



Q1 2017 presentation
29 May 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

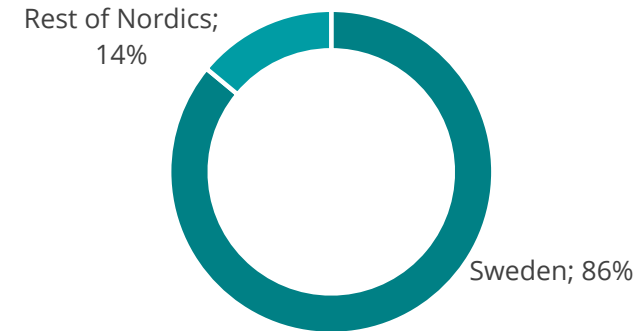
Heating & Plumbing

- 💧 Waterborne heating, cooling and sanitation systems

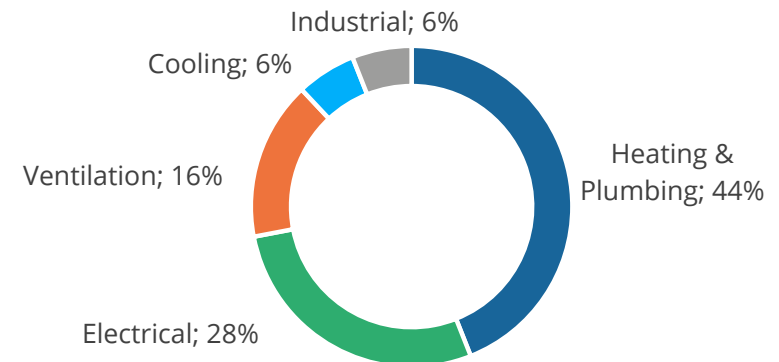
Cooling

- ❄️ Grocery cooling, comfort cooling and process cooling

Net sales distribution - Q1 2017



Net sales per segment



Net sales per discipline

Q1 - Highlights

- Strong net sales growth of 45.2%
- Order backlog increase of 32.7%
 - Order worth SEK 250 million awarded to Ohmegi and Rörgruppen
- Five acquisitions, whereof two in Finland
 - Platform to capture growth in Helsinki region
- Strong cash flow
- Successful IPO on Nasdaq Stockholm

