# Instalco

Interim report January – September 2018

## Strong growth in sales, profitability and order backlog

**July – September 2018**

- Net sales increased by 40.8 percent to SEK 998 (708) million. Organic growth was 8.6 (0.2) percent.
- Adjusted EBITA increased to SEK 74 (48) million which corresponds to an adjusted EBITA margin of 7.5 (6.8) percent.
- Operating cash flow for the quarter was SEK 8 (–3) million.
- No new acquisitions were made during the quarter.
- Earnings per share for the quarter amounted to SEK 1.22 (0.85).

**January - September 2018**

- Net sales increased by 44.6 percent to SEK 3,150 (2,178) million. Organic growth was 7.4 (1.5) percent.
- Adjusted EBITA increased to SEK 253 (163) million which corresponds to an adjusted EBITA margin of 8.0 (7.5) percent.
- Operating cash flow for the period was SEK 207 (131) million.
- Nine acquisitions were made during the period, which, on an annual basis are expected to contribute SEK 553 million in sales.
- Earnings per share for the period amounted to SEK 3.17 (2.31).


### Key figures

| SEK m | July-Sept 2018 | July-Sept 2017 | Jan-Sept 2018 | Jan-Sept 2017 | 12-months rolling 2017/2018 | Jan-Dec 2017 |
|---|---|---|---|---|---|---|
| Net sales | 998 | 708 | 3,150 | 2,178 | 4,086 | 3,114 |
| EBITA | 68 | 52 | 206 | 150 | 300 | 244 |
| EBITA margin, % | 6.8 | 7.4 | 6.6 | 6.9 | 7.4 | 7.8 |
| Adjusted EBITA[1)] | 74 | 48 | 253 | 163 | 355 | 264 |
| Adjusted EBITA margin, %[1)] | 7.5 | 6.8 | 8.0 | 7.5 | 8.7 | 8.5 |
| Earnings before taxes | 63 | 50 | 193 | 137 | 285 | 229 |
| Order backlog | 3,724 | 2,611 | 3,724 | 2,611 | 3,724 | 3,194 |
| Earnings per share, SEK [2)] | 1.22 | 0.85 | 3.17 | 2.31 | 4.54 | 3.69 |

*1) Adjusted for items associated with, inter alia, acquisitions.*
*2) Calculated in relation to the number of shares at the end of the reporting period.*

***Instalco is a leading Nordic company within the electrical, plumbing, climate and cooling areas. The company is represented in most of Sweden and the Oslo and Helsinki regions. Through innovative thinking and efficiency, the operations are conducted in close collaboration with our customers.***

# CEO Comments

Instalco once again reported strong growth in sales and high profitability during the third quarter of the year. Sales for the quarter amounted to SEK 998 (708) million. Growth was 40.8 percent, of which 8.6 percent was organic growth. Adjusted EBITA for the third quarter was SEK 74 (48) million, which corresponds to an adjusted EBITA margin of 7.5 (6.8) percent.

Order backlog continued to grow robustly and at the end of the quarter, it amounted to SEK 3,724 (2,611) million, which corresponds to an increase of 42.6 percent.

On the whole, we see continued stability in the installation sector, with a higher demand for energy-efficient solutions and higher demands on sustainability.

### Favourable climate for acquisitions

During the quarter, we pursued acquisition discussions with several skilled entrepreneurs in the installation sector. The acquisition climate is favourable and there are many attractive, well-run companies that we are in contact with and interested in acquiring. However, we are only interested in profitable companies that fit the Group's strategy and can contribute to our growth.

We are on track with our target of SEK 600-800 million in acquired sales each year and several interesting company acquisitions are in the works for the fourth quarter.

Subsequent to the end of the reporting period, we acquired Rörman AB and MSI-El AB with an anticipated annual sales of SEK 133 million.

### High demand for energy-efficient solutions

For all of our projects, we strive to generate benefits to society. At all times, our goal is to help customers lower their environmental impact by decreasing their energy consumption and achieving a higher level of sustainability. It is evident that the demand for energy-efficient solutions is rising.

For example, we won a contract during the quarter for comprehensive ventilation and electricity installations that will conserve energy at the Scania ice rink in Södertälje. Instalco companies JN El and OTK collaborated on that project. OTK replaced the ventilation system at the rink and JN El provided electricity installations for all the fan units, along with installing new LED lighting over both the rink and seating areas. The new system provides 80 percent more light and a 40 percent energy saving.

Another energy-saving project is ORAB's pipe installations that are part of the conversion project at Stora Enso's newsprint mill, Hylte Mill. The installation of a new condensing steam turbine increases the mill's level of self-sufficiency and lowers its electricity consumption.

In central Stockholm, we won two large, interesting assignments during the quarter. Ohmegi has been contracted for electrical installations at the Glashuset property at Slussen and in collaboration with Rörgruppen, they have began electrical installation and plumbing works at Sergelhuset, which is located at the most central public square in Stockholm. The work will be carried out under a contract from NCC with Vasakronan (the property owner) and it is part of the major renovation and modernisation of the blocks surrounding Sergels torg.

### Stable demand in the installation sector

The installation sector is still growing steadily even though housing construction has slowed down. It is a stable market with high demand, yet still with the challenge of finding enough skilled labour to meet that demand. The sector is growing even though there has been a dip in housing construction. In the public sector, the rate of construction for schools, preschools and hospitals remains high. In the installation sector, the most important disciplines are electricity, heating and plumbing.

At Instalco, we've continued developing collaboration efforts between our specialist companies and areas of technology so that we can offer customers attractive solutions that cover all of their needs. Instalco offers the best of both worlds: the advantage of proximity to customers that local companies provide, along with the synergies that come with belonging to a large group.

Per Sjöstrand, CEO

# Performance of the Instalco Group

### The Nordic market of installation services

The market for technical installation and service in Sweden, Norway and Finland has been stable over time. To a large extent, the market is fuelled by several underlying macroeconomic factors, including GDP, infrastructure investments, urbanisation, ageing property holdings, development of technology, energy efficiency and a higher demand for sustainable construction.

### Net sales

*Third quarter*

Sales for the third quarter amounted to SEK 998 (708) million, which is an increase of 40.8 percent. Adjusted for currency effects, organic growth was 8.6 percent and acquired growth was 32.8 percent. Currency fluctuations had an effect on net sales of 1.9 percent. No new company acquisitions were made during the quarter.

*January-September*

Net sales for the period amounted to SEK 3,150 (2,178) million, which is an increase of 44.6 percent. Organic growth, adjusted for currency effects, was 7.4 percent and acquired growth was 39.0 percent. Currency fluctuations had an effect on net sales of 1.0 percent. Nine companies were acquired during the period.

### Earnings

*Third quarter*

Adjusted EBITA for the third quarter was SEK 74 (48) million. Net financial items for the quarter amounted to SEK –5 (–2) million. Interest expense on external loans was SEK –3 (–2) million. Earnings for the period were SEK 58 (39) million, which corresponds to earnings per share of SEK 1.22 (0.85). Tax for the quarter amounted to SEK 4 (10) million, of which 11 million is attributable to deffered tax on prior year deficits.

