

Press release
5 June 2020, 14:00

Sdiptech acquires Finnish Hilltip

As of today, Sdiptech AB (publ) has acquired all shares in Hilltip Ab Oy, one of Europe's leading manufacturers of road maintenance equipment. Hilltip is the technology group's first Finnish company.

As the focus on environmentally friendly transportation is growing – as well as the problems with weather changes during the wintertime in Europe, the need for keeping smaller roads, bicycle lanes and sidewalks safe are increasing. Hilltip is a leading supplier of road maintenance products, adapted for pickups and smaller trucks and tractors. The company's production facility in Jakobstad mainly manufactures snowplows and salt spreaders, but they also offer road and field maintenance equipment for all seasons. The products are distributed through a large network of retailers all over Europe, the company also launched in North America earlier this year. Hilltip has a turnover of approximately EUR 10.5 million, with a pre-tax operating income of approximately EUR 2.5 million.

"Hilltip has a leading position in its niche and is a well-known brand among road maintenance contractors on the European market. A position achieved by high-quality equipment and many years of experience in developing the most efficient and durable products. The combination of great material and modern technology makes it difficult to compete with their products, which are designed, constructed, and produced at their own factory. We look forward to continuing to develop the company together with the entire team at Hilltip and welcome them to Sdiptech", says Jakob Holm, CEO of Sdiptech.

Hilltip is Sdiptech's first Finnish business unit. The company fits well into Sdiptech's strategic focus on operations and products that contribute to creating more sustainable, efficient, and secure societies, and they will be included in the Special Infrastructure Solutions business area from June 2020.

"As societies strive for a greater environmental and social sustainability, the pressure on road safety is also increasing - especially with a focus on winter road conditions for pedestrians and cyclists. Hilltip's products make it easier for societies to create safe and secure roadways for all seasons", says Anders Mattson, Business Area Manager at Sdiptech.

At day of transaction, the company is valued at EUR 16.2 million, on a cash and debt-free basis, of which EUR 12.8 million is paid on the closing date and financed with own funds and existing credit facility. The final purchase price, which is settled at the end of an earn-out period, will amount to between EUR 12.8 and 23.0 million, depending on the company's earnings development during the earn-out period. A final total purchase price greater than the current value of EUR 16.2 million requires greater earnings levels than the current level.

For additional information, please contact:

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Sdiptech's common share of series B share is traded under the short name SDIP B with ISIN code SE0003756758. Sdiptech AB's preferred shares are traded under the short name SDIP PREF with ISIN code SE0006758348. Sdiptech AB's Certified Adviser at Nasdaq First North Premier Growth Market is Erik Penser Bank, +468-463 83 00, certifiedadviser@penser.se. Further information is available on the company's website: www.sdiptech.com

Sdiptech AB is a technology group with a primary focus on infrastructure segments critical to well-functioning societies and to welfare, e.g. water & sanitation, power & energy, transportation, energy efficiency and air climate. As part of our offering in urban areas, we also provide niched technical services for buildings and real-estate such as renovation of elevators and roofs. The company has approximately SEK 2,000 million in sales and is based in Stockholm.

Sdiptech AB (publ) is required to disclose this information pursuant to EU Market Use Regulation 596/2014. The company is based in Stockholm. The information was provided by the above contact persons for publication 5 June 2020 at 14:00 CEST.