



IR PRESENTATION

Presentation by CEO Frank Gad
21 November 2016

AGENDA



- SP Group in brief
- Financial results first nine months of 2016
- Outlook for 2016
- 2020 strategy and financial goals
- 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 2016 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 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 more than
75 countries



Subsidiaries in

9 countries on
4 continents



Employees

1,592 committed
employees

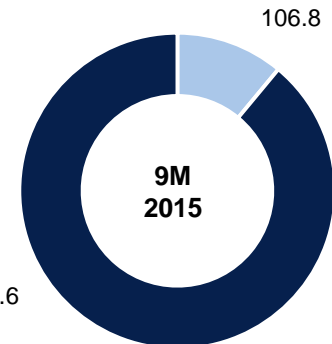
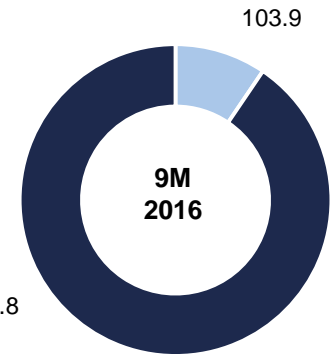




SP GROUP – AN OVERVIEW

- 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 sales from own plants in Denmark, the USA, Latvia, China, Poland, Slovakia and Brazil

Revenue split by business area (DKKm)



■ Surface solutions ■ Plastic solutions

SP Group A/S

Surface solutions	Plastic solutions		
Coating	Polyurethane (PUR)	Vacuum forming	Injection moulding
Acccoat A/S	Tinby A/S	Gibo Plast A/S	SP Moulding A/S
Acccoat do Brasil Ltda. Acccoat Technology ApS	Tinby Sp. z o.o. Tinby Co., Ltd. Tinby Denmark A/S Tinby Inc.	Gibo Sp. z o.o.	SP Moulding Poland Sp. z o.o. SP Moulding (Suzhou) Co., Ltd. Sander Tech ApS
	Ergomat A/S	Plexx AS/Opido AB	Ulstrup Plast A/S
	Ergomat-Nederland B.V. Ergomat Sweden AB Ergomat Inc. Ergomat Canada Inc. Ergomat Sp. z o.o.	SP Extrusion	Ulstrup Plast s.r.o.
	TPI Polytechnik B.V.		SP Medical A/S
	TPI Polytechnik ApS		SP Medical Poland Sp. z o.o.
	Brdr. Bourghardt AB		MedicoPack A/S
	Baltic Rim Ltd.		

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



FINANCIAL RESULTS FIRST NINE MONTHS OF 2016

HIGHLIGHTS 9M 2016



In first 9M, revenue increased by 14.0% to

DKK **1,097.5m**



In first 9M, revenue from own brands increased by 9.9% to

DKK **177.7m**



In first 9M, EBITDA increased by 33.6% to

DKK **150.8m**



In first 9M, the EBITDA margin increased by 2.0 percentage points to

13.7%

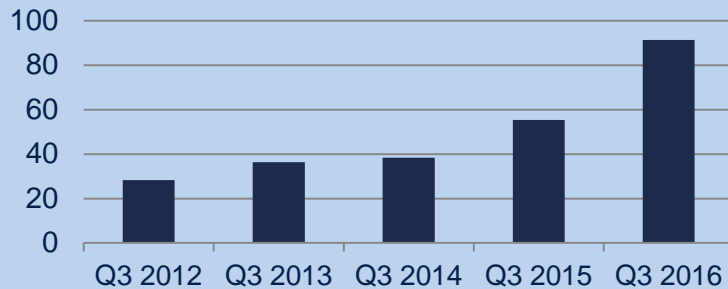




HIGHLIGHTS 9M 2016

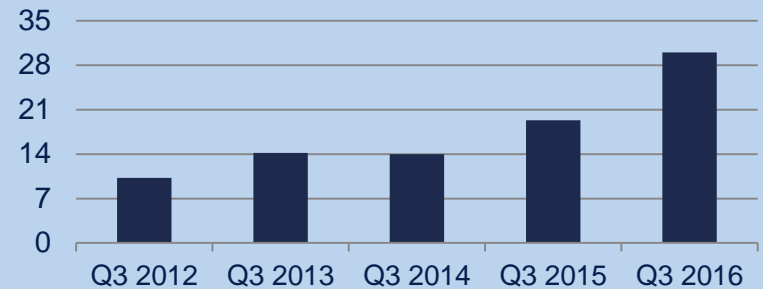
In first 9M, Profit before tax and non-controlling interests increased by 65.1% to DKK 91.3m

DKKm



In first 9M, EPS, diluted, increased by 55.4% to DKK 30.01

DKK



End September, net interest-bearing debt (NIBD) fell by 23.3% to DKK 329.7m

DKKm



In first 9M, equity attributable to the equity holders increased to DKK 426.2m

DKKm



GROUP FINANCIAL HIGHLIGHTS 9M 2016



DKKm	Q3 2016	Q3 2015	9M 2016	9M 2015	2015
Revenue	368.8	335.2	1,097.5	962.8	1,319.8
EBITDA	53.0	42.9	150.8	112.8	162.8
EBIT	35.3	24.4	100.0	63.1	90.8
Profit before tax and non-controlling interests	32.0	21.1	91.3	55.3	80.7
Equity incl. non-controlling interests			426.2	362.0	393.6
Cash flows from operations	41.9	35.5	113.8	116.3	171.7
Cash flows from investments	34.7	-44.8	-18.1	-95.4	-116.3
Cash flows from financing activities	-46.0	-16.8	-83.6	6.8	-18.4
Change in cash and cash equivalents	30.6	-26.1	12.1	27.7	37.0
NIBD			329.7	430.0	403.4
Equity ratio, incl. non-controlling interests, %			39.0	33.8	36.5



PURCHASE OF MEDICOPACK

- SP Group acquired MedicoPack A/S as per 14 July 2016
- The total price including takeover of debt (enterprise value) will be up to DKK 32m
- MedicoPack generates annual revenue of almost DKK 100m with a normalized EBITDA of DKK 6-7m
- The acquisition of this well-run blow-moulding company will accelerate growth for SP Group
- As a consequence of the acquisition the outlook for FY 2016 is upgraded
- Torben Bruhn will stay on as managing director of MedicoPack

