



Q3 2017 presentation
8 November 2017

Today's presenters

Per Sjöstrand



Group CEO

Lotta Sjögren



Group CFO

Overview of Instalco

Company overview

- Instalco is a leading multi-disciplinary technical installation company active in the Nordic region
- Service offering consists of Electrical, Heating & Plumbing, Ventilation and Cooling with a niche in industrial solutions
 - Focus on mid-size projects
- Operations with national coverage in Sweden and recent successful entry into Norway and Finland
 - Decentralised structure

Service offering

Electrical

- ⚡ Lighting, heating and energy, as well as electrical security solutions

Ventilation

- 🌀 Ventilation systems for air handling and air conditioning

Industrial

- 🏭 Industrial piping, mechanical assembly and cooling

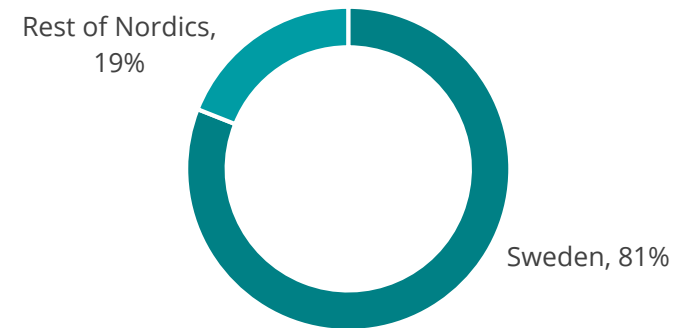
Heating & Plumbing

- 💧 Waterborne heating, cooling and sanitation systems

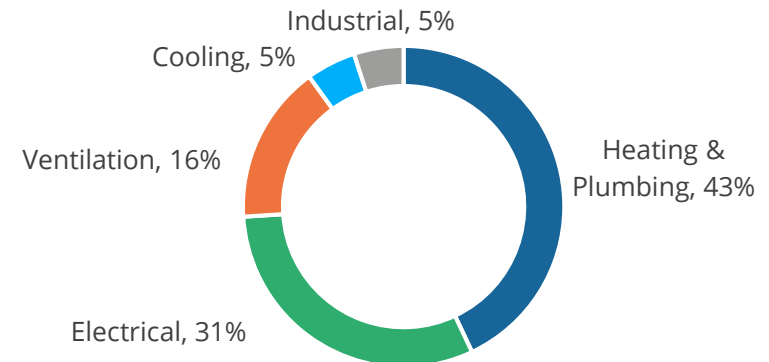
Cooling

- ❄️ Grocery cooling, comfort cooling and process cooling

Net sales distribution - 9M 2017



Net sales per segment



Net sales per discipline

Q3 - Highlights

- Net sales growth of 27%
 - Clear improvement in organic growth vs Q2
- Strong margin
- Order backlog increase of 37%
 - The Brick in Stockholm
 - ESS (European Spallation Source) in Lund
- Final stage of several acquisition processes
- Continued strong market

