

# Sdiptech

## Organic momentum impresses

- >5% org. EBITA and ~20% total EBITA growth FY'24e
- '24e-'26e adj. EBITA up 4-3%; 10% CAGR '23-'26e
- Keep BUY, TP SEK 350 (340)

### Attractive outlook into 2024e

Despite our fears of a slow start to the year, Sdiptech surpassed our expectations on both sales (10% organic sales, vs. ABGSCe/FactSet cons 8%, 20% in Q4) and profit (5% organic adj. EBITA vs. ABGSCe -3%), and delivered 24% adj. EBITA growth (+10% vs. ABGSCe/cons), for a solid 18.8% margin (ABGSCe 17.6%, cons 18.1%, 18.9% Q1'23). Sdiptech's units are attractively positioned towards niche infrastructure applications, and the CEO claimed that order books were well-filled by the end of Q1. Consequently, we expect the solid organic momentum to continue and that Sdiptech should deliver 8-5% organic sales for Q2e-Q4e (3-8% organic EBITA), which combined with high-margin M&A should yield 18% adj. EBITA growth for FY'24e. In addition, FCF was clearly up y-o-y while gearing remained fairly stable q-o-q at 2.2x excl. earn-outs (3.4x incl. earn-outs). Thus, there is a high likelihood in our view that Sdiptech will make at least a few more acquisitions before the year is finished, and potentially drive >20% EBITA growth.

### Solid start to the year, 19-20% margins

We raise '24e-'26e adj. EBITA by 4-3% on the back of the strong start to the year, and now forecast a 10% adj. EBITA CAGR '23-'26e. However, we expect Sdiptech's continued M&A pace to drive earnings growth in excess of 15% p.a. in the medium term.

### Still an M&A favourite of ours

Sdiptech was rightfully rewarded after a solid Q1 report, but we believe that more is to come and find Sdiptech attractive at current levels (13-10x EBITA '24e-'26e, 3-4% FCF yield after earn-outs) considering: 1) its aim to grow organic EBITA by 5-10% p.a. and total EBITA by >15% p.a., 2) improving ROCE and FCF, and 3) resilient growth due to its exposure to sustainability trends within niche infrastructure applications. We therefore reiterate BUY, with a TP of SEK 350 (340).

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SEKm	2022	2023	2024e	2025e	2026e
Sales	3,505	4,818	5,645	5,983	6,300
EBITDA	858	1,146	1,309	1,407	1,482
EBITDA margin (%)	24.5	23.8	23.2	23.5	23.5
EBIT adj.	584	794	935	1,016	1,083
EBIT adj. margin (%)	16.7	16.5	16.6	17.0	17.2
Pretax profit	537	612	698	831	963
EPS	11.46	11.29	12.95	15.89	18.50
EPS adj.	12.12	12.93	15.74	18.89	21.50
Sales growth (%)	28.9	37.5	17.2	6.0	5.3
EPS growth (%)	74.7	-1.5	14.7	22.7	16.4

Source: ABG Sundal Collier, Company Data

Reason: Post-results comment

BUY



HOLD



SELL



### Capital Goods

Estimate changes (%)

	2024e	2025e	2026e
Sales	1.5	1.6	1.5
EBIT	4.9	4.0	3.7
EPS	3.3	2.3	1.5

Source: ABG Sundal Collier

### SDIP.B-SE/SDIPB SS

Share price (SEK)	25/4/2024	275.00
Target price	(340.0)	350.0

MCap (SEKm)	10,448
MCap (EURm)	797
No. of shares (m)	38.3
Free float (%)	95.3
Av. daily volume (k)	30

### Next event

Q2 Report 19 July 2024

### Performance



— Sdiptech — OMX Stockholm All Share Index

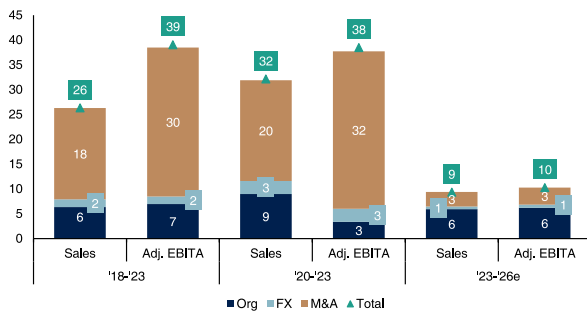
	2024e	2025e	2026e
P/E (x)	21.2	17.3	14.9
P/E adj. (x)	17.5	14.6	12.8
P/BVPS (x)	2.35	2.07	1.82
EV/EBITDA (x)	10.6	9.4	8.5
EV/EBIT adj. (x)	14.8	13.0	11.6
EV/sales (x)	2.46	2.22	1.99
ROE adj. (%)	15.2	15.9	15.8
Dividend yield (%)	0.0	0.0	0.0
FCF yield (%)	1.6	3.8	4.8
Le. adj. FCF yld. (%)	0.6	2.7	3.6
Net IB debt/EBITDA (x)	2.4	1.8	1.3
Le. adj. ND/EBITDA (x)	2.3	1.7	1.0

## Company description

Sdiptech is a technology group focused on infrastructure. It acquires and develops market-leading niche companies, contributing to creating more sustainable, efficient and safer societies. Sdiptech operates its subsidiaries independently and they are largely self-governing. The company provides value to customers in the infrastructure sector by offering high-quality technologies, solutions, and services to both the public and private sectors, primarily in Europe.

