

Interim Report

1 January – 30 June 2024

SECOND QUARTER 2024

- Net sales increased by 19% to SEK 1,392 million (1,169). In total for the Group, organic sales growth was 9%, excluding currency effects.
- EBITA, increased by 17% to SEK 275 million (236), corresponding to an EBITA margin of 19.8% (20.1)
- Adjusted EBITA increased by 13% to SEK 260 million (231), corresponding to an adjusted EBITA margin of 18.7% (19.7). Organic adjusted EBITA growth for the Group was 1%, excl. currency effects.
- Profit before tax for the Group amounted to SEK 167 (169) million and profit after tax amounted to SEK 118 million (126), of which SEK 116 million (126) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 197 million (67), corresponding to a cash conversion of 83% (33).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 2.95 (3.22). After dilution, earnings per ordinary share amounted to SEK 2.95 (3.22).
- During the quarter, the acquisition of WaterTech of Sweden AB was completed and Frigotech AB was divested.

FIRST SIX MONTHS

- Net sales increased by 22% to SEK 2,727 million (2,245). In total for the Group, organic sales growth was 9%, excluding currency effects.
- EBITA, increased by 20% to SEK 531 million (443), corresponding to an EBITA margin of 19.5% (19.7)
- Adjusted EBITA increased by 18% to SEK 512 million (434), corresponding to an adjusted EBITA margin of 18.8% (19.3). Organic adjusted EBITA growth for the Group was 3%, excl. currency effects.
- Profit before tax for the Group amounted to SEK 326 (303) million and profit after tax amounted to SEK 224 million (222), of which SEK 222 million (221) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 365 million (165), corresponding to a cash conversion of 78% (39).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 5.66 (5.65). After dilution, earnings per ordinary share amounted to SEK 5.66 (5.65).
- During the period, the acquisition of JR Industries Ltd in the UK and WaterTech of Sweden AB was completed and Frigotech AB was divested.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events after the end of the reporting period.

<i>For detailed information see further Definition of alternative key figures</i>	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Net sales, (SEK million)	1,392	1,169	2,727	2,245	5,301	4,818
Adjusted EBITA ¹ , (SEK million)	260	231	512	434	1,000	922
EBITA (SEK million)	275	236	531	443	1,052	963
EBIT, (SEK million)	238	207	458	385	908	836
Earnings for the period after tax, (SEK million)	118	126	224	222	448	446
Earnings per ordinary share after dilution (SEK)	2.95	3.22	5.66	5.65	11.34	11.33
Adjusted EBITA margin	18.7%	19.7%	18.8%	19.3%	18.9%	19.1%
Financial net debt ² /Adjusted EBITDA, multiple	2.05	2.35	2.05	2.35	2.05	2.02
Net debt ³ / Adjusted EBITDA, multiple	3.13	3.61	3.13	3.61	3.13	3.07
Return on capital employed	13.4%	12.2%	13.4%	12.2%	13.4%	13.0%
Return on equity	11.0%	13.3%	11.0%	13.3%	11.0%	11.6%
Cash flow generation	83%	33%	78%	39%	84%	67%

1) Adjusted EBITA is the Group's adjusted operating profit (previously called EBITA*).

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

STRONG CASH FLOW, SOLID DEMAND AND STABLE ORGANIC GROWTH

With niche solutions in infrastructure that always need to work, Sdipotech is well positioned to benefit from solid demand. For the quarter, we can present an organic sales growth of 9 percent, excl. currency. At the same time, we had a strong cash generation of 83 percent, which resulted in a cash flow from operating activities of SEK 197 million in the quarter.

QUARTER

We are pleased to report another quarter with positive organic growth. Sales increased by 19 percent, of which 9 percent was organic. This is mainly because demand remains solid with an increased sales in most of our units. Profit in adjusted EBITA amounted to SEK 260 million and increased by 13 percent, of which 1 percent organic excl. currency.

Organic profit growth was impacted by restructuring measures taken in our remaining elevator business, which has been taking longer than expected. Despite this, we maintained a profit margin of 18.7 percent in adjusted EBITA for the quarter, and 18.9 percent on an annual basis.

With solid sales growth, we are also pleased to show a strong cash generation of 83 percent for the quarter, and 84 percent for the past twelve months. This strengthens our financial position and enables continued investments in growth.

Resource Efficiency's sales growth of 15 percent in the quarter was mainly driven by volume increases within multiple business units, but also the effect of price increases. At the same time, adjusted EBITA increased by 24 percent, which was partly due to particularly good profitability in a couple of units. For example, IDE, the unit for temporary electricity, had a strong quarter driven by several large projects. IDE also continued its successful cooperation with Rolec, as their offerings complements each other.

Special Infrastructure Solutions had a sales increase of 21 percent during the quarter, mainly due to strong growth in several of the large comparable units. However, the profit in the business area was weighed down by the restructuring carried out in the elevator operations, which resulted in the business area's adjusted EBITA increasing by 8 percent. We

continue to work with the company with the ambition to reach profitability before the end of the year. In addition, some units showed a lower margin than last year due to strong comparative numbers.

ACQUISITION

In April, WaterTech, which specializes in water chemistry for industrial water systems, was acquired. The company has started collaborating with Kemi-tech and Water Treatment Products, our two other companies in the same area. This strengthens the three units' offering in industrial water treatment in Northern Europe. WaterTech is part of the Resource Efficiency business area.

In June, Frigotech, the Group's refrigeration service unit, which accounted for less than 1 percent of the Group's total profit and sales, was divested.

OUTLOOK

We continue to leverage our positions in sectors that are less sensitive to economic fluctuations, giving us an advantageous market position and increasing our resilience to cyclical changes.

We are currently well diversified with our 40 units. None of these account for more than 10 percent of the group's total EBITA. Our 10 largest units each represent between 4 and 10 percent of the profit. This gives us a good spread of risk.

Our acquisition strategy is based on quality over quantity, creating sustainable organic development and long-term profitability. With our focus on niche solutions in infrastructure, new acquisitions add new technology and customer segments, creating added value for both new and existing units. We have a solid pipeline and look forward to welcoming more companies that strengthen our offerings and position in the market.

