

# SELECTED FINANCIAL INFORMATION

Remaining operations	Net sales	EBITA*	For the period	Earnings per ordinary share
January to March 2018	SEK <b>338.1</b> million (230.2)	SEK <b>34.3</b> million (29.1)	SEK <b>17.2</b> million (20.4)	SEK <b>0.43</b> (0.75)
				Earnings per ordinary share Group
				SEK <b>1.47</b> (0.72)

## FIRST QUARTER

- Net sales increased by 46.9 percent to SEK 338.1 million (230.2)
- EBITA\* increased by 17.9 percent to SEK 34.3 million (29.1). EBITA\* is the Group's operating profit and corresponds to EBITA before acquisition costs -11.9 MSEK (-1.4) and revaluation of liabilities additional purchase consideration SEK 0.0 million (0.0)
- An unusually large number of acquisitions completed during the quarter was the reason for the high acquisition costs of a total of SEK 11.9 million (-1.4)
- Profit for the period after tax for continuing operations amounted to SEK 17.2 million (20.4), of which SEK 16.6 million (19.5) was attributable to the parent company's shareholders
- The Group's profit after tax for the period amounted to SEK 91.9 million (20.1), of which SEK 48.1 million (18.9) was attributable to the Parent Company's shareholders
- Earnings per ordinary share for continuing operations after deduction of minority interests and dividends to preference shares amounted to SEK 0.43 (0.75)
- Earnings per ordinary share for the Group after deduction of minority interests and dividends to preference shares amounted to SEK 1.47 (0.72), which includes sales of InsiderLog by SEK 25.8 million
- Cash flow from current remaining operations amounted to SEK 6.4 million (-1.1)
- During the period, four acquisitions were completed: Multi-tech Site Services Limited, Optyma Security Systems Limited, Aviolinx Communication and Services AB and Centralmontage i Nyköping AB
- On 17 January, 80 percent of the Support operations Insider-Log were sold to Euronext

## EVENTS AFTER THE REPORTING DATE

- An agreement on the previously announced sale of the Support operations was entered into on 13 April 2018, subject to final approval by the Annual General Meeting on 14 May 2018

## FUTURE CALENDAR EVENTS

Interim Report April-June 2018:	21 August
Interim Report July-September 2018:	6 November
Year-end report 2018:	12 February, 2019

## KEY FIGURES - REMAINING OPERATIONS

SEK million	3 months		12 months	
	2018 Jan-Mar	2017 Jan-Mar	RTM 31 March 2018	2017 Jan-Dec
Net sales	338.1	230.2	1,153.0	1,045.1
EBITA*	34.3	29.1	127.7	122.5
EBITA margin %	10.1%	12.6%	11.1%	11.7%
Net debt/EBITDA, multiple	1.35	3.06	1.35	1.37
Net bank debt/EBITDA, multiple	-0.43	1.32	-0.43	-0.25
Return on capital employed	14.4%	14.4%	14.4%	16.8%
Return on equity	9.0%	26.9%	9.0%	11.4%
Cash flow generation %	75%	44%	89%	83%
Earnings per ordinary share, SEK	0.43	0.75	2.36	2.66
Earnings per ordinary share including discontinued operations, SEK	1.47	0.72	3.57	2.70

EBITA\* is EBITA before transaction expenses and revaluations of liabilities, additional purchase considerations. For introduction see page 4, for definitions see page 21 and for reconciliation in accordance with IFRS see page 22.

# COMMENT BY THE CEO

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DEAR SHAREHOLDERS,

## **A quarter with high acquisition activity and a trend shift for elevator operations**

During the first quarter, we completed four acquisitions. Two of these were in Sweden and two were in the UK, thereby increasing our access to a larger acquisition market. In total, the four acquisitions account for EBITA of approximately SEK 40 million on an annual basis, which is gradually rolled into the Group's earnings, effective from the second quarter.

In the first quarter, we have devoted extensive time and resources to increasing profitability of the elevator operations. During autumn 2017, we launched a programme of measures for our elevator operations that includes specific measures for restoring profitability. The measures are taking effect, and it is very gratifying to be able to note that we have now reversed the negative earnings trend from last year. In the first quarter of this year, earnings in the elevator operations were better than in the previous quarter, and the trend is heading upward.



## **THE QUARTER**

During the first quarter of this year, consolidated net sales increased by 47 percent to SEK 338 million and EBITA\* before transaction expenses increased by 18 percent, to SEK 34.3 million.

### **Installations**

The installation side is largely characterized by the current margin pressure in the market for elevator renovation, and EBITA\* amounted to SEK 7.5 million in the first quarter. However, it is with great satisfaction that we can now determine that we have passed the bottom and that we are again seeing rising profits in the elevator operations.

The shift towards making profitability the top priority within the elevator operations has been underway since last autumn. I can say that the programme of measures is taking effect. A somewhat smaller but more profitable core of assignments is being built up, old less profitable contracts have been completed earlier than expected, fixed costs can be reduced by managing subsequent redundancy, and we are ahead of schedule in relation to our internal plan. The measures we are implementing are not a quick-fix with temporary gains. Instead, we are conducting a more fundamental transformation that provides structural and lasting effects. I am therefore confident in the positive trend shift, and I look forward to the earnings performance throughout 2018.

### **Products & Services**

While earnings within the installation side have undergone a trend shift and have returned to growth, the Niche Products & Services business area continues to provide stable profit growth. EBITA\* increased by 85 percent during the first quarter, to SEK 31.8 million. The acquired companies are developing well under Sdiptech, and acquired profits are rolled into the Group in accordance with our business model.

### **Organization**

We are growing steadily while building our structure and organization. A third business area manager will be joining us after the summer to proactively ensure management capacity for future acquisitions. After the summer, a new CFO with extensive experience from the stock exchange and also of our business model will be joining us. The expanded Group management is a step toward adapting governance and structure to the size and growth that lay ahead of us.

### **Disposal of the Support operations proposed to the Annual General Meeting**

The variation in earnings performance from the Support operations has led to an undesirable level of complexity for our internal management, as well as for external parties, in assessing a profit centre unit with earnings volatility outside the Group's core operations.

rations. The financial contribution from the Support operations for the full-year 2017 was a negative one. Although this ratio has been reversed during certain years, we believe that the potential contribution of the Support operations is not on par with its associated complexity and increased cost level. A disposal of the Support operations clarifies Sdiptech's core business, enabling shareholder value to be driven more efficiently.

#### **Sale of InsiderLog**

In January, we saw a good opportunity to reduce our ownership in our in-house developed InsiderLog product at a good return, with 80 percent of the shares being sold for EUR 5.8 million in cash consideration. Through Sdiptech's 36-percent shareholding, we were able to charge an amount of SEK 20.6 million. Even after disposal of our Support operations, which included InsiderLog, Sdiptech will see the financial benefits of the holding that was not sold, through a profit sharing agreement.

#### **ACQUISITIONS**

During the first quarter, we completed four acquisitions, two of them in Sweden and two in the UK.

#### **Four new niches that differentiate**

The completed acquisitions include entirely new customer segments, both industrially and geographically, and thereby a lower market concentration. Differentiation ensures that new synergy effects are limited and that risks are spread. On the installation side, two new niches were added in the form of Roof maintenance and Safety. Products & Services were supplemented with Radio communication and Site services.

