

Instalco Q4 presentation

15 February 2024

This is Instalco

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

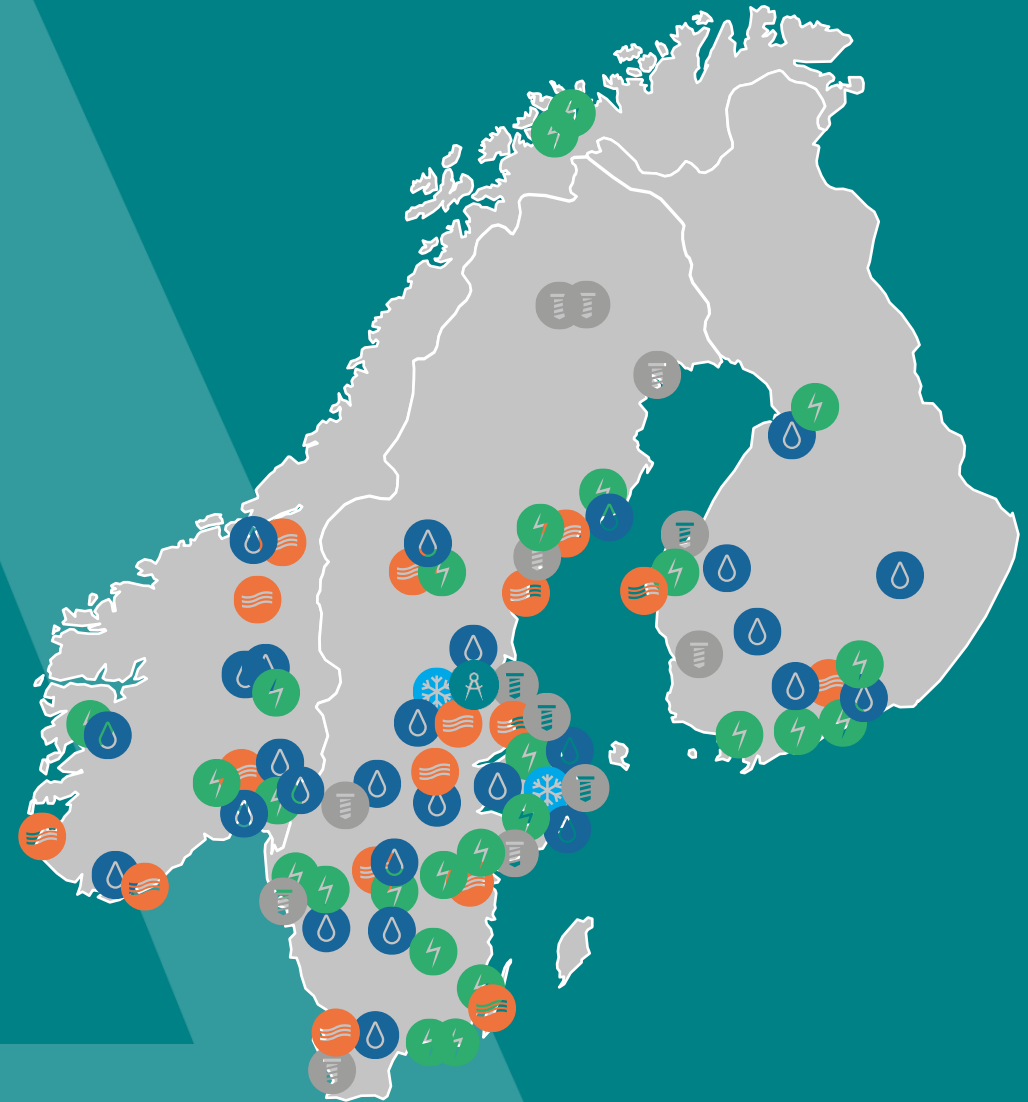
Project planning, installation, service and maintenance of systems installed at properties and facilities

Highly decentralised structure

>130 subsidiaries – specialised local companies

>6,000 employees

Driving the green transformation – strong underlying market drivers



Key financials, LTM (FY 2023)

