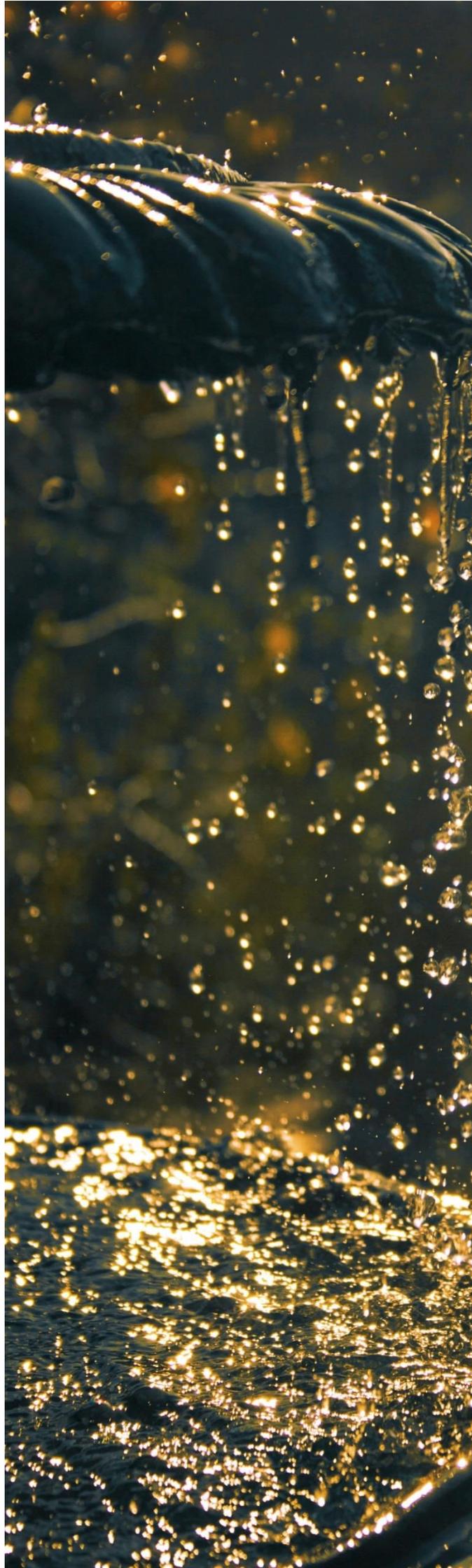




INTERIM FINANCIAL
REPORT

Q1 2020

JANUARY TO MARCH



SELECTED FINANCIAL INFORMATION

Period	Net sales	EBITA*	Earnings for the period after tax	Earnings ¹⁾ per ordinary share	Earnings ¹⁾ per ordinary share after dilution
Januari - mars 2020	484.4 Mkr (422,2)	70.8 Mkr (51,8)	52.0 Mkr (20,2)	1.60 Kr (0,52)	1.59 Kr (0,52)
RTM 31 mar 2020	1 887.6 Mkr (1 580,3)	281.2 Mkr (194,7)	196.0 Mkr (99,7)	5.95 Kr (2,68)	5.94 Kr (2,68)

1) after deduction of dividends to preference shareholders

FIRST QUARTER 2020

- Operating profit EBITA* increased by 37% compared to the previous year to SEK 70.8 million (51.8), corresponding to an EBITA* margin of 14.6% (12.3). The organic EBITA* growth for the Group overall was +12.1%, of which +0.4% related to exchange rate differences.
- Net sales increased by 15% to SEK 484.4 m (422.2). The organic growth within segment Water & Energy was -3.2% for the quarter, for segment Special Infrastructure Solutions the organic growth was +18.4% and for segment Property Technical Services the organic growth as -5.4%. For the Group overall, the organic growth was +1.1%.
- Profit after acquisition costs before financial items (EBIT) increased by 116% and amounted to SEK 68.8 m (31.8).
- Earnings before tax increased by 158% and amounted to SEK 68.5 m (26.5).
- Earnings after tax for the Group amounted to SEK 52.0 m (20.2), of which SEK 52.0 m (19.3) was attributable to the Parent Company's shareholders.
- Cash flow from current operations amounted to SEK 58.3 m (57.6), corresponding to a cash conversion of 71.5% (110.8).
- Earnings per ordinary share, less minority interests and dividends on preference shares, was SEK 1.60 (0.52).
- Earnings per ordinary share after dilution, less minority interests and dividends on preference shares amounted to SEK 1.59 (0.52).

COMMENT ON THE IMPACT OF COVID-19

Covid-19 has had a limited impact on Sdipotech's sales and earnings during the first quarter. Although we experienced delayed deliveries in some of our business units as a result of local restrictions in March, the Group's overall performance was strong. The current global uncertainty is obvious, and we are humbled to make a statement about the future. Currently, on 29th of April 2020, the Group delivers approximately 85% of planned orders and, in line with easing restrictions, we plan to catch up on postponed orders. Based on our knowledge of the current situation, we see no reason to revise our growth targets for organic profit growth of 5-10 percent, neither for 2020 nor for further ahead.

KEY RATIOS (for definitions, please refer to page 19)

SEK million	3 months		12 months	
	Jan-Mar 2020	Jan-Mar 2019	LTM 31 Mar 2020	Jan-Dec 2019
EBITA* margin	14.6%	12.3%	14.9%	14.4%
Net debt/EBITDA, multiple	2.86	3.30	2.86	3.11
Net bank debt/EBITDA, multiple	1.16	0.84	1.16	1.21
Return on capital employed	13.8%	10.7%	13.8%	12.6%
Return on equity	17.6%	8.9%	17.6%	15.1%
Cash flow generation	71.5%	110.8%	103.7%	114.7%

) EBITA is the Group's operating profit and corresponds to EBITA before acquisition costs and before income from remeasurements of contingent consideration payments.

COMMENTS BY THE CEO

A STRONG FIRST QUARTER, SOME DELAYS IN DELIVERIES AS A RESULT OF THE PANDEMIC – SDIPTech WELL EQUIPPED WITH GOOD CASH FLOW AND A STABLE VOLUME OF ORDERS

Despite current circumstances, we have established a good start to 2020. Net sales increased by 15 percent during the first quarter. Simultaneously, EBITA* increased by 37 percent to 70.8 MSEK (51.8), corresponding to an EBITA*-margin of 14.6 percent (12.3). The organic EBITA*-growth was 12.1 percent, of which 0.4 derived from currency-effects.

MARKET OUTLOOK – A relatively stable first quarter

During the first few months of 2020, a lot has revolved around the coronavirus pandemic in all markets where we operate. However, Covid-19 has had a limited impact on Sdiptechs sales and results for the first quarter. Despite disruptions in some of our business units, as a result of local restrictions concerning limitation of movement, the Group's overall earnings were strong with organic sales growth of 1 percent and organic EBITA* growth of 12 percent.

During the first quarter, the vast majority of our business units continued to deliver at full capacity and with steady demand, despite the pandemic. Our actions to keep business continuity, for example the increased stock of critical components that was initiated in the beginning of this year already, had the desired effect. In some areas of our business, our sales have even increased, specifically the manufacturing of disinfectants and temperature control in grocery stores. Another area where we can confirm positive effects is encryption of desktop and mobile communications, where demand has increased as more people are working remotely.

The pandemic related interference experienced by some business units has mainly concerned limitations for field workers and service technicians, whom need to be able to move freely in order to carry out their work. This has not been a problem in Sweden, our biggest market, so much as other parts of Europe where restrictions are considerably tougher and we, just like the whole industry, experienced delays in booked deliveries. For the affected business units, we have taken stabilizing measures such as short-term contract work and general cost reductions, adapted to each business area and country in which they operate.

