

Stable profitability and strong order backlog

July – September 2022

- Net sales increased by 40.2 percent and amounted to SEK 2,788 (1,989) million. Organic growth, adjusted for currency effects, amounted to 7.8 (2.2) percent.
- Operating profit before amortisation of acquisition-related intangible assets (EBITA) increased by 17.6 percent and amounted to SEK 201 (171) million, which corresponds to an adjusted EBITA margin of 7.2 (8.6) percent.
- Depreciation/amortisation of property, plant and equipment and intangible assets increased by SEK 67 million and amounted to SEK 118 (51) million.
- Operating profit (EBIT) amounted to SEK 156 (163) million.
- Cash flow from operating activities for the period was SEK 16 (-42) million.
- Earnings per share before dilution for the period amounted to SEK 0.27 (0.49).
- A contract was signed for a new credit facility with three banks for a total amount of SEK 3.4 billion.
- Six acquisitions were made during the quarter, which, on an annual basis, contribute an estimated total sales of SEK 283 million.

January - September 2022

- Net sales increased by 35.7 percent and amounted to SEK 8,473 (6,242) million. Organic growth, adjusted for currency effects, amounted to 7.2 (4.2) percent.
- Operating profit before amortisation of acquisition-related intangible assets (EBITA) increased by 19.7 percent and amounted to SEK 624 (521) million, which corresponds to an adjusted EBITA margin of 7.4 (8.3) percent.
- Depreciation/amortisation of property, plant and equipment and intangible assets increased by SEK 144 million and amounted to SEK 278 (134) million.
- Operating profit (EBIT) amounted to SEK 523 (510) million.
- Cash flow from operating activities for the period was SEK 376 (227) million.
- Earnings per share before dilution for the period amounted to SEK 1.32 (1.49).
- A total of 13 acquisitions were made during the period, which on an annual basis contribute an estimated total sales of SEK 1,009 million.



Key figures ¹⁾

SEK m	July-Sept 2022	July-Sept 2021	Change, %	Jan-Sept 2022	Jan-Sept 2021	Change, %	Rolling 12 months	Jan-Dec 2021
Net sales	2,788	1,989	40.2	8,473	6,242	35.7	11,121	8,890
EBITA	201	171	17.6	624	521	19.7	850	748
EBITA margin, %	7.2	8.6		7.4	8.3		7.6	8.4
Operating profit/loss (EBIT)	156	163	-4.1	523	510	2.5	735	722
Earnings before taxes	131	158	-16.9	467	494	-5.6	672	699
Cash flow from operating activities	16	-42	138.9	376	227	65.9	760	610
Net debt/EBITDA, times	2.5	1.9		2.5	1.9		2.5	1.8
Cash conversion, %	30	1		70	58		89	84
Earnings per share before dilution, SEK ¹⁾	0.27	0.49		1.32	1.49		1.94	2.10
Earnings per share after dilution, SEK ¹⁾	0.26	0.48		1.30	1.46		1.90	2.06
Order backlog	8,158	6,494	25.6	8,158	6,494	25.6	8,158	6,795

¹⁾ All KPI calculations pertaining to SEK/share have been restated to reflect the 5:1 share split that was carried out in January 2022.

As of 1 January 2022, EBITA and EBITDA are no longer presented with an adjustment for revaluation of additional consideration and acquisition costs. For definitions of alternative key figures as per the ESMA guidelines, please see the definitions of key figures.

CEO Comments

Net sales increased by 40.2 percent during the quarter to SEK 2,788 million, with organic growth of 7.8 percent. Our growth is driven by the dedicated entrepreneurship that goes on in our subsidiaries and our high rate of acquisition. Profitability increased in absolute numbers and EBITA for the quarter amounted to SEK 201 million, with an EBITA margin of 7.2 percent. We can see that the demand for our installation services remains high, our order backlog remains strong and we are continually taking new orders. Outstanding orders increased by 25.6 percent to SEK 8,158 million.

We are coping with a market situation of rising inflation, high material prices and higher interest rates. We are affected by the high price of materials, particularly in fixed price projects where prices were set before price levels started to rise.

Over a business cycle, we are confident that we are delivering in line with our financial targets and the Instalco model offers us the flexibility we need to cope with changing market conditions. We are adaptable when it comes to different types of end customers and can adjust our staffing resources by using hired personnel when needed.

Multidisciplinary through acquisitions

During the quarter, continued to grow our base of high quality companies through new acquisitions. In Sweden, we filled in a few more of the white spots on the map and are now represented in Örnsköldsvik, via the acquisition of Inlands Luft, Keyvent and Melins Plåt, and in Western Värmland via the acquisition of Grums Rör.

In Norway, we have now finally become multidisciplinary through the acquisition of Grevstad & Tvedt, which gives us new business opportunities. The new URD companies strengthens our presence in central Norway. They are ideally situated in Oppdal, which will facilitate collaboration with our companies in Lillehammer and Trondheim. In total, the acquisitions during the quarter contribute around SEK 283 million in sales.

Instalco never acquires companies solely for the sake of acquisition. Rather, we see ourselves as a safe harbour for quality companies and we select them with great care. We want all of the new companies that join the Group to thrive and develop together with our existing companies. The companies we acquire are led by entrepreneurs who have a genuine desire to be a part of Instalco. In other words, their not just interested in selling their company.

New projects in industry

As we continue growing the industrial installation part of the business, it is opening up all sorts of new synergies. For example, MRM Mining and EPS Sweden won a new major assignment from LKAB during the quarter to participate in the construction of two new buildings in Gällivare.

Another industrial project is ventilation work at the new Kalmarsundsverket treatment plant, which Avent in Kalmar has been contracted for. It is a partnering project with Serneke and Kalmar Vatten.



Energy efficiency to reduce consumption

Soaring electricity prices has been a hot topic during the quarter. It thus feels very meaningful to be working at a company that is able to do something about it and what we offer can make a difference already today. Each day, Instalco suggests and installs energy-saving solutions at all sorts of properties in the Nordic region. Installing modern systems that are energy-efficient is how we contribute to a better society. Energy efficiency is the key to lower electricity bills.

In summary, it is clear to us that the demand for energy-efficient and resource-saving installations remains strong. But the market outlook over the short term is difficult to assess given the prevailing macroeconomic situation. Long term however, we are very optimistic about the market, where Instalco is positioned right at the centre of society's transition to a green economy. Companies offering energy installations make that transition possible.

Robin Boheman
CEO

Performance of the Instalco Group

The Nordic market of installation services

There is a strong underlying demand for the industry's services and there is a growing interest and demand for energy-efficient and resource-saving installation services. The market outlook is, however, difficult to assess in light of the prevailing macroeconomic situation.

Energy prices have risen sharply over the last few months. The prices of raw materials has stagnated at a high level. Because of rising interest rates, the pace of production of new building construction will slow. The more long-term consequences of the war in Ukraine are still difficult to predict.

In general, the market is driven by a number of long-term trends and general societal development. Technology development, digitalisation, sustainability, ageing property holdings, urbanization and a growing and ageing population are some of the biggest driving forces.

Net sales

Third quarter

Sales for the quarter amounted to SEK 2,788 (1,989) million, which is an increase of 40.2 percent. Adjusted for currency effects, organic growth amounted to 7.8 percent and acquired growth was 30.4 percent. Currency fluctuations had a positive impact on net sales of 2.0 percent.

Six acquisitions were made during the quarter, with estimated annual net sales of SEK 283 million.