Net sales, million SEK

14,279

EBITA, million SEK

1,085

Cash flow from operations, million SEK

999

Order backlog, million SEK

8,437

EBITA margin, %

7.6

Acquired annual sales, million SEK

1,244

Quarterly highlights

- Resilient profitability, strategic project selection
- Service share of revenue grew to 37%
- Very strong cash flow from operations at SEK 432 (376) million
- Two acquisitions

Key financials Q4 2023

Net sales

SEK **3,873** million

EBITA

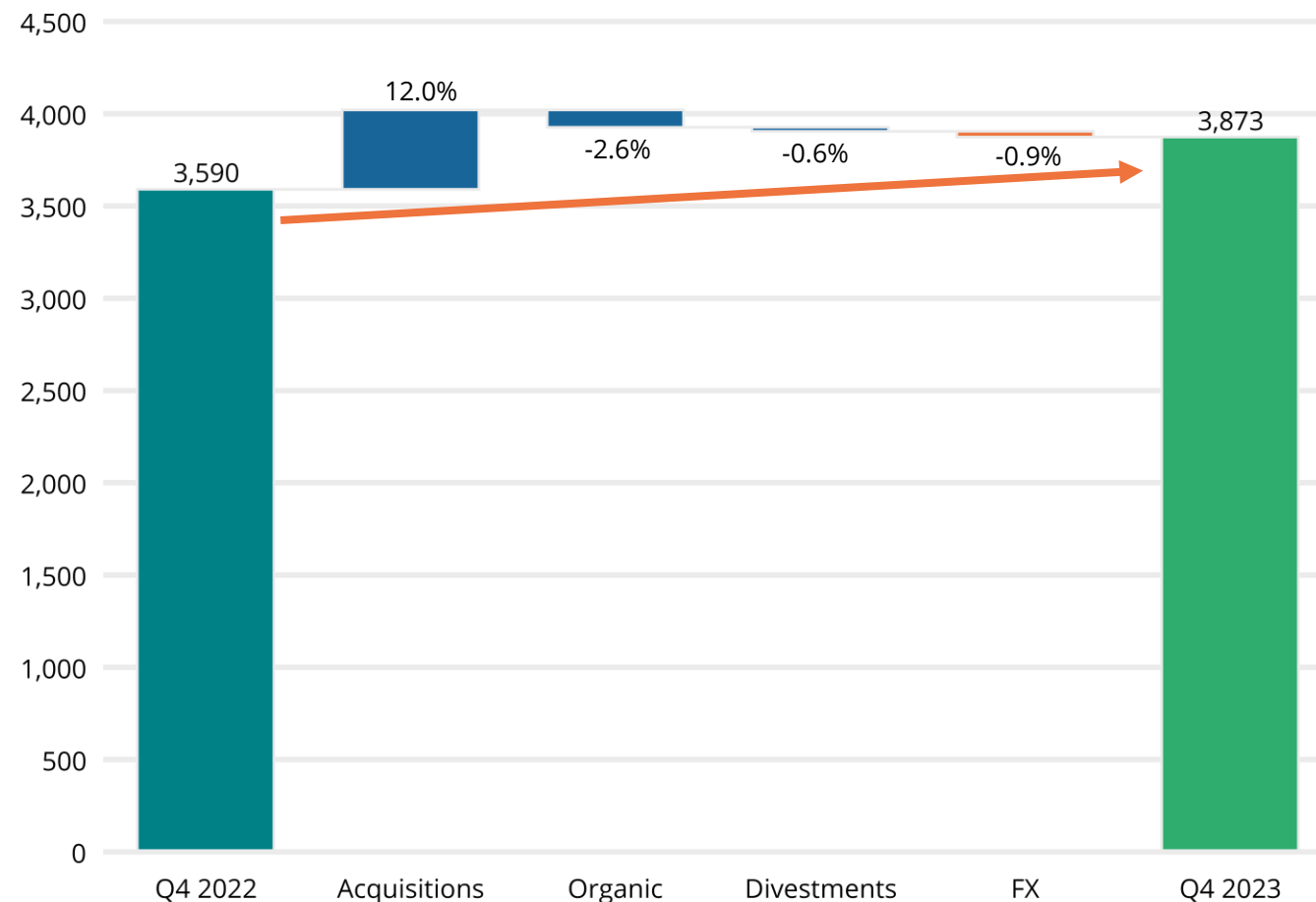
SEK **310** million

EBITA margin

8.0 %

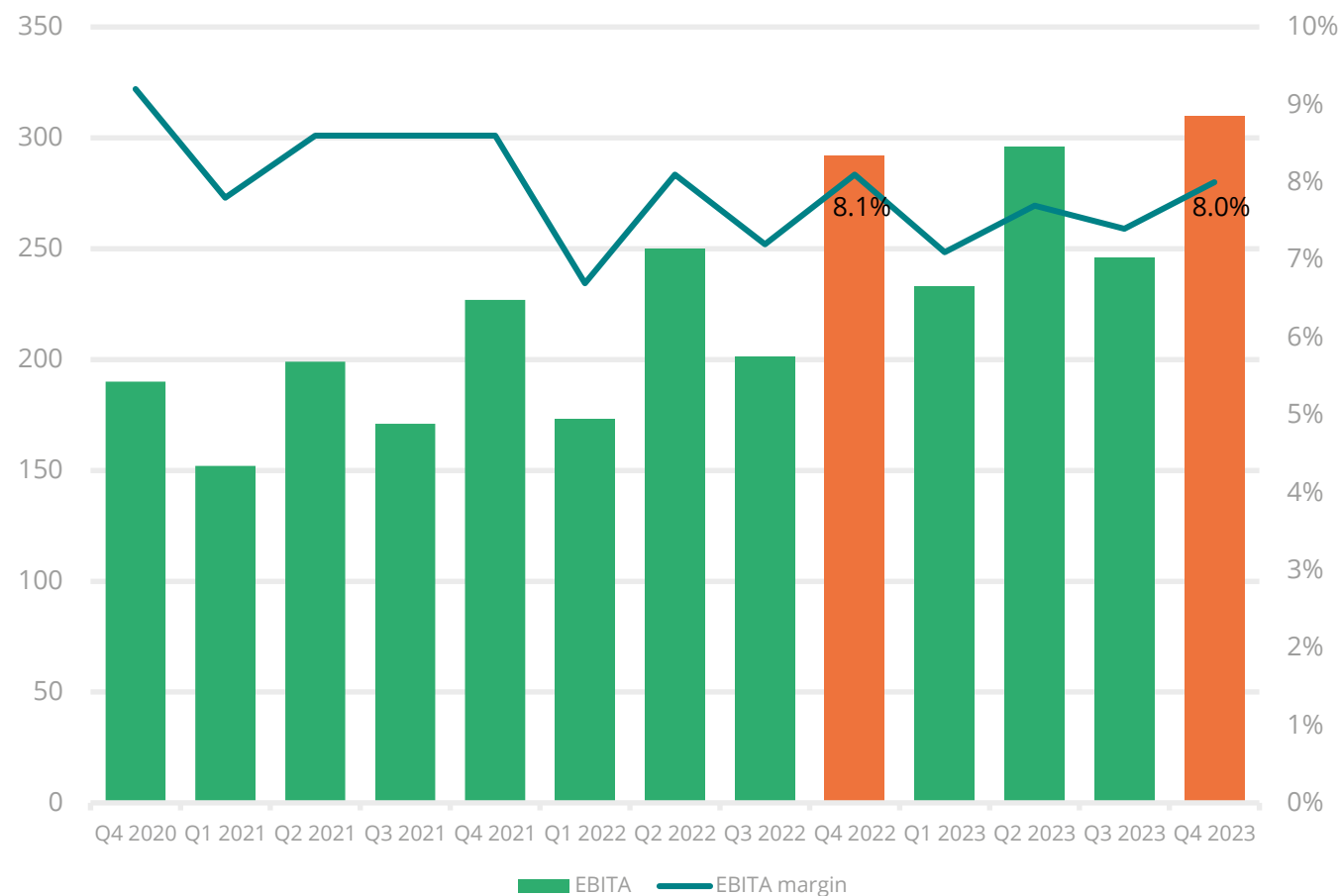
Net sales development (SEK million)

- Net sales growth of 7.9% to SEK 3,873 (3,590) million
- Organic development -2.6%, mostly driven by Sweden
- Acquired growth of 12.0%, an effect of the successful M&A agenda



