



FIRST NINE MONTHS OF 2020

Presentation by CEO Frank Gad
12 November 2020

AGENDA



- SP Group in brief
- Highlights first nine months of 2020
- Financial results 2019 and first nine months of 2020
- Outlook for 2020
- Going towards 2022
- Q&A session



Frank Gad
CEO, SP Group since 2004
Born 1960, M. Sc.

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

Statements relating to 2020 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, epidemics and pandemics, changes in macroeconomic and political settings, changes in the demand and production patterns of key customer groups and other external factors.

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

SP GROUP IN BRIEF



Headquarters in Denmark

established in
1972



Products are marketed and sold in

88 countries



Subsidiaries in

11 countries on
3 continents



Average number of employees increased
in 2019 from 1,994 to

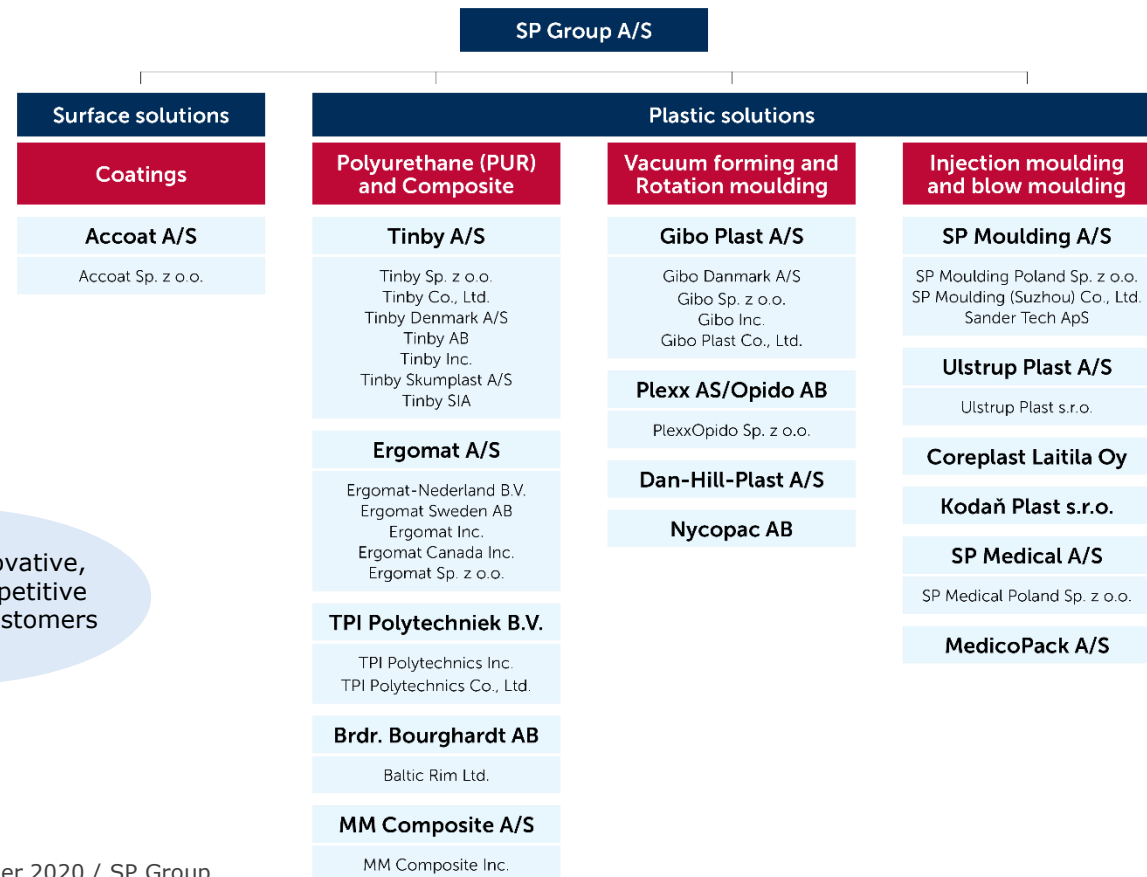
2,114 committed
employees





SP GROUP – AN OVERVIEW

- Manufacturer of moulded plastic and composite components and performs coatings on plastic and metal components
- Supplier of customer-specific solutions for a wide range of industries
- Strong international niche positions – also for our own brands
- Increased sales from own plants in Denmark, China, the USA, Latvia, Slovakia, Sweden, Finland and Poland



We act as an innovative, reliable and competitive partner for our customers



HIGHLIGHTS FIRST NINE MONTHS OF 2020

HIGHLIGHTS FIRST NINE MONTHS OF 2020 / 1



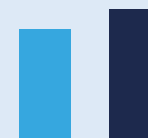
In first 9M 2020, revenue increased by 7.5% to

DKK 1,622.4m



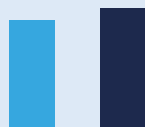
In first 9M 2020, revenue from own brands increased by 11.7% to

DKK 366.2m



In first 9M 2020, EBITDA increased by 9.4% to

DKK 258.6m



In first 9M 2020, the EBITDA margin increased by 0.3 percentage points to

15.9%

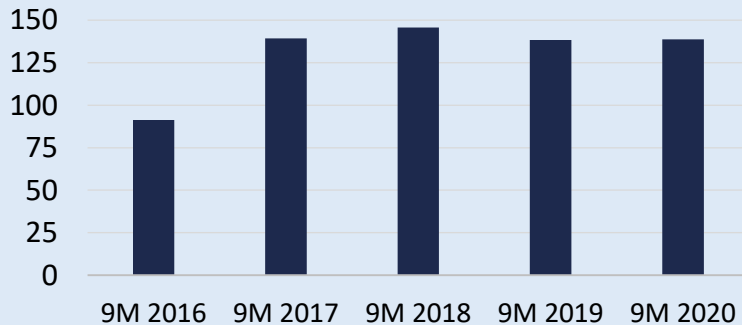




HIGHLIGHTS FIRST NINE MONTHS 2020 / 2

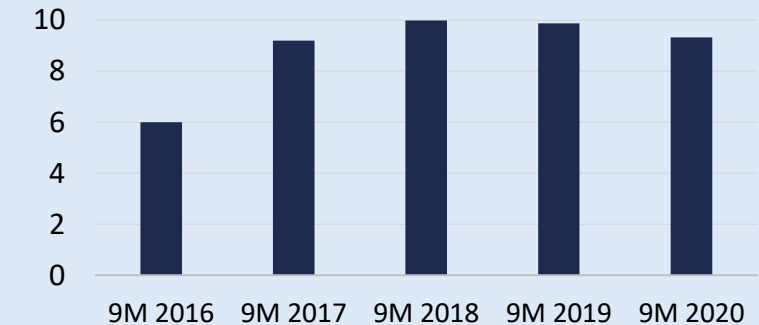
In first 9M 2020, Profit before tax increased by 0.3% to DKK 138.7m

DKKm



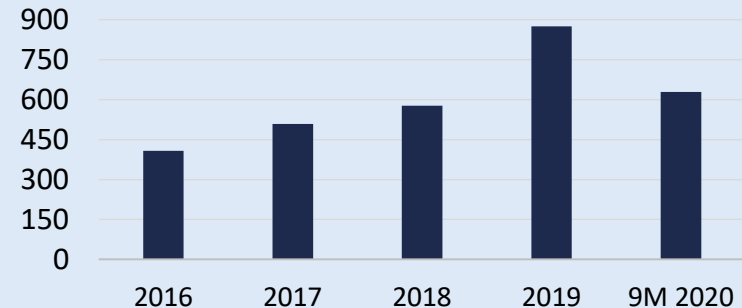
In first 9M 2020, EPS, diluted, fell by 0.6% to DKK 9.32

DKK



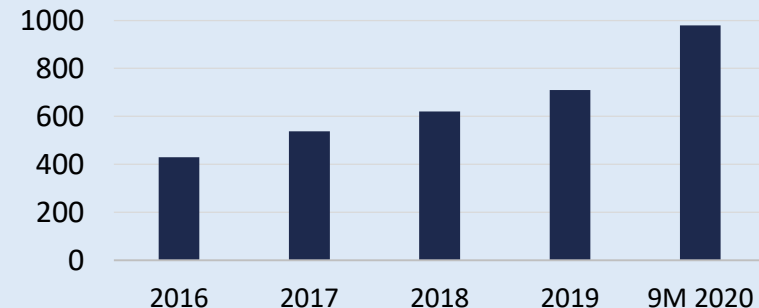
End September 2020, net interest-bearing debt (NIBD) fell by DKK 246.3m to DKK 629.4m

DKKm



In first 9M 2020, equity attributable to equity holders increased by DKK 269.7m to DKK 980.1m

DKKm



ACQUISITION OF DAN-HILL-PLAST A/S



- SP Group acquired Dan-Hill-Plast on 30 April 2020
- The total price including takeover of debt (enterprise value) was DKK 65m
- The buyer is Gibo Plast
- Expected EBITDA of DKK 12-13m p.a.
- The acquisition of this well-running company within rotational moulding of technical plastics, new technology and production and sales of fenders for ships and boats accelerates the growth of SP Group
- The owners, Peder and Lone Madsen, stay on in the management of Dan-Hill-Plast
- Lars Bering becomes new Managing Director
- Frank Gad becomes new Chairman

About Dan-Hill-Plast (DHP)