January - September

Net sales for the period amounted to SEK 8,473 (6,242) million, which is an increase of 35.7 percent. Adjusted for currency effects, organic growth amounted to 7.2 percent and acquired growth was 26.9 percent. Currency fluctuations had a positive impact on net sales of 1.6 percent. A total of 13 acquisitions were made during the quarter, with estimated annual net sales of SEK 1,009 million.

Earnings

Third quarter

Operating profit before amortisation of acquisition-related intangible assets (EBITA) amounted to SEK 201 (171) million, which corresponds to an EBITA margin of 7.2 (8.6) percent. The lower margin is primarily attributable to higher prices for materials.

Operating profit (EBIT) for the quarter amounted to SEK 156 (163) million. Amortisation of acquisition-related intangible assets increased by SEK 37 million and amounted to SEK 44 (7) million. The increase is attributable to a high rate of acquisition, with a larger portion of depreciable assets related to acquisitions.

Net financial items for the quarter amounted to SEK -25 (-6) million, of which unrealised value changes amounted to SEK -9 (-1) million and the interest expense on external loans amounted to SEK -14 (-3) million.

Tax for the quarter was SEK -54 (-28) million, which corresponds to an effective interest rate of 41 (18) percent. The change in effective interest rate is because this quarter was encumbered with a higher cost due to a lower calculation in the second quarter.

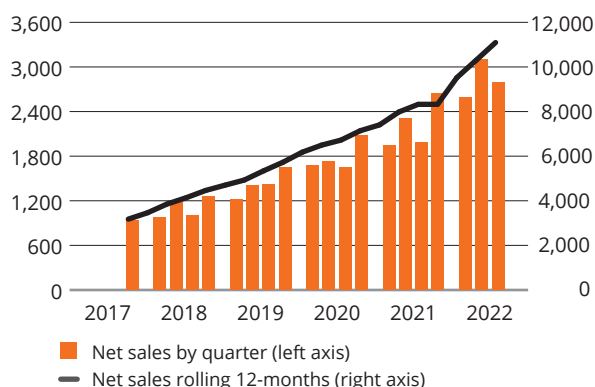
Earnings for the quarter were SEK 77 (129) million, which corresponds to earnings per share before dilution of SEK 0.27 (0.49).

January - September

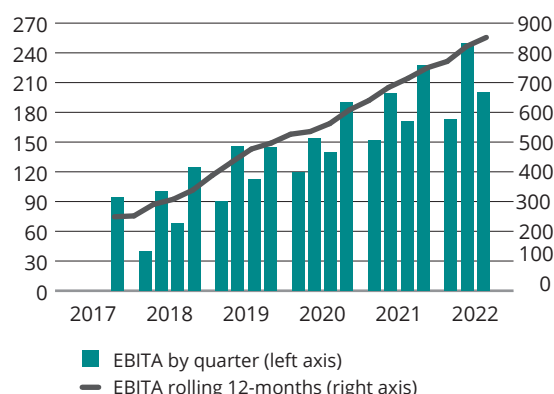
Operating profit before amortisation of acquisition-related intangible assets (EBITA) for the period amounted to SEK 624 (521) million, which corresponds to an EBITA margin of 7.4 (8.2) percent. The lower margin is primarily attributable to higher absenteeism at the beginning of the year and high prices for materials.

Operating profit (EBIT) for the period amounted to SEK 523 (510) million. Amortisation of acquisition-related intangible assets increased by SEK 90 million and amounted to SEK 101 (11) million. The increase is attributable to a high rate of acquisition, with a larger portion of depreciable assets related to acquisitions.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Net financial items for the period amounted to SEK -56 (-16) million, of which unrealised value changes amounted to SEK -18 (-4) million and the interest expense on external loans amounted to SEK -30 (-9) million.

Earnings for the period were SEK 369 (394) million, which corresponds to earnings per share before dilution of SEK 1.32 (1.49).

Order backlog

January - September

Order backlog at the end of the period amounted to SEK 8,158 (6,494) million, which is an increase of 25.6 percent. Organically, for comparable units, the order backlog grew, adjusted for currency effects, by 3.3 percent. The order backlog of acquired companies contributed with growth of 20.9 percent.

During the third quarter, for example, Instalco's consultants at Intec were engaged for project design of the heating, plumbing and sprinkler systems at Northvolt's new

SEM Laboratory and Validation buildings in Västerås. The buildings will be equipped as testbeds for batteries to the vehicle industry.

Cash flow

Third quarter

Cash flow from operating activities amounted to SEK 16 (-42) million, with a change in working capital of SEK -176 (-210) million. The Group's working capital fluctuates from one quarter to the next primarily because of fluctuations in these line items: work-in-progress, accounts receivable and accounts payable.

January - September

Cash flow from operating activities amounted to SEK 376 (227) million, with a change in working capital of SEK -198 (-254) million. The Group's working capital fluctuates from one quarter to the next primarily because of fluctuations in these line items: work-in-progress, accounts receivable and accounts payable.

Revenue by segment

SEK m	July-Sept 2022	Share	July-Sept 2021	Share	Jan-Sept 2022	Share	Jan-Sept 2021	Share	Jan-Dec 2021	Share
Sweden	2,103	75%	1,553	78%	6,534	77%	4,907	79%	7,015	79%
Rest of Nordic	686	25%	436	22%	1,939	23%	1,335	21%	1,875	21%
Total	2,788		1,989		8,473		6,242		8,890	

EBITA, EBITA margin and earnings before taxes, per segment

SEK m	July-Sept 2022	EBITA margin	July-Sept 2021	EBITA margin	Jan-Sept 2022	EBITA margin	Jan-Sept 2021	EBITA margin	Jan-Dec 2021	EBITA margin
Sweden	172	8.2%	135	8.7%	528	8.1%	440	9.0%	640	9.1%
Rest of Nordic	29	4.3%	15	3.5%	101	5.2%	49	3.7%	80	4.3%
Group-wide	-1		20		-5		32		27	
EBITA	201	7.2%	171	8.6%	624	7.4%	521	8.3%	748	8.4%
Amortisation of acquisition-related intangible assets	-44		-7		-101		-11		-26	
Net financial items	-25		-6		-56		-16		-23	
Earnings before taxes	131		158		467		494		699	

Distribution of revenue

SEK m	July-Sept 2022			July-Sept 2021		
	Service	Contract	Total	Service	Contract	Total
Sweden	663	1,440	2,103	344	1,209	1,553
Rest of Nordic	194	492	686	98	338	436
Total	857	1,931	2,788	442	1,547	1,989

Operations in Sweden

Market

In general, the market for new construction and renovation is good in both the private and public sectors. The supply of installation projects has currently somewhat reduced, at a high level. For new production of residential property, we've noticed somewhat of a dampening effect, due to material prices and uncertainty about the interest rate situation.

Construction investments in the industry remain at a high level, particularly in northern Sweden, where major investments will be made in the years ahead. Rising electricity prices and investments in Swedish basic industry are increasing the need for energy-efficiency and investments in the grid. For technical consulting, short-term demand is good, primarily for the industrial, ROT (a tax relief scheme for repairs, conversion, and extensions) and energy segments where significant needs exist.

Rising inflation and higher material prices is impacting the profitability in our business. A potential shortage of cement in Sweden could negatively impact construction activities. Long delivery times and component shortages could delay installations.

Net sales

Third quarter

Net sales for the quarter amounted to SEK 2,103 (1,553) million, which is an increase of SEK 550 million. Organic growth amounted to 10.3 percent and acquired growth was 25.1 percent.

