



# Interim Report

## 1 January – 31 March 2024

### FIRST QUARTER 2024

- Net sales increased by 24% to SEK 1,335 million (1,076). In total for the Group, organic sales growth was 10%, excluding currency effects.
- EBITA, increased by 24% to SEK 255 million (206), corresponding to an EBITA margin of 19.1% (19.2)
- Adjusted EBITA increased by 24% to SEK 251 million (203), corresponding to an adjusted EBITA margin of 18.8% (18.9). Organic adjusted EBITA growth for the Group was 5%, excl. currency effects.
- Profit before tax for the Group amounted to SEK 158 (134) million and profit after tax amounted to SEK 107 million (96), of which SEK 106 million (96) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 167 million (98), corresponding to a cash conversion of 72% (45).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 2.71 (2.43). After dilution, earnings per ordinary share amounted to SEK 2.71 (2.43).
- During the period, the acquisition of JR Industries Ltd in the UK was completed.

### SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- On 11 April 2024 Sdipotech acquired all shares in WaterTech of Sweden AB in Sweden.

For detailed information see further Definition of alternative key figures

	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
Net sales, (SEK million)	1,335	1,076	5,078	4,818
Adjusted EBITA <sup>1</sup> , (SEK million)	251	203	970	922
EBITA (SEK million)	255	206	1,012	963
EBIT, (SEK million)	220	178	877	836
Earnings for the period after tax, (SEK million)	107	96	457	446
Earnings per ordinary share after dilution (SEK)	2.71	2.43	11.61	11.33
Adjusted EBITA margin	18.8%	18.9%	19.1%	19.1%
Financial net debt <sup>2</sup> /Adjusted EBITDA, multiple	2.17	2.47	2.17	2.02
Net debt <sup>3</sup> / Adjusted EBITDA, multiple	3.32	3.89	3.32	3.07
Return on capital employed	13.2%	12.2%	13.2%	13.0%
Return on equity	11.7%	14.9%	11.7%	11.6%
Cash flow generation	72%	45%	73%	67%

1) Adjusted EBITA is the Group's adjusted operating profit (previously called EBITA\*), see also Definitions alternative performance measures.

2) Key ratios regarding financial net debt have been changed to include lease liabilities and are based on the liability at the balance sheet date.

3) Key ratios regarding net debt have been changed to be based on the liability at the balance sheet date.

# COMMENTS BY THE CEO

## CONTINUED GROWTH WITH SOLID CASH FLOW

**Sdiptech operates in areas that are generally stable and resilient to economic fluctuations. With good demand and strong market positions, we can demonstrate an organic sales growth of 10 percent for the quarter, as well as an organic profit growth of 5 percent in adjusted EBITA, excluding currency effects. At the same time, we had a steady cash flow from operating activities, which generated SEK 167 million.**

### QUARTER

Demand during the first quarter remained solid, resulting in organic sales growth of 10 percent excluding currency. Acquisitions also contributed, with a total sales increase of 24 percent. The continued stable demand is characterised by the fact that our units operate in sectors that are generally less sensitive to economic fluctuations. Our adjusted EBITA increased by 24 percent, of which 5 percent was organic excluding currency effects.

We continue to work hard to ensure good cash generation. During the first three months of the year, we had a solid cash flow from operating activities of SEK 167 million (98), corresponding to a cash conversion of 72 percent (45). Cash flow was to some extent affected by a continued increase in sales, which generates some inventory build-up and an increased share of accounts receivables.

Our financial net debt, including lease liabilities, in relation to adjusted EBITDA was 2.17 (2.47). This means that we are reducing our debt leverage ratio, even though it increased in the short term compared with year-end due to an acquisition that generates approximately SEK 60 million in EBITA on an annual basis. The total net debt leverage ratio, including provisions for future earn-outs, amounted to 3.32 (3.89).

We increased our profit after tax to SEK 107m (96). At the same time, our earnings per share increased by 12 percent to SEK 2.71 compared with SEK 2.43 last year. It is gratifying to see that we can show a solid increase in earnings all the way down to the bottom line, despite continued high interest rates and an increased tax rate in the UK.

Resource Efficiency's sales growth of 16 percent in the quarter was mainly driven by good sales from several comparable units. At the same time, the business area's adjusted EBITA increased by 25 percent, driven by scalable business models and particularly good growth in units with higher-than-average margins. This generated an adjusted EBITA margin of 24.5 percent (22.7).

Special Infrastructure Solutions' sales increase of 29 percent was primarily due to a majority of the larger comparable units having strong sales growth, with a particularly good growth in the business area's units with lower-than-average margins. In addition, the Group continued to incur some costs for restructuring its two units with exposure to new construction, which had an effect on the business area's profit margin. Overall, this resulted in an increase in adjusted EBITA of 19 percent, and an adjusted EBITA margin of 17.9 percent (19.4).

### ACQUISITIONS

In January, British JR Industries, a leading niche manufacturer in the UK of roller shutter doors for commercial vehicles, was acquired. The company operates in a market with stable underlying growth, driven by electrification of delivery vehicles, e-commerce and fleet adaptation aimed at improved operational efficiency. JR Industries have good opportunities for cooperation with the Group's unit GAH Refrigeration, which manufactures refrigeration systems for transport vehicles. JR Industries is part of the Special Infrastructure Solutions business area.

In April, we acquired the Swedish company WaterTech, which specialises in water chemistry to optimise industrial water systems. The company will work closely with Sdiptech's Danish business unit Kemi-tech to strengthen the offering in industrial water treatment in the Northern European market. Kemi-tech, in its turn, already works closely with Sdiptech's company Water Treatment Products, which is a leading manufacturer of specialised chemicals in the UK. WaterTech is part of the Resource Efficiency business area.

In summary, we are happy to welcome two high-quality companies that complement and strengthen the Sdiptech's existing offerings, and where we as a group can create extra value by facilitating collaborations and Group-wide knowledge synergies.

### OUTLOOK

We continue to benefit from our strong brands and positions in sectors that are in general not cyclical. This makes us optimistic about the future.

We are continuing our acquisition efforts to establish contact with high-quality companies, and we are experiencing a good climate with positive dialogues. We look forward to welcoming more companies that strengthen our offerings and position in the market.

As part of our efforts to reduce risk, maximise our sustainability opportunities and prepare for the Corporate Sustainability Reporting Directive (CSRD), we will conduct a comprehensive screening and analysis of our emissions during the year. This is also an important step towards committing to Science Based Targets initiative (SBTi).

In summary, we feel confident that we will be able to grow in a sustainable way, both organically and through acquisitions.

Finally, I would like to extend a big thank you to all our dedicated employees for your commitment. I would also like to take this opportunity to thank all shareholders for your continued trust in us.

**Bengt Lejdström, President & CEO**

## OVERVIEW OF OPERATIONS

### JANUARY - MARCH

#### Net sales

Net sales amounted to SEK 1,335 million (1,076) during the period. Sales in comparable units, amounted to SEK 1,203 million (1,076), which corresponded to an organic growth of 10% for the period, excl. currency effects.

Non-comparable units contributed SEK 132 million to net sales for the period. Also see Business areas for more detailed information.

#### Earnings

Operating profit, EBIT, increased by 23% and amounted to SEK 220 million (178).

Adjusted EBITA increased by 24% and amounted to SEK 251 million (203) in total for the Group, corresponding to an adjusted EBITA margin of 18.8% (18.9).

Adjusted EBITA in comparable units, amounted to SEK 238 million (221) corresponding to an organic growth of 5%, excl. currency effects. A large proportion of the Group's comparable units showed stronger earnings than in the previous year, with some units with a lower-than-average EBITA margin performing strongly. Non-comparable units contributed SEK 31 million to the profit for the period. All acquired units had earnings in line with or above expectations.

Acquisition costs amounted to SEK -7 million (-2) in connection with acquisition activities during the period. Revaluation of contingent consideration amounted to SEK -0 million (-3) net.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -84 million (-68), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -25 million (-21).

Net financial items consist of exchange rate differences of SEK 3 million (-3) in the quarter and SEK -66 million (-41) in interest expense, of which discount rates relating to contingent considerations of SEK -13 million (-9). The increased interest

costs, is partly due to increased interest rates, corresponding to SEK -9 million, and partly to higher interest-bearing liabilities, corresponding to SEK -9 million. See also Note 3.