CURRENT SITUATION – Delays rather than lost business

For Sdiptech, pandemic related interference and restrictions of movement mainly means delays in deliveries, not lost business nor customers. Our customers are responsible for critical societal infrastructure and are generally stable and well-funded. We can determine that our offerings and products are relatively unaffected by the pandemic and we are preparing to catch up with the delays as soon as restrictions allows it.

The Managing Directors of our units are doing a fantastic work ensuring employees' health, alongside with continued product and service deliveries to our customers, despite present difficulties in markets where mobility is very limited. We have a central team dedicated to update our business units with the latest information from authorities, and to aid with making decisions and take actions in a rapidly changing environment. New key figures have been introduced to be monitored on a weekly basis, allowing us to proactively identify pandemic

consequences and have a good visibility of developments in each business unit.

As of today, April 29th, the situation across the group is as following:

- In Sweden, we currently deliver approximately 90 percent of planned orders.
- In the UK, where restrictions still cause noticeable disruptions, the corresponding key figures are around 70 percent.
- In Germany and Austria, restrictions are easing, which allows us to gradually resume delayed deliveries, in which we are currently deliver approximately 85 percent of planned orders.
- In Norway, with customers mainly in municipal water treatment, deliveries are unaffected at present 100 percent.

Overall, across our 32 business units, six out of ten today experience minor disruptions or are completely unaffected by Covid-19. We have a strong financial position with a good cash flow and well-developed credit facilities that enable us to manage our operations even in an uncertain environment. Our 32 operations in various segments provide good risk diversification.

OUTLOOK – Difficult to predict, but we are well equipped

It is a mere impossibility to predict when the current restrictions put in place to limit the pandemic will be decreased or completely lifted, and how the recovery will pan out. The current global uncertainty is palpable, and we are taking a humble stance in regard to making predictions about the future. We feel confident about the long-term outlook, but it is most likely that sales and earnings for the second quarter will be affected by the pandemic. However, we can conclude that our business model is suitable to handle periods of great uncertainty. Thanks to our decentralized structure, we can make quick decisions locally for each of our business unit close to our customers, staff and suppliers. If there is any need for actions, these can be tailored for each business unit according to the specific situation and adapted to current regulations and local support from authorities.

Based on our knowledge of the current situation, we see no reason to revise our growth targets for organic profit growth of 5-10 percent, neither for 2020 nor for further ahead. We continue to have our sights set on our annual acquisition target of SEK 90 million EBITA. We have no ambition to wait for another market situation as the core of our business is to acquire and develop well-managed niche companies with products and services in the infrastructure sector. The demand for these companies' products remains strong, even in a recession, and we look forward to welcoming new additions to our group throughout the year.

In conclusion I would like to take the opportunity to welcome our new shareholders to Sdiptech. I would also like to direct my warmest gratitude to our dedicated staff for your commitment and strong contributions during these extraordinary times. These past few weeks I have seen many examples of our team adapting to this ever-changing environment, working together and solving thorny challenges. These efforts are ever so important as our products and services are vital for our society to keep functioning.



Jakob Holm
CEO, Sdiptech AB (publ.)



OVERVIEW OF OPERATIONS

GROUP

The operations are reported according to business areas, adapted to the markets in which the Group's business units operate: Water & Energy, Special Infrastructure Solutions and Property Technical Services.

Group EBITA* (SEK m)	Jan-Mar 2020	Jan-Mar 2019	LTM Mar 2020	Jan-Dec 2019
Water & Energy	29.6	26.1	126.3	122.8
Special Infrastructure Solutions	43.4	20.6	128.7	105.9
Property Technical Services	5.6	9.3	56.8	60.5
Business areas	78.6	56.0	311.8	289.2
Central units	-7.8	-4.2	-30.6	-27.0
Total	70.8	51.8	281.2	262.2

EBITA*

*consists of EBITA before acquisition costs, and before remeasurements of contingent consideration payments.

The purpose of EBITA* is to clarify the development in the Group's operating profit. Due to the irregular nature of when acquisition expenses arise and are booked, EBITA* shows more clearly the underlying operational development of the business. Remeasurement of liabilities for contingent consideration payments is also excluded to clarify the earnings trend in the operations. See the tables to the right for the historical outcome.

Acquisition costs related to a specific acquisition are recorded in full at the time of completion of the acquisition. Accordingly, transaction costs arise as acquisitions are completed, and not as costs are incurred.

In 2019, Sdipotech built its own acquisition team to replace the former external team. This means that our external acquisition costs are now considerably lower, but they are to some extent replaced by internal personnel costs that are included in central costs.

Adjustment items for EBITA*

The costs and revenues that are excluded when calculating EBITA* have historically amounted to the amounts to the right.

The remeasurement of liabilities relating to contingent consideration payments may entail corresponding revenues if liabilities have been written-down, or an expense if the liabilities have been written-up.

Effects on EBITA*, compared with EBITA, are distributed as follows:

Acquisition cost	Q1	Q2	Q3	Q4	Total
2020	-				-
2019	18.8	2.0	10.8	0.3	31.9
2018	11.9	4.4	2.1	2.7	21.1

Adjustment of liability for earnouts	Q1	Q2	Q3	Q4	Total
2020	-				-
2019	-	51.0	-	9.3	60.3
2018	-	-	14.7	19.2	33.9

	Jan-Mar 2020	Full year 2019
EBITA* to EBIT bridge		
EBITA*	78.8	262.2
Adjustment of liability for earnouts	-	60.3
Acquisition costs	-	-31.9
EBITA	70.8	290.7
Depreciation and amortisation of intangible non-current assets	-2.0	-68.8
EBIT	68.8	221.9

BUSINESS AREAS

For many reasons, infrastructure is in focus around the world. Examples of areas we have identified as particularly important for societal development, and that therefore are showing good demand, are water, energy, air and climate control, transportation and security, and we have focused our acquisition strategy on these areas for a long time. As of January 2019, three new business areas have been established: Water & Energy, Special Infrastructure Solutions and Property Technical Services. For information regarding what companies are included in each business area, see Companies per business area, page 19. When the business areas were new for 2019, it was also guided by what profit margins these areas were expected to have during 2019. These guidelines have now been adjusted slightly after new acquisitions were made during the year.

WATER & ENERGY

The companies within Water & Energy provide niche products and services focused on the water and energy infrastructure segments. The companies address specialised needs in water and water purification, as well as electricity supply and electrical automation. The principal geographic markets today are Sweden and the UK.

Growth opportunities for the business area are expected to be strong. The water segment is characterised by neglected investment and growing water scarcity, combined with increasing needs for water treatment and consumption in our geographic markets. In the energy segment, there are good growth opportunities as a direct consequence of the power shortage impeding regional development in parts of Europe, as well as an effect of pervasive trends in digitisation, automation and electrification in society.

The objective for the business area is to grow the two sub-segments in the long term through both organic growth and acquisitions in our focus markets in Western Europe. The EBITA* margin for the business area is difficult to assess during these uncertain conditions, but when the situation has been normalized, we expect it to amount to approximately 17–20 percent on a full-year basis.