- DHP is an advanced rotational moulding company with production and assembly in Hornsyld, Denmark
- DHP has roots back to 1957 where Else and Ejnar Madsen founded DHP
- DHP is one of the leading companies within rotational moulding in Scandinavia with an export share of approx. 40% of the revenue
- DHP manufactures parts for demanding companies in many different industries
- DHP develops, manufactures and sells own products in the form of fenders under the brand Dan-Fender, worldwide
- Certified according to ISO9001
- DHP owns a modern plant of approx. 12,000 sqm, and the premises will be taken over by SP Group separately





FINANCIAL RESULTS 2019 AND FIRST NINE MONTHS OF 2020

GROUP FINANCIAL HIGHLIGHTS 2019

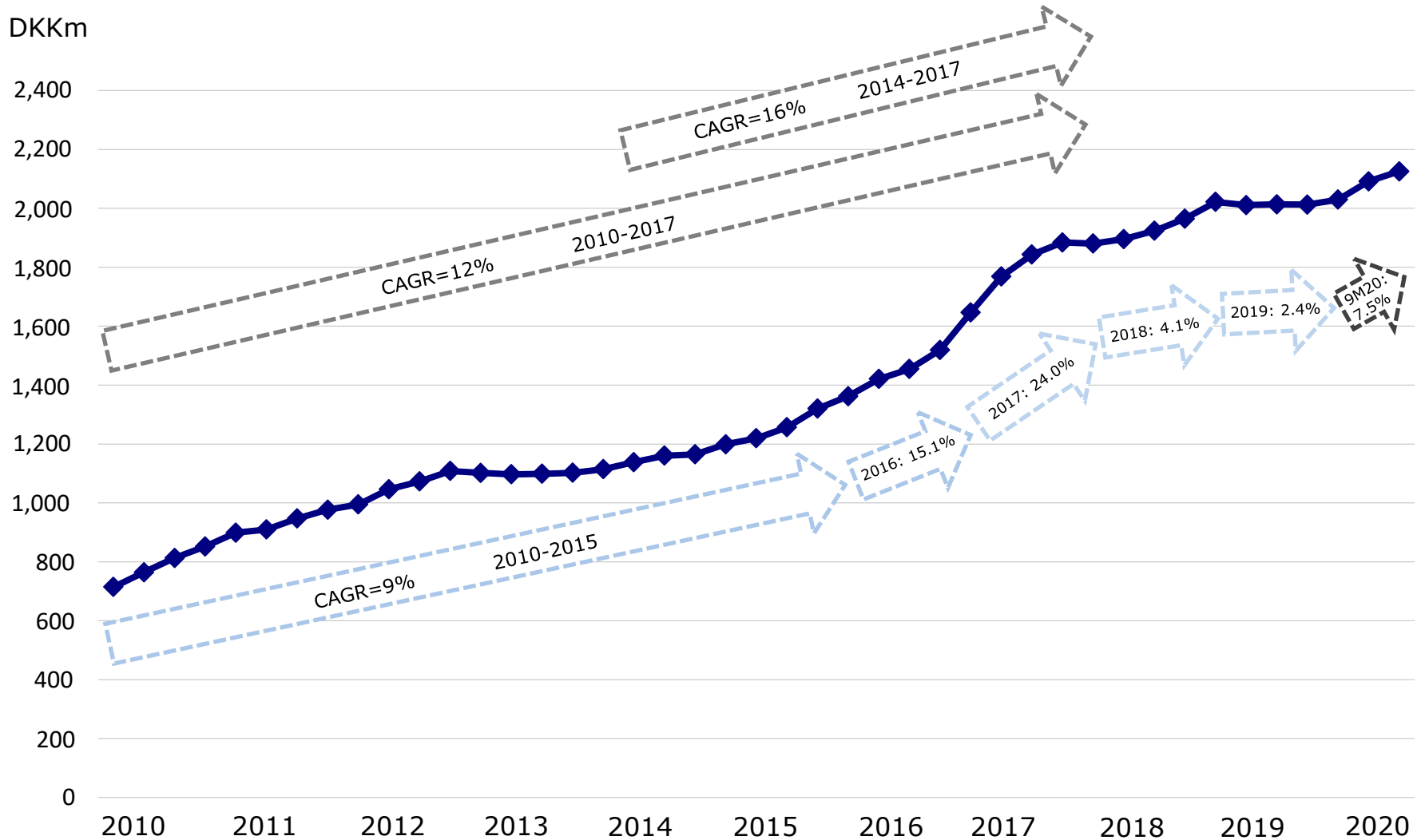


| DKKm | 2019* | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Revenue | 2,012.9 | 1,965.0 | 1,884.1 | 1,519.0 | 1,319.8 | 1,164.9 | 1,102.1 |
| EBITDA | 307.5 | 285.6 | 275.0 | 202.9 | 162.8 | 113.5 | 114.2 |
| EBIT | 177.8 | 195.9 | 193.5 | 133.4 | 90.8 | 60.2 | 65.3 |
| Profit before tax | 175.4 | 200.1 | 175.7 | 122.6 | 80.7 | 51.5 | 50.2 |
| Equity | 710.4 | 620.0 | 537.7 | 429.0 | 393.6 | 276.4 | 252.3 |
| Cash flows from operations | 158.6 | 173.4 | 180.8 | 140.4 | 171.7 | 64.1 | 66.9 |
| Cash flows from investments | -180.2 | -124.7 | -204.8 | -80.1 | -116.3 | -67.4 | -60.1 |
| Cash flows from financing activities | 8.8 | -62.9 | 45.9 | -50.3 | -40.9 | 4.6 | -11.1 |
| Change in cash and cash equivalents | -12.7 | -14.2 | 21.9 | 10.0 | 14.5 | 1.3 | -4.3 |
| NIBD | 875.7 | 576.6 | 509.1 | 407.7 | 403.4 | 467.2 | 430.0 |
| Equity ratio, % | 34.5 | 37.8 | 35.5 | 35.7 | 36.5 | 29.3 | 28.5 |