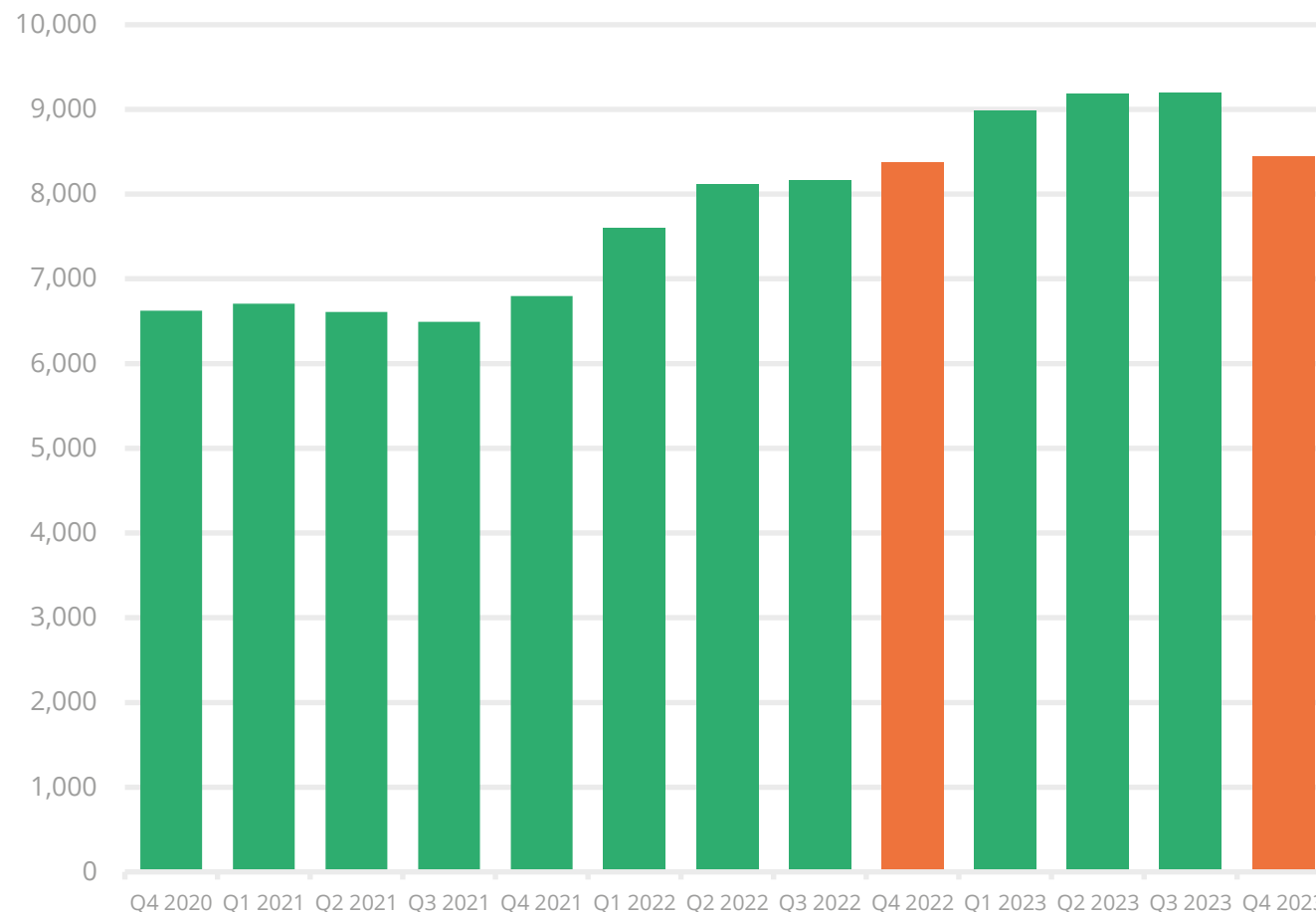
EBITA development (SEK million and margin %)

- EBITA increased by 6.2% to SEK 310 (292) million
- Continued strong and stable EBITA margin of 8.0% (8.1)



Order backlog development (SEK million)

- YoY growth of 0.7%, to SEK 8,437 (8,376) million, down -9.3% organically
- Prioritizing profitability over growth in the short term – strong megatrends supporting long-term growth
- Service, not included in order backlog, made up 37% of sales in the quarter