About MedicoPack

- MedicoPack is a blow-moulding company with production and assembly at Langeskov, Denmark
- Expanding at regular intervals since being established in 1968
- Global customer base - especially from the medical and healthcare industry
- 85% of revenue is from exports
- Customers in 15 countries and a strong brand



ACQUIRING ACTIVITIES AND OPERATIONS FROM AASUM PLAST & METAL A/S



- On 14 October 2016, SP Group acquired (through SP Moulding) plastics operations and related assets from Aasum Plast & Metal A/S
- Generates annual revenue of almost DKK 10m
- EBIT approx. DKK -0.1m
- Injection moulding
- The acquired operations will be relocated to our existing facilities by the end of 2016
- Premises to be vacated in Q1 2017
- Employees offered jobs with SP Group at Funen location



ACQUISITION OF PLEXX AS OPIDO AB



- On 21 November 2016, SP Group (through Gibo Plast) acquired all shares in Norwegian/Swedish company Plexx Opido
- Generated annual revenue of almost DKK 65m with a normalized EBITDA of DKK 6-7m
- The total price including takeover of debt (enterprise value) will be up to DKK 33m
- The acquisition of this well-run vacuum forming company will accelerate growth for SP Group
- Arild S. Johnsen will stay on as managing director
- Gibo Plexx Opido will be one of the largest vacuum formers in northern Europe



About Plexx Opido

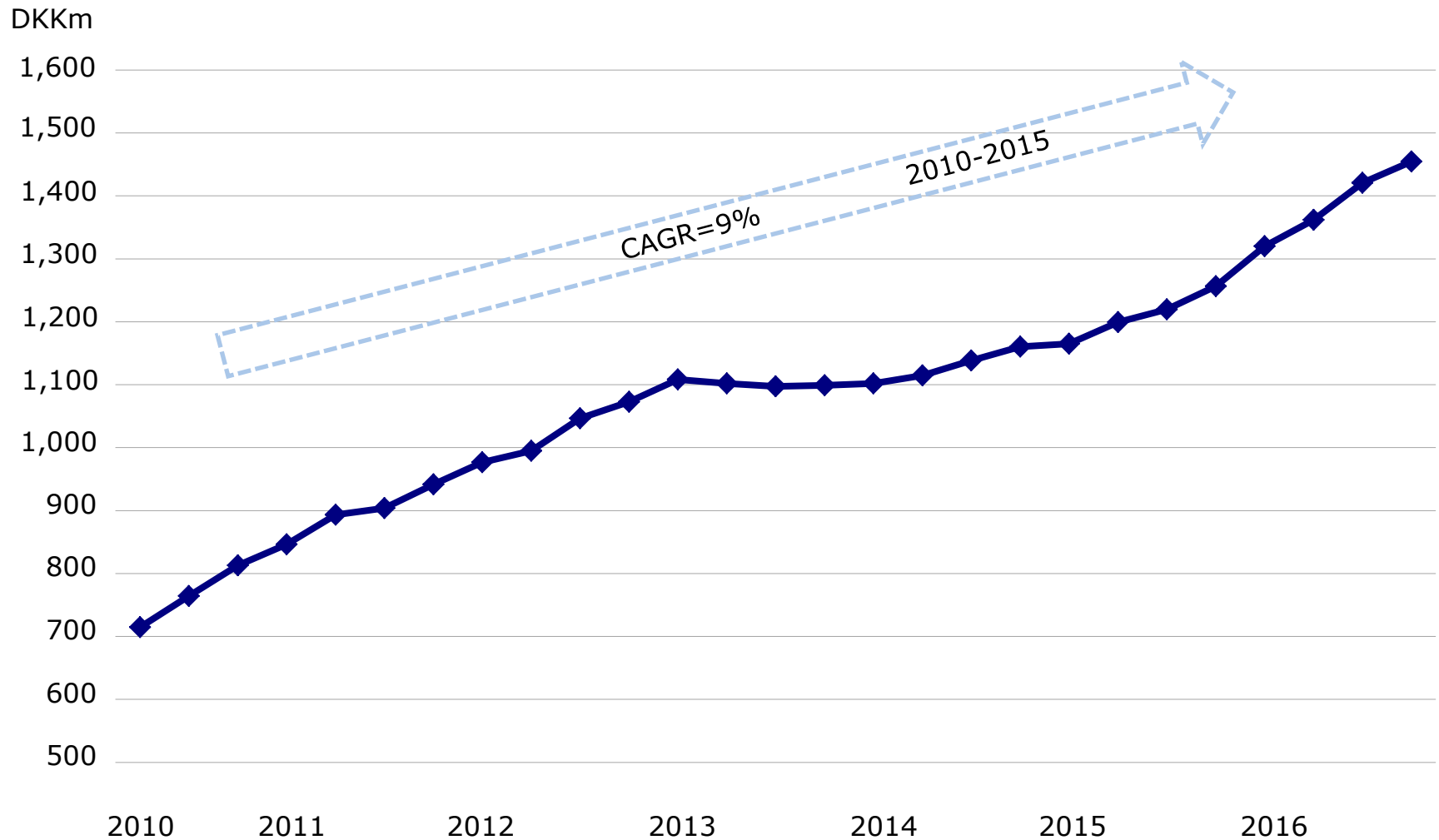
- Plexx AS founded in 1954 in Fredrikstad, Norway; Opido AB founded in 1994 in Lagan, Sweden
- All production based in Sweden
- The Norwegian business manages sales and service to Norwegian and export market clients
- Plexx Opido has a strong brand
- Staff of 45 dedicated employees. All are expected to stay on with the company