Net sales

SEK **689** million

Adjusted EBITA

SEK **45** million

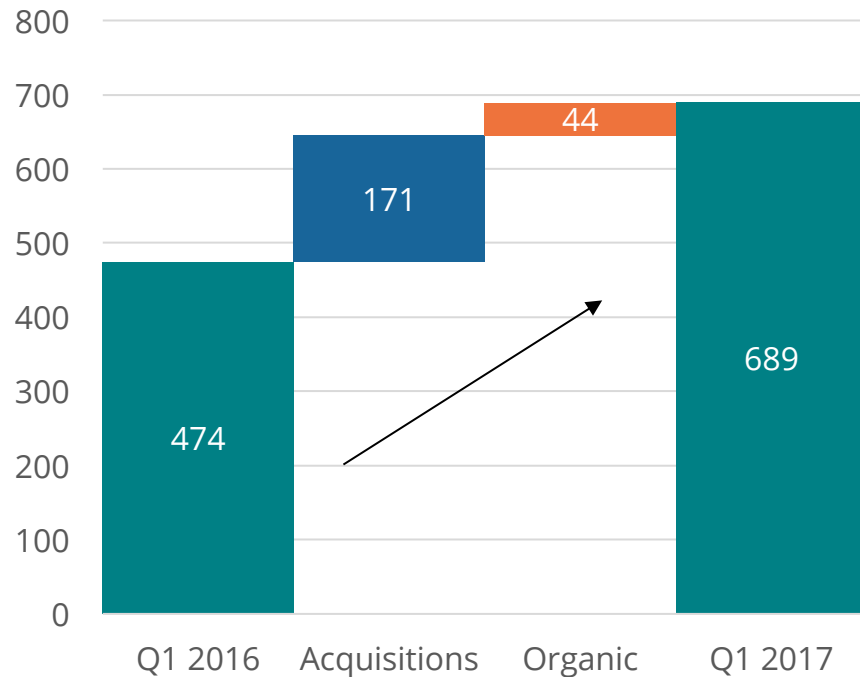
Adjusted EBITA margin

6.5 %

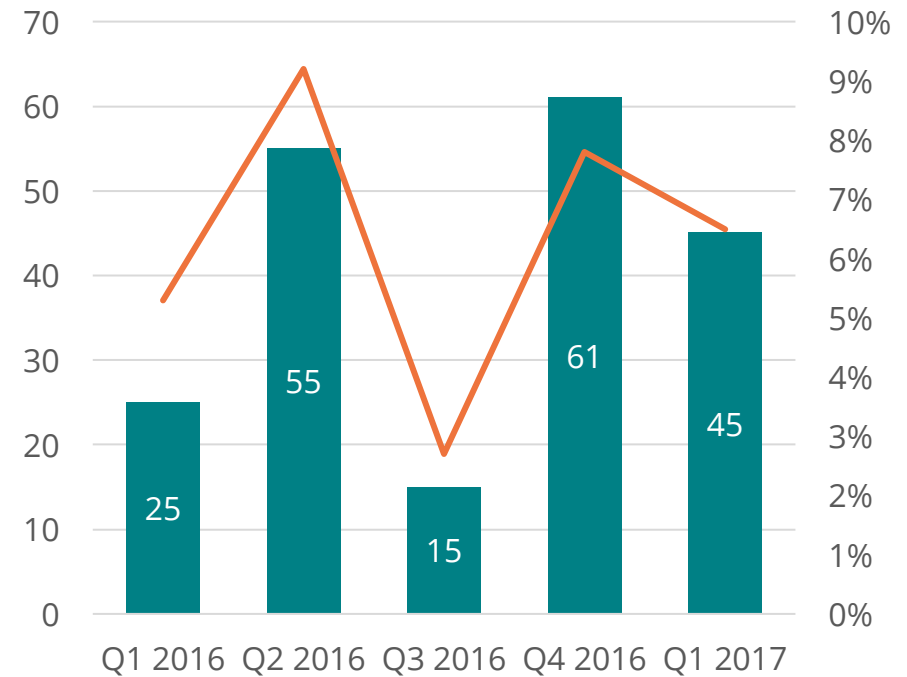


Group development – Net sales and EBITA

Net sales growth (SEK million)



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

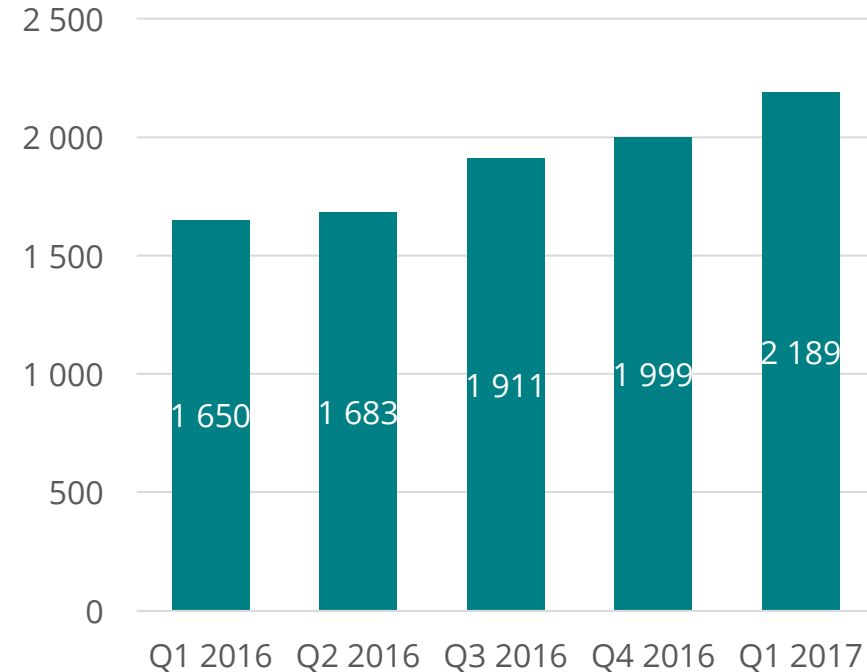


- Net sales growth of 45.2% Y/Y whereof 9.3% organic and 35.9% acquired growth
- Adjusted EBITA growth of 80% Y/Y with margin improvement from 5.3% to 6.5%
- Q1 is a quarter with seasonally low activity

