



3rd quarter 2010

Presentation by CEO Frank Gad
2 November 2010

AGENDA



- SP Group – an overview
- Results first nine months 2010
- Strategic focus areas
- Financial objectives and outlook



Frank Gad (born 1960, M. Sc.)

Career:

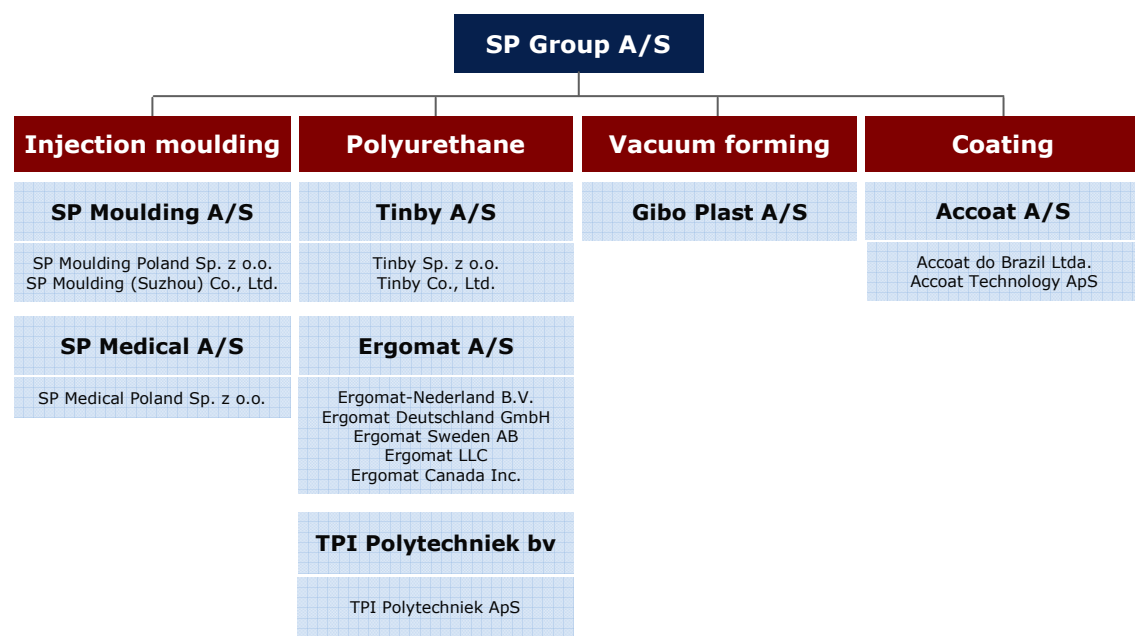
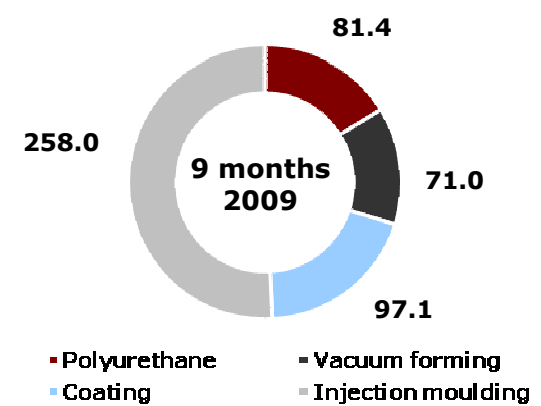
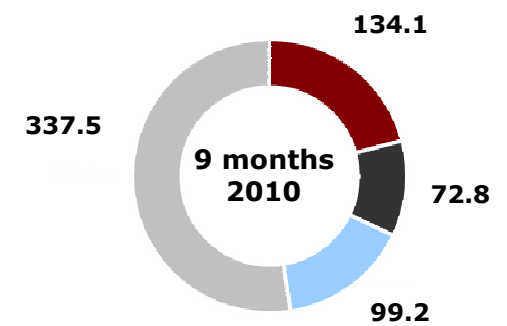
- Nov. 2004: CEO, SP Group A/S
- 1999-2004: CEO, FLSmidth A/S
- 1996-1999: CEO, Mærsk Container Industri A/S
- 1985-1999: Odense Steel Shipyard A/S – most recent title: EVP