Profit after tax increased by 11% and amounted to SEK 107 million (96). The result compared to the previous year was affected i.a. of increased interest costs of SEK -25 million and a higher tax rate in the UK, corresponding to approx. SEK -6 million. Earnings per ordinary share (average number) after deduction for minority and dividend amounted to preferred shares of SEK 2.71 (2.43).

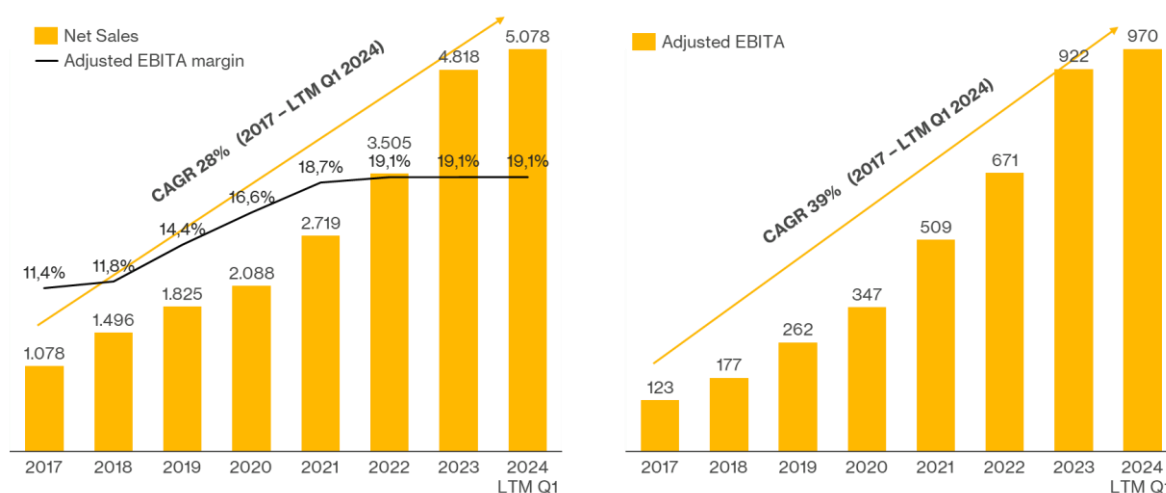
#### Acquisitions

During the first three months of the year, Sdipitech acquired all shares in JR Industries Ltd, a leading British niche manufacturer of roller shutter doors for commercial vehicles. The company has an annual EBIT of approximately GBP 4.5 million. JR Industries will be part of the Special Infrastructure Solutions business area as of January 2024.



Group	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
<b>Adjusted EBITA<sup>1</sup>(SEK m)</b>				
Resource Efficiency	111	89	389	366
Special Infrastructure Solutions	157	133	648	623
<b>Business areas</b>	<b>269</b>	<b>221</b>	<b>1,036</b>	<b>989</b>
Central units	-17	-18	-67	-67
<b>Totalt</b>	<b>251</b>	<b>203</b>	<b>970</b>	<b>922</b>

## The Group's development of net sales, adjusted EBITA<sup>1</sup> and adjusted EBITA margin<sup>1</sup> since 2017



<sup>1</sup> Adjusted EBITA/Adjusted EBITA margin corresponds to the previous designation EBITA\*.

### BUSINESS AREAS AND CENTRAL UNITS

Well-functioning infrastructure is essential for our societies and our everyday lives. However, large parts of Europe's infrastructure is outdated and underinvested. Population growth, climate change and increased striving for more sustainable, efficient and safe societies mean additional pressure on the systems. Examples of areas that we have identified as particularly important for society's development, and thus show a good demand, are water and sanitation, electricity and energy, bioeconomy and waste management, air and climate control, transport and logistics as well as increased safety and security. For a description of the business areas' operations and which companies are included in each business area, see paragraph Description Business Areas.

### THE QUARTER

#### RESOURCE EFFICIENCY

The business area's sales increased by 16% for the quarter to SEK 455 million (391) compared to the previous year. Sales growth is partly attributable to good sales from most comparable units. For example, the Group's operations in the replacement and renovation of electricity and water meters and the rental of temporary electric power had good demand and sales. The Group's operations in the treatment and recycling of biological sludge had also a good increase in turnover.

Acquisitions contributed to sales growth as well. In particular,

the Norwegian unit in the manufacture of mobile hydronic heating solutions had strong sales, which are partly seasonal.

Adjusted EBITA for the quarter increased by 25% to SEK 111 million (89), which was primarily driven by a good organic profit trend in most units, in addition, the development has also been positively driven by acquisitions.

Adjusted EBITA margin increased during the quarter to 24.5% (22.7), driven by scalable business models and particularly good growth in higher-than-average margin units.

Resource Efficiency (SEK m)	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
Net sales	455	391	1,714	1,650
Adjusted EBITA <sup>1</sup>	111	89	345	366
Adjusted EBITA margin <sup>1</sup> %	24.5%	22.7%	22.7%	22.2%

### SPECIAL INFRASTRUCTURE SOLUTIONS

The business area's sales in the quarter increased by 29% to SEK 880 million (685). The increase in sales is mainly due to strong sales in the large comparable units. In particular, the Group's units in forklift attachments, transport refrigeration solutions, and products and services for railway maintenance performed strongly. But also, the units within management of insurance claims and control and monitoring of cooling.

Adjusted EBITA for the quarter increased by 19% to SEK 157 million (133). The good sales growth did not result in

corresponding profit growth as the business area's units with exposure to new construction have found it more difficult to maintain good profitability.

The adjusted EBITA margin decreased during the quarter to 17.9% (19.4). driven by strong performance in lower-than-average margin units. In addition, the units operating in construction and real estate had negative earnings in the quarter due to non-recurring costs.

Special Infrastructure Solutions (SEK m)	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
Net sales	880	685	3,364	3,169
Adjusted EBITA <sup>1</sup>	157	133	648	623
Adjusted EBITA margin <sup>1</sup> %	17.9%	19.4%	19.3%	19.7%

### CENTRAL UNITS – GROUP-WIDE FUNCTIONS

Central units consist of the Group's parent company, Sdiptech AB and the Group's holding companies. The Parent Company's revenue consists of management fees, directed to the subsidiaries for the Parent Company's services. The costs

consist of costs for central functions such as management, acquisition teams, group finance and other central functions.

*Comment:*

Adjusted EBITA was SEK -17 million (-18) for the quarter.

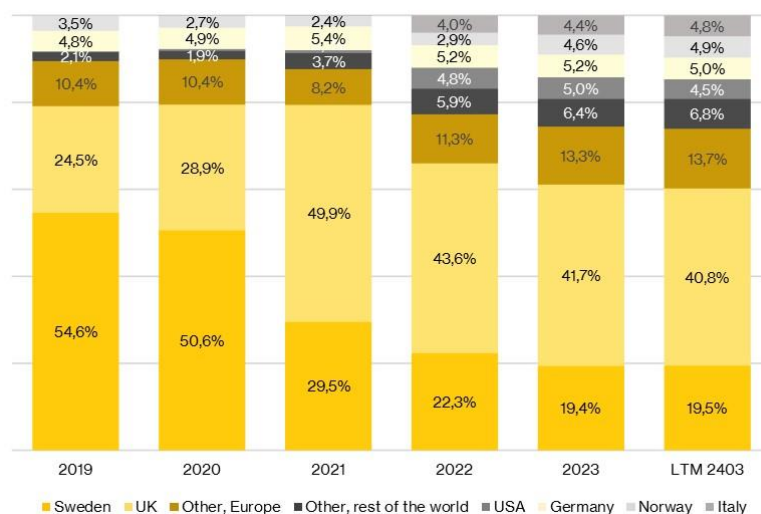
Group-wide functions (SEK m)	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
Adjusted EBITA <sup>1</sup>	-17	-18	-67	-67

<sup>1</sup> Adjusted EBITA/Adjusted EBITA margin corresponds to the previous designation EBITA\*.

### GEOGRAPHICAL DISTRIBUTION OF SALES

Over the years, Sdiptech has acquired business units in Sweden, Norway, Finland, the UK and Croatia (with significant operations in Germany), Netherlands, Italy and in Denmark. The Group's business units have customers primarily locally and regionally in their respective geographies, but some exports also occur.

