



# AGENDA



- SP Group – an overview
- Results Q3 2009
- 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

**1996-99:** President,  
Mærsk Container Industri A/S

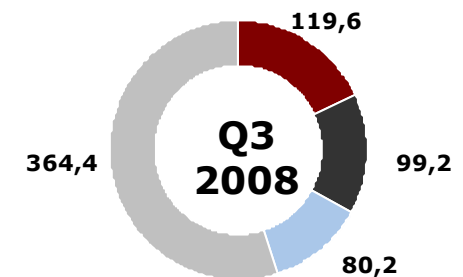
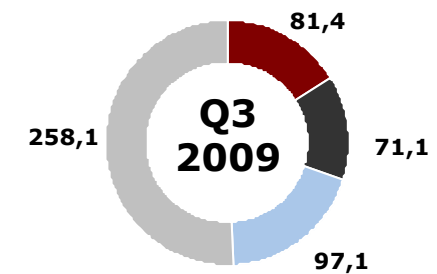
**1985-99:** Odense Steel Shipyard A/S –  
most recent title: EVP

# SP GROUP – AN OVERVIEW

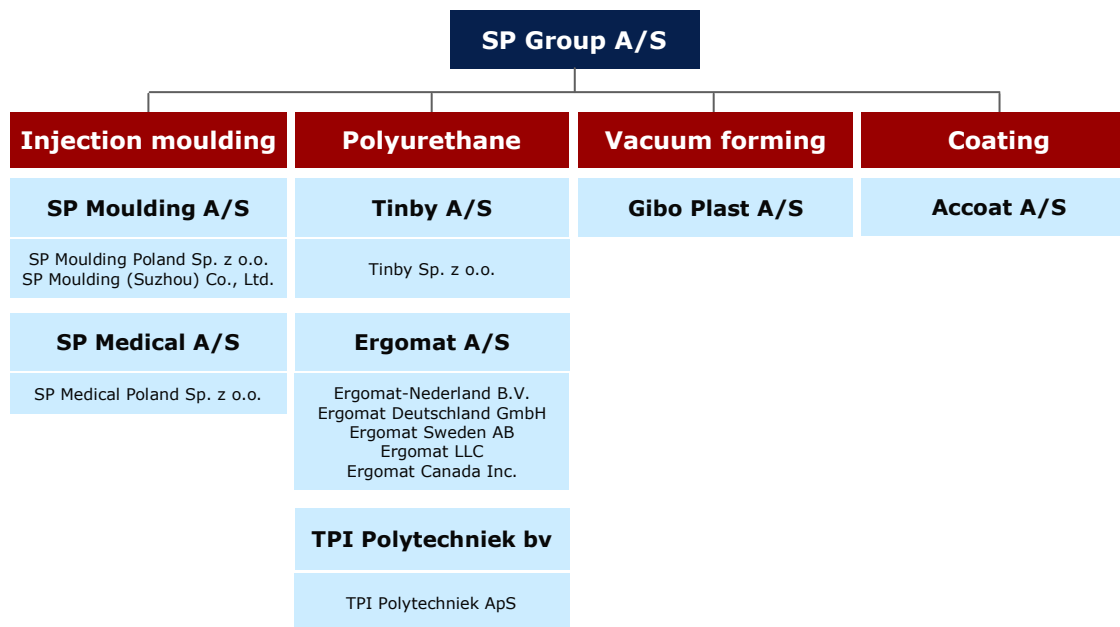


- **Manufacturer of moulded plastic components and coatings**
- **Supplier of customer specified solutions for a wide range of industries**
- **Increasing exports from Denmark and increasing production in China and Poland**
- **Strong international niche positions – also within own brands**

**Revenue split by the Group's business units (DKKm):**



■ Polyurethane      ■ Vacuum forming  
■ Coating              ■ Injection moulding

