

An aerial photograph of a construction site. The ground is covered with a dense grid of steel rebar. Several workers in orange safety vests and hard hats are visible, working on the grid. There are stacks of rebar and some construction equipment scattered across the site. The overall scene is a busy construction environment.

INSTALCO

Instalco Q3 presentation

27 October 2023

This is Instalco

A leading Nordic group within heating and plumbing, electrical, ventilation, industry and technical consulting

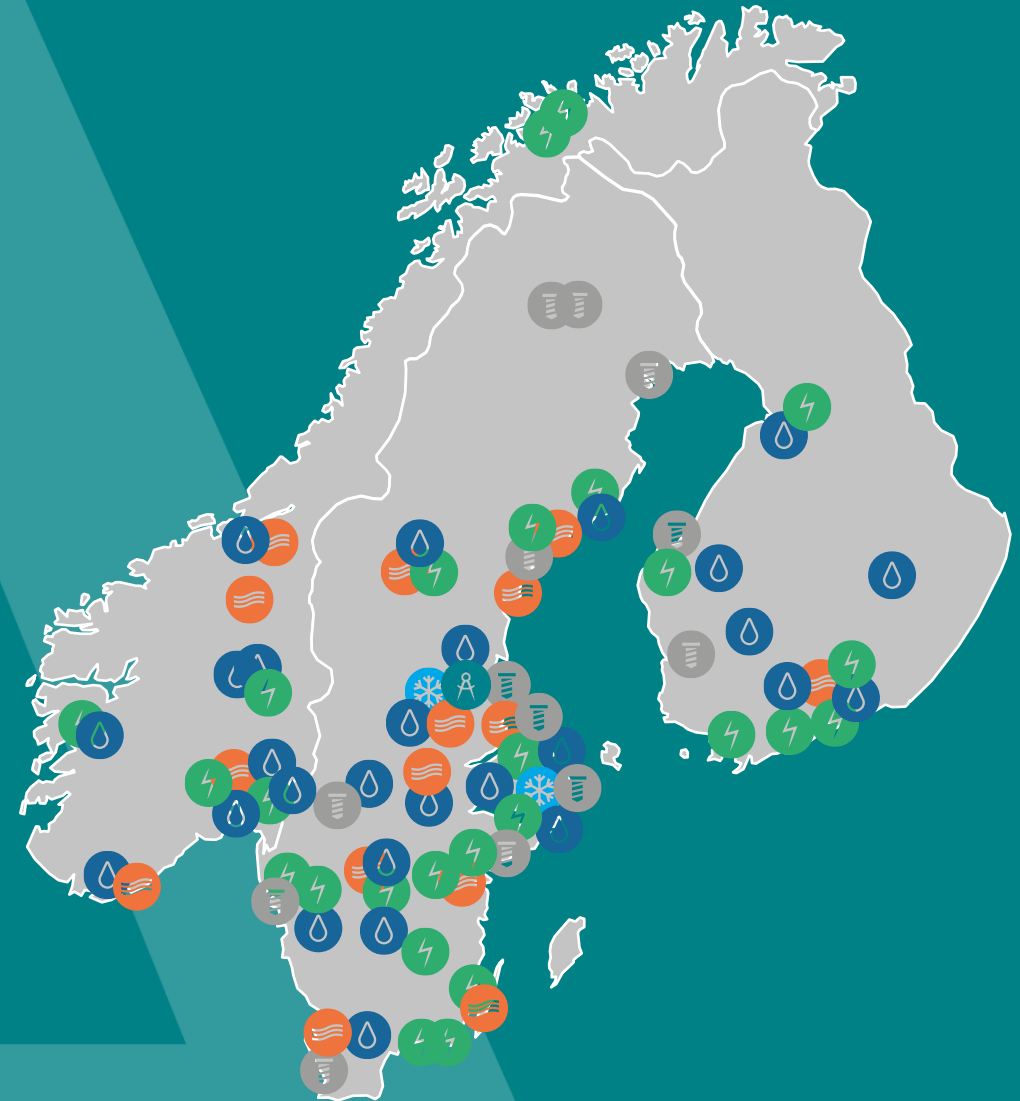
Project planning, installation, service and maintenance of systems installed at properties and facilities

