

Interim report January – June 2023

Good profitability and strong growth

April – June 2023

- Net sales increased by 23.5 percent and amounted to SEK 3,832 (3,102) million. Organic growth, adjusted for currency effects, amounted to 5.5 (6.2) percent.
- EBITA increased by 18.7 percent and amounted to SEK 296 (250) million. The EBITA margin was 7.7 (8.1) percent.
- The EBITA margin would have amounted to 8.1 (8.1) percent, not including a provision of SEK 15 (0) million for potentially higher credit losses that was recognised during the quarter.
- Depreciation/amortisation of property, plant and equipment and intangible assets increased by SEK 50 million and amounted to SEK 137 (87) million.
- Operating profit (EBIT) increased to SEK 244 (215) million.
- Cash flow from operating activities for the period was SEK 225 (151) million.
- Earnings per share before dilution were SEK 0.58 (0.67) and after dilution were SEK 0.57 (0.66).
- Two acquisitions were made during the period, which, on an annual basis, contribute an estimated total sales of SEK 92 million.

January – June 2023

- Net sales increased by 24.8 percent and amounted to SEK 7,095 (5,685) million. Organic growth, adjusted for currency effects, amounted to 8.4 (6.8) percent.
- EBITA increased by 25.0 percent and amounted to SEK 529 (423) million. The EBITA margin was 7.5 (7.4) percent.
- The EBITA margin would have amounted to 7.7 (7.4) percent, not including a provision of SEK 15 (0) million for potentially higher credit losses.
- Depreciation/amortisation of property, plant and equipment and intangible assets increased by SEK 90 million and amounted to SEK 249 (159) million.
- Operating profit (EBIT) increased to SEK 434 (367) million.
- Cash flow from operating activities for the period was SEK 448 (361) million.
- Earnings per share before dilution were SEK 1.06 (1.05) and after dilution were SEK 1.05 (1.04).
- Eight acquisitions were made during the period, which, on an annual basis, contribute an estimated total sales of SEK 1,062 million.



Key figures ¹⁾

SEK m	April-June 2023	April-June 2022	Change, %	Jan-June 2023	Jan-June 2022	Change, %	Rolling 12 months	Jan-Dec 2022
Net sales	3,832	3,102	23.5	7,095	5,685	24.8	13,474	12,063
EBITA	296	250	18.7	529	423	25.0	1,022	916
EBITA margin, %	7.7	8.1		7.5	7.4		7.6	7.6
Operating profit/loss (EBIT)	244	215	13.3	434	367	18.3	851	784
Earnings before taxes	202	209	-3.4	373	336	11.2	734	697
Cash flow from operating activities	225	151		448	361		839	753
Net debt/EBITDA, times	2.5	2.3		2.5	2.3		2.5	2.1
Cash conversion (12-Month rolling), %	81	88		81	88		81	85
Basic earnings per share, SEK	0.58	0.67		1.06	1.05		2.00	1.99
Diluted earnings per share, SEK	0.57	0.66		1.05	1.04		1.97	1.96
Order backlog	9,185	8,120	13.1	9,185	8,120	13.1	9,185	8,376

1) For definitions of alternative key figures as per the ESMA guidelines, please see the definitions of key figures.

CEO Comments

Sales for the second quarter were SEK 3,832 (3,102) million, which corresponds to a growth rate of 23.5 percent. EBITA for the quarter was SEK 296 (250) million, corresponding to an EBITA margin of 7.7 (8.1) percent. Overall, our earnings performance was strong, with continued good profitability despite a challenging market. Both of our segments, Sweden and Rest of Nordic, contributed to the development. Thanks to our active efforts to improve profitability, we were able to maintain our margins despite the deterioration from inflationary pressure in our industry. Going forward, the market is difficult to assess in a weaker economic situation. This provides challenges that increases the importance of staying close to the customers, which we handle through our decentralized Instalco model.

There was a negative impact on EBITA during the quarter of SEK 15 (0) million, which is a provision for projects where there is uncertainty about customer solvency in segment Sweden. Not including the provision, EBITA would have amounted to SEK 311 (250) million, corresponding to an EBITA margin of 8.1 (8.1) percent.

Organic growth, adjusted for currency effects, was good and amounted to 5.5 percent for the Group. Segment Sweden grew organically by 2.2 percent and Rest of Nordic by 18.1 percent. During the first quarter, for the first time in quite a while, there were positive signals from Finland and it is satisfying to see that the trend continued in the second quarter as well. Norway and Finland are equally responsible for the strong growth in Rest of Nordic. Another positive development occurred in the area of service, which represented 30 percent of our revenue in the quarter. It is a healthy level and something we have been working strategically with that increases the stability of our earnings capacity. Our order backlog also grew and remains stable at SEK 9,185 (8,120) million.

Unchanged acquisition strategy

After a high pace of acquisition in the first quarter, our focus during the second quarter was on integrating the new companies into the Group. Besides the three add-on acquisitions during the quarter, Halvard Thorsen, EVG Pipe and Zenisk, we also acquired Elektro Västerbotten, which was important to our representation in Umeå. We have been interested in acquiring a traditional electrical company with the right qualities and expertise in the area for quite some time. Elektro Västerbotten is a nice match with the Instalco model and the acquisition brings us one important step closer to becoming multidisciplinary for installations in Umeå.

In total, acquisitions during the quarter added approximately SEK 92 million in annual sales. During the quarter, we have focused on further consolidating our relatively new companies while continuing to engage in discussions with possible acquisition candidates. We are continuing to pursue our strategy of actively acquiring the best companies in a market that is still quite fragmented.

Focus on job satisfaction, team spirit and health

For us, sustainability is a key component of our business model. Important elements of that are culture-building, team spirit and exercise. Job satisfaction is a priority for us and we want everyone to thrive, both physically and mentally.

During the quarter, we tested new solutions in our decentralized model. All employees were invited to participate in



digital workout sessions, where we walked or ran together using an app, no matter the actual location. The initiative has thus offered us an excellent way of encouraging more exercise and strengthening the bonds between coworkers.

At our best when we work together

While digital meeting forums certainly are great, it is difficult to replicate the benefits that can be derived from traditional, in-person meetings. In May, we organized our annual segment meeting. This time, it was held in Västerås and there were around 150 participants representing more than 100 subsidiaries. It was an opportunity to share knowledge and experience on many important topics, where the overall theme was energy efficiency. It is an area that continues to grow in importance and is critical to our competitiveness. Meeting in this way is inspiring. It boosts energy and provides a forum for finding new ways to collaborate and do business. A good example of this is the collaboration between PoB:s Elektriska and El-Pågarna. They have signed a new joint three-year framework agreement with JM for electrical installations in conjunction with future residential construction projects. Both have been working with JM for many years and we are very proud that the collaboration will continue.

It is obvious to me that our decentralized Instalco model remains strong, particularly in what has become a more challenging market. Collaboration within Instalco will continue to be an important success factor for us.