#### **Continued geographical expansion**

For a long time, we have worked to access the large acquisition market in the UK. A pipeline of interesting companies has gradually been built up, and it is very gratifying that we have now completed the first two acquisitions in the London area.

#### **Two ongoing acquisition processes**

The acquisition process is continuing strong, and we currently have an intention agreement for an additional two acquisitions with an EBITA on an annual basis of approximately SEK 20 million. At the time of writing, bidding discussions are being held for a further handful of companies. After a high-intensity period of many completed acquisitions, I am pleased that the pace of the outreach activities can be maintained.

#### **PROSPECTS**

We see good conditions for profit growth during the upcoming quarter, partly through the trend shift in the elevator operations and partly because other operations continue to progress well.

#### **Trend shift within the elevator operations**

We are implementing a business restructuring within the elevator operations that provides structural and lasting effects, and I am confident in the positive trend we are now seeing. The transformation involves a certain degree of slowness, but I can provide positive news: Within the elevator operations, after three quar-

ters of declining profits, we can now see that the bottom has been passed and that profitability is gradually being restored in 2018. We expect second quarter earnings to be in line with the previous year, with a rising earnings trend from that point on that will reach its full effect in 2019.

#### **Other areas are growing in accordance with our business model**

Even though we are now seeing a turning point in the elevator operations, I understand that developments in that area have raised some questions. I would therefore like to remind you that the Group is in largely developing well and according to plan. This is most clearly exemplified by the Products & Services area, which has shown dependable growth in terms of EBITA\*: SEK 66 million (2016), SEK 104 million (2017) and SEK 119 million (RTM). Our business model works well and the companies acquired are generally developing well under Sdiptech, and acquired profits are converted into recorded profits for the Group. This is due to a large proportion of completed acquisitions during the first quarter, approximately SEK 40 million in acquired EBITA, which, as of the second quarter, will begin to roll in completely for the business areas.

In conclusion, I would like to thank our fantastic employees who, at the time of writing, have grown to over 1,000 and are driven every day by the mindset of performing at their best and delivering even better each day.

#### **Comments on Financial development**

EBITA\* for the Group's remaining operations during the first quarter amounted to SEK 34.3 million (29.1). Total EBITA\* for the Group amounted to SEK 109.0 million (29.1). The change in earnings is primarily affected by the sale of InsiderLog.

Within the Tailored Installations segment, EBITA\* was SEK 8.7 million (16.9) and the EBITA margin decreased to 4.4 percent (12.5). There was a margin decline within the elevator operations, both the local operations in Stockholm and the global operations. Demand remains good and income is increasing. The elevator companies launched a programme of measures in Q1, which will gradually begin to take effect in 2018.

EBITA\* in the Niche Products & Services segment increased to SEK 33.2 million (17.2) and the EBITA margin was 23.9 percent (18.3).

Profit after tax for the first quarter amounted to SEK 17.2 million (20.4) for remaining operations. Profit after tax, including discontinued operations, amounted to SEK 91.9 million (20.1).



Jakob Holm  
CEO, Sdiptech AB (publ.)

# OVERVIEW OF OPERATIONS

## GROUP

The Group is divided into different segments in order to better reflect the operations. The Group's main business areas are divided into: Tailored Installations and Niche Products & Services.

The distribution of the Group's companies between these two areas is based on the commercial nature of the individual operations.

Each business area is headed by a business area manager, and reporting within the Group follows the same division.

Group EBITA* (SEK million)	Jan-Mar 2018	Jan-Mar 2017	RTM 31 March 2018	Jan-Dec 2017
Tailored Installations	7.5	15.6	25.7	33.8
Niche Products & Services	31.8	17.2	118.8	104.2
<b>Business areas</b>	<b>39.2</b>	<b>32.8</b>	<b>144.4</b>	<b>138.0</b>
Central units	-4.9	-3.7	-16.8	-15.5
<b>Total, remaining operations</b>	<b>34.3</b>	<b>29.1</b>	<b>127.7</b>	<b>122.5</b>
Discontinued operations	66.5	-0.2	59.7	-7.1
<b>Total Group</b>	<b>100.8</b>	<b>28.9</b>	<b>265.3</b>	<b>193.4</b>

## EBITA\*

Effective from this report, the Group reports the alternative key figure EBITA\*. EBITA\* consists of EBITA before transaction expenses for acquisitions, and before revaluations of liabilities, additional purchase considerations.

The purpose of EBITA\* is to clarify the earnings trend in the business operations. Due to the irregular nature of when acquisition expenses arise and are booked, EBITA\* shows more clearly the underlying development of the operations. Similarly, revaluations of liabilities, additional purchase considerations, is an irregular item, which is why it is also excluded from EBITA\*.

An appropriate time to introduce this is in connection with the divestment of the Support operations, making it possible to simplify the consolidated accounts at the same time.

Acquisition costs related to a specific acquisition are recorded in full at the time of completion of the acquisition. Transaction costs thus arise as acquisitions are completed, and not as costs are worked up. With a separate accounting of transaction costs, both the underlying operational development as well as the acquisition costs, each separately, can be clarified.

## Disposal of the Support operations

As part of the decision to divest the Support operations (requires final approval of Sdiptech AB's Annual General Meeting on 14 May 2018), the Support operations are recognized under a separate line, Discontinued operations. The Support operations were previously included in the segment Central units. The profit primarily consists of the capital gain arising from the sale of 80 percent of InsiderLog in January 2018. For further information regarding the divestment of the Support operations, see Discontinued operations below, and the press release from 13 April 2018.

## Adjustment items for EBITA \*

The costs that are excluded when calculating EBITA\* have historically amounted to the following amounts. Acquisition costs include both external costs and intra-group costs, where they have been invoiced from companies within the Support business.

Acquisition costs	Q1	Q2	Q3	Q4	Total
2018	11.9				11.9
2017	1.4	0.0	0.3	10.2	11.9
2016	0.0	7.7	2.7	6.6	17.0
Adjustment liabilities conditional purchase price	Q1	Q2	Q3	Q4	Total
2018	0.0				0.0
2017	0.0	0.0	0.0	78.0	78.0
2016	0.0	0.0	0.0	4.6	4.6

## SEGMENTS

### TAILORED INSTALLATIONS

The companies within Tailored Installations provide tailor-made installations for extensively specialized needs in urban infrastructure. The primary geographical market is Stockholm, and the global elevator operations are primarily in the European elevator market. Customers include, for example, property owners, construction companies, global elevator companies, major FMCG chains, energy distributors, data centres, airports, hotels and municipalities.

The business area's niches are:

- Elevators Stockholm – installation, renovation and service
- Elevators Vienna – installation, renovation and service
- Elevators global – installation
- Cooling
- Safety
- Uninterrupted power supply
- Wastewater treatment
- Electric automation
- Roof maintenance including personal protection

Tailored Installations (SEK million)	Jan-Mar 2018	Jan-Mar 2017	RTM 31 March 2018	Jan-Dec 2017
Net sales	199.2	135.9	672.8	609.5
EBITA*	7.5	15.6	25.7	33.8
EBITA* margin %	3.7%	11.5%	3.8%	5.5%

### NICHED PRODUCTS & SERVICES

The companies within Niche Products & Services are product- and service companies, eight of which are within niches that target urban infrastructure. The principal geographic market is Greater Stockholm, as well as export markets. Customers comprise construction companies, property owners, hospitals, veterinarians, municipalities and energy distributors.