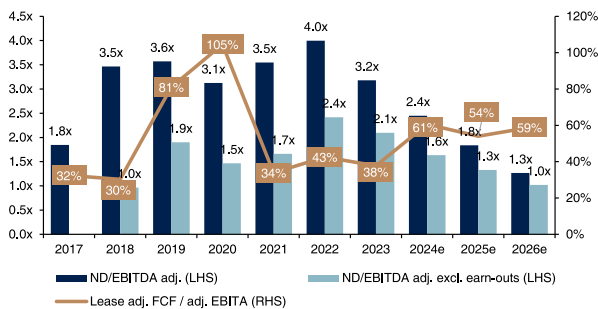
### Sustainability information

#### ABGSCe sales/EBITA breakdown (CAGR, %)



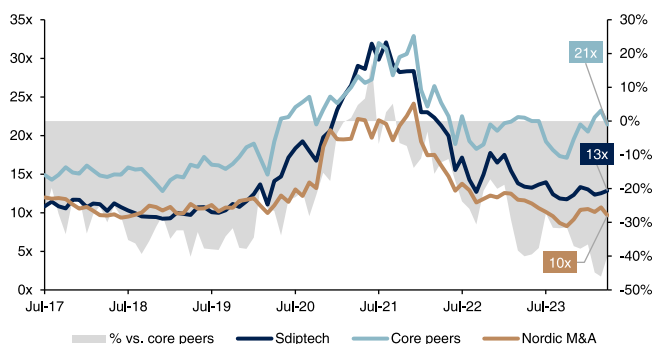
Source: ABG Sundal Collier, company data

#### Gearing and cash conversion



Source: ABG Sundal Collier, company data

#### F12m EV/EBITA vs. peers

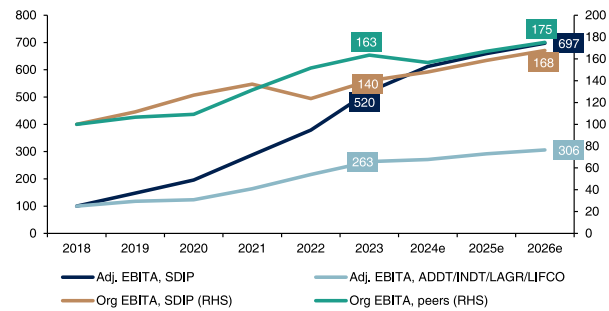


Source: ABG Sundal Collier, FactSet, core peers: ADDT, INDIT, LAGR, LIFCO, M&A: FG, INSTAL, NORVA, RATO, STOR, VESTUM, VOLO

## Risks

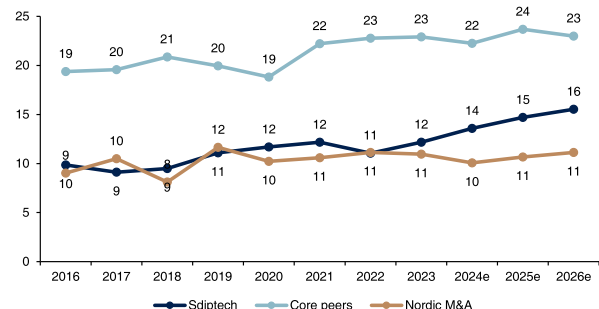
Acquisitions are an integral part of the business model. As the company has grown, the need to make bigger acquisitions increases. This could lead to an intensified competition for acquisition targets with subsequent higher prices. A major part of the businesses in Sdiptech have high margins. Increased competition in these areas could affect profitability and dampen the cash flow, which would affect the financial headroom for acquisitions.

#### Indexed adj. EBITA growth vs. peers



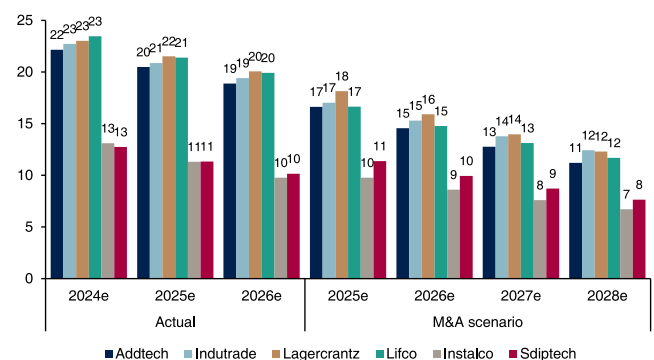
Source: ABG Sundal Collier, company data

#### Adj. ROCE (EBITA) vs. peers (%)



Source: ABG Sundal Collier, company data, core peers: ADDT, INDIT, LAGR, LIFCO, M&A peers: FG, INSTAL, NORVA, RATO, STOR, VESTUM, VOLO

#### EV/EBITA valuation in an M&A scenario\*



Source: ABG Sundal Collier, company data, \*assumes a '23-'28e EBITA CAGR of 16% for ADDT, 13% for INDIT, 17% for LAGR, 14% for LIFCO, 15% for INSTAL, 16% for SDIP, we do not expect any equity issues

## Quarterly outcome vs. expectations

Outcome table	LY	Actual	ABGSCe			Cons		
SEKm	Q1'23	Q1'24	y-o-y	Q1'24e	Dev	Q1'24e	Dev	Diff
Net sales	1,076	1,335	24%	1,290	4%	1,263	6%	2%
Adj. EBITA*	203	251	24%	227	10%	229	10%	-1%
IAC	3	4		0		0		
EBITA	206	255	24%	227	12%	229	11%	-1%
PPA amortisation	-28	-35		-37		-34		
EBIT	178	220	23%	190	16%	195	13%	-2%
Net financials	-44	-62		-70		-68		
PTP	134	158	18%	120	31%	127	24%	-5%
Taxes	-38	-52		-28		-34		
NCI, disc	0	1		0				
Net profit	96	107	12%	92	16%	93	15%	-1%
Preference share payments	-4	-5		-5				
Net profit to common	92	102		88				
Growth and margins	Q1'23	Q1'24	y-o-y	Q1'24e	Dev	Q1'24e	Dev	Diff
Sales growth	37%	24%		20%		17%		
Organic	15%	10%		8%		8%		
FX	-2%	2%		2%		2%		
Structure	24%	12%		10%		8%		
Adj. EBITA* growth	40%	24%		12%		13%		
Adj. EBITA* margin	18.9%	18.8%	-0.1%	17.6%	1.2%	18.1%	0.7%	-0.5%
EBIT margin	16.6%	16.5%	-0.1%	14.8%	1.7%	15.4%	1.0%	-0.7%
Sales per segment	Q1'23	Q1'24	y-o-y	Q1'24e	Dev	Q1'24e	Dev	Diff
Resource Efficiency	391	455	16%	468	-3%	453	0%	3%
Special Infrastructure Solutions	685	880	29%	821	7%	809	9%	2%
Central		0		0		1		
Group	1,076	1,335	24%	1,290	4%	1,263	6%	2%
Adj. EBITA* per segment	Q1'23	Q1'24	y-o-y	Q1'24e	Dev	Q1'24e	Dev	Diff
Resource Efficiency	89	111	25%	103	8%	101	10%	2%
Special Infrastructure Solutions	133	157	19%	143	10%	146	8%	-2%
Central	-18	-18		-19		-18		
Group	203	251	24%	227	10%	229	10%	-1%
Margins per segment	Q1'23	Q1'24	y-o-y	Q1'24e	Dev	Q1'24e	Dev	Diff
Resource Efficiency	22.7%	24.5%	1.8%	22.0%	2.5%	22.3%	2.2%	-0.3%
Special Infrastructure Solutions	19.4%	17.9%	-1.5%	17.5%	0.4%	18.0%	-0.2%	-0.6%
Group	18.9%	18.8%	-0.1%	17.6%	1.2%	18.1%	0.7%	-0.5%