Group development – Order backlog

- Stable development
- Growth of 32.7% Y/Y whereof 28.7% was acquired and 3.9% in comparable units
- Order backlog ratio of 0.8x (relative to 12 months rolling net sales)

Order backlog (SEK million)



Segment development - Sweden

- Solid market demand and strong result
- Net sales growth of 31.2% Y/Y whereof 9.9% organic and 21.3% acquired growth
- EBITA growth of 100% Y/Y with margin improvement from 5.7% to 8.8%
- Order backlog growth of 20.1% Y/Y whereof 14.4% was acquired and 5.7% in comparable units

Net sales

SEK **593** million

EBITA

SEK **52** million

EBITA margin

8.8 %

Order backlog

SEK **1,736** million

Segment development – Rest of Nordics

- Overall stable markets
- Negative EBITA due to slow start and postponement of certain projects in Norway
- Growth related to acquisitions of 340.3%
- Order backlog growth of 121.3% Y/Y whereof 130.1% was acquired and -8.7% in comparable units

Net sales

SEK **95** million

EBITA

SEK **-2** million







EBITA margin

-

Order backlog

SEK **453** million

Acquisitions

Acquisition	Discipline	Market / Region	Estimated yearly sales (SEKm)
SwedVVs	Heating & Plumbing 	Sweden - West	26
Andersen og Aksnes	Heating & Plumbing 	Norway	102
Uudenmaan Sähkötekniikka	Electrical 	Finland	42
Rodens Värme & Sanitet	Heating & Plumbing 	Sweden - East	38
Uudenmaan LVI-Talo	Heating & Plumbing, Ventilation  	Finland	107

- Total estimated yearly sales of SEK 315 million
- Platform in place to offer multi-disciplinary solutions in the Helsinki region in Finland
- Continue to pursue high-quality companies with leading positions and documented profitability and growth

Instalco's financial targets and dividend policy

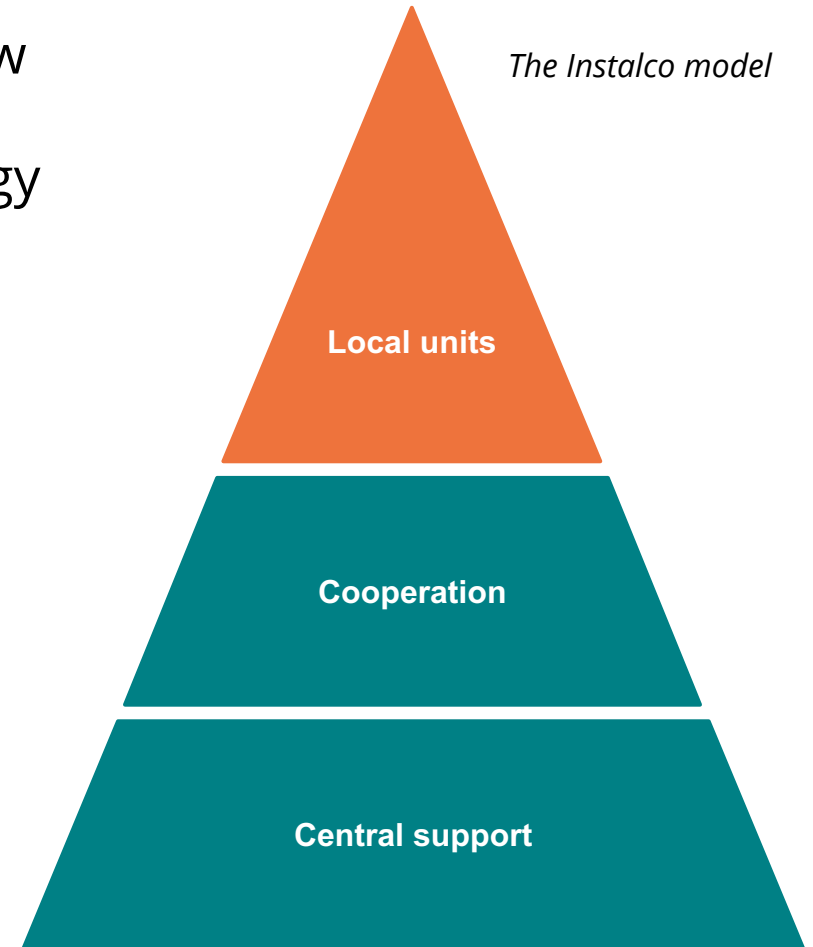
Area	Target
Growth	<ul style="list-style-type: none">Adjusted EBITA¹ shall reach SEK 450m not later than the end of 2019, implying a doubling of adjusted EBITA for the financial year 2016The average organic sales growth shall amount to 5% over time
Margin	<ul style="list-style-type: none">Instalco aims 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