Highly decentralised structure

>130 subsidiaries – specialised local companies

>6,000 employees

Driving the green transformation – strong underlying market drivers



Key financials, LTM

Net sales, million SEK

13,996

EBITA, million SEK

1,067

Cash flow from operations, million SEK

943

Order backlog, million SEK

9,201

EBITA margin, %

7.6

Acquired annual sales, million SEK

1,279

Q3 Highlights

- Sales growth 18.7%
 - Organic growth 3.0%
- Improved EBITA margin
- Significantly improved cash flow at SEK 119 (16) million
- Continued solid order backlog
- One acquisition

Key financials Q3 2023

Net sales

SEK **3,310** million

EBITA

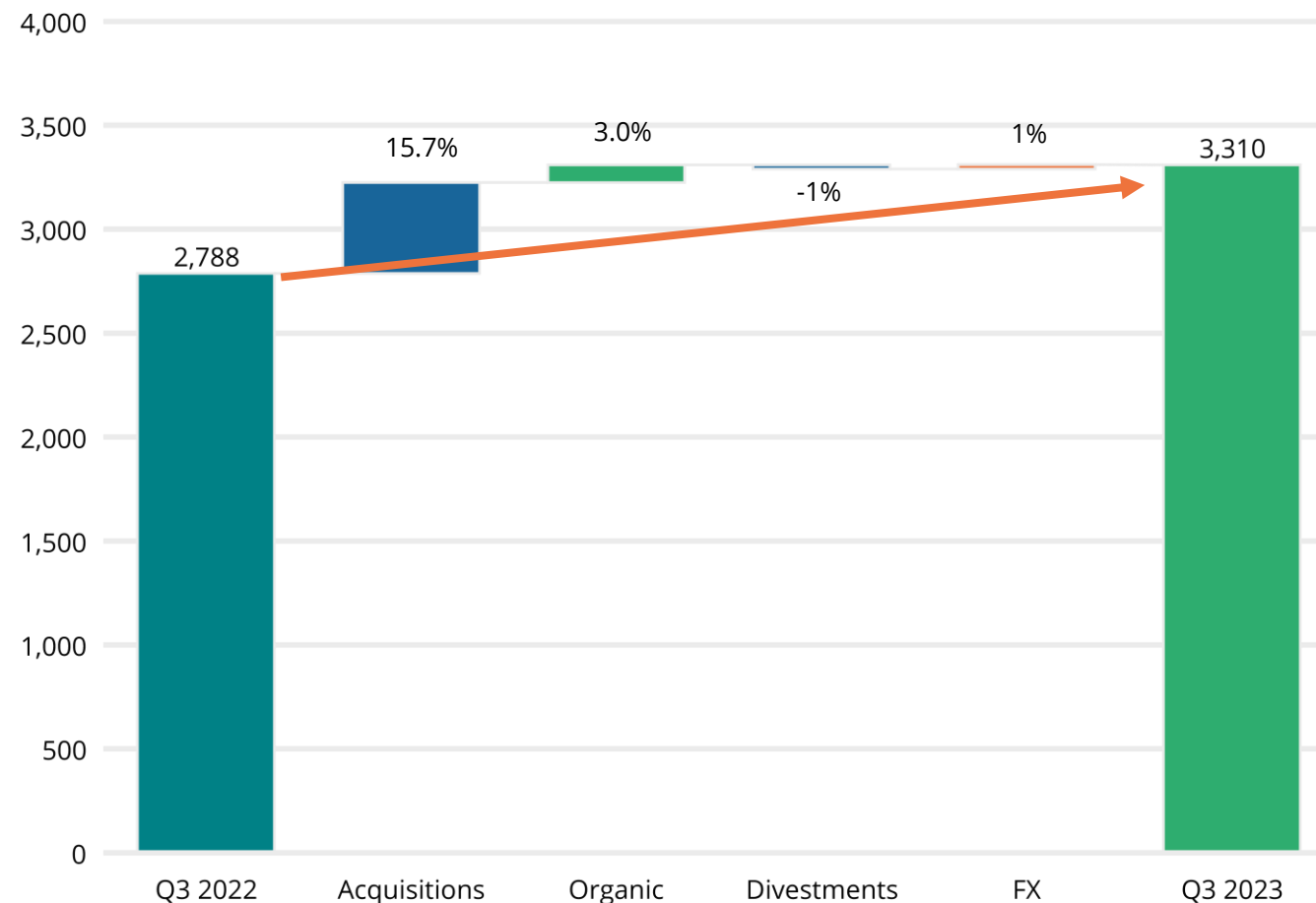
SEK **246** million

EBITA margin

7.4 %

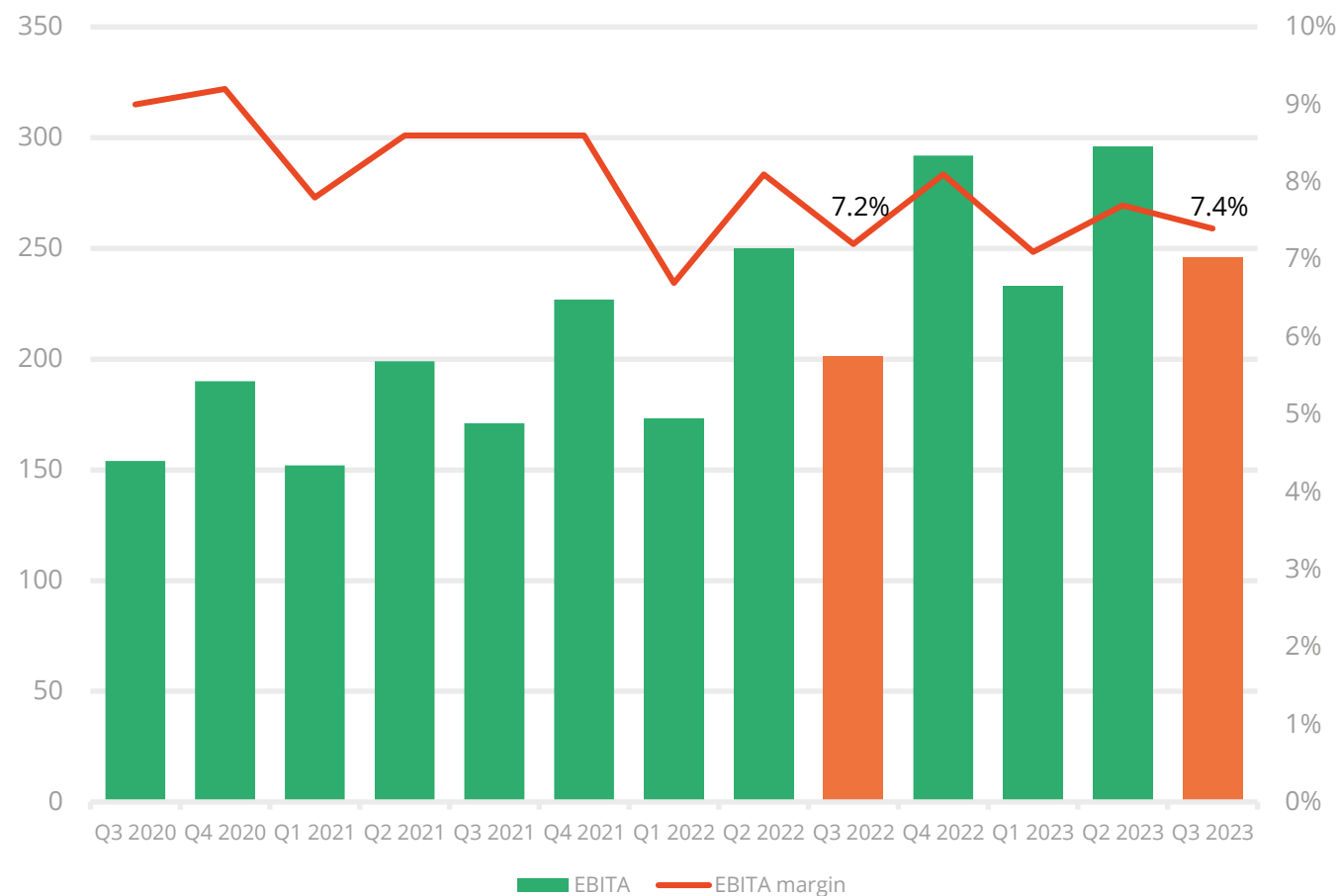
Net sales development (SEK million)