SUB-SEGMENTS:

- Water & Sanitation
- Power & Energy

Water & Energy (SEK m)	Jan-Mar 2020	Jan-Mar 2019	LTM Mar 2020	Jan-Dec 2019
Net sales	156.6	150.2	647.8	641.4
EBITA*	29.6	26.1	126.3	122.8
EBITA* margin %	18.9%	17.4%	19.5%	19.1%

SPECIAL INFRASTRUCTURE SOLUTIONS

The companies within Special Infrastructure Solutions provide niched products and services for specialised needs in air and climate control, security and surveillance and transport systems. The principal geographic markets are Sweden, Northern Europe and the UK.

The products and services within Special Infrastructure Solutions span a relatively broad range of niched infrastructure solutions. The common theme is market segments with favourable underlying growth, a low degree of cyclicity and a gradual introduction of stricter environmental, energy and safety regulations.

The objective for the business area is to grow the sub-segments through both organic growth and acquisitions in our focus markets in Western Europe. The EBITA* margin for the business area is difficult to assess during these uncertain conditions, but when the situation has been normalized, we expect it to amount to approximately 20-22 percent on a full-year basis.

SUB-SEGMENTS:

- Air & Climate control
- Safety & Security
- Transportation

EXAMPLE AREAS OF APPLICATION

- Installations and components for water treatment in industry and municipalities
- Installation and service of smaller water and sewage treatment plants
- Production of ultra-pure water
- Advanced electrical cabinets and customised electric automation
- Monitoring of electricity quality
- Temporary infrastructure such as temporary electricity, water, fire protection and lighting

Comment:

The business area's sales increased by 4 percent in the first quarter to SEK 156.6 m (150.2) compared to the previous year. In comparable units, sales decreased by 3.2 percent due to the effects of Covid-19, which affected the end of the quarter. This applies to some units within the business area, especially in the UK, where parts of the staff have had difficulties getting to their workplaces due to local government decisions. EBITA* for the first quarter increased by 13 percent to SEK 29.6 m (26.1). Particularly business units in the water treatment and disinfectant manufacturing sector saw increased profits. The EBITA* margin increased during the first quarter to 18.9 percent (17.4). Despite high comparative figures year-on-year, the EBITA* margin strengthened in the first quarter. The margin growth is partly due to growth in units with high margins and partly from acquired units with higher profit margins than the average.

EXAMPLE AREAS OF APPLICATION

- Monitoring of indoor climate, ventilation and energy efficiency
- Systems for the evacuation of toxic gases
- Installation and service of cooling systems
- Cameras for traffic control and security
- Solutions for secure mobile telecommunications
- Claims management of underground infrastructure
- High-frequency radio communication services for aircraft operators

Comment:

The business area's sales increased by 65 percent in the first quarter to SEK 165.0 m (100.0) compared to the previous year. The improved sales were primarily due to continued strong growth within Safety & Security followed by Transportation, where one-off orders contributed to the strong growth, as well as increased demand for secure communication. In comparable units, sales increased by 18.4. No significant effects from Covid-19 were noted during the quarter, but the uncertainty ahead is greater. In particular, the restrictions in the UK could affect the business units in the coming quarters. But since it is mainly delayed projects, business volumes are not expected to be affected to any great extent over time.

EBITA* for the first quarter increased by 111 percent to SEK 43.4 m (20.6). The EBITA* margin increased during the first quarter to 26.3 percent (20.6). Several of the business units had historically high profit margins due to scalable business models.

Special Infrastructure Solutions (SEK m)	Jan-Mar 2020	Jan-Mar 2019	LTM Mar 2020	Jan-Dec 2019
Net sales	165.0	100.0	544.4	479.4
EBITA*	43.4	20.6	128.7	105.9
EBITA* margin %	26.3%	20.6%	23.6%	22.1%

PROPERTY TECHNICAL SERVICES

The companies within Property Technical Services offer specialised technical services for property owners. Customers are spread across several segments, including public functions (schools, hospitals, etc.), commercial properties (offices, warehouses, etc.), as well as housing (municipal and private). Assignments are performed throughout the lifecycle of a property, including service, renovation, modernisation and new construction. The principal geographic markets today are Stockholm and major cities in Germany, the Benelux countries and Austria. The business models are generally project-based and include associated aftermarket services and framework agreements.

The long-term underlying demand for our services within PTS is considered favourable. In the metropolitan areas in which populations and economies are being concentrated, there is a long-term need for renovation, modernisation and new construction. Although variations in demand in individual markets can affect demand in specific sub segments, these fluctuations are simultaneously stabilised by the fact that customers are spread among several customer segments and geographies and because the offering includes all stages in the lifecycle of a property.

The objective for the business area is primarily to develop existing companies to further strengthen our market positions in each market segments. The EBITA* margin for the business area is difficult to assess during these uncertain conditions, but when the situation has been normalized, we expect it to be in line with 2019, amounting to approximately 8-10 percent.

SUB-SEGMENTS:

- Elevators
- Other Property Technical Services

EXAMPLE AREAS OF APPLICATION

- Renovation, modernisation and service of lifts
- Manufacturing of special lifts and resource supply to global elevator manufacturers
- Renovation of roofs and installation of roof safety
- Contracts for shell competition and plaster interior walls

Comment:

The business area's sales decreased by 5 percent in the first quarter to SEK 162.8 m (172.1). EBITA* for the first quarter decreased by 40 percent to SEK 5.6 m (9.3). EBITA* margin for the quarter was 3.4 percent (5.4). In comparable units, sales decreased by 5 percent, due to an impact towards the end of the quarter from the effects of Covid-19. This applies mainly to the Group's markets in Austria and Germany, where decisions by the authorities have had a major impact on the staff's mobility. But since the consequences for PTS are mainly delayed projects, business volumes are not expected to be affected to any great extent over time. However, the order receipts for the Group's companies in frame completion was good, especially from commercial- and public real estate's, where demand has been stable for several years. The demand for the construction of rental properties is also stable.

Property Technical Services (SEK m)	Jan-Mar 2020	Jan-Mar 2019	LTM Mar 2020	Jan-Dec 2019
Net sales	162.8	172.1	695.5	704.8
EBITA*	5.6	9.3	56.8	60.5
EBITA* margin %	3.4%	5.4%	8.2%	8.6%

CENTRAL UNITS - GROUP-WIDE FUNCTIONS AND ELIMINATIONS

Central units consist of the Group's parent company, Sdiptech AB, the Group's holding company. The Parent Company's revenue consists of an internally invoiced management fees, directed to the subsidiaries for the parent company's services. The result below is reported after group elimination of such revenues.