SP GROUP – AN OVERVIEW

- Manufacturer of moulded plastic components and coatings
- Supplier of customer-specific solutions for a wide range of industries
- Strong international niche positions – also for our own brands
- Increased exports from Denmark and increasing production in China and Poland

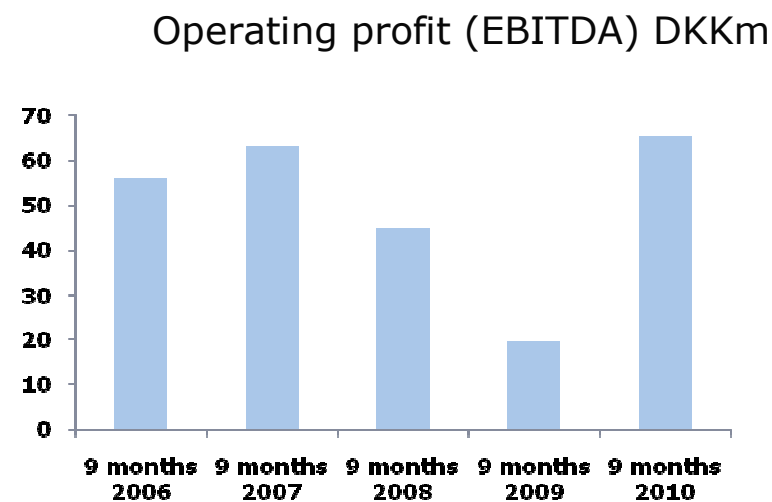
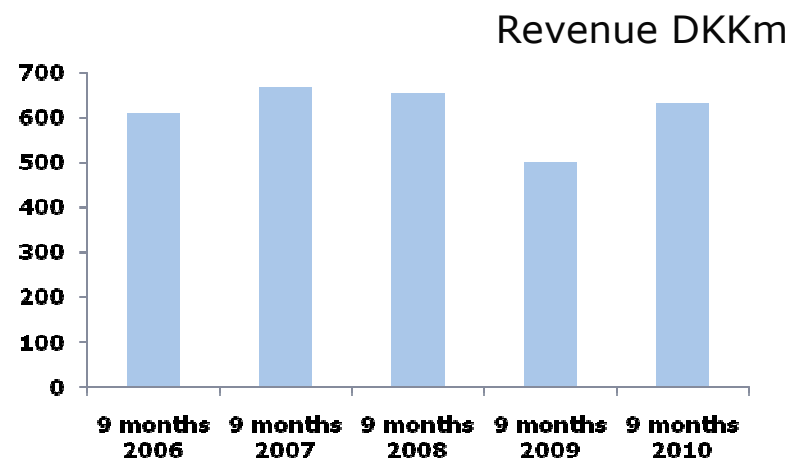
Revenue split by the Group's business units; first nine months 2010 and 2009 (DKKm):



GROUP HIGHLIGHTS NINE MONTHS 2010



- Revenue improved by 26.2% to DKK 631.2m
 - Q3 revenue growth of 30.1%
- Sales to our export markets grew by 37%
- Sales to our Danish customers were up by more than 18%
- Sales to the medical devices industry rose by 33.2%
 - now accounts for 35.4% of consolidated revenue
- Continued intensified marketing efforts towards both existing and potential customers
- Active approach to developing and marketing a number of new solutions to the cleantech, the medical devices and other industries
- Optimise production more efficiently, aligning capacity and tight cost management
- Ongoing reduction of general costs
- EBITDA margin improved to 10.4% from 3.9% in the first nine months of 2009
 - Q3 EBITDA margin of 10.7%
- Strongly focused on reducing the interest-bearing debt, increasing cash flows from operating activities and selling an additional two properties





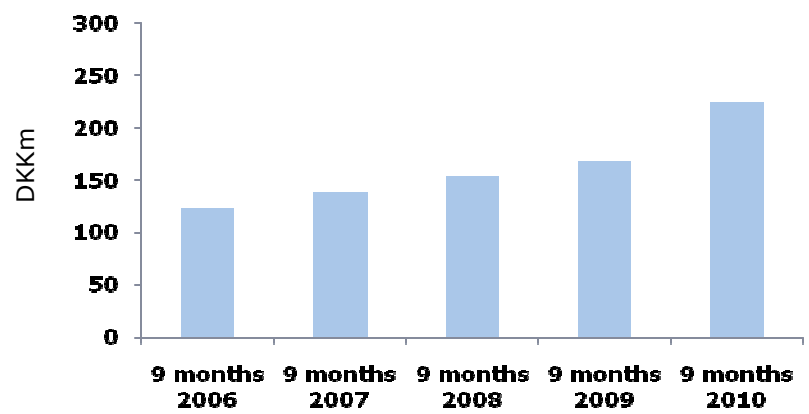
GROUP FINANCIAL HIGHLIGHTS NINE MONTHS 2010