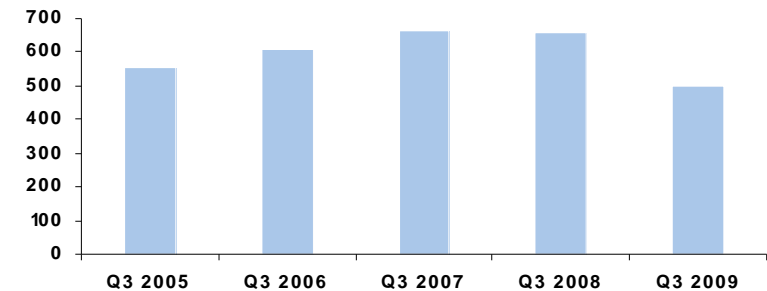


# GROUP HIGHLIGHTS

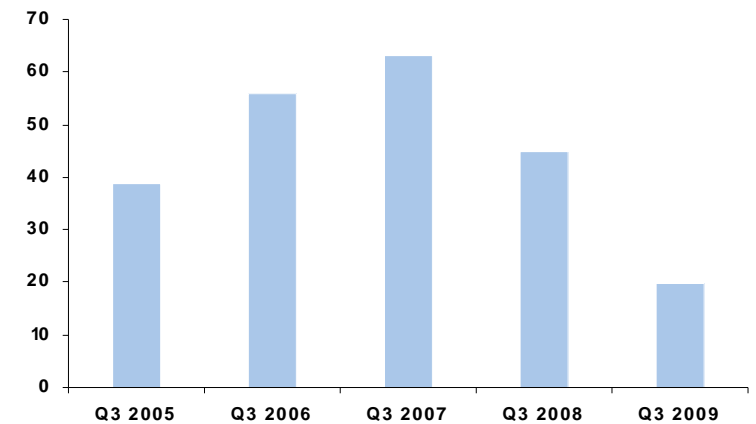


- Revenue influenced by the negative development on the markets that was extreme
- Revenue decline of 20.8% i Q3
- EBITDA rose 7.9% in Q3
- Q3 significantly better than Q1 and H1
- Strict cost control
- Move of labour-intensive production to Poland and China continues
- Ongoing capacity adjustment
- Positive operation profit (EBITDA) in 3 of 4 business units in Q3
- Positive cash flow from operations, despite recession
- Won the trial on court as regards the tender of license plates production

Revenue DKKm (acc.)



Operating profit (EBITDA) DKKm (acc.)



# GROUP FINANCIAL HIGHLIGHTS Q3 2009

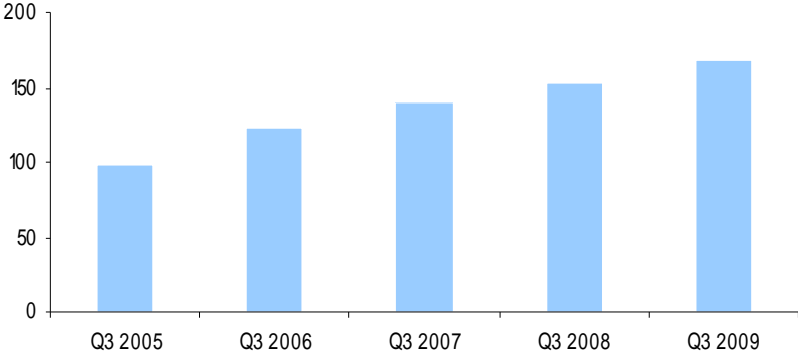


DKKm	Q3 2009	Q3 2008	Acc. Q3 2009	Acc. Q3 2008	Full year 2008
Revenue	161.5	203.8	500.2	655.9	863.7
EBITDA	12.3	11.4	19.6	45.0	60.3
EBIT	2.5	0.4	-10.3	13.4	17.0
Profit/Loss before tax and minorities	-1.0	-3.8	-20.5	-5.8	-14.9
Net profit	-1.2	-3.4	-15.9	-5.9	-12.8
Equity incl. Minorities	-	-	155.9	176.3	170.5
<i>Cash flows from:</i>					
Operations	15.3	-11.8	31.6	7.4	35.4
Investments	-8.2	-7.7	-26.3	-54.9	-69.5
Financing	-5.8	-2.4	-18.0	-10.9	-17.5

