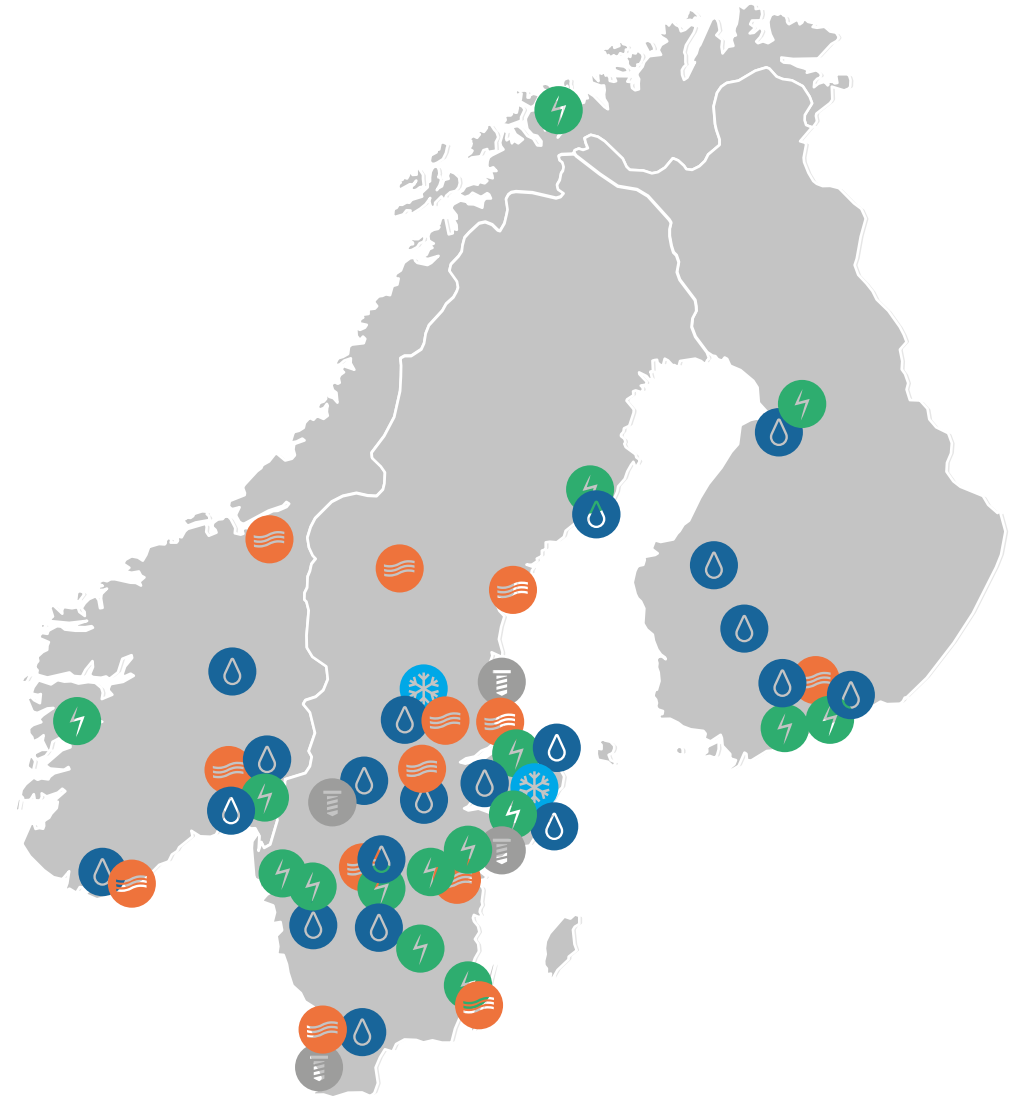


# Instalco Q4 presentation

18 February 2021

# This is Instalco

- A leading Nordic installation group within heating and plumbing, electrical, ventilation, cooling, industry and technical consulting
- 85+ subsidiaries – highly specialised local companies
- 3 900 employees
- Highly decentralised structure
- Supported by a small central organisation
- Strong profitability with high margins over time



## Key financials, LTM

Net sales, million SEK

**7.122**

Adjusted EBITA, million SEK

**625**

No of employees (31 December)