The business area's niches are:

- Electrical power monitoring
- Shell completion
- Vibration monitoring (services and measurement systems)
- Gas evacuation
- Water monitoring and district heating monitoring

Niche Products & Services (SEK million)	Jan-Mar 2018	Jan-Mar 2017	RTM 31 March 2018	Jan-Dec 2017
Net sales	138.9	94.3	480.3	435.7
EBITA*	31.8	17.2	118.8	104.2
EBITA* margin%	22.9%	18.2%	24.7%	23.9%

#### Comment:

The business area's sales increased by 46.6 percent to SEK 199.2 million (135.9). EBITA\* decreased by SEK 8.1 million to SEK 7.5 million (15.6) mainly due to the negative margin development within the elevator operations. During the first quarter, the business area acquired the companies Centralmontage and Optyma Security System.

#### Elevator companies:

The elevator operations are affected by prevailing market dynamics with a high level of activity within new installations, which is also reflected in margin pressure within the Group's main focus area of repair and maintenance, both locally and internationally. These market dynamics are expected to remain in 2018, and a programme of measures was therefore initiated for the companies in the fourth quarter of 2017. The programme of measures is monitored continuously with each company. At the end of the first quarter, affected companies were in phase with the measures taken. The effects of these measures are expected to become apparent in 2018, with the full effects expected to be reached on a full-year basis in 2019.

#### Other companies:

Other companies in the business area, comparable and future companies, are in line with the previous year.

- Decontamination of liquids, gases and water
- Radio communication
- Temporary infrastructure
- Other (metalworking, prototype manufacturing)

#### Comment:

The business area's sales increased by 47.3 percent to SEK 138.9 million (94.3). EBITA\* increased by SEK 14.6 million to SEK 31.8 million (17.2) based on strong market positions with good demand. The EBITA\* margin was strengthened during the quarter, with a positive contribution from both acquired companies and underlying operations. During the first quarter, the business area acquired Aviolinx and Multitech.

## CENTRAL UNITS – GROUP-WIDE FUNCTIONS AND ELIMINATIONS

Central units previously included the Support operations, but after the decision to divest, this part has now been moved to Discontinued operations. Subsequently, Central units consist of the Group's parent company, Sdiptech AB, the Group's holding company, and Group eliminations.

### Comment:

EBITA\* was SEK -4.9 million (-3.7) during the period. There has been a gradual increase in staffing in the Group's parent company during the past year, in order to support continued acquisition-driven growth. The period includes recruitment costs for management team positions and acquisition teams.

Central units (SEK million)	Jan-Mar 2018	Jan-Mar 2017	RTM 31 March 2018	Jan-Dec 2017
Net sales	-0.1	0.0	-0.2	-0.1
EBITA * before adjustment liability for conditional purchase consideration	-4.9	-3.7	-16.8	-15.5

## DISCONTINUED OPERATIONS

The Support operations provides administrative services to the Group as well as to external customers.

The Support operations mainly supply services within:

- Acquisitions
- Legal advice
- Communication
- Recruitment
- IT

### Comment:

On 13 April, Sdiptech AB entered into an agreement to transfer its 60 percent shareholding in S. Professionals AB ("Sprof") and its subsidiaries (together "the Support operations"). Final approval will be given at Sdiptech AB's Annual General Meeting on 14 May 2018.

Sales for the Support operations amounted to SEK 4.8 million (7.0) for the period. EBITA \* for the period amounted to SEK 66.5 M (-0.2). EBITA \* consisted largely of the positive capital gain resulting from the sale of 80 percent of the shares in InsiderLog AB. Excluding the sale of InsiderLog, EBITA \* amounted to SEK -4.2 million (-0.2).

## Acquisition operations

In order to ensure continuity in Sdiptech's acquisition operations, a contract of cooperation has been concluded between Sdiptech and Sprof, which ensures that the work of identifying, contacting and acquiring entrepreneurial companies continues unchanged until the end of 2019. In the meantime, up to this date, Sdiptech works in parallel to establish an internal function that replaces and takes over the acquisition work. Recruitment processes have already been initiated for this purpose.

For further information on background and motives, see press release as of April 13th. As a result of the above decisions, the Support activities are subsequently reported under the heading Discontinued operations.

Discontinued operations (SEK million)	Jan-Mar 2018	Jan-Mar 2017	RTM 31 March 2018	Jan-Dec 2017
Net sales	4.8	7.0	30.5	32.7
EBITA* excl. sale of InsiderLog	-4.2	-0.2	-11.0	-7.1
Sale of InsiderLog	70.7	-	70.7	-
EBITA*	66.5	-0.2	59.7	-7.1

## INSIDERLOG

The positive capital gain from the sale of InsiderLog amounts to SEK 70.7 million, of which SEK 57.3 million relates to proceeds of sale received and SEK 14.3 million relates to value added for the remaining shareholding of 20 percent.

Under the agreement in connection with Sdiptech AB's disposal of the Support operations, Sdiptech AB is entitled to 36 percent of the current proceeds of sale for InsiderLog AB, as well as 36 percent of any future proceeds of sale including additional purchase considerations, corresponding to Sdiptech AB's indirect participating interest in InsiderLog AB at the time of the transaction with Euronext. Sdiptech AB's financial interest in InsiderLog is therefore not covered by the disposal of the Support operations. The table below illustrates the value-related components regarding InsiderLog AB.

<b>Cash payment</b>	<b>57.3</b>
- of which Sdiptech's holding	20.6
- of which other shareholders	36.7
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	<b>57.3</b>
<b>Remaining holding 20 percent</b>	<b>14.3</b>
- of which Sdiptech's holding	5.2
- of which other shareholders	9.2
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	<b>14.3</b>
<b>Deduction for: Net identifiable assets and liabilities</b>	<b>1.0</b>
<b>Capital gain</b>	<b>70.7</b>

# COMMENTS ON THE FINANCIAL DEVELOPMENT

*Comments on financial developments refer to continuing operations, unless otherwise stated.*

## JANUARY – MARCH

### Net sales

Net sales for the Group for the first quarter amounted to SEK 338.1 million (230.2). Sales in comparable units, i.e. companies included in the Group throughout the period and the entire comparative period, increased by SEK 17.3 million and amounted to 247.5 million (230.2), equivalent to an organic change of 7.5 percent for the period. Non-comparable units contributed SEK 90.6 million (3.0) to sales for the period.

In the segment Tailored Installations, net sales for the period increased by SEK 63.3 to SEK 199.2 (135.9).

In the segment Niche Products & Services, net sales for the period increased by SEK 44.6 million to SEK 138.9 million (94.3).

### Profit/loss

EBITA\* for the first quarter amounted to 34.3 Mkr (29.1). The total EBITA\* for the Group, including discontinued operations amounted to 100.8 Mkr (28.9). The change in result is primarily related to the sale of InsiderLog.