Robin Boheman
CEO

Performance of the Instalco Group

The Nordic market of installation services

The underlying demand for Instalco's services is strong 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 year. The prices of raw materials have stagnated at a high level. Rising interest rates have caused a slowdown in the rate of production for new residential property, an area where Instalco's level of exposure is low.

In general, the market is driven by a number of long-term trends and general societal development. Technology development, digitalisation, sustainability, ageing property holdings, urbanisation and a growing and ageing population are some of the biggest driving forces, all of which boost the demand for Instalco's core competencies.

Net sales

Second quarter

Sales for the quarter amounted to SEK 3,832 (3,102) million, which is an increase of 23.5 percent. Adjusted for currency effects, organic growth amounted to 5.5 percent and acquired growth was 18.1 percent. Currency fluctuations only had a marginal impact on net sales.

Two acquisitions were made during the quarter, with estimated annual net sales of SEK 92 million.

January - June

Net sales for the period amounted to SEK 7,095 (5,685) million, which is an increase of 24.8 percent. Adjusted for currency effects, organic growth amounted to 8.4 percent and acquired growth was 16.5 percent. Currency fluctuations only had a marginal impact on net sales.

Order backlog

Order backlog at the end of the period amounted to SEK 9,185 (8,120) million, which is an increase of 13.1 percent. Organically, for comparable units, the order backlog grew, adjusted for currency effects, by 2.1 percent. The order backlog of acquired companies contributed with growth of 10.7 percent.

During the second quarter for example, Instalco was engaged in a joint assignment involving the Instalco subsidiaries, FN Elektro & Ventilasjon and Grevstad & Tvedt VVS for the renovation and expansion of Askøy High School in Bergen,

Norway. In this project, Instalco will be delivering the complete electrical, heating & plumbing, cooling and ventilation systems.

Earnings

Second quarter

Operating profit before amortisation of acquired intangible assets (EBITA) amounted to SEK 296 (250) million, which corresponds to an EBITA margin of 7.7 (8.1) percent.

There was a negative impact on EBITA during the quarter of SEK 15 (0) million, which is a provision for projects where there is uncertainty about customer solvency in segment Sweden. Adjusted for the provision, EBITA would have amounted to SEK 311 (250) million and the EBITA margin would have amounted to 8.1 (8.1) percent. Overall, our earnings performance was strong, with continued good profitability despite a challenging market.

Operating profit (EBIT) for the quarter amounted to SEK 244 (215) million. Amortisation of acquired intangible assets increased by SEK 18 million and amounted to SEK 52 (34) million. The increase is attributable to a high acquisition rate, with a larger portion of depreciable assets related to acquisitions.

Net financial items for the quarter amounted to SEK -42 (-6) million, of which unrealised value changes amounted to SEK -1 (10) million and the interest expense on external loans amounted to SEK -39 (-9) million. The increase in interest costs stems from a mix of rate hikes from central banks and a higher level of borrowing.

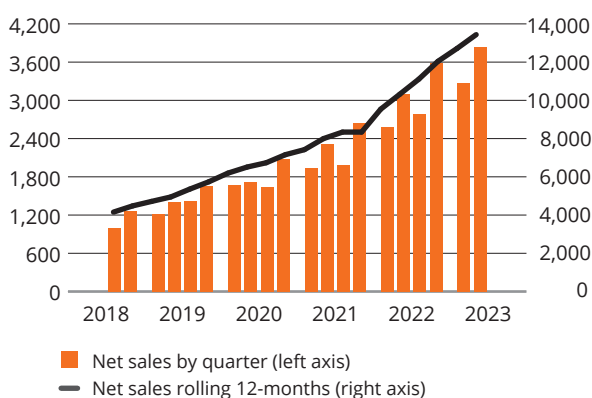
Tax for the quarter was SEK -41 (-19) million, which corresponds to an effective tax rate of 20 (9) percent. The change in the effective tax rate is attributable to an under-reservation in the previous quarter.

Earnings for the quarter were SEK 162 (191) million, which corresponds to earnings per share before dilution of SEK 0.58 (0.67) and earnings per share after dilution of SEK 0.57 (0.66).

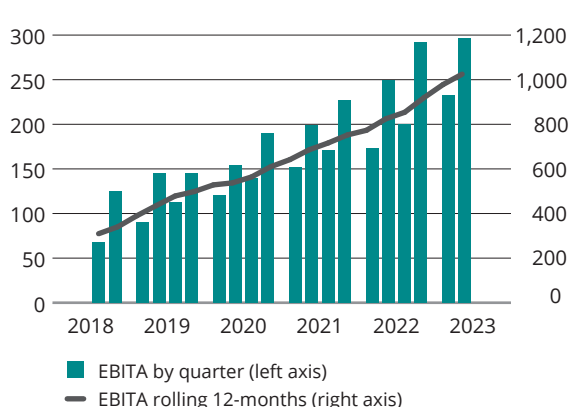
January - June

Operating profit before amortisation of acquired intangible assets (EBITA) for the period amounted to SEK 529 (423) million, which corresponds to an EBITA margin of 7.5 (7.4) percent. EBITA would have amounted to SEK 544 (423) million and the EBITA margin would have amounted to 8.1 (8.1) percent, not including a provision of SEK 15 (0) million for potentially higher credit losses that was recognised during the quarter.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Operating profit (EBIT) for the quarter amounted to SEK 434 (367) million. Amortisation of acquired intangible assets increased by SEK 39 million and amounted to SEK 95 (56) million. The increase is attributable to a high acquisition rate, with a larger portion of depreciable assets related to acquisitions.

Net financial items for the period amounted to SEK -61 (-31) million, of which unrealised value changes amounted to SEK 6 (-7) million and the interest expense on external loans amounted to SEK -66 (-15) million. The increase in interest costs stems from a mix of rate hikes from central banks and a higher level of borrowing.

Tax for the quarter was SEK -76 (-44) million, which corresponds to an effective tax rate of 20 (13) percent. The change in the effective tax rate is attributable to an under-reservation in the previous period.

Earnings for the period were SEK 297 (291) million, which corresponds to earnings per share before dilution of SEK 1.06 (1.05) and earnings per share after dilution of SEK 1.05 (1.04).

Cash flow

Second quarter

Cash flow from operating activities amounted to SEK 225 (151) million, with a change in working capital of SEK -99 (-103) 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.

Cash flow from investing activities amounted to SEK -138 (-587) million, of which acquisitions of subsidiaries and businesses amounted to SEK -112 (-586) million. Cash flow from financing activities amounted to SEK -535 (-31) million, of which the net change in loans amounted to SEK -345 (179) million and amortisation of lease liabilities amounted to SEK -67 (-43) million. Dividends of SEK 0.66 (0.65) per share were paid out during the quarter, which corresponds to SEK 172 (167) million.

January - June

Cash flow from operating activities amounted to SEK 448 (361) million, with a change in working capital of SEK -59 (-24) 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.