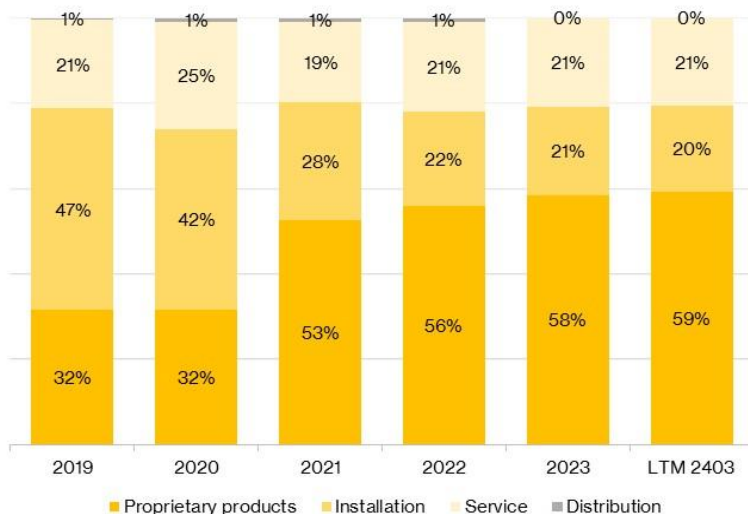
*The Group's turnover, broken down by geography where customers have their main operations.*



### TURNOVER BY TYPE OF REVENUE

Sales of proprietary products have increased from 32 to 59 percent during the period full year 2019 to LTM March 2024. The turnover for service and installation as of 2022 and onwards is mainly related to own products.

*Consolidated sales by type of revenue*



# COMMENTS ON THE FINANCIAL DEVELOPMENT

## FINANCIAL POSITION JANUARY – MARCH

### Cash Flow

Cash flow from operating activities after changes in working capital amounted to SEK 167 million (98) during the period. Cash flow during the period was burdened by increased sales in the form of increased accounts receivable and some inventory build-up for continued expansion. However, the effect is significantly smaller than in the previous year. Cash flow generation, expressed as a percentage of profit before tax adjusted for non-cash items, amounted to 72% (45) during the period.

Cash flow from investing activities amounted to SEK -367 million (-294). The cash flow effect of completed acquisitions during the period amounted to SEK -303 million (-185), also see Note 6. Cash flow related to payment of contingent considerations on acquisitions from previous years, including both instalments as well as final settlement, amounted to SEK -20 million (-69) during the period. Investments in property, plant and equipment amounted to SEK -19 million (-27) and investments in intangible assets of SEK -25 (-13) were made during the period.

Cash flow from financing activities amounted to SEK 63 million (211). Net borrowing amounted to SEK 81 million (219). Dividends on the preference shares amounted to SEK -4 million (-4).

### Liabilities

Interest-bearing liabilities including contingent considerations and lease liabilities amounted to SEK 4,428 million (3,892). The three largest items within interest-bearing liabilities consisted of financial liabilities where of SEK 1,958 million (2,189) in liabilities to credit institutions, SEK 600 million (0) in bond liabilities and SEK 1,383 million (1,271) in deferred payments of purchase prices for acquisitions, so-called contingent consideration payments. It can be noted that a large part of these contingent consideration debt requires an increase in profit compared to today's levels to be paid out.

These contingent considerations are classified as interest-bearing according to IFRS 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. However, a discount interest rate is booked as a financial expense for the period. The Group's Financial expenses includes this interest rate of SEK -13 million (-9) for the period.

Revaluation of agreed contingent considerations, due to a better-than-expected earnings trend in certain units, has resulted in a cost of SEK -0 million (-3). The contingent consideration payments are recognised in accordance with IFRS at the present value of the estimated fair value based on the remaining term and expected outcome. The net of the revaluation is reported under other income or other external expenses.

During the period, the result was charged with SEK -4 million (-3) regarding discount rates in accordance with IFRS16 regarding leasing liabilities.

The net debt, consisting of interest-bearing liabilities with a deduction for cash and cash equivalents, amounted to SEK 3,992 million (3,490). The key figure Net debt as of the balance sheet date in relation to adjusted EBITDA, which is calculated on a rolling twelve-month basis, amounted to 3.32 (3.89) as of March 31.

Net financial debt, according to the calculation method above but excluding contingent consideration charged with debt, amounted to SEK 2,606 million (2,215). The key figure financial net debt as of the balance sheet date in relation to adjusted

EBITDA, which is calculated on a rolling twelve-month basis, amounted to 2.17 (2.47) on 31 March.

### Financing

In August 2023, Sdiptech issued senior secured sustainability-linked bonds of SEK 600 million under a framework of SEK 1,000 million. The bonds mature in August 2027. The link to the group's sustainability goals affects the final redemption amount at maturity, depending on the outcome.

The total utilized credit volume as of 31 March 2024, within the total framework of SEK 2,600 million with our lenders, amounted to a total of approximately SEK 1,900 million. The agreements run at a variable interest rate in 3–6-month intervals. However, the Group has agreements on so-called interest rate swaps, corresponding to approximately 45% of utilised credit volume, with a maturity of 2–4 years and maturing during 2028, to reduce interest rate exposure. Part of the agreed credit volume is linked to the Group's sustainability targets, which may increase or decrease the agreed interest margin depending on the outcome. Together with the Group's cash and cash equivalents of SEK 436 million, there are approximately SEK 1,135 million in available funds for future payments.

In addition, the Group uses currency swaps and forwards to balance exposure to GBP, EUR and NOK. The purpose of these instruments is to balance the actual exposure between assets and liabilities, in the respective currency, which affects net financial items. At the end of the period, the volumes of these instruments amounted to the equivalent of approximately SEK 970 million for GBP, SEK 795 million for EUR and SEK 172 million for NOK.

### Parent Company

The Parent Company Sdiptech AB's internal net sales, containing mainly, management fee amounted to SEK 7 million (6) for the period and profit after financial items amounted to SEK -7 million (-11).

### OTHER INFORMATION

#### Employees

The number of employees at the end of March was 2,361 (2,213). Acquisitions completed during the last twelve months increased the number of employees by 104.

#### Incentive programme

At the 2023 Annual General Meeting, it was resolved on a new incentive program for managers and senior executives regarding warrants of series B. The program comprises 350,000 warrants. The warrants were transferred at a price of SEK 38.30 per option, which corresponds to the market value of the options according to an independent valuation. Exercise can be made on three occasions from June 2026 until November 30, 2026.

As of 31 March, 337,625 warrants of series 2021/2024 and 305,150 warrants of series 2023/2026 were outstanding, after repurchases were made. The subscription price for new B-shares that can be subscribed for with the support of these warrants amounts to SEK 463.00 and SEK 326.40 per share, respectively.

#### Financial 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

In February 2022, Russia's military invaded Ukraine, which in addition to great human suffering also affected global trade and financial markets. For Sdiptech, however, direct business exposure in Russia and Ukraine has been limited. Beyond this, we do not see any significant impact on demand. Ultimately, the long-term economic consequences, including the impact on the financial markets in general and the Group in particular, depend on the duration of the crisis and measures taken by governments, central banks and other authorities. Should the situation worsen as a result of the war in Ukraine, risks such as increased raw material and energy prices, component shortages and availability problems could materialize and have a negative impact on the Group's ability to conduct its business, which would have a negative effect on the Group's earnings and financial position.

The ongoing tensions between Israel and its neighboring countries have so far had limited impact, but if the conflict accelerates and shipping is affected even more in the Red Sea, there is a risk that logistics chains will be affected and deliveries to Sdiptech's companies may delay customer deliveries.

In 2022 and 2023, inflation has risen sharply in most of the countries in which the Group's companies operate. This has resulted in higher prices for input goods and higher personnel costs for the Group's companies, which have largely been compensated for by higher prices to customers. Rising inflation has also led central banks to raise their key interest rates, resulting in increased borrowing costs. This affects the Group to the extent that borrowing rates are variable.

For more detailed information on risk factors, please refer to Note 17 of the Annual Report 2023.

#### Related party transactions

No substantial related party transactions occur within the group.

#### Significant events after the end of the reporting period

On 11 April 2024, Sdiptech acquired all shares in WaterTech of Sweden AB.



#### Sdiptech Annual General Meeting 2024

The 2024 Annual General Meeting will be held on 22 May 2024 at 16.00 at the Royal Swedish Academy of Engineering Sciences (IVA), Grev Turegatan 16, Stockholm. The notice was published in accordance with The Articles of Association, April 18, 2024.

All shareholders who are registered in the share register five days before the meeting may attend in person or by proxy. Notification of participation shall be made to the company in accordance with what is stated in the notice.

#### Annual Report 2023

The Annual Report for 2023 was published through a press release on April 19, 2024.