Net sales
SEK **708** million

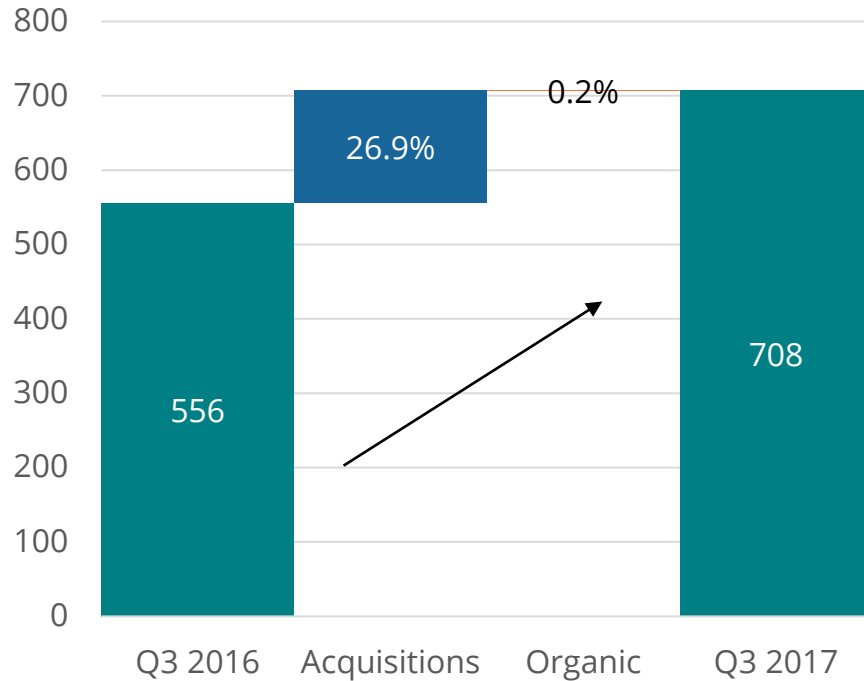
Adjusted EBITA
SEK **48** million

Adjusted EBITA margin
6.8 %

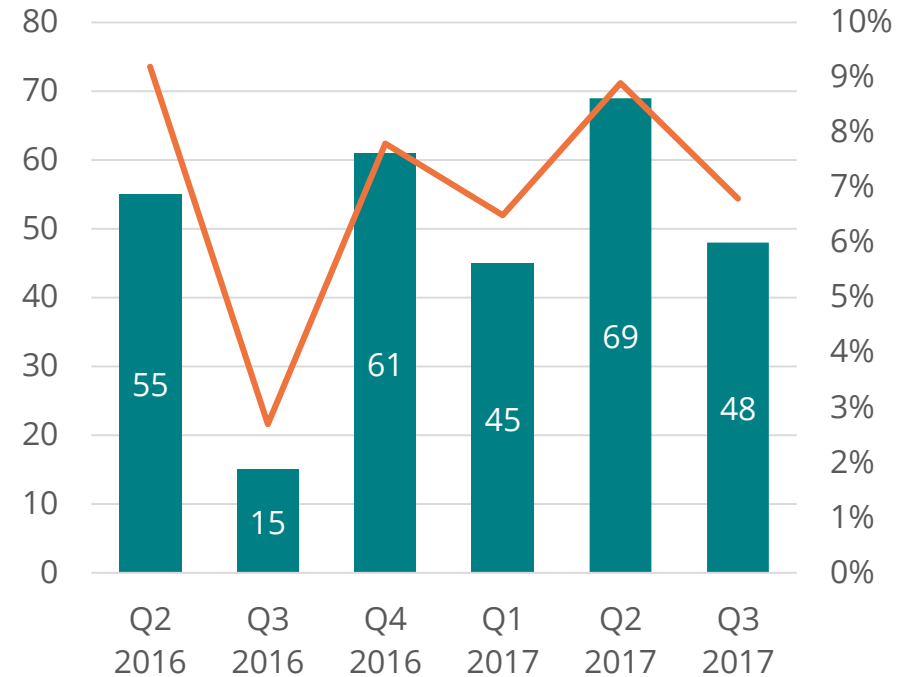


Group development – Net sales and EBITA

Net sales growth (SEK million)