Cash flow from investing activities amounted to SEK -969 (-808) million, of which acquisitions of subsidiaries and businesses amounted to SEK -918 (-796) million. Cash flow from financing activities amounted to SEK 121 (244) million, of which the net change in loans amounted to SEK 318 (498) million and amortisation of lease liabilities amounted to SEK -123 (-85) million. Dividends of SEK 0.66 (0.65) per share were paid out during the period, which corresponds to SEK 172 (167) million.

Revenue by segment

	SEK m	April- June 2023	Share	April- June 2022	Share	Jan-June 2023	Share	Jan-June 2022	Share	Jan-Dec 2022	Share
Sweden		2,720	71%	2,447	79%	5,046	71%	4,431	78%	9,220	76%
Rest of Nordic		1,112	29%	655	21%	2,049	29%	1,254	22%	2,844	24%
Total		3,832		3,102		7,095		5,685		12,063	

EBITA, EBITA margin and earnings before taxes, per segment

SEK m	April- June 2023	EBITA margin	April- June 2022	EBITA margin	Jan-June 2023	EBITA margin	Jan-June 2022	EBITA margin	Jan-Dec 2022	EBITA margin
Sweden	224	8.2%	215	8.8%	409	8.1%	356	8.0%	772	8.4%
Rest of Nordic	75	6.7%	38	5.8%	123	6.0%	72	5.7%	151	5.3%
Group-wide	-3		-4		-3		5		-7	
EBITA	296	7.7%	250	8.1%	529	7.5%	423	7.4%	916	7.6%
Amortisation of acquired intangible assets	-52		-34		-95		-56		-132	
Net financial items	-42		-6		-61		-31		-87	
Earnings before taxes	202		209		373		336		697	

Distribution of revenue

SEK m	April-June 2023			April-June 2022			Jan-June 2023			Jan-June 2022		
	Service	Con- tract	Total	Service	Con- tract	Total	Service	Con- tract	Total	Service	Con- tract	Total
Sweden	887	1,833	2,720	680	1,767	2,447	1,466	3,580	5,046	1,180	3,252	4,431
Rest of Nordic	250	862	1,112	214	441	655	525	1,524	2,049	214	1,039	1,254
Total	1,136	2,695	3,832	894	2,208	3,102	1,991	5,104	7,095	1,394	4,291	5,685

Operations in Sweden

Market

Overall, the market Instalco serves is good regarding new construction, renovation and energy-efficiency measures at commercial properties and facilities in the public sector. The supply of installation projects in certain regions has temporarily declined somewhat, from a high level. For new production of residential property, we've noticed a clear dampening effect, primarily due to uncertainty about the interest rate situation.

Swedish industry is making major investments in research and innovation so that it can become fossil free. There are many examples of where advancements in technology have been commercialized, which is also associated with large investments. We see this in northern Sweden in particular. High electricity prices and investments in Swedish basic industry are increasing the need for energy-efficiency and investments in the grid. Demand for technical consulting has been reduced from a high level and is affected by the generally weaker economic situation.

Inflation and high material prices are impacting the industry's profitability.

Net sales

Second quarter

Net sales for the quarter amounted to SEK 2,720 (2,447) million, which is an increase of SEK 273 million. Organic growth amounted to 2.2 percent and acquired growth was 9.0 percent.

January - June

Net sales for the period amounted to SEK 5,046 (4,431) million, which is an increase of SEK 615 million. Organic growth amounted to 6.5 percent and acquired growth was 7.4 percent.

Order backlog

Order backlog at the end of the period amounted to SEK 6,677 (6,336) million, which is an increase of 5.4 percent. Organically, for comparable units, order backlog increased by 4.4 percent. The order backlog of acquired companies contributed with growth of 1.0 percent.

During the second quarter for example and via its subsidiaries, MRM Mining and EPS Sweden, Instalco won an assignment from Gällivare Municipality for construction of its new riding facility. The project has several parts and at this stage, the stable, riding school and staff areas will be built. Instalco is also responsible for the electrical, heating & plumbing and ventilation installations as part of the project.

Earnings

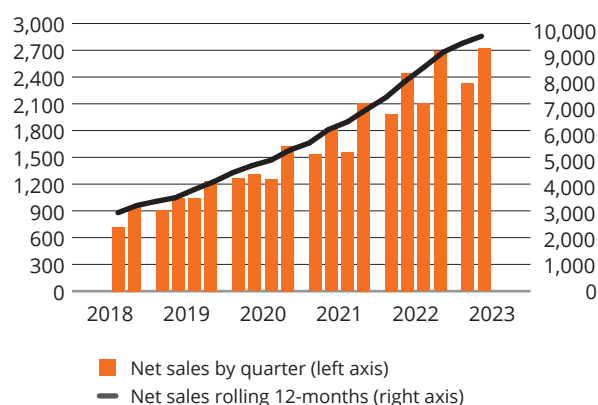
Second quarter

EBITA for the quarter amounted to SEK 224 (215) million, which corresponds to a EBITA margin of 8.2 (8.8) percent. Operating profit increased to SEK 197 (192) million. During the quarter, a provision of SEK 15 (0) million was recognised for potentially higher credit losses in the segment. Excluding that, EBITA would have amounted to SEK 239 (215) million and the EBITA margin would have amounted to 8.8 (8.8) percent. Overall, our earnings performance was strong, with continued good profitability despite a challenging market.

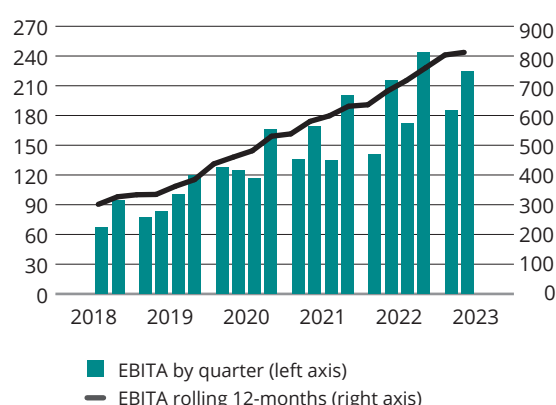
January - June

EBITA for the period amounted to SEK 409 (356) million, which corresponds to a EBITA margin of 8.1 (8.0) percent. Operating profit/loss was SEK 360 (321) million. Excluding the provision of SEK 15 (0) million that was recognised during the quarter, EBITA would have amounted to SEK 424 (356) million, corresponding to an EBITA margin of 8.4 (8.0) percent. Overall, our earnings performance was strong, with continued good profitability despite a challenging market.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Key figures for Sweden

SEK m	April-June 2023	April-June 2022	Change, %	Jan-June 2023	Jan-June 2022	Change, %	Rolling 12 months	Jan-Dec 2022
Net sales	2,720	2,447	11.2	5,046	4,431	13.9	9,835	9,220
EBITA	224	215	4.2	409	356	14.9	1,010	772
EBITA margin, %	8.2	8.8		8.1	8.0		10.3	8.4
Order backlog	6,677	6,336	5.4	6,677	6,336	5.4	6,677	6,355

Operations in Rest of Nordic

Market

The market in Norway remains at a high level, with many inquiries about new projects for both new construction and renovation. For new production of residential property, we've noticed a clear dampening effect, which is primarily due to uncertainty about interest rates and high construction costs. For new construction, there is now a more prevalent risk of delays, but the situation for renovations remains stable.