#### Dividend

The Board of Directors proposes that the Annual General Meeting resolves on a dividend to the preference shareholders in accordance with the articles of association. The Board of Directors further proposes, in line with the dividend policy, that no dividend be paid on ordinary shares of Class A or ordinary shares of Class B but that the remaining profits should be carried forward to have financial readiness for continued acquisitions.



## CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
Net sales	2	1,335	1,076	5,078	4,818
Other operating income	2	39	11	97	70
<b>Total income</b>		<b>1,374</b>	<b>1,087</b>	<b>5,175</b>	<b>4,888</b>
<b>Operating expenses</b>					
Materials, contracting and subcontracting		-535	-423	-2,038	-1,926
Other external expenses		-148	-99	-491	-442
Employee expenses		-387	-319	-1,443	-1,375
Depreciation and amortisation of tangible non-current assets		-49	-49	-40	-191
Depreciation and amortisation of intangible non-current assets		-35	-28	-135	-128
<b>Operating profit</b>		<b>220</b>	<b>178</b>	<b>877</b>	<b>836</b>
<b>Profit/loss from financial items</b>					
Financial income	3	4	1	9	7
Financial expenses		-65	-45	-251	-231
<b>Profit after financial items</b>		<b>158</b>	<b>134</b>	<b>636</b>	<b>612</b>
Tax on profit for the period		-52	-38	-179	-166
<b>Profit for the period</b>		<b>107</b>	<b>96</b>	<b>457</b>	<b>446</b>
<b>Profit attributable to:</b>					
Parent Company's shareholders		106	96	455	444
Non-controlling interests		0	0	2	1
<b>Earnings per share (average number), attributable to the Parent Company's shareholders during the period, less dividends to preference shareholders (in SEK per share)</b>					
Earnings per share (before dilution)		2.71	2.43	11.61	11.33
Earnings per share (after dilution)		2.71	2.43	11.61	11.33
<b>ADJ. EBITA</b>		<b>251</b>	<b>203</b>	<b>970</b>	<b>922</b>
Average number of common shares		37,991,938	37,862,760	37,991,938	37,960,086
Average number of common shares after dilution		37,991,938	37,862,760	37,991,938	37,960,086
Number of ordinary shares at the end of the period		37,991,938	37,991,938	37,991,938	37,991,938

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
<b>Profit for the period</b>	<b>107</b>	<b>96</b>	<b>457</b>	<b>446</b>
<b>Other comprehensive income for the period</b>				
Changes in accumulated translation differences	125	30	75	-19
<b>Comprehensive income for the period</b>	<b>231</b>	<b>126</b>	<b>532</b>	<b>426</b>
<b>Attributable to:</b>				
Parent Company's shareholders	231	126	530	425
Non-controlling interest	0	0	2	1

## CONSOLIDATED BALANCE SHEET

(SEK m)	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>Non-current assets</b>				
<i>Intangible non-current assets</i>				
Goodwill	4	5,067	4,481	4,626
Other intangible assets		1,395	1,171	1,223
<i>Tangible non-current assets</i>				
Tangible non-current assets		467	428	431
Right-of-use assets		476	431	440
<i>Financial non-current assets</i>				
Other financial non-current assets		18	17	16
<b>Total non-current assets</b>		<b>7,423</b>	<b>6,527</b>	<b>6,737</b>
<b>Current assets</b>				
Completed products and goods for resale		749	695	646
Accounts receivable		959	786	827
Other receivables		51	43	63
Current tax assets		33	33	27
Prepaid expenses and accrued income		255	189	249
Cash and cash equivalents		436	402	557
<b>Total current assets</b>		<b>2,482</b>	<b>2,148</b>	<b>2,368</b>
<b>Total assets</b>		<b>9,905</b>	<b>8,676</b>	<b>9,105</b>
<b>Shareholders' equity</b>				
<b>Shareholders' equity attributable to Parent Company's shareholders</b>				
Share capital		1	1	1
Other contributed capital		2,094	2,083	2,094
Profit/loss brought forward including earnings for the period		2,084	1,569	1,857
<b>Total equity attributable to Parent Company's shareholders</b>		<b>4,179</b>	<b>3,654</b>	<b>3,952</b>
Non-controlling interests		5	5	5
<b>Total shareholders' equity</b>		<b>4,185</b>	<b>3,659</b>	<b>3,957</b>
<b>Long term liabilities</b>				
Interest-bearing long-term liabilities	5	3,876	3,651	3,690
Non-interest-bearing long-term liabilities		339	278	280
<b>Total long term liabilities</b>		<b>4,216</b>	<b>3,930</b>	<b>3,970</b>
<b>Short term liabilities</b>				
Interest-bearing short-term liabilities	5	551	241	377
Non-interest-bearing short-term liabilities		953	847	801
<b>Sum short term liabilities</b>		<b>1,505</b>	<b>1,087</b>	<b>1,178</b>
<b>Total liabilities</b>		<b>5,720</b>	<b>5,017</b>	<b>5,148</b>
<b>Total shareholders' equity and liabilities</b>		<b>9,905</b>	<b>8,676</b>	<b>9,105</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(SEK m)	Shareholders' equity attributable to Parent Company shareholders				Non-controlling interests	Shareholders' equity	
	Note	Share capital	Other contr. capital	Retained earnings			Total
<b>Opening balance, January 1 2023</b>		1	2,069	1,447	3,517	5	3,522
Income for the period		-	-	96	96	0	96
Other comprehensive income for the period		-	-	30	30	-	30
<b>Total income for the period</b>		-	-	126	126	0	126
<b>Shareholder transactions</b>							
Dividend paid to preference shareholders	7	-	-	-4	-4	-	-4
Share issue of ordinary shares series B		-	14	-	14	-	14
<b>Total shareholder transactions</b>		-	14	-4	11	-	11
<b>Closing balance, March 31, 2023</b>		1	2,083	1,569	3,654	5	3,659
<b>Opening balance, January 1 2023</b>		1	2,083	1,569	3,654	5	3,659
Income for the period		-	-	349	349	1	350
Other comprehensive income for the period		-	-	-49	-49	-	-49
<b>Total income for the period</b>				299	299	1	301
<b>Shareholder transactions</b>							
Dividend paid to preference shareholders	7	-	-	-11	-11	-	-11
Share issue of ordinary shares series B		-	-	-1	-1	-1	-3
Share issue expenses		-	0	-	0	-	0
Option premiums		-	-1	-	-1	-	-1
Dividend paid to non-controlling interests		-	12	-	12	-	12
<b>Total shareholder transactions</b>		-	11	-12	-1	-1	-2
<b>Closing balance, December 31, 2023</b>		1	2,094	1,857	3,952	5	3,957
<b>Opening balance, January 1 2024</b>		1	2,094	1,857	3,952	5	3,957
Income for the period		-	-	106	106	0	107
Other comprehensive income for the period		-	-	125	125	-	125
<b>Total income for the period</b>				231	231	0	231
<b>Shareholder transactions</b>							
Dividend paid to preference shareholders	7	-	-	-4	-4	-	-4
<b>Total shareholder transactions</b>		-	14	-4	11	-	11
<b>Closing balance, March 31, 2024</b>		1	2,094	2,084	4,179	5	4,185

## CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
<b>Continued operations</b>			
Earnings after financial items	158	134	612
Adjustment for items not included in cash flow <sup>1)</sup>	73	85	315
Paid taxes	-57	-42	-198
<b>Cash flow from continuing operations before change in working capital</b>	<b>174</b>	<b>177</b>	<b>729</b>
<b>Cash flow from change in working capital</b>			
Increase(-)/decrease(+) in stock	-11	-69	-20
Increase(-)/decrease(+) in operating receivables	-26	-72	-183
Increase(+)/decrease(-) in operating liabilities	30	62	93
<b>Cash flow from current operations</b>	<b>167</b>	<b>98</b>	<b>619</b>
<b>Investing activities</b>			
Acquisitions of subsidiaries	-303	-185	-403
Acquisitions of subsidiaries, paid contingent considerations	-20	-69	-182
Acquisitions of intangible non-current assets	-25	-13	-78
Acquisitions of tangible non-current assets	-19	-27	-112
<b>Cash flow from investing activities</b>	<b>-367</b>	<b>-294</b>	<b>-775</b>
<b>Financing activities</b>			
Warrant program	-	-	12
New share issue	-	14	14
Loans raised	150	754	1,628
Amortisation of loans	-57	-536	-1,228
Amortisation of lease liability	-27	-19	-82
Dividends paid	-4	-4	-16
<b>Cash flow from financing activities</b>	<b>63</b>	<b>211</b>	<b>327</b>
<b>Cash flow for the period</b>	<b>-137</b>	<b>15</b>	<b>171</b>
Cash and cash equivalents at beginning of year	557	383	383
Exchange rate difference in cash and cash equivalents	16	4	3
<b>Cash and cash equivalents at end of period</b>	<b>436</b>	<b>402</b>	<b>557</b>

1) Adjustment for items included in profit or loss after financial items but which are not cash flow affecting consists substantially of depreciation and amortization, unrealized exchange gains/losses and revaluation of. contingent considerations.