January - September

Net sales for the period amounted to SEK 6,534 (4,907) million, which is an increase of SEK 1,627 million. Organic growth amounted to 9.0 percent and acquired growth was 24.2 percent.

Earnings

Third quarter

EBITA for the quarter was SEK 172 (135) million, which corresponds to a EBITA margin of 8.2 (8.7) percent. The lower margin is primarily attributable to higher prices for materials. Operating profit/loss was SEK 145 (135) million.

January - September

EBITA for the period was SEK 528 (440) million, which corresponds to a EBITA margin of 8.1 (9.0) percent. The lower margin is primarily attributable to higher absenteeism at the beginning of the year and high prices for materials. Operating profit/loss was SEK 466 (439) million.

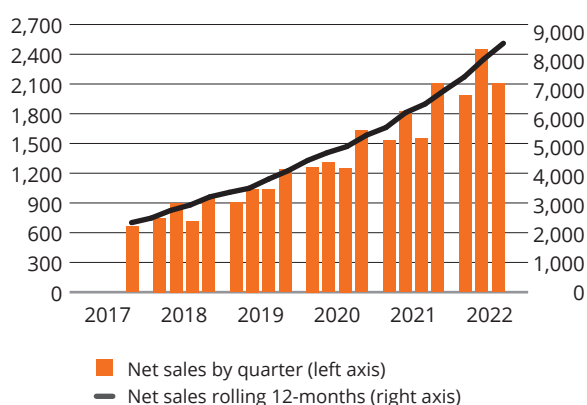
Order backlog

January - September

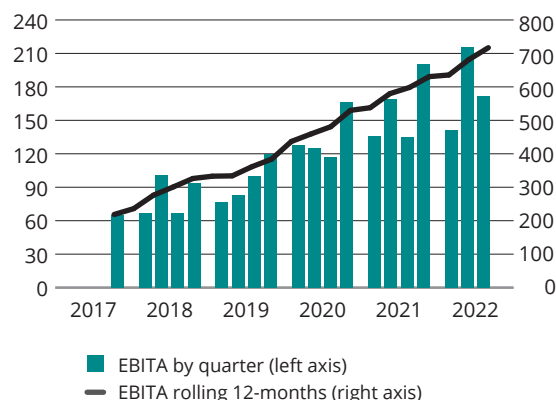
Order backlog at the end of the period amounted to SEK 6,287 (5,240) million, which is an increase of 20.0 percent. Organically, for comparable units, order backlog increased by 4.2 percent. The order backlog of acquired companies contributed with growth of 15.8 percent.

During the third quarter for example, Instalco was engaged in a joint assignment by Hansa Bygg and Riksbyggen in Kalmar, which involves the Instalco subsidiaries, Elovent, Calmarsunds VVS and Avent. They will be responsible for the electrical, heating & plumbing and ventilation installations at residential property in central Kalmar. The project is at a property called Callmare Fästning, which is new construction of 31 condominiums near the Fredrikskans Arena. Residents will start moving in during spring 2024.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Key figures for Sweden

SEK m	July-Sept 2022	July-Sept 2021	Change, %	Jan-Sept 2022	Jan-Sept 2021	Change, %	Rolling 12 months	Jan-Dec 2021
Net sales	2,103	1,553	35.4	6,534	4,907	33.2	8,642	7,015
EBITA	172	135	27.4	528	440	20.0	728	640
EBITA margin, %	8.2	8.7		8.1	9.0		8.4	9.1
Order backlog	6,287	5,240	20.0	6,287	5,240	20.0	6,287	5,363

Operations in Rest of Nordic

Market

The market in Norway remains stable in terms of both construction and renovation. The demand for energy efficient installations is increasing in line with rising energy prices. The major driving forces are continued major investments in the public sector, such as schools and hospitals, along with private initiatives to develop industrial and residential properties.

The market in Finland fell during the pandemic and has still not fully recovered. The financial situation in the market is causing a delay in its recovery. The existing market is primarily being driven by investments in the major metropolitan regions.

Net sales

Third quarter

Net sales for the quarter amounted to SEK 686 (436) million, which is an increase of SEK 250 million. Organic growth, adjusted for currency effects amounted to -0.9 percent and the decline is primarily attributable to the Finnish market. Acquired growth amounted to 49.2 percent.

January - September

Net sales for the period amounted to SEK 1,939 (1,335) million, which is an increase of SEK 604 million. Organic growth, adjusted for currency effects, amounted to 0.8 percent and acquired growth was 37.0 percent.

Earnings

Third quarter

EBITA for the quarter was SEK 29 (15) million, which corresponds to a EBITA margin of 4.3 (3.5) percent. Operating profit/loss was SEK 12 (15) million. The higher margin is primarily explained by a stabilized market in Norway and a positive earnings effect from acquired companies.

January - September

EBITA for the period was SEK 101 (49) million, which corresponds to a EBITA margin of 5.2 (3.7) percent. Operating profit/loss was SEK 62 (49) million. The higher margin is mainly attributable to stabilization of the Norwegian market and a positive earnings effect from acquired companies.

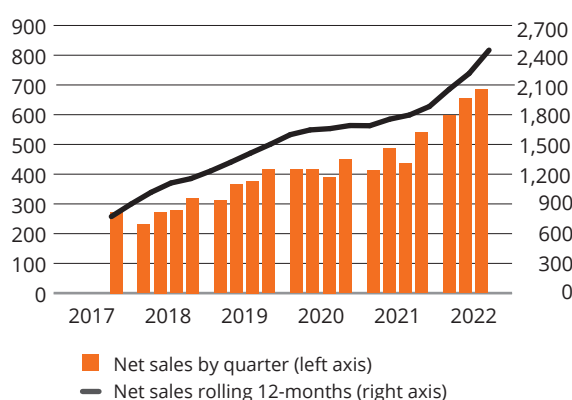
Order backlog

January - September

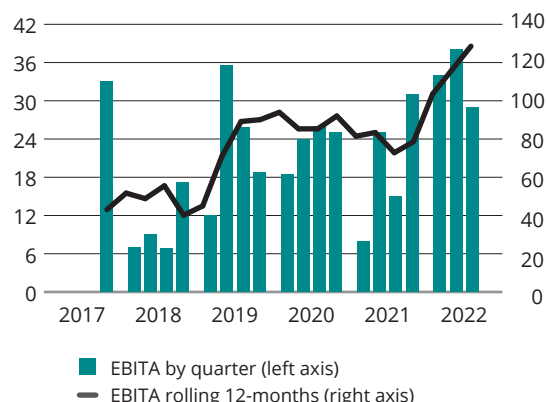
Order backlog at the end of the period amounted to SEK 1,870 (1,254) million, which is an increase of 41.8 percent, adjusted for currency effects. Organically, for comparable units, order backlog decreased by -0.2 percent. The order backlog of acquired companies contributed with growth of 42.0 percent.

During the third quarter, for example, Teknisk Ventilationsjon, an Instalco subsidiary in Norway, won a contract for the ventilation and automation systems at the construction of World Seafood Center at Oslo Airport City at Gardemoen Airport.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Key figures, Rest of Nordic

SEK m	July-Sept 2022	July-Sept 2021	Change, %	Jan-Sept 2022	Jan-Sept 2021	Change, %	Rolling 12 months	Jan-Dec 2021
Net sales	686	436	57.3	1,939	1,335	45.3	2,479	1,875
EBITA	29	15	93.3	101	49	106.2	133	80
EBITA margin, %	4.3	3.5		5.2	3.7		5.3	4.3
Order backlog	1,870	1,254	49.1	1,870	1,254	49.1	1,870	1,432

Acquisition

Instalco made 13 acquisitions during the period January through September. Acquisition costs for the period amount to SEK 10 (7) million and they are reported among Other operating expenses in the income statement.

