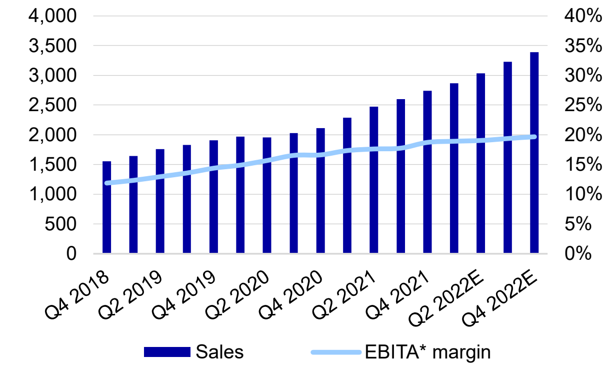
Source: Company data and Nordea estimates

Group and divisional development

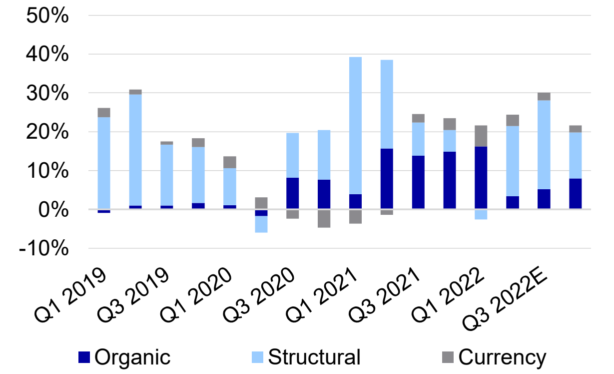
SDIPTECH: SALES (SEKm) AND EBITA* MARGIN (%)



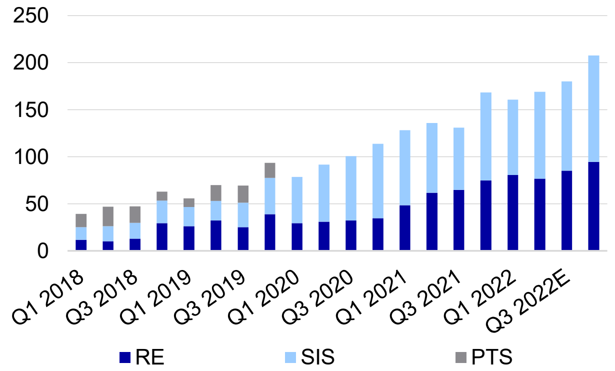
SDIPTECH: SALES (SEKm) AND EBITA* MARGIN (%), LTM



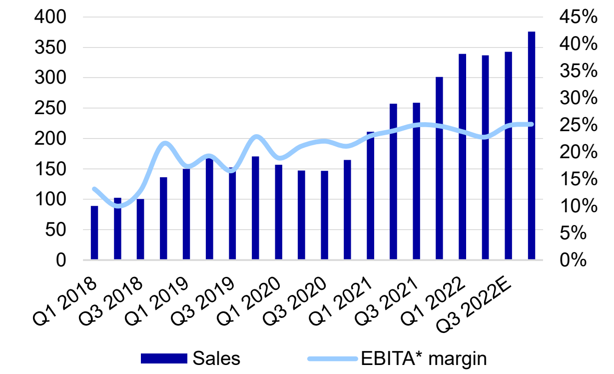
SDIPTECH: SALES GROWTH PER PARAMETER



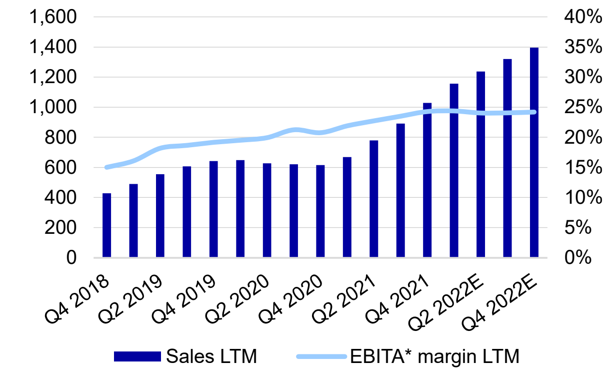
SDIPTECH: EBITA PER SEGMENT (SEKm)



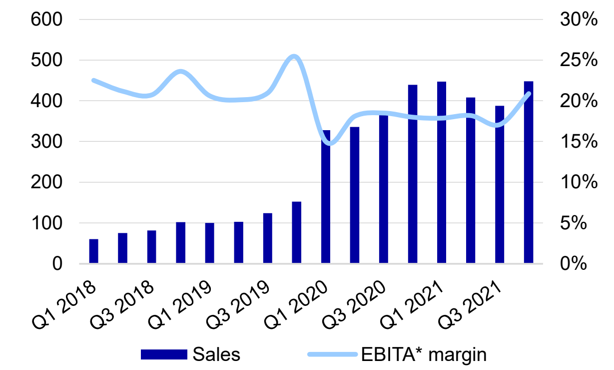
RESOURCE EFFICIENCY: SALES (SEKm) AND EBITA* MARGIN (%)



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

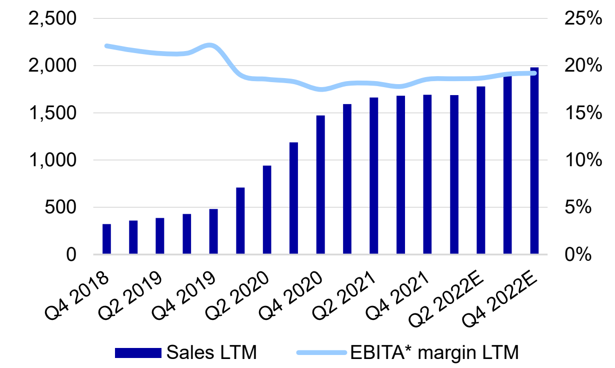


SPECIAL INFRASTRUCTURE SOLUTIONS: SALES (SEKm) AND EBITA* MARGIN (%)