DKKm	9 months 2010	9 months 2009	Full year 2009
Revenue	631.2	500.2	681.9
EBITDA	65.3	19.6	40.2
EBIT	33.3	-10.3	-1.0
Profit before tax and minority interests	22.0	-20.5	-14.5
Equity incl. minorities	180.2	155.9	159.7
Cash flows from operations	32.9	31.6	45.3
Cash flows from investments	-31.3	-26.3	-35.8
Cash flows from financing	21.7	-18.0	-16.3
Change in cash and cash equivalents	23.3	-12.6	-6.8
NIBD	375.3	388.1	376.9

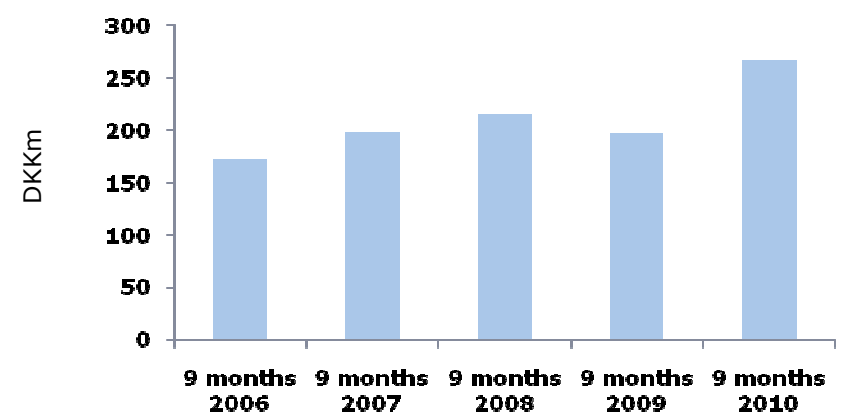


REVENUE SPLIT BY PRODUCT AREA

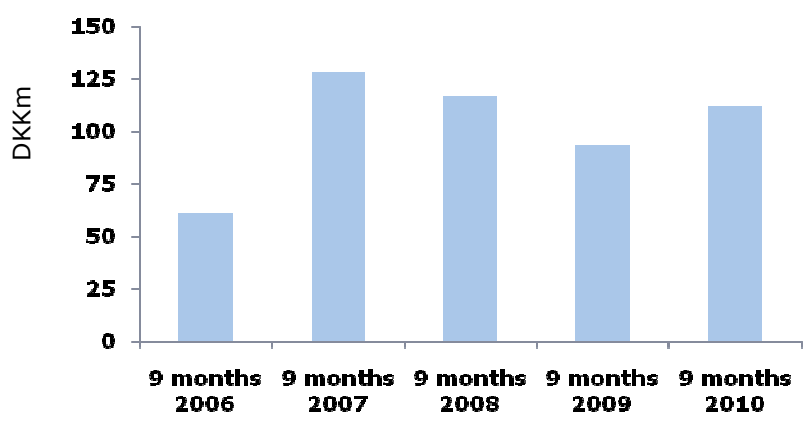
Revenue medical devices industry



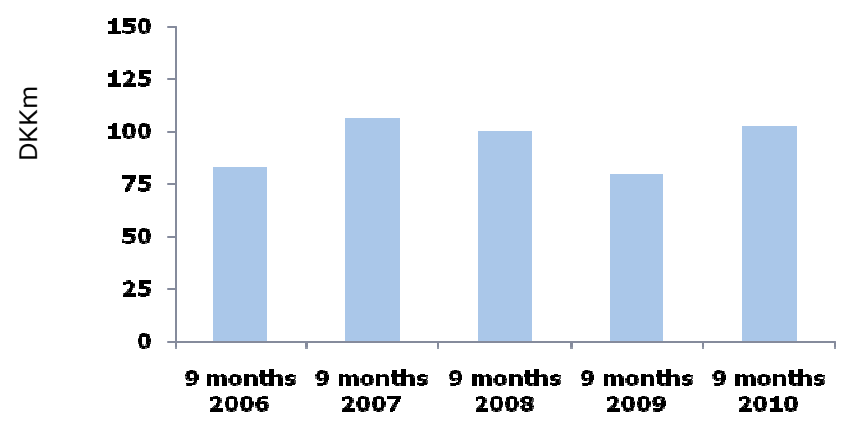
Revenue healthcare products



Revenue cleantech industries



Revenue food-related industries





BUSINESS UNITS

INJECTION MOULDING (1)



SP Moulding A/S manufactures advanced plastic precision components for a wide range of industries.

SP Moulding is a producer of technical plastic devices and performs assembly work. SP Moulding is a market leader and among the largest injection moulders in the Nordic region.

SP Medical A/S manufactures products for customers in the medical devices industry, including finished products such as guidewires. Production takes place in clean rooms. SP Medical is among the 3-4 largest players in the Nordic region.

SP Moulding and SP Medical have more than 300 injection moulding machines at their disposal with a clamping force ranging from 25 tonnes to 1250 tonnes.

SP Moulding and SP Medical also provide two- and three-component plastic solutions.

Locations: Juelsminde (DK), Stoholm (DK), Karise (DK), Sieradz and Zdunska Wola (PL) and Suzhou (China)



Medical devices



Technical plastic devices



Medical devices



Medical devices



2K and 3K moulding

INJECTION MOULDING (2)



First nine months 2010:

- Revenue grew 30.8% to DKK 337.5m
 - Q3 revenue growth of 35.9%
- Continued inflow of new medical devices customers as well as of new customers in other industries
- EBITDA improved strongly, to DKK 40.9m from DKK 10.9m in the first nine months of 2009
- Fully restored production and sales of guide-wires following the fire at the Polish factory – revenue improved relative to 2009
- SP Moulding and SP Medical continues marketing efforts towards new customers – several new, stable customers
- Continued production efficiency improvements

Outlook for 2010:

- Revenue and operating profit improving
- Medical devices operations being expanded in Denmark, Poland and China