## PARENT COMPANY INCOME STATEMENT

(SEK m)	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
Net sales	7	6	26	25
Other operating income	-	-	1	1
<b>Total income</b>	<b>7</b>	<b>6</b>	<b>27</b>	<b>26</b>
<b>Operating expenses</b>				
Other external expenses	-5	-5	-24	-23
Employee expenses	-16	-17	-61	-61
Depreciation of tangible and intangible non-current assets	-0	-0	-1	-1
<b>Operating profit</b>	<b>-15</b>	<b>-15</b>	<b>-58</b>	<b>-59</b>
<b>Profit/loss from financial items</b>				
Financial income	21	4	31	14
Financial expenses	-14	-0	-32	-18
<b>Profit/loss after financial items</b>	<b>-7</b>	<b>-11</b>	<b>-59</b>	<b>-63</b>
Group contributions received	-	-	70	70
Tax on profit	-	-	-2	-2
<b>Profit/loss for the period</b>	<b>-7</b>	<b>-11</b>	<b>10</b>	<b>6</b>

## PARENT COMPANY BALANCE SHEET

(SEK m)	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>Non-current assets</b>			
<i>Intangible non-current assets</i>			
Other intangible non-current assets	-	0	-
<i>Tangible non-current assets</i>			
Tangible non-current assets	1	1	1
<i>Financial non-current assets</i>			
Financial non-current assets	0	0	0
Receivables. Group companies	2,647	2,111	2,578
<b>Total non-current assets</b>	<b>2,648</b>	<b>2,113</b>	<b>2,579</b>
<b>Current assets</b>			
Receivables. Group companies	1,418	1,145	1,319
Other receivables	4	-	2
Prepaid expenses and accrued income	13	3	14
Cash and cash equivalents	16	14	7
<b>Total current assets</b>	<b>1,451</b>	<b>1,161</b>	<b>1,342</b>
<b>Total assets</b>	<b>4,099</b>	<b>3,274</b>	<b>3,921</b>
<b>Shareholders' equity</b>			
Share capital	1	1	1
Share premium reserve	2,094	2,083	2,094
Retained earnings including profit/loss for the period	214	218	224
<b>Total shareholder's equity</b>	<b>2,309</b>	<b>2,302</b>	<b>2,320</b>
<b>Liabilities</b>			
Other long-term interest-bearing liabilities	1,360	887	1,310
Short-term liabilities to Group companies	-	5	-
Short-term liabilities	430	80	291
<b>Total liabilities</b>	<b>1,790</b>	<b>972</b>	<b>1,601</b>
<b>Total equity and liabilities</b>	<b>4,099</b>	<b>3,274</b>	<b>3,921</b>

## 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 bases have been applied for the Group and the Parent Company as in the preparation of the most recent annual report for the 2023 financial year.

As a result of rounding off, differences in summaries may appear in the interim report.

### New and amended standards for the financial year 2024

New or amended IFRS are not expected to have any significant effects.

### NOTE 1 IMPORTANT ESTIMATES AND ASSUMPTIONS ON APPLICATION OF THE GROUP'S ACCOUNTING PRINCIPLES

Estimates and assumptions are continuously assessed based on historical experience and other factors, including expectations of future events considered reasonable under prevailing conditions. For more detailed information, please refer to Note 1 of the Annual Report 2023.

### Valuation of financial assets and liabilities

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. Goodwill is reported in the consolidated balance sheet at acquisition value minus any accumulated write-downs.

Financial assets and liabilities in the balance sheet are reported at acquisition value, unless otherwise stated.

In the case of acquisitions, components of the purchase consideration are usually linked to the acquired company's financial results for a period after the acquisition. The book value of liabilities to sellers in the form of contingent consideration can be affected both positively and negatively because of assessments of each company's financial results for the remaining period. Liabilities for contingent additional purchase prices that arise in business acquisitions are measured at fair value through profit or loss.

### NOTE 2 SEGMENT REPORTING

Sdiptech reports profit from operations in two segments: Resource Efficiency and Special Infrastructure Solutions.

### RESOURCE EFFICIENCY

Companies within Resource Efficiency provide niche products and services that contribute to the use of resources, such as water, energy, minerals, forest and food, in an efficient and sustainable way. The main geographic markets are northern Europe and the United Kingdom.

### SPECIAL INFRASTRUCTURE SOLUTIONS

The companies within Special Infrastructure Solutions provide niche products and services for specialised needs in air and climate control, safety and surveillance and transport systems. The main geographic markets are northern Europe and the United Kingdom.

### Central units – Group-wide functions

Group-wide functions and eliminations consist of the Group's Parent Company, Sdiptech AB, the Group's holding companies, which also includes items affecting earnings, such as revaluation of contingent consideration and write-down of goodwill.

### Segment information. Group

	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
<b>Net Sales (SEK m)</b>				
Resource Efficiency	455	391	1,714	1,650
Special Infrastructure Solutions	880	685	3,364	3,169
<b>Total Net Sales</b>	<b>1,335</b>	<b>1,076</b>	<b>5,078</b>	<b>4,818</b>
	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
<b>Operating profit (SEK m)</b>				
Resource Efficiency	103	83	351	331
Special Infrastructure Solutions	142	119	582	559
<b>Segment total</b>	<b>244</b>	<b>201</b>	<b>933</b>	<b>889</b>
Central units	-25	-23	-56	-54
<b>Total EBIT</b>	<b>220</b>	<b>178</b>	<b>877</b>	<b>836</b>
Net financials	-62	-44	-241	-224
<b>Profit before tax</b>	<b>158</b>	<b>134</b>	<b>636</b>	<b>612</b>

Revenue from agreements with customers (SEK m)	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
<i>Resource Efficiency</i>				
Products	320	285	1,191	1,156
Installation, direct	78	60	318	300
Installation, over time	4	7	15	18
Service, direct	47	33	136	122
Service, over time	6	7	53	55
<b>Sum Sales Resource Efficiency</b>	<b>455</b>	<b>391</b>	<b>1,714</b>	<b>1,650</b>
<i>Special Infrastructure Solutions</i>				
Products	497	349	1,810	1,662
Installation, direct	63	71	284	292
Installation, over time	94	57	415	379
Service, direct	200	183	744	727
Service, over time	27	25	112	110
<b>Sum Sales Special Infrastructure Solutions</b>	<b>880</b>	<b>685</b>	<b>3,364</b>	<b>3,169</b>
<i>Sum Products</i>	817	634	3,001	2,818
<i>Sum Installation, direct</i>	141	131	602	477
<i>Sum Installation, over time</i>	98	64	431	511
<i>Sum Service, direct</i>	246	215	879	848
<i>Sum Service, over time</i>	33	32	165	164
<b>Total sales</b>	<b>1,335</b>	<b>1,076</b>	<b>5,078</b>	<b>4,818</b>
<b>Other income (SEK m)</b>	<b>Jan-Mar 2024</b>	<b>Jan-Mar 2023</b>	<b>LTM Mar 2024</b>	<b>Jan-Dec 2023</b>
Resource Efficiency	4	6	16	18
Special Infrastructure Solutions	8	5	25	23
<b>Business areas</b>	<b>12</b>	<b>11</b>	<b>42</b>	<b>41</b>
Central units	-	-	29	29
<b>Total other income</b>	<b>12</b>	<b>11</b>	<b>70</b>	<b>70</b>

### NOTE 3 FINANCIAL INCOME AND COST

(SEK m)	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
<i>Financial income</i>				
Interest income	3	0	8	5
Net exchange gain	3	-	-	-
Other financial income	0	0	2	2
<b>Total financial income</b>	<b>6</b>	<b>1</b>	<b>9</b>	<b>7</b>
<i>Financial cost</i>				
Interest expense on financial liabilities to credit institutions	-49	-30	-179	-160
Discount rate for lease liabilities	-4	-3	-14	-13
Discount rate on contingent considerations	-13	-9	-43	-39
Exchange rate difference	-	-3	-9	-14
Other financial cost	-2	-1	-6	-5
<b>Total financial cost</b>	<b>-68</b>	<b>-45</b>	<b>-251</b>	<b>-231</b>
<b>Net financial cost</b>	<b>-62</b>	<b>-44</b>	<b>-241</b>	<b>-224</b>

The Group's net financial items consist of interest expenses divided into interest expenses relating to financial liabilities to credit institutions and bondholders as well as discount rates regarding leasing liabilities in accordance with IFRS 16 and contingent consideration. These conditional purchase 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. It can be noted that a large part of these debt-charged contingent considerations, as a rule of thumb 40%, require an increase in profit compared to today's levels, in order to be paid out. In addition, the Group is affected by exchange rate differences regarding internal and external loans in foreign currency.