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

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



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

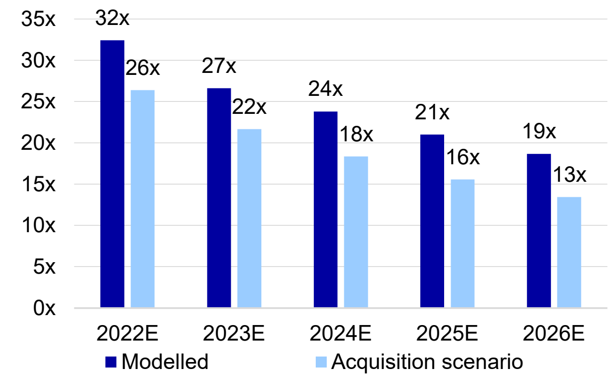
M&A scenario

M&A SCENARIO AND VALUATION

SEKm	2022E	2023E	2024E	2025E	2026E
Extra scenario M&A spend	1,100	700	750	800	800
Total annual M&A spend	**1,359**	**1,154**	**1,267**	**1,318**	**1,320**
Net debt / EBITDA incl. contingent considerations	3.2	3.1	3.1	3.0	2.9
Scenario: acquisition assumptions					
EV/sales	1.6	1.6	1.6	1.6	1.7
EV/EBITA	8.0	8.0	8.0	8.0	8.0
EBITA margin	20%	21%	20%	21%	21%
Target company sales	**700**	**426**	**459**	**485**	**481**
Target company EBITA	**138**	**88**	**94**	**100**	**100**
Depreciation	24	15	16	17	17
Scenario: acquired sales and EBITA (50/50)	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**
Accumulated added sales	700	913	1,355	1,827	2,310
Accumulated added EBITA	138	181	272	369	469
Depreciation	24	32	47	64	80
After acquisitions	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**
Sales	**4,077**	**4,756**	**5,639**	**6,565**	**7,515**
Adj. EBITA	**800**	**971**	**1,147**	**1,345**	**1,552**
EBITDA	942	1,137	1,344	1,574	1,814
Acquired sales	21%	24%	32%	39%	44%
Acquired EBITA	21%	23%	31%	38%	43%
Net financials	-92	-122	-145	-165	-186
Pre-tax profit	615	741	874	1,030	1,194
Tax	-154	-179	-211	-248	-288
Net profit	462	562	663	782	906
EPS (SEK)	**12.97**	**15.80**	**18.64**	**21.97**	**25.47**
Financing cost (2.5%)	28	45	64	84	104
Free cash flow	489	653	795	951	1,114
whereof from acq companies	84	122	188	261	336
Dividend (unchanged in scenario)	0	0	181	203	231
Net debt after acquisitions	3,026	3,526	4,179	4,750	5,188
Net debt/EBITDA	**3.2x**	**3.1x**	**3.1x**	**3.0x**	**2.9x**
Share price (SEK)	342				
No. of shares (m)	35.6	35.6	35.6	35.6	35.6
Market cap	12,168				
EV (incl. lease & earn-outs)	**15,194**	**15,694**	**16,348**	**16,918**	**17,356**
P/E	26.4x	21.6x	18.3x	15.6x	13.4x
EV/EBITA (adj.)	19.0x	16.2x	14.2x	12.6x	11.2x

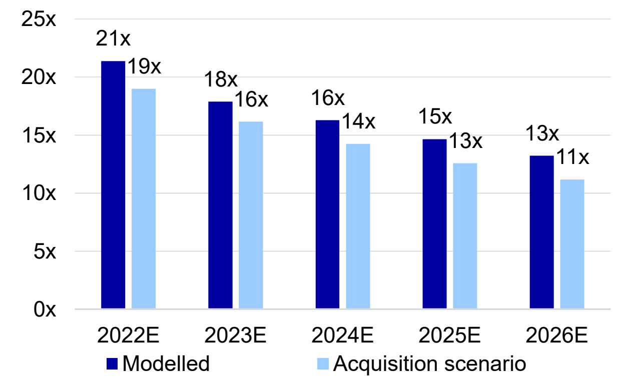
Source: Company data and Nordea estimates

P/E VALUATION: MODELLED VS SCENARIO (x)



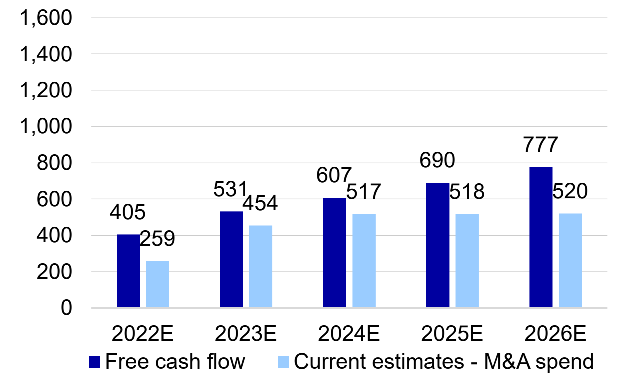
Source: Nordea estimates

EV/EBITA VALUATION: MODELLED VS SCENARIO (x)



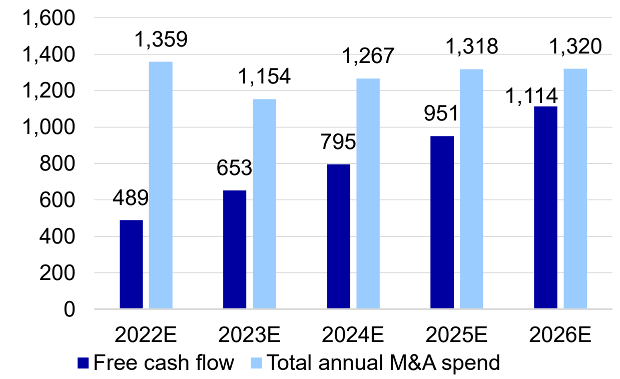
Source: Nordea estimates

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	2022E	2023E	2024E	2025E	2026E
Sales	**3,377**	**3,843**	**4,284**	**4,738**	**5,205**
Sales growth	24%	14%	11%	11%	10%
Organic	8%	6%	4%	4%	4%
FX	3%	0%	0%	0%	0%
M&A	13%	8%	8%	7%	6%
Adj. EBITA	**663**	**790**	**875**	**976**	**1,083**
Adj. EBITA margin	19.6%	20.6%	20.4%	20.6%	20.8%
Depreciation	118	134	149	165	181
Adj. EBITDA	781	924	1,025	1,141	1,264
EPS (SEK)	10.59	12.84	14.37	16.29	18.32
Net debt (incl. lease & earn-outs)	**2,010**	**1,961**	**2,082**	**2,142**	**2,145**
Net debt / (adj.) EBITDA	2.6x	2.1x	2.0x	1.9x	1.7x
Acquisition spend	259	454	517	518	520
Share price (SEK)	342				
No. of shares (m)	35.6	35.6	35.6	35.6	35.6
Market cap	12,168				
EV (incl. lease & earn-outs)	**14,178**	**14,129**	**14,250**	**14,310**	**14,313**
P/E (adj.)	32.4x	26.6x	23.8x	21.0x	18.7x
EV/EBITA (adj.)	21.4x	17.9x	16.3x	14.7x	13.2x

Source: Company data and Nordea estimates

Q1 2022 outcome

Sdiptech delivered a solid Q1 report, in line with our expectations on EBITA*. Reported EBITA was -4% versus our expectations, due to earn-out revaluations (SEK -6m) and M&A costs (SEK -4m). Organic EBITA* growth was weak, -1% y/y excluding FX (+5%), due to cost inflation and another soft quarter for the recently acquired CERTUS (port automation, impacted by the ongoing freight turbulence), while total EBITA* was up 25% y/y due to M&A. Operating cash flow was healthy at SEK 145m (+34% y/y), despite some WC build-up, and cash conversion increased to 73%. We think it is positive that cash conversion is high once again, as this has been a worry for many investors. The CEO said that the M&A pipeline is "extra strong", and that it looks set to reach its yearly SEK 120-150m EBITA M&A target by as early as before autumn (SEK 37m added pro forma YTD). We think this is achievable given a financial ND/EBITDA of 1.3x in Q1.

