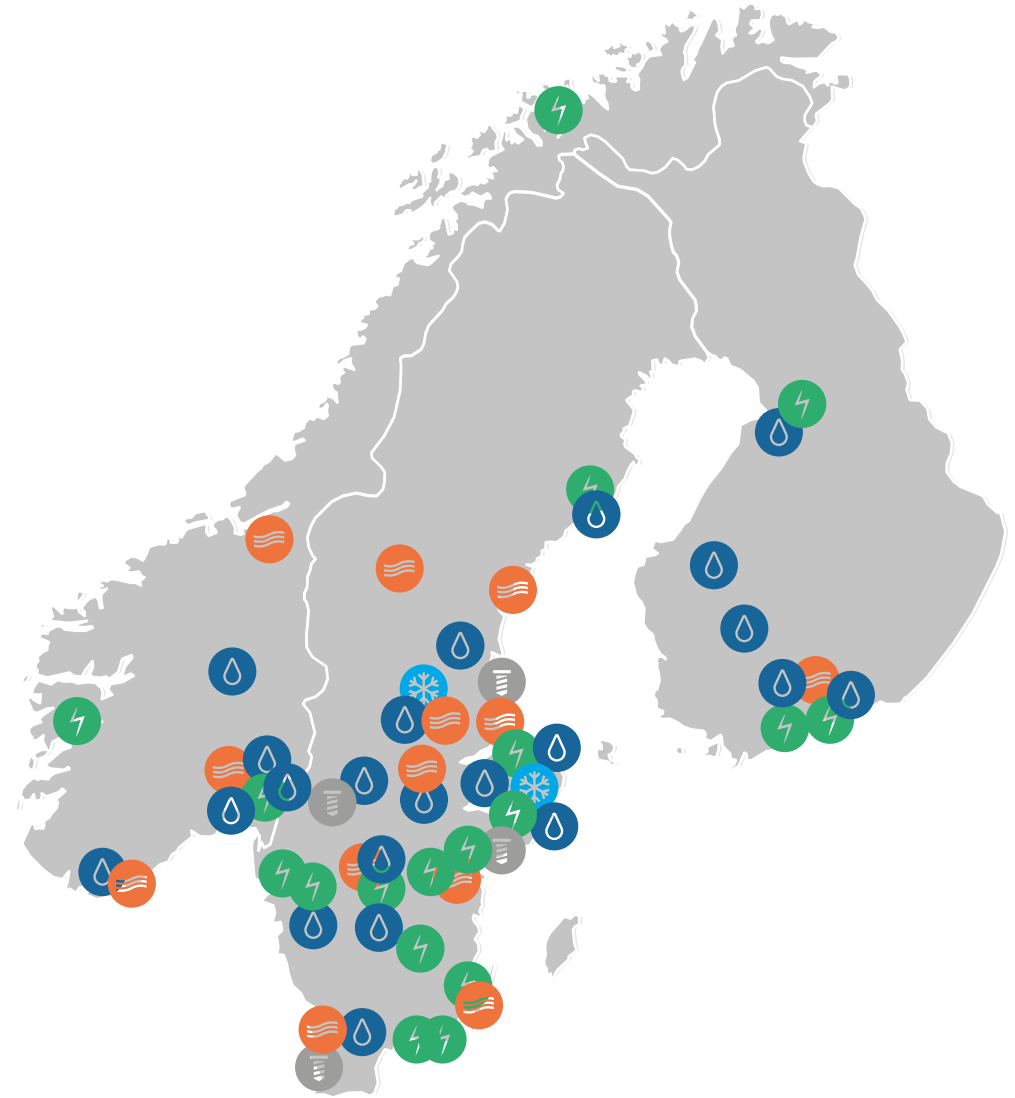


# Instalco Q3 presentation

9 November 2021

# This is Instalco

- A leading Nordic installation group within heating and plumbing, electrical, ventilation, cooling, industry and technical consulting
- 100 subsidiaries – highly specialised local companies
- 4 600 employees
- Highly decentralised structure
- Supported by a small central organisation
- Strong profitability with high margins over time



# Milestone of 100 subsidiaries

- 100 subsidiaries in three countries
- Intense journey since 2014
- Creating synergies
- Continued acquisition agenda