Segment Sweden Q4 development

- Net sales essentially flat at SEK 2,703 (2,688) million
 - Organic development -3.7%
 - Acquired growth of 7.2%
- Very resilient EBITA margin of 9.1% (9.1)

Key financials Q4 2023

Net sales

SEK **2,703** million

EBITA

SEK **247** million

EBITA margin

9.1 %

Order backlog

SEK **6,216** million

Segment Rest of Nordic Q4 development



- Net sales growth of 29.4% to SEK 1,170 (905) million
 - Organic growth 0.2%
 - Acquired growth of 32.7%
- EBITA grew by 24.9% to SEK 62 (50) million, corresponding to an EBITA margin of 5.3% (5.5)

Key financials Q4 2023

Net sales

SEK **1,170** million

EBITA

SEK **62** million

EBITA margin

5.3 %

Order backlog

SEK **2,222** million

Financial targets

Growth

>10%

Average sales growth should be at least 10% per year over a business cycle.
Growth will take place both organically and through acquisitions

Cash conversion

100%

Instalco aims to achieve a cash conversion ratio of 100%, measured over a rolling twelve-month period over a business cycle

Dividend policy

30%

Instalco targets a dividend payout ratio of 30% of net profit

Profitability

8%

Instalco aims to deliver an EBITA margin of 8.0%

Capital structure (Net Debt/EBITDA)

2.5x

Instalco's net debt in relation to EBITDA shall not exceed a ratio of 2.5

Acquisitions 2023

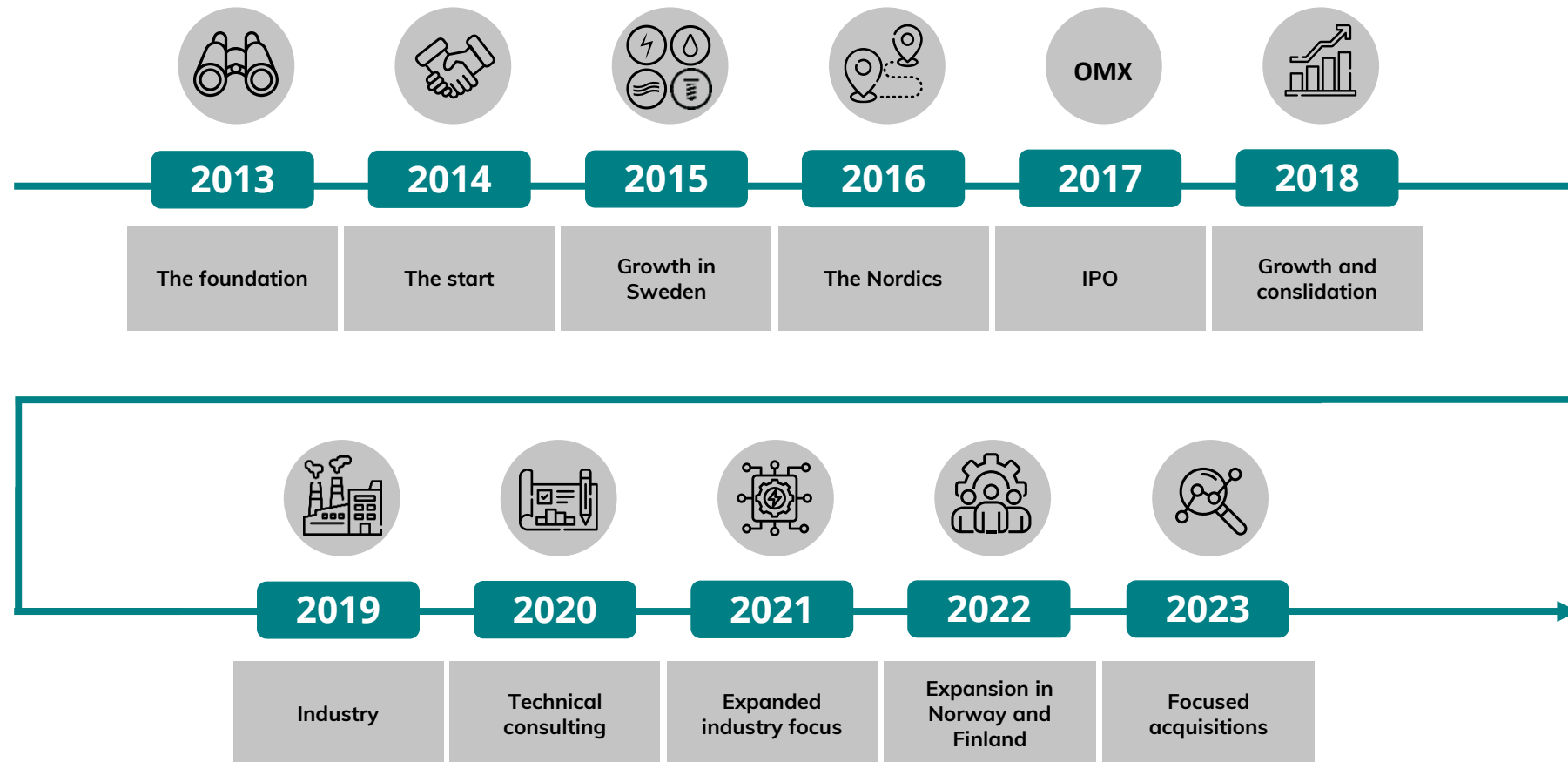
		Company	Discipline	Segment	Est. Sales (SEKm)
1	Q1	Telepatrol Oy	Electrical	Rest of Nordic	48
2	Q1	Rörprodukter Montage Sverige AB	Heating & Plumbing	Sweden	24
3	Q1	Lysteknikk Entreprenør AS	Electrical	Rest of Nordic	325
4	Q1	Processus AB	Industry	Sweden	193
5	Q1	SMT Norrbotten AB	Industry	Sweden	40
6	Q1	Enter Ställningar AB	Industry	Sweden	340
7	Q2	Halvard Thorsen AS	Heating & Plumbing	Rest of Nordic	42
8	Q2	Elektro Västerbotten AB	Electrical	Sweden	50
9	Q3	URD Klima Sandnes AS	Heating & Plumbing	Rest of Nordic	85
10	Q4	Boas Industriservice AB	Industry	Sweden	73
11	Q4	Sähkö Äijät Teollisuus	Industry	Rest of Nordic	24
		Total			1,244