GROUP FINANCIAL HIGHLIGHTS 2015

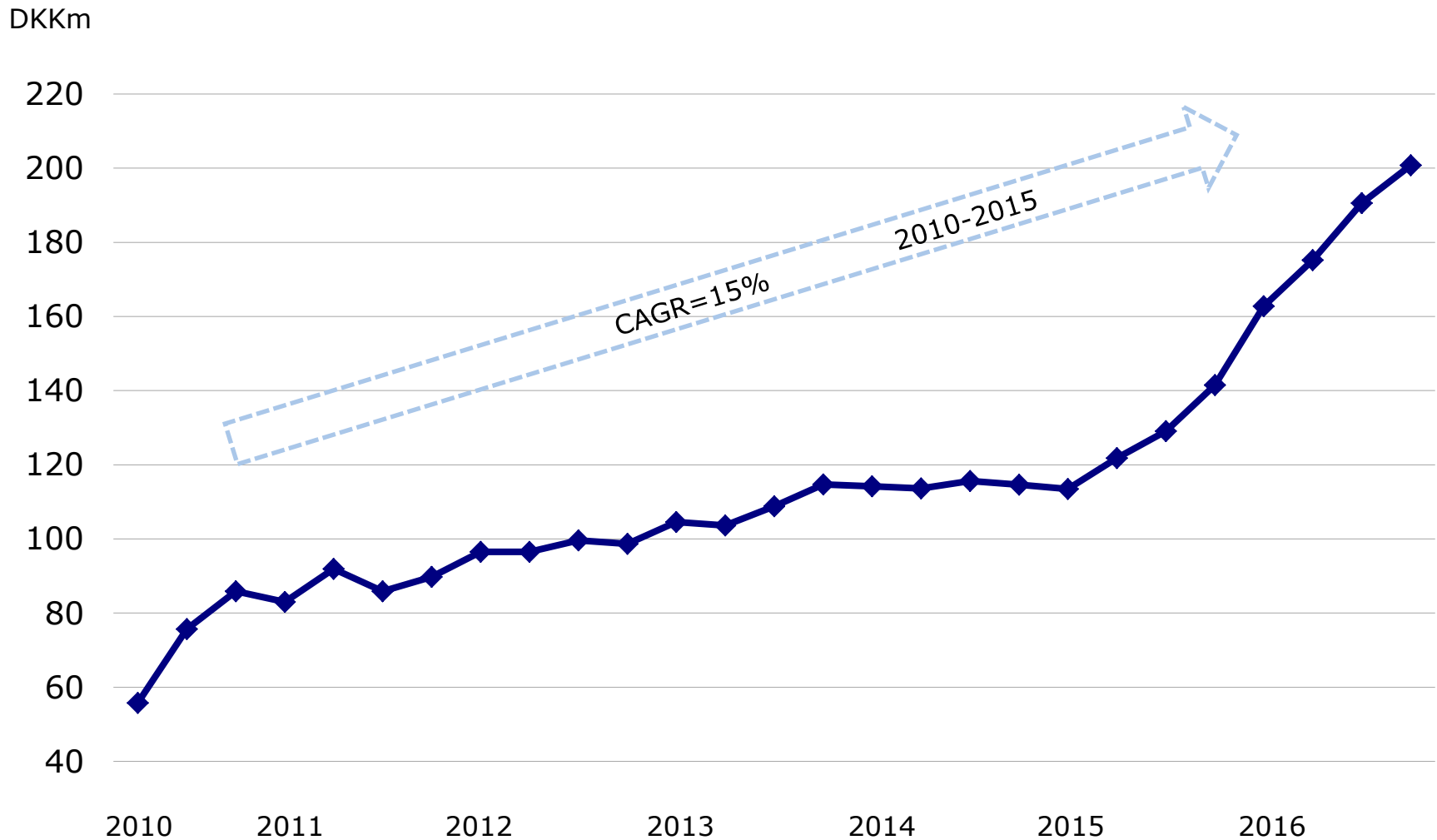


DKKm	2015	2014	2013	2012	2011	2010
Revenue	1,319.8	1,164.9	1,102.1	1,108.5	976.8	851.9
EBITDA	162.8	113.5	114.2	105.2	96.5	83.0
EBIT	90.8	60.2	65.3	58.1	52.8	41.7
Profit before tax and non-controlling interests	80.7	51.5	50.2	41.6	34.3	28.8
Equity incl. non-controlling interests	393.6	276.4	252.3	240.1	205.6	190.7
Cash flows from operations	171.7	64.1	66.9	100.1	66.9	57.8
Cash flows from investments	-116.4	-67.3	-60.1	-87.6	-51.9	-46.9
Cash flows from financing activities	-18.4	10.0	-54.9	0.9	-13.7	47.3
Change in cash and cash equivalents	37.0	6.7	-48.1	13.4	1.3	58.2
NIBD	403.4	467.2	430.0	395.4	355.0	367.4
Equity ratio, incl. non-controlling interests, %	36.5	29.3	28.5	28.7	26.7	25.7

