

SP Group A/S acquires Davinci 3D A/S

Summary

- Today, SP Group has agreed with the owner of Davinci 3D A/S to acquire the company situated in Billund, Denmark, including takeover of debt (enterprise value) of up to DKK 43 million. Buyer is SP Group A/S.
- The acquisition of this well-running company specialized in 3D print of technical plastics and construction of parts accelerates the growth in SP Group and add one more interesting technology and customer portfolio to our wide range of products.
- The owner Ole Lykke Jensen stays on in the management.

Davinci 3D A/S

Davinci 3D A/S is a state-of-the-art 3D print company with production in Billund, Denmark. Davinci 3D A/S has its roots back to year 2000, where it was founded.

Davinci 3D A/S is one of the leading companies in Denmark within advanced Additive Manufacturing (3D print). The company has approximately 250 customers in Denmark and abroad with 3D printed parts for:

- Prototypes
- Models for exhibitions
- 0-series
- Series production
- Spare parts
- Production equipment

In addition, Davinci 3D offers counseling and engineering services within construction of parts and knowledge about plastics and -processes.

Davinci 3D will strengthen SP Group's skills in 3D print, product development in cooperation with the customers and low volume production of technical plastic parts.

Since 2017, Davinci 3D has been owned by Ole Lykke Jensen, one of the founders.

Davinci 3D owns a modern plant of approximately 850 m² and the facilities will be taken over by SP Group in connecting with the acquisition.

Davinci 3D is certified according to ISO9001.

Davinci 3D has built a strong brand and therefore continues under its present company name.

The company does not give any information about the sales but an EBITDA of approximately DKK 6.4 million was realized in the most recent financial year.

The company has around 9 employees and these employees are expected to continue.

Executive Vice President Lars Bering will become new Chairman and Frank Gad new deputy. Executive Vice President Søren Ulstrup will be new board members.

Transaction

The acquisition of the shares is agreed as follows:



24 million DKK cash payment at Closing.

5 million DKK will be financed with a non-interest-bearing vendor note with instalments of one-third after 12 months, one-third after 18 months and one-third after 24 months.

2 million DKK net-interest-bearing debt is taken over by SP Group and will be refinanced after Closing.

Up to 12 million DKK will be paid as earn-out, provided that EBITDA is growing as expected during the time period 2022-2025.

Therefore, the Enterprise value (EV) corresponds to approximately of up to DKK 43 million.

The present value hereof amounts to approximately DKK 42 million.

EV/EBITDA is approximately 4.8 based on realized financial figures or a bit lower if earn-out is achieved.

SP Group is financing the acquisition of Davinci 3D A/S by own means.

The acquisition of the company will be included in the outlook for 2022 that SP Group is expected to publish in the Annual Report 2021 on 25 March 2022.

Background for the transaction

The acquisition of Davinci 3D strengthens SP Group's position as one of the leading companies within plastics in Northern Europe and provides SP Group with new services and products and also access to a number of new and interesting customers. The integration will have some cost synergies. There is no significant overlap of customers. Davinci 3D has a number of services in an interesting niche. It is our hope to contribute to a further development of this business.

"The acquisition of Davinci 3D accelerates the growth in SP Group. We take over a well-running and well-positioned company with an excellent management and skilled employees and are fully convinced that together we will benefit from our experience on both sides within development, production and sales of plastic components to strengthen our competitive position and to create an even stronger position globally", Chief Executive Officer in SP Group Frank Gad says.

Managing Director, Ole Lykke Jensen: *"Davinci 3D in good shape. 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 Davinci 3D – to becoming a part of a big and very competitive group. I am convinced that with the international platform of SP Group we can establish production on a global basis closer to the customers and continue the good development in Billund. I am eager to develop new and competitive solutions for our customers – and I will spend my full time on this in future."*

Executive Vice President, Lars Bering: *"I am very much looking forward to work with new customers and colleagues. I trust that together we can create a fantastic and exciting future!"*

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