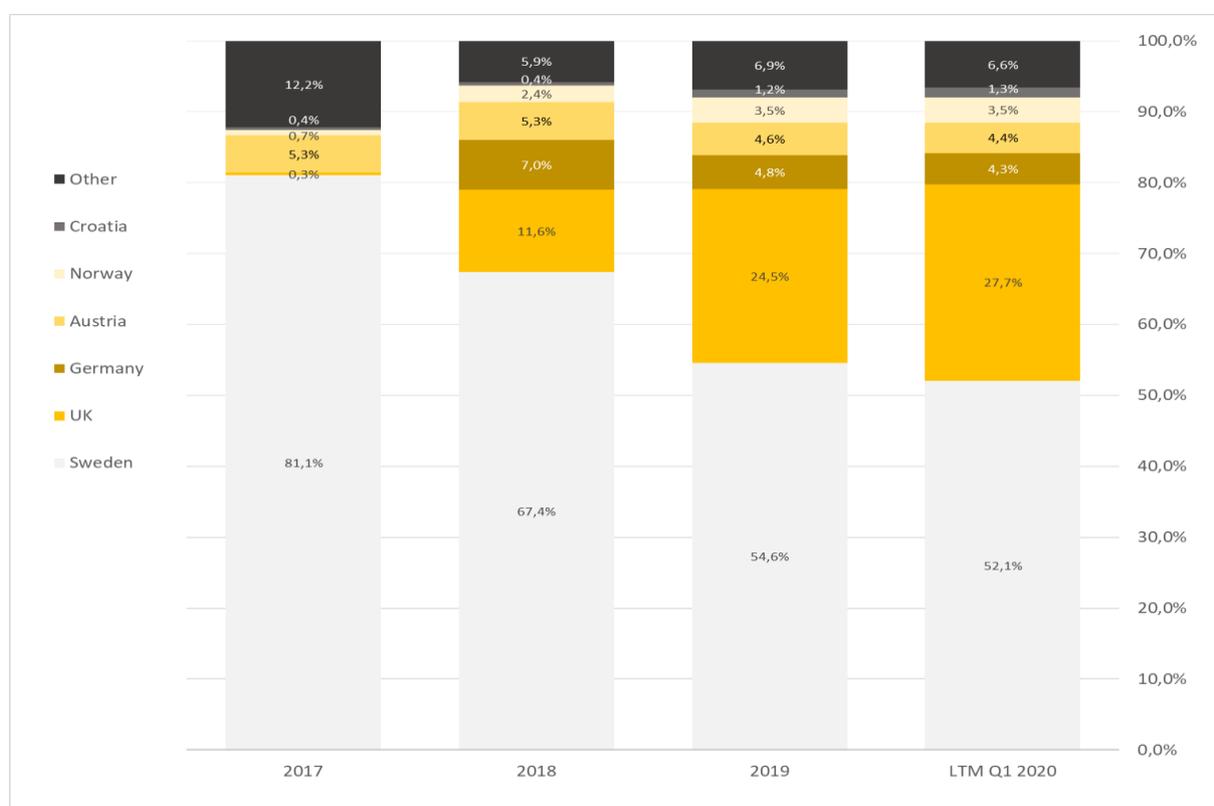
Comment:

EBITA* amounted to a negative SEK 7.8 m (negative 4.2) for the first quarter. The increase in costs mainly consists of increased staffing in the Group's parent company, which took place since last year, with the aim of supporting continued business-driven growth and with recruitment of IR & PR Manager and strengthening of business unit management.

Group-wide functions and eliminations (SEK m)	Jan-Mar 2020	Jan-Mar 2019	LTM Mar 2020	Jan-Dec 2019
EBITA*	-7.8	-4.2	-30.6	-27.0

DISTRIBUTION OF SALES BY GEOGRAPHY

Over the years, Sdiptech has acquired units outside Sweden; in Norway, the UK, Austria and Croatia (with significant operations in Germany). The Group's business units have customers primarily locally and regionally in their respective geographies, but some exports also occur. Below are the Group's sales, broken down by the geographies where the customers have their main operations.



COMMENTS ON THE FINANCIAL DEVELOPMENT

FINANCIAL POSITION JANUARY - MARCH

Net sales

Net sales for the Group amounted to SEK 484.4 m (422.2) during the first quarter. Net sales in comparable units, i.e. companies that were part of the Group during the whole period and the whole comparative period, amounted to SEK 403.9 m (399.4), which corresponded to an organic growth of 1.1 percent for the period. Non-comparable units contributed SEK 80.5 m (22.9) to net sales for the period. Also see Business areas, page 5-6.

Earnings

During the first quarter EBITA* amounted to SEK 70.8 m (51.8). EBITA* in comparable units, i.e. companies that were part of the Group during the whole period and the whole comparative period, amounted to SEK 55.7 m (49.8), which corresponded to an organic growth of 12.1 percent for the period. Non-comparable units contributed SEK 23.0 m (6.2) to EBITA* for the period.

During the first quarter, profit after tax amounted to SEK 52.0 million (20.2).

Acquisitions and disposals during the period

No acquisitions or disposals were made during the first quarter of the financial year.

Cash flow

Cash flow from operating activities after changes in working capital amounted to SEK 58.3 m (57.6). Cash flow generation, expressed in percentage, decreased during the period January to March to 71.5 percent (110.8). A contributing factor to the decrease compared to the previous year was the utilization of deficits within the Group, which was partially capitalized last year during the first quarter. Increased accounts receivable as a result of increased sales, as well as the build-up of stocks to ensure delivery capacity in case of any import restrictions had also a negative impact on cash flow.

Cash flow from investing activities was negative in the amount of SEK 17.0 m (negative 247.3). The cash flow effect of completed acquisitions (see also Note 5) amounted to a negative SEK 0 m (negative 220.3) for the period. Cash flow related to payment of acquisitions from previous years during the period amounts to SEK -12.8 million (-20.3). Investments in tangible non-current assets amounted to a negative SEK 4.0 m (negative 5.6).

Cash flow from financing activities amounted to SEK 59.8 m (70.1). Loans raised amounted to SEK 117.9 m (95.2). Amortisation of loans has been made by a negative SEK 44.5 m (negative 12.3), the majority of which relates to repayment of the central credit facility. However, towards the end of the quarter, the remaining amount of the existing credit limit, in addition to the authorized credit, was called off to be prepared for any effects of Covid-19 on future cash flows. This has resulted in higher cash than normal. Dividends on preference shares amounted to a negative SEK 3.5 m (negative 3.5).

Liabilities

Interest-bearing liabilities including earnouts and finance leases amounted to SEK 1,405.6 m (1,233.2). The two largest items within interest-bearing liabilities amounted to SEK 728.8 m (563.4) in liabilities to credit institutions, and SEK 543.1 m (560.5) in deferred payments of purchase considerations for acquisitions.

These contingent consideration payments 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. However, a discounted interest rate is booked as a financial expense for the period. The Group's Financial expenses includes this interest rate of SEK negative 2.7 m (negative 2.1) in the period January – March.

Due to Covid-19, any impairment of intangible assets including goodwill has been considered. The assessment has been made that there is no need for impairment based on available information and forecasts.

Discounting of the assets that are classified as rights-of-use under IFRS 16. During the period, earnings were charged with SEK 0.6 m (0.5) related to interest under IFRS 16.

Net debt, consisting of interest-bearing liabilities less cash and cash equivalents in remaining operations, amounted to SEK 1,147.1 m (1,025.7).

Net bank debt, in accordance with the calculation method above but only for liabilities to credit institutions, amounted to SEK 470.3 m (356.0).

The key ratio Net debt/EBITDA, which is calculated on a twelve-month basis, amounted to 2.86 (3.30) on 31 March.

Parent Company

The Parent Company Sdipotech AB's internal net sales for the first quarter amounted to SEK 2.7 m (2.0) and profit after financial items amounted to SEK 0.8 m (4.8).

OTHER INFORMATION

Employees

At the end of the quarter, there were 1,262 employees (1,102).

Incentive programme

During the spring of 2018, a long-term incentive programme for managers and senior executives within the Group was introduced. The programme is based on warrants for Series B shares and is issued in three series. Outstanding programmes mean that shares can be subscribed on three different occasions, with deviation from the shareholders' preferential right, after three, four and five years, respectively, from the issue. The incentive program comprises a maximum of 756,000 warrants, of which 666,300 warrants have been subscribed to three series so far: 222,100 warrants of the 2018/2021 series, 222,100 warrants of the 2018/2022 series and 222,100 warrants of the 2018/2023 series. The subscription price for new B shares subscribed based on these warrants amounts to SEK 59.80, 67.10 and 75.20 per share.