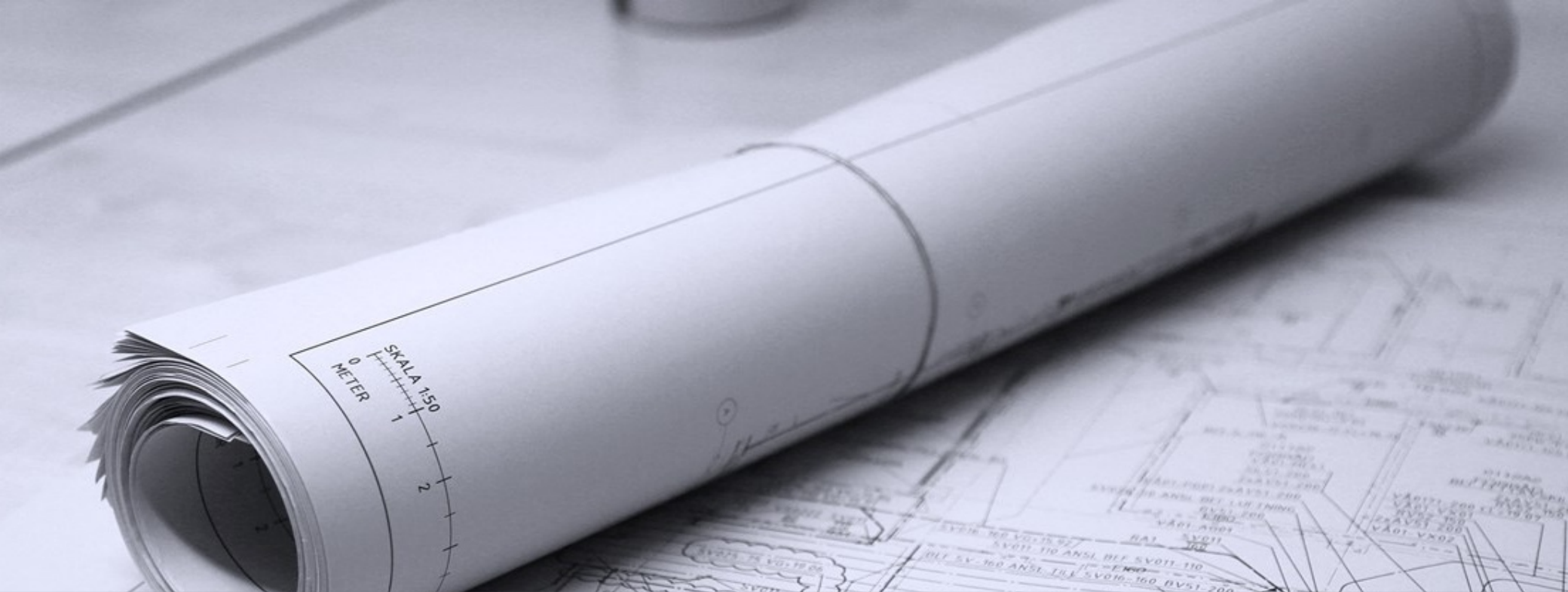
Instalco's financial targets set forth above constitute forward-looking information that is subject to considerable uncertainty. The financial targets are based upon a number of assumptions relating to, among others, the development of Instalco's industry, business, results of operations and financial 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

