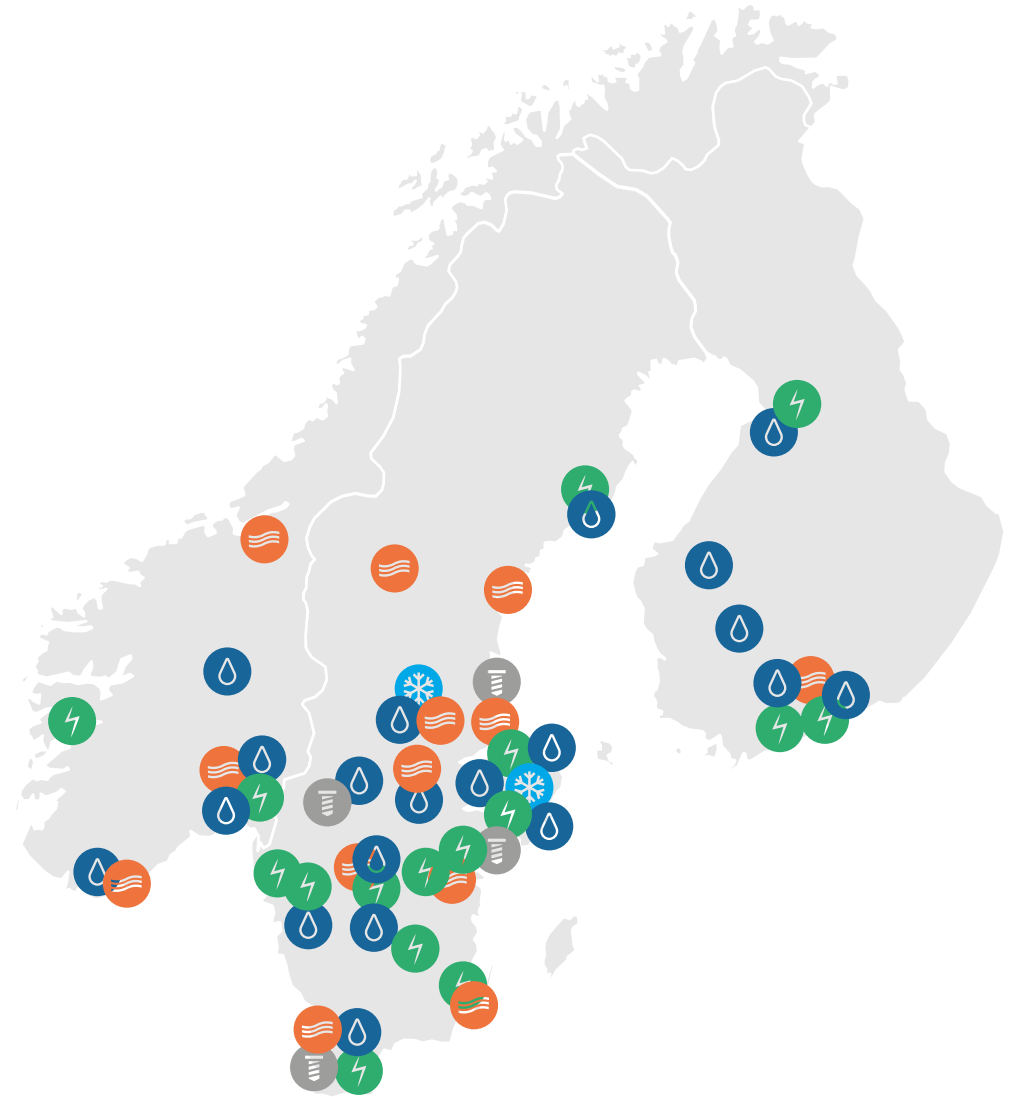


Instalco Q3 presentation

November 9 2020

This is Instalco

- A leading Nordic installation group within heating and plumbing, electrical, ventilation and cooling
- 79 subsidiaries – highly specialised local companies
- 3 600 employees
- Highly decentralised structure
- Supported by a small central organisation
- Strong profitability with high margins over time