- Net sales growth 18.7% to SEK 3,310 (2,788) million
- Organic growth of 3.0%, mostly driven by Rest of Nordic
- Acquired growth of 15.7%, an effect of the successful M&A agenda



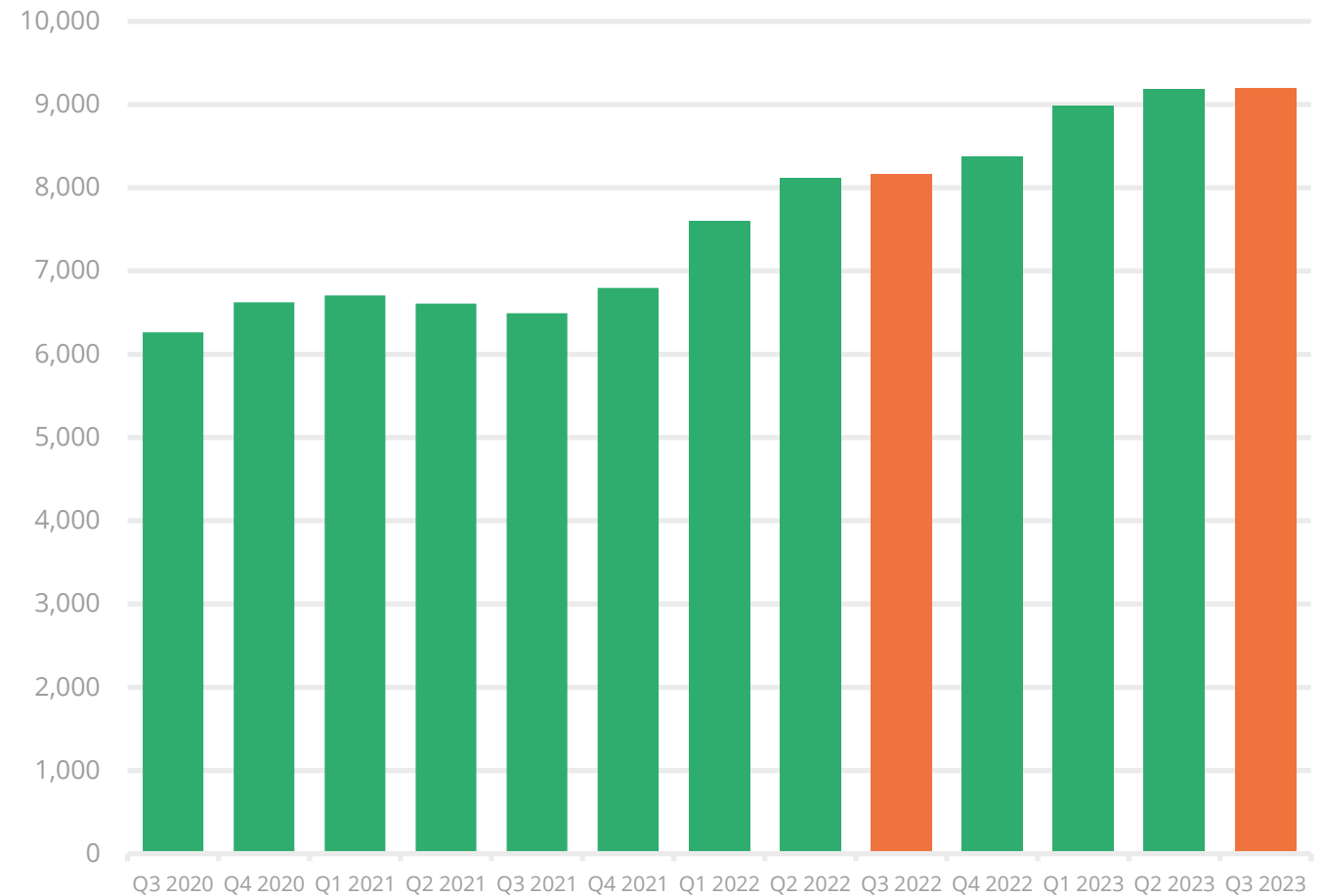
EBITA development (SEK million and margin %)