DKKm	9 months 2010	9 months 2009
Revenue	337.5	258.0
EBITDA	40.9	10.9
EBIT	22.4	-5.0
Employees (average)	552	554



DKKm	2009	2008
Revenue	346.0	470.6
EBITDA	19.3	29.1
EBIT	-1.9	4.5
Employees (average)	518	630

POLYURETHANE (1)



Three business activities: Ergomat A/S, Tinby A/S and TPI Polytechniek BV

Locations: Sønderød (DK), Zdunska Wola (POL), 's-Hertogenbosch (NL), Helsingborg (SE), Cleveland (US), Montreal (CAN), Zeil am Main (DE) and Suzhou (China)

Ergomat develops, manufactures and sells ergonomic solutions under own brands, especially Ergomat® mats and DuraStripe™ striping tape for corporate customers worldwide. Market leader in the EU.



Mats



DuraStripe

Tinby manufactures moulded products in solid, foamed and flexible PUR for the cleantech and insulation industries, the medical devices, furniture, refrigerator and graphics and other industries. Global leader in market for hard rollers.



Cleantech



Solid, foamed PUR

TPI Polytechniek develops and sells concepts for ventilation of industrial buildings as well as poultry and pig houses, primarily products under its own brand, TPI. Market leader in the EU.



POLYURETHANE (2)



First nine months 2010:

- Revenue grew 64.6% to DKK 134.1m
- EBITDA improved strongly to DKK 25.0m from DKK 5.4m in the first nine months of 2009
- Revenue improved on the back of intensified marketing efforts combined with new products and concepts launched and a general market improvement
- Tinby: surging growth from customers in the graphics and cleantech industries
- Ergomat: strong growth in sales of ergonomic mats and of DuraStripe® striping in North America
- TPI: improved sales of stable ventilation equipment, especially to customers in eastern and central Europe
- A number of new PUR products have been launched. Further products are expected launched in 2010
- Production capacity in Poland expanded

Outlook for 2010:

- Revenue and operating profit improving

DKKm	9 months 2010	9 months 2009
Revenue	134.1	81.4
EBITDA	25.0	5.4
EBIT	21.2	0.7
Employees (average)	192	175



DKKm	2009	2008
Revenue	119.3	170.4
EBITDA	10.4	27.4
EBIT	4.2	20.9
Employees (average)	168	198

VACUUM FORMING (1)



Gibo Plast develops, designs and manufactures thermoformed plastic products. The products are mainly used in refrigerators and freezers, buses and cars (automotive), medical devices and lighting equipment as well as in the cleantech industry.