Sales 4% above us, and 19% growth y/y

EBITA* in line with our estimates, Resource Efficiency beat by 21% while SIS missed by 13%

EBITA impacted by SEK 6m in revaluation of earn-outs

EBITA* margin was 0.8 pp below our estimate, and up 0.8 pp y/y, due to business mix

SDIPTECH: DEVIATION TABLE

SEKm	Actual Q1 2022	NDA est. Q1 2022E	Deviation vs. actual		Actual Q4 2021	q/q	Actual Q1 2021	y/y
Net sales	784	754	29	4%	749	5%	658	19%
Other operating income	4	3	-	-	7	-	4	-
Total sales	**787**	**757**	**30**	**4%**	**756**	**4%**	**662**	**19%**
Direct expenses	-320	-320	0	0%	-320	0%	-265	21%
Other external expenses	-75	-54	-21	39%	-112	-33%	-70	8%
Employee expenses	-225	-213	-13	6%	-198	14%	-204	10%
D&A on tang. non-current assets	-27	-26	-	-	-26	-	-23	-
D&A on intang. non-current assets	-18	-17	-	-	-17	-	-10	-
Adjusted EBIT	**122**	**128**	**-6**	**-5%**	**83**	**47%**	**91**	**34%**
Non-recurring items			-	-	0	-	-3	-
EBIT	**122**	**128**	**-6**	**-5%**	**83**	**47%**	**88**	**38%**
Financial income	0	0	-	-	0	-	9	-
Financial expense	-16	-12	-	-	-19	-	-14	-
Pre-tax profit	**106**	**116**	**-10**	**-8%**	**64**	**66%**	**83**	**28%**
Tax	-30	-28	-	-	-17	-	-21	-
Results from discontinued ops.	0	0	-	-	0	-	0	-
Minorities	0.3	0	-	-	0	-	-2	-
Net profit	**76**	**88**	**-11**	**-13%**	**47**	**64%**	**60**	**27%**
Key ratios								
Sales growth	**19%**	**15%**	**-**	**4pp**	**45%**	**-26pp**	**49%**	**-30pp**
EBITA growth	42%	47%	-	-5pp	21%	21pp	84%	-42pp
EBITA margin	**17.8%**	**19.2%**	**-**	**-1pp**	**14.7%**	**3pp**	**14.9%**	**3pp**
Tax rate	28.3%	24.1%	-	4pp	26.6%	2pp	25.5%	3pp
Sales per business area								
Resource Efficiency	340	282	58	20%	301	13%	211	61%
Special Infrastructure Solutions	444	473	-28	-6%	448	-1%	447	-1%
Other	0	3	-3	-	7	-	4	-
Total	**783.7**	**757**	**26**	**3%**	**756**	**4%**	**662**	**18%**
EBITA per business area								
Resource Efficiency	80.7	67	14	21%	75	8%	49	66%
Special Infrastructure Solutions	80.1	92	-12	-13%	94	-14%	80	0%
Central costs	-15.9	-13	-3	-	-15	-	-12	-
Total EBITA*	**144.9**	**145**	**0**	**0%**	**153**	**-5%**	**116**	**25%**
M&A costs incl divestment	-3.9	-3	-1	-	-4	-	-15	-
Non M&A Amortisation	4.6	3	2	-				
Revaluation of earn-outs	-5.8	0	-6	-	-40	-	-3	-
Reported EBITA	**139.8**	**145**	**-5**	**-4%**	**110**	**27%**	**98**	**42%**
EBITA margin per business area								
Resource Efficiency	23.8%	23.6%	-	0.2pp	24.8%	-1.1pp	23.0%	0.8pp
Special Infrastructure Solutions	18.0%	19.4%	-	-1.4pp	20.9%	-2.9pp	17.9%	0.2pp
Central costs	-	-	-	-	-	-	-	-
EBITA* margin	**18.5%**	**19.3%**	**-**	**-0.8pp**	**20.5%**	**-2.0pp**	**17.6%**	**0.8pp**
M&A costs	-	-		-	-	-	-	-
Revaluation of earn-outs	-	-	-	-	-	-	-	-
Reported total	**17.8%**	**19.1%**	**-**	**-1.3pp**	**14.5%**	**3.3pp**	**14.9%**	**2.9pp**

Source: Company data, Infront and Nordea estimates

Estimate revisions

We update our forecasts to take into account a likely soft Q2 2022 for Rolec. We also expect a weak performance from the recently acquired Certus (port automation) in Q2-Q3 owing to delayed projects, as its clients are facing a turbulent operating environment. We leave our 2022 sales estimates unchanged (RE +4%, SIS -2%) but trim EBITA by -2% as we lower our short-term margin estimate for SIS. We raise 2023E-24E sales by 1% and EBITA* by 2%, partly thanks to additional price hikes and easier comps from the temporary demand hiccups in 2022.