**NOTE 4 GOODWILL**

(SEK m)	31 Mar 2024	31 Mar 2023	31 Dec 2023
Opening balance	4,626	4,299	4,299
Acquisitions for the period	263	114	295
Adj. of preliminary acquisition analysis	-	17	22
Currency translation effects	178	52	10
<b>Carrying amount at end of period</b>	<b>5,067</b>	<b>4,481</b>	<b>4,626</b>

Compared with 31 December 2023, goodwill has increased by a total of SEK 441 million and amounted to SEK 5,067 million as of 31 March 2024.

**NOTE 5 INTEREST-BEARING LIABILITIES**

(SEK m)	31 Mar 2024	31 Mar 2023	31 Dec 2023
Liabilities to credit institutions and bonds	2,538	2,163	2,407
Leases	373	337	349
Contingent consideration	964	1,149	932
Other non-current liabilities	2	3	3
<b>Total non-current interest-bearing liabilities</b>	<b>3,876</b>	<b>3,651</b>	<b>3,690</b>
Liabilities to credit institutions	20	26	17
Leases	111	92	98
Contingent consideration	419	122	261
Other current liabilities	1	1	1
<b>Total current interest-bearing liabilities</b>	<b>551</b>	<b>241</b>	<b>377</b>

Contingent consideration payments refer to various types of obligations to the selling party that are linked to conditions based on the acquired company's results for a specific period after the acquisition. The contingent purchase prices are classified as Level 3 in the fair value hierarchy. The liabilities are reported at the present value of the expected outcome based on the assessed fair value at the balance sheet date based on outcomes and future forecast, and largely requires an increase in profit compared to today's levels, in order to have to be paid out.

Contingent consideration (SEK m)	31 Mar 2024	31 Mar 2023	31 Dec 2023
Opening balance	1,193	1,266	1,266
Acquisitions	155	46	85
Paid purchase considerations relating previous acq	-20	-69	-186
Interest expenses (discount on present value calc.)	13	9	39
Revaluation via operating profit	0	3	-16
Exchange differences	41	15	6
<b>Carrying amount at period end</b>	<b>1,383</b>	<b>1,271</b>	<b>1,193</b>

The contingent consideration is recognized in accordance with IFRS at the present value of estimated fair value based on the remaining maturity and expected outcome. The contingent consideration is discounted by calculating present value.

Repayment periods, contractual values (non-discounted)	Year 2024	Year 2025-2026	Year 2027-2029	After year 2029
<b>As of 31 March 2024 (SEK m)</b>	<b>258</b>	<b>791</b>	<b>356</b>	<b>116</b>
Contingent consideration	258	791	356	116

**NOTE 6 BUSINESS ACQUISITIONS**

<b>PRELIMINARY ACQUISITION ANALYSIS, regarding acquisitions during January to March 2024 (SEK m)</b>		
	<b>JR Industries Ltd<sup>1</sup></b>	<b>Sum</b>
Intangible non-current assets	-	-
Tangible non-current assets	19	19
Right of use assets	16	16
Other fixed assets	-	-
Inventories and work in progress	64	64
Cash and cash equivalents	18	18
Trade receivables <sup>2</sup>	56	56
Other current assets	7	7
Deferred tax	2	2
Other non-current liabilities	-1	-1
Current tax liability	-20	-20
Other current liabilities	-51	-51
<b>Net identifiable assets and liabilities</b>	<b>110</b>	<b>110</b>
Consolidated goodwill	263	263
Brand and trademarks	26	26
Customer relations	110	110
IP rights	-	-
Deferred tax liabilities	-33	-33
<b>Total estimated purchase price</b>	<b>476</b>	<b>476</b>
Cash and cash equivalents	321	321
Contingent consideration	155	155
<b>Total remuneration</b>	<b>476</b>	<b>476</b>
<b>Liquidity impact on the Group</b>	<b>JR Industries Ltd<sup>1</sup></b>	<b>Sum</b>
Cash and cash equivalents acquired	18	18
Remuneration transferred	-321	-321
<b>Total cash impact</b>	<b>-303</b>	<b>-303</b>
<b>Other information <sup>3</sup></b>	<b>JR Industries Ltd<sup>1</sup></b>	<b>Sum</b>
Run rate, turnover	319	319
Run rate profit before tax	60	60
<b>Contribution of the acquired entities to Group turnover and profit (SEK million)</b>	<b>JR Industries Ltd<sup>1</sup></b>	<b>Sum</b>
Acquired units' contribution to the Group's turnover	83	83
Acquired units' contribution to the Group's profit before tax	4	4
Where of:		
Transaction costs	-7	-7
Amortisation and impairment of intangible assets	-1	-1

<sup>1)</sup> JR Industries Ltd (Gwindy Ltd) with subsidiaries

<sup>2)</sup> The receivables are measured at fair value no provision for bad debts is recognized

<sup>3)</sup> Run rate is based on sales and operating profit before tax, on a 12-month basis, at the time of acquisition. For foreign acquisitions, the result has been recalculated based on the price at the time of acquisition.

**Acquisition accounting**

The acquisition analysis is preliminary. The acquisition analysis is kept open for 12 months from the date of entry. During the period, adjustments of the preliminary amounts recognized at the time of acquisition based on new information about the facts and circumstances that existed at the time of acquisition and which, if known, would have affected the calculation of the amounts recognised at that time.

Goodwill consists of the amount by which the consolidated cost of shares in acquired subsidiaries exceeds the fair value of the company's net assets recognised in the acquisition analysis at the time of acquisition and is mainly attributable to synergies and other intangible assets that do not meet the criteria for separate recognition. Goodwill relates to the expected contribution of the acquired entity to complement and broaden the Group's offering, sales channels and synergies in infrastructure and contribute to the Group's continued growth.

Acquisition-related expenses, known as transaction costs, are expensed as incurred. These costs, together with costs for divestments, are recognized in the income statement under the item "Other external costs". Acquisition and divestment costs for the period January to March 2024 amounted to SEK 7 million (2) including stamp fee amounting to SEK 3 million (0), see also page Alternative performance measures.

**Description of acquisitions during the period January – March 2024**

On 24 January, Sdipotech acquired all shares in the British company JR Industries Ltd with subsidiaries in France and Germany. Founded in 1970 and headquartered in Caerphilly, Wales, JR Industries has established itself as a leading manufacturer of roller shutter doors for commercial vehicles in Europe. The company offers a wide range of tailor-made products that increase the efficiency and safety of loading and unloading goods from vehicles. This includes the development of robust roller shutter door solutions and flexible partitions for refrigerated vehicles that are adaptable to different configurations.

JR Industries' market has solid underlying growth driven by the electrification of delivery vehicles, the ongoing rise of e-commerce, and an increasing trend in fleet customization aimed at improving operational efficiency.

At the time of the acquisition, JR Industries has 87 employees. The company is Sdipotech's thirteenth business unit in the UK and will be part of the Special Infrastructure Solutions business area from January 2024.

Sdipotech an initial consideration of GBP 26 million on the closing date, which is financed with own funds and an existing credit facility. The final purchase price, which will be settled at the end of a four-year earn-out period, is dependent on the company's earnings trend. A final total purchase price that is higher than the current level requires a higher profit level than the current one. The estimated contingent consideration for JR Industries amounts to SEK 155 million at the time of acquisition after present value calculation. The valuation is based on an assessment of the probable outcome based on forecasts for the company from the date of acquisition until the end of the period of the contingent consideration.