**3,856**

Order backlog, million SEK

**6.625**

Adjusted EBITA margin, %

**8,5**

Acquired annual sales, million SEK

**1.442**

# Q4 2020 Highlights

- Strong quarter
- High organic growth, 8,1%
- Net sales growth 25.8%
- High cash flow, SEK 277 million
- Segment Sweden very strong – segment Rest of Nordic still somewhat slow
- Growth in industry discipline
- New business area: Technical Consulting
- 27 “Sustainable Instalco Projects” in 2020

## Key financials Q4 2020

Net sales

SEK **2,078** million

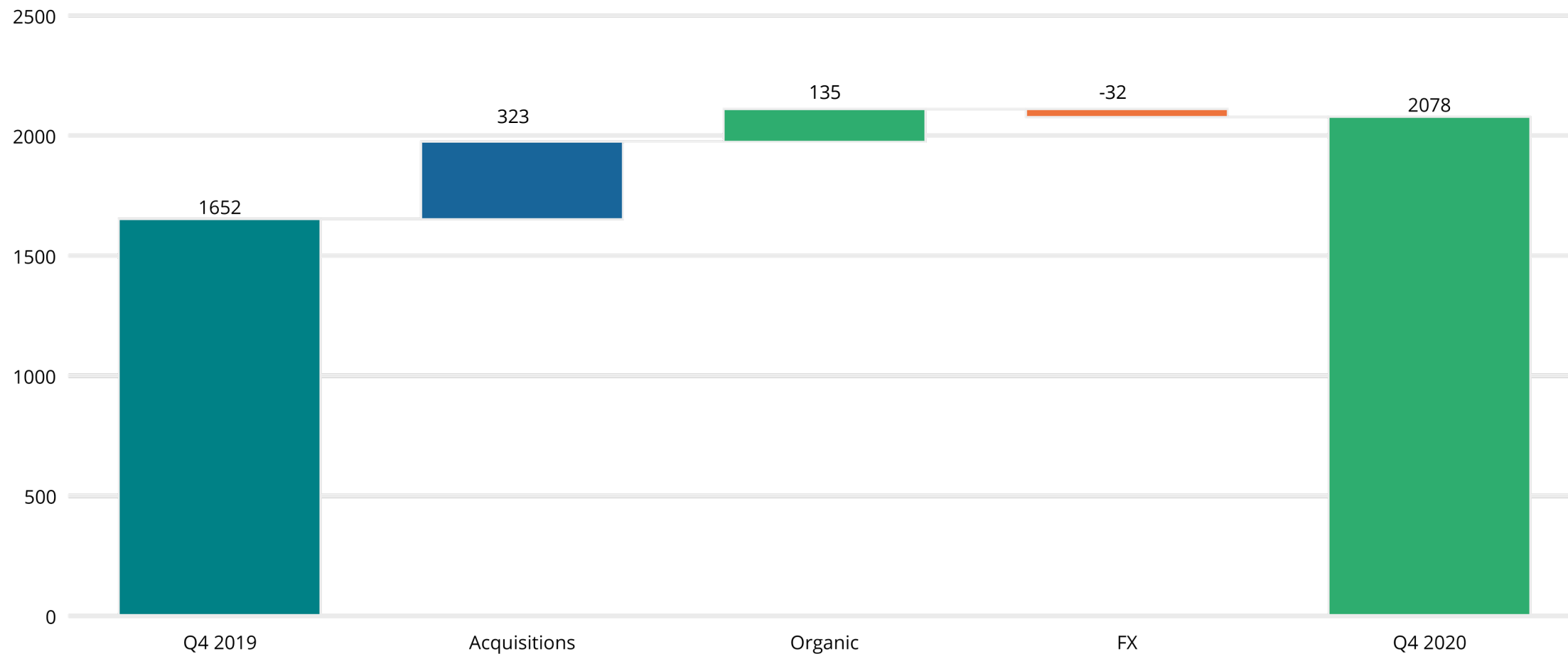
Adjusted EBITA

SEK **193** million

Adjusted EBITA margin

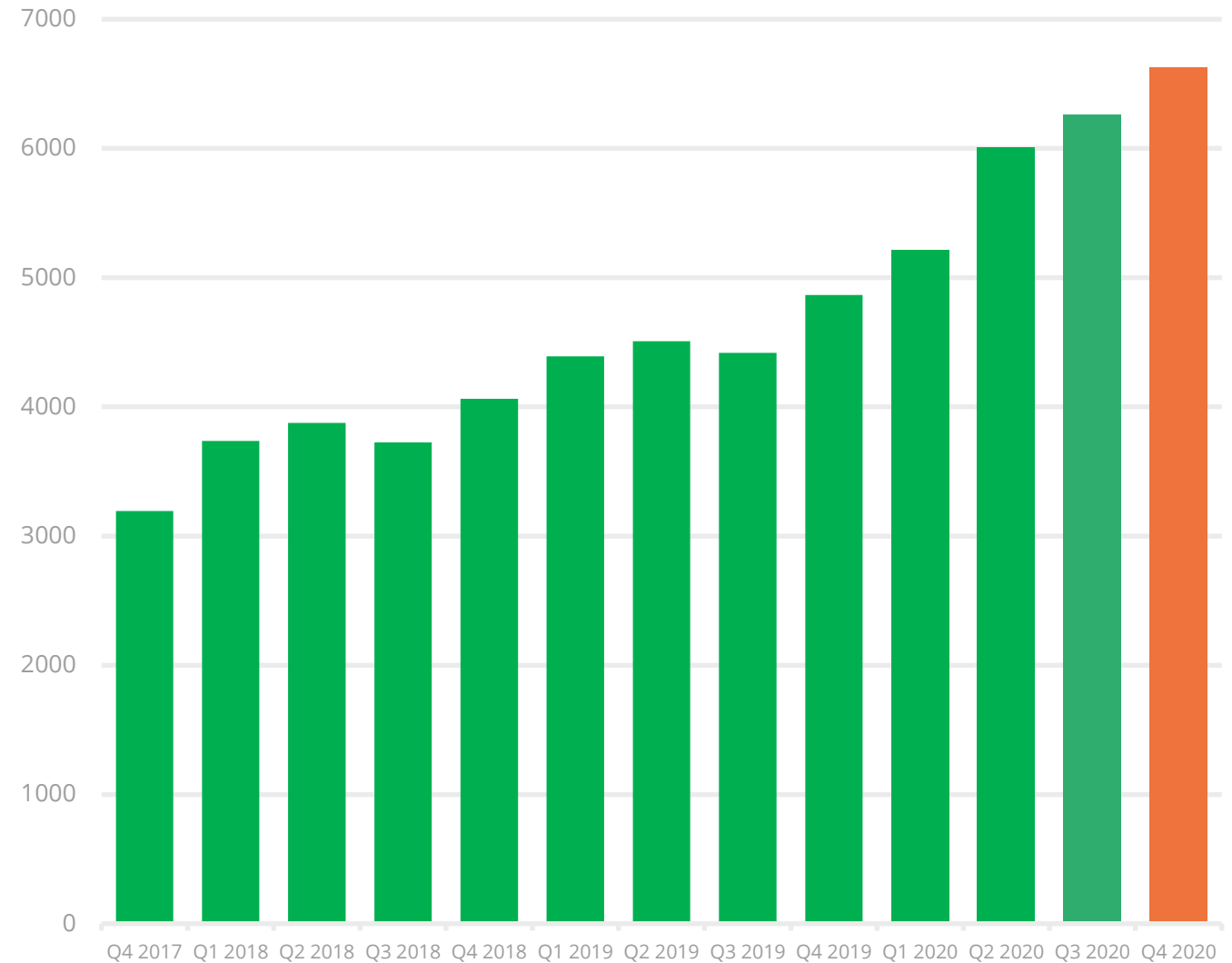
SEK **9.3** %

# Net sales growth (SEK million)



# Order backlog

- Growth of 36.2% (compared with Q4 2019)
- Continued stable order backlog ratio of 0.93x (relative to 12 months rolling net sales)



# Examples of projects in Q4

## Lören Botaniska, Oslo, Norway

- Romerike Elektro
- Electrical installations in new apartment complex
- Environmental profile
- Veidekke

## Mora Hospital, Sweden

- EKTK
- Electrical power system and receiving station
- Expansion of Mora Hospital
- Partnering project

## Lippulaiva shopping centre, Esbo, Finland

- LVI-Paavola and Twinputki
- Heating & plumbing and sprinkler systems
- Expansion of shopping centre
- Skanska and Citycon

- Technical Consulting new discipline
- Expansion of industry discipline

- **Technical Consulting:** Project planning and design
- Inspection, coordination of installations, environmental set up, risk management
- One hundred technical consultants in nation wide coverage in Sweden
- **Industry discipline:** Three acquisitions
- Broadening our industry offering
- Seven subsidiaries
- Creating new synergies



