

Year-end report January – December 2023

Ten years of decentralised success

October – December 2023

- Net sales increased by 7.9 percent and amounted to SEK 3,873 (3,590) million. Organic growth, adjusted for currency effects, amounted to -2.6 (10.7) percent.
- EBITA increased by 6.2 percent and amounted to SEK 310 (292) million. The EBITA margin was 8.0 (8.1) percent.
- Depreciation/amortisation of property, plant and equipment and intangible assets increased by SEK 32 million and amounted to SEK 135 (103) million.
- Operating profit (EBIT) increased by 3.8 percent and amounted to SEK 271 (261) million.
- Cash flow from operating activities for the period was SEK 432 (376) million.
- Earnings per share before dilution were SEK 0.71 (0.67) and after dilution were SEK 0.71 (0.66).
- Two acquisitions were made during the period, which, on an annual basis, contribute an estimated total sales of SEK 97 million.

January – December 2023

- Net sales increased by 18.4 percent and amounted to SEK 14,279 (12,063) million. Organic growth, adjusted for currency effects, amounted to 4.6 (7.9) percent.
- EBITA increased by 18.5 percent and amounted to SEK 1,085 (916) million. The EBITA margin was 7.6 (7.6) percent.
- Depreciation/amortisation of property, plant and equipment and intangible assets increased by SEK 136 million and amounted to SEK 517 (381) million.
- Operating profit (EBIT) increased by 14.6 percent and amounted to SEK 899 (784) million.
- Cash flow from operating activities for the period was SEK 999 (753) million.
- Earnings per share before dilution were SEK 2.29 (1.99) and after dilution were SEK 2.26 (1.96).
- Eleven acquisitions were made during the period, which, on an annual basis, contribute an estimated total sales of SEK 1,244 million.
- The Board proposes dividends of SEK 0.68 (0.66) per share.



Key figures ¹⁾

SEK m	Oct-Dec 2023	Oct-Dec 2022	Change, %	Jan-Dec 2023	Jan-Dec 2022	Change, %
Net sales	3,873	3,590	7.9	14,279	12,063	18.4
EBITA	310	292	6.2	1,085	916	18.5
EBITA margin, %	8.0	8.1		7.6	7.6	
Operating profit/loss (EBIT)	271	261	3.8	899	784	14.6
Earnings before taxes	239	230	4.1	792	697	13.7
Cash flow from operating activities	432	376	14.8	999	753	32.7
Net debt/EBITDA, times	2.4	2.1		2.4	2.1	
Cash conversion (12-Month rolling),%	90	85		90	85	
Basic earnings per share, SEK	0.71	0.67	5.5	2.29	1.99	14.8
Diluted earnings per share, SEK	0.71	0.66	7.5	2.26	1.96	15.5
Order backlog	8,437	8,376	0.7	8,437	8,376	0.7

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

CEO Comments

During the fourth quarter, Instalco showed an overall good earnings development with continued strong profitability. Net sales grew 7.9 percent, of which acquired growth amounted to 12.0 percent while net sales decreased 2.6 percent organically. At the same time, we have delivered in line with our stated strategy to maintain profitability and present an EBITA margin that amounted to 8.0 (8.1) percent.

This is proof of how quickly our decentralized model of sharing “best practice” and maintaining the entrepreneurial spirit gives us the opportunity to adjust based on the market’s local conditions. A clear example is how the share of service in our revenues increased further during the quarter, to the highest to date of 37 percent, or 30 percent for the full year.

When we look back to 2023, we can sum up an overall good performance from Instalco in the current market situation, far better than the construction sector. We consistently deliver strong numbers compared to 2022: revenue, profitability and cash conversion.

Long-term, resilient profitability

For several quarters, we have been describing how, in the current market, we are putting extra focus on choosing the right customers and projects, which has still been the case during the last months of the year. We have noticed large regional variations in both demand and pricing, actively choosing to not strive for higher volumes via low-profitability projects. Instead, we are prioritising our margin and accepting the projects where customers are willing to pay for the value we create.

During the fourth quarter, it has resulted in the backlog of orders being on a par with last year, despite the increased net sales. For right now, we would rather have a somewhat smaller, yet high quality backlog of orders and lower growth, since we are confident about the long-term potential in our industry. Furthermore, we do not want to get locked into weak projects once the trend in demand and pricing turns upward again. Several positive signals can be seen on the market, although the services we offer are relatively late-cyclical, whereby it takes time for change to be reflected in our numbers. We are well positioned for additional, profitable growth when the upturn happens.

More moderate pace of acquisition, stable financial position

Thanks to our high rate of acquisition at the beginning of the year, when several large companies joined the Instalco team, acquisitions were overall on a par with 2022 in 2023. The pace, however, was more moderate during the second half of the year. During the fourth quarter, we made two acquisitions in our strategic growth area, Industrial. One was in Sweden and the other in Finland.

Thanks to our strong earnings growth, very good cash conversion ratio and fewer number of acquisitions during the fourth quarter, we were able to get our net debt/EBITDA back within range of our target. As of 31 December 2023, it was 2.4 times. We feel secure about our balance sheet and can continue pursuing M&A activities with our existing financial solutions. We have ongoing discussions with high quality companies that would likely be a nice fit with the Instalco model. Nevertheless, we are prioritising the task of integrating our



newly acquired companies so that they can quickly contribute to the Group’s continued positive earnings growth and cash flow.

Safety first

There have recently been a number of tragic accidents in the Swedish construction industry. Everyone in the industry must take this very seriously and strive to minimise the risk of accidents in the workplace. Instalco has a vision of zero workplace accidents and we are continuously pursuing preventive measures to create a safe work environment for our employees and subcontractors. One example is our Safe Employee programme, which, besides rules and routines for avoiding physical damage, also encompasses social safety.

Ready for the next ten years

It was on this very day, 15 February, ten years ago that Instalco was established via a merger and acquisition of our five first installation companies. Growth has been rapid since then and today, Instalco consists of more than 130 high performing companies. Through acquisitions, effective strategy implementation and decentralised entrepreneurship, we have reshaped the installation industry and proven our strength. Despite the challenges our industry has repeatedly faced over the last ten years, we have affirmed our adaptability and resilience, which is rooted in our decentralised model and collaboration.