In the segment Tailored Installations, EBITA\* was SEK 7.5 million (15.6) and the EBITA\* margin decreased to 3.7 percent (11.5). There was a margin decline within the elevator operations, both the local operations in Stockholm and the global operations. The elevator companies have launched a programme of measures in Q1, the effects of which will be seen in 2018.

In the segment Niche Products & Services, EBITA\* increased to SEK 31.8 million (17.2) and the EBITA\* margin was 22.9 percent (18.2).

Profit after tax for the first quarter amounted to SEK 17.2 million (20.4). Profit after tax including discontinued operations amounted to SEK 91.9 M (20.1).

### Acquisitions and disposals during the period

On 3 January, Sdipotech acquired all of the shares in Centralmontage i Nyköping AB. Centralmontage manufactures customized switching centres for large parts of society, including traffic networks, properties and industries. Net sales for the financial year 2016 amounted to approximately SEK 34.0 million and operating income to approximately SEK 3.9 million.

On 9 January, Sdipotech acquired all of the shares in Aviolinx Communication and Services AB. Aviolinx is one of three companies in the world providing complete infrastructure and operational control for high-frequency backup communications for air traffic. Net sales for the financial year 2016 amounted to approximately SEK 18 million and operating income to approximately SEK 4 million.

On 11 January, Sdipotech acquired all of the shares in Optyma Security Systems Limited. Optyma is a provider of integrated security systems for public and private environments, including security-classified national infrastructure. During the financial year 2016, net sales amounted to approximately GBP 6.4 million and operating profit to approximately GBP 1.1 million.

On 17 January, Sdipotech's subsidiary S. Legal AB sold 80 percent of the shares in the wholly-owned InsiderLog AB to Euronext for a cash consideration of EUR 5.8 million and an additional purchase consideration based on the future earnings trend.

On 31 January, all of the shares in Multitech Site Services Limited were acquired. Multitech provides temporary infrastructure to construction sites including temporary electricity supply, data, plumbing, fire safety, evacuation and fuel supply with a primary focus on the metropolitan area in London. During the financial year ended 31 October 2017, net sales amounted to approximately GBP 10.4 million and operating profit to approximately GBP 1.9 million.

## FINANCIAL POSITION JANUARY-MARCH

Cash flow from current operations during the year totalled SEK 6.4 million (-1.1). Paid taxes for the year in relation to profit after net interest income were higher than the applicable tax rate after a higher final tax payment during the first quarter of 2018.

Cash flow from investing activities was in the amount of SEK -152.4 million (-22.1). The cash flow effect of completed acquisitions, see also Note 5, amounted to SEK -140.8 million (-7.4) in the period, of which SEK 138.5 million relates to the year's acquisitions and SEK 2.3 million to payment on acquisitions from previous years. Investments in tangible non-current assets amounted to SEK -8.6 million (-4.7).

Cash flow from financing activities amounted to SEK 51.0 million (12.0). Loans raised amounted to SEK 74.0 million (33.3), most of which are related to acquisitions during the period. Loans were amortized by SEK 21.1 million (17.8). The dividend to preference shareholders totalled SEK 3.5 million (3.5).

Interest-bearing liabilities including additional purchase considerations and financial leasing amounted to SEK 738.2 million (671.9). The two largest items within interest-bearing liabilities amounted to SEK 288.9 million (340.8) in liabilities to credit institutions, and SEK 413.5 million (237.6) in deferred payments of purchase considerations for acquisitions. These contingent considerations are classified as interest-bearing as they are presented at net present value, but they do not give rise to any actual interest payments that are charged to the Group's cash flow until final settlement.

Net debt, consisting of interest-bearing liabilities less cash and cash equivalents in remaining operations and net assets in discontinued operations, amounted to SEK 527.8 million. The Group's total net debt amounted to SEK 440.8 M (557.4).

Bank net debt, according to the calculation method above but only for liabilities to credit institutions, amounted to SEK 78.5 million. The Group's total banking net debt amounted to SEK -8.6 million (226.3).

The key figure Net debt in relation to EBITDA, calculated on a twelve-month basis, amounted to 1.35 (3.06). Key figures Bank net debt relative to EBITDA was -0.43 (1.32).

### **Employees**

At the end of the fourth quarter, there were 1,026 employees (720). Companies acquired in 2018 contributed 202 new employees.

### **Sdipotech AB**

Bengt Lejdström will enter the role as new CFO of Sdipotech AB in early August 2018, replacing the current CFO, who is leaving the company in June 2018. Bengt Lejdström will be part of the company's management team.

Anders Mattson will enter the role of operations manager of Sdipotech AB and will be part of the company's management team. As Sdipotech increases the number of its subsidiaries, the Group is expanding the number of operations managers to, with the recruitment of Anders, a total of three. Anders will take up his position at the end of August 2018.

### **Risks and uncertainty factors**

Through its operations, the Group and the Parent Company are exposed to various types of financial risks, mainly related to loans and receivables. The financial risks consist of interest rate risk, credit and financing risk. See note 15 from the 2017 Annual Report for further detailed information.

### **Related-party transactions**

Related-party transactions occur mainly with the majority-owned company Serendipity Group and Serendipity Ixora, which share the same principal owners. Details of related-party transactions can be found in Note 6.

### **Events after the reporting date**

On 13 April, Sdipotech AB entered into an agreement for disposal of the Support operations through transfer of its 60 percent shareholding in S. Professionals AB ("Sprof") and its subsidiaries (together "the Support operations"). The final resolution will be issued at Sdipotech AB's Annual General Meeting AB on 14 May 2018.

The purchaser of the Support operations is Sprof's CEO, who, since previously, holds the 40-percent shareholding in Sprof not held by Sdipotech. Upon entering the agreement, the total purchase consideration, including the additional purchase consideration, is estimated to reach approximately SEK 8.0 million on a cash and debt-free basis.

# CONSOLIDATED INCOME STATEMENT

SEK million	Note	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Net sales		338.1	230.2	1 045.1
Other operating income		4.6	1.8	85.1
<b>Total income</b>		<b>342.6</b>	<b>232.0</b>	<b>1 130.2</b>
<b>Operating expenses</b>				
Direct expenses		-151.1	-100.6	-466.3
Other external expenses		-47.9	-23.9	-122.6
Employee expenses		-116.0	-76.8	-338.0
Depreciation of tangible non-current assets		-5.4	-2.9	-14.7
Amortization of intangible non-current assets		-0.2	0.0	-33.0
<b>Operating profit</b>		<b>22.1</b>	<b>27.7</b>	<b>155.6</b>
<b>Profit/loss from financial items</b>				
Financial income		8.3	0.9	1.3
Financial expenses		-7.0	-2.9	-37.4
<b>Profit/loss after financial items</b>		<b>23.4</b>	<b>25.7</b>	<b>119.4</b>
Tax on profit for the period		-6.2	-5.3	-24.6
<b>Profit/loss for the period from continuing operations</b>		<b>17.2</b>	<b>20.4</b>	<b>94.9</b>
<b>Discontinued operations:</b>				
Profit/loss for the period from discontinued operations		74.7	-0.4	-1.7
<b>Profit/loss for the period</b>		<b>91.9</b>	<b>20.1</b>	<b>93.2</b>
<b>Profit attributable to continuing operations:</b>				
Parent Company's shareholders		16.6	19.5	91.3
Non-controlling interests		0.6	0.9	3.6
<b>Profit/loss attributable to discontinued operations:</b>				
Parent Company's shareholders		31.5	-0.6	-4.2
Non-controlling interests		43.1	0.3	2.5
Earnings per share for remaining operations before and after dilution, based on earnings attributable to the Parent Company's shareholders during the year (expressed in SEK per share)		0.43	0.75	2.93
Earnings per share including discontinued operations before and after dilution, based on earnings attributable to Parent Company's shareholders during the year (expressed in SEK per share)		1.47	0.72	2.70
<b>EBITA*</b>		<b>34.3</b>	<b>29.1</b>	<b>122.5</b>
Number of ordinary shares at end of period (Million)		30.3	21.3	30.3
Average number of ordinary shares (Million)		30.3	21.3	27.0