- EBITA increased by 22.7% to SEK 246 (201) million
- EBITA margin 7.4% (7.2)
- Good development, typical seasonality effects



Order backlog development (SEK million)

- YoY growth of 12.8%, to SEK 9,201 (8,158) million
- All time high – solid order backlog to build on





Segment Sweden Q3 development

- Stable development with good profitability
- Continued high order backlog
- Net sales growth 5.2% to SEK 2,213 (2,103) million
 - Organic growth essentially flat
 - Acquired growth of 7.0%

Key financials Q3 2023

Net sales

SEK **2,213** million

EBITA

SEK **177** million

EBITA margin

8.0 %

Order backlog

SEK **6,682** million

Segment Rest of Nordic Q3 development



- Net sales growth 60.1% to SEK 1,098 (686) million
 - Organic growth 14.9%
 - Acquired growth of 42.1%
- Significantly improved profitability
- EBITA grew over 130% to SEK 68 (29) million, and EBITA margin improved to 6.2 (4.3)%

Key financials Q3 2023

Net sales

SEK **1,098** million

EBITA

SEK **68** million

EBITA margin

6.2 %

Order backlog

SEK **2,519** million

Acquisitions 2023

		Company	Discipline	Segment	Est. Sales (SEKm)
1	Q1	Telepatrol Oy	Electrical	Rest of Nordic	48
2	Q1	Rörprodukter Montage Sverige AB	Heating & Plumbing	Sweden	24
3	Q1	Lysteknikk Entreprenør AS	Electrical	Rest of Nordic	325
4	Q1	Processus AB	Industry	Sweden	193
5	Q1	SMT Norrbotten AB	Industry	Sweden	40
6	Q1	Enter Ställningar AB	Industry	Sweden	340
7	Q2	Halvard Thorsen AS	Heating & Plumbing	Rest of Nordic	42
8	Q2	Elektro Västerbotten AB	Electrical	Sweden	50
9	Q3	URD Klima Sandnes AS	Heating & Plumbing	Rest of Nordic	85
		Total			1,058

Acquisitions: Expansion in Southern Norway

- Acquisition of Norwegian company URD Klima Sandnes AS
- Offers solutions within ventilation, heating- and cooling systems for both new construction and renovation
- Has demonstrated strong results over a long period of time and has a historically proven ability to work multidisciplinary
- Provides Instalco exposure to a new, exciting region around Stavanger where large investments are expected in the future
- Established service department and good existing relationship with other Instalco companies