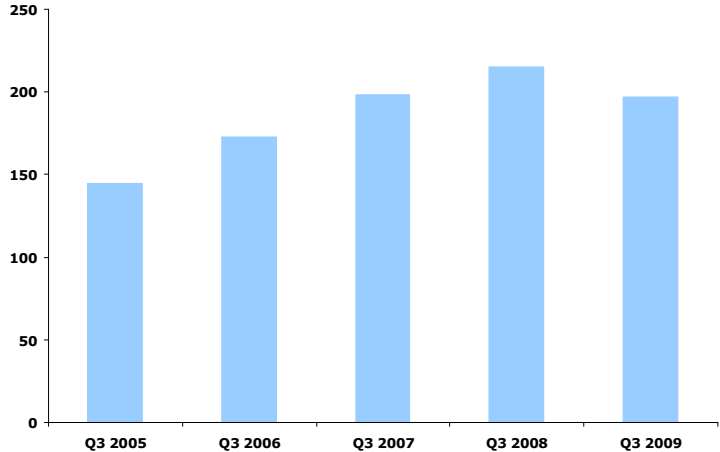
# REVENUE SPLIT ON PRODUCT UNITS



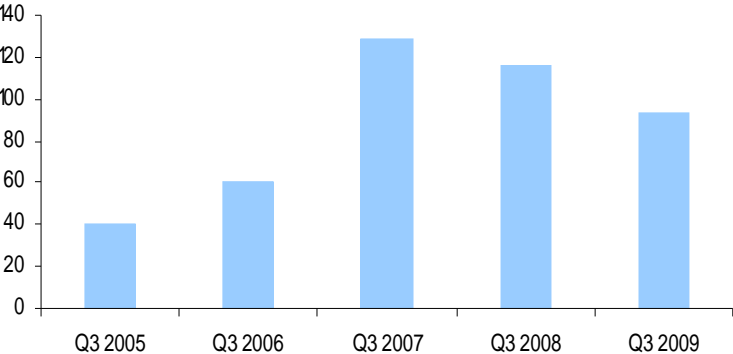
**Revenue medico customers**  
(DKKm)



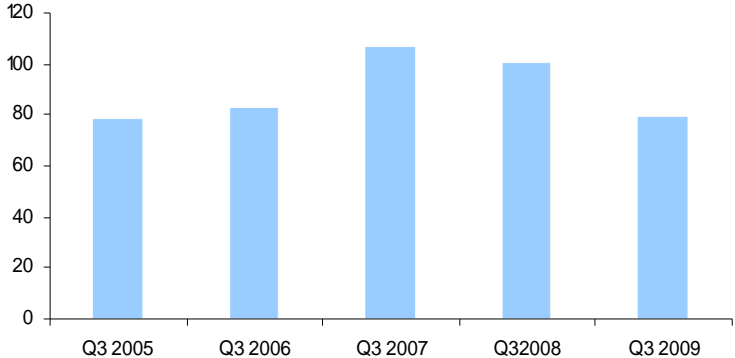
**Revenue Health Care products** (DKKm)



**Revenue Energy and Environmental products** (DKKm)



**Revenue food-related industries** (DKKm)





## Business units

# INJECTION MOULDING (1)



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

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

SP Medical A/S manufactures for customers in the medico field, including finished products such as guide-wires. Production takes place in clean rooms. SP Medical is among the 3-4 largest in the Nordic countries.

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



Medico



Technical plastic



Medico



Medico



2K and 3K  
moulding



# INJECTION MOULDING (2)



## Q3 2009:

- Strong improvement of operating profit (EBITDA) despite a drop in revenue
- Intensive marketing gives results
- The trial in court as regards the tender of license plates production won
- Capacity adjustments continue
- LEAN projects continue

## Outlook for 2009:

- Decline in revenue and operating profit in Denmark relative to 2008
- Growth in revenue and operating profit in Poland and China continues
- Move of labour-intensive production to Poland and China continues

DKKm	Q3 2009	Q3 2008	Acc. Q3 2009	Acc. Q3 2008
Revenue	83.9	108.1	258.0	364.4
EBITDA	7.0	2.6	10.9	22.2
EBIT	2.0	-3.6	-5.0	4.0
Employees (average)	-	-	554	662









# POLYURETHANE (1)



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

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

<p>Ergomat develops, manufactures and sells ergonomic solutions under own brands, especially Ergomat® mats, ErgoPerfect® chairs, Synchron® tables and DuraStripe® striping tape for corporate customers worldwide. Market leader in the EU.</p>	  <p><b>Mats</b></p> <p><b>DuraStripe</b></p>
<p>Tinby manufactures moulded products in solid, foamed and flexible PUR for the wind turbine and insulation industries, the medical appliance, furniture, refrigerator and graphics industries, among others. Global market leader within hard rollers.</p>	  <p><b>Wind turbines</b></p> <p><b>Solid foamed PUR</b></p>
<p>TPI Polytechnik develops and sells concepts for ventilation of industrial buildings as well as poultry and pig houses, primarily products under own brand, TPI. Market leader in the EU.</p>	 