Key financials, LTM

Net sales, million SEK

6.696

Adjusted EBITA, million SEK

589

No of employees (30 September)

3,630

Order backlog, million SEK

6.263

Adjusted EBITA margin, %

8,8

Acquired annual sales, million SEK

1.441

Q3 2020 Highlights

- Stable quarter despite covid-19 situation
- Higher sick leave than normal
- Net sales growth 16.1%
- Solid order backlog over 6 billion
- Segment Sweden very strong – segment Rest of Nordic somewhat slow
- Growth in ventilation discipline
- Six acquisitions

Key financials Q3 2020

Net sales

SEK **1,643** million

Adjusted EBITA

SEK **150** million

Adjusted EBITA margin

SEK **9.2** %

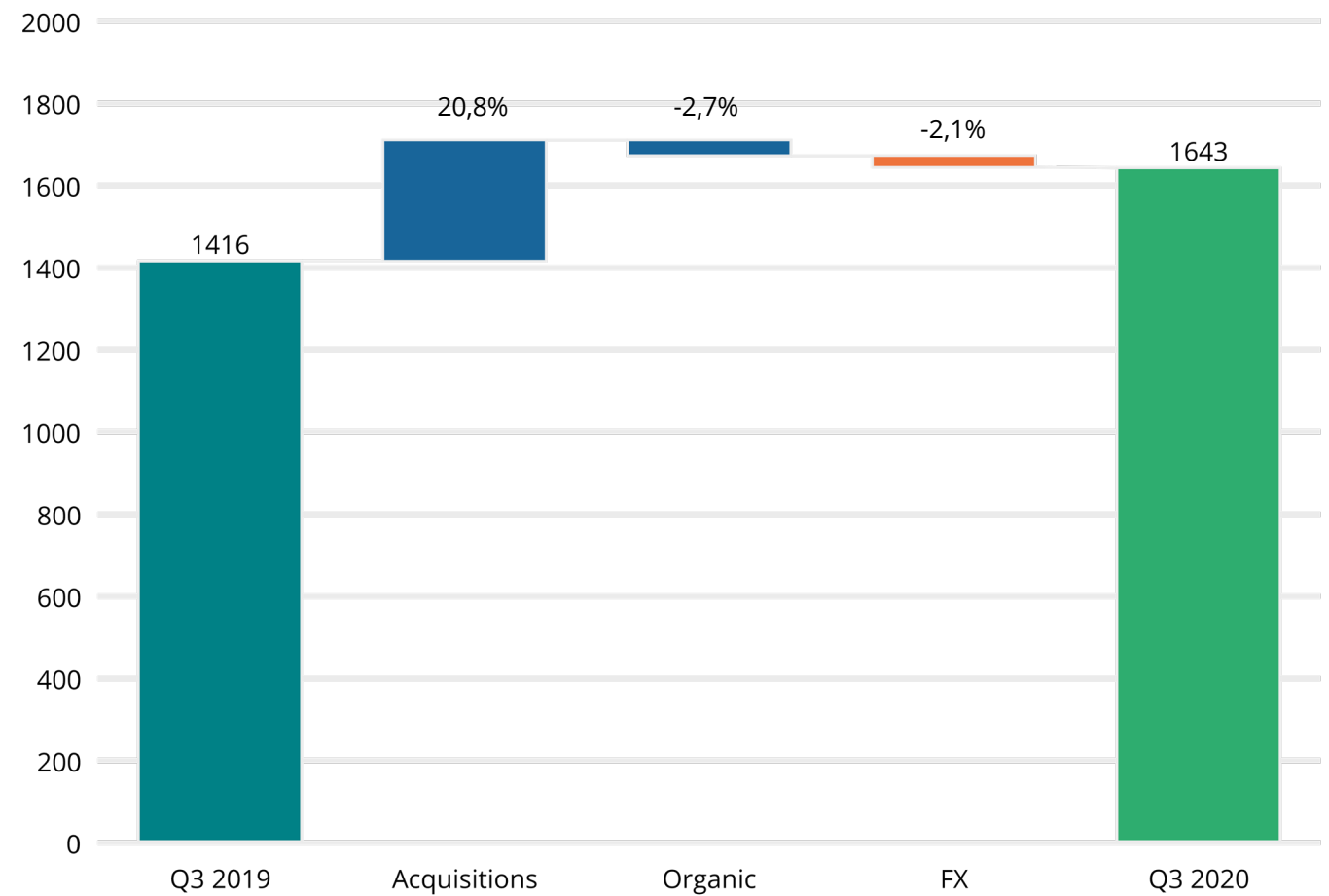
Managing the covid-19 situation

- Strong result despite covid-19 situation
- Acquisitions pace unaffected
- Higher sick leave than normal – impact on production
- Flexible if market change
- Carefully monitoring the situation
- Very difficult to assess the future market



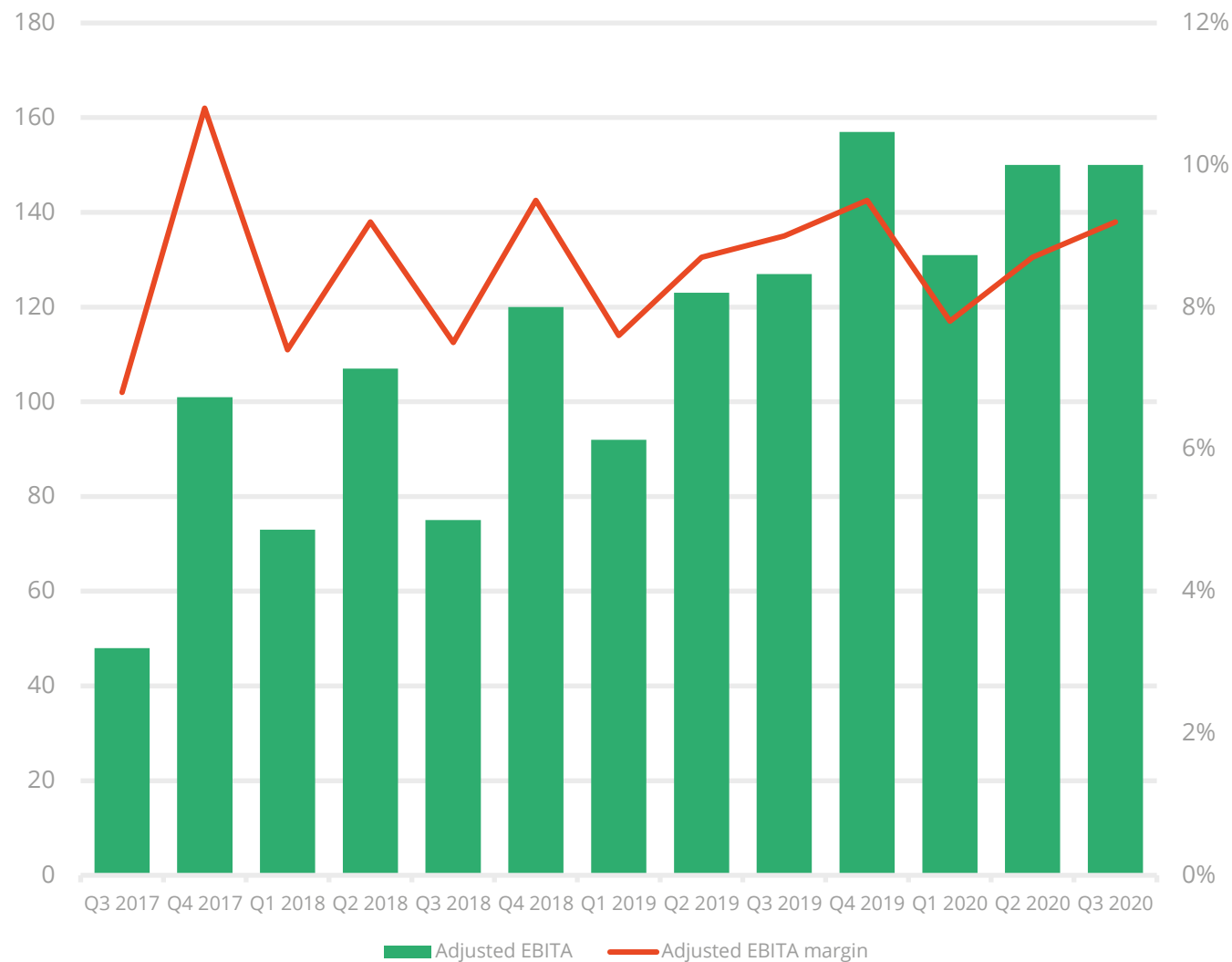
Net sales

- Net sales growth (SEK million)