Source: ABG Sundal Collier, company data, FactSet

## Estimate changes

Estimate changes	Old			New			% change		
SEKm	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Net sales	5,560	5,887	6,205	5,645	5,983	6,300	2%	2%	2%
Adj. EBITA*	1,046	1,129	1,197	1,084	1,168	1,235	4%	3%	3%
IAC	0	0	0	0	0	0			
EBITA	1,046	1,129	1,197	1,088	1,168	1,235	4%	3%	3%
PPA amortisation	-151	-152	-152	-149	-152	-152			
EBIT	895	977	1,045	939	1,016	1,083	5%	4%	4%
Net financials	-251	-185	-120	-241	-185	-120			
PTP	644	792	925	698	831	963	8%	5%	4%
Taxes	-148	-182	-213	-187	-208	-241			
NCI, disc	-1	-1	-1	-1	-1	-1			
Net profit	495	609	711	510	623	722	3%	2%	1%
Preference share payments	-19	-19	-19	-18	-19	-19			
Net profit to common	476	590	692	492	604	703	3%	2%	1%
Growth and margins	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Sales growth	15%	6%	5%	17%	6%	5%			
Organic	6%	5%	5%	7%	5%	5%			
FX	1%	1%	0%	1%	1%	0%			
Structure	8%	0%	0%	9%	0%	0%			
Adj. EBITA* growth	14%	8%	6%	18%	8%	6%			
Adj. EBITA* margin	18.8%	19.2%	19.3%	19.2%	19.5%	19.6%	0.4%	0.3%	0.3%
EBIT margin	16.1%	16.6%	16.8%	16.6%	17.0%	17.2%	0.5%	0.4%	0.4%
Sales per segment	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Resource Efficiency	1,846	1,951	2,072	1,841	1,953	2,069	0%	0%	0%
Special Infrastructure Solutions	3,714	3,936	4,133	3,805	4,030	4,231	2%	2%	2%
Central	0	0	0	0	0	0			
Group	5,560	5,887	6,205	5,645	5,983	6,300	2%	2%	2%
Adj. EBITA* per segment	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Resource Efficiency	406	430	458	423	449	475	4%	4%	4%
Special Infrastructure Solutions	718	784	829	738	804	850	3%	3%	3%
Central	-78	-85	-90	-77	-85	-90			
Group	1,046	1,129	1,197	1,084	1,168	1,235	4%	3%	3%
Margins per segment	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Resource Efficiency	22.0%	22.0%	22.1%	23.0%	23.0%	23.0%	1.0%	0.9%	0.8%
Special Infrastructure Solutions	19.3%	19.9%	20.0%	19.4%	20.0%	20.1%	0.1%	0.0%	0.0%
Group	18.8%	19.2%	19.3%	19.2%	19.5%	19.6%	0.4%	0.3%	0.3%