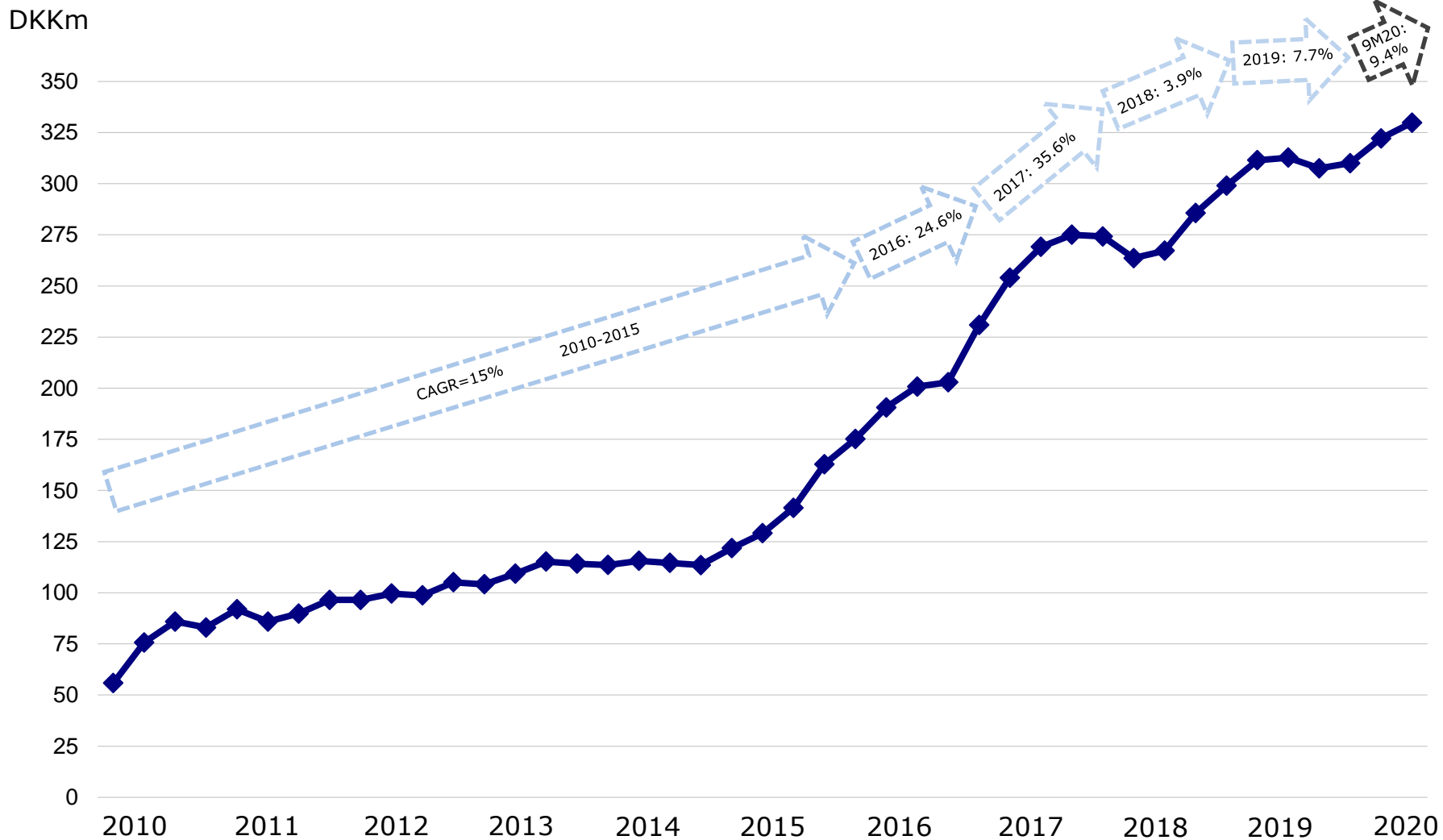
* Prepared in accordance with IFRS 16



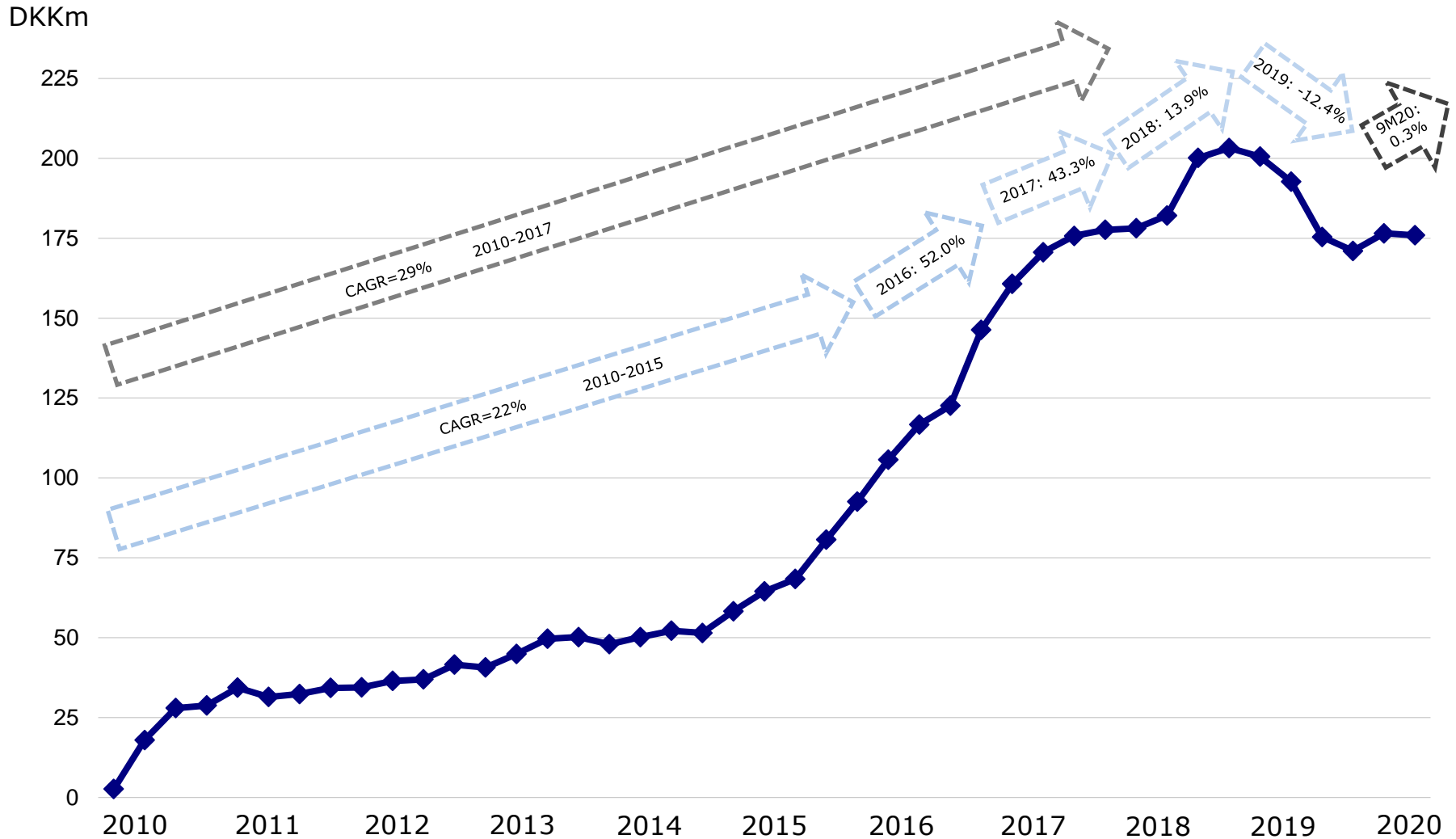
REVENUE 2010 – 9M 2020



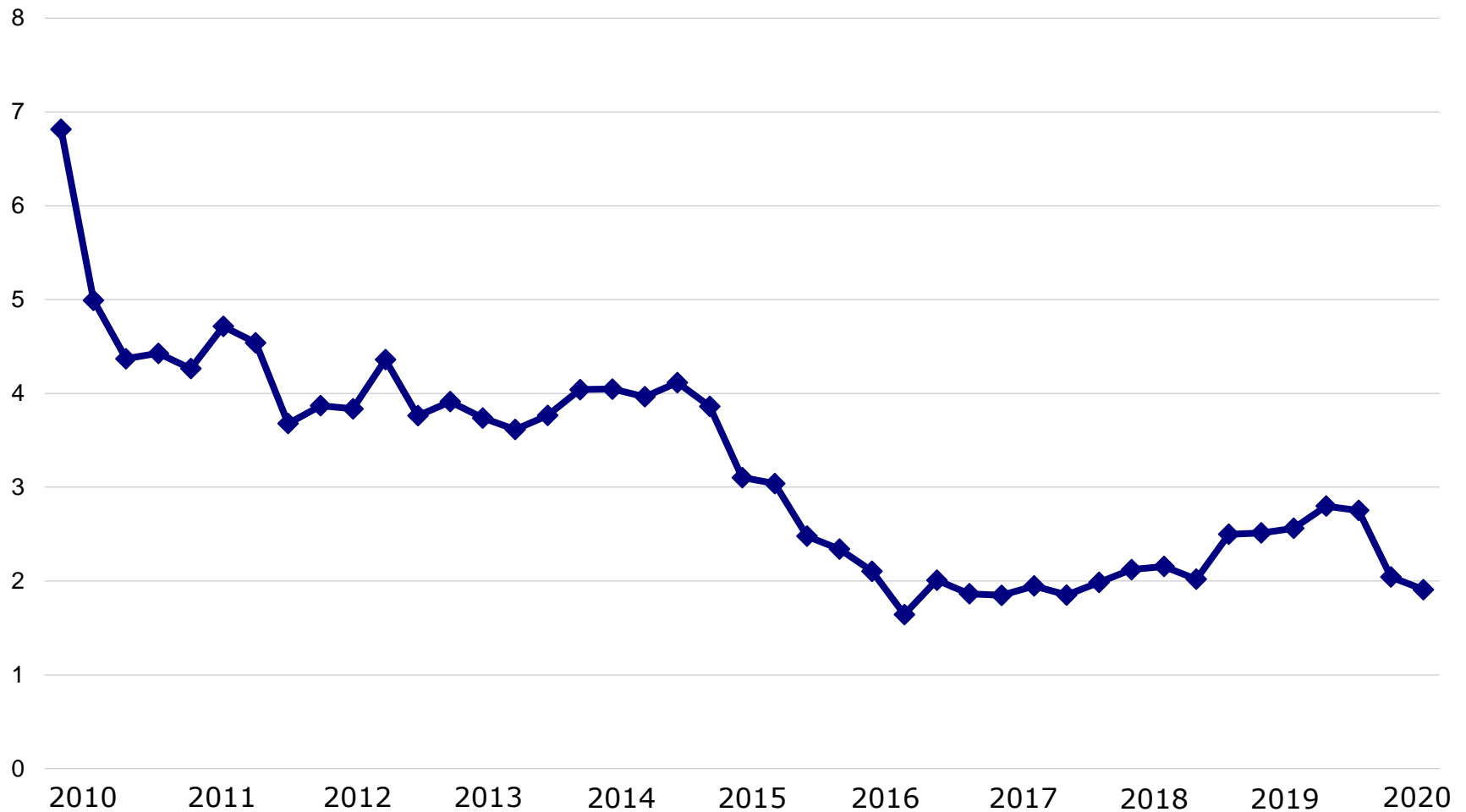
EBITDA 2010 – 9M 2020



EBT 2010 – 9M 2020



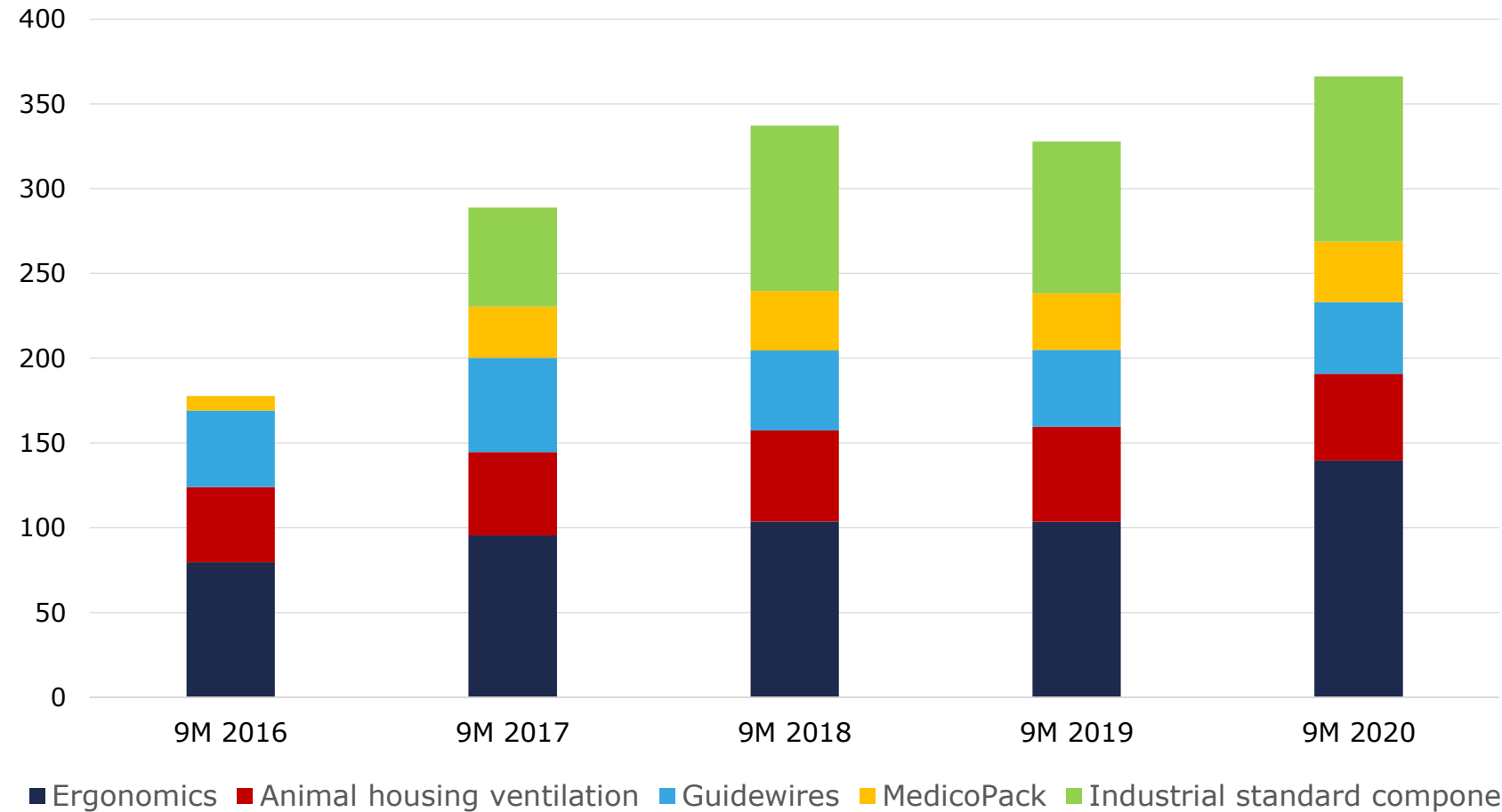
NIBD/EBITDA 2010 – 9M 2020





REVENUE FROM OWN BRANDS

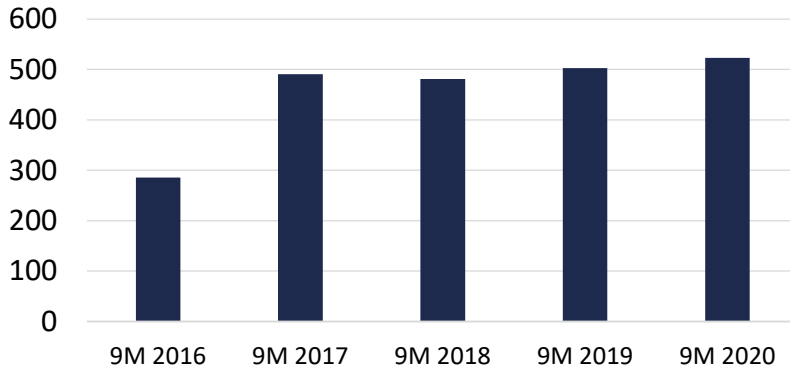
DKKm



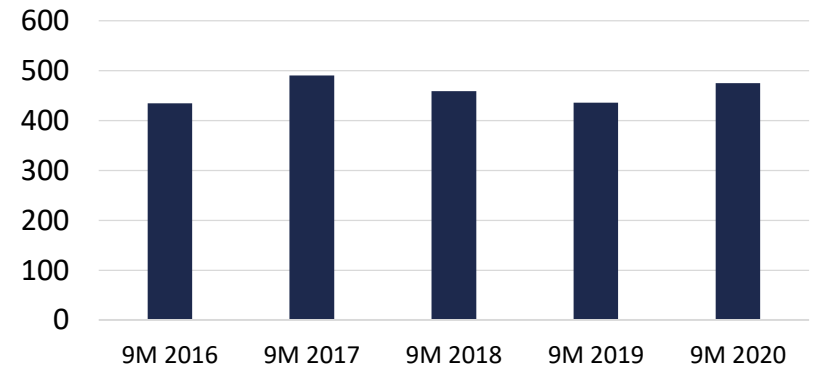