Instalco typically applies an acquisition structure that consists of the purchase price and contingent consideration. Payment of contingent consideration is based on future results. Companies that achieve higher profits over a specified period of time will thus be paid a higher amount of contingent consideration. Contingent consideration is paid within three years of the acquisition date and there is a fixed maximum level.

In accordance with IFRS, contingent consideration has been measured at fair value. It is classified in Level 3 of the fair value hierarchy and reported under Non-current liabilities and Other current liabilities in the balance sheet. At the end of the period, the Group's estimated total amount of contingent consideration was SEK 432 million, of which SEK 96 million is for acquisitions made in 2022. The maximum, non-discounted amount that could be paid to prior owners is SEK 723 million, of which SEK 214 million pertains to acquisitions that were made in 2022.

Revaluation of contingent consideration had a positive net impact on the period of SEK 14 (15) million, which is reported in Other operating income and Other operating expenses in the income statement.

The Group's goodwill stems from continuous, goal-oriented acquisition efforts over a period of many years. The amount allocated to goodwill on the acquisition date corresponds to the cost of acquisition less the fair value of the acquired net assets. The value of goodwill is motivated by the earnings capacity of our companies and it represents the future economic benefits of collaboration between subsidiaries, cross-selling and joint purchasing. The benefits have not, however, been individually identified or reported separately. Equity at the end of the period, the Groups total goodwill amounted to SEK 4,306 (3,454) million. Consolidated goodwill is tested each year for impairment by looking at each cash-generating unit. No impairment of goodwill was necessary during the period. Other identified goodwill, such as customer relations and the order backlog, have been measured at present value of future cash flows and as a rule, is amortised over a period of 3 to 10 years.

Instalco's acquired net sales over the last 12-month period (RTM), in accordance with the assessed situation on the acquisition date, amounted to SEK 1,752 million.

Company acquisitions

Instalco made the following company acquisitions during the period January – September 2022.

Access gained	Acquisition	Area of technology	Segment	Share of the votes and capital	Net sales, SEK million ¹⁾	Number of employees
January	Manglerud AS	Heating & plumbing	Rest of Nordic	100%	25	14
January	TC Kraft AB and Z-Signaler AB	Electricity	Sweden	100%	50	25
February	Kyrön Sähkö Oy	Electricity	Rest of Nordic	100%	77	50
April	Highcon AB	Industrial	Sweden	70%	325	120
May	Liab Instrumenteringar AB	Industrial	Sweden	100%	36	17
June	Kuopion LVI-Talo Oy	Heating & plumbing	Rest of Nordic	100%	65	30
June	Christiania Rörleggerbedrift AS	Heating & plumbing	Rest of Nordic	100%	148	75
July	Inlands Luft AB	Ventilation	Sweden	100%	39	24
July	Keyvent AB	Ventilation	Sweden	100%	25	0
July	Melins Plåtslageri AB	Ventilation	Sweden	100%	29	11
July	Grums Rör AB	Heating & plumbing	Sweden	100%	32	14
August	Grevstad & Tvedt AS	Heating & plumbing	Rest of Nordic	100%	110	70
September	URD Klima AS companies	Ventilation	Rest of Nordic	100%	48	28
Total					1,009	478

1) Pertains to the assessed situation on a full-year basis at the acquisition date.

Impact of acquisitions

Acquisitions had the following impact on the Group's assets and liabilities. None of the acquisitions in the period have been assessed as individually significant, which is why the disclosures cover them as a whole. The acquisition analyses for companies acquired in 2022 are preliminary.

SEK m	Fair value of Group
Intangible assets	706
Deferred tax asset	0
Other non-current assets	47
Other current assets	364
Cash and cash equivalents	151
Deferred tax liability	-150
Current liabilities	-567
Total identifiable assets and liabilities (net)	551
Goodwill	455
Consideration paid	
Cash and cash equivalents	904
Contingent consideration	101
Total transferred consideration	1,005
Impact on cash and cash equivalents	
Cash consideration paid	904
Cash and cash equivalents of the acquired units	-150
Total impact on cash and cash equivalents	753
Settled contingent consideration attributable to acquisitions in the current year and prior years	173
Exchange rate difference	-1
Total impact on cash and cash equivalents	926
Impact on net sales and operating profit/loss 2022	
Net sales	559
Operating profit/loss	120
Consolidated pro forma for net sales and operating profit/loss from 1 January 2022 until the date of acquisition	
Net sales	515
Operating profit/loss	69

Financial and other information

Financial position

Equity at the end of the period amounted to SEK 2,930 (2,284) million, with an equity ratio of 32.2 (34.6) percent.

Cash and cash equivalents, together with its other short-term investments amounted to SEK 288 (438) million at the end of the period.

Interest-bearing debt including leasing at the end of the period amounted to SEK 2,956 (2,057) million, of which leasing amounts to SEK 517 (397) million. The increase in interest-bearing debt is attributable to funds transferred for the Group's acquisitions.

During the third quarter, Instalco signed a contract for a new credit facility with three banks of a total amount of SEK 3.4 billion. The new credit facilities strengthen Instalco's position for pursuing additional acquisitions of profitable, leading companies. It is for a term of two years, with the option of extending it for a maximum of four years, with an underlying base rate that has a margin ladder based on the net debt. The intention is for the credit facility to have a sustainability link based on Instalco's sustainability programme. As of the end of the period, Instalco's total credit facility, including unutilized credit, amounted to a total of SEK 3,700 million, of which SEK 2,400 million had been utilized. The Group is meeting the stated covenants with a good margin.

Share Information

At the extraordinary general meeting on 13 January 2022, it was resolved that a 5:1 share split would be carried out. The new shares were registered in the shareholders' accounts on 27 January 2022. At the end of the period, the number of shares and votes in Instalco AB amounted to 260,564,020.

Instalco's ten largest shareholders, 2022-09-30	Number of shares	Share of capital and votes
Per Sjöstrand	26,901,860	10.3%
Swedbank Robur Fonder	24,126,827	9.3%
Capital Group	21,415,065	8.2%
AMF Pension & Fonder	17,600,164	6.8%
Odin Fonder	11,755,515	4.5%
Wipunen Varainhallinta	10,430,000	4.0%
Heikintorppa	10,340,000	4.0%
SEB Fonder	9,790,683	3.8%
Handelsbanken Fonder	7,878,797	3.0%
Vanguard	7,817,666	3.0%
Total, 10 largest shareholders	148,056,577	56.8%
Other	112,507,443	43.2%
Total	260,564,020	100.0%

The ten largest known shareholders (grouped) of Instalco AB as of 30 March 2022. Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and FI.

As of the end of the period, interest-bearing net debt amounted to SEK 2,668 (1,620) million, with a gearing ratio of 97.4 (71.4) percent and net debt in relation to adjusted EBITDA was 2.5 (1.9). Currency changes impacted interest-bearing net debt by SEK -13 (6) million.

Investments, depreciation and amortisation

Investments in company acquisitions amounted to SEK 926 (594) million during the period. The amount includes settled contingent consideration attributable to acquisitions made in the current and prior years equal to SEK 173 (40) million.

Net investments in fixed assets for the period amounted to SEK 31 (18) million.

Depreciation/amortisation property, plant and equipment and intangible assets amounted to SEK 278 (134) million, of which SEK 177 (123) million was depreciation of PPE and SEK 101 (11) was amortisation of acquisition-related intangible assets. The increase in depreciation/amortisation is primarily attributable to a higher rate of investment and thus higher depreciation/amortisation according to plan.