*January-September*

Adjusted EBITA for the period was SEK 253 (163) million. Net financial items for the period amounted to SEK –13 (–13) million. Interest expense on external loans was SEK –9 (–6) million. Earnings for the period were SEK 151 (107) million, which corresponds to earnings per share of SEK 3.17 (2.31). Tax for the period was SEK 42 (30) million.

### Order backlog

*January-September*

Outstanding orders at the end of the third quarter amounted to SEK 3,724 (2,611) million, which is an increase of 42.6 percent. For comparable units, order backlog increased by 4.6 percent and acquired growth was 35.8 percent. During the third quarter, Instalco companies (via for example, Rörläggaren) began comprehensive pipe installation work at the new hospital area in Malmö. And, via Tofta Plåt & Ventilation, project planning efforts and development of Vasaloppscentret (central meeting point for the Billingen recreation area) continued.

### Cash flow

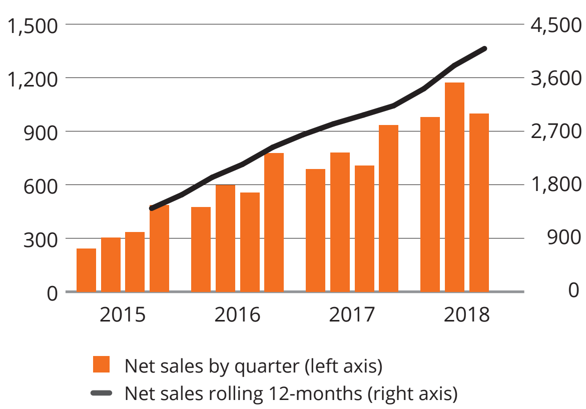
*Third quarter*

Operating cash flow was SEK 8 (–3) million. Instalco's cash flow varies over time, primarily because of work-in-progress. The ending balances of accounts receivable, accounts payable and changes in work-in-progress can therefore differ considerably when making comparisons between quarters.

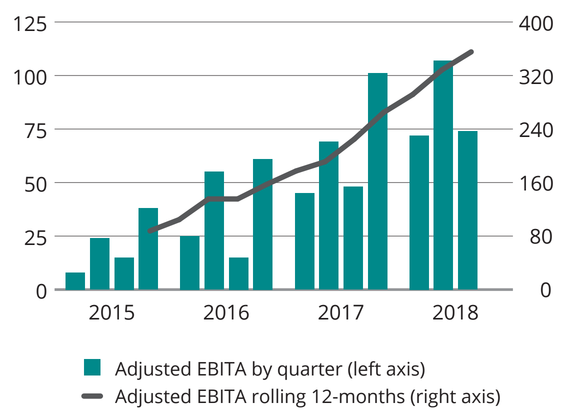
*January-September*

Operating cash flow was SEK 207 (131) million.

**NET SALES BY QUARTER, SEK M**




**ADJUSTED EBITA BY QUARTER, SEK M**



# Operations in Sweden

## Market

There is healthy demand in the market, which is reflected in the robust growth of our backlog of orders. Slowdown in housing construction has persisted, particularly for new construction of condominiums in metropolitan regions. Instalco has not been particularly affected by these developments, since its exposure to new construction is only around 10 percent.

Although there has been a dip in housing construction, the rate of construction for schools, preschools and hospitals remains high.

## Net sales

*Third quarter*

Sales for the third quarter increased by SEK 189 million to SEK 719 (530) million compared to the same period last year. Organic growth was 6.0 percent and acquired growth was 34.0 percent.

*January-September*

Net sales for the period increased by SEK 613 million to SEK 2,368 (1,755) million compared to the same period last year. Organic growth was 7.4 percent and acquired growth was 31.3 percent.

## Earnings

*Third quarter*

Adjusted EBITA for the quarter was SEK 72 (49) million.

*January-September*

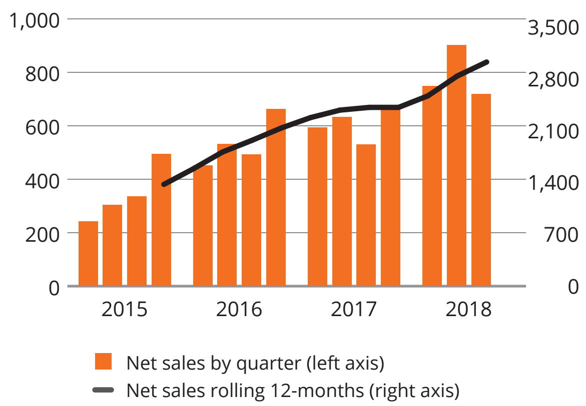
Adjusted EBITA for the period was SEK 247 (164) million. The improvement is attributable to acquisitions and improved processes, more focus on measures to improve profitability and IFOKUS, which is the company's improvement initiative.

## Order backlog

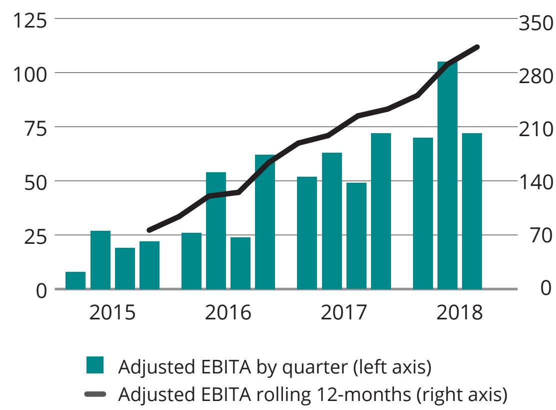
*January-September*

Order backlog at the end of the period amounted to SEK 2,822 (1,956) million, which is an increase of 44.3 percent. For comparable units, order backlog increased by 3.4 percent and acquired growth was 40.8 percent.

NET SALES BY QUARTER, SEK M




ADJUSTED EBITA BY QUARTER, SEK M




## Key figures for Sweden

| SEK m | July-Sept 2018 | July-Sept 2017 | Jan-Sept 2018 | Jan-Sept 2017 | 12-months rolling 2017/2018 | Jan-Dec 2017 |
|---|---|---|---|---|---|---|
| Net sales | 719 | 530 | 2,368 | 1,755 | 3,031 | 2,418 |
| EBITA | 72 | 49 | 247 | 164 | 318 | 236 |
| EBITA % | 10.0 | 9.2 | 10.4 | 9.4 | 10.5 | 9.8 |
| Order backlog | 2,822 | 1,956 | 2,822 | 1,956 | 2,822 | 2,587 |

# Operations in Rest of Nordic

## Market

The Norwegian market is stable, with growth in all areas where Instalco is represented. In the southwest region of the country, the gas sector is recovering, which is resulting in new investments in the construction market. The market is stable in Finland, fuelled by activity in the Helsinki region.

## Net sales

*Third quarter*

Net sales for the third quarter increased by SEK 100 million to SEK 279 (179) million compared to the same period last year. Organic growth, adjusted for currency effects, was 16.1 percent and acquired growth was 29.5 percent.

*January-September*

Net sales for the period increased by SEK 359 million to SEK 782 (423) million compared to the same period last year. Organic growth, adjusted for currency effects, was 7.2 percent and acquired growth was 70.8 percent.

## Earnings

*Third quarter*

Adjusted EBITA for the quarter was SEK 8 (3) million.