Finally, I would like to thank our customers, shareholders and dedicated employees for your continued trust and commitment.

Bengt Lejdström, President & CEO

OVERVIEW OF OPERATIONS

APRIL - JUNE

Net sales

Net sales amounted to SEK 1,392 million (1,169) during the quarter. Sales in comparable units, amounted to SEK 1,287 million (1,169), which corresponded to an organic growth of 9% for the period, excl. currency effects.

Non-comparable units contributed SEK 105 million to net sales for the quarter. Also see Business areas for more detailed information.

Earnings

Operating profit, EBIT, increased by 15% and amounted to SEK 238 million (207).

Adjusted EBITA increased by 13% and amounted to SEK 260 million (231) in total for the Group, corresponding to an adjusted EBITA margin of 18.7% (19.7).

Adjusted EBITA in comparable units, amounted to SEK 255 million (245) corresponding to an organic growth of 1%, excl. currency effects. A large proportion of the Group's comparable units showed stronger results than in the previous year. However, the Group's unit for the manufacture of special elevators, installation and elevator service in Central Europe showed a negative result of SEK -7 million (2), due to restructuring measures. Non-comparable units contributed SEK 24 million to the profit for the period.

Acquisition costs amounted to SEK -1 million (-2) in connection with acquisition activities during the period. Revaluation of contingent consideration amounted to SEK -8 million (-0) net and refers to differences in final regulations.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -90 million (-71), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -26 million (-22).

Net financial items consist of exchange rate differences of SEK -2 million (12) in the quarter and SEK -67 million (-49) 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 -7 million, and partly to higher interest-bearing liabilities, corresponding to SEK -6 million. See also Note 3.

Profit after tax amounted to SEK 118 million (126). The result compared to the previous year was affected i.a. of increased interest costs of SEK -18. Earnings per ordinary share (average number) after deduction for minority and dividend amounted to preferred shares of SEK 2.95 (3.22).

JANUARY - JUNE

Net sales

Net sales amounted to SEK 2,727 million (2,245) during the period. Sales in comparable units, amounted to SEK 2,486 million (2,245), which corresponded to an organic growth of 9% for the period, excl. currency effects.

Non-comparable units contributed SEK 241 million to net sales for the period. Also see Business areas for more detailed information.

Earnings

Operating profit, EBIT, increased by 19% and amounted to SEK 458 million (385).

Adjusted EBITA increased by 18% and amounted to SEK 512 million (434) in total for the Group, corresponding to an adjusted EBITA margin of 18.8% (19.3).

Adjusted EBITA in comparable units, amounted to SEK 489 million (467) corresponding to an organic growth of 3%, excl. currency effects. A large part of the Group's comparable units showed stronger results than last year, with some units with lower-than-average EBITA margins performing strongly. In addition, the Group's two units operating in elevator operations and construction showed negative results in the period. Non-comparable units contributed SEK 58 million to the profit for the period. All acquired units had a result in line with or above expectations.

Acquisition costs amounted to SEK -8 million (-3) in connection with acquisition activities during the period. Revaluation of contingent consideration amounted to SEK -8 million (-3) net and refers to differences in final regulations.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -174 million (-140), of which amortisation of acquisition-related intangible fixed assets SEK -50 million (-43).

Net financial items consist of exchange rate differences of SEK 1 million (9) in the quarter and SEK -133 million (-90) in interest expense, of which discount rates relating to contingent considerations of SEK -26 million (-18). The increased interest costs, is partly due to increased interest rates, corresponding to SEK -18 million, and partly to higher interest-bearing liabilities, corresponding to SEK -14 million. See also Note 3.

Profit after tax increased by 1% and amounted to SEK 224 million (222). The result compared to the previous year was affected i.a. of increased interest costs of SEK -43. Earnings per ordinary share (average number) after deduction for minority and dividend amounted to preferred shares of SEK 5.66 (5.65).

Acquisitions

On January 24, Sdiptech 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 is part of business area Special Infrastructure Solutions as of January 2024.

On April 11, all shares in the Swedish company WaterTech of Sweden AB, which produces specialized chemicals, specifically focused on the optimization of industrial water systems, were acquired. WaterTech collaborates closely with Sdiptech's Kemitech business unit in Denmark and Water Treatment Products in the UK. WaterTech of Sweden has a turnover of approximately SEK 20 million, with good profitability. The company is part of business area Resource Efficiency as of April 2024.

WaterTech 



Vattenrening



Kylvatten



Matarvatten



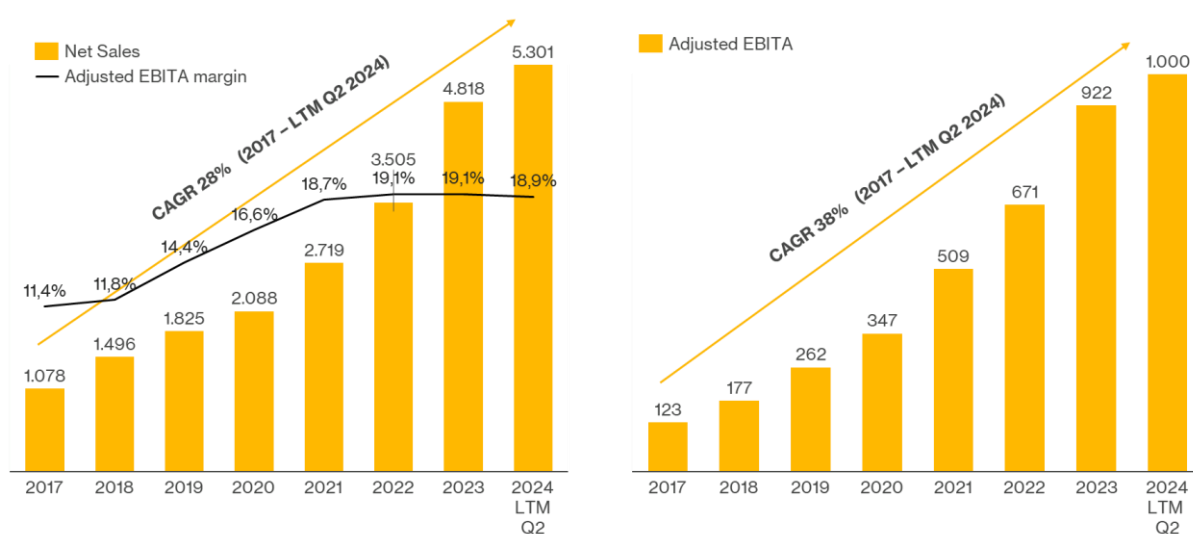
Processvatten

During the period, Sdipotech's shares in the subsidiary Frigotech AB were divested, which on an annual basis had sales of approximately SEK 20 million and 10% in EBITA margin. The decision was based on careful assessment, where the company differentiate from our main focus on product companies and