The demand for energy efficient installations is increasing in line with rising and volatile energy prices. The primary driving forces are continued major investments in the public sector, such as defence, schools and hospitals, along with private initiatives to develop industrial, office and commercial facilities.

The market in Finland is primarily being driven by investments in the major metropolitan regions. It is still somewhat tentative however, due to the high interest rates. The rate of construction for office premises is currently high, but for new housing construction, the rate has fallen. In conjunction with Finland becoming a member of NATO, more military investments in construction and infrastructure are expected.

Net sales

Second quarter

Net sales for the quarter amounted to SEK 1,112 (655) million, which is an increase of SEK 457 million. Organic growth, adjusted for currency effects, amounted to 18.1 percent and acquired growth was 52.3 percent.

January - June

Net sales for the period amounted to SEK 2,049 (1,254) million, which is an increase of SEK 795 million. Organic growth, adjusted for currency effects, amounted to 15.0 percent and acquired growth was 48.8 percent.

Order backlog

Order backlog at the end of the period amounted to SEK 2,507 (1,782) million, which is an increase of 40.6 percent, adjusted for currency effects. Organically, for comparable units, order backlog decreased by 6.0 percent. The order backlog of acquired companies contributed with growth of 45.0 percent.

During the second quarter for example and via its subsidiaries, Uudenmaan Lvi-Talo and Milvent, Instalco won an assignment for installation work at the office building, Ilmalan Aura, in Helsinki. Instalco has been engaged by the construction company, Hartela, and will be responsible for installation of the heating, cooling, plumbing and ventilation systems. It is an assignment that requires close collaboration. The goal is to certify the project as a Sustainable Instalco Project.

Earnings

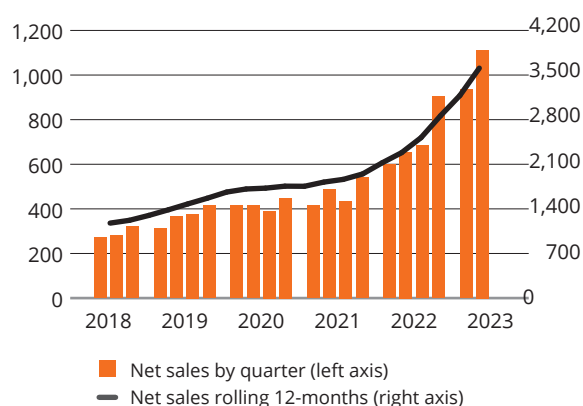
Second quarter

EBITA for the quarter was SEK 75 (38) million, which corresponds to a EBITA margin of 6.7 (5.8) percent. Operating profit/loss was SEK 50 (27) million.

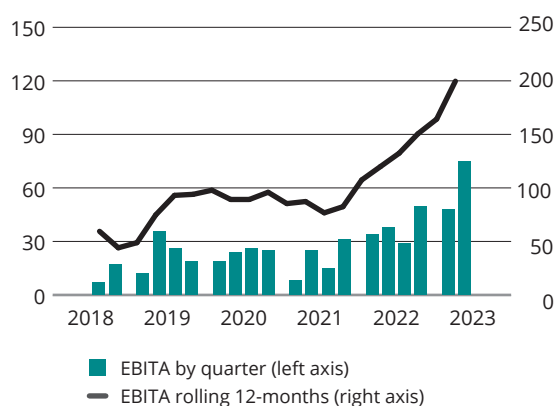
January - June

EBITA for the period was SEK 123 (72) million, which corresponds to an EBITA margin of 6.0 (5.7) percent. Operating profit/loss was SEK 77 (51) million.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Key figures, Rest of Nordic

SEK m	April-June 2023	April-June 2022	Change, %	Jan-June 2023	Jan-June 2022	Change, %	Rolling 12 months	Jan-Dec 2022
Net sales	1,112	655	69.7	2,049	1,254	63.4	3,639	2,844
EBITA	75	38	96.9	123	72	71.1	202	151
EBITA margin, %	6.7	5.8		6.0	5.7		5.6	5.3
Order backlog	2,507	1,782	40.7	2,507	1,782	40.7	2,507	1,925

Acquisition

Instalco made eight acquisitions during the period January through June. One of the acquisitions was partially financed with own shares. There was a targeted new issue of SEK 50 million during the period to facilitate that. Acquisition costs for the period amount to SEK 6 (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 493 million, of which SEK 213 million is for acquisitions made in 2023.

Changes in reported contingent consideration

SEK m	Jan-June 2023	Jan-Dec 2022
Opening carrying amounts	454	518
Gains and losses reported in the income statement	5	-2
Paid contingent consideration	-184	-173
Added through acquisitions made during the period	213	115
Exchange rate difference	4	-4
Closing carrying amounts	493	454

Company acquisitions

Instalco made the following company acquisitions during the period January – June 2023.

Access gained	Acquisition	Area of technology	Segment	Share of the votes and capital	Net sales, SEK million ¹⁾	Number of employees
January	Telepatrol Oy	Electricity	Rest of Nordic	100%	48	30
January	Rörprodukter Montage Sverige AB	Heating & plumbing	Sweden	100%	24	12
February	Lysteknikk Entreprenør AS	Electricity	Rest of Nordic	100%	325	120
March	Processus AB	Industrial	Sweden	100%	193	65
March	SMT Norrbotten AB	Industrial	Sweden	100%	40	17
March	Enter Ställningar AB	Industrial	Sweden	100%	340	120
April	Halvard Thorsen AS	Heating & plumbing	Rest of Nordic	100%	42	20
May	Elektro Västerbotten AB	Electricity	Sweden	100%	50	23
Total					1,062	407

1) Pertains to the assessed annual sales on the acquisition date, based on the most recent financial year that was subject to audit.

The maximum, non-discounted amount that could be paid to prior owners is SEK 711 million, of which SEK 241 million pertains to acquisitions that were made in 2023.

Revaluation of contingent consideration had a net impact on the period of SEK 5 (14) million, which is reported in Other operating income 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 5,325 (4,182) 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 1,488 million.

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 2023 are preliminary. Instalco regards the calculations as preliminary until final figures pertaining to the acquired companies have been received.