*January-September*

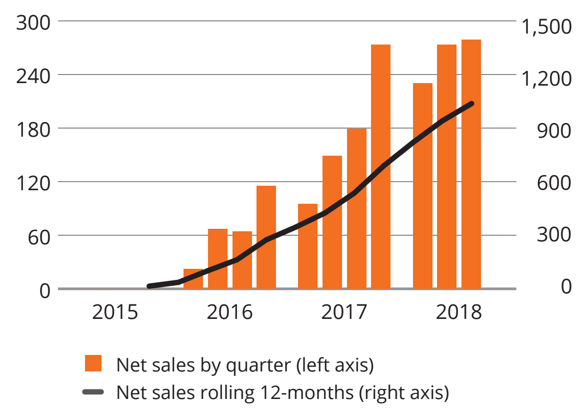
Adjusted EBITA for the period was SEK 28 (14) million.

## Order backlog

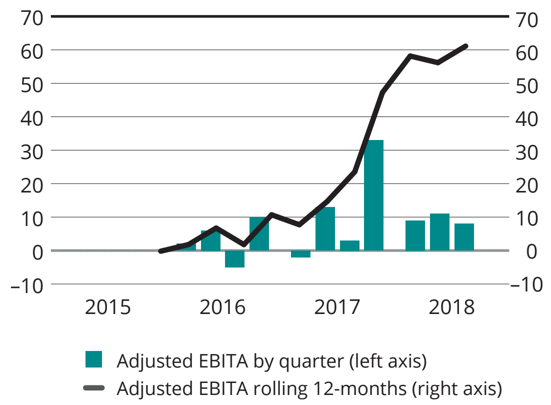
*January-September*

Order backlog at the end of the period amounted to SEK 902 (655) million, which is an increase of 29.0 percent, adjusted for currency effects. For comparable units, order backlog increased by 8.2 percent and acquired growth was 20.8 percent.

NET SALES BY QUARTER, SEK M




ADJUSTED EBITA BY QUARTER, SEK M




## Key figures, Rest of Nordic

| SEK m | July-Sept 2018 | July-Sept 2017 | Jan-Sept 2018 | Jan-Sept 2017 | 12-months rolling 2017/2018 | Jan-Dec 2017 |
|---|---|---|---|---|---|---|
| Net sales | 279 | 179 | 782 | 423 | 1,055 | 695 |
| EBITA | 8 | 3 | 28 | 14 | 62 | 48 |
| EBITA % | 3.0 | 1.9 | 3.6 | 3.4 | 5.8 | 6.9 |
| Order backlog | 902 | 655 | 902 | 655 | 902 | 607 |

# Acquisitions

Instalco made nine acquisitions during the first half of 2018. For each of them, 100 percent of the shares were acquired. Included in the acquisitions are doubtful accounts for SEK 2 million.

In accordance with agreements on conditional consideration, the Group must pay cash for future earnings. The maximum, non-discounted amount that could be paid to prior owners is SEK 106 million, of which SEK 74 million is acquisitions that were made in 2018. The total amount of accrued additional consideration is SEK 65 million, of which SEK 56 million is for acquisitions made in 2018.

The fair value of the conditional consideration is at Level 3 in the IFRS fair value hierarchy.

Goodwill of SEK 261 million that has arisen from the acquisition is not attributable to any particular balance sheet item and it is not expected to generate any direct synergy effects.

Two new companies were set up during the quarter and one new company was set up subsequent to the end of the quarter to cover new geografic areas in Sweden.

## Company acquisitions

Instalco made the following company acquisitions during the period January – September 2018.

| Access gained | Acquisitions | Segment | Assessed annual sales, SEK m | Number of employees |
|---|---|---|---|---|
| January | Trel AB | Sweden | 75 | 26 |
| January | Sprinklerbolaget i Stockholm AB | Sweden | 77 | 45 |
| January | Vent och Värmeteknik VVT AB | Sweden | 18 | 11 |
| February | VVS-Kraft Teknikservice i Stockholm AB | Sweden | 85 | 37 |
| February | RIKElektro AB | Sweden | 60 | 30 |
| April | Dala Kylmecano AB | Sweden | 31 | 15 |
| April | APC Elinstallatören AB | Sweden | 50 | 27 |
| May | Teknisk Ventilasjon AS | Norway | 57 | 17 |
| June | LVI-Urakointi Paavola Oy | Finland | 100 | 45 |
| **Total** | | | **553** | **253** |

## Impact of acquisitions

Acquisitions had the following impact on the Group's assets and liabilities.

| SEK m | Fair value of Group |
|---|---|
| Intangible assets | – |
| Deferred tax receivable | 0 |
| Other non-current assets | 5 |
| Other current assets | 173 |
| Cash and cash equivalents | 88 |
| Deferred tax liability | –4 |
| Current liabilities | –167 |
| **Total identifiable assets and liabilities (net)** | **95** |
| | |
| **Goodwill** | **261** |
| | |
| **Consideration paid** | |
| Cash and cash equivalents | 301 |
| Non-controlling interests | 0 |
| Conditional consideration | 56 |
| **Total transferred consideration** | **357** |
| | |
| **Impact on cash and cash equivalents** | |
| Cash consideration paid | 301 |
| Cash and cash equivalents of the acquired units | –88 |
| **Total impact on cash and cash equivalents** | **213** |
| Settled conditional consideration attributable to acquisitions in prior years | 70 |
| Exchange rate difference | 1 |
| **Total impact on cash and cash equivalents** | **284** |
| | |
| **Impact on operating income and earnings in 2018** | |
| Operating income | 322 |
| Earnings | 29 |

# Other financial information

## Financial position

Equity at the end of the period amounted to SEK 990 (702) million. Net debt as of 30 September 2017 was SEK 588 (392) million. Currency changes impacted net debt by SEK –15 million. The gearing ratio as of 30 September 2018 was SEK 59.4 (55.9) percent. For the third quarter, net financial items amounted to SEK –5 (–2) million, of which net interest income/expense was SEK –3 (–2) million. For the period January – September 2018, net financial items amounted to SEK –13 (–13) million, of which net interest income/expense was SEK –9 (–6) million. The Group's cash and cash equivalents, together with its other short-term investments amounted to SEK 151 (226) million as of 30 September 2018. The Group's interest-bearing liabilities as of 30 September were SEK 739 (617) million. Instalco's total amount of granted credit was SEK 1,201 million, of which SEK 828 million had been utilised as of 30 September 2018. The change in working capital for the quarter was SEK –68 (–52) million. The change is primarily attributable to lower accounts receivable, higher accounts payable and a change in work-in-progress.

## Investments, depreciation and amortisation

For the year, the Group's net investments, not including company acquisitions, amounted to SEK 3 (1) million. Depreciation on property, plant and equipment was SEK 7 (4) million. Investments in company acquisitions amounted to SEK 284 (241) million. That amount includes conditional consideration on prior year acquisitions that was paid out in the amount of SEK 70 (11) million.