associated services. Frigotech will be part of Nordic Climate Group with similar sister companies.

Group	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Adjusted EBITA¹ (SEK m)						
Resource Efficiency	102	82	214	171	409	366
Special Infrastructure Solutions	176	163	334	296	661	623
Business areas	278	246	548	467	1,070	989
Central units	-19	-15	-36	-33	-70	-67
Total	260	231	512	434	1,000	922

The Group's development of net sales, adjusted EBITA¹ and adjusted EBITA margin¹ since 2017



¹Adjusted 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 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 15% for the quarter to SEK 463 million (403) compared to the previous year. The sales growth is partly attributable to good sales from several comparable units. For example, IDE, the business area's unit for temporary electricity, had particularly strong demand from a few large events. The Group's other electricity and energy services units also performed well. Acquisitions contributed to sales growth too.

Adjusted EBITA for the quarter increased by 24% to SEK 102 million (82), primarily driven by solid demand and organic profit growth in a few comparable units. Acquisitions have also had a positive impact on the development.

Adjusted EBITA margin increased during the quarter to 22.0% (20.4), driven by scalable business models and particularly good growth in higher-than-average margin units.

Resource Efficiency (SEK m)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Net sales	463	403	919	794	1,775	1,650
Adjusted EBITA ¹	102	82	214	171	409	366
Adjusted EBITA margin ¹ %	22.0%	20.4%	23.3%	21.5%	23.1%	22.2%

SPECIAL INFRASTRUCTURE SOLUTIONS

The business area's sales in the quarter increased by 21% to SEK 928 million (767). The increase in sales was mainly due to strong sales from the large comparable units, such as the Group's transport units, particularly ELM Kragelund, which focuses on forklift attachments, GAH Refrigeration, which offers solutions for transport refrigeration, and Hilltip, which manufactures road maintenance equipment primarily for the winter season. Acquisitions also contributed to sales growth.

Adjusted EBITA for the quarter increased by 8% to SEK 176 million (163). Several units have shown strong profit growth and acquisitions have also contributed, but earnings have been weighed down by the fact that our remaining elevator business, had a negative result in the quarter.

The adjusted EBITA margin decreased during the quarter to 19.0% (21.3) where the strong performance of several companies has not partly fully offset the negative result in the elevator business, partly because some units also had a lower margin than last year due to strong comparative figures.

Special Infrastructure Solutions (SEK m)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Net sales	928	767	1,809	1,451	3,526	3,169
Adjusted EBITA ¹	176	163	334	296	661	623
Adjusted EBITA margin ¹ %	19.0%	21.3%	18.5%	20.4%	18.7%	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.

Adjusted EBITA was SEK -19 million (-15) for the quarter.

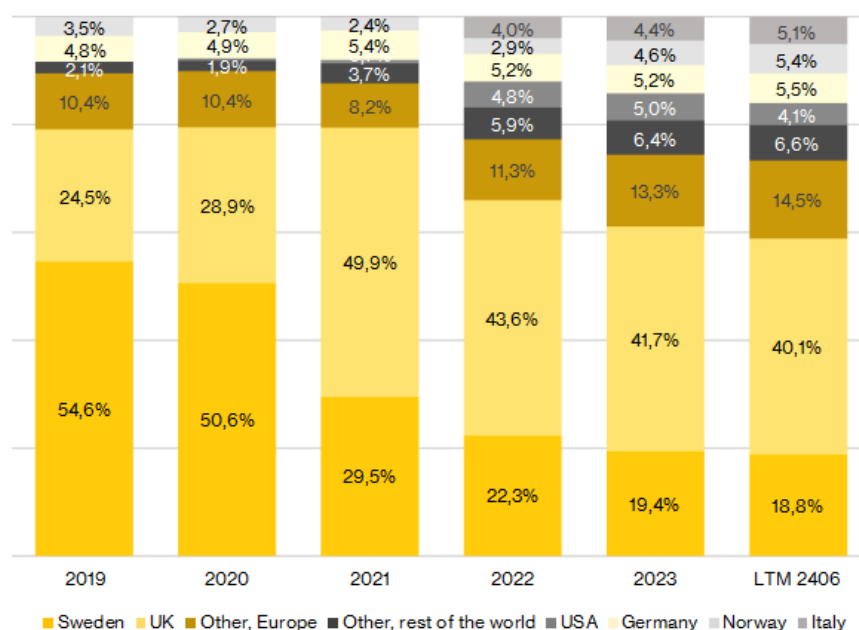
Group-wide functions (SEK m)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Adjusted EBITA ¹	-19	-15	-36	-33	-70	-67

¹ 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), the 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.