Our employees and their entrepreneurial skills are our most important asset. I would thus like to take this opportunity to thank each and every one of them for their dedication and efforts. I am proud to be a part of this team. We are well equipped and ready for the next ten years.

Robin Boheman
CEO

Performance of the Instalco Group

The Nordic market of installation services

There is a strong underlying demand for Instalco's services and the interest in energy-efficient, resource-saving installation services is constantly growing.

However, the market outlook over the short to medium term is difficult to assess given the prevailing macroeconomic situation. There are also large regional variations in both demand and pricing. Construction starts for new housing in particular have been affected. That, however, is an area where Instalco's direct exposure is low. Over the last year, the prices of raw materials have stagnated at a high level and the dramatic increase has stopped.

Generally speaking, the market is highly influenced by a number of long-term trends and the overall development of society. Examples of this are developments in technology such as electrification and digitalisation in conjunction with various challenges, such as ageing property holdings, a growing population and energy shortages. Add to that the need for green transition and the requisite green industrial investments in the Nordics. These are just some of the important driving forces that contribute to the rising demand for Instalco's core offering.

Net sales

Fourth quarter

Sales for the quarter amounted to SEK 3,873 (3,590) million, which is an increase of 7.9 percent. Adjusted for currency effects, organic growth amounted to -2.6 percent, while acquired growth amounted to 12.0 percent and divestments to -0.6 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 97 million.

January - December

Net sales for the period amounted to SEK 14,279 (12,063) million, which is an increase of 18.4 percent. Adjusted for currency effects, organic growth amounted to 4.6 percent, while acquired growth amounted to 14.3 percent and divestments to -0.4 percent. Currency fluctuations only had a marginal impact on net sales.

Order backlog

Order backlog at the end of the period amounted to SEK 8,437 (8,376) million, which is an increase of 0.7 percent. Organically, for comparable units, change in the order backlog, adjusted

for currency effects, was -9.3 percent. The order backlog of acquired companies contributed with growth of 11.4 percent.

During the fourth quarter for example, the Instalco companies, Rörgruppen AB and Ohmegi Elektro AB won a joint assignment for installation of the heating/plumbing and electrical installations associated with major renovation work at Scandic Ariadne Hotel, which is located near the Värtahamnen Ferry Terminal in Stockholm. The combined order value for Instalco is SEK 62 million.

Earnings

Fourth quarter

Operating profit before amortisation of acquired intangible assets (EBITA) for the period amounted to SEK 310 (292) million, which corresponds to an EBITA margin of 8.0 (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 271 (261) million. Amortisation of acquired intangible assets increased by SEK 8 million and amounted to SEK 39 (31) million. The increase in amortisation is attributable to a high acquisition rate, with a larger portion of identified amortisable assets related to acquisitions.

Net financial items for the quarter amounted to SEK -32 (-31) million, of which currency fluctuations amounted to SEK 19 (-8) million and the interest expense on external loans amounted to SEK -43 (-20) million. The increase in interest costs stems from a mix of rate hikes from central banks and a higher level of borrowing.

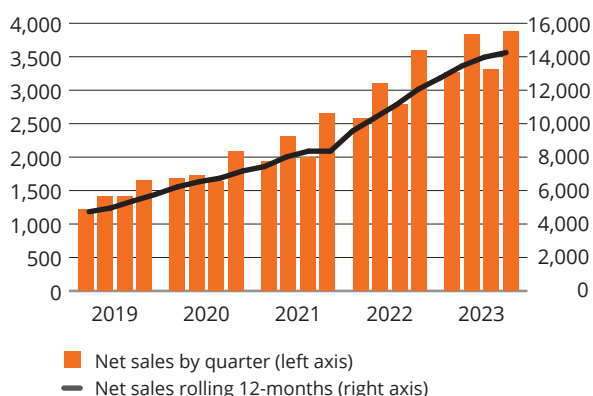
Tax for the quarter was SEK -63 (-48) million.

Earnings for the quarter were SEK 176 (182) million, which corresponds to earnings per share before dilution of SEK 0.71 (0.67) and earnings per share after dilution of SEK 0.71 (0.66).

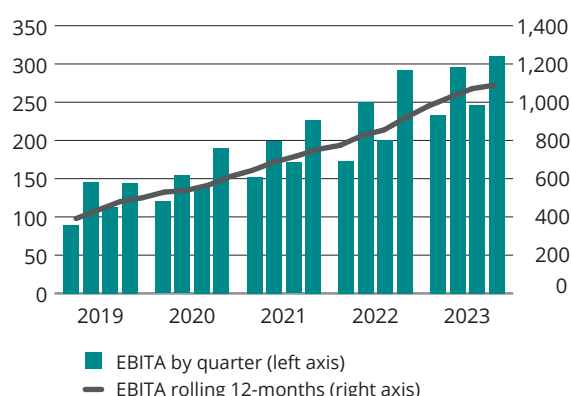
January - December

Operating profit before amortisation of acquired intangible assets (EBITA) for the period amounted to SEK 1,085 (916) million, which corresponds to an EBITA margin of 7.6 (7.6) percent. Operating profit (EBIT) for the quarter amounted to SEK 899 (784) million. Amortisation of acquired intangible assets increased by SEK 54 million and amounted to SEK 186 (132) million. The increase in amortisation is attributable to a high acquisition rate, with a larger portion of identified amortisable assets related to acquisitions.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Net financial items for the quarter amounted to SEK -107 (-87) million, of which currency fluctuations amounted to SEK 30 (-26) million, profit from divestment of subsidiaries to SEK 24 (0) million and the interest expense on external loans to SEK -151 (-50) 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 -177 (-145) million, which corresponds to an effective tax rate of 22 (21) percent.

Earnings for the period were SEK 615 (551) million, which corresponds to earnings per share before dilution of SEK 2.29 (1.99) and earnings per share after dilution of SEK 2.26 (1.96).