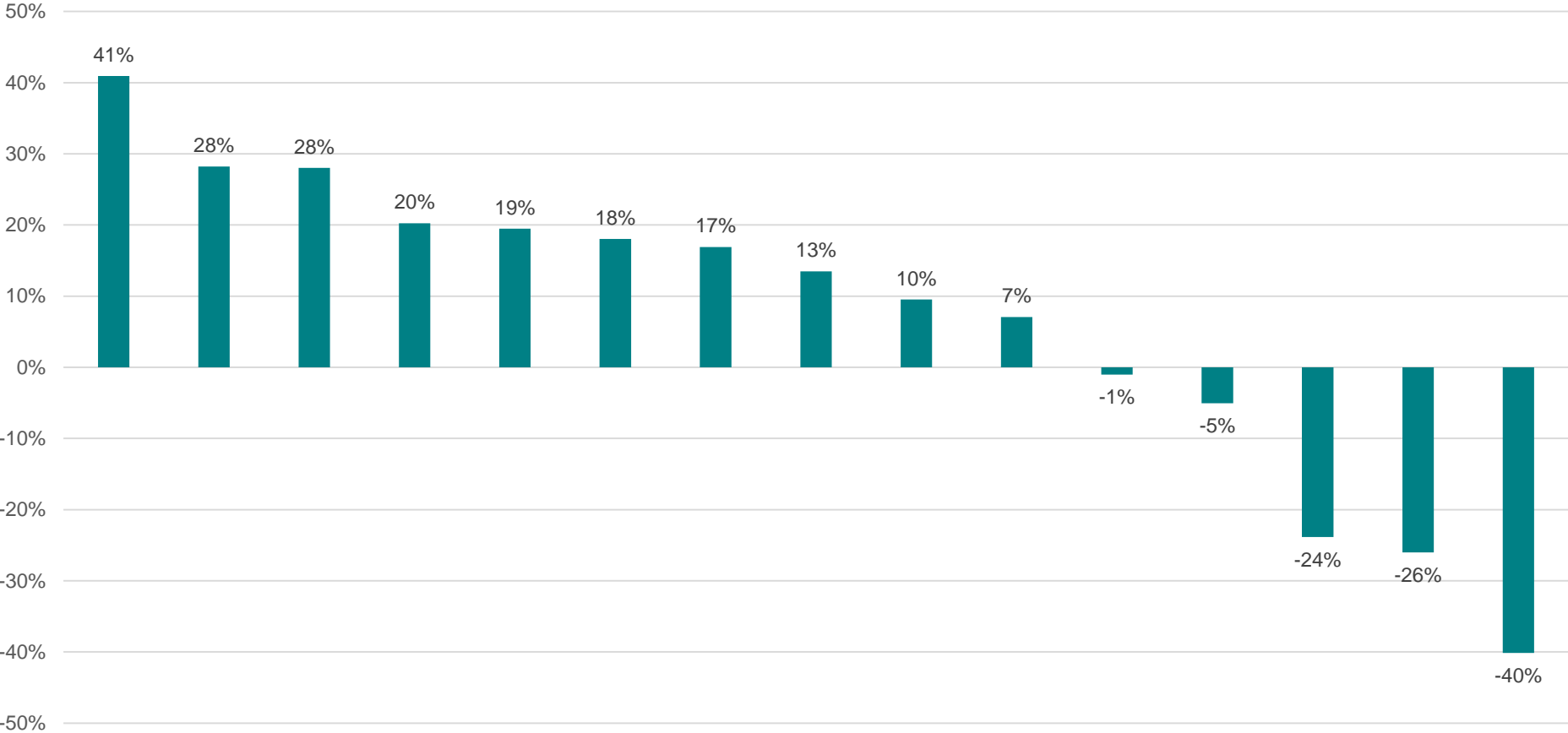
Adj. EBITA (SEK million) and adj. EBITA margin (%)