# Changes in the management team



## Key financials, LTM

Net sales, million SEK

**8.319**

Adjusted EBITA, million SEK

**708**

No of employees (30 September)

**4,597**

Order backlog, million SEK

**6.494**

Adjusted EBITA margin, %

**8,5**

Acquired annual sales, million SEK

**1.420**

# Q3 2021 Highlights

- Stable quarter in overall results and margin
- Still effected by pandemic disturbances
- Net sales growth 21.0%
- Organic growth, 2.2%
- Segment Sweden strong – segment Rest of Nordic below desired level
- Six acquisitions
- New sustainability project – collaboration with Wayout International

## Key financials Q3 2021

Net sales

SEK **1,989** million

EBITA

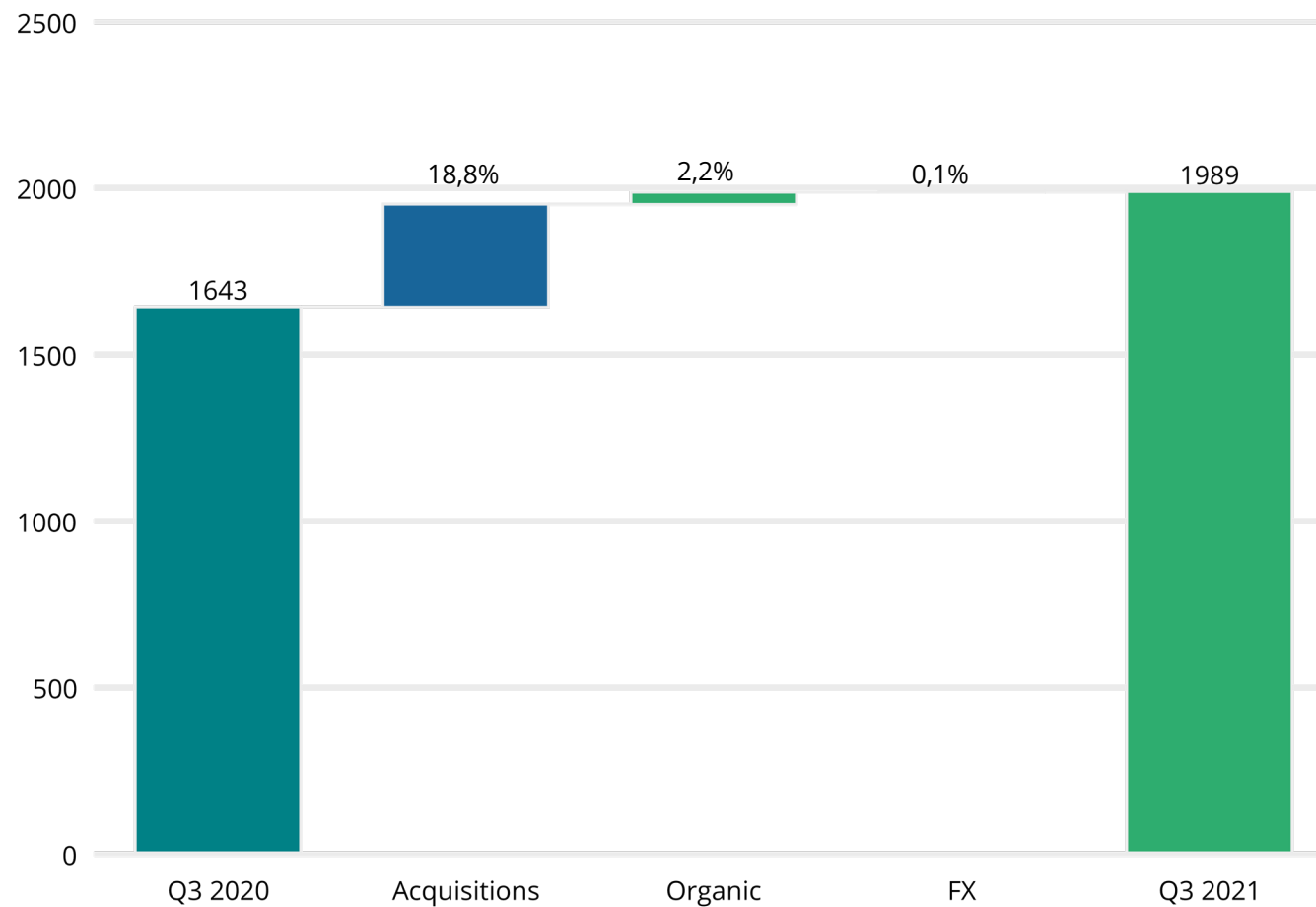
SEK **171** million

EBITA margin

SEK **8.6** %

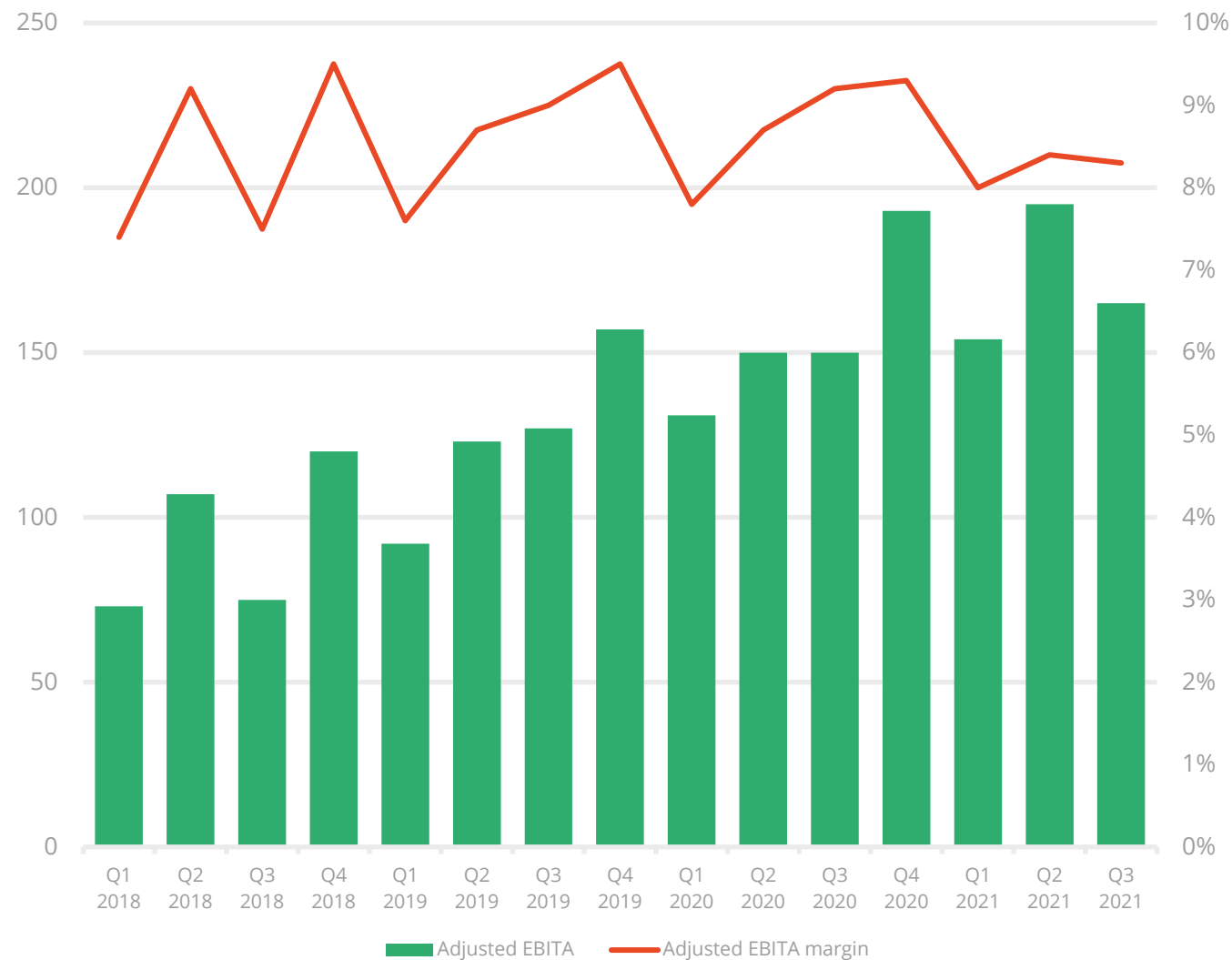
# Net sales

- Net sales growth (SEK million)