SDIPTECH: ESTIMATE REVISIONS

	New estimates			Old estimates			Δ		
SEKm	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**
Sales									
RE	1,395	1,580	1,763	1,335	1,506	1,688	4%	5%	4%
SIS	1,982	2,263	2,521	2,032	2,280	2,543	-2%	-1%	-1%
Other	14	16	20	12	16	20	-	-	-
Group	**3,391**	**3,859**	**4,304**	**3,379**	**3,803**	**4,251**	**0%**	**1%**	**1%**
Sales bridge									
Organic	7.4%	6.0%	3.7%	5.8%	4.2%	3.8%	1.6pp	1.8pp	-0.1pp
Structural	14.1%	8.2%	7.8%	14.1%	8.3%	7.9%	0.0pp	0.0pp	-0.1pp
Currency	2.7%	-0.4%	0.0%	3.9%	0.0%	0.0%	-1.2pp	-0.4pp	0.0pp
Sales growth	**24.2%**	**13.8%**	**11.5%**	**23.8%**	**12.5%**	**11.7%**	**0.4pp**	**1.3pp**	**-0.2pp**
EBITA* bridge									
RE	337	372	403	325	351	382	4%	6%	5%
SIS	381	466	521	403	470	525	-6%	-1%	-1%
Central costs	-53	-53	-53	-50	-51	-52	6%	3%	2%
Group EBITA*	**664**	**786**	**870**	**677**	**770**	**856**	**-2%**	**2%**	**2%**
M&A Costs	-13	-16	-16	-12	-16	-16	-	-	-
Non M&A Amortization	17	20	21	10	14	19	-	-	-
Revaluation of earn-outs	-6	0	0	0	0	0	-	-	-
EBITA	**663**	**790**	**875**	**676**	**768**	**859**	**-2%**	**3%**	**2%**
Adjusted EBITA	**663**	**790**	**875**	**676**	**768**	**859**	**-2%**	**3%**	**2%**
EBITA* Margin									
RE	24.2%	23.6%	22.8%	24.3%	23.3%	22.7%	-0.1pp	0.2pp	0.2pp
SIS	19.2%	20.6%	20.7%	19.8%	20.6%	20.7%	-0.6pp	0.0pp	0.0pp
Group	**19.7%**	**20.5%**	**20.3%**	**20.1%**	**20.3%**	**20.2%**	**-0.4pp**	**0.1pp**	**0.1pp**
Sales bridge - RE	**36%**	**13%**	**12%**	**30%**	**13%**	**12%**	**5.8pp**	**0.4pp**	**-0.4pp**
Organic	13%	5%	4%	6%	5%	4%	6.7pp	1.0pp	-0.3pp
Structural	20%	8%	8%	20%	8%	8%	0.2pp	-0.1pp	-0.1pp
Currency	3%	0%	0%	4%	0%	0%	-1.1pp	-0.4pp	0.0pp
Sales bridge - SIS	**17%**	**14%**	**11%**	**20%**	**12%**	**12%**	**-3.0pp**	**1.9pp**	**-0.1pp**
Organic	4%	6%	4%	6%	4%	4%	-1.9pp	2.3pp	0.0pp
Structural	13%	8%	8%	14%	8%	8%	-1.1pp	-0.4pp	-0.1pp
Currency	1%	0%	0%	1%	0%	0%	0.0pp	0.0pp	0.0pp

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

Source: Nordea estimates

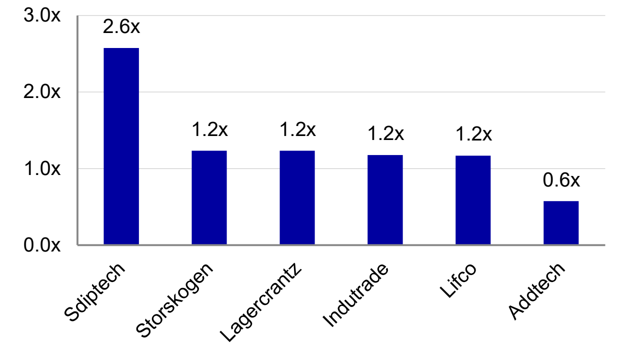
Valuation

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	45,716	21.2x	18.9x	24.5x	21.8x	28.5x	25.3x	36.8x	33.0x	1.1%	1.2%	0.6x	0.2x	18.6%	27.5%
Indutrade	HOLD	83,716	19.8x	18.1x	23.6x	21.9x	23.9x	22.2x	28.9x	26.7x	1.2%	1.3%	1.2x	0.8x	16.0%	16.2%
Lagercrantz	HOLD	19,874	17.4x	15.8x	21.3x	19.3x	24.5x	22.2x	30.5x	27.7x	1.6%	1.8%	1.2x	0.9x	13.4%	14.1%
Lifco	HOLD	92,660	21.6x	20.2x	24.0x	22.4x	27.9x	26.0x	35.2x	33.1x	0.8%	0.8%	1.2x	0.8x	13.8%	14.5%
Sdiptech	N.R.	12,168	18.2x	15.3x	21.4x	17.9x	24.2x	20.1x	32.3x	26.6x	0.0%	1.5%	2.6x	2.1x	8.9%	10.0%
Storskogen	BUY	34,956	9.9x	8.3x	12.3x	10.2x	13.7x	11.0x	16.9x	12.2x	0.9%	1.2%	1.2x	1.5x	9.9%	11.0%
Average		**48,182**	**18.0x**	**16.1x**	**21.2x**	**18.9x**	**23.8x**	**21.1x**	**30.1x**	**26.5x**	**0.9%**	**1.3%**	**1.3x**	**1.0x**	**13.4%**	**15.6%**
Median		**40,336**	**19.0x**	**17.0x**	**22.5x**	**20.6x**	**24.3x**	**22.2x**	**31.4x**	**27.2x**	**1.0%**	**1.3%**	**1.2x**	**0.9x**	**13.6%**	**14.3%**
Sdiptech	**N.R.**	**12,168**	**18.2x**	**15.3x**	**21.4x**	**17.9x**	**24.2x**	**20.1x**	**32.3x**	**26.6x**	**0.0%**	**1.5%**	**2.6x**	**2.1x**	**8.9%**	**10.0%**
vs. peer average		-75%	1%	-5%	1%	-5%	2%	-5%	7%	0%	-0.9pp	0.2pp	94%	103%	-4.5pp	-5.5pp
vs. peer median		-70%	-4%	-10%	-5%	-13%	-1%	-9%	3%	-2%	-1.0pp	0.2pp	114%	143%	-4.7pp	-4.3pp

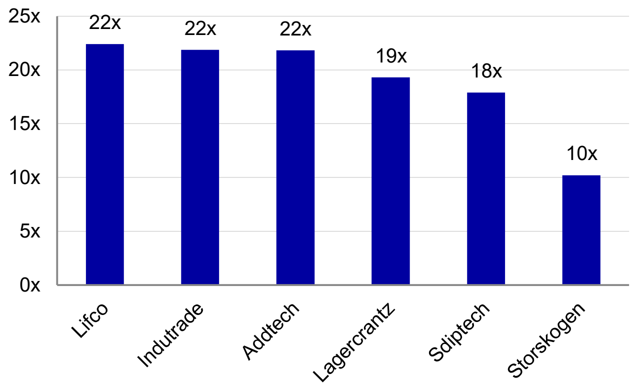
Source: Refinitiv and Nordea estimates

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



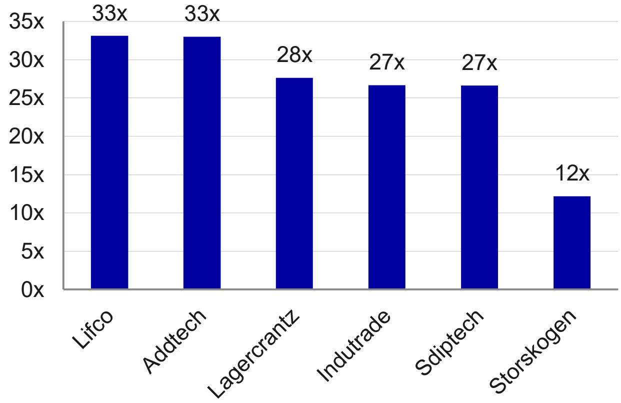
Source: Refinitiv and Nordea estimates

2023E EV/EBITA (x)