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Profit/loss for the period		91.9	20.1	93.2
Other comprehensive income for the period				
Components that will be reclassified to profit or loss in the period				
Changes in accumulated translation differences		7.7	0.0	0.3
<b>Total components that will be reclassified to profit or loss in the period</b>		<b>7.7</b>	<b>0.0</b>	<b>0.3</b>
<b>Comprehensive income for the period</b>		<b>99.6</b>	<b>20.1</b>	<b>93.5</b>
<b>Attributable to:</b>				
Parent Company's shareholders		55.8	18.9	87.4
Non-controlling interests		43.8	1.2	6.1
<b>Total comprehensive income attributable to Parent Company's shareholders has arisen from</b>				
- Remaining operations		24.3	19.5	91.6
- Discontinued operations		31.5	-0.6	-4.2

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	Note	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
<b>Non-current assets</b>				
<i>Intangible non-current assets</i>				
Goodwill	3	1,252.4	831.8	1,055.1
Other intangible assets		14.9	0.4	13.3
<i>Tangible non-current assets</i>				
Tangible non-current assets		98.1	54.6	80.8
<i>Financial non-current assets</i>				
Other financial non-current assets		1.9	12.9	1.8
<b>Total non-current assets</b>		<b>1,367.3</b>	<b>899.7</b>	<b>1,151.0</b>
<b>Current assets</b>				
Completed products and goods for resale		85.4	39.9	63.2
Accounts receivable		263.5	148.1	216.9
Other receivables		12.1	51.9	15.6
Current tax assets		21.7	9.9	13.2
Prepaid expenses and accrued income		46.7	38.3	40.4
Cash and cash equivalents		221.4	114.5	330.0
<b>Total current assets</b>		<b>650.8</b>	<b>402.6</b>	<b>679.3</b>
Assets in disposal group		87.1	-	-
<b>Total assets</b>		<b>2,105.2</b>	<b>1,302.3</b>	<b>1,830.4</b>
<b>Shareholders' equity</b>				
<b>Shareholders' equity attributable to Parent Company's shareholders</b>				
Liabilities		0.8	0.6	0.8
Other paid-in capital		714.2	240.4	712.6
Reserves		8.5	0.6	0.8
Profit/loss brought forward including earnings for the period		303.5	201.5	259.0
<b>Total equity attributable to Parent Company's shareholders</b>		<b>1,027.1</b>	<b>443.0</b>	<b>973.2</b>
Non-controlling interests		76.9	34.3	33.2
<b>Total shareholders' equity</b>		<b>1,103.9</b>	<b>477.3</b>	<b>1,006.4</b>
<b>Liabilities</b>				
Interest-bearing non-current liabilities	4	589.2	501.2	448.2
Non-interest bearing non-current liabilities		13.6	9.3	10.9
Interest-bearing current liabilities		149.0	170.7	135.7
Non-interest-bearing current liabilities		249.5	143.7	229.2
<b>Total liabilities</b>		<b>1,001.3</b>	<b>825.0</b>	<b>824.0</b>
<b>Total equity and liabilities</b>		<b>2,105.2</b>	<b>1,302.3</b>	<b>1,830.4</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Shareholders' equity attributable to Parent Company shareholders					Non-controlling interests	Total Shareholders' equity
	Share capital	Other contributed capital	Reserves	Profit/loss brought forward	Total		
<b>Opening balance, 1 January 2017</b>	0.6	240.4	0.5	186.1	427.6	33.1	460.7
Comprehensive income for the period	-	-	-	18.9	18.9	1.2	20.1
Other comprehensive income for the period	-	-	0.0	-	0.0	-	0.0
<b>Comprehensive income for the period</b>	-	-	0.0	18.9	18.9	1.2	20.1
Dividends paid to preferred shareholders	-	-	-	-3.5	-3.5	-	-3.5
<b>Closing balance, 31 March 2017</b>	0.6	240.4	0.6	201.5	443.0	34.3	477.3
<b>Opening balance, 1 April 2017</b>	0.6	240.4	0.6	201.5	443.0	34.3	477.3
Comprehensive income for the period	-	-	-	68.2	68.2	4.9	73.1
Other comprehensive income for the period	-	-	0.2	-	0.3	-	0.3
<b>Comprehensive income for the period</b>	-	-	0.2	68.2	68.5	4.9	73.4
Change in non-controlling interests	-	-	-	-0.3	-0.3	0.3	-
Dividends paid to preferred shareholders	-	-	-	-10.5	-10.5	-	-10.5
Dividend paid to non-controlling interests	-	-	-	-	-	-6.3	-6.3
Share issue ordinary shares Series B	0.2	499.8	-	-	500.0	-	500.0
Share issue expenses	-	-27.6	-	-	-27.6	-	-27.6
<b>Closing balance, 31 December 2017</b>	0.8	712.6	0.8	259.0	973.2	33.2	1,006.4
<b>Opening balance, 1 January 2018</b>	0.8	712.6	0.8	259.0	973.2	33.2	1,006.4
Comprehensive income for the period	-	-	-	48.1	48.1	43.8	91.9
Other comprehensive income for the period	-	-	7.7	-	7.7	-	7.7
<b>Comprehensive income for the period</b>	-	-	7.7	48.1	55.8	43.8	99.6
Change in non-controlling interests	-	-	-	-0.1	-0.1	-0.1	-0.2
Options premiums	-	1.6	-	-	1.6	-	1.6
Dividends paid to preferred shareholders	-	-	-	-3.5	-3.5	-	-3.5
<b>Closing balance, 31 March 2018</b>	0.8	714.2	8.5	303.5	1,027.1	76.9	1,103.9