Source: ABG Sundal Collier, company data

## Quarterly overview

Quarterly SEKm	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24e	Q3'24e	Q4'24e
Net sales	658	665	646	749	784	847	857	1,018	1,076	1,169	1,205	1,368	1,335	1,399	1,356	1,555
Adj. EBITA*	116	121	119	153	145	160	171	196	203	231	235	253	251	267	268	298
IAC	-16	-20	-4	-54	-5	32	29	1	3	6	35	-2	4	0	0	0
EBITA	100	101	115	99	140	192	200	197	206	236	270	250	255	267	268	298
PPA amortisation	-10	-12	-13	-17	-18	-21	-23	-26	-28	-29	-36	-34	-35	-38	-38	-38
EBIT	91	89	103	83	122	172	177	171	178	207	234	216	220	229	230	260
Net financials	-5	-8	-7	-19	-16	-31	-20	-38	-44	-38	-64	-78	-61	-65	-60	-55
PTP	85	80	95	64	106	141	157	133	134	169	171	138	159	164	170	205
Taxes	-21	-22	-18	-17	-30	-22	-30	-26	-38	-42	-39	-47	-52	-41	-42	-51
NCI, disc	-2	1	0	0	0	0	0	0	0	-1	0	0	0	0	0	0
Net profit	63	60	77	47	76	118	126	107	96	126	132	91	106	123	127	153
Preference share payments	-4	-4	-4	-4	-4	-4	-4	-5	-4	-4	-5	-5	-4	-5	-5	-5
Net profit to common	59	56	73	43	72	115	123	102	92	122	127	87	102	118	122	149
Growth and margins	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24e	Q3'24e	Q4'24e
Sales growth	36%	38%	25%	24%	19%	27%	33%	36%	37%	38%	41%	34%	24%	20%	12%	14%
Organic	4%	16%	4%	13%	8%	-2%	-6%	2%	15%	15%	20%	20%	10%	8%	6%	5%
FX	-4%	-1%	1%	2%	5%	3%	1%	4%	-2%	6%	10%	5%	2%	2%	-1%	2%
Structure	36%	23%	20%	9%	6%	27%	37%	30%	24%	17%	10%	10%	12%	11%	8%	6%
Adj. EBITA* growth	64%	46%	29%	52%	25%	32%	43%	28%	40%	44%	38%	29%	24%	16%	14%	18%
Adj. EBITA* margin	17.6%	18.1%	18.5%	20.5%	18.5%	18.9%	19.9%	19.2%	18.9%	19.7%	19.5%	18.5%	18.8%	19.1%	19.7%	19.2%
EBIT margin	13.8%	13.3%	15.9%	11.0%	15.6%	20.2%	20.6%	16.8%	16.6%	17.7%	19.4%	15.8%	16.5%	16.4%	16.9%	16.7%
Sales per segment	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24e	Q3'24e	Q4'24e
Resource Efficiency	211	257	259	301	340	338	284	309	391	403	396	460	455	469	423	494
Special Infrastructure Solutions	281	305	388	448	444	510	573	709	685	767	809	909	880	930	933	1,062
Property Technical Services	166	103	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group	658	665	646	749	784	847	857	1,018	1,076	1,169	1,205	1,368	1,335	1,399	1,356	1,555
Adj. EBITA* per segment	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24e	Q3'24e	Q4'24e
Resource Efficiency	49	62	65	75	81	72	65	58	89	82	91	104	111	103	95	114
Special Infrastructure Solutions	67	69	66	94	80	100	117	155	133	163	161	166	157	183	193	204
Property Technical Services	13	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central	-12	-15	-12	-15	-16	-13	-11	-17	-18	-15	-17	-18	-18	-19	-20	-20
Group	116	121	119	153	145	160	171	196	203	231	235	253	251	267	268	298
Margins per segment	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24e	Q3'24e	Q4'24e
Resource Efficiency	23.0%	23.9%	25.0%	24.8%	23.8%	21.4%	23.0%	18.7%	22.7%	20.4%	23.0%	22.6%	24.5%	22.0%	22.4%	23.0%
Special Infrastructure Solutions	24.0%	22.5%	17.1%	20.9%	18.0%	19.6%	20.4%	21.9%	19.4%	21.3%	19.9%	18.3%	17.9%	19.7%	20.7%	19.2%
Property Technical Services	7.6%	5.3%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Group	17.6%	18.1%	18.5%	20.5%	18.5%	18.9%	19.9%	19.2%	18.9%	19.7%	19.5%	18.5%	18.8%	19.1%	19.7%	19.2%

Source: ABG Sundal Collier, company data

## Annual overview

Annual SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Net sales	776	1,045	1,496	1,826	2,088	2,719	3,505	4,818	5,645	5,983	6,300
Adj. EBITA*	108	123	177	262	347	509	671	921	1,084	1,168	1,235
IAC	3	67	13	28	-17	-94	58	42	4	0	0
EBITA	111	189	190	291	330	416	729	963	1,088	1,168	1,235
PPA amortisation	0	-33	-47	-69	-20	-51	-87	-128	-149	-152	-152
EBIT	111	157	143	222	311	364	641	836	939	1,016	1,083
Net financials	-7	-36	-17	-13	-26	-39	-104	-224	-241	-185	-120
PTP	104	121	127	209	284	325	537	612	698	831	963
Taxes	-24	-25	-30	-44	-64	-78	-109	-166	-187	-208	-241
NCI, disc	-6	-4	29	-4	-6	-1	-1	-1	-1	-1	-1
Net profit	74	92	126	161	215	246	427	445	510	623	722
Preference share payments	-14	-14	-14	-14	-14	-14	-15	-16	-18	-19	-19
Net profit to common	60	78	112	147	201	232	412	428	492	604	703
Growth and margins	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales growth	88%	35%	43%	22%	14%	30%	29%	37%	17%	6%	5%
Organic	4%	1%	6%	1%	4%	9%	1%	18%	7%	5%	5%
FX	0%	-5%	0%	1%	-1%	0%	3%	5%	1%	1%	0%
Structure	84%	39%	37%	20%	11%	21%	25%	15%	9%	0%	0%
Adj. EBITA* growth	214%	13%	45%	48%	32%	47%	32%	37%	18%	8%	6%
Adj. EBITA* margin	14.0%	11.7%	11.8%	14.4%	16.6%	18.7%	19.1%	19.1%	19.2%	19.5%	19.6%
EBIT margin	14.3%	15.0%	9.6%	12.1%	14.9%	13.4%	18.3%	17.3%	16.6%	17.0%	17.2%
Sales per segment	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Resource Efficiency	112	211	428	641	616	1,028	1,270	1,650	1,841	1,953	2,069
Special Infrastructure Solutions	91	167	320	479	705	1,422	2,235	3,169	3,805	4,030	4,231
Property Technical Services	545	667	749	705	767	269	269	269	269	269	269
Central	28	0	0	0	0	0	0	0	0	0	0
Group	776	1,045	1,496	1,826	2,088	2,719	3,505	4,818	5,645	5,983	6,300
Adj. EBITA* per segment	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Resource Efficiency	20	48	64	123	128	250	276	366	423	449	475
Special Infrastructure Solutions	20	43	71	106	192	296	452	623	738	804	850
Property Technical Services	70	47	62	60	66	18	18	18	18	18	18
Central	-2	-16	-19	-27	-38	-54	-57	-68	-77	-85	-90
Group	108	123	177	262	347	509	671	921	1,084	1,168	1,235
Margins per segment	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Resource Efficiency	17.7%	22.8%	15.0%	19.1%	20.7%	24.3%	21.7%	22.2%	23.0%	23.0%	23.0%
Special Infrastructure Solutions	22.5%	26.0%	22.1%	22.1%	27.2%	20.8%	20.2%	19.7%	19.4%	20.0%	20.1%
Property Technical Services	12.8%	7.0%	8.2%	8.6%	8.5%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Group	14.0%	11.7%	11.8%	14.4%	16.6%	18.7%	19.1%	19.1%	19.2%	19.5%	19.6%