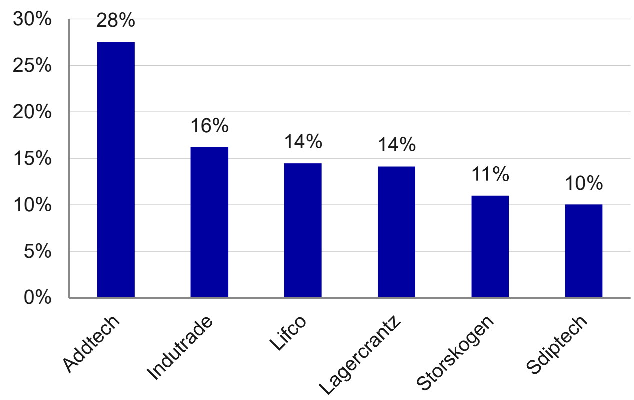
Source: Refinitiv and Nordea estimates

2023E P/E (x)



Source: Refinitiv and Nordea estimates

2023E ROIC (%)



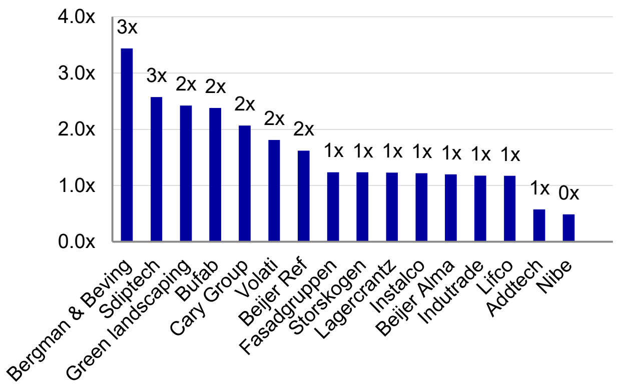
Source: Refinitiv and Nordea estimates

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	45,716	21.2x	18.9x	24.5x	21.8x	28.5x	25.3x	36.8x	33.0x	1.1%	1.2%	0.6x	0.2x	18.6%	27.5%
Bergman & Beving	-	3,435	9.0x	8.3x	-	-	15.0x	13.3x	14.2x	-	2.7%	3.1%	3.4x	2.8x	-	-
Beijer Alma	BUY	12,384	11.3x	9.5x	13.8x	12.5x	14.2x	13.0x	16.6x	15.5x	2.4%	2.9%	1.2x	0.9x	14.2%	14.1%
Beijer Ref	BUY	60,662	25.3x	20.5x	31.1x	24.8x	32.9x	26.7x	42.8x	34.2x	0.7%	0.8%	1.6x	1.1x	12.2%	14.2%
Bufab	-	11,969	13.8x	12.8x	16.2x	14.8x	16.9x	15.4x	19.0x	17.1x	1.6%	1.8%	2.4x	1.6x	13.6%	13.1%
Cary Group	-	9,631	16.1x	15.4x	23.3x	19.2x	23.4x	21.6x	31.7x	27.7x	0.6%	0.7%	2.1x	1.4x	12.2%	13.5%
Fasadgruppen	BUY	7,403	15.6x	13.0x	17.5x	14.4x	18.7x	15.5x	22.0x	18.9x	0.9%	1.1%	1.2x	0.7x	13.1%	14.2%
Green landscaping	-	4,298	10.7x	10.0x	14.6x	13.4x	21.4x	19.8x	19.7x	18.3x	0.0%	1.3%	2.4x	1.7x	-	-
Indutrade	HOLD	83,716	19.8x	18.1x	23.6x	21.9x	23.9x	22.2x	28.9x	26.7x	1.2%	1.3%	1.2x	0.8x	16.0%	16.2%
Instalco	BUY	14,794	16.3x	14.3x	19.3x	15.9x	20.3x	16.6x	24.3x	20.5x	1.3%	1.4%	1.2x	0.6x	13.0%	15.2%
Lagercrantz	HOLD	19,874	17.4x	15.8x	21.3x	19.3x	24.5x	22.2x	30.5x	27.7x	1.6%	1.8%	1.2x	0.9x	13.4%	14.1%
Lifco	HOLD	92,660	21.6x	20.2x	24.0x	22.4x	27.9x	26.0x	35.2x	33.1x	0.8%	0.8%	1.2x	0.8x	13.8%	14.5%
Momentum	-	3,556	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nibe	BUY	195,834	30.5x	27.4x	36.2x	31.8x	38.9x	34.1x	50.8x	44.5x	0.4%	0.4%	0.5x	0.0x	15.5%	17.1%
Sdiptech	N.R.	12,168	18.2x	15.3x	21.4x	17.9x	24.2x	20.1x	32.3x	26.6x	0.0%	1.5%	2.6x	2.1x	8.9%	10.0%
Storskogen	BUY	34,956	9.9x	8.3x	12.3x	10.2x	13.7x	11.0x	16.9x	12.2x	0.9%	1.2%	1.2x	1.5x	9.9%	11.0%
Volati	HOLD	11,292	14.3x	12.0x	18.8x	15.5x	20.7x	17.0x	27.0x	22.0x	1.1%	1.4%	1.8x	1.4x	12.6%	14.1%
Average		**36,726**	**16.9x**	**15.0x**	**21.2x**	**18.4x**	**22.8x**	**20.0x**	**28.0x**	**25.2x**	**1.1%**	**1.4%**	**1.6x**	**1.2x**	**13.4%**	**14.9%**
Median		**12,384**	**16.2x**	**14.8x**	**21.3x**	**17.9x**	**22.4x**	**20.0x**	**28.0x**	**26.6x**	**1.0%**	**1.3%**	**1.2x**	**1.0x**	**13.2%**	**14.2%**
Sdiptech	**N.R.**	**12,168**	**18.2x**	**15.3x**	**21.4x**	**17.9x**	**24.2x**	**20.1x**	**32.3x**	**26.6x**	**0.0%**	**1.5%**	**2.6x**	**2.1x**	**8.9%**	**10.0%**
vs. peer average		-67%	7%	2%	1%	-3%	6%	1%	15%	6%	-1.1pp	0.1pp	59%	83%	-4.4pp	-4.9pp
vs. peer median		-2%	12%	3%	0%	0%	8%	1%	16%	0%	-1.0pp	0.2pp	109%	106%	-4.3pp	-4.1pp