# CONSOLIDATED CASH FLOW ANALYSIS

SEK million	Note	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
<b>Continuing operations</b>				
Earnings after financial items		23.4	25.7	120.1
Adjustment for items not included in cash flow		1.3	3.6	-8.4
Paid taxes		-24.4	-18.1	-41.3
<b>Cash flow from operations before change in working capital</b>		<b>0.3</b>	<b>11.2</b>	<b>70.4</b>
Cash flow from change in working capital				
Increase(+)/decrease(-) in operating receivables		-16.2	0.8	-17.0
Increase(+)/decrease(-) in operating liabilities		22.3	-13.1	16.4
<b>Cash flow from operations</b>		<b>6.4</b>	<b>-1.1</b>	<b>69.8</b>
<b>Investing activities</b>				
Acquisitions of subsidiaries		-140.8	-7.4	-160.8
Acquisitions of intangible non-current assets		-3.0	-	-9.9
Acquisitions of tangible non-current assets		-8.6	-4.7	-21.2
Investments in financial non-current assets		-	-10.0	-
Disposal of non-current financial assets		-	-	1.0
<b>Cash flow from financing activities</b>		<b>-152.4</b>	<b>-22.1</b>	<b>-190.9</b>
<b>Financing activities</b>				
New share issue		-	-	472.4
Options premiums		1.6	-	-
Loans raised		74.0	33.3	37.0
Amortization of loans		-21.1	-17.8	-163.8
Dividends paid		-3.5	-3.5	-20.3
<b>Cash flow from financing activities</b>		<b>51.0</b>	<b>12.0</b>	<b>325.3</b>
<b>Cash flow for the period from remaining operations</b>		<b>-95.0</b>	<b>-11.2</b>	<b>204.2</b>
<b>Cash flow for the period from discontinued operations</b>		<b>59.9</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of year		330.0	125.6	125.6
Exchange rate difference in cash and cash equivalents		2.5	0.1	0.2
<b>Cash and cash equivalents at end of period from remaining operations</b>		<b>221.4</b>	<b>114.5</b>	<b>330.0</b>
<b>Cash and cash equivalents at end of period from discontinued operations</b>		<b>76.0</b>	<b>-</b>	<b>-</b>

# PARENT COMPANY INCOME STATEMENT

SEK million	Not	2018 jan-mar	2017 jan-mar	2017 jan-dec
Net sales		0.9	0.0	2.8
Other operating income		0.9	0.7	3.0
<b>Total income</b>		<b>1.8</b>	<b>0.7</b>	<b>5.8</b>
<b>Operating expenses</b>				
Other external expenses		-2.8	-3.0	-11.8
Employee expenses		-4.0	-1.8	-9.3
Depreciation/amortization of tangible and intangible assets		0.0	-0.1	-0.2
<b>Operating profit</b>		<b>-5.0</b>	<b>-4.2</b>	<b>-15.6</b>
<b>Profit/loss from financial items</b>				
Financial income		10.7	1.4	18.2
Financial expenses		-0.1	-0.2	-0.9
<b>Profit/loss after financial items</b>		<b>5.7</b>	<b>-3.0</b>	<b>1.8</b>
Group contributions received		-	-	20.5
Tax on profit for the period		-	-	-
<b>Profit/loss for the period</b>		<b>5.7</b>	<b>-3.0</b>	<b>22.2</b>

Profit/loss for the period complies with total comprehensive income for the period.

# PARENT COMPANY BALANCE SHEET

SEK million	2018 31 Mar	2017 31 Mar	2017 31 Dec
<b>Non-current assets</b>			
<i>Intangible non-current assets</i>			
Other intangible non-current assets	0.1	0.3	0.2
<i>Tangible non-current assets</i>			
Tangible non-current assets	0.0	0.0	0.0
<i>Financial non-current assets</i>			
Financial non-current assets	392.1	271.8	336.4
Receivables, Group companies	405.6	65.1	258.0
<b>Total non-current assets</b>	<b>797.9</b>	<b>337.2</b>	<b>594.7</b>
<b>Current assets</b>			
Receivables, Group companies	38.9	15.1	33.1
Accounts receivable	0.5	0.1	0.1
Other receivables	0.6	39.7	1.9
Current tax assets	0.0	0.1	-
Prepaid expenses and accrued income	6.8	1.5	14.2
Cash and cash equivalents	45.9	7.8	181.6
<b>Total current assets</b>	<b>92.7</b>	<b>64.3</b>	<b>230.9</b>
<b>Total assets</b>	<b>890.6</b>	<b>401.5</b>	<b>825.6</b>
<b>Shareholders' equity</b>			
Liabilities	0.8	0.6	0.8
Share premium reserve	714.2	240.4	712.6
Profit/loss brought forward including earnings for the period	101.5	84.5	99.3
<b>Total shareholders' equity</b>	<b>816.5</b>	<b>325.5</b>	<b>812.7</b>
<b>Liabilities</b>			
Long-term interest-bearing liabilities to Group companies	69.7	-	-
Current interest-bearing liabilities to Group companies	0.0	4.6	7.8
Current liabilities	4.4	71.4	5.1
<b>Total liabilities</b>	<b>74.1</b>	<b>76.0</b>	<b>12.9</b>
<b>Total equity and liabilities</b>	<b>890.6</b>	<b>401.5</b>	<b>825.6</b>

# NOTES

## ACCOUNTING PRINCIPLES IN ACCORDANCE WITH IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (EU).

The Parent Company's Interim Report has been prepared in accordance with the Annual Accounts Act, which is in accordance with the provisions of RFR2 Accounting for Legal Entities.

The same accounting principles and calculation base have been applied to Group and Parent Company, as in the preparation of the most recent Annual Report, except for the segment reporting. For further information, see Note 2.

This Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Annual Accounts Act.

## NOTE 1 IMPORTANT ESTIMATES AND EVALUATIONS IN APPLICATION OF THE GROUP'S ACCOUNTING PRINCIPLES

Estimates and assumptions are continuously assessed on the basis of historical experience and other factors, including expectations of future events considered reasonable under prevailing conditions.

### Calculation of fair value

Estimates of fair value in operations primarily affect the Group's goodwill, liabilities related to deferred payments on acquisitions and the Parent Company's shareholdings in subsidiaries.

In the case of business combinations, components of the purchase consideration are usually linked to the acquired company's financial results for a period of time after the acquisition. The book value of liabilities to sellers in the form of contingent considerations will be affected both positively and negatively as a result of assessments of each company's financial results for the remaining term period.

## NOTE 2 SEGMENT REPORTING

### Tailored installations

The companies within Tailored installations provide tailor-made installations for extensively specialized needs in urban infrastructure. The primary geographical market is Stockholm, and the global elevator operations are primarily in the European elevator market. Customers include, for example, property owners, construction companies, global elevator companies, major FMCG chains, energy distributors, data centres, airports, hotels and municipalities.

### Niched products and services

The companies within Niched Products & Services are product- and service companies, eight of which are within niches that target urban infrastructure. The principal geographic market is Greater Stockholm, as well as export markets. Customers comprise construction companies, property owners, hospitals, veterinarians, municipalities and energy distributors.

### Central units – Group-wide functions and eliminations

Group-wide functions and eliminations consist of the Group's Parent Company, Sdipotech AB, the Group's holding company, as well as Group eliminations, which include revaluations of liabilities relating to additional purchase considerations.

### Discontinued operations

Discontinued operations relate to the Support operations that provide administrative services to the Group as well as to external customers. Sdipotech's Board of Directors resolved on 14 February 2018 to divest the Support operations, subject to approval by the Annual General Meeting.