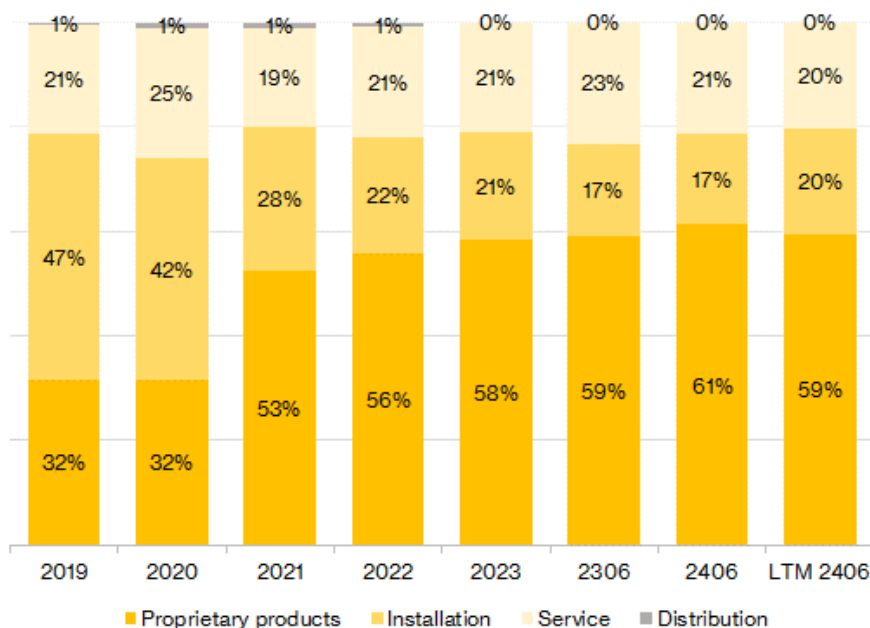
The Group's turnover, broken down by geography where customers have their main operations.



TURNOVER BY TYPE OF REVENUE

Sales of proprietary products have increased from 32 to 59 percent during the period full year 2019 to LTM June 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 – JUNE

Cash Flow

Cash flow from operating activities after changes in working capital amounted to SEK 364 million (165) during the period. The increased sales affected the cash flow during the period in the form of increased accounts receivable and some inventory build-up for continued expansion. However, the effect is significantly smaller than the previous year and less than the increase in sales. Cash flow generation, expressed as a percentage of profit before tax adjusted for non-cash items, amounted to 78% (39) during the period.

Cash flow from investing activities amounted to SEK -496 million (-407). The cash flow effect of completed acquisitions during the period amounted to SEK -327 million (-189), also see Note 7. Cash flow related to payment of contingent considerations on acquisitions from previous years, including both instalments as well as final settlement, amounted to SEK -82 million (-158) during the period. Investments in intangible and tangible fixed assets amounted to SEK -104 (-61).

Cash flow from financing activities amounted to SEK -16 million (254). Net borrowing amounted to SEK 43 million (270). Dividends on the preference shares amounted to SEK -7 million (-7).

Liabilities

Interest-bearing liabilities including contingent considerations and lease liabilities amounted to SEK 4,326 million (3,959). The three largest items within interest-bearing liabilities consisted of financial liabilities where of SEK 1,903 million (2,311) in liabilities to credit institutions, SEK 600 million (0) in bond liabilities and SEK 1,349 million (1,238) in deferred payments of purchase prices for acquisitions, so-called contingent consideration payments. It can be noted that a large part of the 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 include this interest rate of SEK -26 million (-18) for the period.

Partial and final settlement of agreed contingent purchase prices resulted in a cost of SEK -8 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 -8 million (-5) 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 3,904 million (3,556). 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 3.13 (3.61) as of June 30.

Net financial debt, according to the calculation method above but excluding contingent consideration charged with debt, amounted to SEK 2,552 million (2,317). 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 2.05 (2.35) on June 30.

Financing

In August 2023, Sdipotech 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 30 June 2024, within the total framework of SEK 2,600 million with our lenders, amounted to a total of approximately SEK 1,825 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 in order 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 422 million, there are approximately SEK 1,200 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 886 million for GBP, SEK 829 million for EUR and SEK 174 million for NOK.

Parent Company

The Parent Company Sdipotech AB's internal net sales, containing mainly, management fee amounted to SEK 14 million (12) for the period and loss after financial items amounted to SEK -37 million (3).

OTHER INFORMATION

Employees

The number of employees at the end of June was 2,359 (2,284). Acquisitions completed during the last twelve months increased the number of employees by 133.

Incentive programme

At the 2024 Annual General Meeting, a new incentive program for managers and senior executives was resolved in the form of a long-term performance-based share plan. The program runs over three years and is related to the Group's adjusted EBITA growth per average outstanding ordinary share. The participants invest in Class B shares in Sdipotech AB (Saving Shares) and are thereafter given the opportunity to receive up to three Class B shares (Performance Shares) free of charge if set conditions are met. The program comprises a maximum of 30,000 saving shares.

At the 2021 and 2023 Annual General Meetings, respectively, it was resolved on incentive programs for managers and senior executives. As of June 30, 337,625 warrants of series 2021/2024 and 305,150 warrants of series 2023/2026 were outstanding, after repurchases. The subscription price for new Class B shares that can be subscribed for by virtue 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.

The ongoing tensions between Israel and its neighboring countries have so far had limited impact, but if the conflict accelerates and, for example, 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 increased prices to customers. Rising inflation has also led to central banks raising their key interest rates, with increased borrowing costs as a result. This affects the Group to the extent that loan interest 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.

Other significant events

The Annual report for 2023 was published on April 19, 2024. The 2024 Annual General Meeting was held on May 22, 2024. Minutes from the annual general meeting are available on the company's website.

Events after the end of the reporting period

No other significant events have occurred after the end of the period.

CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Net sales	2	1,392	1,169	2,727	2,245	5,301	4,818
Other operating income	2	25	17	37	28	78	70
Total income		1,417	1,186	2,764	2,273	5,379	4,888
Operating expenses							
Materials, contracting and subcontracting		-566	-456	-1,101	-879	-2,148	-1,926
Other external expenses		-123	-107	-244	-206	-479	-442
Employee expenses		-401	-345	-788	-663	-1,499	-1,375
Depreciation and amortisation of tangible non-current assets		-52	-42	-100	-82	-201	-183
Depreciation and amortisation of intangible non-current assets		-38	-29	-73	-57	-143	-128
Operating profit		238	207	458	385	908	836
Profit/loss from financial items							
Financial income	3	1	12	4	10	1	7
Financial expenses		-71	-50	-136	-92	-275	-231
Profit after financial items		167	169	326	303	634	612
Tax on profit for the period	4	-50	-42	-101	-80	-187	-166
Profit for the period		118	126	224	222	448	446
Profit attributable to:							
Parent Company's shareholders		116	126	222	221	445	444
Non-controlling interests		2	1	3	1	3	1
Earnings per share (average number), attributable to the Parent Company's shareholders during the period, less dividends to preference shareholders (in SEK per share)							
Earnings per share (before dilution)		2.95	3.22	5.66	5.65	11.34	11.33
Earnings per share (after dilution)		2.95	3.22	5.66	5.65	11.34	11.33
ADJ. EBITA		260	231	512	434	1,000	922
Average number of common shares		37,991,938	37,991,938	37,991,938	37,927,706	37,991,938	37,960,086
Average number of common shares after dilution		37,991,938	37,991,938	37,991,938	37,927,706	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	37,991,938	37,991,938

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Profit for the period	118	126	224	222	448	446
Other comprehensive income for the period						
Changes in accumulated translation differences	-26	125	98	155	-76	-19
Comprehensive income for the period	91	251	323	377	372	426
Attributable to:						
Parent Company's shareholders	89	251	320	376	369	425
Non-controlling interest	2	0	3	1	3	1

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
Non-current assets				
<i>Intangible non-current assets</i>				
Goodwill	5	5,058	4,697	4,626
Other intangible assets		1,383	1,216	1,223
<i>Tangible non-current assets</i>				
Tangible non-current assets		481	445	431
Right-of-use assets		464	402	440
<i>Financial non-current assets</i>				
Other financial non-current assets		19	17	16
Total non-current assets		7,405	6,776	6,737
Current assets				
Completed products and goods for resale		748	733	646
Accounts receivable		984	874	827
Other receivables		51	45	63
Current tax assets		35	40	27
Prepaid expenses and accrued income		239	228	249
Cash and cash equivalents		422	408	557
Total current assets		2,479	2,328	2,368
Total assets		9,884	9,104	9,105
Shareholders' equity				
Shareholders' equity attributable to Parent Company's shareholders				
Share capital		1	1	1
Other contributed capital		2,094	2,095	2,094
Profit/loss brought forward including earnings for the period		2,170	1,816	1,857
Total equity attributable to Parent Company's shareholders		4,265	3,912	3,952
Non-controlling interests		8	6	5
Total shareholders' equity		4,273	3,918	3,957
Long term liabilities				
Interest-bearing long-term liabilities	6	3,645	3,746	3,690
Non-interest-bearing long-term liabilities		336	288	280
Total long term liabilities		3,980	4,034	3,970
Short term liabilities				
Interest-bearing short-term liabilities	6	682	212	377
Non-interest-bearing short-term liabilities		949	940	801
Sum short term liabilities		1,631	1,152	1,178
Total liabilities		5,611	5,186	5,148
Total shareholders' equity and liabilities		9,884	9,104	9,105

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
Opening balance, January 1 2023		1	2,069	1,447	3,517	5	3,522
Income for the period		-	-	221	221	1	222
Other comprehensive income for the period		-	-	155	155	-	155
Total income for the period		-	-	376	376	1	377
Shareholder transactions							
Dividend paid to preference shareholders	8	-	-	-7	-7	-	-7
Share issue of ordinary shares series B		-	14	-	14	-	14
Option premiums		-	12	-	12	-	12
Total shareholder transactions		-	26	-7	19	-	19
Closing balance, June 30, 2023		1	2,095	1,816	3,912	6	3,918
Opening balance, July 1, 2023		1	2,095	1,816	3,912	6	3,918
Income for the period		-	-	223	223	1	224
Other comprehensive income for the period		-	-	-174	-174	-	-174
Total income for the period				49	49	1	49
Shareholder transactions							
Dividend paid to preference shareholders	8	-	-	-7	-7	-	-7
Dividend paid to non-controlling interests		-	-	-1	-1	-1	-3
Share issue of ordinary shares series B		-	0	-	0	-	0
Share issue expenses		-	-1	-	-1	-	-1
Total shareholder transactions		-	-1	-8	-9	-1	-10
Closing balance, December 31, 2023		1	2,094	1,857	3,952	5	3,957
Opening balance, January 1 2024		1	2,094	1,857	3,952	5	3,957
Income for the period		-	-	222	222	3	224
Other comprehensive income for the period		-	-	98	98	-	98
Total income for the period				320	320	3	323
Shareholder transactions							
Dividend paid to preference shareholders	8	-	-	-7	-7	-	-7
Total shareholder transactions		-	-	-7	-7	-	-7
Closing balance, June 30, 2024		1	2,094	2,170	4,265	8	4,273

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Continued operations					
Earnings after financial items	167	169	326	303	612
Adjustment for items not included in cash flow ¹⁾	70	37	143	121	315
Paid taxes	-48	-54	-105	-95	-198
Cash flow from continuing operations before change in working capital	189	152	364	329	729
Cash flow from change in working capital					
Increase(-)/decrease(+) in stock	-3	-1	-14	-71	-20
Increase(-)/decrease(+) in operating receivables	-14	-80	-40	-151	-183
Increase(+)/decrease(-) in operating liabilities	25	-4	55	58	93
Cash flow from current operations	197	67	365	165	619
Investing activities					
Acquisitions of subsidiaries	-24	-3	-327	-189	-403
Acquisitions of subsidiaries, paid contingent considerations	-62	-89	-82	-158	-182
Disinvestments in subsidiaries	17	-	17	-	-
Acquisitions of intangible non-current assets	-13	-5	-38	-18	-78
Acquisitions of tangible non-current assets	-47	-16	-66	-42	-112
Cash flow from investing activities	-129	-113	-496	-407	-775
Financing activities					
Warrant program	-	12	-	12	12
New share issue	-	-	-	14	14
Loans raised	4	70	154	824	1,628
Amortisation of loans	-54	-18	-111	-554	-1,228
Amortisation of lease liability	-25	-17	-52	-36	-82
Dividends paid	-4	-4	-7	-7	-16
Cash flow from financing activities	-79	43	-16	254	327
Cash flow for the period	-11	-3	-148	12	171
Cash and cash equivalents at beginning of year	436	402	557	383	383
Exchange rate difference in cash and cash equivalents	-2	9	15	13	3
Cash and cash equivalents at end of period	423	408	424	408	557