Cash flow

Fourth quarter

Cash flow from operating activities amounted to SEK 432 (376) million, with a change in working capital of SEK 94 (62) 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 -113 (-123) million, of which acquisitions of subsidiaries and busi-

nesses amounted to SEK -98 (-117) million. Cash flow from financing activities amounted to SEK -170 (81) million, of which the net change in loans amounted to SEK -96 (142) million and amortisation of lease liabilities amounted to SEK -74 (-59) million.

January - December

Cash flow from operating activities amounted to SEK 999 (753) million, with a change in working capital of SEK -47 (-137) 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 -1,289 (-1,080) million, of which acquisitions of subsidiaries and divestment of subsidiaries and businesses amounted to SEK -1,188 (-1,043) million. Cash flow from financing activities amounted to SEK -85 (240) million, of which the net change in loans amounted to SEK 289 (624) million and amortisation of lease liabilities amounted to SEK -260 (-205) million. In addition, the change in warrants amounted to SEK -21 (14) million and SEK 80 (0) million was added through the new issue.

Revenue by segment

SEK m	Oct-Dec 2023	Share	Oct-Dec 2022	Share	Jan-Dec 2023	Share	Jan-Dec 2022	Share
Sweden	2,703	70%	2,686	75%	9,962	70%	9,220	76%
Rest of Nordic	1,170	30%	905	25%	4,317	30%	2,844	24%
Total	3,873		3,590		14,279		12,063	

EBITA, EBITA margin and earnings before taxes, per segment

SEK m	Oct-Dec 2023	EBITA margin	Oct-Dec 2022	EBITA margin	Jan-Dec 2023	EBITA margin	Jan-Dec 2022	EBITA margin
Sweden	247	9.1%	244	9.1%	833	8.4%	772	8.4%
Rest of Nordic	62	5.3%	50	5.5%	253	5.9%	151	5.3%
Group-wide	1		-2		0		-7	
EBITA	310	8.0%	292	8.1%	1,085	7.6%	916	7.6%
Amortisation of acquired intangible assets	-39		-31		-186		-132	
Net financial items	-32		-31		-107		-87	
Earnings before taxes	239		229		792		697	

Distribution of revenue

SEK m	Oct-Dec 2023			Oct-Dec 2022			Jan-Dec 2023			Jan-Dec 2022		
	Service	Contract	Total	Service	Contract	Total	Service	Contract	Total	Service	Contract	Total
Sweden	980	1,723	2,703	925	1,761	2,686	3,134	6,829	9,962	2,767	6,452	9,220
Rest of Nordic	439	731	1,170	281	623	905	1,197	3,120	4,317	857	1,987	2,844
Total	1,419	2,454	3,873	1,206	2,384	3,590	4,330	9,949	14,279	3,624	8,439	12,063

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. For new production of residential property, we've noticed a clear dampening effect, primarily due to uncertainty about the interest rate situation. Geographical differences in the market situation have increased. The supply of installation projects in certain regions has declined somewhat, from a high level. This is particularly true in southern Sweden. Demand is better in the north, however.

Swedish industry is making major investments in research and innovation so that it can become fossil free. In several cases, the technology development has reached commercialisation, which involves large investments. At present, this has primarily occurred in northern Sweden. However, we know that major investments are planned in other parts of Sweden as well. New investments and sustainable transition in Swedish basic industry are increasing the need for energy-efficiency and investments in the grid. The prior high demand in the market for technical consulting has slowed down over the last year. However, we have noticed higher demand for those services on the property side, particularly in major metropolitan regions. For infrastructure, the market remains stable.

Net sales

Fourth quarter

Net sales for the quarter amounted to SEK 2,703 (2,686) million, which is an increase of SEK 17 million. Organic growth amounted to -3.6 percent, acquired growth to 5.0 percent and divestments to -0.8 percent.

January - December

Net sales for the period amounted to SEK 9,962 (9,220) million, which is an increase of SEK 742 million. Organic growth amounted to 2.7 percent, acquired growth to 5.9 percent and divestments to -0.5 percent.

Order backlog

Order backlog at the end of the period amounted to SEK 6,216 (6,355) million, which is a decrease of 2.2 percent. Organically, for comparable units, order backlog decreased by 8.6 percent. The order backlog of acquired companies contributed with growth of 6.4 percent.

During the fourth quarter for example, the Instalco subsidiary, Kempes EI, was contracted for electrical installations in conjunction with construction of the new National Archives building in Härnösand. The client is Peab, which has been hired by Specialfastigheter for construction of the building. The order value for Instalco is approximately SEK 70 million. Kempes EI will be responsible for installation of the electrical, lighting, telecommunications, security, data and access control systems. The project involves collaboration with design, planning and project experts.

Earnings

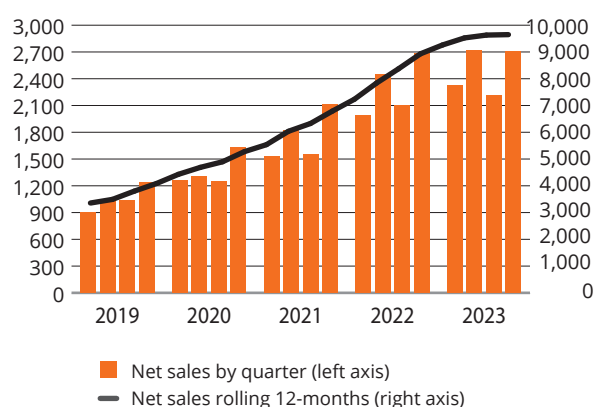
Fourth quarter

EBITA for the quarter was SEK 247 (244) million, which corresponds to a EBITA margin of 9.1 (9.1) percent. Operating profit amounted to SEK 232 (233) million. Overall, our earnings performance was strong, with continued good profitability despite a challenging market.