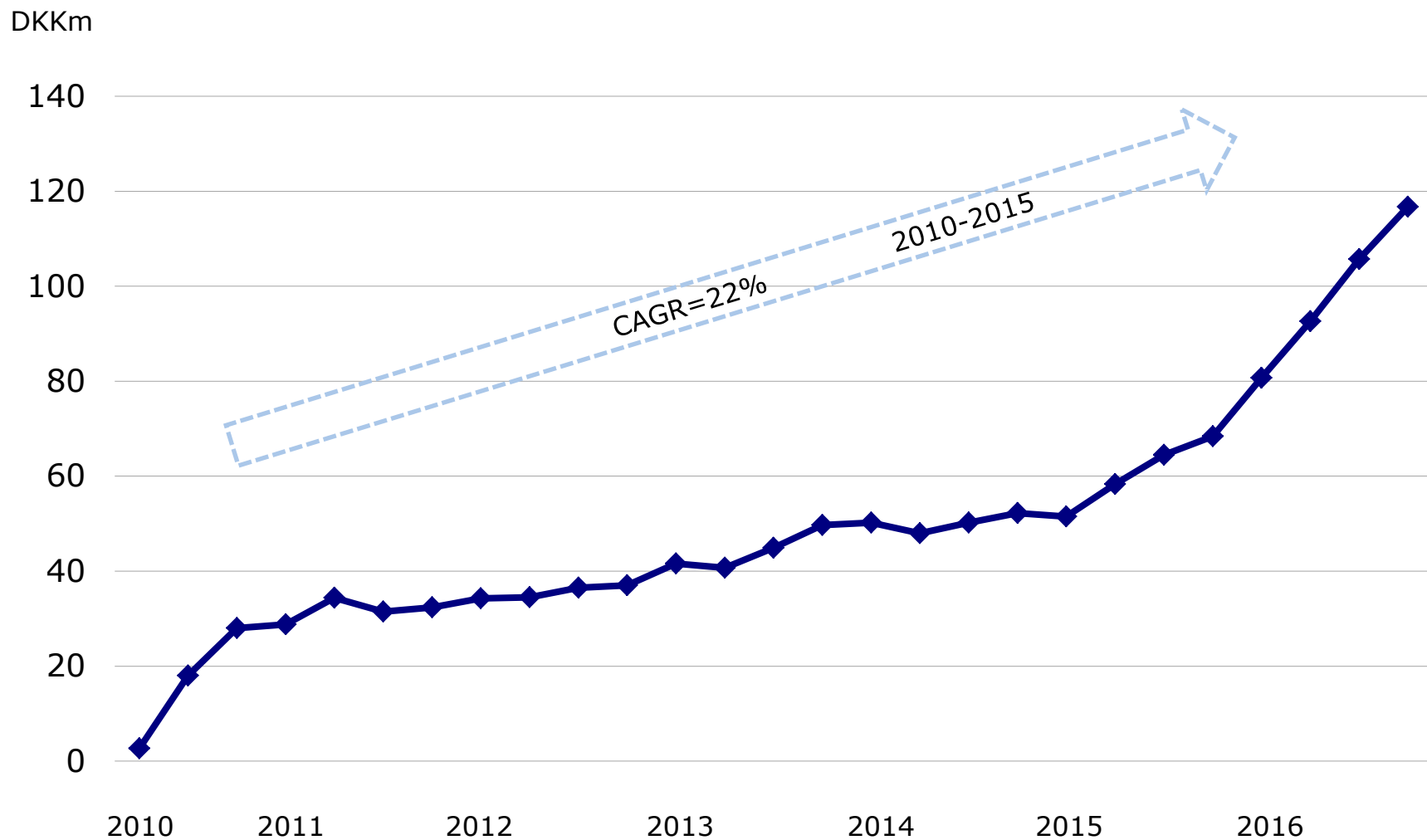
REVENUE 2010-9M 2016



EBITDA 2010-9M 2016



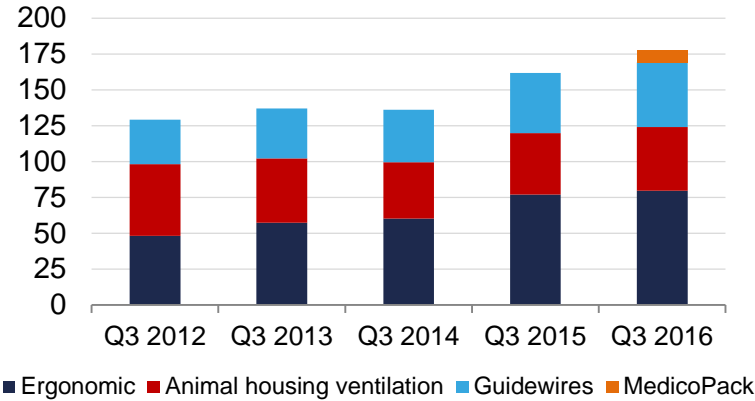
EBT 2010-9M 2016



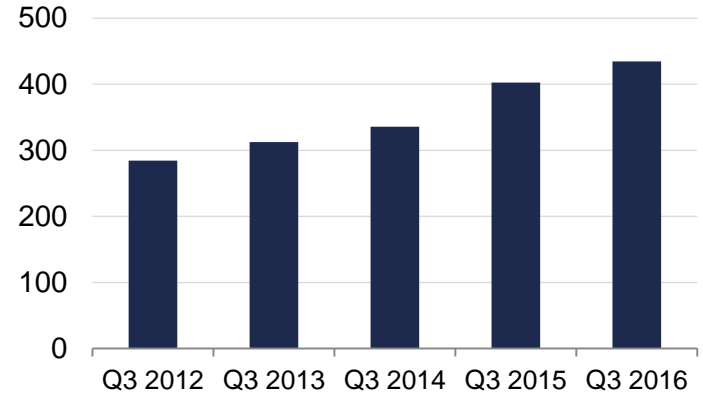


REVENUE SPLIT BY PRODUCT AREA 9M 2016

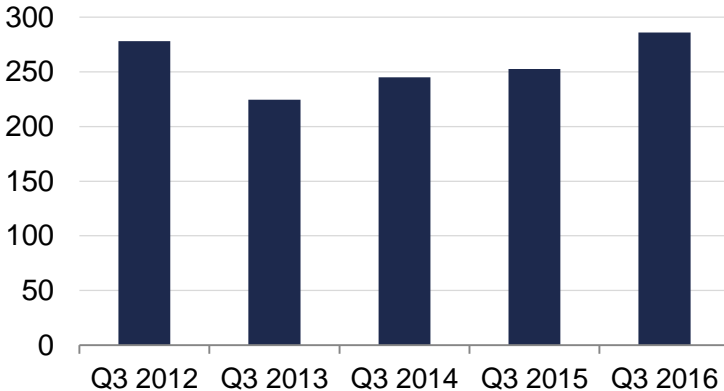
Revenue from own brands (DKKkM)



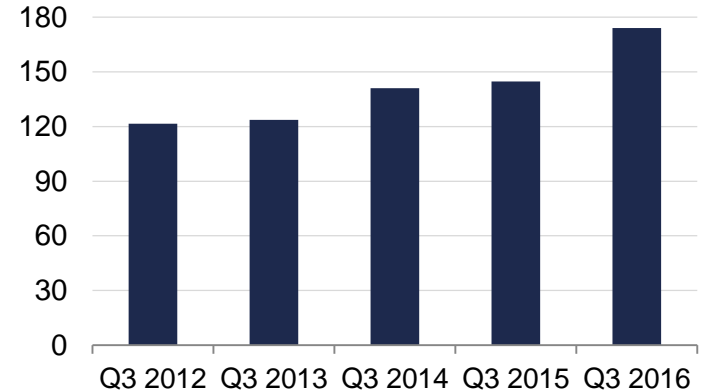
Revenue healthcare products (DKKkM)



Revenue cleantech industries (DKKkM)