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)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Net sales	7	6	14	12	27	25
Other operating income	-	1	-	1	-	1
Total income	7	7	14	13	27	26
Operating expenses						
Other external expenses	-5	-5	-10	-9	-24	-23
Employee expenses	-18	-16	-34	-32	-63	-61
Depreciation of tangible and intangible non-current assets	0	0	0	0	-1	-1
Operating profit	-16	-14	-31	-29	-61	-59
Profit/loss from financial items						
Financial income	-1	28	20	32	3	14
Financial expenses	-13	0	-27	0	-45	-18
Profit/loss after financial items	-30	14	-37	3	-103	-63
Group contributions received	-	-	-	-	70	70
Tax on profit	-	-	-	-	-2	-2
Profit/loss for the period	-30	14	-37	3	-34	6

PARENT COMPANY BALANCE SHEET

(SEK m)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Non-current assets			
<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	2,500	2,131	2,578
Total non-current assets	2,501	2,133	2,579
Current assets			
Receivables. Group companies	1,488	1,151	1,319
Other receivables	3	1	2
Prepaid expenses and accrued income	14	3	14
Cash and cash equivalents	13	6	7
Total current assets	1,518	1,160	1,342
Total assets	4,019	3,293	3,921
Shareholders' equity			
Share capital	1	1	1
Share premium reserve	2,094	2,083	2,094
Retained earnings including profit/loss for the period	180	228	224
Total shareholder's equity	2,275	2,313	2,320
Liabilities			
Other long-term interest-bearing liabilities	1,214	866	1,310
Short-term liabilities	530	114	291
Total liabilities	1,744	980	1,601
Total equity and liabilities	4,019	3,293	3,921

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

Sdipitech 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, Sdipitech 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

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Net Sales (SEK m)						
Resource Efficiency	463	403	919	794	1,775	1,650
Special Infrastructure Solutions	928	767	1,809	1,451	3,526	3,169
Total Net Sales	1,392	1,169	2,727	2,245	5,301	4,818
	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Operating profit (SEK m)						
Resource Efficiency	93	75	196	157	369	331
Special Infrastructure Solutions	161	144	303	263	599	559
Segment total	254	219	499	420	968	889
Central units	-17	-12	-42	-35	-61	-54
Total EBIT	238	207	458	385	908	836
Net financials	-70	-38	-132	-82	-273	-224
Profit before tax	167	169	326	303	634	612

Revenue from agreements with customers (SEK m)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
<i>Resource Efficiency</i>						
Products	307	276	627	562	1,221	1,156
Installation, direct	96	78	174	138	336	300
Installation, over time	4	4	8	11	15	18
Service, direct	52	38	98	70	150	122
Service, over time	6	6	12	13	53	55
Sum Sales Resource Efficiency	463	403	919	794	1,775	1,650
<i>Special Infrastructure Solutions</i>						
Products	547	420	1,044	769	1,937	1,662
Installation, direct	38	42	101	113	280	292
Installation, over time	103	73	197	130	446	379
Service, direct	212	201	411	383	755	727
Service, over time	29	31	56	56	110	110
Sum Sales Special Infrastructure Solutions	928	767	1,809	1,451	3,526	3,169
<i>Sum Products</i>	<i>854</i>	<i>696</i>	<i>1,671</i>	<i>1,330</i>	<i>3,159</i>	<i>2,818</i>
<i>Sum Installation, direct</i>	<i>134</i>	<i>120</i>	<i>275</i>	<i>251</i>	<i>616</i>	<i>477</i>
<i>Sum Installation, over time</i>	<i>107</i>	<i>77</i>	<i>205</i>	<i>141</i>	<i>461</i>	<i>511</i>
<i>Sum Service, direct</i>	<i>263</i>	<i>238</i>	<i>510</i>	<i>453</i>	<i>904</i>	<i>848</i>
<i>Sum Service, over time</i>	<i>35</i>	<i>37</i>	<i>68</i>	<i>69</i>	<i>163</i>	<i>164</i>
Total sales	1,392	1,169	2,727	2,245	5,301	4,818
Other income (SEK m)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Resource Efficiency	4	-3	8	3	23	18
Special Infrastructure Solutions	9	18	17	23	17	23
Business areas	13	15	25	26	40	41
Central units	12	2	12	2	39	29
Total other income	25	17	37	28	78	70

NOTE 3 FINANCIAL INCOME AND COST

(SEK m)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
<i>Financial income</i>						
Interest income	0	0	3	0	8	5
Net exchange gain	0	12	1	9	-9	-
Other financial income	1	0	1	0	2	2
Total financial income	1	12	4	10	1	7
<i>Financial cost</i>						
Interest expense on financial liabilities to credit institutions	-50	-37	-99	-66	-192	-160
Discount rate for lease liabilities	-4	-3	-8	-5	-15	-13
Discount rate on contingent considerations	-13	-9	-26	-18	-47	-39
Exchange rate difference	-2	0	0	0	-13	-14
Other financial cost	-2	-1	-4	-2	-7	-5
Total financial cost	-71	-50	-136	-92	-275	-231
Net financial cost	-70	-38	-132	-82	-274	-224

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 TAX

The Group's tax in relation to profit before tax is affected by non-taxable income and non-deductible expenses in operating activities, as well as acquisition costs, profit from revaluation of contingent purchase prices and capital gains from disposals, discount rates and the fact that tax losses are not capitalised.

The Group's weighted average effective tax rate is in turn affected by the Group's geographical mix. The relationship between tax percentage on recognized tax and actual tax percentage based on adjusted profit before tax for the Group is shown in the following table.

