

SP Group A/S acquires Ulstrup Plast A/S and issues new shares

Summary

- Today SP Group A/S has agreed with Søren Ulstrup Holding ApS to acquire Ulstrup Plast A/S at a total price including takeover of debt (enterprise value) up to DKK 78 million
- The acquisition of this well-running and well-earning injection moulding company accelerates the growth of SP Group. As a consequence of the acquisition the outlook for the year 2015 is upgraded
- SP Group issues 200,000 number of new shares as a part financing of the acquisition. The new shares will be sold at market price on Wednesday the 24 June 2015 without pre-emptive rights of the company's shareholders. The share issue is guaranteed
- Søren Ulstrup continues as managing director at Ulstrup Plast and becomes a significant shareholder in SP Group.

Ulstrup Plast A/S

Ulstrup Plast is an injection moulding company with production and assembly in Denmark (Lyngø) and Slovakia (Pobedim). The production site in Slovakia was established in 2006 and expanded in 2012. The global customers come from the healthcare, agricultural and food—related industries. The company has customers in 25 countries and has a strong brand. Therefore, Ulstrup Plast will continue under its existing name.

In the past 3 years the revenue amounted to approx. DKK 100 million with an average EBITDA of approx. DKK 14 million p.a. The company has approx. 130 employees working full-time, and these employees are expected to continue their work at Ulstrup Plast.

Ulstrup Plast is a family-owned company, established in 1952 of the grandfather of Søren Ulstrup, Wilhelm Emil Ulstrup. In 1961 his son, Flemming Ulstrup, took over, and his son, Søren Ulstrup, took over in 1993. As owner and managing director Søren Ulstrup has run the business in a clever way. Since 1993 the company has made a profit every year and in the latest years experienced a considerable growth.

Søren Ulstrup continues as managing director of Ulstrup Plast. The chief executive officer at SP Group, Frank Gad, becomes new chairman, and today's chairman, Palle Jørgensen, will continue as member of the board.

Transaction

The acquisition of the shares is agreed as follows:

50 million	DKK cash payment on 1 July 2015
12 million	DKK will be financed by Seller with a non-interest-bearing debt instrument with partial payments of DKK 6 million on 30 June 2018 and DKK 6 million on 30 June 2019
Up to 8 million	DKK paid in 2016, 2017 and 2018 in 3 equal rates, provided that the EBITDA results in each of the years 2015-2017 are on the level – or higher than – the average of the years 2012-2014 (Earn-out).

SP Group takes over the net-interest-bearing debt in Ulstrup Plast amounting to approx. DKK 8 million.

Therefore, the Enterprise value (EV) corresponds to approx. DKK 78 million.

The present value hereof amounts to approx. DKK 77 mio.



EV / EBITDA is approx. 5.5 based on the 3 latest years' figures.

Background for the transaction

The acquisition of Ulstrup Plast strengthens SP Group's position as one of the leading companies within plastics in Northern Europe and gives SP Group production facilities in Slovakia. This makes it easier to serve customers in Central and Southern Europe. The merge will have some cost synergies and there is no significant overlap of customers.

"The acquisition of Ulstrup Plast accelerates the growth in SP Group. We take over a well-running and well-earning company and are fully convinced that we together will profit from our experience both sides within R & D, production and sales to strengthen our competitive position and to create an even stronger position globally", Chief Executive Officer Frank Gad says.

To Søren Ulstrup, the Managing Director of Ulstrup Plast, and this family it has been a big decision to sell: *"The company is running well and independently and could have continued as such. However, I am convinced that we become even stronger as a part of SP Group, and that our customers and our employees will benefit from this. Years back I promised myself that I would want to be released from the financial responsibility before my 50th birthday. I am 49 years old now and feel the time has come. Therefore I found it right to begin a cooperation with SP Group. I am looking forward – together with the employees in Ulstrup Plast – to becoming a part of a big and very competitive group."*

Outlook for 2015

For the remaining months of 2015 Ulstrup Plast is expecting a revenue of approximately DKK 50 million and earnings before tax (EBT) of approximately DKK 5 million (equal to approx. DKK 100 million in revenue and a EBT of approximately DKK 10 million on full year basis).

SP Group is therefore upgraded its outlook for FY 2015 and is now expecting a revenue at the level of DKK 1,250 – 1,300 million (previously: DKK 1,200 – 1,250 million) with a result before taxes and minorities at the level of around DKK 65 million (previously: at around DKK 60 million). Please also see Attachment showing the company's figures from 1 January to 31 May 2015.

In connection to the acquisition SP Group A/S has decided to issue 200,000 number of new shares at market price corresponding to 9.88 % of the existing share capital.

The capital increase is executed at market price and without any pre-emptive rights of the existing shareholders in SP Group through a private placement, all in accordance with the authorization in the company's Articles of Association.

It is expected that the shares are placed by Jyske Bank in the period from Monday 22 June to 24 June 2015, just as the subscription price and the final volume of the emission are expected to be published on 24 June 2015 at 24h00 CET at the latest.

The subscription can be executed in the entire period and in case of oversubscription SP Group A/S will make the final spread. Søren Ulstrup Holding ApS is, however, guaranteed the number of shares as described above.

The Board's decision to issue new shares is in accordance with the authorization in the Articles of Association, Article 5, and further provided that the market conditions are acceptable at the time of the issue of shares.

In advance Søren Ulstrup Holding ApS, former owner of Ulstrup Plast A/S, has as a part of the agreement applied for the subscription of the newly issued shares for an amount of DKK 12,500,000. The shares that Søren Ulstrup Holding ApS acquires, are subject to a lock-up period of 3 years.