Gibo Plast specialises in traditional vacuum forming as well as the new high-pressure and twin-sheet technologies.

Market leader in Scandinavia.

Locations: Skjern (DK)



Vacuum forming



CNC milling



Automotive



Automotive

VACUUM FORMING (2)



First nine months 2010:

- Revenue improved slightly to DKK 72.8m (DKK 71.0m in the first nine months of 2009)
- EBITDA still negative at DKK 4.0m (loss of DKK 1.5m in the first nine months of 2009)
- Strong position in the automotive industry – customers severely affected by the financial crisis
- Developing new projects and solutions for the cleantech industries
- Orders won for a number of workpieces for the cleantech industry; replacing existing metal and fibre glass solutions
- Capacity adjustments
- Consolidating production at Skjern, Denmark

Outlook for 2010:

- Level of activity higher than in 2009
- Operating profit not satisfactory

DKKm	9 months 2010	9 months 2009
Revenue	72.8	71.0
EBITDA	-4.0	-1.5
EBIT	-7.9	-5.1
Employees (average)	95	97



DKKm	2009	2008
Revenue	93.1	121.7
EBITDA	6.1	-0.5
EBIT	0.2	-6.0
Employees (average)	93	122



COATING (1)

Accoat develops and applies non-stick, low-friction and high-build corrosion protection coatings in Teflon, PTFE and other refined materials for a wide range of industries. The coated products range from very small needles to large tank facilities.

Accoat is among the five largest suppliers of industrial Teflon coating in the EU.

Location: Kvistgård (DK), Stoholm (DK) and Sao Paulo (Brazil)



Coating



Coating



Medical devices

COATING (2)



First nine months 2010:

- 2.1% revenue improvement to DKK 99.2m
- New factories opened in Brazil and in Stoholm (DK)
- EBITDA affected by preparations for starting up new factories in Brazil and in Stoholm (DK)
- Sustained marketing efforts towards customers in the oil and gas industry in the USA, Brazil, Russia and Europe
- Sales to the medical devices industry also improved
- New coating solutions for the oil and gas and the petrochemicals industries

DKKm	9 months 2010	9 months 2009
Revenue	99.2	97.1
EBITDA	11.8	11.2
EBIT	6.8	6.5
Employees (average)	62	67



Outlook for 2010:

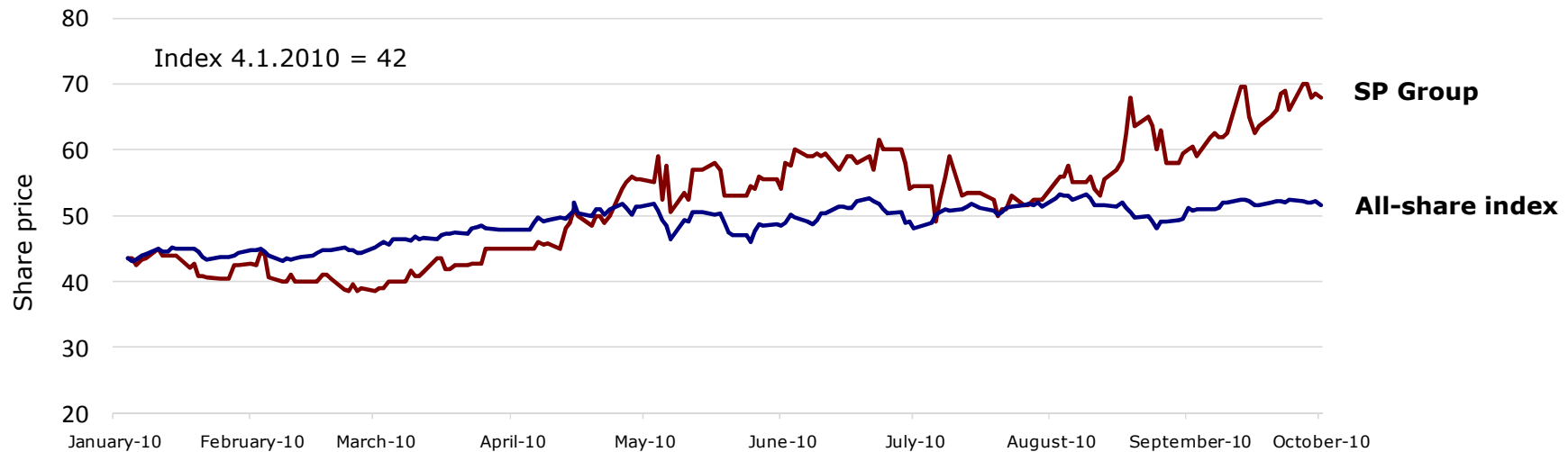
- Increasing demand for services for friction reduction and corrosion protection
- Continued increase in revenue and operating profit