- Q3 seasonally slow due to summer holidays

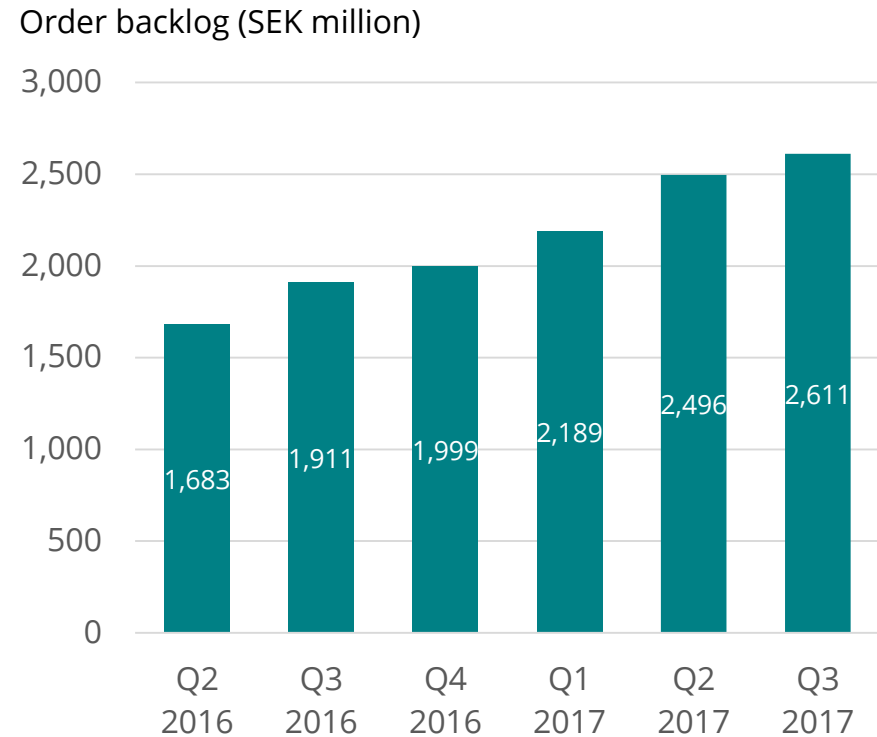
Organic growth in majority of the units

Organic growth per unit, Sweden - 9M 2017



Group development – Order backlog

- Growth of 36.6% Y/Y whereof 23.6% was acquired and 13.0% in comparable units
- Order backlog ratio of 0.9x (relative to 12 months rolling net sales)



Segment development - Sweden

- Favourable market demand
- Limited exposure to housing market
- Net sales growth of 7.7% Y/Y whereof 0.4% organic and 7.2% acquired growth
- Strong margin of 9.2%
- Order backlog growth of 25.1% Y/Y whereof 8.6% was acquired and 16.5% in comparable units

Net sales

SEK **530** million

EBITA

SEK **49** million

EBITA margin

9.2 %

Order backlog

SEK **1,956** million

Segment development – Rest of Nordics

- Overall stable markets
- Net sales growth of 180% whereof -1.7% organic and 177.4% acquired growth
- Weak margin but good conditions for improvement
- Order backlog growth of 93.7% fully related to acquisitions

Net sales

SEK **179** million

EBITA

SEK **3** million









EBITA margin

1.9 %

Order backlog

SEK **655** million

Acquisitions 2017

Acquisition	Discipline	Market / Region	Estimated yearly sales (SEKm)	Acquired
SwedVVs	Heating & Plumbing 	Sweden - West	26	Feb
Andersen og Aksnes	Heating & Plumbing 	Norway	102	Feb
Uudenmaan Sähkötekniikka	Electrical 	Finland	42	Mar
Rodens Värme & Sanitet	Heating & Plumbing 	Sweden - East	38	Mar
Uudenmaan LVI-Talo	Heating & Plumbing, Ventilation  	Finland	107	Mar
Frøland & Noss Elektro	Electrical 	Norway	167	Jun
AS Elektrisk	Electrical 	Norway	65	Jul