# M&A

## Selek, Avesta, Sweden

- Specialised in installations of electric power and electrical instruments in industrial environments
- Largest customers: Stockholm Exergi, Northvolt, Mälarenergi, Coor, Stora Enso, Boliden
- Annual sales of approx. SEK 130 million

## HP Welding, Sundsvall, Sweden

- Heavy industry installations
- Specialised in the installation of process equipment for industrial companies
- Welding of boilers and pipelines
- Annual sales of approx. SEK 90 million

# Acquisitions 2020

Acquisition	Discipline	Segment	Estimated yearly sales (SEKm)	Acquired
Elinstallationer Ullsand Bengtsson AB	Electrical	Sweden	69	Q1
Haug og Ruud VVS AS	Heating & Plumbing	Rest of Nordics	71	Q1
Östersjö Elektriska AB	Electrical	Sweden	25	Q1
Avent Group	Ventilation	Sweden	108	Q2
Norrtech VVS och Industri AB	Heating & Plumbing	Sweden	36	Q2
Teampipe Sweden AB	Industry	Sweden	49	Q2
Miljöventilation AB	Ventilation	Sweden	60	Q2
Sähkö-Arktia Oy	Heating & Plumbing	Rest of Nordics	83	Q2
FTX Teknik & Service AB	Ventilation	Sweden	45	Q3
Uudenmaan Lämpötekniikka Oy	Heating & Plumbing	Rest of Nordics	75	Q3
VentPartner Group	Ventilation	Sweden	250	Q3
Boman El och Larmtjänst AB	Electrical	Sweden	73	Q3
Tornby El AB	Electrical	Sweden	18	Q3
MR Rör i StorStockholm AB	Heating & Plumbing	Sweden	35	Q3
M.E. Solutions AB	Industry	Sweden	160	Q4
High Pressure Welding Sweden AB	Industry	Sweden	90	Q4
Selek Elentreprenad AB	Industry	Sweden	130	Q4
Metro Rörleggerservice AS	Heating & Plumbing	Rest of Nordics	65	Q4
<b>Total</b>			<b>1442</b>	

# Segment development - Sweden

- Very strong and solid results by the Swedish operations
- Stable demand for technical installations
- Organic growth 12.1%
- Net sales growth 31.7%
- Order backlog growth of 44.0% whereof 20.6% in comparable units

## Key financials Q4 2020

Net sales

SEK **1,629** million

EBITA

SEK **167** million

EBITA margin

**10.2** %

Order backlog

SEK **5,387** million

# Segment development – Rest of Nordics

- Net sales growth 8.0%
- Order backlog growth of 10.2%
- Result below desired level - partly due to Corona pandemic
- Continued work with action plan for higher margins

## Key financials Q4 2020

Net sales

SEK **449** million

EBITA

SEK **25** million

EBITA margin

**5.7** %

Order backlog

SEK **1,238** million



SUSTAINABLE

INSTALCO

PROJECT

# Suggesting and installing the most sustainable solutions for the future

- Solar panels
- Energy savings programs
- Property automation
- Heat pumps
- Wastewater heat exchanges
- LED lighting
- Charging stations
- Air cleaning and water cleaning



# Financial targets and dividend policy

Area	Target	Comment	Status
<b>Growth</b>	<ul style="list-style-type: none"> <li>Average sales growth should be at least 10% per year over a business cycle</li> <li>Growth will take place both organically and through acquisitions</li> </ul>	25.1% (28.9%)	✓
<b>Margin</b>	<ul style="list-style-type: none"> <li>Instalco aims to deliver an adjusted EBITA margin of 8.0%</li> </ul>	8.8% (8.8%)	✓
<b>Capital structure</b>	<ul style="list-style-type: none"> <li>Instalco's net debt in relation to adjusted EBITDA shall not exceed a ratio of 2.5</li> </ul>	1.2x (1.5x)	✓
<b>Cash conversion</b>	<ul style="list-style-type: none"> <li>Instalco aims to achieve a cash conversion ratio of 100%, measured over a rolling twelve-month period over a business cycle</li> </ul>	109% (103%)	✓
<b>Dividend policy</b>	<ul style="list-style-type: none"> <li>Instalco targets a dividend payout ratio of 30% of net profit</li> </ul>	2.70kr (2.30kr)	✓

# Summary

Strong and solid quarter  
despite covid-19 situation

Growth in industry discipline

Technical consulting new  
business area

Four acquisitions

Difficult to assess the future  
market