DKKm	2009	2008
Revenue	134.1	113.8
EBITDA	16.2	16.1
EBIT	9.6	10.7
Employees (average)	63	63

SHARE PRICE PERFORMANCE



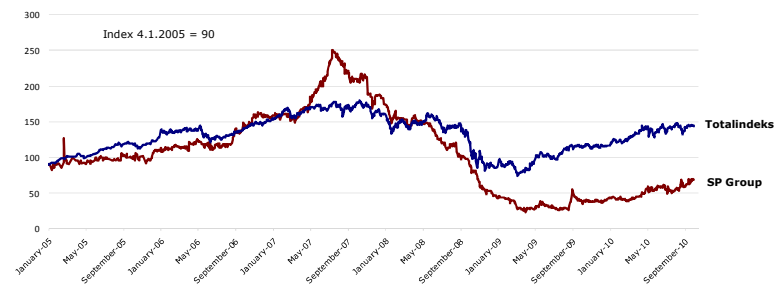
Share price performance from 1 January 2010 to 30 September 2010



Source: NASDAQ OMX Copenhagen and Danske Markets

- Share capital DKK 20.24m
- All shares have equal rights
- Reduction of share capital completed in August 2009

Share price performance from 1 January 2005 to 30 September 2010





STRATEGY

STRATEGY ADJUSTMENT



- Difficult earnings conditions due to the fragile global economy
- Focus on sales particularly in the health care, cleantech and food industries
- Focus on sales of own brands
- Increased efforts towards existing and potential customers
- Relocating more of production from Denmark to Poland
- Establishing surface coating operations in Brazil in 2010
- Establishing PUR operations in China in 2010
- 6,500 m² extension for PUR activities in Poland in 2010
- Acquisition of Phasion Group's injection moulding operations
- Expansion of medical activities in Denmark, Poland and China

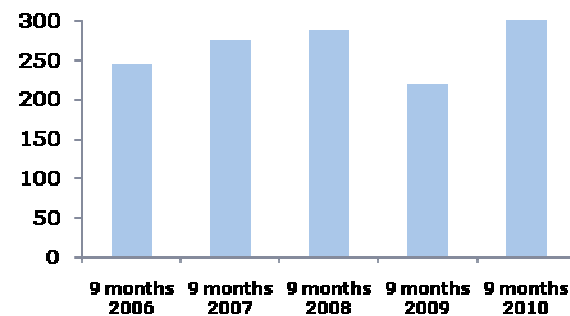


INCREASED SALES AND INTERNATIONAL PRESENCE

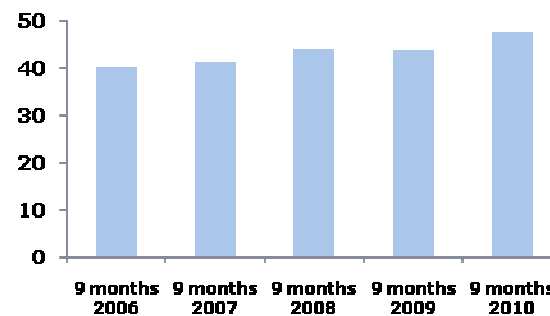


- Strengthened sales and marketing efforts in all units
- Consultancy within plastics and coatings
- Differentiation on processes, design and knowledge
- Focus on both existing and new customers
- Increased exports from production sites in Denmark, China, Poland and Brazil focusing on America, Europe and Asia