Source: ABG Sundal Collier, company data

Income Statement (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	1,045	1,496	1,826	2,088	2,719	3,505	4,818	5,645	5,983	6,300
COGS	-466	-664	-721	-826	-1,153	-1,388	-1,926	-2,147	-2,125	-2,236
Gross profit	579	832	1,105	1,262	1,566	2,118	2,892	3,498	3,858	4,065
Other operating items	-375	-619	-747	-859	-1,060	-1,259	-1,746	-2,189	-2,451	-2,583
<b>EBITDA</b>	<b>204</b>	<b>213</b>	<b>358</b>	<b>403</b>	<b>506</b>	<b>858</b>	<b>1,146</b>	<b>1,309</b>	<b>1,407</b>	<b>1,482</b>
Depreciation and amortisation	-15	-23	-67	-73	-90	-130	-183	-221	-239	-247
of which leasing depreciation	0	0	-42	-50	-55	-64	-95	-107	-116	-120
<b>EBITA</b>	<b>189</b>	<b>190</b>	<b>291</b>	<b>330</b>	<b>416</b>	<b>729</b>	<b>963</b>	<b>1,088</b>	<b>1,168</b>	<b>1,235</b>
EO Items	67	13	28	-17	-94	58	42	4	0	0
Impairment and PPA amortisation	-33	-47	-69	-20	-51	-87	-128	-149	-152	-152
<b>EBIT</b>	<b>157</b>	<b>143</b>	<b>222</b>	<b>311</b>	<b>364</b>	<b>641</b>	<b>836</b>	<b>939</b>	<b>1,016</b>	<b>1,083</b>
Net financial items	-36	-17	-13	-26	-39	-104	-224	-241	-185	-120
<b>Pretax profit</b>	<b>121</b>	<b>127</b>	<b>209</b>	<b>284</b>	<b>325</b>	<b>537</b>	<b>612</b>	<b>698</b>	<b>831</b>	<b>963</b>
Tax	-25	-30	-44	-64	-78	-109	-166	-187	-208	-241
<b>Net profit</b>	<b>96</b>	<b>97</b>	<b>165</b>	<b>220</b>	<b>247</b>	<b>428</b>	<b>446</b>	<b>511</b>	<b>623</b>	<b>722</b>
Minority interest	-18	-62	-18	-20	-15	-16	-17	-19	-20	-20
Net profit discontinued	0	77	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>78</b>	<b>112</b>	<b>147</b>	<b>201</b>	<b>232</b>	<b>412</b>	<b>428</b>	<b>492</b>	<b>604</b>	<b>703</b>
EPS	2.57	3.69	4.86	6.18	6.56	11.46	11.29	12.95	15.89	18.50
EPS adj.	1.67	4.54	5.92	7.05	9.67	12.12	12.93	15.74	18.89	21.50
Total extraordinary items after tax	53	10	22	-13	-71	46	30	3	0	0
Leasing payments	0	0	-42	-50	-55	-64	-95	-107	-116	-120
<i>Tax rate (%)</i>	<i>20.3</i>	<i>23.7</i>	<i>21.0</i>	<i>22.5</i>	<i>24.0</i>	<i>20.2</i>	<i>27.1</i>	<i>26.8</i>	<i>25.0</i>	<i>25.0</i>
<i>Gross margin (%)</i>	<i>55.4</i>	<i>55.6</i>	<i>60.5</i>	<i>60.5</i>	<i>57.6</i>	<i>60.4</i>	<i>60.0</i>	<i>62.0</i>	<i>64.5</i>	<i>64.5</i>
<i>EBITDA margin (%)</i>	<i>19.5</i>	<i>14.3</i>	<i>19.6</i>	<i>19.3</i>	<i>18.6</i>	<i>24.5</i>	<i>23.8</i>	<i>23.2</i>	<i>23.5</i>	<i>23.5</i>
<i>EBITA margin (%)</i>	<i>18.1</i>	<i>12.7</i>	<i>15.9</i>	<i>15.8</i>	<i>15.3</i>	<i>20.8</i>	<i>20.0</i>	<i>19.3</i>	<i>19.5</i>	<i>19.6</i>
<i>EBIT margin (%)</i>	<i>15.0</i>	<i>9.6</i>	<i>12.1</i>	<i>14.9</i>	<i>13.4</i>	<i>18.3</i>	<i>17.3</i>	<i>16.6</i>	<i>17.0</i>	<i>17.2</i>
<i>Pre-tax margin (%)</i>	<i>11.5</i>	<i>8.5</i>	<i>11.4</i>	<i>13.6</i>	<i>12.0</i>	<i>15.3</i>	<i>12.7</i>	<i>12.4</i>	<i>13.9</i>	<i>15.3</i>
<i>Net margin (%)</i>	<i>9.2</i>	<i>6.5</i>	<i>9.0</i>	<i>10.6</i>	<i>9.1</i>	<i>12.2</i>	<i>9.2</i>	<i>9.1</i>	<i>10.4</i>	<i>11.5</i>
<b>Growth Rates y-o-y</b>	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</i>	<i>34.8</i>	<i>43.2</i>	<i>22.0</i>	<i>14.4</i>	<i>30.2</i>	<i>28.9</i>	<i>37.5</i>	<i>17.2</i>	<i>6.0</i>	<i>5.3</i>
<i>EBITDA growth (%)</i>	<i>70.5</i>	<i>4.5</i>	<i>67.7</i>	<i>12.6</i>	<i>25.6</i>	<i>69.6</i>	<i>33.5</i>	<i>14.2</i>	<i>7.5</i>	<i>5.3</i>
