

SP Group A/S acquires Swedish company

SP Group acquires 80 % of the shares in Bröderna Bourghardt AB in Sweden.

Bröderna Bourghardt is a leading supplier of products in Telene and in addition hereto the company has a minor production of components in PUR. The production facilities are situated in Latvia at the subsidiary Baltic Rim.

Telene is an exciting plastic material that has high impact strength and is chemical resistant. Telene is used worldwide in the offshore constructions, wind turbines, contractors' machinery, agricultural machinery and the chemical industry.

Seller is David Bourghardt and he will continue as the managing director and joint owner of the remaining 20 % of the share capital. Bröderna Bourghardt was established in 1926 by David Bourghardt's grandfather and has been in the family's possession since then.

David Bourghardt says: *"We are happy to become part of SP Group and expect that SP Group will contribute to a continuing healthy growth of Bröderna Bourghardt to the benefit of our customers and employees".*

Frank Gad says: *"We are happy to add Telene products to our existing product range. A number of our present customers are asking for Telene to achieve better and cheaper products. And together with David Bourghardt and his skilled team we are looking forward to serve the customers of Bröderna Bourghardt with plastic solutions in Telene as well as other plastic materials".*

In the latest financial year the revenue of Bröderna Bourghardt amounted to approx. DKK 20 mio with a result close to 0.

SP Group pays SEK 7 mio in cash for the 80 % of the shares in Bröderna Bourghardt and takes over a net interest-bearing debt of approx. SEK 5 mio.

Enterprise value corresponds to approx. 4.5 times the average of the latest 3 years' EBITDA in Bröderna Bourghardt and the subsidiary Baltic Rim.

If EBITDA increases considerably, an additional payment (earn out) up to SEK 4 mio may come in 2016. At the same time SP Group has an option for an acquisition of further 10 % of the share capital.

In the years 2005 – 2007 Bröderna Bourghardt had a revenue of approx. SEK 60 mio p.a. Therefore the company has a considerable unutilized output capacity. It is expected that Bröderna Bourghardt will contribute positively to SP Group's earnings from 2015 and forth.

Chief Executive Officer Frank Gad will join the Board of Directors of Bröderna Bourghardt as the new Chairman. Managing director at Tinby A/S, Torben Nielsen, and managing director at Gibo Plast A/S, Lars Bering, will join the Board of Directors as well.

The acquisition takes place today, Monday the 24 February 2014.

Further information:

CEO Frank Gad
Phone: (+45) 70 23 23 79
www.sp-group.dk

In case of any discrepancies, the Danish version shall prevail.