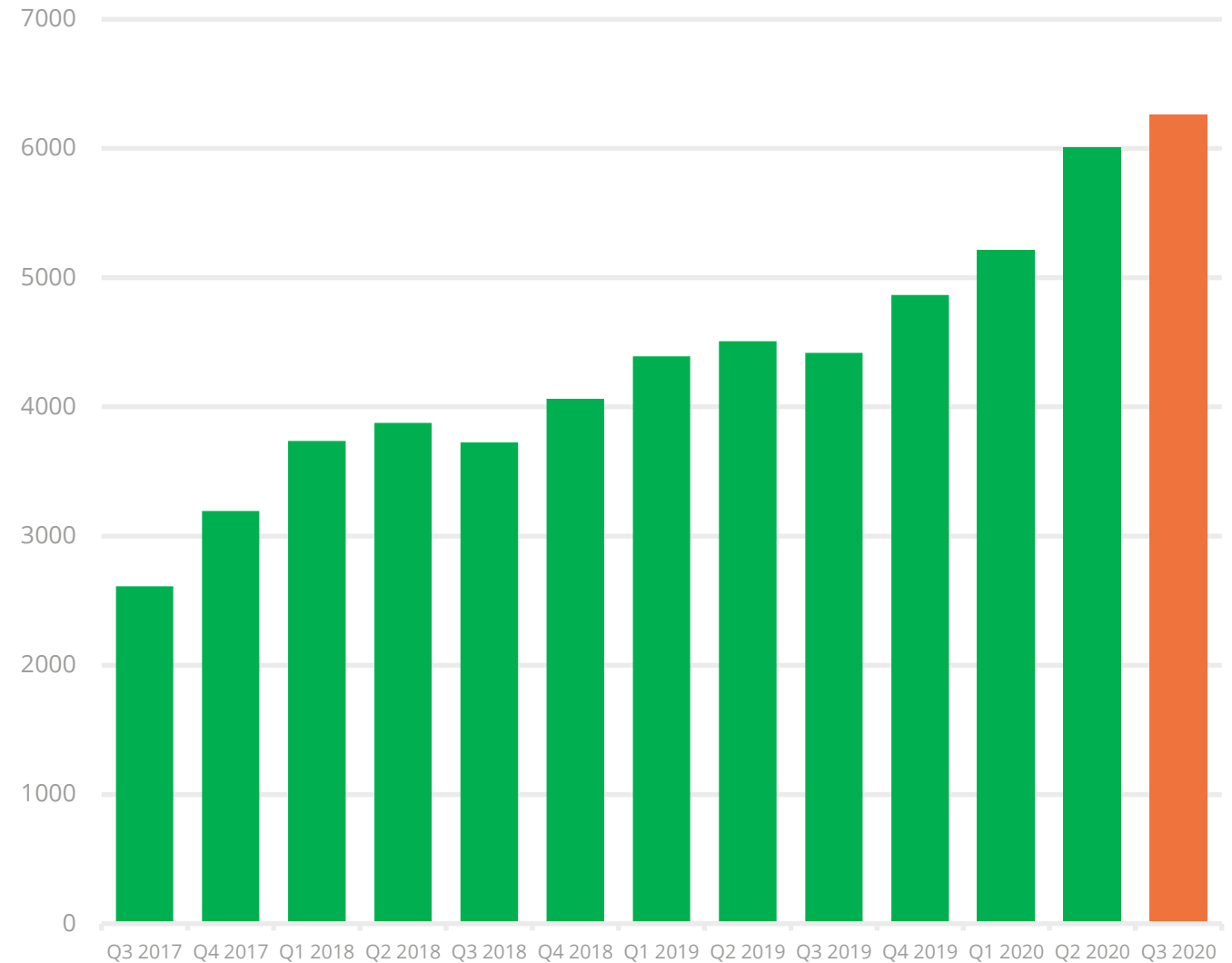
EBITA

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



Order backlog

- Growth of 41.8% (compared with Q3 2019)
- Continued stable order backlog ratio of 0.94x (relative to 12 months rolling net sales)