# EBITA

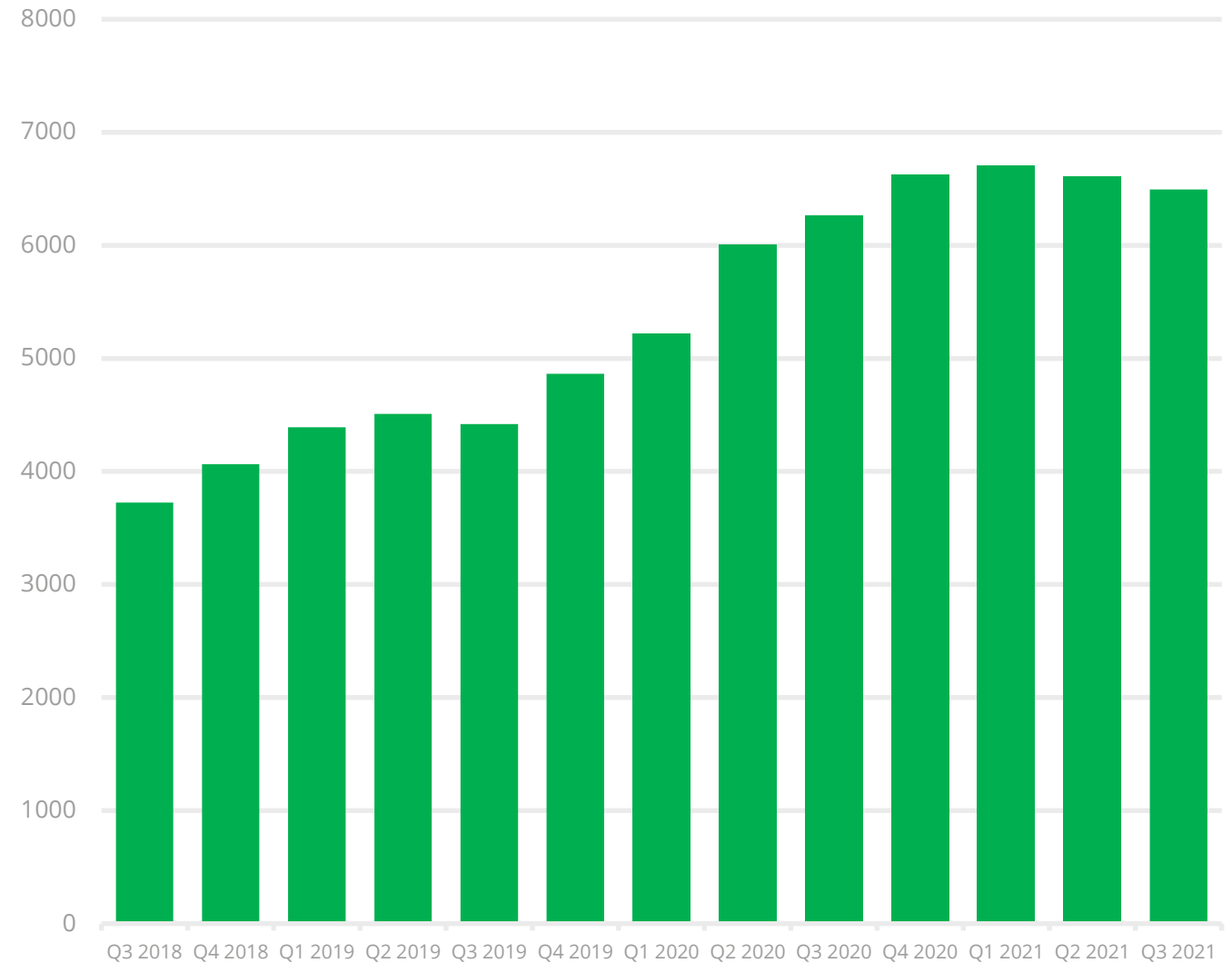
- Adj. EBITA (SEK million) and adj. EBITA margin (%)