(Mkr)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Earnings before tax	167	169	326	303	634	612
Non tax items:						
Acquisition and divestment cost	1	2	8	3	18	13
Adjustment of liability for earnouts	8	0	8	3	-12	-17
Discount interest	17	12	34	24	62	52
Non taxable earning divestment	-12	-	-12	-	-12	-
Non activated loss	22	-	68	-	127	59
Adjusted earnings before tax	203	182	431	332	818	719
Tax	-50	-42	-101	-80	-187	-166
Adjusted tax, percentage	24.4%	23.1%	23.4%	24.2%	22.8%	23.1%

NOTE 5 GOODWILL

(SEK m)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Opening balance	4,626	4,299	4,299
Acquisitions for the period	287	114	295
Adj. of preliminary acquisition analysis	-	20	22
Divestments	-4	-	-
Currency translation effects	149	264	10
Carrying amount at end of period	5,058	4,697	4,626

Compared with 31 December 2023, goodwill has increased by a total of SEK 432 million and amounted to SEK 5,058 million as of 30 June 2024.

NOTE 6 INTEREST-BEARING LIABILITIES

(SEK m)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Liabilities to credit institutions and bonds	2,484	2,290	2,407
Leases	365	314	349
Contingent consideration	794	1,144	932
Other non-current liabilities	2	3	3
Total non-current interest-bearing liabilities	3,645	3,751	3,690
Liabilities to credit institutions	19	21	17
Leases	106	92	98
Contingent consideration	555	94	261
Other current liabilities	1	1	1
Total current interest-bearing liabilities	682	208	377

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)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Opening balance	1,193	1,266	1,266
Acquisitions	169	46	85
Paid purchase considerations relating previous acq	-82	-161	-186
Interest expenses (discount on present value calc.)	26	18	39
Revaluation via operating profit	8	3	-16
Exchange differences	35	66	6
Carrying amount at period end	1,349	1,238	1,193

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	Year	Year	After year
As of 30 June 2024 (SEK m)	2024	2025-2026	2027-2029	2029
Contingent consideration	200	808	349	116

NOTE 7 BUSINESS ACQUISITIONS

PRELIMINARY ACQUISITION ANALYSIS, regarding acquisitions during January to June 2024 (SEK m)			
	JR Industries Ltd ¹	WaterTech ²	Sum
Tangible non-current assets	19	-	19
Right of use assets	16	1	17
Inventories and work in progress	64	2	66
Cash and cash equivalents	18	2	20
Trade receivables ³	56	2	58
Other current assets	7	-	7
Deferred tax	2	-	2
Other non-current liabilities	-1	-1	-2
Current tax liability	-20	-1	-21
Other current liabilities	-51	-2	-53
Net identifiable assets and liabilities	110	4	114
Consolidated goodwill	263	24	287
Brand and trademarks	26	-	26
Customer relations	110	13	123
Deferred tax liabilities	-33	-2	-35
Total estimated purchase price	476	40	516
Cash and cash equivalents	321	26	347
Contingent consideration	155	14	169
Total remuneration	476	40	516
Liquidity impact on the Group	JR Industries Ltd¹	WaterTech²	Sum
Cash and cash equivalents acquired	18	2	20
Remuneration transferred	-321	-26	-347
Total cash impact	-303	-24	-327
Other information⁴	JR Industries Ltd¹	WaterTech²	Sum
Run rate, turnover	319	20	339
Run rate profit before tax	60	5	65
Contribution of the acquired entities to Group turnover and profit (SEK million)	JR Industries Ltd¹	WaterTech²	Sum
Acquired units' contribution to the Group's turnover	168	5	173
Acquired units' contribution to the Group's profit before tax	32	1	34
Where of:			
Transaction costs	-7	-1	-8
Amortisation and impairment of intangible assets	-3	0	-3

¹⁾ JR Industries Ltd (Gwindy Ltd) with subsidiaries

²⁾ WaterTech of Sweden AB

³⁾ The receivables are measured at fair value no provision for bad debts is recognized

⁴⁾ 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 June 2024 amounted to SEK 8 million (3) including stamp fee amounting to SEK 3 million (0), see also page Alternative performance measures.

Description of acquisitions during the period January – June 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 had 87 employees. The company is Sdipotech's thirteenth business unit in the UK and is part of the business area Special Infrastructure Solutions from January 2024.

Sdipotech paid an initial consideration of GBP 26 million on the closing date, which was 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 amounted 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.

On April 11, Sdipotech acquired all shares in the Swedish company WaterTech of Sweden AB. WaterTech specializes in water chemistry to optimize industrial water systems. The company offers products and services to improve cooling water, boiler feed water and process water, among other things. Through its commitment to quality and innovation, WaterTech plays an important role in increasing efficiency and sustainability in industrial water use.

WaterTech will collaborate closely with Sdipotech's other business unit Kemi-tech, and the partnership aims to strengthen and expand the Group's offerings in industrial water treatment in the Northern European market. Kemi-tech, in turn, already has a close collaboration with the Sdipotech company Water Treatment Products Ltd, one of the UK's leading manufacturers of specialty chemicals with over 400 of its own products in its range and specialist knowledge in areas such as legionella control.

At the time of the acquisition, WaterTech had 4 employees. The company is included in the business area Resource Efficiency as of April 2024.

Sdipotech paid SEK 26 million on the closing date, which is financed with own funds and existing credit facility. The final purchase price, which is settled at the end of a three-year earn-out period, is dependent on the company's earnings development. A final total purchase price that is higher than the current one assumes a higher level of profit than the current one. The estimated contingent purchase price for WaterTech amounted to SEK 14 million at the time of acquisition after present value calculation. The valuation is based on an assessment of the likely outcome based on forecasts for the company from the time of acquisition until the end of the period of the contingent purchase price.

If the units acquired for the period had been consolidated as of January 1, 2024, net sales from January to June would have amounted to approximately SEK 2,732 million and adjusted EBITA would have amounted to approximately SEK 514 million.

NOTE 8 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, but redemption can be decided by the board according to the articles of association. 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
- Watertech of Sweden AB (as of Apr -24) Tailor-made chemical solutions for industrial water treatment
- 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-l-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 & Styrssystem 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

Sdiptech 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.