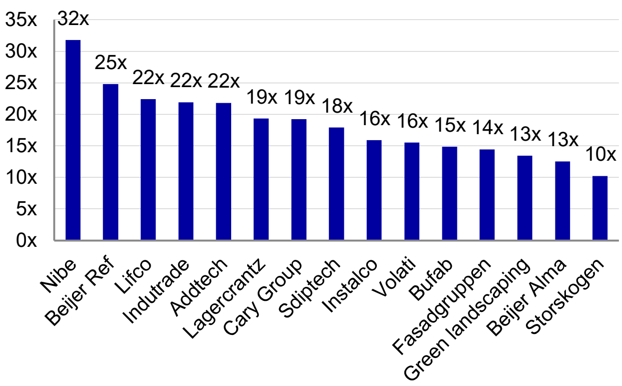
Source: Refinitiv and Nordea estimates

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



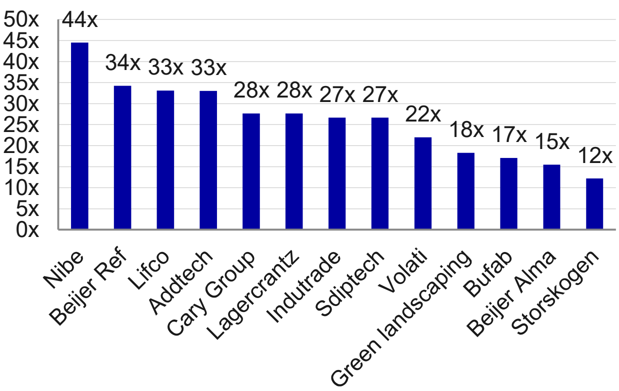
Source: Refinitiv and Nordea estimates

2023E EV/EBITA (x)



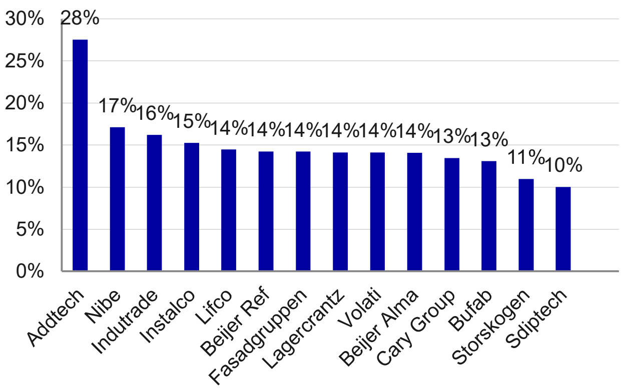
Source: Refinitiv and Nordea estimates

2023E P/E (x)



Source: Refinitiv and Nordea estimates

2023E ROIC (%)



Source: Refinitiv and Nordea estimates

Detailed estimates

SDIPTECH: DETAILED INTERIM ESTIMATES

SEKm	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022E	Q3 2022E	Q4 2022E
Net sales	658	665	646	749	784	836	842	915
- of which future M&A	*0*	*0*	*0*	*0*	*0*	*40*	*55*	*55*
Other operating income	4	9	4	7	4	4	4	4
Total sales	**662**	**675**	**650**	**756**	**787**	**839**	**845**	**919**
Direct expenses	-265	-282	-286	-320	-320	-355	-358	-386
Other external expenses	-70	-83	-53	-112	-75	-66	-58	-52
Employee expenses	-204	-188	-175	-198	-225	-231	-231	-253
D&A on tangible non-current assets	-23	-21	-21	-26	-27	-29	-29	-32
D&A on intangible non-current assets	-10	-12	-13	-17	-18	-19	-19	-21
Adjusted EBIT	**93**	**88**	**103**	**83**	**122**	**139**	**150**	**176**
Non-recurring items	-3	0	0	0	0	0	0	0
EBIT	**91**	**88**	**103**	**83**	**122**	**139**	**150**	**176**
Financial income	9	3	6	0	0	0	0	0
Financial expense	-14	-12	-13	-19	-16	-16	-16	-17
Pre-tax profit	**85**	**80**	**95**	**64**	**106**	**123**	**133**	**159**
Tax	-21	-22	-18	-17	-30	-30	-32	-38
Results from discontinued operations	0	0	0	0	0	0	0	0
Minorities	-2	1	0	0	0	0	0	0
Net profit	**63**	**60**	**77**	**47**	**76**	**93**	**101**	**120**
Sales growth	**35.9%**	**37.6%**	**25.3%**	**24.0%**	**19.0%**	**25.6%**	**30.3%**	**22.2%**
of which organic	3.9%	15.7%	3.6%	13.3%	13.3%	3.4%	5.2%	8.0%
of which structural	25.4%	16.9%	8.9%	6.6%	1.4%	19.3%	23.0%	12.4%
of which FX	6.6%	5.0%	12.8%	4.1%	4.3%	2.9%	2.0%	1.7%
EBITA* growth	**64%**	**46%**	**29%**	**52%**	**25%**	**30%**	**41%**	**27%**
Adjusted EBITA growth	**44%**	**23%**	**25%**	**18%**	**36%**	**57%**	**47%**	**98%**
Sales per business area								
Resource efficiency	211	257	259	301	340	337	343	376
Special Infrastructure Solutions	447	408	388	448	444	499	499	540
Property Technical Services	0	0	0	0	0	0	0	0
Other	4	9	4	7	4	4	4	4
Total	**662**	**675**	**650**	**756**	**787**	**839**	**845**	**919**
EBITA* per business area								
Resource efficiency	49	62	65	75	81	77	85	95
Special Infrastructure Solutions	80	74	66	94	80	92	95	113
Property Technical Services	0	0	0	0	0	0	0	0
Other	-12	-15	-12	-15	-16	-13	-13	-13
Group EBITA*	**116**	**121**	**119**	**153**	**145**	**157**	**168**	**195**
Adjustment for revaluation of earn-outs	-3	0	-0.7	-39.75	-5.8	0	0	0
Acquisition costs	-15	-2	-1	-4	-4	-3	-3	-3
Non-M&A-related amortisation & impairment	2	2	2	4	5	4	4	4
EBITA	**100**	**121**	**120**	**114**	**140**	**158**	**169**	**197**
Adjusted EBITA	**103**	**101**	**115**	**99**	**140**	**158**	**169**	**197**
EBITA* margin								
Resource efficiency	23.0%	23.9%	25.0%	24.8%	23.8%	22.8%	24.9%	25.2%
Special Infrastructure Solutions	17.9%	18.2%	17.1%	20.9%	18.0%	18.5%	19.0%	21.0%
Property Technical Services	-	-	-	-	-	-	-	-
Group	**17.6%**	**17.9%**	**18.4%**	**20.3%**	**18.4%**	**18.7%**	**19.8%**	**21.3%**
EBITA margin	**15.2%**	**17.9%**	**18.5%**	**15.1%**	**17.8%**	**18.8%**	**20.0%**	**21.4%**
Adjusted EBITA margin	**15.6%**	**14.9%**	**17.7%**	**13.2%**	**17.8%**	**18.8%**	**20.0%**	**21.4%**