CEO's theme

10 years of decentralisation

**Let's take a
walk down
memory lane**

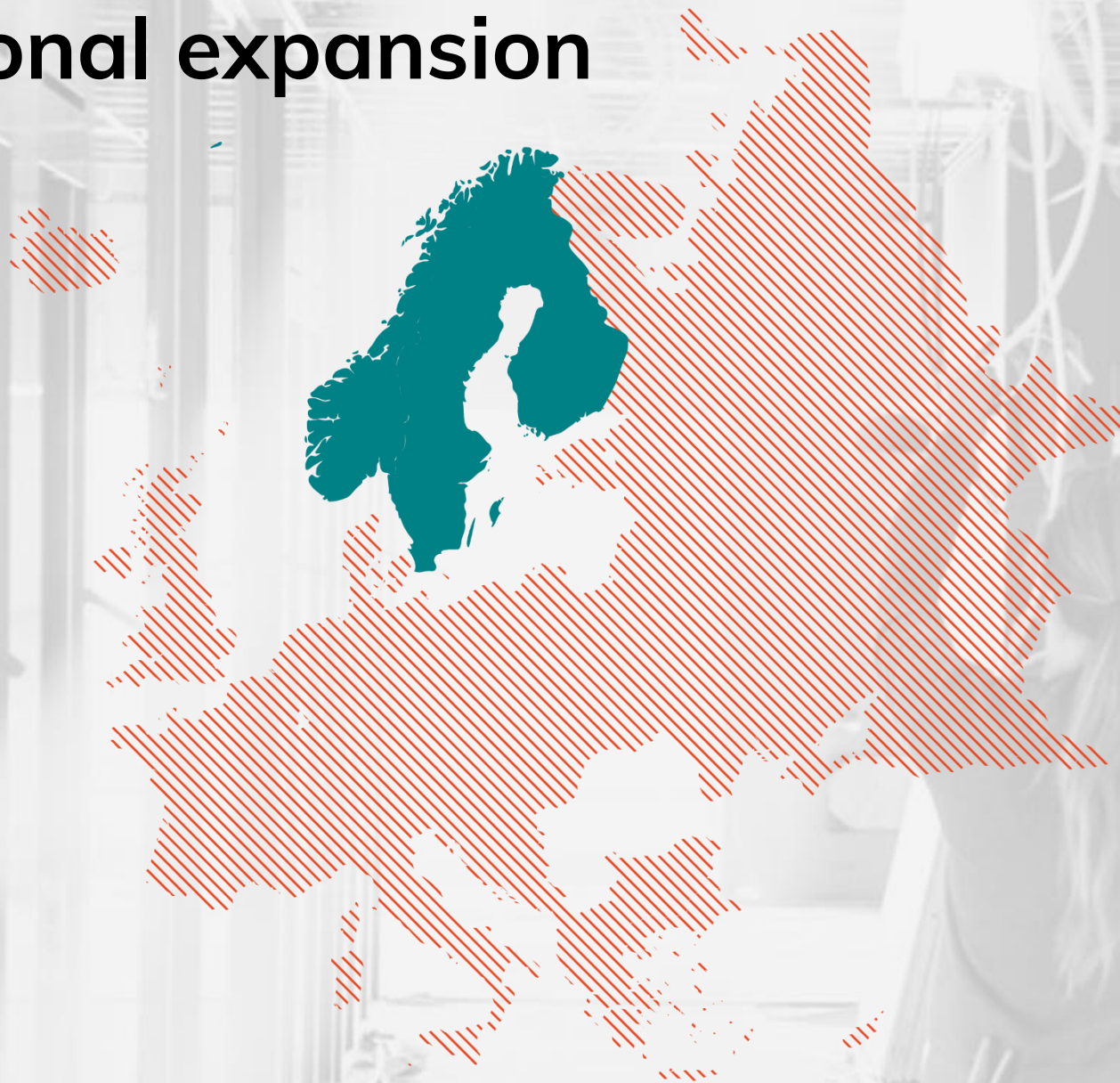
Instalco's journey



The first five



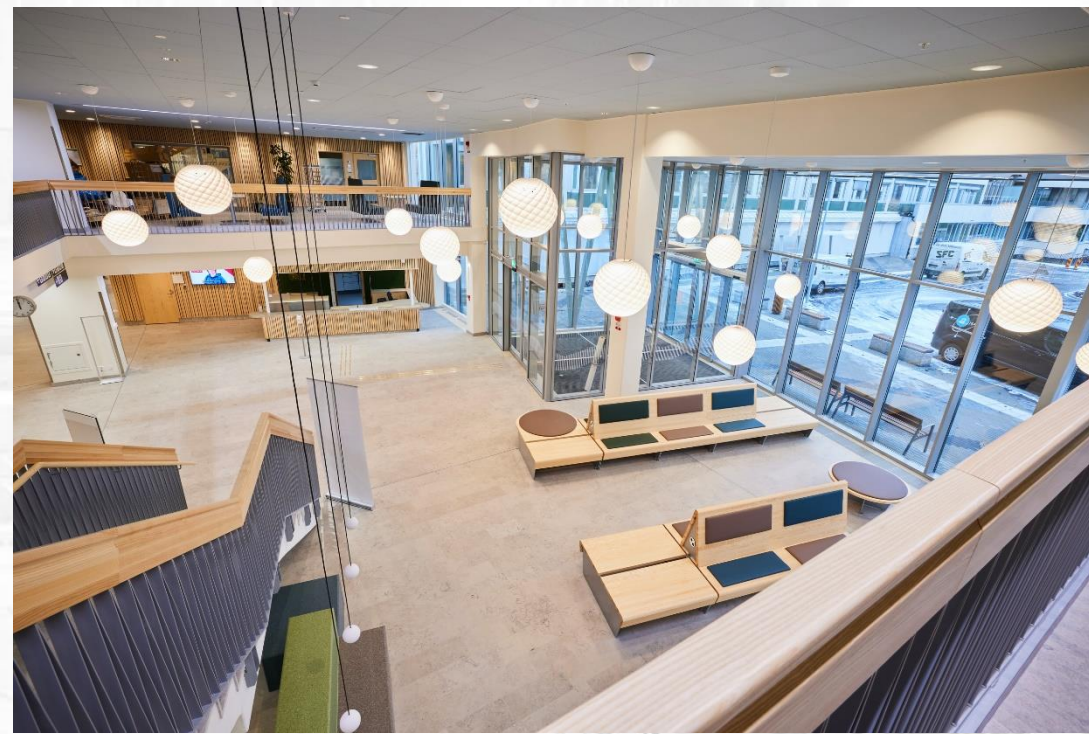
International expansion



IPO



Internal collaboration for our largest project



Celebrating 100 acquisitions



Venturing into new areas

**Start-up
model**



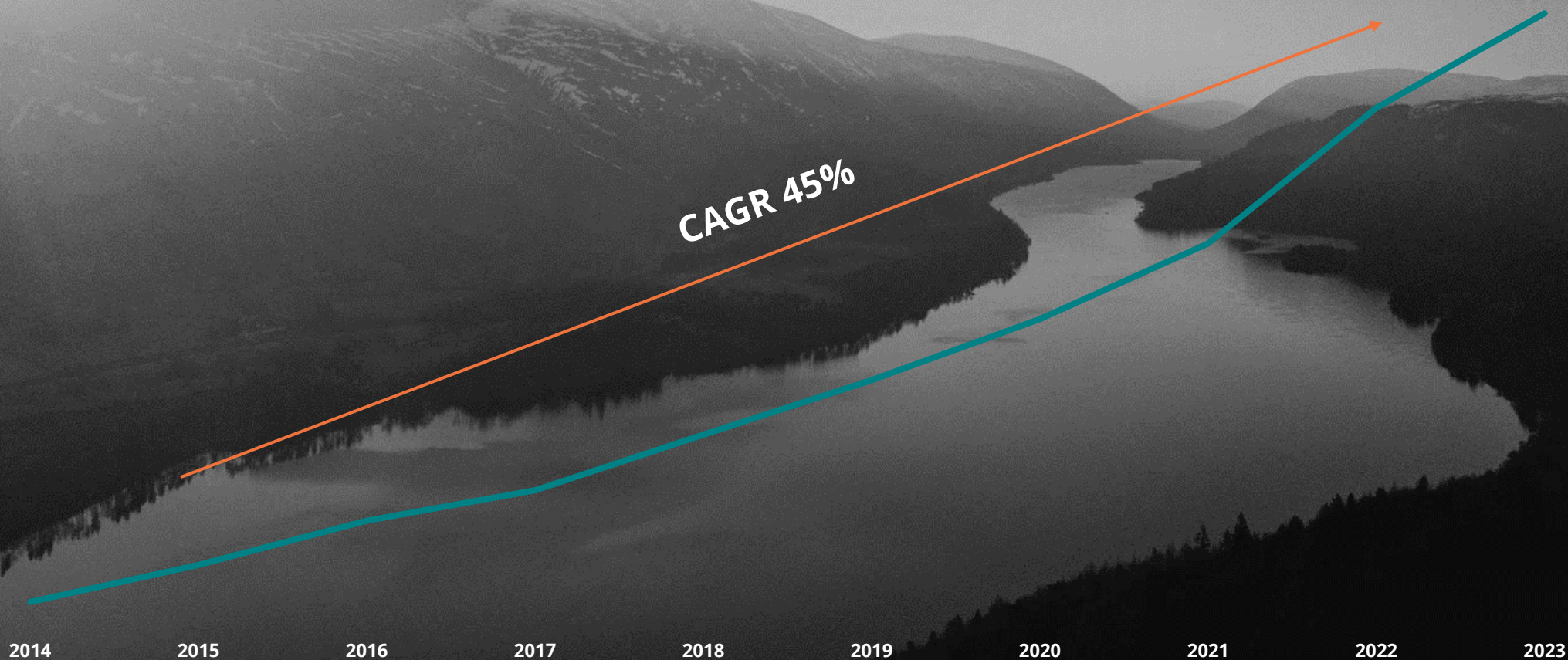
**Industry
discipline**



**Technical
Consulting**



Strong expansion organically and through acquisitions



Well
positioned for
the coming
10 years



Summary

- Good earnings development with continued good profitability
- Strategic order selection for long-term, resilient growth
- Strong operating cash flow
- Celebrating 10 years of decentralized entrepreneurship



Q&A

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