## Parent Company

The main operations of Instalco Intressenter AB are head office activities like group-wide management and administration, along with finance and accounting. The comments below pertain to the period 1 January through 30 September 2018. Net sales for the Parent Company amounted to SEK 18 (6) million. Operating profit/loss was SEK 2 (–21) million last years result was highly effected by listing costs. Net financial items amounted to SEK –2 (–3) million. Earnings before taxes were SEK 0 (–24) million and earnings for the period were SEK 6 (–24) million. Cash and cash equivalents at the end of the period amounted to SEK 22 (8) million.

## Risks and uncertainties

Instalco is active in the Nordic market, where the primary risk factors for the business are market conditions and external factors such as financial turmoil and political decisions that affect the demand for new housing and commercial premises, as well as investments from the public sector and industry. Cyclical fluctuations have less of an impact on the demand for service and maintenance work. The operating risks are attributable to daily operations, like tendering, price risks, capacity utilisation and revenue recognition.

The percentage of completion method is applied, with consideration given to a project's percentage of completion and final forecast. Instalco puts great emphasis on continually monitoring the financial status of its projects and it has a well-established process for limiting the risks of incorrect revenue recognition.

The Group is also exposed to impairment of fixed price projects, along with various types of financial risks, like currency, interest and credit risks.

A detailed description of the Group's risks is provided on pages 29-31 of the 2017 Annual Report.

## Incentive program

At Instalco's AGM on 27 April 2017, it was decided to implement an incentive program for the Group's senior executives and other key individuals at the company. In total, the scope of the program is, at most, 1,954,504 warrants, where each warrant entitles the holder to subscribe for one new ordinary Series A share in the company. The warrants can be exercised from the day following the publication of the company's quarterly report for the first quarter of 2020 through 30 June 2020.

## Transactions with related parties

During the period, there were no transactions between Instalco and related parties that had a significant impact on the company's financial position or earnings.

## Revenue breakdown

| Segment | Operations | |
|---|---|---|
| | Contract | Service |
| Sweden | 91% | 9% |
| Rest of Nordic | 85% | 15% |
| **Group** | 90% | 10% |

## Events after the end of the reporting period

During the fourth quarter of 2018, Instalco acquired Rörman i Svedala AB, just outside Malmö. It has 16 employees and anticipated annual sales of SEK 33 million. Instalco also acquired MSI Group, which consists of the following four subsidiaries: MSI El Motala Ströms Installation AB, Larm & Teleteknik i Motala AB, MSI-Järn AB and MSI-Rör AB, which is located in Östergötland. It has 66 employees and anticipated annual sales of SEK 100 million.

### Effects of acquisitions after the end of the reporting period

Acquisitions had the following impact on the Group's assets and liabilities.

| Fair value of consideration at the time of acquisition | SEK m |
|---|---|
| Conditional consideration | 12 |
| Cash and cash equivalents | 60 |
| **Total consideration** | 72 |

| Carrying amount of identifiable net assets | |
|---|---|
| Property, plant and equipment | 2 |
| Other current assets | 31 |
| Cash and cash equivalents | 12 |
| Deferred tax liability | –1 |
| Other liabilities | –22 |
| **Total identifiable net assets** | 22 |
| Goodwill from acquisitions | 50 |

### Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) along with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Commission for application within the EU. The standards and interpretations that have been applied are the ones that go into effect as of 1 January 2018 and which have been adopted by the EU. The Company has also applied recommendations from the Swedish Financial Reporting Board, RFR 1 Supplementary Accounting Rules for Groups. The consolidated financial statements for the interim period have been prepared in accordance with IAS 34 Interim Financial Reporting. Preparation has also been in accordance with the applicable requirements stated in the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act, which is in accordance with RFR 2 Accounting for Legal Entities.

*New standards and interpretations that enter into for in 2018 and beyond*

On 1 January 2018,  IFRS 15 Revenue from Contracts with Customers entered into force. The new standard introduces a control-based accounting model for revenue and it provides further guidance on many areas that were not previously covered in detail, such as how to report agreements with several performance commitments, variable pricing, customer's right of return, vendor repurchase rights and other common complexities. In 2016 and 2017, the Group reviewed its revenue and agreements. Instalco's revenue primarily consists of contract work, along with a smaller portion of service. For the first category, invoicing is based on contract work along with any charges for modifications and extras regulated in the contract. The second category is service and smaller projects, along with other items that are not regulated via a contract. IFRS 15 thus requires Instalco to report its revenue in two categories – Contract revenue and Service revenue. There is thus no impact on revenue or reported earnings from the new standard.

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement on 1 January 2018. The biggest changes have to do with a new model for impairment of accounts receivable (expected loss vs. incurred loss) and amended rules on hedge accounting. The effects of IFRS 9 have been considered and it has been determined that there is very little impact on Instalco's financial statements. IFRS 9 does not impact how Instalco classifies its financial assets.

IFRS 16 Leasing will replace IAS 17 Leasing and it enters into force on 1 January 2019. When the new standard enters into force, all of Instalco's long-term operating leases will be reported as fixed assets and financial liabilities in the consolidated balance sheet. Efforts continue to calculate the impact on Instalco's financial statements. For an indication on the scope of the change, please see the 2017 Annual Report, Note 4: Operating leases.

As of the date that these financial reports were approved, other new standards, amendments and interpretations of existing standards that have not yet entered into force have been published by the IASB. The Group has not elected for early adoption of any of these.

### New tax rules for corporate sector

In June 2017, the Riksdag accepted the proposal on new tax rules for the corporate sector. Among the changes is interest deduction limitation rules in accordance with the EU Directive. In brief, the proposal includes:

- A maximum interest deduction equal to 30 percent of taxable EBITDA.
- Lowering the corporate tax, in two steps, to 20.6 percent by 2021.

With this proposal, nominal tax is lowered. For Instalco, paid tax is not, however, expected to increase over the next few years as a result of the interest deduction limitation rules. The new regulations will enter into force on 1 January 2019.

### Other

Instalco only has conditional consideration valued at fair value reported in its financial statements. Such consideration is valued at fair value via profit or loss. The valuation of conditional consideration is based on other observable data for assets or liabilities, i.e. Level 3 in the IFRS fair value hierarchy. There have not been any reclassifications between the different levels in the hierarchy during the period. The total amount of conditional consideration recognised as a liability amounts to SEK 65 million.