The emission is guaranteed, i.e. shares that might not be sold in the market will be acquired by the 2 major shareholders in SP Group, Schur Finance a/s and Gadplast ApS and related parties to SP Group's



Board and Executive Board at market price, as the price, however, at a minimum corresponds to the closing price Friday the 19 June 2015 less 2 %. The closing price of the SP Group shares was 276. Therefore the subscription price is guaranteed to be at least 270.5. A subscription of shares at a total amount of max. DKK 56.45 million is guaranteed.

If the market price increases, there might therefore be a reduction in the number of issued shares.

The price of the subscribed shares is determined by Jyske Bank.

In case of any oversubscription Jyske Bank will make the final spread.

The new shares have the same rights as the existing shares, among these the right to receive dividend from the time when the increase of the share capital has been registered at the Danish Business Authority.

SP Group A/S has one class of shares and the shares are free negotiable, and there are no limits in the voting rights.

The new shares are expected to be listed on Nasdaq at the beginning of July 2015 under the present ID code ISIN DK0010244771 (SPG). Shares placed under the interim ID code ISIN DK0060644508 will not be listed on Nasdaq.

Expected Time table:

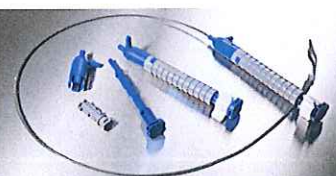
22 - 24 June	Exercise of the authorisation to implement the share capital increase at market price without pre-emptive rights
24 June	Release of Stock Announcement about the subscription price and the amount of the issue
29 June	Payment and registration of the capital increase at the Danish Business Authority
1 July	The new shares are expected to be listed under the present ISIN code

After the share capital increase the share capital of SP Group A/S will amount to DKK 22.24 million spread on 2,224,000 number of shares:

	DKK Nominal Share capital	Number of shares at DKK 10	%
Present share capital before emission	20,240,000	2,024,000	90.12
Adjusted share issue at market price adopted on 22 June 2015	2,000,000	200,000	9.88
Total share capital after issue of shares	22,240,000	2,224,000	100.00

Further information:

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

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Attachment to Announcement no.
 41/2015
 22 June 2015
 Company reg. (CVR) no. 15701315

ATTACHMENT 1

INCOME STATEMENT (summary)

DKK '000	Acc. May 2015 (unaud.)	Acc. May 2014 (unaud.)
Revenue	512,334	467,334
Production costs	-362,429	-335,244
Contribution margin	149,905	132,090
Profit before depreciation, amortisation and impairment losses (EBITDA)	55,264	40,947
Depreciation, amortisation and impairment losses	-25,810	-22,412
Profit before net financials (EBIT)	29,454	18,535
Net financials	-4,192	-5,088
Profit before tax and non-controlling interests	25,262	13,447
Tax on the profit for the period	-5,888	-2,823
Profit for the period	19,374	10,624
SP Group A/S' share	19,312	10,689

STATEMENT OF COMPREHENSIVE INCOME

DKK '000	Acc. May 2015 (unaud.)	Acc. May 2014 (unaud.)
Profit for the period	19,374	10,624
<i>Items that may be reclassified to the income statement</i>		
Exchange rate adjustment relating to foreign subsidiaries	9,311	-16
Net fair value adjustment of financial instruments acquired to hedge future cash flows	14,899	3,409
Other comprehensive income	24,210	3,393
Comprehensive income	43,584	14,017
Allocation of comprehensive income for the period:		
Parent company shareholders	43,599	14,116
Non-controlling shareholders	-15	-99

**BALANCE SHEET (summary)**

DKK '000	Acc. May 2015 (unaud.)	Acc. May 2014 (unaud.)
Intangible assets	143,705	133,916
Property, plant and equipment	441,487	427,003
Financial assets	3,134	3,029
Deferred tax assets	4,246	0
Total non-current assets	592,572	563,948
Inventories	236,663	217,628
Receivables	164,499	145,160
Cash	25,886	18,181
Total current assets	427,048	380,969
Total assets	1,019,620	944,917
Equity including non-controlling interests	308,201	263,415
Non-current liabilities	281,243	258,005
Current liabilities	430,176	423,497
Equity and liabilities	1,019,620	944,917

CASH FLOW STATEMENT (summary)

DKK '000	Acc. May 2015 (unaud.)	Acc. May 2014 (unaud.)
Cash flows from operating activities	58,444	-5,714
Cash flows from investing activities	-32,281	-47,396
Cash flows from financing activities	-20,647	4,936
Change in cash and cash equivalents	5,516	-48,174


FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK '000 (key ratios excepted)	Acc. May 2015 (unaud.)	Acc. May 2014 (unaud.)
Working capital		
Working capital (NWC)	193,004	195,430
Net interest-bearing debt (NIBD)	458,911	490,117
NIBD/EBITDA (last 12-month period)	3.6	4.1
Key ratios		
EBITDA margin (%)	10.8	8.8
EBIT margin (%)	5.7	4.0
Profit before tax and non-controlling interests as a percentage of revenue	4.9	2.9
Equity ratio, excluding non-controlling interests (%)	30.0	27.0
Equity ratio, including non-controlling interests (%)	30.2	27.9
Financial gearing	1.5	1.9
Cash flow per share, DKK	12.3	0.1
Market price, end of period (DKK per share)	265.0	271.0
Net asset value per share, end of period (DKK)	151	127
Market price/net asset value, end of period	1.75	2.14
Number of shares, end of period	2,024,000	2,024,000
Of which treasury shares, end of period	2,924	11,933