# Order backlog

- Growth of 3.7% (compared with Q3 2020)
- Continued stable order backlog ratio of 0.78x (relative to 12 months rolling net sales)





# Segment Sweden

- Strong and solid results by the Swedish operations
- Stable demand for technical installations
- Organic growth 2.9%
- Net sales growth 24.0%

## Key financials Q3 2021

Net sales

SEK **1,553** million

EBITA

SEK **135** million

EBITA margin

**8.7** %

Order backlog

SEK **5,240** million



# Segment Rest of Nordic

- Net sales growth 11.5%
- Still effected by the pandemic – mainly in Finland
- Starting to see results from action plan for higher margins in Norway
- Still result below desired level

## Key financials Q3 2021

Net sales

SEK **436** million

EBITA

SEK **15** million

EBITA margin

**3.5** %

Order backlog

SEK **1,254** million

# Acquisitions 2021

		Company	Discipline	Segment	Est. Sales (SEKm)
1	Q1	JB Elektro	Electrical	Rest of Nordic	40
2	Q1	Lincom	Electrical	Sweden	33
3	Q1	Nässjö Teknikprojektering	Technical consulting	Sweden	15
4	Q1	Stockholm Luftkompetens	Ventilation	Sweden	85
5	Q1	Kempes El	Electrical	Sweden	85
6	Q2	Inva Engineering	Heating & Plumbing	Rest of Nordic	6
7	Q2	Calmarsunds VVS	Heating & Plumbing	Sweden	26
8	Q2	Rörmokaren i Kolmården	Heating & Plumbing	Sweden	31
9	Q2	Lampans Einstallationer	Electrical	Sweden	55
10	Q2	Einstallationer i Karlshamn	Electrical	Sweden	40
11	Q2	KaVP och Karlskoga Tak	Ventilation	Sweden	30
12	Q2	Nordengen VVS	Heating & Plumbing	Rest of Nordic	13
13	Q2	PlanProj	Technical consulting	Sweden	17

# Acquisitions 2021 cont.

14	Q2	Nihlén Elmontage	Electrical	Sweden	80
15	Q2	Industriprodukter	Electrical	Sweden	20
16	Q3	Klimateknikk	Ventilation	Rest of Nordic	40
17	Q3	Forsséns Elektriska	Electrical	Sweden	65
18	Q3	App-Startup	Industry	Sweden	97
19	Q3	PeMi Ventillation & Montage	Ventilation	Sweden	38
20	Q3	Nicklas Eriksson Instalationservice	Electrical	Sweden	59
21	Q3	SSE Elnstallation	Electrical	Sweden	100
		<b>Total</b>			<b>975</b>

# Financial targets and dividend policy

Area	Target	Comment	Status
<b>Growth</b>	<ul style="list-style-type: none"><li>• Average sales growth should be at least 10% per year over a business cycle</li><li>• Growth will take place both organically and through acquisitions</li></ul>	23.7% YTD	✓
<b>Margin</b>	<ul style="list-style-type: none"><li>• Instalco aims to deliver an adjusted EBITA margin of 8.0%</li></ul>	8.2% YTD	✓
<b>Capital structure</b>	<ul style="list-style-type: none"><li>• Instalco's net debt in relation to adjusted EBITDA shall not exceed a ratio of 2.5</li></ul>	1.9x	✓
<b>Cash conversion</b>	<ul style="list-style-type: none"><li>• Instalco aims to achieve a cash conversion ratio of 100%, measured over a rolling twelve-month period over a business cycle</li></ul>	77%	✓
<b>Dividend policy</b>	<ul style="list-style-type: none"><li>• Instalco targets a dividend payout ratio of 30% of net profit</li></ul>	30%	✓