**NOTE 7 DIVIDENDS**

In March 2015, 1,750,000 preference shares were issued with an issue price of SEK 100 per share. Dividend amounts to SEK 8 per year, divided into quarterly payments. Redemption price is SEK 120 during 0-24 months after the exhibition, SEK 110 during month 25-48., and SEK 105 thereafter. Dividends on preference shares require a general meeting resolution. The holders of the preference shares have no right to demand redemption or demand a dividend. The dividend on preference shares is regulated in the Articles of Association. The dividend amounts to SEK 14.0 million annually, divided into SEK 3.5 million per quarter, with payment in March, June, September and December.

## COMPANIES PER BUSINESS AREA

### RESOURCE EFFICIENCY

The companies within Resource & Efficiency provide niche products and services that contribute to the use of resources, such as water, energy, minerals, forests and food, in an efficient and sustainable manner. The principal geographic markets today is Northern Europe, the United Kingdom and Italy.

#### The companies included in Resource & Efficiency (in alphabetical order)

- Agrosistemi Srl Treatment and recovery of biological sludge
- CentralByggarna Sverige 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
- HeatWork AS Manufacturing of mobile hydronic heating solutions
- Hydrostandard Mätteknik Nordic AB Replacement, renovation and calibration of water meters
- IDE Systems Ltd and IDE Rental Ltd Temporary power distribution and monitoring systems
- Kemi-tech ApS (as of Jul-23) Tailored chemical solutions for industrial water treatment
- 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
- Rolec Services Ltd (One Stop Europe Ltd) Development and manufacture of charging equipment and systems for electric vehicles
- 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 Preparation and manufacture of water treatment products

### 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 United Kingdom.

#### The companies included in Infrastructure Solutions (in alphabetical order):

- Alerter Group Ltd Emergency communications systems for disabled people
- Auger Site Investigations Ltd Specialised in claims management of underground infrastructure
- Castella Entreprenad AB Contracts for shell completion and internal plaster walls
- Certus Technologies Holding B.V. Systems for automation in ports, terminals and logistics distribution center
- Cliff Models AB Prototypes for industrial product development
- Cryptify AB Software solution for secure communication
- e-I-m- Kragelund A/S Development and manufacturing of innovative attachments for forklifts
- Frigotech AB Installation and service of refrigeration units
- GAH (Refrigeration) Ltd Manufacture and service of transportation refrigeration solutions
- JR Industries Ltd (as of Jan -24) Manufacture of roller shutter doors and partitions for commercial vehicles
- Oy Hilltip Ab Manufacturer of road maintenance equipment, special winter
- KSS Klimat & Styrsystem AB Indoor climate control, ventilation and energy efficiency
- Medicvent AB System for evacuation of noxious gases
- Mecno Services S.r.l. Railway maintenance products and services
- Metus d.o.o. Production of special elevators for customer-specific needs and resource supply to global elevator manufacturers
- Optyma Security Systems Ltd Integrated security systems for public and private environments
- Patol Ltd Designs and manufactures products for fire, smoke and heat detection
- RedSpeed International Ltd Digital cameras for speed monitoring and traffic enforcement
- Resource Data Management Ltd Specialist product provider within refrigeration control and monitoring
- Storadio Aero AB Infrastructure and operational liaison centre for backup air traffic
- TEL UK Ltd Communications and radio-based services for shipping
- Thors Trading AB Design and manufacture of electronic airflow monitor and control
- Durable products in hard metal material for racing and harness racing

## DEFINITIONS ALTERNATIVE PERFORMANCE MEASURES

Sdipitech presents alternative financial ratios in addition to the financial ratios established by IFRS to better understand the development of the business and the financial position. However, such ratios shall not be considered as a substitute for the key ratios required under IFRS. The alternative key figures presented in this report are described below.

<b>Adjusted EBITA<sup>1</sup></b>	Adjusted EBITA is the Group's operating performance measure and is calculated as EBITA before acquisition costs and disposal costs and before profit from revaluation of contingent consideration and sale results from divestments. Items affecting non-material corrections to previous years' results in the subsidiaries; less depreciation and amortization that are not acquisition-related but relate to the operating units' intangible assets.  The key ratio increases the comparability of EBITA over time as it is adjusted for the impact of items affecting comparability. The key figure is also used in the internal follow-up and constitutes a central financial objective for the business.
<b>Adjusted EBITA-margin<sup>1</sup></b>	Adjusted EBITA in relation to net sales.
<b>EBITDA</b>	Operating profit before depreciation and impairment losses.
<b>Adjusted EBITDA</b>	Adjusted EBITDA is calculated as EBITDA before acquisition and disposal costs and before gains from revaluation of contingent consideration and capital gains from divestments, items affecting comparability relating to non-material corrections of previous years in the subsidiaries.
<b>EBITA</b>	Operating profit after depreciation and amortisation of tangible fixed assets before impairment.  The key ratio enables comparisons of profitability over time regardless of amortisation and impairment of acquisition-related intangible assets and independent of the corporate tax rate and the company's financing structure. That said, depreciation of tangible assets is included, which is a measure of the consumption of resources necessary to generate earnings.
<b>Financial net debt/ Adjusted EBITDA</b>	Calculated as net financial liability on the balance sheet date to credit institutions and other financial liabilities, such as outstanding bonds, as well as lease liabilities (largely discounted leases), in relation to adjusted EBITDA for the last four quarters. Financial net debt includes current and non-current interest-bearing liabilities less cash and cash equivalents, but excluding interest-bearing liabilities related to the contingent purchase price.
<b>Net debt /Adjusted EBITDA</b>	Net debt as of the balance sheet date, in relation to adjusted EBITDA for the last four quarters. Net debt includes current and non-current interest-bearing liabilities less cash and cash equivalents. Parts of the interest-bearing liabilities are related to the conditional purchase price for acquisitions, which are settled at the end of the vesting periods depending on the earnings trend during these periods. Paying the liability at the full current book value requires a higher level of profit or loss than the current level.
<b>Capital employed</b>	Calculated as average shareholders' equity and interest-bearing net debt for the past four quarters less cash and cash equivalents and short-term investments.
<b>Return on capital employed (ROCE)</b>	Calculated as EBITA for the last four quarters at the relevant closing date, in relation to the average capital employed for the last four quarters at the closing date.
<b>Return on equity</b>	Calculated as the average profit after tax attributable to shareholders, adjusted for dividends to preference shares, for the last four quarters, in relation to the average equity attributable to shareholders adjusted for preference capital for the last four quarters at the balance sheet date.
<b>Cash flow generation</b>	Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.
<b>Earnings per ordinary share (number share per end of period)</b>	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the number of ordinary shares per the end of the period.

<sup>1</sup> Adjusted EBITA/Adjusted EBITA margin corresponds to the previous designation EBITA\*.

## ALTERNATIVE PERFORMANCE MEASURES

Alternative key figures are presented in the interim report for monitoring the group's operations. The alternative key figures presented in this interim report relate to adjusted EBITA<sup>1</sup>, adjusted EBITDA, net debt/adjusted EBITDA, net financial debt/adjusted EBITDA, return on capital employed, cash flow generation, earnings per common share and diluted earnings per common share.

### Adjusted EBITA<sup>1</sup>

Adjusted EBITA consists of EBITA before acquisition costs and before amortisation and write-downs of intangible fixed assets that arose in connection with acquisitions as well as before remeasurements of contingent consideration payments and write-downs of goodwill. Amortisation and write-downs of intangible assets that are not acquisition-related but derive from the operating units' intangible assets are not reversed. Apart from this, items affecting comparability relating to non-material adjustments of previous years' net profit in subsidiaries have been highlighted.

Acquisition and divestment costs, which mainly relate to external consultants, are expensed during the periods in which they arise, and the services are performed.

### Adjustment items for adjusted EBITA<sup>1</sup>

The costs and revenues that are excluded when calculating ADJ. EBITA have historically amounted to the amounts below:

Acquisition costs (SEK m)	Q1	Q2	Q3	Q4	Total
2024	-7				-7
2023	-2	-2	-4	-6	-13
2022	-4	-11	-1	-7	-22

Adjustment of liability for earnouts (SEK m)	Q1	Q2	Q3	Q4	Total
2024	-0				-0
2023	-3	-0	27	-7	17
2022	-6	38	29	1	62

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. The fact that these items vary over time is due to the development of the participating companies and future forecasts. An evaluation of this development compared with book values takes place every quarter and can result in various remeasurements that affect earnings. These adjustments are made so that the book values are as close to the fair values as possible. see also Note 1.