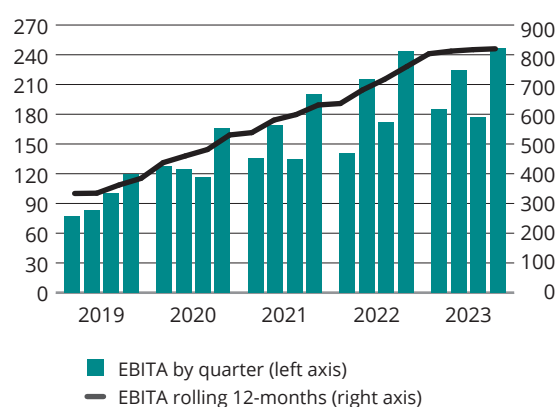
January - December

EBITA for the period amounted to SEK 833 (772) million, which corresponds to a EBITA margin of 8.4 (8.4) percent. Operating profit/loss was SEK 744 (699) million. Growth in earnings was stable, with good profitability.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Key figures for Sweden

SEK m	Oct-Dec 2023	Oct-Dec 2022	Change, %	Jan-Dec 2023	Jan-Dec 2022	Change, %
Net sales	2,703	2,686	0.6	9,962	9,220	8.1
EBITA	247	244	1.0	833	772	7.8
EBITA margin, %	9.1	9.1		8.4	8.4	
Order backlog	6,216	6,355	-2.2	6,216	6,355	-2.2

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. There is, however, slightly more caution being exhibited when it comes to decisions about project starts. For new production of residential property, we have noticed a clear dampening effect, which has resulted in slightly higher competition for other types of projects. For new construction, there is now a more prevalent risk of delays, but the situation for renovations remains stable. 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.

Development of the market in southern Finland has been stable in recent months, albeit at a relatively low level. There have been some weak positive signals from the market in northern Finland over the last few months. High interest rates have resulted in more cautious behaviour in the construction industry, while other areas, such as service, industrial operations and data cable projects are progressing as planned. With Finland now a member of NATO, more military investments in construction and infrastructure are expected.

Net sales

Fourth quarter

Net sales for the quarter amounted to SEK 1,170 (905) million, which is an increase of SEK 265 million. Organic growth, adjusted for currency effects, amounted to 0.2 percent and acquired growth was 32.7 percent.

January – December

Net sales for the period amounted to SEK 4,317 (2,844) million, which is an increase of SEK 1,473 million. Organic growth, adjusted for currency effects, amounted to 10.8 percent and acquired growth was 41.6 percent.

Order backlog

Order backlog at the end of the period amounted to SEK 2,222 (1,925) million, which is an increase of 15.4 percent. Organically, for comparable units, order backlog decreased by 11.4 percent, adjusted for currency effects. The order backlog of acquired companies contributed with growth of 27.2 percent.

During the fourth quarter for example, the Instalco subsidiary, Andersen og Aksnes AS, won an assignment for design and installation of the heating & plumbing solution for the Neselva Hageby project, which is new construction of apartments at Asker, west of Oslo. The project has an estimated total order value of NOK 25 million for Instalco.

Earnings

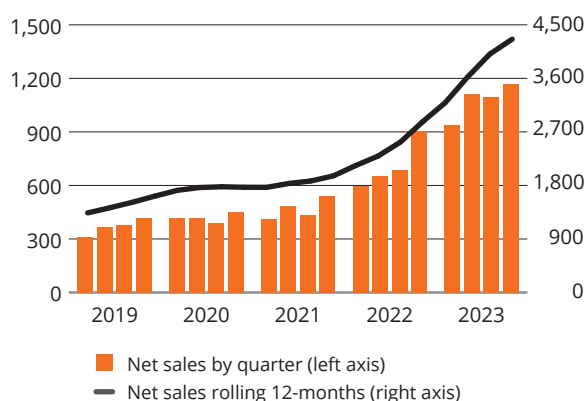
Fourth quarter

EBITA for the quarter was SEK 62 (50) million, which corresponds to a EBITA margin of 5.3 (5.5) percent. Operating profit/loss was SEK 38 (30) million. Growth in earnings was strong, with good profitability.

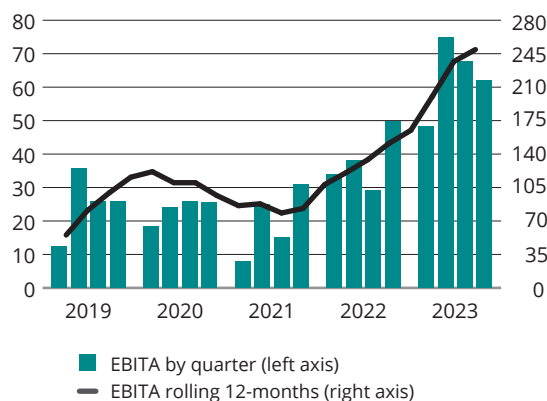
January – December

EBITA for the period was SEK 253 (151) million, which corresponds to an EBITA margin of 5.9 (5.3) percent. Operating profit/loss was SEK 155 (92) million. There was strong growth in earnings, with higher profitability that grew more than sales.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Key figures, Rest of Nordic

SEK m	Oct-Dec 2023	Oct-Dec 2022	Change, %	Jan-Dec 2023	Jan-Dec 2022	Change, %
Net sales	1,170	905	29.4	4,317	2,844	51.8
EBITA	62	50	24.9	253	151	67.6
EBITA margin, %	5.3	5.5		5.9	5.3	
Order backlog	2,222	1,925	15.4	2,222	1,925	15.4

Acquisition

Instalco made 11 acquisitions during the period January through December. One of them was partially financed with own shares via a targeted new issue for SEK 50 million. There was one divestment during the period. Acquisition costs for the period amount to SEK 9 (12) 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 349 million, of which SEK 92 million is for acquisitions made in 2023.

Changes in reported contingent consideration

SEK m	Jan-Dec 2023	Jan-Dec 2022
Opening carrying amounts	454	518
Gains and losses reported in the income statement	23	25
Paid contingent consideration	-215	-173
Added through acquisitions made during the period	89	88
Exchange rate difference	-2	-4
Closing carrying amounts	349	454

Company acquisitions

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

Acquisition / (Divestment)	Access gained	Area of technology	Segment	Share of the votes and capital	Net sales, SEK million ¹⁾	Number of employees
Telepatrol Oy	January	Electrical	Rest of Nordic	100%	48	30
Rörprodukter Montage Sverige AB	January	Heating & plumbing	Sweden	100%	24	12
Lysteknikk Entreprenør AS	February	Electrical	Rest of Nordic	100%	325	120
Processus AB	March	Industrial	Sweden	100%	193	65
SMT Norrbotten AB	March	Industrial	Sweden	100%	40	17
Enter Ställningar AB	March	Industrial	Sweden	100%	340	120
Halvard Thorsen AS	April	Heating & plumbing	Rest of Nordic	100%	42	20
Elektro Västerbotten AB	May	Electrical	Sweden	100%	50	23
(Tim Kyla AB)	(July)	(Cooling)	(Sweden)	(100%)	(89)	(38)
URD Klima Sandnes AS	September	Heating & plumbing	Rest of Nordic	100%	85	25
Boas Industriservice AB	October	Industrial	Sweden	100%	73	50
Sähkö Äijät Teollisuus	November	Industrial	Rest of Nordic	100%	24	24
Total					1,155	468

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 526 million, of which SEK 157 million pertains to acquisitions that were made in 2023.

