

SP Group A/S acquires Meditec Plaststøbning A/S

Summary

- Today, SP Group has agreed with the owners of Meditec Plaststøbning A/S to acquire the company situated in Elsinore, Denmark, including takeover of debt (enterprise value) of DKK 81 million. Buyer is SP Moulding A/S.
- The acquisition of this well-running company specialized in the production of injection moulded healthcare products and assembly accelerates the growth in SP Group and expand our market share of injection moulding plastics for the medico market. Further, new customers are added to our wide range of products.
- One of the owners, Thomas Bo Iversen, stays on as Managing Director and the second owner, Kennet Filsø Madsen, stays on as Board Member.

Meditec Plaststøbning A/S

Meditec is a state-of-the-art injection moulding company with production in Elsinore, Denmark. Meditec has its roots back to year 1976, where it was founded.

Meditec is one of the leading companies in Denmark within the healthcare industry including R & D, manufacturing, and assembly of plastic solutions and will contribute to strengthening SP Group's competencies within the healthcare segment. Meditec has customers in Denmark and abroad within healthcare solutions and is certified according to ISO 9001 and ISO 13485.

Meditec has a modern and versatile machine park for plastic solutions for the medico segment. By constantly focusing on the latest technologies, training of employees, and investing in new machines, we have the best framework for both quality and price level for our customers.

Meditec owns a modern plant of approximately 3,400 m² and the facilities will be taken over by SP Group in a separate transaction.

Meditec has built a strong brand and therefore continues under its present company name.

The company does not give any information about the sales but a normalized EBITDA of approximately DKK 16 million was realized in the most recent financial year.

The company has around 40 employees and these employees are expected to continue.

Executive Vice President Søren Ulstrup will become new Chair and CEO Frank Gad new deputy.

Transaction

The acquisition of the shares is agreed as follows:

57.3 million DKK cash payment at Closing.

17.7 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.

6 million DKK net-interest-bearing debt.

Therefore, the Enterprise value (EV) corresponds to DKK 81 million.



The present value hereof amounts to DKK 80 million.

EV/EBITDA is approximately 5.0.

SP Group is financing the acquisition of Meditec Plaststøbning A/S by debt.

Background for the transaction

The acquisition of Meditec 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. Meditec has a number of own products in an interesting niche. It is our hope to contribute to a further development of this business.

"The acquisition of Meditec 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 for the medico industry to strengthen our competitive position and to create an even stronger position globally", Chief Executive Officer in SP Group Frank Gad says.

Managing Director, Thomas Bo Iversen: *"Meditec is 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 Meditec – to becoming a part of a big and very competitive group. I am convinced that with the international platform of SP Group we can get more customers both in Denmark and abroad and continue the good development taking place in Elsinore. I am eager to develop new and competitive solutions for our customers – and I will spend my full time on doing this in future."*

Seller Kenneth Madsen: *"I am proud to pass Meditec on to someone who can take it to the next level".*

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

The transaction is subject to a number of usual terms which are expected addressed and approved within a short time. For this reason, Closing is expected to be completed in October 2022.

The transaction is not expected to change the most recent announced outlook for 2022. However, it is expected contributing to growth on both top and bottom line from 2023 and the years ahead.

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