SEK m	Fair value of Group
Intangible assets	239
Deferred tax asset	0
Other non-current assets	173
Other current assets	282
Cash and cash equivalents	165
Deferred tax liability	-64
Current liabilities	-378
Total identifiable assets and liabilities (net)	416
Goodwill	693
Consideration paid	
Cash and cash equivalents	896
Contingent consideration	213
Total transferred consideration	1,109
Impact on cash and cash equivalents	
Cash consideration paid	896
Cash and cash equivalents of the acquired units	-165
Total impact on cash and cash equivalents	731
Settled contingent consideration attributable to acquisitions in the current year and prior years	184
Exchange rate difference	4
Total impact on cash and cash equivalents	918
Impact after the acquisition date included in the Instalco Group's net sales and operating profit/loss	
Net sales	456
Operating profit/loss	57
Impact on net sales and operating profit/loss up until the acquisition date if the acquisitions had been completed on 1 January 2023 ¹⁾	
Net sales	277
Operating profit/loss	9

1) There is a one-off effect of SEK 24.4 million on operating profit.

Financial and other information

Financial position

Equity at the end of the period amounted to SEK 3,360 (2,802) million, with an equity ratio of 31.2 (31.7) percent.

Cash and cash equivalents, together with other short-term investments amounted to SEK 230 (497) million at the end of the period.

Interest-bearing debt including leasing at the end of the period amounted to SEK 3,602 (2,861) million, of which leasing amounts to SEK 602 (422) million. The increase in interest-bearing debt is primarily attributable to utilisation the credit line during the period in order to transfer funds for the Group's acquisitions.

As of the end of the period, Instalco's total credit line, including unutilised credit, amounted to a total of SEK 3,950 (2,501) million, of which SEK 2,950 (2,401) million had been utilised. The Group is meeting the stated covenants with a good margin.

Interest-bearing net debt at the end of the period amounted to SEK 3,372 (2,365) million, with a gearing ratio of 107.6 (90.3) percent. Net debt in relation to EBITDA was 2.5 (2.3) times, which is in line with the target. Currency changes impacted interest-bearing net debt by SEK -8 (-15) million.

Investments, depreciation and amortisation

Investments in company acquisitions amounted to SEK 918 (796) million during the period. The amount includes settled contingent consideration attributable to acquisitions made in the current and prior years equal to SEK 184 (55) million.

Share Information

At the end of the period, the number of shares and votes in Instalco AB amounted to 261,575,900.

Instalco's ten largest shareholders, 2023-06-30	Number of shares	Share of capital and votes
Per Sjöstrand	26,901,860	10.3%
Capital Group	23,393,034	9.0%
Swedbank Robur Fonder	22,265,227	8.5%
AMF Pension & Fonder	14,598,164	5.6%
Wipunen Varainhallinta	12,300,000	4.7%
Heikintorppa	12,275,000	4.7%
Odin Fonder	11,755,515	4.5%
SEB Fonder	11,306,460	4.3%
Cliens Fonder	10,855,591	4.2%
Vanguard	8,474,231	3.2%
Total, ten largest shareholders	154,125,082	58.9%
Other	107,450,818	41.1%
Total	261,575,900	100.0%

The ten largest known shareholders (grouped) of Instalco AB as of 30 March 2023. Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and FI.

Net investments in fixed assets for the period amounted to SEK 52 (13) million.

Depreciation/amortisation property, plant and equipment and intangible assets amounted to SEK 249 (159) million, of which SEK 154 (103) million was depreciation of PPE and SEK 95 (56) million was amortisation of acquired intangible assets. The increase in depreciation/amortisation is primarily attributable to a higher rate of investment and thus higher depreciation/amortisation according to plan.

Seasonal variations

To some extent, Instalco's business and market is affected by the seasonal variations prevailing in the construction industry, which primarily have to do with the vacations and holidays. Typically, Instalco has a lower level of activity during the third quarter because this is the summer vacation period. Earnings tend to be highest in the fourth quarter, when many projects are concluded. Earnings are then lower in the first quarter, which is when many new projects are starting up and not yet fully underway. The industrial business area also tends to have its lowest level of activity during the first quarter, which is another reason why sales are lower in the quarter.

Outstanding share-related incentive programmes

Based on a resolution at the AGM in May 2023, an offer was made to approximately 250 employees of the Group to acquire 2,350,000 warrants, which were subscribed for during the quarter. Instalco has two outstanding warrants scheme corresponding to a total of 4,950,000 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 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 programme	Number of options	Corresponding number of shares	Percentage of the total number of shares	Price per option	Redemption rate per option	Redemption period
2022/2025	2,600,000	2,600,000	1.00%	SEK 7.80	SEK 50.92	22 May 2025 - 16 June 2025
2023/2026	2,350,000	2,350,000	0.90%	SEK 7.27	SEK 64.90	22 May 2026 - 16 June 2026

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 June 2023. Net sales for the Parent Company amounted to SEK 17 (12) million. Operating profit/loss was SEK -1 (-2) million. Net financial items amounted to SEK 172 (114) million. Earnings before taxes were SEK 171 (112) million and earnings for the period were SEK 171 (112) million. Cash and cash equivalents at the end of the period amounted to SEK 42 (1) 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 and interest rates, 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 impacts 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 48-50) in the 2022 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 2023 financial year have not had any significant impact on the consolidated financial statements.

Fair value of financial instruments

The amount of contingent consideration that could be paid out to prior owners is classified in Level 3 of the fair value hierarchy and it is valued at fair value through profit or loss. More information on additional consideration is provided in the section on acquisitions. The fair value of other financial assets and liabilities does not differ significantly from the carrying amounts.

Events after the end of the reporting period

In July 2023, the number of shares and votes in Instalco AB (publ) increased by 2,531,125 due to the exercise of warrants in series 2020/2023 that were issued as part of the incentive programme that was set up based on a resolution by the 2020 AGM. All of these shares were subscribed for and awarded to participants in the incentive programme. As of 31 July 2023, the number of shares and votes in Instalco AB (publ) amounted to 264,107,025.

In June, Instalco decided to sell Tim Kyla AB (Timab), with 38 employees and annual sales of approximately SEK 89 million, to Nordic Climate Group. The reason for the divestiture was to streamline operations in the Instalco Stockholm business area. The divestiture was completed in July.

Condensed consolidated income statement and statement of comprehensive income

AMOUNTS IN SEK M	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Rolling 12 months	Jan-Dec 2022
Net sales	3,832	3,102	7,095	5,685	13,474	12,063
Other operating income	17	37	63	71	108	115
Operating income	3,848	3,139	7,159	5,755	13,582	12,179
Materials and purchased services	-1,952	-1,597	-3,636	-2,900	-6,922	-6,186
Other external services	-272	-236	-524	-430	-1,061	-968
Personnel costs	-1,234	-985	-2,299	-1,861	-4,243	-3,805
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-137	-87	-249	-159	-471	-381
Other operating expenses	-9	-18	-16	-38	-33	-54
Operating expenses	-3,604	-2,923	-6,725	-5,389	-12,731	-11,395
Operating profit/loss (EBIT)	244	215	434	367	851	784
Net financial items	-42	-6	-61	-31	-117	-87
Earnings before taxes	202	209	373	336	734	697
Tax on profit for the year	-41	-19	-76	-44	-178	-145
Earnings for the period	162	191	297	291	557	551
Other comprehensive income						
Translation difference	76	-8	1	52	66	117
Comprehensive income for the period	238	183	298	343	622	668
<i>Comprehensive income for the period attributable to:</i>						
Parent Company's shareholders	228	167	278	327	588	636
Non-controlling interests	10	15	20	17	34	31
Earnings per share for the period, before dilution, SEK	0.58	0.67	1.06	1.05	2.00	1.99
Earnings per share for the period, after dilution, SEK	0.57	0.66	1.05	1.04	1.97	1.96
Average number of shares before dilution ¹⁾	261,520,302	260,564,020	261,042,161	260,564,020	261,042,161	260,564,020
Average number of shares after dilution ¹⁾	264,120,302	265,510,300	264,815,301	265,510,300	264,815,301	265,510,300

1) Instalco has an outstanding warrants scheme corresponding to a total of 4,950,000 shares.