### Segment information, Group

Group	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
<b>Net sales (SEK million)</b>			
Tailored Installations	199.2	135.9	609.5
Niched Products & Services	138.9	94.3	435.7
Central units	-0.1	0.0	-0.1
Discontinued operations	4.8	7.0	32.7
<b>Total</b>	<b>342.9</b>	<b>237.2</b>	<b>1 077.8</b>
<b>Group</b>	<b>Jan-Mar 2018</b>	<b>Jan-Mar 2017</b>	<b>Jan-Dec 2017*</b>
<b>Operating profit (SEK million)</b>			
Tailored Installations	7.4	15.6	33.7
Niched Products & Services	31.6	17.2	103.5
Central units	-16.9	-5.0	18.3
Discontinued operations**	74.7	-0.1	0.8
<b>Total</b>	<b>96.8</b>	<b>27.7</b>	<b>156.3</b>

\*Impairment of goodwill has reduced EBIT by SEK 32 million, for more information see Note 3.

\*\*Most of the balance relates to the capital gain from the sale of InsiderLog of SEK 70.7 million. Sdipotech retains its financial interest in InsiderLog after the sale of discontinued operations as we retain our share of InsiderLog of 7.2 percent.

## NOTE 3 GOODWILL

	SEK million
<b>Carrying amount, 31 March 2017</b>	<b>831.8</b>
Acquisitions Apr 2017 – Mar 2018	398.8
Adjustment acquisition analyses	41.3
Impairment	-32.4
Discontinued operations	-0.6
Currency translation effects	13.6
<b>Carrying amount, 31 March 2018</b>	<b>1,252.4</b>

In comparison with 31 March 2017, goodwill increased by a total of SEK 420.6 million and amounted to SEK 1,252.4 million as at 31 March 2018. During April 2017 to March 2018, eight business combinations were carried out, which together increased goodwill by SEK 398.8 million.

In the fourth quarter of 2017, goodwill was tested for impairment and the preliminary acquisition analyses for the year's acquisitions were adjusted. Impairment requirements have been identified for previous acquisitions of SEK 32.4 million and upward adjustment for preliminary acquisitions of SEK 41.3 million.

The discontinued operations contribution of SEK 0.6 million, and the remaining change of SEK 13.6 million relates to currency effects.

## NOTE 4 INTEREST-BEARING LIABILITIES

SEK million	2018 31 Mar	2017 31 Mar	2017 31 Dec
Liabilities to credit institutions	217.5	268.4	169.7
Accrued borrowing costs	-3.2	-4.2	-2.5
Finance leasing	21.2	14.0	20.3
Contingent considerations	352.6	221.6	259.6
Other non-current liabilities	1.1	1.4	1.1
<b>Total current interest-bearing liabilities</b>	<b>589.2</b>	<b>501.2</b>	<b>448.2</b>
Liabilities to credit institutions	74.5	76.6	62.6
Finance leasing	12.1	9.8	10.6
Contingent considerations	60.9	16.0	60.9
Other current liabilities	1.5	68.3	1.5
<b>Total current interest-bearing liabilities</b>	<b>149.0</b>	<b>170.6</b>	<b>135.7</b>

Contingent considerations	SEK million
<b>Carrying amount, 31 December 2017</b>	<b>320.5</b>
Additions, acquisitions Jan–Mar 2018	86.8
Paid purchase considerations	0.0
Interest expenses (discount effect due to present value calculation)	1.6
Currency translation effects	4.6
<b>Carrying amount, 31 December 2018</b>	<b>413.5</b>

Contingent considerations relate to different types of covenants to the seller that are linked to terms based on the acquired company's profit for a specified period after the acquisition. Liabilities are reported at present value of expected outflows.

## NOTE 5 BUSINESS COMBINATIONS

### Preliminary acquisition analyses 2018

Acquired assets	Centralmontage i Nyköping AB	Aviolinx Communication and Services AB	Optyma Security Systems Limited	Multitech Site Services Limited
Tangible non-current assets	0.2	0.6	4.3	7.5
Other non-current assets	-	-	-	-
Accounts receivable	4.4	2.3	12.9	31.8
Inventories and work in progress	1.6	-	1.1	2.3
Cash and cash equivalents	3.0	0.6	9.7	23.3
Other current assets	-	11.7	0.1	-
Deferred tax liability	-0.2	-0.6	-0.5	-1.1
Other non-current liabilities	-	-	-	-
Current tax liability	-0.4	-	-	-6.5
Other current liabilities	-6.1	-4.7	-6.6	-12.3
<b>Net identifiable assets and liabilities</b>	<b>2.3</b>	<b>9.8</b>	<b>21.1</b>	<b>45.1</b>
Consolidated goodwill	25.4	30.2	37.0	91.0
<b>Transferred remuneration</b>	<b>27.7</b>	<b>40.0</b>	<b>58.1</b>	<b>136.1</b>
<b>Transferred remuneration</b>				
Cash and cash equivalents	12.3	28.0	48.6	86.2
Contingent consideration	15.4	12.0	9.5	49.9
<b>Total transferred remuneration</b>	<b>27.7</b>	<b>40.0</b>	<b>58.1</b>	<b>136.1</b>
<b>Liquidity impact on the Group</b>				
Acquired cash and cash equivalents	3.0	0.6	9.7	23.3
Transferred remuneration	-12.3	-28.0	-48.6	-86.2
<b>Total liquidity impact</b>	<b>-9.3</b>	<b>-27.4</b>	<b>-38.9</b>	<b>-62.9</b>

### Accounting of acquisitions

When a subsidiary is acquired and the former owners remain as minority owners, the agreement contains, in some cases, an option that allows the minority owner to sell the remaining holdings, and Sdiptech's ability to purchase, at a later date. In these cases, no non-controlling interest is reported, but instead a financial liability is reported. The liability is recognized at the present value of the estimated redemption amount of the shares.

### Description of the year's acquisitions

On 3 January, the acquisition of Centralmontage i Nyköping AB was completed. An agreement to acquire the company was originally signed and announced on 7 December 2017.

Centralmontage manufactures customized switching centres for large parts of society, including traffic networks, properties and industries. Net sales for the financial year 2016 amounted to approximately SEK 34.0 million and operating income to approximately SEK 3.9 million.

On 9 January, the acquisition of Aviolinx Communication and Services AB was completed. An agreement to acquire the company was originally entered into and announced on 13 December 2017.

Aviolinx is one of three companies in the world providing complete infrastructure and operational control for high-frequency backup communications for air traffic. The company is unique in its category in Europe and adjacent geographical regions. Net

sales for the financial year 2016 amounted to approximately SEK 18 million and operating income to approximately SEK 4 million.

On 11 January 2018, the acquisition of Optyma Security Systems Limited was completed. An agreement to acquire the company was originally entered into and announced on 21 December 2017.

Optyma is a provider of integrated security systems for public and private environments, including security-classified national infrastructure. Customers operate in sectors including the police, healthcare, transportation and commercial properties. During the financial year 2016, net sales amounted to approximately GBP 6.4 million and operating profit to approximately GBP 1.1 million.

On 31 January 2018, the acquisition of all shares in Multitech Site Services Limited was completed. An agreement to acquire the company was originally entered into and announced on 29 December 2017.