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:

- Liquidity- and financing risk
- Interest rate risk
- Currency risk
- Customer- and counterparty risk

During the beginning of 2020, the virus outbreak of Covid-19 has had a major negative impact on whole society. At present, the exact effects are difficult to assess. Sdipotech may be affected primarily by employees being sick, having difficulty getting to their workplace and performing their job, as well as delayed deliveries on certain products. Sdipotech monitors the developments closely and takes proactive measures to reduce

the risk of the employees', but also to ensure that operations can continue.

See Note 15 from the 2019 Annual Report for further detailed information.

Related-party transactions

Related-party transactions refer to rent of premises for S Fund 1 AB, whose main owner is a Board member of Sdipotech AB.

Events after the reporting date

Several countries' governments have decided to support companies that are affected by Covid-19. Some of these grants are retroactive and refers to compensation for costs incurred during March. Some of the companies in the Group have applied to take part of the governments supports schemes, but since these are not yet confirmed or disbursed, its effects are not included in the accounts for the period.

Apart from this, no significant events have been noted since the end of the reporting period, except for the Group's annual report for 2019 being published on April 17.

Sdipotech Annual General Meeting 2020

The Annual General Meeting will be held at 16:00 CEST on May 18th, at IVA (Ingenjörsvetenskapsakademien), Grev Turegatan 16 Stockholm, Sweden.

The notice of the Annual General Meeting has been published on the company's website. All shareholders who are registered in the share register five days before the meeting can attend in person or through a representative. The notification of participation must be made to the company as stated in the Annual General Meeting notice.

Due to the Covid-19 pandemic and the recommendations of the Swedish authorities, the company has decided to conduct the Annual General Meeting in the simplest conceivable form and at the same time strengthen the shareholders' ability to participate remotely. The CEO's presentation will not take place, instead it will be distributed on the company's website after the meeting. Shareholders who have questions to the CEO are welcome to send them to info@sdipotech.com. Postal voting forms are available through the company's website, where shareholders can cast their votes.

Dividend

The Board of Directors proposes that the Annual General Meeting resolve on a dividend to the preference shareholders in accordance with the articles of association. The Board of Directors further proposes that no dividend be paid on ordinary shares of Class A or ordinary shares or Class B but that the remaining profits should be carried forward.

CONSOLIDATED INCOME STATEMENT

(SEK m)	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Net sales	484.4	422.2	1,825.4
Other operating income	3.6	7.0	82.9
Total income	488.0	429.2	1,908.3
Operating expenses			
Materials, contracting and subcontracting	-184.4	-176.2	-720.4
Other external expenses	-49.4	-60.6	-219.3
Employee expenses	-165.3	-145.3	-610.8
Depreciation and amortisation of tangible non-current assets	-17.4	-14.1	-67.1
Depreciation and amortisation of intangible non-current assets	-2.9	-1.2	-68.8
Operating profit	68.8	31.8	221.9
Profit/loss from financial items			
Financial income	8.2	5.3	16.9
Financial expenses	-8.5	-10.6	-29.7
Profit/loss after financial items	68.5	26.5	209.0
Tax on profit for the period	-16.5	-6.3	-43.8
Profit/loss for the period	52.0	20.2	165.2
Profit/loss attributable to:			
Parent Company's shareholders	52.0	19.3	161.4
Non-controlling interests	-	0.9	3.8
Earnings per share for remaining operations, attributable to the Parent Company's shareholders during the period, after deduction of dividends to preference shareholders (in SEK per share)	1.60	0.52	4.87
Earnings per share after dilution, attributable to the parent company's ordinary shareholders during the period, less dividends paid to preference shareholders (expressed in SEK per share).	1.59	0.52	4.87
EBITA*	70.8	51.8	262.2
Number of ordinary shares at the end of the period	30 277 645	30 277 645	30 277 645
Average number of common shares	30 277 645	30 277 645	30 277 645
Average number of common shares after dilution	30 423 468	30 277 645	30 277 645

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Profit/loss for the period	52.0	20.2	165.2
Other comprehensive income for the period			
Components that will be reclassified to profit/loss in the period			
Translation differences for the year related to hedging instruments	-	-	1.1
Changes in accumulated translation differences	5.7	8.0	9.5
Total components that will be reclassified to profit/loss in the period	5.7	8.0	10.6
Comprehensive income for the period	57.7	28.2	175.8
Attributable to:			
Parent Company's shareholders	57.9	27.2	171.9
Non-controlling interests	-0.2	1.0	3.9

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	31 Mar 2020	31 Mar 2019	31 Dec 2019
Non-current assets				
<i>Intangible non-current assets</i>				
Goodwill	3	1,880.4	1,704.7	1,870.1
Other intangible assets		98.6	24.6	99.0
<i>Tangible non-current assets</i>				
Tangible non-current assets		136.6	98.5	137.6
Right-of-use assets		129.4	101.1	120.4
<i>Financial non-current assets</i>				
Other financial non-current assets		13.9	1.8	14.0
Total non-current assets		2,258.9	1,930.7	2,241.1
Current assets				
Completed products and goods for resale		121.8	111.9	117.1
Accounts receivable		356.2	315.9	333.3
Other receivables		44.5	64.1	45.8
Current tax assets		28.1	23.4	25.4
Prepaid expenses and accrued income		77.0	63.3	66.8
Cash and cash equivalents		258.5	207.4	156.3
Total current assets		886.1	786.1	744.7
Assets in disposal group		3,144.8	2,716.8	2,985.8
Total assets				
Shareholders' equity				
Shareholders' equity attributable to Parent Company's shareholders				
Share capital		0.8	0.8	0.8
Other contributed capital		715.2	714.6	715.2
Reserves		0.9	0.9	0.9
Profit/loss brought forward including earnings for the period		560.2	377.9	505.8
Total equity attributable to Parent Company's shareholders		1,277.1	1,094.2	1,222.7
Non-controlling interests		35.5	33.7	35.8
Total shareholders' equity		1,312.6	1,127.9	1,258.5
Liabilities				
Interest-bearing long-term liabilities	4	1,325.4	624.1	1,266.3
Non-interest-bearing long-term liabilities		17.5	18.3	16.3
Interest-bearing short-term liabilities	4	80.2	609.1	66.2
Non-interest-bearing short-term liabilities		409.2	337.5	378.5
Total liabilities		1,383.2	1,589.0	1,727.3
Total shareholders' equity and liabilities		3,144.8	2,716.8	2,985.8