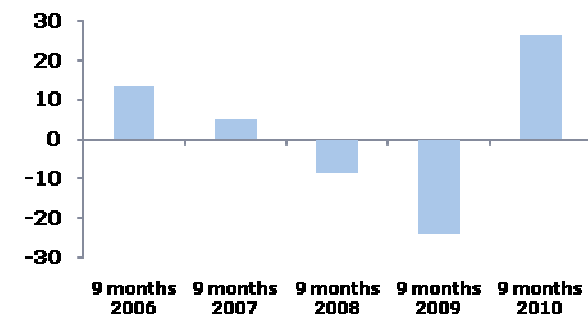
International sales, DKKm



International sales, %



Organic growth, %, Group revenue

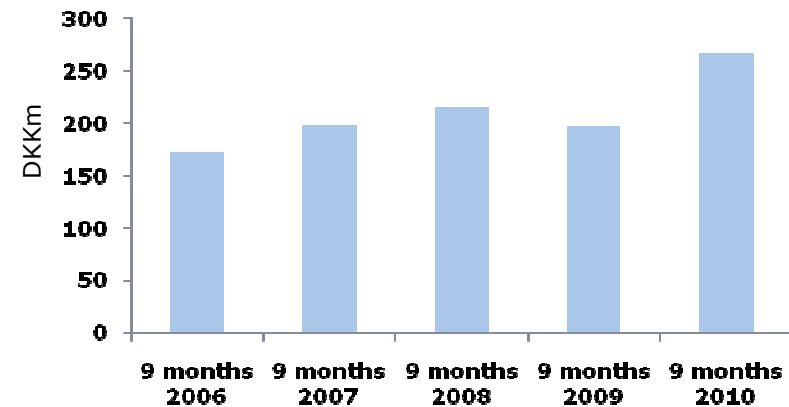


GROWTH INDUSTRIES AND OWN BRANDS

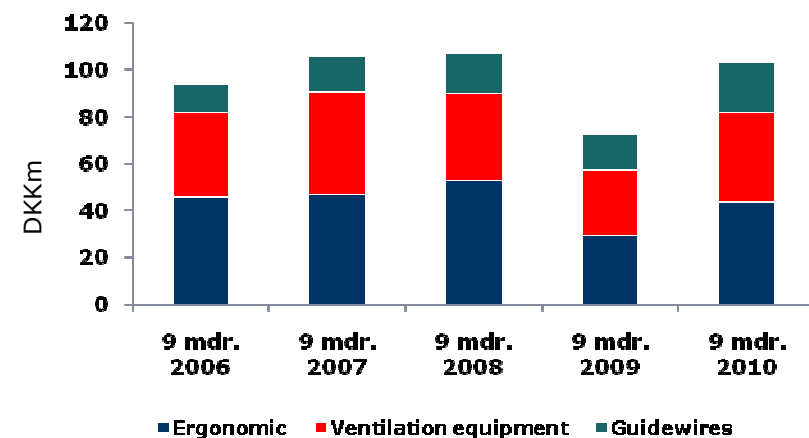


- Committed efforts to growth industries and new segments, e.g. health care and cleantech
- Sustain growth in sales to the medical devices industry
- Expected sales and earnings growth from own brands, i.e. ventilation equipment (TPI), guidewires (SP Medical) and ergonomic solutions and DuraStripe® striping tape (Ergomat)
- Strengthen the international position (North America, Brazil, China and Poland)
- Exploit the potential in other product niches