# POLYURETHANE (2)



## Q3 2009:

- Revenue decline, however, rising sales to the wind turbine industry
- Positive EBITDA, also in Q3
- Opening of new production facilities in Tinby, Poland
- Decline in TPI due to difficult credit insurance facilities for customers in especially Eastern Europe
- Sales in Ergomat influenced from the global recession, especially the automotive industry
- New projects in the wind turbine industry
- Capacity adjustments

## Outlook for 2009:

- Lower revenue than in 2008
- Lower operating profit than in 2008

DKKm	Q3 2009	Q3 2008	Acc. Q3 2009	Acc. Q3 2008
Revenue	27.5	41.9	81.4	119.6
EBITDA	3.6	8.1	5.4	20.2
EBIT	2.1	6.3	0.7	14.8
Employees (average)	-	-	175	197





# VACUUM FORMING (1)

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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 wind turbines.

Gibo Plast is specialized in traditional vacuum forming and the new High-pressure and Twinsheet technologies.

Market leader in Scandinavia.

Locations: Skjern and Spentrup (DK)



Vacuum forming



CNC milling



Automotive



Automotive

# VACUUM FORMING (2)



## Q3 2009:

- Revenue decline, especially the automotive industry (contractor machines, buses etc.)
- Negative EBITDA in Q3
- Strong position in the automotive industry, but the customers are selling less
- Development of new projects and solutions for the energy industry, especially wind turbines
- Capacity adjustments

## Outlook for 2009:

- Continuing low activity due to the customers' lack of sales
- Not satisfying profit from operations

DKKm	Q3 2009	Q3 2008	Acc. Q3 2009	Acc. Q3 2008
Revenue	21.1	28.6	71.0	99.2
EBITDA	-0.8	0.0	-1.5	1.7
EBIT	-2.1	-1.3	-5.1	-2.0
Employees (average)	-	-	97	124





# COATING (1)

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Accoat develops and applies non-stick, low-friction and highbuild 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.

Within industrial Teflon Accoat is among the five biggest suppliers in the EU.

Location: Kvistgård (DK)



Coating



Coating



Medico



# COATING (2)



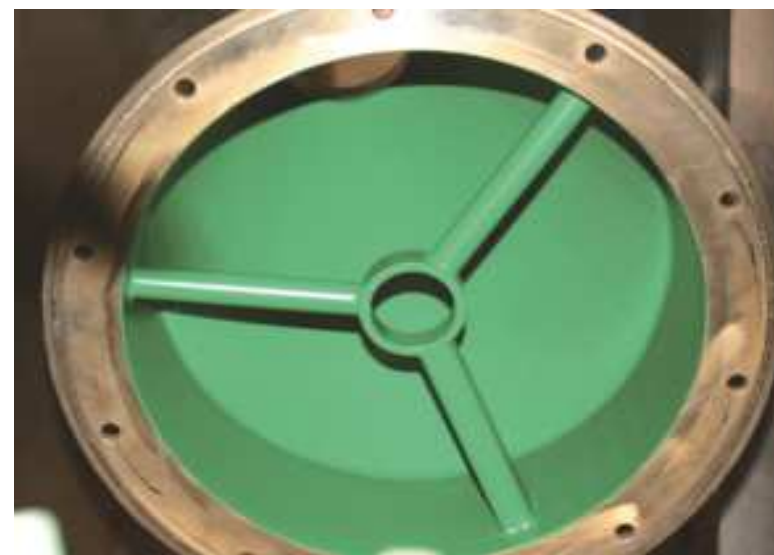
## Q3 2009:

- Revenue increase
- Improved profit on operations (EBITDA)
- Intensified sales efforts towards customers in the oil- and gas industry in the USA, Brazil, Russia and Europe
- New projects for future deliveries within low-friction and corrosion protection
- New coating facilities in Stoholm are established