<i>EBITA growth (%)</i>	<i>69.9</i>	<i>0.6</i>	<i>52.7</i>	<i>13.6</i>	<i>25.8</i>	<i>75.3</i>	<i>32.2</i>	<i>13.0</i>	<i>7.4</i>	<i>5.7</i>
<i>EBIT growth (%)</i>	<i>41.0</i>	<i>-8.6</i>	<i>54.8</i>	<i>40.0</i>	<i>17.4</i>	<i>76.0</i>	<i>30.3</i>	<i>12.4</i>	<i>8.2</i>	<i>6.6</i>
<i>Net profit growth (%)</i>	<i>20.7</i>	<i>0.6</i>	<i>70.5</i>	<i>33.5</i>	<i>12.0</i>	<i>73.4</i>	<i>4.1</i>	<i>14.7</i>	<i>22.0</i>	<i>15.9</i>
<i>EPS growth (%)</i>	<i>-8.9</i>	<i>43.7</i>	<i>31.7</i>	<i>27.1</i>	<i>6.0</i>	<i>74.7</i>	<i>-1.5</i>	<i>14.7</i>	<i>22.7</i>	<i>16.4</i>
<b>Profitability</b>	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</i>	<i>11.1</i>	<i>10.8</i>	<i>12.7</i>	<i>13.7</i>	<i>10.9</i>	<i>13.6</i>	<i>11.5</i>	<i>11.7</i>	<i>12.7</i>	<i>13.0</i>
<i>ROE adj. (%)</i>	<i>8.2</i>	<i>14.4</i>	<i>16.8</i>	<i>15.9</i>	<i>16.7</i>	<i>15.0</i>	<i>14.1</i>	<i>15.2</i>	<i>15.9</i>	<i>15.8</i>
<i>ROCE (%)</i>	<i>11.7</i>	<i>7.7</i>	<i>9.4</i>	<i>10.5</i>	<i>8.7</i>	<i>10.6</i>	<i>11.0</i>	<i>11.8</i>	<i>12.8</i>	<i>13.6</i>
<i>ROCE adj. (%)</i>	<i>9.1</i>	<i>9.5</i>	<i>11.1</i>	<i>11.7</i>	<i>12.2</i>	<i>11.1</i>	<i>12.2</i>	<i>13.6</i>	<i>14.7</i>	<i>15.5</i>
<i>ROIC (%)</i>	<i>13.5</i>	<i>9.5</i>	<i>10.8</i>	<i>9.3</i>	<i>8.2</i>	<i>10.2</i>	<i>9.9</i>	<i>10.5</i>	<i>11.5</i>	<i>12.1</i>
<i>ROIC adj. (%)</i>	<i>8.7</i>	<i>8.8</i>	<i>9.8</i>	<i>9.8</i>	<i>10.0</i>	<i>9.4</i>	<i>9.5</i>	<i>10.5</i>	<i>11.5</i>	<i>12.1</i>
<b>Adj. earnings numbers</b>	-	-	-	-	-	-	-	-	-	-
<i>EBITDA adj.</i>	<i>137</i>	<i>200</i>	<i>329</i>	<i>420</i>	<i>600</i>	<i>801</i>	<i>1,104</i>	<i>1,305</i>	<i>1,407</i>	<i>1,482</i>
<i>EBITDA adj. margin (%)</i>	<i>13.1</i>	<i>13.4</i>	<i>18.0</i>	<i>20.1</i>	<i>22.1</i>	<i>22.8</i>	<i>22.9</i>	<i>23.1</i>	<i>23.5</i>	<i>23.5</i>
<i>EBITDA lease adj.</i>	<i>137</i>	<i>200</i>	<i>287</i>	<i>370</i>	<i>545</i>	<i>737</i>	<i>1,010</i>	<i>1,198</i>	<i>1,291</i>	<i>1,362</i>
<i>EBITDA lease adj. margin (%)</i>	<i>13.1</i>	<i>13.4</i>	<i>15.7</i>	<i>17.7</i>	<i>20.0</i>	<i>21.0</i>	<i>21.0</i>	<i>21.2</i>	<i>21.6</i>	<i>21.6</i>
<i>EBITA adj.</i>	<i>123</i>	<i>177</i>	<i>262</i>	<i>347</i>	<i>509</i>	<i>671</i>	<i>921</i>	<i>1,084</i>	<i>1,168</i>	<i>1,235</i>
<i>EBITA adj. margin (%)</i>	<i>11.7</i>	<i>11.8</i>	<i>14.4</i>	<i>16.6</i>	<i>18.7</i>	<i>19.1</i>	<i>19.1</i>	<i>19.2</i>	<i>19.5</i>	<i>19.6</i>
<i>EBIT adj.</i>	<i>122</i>	<i>175</i>	<i>262</i>	<i>327</i>	<i>458</i>	<i>584</i>	<i>794</i>	<i>935</i>	<i>1,016</i>	<i>1,083</i>
<i>EBIT adj. margin (%)</i>	<i>11.7</i>	<i>11.7</i>	<i>14.4</i>	<i>15.7</i>	<i>16.8</i>	<i>16.7</i>	<i>16.5</i>	<i>16.6</i>	<i>17.0</i>	<i>17.2</i>
<i>Pretax profit Adj.</i>	<i>87</i>	<i>161</i>	<i>249</i>	<i>321</i>	<i>470</i>	<i>567</i>	<i>697</i>	<i>843</i>	<i>983</i>	<i>1,115</i>
<i>Net profit Adj.</i>	<i>76</i>	<i>134</i>	<i>211</i>	<i>253</i>	<i>369</i>	<i>470</i>	<i>543</i>	<i>657</i>	<i>775</i>	<i>874</i>
<i>Net profit to shareholders adj.</i>	<i>57</i>	<i>149</i>	<i>194</i>	<i>233</i>	<i>354</i>	<i>454</i>	<i>525</i>	<i>638</i>	<i>756</i>	<i>855</i>
<i>Net adj. margin (%)</i>	<i>7.2</i>	<i>8.9</i>	<i>11.6</i>	<i>12.1</i>	<i>13.6</i>	<i>13.4</i>	<i>11.3</i>	<i>11.6</i>	<i>13.0</i>	<i>13.9</i>