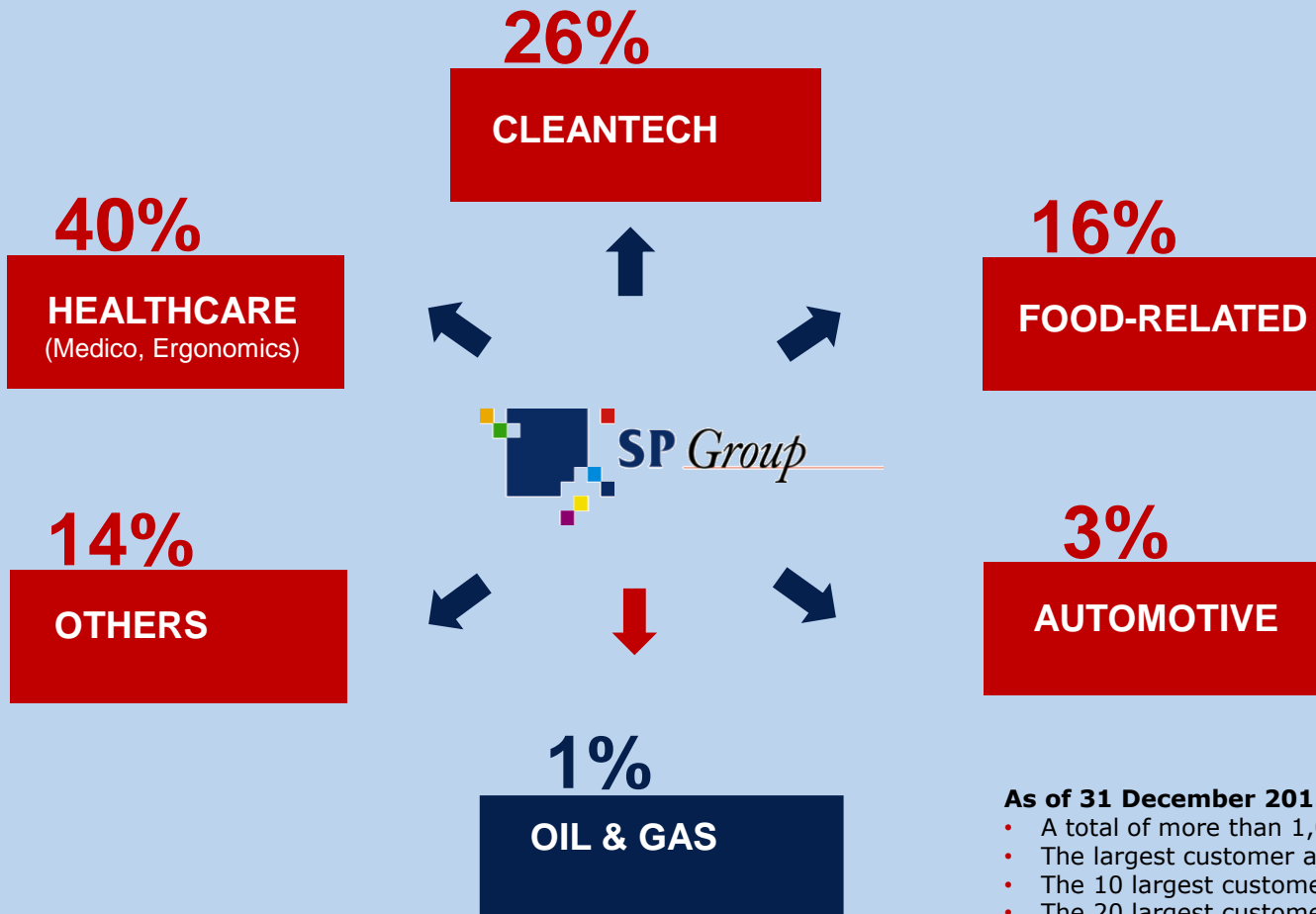


Revenue food-related industries (DKKkM)





REVENUE BY CUSTOMER GROUPS 9M 2016



As of 31 December 2015:

- A total of more than 1,000 customers
- The largest customer accounts for 12% (2014: 13%)
- The 10 largest customers account for 47% (2014: 52%)
- The 20 largest customers account for 60% (2014: 65%)