REVENUE SPLIT BY PRODUCT AREA

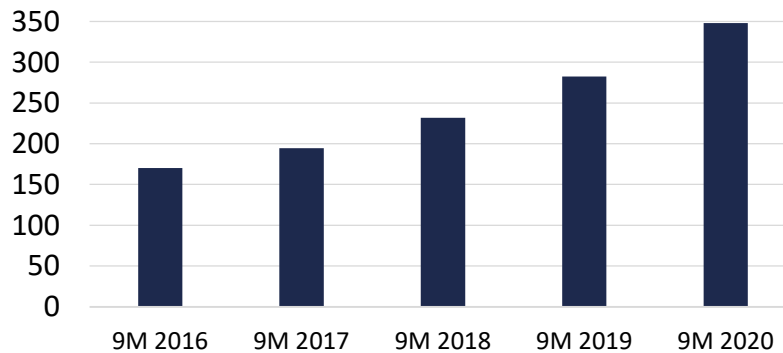
Revenue cleantech industries in DKKm



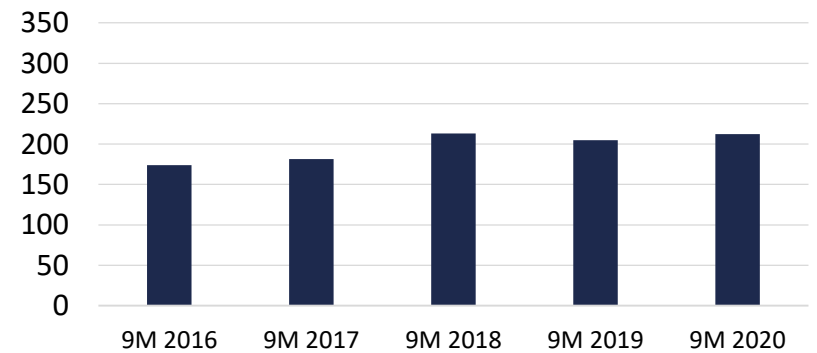
Revenue healthcare products in DKKm



Revenue other demanding industries in DKKm

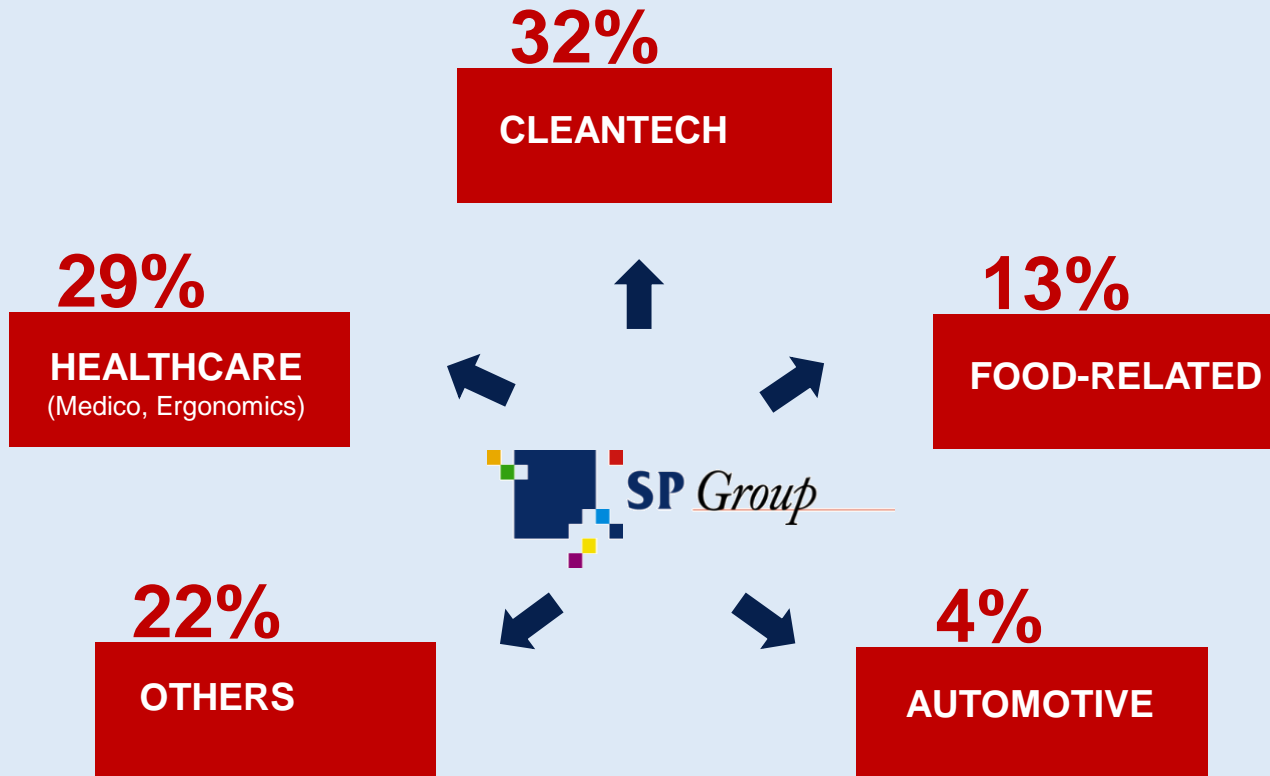


Revenue food-related industries in DKKm





REVENUE BY CUSTOMER GROUPS IN 9M 2020



As of 31 December 2019:

- A total of more than 1,000 customers
- The largest customer accounts for 17% (2018: 18%)
- The 10 largest customers account for 50% (2018: 51%)
- The 20 largest customers account for 61% (2018: 61%)



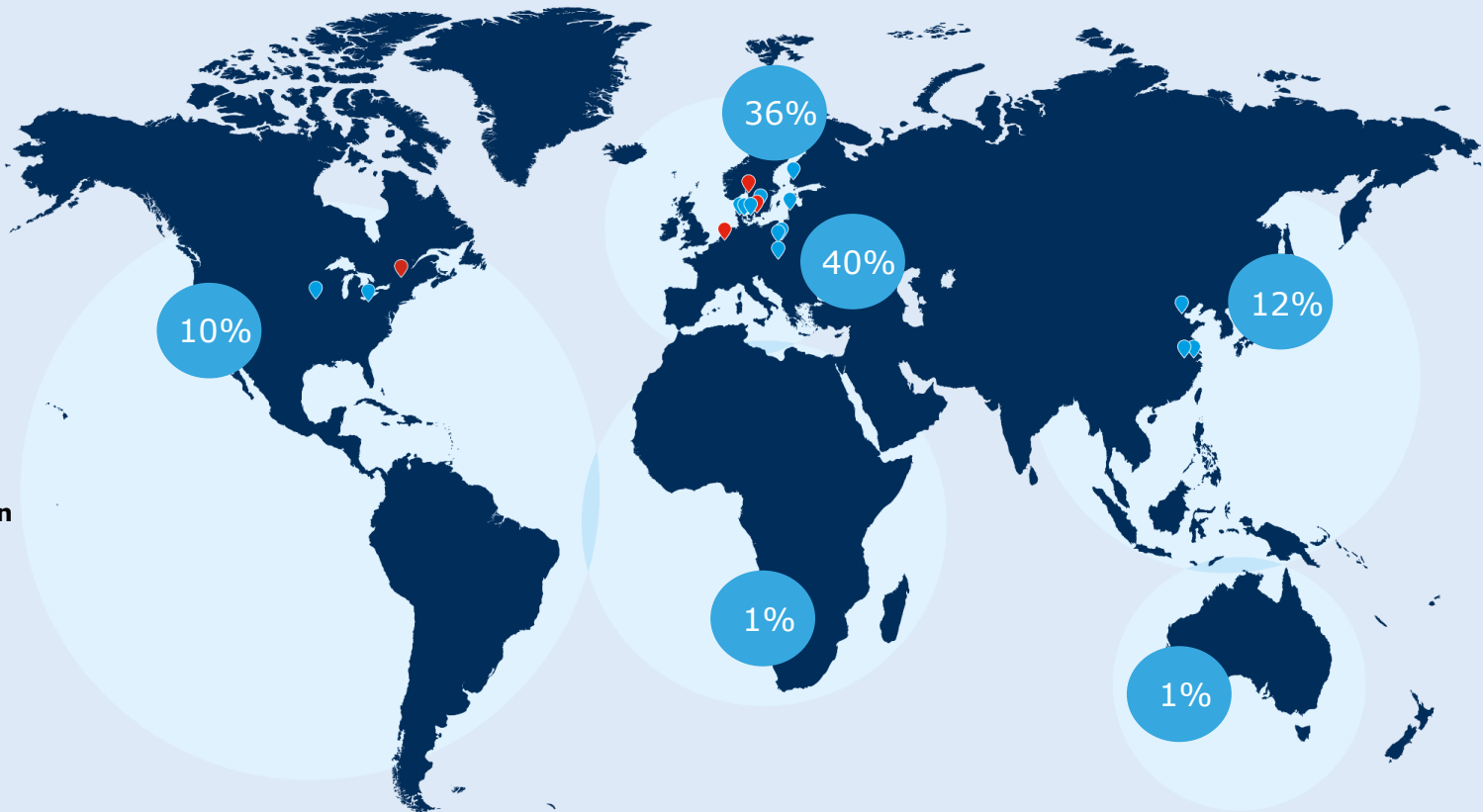
SP GROUP'S GLOBAL PRESENCE

Sales and production

- Denmark (11)
- Poland (6)
- China (3)
- US (2)
- Latvia (1)
- Slovakia (2)
- Sweden (1)
- Finland (1)

Sales and distribution

- Netherlands (1)
- Sweden (3)
- Canada (1)
- Norway (1)



Percentage distribution is based on 2019 Accounts

ACQUISITIONS SINCE 2014



Our strategy has been to make acquisitions, when we can create additional value by applying our capabilities.

This is especially true when the acquisition's capabilities can improve our existing business or create new platforms for growth.



INTERNATIONALISATION

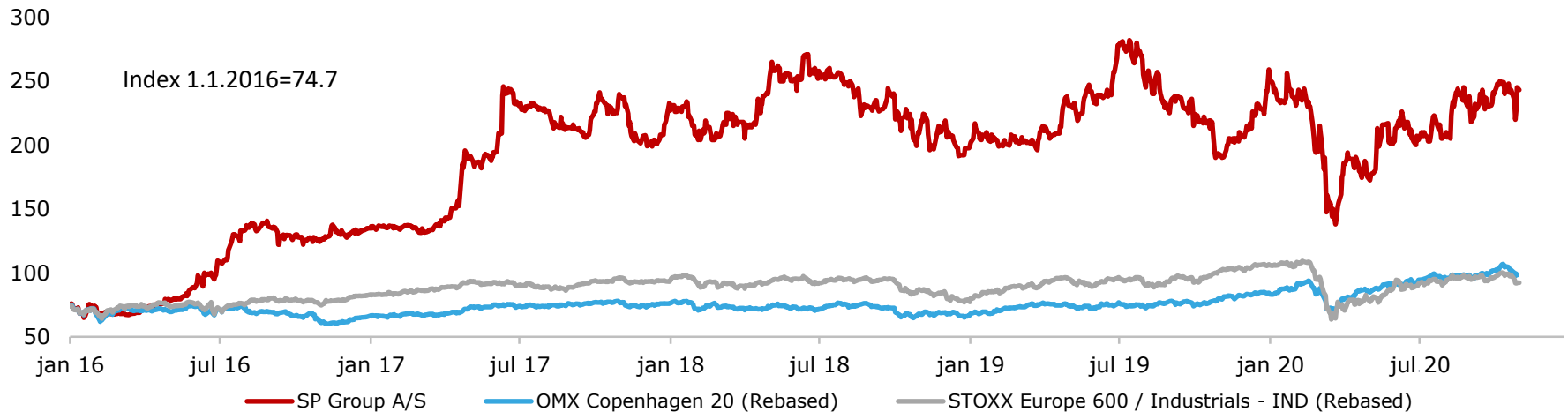


| | 2005 | 2010 | 2015 | 2019 | 9M 2020 | 2022E |
|--|------|------|------|------|---------|-------|
| Share of sales outside Denmark | 37% | 46% | 54% | 64% | 69% | ~70% |
| Share of employees outside Denmark (avg) | 23% | 50% | 64% | 72% | 72% | ~75% |
| Number of factories outside Denmark | 2 | 6 | 12 | 17 | 16 | 16 |
| Total number of factories | 18 | 15 | 20 | 27 | 27 | 27 |



SHARE PRICE PERFORMANCE

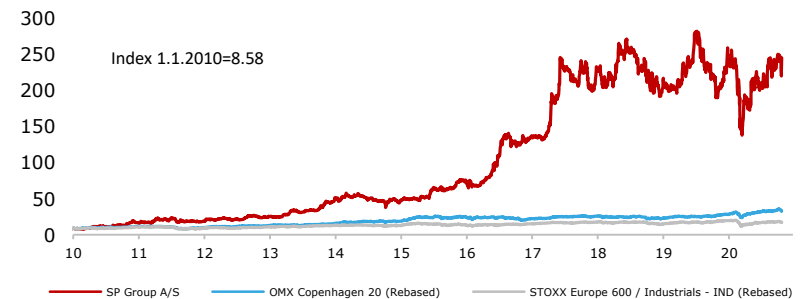
Share price performance from 1 January 2016 to 31 October 2020



Source: FACTSET

- Share capital DKK 24.98m
- All shares have equal rights
- Dividends to the shareholders of DKK 0 in 2020 (2019: DKK 2.40)
- New DKK 40m share buy-back programme established 15 September 2020 and runs until 10 April 2021
- May 2018 share split in the ration 1:5
- Share capital increase of 1.1 million number of new shares in June 2020 at a share price of DKK 200