Condensed consolidated balance sheet

AMOUNTS IN SEK M	30 June 2023	30 June 2022	31 Dec 2022
ASSETS			
Goodwill	5,325	4,182	4,610
Right-of-use assets	621	436	568
Other non-current assets	1,102	906	759
Total non-current assets	7,048	5,524	5,938
Accounts receivable	2,041	1,589	1,891
Contract assets	915	862	620
Other current assets	528	368	493
Cash and cash equivalents	230	497	631
Total current assets	3,714	3,315	3,636
TOTAL ASSETS	10,762	8,840	9,573
Equity and liabilities			
Equity	3,133	2,618	2,944
Non-controlling interests	227	184	208
Total equity	3,360	2,802	3,152
Non-current liabilities	3,647	2,937	3,188
Lease liabilities	402	283	372
Total non-current liabilities	4,050	3,220	3,559
Lease liabilities	200	139	181
Accounts payable	1,172	987	1,042
Contract liabilities	594	581	461
Other current liabilities	1,387	1,110	1,178
Total current liabilities	3,352	2,818	2,862
Total liabilities	7,402	6,037	6,421
TOTAL EQUITY AND LIABILITIES	10,762	8,840	9,573
Of which interest-bearing liabilities	3,602	2,861	3,135
<i>Equity attributable to:</i>			
Parent Company shareholders	3,133	2,618	2,944
Non-controlling interests	227	184	208

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 2023-01-01	1	996	117	1,830	2,944	208	3,152
Earnings for the period	-	-	-	277	277	20	297
Translation effect for the period of foreign operations	-	-	1	-	1	0	1
Comprehensive income for the period	-	-	1	277	278	20	298
<i>Transactions with owners</i>							
Dividends	-	-	-	-172	-172	-	-172
New issues	0	49	-	-	49	-	49
Change in non-controlling interests	-	-	-	-17	-17	0	-17
Redemption of warrants	-	-	-	50	50	-	50
Issue warrants	-	-	-	-	0	-	0
Total transactions with owners	0	49	-	-139	-90	0	-90
Closing balance 2023-06-30	1	1,046	118	1,968	3,133	227	3,360
Opening balance 2022-01-01	1	996	1	1,485	2,483	19	2,501
Earnings for the period	-	-	-	275	275	16	291
Translation effect for the period of foreign operations	-	-	52	-	52	-	52
Comprehensive income for the period	-	-	52	275	327	16	343
<i>Transactions with owners</i>							
Dividends	-	-	-	-168	-168	-2	-170
Change in non-controlling interests	-	-	-	-24	-24	151	128
Total transactions with owners	-	-	-	-192	-192	149	-42
Closing balance 2022-06-30	1	996	53	1,568	2,618	184	2,802

Condensed consolidated cash flow statement

AMOUNTS IN SEK M	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Rolling 12 months	Jan-Dec 2022
Cash flow from operating activities						
Earnings before taxes	202	209	373	336	733	697
Adjustment for items not included in cash flow	161	87	247	180	475	407
Tax paid	-39	-42	-114	-131	-197	-214
Changes in working capital	-99	-103	-59	-24	-172	-137
Cash flow from operating activities	225	151	448	361	839	753
Investing activities						
Acquisition of subsidiaries and businesses	-112	-586	-918	-796	-1,165	-1,043
Other non-current assets	-26	-1	-52	-13	-76	-37
Cash flow from investing activities	-138	-587	-969	-808	-1,241	-1,080
Financing activities						
New issue	49	-	49	-	49	-
Redemption of warrants	-	-	50	-	50	-
Warrants	0	-	0	-	14	14
Change in non-controlling interests	-	-	-	-	-22	-22
Dividends	-172	-167	-172	-170	-174	-171
Net change of loan	-345	179	318	498	444	624
Amortisation of lease liabilities	-67	-43	-123	-85	-243	-205
Cash flow from financing activities	-535	-31	121	244	118	240
Cash flow for the period	-447	-467	-401	-204	-284	-87
Cash and cash equivalents at the beginning of the period	672	973	631	695	497	695
Translation differences in cash and cash equivalents	6	-8	-1	6	15	22
Cash and cash equivalents at the end of the period	230	497	230	497	230	631

Condensed Parent Company income statement

AMOUNTS IN SEK M	April-June 2023	April-June 2022	Jan-June 2023	Jan-June 2022	Rolling 12 months	Jan-Dec 2022
Net sales	11	6	17	12	30	25
Operating expenses	-11	-7	-18	-14	-32	-28
Operating profit/loss	0	-1	-1	-2	-2	-3
Net financial items	174	114	172	114	188	130
Profit/loss after net financial items	173	114	171	112	186	126
Group contributions received	-	-	-	-	7	7
Earnings before taxes	173	114	171	112	192	133
Tax	-	-	-	-	-1	-1
Earnings for the period	173	114	171	112	192	132

Condensed Parent Company balance sheet

AMOUNTS IN SEK M	30 June 2023	30 June 2022	31 Dec 2022
ASSETS			
Shares in subsidiaries	1,375	1,375	1,375
Total non-current assets	1,375	1,375	1,375
Other current assets	89	5	7
Cash and cash equivalents	42	1	27
Total current assets	130	6	35
TOTAL ASSETS	1,505	1,381	1,410
Equity and liabilities			
Equity	1,348	1,230	1,250
Total equity	1,348	1,230	1,250
Non-current liabilities	149	143	149
Current liabilities	8	8	11
Total liabilities	157	151	160
TOTAL EQUITY AND LIABILITIES	1,505	1,381	1,410