Outstanding share-related incentive programs

Instalco has two outstanding warrants scheme corresponding to a total of 7,546,280 shares that are directed at the expanded Group management team, CEOs of subsidiaries and other key individuals of the Group. The warrants have been transferred on market terms at a price (premium) that was established based on an estimated market value using the Black & Scholes valuation model calculated by an independent valuation institute. Conditions for subscription price per share in both programmes correspond to 115 percent of the volume-weighted average price during the period of five trading days after each AGM.

Outstanding program	Number of options	Corresponding number of shares	Percent-age of total shares	Price per option	Redemption rate per option	Redemption rate per share	Redemption period
2020/2023 ¹⁾	989,256	4,946,280	2.00%	SEK 24.56	SEK 157.78	SEK 31.56	22 May 2023 - 16 June 2023
2022/2025	2,600,000	2,600,000	1.00%	SEK 7.80	SEK 50.92	SEK 50.92	22 May 2025 - 16 June 2025

1) The 2020/2023 program has been restated to reflect the 5:1 share split that was carried out in January 2022.

Parent Company

The main operations of Instalco AB are head office activities like group-wide management and administration, along with finance and accounting. The comments below pertain to the period 1 January through 30 September 2022. Net sales for the Parent Company amounted to SEK 18 (19) million. Operating profit/loss was SEK -2 (1) million. Net financial items amounted to SEK 131 (-1) million, primarily attributable to profit or loss from participations in Group companies. Earnings before taxes were SEK 128 (0) million and earnings for the period were SEK 128 (0) million. Cash and cash equivalents at the end of the period amounted to SEK 21 (20) million.

Transactions with related parties

Besides remuneration to senior executives, there were no transactions between Instalco and related parties that had a significant impact on the company's financial position or earnings during the period.

Risks and uncertainties

The Instalco Group is active in the Nordic market and it has a decentralised structure whereby each unit runs its own operations, with a large number of customers and suppliers. The business model limits the aggregated business and financial risks.

Instalco's earnings and financial position, as well as its strategic position, are affected by a number of internal factors that Instalco has control over, as well as a number of external factors where the ability to impact the outcome is limited. The most significant risk factors are the state of economy and market situation, including inflation, along with structural changes and competition, which impact the demand for new construction of homes and offices, as well as investments from the public sector and industry. The demand for service and maintenance work is less impacted by these risk factors.

Instalco does not have any direct exposure to Ukraine and Russia with either sales or purchasing. Instalco's assessment is that the indirect effects are currently limited, although disruptions in logistics chains and higher prices for raw materials where we are not able to compensate with a corresponding increase in our own prices could impact some of the Group's subsidiaries. We are monitoring developments carefully but it is currently difficult to assess what future consequences the conflict could have on the economic situation in Europe.

For more information, please see the section on Risks (pages 44-47) in the 2021 Annual Report.

The Parent Company is indirectly impacted by the aforementioned risks and uncertainties via its function in the Group.

Accounting policies

The interim report has been prepared in accordance with IFRS that have been adopted by the EU, with the application of IAS 34 Interim Financial Reporting. Disclosures as per IAS 34.16A are provided in the financial statements, notes and other parts of the interim report. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the Swedish Securities Market Act, which is in accordance with RFR 2 Accounting for Legal Entities. The same accounting policies and bases of computation have been applied in this interim report as in the most recent annual report. New and revised IFRS and IFRIC pronouncements applicable as of the 2022 financial year have not had any significant impact on the consolidated financial statements.

Events after the end of the reporting period

There is nothing significant to report after the end of the period.

Condensed consolidated income statement and statement of comprehensive income

AMOUNTS IN SEK M	July-Sept 2022	July-Sept 2021	Jan-Sept 2022	Jan-Sept 2021	Rolling 12 months	Jan-Dec 2021
Net sales	2,788	1,989	8,473	6,242	11,121	8,890
Other operating income	15	32	86	67	134	115
Operating income	2,803	2,021	8,559	6,309	11,255	9,005
Materials and purchased services	-1,480	-1,036	-4,380	-3,204	-5,729	-4,552
Other external services	-205	-106	-635	-343	-813	-521
Personnel costs	-832	-646	-2,693	-2,085	-3,583	-2,975
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-118	-51	-278	-134	-341	-198
Other operating expenses	-12	-19	-50	-33	-55	-37
Operating expenses	-2,647	-1,858	-8,036	-5,798	-10,520	-8,283
Operating profit/loss (EBIT)	156	163	523	510	735	722
Net financial items	-25	-6	-56	-16	-63	-23
Earnings before taxes	131	158	467	494	672	699
Tax on profit for the year	-54	-28	-98	-100	-139	-142
Earnings for the period	77	129	369	394	533	558
Other comprehensive income						
Translation difference	22	10	74	46	98	69
Comprehensive income for the period	100	139	443	440	630	627
<i>Comprehensive income for the period attributable to:</i>						
Parent Company's shareholders	92	138	419	433	602	615
Non-controlling interests	7	1	24	7	28	12
Earnings per share for the period, before dilution, SEK	0.27	0.49	1.32	1.49	1.94	2.10
Earnings per share for the period, after dilution, SEK	0.26	0.48	1.30	1.46	1.90	2.06
Average number of shares before dilution ^{1, 2)}	260,564,020	259,973,235	260,564,020	259,973,235	260,486,055	260,113,220
Average number of shares after dilution ^{1, 2)}	265,510,300	264,919,515	265,510,300	264,919,515	265,432,335	265,059,500

1) The number of shares has been restated to reflect the 5:1 share split that was carried out in January 2022. Instalco has an outstanding warrants scheme corresponding to a total of 7,546,280 shares.

Condensed consolidated balance sheet

AMOUNTS IN SEK M	30 Sept 2022	30 Sept 2021	31 Dec 2021
ASSETS			
Goodwill	4,306	3,454	3,847
Right-of-use assets	532	411	446
Other non-current assets	968	191	300
Total non-current assets	5,806	4,056	4,593
Accounts receivable	1,724	1,176	1,448
Contract assets	857	637	519
Other current assets	413	288	334
Cash and cash equivalents	288	438	695
Total current assets	3,282	2,538	2,996
TOTAL ASSETS	9,088	6,594	7,589
Equity and liabilities			
Equity	2,739	2,269	2,482
Non-controlling interests	191	14	19
Total equity	2,930	2,284	2,501
Non-current liabilities	2,994	1,798	2,095
Lease liabilities	347	274	295
Total non-current liabilities	3,341	2,073	2,390
Lease liabilities	170	123	137
Accounts payable	1,077	754	788
Contract liabilities	506	322	403
Other current liabilities	1,064	1,039	1,370
Total current liabilities	2,817	2,238	2,698
Total liabilities	6,158	4,310	5,088
TOTAL EQUITY AND LIABILITIES	9,088	6,594	7,589
Of which interest-bearing liabilities	2,956	2,057	2,345
<i>Equity attributable to:</i>			
Parent Company shareholders	2,739	2,269	2,482
Non-controlling interests	191	14	19