# Condensed consolidated income statement and statement of comprehensive income

| AMOUNTS IN SEK M | July-Sept 2018 | July-Sept 2017 | Jan-Sept 2018 | Jan-Sept 2017 | 12-months rolling 2017/2018 | Jan-Dec 2017 |
|---|---|---|---|---|---|---|
| Net sales | 998 | 708 | 3,150 | 2,178 | 4,086 | 3,114 |
| Other operating income | 3 | 9 | 9 | 31 | 11 | 33 |
| **Operating income** | **1,001** | **718** | **3,160** | **2,210** | **4,097** | **3,147** |
| Materials and purchased services | –534 | –364 | –1,663 | –1,142 | –2,110 | –1,589 |
| Other external services | –70 | –59 | –216 | –181 | –290 | –256 |
| Personnel costs | –318 | –238 | –1,016 | –719 | –1,329 | –1,031 |
| Depreciation/amortisation and impairment of property, plant and equipment and intangible assets | –2 | –1 | –7 | –4 | –9 | –6 |
| Other operating expenses | –8 | –3 | –51 | –14 | –59 | –21 |
| **Operating expenses** | **–933** | **–666** | **–2,953** | **–2,060** | **–3,796** | **–2,903** |
| **Operating profit/loss (EBIT)** | **68** | **52** | **206** | **150** | **300** | **244** |
| Net financial items | –5 | –2 | –13 | –13 | –15 | –15 |
| **Earnings before taxes** | **63** | **50** | **193** | **137** | **285** | **229** |
| Tax on profit for the year | –4 | –10 | –42 | –30 | –70 | –58 |
| **Earnings for the period** | **58** | **39** | **151** | **107** | **215** | **171** |
| **Other comprehensive income** | | | | | | |
| Translation difference | –11 | 3 | 46 | –9 | 40 | –15 |
| **Comprehensive income for the period** | **48** | **42** | **198** | **98** | **255** | **156** |
| *Comprehensive income for the period attributable to:* | | | | | | |
| Parent Company's shareholders | 48 | 42 | 197 | 98 | 255 | 156 |
| Non-controlling interests | 0 | – | 0 | – | 0 | – |
| | | | | | | |
| Earnings per share for the period, before dilution, SEK | 1.22 | 0.85 | 3.17 | 2.31 | 4.54 | 3.69 |
| Earnings per share for the period, after dilution, SEK | 1.17 | 0.81 | 3.13 | 2.22 | 4.45 | 3.54 |
| | | | | | | |
| Average number of shares before dilution | 47,997,021 | 46,311,608 | 47,746,303 | 46,345,379 | 47,427,949 | 46,377,256 |
| Average number of shares after dilution[3)] | 49,856,499 | 48,253,891 | 48,366,129 | 48,275,021 | 48,375,231 | 48,306,906 |

*3) In conjunction with the IPO, the Company issued 1,929,650 warrants (see incentive program)*

# Condensed consolidated balance sheet

| AMOUNTS IN SEK M | 30 Sept 2018 | 30 Sept 2017 | 31 Dec 2017 |
|---|---|---|---|
| Goodwill | 1,522 | 1,097 | 1,260 |
| Other non-current assets | 21 | 15 | 21 |
| Financial assets | 1 | 1 | 2 |
| Deferred tax receivable | 12 | 0 | 0 |
| **Total non-current assets** | **1,556** | **1,114** | **1,282** |
| Inventories | 23 | 9 | 14 |
| Accounts receivable | 684 | 457 | 549 |
| Receivables on customers | 210 | 144 | 142 |
| Other receivables and investments | 52 | 35 | 38 |
| Prepaid expenses and accrued income | 43 | 31 | 61 |
| Cash and cash equivalents | 151 | 226 | 211 |
| **Total current assets** | **1,163** | **902** | **1,015** |
| **Total assets** | **2,719** | **2,015** | **2,297** |
| Equity | 990 | 702 | 793 |
| Non-controlling interests | 0 | – | – |
| **Total equity** | **990** | **702** | **793** |
| Non-current liabilities | 788 | 652 | 700 |
| Accounts payable | 349 | 249 | 262 |
| Liabilities to customers | 172 | 137 | 136 |
| Other current liabilities | 195 | 105 | 180 |
| Accrued expenses and deferred income, including provisions | 226 | 170 | 226 |
| **Total liabilities** | **1,729** | **1,313** | **1,504** |
| **Total equity and liabilities** | **2,719** | **2,015** | **2,297** |
| Of which interest-bearing liabilities | 739 | 617 | 657 |
| *Equity attributable to:* | | | |
| Parent Company shareholders | 990 | 702 | 793 |
| Non-controlling interests | 0 | – | – |

# Condensed statement of changes in equity

| AMOUNTS IN SEK M | 30 Sept 2018 | 30 Sept 2017 | 31 Dec 2017 |
|---|---|---|---|
| Opening equity | 793 | 553 | 553 |
| Total comprehensive income for the period | 197 | 98 | 156 |
| New issues | 52 | 43 | 76 |
| Unregistered share capital | – | – | – |
| Issue warrants | 0 | 8 | 8 |
| Dividend, external | –52 | – | – |
| Other | 0 | 0 | 0 |
| Non-controlling interests | 0 | – | – |
| **Closing equity** | **990** | **702** | **793** |
| *Equity attributable to:* | | | |
| Parent Company's shareholders | 990 | 702 | 793 |
| Non-controlling interests | 0 | – | – |

# Condensed consolidated cash flow statement

| AMOUNTS IN SEK M | July-Sept 2018 | July-Sept 2017 | Jan-Sept 2018 | Jan-Sept 2017 | 12-months rolling 2017/2018 | Jan-Dec 2017 |
|---|---|---|---|---|---|---|
| **Cash flow from operating activities** | | | | | | |
| Earnings before taxes | 63 | 50 | 193 | 137 | 285 | 229 |
| Adjustment for items not included in cash flow | 9 | –8 | 45 | 4 | 62 | 21 |
| Tax paid | –18 | –9 | –62 | –46 | –65 | –50 |
| Changes in working capital | –68 | –52 | –50 | –35 | –55 | –41 |
| **Cash flow from operating activities** | **–15** | **–20** | **126** | **60** | **227** | **160** |
| **Investing activities** | | | | | | |
| Acquisition of subsidiaries and businesses | –30 | –22 | –284 | –241 | –469 | –426 |
| Divestment of subsidiaries | – | – | 4 | – | 4 | – |
| Other | –1 | 0 | –3 | –1 | –5 | –3 |
| **Cash flow from investing activities** | **–31** | **–22** | **–282** | **–241** | **–470** | **–429** |
| **Financing activities** | | | | | | |
| New issue | – | 4 | 52 | 43 | 86 | 76 |
| Other capital contributions | 0 | – | 0 | 8 | 0 | 8 |
| New loans | 0 | –1 | 185 | 646 | 284 | 745 |
| Repayment of loan | 0 | 0 | –103 | –441 | –161 | –499 |
| Dividends | 0 | – | –52 | – | –52 | – |
| **Cash flow from financing activities** | **0** | **3** | **81** | **256** | **155** | **329** |
| Cash flow for the period | –46 | –40 | –74 | 74 | –88 | 60 |
| Cash and cash equivalents at the beginning of the period | 200 | 265 | 211 | 155 | 226 | 155 |
| Translation differences in cash and cash equivalents | –4 | 1 | 14 | –3 | 13 | –4 |
| **Cash and cash equivalents at the end of the period** | **151** | **226** | **151** | **226** | **151** | **211** |

# Condensed Parent Company income statement

| AMOUNTS IN SEK M | July-Sept 2018 | July-Sept 2017 | Jan-Sept 2018 | Jan-Sept 2017 | 12-months rolling 2017/2018 | Jan-Dec 2017 |
|---|---|---|---|---|---|---|
| Net sales | 10 | 2 | 18 | 6 | 28 | 15 |
| Operating expenses | –4 | –6 | –16 | –27 | –21 | –32 |
| **Operating profit/loss** | **6** | **–4** | **2** | **–21** | **6** | **–17** |
| Net financial items | –1 | –1 | –2 | –3 | –3 | –4 |
| **Earnings before taxes** | **6** | **–5** | **0** | **–24** | **3** | **–21** |
| Tax | 6 | – | 6 | – | 6 | – |
| **Earnings for the period** | **12** | **–5** | **6** | **–24** | **9** | **–21** |