Share price development from 1 January 2010 to 31 October 2020

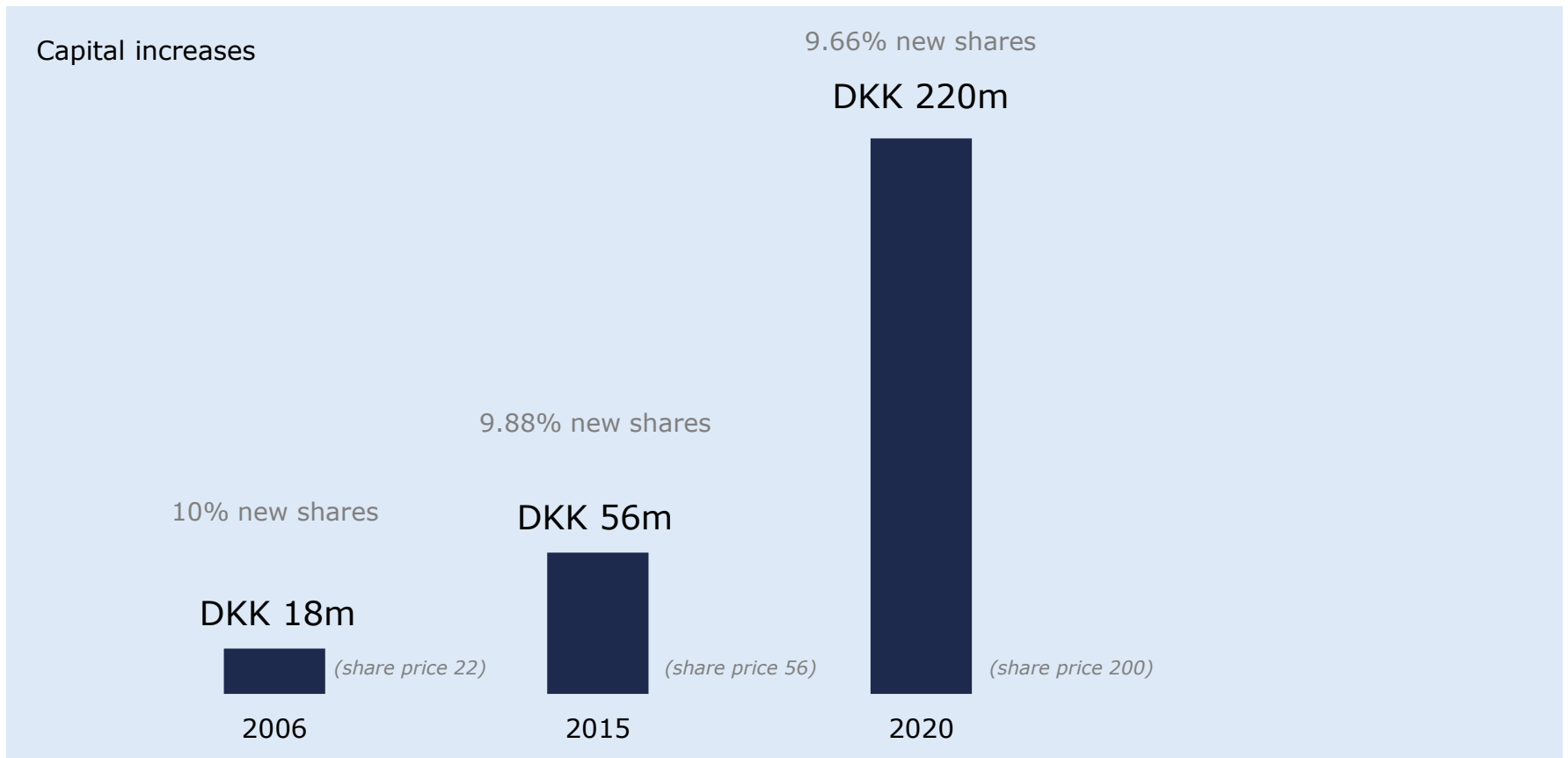


Source: FACTSET



SHARE CAPITAL INCREASE

On 3 June 2020, SP Group issued 1.1 million new shares without pre-emption rights at a share price of DKK 200, raising gross proceeds of DKK 220 million





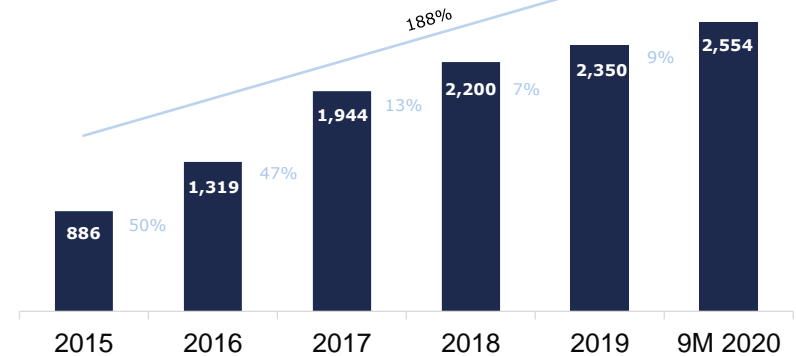
SHAREHOLDERS

December 2015: approx. 886 shareholders

November 2020: approx. 2,554 shareholders

Or up by 188% in period

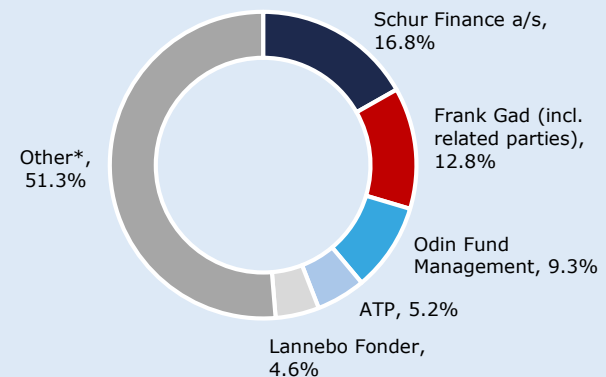
Development shareholders from 2015 to 9M 2020



Among the largest shareholders are:



Shareholder information as per November 2020:



* Approx. 8.3% of 'Others' include the Board of Directors and Executive Management, therefore management amounts to approx. 37.9%



MARKET CONDITIONS

Demand factors

- Customers demand better and cheaper products
- Customers focus on core business while outsourcing plastics production to specialist suppliers
- Customers want fewer and better suppliers

Megatrends:

Growing, ageing population, climate, scarcity of resources

Value creation at SP Group

- Instead of using wood, metal and glass we substitute with plastics and composite
- Manufacturing globally; with a powerful team, the right equipment and the right technology
- Taking over our customers' plastics production, leveraging our skills and economies of scale to provide customer-specific service
- Ambition to become a preferred supplier
- Strong exposure to growing global industries (healthcare, cleantech and food industries)




GROUP FINANCIAL HIGHLIGHTS 9M 2020



| DKKm | Q3 2020 | Q3 2019 | 9M 2020 | 9M 2019 | 2019 |
|--|---------|---------|---------|---------|---------|
| Revenue | 508.0 | 474.2 | 1,622.4 | 1,510.0 | 2,012.9 |
| EBITDA | 80.6 | 72.9 | 258.6 | 236.3 | 307.5 |
| EBIT | 44.4 | 39.9 | 153.2 | 141.4 | 177.8 |
| Profit before tax | 37.6 | 38.2 | 138.7 | 138.3 | 175.4 |
| Equity incl. non-controlling interests | | | 980.1 | 665.2 | 710.4 |
| Cash flows from operations | 69.7 | 29.1 | 253.6 | 126.8 | 158.6 |
| Cash flows from investments | -53.1 | -25.7 | -154.6 | -108.2 | -180.2 |
| Cash flows from financing activities | -5.4 | -9.3 | -33.4 | -19.1 | 8.8 |
| Change in cash and cash equivalents | 11.2 | -5.9 | 65.6 | -0.6 | -12.7 |
| NIBD | | | 629.4 | 801.1 | 875.7 |
| Equity ratio, incl. non-controlling interests, % | | | 45.7 | 34.6 | 34.5 |



EFFECT OF IFRS 16 FOR 2019

| Financial statement items | Effect | Effect | Description of effect |
|---------------------------|---|--------------------------------------|---|
| Revenue | → | | No change |
| OPEX |  | Decrease of DKK 34.1m | Decreased as operating lease payments are recognised as depreciation and interest expenses |
| EBITDA margin | ↑ | Increase of 1.7% | Significant increase due to lower costs (decrease in rental expenses) |
| Depreciation/Amortisation |  | Increase of DKK 28.5m | Increases due to depreciation on capitalised right-of-use assets |
| EBIT | ↑ | Increase of DKK 5.6m | Increase in EBIT as part of the rental expenses is recognised as interest expense |
| Financial expenses |  | Increase of DKK 7.3m | Increase due to interest expenses on lease commitments |
| Corporation tax | → | | No significant changes |
| Net profit | ↓ ↻ → | Decrease of DKK 1.7m | Minor decrease due to "front loading" of interest expenses |
| NIBD | ↑ | Increase of DKK 141.8m | Net interest-bearing debt has increased due to recognition of lease liabilities |
| Free cash flows | ↑ | Increase of approx. DKK 34.1m | Increased as operating lease payments are reclassified from cash flows from operating activities to cash flows from financing activities |
| Assets | ↑ | Increase of approx. DKK 140.1m | Capitalised user rights |
| Liabilities | ↑ | Increase of approx. DKK 141.8m | Recognition of future lease payments |

At the beginning of the year, two leased properties were included which were acquired at a price of DKK 24 million.



**Plastics drive innovation,
improve quality of life,
facilitate resource
efficiency and climate
protection**

OUTLOOK FOR 2020

OUTLOOK FOR 2020



- The global economy will hardly grow in 2020, and it is still fragile and associated with political and economic uncertainty
- Due to the geopolitical development and the spread of the Corona virus and the actions taken by the Authorities, our level of activities and cash flows in the coming months are subject to significant uncertainty
- At present SP Group is expecting a revenue at the level of DKK 2.1-2.2bn, an EBITDA-margin of 15.5-16% and an EBT-margin of 8-9% for 2020
- We hope for opportunities to acquire good companies at reasonable prices



A large, ornate hall with a glass dome and rows of blue chairs. The hall features a high, arched ceiling with a central circular skylight and a grid of glass panels. The walls are decorated with intricate carvings and a series of small, glowing lights along the arches. The floor is a light-colored carpet, and the room is filled with rows of blue chairs, suggesting a formal event or conference.