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(SEK m)	Shareholders' equity attributable to Parent Company shareholders					Non-controlling interests	Shareholders' equity
	Share capital	Other contr. capital	Reserves	Retained earnings	Total		
Opening balance, 1 January 2019	0.8	714.6	11.5	361.6	1,088.5	32.6	1,121.1
Comprehensive income for the period	-	-	-	19.3	19.3	0.9	20.2
Other comprehensive income for the period	-	-	-	7.9	7.9	0.1	8.0
Comprehensive income for the period	-	-	-	27.2	27.2	1.0	28.2
Dividend paid to preference shareholders	-	-	-	-3.5	-3.5	-	-3.5
Sales of subsidiaries	-	-	-10.6	-7.4	-18.0	-	-18.0
Closing balance, 31 March 2019	0.8	714.6	0.9	377.9	1,094.2	33.7	1,127.9
Opening balance per 1 April 2019	0.8	714.6	0.9	377.9	1,094.2	33.7	1,127.9
Comprehensive income for the period	-	-	-	141.8	141.8	2.9	144.7
Other comprehensive income for the period	-	-	-	2.6	2.6	-	-
Comprehensive income for the period	-	-	-	144.4	144.4	2.9	147.3
Change in non-controlling interests	-	-	-	-0.3	-0.3	0.3	-
Option premiums	-	0.6	-	-	0.6	-	0.6
Sales of subsidiaries	-	-	-	-6.0	-6.0	-	-6.0
Dividend paid to non-controlling interests	-	-	-	-	-	-1.1	-1.1
Dividend paid to preference shareholders	-	-	-	-10.5	-10.5	-	-10.5
Closing balance per 31 December 2019	0.8	715.2	0.9	505.8	1,222.7	35.8	1,258.5
Opening balance per 1 January 2020	0.8	715.2	0.9	505.8	1,222.7	35.8	1,258.5
Comprehensive income for the period	-	-	-	52.0	52.0	-	52.0
Other comprehensive income for the period	-	-	-	5.9	5.9	-0.2	5.7
Comprehensive income for the period	-	-	-	57.9	57.9	-0.2	57.7
Dividend paid to preference shareholders	-	-	-	-3.5	-3.5	-	-3.5
Closing balance, 31 March 2020	0.8	715.2	0.9	560.2	1,277.1	35.5	1,312.6

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Continued operations			
Earnings after financial items	68.5	26.5	209.0
Adjustment for items not included in cash flow	13.0	25.5	63.7
Paid taxes	-21.2	-19.7	-41.0
Cash flow from continuing operations before change in working capital	60.3	32.3	231.7
Cash flow from change in working capital			
Increase(-)/decrease(+) in stock	-3.4	-8.6	-13.6
Increase(-)/decrease(+) in operating receivables	-26.4	14.9	73.5
Increase(+)/decrease(-) in operating liabilities	27.8	18.9	21.1
Cash flow from current operations	58.3	57.6	312.7
Investing activities			
Acquisitions of subsidiaries	-	-220.3	-474.4
Acquisitions of subsidiaries, paid contingent considerations	-12.8	-20.3	-72.7
Disposal of subsidiaries	-	3.3	3.3
Acquisitions of intangible non-current assets	-0.2	-4.4	-12.0
Acquisitions of tangible non-current assets	-4.0	-5.6	-45.8
Cash flow from investing activities	-17.0	-247.3	-601.6
Financing activities			
Option premiums	-	-	0.6
Loans raised	117.9	95.2	239.4
Amortisation of loans	-44.5	-12.3	-65.7
Amortisation of lease liability	-10.1	-9.3	-42.3
Dividends paid	-3.5	-3.5	-15.1
Cash flow from financing activities	59.8	70.1	116.9
Cash flow for the period from remaining operations	101.1	-119.6	-172.0
Cash and cash equivalents at beginning of year	156.3	324.8	324.8
Exchange rate difference in cash and cash equivalents	1.1	2.5	3.5
Cash and cash equivalents at end of period from remaining operations	258.5	207.4	156.3

PARENT COMPANY INCOME STATEMENT

(SEK m)	Note	Jan-Mar 2020	Jan-Mar 2020	Jan-Dec 2019
Net sales		2.7	2.0	8.2
Other operating income		0.4	0.5	2.0
Total income		3.1	2.6	10.2
Operating expenses				
Other external expenses		-2.3	-3.0	-14.9
Employee expenses		-7.4	-5.7	-21.7
Depreciation of tangible and intangible non-current assets		-	-	-0.2
Operating profit		-6.7	-6.2	-26.5
Profit/loss from financial items				
Result from participation in Group companies		-	-	5.0
Result from participation in associated companies		-	-	25.8
Financial income		7.5	18.2	13.6
Financial expenses		-0.1	-7.2	-2.8
Profit/loss after financial items		-0.8	4.8	15.1
Group contributions received		-	-	28.1
Group contributions provided		-	-3.1	-3.1
Tax on profit for the period		-	-	-0.3
Profit/loss for the period		0.8	1.7	39.8

PARENT COMPANY BALANCE SHEET

(SEK m)	31 Mar 2020	31 Mar 2019	31 Dec 2019
Non-current assets			
<i>Intangible non-current assets</i>			
Other intangible non-current assets	0.3	0.2	0.4
<i>Tangible non-current assets</i>			
Tangible non-current assets	0.2	-	0.2
<i>Financial non-current assets</i>			
Financial non-current assets	83.8	355.2	83.8
Receivables, Group companies	966.8	856.7	960.7
Total non-current assets	1,051.2	1,212.1	1,045.0
Current assets			
Receivables, Group companies	76.1	67.6	61.5
Trade receivables	0.7	0.3	0.3
Other receivables	13.6	14.5	16.8
Prepaid expenses and accrued income	9.8	7.5	8.4
Cash and cash equivalents	206.1	30.3	223.0
Total current assets	306.4	120.2	310.0
Total assets	1,357.6	1,332.3	1,355.0
Shareholders' equity			
Share capital	0.8	0.8	0.8
Share premium reserve	715.2	714.6	715.2
Retained earnings including profit/loss for the period	214.9	190.1	217.7
Total shareholder's equity	931.0	905.5	933.8
Liabilities			
Long-term liabilities to Group companies	106.2	112.3	106.2
Short-term liabilities to Group companies	312.3	303.0	308.3
Short-term liabilities	8.0	11.5	6.8
Total liabilities	426.6	426.8	421.3
Total equity and liabilities	1,357.6	1,332.3	1,355.0

NOTES

ACCOUNTING PRINCIPLES IN ACCORDANCE WITH IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (EU). This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Annual Accounts Act.

The Interim Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, which is in accordance with the provisions of RFR 2, 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. For further information, see Note 2.

NOTE 1 IMPORTANT ESTIMATES AND ASSUMPTIONS ON 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 the operations primarily affect the Group's goodwill, liabilities related to deferred payments on acquisitions and the Parent Company's shareholdings in subsidiaries. Financial assets and liabilities in the balance sheet are reported at acquisition value, unless otherwise stated, which is judged to be a good approximation to the fair value of the items.

In the case of acquisitions, 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 consideration will be affected both positively and negatively as a result of assessments of each company's financial results for the remaining period.

NOTE 2 SEGMENT REPORTING

Sdipotech report profits from its operations in three segments: Water & Energy, Special Infrastructure Solutions and Property Technical Services.

Segment information, Group

The Group	Jan-Mar	Jan-Mar	Jan-Dec
Net sales (SEK m)	2020	2019	2019
Water & Energy	156.6	150.2	641.4
Special Infrastructure Solutions	165.0	100.0	479.4
Property Technical Services	162.8	172.1	704.8
Segments total	484.4	422.3	1,825.6
Central units	-	-0.1	-0.2
Total	484.4	422.2	1,825.4

Group	Jan-Mar	Jan-Mar	Jan-Dec
Operating profit (SEK m)	2020	2019	2019
Water & Energy	29.4	25.5	120.6
Special Infrastructure Solutions	41.7	20.3	104.4
Property Technical Services	5.6	9.1	59.7
Segments total	76.7	54.9	284.7
Central units	-7.9	-23.1	-62.8
Total	68.8	31.8	221.9

WATER & ENERGY

The companies within Water & Energy provide niche products and services focused on the water and energy infrastructure segments. The companies address specialised needs in water and water purification, as well as electricity supply and electrical automation. The principal geographic markets today are northern Europe and the UK.

SPECIAL INFRASTRUCTURE SOLUTIONS

The companies within Special Infrastructure Solutions provide niched products and services for specialised needs in air and climate control, security and surveillance and transport systems. The principal geographic markets are northern Europe and the UK.