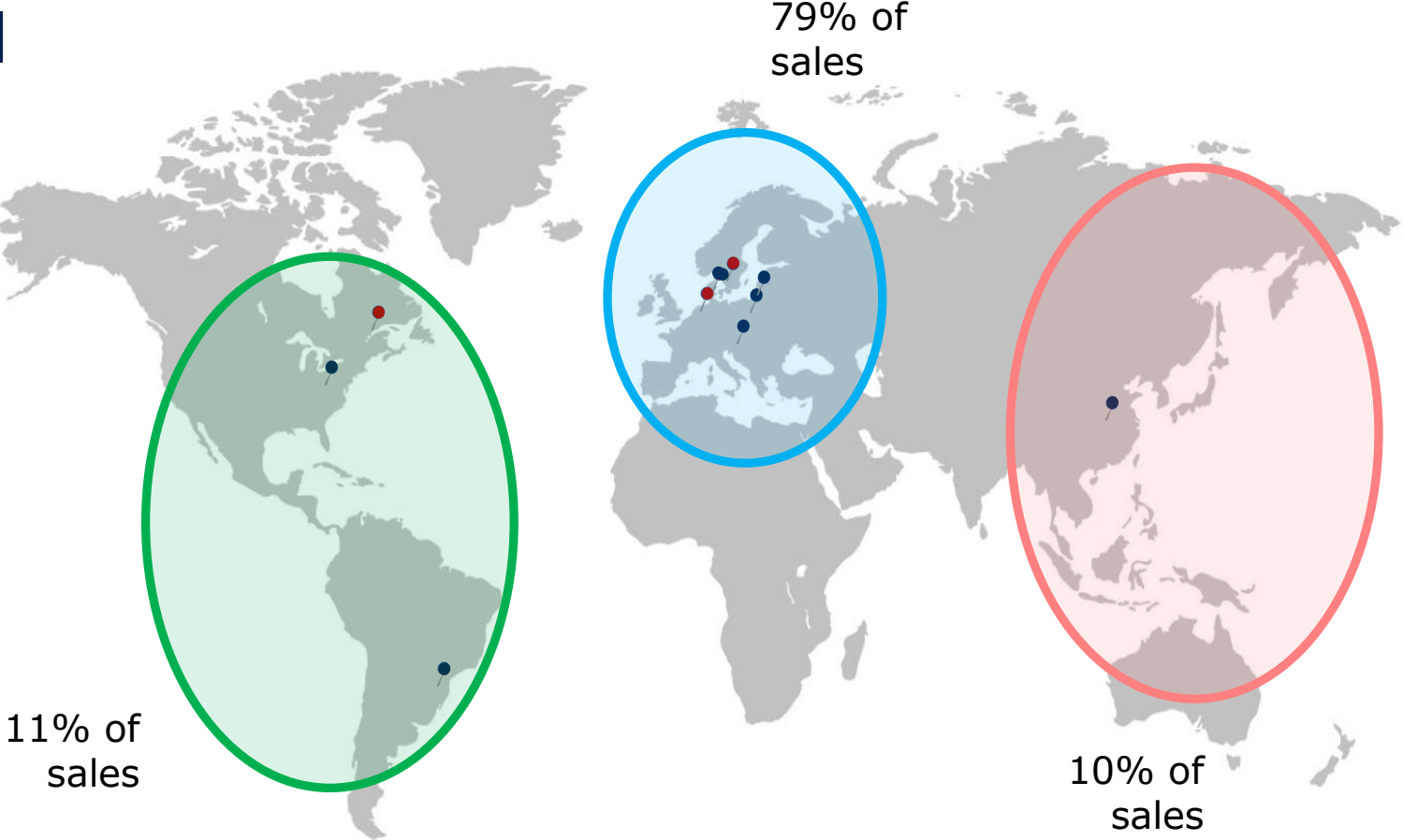
SP GROUP'S GLOBAL PRESENCE

Production and sales

- Denmark (8)
- Poland (6)
- China (2)
- Brazil (1)
- US (1)
- Latvia (1)
- Slovakia (1)
- Sweden (1)

Distribution

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



INTERNATIONALISATION

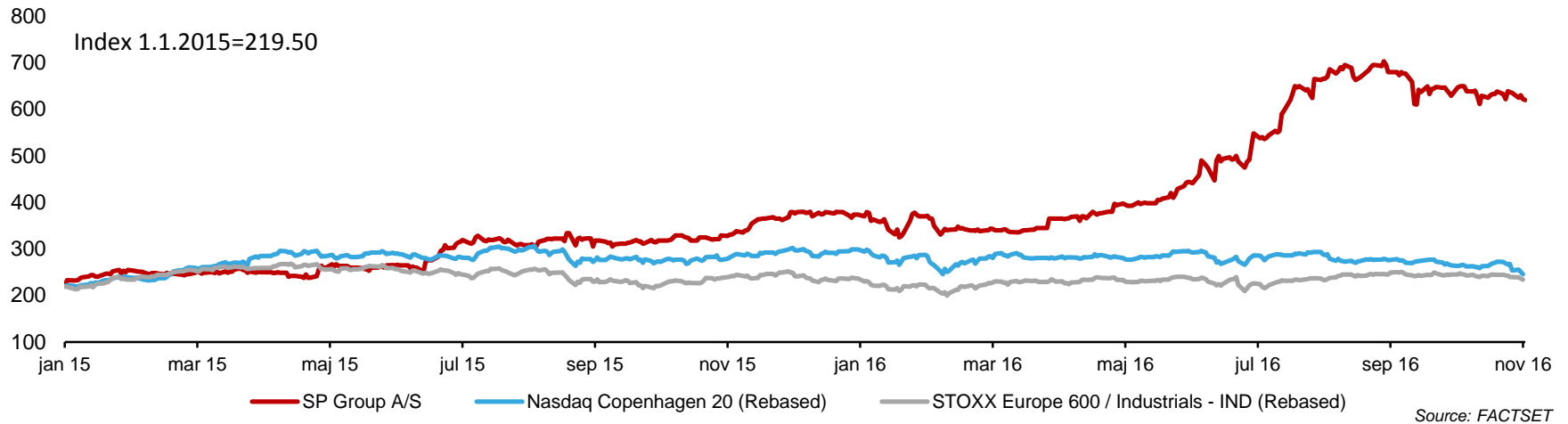


	2005	2010	2015	2020E
Share of sales outside Denmark	37%	46%	54%	~60%
Share of employees outside Denmark	23%	50%	64%	~75%
Number of factories outside Denmark	2	6	12	14
Total number of factories	18	15	20	22



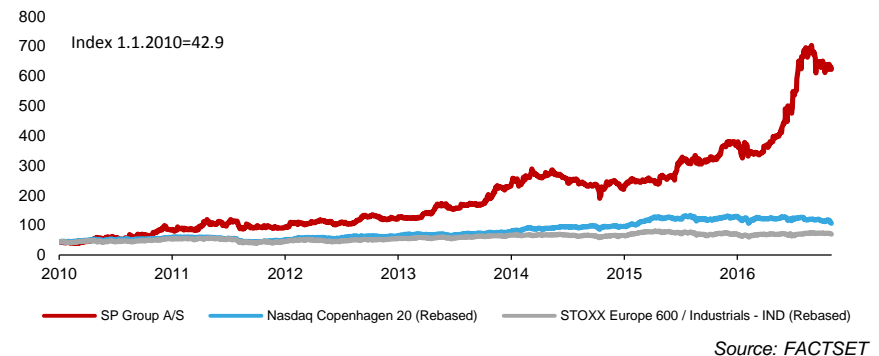
SHARE PRICE PERFORMANCE

Share price performance from 1 January 2015 to 31 October 2016



- Share capital DKK 22,28 mio. – DKK 0.5m increase through issue of 54,000 new shares in September 2016
- All shares have equal rights
- Dividends to the shareholders of DKK 4.00 per share in 2016 (2015: DKK 3.50)
- New DKK 20m share buy-back programme established 11 April 2016, increased by DKK 20m to DKK 40m and extended till 10 April 2017 on 23 August 2016

Share price development from 1 January 2010 to 31 October 2016





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 fibreglass, we substitute with PLASTICS
- 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)

A photograph of an offshore wind farm. In the foreground, a large white tower of a wind turbine is visible, extending from the bottom left towards the top center. In the background, several other wind turbines are scattered across a blue sea under a clear blue sky. A dark blue horizontal bar is overlaid on the middle of the image, containing the text 'OUTLOOK FOR 2016'.