Instalco's financial targets and dividend policy

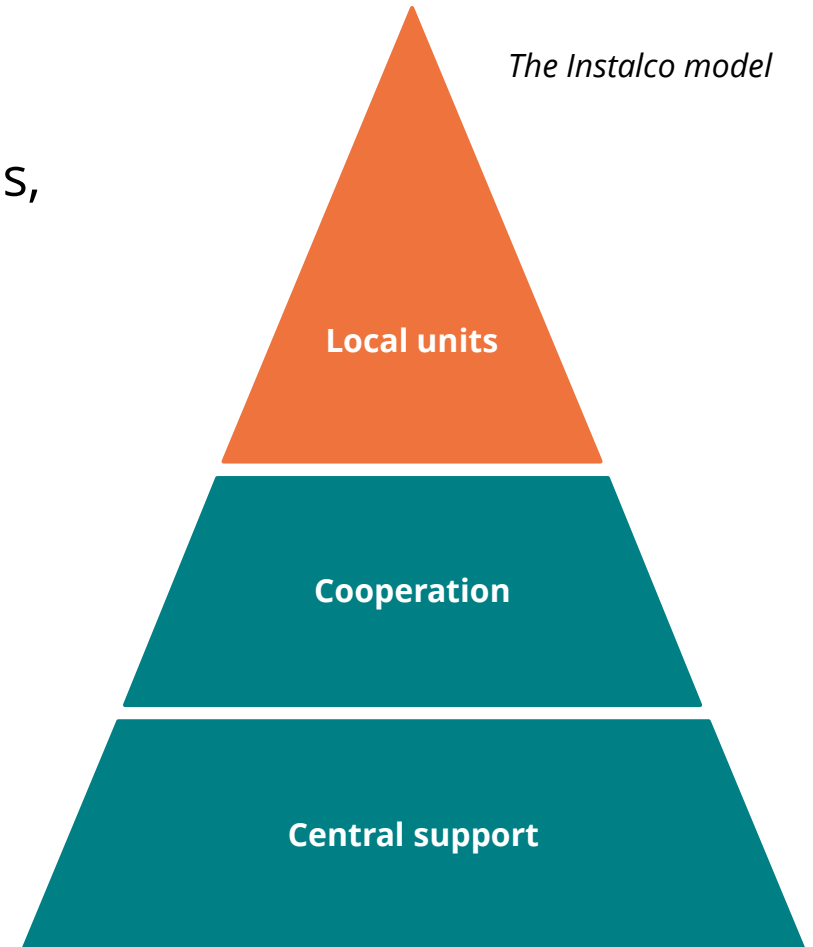
Area	Target
Growth	<ul style="list-style-type: none">Adjusted EBITA¹ shall reach SEK 450m not later than the end of 2019, implying a doubling of adjusted EBITA for the financial year 2016The average organic sales growth shall amount to 5% over time
Margin	<ul style="list-style-type: none">Instalco aims to deliver an adjusted EBITA margin of 8.0%
Capital structure	<ul style="list-style-type: none">Instalco's net debt in relation to adjusted EBITDA² shall not exceed a ratio of 2.5
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
Dividend policy	<ul style="list-style-type: none">Instalco targets a dividend payout ratio of 30% of net profit

Instalco's financial targets set forth above constitute forward-looking information that is subject to considerable uncertainty. The financial targets are based upon a number of assumptions relating to, among others, the development of Instalco's industry, business, results of operations and financial condition. Instalco's business, results of operations and financial condition, and the development of the industry and the macroeconomic environment in which Instalco operates, may differ materially from, and be more negative than, those assumed by Instalco when preparing the financial targets set out above. As a result, Instalco's ability to reach these financial targets is subject to uncertainties and contingencies, some of which are beyond its control, and no assurance can be given that Instalco will be able to reach these targets or that Instalco's financial condition or results of operations will not be materially different from these financial targets

1) Adjusted EBITA including full-year pro-forma consolidation of acquisitions and excluding exceptional items
2) Adjusted EBITDA including full-year pro-forma consolidation of acquisitions and excluding exceptional items

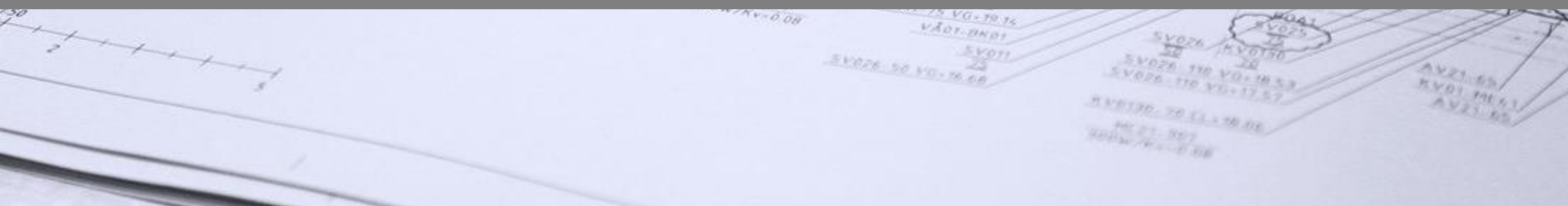
Summary

- Stable growth and favourable profitability
- Final stage of several acquisition processes, primarily in Sweden and Finland
- Limited exposure to the housing market
- Continued high demand for installation services expected