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	204	213	358	403	506	858	1,146	1,309	1,407	1,482
Net financial items	-36	-17	-13	-26	-39	-104	-224	-241	-185	-120
Paid tax	-41	-46	-41	-53	-94	-111	-198	-187	-208	-241
Non-cash items	-57	-39	-72	36	-31	-51	4	0	0	0
Cash flow before change in WC	70	113	232	359	341	592	728	881	1,014	1,121
Change in working capital	-1	-24	81	92	-61	-33	-110	107	-24	-18



Cash Flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
<b>Operating cash flow</b>	<b>70</b>	<b>89</b>	<b>313</b>	<b>451</b>	<b>281</b>	<b>559</b>	<b>618</b>	<b>988</b>	<b>990</b>	<b>1,104</b>
Capex tangible fixed assets	-21	-22	-58	-31	-41	-123	-112	-158	-168	-176
Capex intangible fixed assets	-9	-13	-12	-7	-10	-84	-78	-68	-72	-76
Acquisitions and Disposals	-161	-293	-542	-595	-1,104	-1,493	-586	-595	-350	-350
<b>Free cash flow</b>	<b>-121</b>	<b>-240</b>	<b>-300</b>	<b>-182</b>	<b>-874</b>	<b>-1,141</b>	<b>-156</b>	<b>167</b>	<b>401</b>	<b>502</b>
Dividend paid	-20	-14	-15	-15	-21	-15	-16	-18	-19	-19
Share issues and buybacks	472	2	1	347	494	514	25	0	0	0
Leasing liability amortisation	0	0	-30	-50	-57	-66	-82	-105	-120	-125
Other non-cash items	-77	-191	-141	-287	-440	-469	-105	270	350	350
Balance Sheet (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Goodwill	1,055	1,452	1,870	2,268	3,183	4,299	4,626	4,853	4,853	4,853
Other intangible assets	13	25	99	271	665	1,102	1,223	1,142	1,062	985
Tangible fixed assets	81	108	258	134	240	403	431	573	617	667
Right-of-use asset	0	0	0	185	196	377	440	438	442	447
Total other fixed assets	2	2	14	10	11	15	16	16	16	16
Fixed assets	1,151	1,587	2,241	2,869	4,294	6,197	6,737	7,022	6,991	6,969
Inventories	63	96	117	215	324	562	646	734	748	756
Receivables	217	309	333	375	498	687	827	988	1,047	1,103
Other current assets	69	136	138	115	207	267	339	395	419	441
Cash and liquid assets	330	325	156	279	369	383	557	301	313	321
<b>Total assets</b>	<b>1,830</b>	<b>2,453</b>	<b>2,986</b>	<b>3,853</b>	<b>5,692</b>	<b>8,096</b>	<b>9,105</b>	<b>9,440</b>	<b>9,517</b>	<b>9,589</b>
Shareholders equity	973	1,088	1,223	1,716	2,524	3,517	3,952	4,444	5,048	5,750
Minority	33	33	36	40	5	5	5	6	7	8
<b>Total equity</b>	<b>1,006</b>	<b>1,121</b>	<b>1,259</b>	<b>1,756</b>	<b>2,529</b>	<b>3,522</b>	<b>3,957</b>	<b>4,450</b>	<b>5,054</b>	<b>5,758</b>
Long-term debt	427	642	1,194	1,393	1,946	3,030	3,338	2,768	2,168	1,468
Pension debt	1	1	3	3	2	2	2	2	2	2
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	31	34	122	184	196	374	447	447	447	447
Total other long-term liabilities	11	14	16	69	151	253	280	280	280	280
Short-term debt	125	342	14	11	352	181	279	279	279	279
Accounts payable	74	109	124	136	179	258	240	367	389	410
Other current liabilities	155	191	255	302	337	477	561	847	897	945
<b>Total liabilities and equity</b>	<b>1,830</b>	<b>2,453</b>	<b>2,986</b>	<b>3,853</b>	<b>5,692</b>	<b>8,096</b>	<b>9,105</b>	<b>9,440</b>	<b>9,517</b>	<b>9,589</b>
Net IB debt	254	694	1,176	1,311	2,127	3,203	3,510	3,196	2,584	1,876
Net IB debt excl. pension debt	253	692	1,173	1,309	2,126	3,201	3,507	3,194	2,581	1,874
Net IB debt excl. leasing	223	660	1,055	1,127	1,932	2,829	3,063	2,749	2,137	1,429
Capital employed	1,590	2,139	2,591	3,346	5,025	7,108	8,024	7,946	7,951	7,955
Capital invested	1,260	1,814	2,435	3,067	4,656	6,725	7,467	7,646	7,638	7,634
Working capital	120	241	210	267	513	781	1,010	903	927	945
<b>EV breakdown</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Market cap. diluted (m)	8,326	8,326	8,326	8,926	9,725	9,892	10,439	10,448	10,448	10,448
Net IB debt adj.	254	694	1,176	1,311	2,127	3,203	3,510	3,196	2,584	1,876
Market value of minority	220	220	242	245	228	203	208	220	221	222
<b>EV</b>	<b>8,800</b>	<b>9,240</b>	<b>9,745</b>	<b>10,482</b>	<b>12,080</b>	<b>13,298</b>	<b>14,157</b>	<b>13,864</b>	<b>13,253</b>	<b>12,546</b>
Total assets turnover (%)	67.4	69.9	67.1	61.1	57.0	50.8	56.0	60.9	63.1	66.0
Working capital/sales (%)	11.6	12.1	12.4	11.4	14.3	18.5	18.6	16.9	15.3	14.9
<b>Financial risk and debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net debt/equity (%)	25.2	61.9	93.5	74.7	84.1	90.9	88.7	71.8	51.1	32.6
Net debt / market cap (%)	3.0	8.3	14.1	14.7	21.9	32.4	33.6	30.6	24.7	18.0
Equity ratio (%)	55.0	45.7	42.1	45.6	44.4	43.5	43.5	47.1	53.1	60.0
Net IB debt adj. / equity (%)	25.2	61.9	93.5	74.7	84.1	90.9	88.7	71.8	51.1	32.6
Current ratio	1.92	1.35	1.90	2.19	1.61	2.07	2.19	1.62	1.61	1.60
EBITDA/net interest	5.7	12.9	27.7	15.4	12.8	8.2	5.1	5.4	7.6	12.4
Net IB debt/EBITDA (x)	1.2	3.2	3.3	3.3	4.2	3.7	3.1	2.4	1.8	1.3
Net IB debt/EBITDA lease adj. (x)	1.6	3.3	3.7	3.0	3.5	3.8	3.0	2.3	1.7	1.0
Interest coverage	5.3	11.5	22.5	12.6	10.5	7.0	4.3	4.5	6.3	10.3