CEO's theme

# Technical consulting

# This is Business Area Technical consulting

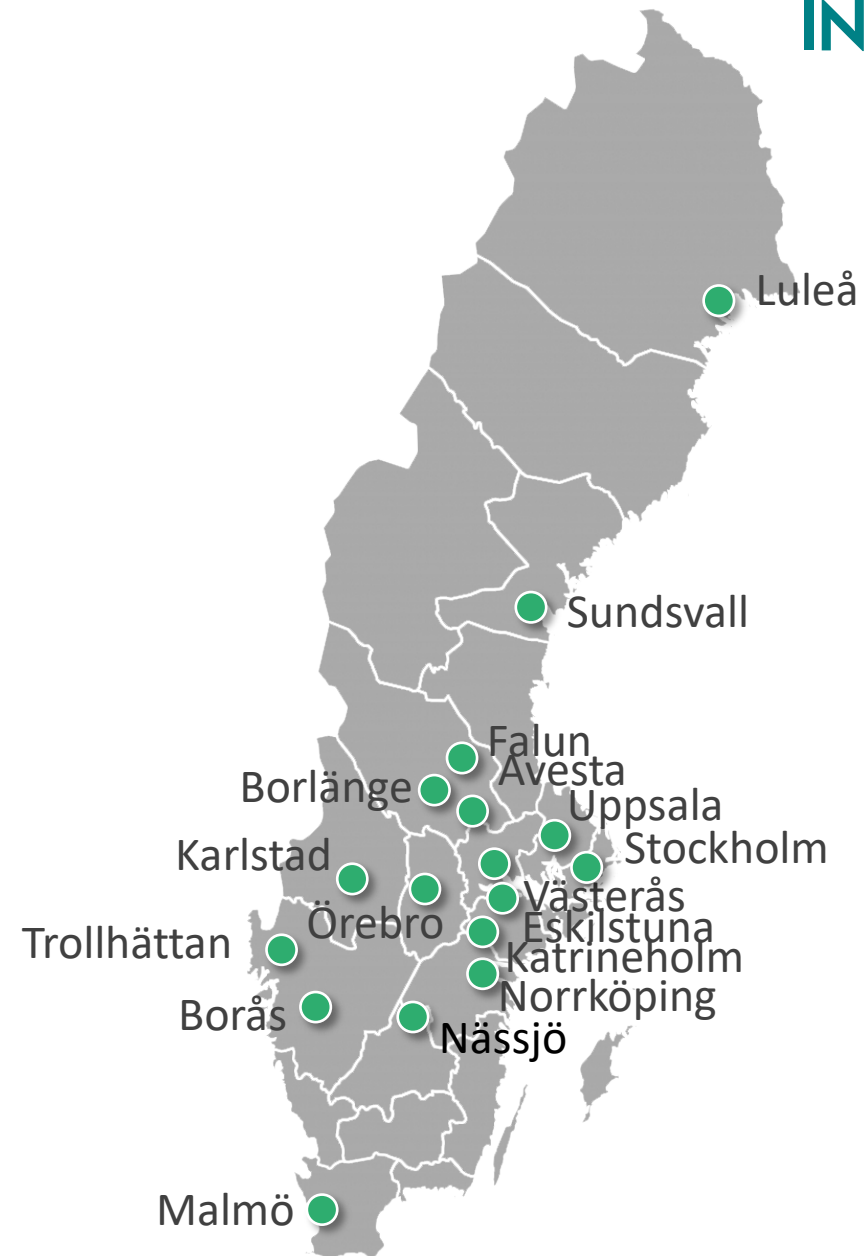
- Engineers in the areas of electrical, heating & plumbing, ventilation, energy, industrial and fire protection.
- Project planning and design
- Studies and inspection
- Coordination of installation work
- Environmental coordination
- Risk management
- Cost estimates
- Simulations and calculations
- Energy optimization and certification





# Intec organisation

- 11 companies in 20 cities in Sweden
- 230 coworkers
- 400 clients
- 1200 assignments (YTD)
- Customers:  
Government agencies, local authorities & regions, installation companies, property owners, industrial companies, energy companies, industrial construction companies



# Why Technical consulting

Early involvement in projects  
Closer to the customer

Sustainable and energy-efficient solutions

Theory and Practice

High margins

# CEO's comments

## Short term issues

- Pandemic
- Increased raw material prices
- Shortage of material and delivery delays
- Possible shortage of cement

## Long term drivers

- Technological development
- Sustainability, environmental awareness and energy efficiency
- Urbanisation and housing shortage
- Investments in infrastructure
- Ageing building stock

# Summary

Stable quarter

Effected by the pandemic,  
particularly in Finland and  
Norway

Return to more normal  
circumstances

Good conditions for project  
design, installation and service



Q&A - session

# INSTALCO