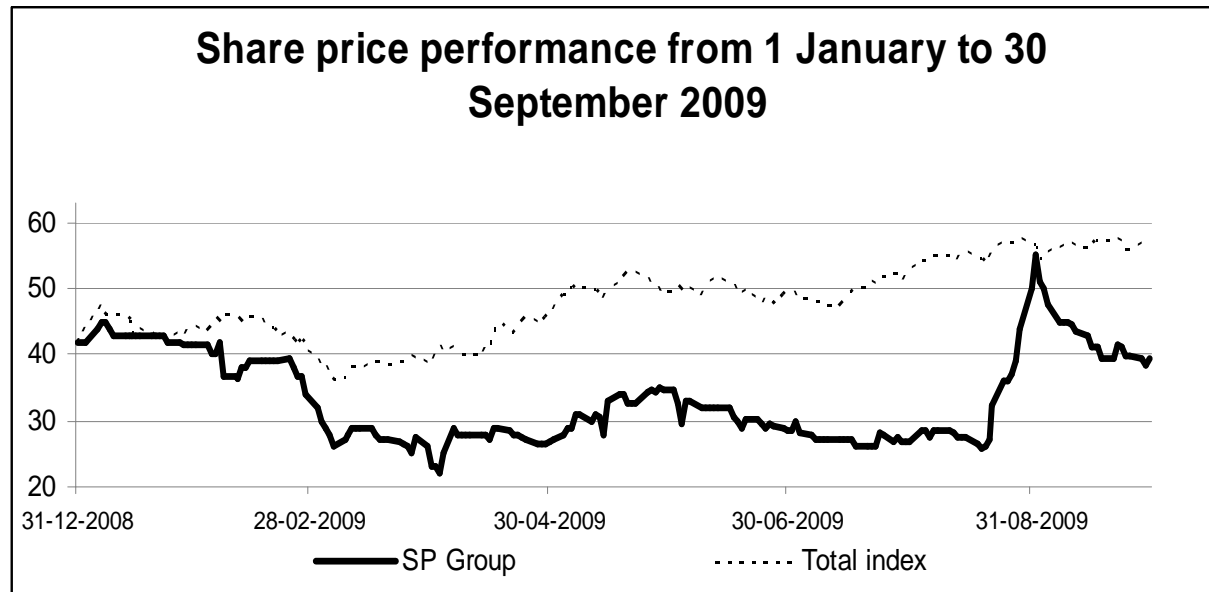
## Outlook for 2009:

- Continuing growth
- Preparation of new facilities in Brazil in 2010
- Continuing growth in revenue and EBITDA

DKKm	Q3 2009	Q3 2008	Acc. Q3 2009	Acc. Q3 2008
Revenue	33.2	27.8	97.1	80.2
EBITDA	3.6	3.4	11.2	9.6
EBIT	2.0	2.1	6.5	6.4
Employees (average)	-	-	67	65



# VALUE MAKING FOR THE SHAREHOLDERS



Source: Nasdaq OMX/Danske Markets

- Share capital DKKm 20.24
- All shares have equal rights
- Reduction of share capital completed August 2009