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

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	**n.a.**	**412**	**776**	**1,078**	**1,496**	**1,826**	**2,088**	**2,719**	**3,377**	**3,843**	**4,284**
Revenue growth	n.a.	n.a.	88.0%	39.0%	38.8%	22.0%	14.4%	30.2%	24.2%	13.8%	11.5%
of which organic	n.a.	n.a.	n.a.	0.0%	0.0%	0.8%	4.1%	9.3%	7.4%	6.0%	3.7%
of which FX	n.a.	n.a.	n.a.	7.9%	14.1%	4.5%	-1.1%	7.0%	2.7%	-0.4%	0.0%
EBITDA	0	61	120	204	213	358	403	506	781	924	1,025
Depreciation and impairments PPE	0	-3	-8	-15	-23	-67	-73	-90	-118	-134	-149
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	0	59	111	189	190	291	330	416	663	790	875
Amortisation and impairments	0	0	0	-33	-47	-69	-20	-51	-77	-88	-98
EBIT	n.a.	59	111	156	143	222	310	364	586	702	777
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	-6	-7	-36	-17	-13	-26	-39	-65	-77	-81
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**	**52**	**104**	**120**	**127**	**209**	**284**	**325**	**521**	**625**	**697**
Reported taxes	n.a.	-12	-24	-27	-30	-44	-64	-78	-130	-151	-168
Net profit from continued operations	0	40	80	93	96	165	220	247	391	475	529
Discontinued operations	0	0	0	0	33	0	0	0	0	0	0
Minority interests	0	-6	-10	-6	-4	-4	-6	-1	-1	-3	-2
Net profit to equity	0	20	56	73	111	147	201	232	376	457	511
EPS, SEK	**n.a.**	**0.99**	**2.56**	**2.74**	**3.68**	**4.86**	**6.24**	**6.68**	**10.59**	**12.84**	**14.37**
DPS, SEK	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.10	5.70
of which ordinary	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.10	5.70
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.	14.8%	15.4%	18.9%	14.2%	19.6%	19.3%	18.6%	23.1%	24.0%	23.9%
EBITA	n.a.	14.2%	14.3%	17.5%	12.7%	15.9%	15.8%	15.3%	19.6%	20.6%	20.4%
EBIT	n.a.	14.2%	14.3%	14.5%	9.6%	12.1%	14.9%	13.4%	17.4%	18.3%	18.1%
Adjusted earnings											
EBITDA (adj)	0	29	120	204	213	358	403	509	781	924	1,025
EBITA (adj)	0	27	111	189	190	291	330	418	663	790	875
EBIT (adj)	0	27	111	156	143	222	310	367	586	702	777
EPS (adj, SEK)	n.a.	-0.59	2.56	2.74	3.68	4.86	5.41	6.76	10.59	12.84	14.37
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	7.1%	15.4%	18.9%	14.2%	19.6%	19.3%	18.7%	23.1%	24.0%	23.9%
EBITA (adj)	n.a.	6.4%	14.3%	17.5%	12.7%	15.9%	15.8%	15.4%	19.6%	20.6%	20.4%
EBIT (adj)	n.a.	6.4%	14.3%	14.5%	9.6%	12.1%	14.9%	13.5%	17.4%	18.3%	18.1%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	38.3%	28.5%	25.7%	20.8%	18.6%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	45.8%	33.5%	30.8%	34.1%	23.4%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	39.6%	26.8%	30.2%	37.4%	28.5%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	44.7%	21.1%	31.0%	28.4%	24.2%
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.	12.4%	13.0%	13.0%	14.1%	15.8%	16.8%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	17.1%	17.9%	18.3%	19.6%	21.4%	22.3%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	n.a.	n.a.	n.a.	16.9	11.3	15.4	42.5	69.8	32.7	27.0	24.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	8.3	9.3	9.7	22.8	37.0	18.4	15.5	14.1
EV/EBITA (adj)	n.a.	n.a.	n.a.	8.9	10.4	12.0	27.8	45.0	21.6	18.1	16.5
EV/EBIT (adj)	n.a.	n.a.	n.a.	10.8	13.8	15.7	29.6	51.3	24.5	20.4	18.6