Revaluation of contingent consideration had a net impact on the period of SEK 23 (25) 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 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 5,288 (4,610) 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 1,244 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	254
Deferred tax asset	0
Other non-current assets	179
Other current assets	332
Cash and cash equivalents	186
Deferred tax liability	-68
Current liabilities	-410
Total identifiable assets and liabilities (net)	473
Goodwill	763
Consideration paid	
Cash and cash equivalents	1,199
Contingent consideration including settlement via issue in kind.	175
Total transferred consideration	1,374
Impact on cash and cash equivalents	
Cash consideration paid	1,199
Cash and cash equivalents of the acquired units	-186
Total impact on cash and cash equivalents	1,013
Settled contingent consideration attributable to acquisitions in the current year and prior years	215
Exchange rate difference	2
Total impact on cash and cash equivalents	1,230
Impact after the acquisition date included in the Instalco Group's net sales and operating profit/loss	
Net sales	1,205
Operating profit/loss	116
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	428
Operating profit/loss	33

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 3,390 (3,152) million, with an equity ratio of 31.6 (32.9) percent.

Cash and cash equivalents, together with its other short-term investments amounted to SEK 267 (631) million at the end of the period.

Interest-bearing debt including leasing at the end of the period amounted to SEK 3,728 (3,135) million, of which leasing amounts to SEK 739 (552) 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 facility, including unutilised credit, amounted to a total of SEK 3,950 (3,700) million, of which SEK 2,950 (2,550) million had been utilised. The Group is meeting the stated covenants with a good margin. During the period, an extension option was exercised in the existing credit agreement, which now runs until 2025 with no changes to the terms and conditions. The agreement also allows for an extension of one additional year.

Interest-bearing net debt at the end of the period amounted to SEK 3,461 (2,503) million, with a gearing ratio of 107.9 (85.1) percent. Net debt in relation to EBITDA was 2.4 (2.1) times, which is in line with the target. Currency changes impacted interest-bearing net debt by SEK 17 (-13) million.

Investments, divestments, depreciation and amortisation

Acquisitions and divestments of subsidiaries for the period amounted to SEK 1,188 (1,043) million. The amount includes settled contingent consideration attributable to acquisitions made in the current and prior years equal to SEK 215 (173) million.

Net investments in other fixed assets for the period amounted to SEK 102 (37) million.

Depreciation/amortisation property, plant and equipment and intangible assets amounted to SEK 517 (381) million, of which SEK 331 (249) million was depreciation of PPE and SEK 186 (132) 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.

Share Information

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 share were subscribed for and awarded to participants in the incentive programme. As of 31 December 2023, the number of shares and votes in Instalco AB (publ) amounted to 264,107,025.

Instalco's ten largest shareholders, 2023-12-31	Number of shares	Share of capital and votes
Per Sjöstrand	26,957,835	10.2%
Capital Group	23,352,770	8.9%
Swedbank Robur Fonder	20,251,333	7.7%
AMF Pension & Fonder	15,041,488	5.7%
Wipunen Varainhallinta Oy	12,300,000	4.7%
Heikintorppa Oy	12,275,000	4.7%
Odin Fonder	11,755,515	4.5%
Cliens Fonder	11,235,978	4.3%
SEB Fonder	10,861,041	4.1%
Vanguard	8,485,116	3.2%
Total, ten largest shareholders	152,516,076	57.8%
Other	111,590,949	42.2%
Total	264,107,025	100.0%

The ten largest known shareholders (grouped) of Instalco AB as of 31 December 2023. Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and FI.

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, all of which were subscribed for during the third 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 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 2.09/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 31 December 2023. Net sales for the Parent Company amounted to SEK 32 (25) million. Operating profit/loss was SEK -3 (-3) million. Net financial items amounted to SEK 168 (130) million, primarily attributable to profit or loss from participations in Group companies. Earnings before taxes were SEK 174 (133) million and earnings for the period were SEK 174 (132) million. Cash and cash equivalents at the end of the period amounted to SEK 37 (27) million.

Transactions with related parties

Besides remuneration to senior executives, including long-term share-related incentive programmes, 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.

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 important risk factors are the state of economy and market situation, along with structural changes and competition. Other things that could impact demand, earnings and financial position are macroeconomic factors such as inflation, volatility on the currency market and interest rates.

Instalco does not have any direct exposure to Ukraine and Russia with either sales or purchasing. The risks associated with the war have not had any significant financial impact on the company's growth. It cannot, however, be guaranteed that this will remain true in the future.

Instalco's decentralised business model, diversification and geographic coverage limit the aggregate business risks and financial risks.

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

Nothing to report.

Dividend for 2023

For the 2023 financial year, the Board proposes a dividend of SEK 0.68 (0.66) per share based on the current number of shares.