# Condensed Parent Company balance sheet

| AMOUNTS IN SEK M | 30 Sept 2018 | 30 Sept 2017 | 31 Dec 2017 |
|---|---|---|---|
| Shares in subsidiaries | 1,315 | 1,290 | 1,290 |
| Deferred tax receivable | 6 | – | – |
| **Total non-current assets** | **1,321** | **1,290** | **1,290** |
| Other current assets | 9 | 6 | 9 |
| Cash and cash equivalents | 22 | 8 | 46 |
| **Total current assets** | **31** | **14** | **55** |
| **Total assets** | **1,352** | **1,304** | **1,346** |
| Equity | 1,203 | 1,161 | 1,198 |
| **Total equity** | **1,203** | **1,161** | **1,198** |
| Non-current liabilities | 141 | 141 | 141 |
| Accounts payable | 0 | 0 | 1 |
| Other current liabilities | 3 | 0 | 4 |
| Accrued expenses and deferred income | 3 | 2 | 2 |
| **Total liabilities** | **148** | **143** | **148** |
| **Total equity and liabilities** | **1,352** | **1,304** | **1,346** |

# Quarterly data

| AMOUNTS IN SEK M | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 | Q4 2016 |
|---|---|---|---|---|---|---|---|---|
| Net sales | 998 | 1,174 | 979 | 935 | 708 | 781 | 689 | 777 |
| Growth in net sales, % | 40.8 | 50.2 | 42.2 | 20.3 | 27.3 | 30.5 | 45.2 | 59.7 |
| EBIT | 68 | 100 | 39 | 94 | 52 | 61 | 37 | 58 |
| EBITA | 68 | 100 | 39 | 94 | 52 | 61 | 37 | 58 |
| EBITDA | 70 | 102 | 41 | 96 | 54 | 62 | 38 | 60 |
| Adjusted EBITA | 74 | 107 | 72 | 101 | 48 | 69 | 45 | 61 |
| Adjusted EBITDA | 77 | 109 | 74 | 103 | 50 | 71 | 46 | 63 |
| EBIT margin, % | 6.8 | 8.5 | 4.0 | 10.0 | 7.4 | 7.8 | 5.3 | 7.4 |
| EBITA margin, % | 6.8 | 8.5 | 4.0 | 10.0 | 7.4 | 7.8 | 5.3 | 7.4 |
| EBITDA margin, % | 7.0 | 8.7 | 4.2 | 10.2 | 7.6 | 8.0 | 5.5 | 7.7 |
| Adjusted EBITA margin, % | 7.5 | 9.1 | 7.3 | 10.8 | 6.8 | 8.9 | 6.5 | 7.8 |
| Adjusted EBITDA margin, % | 7.7 | 9.3 | 7.5 | 11.0 | 7.0 | 9.1 | 6.7 | 8.1 |
| Working capital | 71 | –24 | –14 | –1 | 15 | –26 | –69 | –17 |
| Interest-bearing net debt | 588 | 538 | 493 | 446 | 392 | 346 | 302 | 241 |
| Cash conversion % | 10 | 115 | 100 | 93 | –5 | 42 | 224 | 116 |
| Gearing ratio, % | 59.4 | 57.1 | 55.7 | 56.2 | 55.9 | 52.8 | 49.5 | 43.5 |
| Net debt/in relation to adjusted EBITDA, times | 1.6 | 1.6 | 1.7 | 1.8 | 1.7 | 1.8 | 1.7 | 1.5 |
| Order backlog | 3,724 | 3,875 | 3,736 | 3,194 | 2,611 | 2,496 | 2,189 | 1,999 |
| Average number of employees | 2,067 | 2,039 | 1,943 | 1,781 | 1,594 | 1,578 | 1,466 | 1,240 |
| Number of employees at the end of the period | 2,139 | 2,119 | 1,985 | 1,844 | 1,631 | 1,590 | 1,470 | 1,295 |

## Reconciliation of key figures not defined in accordance with IFRS

The Company presents certain financial measures in the interim report, which are not defined under IFRS. The Company believes that these measures provide useful supplemental information to investors and the company's management, since they allow for the evaluation relevant trends. Instalco's definitions of these measures may differ from other companies using the same terms. These financial measures should therefore be viewed as a supplement, rather than as a replacement for measures defined under IFRS. Presented below are definitions of measures that are not defined under IFRS and which are not mentioned elsewhere in the interim report. Reconciliation of these measures is provided in the table, below. For definitions of key figures, see page 21.

**Earnings measures and margin measures**

| Amounts in SEK m | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 | Q4 2016 |
|---|---|---|---|---|---|---|---|---|
| **(A) Operating profit/loss (EBIT)** | 68 | 100 | 39 | 94 | 52 | 61 | 37 | 58 |
| Depreciation/amortisation and impairment of acquisition-related intangible assets | 0 | 0 | 0 | – | – | – | – | – |
| **(B) EBITA** | 68 | 100 | 39 | 94 | 52 | 61 | 37 | 58 |
| Depreciation/amortisation and impairment of property, plant and equipment and intangible assets | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 2 |
| **(C) EBITDA** | 70 | 102 | 41 | 96 | 54 | 62 | 38 | 60 |
| | | | | | | | | |
| **Items affecting comparability** | | | | | | | | |
| Additional consideration | 6 | 4 | 0 | 7 | –9 | –16 | 4 | – |
| Acquisition costs | 1 | 3 | 3 | 1 | 2 | 4 | 2 | 1 |
| Costs associated with refinancing | – | – | – | – | – | – | 1 | 1 |
| Listing costs | – | – | – | – | 2 | 20 | 2 | 1 |
| Loss on divestment of subsidiaries | – | 0 | 30 | – | – | – | – | – |
| **Total, items affecting comparability** | 7 | 7 | 33 | 7 | –4 | 8 | 8 | 3 |
| **(D) Adjusted EBITA** | 74 | 107 | 72 | 101 | 48 | 69 | 45 | 61 |
| **(E) Adjusted EBITDA** | 77 | 109 | 74 | 103 | 50 | 71 | 46 | 63 |
| **(F) Net sales** | 998 | 1174 | 979 | 935 | 708 | 781 | 689 | 777 |
| | | | | | | | | |
| *(A/F) EBIT margin, %* | *6.8* | *8.5* | *4.0* | *10.0* | *7.4* | *7.8* | *5.3* | *7.4* |
| *(B/F) EBIT margin, %* | *6.8* | *8.5* | *4.0* | *10.0* | *7.4* | *7.8* | *5.3* | *7.4* |
| *(C/F) EBIT margin, %* | *7.0* | *8.7* | *4.2* | *10.2* | *7.6* | *8.0* | *5.5* | *7.7* |
| *(D/F) Adjusted EBITA margin, %* | *7.5* | *9.1* | *7.3* | *10.8* | *6.8* | *8.9* | *6.5* | *7.8* |
| *(E/F) Adjusted EBITDA margin, %* | *7.7* | *9.3* | *7.5* | *11.0* | *7.0* | *9.1* | *6.7* | *8.1* |