Q&A





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APPENDIX

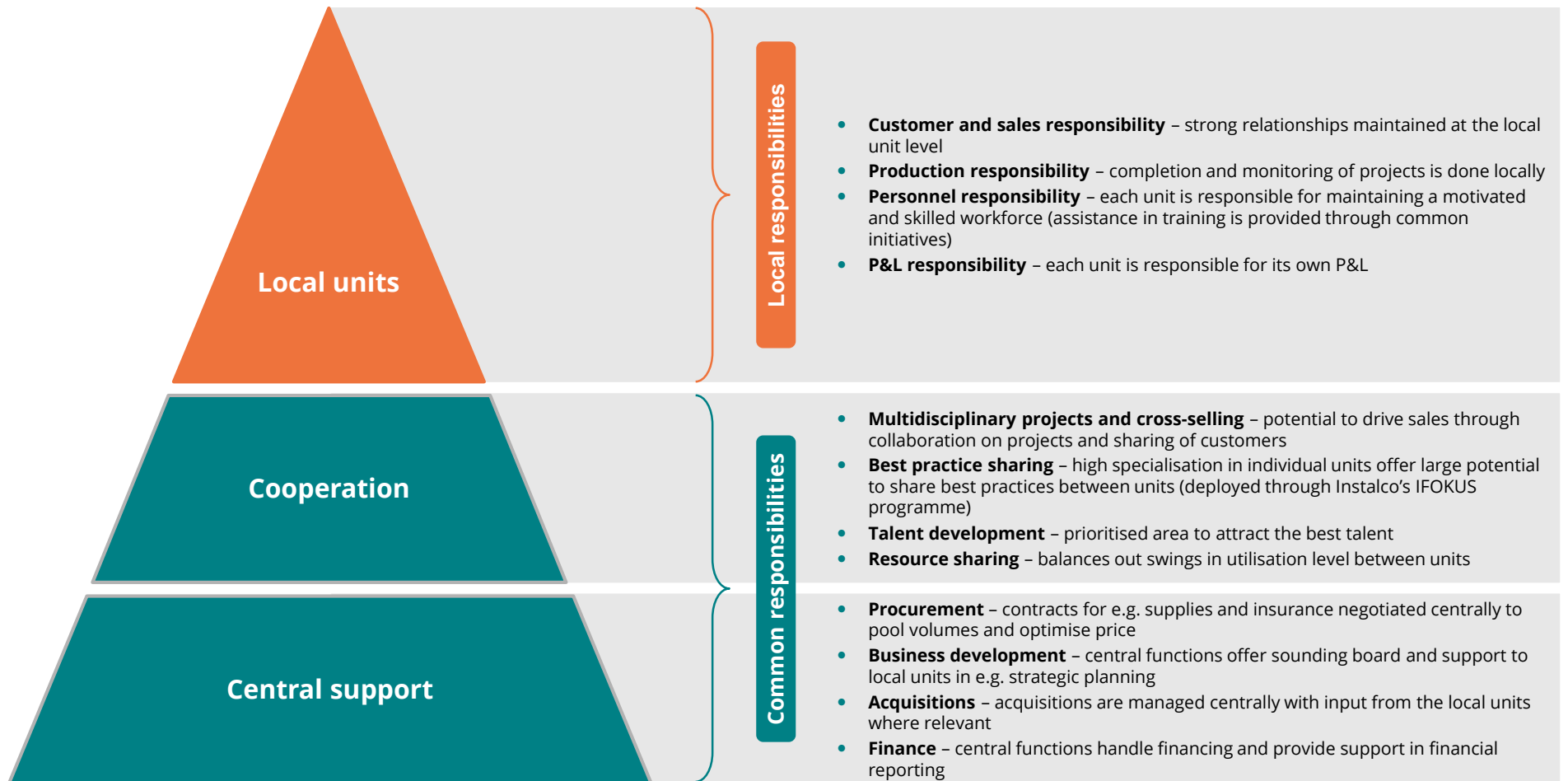


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