GOING TOWARDS 2022

2022 AMBITION / 1










- Customer focus and organic growth
- Proprietary products to make up a greater proportion of sales: 25-30% by 2022 from 20.8% in 2019
- "Buy and build"; acquisitions, preferably proprietary products (as Dan-Hill-Plast)
- Investing heavily in both technology and people
- Increased international scope
- Growing competitive strength

**We act as an innovative,
reliable, and competitive
partner for our customers**



2022 AMBITION / 2



| | 2017 | 2019 | | 2022 ambition* |
|--------------|------------|------------|---|----------------|
| Revenue | DKK 1,884m | DKK 2,013m | + 12-16% yearly  | DKK 3.3-4.0bn |
| EBITDA | 14.6% | 15.3% | + 2 percentage points  | 16-17% |
| EBT | 9.3% | 8.7% | + 2-3 percentage points  | 10-12% |
| EBT | DKK 176m | DKK 175m | | DKK ~400m |
| NIBD/EBITDA | 1.9 | 2.8 |  2-4  | 2.5-3.5 |
| Equity ratio | 35.5% | 34.5% |  25-45  | 35-40% |

* Ambition in 2022 or later



UN'S SUSTAINABLE DEVELOPMENT GOALS



- We are working actively with the UN Sustainable Development Goals – read more at pp. 39-47 in our Annual Report 2019

PLASTIC WASTE IN OUR ENVIRONMENT AND OUR OCEANS



Waste left in our environment and in our oceans constitutes a serious problem for all living beings on this planet

SP Group does **NOT** produce:

- Plastic bags
- Plastic cutlery
- Cotton buds
- Plastic straws
- Disposable plastic bottles or caps

- Plastics have no place in the environment. It is a resource that should be recycled and used sensibly
- As a member of the Danish Plastics Federation, we work proactively to be a part of the solution



HOUSEHOLD WASTE CAN BE RECYCLED INTO NEW FENCING

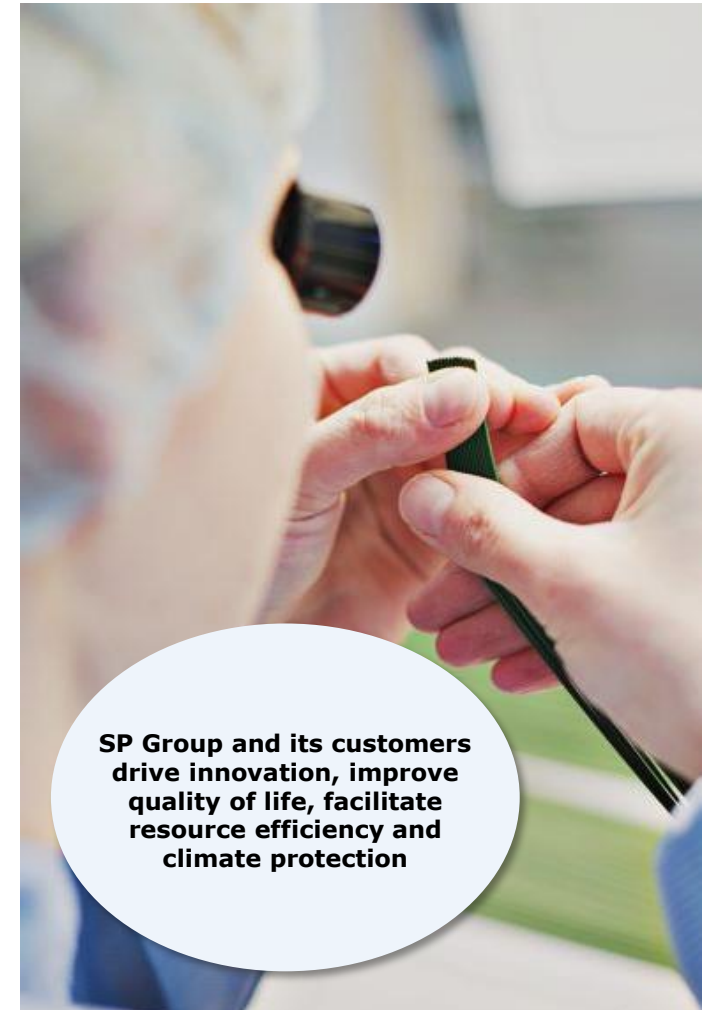


SP GROUP: A PART OF THE SOLUTION, NOT A PART OF THE PROBLEM



SP Group produces technical plastic solutions that contribute to solving the challenges of the future:

- **Cleantech:** Insulation, generating renewable energy, reducing energy consumption, flue gas cleaning, energy meters and water purification
- **Healthcare:** Diagnostic equipment, guidewires, ergonomic solutions, medical packaging and drug delivery devices
- **Food industries:** Farm ventilation equipment, processing equipment, analytical devices, food storage, cooling, eco-friendly coating solutions that make cleaning easier
- **Automotive industry:** Lighter and more energy-efficient vehicles where plastics replace metal
- Only 5% of the world's current oil consumption of about 100 million barrels per day is applied for producing plastics
- After use, plastics can be recycled or combusted without loss of calorific value



Q&A SESSION





APPENDIX

SURFACE SOLUTIONS



- Accoat develops and produces environmentally-friendly technical solutions involving fluoroplastics (Teflon®), PTFE and other pure materials for industrial and medical purposes
- Accoat applies plastic coatings on products and production plants in a number of industries. Articles being coated range from very small syringes to large tank facilities
- Accoat is among the five largest suppliers of industrial Teflon coating in the EU
- Locations: Kvistgård (DK) and Sieradz (PL)





2019 in highlights

- New tasks in the food industry
- More tasks in the medical device industry
- 2019 was the year when production of a customer-owned product was phased out and production shut down – product reached the end of its life cycles
- In the remaining part of Accoat Danmark, the level of activities was high
- Accoat was downsized, but still able to meet demand within advanced fluoroplastic coatings
- Focus on high-build core competencies non-stick, low friction and corrosion protection
- Expect total demand for coatings will increase in future
- Accoat has been approved by the Danish Veterinary and Food Administration to manufacture food contact materials
- In 2019, Accoat has coated production equipment which is used for the manufacturing of Green Hydrogen. Green Hydrogen is produced by splitting of water using excess current from wind turbines. It is the vision to store energy from excess current from wind turbines

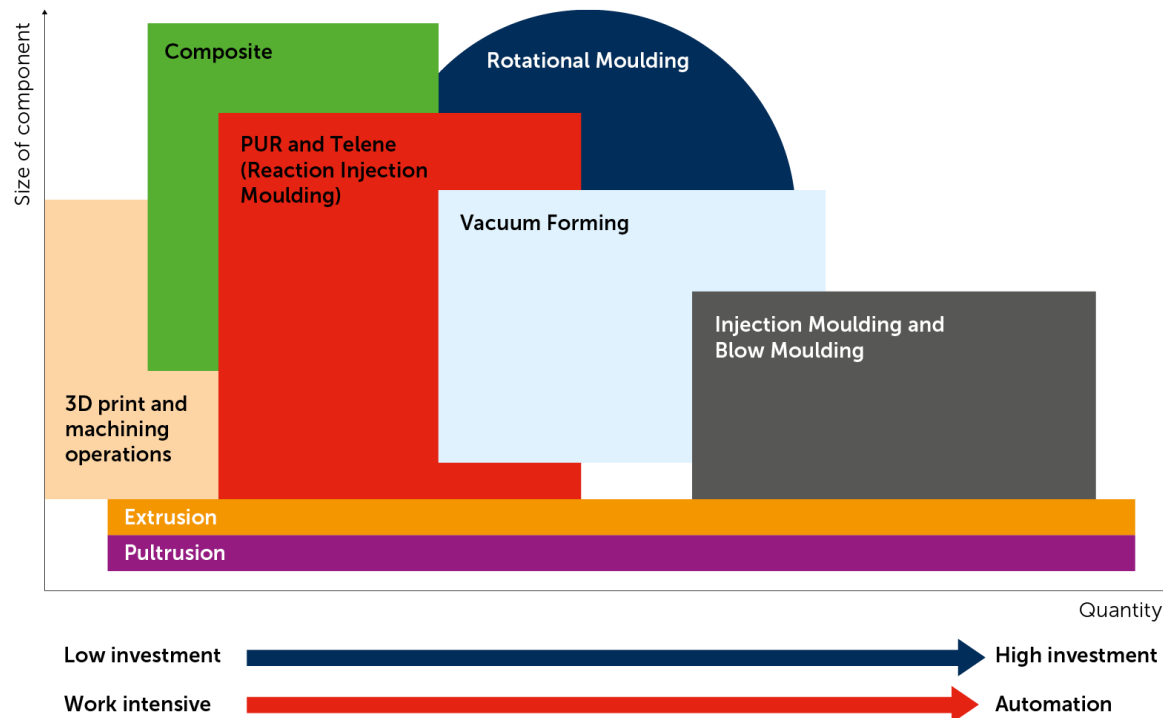


PLASTIC SOLUTIONS



Plastic businesses include:

- **Injection Moulding and Blow Moulding:** SP Moulding, Sander Tech, Coreplast, Ulstrup Plast, SP Medical and MedicoPack
- **Polyurethane (PUR) and Composite:** Ergomat, Tinby, TPI Polytechnik, Bröderna Bourghardt and MM Composite
- **Vacuum Forming, Rotational Moulding, Extrusion and Processing:** Gibo Plast, Plexx Opido, Nycopac, Kodaň Plast and Dan-Hill-Plast