Examples of projects iQ3

Hovrätten 28, Kristanstad, Sweden

- First “Sustainable Classified Instalco Project”
- Renovation of 50 apartments – heating & plumbing
- Replacement of old pumps with efficient circulating pumps
- Partnering with Skanska

Fortnox Head Office, Växjö, Sweden

- Installation of efficient LED lightning appliances and systems
- 10 000 m2 new built office building
- ELUB

Tangvall skolecenter, Kristiansand, Norway

- First “Sustainable Instalco Project” in Norway
- New built school
- Heating & plumbing installations
- Geothermal heat pumps
- Installation of low-flow sanitary system

Segment development - Sweden

- Strong and solid results by the Swedish operations
- Stable demand for technical installations
- Net sales growth 20.6%
- Organic growth 1.3%
- Order backlog growth of 53.4% whereof 34.4% in comparable units

Key financials Q3 2020

Net sales

SEK **1,252** million

EBITA

SEK **117** million

EBITA margin

9.3 %

Order backlog

SEK **5,054** million

Segment development – Rest of Nordics

- Net sales growth 3.6%
- Result below desired level - partly due to Corona pandemic
- Action plan for higher margins
- Implementation of new Sustainability program

Key financials Q3 2020

Net sales

SEK **391** million

EBITA

SEK **26** million

EBITA margin

6.7 %

Order backlog

SEK **1,209** million

Acquisitions 2020

| Acquisition | Discipline | Segment | Estimated yearly sales (SEKm) | Acquired |
|------------------------------|--------------------|-----------------|-------------------------------|----------|
| ELUB 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 | VS | Sweden | 36 | Q2 |
| Teampipe Sweden AB | VS | Sweden | 49 | Q2 |
| Miljöventilation AB | Ventilation | Sweden | 60 | Q2 |
| Sähkö-Arktia Oy | VS | 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 |
| | | | | |
| Total | | | 997 | |

Examples of acquired companies in Q3

VentPartner, Örebro, Sweden

- Heating, ventilation and cooling solutions
- First larger ventilation company in Instalco
- Largest customers: NCC and PEAB
- Annual sales of approx. SEK 250 million

MR Rör, Stockholm, Sweden

- Heating, cooling and plumbing
- Specialized towards governmental and municipal companies
- Strong offering in service
- Annual sales of approx. SEK 35 million

Financial targets and dividend policy

| Area | Target | Comment | Status |
|--------------------------|---|--|--------|
| Growth | <ul style="list-style-type: none">• Average sales growth should be at least 10% per year over a business cycle• Growth will take place both organically and through acquisitions | Acquired sales and EBITA in line with plan | ✓ |
| Margin | <ul style="list-style-type: none">• Instalco aims to deliver an adjusted EBITA margin of 8.0% | 8,6% YTD | ✓ |
| Capital structure | <ul style="list-style-type: none">• Instalco's net debt in relation to adjusted EBITDA shall not exceed a ratio of 2.5 | 1.4x September 2020 | ✓ |
| Cash conversion | <ul style="list-style-type: none">• Instalco aims to achieve a cash conversion ratio of 100%, measured over a rolling twelve-month period over a business cycle | 100% YTD | ✓ |
| Dividend policy | <ul style="list-style-type: none">• Instalco targets a dividend payout ratio of 30% of net profit | 30% of net profit | ✓ |

Summary

Strong and solid quarter
despite covid-19 situation

Stable demand for technical
installations in the construction
area, both for new built and
renovation

High acquisition pace with six
new companies in the group

Difficult to assess the future
market