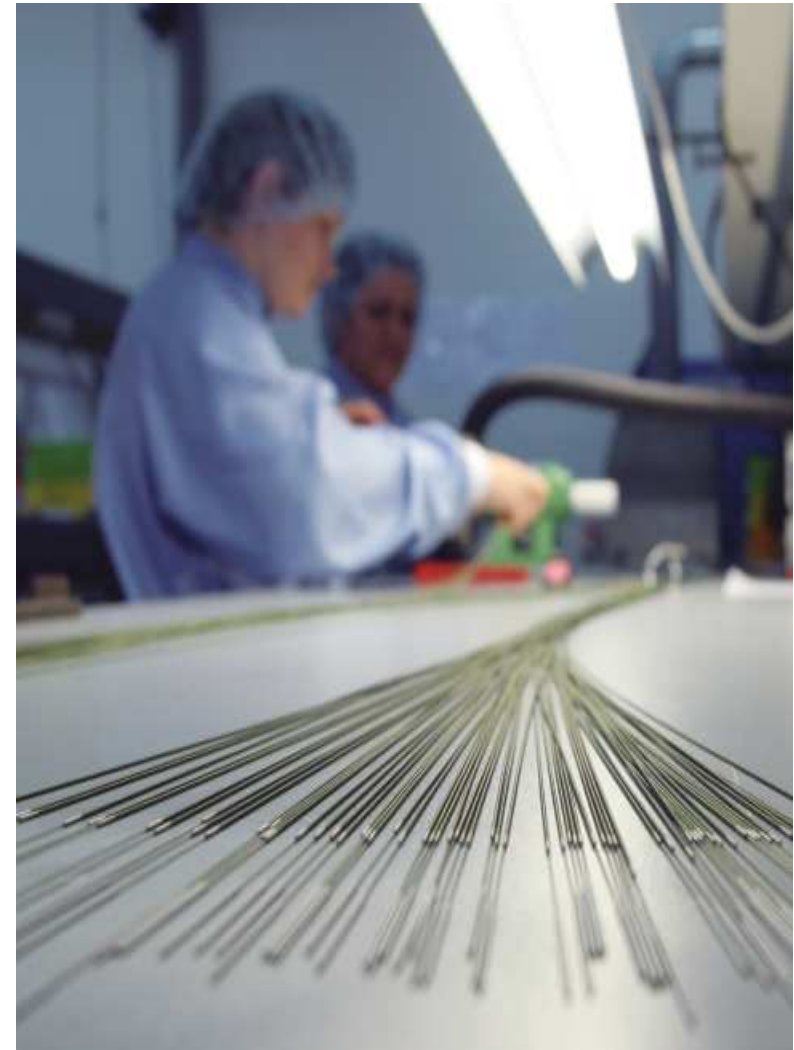


# Strategy

# STRATEGY ADJUSTMENT



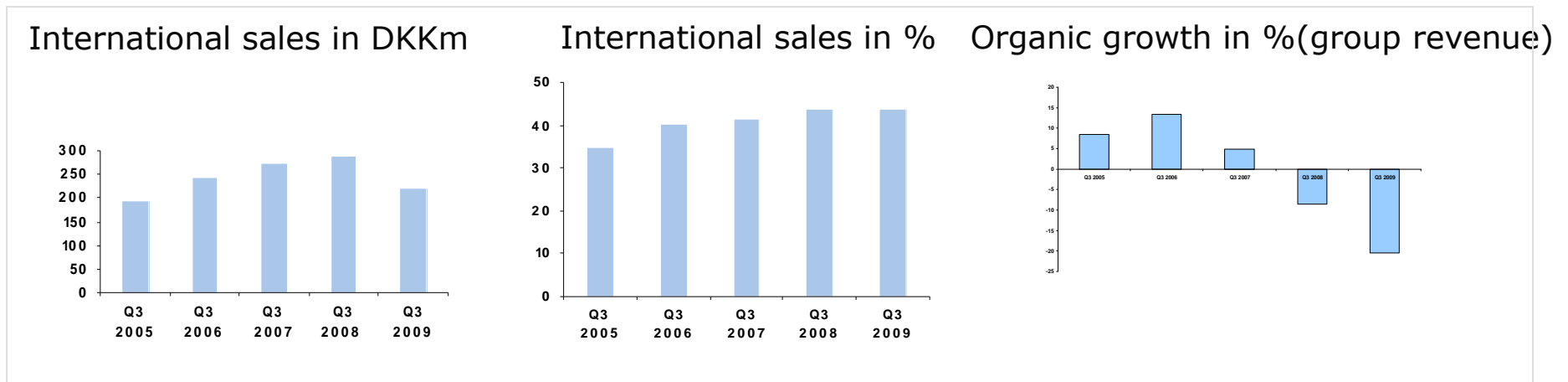
- Difficult performance conditions due to recession and financial turmoil
- Focus on sales in particularly the health care, energy, environmental and food-related industries
- Focus on sales of own brands
- Increased efforts towards existing and potential customers



# INCREASED SALES AND INTERNATIONALISATION



- Strengthened sales and marketing efforts in all business units
- Consultancy within plastics and coatings
- Focus on both existing and new customers
- Differentiation on processes, design and knowledge of raw material
- Increased exports from production sites in Denmark, China and Poland with focus on North America, Eastern Europe and Asia
- Strict cost control and continued capacity adjustment
- Strong focus on risk management and cash management