Multitech provides temporary infrastructure, focusing primarily on the London metropolitan region. The company offers services to construction sites including temporary electrical supply, data, plumbing, fire safety, evacuation and fuel supply. During the financial year ended 31 October 2017, net sales amounted to approximately GBP 10.4 million and operating profit to approximately GBP 1.9 million.

## **NOTE 6 RELATED-PARTY TRANSACTIONS**

At the beginning of the year, the Group had a liability to the majority shareholder Serendipity Group AB for a total of SEK 68.0 million and a claim on the associated company Serendipity Ixora amounting to SEK 39.1 million. Ownership loans from Serendipity Group were taken in 2015 and 2016 as part of the financing of some acquisitions, and all loans reached maturity without interest. The claim on Serendipity Ixora derives from the liquidation of the Venture Management operations 2015. During the second quarter of 2017, the above two balances have been regulated in two steps. In April, a receivable of SEK 39.1 million from Serendipity Ixora was transferred to Serendipity Group AB, reducing liabilities to the Serendipity Group from SEK 68.0 million to SEK 28.9 million, which was subsequently settled in cash in May 2017.

## DEFINITIONS KEY FIGURES

<b>EBITDA</b>	Operating profit before depreciation and impairment losses.
<b>EBITA*</b>	Operating profit before amortization and impairment attributable to intangible non-current assets. In order to clarify the underlying operating profit, transaction costs related to acquisitions are also excluded, which are incurred and booked irregularly. Indicated with an asterisk.
<b>EBIT</b>	Operating profit.
<b>EBITA* margin</b>	EBITA in relation to net sales. EBITA* in relation to net sales.
<b>Net debt/ EBITDA</b>	Calculated as average net debt for the last four quarters, in relation to EBITDA for the last four quarters. Net debt includes short-term and long-term interest-bearing liabilities less cash and cash equivalents.
<b>Net bank debt/EBITDA</b>	Calculated as average net debt to credit institutions for the last four quarters, in relation to EBITDA for the last four quarters. Net debt to credit institutions include short-term and non-current liabilities to credit institutions less cash and cash equivalents.
<b>Capital employed</b>	Shareholders' equity and interest-bearing liabilities less cash and cash equivalents and short-term investments.
<b>Return on capital employed</b>	Calculated as EBITA for the most recent four quarters at the time of closing of the accounts, in relation to average capital employed for the most recent four quarters at the time of closing of accounts.
<b>Cash flow generation</b>	Calculated as operating cash flow in relation to EBITDA. Operating cash flow is calculated as EBITDA less the net of investments in, and sales of, tangible and intangible non-current assets and adjustments for cash flow from changes in working capital.
<b>Earnings per ordinary share</b>	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preferred shareholders divided by the average number of ordinary shares outstanding during the period.
<b>Earnings per preferred share</b>	Calculated as operating income attributable to the Parent Company for the period, in relation to the average number of preferred shares outstanding for the corresponding period.

## RECONCILIATION OF ALTERNATIVE KEY FIGURES

For monitoring of the Group's operations, alternative key figures are presented in the interim report. The alternative key figures presented in this interim report relate to EBITDA, EBITA, EBITA\*, net debt, net liabilities to credit institutions and capital employed. Definitions of the alternative key figures are presented on page 21.

EBITDA compared with financial statements in accordance with IFRS (SEK million)		3 months 2018	3 months 2017	Full-year 2017		
Operating profit		22.1	27.7	155.6		
Depreciation and impairment of tangible non-current assets		-5.4	-2.9	-14.7		
<i>Amortization of intangible non-current assets</i>		-0.2	0.0	-33.0		
<b>EBITDA</b>		<b>16.5</b>	<b>24.9</b>	<b>107.8</b>		
EBITA and EBITA* compared with financial statements in accordance with IFRS (SEK million)		3 months 2018	3 months 2017	Full-year 2017		
Operating profit		22.1	27.7	155.6		
Amortization of intangible non-current assets		0.2	0.0	33.0		
<b>EBITA</b>		<b>22.3</b>	<b>27.7</b>	<b>188.6</b>		
Transaction expenses		11.9	1.4	11.9		
Adjustment conditional purchase considerations		-	-	-78.0		
<b>EBITA*</b>		<b>34.3</b>	<b>29.1</b>	<b>122.5</b>		
Average interest-bearing net debt compared with financial statements in accordance with IFRS (SEK million)		Average	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Interest-bearing liabilities		627.1	738.2	583.9	565.2	621.0
Cash and cash equivalents		-377.4	-297.5	-330.0	-393.7	-488.6
<b>Interest-bearing net debt</b>		<b>249.6</b>	<b>440.8</b>	<b>253.9</b>	<b>171.6</b>	<b>132.4</b>
Adjustment for discontinued operations		21.8	87.1	-	-	-
<b>Interest-bearing net debt</b>		<b>271.4</b>	<b>527.8</b>	<b>253.9</b>	<b>171.6</b>	<b>132.4</b>
Average interest-bearing net liabilities to credit institutions compared with financial statements in accordance with IFRS (SEK million)		Average	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Liabilities to credit institutions		268.6	288.9	229.8	246.3	309.6
Cash and cash equivalents		-377.4	-297.5	-330.0	-393.7	-488.6
<b>Interest-bearing net liabilities to credit institutions</b>		<b>-108.8</b>	<b>-8.6</b>	<b>-100.2</b>	<b>-147.4</b>	<b>-179.0</b>
Adjustment for discontinued operations		21.8	87.1	-	-	-
<b>Interest-bearing net liabilities to credit institutions</b>		<b>-87.1</b>	<b>78.5</b>	<b>-100.2</b>	<b>-147.4</b>	<b>-179.0</b>
Average capital employed compared with financial statements in accordance with IFRS (SEK million)		Average	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Interest-bearing liabilities		627.1	738.2	583.9	565.2	621.0
Cash and cash equivalents		-377.4	-297.5	-330.0	-393.7	-488.6
<b>Interest-bearing net debt</b>		<b>249.6</b>	<b>440.8</b>	<b>253.9</b>	<b>171.6</b>	<b>132.4</b>
Adjustment for discontinued operations		21.8	87.1	-	-	-
<b>Interest-bearing net debt</b>		<b>271.4</b>	<b>527.8</b>	<b>253.9</b>	<b>171.6</b>	<b>132.4</b>
Shareholders' equity		1,003.4	1,103.9	1,006.4	951.6	951.8
<b>Capital employed</b>		<b>1,274.8</b>	<b>1,631.7</b>	<b>1,260.3</b>	<b>1,123.2</b>	<b>1,084.2</b>

The Board of Directors and the President provide their assurance that this Interim Report provides an accurate overview of the operations, position and earnings of the Group and the Parent Company, and that it also describes the principal risks and sources of uncertainty faced by the Parent Company and its subsidiaries. This Interim Report has not been subject to review by the Company's auditors.

**STOCKHOLM, 8 MAY 2018**

Jakob Holm  
President and CEO

Ashkan Pouya  
Chairman of the Board

Mikael Lönn  
Board Member

Saeid Esmaeilzadeh  
Board Member

Katarina Lundblad Pinnekamp  
Board Member

Johnny Alvarsson  
Board Member

Jan Samuelson  
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