Quarterly data

AMOUNTS IN SEK M	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Income statement								
Net sales	3,832	3,264	3,590	2,788	3,102	2,583	2,648	1,989
Growth in net sales, %	23.5	26.4	35.6	40.2	34.2	33.0	27.5	21.0
EBITDA	381	302	364	275	303	223	275	214
EBITDA margin, %	10.0	9.2	10.2	9.9	9.8	8.6	10.4	10.8
EBITA	296	233	292	201	250	173	227	171
EBITA margin, %	7.7	7.1	8.1	7.2	8.1	6.7	8.6	8.6
Operating profit/loss (EBIT)	244	190	261	156	215	151	212	163
Operating profit/loss (EBIT), %	6.4	5.8	7.3	5.6	6.9	5.9	8.0	8.2
Earnings before taxes	202	171	230	131	209	126	205	158
Earnings for the period	162	135	182	77	191	101	164	129
Equity, provisions and liabilities								
Return on equity, %	18.8	20.6	20.1	20.3	23.4	23.0	24.7	25.8
Return on capital employed, %	13.3	13.3	14.9	14.7	15.7	17.0	18.8	20.2
Interest-bearing net debt	3,372	3,107	2,503	2,668	2,365	1,710	1,650	1,620
Gearing ratio, %	107.6	101.9	85.0	97.4	90.3	64.8	66.5	71.4
Net debt/EBITDA, times	2.5	2.5	2.1	2.5	2.3	1.8	1.8	1.9
Key financial performance indicators								
Working capital	370	268	341	352	141	-257	-255	-15
Equity ratio, %	31.2	30.1	32.9	32.2	31.7	32.6	33.0	34.6
Cash conversion (rolling 12 months), % ²⁾	81	82	85	90	88	88	84	77
Cash flow from operating activities	225	222	376	16	151	210	383	-42
Order backlog								
Order backlog	9,185	8,987	8,376	8,158	8,120	7,602	6,795	6,494
Key figures, employees								
Average number of employees	5,474	5,453	5,431	5,341	5,115	4,860	4,642	4,335
Number of employees at the end of the period	6,183	6,023	5,611	5,517	5,386	5,027	4,887	4,597
Acquisition-related items								
Revaluation of contingent consideration	6	-1	11	-	8	6	16	10
Acquisition costs	-3	-4	-2	-3	-4	-3	-4	-4
Total acquisition-related items	3	-4	9	-3	4	3	13	6
Key figures per share SEK ¹⁾								
Average number of shares before dilution	261,520,302	260,564,020	260,564,020	260,564,020	260,564,020	260,564,020	260,252,160	260,122,655
Average number of shares after dilution	264,120,302	265,510,300	265,510,300	265,510,300	265,510,300	265,510,300	265,198,440	265,068,935
Profit (loss) for the period attributable to the Parent Company's shareholders, SEK million	152	126	175	70	175	100	159	128
Earnings per share for the period, before dilution, SEK	0.58	0.48	0.67	0.27	0.67	0.38	0.61	0.49
Earnings per share for the period, after dilution, SEK	0.57	0.47	0.66	0.26	0.66	0.37	0.60	0.48
Cash flow from operating activities per share, SEK	0.85	0.84	1.4	0.06	0.57	0.79	1.45	-0.16
Equity per share, SEK	11.86	11.48	11.09	10.32	9.86	9.95	9.36	8.56
Share price at the end of the period, SEK	53.85	49.98	39.63	44.84	42.30	70.84	86.88	80.40

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

2) A change was made to the calculation of cash conversion during Q4 2022. See page 20 for definition.

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.

Earnings measures and margin measures

AMOUNTS IN SEK M	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
(A) Net sales	3,832	3,264	3,590	2,788	3,102	2,583	2,648	1,989
(B) EBITDA	381	302	364	275	303	223	275	214
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets (not acquired)	-85	-69	-72	-74	-53	-50	-49	-44
(C) EBITA	296	233	292	201	250	173	227	171
Depreciation/amortisation and impairment of acquired intangible assets	-52	-43	-31	-44	-34	-22	-15	-7
(D) Operating profit/loss (EBIT)	244	190	261	156	215	151	212	163
<i>(B/A) EBITDA margin, %</i>	<i>10.0</i>	<i>9.2</i>	<i>10.2</i>	<i>9.9</i>	<i>9.8</i>	<i>8.6</i>	<i>10.4</i>	<i>10.8</i>
<i>(C/A) EBITA margin, %</i>	<i>7.7</i>	<i>7.1</i>	<i>8.1</i>	<i>7.2</i>	<i>8.1</i>	<i>6.7</i>	<i>8.6</i>	<i>8.6</i>
<i>(D/A) Operating profit/loss, (EBIT), %</i>	<i>6.4</i>	<i>5.8</i>	<i>7.3</i>	<i>5.6</i>	<i>6.9</i>	<i>5.9</i>	<i>8.0</i>	<i>8.2</i>

Capital structure

AMOUNTS IN SEK M	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Calculation of working capital and working capital in relation to net sales								
Inventories	185	173	159	132	119	115	104	76
Accounts receivable	2,041	1,835	1,891	1,724	1,589	1,348	1,448	1,176
Contract assets	915	901	620	857	862	677	519	637
Prepaid expenses and accrued income	166	148	158	120	98	77	101	93
Other current assets	178	230	177	161	151	147	127	118
Accounts payable	-1,172	-1,201	-1,042	-1,077	-987	-865	-788	-754
Contract liabilities	-594	-590	-461	-506	-581	-449	-403	-322
Other current liabilities	-558	-430	-473	-466	-458	-684	-784	-549
Accrued expenses and deferred income, including provisions	-791	-798	-687	-592	-651	-623	-580	-490
(A) Working capital	370	268	341	352	141	-257	-255	-15
(B) Net sales (12-months rolling)	13,474	12,744	12,063	11,121	10,322	9,531	8,890	8,319
(A/B) Working capital as a percentage of net sales, %	2.7	2.1	2.8	3.2	1.4	-2.7	-2.9	-0.2

AMOUNTS IN SEK M	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Calculation of interest-bearing net debt and gearing ratio								
Non-current, interest-bearing financial liabilities	3,399	3,589	2,950	2,783	2,718	2,544	2,209	1,935
Current, interest-bearing financial liabilities	203	189	185	174	143	139	137	123
Cash and cash equivalents	-230	-672	-631	-288	-497	-973	-695	-438
(C) Interest-bearing net debt	3,372	3,107	2,503	2,668	2,365	1,710	1,650	1,620
(D) Equity	3,133	3,049	2,944	2,739	2,618	2,641	2,482	2,269
(C/D) Gearing ratio, %	107.6	101.9	85.0	97.4	90.3	64.8	66.5	71.4
(E) EBITDA (12-months rolling)	1,322	1,244	1,165	1,076	1,015	954	920	876
(C/E) Interest-bearing net debt in relation to EBITDA (12-months rolling)	2.5 times	2.5 times	2.1 times	2.5 times	2.3 times	1.8 times	1.8 times	1.9 times
Calculation of operating cash flow and cash conversion (12-months rolling)								
(F) EBITDA	1,322	1,244	1,165	1,076	1,015	954	920	876
Net investments in property, plant and equipment and intangible assets	-76	-52	-37	-30	-16	-27	-18	-19
Changes in working capital	-172	-177	-137	-74	-109	-84	-130	-181
(G) Operating cash flow (12-months rolling)	1,073	1,015	991	972	890	843	772	676
(G/F) Cash conversion % (12-months rolling) ¹⁾	81	82	85	90	88	88	84	77
(H) Earnings for the period (12-months rolling)	557	585	551	533	585	548	558	548
(H/D) Return on equity, %	18.8	20.6	20.1	20.3	23.4	23.0	24.7	25.8
(I) EBIT	244	190	261	156	215	151	212	163
(J) Financial income	27	17	38	34	16	8	23	12
(K) Total assets	10,762	10,854	9,573	9,088	8,840	8,154	7,589	6,594
(L) Interest-free liabilities	3,800	3,809	3,286	3,202	3,176	2,812	2,742	2,253
(I+J)/(K-L) Return on capital employed, %	13.3	13.3	14.9	14.9	15.7	17.0	18.8	20.2

1) A change was made to the calculation of cash conversion during Q4 2022. See page 20 for definition.

