

SP Group A/S acquires Plexx AS Opido AB

Summary

- Through its subsidiary Gibo Plast A/S, SP Group A/S has today agreed to acquire PlexxOpido in Norway and Sweden, at a total price, including takeover of debt (enterprise value), of DKK 33 million
- The acquisition of this well-run company within vacuum forming of plastic components accelerates the growth of SP Group. However, the outlook for the year 2016 is not upgraded
- SP Group finances the acquisition of PlexxOpido by debt. No new shares will be issued because of the acquisition
- Arild S. Johnsen continues as managing director at PlexxOpido.

Plexx AS Opido AB

PlexxOpido is a vacuum forming company with production and assembly in Sweden and sales office in Norway. The production site in Sweden was established in 1994 and has expanded regularly since then. The global customers come especially from the machine building industry. PlexxOpido has a strong position in the Swedish and Norwegian markets. Moreover, the company has a significant export to customers in the rest of Europe. PlexxOpido has customers in 7 countries and a strong *brand*. Therefore, PlexxOpido will continue under its existing name.

The revenue of PlexxOpido amounts to approximately DKK 65 million with a normalized EBITDA of approximately DKK 6-7 million p.a. The company has approximately 45 employees working full-time, and these employees are expected to continue their work at PlexxOpido.

Plexx was established in 1954 and Opido AB is a wholly-owned company of Plexx.

Arild S. Johnsen continues as managing director of PlexxOpido. The chief executive officer at SP Group, Frank Gad, becomes new chairman of the board at PlexxOpido.

Transaction

The acquisition of the shares is agreed as follows:

20 million	DKK cash payment at Closing
4 million	DKK will be financed by Seller with a non-interest-bearing debt instrument and repaid in 12 months

SP Group takes over the net-interest-bearing debt in PlexxOpido amounting to approximately DKK 9 million.

Therefore, the Enterprise value (EV) corresponds to approximately DKK 33 million.

The present value hereof amounts to approximately DKK 33 million.



EV / EBITDA is approximately 5.0 based on the latest years' normalized figures.

SP Group finances the acquisition of PlexxOpido by debt. No new shares will be issued because of the acquisition.

Background for the transaction

The acquisition of PlexxOpido strengthens SP Group's position as one of the leading companies within plastics in Northern Europe and gives SP Group new products and services in form of Opido Reinforcement System (ORS) - a reinforcement of thermoplastic -, laser cutting in acrylic and access to some new and interesting customers. The integration will have some cost synergies. There is no significant overlap of customers.

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

Managing Director Arild S. Johnsen says: *"PlexxOpido is in good shape. However, I am convinced that we can become even stronger as part of SP Group for the benefit of both our customers and our employees. I am looking forward – together with the employees in PlexxOpido – to becoming a part of a big and very competitive group."*

Managing Director at Gibo Plast A/S, Jan Kyster Madsen says: *"I am looking forward to work together with our Nordic colleagues. The acquisition will strengthen our core competencies, i.e. Twin Sheet, High Pressure forming and standard thermoforming. In addition, we can now offer our customers a new and exciting production facility in form of Opido Reinforcement System (ORS)".*

Outlook for 2016

For the remaining months of 2016 PlexxOpido is expecting earnings before tax (EBT) of approximately DKK 0.5 million (corresponding to a revenue of approximately DKK 65 million and earnings before tax (EBT) of approximately DKK 3 million on full year basis).

The costs in connection with the acquisition and integration must be deducted from above result. Due to this, net profit in 2016 is expected to be close to 0.

SP Group is therefore not upgrading its outlook for FY 2016 and is still expecting a revenue at the level of DKK 1,500 million with a result before taxes and minorities at the level of around DKK 120 million, as announced in stock announcement no. 61/2016 of 17 November 2016.

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