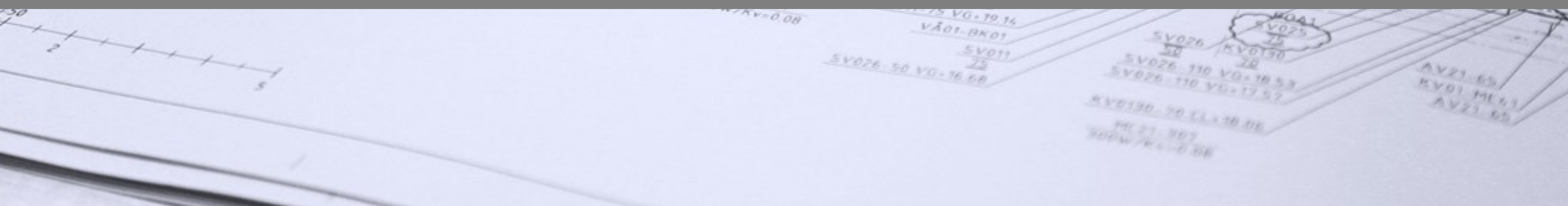
Summary

- Strong net sales, profitability and cash flow
- Continued execution of acquisition strategy
- Solid development in Sweden
- Projects in Norway impact EBITA but normalisation expected in Q2
- Finnish platform in place