For acquisitions, part of the purchase price is allocated to goodwill and amortisable intangible assets, also see Note 4. The heading "Amortisation and write-downs of intangible fixed assets" includes any write-downs of goodwill. Amortisation, which is a result of Sdipitech allocating part of the purchase price to acquired intangible assets, such as trademarks, product rights, customer relations, etc. in connection with acquisitions, is also included under the heading. These assets are amortised over time, resulting in a cost. This type of allocation and resulting amortisation has increased over time and is expected to continue increasing in line with new acquisitions. As a rule of thumb, it can be stated that new amortisation of intangible assets that have arisen in connection with new acquisitions, is added at about 2% per year of the additional acquired companies' purchase price.

Effects on adjusted EBITA, compared to EBITA, are distributed as follows:

Adjusted EBITA to EBIT bridge (SEK m)	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
<b>Adjusted EBITA<sup>1</sup></b>	<b>251</b>	<b>203</b>	<b>970</b>	<b>922</b>
Adjustment of liability for earnouts	-0	-3	19	17
Acquisition and divestment cost	-7	-2	-19	-13
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	11	7	41	38
<b>EBITA</b>	<b>255</b>	<b>206</b>	<b>1,012</b>	<b>963</b>
Non-acquisition-related amortization and write-downs of intangible fixed assets	-11	-7	-41	-38
Acquisition-related amortization and write-downs of intangible fixed assets	-25	-21	-94	-90
<b>EBIT</b>	<b>220</b>	<b>178</b>	<b>877</b>	<b>836</b>

<sup>1</sup> Adjusted EBITA/Adjusted EBITA margin corresponds to the previous designation EBITA\*.

**Adjusted. EBITA-margin<sup>1</sup>**

ADJ. EBITA in relation to Net Sales

	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
<b>Adjusted EBITA<sup>1</sup> in relation to Net Sales (SEK m)</b>				
Adjusted EBITA <sup>1</sup>	251	203	970	922
Net Sales	1,335	1,076	5,078	4,818
<b>Adjusted EBITA margin<sup>1</sup> %</b>	<b>18.8%</b>	<b>18.9%</b>	<b>19.1%</b>	<b>19.1%</b>

**EBITDA**

Operating profit before depreciation and impairment losses.

	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
<b>EBITDA (SEK m)</b>				
Operating profit	220	178	877	836
Depreciation and amortisation of tangible non-current assets	49	40	191	183
Depreciation and amortisation of intangible non-current assets	35	28	135	128
<b>EBITDA</b>	<b>304</b>	<b>247</b>	<b>1,203</b>	<b>1,146</b>
Adjustment of liability for earnouts	0	3	-19	-17
Acquisition and divestment cost	7	2	19	13
<b>Adjusted EBITDA</b>	<b>311</b>	<b>251</b>	<b>1,203</b>	<b>1,143</b>

**Financial net debt/Adjusted EBITDA**

Calculated as financial net debt to credit institutions and other financial liabilities at the balance sheet date, in relation to adjusted EBITDA for the last four quarters. Net financial debt includes current and non-current interest-bearing liabilities, including lease liabilities, less cash and cash equivalents, but excluding interest-bearing liabilities related to the conditional purchase price.

	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
<b>Interest-bearing financial net debt (SEK m)</b>					
Liabilities to credit institutions	1,958	1,823	1,873	2,310	2,189
Bonds	600	600	600	-	-
Leases	484	447	448	406	428
<b>Sum Interest-bearing financial debt</b>	<b>3,042</b>	<b>2,870</b>	<b>2,921</b>	<b>2,716</b>	<b>2,618</b>
Cash and cash equivalents	-436	-557	-480	-408	-402
<b>Interest-bearing financial net debt</b>	<b>2,606</b>	<b>2,313</b>	<b>2,442</b>	<b>2,308</b>	<b>2,215</b>

	LTM Mar 2024	LTM Mar 2023	Full year 2023
<b>Financial net debt in relation to Adjusted EBITDA (SEK m)</b>			
Interest-bearing financial net debt	2,606	2,215	2,314
Adjusted EBITDA	1,203	898	1,143
<b>Financial net debt/Adjusted EBITDA</b>	<b>2.17</b>	<b>2.47</b>	<b>2.02</b>

**Net debt/Adjusted EBITDA**

Calculated as net debt at the balance sheet date, in relation to adjusted EBITDA for the last four quarters. Net debt includes current and non-current interest-bearing liabilities less cash and cash equivalents. Parts of the interest-bearing liabilities are related to the conditional purchase price for acquisitions, which are settled at the end of the vesting periods depending on the earnings trend during these periods. Paying the liability at the current book value requires a higher level of profit than the current level.

	31 Dec 2023	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
<b>Interest-bearing net debt (SEK m)</b>					
Sum Interest-bearing financial debt	3,042	2,870	2,921	2,716	2,617
Contingent consideration	1,385	1,195	1,228	1,241	1,274
Other non-current liabilities	1	1	1	1	1
<b>Sum Interest-bearing liabilities</b>	<b>4,428</b>	<b>4,067</b>	<b>4,150</b>	<b>3,958</b>	<b>3,892</b>
Cash and cash equivalents	-436	-557	-480	-408	-402
<b>Interest-bearing net debt</b>	<b>3,992</b>	<b>3,510</b>	<b>3,670</b>	<b>3,550</b>	<b>3,490</b>

	LTM Mar 2024	LTM Mar 2023	Full year 2023
<b>Average net debt in relation to EBITDA (SEK m)</b>			
Interest-bearing net debt	3,992	3,490	3,510
EBITDA	1,203	898	1,143
<b>Net debt/EBITDA</b>	<b>3.32</b>	<b>3.89</b>	<b>3.07</b>

**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 2024	Q4 2023	Q3 2023	Q2 2023
Interest-bearing net debt	3,681	3,992	3,510	3,670	3,550
Shareholders' equity	4,006	4,185	3,957	3,964	3,918
<b>Capital employed</b>	<b>7,686</b>	<b>8,177</b>	<b>7,466</b>	<b>7,634</b>	<b>7,468</b>

### Return on capital employed (ROCE)

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 Mar 2024	LTM Mar 2023	Full year 2023
EBITA	1,012	795	963
Capital employed	7,686	6,521	7,429
<b>Return on capital employed %</b>	<b>13.2%</b>	<b>12.2%</b>	<b>13.0%</b>

### Return on equity

Calculated as average profit after tax, attributable to the Parent Company's shareholders, adjusted for dividend to preference shares, for the four most recent quarters in relation to average equity, attributable to the Parent Company's shareholders, 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 Mar 2024	LTM Mar 2023	Full year 2023
Profit after tax, adjusted	446	433	430
Equity	3,826	3,030	3,694
<b>Return on capital employed %</b>	<b>11.7%</b>	<b>14.3%</b>	<b>11.6%</b>

### Cash flow generation

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

Cash flow generation %	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
EBT	158	134	636	612
Adjustment for items not included in cash flow	73	85	303	315
<b>Adjusted EBT</b>	<b>231</b>	<b>219</b>	<b>939</b>	<b>927</b>
Cash flow from continuing operations	167	98	688	618
<b>Cash flow generation %</b>	<b>72.4%</b>	<b>44.8%</b>	<b>73.3%</b>	<b>66.8%</b>

### Earnings per ordinary share (number share per end of period)

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

Earnings per ordinary share (SEK m)	Jan-Mar 2024	Jan-Mar 2023	LTM Mar 2024	Jan-Dec 2023
Profit/loss attributable to Parent Company's shareholders	106	96	455	444
Dividend paid to preference shareholders	-4	-4	-14	-14
<b>Profit/loss attributable to Parent Company's shareholders</b>	<b>103</b>	<b>92</b>	<b>441</b>	<b>430</b>
Number of ordinary shares outstanding (thousand)	37,992	37,992	37,992	37,992
<b>Earnings per ordinary share</b>	<b>2.71</b>	<b>2.42</b>	<b>11.61</b>	<b>11.32</b>



**STOCKHOLM 25 APRIL 2024**

Bengt Lejdström  
President and CEO

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This interim report has not been the subject of a review by the company's auditors.

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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 25 April 2024 at 08.00 CEST.

#### UPCOMING REPORTS

Annual General Meeting	22 May 2024
Interim report April – June 2024	19 July 2024
Interim report July - September 2024	25 October 2024
Year-end report for för 2024	11 February 2025

#### 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 until next annual general meeting is:

- 14 June 2024
- 13 September 2024
- 13 December 2024
- 14 March 2024