INJECTION MOULDING & BLOW MOULDING / 1

- SP Moulding, Sander Tech, Coreplast and Ulstrup Plast manufactures advanced plastic precision components for a wide range of industries
- SP Moulding and Ulstrup Plast are producers of technical plastic devices and perform assembly work. Market leader in Denmark and among the largest injection moulders in the Nordic region
- SP Medical 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 2-3 largest players in the Nordic region.
- SP Moulding, SP Medical, Coreplast and Ulstrup Plast have more than 475 injection moulding machines at their disposal with a clamping force ranging from 25 tonnes to 1500 tonnes
- SP Moulding, SP Medical, Coreplast and Ulstrup Plast also provide two- and three-component plastic solutions including more than 40 two- and three-component machines
- MedicoPack makes blow moulding in clean rooms for customers within the medical industry
- Locations: Juelsminde (DK), Stoholm (DK), Karise (DK), Lynge (DK), Langeskov (DK), Sieradz (PL), Zdunska Wola (PL), Laitila (FIN), Pobedim (SK) and Suzhou (CN)



2K moulding



Technical plastics



Medico



3K moulding



Medico



INJECTION MOULDING & BLOW MOULDING / 2

2019 in highlights

- Global progress
- Many new tasks
- **SP Moulding, Sander Tech, Ulstrup Plast and Coreplast** saw a healthy entry of a number of new customers in Europe, the Americas and Asia
- **SP Medical** entered into a number of new agreements with both new and existing customers in the medical device industry
- Considerable amounts were invested in new state-of-the-art production equipment
- **SP Moulding, SP Medical and Ulstrup Plast** have entered into agreements to purchase injection-moulding machines for delivery in 2020 – the machines will be used to expand activities with existing customers
- **MedicoPack** exports approx. 90% of its products and large investments have been initiated to keep up with developments

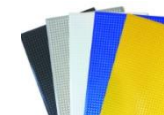




POLYURETHANE & COMPOSITE / 1

- Ergomat A/S, Tinby A/S, TPI Polytechnik BV, Brøderna Bourghardt AB and MM Composite A/S
- Locations: Søndersø (DK), Nørre Aaby (DK), Ejby (DK), Tjæreborg (DK), Zdunska Wola (PL), 's-Hertogenbosch (NL), Helsingborg (SE), Cleveland (USA), Mount Pleasant (USA), Montreal (CAN), Suzhou (CN) and Liepāja (LV)

Ergomat develops 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 as well as laminated plastics and elastomer for e.g. the graphics, medical device, furniture and cleantech industries as well block foaming solutions, and manufactures light-foam products and other plastic solutions primarily for the cleantech industry. Global leader in the market for hard rollers.



Wind turbines



Solid foamed PUR

TPI Polytechnik 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.



Brøderna Bourghardt manufactures large plastic parts in DCPD (Telene) and composite for heavy vehicle, wind energy and satellite communication industries. Scandinavia's leading manufacturer of Telene® products.



Plastic part in Telene

MM Composite develops and sells high-quality composite components to cleantech and other industries. The products are manufactured using different production technologies such as hand lay-up and vacuum infusion



Wind turbines



Glass fibre



POLYURETHANE & COMPOSITE / 2

2019 in highlights

- Higher activities
- New products
- Expansion in the Netherlands, Poland, USA, China and Latvia
- **Ergomat** reported handsome results in 2019
- **Tinby** expanded its capacity to support global growth
- **TPI** reported further positive developments on the North American markets in 2019. The Asian markets also developed positively, whereas the European market was stable. New products will be launched in several markets in 2020
- **Brdr. Bourghardt** focused on large sales projects in 2019. Some of them have not yet been realised and combined with a less advantageous product mix 2019 slightly weaker than 2018
- **MM Composite** established a new production line in its American factory. The global consolidation in the wind turbine industry meant new challenges and opportunities



VACUUM FORMING, ROTATIONAL MOULDING, EXTRUSION AND PROCESSING / 1



- Gibo Plast and PlexxOpido develop, design and manufacture thermo-formed plastic components for refrigerators and freezers, buses and cars (automotive) as well as in the medical device, lighting equipment and cleantech industries
- Gibo Plast is both specialised in traditional vacuum forming and the state-of-the-art forming methods High-pressure and Twinsheet
- Opido is also specialised in ORS (Opido Reinforced System) with fortified and sound-absorbing vacuum-formed components as well as laser cutting and hot bending
- Kodaň Plast is specialised in rotation and milling of plastic materials as well as bending, bonding and welding of plastics
- Nycopac develops, designs and sells plastic packaging solutions for industrial transportation
- Dan-Hill-Plast is specialised within rotational moulding of technical plastics and production and sales of fenders for ships and boats
- Market leader in Scandinavia
- Locations: Skjern and Hornsyld (DK), Ljungby (SE), Fredrikstad (N), Sieradz (PL), Nyköping (SE), Zilina (SK), Mt. Pleasant (USA) and Tianjin (CN)



Vacuum forming



Furniture



Appliance



Cleantech



Dan-Fender

VACUUM FORMING, ROTATIONAL MOULDING, EXTRUSION AND PROCESSING / 2



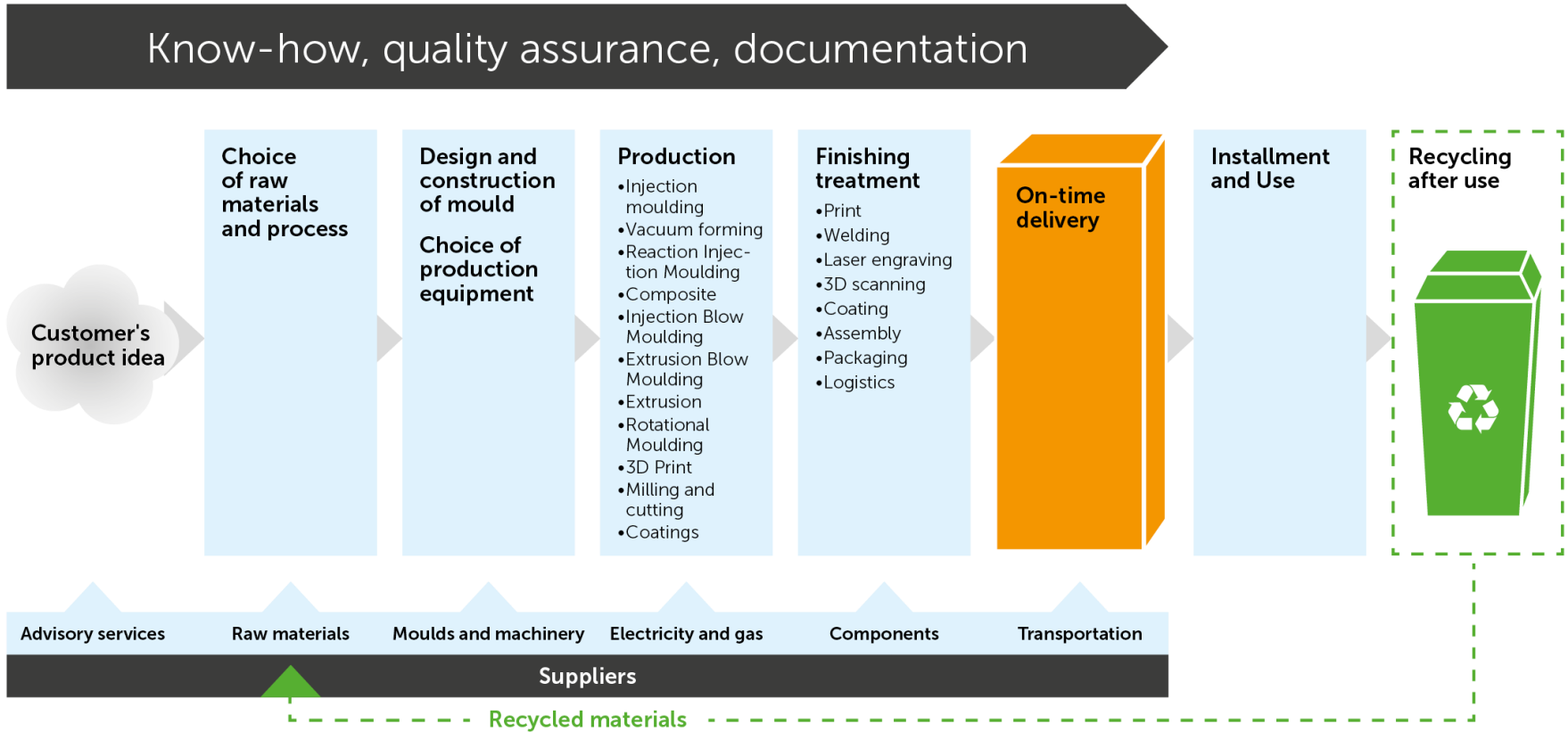
2019 in highlights

- New tasks in several industries
- Establishment in USA and China
- Integration of Nycopac AB in Sweden and Kodaň Plast s.r.o. in Slovakia
- **Gibo Plast** and **PlexxOpido** have succeeded in ensuring an improvement in operating profit and activities
- Intensely work on implementing efficiency-enhancing measures in Denmark, Sweden, Norway and Poland
- Large amounts and many efforts were invested in strengthening the expertise in the production of tools for prototype devices and production of vacuum-formed plastics
- Better and more effective servicing of existing and new customers by reducing time-to-market in connection with new plastic components
- ORS competence gained
- Lower costs and improved results of operations





SP GROUP'S VALUE CREATION



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