Condensed consolidated income statement and statement of comprehensive income

AMOUNTS IN SEK M	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	3,873	3,590	14,279	12,063
Other operating income	24	30	117	115
Operating income	3,897	3,620	14,396	12,179
Materials and purchased services	-1,867	-1,806	-7,215	-6,186
Other external services	-285	-333	-1,069	-968
Personnel costs	-1,338	-1,112	-4,673	-3,805
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-135	-103	-517	-381
Other operating expenses	-2	-4	-23	-54
Operating expenses	-3,626	-3,359	-13,497	-11,395
Operating profit/loss (EBIT)	271	261	899	784
Net financial items	-32	-31	-107	-87
Earnings before taxes	239	230	792	697
Tax on profit for the year	-63	-48	-177	-145
Earnings for the period	176	182	615	551
Other comprehensive income				
Translation difference	-105	43	-118	117
Comprehensive income for the period	71	225	496	668
<i>Comprehensive income for the period attributable to:</i>				
Parent Company's shareholders	82	218	483	636
Non-controlling interests	-11	7	14	31
Earnings per share for the period, before dilution, SEK	0.71	0.67	2.29	1.99
Earnings per share for the period, after dilution, SEK	0.71	0.66	2.26	1.96
Average number of shares before dilution ¹⁾	264,107,025	260,564,020	262,539,447	260,564,020
Average number of shares after dilution ¹⁾	264,107,025	265,510,300	265,726,017	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	31 Dec 2023	31 Dec 2022
ASSETS		
Goodwill	5,288	4,610
Right-of-use assets	762	568
Other non-current assets	1,039	759
Total non-current assets	7,089	5,938
Accounts receivable	2,091	1,891
Contract assets	628	620
Other current assets	641	493
Cash and cash equivalents	267	631
Total current assets	3,627	3,636
TOTAL ASSETS	10,716	9,573
Equity and liabilities		
Equity	3,207	2,944
Non-controlling interests	183	208
Total equity	3,390	3,152
Non-current liabilities	3,520	3,188
Lease liabilities	507	372
Total non-current liabilities	4,028	3,559
Lease liabilities	232	181
Accounts payable	1,052	1,042
Contract liabilities	549	461
Other current liabilities	1,466	1,178
Total current liabilities	3,298	2,862
Total liabilities	7,326	6,421
TOTAL EQUITY AND LIABILITIES	10,716	9,573
Of which interest-bearing liabilities	3,728	3,135
<i>Equity attributable to:</i>		
Parent Company shareholders	3,207	2,944
Non-controlling interests	183	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	-	-	-	601	601	14	614
Translation effect for the period of foreign operations	-	-	-118	-	-118	2	-116
Comprehensive income for the period	-	-	-118	601	482	16	498
<i>Transactions with owners</i>							
Dividends	-	-	-	-172	-172	-	-172
New issues	0	130	-	-	130	-	130
Change in non-controlling interests	-	-	-	-156	-156	-41	-197
Change in warrants	-	-	-	-21	-21	-	-21
Total transactions with owners	-	-	-	-174	-174	-	-174
Closing balance 2023-12-31	1	1,126	-1	2,080	3,207	183	3,390
Opening balance 2022-01-01	1	996	1	1,485	2,483	19	2,501
Earnings for the period	-	-	-	520	520	31	551
Translation effect for the period of foreign operations	-	-	116	-	116	1	117
Comprehensive income for the period	-	-	116	520	636	32	668
<i>Transactions with owners</i>							
Dividends	-	-	-	-169	-169	-2	-171
Change in non-controlling interests	-	-	-	-19	-19	159	140
Issue warrants	-	-	-	14	14	-	14
Total transactions with owners	-	-	-	-174	-174	157	-17
Closing balance 2022-12-31	1	996	117	1,830	2,944	208	3,152

Condensed consolidated cash flow statement

AMOUNTS IN SEK M	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Cash flow from operating activities				
Earnings before taxes	239	230	792	697
Adjustment for items not included in cash flow	100	109	445	407
Tax paid	-2	-25	-191	-214
Changes in working capital	94	62	-47	-137
Cash flow from operating activities	432	376	999	753
Investing activities				
Acquisition and divestment of subsidiaries and businesses	-98	-117	-1,188	-1,043
Net investments in fixed assets	-15	-6	-102	-37
Cash flow from investing activities	-113	-123	-1,289	-1,080
Financing activities				
New issue	-	-	80	-
Changes in options	0	-	-21	14
Change in non-controlling interests	-	-2	-	-22
Dividends	-	-	-172	-171
Net change of loan	-96	142	289	624
Amortisation of lease liabilities	-74	-59	-260	-205
Cash flow from financing activities	-170	81	-85	240
Cash flow for the period	149	334	-375	-87
Cash and cash equivalents at the beginning of the period	106	288	631	695
Translation differences in cash and cash equivalents	13	9	11	22
Cash and cash equivalents at the end of the period	267	631	267	631

Condensed Parent Company income statement

AMOUNTS IN SEK M	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	8	7	32	25
Operating expenses	-10	-8	-36	-28
Operating profit/loss	-2	-1	-3	-3
Net financial items	-2	-1	168	130
Profit/loss after net financial items	-4	-2	165	126
Group contributions received	9	7	9	7
Earnings before taxes	5	5	174	133
Tax	1	-1	1	-1
Earnings for the period	6	4	174	132

Condensed Parent Company balance sheet

AMOUNTS IN SEK M	31 Dec 2023	31 Dec 2022
ASSETS		
Shares in subsidiaries	1,375	1,375
Deferred tax asset	2	-
Total non-current assets	1,377	1,375
Other current assets	109	7
Cash and cash equivalents	37	27
Total current assets	146	35
TOTAL ASSETS	1,523	1,410
Equity and liabilities		
Equity	1,361	1,250
Total equity	1,361	1,250
Non-current liabilities	146	149
Current liabilities	16	11
Total liabilities	162	160
TOTAL EQUITY AND LIABILITIES	1,523	1,410