Revenue from healthcare products



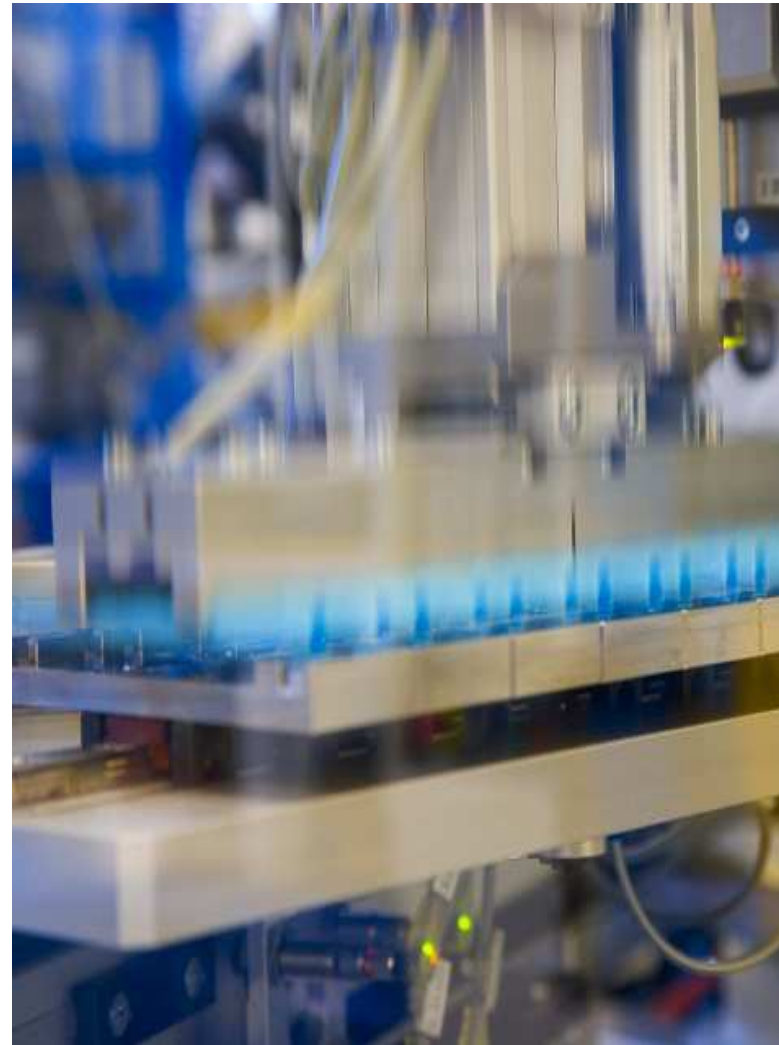
Revenue from own brands



EFFICIENCY ENHANCEMENT AND RATIONALISATION



- Capacity adjustments
- Each production site will seek to produce and deliver better, cheaper and faster
- Reduction in the consumption of materials and resources (CO₂ reduction)
- Reduction of running-in and set-up times in production
- Roll-out of LEAN continues
- Continue to enhance efficiency of purchasing and supply chain and strengthen IT systems and management systems
- Broader geographical sourcing
- Ongoing critical review





FINANCIAL GOALS AND OUTLOOK

OUTLOOK FOR 2010



- Prospects of a challenging year in 2010; abundant capacity
- New products and solutions expected to contribute to growth and earnings in the SP Group
- Revenue of around DKK 850m
- Profit before tax and minorities approx. DKK 25m
- Tight cost management, capacity adjustments and focus on risk, liquidity and capital management provides a strong base for the future



REVISED LONG-TERM FINANCIAL OBJECTIVES



- Initiatives in the current strategy plan could lift revenue to DKK 1.5 billion
- Enhancing EBITDA margin
- Long term target for profit before tax and minorities of around 6-7% of revenue expected to materialise
- Continuing reduction of NIBD—goal is to lower NIBD/EBITDA ratio to 3-4 and to maintain this level
- Equity ratio (incl. equity attributable to minorities) in the range of 20-35%
- Fair return to shareholders through share price appreciation



FORWARD-LOOKING STATEMENTS



This presentation contains forward-looking statements reflecting management's expectations for future events and financial results.

Statements relating to 2010 and the following years are inherently subject to uncertainty and SP Group's actual results may thus differ from expectations and targets. Factors that may cause actual results to differ from expectations include, but are not limited to, changes in raw materials and energy prices, changes in foreign exchange rates, changes in macroeconomic and political settings, changes in the demand and production patterns of key customer groups and other external factors.

This interim report does not constitute an invitation to buy or sell shares in SP Group A/S.



For further information:

Frank Gad, Chief Executive Officer
SP Group A/S, Snavevej 6-10, DK-5471 Søndersø

Phone: +45 7023 2379 / +45 3042 1460
E-mail: fg@sp-group.dk www.sp-group.dk