Project: Västerås' new emergency hospital

- Three Instalco companies awarded a joint assignment regarding project design for Region Västmanlands' new emergency hospital
- Instair and Sprinklerbolaget, in close collaboration Intec work through partnering with the project design for ventilation and sprinklers, which is expected to continue until spring 2024
- Approximately 75,000 square meters of new construction



CEO's theme

Resilience



Targeting attractive mid-size projects



Large projects (SEK >75m), e.g.:

- Stadiums
- Shopping malls
- Infrastructure

Key success factors:

- Price
- Financial strength
- Organisation



Mid-size projects (SEK 1-75m), e.g.:

- Public buildings
- Residential buildings
- Commercial buildings
- Industrial buildings
- Housing co-ops

Key success factors:

- Quality
- Lead time
- Local presence
- Relationship



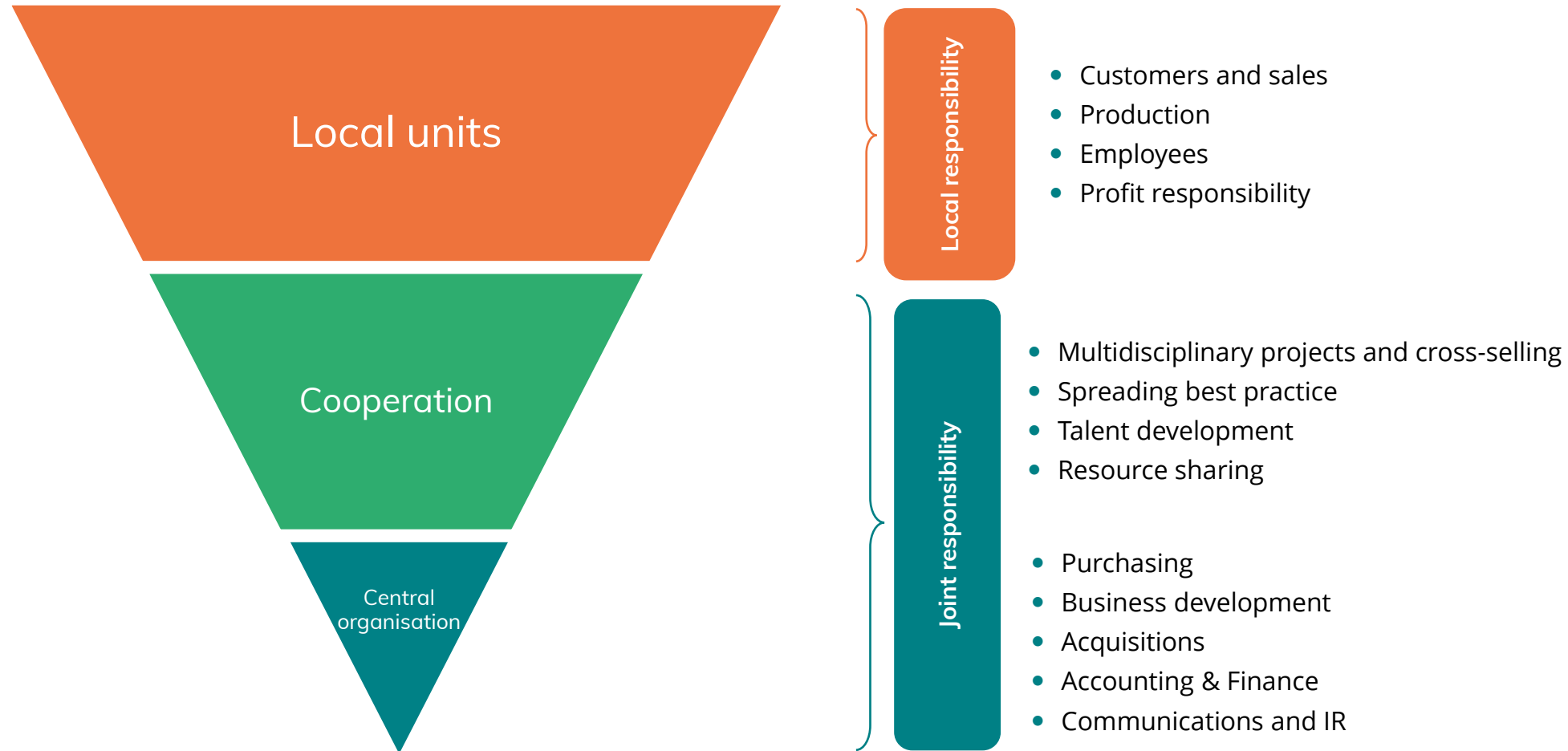
Small projects (SEK <1m), e.g.:

- Individual households
- Retail market

Key success factors:

- Local presence
- Relationship

Decentralized model keeps us close to customers



Our strategic focus areas

Rest of
Nordics



Industry
discipline

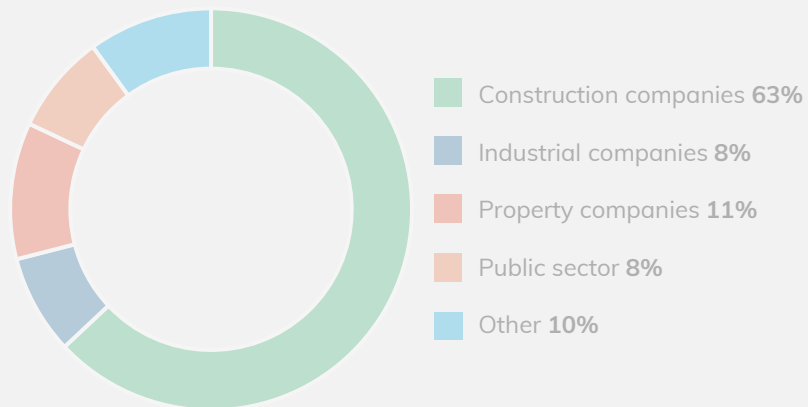


Technical
Consulting

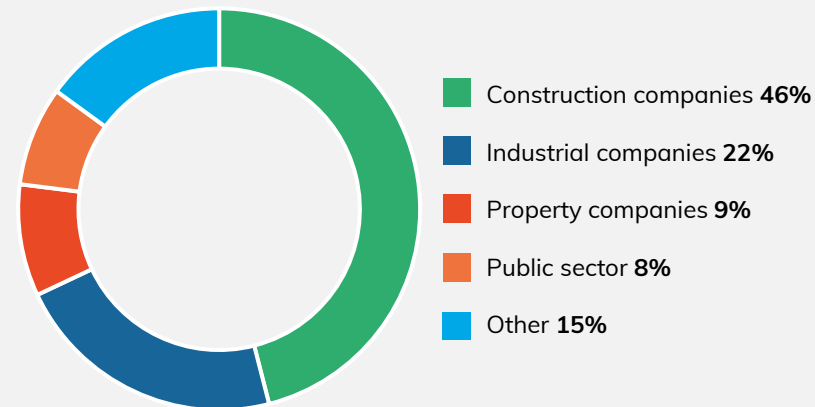


A more diversified business

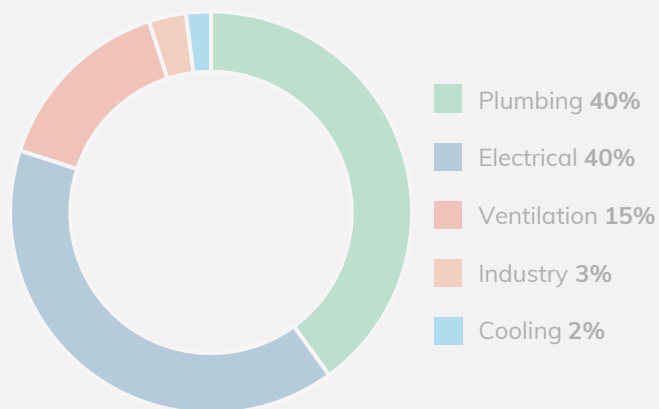
SALES PER CUSTOMER GROUP FY 2020



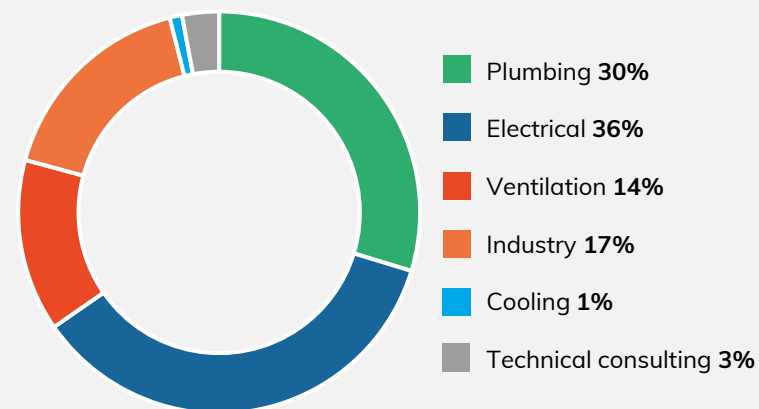
SALES PER CUSTOMER GROUP FY2022



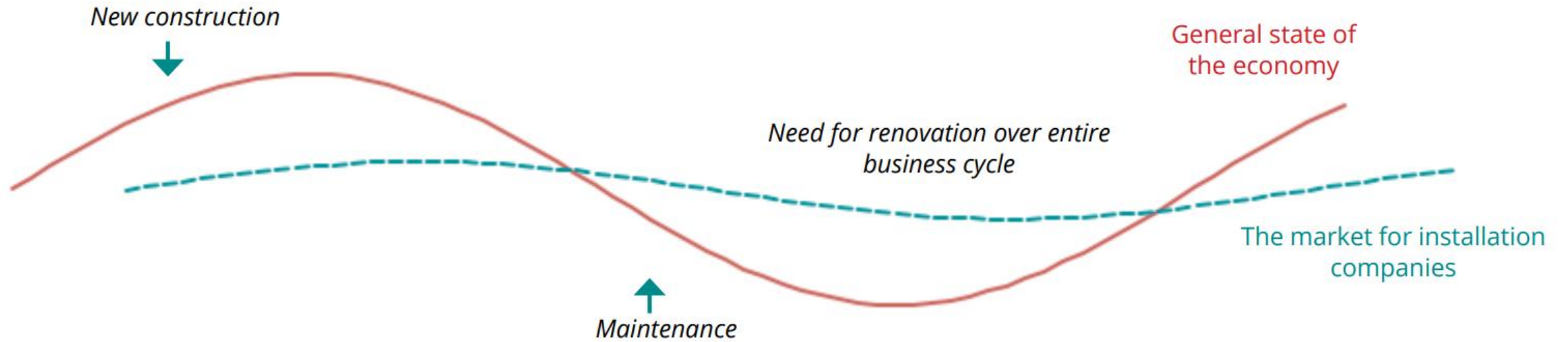
NET SALES BY AREA OF OPERATION Q3 2020



NET SALES BY AREA OF OPERATION Q3 2023



Installation less cyclical than construction



Long-term market drivers



Energy efficiency
and the green
transition



Housing
shortage



Aging building
stock



Digitalization and
increasing building
complexity

Summary

- Strong Q3 with improved profitability
- Solid order backlog
- Significant advances for the Rest of Nordic segment
- A more diversified business, supported by long-term mega trends



Q&A - session

INSTALCO

Climate-smart, sustainable installations enable us to lower our energy consumption.