Statement of changes in equity

AMOUNTS IN SEK M	Share capital	Other contributed capital	Translation reserve	Accumulated profit or loss incl. profit (loss) for the year	Total	Non-controlling interests	Total equity
Opening balance 2022-01-01	1	996	1	1,485	2,483	19	2,501
Earnings for the period	-	-	-	345	345	24	369
Translation effect for the year of foreign operations	-	-	74	-	74	-	74
Comprehensive income for the period	-	-	74	345	419	24	443
<i>Transactions with owners</i>							
Dividends	-	-	-	-168	-168	-2	-170
Change in non-controlling interests	-	-	-	-8	-8	149	141
Issue warrants	-	-	-	14	14	-	14
Total transactions with owners	-	-	-	-163	-163	147	-15
Closing balance 2022-09-30	1	996	75	1,667	2,739	191	2,930
Opening balance 2021-01-01	1	942	-68	1,085	1,960	12	1,973
Earnings for the period	-	-	-	387	387	7	394
Translation effect for the year of foreign operations	-	-	46	-	46	-	46
Comprehensive income for the period	-	-	46	387	433	7	440
<i>Transactions with owners</i>							
Dividends	-	-	-	-140	-140	-1	-141
Change in non-controlling interests	-	-	-	-10	-10	-4	-14
New issue	-	23	-	-	23	-	23
Issue warrants	-	-	-	4	4	-	4
Total transactions with owners	-	23	-	-146	-123	-5	-128
Closing balance 2021-09-30	1	965	46	1,326	2,270	14	2,284

Condensed consolidated cash flow statement

AMOUNTS IN SEK M	July-Sept 2022	July-Sept 2021	Jan-Sept 2022	Jan-Sept 2021	Rolling 12 months	Jan-Dec 2021
Cash flow from operating activities						
Earnings before taxes	131	158	467	494	672	699
Adjustment for items not included in cash flow	117	52	297	124	363	190
Tax paid	-56	-42	-189	-138	-201	-150
Changes in working capital	-176	-210	-198	-254	-74	-130
Cash flow from operating activities	16	-42	376	227	760	610
Investing activities						
Acquisition of subsidiaries and businesses	-130	-267	-926	-594	-1,284	-953
Other non-current assets	-18	-3	-31	-18	-30	-18
Cash flow from investing activities	-148	-270	-956	-612	-1,314	-971
Financing activities						
New issue	-	10	-	23	30	53
Warrants	14	1	14	4	14	3
Change in non-controlling interests	-20	-15	-20	-15	-20	-15
Dividends	-	-	-170	-141	-170	-141
Net change of loan	-17	468	481	666	722	907
Amortisation of lease liability	-62	-39	-147	-109	-189	-151
Cash flow from financing activities	-85	425	159	429	387	658
Cash flow for the period	-216	113	-421	43	-167	297
Cash and cash equivalents at the beginning of the period	497	323	695	386	438	386
Translation differences in cash and cash equivalents	7	1	13	8	17	12
Cash and cash equivalents at the end of the period	288	438	288	438	288	695

Condensed Parent Company income statement

AMOUNTS IN SEK M	July-Sept 2022	July-Sept 2021	Jan-Sept 2022	Jan-Sept 2021	Rolling 12 months	Jan-Dec 2021
Net sales	6	6	18	19	21	22
Operating expenses	-7	-6	-21	-18	-25	-22
Operating profit/loss	-1	0	-2	1	-5	-1
Net financial items	17	0	131	-1	130	-2
Profit/loss after net financial items	16	0	128	0	125	-3
Group contributions received	-	-	-	-	10	10
Earnings before taxes	16	0	128	0	135	7
Tax	-	-	-	-	-2	-2
Earnings for the period	16	0	128	0	134	6

Condensed Parent Company balance sheet

AMOUNTS IN SEK M	30 Sept 2022	30 Sept 2021	31 Dec 2021
ASSETS			
Shares in subsidiaries	1,375	1,375	1,375
Total non-current assets	1,375	1,375	1,375
Other current assets	5	9	10
Cash and cash equivalents	21	20	54
Total current assets	27	30	64
TOTAL ASSETS	1,402	1,405	1,440
Equity and liabilities			
Equity	1,246	1,251	1,287
Total equity	1,246	1,251	1,287
Non-current liabilities	149	143	143
Current liabilities	7	11	10
Total liabilities	155	154	152
TOTAL EQUITY AND LIABILITIES	1,402	1,405	1,440

Quarterly data

AMOUNTS IN SEK M	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net sales	2,788	3,102	2,583	2,648	1,989	2,311	1,942	2,078
Growth in net sales, %	40.2	34.2	33.0	27.5	21.0	33.9	15.9	25.8
EBITDA	275	303	223	275	214	241	189	231
EBITDA margin, %	9.9	9.8	8.6	10.4	10.8	10.4	9.7	11.1
EBITA	201	250	173	227	171	199	152	190
EBITA margin, %	7.2	8.1	6.7	8.6	8.6	8.6	7.8	9.2
Operating profit/loss (EBIT)	156	215	151	212	163	197	150	190
Operating profit/loss (EBIT), %	5.6	6.9	5.9	8.0	8.2	8.5	7.7	9.1
Earnings before taxes	131	209	126	205	158	197	140	198
Earnings for the period	70	175	100	159	128	151	108	152
Working capital	352	141	-257	-255	-15	-156	-216	-176
Interest-bearing net debt	2,668	2,365	1,710	1,650	1,620	1,219	911	912
Gearing ratio, %	97.4	90.3	64.8	66.5	71.4	57.2	42.4	46.5
Net debt/EBITDA, times	2.5	2.3	1.8	1.8	1.9	1.5	1.2	1.2
Cash conversion, %	30	62	131	145	1	62	117	131
Cash flow from operating activities	16	151	210	383	-42	104	164	277
Equity ratio, %	32.2	31.7	32.6	33.0	34.6	36.5	39.3	37.7
Return on equity, %	20.3	23.4	23.0	24.7	25.8	26.0	26.0	26.7
Return on capital employed, %	14.7	15.7	17.0	18.8	20.2	21.2	21.3	19.2
Order backlog	8,158	8,120	7,602	6,795	6,494	6,610	6,708	6,625
Average number of employees	5,341	5,115	4,860	4,642	4,335	4,085	3,876	3,609
Number of employees at the end of the period	5,517	5,386	5,027	4,887	4,597	4,256	3,993	3,856

Acquisition-related items	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Revaluation of contingent consideration	-	8	6	16	10	5	0	-1
Acquisition costs	-3	-4	-3	-4	-4	-1	-3	-2
Total acquisition-related items	-3	4	3	13	6	4	-3	-3

Key figures per share SEK ¹⁾	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Average number of shares before dilution	260,564,020	260,564,020	260,564,020	260,252,160	260,122,655	260,104,835	259,973,235	259,292,370
Average number of shares after dilution	265,510,300	265,510,300	265,510,300	265,198,440	265,068,935	265,051,115	264,919,515	264,238,650
Profit for the period, SEK m	77	191	100	159	128	151	108	152
Earnings per share for the period, before dilution, SEK	0.27	0.67	0.38	0.61	0.49	0.58	0.41	0.59
Earnings per share for the period, after dilution, SEK	0.26	0.66	0.37	0.60	0.48	0.57	0.41	0.58
Cash flow from operating activities per share, SEK	0.06	0.57	0.79	1.45	-0.16	0.39	0.62	1.05
Equity per share, SEK	10.32	9.86	9.95	9.36	8.56	8.04	8.10	7.42
Share price at the end of the period, SEK	44.84	42.30	70.84	86.88	80.40	71.00	63.90	50.20

1) The number of shares has been restated to reflect the 5:1 share split that was carried out in January 2022.