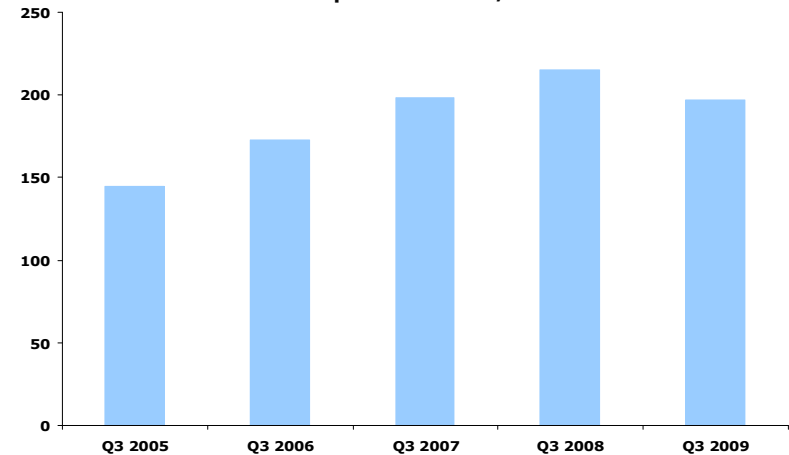


# GROWTH INDUSTRIES AND OWN BRANDS

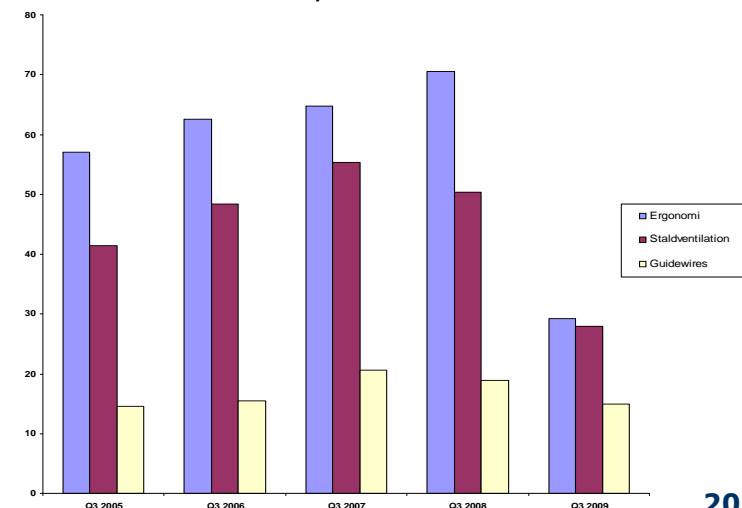


- Stronger engagement in growth industries and new segments, e.g. Health Care and wind turbines
- Maintenance of growth in sales to the medical appliance industry
- Growth in sales and earnings from own brands, i.e. ventilation of industrial buildings (TPI), guide wires and ergonomic (Ergomat) and DuraStripe® striping tape
- Strengthening of international position
- Potential in other product niches to be utilized