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.a.	n.a.	n.a.	16.9	11.3	15.4	36.8	70.5	32.7	27.0	24.1
EV/Sales	n.a.	n.a.	n.a.	1.57	1.33	1.91	4.39	6.92	4.25	3.72	3.37
EV/EBITDA	n.a.	n.a.	n.a.	8.3	9.3	9.7	22.8	37.2	18.4	15.5	14.1
EV/EBITA	n.a.	n.a.	n.a.	8.9	10.4	12.0	27.8	45.3	21.6	18.1	16.5
EV/EBIT	n.a.	n.a.	n.a.	10.8	13.8	15.7	29.6	51.6	24.5	20.4	18.6
Dividend yield (ord.)	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	1.6%
FCF yield	n.a.	n.a.	n.a.	-8.7%	-19.1%	-14.5%	-2.3%	-4.2%	1.2%	0.6%	0.7%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	2.8%	4.3%	9.4%	5.3%	2.0%	3.3%	4.3%	4.9%
Payout ratio	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	39.7%	39.7%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	0	288	806	1,068	1,477	1,969	2,539	3,848	4,005	4,311	4,661
of which R&D	n.a.	0	0	8	15	59	0	0	0	0	0
of which other intangibles	n.a.	0	0	5	10	40	271	665	705	807	925
of which goodwill	n.a.	287	806	1,055	1,452	1,870	2,268	3,183	3,300	3,504	3,737
Tangible assets	0	19	50	81	108	258	319	436	410	413	419
of which leased assets	n.a.	0	0	0	0	0	185	196	196	196	196
Shares associates	n.a.	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	n.a.	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	n.a.	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	n.a.	0	0	0	0	0	0	0	0	0	0
Other non-current assets	n.a.	23	3	2	2	14	10	11	0	0	0
Total non-current assets	0	329	858	1,151	1,587	2,241	2,869	4,294	4,415	4,724	5,080
Inventory	n.a.	28	34	63	96	117	215	324	402	457	510
Accounts receivable	n.a.	75	156	217	309	333	375	498	619	704	785
Short-term leased assets	n.a.	0	0	0	0	0	0	0	0	0	0
Other current assets	n.a.	111	95	69	136	138	115	207	257	293	326
Cash and bank	n.a.	89	126	330	325	156	279	369	746	1,248	1,644
Total current assets	0	303	411	679	866	745	984	1,398	2,023	2,702	3,265
Assets held for sale	0	167	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**0**	**799**	**1,269**	**1,830**	**2,453**	**2,986**	**3,853**	**5,692**	**6,439**	**7,427**	**8,346**
Shareholders equity	n.a.	471	428	973	1,088	1,223	1,716	2,524	2,886	3,329	3,645
Of which preferred stocks	n.a.	175	175	175	175	175	175	175	175	175	175
Of which equity part of hybrid debt	n.a.	0	0	0	0	0	0	0	0	0	0
Minority interest	n.a.	26	33	33	33	36	40	5	6	9	11
Total Equity	n.a.	497	461	1,006	1,121	1,259	1,756	2,529	2,892	3,338	3,656
Deferred tax	n.a.	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	n.a.	173	486	448	663	1,197	1,396	1,948	2,207	2,661	3,178
Pension provisions	n.a.	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	n.a.	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	n.a.	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	n.a.	0	0	0	0	69	123	135	135	135	135
Convertible debt	n.a.	0	0	0	0	0	0	0	0	0	0
Shareholder debt	n.a.	0	0	0	0	0	0	0	0	0	0
Hybrid debt	n.a.	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	173	493	459	678	1,283	1,588	2,234	2,493	2,947	3,464
Short-term provisions	n.a.	0	0	0	0	0	0	0	0	0	0
Accounts payable	n.a.	77	98	137	180	227	263	309	384	437	488
Current lease debt	n.a.	0	0	0	0	0	0	0	0	0	0
Other current liabilities	n.a.	52	66	92	120	151	175	206	256	292	325
Short term interest bearing debt	n.a.	0	152	136	355	66	72	413	413	413	413
Total current liabilities	0	129	316	365	655	445	509	929	1,054	1,142	1,226
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**0**	**799**	**1,269**	**1,830**	**2,453**	**2,986**	**3,853**	**5,692**	**6,439**	**7,427**	**8,346**
Balance sheet and debt metrics											
Net debt	0	84	512	254	694	1,176	1,311	2,127	2,010	1,961	2,082
of which lease debt	n.a.	0	0	0	0	69	123	135	135	135	135
Working capital	0	85	122	120	241	210	267	513	637	725	808
Invested capital	0	414	980	1,271	1,828	2,451	3,136	4,807	5,053	5,450	5,889
Capital employed	0	670	1,098	1,590	2,139	2,591	3,346	5,025	5,647	6,547	7,382
ROE	n.a.	n.a.	12.4%	10.5%	10.8%	12.7%	13.7%	10.9%	13.9%	14.7%	14.7%
ROIC	n.m.	9.6%	12.0%	10.4%	6.9%	7.8%	8.3%	6.9%	8.9%	10.0%	10.3%
ROCE	n.m.	7.9%	12.6%	11.6%	7.7%	9.4%	10.5%	8.8%	11.0%	11.5%	11.2%
Net debt/EBITDA	n.m.	1.4	4.3	1.2	3.3	3.3	3.3	4.2	2.6	2.1	2.0
Interest coverage	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.a.	59.0%	33.7%	53.2%	44.4%	41.0%	44.5%	44.4%	44.8%	44.8%	43.7%
Net gearing	n.a.	16.9%	111.1%	25.2%	61.9%	93.5%	74.7%	84.1%	69.5%	58.8%	56.9%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
SEKm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
EBITDA (adj) for associates	**0**	**61**	**120**	**204**	**213**	**358**	**403**	**506**	**781**	**924**	**1,025**
Paid taxes	0	-12	-24	-27	-30	-44	-53	-94	-130	-151	-168
Net financials	0	-6	-7	-36	-17	-13	-26	-39	-65	-77	-81
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	-23	27	5	3	-10	56	82	11	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	33	43	-77	40	-10	-20	-63	0	0	0
Funds from operations (FFO)	**0**	**54**	**158**	**69**	**210**	**281**	**359**	**392**	**596**	**696**	**776**
Change in NWC	0	-85	-36	1	-121	31	92	-7	-124	-88	-83
Cash flow from operations (CFO)	**n.a.**	**-32**	**122**	**70**	**89**	**313**	**451**	**385**	**472**	**608**	**692**
Capital expenditure	n.a.	-110	-3	-30	-35	-100	-38	-51	-68	-77	-86
Free cash flow before A&D	**0**	**-142**	**119**	**40**	**54**	**213**	**413**	**334**	**405**	**531**	**607**
Proceeds from sale of assets	0	0	0	0	0	0	0	311	0	0	0
Acquisitions	n.a.	-53	-359	-161	-293	-542	-595	-1,343	-259	-454	-517
Free cash flow	0	-195	-240	-121	-240	-330	-182	-698	146	78	90
Free cash flow bef A&D, lease adj	0	-142	119	40	54	213	413	334	405	531	607
Dividends paid	0	-14	-14	-14	-14	-14	-15	-21	-14	-14	-195
Equity issues / buybacks	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	347	494	0	0	0
Net change in debt	n.a.	254	291	346	253	174	53	354	259	454	517
Other financing adjustments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-26	n.a.	-14	-15	-15
Other non-cash adjustments	0	44	-1	-6	-4	1	-4	18	0	0	0
Change in cash	0	89	37	204	-5	-169	123	89	377	502	396
Cash flow metrics											
Capex/D&A	n.a.	n.m.	33.3%	63.0%	50.3%	73.5%	40.9%	36.0%	34.7%	34.7%	34.7%
Capex/Sales	n.a.	26.7%	0.4%	2.8%	2.3%	5.5%	1.8%	1.9%	2.0%	2.0%	2.0%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	46	42	75	230	472	347	347	347
Market cap.	n.a.	n.a.	n.a.	1,400	1,257	2,273	7,825	16,674	12,332	12,332	12,332
Enterprise value	n.a.	n.a.	n.a.	1,687	1,984	3,485	9,176	18,806	14,348	14,302	14,425
Diluted no. of shares, year-end (m)	0.0	20.3	23.1	30.3	30.3	30.3	34.0	35.4	35.6	35.6	35.6

Source: Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report
This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report
This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report
All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice
The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources
This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability
Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information
The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest
Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.
Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: https://research.nordea.com/compliance

Distribution restrictions
The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Shareholding

Nordea analysts do not hold shares in the companies that they cover.
No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive.
It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Sdiptech shares.

As of 01/05/2022, Nordea Abp holds no positions of 0.5% or more of shares issued by Sdiptech.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions

Nordea has been lead or co-lead manager in a public disclosed offer of financial instruments issued by Sdiptech over the previous 12 months.

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

02 May 2022, 00:51 CET

Nordea Bank Abp

Nordea Markets Division, Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea Markets Division, Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea Markets Division, Research
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea Markets Division, Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650