Reconciliation of key figures not defined in accordance with IFRS

The Company presents certain financial measures in the interim report, which are not defined under IFRS. The Company believes that these measures provide useful supplemental information to investors and the company's management, since they allow for the evaluation relevant trends. Instalco's definitions of these measures may differ from other companies using the same terms. These financial measures should therefore be viewed as a supplement, rather than as a replacement for measures defined under IFRS. Presented below are definitions of measures that are not defined under IFRS and which are not mentioned elsewhere in the interim report. Reconciliation of these measures is provided in the table, below. For definitions of key figures, see page 20-21. As of 1 January 2022, EBITA and EBITDA are no longer presented with an adjustment for revaluation of additional consideration and acquisition costs.

Earnings measures and margin measures

AMOUNTS IN SEK M	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
(A) Net sales	2,788	3,102	2,583	2,648	1,989	2,311	1,942	2,078
(B) EBITDA	275	303	223	275	214	241	189	231
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets (not related to acquisitions)	-74	-53	-50	-49	-44	-42	-37	-41
(C) EBITDA	201	250	173	227	171	199	152	190
Depreciation/amortisation and impairment of acquisition-related intangible assets	-44	-34	-22	-15	-7	-2	-2	0
(D) Operating profit/loss (EBIT)	156	215	151	212	163	197	150	190
<i>(B/A) EBITDA margin, %</i>	<i>9.9</i>	<i>9.8</i>	<i>8.6</i>	<i>10.4</i>	<i>10.8</i>	<i>10.4</i>	<i>9.7</i>	<i>11.1</i>
<i>(C/A) EBITA margin, %</i>	<i>7.2</i>	<i>8.1</i>	<i>6.7</i>	<i>8.6</i>	<i>8.6</i>	<i>8.6</i>	<i>7.8</i>	<i>9.2</i>
<i>(D/A) Operating profit/loss, (EBIT), %</i>	<i>5.6</i>	<i>6.9</i>	<i>5.9</i>	<i>8.0</i>	<i>8.2</i>	<i>8.5</i>	<i>7.7</i>	<i>9.1</i>

Capital structure

AMOUNTS IN SEK M	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Calculation of working capital and working capital in relation to net sales								
Inventories	132	119	115	104	76	76	68	62
Accounts receivable	1,724	1,589	1,348	1,448	1,176	1,093	900	995
Contract assets	857	862	677	519	637	565	570	407
Prepaid expenses and accrued income	120	98	77	101	93	67	54	107
Other current assets	161	151	147	127	118	111	99	96
Accounts payable	-1,077	-987	-865	-788	-754	-755	-677	-588
Contract liabilities	-506	-581	-449	-403	-322	-296	-344	-349
Other current liabilities	-466	-458	-684	-784	-549	-489	-399	-431
Accrued expenses and deferred income, including provisions	-592	-651	-623	-580	-490	-529	-487	-476
(A) Working capital	352	141	-257	-255	-15	-156	-216	-176
(B) Net sales (12-months rolling)	11,121	10,322	9,531	8,890	8,319	7,973	7,388	7,122
(A/B) Working capital as a percentage of net sales, %	3.2	1.4	-2.7	-2.9	-0.2	-2.0	-2.9	-2.5

AMOUNTS IN SEK M	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Calculation of interest-bearing net debt and gearing ratio								
Non-current, interest-bearing financial liabilities	2,783	2,718	2,544	2,209	1,935	1,423	1,204	1,196
Current, interest-bearing financial liabilities	174	143	139	137	123	120	112	103
Cash and cash equivalents	-288	-497	-973	-695	-438	-323	-404	-386
(C) Interest-bearing net debt	2,668	2,365	1,710	1,650	1,620	1,219	911	912
(D) Equity	2,739	2,618	2,641	2,482	2,269	2,130	2,147	1,960
(C/D) Gearing ratio, %	97.4	90.3	64.8	66.5	71.4	57.2	42.4	46.5
(E) EBITDA (12-months rolling)	1,076	1,015	954	920	876	833	778	739
(C/E) Interest-bearing net debt in relation to EBITDA (12-months rolling)	2.5 times	2.3 times	1.8 times	1.8 times	1.9 times	1.5 times	1.2 times	1.2 times
Calculation of operating cash flow and cash conversion								
(F) EBITDA	275	303	223	275	214	241	189	231
Net investments in property, plant and equipment and intangible assets	-18	-13	-11	-	-3	-13	-2	-1
Changes in working capital	-176	-103	80	124	-210	-78	34	72
(G) Operating cash flow	81	187	291	399	1	151	221	302
(G/F) Cash conversion %	30	62	131	145	1	62	117	131
(H) Earnings for the period (12-months rolling)	533	585	548	558	548	523	489	462
(H/D) Return on equity, %	20.3	23.4	23.0	24.7	25.8	26.0	26.0	26.7
(I) EBIT	156	215	151	212	163	197	150	190
(J) Financial income	34	16	8	23	12	8	2	23
(K) Total assets	9,088	8,840	8,154	7,589	6,594	5,880	5,496	5,228
(L) Interest-free liabilities	3,202	3,176	2,812	2,742	2,253	2,193	2,024	1,957
(I+J)/(K-L) Return on capital employed, %	14.9	15.7	17.0	18.8	20.2	21.2	21.3	19.2

Signatures

Future reporting dates

Year-end report 2022	16 February 2023
Interim report January – March 2023	4 May 2023
AGM 2023	5 May 2023
Interim report January – June 2023	22 August 2023
Interim Report January – September 2023	27 October 2023

Board of Directors' assurance

The Board of Directors and CEO ensure that the interim report for the first six months of the year provides a fair view of the Group's operations, position and earnings, and describes significant risks and uncertainties faced by company and the companies belonging to the Group.

Stockholm, 9 November 2022

Instalco AB (publ)

Per Sjöstrand
Chairman of the Board

Johnny Alvarsson
Board member

Camilla Öberg
Board member

Carina Qvarngård
Board member

Per Leopoldsson
Board member

Carina Edblad
Board member

Robin Boheman
CEO

This report has been reviewed by the company's auditors.

Presentation of the report

The report will be presented in a telephone conference/audiocast today, 9 November at 14:00 CET via <https://ir.financialhearings.com/instalco-q3-2022> To participate by phone: SE: +46 8 566 427 03, UK: +44 333 300 92 73, US: +1 646 722 49 04.

Note

This information is information that Instalco is required to disclose under the EU Market Abuse Regulation. The information was made public by the contact person listed below, on 9 November 2022 at 11:00 CET.

Additional information

Robin Boheman, CEO
Christina Kassberg, CFO, christina.kassberg@instalco.se
Fredrik Trahn, IR, fredrik.trahn@instalco.se +46 (0)70 913 67 96

Auditor's review report

Auditor's report on review of condensed interim financial information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act (1995:1554).