The products and services within Special Infrastructure Solutions span a relatively broad range of niched infrastructure solutions. The common theme is market segments with favourable underlying growth, a low degree of cyclicality and a gradual introduction of stricter environmental, energy and safety regulations.

PROPERTY TECHNICAL SERVICES

The companies within Property Technical Services offer specialised technical services for landlords. Customers are spread across several segments, including public functions (schools, hospitals, etc.), commercial properties (offices, warehouses, etc.), as well as housing (municipal and private). Assignments are performed throughout the lifecycle of a property, including service, renovation, modernisation and new construction. The principal geographic markets today are Stockholm and major cities in Europe. The business models are generally project-based and include associated aftermarket services and framework agreements.

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 remeasurements of liabilities relating to earnouts.

NOTE 3 GOODWILL

	(SEK m)
Carrying amount 31 December 2019	1,870.1
Currency translation effects	10.3
Carrying amount 31 March 2020	1,880.4

Compared to 31 December 2019, goodwill increased by a total of SEK 10.3 m and amounted to SEK 1,880.4 m as per 31 March 2020. During January to March 2020, no company acquisitions were made, and the change is entirely attributable to currency translation differences.

NOTE 4 INTEREST-BEARING LIABILITIES

(SEK m)	31 Mar 2020	31 Mar 2019	31 Dec 2019
Liabilities to credit institutions	710.7	7.8	646.8
Accrued borrowing costs	-3.6	-3.6	-3.6
Leases	74.1	56.8	69.6
Contingent consideration	543.1	560.5	550.7
Other non-current liabilities	1.1	2.5	2.8
Total non-current interest-bearing liabilities	1,325.4	624.1	1,266.3
Liabilities to credit institutions	21.8	559.2	12.1
Leases	56.4	47.5	52.1
Other current liabilities	2.0	2.4	2.0
Total current interest-bearing liabilities	80.2	609.1	66.2

Contingent consideration payments 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 the present value of expected outflows. On the acquisition date, the liability is normally measured highly for reasons of prudence and is then continually adjusted during the term. The remeasurement is recognised net as other income in the income statement.

Contingent consideration	(SEK m)
Carrying amount 31 December 2019	550.7
Paid purchase considerations	-14.0
Interest expenses (discount effect due to present value calculation)	2.7
Exchange differences	3.7
Carrying amount 31 March 2020	543.1

NOTE 5 BUSINESS ACQUISITIONS**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 Sdipotech'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 debt is reported at the present value of the estimated redemption amount of the shares.

During the period first quarter no business acquisitions has been made.

COMPANIES PER BUSINESS AREA

The companies that are included in the business areas Water & Energy, Special Infrastructure Solutions and Property Technical Services are shown below:

WATER & ENERGY (in alphabetical order):

- CentralByggarna i Åkersberga AB Producer of customised switching stations and electrical automation
- Centralmontage i Nyköping AB Producer of customised switching stations and electrical automation
- EuroTech Sire System AB Installation and service of uninterruptible power supply
- Hansa Vibrations & Omgivningskontrol AB Performs vibration measurements in infrastructure projects
- Hydrostandard Mätteknik Nordic AB Replacement, renovation and calibration of water meters
- Multitech Site Services Ltd Temporary infrastructure such as temporary electricity, water, fire protection and lighting
- Polyproject Environment AB Installations and components for water treatment in industry and municipalities
- Pure Water Scandinavia AB Producer of ultra-pure water products
- Rogaland Industri Automasjon AS Control and regulating systems for water and sewerage systems
- Topas Vatten AB Installation and service of smaller water and wastewater treatment plants
- Unipower AB Measuring systems for monitoring of power quality
- Vera Klippan AB Producer of large-dimension cisterns for larger water and sewerage systems
- Water Treatment Products Ltd (from Feb 2019) Preparation and manufacture of water treatment products

SPECIAL INFRASTRUCTURE SOLUTIONS (in alphabetical order):

- Auger Site Investigations Ltd (from Aug 2019) Specialised in claims management of underground infrastructure
- CliffModels AB Prototypes for industrial product development
- Cryptify AB (from May 2019) Software solution for secure communication
- Frigotech AB Installation and service of refrigeration units
- KSS Klimat & Styrssystem AB Indoor climate control, ventilation and energy efficiency
- Medicvent AB System for evacuation of noxious gases
- Optyma Security Systems Ltd Integrated security systems for public and private environments
- RedSpeed International Ltd Digital cameras for speed monitoring and traffic enforcement
- Storadio Aero AB (formerly Avioline AB) Infrastructure and operational liaison centre for backup air traffic communications
- Thors Trading AB Durable products in carbon steel material for racing and harness racing

PROPERTY TECHNICAL SERVICES (in alphabetical order):

- Aufzuge Friedl GmbH Renovation, modernisation and service of elevators in Vienna (Austria)
- Castella Entreprenad AB Contracts for shell completion and internal plaster walls
- HissPartner i Stockholm AB Renovation, modernisation and service of elevators in Stockholm
- ManKan Hiss AB Renovation, modernisation and service of elevators in Stockholm
- Metus d.o.o. Production of special elevators for customer-specific needs
Supply of resources to global elevator manufacturers
- St. Eriks Hiss AB Renovation, modernisation and service of elevators in Stockholm
- ST Lift GmbH Production of compact elevators
- Stockholms Hiss- & Elteknik AB Renovation, modernisation and service of elevators in Stockholm
- Tello Service Partner AB Roof renovations and installation of roof safety equipment

DEFINITIONS KEY FIGURES

EBITDA	Operating profit before depreciation and impairment losses.
EBITA*	Operating profit before amortisation and impairment of intangible non-current assets arising in connection with acquisitions. In order to clarify the underlying operating profit, acquisition-related transaction expenses relating to acquisitions, which are incurred and booked regularly, are also excluded. The results of the remeasurement of liabilities relating to contingent consideration payments are also excluded. EBITA* is indicated with an asterisk.
EBITA* margin	EBITA* in relation to net sales.
Net debt/EBITDA	Calculated as average net debt for the past 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. Parts of the interest-bearing liabilities are debt related to the contingent consideration payments for acquisitions, which are regulated at the end of the earnout periods depending on the earnings trend during those periods. A payment of the debt at the current booked value requires higher earnings levels than the current level.
Net bank debt/EBITDA	Calculated as average net debt to credit institutions for the past four quarters, in relation to EBITDA for the past four quarters. Net debt to credit institutions includes short-term and long-term interest-bearing liabilities less cash and cash equivalents.
Capital employed	Calculated as average shareholders' equity and interest-bearing net debt for the past four quarters less cash and cash equivalents and short-term investments.
Return on capital employed	Calculated as EBITA for the four most recent quarters on closing day, in relation to average capital employed for the four most recent quarters on closing day.
Return on equity	Calculated as average profit after tax, adjusted for dividend to preference shares, for the four most recent quarters in relation to average equity, adjusted for preference capital, for the four most recent quarters on closing day.
Cash flow generation	Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.
Earnings per ordinary share	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the average number of ordinary shares outstanding during the period.
Earnings per ordinary share after dilution	Calculated as profit after tax attributable to the Parent Company's shareholders, less dividends for preference shareholders divided by the average number of outstanding ordinary shares after dilution during the period.

ALTERNATIVE PERFORMANCE MEASURES

To facilitate monitoring of the Group's operations, alternative performance measures are presented in the interim report. The alternative performance measures presented in this interim report relate to EBITDA, EBITA, EBITA*, net debt/EBITDA, net bank debt/EBITDA, return on capital employed, cash flow generation, earnings per ordinary share and earnings per ordinary share after dilution.