Capital structure

| Amounts in SEK m | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 | Q4 2016 |
|---|---|---|---|---|---|---|---|---|
| **Calculation of working capital and working capital in relation to net sales** | | | | | | | | |
| Inventories | 23 | 23 | 20 | 14 | 9 | 10 | 10 | 6 |
| Accounts receivable | 684 | 666 | 597 | 549 | 457 | 416 | 353 | 404 |
| Earned, but not yet invoiced revenue | 210 | 248 | 178 | 142 | 144 | 117 | 115 | 57 |
| Prepaid expenses and accrued income | 43 | 47 | 47 | 61 | 31 | 23 | 24 | 38 |
| Other current assets | 52 | 54 | 41 | 38 | 35 | 36 | 20 | 10 |
| Accounts payable | –349 | –371 | –329 | –262 | –249 | –231 | –223 | –212 |
| Invoiced, but not yet earned income | –172 | –203 | –140 | –136 | –137 | –116 | –98 | –63 |
| Other current liabilities | –195 | –241 | –187 | –180 | –105 | –82 | –54 | –46 |
| Accrued expenses and deferred income, including provisions | –226 | –247 | –241 | –226 | –170 | –199 | –215 | –210 |
| **(A) Working capital** | **71** | **–24** | **–14** | **–1** | **15** | **–26** | **–69** | **–17** |
| | | | | | | | | |
| (B) Net sales (12-months rolling) | 4,086 | 3,797 | 3,404 | 3,114 | 2,956 | 2,804 | 2,621 | 2,407 |
| **(A/B) Working capital as a percentage of net sales, %** | **1.7** | **–0.6** | **–0.4** | **0.0** | **0.5** | **–0.9** | **–2.6** | **–0.7** |
| | | | | | | | | |
| **Calculation of interest-bearing net debt and gearing ratio** | | | | | | | | |
| Non-current, interest-bearing financial liabilities | 739 | 739 | 694 | 657 | 618 | 615 | 493 | 392 |
| Current, interest-bearing financial liabilities | – | – | – | 0 | – | – | 8 | 8 |
| Short-term investments | – | – | – | – | 0 | –4 | –4 | –4 |
| Cash and cash equivalents | –151 | –200 | –202 | –211 | –226 | –265 | –194 | –155 |
| **(A) Interest-bearing net debt** | **588** | **538** | **493** | **446** | **392** | **346** | **302** | **241** |
| | | | | | | | | |
| (B) Equity | 990 | 942 | 884 | 793 | 702 | 656 | 611 | 553 |
| **(A/B) Gearing ratio, %** | **59.4** | **57.2** | **55.7** | **56.2** | **55.9** | **52.8** | **49.5** | **43.4** |
| | | | | | | | | |
| (C) EBITDA (12-months rolling) | 309 | 293 | 253 | 250 | 214 | 172 | 159 | 144 |
| **(A/C) Interest-bearing net debt in relation to EBITDA (12-months rolling)** | **1.9 times** | **1.8 times** | **1.9 times** | **1.8 times** | **1.8 times** | **2.0 times** | **1.9 times** | **1.7 times** |
| | | | | | | | | |
| **Calculation of operating cash flow and cash conversion** | | | | | | | | |
| (A) Adjusted EBITDA | 77 | 109 | 74 | 103 | 50 | 71 | 46 | 63 |
| Net investments in property, plant and equipment and intangible assets | –1 | –2 | 0 | –2 | 0 | –1 | 0 | 5 |
| Changes in working capital | –68 | 18 | 0 | –5 | –52 | –40 | 57 | 5 |
| **(B) Operating cash flow** | **8** | **125** | **74** | **96** | **–3** | **30** | **104** | **73** |
| | | | | | | | | |
| **(B/A) Cash conversion %** | **10** | **115** | **100** | **93** | **–5** | **42** | **226** | **116** |

# Signatures

### Future reporting dates

| | |
|---|---|
| Year-end report 2018 | 15 February 2019 |
| Interim report January-March 2019 | 8 May 2019 |
| AGM | 8 May 2019, Stockholm |
| Interim report January – June 2019 | 23 August 2019 |
| Interim Report January – September 2019 | 7 November 2019 |

Stockholm, 8 November 2018
Instalco Intressenter AB (publ)

Per Sjöstrand
CEO

This report has been reviewed by the company's auditors.

### Presentation of the report

The report will be presented during a telephone conference/audiocast today, 8 November at 14.00 CET via https://tv.streamfabriken.com/instalco-q3-2018. To participate by phone, call: +46 (0)8-5664 26 62.

### Note

This information is information that Instalco is required to disclose under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was made public by the contact person listed below, on 8 November 2018 at 12:00 CET.

### Additional information

Per Sjöstrand, CEO per.sjostrand@instalco.se +46 70-724 51 49
Lotta Sjögren CFO lotta.sjogren@instalco.se +46 70-999 62 44

# Auditor’s review report

*Auditor's report on review of condensed interim financial information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act (1995:1554).*

*Instalco Intressenter AB (publ)*
*CIN 559015-8944*

## Introduction

We have conducted a review of the condensed interim financial information (interim report) for Instalco Intressenter AB as of 30 September 2018 and for the nine-month period that ended on that date. The Board of Directors and CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Focus and scope of the review

We conducted the review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information conducted by the company’s independent auditor. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical review and taking other review procedures. A review has a different focus and is substantially less in scope compared to the focus and scope of an audit in accordance with ISA and generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a review does not therefore give the same level of assurance as a conclusion based on an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report for the Group, has not, in all material respects, been prepared in accordance with IAS 34 and the Annual Accounts Act and, for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, 8 November 2018