*Instalco AB (publ)
CIN 559015-8944*

Introduction

We have conducted a review of the condensed interim financial information (interim report) for Instalco AB as of 30 September 2022 and for the nine-month period that ended on that date. The Board of Directors and CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted the review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information conducted by the company's independent auditor. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical review and taking other review procedures. A review has a different focus and is substantially less in scope compared to the focus and scope of an audit in accordance with ISA and generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a review does not therefore give the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report for the Group, has not, in all material respects, been prepared in accordance with IAS 34 and the Annual Accounts Act and, for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, 9 November 2022

Grant Thornton Sweden AB

Camilla Nilsson
Authorised Public Accountant

Definitions with explanation

General

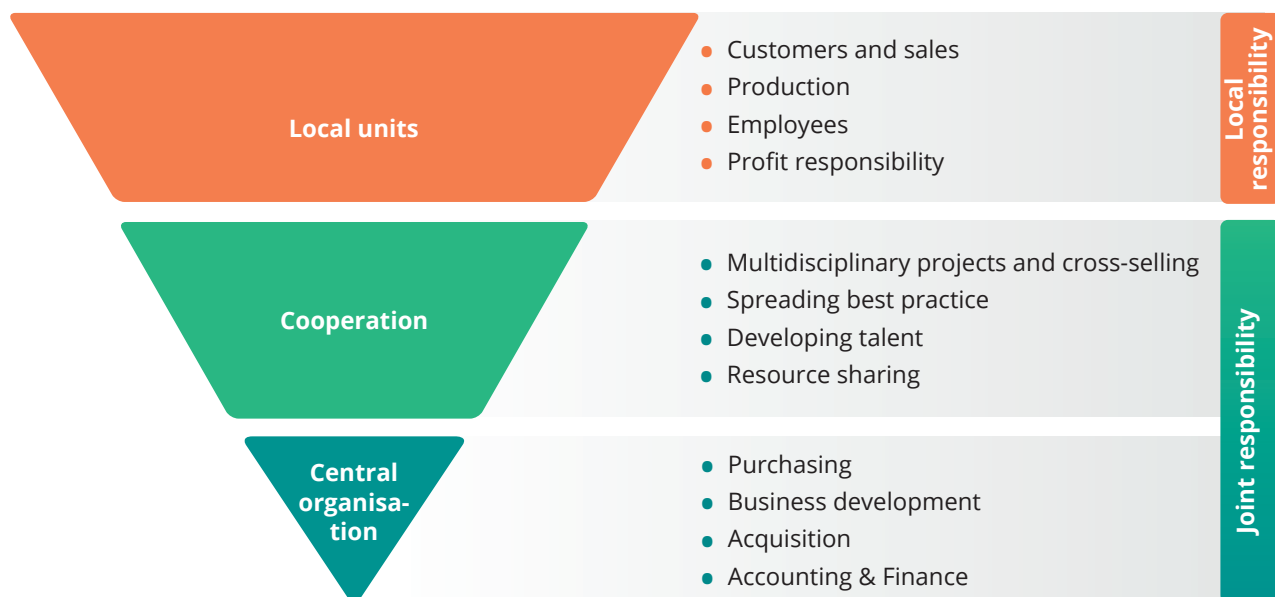
Unless otherwise indicated, all amounts in the report and tables are in SEK m. All amounts in parentheses () are comparison figures for the same period in the prior year, unless otherwise indicated.

Key figures	Definition/calculation	Purpose
Acquired growth in net sales	Change in net sales as a percentage of net sales during the comparable period, fuelled by acquisitions. Acquired net sales is defined as net sales during the period that are attributable to companies that were acquired during the last 12-month period and for these companies, the only amounts that are considered as acquired net sales are their sales up until 12 months after the acquisition date.	Acquired net sales growth reflects the acquired units' impact on net sales.
Cash conversion	Operating cash flow as a percentage of EBITDA.	Cash conversion is used to monitor how effective the Group is in managing ongoing investments and working capital.
Change in exchange rates	The period's change in net sales that is attributable to the change in exchange rates (start of the period compared to the end of the period), as a percentage of net sales during the comparison period.	The change in exchange rates reflects the impact that exchange rate fluctuations has had on net sales during the period.
EBIT margin	Earnings before interest and taxes, as a percentage of net sales.	EBIT margin is used to measure operational profitability.
EBITA	Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets.	EBITA provides an overall picture of the profit generated from operating activities.
EBITA margin	Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets, as a percentage of net sales.	EBIT margin is used to measure operational profitability.
EBITDA	Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets and depreciation/amortisation and impairment of property, plant and equipment and intangible assets	EBITDA, together with EBITA provides an overall picture of the profit generated from operating activities.
EBITDA margin	Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets and depreciation/amortisation and impairment of property, plant and equipment and intangible assets, as a percentage of net sales.	EBITDA margin is used to measure operational profitability.
Equity ratio	Equity including non-controlling interests, expressed as a percentage of total assets.	Equity ratio is used to show the proportion of assets that are financed by equity.
Gearing ratio	Interest-bearing net debt as a percentage of total equity.	Gearing ratio measures the extent to which the Group is financed by loans. Because cash and other short-term investments can be used to pay off the debt on short notice, net debt is used instead of gross debt in the calculation.
Growth in net sales	Change in net sales as a percentage of net sales in the comparable period, prior year.	The change in net sales reflects the Groups realised sales growth over time.
Interest-bearing net debt	Non-current and current interest bearing liabilities less cash and other short-term investments.	Interest-bearing net debt is used as a measure that shows the Groups total debt.
Net debt in relation to adjusted EBITDA	Interest-bearing net debt compared to EBITDA provides a measure of liquidity for net liabilities in relation to cash-generating earnings in the business. Net debt on the closing date and EBITDA are calculated as the most recent 12-month period.	The measure provides an indication of the organisation's ability to pay its debts.
Operating cash flow	EBITDA less investments in property, plant and equipment and intangible assets, along with an adjustment for cash flow from change in working capital.	Operating cash flow is used to monitor the cash flow generated from operating activities.

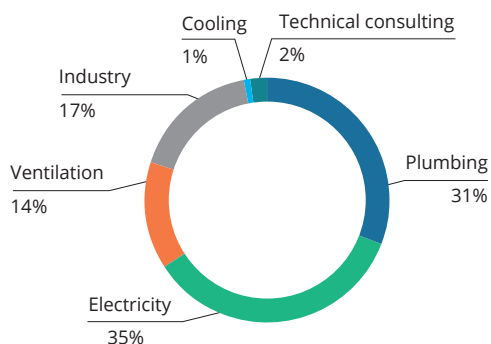
Key figures	Definition/calculation	Purpose
Operating profit/loss (EBIT)	Earnings before interest and taxes.	Operating profit/loss (EBIT) provides an overall picture of the profit generated from operating activities.
Order backlog	The value of outstanding, not yet accrued project revenue from received orders.	Order backlog provides an indication of the Group's remaining project revenue from orders already received.
Organic growth adjusted for currency effects	The change in net sales for comparable units after adjustment for acquisition and currency effects, as a percentage of net sales during the comparison period.	Organic growth in net sales does not include the effects of changes in the Group's structure and exchange rates, which enables a comparison of net sales over time.
Return on capital employed	Operating profit/loss (EBIT) plus financial income divided by capital employed (total assets less interest-free liabilities). The components are calculated as the average over the last 12 months.	The purpose is to analyse profitability in relation to capital employed.
Return on equity	Earnings for the period on a rolling 12-month basis divided by average total equity at the end of the period.	Return on equity is used to analyse profitability, based on how much equity is used.
Working capital	Inventories, accounts receivable, earned but not yet invoiced income, prepaid expenses and accrued income and other current assets, less accounts payable, invoiced but not yet earned income, accrued expenses and deferred income and other current liabilities.	Working capital is used to measure the company's ability to meet short-term capital requirements.
Working capital as a percentage of net sales	Working capital at the end of the period as a percentage of net sales on a 12-month rolling basis.	Working capital as a percentage of net sales is used to measure the extent to which working capital is tied up.

Instalco in brief

Instalco has a decentralised structure, where operations are conducted in each unit, in close cooperation with customers and with the support of a very streamlined central organisation. The Instalco model is designed to benefit from the advantages of both strong local ties and joint functions.



NET SALES BY AREA OF OPERATION



NET SALES BY MARKET AREA