EBITDA

Operating profit before depreciation and impairment losses.

EBITDA (SEK m)	Q1 2020	Q1 2019	LTM 31 Mar 2020	Full year 2019
Operating profit	68.8	31.8	258.9	221.9
Depreciation and amortisation of tangible non-current assets	17.4	14.1	70.4	67.1
Depreciation and amortisation of intangible non-current assets	2.9	1.2	70.5	68.8
EBITDA	89.1	47.1	399.9	357.8

EBITA*

Operating profit before amortisation and impairment of intangible non-current assets arising in connection with acquisitions. In order to clarify the underlying operating profit, acquisition-related transaction costs, which are incurred and booked regularly, are also excluded. Also, the result from remeasurement of liabilities relating to contingent consideration payments is excluded. EBITA* is indicated with an asterisk.

EBITA* (SEK m)	Q1 2020	Q1 2019	LTM 31 Mar 2020	Full year 2019
Operating profit	68.8	31.8	258.9	221.9
Depreciation and amortisation of intangible non-current assets	1.9	1.2	69.5	68.8
EBITA	70.8	33.0	328.5	290.7
Acquisition costs	-	18.8	13.1	31.9
Adjustment of liability for earnouts	-	-	-	-60.3
EBITA*	70.8	51.8	281.2	262.2

EBITA* margin

EBITA* in relation to net sales. EBITA* in relation to net sales (SEK million)	Q1 2020	Q1 2019	LTM 31 Mar 2020	Full year 2019
EBITA*	70.8	51.8	281.2	262.2
Net sales	484.4	422.2	1,887.6	1,825.4
EBITA* margin %	14.6	12.3	14.9	14.4

Net debt/EBITDA

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. Parts of the interest-bearing liabilities are debt related to the contingent consideration payments for acquisitions, which are regulated at the end of the earnout periods depending on the earnings trend during those periods. A payment of the debt at the current booked value requires higher earnings levels than the current level.

Average interest-bearing net debt (SEK m)	Average	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Interest-bearing liabilities	1,346.7	1,405.7	1,332.5	1,462.2	1,222.4
Cash and cash equivalents	-203.7	-258.5	-156.3	-175.9	-224.3
Interest-bearing net debt	1,142.9	1,147.2	1,176.2	1,250.3	998.1

Average net debt in relation to EBITDA (SEK m)	LTM 31 Mar 2020	Full year 2019
Interest-bearing net debt	1,142.9	1,113.6
EBITDA	399.9	357.8
Net debt/EBITDA	2.86	3.11

Net bank debt/EBITDA

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 includes short-term and non-current liabilities to credit institutions less cash and cash equivalents.

Average interest-bearing net liabilities to credit institutions (SEK m)	Average	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Liabilities to credit institutions	665.7	728.8	655.4	690.4	588.3
Cash and cash equivalents	-203.7	-258.5	-156.3	-175.9	-224.3
Interest-bearing net liabilities to credit institutions	462.0	470.3	499.1	514.4	364.0

Average net bank debt in relation to EBITDA (SEK m)	LTM 31 Mar 2020	Full year 2019
Interest-bearing net liabilities to credit institutions	462.0	433.4

EBITDA		399.9	357.8
Net bank debt/EBITDA		1.16	1.21

Capital employed

Calculated as average shareholders' equity and interest-bearing liabilities for the last four quarters, less cash and cash equivalents and short-term investments.

Average capital employed (SEK m)	Average	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Interest-bearing net debt	1,142.9	1,147.2	1,176.2	1,250.3	998.1
Shareholders' equity	1,234.2	1,311.7	1,258.5	1,205.0	1,161.6
Capital employed	2,377.1	2,458.9	2,434.7	2,455.2	2,159.7

Return on capital employed

Calculated as EBITA for the most recent four quarters on closing day, in relation to average capital employed for the four most recent quarters on closing day.

Average EBITA in relation to average capital employed (SEK m)	LTM 31 Mar 2020	LTM 31 Mar 2019	Full year 2019
EBITA	328.5	200.6	290.7
Capital employed	2,377.1	1,876.3	2,301.8
Return on capital employed %	13.8	10.7	12.6

Return on equity

Calculated as average profit after tax, adjusted for dividend to preference shares, for the four most recent quarters in relation to average equity, adjusted for preference capital, for the four most recent quarters on closing day.

Average adjusted net profit in relation to average equity (SEK m)	LTM 31 Mar 2020	LTM 31 Mar 2019	Full year 2019
Profit after tax, adjusted	180.0	81.3	147.4
Equity	1,024.1	902.2	978.6
Return on capital employed %	17.6	9.0	15.1

Cash flow generation

Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.

Cash flow generation %	Q1 2020	Q1 2019	LTM 31 Mar 2020	Full year 2019
EBT	68.5	26.5	251.0	209.0
Adjustment for items not included in cash flow	13.0	25.5	51.2	63.7
Adjusted EBT	81.5	52.0	302.2	272.7
Cash flow from continuing operations	58.3	57.6	313.4	312.7
Cash flow generation %	71.5	110.8	103.7	114.7

Earnings per ordinary share

Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the average number of ordinary shares outstanding during the period.

Earnings per ordinary share (SEK m)	Q1 2020	Q1 2019	LTM 31 Mar 2020	Full year 2019
Profit/loss attributable to Parent Company's shareholders	52.0	19.3	194.0	161.4
Dividend paid to preference shareholders	-3.5	-3.5	-14.0	-14.0
Profit/loss attributable to Parent Company's shareholders	48.5	15.8	180.0	147.7
Number of ordinary shares outstanding (thousand)	30 278	30 278	30 278	30 278
Earnings per ordinary share	1.60	0.52	5.95	4.87

Earnings per ordinary share after dilution

Calculated as profit after tax attributable to the Parent Company's shareholders, less dividends for preference shareholders divided by the average number of outstanding ordinary shares after dilution during the period.

Earnings per ordinary share after dilution (SEK m)	Q1 2020	Q1 2019	LTM 31 mar 2020	Full year 2019
Profit after tax attributable to the Parent Company's shareholders	52.0	19.3	194.0	161.4
Dividend to preference shareholders	-3.5	-3.5	-14.0	-14.0
Profit attributable to the Parent Company's shareholders	48.5	15.8	180.0	147.7
Average number of outstanding ordinary shares after dilution (thousands)	30 423	30 277	30 280	30 277
Earnings per ordinary share after dilution	1.59	0.52	5.94	4.87

STOCKHOLM, 29 APRIL 2020

Jakob Holm
President and CEO

This Year-end Report has not been subject to review by the Company's auditors.

For additional information, please contact:

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Sdiptech AB (publ) is required to disclose this information pursuant to EU Market Use Regulation 596/2014. The information was provided by the above contact persons for publication on 29 April 2020 at 08.00 CEST.

UPCOMING REPORTS and ANNUAL GENERAL MEETING

Annual General Meeting	18 May 2020
Interim Report Apr-Jun 2020	22 July 2020
Interim Report Jul-Sep 2020	3 November 2020
Year-end Report for 2020	11 February 2021

Payment of dividends to preference shareholders

For each preference share, an annual dividend of SEK 8.00 is paid, divided into four quarterly payments of SEK 2.00 each. The record dates for receipt of dividends of preference shares are (dates from June 2020 shall be proposed to the Annual General Meeting):

- 15 June 2020
- 15 September 2020
- 15 December 2020
- 15 March 2021