Revenue Health Care products, DKKm



Revenue own brands, DKKm



**ERGOMAT®**

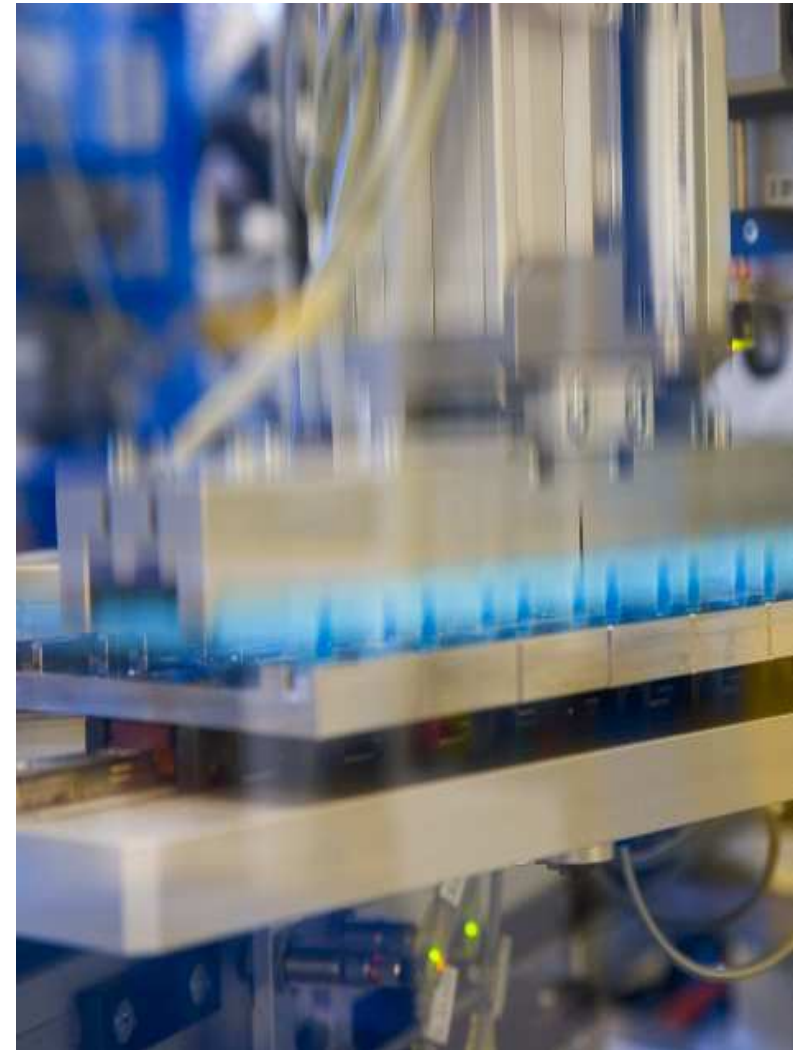
**DURASTRIPE**



# REDUCTION OF COSTS



- Capacity adjustments
- Each production site seeking to produce and deliver better, cheaper and faster
- Consumption reduction in materials and resources
- Limit of running-in and set-up times in the production
- Roll-out of LEAN will continue
- Efficiency of purchases and supply chain and strengthening of IT systems and management systems will continue
- Wider geographical sourcing



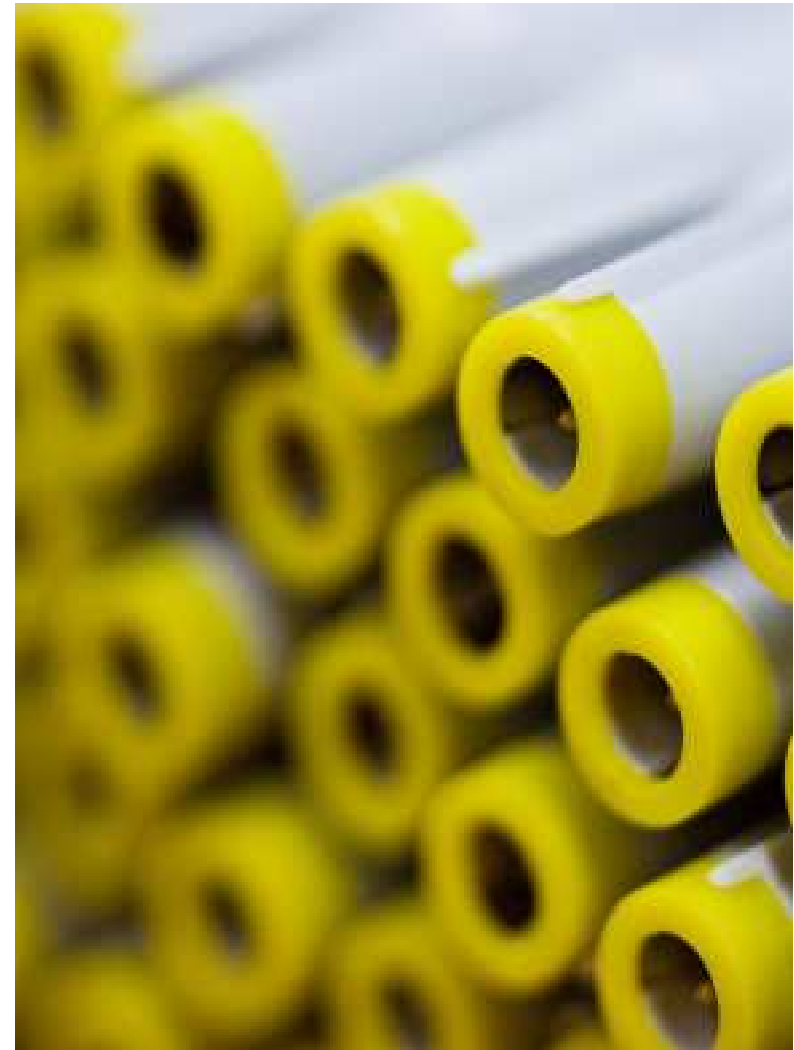


## Financial objectives and outlook

# REVISED LONG-TERM FINANCIAL OBJECTIVES



- Surplus expected in 2010
- With initiatives comprised by the strategy plan, revenue may grow to DKK 1.5 billion
- EBITDA margin to increase until 2012
- In the long term, profit before tax and minorities is expected to gradually grow to around 6-7% of revenue
- Continuing reduction of debt
- Goal is to lower NIBD/EBITDA to 3-4 and to maintain at this level
- Equity ratio (incl. equity of minorities) in the range of 20-35%
- Fair return to shareholders through increasing share prices



# FORWARD-LOOKING STATEMENTS

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

The statements as regard 2009 and the following years are subject to uncertainty and actual results may therefore deviate materially from the outlook and the financial objectives.

Circumstances that could cause changes include, but are not limited to, changes in raw materials and energy prices, changes in exchange rates, changes in the macroeconomic and political settings, changes in customers demands and production patterns and other external factors.

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