OUTLOOK FOR 2016

OUTLOOK FOR 2016



SP Group is upgrading its outlook for FY 2016 and is now expecting:

- A revenue level in 2016 of DKK 1.5bn (previously: DKK 1.5bn)
- A result before taxes and minorities at the level of around DKK 120m (previously: at the level of around DKK 100-120m)





GOING TOWARDS 2020



2020 AMBITION / 1

- Customer focus and organic growth
- Proprietary products to make up a greater proportion of sales:
from 17% in 2015 to about 25% by 2020
- “Buy and build”; minor acquisitions, preferably proprietary products (as MedicoPack)
- 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**



2020 AMBITION / 2



	2015		2020 ambition
Revenue	DKK 1,320m	+ 9% yearly	DKK 2,000m
EBITDA	12.3%	+ 2 percentage points	14-15%
EBT	6.1%	+ 2-3 percentage points	8-10%
NIBD/EBITDA	2.5	2-4	2.5-3.5
Equity ratio, incl. non-controlling interests	36.5%	25-45%	35-40%



Q&A-SESSION

APPENDIX

A man in a black shirt and white gloves is working on a large industrial machine in a factory setting. He is holding a tool and appears to be adjusting or inspecting a component of the machine. The machine has a large, flat surface and is surrounded by various pipes and structural elements. The background shows a well-lit industrial environment with blue and yellow structural elements.

BUSINESS UNITS

SURFACE SOLUTIONS



- Accoat develops and produces environmentally-friendly technical solutions involving flourplast (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), Stoholm (DK) and São Paulo (Brazil)





First 9M in highlights

- Revenue fell by 2.8% to DKK 103.9m
 - Revenue fell by DKK 2.9m in Q3
- EBITDA up by DKK 2.4m, driven by capacity adjustments
- Responding to changed market conditions, Acccoat has adapted its organisation and cost base
- Business activity expected to accelerate later on

Outlook for 2016

- Decrease in revenue
- Increase in EBITDA
- Oil and gas industry trends remain uncertain

Development in Coatings

DKKm	Q3 2016	Q3 2015	9M 2016	9M 2015
Revenue	31.4	34.3	103.9	106.8
EBITDA	4.3	3.5	12.5	10.1
EBIT	2.5	1.1	7.0	3.1
Employees (avg)			67	69





Plastic businesses include:

- Injection Moulding (SP Moulding, SP Medical, Sander Tech and Ulstrup Plast)
- Vacuum forming (Gibo Plast and Plexx Opido from 17 Nov. 2016)
- PUR (Ergomat, Tinby, TPI Polytechnik and Brøderna Bourghardt)
- Extrusion (SP Extrusion)
- Blow-moulding (MedicoPack from 14 July 2016)

First 9M 2016 in highlights

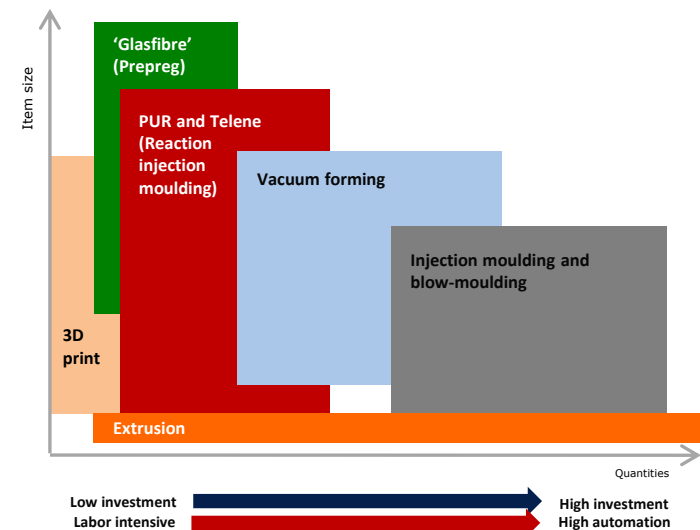
- Revenue increased 15.1% to DKK 991.8m
 - In Q3 revenue increased by 11.6%
- EBITDA amounted to DKK 140.1m – a significant, 26.7% improvement
- Company acquisitions contributed revenue of approximately DKK 90m

Outlook for 2016:

- Expected revenue and earnings growth
- Activities are expected to be expanded in the USA, Denmark, Poland, Slovakia, Latvia, China, Norway and Sweden

Development in Plastics

DKKm	Q3 2016	Q3 2015	9M 2016	9M 2015
Revenue	336.8	301.8	991.8	861.6
EBITDA	48.6	41.9	140.1	110.6
EBIT	33.6	26.7	97.4	70.1
Employees (avg)			1,519	1,380





- SP Moulding and Ulstrup Plast manufactures advanced plastic precision components for a wide range of industries
- SP Moulding and Ulstrup Plast are a producer of technical plastic devices and performs assembly work. Are a 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 and Ulstrup Plast have more than 375 injection moulding machines at their disposal with a clamping force ranging from 25 tonnes to 1300 tonnes
- SP Moulding, SP Medical and Ulstrup Plast also provide two- and three-component plastic solutions including more than 40 two- and three-component machines
- Locations: Juelsminde (DK), Stoholm (DK), Karise (DK), Lynge (DK), Sieradz (PL), Zdunska Wola (PL), Suzhou (China) and Pobedim (Slovakia)



Medico



Technical plastics



Medico



3K moulding



Medico

PLASTIC SOLUTIONS

INJECTION MOULDING / 2



First 9M 2016 in highlights

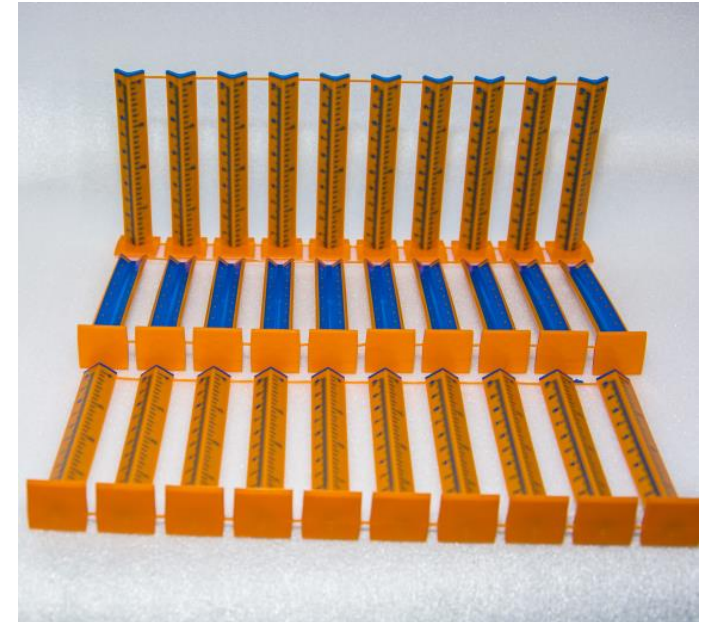
- The Polish factories operated by SP Moulding and SP Medical all continuing to perform well and profitably and are creating more jobs
- The Danish factories reported slightly higher earnings and increased headcounts
- SP Moulding's sales and earnings in China are flat