Grant Thornton Sweden AB

Jörgen Sandell
Authorised Public Accountant

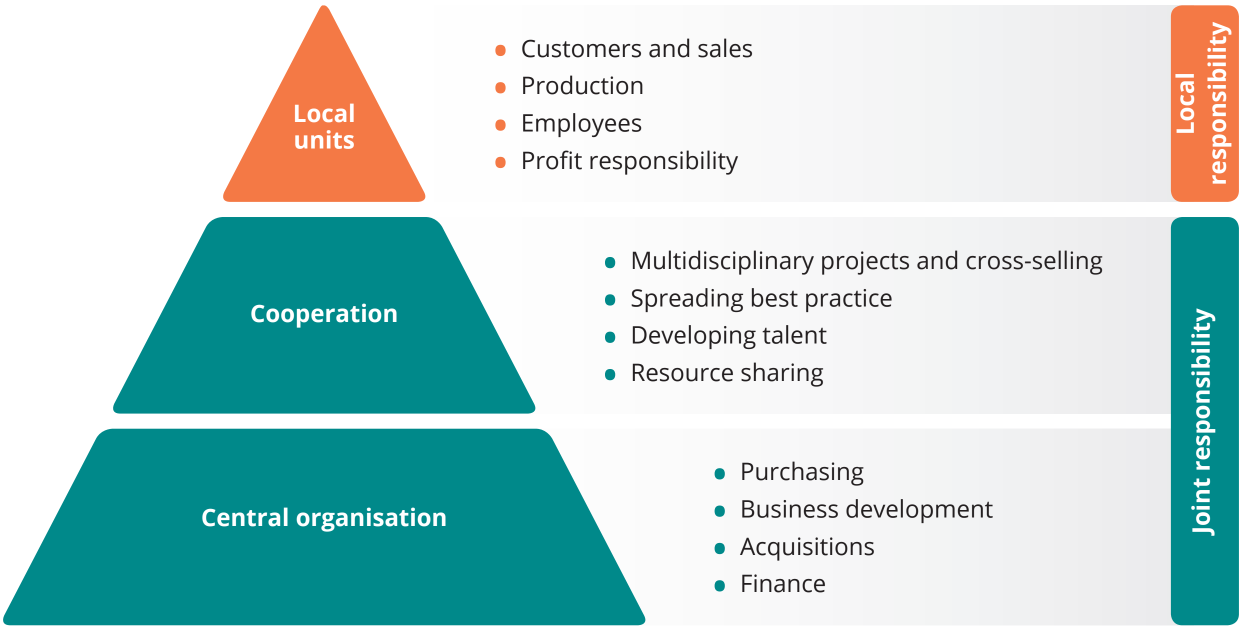
# Definitions with explanation

| **General** | Unless otherwise indicated, all amounts in the tables are in SEK m. All amounts in parentheses () are comparison figures for the same period in the prior year, unless otherwise indicated. | |
|---|---|---|
| **Key figures** | **Definition/calculation** | **Purpose** |
| Growth in net sales | Change in net sales as a percentage of net sales in the comparable period, prior year. | The change in net sales reflects the Groups realised sales growth over time. |
| Organic growth in net sales | The change in net sales for comparable units after adjustment for acquisition and currency effects, as a percentage of net sales during the comparison period. | Organic growth in net sales does not include the effects of changes in the Group's structure and exchange rates, which enables a comparison of net sales over time. |
| Acquired growth in net sales | Change in net sales as a percentage of net sales during the comparable period, fuelled by acquisitions. Acquired net sales is defined as net sales during the period that are attributable to companies that were acquired during the last 12-month period and for these companies, the only amounts that are considered as acquired net sales are their sales up until 12 months after the acquisition date. | Acquired net sales growth reflects the acquired units' impact on net sales. |
| EBIT margin | Operating profit/loss (EBIT), as a percentage of net sales. | EBIT margin is used to measure operational profitability. |
| EBITA | Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets. | EBITA provides an overall picture of the profit generated from operating activities. |
| EBITA margin | Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets, as a percentage of net sales. | EBIT margin is used to measure operational profitability. |
| EBITDA | Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets and depreciation/amortisation and impairment of property, plant and equipment and intangible assets | EBITDA, together with EBITA provides an overall picture of the profit generated from operating activities. |
| EBITDA margin | Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets and depreciation/amortisation and impairment of property, plant and equipment and intangible assets, as a percentage of net sales. | EBITDA margin is used to measure operational profitability. |
| Items affecting comparability | Items affecting comparability, like additional consideration, acquisition costs, the costs associated with refinancing, listing costs and<br><br>sponsorship costs. | By excluding items affecting profitability, it is easier to compare earnings between periods. |
| Adjusted EBITA | EBITA adjusted for items affecting comparability. | Adjusted EBITA increases comparability of EBITA. |
| Adjusted EBITA margin | EBITA adjusted for items affecting comparability, as a percentage of net sales. | Adjusted EBITA margin, excluding the effect of items affecting comparability, which facilitates a comparison of the underlying operational profitability. |
| Adjusted EBITDA | EBITDA adjusted for items affecting comparability. | Adjusted EBITDA increases comparability of EBITDA. |
| Adjusted EBITDA margin | EBITDA adjusted for items affecting comparability, as a percentage of net sales. | Adjusted EBITDA margin, excluding the effect of items affecting comparability, which facilitates a comparison of the underlying operational profitability. |
| Operating cash flow | Adjusted EBITDA less investments in property, plant and equipment and intangible assets, along with an adjustment for cash flow from change in working capital. | Operating cash flow is used to monitor the cash flow generated from operating activities. |
| Cash conversion | Operating cash flow as a percentage of adjusted EBITDA | Cash conversion is used to monitor how effective the Group is in managing ongoing investments and working capital. |

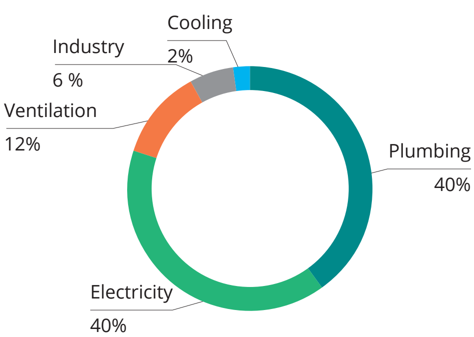
| Key figures | Definition/calculation | Purpose |
|---|---|---|
| Working capital | Inventories, accounts receivable, earned but not yet invoiced income, prepaid expenses and accrued income and other current assets, less accounts payable, invoiced but not yet earned income, accrued expenses and deferred income and other current liabilities. | Working capital is used to measure the company's ability to meet short-term capital requirements. |
| Working capital as a percentage of net sales | Working capital at the end of the period as a percentage of net sales on a 12-month rolling basis. | Working capital as a percentage of net sales is used to measure the extent to which working capital is tied up. |
| Interest-bearing net debt | Non-current and current interest bearing liabilities less cash and other short-term investments. | Interest-bearing net debt is used as a measure that shows the Groups total debt. |
| Net debt in relation to adjusted EBITDA | Net debt at end of period divided by adjusted EBITDA, on a 12-month rolling basis. | Net debt in relation to adjusted EBITDA provides an estimate of the company's ability to reduce its debt. It represents the number of years it would take to pay back the debt if the net debt and adjusted EBITDA is kept constant, without taking into account the cash flows relating to interest, taxes and invest-ments. |
| Gearing ratio | Interest-bearing net debt as a percentage of total equity. | Gearing ratio measures the extent to which the Group is financed by loans. Because cash and other short-term investments can be used to pay off the debt on short notice, net debt is used instead of gross debt in the calculation. |
| Order backlog | The value of outstanding, not yet accrued project reve-nue from received orders at the end of the period. | Order backlog provides an indication of the Group's remaining project revenue from orders already received. |

# Instalco in brief

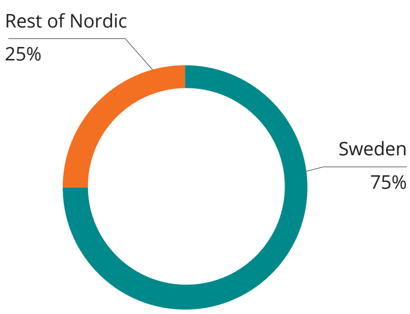
*Instalco has a decentralised structure, where operations are conducted in each unit, in close cooperation with customers and with the support of a very streamlined central organisation. The Instalco model is designed to benefit from the advantages of both strong local ties and joint functions.*




**NET SALES BY AREA OF OPERATION**




**NET SALES BY MARKET AREA**





INSTALCO
Instalco Intressenter AB (publ)
Lilla Bantorget 11
111 23 Stockholm
info@instalco.se