The Instalco model



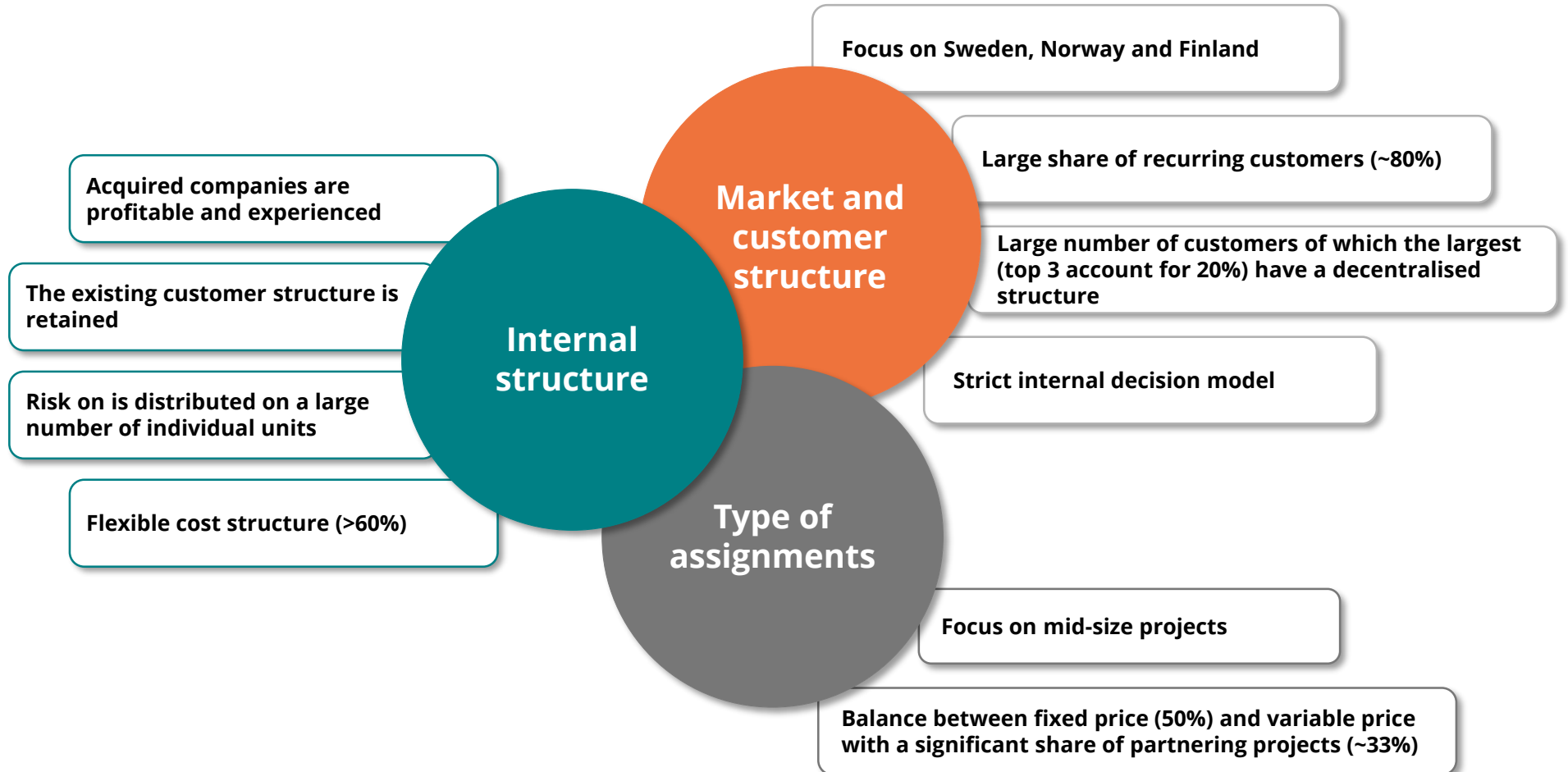
The Instalco model – local units supported by central functions