Signatures

Future reporting dates

Interim Report January – September 2023	27 October 2023
Year-end report 2023	15 February 2024
Interim report January – March 2024	3 May 2024
AGM 2024	6 May 2024
Interim report January – June 2024	22 August 2024
Interim Report January – September 2024	25 October 2024

Board of Directors' assurance

The Board of Directors and CEO ensure that the year-end report 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, 22 August 2023
Instalco AB (publ)

Per Sjöstrand
Chairman of the Board

Camilla Öberg
Board member

Carina Qvarngård
Board member

Ulf Wretskog
Board member

Per Leopoldsson
Board member

Carina Edblad
Board member

Johnny Alvarsson
Board member

Robin Boheman
CEO

This report has not been reviewed by the company's auditors.

Presentation of the report

The report will be presented in a telephone conference/audiocast today, 22 August at 09:30 CET via <https://ir.financialhearings.com/instalco-q2-2023>

To participate by phone, register via <https://conference.financialhearings.com/teleconference/?id=200930>

Note

This information is information that Instalco is required to disclose under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was made public by the contact person listed below, on 22 August 2023 at 07:30 CET.

Additional information

Robin Boheman, CEO
Christina Kassberg, CFO, christina.kassberg@instalco.se
Mathilda Eriksson, IR, mathilda.eriksson@instalco.se +46 (0)70-972 34 29

Definitions with explanation

General

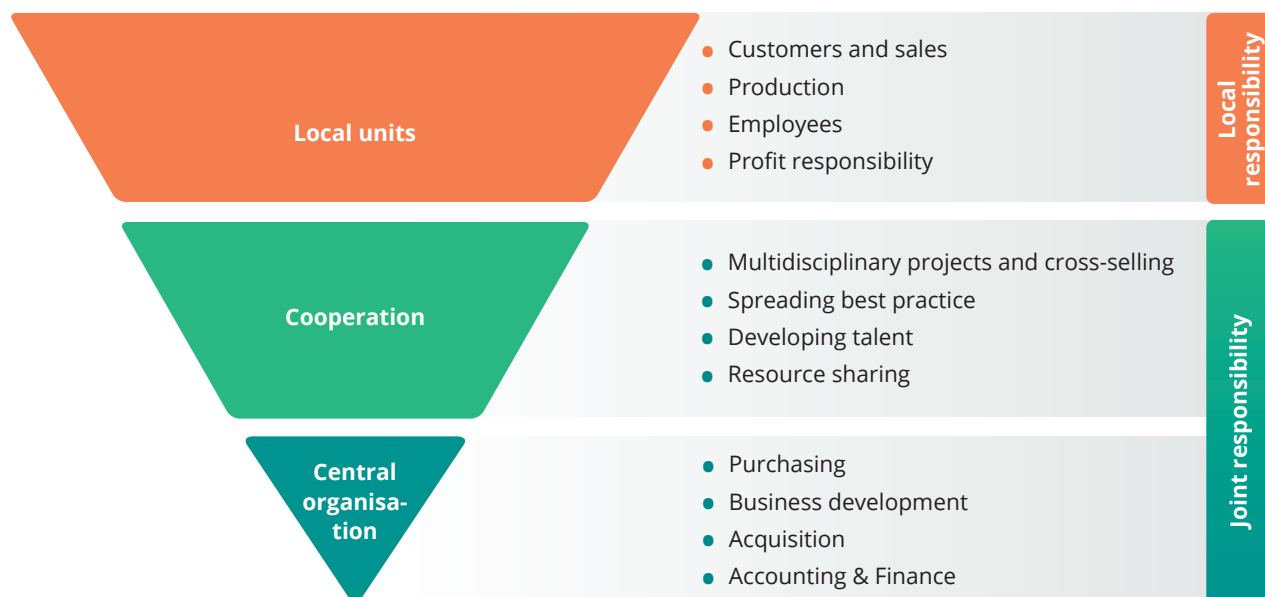
Unless otherwise indicated, all amounts in the report and tables are in SEK m. All amounts in parentheses () are comparison figures for the same period in the prior year, unless otherwise indicated.

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, 12-months rolling, as a percentage of EBITDA, 12-months rolling. A change in the calculation of cash conversion occurred in Q4 2022 and prior periods have been restated.	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 acquired 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 acquired 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 acquired 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 acquired 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 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.
Operating profit/loss (EBIT)	Earnings before interest and taxes.	Operating profit/loss (EBIT) provides an overall picture of the profit generated from operating activities.

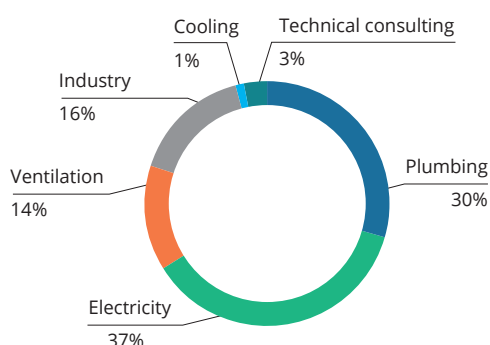
Key figures	Definition/calculation	Purpose
Order backlog	The value of outstanding, not yet accrued project revenue from received orders.	Order backlog provides an indication of the Group's remaining project revenue from orders already received.
Organic growth adjusted for currency effects	The change 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

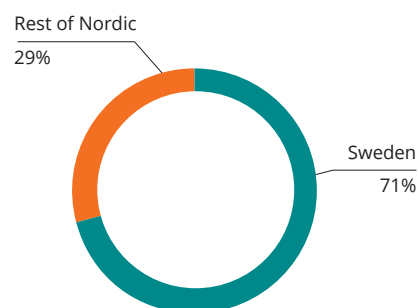
Instalco has a decentralised structure, where operations are conducted in each unit, in close cooperation with customers and with the support of a very streamlined central organisation. The Instalco model is designed to benefit from the advantages of both strong local ties and joint functions.



NET SALES BY AREA OF OPERATION¹⁾



NET SALES BY MARKET AREA¹⁾



1) Cumulative distribution of net sales for the reporting period.