SP Moulding, Ulstrup Plast, Sander Tech and SP Medical

- Continuing to step up marketing efforts targeting new customers
- Scaled-up marketing efforts in several markets producing several new, regular customers
- SP Medical grew production and sales of guidewires by 7.6% in first 9M 2016. Growth rate of 16.0% in Q3
- Ulstrup Plast is expanding in Slovakia, creating more jobs and profitable earnings
- The acquisition of Sander Tech has produced the expected and anticipated results

MedicoPack

- Forming a part of our Plastics business effective from 14 July
- MedicoPack is a well-run blow-moulding company manufacturing with clean-room production in Denmark
- MedicoPack bases a part of its sales on proprietary products
- The acquisition of MedicoPack has produced the results expected for the period





- Four business activities: Ergomat A/S, Tinby A/S, TPI Polytechnik BV and Bröderna Bourghardt AB
- Locations: Sønderød (DK), Zdunska Wola (PL), 's-Hertogenbosch (NL), Helsingborg (SE), Cleveland (US), Montreal (CAN), Suzhou (China) and Liepāja (LV)

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 industries. Global leader in market for hard rollers.



Cleantech



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.



Bröderna Bourghardt specialised in composite processes: prepreg and manual lamination. Brdr. Bourghardt apply advanced varnishing methods. Scandinavia's leading manufacturer of Telene® products.



Plastic component, Telene



First 9M 2016 in highlights

Tinby

- Customers in the cleantech industry reporting growth
- Expanded production of PUR components in China for customers in the cleantech industry
- Tinby has set up a factory in the USA to better serve North American customers – activity developing in line with plans



Ergomat

- Improved sales and earnings
- Global sales up by 3.5%, driven mainly by North America and Germany. In Q3 growth was 1.5%
- Established local production of ergonomic mats in the USA to provide better service (by reducing leadtimes) to its many US-based customers
- Activity developing in line with plans
- Expanded production in Poland and strengthened services locally in Europe





First 9M 2016 in highlights

TPI

- Business activity and earnings improving
- Sales up by 3.7%
 - In Q3 sales fell by 22.9%
- New customers in Asia, the Middle East and Africa
- The Scandinavian market continues to lack the appetite and opportunities for investing in large animal housing facilities.
- A number of PUR products launched in 2016 additional product launches being planned for later this year



Brøderna Bourghardt

- Brdr. Bourghardt acquired in February 2014
- Performing well and attracting more business. As expected, bringing in new customers to SP Group's existing business operations
- Scandinavia's leading manufacturer of Telene components and maker of advanced products from composite materials



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, high-pressure and twin-sheet technologies and CNC milling
- Market leader in Scandinavia
- As of 17 November 2016 Plexx AS and Opido AB part of the Gibo Plast Group
- Locations: Skjern (DK), Sieradz (PL), Lagan (SE) and Fredrikstad (N)



Vacuum forming



Furniture



Appliance



Cleantech



First 9M in highlights

- Gibo Plast has developed new projects and solutions for customers in the cleantech and automotive industries expected to lift sales and earnings in 2016 and onwards

SP Extrusion

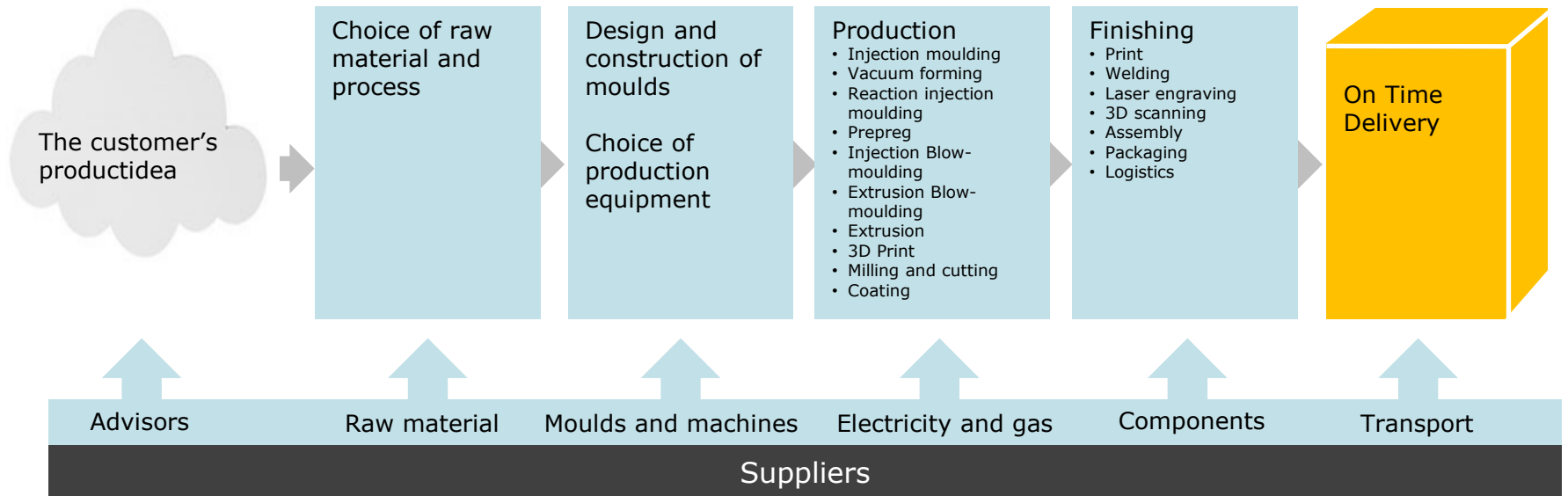
- As expected, starting up SP Extrusion impacted EBIT for the first 9M 2016 period



SP GROUP'S VALUE CREATION



Knowledge, quality assurance, documentation



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