Quarterly data

AMOUNTS IN SEK M	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Income statement								
Net sales	3,873	3,310	3,832	3,264	3,590	2,788	3,102	2,583
Growth in net sales, %	7.9	18.7	23.5	26.4	35.6	40.2	34.2	33.0
EBITDA	406	327	381	302	364	275	303	223
EBITDA margin, %	10.5	9.9	10.0	9.2	10.2	9.9	9.8	8.6
EBITA	310	246	296	233	292	201	250	173
EBITA margin, %	8.0	7.4	7.7	7.1	8.1	7.2	8.1	6.7
Operating profit/loss (EBIT)	271	194	244	190	261	156	215	151
Operating profit/loss (EBIT), %	7.0	5.9	6.4	5.8	7.3	5.6	6.9	5.9
Earnings before taxes	239	179	202	171	230	131	209	126
Earnings for the period	176	142	162	135	182	77	191	101
Equity, provisions and liabilities								
Return on equity, %	19.6	20.3	18.8	20.6	20.1	20.3	23.4	23.0
Return on capital employed, %	14.1	13.9	13.3	13.3	14.9	14.7	15.7	17.0
Interest-bearing net debt	3,461	3,599	3,372	3,107	2,503	2,668	2,365	1,710
Gearing ratio, %	107.9	114.8	107.6	101.9	85.0	97.4	90.3	64.8
Net debt/EBITDA, times	2.4	2.6	2.5	2.5	2.1	2.5	2.3	1.8
Key financial performance indicators								
Working capital	322	325	370	268	341	352	141	-257
Equity ratio, %	31.6	30.9	31.2	30.1	32.9	32.2	31.7	32.6
Cash conversion (rolling 12 months), % ²⁾	90	88	81	82	85	90	88	88
Cash flow from operating activities	432	119	225	222	376	16	151	210
Order backlog								
Order backlog	8,437	9,201	9,185	8,987	8,376	8,158	8,120	7,602
Key figures, employees								
Average number of employees	6,237	6,076	5,474	5,453	5,431	5,341	5,115	4,860
Number of employees at the end of the period	6,282	6,228	6,183	6,023	5,611	5,517	5,386	5,027
Acquisition-related items								
Revaluation of contingent consideration	14	5	6	-1	11	-	8	6
Acquisition costs	-2	-1	-3	-4	-2	-3	-4	-3
Total acquisition-related items	12	4	3	-4	9	-3	4	3
Key figures per share SEK ¹⁾								
Average number of shares before dilution	264,107,025	263,996,442	261,520,302	260,564,020	260,564,020	260,564,020	260,564,020	260,564,020
Average number of shares after dilution	264,107,025	263,996,442	264,120,302	265,510,300	265,510,300	265,510,300	265,510,300	265,510,300
Profit (loss) for the period attributable to the Parent Company's shareholders, SEK million	187	137	152	126	175	70	175	100
Earnings per share for the period, before dilution, SEK	0.71	0.52	0.58	0.48	0.67	0.27	0.67	0.38
Earnings per share for the period, after dilution, SEK	0.71	0.52	0.57	0.47	0.66	0.26	0.66	0.37
Cash flow from operating activities per share, SEK	1.64	0.45	0.85	0.84	1.4	0.06	0.57	0.79
Equity per share, SEK	12.14	11.88	11.86	11.48	11.09	10.32	9.86	9.95
Share price at the end of the period, SEK	40.90	32.50	53.85	49.98	39.63	44.84	42.30	70.84

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 pages 20-21 for definitions.

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	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
(A) Net sales	3,873	3,310	3,832	3,264	3,590	2,788	3,102	2,583
(B) EBITDA	406	327	381	302	364	275	303	223
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets (not acquired)	-96	-81	-85	-69	-72	-74	-53	-50
(C) EBITA	310	246	296	233	292	201	250	173
Depreciation/amortisation and impairment of acquired intangible assets	-39	-52	-52	-43	-31	-44	-34	-22
(D) Operating profit/loss (EBIT)	271	194	244	190	261	156	215	151
<i>(B/A) EBITDA margin, %</i>	<i>10.5</i>	<i>9.9</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>(C/A) EBITA margin, %</i>	<i>8.0</i>	<i>7.4</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>(D/A) Operating profit/loss, (EBIT), %</i>	<i>7.0</i>	<i>5.9</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>

Capital structure

AMOUNTS IN SEK M	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Calculation of working capital and working capital in relation to net sales								
Inventories	202	187	185	173	159	132	119	115
Accounts receivable	2,091	2,029	2,041	1,835	1,891	1,724	1,589	1,348
Contract assets	628	885	915	901	620	857	862	677
Prepaid expenses and accrued income	271	255	166	148	158	120	98	77
Other current assets	168	173	178	230	177	161	151	147
Accounts payable	-1,052	-1,279	-1,172	-1,201	-1,042	-1,077	-987	-865
Contract liabilities	-549	-590	-594	-590	-461	-506	-581	-449
Other current liabilities	-642	-652	-558	-430	-473	-466	-458	-684
Accrued expenses and deferred income, including provisions	-795	-684	-791	-798	-687	-592	-651	-623
(A) Working capital	322	325	370	268	341	352	141	-257
(B) Net sales (12-months rolling)	14,279	13,996	13,474	12,744	12,063	11,121	10,322	9,531
(A/B) Working capital as a percentage of net sales, %	2.3	2.3	2.7	2.1	2.8	3.2	1.4	-2.7

AMOUNTS IN SEK M	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Calculation of interest-bearing net debt and gearing ratio								
Non-current, interest-bearing financial liabilities	3,492	3,412	3,399	3,589	2,950	2,783	2,718	2,544
Current, interest-bearing financial liabilities	236	293	203	189	185	174	143	139
Cash and cash equivalents	-267	-106	-230	-672	-631	-288	-497	-973
(C) Interest-bearing net debt	3,461	3,599	3,372	3,107	2,503	2,668	2,365	1,710
(D) Equity	3,207	3,136	3,133	3,049	2,944	2,739	2,618	2,641
(C/D) Gearing ratio, %	107.9	114.8	107.6	101.9	85.0	97.4	90.3	64.8
(E) EBITDA (12-months rolling)	1,416	1,375	1,322	1,244	1,165	1,076	1,015	954
(C/E) Interest-bearing net debt in relation to EBITDA (12-months rolling)	2.4 times	2.6 times	2.5 times	2.5 times	2.1 times	2.5 times	2.3 times	1.8 times
Calculation of operating cash flow and cash conversion (12-months rolling)								
(F) EBITDA	1,416	1,375	1,322	1,244	1,165	1,076	1,015	954
Net investments in property, plant and equipment and intangible assets	-102	-91	-76	-52	-37	-30	-16	-27
Changes in working capital	-47	-80	-172	-177	-137	-74	-109	-84
(G) Operating cash flow (12-months rolling)	1,267	1,203	1,073	1,015	991	972	890	843
(G/F) Cash conversion % (12-months rolling) ¹⁾	90	88	81	82	85	90	88	88
(H) Earnings for the period (12-months rolling)	615	621	557	585	551	533	585	548
(H/D) Return on equity, %	19.6	20.3	18.8	20.6	20.1	20.3	23.4	23.0
(I) EBIT	271	194	244	190	261	156	215	151
(J) Financial income	93	63	27	17	38	34	16	8
(K) Total assets	10,716	10,775	10,762	10,854	9,573	9,088	8,840	8,154
(L) Interest-free liabilities	3,598	3,741	3,800	3,809	3,286	3,202	3,176	2,812
(I+J)/(K-L) Return on capital employed, %	14.1	13.9	13.3	13.3	14.9	14.9	15.7	17.0

1) A change was made to the calculation of cash conversion during Q4 2022. See pages 20-21 for definition.