Adjusted EBITA¹	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.
Adjusted EBITA-margin¹	Adjusted EBITA in relation to net sales.
EBITDA	Operating profit before depreciation and impairment losses.
Adjusted EBITDA	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.
EBITA	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.
Financial net debt/ Adjusted EBITDA	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.
Net debt /Adjusted EBITDA	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.
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 (ROCE)	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.
Return on equity	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.
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 (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 number of ordinary shares per the end of the period.

¹ 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 EBITA¹, 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 EBITA¹

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 EBITA¹

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	-1			-8
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	-8			-8
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)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Adjusted EBITA ¹	260	231	512	434	1,000	922
Adjustment of liability for earnouts	-8	0	-8	-3	12	17
Acquisition and divestment cost	-1	-2	-8	-3	-18	-13
Disinvestments	12	-	12	-	12	-
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	12	7	23	15	46	38
EBITA	275	236	531	443	1,052	963
Non-acquisition-related amortization and write-downs of intangible fixed assets	-12	-7	-23	-15	-46	-38
Acquisition-related amortization and write-downs of intangible fixed assets	-26	-22	-50	-43	-97	-90
EBIT	238	207	458	385	908	836

¹ Adjusted EBITA/Adjusted EBITA margin corresponds to the previous designation EBITA*.

Adjusted. EBITA-margin¹

ADJ. EBITA in relation to Net Sales

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Adjusted EBITA¹ in relation to Net Sales (SEK m)						
Adjusted EBITA ¹	260	231	512	434	1,000	922
Net Sales	1,392	1,169	2,727	2,245	5,301	4,818
Adjusted EBITA margin¹ %	18.7%	19.7%	18.8%	19.3%	18.9%	19.1%

EBITDA

Operating profit before depreciation and impairment losses.

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
EBITDA (SEK m)						
Operating profit	238	207	458	385	908	836
Depreciation and amortisation of tangible non-current assets	52	42	100	82	201	183
Depreciation and amortisation of intangible non-current assets	38	29	73	57	143	128
EBITDA	328	278	631	524	1,253	1,146
Adjustment of liability for earnouts	8	0	8	3	-12	-17
Acquisition and divestment cost	1	2	8	3	18	13
Divestments	-12	0	-12	0	-12	-
Adjusted EBITDA	324	280	635	530	1,247	1,143

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.

	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Interest-bearing financial net debt (SEK m)					
Liabilities to credit institutions	1,903	1,958	1,823	1,873	2,310
Bonds	600	600	600	600	-
Leases	471	484	447	448	406
Sum Interest-bearing financial debt	2,974	3,042	2,870	2,921	2,716
Cash and cash equivalents	-422	-436	-557	-480	-408
Interest-bearing financial net debt	2,552	2,606	2,313	2,442	2,308

	LTM Jun 2024	LTM Jun 2023	Full year 2023
Financial net debt in relation to Adjusted EBITDA (SEK m)			
Interest-bearing financial net debt	2,552	2,308	2,314
Adjusted EBITDA	1,247	984	1,143
Financial net debt/Adjusted EBITDA	2.05	2.35	2.02

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.

	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Interest-bearing net debt (SEK m)					
Sum Interest-bearing financial debt	2,974	3,042	2,870	2,921	2,716
Contingent consideration	1,349	1,383	1,193	1,226	1,238
Other non-current liabilities	3	3	3	3	3
Sum Interest-bearing liabilities	4,326	4,428	4,067	4,150	3,958
Cash and cash equivalents	-422	-436	-557	-480	-408
Interest-bearing net debt	3,904	3,992	3,510	3,670	3,550

	LTM Jun 2024	LTM Jun 2023	Full year 2023
Average net debt in relation to EBITDA (SEK m)			
Interest-bearing net debt	3,904	3,556	3,510
EBITDA	1,247	984	1,143
Net debt/EBITDA	3.13	3.61	3.07

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	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Interest-bearing net debt	3,769	3,904	3,992	3,510	3,670
Shareholders' equity	4,093	4,268	4,185	3,957	3,964
Capital employed	7,862	8,172	8,177	7,466	7,634

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 Jun 2024	LTM Jun 2023	Full year 2023
EBITA	1,052	839	963
Capital employed	7,863	6,882	7,429
Return on capital employed %	13.4%	12.2%	13.0%

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 Jun 2024	LTM Jun 2023	Full year 2023
Profit after tax, adjusted	431	440	430
Equity	3,914	3,319	3,694
Return on equity %	11.0%	13.3%	11.6%

Cash flow generation

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

Cash flow generation %	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
EBT	167	169	326	303	634	612
Adjustment for items not included in cash flow	70	37	143	121	337	315
Adjusted EBT	237	205	469	424	971	927
Cash flow from continuing operations	197	67	365	165	818	619
Cash flow generation %	83.1%	32.5%	77.8%	38.9%	84.2%	66.8%

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)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Jan-Dec 2023
Profit/loss attributable to Parent Company's shareholders	116	126	222	221	445	444
Dividend paid to preference shareholders	-4	-4	-7	-7	-14	-14
Profit/loss attributable to Parent Company's shareholders	112	122	215	214	431	430
Number of ordinary shares outstanding (thousand)	37,992	37,992	37,992	37,992	37,992	37,992
Earnings per ordinary share	2.95	3.22	5.66	5.65	11.34	11.33

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

ASSURANCE

The Board of Directors and the CEO believe that the half-year report provides a fair overview of the Parent Company's and the Group's operations, position and results, and describes significant risks and uncertainties faced by the Parent Company and the companies that are part of the Group.

STOCKHOLM 19 JULY 2024

Bengt Lejdström
President and CEO

Jan Samuelson
Director of the Board

Johnny Alvarsson
Member of the Board

Birgitta Henriksson
Member of the Board

Kristina Schauman
Member of the Board

Joakim Landholm
Member of the Board

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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 19 July 2024 at 08.00 CEST.

UPCOMING REPORTS

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:

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