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Actual shares outstanding	30	30	30	32	35	36	38	38	38	38
Actual shares outstanding (avg)	30	30	30	32	35	36	38	38	38	38
Actual dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reported earnings per share	2.70	3.69	4.87	6.18	6.55	11.47	11.33	12.95	15.89	18.50

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Shares outstanding adj.	30	30	30	32	35	36	38	38	38	38
Diluted shares adj.	30	30	30	32	35	36	38	38	38	38
EPS	2.57	3.69	4.86	6.18	6.56	11.46	11.29	12.95	15.89	18.50
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EPS adj.	1.67	4.54	5.92	7.05	9.67	12.12	12.93	15.74	18.89	21.50
BVPS	32.14	35.94	40.38	52.85	71.38	97.78	104.10	116.97	132.86	151.36
BVPS adj.	-3.14	-12.85	-24.65	-25.37	-37.43	-52.36	-49.98	-40.84	-22.84	-2.33
Net IB debt/share	8.38	22.90	38.85	40.40	60.15	89.04	92.46	84.12	68.01	49.38
Share price	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00
Market cap. (m)	8,326	8,326	8,326	8,926	9,725	9,892	10,439	10,448	10,448	10,448
<b>Valuation</b>	-	-	-	-	-	-	-	-	-	-
P/E (x)	107.0	74.5	56.5	44.5	41.9	24.0	24.4	21.2	17.3	14.9
EV/sales (x)	8.42	6.18	5.34	5.02	4.44	3.79	2.94	2.46	2.22	1.99
EV/EBITDA (x)	43.1	43.3	27.2	26.0	23.9	15.5	12.4	10.6	9.4	8.5
EV/EBITA (x)	46.5	48.5	33.5	31.7	29.1	18.3	14.7	12.7	11.3	10.2
EV/EBIT (x)	56.2	64.5	43.9	33.8	33.2	20.7	16.9	14.8	13.0	11.6
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF yield (%)	-1.5	-2.9	-3.6	-2.0	-9.0	-11.5	-1.5	1.6	3.8	4.8
Le. adj. FCF yld. (%)	-1.5	-2.9	-4.0	-2.6	-9.6	-12.2	-2.3	0.6	2.7	3.6
P/BVPS (x)	8.56	7.65	6.81	5.20	3.85	2.81	2.64	2.35	2.07	1.82
P/BVPS adj. (x)	-87.46	-21.40	-11.16	-10.84	-7.35	-5.25	-5.50	-6.73	-12.04	-118.00
P/E adj. (x)	164.7	60.5	46.5	39.0	28.4	22.7	21.3	17.5	14.6	12.8
EV/EBITDA adj. (x)	64.0	46.2	29.6	25.0	20.1	16.6	12.8	10.6	9.4	8.5
EV/EBITA adj. (x)	71.8	52.2	37.2	30.2	23.7	19.8	15.4	12.8	11.3	10.2
EV/EBIT adj. (x)	71.9	52.7	37.2	32.0	26.4	22.8	17.8	14.8	13.0	11.6
EV/CE (x)	5.5	4.3	3.8	3.1	2.4	1.9	1.8	1.7	1.7	1.6
<b>Investment ratios</b>	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	2.9	2.3	3.8	1.8	1.9	5.9	3.9	4.0	4.0	4.0
Capex/depreciation	2.0	1.5	2.8	1.7	1.4	3.2	2.1	2.0	1.9	2.0

Source: ABG Sundal Collier, Company Data

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	% of	% of	% of
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<b>BUY</b>	62.95%	17%	7.52%
<b>HOLD</b>	31.48%	3%	2.65%
<b>SELL</b>	5.01%	0%	0.00%

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## Stock price, company ratings and target price history

Company: Sdiptech

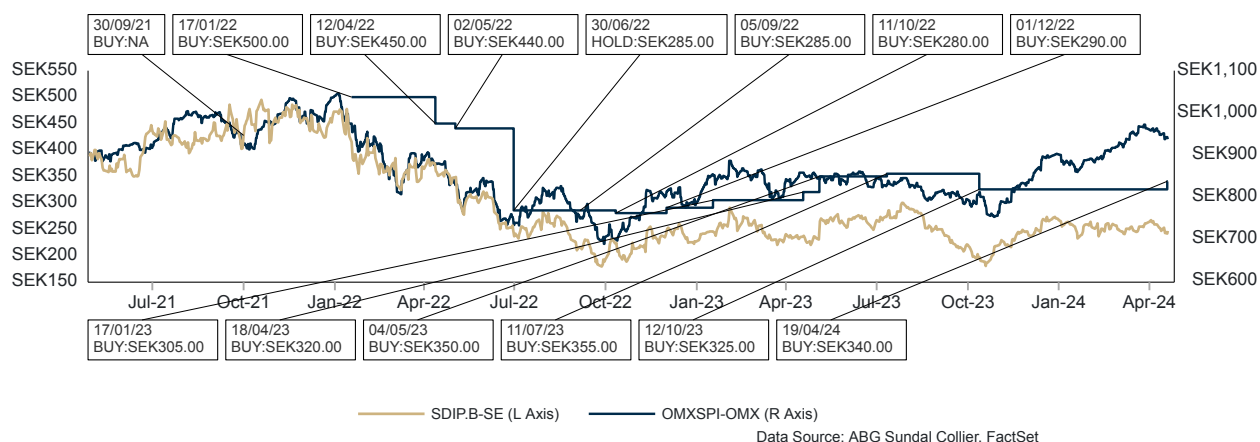
Currency: SEK

Current Recommendation: BUY

Date: 25/4/2024

Current Target price: 350.0

Current Share price: 275.00



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Production of recommendation: 4/26/2024 06:36.

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