Signatures

Future reporting dates

Annual Report 2023	week of 18 March
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 15 February 2024
Instalco AB (publ)

Per Sjöstrand
Chairman of the Board

Johnny Alvarsson
Board member

Carina Edblad
Board member

Per Leopoldsson
Board member

Carina Qvarngård
Board member

Ulf Wretskog
Board member

Camilla Öberg
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, 15 February 10:00 CET via

<https://ir.financialhearings.com/instalco-q4-report-2023>

To participate by phone, register via

<https://conference.financialhearings.com/teleconference/?id=50048286>

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 15 February 2024 at 07:30 CET.

Additional information

Robin Boheman, CEO

Christina Kassberg, CFO, christina.kassberg@instalco.se

Mathilda Eriksson, Head of IR, mathilda.eriksson@instalco.se +46 (0)70-972 34 29

Definitions with explanation

General

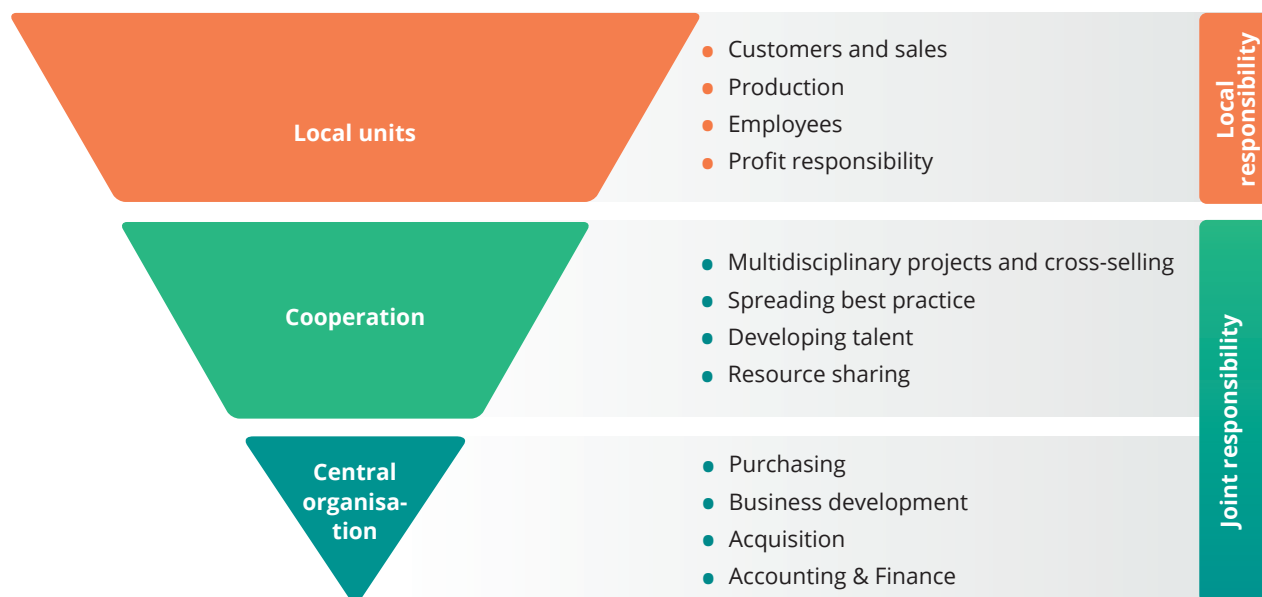
Unless otherwise indicated, all amounts in the report and tables are in SEK m. All amounts in parentheses () are comparison figures for the same period in the prior year, unless otherwise indicated.

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.
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.
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.
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.

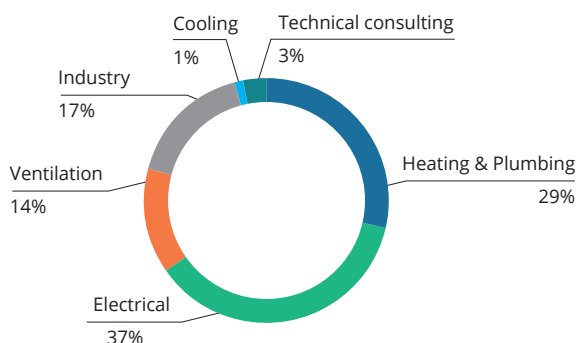
Key figures	Definition/calculation	Purpose
Order backlog	The value of outstanding, not yet accrued project revenue from received orders.	Order backlog provides an indication of the Group's remaining project revenue from orders already received.
Organic growth adjusted for currency effects	The change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

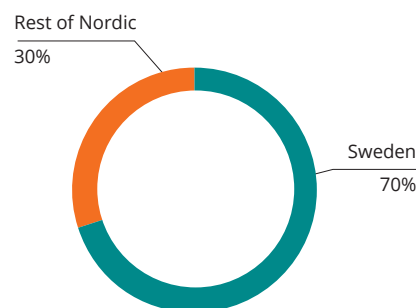
Instalco has a decentralised structure, where operations are conducted in each unit, in close cooperation with customers and with the support of a very streamlined central organisation. The Instalco model is designed to benefit from the advantages of both strong local ties and joint functions.



NET SALES BY AREA OF OPERATION¹⁾



NET SALES BY MARKET AREA¹⁾



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