- The local units are the core of Instalco's operations – have full responsibility to drive the day-to-day business
- Instalco aims to provide an ecosystem for local market leaders to thrive and grow in
- Lean approach to central functions – services only added if they are requested by the local units

Balanced risk – Instalco's approach to risk

Balanced risk is fundamental to Instalco's business model. This foundation is based on the following ten strategic principles for risk management, applicable since the company started:



Quarterly data

SEKm	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3
Net sales	336	487	474	599	556	777	689	781	708
<i>Growth, %</i>	<i>n.a.</i>	<i>n.a.</i>	<i>95.8%</i>	<i>97.1%</i>	<i>65.6%</i>	<i>59.7%</i>	<i>45.2%</i>	<i>30.5%</i>	<i>27.3%</i>
EBITDA	-6	39	23	49	12	60	38	62	54
<i>EBITDA margin, %</i>	<i>-1.9%</i>	<i>8.0%</i>	<i>4.9%</i>	<i>8.2%</i>	<i>2.2%</i>	<i>7.7%</i>	<i>5.5%</i>	<i>8.0%</i>	<i>7.6%</i>
Adjusted EBITDA	15	39	26	56	16	63	46	71	50
<i>Adjusted EBITDA margin, %</i>	<i>4.6%</i>	<i>8.0%</i>	<i>5.5%</i>	<i>9.3%</i>	<i>2.9%</i>	<i>8.1%</i>	<i>6.7%</i>	<i>9.1%</i>	<i>7.0%</i>
EBITA	-7	38	23	49	11	58	37	61	52
<i>EBITA margin, %</i>	<i>-2.0%</i>	<i>7.9%</i>	<i>4.8%</i>	<i>8.1%</i>	<i>2.0%</i>	<i>7.4%</i>	<i>5.3%</i>	<i>7.8%</i>	<i>7.4%</i>
Adjusted EBITA	15	38	25	55	15	61	45	69	48
<i>Adjusted EBITA margin, %</i>	<i>4.5%</i>	<i>7.9%</i>	<i>5.3%</i>	<i>9.2%</i>	<i>2.7%</i>	<i>7.8%</i>	<i>5.3%</i>	<i>8.9%</i>	<i>6.8%</i>
Adjustments									
Earn-outs	18	-5	-	6	0	-	4	-16	-9
Acquisition costs	-	3	2	0	3	1	2	4	2
Refinancing costs	4	2	0	0	0	1	1	0	0
Listing costs	-	-	-	-	1	1	2	20	2
Total adjustments	22	-0	3	6	4	3	8	8	-4
Net debt	285	332	293	265	210	241	302	346	392
Net debt /LTM adjusted EBITDA	n.a.	3.8x	2.8x	2.0x	1.5x	1.5x	1.7x	1.8x	1.7x
Net working capital	55	100	35	15	3	-17	-69	-26	15
<i>Net working capital (% of LTM net sales)</i>	<i>n.a.</i>	<i>7.3%</i>	<i>2.2%</i>	<i>0.8%</i>	<i>0.1%</i>	<i>-0.7%</i>	<i>-2.9%</i>	<i>-0.9%</i>	<i>0.5%</i>
Order backlog	1,116	1,318	1,650	1,683	1,911	1,999	2,189	2,496	2,611
Number of operating units at the end of the period	13	15	18	19	24	26	31	32	33
Average number of employees	949	870	1,043	1,082	1,221	1,240	1,466	1,578	1,594
Number of employees at the end of the period	985	925	1,060	1,120	1,257	1,295	1,470	1,590	1,631