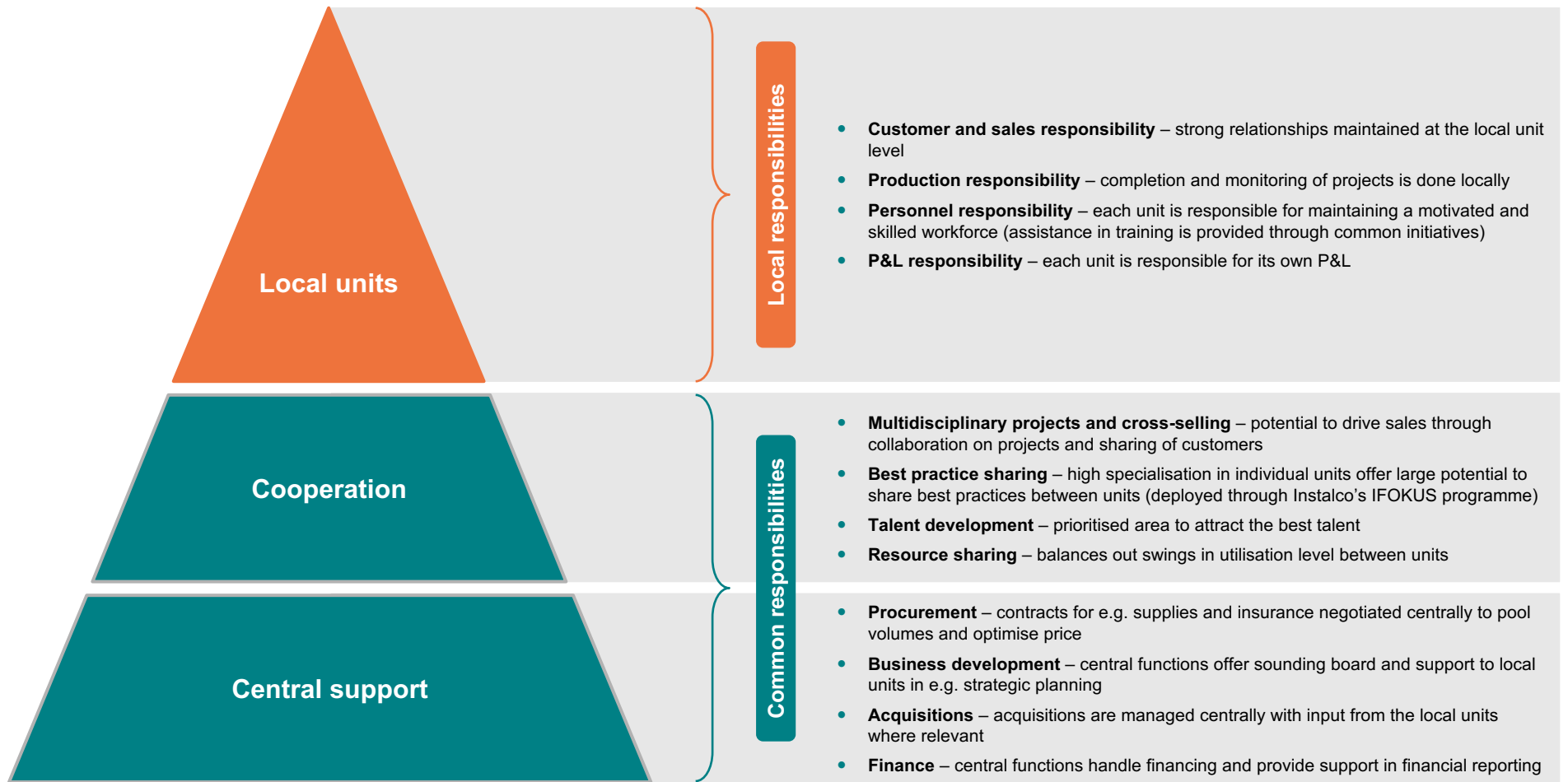
Q&A



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

Quarterly data

SEKm	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1
Net sales	242	304	336	487	474	599	556	777	689
<i>Growth, %</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	95.8%	97.1%	65.6%	59.7%	45.2%
EBITDA	8	10	-6	39	23	49	12	60	38
<i>EBITDA margin, %</i>	3.3%	3.3%	-1.9%	8.0%	4.9%	8.2%	2.2%	7.7%	5.5%
Adjusted EBITDA	9	25	15	39	26	56	16	63	46
<i>Adjusted EBITDA margin, %</i>	3.5%	8.1%	4.6%	8.0%	5.5%	9.3%	2.9%	8.1%	6.7%
EBITA	8	10	-7	38	23	49	11	58	37
<i>EBITA margin, %</i>	3.2%	3.1%	-2.0%	7.9%	4.8%	8.1%	2.0%	7.4%	5.3%
Adjusted EBITA	8	24	15	38	25	55	15	61	45
<i>Adjusted EBITA margin, %</i>	3.4%	8.0%	4.5%	7.9%	5.3%	9.2%	2.7%	7.8%	5.3%
Adjustments									
Earn-outs	-	12	18	-5	-	6	0	-	4
Acquisition costs	-	3	-	3	2	0	3	1	2
Refinancing costs	-	-	4	2	0	0	0	1	1
Transaction costs	-	-	-	-	-	-	1	1	2
Sponsoring costs	0	0	0	0	-	-	-	-	-
Total adjustments	0	15	22	-0	3	6	4	3	8
Net debt	-23	26	285	332	293	265	210	241	302
Net debt /LTM adjusted EBITDA	n.a.	n.a.	n.a.	3.8x	2.8x	2.0x	1.5x	1.5x	1.7x
Net working capital	-2	7	55	100	35	15	3	-17	-69
<i>Net working capital (% of LTM net sales)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	7.3%	2.2%	0.8%	0.1%	-0.7%	-2.9%
Order backlog	856	1,157	1,116	1,318	1,650	1,683	1,911	1,999	2,189
Number of operating units at the end of the period	9	13	13	15	18	19	24	26	31
Average number of employees	759	760	949	870	1,043	1,082	1,221	1,240	1,466
Number of employees at the end of the period	785	786	985	925	1,060	1,120	1,257	1,295	1,470